

Press release

Mannheim, 7 July 2022

Südzucker off to good start in new fiscal 2022/23

In the first three months of fiscal 2022/23 (1 March to 31 May 2022), Südzucker AG increased its group revenues by about 30 percent to EUR 2,275 (previous year: 1,753) million. All segments contributed to this increase.

Group EBITDA was significantly higher than last year at EUR 236 (previous year: 121) million.

The consolidated group operating result also climbed significantly, reaching EUR 163 (previous year: 49) million. The sugar, CropEnergies, starch and fruit segments contributed to the improvement, while the special products segment's operating result dropped considerably.

Sugar segment returns with a slightly positive result

Sugar segment's revenues were up significantly to EUR 727 (previous year: 595) million. Both sales volumes and sales revenues clearly exceeded the previous year's figures.

At EUR 1 (previous year: -25) million, a marginally positive operating result was again achieved. The significant increase in revenues was offset by an also substantial rise in raw material, energy and packaging costs.

Beet cultivation 2022

Südzucker Group's beet cultivation area in 2022 is down about 6 percent year-on-year to 330,000 (previous year: 352,500) hectares. The main planting campaign started in mid-March 2022 with mostly excellent conditions, but cool temperatures, night frosts and snow in April delayed beet growth. In May, it was then warm and dry almost across all areas, allowing the beets to fully make up for their shortfall. However, it is currently too dry in almost all growing regions.

Higher costs affect special products segment

The special products segment's revenues of EUR 515 (previous year: 421) million were significantly higher than a year earlier. Overall, higher volumes and prices had a positive effect.

Operating result, in contrast, fell significantly to EUR 30 (previous year: 34) million. This was primarily attributable to the impact of significantly higher raw material, packaging and energy costs, which could only be passed in part or with a time lag.

CropEnergies segment again reports significant increase in revenues and results

The CropEnergies segment's revenues increased significantly to EUR 377 (previous year: 195) million. Significantly higher volumes and especially clearly higher sales revenues contributed to revenue growth.

The higher volume and sales revenues drove the operating result up sharply for the reporting period to EUR 87 (previous year: 15) million. Substantially higher raw material and energy costs were

more than offset in the reporting period by sales revenues and volume growth. The exceptionally good operating result was largely due to price hedges for raw materials and energy, which were concluded before the start of the Ukraine war and the associated sharp rise in raw material and energy prices. However, the positive impact on results of these early hedging activities will diminish noticeably in the coming months.

Starch segment's revenues and results also significantly higher than last year

The starch segment was able to substantially boost revenues to EUR 295 (previous year: 221) million as a result of significantly stronger sales revenues, especially in the ethanol business.

The higher volume and sales revenues drove operating result up substantially to EUR 25 (previous year: 9) million in the reporting period. Substantially higher raw material and energy costs were more than offset by significant sales revenues growth. Price-hedged raw materials in the reporting period had a positive effect.

Substantial increase in revenues and results in the fruit segment

Revenues in the fruit segment were also significantly higher than the previous year at EUR 361 (previous year: 321) million. Revenues for both fruit preparations and fruit juice concentrates rose due to higher prices.

At EUR 20 (previous year: 16) million, operating result also significantly exceeded the previous year's figure. The contribution to results from fruit preparations fell as a result of lower volumes and higher costs. However, considerably higher margins for fruit juice concentrates led to a significant increase in the operating result contribution. Volumes increased moderately and significantly higher prices more than offset the rise in costs.

Outlook confirmed

The Ukraine war that started at the beginning of fiscal 2022/23 and continues to this day has further reinforced the already existing high volatility in the target markets and price increases in the procurement markets. The resulting economic and financial ramifications and duration of this temporary exceptional situation are very difficult to assess. There are also further risks related to the Corona pandemic.

The forecast for fiscal year 2022/23, which was raised significantly in the MAR announcement of 15 June 2022, is further confirmed. The underlying assumptions are still that the Ukraine war will be temporary and remain regionally contained, that despite of the current developments physical supplies of energy and raw materials will be guaranteed and that the target and procurement markets will at least partly return to more normal conditions over the course of fiscal 2022/23. In this context, we also assume that the declaration of the gas emergency plan alert level in Germany will not result in any significant negative price effects. Südzucker's expected pass-through of significantly higher prices, particularly in the raw materials and energy sectors, into new customer contracts will be of decisive importance.

Südzucker expects consolidated group revenues of EUR 8.9 to 9.3 (2021/22: 7.6) billion in fiscal 2022/23. The sugar, special products and starch segments' revenues are anticipated to rise sharply. The CropEnergies segment's revenues are expected to range between EUR 1.4 and 1.5 billion. In the fruit segment, revenues are forecast to grow moderately.

Group operating result is seen ranging between EUR 400 and 500 (2021/22: EUR 332) million. Südzucker estimates the sugar segment's operating result to be in a range between EUR 0 and 100 million. In the special products segment, the company expects a slight increase in operating result. The fruit segment's operating result is expected to be significantly below the previous year's level and the CropEnergies segment's operating result to be in a range between EUR 165 and 215 million. In the starch segment, Südzucker is forecasting a slight increase in results.

Group EBITDA is expected to range between EUR 760 and 860 (2021/22: 692) million.

Südzucker anticipates capital employed to rise moderately. Based on the aforementioned operating result improvement, the company expects ROCE to increase significantly (2021/22: 5.3 per cent).

Group figures as of 31 Mai 2022

€million		1st quarter		
		2022/23	2021/22	+/- in %
Revenues	€ million	2.275	1.753	29,8
EBITDA	€ million	236	121	95,1
Depreciation on fixed assets and intangible assets	€ million	-73	-72	1,0
Operating result	€ million	163	49	> 100
Result from restructuring/special items	€ million	2	0	> 100
Result from companies consolidated at equity	€ million	17	-2	-
Result from operations	€ million	182	47	> 100
EBITDA margin	%	10,4	6,9	0,0%
Operating margin	%	7,2	2,8	0,0%
Investments in fixed assets ¹	€ million	65	55	17,5
Investments in financial assets/acquisitions	€ million	49	5	> 100
Total investments	€ million	114	60	89,0
Shares in companies consolidated at equity	€ million	79	136	-41,6
Capital employed	€ million	6.423	6.177	4,0
Employees		18.819	18.380	2,4

¹ Including intangible assets.

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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 (PortionPack 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 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 2021/22, the group employed about 18.000 persons and generated revenues of about EUR 7.6 billion.