

Press release

Mannheim, 13 July 2017

Südzucker Q1 2017/18 revenues climb

Südzucker AG generated consolidated group revenues of EUR 1,783 (previous year: 1,608) million in the first quarter (1 March 2017 to 31 May 2017) of the current 2017/18 fiscal year, up sharply from last year at this time. The higher revenues were driven mainly by the sugar and CropEnergies segments. Consolidated group operating result also rose considerably, ending at EUR 153 (previous year: 110) million. This result improvement was driven primarily by the sugar segment, but the CropEnergies and fruit segments also contributed. As expected, the special products segment was unable to match last year's elevated result.

Sugar segment reports results growth

The sugar segment's revenues rose to EUR 777 (previous year: 694) million. The increase was driven mainly by higher sugar sales revenues, which more than offset declining volumes. The segment's operating result climbed to EUR 64 (previous year: 22) million, thanks mainly to higher sugar sales revenues. The increase was driven on the one hand by higher quota sugar sales revenues seen since the beginning of the 2016/17 sugar marketing year in October 2016, and on the other, by global prices for exported sugar that were still higher than last year at the beginning of the fiscal year.

Cultivation area expanded in 2017

Südzucker Group expanded its beet cultivation area to 443,644 (previous year: 384,835) hectares in 2017, up about 15 % year over year. This year, planting began for the most part as early as in previous years, amid average to excellent planting conditions.

Higher raw material costs weigh on special products segment

The special products segment was able to grow revenues to EUR 481 (previous year: 457) million, driven by steady volume growth. Its operating result remained high at EUR 41 (previous year: 46) million, but as expected, was unable to match last year's unusually strong result, due mainly to higher raw material prices.

CropEnergies revenues and result significantly higher

The CropEnergies segment's revenues were considerably higher than last year, climbing to EUR 214 (previous year: 149) million, driven almost exclusively by greatly increased production

and sales volumes after restarting the production plant in Wilton, Great Britain, in the second quarter of last year. Ethanol sales revenues too were up from last year.

Thanks to the positive revenue trend, the operating result was also significantly higher at EUR 23 (previous year: 19) million. The negative impacts of slightly higher raw material prices, operating costs from the restart of the plant in Wilton and scheduled inspection and maintenance work in Zeitz and Wanze, Belgium, in the first quarter, were more than offset.

Fruit segment reports slightly higher revenues and result

The fruit segment's revenues rose slightly, to EUR 311 (previous year: 308) million. Higher volumes of other fruit juice concentrates together with higher fruit preparations division sales revenues and favorable exchange rates offset lower sales revenues for apple juice concentrates.

The segment was able to boost its operating result to EUR 25 (previous year: 23) million, driven by higher margins on fruit preparations division sales revenues, while in the fruit juice concentrates division, raw material costs were also lower. This together with higher volumes counteracted lower sales revenues.

Forecast for fiscal 2017/18 confirmed

Südzucker continues to expect group consolidated revenues of EUR 6.7 to 7.0 (2016/17: 6.5) billion for fiscal 2017/2018. We expect the sugar and fruit segments' revenues to increase moderately and the special products segment's to rise slightly. We now expect the CropEnergies segment's revenues to range between EUR 775 and 825 (previous forecast: 725 to 800) million.

We anticipate the operating result to rise further. It should still range between EUR 425 and 500 (2016/17: 426) million, driven mainly by significantly higher sugar segment results. After the record year in 2016/17, the company expects a significant retreat for the special products segment. We now expect the CropEnergies segment's result to range between EUR 50 and 90 (previous forecast: 40 to 80) million. A year-over-year increase is forecast for 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 2016/17, the group employed about 16,900 persons and generated revenues of EUR 6.5 billion.

€ million	1st quarter			
		2017/18	2016/17	+/- in %
Revenues	€ million	1.783	1.608	10,9
EBITDA	€ million	208	159	30,9
Depreciation on fixed assets and intangible assets	€ million	-55	-49	12,0
Operating result	€ million	153	110	39,4
Result from restructuring/special items	€ million	0	-7	-89,6
Result from companies consolidated at equity	€ million	14	11	30,0
Result from operations	€ million	167	114	46,1
EBITDA margin	%	11,7	9,9	
Operating margin	%	8,6	6,8	
Investments in fixed assets ¹	€ million	62	59	4,1
Investments in financial assets/acquisitions	€ million	0	1	-100,0
Total investments	€ million	62	60	2,7
Shares in companies consolidated at equity	€ million	433	337	28,7
Capital employed	€ million	6.138	6.028	1,8
Employees		18.416	17.922	2,8

¹ Including intangible assets.