

Press release

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Südzucker significantly increases revenues and operating result in fiscal 2022/23

Südzucker AG had already published its preliminary figures for fiscal 2022/23 (1 March 2022 to 28 February 2023) on 18 April 2023. Today's publication of the annual report now includes the final figures.

Group consolidated revenues in fiscal 2022/23 rose by about 25 percent to EUR 9,498 (previous year: 7,599) million. All segments contributed to this increase.

Group EBITDA improved significantly to EUR 1,070 (previous year: 692) million.

The group's consolidated operating result also climbed significantly to EUR 704 (previous year: 332) million. The special products segment's operating result fell significantly and the fruit segment's operating result declined slightly. By contrast, operating result in the sugar, CropEnergies and starch segments rose significantly.

Capital employed significantly rose to EUR 7,095 (previous year: 6,325) million. The main reason for this increase was the significant rise in working capital due to higher costs and sales revenues. As a result of the disproportionate increase in operating result, ROCE improved to 9.9 (previous year: 5.3) percent.

Recommended dividend of EUR 0.70 per share

The executive board and supervisory board propose to the annual general meeting a dividend of EUR 0.70 (previous year: 0.40) per share for fiscal 2022/23. The annual general meeting will take place again virtually on 13 July 2023.

Sugar segment result back to positive after four years of losses

The sugar segment's revenues rose significantly to EUR 3,216 (previous year: 2,623) million in fiscal 2022/23. The higher sugar sales revenues since October 2021 had a positive effect at the beginning of the fiscal year; sugar prices were increased again at the beginning of the new sugar marketing year 2022/23 in October 2022. With sales volumes declining moderately for the entire fiscal year, overall sales revenues were significantly higher than the previous year.

After four years of losses, the sugar segment achieved a significant improvement in operating result and thus a turnaround in fiscal 2022/23 with an operating result of EUR 230 (previous year: -21) million. The significant increase in revenues was also offset by substantially higher raw material, energy and packaging costs. For sugar from the new 2022 campaign, these charges increased significantly once again. The fiscal year just ended was also impacted by lower capacity utilization as a result of the poor harvest. In the third quarter of 2022/23, the development was

partly favored by the sale of sugar inventories from the 2021 campaign at the beginning of the new sugar marketing year.

Special products segment burdened by rising costs

Revenues in the special products segment totaled EUR 2,217 (previous year: 1,781) million, a significant increase year-on-year, due in particular to higher prices. Sales volumes showed a mixed trend, with significant increases but also substantial decreases.

Operating result was down significantly to EUR 102 (previous year: 117) million, although in the fourth quarter of 2022/23 – as in the third quarter – further price increases improved the result compared with the prior-year quarter. However, the negative impact of significantly higher raw material, energy, logistics and packaging costs could only be passed on to customers in part or with a time lag in the past fiscal year.

CropEnergies result again at record highs

Revenues in the CropEnergies segment rose significantly to EUR 1,390 (previous year: 1,004) million, mainly driven by substantially higher sales prices.

Operating result was in line with the development of sales revenues and increased significantly to EUR 251 (previous year: 127) million in the reporting period. Thus, the strong operating result of the previous year was again significantly exceeded and another record result was achieved. Significantly higher sales revenues more than offset the likewise substantial rise in raw material and energy costs.

Starch segment reports significantly improved operating result

Despite declining sales volumes, the starch segment's revenues rose significantly to EUR 1,193 (previous year: 940) million as a result of substantially higher sales revenues. Ethanol prices remained satisfactory in the first half of the year, which helped contribute to this revenue growth.

Sales revenues development drove operating result up significantly to EUR 70 (previous year: 57) million in the reporting period. Despite operating result in the last two quarters being impacted by the recent decline in ethanol prices and falling short of the results of the first two quarters, substantially higher raw material and energy costs overall were more than offset by significant sales revenue growth.

Fruit segment operating result at previous year's level

Revenues rose significantly in the fruit segment to EUR 1,482 (previous year: 1,251) million. Key drivers were significantly higher prices for both fruit preparations and fruit juice concentrates. Südzucker was also able to achieve a significant increase in sales volumes for fruit juice concentrates.

Operating result was slightly lower than the previous year at EUR 51 (previous year: 52) million. The result in the fruit preparations division fell below the previous year – due to a decline in sales and a rise in costs. In contrast, the fruit juice concentrates division's result improved significantly due to a marked increase in sales volumes, and the significantly higher sales revenues more than offset the higher costs.

Group outlook 2023/24 unchanged

The Ukraine war that started at the beginning of fiscal year 2022/23 and has continued to this day has further reinforced the already existing high volatility in the target markets and price increases in the procurement markets, particularly in the raw materials and energy sectors. The resulting economic and financial ramifications, security of supply and duration of this temporary exceptional situation are also difficult to assess in fiscal 2023/24.

The consolidated group forecast for fiscal 2023/24 was published for the first time on 15 December 2022 and raised on 18 April 2023. In line with this forecast, Südzucker expects consolidated group revenues of EUR 10.4 to 10.9 (2022/23: 9.5) billion in fiscal 2023/24. The company expects revenues to increase in all segments – with the exception of CropEnergies; in the CropEnergies segment, Südzucker anticipates a range between EUR 1.3 and 1.4 (2022/23: 1.5) billion.

Group EBITDA is forecasted in a range between EUR 1.1 and 1.3 (2022/23: 1.1) billion.

Group operating result is expected to range between EUR 725 and 875 (2022/23: 704) million. Südzucker anticipates the sugar segment's operating result to be in a range between EUR 400 and 500 million. In the special products segment, the company expects a significant rise in operating result and is forecasting operating result in the CropEnergies segment in a range between EUR 95 and 145 million. The starch segment's operating result is likely to decline significantly. The group expects the fruit segment's operating result to be at the prior year's level.

Südzucker expects capital employed to rise moderately. Based on the above-mentioned operating result improvement, ROCE is anticipated to be significantly higher (2022/23: 9.9 percent).

Business Performance - Group				
		2022/23	2021/22	+ / – in %
Revenues	€ million	9,498	7,599	25.0
EBITDA	€ million	1,070	692	54.6
EBITDA margin	%	11.3	9.1	
Depreciation	€ million	-366	-360	1.8
Operating result	€ million	704	332	> 100
Operating margin	%	7	4.4	
Result from restructuring / special items	€ million	-3	-42	-93.4
Result from companies consolidated at equity	€ million	30	-49	-
Result from operations	€ million	731	241	> 100
Investments in fixed assets and intangible assets	€ million	400	332	20.5
Investments in financial assets / acquisitions	€ million	67	4	> 100
Total investments	€ million	467	336	39.0
Shares in companies consolidated at equity	€ million	78	77	1.3
Capital employed	€ million	7,095	6,325	12.2
Return on capital employed	%	9.9	5.3	
Employees		18,341	18,019	1.8

Business Performance – sugar segment				
		2022/23	2021/22	+ / – in %
Revenues	€ million	3,216	2,623	22.6
EBITDA	€ million	381	133	> 100
EBITDA margin	%	11.8	5.1	
Depreciation	€ million	-151	-154	-2.0
Operating result	€ million	230	-21	-
Operating margin	%	7.1	-0.8	
Result from restructuring / special items	€ million	55	0	-
Result from companies consolidated at equity	€ million	18	-63	-
Result from operations	€ million	303	-84	-
Investments in fixed assets and intangible assets	€ million	144	114	26.7
Investments in financial assets / acquisitions	€ million	3	0	-
Total investments	€ million	147	114	29.4
Shares in companies consolidated at equity	€ million	29	21	35.5
Capital employed	€ million	3,201	2,741	16.8
Return on capital employed	%	7.2	-0.7	
Employees		6,206	6,105	1.7

Business performance – special products segment				
		2022/23	2021/22	+ / – in %
Revenues	€ million	2,217	1,781	24.5
EBITDA	€ million	183	190	-3.9
EBITDA margin	%	8.2	10.7	
Depreciation	€ million	-81	-73	10.1
Operating result	€ million	102	117	-12.7
Operating margin	%	4.6	6.6	
Result from restructuring / special items	€ million	-10	0	> 100
Result from companies consolidated at equity	€ million	0	0	-
Result from operations	€ million	92	117	-21.4
Investments in fixed assets and intangible assets	€ million	145	124	17.3
Investments in financial assets / acquisitions	€ million	60	0	-
Total investments	€ million	205	124	65.8
Shares in companies consolidated at equity	€ million	0	0	-
Capital employed	€ million	1,979	1,740	13.7
Return on capital employed	%	5.2	6.7	
Employees		5,262	4,990	5.5

Business performance – CropEnergies segment				
		2022/23	2021/22	+ / – in %
Revenues	€ million	1,390	1,004	38.4
EBITDA	€ million	294	169	74.2
EBITDA margin	%	21.1	16.8	
Depreciation	€ million	-43	-42	2.9
Operating result	€ million	251	127	97.6
Operating margin	%	18.1	12.6	
Result from restructuring / special items	€ million	0	0	-
Result from companies consolidated at equity	€ million	1	0	> 100
Result from operations	€ million	252	127	97.6
Investments in fixed assets and intangible assets	€ million	47	36	30.7
Investments in financial assets / acquisitions	€ million	4	0	-
Total investments	€ million	51	36	40.8
Shares in companies consolidated at equity	€ million	5	3	92.9
Capital employed	€ million	535	486	10.0
Return on capital employed	%	46.9	26.1	
Employees		480	455	5.5

Business performance – starch segment				
		2022/23	2021/22	+ / – in %
Revenues	€ million	1,193	940	26.9
EBITDA	€ million	118	106	11.8
EBITDA margin	%	9.9	11.2	
Depreciation	€ million	-48	-49	-1.9
Operating result	€ million	70	57	23.4
Operating margin	%	5.9	6.1	
Result from restructuring / special items	€ million	0	0	-100.0
Result from companies consolidated at equity	€ million	11	14	-20.3
Result from operations	€ million	81	71	14.9
Investments in fixed assets and intangible assets	€ million	28	24	15.0
Investments in financial assets / acquisitions	€ million	0	0	-
Total investments	€ million	28	24	15.0
Shares in companies consolidated at equity	€ million	44	53	-17.3
Capital employed	€ million	552	488	13.0
Return on capital employed	%	12.7	11.7	
Employees		1,148	1,128	1.8

Business performance – fruit segment

		2022/23	2021/22	+ / – in %
Revenues	€ million	1,482	1,251	18.5
EBITDA	€ million	94	94	1.1
EBITDA margin	%	6.4	7.5	
Depreciation	€ million	-43	-42	4.1
Operating result	€ million	51	52	-1.3
Operating margin	%	3.5	4.1	
Result from restructuring / special items	€ million	-48	-42	15.5
Result from companies consolidated at equity	€ million	0	0	-
Result from operations	€ million	3	10	-72.0
Investments in fixed assets and intangible assets	€ million	36	34	4.1
Investments in financial assets / acquisitions	€ million	0	4	-100.0
Total investments	€ million	36	38	-5.8
Shares in companies consolidated at equity	€ million	0	0	-
Capital employed	€ million	828	870	-4.8
Return on capital employed	%	6.2	6.0	
Employees		5,245	5,341	-1.8

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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 (BENEOL), 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 and is a leading supplier of fruit juice concentrates in Europe.

In 2022/23, the group employed about 18,300 persons and generated revenues of about EUR 9.5 billion.