

A wide-angle photograph of a sugarcane field at sunset. The sun is low on the horizon, creating a bright orange and yellow glow that reflects off the clouds. The sky is filled with scattered, dark clouds. In the foreground, rows of young sugarcane plants are visible, growing in dark soil. A dirt road runs along the right side of the field, leading towards the horizon. In the distance, a tractor is visible, working in the field. The overall scene is peaceful and captures the beauty of agricultural life.

# Tereos

January 2024



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## Tereos at a glance

# TEREOS AT A GLANCE: A COOPERATIVE GROUP AND GLOBAL LEADER IN AGRIBUSINESS

## KEY FACTS<sup>1</sup>

- #2 Sugar Global
- #2 Ethanol Europe
- #3 Sugar Brazil
- #3 Starch & Sweeteners Europe
- #2 Wheat Protein Europe

## WHAT WE PROCESS



## WHAT WE PRODUCE AND OUR END MARKETS



Consolidated Revenues LTM Sep 23

€7.2bn

Consolidated Adj. EBITDA LTM Sep 23

€1,170m

~15,800

EMPLOYEES

~11,200

COOPERATIVE MEMBERS IN FRANCE OWNING SHARE CAPITAL AND SUPPLYING RAW MATERIALS

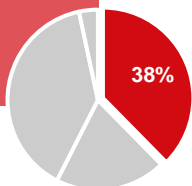
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OPERATING FACILITIES<sup>2</sup>

# THREE COMPLEMENTARY BUSINESS PILLARS WITH A UNIQUE APPROACH TO MANAGING CYCLICALITY...

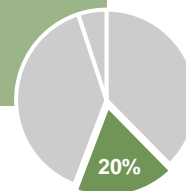
## CYCLICAL MARKETS

### SUGAR & RENEWABLES EUROPE



- €2.7bn revenue<sup>1</sup>
- Processing sugar beet into sugar, alcohol and bioethanol
- Processing sugar beet pulps and alfalfa into animal nutrition products

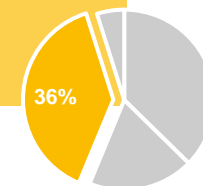
### SUGAR & RENEWABLES INTERNATIONAL



- €1.5bn revenue<sup>1</sup>
- Cultivating and processing sugarcane into raw and refined sugar and ethanol
- Focus on export

## STABLE MARKETS

### STARCH, SWEETENERS & RENEWABLES



- €2.6bn revenue<sup>1</sup>
- Producing alcohol and ethanol, starches and sweeteners, plant-based proteins and animal nutrition products by processing cereal, corn and tubers





# THE PILLARS OF SUSTAIN'2030

FIVE PILLARS AND 10 GOALS

1

## SUSTAINABLE AGRICULTURE

- Combine environmentally friendly agricultural practices with economic viability of our growers' farms.

90%

OF OUR RAW MATERIALS  
CERTIFIED AS SUSTAINABLE  
vs. 2017/18

2

## ENVIRONMENTAL PROTECTION

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

100%

OF RAW MATERIALS  
TRANSFORMED

100%

OF SUBSIDIARIES WITH  
BIODIVERSITY PROJECTS

3

## PRESERVATION OF RESSOURCES

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

NET ZERO 2050

SBTi 1.5°C FLAG  
COMMITMENT\*

-20%

WATER CONSUMPTION IN  
INDUSTRIAL PROCESSES  
vs. 2017

4

## RESPONSIBLE CONSUMPTION

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

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

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

5

## EMPLOYEES & LOCAL DEVELOPMENT

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

0.5

FREQUENCY RATES OF  
LOST-TIME ACCIDENTS  
vs. 2018

40%

OF WOMEN MEMBERS OF  
THE MANAGEMENT FORUM

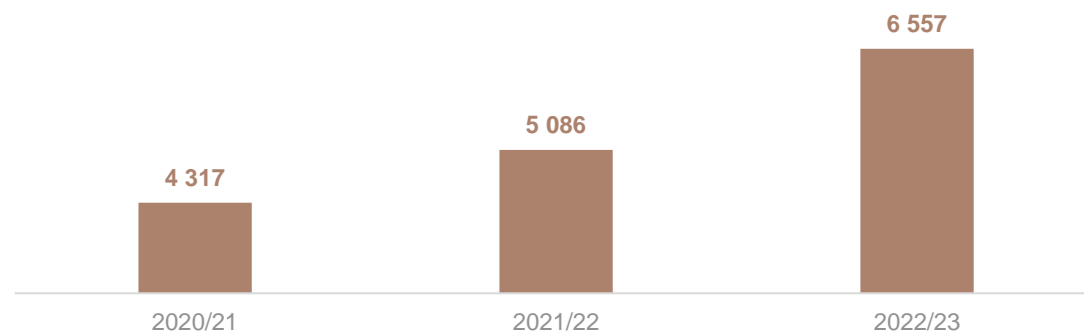


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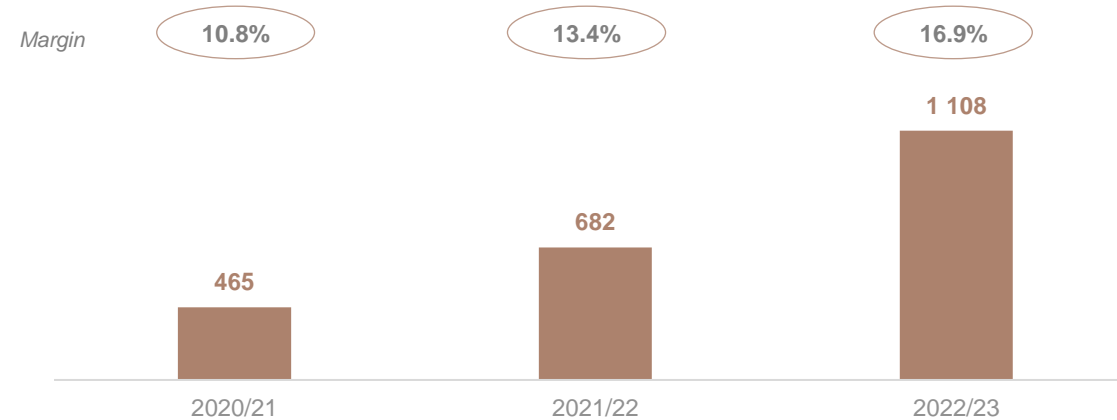
## Financial performance

# KEY HISTORICAL FINANCIAL HIGHLIGHTS

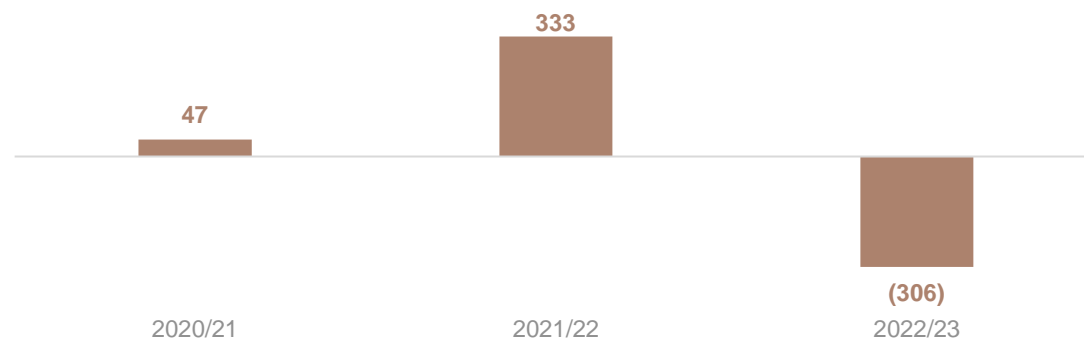
Revenue (€m)



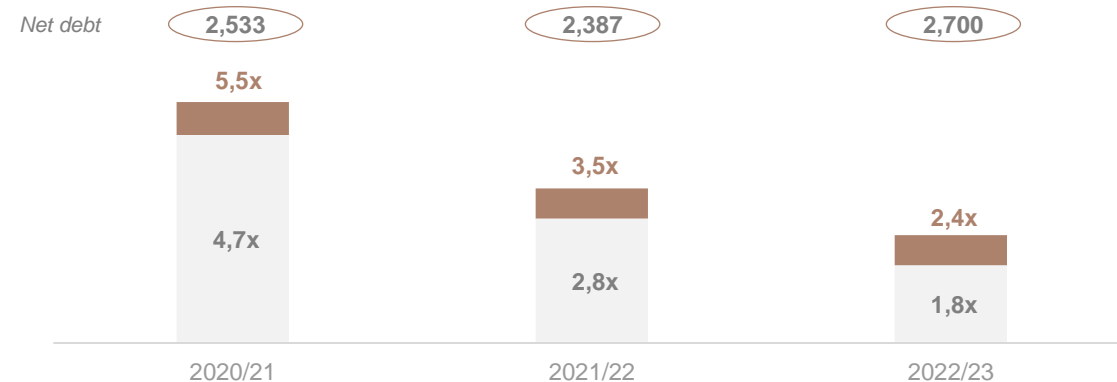
EBITDA<sup>1</sup> (€m)



FCF (€m)



Net debt (€m) / Net leverage & Net leverage excl. RMI<sup>1</sup> (x)





# KEY H1 2023/24 FIGURES

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## REVENUES

**€3,636 m**

+22% at  
constant foreign exchange rate  
(+23% at current foreign  
exchange rate)

## ADJUSTED EBITDA

**€592 m**

+47% at  
constant foreign exchange rate  
(+48% at current foreign  
exchange rate)

## RECURRING EBIT

**€459 m**

+72% at  
constant foreign exchange rate  
(+73% at current foreign  
exchange rate)

## CASH FLOW AFTER CAPEX, BEFORE CHANGE IN WC

**€278 m**

(€202m in 2022/23)

## NET PROFIT

**€239 m**

(€133m in 2022/23)

## DECREASING LEVERAGE

**2.1x**

(2.5x in Sept 2022)

# STRONG OVERALL FINANCIAL PERFORMANCE

Income statement	22/23	23/24		
€ m	H1	H1		Var <sup>1</sup>
Revenues	2,975	3,636	+661	+22%
Adj. EBITDA	403	592	+189	+47%
Adj. EBITDA Margin	13.5%	16.3%	+2.7pts	
Depreciation / amortization	-170	-164	+6	
Seasonality adjustment	33	26	-7	
Others	1	5	+4	
Recurring EBIT	266	459	+193	+72%
EBIT	266	436	+171	
Financial result	-96	-118	-23	
Corporate income tax	-38	-80	-41	
Share of profit of associates	1	1	+0	
Net results	133	239	+107	

**Adjusted EBITDA** increase of €189 million vs H1 22/23, resulting from good commercial, hedging and operational performance, in the context of increasing in raw material and energy prices.

**Recurring EBIT** strong improvement, as a result of good commercial and operational performances, and cost control (including hedging strategies)

**Financial result:** increase in financial charges due to rising interest rates in Europe and US.

**Net profit** improvement, result of the good operating performance



# POSITIVE FREE CASH FLOW GENERATION

Net debt variation	22/23	23/24	
€ m	H1	H1	
<b>Net debt (opening position) excluding IFRS16</b>	-2,236	-2,566	
<b>Adj. EBITDA</b>	<b>403</b>	<b>592</b>	<b>Increase in Financial Charges</b> Increase in reference rates for the Euro and US dollar
Other operational flows <sup>1</sup>	11	-50	
<b>Net financial charges</b>	<b>-79</b>	<b>-87</b>	<b>Increase in operational cash-flow before WC</b> EBITDA improvement led to an increase in operational cash-flow generation
Income tax paid	-18	-2	
<b>Cash Flow</b>	<b>317</b>	<b>453</b>	<b>Working capital (WC) decrease</b> Effect of the seasonality of the beet campaign (decrease in inventories volume) led to a reduction in WC before margin calls; margins calls effect was also positive in the semester
Maintenance & Renewal	-78	-117	
Other CAPEX	-37	-59	
<b>Cash Flow after Capex</b>	<b>202</b>	<b>278</b>	
Change in working capital	-14	222	
<b>Cash Flow from operating activities</b>	<b>188</b>	<b>499</b>	<b>Financial investments</b> Purchase of minority shares of one of our holding entities (Tereos Agro-Industrie)
Financial investments	-18	-118	
Disposals	1	3	
Dividends received	10	8	<b>Free cash-flow</b> Positive FCF, driven by a strong operational cash flow (before working capital variation) combined with the positive impact of decrease in WC
<b>Cash Flow after investing activities</b>	<b>182</b>	<b>392</b>	
Dividends paid & price complement	-7	-8	
Capital increases/other capital movements	-12	-18	
<b>Cash Flow from (used in) transactions relating to equity</b>	<b>-19</b>	<b>-27</b>	
<b>Free Cash-Flow</b>	<b>162</b>	<b>366</b>	<b>Net debt</b> Vs. Mar 2023: reduction result of strong operational FCF coupled with working capital decrease Vs. Sep 2022: increase result of working capital increase when considering last twelve months; but structural debt is lower
Other (incl. FOREX impact)	-27	-63	
<b>Net debt excluding IFRS16</b>	<b>-2,101</b>	<b>-2,263</b>	
Impact IFRS16	-140	-162	
<b>Net debt (closing position)</b>	<b>-2,240</b>	<b>-2,424</b>	

<sup>1</sup> "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

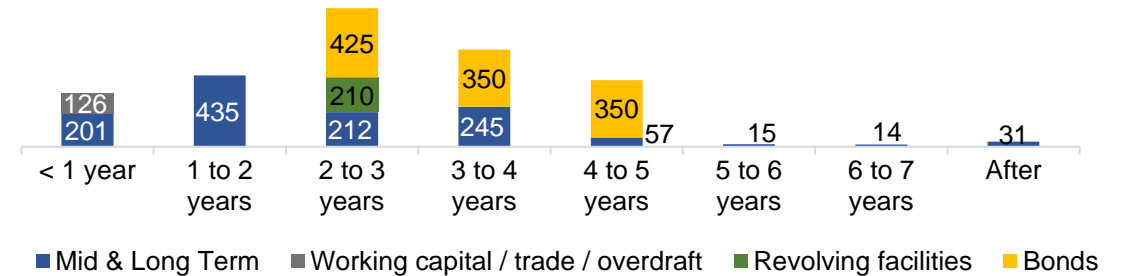
# CONTINUOUS REDUCTION IN LEVERAGE AND SOLID FINANCIAL SECURITY

- **€1bn of available liquidity**
  - Liquidity largely covers short-term maturities
- **Successful refinancing cycle concluded since 2021**
  - Focus on sustainability-linked bank facilities and DCM issuances
  - Some key transactions in 22/23:
    - €350m bond, in January 2023, and early repayment of 2023 notes
    - €228m add-on for a sustainability-linked RCF, in November 2022
    - USD 143m sustainability-linked export finance loan, in June 2022
- **Continuous improvement in leverage and structural debt:**
  - Continuous reduction in leverage
  - Structural debt: from €1.7bn in March 2022 to €1.1bn in Sep 2023

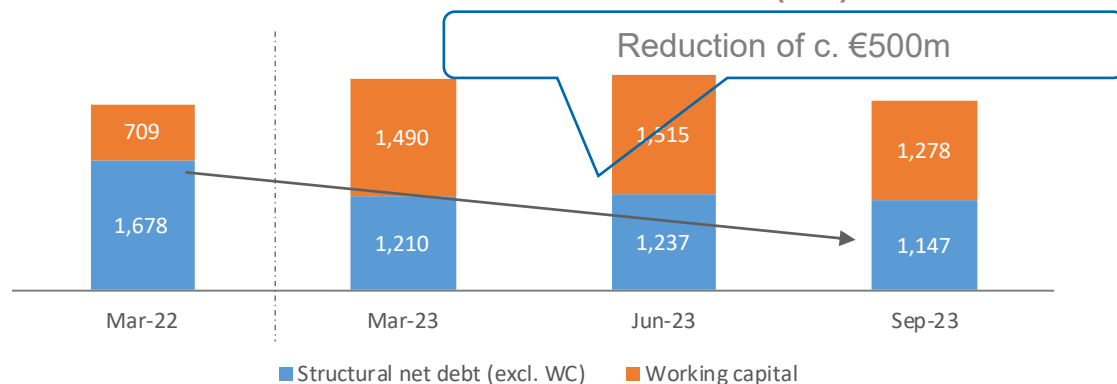
## Debt maturity schedule as of September 30, 2023<sup>1</sup> (€m)

### Strong liquidity: €978m:

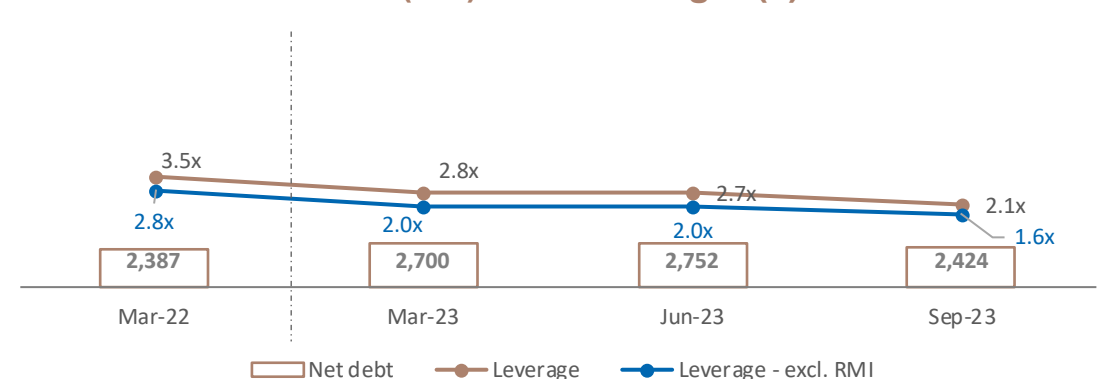
- €408m - cash & cash equivalents
- €570m - undrawn amounts of long-term committed facilities



## Reduction in structural net debt (€m)<sup>2</sup>



## Net debt (€m) / Net leverage<sup>2</sup> (x)





A wide-angle photograph of a lush green agricultural field, likely a cornfield, with rows of crops stretching towards the horizon. The sky is bright blue with scattered white clouds. A large white number '3' is overlaid on the left side of the image, partially covering the crops and sky.

# 3

## Strategy and perspectives



# BUSINESS PERSPECTIVES 2023/24

## SUGAR AND RENEWABLES EUROPE

- **Tereos sugar beet campaign – update**
  - \_ Updated estimates show yields slightly below the average of the previous 5 years, as sugar content forecast was reviewed downwards as result of recent rains which also caused some delay in harvesting operations and potentially higher operational costs



- **Sugar prices in Europe – contracting campaign concluded**
  - \_ Annual B2B sugar contracting campaign concluded at an average price above €860 per tonne

## SUGAR AND RENEWABLES INTERNATIONAL

- **Sugarcane yields improvement**
  - \_ Very strong recovery in yields; 23/24 crushing of 21.5m tonnes
- **High world prices for sugar and strong ethanol demand in Brazil**
  - \_ Supply & demand shows at a deficit; drought in India could lead to even lower yields in 24/25



## STARCH, SWEETENERS AND RENEWABLES

- **Energy and Wheat prices are normalizing**
  - \_ Commercial strategy will remain focused on margins; recent sales negotiations show a downward pressure on market prices
- **Continued industrial performance initiatives**
  - \_ Improvements being deployed, particularly on energy consumption and efficiency





# A TWO-STEP STRATEGIC PLAN BUILT ON 3 VALUE CREATION DRIVERS

## Short-term

(Until 2024)



### BACK TO BASICS

Reaffirming the fundamentals



#### COMMERCIAL EXCELLENCE

Volume strategy  
to margin strategy



#### ORGANIZATIONAL EXCELLENCE

Prioritize the 3 pillars  
of Group's activities  
and develop synergies

Industrial  
reorganization  
announced on  
March 8<sup>th</sup> 2023



#### INDUSTRIAL EXCELLENCE

Increase asset efficiency  
Strengthen capex selection  
process & expenditure control

## Medium-term

(From 2024)







### BACK TO GROWTH

Seeking out growth drivers

5

# UPDATE ON KEY STRATEGIC TARGETS

Metric	Target	Reference year: FY 20/21 <sup>1</sup>	Current status	Comments / perspective
 <b>FREE CASH-FLOW</b>	Recurring generation of positive FCF	€+47m WC variation impact of €+73m CFO <sup>2</sup> before WC var.: €1m	LTM FCF Sep 2023 €-103m LTM WC variation Sep 2023 impact of €-478m LTM CFO <sup>2</sup> before WC var.: €+504m	Goal is to generate positive FCF despite negative WC swings; negative WC variation in LTM Sep 2023 is linked to the extreme situation in 2022
 <b>EBIT MARGIN</b>	5%	2.0%	11.9% LTM Sep 2023	Target achieved
 <b>NET DEBT</b>	€2bn	€2.5bn WC <sup>3</sup> at €719m Structural debt <sup>3</sup> at €1.8bn	€2.4bn at 30 Sep 2023 WC <sup>3</sup> at €1,278m Structural debt <sup>3</sup> at €1.1bn at 30 Sep 2023	Target was announced when WC level was at €719m – at comparable WC <sup>3</sup> , net debt would be below €2bn now
 <b>NET LEVERAGE</b>	3x	5.5x <sup>3</sup>	2.1x <sup>3</sup> At 30 Sep 2023	Target achieved





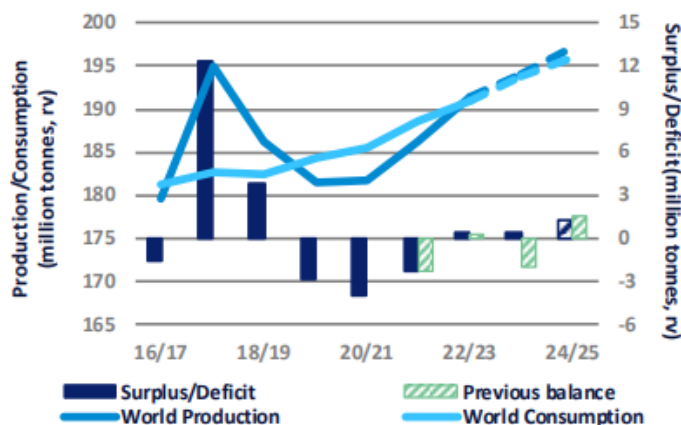
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Market  
update

# WORLD SUGAR PRICES

## INDIA POLICY DECISION AND BRAZIL DRY WEATHER LEADING TO SUPPLY & DEMAND EQUILIBRIUM

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
<b>2022/23</b>			
Production	191.4	184.5	185.5
Consumption	191.0	190.5	189.6
Surplus/Deficit	0.4	(6.0)	(4.1)
<b>2023/24</b>			
Production	194.1	193.7	193.8
Consumption	193.7	193.4	192.4
Surplus/Deficit	0.3	0.4	1.4
<b>2024/25</b>			
Production	197.2	196.8	196.5
Consumption	195.9	195.5	194.8
Surplus/Deficit	1.3	1.3	1.7

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	4.2	↑
C/S Brazil	mn mt tq	33.7	42.7	41.9	↓
C America	mn mt rv	5.6	5.8	5.7	↓
China	mn mt vv	9.0	9.8	10.1	↑
EU + UK (sugar)	mn mt vv	15.1	16.2	16.7	↑
India	mn mt vv	32.5	31.4	29.0	↓
NAFTA	mn mt rv	13.9	13.7	14.8	↑
Pakistan	mn mt tq	6.7	6.3	7.5	↑
Russia	mn mt vv	6.1	6.7	6.3	↓
Thailand	mn mt tq	10.8	8.3	10.7	↑
World Total	mn mt rv	184.5	193.7	196.8	↑

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

- ✓ During Dec/23 the world SnD got balanced for 23/24 (0.3Mton) vs a deficit of 2Mton before because of India decision on ethanol diversion adding 1.3Mton of sugar to 31.4Mton and the higher crush in BR-CS due to dry weather allowing 42.7Mton of sugar production.
- ✓ The global demand is resilient with several net-importing countries still at critically low inventories. With lower prices most of them see positive margins to import which may boost demand.
- ✓ The SnD remain very dependent on BR-CS performance which is forecasted to keep on high side of production.

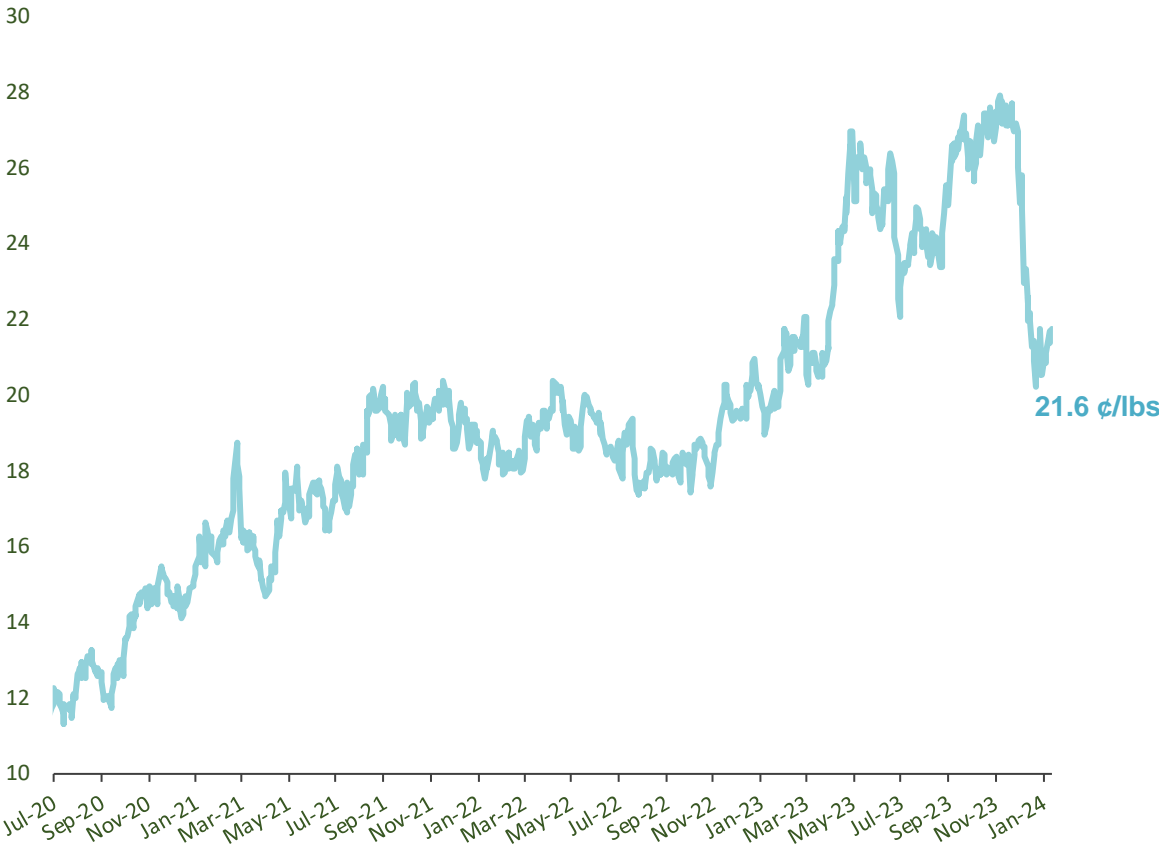
### Supply & demand risks flags

- ✓ Despite the balanced trade flows and SnD the weather risk could still bring deficit again. The main tradeoff is the dry weather allowing short term exports in BR-CS vs its impacts in 24/25 local crop.
- ✓ The 24/25 Indian crop is expected to be even lower than current 23/24 as drought impacted in lower planting (lower acreage and older cane).

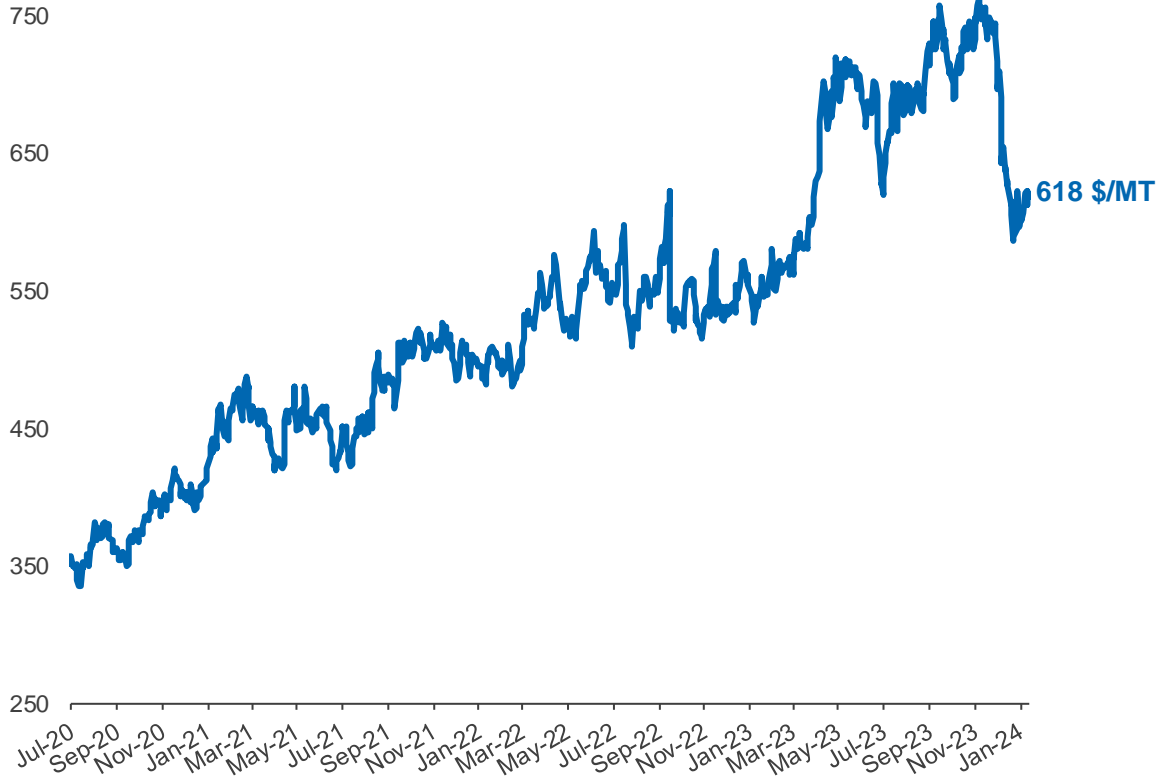


# WORLD SUGAR PRICES

World Sugar Index NY11 (¢/lbs)



London Sugar No. 5 (\$/MT)

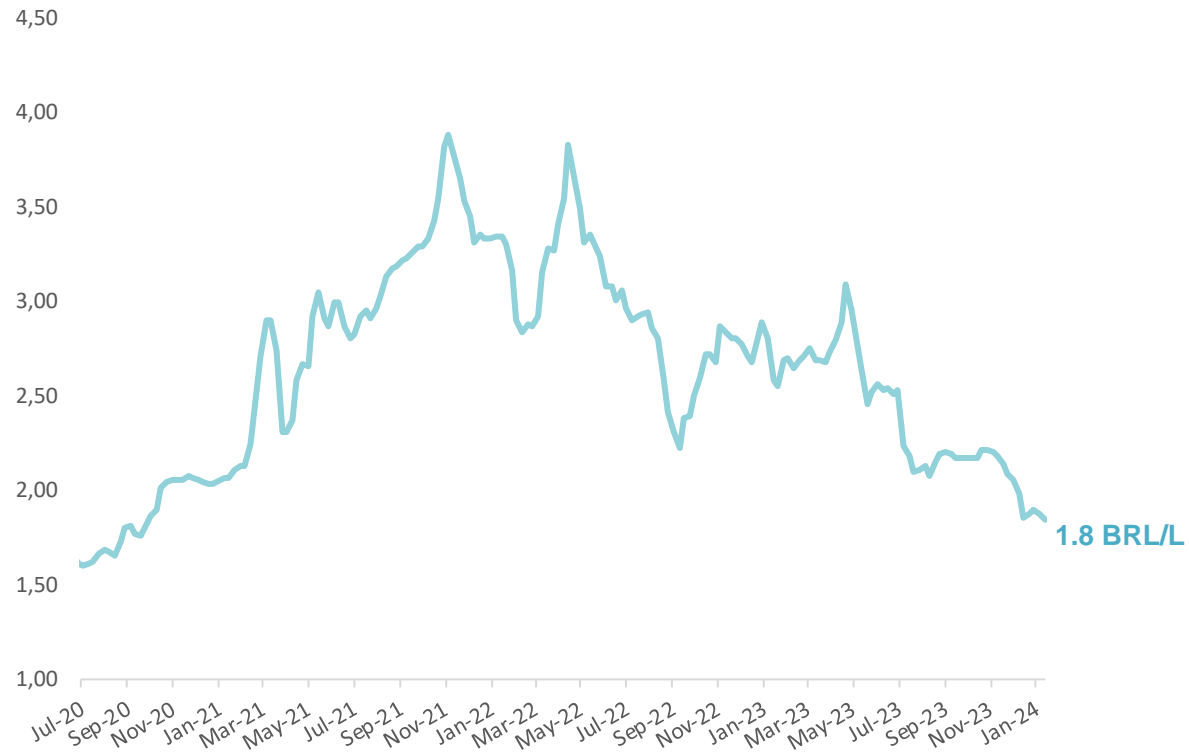


# ETHANOL PRICES SUPPORTED BY CRUDE OIL PRICES AND BIOETHANOL POLICIES



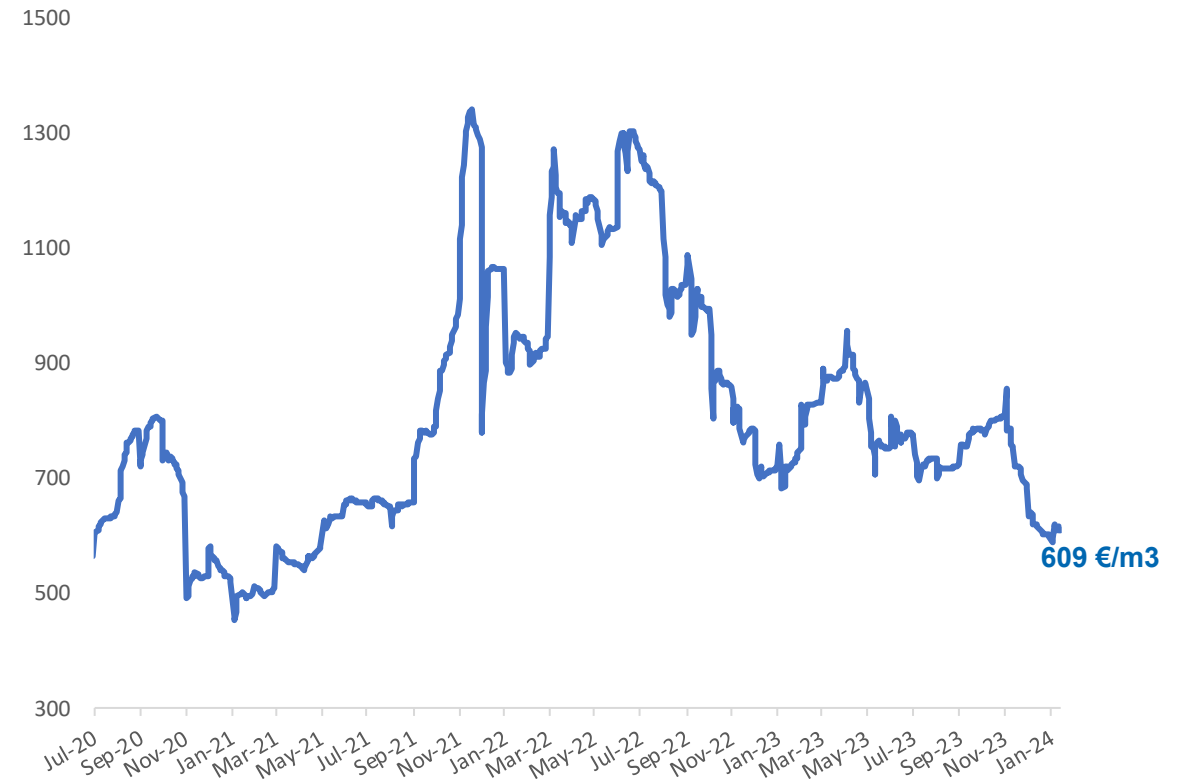
ESALQ Hydrous Ethanol (BRL/L)

Brazil



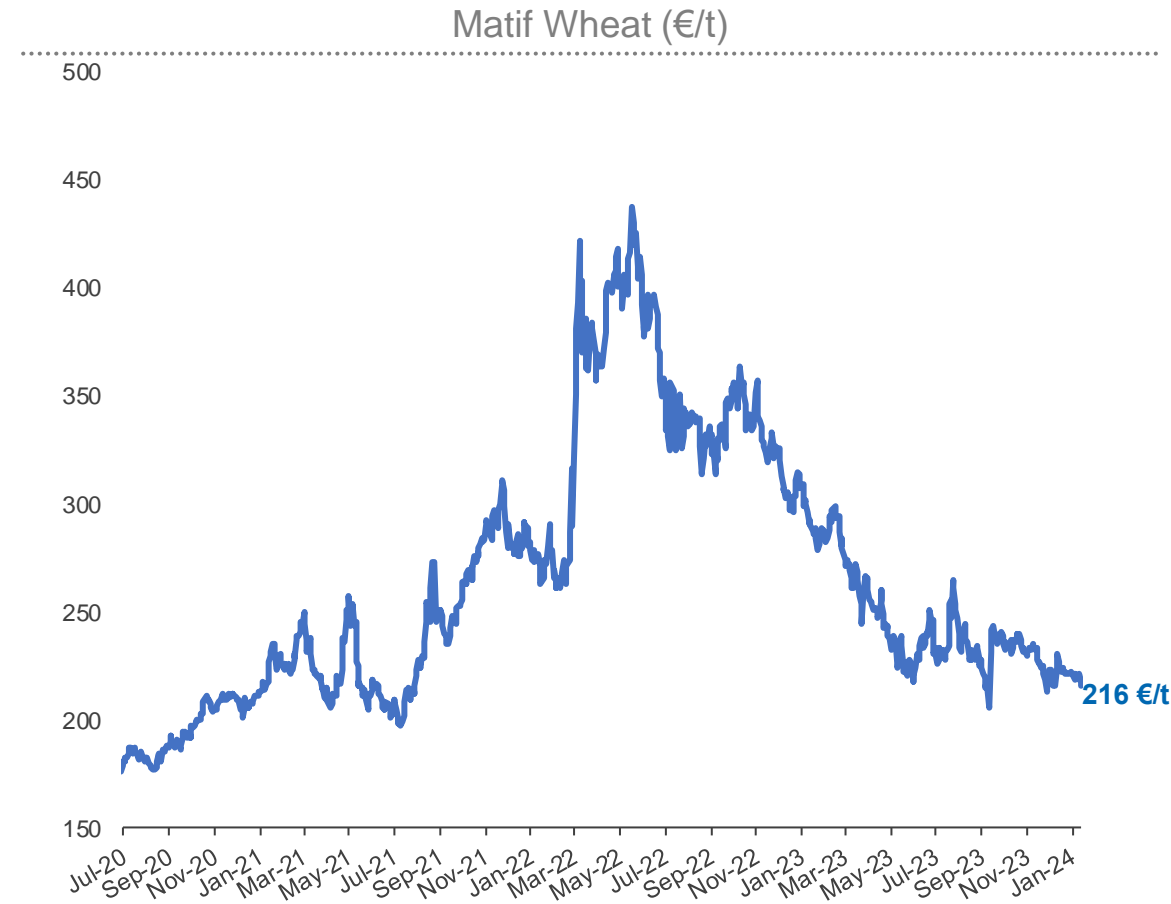
T2 Ethanol (EUR/m<sup>3</sup>)

European Union

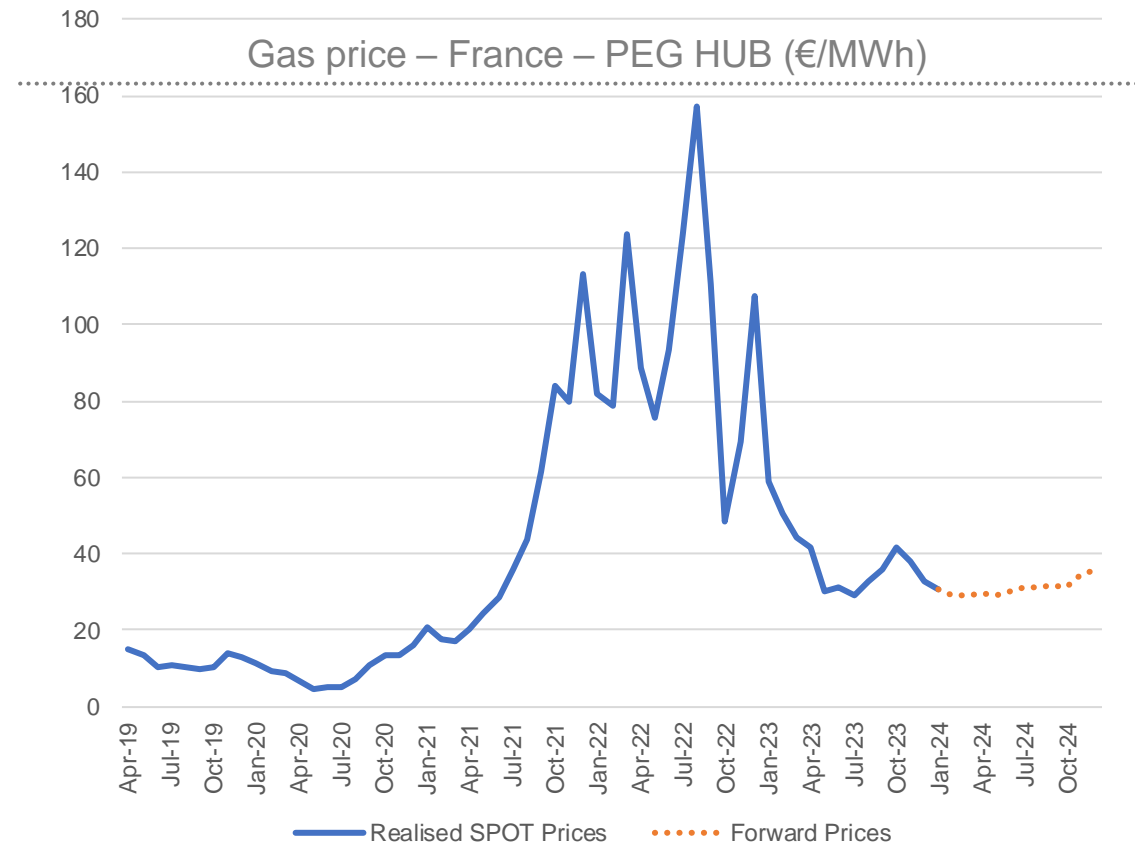




# WHEAT PRICES



# GAS PRICES







**Contact**  
**Tiago Marques, CFA - Investor Relations Director**  
**[tereos-investor-relations@tereos.com](mailto:tereos-investor-relations@tereos.com)**