



Tereos

June 2024



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# 1 Tereos at a glance

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

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

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

## WHAT WE PROCESS



## WHAT WE PRODUCE AND OUR END MARKETS



Consolidated Revenues FY23/24

**€7.1bn**

Consolidated Adj. EBITDA FY23/24

**€1.1bn**

**~15,800** EMPLOYEES  
in **15** COUNTRIES

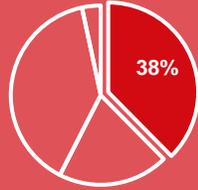
**~10,700**  
COOPERATIVE MEMBERS IN FRANCE OWNING  
SHARE CAPITAL AND SUPPLYING RAW MATERIALS

**41** OPERATING FACILITIES  
in **9** COUNTRIES

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

## CYCLICAL MARKETS

### SUGAR & RENEWABLES EUROPE



- **€2.7bn revenue<sup>1</sup>**
- Processing sugar beet into sugar, alcohol and bioethanol
- Processing sugar beet pulps and alfalfa into animal nutrition products

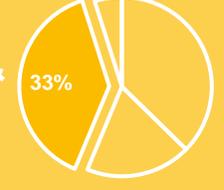
### SUGAR & RENEWABLES INTERNATIONAL



- **€1.5bn 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



# LONG-TERM CSR ROADMAP BUILT ON 5 PILLARS AND 10 ACTIONABLE GOALS

1

## SUSTAINABLE AGRICULTURE

- Combine environmentally friendly agricultural practices with economic viability of our growers' farms.
- Transitions program, aiming at helping 1,000 farmers in the north-east of France adopt low-carbon farming by 2026

**90%**  
OF OUR RAW MATERIALS  
CERTIFIED AS SUSTAINABLE  
by 2030

2

## ENVIRONMENTAL PROTECTION

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

**100%**  
OF RAW MATERIALS  
TRANSFORMED by 2030  
**100%**  
OF SUBSIDIARIES WITH  
BIODIVERSITY PROJECTS by  
2030

3

## PRESERVATION OF RESOURCES

- Contribute to global net zero by 2050 through our SBTi 1.5°C FLAG commitment<sup>2</sup>
- Reduce and optimise water consumption

**NET ZERO 2050**  
SBTi 1.5°C FLAG  
COMMITMENT<sup>1,2</sup>  
**-20%**  
WATER CONSUMPTION IN  
INDUSTRIAL PROCESSES  
by 2030 vs. 2017

4

## RESPONSIBLE CONSUMPTION

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

Target is being defined  
related to turnover  
coming from sustainable  
products<sup>1</sup>  
Target is being defined  
related to turnover  
coming from Nutriscore  
positive products<sup>1</sup>

5

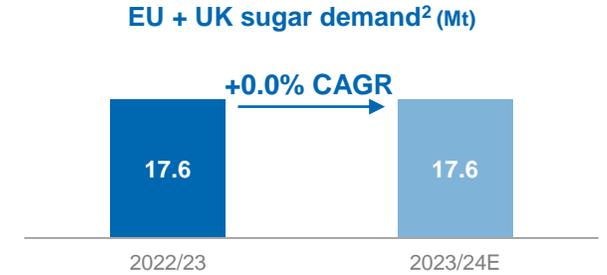
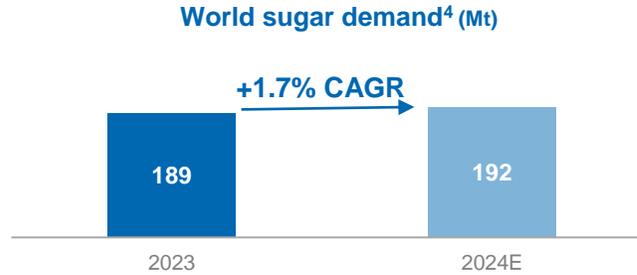
## EMPLOYEES & LOCAL DEVELOPMENT

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

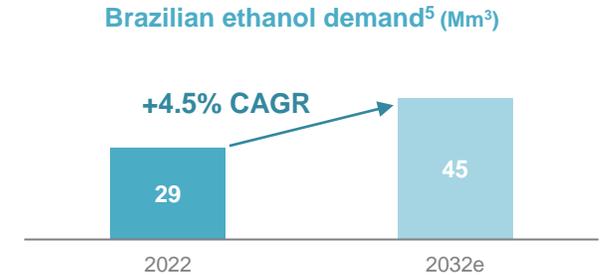
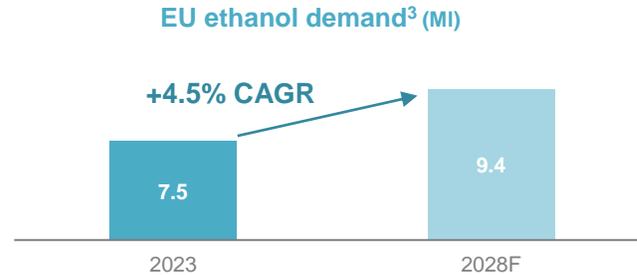
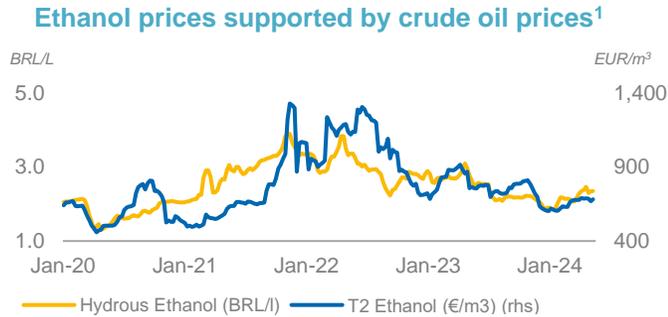
**0.5**  
FREQUENCY RATES OF  
LOST-TIME ACCIDENTS  
by 2030 vs. 2018  
**40%**  
OF WOMEN MEMBERS OF  
THE MANAGEMENT FORUM  
by 2030

# SUPPORTIVE MARKET ENVIRONMENT

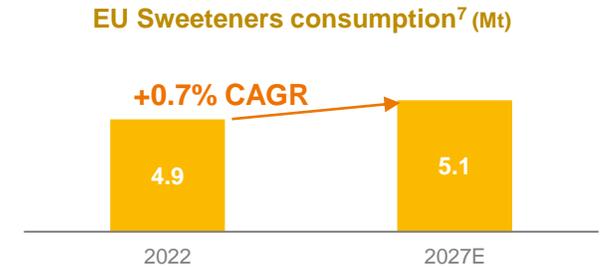
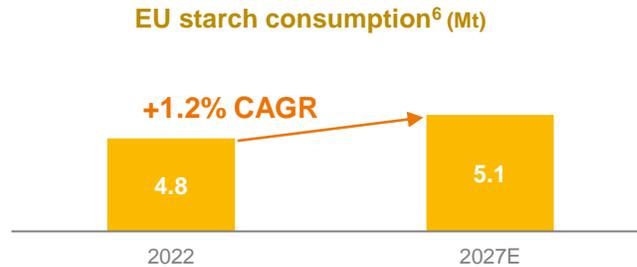
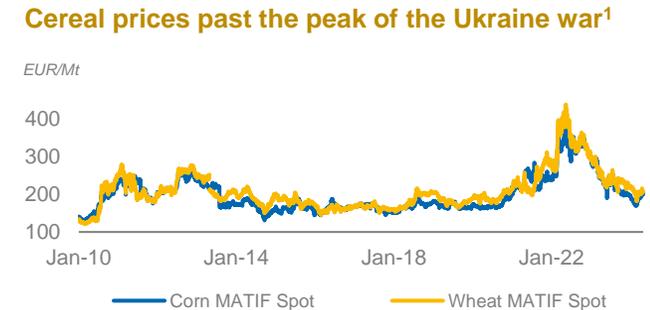
## SUGAR GLOBAL



## ETHANOL



## STARCH AND SWEETENERS



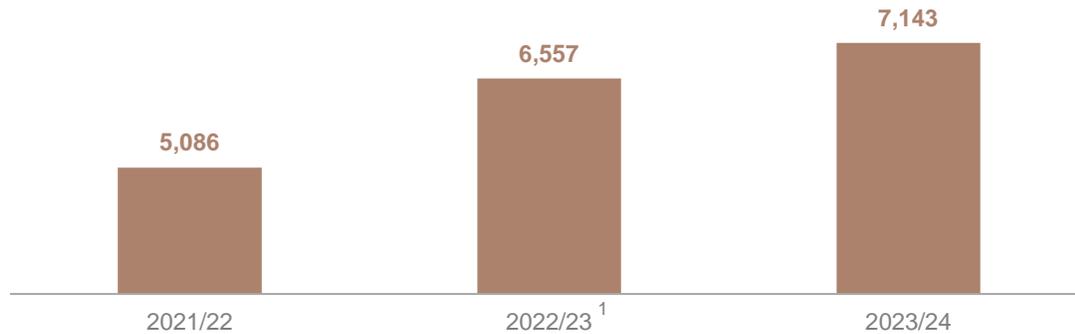
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# 2 Financial performance

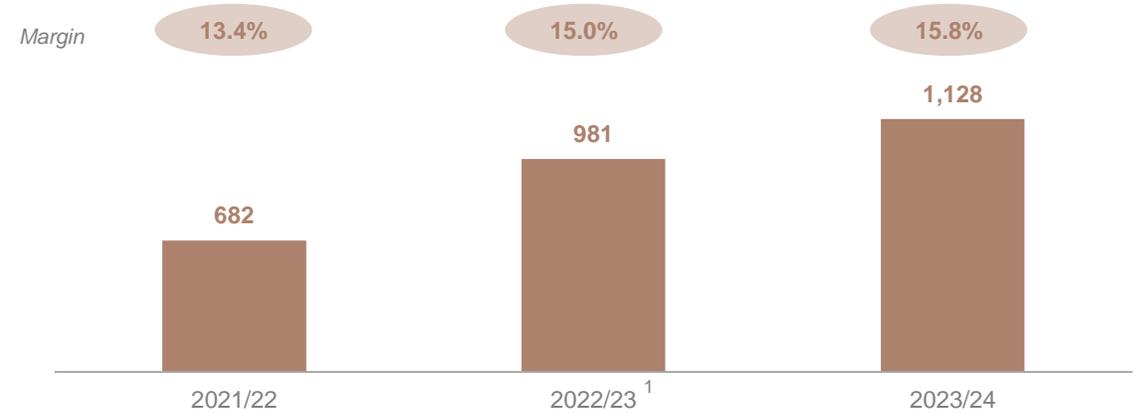


# KEY HISTORICAL FINANCIAL HIGHLIGHTS

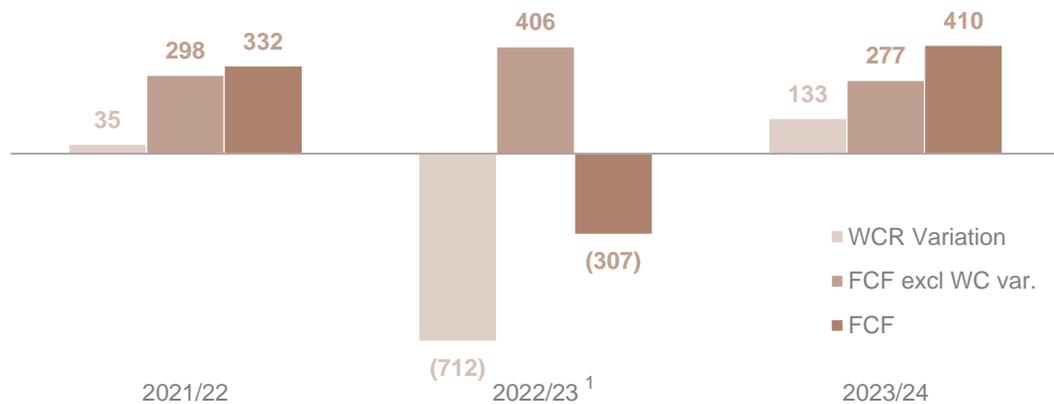
Revenue (€m)



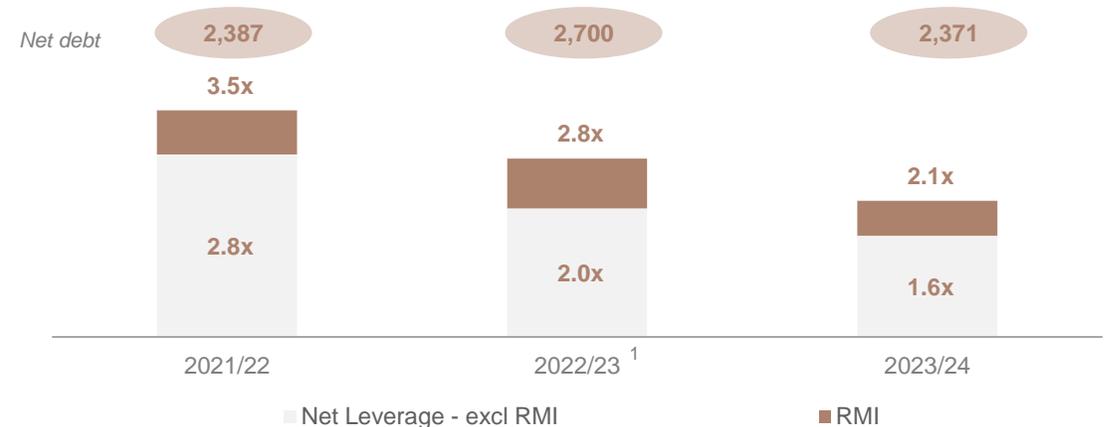
Adjusted EBITDA<sup>3</sup> (€m)



FCF (€m)



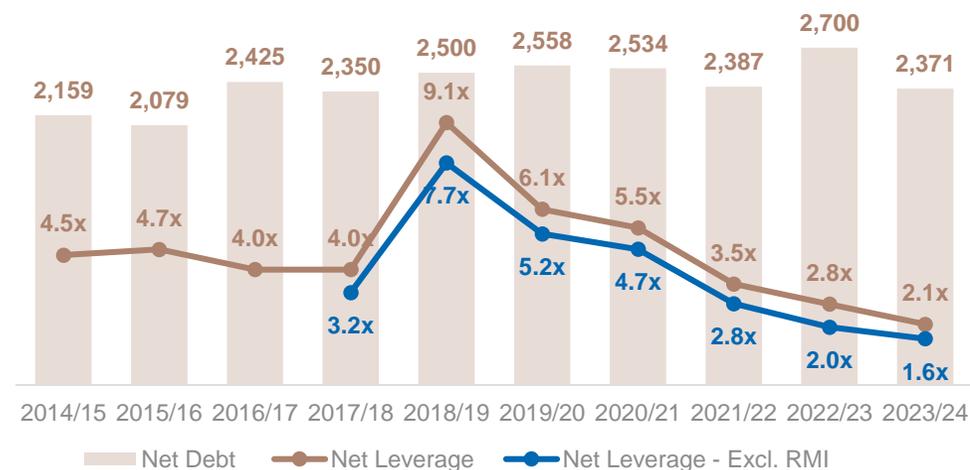
Net debt (€m) / Net leverage & Net leverage excl. RMI<sup>2,3</sup> (x)



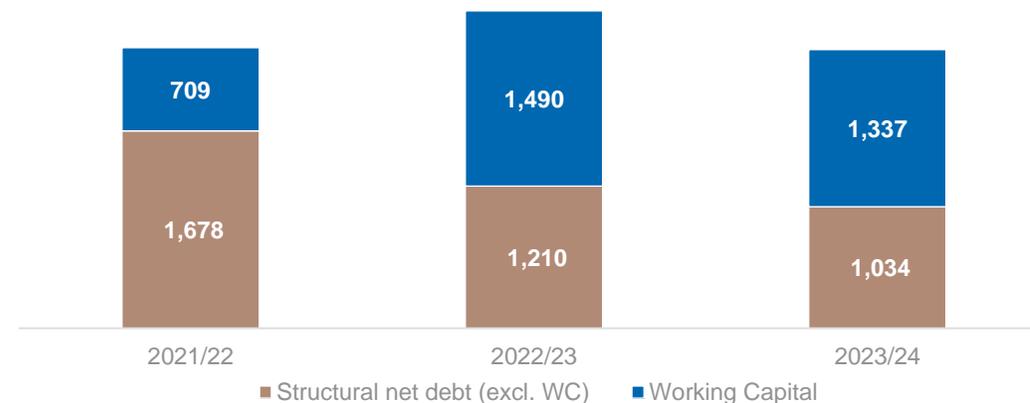
# CONTINUOUS IMPROVEMENT IN LEVERAGE AND STRUCTURAL DEBT

- **Over €1.2bn of available liquidity<sup>1</sup>**
  - €601m of cash and €655m of undrawn committed long-term lines
  - Liquidity largely covers short-term maturities
- **Successful refinancing RCFs totaling €830m**
  - Tereos SCA backup RCF increased to €230m and extended to 2029 (March 2024)
  - Tereos France working capital RCF long-term size adjustment to €600m and extended to 2029 (with an option of an additional year)
  - Showing strong commitment from our relationship banks
- **Leverage falls to new historical low**
  - Leverage has been continuously improving since 2018/19 and now stands at 2.1x (or 1.6x excl. RMI)
  - Structural net debt (net debt excl. working capital) reduced from €1.7bn in March 2022 to €1bn in March 2024
- **Positive ratings momentum**
  - Expected Corporate Family Rating of BB- (Positive) with S&P and BB (Positive) with Fitch reflective of improved credit profile

Net debt (€m) / Net leverage<sup>2,3</sup> (x)



Reduction in structural net debt<sup>2,3</sup> (€m)



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# 3 Our strategic plan in action



# BUSINESS PERSPECTIVES 2024/25

UNDERLYING MARKETS EXPECTED TO REMAIN FAVORABLE FOR TEREOS' ACTIVITIES

## SUGAR AND RENEWABLES EUROPE



- **Tereos sugar beet campaign 2024/25**
  - Slight increase in sugar beet acreage (+4.5% at Tereos)
  - 24/25 yields expected to remain in line with previous year (despite late sowing date)
- **Sugar prices in Europe**
  - Expected balanced market with latest market reports pointing toward resilient prices
  - Slight recovery in ethanol price

## SUGAR AND RENEWABLES INTERNATIONAL



- **Sugarcane yields**
  - Good vegetative status, expectation for yields in line with historical levels
- **Sugar prices leading to a maximization of the production mix**
  - Hedging positions provide strong support for 24/25 margins

## STARCH, SWEETENERS AND RENEWABLES



- **Energy prices are normalizing whereas grain prices are on the rise**
  - Normalization of S&S prices since H2 2023 which may lead to a phase of volume increase
  - Margin decreases are likely to materialize
- **Continued industrial performance initiatives**
  - Improvements are being deployed, particularly on energy consumption and efficiency

# UPDATE ON KEY STRATEGIC TARGETS AND LOOKING BEYOND 2024

2024 Targets	 5% EBIT MARGIN	 <b>RECURRING</b> GENERATION OF POSITIVE FREE CASH-FLOW	 NET DEBT LEVEL BELOW €2 BILLION	 NET LEVERAGE < 3x
FY 2023/24	11.7%	€410m	€2.4bn (€1.0bn structural debt)	2.1x
Status	✓	✓	<b>On track</b> <€2bn at comparable WC when target was set	✓

Beyond 2024	 <b>FINANCIAL DISCIPLINE</b> MANAGING INDEBTEDNESS, LEVERAGE AND BALANCE SHEET STRENGTH	 <b>POSITIVE FREE CASH-FLOW</b> WITH SUSTAINABLE CAPEX	 <b>DISCIPLINED FINANCIAL POLICY</b> WHILE REWARDING SHAREHOLDERS
BACK TO GROWTH VIA COMMERCIAL, OPERATIONAL AND INDUSTRIAL EXCELLENCE			



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# Appendix

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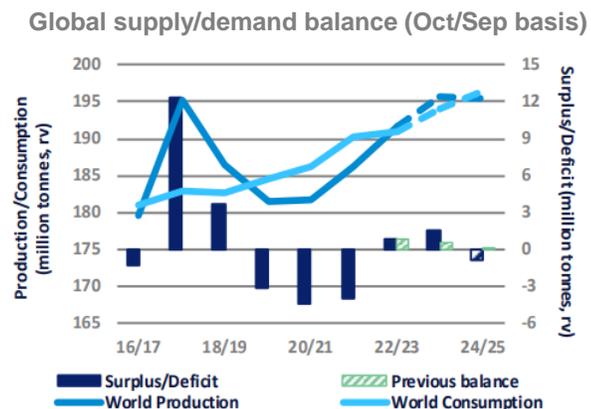


# OUTLOOK ON SUGAR: WORLD SUGAR PRICES REMAIN AT HISTORICAL HIGHS; MARKET WITH A VERY TIGHT BALANCE



## World sugar market

### Slight surplus but still close to equilibrium<sup>1</sup>



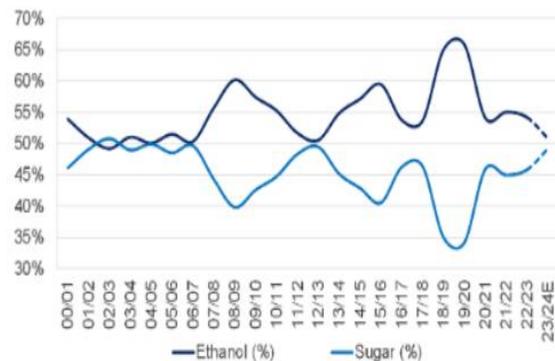
### Production from key producers expected to stabilize<sup>2</sup>

Mt	Unit	2020/21	2021/22	2022/23	2023/2024E
Australia	Mt, raw value	4.4	4.1	4.3	4.1
<b>CS Brazil</b>	Mt, tel quel	<b>38.4</b>	<b>32.1</b>	<b>33.7</b>	<b>42.5</b>
C America	Mt, raw value	5.4	5.8	5.5	5.3
China	Mt, white value	10.7	9.6	9	9.8
<b>EU + UK (sugar)</b>	Mt, white value	<b>14.8</b>	<b>16.8</b>	<b>15.1</b>	<b>16.1</b>
India	Mt, white value	31.2	35.9	32.8	32.4
NAFTA	Mt, raw value	14.4	14.9	13.9	13.3
Pakistan	Mt, tel quel	5.6	7.8	6.7	6.8
Russia	Mt, white value	5.2	5.5	6.1	6.9
Thailand	Mt, tel quel	7.4	10	10.8	8.5



## Brazilian sugar market

### Flexible production between sugar and ethanol<sup>3</sup>



## European sugar market

### European market remains in balance<sup>2</sup>

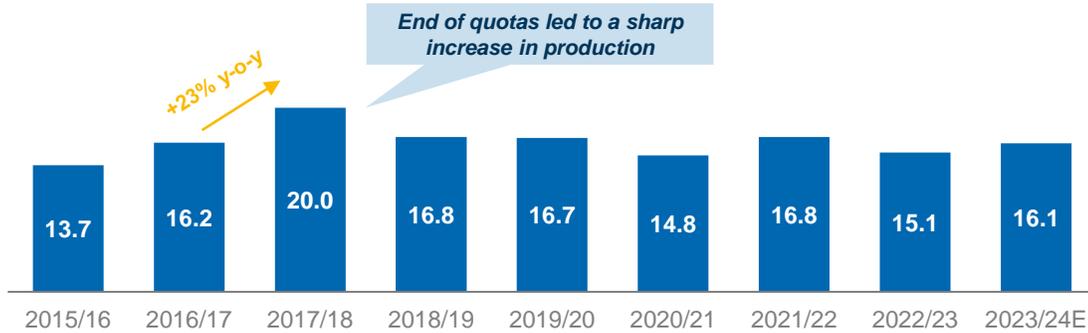
Mt, white value	2020/21	2021/22	2022/23	2023/2024E
<b>Production</b>	14.8	16.8	15.1	16.1
<b>Imports</b>	2.2	2.3	3.6	2.6
<b>Consumption</b>	17.0	18.0	17.6	17.6
<b>Exports</b>	1.0	1.0	0.5	1.6

# EUROPEAN SUGAR: HIGH PRICES AND DEMAND SLIGHTLY HIGHER VS SUPPLY

## Production expected to remain stable

EU sugar production<sup>1</sup>

Mt, white sugar equivalent



## EU sugar stocks expected to rise

Sugar inventories in the EU<sup>2</sup>

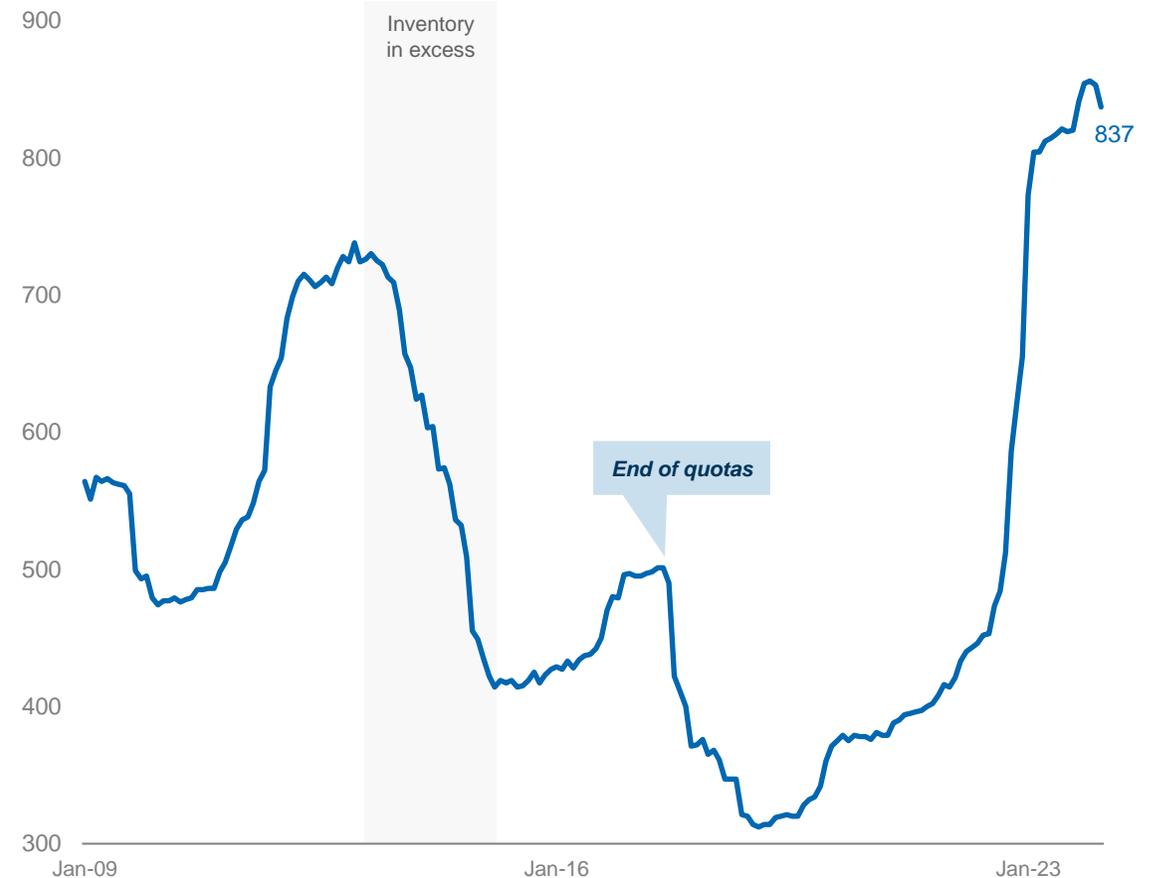
Mt



## EU prices remain at historical highs

EU Commission reported invoice prices<sup>3</sup>

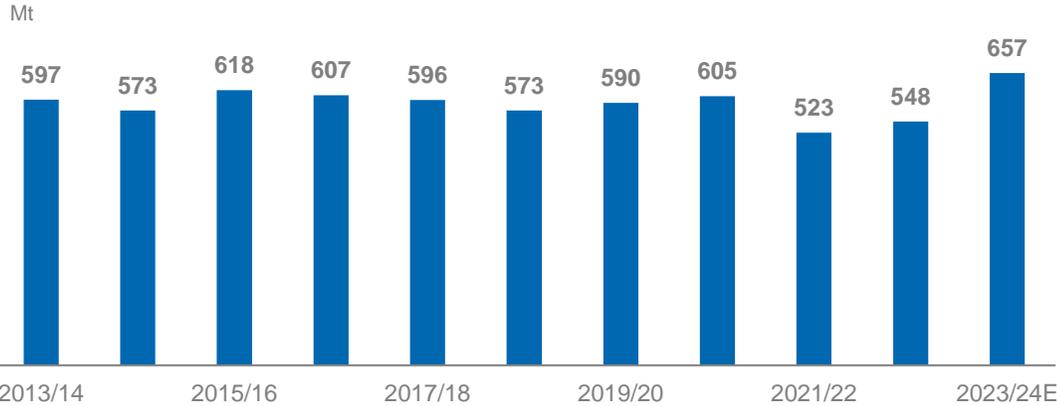
EUR/t



# BRAZILIAN SUGAR: EXPORT DRIVEN MARKET IMPACTING GLOBAL PRICES

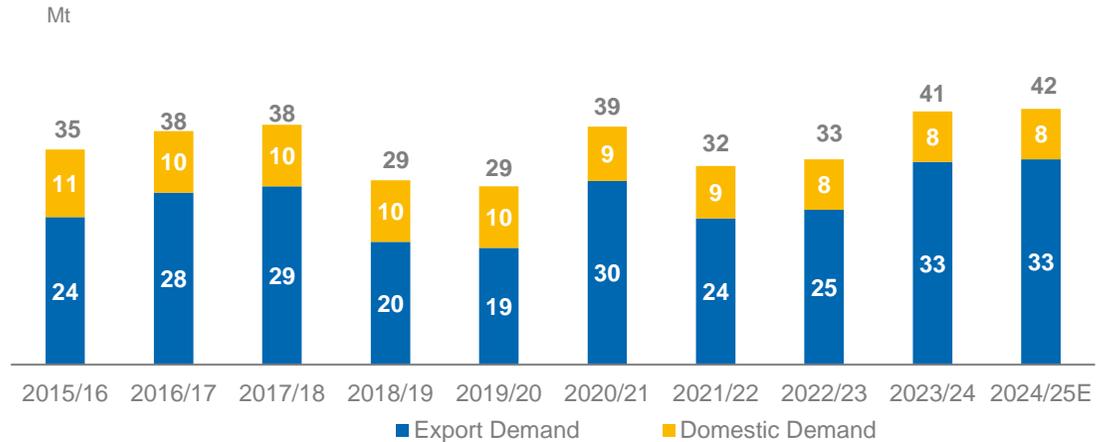
#1 worldwide exporter with stable supply

Crushed sugarcane in the Center/South region of Brazil<sup>1</sup>



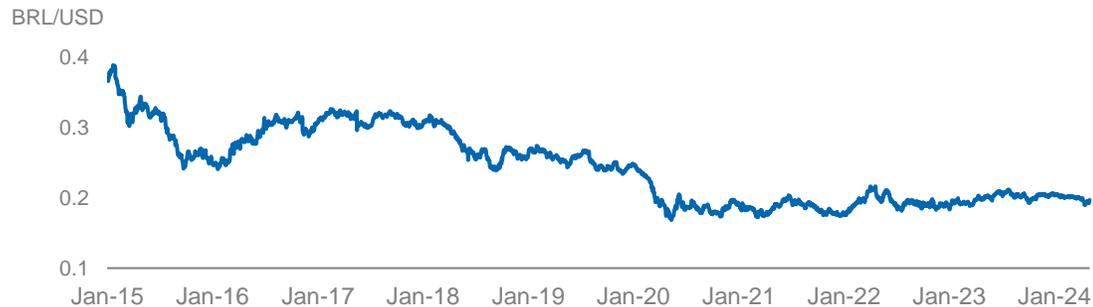
Large portion dedicated to export

Domestic consumption and exports in Center/South Brazil<sup>1</sup>



BRL/USD rate impacting the world sugar price

BRL/USD exchange rate<sup>2</sup>



World sugar price remain above historical levels

World sugar price (NY11)<sup>2</sup>

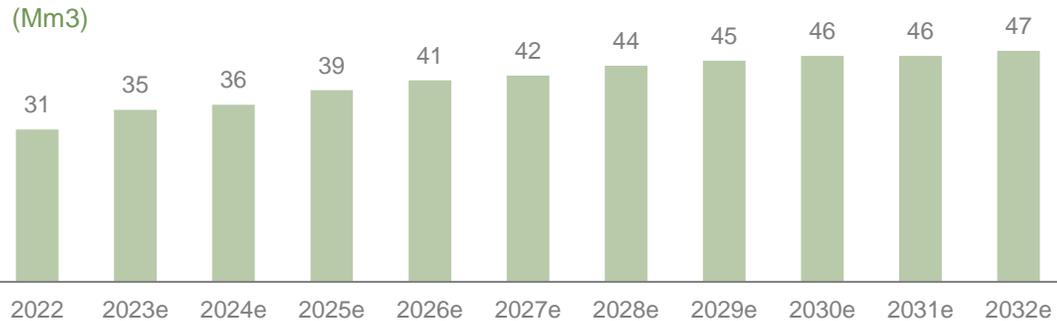


# OUTLOOK ON ETHANOL: POSITIVE MOMENTUM DRIVEN BY FOCUS ON SUSTAINABILITY



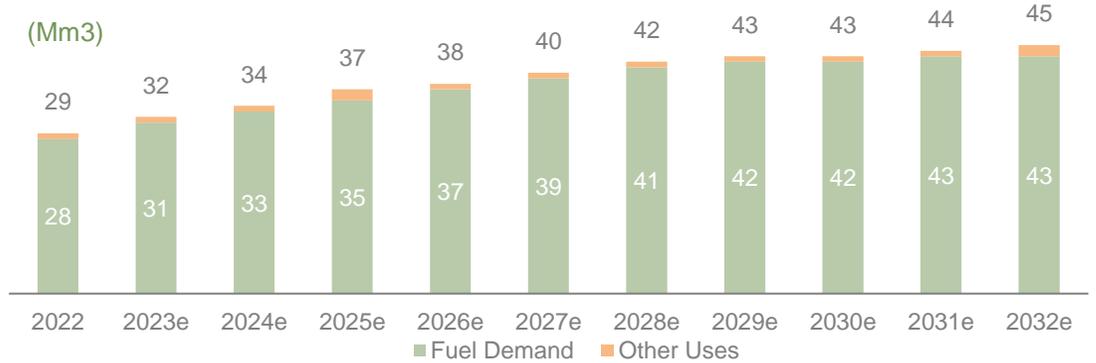
Brazilian ethanol market supply<sup>1</sup>

Expected step up in supply



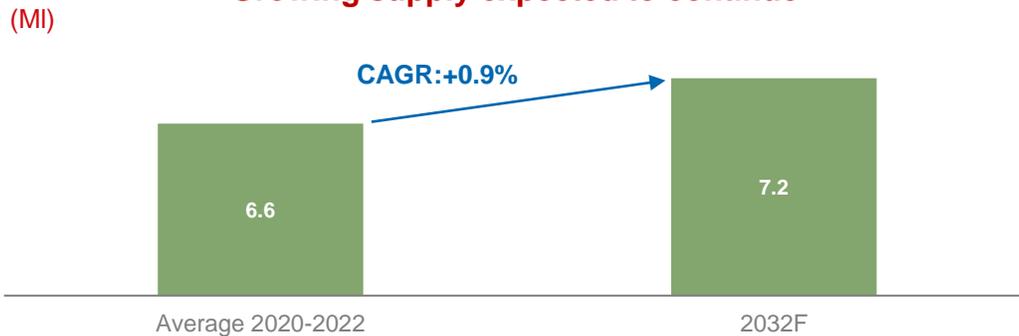
Brazilian ethanol market demand<sup>1</sup>

Expected step up in demand



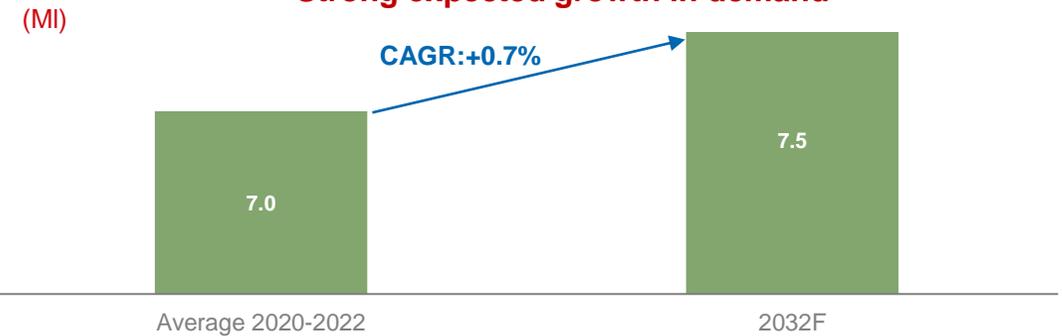
EU ethanol production<sup>2</sup>

Growing supply expected to continue



EU ethanol domestic use<sup>2</sup>

Strong expected growth in demand



# KEY CREDIT HIGHLIGHTS

- 1 Global market leader operating across essential, growing and diversified markets
- 2 Highly flexible and complementary operations ensuring responsiveness to the evolving needs of our end markets
- 3 Well invested state-of-the-art asset base characterized by efficient cost and performance management
- 4 Long-term commercial partnerships supported by local client-centric approach and global R&D platform
- 5 Demonstrated track record of managing business through commodity price cycle
- 6 Key player in shaping a sustainable agenda for the agriculture and food industry
- 7 Experienced management team supported by our cooperative shareholding structure



# 1

# GLOBAL MARKET LEADER ACROSS ESSENTIAL, GROWING AND DIVERSIFIED MARKETS

**2** World Sugar producer in 2023/24

## Division

**SUGAR & RENEWABLES EUROPE**

**SUGAR & RENEWABLES INTERNATIONAL**

**STARCH, SWEETENERS & RENEWABLES**

## End Markets

 Food and drink

 Animal feed

 Plant chemistry & fermentation

 Pharmaceuticals and cosmetics

 Paper and corrugated cardboard

 Renewables energy

## Market Position<sup>1</sup>

**Top 3**

Sugar producer Europe & France

**2**

Sugar producer Brazil

**4**

Ethanol producer Brazil

**3**

Starch producer Europe

**3**

Sweeteners producer Europe

**2**

Wheat protein producer Europe

## Market Growth

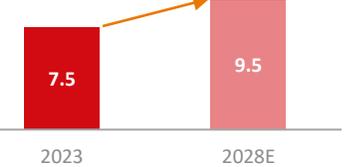
EU sugar demand<sup>2</sup>  
(Mt)

**+0.0%**



EU ethanol demand<sup>3</sup>  
(Mm<sup>3</sup>)

**+4.9% p.a.**



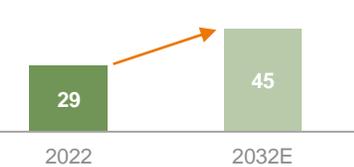
World sugar demand<sup>2</sup>  
(Mt)

**+1.7%**



Brazilian ethanol demand<sup>4</sup>  
(Mm<sup>3</sup>)

**+4.5% p.a.**



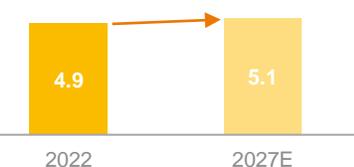
EU starches consumption<sup>5</sup>  
(Mt)

**+1.2% p.a.**



EU Sweeteners consumption<sup>5</sup>  
(Mt)

**+0.7% p.a.**



2

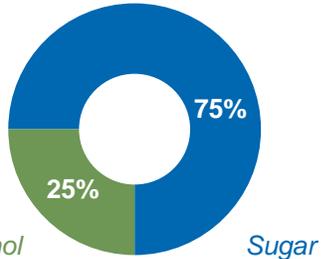
# HIGHLY FLEXIBLE ...



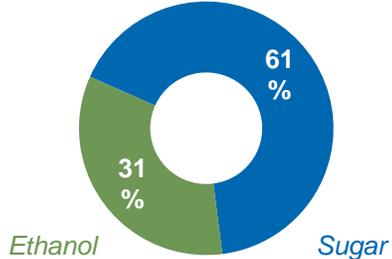
## SUGAR & RENEWABLES EUROPE

A flexible industrial device to control the production mix

2014/15 capacity

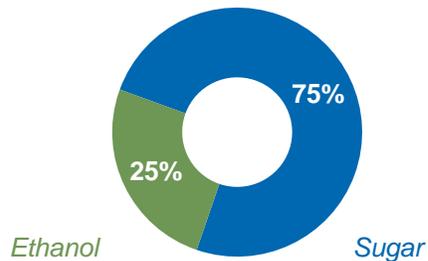


2023/24 capacity



Flexibility to produce up to 31% of our sugarbeet mix in Europe as ethanol (an increase from 25% in 2014/15)

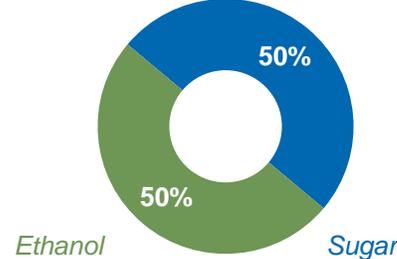
75% of sugar in our sugarbeet mix in Europe for 2023/24



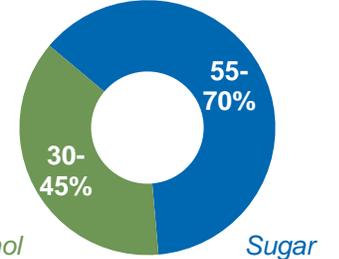
## SUGAR & RENEWABLES BRAZIL

Ability to switch between Ethanol and Sugar based on market conditions

Market capacity<sup>2</sup>

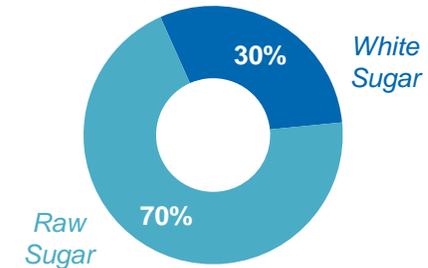


Tereos capacity



Share of sugar in our output mix in Brazil can vary from 55% to 70% (compared to 50% for the market)

Raw and white sugar split for 2023/24 campaign in Brazil<sup>3</sup>

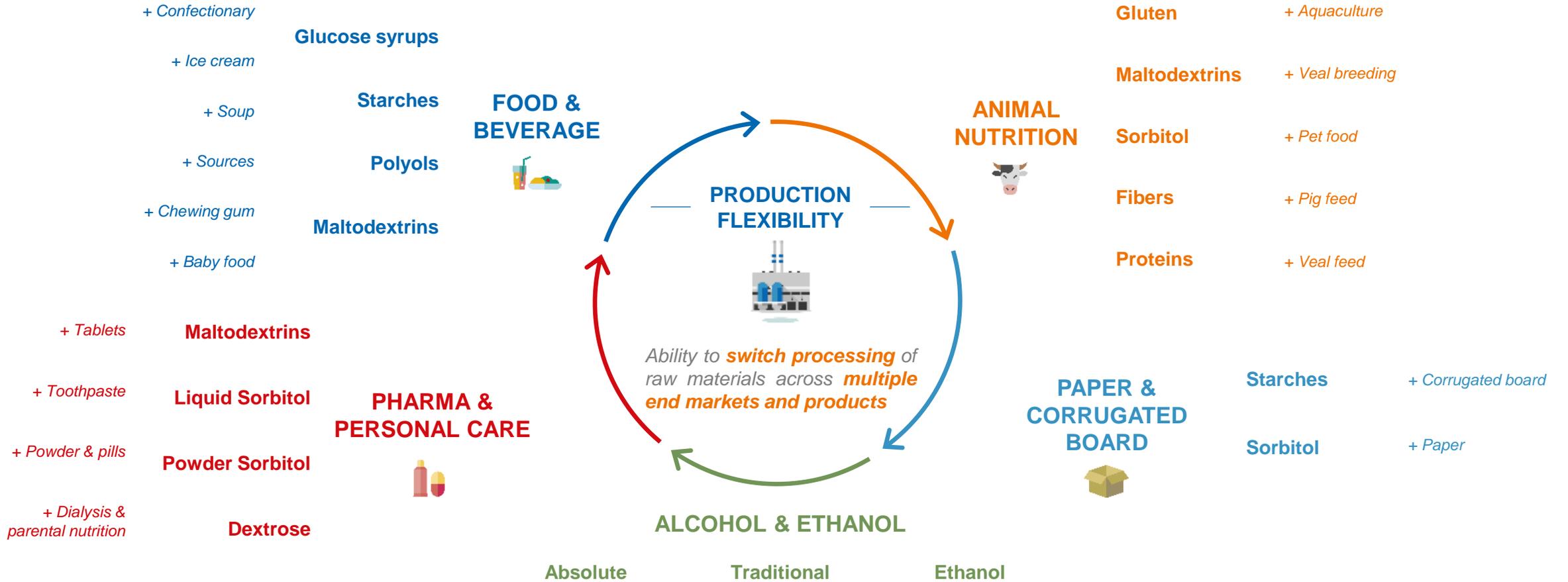


# 2

# ... AND ADAPTABLE PRODUCTION



## STARCH, SWEETENERS & RENEWABLES



# 3

# STATE OF THE ART ASSET BASE

**€2.4bn**

VALUE OF PPE INCLUDING 41 OPERATING FACILITIES IN 9 COUNTRIES



ASSET CLUSTERS CLOSE TO LARGEST SUPPLY BASINS

HIGH INDUSTRIAL PERFORMANCE



COMPETITIVE PRODUCTION COSTS

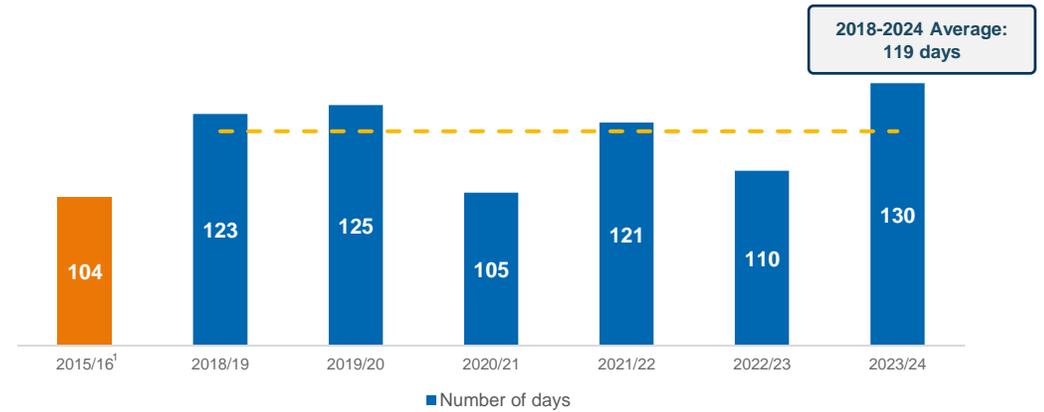


FLEXIBLE FACILITIES

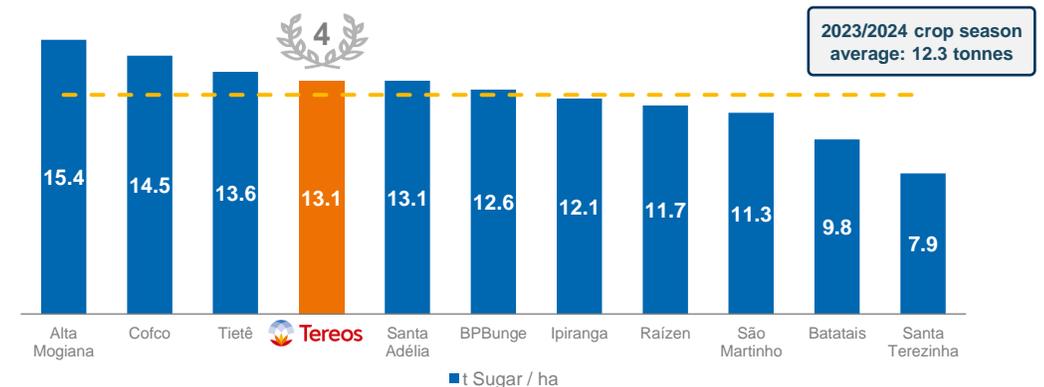


## SUGAR & RENEWABLES

### Tereos France Campaign Duration



### Tereos Brazil Agricultural Yields<sup>2</sup> vs. Peers



# 4 LONG TERM PARTNERSHIPS SUPPORTED BY GLOBAL R&D PLATFORM ...

Diversified blue chip client base

Food, Beverage & Spirits

Pharma. & Cosmetics

Other

Operations since **1812** in **France** and **1969** in **Brazil**  
 Top 10 customers represent less than **20% of revenues**<sup>1</sup>

Dynamic R&D policy

6 strategic areas

3 objectives

- 1 Contribute to safe, healthy and sustainable diet
- 2 Optimize industrial process for full utilisation and recovery of raw materials with the logic of cascading use
- 3 Improve agricultural and industrial yields

## 4

## ... FOCUSED ON NEW CUSTOMER EXPECTATIONS

## HEALTH &amp; NUTRITION



## SIMPLICITY &amp; VALUE



## SUSTAINABILITY



- **A portfolio of complementary and diversified products**, in the context of decreasing sugar consumption in developed markets



- **Specialists in natural sweetening solutions**

ensemble™

- **Tailor-made formulation capabilities** and a collaborative approach with our customers



- **R&D teams present on 2 sites**, the customer and innovation center based in Aalst (since 2024) and the application center in Singapore (since 2018)



- **CSR roadmap is built on 5 pillars:** (i) Sustainable agriculture, (ii) Environmental protection, (iii) Preservation of resources, (iv) Responsible consumption (v) Employees and local development

# 5 TRACK RECORD OF MANAGING BUSINESS THROUGH COMMODITY PRICE CYCLE

## Key Achievements



- **Continuous topline growth and deleveraging**, despite the current inflationary environment driven by production deficits and resilient global demand



- **Ability to mitigate the downside of fluctuating commodity prices** through capacity to efficiently switch production lines to higher margin or in-demand products

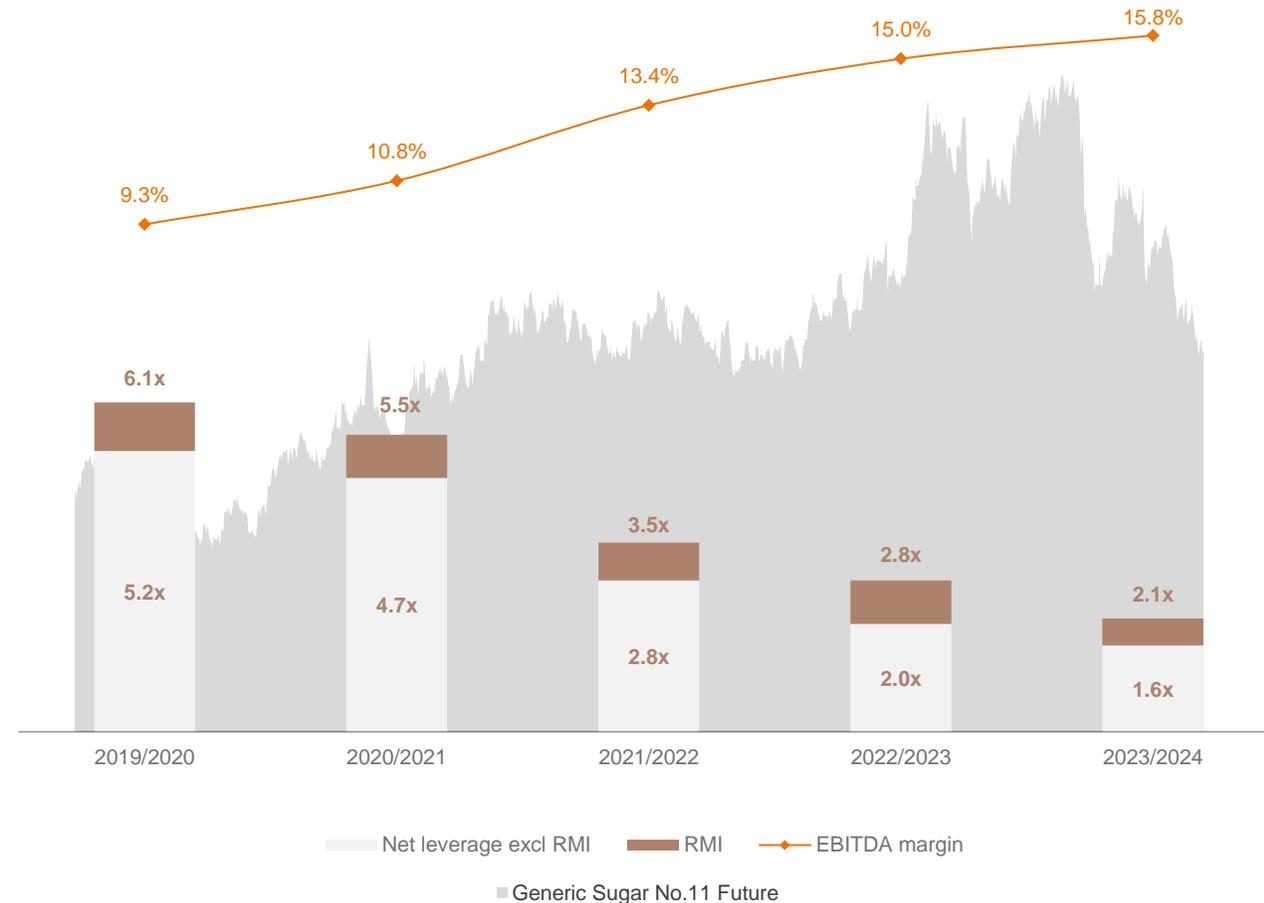


- **Significant margin improvement** achieved by expanding and diversifying our business areas, as well as implementing continuous optimization measures to attain best-in-class operational management



- **Historical limited correlation between our performance and the sugar market price** due to our ability to differentiate our overall offering through quality, reliability and proximity to our customers

## Sustained increase in profitability and deleveraging through cycle<sup>1</sup>



# 6

# KEY PLAYER IN SHAPING A SUSTAINABLE AGENDA FOR THE AGRICULTURE AND FOOD INDUSTRY

## Highlights

- **Commitment to integrate ESG issues into the core of our operations** and past achievements are a key differentiating factor in the agriculture and food industry
- **Willingness to limit the environmental impact of our agro-industrial activities goes beyond our production facilities**, extending to our upstream and downstream value chain
- Objective to produce a large amount of certified or rated as sustainable agricultural products, with **81% certified or rated as sustainable in 2023/2024**

## Sustainable Agenda for the Agriculture and Food Industry

### Net-Zero Initiative



- ✓ **First sugar and starch producer in France** to commit to SBTi Net-Zero initiative
- ✓ **Achieve Net-Zero GHG emissions** across our value chain by 2050
- ✓ **Achieve 65% reduction of our GHG emission** of our European industrial sites by 2033 with a **€800m investment** planned to support this objective

### Transition Program



- ✓ **Help 1,000 farmers in France** to adopt low-carbon farming practices by 2026
- ✓ **Regenerative agriculture practices on 20% of the land** of our cooperative members used for beet cultivation by 2033

### Fret 21 Initiative



- ✓ France initiative to help companies to reduce their carbon footprint related to transportation
- ✓ **Commitment to reduce by 6,300 tones of CO<sub>2</sub> per year the GHG emissions of the transportation** of our sugar and starch products to European customers by 2026

### Energy Efficiency



- ✓ **Energy self-sufficient in Brazil** thanks to renewable energy produced by our plants as a by-product of our sugar and ethanol production
- ✓ **€100m invested** for energy efficiency improvements over 2015-2018, achieving a **10% reduction in energy consumption** in our French sugar production facilities. Significant improvement to come with the 2033 €800m investment plan

# 7

# EXPERIENCED MANAGEMENT TEAM SUPPORTED BY OUR COOPERATIVE SHAREHOLDING STRUCTURE

Experienced management and leadership team...



### Olivier Leducq – Managing Director

- Joined Tereos in 2015
- Large experience in both operations (manufacturing & sales) and support functions and
- of deep transformational changes in various industries



### Gwenael Elies – Group CFO and Deputy Managing Director

- Joined Tereos in 2009
- 30+ years of experience in sugar and starch & sweeteners industries, including 10+ years at Tereos



### Christophe Lescroart – Europe Industrial Operations Director

- Joined Tereos in 2015
- 30+ years of experience in Agro-industries, including 25+ years in the starch & sweeteners industry



### Pierre Santoul – Brazilian Activities Director

- Joined Tereos in 2014
- 30+ years of business transformation experience in consumer goods industry



### Kristell Guizouarn – CSR, Communication and Public Affairs Director

- Joined Tereos in 2024
- 15+ years of experience in Agro-industries, including 10+ years in charge of CSR policies and public affairs

...supported by



**10,700**

Cooperative members  
*As of March 31<sup>st</sup>, 2024*



**~15,800**

Global workforce  
*As of March 31<sup>st</sup>, 2024*

...and mandated to

1

**DELEVERAGE THROUGH DEBT REDUCTION**

2

**FOCUS ON FREE CASH FLOW GENERATION**

3

**IMPROVE THE OPERATING RESULTS & PERFORMANCE**