

Press release

Mannheim, 10 October 2024

Südzucker with significant decline in earnings in the first half of fiscal 2024/25

Group revenues of Südzucker AG were on a par with the previous year at EUR 5,092 (previous year: 5,078) million in the first half of fiscal 2024/25 (1 March to 31 August 2024). Revenues declined in the special products, CropEnergies and starch segments, but increased in the sugar and fruit segments.

Group EBITDA was down significantly to EUR 420 (previous year: 739) million.

The consolidated group operating result declined significantly to EUR 269 (previous year: 592) million. The significant decreases in the sugar, CropEnergies and starch segments were offset by significant growth in the special products and fruit segments.

Sugar segment shows significant decline in results

The sugar segment's revenues rose moderately to EUR 2,134 (previous year: 1,951) million. A significant growth in sales volumes was offset by progressively declining prices in the second quarter of 2024/25. This price decline was due to both increasingly falling prices in the EU in the second quarter of 2024/25 and significantly higher exports from the EU to the world market.

The operating result fell significantly to EUR 72 (previous year: 380) million. This significant decline in results is mainly due to the further substantial rises in production costs in the 2023 campaign and the increasingly lower prices in the EU in the second quarter of 2024/25.

Beet cultivation and 2024 campaign

Extreme weather conditions with heavy rainfall and beet disease infestation (e.g. SBR) dominated the growing conditions for beet. The high rainfall had a positive effect overall, so that above-average beet yields and sugar volumes are expected for the Südzucker Group – albeit subject to very large regional differences. The effects of the flooding in Austria, Poland, Romania and the Czech Republic in mid-September cannot yet be fully assessed. The 2024 campaign started at the end of August and is expected to last until February 2025 in some factories.

Special products segment shows significant increase in results

The special products segment's revenues of EUR 1,145 (previous year: 1,209) million were moderately below the previous year's level. This decline was due to both volume and price factors.

However, the operating result recorded a clearly positive performance at EUR 108 (previous year: 95) million. This significant overall increase in the segment was mainly driven by higher margins and partly higher sales volumes. Raw material costs showed varying trends in the divisions, in some cases rising or remaining at the previous year's level.

CropEnergies segment's results down significantly

Revenues in the CropEnergies segment dropped significantly to EUR 484 (previous year: 565) million. The decrease is due to significantly lower prices for ethanol as well as food and animal feed products. Volumes increased, however, compared to the previous year's low level due to scheduled maintenance shutdowns.

In line with the revenues trend, the operating result also fell significantly to EUR 17 (previous year: 34) million in the reporting period. The main reason for this was that prices for renewable ethanol were significantly lower than in the previous year. Lower net raw material and energy costs as well as higher sales volumes were nowhere near able to compensate for the negative impact of falling prices.

Starch segment posts significant decline in results

The starch segment recorded a significant decline in revenues to EUR 505 (previous year: 562) million. This downturn was the result of significantly lower prices for products in the starch segment as well as for by-products and ethanol. In contrast, sales volumes developed positively and increased significantly in the reporting period.

In line with the revenues performance, the operating result also fell significantly to EUR 20 (previous year: 39) million in the reporting period. The significant fall in prices could not be fully offset by lower raw material and energy costs and a significant volumes growth.

Fruit segment shows significant increase in results

The fruit segment's revenues were moderately up to EUR 824 (previous year: 791) million, in particular thanks to higher sales volumes of both fruit preparations and fruit juice concentrates.

The operating result climbed significantly to EUR 52 (previous year: 44) million. The earnings contribution from fruit preparations improved following a slight increase in sales volumes with moderately higher margins. In contrast, the contribution to earnings from fruit juice concentrates fell due to moderately lower margins despite higher sales volumes.

Group earnings forecast significantly reduced

The Group's forecast was adjusted on 16 September 2024. Accordingly consolidated group revenues in fiscal 2024/25 are expected to be between EUR 9.5 and 9.9 (previous forecast: 10.0 and 10.5; 2023/24: 10.3) billion.

Group EBITDA is anticipated to range between EUR 550 and 650 (previous forecast: between 900 and 1,000; 2023/24: 1,318) million.

The consolidated operating result is expected to be between EUR 175 and 275 (previous forecast: between 500 and 600; 2023/24: 947) million.

Capital employed is anticipated to be below the previous year's level. Based on the expected deterioration in the operating result, a significant decline in ROCE (2023/24: 13.2 %) is expected.

The ongoing war in Ukraine continues to exacerbate the already high volatility on the sales and procurement markets. The future impact of the negative influences stemming from the EU's extended duty-free access for agricultural imports from Ukraine, which is now limited in terms of

volume, remains uncertain. The implications of the war that broke out in the Middle East on October 2023 are likewise difficult to assess.

In fact, it is proving quite difficult overall to assess the economic and financial ramifications along with the potential duration of these temporary crises.

Group figures as of 31 August 2024

		2nd quarter			1st half year		
		2024/25	2023/24 + / - in %	2024/25	2023/24 + / - in %	2024/25	2023/24 + / - in %
Revenues	€ million	2,541	2,560	-0.7	5,092	5,078	0.3
EBITDA	€ million	190	383	-50.4	420	739	-43.2
EBITDA margin	%	7.5	15.0		8.2	14.6	
Depreciation	€ million	-76	-73	4.1	-151	-147	2.7
Operating result	€ million	114	310	-63.2	269	592	-54.6
Operating margin	%	4.5	12.1		5.3	11.7	
Result from restructuring / special items	€ million	15	-2	-	13	-1	-
Result from companies consolidated at equity	€ million	2	0	-	4	-2	-
Result from operations	€ million	131	308	-57.5	286	589	-51.4
Investments in fixed assets and intangible assets	€ million	155	120	29.2	268	199	34.7
Investments in financial assets / acquisitions	€ million	0	0	-	7	1	> 100
Total investments	€ million	155	120	29.2	275	200	37.5
Shares in companies consolidated at equity	€ million				88	78	12.8
Capital employed	€ million				7,268	7,378	-1.5
Employees					19,475	19,387	0.5

Revenues by segment

€ million	1st half year		
	2024/25	2023/24	+ / - in %
Sugar	2,134	1,951	9.4
Special products	1,145	1,209	-5.3
CropEnergies	484	565	-14.3
Starch	505	562	-10.1
Fruit	824	791	4.2
Group total	5,092	5,078	0.3

EBITDA by segment

€ million	1st half year		
	2024/25	2023/24	+ / - in %
Sugar	117	423	-72.3
Special products	150	136	10.3
CropEnergies	40	56	-28.6
Starch	43	61	-29.5
Fruit	70	63	11.1
Group total	420	739	-43.2

Operating result by segment

€ million	1st half year		
	2024/25	2023/24	+ / - in %
Sugar	72	380	-81.1
Special products	108	95	13.7
CropEnergies	17	34	-50.0
Starch	20	39	-48.7
Fruit	52	44	18.2
Group total	269	592	-54.6

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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 (BENEEO), chilled/frozen products (Freiberger) and portion packs (PortionPack Group), 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 for dairies and is a leading supplier of fruit juice concentrates in Europe.

In 2023/24, the group employed about 19.200 persons and generated revenues of about EUR 10.3 billion.