

## Press release

Mannheim, 13 January 2022

### **Südzucker shows significant improvement in results after nine months**

In the first nine months of fiscal 2021/22 (1 March 2021 to 30 November 2021), Südzucker AG increased its group revenues by EUR 550 million to EUR 5,639 (previous year: 5,089) million. While the special products segment's revenues were slightly above last year, the fruit segment's were up moderately and the sugar, CropEnergies and starch segments' increased significantly. Group EBITDA was significantly higher than last year at EUR 519 (previous year: 456) million.

Thanks to another strong jump in the third quarter, the group's consolidated operating result has now risen substantially to EUR 261 (previous year: 195) million for the overall reporting period. The higher result in the third quarter is primarily due to the significantly improved results reported by the sugar and CropEnergies segments. The significantly higher sugar segment and CropEnergies results are also what is driving the group consolidated operating result increase for the overall reporting period. In contrast, the special product segment's operating result declined sharply and the fruit segment's was down moderately. In the starch segment, after a good third quarter, the overall operating result for the reporting period is now moderately above the prior year.

### **Sugar segment posts positive results again in the third quarter**

Revenues in the sugar segment rose significantly to EUR 1,969 (previous year: 1,731) million. This growth in revenues is mainly attributable to higher sugar sales revenues since the beginning of the expired 2020/21 sugar marketing year as well as since the beginning of the 2021/22 sugar marketing year. Moreover, higher volumes since the second quarter of 2021/22 also had a positive effect.

While the operating loss in the first quarter of fiscal 2021/22 was still significantly higher than in the previous year, the sugar segment was able to return to positive results since the second quarter and achieve a significant improvement compared to the previous year. As a result, cumulative operating result also improved significantly to EUR -10 (previous year: -86) million. The higher sugar revenues were initially offset by higher production costs from the 2020 campaign due to the price of raw materials. Since the third quarter, other cost increases, some of them drastic, for energy, packaging materials and raw materials have had an increasingly negative impact. Positive factors since the second quarter have been the increase in sales volumes and better utilization of production capacities.

### **Beet cultivation and 2021 processing campaign**

Growing conditions in the spring and summer of 2021 – especially sufficient water supply throughout the whole growing period – are reflected in yield expectations. Significantly above-average beet yields are expected for Germany, France, the Czech Republic and Moldova. In Poland, Austria, Slovakia and Romania, beet yields forecasts are average to slightly above average. Below-average beet yields are anticipated only in Belgium and Hungary.

At 121 days (previous year: 108), the average duration of the processing campaign is expected to be significantly longer than in the previous year. Given the wide regional variations in beet yields, the campaign was already completed in December 2021 at some locations, while in other growing regions it will not be finished until February 2022. Overall, Südzucker Group expects to produce 4.2 (previous year: 3.5) million tonnes of sugar from 27.7 (previous year: 24.1) million tonnes of sugar beets.

### **Special products segment reports revenues on a par with the previous year but significantly lower results**

Despite the volatile and challenging environment in pandemic times, the special products segment's revenues were slightly above the previous year's level at EUR 1,314 (previous year: 1,298) million. Volumes in the third quarter were thus higher than a year earlier. Last year, the beginning of the fiscal year was marked by the increase in demand, for example for frozen pizzas, which was sharp in some cases. Furthermore, revenues increased in the third quarter of the current fiscal year, so that the year-on-year shortfall in revenues has now been made up after nine months.

However, operating result was impacted by rising raw material, energy and logistics costs compared to the previous year and fell significantly to EUR 94 (previous year: 118) million. Although the additional burdens were offset to a certain extent by price increases, the impact of the costs is still reflected in the lower operating margin.

### **CropEnergies segment achieves record third-quarter result**

The CropEnergies segment was able to significantly boost revenues to EUR 731 (previous year: 582) million. Higher volumes and sales revenues contributed to this revenue increase. Sales revenues in the reporting period were significantly higher than in the same period of the previous year and, particularly in the third quarter, continued to grow substantially compared to the first half of the year.

In line with the development of volumes and sales revenues, operating result increased significantly to EUR 94 (previous year: 79) million in the reporting period despite substantially higher raw material and energy costs. As a result of the sharp rise in ethanol revenues in recent months, a record result was achieved in the third quarter.

### **Substantial revenues increase and moderate growth in results in the starch segment**

The starch segment's revenues increased significantly to EUR 686 (previous year: 586) million. The encouraging development of volumes and an overall increase in sales revenues had a positive effect.

In line with the development of volumes and sales revenues, operating result increased moderately to EUR 44 (previous year: 42) million in the reporting period despite significantly higher raw

material and energy costs. The positive ethanol prices trend in recent months had a positive impact on results, particularly in the third quarter.

#### **Fruit segment with moderate revenue growth but moderate decline in results**

The fruit segment's revenues of EUR 939 (previous year: 892) million were moderately higher than a year earlier. Revenues from fruit preparations rose mainly due to higher selling prices. Due to higher prices in the third quarter compared to the prior-year quarter, overall revenues for fruit juice concentrates were on a par with the same period last year.

The operating result was down moderately to EUR 39 (previous year: 42) million. Higher sales revenues in fruit preparations could not fully offset the rise in costs. Result growth was also impacted by higher costs and a slight decline in sales volumes, despite slightly higher revenues from fruit juice concentrates.

#### **Outlook confirmed**

The 2021/22 fiscal year forecast, updated in the MAR announcement of 15 December 2021, continues to be confirmed. Due to the unanticipated, renewed intensification of the effects of the coronavirus pandemic – fourth wave together with the emergence of the new omicron variant – and the associated potential charges, there will continue to be risks in connection with the pandemic in the fourth quarter of fiscal 2021/22 and possibly beyond, the economic and financial impact and duration of which remain difficult to assess. Furthermore, we still anticipate very high volatility on the target markets and price increases on the procurement markets across many divisions.

Consolidated group revenues of EUR 7.3 to 7.5 (previous forecast: 7.1 to 7.3; previous year: 6.7) billion are still expected for fiscal 2021/22. A significant increase in revenues is anticipated in the sugar and starch segments. The CropEnergies segment is expected to range between EUR 1,000 and 1,040 million. A moderate increase in revenues is forecast in the special products and fruit segments.

Consolidated group operating result is still expected to range between EUR 320 and 380 (previous forecast: 300 and 400; previous year: 236) million. Südzucker expects the sugar segment's operating result to be in a range between EUR 0 and 30 (previous year: –128) million. The special products segment's operating result is anticipated to come in significantly below the strong previous year's level. The CropEnergies segment's operating result is seen to range between EUR 110 and 140 (previous year: 107) million. In the newly created starch segment, results are expected to be significantly higher and the fruit segment's operating result is anticipated to remain at the previous year's level.

Südzucker anticipates capital employed to remain at last year's level. Based on the above-mentioned improvement in operating results, ROCE is expected to increase significantly (previous year: 3.8 percent).

## Group figures as of 30 November 2021

### Business performance – Group

		3rd quarter			1st–3rd quarter		
		2021/22	2020/21	+/- in %	2021/22	2020/21	+/- in %
<b>Revenues</b>	€ million	<b>2,043</b>	<b>1,740</b>	<b>17.4</b>	<b>5,639</b>	<b>5,089</b>	<b>10.8</b>
EBITDA	€ million	241	181	32.9	519	456	13.7
Depreciation on fixed assets and intangible assets	€ million	-114	-115	-0.6	-258	-261	-1.3
<b>Operating result</b>	€ million	<b>127</b>	<b>66</b>	<b>90.8</b>	<b>261</b>	<b>195</b>	<b>33.8</b>
Result from restructuring/special items	€ million	-1	-14	-93.5	-2	-25	-90.5
Result from companies consolidated at equity	€ million	-36	-126	-71.5	-42	-125	-66.6
<b>Result from operations</b>	€ million	<b>90</b>	<b>-74</b>	<b>-</b>	<b>217</b>	<b>45</b>	<b>&gt;100</b>
EBITDA margin	%	11.8	10.4		9.2	9.0	
Operating margin	%	6.2	3.8		4.6	3.8	
Investments in fixed assets <sup>1</sup>	€ million	75	67	12.2	199	194	2.8
Investments in financial assets/acquisitions	€ million	0	0	-	4	11	-68.4
<b>Total investments</b>	€ million	<b>75</b>	<b>67</b>	<b>12.2</b>	<b>203</b>	<b>205</b>	<b>-1.2</b>
Shares in companies consolidated at equity	€ million				125	188	-33.7
Capital employed	€ million				6,113	6,085	0.5
<b>Employees</b>					<b>19,134</b>	<b>19,136</b>	<b>0.0</b>

<sup>1</sup> 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 (BENEVO), 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 new 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 2020/21, the group employed about 17,900 persons and generated revenues of EUR 6.7 billion.