



FRUIT  
STARCH  
SUGAR

The natural upgrade



# AGRANA Beteiligungs-AG

## Results for the first quarter of 2021 | 22

Presentation for investors and analysts

**AGRANA 2020 | 21 Online:**  
[reports.agrana.com](https://reports.agrana.com)  
**AGRANA Investor Relations:**  
[www.agrana.com/en/ir](https://www.agrana.com/en/ir)

Vienna, 8 July 2021



AGRANA GROUP

## NEW MANAGEMENT BOARD



**CFO Stephan Büttner**

- Finance
- IT
- Mergers & Acquisitions
- Legal
- Compliance
- Purchasing
- Investor Relations
- Responsibility for the Fruit segment



**CEO Markus Mühleisen**

- Strategy and economic policy
- Quality management
- Sales
- Human Resources
- Public Relations and Communications
- Responsibility for the Sugar segment



**CTO Norbert Harringer**

- Production / Investments
- Raw Material
- Research and Development
- Responsibility for the Starch segment

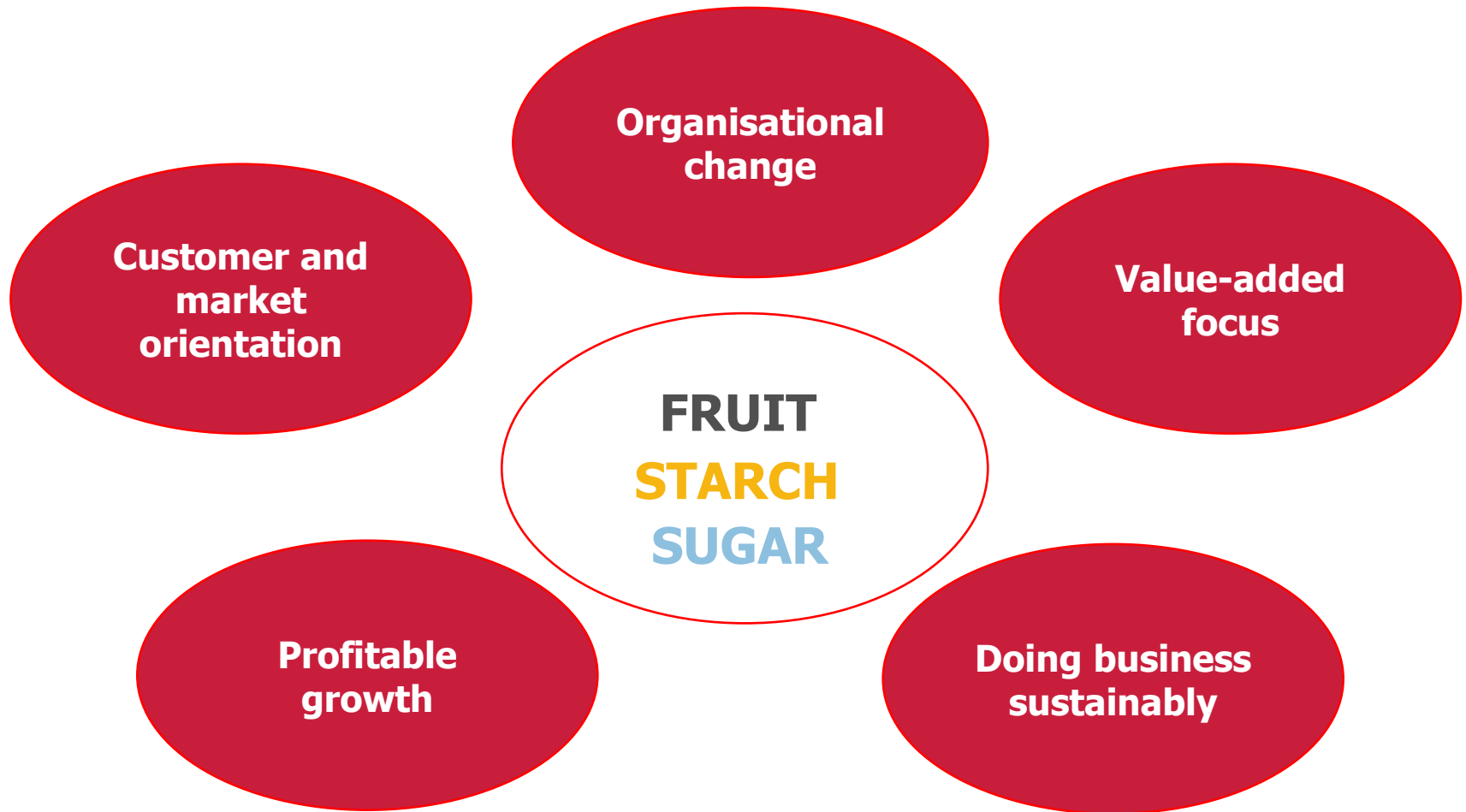


**Ingrid-Helen Arnold**

- Internal Auditing



# BUILD ON WHAT EXISTS AND INNOVATE





## Q1 2021|22 OVERVIEW



**Revenue: € 705.8 m**  
(Q1 2020|21: € 652.6 m)



**EBIT: € 20.9 m**  
Q1 2020|21: € 32.0 m)

**EBIT margin: 3.0%**  
(Q1 2020|21: 4.9%)

**Profit for the period: € 12.1 m**  
(Q1 2020|21: € 19.2 m)

**Equity ratio: 54.5%**  
(28 Feb. 2021: 53.8%)

**Gearing ratio: 38.8%**  
(28 Feb. 2021: 33.4%)



**~8,562**  
Employees (FTEs)



**56**  
Production  
sites





AGRANA  
**FOCUS  
ON ESG**





# AGRANA CLIMATE STRATEGY



**1st interim target: -25% CO<sub>2</sub> emissions by 2025 | 26 from 928,000 t** (in base year 2019|20)

Annual investments in the amount of € 10 million

## ■ Measures:

- Use of **green electricity**
- **Coal phase-out** at the last two coal-fired sugar production sites in Sered'|Slovakia (2021|22) and Opava|Czech Republic (2025|26)
- Implementation of **energy efficiency measures**
- **Increased use of residual low-protein raw materials/biomass for energy, in stages from 2025 | 26 onward**
- **June 2021 | 22:** project for structured capture of Scope 3 emissions (e.g. from raw material cultivation, transport) has been started
- Development of **reduction measures together with our suppliers and partners by 2030** at the latest in order to be able to offer mostly **CO<sub>2</sub> neutral products**

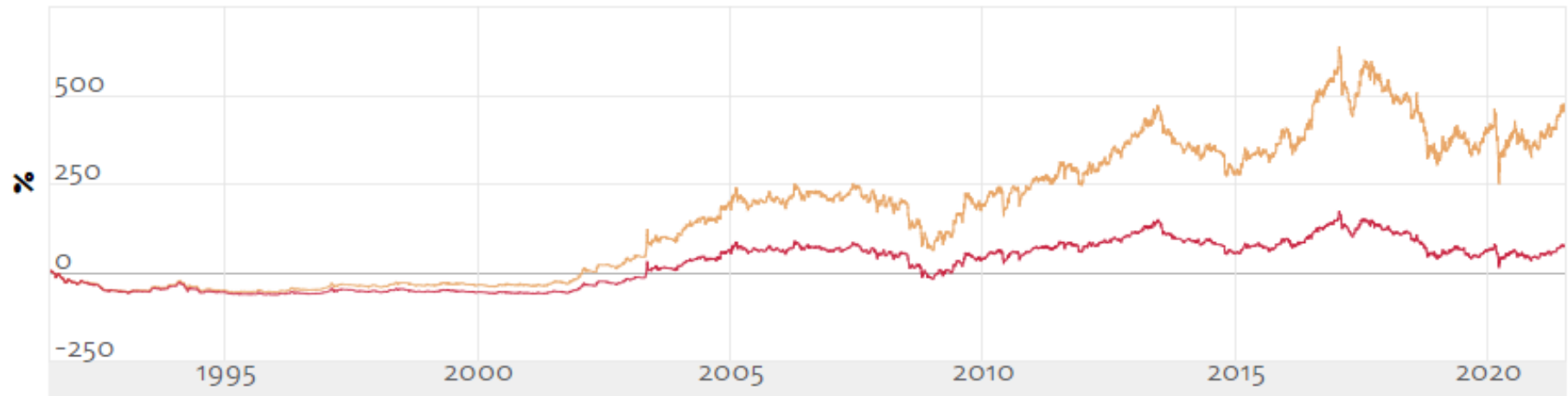


10 JULY 2021

## 30 YEARS LISTED AT THE VIENNA STOCK EXCHANGE

07/10/1991 - 07/05/2021

■ AGRANA Beteiligungs-AG (WB) **68.53%** ■ Total return **469.85%**



**1991: IPO**  
**2004 | 05: 1<sup>st</sup> SPO; 2016 | 17: 2<sup>nd</sup> SPO**

**Total return including  
dividends: > 450 %**



SEGMENTS FRUIT, STARCH AND SUGAR

# MARKET ENVIRONMENT







## FRUIT SEGMENT

### Fruit preparations

- **Top trends:** naturalness, health, pleasure, convenience and sustainability
- **Covid-19 pandemic** is having a pronounced **impact** on many of these consumer trends
- Global economic impacts of the coronavirus crisis are driving a trend towards **lower-priced and simpler products**

### Fruit juice concentrates

- Apple quantities available for the 2020 campaign were well below expectations and associated **higher raw material prices** could only partially be passed through to the market
- However, **customers' call-offs** of apple juice concentrate **rebounded** significantly again in spring 2021 compared to the fourth quarter of 2020|21 (ended February 2021)



MARKET ENVIRONMENT IN Q1 2021|22

## STARCH SEGMENT

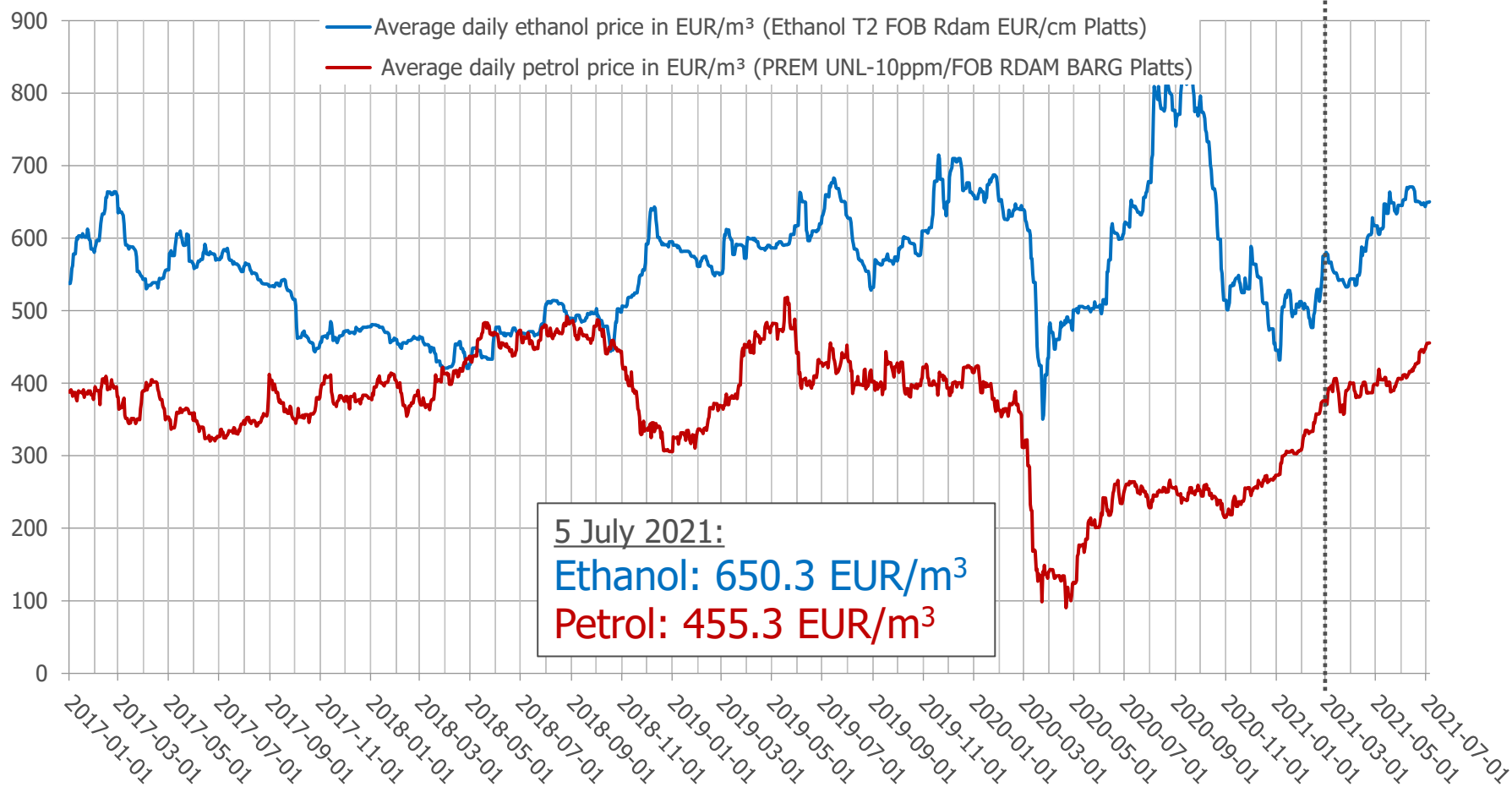
- **Covid-19 pandemic** remained a factor in almost all sales markets for starch products
- In **saccharification products**, the market structure continues to be defined by high price pressure
- **Packaging paper industry** recently reported full order books again, which in turn is driving demand for native corn and wheat starch
- Although the degree of planning certainty in the **fuel alcohol market** was very low in the first quarter of 2021|22 as a result of the mobility restrictions, prices quoted at a stable level



1 JANUARY 2017 – 5 JULY 2021 (EUR)

# ETHANOL AND PETROL PRICES

2021|22





## SUGAR SEGMENT

### ▪ **World sugar market**

- Since the outbreak of the coronavirus pandemic and a plunge in world sugar quotations in March/April 2020, **sugar prices have risen steadily**, due partly to the expectations for the world sugar balance
- During the period under review, **prices were further supported** by developments such as the delayed availability of Indian raw sugar exports in the markets, a poor off-season harvest in Brazil and an improving macro environment (vaccination programmes, rising demand for agricultural commodities)

### ▪ **EU sugar market**

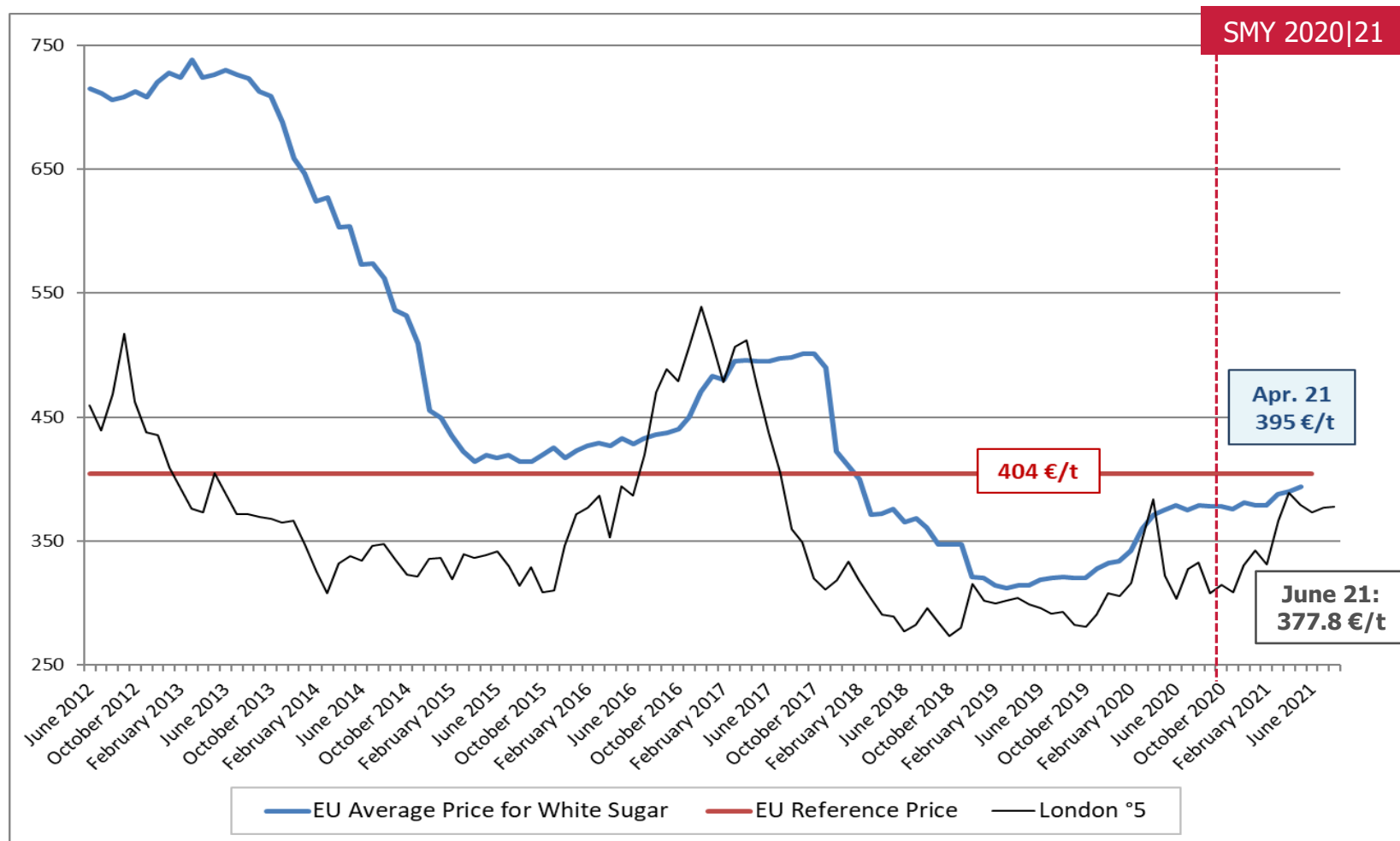
- Since the abolition of the sugar quotas at the end of September 2017, the average sugar prices under the EU price reporting system declined significantly
- By January 2019 the price was only € 312 per tonne. In the 2019 and 2020 calendar years the price of sugar in the EU recovered continually, and a price of **€ 395 per tonne was reported in April 2021**



## SUGAR PRICE REPORTING

# MONTHLY EU AVERAGE PRICES

(JUNE 2012 TO JUNE 2021; € PER TONNE)



Source: European Commission (as of 30 June 2021) and IEG Vantage (as of 15 June 2021)



SEGMENTS FRUIT, STARCH AND SUGAR

# RAW MATERIALS, PRODUCTION AND INVESTMENT







## FRUIT SEGMENT

### Fruit preparations

- **Harvest of strawberry**, the most important fruit for fruit preparations, went as planned in the countries with Mediterranean climate regions
- Overall volumes were in line with the previous year
- In Mexico, the foremost sourcing country, the prior year's volumes were slightly exceeded
- In the first quarter of 2021|22, about **100,000 tonnes of raw materials were purchased** for the fruit preparations activities

### Fruit juice concentrates

- For the 2021 **berry juice processing** season that has just begun, **availability** of raw materials is **expected to be good**
- For **apples**, the most important fruit in the juice concentrate business, **good availability** is **expected** in all relevant crop production regions



## STARCH SEGMENT

### Corn and wheat

- **Purchasing of feedstock** for the starch plants in Aschach, Austria (corn) and Pischelsdorf, Austria (wheat) from the 2020 crop almost fully completed
- **Raw material prices** in Q1 2021|22 were significantly above budgeted levels due to the powerful increase in international market prices
- In the **bioethanol activities**, the grain and corn purchases for the plant in Pischelsdorf are largely secured until up to the new crop
- At the plant in Hungary (**HUNGRANA** 100%), a total of 1.02 million tonnes of corn is expected to be processed in 2021|22 (prior year: 1.04 million tonnes)

### Potatoes

- For **potato starch** for the 2021 crop year, contracts were concluded with about 1,300 farmers to grow 252,000 tonnes of (regular and organic) industrial starch potatoes (prior year: 281,000 tonnes)
- Contracts for **food industry potatoes** increased year-on-year to 17,600 tonnes (prior year: 17,000 tonnes) due to a higher contract volume for organic potatoes



2021|22





## SUGAR SEGMENT

- **Sugar beet production area** contracted with beet farmers by the AGRANA Group is **~87,000 hectares** in the 2021 crop year (prior year: about 86,000 hectares); of this, about 2,200 hectares represents organic sugar beet
- With the exception of the Czech Republic and Hungary, an area **increase** was **achieved** in all countries
- **Increase was largest in Austria**, where the contracted area actually planted to beet was expanded by about 4,500 hectares (or 13%) from the prior year, to almost 39,000 hectares





## BEET CULTIVATION 2021

Excellent beet crop development to date  
(as of June 15, 2021)







Q1 2021|22

# INVESTMENT



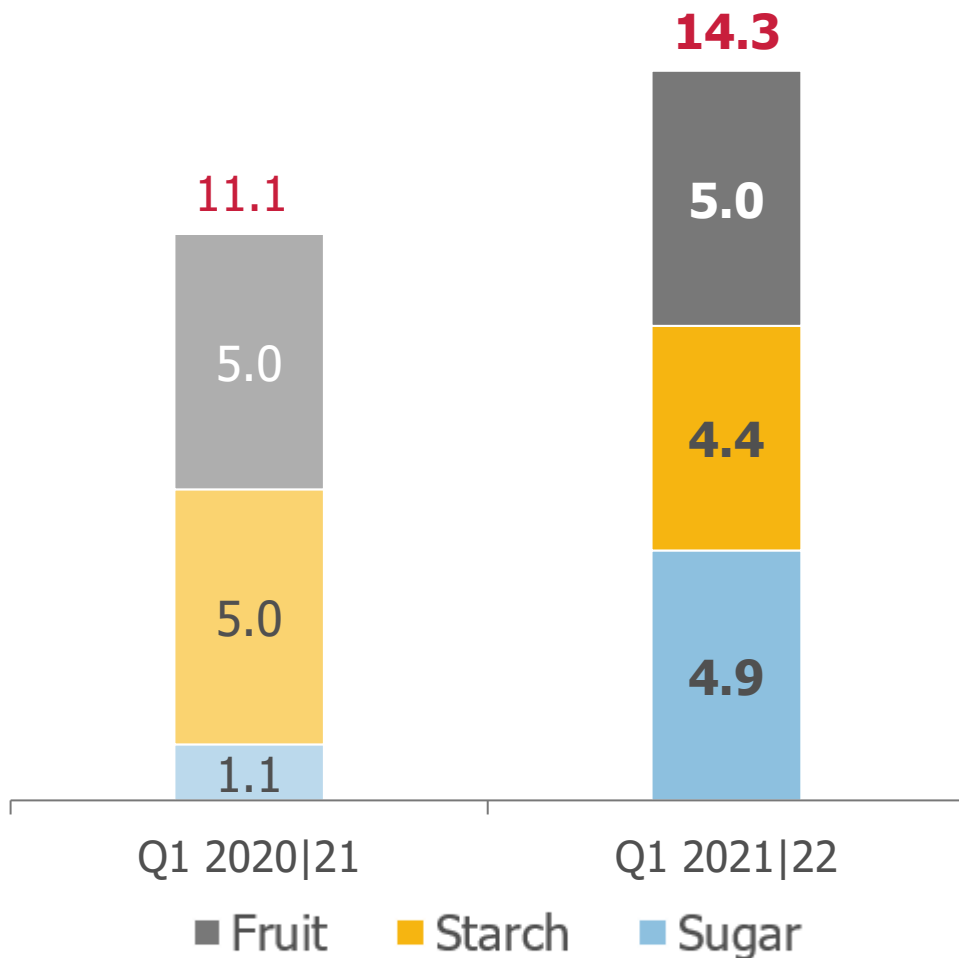




## MOST IMPORTANT PROJECTS IN THE GROUP

# INVESTMENT OVERVIEW

€m



GROUP

Q1 2021|22

### FRUIT

- Mitry-Mory, France (new filling plant)
- Dachang, China (new laboratory)

### STARCH

- Aschach, Austria (corn processing)
- Gmünd, Austria (wastewater)

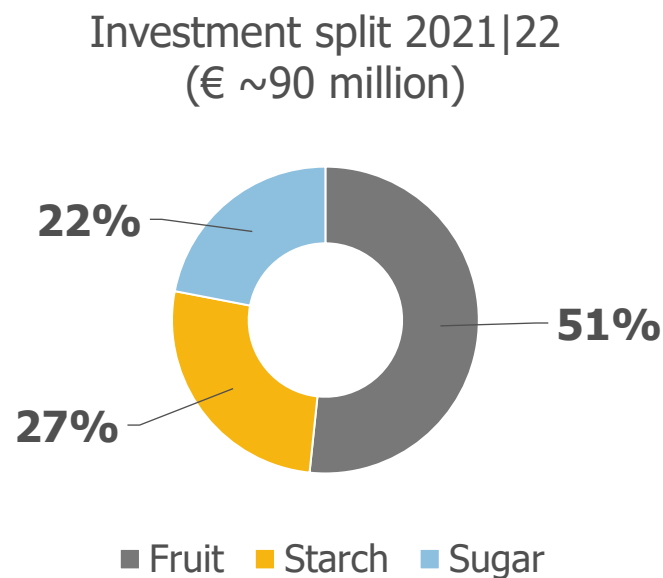
### SUGAR

- Sered', Slovakia (boiler)



## OUTLOOK FOR 2021|22 INVESTMENT PLAN

- **Total investment** across the three business segments in the 2021|22 financial year, at approximately **€ 90 million**
- **Significantly below** budgeted depreciation (€ ~121 million)
- **Continuation of implementation phase** after completion of major projects and capacity expansion in recent years





Q1 2021|22

# FINANCIALS



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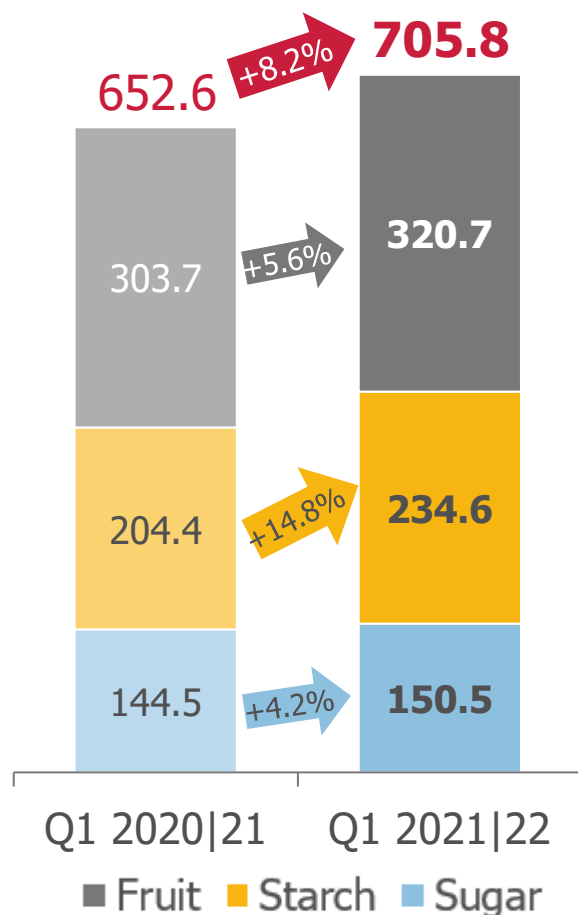
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Q1 2021|22 VS PRIOR YEAR

## REVENUE BY SEGMENT

€m



GROUP

### FRUIT

- In **fruit preparations**, revenue showed growth, due largely to higher sales volume
- Revenue in the **fruit juice concentrate** activities saw a slight, price-related decline

### STARCH

- Signs of recovery in the starch markets, with greater volume of demand for core and by-products than in the same period last year
- Selling prices of most of the core products remained at the low general level of the prior year
- Only ethanol Platts quotations showed a recovery thanks to increased gasoline demand

### SUGAR

- Increase was driven by higher sales of beet seed and other agricultural products



2021|22 VS PRIOR YEAR

## EBIT BY SEGMENT

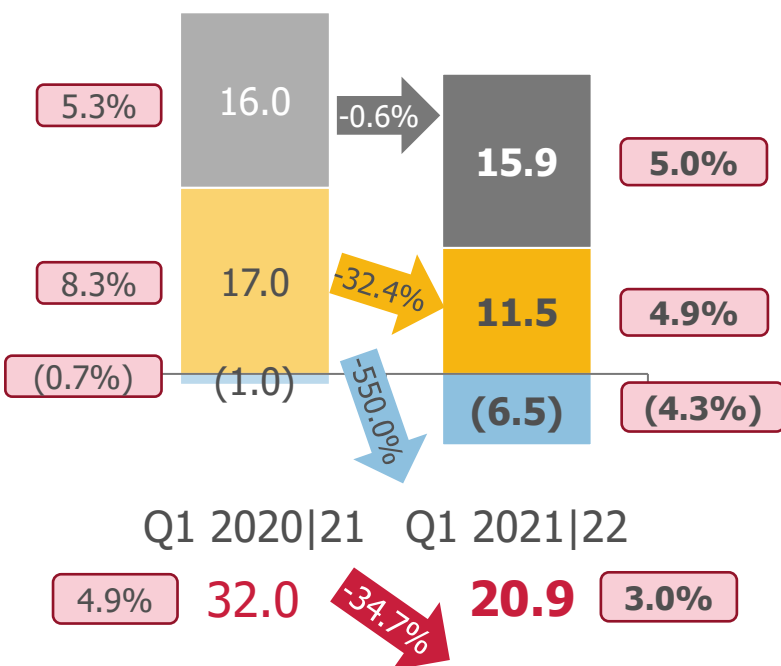
€m

### GROUP

■ Fruit ■ Starch ■ Sugar

EBIT margin  
Q1 2020|21

EBIT margin  
Q1 2021|22



### FRUIT

- Earnings result in **fruit preparations** was significantly above the year-ago level
- Improvement mainly due to a positive performance in the Europe and Russia regions as well as in Dirafröst's frozen fruit solutions business
- Earnings deterioration in the **fruit juice concentrate** business resulted from lower delivery volumes in combination with lower contribution margins for apple juice concentrates from the 2020 crop

### STARCH

- Main reason of reduction lay in significantly higher grain prices for the 2020 harvest compared to the year before
- Only little of the rise in raw material costs was able to be offset through adjusted by-product prices
- Earnings contribution of the equity-accounted HUNGRANA group decreased from € 3.7 million to € 2.7 million

### SUGAR

- Reduction was attributable to significantly lower sugar sales volumes than in the comparative first quarter of 2020|21
- In the last sugar campaign, in 2020, AGRANA's own production was again below average due to pests, especially in Austria; resulting lower margin from the necessary compensatory reselling and refining of sugar was another key driver of the weaker Sugar EBIT performance in Q1 2021|22



# CONSOLIDATED INCOME STATEMENT

€m (condensed)	Q1 2021 22	Q1 2020 21	Change
<b>Revenue</b>	<b>705.8</b>	<b>652.6</b>	+8.2%
EBITDA <sup>1</sup>	<b>44.8</b>	54.7	-18.1%
Operating profit before except. items and results of equity-accounted JV	<b>18.7</b>	28.1	-33.5%
Share of results of equity-accounted JV	<b>2.2</b>	3.9	-43.6%
<b>EBIT</b>	<b>20.9</b>	<b>32.0</b>	-34.7%
<b>EBIT margin</b>	<b>3.0%</b>	4.9%	-1.9pp
Net financial items	<b>(3.8)</b>	(6.1)	+37.7%
Profit before tax	<b>17.1</b>	25.9	-34.0%
Income tax expense	<b>(5.0)</b>	(6.7)	+25.4%
<b>Profit for the period</b>	<b>12.1</b>	<b>19.2</b>	-37.0%
Attributable to shareholders of the parent	<b>12.7</b>	18.8	-32.4%
Earnings per share	<b>€ 0.20</b>	€ 0.30	-33.3%

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





## ANALYSIS OF NET FINANCIAL ITEMS

€m	<b>Q1</b> <b>2021   22</b>	Q1 2020   21	Change
Net interest expense	<b>(1.9)</b>	(2.0)	+5.0%
Currency translation differences	<b>(1.2)</b>	(2.9)	+58.6%
Other financial items	<b>(0.7)</b>	(1.2)	+41.7%
<b>Total</b>	<b>(3.8)</b>	<b>(6.1)</b>	+37.7%



## TAX RATE

€m	Q1 2021 22	Q1 2020 21	Change
Profit before tax	17.1	25.9	-34.0%
Income tax expense	(5.0)	(6.7)	+25.4%
<b>Tax rate</b>	<b>29.2%</b>	<b>25.9%</b>	<b>+3.3pp</b>



# CONSOLIDATED CASH FLOW STATEMENT

€m (condensed)

**Q1 2021 | 22**

Q1 2020|21

Change

Operating cash flow before changes in working capital

**44.5**

56.0

-20.5%

Changes in working capital

**(97.9)**

(48.9)

>-100%

Interest received and paid and income tax paid, net

**(7.1)**

(4.5)

-58.2%

**Net cash (used in)/from operating activities**

**(60.5)**

**2.6**

>-100%

Net cash (used in) investing activities

**(16.7)**

(21.1)

+20.9%

Net cash from financing activities

**54.0**

17.8

>+100%

**Net (decrease) in cash and cash equivalents**

**(23.2)**

(0.7)

>-100%

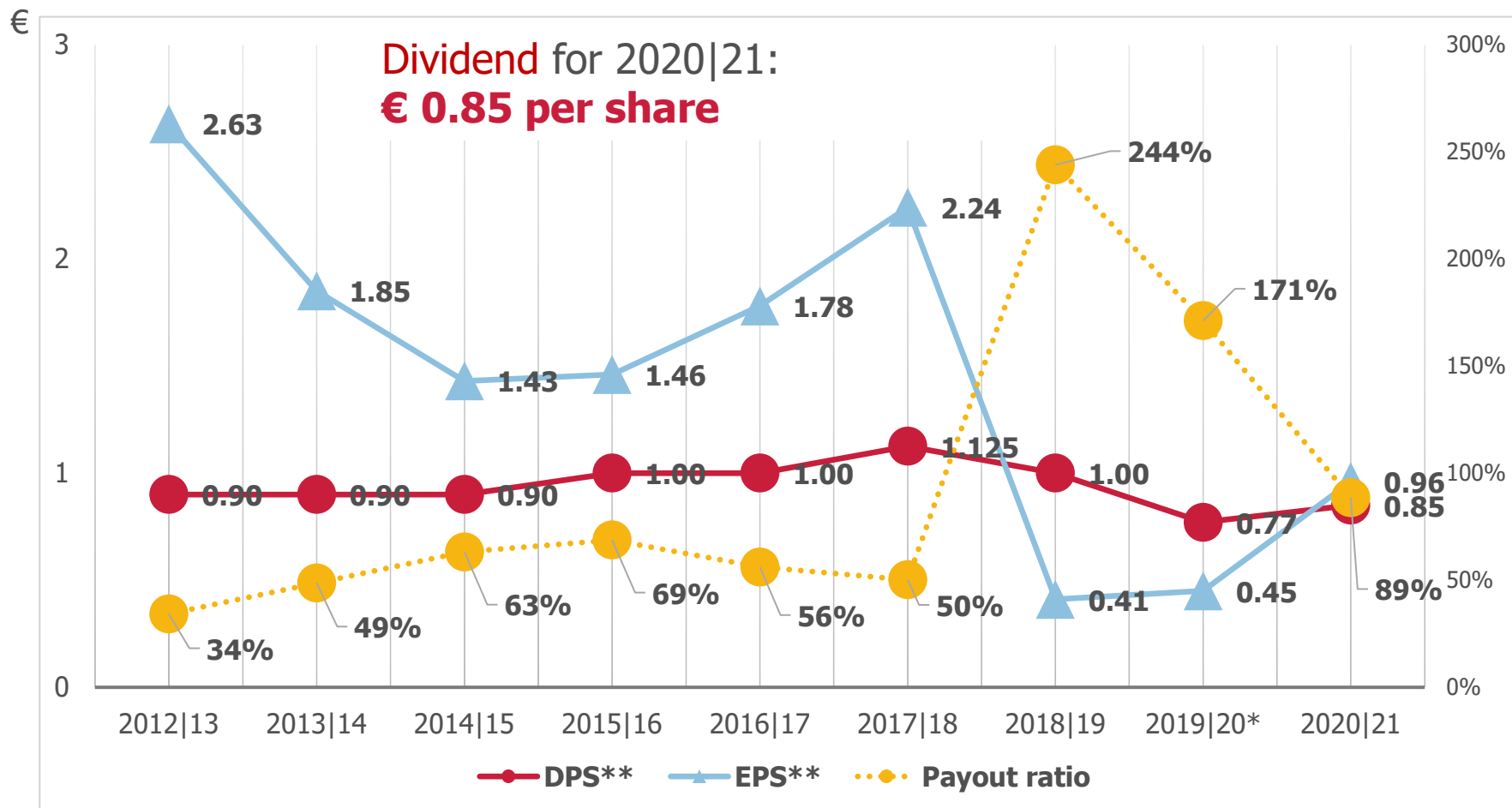


# CONSOLIDATED BALANCE SHEET

€m (condensed)	<b>31 May 2021</b>	28 Feb. 2021	Change
Non-current assets	<b>1,235.4</b>	1,232.0	+0.3%
Current assets	<b>1,245.6</b>	1,240.7	+0.4%
<b>Total assets</b>	<b>2,481.0</b>	<b>2,472.7</b>	+0.3%
Equity	<b>1,353.3</b>	1,329.1	+1.8%
Non-current liabilities	<b>586.6</b>	597.4	-1.8%
Current liabilities	<b>541.1</b>	546.2	-0.9%
<b>Total equity and liabilities</b>	<b>2,481.0</b>	<b>2,472.7</b>	+0.3%
Equity ratio	<b>54.5%</b>	53.8%	+0,7pp
Net debt	<b>525.6</b>	443.5	+18.5%
Gearing	<b>38.8%</b>	33.4%	+5.4pp



# DIVIDEND AND EARNINGS PER SHARE



**Dividend yield** (based on the closing share price at the last balance sheet date): **4.8%**

\*The prior-year data have been restated under IAS 8.

\*\*EPS and DPS adjusted; after the four-for-one stock split performed in July 2018, all EPS and DPS values are based on the number of shares out-standing at 28 February 2021, which was 62,488,976.



2021|22  
**OUTLOOK**



**ANTICIPATING  
WHAT WILL BE  
IN DEMAND  
TOMORROW**





AGRANA GROUP

## OUTLOOK FOR 2021|22

**EBIT 2021 | 22**



**Revenue 2021 | 22**



Given the ongoing Covid-19 crisis and the associated strong volatility in all business segments, the forecast for the full year is subject to very high uncertainty.

**EBIT in the second quarter** of the current 2021|22 financial year is expected to be **at the level of Q1 2021 | 22** (€ 20.9 million).



AGRANA SEGMENTS

# OUTLOOK FOR 2021|22

## FRUIT

Revenue ↑

EBIT ↑↑

## STARCH

Revenue ↗

EBIT ↓↓

## SUGAR

Revenue ↑↑

EBIT ↑↑↑



2021|22

## FINANCIAL CALENDAR

**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%