



*SUGAR
STARCH
FRUIT*

The natural upgrade

AGRANA 2015|16 Online:
reports.agrana.com



Acting together.

AGRANA Beteiligungs-AG
Results for the first half of 2016 | 17
Presentation for investors and analysts
Vienna, 13 October 2016



H1 2016/17 OVERVIEW

- Significant improvement in operating profit (EBIT)
- Revenue: € 1,320.3 m (H1 prior year: € 1,263.5 m)
- EBIT: € 90.4 m (H1 prior year: € 68.7 m)
- EBIT margin: 6.8% (H1 prior year: 5.4%)

- Equity ratio: 55.9% (29 February 2016: 53.5%)



Leading
SUGAR
SUPPLIER
in Central, Eastern &
Southeastern Europe



Major manufacturer
of customised
STARCH
PRODUCTS
in Europe



World market leader
in the production of
FRUIT
PREPARATIONS
and largest
manufacturer of
FRUIT JUICE
CONCENTRATES in
Europe



~8,500
Employees
(FTEs)



53
Production
sites



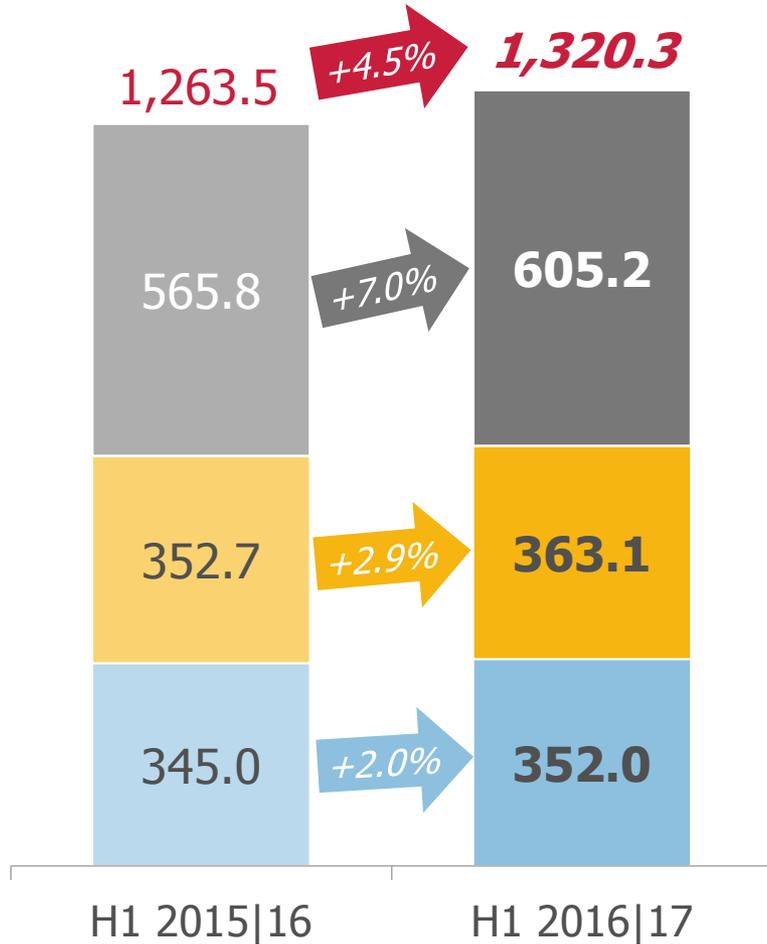
€ 2.5 billion
Group revenue



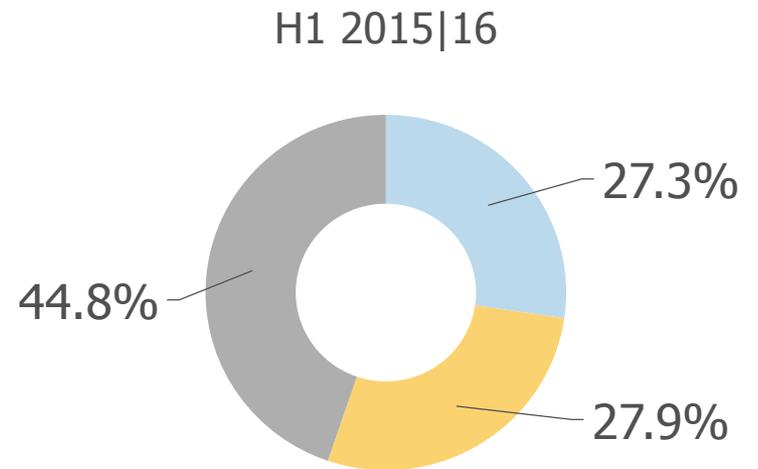
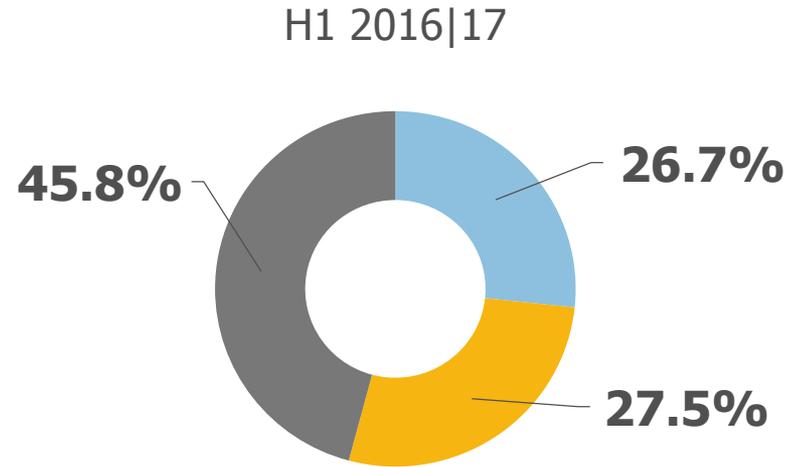
H1 2016|17 VS PRIOR YEAR

REVENUE BY SEGMENT

€m



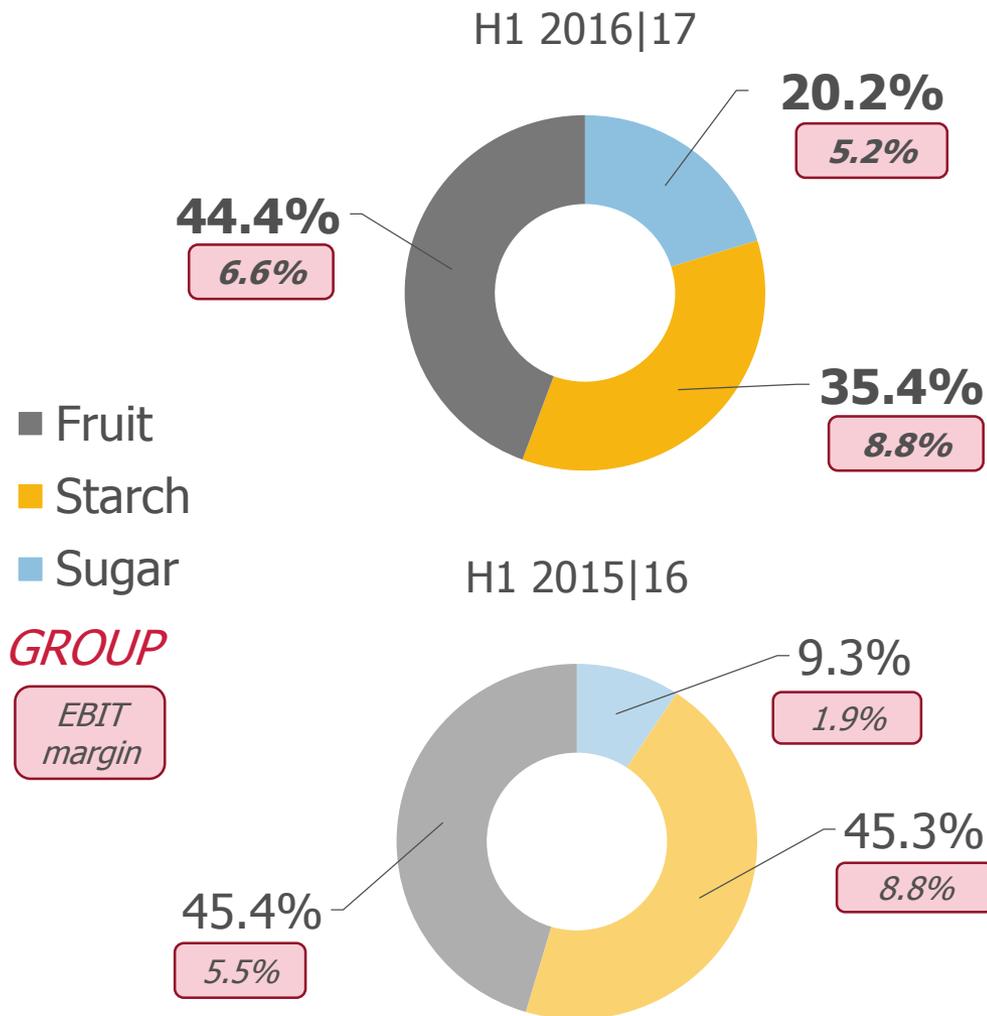
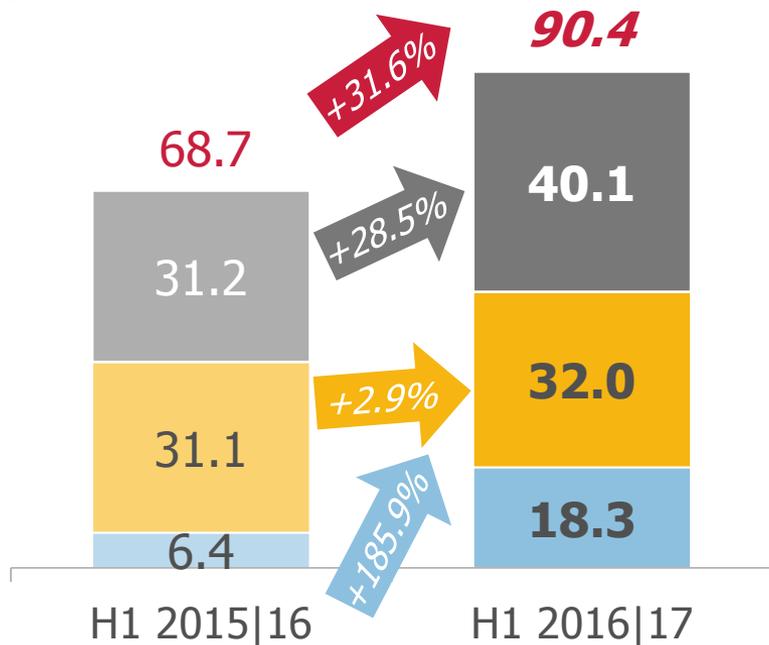
- Fruit
 - Starch
 - Sugar
- GROUP*





H1 2016|17 VS PRIOR YEAR
EBIT BY SEGMENT

€m





MOST IMPORTANT PROJECTS IN THE GROUP
INVESTMENT OVERVIEW

H1 2016|17

SUGAR

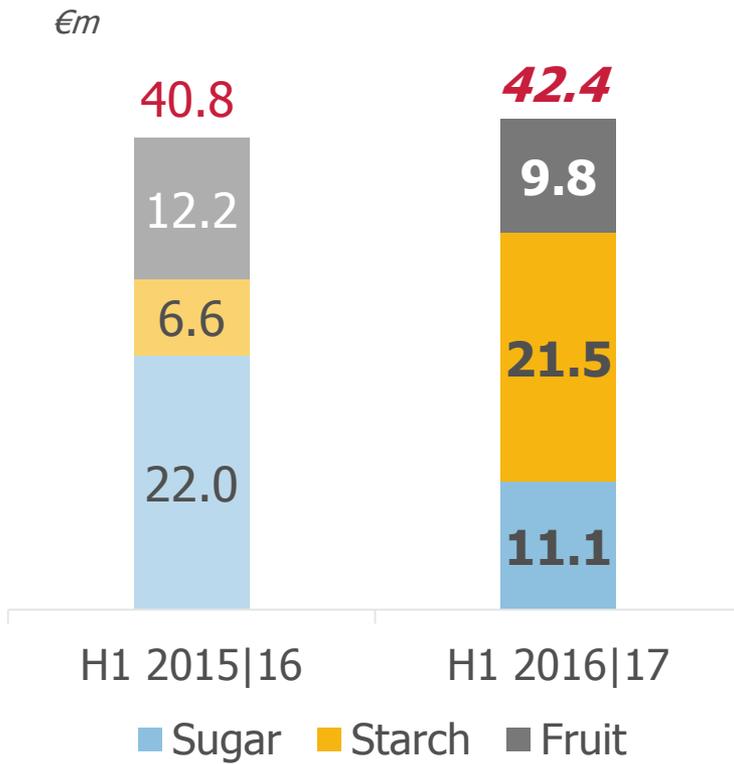
- General overhaul of the high-bay warehouse in Tulln, Austria
- Renewal of the fresh water treatment plant in Tulln, Austria
- Construction of the pelleted dried beet bagging station in Leopoldsdorf, Austria

STARCH

- Plant expansion in Aschach, Austria, as currently biggest project in the Group
- Replacement of the existing dry-derivatives reactor in Gmünd, Austria, with resulting performance gains

FRUIT

- Third production line in Lysander, New York, USA
- Installation of a bag-in-box packaging line in Botkins, Ohio, USA
- Material preparation area for allergenic fruit preparations at the site in Valence, France
- SAP rollout at AGRANA Fruit in Australia



GROUP



SEGMENT
SUGAR

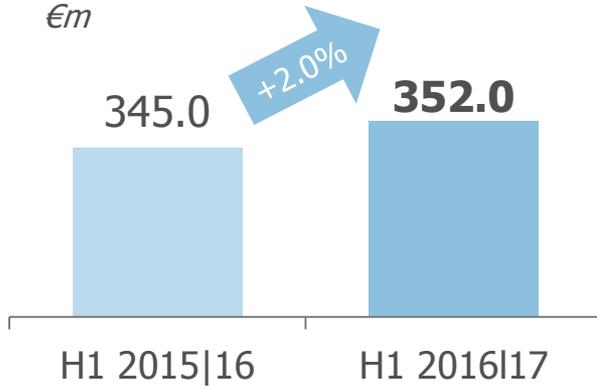




SUGAR SEGMENT

REVENUE

€m

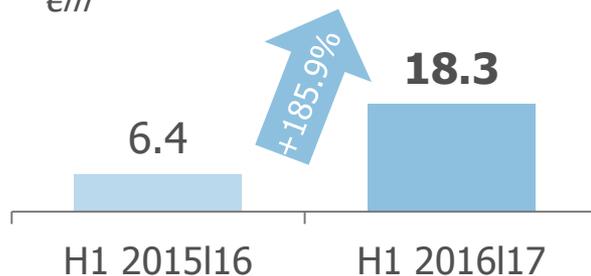


REVENUE slightly up by 2%

- Higher sugar selling prices contributed to the revenue increase
- Headwind for revenue growth came from lower sugar sales quantities, especially with resellers and in non-quota sales to the chemical industry
- Revenue from by-products and traded products increased

EBIT

€m



EBIT increased significantly

- Higher EBIT was attributable to the significant year-on-year increase in spot sales prices



SUGAR SEGMENT

SUGAR

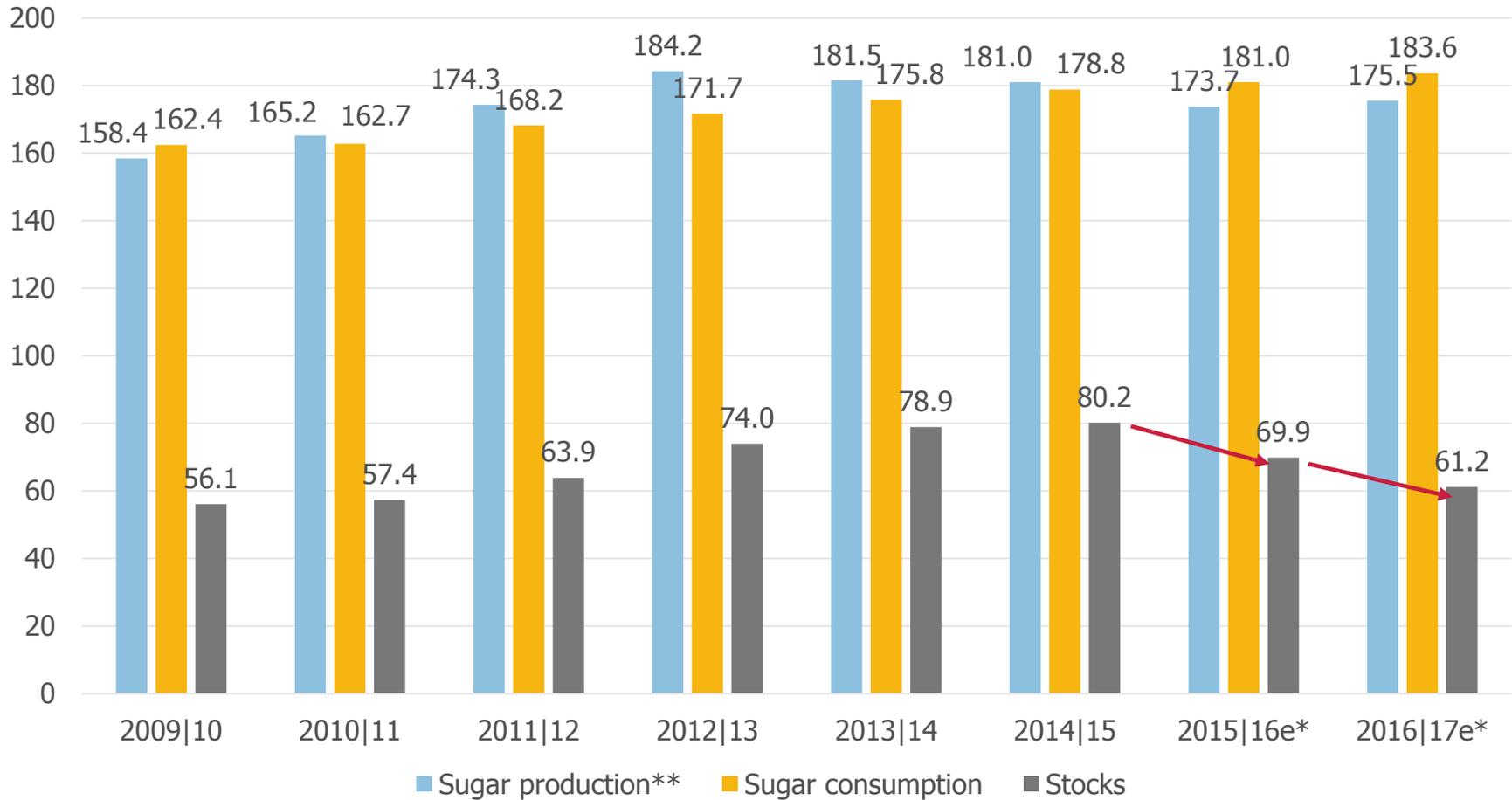


- 2015|16 SMY saw the **first deficit** in the world market in six years
 - Global sugar stocks fell to 69.9 million tonnes
 - Or 39% (end of prior SMY: 45%) of estimated annual consumption
 - Led to continual **increase in world market prices**
 - Trend was heightened by the El Niño weather cycle, especially in India and Thailand
- As of the end of September 2016, both raw sugar and white sugar marked **four-year highs**
- For the end of the 2016|17 SMY, F.O. Licht in its estimate of the world sugar balance is forecasting a **sustained deficit** of 8.8 million tonnes
- European Commission is forecasting **closing stocks of 0.72 million tonnes of quota sugar** at 30 September 2016, which is very low compared to the longer-term average



WORLD SUGAR PRODUCTION & CONSUMPTION

Million tonnes



Source: F.O. Licht (6 September 2016)

* Expectation

** Production: October-September

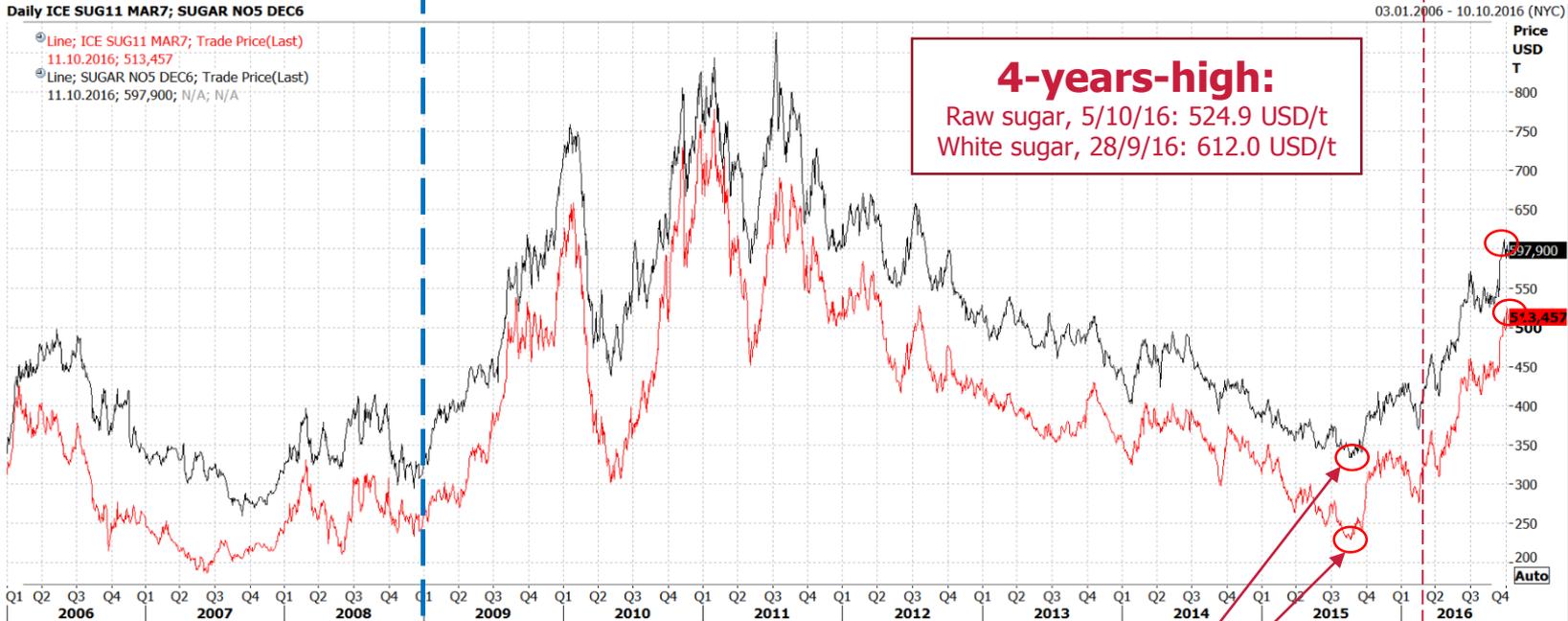


RAW SUGAR & WHITE SUGAR
SUGAR QUOTATION

1 January 2006 – 11 October 2016 (USD)

Daily ICE SUG11 MAR7; SUGAR NOS DEC6

- Line: ICE SUG11 MAR7; Trade Price(Last)
 11.10.2016; 513,457
- Line: SUGAR NOS DEC6; Trade Price(Last)
 11.10.2016; 597,900; N/A; N/A



4-years-high:
 Raw sugar, 5/10/16: 524.9 USD/t
 White sugar, 28/9/16: 612.0 USD/t

1/1/2009

7-years-low:
 Raw sugar, 24/8/15: 229.1 USD/t
 White sugar, 24/8/15: 333.6 USD/t

2016/17 FY

White sugar (LIFFE)

11 Oct. 2016:
 597.9 USD/t
 = 535.2 EUR/t

Raw sugar (ICE)

11 Oct. 2016:
 513.5 USD/t
 = 459.7 EUR/t

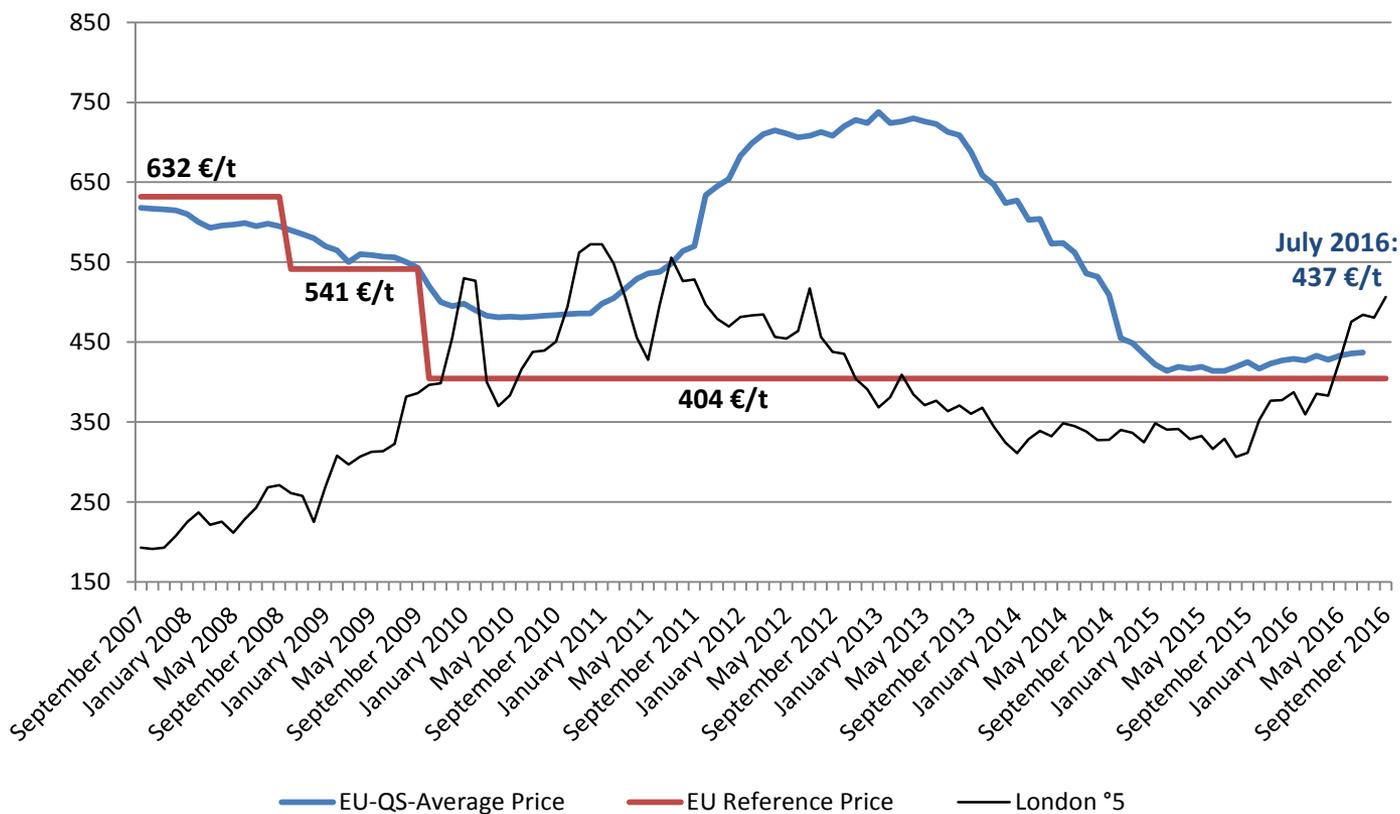
Strong recovery from historic low to 4-years high due to El Niño weather pattern and record long position of funds



SUGAR

MONTHLY AVERAGE PRICES

(SEPTEMBER 2007 TO SEPTEMBER 2017; € PER TONNE)



QS - Min: 414 € per tonne (February, June and July 2015)

QS - Max: 738 € per tonne (January 2013)

Source: European Commission: Sugar Price Reporting (Version 29 September 2016) and SugarOnline as of 6 October 2016



SEGMENT

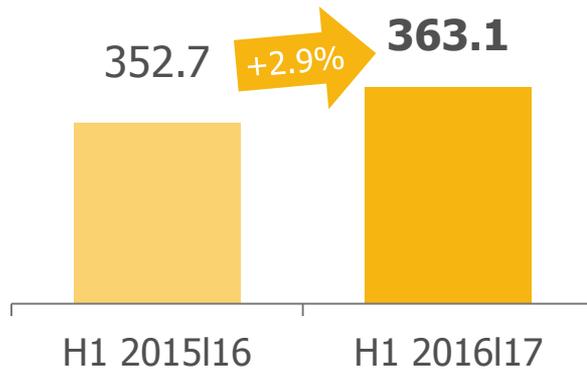
STARCH





STARCH SEGMENT

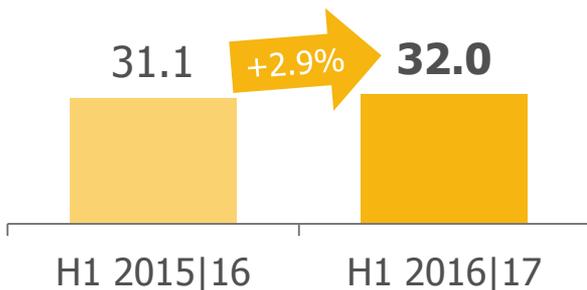
REVENUE €m



REVENUE at € 363.1 m above prior year level

- Somewhat higher than one year earlier
- Mainly for volume reasons
- Revenue growth from higher sales quantities both in core and by-products more than made up for the decrease in bioethanol revenue caused by significantly lower ethanol quotations

EBIT €m



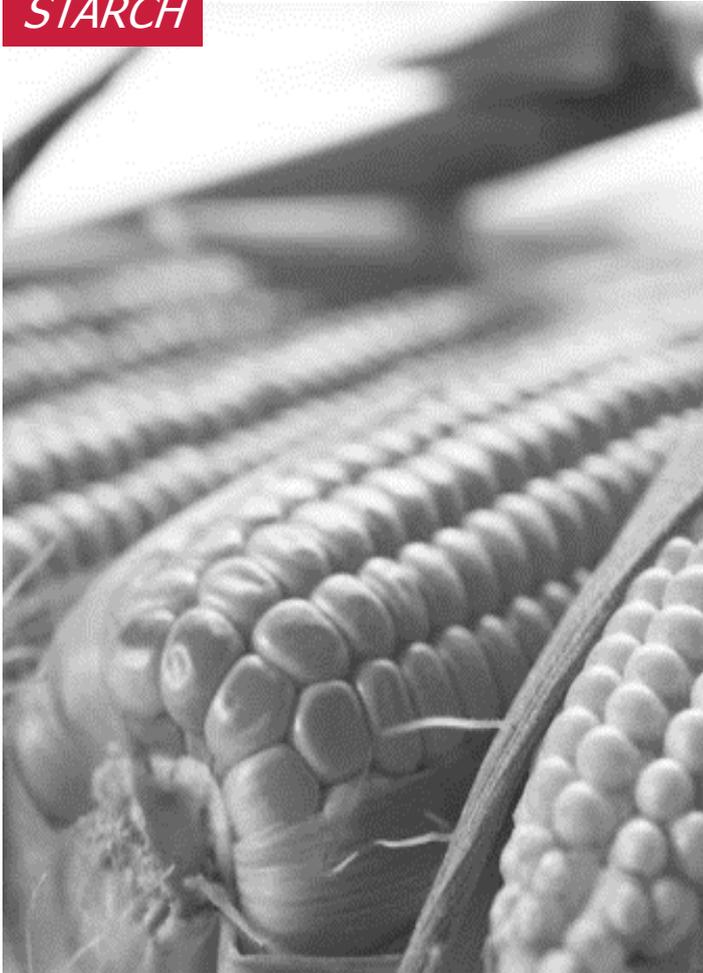
EBIT slightly up at high level

- EBIT even slightly improved on the good comparative prior-year period
- Lower costs for conventional raw materials thanks to the good 2016 harvest supported the margin in commodity products, notably in wheat starch
- Drop in ethanol quotations weighed on Starch segment EBIT
- Equity-accounted subsidiary HUNGRANA was able to raise its earnings contribution



STARCH SEGMENT

STARCH



- Market for **food starch** is **steady** in terms of **sales quantities**
- For Starch **saccharification products** in general and **isoglucose** in particular, there is high competitive pressure
- The **paper and corrugated board** sector is characterised by **good demand**
- **Bioethanol business**
 - Since May 2016 benefited from a close correspondence between supply and demand in the EU and from a **short-term increase in prices**
 - **Volatility** should be expected to remain high
 - **Recently, lower prices** affected the margins in bioethanol production negatively despite lower raw material costs



WHEAT & CORN (EURONEXT, PARIS)
COMMODITY PRICES

1 January 2006 – 12 October 2016 (EUR)

2016/17 FY

Daily MAIZE EUR NOV6; M.WHEAT EUR DEC6



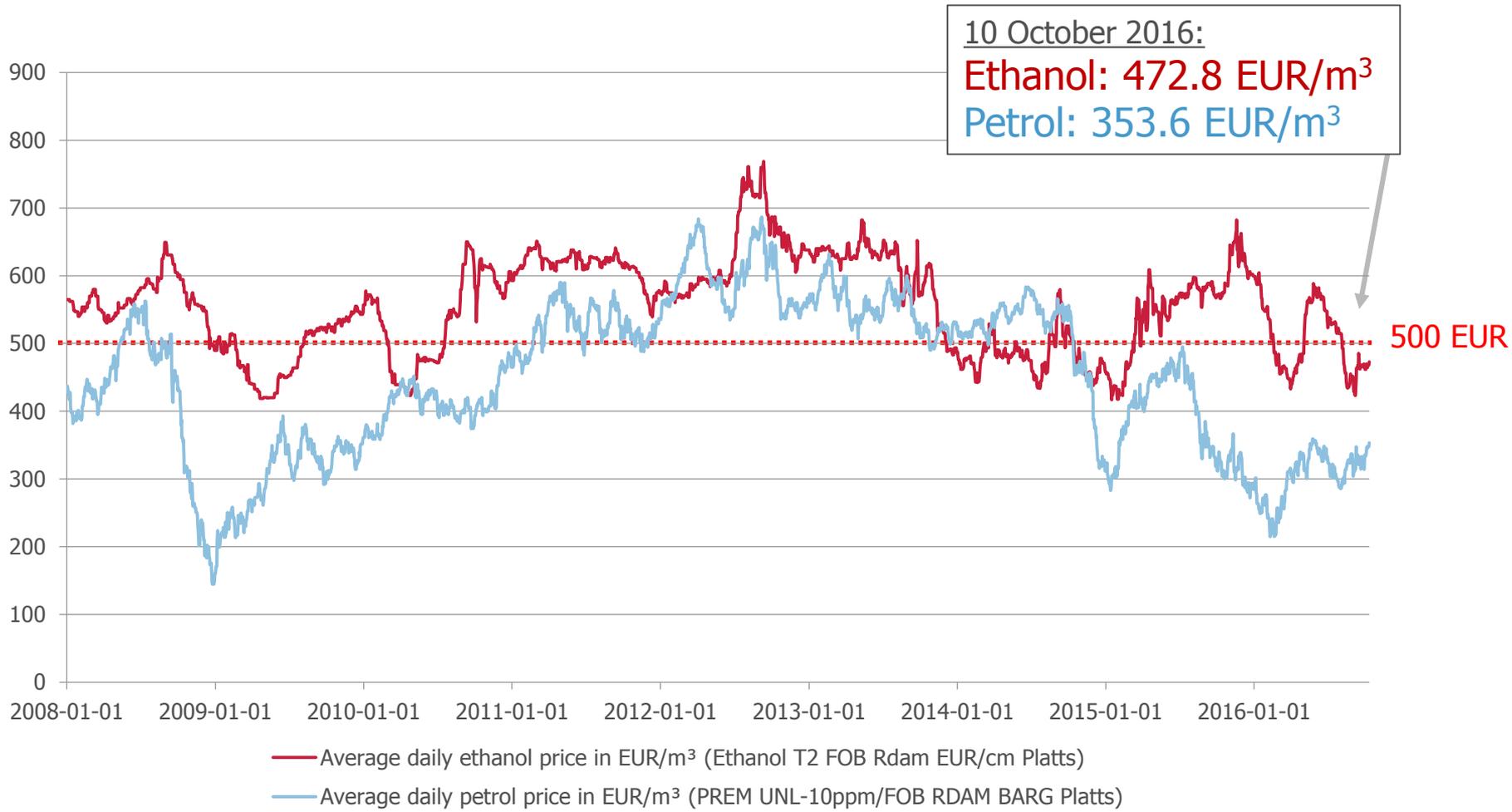
Wheat (Paris)
12 Oct. 2016:
 158.3 EUR/t

Corn (Paris)
11 Oct. 2016:
 158.0 EUR/t



1 JANUARY 2008 – 10 OCTOBER 2016 (EUR)

DEVELOPMENT OF ETHANOL PRICES





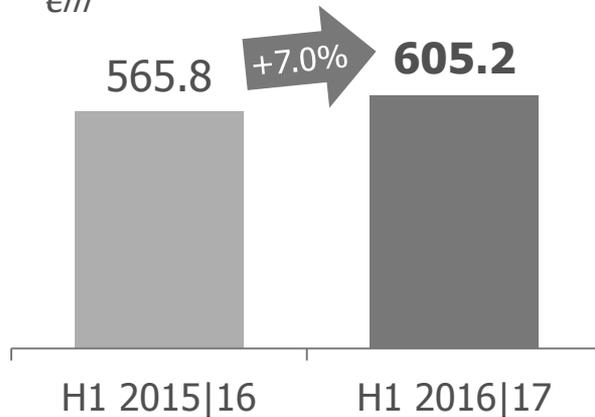
SEGMENT
FRUIT





FRUIT SEGMENT

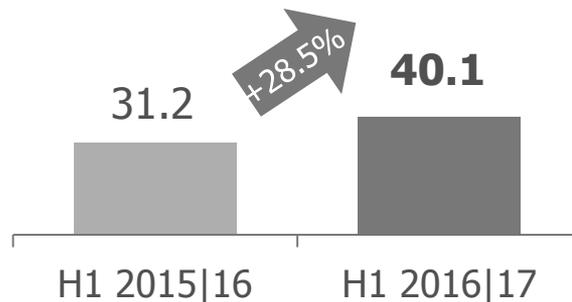
REVENUE €m



REVENUE moderately up to € 605.2 million

- Fruit preparations: positive trend in sales volumes but somewhat reduced selling prices outside the EU (affected by exchange rates, notably in Eastern Europe, Latin America and Asia)
- Fruit juice concentrates: revenue increased significantly on a rise in sales prices of apple juice concentrates and beverage bases

EBIT €m



EBIT with € 40.1 significantly higher than in prior year

- Both the fruit preparations business (thanks to increased sales volumes) and the fruit juice concentrate activities (on higher prices of apple juice concentrate and beverage bases from the 2015 crop) delivered a significant improvement in earnings



FRUIT SEGMENT

FRUIT



Fruit preparations

- **Markets outside Europe**, notably Asia, but also North Africa and the Middle East, are registering significant **growth**
- In **Latin America** the growth of the market has **slowed a little**, due particularly to the economic problems in Brazil
- The consumer goods markets of **ice-cream, food services and bakery** can be expected to **continue to grow**

Fruit juice concentrates

- **Apple** juice concentrates: **good crop forecasts** for 2016 in Poland
- **Berry** juice concentrates: from the 2016 crop currently **no significant marketing or price risks**; processing of strawberries, sour cherries and black currants already completed



H1 2016/17

***CONSOLIDATED
FINANCIAL
STATEMENTS***





CONSOLIDATED INCOME STATEMENT

€m (condensed)	H1 2016 17	H1 2015 16	Q2 2016 17	Q2 2015 16
Revenue	1,320.3	1,263.5	654.8	650.8
EBITDA ¹	114.2	93.1	56.1	49.9
Operating profit before except. items and results of equity-accounted JV	78.3	58.0	37.7	32.0
Share of results of equity-accounted JV	15.0	12.0	8.6	6.3
Exceptional items	(2.9)	(1.3)	(2.9)	(1.1)
EBIT	90.4	68.7	43.4	37.2
EBIT margin	6.8%	5.4%	6.6%	5.7%
Net financial items	(10.3)	(11.2)	(2.8)	(9.5)
Profit before tax	80.1	57.5	40.6	27.7
Income tax expense	(17.5)	(13.6)	(8.8)	(5.3)
Profit for the period	62.6	43.9	31.8	22.4
Attributable to shareholders of the parent	59.7	43.7	30.3	23.1
Earnings per share	€ 4.21	€ 3.08	€ 2.14	€ 1.63

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



ANALYSIS OF NET FINANCIAL ITEMS

€m	H1 2016 17	H1 2015 16	Change
Net interest expense	(5.1)	(4.9)	-4.1%
Currency translation differences	(0.1)	(5.0)*	+98.0%
Other financial items	(5.1)	(1.3)*	-292.3%
Total	(10.3)	(11.2)	+8.0%

Change in Currency translation differences:

Improvement compared to prior year, because of losses from foreign currency financing in Mexico, Brazil, Russia and South Africa in H1 2015|16

Change in Other financial items:

Higher expense resulted from an impairment charge on a current finance receivable in Ukraine in the Fruit segment in Q1 2016|17

* The prior year data were restated.



CONSOLIDATED CASH FLOW STATEMENT

<i>€m (condensed)</i>	H1 2016 17	H1 2015 16*	Change
Operating cash flow before changes in working capital	121.6	110.1	+10.4%
Changes in working capital	7.9	(19.8)	+139.9%
Total of interest paid/received and tax paid	(20.2)	(29.5)	+31.5%
Net cash from operating activities	109.3	60.8	+79.8%
Net cash (used in) investing activities	(41.8)	(42.2)	+0.9%
Net cash (used in) financing activities	(82.9)	(102.1)	+18.8%
Net (decrease) in cash and cash equivalents	(15.4)	(83.5)	+81.6%

* The prior-year data were restated.



CONSOLIDATED BALANCE SHEET

<i>€m (condensed)</i>	31 Aug. 2016	29 Feb. 2016	Change
Non-current assets	1,049.2	1,027.7	+2.1%
Current assets	1,106.7	1,213.9	-8.8%
Non-current assets held for sale	1.6	1.6	0.0%
Total assets	2,157.5	2,243.2	-3.8%
Equity	1,205.4	1,200.1	+0.4%
Non-current liabilities	367.5	378.7	-3.0%
Current liabilities	584.6	664.4	-12.0%
Total equity and liabilities	2,157.5	2,243.2	-3.8%
Equity ratio	55.9%	53.5%	+2.4pp
Net debt	397.1	405.8	-2.1%
Gearing	32.9%	33.8%	-0.9pp



2016/17
OUTLOOK





SUGAR: SUNOKO – SERBIA

- AGRANA plans **strategic partnership with the shareholders of Serbian company Sunoko** via **majority participation**
 - **Due diligence** process **✓ DONE**
 - Conclusion of the contract is subject to the approval of the supervisory board of AGRANA Beteiligungs-AG **TODO**
 - Partnership is also subject to subsequent approval by the anti-trust authorities **TODO**

Sunoko d.o.o.

- Wholly-owned subsidiary of Agri Europe Cyprus
- **Three sites** in Kovačica, Vrbas and Pećinci (all in Serbia|Vojvodina)
- **Largest sugar beet purchaser** in the country and in the Balkan region
- Company annually processes around two million tonnes of sugar beet, grown on more than 40,000 hectares of land, to produce approx. **300,000 tonnes of sugar**
- Serbia has **duty-free access to the EU market for a quota of 180,000 tonnes**



AGRANA GROUP

OUTLOOK FOR 2016|17

- Ad-hoc release as of 22 September 2016: given the brighter outlook for all segments, AGRANA has raised its operating result forecast for the 2016|17 financial year **from moderately to significantly above prior year**

AGRANA Group

Revenue 2016|17 

EBIT 2016|17  

- AGRANA expects Group **revenue** to **increase moderately** and **operating profit (EBIT)** to **increase significantly** for the 2016|17 financial year
- Total **investment** in the three business segments, at about **€ 129 million**, will significantly exceed depreciation of about € 85 million



AGRANA SEGMENTS

OUTLOOK FOR 2016|17

SUGAR

Revenue →
EBIT ↑↑

- **Sugar segment: revenue in line** with the **previous year**
- Improved margins and cost reduction programme initiated in summer 2015 -> **significant increase in EBIT for the 2016 | 17** financial year

STARCH

Revenue →
EBIT →

- **Starch segment: slightly rising sales volumes and steady revenue** projected
- Despite a year-on-year decrease in average bioethanol prices, **EBIT is now expected to be in line with the prior year**

FRUIT

Revenue ↑↑
EBIT ↑↑

- **Fruit segment: significant growth in revenue and EBIT** expected
 - **Fruit preparations:** volume-driven positive revenue trend; with expected stable raw material prices -> EBIT is projected to be comparable to that of the 2015|16 financial year
 - **Fruit juice concentrates:** significant growth of revenue due to higher sales prices as a result of increased raw material prices for the 2015 harvest compared with the 2014 crop (however, this revenue outlook may yet be affected by the 2016 harvest) -> on balance, significant recovery in EBIT



2016|17 AND 2017|18

FINANCIAL CALENDAR

3 - 4 November 2016

AGRANA Capital Markets Day 2016 in Vienna and Aschach, Austria

12 January 2017

Results for the first three quarters of 2016|17

12 May 2017

Results for full year 2016|17 (annual results press conference)

27 June 2017

Record date for Annual General Meeting participation

7 July 2017

Annual General Meeting in respect of 2016|17

12 July 2017

Ex-dividend date

13 July 2017

Results for first quarter of 2017|18

13 July 2017

Record date for dividend

14 July 2017

Dividend payment date



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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%, or less than -10%