

Press release

Mannheim, 12 January 2017

Südzucker raises earnings forecast further following excellent third quarter results

Südzucker AG generated a significantly higher group consolidated operating result of EUR 327 (previous year: 198) million in the first three quarters of fiscal 2016/17 (1 March 2016 to 30 November 2016). Group consolidated revenues declined slightly to EUR 4,905 (previous year: 4,949) million. The higher result was mainly attributable to the sugar segment, but the fruit and special products segments also contributed. The CropEnergies segment's operating result fell in the third quarter and is thus now lower than last year, but continues to be high.

Südzucker boosts results outlook for fiscal 2016/17

For the full fiscal 2016/17, Südzucker continues to forecast group consolidated revenues of EUR 6.4 to 6.6 (previous year: 6.4) billion. The sugar segment, and now also the special products segment, are expected to generate revenues comparable to last year. The CropEnergies segment's revenues are now expected to come in at between EUR 685 and EUR 715 (previous year: 658) million. The fruit segment's revenues are expected to rise sharply.

The group's consolidated operating result is now expected to range between EUR 380 and EUR 410 (previous year: 241) million, driven mainly by improved sugar segment results. A positive result ranging between EUR 90 and EUR 120 million is now expected, following last year's negative result of EUR -79 million. The special products segment's result is now forecast at about EUR 160 (previous year: 171) million. Südzucker now expects the CropEnergies segment's result to range between EUR 70 and EUR 85 (previous year: 87) million. The fruit segment's result forecast remains unchanged; higher than last year's EUR 62 million.

Sugar segment's result continues to be positive and trends higher in the third quarter

The sugar segment's revenues declined to EUR 2,143 (previous year: 2,264) million in the first three quarters of the current fiscal year. The drop is mainly due to lower quota sugar volumes and reduced non-quota sugar volumes resulting from the weaker 2015 harvest. It was offset by rising sugar sales revenues, which outpaced the volume decline in the third quarter.

The segment was able to generate an operating profit of EUR 77 million after last year's EUR -39 million loss. The main driver is increased quota sugar sales revenues. A moderate price rise that started in October 2015 initially impacted the beginning of the fiscal year; as it progressed, spot market sales revenues also continued to rise in an overall favorable market environment, which has now positively impacted all markets since October 2016.

Beet cultivation and 2016 processing campaign

In all regions apart from Belgium and France favorable weather conditions held right into the summer of 2016. Therefore Südzucker Group's beet yields were generally above average at around 75 (previous year: 69) tonnes of beets per hectare. The average campaign duration for Südzucker Group's sugar factories is expected to be about 106 (previous year: 89) days. European minimum beet price and production quota regulations were applied for the last time at the end of 2016 campaign. They expire at the end of September 2017. In order to be able to more flexibly respond to the pending altered business conditions, beet growers and Südzucker jointly revised and simplified their contractual and payment system in an effort to ensure that it is fair, balances the interests of both parties, and keeps raw material supplies sustainable and competitive.

Special products segment's revenues and operating result rise slightly due to higher volumes

The special products segment was able to grow revenues to EUR 1,372 (previous year: 1,355) million. The overall positive volume trend – driven in part by exchange rate factors – was offset by weaker sales revenues. The operating result for the first three quarters rose to EUR 133 (previous year: 127) million; however, as expected, the third quarter result of EUR 46 (previous year: 53) million fell short of last year's unusually strong third quarter result. With the exception of the starch division, which had to contend with startup related operating losses from the Zeitz starch plant commissioning, all of the segment's divisions reported results that were the same as or higher than the previous year.

CropEnergies segment's result declines slightly

Thanks to substantial growth in the third quarter, the CropEnergies segment's revenues of EUR 507 (previous year: 506) million after nine months are now comparable to last year. The division was able to offset significantly lower ethanol sales revenues and lower trading volumes by higher production and sales volumes – especially at the restarted factory in Wilton, Great Britain. Operating profit came in at EUR 60 (previous year: 63) million, also slightly under last year's high result. This shortfall was mainly attributable to the significant decline in ethanol sales revenues. Expanded production and sales volumes and lower net raw material and energy costs were not enough to completely offset the lower income.

Fruit segment earnings and revenues climb

The fruit segment was able to boost revenues to EUR 883 (previous year: 824) million in the first nine months. This was thanks to a significant recovery in the fruit juice concentrates division's sales revenues, in addition to the fruit preparations division's continued volume growth. The operating result also rose, to EUR 57 (previous year: 47) million. While the fruit preparations division benefited from the continuing volume growth, the fruit juice concentrates division's margins recovered thanks to higher sales revenues.

Group figures as of 30 November 2016

€ million	3rd quarter			1st - 3rd quarter			
	2016/17	2015/16	+/- in %	2016/17	2015/16	+/- in %	
Revenues	€ million	1.700	1.618	5,1	4.905	4.949	-0,9
EBITDA	€ million	230	174	32,7	540	410	31,9
Depreciation on fixed assets and intangible assets	€ million	-112	-110	2,0	-213	-212	0,6
Operating result	€ million	118	64	86,0	327	198	65,4
Result from restructuring/special items	€ million	-4	-4	35,3	-15	-15	0,0
Result from companies consolidated at equity	€ million	19	30	-35,5	44	48	-9,0
Result from operations	€ million	133	90	47,3	356	231	54,2
EBITDA margin	%	13,5	10,7		11,0	8,3	
Operating margin	%	6,9	3,9		6,7	4,0	
Investments in fixed assets ¹	€ million	76	94	-19,2	218	261	-16,4
Investments in financial assets/acquisitions	€ million	87	0	-	118	0	> 100
Total investments	€ million	163	94	74,1	336	261	28,8
Shares in companies consolidated at equity	€ million				467	364	28,4
Capital employed	€ million				5.658	5.669	-0,2
Employees (FTE)					18.391	17.999	2,2

¹ Including intangible assets.

Südzucker AG
 Central Public Relations Department
 Dr Dominik Risser
 Maximilianstraße 10
 68165 Mannheim, Germany
 Phone: +49 621 421-205
 Fax: +49 621 421-425
 dominik.risser@suedzucker.de

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.