

Tereos

Update

September 2024



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01

Results



Q1 business highlights

Continued strong financial performance

First quarter result still at record highs

- **Strong increase on margins and cash flow YOY**
 - EBITDA growth of +9% YOY, reaching €268m
 - Recurring EBIT of €195m (+7% YOY)
 - Cash flow after CAPEX and before working capital variation of €-6m (vs. €+100m in 23/24)
- **Continued progress of profitability**
 - EBITDA margin increased by +212bps, from 14.6% in Q1 23/24 to 16.7% in Q1 24/25

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 Q1 2024/25 figures

12-MONTH (LTM)
ADJUSTED EBITDA¹

€1,150m

12-MONTH REVENUES

€7,059m

+2,8% YOY at
constant foreign exchange rate
(+3,2% at current foreign
exchange rate)

12-MONTH RECURRING
EBIT¹

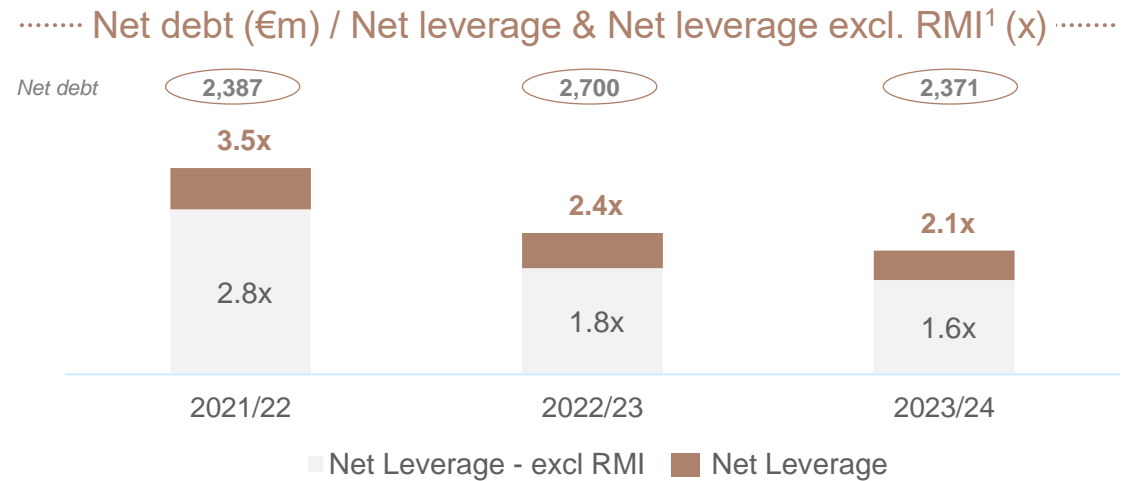
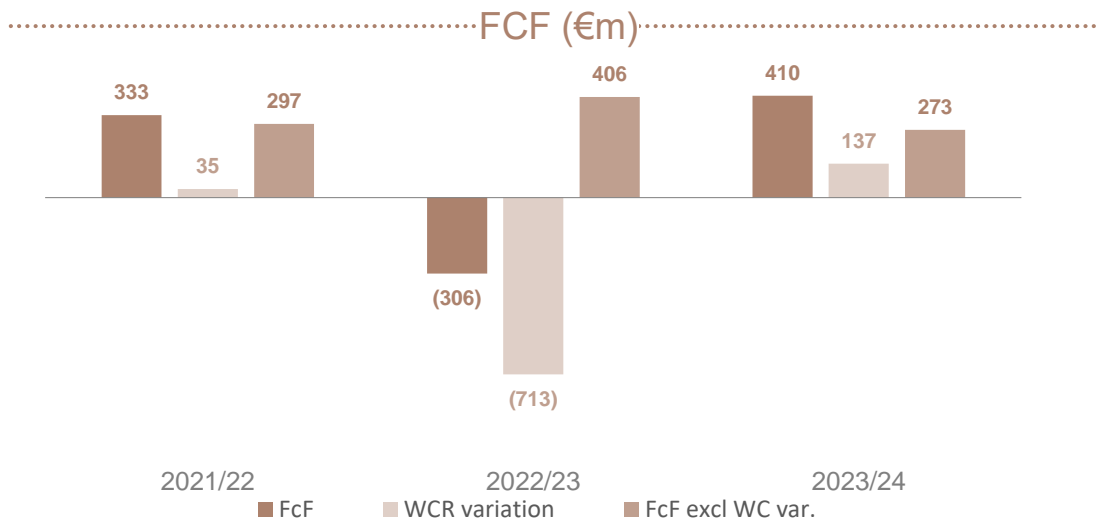
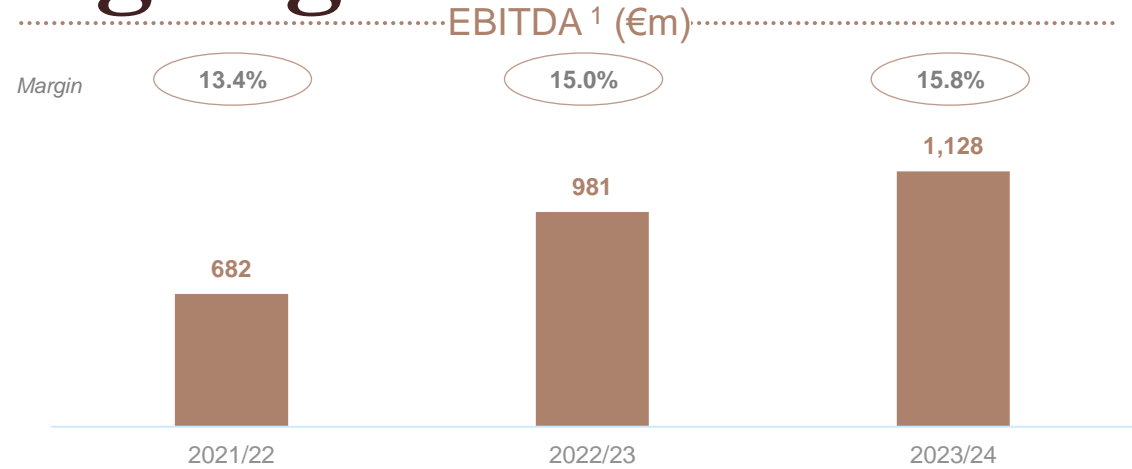
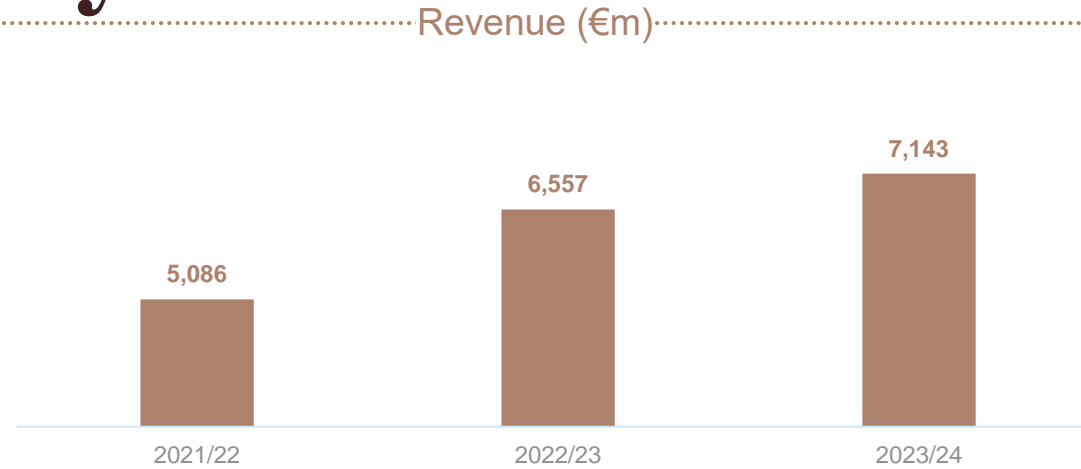
€847m

DECREASING LEVERAGE¹
(VS. MARCH)

1.9x



Key historical financial highlights



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

Q1 24/25: strong financial performance I/II

Income statement	23/24	24/25	Var ¹	
€ m	Q1	Q1		
Revenues	1,687	1,603	-84	-5%
Adj. EBITDA	246	268	+22	+9%
Adj. EBITDA Margin	14,6%	16,7%	+2,1pts	
Recurring EBIT	182	195	+13	+7%
EBIT	166	189	+24	

Adjusted EBITDA increase of €22 million vs Q1 23/24, resulting from a good start of Brazilian crop due to dry period allowing for an increased pace in crushing

¹ At current exchange rates

Q1 24/25: strong financial performance II/II

- EBITDA of €268 million in the quarter, 11% higher than previous year at constant exchange rate.

- Strong pace at the beginning of the Brazilian crop, combined with strong margins level still in the Sugar Europe division

LTM EBITDA: +11% vs. June 23, to €1,150m

- Strong commercial and operational performance, in a context of increasing raw material and energy costs

- Net Debt: €2,178m and leverage at 1.9x**

- Net debt decreased slightly compared to the level at the beginning of the financial year (-193m€), mainly due to the WCR decrease which is linked to the usual beet stocks clearance at this period.
- Debt leverage decreased slightly to 1.9x, compared to 2.1x at the end of March 2024

- Commercial and operational efficiency improvements will protect margins and leverage through the cycle**

Adjusted EBITDA by division € m	23/24	24/25	% chg. (at current exch. rates)	% chg. (at constant exch. Rates)
	Q1	Q1		
Sugar Europe	91	110	21%	22%
Sugar International	34	87	159%	168%
Starch & Sweeteners	119	50	-58%	-57%
Other (incl. Elim.)	2	21	n.a.	n.a.
Tereos Group	246	268	9%	11%

Recurring EBIT by division €m	23/24	24/25	% chg. (at current exch. rates)	% chg. (at constant exch. Rates)
	Q1	Q1		
Sugar Europe	72	90	25%	2%
Sugar International	6	55	n.a.	n.a.
Starch & Sweeteners	104	31	-70%	-84%
Other (incl. Elim.)	1	19	n.a.	n.a.
Tereos Group	182	195	7%	9%

Continuous reduction in leverage

Successful pricing of new notes

- €300m notes priced on June 11, 2024, with a record-low spread vs. reference rate for Tereos, reflecting the improvement in investors' assessment of Tereos' risk profile and confidence in the Group's strategy

Positive ratings momentum

- Recent outlook improvement by both S&P and Fitch (from Stable to Positive), demonstrating their confidence in the Group's strategy and signaling potential positive rating action during the next 12-18 months

New successful refinancing of two main RCFs, for a total of €830m

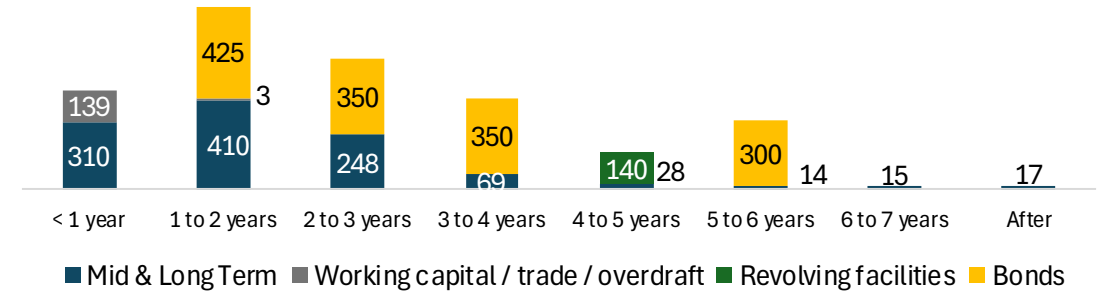
- Tereos SCA backup RCF increased to €230m and extended to 2029; Tereos France working capital RCF long-term size adjustment to €600m and extended to 2029 (with an option of an additional year)

Leverage falls to new historical low

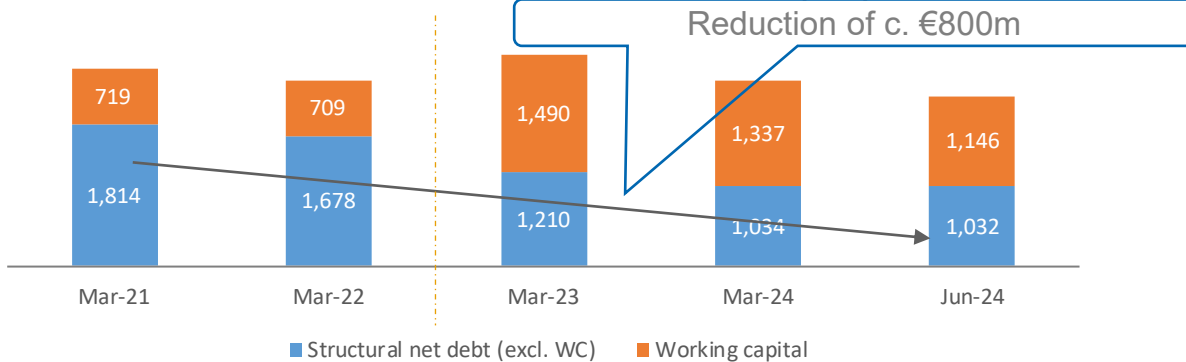
Debt maturity schedule as of June 30, 2024 (€m)¹

Strong liquidity:

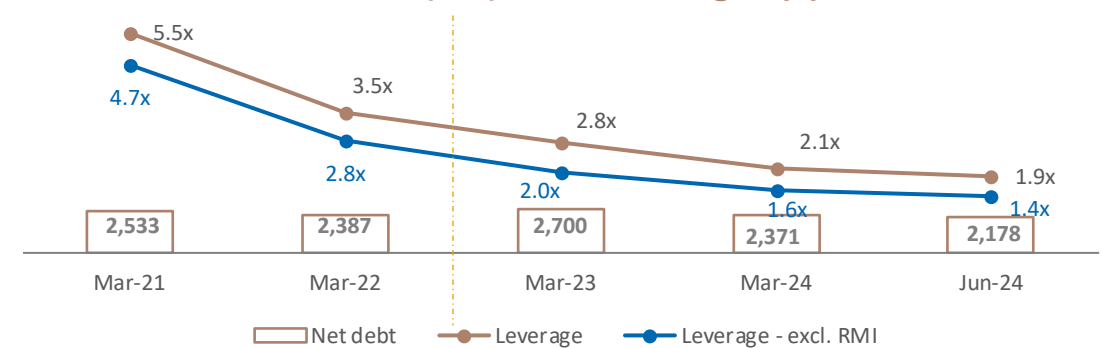
- €811m - cash & cash equivalents
- €880m - undrawn amounts of long-term committed facilities



Reduction in structural net debt (€m)²



Net debt (€m) / Net leverage² (x)



¹ Pre IFRS 16 impacts and including amortized costs ² Including IFRS 16; March 2021 and 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.

2

ENVIRONMENTAL PROTECTION

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

3

PRESERVATION OF RESOURCES

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

4

RESPONSIBLE CONSUMPTION

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

5

EMPLOYEES & LOCAL DEVELOPMENT

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

90%

OF OUR RAW MATERIALS CERTIFIED AS SUSTAINABLE

vs. 2017/18

100%

OF RAW MATERIALS TRANSFORMED

100%

OF SUBSIDIARIES WITH BIODIVERSITY PROJECTS

NET ZERO 2050

SBTi 1.5°C FLAG COMMITMENT*

-20%

WATER CONSUMPTION IN INDUSTRIAL PROCESSES vs. 2017

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

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

0.5

FREQUENCY RATES OF LOST-TIME ACCIDENTS vs. 2018

40%

OF WOMEN MEMBERS OF THE MANAGEMENT FORUM

* In-process

SBTi has registered Tereos' Forest, Land, Agriculture (FLAG) commitment and will validate it by 2024

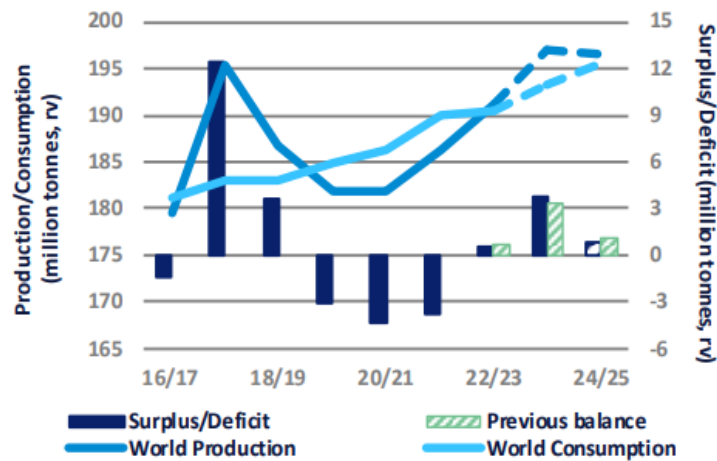
02

Markets and outlook

World sugar prices I/II

Better production perspective in North Hemisphere not enough to offset Brazilian production risk

Global supply/demand balance (Oct/Sep basis)



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

	Oct/Sep	National Crop Year	Apr/Mar
2022/23			
Production	191.1	184.4	185.5
Consumption	190.6	190.2	190.0
Surplus/Deficit	0.5	(5.8)	(4.6)
2023/24			
Production	197.1	194.8	194.7
Consumption	193.4	193.0	192.0
Surplus/Deficit	3.7	1.8	2.8
2024/25			
Production	196.5	195.5	195.5
Consumption	195.7	195.4	194.7
Surplus/Deficit	0.8	0.0	0.8

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	40.3	↓
C America	mn mt rv	5.5	5.6	5.6	-
China	mn mt wv	9.0	10.0	10.5	↑
EU + UK (sugar)	mn mt wv	15.0	16.1	17.0	↑
India	mn mt wv	32.8	32.2	29.3	↓
Mexico	mn mt tq	5.2	4.7	5.0	↑
Pakistan	mn mt tq	6.7	6.8	7.6	↑
Russia	mn mt wv	6.1	6.9	6.3	↓
Thailand	mn mt tq	10.8	8.5	10.8	↑
USA	mn mt rv	8.4	8.4	8.5	↑
World Total	mn mt rv	184.4	194.8	195.5	↑

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

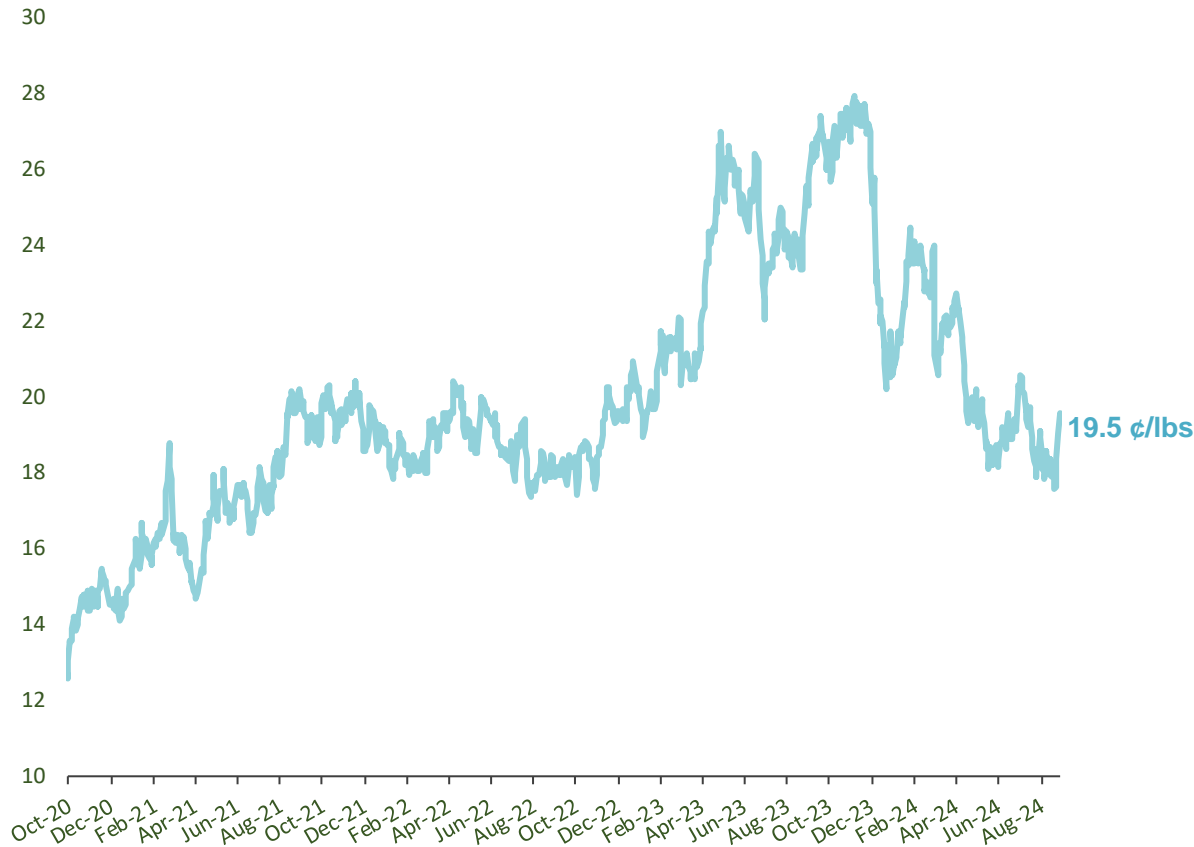
- ✓ The world supply surplus for 23/24 increased to 3.7Mt driven by speedup of crush at Brazilian Center-South region. Even with lower production the speedup bring more sugar production into 23/24 but reduces for 24/25 world crop.
- ✓ Market observe today the big risk on lower crop in Brazilian Center-South partially offset by improving expectations in north hemisphere.

Supply & demand risks flags

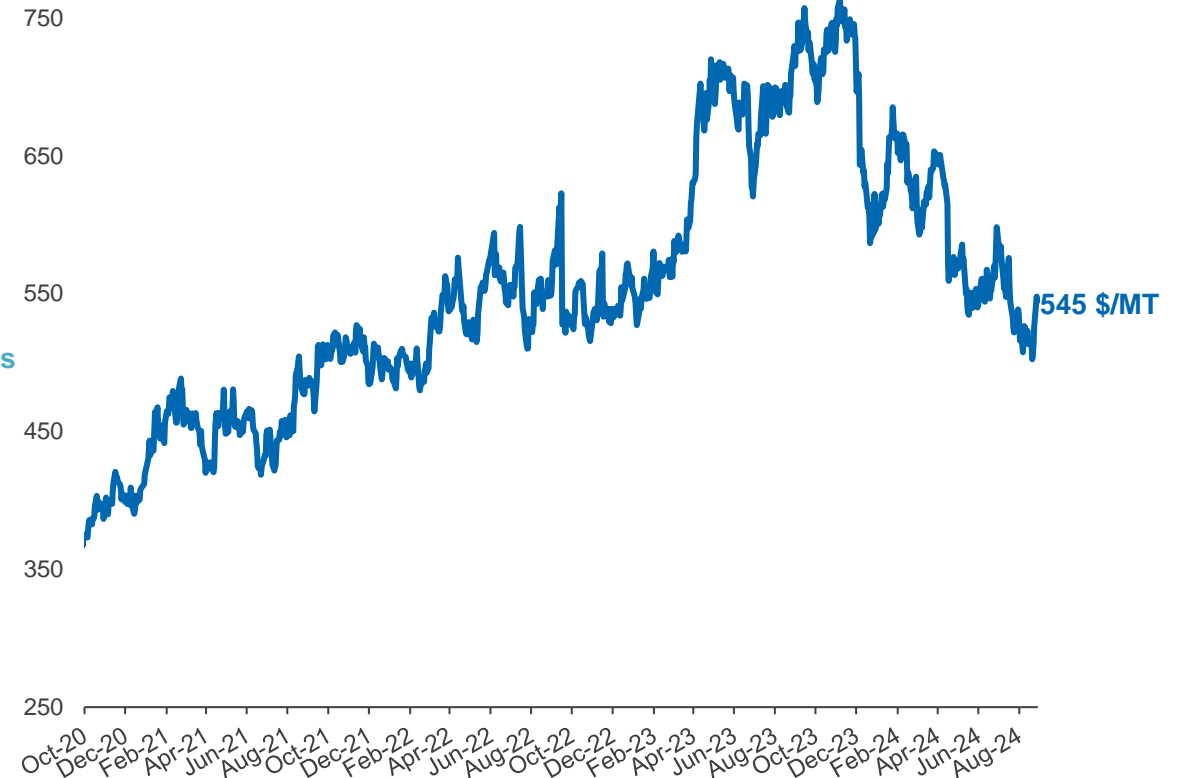
- ✓ The key point is the impact of the strong drought seen in Brazil that are expected to hit strongly the yields of August onwards and may have a big impact on 25/26 crop (lower planting + persistent drought + fires).
- ✓ Good rains in India may not be sufficient to bring enough sucrose production to allow the 4.5Mton of ethanol diversion government target and satisfy the domestic consumption. So, probability of enough production for exports is low.

World sugar prices II/II

World Sugar Index NY11 (¢/lbs)



London Sugar No. 5 (\$/MT)



Ethanol prices supported by crude oil prices



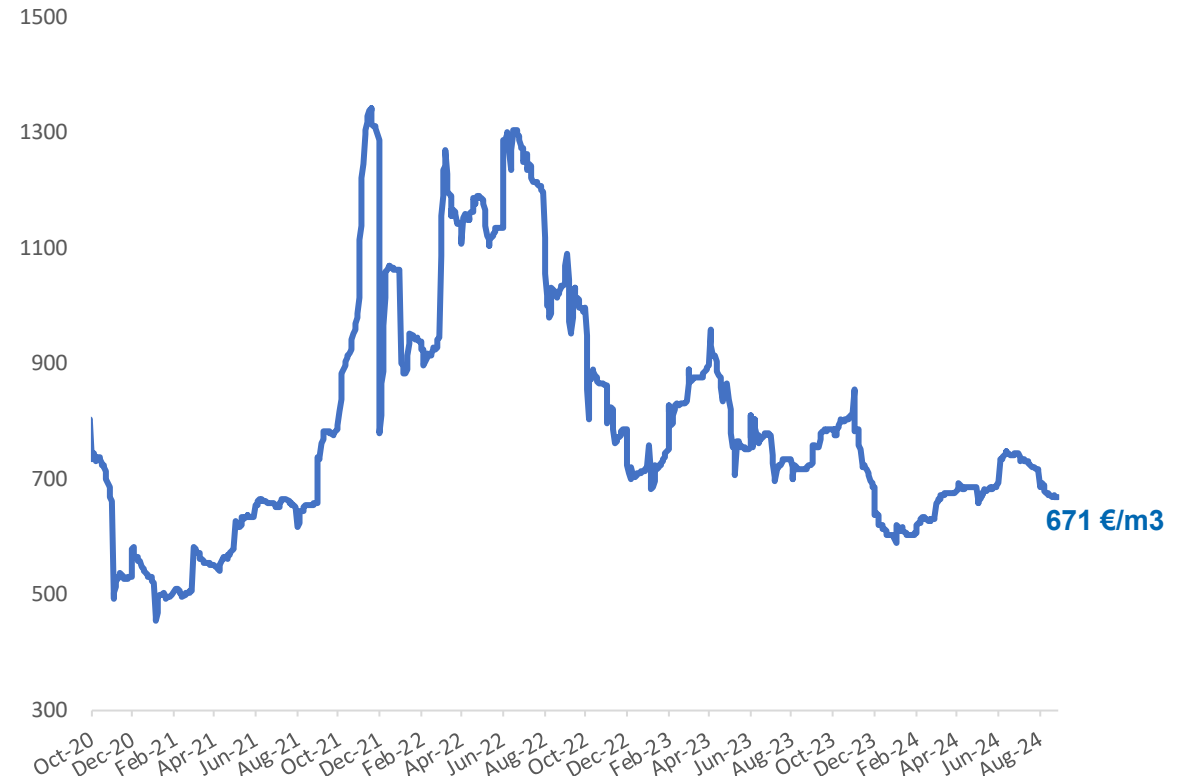
ESALQ Hydrous Ethanol (BRL/L)

Brazil



T2 Ethanol (EUR/m³)

European Union



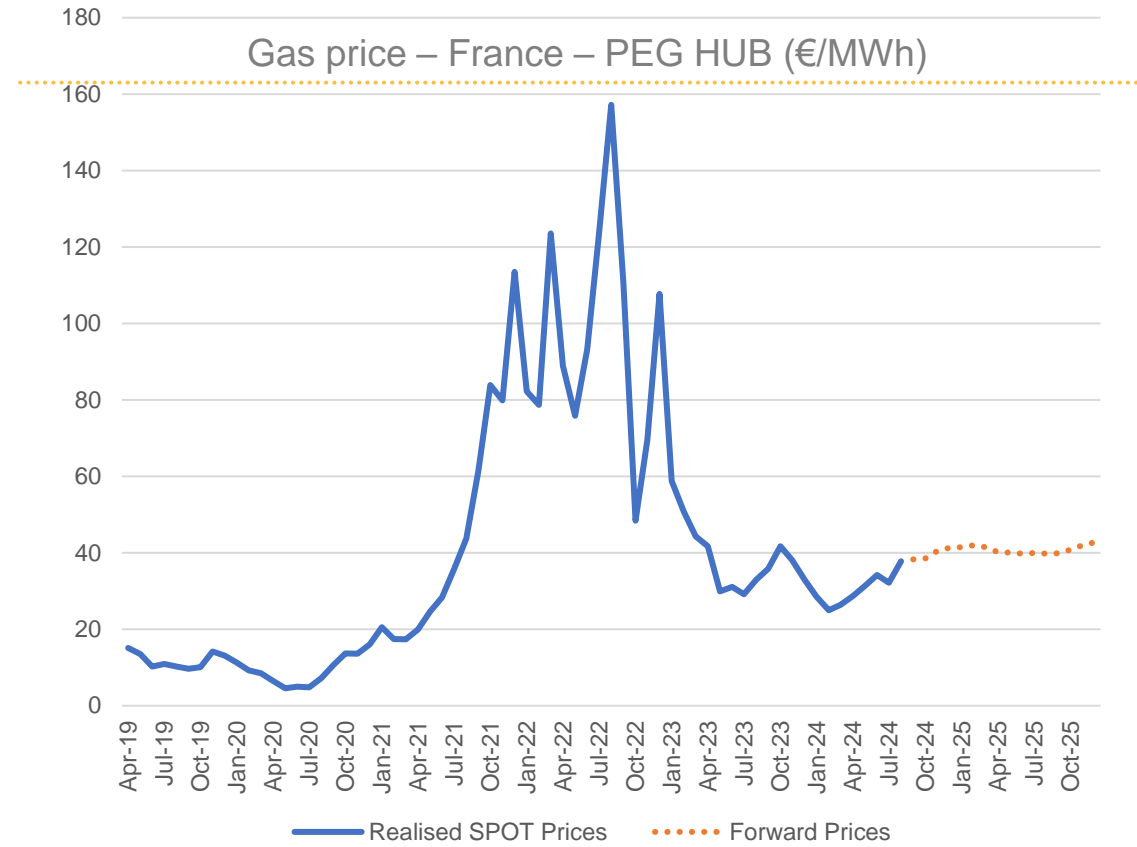
Wheat prices

Matif Wheat (€/t)



Sources: Bloomberg, August 2024

Gas prices



Business perspectives 2024/25

SUGAR AND RENEWABLES EUROPE



- **Tereos sugar beet campaign 2024/25**
 - _ Current estimates for 2024/25 yields are in line with the average of the previous 5 years; for the next campaign (2025/26), sugar beet surfaces (acreage) should remain stable vs. current situation
- **Sugar prices in Europe**
 - _ As we anticipated in our previous releases, the B2B sugar prices in Europe show a downward trend which will lead to lower margins starting in the second half of the year

SUGAR AND RENEWABLES INTERNATIONAL










- **Sugarcane yields**
 - _ In terms of effective sugarcane volume crushed by Tereos in Brazil, current estimates are in line with last year's level; recent fires had a limited impact (c. 6% of Tereos own sugarcane surfaces), and the sugarcane burned can still be harvested (the effective impact in sugar production is being evaluated)
- **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**
 - _ Q1 24/25 EBITDA margin were in line with Q4 23/24 , showing that margins have stabilized, thanks to demand recovery, after a period of decrease observed since Q3 23/24
- **Continued industrial performance initiatives**
 - _ Improvements being deployed, particularly on energy consumption and efficiency

Key strategic targets – looking beyond 2024

<p>2024 Targets</p> <p>FY 2023/24</p> <p>Status</p>	 <p>5% EBIT MARGIN</p> <p>11.7%</p> <p>✓</p>	 <p>RECURRING GENERATION OF POSITIVE FREE CASH-FLOW</p> <p>€410m</p> <p>✓</p>	 <p>NET DEBT LEVEL BELOW €2 BILLION</p> <p>€2.4bn (€1.0bn structural debt)</p> <p>On track <€2bn at comparable WC when target was set</p>	 <p>NET LEVERAGE < 3x</p> <p>2.1x</p> <p>✓</p>
<p>Beyond 2024</p> <p>BACK TO GROWTH VIA COMMERCIAL, OPERATIONAL AND INDUSTRIAL EXCELLENCE</p>	 <p>FINANCIAL DISCIPLINE MANAGING INDEBTEDNESS, LEVERAGE AND BALANCE SHEET STRENGTH</p>	 <p>POSITIVE FREE CASH-FLOW WITH SUSTAINABLE CAPEX</p>	 <p>DISCIPLINED FINANCIAL POLICY WHILE REWARDING SHAREHOLDERS</p>	

¹ Targets announced in the context of the FY 20/21 annual results release



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