



FRUIT
STARCH
SUGAR

The natural upgrade

**#HELLO
TOMORROW**

Ready for the future.

AGRANA Beteiligungs-AG

Results for the first three quarters of 2020 | 21

Presentation for investors and analysts

Vienna, 14 January 2021



Q1-3 2020|21 OVERVIEW

- Revenue: € 1,965.3 m (+4.6% vs Q1-3 prior year: € 1,879.4 m)
- EBIT: € 84.3 m (+20.8% vs Q1-3 prior year: € 69.8 m)
- EBIT margin: 4.3% (Q1-3 prior year: 3.7%)

- EBIT in the 3rd quarter of 2020|21 (€ 28.5 million) was again better year-on-year (Q3 prior year: € 18.1 million)
- This was possible through a package of efficiency, cost and investment-related measures



~9,100

Employees (FTEs)



56

Production
sites



€ ~2.5 billion

Group revenue
in 2019|20 FY



World market leader
in the production of

FRUIT

PREPARATIONS
and largest
manufacturer of
fruit juice concentrates
in Europe



Major European
manufacturer
of customised

STARCH

PRODUCTS and
bioethanol



Leading

SUGAR

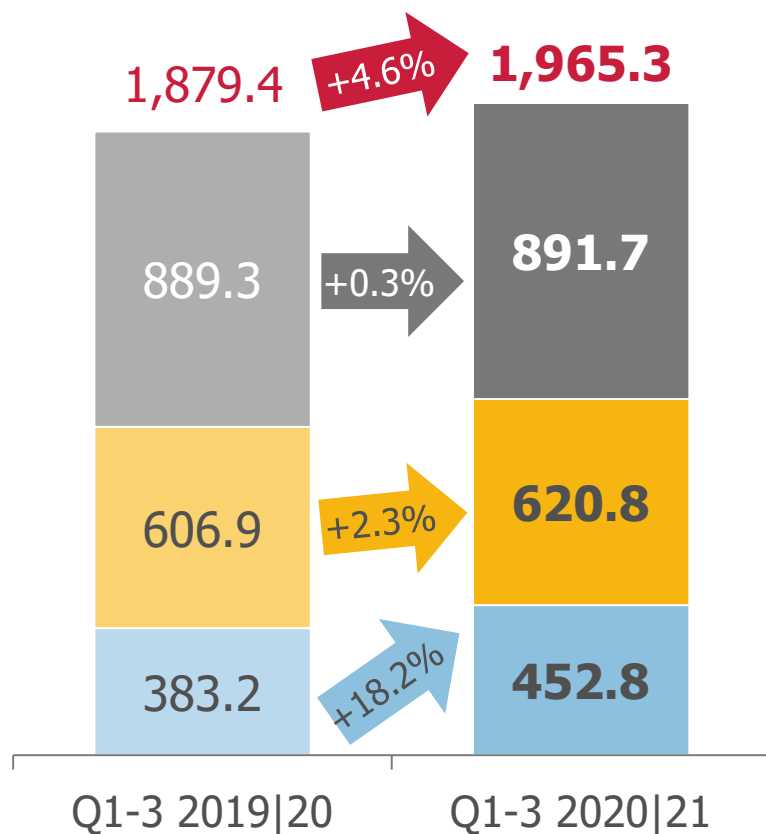
SUPPLIER
in Central, Eastern &
Southeastern Europe



Q1-3 2020|21 VS PRIOR YEAR

REVENUE BY SEGMENT

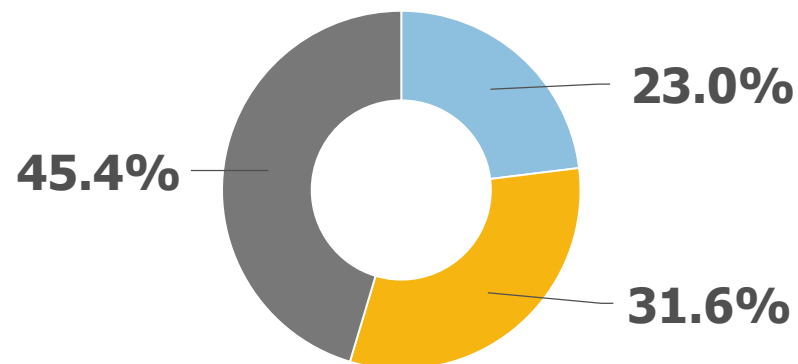
€m



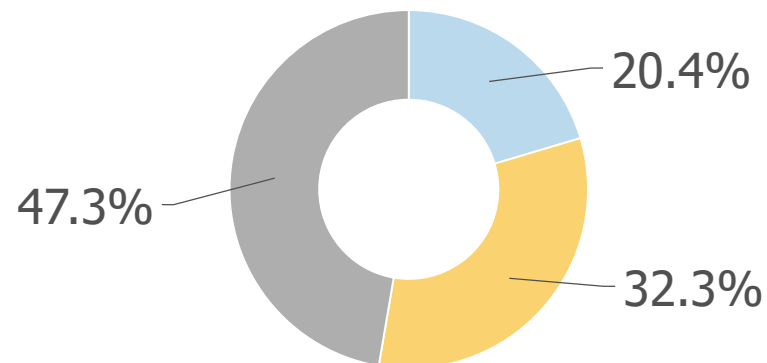
■ Fruit
■ Starch
■ Sugar

GROUP

Q1-3 2020|21



Q1-3 2019|20





Q1-3 2020|21 VS PRIOR YEAR

EBIT BY SEGMENT

€m

GROUP

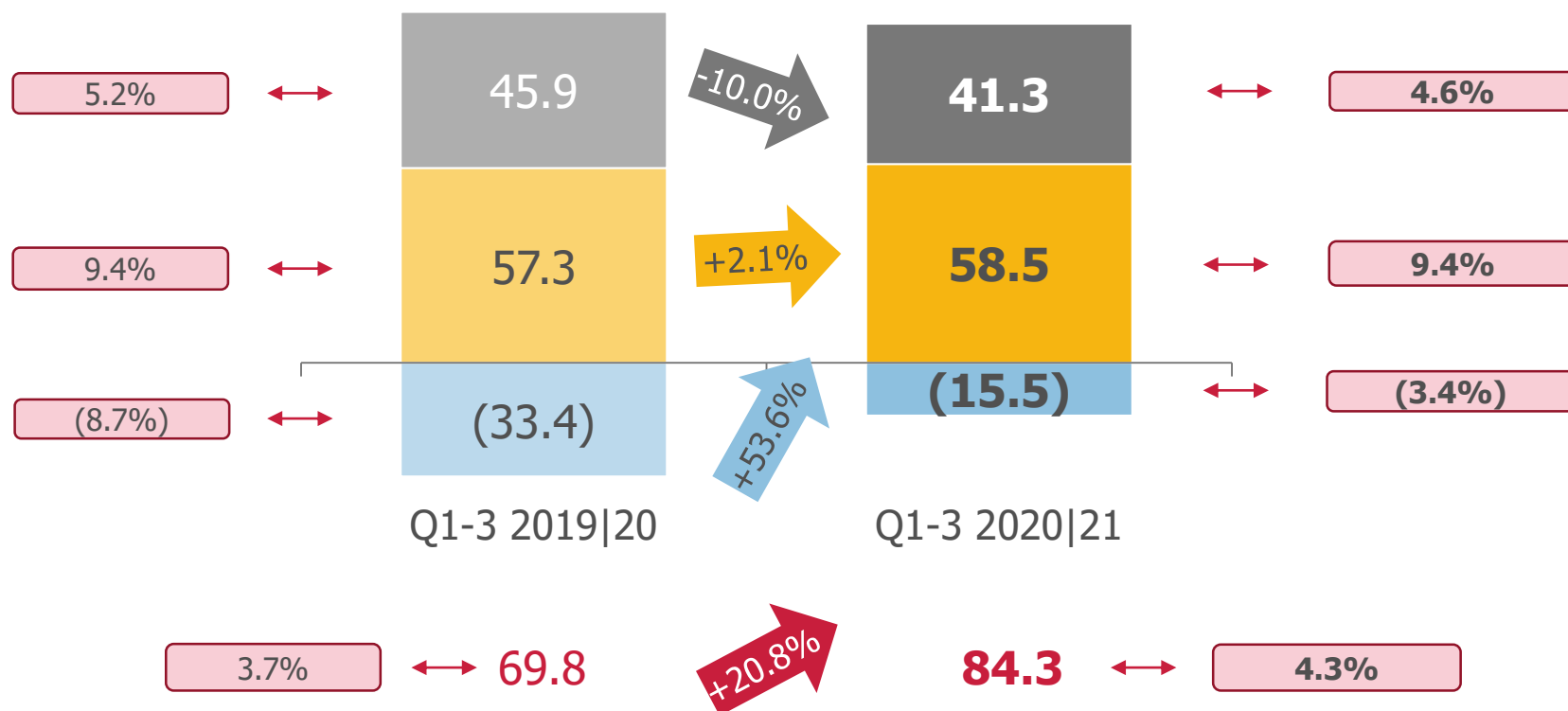
■ Fruit

■ Starch

■ Sugar

EBIT margin
Q1-3 2019|20

EBIT margin
Q1-3 2020|21

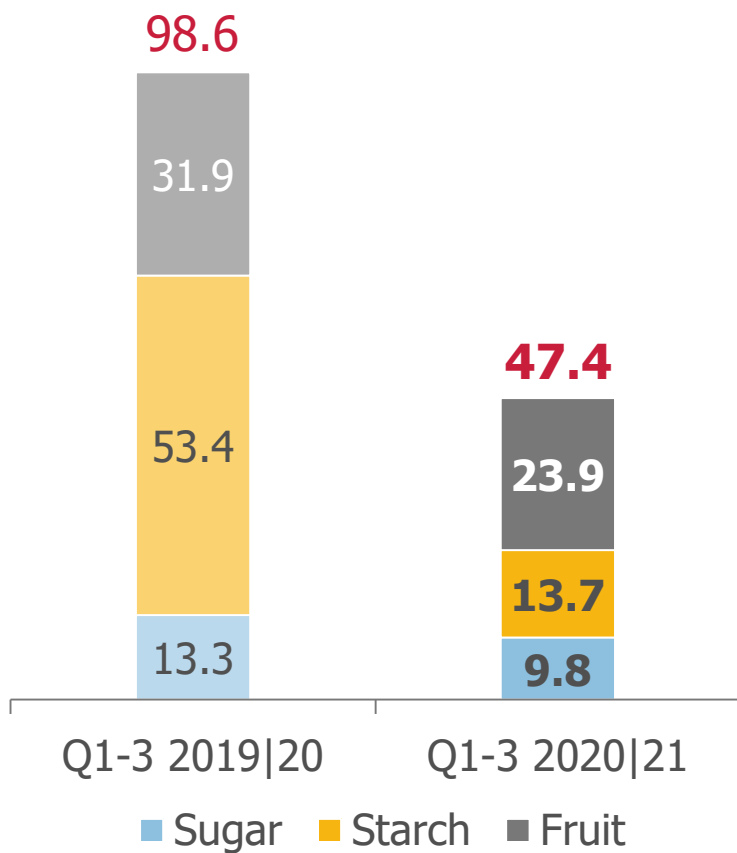




MOST IMPORTANT PROJECTS IN THE GROUP

INVESTMENT OVERVIEW

€m



GROUP

Q1-3 2020|21

FRUIT

- Wastewater treatment in Jacona, Mexico
- Expansion of the warehouse for finished product in Chung-Buk, South Korea
- Additional production line in Lysander, USA
- Additional production line in Central Mangrove, Australia

STARCH

- Measures to increase specialty corn processing in Aschach
- Major overhaul of the spray dryers in Gmünd, Austria
- Improvement measures at the wheat starch plant in Pischelsdorf, Austria

SUGAR

- Switch from coal to natural gas at our Sered' sugar plant, Slovakia



BIGGEST PROJECT IN FY 2020|21

MANUFACTURE OF CRYSTALLINE BETAININE

- **Joint Venture** between AGRANA and The Amalgamated Sugar Company (Boise, Idaho|USA)
- **New betaine plant was successfully commissioned** in August 2020
- Operation was ramped up over the past few months and the processes are continually being optimised
- **Investment:** approx. **€ 37 million** (AGRANA: € 18.5 million)
- 16 new jobs
- Production capacity of around **8,500 metric tonnes** of crystalline betaine per year



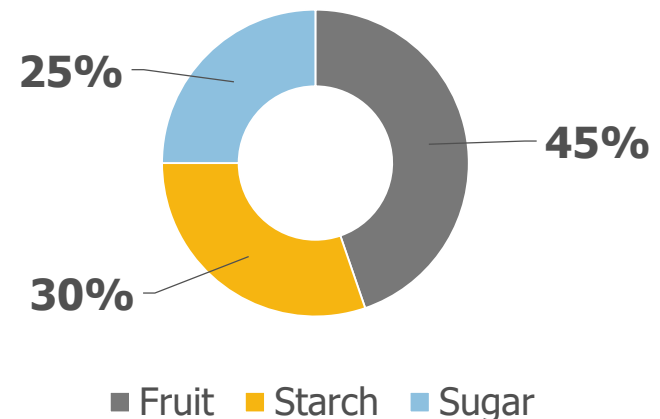


OUTLOOK FOR 2020|21

INVESTMENT PLAN

- **Total investment** across the three business segments in the 2020|21 financial year, at approximately **€ 76 million**
- **Significantly below** both the 2019|20 capital expenditure (€ ~150 m) and current year's budgeted depreciation (€ ~120 m)
- **Implementation phase** after completion of major projects and capacity expansion in recent years

Investment split 2020|21
(€ ~76 million)





SEGMENT

FRUIT

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FRUIT SEGMENT

Fruit preparations

- **Main market**, fruit yoghurt, is **negatively affected** by the coronavirus pandemic
- Current estimates of Euromonitor show a **decline in global growth rate** of yoghurt due to COVID-19 impact in calendar year 2020
- Consumers are focusing more on **health**
- Global recession increases demand for **lower-priced and simpler products**

Fruit juice concentrates

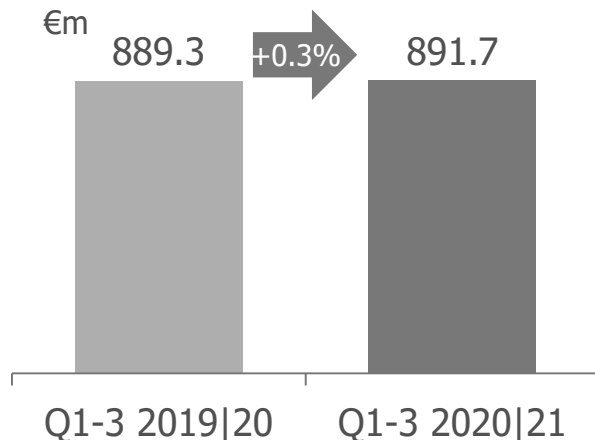
- **Apple quantities** available for the 2020 campaign were **below expectations**; associated **higher raw material prices** could only partially be passed through to the market
- **Demand situation was poor during the entire harvest** and it can be assumed that large international customers in the beverage industry have only partly covered their demands



FRUIT SEGMENT

REVENUE

€m

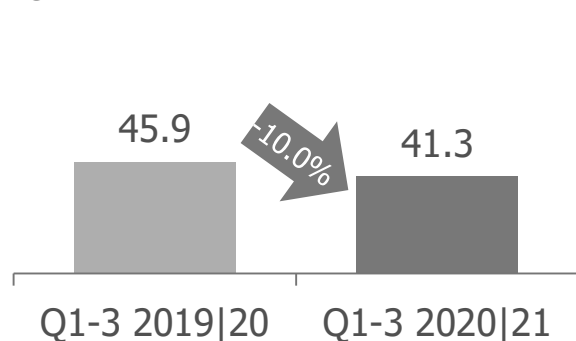


REVENUE closely in line with the year-earlier level

- In **fruit preparations**, revenue and sales volumes are stable
- Revenue in **fruit juice concentrate** activities with moderate increase

EBIT

€m



EBIT off 10.0% from one year earlier

- Deviation mainly based on **fruit juice concentrate** business
 - Reduced delivery volumes coupled with lower contribution margins of apple juice concentrate produced from the 2019 and 2020 crops
 - Margins are under pressure in berry juice concentrates made from the 2020 crop
- **Fruit preparations** business, overcoming numerous challenges, exceeded the EBIT of the year-earlier period
 - Savings in administration and improved results in Mexico and North America



SEGMENT

STARCH

#HELLO TOMORROW

Ready for the future.



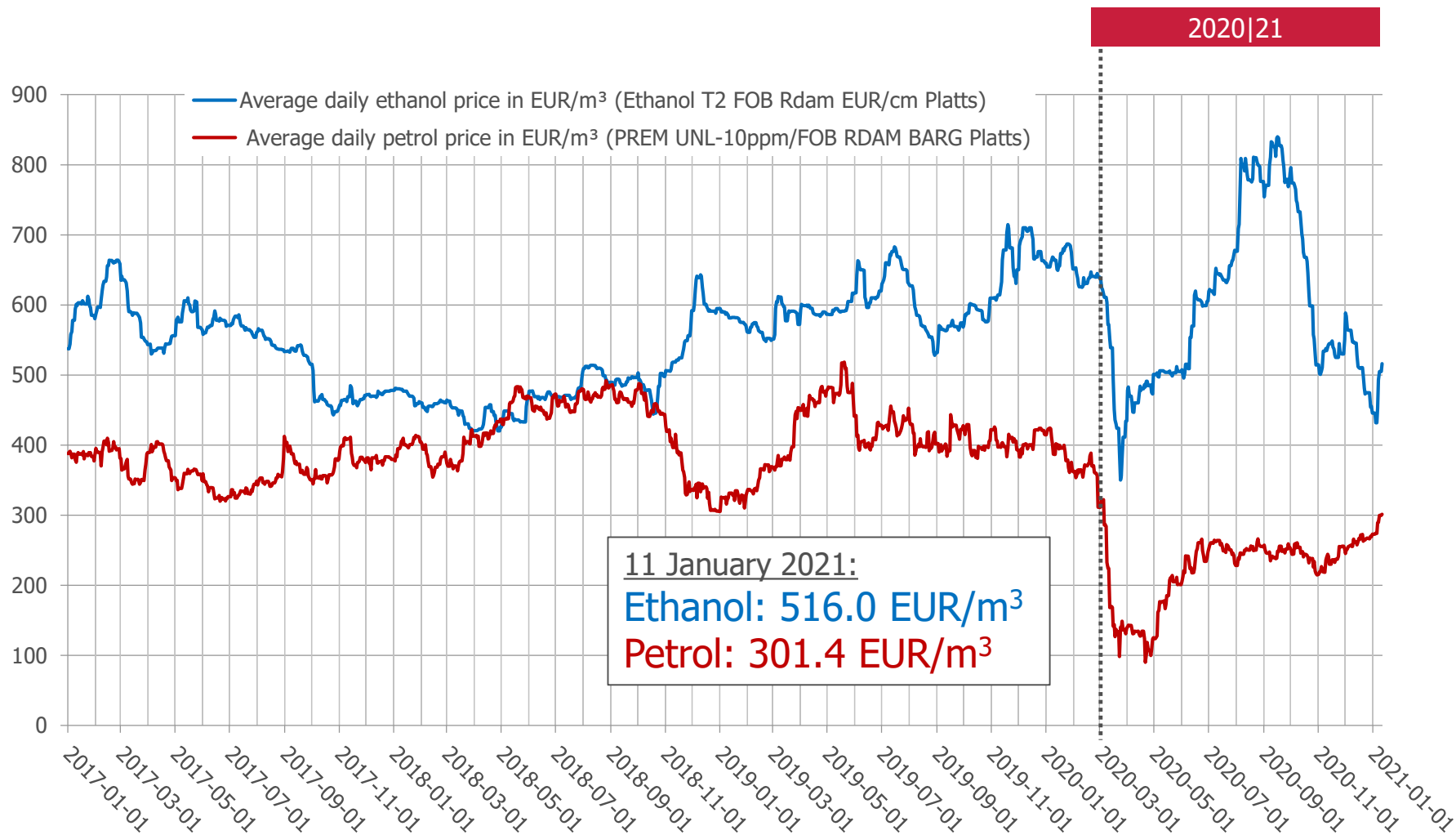
STARCH SEGMENT

- COVID-19 pandemic is also the **most influential factor**
 - **Food:** High pressure on prices and volumes
 - **Non-Food:** customers reduced contract call-offs as many paper manufacturers cut their production
- **Bioethanol business:**
 - European fuel alcohol market saw **consumption fall** by more than 40% **during the first lockdown** -> ethanol quotations came under severe pressure (€ 350 per cubic metre)
 - Volume losses in the first quarter were largely offset by the early **maximising of alcohol sales** into the **disinfectant sector**
 - After the loosening of COVID-19 restrictions and the resurgence of private transport (summertime), **ethanol demand rose significantly**
 - Combined with delayed ethanol imports -> **shortage in Europe** -> quotations were pushed to a **historic high of over € 800** per cubic metre in August
 - Since autumn, with **renewed restrictions on mobility**, ethanol **prices fell significantly again**



1 JANUARY 2017 – 11 JANUARY 2021 (EUR)

ETHANOL AND PETROL PRICES



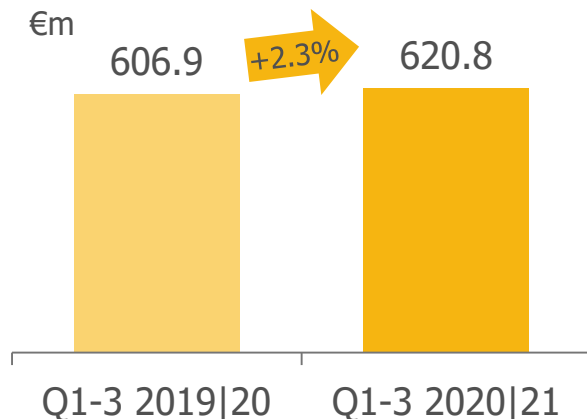


FINANCIAL RESULTS FOR Q1-3 2020|21

STARCH SEGMENT

REVENUE

€m

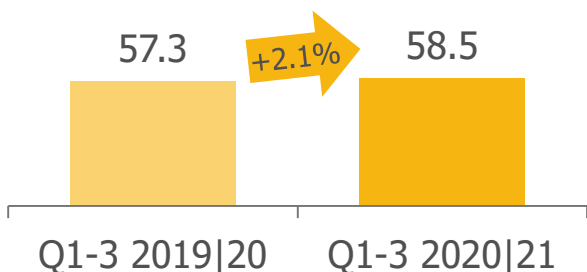


REVENUE up slightly from one year earlier

- Significant volume and revenue growth achieved for wheat starch thanks to capacity expansion in Pischelsdorf, Austria
- At the same time, market demand for almost all core products eased, leading to higher pressure on prices
- Reflecting the impact of the COVID-19 pandemic, ethanol quotations were highly volatile
- Revenue with by-products remained stable

EBIT

€m



EBIT was slightly above the year-earlier amount

- Earnings increase was made possible by the high ethanol selling prices, particularly in the third quarter
- Margins of the other core products were down on reduced market demand
- Contribution of the equity-accounted HUNGRANA group rose significantly; high ethanol prices were the key EBIT driver



SEGMENT

SUGAR

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SUGAR SEGMENT

- **World sugar market**

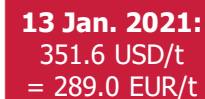
- World market **sugar quotations** moved in parallel with oil prices and **remained at low absolute levels**
- **Towards the end of the reporting period, prices trended upwards** despite a second wave of COVID-19 and the expectation of high Indian and Brazilian sugar production in SMY 2020|21

- **EU sugar market**

- According to the European Commission, **EU sugar production** in SMY 2020|21 is seen **to fall** below the already low prior-year level
- Given the COVID-19 restrictions, a **decrease in consumption is projected** both for human nutrition and in industrial use



2020|21



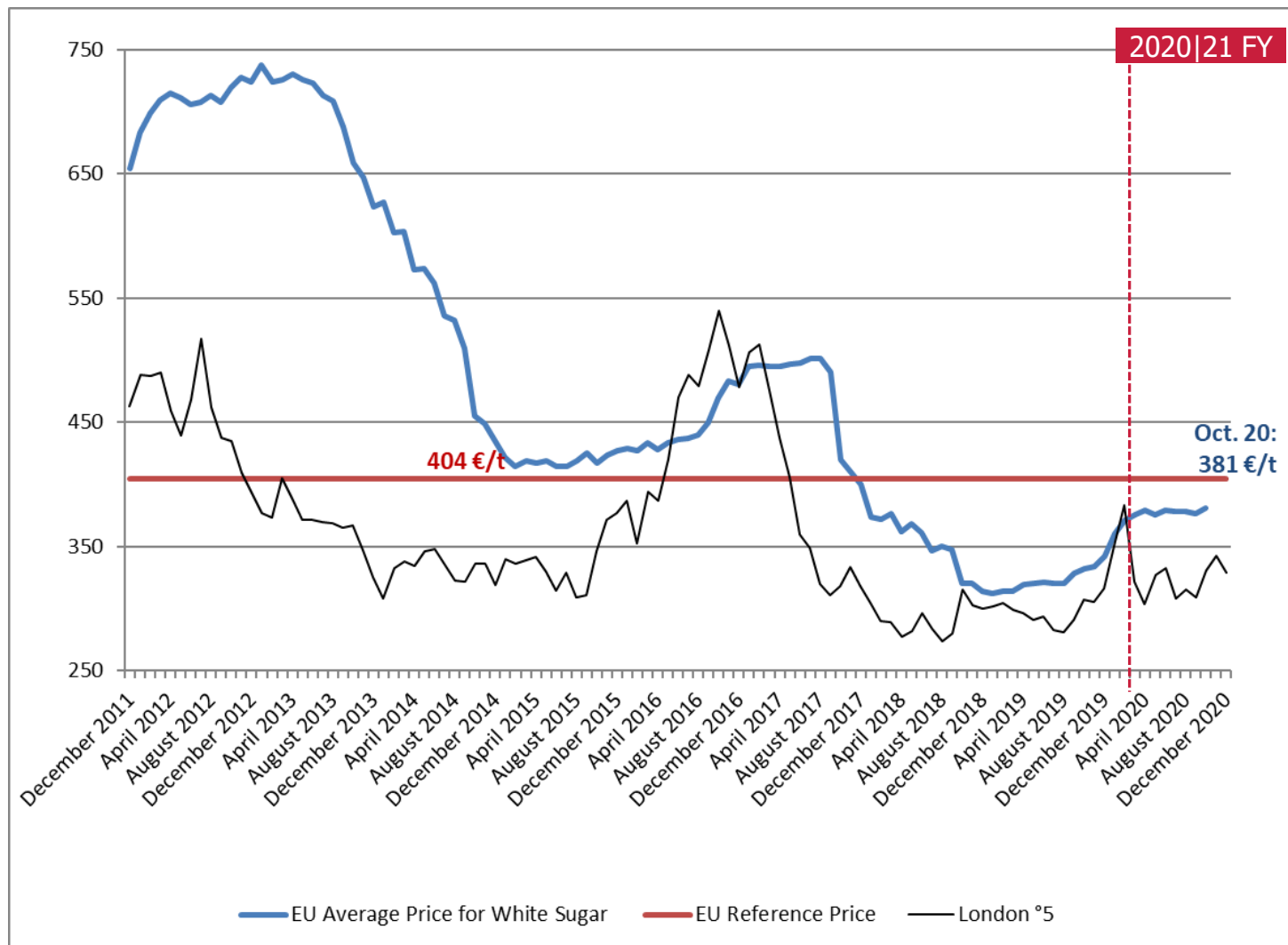
Raw sugar, 27/4/2020: 203.1 USD/t



SUGAR PRICE REPORTING

MONTHLY EU AVERAGE PRICES

(DECEMBER 2011 TO DECEMBER 2020; € PER TONNE)



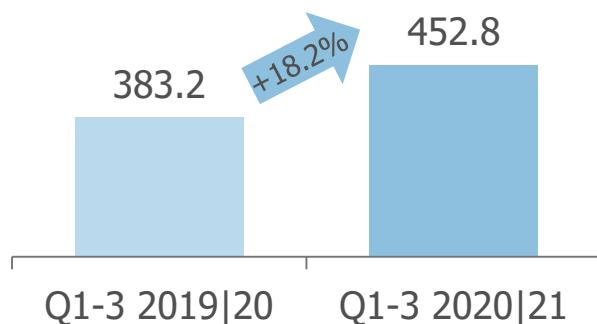
Source: European Commission (as of 17 December 2020) and IEG Vantage (as of 5 January 2021)



SUGAR SEGMENT

REVENUE

€m



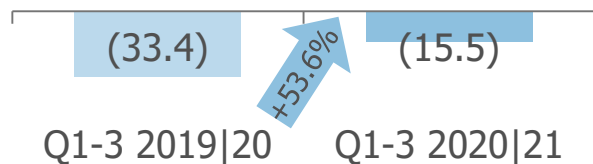
REVENUE up significantly from one year earlier

Growth was attributable

- to higher sugar selling prices and
- increased sugar sales volumes, especially with resellers

EBIT

€m



EBIT improved, but still negative

- EBIT in the first nine months of 2020|21 was negative at a deficit of € 15.5 million
- But improved substantially compared to the same period of the previous year due to a relatively better sales price environment



Q1-3 2020|21

CONSOLIDATED FINANCIAL STATEMENTS (CONDENSED)





CONSOLIDATED INCOME STATEMENT

€m (condensed)	Q1-3 2020 21	Q1-3 2019 20	Q3 2020 21	Q3 2019 20
Revenue	1,965.3	1,879.4	656.0	629.4
EBITDA ¹	159.4	139.5	58.3	48.7
Operating profit before except. items and results of equity-accounted JV	69.9	58.3	22.5	14.3
Share of results of equity-accounted JV	15.2	11.9	6.3	4.2
Exceptional items	(0.8)	(0.4)	(0.3)	(0.4)
EBIT	84.3	69.8	28.5	18.1
EBIT margin	4.3%	3.7%	4.3%	2.9%
Net financial items	(13.4)	(11.6)	(4.3)	(3.7)
Profit before tax	70.9	58.2	24.2	14.4
Income tax expense	(17.1)	(15.1)	(4.8)	(0.2)
Profit for the period	53.8	43.1	19.4	14.2
Attributable to shareholders of the parent	54.0	40.1	20.1	13.1
Earnings per share	€ 0.86	€ 0.64	€ 0.32	€ 0.21

¹ EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.



ANALYSIS OF NET FINANCIAL ITEMS

€m	Q1-3 2020 21	Q1-3 2019 20	Change
Net interest expense	(5.8)	(5.3)	-9.4%
Currency translation differences	(5.1)	(4.8)	-6.3%
Other financial items	(2.5)	(1.5)	-66.7%
Total	(13.4)	(11.6)	-15.5%



TAX RATE

€m	Q1-3 2020 21	Q1-3 2019 20	Change
Profit before tax	70.9	58.2	+21.8%
Income tax expense	(17.1)	(15.1)	-13.2%
Tax rate	24.1%	25.9%	-1.8pp



CONSOLIDATED CASH FLOW STATEMENT

€m (condensed)	Q1-3 2020 21	Q1-3 2019 20	Change
Operating cash flow before changes in working capital	169.7	132.5	+28.1%
Changes in working capital	(33.5)	(85.6)	+60.9%
Total of interest paid/received and tax paid, net	(18.0)	(15.8)	-13.9%
Net cash from operating activities	118.2	31.1	> +100%
Net cash (used in) investing activities	(45.0)	(100.8)	+55.4%
Net cash (used in)/from financing activities	(61.1)	55.8	> -100%
Net increase/(decrease) in cash and cash equivalents	12.1	(13.9)	> +100%



CONSOLIDATED BALANCE SHEET

€m (condensed)	30 Nov. 2020	29 Feb. 2020	Change
Non-current assets	1,279.0	1,331.9	-4.0%
Current assets	1,248.1	1,217.5	+2.5%
Total assets	2,527.1	2,549.4	-0.9%
Equity	1,348.5	1,387.1	-2.8%
Non-current liabilities	609.1	565.3	+7.7%
Current liabilities	569.5	597.0	-4.6%
Total equity and liabilities	2,527.1	2,549.4	-0.9%
Equity ratio	53.4%	54.4%	-1.0pp
Net debt	452.7	464.0	-2.4%
Gearing	33.6%	33.5%	+0.1pp



2020|21
**NEWS
AND
OUTLOOK**





SUGAR SEGMENT

FACTORY LEOPOLDSDORF|AUSTRIA

- As stipulated **requirement of securing at least 38,000 hectares of beet planting area** in Austria for the 2021 campaign **was met**
- On 27 November 2020, the Supervisory Board of AGRANA Beteiligungs-AG **approved the continuing operation of the sugar factory** in Leopoldsdorf, Austria



OUTLOOK 2020|21

AGRANA GROUP

- AGRANA expects **Group EBIT** for the full 2020|21 financial year **to at least match the prior-year level**
- **Group revenue** is projected to show **slight growth**

EBIT 2020 | 21 →

Revenue 2020 | 21 ↗

Due to the ongoing COVID-19 pandemic and the associated high volatility in all business segments, the forecast for the full year remains subject to **very high uncertainty**.



OUTLOOK 2020|21

FRUIT SEGMENT

€m	2019 20 ACTUAL	2020 21 FORECAST <u>including</u> COVID-19 effects		
Revenue	1,185.4	Slight increase	↗	> +1% to +5%
EBIT	55.9	Moderate reduction	↘	> -5% to -10%

- Fruit preparations business
 - AGRANA is projecting a stable revenue, despite negative COVID-19 effects
 - EBIT is to be raised, realised via smaller cost increases than in 2019|20
- Fruit juice concentrate business
 - Increase in revenue is expected for the full financial year
 - But earnings situation will deteriorate significantly and more than expected due to lower margins in fruit juice concentrates and volume reductions in beverage bases, so far

COVID-19 risk factors for the outlook

Especially in the Fruit segment with its global production operations (41 sites in 21 countries), the forecast is subject to substantial uncertainties with regard to the demand situation in many regions of the world.



OUTLOOK 2020|21

STARCH SEGMENT

€m	2019 20 ACTUAL	2020 21 FORECAST <u>including</u> COVID-19 effects		
Revenue	807.0	Slight increase	↗	> +1% to +5%
EBIT	75.2	Moderate reduction	↘	> -5% to -10%

- Sales prices for native starches and vital wheat gluten are expected to be lower as a result of increased supply on the European market
- Starch-based saccharification products: no major recovery in prices can be expected, owing to the persistent challenging market environment
- Starch segment EBIT is projected to decrease moderately as a consequence of lower selling prices
- EBIT performance in the Starch segment will continue to depend on the further trendline of ethanol prices, also

COVID-19 risk factors for the outlook

Bioethanol is a core product in the Starch segment. Restrictions on mobility may have a negative impact on the European ethanol markets.



OUTLOOK 2020|21

SUGAR SEGMENT

€m	2019 20 ACTUAL	2020 21 FORECAST <u>including</u> COVID-19 effects		
Revenue	488.3	Significant increase	↑↑	> +10% to +50%
EBIT	(44.0)	Significant improvement	↑↑	> +10% to +50%

- AGRANA expects a continual improvement in conditions in the EU sugar market
- As a result of the coronavirus pandemic, there has been a shift in consumption from industrial to retail demand
- On the sales side, sugar prices rose overall
- While idle-capacity costs mean that the Sugar segment's EBIT in absolute terms will still be negative, positive trend in the EU sugar market environment, combined with rigorous cost management, leads to expectation of a significant improvement in EBIT

COVID-19 risk factors for the outlook

The sales volume gains and revenue growth in the Sugar segment in the 2020|21 financial year to date were encouraging, especially in the first quarter due to the pulling-forward of sugar purchases by many consumers at the start of the COVID-19 pandemic. It remains to be seen how the demand situation will unfold over the coming months, especially in the industrial sector.



2020|21 AND 2021|22

FINANCIAL CALENDAR

11 May 2021

Results for full year 2020 | 21 (annual results press conference)

19 June 2021

Record date for Annual General Meeting participation

29 June 2021

Annual General Meeting in respect of 2020|21

2 July 2021

Ex-dividend date

5 July 2021

Record date for dividend

6 July 2021

Dividend payment date

8 July 2021

Results for first quarter of 2021|22

14 October 2021

Results for first half of 2021|22

13 January 2022

Results for first three quarters of 2021|22



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Quantitative definitions of selected common modifying words used:

Modifier	Visualisation	Numerical rate of change
Steady	→	0% up to 1%, or 0% to -1%
Slight(ly)	↗ or ↘	More than 1% and up to 5%, or less than -1% and not less than -5%
Moderate(ly)	↑ or ↓	More than 5% and up to 10%, or less than -5% and not less than -10%
Significant(ly)	↑↑ or ↓↓	More than 10% and up to 50%, or less than -10% and not less than -50%
Very significant(ly)	↑↑↑ or ↓↓↓	More than 50%, or less than -50%