

Press release

Mannheim, 8 July 2021

Südzucker's outlook for the current 2021/22 fiscal year confirmed

Südzucker AG's consolidated revenues in the first quarter of fiscal 2021/22 (1 March to 31 May 2021) increased moderately to EUR 1,753 (previous year: 1,669) million. While the special products segment's revenues declined moderately, they were up moderately in the sugar and fruit segments and rose significantly in the CropEnergies and starch segments, respectively.

Group EBITDA was EUR 13 million lower than last year at EUR 121 (previous year: 134) million.

The consolidated group operating result fell substantially to EUR 49 (previous year: 61) million during the reporting period. The uneven quarterly business development caused by the pandemic since the first quarter of 2020/21 distorted results within the quarters and affected the entire 2020/21 fiscal year. The distortions may now lead to some contrary effects during the current 2021/22 fiscal year. The operating result in the sugar, special products and starch segments fell sharply in the first quarter, but rose significantly in the CropEnergies segment. The fruit segment's operating result was on par with last year.

Südzucker will report on five segments for the first time at the beginning of fiscal 2021/22. In addition to the existing sugar, special products, CropEnergies and fruit segments, the newly created starch segment will be reported separately for the first time. The historical data has been adjusted to reflect the new reporting.

Higher production costs weigh on the sugar segment

Sugar segment's revenues climbed moderately to EUR 595 (previous year: 565) million. The improvement was driven mainly by higher sugar sales revenues since the beginning of the new 2020/21 sugar marketing year (1 October 2020 to 30 September 2021), with sales volumes at the previous year's level. The first quarter of the 2020/21 financial year initially benefited from the positive effects of panic buying at the start of the coronavirus pandemic. In the course of the last fiscal year, these benefits were clearly overshadowed by weaker demand from the sugar processing industry.

The operating loss for the first quarter of fiscal 2021/22 was sharply higher than last year at EUR -25 (previous year: -16) million. Higher sugar sales revenues were offset by increased production costs from the 2020 campaign and lower retail sales volumes. Because sales volumes were still high in last year's first quarter, it was not yet possible to achieve higher sales volumes in the first quarter of the current fiscal year.

Beet cultivation and 2021 processing campaign

Südzucker Group expanded its total beet cultivation area for the 2021 campaign to 353,600 (previous year: 343,000) ha, up about 3.1 percent compared to previous year. The main planting

campaign kicked off at the end of March, with initially good seeding conditions. Although late frosts and generally cool temperatures in April and May delayed beet development, adequate water supplies ultimately led to uniform beet stands.

Special products segment posts lower results

The special products segment's revenues amounted to EUR 421 (previous year: 444) million, moderately below the previous year's level. Overall lower sales volumes impacted negatively, whereby the previous year was characterized at the beginning of the first quarter by the partly sharp increase in demand, for example for frozen pizzas.

The operating result decreased significantly to EUR 34 (previous year: 40) million, reflecting the development of revenues. Lower sales volumes and, in some cases, higher raw material costs weighed on the result.

Results in the CropEnergies segment improved significantly

In the CropEnergies segment, revenues increased significantly to EUR 195 (previous year: 162) million. Following pandemic-related distortions in fuel demand in the same quarter of the previous year, higher volumes and sales revenues contributed to revenue growth. The previous year's volumes in the first quarter were significantly lower due to the extended shutdown at the Wanze location caused by the pandemic. Moreover, previous year ethanol prices had temporarily fallen to historically low levels as a result of the collapse in demand caused by the first wave of the coronavirus pandemic.

In line with revenue growth, operating result also improved significantly to EUR 15 (previous year: 8) million. Higher sales revenues and volume growth had a positive effect, more than offsetting the increase in raw material costs.

Starch segment reported separately for the first time

The starch segment's revenues increased to EUR 221 (previous year: 194) million, significantly above the previous year's level. The revenue growth was driven in particular by the encouraging volume trend and higher ethanol prices.

The operating result, however, remained well below the previous year's level at EUR 9 (previous year: 13) million. Higher raw material costs in particular, but also lower sales revenues overall, resulted in a declining margin.

Fruit segment's results at prior year's level

The fruit segment's revenues of EUR 321 (previous year: 304) million were moderately higher than a year earlier. Revenues from fruit preparations rose primarily due to higher volumes, while revenues from fruit juice concentrates were slightly lower despite stable volumes as a result of marginally lower sales revenues.

The operating result remained at the previous year's level totaling EUR 16 (previous year: 16) million. Moderate volume growth with stable margins led to a significantly higher contribution to results in the fruit preparations division. Significantly lower margins attributable to lower sales revenues at higher costs and virtually unchanged volumes overall weighed on the results of the fruit juice concentrates division.

Outlook for the current 2021/22 fiscal year confirmed

Consolidated group revenues of EUR 7.0 to 7.2 (previous year: 6.7) billion are expected in fiscal 2021/22. A significant increase in revenues is anticipated in the sugar segment. The CropEnergies segment is expected to range between EUR 855 and 905 million. A moderate increase in revenues is forecast in the special products and fruit segments. A slight increase in revenues is anticipated in the newly created starch segment.

Consolidated group operating result is expected to range between EUR 300 and 400 (previous year: 236) million. The sugar segment's operating result is forecast to range between EUR 0 and 100 million. The special products segment's operating result is anticipated to come in moderately below the strong previous year's level. The CropEnergies segment's operating result is seen to range between EUR 50 and EUR 80 million. In the newly created starch segment, results are expected to be significantly lower and the fruit segment's operating result is anticipated to improve moderately.

Vaccination rates against COVID-19 are expected to further increase steadily worldwide with wide regional disparities. The economic impact of the virus is thus expected to wane over time. Nevertheless, there will continue to be coronavirus pandemic-related risks in the further course of fiscal 2021/22. The economic and financial impact and duration of the disease are difficult to assess.

Business performance - Group

€ million		1st quarter		
		2021/22	2020/21	+/- in %
Revenues	€ million	1.753	1.669	5,0
EBITDA	€ million	121	134	-9,8
Depreciation on fixed assets and intangible assets	€ million	-72	-73	-1,1
Operating result	€ million	49	61	-20,1
Result from restructuring/special items	€ million	0	1	-66,7
Result from companies consolidated at equity	€ million	-2	3	-
Result from operations	€ million	47	65	-27,1
EBITDA margin	%	6,9	8,0	0,0%
Operating margin	%	2,8	3,7	0,0%
Investments in fixed assets ¹	€ million	55	52	5,4
Investments in financial assets/acquisitions	€ million	5	11	-55,0
Total investments	€ million	60	63	-5,2
Shares in companies consolidated at equity	€ million	164	309	-46,8
Capital employed	€ million	6.177	6.222	-0,7
Employees		18.380	18.904	-2,8

¹ Including intangible assets.

Revenues by segment

€ million	1st quarter		
	2021/22	2020/21	+/- in %
Sugar ¹	595	565	5,2
Special products ¹	421	444	-5,2
CropEnergies	195	162	20,4
Starch ²	221	194	14,0
Fruit	321	304	5,6
Group total	1.753	1.669	5,0

¹ Prior-year figures adjusted.

² First-time reporting of the Starch segment in the 2021/22 financial year.

Operating result by segment

€ million	1st quarter		
	2021/22	2020/21	+/- in %
Sugar ¹	-25	-16	55,9
Special products ¹	34	40	-14,3
CropEnergies	15	8	86,4
Starch ²	9	13	-33,8
Fruit	16	16	-0,6
Group total	49	61	-20,1

¹ Prior-year figures adjusted.

² First-time reporting of the Starch segment in the 2021/22 financial year.

Südzucker AG
 Maximilianstraße 10
 68165 Mannheim, Germany

Financial Press :
 Dr Dominik Risser
 Phone: +49 621 421-205
 public.relations@suedzucker.de

About the Südzucker Group

Südzucker is a major player in the food industry with its sugar, special products, starch and fruit segments, and Europe's leading ethanol producer with its CropEnergies segment. 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, with its consumer-oriented functional ingredients for food and animal feed (BENEO), chilled/frozen products (Freiberger) and portion packs (Portion-Pack Europe), operates in dynamic growth markets. Südzucker's CropEnergies segment is Europe's leading producer of renewable ethanol, with production sites in Germany, Belgium, France and Great Britain. Other products in this segment are protein food and animal feed products as well as biogenic carbon dioxide. The new starch segment comprises AGRANA's starch and ethanol activities. 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.