

THE Sugar Company

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Nordzucker is looking back on a successful campaign

- **Significant profits after the end of the third quarter**
- **2020/21 campaign runs almost trouble-free**
- **Sugar yield from beets slightly above average across the Group**
- **No infection chains in the factories**

Braunschweig. After three quarters in financial year 2020/21, Nordzucker is posting a clearly positive operating profit of 81 Million Euro, compared with minus 9 Million in the same period of the previous year. The price recovery in the EU, a reframed sales strategy and a comprehensive and consistently implemented cost-cutting program have brought Nordzucker back into the black in the first three quarters of the fiscal year 2020/21. Sales increased from 1,120 Million Euro to 1,256 Million Euro compared to the same period last year.

"We are very content with the development on the market and with the fact that our measures have shown effect so fast and effectively. Now we have to look ahead. The market will continue to be characterized by volatility. Programs to reduce costs and optimize our processes will further accompany us," explains Dr Lars Gorissen, CEO.

"For the full year 2020/21, we expect a significantly positive result. The first three quarters clearly point to this. Our business in Australia continues to be positive and contributes to the Group result," adds Alexander Bott, CFO.

The strong customer focus as part of the reframed sales strategy is making an important contribution to the positive development, Erik Bertelsen, CMO, is convinced: "Our top priority is to reliably provide our customers with the quality and services they need."

Campaign running almost smoothly

The Nordzucker Group has completed its campaign in almost all countries, while beet processing is still ongoing at the Örtofta plant in Sweden and Nykøbing in Denmark solely. With an average of 118 days, the campaign will be one week longer than last year (110 days). Sugar yields from beet for the Group as a whole are expected to be slightly above the five-year average.

Nordzucker expects to process more than 16.6 Million Tonnes of beet at the end of this year's campaign across all 13 European plants (previous year: 15.7 Million Tonnes). This year, organic beet were again processed into organic sugar at our three plants in Schladen, Nykøbing and Kedainiai. The volume had increased once again compared with the previous year.

"The conditions of this campaign during the Corona pandemic deserve special recognition," emphasizes Axel Aumüller, COO: "We are very pleased and grateful that the health protection measures implemented during the campaign have been effective. The responsible behavior of our employees made a significant contribution to the relatively few infections among our staff. Our special thanks go to our colleagues in this respect."

Axel Aumüller further reports on the campaign, that the plants have predominantly run very reliably and almost trouble-free, and that the investments in environmental measures, efficiency and product quality have shown their worth. For the coming years, Aumüller adds, investments in reduced energy use and lower CO₂ emissions as well as the performance of our plants will be the driving forces.

"In Australia, we have also successfully completed the second "crushing season" under our responsibility," says Aumüller. In around six months, a well over 5.1 Million Tonnes of sugar cane were processed. "We were again able to process the entire cane and did not have to leave any cane unharvested in the fields due to weather conditions," adds Aumüller. Between now and the next crushing season, the planned investments to stabilize processing, increase production efficiency and improve cane logistics will be implemented.

Slightly above-average harvest despite drought

For the third year in a row, the 2020 cultivation year was characterized by a lack of rainfall for sugar beet in the summer and by the yellowing disease that reappeared in many regions. However, the rainfall at the end of the summer provided a growth impulse and led to a slightly above-average yield of 69.5 Tonnes of beet per Hectare across the Group. With a sugar content of 17.7 per cent, the five-year average was not quite reached.

Dr Lars Gorissen, Chairman of the Executive Board and responsible for Agriculture in the Nordzucker Group, explains: "This year's result shows once again that beet can still increase yields late in the season and makes very effective use of rainfall. Group-wide, we are satisfied with the result as a whole," and emphasizes, "Sugar beet is an important component of agricultural crop rotations. Our Group-wide initiatives to research and test more environmentally friendly cultivation methods using reduced and appropriately dosed fertilizers and crop protection products will make regional sugar from beet even more attractive."

Background

Campaign

Sugar beet campaign, or campaign for short, is the period of the year during which sugar beet is processed in sugar factories. The campaign usually lasts from mid-September to January.

Nordzucker Konzern

The Nordzucker Group, headquartered in Braunschweig, Germany, is one of the leading sugar manufacturers worldwide. From beet and cane we produce white sugar, raw sugar, refined sugar, specialities and liquid sugars. In addition, the company produces animal feed, molasses, fertilizers and fuels from renewable energies as well as electricity. Sustainability along the entire value chain has a high priority. A total of 3,800 employees in 21 European and Australian production and refining facilities across the Group stand for excellent products and services, thus forming the basis for the company's further growth.