



# Tereos Full Year 2023/24 Results

May 29<sup>th</sup>, 2024

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# #1 - Results



# BUSINESS HIGHLIGHTS

## CONTINUED STRONG FINANCIAL PERFORMANCE

### FULL YEAR RESULTS AT RECORD LEVELS

#### – Strong increase on margins and cash flow YOY

- EBITDA growth of +15% YOY, reaching €1,128m
- Recurring EBIT of €836m (+26% YOY)
- Cash flow after CAPEX and before working capital variation of €+456m (vs. €+428m in 22/23)

#### – Continued progress of profitability

- EBITDA margin increased by +84bps, from 15.0% in FY 22/23 to 15.8% in FY 23/24

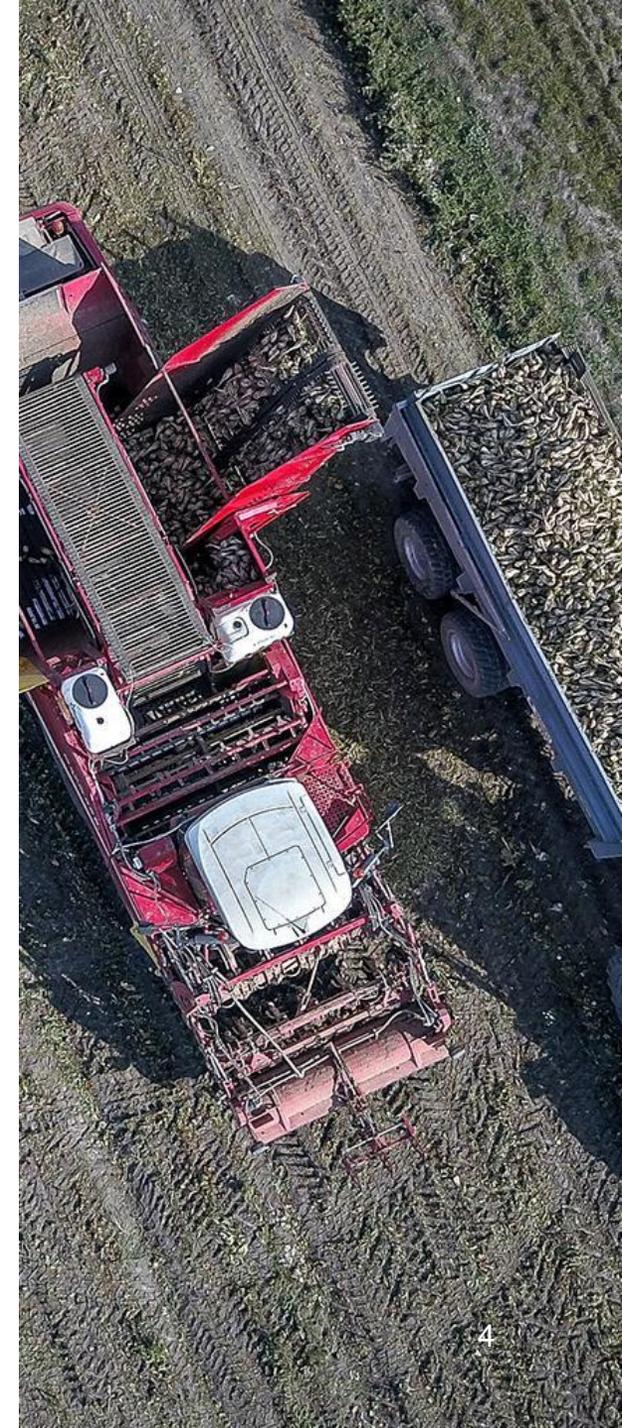
### AGRICULTURAL AND PRICE OUTLOOK

#### – Supportive environment

- Very strong recovery of sugarcane yields in Brazil
- World sugar prices at relatively high levels compared to historical average

#### – Softening of starch & sweeteners prices from record levels

- Recent sales negotiations of the Starch & Sweeteners Europe division show a downward pressure on market prices; a decrease in margins is seen on the results



# KEY FY 2023/24 FIGURES

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REVENUES

**€7,143 m**

+9% at  
constant and current foreign  
exchange rate

ADJUSTED EBITDA

**€1,128 m**

+15% at  
constant and current foreign  
exchange rate

RECURRING EBIT

**€836 m**

+26% at  
constant and current foreign  
exchange rate

NET PROFIT

**€448 m**

(€161 m in 2022/23)

CASH FLOW AFTER CAPEX,  
BEFORE CHANGE IN WC

**€456 m**

(€428 m in 2022/23)

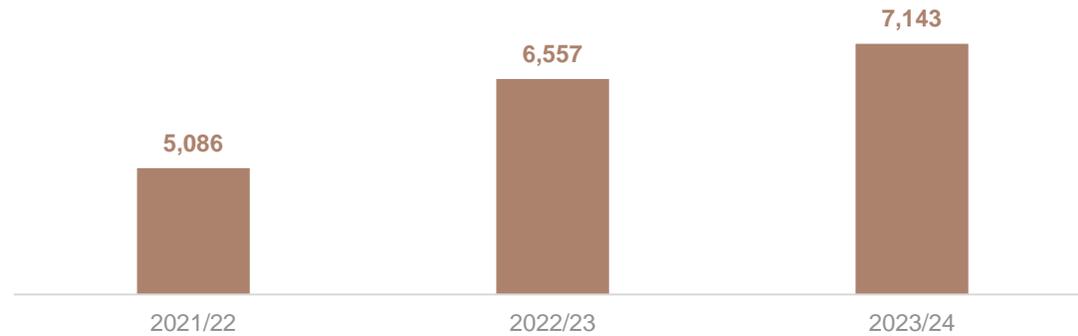
DECREASING LEVERAGE

**2.1x**

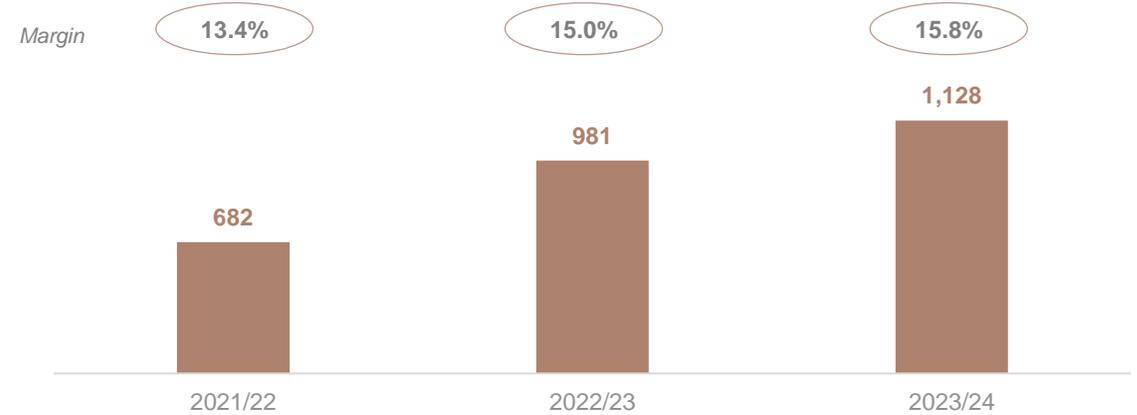
(2.8x in March 2023)

# KEY HISTORICAL FINANCIAL HIGHLIGHTS

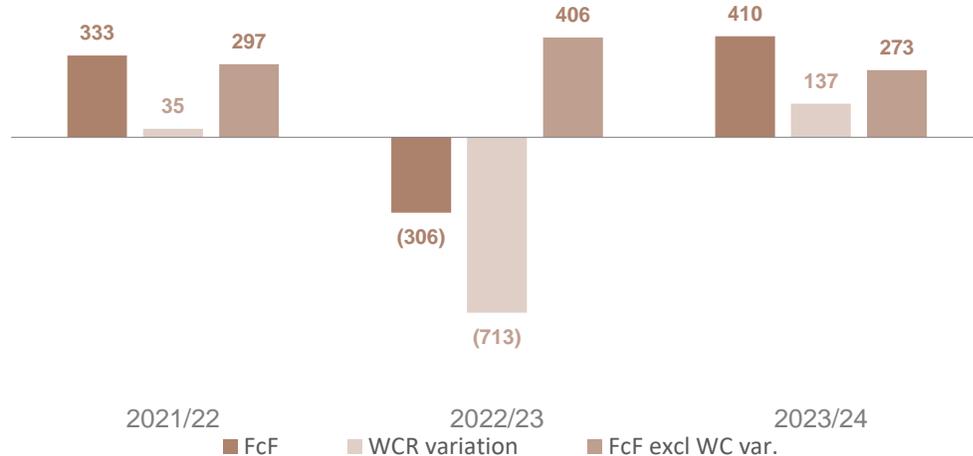
Revenue (€m)



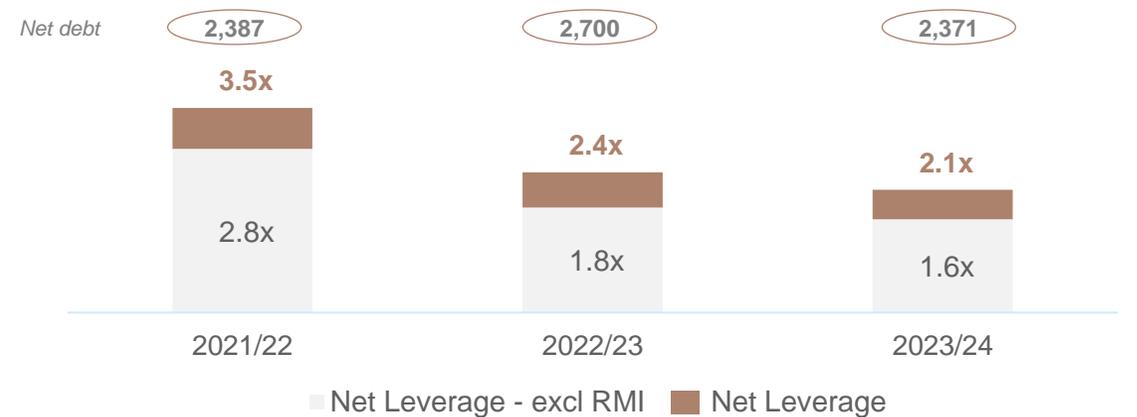
EBITDA<sup>1</sup> (€m)



FCF (€m)



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



<sup>1</sup> Figures for 2021/22 consider previous accounting methodology for intercrop expenditures, the one used in results releases prior to Q1 23/24

# STRONG OVERALL FINANCIAL PERFORMANCE

Income statement	22/23	23/24		
€ m	FY	FY		Var <sup>1</sup>
Revenues	6,557	7,143	+586	+9%
<b>Adj. EBITDA</b>	<b>981</b>	<b>1,128</b>	<b>+147</b>	<b>+15%</b>
<i>Adj. EBITDA Margin</i>	15,0%	15,8%	+0,8pts	
Depreciation / amortization	-306	-309	-3	
Seasonality adjustment	-1	0	+1	
Others	-10	+17	+26	
<b>Recurring EBIT</b>	<b>664</b>	<b>836</b>	<b>+172</b>	<b>+26%</b>
<b>EBIT</b>	<b>412</b>	<b>789</b>	<b>+377</b>	
Financial result	-213	-236	-23	
Corporate income tax	-55	-130	-75	
Share of profit of associates	18	26	+8	
<b>Net result</b>	<b>161</b>	<b>448</b>	<b>+287</b>	

**Adjusted EBITDA** increase of €147 million vs FY 22/23, resulting from good commercial, hedging and operational performance

**Recurring EBIT** strong improvement, as a result of good commercial and operational performances, and cost control (including hedging strategies)

**Financial result:** increase in financial charges due to rising interest rates in Europe and US

**Net profit** improvement, result of the good operating performance

# POSITIVE FREE CASH FLOW GENERATION

Net debt variation	22/23	23/24	
€ m	FY	FY	
<b>Net debt (opening position) excluding IFRS16</b>	-2,236	-2,566	<b>Increase in Financial Charges</b> Increase in reference rates for the Euro and US dollar
<b>Adj. EBITDA</b>	<b>981</b>	<b>1,128</b>	<b>Increase in operational cash-flow before WC</b> EBITDA improvement led to an increase in operational cash-flow generation
Other operational flows <sup>1</sup>	-98	-57	
<b>Net financial charges</b>	<b>-164</b>	<b>-191</b>	
Income tax paid	-29	-29	
<b>Cash Flow</b>	<b>690</b>	<b>851</b>	
Maintenance & Renewal	-173	-256	
Other CAPEX	-89	-139	
<b>Cash Flow after Capex</b>	<b>428</b>	<b>456</b>	<b>Working capital (WC) decrease</b> Working capital before margin calls almost stable (limited increase) coupled with positive effect from margin calls
<b>Change in working capital</b>	<b>-714</b>	<b>137</b>	
<b>Cash Flow from operating activities</b>	<b>-285</b>	<b>593</b>	
Financial investments	-26	-178	<b>Financial investments</b> Purchase of minority shares of one of our holding entities (Tereos Agro-Industrie)
Disposals	10	6	
Dividends received	14	16	
<b>Cash Flow after investing activities</b>	<b>-287</b>	<b>437</b>	<b>Free cash-flow</b> Positive FCF, driven by a strong operational cash flow (before working capital variation) combined with the positive impact of decrease in WC
Dividends paid & price complement	-8	-9	
Capital increases/other capital movements	-12	-17	
<b>Cash Flow from (used in) transactions relating to equity</b>	<b>-19</b>	<b>-27</b>	
<b>Free Cash-Flow</b>	<b>-306</b>	<b>410</b>	
Other (incl. FOREX impact)	-23	-54	
<b>Net debt excluding IFRS16</b>	<b>-2,566</b>	<b>-2,209</b>	<b>Net debt</b> Vs. Mar 2023: reduction result of strong operational FCF coupled with working capital decrease
Impact IFRS16	-135	-162	
<b>Net debt (closing position)</b>	<b>-2,700</b>	<b>-2,371</b>	

# SUGAR & RENEWABLES EUROPE

€ m	22/23	23/24	var	
	FY	FY		
Volumes sold				
<i>Sugar (kt)</i>	2,246	<b>2,065</b>	-181	-8%
<i>Alcohol &amp; Ethanol (k.m3)</i>	519	<b>576</b>	+58	+11%
Revenues	<b>2,503</b>	<b>2,725</b>	<b>+221</b>	<b>+9%</b>
Adjusted EBITDA	<b>294</b>	<b>359</b>	<b>+65</b>	<b>+22%</b>
<i>Adj. EBITDA Margin</i>	11.7%	<b>13.2%</b>	+1.4pts	
Recurring EBIT	<b>201</b>	<b>220</b>	+19	+10%
EBIT	<b>108</b>	<b>204</b>	+95	+88%

**Revenues** increase supported by the increase in selling prices, partially offset by slightly lower sugar volumes sold

**EBITDA** improvement driven by a good execution of the commercial and hedging strategies

**Recurring EBIT** in line with last year performance

# SUGAR & RENEWABLES INTERNATIONAL

€ m	22/23	23/24	var	
	FY	FY		
Volumes sold				
<i>Sugar (kt)</i>	1,721	2,025	+303	+18%
<i>Alcohol &amp; Ethanol (k.m3)</i>	484	575	+92	+19%
Revenues	1,282	1,518	+235	+18%
Adjusted EBITDA	258	411	+153	+59%
<i>Adj. EBITDA Margin</i>	20.2%	27.1%	+6.9%	
Recurring EBIT	130	286	+156	+120%
EBIT	-19	286	+305	na

**Revenues** increase driven by good operational performance and increase in world sugar prices

**EBITDA** improvement driven by strong operational performance and selling prices

**Recurring EBIT** growth consistent with EBITDA performance

# STARCH, SWEETENERS & RENEWABLES

€ m	22/23	23/24	var	
	FY	FY		
Volumes sold				
<i>Starch &amp; Sweeteners (kt)</i>	1,975	<b>1,878</b>	-98	-5%
<i>Alcohol &amp; Ethanol (k.m3)</i>	322	<b>296</b>	-27	-8%
Revenues	2,499	<b>2,352</b>	-147	-6%
Adjusted EBITDA	403	<b>332</b>	-71	-18%
Adj. EBITDA Margin	16.1%	<b>14.1%</b>	+2.0pts	
Recurring EBIT	311	<b>257</b>	-54	-17%
EBIT	300	<b>228</b>	-72	-24%

## Lower revenues

Driven by lower starch & sweeteners and alcohol & ethanol volumes sold; recent sales negotiations show a downward pressure on market prices

## Decrease in EBITDA as a

consequence of the lower volumes sold

— **Recurring EBIT** consistent with EBITDA variation

— **Accounting EBIT** decrease is the result of the one-off non-cash accounting adjustments linked to the Haussimont plant (closure plan announced in September)

# CONTINUOUS REDUCTION IN LEVERAGE AND SOLID FINANCIAL SECURITY

- Over €1.2bn available liquidity
  - Liquidity largely covers short-term maturities
- New successful refinancing of two main RCFs, for a total of €830m
  - Tereos SCA backup (undrawn) RCF successfully refinanced in March 2024: size increase to €230m (vs. €200m previously) and maturity extended from 2025 to 2029
  - Tereos France working capital RCF successfully refinanced, with a long-term size adjustment to €600m (vs. €390m long-term + €222m short-term add-on previously) and maturity extended from 2026 to 2029 (with an option of an additional year)
- Continuous improvement in leverage and structural debt:
  - Continuous reduction in leverage
  - Structural debt: from €1.7bn in March 2022 to €1.0bn in Mar 2024

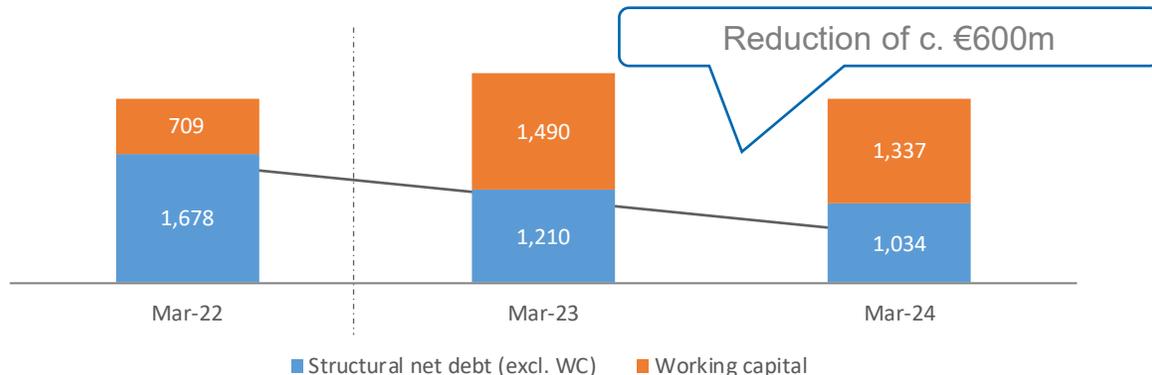
Debt maturity schedule as of March 31, 2024 (€m)

## Strong liquidity:

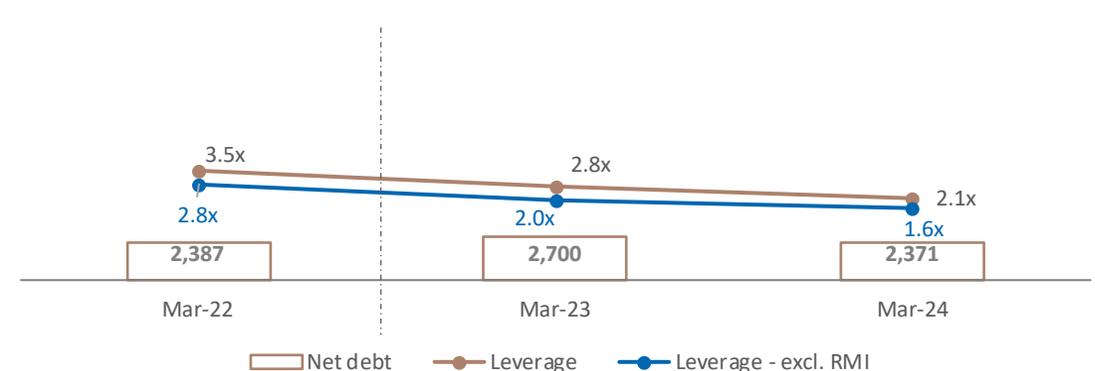
- €601m - cash & cash equivalents
- €655m - undrawn amounts of long-term committed facilities



Reduction in structural net debt (€m)<sup>2</sup>



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



<sup>1</sup> Pre IFRS 16 impacts and including amortized costs, pro-forma of refinancing of Tereos SCA and Tereos France RCFs; <sup>2</sup> Including IFRS 16; March 2022 figures consider previous accounting methodology for intercrop expenditures; later years' figures consider new methodology, implemented since Q1 23/24 results release

# THE PILLARS OF SUSTAIN'2030

## FIVE PILLARS AND 10 GOALS

1

### SUSTAINABLE AGRICULTURE

- Combine environmentally friendly agricultural practices with economic viability of our growers' farms.

**90%**  
OF OUR RAW MATERIALS  
CERTIFIED AS SUSTAINABLE  
vs. 2017/18

2

### ENVIRONMENTAL PROTECTION

- Contribute to biodiversity protection
- Fully commit to circular economy principles

**100%**  
OF RAW MATERIALS  
TRANSFORMED

**100%**  
OF SUBSIDIARIES WITH  
BIODIVERSITY PROJECTS

3

### PRESERVATION OF RESOURCES

- Contribute to global net zero by 2050 through our SBTi 1.5°C FLAG commitment\*
- Reduce and optimise water consumption

**NET ZERO 2050**  
SBTi 1.5°C FLAG  
COMMITMENT\*

**-20%**  
WATER CONSUMPTION IN  
INDUSTRIAL PROCESSES  
vs. 2017

4

### RESPONSIBLE CONSUMPTION

- Become a leading player to increase value chains
- Be a partner in nutritional reformulations and NutriScore improvements

Target is being defined related to turnover coming from sustainable products\*

Target is being defined related to turnover coming from Nutriscore positive products\*

5

### EMPLOYEES & LOCAL DEVELOPMENT

- Protect employees & partners safety & well-being
- Promote diversity and guarantee equal opportunities
- Support local development

**0.5**  
FREQUENCY RATES OF  
LOST-TIME ACCIDENTS  
vs. 2018

**40%**  
OF WOMEN MEMBERS OF  
THE MANAGEMENT FORUM

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# #2 Markets & Outlook

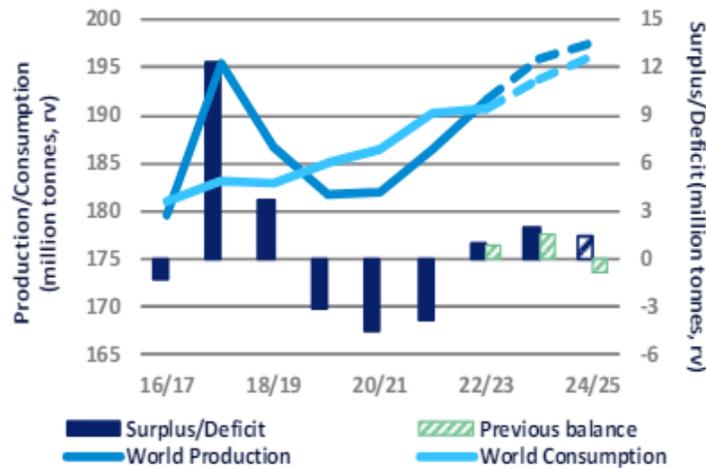
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# WORLD SUGAR PRICES

## BRAZIL CENTER-SOUTH SUPPLY IS THE KEY DRIVER; MARKET REVIEWED YIELDS FORECASTS UPWARDS

Global supply/demand balance (Oct/Sept basis)



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

	Oct/Sept	National Crop Year	Apr/Mar
<b>2022/23</b>			
Production	191.7	184.7	185.8
Consumption	190.7	190.2	190.0
Surplus/Deficit	1.0	(5.5)	(4.2)
<b>2023/24</b>			
Production	195.9	195.4	195.4
Consumption	193.9	193.4	192.4
Surplus/Deficit	2.0	2.0	3.0
<b>2024/25</b>			
Production	197.5	197.2	197.2
Consumption	196.1	195.8	195.1
Surplus/Deficit	1.4	1.5	2.1

Production estimates for key producers, 2022/23-2024/25 (National crop year)

Country	Unit	2022/23	2023/24 est.	2024/25 F'cast	24/25 Change
Australia	mn mt rv	4.3	4.1	4.1	-
C/S Brazil	mn mt tq	33.7	42.4	42.1	↓
C America	mn mt rv	5.5	5.4	5.6	↑
China	mn mt wv	9.0	10.1	10.4	↑
EU + UK (sugar)	mn mt wv	15.1	16.1	17.1	↑
India	mn mt wv	32.8	32.1	29.0	↓
NAFTA	mn mt rv	13.9	13.4	13.9	↑
Pakistan	mn mt tq	6.7	6.8	7.5	↑
Russia	mn mt wv	6.1	6.9	6.3	↓
Thailand	mn mt tq	10.8	8.5	10.7	↑
<b>World Total</b>	<b>mn mt rv</b>	<b>184.7</b>	<b>195.4</b>	<b>197.2</b>	<b>↑</b>

Note: EU estimate is for beet & cane sugar only, i.e., it excludes the beet sugar production equivalent from ethanol.

### Sugar supply and demand status

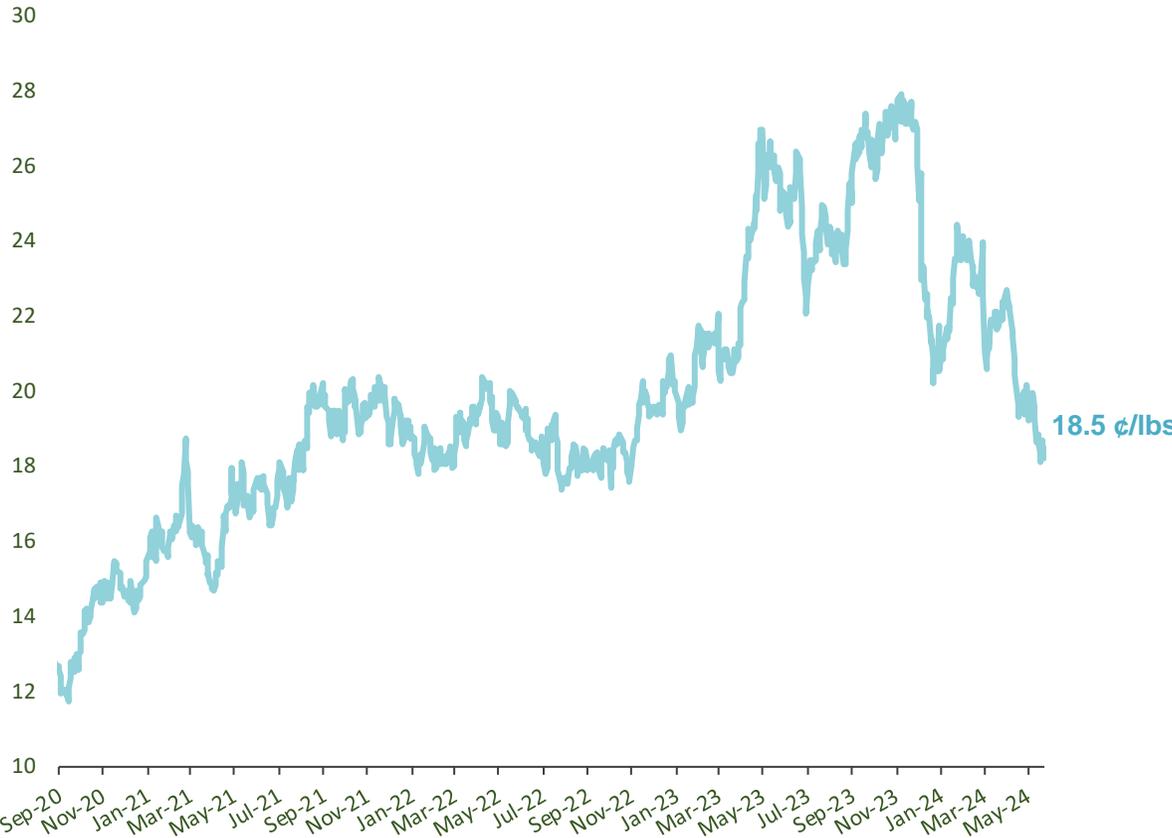
- ✓ The world supply surplus for 23/24 increased to 2.0Mt driven by a review on yields perspective in Brazilian Center-South region.
- ✓ The current low level of NY#11 is based on two very supportive movements: 1) importing countries are taking advantage to buy more than expected and, if decision to rebuild stocks come, it would support market prices and even drive a reversal in recent downside trend; 2) prices are very close to Brazilian Center-South ethanol parity and mills could decide to increase ethanol production, reducing sugar supply.

### Supply & demand risks flags

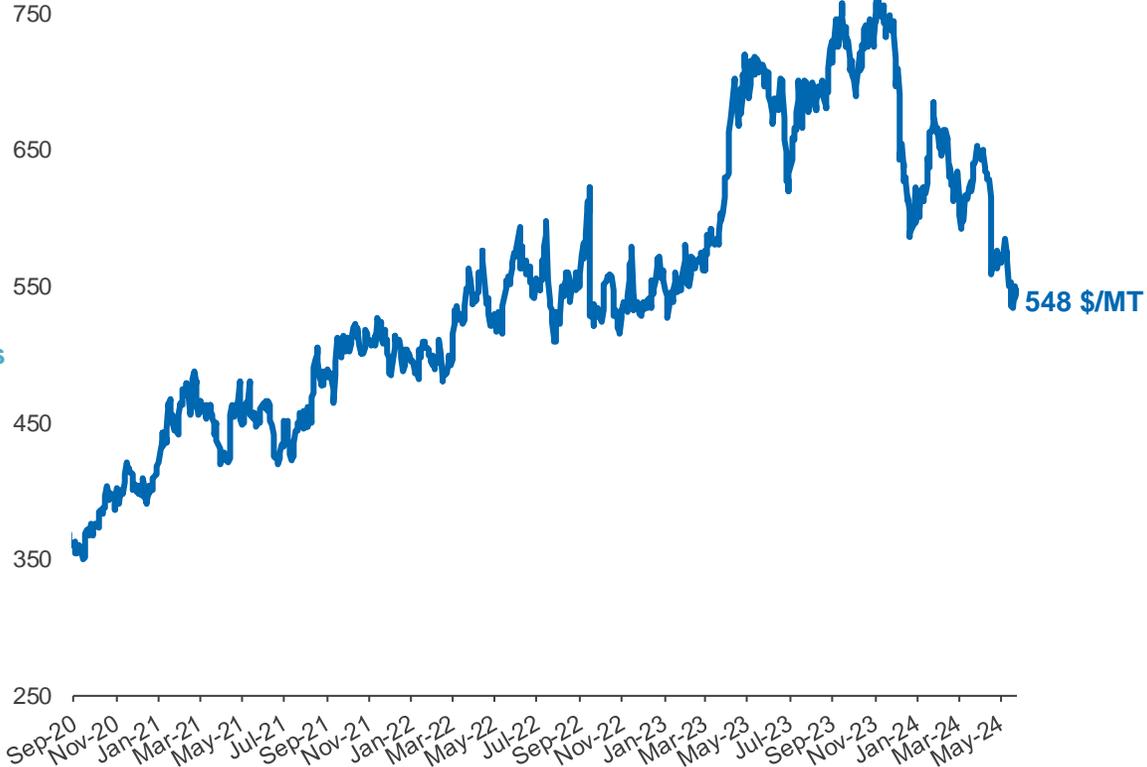
- ✓ Despite expectations of higher Brazilian Center-South yields, May/24 has been a very dry month with almost no rains; the impact is still to be seen as it will affect the sugarcane to be crushed at the end of the crop.
- ✓ Drought has also been a relevant topic in Mexico which may impact in lower production for 24/25, eliminating the perspective of recovery.
- ✓ Pakistan is also facing historical high temperatures and low rains, which are driving soil moisture into historical low levels.

# WORLD SUGAR PRICES

World Sugar Index NY11 (¢/lbs)



London Sugar No. 5 (\$/MT)

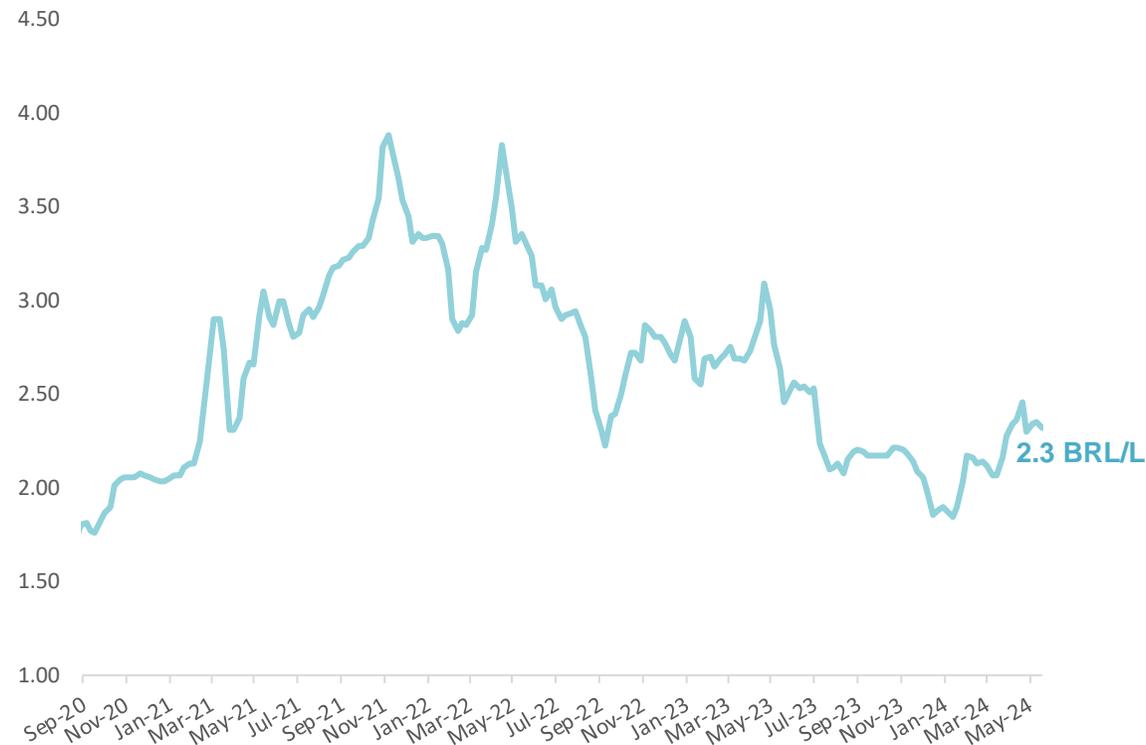


# ETHANOL PRICES SUPPORTED BY CRUDE OIL PRICES AND BIOETHANOL POLICIES



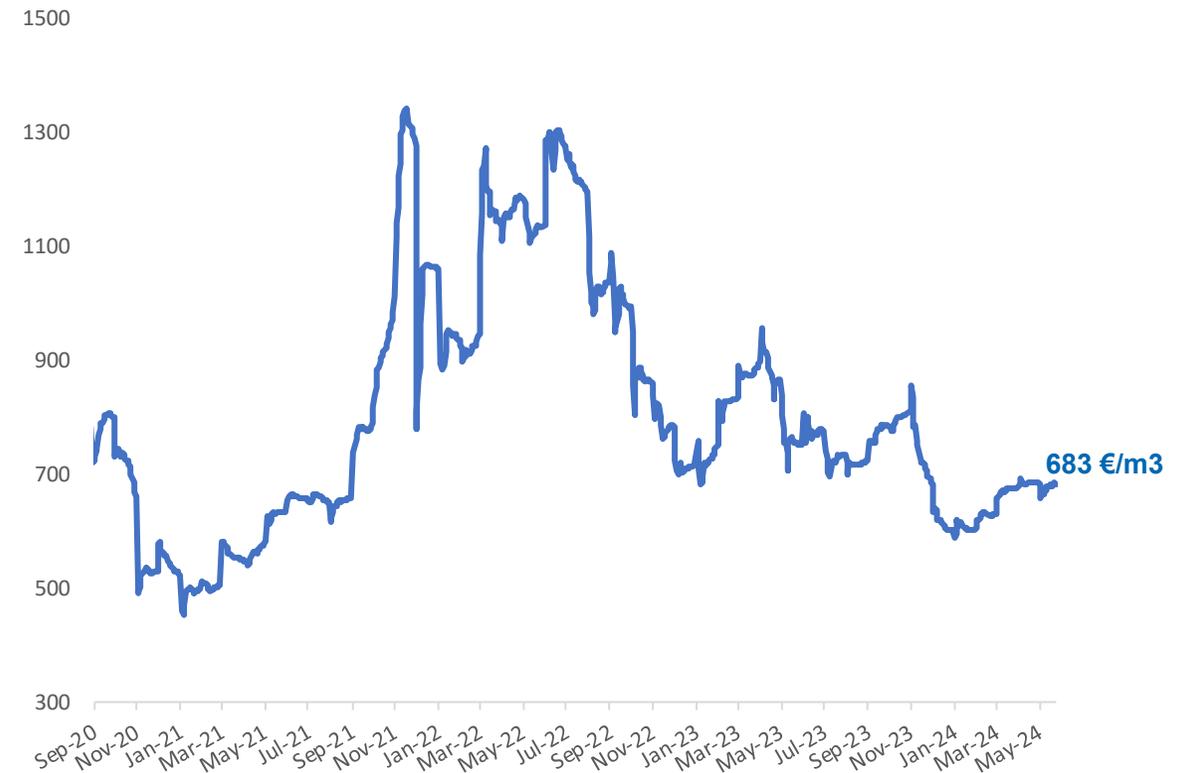
ESALQ Hydrous Ethanol (BRL/L)

Brazil



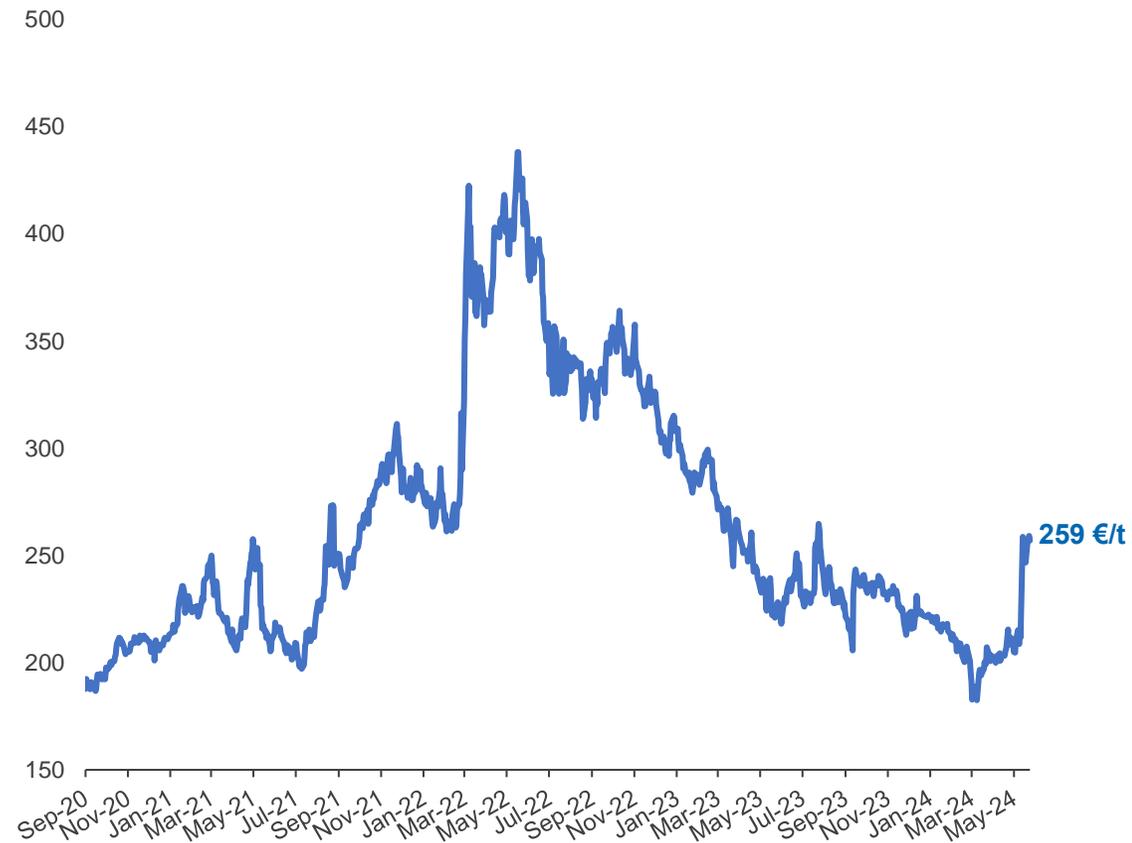
T2 Ethanol (EUR/m<sup>3</sup>)

European Union



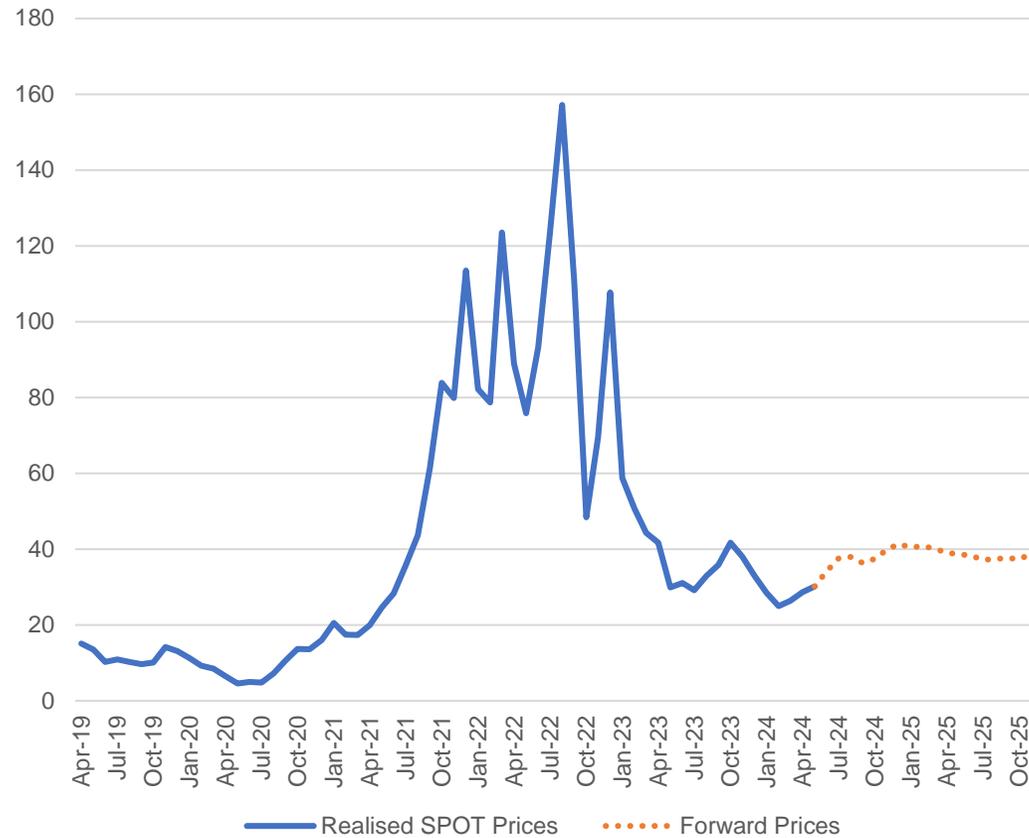
# WHEAT PRICES

Matif Wheat (€/t)



# GAS PRICES

Gas price – France – PEG HUB (€/MWh)



Sources: Reuters, April 2024

# BUSINESS PERSPECTIVES 2024/25

## SUGAR AND RENEWABLES EUROPE

- **Tereos sugar beet campaign 2024/25**

- \_ Slight increase in sugar beet acreage (+4.5% at Tereos) but uncertainty about 2024/25 yields due to sub optimal weather conditions (late sowing date) and risks of yellow virus

- **Sugar prices in Europe**

- \_ Expected balanced market (Ukrainian sugar under quota), temporary downward pressure on sugar price due to sugarbeet area increase, slight recovery on ethanol price



## SUGAR AND RENEWABLES INTERNATIONAL

- **Sugarcane yields**

- \_ In Brazil, good vegetative status but ongoing drought that may affect the yields at the end of the campaign

- **Sugar prices and ethanol prices leading to a sugar maximization of the production mix**

- \_ World sugar prices between USD 18 and 21cts/lb; ethanol less profitable at current prices



## STARCH, SWEETENERS AND RENEWABLES

- **Energy prices are normalizing whereas grain prices are on the rise**

- \_ Decreased volumes on S&S products in 2023 due to the historical high prices, S&S prices have been normalizing since H2 2023 which may lead to a phase of volume increase; margin decreases are likely to materialize

- **Continued industrial performance initiatives**

- \_ Improvements being deployed, particularly on energy consumption and efficiency



# UPDATE ON KEY STRATEGIC TARGETS

Metric	Target	Reference year: FY 20/21 <sup>1</sup>	Current status	Comments / perspective
 <b>FREE CASH-FLOW</b>	Recurring generation of positive FCF	€+47m WC variation impact of €+73m CFO <sup>2</sup> before WC var.: €1m	LTM FCF March 2024 €410m	Goal is to generate positive FCF despite negative WC swings; for the LTM March 2024 the goal was achieved
 <b>EBIT MARGIN</b>	5%	2.0%	11.7% LTM March 2024	Target achieved
 <b>NET DEBT</b>	€2bn	€2.5bn WC <sup>3</sup> at €719m Structural debt <sup>3</sup> at €1.8bn	€2.4bn at 31 March 2024 WC <sup>3</sup> at €1.3bn Structural debt <sup>3</sup> at €1.0bn at 31 March 2024	Target was announced when WC level was at €719m – at comparable WC <sup>3</sup> , net debt would be below €2bn now
 <b>NET LEVERAGE</b>	3x	5.5x <sup>3</sup>	2.1x <sup>3</sup> At 31 March 2024	Target achieved



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