Release

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# Half-year 2024/25 results

## Good performance amidst falling sugar prices in Europe that will have an impact on the second half of the financial year

(April 2024 – September 2024)

- In the first half of the financial year, revenues amounted to €3,226 million, down 11% compared to H1 23/24. This is explained by a drop in prices in Europe for sweeteners and for starch products compared to the same period in the previous year – a year when results reached record levels.
- EBITDA of €506 million, down 15% versus H1 23/24 due to lower sales prices. The Sugar and Renewables International division maintained its strong performance trend.
- EBITDA on a 12-month rolling basis came to €1,041 million in the period to September 30, 2024, compared to €1,150 million for the period to end-June 2024.
- Recurring EBIT of €358 million, compared to €459 million in H1 23/24.
- The Group continues to reduce its net debt, which stands at €2,024 million, down by €401 million from September 30, 2023 and €347 million lower than at March 31, 2024. Debt leverage has improved compared to the beginning of the financial year, standing at 1.9x compared to 2.1x at the end of March 2024.
- Structural debt – debt excluding working capital – totalled €981 million at the end of September 2024, an improvement of €166 million compared to the end of September 2023 and of €53 million compared to the end of March 2024.
- The recently contracted sales prices for B2B sugar in Europe as well as for liquid sweeteners are significantly lower compared to the negotiations for 2023, which will have a negative impact on the Group's results for the second half of the 2024/25 financial year.
- Despite this, the Group expects to end 2024/25 with lower net debt than in March 2024.

## 1. GROUP RESULTS

| Key figures (€ m) | 23/24 Q2 | 24/25 Q2 | % chg. (at current exch. rates) | % chg. (at constant exch. rates) | 23/24 H1 | 24/25 H1 | % chg. (at current exch. rates) | % chg. (at constant exch. rates) |
|---|---|---|---|---|---|---|---|---|
| Revenues | 1,949 | **1,623** | -17% | -15% | 3,636 | **3,226** | -11% | -10% |
| Adjusted EBITDA (1) | 346 | **238** | -31% | -26% | 592 | **506** | -15% | -11% |
| *Adjusted EBITDA margin (1)* | *17.8%* | *14.7%* | | | *16.3%* | *15.7%* | | |
| Recurring EBIT (2) | 278 | **163** | -41% | -36% | 459 | **358** | -22% | -19% |
| *EBIT margin (2)* | 14.2% | 10.0% | | | 12.6% | 11.1% | | |
| Net result | 159 | 88 | -44% | -40% | 239 | 196 | -18% | -15% |

In the first half of the 24/25 financial year, consolidated **revenues** totalled €3,226 million, down by 11% at current exchange rates and by 10% at constant exchange rates from €3,636 million in H1 23/24.

Consolidated **adjusted EBITDA**[1] stood at €506 million in H1 24/25, down 15% at current exchange rates and down 11% at constant exchange rates from €592 million in H1 23/24. Over the past twelve months, adjusted EBITDA amounted to €1,041 million.

**Consolidated recurring EBIT**[2] amounted to €358 million in H1 24/25 versus €459 million in H1 23/24.

The results were impacted by the drop in sales prices on the European markets, particularly in the starch and sweeteners segments, compared to the same period in 23/24, although a well-executed commercial strategy and rigorous cost control served to offset this trend.

[1] Please see the definition of adjusted EBITDA in the appendix.

[2] EBIT excluding non-recurring items (-€23 million in FY 23/24 and -€4 million in FY 24/25).

## 2. RESULTS BY DIVISION

### SUGAR AND RENEWABLES EUROPE

**Revenues** for the Sugar and Renewable Europe division amounted to €1,230 million in H1 24/25, down 5% at current exchange rates from €1,298 million in H1 23/24.

The division's **adjusted EBITDA** reached €193 million in H1 24/25, up 18% at current exchange rates from €164 million in H1 23/24.

The division's **recurring EBIT** was €152 million in H1 24/25, versus €127 million in H1 23/24.

The annual B2B sugar contracting campaign for 2024/25 in Europe was concluded at an average price close to €530 per tonne.

The negotiated prices followed a downwards trend during the contracting period (July–October), going from around €700 to around €450 per tonne and ending the period at a level close to export parity.

The significant drop in the average price compared to the previous campaign (€860 per tonne) can be explained by the high level of imports, particularly from Ukraine, and by the sharp increase in beet areas in Europe for the 2024/25 campaign. The situation could change for next year, with announcements by several European producers pointing to a potential decrease in beet areas.

### SUGAR AND RENEWABLES INTERNATIONAL

Sugar and Renewables International **revenues** amounted to €808 million in H1 24/25, up 4% at current exchange rates and up 13% at constant exchange rates from €775 million in H1 23/24.

The division's **adjusted EBITDA** reached €208 million in H1 24/25, up 16% at current exchange rates and 26% at constant exchange rates from €179 million in H1 23/24.

The division's **recurring EBIT** was €144 million in H1 24/25, versus €122 million in H1 23/24.

The division's results were mainly driven by a rise in the actual selling price of sugar, reflecting the execution of the hedging strategy, and, to a lesser extent, by an increase in sales volumes.

In August, fires in Brazil affected a limited portion of the sugarcane area (about 6%). Some of the burnt sugarcane was harvested. At present, we estimate that the impact on sugar production and EBITDA for the year will be limited.

In Brazil, the sugarcane crop is underway, with an estimated volume of sugarcane crushed close to last year's record level (21.1 million tonnes).

**STARCH, SWEETENERS AND RENEWABLES**

**Revenues** from the Starch, Sweeteners and Renewables division amounted to €928 million in H1 24/25, down 29% at current exchange rates from €1,302 million in H1 23/24.

The division's **adjusted EBITDA** reached €96 million in H1 24/25, down 58% at current exchange rates from €226 million in H1 23/24.

The division's **recurring EBIT** amounted to €56 million in H1 24/25, versus €191 million in H1 23/24.

The comparison between these results and those for the same period in 2023/24 shows a decline in EBITDA. A lower level of quarterly EBITDA (compared to the level of H1 2023/24) was recorded as of the third quarter of 2023/24, and has stabilized since then at close to €50 million per quarter. This decline in the division's EBITDA was widely anticipated and was communicated by the Group in our results publications.

## 3. NET DEBT

Net debt at September 30, 2024 stood at €2,024 million compared to €2,371 million at March 31, 2024, representing a reduction of €347 million. Excluding Readily Marketable Inventories (€470 million that can be converted into cash at any time), the Group's adjusted net debt totalled €1,554 million.

The decrease in net debt compared to March 31, 2024 was due to a positive operating cash flow, which largely covers CAPEX, combined with a decrease in working capital related to the usual seasonal lower stock levels in the Sugar and Renewables Europe division during the first half of the year.

The Group's debt leverage improved and stood at 1.9x at the end of September 2024.

In line with the objectives set in June 2021, the Group has reduced its structural debt (excluding working capital).

The Group's financial security amounted to €1,818 million at September 30, 2024. It consisted of €798 million in cash and cash equivalents and €1,020 million in undrawn confirmed long-term credit lines.

The Group expects to end 2024/25 with lower net debt than in March 2024.

The net financial debt as at September 30, 2024 can be broken down as follows:

| Net debt (€ m) | March 31 2024 | Sept. 30, 2024 | Current | Non-current | Cash and cash equivalents |
|---|---|---|---|---|---|
| Net debt | 2,371 | 2,024 | 633 | 2,189 | -798 |
| Net debt/EBITDA ratio | 2.1x | 1.9x | | | |
| Net debt/EBITDA ratio excl. RMI* | 1.6x | 1.5x | | | |

**Readily Marketable Inventories: €606 million as at March 31, 2024 and €470 million as at September 30, 2024*

| Net debt (€ m) | Sept. 30, 2023 | Mar. 31, 2024 | Sept. 30, 2024 |
|---|---|---|---|
| Net debt | 2,424 | 2,371 | 2,024 |
| Working capital (WC) | 1,278 | 1,337 | 1,043 |
| Structural debt (excluding working capital) | 1,147 | 1,034 | 981 |

## 4. IMPORTANT NOTES AND POST-CLOSING EVENTS

### FULL EARLY REDEMPTION OF NOTES DUE 2025

On October 30, 2024, Tereos concluded the redemption of the total amount (€425 million) of its notes maturing in 2025.

### DISPOSAL OF B2C TUKI

Tereos has completed the sale of its sugar packaging plant Tereos UK and Ireland (TUKI), located in Normanton, West Yorkshire, and its B2C business to T&L Sugars Limited (TLS). The Tereos UK plant packages and distributes white granulated, bakery and speciality sugar to UK retailers and wholesalers under the “Whitworths Sugar” brand as well as various private labels. The transaction only concerns the B2C business and Tereos will continue to trade with its industrial customers (B2B) under the TUKI name.

### REFINANCING IN BRAZIL

Tereos concluded a US$132 million refinancing operation in Brazil for its sugar and ethanol business in the form of a new sustainability-linked loan with a tenor of five years.

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### About Tereos

*Tereos is a cooperative group with 10,700 members and recognised expertise in the processing of sugar beet, sugar cane, cereals and alfalfa. Thanks to its 41 industrial sites, a presence in 15 countries and the commitment of its 15,800 employees, Tereos supports its customers as closely as possible to their markets with a wide and complementary range of products. In 2023/24, Tereos generated sales of €7.14 billion. Driven by its raison d'être - to cultivate a common future for the Earth and for humankind by meeting essential day-to-day needs - the cooperative is one of the 50 most committed companies in terms of emissions linked to forests, land and agriculture. In 2024, Tereos committed to a decarbonisation roadmap validated by SBTi FLAG Net Zero.*

# APPENDIX

## A. VOLUMES

| Volumes sold | 23/24 Q2 | 24/25 Q2 | % chg. | 23/24 H1 | 24/25 H1 | % chg. |
|---|---|---|---|---|---|---|
| Sugar and Sweeteners (k. tco) | 1,676 | **1,741** | *4%* | 2,953 | **3,324** | *13%* |
| Alcohol and Ethanol (k. m3.) | 381 | **382** | *0%* | 735 | **761** | *4%* |
| Starch and Protein (k. tco) | 298 | **226** | *-24%* | 549 | **496** | *-10%* |
| Energy (GWh) | 456 | **711** | *56%* | 757 | **1,157** | *53%* |

## B. INCOMESTATEMENT

| Income statement (€ m) | 23/24 H1 | 24/25 H1 | % chg. (at current exch. rates) | % chg. (at constant exch. rates) |
|---|---|---|---|---|
| Revenues | 3,636 | **3,226** | -11% | -10% |
| Adjusted EBITDA | 592 | **506** | -15% | -11% |
| *EBITDA margin* | *16.3%* | *15.7%* | | |
| Seasonality adjustment | 26 | 25 | | |
| Depreciation, amortization, impairment | -164 | -174 | | |
| Other | 5 | 1 | | |
| Recurring EBIT | 459 | **358** | -22% | -19% |
| *Recurring EBIT margin* | *12.6%* | *11.1%* | | |
| Non-recurring items | -23 | -4 | | |
| Net financial income (expense) | -118 | -109 | | |
| Corporate income tax | -80 | -49 | | |
| Share of profit of associates | 1 | 1 | | |
| Net income (loss) | 239 | **196** | -18% | -15% |

***Adjusted EBITDA*** *corresponds to net income (loss) before income tax, the share of income from equity affiliates, net financial income, depreciation, amortization and impairment, goodwill impairment, bargain purchase gains and price supplements. It is also restated for changes in the fair value of financial instruments, inventories, and sale and purchase commitments, except for the portion of these items that relates to trading activities, changes in the fair value of biological assets, the seasonal effect and non-recurring items. The seasonal effect corresponds to the temporary difference in the recognition of depreciation charges and the cost of price supplements between the Group's financial statements as per IFRS standards and the Group's management accounts. Adjusted EBITDA is not a financial indicator defined as a measure of financial performance under IFRS and may not be comparable to similar indicators referred to using the same term by other companies. Adjusted EBITDA is provided for additional information purposes and cannot be considered as a substitute for operating income or operating cash flow.*

## C. CHANGE IN NET DEBT

| Change in net debt (€ m) | 23/24 H1 | 24/25 H1 |
|---|---|---|
| Net debt (opening position) excl. IFRS 16 | -2,566 | -2,209 |
| Adjusted EBITDA | 592 | 506 |
| Other operating cash flows | -50 | 6 |
| Net financial expenses | -87 | -81 |
| Income tax paid | -2 | -85 |
| Cash flows | 453 | 345 |
| Maintenance & renewal | -117 | -117 |
| Other CAPEX | -59 | -106 |
| Cash flow after CAPEX | 278 | 122 |
| Change in working capital | 222 | 282 |
| Cash flow from operating activities | 499 | 404 |
| Financial investments | -118 | 5 |
| Disposals of assets | 3 | 4 |
| Dividends received | 8 | 1 |
| Cash flow from (used in) investing activities | -107 | 10 |
| Cash flow after investing activities | 392 | 414 |
| Dividends paid & price supplement | -8 | -70 |
| Capital increases/other capital movements | -18 | -8 |
| Cash flow from (used in) capital transactions | -27 | -78 |
| Free cash flow | 366 | 336 |
| Other (incl. forex effects) | -63 | 15 |
| Net debt excluding IFRS 16 impact | -2,263 | -1,858 |
| IFRS 16 impact | -162 | -166 |
| Net debt closing position | -2,424 | -2,024 |

## D. RESULTS BY DIVISION

| Revenues by division (€ m) | 23/24 Q2 | 24/25 Q2 | % chg. (at current exch. rates) | % chg. (at constant exch. rates) | 23/24 H1 | 24/25 H1 | % chg. (at current exch. rates) | % chg. (at constant exch. rates) |
|---|---|---|---|---|---|---|---|---|
| Sugar Europe | 651 | 597 | -8% | -8% | 1,298 | 1,230 | -5% | -5% |
| Sugar International | 508 | 472 | -7% | 4% | 775 | 808 | 4% | 13% |
| Starch & Sweeteners | 640 | 450 | -30% | -29% | 1,302 | 928 | -29% | -28% |
| Others (incl. elim.) | 150 | 104 | -31% | -46% | 261 | 260 | 0% | -11% |
| Tereos Group | 1,949 | 1,623 | -17% | -15% | 3,636 | 3,226 | -11% | -10% |

| Adjusted EBITDA by division (€ m) | 23/24 Q2 | 24/25 Q2 | % chg. (at current exch. rates) | % chg. (at constant exch. rates) | 23/24 H1 | 24/25 H1 | % chg. (at current exch. rates) | % chg. (at constant exch. rates) |
|---|---|---|---|---|---|---|---|---|
| Sugar Europe | 73 | 83 | 14% | 17% | 164 | 193 | 18% | 19% |
| Sugar International | 145 | 121 | -17% | -7% | 179 | 208 | 16% | 26% |
| Starch & Sweeteners | 107 | 46 | -57% | -56% | 226 | 96 | -58% | -57% |
| Others (incl. elim.) | 21 | -12 | -157% | -157% | 23 | 9 | -60% | -60% |
| Tereos Group | 346 | 238 | -31% | -26% | 592 | 506 | -15% | -11% |

| Recurring EBIT by division (€ m) | 23/24 Q2 | 24/25 Q2 | % chg. (at current exch. rates) | % chg. (at constant exch. rates) | 23/24 H1 | 24/25 H1 | % chg. (at current exch. rates) | % chg. (at constant exch. rates) |
|---|---|---|---|---|---|---|---|---|
| Sugar Europe | 55 | 63 | 14% | 49% | 127 | 152 | 20% | 23% |
| Sugar International | 116 | 89 | -24% | -11% | 122 | 144 | 18% | 28% |
| Starch & Sweeteners | 87 | 25 | -71% | -54% | 191 | 56 | -71% | -70% |
| Others (incl. elim.) | 19 | -14 | -172% | -363% | 20 | 5 | -72% | -73% |
| Tereos Group | 278 | 163 | -41% | -36% | 459 | 358 | -22% | -19% |

# C. MARKET TRENDS

## WORLD SUGAR MARKET

The first half of the fiscal year was marked by increased volatility, but the NY11 sugar price ultimately recorded little change between April 1 and September 30 (down 1%) and ended the period at US$22.47 cts/lb. Brazil's production volume and export levels were important components in this price trend. In April the risk of drought was a cause for concern until rainfall ultimately saw prices drop, reaching to close to US$18 cts/lb before a rising once again due to a dry spell and fires that impacted sugarcane plantation areas. The price peaked at US$23.42 cts/lb on September 25.

## SUGAR EUROPE

Prices in Europe trended downwards thanks to increased production in Europe (+7% compared to the previous year) combined with initial stock levels already being very high. According to the European Commission's reports, the contracts concluded since the 2023/24 campaign and during the 2024 calendar year brought down the price of sugar to €760/t EXW in September 2024, compared to €828/t EXW in May 2024, with a decrease of €61/t compared to September 2023. European producers exported significant volumes of sugar.

## ETHANOL BRAZIL

The volume of sugarcane processed accelerated during the half year, thanks to dry weather in Brazil ideal for harvesting operations. Fires in the Centre-South region of the country resulted in losses in terms of volume and quality (sugar content) of the sugarcane, leading to a decrease in the sugar portion of the sugar-ethanol mix which consequently boosted ethanol production. Strong demand for ethanol buoyed prices. ESALQ ethanol prices averaged R$2.92/litre in the first half (+16.8% compared to the previous half-year period). Strong demand is expected to support prices at the end of the harvest.

## ETHANOL EUROPE

In H1, European T2 ethanol prices stood at close to €700/m$^3$, a decrease of 10.8% compared to prices observed in the same period of the previous year. An increase in imports, mainly by the United States, is behind this decrease.

## CEREALS

Wheat: during H1, MATIF wheat prices averaged €220/tonne, down €16/tonne (-7%) compared to the same period last year. In April and May, prices climbed for a period due to uncertainties surrounding Russian production and exports. A downward trend was then observed from June to September. Despite a tight balance between global wheat supply and demand, the lack of major upside fundamentals and a potential additional Russian wheat supply explain the relatively low world price.

Corn: during H1, MATIF corn prices averaged €207/tonne, down €20/tonne (-9%) compared to the same period last year. Good weather conditions in the United States resulted in relatively high production volumes in the country. While this has created downward pressure on prices in recent months, the strong pace of exports in the United States has prevented prices falling.

## GAS EUROPE

During the half year, the average gas price in Europe was around €33.7/MWh (European benchmark ICE Endex TTF DA) and volatility was observed. Prices ranged from €29/MWh in April to €36/MWh in September, and the following factors impacted the market in particular:

- Geopolitical tensions: intensification of the war in Ukraine, including attacks on Ukrainian energy plants, Ukraine's incursion into Russia's Kursk region, and new EU sanctions on Russian LNG (including an investment ban and restrictions on LNG reloading within the EU). Tensions are also rising in the Middle East.
- Supply disruptions: Norway, Europe's largest natural gas supplier, has faced multiple unplanned outages in its gas fields.
- Rising LNG prices: increased demand for LNG from Asia and heat waves last summer (increased demand for gas) have led to a rise in world LNG prices.

Gas storage levels in Europe are still high. At the end of September these reached 94% of capacity, close to the levels observed last year. The main reasons are (i) low demand for gas for residential consumption and electricity generation, resulting from above-average temperatures in Europe in the months of April and September, and (ii) high production volumes from nuclear plants in France and renewable energy sources.