

2015/2016

**Good operational performance
and major initiatives
in a difficult environment**

2016/2017

Upwards prospects

Press conference

June 7th, 2016



Tereos

Key 2015/16 figures

Present in
16
countries

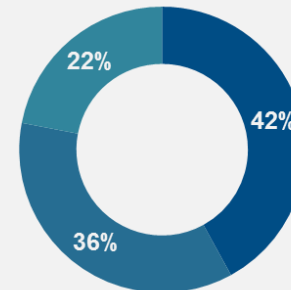
49
industrial sites

24 000
employees

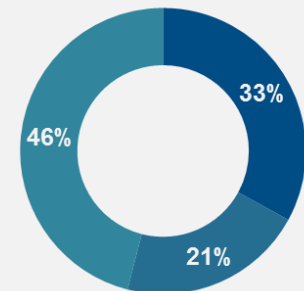
12 000
cooperative growers

€4.2 Bn
in revenues

Revenue
2015/16



Adjusted EBITDA
2015/16



- Sugar Europe
- Starch & Sweeteners
- Sugar International

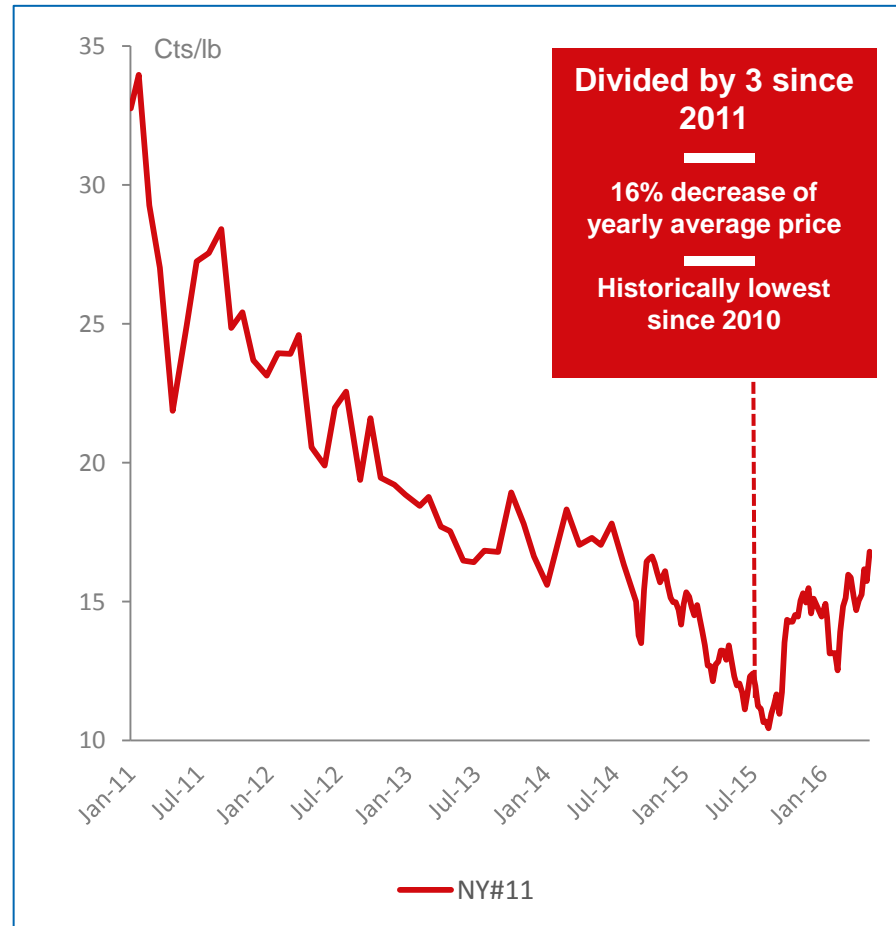


1

Environment, prices and results

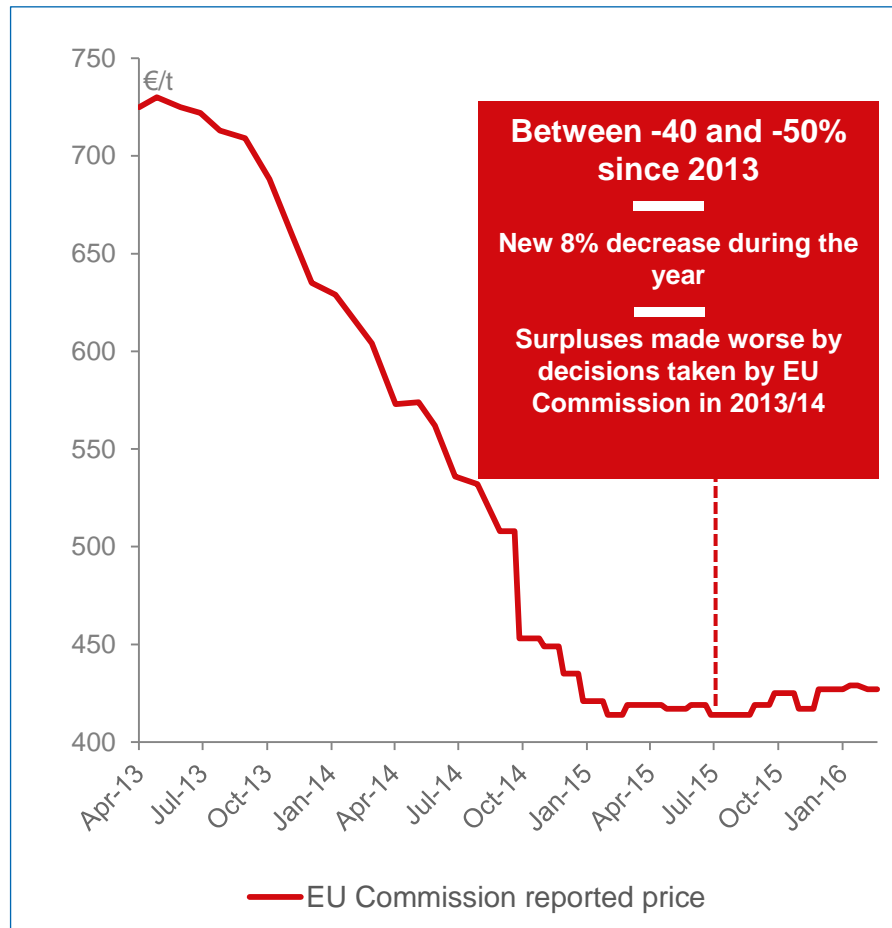
An unprecedented world sugar price collapse

2011 / 2015: a long world sugar price collapse cycle



A historic sugar price crisis in Europe

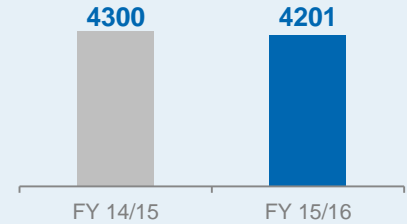
2013 / 2015: European market hampered by high inventory levels



A good performance

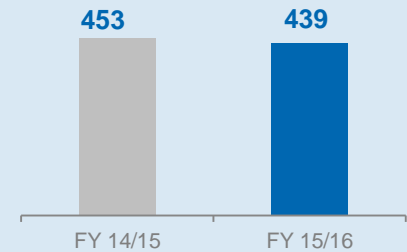
Revenue: €4,201m

- Increase by 1.3% at constant exchange rate
- Decrease by 2.3% at current exchange rate



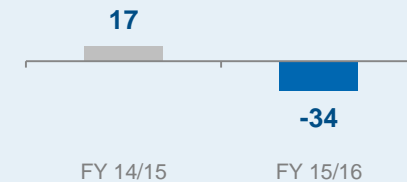
Adjusted EBITDA: €439m

- 10.5 % margin
- At constant exchange rate: +5.7%



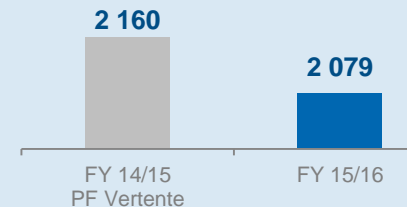
Net result: -€34m

- Tax effects -€15m and non recurrent -€19m
- Positive net result in H2 of €63m
- Net result Group share: -€20m



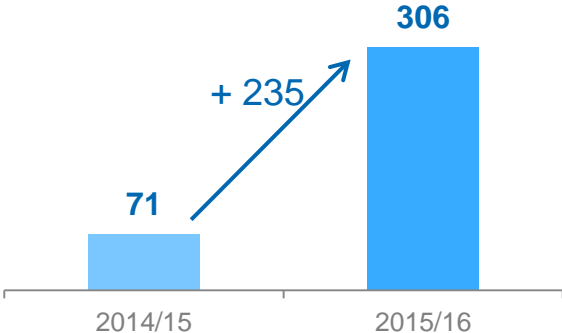
Net debt decreasing by €81m

- Debt reduction before growth/efficiency CAPEX and financial investments: €306m

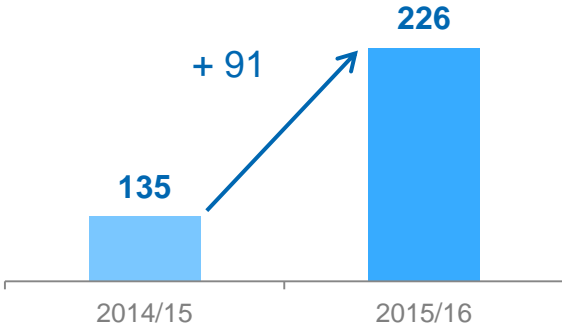


Net debt decreasing by €81m

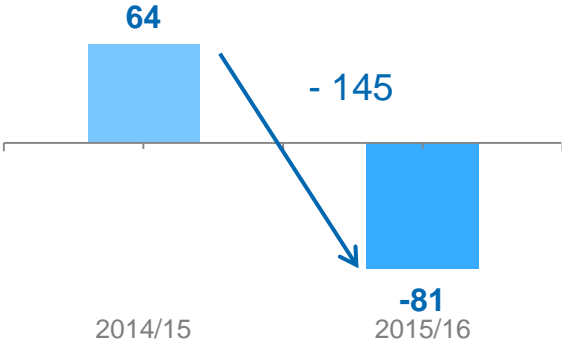
Debt reduction before growth/efficiency CAPEX and financial acquisitions (M€)



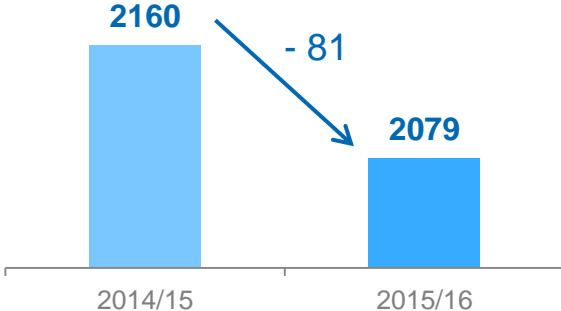
Growth/efficiency CAPEX and financial acquisitions (M€)



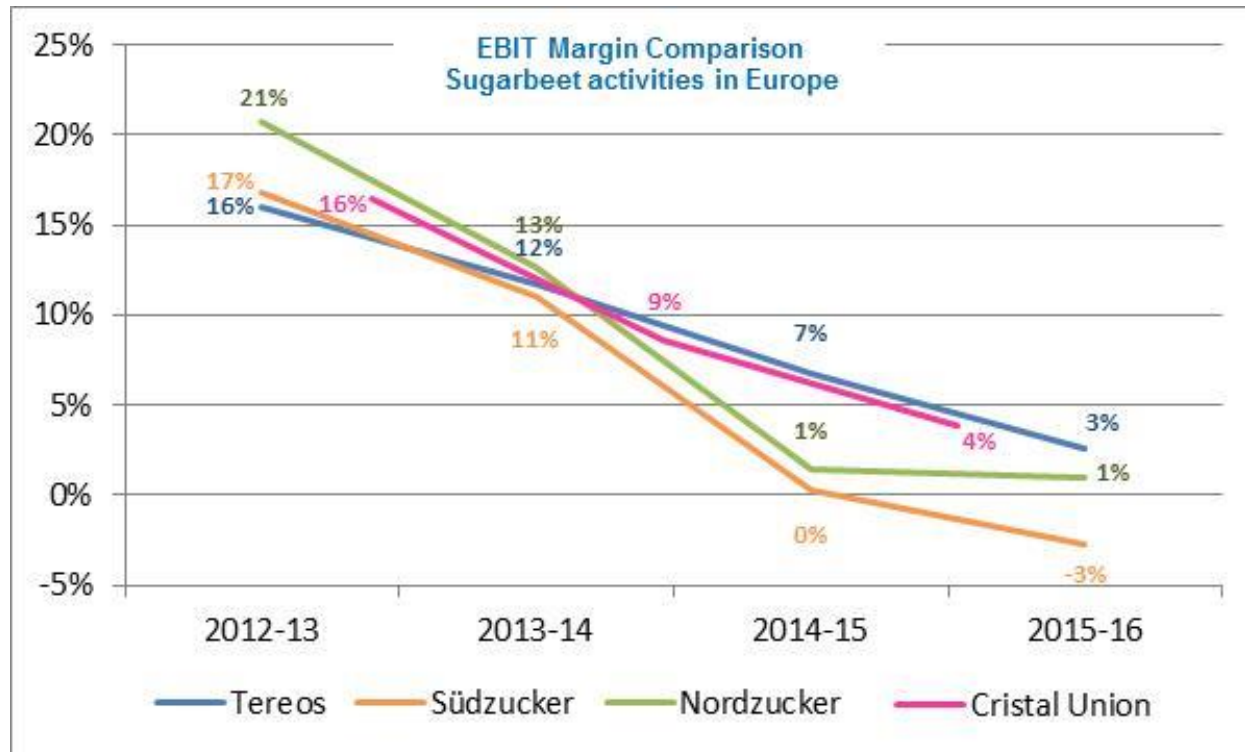
Net debt variation at constant perimeter (M€)



Net debt at constant perimeter (M€)



Resilient operational results in Europe thanks to competitiveness gains

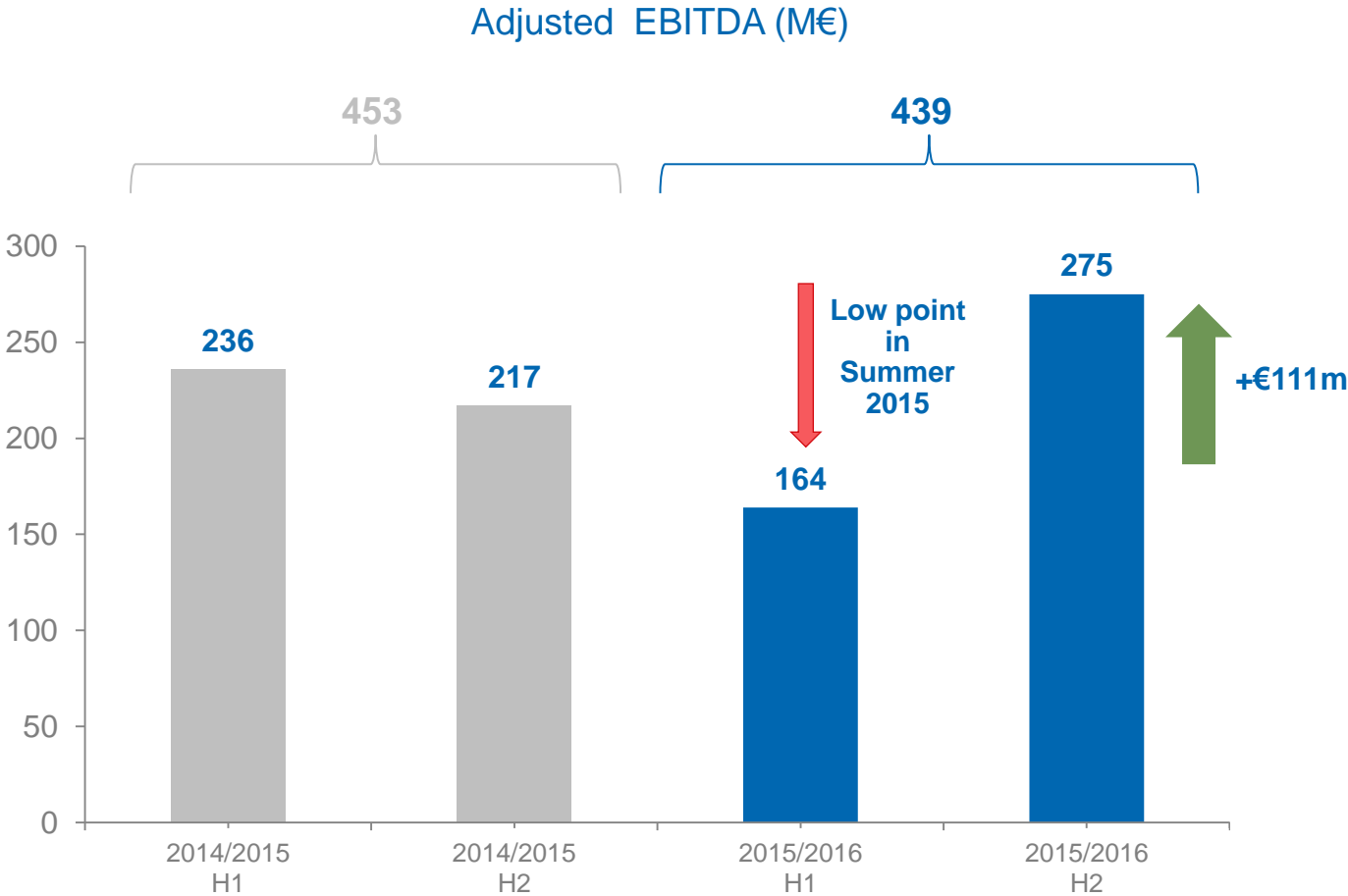


Good international results

Adjusted EBITDA (M€)



A marked recovery since September 2015



2

Major initiatives that have strengthened Tereos model

During the crisis Tereos has strengthened on agricultural, industrial and commercial levels

Origny site
(France)



Strengthen our competitiveness on more open and volatile markets

Dongguan site
(China)



Take advantage of strong growth in emerging markets

Competitiveness efforts on all business areas

AGRICULTURE

- Mechanical planting and harvesting in Brazil
- Increasing yields and sugar content

INDUSTRY

- Improvement of **sugar extraction yields**
- Optimization of **maintenance processes**
- Investments to **increase production flexibility**

ENERGY

- **Completion of investment plan** in France: decrease of consumption by 15% and CO₂ emission by 20%
- **Cogeneration** development

SALES AND MARKETING

- Stronger presence in the 3 main European **deficit markets** (UK, Spain and Italy)
- Start-up of **Tereos Commodities**
- **Single brand name** launched
- Repositioning of **Béghin Say** brand

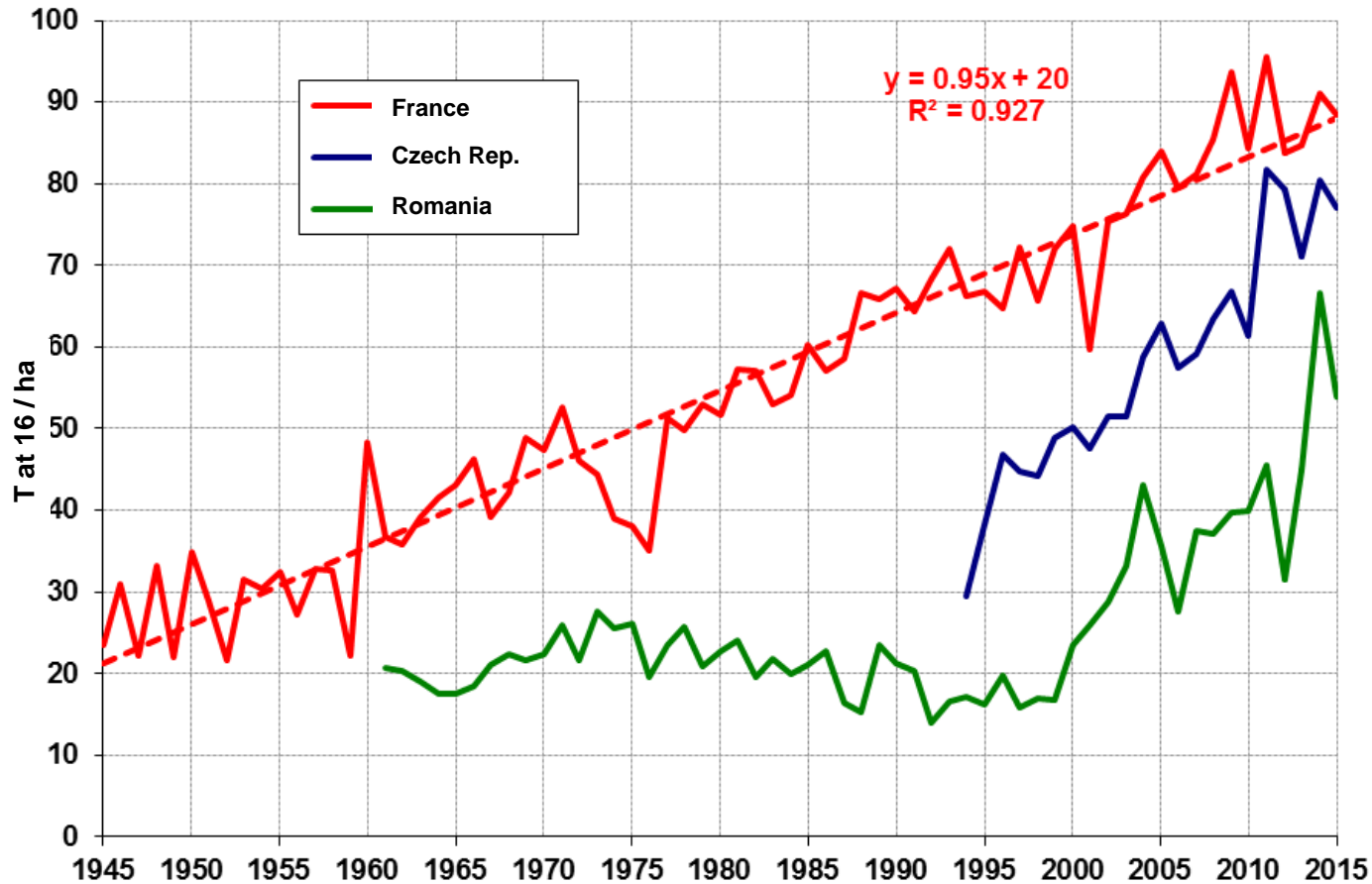
INNOVATION

- Vegetable proteins: **industrial pilot launched** for the « G en Vie » project
- Bioethanol: partnership with Scania and **approval of ED95**
- Futurol: **industrial prototype** built on Bucy site
- Biobutterfly project with Michelin: **biomass selection** validated in 2015

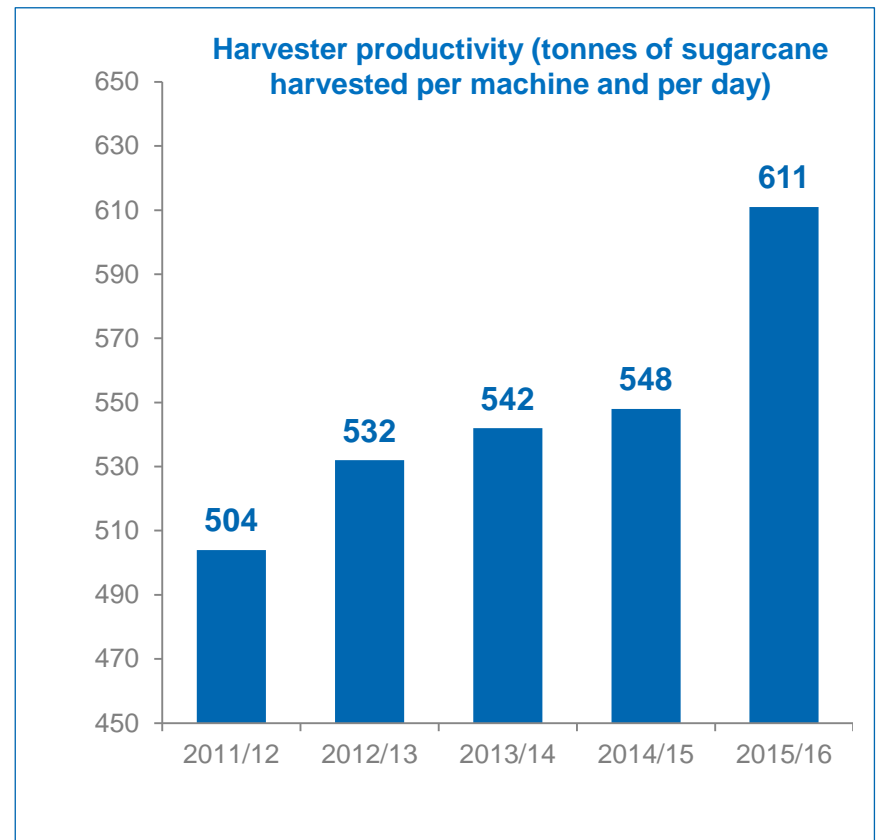
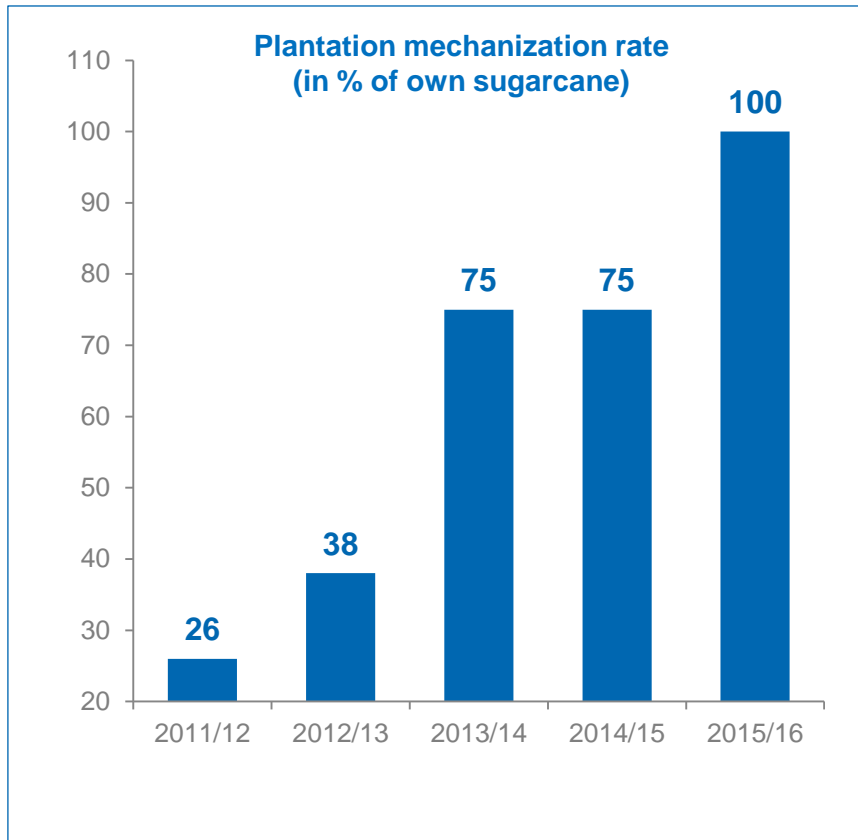
INTERNATIONAL DEVELOPMENT

- Strengthening our presence in **deficit markets** and **emerging countries**
- **UK** (Napier Brown), **China** (start-up of Dongguan), **Indonesia** (Cilegon), **Kenya** (Transmara)

Tereos: an agricultural and agronomic know-how / performing production areas

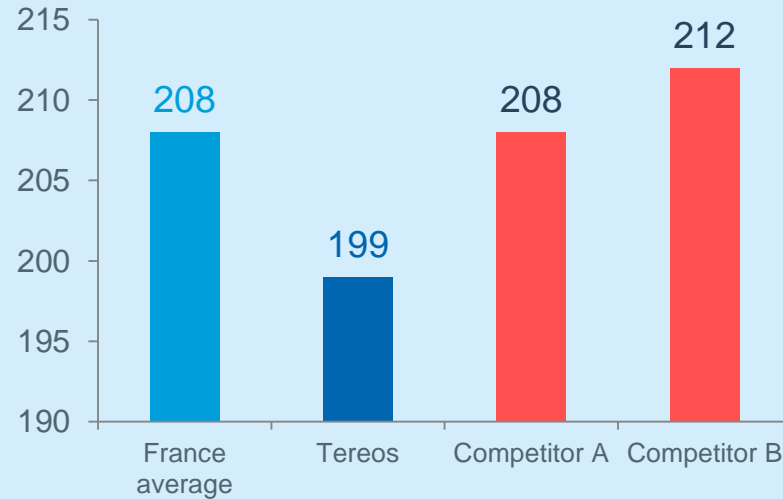


Tereos: one of the country's best agricultural competitiveness



Tereos: the most competitive production cost in France

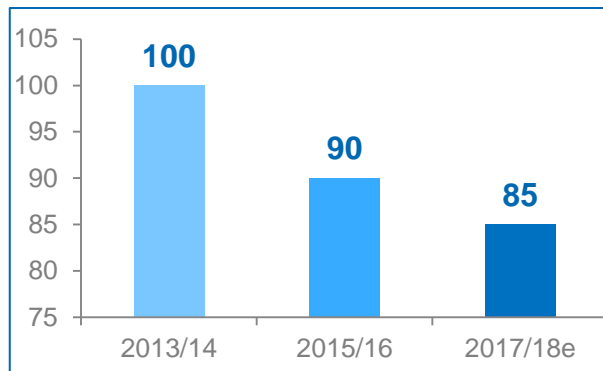
Beet sugar industrial production cost in France
(€/tonne of sugar)



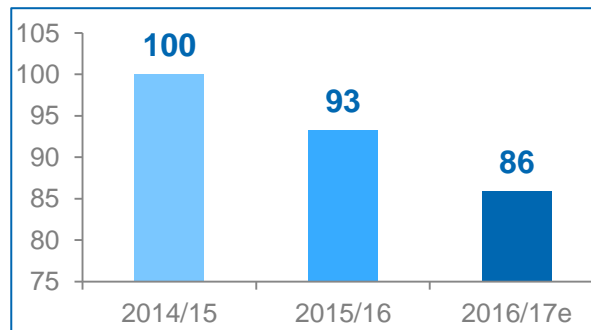
Source : LMC – EU cost competitiveness by factory - 2014



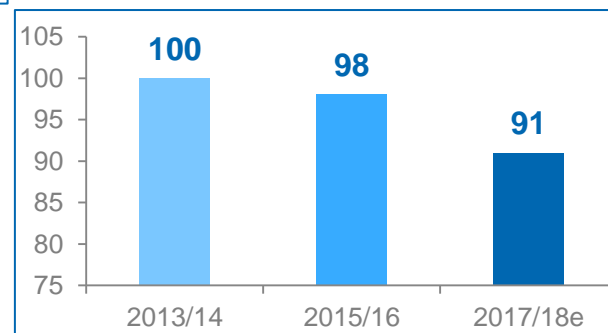
Industrial know-how recognized throughout the world Accelerating productivity gains since 2013



**Beet sugar production cost in France
(rebased to 100 in year 13/14)**



**Sugar production cost in Brazil
(rebased to 100 in year 14/15)
Own sugarcane**



**Glucose production cost in Belgium
(rebased to 100 in year 13/14)**

Production costs excluding agricultural raw material costs :

- Sugar France: considering sugarbeet costs of transportation to factories,
- Sugar Brazil: considering sugarcane costs of harvesting and transportation to factories.

Important steps taken on major innovation projects

Biobutterfly partnership

Beet alcohol retained as a source for the project's next steps



MICHELIN

ED 95

Tereos and Scania have presented a bus fuelled by ED 95 during the COP21. The biofuel ED95 has obtained its certification in April 2016



Vegetal proteins

Laureate of the international innovation competition and launch of an industrial pilot in Marckolsheim



Futurol

Industrial pilot construction on the Bucy (France) site



Methanization

The group continues to invest in energy savings



Significant competitiveness gains

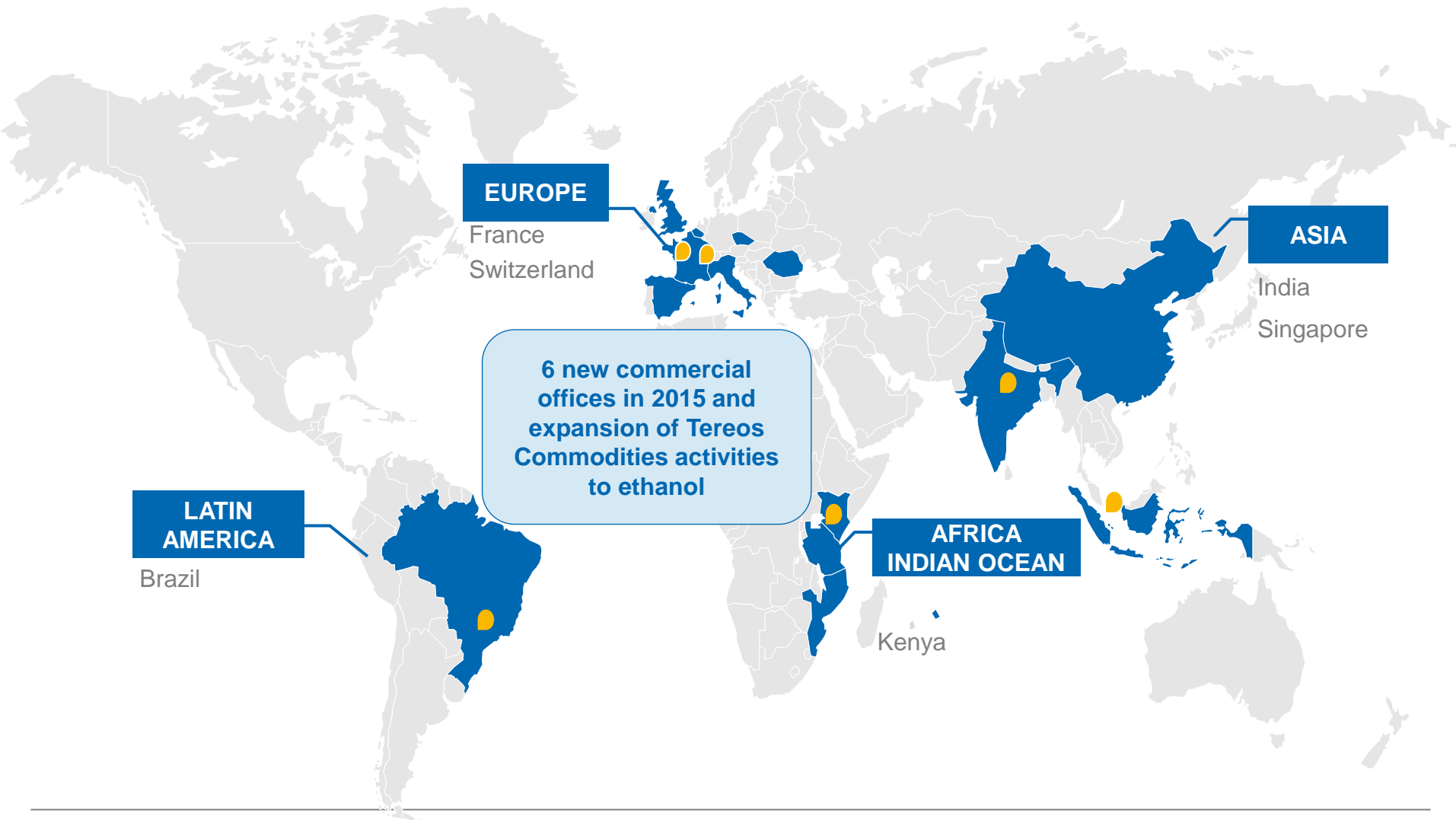
€100m
of operational
gains over
2015/2018

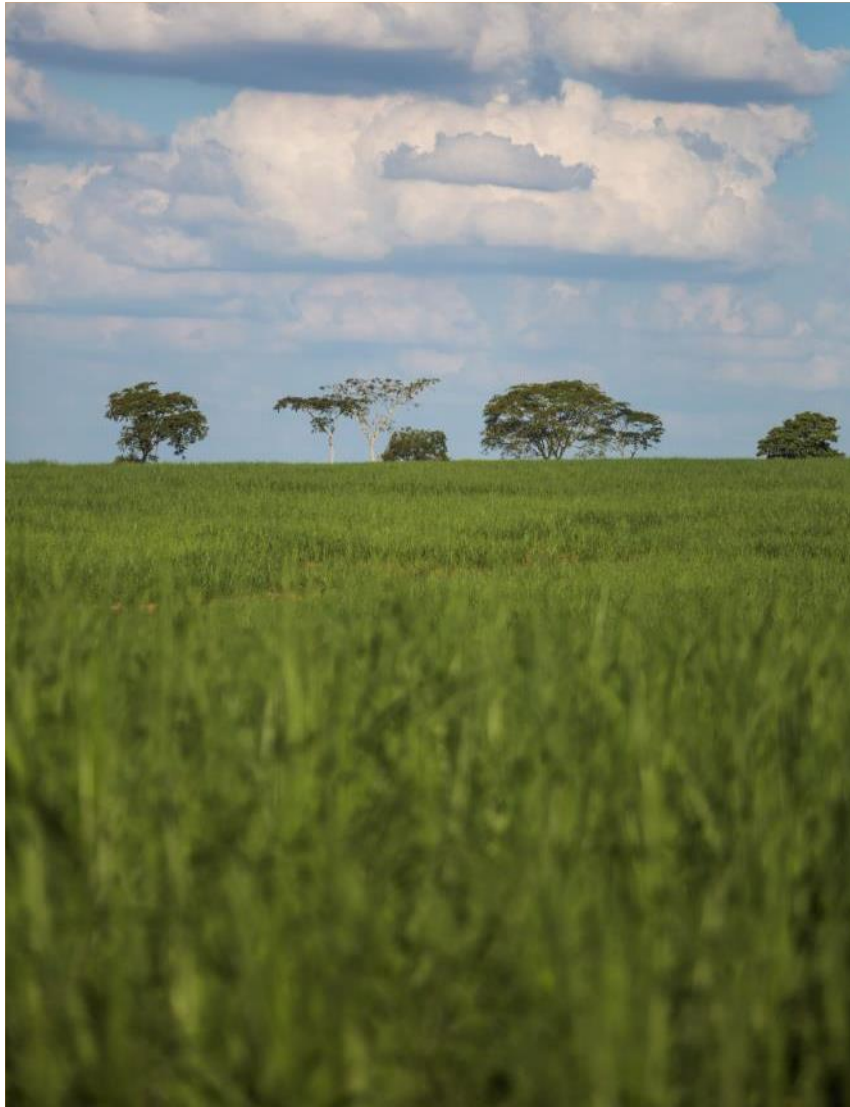
More than
€30m
of gains
achieved in
2015/16

3

A favorable international development

Tereos strengthened its international distribution capabilities to better valorize productions at export

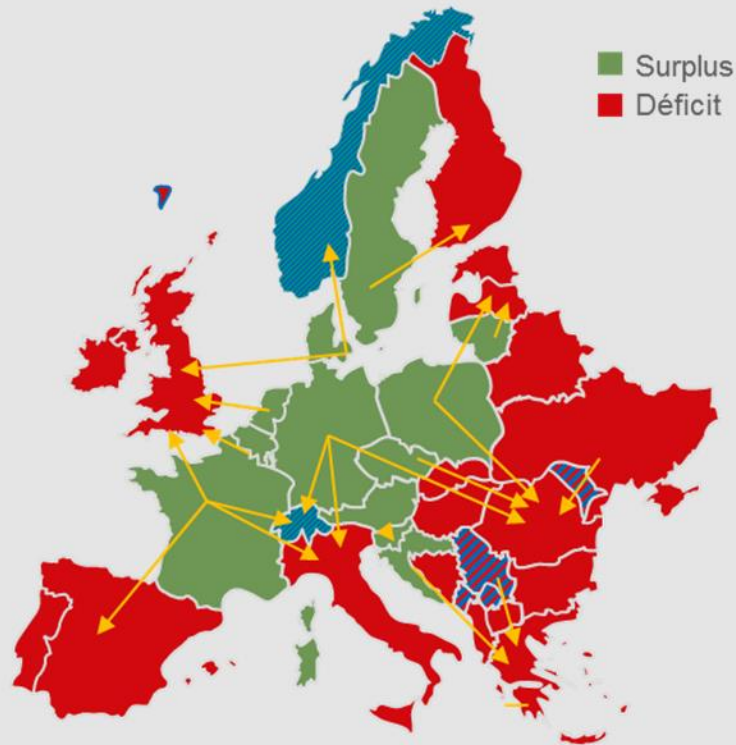




Brazil: a strategic presence

- #1 sugar producer in the world
- Nearly half of the world sugar exports
- Lowest production cost globally
- Tereos, #3 sugar producer in Brazil

Main intra-European sugar flows after 2017



Strong presence on the 4 main European deficit markets

- Acquisition of Napier Brown in the UK
- Strategic partnership with Acor in Spain
- Presence in Italy for 20 years
- Complementary presence in Eastern Europe: Czech Republic, Romania

Ongoing development to take advantage of international sources of growth

Product portfolio development and production increase

**PALMITAL,
BRAZIL
(2014)**



Product portfolio development and production increase

**CILEGON,
INDONESIA
(2014)**



Production ramp-up and glucose and fructose lines now operational

**DONGGUAN,
CHINA
(2015)**



Start-up of glucose and fructose lines in Q4 2015/16

**TIELING,
CHINA
(2013)**



The background of the slide features a photograph of two men in industrial workwear, including hard hats and safety glasses. They are both looking upwards and to the right. The image is overlaid with a semi-transparent orange filter. A small orange circle with the number '4' is positioned above the main title.

4

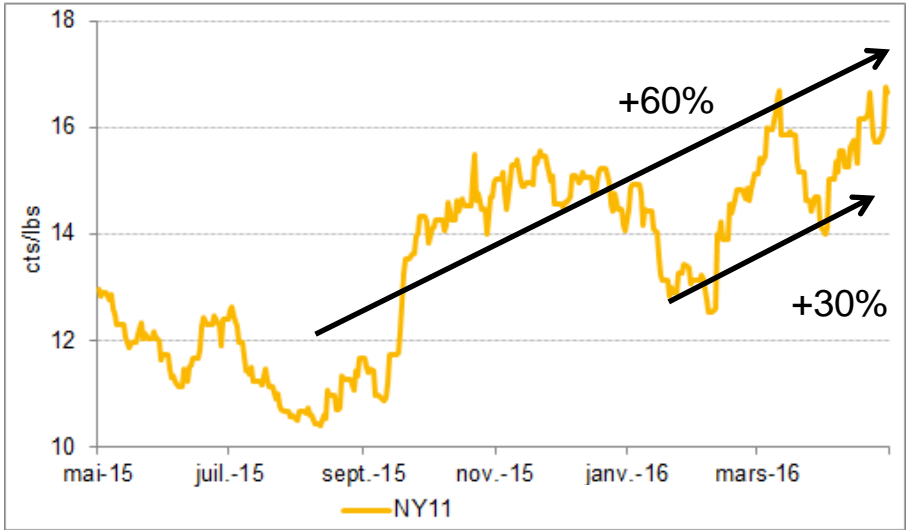
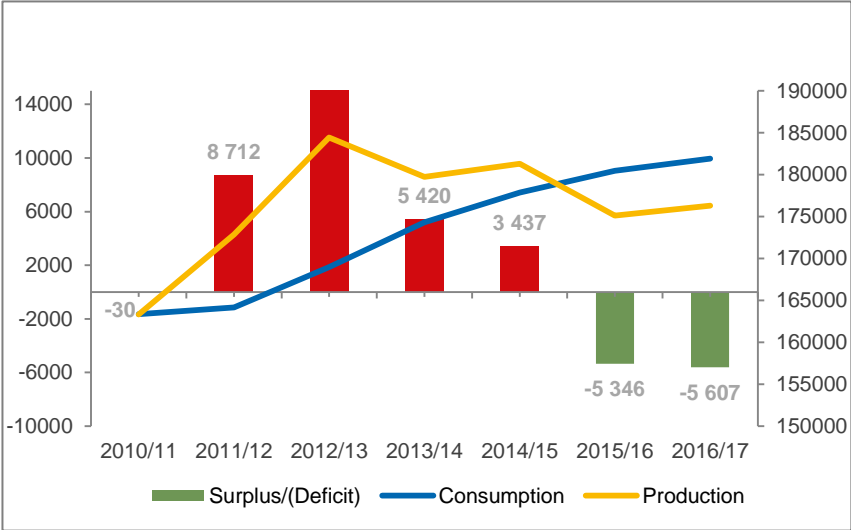
Market recovery

World : overcapacities now absorbed

Europe: excess inventory now absorbed and freedom to export in 2017

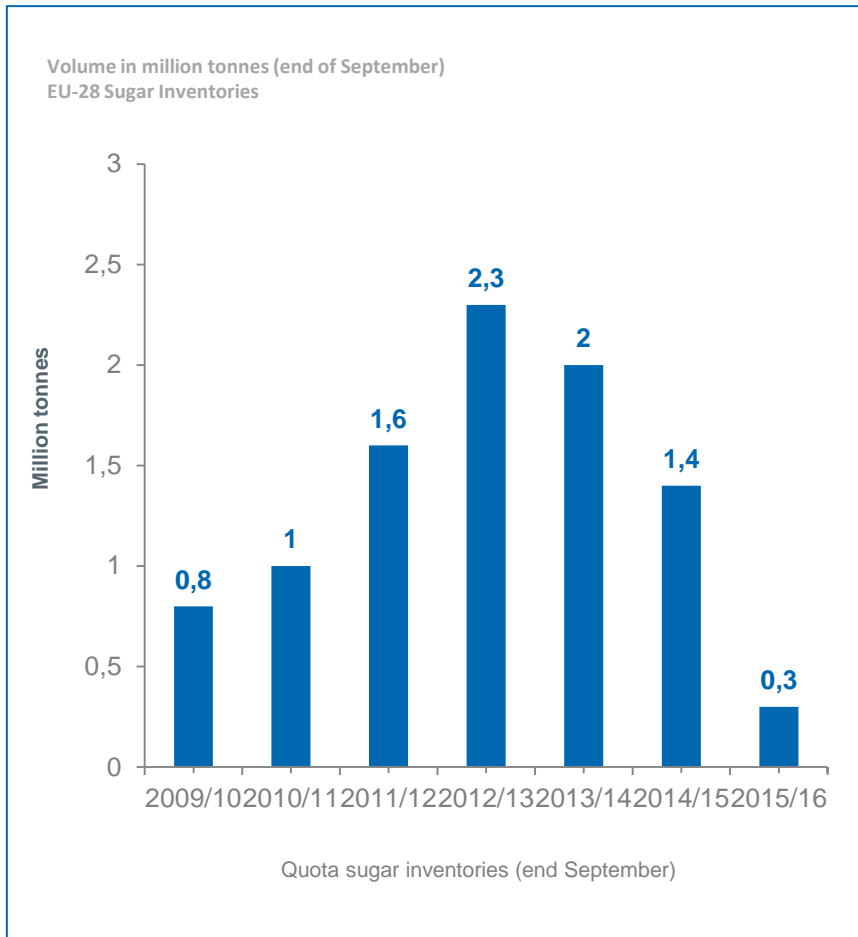
Two coming years of worldwide production deficit support prices recovery

Significant production/consumption deficit for 2016/17 and 2017/18

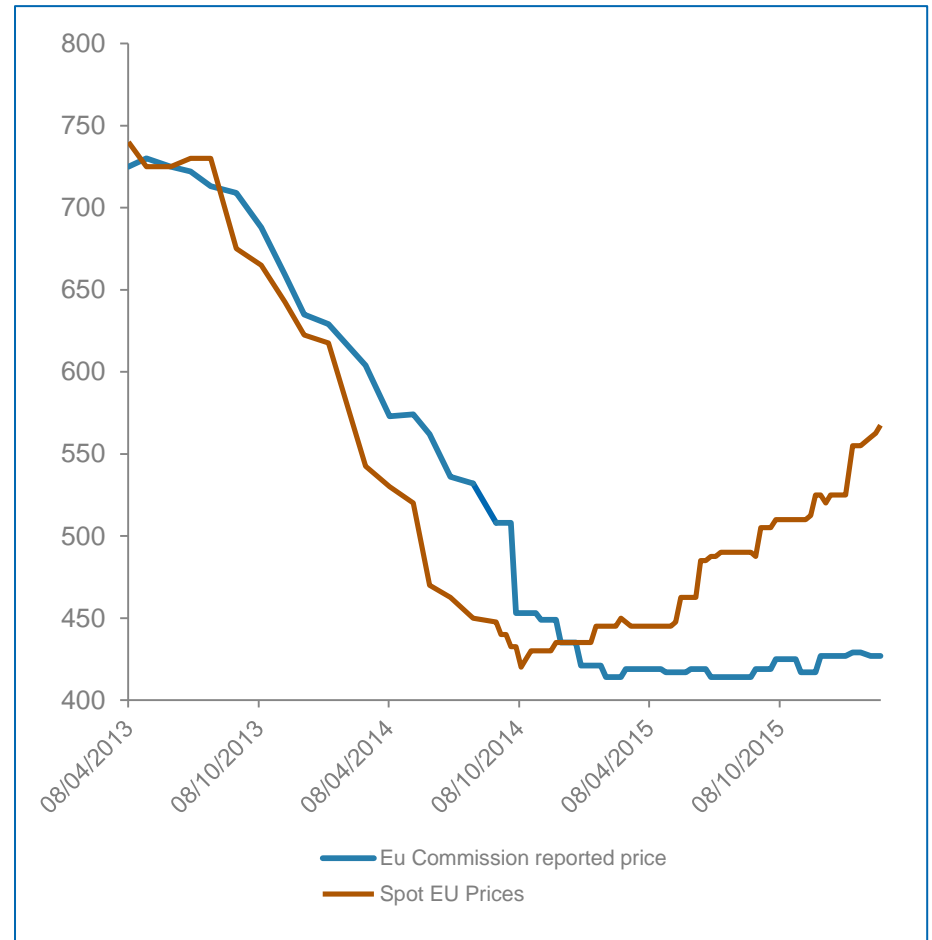


European price increase, reflecting world market and EU balance

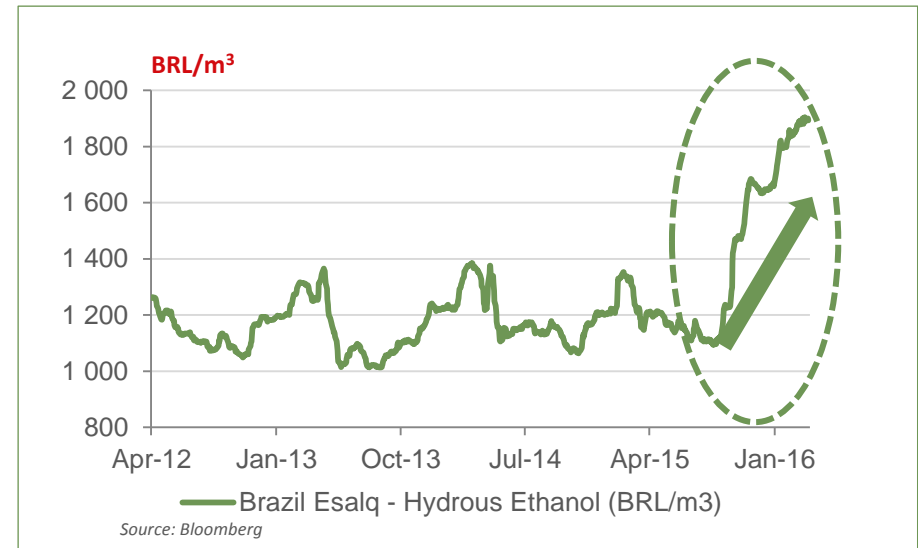
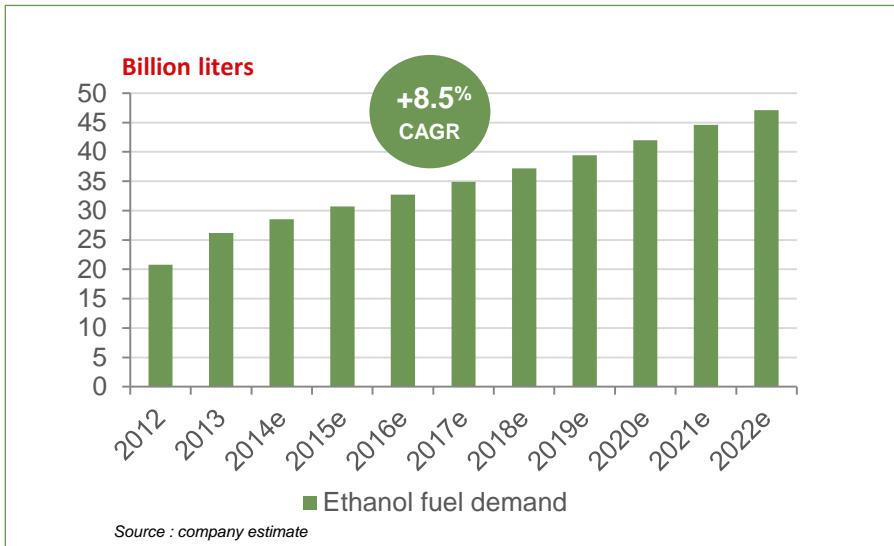
Sugar inventories in Europe to a historic low...



... supporting prices recovery



Ethanol Brazil: positive long term prospects



Market driven by a strong increase in consumption and better prices



5

FINANCIALS

Group P&L

Tereos Group M€	2014/15	2015/16	Var	
Revenues	4 300	4 201	-99	-2,3%
Adj. EBITDA (bf. price compl.)	453	439	-14	-3,0%
<i>Margin EBITDA</i>	<i>10,5%</i>	<i>10,5%</i>		
Depreciation	-346	-358	-12	
Price complements / Seasonality Adjustment	16	-3	-19	
Fair-value adjustments	7	21	14	
EBIT (after price compl.)	130	100	-31	-23,6%
<i>Margin EBIT</i>	<i>3,0%</i>	<i>2,4%</i>		
Financial Result	-111	-103	7	
Corporate income tax	-22	-36	-15	
Share of profit of associates	19	6	-14	
Net Result	17	-34	-52	
Net Result - Group share	43	-20	-63	

Revenue

- **Sugar Europe**

- Lower average industry quota and non-quota sugar prices (-17% and -8% for Sugar France)
- Lower ethanol volumes in Czech Republic (accidental production interruption in Dobrovice)

- **Sugar International**

- Slightly lower volumes overall (weather)
- Lower average European prices (mainly sales from Indian Ocean)
- Higher average world sugar and Brazilian ethanol prices in the second half
- Brazilian Real depreciation led to marginal drop of revenue in Euro (increase at constant exchange rate: +16%)

- **Starch & Sweeteners**

- Increasing volumes, both in Europe and overseas
- Higher average ethanol market price in Europe
- Strong pressure on prices in certain starch products segments in Europe as well as on sweeteners (lower sugar prices)

Revenue (M€)	14/15	15/16	15/16 vs 14/15	
	FY	FY	M€	%
Sugar Europe	1 876	1 760	-116	-6,2%
Starch & Sweeteners	1 489	1 509	20	1,3%
Sugar International	1 089	1 066	-23	-2,1%
Others	-153	-133	20	-12,8%
TOTAL	4 300	4 201	-99	-2,3%

Forex impact: -155M€

Variation at constant exchange rate: +1.3%

Adjusted EBITDA

Adj. EBITDA (M€)	14/15	15/16	15/16 vs 14/15	
	FY	FY	M€	%
Sugar Europe	205	146	-59	-29%
Starch & Sweeteners	78	92	13	17%
Sugar International	173	207	34	20%
Others	-3	-5	-2	59%
TOTAL	453	439	-14	-3,0%

Forex impact: -40M€

Variation at constant exchange rate: +5.7%

▪ Sugar Europe

- Decrease of average sugar prices
- Higher average ethanol prices
- Lower unitary industrial and logistics costs
- Decrease in energy prices

▪ Sugar International

- Higher sugar and ethanol prices in Brazil (recovery in world sugar prices and Brazilian ethanol since August 2015)
- Substantial efficiency increase and cost control measures in Brazil
- Decline of sugar prices exported to Europe from Indian Ocean
- Low crop volumes in Mozambique

▪ Starch & Sweeteners

- H1: Strong pressure on S&S margin on raw materials in Europe
- H2: Volume increase, lower energy and cereal input costs, progress in productivity plans, ethanol margin improvement, and S&S margin recovery

CAPEX and financial investments

Investments (M€)	2014/15 FY	2015/16 FY
Sugar Europe	125	91
Starch & Sweeteners	52	57
Sugar international	189	161
Others	3	1
Capex	369	309
Financial Investments	39	158
Total Investments	408	467

- **Decrease in CAPEX** driven by completion of multi-year efficiency / growth projects
- Capex spent now focused on maintenance and performance improvement plans
- **Strategic Financial Investments: 158M€**
Napier Brown (UK sugar distribution), Boortmalt (malt) and Chinese JVs (S&S)

Group free cash-flow before financial investments of +182M€

+64M€ from operating activities
Free Cash Flow positive of 24M€

Tereos Group	FY 14/15	FY 15/16
M€	Actual	Actual
	VTE MEQ	100% VTE
Adj. EBITDA (bf. price compl.)	453	439
CFH USD loan recycling	34	39
Income taxes paid	-28	-21
Net financing interests	-119	-101
Changes in working capital	-9	16
Capex	-369	-309
Cash from operating activities	-37	64
Disposal of assets	12	44
Net dividends and price complements	-9	-4
Capital increase	88	79
Cash from non operating activities	91	119
FCF before financial investments	54	182
Financial investments	-39	-158
FCF after financial investments	14	24

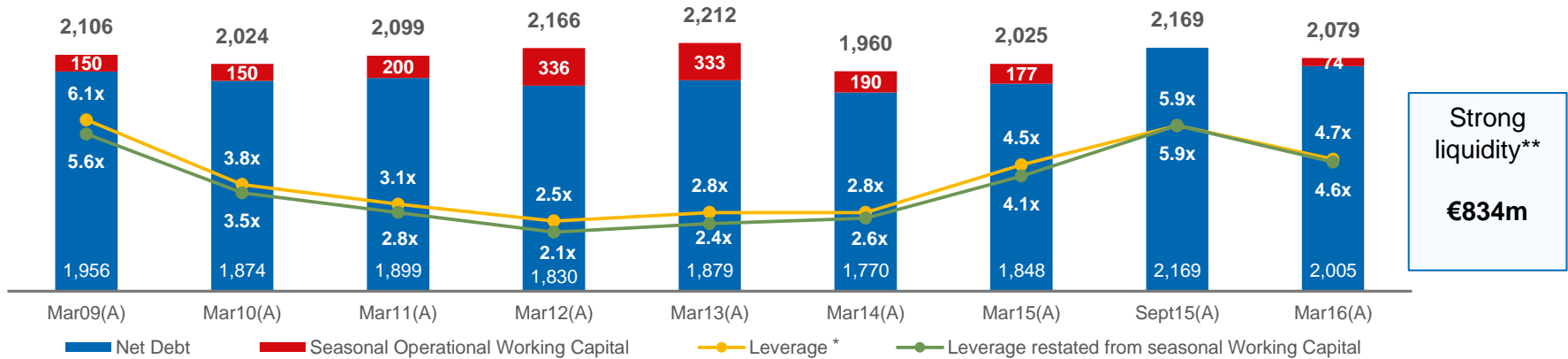
Net Debt

Net debt is decreasing by 81M€ at constant perimeter

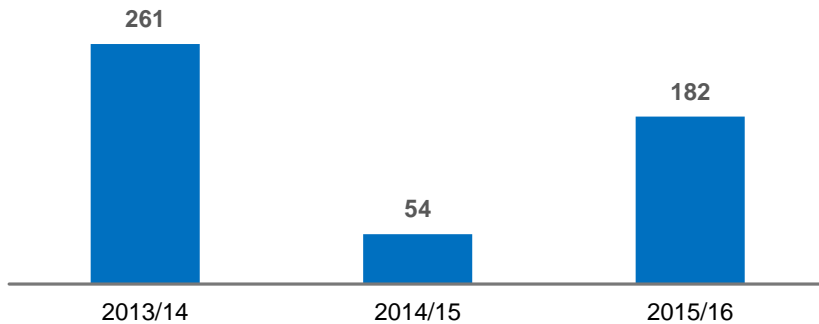
Net Debt and Leverage TEREOS Group M€	FY 14/15 Actual VTE MEQ	FY 15/16 Actual 100% VTE
FCF after financial investments	14	24
FOREX and others impact	-79	57
Net debt variation	-64	81
Net Debt - opening position	-1 960	-2 025
<i>Change in method - JV's in EQ</i>	0	-135
Net Debt - opening position proformat	-1 960	-2 160
Net Debt - closing position	-2 025	-2 079
<i>Net Debt Variation</i>	<i>-64</i>	<i>81</i>
Adj. EBITDA (bf. price compl.)	453	439
Leverage	4,5x	4,7x
Leverage restated from seasonal WC	4,1x	4,6x

Sound capital structure and focus on deleveraging

Net debt evolution (in €m)



Free cash flow before financial investments (in €m)



- ➔ Stable debt through the cycle trough
- ➔ Stable leverage in 2015/16 and already one turn of EBITDA gain in last 6 months
- ➔ Target leverage of 2.5-3.0x in line with historic level
- ➔ Ample liquidity: €225m 5-year revolving credit facility renewed at parent company level

Source: Tereos

(*) Defined as net debt / adjusted EBITDA (**) Defined as cash & cash equivalent plus undrawn committed credit lines as at 31st March, 2016

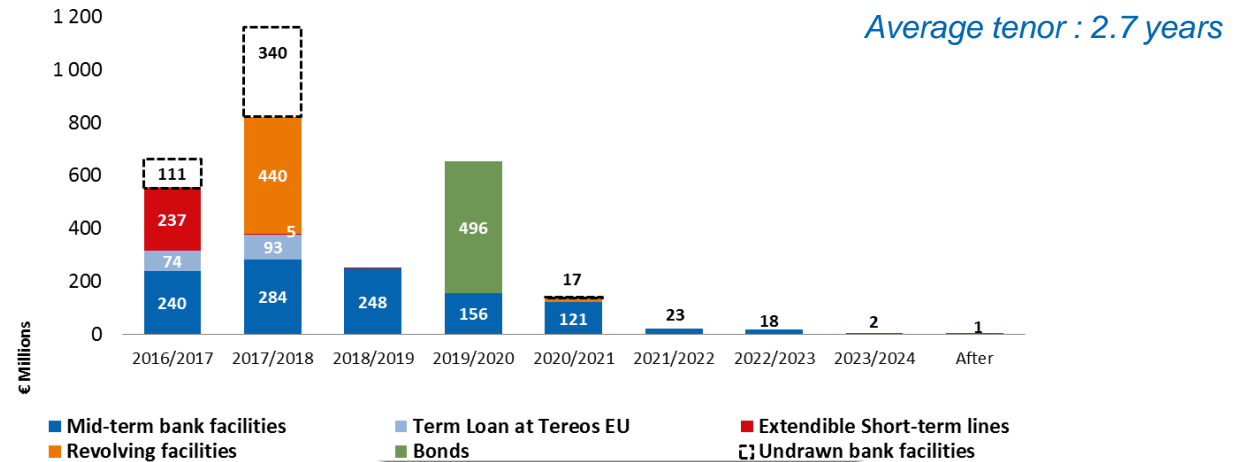
Improved debt maturity profile and diversity

Assumptions

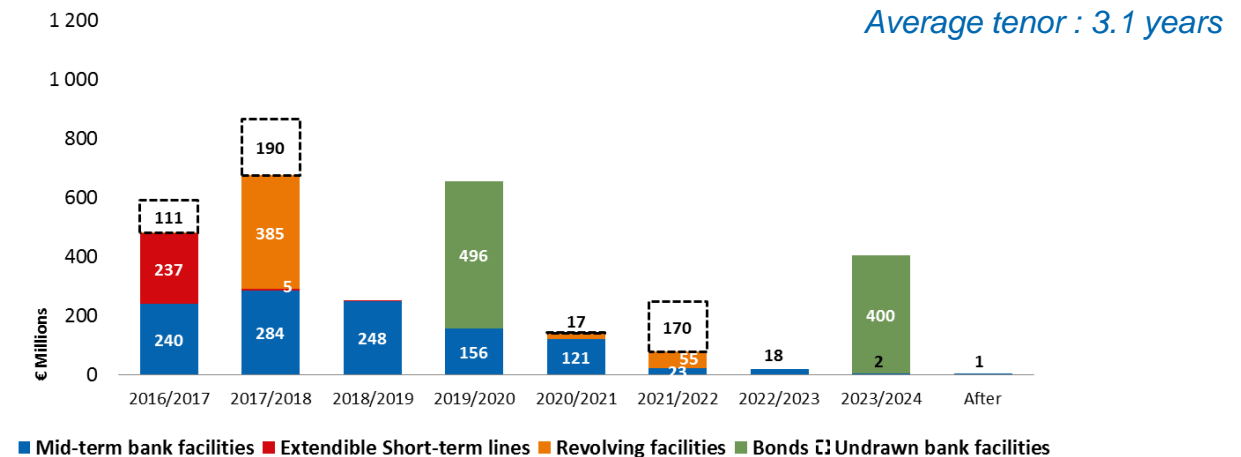
Tereos UCA

- Bond issue of an expected €400m with 7 year tenor (which will be partly used to refinance c. €170m of Term Loan at TEU Holding level)
- New revolving credit facility implemented at Tereos UCA for €225m with a 5 year tenor

Debt amortization schedule as of March 2016



Debt amortization schedule as of March 2016 pro forma the refinancing



Group ratings

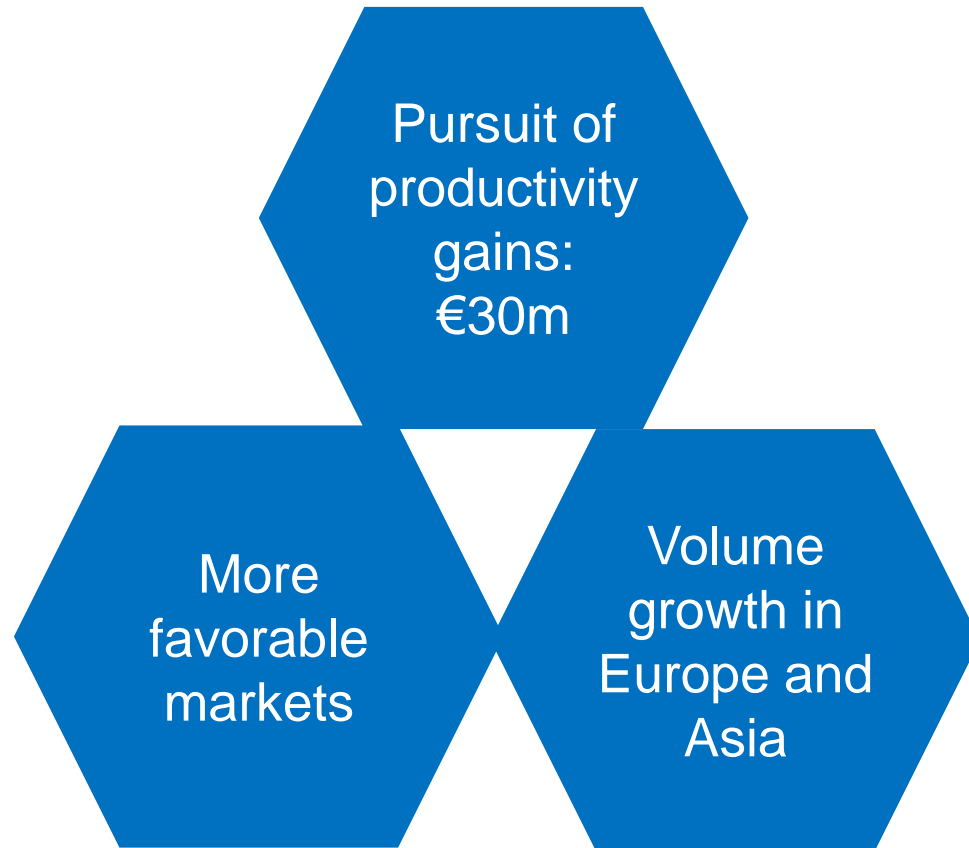


Group rating	BB/Stable	BB/Stable
Rating Bond 2020	BB	BB
Rating Bond 2023	BB	[BB]
Last change	Outlook stable Reaffirmed on 07/06/2016	Outlook stable Reaffirmed on [08/06/2016]

6

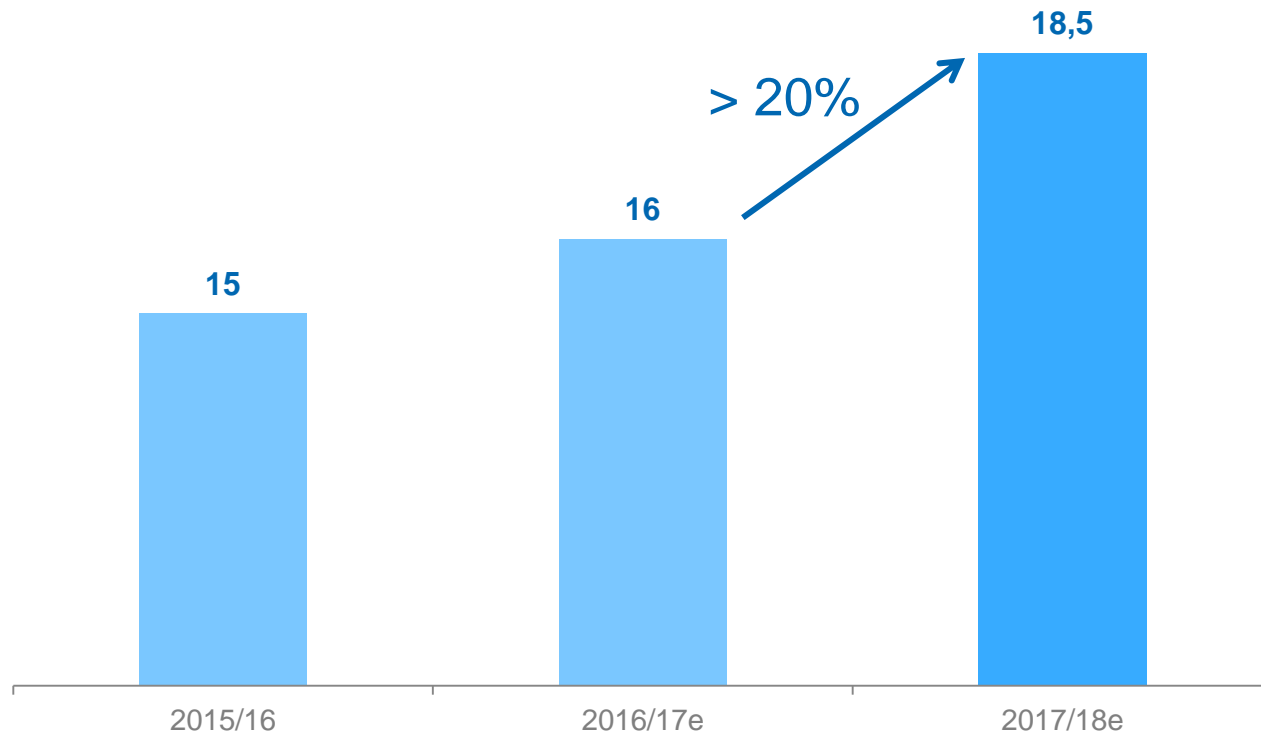
Prospects

Tereos : more favorable prospects



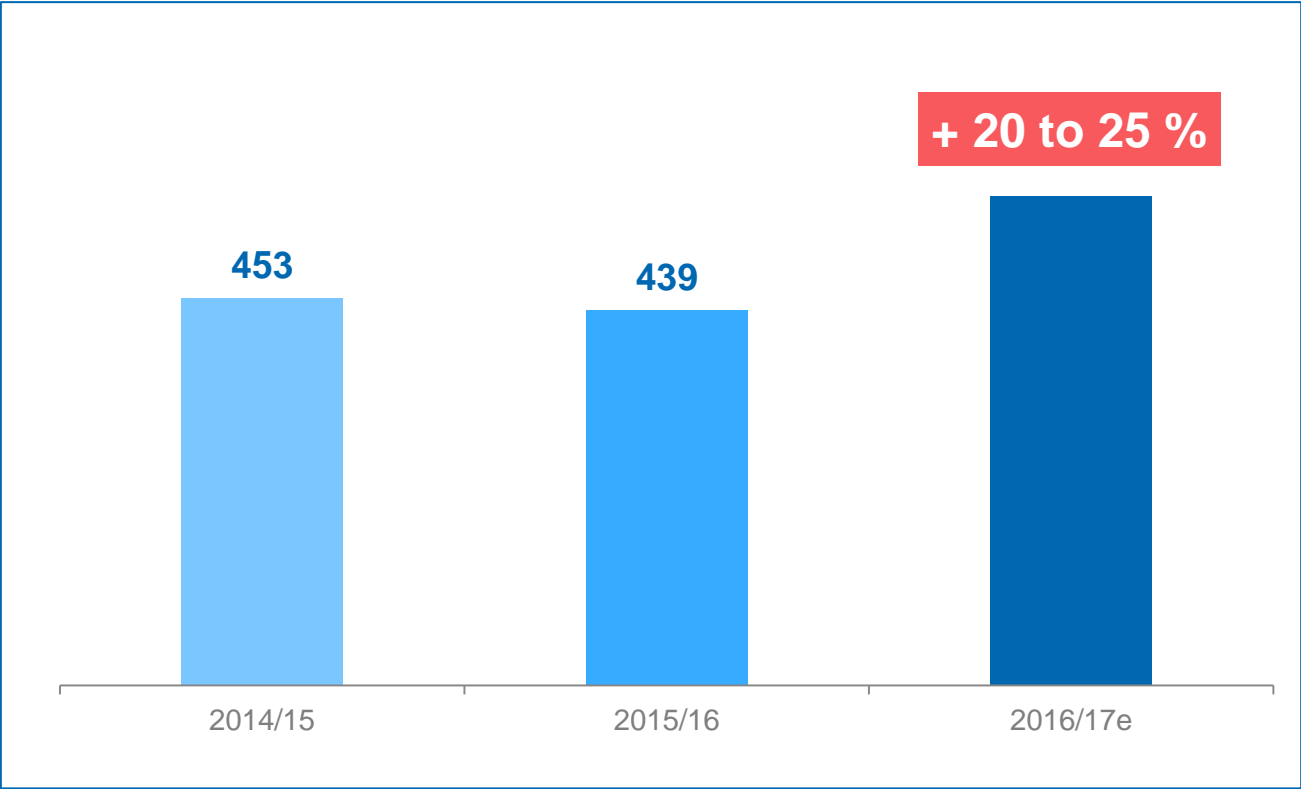
Sugarbeet tonnage: +20%

Target exceeded



Processed sugarbeet tonnage evolution

2016/17 : positive outlook on operational result



Adjusted EBITDA in M€

