

THE Sugar Company

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ANNUAL FINANCIAL STATEMENTS 2020/21: Nordzucker achieves significant profit

Significant profits after two years of losses - Corona pandemic without material impact on earnings - Start signal for sustainability and excellence

- **Operating result of 81.0 million euros**
- **Turnover increased by 16 percent to 1,670 million euros**
- **Dividend payment of 60 cents per share proposed**
- **Clearly positive result expected for the current 2021/22 business year**

Braunschweig. Nordzucker closed the 2020/21 financial year with an increase in revenue and a significant operating profit. In the previous year, a loss of 14.6 million euros had to be reported. The realignment of the sales strategy, the significant streamlining of the organisation and comprehensive permanent cost reductions made the operating profit of 81.0 million euros possible. Very stable prices supported the positive business development. A small pandemic-related decline in sales hardly affected the good result. The majority interest in the second-largest Australian sugar producer, Mackay Sugar Ltd. (MSL) developed in line with expectations and again made a positive contribution to the Group result in the 2020/21 financial year.

In the 2020/21 financial year (reporting date 28 February), Nordzucker achieved consolidated sales of 1,670 million euro, 16 per cent above the previous year (1,439 million euro). The operating result (EBIT) was 81 million euros (previous year: minus 15 million euros). The financial year closed with a net profit of 66 million euros (previous year: minus 15 million euros). A dividend distribution of 60 cents per share will be proposed to the Annual General Meeting. This corresponds to a total distribution of 29 million euros. No dividends could be distributed in the two previous years.

Successful transformation

Nordzucker has succeeded in getting back on the road to success over the past two years. Based on a comprehensive transformation programme, contributions of around 55 million euros were generated, which significantly improved earnings. "Our employees have made this success possible by actively supporting our transformation programme Act Now! with many ideas. Especially under the difficult conditions during the Corona pandemic, everyone showed personal commitment, a sense of responsibility and flexibility. That was a great performance!", declares Dr Lars Gorissen, CEO.

Due to the cost reductions implemented in all areas of the company and the current largely stable sugar markets, a clearly positive result can also be expected for the current 2021/22 financial year. "We must continue to work consistently on our cost structure and the optimisation of our processes with our customers in mind in order to remain competitive. The aim is to be an attractive partner for our beet growers in Europe and to secure dividends for our shareholders in the long term," emphasises Alexander Bott, CFO.

Basis for the future: excellence and sustainability

The benchmark for the future is high. Overall, the sugar market is characterised by volatility, high competition and increasing political and social demands.

"We are rising to the challenges and have great ambitions. For the coming years, we have launched new initiatives in all core areas of the company under the motto "Good.Better.Excellent!" to further optimise ourselves comprehensively, to digitalise and to reduce our costs," emphasises Dr Lars Gorissen.

The company has also adopted a new sustainability strategy until 2030. The Paris Agreement's goal of reducing greenhouse gas emissions plays a particular role in this strategy. Nordzucker has committed to the Science-Based-Targets-Initiative. "Sustainability has always been strongly integrated into our business. For us, sustainability means more than working against climate change. Social engagement throughout the supply chain, the production of sustainable products, the development of sustainable farming methods together with our beet growers, more environmentally friendly packaging and much more are on our agenda for the coming years as well. These initiatives are just as important for our business as technological and digital development and the continuous improvement of our processes," Axel Aumüller, COO, explains.

Global growth remains the goal

With its commitment in Australia, Nordzucker has taken a first successful step into the cane sugar market. "The growth markets in sugar are not in Europe. We plan to continue to expand our business worldwide. The acquisition of Mackay Sugar Ltd. should only be the first step into the cane sugar world," says Dr Lars Gorissen.

This year, the annual general meetings of Nordzucker Holding AG and Nordzucker AG will be held jointly and digitally on 7 July 2021.

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.

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