

The background of the slide is a photograph of a lush green agricultural field, likely a sugar beet field, under a warm sunset sky. A faint rainbow is visible in the distance. The text is overlaid in white, bold, sans-serif font.

# **TEREOS GROUP 2019-20 ANNUAL RESULTS**

## **PRESENTATION TO BONDHOLDERS**

Stéphanie BILLET, Group CFO, June 3, 2020

# DISCLAIMER

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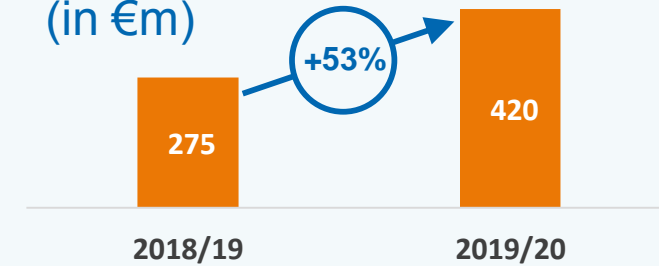
In this document, references to "Adjusted EBITDA" correspond to net income before income tax, the share of income from equity affiliates, net financial income, depreciation and amortization, the impairment of goodwill, the gains resulting from acquisitions on favorable terms, and price complements. It 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 related to trading activities, fluctuations 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 price complements in the Group's financial statements according to IFRS and the Group's management accounts. Adjusted EBITDA before price complements is not a financial indicator defined as a measure of financial performance by IFRS and may not be comparable to similar indicators referred to under the same name 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.

Percentages included in the following presentation may be calculated on non-rounded figures and therefore may vary from percentages calculated on rounded figures.

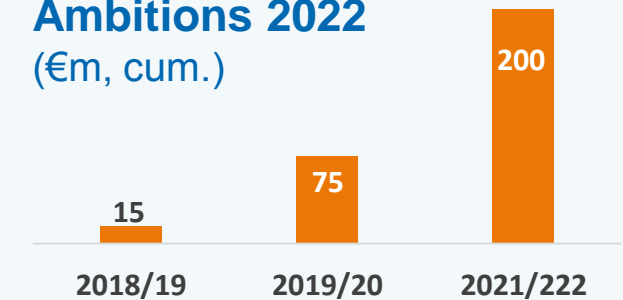
## EBITDA GROWTH: +53%

- ❑ **Revenues +1.2% to €4.5 billion**
  - Average sugar price EU: €334 (-0.6%), Average sugar price NY11: 12.6 cts (+4%)
- ❑ **EBITDA: +53% to €420 million**
  - Increased operating results across all divisions
  - EBITDA margin: 9.3% vs 6.2%
- ❑ **Ambitions 2022: +€60 million in recurring earnings**
- ❑ **Net income: +€24 million**
- ❑ **Industrial investments: stable, at c. €160 million**
- ❑ **Net debt: €2.558 billion**
  - Cash flow: +43% to €234 million

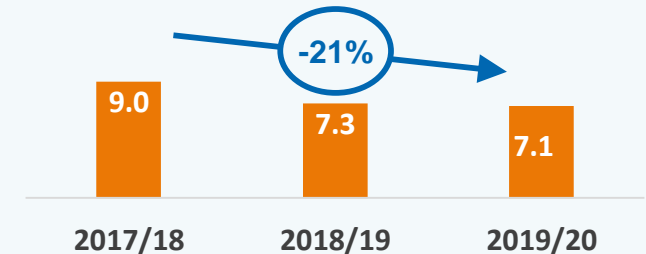
EBITDA  
(in €m)



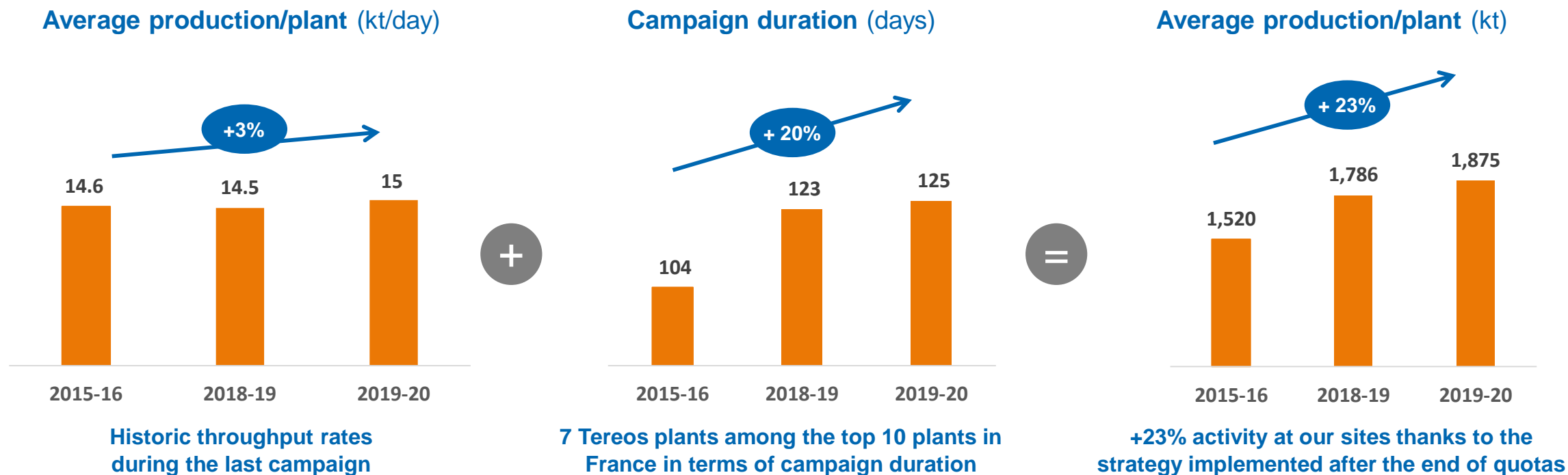
Ambitions 2022  
(€m, cum.)



Safety (OFR)



# A VIRTUOUS CIRCLE

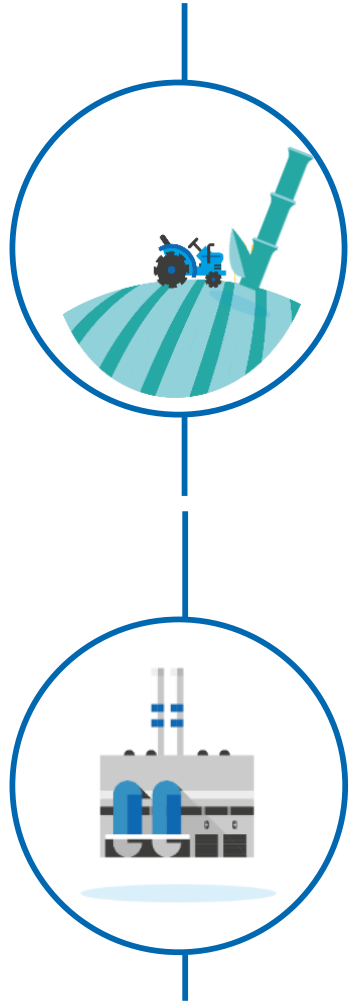


## Virtuous circle:

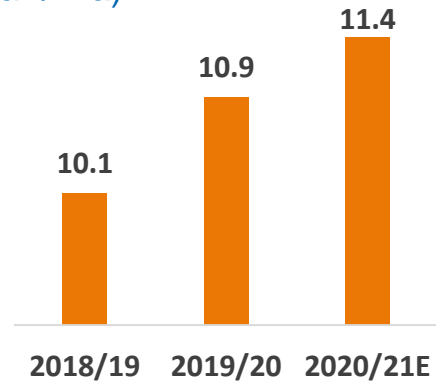
Commercial and agricultural growth → better cost competitiveness and high margins  
 → financial results → agricultural remuneration



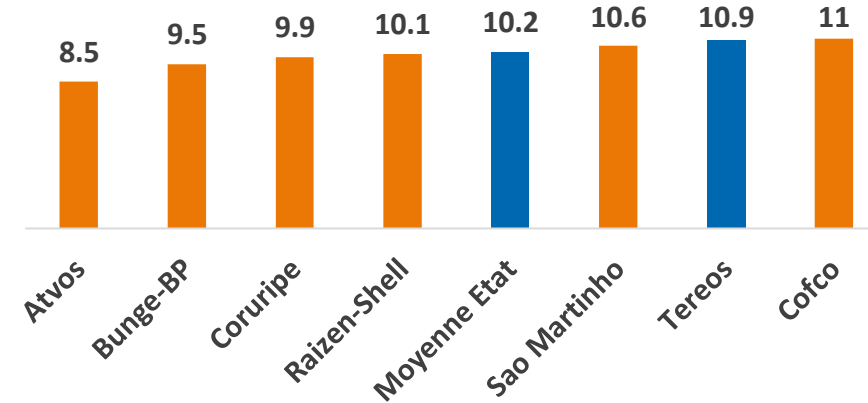
# OPERATIONAL PERFORMANCE AMONG THE BEST IN BRAZIL



**Agricultural yields**  
(T sugar / Ha)



**Agricultural yields (T sugar / Ha)**



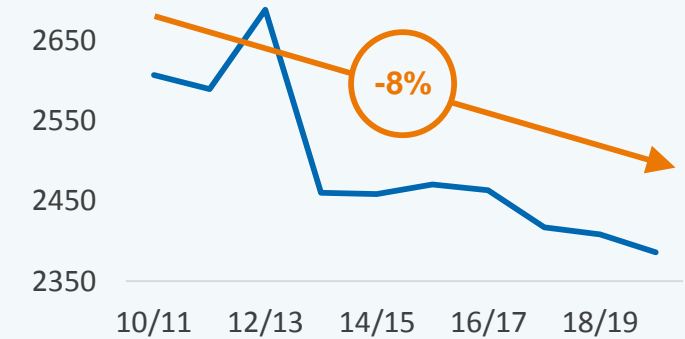
**Vertical logistic integration**



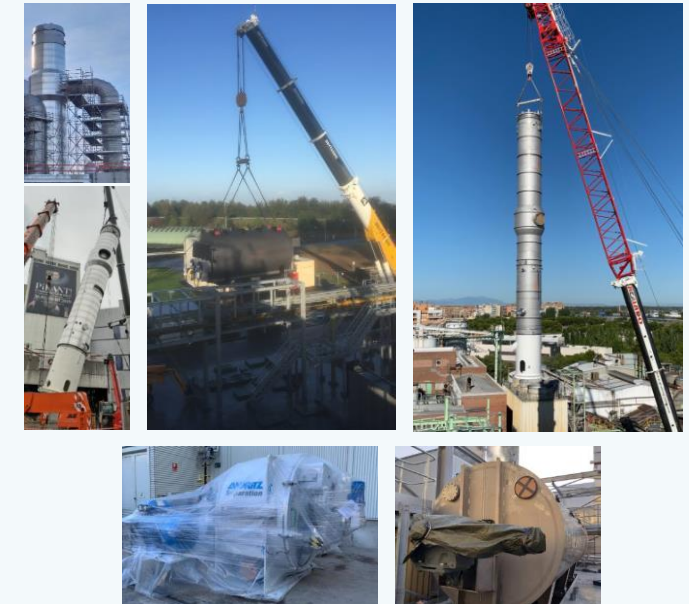
# A VAST TRANSFORMATION TO SUPPORT CHANGES IN THE MARKET

- ❑ Tereos: high engagement in sweeteners market
- ❑ Buoyant markets: paper/cardboard (e-commerce), vegetable proteins
- ❑ An advantageous strategic positioning in wheat-based starch
- ❑ A vast industrial transformation plan underway
  - +2.2% milling in 2019/20
  - Efficiency and industrial performance gains
  - Growth in very dynamic markets

## Energy consumption (kWh/TDS)



## Investments: €70 M



01

# Q4 RESULTS



# KEY FINANCIALS

| TEREOS Group<br>M€ | 18/19<br>Q4 | 19/20<br>Q4 | var  |      | 18/19<br>FY | 19/20<br>FY | var  |     |
|--------------------|-------------|-------------|------|------|-------------|-------------|------|-----|
| Revenues           | 1 221       | 1 255       | 34   | 3%   | 4 438       | 4 492       | 53   | 1%  |
| Adj. EBITDA        | 80          | 187         | 107  | 134% | 275         | 420         | 145  | 53% |
| EBITDA margin      | 6,5%        | 14,9%       | 8,4% |      | 6,2%        | 9,3%        | 3,2% |     |
| Operating income   | -54         | 103         | 157  |      | -150        | 177         | 327  |     |
| Net Result         | -90         | 56          | 146  |      | -260        | 24          | 285  |     |

| Net debt<br>M€                                      | March 31<br>2019 | March 31<br>2020 |
|---|------------------|------------------|
| Net debt  | 2 500            | 2 558            |
| Net debt excluding IFRS16                           |                  | 2 443            |
| Net debt to EBITDA ratio                            | 9,1 x            | 6,1 x            |
| Net debt to EBITDA ratio excluding RMI <sup>1</sup> | 7,7 x            | 5,2 x            |

1. Readily Marketable Inventories of 358 m€ as end of March 2020.



# SUGAR EUROPE

## KEY FIGURES

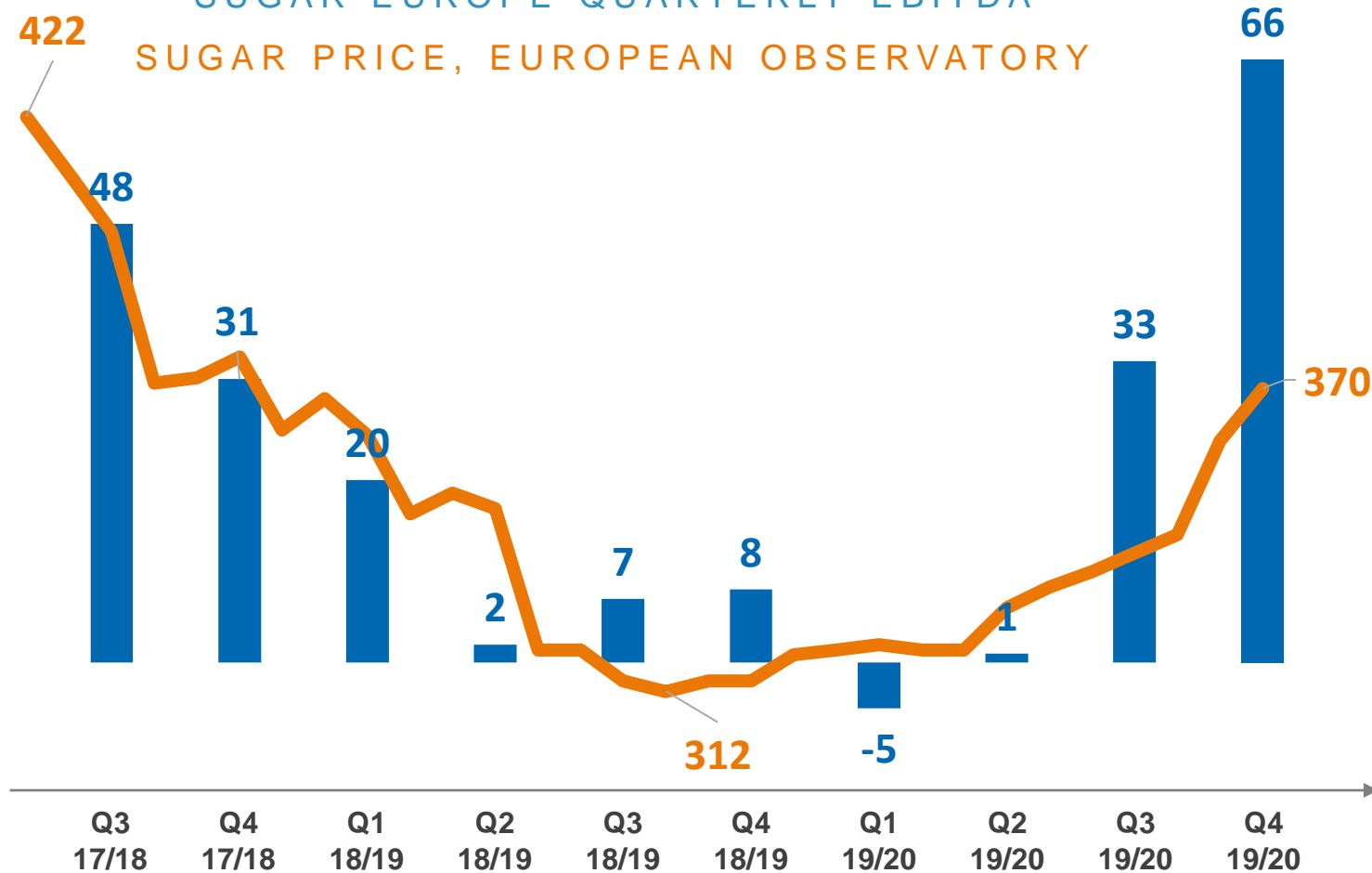
| Sugar Europe<br>M€       | 18/19<br>Q4 | 19/20<br>Q4 | var |     | 18/19<br>FY | 19/20<br>FY | var  |      |
|--------------------------|-------------|-------------|-----|-----|-------------|-------------|------|------|
| <b>Volumes sold</b>      |             |             |     |     |             |             |      |      |
| Sugar (kt)               | 657         | 677         | 20  | 3%  | 2 735       | 2 553       | -182 | -7%  |
| Alcohol & Ethanol (k.m3) | 148         | 188         | 39  | 27% | 632         | 629         | -4   | -1%  |
| <b>Revenues</b>          | 463         | 533         | 71  | 15% | 1 770       | 1 727       | -43  | -2%  |
| <b>Adjusted EBITDA</b>   | 8           | 66          | 58  | na  | 37          | 95          | 58   | 157% |
| <i>EBITDA margin</i>     | 1,7%        | 12,4%       |     |     | 2,1%        | 5,5%        |      |      |
| <b>Operating Income</b>  | -25         | 32          | 56  |     | -85         | -35         | 51   |      |

- ❑ Lower volumes in the first semester due to drought conditions during 2018 crop compared to a record crop in 2017
- ❑ After sugar prices at their lowest in first semester, sugar prices have significantly increased during the second semester
- ❑ Significant results thanks to positive impact of sugar and ethanol prices and decrease of production costs

# UPLIFT IN EARNINGS AMPLIFIED BY GROWTH AND AMBITIONS 2022

SUGAR EUROPE QUARTERLY EBITDA

SUGAR PRICE, EUROPEAN OBSERVATORY



## PRICE

**+€25** 2H vs 1H

## GROWTH

COMMERCIAL  
MARKET SHARE  
**+27% VS QUOTA**

VOL. BEETS  
**+22% VS QUOTA**

## AMBITIONS 2022

**+€33 MILLION**

# SUGAR INTERNATIONAL

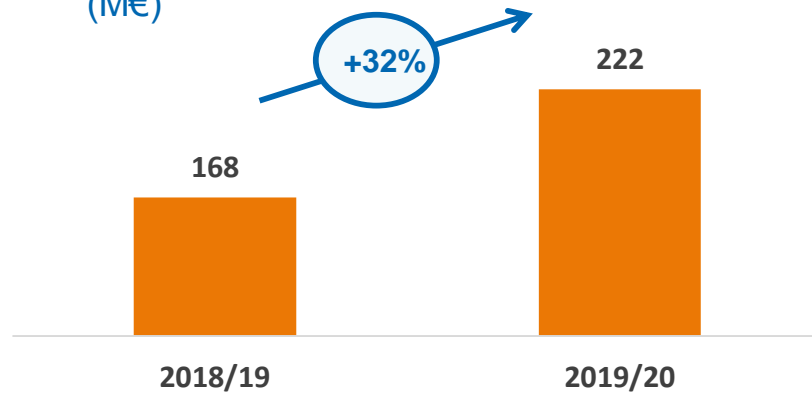
## KEY FIGURES

| Sugar International<br>M€ | 18/19<br>Q4 | 19/20<br>Q4 | var |     | 18/19<br>FY | 19/20<br>FY | var |     |
|---------------------------|-------------|-------------|-----|-----|-------------|-------------|-----|-----|
| <b>Volumes sold</b>       |             |             |     |     |             |             |     |     |
| Sugar (kt)                | 470         | 535         | 65  | 14% | 1 618       | 1 787       | 169 | 10% |
| Alcohol & Ethanol (k.m3)  | 286         | 268         | -19 | -7% | 697         | 647         | -50 | -7% |
| <b>Revenues</b>           | 276         | 277         | 1   | -   | 920         | 959         | 39  | 4%  |
| <b>Adjusted EBITDA</b>    | 64          | 80          | 17  | 26% | 168         | 222         | 53  | 32% |
| <i>EBITDA margin</i>      | 23,1%       | 29,0%       |     |     | 18,3%       | 23,1%       |     |     |
| <b>Operating Income</b>   | -           | 60          | 61  |     | -24         | 58          | 82  |     |

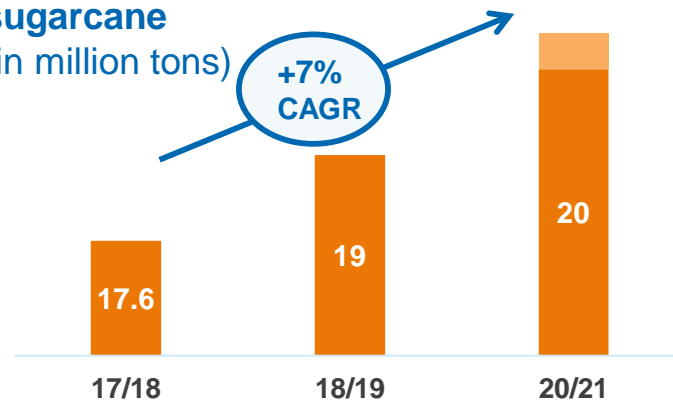
- Volume sold increase thanks to higher yields after a 2018 drought crop in Brazil ; sales shift towards the second semester due to a later start of the crop in Brazil
- Results improvement focused on the second semester, thanks to higher volumes, improvement of sugar and ethanol prices and better operational performance

# RESULTS DRIVEN BY GROWTH AND AMBITIONS 2022

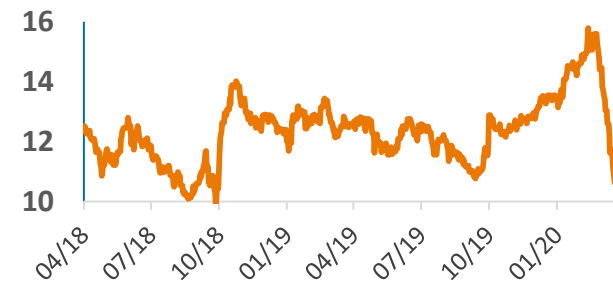
EBITDA  
(M€)



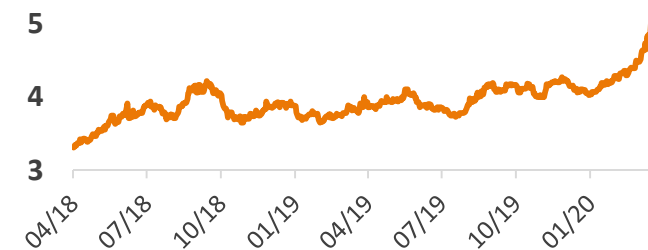
Tereos milled  
sugarcane  
(in million tons)



Sugar price (NY11, \$)



Exchange rate (USD/BRL)



□ Average NY11 sugar:  
+ 4% to 12.6 cts

□ Real FX down

□ EBITDA +36% at constant  
exchange rate

□ Volumes up +7%

□ Ambitions 2022: €26 M



# STARCH AND SWEETENERS

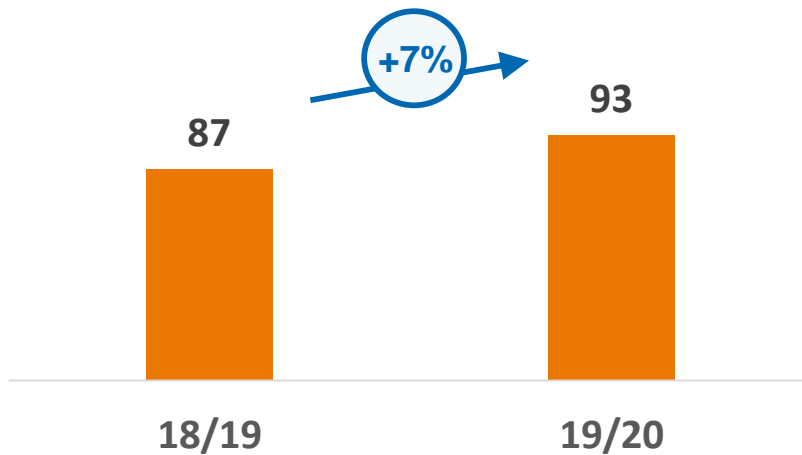
## KEY FIGURES

| Starch & Sweeteners<br>M€      | 18/19<br>Q4 | 19/20<br>Q4 | var |     | 18/19<br>FY | 19/20<br>FY | var |     |
|--------------------------------|-------------|-------------|-----|-----|-------------|-------------|-----|-----|
| Volumes of cereals ground (kt) | 762         | 794         | 33  | 4%  | 3 050       | 3 119       | 70  | 2%  |
| Volumes sold                   |             |             |     |     |             |             |     |     |
| Starch & Sweeteners (kt)       | 512         | 531         | 19  | 4%  | 1 977       | 1 984       | 7   | -   |
| Alcohol & Ethanol (k.m3)       | 71          | 87          | 15  | 21% | 253         | 320         | 66  | 26% |
| Revenues                       | 393         | 378         | -15 | -4% | 1 461       | 1 501       | 41  | 3%  |
| Adjusted EBITDA                | 17          | 33          | 16  | 96% | 87          | 93          | 6   | 7%  |
| EBITDA margin                  | 4,3%        | 8,9%        |     |     | 6,0%        | 6,2%        |     |     |
| Operating Income               | -15         | 11          | 26  |     | -12         | 169         | 181 |     |

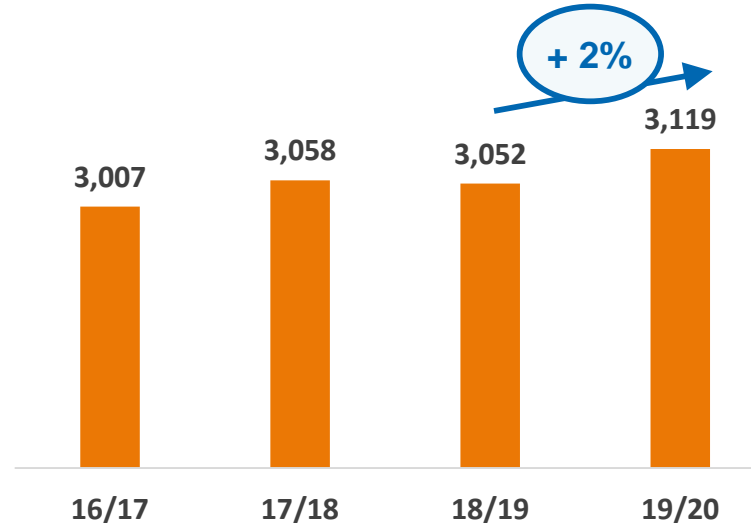
- ❑ Volumes processed and sold increase thanks to Ambitions 2022 ramp-up in Europe and increased operational performance in overseas
- ❑ Strong pressure on margins in Europe during the first six-month period due to low sweeteners prices and high wheat maturities despite of ethanol prices increase
- ❑ EBITDA growth in the second semester, explained by better market conditions, and in particular ethanol price increase in Europe and operational performance improvement

# RESULTS UP 7% DESPITE A NEGATIVE PRICE ENVIRONMENT

EBITDA (M€)



Production (kt, grind)



- ❑ Starch prices down €50 to €340 in average
- ❑ Sweetener margins penalized in H1
  - Substitution toward sugar: 120 kt
  - Paper/cardboard increase of 40-50 kt
- ❑ 2% increase in volumes to 3.1 Mt
- ❑ Ambitions 2022: +€16 M

# TEREOS GROUP P&L

| P&L<br>M€                     | 18/19<br>FY  | 19/20<br>FY  | var        |            |
|-------------------------------|--------------|--------------|------------|------------|
| <b>Revenues</b>               | <b>4 438</b> | <b>4 492</b> | <b>53</b>  | <b>1%</b>  |
| <b>Adj. EBITDA</b>            | <b>275</b>   | <b>420</b>   | <b>145</b> | <b>53%</b> |
| <i>Adj. EBITDA Margin</i>     | <i>6,2%</i>  | <i>9,3%</i>  |            |            |
| Seasonality adjustment        | -1           | -2           | -1         |            |
| Depreciations / amortization  | -367         | -420         | -53        |            |
| Others                        | -57          | 179          | 236        |            |
| <b>Operating Income</b>       | <b>-150</b>  | <b>177</b>   | <b>327</b> |            |
| Financial Result              | -157         | -155         | 2          |            |
| Corporate income tax          | 5            | -8           | -13        |            |
| Share of profit of associates | 42           | 10           | -32        |            |
| <b>Net Results</b>            | <b>-260</b>  | <b>24</b>    | <b>285</b> |            |

## ❑ Depreciations / amortizations

- IFRS16 effect: -33M€
- TSEB intercrop costs-15M€ (short crop in 2018)

## ❑ Others

- Net disposal of assets ETEA : 163M€
- Change in the fair value of biological assets

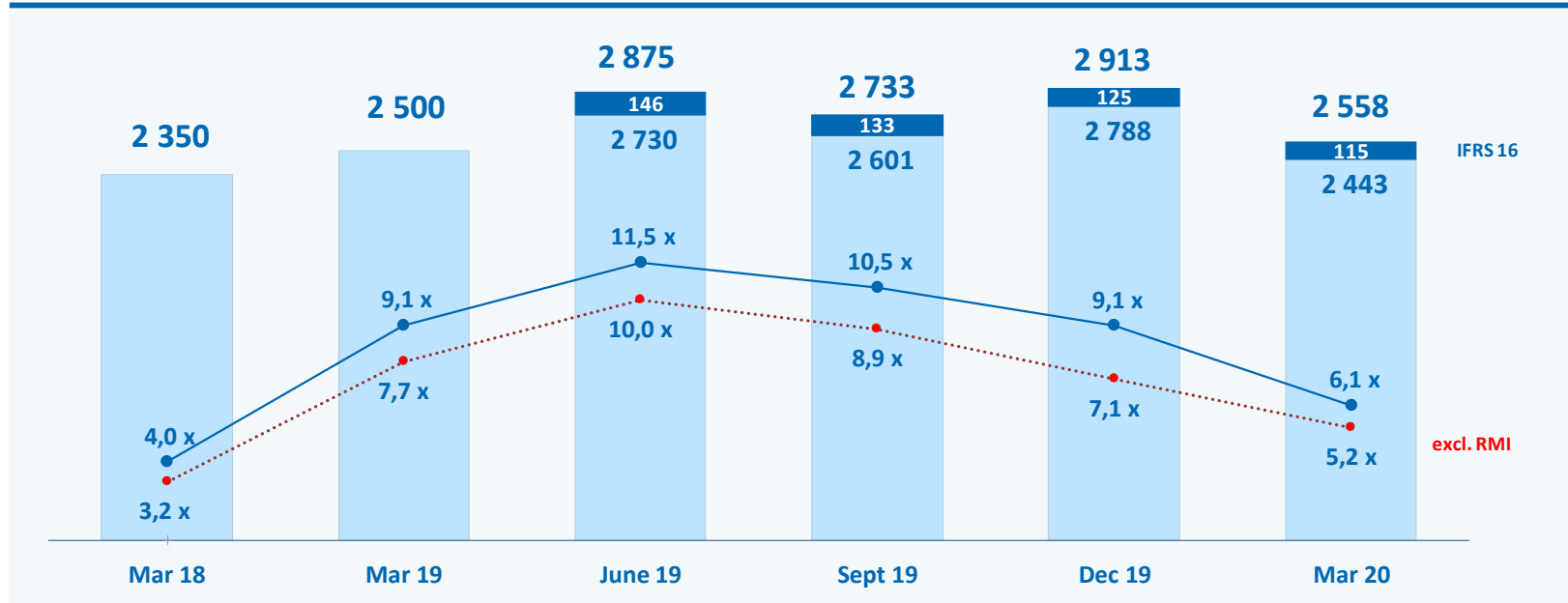
## ❑ Share of profit of associates : ETEA operation -23M€

# NET DEBT VARIATION

| Net debt variation<br>M€  | 18/19<br>FY   | 19/20<br>FY   |
|---|---------------|---------------|
| <b>Net debt (opening position) excluding IFRS16</b>             | <b>-2 350</b> | <b>-2 500</b> |
| <b>Adj. EBITDA</b>  | <b>275</b>    | <b>420</b>    |
| Other operational flows   | 30            | -32           |
| Net financial charges   | -125          | -152          |
| Income tax paid   | -16           | -2            |
| <b>Cash Flow</b>  | <b>163</b>    | <b>234</b>    |
| Change working capital  | 179           | 20            |
| <b>Cash Flow from operating activities</b>                      | <b>343</b>    | <b>255</b>    |
| Maintenance & Renewal   | -274          | -271          |
| Other CAPEX   | -165          | -162          |
| Financial investments   | -8            | -61           |
| Disposals   | 4             | 285           |
| Dividends received  | 31            | 14            |
| <b>Cash Flow from (used in) investing activities</b>            | <b>-411</b>   | <b>-195</b>   |
| <b>Cash Flow after investing activities</b>                     | <b>-69</b>    | <b>60</b>     |
| Dividends paid & price complement                               | -29           | -87           |
| Capital increases/other capital movements                       | 5             | 1             |
| <b>Cash Flow from (used in) transactions relating to equity</b> | <b>-24</b>    | <b>-85</b>    |
| <b>Free Cash-Flow</b>   | <b>-92</b>    | <b>-26</b>    |
| Other (incl. FOREX impact)                                      | -58           | 83            |
| <b>Net debt excluding IFRS16</b>                                | <b>-2 500</b> | <b>-2 443</b> |
| Impact IFRS16   |               | -115          |
| <b>Net debt (closing position)</b>                              | <b>-2 500</b> | <b>-2 558</b> |



# NET DEBT AND LEVERAGE



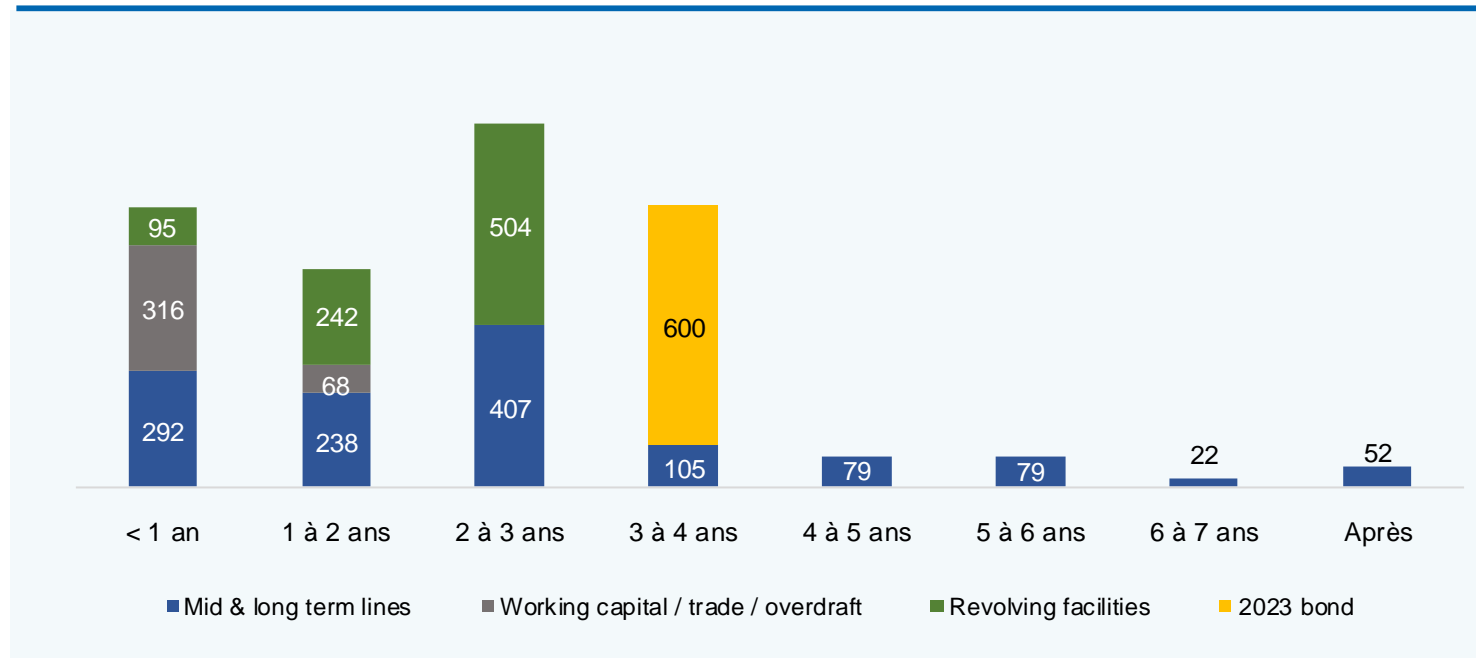
|   |
|---|
| FINANCIAL SECURITY <sup>1</sup>             |
| 784 M€                                      |
| READILY MARKETABLE INVENTORIES <sup>2</sup> |
| 358 M€                                      |

- Leverage<sup>3</sup> excluding RMI<sup>2</sup> at 5,2x
- Financial Security at 784 M€<sup>1</sup>

1. Defined as "cash & cash equivalent" plus undrawn committed credit lines (> 1y) as at 31<sup>st</sup> march. 2020
2. Balanced-sheet value of all finished products, raw materials and energy supplies that can be readily convertible into cash through access to widely available markets, including sugar, ethanol, wheat, corn and coal.
3. Defined as net debt / adjusted EBITDA

# DEBT AMORTIZATION SCHEDULE

DEBT AMORTIZATION SCHEDULE – MARCH 31ST 2020 (M€)  
EXCLUDING IFRS16 IMPACTS



- **Average maturity: 2.9 years**
- Cash & cash equivalents as of March 31 2020: 655M€
- Undrawn amounts of committed long-term lines: 129M€
- **Financial security: 784 M€**



# 02 COVID-19 UPDATE

19

## A STRATEGIC SECTOR

### ❑ Food chain disrupted by confinement

- Customer site shutdowns
- Peaks in demand in certain sectors and shutdown of competitors' sites
- Severe logistical constraints

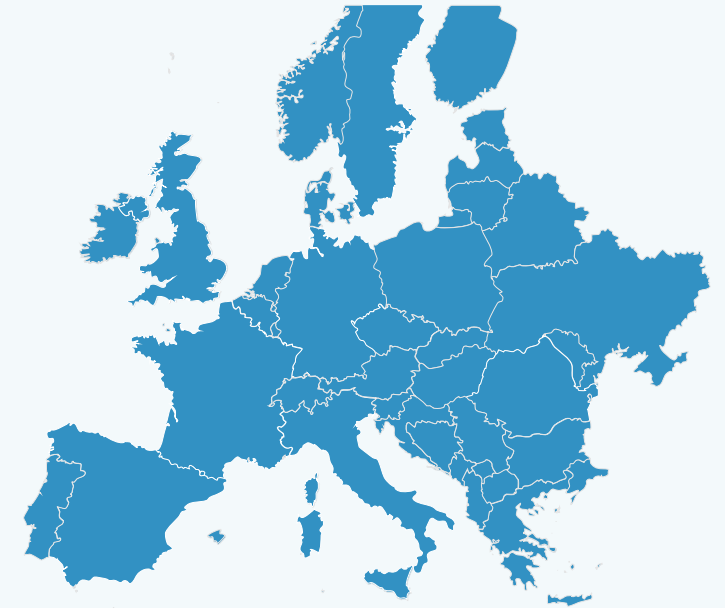
### ❑ Decrease in consumption of sweeteners

- Industries most affected: beverages (-25%), ice cream (-24%), festive chocolates (-27%)
- B2C supported by precautionary purchases and the closure of the Out-of-Home Catering business

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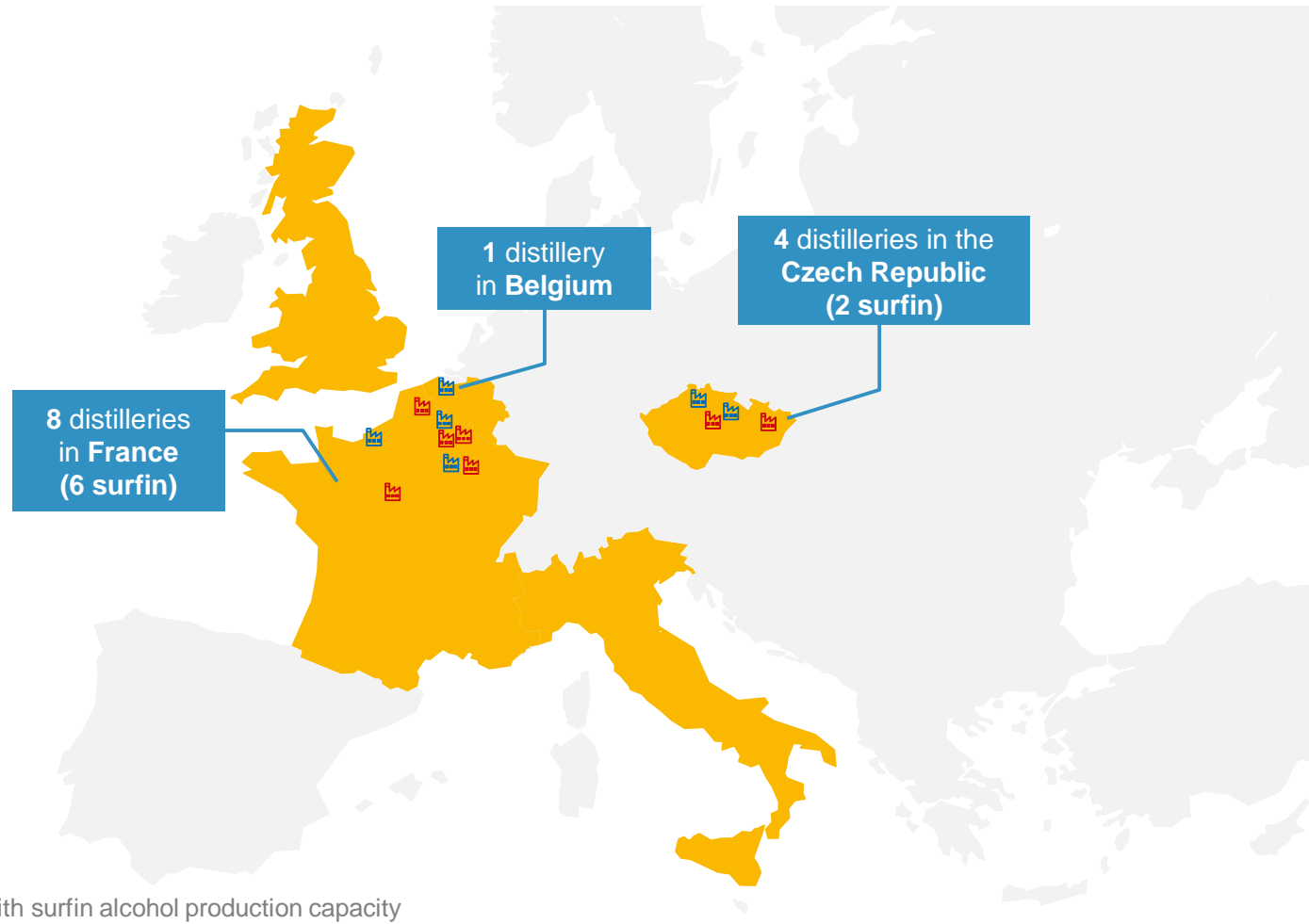
# +2,500

CUSTOMER SITES SERVED  
IN EUROPE ON A JUST-IN-  
TIME BASIS





# TEREOS: LEADER IN PHARMACEUTICAL ALCOHOL AND SPIRITS



## □ ½ of Tereos's alcohol sales

- 8 industrial facilities out of 13

## □ Tereos: leader in this market

- 50% of the French market
- 15% EU capacity

## □ Acquisition of the Nesle distillery

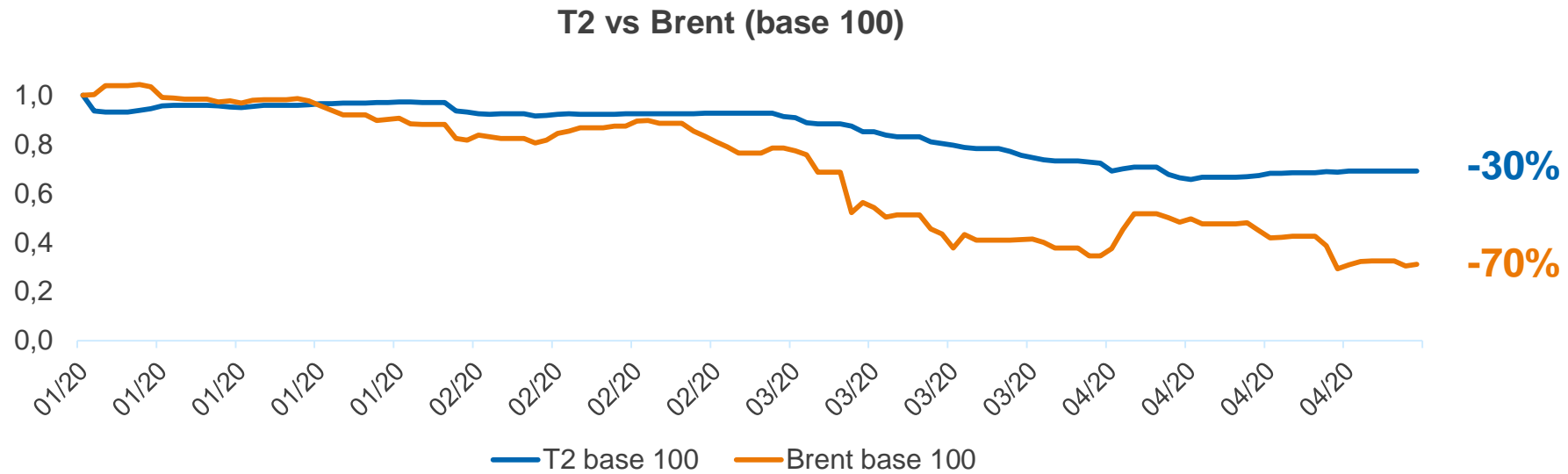
## □ A strategic Covid-19 activity:

- Production: 60%
- Hydro solution donations : 200,000 liters



# DUAL EFFECT ON THE ETHANOL MARKET

- ❑ **10% drop in ethanol consumption in March, and 55% in April**
  - Ethanol: ½ of Tereos's alcohol sales
- ❑ **Drop in oil prices**
- ❑ **Protective measures requested by France from the European Commission**



# COVID-19

## ☐ Decrease of consumption during lockdown

- Sugar: -14%
- Ethanol: -30%

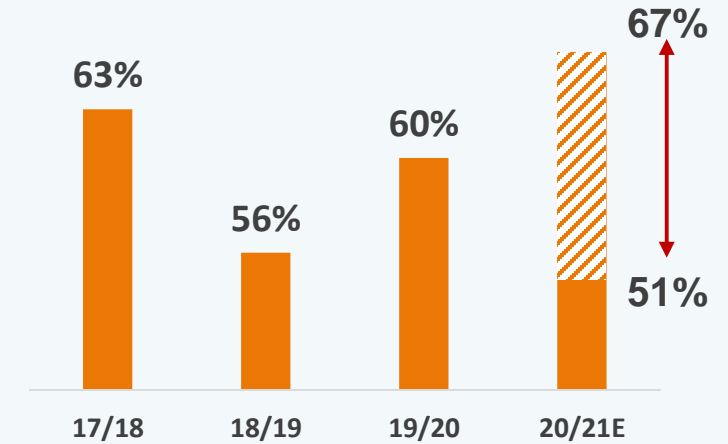
## ☐ Very good start of the campaign in spite of Covid-19

- Mix favourable to sugar
- Storage and logistics (export) capacities are critical

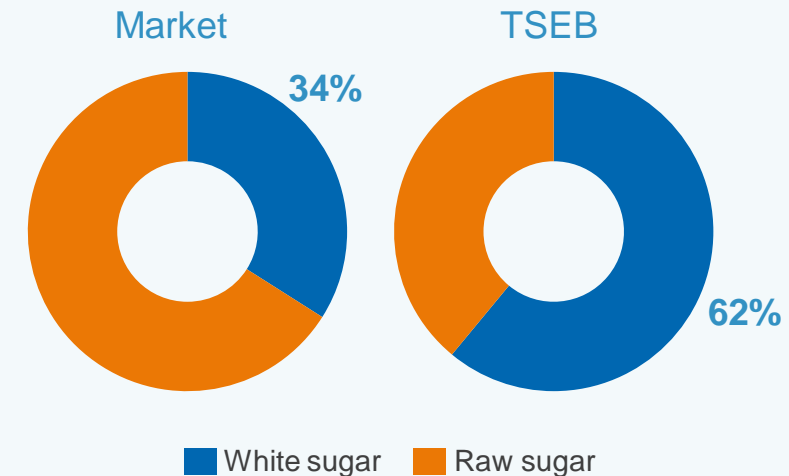
## ☐ Tereos has the industrial capacity for a 67% sugar mix at the maximum (vs about 48% for market)

## ☐ Vertical logistical integration (VLI)

### TSEB: sugar/alcohol mix



### Production mix – FY2019/20





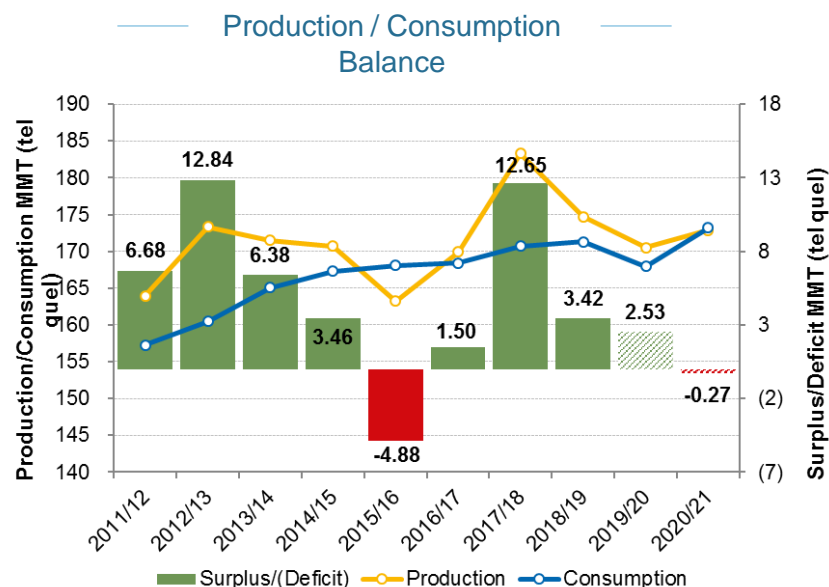
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# OUTLOOK



# WORD SUGAR FUNDAMENTALS

WORLD SUGAR MARKET EXPECTED TO BE BALANCED IN 20/21 AFTER 4 YEARS OF SURPLUS



Note: Oct / Sep crop year // Source: Tereos

Main countries production

## Production (Local Crop Year)

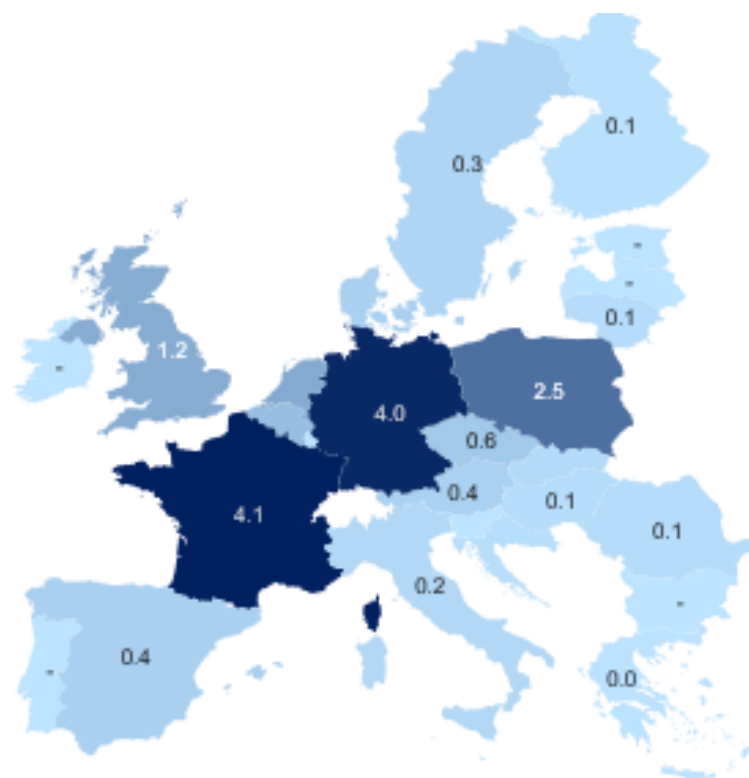
| (MMT tq)        | 2018/19a     | 2019/20f     | 2020/21f     |
|-----------------|--------------|--------------|--------------|
| CS Brazil (Q2)  | 26.5         | 26.8         | 37.9         |
| NNE Brazil (Q3) | 2.5          | 3.0          | 2.7          |
| Thailand (Q4)   | 14.0         | 7.8          | 7.1          |
| India (Q4)      | 33.2         | 27.1         | 31.9         |
| EU (Q4)         | 16.9         | 16.7         | 16.6         |
| Australia (Q2)  | 4.6          | 4.1          | 4.1          |
| China (Q4)      | 10.8         | 10.3         | 10.6         |
| Guatemala (Q4)  | 2.8          | 2.7          | 2.8          |
| Mexico (Q4)     | 6.4          | 5.2          | 6.0          |
| Russia (Q3)     | 6.1          | 7.7          | 5.9          |
| <b>Top 10</b>   | <b>123.7</b> | <b>111.4</b> | <b>125.6</b> |

- ❑ Originally 2019/20 crop was expected to be in deficit, but due to COVID pandemic both fuel and sugar consumption likely to fall in 2020 year.
- ❑ 2020/21 outlook it is expected that world sugar market it will be balanced under risk of deficit:
  - Production unlikely to increase expressively as acreage tend to be reduced globally, eg. Thailand and Europe, hence depending on good weather, which so far it is not case specially in Northern hemisphere.
  - Fuel consumption likely to be back to normal levels, hence incentivizing sucrose diversion toward to fuel ethanol
  - Sugar consumption growth forecasted, as population habits are getting back to Pre-COVID situation

# EUROPEAN SUGAR MARKET

SUPPLY AND DEMAND STAYS BALANCED

## 20/21 sugar production per country (MMT)



Source: Tereos

## Balanced European S&D

— in 2020/21 —

| EU-28       | 17/18 | 18/19 | 19/20E | 20/21E |
|-------------|-------|-------|--------|--------|
| Production  | 20,0  | 16,9  | 16,7   | 16,6   |
| Imports     | 1,6   | 2,4   | 2,2    | 2,0    |
| Consumption | 17,7  | 17,5  | 16,9   | 17,0   |
| Exports     | 3,6   | 1,8   | 1,7    | 1,8    |

### 2019/20

- Demand seems to be impacted downwardly by the virus due to the countries lockdowns
- Exports likely to increase
- All in all, Europe will remain net **importer of sugar**

### 2020/21

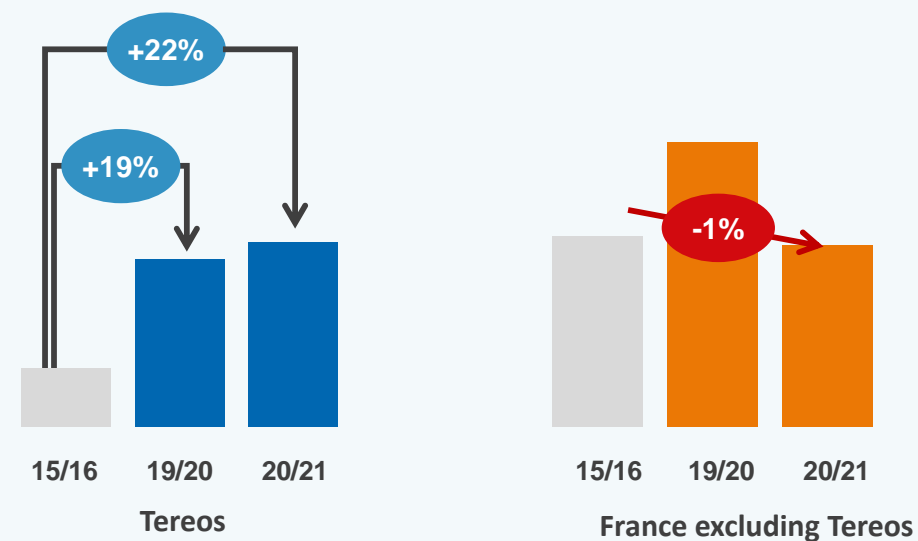
- Production impact by drier weather conditions and ban of agricultural defensives
- Consumption bouncing back
- EU net importer with a SnD balanced

# TEREOS TODAY PROCESSES 50% OF SUGARBEET IN FRANCE

Dynamic growth in acreage continuing in 20/21: +3% (France excluding Tereos: -14%)



Sugarbeet acreage (Ha)



Sources: Public data; Tereos

# CONCLUSION

A strategy supporting  
a momentum for  
**DEVELOPPEMENT**



**Ambition 2022**



**Diversification  
and internationalization**

**Growing markets,  
R&D and product  
portfolio development**

- The Group will continue to leverage its flexible industrial tool, and its **diversification and internationalization strategy**
- **Tereos is fully mobilized** to tackle the challenges emerging from the sanitary crisis and **to play its strategic role**; the Group does not foresee structural impacts of this crisis on the markets on which it operates
- Our **Ambition 2022** is well on track with the objective to generate **more than 200 M€ of performance gains**
- Based on its performance plan and on pre-Covid market prices<sup>1</sup>, Tereos estimates that **its normative EBITDA at the end of this plan (2022) should be between €600 and 700 million**

<sup>1</sup> European prices @400€/T; NY 11 @13-14cts/lb

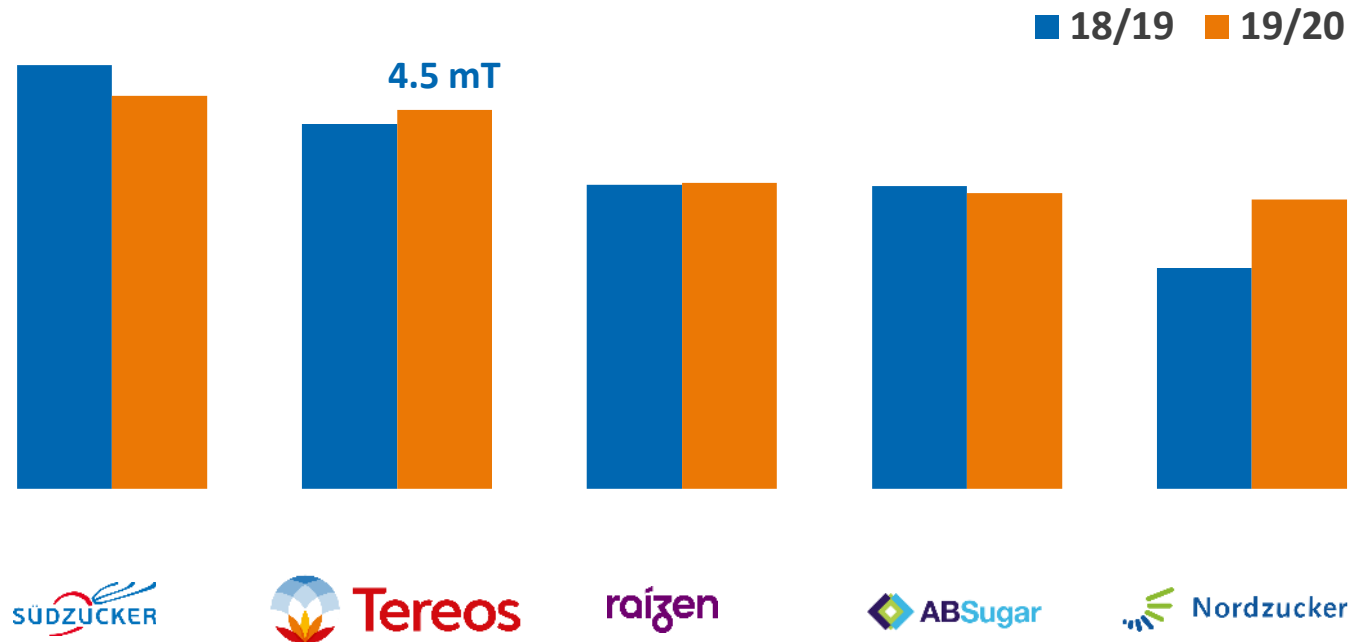




# APPENDICES

# GROWTH ACROSS ALL ACTIVITIES

## 2<sup>ND</sup> LARGEST WORLD SUGAR GROUP SUGAR PRODUCTION, VOLUME



**Sugar: +4% to 4.5 mT**

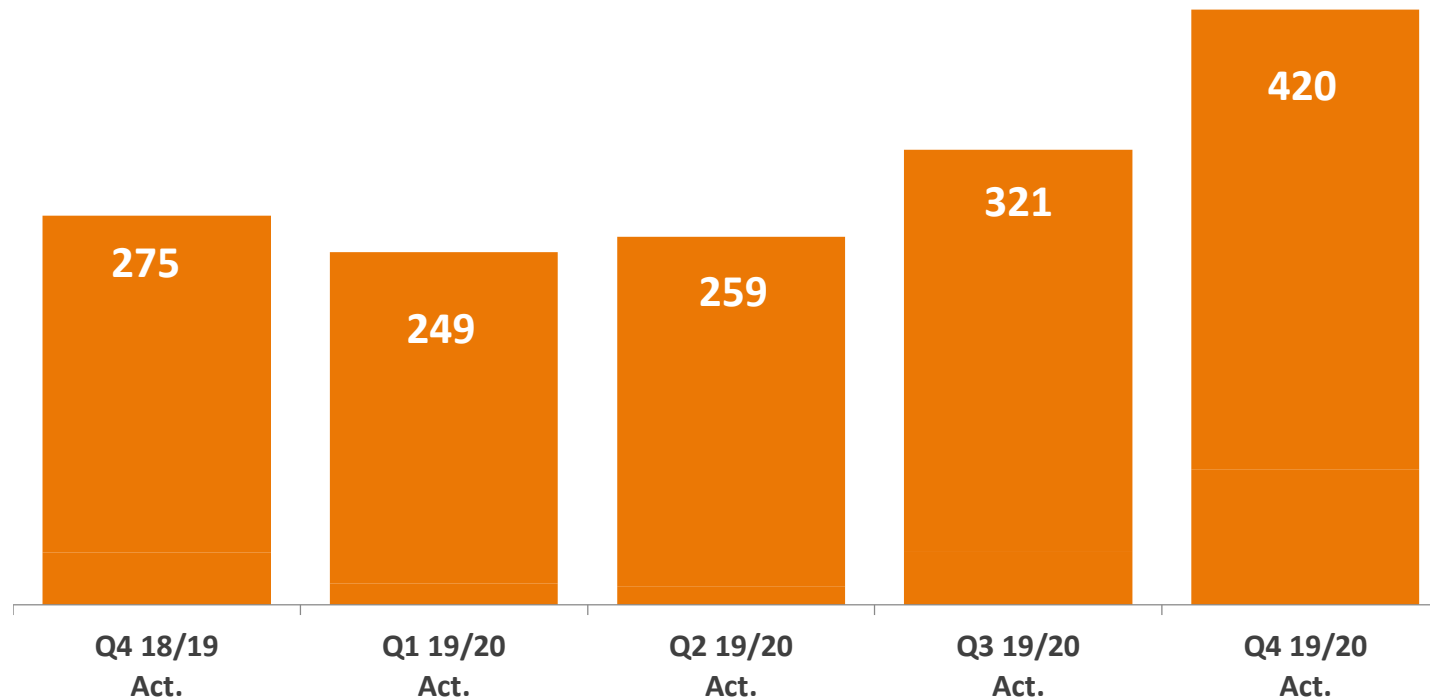
**Alcohol: +7% to 1.6 mm3**

**Starch: +4% to 4.1 mT**



# MOMENTUM ACCELERATING IN THE 4<sup>TH</sup> QUARTER

12-MONTH ROLLING EBITDA (€MILLION)



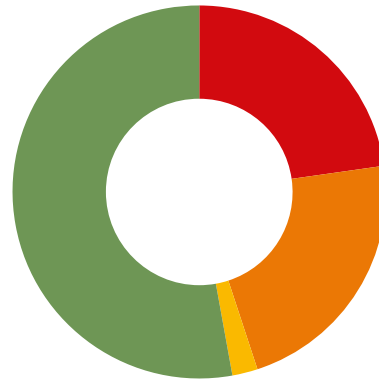
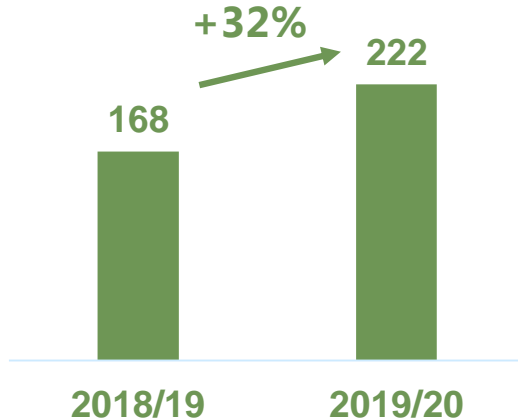
## □ Inflection point in Q2

- New EU campaign
- Upturn in prices
- Growing impact of Ambitions 2022

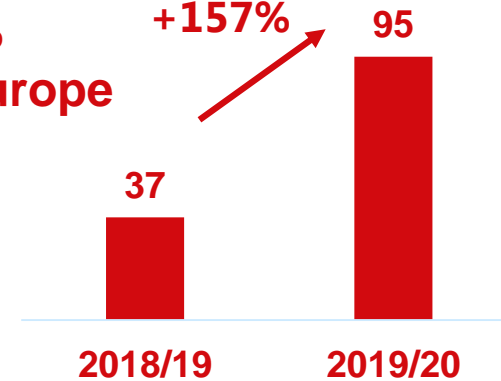
# POSITIVE MOMENTUM IN ALL DIVISIONS

TEREOS GROUP EBITDA BREAKDOWN, €MILLION

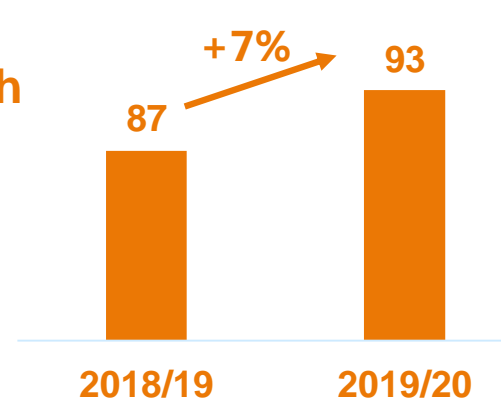
**53%**  
Sugar International



**23%**  
Sugar Europe



**22%**  
Starch



**Ambitions**  
*2022*  
Ensemble, construisons One Tereos

- ❑ 2017 Plans: €140 million
- ❑ Target of €200 million
- ❑ 1,500 projects completed or launched to date
- ❑ 400 employees leading projects
- ❑ €75 million in earnings

# MAJOR CHANGES IN THE FOOD INDUSTRY

- 
- ❑ **Health & Nutrition:** structural decline in the consumption of sweeteners in the EU
  - ❑ Consumption center of gravity has shifted toward **emerging companies:** economic catchup and population growth
  - ❑ Continued growth in the demand for **proteins**, strong demand for plant-based proteins, sustainable aquaculture and alternative proteins
  - ❑ Environmental awareness, **local distribution and circular economy** will change the traditional energy and agronomic models
  - ❑ Prices of consumer goods which will continue to be under pressure: new **distribution** models, challenges of **purchasing power**
  - ❑ Increased volatility from (EU) **liberalization** and market **interdependence**

# TEREOS PURSUES ITS STRATEGIC TRANSFORMATION



COMPETITIVENESS  
IN A GLOBAL  
MARKET

VOLATILITY



NEW MARKET  
TRENDS AND  
SOCIETAL  
EXPECTATIONS

## ILLUSTRATION #1

### Decarbonization



Renewable energies: 50%



### Energy consumption

2019 - 2020

-1%

TSSE  
consumption

2019 - 2020

-4.5%

TSF  
consumption

2019 - 2020

-0.5%

TSEB  
consumption

2010 - 2020

X6

Sales of **biomass-based  
electricity** on the grid in  
Brazil

## ILLUSTRATION #2

### Wheat proteins



2<sup>nd</sup> ranked globally

### Proteins

GHG emissions per food category  
(kg CO<sub>2</sub>/kg of protein)

indirect direct



# CONCRETE ANSWERS TO OUR 3 MAJOR STRATEGIC CHALLENGES



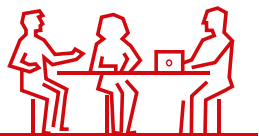
COMPETITIVENESS  
IN A GLOBAL  
MARKET

- ❑ Positioned as a leader in the best regions
- ❑ Top-ranked programs of operational excellence
- ❑ One step ahead in digital

NEW MARKET  
TRENDS  
AND  
SOCIETAL  
EXPECTATIONS



- ❑ Sustainable agriculture and new agronomic models Organic
- ❑ Circular economy: virtual local model, energy transition
- ❑ Plant-based proteins, innovative sweetener formulations
- ❑ Emerging countries: positioned as a leader in Brazil and Indonesia



VOLATILITY

- ❑ Vertical integration
- ❑ Continuation of diversification





# 01 SUGAR EUROPE: HIGHLIGHTS AND RESULTS

36

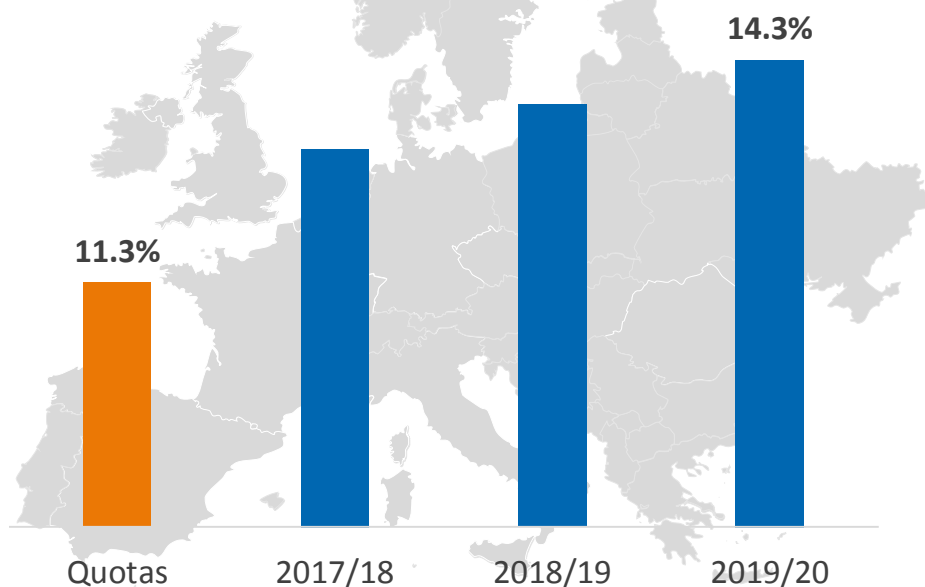


# +27% GROWTH OF TEREOS SUGAR MARKET SHARE IN EUROPE FOR SUGAR

- A structural decline in sugar consumption (-1% / year)

- Export sales: a strategic stake

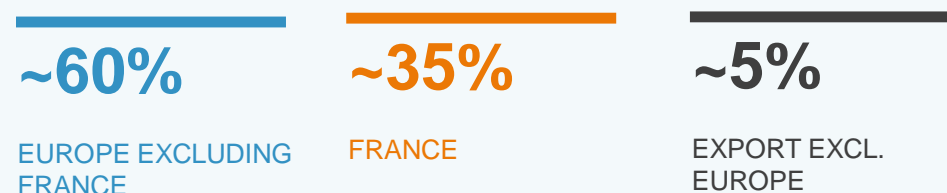
Evolution of Tereos sugar market share in Europe



- TEREOS EXPORTS 2/3 OF ITS EU SUGAR

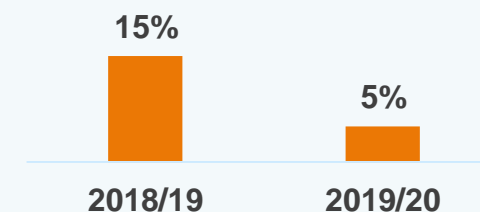
- A unique commercial offer: products & geography
- Commercial success thanks to our international strategy

SUGAR SALES 19/20



- Flexible access to a large-scale export distribution network

Sugar export sales (excl. EU)

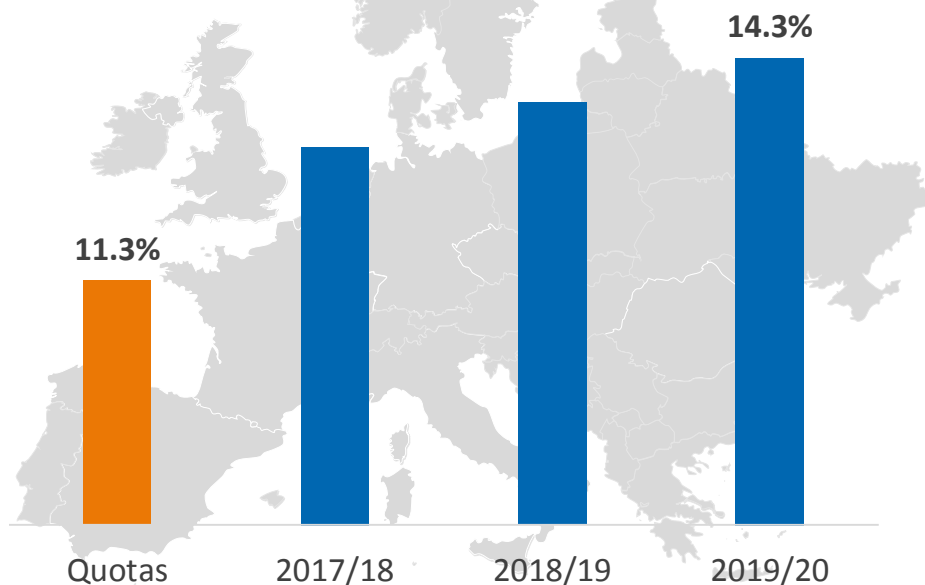


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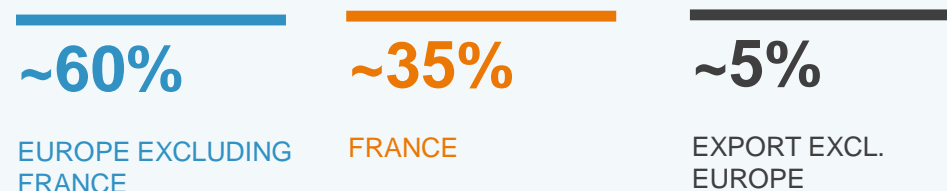
Evolution of Tereos sugar market share in Europe



- TEREOS EXPORTS 2/3 OF ITS EU SUGAR

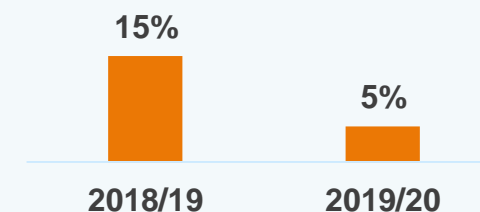
- A unique commercial offer: products & geography
- Commercial success thanks to our international strategy

SUGAR SALES 19/20



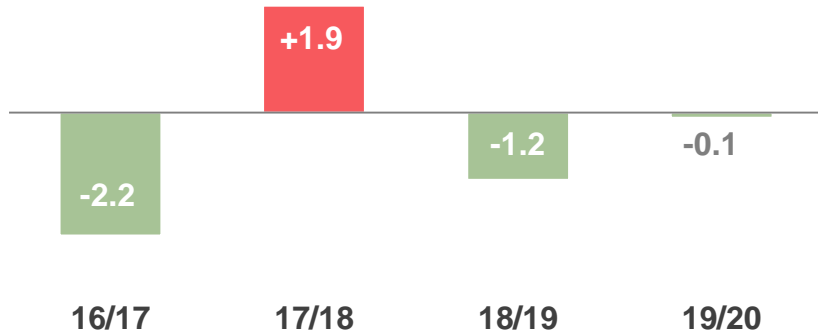
- Flexible access to a large-scale export distribution network

Sugar export sales (excl. EU)

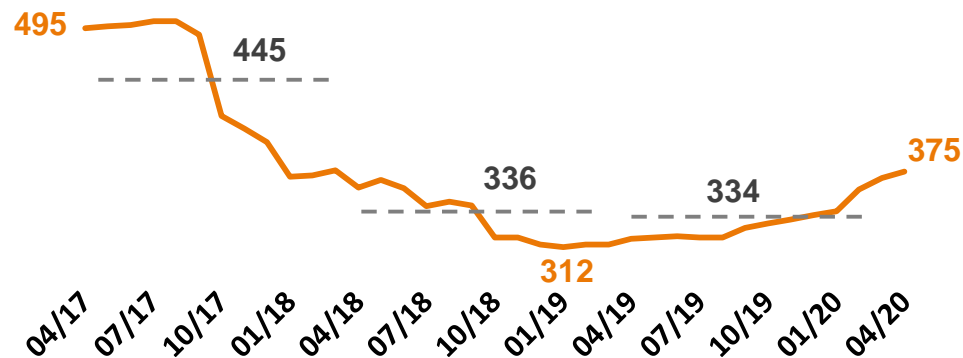


# UPTURN IN SUGAR PRICES DURING HALF 2

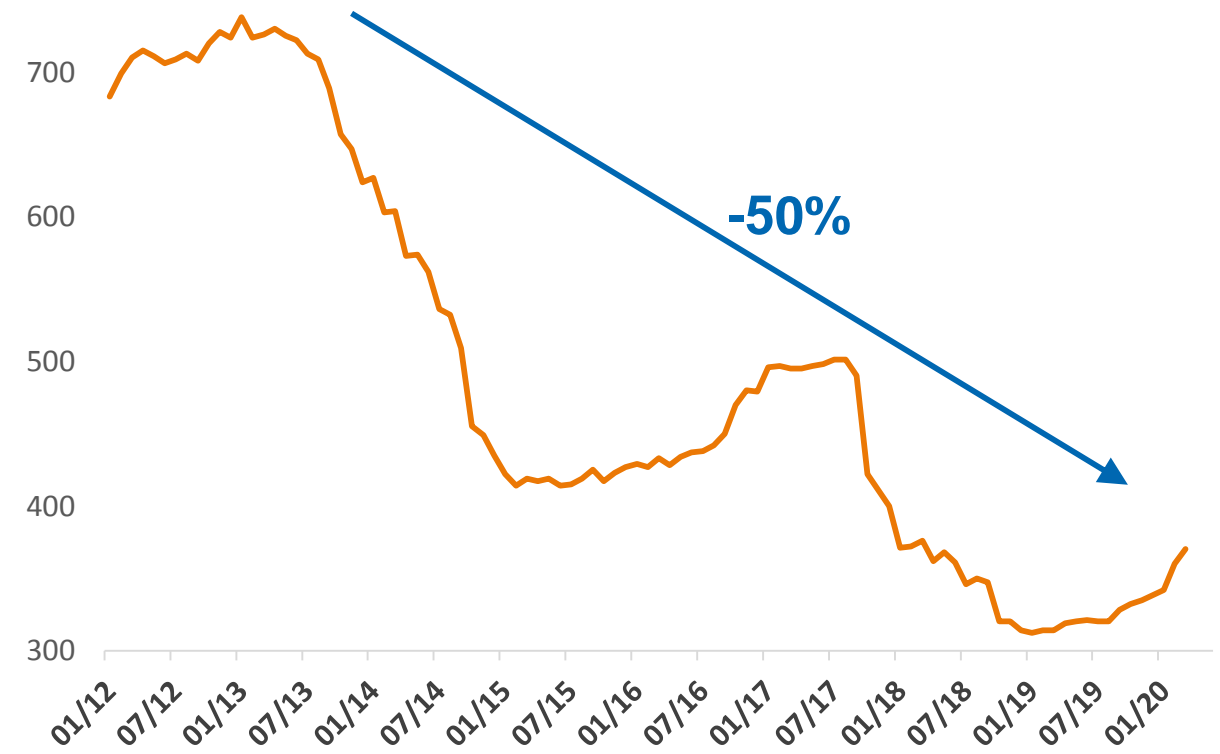
The 18/19 campaign wiped out the market surplus<sup>(1)</sup>



Average sugar price EU<sup>(2)</sup>: €334

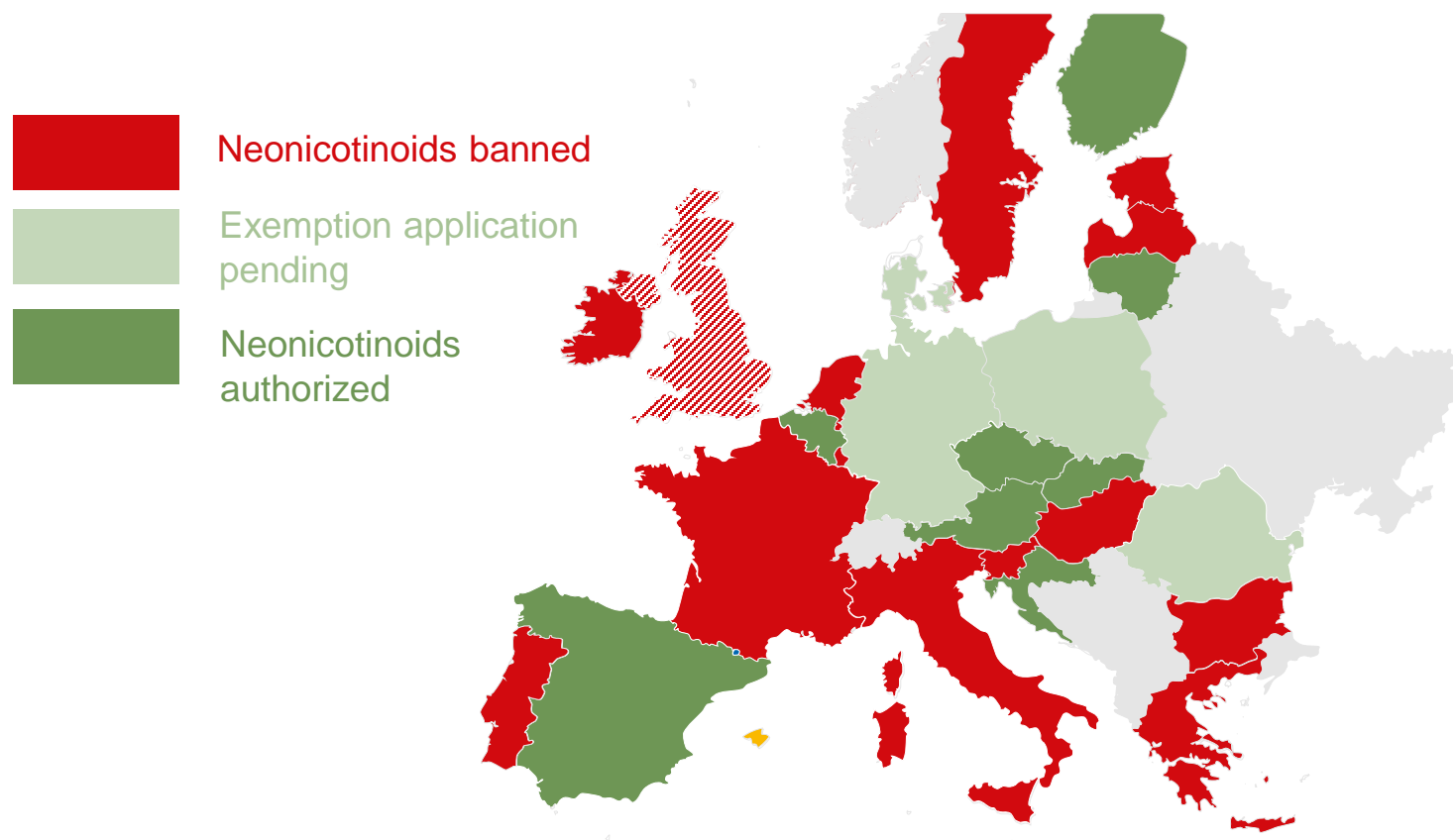


End of quotas: European sugar prices halved  
(EU Price Observatory)



# END OF NEONICOTINOIDS: A NEW CHALLENGE FOR SUGARBEET AGRONOMICS

## REGULATORY STATUS



Neonicotinoid ban since 09/01/2018 in France

Tereos teams counting and monitoring parcels since mid-April

Min Agri treatment authorization of 04/28/2020 (Teppeki), as of 2 leaf stage

Agro advice by Tereos on 04/21, 05/07 and 05/19 for treatment

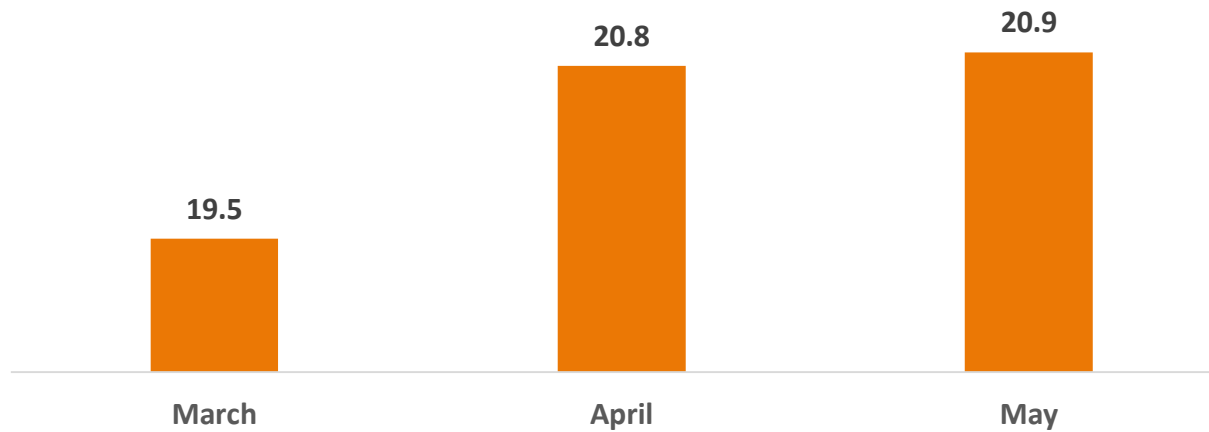
Impact estimate expected mid-June after sampling

# FRENCH CONSUMERS FAVOURED BÉGHIN-SAY DURING LOCKDOWN

French consumers demanding high-profile brands during the crisis

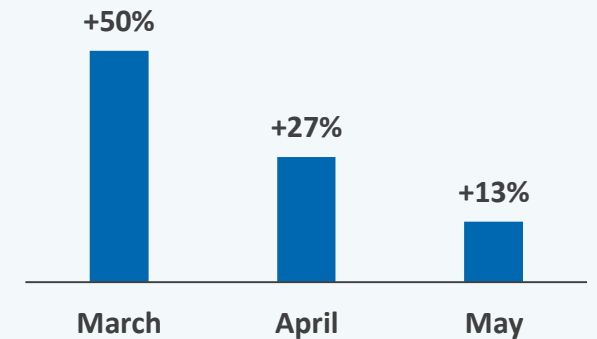


Evolution of Tereos<sup>(1)</sup> market shares (2020)

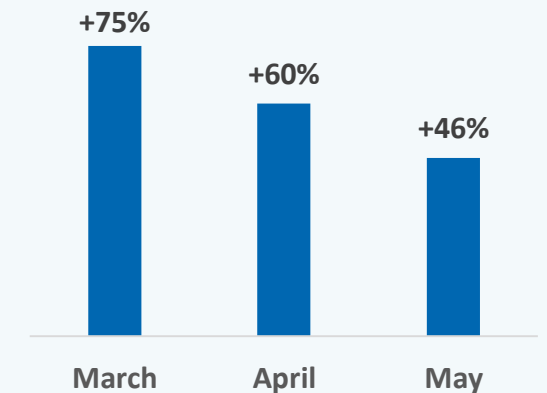


(1) Variation vs same month 2019; Tereos brands: Béghin-Say, La Perruche, Blonvilliers, Séréline  
Source: Nielsen

Evolution of French market (vol.) <sup>(1)</sup>



Evolution of Tereos sales<sup>(1)</sup>





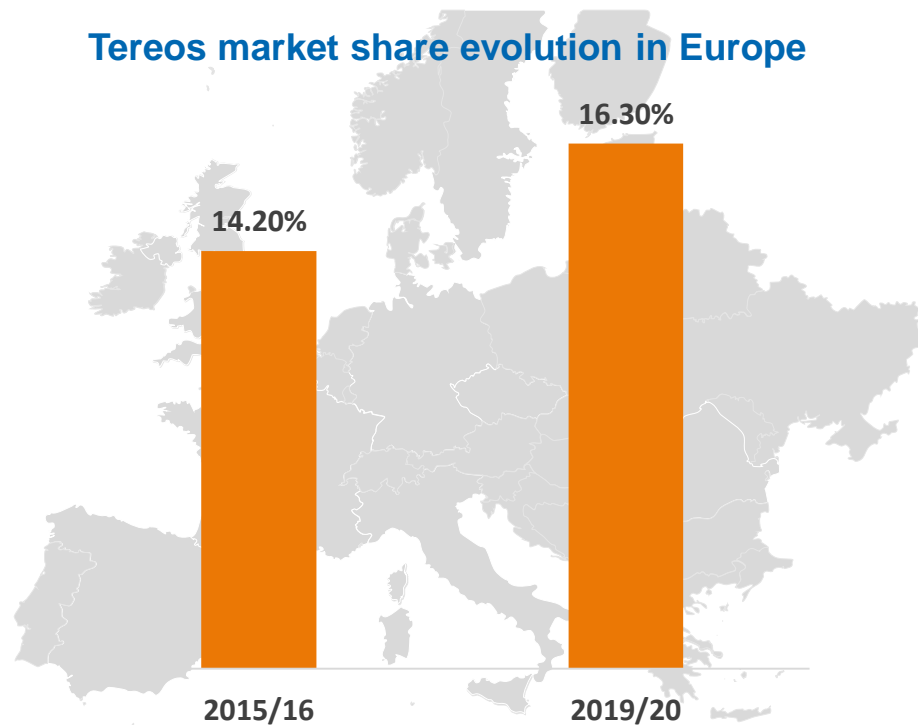
02

# STARCH AND SWEETENERS: HIGHLIGHTS AND RESULTS



# GROWTH OF TEREOS MARKET SHARE IN EUROPE: + 14%

- A strategic positioning in wheat-based starch



- A unique sweetener offering for Western Europe
- Innovative formulation solutions
- Solid positions in buoyant markets: wheat protein, cardboard, maltodextrin

19/20 SALES (tCo)

~ 63%

SWEETENERS

~ 25%

STARCH

~ 12%

PROTEINS

# TEREOS: 2<sup>ND</sup> LARGEST PLAYER IN WHEAT PROTEIN WORLDWIDE

## ❑ Wheat-based proteins will capture a major share of the growing global demand for proteins

- Nutrition & Health
- Climate challenges

❑ Global market share for wheat protein estimated at 20%

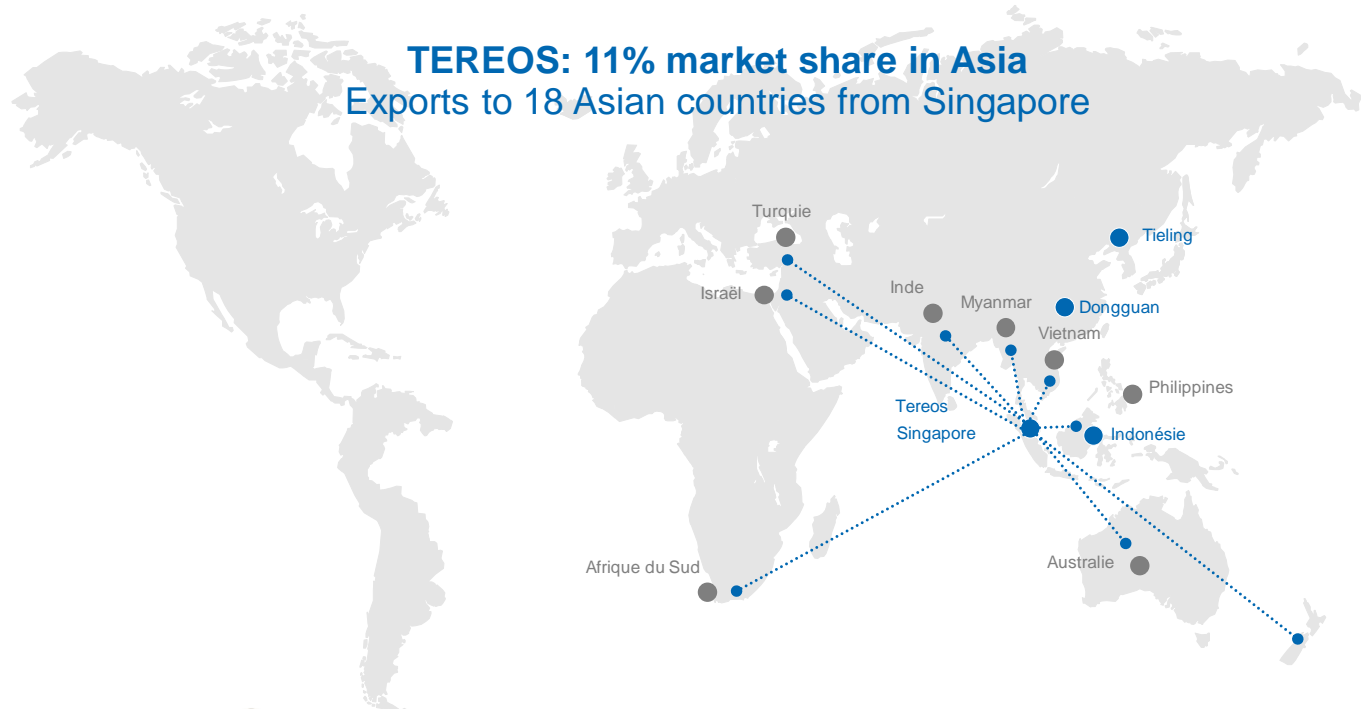
❑ Market increase > 10% p.a.

❑ Wheat proteins having the base GHG/CO2 impact

❑ Launch of Epi&Co bio

❑ Rice proteins: JV with Jinnong

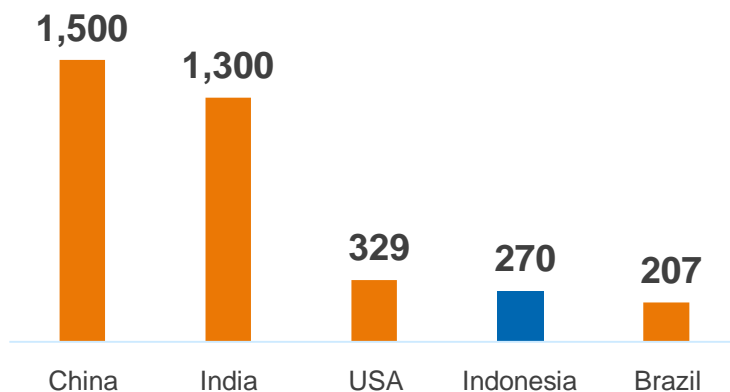
❑ Insects: Innovafeed investment at Nesle



# TEREOS: STARCH LEADER IN INDONESIA

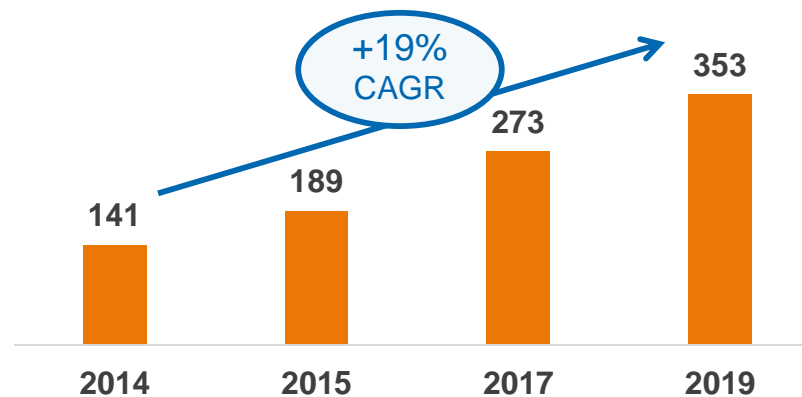
## 4<sup>th</sup> most populated country in the world

Millions of inhabitants



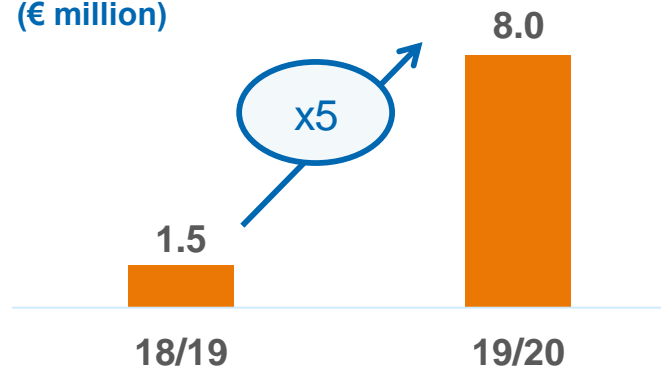
## Sharp increase in business

Tereos, TSSI annual sales (MT/year)



## Tereos S&S Indonesia Ebitda

(€ million)



Population growth:  
+ 1.3%

Best historic milling  
performance: 360 Mt,  
+ 16%

Tereos: 25% market  
share in starch

19/20 investments

- Cogeneration
- Fructose
- Capacity



# 03 INTERNATIONAL SUGAR: HIGHLIGHTS AND RESULTS



# TEREOS 3<sup>RD</sup> PRODUCER IN BRAZIL, A STRATEGIC PRESENCE



- ❑ No. 1 sugar producer in the world

- ❑ No. 2 ethanol producer in the world



- ❑ Most competitive production costs in the world

- ❑ A circular economic model



- ❑ 50% of global exports



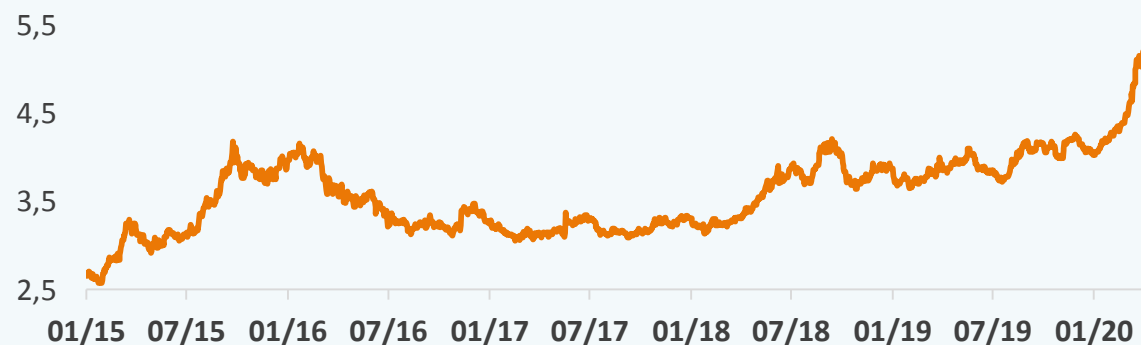


# A FOREX SITUATION FAVOURABLE TO BRAZIL COMPETITIVENESS

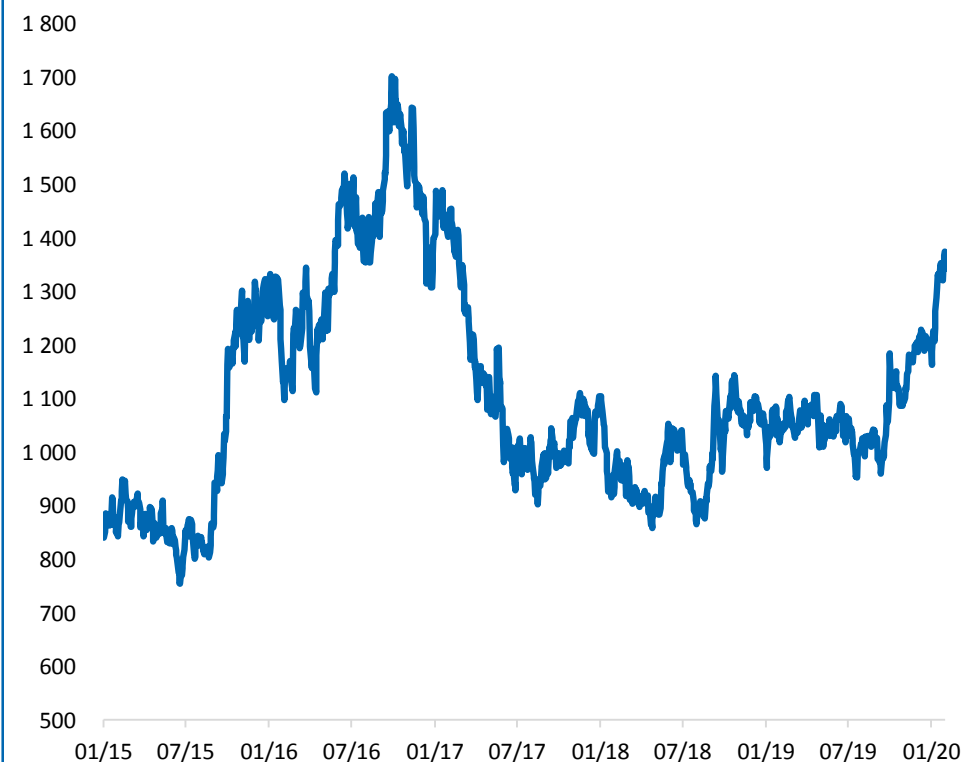
## Sugar (NY11 – USD cts/lb)



## Forex (USD / BRL)



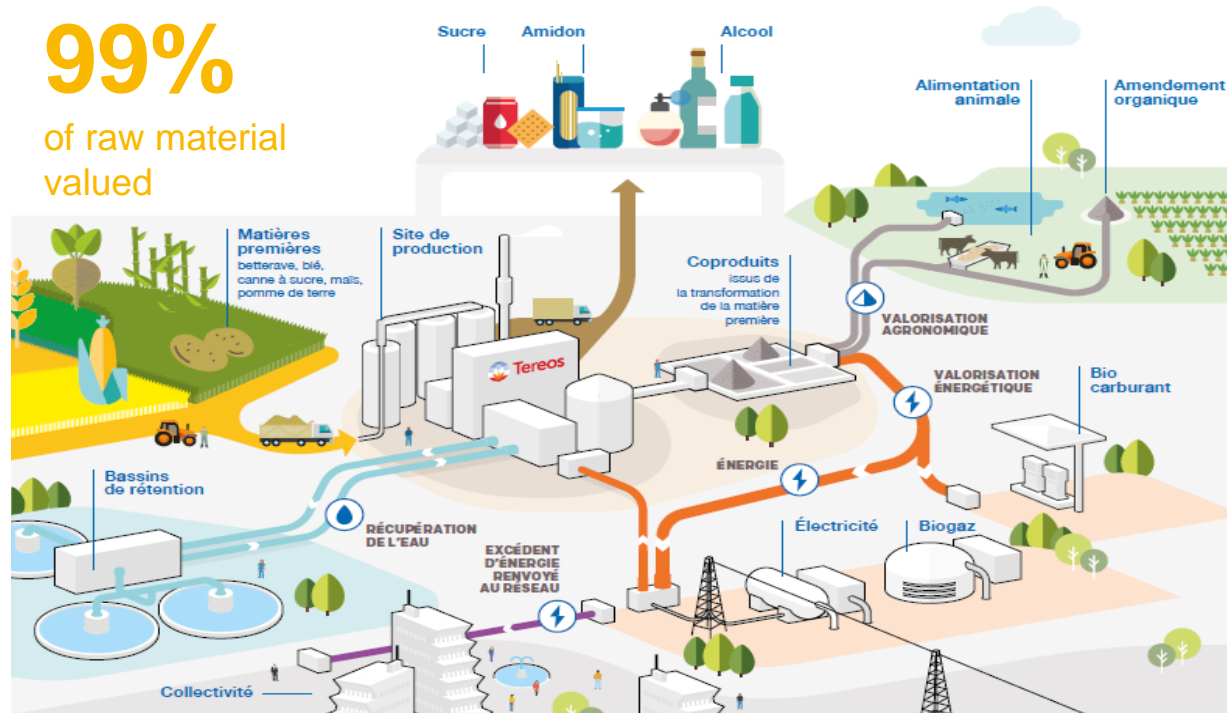
## Sugar (NY11 – BRL/t)



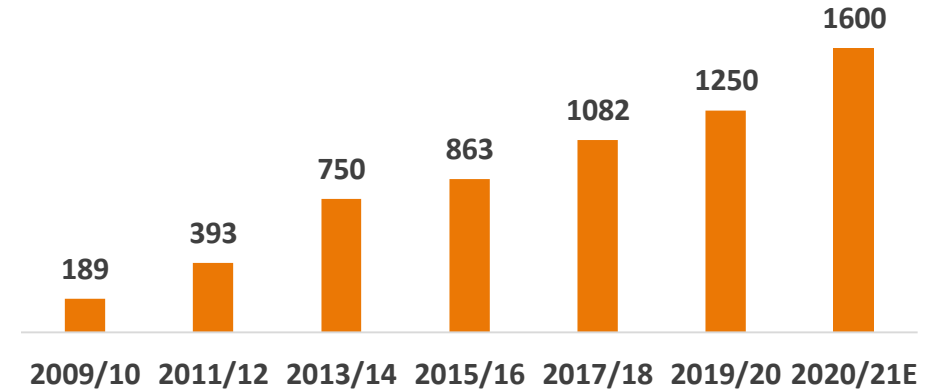
# 25% OF TSEB OPERATIONAL RESULTS GENERATED BY GREEN ENERGY IN BRAZIL

## □ A virtuous circular economy model

**99%**  
of raw material  
valued



## □ Sales of electricity (Mwh)



## □ Renovabio program launched



## □ VLI: 220 kt CO2 saved per year

## □ Palmital: commissioning of a new biogaz unit

A photograph of an industrial facility, likely a pulp or paper mill, featuring large stainless steel storage tanks and complex piping systems. The scene is dimly lit with some overhead lights visible.

04

# OTHER FINANCIALS

50



# KEY FINANCIAL

## HALF-YEAR FIGURES

| TEREOS Group     | 18/19 | 18/19 | var   |      | 18/19 | 18/19 | var  |      |
|------------------|-------|-------|-------|------|-------|-------|------|------|
|                  | H1    | H1    |       |      | H2    | H2    |      |      |
| Revenues         | 2 114 | 2 108 | -6    | 0%   | 2 324 | 2 383 | 59   | 3%   |
| Adj. EBITDA      | 143   | 111   | -32   | -22% | 132   | 309   | 177  | 134% |
| EBITDA margin    | 6,7%  | 5,3%  | -1,5% |      | 5,7%  | 13,0% | 7,3% |      |
| Operating income | -41   | 45    | 86    |      | -109  | 132   | 241  |      |
| Net Result       | -96   | -21   | 75    |      | -164  | 45    | 209  |      |

# GROUP P&L BY SEMESTER

| M€                            | 2018/19      |              |              | 0 | 2019/20      |              |              | 0 | 2019/20 vs 2018/19 |             |             |
|-------------------------------|--------------|--------------|--------------|---|--------------|--------------|--------------|---|--------------------|-------------|-------------|
|                               | H1           | H2           | FY           |   | H1           | H2           | FY           |   | H1                 | H2          | FY          |
| <b>Revenues</b>               | <b>2 114</b> | <b>2 324</b> | <b>4 438</b> |   | <b>2 108</b> | <b>2 383</b> | <b>4 492</b> |   | <b>-6</b>          | <b>59</b>   | <b>53</b>   |
| <b>Adj. EBITDA</b>            | <b>143</b>   | <b>132</b>   | <b>275</b>   |   | <b>111</b>   | <b>309</b>   | <b>420</b>   |   | <b>-32</b>         | <b>177</b>  | <b>145</b>  |
| <i>Adj. EBITDA margin</i>     | <i>6,7%</i>  | <i>5,7%</i>  | <i>6,2%</i>  |   | <i>5,3%</i>  | <i>13,0%</i> | <i>9,3%</i>  |   | <i>-1,5%</i>       | <i>7,3%</i> | <i>3,2%</i> |
| Seasonality adjustment        | 31           | -32          | -1           |   | 21           | -23          | -2           |   | -10                | 8           | -1          |
| Depreciations / amortization  | -203         | -165         | -367         |   | -232         | -188         | -420         |   | -30                | -23         | -53         |
| Others                        | -12          | -45          | -57          |   | 145          | 34           | 179          |   | 157                | 79          | 236         |
| <b>Operating income</b>       | <b>-41</b>   | <b>-109</b>  | <b>-150</b>  |   | <b>45</b>    | <b>132</b>   | <b>177</b>   |   | <b>86</b>          | <b>241</b>  | <b>327</b>  |
| Financial Result              | -81          | -76          | -157         |   | -86          | -69          | -155         |   | -5                 | 7           | 2           |
| Corporate income tax          | 6            | -1           | 5            |   | 14           | -22          | -8           |   | 8                  | -21         | -13         |
| Share of profit of associates | 20           | 22           | 42           |   | 6            | 4            | 10           |   | -14                | -18         | -32         |
| <b>Net results</b>            | <b>-96</b>   | <b>-164</b>  | <b>-260</b>  |   | <b>-21</b>   | <b>45</b>    | <b>24</b>    |   | <b>75</b>          | <b>209</b>  | <b>285</b>  |



# SUGAR EUROPE

## HALF-YEAR KEY FIGURES

| Sugar Europe<br>M€       | 18/19<br>H1 | 19/20<br>H1 | var  |      | 18/19<br>H2 | 19/20<br>H2 | var |     |
|--------------------------|-------------|-------------|------|------|-------------|-------------|-----|-----|
| <b>Volumes sold</b>      |             |             |      |      |             |             |     |     |
| Sugar (kt)               | 1 429       | 1 237       | -192 | -13% | 1 305       | 1 315       | 10  | 1%  |
| Alcohol & Ethanol (k.m3) | 315         | 269         | -45  | -14% | 318         | 359         | 42  | 13% |
| <b>Revenues</b>          | 871         | 747         | -124 | -14% | 899         | 980         | 82  | 9%  |
| <b>Adjusted EBITDA</b>   | 22          | -4          | -26  | na   | 15          | 99          | 84  | na  |
| EBITDA margin            | 2,5%        | -0,5%       |      |      | 1,7%        | 10,1%       |     |     |
| <b>Operating Income</b>  | -33         | -64         | -31  |      | -52         | 29          | 81  |     |

# SUGAR INTERNATIONAL

## HALF-YEAR KEY FIGURES

| Sugar International<br>M€           | 18/19<br>H1  | 19/20<br>H1  | var        |             | 18/19<br>H2  | 19/20<br>H2  | var        |            |
|-------------------------------------|--------------|--------------|------------|-------------|--------------|--------------|------------|------------|
| <b>Volumes sold</b>                 |              |              |            |             |              |              |            |            |
| <b>Sugar (kt)</b>                   | <b>739</b>   | <b>680</b>   | <b>-59</b> | <b>-8%</b>  | <b>879</b>   | <b>1 107</b> | <b>228</b> | <b>26%</b> |
| <b>Alcohol &amp; Ethanol (k.m3)</b> | <b>242</b>   | <b>199</b>   | <b>-43</b> | <b>-18%</b> | <b>455</b>   | <b>448</b>   | <b>-7</b>  | <b>-2%</b> |
| <b>Revenues</b>                     | <b>412</b>   | <b>398</b>   | <b>-14</b> | <b>-3%</b>  | <b>508</b>   | <b>561</b>   | <b>53</b>  | <b>10%</b> |
| <b>Adjusted EBITDA</b>              | <b>66</b>    | <b>76</b>    | <b>10</b>  | <b>16%</b>  | <b>102</b>   | <b>145</b>   | <b>43</b>  | <b>42%</b> |
| <i>EBITDA margin</i>                | <i>16,0%</i> | <i>19,2%</i> |            |             | <i>20,2%</i> | <i>25,9%</i> |            |            |
| <b>Operating Income</b>             | <b>-20</b>   | <b>-28</b>   | <b>-8</b>  |             | <b>-4</b>    | <b>86</b>    | <b>90</b>  |            |

# STARCH AND SWEETENERS

## HALF-YEAR KEY FIGURES

| Starch & Sweeteners<br>M€      | 18/19 | 19/20 | var |      | 18/19 | 19/20 | var |     |
|--------------------------------|-------|-------|-----|------|-------|-------|-----|-----|
|                                | H1    | H1    |     |      | H2    | H2    |     |     |
| Volumes of cereals ground (kt) | 1 569 | 1 569 | 0   | 0%   | 1 481 | 1 550 | 70  | 5%  |
| Volumes sold                   |       |       |     |      |       |       |     |     |
| Starch & Sweeteners (kt)       | 1 000 | 994   | -6  | -1%  | 977   | 990   | 13  | 1%  |
| Alcohol & Ethanol (k.m3)       | 123   | 150   | 28  | 23%  | 130   | 169   | 39  | 30% |
| Revenues                       | 713   | 765   | 51  | 7%   | 747   | 737   | -10 | -1% |
| Adjusted EBITDA                | 54    | 32    | -22 | -41% | 34    | 62    | 28  | 82% |
| EBITDA margin                  | 7,5%  | 4,1%  |     |      | 4,5%  | 8,4%  |     |     |
| Operating Income               | 9     | 152   | 143 |      | -20   | 17    | 37  |     |

1. Excl. Frandino's JV perimeter

# NET DEBT VARIATION

2019/20 : HALF-YEAR FIGURES

| Net debt variation<br>M€  | 18/19         |               |               | 19/20         |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|   | H1            | H2            | FY            | H1            | H2            | FY            |
| <b>Net debt (opening position) excluding IFRS16</b>             | <b>-2 350</b> | <b>-2 330</b> | <b>-2 350</b> | <b>-2 500</b> | <b>-2 601</b> | <b>-2 500</b> |
| <b>Adj. EBITDA</b>  | <b>143</b>    | <b>132</b>    | <b>275</b>    | <b>111</b>    | <b>309</b>    | <b>420</b>    |
| Other operational flows   | 68            | -38           | 30            | -28           | -3            | -32           |
| Net financial charges   | -56           | -69           | -125          | -79           | -73           | -152          |
| Income tax paid   | -10           | -6            | -16           | 6             | -8            | -2            |
| <b>Cash Flow</b>  | <b>145</b>    | <b>19</b>     | <b>163</b>    | <b>9</b>      | <b>225</b>    | <b>234</b>    |
| Change working capital  | 106           | 73            | 179           | -43           | 63            | 20            |
| <b>Cash Flow from operating activities</b>                      | <b>251</b>    | <b>92</b>     | <b>343</b>    | <b>-34</b>    | <b>288</b>    | <b>255</b>    |
| Maintenance & Renewal   | -112          | -161          | -274          | -141          | -130          | -271          |
| Other CAPEX   | -89           | -76           | -165          | -72           | -90           | -162          |
| Financial investments   | -0            | -7            | -8            | -61           | 1             | -61           |
| Disposals   | 2             | 2             | 4             | 268           | 18            | 285           |
| Dividends received  | 24            | 7             | 31            | 11            | 3             | 14            |
| <b>Cash Flow from (used in) investing activities</b>            | <b>-175</b>   | <b>-236</b>   | <b>-411</b>   | <b>3</b>      | <b>-198</b>   | <b>-195</b>   |
| <b>Cash Flow after investing activities</b>                     | <b>75</b>     | <b>-144</b>   | <b>-69</b>    | <b>-30</b>    | <b>90</b>     | <b>60</b>     |
| Dividends paid & price complement                               | -23           | -6            | -29           | -85           | -1            | -87           |
| Capital increases/other capital movements                       | -1            | 6             | 5             | -3            | 4             | 1             |
| <b>Cash Flow from (used in) transactions relating to equity</b> | <b>-24</b>    | <b>0</b>      | <b>-24</b>    | <b>-88</b>    | <b>3</b>      | <b>-85</b>    |
| <b>Free Cash-Flow</b>   | <b>51</b>     | <b>-144</b>   | <b>-92</b>    | <b>-118</b>   | <b>93</b>     | <b>-26</b>    |
| Other (incl. FOREX impact)                                      | -31           | -26           | -58           | 18            | 65            | 83            |
| <b>Net debt excluding IFRS16</b>                                | <b>-2 330</b> | <b>-2 500</b> | <b>-2 500</b> | <b>-2 601</b> | <b>-2 443</b> | <b>-2 443</b> |
| Impact IFRS16   |               |               |               | -133          | -115          | -115          |
| <b>Net debt (closing position)</b>                              | <b>-2 330</b> | <b>-2 500</b> | <b>-2 500</b> | <b>-2 733</b> | <b>-2 558</b> | <b>-2 558</b> |



# INVESTMENTS

| Investments<br>M€                  | 18/19<br>FY | 19/20<br>FY | var       |            |
|------------------------------------|-------------|-------------|-----------|------------|
| <b>Maintenance &amp; renewal</b>   | <b>274</b>  | <b>271</b>  | <b>-2</b> | <b>-1%</b> |
| Sugar Europe                       | 44          | 39          | -6        | -13%       |
| Starch & Sweeteners                | 35          | 53          | 17        | 48%        |
| Sugar International                | 54          | 70          | 16        | 30%        |
| Others                             | 31          | 1           | -30       |            |
| <b>Other CAPEX</b>                 | <b>165</b>  | <b>162</b>  | <b>-2</b> | <b>-1%</b> |
| <b>Investments excl. Financial</b> | <b>438</b>  | <b>434</b>  | <b>-5</b> | <b>-1%</b> |
| <b>Financial investments</b>       | <b>8</b>    | <b>61</b>   | <b>53</b> |            |
| <b>Total Investments</b>           | <b>446</b>  | <b>495</b>  | <b>49</b> | <b>11%</b> |

- ❑ Maintenance and renewal stable
- ❑ Other CAPEX : VLI impact (Sugar International 26M€) and Ambitions 2022 (Starch & Sweeteners)
- ❑ Financial investments including Sedalcol (49M€), Albioma (5M€), Kolin (2M€), Health for life (2M€)



# GROUP RATINGS

|              |  |  |
|--------------|---|---|
| Group rating | B+/Stable   | BB-/Negative  |
| Bond rating  | B+  | B+  |
| Last change  | November 2019   | January 2020  |

