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Südzucker announces preliminary figures for financial year 2018/19 and a first outlook for financial year 2019/20

Südzucker AG announces preliminary figures. In financial year 2018/19 (1 March 2018 to 28 February 2019) group revenues reached about EUR 6.75 (previous year: 6.98) billion. Group operating result decreased in the same period to about EUR 25 (previous year: 445) million. The earnings decrease is caused especially by the sugar segment.

Reason for the executive board's restructuring plan, agreed by the supervisory board of Südzucker on 25 February 2019, was a change in assessment of the global and EU sugar market development. In light of this new assessment of the sugar market environment, the sugar segment goodwill value (previous year: EUR 780 million) examination was renewed. Write-down requirements will amount to about EUR 700 million. Besides this, another about EUR 150 million restructuring expenses will be incurred, of which about EUR 100 million write-downs will apply to fixed assets.

On group level Südzucker expects an EBITDA of about EUR 350 (previous year: 758) million and an equity ratio of about 50 (previous year: 54) %.

Dividend policy remains aligned to continuity and sustainable earnings development. Nevertheless in light of the current group earnings and debt situation, the executive board decided to propose a dividend of EUR 0.20 (previous year: 0.45) per share for financial year 2018/19. This corresponds to a distribution amount of EUR 41 (previous year: 92) million. The dividend proposal is subject to the respective resolution by the supervisory board on 15 May 2019 and the annual general meeting on 18 July 2019.

In light of highly volatile sugar and ethanol markets, guidance for financial year 2019/20 is marked by a high degree of uncertainty. Currently Südzucker expects for financial year 2019/20 group revenues of EUR 6.7 to 7.0 billion and a group operating result range of EUR 0 to 100 million. Against this background of an ongoing difficult market environment, Südzucker expects another operating loss in segment sugar of EUR -200 to -300 million. Südzucker estimates a significant revenue sales driven earnings improvement from October 2019, the beginning of the new sugar marketing year. This guidance includes only minor cost savings out of the restructuring plan which should amount up to EUR 100 million midterm depending on the sugar world

market price. On the other hand Südzucker expects earnings to increase in the special products and fruit segments. CropEnergies segment is expected to reach an operating result in a range of EUR 20 to 70 million.

Despite the current difficult framework for sugar Südzucker expects a group EBITDA of EUR 360 to 460 million (incl. adjustments from the application of IFRS 16).

The full report for financial year 2018/19 will be published on 16 May 2019.

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