

## Press release

Mannheim, 20 May 2021

### **Südzucker improves operating result in fiscal 2020/21**

Südzucker had already published its preliminary figures for fiscal 2020/21 (1 March 2020 to 28 February 2021) on 24 March 2021. Today's publication of the annual report now includes the final figures. In fiscal 2020/21, the group's consolidated revenues totaled EUR 6,679 (previous year: 6,671) million, matching the previous year's level. While the CropEnergies and fruit segments' revenues dropped moderately and slightly, respectively, and the sugar segment's revenues remained at the previous year's level, the special products segment's revenues rose slightly.

Group EBITDA rose significantly by EUR 119 million to EUR 597 (previous year: 478) million.

The group's consolidated operating result climbed sharply to EUR 236 (previous year: 116) million, due in particular to rising results in the sugar segment. Although the group consolidated operating result is a significant improvement, it still falls short of the spring 2020 original forecasts. The various segments' business performance was also quite mixed; negative overall due to the impact of the Corona pandemic, although not critically. In the fruit segment, a moderate decline in operating result was more than offset by slight result improvements in the special products and CropEnergies segments.

The group's cash flow was up sharply to EUR 475 (previous year: 372) million. Return on capital employed (ROCE) reached 3.8 (previous year: 1.8) percent, with a significant increase in consolidated group operating result and a slight decline in capital employed to EUR 6.2 (previous year: 6.4) billion.

#### **Recommended dividend of EUR 0.20 per share**

The executive board and supervisory board propose to the annual general meeting an unchanged dividend of EUR 0.20 per share for fiscal 2020/21. The annual general meeting is expected to take place again virtually on 15 July 2021.

#### **Sugar segment shows significant improvement in results**

The sugar segment reported revenues of EUR 2,252 (previous year: 2,258) million, comparable to last year. Sugar sales revenues were higher but volumes were substantially lower, due in part to reduced sugar production during the 2019 and 2020 campaigns. In 2019, sugar production was down as a result of less cultivation and lower yields. In 2020, sugar production fell again following the factory shutdowns after the 2019 campaign, with beet yields again weak. In addition, lower demand from the sugar processing industry due to Corona virus containment measures had a significantly greater impact than the short-term positive effects of hoarding in the retail sector at the beginning of the fiscal year.

The segment was able to cut its operating loss substantially to EUR –121 (previous year: –236) million. The improvement was driven mainly by higher sugar sales revenues due to price increases at the beginning of the 2019/20 and 2020/21 sugar marketing years, which more than offset lower sales volumes, higher production costs and lower capacity utilization as a result of the smaller cultivation area and below-average beet yields during the 2020 campaign.

#### **2020 processing campaign and sugar production**

The cultivation area of the Südzucker Group in 2020 dropped 12.3 percent to 343,000 (previous year: 391,000) hectares after four sugar factories were closed following the 2019 campaign. In Austria and Poland, nearly 10,000 hectares had to be replanted with other crops due to spring drought, frost, wind erosion and beet root weevil. Beet yields per hectare were below average for the third year in a row due to drought, pests and diseases, and sugar production shrank to 3.7 (previous year: 4.5) million tonnes. The volume of organic sugar produced at the Rain and Tulln factories also declined due to the smaller cultivation area. The volume of feed and molasses was the same as last year at 1.3 (previous year: 1.3) million tonnes.

#### **Special products segment to continue successful performance**

Revenues in the special products segment were slightly above the previous year's level at EUR 2,487 (previous year: 2,409) million. This increase was driven in particular by the encouraging volume growth in frozen pizzas and the capacity expansions in the starch division that started operations in the course of the last year.

The segment was able to continue its successful growth overall despite the Corona pandemic. Its operating record result of EUR 197 (previous year: 190) million contributed substantially to the consolidated group operating result. The BENEOL division benefited from the consumer trend toward healthy eating. Freiburger was able to grow thanks to higher demand for pizza, while other product groups, such as portion packs, were significantly impacted by the measures taken to stem the Corona pandemic.

#### **CropEnergies segment results set new record**

Revenues in the CropEnergies segment declined moderately to EUR 774 (previous year: 819) million, in line with the overall drop in sales volumes.

The Corona pandemic presented the CropEnergies segment with significant challenges last fiscal year. The segment successfully adjusted production capacity utilization to the widely fluctuating demand volumes caused by on and off mobility restrictions throughout the fiscal year. CropEnergies was always able to meet the spike in demand for the neutral alcohol used in disinfectants. Despite the challenging market environment, CropEnergies generated an operating result of EUR 107 (previous year: 104) million, the highest in the company's history.

#### **Fruit segment's results declined moderately**

The fruit segment's revenues at EUR 1,166 (previous year: 1,185) million were slightly lower as last year. Fruit preparations revenues declined slightly due to lower volumes, while revenues from fruit juice concentrates remained stable despite lower volumes as a result of higher crop-related sales revenues.

Operating result fell moderately to EUR 53 (previous year: 58) million. The fruit juice concentrates division disappointed with further deteriorating margins and sales volumes. Although the fruit preparations division beat last year's result, Südzucker is nevertheless aiming to more significantly improve margins here as well.

### **Group outlook 2021/22**

The outlook published for the first time today depends on the economic and financial impact that cannot be anticipated yet, as well as on the duration of the temporary exceptional situation associated with the Corona pandemic.

We are expecting consolidated group revenues of EUR 7.0 to 7.2 (previous year: 6.7) billion in fiscal 2021/22. We anticipate the sugar segment's revenues to rise sharply. The CropEnergies segment's revenues are forecasted to range between EUR 800 and 850 million. We expect the special products and fruit segments' revenues to rise moderately.

We expect the consolidated group operating result ranging between EUR 300 and 400 (previous year: 236) million. We estimate that the sugar segment's operating result will range between EUR 0 and 100 million. We anticipate the special products segment's operating result to be moderately below the strong previous year's level. CropEnergies' operating result is expected to be between EUR 50 and 80 million. In the fruit segment, we are forecasting a moderate increase in results.

We expect capital employed to remain at last year's level. Based on the aforementioned operating result improvement, we expect a significantly higher ROCE (previous year: 3.8 percent).

### **Group Strategy 2026 PLUS – Get the Power of Plants**

"Get the Power of Plants" – by evolving from a large-scale producer of agricultural raw materials to a leading partner of plant-based solutions for an enjoyable, healthy and sustainable world, the Südzucker Group, together with its employees, is expanding and strengthening its market position. As a leading integrated group of companies we are developing, producing and supplying plant-based solutions – for nutrition, energy and more! We have developed our vision for the future, Group Strategy 2026 PLUS, which builds on our strengths as a diversified group of companies and our employees' expertise and experience. With this program, Südzucker Group has set some ambitious goals and launched a progressive transformation process. Our strategy's focus emphasizes a forward-looking, long-term approach to thinking and acting.

Business performance - Group		2020/21	2019/20	+/- in %
<b>Revenues</b>	€ million	<b>6.679</b>	<b>6.671</b>	<b>0,1</b>
EBITDA	€ million	597	478	24,9
Depreciation on fixed assets and intangible assets	€ million	-361	-362	-0,2
<b>Operating result</b>	€ million	<b>236</b>	<b>116</b>	<b>&gt; 100</b>
Result from restructuring/special items	€ million	-40	-19	> 100
Result from companies consolidated at equity	€ million	-126	-49	> 100
<b>Result from operations</b>	€ million	<b>70</b>	<b>48</b>	<b>45,8</b>
EBITDA margin	%	8,9	7,2	0,0%
Operating margin	%	3,5	1,7	0,0%
Investments in fixed assets <sup>1</sup>	€ million	285	335	-15,0
Investments in financial assets/acquisitions	€ million	15	13	15,9
<b>Total investments</b>	€ million	<b>300</b>	<b>348</b>	<b>-13,9</b>
Shares in companies consolidated at equity	€ million	165	313	-47,4
Capital employed	€ million	6.222	6.388	-2,6
Return on capital employed	%	3,8	1,8	
<b>Employees</b>		<b>17.876</b>	<b>19.188</b>	<b>-6,8</b>

<sup>1</sup> Including intangible assets.

Business performance - sugar segment		2020/21	2019/20	+/- in %
<b>Revenues</b>	€ million	<b>2.252</b>	<b>2.258</b>	<b>-0,2</b>
EBITDA	€ million	32	-75	-
Depreciation on fixed assets and intangible assets	€ million	-153	-161	-5,0
<b>Operating result</b>	€ million	<b>-121</b>	<b>-236</b>	<b>-49,0</b>
Result from restructuring/special items	€ million	-30	-17	73,7
Result from companies consolidated at equity	€ million	-145	-66	> 100
<b>Result from operations</b>	€ million	<b>-296</b>	<b>-319</b>	<b>-7,2</b>
EBITDA margin	%	1,4	-3,3	0,0%
Operating margin	%	-5,3	-10,4	0,0%
Investments in fixed assets <sup>1</sup>	€ million	122	103	17,1
Investments in financial assets/acquisitions	€ million	3	10	-80,2
<b>Total investments</b>	€ million	<b>125</b>	<b>113</b>	<b>8,5</b>
Shares in companies consolidated at equity	€ million	109	252	-56,7
Capital employed	€ million	2.685	2.815	-4,6
Return on capital employed	%	-4,5	-8,4	
<b>Employees</b>		<b>6.141</b>	<b>6.597</b>	<b>-6,9</b>

<sup>1</sup> Including intangible assets.

<b>Business performance - special products segment</b>		<b>2020/21</b>	<b>2019/20</b>	<b>+/- in %</b>
<b>Revenues</b>	€ million	<b>2.487</b>	<b>2.409</b>	<b>3,2</b>
EBITDA	€ million	323	306	5,4
Depreciation on fixed assets and intangible assets	€ million	-126	-116	8,6
<b>Operating result</b>	€ million	<b>197</b>	<b>190</b>	<b>3,4</b>
Result from restructuring/special items	€ million	1	0	> 100
Result from companies consolidated at equity	€ million	19	17	17,6
<b>Result from operations</b>	€ million	<b>217</b>	<b>207</b>	<b>4,7</b>
EBITDA margin	%	13,0	12,7	0,0%
Operating margin	%	7,9	7,9	0,0%
Investments in fixed assets <sup>1</sup>	€ million	110	150	-26,2
Investments in financial assets/acquisitions	€ million	11	2	> 100
<b>Total investments</b>	€ million	<b>121</b>	<b>152</b>	<b>-19,7</b>
Shares in companies consolidated at equity	€ million	53	58	-9,4
Capital employed	€ million	2.242	2.267	-1,1
Return on capital employed	%	8,8	8,4	
<b>Employees</b>		<b>6.131</b>	<b>6.017</b>	<b>1,9</b>

<sup>1</sup> Including intangible assets.

<b>Business performance - CropEnergies segment</b>		<b>2020/21</b>	<b>2019/20</b>	<b>+/- in %</b>
<b>Revenues</b>	€ million	<b>774</b>	<b>819</b>	<b>-5,5</b>
EBITDA	€ million	148	146	1,6
Depreciation on fixed assets and intangible assets	€ million	-41	-42	-1,9
<b>Operating result</b>	€ million	<b>107</b>	<b>104</b>	<b>3,0</b>
Result from restructuring/special items	€ million	1	0	-
Result from companies consolidated at equity	€ million	0	0	50,0
<b>Result from operations</b>	€ million	<b>108</b>	<b>104</b>	<b>3,9</b>
EBITDA margin	%	19,2	17,8	0,0%
Operating margin	%	13,8	12,7	0,0%
Investments in fixed assets <sup>1</sup>	€ million	29	30	-3,7
Investments in financial assets/acquisitions	€ million	0	0	-
<b>Total investments</b>	€ million	<b>29</b>	<b>30</b>	<b>-3,7</b>
Shares in companies consolidated at equity	€ million	3	2	8,7
Capital employed	€ million	465	450	3,3
Return on capital employed	%	23,0	23,1	
<b>Employees</b>		<b>450</b>	<b>450</b>	<b>0,0</b>

<sup>1</sup> Including intangible assets.

<b>Business performance - fruit segment</b>		<b>2020/21</b>	<b>2019/20</b>	<b>+/- in %</b>
<b>Revenues</b>	€ million	<b>1.166</b>	<b>1.185</b>	<b>-1,6</b>
EBITDA	€ million	94	101	-6,9
Depreciation on fixed assets and intangible assets	€ million	-41	-43	-4,4
<b>Operating result</b>	€ million	<b>53</b>	<b>58</b>	<b>-8,8</b>
Result from restructuring/special items	€ million	-12	-2	> 100
Result from companies consolidated at equity	€ million	0	0	-
<b>Result from operations</b>	€ million	<b>41</b>	<b>56</b>	<b>-26,3</b>
EBITDA margin	%	8,1	8,5	0,0%
Operating margin	%	4,5	4,9	0,0%
Investments in fixed assets <sup>1</sup>	€ million	24	52	-53,6
Investments in financial assets/acquisitions	€ million	1	1	> 100
<b>Total investments</b>	€ million	<b>25</b>	<b>53</b>	<b>-51,5</b>
Shares in companies consolidated at equity	€ million	0	0	-
Capital employed	€ million	829	855	-3,1
Return on capital employed	%	6,4	6,8	
<b>Employees</b>		<b>5.154</b>	<b>6.124</b>	<b>-15,8</b>

<sup>1</sup> Including intangible assets.

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### About the Südzucker Group

Südzucker, with its sugar, special products, CropEnergies and fruit segments, is one of the most significant food industry companies. In the traditional sugar business, the group is Europe's number one supplier of sugar products, with 23 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 food ingredients for food and animal feed (BNEO) division, as well as chilled/frozen products (Freiberger), starch and portion packs (PortionPack Europe) divisions, conducts business in high-growth dynamic markets. The CropEnergies segment is responsible for the ethanol activities in Germany, Belgium, France and Great Britain. The group's fruit segment operates globally, is the world market leader for fruit preparations and is a leading supplier of fruit juice concentrates in Europe.

In 2020/21, the group employed about 17,900 persons and generated revenues of EUR 6.7 billion.