

Press release 7 | June 2, 2022

## Nordzucker highly successful in the 2021/22 financial year

- **Operating profit of 114 million Euro**
- **Dividend payment of 80 cent per share proposed**
- **Positive result expected for the current 2022/23 financial year**
- **Increased costs to be offset by higher price level**

**Braunschweig.** Nordzucker significantly increased Group revenues and operating profit in the 2021/22 financial year. Nordzucker achieved Group revenues of 1.9 billion Euro, an increase of 273 million Euro compared to the previous year. At 114 million Euro, the operating profit (EBIT) was 33 million Euro higher than the previous year. The company closed the financial year with a net profit of 84 million Euro (previous year: 66 million Euro). A higher price level for sugar compared to the previous year and a significant increase in sugar sales contributed to the good result. The majority interest in the cane sugar producer Mackay Sugar Ltd. in Australia contributed 15 million Euro to the Group's operating profit. Dr Lars Gorissen, CEO, emphasises: "With our optimisation programme launched three years ago, we were able to generate a profit contribution of about 70 million Euro in addition to the effects of the good market development. In view of significantly increased costs in the 2021/22 campaign, this contribution has been essential for the steadiness of the company. Through this outstanding performance of our employees throughout the Group, we have strengthened our competitiveness in the long term and prepared the company well for the future." The Executive Board and Supervisory Board will propose a dividend payout of 80 cent per share at the Annual General Meeting on 20 July 2022, up from 60 cent per share in the previous year.

### **Prospects for a positive financial year 2022/23**

Nordzucker expects a positive earnings situation for the current 2022/23 financial year, provided that sufficient energy is available for sugar production in the factories. "Due to the pandemic and the Ukraine war, costs have risen considerably, especially for energy. However, we are confident that we will be able to offset the increased

costs with higher sales revenues. This is shown by the current price trend for sugar in Europe," explains Alexander Bott, CFO.

Nordzucker is currently making intensive preparations for the campaign that begins in September. The current situation on the energy markets requires particular flexibility here. "We are currently planning with different scenarios for the upcoming campaign. Alternative energy supply concepts have already enabled us to significantly reduce our dependence on gas as an energy source for sugar production. We are optimistic that we will be able to provide the planned sugar quantities even under possibly difficult conditions," explains Alexander Godow, COO.

### **Nordzucker pays higher beet prices**

The current situation on the agricultural markets has led to a significant increase in the prices of competing crops such as wheat and rapeseed. At the same time, costs are rising for farmers, especially for fuel and fertilizer. Dr Lars Gorissen, CEO, explains: "We have increased beet prices for 2022 and assume that sugar prices will allow very attractive beet prices at the end of the campaign. Beet growers and Nordzucker must be able to compensate for rising costs so that beet cultivation and sugar production remain profitable, and we can safely supply our customers with sugar. product."

### **Limiting climate change at the top of the agenda**

Despite the current turbulence in the markets, Nordzucker is not losing sight of its long-term goals. The recently revised corporate strategy focuses on sustainability, excellence, and growth. In addition to the goal of remaining an attractive partner for beet growers in the future and thus securing the raw material, the topic of sustainability sets the agenda.

In addition to extensive energy savings, measures are currently being examined in the various countries to make sugar production independent of fossil fuels in the medium term. Nordzucker can become energy self-sufficient and CO<sub>2</sub> neutral by producing biogas or biomethane with about half of the beet pulp that remains from the sugar beet during sugar production. Nordzucker is calling for the therefore necessary political framework to be created and is prepared to implement these projects, which involve high investments, relatively quickly.

### **Growth areas clearly defined**

Nordzucker plans to expand its cane sugar business and is examining various options. The engagement in Australia contributed significantly to the Group result in the 2021/22 financial year. "We are very pleased with this result and with the performance of our colleagues on site. We want to use our expertise in sugar production from cane and knowledge of marketing to continue to grow in cane," emphasises Dr Lars Gorissen, CEO.

Nordzucker has defined the development and marketing of products made from beet and sugar, for example in the plastics sector, and possible entry into the growth market of vegetable proteins as further growth areas.

The Annual General Meetings of Nordzucker Holding AG and Nordzucker AG will be held jointly on 20 July 2022 in the Volkswagen Halle in Braunschweig.

You can find the current annual report [here](#) .

## **Background**

### **Nordzucker Group**

The Nordzucker Group, headquartered in Braunschweig, Germany, is one of the world's leading sugar producers. The company extracts a wide range of sugar products from beet and cane at 21 sites in Europe and Australia - some of it in organic quality. Nordzucker also produces animal feed, molasses, fertiliser, bioethanol, biogas and electricity. The raw materials beet and cane are fully utilised. Circular economy and sustainability along the entire value chain have been a priority in the company for decades. A total of around 3,800 employees across the Group stand for sustainably produced products and excellent service.

[www.nordzucker.com](http://www.nordzucker.com)