Release

Paris, May 29, 2024

2023/24 Annual Results

Committed to its transformation, Tereos achieves a solid performance and implements an ambitious decarbonization strategy

(April 2023 – March 2024)

- Revenues for the financial year amounted to €7,143 million, up 9% compared with FY 22/23, driven by higher prices notably in the sugar segment.

- EBITDA reached €1,128 million, up 15% versus FY 22/23, as a result of the successful execution of sales and hedging strategies.

- Recurring EBIT amounted to €836 million, compared with €664 million in FY 22/23.

- Net debt decreased to €2,371 million, down €329 million compared with March 31, 2023. Leverage improved and reached 2.1x, compared with 2.8x at the end of March 2023. Net debt also improved compared to the level at the end of March 2022, despite working capital that almost doubled over the period.

- Structural debt – debt excluding working capital – reached €1,034 million at the end of March 2024, an improvement of €176 million compared with the end of March 2023. The cumulative reduction in structural debt since March 2021 is around €0.7 billion.

1. GROUP RESULTS

Key figures €m	22/23 Q4	23/24 Q4	% chg (at current exch. rates)	% chg (at constant exch. rates)	22/23 12m	23/24 12m	% chg (at current exch. rates)	% chg (at constant exch. rates)
Revenues	1,778	1,667	-6%	-6%	6,557	7,143	9%	9%
Adjusted EBITDA[1]	309	255	-18%	-18%	981	1,128	15%	15%
Adjusted EBITDA margin[1]	*17.4%*	*15.3%*			*15.0%*	*15.8%*		
Recurring EBIT[2]	217	176	-19%	-20%	664	836	26%	26%
EBIT margin[2]	12.2%	10.5%			10.1%	11.7%		
Net income (loss)	(66)	101			161	448	178%	178%

Consolidated **revenues** increased by 9% at current and constant exchange rates to €7,143 million in FY 23/24, from €6,557 million for the previous financial year.

Consolidated **adjusted EBITDA**[1] is €1,128 million for the current financial year, up 15% at current and constant exchange rates, from €981 million in FY 22/23.

Consolidated **recurring operating income (EBIT)**[2] amounted to €836 million for FY 23/24, compared with €664 million in FY 22/23.

Results were driven by the increase in sugar prices and, across all divisions, by the successful execution of the sales, hedging and cost management strategy, which continues to allow the Group to protect its margins in a context of high volatility and price normalisation, in particular in the starch products division.

2. RESULTS BY DIVISION

SUGAR AND RENEWABLES EUROPE

In **France**, yields in the 2023/24 were slightly above the average for the past five years. Sugar beet volumes were therefore only 5% lower compared with the 2022/23 campaign, reaching 14 million tonnes, despite a 9% decrease in planted surface areas.

Revenues for the Sugar and Renewables Europe division amounted to €2,725 million for FY 23/24, up 9% at current exchange rates from €2,503 million in FY 22/23.

The division's **adjusted EBITDA** was €359 million in FY 23/24, up 22% at current exchange rates from €294 million in FY 22/23.

The division's **recurring EBIT** totalled €220 million in FY 23/24, compared with €201 million in FY 22/23.

The division's results are mainly driven by the increase in sugar prices achieved through an adapted sales strategy, coupled with the successful execution of the hedging strategy, notably for gas and ethanol.

[1] Please see the definition of adjusted EBITDA in the appendix

[2] EBIT excluding non-recurring items (-€252 million in FY 22/23 and -€47 million in FY 23/24)

SUGAR AND RENEWABLES INTERNATIONAL

In Brazil, the sugar harvest ended on December 19, 2023 with a record volume of sugarcane crushed at 21.1 million tonnes, a marked increase compared with the 17.3 million tonnes recorded in the 2022 crop.

Revenues for the Sugar and Renewables International division amounted to €1,518 million for FY 23/24, up 18% at current and constant exchange rates from €1,282 million in FY 22/23.

The division's **adjusted EBITDA** was €411 million in FY 23/24, up 59% at current and constant exchange rates from €258 million in FY 22/23.

The division's **recurring EBIT** totalled €286 million in FY 23/24, compared with €130 million in FY 22/23.

The division's results were mainly driven by higher world sugar prices and increased production volumes. Conversely, ethanol prices fell compared with the previous year owing to an increase in volumes available on the local market. This resulted from the higher volumes produced during a very favourable sugarcane crop in Brazil in 2023.

STARCH, SWEETENERS AND RENEWABLES

Revenues from the Starch, Sweeteners and Renewables division amounted to €2,352 million in FY 23/24, down 6% at current exchange rates from €2,499 million in FY 22/23.

The division's **adjusted EBITDA** was €332 million in FY 23/24, down 18% at current exchange rates from €403 million in the previous financial year.

The division's **recurring EBIT** totalled €257 million in FY 23/24, compared with €311 million in FY 22/23.

FY 23/24 results were down compared with FY 22/23 – but remained at historically high levels, with a slight increase in market share and an efficient gas and ethanol hedging strategy, against a backdrop of lower demand in FY 23/24 combined with additional logistics costs due to the industrial incident at the Nesle plant in November 2023.

3. NET DEBT

Net debt at March 31, 2024 reached €2,371 million, compared with €2,700 million at March 31, 2023, a decrease of €329 million. Excluding Readily Marketable Inventories[3] (€606 million that can be converted into cash at any time), the Group's adjusted net debt would be at €1,765 million.

The decrease in net debt compared with March 31, 2023 was due to a positive operational cash flow, which largely covers CAPEX, combined with a decrease in working capital. Working capital excluding margin calls was almost flat (limited increase) compared with March 2023, as we anticipated in our releases over recent quarters. The change in margin calls had a positive impact on cash flow.

The Group's leverage at the end of March 2024 improved to reach 2.1x.

In line with the targets set in June 2021, the Group has reduced its structural debt (net debt excluding working capital).

At the end of March 2024, the Group's financial security reached €1,256 million, consisting of €601 million in cash and cash equivalents and €655 million in undrawn confirmed long-term credit lines.

Net debt at March 31, 2024 breaks down as follows.

Net debt €m	March 31, 2023 (Reported)	March 31, 2023 (Restated)	March 31, 2024 (Restated)	Current (Restated)	Non-current (Restated)	Cash and cash equivalents (Restated)
Net debt	2,700	2,700	2,371	493	2,479	-601
Net debt/EBITDA ratio	2.4x	2.8x	2.1x			
Net debt/EBITDA ratio excl. RMI*	1.8x	2.0x	1.6x			

** Readily Marketable Inventories: €754 million at the end of March 2023 and €606 million at the end of March 2024*

Net debt €m	March 31, 2023 (Reported)	March 31, 2023 (Restated)	March 31, 2024 (Restated)
Net debt	2,700	2,700	2,371
Working capital (WCR)	1,420	1,490	1,337
Structural debt (excluding working capital)	1,280	1,210	1,034

[3] The amount of "Readily Marketable Inventories" at March 31, 2024 included: (i) €551 million in finished products, of which €518 million in sugar and €33 million in ethanol; (ii) €46 million in raw materials, of which €7 million in wheat, €29 million in corn and €10 million in sugar to be processed; (iii) €9 million in coal and gas.

4. IMPORTANT NOTES AND POST-CLOSING EVENTS

RESTATEMENT OF INTER-CROP EXPENSES

As of the first quarter of 23/24, the Group has changed its accounting methodology for inter-crop maintenance expenses to align with that adopted by its peers in the sector in Europe: these expenses, previously recognized as CAPEX and amortized during the subsequent production period, are now recorded as inventory and cost of goods sold (COGS). This accounting change (with no cash effect) leads to a decrease in D&A coupled with the variation in costs (non-D&A), and consequently a reduction in reported EBITDA. It also leads to an increase in working capital and a decrease in CAPEX. EBIT and net income are not affected.

INDUSTRIAL INCIDENTS

As indicated in the previous results press release, in the context of its operations, Tereos suffered two major industrial incidents at the Bucy-le-Long and Nesle plants on October 9 and November 9, 2023, respectively. The incidents were quickly contained as a result of the efforts of the response teams on the plants and the help of the firefighters. No injuries to Tereos' teams were reported and the Group reiterates that safety remains its top priority. The Group is currently making every effort to get the damaged facilities back in operation as soon as possible. All industrial, commercial and logistics teams are implementing solutions to honour our commercial commitments to customers and partners.

SALE OF THE B2C BUSINESS IN THE UNITED KINGDOM

On November 2, 2023, Tereos announced that it had entered into an agreement to sell the business-to-consumer (B2C) activities of its Tereos UK and Ireland (TUKI) production plant in Normanton, West Yorkshire to T&L Sugars Limited (TLS). The transaction only concerns B2C activities; Tereos will keep the industrial B2B activities which will continue as TUKI. The Tereos UK plant packages and distributes white granulated, baking and speciality sugars to retailers and wholesalers in the United Kingdom under the "Whitworths Sugar" brand and private label brands. Finalization of the transaction will take place upon completion of the UK Competition and Markets Authority approval process.

SUSTAINABLE DEVELOPMENT-RELATED CHANGES

Clearly focused on the future, Tereos has implemented an ambitious decarbonization strategy which is a source of growth for the cooperative and its customers

Tereos has drawn up and launched an ambitious plan to accelerate its decarbonization strategy. It is aiming for zero net emissions across its entire value chain by 2050, from its agricultural activities right through to the sale of its products, in line with SBTi FLAG targets. Thus, over the next nine years, the cooperative will invest **€800 million** to halve greenhouse gas emissions in its industrial and agricultural activities, including **a 65% reduction in greenhouse gas emissions generated by its European industrial sites (Scope 1 & 2) by 2032/33**. This commitment applies to the entire value chain. For example:

- **Scope 1 & 2**: decarbonization program for starch and sugar manufacturing plants (78 projects across 16 industrial plants, rolled out on the basis of multi-year plans combining a decrease in energy consumption with a transition from fossil fuels to renewable energy, notably electric – with limited use of biomass), with **a target to decrease CO_2 emissions by 1.3 million tonnes by 2032/33**;
- **Scope 3 – "Transport"**: reduction in emissions relating to the transport of raw materials in Brazil, through the use of low-carbon fuel, and in Europe with the FRET 21 commitment;
- **Scope 3 – "Agriculture"**: gradual development of regenerative agriculture with the introduction of initiatives to transition to a more resilient, low-carbon and soil- and biodiversity-friendly model, such as the financing over the next 12 months of **1,000 carbon audits** at the cooperative level from 2024. This is in line with the TRANSITIONS approach supported by the cereal cooperative group Vivescia and its partners, launched in September 2023. Moreover, Tereos has reinforced its commitments to agro-ecological transition initiatives by joining "Pour une Agriculture du Vivant", a French non-profit organisation supporting a new agriculture and food model. Tereos aims to roll out regenerative agriculture practices across **20% of its cooperative members' beet surface areas** over the next nine years.

Through this strategy, Tereos hopes to capitalize on its strengths and assets by offering its customers low-carbon plant resources produced by its cooperative members and processed by its employees. This approach meets both new customer needs and the Group's ability to develop new offers to decarbonize oil-based industries. **The partnership with Futerro, the only one of its kind in Europe, is a perfect example of Tereos' ability to forge strong alliances with secondary-processing players, and thus step up the development of new bio-sourced solutions**.

Contacts

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About Tereos

With a long-term vision of valuing agricultural raw materials and developing quality products for the food, health and renewable energy sectors, Tereos is a leader in the sugar, alcohol and starch markets. The Tereos cooperative group, a union of 10,700 cooperative associates, has a recognized know-how in the processing of beet, sugarcane, cereals and potatoes. 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. The Group's commitments to society and the environment contribute to the company's performance in the long-term while strengthening its contribution as a responsible player. In 2023/24, the Group posted revenues of €7.1 billion.

Warning regarding 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. All forward-looking statements are based upon information available to management on the date hereof.*

APPENDICES

A. VOLUMES

Volumes sold	22/23 Q4	23/24 Q4	% chg.	22/23 12m	23/24 12m	% chg.
Sugar and Sweeteners (k. tco)	1,144	1,384	*21%*	5,706	5,767	*1%*
Alcohol and Ethanol (k. m3)	317	390	*23%*	1,420	1,583	*11%*
Starch and Protein (k. tco)	244	235	*-4%*	1,017	1,019	*0%*
Energy (GWh)	131	293	*124%*	1,381	1,450	*5%*

B. INCOME STATEMENT

Income statement €m	22/23 12m (Reported)	22/23 12m (Restated)	23/24 12m (Restated)	% chg. (at current exch. rates)	% chg. (at constant exch. rates)
Revenues	6,557	6,557	7,143	9%	9%
Adjusted EBITDA	1,108	981	1,128	15%	15%
EBITDA margin	*16.9%*	*15.0%*	*15.8%*		
Seasonality adjustment	-3	-1	0		
Depreciation, amortization	-431	-306	-309		
Other	-10	-10	17		
Recurring EBIT	664	664	836	26%	26%
Recurring EBIT margin	*10.1%*	*10.1%*	*11.7%*		
Non-recurring items	-252	-252	-47		
Financial result	-213	-213	-236		
Corporate income tax	-55	-55	-130		
Share of profit of associates	18	18	26		
Net income	161	161	448	178%	178%

Adjusted EBITDA *corresponds to net income before income tax, the share of income from equity affiliates, 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.*

C. CHANGE IN NET DEBT

Change in net debt €m	22/23 12m (Reported)	22/23 12m (Restated)	23/24 12m (Restated)
Net debt (opening position) excl. IFRS 16	-2,236	-2,236	-2,566
Adjusted EBITDA	1,108	981	1,128
Other operating cash flows	-100	-98	-57
Net financial charges	-164	-164	-191
Income tax paid	-29	-29	-29
Cash flows	814	690	851
Maintenance & renewals	-299	-173	-256
Other CAPEX	-89	-89	-139
Cash flow after CAPEX	427	428	456
Change in working capital	-712	-714	137
Cash flow from operating activities	-285	-285	593
Financial investments	-26	-26	-178
Disposals of assets	10	10	6
Dividends received	14	14	16
Cash flow from (used in) investing activities	-2	-2	-156
Cash flow after investing activities	-287	-287	437
Dividends paid & price supplement	-8	-8	-9
Capital increases/other capital movements	-12	-12	-17
Cash flow from (used in) capital transactions	-19	-19	-27
Free cash flow	-306	-306	410
Other (incl. forex effects)	-23	-23	-54
Net debt excluding IFRS 16 impact	-2,566	-2,566	-2,209
IFRS 16 impact	-135	-135	-162
Net debt – closing position	-2,700	-2,700	-2,371

D. RESULTS BY DIVISION

Revenues by division €m	22/23 Q4	23/24 Q4	% chg (at current exch. rates)	% chg (at constant exch. rates)	22/23 12m	23/24 12m	% chg (at current exch. rates)	% chg (at constant exch. rates)
Sugar Europe	743	734	-1%	-1%	2,503	2,725	9%	9%
Sugar International	231	298	29%	24%	1,282	1,518	18%	18%
Starch and Sweeteners	707	487	-31%	-31%	2,499	2,352	-6%	-5%
Other (incl. elim.)	97	147	NA	NA	273	549	NA	NA
Tereos Group	1,778	1,667	-6%	-6%	6,557	7,143	9%	9%

Adjusted EBITDA by division €m	22/23 Q4	23/24 Q4	% chg (at current exch. rates)	% chg (at constant exch. rates)	22/23 12m	23/24 12m	% chg (at current exch. rates)	% chg (at constant exch. rates)
Sugar Europe	64	93	45%	47%	294	359	22%	22%
Sugar International	50	104	109%	102%	258	411	59%	59%
Starch and Sweeteners	167	50	-70%	-70%	403	332	-18%	-17%
Other (incl. elim.)	28	8	NA	NA	26	26	NA	NA
Tereos Group	309	255	-17%	-18%	981	1,128	15%	15%

Recurring EBIT by division €m	22/23 Q4	23/24 Q4	% chg (at current exch. rates)	% chg (at constant exch. rates)	22/23 12m	23/24 12m	% chg (at current exch. rates)	% chg (at constant exch. rates)
Sugar Europe	40	18	-54%	-52%	201	220	10%	10%
Sugar International	10	68	570%	548%	130	286	120%	120%
Starch and Sweeteners	141	30	-79%	-78%	311	257	-17%	-17%
Other (incl. elim.)	25	59	NA	NA	22	73	NA	NA
Tereos Group	217	176	-19%	-19%	664	836	26%	26%

C. MARKET DEVELOPMENTS

WORLD SUGAR MARKET

The financial year ended with an NY11 sugar price at 22.52 USDcts/lb at March 31, 2024, representing a 1.2% increase, impacted by strong volatility due to extreme weather events.
Drought in Asia at the beginning of the financial year maintained pressure on available sugar, pushing prices up. The increase in sugar production volumes following the decision by the Indian government at the end of 2023 to reduce target ethanol production volumes had led to a sharp decrease in sugar prices. In Q4 23/24, the market continued its downwards trend, impacted by the positive outlook for production volumes, especially in India and Pakistan.

SUGAR EUROPE

Production on the European sugar market was up 7% year on year. The deficit decreased as the sugar beet acreage remained virtually unchanged (very slight increase), combined with an increase in yields.
Nevertheless, uncertainty over production has maintained the upwards trend for some time, pushing up sugar prices to €856/t EXW in December 2023. After this period, high levels of imports triggered a downwards trend, with the price in March 2024 reaching €844/t EXW.
In terms of outlook, the slowdown in import levels, including a limitation on imports from Ukraine, coupled with a major export programme, should enable inventories to return to normal in the months ahead.

ETHANOL BRAZIL

Average ESALQ ethanol prices changed very little during Q4 23/24, reaching R$2.07 per litre, almost flat compared with the previous quarter. However, this price was down by around 22% on the previous financial year, due to a 16% increase in volumes available on the French market and relatively weak demand. Prices were nonetheless underpinned by a potential reduction in sugarcane volume (relatively low rainfall over a few months) and an increase in the share of sugar in the “sugar x ethanol” mix of around 3 points for the 2024/25 crop.

ETHANOL EUROPE

European Ethanol T2 prices were down 21% over FY 23/24 to near €637/m3 in March 2024. This decrease was mainly due to significant imports, which contributed to the high ethanol inventory levels in Europe.

CEREALS

The cereals market was impacted by a largely downwards trend over FY 2023/24 due to pressure from abundant quantities of wheat and corn in the main producing countries.

Wheat: Strong competition from Russian-sourced wheat slowed European exports and therefore fed the decline in MATIF prices throughout the year. The downwards trend has accelerated since the beginning of 2024, pushing prices to around €203/tonne at March 31, 2024, i.e. 22% lower over the financial year. FY 24/25 has started on an upwards trend, mainly due to uncertainty surrounding crop volumes in the European Union and Russia.

Corn: With a supply/demand balance showing a large surplus in FY 23/24 (thanks to record production in the United States), the price of MATIF corn fell from €258/tonne on April 1, 2023 to €193/tonne on March 31, 2024. The end of FY 23/24 saw an increase in prices, due to uncertainty surrounding production volumes in Argentina and Brazil.

GAS EUROPE

The downwards trend on gas prices observed since the end of 2022 persisted throughout 2023, reaching, at the end of the year, its lowest level since 2021. Europe ended 2023 with a record storage level (86%), driven by (i) significant imports via gas pipelines and (ii) strong Liquefied Natural Gas (LNG) imports in Europe due to an increase in liquefaction/regasification capacities and the absence of competition from Asia.

Moreover, the weak European demand which began in 2022 continued in 2023 in both residential and industrial segments, as well as for electricity production.

Volatility has been lower since mid-November 2023, due to (i) a market which appears less sensitive to news which could affect the supply/demand balance and (ii) strong confidence in the EU's ability to fulfil 100% stock replenishment targets before the winter 24/25.

Nevertheless, despite this period of calm and the downward trend in prices, the supply/demand balance remains at risk as long as the new LNG liquefaction/regasification capacities are not operational (from 2025).