

OUTLOOK

Economic environment

In its January 2025 winter outlook, the International Monetary Fund (IMF) forecasts further significant global economic growth of 3.3 (3.2) % for 2025. Compared with the October 2024 outlook, this represents an increase of 0.1 percentage points.

The IMF expects lower growth rates of 4.6 (4.8) % for China and 2.7 (2.8) % for the USA.

In its fall outlook published in November 2024, the EU Commission forecasts economic growth of 1.3 (0.9) % for the eurozone and 1.5 (0.9) % for the EU overall.

Volume and raw material markets

On the global sugar market, a deficit and a continued low ratio of inventories to consumption are currently expected for the sugar marketing years (1 October to 30 September) 2024/25 and 2025/26. The global market price for white sugar has fluctuated around 500 €/t since summer 2024, showing high volatility.

Following an expansion of cultivation in the EU, sugar production (including isoglucose) is expected to rise to 17.1 (16.1) million tonnes in the 2024/25 sugar marketing year. The expectation of a large harvest and high imports from Ukraine at the beginning of the 2024 calendar year caused sugar prices in the EU to fall sharply over the course of the year. Imports from Ukraine were restricted in terms of volume in June 2024 until at least the beginning of June 2025. Analysts predict a decline in cultivation area for the 2025/26 sugar marketing year, followed by a drop in sugar production.

The EU-27's and the UK's consumption of fuel ethanol and neutral alcohol in 2025 is expected to continue to rise to 11.1 (10.8) million m³. Demand is likely to be offset by production of 7.8 (7.8) million m³. Net imports are also expected to rise again to around 3.3 (2.9) million m³ and thus remain at a very high level.

With the extensive use of E10, many EU member states are increasingly taking advantage of the potential of sustainably produced ethanol as a low-CO₂, high-quality and cost-effective alternative to fossil fuels. However, to achieve transportation climate and energy targets, E10 would have to be used everywhere together with an increasing use of fuels with higher ethanol content.

Global grain production (excluding rice) is likely to be slightly below last year's harvest of 2,306 (2,310) million tonnes in the 2024/25 grain marketing year (1 July to 30 June). With global grain consumption of 2,336 (2,323) million tonnes, slightly lower inventories of 577 (607) million tonnes are expected.

Details regarding sector-specific conditions are outlined in the segment reports.

Business outlook

When considering this forecast for the 2025/26 fiscal year, it is important to note that further impacts from the ongoing Ukraine war and the resulting continued increase in the already high volatility on the sales and procurement markets are anticipated. This applies in particular to the further development of duty-free Ukrainian agricultural imports (e.g., sugar and grain) into the EU. In fact, it is proving quite difficult overall to assess the economic and financial ramifications along with the global tariff policy disruptions.

Group

We confirm the group forecast first published on 11 February 2025 and confirmed on 18 March 2025 for the 2025/26 fiscal year.

We expect consolidated group revenues in fiscal 2025/26 between € 8.7 and 9.2 (2024/25: 9.7) billion. Group EBITDA is anticipated to range from € 525 to 675 (2024/25: 723) million. We predict the consolidated operating result to be between € 150 and 300 (2024/25: 350) million. We expect capital employed to remain stable. Based on the decline in the operating result, we see a significant decline in ROCE (2024/25: 5.2 %).

Sugar segment

We expect sugar production and sales volumes to drop because of the shrinking beet cultivation area. The significant drop in sugar prices in fiscal 2024/25 will impact the market until fall 2025. For the 2025/26 sugar marketing year, we expect lower sugar production in the EU, leading to a recovery in sugar prices at the beginning of the 2025/26 sugar marketing year in October 2025. In total, we are thus anticipating another significant decrease in revenues (2024/25: € 3.9 billion).

The sugar segment's operating result is expected to be in a range between € –100 and –200 (2024/25: –13) million. In the first half of fiscal 2025/26, the sharp decline in sugar prices will result in a significantly higher operating loss despite lower production costs. We expect to return to positive results in the second half of the fiscal year as a result of the anticipated recovery in sugar prices.

Special products segment

We will likely experience higher sales volumes and prices in the special products segment overall in fiscal 2025/26, leading to a moderate increase in revenues (2024/25: € 2.3 billion).

We currently assume that the planned increase in revenues will not be sufficient to fully offset the expected cost increases, resulting in a moderate decline in operating result (2024/25: € 203 million).

CropEnergies segment

CropEnergies anticipates a moderate increase in revenues for the fiscal 2025/26 based on higher production and sales volumes as well as higher ethanol prices (2024/25: € 959 million).

Despite rising costs, we anticipate a substantial increase in operating result thanks to higher revenues (2024/25: € 22 million).

Starch segment

For the 2025/26 fiscal year, the starch segment forecasts a moderate increase in revenues with declining sales volumes due to higher prices (2024/25: € 1.0 billion). It is anticipated that the expected increase in raw material costs will almost entirely offset revenue growth, with operating result being on par with the previous year (2024/25: € 36 million).

Fruit segment

Following a successful year in 2024/25, we forecast a moderate upturn in revenues (2024/25: € 1.6 billion) in the fruit segment, driven by both fruit preparations and fruit juice concentrates. Currently, we assume that we will not be able to fully pass on the higher costs to the market and therefore expect a significant decline in results (2024/25: € 102 million) in both fruit preparations and fruit juice concentrates.

