

Press release

Mannheim, 12 January 2023

Südzucker confirms annual forecast following the first nine months of fiscal 2022/23

Südzucker AG achieved consolidated group revenues of EUR 7,106 (previous year: 5,639) million in the first three quarters of fiscal 2022/23 (1 March 2022 to 28 February 2023). All segments contributed to this increase, which was about 26 percent. Group EBITDA also climbed significantly to EUR 805 (previous year: 519) million as of 30 November 2022. Group operating result also improved significantly to EUR 536 (previous year: 261) million. While operating result in the special products segment declined significantly on a cumulative basis and was on par with the prior year in the fruit segment, the other segments contributed to the significant increase in results.

Sugar segment returned to profitability thanks to a significant improvement in results

Sugar segment's revenues rose significantly to EUR 2,366 (previous year: 1,969) million during the reporting period. Global increases in agricultural commodity prices also impact the EU sugar price level since the start of the new 2022/23 sugar marketing year (1 October 2022 to 30 September 2023). With a slight decline in volumes, overall sales revenues were significantly higher than the previous year.

Operating result improved substantially to EUR 132 (previous year: –10) million. However, the significant increase in revenues was also offset by a clear rise in raw material, energy and packaging costs. These costs will again increase significantly for the sugar segment from the 2022 campaign. The performance in the third quarter of 2022/23 was favored in part by the sale of sugar inventories from the 2021 campaign at the beginning of the new sugar marketing year.

Beet cultivation and 2022 processing campaign

Südzucker Group's overall below-average beet yields reflect the extreme summer drought and heat in many of the growing regions. Although extensive, abundant precipitation starting at the end of September 2022 caused beet yields to increase slightly, sugar contents dropped at the same time. In total, sugar yields are expected to be significantly below the previous year's level and the five-year average. The campaign will end in most sugar factories between the end of December 2022 and mid-January 2023. With an average of 103 processing days, the campaign length will be significantly shorter than last year (124 days). Overall, Südzucker Group expects to produce 3.4 (previous year: 4.2) million tonnes of sugar from 23.3 (previous year: 27.6) million tonnes of sugar beets.

Special products segment still affected by significantly higher costs

The special products segment's revenues rose significantly to EUR 1,633 (previous year: 1,314) million. Higher prices in particular, but also the overall positive volume growth, contributed to this increase.

Operating result, however, dropped sharply to EUR 71 (previous year: 94) million; in the third quarter of 2022/23, price increases resulted in a slight improvement on the prior-year quarter. This decline in the reporting period 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 shows significant increase in results

The CropEnergies segment's revenues climbed significantly to EUR 1,105 (previous year: 731) million. Higher volumes and, in particular, higher sales revenues contributed to this increase.

The higher revenues drove the operating result up significantly in the reporting period to EUR 235 (previous year: 94) million. Significantly higher sales revenues more than offset the substantial rise in raw material and energy costs. However, due to declining ethanol sales revenues and rising raw material costs in the course of the third quarter, results in the third quarter could not be increased compared to the same period of the previous year.

Starch segment with significant overall growth in results

The starch segment's revenues rose significantly to EUR 907 (previous year: 686) million as a result of the substantially higher sales revenues. The still gratifying level of the ethanol quotation in the first half of the year contributed to the revenue growth.

The higher volume and sales revenues drove operating result up significantly to EUR 60 (previous year: 44) million in the reporting period. Despite operating result in the third quarter being impacted by the recent decline in ethanol quotations and falling short of the results of the first two quarters, significantly higher raw material and energy costs overall were more than offset by substantial sales revenue growth in the reporting period.

Fruit segment's results at prior year's level

The fruit segment's revenues improved significantly to EUR 1,095 (previous year: 939) million. The increase was achieved primarily through significantly higher prices, both for fruit preparations and fruit juice concentrates. Sales volumes of fruit juice concentrates were also up. This compensated for the decline in volumes of fruit preparations, caused in part by the war in Ukraine.

Operating result was on a par with the previous year at EUR 38 (previous year: 39) million. The earnings contribution from fruit preparations continued to fall as a result of the decline in volumes and higher costs. By contrast, the earnings contribution from fruit juice concentrates improved significantly due to a moderate increase in sales volumes with significantly higher sales revenues more than offsetting the higher costs.

Outlook for fiscal 2022/23 further confirmed

The Ukraine war, which has continued from the start of fiscal year 2022/23 to the present day, has further intensified the already high volatility in the target markets and price increases in the procurement markets, particularly in the raw materials and energy sectors. The resulting

economic and financial ramifications, the security of supply and the duration of this temporary exceptional situation are difficult to predict in fiscal 2022/23 and beyond. Risks may also continue to exist with regard to the Corona pandemic.

As already published on 2 November 2022, Südzucker expects consolidated group revenues of EUR 9.7 to 10.1 (previous forecast: 9.4 to 9.8; 2021/22: 7.6) billion for fiscal 2022/23. Südzucker anticipates a substantial increase in revenues in all segments. A range of between EUR 1.4 and 1.5 billion (2021/22: 1.0) is forecast in the CropEnergies segment.

EBITDA is still seen in a range between EUR 890 and 990 (previous forecast: 810 to 910; 2021/22: 692) million.

Consolidated operating result continues to be predicted at between EUR 530 and 630 (previous forecast: 450 to 550; 2021/22: 332) million. Südzucker expects the sugar segment's operating result to be in a range between EUR 150 and 200 (previous forecast: 0 to 100; 2021/22: -21) million. In the special products segment, the company now anticipates a significant decline in operating result (previous forecast: moderate decline; 2021/22 EUR 117 million). Operating result in the CropEnergies segment is now forecast in the range of EUR 225 to 255 (previous forecast: 215 to 265; 2021/22: 127) million. Südzucker continues to expect the starch segment's operating result at the previous year's level (2021/22: EUR 57 million). In the fruit segment, Südzucker continues to expect operating result well below last year's level (2021/22: EUR 52 million).

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

Group figures as of 30 November 2022

€ million	3rd quarter			1st - 3rd quarter		
	2022/23	2021/22	+/- in %	2022/23	2021/22	+/- in %
Revenues € million	2.482	2.043	21,5	7.106	5.639	26,0
EBITDA € million	339	241	40,9	805	519	55,0
Depreciation on fixed assets and intangible assets € million	-119	-114	4,7	-269	-258	4,1
Operating result € million	220	127	73,5	536	261	> 100
Result from restructuring/special items € million	-1	-1	-	-45	-2	> 100
Result from companies consolidated at equity € million	5	-36	-	29	-42	-
Result from operations € million	224	90	> 100	520	217	> 100
EBITDA margin %	13,7	11,8	0,0%	11,3	9,2	0,0%
Operating margin %	8,8	6,2	0,0%	7,5	4,6	0,0%
Investments in fixed assets ¹ € million	106	75	42,5	263	199	32,2
Investments in financial assets/acquisitions € million	2	0	-	57	4	> 100
Total investments € million	108	75	44,8	320	203	58,1
Shares in companies consolidated at equity € million				91	96	-5,3
Capital employed € million				6.724	6.113	10,0
Employees				19.369	19.134	1,2

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 (BENEOL), 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.