

A wide-angle photograph of a sugarcane field at sunset. The sun is low on the horizon, creating a bright orange and yellow glow that transitions into a blue and purple sky filled with scattered clouds. In the foreground, rows of young sugarcane plants are visible, with some taller, more mature stalks in the middle ground. A dirt road runs along the right side of the field, leading towards the horizon where a tractor is visible. The overall scene is peaceful and agricultural.

# Tereos

March 2023

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# Tereos at a glance

# TEREOS AT A GLANCE: A COOPERATIVE GROUP AND GLOBAL LEADER IN AGRIBUSINESS

## KEY FACTS<sup>1</sup>

- #4 Sugar Global
- #2 Ethanol Europe
- #3 Sugar Brazil
- #3 Starch & Sweeteners Europe
- #2 Wheat Protein Europe

## WHAT WE PROCESS



## WHAT WE PRODUCE AND OUR END MARKETS



Consolidated Revenues LTM Dec-22

**€6.2bn**

Consolidated Adj. EBITDA LTM Dec-22

**€1,027m**

**~14,700**

EMPLOYEES

**~11,200**

COOPERATIVE MEMBERS IN FRANCE OWNING SHARE CAPITAL AND SUPPLYING RAW MATERIALS

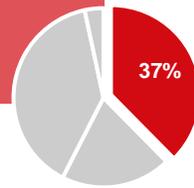
**43**

OPERATING FACILITIES<sup>2</sup>

# THREE COMPLEMENTARY BUSINESS PILLARS WITH A UNIQUE APPROACH TO MANAGING CYCLICALITY...

## CYCLICAL MARKETS

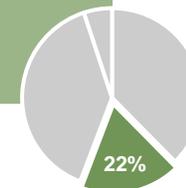
### SUGAR & RENEWABLES EUROPE



- €2.3bn revenue<sup>1</sup>
- Processing sugar beet into sugar, alcohol and bioethanol
- Processing sugar beet pulps and alfalfa into animal nutrition products



### SUGAR & RENEWABLES INTERNATIONAL

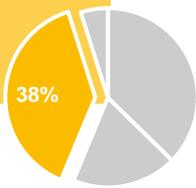


- €1.4bn revenue<sup>1</sup>
- Cultivating and processing sugarcane into raw and refined sugar and ethanol
- Focus on export



## STABLE MARKETS

### STARCH, SWEETENERS & RENEWABLES



- €2.4bn revenue<sup>1</sup>
- Producing alcohol and ethanol, starches and sweeteners, plant-based proteins and animal nutrition products by processing cereal, corn and tubers



# RENEWED LONG-TERM CSR ROADMAP BUILT ON 5 PILLARS AND 10 ACTIONABLE BUILDING BLOCKS



*Reduce gross CO2 emissions in Europe by 30% (vs 2015) & Reduce water consumption by 20% (vs 2017)*

*Tereos committed to STBi methodology in November 2022 to accelerate its agricultural & ecological transition*

FIVE PILLARS

TEN BUILDING BLOCKS

**SUSTAINABLE AGRICULTURE**

- 1 Improve farm performance

**PROTECTION OF THE ENVIRONNEMENT**

- 2 Contribute to the protection of biodiversity
- 3 Optimize resources

**POSITIVE INDUSTRY & DECARBONISATION**

- 4 Promote energy efficiencies & low-carbon energy
- 5 Optimize water consumption

**RESPONSIBLE, HEALTHY AND QUALITY NUTRITION**

- 6 Become a partner of reference on nutritional reformulation
- 7 Promote responsible consumption, through a sugar education program

**EMPLOYEES & LOCAL DEVELOPMENT**

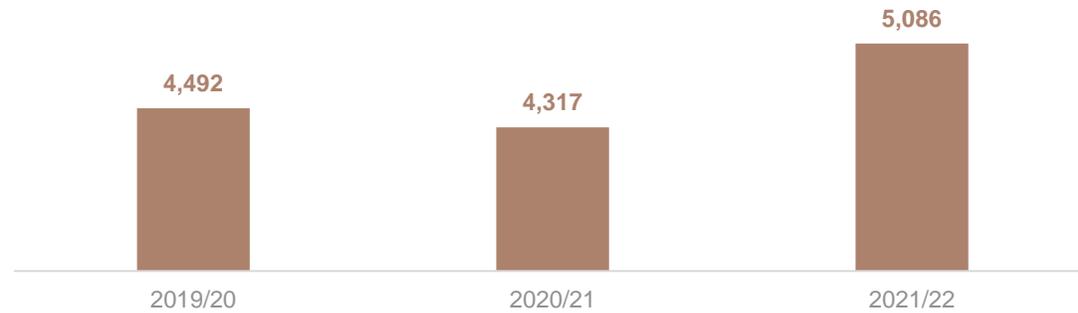
- 8 Ensure safety and well-being of our employees and partners
- 9 Promote diversity and ensure gender equality
- 10 Support local development through our industrial presence and raw materials from local agriculture

# 2

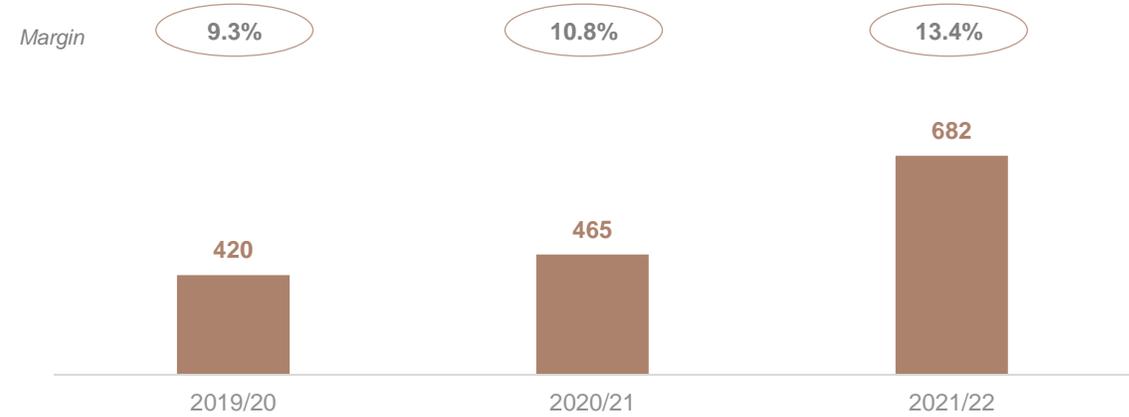
## Financial performance

# KEY HISTORICAL FINANCIAL HIGHLIGHTS

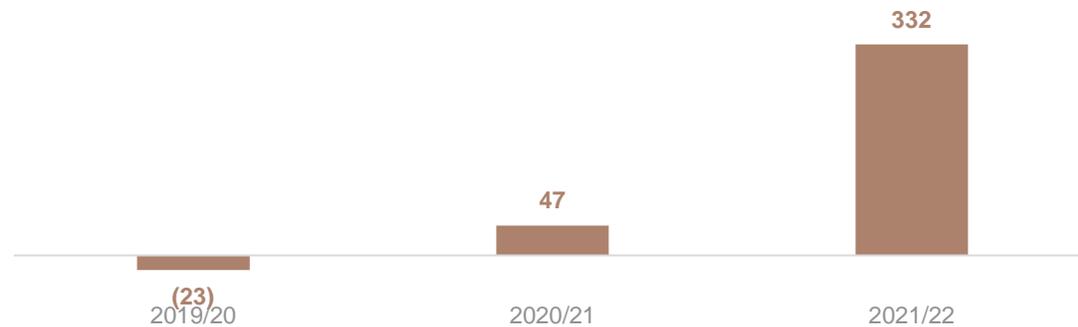
Revenue (€m)



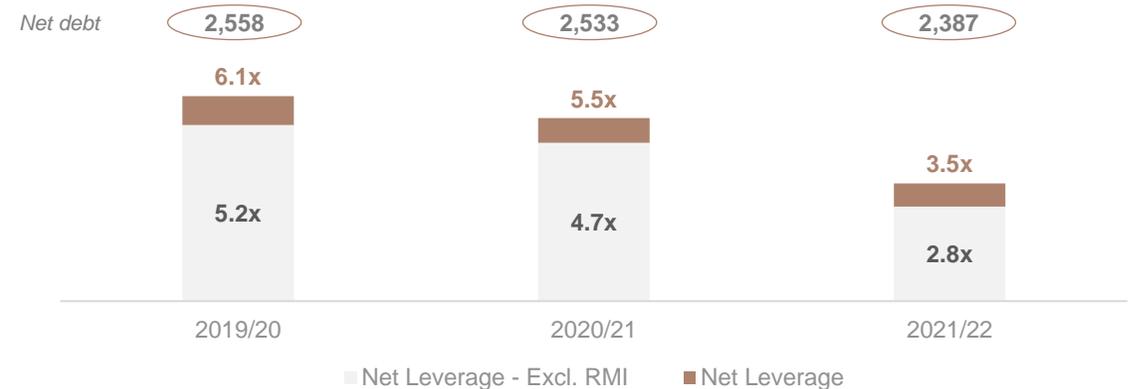
EBITDA (€m)



FCF (€m)



Net debt (€m) / Net leverage & Net leverage excl. RMI<sup>1</sup> (x)



# KEY DECEMBER 2022 FIGURES

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12-MONTH (LTM)  
ADJUSTED EBITDA

**€1,027m**

9-MONTH REVENUES

**€4,778m**

+32% YOY at  
constant foreign exchange rate  
(+35% at current foreign  
exchange rate)

9-MONTH RECURRING EBIT

**€447m**

+203% YOY at  
constant foreign exchange rate  
(+214% at current foreign  
exchange rate)

DECREASING LEVERAGE  
(VS. MARCH)

**2.8x**

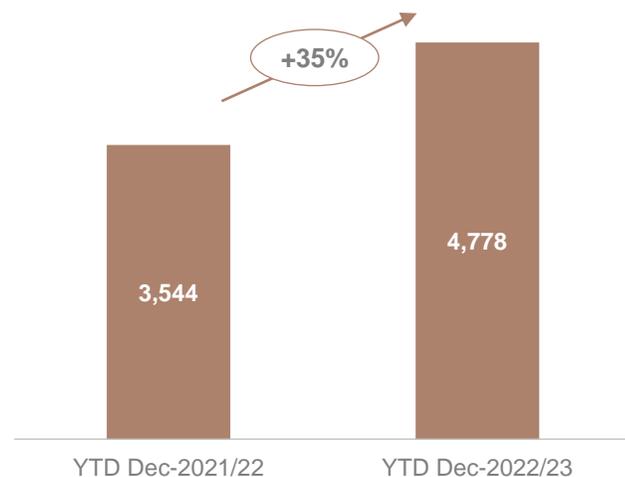


# 9M 22/23: SOLID AND CONTINUOUS RESULTS IMPROVEMENT

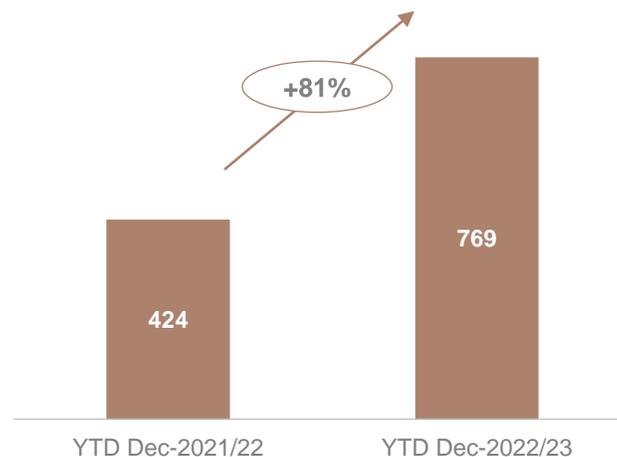
Income statement	Q3		% Change		9M		% Change		
	€ m	21/22	22/23	Current Rate	Constant Rate	21/22	22/23	Current Rate	Constant Rate
Revenues		1,345	1,804	34%	32%	3,544	4,778	35%	32%
Adjusted EBITDA		223	305	37%	27%	424	769	81%	73%
<i>Adj. EBITDA Margin</i>		16.6%	16.9%			12.0%	16.1%		
Recurring EBIT		111	181	63%	52%	142	447	214%	203%
<i>EBIT Margin</i>		8.2%	10.0%			4.0%	9.4%		

# CURRENT TRADING (31 MAR – 31 DEC 2022)

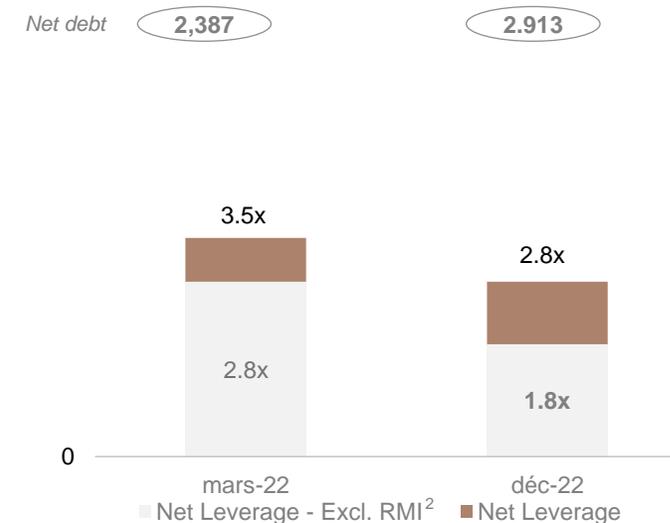
..... Revenue (€m) .....



..... EBITDA (€m) .....



..... Net debt (€m) / Net leverage<sup>1</sup> (x) .....



- **Revenue growth and EBITDA improvement:** for the nine months revenues increased by 35% compared to the same period in 2021/22, driven by higher prices across all segments, and EBITDA rose by 81% compared to the previous year, thanks to the strong performance of our commercial and cost management strategies, notably through our hedging instruments for energy and raw materials.
- **Net debt increase** as anticipated in the Group's results announcements since Q4 21/22, the sharp rise in raw materials and energy prices has automatically led to an increase in working capital and thus in the level of net debt as of the third quarter of 2022/23.

# CONTINUOUS REDUCTION IN LEVERAGE AND SOLID FINANCIAL SECURITY

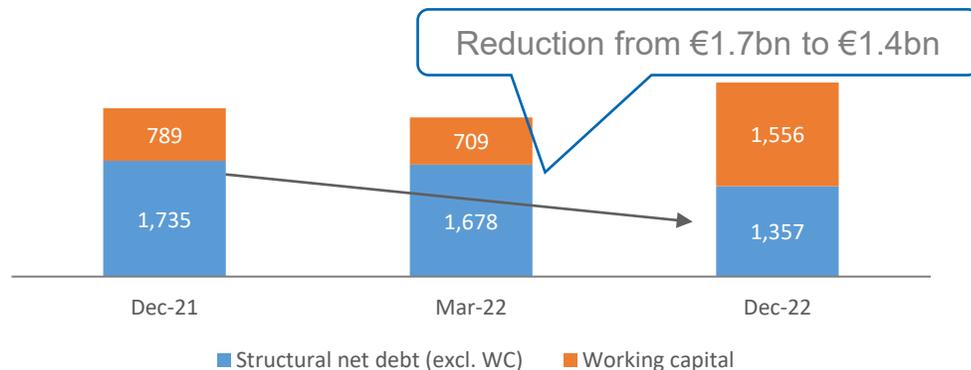
## Successful financing operation:

- Successful issuance of a new 5.3-year €350 million bond in January 2023; strong investor demand led to an upside from €300 million to €350 million. The gross proceeds of the offer will be primarily used to refinance existing bonds maturing in 2023.

## Continuous improvement in leverage and structural debt:

- Leverage reached 2.8x
- Structural net debt (net debt excluding working capital) reduced from €1.7 billion in December 2021 to €1.4 billion in December 2022

Reduction in structural net debt (€m)

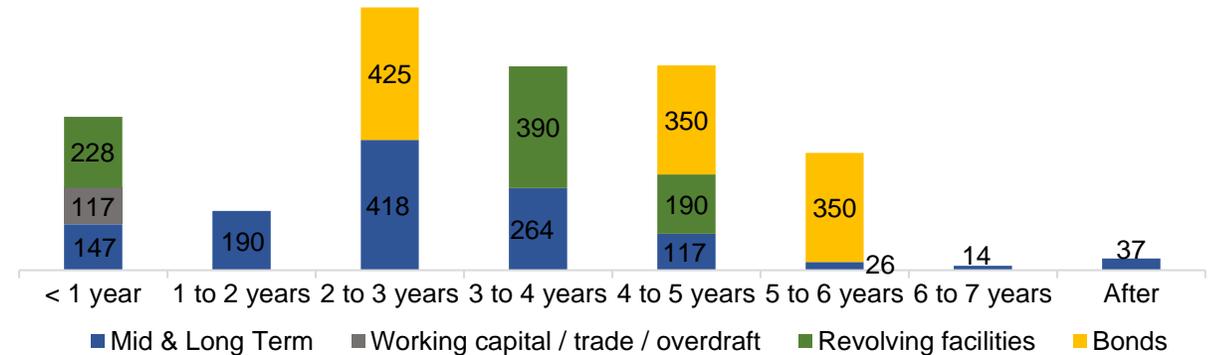


Debt maturity schedule as of December 31, 2022 (€m)

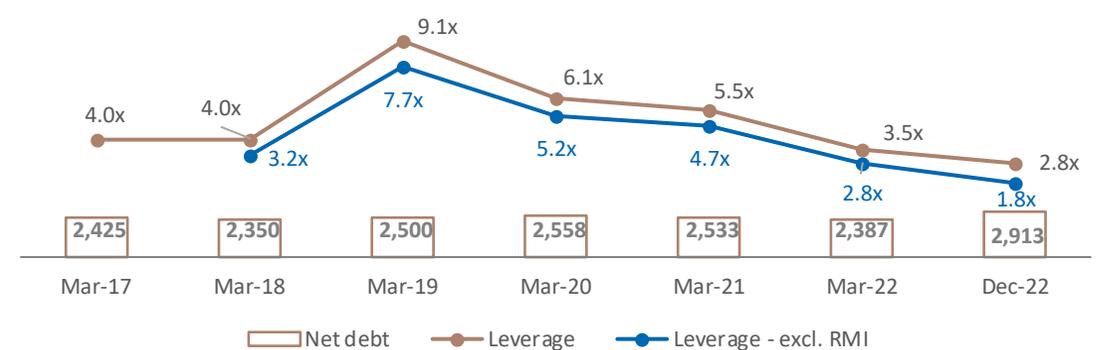
## Pro-forma of Jan 2023 issuance and 2023 bonds redemption<sup>1</sup>

Sound liquidity: €642bn:

- €442m - cash & cash equivalents
- €200m - undrawn amounts of long-term committed facilities



Net debt (€m) / Net leverage<sup>2</sup> (x)



# 3

## Strategy and perspectives

# A TWO-STEP STRATEGIC PLAN BUILT ON 3 VALUE CREATION DRIVERS

## Short-term

(Until 2024)



### BACK TO BASICS

Reaffirming the fundamentals



#### COMMERCIAL EXCELLENCE

Volume strategy  
to margin strategy



#### ORGANIZATIONAL EXCELLENCE

Prioritize the 3 pillars  
of Group's activities  
and develop synergies

**Industrial  
reorganization  
announced on  
March 8<sup>th</sup>**

## Medium-term

(From 2024)



### BACK TO GROWTH

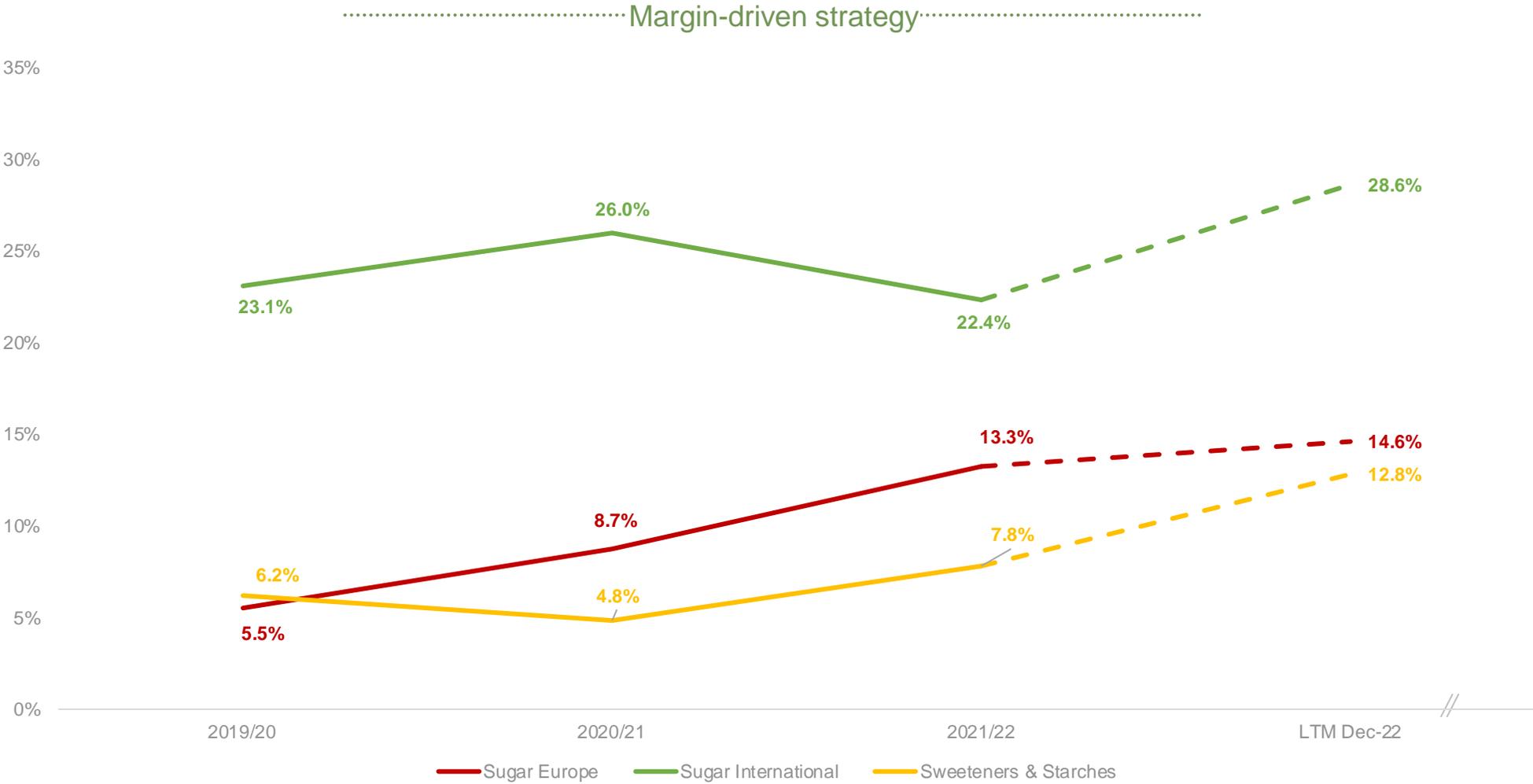
Seeking out growth drivers



#### INDUSTRIAL EXCELLENCE

Increase asset efficiency  
Strengthen capex selection  
process & expenditure control

# STRUCTURAL INCREASE IN PROFITABILITY



# ON TRACK TO ACHIEVE 2024 OPERATIONAL PERFORMANCE TARGETS

2024 Targets	 <b>5% EBIT MARGIN</b>	 <b>RECURRING GENERATION OF POSITIVE FREE CASH-FLOW</b>	 <b>NET DEBT LEVEL BELOW €2 BILLION</b>	 <b>NET LEVERAGE &lt; 3x</b>
	<b>10%</b> (LTM Dec-22)	LTM Sep-22: positive LTM Dec-22: negative, as result of WC variation	<b>€2,913m</b> (Dec-22)	<b>2.8x</b> (Dec-22)
<b>Status</b>	✓	In progress	In progress	✓
<b>Comments</b>		Main objective: Generate positive FCF regardless of inflation or WC swings	Debt reduction on track but slower progress given cost inflation and WC impacts	Continued efforts towards reducing leverage

# 4

## Market update

# WORLD SUGAR PRICES AT HIGH LEVELS

## POTENTIAL DEFICIT: RISK OF LOWER SUPPLY, RESILIENT DEMAND

Production estimates for key producers,  
2021/22-2023/24 (National crop year)

Country	Unit	2021/22	2022/23	2023/24
Australia	mn mt rv	4.1	4.2	4.2
C/S Brazil	mn mt tq	32.1	33.8	37.0
C America	mn mt rv	5.7	5.7	5.6
China	mn mt wv	9.6	9.4	9.9
EU (sugar)	mn mt wv	16.8	15.0	15.8
India	mn mt wv	35.8	33.8	34.0
NAFTA	mn mt rv	14.9	14.4	14.9
Pakistan	mn mt tq	7.8	6.6	6.9
Russia	mn mt wv	5.5	6.1	6.2
Thailand	mn mt tq	10.1	11.3	12.4
World Total	mn mt rv	189.6	187.5	195.3

World sugar balance by different crop year  
periods (mn mt, rv)

	Oct/Sep	National Crop Year	Apr/Mar
<b>2021/22</b>			
Production	186.5	189.6	188.2
Consumption	189.2	188.8	187.7
Surplus/Deficit	(2.8)	0.8	0.6
<b>2022/23</b>			
Production	192.4	187.5	188.1
Consumption	191.4	190.9	190.3
Surplus/Deficit	1.0	(3.5)	(2.2)
<b>2023/24</b>			
Production	195.0	195.3	195.0
Consumption	193.5	193.1	192.4
Surplus/Deficit	1.5	2.2	2.6

Sources: LMC World Sugar Price View presentation, March 2023.

### Sugar supply status

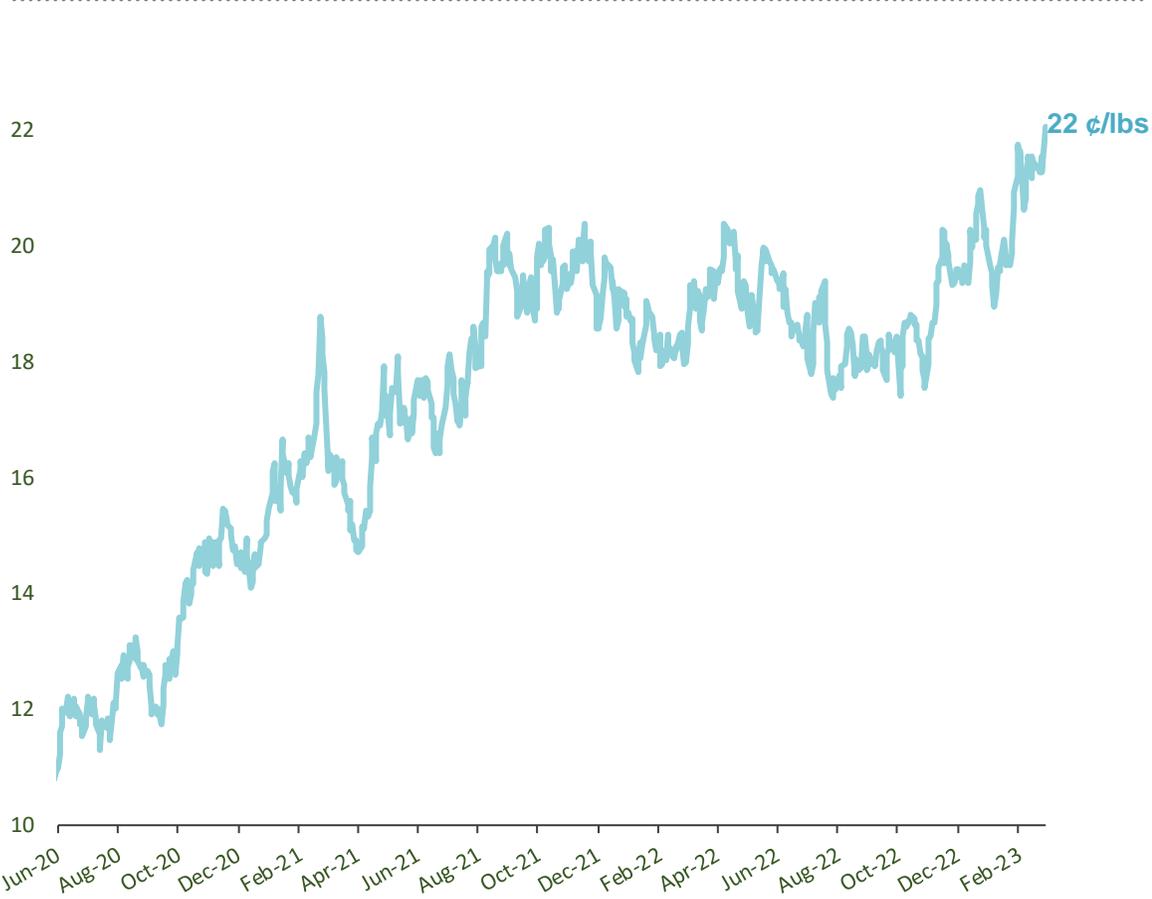
- ✓ As the Indian crop progresses, market reflects lower than expected 22/23 volumes
- ✓ Brazil 23/24e crop volumes moving up, with sugarcane recovering from 2021 drought
- ✓ Some European/CIS production flags are getting materialized
- ✓ Despite the strong price increase, demand is still resilient

### Supply & demand risks flags

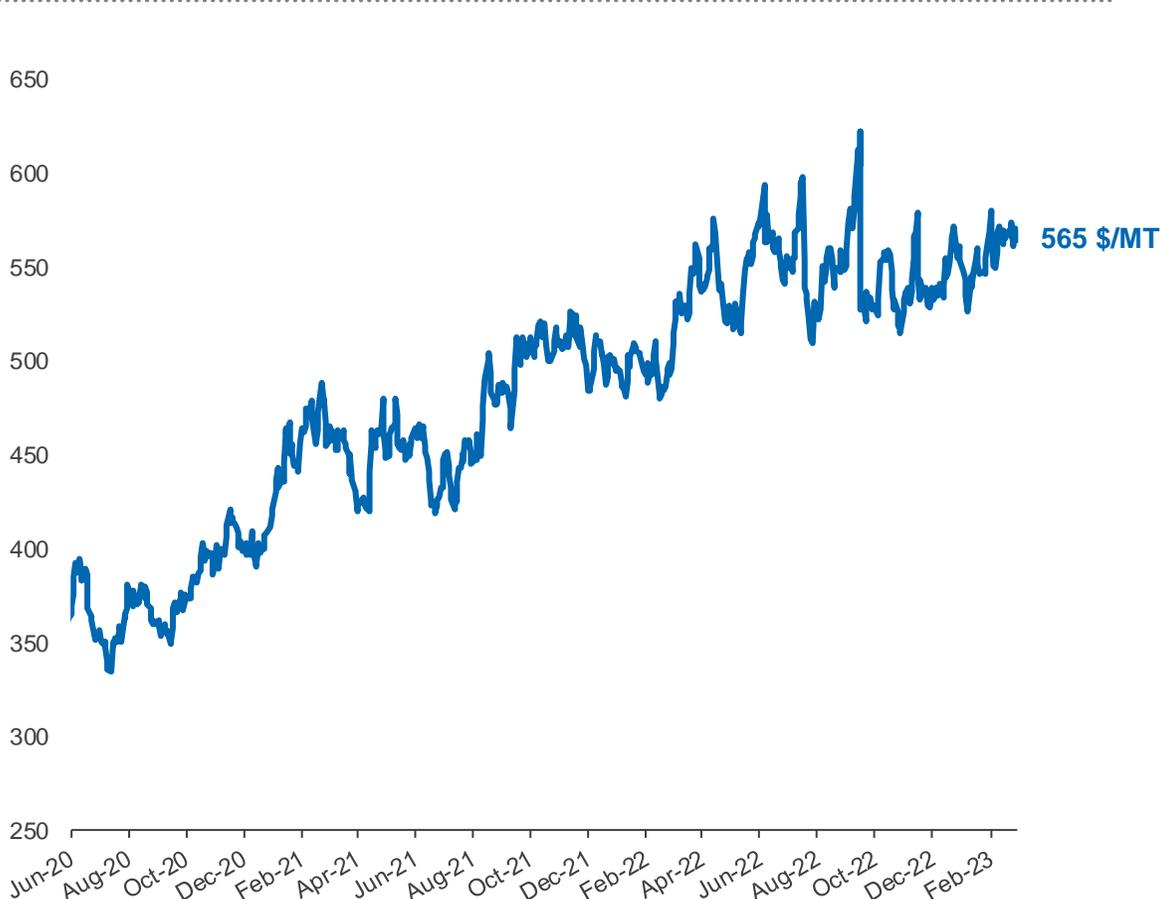
- ✓ Sugar beet in some EU countries could be negatively impacted by the drought and yellow virus
- ✓ India 22/23 production still under risk related to early end of crush in many mills (lower than expected yields); production forecasts range between 32.9 and 34.4Mton for 22/23
- ✓ India 23/24 is under risk of lower acreage given crop rotation and producers fears on increasing probability of El Nino that could lead to lower yields vs. current crop
- ✓ The Brazilian sugar export could face stronger competition with grains for terminal availability (beginning of the 23/24 crop) as grains crop volume is forecasted to increase
- ✓ Brazil 23/24 crop could show a higher sugar production driven by better yields

# WORLD SUGAR PRICES

World Sugar Index NY11 (¢/lbs)



London Sugar No. 5 (\$/MT)



Sources: Bloomberg, November 2022

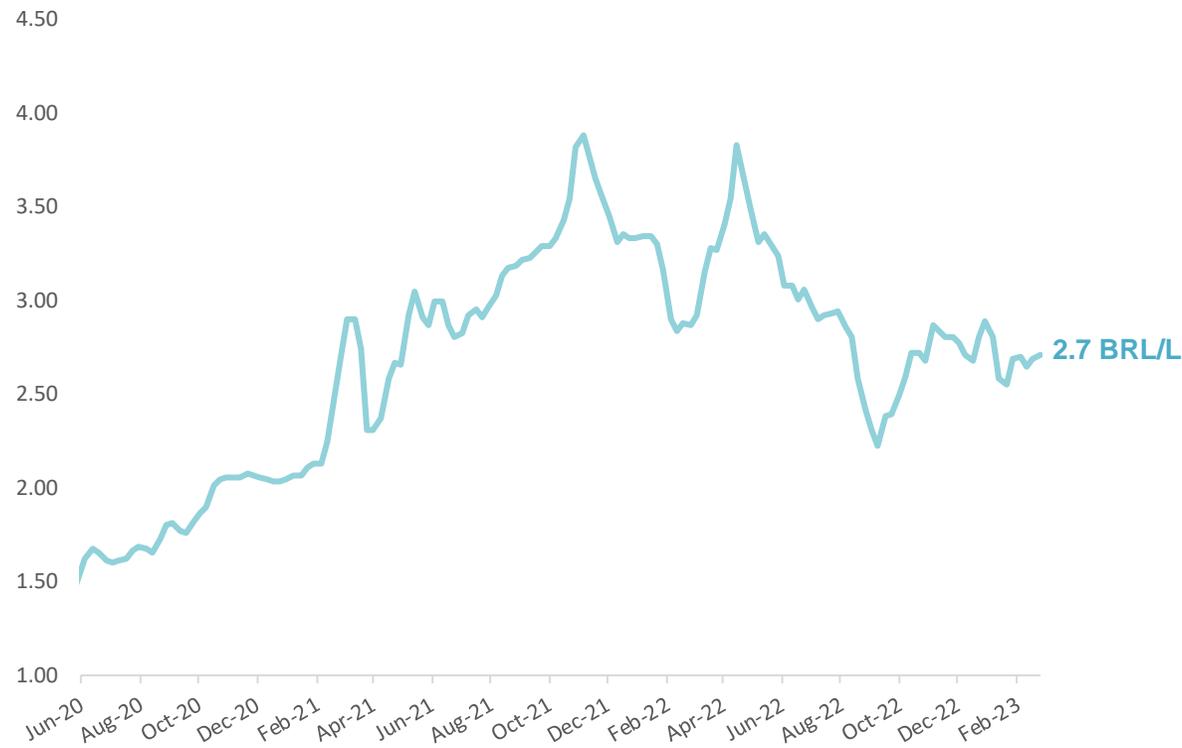


# ETHANOL PRICES SUPPORTED BY CRUDE OIL PRICES AND BIOETHANOL POLICIES



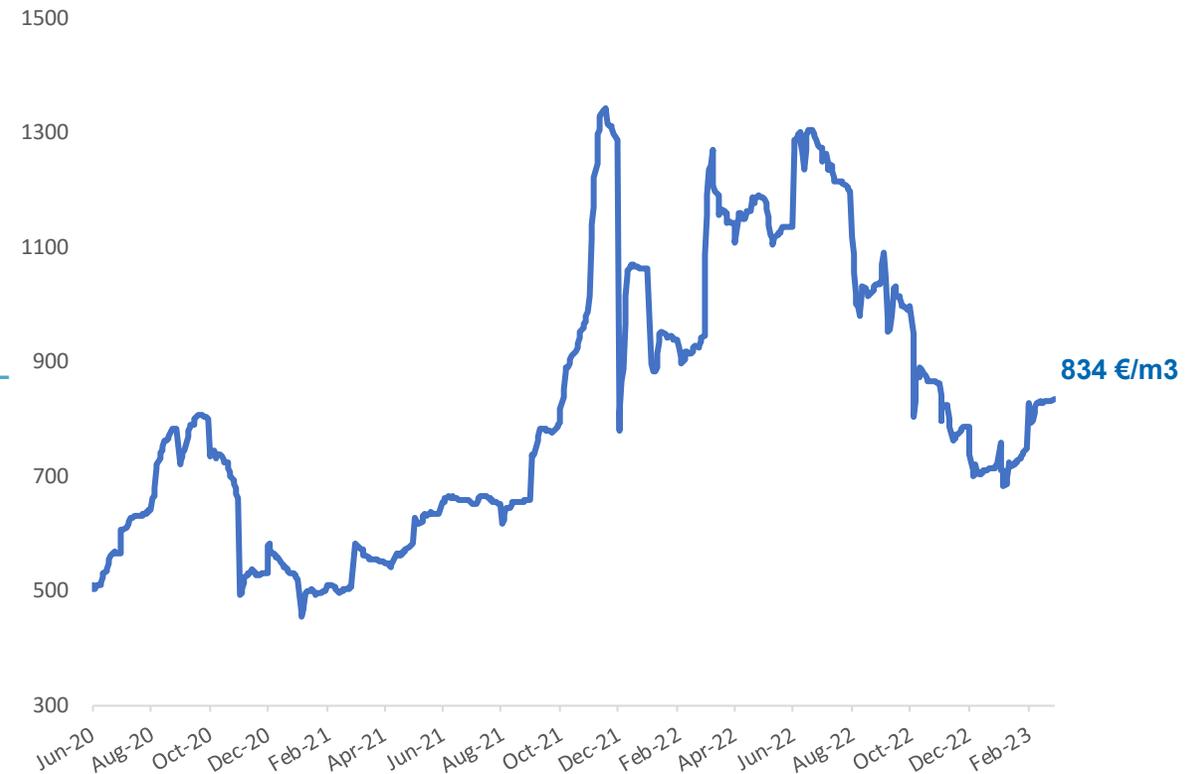
ESALQ Hydrous Ethanol (BRL/L)

Brazil



T2 Ethanol (EUR/m<sup>3</sup>)

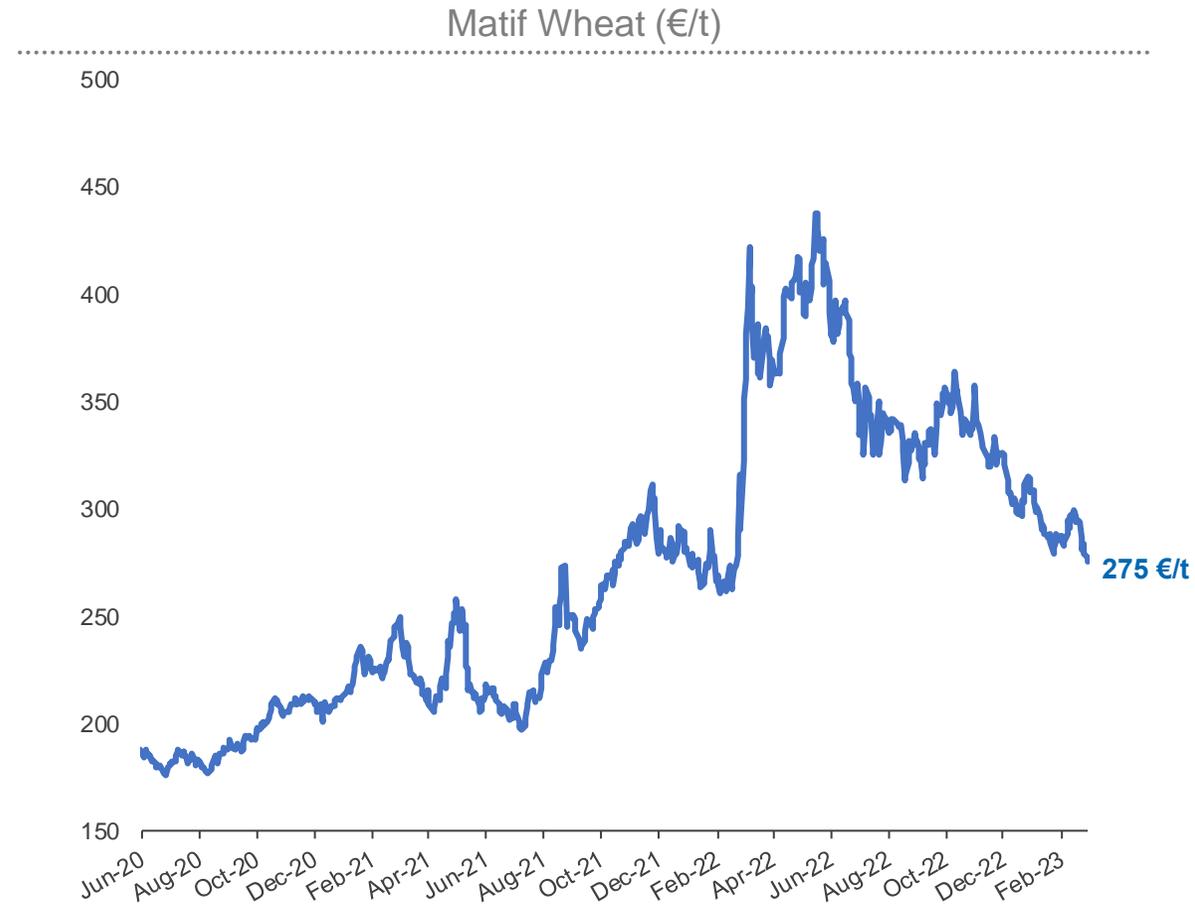
European Union



Sources: Bloomberg, November 2022

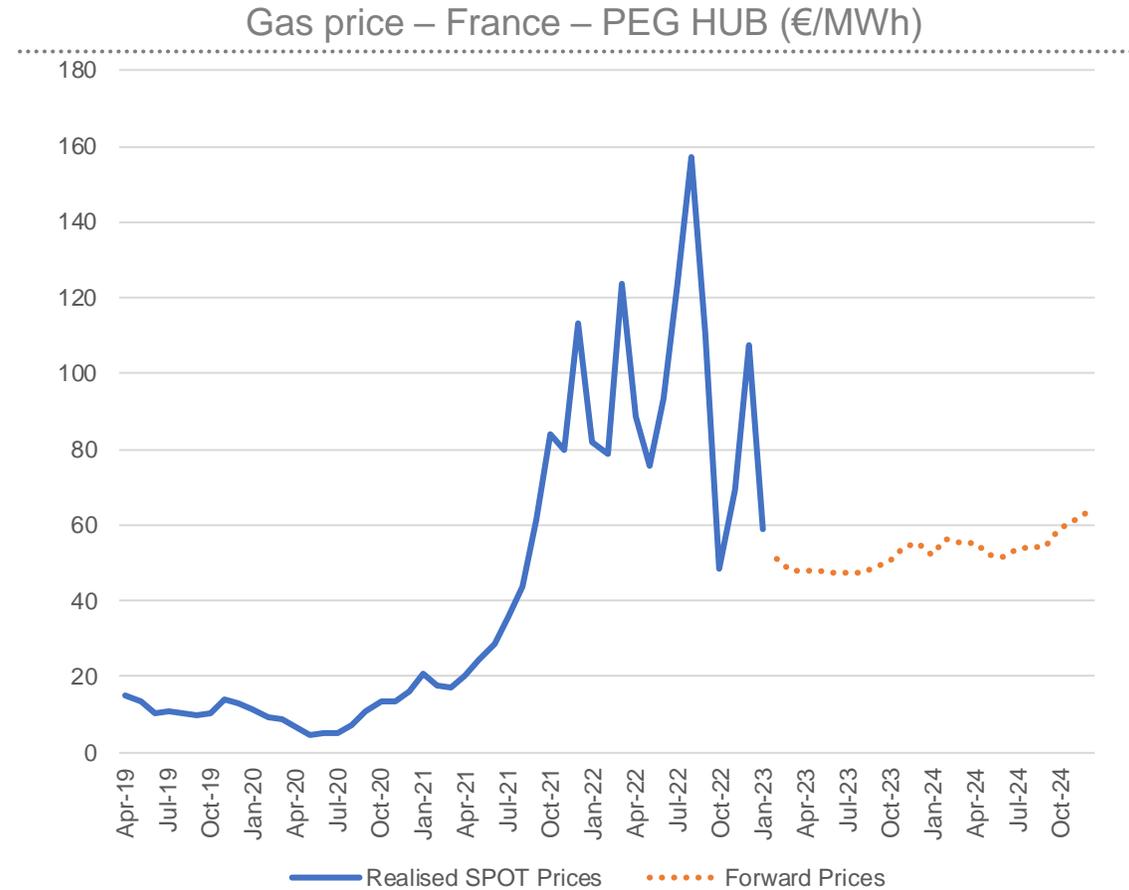


# WHEAT PRICES



Sources: Bloomberg, November 2022

# GAS PRICES



Sources: Reuters, December 2022



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