Interim Report Q1 FY 2017/18

Conference Call Presentation, 13 July 2017

Thomas Kölbl (CFO)

Agenda

Group income statement

(mn €)	1st–3rd quarter 2017/18	2016/17	+/– in %
Revenues	1.783	1.608	10,9
EBITDA	208	159	30,9
EBITDA margin	*11,7%*	*9,9%*	
Depreciation	–55	–49	12,0
Operating result	153	110	39,4
Operating margin	*8,6%*	*6,8%*	
Restructuring costs/special items	0	–7	–89,6
Result from companies consolidated at equity	14	11	30,0
EBIT	167	114	46,1
Net earnings attributable to shareholders	81	55	48,8
Earnings per share (€)	0,39	0,26	50,0
Cash flow	185	125	47,7
Investments in fixed assets*	62	59	4,1
Net financial debt	443	742	–40,3
Employees	18.416	17.922	2,8

* Including intangible assets

Financial Highlights – Q1 2017/18

- Group revenues increased 11 % to 1,783 (1,608) million €
- EBITDA increased 31% to 208 (159) million €
- Operating result increased 39 % to 153 (110) million €
- Cash flow increased 48 % to 185 (125) million €
- Earnings per share increased to 0.39 (0.26) €
- Net financial debt increased by 299 million € to 443 (742) million €; as % of equity 9 (16) %

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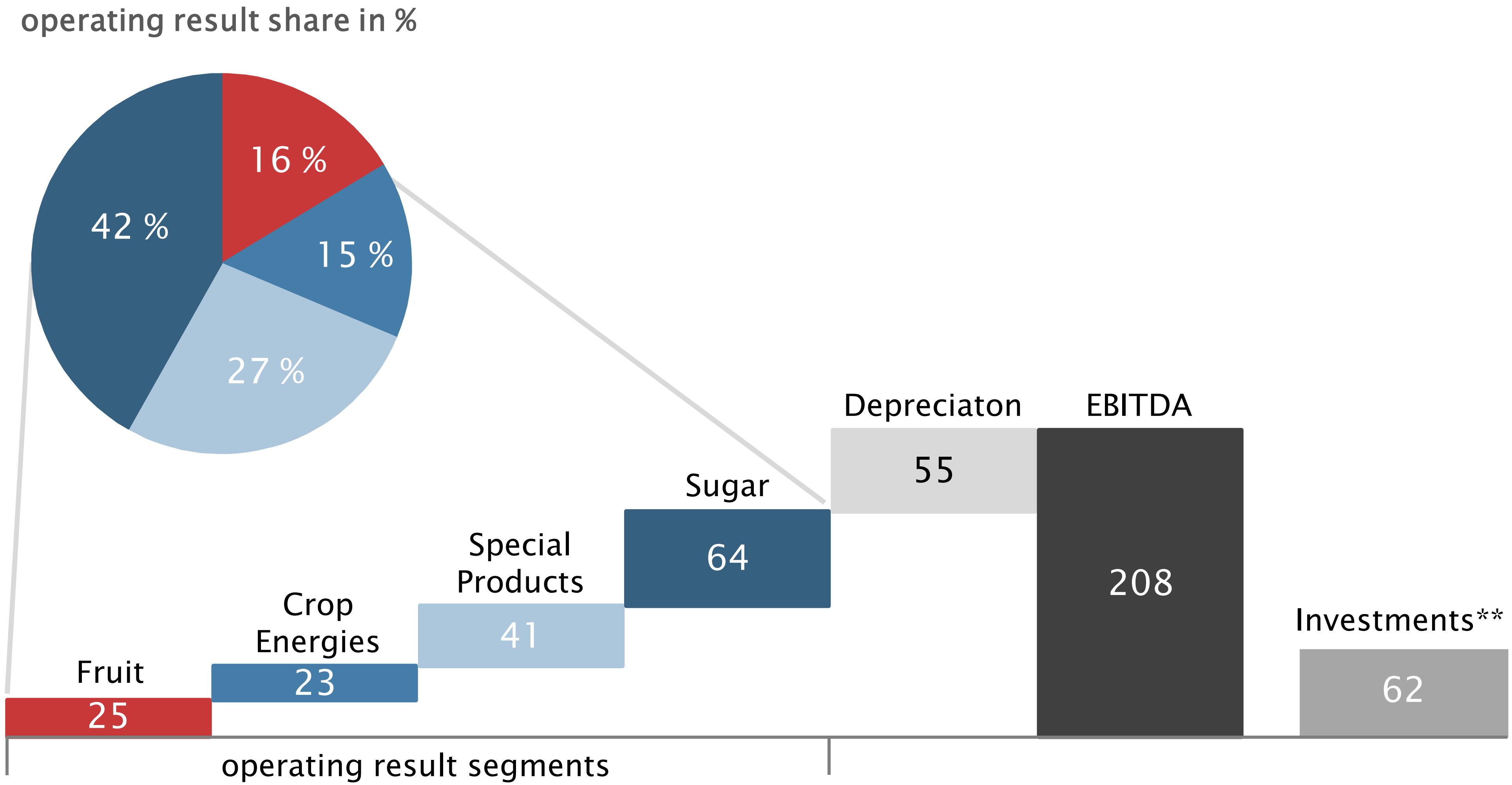
Summary segments Q1 2017/18

	(mn €)	1st quarter 2017/18	2016/17	abs.	%
Sugar	Revenues	777	694	83	11,8
	Operating result	64	22	42	> 100
Special Prod.	Revenues	481	457	24	5,2
	Operating result	41	46	-5	-11,3
CropEnergies	Revenues	214	149	65	43,7
	Operating result	23	19	4	20,6
Fruit	Revenues	311	308	3	1,1
	Operating result	25	23	2	8,2
Group	Revenues	1.783	1.608	175	10,9
	Operating result	153	110	43	39,4

Diversified and strong cashflow base*



* Q1 financial year 2017/18 in mn €
** Investments Fixed Assets

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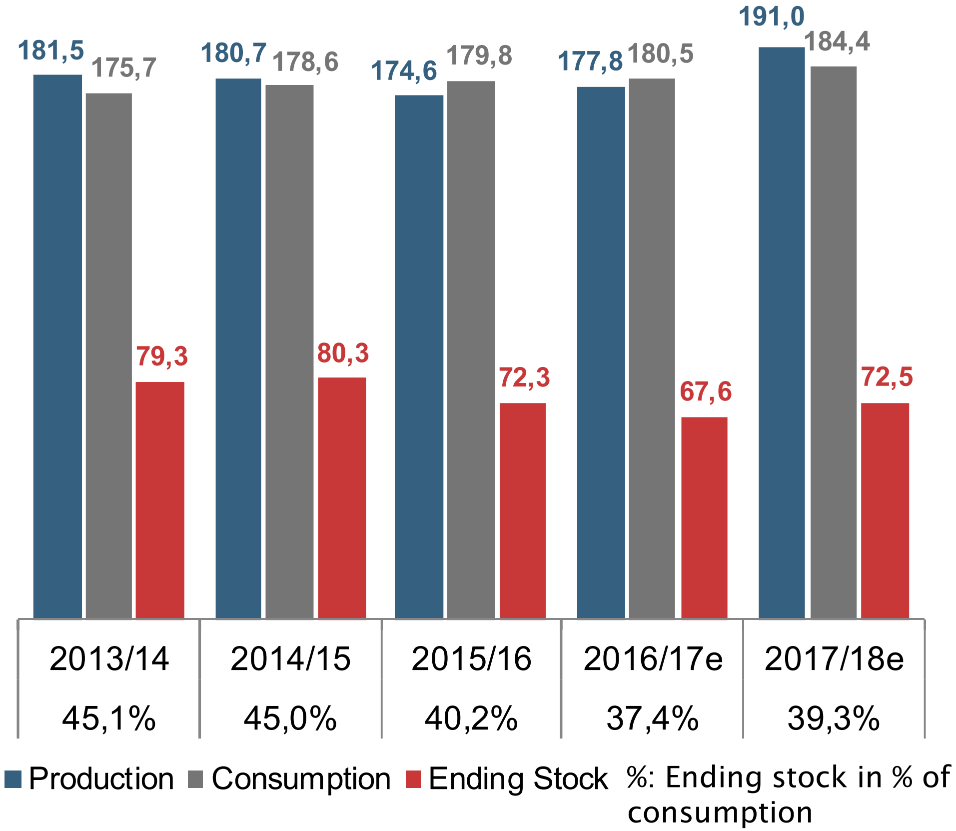
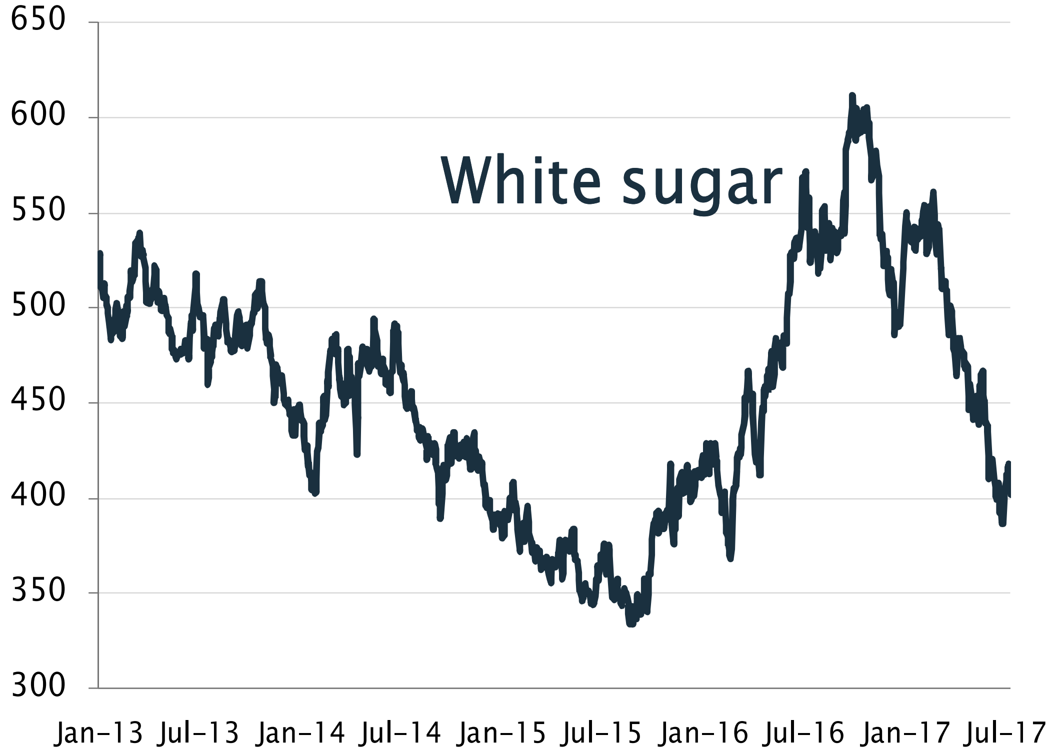
Segment Sugar: World Market

World Sugar Balance (mn t)*



Sugar world market price (USD/t)



* F.O. Licht estimates for 2017/18e, June 2017

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Segment Sugar: Development Q1 2017/18

(mn €)	1st quarter 2017/18	2016/17	+/- in %
Revenues	777	694	11,8
EBITDA	79	35	> 100
EBITDA margin	*10,3%*	*5,0%*	
Depreciation	-15	-13	18,8
Operating result	64	22	> 100
Operating margin	*8,2%*	*3,1%*	

- Revenues: Increase mainly driven by higher sugar sales revenues, which more than offset the declining volumes.
- Operating Result: Increase mainly due to higher sugar sales revenues. Especially through higher quota sugar sales revenues year-over-year and higher world market export prices against last year's level.

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Segment Special Products: Development Q1 2017/18

	1st quarter		
(mn €)	2017/18	2016/17	+/- in %
Revenues	481	457	5,2
EBITDA	62	64	-4,4
EBITDA margin	*12,8%*	*14,1%*	
Depreciation	-21	-18	13,1
Operating result	41	46	-11,3
Operating margin	*8,5%*	*10,1%*	

- Revenues: Steadily positive volume development in all divisions. Ethanol sales revenues were higher than last year, while the lower value of the British pound weighed on the final number.
- Operating result: Still on a high level, but expected decline in comparison to extraordinary strong previous year‘s quarter; especially in light of increase in raw material prices.

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Segment CropEnergies: Development Q1 2017/18

(mn €)	1st quarter 2017/18	2016/17	+/– in %
Revenues	214	149	43,7
EBITDA	33	28	17,1
EBITDA margin	*15,4%*	*18,9%*	
Depreciation	–10	–9	9,2
Operating result	23	19	20,6
Operating margin	*10,9%*	*13,0%*	

- **Revenues:** Significant increase almost exclusively by higher production and sales volumes due to the restart of the production plant Wilton, Great Britain, in the second quarter last year. Ethanol sales revenues were also higher than last year.
- **Operating result:** Significant increase due to positive revenues development. The negative impacts of slightly higher raw material prices, operating costs from the startup of the plant in Wilton and scheduled inspection and maintenance work in Zeitz and Wanze, Belgium, in the first quarter, were more than offset.

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Segment Fruit: Development Q1 2017/18

	1st quarter		
(mn €)	2017/18	2016/17	+/- in %
Revenues	311	308	1,1
EBITDA	34	32	6,3
EBITDA margin	*10,8%*	*10,3%*	
Depreciation	-9	-9	1,2
Operating result	25	23	8,2
Operating margin	*8,1%*	*7,5%*	

- Revenues: Higher fruit juice concentrates volumes and fruit preparations sales revenues together with favorable exchange rates offset declining sales revenues for apple juice concentrates.
- Operating result: Further positive development. Driven by higher margins on fruit preparations division sales revenues, while in the fruit juice concentrates division, lower raw material costs and higher volumes countered lower sales revenues.

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Income statement (I)

(mn €)	1st quarter 2017/18	2016/17	+/- in %
Revenues	**1.783**	**1.608**	**10,9**
Operating result	153	110	39,4
Restructuring costs/special items	0	-7	-89,6
Result from companies consolidated at equity	14	11	30,0
Result from operations	**167**	**114**	**46,1**
Financial result	-9	-12	-25,0
Earnings before income taxes	**158**	**102**	**54,5**

- Result from companies consolidated at equity:
  - Sugar segment 4 (5) million € related to its share of earnings from British trading company ED&F Man Holdings Ltd., Studen Group and the joint-venture distributor Maxi S.r.l. Special products segment 10 (6) million € for its share of earnings from Hungrana Group's starch and bioethanol businesses.
- Financial result:
  - Improved to -9 (-12) million €; contains net interest result of -7 (-6) million € and other financial result of -2 (-6) million €.

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Income statement (II)

(mn €)	1st quarter 2017/18	2016/17	+/- in %
Earnings before income taxes	**158**	**102**	**54,5**
Taxes on income	-38	-25	49,0
Net earnings for the year	**120**	**77**	**56,3**
of which attributable to Südzucker AG shareholders	81	55	48,8
of which attributable to hybrid capital	3	3	-2,9
of which attributable to minority interests	36	19	88,0
Earnings per share (€)	**0,39**	**0,26**	**50,0**

- Taxes on income:
  - Tax rate was 24 % (25) %
- Minority interests:
  - Mainly attributable to the co-owners of AGRANA Group and CropEnergies Group
- Earnings per share (EPS):
  - Increased to 0.39 € (0.26 €)

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Cash flow statement

(mn €)	1st quarter 2017/18	2016/17	+/- in %
Cash flow	**185**	**125**	**47,7**
Increase (–)/ Decrease (+) in working capital	**-160**	**-253**	**-36,9**
Investments in fixed assets			
Sugar segment	24	24	-3,7
Special products segment	30	29	2,8
CropEnergies segment	4	3	76,0
Fruit segment	4	3	17,6
Total investments in fixed assets *	**62**	**59**	**4,1**
Investments in financial assets/acquisitions	**0**	**1**	**-100,0**
Total investments	**62**	**60**	**2,7**
Dividends paid	**-5**	**-5**	**-4,0**

* incl. investments in intangible assets

- Cash flow:
  - Cash flow at 185 (125) million € and came in at 10.4 (7.8) % of revenues.
- Working Capital:
  - Seasonal cash outflow of 160 million € was mainly attributable to payment of beet related liabilities from the 2016/17 campaign, which were only partly covered by sugar inventory sales.
- Investments in fixed assets:
  - Continuation of already communicated projects

Agenda

Balance sheet

(mn €)	31 May 2017	31 May 2016	+/- in %
Assets			
Non-current assets	4.738	4.538	4,4
Current assets	3.737	3.425	9,1
Total assets	**8.475**	**7.963**	**6,4**
Liabilities and shareholders' equity			
Shareholders' equity	5.029	4.540	10,8
Non-current liabilities	1.679	1.792	-6,3
Current liabilities	1.767	1.631	8,2
Total liabilities and shareholders' equity	**8.475**	**7.963**	**6,4**
Net financial debt	443	742	-40,3
Equity ratio	59%	57%	
Net financial debt in percent of equity (gearing)	9%	16%	

- **Non-current assets:**
  - Increase by 200 million €. Main drivers: Increase in intangible assets from acquisitions, higher book values via investments and higher at equity position due to the increased participation in ED&F Man Holdings Ltd, London/Great Britain.
- **Current assets:**
  - Increase by 312 million €. Main drivers: Increase in sugar inventories, trade receivables and higher cash and cash equivalents.
- **Net financial debt:**
  - Reduction by 299 million €. The cash outflow of 160 million € was fully financed by a cash inflow of 185 million €.

Agenda

Outlook 2017/18 (I): Revenues and Operating Result

	Revenues		Operating Result	
	2016/17	2017/18e	2016/17	2017/18e
Sugar	2.8 bn €	↗↗	72 mn €	↗↗↗
Special Products	1.8 bn €	↗	184 mn €	↘↘↘
CropEnergies	726 mn €	775–825 mn €	98 mn €	50–90 mn €
Fruit	1.2 bn €	↗↗	72 mn €	> prev. year
Group	6.5 bn €	6.7–7.0 bn €	426 mn €	425–500 mn €

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Outlook 2017/18 (II) : Other key figures

	2016/17	2017/18e
EBITDA	709 mn €	725 – 800 mn €
Depreciation	283 mn €	> prev. year
Investments Fixed Assets	329 mn €	~ 350 mn €
Net Financial Debt	413 mn €	300 – 400 mn €*

* incl. HASA acquisition

Outlook 2017/18 (III) : Other key figures

	2016/17	2017/18e
RoCE	7.1 %	> prev. year
Cash flow	634 mn €	> prev. year
Cash flow / Revenues	9.8 %	> prev. year
Equity ratio	56.0 %	> prev. year

Summary: Financial Year 2017/18e

Sugar

- From October 2017: Volume increase and cost degression effects
- Good starting point: Leading market position and flexible raw material price model
- FY 2017/18: Significant earnings increase expected (prev. year: 72 mn €)

Special Products

- Raw material price increase and further start-up costs factory Zeitz
- FY 2017/18: Significant earnings decrease (prev. year 184 mn €), against very high level in 2016/17, still high cashflow quality

CropEnergies

- Despite ongoing volatile ethanol prices, still high earnings level expected
- FY 2017/18: Expected earnings range 50-90 mn € (prev. year: 98 mn €)

Fruit

- FY 2017/18: Further Revenues and earnings increase expected (prev. year: 72 mn €)

Group

- Well diversified portfolio
- Increasing profitability
- Confirmation of high cashflow quality
- Strong financial and rating ratios

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Sugar segment

(mn €)	1st quarter 2017/18	2016/17	+/- in %
Gross revenues	**831,1**	**749,0**	**11,0**
Consolidation	-53,8	-54,0	-0,4
Revenues	**777,3**	**695,0**	**11,8**
EBITDA	**80,3**	**35,1**	**> 100**
EBITDA margin	*10,3%*	*5,1%*	
Depreciation	-16,4	-13,8	18,8
Operating result	**63,9**	**21,3**	**> 100**
Operating margin	*8,2%*	*3,1%*	
Restructuring costs/special items	-0,6	0,0	> 100
Result from companies consolidated at equity	4,0	5,4	-25,9
Result from operations	**67,3**	**26,7**	**> 100**
Investments in fixed assets*	23,3	24,2	-3,7
Investments in financial assets/acquisitions	0,0	0,8	-100,0
Total investments	**23,3**	**25,0**	**-6,8**
Shares in companies consolidated at equity	360,0	273,5	31,6
Capital employed	3.311,3	3.238,8	2,2
Employees	6.963	7.012	-0,7

* Including intangible assets

Special Products segment

(mn €)	1st quarter 2017/18	2016/17	+/- in %
Gross revenues	**511,9**	**475,1**	**7,7**
Consolidation	-31,4	-18,5	69,7
Revenues	**480,5**	**456,6**	**5,2**
EBITDA	**61,5**	**64,3**	**-4,4**
EBITDA margin	*12,8%*	*14,1%*	
Depreciation	-20,7	-18,3	13,1
Operating result	**40,8**	**46,0**	**-11,3**
Operating margin	*8,5%*	*10,1%*	
Restructuring costs/special items	0,0	-3,0	-100,0
Result from companies consolidated at equity	10,4	5,6	85,7
Result from operations	**51,2**	**48,6**	**5,3**
Investments in fixed assets*	29,8	29,0	2,8
Investments in financial assets/acquisitions	0,0	0,0	-
Total investments	**29,8**	**29,0**	**2,8**
Shares in companies consolidated at equity	71,5	61,4	16,4
Capital employed	1.510,3	1.461,4	3,3
Employees	4.751	4.602	3,2

* Including intangible assets

CropEnergies segment

(mn €)	1st quarter 2017/18	2016/17	+/- in %
Gross revenues	**231,0**	**167,5**	**37,9**
Consolidation	-16,9	-18,5	-8,6
Revenues	**214,1**	**149,0**	**43,7**
EBITDA	**32,9**	**28,1**	**17,1**
EBITDA margin	*15,4%*	*18,9%*	
Depreciation	-9,5	-8,7	9,2
Operating result	**23,4**	**19,4**	**20,6**
Operating margin	*10,9%*	*13,0%*	
Restructuring costs/special items	-0,1	-3,7	-97,3
Result from companies consolidated at equity	-0,1	0,0	-
Result from operations	**23,2**	**15,7**	**47,8**
Investments in fixed assets*	4,4	2,5	76,0
Investments in financial assets/acquisitions	0,0	0,0	-
Total investments	**4,4**	**2,5**	**76,0**
Shares in companies consolidated at equity	1,9	1,8	5,6
Capital employed	468,7	499,9	-6,2
Employees	411	405	1,5

* Including intangible assets

Fruit segment

(mn €)	1st quarter 2017/18	2016/17	+/- in %
Gross revenues	**311,2**	**307,8**	**1,1**
Consolidation	-0,2	-0,2	0,0
Revenues	**311,0**	**307,6**	**1,1**
EBITDA	**33,7**	**31,7**	**6,3**
EBITDA margin	*10,8%*	*10,3%*	
Depreciation	-8,6	-8,5	1,2
Operating result	**25,1**	**23,2**	**8,2**
Operating margin	*8,1%*	*7,5%*	
Restructuring costs/special items	0,0	0,0	-
Result from companies consolidated at equity	0,0	0,0	-
Result from operations	**25,1**	**23,2**	**8,2**
Investments in fixed assets*	4,0	3,4	17,6
Investments in financial assets/acquisitions	0,0	0,0	-
Total investments	**4,0**	**3,4**	**17,6**
Shares in companies consolidated at equity	0,0	0,0	-
Capital employed	847,6	828,2	2,3
Employees	6.291	5.903	6,6

* Including intangible assets

Liquidity profile end of period*

(mn €)	Q1 2017/18	Q4 2016/17	Q3 2016/17	Q2 2016/17	Q1 2016/17
Net financial debt	-443	-413	-402	-492	-742
Cash & Cash equivalents / securities	729	725	861	632	601
Gross financial debt	-1.172	-1.138	-1.263	-1.124	-1.343
Long-term financial debt	-553	-914	-998	-706	-713
Short-term financial debt	-619	-224	-265	-418	-630
Bank credit lines	789	786	786	785	768
undrawn	*390*	*464*	*419*	*334*	*332*
Syndicated loan	600	600	600	600	600
undrawn	*600*	*600*	*600*	*600*	*600*
Syndicated loan Agrana	450	450	450	450	450
undrawn	*440*	*450*	*411*	*365*	*320*
Commercial paper program	600	600	600	600	600
undrawn	*570*	*600*	*600*	*570*	*381*
Bank credit lines (undrawn)	390	464	419	334	332
+ Cash & cash equivalents / securities	729	725	861	632	601
+ Syndicated loan (undrawn)	1.040	1.050	1.011	965	920
+ Commercial paper (undrawn)	570	600	600	570	381
= Total liquidity reserves	*2.729*	*2.839*	*2.891*	*2.501*	*2.234*

* IFRS 11 adjusted

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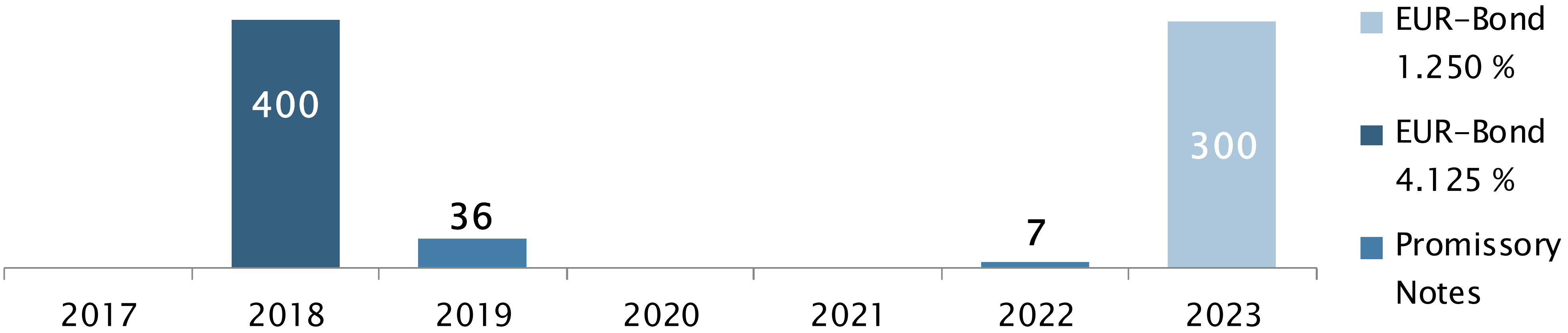
Favourable financing maturity profile*

(mn €) as of 31 May 2017



*Syndicated loans 1,050 mn € **

Commercial Paper Programm 600 mn € (perpetual)

***Hybrid Bond** 700 mn € (perpetual)*
5.25 % p.a. before June 2015 payout annually /
since June 2015 3M-Euribor + 310 bp payout quarterly

* Maturity: 2018/150 mn €, 2020/600 mn €, 2021/300 mn €

Hybrid bond: 2016/17 cash flow covenant* safely achieved

(mn €)	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18e
Revenues	**5.780**	**5.871**	**5.718**	**6.161**	**6.992**	**7.879**	**7.533**	**6.778**	**6.387**	**6.476**	**6,7 – 7,0**
Cash flow	498	504	553	606	823	996	697	389	480	634	> prev. year
Cash flow / Revenues	**8,6%**	**8,6%**	**9,7%**	**9,8%**	**11,8%**	**12,6%**	**9,3%**	**5,7%**	**7,5%**	**9,8%**	**> prev. year.**

* IFRS 11 adjusted since 2013/14

- Cash flow covenant (cash flow / revenues >5 %) so far significantly exceeded
- Cash flow covenant fulfillment also expected in 2017/18

Options for hybrid bond 2005 (depending on continuous financial planning):

- Since 30 June 2015: quarterly variable interest payment, 3M Euribor plus 3.10 % p.a.
- Period from 31 March 2017 to 30 June 2017 (excl.), rate of remuneration fixed at 2.770 % p.a.
- Since 30 June 2015, bond can be called and redeemed on quarterly basis at nominal value (according to § 6 (5) & (6) of the terms and conditions)
- Precondition to use issuer call right is replacement through new hybrid or equity capital within 12 months
- A bond repurchase – also partially – is possible at any time

→ Still preferred option: No call of hybrid bond

Financing maturity profile

(as of 31 May 2017)

April 2019/22	Agrana promissory notes, 43 mn €
March 2018	4.125 % Bond 2011/2018, 400 mn €
2018/20/21	Syndicated loans, 1.050 mn € - Drawn lines: 0 mn €
November 2023	1.250 % Bond 2016/2023, 300 mn €
Perpetual	Hybrid Bond 2005/perpetual, 700 mn € - Issuer call right since 30 June 2015 at the earliest. Pursuant to § 6 (5) and (6) of conditions of issue the exercise of the call right is subject to having issued, within the twelve month preceding the redemption becoming effective, replacement capital (parity and/or junior securities and/or shares) against issue proceeds at least equal to the amounts payable upon redemption.
Perpetual	Commercial Paper-Program, perpetual, 600 mn € - Drawn lines: 30 mn €

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Disclaimer

This presentation 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 2016/17 annual report on pages 88 to 99 presents an overview of the risks. We assume no obligation to update the forward-looking statements made in this presentation.

This presentation includes percentage and number rounding. Typing and printing errors reserved. IFRS 11 application as of financial year 2013/14.

Written and visual value statements are standardized as follows:

➔	➘/➚	➘➘/➚➚	➘➘➘/➚➚➚
± 1%	± 1-4%	± 4-10%	>/< 10%
stable	slight	moderate	significant

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Investor Relations

Financial calender

20 July 2017
Annual general meeting for fiscal 2016/17

12 October 2017
Q2 – 1st half year report 2017/18

11 January 2018
Q3 – 1st to 3rd quarter report 2017/18

23 April 2018
Preliminary figures financial year 2017/18

17 May 2018
Press and analysts' conference fiscal 2017/18

12 July 2018
Q1 – 1st quarter report 2018/19

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