Q3

Quarterly Statement First to third quarter 2023/24

1 March to 30 November 2023

Consolidated group revenues

€ **7,779**
[7,106] million

EBITDA

€ **1,124**
[805] million

Consolidated group operating result

€ **860**
[536] million

Full year fiscal 2023/24 forecast of 15 November 2023 confirmed

Consolidated group revenues

between € **10.0** and **10.5**
[2022/23: 9.5] billion

EBITDA

between € **1.3** and **1.4**
[2022/23: 1.1] billion

Consolidated group operating result

between € **900** and **1,000**
[2022/23: 704] million

SÜDZUCKER

CONTENTS

Overview
First to third quarter 2023/24
Full-year fiscal 2023/24 forecast
Group figures as of 30 November 2023 1

Economic report 2
Group results of operations 2
Group financial position 3
Group assets 5
Employees 6
Sugar segment 7
Special products segment 10
CropEnergies segment 11
Starch segment 13
Fruit segment 14

Outlook 15

Corporate governance 16

Events after the end of the reporting period 16

FINANCIAL CALENDAR

Preliminary figures
Fiscal 2023/24
26 April 2024

Press and analysts' conference
Fiscal 2023/24
16 May 2024

Q1 – Quarterly statement
1st quarter 2024/25
11 July 2024

Annual general meeting
Fiscal 2023/24
18 July 2024

Q2 – Half-year financial report
1st half year 2024/25
10 October 2024

Q3 – Quarterly statement
1st to 3rd quarter 2024/25
14 January 2025

OVERVIEW

First to third quarter 2023/24

Revenues by segment

	1st – 3rd quarter		
€ million	2023/24	2022/23	+/– in %
Sugar	3,106	2,366	31.3
Special products	1,818	1,633	11.3
CropEnergies	848	1,105	–23.3
Starch	828	907	–8.7
Fruit	1,179	1,095	7.7
Group total	**7,779**	**7,106**	**9.5**

TABLE 01

Operating result by segment

	1st – 3rd quarter		
€ million	2023/24	2022/23	+/– in %
Sugar	525	132	> 100
Special products	150	71	> 100
CropEnergies	61	235	–74.0
Starch	58	60	–3.3
Fruit	66	38	73.7
Group total	**860**	**536**	**60.4**

TABLE 02

Full-year fiscal 2023/24 forecast

The full-year fiscal 2023/24 forecast was last confirmed on 15 November 2023:

- Consolidated group revenues of € 10.0 to 10.5 (2022/23: 9.5) billion
- EBITDA between € 1.3 and 1.4 (2022/23: 1.1) billion
- Consolidated group operating result between € 900 and 1,000 (2022/23: 704) million
- Capital employed moderately above previous year's level; significant increase in ROCE (2022/23: 9.9 %)

Group figures as of 30 November 2023

		1st – 3rd quarter		
		2023/24	2022/23	+/– in %
Revenues and earnings				
Revenues	€ million	7,779	7,106	9.5
EBITDA	€ million	1,124	805	39.6
EBITDA margin	%	14.4	11.3	
Operating result	€ million	860	536	60.4
Operating margin	%	11.1	7.5	
Net earnings	€ million	596	375	58.9
Cash flow and investments				
Cash flow	€ million	917	659	39.2
Investments in fixed assets [1]	€ million	328	263	24.7
Investments in financial assets / acquisitions	€ million	1	57	–98.2
Total investments	€ million	329	320	2.8
Performance				
Fixed assets [1]	€ million	3,394	3,279	3.5
Goodwill	€ million	691	700	–1.3
Working capital	€ million	3,142	2,700	16.4
Capital employed	€ million	7,273	6,724	8.2
Capital structure				
Total assets	€ million	9,984	9,733	2.6
Shareholders' equity	€ million	4,542	4,265	6.5
Net financial debt	€ million	1,620	1,653	–2.0
Equity ratio	%	45.5	43.8	
Shares				
Markt capitalization on 30 November	€ million	2,870	2,872	–0.1
Closing price 30 November	€	14.06	14.07	–0.1
Earnings per share 30 November	€	2.49	1.30	91.5
Cash flow per share 30 November	€	4.49	3.23	39.0
Average trading volume / day	thousands of shares	385	541	–28.8
Performance Südzucker share 1 March to 30 November	%	–12.5	15.2	
Performance SDAX® 1 March to 30 November	%	–2.2	–14.5	
Employees		**19,655**	**19,369**	**1.5**

[1] Including intangible assets.

TABLE 03

ECONOMIC REPORT

Group results of operations

Revenues, EBITDA and operating result

Group revenues rose by around 10 % to € 7,779 (7,106) million. In the sugar, special products and fruit segments, revenues increased, but declined in the CropEnergies and starch segments.

Group EBITDA climbed significantly to € 1,124 (805) million.

Group operating result also improved significantly to € 860 (536) million. A significant decline in the CropEnergies segment and a slight decline in the starch segment were offset by a significant increase in all other segments.

Result from operations

The result from operations of € 843 (520) million comprises the operating result of € 860 (536) million, the result from restructuring and special items of € −18 (−45) million and the earnings contribution from companies consolidated at equity of € 1 (29) million.

Result of restructuring and special items

The result from restructuring and special items amounted to € −18 (−45) million primarily due to an impairment of fixed assets at the fruit segment's Asian production facilities. Last year, the fruit segment included impairment losses on goodwill and fixed assets; these expenses were offset by income from the reversal of provisions for litigation risks and restructuring measures in the sugar segment.

Result from companies consolidated at equity

The result from companies consolidated at equity was generated almost exclusively by the sugar and starch segments and totaled € 1 (29) million.

Financial result

The financial result for the first nine months of € −95 (−38) million includes net interest result of € −63 (−24) million and other financial result of € −32 (−14) million. The higher interest expense is the result of a year-on-year increase in average debt of around € 390 million to around € 2.0 (1.6) billion. At the same time, average interest rates rose to around 2.9 (1.0) %. The downturn in the other financial result was mainly due to exchange rate losses from foreign currency loans of non-euro companies and the complete disposal of a minority interest in the special products segment in the second quarter of 2023/24.

Business performance – Group

		3rd quarter			1st – 3rd quarter		
		2023/24	2022/23	+/– in %	2023/24	2022/23	+/– in %
Revenues	€ million	**2,701**	**2,482**	**8.8**	**7,779**	**7,106**	**9.5**
EBITDA	€ million	**385**	**340**	**13.2**	**1,124**	**805**	**39.6**
EBITDA margin	%	14.3	13.7		14.4	11.3	
Depreciation	€ million	−117	−120	−2.5	−264	−269	−1.9
Operating result	€ million	**268**	**220**	**21.8**	**860**	**536**	**60.4**
Operating margin	%	9.9	8.9		11.1	7.5	
Result from restructuring / special items	€ million	−17	−1	> 100	−18	−45	−60.0
Result from companies consolidated at equity	€ million	3	5	−40.0	1	29	−96.6
Result from operations	€ million	**254**	**224**	**13.4**	**843**	**520**	**62.1**
Investments in fixed assets and intangible assets	€ million	129	106	21.7	328	263	24.7
Investments in financial assets / acquisitions	€ million	0	1	−100.0	1	57	−98.2
Total investments	€ million	**129**	**107**	**20.6**	**329**	**320**	**2.8**
Shares in companies consolidated at equity	€ million				83	91	−8.8
Capital employed	€ million				7,273	6,724	8.2
Employees					**19,655**	**19,369**	**1.5**

TABLE 04

Income statement

€ million	3rd quarter 2023/24	2022/23	+/– in %	1st – 3rd quarter 2023/24	2022/23	+/– in %
Revenues	**2,701**	**2,482**	**8.8**	**7,779**	**7,106**	**9.5**
Operating result	268	220	21.8	860	536	60.4
Result from restructuring / special items	–17	–1	> 100	–18	–45	–60.0
Result from companies consolidated at equity	3	5	–40.0	1	29	–96.6
Result from operations	**254**	**224**	**13.4**	**843**	**520**	**62.1**
Financial result	–30	–16	87.5	–95	–38	> 100
Earnings before income taxes	**224**	**208**	**7.7**	**748**	**482**	**55.2**
Taxes on income	–37	–38	–2.6	–152	–107	42.1
Net earnings	**187**	**170**	**10.0**	**596**	**375**	**58.9**
of which attributable to Südzucker AG shareholders	163	139	17.3	508	265	91.7
of which attributable to hybrid equity	8	5	60.0	23	11	> 100
of which attributable to other non-controlling interests	16	26	–38.5	65	99	–34.3
Earnings per share (€)	**0.80**	**0.68**	**17.3**	**2.49**	**1.30**	**91.7**

TABLE 05

Taxes on income
Earnings before taxes were reported at € 748 (482) million and taxes on income amounted to € –152 (–107) million.

Consolidated net earnings
Of the consolidated net earnings of € 596 (375) million, € 508 (265) million were allocated to Südzucker AG shareholders, € 23 (11) million to hybrid equity and € 65 (99) million to other non-controlling interests, mainly the co-owners of the AGRANA and the CropEnergies Group.

Earnings per share
Earnings per share totaled € 2.49 (1.30). The calculation is based on the time-weighted average of 204.1 (204.1) million shares outstanding.

Group financial position

Cash flow
Cash flow was in line with the improved development of operating result and reached € 917 million compared to € 659 million in the previous year. Cash flow as a percentage of sales revenues rose to 11.8 (9.3) %.

Working capital
Cash outflow from the increase in working capital during the first to third quarter of 2023/24 of € 133 million – following a cash outflow of € 368 million in the same period of the previous year – was primarily due to the revenues-related growth in trade receivables and the increase in sugar inventories as a result of higher raw material and energy costs, which could only be partially offset by the increase in liabilities to beet growers.

Investments in fixed assets
Investments in fixed assets (including intangible assets) amounted to € 328 (263) million. All segments are seeing an increase in the proportion of capital expenditures to meet regulatory requirements and rising market demands. Increases in prices and delays in projects, partly due to long delivery times, were also observed in all segments. This is an ongoing trend.

In the sugar segment, investments totaling € 155 (95) million were mainly for replacement investments and to comply with legal or regulatory requirements. The segment also implemented process optimizations and initiated improvements in the logistics sector. In the special products segment, € 89 (106) million was spent mainly on expanding and optimizing production capacities at BENEO and Freiberger, or on making the relevant preparations. Investments of € 38 (30) million in the CropEnergies segment related to the expansion and improvement of existing production facilities and the construction of the new sustainable ethyl acetate factory in the

Cash flow

€ million	3rd quarter 2023/24	2022/23	+/– in %	1st – 3rd quarter 2023/24	2022/23	+/– in %
Cash flow	**325**	**297**	**9.4**	**917**	**659**	**39.2**
Increase (–)/Decrease (+) in working capital	**92**	**–275**	**–**	**–133**	**–368**	**–63.9**
Gain (–)/Loss (+) on disposal of items included in non-current assets and of securities	–1	0	–	0	–1	–100.0
I. Cash flow from operating activities	**416**	**22**	**> 100**	**784**	**290**	**> 100**
Investments in fixed assets and intangible assets (–)	–129	–106	21.7	–328	–263	24.7
Investments in financial assets/acquisitions (–)	0	–1	–100.0	–1	–57	–98.2
Total investments	**–129**	**–107**	**20.6**	**–329**	**–320**	**2.8**
Other cash flows from investing activitites	176	–29	–	34	–27	–
II. Cash flow from investing activities	**47**	**–136**	**–**	**–295**	**–347**	**–15.0**
Repayment (–)/refund (+) of financial liabilities	–424	242	–	–224	355	–
Increases in stakes held in subsidiaries/capital buyback (–)	0	0	–	–2	–1	100.0
Decrease in stakes held in subsidiaries/capital increase (+)	0	0	–	0	0	–
Dividends paid (–)	–13	–6	> 100	–222	–137	62.0
III. Cash flow from financing activities	**–437**	**236**	**–**	**–448**	**217**	**–**
Change in cash and cash equivalents (total of I., II. and III.)	**26**	**122**	**–78.7**	**41**	**160**	**–74.4**
Other change in cash and cash equivalents	1	1	–	–1	7	–
Decrease (–)/Increase (+) in cash and cash equivalents	**27**	**123**	**–78.0**	**40**	**167**	**–76.0**
Cash and cash equivalents at the beginning of the period	260	360	–27.8	247	316	–21.8
Cash and cash equivalents at the end of the period	**287**	**483**	**–40.6**	**287**	**483**	**–40.6**

TABLE 06

Zeitz Chemical and Industrial Park. The starch segment's investments of € 22 (13) million primarily served optimization work and compliance with regulatory requirements. The fruit segment's investments of € 24 (19) million were mostly for capacity expansions, process optimization and market requirements.

Investments in financial assets

Investments in financial assets of € 1 (57) million related to the CropEnergies segment's increase in its shares in Syclus B.V., Maastricht, Netherlands, and in East Energy GmbH, Rostock, Germany. In the corresponding prior-year period, the financial investments mainly attributable to the complete acquisition of Meatless Holding B.V., Goes, Netherlands, by the BENEO division.

Other cash flows from investing activities

Other cash flows from investing activities in the reporting period were mainly attributable to proceeds of € 34 million from short-term financial assets, which were offset by payments of € 27 million for investments in short-term financial assets in the corresponding previous period.

Dividend distributions

Shareholders approved a dividend of 0.70 (0.40) €/share or € 143 (82) million at the annual general meeting of Südzucker AG on 13 July 2023. Including the dividends paid to the equity shareholders and the non-controlling AGRANA Beteiligungs-AG and CropEnergies AG shareholders, dividend distributions totaled € 222 (137) million.

Development of net financial debt

The cash inflow from operating activities of € 784 million includes the cash flow of € 917 million and an increase in working capital with a cash outflow of € 133 million. The financing of investments in fixed and financial assets totaling € 329 million and profit distributions of € 222 million was fully covered by the cash inflow from operating activities in the first nine months of 2023/24. Net financial debt developed positively with a reduction of € −244 million from € 1,864 million on 28 February 2023 to € 1,620 million on 30 November 2023.

Group assets

Balance sheet

€ million	30 November 2023	30 November 2022	+/− in %
Assets			
Intangible assets	917	953	−3.8
Fixed assets	3,169	3,026	4.7
Remaining assets	208	215	−3.3
Non-current assets	**4,294**	**4,194**	**2.4**
Inventories	3,315	2,999	10.5
Trade receivables	1,546	1,364	13.3
Remaining assets	829	1,176	−29.5
Current assets	**5,690**	**5,539**	**2.7**
Total assets	**9,984**	**9,733**	**2.6**
Liabilities and shareholders' equity			
Equity attributable to shareholders of Südzucker AG	2,904	2,621	10.8
Hybrid equity	654	654	0.0
Other non-controlling interests	984	990	−0.6
Total equity	**4,542**	**4,265**	**6.5**
Provisions for pensions and similar obligations	718	644	11.5
Financial liabilities	1,564	1,381	13.3
Remaining liabilities	377	370	1.9
Non-current liabilities	**2,659**	**2,395**	**11.0**
Financial liabilities	496	883	−43.8
Trade payables	1,664	1,663	0.1
Remaining liabilities	623	527	18.2
Current liabilities	**2,783**	**3,073**	**−9.4**
Total liabilities and equity	**9,984**	**9,733**	**2.6**
Net financial debt	1,620	1,653	−2.0
Equity ratio in %	45.5	43.8	
Net financial debt as % of equity (gearing)	35.7	38.8	

TABLE 07

Non-current assets

Non-current assets rose by € 100 million to € 4,294 (4,194) million. The reduction in intangible assets to € 917 (953) million was largely attributable to exchange rate effects. The growth in the carrying amount of fixed assets to € 3,169 (3,026) million was mainly due to expansion investments and the reversal of the impairment loss recognized in the 2018/19 financial year on the wheat starch plant in Zeitz by the end of the 2022/23 financial year. The decrease in other assets to € 208 (215) million was mainly due to the decline in the carrying amount of companies consolidated at equity, especially as a result of declining earnings of the Hungrana Group.

Current assets

Current assets were up € 151 million to € 5,690 (5,539) million. Inventories rose by € 316 million to € 3,315 (2,999) million, which – in addition to higher sugar inventories – resulted in particular from significantly higher sugar manufacturing costs for the 2023 campaign and overall higher production costs in all divisions as a result of higher raw material and energy costs. Trade receivables climbed by € 182 million to € 1,546 (1,364) million, largely reflecting the higher revenues. Other assets fell by € 347 million to € 829 (1,176) million, which was mainly due to lower positive fair values of derivatives.

Equity

The increase in equity to € 4,542 (4,265) million was mainly due to the positive development of results. Equity attributable to Südzucker AG shareholders increased to € 2,904 (2,621) million. Other non-controlling interests decreased to € 984 (990) million. With total assets up € 251 million to € 9,984 (9,733) million, the equity ratio amounted to 45.5 (43.8) %.

Non-current liabilities

Non-current liabilities increased by € 264 million to € 2,659 (2,395) million. Provisions for pensions and similar obligations rose to € 718 (644) million; valuation was carried out at an increased market interest rate of 4.00 (3.60) % compared to the previous year's reporting date on 30 November 2022 – in addition to parameters for pension and salary trends that have changed in the meantime. Non-current financial liabilities increased by a total of € 183 million to € 1,564 (1,381) million, in particular as a result of the borrower's note loans taken out at the end of the 2022/23 fiscal year. Remaining liabilities, which primarily include other provisions and deferred tax liabilities, remained at the previous year's level at € 377 (370) million.

Current liabilities

Current liabilities declined by € 290 million to € 2,783 (3,073) million. The decrease in current financial liabilities by € 387 million to € 496 (883) million resulted to a large extent from the repayment of the € 300 million bond 2016/2023 at the end of November 2023 and the repayment of bank loans; in return, promissory note loans had to be reclassified as current financial liabilities. At € 1,664 (1,663) million, trade payables remained at the previous year's level. Other debt, comprising other provisions, tax liabilities, other liabilities and negative market values of derivatives, rose by € 96 million to € 623 (527) million.

Net financial debt

Despite an increase in working capital, net financial debt fell slightly to € 1,620 (1,653) million as of 30 November 2023 and corresponded to 35.7 (38.8) % of equity.

Employees

The number of employees in the group (full-time equivalent) was up slightly at the end of the third quarter of fiscal 2023/24 to 19,655 (19,369).

Employees by segment at balance sheet date

30 November	2023	2022	+/– in %
Sugar	7,413	7,212	2.8
Special products	5,273	5,223	1.0
CropEnergies	498	468	6.4
Starch	1,171	1,156	1.3
Fruit	5,300	5,310	–0.2
Group total	**19,655**	**19,369**	**1.5**

TABLE 08

SUGAR SEGMENT

Markets

World sugar market

In its latest estimate of the world sugar balance in December 2023, market research company S&P Global Commodity Insights is now forecasting a surplus of 1.2 million tonnes for the past 2022/23 sugar marketing year (1 October to 30 September) after three deficit years in a row. A significant rise in sugar production in Brazil and Thailand is offset by lower production in Mexico, China, the EU, India and Pakistan as well as almost stable consumption.

For the current sugar marketing year 2023/24, S&P Global Commodity Insights is now forecasting a surplus of 4.4 million tonnes of sugar with a further increase in production, particularly in Brazil, Pakistan, China and Europe, a decline in production in Thailand and India and higher consumption. The ratio of inventories to consumption is likely to remain at a low level of just under 38 %.

World market sugar prices

1 December 2020 to 30 November 2023, London, nearest forward trading month, white sugar value

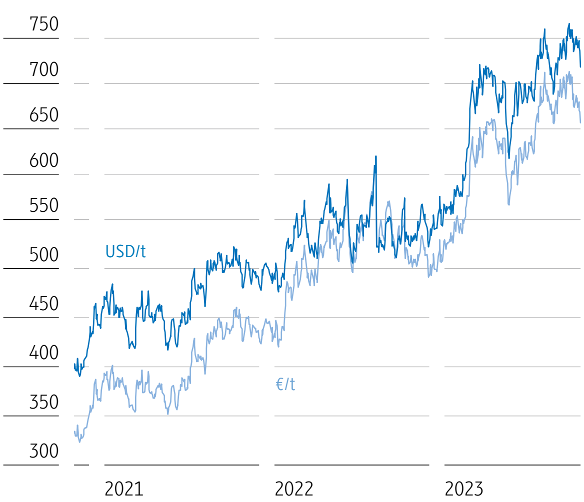

DIAGRAM 01

The world market prices for white sugar rose to 530 €/t by the end of fiscal 2022/23. This trend continued in the current financial year with high volatility. In November 2023, the world market price temporarily exceeded 700 €/t; at the end of November, it reached 656 €/t and then fell to below 600 €/t.

EU sugar market

In the past 2022/23 sugar marketing year, sugar production (EU-27; including isoglucose) fell significantly to 15.0 (17.2) million tonnes as a result of a further slight reduction in cultivation area and below-average yields due to the drought in summer 2022; the EU therefore remained a net importer of sugar.

For the current 2023/24 sugar marketing year, the EU Commission expects a slight growth in cultivation area. Late seeding and good vegetation conditions to date lead to expectations of an average harvest with high beet yields but low sugar content. Production is likely to rise to 16.1 (15.1) million tonnes. The EU would thus remain a net importer of sugar.

The price for sugar (food and non-food, ex-factory) published by the EU Commission initially rose to 586 €/t at the beginning of the past 2022/23 sugar marketing year in October 2022 due to the poor harvest and the sharp rise in raw material and energy costs, reaching a level of 841 €/t by the last available publication in October 2023. There are significant regional price differences between the deficit and surplus regions within the EU.

Energy market

At the beginning of September 2023, prices of around 86 USD / barrel were negotiated for Brent crude oil and 33 €/MWh for gas, at the end of November 2023 the prices were around 81 USD / barrel and 43 €/MWh respectively. The lower oil quotations are primarily due to weaker economic prospects. Gas prices rose significantly thanks to the threat of supply shortfalls.

The price of European CO_2 emission allowances on the spot market was around 84 €/t at the beginning of September 2023. At the end of November 2023, the price was quoted at around 71 €/t, as a result of the increase in energy supply from renewable energies.

Legal and political environment

Temporary suspension of customs duties on sugar imports from Ukraine to the EU

In June 2022, as a result of the Ukraine crisis, the EU Parliament and the 27 EU member states approved the temporary suspension of customs duties and import quotas for sugar for a limited period until June 2023. This special provision caused duty-free sugar imports from Ukraine to rise to around 390,000 tonnes by the end of July 2023. In the original agreement, which was concluded in 2014, Ukraine only had duty-free access to the EU market for just 20,070 tonnes.

The Ukrainian government, in turn, had temporarily banned sugar exports to the EU from the beginning of June 2023 until 15 September 2023 because it considered the supply of sugar to the domestic population to be at risk.

The EU has now extended its regulation for duty-free sugar imports from Ukraine until the beginning of June 2024. For the 2023/24 season, Ukrainian beet growers had significantly increased their cultivation area, leading to the expectation of a resumption and expansion of exports from Ukraine to the EU from mid-September 2023; around 160,000 tonnes of sugar have already been imported from Ukraine to the EU in the first two months of the new 2023/24 sugar marketing year.

Aside from aforementioned, there have been no material changes during the reporting period to the legal and political general conditions than those outlined on pages 71 and 72 of the 2022/23 annual report (consolidated management report, economic report, sugar segment).

Business performance

Revenues and operating result

The sugar segment's revenues rose considerably to € 3,106 (2,366) million. This increase was achieved despite declining sales volumes – in particular due to the poor 2022 harvest – thanks to significantly higher prices. The price level in the 2023/24 sugar marketing year, which has been running since October, is on a par with the 2022/23 sugar marketing year.

The operating result improved significantly to € 525 (132) million. The sharp rise in costs for raw materials and energy in particular was offset by higher prices since the end of the last

Business performance – Sugar segment

		3rd quarter			1st – 3rd quarter		
		2023/24	2022/23	+/– in %	2023/24	2022/23	+/– in %
Revenues	€ million	**1,155**	**923**	**25.1**	**3,106**	**2,366**	**31.3**
EBITDA	€ million	**206**	**181**	**13.8**	**629**	**241**	**> 100**
EBITDA margin	%	17.8	19.6		20.3	10.2	
Depreciation	€ million	–61	–65	–6.2	–104	–109	–4.6
Operating result	€ million	**145**	**116**	**25.0**	**525**	**132**	**> 100**
Operating margin	%	12.6	12.6		16.9	5.6	
Result from restructuring / special items	€ million	0	–3	–100.0	1	2	–50.0
Result from companies consolidated at equity	€ million	0	4	–100.0	1	21	–95.2
Result from operations	€ million	**145**	**117**	**23.9**	**527**	**155**	**> 100**
Investments in fixed assets and intangible assets	€ million	59	39	51.3	155	95	63.2
Investments in financial assets / acquisitions	€ million	0	–1	–100.0	0	–1	–100.0
Total investments	€ million	**59**	**38**	**55.3**	**155**	**94**	**64.9**
Shares in companies consolidated at equity	€ million				28	30	–6.7
Capital employed	€ million				3,328	2,793	19.2
Employees					**7,413**	**7,212**	**2.8**

TABLE 09

fiscal year. The further substantial increase in production costs with the new 2023 campaign has so far only had a minor impact in the third quarter.

Result from companies consolidated at equity

The result from companies consolidated at equity totaled € 1 (21) million in the first nine months of the 2023/24 fiscal year. The same period of the previous year included currency gains of around € 10 million in connection with the discontinuation of the at-equity consolidation of ED&F Man Holdings Limited, London, UK, which has been carried as other investments since 1 March 2022.

Beet cultivation and 2023 campaign

From late October 2023, persistent rainfall in all areas made it difficult to clear, load and transport sugar beet; in November, frost and snow added to the problems. A high incidence of the sugar beet disease SBR (Syndrome Basses Richesses) together with infestation by Stolbur phytoplasma led to yield losses in the German catchment areas, particularly in Baden-Württemberg, Rhineland-Palatinate, southern Hesse and Franconia, but also in parts of Bavaria. Overall above-average beet yields mean that processing will continue in many plants until the end of January or February 2024. Together with below-average sugar content, the Südzucker Group expects an average sugar yield overall.

Investments in fixed assets

Investments in the sugar segment amounted to € 155 (95) million. In addition to replacement investments, the focus was on measures to meet customer requirements, process optimization, infrastructure improvements, measures to make energy supply and sugar production more flexible and secure, as well as investments in environmental protection and compliance with regulatory requirements. This also includes energy reduction measures and the lowering of greenhouse gas emissions at all locations. Implemented and ongoing projects include new extraction towers, the expansion of a chip press station, new bulk loading systems, optimized wastewater treatment plants, the installation of lowNO_x burners, the installation of heat pumps and optimized energy processes.

SPECIAL PRODUCTS SEGMENT

Business performance

Revenues and operating result

At € 1,818 (1,633) million, the special products segment's revenues clearly exceeded the previous year's figure. This improvement was mainly driven by significantly higher prices.

The operating result more than doubled to € 150 (71) million after two weak reporting years. Higher margins were the main reason for this overall positive development. In the first nine months, the company was more successful than in the previous year in offsetting the impact of higher raw material, packaging, energy and personnel costs with higher prices on the market.

Investments in fixed assets

The special products segment's investments of € 89 (106) million in the BENEO division related to replacement investments as well as measures to expand capacity at almost all locations. The second refining line was thus completed in Pemuco, Chile. The company also invested in energy-saving measures, the complete switch to renewable energy sources and further capacity increases. In Wijgmaal, Belgium, the use of heat pumps to reduce energy consumption is being driven forward. At the Offstein location, preparations are underway for the construction of a new plant for the production of protein concentrate, which is scheduled to start operations at the end of 2024. In the Freiberger division, various projects were launched for the purpose of process automation. In the PortionPack division, the construction of a new factory at the Telford site in the UK to bundle production capacity there was completed.

Business performance – Special products segment

		3rd quarter			1st – 3rd quarter		
		2023/24	2022/23	+/– in %	2023/24	2022/23	+/– in %
Revenues	€ million	**609**	**580**	**5.0**	**1,818**	**1,633**	**11.3**
EBITDA	€ million	**76**	**51**	**49.0**	**212**	**130**	**63.1**
EBITDA margin	%	12.5	8.8		11.7	8.0	
Depreciation	€ million	–21	–20	5.0	–62	–59	5.1
Operating result	€ million	**55**	**31**	**77.4**	**150**	**71**	**> 100**
Operating margin	%	9.0	5.3		8.3	4.3	
Result from restructuring / special items	€ million	–1	0	–	–3	0	–
Result from companies consolidated at equity	€ million	0	0	–	0	0	–
Result from operations	€ million	**54**	**31**	**74.2**	**147**	**71**	**> 100**
Investments in fixed assets and intangible assets	€ million	38	35	8.6	89	106	–16.0
Investments in financial assets / acquisitions	€ million	0	0	–	0	55	–100.0
Total investments	€ million	**38**	**35**	**8.6**	**89**	**161**	**–44.7**
Shares in companies consolidated at equity	€ million				0	0	–
Capital employed	€ million				2,006	1,944	3.2
Employees					**5,273**	**5,223**	**1.0**

TABLE 10

CROPENERGIES SEGMENT [1]

Markets

Ethanol

Ethanol prices in Europe declined further in the third quarter of 2023/24, from around 760 €/m³ at the beginning of September to around 625 €/m³ at the end of November 2023 which is partly due to the international price trend and high import volumes. After a temporary rise in the third quarter, ethanol prices averaged 761 (882) €/m³.

Production in the EU-27 and the UK is set to increase to 8.2 (7.6) million m³ in 2024 following the decline in 2023. Domestic consumption is also likely to increase further to 11.0 (10.5) million m³. Net imports are estimated at 3.0 (2.9) million m³ and thus remain at a very high level.

Grain

According to the International Grains Council (IGC), world grain production (excluding rice) is expected to rise to 2,295 (2,265) million tonnes in 2023/24, matching the level of the record harvest in the 2021/22 grain marketing year. Grain consumption is also expected to increase to 2,308 (2,269) million tonnes. As a result, grain inventories are anticipated to fall slightly to 585 (597) million tonnes.

For the EU-27, the EU Commission expects a grain harvest of 266 (267) million tonnes in 2023/24. Consumption is forecast to rise slightly to 257 (255) million tonnes. Inventories are expected to reach 45 (51) million tonnes.

European wheat prices on Euronext in Paris saw little volatility over the course of the third quarter of 2023/24 and were around 220 €/t at the beginning and end of the quarter. The price trend in Europe was influenced by international grain prices and a high supply of imports from the Black Sea region, among other factors.

Legal and political environment

Renewable Energy Directive

The amendment of the Renewable Energy Directive (RED III) to further promote the use of renewable energies is a crucial element of the Fit for 55 initiatives. The publication of RED III in the Official Journal of the EU on 31 October 2023 marked the end of the legislative process after more than two years. The Renewable Energy Directive (RED III), which came into force on 20 November 2023 and must be transposed into national law by 21 May 2025, now stipulates that the energy share of renewable energies in the transport sector should increase to at least 29 % by 2030 (previously: 14 %). Alternatively, the member states can also establish a GHG reduction target of at least 14.5 %. The share of renewable fuels from arable crops in the member states is to remain unchanged at up to one percentage point above the level achieved in 2020, up to a maximum of 7 %. The agreement also sets a binding sub-target of 5.5 % in 2030 for renewable biofuels from waste and residues as well as synthetic fuels. Synthetic fuels are to account for at least one percentage point.

Aside from aforementioned, there have been no material changes during the reporting period to the legal and political general conditions than those outlined on page 83 of the 2022/23 annual report (consolidated management report, economic report, CropEnergies segment).

[1] Further information is available in the current CropEnergies AG quarterly statement.

Business performance

Revenues and operating result

Revenues in the CropEnergies segment saw a significant decline to € 848 (1,105) million as a result of considerably lower sales volumes due to scheduled maintenance shutdowns and significantly lower prices; ethanol prices reached record highs in the same period of the previous year. Most recently, ethanol prices were at their lowest level for two years.

Following the development of revenues, the operating result of € 61 (235) million in the reporting period was significantly below the result of the corresponding and exceptionally strong prior-year period. The decline in the result was driven primarily by the significant drop in prices for renewable ethanol. Substantially lower sales volumes likewise contributed to the decline in results. Although raw material and energy prices changed only slightly compared to the same period of the previous year, higher selling prices were achieved, at least in part, for the food and animal feed products sold.

Investments in fixed assets

Investments in fixed assets totaled € 38 (30) million. The investments at the Zeitz location included the construction of the new production facility for sustainable ethyl acetate. At Ensus in Wilton, UK, further measures were taken to increase plant availability and improve plant safety. A project to significantly reduce process energy was also launched. The project is due to be completed in mid-2024 and will make an important contribution to reducing the fossil carbon footprint at Ensus.

Business performance – CropEnergies segment

		3rd quarter			1st – 3rd quarter		
		2023/24	2022/23	+/– in %	2023/24	2022/23	+/– in %
Revenues	€ million	**283**	**307**	**–7.8**	**848**	**1,105**	**–23.3**
EBITDA	€ million	**38**	**66**	**–42.4**	**94**	**267**	**–64.8**
EBITDA margin	%	13.4	21.5		11.1	24.2	
Depreciation	€ million	–11	–11	–	–33	–32	3.1
Operating result	€ million	**27**	**55**	**–50.9**	**61**	**235**	**–74.0**
Operating margin	%	9.5	17.9		7.2	21.3	
Result from restructuring / special items	€ million	0	1	–100.0	0	1	–100.0
Result from companies consolidated at equity	€ million	0	0	–	0	0	–
Result from operations	€ million	**27**	**56**	**–51.8**	**61**	**236**	**–74.2**
Investments in fixed assets and intangible assets	€ million	15	17	–11.8	38	30	26.7
Investments in financial assets / acquisitions	€ million	0	2	–100.0	1	3	–66.7
Total investments	€ million	**15**	**19**	**–21.1**	**39**	**33**	**18.2**
Shares in companies consolidated at equity	€ million				6	5	20.0
Capital employed	€ million				512	499	2.6
Employees					**498**	**468**	**6.4**

TABLE 11

STARCH SEGMENT

Business performance

Revenues and operating result

The starch segment's revenues were down moderately to € 828 (907) million. This deterioration is due to the significant decline in volumes while prices remained stable overall. Ethanol prices were significantly lower, but prices for products in the starch segment were higher overall than in the previous year.

The operating result decreased slightly to € 58 (60) million. Overall, the decline in raw material costs could not fully offset the drop in volumes and higher other costs, particularly for human resources.

Result from companies consolidated at equity

The result from companies consolidated at equity of € 0 (8) million was mainly attributable to the declining share of earnings from Hungarian Hungrana Group's starch and ethanol activities. The negative impact of significantly lower volumes and substantial cost increases could not be offset by correspondingly higher sales prices.

Investments in fixed assets

The starch segment invested € 22 (13) million in fixed assets. In addition to energy supply security measures, investments related to waste water treatment, spray drying to improve quality requirements and infrastructure, process optimization with a focus on energy reduction and logistical improvements through a ship connection to a bran warehouse and improvements to the railroad tracks.

Business performance – Starch segment

		3rd quarter			1st – 3rd quarter		
		2023/24	2022/23	+/– in %	2023/24	2022/23	+/– in %
Revenues	€ million	**266**	**304**	**–12.5**	**828**	**907**	**–8.7**
EBITDA	€ million	**31**	**21**	**47.6**	**92**	**96**	**–4.2**
EBITDA margin	%	11.7	6.9		11.1	10.6	
Depreciation	€ million	–12	–11	9.1	–34	–36	–5.6
Operating result	€ million	**19**	**10**	**90.0**	**58**	**60**	**–3.3**
Operating margin	%	7.1	3.3		7.0	6.6	
Result from restructuring / special items	€ million	0	0	–	0	0	–
Result from companies consolidated at equity	€ million	3	1	> 100	0	8	–100.0
Result from operations	€ million	**22**	**11**	**100.0**	**58**	**68**	**–14.7**
Investments in fixed assets and intangible assets	€ million	8	6	33.3	22	13	69.2
Investments in financial assets / acquisitions	€ million	0	0	–	0	0	–
Total investments	€ million	**8**	**6**	**33.3**	**22**	**13**	**69.2**
Shares in companies consolidated at equity	€ million				49	56	–12.5
Capital employed	€ million				539	548	–1.6
Employees					**1,171**	**1,156**	**1.3**

TABLE 12

FRUIT SEGMENT

Business performance

Revenues and operating result

At € 1,179 (1,095) million, revenues in the fruit segment were moderately higher than in the previous year. The increase in revenues was driven by fruit preparations and was due to both price and volume factors. Fruit juice concentrates recorded revenues at the previous year's level. The price increase was offset by the decline in volumes.

By contrast, the operating result improved significantly to € 66 (38) million. The earnings contribution from fruit preparations rose on the back of significantly higher margins and a slight increase in volumes. In the fruit juice concentrates business, the earnings contribution also showed a significant increase. The main driver here was also the considerably improved margin, which more than compensated for the significant decline in volumes.

Result from restructuring and special items

The result from restructuring and special items in the fruit segment totaled € −16 (−48) million and was due in the current year to the impairment of fixed assets at the Asian production sites on account of the negative sales market trend. The previous year's figure for the fruit segment included impairment losses on goodwill and fixed assets. Offsetting special items related to the reversal of impairment losses on receivables and inventories recognized in the previous year in connection with the Ukraine crisis. All prior-year effects were already recognized in the second quarter of 2022/23.

Investments in fixed assets

The fruit segment's investments of € 24 (19) million were for replacements and, in particular, for capacity expansions in the fruit preparations business. In the fruit juice concentrates sector, investments focused on the construction of mechanical vapour recompressors, where the first unit was put into operation. Investments are also being made in a new apple cleaning station and measures to maintain operations and comply with legal regulations and customer requirements.

Business performance – Fruit segment

		3rd quarter			1st – 3rd quarter		
		2023/24	2022/23	+/– in %	2023/24	2022/23	+/– in %
Revenues	€ million	**388**	**368**	**5.4**	**1,179**	**1,095**	**7.7**
EBITDA	€ million	**34**	**21**	**61.9**	**97**	**71**	**36.6**
EBITDA margin	%	8.8	5.7		8.2	6.5	
Depreciation	€ million	−12	−13	−7.7	−31	−33	−6.1
Operating result	€ million	**22**	**8**	**> 100**	**66**	**38**	**73.7**
Operating margin	%	5.7	2.2		5.6	3.5	
Result from restructuring / special items	€ million	−16	1	–	−16	−48	−66.7
Result from companies consolidated at equity	€ million	0	0	–	0	0	–
Result from operations	€ million	**6**	**9**	**−33.3**	**50**	**−10**	**–**
Investments in fixed assets and intangible assets	€ million	9	9	–	24	19	26.3
Investments in financial assets / acquisitions	€ million	0	0	–	0	0	–
Total investments	€ million	**9**	**9**	**–**	**24**	**19**	**26.3**
Shares in companies consolidated at equity	€ million				0	0	–
Capital employed	€ million				888	940	−5.5
Employees					**5,300**	**5,310**	**−0.2**

TABLE 13

OUTLOOK

The ongoing war in Ukraine continues to fundamentally intensify the already high volatility on the target markets and lead to price increases on the procurement markets, particularly in the raw materials and energy sectors. In addition, further market distortions may arise in the EU as a result of the duty-free access granted to agricultural imports from Ukraine. The economic and financial impact as well as the duration of this temporary exceptional situation – with regard to the further course of fiscal 2023/24 and also fiscal 2024/25 – remain difficult to assess.

Group

We still expect consolidated group revenues in fiscal 2023/24 to be between € 10.0 and 10.5 (2022/23: 9.5) billion and therefore a further increase compared to the previous year.

We continue to anticipate group EBITDA between around € 1.3 and 1.4 (2022/23: 1.1) billion.

We also expect the consolidated operating result to remain unchanged in a range between € 900 and 1,000 (2022/23: 704) million.

Our projections indicate a moderate rise in capital employed. Based on the aforementioned improvement in the operating result, we project a significant increase in ROCE (2022/23: 9.9 %).

Sugar segment

Sugar supply and demand on the global market was adjusted from the previous expectation of a balanced sugar supply and demand for the past sugar marketing year 2022/23 to a surplus of 1.3 million tonnes. A significantly higher surplus of 4.4 million tonnes is now expected for the sugar marketing year 2023/24. With a moderate rise in cultivation area and average growing conditions, sugar production in the EU is expected to increase moderately compared to the very weak previous year. As a result, the EU will remain a net importer in the 2023/24 sugar marketing year.

The significantly higher average prices in the fiscal year will more than compensate for the lower sales volumes due to the weak 2022 harvest. We therefore continue to expect a sizeable further increase in revenues (2022/23: € 3.2 billion).

After four years of losses, the necessary earnings recovery in the sugar segment will continue. We expect the sugar segment's operating result between € 550 and 650 (2022/23: 230) million. In particular, the higher prices since October 2022, which will remain in place from October 2023, will have a very positive impact on the entire 2023/24 fiscal year. Nevertheless, we expect the operating result in the second half of the year to be lower than in the first half. Alongside the normal seasonal effects, this is primarily attributable to the raw material-related increase in production costs with an increasing share of sugar exports to third countries resulting from the larger harvest expected in 2023.

Special products segment

We expect revenues to grow significantly in the special products segment, driven in particular by prices (2022/23: € 2.2 billion). While it was only possible to pass on the significantly increased raw material and energy costs to the market with a time lag in fiscal 2022/23, we have managed to pass on a large part of the increase in raw material and energy costs to the market in the course of fiscal 2023/24 to date. As a result, we anticipate a clear recovery in the operating result for the 2023/24 year overall, which has declined in the last two years, and thus a further significant increase in the operating result compared to the previous year (2022/23: € 102 million).

CropEnergies segment

Over the year as a whole, CropEnergies' raw material and energy costs will likely remain at the previous year's level. In a still volatile market environment, ethanol prices remain volatile and are well below the record levels of the previous year. This means that ethanol prices are expected to be significantly lower in the CropEnergies segment for the 2023/24 fiscal year compared to the previous record year 2022/23.

We now expect revenues of between € 1.1 and 1.2 (previous forecast: between 1.2 and 1.3; 2022/23: 1.4) billion and an operating result of between € 40 and 60 (previous forecast: between 70 and 100; 2022/23: 251) million.

Starch segment

We continue to forecast a moderate decline in revenues in the starch segment for the 2023/24 financial year (2022/23: € 1.2 billion). In particular, the decline in sales volumes due to falling demand will have a negative impact on the operating result. Furthermore, the ethanol business is expected to remain highly volatile and below the previous year due to price factors. Consequently, we expect the operating result for the starch segment to be significantly lower than in the previous year (2022/23: € 70 million).

Fruit segment

In the fruit segment, we continue to expect a moderate improvement in revenues for the 2023/24 fiscal year (2022/23: € 1.5 billion) and an unchanged substantial increase in operating result (2022/23: € 51 million). The fruit preparations division anticipates revenues to grow, chiefly due to price adjustments along with an increase in operating result. The fruit juice concentrates division's 2023/24 revenues should remain comparable to last year's level. Due to a number of promising contracts that have been concluded, earnings are expected to remain at a good level in the 2023/24 fiscal year.

CORPORATE GOVERNANCE

Changes to Südzucker AG's executive board

Ingrid-Helen Arnold, Chief Digital Officer, appointed until 30 April 2024, is stepping down from the executive board at her own request in 2024 and intends to pursue a career outside the Group.

Markus Mühleisen, Chief Executive Officer of AGRANA Beteiligungs-AG, responsible for the sugar (AGRANA), starch and fruit divisions as COO on the Südzucker executive board, resigned from the executive board of Südzucker AG with effect from 4 December 2023. Stephan Büttner, CFO of AGRANA Beteiligungs-AG (CEO of AGRANA Beteiligungs-AG from 1 January 2024), took over his role on the executive board of Südzucker AG.

Dr. Stephan Meeder, currently CEO / CFO of Südzucker subsidiary CropEnergies AG, has been appointed to the Südzucker executive board with effect from 19 December 2023. Stephan Meeder will succeed CFO Thomas Kölbl, who will retire on 31 May 2024.

EVENTS AFTER THE END OF THE REPORTING PERIOD

CropEnergies AG's listing discontinued (delisting purchase offer)

On 19 December 2023, Südzucker AG resolved to make a public delisting purchase offer in the form of a cash offer to the shareholders of CropEnergies AG to acquire all CropEnergies shares not already held by Südzucker AG. Both companies signed a delisting agreement to this effect on 19 December 2023.

Südzucker held around 69.2 % of the share capital of CropEnergies AG. The approximately 4.9 % of the share capital of CropEnergies AG directly held by Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG (SZVG) were acquired by Südzucker AG on 19 December 2023 at the offer price, which has increased Südzucker AG's stake to around 74.1 %.

Südzucker is offering the shareholders of CropEnergies AG € 11.50 in cash per CropEnergies share, which represents a premium of around 36.9 % on the volume-weighted average price over the last six months and a premium of € 4.71 or around 69.4 % on the last XETRA closing price of 18 December 2023.

Subject to the fulfillment of customary conditions, the executive board of CropEnergies AG has pledged to support a delisting and to submit an application for the revocation of the admission of all CropEnergies shares to trading on the regulated market of the Frankfurt Stock Exchange if the delisting purchase offer has been made.

If the delisting offer is accepted in full, the purchase price for the shares will amount to around € 309 million plus transaction costs. The delisting purchase offer is fully backed by a bridge financing of € 300 million from a German credit institution. The financing is in line with the strategy of the Südzucker Group to secure at least one investment grade rating.

The transaction reflects the increasing importance of CropEnergies in the context of the 2026 PLUS growth strategy, with a special focus on the field of organic chemicals. The delisting promises potential for enhanced liquidity and the revaluation of Südzucker shares, which may also benefit CropEnergies shareholders via a direct investment in Südzucker. Another advantage includes a reduction in complexity due to fewer legal and regulatory requirements. The delisting is aimed at strengthening Südzucker's capital market presence, while retaining CropEnergies as an independent pillar of the Südzucker Group.

Forward looking statements / forecasts

This quarterly statement contains forward looking statements. The statements are based on current assumptions and estimates made by the executive board and information currently available to its members. The forward looking statements are not to be viewed as guarantees of the future developments and results presented therein. Future developments and results are in fact dependent on a variety of factors and are subject to various risks and imponderables. They are based on assumptions that could in fact prove to be invalid.

The risk management report in the 2022/23 annual report on pages 96 to 106 presents an overview on the risks. Taking into account all known facts, we have not identified any risks – whether individual or in their entirety – that jeopardize the continued existence of the Südzucker Group.

We accept no obligation to update the forward-looking statements contained in this report.

On this report

This quarterly statement was not reviewed or audited. It was prepared by Südzucker AG's executive board on 28 December 2023.

This quarterly statement is available in German and English. This translation is provided for convenience and should not be relied upon exclusively. PDF files of the interim report can be downloaded from the company's website at:

www.suedzuckergroup.com/de/Investor-Relations/ or
www.suedzuckergroup.com/en/Investor-Relations/

Südzucker AG's fiscal year is not aligned with the calendar year. The first to third quarter extends from 1 March to 30 November.

On the preceding pages, the numbers in brackets represent the corresponding previous year's figures or items. Percentages represent the mathematical change based on the prior-year figure indicated. Numbers and percentages stated are subject to differences due to rounding. For reconciliation of the segment values to the group values, rounding is performed in the sugar segment, if necessary. Typing and printing errors reserved. At the Südzucker Group level, the CropEnergies and starch segments' third party sales revenues may differ from the revenues reported directly externally by CropEnergies and AGRANA due to eliminated revenues within the group.

Published on 11 January 2024

GROUP STRATEGY 2026 PLUS

Contacts

Investor Relations
Nikolai Baltruschat
investor.relations@suedzucker.de
Phone: +49 621 421-240

Corporate Public Relations & Affairs
Dr. Dominik Risser
public.relations@suedzucker.de
Phone: +49 621 421-428

Südzucker on the Internet

For more information about Südzucker Group please go to our website www.suedzuckergroup.com

Published by

Südzucker AG
Maximilianstraße 10
68165 Mannheim / Germany
Phone: +49 621 421-0