Tereos

Half Year 2024/25 Results

November 2024

Tereos

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01

Results

Business highlights: solid results and net debt reduction expected for the end of the fiscal year

H1 PERFORMANCE REMAINS ROBUST

_ Strong margins and cash flow

- EBITDA reaching €506m, a historically high level, even though it represents a -15% reduction compared to H1 23/24 level – 23/24 results were record high
- Recurring EBIT of €358m (-22% H1), for a strong 11.1% EBIT margin
- Cash flow after CAPEX and before working capital variation of €+122m (vs. €+278m in H1)

NET DEBT IMPROVEMENT EXPECTED, DESPITE A DECREASE IN EUROPEAN SUGAR PRICES

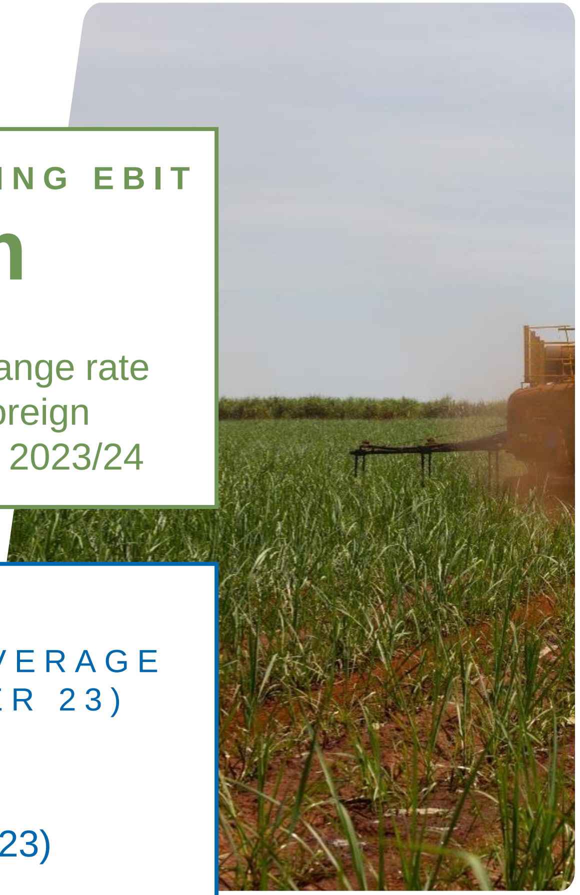
_ Valuable diversification

- In Brazil, current estimates for the sugarcane crushing volume are in line with last year’s record level (21Mt)
- World sugar prices at relatively high levels compared to historical average
- Starch & Sweeteners margins stabilized since Q3 23/24

_ Net debt reduction, despite a challenging price environment in Europe

- At the end of the fiscal year 24/25, net debt is expected to be lower than in March 2024, despite a reduction in B2B sugar prices in Europe that will impact H2

Key H1 2024/25 figures



6-MONTH REVENUES
€3,226m
-10% at
constant foreign exchange rate
(-11% at current foreign
exchange rate) vs H1 2023/24

6-MONTH ADJUSTED EBITDA
€506m
-11% at
constant foreign exchange rate
(-15% at current foreign
exchange rate) vs H1 2023/24

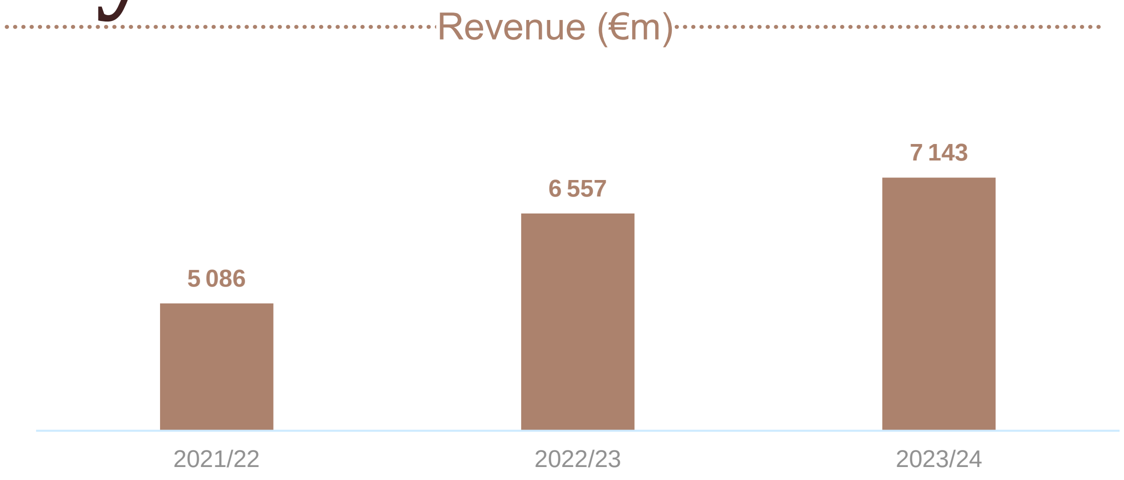
6-MONTH RECURRING EBIT
€358m
-19% at
constant foreign exchange rate
(-22% at current foreign
exchange rate) vs H1 2023/24

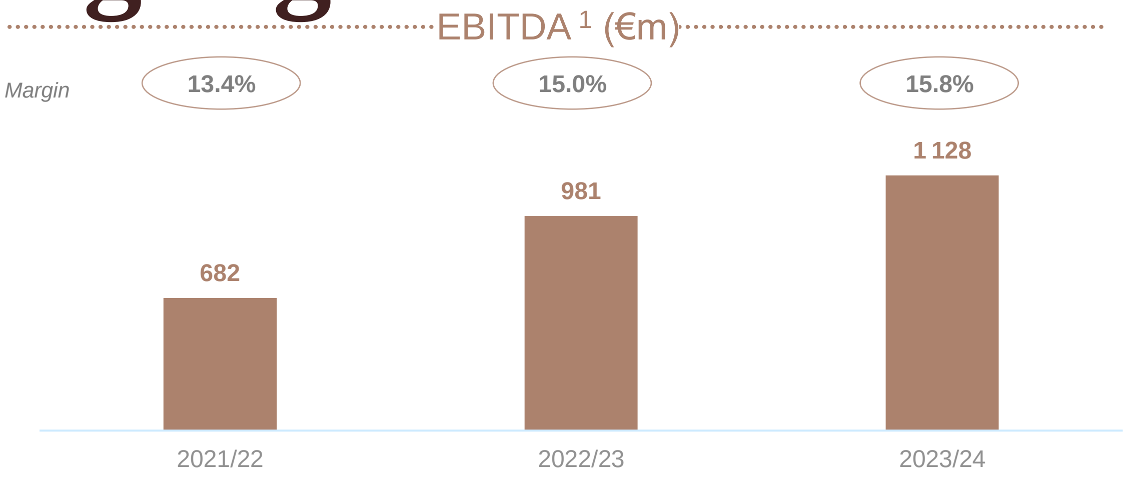
CASH FLOW AFTER CAPEX, BEFORE CHANGE IN WC
€122 m
(€278m in H1 2023/24)

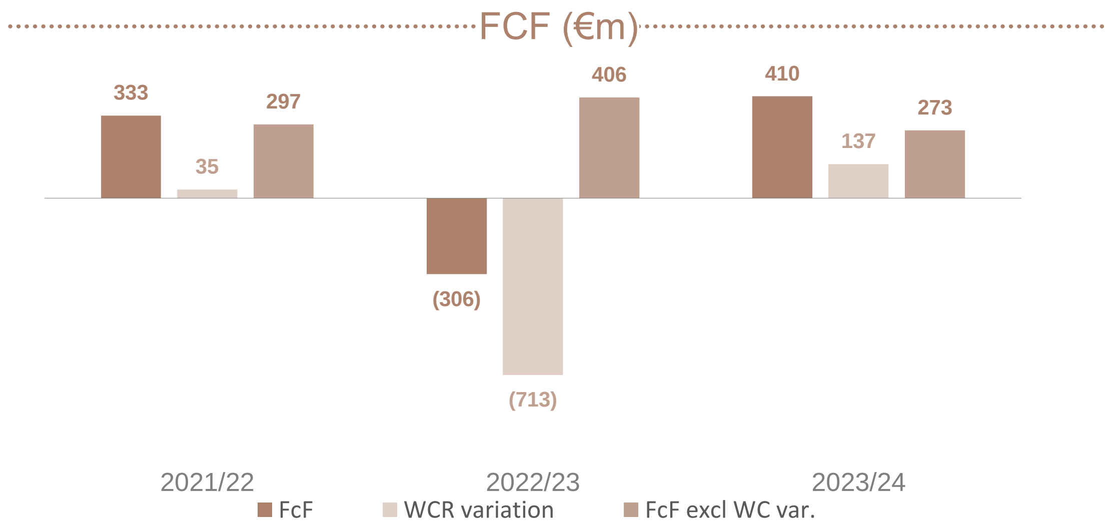
NET PROFIT
€196 m
(€239m in H1 2023/24)

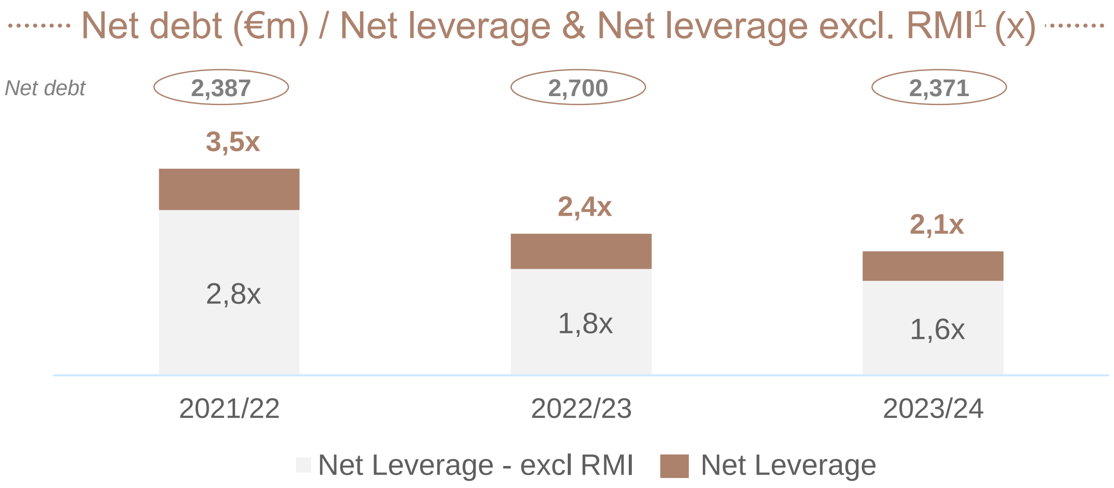
DECREASING LEVERAGE (VS. SEPTEMBER 23)
1.9x
(2.1x in Sept 2023)

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

H1 performance remains robust

Income statement € m	23/24 H1	24/25 H1		Var[1]
Revenues	3,636	3,226	-410	-11%
Adj. EBITDA	592	506	-86	-15%
Adj. EBITDA Margin	*16.3%*	*15.7%*	*-0.6pts*	
Depreciation / amortization	-164	-174	-10	
Seasonality adjustment	26	25	-1	
Others	5	1	-4	
Recurring EBIT	459	358	-101	-22%
Recurring EBIT Margin	*12.6%*	*11.1%*	*-1.5pts*	
EBIT	436	354	-83	-19%
EBIT Margin	*12.0%*	*11.0%*	*-1.0pts*	
Financial result	*-118*	*-109*	9	
Corporate income tax	*-80*	*-49*	31	
Share of profit of associates	*1*	*1*	0	
Net results	*239*	*196*	**-43**	

— **Adjusted EBITDA** decrease of €86 million vs H1 23/24, resulting from lower selling prices for Starch & Sweeteners in Europe

— **Recurring EBIT** remains strong; margin above 11%

Note : Figures considering new accounting methodology for intercrop expenditures, the one implemented since Q1 23/24 results release 1 At current exchange rates

Strong cash-flow generation

Net debt variation € m	23/24 H1	24/25 H1
Net debt (opening position) excluding IFRS16	-2,566	-2,209
Adj. EBITDA	**592**	**506**
Other operational flows [1]	-50	+6
Net financial charges	-87	-81
Income tax paid	-2	-85
Cash Flow	**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	3	4
Dividends received	8	1
Cash Flow after investing activities	**392**	**414**
Dividends paid & price complement	-8	-70
Capital increases/other capital movements	-18	-8
Cash Flow from (used in) transactions relating to equity	**-27**	**-78**
Free Cash-Flow	**366**	**336**
Other (incl. FOREX impact)	-63	15
Net debt excluding IFRS16	**-2,263**	**-1,858**
Impact IFRS16	-162	-166
Net debt (closing position)	**-2,424**	**-2,024**

Decrease in Financial Charges
Due to lower gross debt

Income tax paid
Higher amount compared to H1 23/24 as we are paying only now part of the income tax related to 22/23 results.

Operational cash-flow before WC remains healthy
EBITDA decline and CAPEX increase led to a drop in operational cash-flow generation

Working capital (WC) increase
Effect of the seasonality of the campaign

Free cash-flow
Positive FCF, driven by a strong cash flow after investing activities that allows to absorb dividends paid & price complement of the period

Net debt
Vs. Sept 2023: reduction result of strong operational FCF

[1] "Other Operational Flows" includes items such as the impact of the Cash Flow Hedge and other non-cash elements of the P&L (e.g. provisions) which are included in the change in working capital line in the free-cash flow statement of the consolidated financial statements

Sugar & Renewables Europe

€ m	23/24 H1	24/25 H1	var	
Volumes sold				
Sugar (kt)	999	1,140	+141	14%
Alcohol & Ethanol (k.m3)	210	193	-16	-8%
Revenues	1,298	1,230	-68	-5%
Adjusted EBITDA	164	193	+29	+18%
Adj. EBITDA Margin	*12.6%*	*15.7%*	*+3.1pts*	
Recurring EBIT	127	152	+26	+20%
Recurring EBIT Margin	*9.8%*	*12.4%*	*+2.4pts*	
EBIT	130	146	+17	+13%
EBIT Margin	*10.0%*	*11.9%*	*+1.9pts*	

Revenues decrease due to the drop in selling prices, partially offset by slightly higher sales volumes in sugar

EBITDA improvement driven by commercial margins optimisation

Recurring EBIT strong commercial and operational performances

Sugar & Renewables International

€ m	23/24 H1	24/25 H1	var	
Volumes sold				
Sugar (kt)	1,119	1,297	+178	+16%
Alcohol & Ethanol (k.m3)	250	260	+10	+4%
Revenues	775	808	+33	+4%
Adjusted EBITDA	179	208	+29	+16%
Adj. EBITDA Margin	*23.1%*	*25.7%*	*+2.6pt*	
Recurring EBIT	122	144	+22	+18%
Recurring EBIT Margin	*15.7%*	*17.8%*	*+2.1pts*	
EBIT	122	144	+22	+18%
EBIT Margin	*15.7%*	*17.8%*	*+2.1pts*	

Revenues increase driven by volumes increase and higher selling prices on sugar

EBITDA improvement driven by strong operational performance and selling prices

Recurring EBIT growth mainly driven by strong operational performance

Starch, Sweeteners & Renewables

€ m	23/24 H1	24/25 H1	Var	
Volumes sold				
Starch & Sweeteners (kt)	930	973	+43	+5%
Alcohol & Ethanol (k.m3)	157	154	-3	-2%
Revenues	1,302	928	-374	-29%
Adjusted EBITDA	226	96	-130	-58%
Adj. EBITDA Margin	*17.4%*	*10.3%*	*-7.1pts*	
Recurring EBIT	191	56	-135	-71%
Recurring EBIT Margin	*14.7%*	*6.0%*	*-8.7pts*	
EBIT	165	58	-107	-65%
EBIT Margin	*12.7%*	*6.3%*	*-6.4pts*	

Fall in revenues
Driven by decreasing prices across all product categories

Decrease in EBITDA
Mainly due to the drop in selling prices

Recurring EBIT decreasing mainly due to EBITDA performance

Continuous reduction in leverage

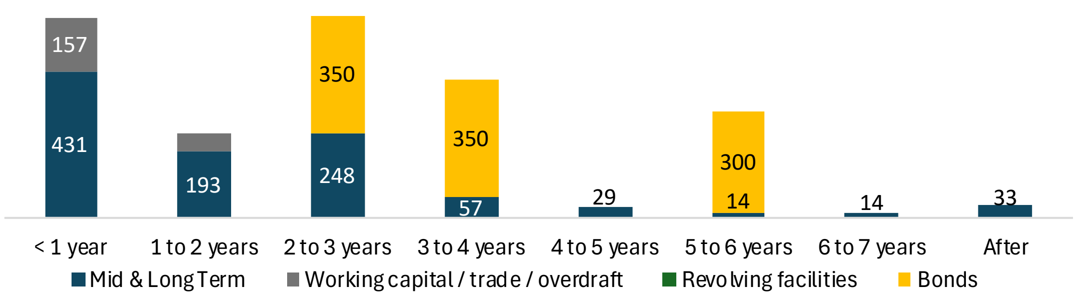
- **€1.4bn available liquidity**
  - Liquidity largely covers short-term maturities
- **Successful DCM and bank debt refinancing operations**
  - Full early redemption in October of the €425m notes due 2025, using proceeds of the €300m notes issuance concluded in June 2024
  - New sustainability-linked loan concluded in October for our Brazilian sugar & ethanol entity, for USD 132m with a 5-year tenor, to refinance existing lines at improved terms
- **Continuous improvement in leverage and structural debt:**
  - Continuous reduction in leverage
  - Structural debt: from €1.7bn in March 2022 to less than €1.0bn in Sep 2024

Debt maturity schedule as of September 30, 2024 (€m)[1]

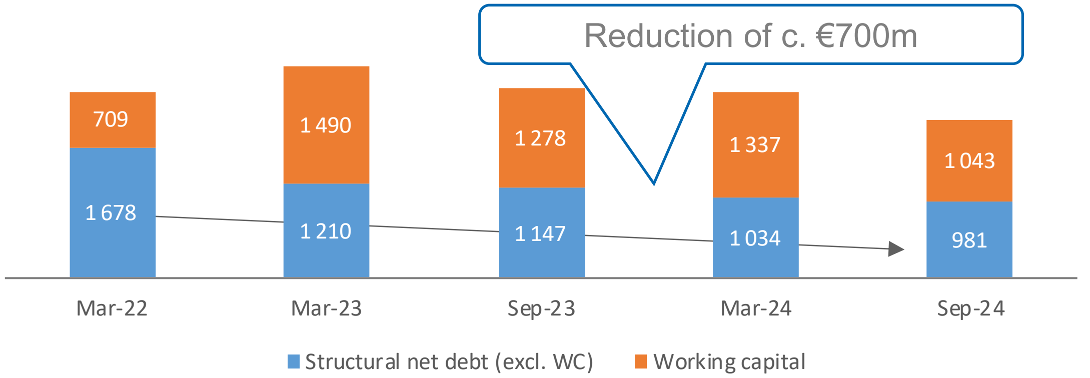
Pro-forma of Jun 2024 issuance and redemption of 2025 bonds[2]

Strong liquidity:

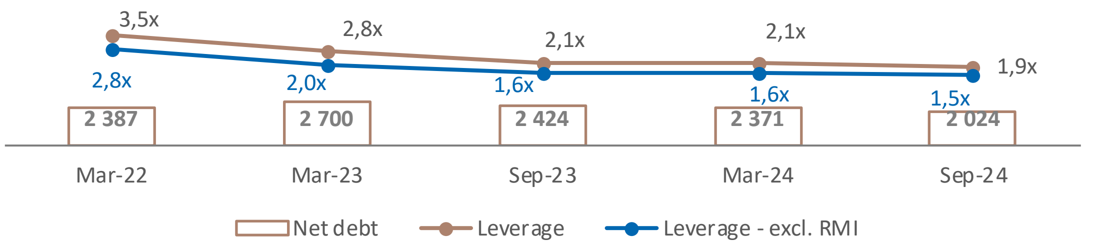
- **€1,393m of cash & cash equivalents and undrawn amounts of long-term committed facilities[2]**



Reduction in structural net debt (€m)[2]



Net debt (€m) / Net leverage[3] (x)



1 Pre IFRS 16 impacts and including amortized costs; 2 Pro-forma of early redemption of €425m notes due 2025 (concluded on 30 October 2024) using proceeds of €300m notes issued in June 2024 and €125m of internal liquidity; 3 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

Taking action for the Earth and People

OUR COMMITMENTS FOR TOMORROW

1. Sustainable agriculture

Promote the development of regenerative and low-carbon agriculture that is favourable to soil and biodiversity.

Our ambitions*

1,000 growers in France will be assisted in moving towards low-carbon agriculture by 2025 (low-carbon label) + regenerative agriculture programme

20% of our beet cultivation areas will roll out regenerative agriculture by 2033

90% of our agricultural raw materials will be assessed or certified as sustainable (vs. 60% in 2018)

2. Protection of the environment

Conserve and integrate biodiversity into our production processes, implement a "zero deforestation" strategy and minimise our waste by making the most of our agricultural raw materials.

Our ambitions*

100% of our guaranteed supply coming from non-deforesting agricultural raw materials by December 31, 2025

100% of our raw materials utilised

3. Preservation of resources

Achieve net zero GHG emissions throughout the responsible value chain, from the fields to finished goods, by 2050.

Our ambitions*

65% reduction in greenhouse gas emissions from our European industrial sites by 2033

50% reduction in greenhouse gas emissions from our industrial activities worldwide by 2033

36% reduction in emissions from our agricultural activities worldwide by 2033

-20% water consumption in industrial processes vs 2017

4. Responsible consumption

Promote responsible products through our brands and by being a leading partner for our customers.

Our ambitions*

Develop our sustainable product sales

Increase the percentage of our revenues linked to products with positive Nutri-Scores

5. Employee and local development

Protect the health and safety of our employees and promote diversity, equality and inclusion. Make the regions in which we operate more attractive.

Our ambitions*

20% annual decrease in the lost-time accident frequency rate (vs. 2023/24)

40% women members in our Management Forum (vs. 14% in 2022)

* for 2033

Business perspectives

SUGAR AND RENEWABLES EUROPE

- Tereos sugar beet campaign

_ Current yield estimates for 2024/25 are lower than the average for the previous 5 years; for the next campaign (2025/26), sugar beet acreage should remain stable compared with the current situation

- Sugar prices in Europe

_ As we anticipated in previous releases, the reduction in B2B sugar prices in Europe compared to last year's prices 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; in August, fires in Brazil affected a limited part of the sugarcane surface (c. 6%) - some of the sugarcane was harvested and we currently estimate a limited impact in production and EBITDA; Recent rains may lead to some delay in harvesting operations and potentially higher operational costs

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

_ World sugar prices between USD 18 and 23cts/lb; ethanol less profitable at current prices

STARCH, SWEETENERS AND RENEWABLES

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

_ Q2 24/25 EBITDA margin was in line with Q1 24/25 and Q4 23/24, showing that margins have stabilized, thanks to demand recovery, after a decrease observed from Q2 to Q3 23/24

- Continued industrial performance initiatives

_ Improvements being deployed, particularly on energy consumption and efficiency

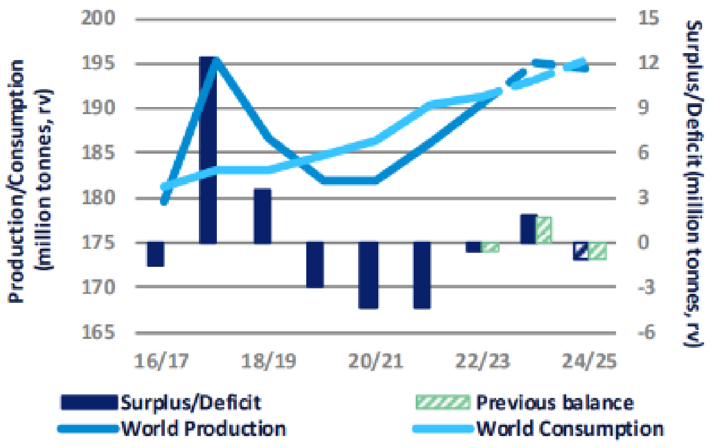
02

Market update

World sugar prices I/II

World 24/25 supply and demand in deficit

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	190.7	184.2	185.1
Consumption	191.3	190.8	190.6
Surplus/Deficit	(0.6)	(6.5)	(5.4)
2023/24			
Production	195.1	194.2	194.3
Consumption	193.3	193.0	192.4
Surplus/Deficit	1.8	1.2	1.9
2024/25			
Production	194.5	193.9	193.7
Consumption	195.7	195.4	194.5
Surplus/Deficit	(1.2)	(1.5)	(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	39.2	↓
C America	mn mt rv	5.5	5.5	5.6	↑
China	mn mt wv	9.0	10.0	10.7	↑
EU + UK (sugar)	mn mt wv	15.0	16.1	17.5	↑
India	mn mt wv	32.8	32.2	29.0	↓
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	6.2	↓
Thailand	mn mt tq	10.8	8.5	10.8	↑
USA	mn mt rv	8.4	8.3	8.6	↑
World Total	**mn mt rv**	**184.2**	**194.2**	**193.9**	↓

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 perspective for 24/25 world crop is for a deficit of 1.2Mt, driven by reductions in the production forecasts for Brazil's center-south region (25/26 local crop) and India.
- ✓ The situation in the very short term is balanced, with a lower then expected supply.
- ✓ Rains in the tail of this current crop in Brazil and news on potential reduction in India's production forecasts should support relatively high prices in the short term.

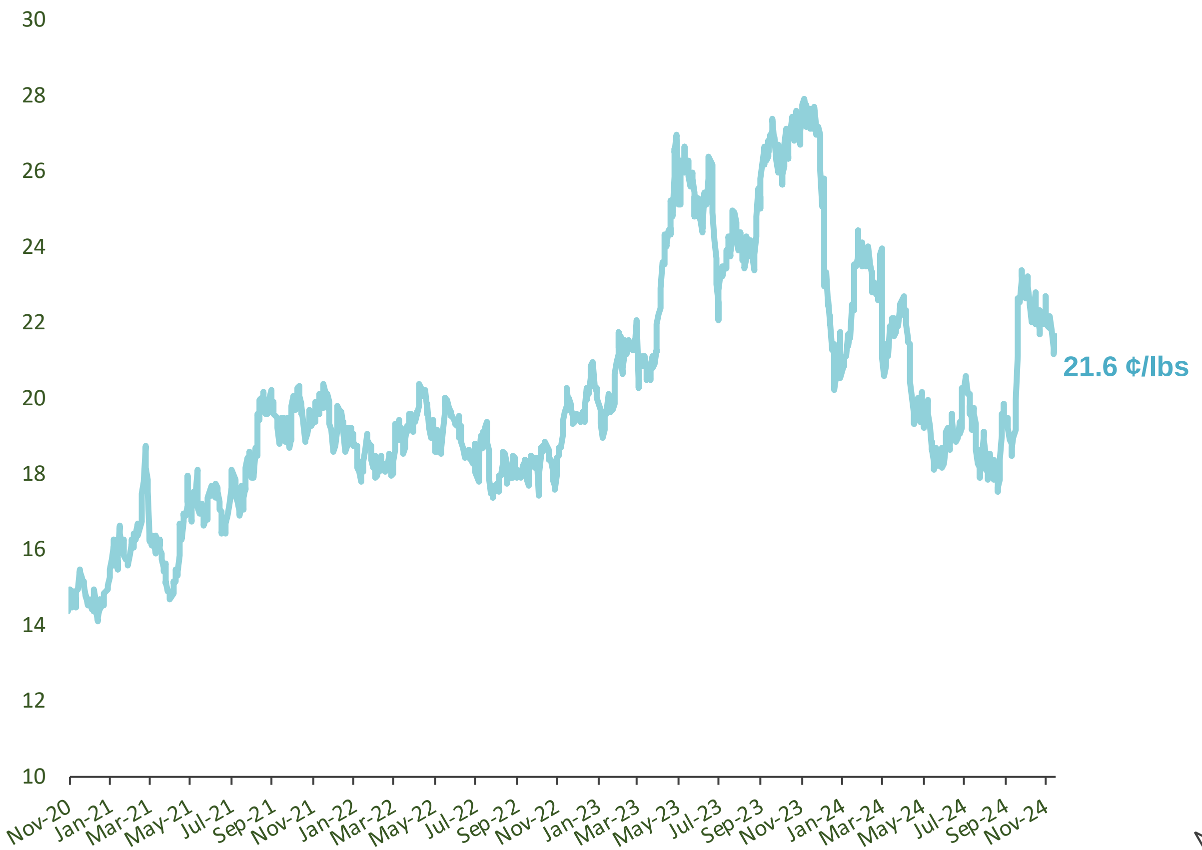
Supply & demand risks flags

- ✓ The risk of an even lower production volume rounds both India (current crop) and Brazil (next local crop). India's could potentially see a reduction by as much as 1 to 1.5 Mton, driven by lower-than-expected sugarcane acreage. That could drive world supply and demand into an even stronger deficit supporting prices at higher levels.
- ✓ The stock level of main importing countries is still at very low levels, which represents a risk that also support prices.

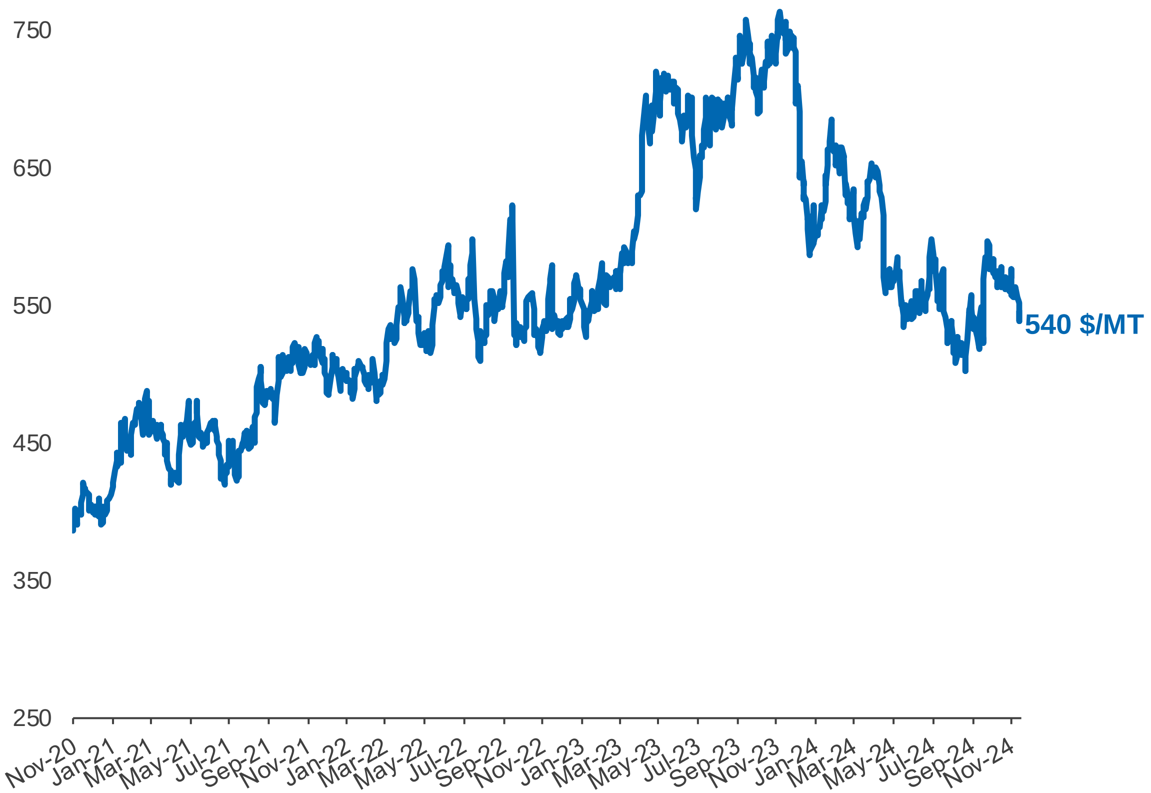
Sources: LMC GlobalData, World Sugar Price View Nov 2024 (published on 4th Nov 2024)

World sugar prices II/II

World Sugar Index NY11 (¢/lbs)



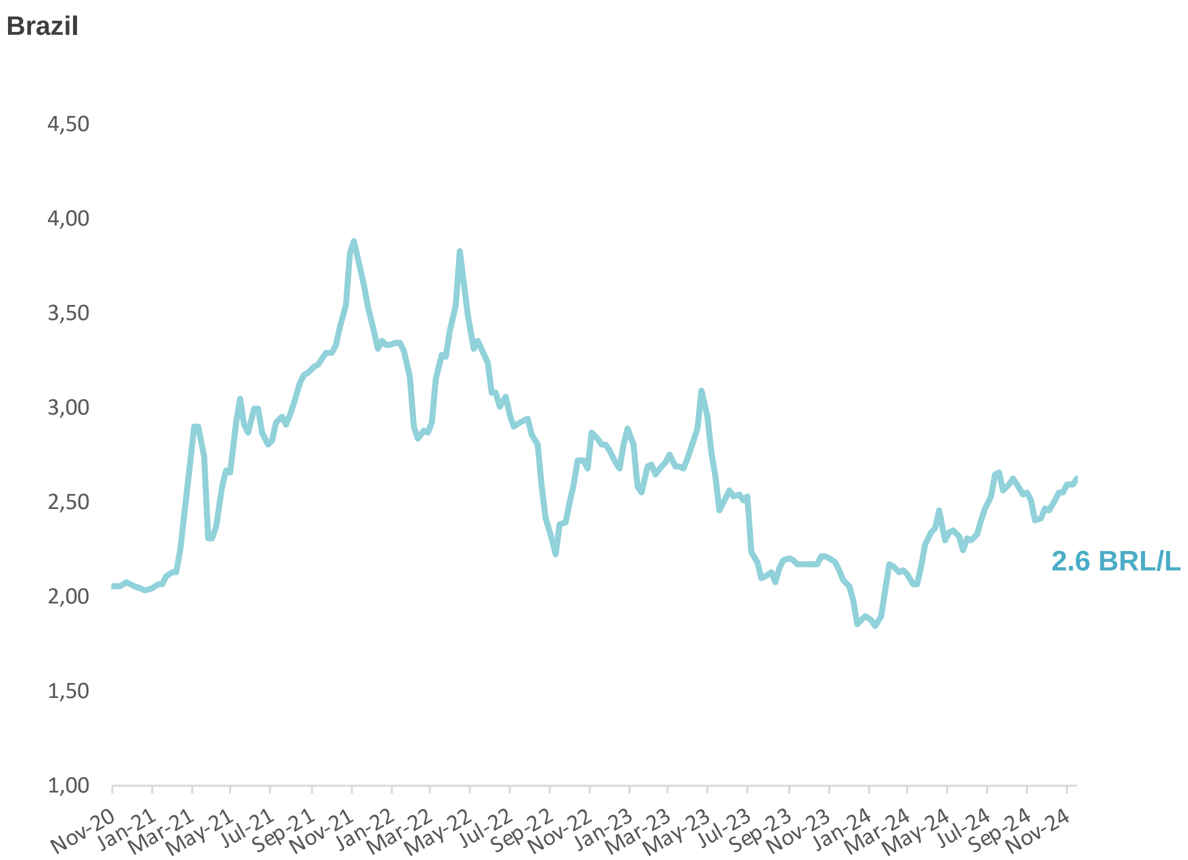
London Sugar No. 5 ($/MT)



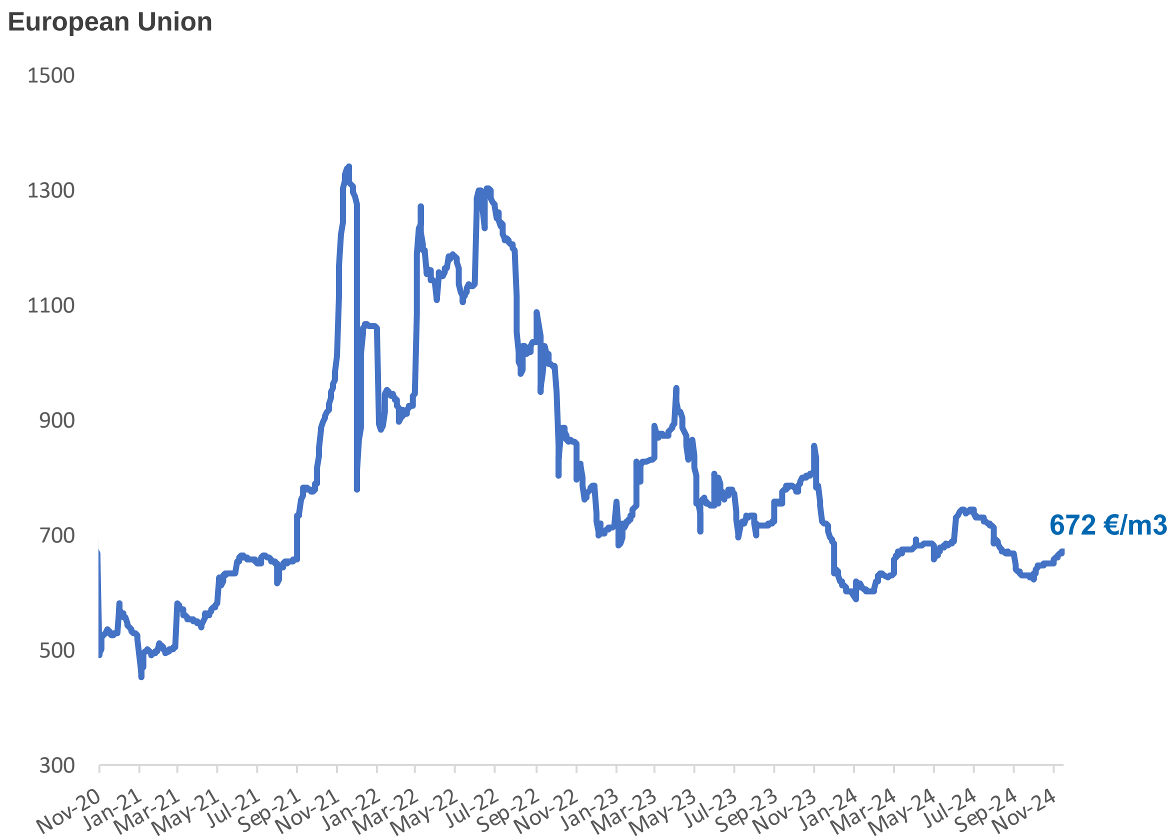
Sources: Bloomberg, November 2024

Ethanol prices supported by crude oil prices

ESALQ Hydrous Ethanol (BRL/L)



T2 Ethanol (EUR/m^3)



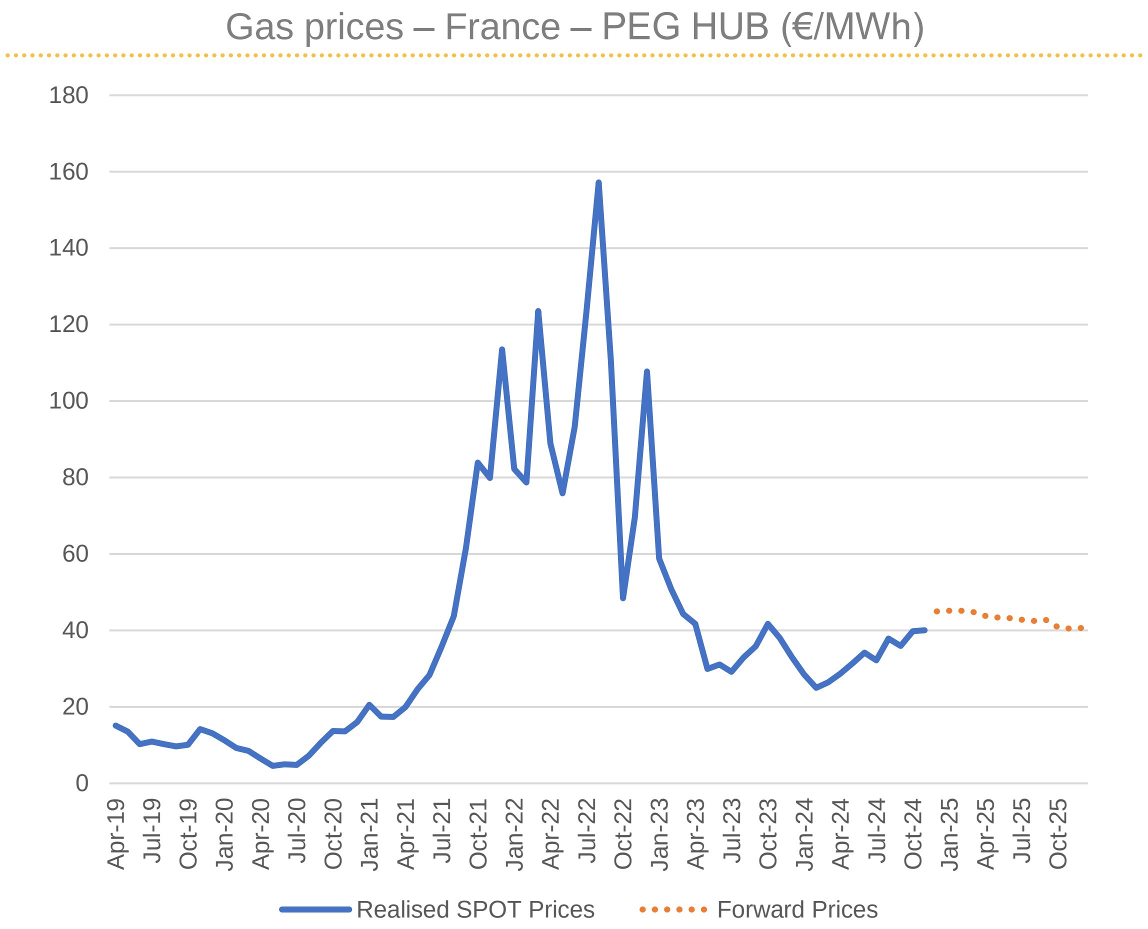
Sources: Bloomberg, November 2024

Wheat prices

Matif Wheat (€/t)

Sources: Bloomberg, November 2024

Gas prices



Sources: Reuters, November 2024

Tereos

Concluding remarks

Tereos

Jour après jour,
cultivons l'avenir.

Contact
Tiago Marques, CFA - Investor Relations Director
tereos-investor-relations@tereos.com