Release

Paris, August 2, 2024

First quarter 2024/25

Strong quarterly performance despite initial signs of deteriorating price environment in Europe

(April 2024 – June 2024)

- Consolidated **revenues** amounted to €1,603 million in the first three months of the financial year, down 5% compared with Q1 23/24. This was due mainly to the decline in starch and sweetener prices, which more than offset the rise in sugar sales volumes in Europe and Brazil.
- **EBITDA** came to €268 million, up 9% compared with Q1 23/24, demonstrating our margin resilience amid the fall in prices in the European starch and sweetener segments. However, we expect the sugar market environment to deteriorate in Europe starting in the second half of the year, which will lead to lower margins.
- **Recurring EBIT** was €195 million, compared with €182 million in the first three months of the previous financial year.
- **Net debt** stood at €2,178 million, down €573 million compared with the previous year and down €193 million compared with March 31, 2024. Leverage improved to 1.9x, compared with 2.1x at the end of March 2024.
- **Structural debt** – debt excluding working capital – reached €1,033 million at the end of June 2024, stable compared with the end of March 2024.

1. GROUP RESULTS

Key figures	23/24 Q1	24/25 Q1	% chg (at current exch. rates)	% chg (at constant exch. rates)
Revenues	1,687	**1,603**	-5%	-4%
Adjusted EBITDA (1)	246	**268**	9%	11%
Adjusted EBITDA margin (1)	*14.6%*	*16.7%*		
Recurring EBIT (2)	182	**195**	7%	9%
EBIT margin (2)	10.8%	**12.2%**		
Net profit	80	**108**	34%	36%

Consolidated **revenues** were €1,603 million in the first three months of FY 24/25, down 5% at current exchange rates and down 4% at constant exchange rates from €1,687 million in Q1 23/24.

Consolidated **adjusted EBITDA**[1] reached €268 million in the current financial year, up 9% at current exchange rates and up 11% at constant exchange rates compared with €246 million in Q1 23/24. Over the past twelve months, adjusted EBITDA amounted to €1,150 million.

[1] See the definition of adjusted EBITDA in the Appendix.

Consolidated **recurring EBIT**[2] came to €195 million in Q1 24/25 compared with €182 million in the same period of FY 23/24.

These quarterly results were driven by the excellent start of the crop in Brazil and the price levels that remain strong for European sugar contracts entered into in 2023 but were negatively affected by lower prices in the alcohol, ethanol, starch and sweetener segments.

2. RESULTS BY DIVISION

SUGAR AND RENEWABLES EUROPE

Revenues for the Sugar and Renewables Europe division amounted to €633 million in the quarter, down 2% at current exchange rates from €647 million in Q1 23/24.

The division's **adjusted EBITDA** reached €110 million in the first three months of FY 24/25, up 21% at current exchange rates from €91 million in the same period of FY 23/24.

The division's **recurring EBIT** stood at €90 million in Q1 24/25, compared with €72 million in Q1 23/24.

The division's results were driven mainly by the commercial and hedging strategy, which enabled it to protect its margins in a lower production cost environment. A downward adjustment of sugar selling prices in Europe is expected in the second half of the financial year.

SUGAR AND RENEWABLES INTERNATIONAL

Revenues in the Sugar and Renewables International division amounted to €336 million in Q1 24/25, up 26% at current exchange rates and 30% at constant exchange rates, versus €267 million in the same period in FY 23/24.

The division's **adjusted EBITDA** reached €87 million in Q1 24/25, up 159% at current exchange rates and 168% at constant exchange rates, compared with €34 million in the same period of FY 23/24.

The division's **recurring EBIT** amounted to €55 million in Q1 24/25, compared with €6 million in the same period of FY 23/24.

The division's results were driven mainly by the increase in sugar volumes produced and sold.

STARCH, SWEETENERS AND RENEWABLES

Revenues in the Starch, Sweeteners and Renewables division amounted to €478 million in the first three months of FY 24/25, down 28% at current exchange rates, compared with €662 million in the same period in FY 23/24.

The division's **adjusted EBITDA** stood at €50 million in the first three months of FY 24/25, down 58% at current exchange rates, compared with €119 million in the previous financial year.

The division's **recurring EBIT** amounted to €31 million in Q1 24/25, compared with €104 million in the same period of FY 23/24.

The decline in the division's results can be attributed mainly to lower starch and sweetener prices, which had reached record levels in the last two years.

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[2] EBIT excluding non-recurring items (-€16 million in FY 23/24 and -€6 million in FY 24/25).

3. NET DEBT

Net debt at June 30, 2024 stood at €2,178 million compared with €2,371 million on March 31, 2024, a decrease of €193 million. Excluding Readily Marketable Inventories (€560 million that can be converted into cash at any time), the Group's adjusted net debt reached €1,618 million.

The decline in net debt compared with March 31, 2024 was due to positive operating cash flow, which was used to fund CAPEX for the period, combined with lower working capital, driven by the seasonality of sales volumes (and its effect on stocks) in the Sugar Europe division.

The Group's leverage at the end of June 2024 improved to 1.9x.

The Group's financial security amounted to €1,691 million at June 30, 2024. It consisted of €811 million in cash and cash equivalents and €880 million in undrawn confirmed long-term credit lines.

Net debt at June 30, 2024 breaks down as follows:

Net debt €m	March 31, 2024	June 30, 2024	Current	Non-current	Cash and cash equivalents
Net debt	**2,371**	**2,178**	495	2,494	-811
Net debt/EBITDA ratio	**2.1x**	**1.9x**			
Net debt/EBITDA ratio excl. RMI*	**1.6x**	**1.4x**			

** Readily Marketable Inventories: €606 million as of March 31, 2024 and €560 million as of June 30, 2024*

Net debt €m	June 30, 2023	March 31, 2024	June 30, 2024
Net debt	2,752	2,371	**2,178**
Working capital	1,515	1,337	**1,146**
Structural debt (excluding working capital)	1,237	1,034	**1,033**

4. IMPORTANT NOTES AND POST-CLOSING EVENTS

S&P AND FITCH REVISE THEIR OUTLOOK FOR THE GROUP

In June 2024, S&P and Fitch revised Tereos' outlook from "stable" to "positive".
These decisions once again demonstrate the rating agencies' confidence in Tereos' strategy, pointing to a possible improvement in Tereos' rating in the short- or medium-term.

NEW BOND ISSUE

On June 18, 2024, Tereos issued a new €300 million bond loan maturing in 2030 with a coupon of 5.875%.
The gross proceeds from the offering will be primarily used to partially refinance its existing notes due 2025 when they are repayable at par (or before).
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 three years has continued to deliver the expected results, contributing to the strong and continuous improvement in profitability. After a series of refinancing operations and rating upgrades from both S&P and Fitch, Tereos has today concluded a fourth successful issuance since 2021, an outcome that demonstrates the investor confidence in the group's governance and its strategy during the period.

Contacts

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About Tereos

The Tereos cooperative group, a union of 10,700 cooperative members, has a recognized know-how in the processing of beet, sugarcane, cereals and alfalfa. Through 41 industrial sites, a presence in 15 countries and the commitment of its 15,800 employees, Tereos supports its customers close to their markets with a broad and complementary range of products. In 2023/24, the Group posted revenues of €7.14 billion.

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.*

APPENDICES

A. RESULTS BY DIVISION

Revenues by division – €m	23/24 Q1	24/25 Q1	% chg (at current exch. rates)	% chg (at constant exch. rates)
Sugar Europe	647	**633**	-2%	-1%
Sugar International	267	**336**	26%	30%
Starch and Sweeteners	662	**478**	-28%	-27%
Other (incl. elim.)	111	**156**	41%	36%
Tereos Group	**1,687**	**1,603**	**-5%**	**-4%**

Adjusted EBITDA by division – €m	23/24 Q1	24/25 Q1	% chg (at current exch. rates)	% chg (at constant exch. rates)
Sugar Europe	91	**110**	21%	22%
Sugar International	34	**87**	159%	168%
Starch and Sweeteners	119	**50**	-58%	-57%
Other (incl. elim.)	2	**21**	NA	NA
Tereos Group	**246**	**268**	**9%**	**11%**

Recurring EBIT by division – €m	23/24 Q1	24/25 Q1	% chg (at current exch. rates)	% chg (at constant exch. rates)
Sugar Europe	72	**90**	25%	26%
Sugar International	6	**55**	NA	NA
Starch and Sweeteners	104	**31**	-70%	-70%
Other (incl. elim.)	1	**19**	NA	NA
Tereos Group	**182**	**195**	**7%**	**10%**

B. MARKET TRENDS

WORLD SUGAR MARKET

Global dependence on Brazilian sugar is rising amid poor crops in other exporting regions, while global inventories are decreasing and demand from major importers is increasing.

At the beginning of the fiscal year, the NY11 sugar price was 22.35 USDcts/lb. A few months later, it reached its lowest level for the period at 18.13 USDcts/lb, as the rains started up again in the South-Central region of Brazil after months of severe drought.

Drought returned in May and June, reinforcing expectations of a weaker crop and causing prices to climb until the June 2024 quarter end.

SUGAR EUROPE

A surge in production in Europe in 2023/24 (+7% over a rolling 12-month period) and a decline in consumption led to a continued downward trend in prices in the first quarter of FY 24/25.

European Commission reports indicate that contracts entered into since the 2023/24 campaign caused sugar prices to decline to €828/t EXW in May 2024, compared to €856/t EXW in December 2023. This price is still higher than the May 2023 price (€814/t EXW).

The outlook for 2024/25 is for yield levels to be close to their historical average and for beet acreage to increase by 6%. This would result in good supply volumes, which could align the price trend in Europe with that of the global market.

ETHANOL BRAZIL

Processed sugarcane volumes accelerated in Brazil during the quarter due to dry weather, which was good for the crop. Despite the resulting temporary increase in ethanol supply during the period, the outlook for lower processed sugarcane volumes for the 2024/25 crop as a whole caused prices to stabilize at relatively high levels. Prices were also supported by a rebound in demand related to attractive price levels compared with petrol throughout 2023. Average ESALQ ethanol prices in the first quarter were R$2.35/litre (+14% compared with the previous quarter).

Uncertainties surrounding sugarcane volumes for the 2024/25 crop in Brazil – with the risk of unfavourable weather conditions, a recovery in demand and higher petrol price scenarios – support optimistic ethanol price outlooks.

ETHANOL EUROPE

European T2 ethanol prices were close to €700/m^3 during the quarter, an approximately 9% increase compared with levels in the previous quarter.

This increase created opportunities to import ethanol from Brazil and the United States during the period to meet European demand.

Production volumes in Europe were in line with those of the previous quarter, mainly due to stable margins for producers of ethanol from cereals.

CEREALS

The cereals market saw heightened volatility during the quarter.

Unfavourable weather conditions in Russia, with a drought in the southern part of the country and a late cold snap in May, and uncertainties about the country's export and production volumes resulted in MATIF wheat and MATIF corn prices of €270/tonne and €224/tonne, respectively, at the end of May 2024.

Wheat: despite a tight supply-and-demand balance for wheat at the global level, there was a visible downward trend in June, mainly because of increased supply in the United States. In addition, weak demand led to a reduction in import needs, as demonstrated by Turkey's ban on wheat imports until October, which sent a strong bearish signal to the market.

Corn: summer weather conditions in the United States and Ukraine will be key during the pollination period; potential heatwaves could result in a downward revision to volume outlooks for the crop.

The results of the wheat crop in the northern hemisphere and, in particular, summer weather conditions in the United States and Ukraine will be key factors in the price trend for corn, and for cereals in general, in the short-term.

GAS EUROPE

Average gas prices during the quarter hovered around €32/MWh (ICE Endex TTF front-month European benchmark), with the following factors having a particularly significant impact on the market:

- Geopolitical tension: escalation of the war in Ukraine, notably with attacks on Ukrainian energy facilities and new EU sanctions on Russian LNG.
- Supply disruptions: unexpected outages at its gas fields in Norway, Europe's largest supplier of natural gas.
- Rising LNG prices: increased demand for LNG from Asia led to higher global LNG prices.

The gas storage level in Europe remains high. It was above 75% at the end of June, which is close to last year's level. The main reasons are: (i) weak demand for residential gas and gas for electricity, due to higher-than-average winter temperatures, and (ii) a high level of supply from renewable energies.