



FRUIT  
STARCH  
SUGAR

The natural upgrade

# Sustainable management



AGRANA Beteiligungs-AG  
**Roadshow Munich**  
Berenberg Bank



26 June 2019



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(FINANCIAL)  
HIGHLIGHTS

2018|19

# INTRODUCTION & BUSINESS OVERVIEW





STRATEGIC POSITIONING B2B

# WE ALL CONSUME AGRANA (PRODUCTS)

At the beginning there is always agriculture...



AGRANA refines agrarian raw materials...



AGRANA supplies the Big Names...



confectionery, beverage, fermentation industries, food retailers; paper, textile, pharmaceutical industries; feed industry; dairy, ice-cream, bakery industries and many more



We all consume AGRANA every day without noticing it...





## AGRANA PRODUCTS IN DAILY LIFE AT A GLANCE

### FRUIT



- Fruit juice concentrates customers are fruit juice and beverage bottlers and fillers
- Fruit preparations are special customized products for
  - the dairy industry,
  - the baked products industry,
  - the ice-cream industry.

### STARCH



- AGRANA produces starch and special starch products
- Starch is a complex carbohydrate which is insoluble in water. Starch is used in food processing e.g. as thickener and for technical purposes e.g. in the paper manufacturing process
- Bioethanol is part of our starch business

### SUGAR



Sugar is sold

- to consumers via the food trade and
- to manufacturers: e.g. soft drinks industry, confectionery industry, fermentation industry, other food and beverage industries

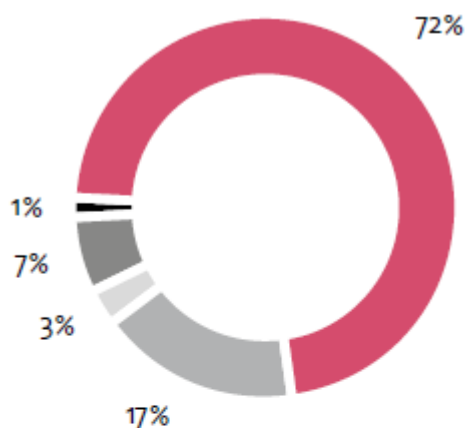


AGRANA PRODUCTS IN DAILY LIFE

# REVENUE BY PRODUCT GROUP (2018|19)

## FRUIT

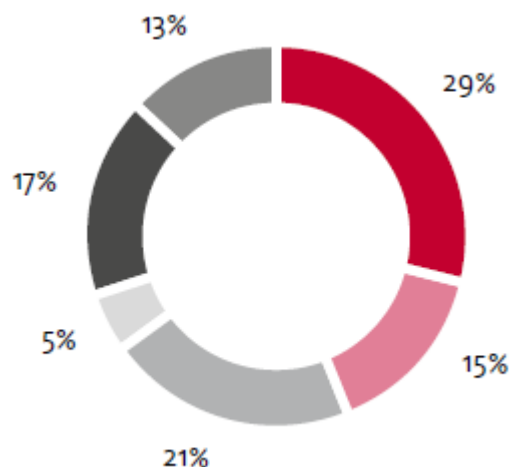
€ 1,179.1 m



- Fruit preparations (dairy and non-dairy)
- Fruit juice concentrates
- Other juice core products (NFC, fruit wines, etc.)
- Fruit reselling, frozen fruits, etc.
- Other services

## STARCH

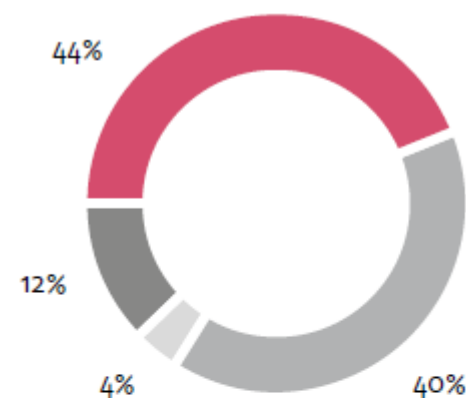
€ 762.7 m



- Native and modified starches
- Saccharification products
- Alcohol and ethanol
- Other core products (dairy and instant products, long-life potato products, etc.)
- By-products (protein products, DDGS, etc.)
- Others (soy, dried beet pulp, etc.)

## SUGAR

€ 501.2 m



- Sugar: Industrial customers
- Sugar: Resellers
- By-products (molasses, beet pulp, etc.)
- Others (products of INSTANTINA, seed, services, etc.)



## 2018|19 OVERVIEW

- Revenue: € 2,443.0 m (prior year: € 2,566.3 m)
- EBIT: € 66.6 m (prior year: € 190.6 m)
- EBIT margin: 2.7% (prior year: 7.4%)
- For the 2018 beet crop, new and extremely low sugar prices driven by export parity took effect
- Historic low sugar prices exerted direct downward price pressure on isoglucose in the Starch segment
- Considerably lower market prices for bioethanol
- Dividend proposal of € 1.00 per share



~9,200

Employees (FTEs)  
as of 28 Feb. 2019



58  
Production  
sites  
as of 28 Feb. 2019



€ ~2.4 billion

Group revenue  
in 2018|19 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



2018|19

# SUSTAINABLE MANAGEMENT IS KEY

## ENVIRONMENTAL DIMENSIONS

Climate warming and a deficit of precipitation is already having an impact on European agriculture and the processing industry, as the drought year 2018 has clearly shown

### We are anticipating this:

- Intensifying the **research activities in the agricultural sector**, in view also of the legal limitation of crop protection products
- **Responsible use of agricultural resources** is highly important to AGRANA – raw materials are too valuable not to be utilised completely (new **refining of pulp** from **potato** processing, construction of a **betaine crystallisation** plant for the complete utilisation of sugar beet molasses)
- **AGRANA products themselves** make a substantial contribution to protecting the climate and the environment:
  - **Bioethanol** as an environmentally friendly component of blended petrol, produced in our biorefinery in Pischelsdorf, Austria, reduces emissions such as CO<sub>2</sub> and small dust particles
  - **Innovative AGENACOMP® bioplastic** helps reduce plastic waste; starch-based organic plastic compound is 100% home-compostable without leaving microplastic residues and can be used for a wide range of applications
  - As part of AGRANA's specialties strategy, **organics are an important cornerstone** of the product range that makes the Group the largest European B2B organic starch and sugar producer



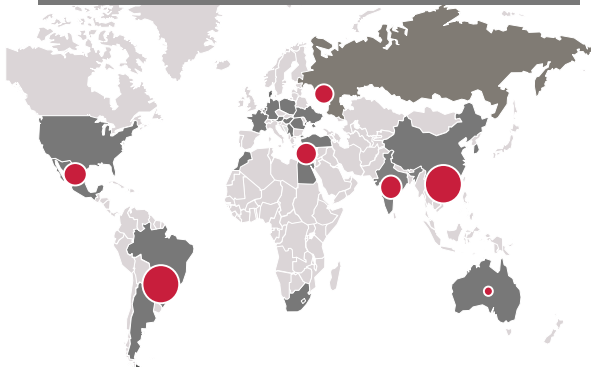


58 PRODUCTION SITES WORLDWIDE

# SEGMENTATION BY SEGMENT

## FRUIT

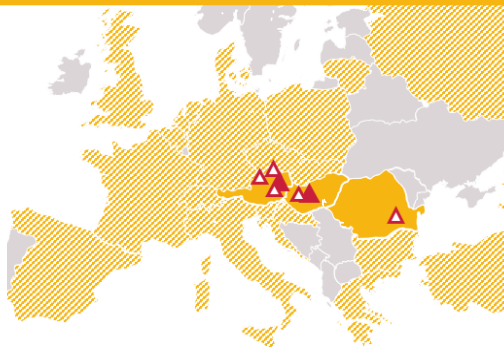
28 fruit preparation plants and  
15 fruit concentrate plants



- Countries with production sites
- Potential Growth Regions

## STARCH

5 starch plants  
(incl. 2 bioethanol plants)



- Countries with production sites
- ▨ Main markets
- ▲ Starch plants
- ▲ Bioethanol plants

## SUGAR

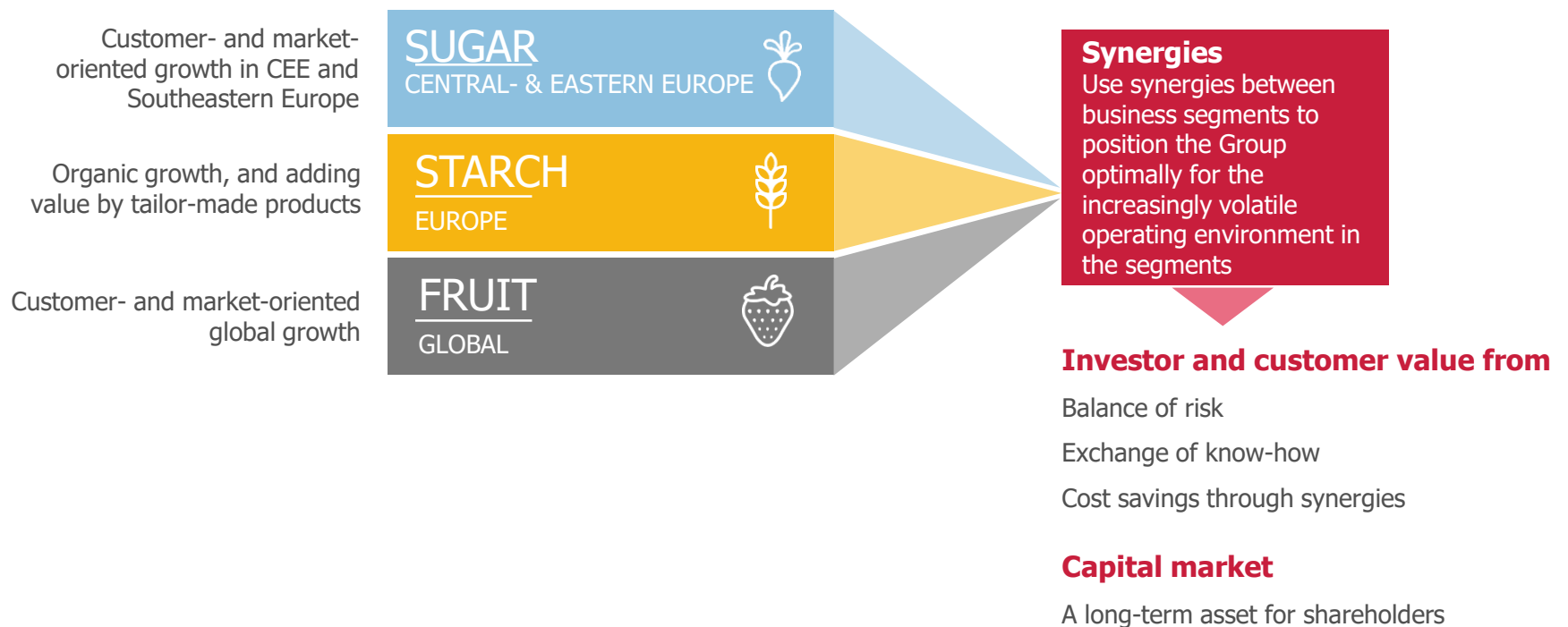
7 sugar beet plants  
2 raw sugar refineries (& Instantina)



- Countries with plants
- ▨ Other markets
- Beet sugar plants
- Raw sugar refinery
- Distribution centre
- \* Also with refining activities



# GROWTH BY STRATEGY





AGRANA  
SHARE





AGRANA

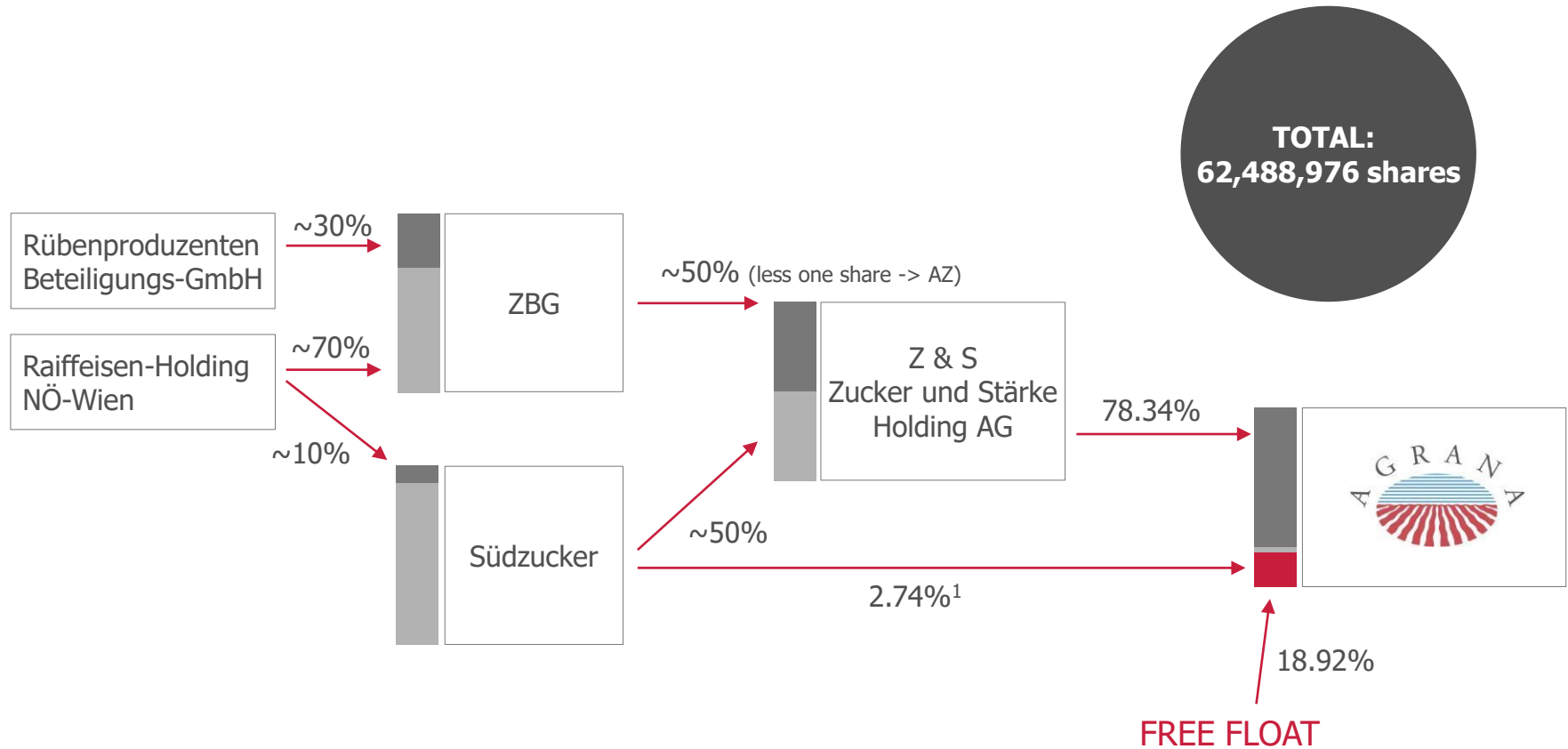
## DIVIDEND PROPOSAL FOR 2018|19

- Ad-hoc announcement as of 9 April 2019
- Management Board of AGRANA Beteiligungs-AG decided to propose a **dividend** payout in the amount of **€ 1.00 per share** for the 2018|19 financial year (dividend for 2017|18: € 1.125 per share) to the 32<sup>nd</sup> Annual General Meeting to be held on 5 July 2019
- AGRANA thereby demonstrates its continuing **commitment to a predictable, reliable and transparent dividend policy** that is geared to continuity
- Dividends are based on the result as well as on the Group's cash flow and debt situation, while at the same time maintaining a solid balance sheet structure



## CURRENT STATUS

# SHAREHOLDER STRUCTURE



<sup>1</sup> directly held by Südzucker



2018|19

# SEGMENT OVERVIEW

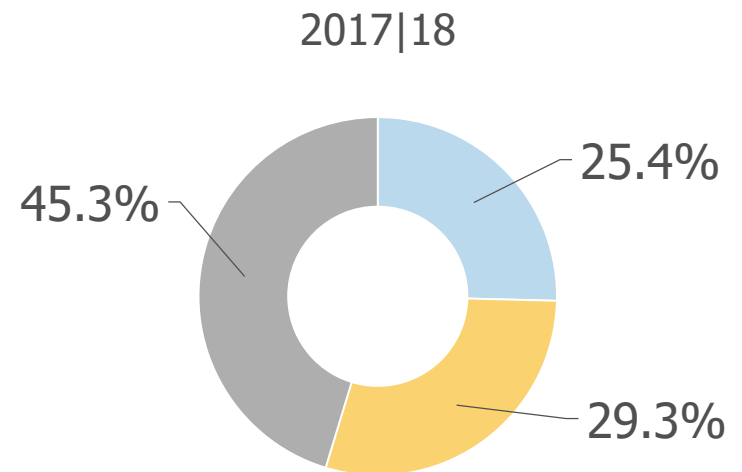
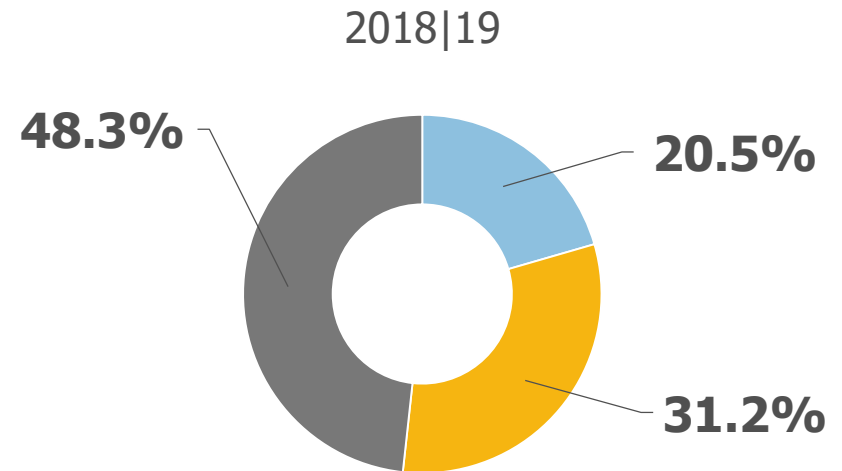
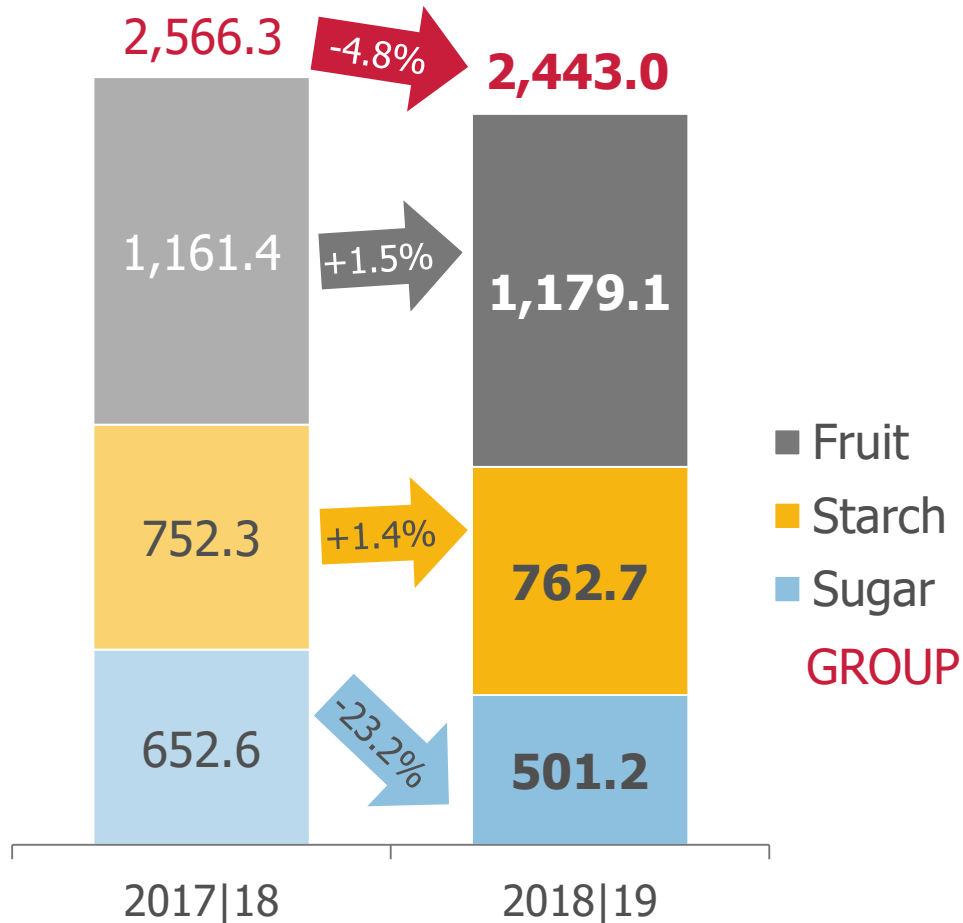




2018|19 VS PRIOR YEAR

## REVENUE BY SEGMENT

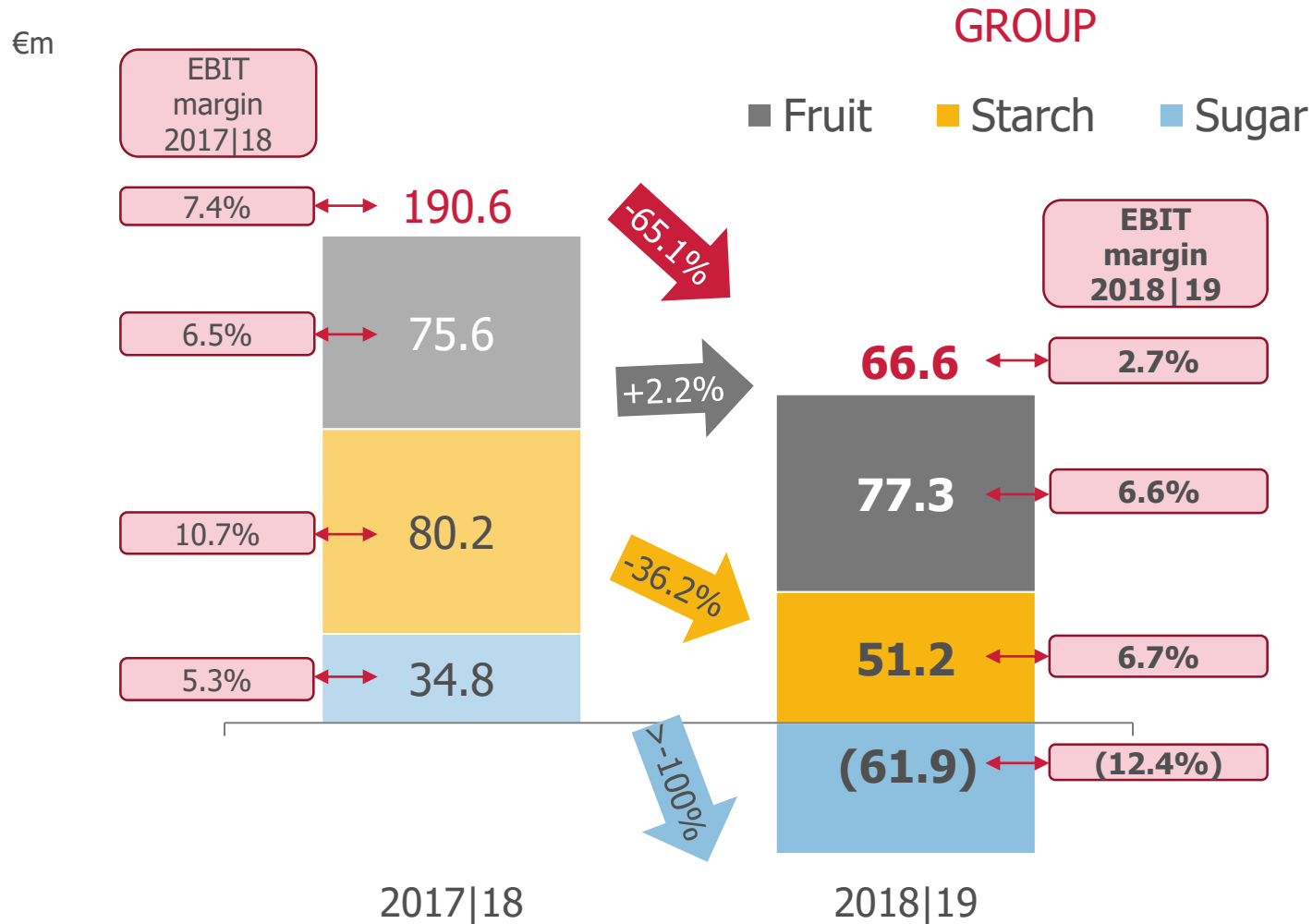
€m





2018|19 VS PRIOR YEAR

## EBIT BY SEGMENT



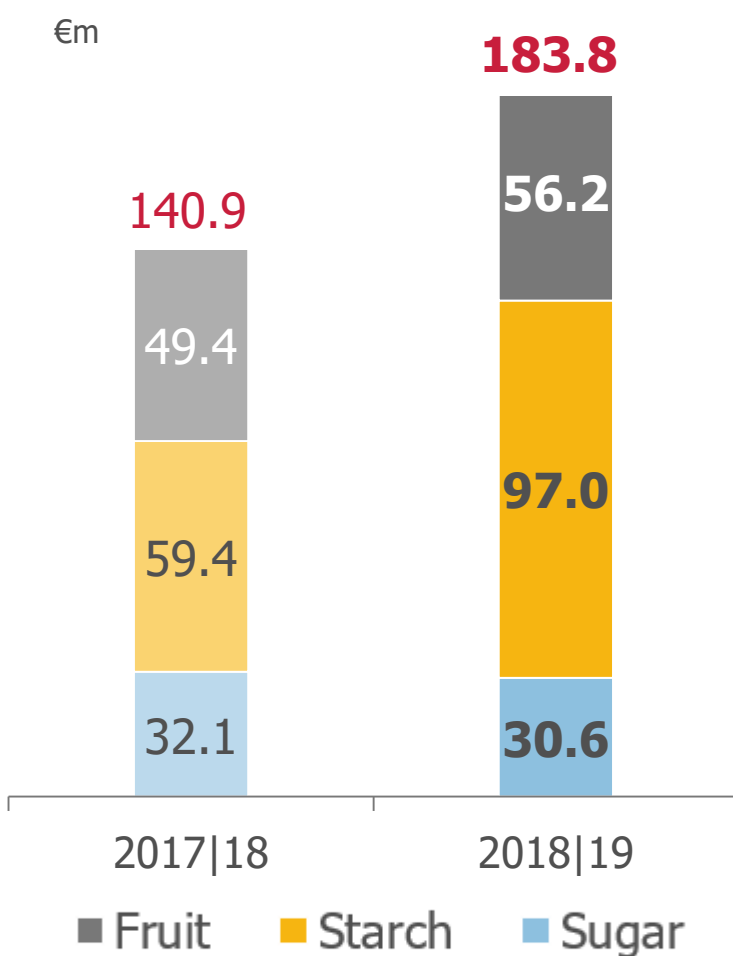




## MOST IMPORTANT PROJECTS IN THE GROUP

# INVESTMENT OVERVIEW

€m



GROUP

2018|19

### FRUIT

- Key projects: construction of the new, second fruit preparations plant in China and a new carrot juice concentrate production line in Hungary

### STARCH

- Expansion of wheat starch plant in Pischelsdorf, Austria
- Increase of potato processing capacity through installation of a new potato starch dryer in Gmünd, Austria
- Installation of a potato fibre dryer in Gmünd

### SUGAR

- Installation of an organic sugar line with a big-bag filling station and rail loading facility in Tulln, Austria
- Project start for construction of a warehouse for finished product in Buzău, Romania



SEGMENT

# FRUIT





# FRUIT SEGMENT - BUSINESS MODEL

## FRUIT PREPARATIONS

- Based on mostly frozen fruits
- Tailor-made customer products (several thousand recipes worldwide)
- Customers: dairy, bakery and ice cream industry
- Shelf life of the fruit preparation ~6 weeks -> necessity to produce regionally



## FRUIT JUICE CONCENTRATES

- Based on fresh fruits
- Production in the growing area of the fruits (water content and quality of the fruits don't allow far transports)
- Customers: bottling industry
- Shelf life of fruit juice concentrates ~2 years -> can be shipped around the world

# FRUIT PREPARATION – WHAT IS IT ABOUT?

## FRUIT



... most important ingredient of fruit preparations

- Frozen (IQF or block)
- Aseptic
- Purees
- Concentrates

## SUGAR



... sweetens and supports taste and durability

- Crystal sugar
- Liquid sugar (syrup)
- Other sweeteners

## FRUIT PREPARATIONS



optional flavours and colours for an even fruitier taste and an intense colour

## THICKENERS

- create a good mouth-feel and prevent emulsions
- Pectins
- Starch
- Guar flour...

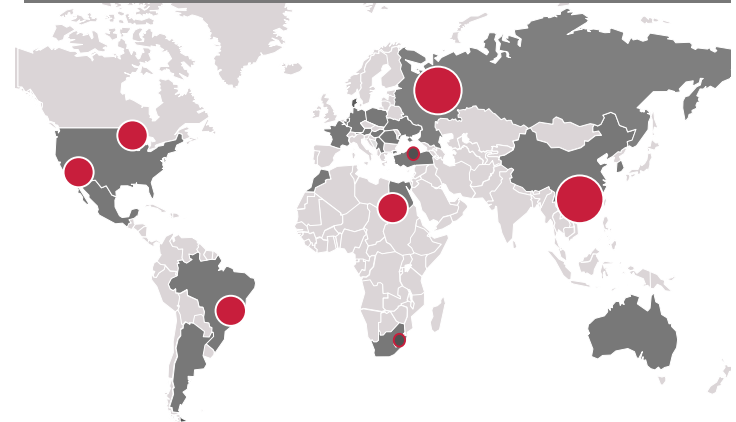
## FRUIT PREPARATIONS

- World Market Leader in Fruit preparations global market share > 30%
- The emerging markets are overall showing good market growth rates, while the market's sales volumes of fruit preparations in Europe and the US are stagnating at a high absolute level

## FRUIT JUICE CONCENTRATES

- Largest producer of fruit juice concentrates in Europe (AUSTRIA JUICE)
- In general, optimisation measures taken in previous years show their positive effects
- Customer portfolio extended and new markets

## 28 FRUIT PREPARATION PLANTS & 15 FRUIT JUICE CONCENTRATE PLANTS



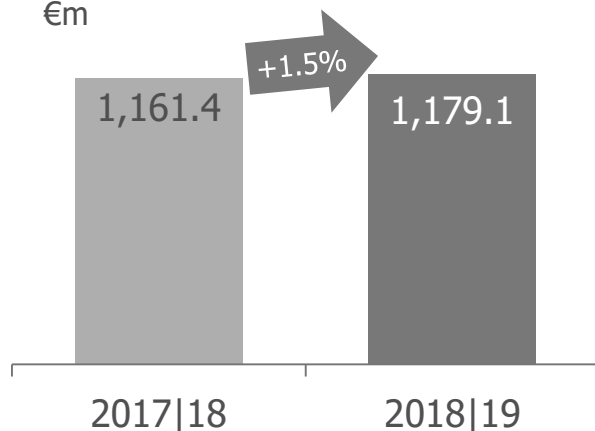
- Countries with production sites
- Potential growth regions



## FRUIT SEGMENT

### REVENUE

€m

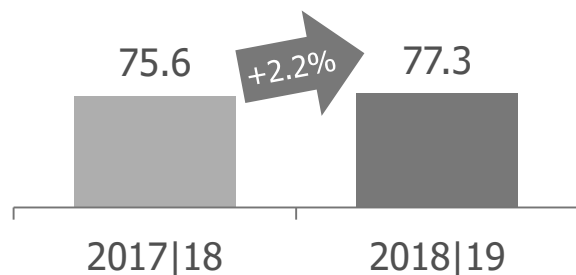


### REVENUE slightly up at € 1,179.1 million

- Fruit preparations: revenue stagnated despite higher sales volumes; reason lay mainly in negative FX effects, particularly in Argentina, Turkey, Russia, Mexico and the USA
- Fruit juice concentrates: revenue rose as a result of high apple juice concentrate prices

### EBIT

€m



### EBIT by 2.2% higher than in prior year

- Fruit preparations: mainly currency-related deterioration in earnings (as numerous local currencies weakened against the euro, in some cases sharply)
- Fruit juice concentrates: EBIT grew significantly; due especially to improved contribution margins of apple juice concentrate, and also to a continued good performance in beverage bases



## FRUIT SEGMENT

### Fruit preparations

- The consumption markets for fruited yoghurt in Western Europe, North America and parts of Latin America continue to show negative development
- Global historic CAGR (5y) of -1%; higher consumption of plain yoghurt
- **Growth markets** in Asia (China), Eastern Europe and NMEA (low per capita consumption) continue to grow
- Consumer trends remain on **naturalness, sustainability, health, pleasure and convenience**
- Diversification in non-dairy sectors (food service, ice-cream, bakery) offer new market opportunities globally

### Fruit juice concentrates

- In Europe **above-average apple crop in 2018** (especially record harvest in Poland) led to significant **reduction in the prices of apples and apple juice concentrate** compared to previous year (2017)
- Low European prices coupled with reduced production volumes from China created **good sales opportunity for European product in the USA**
- Strong outflow of European apple juice concentrate to the USA, combined with steady demand from European consumers, pushed up prices in the course of the harvest





PROJECTS IN THE 2018|19 FY

## 2<sup>ND</sup> FP PRODUCTION SITE IN CHINA



- **Second fruit preparations plant** in **Changzhou** (Jiangsu region)
- Official opening ceremony on 18 March 2019
- Total investment: **€ 22 million**
- Planned production capacity: **30,000 tonnes**

China

AF Dachang  
Beijing

Customer locations

New site  
Changzhou (population of 3.5 million)  
150 km north-west from

Shanghai



- China is the **world's largest yoghurt market** with strongest growth
- **Yoghurt consumption** per capita: 6.8 kg (EU: 12.5 kg), consumption should grow by 7.9% p.a. until 2023 (Euromonitor)





PROJECTS IN THE 2018|19 FY

## AGRANA ACQUIRED STAKE IN ALGERIAN FRUIT PREPARATIONS PRODUCER ELAFRUIT SPA

- AGRANA has **extended** its **presence** in the **North-African market** by **acquiring 49%** of the shares in ELAFRUIT SPA (now: SPA AGRANA Fruit Algeria), an Algerian producer of fruit preparations
- Located in Akbou, around 200 km east of Algiers, this company with a workforce of around 100 employees generated revenues of approximately € 7 million in its 2018 financial year
- Besides producing **standard fruit preparations** for yoghurts and ice creams, SPA AGRANA Fruit Algeria also makes **fruit purees** and **bases for the beverage industry**





SEGMENT

# STARCH





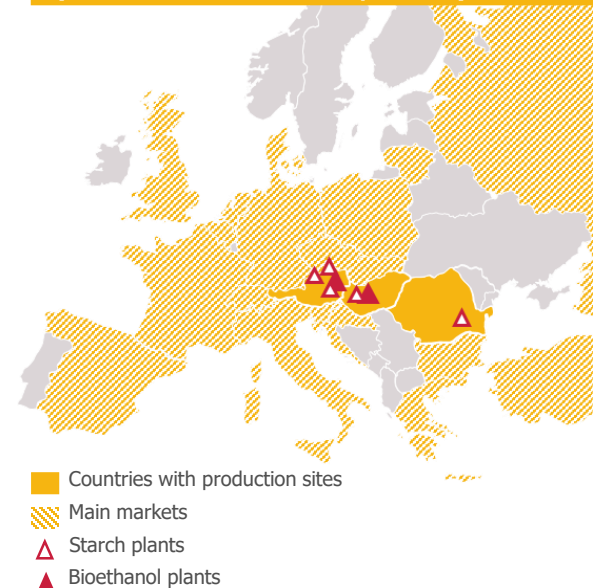
STARCH SEGMENT

## MARKET POSITION

- Austrian production sites:
  - **Potato** starch factory in Gmünd
  - **Corn** starch plant in Aschach
  - **Wheat** starch & bioethanol plant in Pischelsdorf
- Operational management and coordination of international holdings in Hungary and Romania
- The bioethanol business also forms part of the Starch segment
- Focus on **highly refined speciality products**
- **Innovative, customer-driven products** supported by application advice
- **Leading position in organic and in GMO-free** starches for the food industry

### STARCH

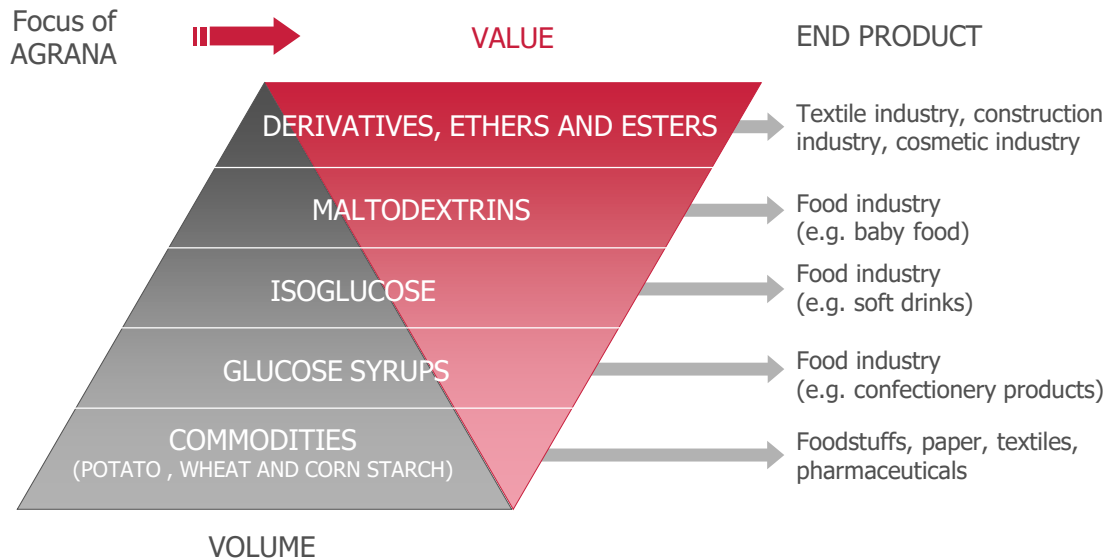
5 starch plants  
(incl. 2 bioethanol plants)





STARCH SEGMENT

# SPECIALISATION STRATEGY



## FOOD

- Growth in products from special raw materials (market leadership)
- Growth in starch derivatives for fruit preparations
- Growth in „high care“-starches

## NON-FOOD

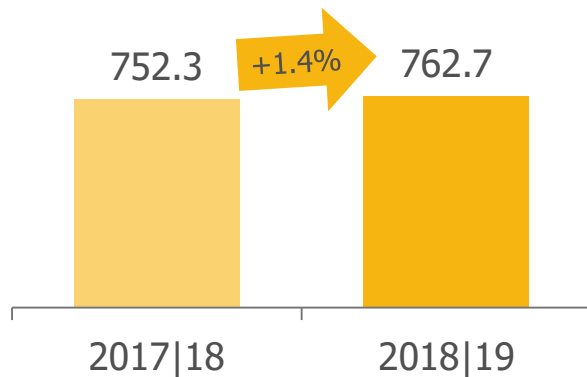
- Growth in (special applications for) paper, textile & cardboard industry
- Innovation and market leadership in
  - Special applications for construction industry
  - Adhesive (sack adhesive)
- Growth in cosmetics industry



## STARCH SEGMENT

### REVENUE

€m

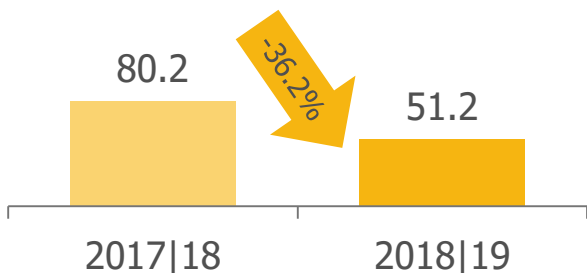


### REVENUE at € 762.7 m slightly above prior year

- Revenue growth: Native and modified starches
- Revenue decreases occurred in saccharification products (weak EU sugar market environment)
- Bioethanol revenue decline amid high price volatility (Platts quotations)

### EBIT

€m



### EBIT significantly down to € 51.2 million

- Most of this reduction was due to the significantly lower market prices for bioethanol and sweeteners
- Energy price increases and the overall higher grain prices weigh on earnings
- Decrease in profit contribution from the equity-accounted HUNGRANA facility to € 16.2 million, versus € 30.5 million in p/y



## STARCH SEGMENT

- **Difficult market** setting for **sugar** -> huge **impact on starch sweetener products**
  - Low sugar prices with direct downward **price pressure on isoglucose**
  - Intense **competition** among starch companies
- **Sales volumes** of **native and modified starches** into food industry were **stable**
- Upside **driver in non-food starches** -> lasting high demand from the **paper and corrugated board** industry
- **Bioethanol: volatility** in the European market for bioethanol **remained at a significant level** in the 2018|19 FY
  - H1 2018|19: ethanol quotations were below the year 2017/18 due to greater supply in the EU and higher imports from overseas coincided with only moderately increased demand
  - Since October, ethanol quotations regained stability at a higher level -> especially due to capacity reductions in the UK, where one ethanol plant was closed and another temporarily halted production
- **By-products:** prices for high-protein products (corn gluten, vital wheat gluten and potato protein) remained stable overall





PROJECTS IN THE 2018|19 FY

## INCREASED POTATO PROCESSING

- Gmünd potato starch factory (Austria)
- Construction of a new **potato starch dryer**
- Expansion of **daily processing capacity** from 1,600 to 2,000 tonnes
- Refining of **potato pulp** to a food ingredient, water binder and fiber
- **Investment volume** (by 2020): € 40 million





2018|19 FY



**24 June 2019:**  
183.8 EUR/t

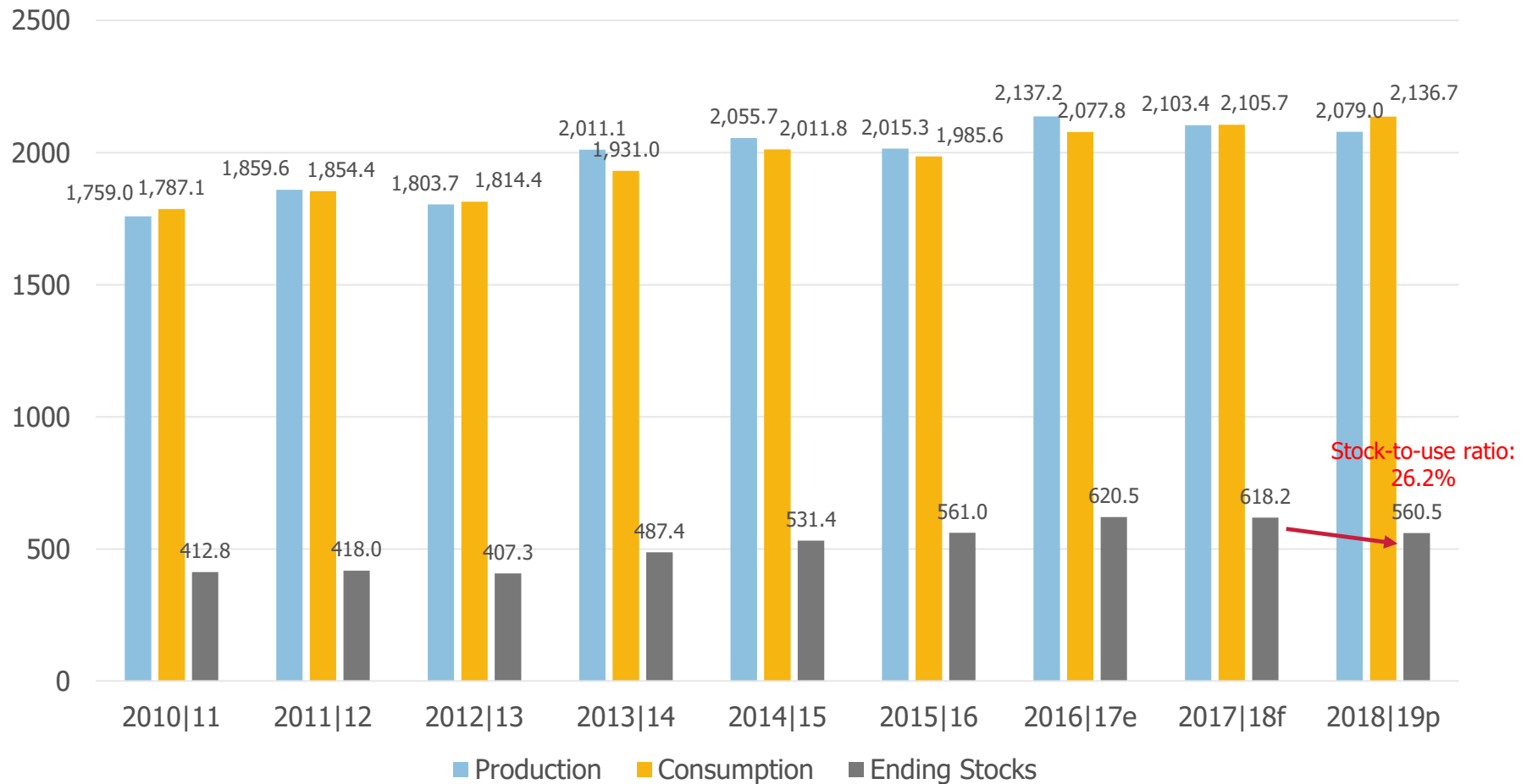
**24 June 2019:**  
177.8 EUR/t





# WORLD CEREAL PRODUCTION & CONSUMPTION

million tonnes



Source: IGC website, 9 Jan. 2019  
e...estimate f...forecast p...projection  
Period: July - June

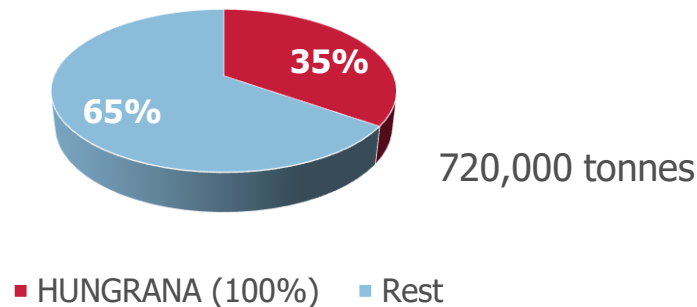


## ISOGLUCOSE MARKET IN THE EU

As of 1<sup>st</sup> of October 2017 also the quotas for isoglucose were abolished, which means new **growth potential** for AGRANA.

**Before**, AGRANA held 125,000 tonnes (->> HUNGRANA: 250,000 tonnes).

**Former** isoglucose quota of the EU-28  $\sim < 5\%$  of sugar consumption



**Higher market share** of isoglucose in the mid and longer term expected.



# AGRANA BIOETHANOL ACTIVITIES

## PISCHELSDORF (Austria)

- Total investment: € 125 million
- Capacity: up to 240,000m<sup>3</sup> (= 190,000 tonnes)
- Production start: June 2008
- Raw material base: wheat, corn and sugar beet thick juice\*
- By-products: up to 190,000 tonnes of ActiProt© (animal feed)

## HUNGRANA (Hungary)

- Investment volume: ~ € 100 m (50% share held by AGRANA: ~ € 50 m)
  - for grind increase from 1,500 to 3,000 tonnes/day
  - for isoglucose capacity increase due to quota increase
  - for bioethanol expansion
- Capacity: up to 187,000 m<sup>3</sup>
- Conclusion of expansion programme: July 2008
- Raw material base: corn

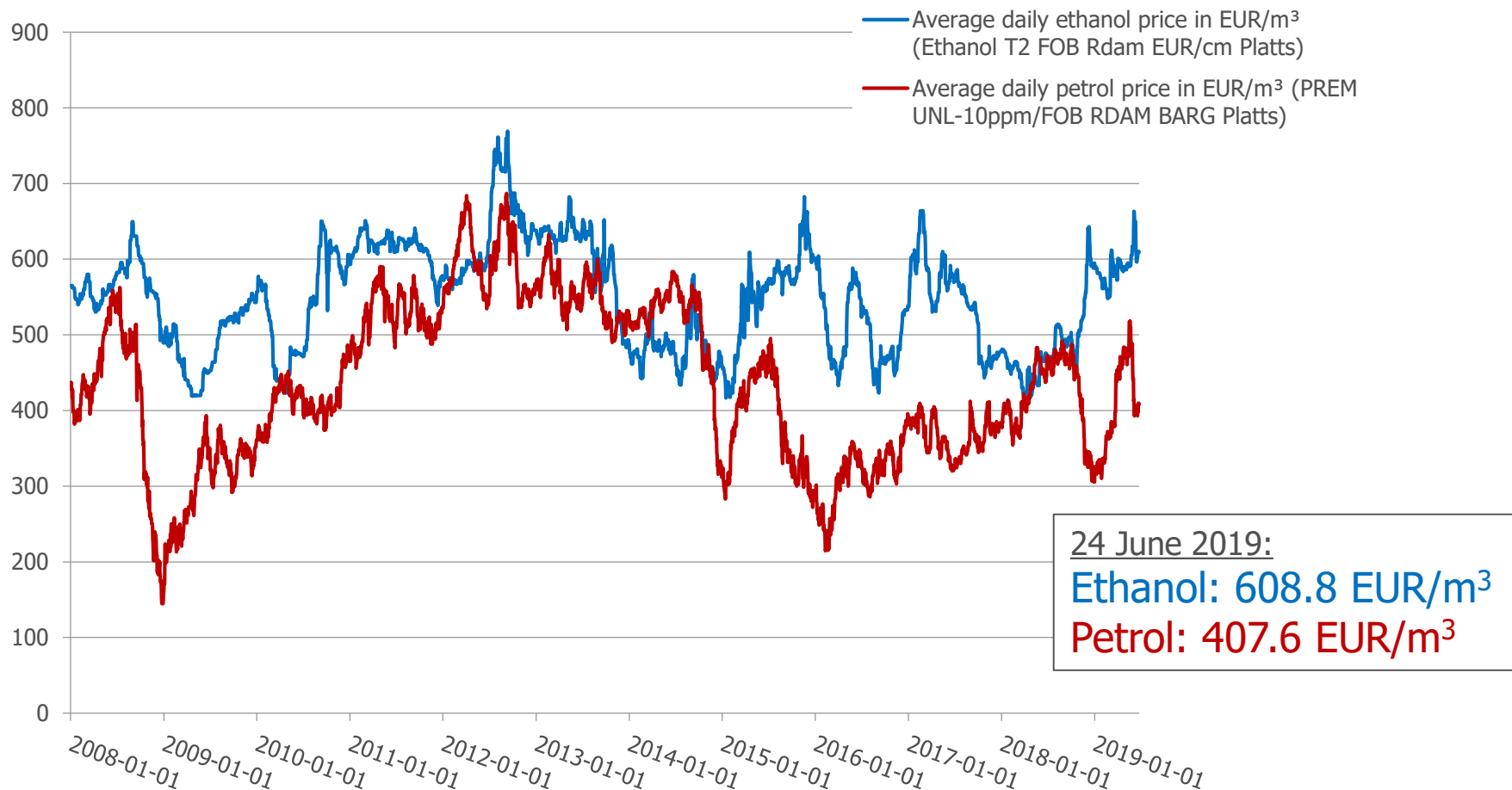


\* in the meantime also B+C starches



1 JANUARY 2008 – 24 JUNE 2019 (EUR)

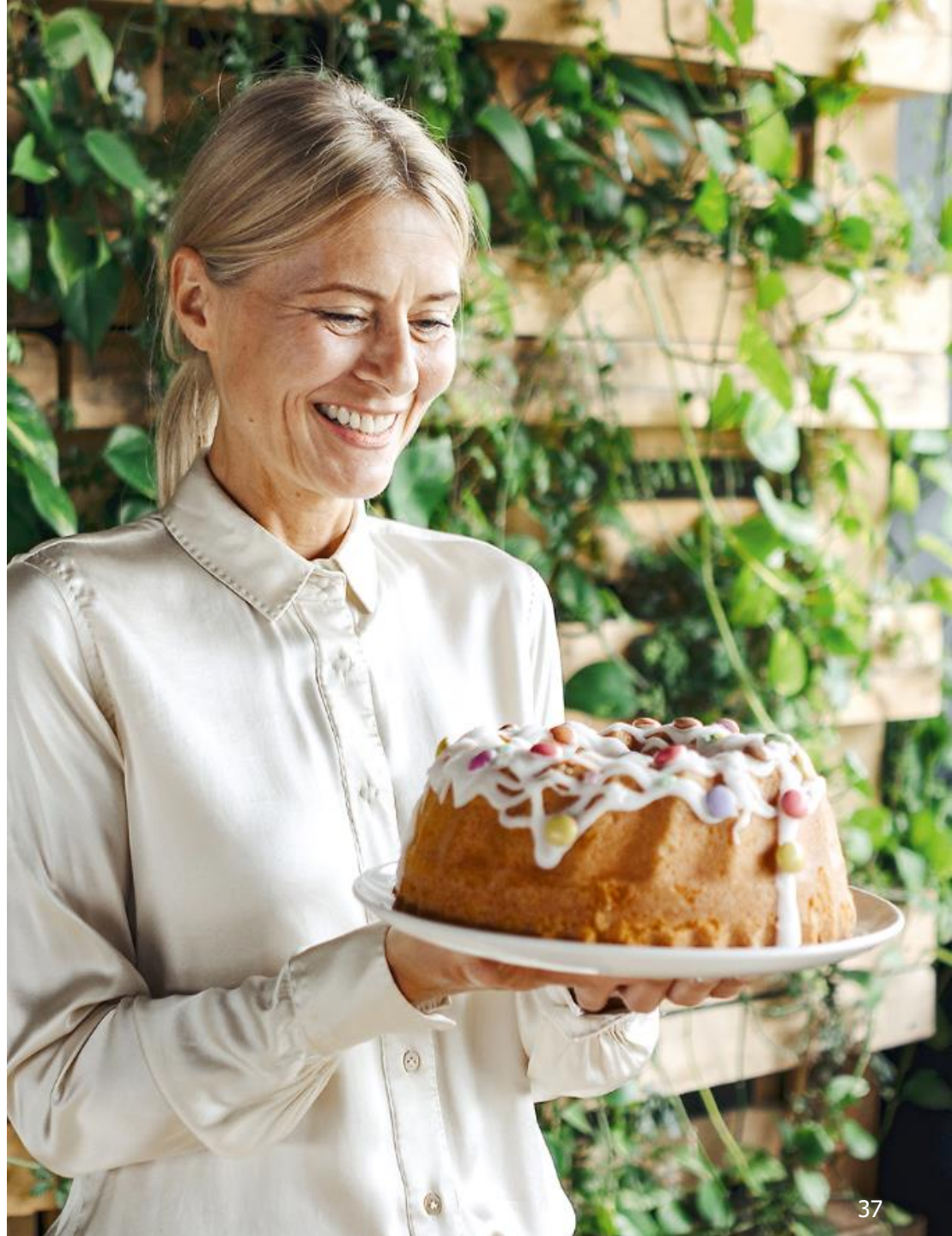
## ETHANOL AND PETROL PRICES





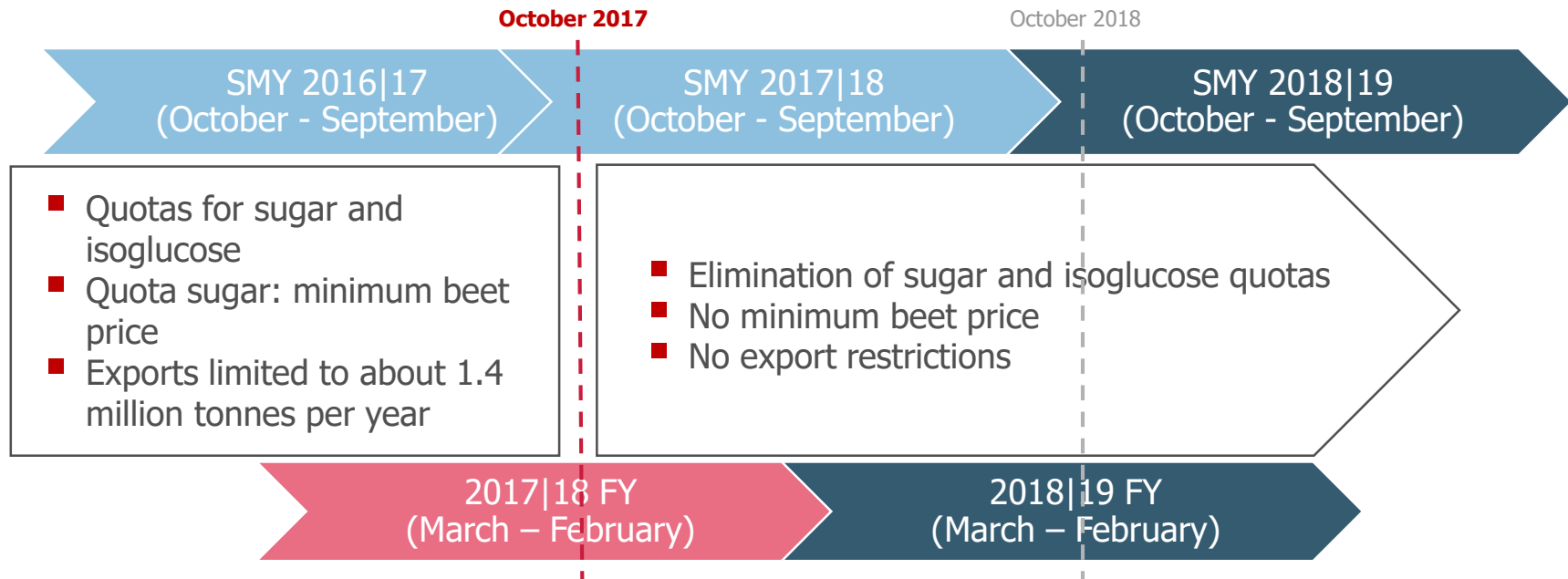
SEGMENT

SUGAR





# MARKET STRUCTURE SINCE OCTOBER 2017



AGRANA FY always influenced by two sugar marketing years:

- Production volumes with and without quota
- Prices from quota and post quota time
- EU's structural change from net importer to net exporter

## Border protection: unchanged

Import duty from non-preferential countries  
Preferential agreements with LDC-/ACP- and other countries



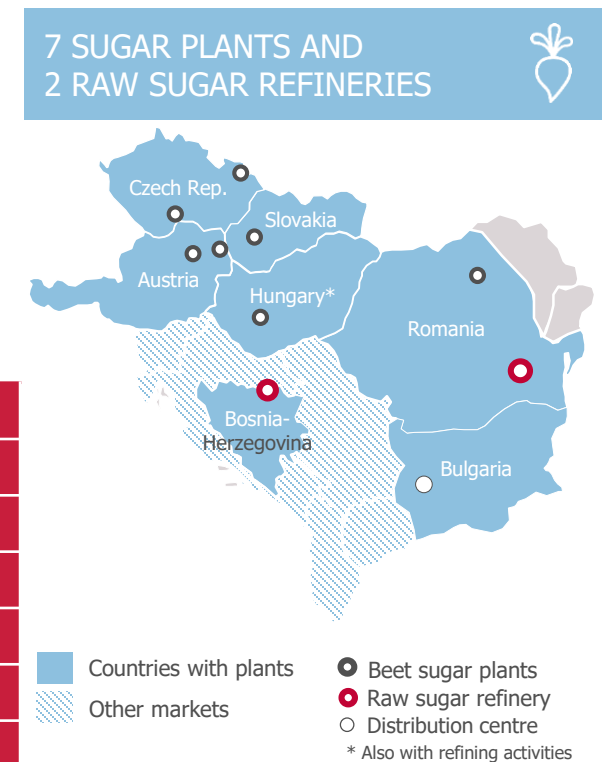


BENEFIT FROM THE STRONG MARKET POSITION IN CEE AND SEE

# AGRANA SUGAR AFTER THE END OF QUOTAS

- CEE area will continue to be a “sugar deficit region” (AGRANA is located in these main deficit areas)
  - Complexity in logistics and costs from Western Europe are somehow a protection of intra-EU imports
  - Defend and extend existing market share in CEE
- AGRANA has established **long-term relationships** with key sugar producers in the LDCs and ACPs (duty-free-imports)
- Uncertain market development requires **continuous flexibility**
- High volatility** expected

	MARKET POSITION
Austria	#1
Hungary	#1
Czech Republic	#2
Slovakia	#2
Romania	n/a
Bosnia and Herzegovina	n/a
Bulgaria	n/a

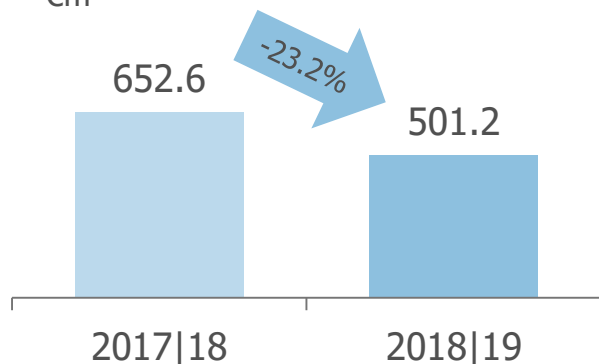




## SUGAR SEGMENT

### REVENUE

€m

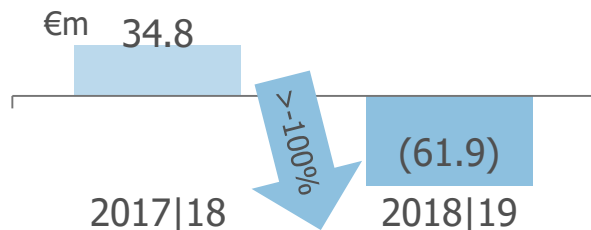


### REVENUE down to € 501.2 million

- Significant year-on-year reduction in sugar sales prices
- Lower volumes of sugar sold (especially exports and non-food)
- Volume growth in AGRANA's core retail and industry markets
- Revenue from by-products decreased due to lower dried beet pulp as a result of the crop 2018

### EBIT

€m



### Negative EBIT

- Main factor lower sales prices compared to prior year
- Write-down on sugar inventories
- Production costs increased due to the poor beet quality of the 2018 crop (drought conditions) and acreage reduction in spring 2018 -> idle-capacity costs of about € 13.2 million





## SUGAR SEGMENT

### ■ World sugar market

- **Downward trend in the world sugar market price continued** in the first seven months of the 2018|19 FY
  - Anticipation of a significant surplus in the world sugar balance
  - World market quotations dropped to a 9y low for white sugar (Aug. 2018) and to a 10y low for raw sugar (Sept. 2018)
- Since October the market has **rallied again somewhat** from its lows
  - Lower crop results in Brazil and higher ethanol production
  - Effects of the dry weather in Europe on the 2018 campaign
  - Dynamics in the foreign exchange and oil markets

### ■ EU sugar market

- Sugar prices continued to drop in the course of the financial year
- EU sugar price reporting: in January 2019 the EU sugar price was at € 312 per tonne (January 2018: € 371 per tonne) and thus about 23% below the EU's regulatory reference threshold of € 404 per tonne
- **Effects of dry wetter** in major crop areas and **reduced availability of sugar** in deficit areas will potentially effect the further price development
- Outlook: EU sugar production estimated at 18.6 million tonnes (F.O. Licht)



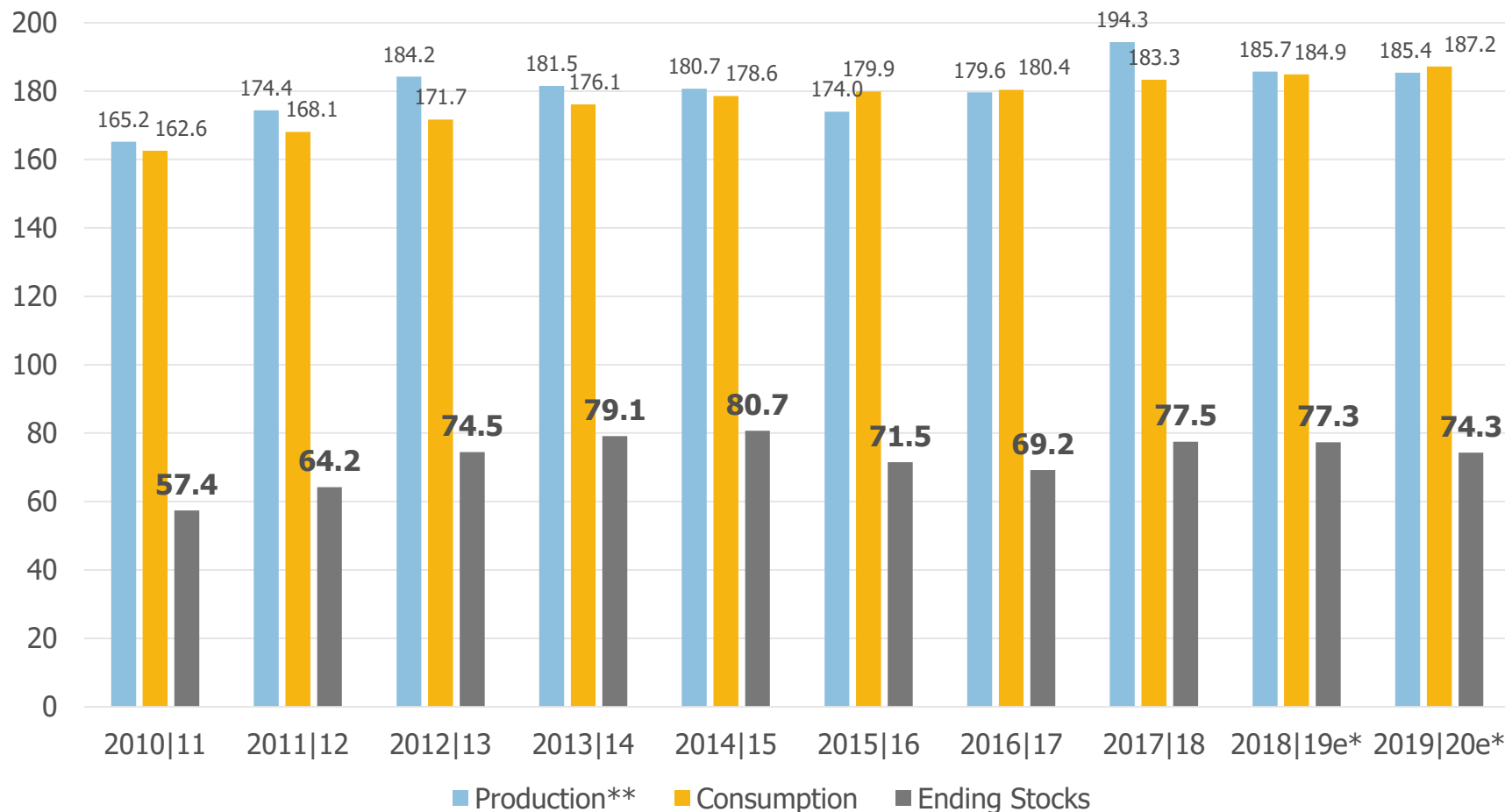
2018|19 FY





# WORLD SUGAR PRODUCTION & CONSUMPTION

Million tonnes



Source: F.O. Licht (29 May 2019)

\* Estimates

\*\* Production: October-September



## SUGAR PRICE REPORTING

# MONTHLY EU AVERAGE PRICES

(JUNE 2010 TO JUNE 2019; € PER TONNE)



**Min: 312 € per tonne (January 2019)**

**Max: 738 € per tonne (January 2013)**

Source: European Commission, Sugar Price Reporting (as of 24 May 2019) and SugarOnline (as of 12 June 2019)



2018|19

# CONSOLIDATED FINANCIAL STATEMENTS



# CONSOLIDATED INCOME STATEMENT

€m (condensed)	2018   19	2017   18	Change
<b>Revenue</b>	<b>2,443.0</b>	<b>2,566.3</b>	-4.8%
EBITDA <sup>1</sup>	<b>147.7</b>	254.2	-41.9%
Operating profit before except. items and results of equity-accounted JV	<b>51.1</b>	164.1	-68.9%
Share of results of equity-accounted JV	<b>12.2</b>	29.4	-58.5%
Exceptional items	<b>3.3</b>	(2.9)	>+100%
<b>EBIT</b>	<b>66.6</b>	<b>190.6</b>	-65.1%
<b>EBIT margin</b>	<b>2.7%</b>	7.4%	-4.7pp
Net financial items	<b>(15.4)</b>	(14.5)	-6.2%
Profit before tax	<b>51.2</b>	176.2	-70.9%
Income tax expense	<b>(20.9)</b>	(33.5)	+37.6%
<b>Profit for the period</b>	<b>30.4</b>	<b>142.6</b>	-78.7%
Attributable to shareholders of the parent	<b>25.4</b>	140.1	-81.9%
Earnings per share	<b>€ 0.41<sup>2</sup></b>	€ 2.24 <sup>2</sup>	-81.7%

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

<sup>2</sup> After the four-for-one stock split performed in July 2018. The value is thus based on the new number of shares out-standing at 28 February 2019, which was 62,488,976.



## EXCEPTIONAL ITEMS IN THE SUGAR SEGMENT

€m	2018 19	2017 18	Change
Exceptional items	3.3	(2.9)	>+100%

- Exceptional items in 2018|19, which on balance amounted to **net exceptional income of € 3.3 million**, consisted largely of **tax refunds in Romania of € 5.6 million** and **restructuring expenses of € 1.8 million**
- Prior year's net exceptional items expense of € 2.9 million resulted largely from restructuring costs of € 4.1 million, which were partly offset by one-off income of € 1.9 million from the refunding of excess amounts of sugar production levies collected by the EU in the 1999|00 and 2000|01 SMYs





## ANALYSIS OF NET FINANCIAL ITEMS

€m	2018   19	2017   18	Change
Net interest expense	(5.5)	(7.8)	+29.5%
Currency translation differences	(8.0)	(3.8)	>-100%
Share of results of non-consolidated subsidiaries and outside companies	0.0	0.0	-
Other financial items	(1.9)	(2.9)	+34.5%
<b>Total</b>	<b>(15.4)</b>	<b>(14.5)</b>	<b>-6.2%</b>

- Prior year's optimisation of the credit and interest rate structure led to a further **improvement of € 2.3 million in net interest expense**
- **Currency translation differences deteriorated** by about **€ 4.1 million**, due primarily to negative movements in foreign currency financings in Argentina, Brazil, China, Mexico and Romania (euro and US dollar financings)
- As a result of lower ancillary expenses, **other financial items improved by € 0.9 million**



## TAX RATE

€m	2018 19	2017 18	Change
Profit before tax	51.2	176.2	-70.9%
Income tax expense	(20.9)	(33.5)	+37.6%
<b>Tax rate</b>	<b>40.7%</b>	<b>19.0%</b>	<b>+21.7pp</b>

### Tax reconciliation

Nominal tax expense (calc. with 25%)	(12.8)
<b>Effects of unrecognized tax loss carryforwards in respect of the financial year</b>	(6.3)
thereof Fruit segment	(1.7)
thereof Starch segment	0.1
thereof Sugar segment	(4.7)
Other effects (net)	(1.8)
<b>Income tax expense</b>	<b>(20.9)</b>



## CONSOLIDATED CASH FLOW STATEMENT

€m (condensed)	2018   19	2017   18	Change
Operating cash flow before changes in working capital	177.5	302.7	-41.4%
Changes in working capital	(5.9)	(43.1)	+86.3%
Total of interest paid/received and tax paid	(30.0)	(45.8)	+34.5%
<b>Net cash from operating activities</b>	<b>141.7</b>	<b>213.9</b>	-33.8%
Net cash (used in) investing activities	(161.9)	(133.3)	-21.5%
Net cash (used in) financing activities	(18.2)	(153.7)	+88.2%
<b>Net (decrease) in cash and cash equivalents</b>	<b>(38.4)</b>	<b>(73.2)</b>	+47.5%

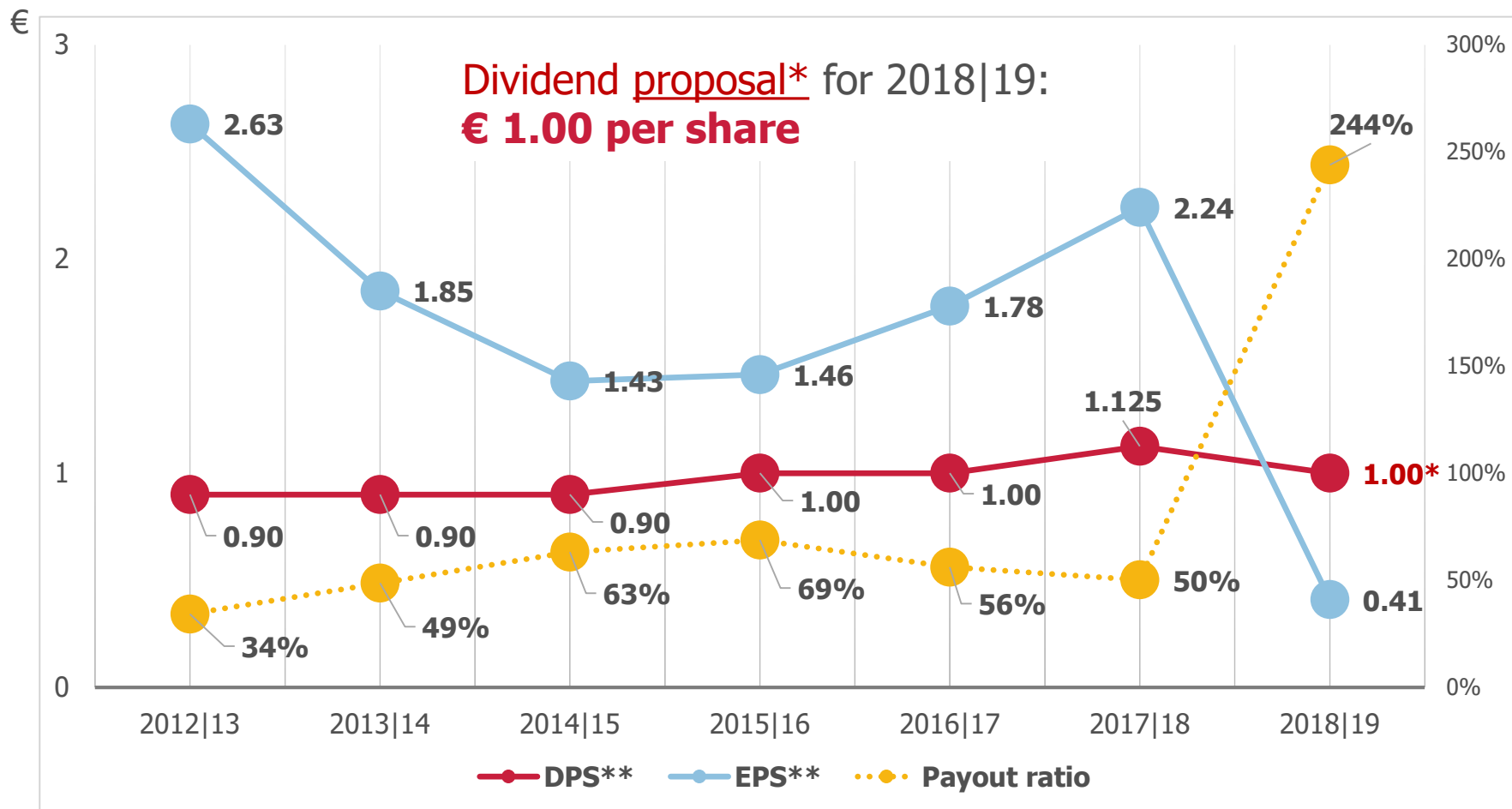


# CONSOLIDATED BALANCE SHEET

€m (condensed)	<b>28 Feb. 2019</b>	28 Feb. 2018	Change
Non-current assets	<b>1,252.1</b>	1,161.0	+7.8%
Current assets	<b>1,137.3</b>	1,195.4	-4.9%
<b>Total assets</b>	<b>2,389.4</b>	<b>2,356.4</b>	+1.4%
Equity	<b>1,409.9</b>	1,454.0	-3.0%
Non-current liabilities	<b>393.1</b>	419.4	-6.3%
Current liabilities	<b>586.4</b>	483.0	+21.4%
<b>Total equity and liabilities</b>	<b>2,389.4</b>	<b>2,356.4</b>	+1.4%
Equity ratio	<b>59.0%</b>	61.7%	-2.7pp
Net debt	<b>322.2</b>	232.5	+38.6%
Gearing	<b>22.9%</b>	16.0%	+6.9pp



# DIVIDEND AND EARNINGS PER SHARE



**Dividend yield** (based on the closing share price at the last balance sheet date): **5.7%**

\*\*EPS and DPS adjusted; after the four-for-one stock split performed in July 2018, all EPS and DPS values are based on the new number of shares out-standing at 28 February 2019, which was 62,488,976.



2019|20

# OUTLOOK

(INCL. CURRENT PROJECTS)





## CURRENT PROJECTS

# MANUFACTURE OF CRYSTALLINE BETAINES

- Production of **crystalline betaine** under a JV between AGRANA and The Amalgamated Sugar Company (USA)
- AGRANA has been processing sugar beet molasses obtained during the production of sugar at its **Tulln site in Austria** to make liquid betaine already since 2015
- New plant, with a production capacity of around 8,500 metric tons of crystalline betaine per year, will make Tulln the **third manufacturing site worldwide** where premium-quality, natural crystalline betaine is produced
- Betaine produced **from sugar beet molasses** has **numerous practical applications**:
  - In livestock sector as a constituent of animal feedstuffs
  - In food supplements and sports drinks
  - Due to its osmoregulatory properties, betaine is also used in cosmetic products
- Construction work will take approximately a year
- Investment: approx. **€ 40 million**





## CURRENT PROJECTS

# WHEAT STARCH CAPACITY INCREASE

- **Doubling the production capacity of the wheat starch factory** in Pischelsdorf|Austria
- Total investment: **€ 102 million**
- Construction work started in early 2018 and to **commission the new facility** by the **end of 2019 CY**
- Important step in terms of sustainably **consolidating AGRANA's position in the starch market**
- Expansion project will create **45 new jobs**
- Expansion meets the **increasing demand**, particularly from the **paper industry** -> high proportion of recycled paper and rising demand for packaging



	Processed raw materials (to)	Investment
Ethanol plant:	621,000	€ ~130 million (until 2008)
Wheat starch plant I:	196,000	€ ~70 million (until 2013)
Wheat starch plant II:	215,000	€ ~100 million (until 2019)
<b>TOTAL:</b>	<b>1,032,000</b>	<b>€ ~300 million (until 2019)</b>

## **TARGET:**

1 million tonnes  
processing capacity

~ 3,000 to per day



AGRANA GROUP

## OUTLOOK FOR 2019|20

**AGRANA Group**

**EBIT 2019 | 20**



**Revenue 2019 | 20**



- Despite the **continuing substantial challenges in the Sugar segment**, the Group's **operating profit (EBIT)** is expected to **increase significantly** (between +10% and +50%) in the 2019|20 FY
- **Revenue** is projected to show **moderate growth**
- Total **investment** across the three business segments in 2019|20 FY, at approximately **€ 143 million**, is to significantly exceed the budgeted depreciation of about € 108 million



## AGRANA SEGMENTS

# OUTLOOK FOR 2019|20

### FRUIT

Revenue ↑  
EBIT ↑↑

- **Fruit segment:** AGRANA expects the 2019|20 FY to bring **growth in revenue and EBIT**
  - Fruit preparations: positive revenue trend is predicted in all business areas, driven by rising sales volumes; EBIT will reflect the volume and margin growth, resulting in a significant earnings improvement yoy; especially the South America, North America, Europe and Mexico regions are expected to contribute to this uptrend
  - Fruit juice concentrates: revenue and EBIT are projected this FY to be steady on a high prior year level

### STARCH

Revenue ↑  
EBIT →

- **Starch segment: moderate increase in revenue** is forecasted for 2019|20; no major recovery in prices is expected for starch-based saccharification products; specialty products such as infant formula, organic and GMO-free products should continue to generate further positive impetus
- Assuming an average grain harvest in 2019, **EBIT is expected to be constant**

### SUGAR

Revenue ↗  
EBIT ↑

- **Sugar segment:** AGRANA is projecting still a **low revenue** in expectation of a continued challenging sugar market environment
- Ongoing cost reduction programmes will be able to soften the margin reduction to some extent; **EBIT is thus expected to remain negative in the 2019|20 FY**



2019|20

## FINANCIAL CALENDAR

**5 July 2019**

**Annual General Meeting in respect of 2018 | 19**

25 June 2019

Record date for Annual General Meeting participation

5 July 2019

Annual General Meeting in respect of 2018|19

10 July 2019

Ex-dividend date

11 July 2019

Results for first quarter of 2019|20

11 July 2019

Record date for dividend

12 July 2019

Dividend payment date

10 October 2019

Results for first half of 2019|20

14 January 2020

Results for first three quarters of 2019|20



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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%