

## **Nordzucker 2024/2025 annual financial statements: positive result despite sharp price decline in the EU sugar market**

Nordzucker AG concluded the 2024/2025 financial year with a positive operating result despite the tense market environment. The operating result – or EBIT for short – stood at 100 million Euro compared with 421 million Euro in the previous year. Revenues decreased from 2.923 billion Euro to 2.770 billion Euro. The lower sales revenues and earnings were mainly due to a sharp drop in sugar prices in Europe. Nordzucker is aiming to secure stable earnings and dividends in the future by implementing sustainability and excellence initiatives in its existing business, as well as by further diversifying its areas of business.

**Braunschweig, 28 May 2025** – “Due to the very productive beet harvests and the large volumes of sugar produced as a result, the sugar price in Europe dropped – much more sharply than initially expected,” explains Lars Gorissen, Chief Executive Officer, at the presentation of the annual financial statements in Braunschweig. Restrained consumer demand and sugar volumes imported to the European market from Ukraine also had an effect. “Despite this, we achieved very positive consolidated comprehensive income in the 2024/2025 financial year. Therefore, together with the Supervisory Board, we will propose a dividend of 0.40 Euro per share at the Annual General Meeting on 10 July 2025.”

In the unusually long and high-yield campaign, and with favourable production conditions, Nordzucker produced around three million tonnes of beet sugar – more than ever before. Net income before minority interests amounted to 84 million Euro, compared with 326 million Euro in the previous year. The EBIT profit margin came to 3.6 per cent (previous year: 14.4 per cent). The Australian subsidiary Mackay Sugar Ltd. contributed 14 million Euro to the operating result.

“In the first few months, Nordzucker was still able to benefit from high sales prices before the operating result started to decrease as expected from October 2024,” says Alexander Bott, Chief Financial Officer at Nordzucker. Thanks to our competitive cost structure and solid market position, particularly in Scandinavia, as well as due to the good earnings contributed by our Australian activities with Mackay Sugar Ltd., we are able to present a positive result for the 2024/2025 financial year,” says Bott. In addition to developments on the market, high prices for

commodities and logistics as well as one-off effects continued to affect the operating result.

Nordzucker is currently budgeting for a net loss in the low double-digit million range for the 2025/2026 financial year. "We launched various cost-optimisation measures back in 2024 and ramped up our excellence programmes in order to stabilise our earnings given the situation on the market. The expected price recovery combined with our comprehensive optimisation measures could still improve the earnings for the current financial year compared with the budget," Bott adds.

### **Market stabilisation expected**

It can be observed that acreage assigned to beet cultivation has been reduced this year in the EU. Nordzucker has also adjusted its beet contracts accordingly. "Together with our growers, we are making a contribution to relieving the pressure on the market," says Gorissen. "The smaller amount of land under cultivation available in the EU has already resulted in the pressure easing. Sugar prices are currently stabilising at a low level – we therefore believe that prices have already bottomed out," says Alexander Godow, Chief Operating Officer. However, noticeable price rises are only to be expected from the start of the new sugar marketing year in October 2025.

### **Fields for Growth strategy**

With the goal of reducing its dependence on price fluctuations in the EU sugar market and boosting and stabilising consolidated comprehensive income and the dividend, the company has continued to hone and define its strategy.

With the title Fields for Growth, Nordzucker will be focusing on two areas that feed into one another. "We are strengthening the profitability of our business through investments in sustainability and optimising our cost structure through excellence projects. In addition, we are expanding and diversifying our company even further," says Gorissen. The company's aim is to cut costs by more than 100 million Euro.

Via the Science Based Targets initiative, Nordzucker has committed to slashing its CO<sub>2</sub> emissions from production by 50 per cent by 2030 compared with the base year of 2018. Furthermore, the company has declared that it wants to reduce its emissions from agriculture and land use by 36 per cent by 2030. These FLAG\* targets were confirmed by the Science Based Targets initiative in May 2025. Together with growers, Nordzucker has already successfully launched its first pilot projects, such as the partnership with Yara, which focuses on low-carbon mineral fertilisers. The aim is to reduce the sugar beet carbon footprint. "Achieving our Group-wide sustainability targets will continue to require a high level of investment in the coming years," explains Godow.

## **Sugar from sugar cane: potential for more resilient profitability**

“We need growth in order to achieve our overarching targets, such as more stable earnings and dividends. For this reason, we will be significantly expanding our sugar cane activities,” Gorissen emphasises. The Australian subsidiary has shown that Nordzucker has successfully taken advantage of global growth opportunities. Mackay Sugar has been making a positive contribution to the overall result for more than five years now.

“Sugar production from sugar cane offers the potential for higher and more resilient profitability in some regions of the world compared with sugar production from sugar beet in the EU. This can compensate for fluctuations,” Gorissen goes on to explain.

Another potential market for diversification is the area of alternative proteins. “We continue to see great potential for alternative proteins,” Gorissen says. Nordzucker will not be constructing the planned pea protein factory in Groß Munzel, Lower Saxony, however, since its profitability cannot be ensured in the current situation. Instead, the company will investigate how it can tap into the market through partnerships and acquisitions.

## **Climate change is resulting in specific challenges for beet cultivation**

Climate change is having a significant impact on farming and beet cultivation. One example is the “Schilf-Glasflügelzikade“, *Pentastiridius leporinus*. This cicada transmits diseases that affect the beets’ sugar content and their processing quality. In partnership with associations and growers, as well as politicians, cultivators and research institutes, Nordzucker is intensively working towards solutions. “Sugar beet is a major player in agriculture and the basis for a secure food supply; it remains economically attractive for our growers and plays a key role in crop rotations,” Lars Gorissen emphasises.

\*FLAG = Forestry, Land and Agriculture

## **Nordzucker**

Nordzucker is one of the world's leading producers of sugar from sugar beet and sugar cane. The Group extracts sugar products in various forms, such as white sugar, raw sugar, refined sugar, organic sugar, speciality sugars and liquid sugars. Nordzucker also produces animal feed, molasses, fertilisers and fuels, as well as electricity. In the 2024/2025 financial year, the company generated revenue of 2.8 billion Euro.

With its revised Fields for Growth strategy, Nordzucker is focusing on two areas: Firstly, strengthening the profitability of its existing business by investing in sustainability and optimising its cost structure. Second, Nordzucker is aiming for further diversification as part of its planned growth outside the EU

sugar market.

Nordzucker is committed to sustainability, from farmer to consumer, and makes sustainability an integral part of the company. Nordzucker attaches great importance to regional cultivation in its processing and value chain, with short transport distances, the highest quality and social standards, and complete utilisation of the crops. The aim is for all production to be CO<sub>2</sub> -neutral by 2050 at the latest.

High-quality products and services, growth prospects and continuous improvements are the driving force behind a dedicated and international team of around 4,100 employees at 21 European and Australian locations.

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