

Press release

Mannheim, 13 October 2022

Südzucker's business continues to develop positively

Südzucker AG's group revenues rose about 29 percent to EUR 4,624 (previous year: 3,596) million in the first half of fiscal 2022/23. All segments contributed to this increase.

Group EBITDA also climbed significantly to EUR 465 (previous year: 278) million.

Consolidated operating result also rose significantly to EUR 316 (previous year: 134) million. This increase was driven by the CropEnergies, sugar and starch segments.

Sugar segment shows significant improvement in results

Sugar segment's revenues were up significantly to EUR 1,443 (previous year: 1,231) million in the first half of the year. Sugar sales revenues improved significantly with higher volumes overall.

The operating result rose significantly to EUR 16 (previous year: –18) million. Significantly higher revenues were offset by an also significant increase in raw material, energy and packaging costs.

Beet cultivation and 2022 campaign

Beet yields are expected to be below average as a result of the persistent, widespread drought in almost all of Europe. However, the above-average sugar content due to the many hours of sunshine will not fully compensate for this; only Belgium is expected to have an above-average harvest.

The campaign kicked off on 5 September 2022 at Südzucker AG's Wabern factory. All Südzucker Group factories have started processing beets since mid-October.

Special product segment reports significant drop in results

The special product segment's revenues climbed significantly to EUR 1,053 (previous year: 856) million. Overall positive volume growth and higher prices contributed to this increase.

Operating result, on the other hand, fell significantly to EUR 40 (previous year: 64) million, with the drop in results intensifying in the second quarter. This was primarily attributable to the impact of significantly higher raw material, packaging and energy costs, which could only be passed on to customers in part or with a time lag.

CropEnergies segment reports significantly higher results

The CropEnergies segment's revenues rose significantly to EUR 798 (previous year: 427) million. Higher volumes and, in particular, higher sales revenues contributed to this increase.

The higher volume and sales revenues drove the operating result up significantly in the reporting period to EUR 180 (previous year: 38) million. Significantly higher sales revenues in the reporting period more than offset the significant rise in raw material and energy costs.

Starch segment with significant growth in results

The starch segment's revenues rose significantly to EUR 603 (previous year: 449) million as a result of significantly higher sales revenues. The ongoing favorable level of the ethanol quotation was the main contributor to the revenue growth.

The higher volume and sales revenues drove operating result up significantly to EUR 50 (previous year: 22) million in the reporting period. Significantly higher raw material and energy costs were more than offset by significant sales revenue growth in the reporting period.

Fruit segment posts moderate increase in results

The fruit segment's revenues improved significantly to EUR 727 (previous year: 633) million. The increase in revenues was primarily driven by higher prices for both fruit preparations and fruit juice concentrates. This compensated for the decline in volumes of fruit preparations, caused in part by the war in Ukraine.

Operating result rose moderately to EUR 30 (previous year: 28) million. Lower volumes and higher costs led to a decline in earnings contribution from fruit preparations. Volumes of fruit juice concentrates climbed significantly, with significantly higher sales revenues more than offsetting the higher costs.

Group 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 remain difficult to assess. There are also further risks related to the Corona pandemic.

The following outlook continues to be based on the assumptions that the Ukraine war will remain temporary and regionally contained, and that – despite current developments – physical supplies of energy and raw materials are guaranteed. We assume that no further significant burdens will arise from energy surcharges following the elimination of the gas surcharge in Germany. The expected pass-through of substantially higher prices, especially in the raw materials and energy sectors, into new customer contracts will continue to be of decisive importance.

Südzucker now expects consolidated group revenues of EUR 9.4 to 9.8 (previous forecast of 11 August 2022: 8.9 to 9.3; 2021/22: 7.6) billion for fiscal 2022/23. The company continues to anticipate a significant increase in revenues in the sugar, special products and starch segments. The CropEnergies segment is expected to range between EUR 1.4 and 1.5 billion. The fruit segment's revenues are now expected to rise significantly (Q1 forecast: moderate increase).

Südzucker confirms the outlook for Group EBITDA published on 11 August 2022 in a range between EUR 810 and 910 million (2021/22: EUR 692 million).

The range for consolidated operating result of between EUR 450 and 550 million (2021/22: 332 million) is also confirmed. The sugar segment's operating result is expected to range between EUR 0 and 100 million. In the special products segment, a moderate decline in operating result (Q1 forecast: slight increase) is now forecasted. The operating result outlook for the CropEnergies segment published on 11 August 2022 is confirmed at a range between EUR 215 and 265 million.

In the starch segment, Südzucker now expects operating result at the previous year's level. (Outlook Q1: slight increase). The fruit segment's operating result is expected to be significantly below last year's level.

Capital employed is expected to increase moderately. Based on the aforementioned operating result improvement, the company estimates ROCE to be significantly higher (2021/22: 5.3 percent).

Group figures as of 31 August 2022

€ million		2nd quarter			1st half year		
		2022/23	2021/22	+/- in %	2022/23	2021/22	+/- in %
Revenues	€ million	2.349	1.844	27,4	4.624	3.596	28,6
EBITDA	€ million	230	157	45,9	465	278	67,3
Depreciation on fixed assets and intangible assets	€ million	-77	-72	6,1	-149	-144	3,5
Operating result	€ million	153	85	79,5	316	134	> 100
Result from restructuring/special items	€ million	-46	-1	> 100	-44	-1	> 100
Result from companies consolidated at equity	€ million	7	-4	-	24	-6	-
Result from operations	€ million	114	80	43,5	296	127	> 100
EBITDA margin	%	9,8	8,5	0,0%	10,1	7,7	0,0%
Operating margin	%	6,5	4,6	0,0%	6,8	3,7	0,0%
Investments in fixed assets ¹	€ million	92	69	32,7	157	124	26,0
Investments in financial assets/acquisitions	€ million	7	-1	-	56	4	> 100
Total investments	€ million	99	68	45,6	213	128	65,9
Shares in companies consolidated at equity	€ million				86	133	-35,7
Capital employed	€ million				6.558	6.073	8,0
Employees					18.677	18.674	0,0

¹ Including intangible assets.

Revenues by segment

€ million	1st half year		
	2022/23	2021/22	+/- in %
Sugar	1.443	1.231	17,3
Special products	1.053	856	23,0
CropEnergies	798	427	86,7
Starch	603	449	34,1
Fruit	727	633	14,8
Group total	4.624	3.596	28,6

Operating result by segment

€ million	1st half year		
	2022/23	2021/22	+/- in %
Sugar	16	-18	-
Special products	40	64	-36,6
CropEnergies	180	38	> 100
Starch	50	22	> 100
Fruit	30	28	6,0
Group total	316	134	> 100

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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 (BENEÓ), 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.