

## Press release

Mannheim, 11 July 2024

### **Südzucker with expected decline in earnings in the first quarter of fiscal 2024/25**

Group revenues of Südzucker AG in the first three months of fiscal 2024/25 (1 March to 31 May 2024) were up slightly to EUR 2,551 (previous year: 2,518) million. 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 230 (previous year: 356) million.

The consolidated group operating result decreased significantly to EUR 155 (previous year: 282) million, as already pointed out in the MAR publication of 15 April 2024. The sugar, CropEnergies and starch segments recorded a decline, while operating results in the special products and fruit segments increased.

#### **Sugar segment's operating result fell significantly**

The sugar segment's revenues rose significantly to EUR 1,076 (previous year: 924) million. This increase was achieved despite falling prices thanks to a significant rise in sales volumes. In this context, substantially higher exports from the EU to the global market were a major factor.

As expected, the operating result fell significantly to EUR 59 (previous year: 169) million. The main reason for this was the further significant rise in production costs during the 2023 campaign. The significantly higher sales volumes were offset by moderately lower prices.

#### **2024 beet cultivation: sowing delayed by persistent rainfall**

In the Südzucker Group, the beet cultivation area increases moderately in 2024 compared to the previous year. Beet was sown in most areas of the Südzucker Group between the end of March and mid-April 2024 – around two weeks earlier than last year. Continued rainfall in the western regions – particularly in Belgium – meant that beet sowing was not yet complete in June 2024. From today's perspective, an average beet harvest is expected overall.

#### **Special products segment's operating result up moderately**

At EUR 579 (previous year: 611) million, the special products segment's revenues were moderately down on the previous year, mainly due to price factors.

By contrast, the operating result saw a moderate increase to EUR 57 (previous year: 52) million. This positive development was primarily attributable to higher margins, which more than compensated for the rise in personnel costs. Raw material costs varied between the divisions, with some becoming more expensive and others declining.

### **CropEnergies segment's operating result down significantly**

Revenues in the CropEnergies segment fell significantly to EUR 231 (previous year: 289) million. The decline is attributable to significantly lower prices for ethanol as well as food and animal feed products. Sales volumes improved significantly compared to the previous year's low level due to scheduled maintenance shutdowns.

In line with the development of revenues, the operating result also dropped significantly to EUR 6 (previous year: 14) million in the reporting period. The main reason for the decline in the result is the fact that prices for renewable ethanol were significantly lower than in the previous year. Lower net raw material costs were nowhere near enough to compensate for this.

### **Starch segment's operating result down significantly**

The starch segment recorded a significant drop in revenues to EUR 250 (previous year: 293) million. This downturn was the result of the significant fall in prices for ethanol and starch products. However, sales volumes showed a clearly positive trend.

The operating result decreased significantly to EUR 6 (previous year: 23) million. The substantial reduction in raw material costs and the higher sales volumes were not sufficient to compensate for the considerably lower prices for ethanol and starch products.

### **Fruit segment's operation result raises significantly**

The fruit segment's revenues of EUR 415 (previous year: 401) million were slightly up on the previous year due to the higher sales volumes of both fruit preparations and fruit juice concentrates.

The operating result also increased significantly to EUR 27 (previous year: 24) million. The earnings contribution from fruit preparations climbed due to the growth in sales volumes with stable margins. The contribution to earnings from fruit juice concentrates fell despite higher sales volumes due to lower margins.

### **Forecast for fiscal 2024/25 confirmed**

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 last October 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.

The Group's forecast remains unchanged.

Südzucker expects consolidated group revenues in fiscal 2024/25 between EUR 10.0 and 10.5 (2023/24: 10.3) billion.

Group EBITDA is anticipated to range from EUR 0.9 to 1.0 (2023/24: 1.3) billion.

Consolidated operating result is predicted to be between EUR 500 and 600 (2023/24: 947) million.

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

### Group figures as of 31 May 2024

		1st quarter		
		2024/25	2023/24	+ / - in %
<b>Revenues</b>	€ million	<b>2,551</b>	<b>2,518</b>	<b>1.3</b>
<b>EBITDA</b>	€ million	<b>230</b>	<b>356</b>	<b>-35.4</b>
EBITDA margin	%	9.0	14.1	
Depreciation	€ million	-75	-74	1.4
<b>Operating result</b>	€ million	<b>155</b>	<b>282</b>	<b>-45.0</b>
Operating margin	%	6.1	11.2	
Result from restructuring / special items	€ million	-2	1	-
Result from companies consolidated at equity	€ million	2	-2	-
<b>Result from operations</b>	€ million	<b>155</b>	<b>281</b>	<b>-44.8</b>
Investments in fixed assets and intangible assets	€ million	113	79	43.0
Investments in financial assets / acquisitions	€ million	7	1	> 100
<b>Total investments</b>	€ million	<b>120</b>	<b>80</b>	<b>50.0</b>
Shares in companies consolidated at equity	€ million	86	80	7.5
Capital employed	€ million	7,153	7,424	-3.7
<b>Employees</b>		<b>19,799</b>	<b>19,087</b>	<b>3.7</b>

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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 (BENEO), 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.