



Vaccination

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Q1-Q3 2021|22

INTERIM STATEMENT FOR THE  
FIRST THREE QUARTERS OF 2021|22

## First three quarters of 2021|22 at a glance

- Revenue: € 2,169.6 million (+10.4%; Q1–Q3 prior year: € 1,965.3 million)
- EBIT: € 76.0 million (–9.8%; Q1–Q3 prior year: € 84.3 million)
- EBIT margin: 3.5% (Q1–Q3 prior year: 4.3%)
- Profit for the period: € 44.8 million (–16.7%; Q1–Q3 prior year: € 53.8 million)
- Equity ratio: 50.0% (28 February 2021: 53.8%)
- Gearing ratio<sup>1</sup>: 36.3% (28 February 2021: 33.4%)
- Number of employees (FTE)<sup>2</sup>: 8,815 (Q1–Q3 prior year: 9,058)

<sup>1</sup> Ratio of net debt to total equity.

<sup>2</sup> Average number of full-time equivalents in the reporting period.

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## Letter from the Management Board

Dear Investor,

Since the beginning of the financial year we have been forecasting that, after a weaker first six months of 2021|22, earnings in the second half of the year would be better than one year earlier. This outlook was confirmed in the third quarter with quarterly operating profit (EBIT) of € 31.2 million (Q3 of 2020|21, the prior year: € 28.5 million). For the first nine months of the 2021|22 financial year, we are thus reporting EBIT of € 76.0 million (Q1-Q3 prior year: € 84.3 million).

In the fourth quarter as well, we expect a very significant year-on-year improvement in EBIT. We remain optimistic that we will achieve our target for the 2021|22 financial year of exceeding the prior year's operating profit of € 78.7 million significantly, i.e., by at least 10%.

Getting there has, however, become considerably more difficult in the past few months amid a highly volatile business environment. Since the summer, the commodity markets have experienced a massive upturn, including very sharp year-on-year price hikes for agricultural raw materials. At the same time, energy costs saw extreme increases that weigh on earnings in all business segments. As we have emphasised repeatedly during the year, the COVID-19 pandemic is far from over. AGRANA too is currently feeling the implications of this amid the fourth wave, the rapidly spreading Omicron variant, and renewed lockdowns combined with economic restrictions in many countries around the world.

In the current, fourth quarter and in the next financial year, volatile markets both on the purchasing and sales sides will demand our sustained close attention and careful management. We will continue to work hard to counter the price increases in procurement with appropriate and improved measures and to reflect the increased manufacturing costs in adjusted selling prices as well.

At AGRANA, the third quarter (September to November) is dominated by campaign production. The processing of raw materials in terms of beet (Sugar segment), potato (Starch segment) and apple (Fruit segment) has been very satisfactory thus far. In the Sugar segment, capacity utilisation of the factories was improved thanks to higher beet volumes. Among other factors, a rise in sugar prices since the new sugar marketing year (which began in October 2021) will translate into an earnings improvement in the second half of 2021|22. In the Fruit segment, the good 2021 apple processing campaign will lead to a recovery for the fruit juice concentrate business in the latter half of the year.

Ethanol prices at historic highs were the main reason for the recent very strong EBIT performance in the Starch segment. The ethanol price trend over the coming weeks will also be a determining factor for the Group's overall results in the remainder of the financial year.

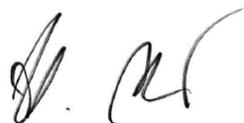
With the installation of the new natural gas-fired steam boiler in Sereď, Slovakia, the second last sugar factory to have been fired by coal was converted to natural gas, with the ability to also use biogas. This represents a significant further step on our pathway for phasing out the use of fossil fuels. We are currently analysing all emissions from our upstream supply chain and downstream value chain (Scope 3 emissions). The resulting picture of the corporate carbon footprint will provide the basis for setting comprehensive science-based climate protection targets under the Science Based Targets initiative by the end of 2022.

Dear shareholder, as we start the new calendar year, we would like to wish you all the best – and above all, good health – for 2022 and assure you that, as "Team AGRANA", we will continue to work with great determination for the success of our company.

The Management Board team of AGRANA Beteiligungs-AG



**Markus Mühleisen**  
Chief Executive Officer



**Ingrid-Helen Arnold**



**Stephan Büttner**



**Norbert Harringer**

# Group report

## AGRANA Group results for the first three quarters of 2021|22

### Revenue and earnings

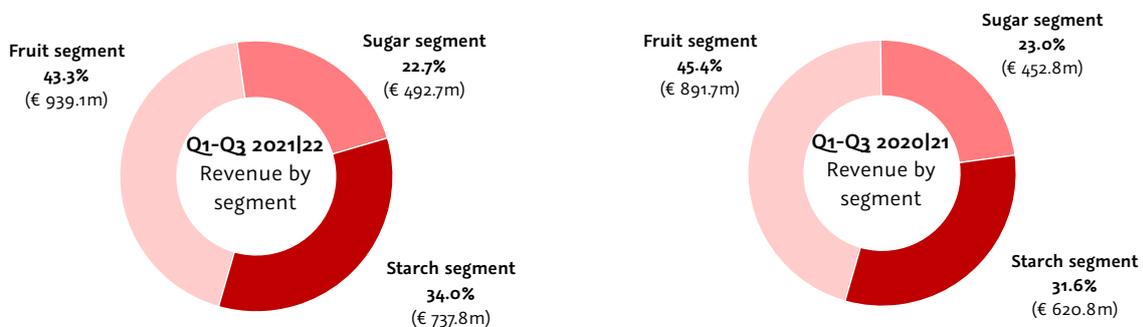
Consolidated income statement (condensed)	Q1–Q3 2021 22	Q1–Q3 2020 21
€m, except as otherwise indicated		
Revenue	2,169.6	1,965.3
EBITDA <sup>1</sup>	156.7	159.4
Operating profit before exceptional items and results of equity-accounted joint ventures	68.7	69.9
Share of results of equity-accounted joint ventures	9.6	15.2
Exceptional items	(2.3)	(0.8)
<b>Operating profit (EBIT)</b>	<b>76.0</b>	<b>84.3</b>
<b>EBIT margin</b>	<b>3.5%</b>	<b>4.3%</b>
Net financial items	(11.2)	(13.4)
Profit before tax	64.8	70.9
Income tax expense	(20.0)	(17.1)
Profit for the period	44.8	53.8
Attributable to shareholders of the parent	44.3	54.0
Earnings per share (€)	0.71	0.86

Consolidated income statement (condensed)	Q3 2021 22	Q3 2020 21
€m, except as otherwise indicated		
Revenue	745.2	656.0
EBITDA <sup>1</sup>	62.7	58.3
Operating profit before exceptional items and results of equity-accounted joint ventures	27.7	22.5
Share of results of equity-accounted joint ventures	3.5	6.3
Exceptional items	0.0	(0.3)
<b>Operating profit (EBIT)</b>	<b>31.2</b>	<b>28.5</b>
<b>EBIT margin</b>	<b>4.2%</b>	<b>4.3%</b>
Net financial items	(4.1)	(4.3)
Profit before tax	27.1	24.2
Income tax expense	(9.4)	(4.8)
Profit for the period	17.7	19.4
Attributable to shareholders of the parent	16.4	20.1
Earnings per share (€)	0.26	0.32

In the first three quarters of the 2021|22 financial year (the nine months ended 30 November 2021), **revenue** of the AGRANA Group was € 2,169.6 million, up significantly from the same period one year earlier, with the growth coming largely from higher sales volumes and selling prices in the Starch segment. The revenue trend in the Fruit and Sugar segments was also positive.

**Operating profit (EBIT)** was € 76.0 million in the first three quarters of 2021|22, a moderate decrease from the year-ago level of € 84.3 million. In the Fruit segment, EBIT declined to € 36.2 million (Q1–Q3 prior year: € 41.3 million), primarily as a result of a markedly weaker performance in the fruit juice concentrate business in the first half of the financial year. A significant increase in raw material and energy costs was the main cause of an EBIT

decrease in the Starch segment to € 53.5 million (Q1–Q3 prior year: € 58.5 million). In the Sugar segment, the EBIT result improved to a deficit of € 13.7 million (Q1–Q3 prior year: deficit of € 15.5 million), due to higher capacity utilisation and to stronger sales prices in the new 2021|22 sugar marketing year compared to the year before. The Group's **net financial items** amounted to an expense of € 11.2 million, down from an expense of € 13.4 million in the year-earlier period, thanks primarily to an improvement in currency translation differences. After an income tax expense of € 20.0 million, corresponding to a tax rate of 30.9% (Q1–Q3 prior year: 24.1%), **profit for the period** was € 44.8 million (Q1–Q3 prior year: € 53.8 million). **Earnings per share** attributable to AGRANA shareholders decreased to € 0.71 (Q1–Q3 prior year: € 0.86).



## Investment<sup>1</sup>

In the first three quarters of 2021|22, AGRANA invested € 50.1 million, or € 2.7 million more than in the year-earlier comparative period. Capital expenditure by segment was as follows:

Investment €m, except %	Q1–Q3 2021 22	Q1–Q3 2020 21	Change
Fruit segment	19.2	23.9	–19.7%
Starch segment	14.0	13.7	2.2%
Sugar segment	16.9	9.8	72.4%
<b>Group</b>	<b>50.1</b>	<b>47.4</b>	<b>5.7%</b>

In addition to the regular projects for product quality improvement, asset replacement and maintenance across all production sites, the following individual investments are worthy of note:

### Fruit segment

- New filling plant in Mitry-Mory, France
- Upgrading and capacity expansion of the existing cooling system, combined with heat recovery from the compressors, in Mitry-Mory

- New construction of an application laboratory in Dachang, China

### Starch segment

- Measures to increase specialty corn processing in Aschach, Austria
- Efficiency improvements to the spray drying towers in Gmünd, Austria
- Upgrading of the drum drying plant for the production of potato flakes in Gmünd
- Expansion of the company wastewater treatment plant in Gmünd

### Sugar segment

- Conversion of the boiler plant from coal to natural gas/biogas in Sered', Slovakia
- Expansion of the distributed control system in Tulln, Austria

Additionally in the first three quarters of 2021|22, € 12.6 million (Q1–Q3 prior year: € 24.5 million) was invested in the equity-accounted joint ventures (the HUNGRANA and STUDEN groups and Beta Pura GmbH; values given for these entities represent the totals rather than AGRANA's proportion of ownership).

## Cash flow

### Consolidated cash flow statement (condensed)

€m, except %

	Q1–Q3 2021 22	Q1–Q3 2020 21	Change
Operating cash flow before changes in working capital	150.0	169.7	–11.6%
Changes in working capital	(67.1)	(33.5)	–100.3%
Interest received and paid and income tax paid, net	(22.4)	(18.0)	–24.4%
<b>Net cash from operating activities</b>	<b>60.5</b>	<b>118.2</b>	<b>–48.8%</b>
Net cash (used in) investing activities	(41.1)	(45.0)	8.7%
Net cash (used in) financing activities	(19.7)	(61.1)	67.8%
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(0.3)</b>	<b>12.1</b>	<b>–102.5%</b>
Effects of movement in foreign exchange rates and hyperinflation adjustments on cash and cash equivalents	(2.2)	(5.5)	60.0%
Cash acquired in initial consolidation of subsidiaries	0.9	0.0	-
Cash and cash equivalents at beginning of period	111.0	93.4	18.8%
<b>Cash and cash equivalents at end of period</b>	<b>109.4</b>	<b>100.0</b>	<b>9.4%</b>

Operating cash flow before changes in working capital eased to € 150.0 million (Q1–Q3 prior year: € 169.7 million) in the first three quarters of 2021|22, as a result mainly of the lower profit for the period. After a primarily inventory-driven larger increase of € 67.1 million in working capital than one year earlier (Q1–Q3 prior year: increase of € 33.5 million), net

<sup>1</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

cash from operating activities in the first three quarters of 2021|22 was € 60.5 million (Q1–Q3 prior year: € 118.2 million). Net cash used in investing activities declined to € 41.1 million due to lower payments for purchases of subsidiaries and despite higher payments for purchases of property, plant and equipment and intangibles (Q1–Q3 prior year: net cash use of € 45.0 million). With a moderately higher dividend payment, a significant increase in borrowings compared to the year-earlier period led to a smaller net cash outflow of € 19.7 million from financing activities (Q1–Q3 prior year: net outflow of € 61.1 million).

## Financial position

<b>Consolidated balance sheet (condensed)</b>	<b>30 Nov. 2021</b>	<b>28 Feb. 2021</b>	<b>Change</b>
€m, except % and pp			
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>1,216.0</b>	<b>1,232.0</b>	<b>-1.3%</b>
Of which intangible assets, including goodwill	258.7	254.6	1.6%
Of which property, plant and equipment	831.3	859.7	-3.3%
<b>Current assets</b>	<b>1,458.9</b>	<b>1,240.7</b>	<b>17.6%</b>
Of which inventories	785.9	700.6	12.2%
Of which trade receivables	424.0	323.1	31.2%
Of which cash and cash equivalents	109.4	111.0	-1.4%
<b>Total assets</b>	<b>2,674.9</b>	<b>2,472.7</b>	<b>8.2%</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>1,338.1</b>	<b>1,329.1</b>	<b>0.7%</b>
Equity attributable to shareholders of the parent	1,280.8	1,273.8	0.5%
Non-controlling interests	57.3	55.3	3.6%
<b>Non-current liabilities</b>	<b>587.1</b>	<b>597.4</b>	<b>-1.7%</b>
Of which borrowings	478.4	493.6	-3.1%
<b>Current liabilities</b>	<b>749.7</b>	<b>546.2</b>	<b>37.3%</b>
Of which borrowings	136.4	80.3	69.9%
Of which trade payables	446.1	311.5	43.2%
<b>Total equity and liabilities</b>	<b>2,674.9</b>	<b>2,472.7</b>	<b>8.2%</b>
<b>Net debt</b>	<b>486.2</b>	<b>443.5</b>	<b>9.6%</b>
<b>Gearing ratio<sup>1</sup></b>	<b>36.3%</b>	<b>33.4%</b>	<b>2.9pp</b>
<b>Equity ratio</b>	<b>50.0%</b>	<b>53.8%</b>	<b>-3.8pp</b>

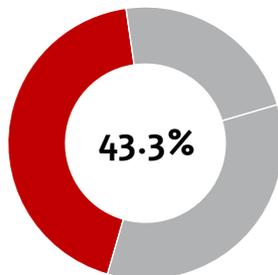
Total assets as of 30 November 2021, at € 2.67 billion, were up moderately from the 2020|21 year-end balance sheet date (28 February 2021: € 2.47 billion), with an equity ratio of 50.0% (28 February 2021: 53.8%).

The value of non-current assets eased slightly, due especially to depreciation. Current assets increased significantly, with a rise both in inventories (for seasonal reasons) and in trade receivables. Non-current liabilities eased slightly. Current liabilities were up significantly as a result of increased current borrowings and higher trade payables.

Net debt as of 30 November 2021 stood at € 486.2 million, up € 42.7 million from the year-end level of € 443.5 million marked on 28 February 2021. The gearing ratio rose accordingly to 36.3% as of the interim balance sheet date (28 February 2021: 33.4%).

## Fruit segment

### Share of Group revenue



### Financial results

<b>Fruit segment</b> €m, except %	<b>Q1-Q3</b> <b>2021 22</b>	<b>Q1-Q3</b> <b>2020 21</b>
Revenue	939.1	891.7
EBITDA <sup>1</sup>	69.5	73.4
Operating profit before exceptional items and results of equity-accounted joint ventures	38.5	42.1
Exceptional items	(2.3)	(0.8)
<b>Operating profit [EBIT]</b>	<b>36.2</b>	<b>41.3</b>
<b>EBIT margin</b>	<b>3.9%</b>	<b>4.6%</b>

<b>Fruit segment</b> €m, except %	<b>Q3</b> <b>2021 22</b>	<b>Q3</b> <b>2020 21</b>
Revenue	305.6	289.9
EBITDA <sup>1</sup>	22.4	23.1
Operating profit before exceptional items and results of equity-accounted joint ventures	10.4	11.5
Exceptional items	0.0	(0.3)
<b>Operating profit [EBIT]</b>	<b>10.4</b>	<b>11.2</b>
<b>EBIT margin</b>	<b>3.4%</b>	<b>3.9%</b>

Fruit segment revenue in the first three quarters of 2021|22, at € 939.1 million, was moderately above the year-earlier level (by 5.3%). The fruit preparations business saw revenue growth, stemming mostly from higher sales prices. Revenue in the fruit juice concentrate activities declined slightly for volume reasons.

Fruit segment EBIT in the first nine months was € 36.2 million, off 12.3% from one year earlier. The biggest reason for the deterioration lay in sales of fruit juice concentrates from the 2020 crop, which involved reduced delivery volumes in combination with lower contribution margins of apple juice concentrates in the first half of 2021|22. The earnings performance in the fruit preparations business decreased as well, due above all to a combination of higher costs associated with personnel bottlenecks in North America, sales volume declines in China, and significantly risen raw material costs. Also detracting from earnings in the Fruit segment was a one-off combined expense of € 2.3 million for a damage claim and re-organisation measures.

### Market environment

The market setting for fruit preparations is determined by consumer trends in the global markets for dairy products, ice-cream, food service and bakery. The top trends continue to revolve around naturalness, health, pleasure, convenience and sustainability. The COVID-19 pandemic is having a strong impact on many of these consumer trends. While consumers in Europe and North America increasingly want natural, sustainable and wholesome products, the top criterion in South America, Asia and Africa is the affordability of foods. For fruit preparations this means, on the one hand, ever higher expectations for a given product, and on the other hand, a reduction in fruit content in the final product and/or fruit substitution using aromas.

Yoghurt, the main market for fruit preparations, is being negatively affected by the COVID-19 crisis. Current forecasts by Euromonitor project a global volume growth rate for yoghurt of 2.3% in the 2021 calendar year; that is half the percentage rate predicted before the COVID-19 pandemic. Particularly the market for flavoured spoonable yoghurt is stagnating based on current projections.

In fruit juice concentrates, customer call-offs rose back to a welcome level in the third quarter. Amid good market demand, the contracts for apple juice concentrate made from the 2021 crop were concluded at contribution margins well above those of the prior year.

For most of the berry juice concentrate volumes produced from the 2021 harvest, contracts were already concluded with customers. These contracts augur an improvement in contribution margins relative to one year earlier.

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

## Raw materials and production

The purchasing of fruits from the 2021 crop for processing in this financial year and next year was largely completed in the third quarter of 2021|22. Overall in the reporting period, about 273,000 tonnes of raw materials were procured for the fruit preparations activities.

The globally required amount of strawberry, the most important fruit by volume in this part of the Fruit segment, was contracted at prices in line with levels of the year before. From August on, strawberry planting for the next crop (to be harvested from November 2021 to January 2022) began in the regions with a Mediterranean climate. The crop acreage in Egypt and Morocco is expected to be slightly expanded. Given the sustained strong demand from Europe and the USA for frozen fruit, and also as a result of risen logistics costs, prices for the coming crop year are likely to show moderate increases.

For raspberry and blueberry, repeated below-average crop yields, depleted inventories from the prior year and high fresh market demand led to reduced availability of fruit for processing and brought significant price gains.

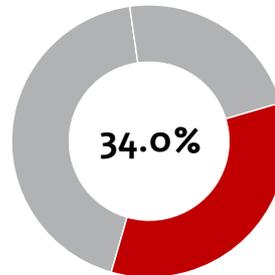
In AGRANA's fruit preparations business, the volatile market setting for commodities in general and the global change in freight costs drove a rise of about 7% year-on-year in raw material costs. In order to both secure the required quantities of supply and counteract the price increases, a focus of efforts in the past months was on making procurement more flexible; as well, the collaboration with strategic suppliers was intensified.

On the energy front, rate hikes for electricity and natural gas since the third quarter of 2021|22, especially in Europe, led to significantly higher costs year on year.

In the fruit juice concentrate activities, AGRANA was able to process greater volumes than in the prior year thanks to good availability both of apples and red berries (an industry term that includes strawberries, raspberries, black and red currants, sour cherries, chokeberries and elderberries). All fruit juice concentrate plants recorded good capacity utilisation.

## Starch segment

### Share of Group revenue



### Financial results

<b>Starch segment</b>	<b>Q1–Q3 2021 22</b>	<b>Q1–Q3 2020 21</b>
€m, except %		
Revenue	737.8	620.8
EBITDA <sup>1</sup>	79.4	76.3
Operating profit before exceptional items and results of equity-accounted joint ventures	43.5	41.6
Share of results of equity-accounted joint ventures	10.0	16.9
<b>Operating profit [EBIT]</b>	<b>53.5</b>	<b>58.5</b>
<b>EBIT margin</b>	<b>7.3%</b>	<b>9.4%</b>

<b>Starch segment</b>	<b>Q3 2021 22</b>	<b>Q3 2020 21</b>
€m, except %		
Revenue	261.0	213.6
EBITDA <sup>1</sup>	33.4	28.3
Operating profit before exceptional items and results of equity-accounted joint ventures	21.4	16.5
Share of results of equity-accounted joint ventures	3.1	7.3
<b>Operating profit [EBIT]</b>	<b>24.5</b>	<b>23.8</b>
<b>EBIT margin</b>	<b>9.4%</b>	<b>11.1%</b>

Starch segment revenue in the first three quarters of 2021|22 was € 737.8 million, representing significant growth of 18.8% from one year earlier. Higher volumes of core products and by-products were demanded than in the same period of the previous year. In the ethanol busi-

ness, Platts quotations reached historic highs in the third quarter and averaged 24% higher in the first nine months of 2021|22 than in the prior-year comparable period. The continuous rise in grain prices since the autumn of 2020 was partly passed through on the sales side, in adjusted prices for starches and by-products. There was also an increase in the revenue from reselling of purchased animal feedstuffs.

At € 53.5 million, EBIT in the Starch segment for the first three quarters was down 8.5% year-on-year. The main reason was a noticeable year-on-year increase in purchase prices for wheat, corn (maize) and energy which could not yet be fully offset by adjusting product prices. Greater depreciation as a result of the major investments made in recent years also had a negative impact on earnings. High selling prices for ethanol generated a positive contribution to EBIT performance, notably in the third quarter. The earnings contributed by the equity-accounted HUNGRANA group declined from € 16.9 million to € 10.0 million. Despite increased sales volumes and ethanol prices, the cost effect of the historic high corn prices in Hungary could not yet be made up for by higher prices for saccharification and starch products.

## Market environment

The COVID-19 pandemic continues to make its influence felt in the market, including for almost all starch products. After the 2020 recession came the 2021 recovery with all its knock-on effects. Market participants are now operating in a market characterised by scarcity, rising input costs and the short-term covering of supply gaps across all product categories.

For AGRANA, the significant increase in raw material and energy costs means that these cost increases must also be partially cushioned through adjusted selling prices.

Particularly in the corrugated board sector and for graphic papers, the order situation is very good and the demand for cereal starches is high. The same applies to the food sector. Native and modified starches are in strong demand, and the supply/demand balance is also an even one in liquid saccharification products.

Due to restrictions in supplying the Asian market, European producers of infant formula have recently been confronted with significant overcapacity in production. Nonetheless, some projects, especially in the premium segment, were able to be implemented. In the future, the focus will be on trends such as plant-based nutrition as well as on the further development of sustainable packaging solutions in order to optimally meet new customer requirements.

In starch-based feedstuffs, high- and medium-protein feeds are benefiting from increased demand and also from the high grain quotations.

The ethanol and fuel market is showing strong momentum. In the public policy environment, elements such as the Renewable Energy Directive II (RED II) and the European Commission's "Fit for 55" package of measures, as well as expanding blending mandates within and beyond the EU (introduction of E10 in the UK and Sweden), are providing positive impetus for the market and demand. After a period characterised by uncertainties in planning, quotations recently were at all-time highs.

## Raw materials and production

World grain production in the 2021|22 grain marketing year (July to June) is estimated by the International Grains Council in its forecast of 18 November 2021 at 2.29 billion tonnes (or about 3.4% more than in the prior year), which falls short of expected consumption by around 3 million tonnes. Wheat production is forecast at 777 million tonnes (prior year: 773 million tonnes; estimated 2021|22 consumption: 782 million tonnes) and the projected production of corn is 1,212 million tonnes (prior year: 1,126 million tonnes; estimated 2021|22 consumption: 1,203 million tonnes). Total ending grain stocks are to ease by approximately 2 million tonnes to a new balance of 600 million tonnes.

Grain production in the EU-27 is estimated by Stratégie Grains at about 288 million tonnes (prior year: 278 million tonnes). Of this total, the soft wheat harvest is to account for about 129 million tonnes, up moderately from the 2020 crop of 119 million tonnes. The 2021 corn harvest in the EU is expected to reach just under 68 million tonnes (prior year: 65 million tonnes).

The wheat and corn quotations on the NYSE Euronext Liffe commodity derivatives exchange in Paris rose significantly since early March 2021. A combination of strong demand for corn and grains and weaker harvests due to weather extremes in key production areas was responsible for these price gains, amid increased volatility. At the end of the quarterly reporting period, quotations were around € 237 per tonne for corn and € 280 per tonne for wheat (year earlier: € 194 and € 210, respectively).

## Potatoes

On 2 September 2021 the potato starch factory in Gmünd, Austria, began the processing of starch potatoes from the 2021 harvest. Thanks to the favourable weather conditions during the growing season, contract fulfilment by the

growers is expected to reach about 106% of the contracted amount of starch potatoes. The average starch content of 19.2% will mark a tangible increase from the prior year's 18.1%.

## Corn and wheat

During the wet corn campaign at the corn starch factory in Aschach, Austria from the middle of September to mid-December 2021, about 130,000 tonnes of wet corn was processed (prior year: about 152,000 tonnes). For the full financial year, the total corn processing volume at this facility is expected to reach about 466,000 tonnes (prior year: 470,000 tonnes).

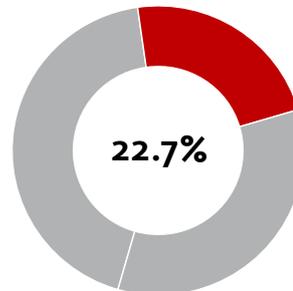
In the plant at Pischelsdorf, Austria, approximately 99,000 tonnes of wet corn was processed from the middle of September to the middle of December 2021 (prior year: 95,000 tonnes). A combined total of 1.05 million tonnes of non-corn grains (wheat, organic wheat and triticale) and corn are to be used in this integrated biorefinery<sup>1</sup> in the full year 2021|22 (prior year: 1.0 million tonnes).

The raw material supply for the Austrian starch plants and the bioethanol facility for the 2021|22 financial year is almost fully secured. Raw material prices in the first three quarters of the financial year were higher than budgeted due to the significant increase in global and regional corn and wheat prices.

At the plant in Hungary (HUNGRANA), which is accounted for using the equity method, 215,000 tonnes of wet corn was processed from the end of August to the beginning of December (year earlier: 273,000 tonnes; quantities given for this joint venture represent the total rather than AGRANA's proportion of ownership). Total corn processing at HUNGRANA in the full financial year is expected to reach 1.05 million tonnes (prior year: 1.03 million tonnes).

## Sugar segment

### Share of Group revenue



## Financial results

	Q1-Q3 2021 22	Q1-Q3 2020 21
<b>Sugar segment</b>		
€m, except %		
Revenue	492.7	452.8
EBITDA <sup>2</sup>	7.7	9.7
Operating loss before exceptional items and results of equity-accounted joint ventures	(13.3)	(13.8)
Share of results of equity-accounted joint ventures	(0.4)	(1.7)
<b>Operating loss [EBIT]</b>	<b>(13.7)</b>	<b>(15.5)</b>
<b>EBIT margin</b>	<b>(2.8%)</b>	<b>(3.4%)</b>

	Q3 2021 22	Q3 2020 21
<b>Sugar segment</b>		
€m, except %		
Revenue	178.5	152.5
EBITDA <sup>2</sup>	6.9	6.9
Operating loss before exceptional items and results of equity-accounted joint ventures	(4.1)	(5.5)
Share of results of equity-accounted joint ventures	0.4	(1.0)
<b>Operating loss [EBIT]</b>	<b>(3.7)</b>	<b>(6.5)</b>
<b>EBIT margin</b>	<b>(2.1%)</b>	<b>(4.3%)</b>

The Sugar segment's revenue in the first three quarters of 2021|22, at € 492.7 million, represented moderate growth of 8.8% from one year earlier. In addition to renewed high sales volumes with resellers, there was also a recov-

<sup>1</sup> Facility combining wheat starch production with bioethanol production using corn, wheat and B- and C-type starches from the wheat starch plant.

<sup>2</sup> EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

ery in the industrial customer segment, where more sugar was sold than in the same period last year. The trend in sugar prices continued to be positive. Prices both for resellers and industrial customers rose year-on-year, particularly from the start of the 2021|22 sugar marketing year (1 October 2021) as the renegotiated customer contracts took effect. As a result of the general developments in the sugar market, further increases in selling prices can be expected. Higher revenue was also generated with beet seed and other agri-products.

While the EBIT result in the first three quarters of 2021|22 was better than in the year-ago period, at the nine-month mark it was still negative at a deficit of € 13.7 million. In the 2020 sugar campaign, AGRANA's own production had been below average due to insect pests, especially in Austria. The resulting lower margin from the necessary compensatory reselling and refining of sugar was a key driver of the reduced Sugar EBIT performance reported in the first six months of 2021|22. In 2021|22 the expansion of beet production area – particularly in Austria – and favourable weather conditions led to a better starting position for the 2021 sugar campaign.

## Market environment

### World sugar market

Since the outbreak of the coronavirus pandemic and a plunge in world sugar quotations in March/April 2020 (with a new twelve-year low for raw sugar of US\$ 203.1 per tonne reached at the time), sugar prices have risen steadily, due partly to the expectations for the world market sugar balance.

During the period under review, prices were further supported by developments such as the delayed availability of Indian raw sugar exports on the markets, a meagre off-season harvest in Brazil and an improving macro environment (vaccination programmes, rising prices of agricultural commodities).

New 4½-year highs in raw sugar quotations in New York were then triggered in the third quarter of 2021|22, partly by expectations of a significant decline in sugar production in the Southern Hemisphere, particularly in Brazil, the world's biggest producer.

In its estimate from December 2021 of the world sugar balance for the end of the 2021|22 sugar marketing year (SMY), the analytics firm IHS Markit (formerly F.O. Licht) has projected a production deficit. The forecast calls for production of 182.5 million tonnes (SMY 2020|21: 179.1 million tonnes) and growth in consumption to 184.4 million tonnes (SMY 2020|21: 181.0 million tonnes), which,

after an allowance for unrecorded disappearance of 1.5 million tonnes (the difference between world exports and imports), implies a decrease in global sugar stocks to 68.0 million tonnes (SMY 2020|21: 71.4 million tonnes) and a deficit of about 3.4 million tonnes. This third consecutive year of deficits reduces the stocks-to-use ratio from 42.0% in SMY 2018|19 to just 36.8%, the lowest in more than 10 years.

At the end of the reporting period, white sugar quoted at US\$ 484.2 per tonne and raw sugar stood at US\$ 410.0 (year earlier: US\$ 398.8 and US\$ 319.9 per tonne, respectively).

### EU sugar market

In SMY 2020|21, sugar production in the EU-27, at about 14.7 million tonnes, represented a noticeable decrease from the previous year, with a historic low annual ending balance marked at the close of September 2021. The EU in SMY 2020|21 remained a net importer of sugar for the third sugar marketing year in succession.

Higher sugar production of about 15.7 million tonnes is forecast for the new SMY 2021|22 in the EU-27, owing to a normalisation of beet yields. Based on this, the EU will continue to be a net importer of sugar in this sugar marketing year.

From the abolition of the sugar quotas at the end of September 2017, the average sugar prices under the EU price reporting system had declined significantly for a long time. 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 € 417 per tonne was recorded in October 2021.

## Raw materials and production

The area contracted by AGRANA with its growers for sugar beet production in the 2021 crop year was almost 86,000 hectares.

In retrospect, the growing conditions for sugar beet in 2021 can be described as favourable. A dry and warm June was followed by summer months with moderate temperatures and frequent precipitation. A mild September and a very dry October, combined with cooler night temperatures, resulted in a significant increase in sugar content of the beet. In September in particular, sugar content rose by about two percentage points. This was attributable not only to the weather but also to the healthy beet stocks.

In general, the beet fields were in very good condition up to harvest time. Among other factors, the presence of beet weevil was significantly reduced from the year before.

The total beet harvest will be about 5.7 million tonnes, including some 100,000 tonnes of organic beet grown in Austria. Beet yields in Austria, the most important country for beet production, are around 80 tonnes per hectare.

The beet campaign in all factories started between the middle of September and early October 2021. By the beginning of December, 60% of the planned beet volume had already been processed. At 2.9 million tonnes, the largest portion is processed at the two Austrian sites in Tulln and Leopoldsdorf. In this year's campaign in Tulln, in addition to regular beet, the approximately 100,000 tonnes of organic beet will be processed into about 13,500 tonnes of organic sugar.

At the raw sugar refineries in Bosnia and Herzegovina and Romania, about 183,000 tonnes of white sugar were refined thus far from raw cane sugar in the 2021|22 financial year.

At the plant in Tulln, the molasses desugarisation facility is operated year-round and crystallised betaine is produced.

As of 30 December 2021<sup>1</sup>, contracts for beet production in 2022 have been concluded for a planting area of about 35,000 hectares in Austria.

## Management of risks and opportunities

AGRANA uses an integrated system for the early identification and monitoring of risks that are relevant to the Group.

There are currently no known risks to the AGRANA Group's ability to continue as a going concern and no future risks of this nature are discernible at present.

A detailed description of the Group's business risks, including risks related to the coronavirus disease (COVID-19), is provided on pages 88 to 94 of AGRANA's annual report 2020|21.

## Number of employees

Average full-time equivalents	Q1-Q3 2021 22	Q1-Q3 2020 21	Change
Fruit segment	5,812	5,900	-1.5%
Starch segment	1,139	1,150	-1.0%
Sugar segment	1,864	2,008	-7.2%
<b>Group</b>	<b>8,815</b>	<b>9,058</b>	<b>-2.7%</b>

In the first three quarters of 2021|22 the AGRANA Group employed an average of 8,815 full-time equivalents (Q1-Q3 prior year: 9,058). The decrease in personnel was due primarily to a reduced need for seasonal workers in the fruit preparations business and to cost reduction measures taken in the Sugar segment.

## Significant events after the interim reporting date

No significant events occurred after the interim balance sheet date of 30 November 2021 that had a material effect on AGRANA's financial position, results of operations or cash flows.

## Outlook

AGRANA Group €m	2020 21 Actual	2021 22 Forecast
Revenue	2,547.0	↑
EBIT	78.7	↑↑
Investment <sup>1</sup>	72.3	92

↑ Moderate increase<sup>2</sup>

↑↑ Significant increase<sup>2</sup>

The guidance for the full 2021|22 financial year of a significant increase in Group operating profit (EBIT) remains unchanged; EBIT is expected to grow by at least 10%. Group revenue is projected to show moderate growth.

It should be noted, however, that due to the extreme volatility in commodity and energy prices and a once again more acute COVID-19 situation – the fourth wave in combination with the advent of the new Omicron variant – the forecast for the year as a whole is subject to a very high degree of uncertainty.

Fruit segment €m	2020 21 Actual	2021 22 Forecast
Revenue	1,166.6	↑
EBIT	41.2	↑↑
Investment <sup>1</sup>	34.2	45

↑ Moderate increase<sup>2</sup>

↑↑ Significant increase<sup>2</sup>

In the **Fruit segment**, AGRANA expects the 2021|22 financial year to bring growth in revenue and EBIT. In the fruit preparations business, the focus is, among other priorities, on the full utilisation of the capacity created and on further diversification within the non-dairy business.<sup>3</sup> In fruit juice concentrates, as a result of improved conditions since the third quarter, a significantly higher earnings contribution is expected relative to the year-earlier period.

Starch segment €m	2020 21 Actual	2021 22 Forecast
Revenue	821.9	↑↑
EBIT	64.8	→
Investment <sup>1</sup>	22.2	24

↑↑ Significant increase<sup>2</sup>

→ Steady<sup>2</sup>

For the **Starch segment**, a significant increase in revenue is forecast for the 2021|22 financial year, powered primar-

ily by substantially higher ethanol prices. At the same time, higher raw material and energy prices are weighing on business activity. Whether market demand continues to recover and price increases reflecting higher procurement costs (for grains, energy and other inputs) become feasible will also depend on the further trajectory of the COVID-19 pandemic. From the vantage point of the present, Starch EBIT is expected to be steady at the prior-year level, supported primarily by a positive ethanol price trend.

Sugar segment €m	2020 21 Actual	2021 22 Forecast
Revenue	558.5	↑↑
EBIT	(27.3)	↗
Investment <sup>1</sup>	15.9	23

↑↑ Significant increase<sup>2</sup>

↗ Slight improvement<sup>2</sup>

For the **Sugar segment** in 2021|22, AGRANA expects a continual improvement in conditions in the EU sugar market. Capacity utilisation was significantly boosted again in the 2021 campaign, especially at the two Austrian sugar sites, as AGRANA took various steps to ensure a greater supply of beet. On the distribution side, sugar sales volumes and sugar prices in the EU are expected to keep rising. This positive evolution of the EU sugar market environment, coupled with rigorous cost management, points to a significant medium-term improvement in EBIT. In this financial year, the extreme rise in energy costs in the second half of 2021|22 will still mean an only slight improvement in Sugar segment EBIT.

## Investment

Total investment across the three business segments in the 2021|22 financial year, at approximately € 92 million, is to exceed the 2020|21 level, but will be significantly below this year's budgeted depreciation of about € 120 million.

<sup>1</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

<sup>2</sup> These quantitative terms as used in this Outlook section are defined as specific ranges of percentage change; see the definitions on page 15.

<sup>3</sup> The non-dairy product segments are ice-cream, bakery, and food service.

## Other information

### Financial calendar

13 May 2022	Results for full year 2021 22 (annual results press conference)
28 June 2022	Record date for participation in Annual General Meeting
7 July 2022	Results for first quarter of 2022 23
8 July 2022	Annual General Meeting in respect of 2021 22
13 July 2022	Ex-dividend date
14 July 2022	Record date for dividend
15 July 2022	Dividend payment date
13 October 2022	Results for first half of 2022 23
12 January 2023	Results for first three quarters of 2022 23

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## Interim statement for the first three quarters of 2021|22

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## Forward-looking statements

This interim statement contains forward-looking statements, which are based on assumptions and estimates made by the Management Board of AGRANA Beteiligungs-AG. Although these assumptions, plans and projections represent the Management Board's current intentions and best knowledge, a large number of internal and external factors may cause actual future developments and results to differ materially from these assumptions and estimates. Some examples of such factors are, without limitation: negotiations concerning world trade agreements; changes in the overall economic environment, especially in macroeconomic variables such as exchange rates, inflation and interest rates; EU sugar policy; consumer behaviour; and public policy related to food and energy. AGRANA Beteiligungs-AG does not guarantee in any way that the actual future developments and actual future results achieved will match the assumptions and estimates expressed or made in this interim statement, and does not accept any liability in the event that assumptions and estimates prove to be incorrect.

**THE QUANTITATIVE STATEMENTS AND DIRECTION ARROWS IN THE "OUTLOOK" SECTION OF THIS REPORT ARE BASED ON THE FOLLOWING DEFINITIONS:**

<b>Modifier</b>	<b>Visualisation</b>	<b>Numerical rate of change</b>
Steady	→	0% up to +1%, or 0% up to -1%
Slight(ly)	↗ or ↘	More than +1% and up to +5%, or more than -1% and up to -5%
Moderate(ly)	↑ or ↓	More than +5% and up to +10%, or more than -5% and up to -10%
Significant(ly)	↑↑ or ↓↓	More than +10% and up to +50%, or more than -10% and up to -50%
Very significant(ly)	↑↑↑ or ↓↓↓	More than +50% or more than -50%

*This interim statement has not been audited or reviewed. It was prepared by the Management Board of AGRANA Beteiligungs-AG on 30 December 2021.*

*For financial performance indicators not defined in a footnote, please see the definitions on page 204 of the annual report 2020|21.*

*In the interest of readability, this document may occasionally use language that is not gender-neutral. Any gender-specific references should be understood to include masculine, feminine and neuter as the context permits.*

*As a result of the standard round-half-up convention used in rounding individual amounts and percentages, this interim statement may contain minor, immaterial rounding errors.*

*No liability is assumed for misprints, typographical and similar errors.*

*This English translation of the interim statement is solely for readers' convenience and is not definitive. In the event of discrepancy or dispute, only the German version shall govern.*



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