Tereos

Release

Paris, February 19, 2025

Third quarter 2024/25

The decline in sugar prices in Europe impacted the quarter's financial results; good results over the entire nine-month period driven by strong performance in the other segments

(April 2024–December 2024)

- In the first nine months of the financial year, revenues amounted to €4,621 million, down 16% compared to the same period the previous year. This is explained by a drop in prices in Europe for sweeteners and starch products compared to the same period last year, as well as the fall in sugar prices in Europe that began in the last quarter.

- EBITDA of €680 million over the nine-month period, 22% lower than in financial year 2023/24 as a result of the decrease in selling prices.

- EBITDA on a 12-month rolling basis came to €935 million in the period to December 31, 2024, compared to €1,041 million in the period to end-September 2024.

- Operating income (EBIT) of €444 million, compared to €660 million in the first nine months of the previous financial year.

- The Group further improved its net debt, which stands at €2,100 million, down by €312 million from December 31, 2023 and €270 million compared to March 31, 2024. Leverage rose very slightly to 2.2x, compared to 2.1x at the end of March 2024.

- Structural debt – debt excluding working capital – stabilized at €1,017 million at the end of December 2024, an improvement of €27 million compared to the end of December 2023 and of €17 million compared to the end of March 2024.

- As anticipated, the decrease in contracted selling prices in 2024 for the 24/25 campaign compared to the previous campaign for the B2B sugar in Europe had a negative impact on the three months of Q3 24/25, which will also be felt in the last quarter of fiscal year 2024/25 and in the first half of the financial year 2025/26.

- Despite this, the Group expects to conclude the 2024/25 financial year with a lower net debt than in March 2024.

1. GROUP RESULTS

Key figures (€m)	23/24 Q3	24/25 Q3	% chg (at current exch. rates)	% chg (at constant exch. rates)	23/24 9 months	24/25 9 months	% chg (at current exch. rates)	% chg (at constant exch. rates)
Revenues	1,840	**1,395**	-24%	-22%	5,476	**4,621**	-16%	-14%
Adjusted EBITDA (1)	281	**174**	-38%	-34%	873	**680**	-22%	-18%
Adjusted EBITDA margin (1)	*15.3%*	*12.5%*			*15.9%*	*14.7%*		
Recurring EBIT(2)	201	**87**	-57%	-55%	660	**444**	-33%	-30%
EBIT margin(2)	10.9%	**6.2%**			12.1%	**9.6%**		
Net result	107	**22**	-80%	-70%	347	**218**	-37%	-37%

In the first nine months of financial year 24/25, consolidated **revenues** were €4,621 million, down by 16% at current exchange rates and by 14% at constant exchange rates from €5,476 million in Q3 23/24.

Consolidated **adjusted EBITDA**[1] came to €680 million for the first nine months of financial year 24/25, down by 22% at current exchange rates and by 18% at constant exchange rates, compared to €873 million for the same period the previous year. Over the past 12 months, adjusted EBITDA amounted to €935 million.

Consolidated **recurring operating income (EBIT)**[2] amounted to €444 million for the nine-month period, compared to €660 million in the same period of FY 23/24.

The results were impacted by lower sales prices in European markets for sugar, starch and sweeteners compared to the same period in 2023/24, a trend partly offset by the decrease in input prices (raw materials, energy) and tight cost control.

2. RESULTS BY DIVISION

SUGAR AND RENEWABLES EUROPE

In France, the 24/25 crop ended on January 21 2025 with an average campaign length of 119 days and a good industrial performance. The yield for the crop was lower than the average for the last five years, as a result of relatively low sugar content and agronomic conditions during the year.

Revenues for the Sugar and Renewables Europe division amounted to €1,761 million for the first nine months of the 24/25 financial year, down 12% at current exchange rates compared to €1,991 million for the same period of the 23/24 financial year.

The division's **adjusted EBITDA** was €225 million in the first three months of the financial year, down 15% at current exchange rates from €266 million in the same period of FY 23/24.

[1] See the definition of adjusted EBITDA in the Appendix.
[2] EBIT excluding non-recurring items (-€31 million in 23/24 and -€10 million in 24/25).

The division's **recurring EBIT** came to €155 million in the current financial year, compared to €202 million in the first nine months of FY 2023/24.

As stated when the latest half-year results were announced, the significant drop in contracted selling prices for B2B sugar in Europe in 2024 (for the 24/25 campaign) compared to 2023 (23/24 campaign) had a negative impact on the results of this third quarter compared to the same period in 2023/24. The last quarter of fiscal year 2024/25 and the first half of 2025/26 will also be impacted.

SUGAR AND RENEWABLES INTERNATIONAL

In Brazil, the sugar crop ended on December 5 2024 with a volume of 20.4 million tonnes of sugarcane processed, close to the all-time high of 21.1 million tonnes processed in 2023.

Revenues in the Sugar and Renewables International division reached €1,141 million in the first nine months of the 24/25 financial year, down 6% at current exchange rates and 3% at constant exchange rates, compared to €1,219 million in the same period of the 23/24 financial year.

The division's **adjusted EBITDA** came to €283 million in the first three quarters of the financial year, compared to €307 million in the same period of 2023/24, down 8% at current exchange rates but up 2% at constant exchange rates.

The division's **recurring EBIT** amounted to €181 million for the current financial year, compared to €218 million in the first nine months of FY 2023/24.

The decrease in the division's results over the three months of Q3 2024/25 compared to the same period in 2023/24 is mainly explained by a different timing of sales during the year, with a lower percentage of volumes in Q3 than in 2023/24. In addition, adverse weather conditions at the end of the harvest period resulted in a momentaneous increase in production costs, which also impacted the quarter.

STARCH, SWEETENERS AND RENEWABLES

Revenues in the Starch, Sweeteners and Renewables division amounted to €1,356 million in the first nine months of the 24/25 financial year, down 27% at current exchange rates, compared to €1,865 million in the same period of the 23/24 financial year.

The division's **adjusted EBITDA** was €151 million in the first three quarters of the financial year, down 47% at current exchange rates from €282 million in the same period of FY 23/24.

The division's **recurring EBIT** came to €93 million in the current financial year, compared to €227 million in the first nine months of FY 2023/24.

A comparison of the results for the first nine months of this financial year with those for the same period of FY 2023/24 shows a decrease in EBITDA. This decrease relates to the first six months of the financial year, as EBITDA is almost stable in the comparison between the three-month periods of Q3 2024/25 and Q3 2023/24. In fact, quarterly EBITDA has been stabilized at a lower level (compared to the level recorded up to the first half of 2023/24) starting in the third quarter of 2023/24, ranging between €40 and 50 million per quarter since then. This decline in the division's EBITDA was well anticipated and mentioned by the Group in the publications of our results.

3. NET DEBT

Net debt at December 31, 2024 stood at €2,100 million compared to €2,371 million at March 31, 2024, a decrease of €270 million. Excluding Readily Marketable Inventories (€775 million which can be converted into cash at any time), the Group's adjusted net debt reached €1,325 million.

The decrease in net debt compared to March 31, 2024 was due to a positive operational cash flow, which covers CAPEX, combined with a decrease in working capital.

The Group's leverage increased slightly at the end of December 2024 to 2.2x.

The Group continues to reduce its structural debt (excluding working capital).

The Group's financial security amounted to €1,201 million at the end of December 2024. It consisted of €531 million in cash and cash equivalents and €670 million in undrawn confirmed long-term credit lines.

Net debt at December 31, 2024 breaks down as follows:

Net debt (€m)	March 31, 2024	Dec 31, 2024	Current	Non-current	Cash and cash equivalents
Net debt	2,371	2,100	587	2,044	-531
Net debt/EBITDA ratio	2.1x	2.2x			
Net debt/EBITDA ratio excl. RMI*	1.6x	1.4x			

** Readily Marketable Inventories: €606 million at the end of March 2024 and €775 million at the end of December 2024*

Net debt (€m)	Dec 31, 2023	March 31, 2024	Dec 31, 2024
Net debt	2,413	2,371	2,100
Working capital (WCR)	1,369	1,337	1,084
Structural debt (excluding working capital)	1,044	1,034	1,017

Tereos

4. IMPORTANT NOTES AND POST-CLOSING EVENTS

NEW BOND ISSUE

On January 15, 2025, Tereos Group issued a new €300 million bond loan maturing in 2031 with a coupon of 5.75%.
The gross proceeds from the Offering will be mainly used to repay Tereos' facility guaranteed by the French State (*Prêt Garanti par l'Etat*) and other indebtedness of the Group on or before the applicable maturity dates.
The success of this transaction underlines the group's strong recent results and the active management of its debt structure.
The strategy implemented by the management team over the last four years has continued to deliver the expected results, contributing to the strong and continuous improvement in profitability. After a series of refinancing transactions and rating upgrades by S&P and Fitch, Tereos Group has now concluded its fifth successful bond issue since 2021, a result that demonstrates investors' confidence in the Group's governance and its strategy during the period.

Contacts

Investor Relations **Investor Relations Director** Tiago Marques, CFA +33 (0)1 55 37 36 84 Tereos-investor-relations@tereos.com	**Press contact** Frédéric Durand +33 7 72 41 78 79 frederic.durand@tereos.com

*****

About Tereos

The Tereos cooperative group, a union of 10,700 cooperative members, has recognized know-how in the processing of beet, sugarcane, cereals and alfalfa. Through its 38 industrial plants, a presence in 15 countries and the commitment of its 15,800 employees, Tereos Group supports its customers close to their markets with a broad and complementary range of products. In 2023/24, Tereos Group generated revenues of €7.14 billion. Inspired by its corporate purpose – Cultivating a shared future for the Earth and People by meeting essential daily needs –, the cooperative ranks among the 50 most committed companies in terms of emissions linked to forests, land and agriculture. In 2024, Tereos Group committed to a decarbonization roadmap validated as meeting SBTi FLAG Net-Zero criteria.

Forward-looking statements: *This document includes "forward-looking statements" about Tereos Group (the "Group"), including in relation to its financial position, results, strategy and outlook. These forward-looking statements are based on the current estimates and expectations of Group management and are subject to risk factors and uncertainties such as the company's ability to implement its strategy, the pace of growth on the relevant market, the competitive landscape, industrial risks and all risks relating to the management of the Group's growth. Although the Group believes that these forward-looking statements are based on reasonable assumptions at the date of publication of this document, the actual results referred to in this release may deviate significantly from the forward-looking statements due to a number of risks, uncertainties and other factors, the majority of which are difficult to predict and generally beyond the Group's control. The Group makes no commitment to update the forward-looking information and statements, which only represent the situation at the date of publication.*

A. DETAILED RESULTS BY DIVISION

Revenues by division (€m)	23/24 Q3	24/25 Q3	% chg (at current exch. rates)	% chg (at constant exch. rates)	23/24 9 months	24/25 9 months	% chg (at current exch. rates)	% chg (at constant exch. rates)
Sugar Europe	693	**531**	-23%	-23%	1,991	**1,761**	-12%	-11%
Sugar International	444	**333**	-25%	-18%	1,219	**1,141**	-6%	3%
Starch and Sweeteners	563	**428**	-24%	-24%	1,865	**1,356**	-27%	-27%
Other (incl. elim.)	141	**103**	-27%	-35%	402	**363**	-10%	-21%
Tereos Group	**1,840**	**1,395**	**-24%**	**-23%**	**5,476**	**4,621**	**-16%**	**-14%**

Adjusted EBITDA by division (€m)	23/24 Q3	24/25 Q3	% chg (at current exch. rates)	% chg (at constant exch. rates)	23/24 9 months	24/25 9 months	% chg (at current exch. rates)	% chg (at constant exch. rates)
Sugar Europe	102	**32**	-68%	-68%	266	**225**	-15%	-15%
Sugar International	128	**75**	-41%	-36%	307	**283**	-8%	2%
Starch and Sweeteners	56	**55**	-1%	-1%	282	**151**	-47%	-46%
Other (incl. elim.)	-5	**12**	na	na	18	**21**	18%	47%
Tereos Group	**281**	**174**	**-38%**	**-34%**	**873**	**680**	**-22%**	**-18%**

Recurring EBIT by division (€m)	23/24 Q3	24/25 Q3	% chg (at current exch. rates)	% chg (at constant exch. rates)	23/24 9 months	24/25 9 months	% chg (at current exch. rates)	% chg (at constant exch. rates)
Sugar Europe	75	**2**	-97%	-97%	202	**155**	-23%	-23%
Sugar International	96	**37**	-61%	-58%	218	**181**	-17%	-8%
Starch and Sweeteners	36	**37**	2%	2%	227	**93**	-59%	-59%
Other (incl. elim.)	-6	**11**	na	na	13	**16**	21%	62%
Tereos Group	**201**	**87**	**-57%**	**-55%**	**660**	**444**	**-33%**	**-30%**

Adjusted EBITDA *corresponds to net profit (loss) before income tax, the share of income from equity affiliates, net financial result, 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 and amortization charges and price supplements between the Group's financial statements under IFRS 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 and cannot be considered a substitute for operating income or operating cash flow.*

Tereos

C. MARKET TRENDS

WORLD SUGAR MARKET

During the nine-month period, the NY11 sugar price peaked in October at 23.24 US$cts/lb, before trending downwards and ending at 19.26 US$cts/lb in December (down 17.1%). This trend was the result of short positions taken by several funds motivated by (i) a higher than expected volume of processed sugarcane in Brazil's Central-South region at the end of the harvest period, and (ii) above-average rainfall that reduced the risk related to the next campaign's yields. Commercial market players bought positions, anticipating a potential global supply shortage.

SUGAR EUROPE

According to recent European Commission reports, contracts signed in 2024 and delivered since October 2024 had a downward impact of more than €200/t on the price of EXW sugar between September 2024 and December 2024. For the contracting campaign set for 2025, the market expects relatively low opening inventories due to a low volume of imports, a high level of exports in 2024/25 and a potential fall in planted surface areas expected for the 2025/26 campaign. If this scenario materializes the result is expected to be a tighter supply-demand balance, which will support prices.

ETHANOL BRAZIL

The 2024/25 campaign began in April 2024 with a faster sugarcane crushing rate due to dry weather in Brazil. High demand at the pump supported ESALQ hydrous ethanol prices. The production rate slowed in November and December 2024, when rainfall levels returned to normal. With lower supply than in the previous year, ethanol consumption was resilient and record sales volumes in October and December 2024 put upward pressure on prices. The average price of ESALQ hydrated ethanol in Q3 2024/25 was BRL 3.10/L (EXW Mill). The outlook is optimistic for the next campaign, with plants still maximising sugar in their output mix (reduction in the volume of ethanol produced) and strong ethanol consumption.

ETHANOL EUROPE

During the first months of 2024/25, the Q2 price was close to €700/m3. The price level prevented imports of higher volumes from the US or Brazil during the period, leading to a shortage in the European domestic market and a rise in prices, which exceeded €740/m3 between June and July 2024. Higher prices led to an increase in the volume of imports and supply eventually outstripped demand. The supply surplus led to a correction in the second half of the 2024 calendar year, when prices fell by more than €100/m3. The decrease in prices during the nine-month period since April 2024 was also due to the fall in oil prices resulting from the easing of geopolitical tensions.

A price increase in the last quarter of the calendar year was linked to risks that emerged regarding the raw material used for ethanol production in Europe. Prices at the end of the period neared €680/m3.

CEREALS

Wheat: prices faced downward pressure from harvests in the summer of 2024 and early autumn. The price of MATIF wheat was €195/tonne in September. However, unusually heavy rainfall in regions such as France and Germany led to poor harvests and contributed to a 24.5% rise in prices to €243/tonne. Nevertheless, good harvests in the US, Argentina and Australia prevented a steeper rise in prices, which ended the 2024 calendar year at €237/tonne.

Corn: the supply/demand balance for corn was relatively tight during the period, with poor quality corn harvested in France and parts of Central Europe affected by heavy rainfall. This helped the price of MATIF corn reach €216/tonne, up 10% compared to the lowest levels during the period recorded in August 2024.

GAS EUROPE

Gas prices on the European market have been on an upward trend since April 2024. The *Front Month* contract reached €26/MWh at the beginning of April 2024 and stood at €50/MWh at the end of December 2024. This trend is tied to ongoing tensions in various regions such as Ukraine and the Middle East, with a potential effect on gas and LNG supply (Sudzha gas pipeline between Russia and Ukraine and the Strait of Hormuz for LNG exports from the Middle East). The heightened risk of supply disruptions is prompting the EU to rely more on LNG to balance its market in 2025. As the winter of 2024/25 approached, the possibility of continuing the transit agreement in Ukraine proved unrealistic and colder temperatures in Europe than the previous year drove gas prices on the European market in the last days of December 2024 to their highest level since October 2023, at €50/MWh. These supply disruptions combined with high demand due to winter temperatures led to storage levels of 72% at December 31, 2024, down from 86% at the same date the previous year.