

Press release

Mannheim, 7 July 2016

Südzucker off to an excellent start in fiscal 2016/17

Südzucker AG, Mannheim, generated consolidated group revenues of EUR 1,608 (previous year: 1,629) million in the first quarter (1 March 2016 to 31 May 2016) of the current 2016/17 fiscal year, slightly less than last year at this time. The sugar and CropEnergies segments' revenues declined while the special products and fruit segments reported an increase. As expected, the consolidated group operating result rose sharply, to EUR 110 (previous year: 57) million. The increase was mainly attributable to the sugar segment, but all other segments also contributed.

Sugar segment result back to positive

The sugar segment's revenues declined to EUR 694 (previous year: 712) million. The lower revenues are mainly due to the lower non-quota sugar volumes resulting from the reduced harvest in 2015. Quota sugar sales revenues were moderately higher than last year. After posting a loss last year, the segment was able to generate a positive result of EUR 22 (previous year: -13) million, driven mainly by a moderate increase in quota sugar sales revenues at the beginning of the 2015/16 sugar marketing year in October 2015. The growth is being further reinforced since the beginning of the year by a positive marketing environment and increasingly higher spot market quota sugar sales revenues.

Special products segment reports higher earnings

The special products segment was able to boost revenues from EUR 445 to 457 million in the first quarter of 2016/17. This was attributable to the continuing positive volume developments, although overall sales revenues were weaker. The segment's operating result also extended its positive trend from the second half of the previous fiscal year. Rising volumes in all divisions and continued low raw material costs more than offset lower sales revenues and led to the higher operating result of EUR 46 (previous year: 37) million.

CropEnergies segment results improve despite lower revenues

The CropEnergies segment's revenues were down EUR 32 million from last year to EUR 149 (previous year: 181) million. In addition to lower ethanol sales revenues, the volumes that were still included last year from the bioethanol plant in Wilton, Great Britain, factored into this development. On the other hand, operating result rose sharply to EUR 19 (previous year: 14) million.

Lower ethanol sales revenues were also offset by lower raw material and energy costs. In addition, charges from the scheduled maintenance at the factory in Wanze, Belgium, were included during last year's first quarter.

Fruit segment reports higher result and revenues

The fruit segment's revenues rose to EUR 308 (previous year: 291) million. In addition to a recovery in sales revenues for fruit juice concentrates, the steady positive volume trend for fruit juice preparations were contributing factors. The operating result also rose, to EUR 23 (previous year: 19) million. Margins for fruit juice concentrates recovered due to the positive sales revenue developments. For fruit juice concentrates, lower sales revenues were more than offset by a corresponding slight decline in costs and steadily growing volume.

Guidance for full fiscal year confirmed

Südzucker continues to expect group consolidated revenues of EUR 6.4 to 6.6 (2015/16: 6.4) billion for fiscal 2016/17. The sugar segment's revenues are forecasted to remain the same as last year. The special product segment's revenues are seen to be slightly higher. Südzucker expects the CropEnergies segment's revenues to range between EUR 565 and 625 (2015/16: 658) million and the fruit segment's to grow substantially.

Südzucker expects the operating result to rise further. It should range between EUR 250 to 350 (2015/16: 241) million, driven mainly by better sugar segment results. After the records set in 2015/16, the company forecasts a significant retreat in the special products and CropEnergies segments. Südzucker expects a year-over-year increase in the fruit segment.

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About the Südzucker Group

Südzucker, with its sugar, special products, CropEnergies and fruit segments, is one of the leading companies in the food industry. In the traditional sugar business, the group is the world market leader, with 29 sugar factories and two refineries, extending from France in the west via Belgium, Germany and Austria, through to Poland, the Czech Republic, Slovakia, Romania, Hungary, Bosnia and Moldova in the east. The special products segment, consisting of the functional ingredients for food and animal feed (BENEO), chilled/frozen products (Freiberger), portion packs (PortionPack Europe) and starch divisions, is an important growth driver. The CropEnergies segment covers the bioethanol activities in Germany, Belgium, France and the UK. In the fruit segment, the group operates internationally, is the world market leader for fruit preparations and is a leading supplier of fruit juice concentrates in Europe.

In 2015/16, the group employed about 16,500 persons and generated revenues of EUR 6.4 billion.

Group figures as of 31 May 2016

€ million		1st quarter		
		2016/17	2015/16	+/- in %
Revenues	€ million	1.608	1.629	-1,3
EBITDA	€ million	159	107	49,1
Depreciation on fixed assets and intangible assets	€ million	-49	-50	-1,2
Operating result	€ million	110	57	93,1
Result from restructuring/special items	€ million	-7	-5	17,5
Result from companies consolidated at equity	€ million	11	9	18,3
Result from operations	€ million	114	61	88,8
EBITDA margin	%	9,9	6,6	
Operating margin	%	6,8	3,5	
Investments in fixed assets ¹	€ million	59	73	-18,6
Investments in financial assets/acquisitions	€ million	1	0	-
Total investments	€ million	60	73	-17,5
Shares in companies consolidated at equity	€ million	337	317	6,1
Capital employed	€ million	6.028	6.173	-2,3
Employees		17.922	18.298	-2,1

¹ Including intangible assets.