



*SUGAR  
STARCH  
FRUIT*

The natural upgrade



**Acting together.**

AGRANA Beteiligungs-AG

**CAPITAL MARKETS DAY 2016 (Vienna, Aschach)**

3 – 4 November 2016

Presenters: CEO Johann Marihart and CFO Stephan Büttner



*FIRST OF ALL*

...some impressions, what you'll see tomorrow...

and what we will discuss this evening...



*TOMORROW*

Our corn starch plant in  
Aschach with its ongoing  
plant expansion

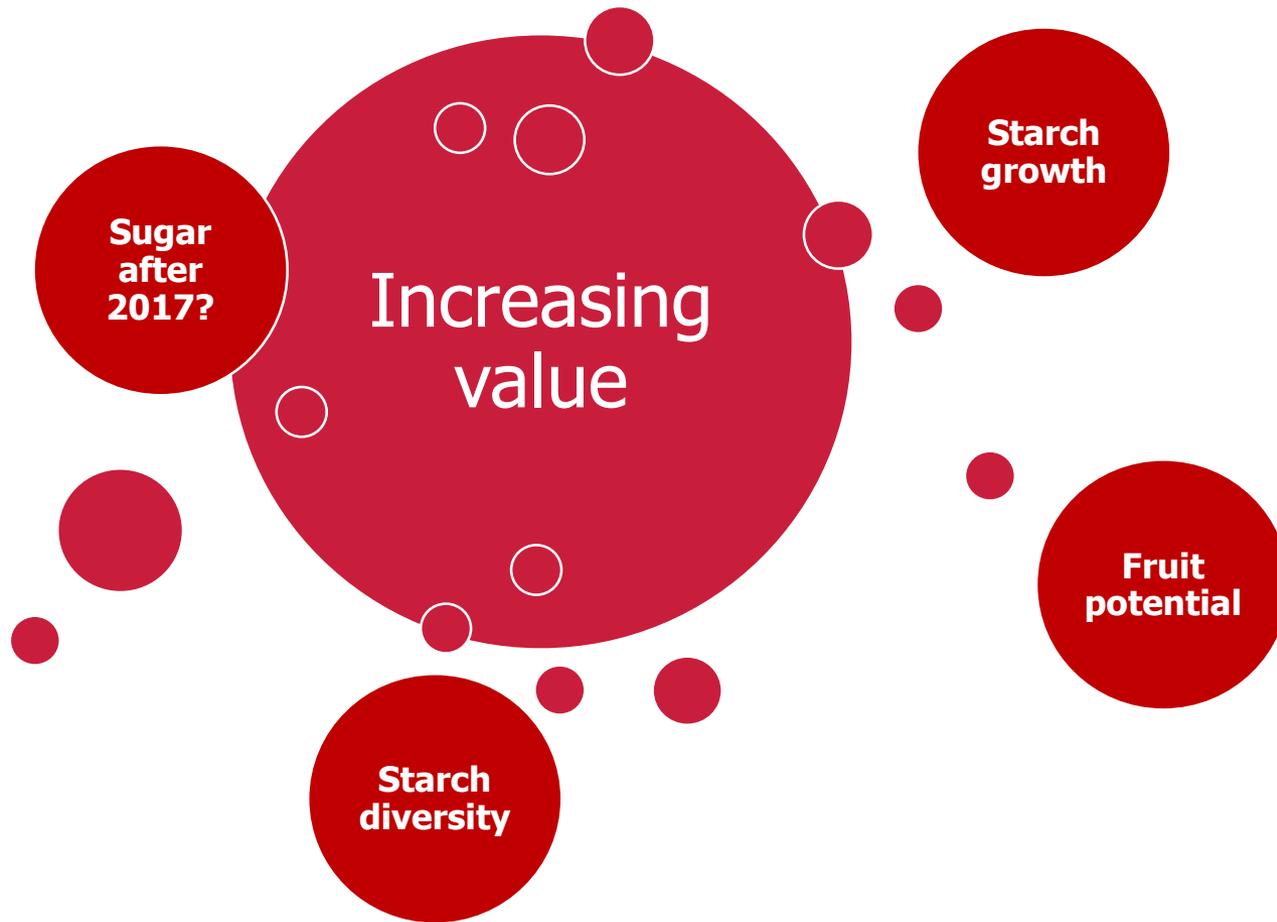


**Plant expansion**





## *THIS EVENING*





# *CONTENTS*

- 1** Short introduction, business overview & 25 years listed (CEO)

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- 2** Highlights H1 2016|17 incl. financial statements (CFO)

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- 3** Outlook for 2016|17 (CFO)

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- 4** Strategy update; challenges & competencies (CEO)

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- 5** Starch: diversity & growth (CEO)

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- 6** A “new” start for Sugar (CFO)

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- 7** Growing with fruit (CEO)

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- 8** “Wrap up” (CEO)

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*AGRANA GROUP*

***INTRODUCTION,  
BUSINESS  
OVERVIEW & 25  
YEARS LISTED***





## AGRANA PRODUCTS IN DAILY LIFE *AT A GLANCE*

### 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

### 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

### 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.



## *AGRANA MILESTONES*

- **1988:** Bundling of Austrian activities in Sugar and Starch
- **1989:** Strategic alliance with Germany's Südzucker AG
- **Since 1990:** Market expansion in CEE and SEE in Sugar and Starch
- **1991:** IPO
- **2003:** Start of global diversification into Fruit preparations and juice
- **2008:** Opening of bioethanol plant in Pischelsdorf, Austria
- **2013:** Opening of wheat starch factory in Pischelsdorf, Austria

### **AGRANA today...**

- A leading sugar producing company in CEE and SEE
- A specialised starch producing company in CEE and SEE with sales all over Europe and worldwide
- The global market leader in fruit preparations for the dairy industry
- The leading supplier/producer of fruit juice concentrates in Europe



53 PRODUCTION SITES WORLDWIDE

# SEGMENTATION BY SEGMENT

**SUGAR**  
 7 sugar beet plants  
 2 raw sugar refineries & Instantina plant



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

**STARCH**  
 5 starch plants  
 (incl. 2 bioethanol plants)



- Production & sales
- ▨ Other (main) sales markets
- ▲ Starch plants
- ▲ Starch/bioethanol plants

**FRUIT**  
 24 fruit preparation plants and  
 14 fruit concentrate plants



- Countries with production sites
- Potential growth regions

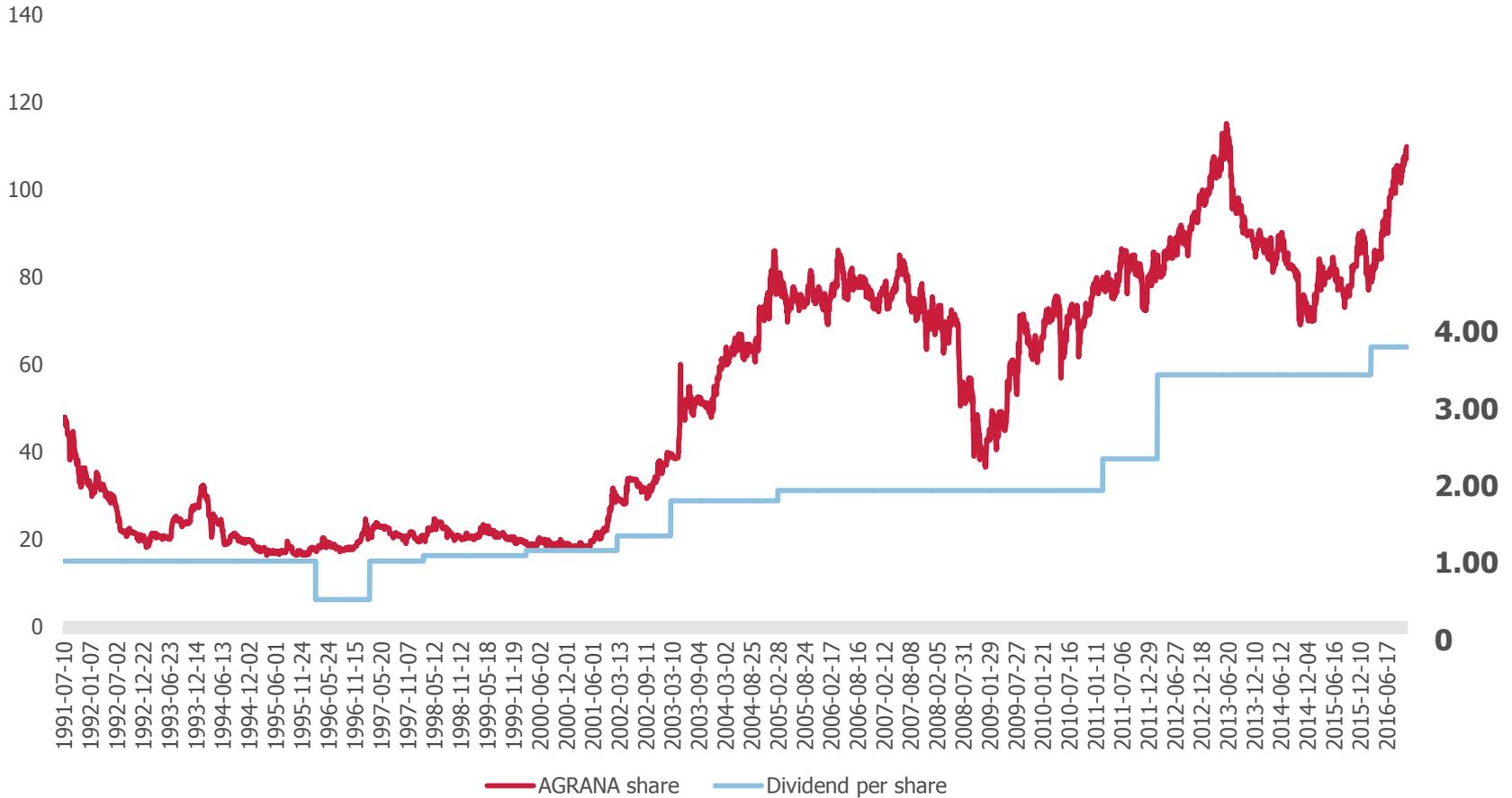


STEADY DIVIDEND POLICY

1991-2016: 25 YEARS LISTED

Dividend of € 4.00 for 2015 | 16

€



Performance (10 July 1991 – 31 Oct. 2016): **AGRANA +134.9 % (last: € 109.25)**



1991 – 2016: 25 YEARS LISTED AT THE VIENNA STOCK EXCHANGE

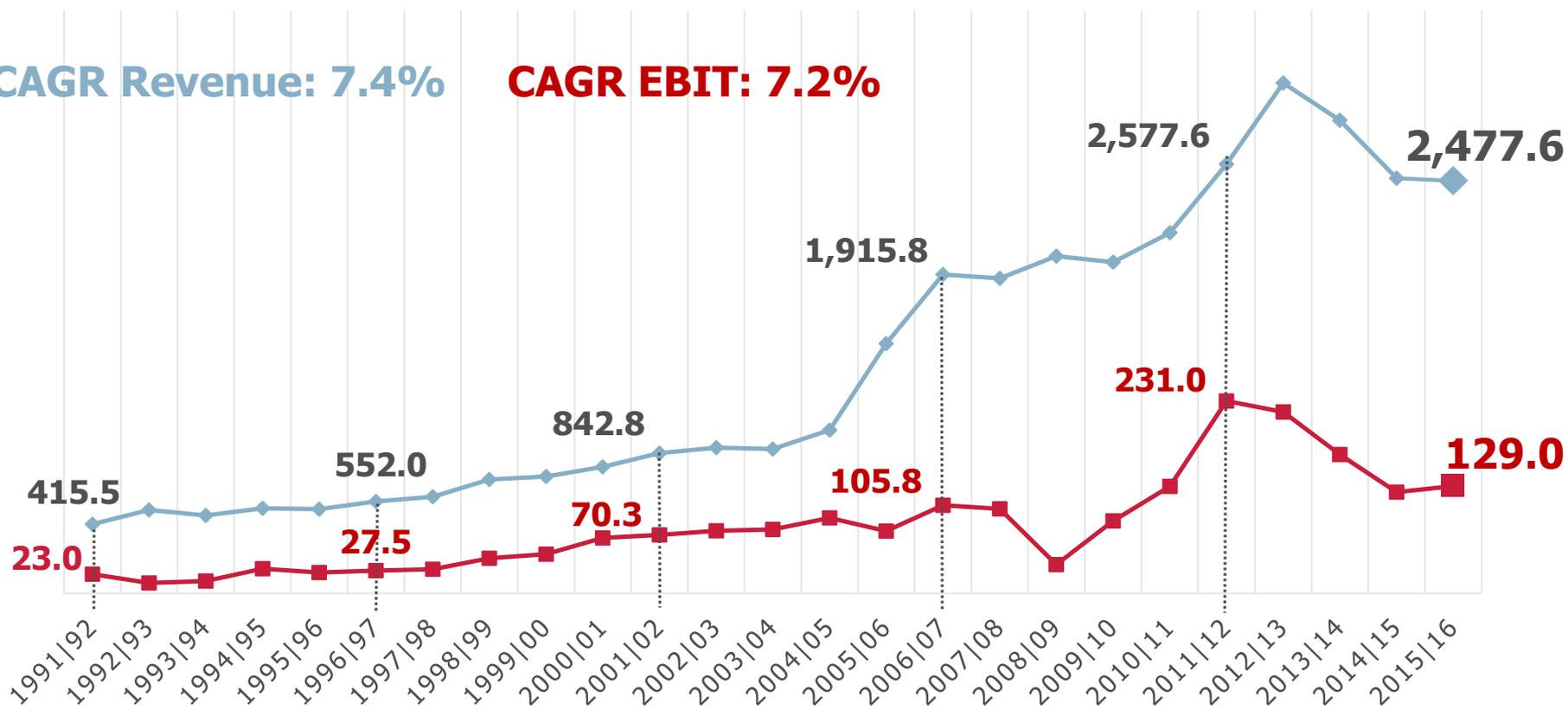
# SOLID ECONOMIC GROWTH

€m

◆ Revenue ■ EBIT

CAGR Revenue: 7.4%

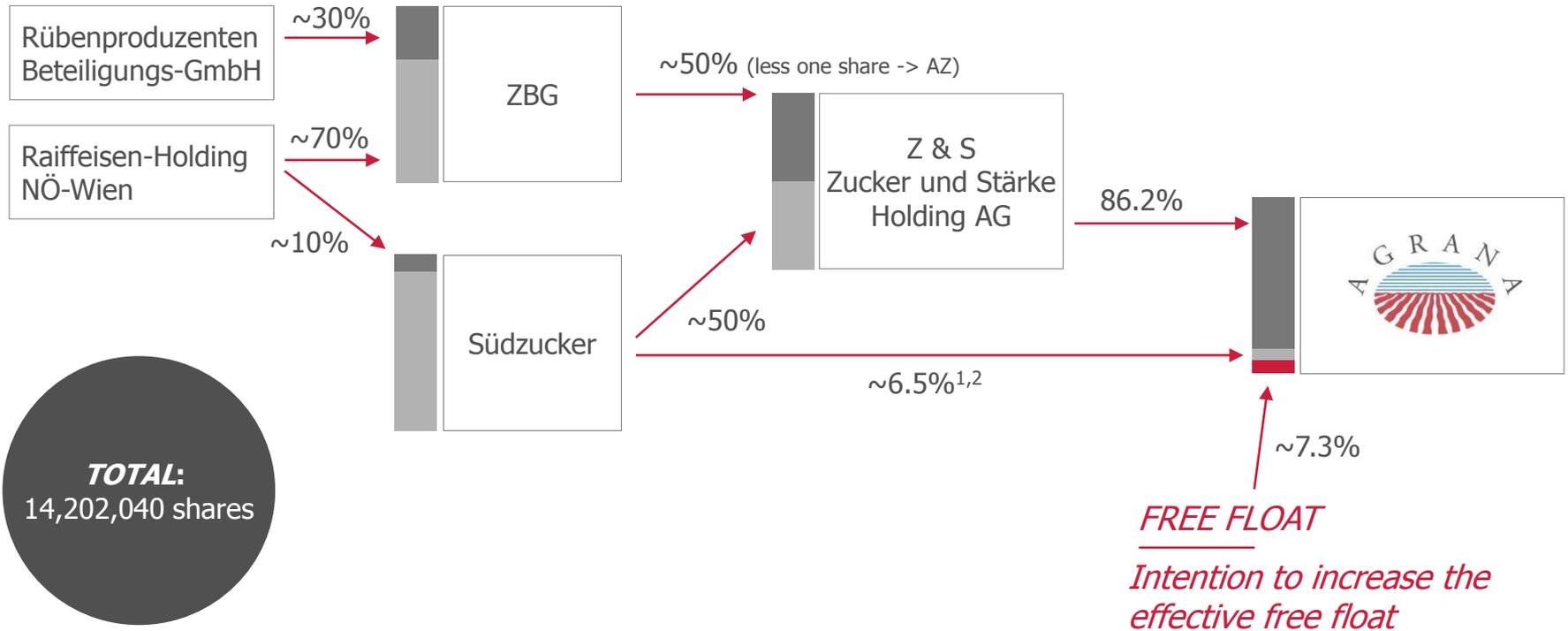
CAGR EBIT: 7.2%





CLEAR COMMITMENT TO THE AGRANA GROUP'S CONTINUING LISTING ON THE STOCK MARKET

# SHAREHOLDER STRUCTURE



<sup>1</sup> directly held by Südzucker; 4.9% to be placed in the market

<sup>2</sup> on any shares within this stake of 4.9% that are not placed, Z&S holds a call option which can be exercised since 1 March 2015



H1 2016/17

***HIGHLIGHTS  
INCLUDING  
FINANCIAL  
STATEMENTS***





## 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% (Q1 prior year: 5.4%)
- Improvement in the Group's EBIT is primarily attributable to the recovery in the Sugar segment and the growth in the Fruit segment
- Result in the Starch segment exceeded the high level seen in the prior year despite the drop in ethanol prices



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

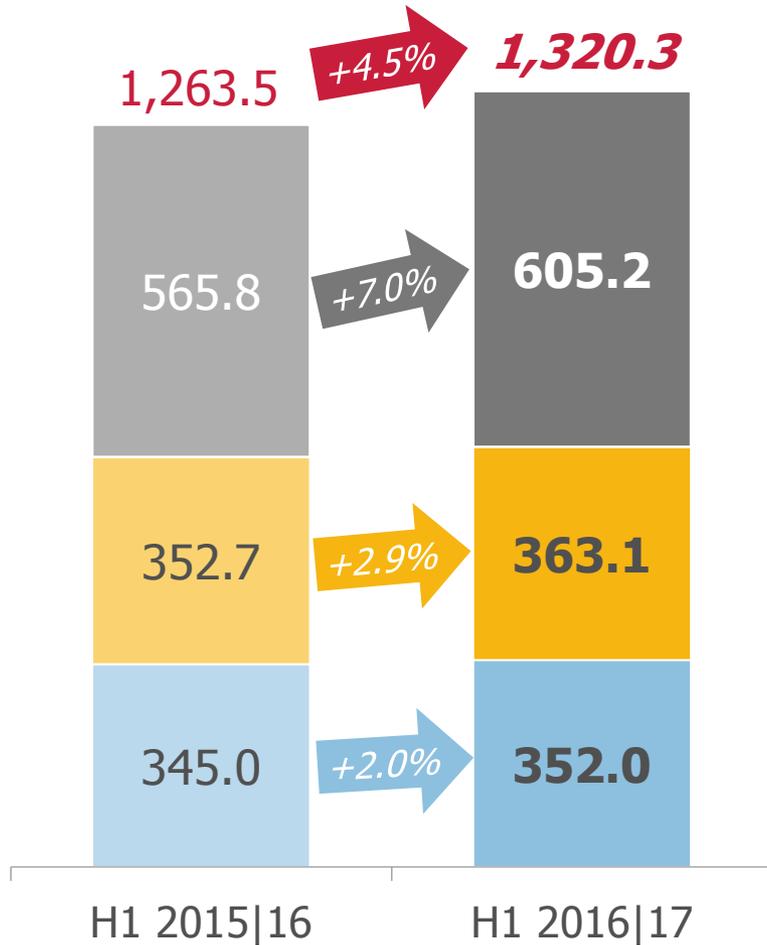
  
€ 2.5 billion  
Group revenue



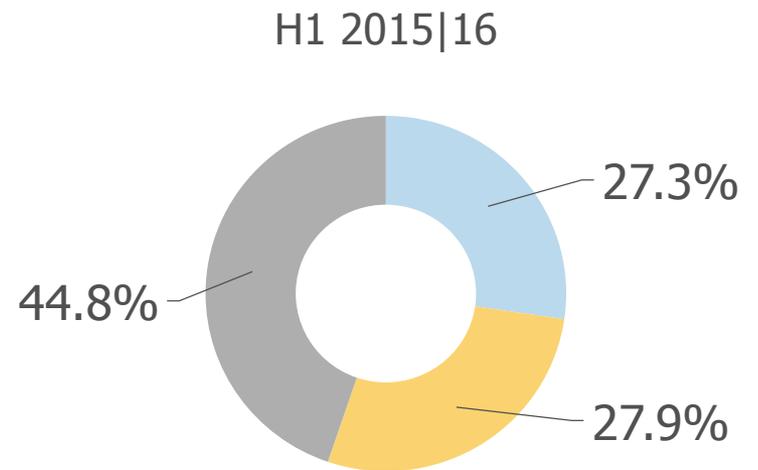
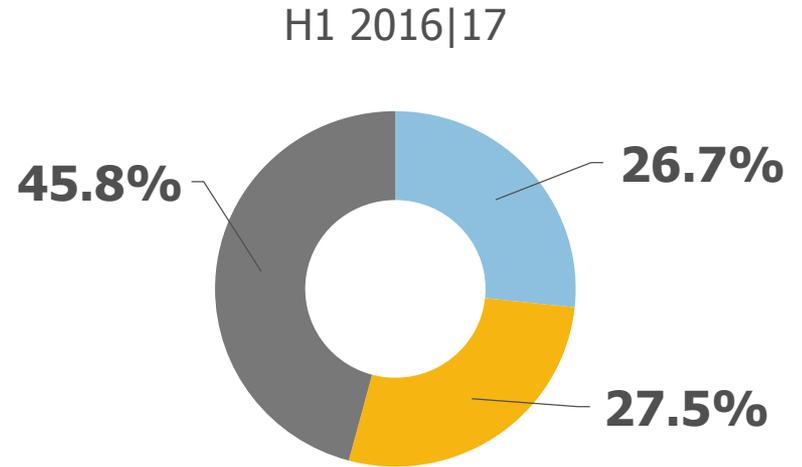
H1 2016|17 VS PRIOR YEAR

# REVENUE BY SEGMENT

€m



- Fruit
  - Starch
  - Sugar
- GROUP*

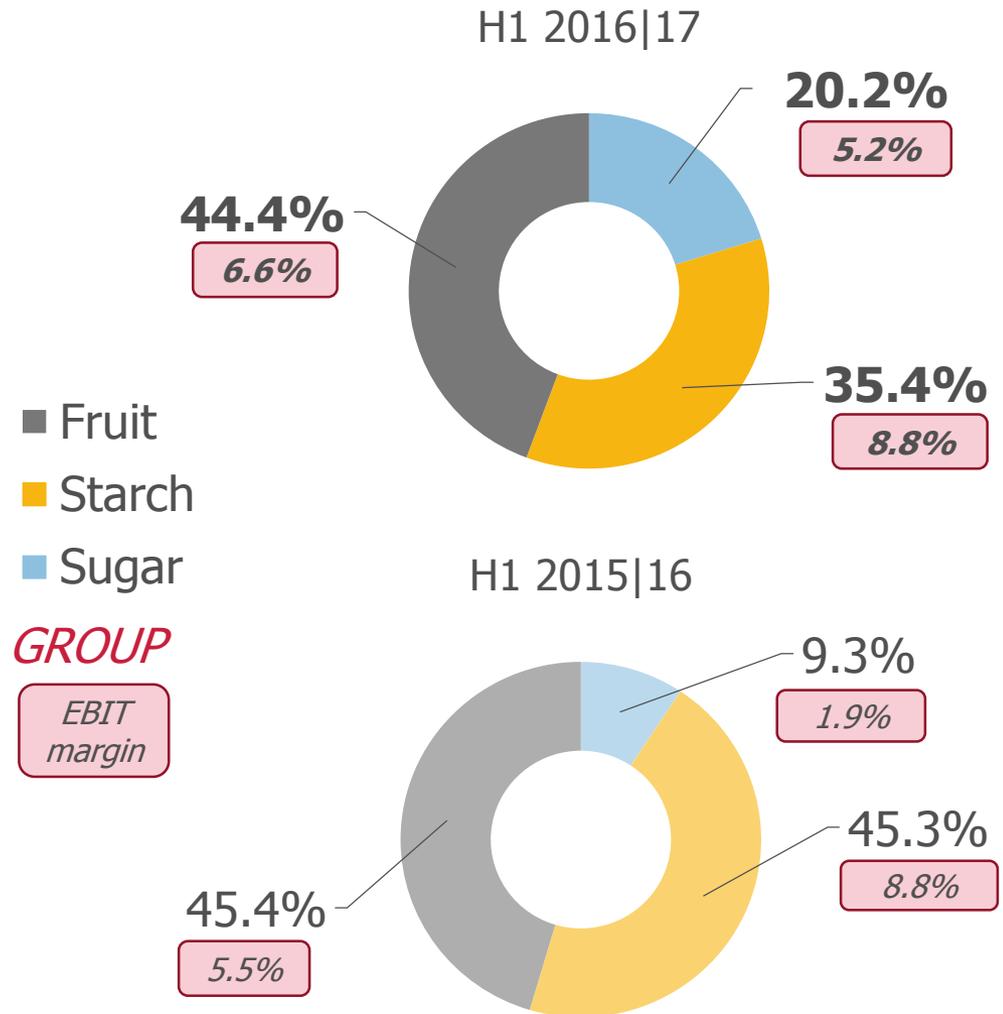
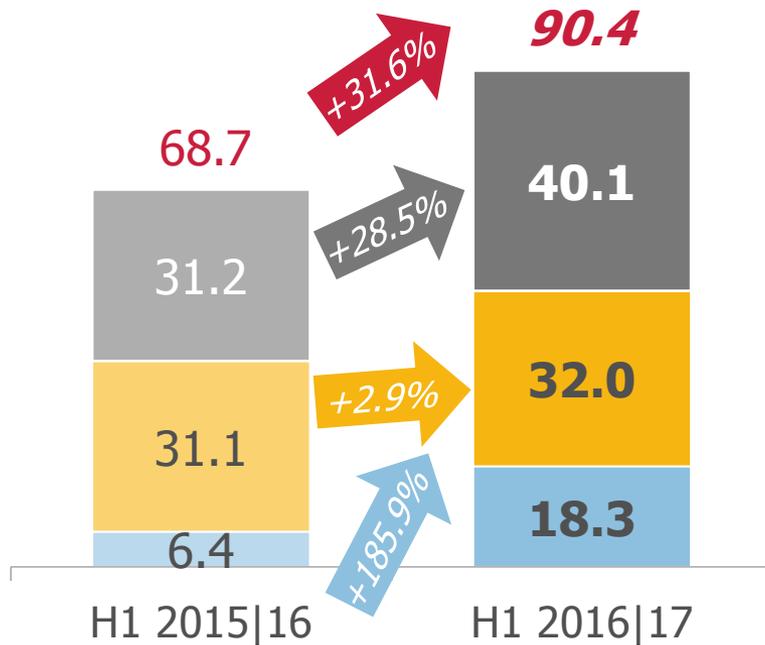




H1 2016|17 VS PRIOR YEAR

# EBIT BY SEGMENT

€m





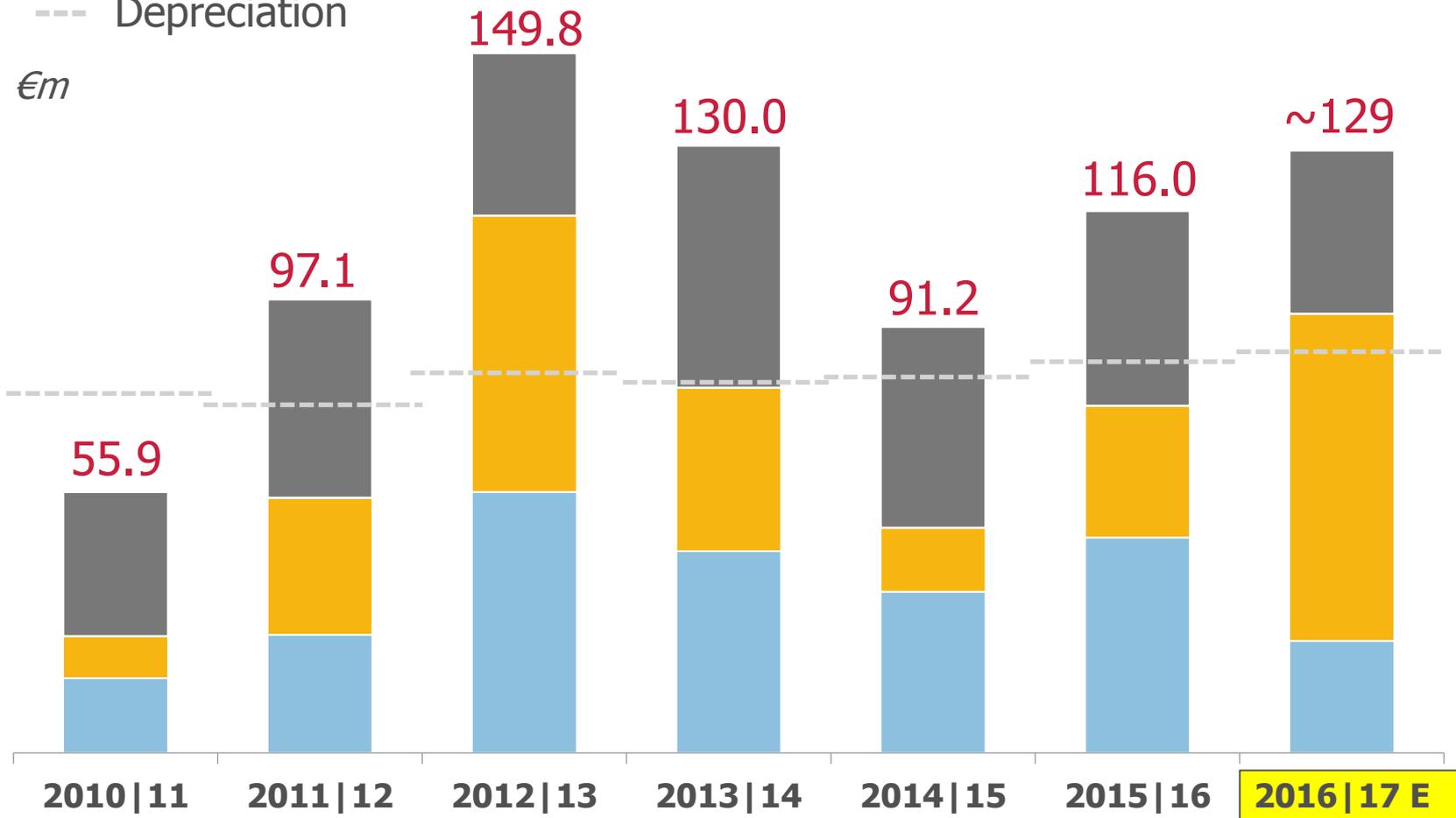
INVESTMENT FOR SUSTAINABLE GROWTH

# CAPEX EVOLUTION

■ Sugar ■ Starch ■ Fruit

--- Depreciation

€m





## CONSOLIDATED INCOME STATEMENT

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

<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>H1 2016 17</b>	H1 2015 16	Change
Net interest expense	<b>(5.1)</b>	(4.9)	-4.1%
Currency translation differences	<b>(0.1)</b>	(5.0)*	+98.0%
Other financial items	<b>(5.1)</b>	(1.3)*	-292.3%
<b>Total</b>	<b>(10.3)</b>	<b>(11.2)</b>	+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>	<b>H1 2016 17</b>	H1 2015 16*	Change
Operating cash flow before changes in working capital	<b>121.6</b>	110.1	+10.4%
Changes in working capital	<b>7.9</b>	(19.8)	+139.9%
Total of interest paid/received and tax paid	<b>(20.2)</b>	(29.5)	+31.5%
<b>Net cash from operating activities</b>	<b>109.3</b>	<b>60.8</b>	+79.8%
Net cash (used in) investing activities	<b>(41.8)</b>	(42.2)	+0.9%
Net cash (used in) financing activities	<b>(82.9)</b>	(102.1)	+18.8%
<b>Net (decrease) in cash and cash equivalents</b>	<b>(15.4)</b>	(83.5)	+81.6%

\* The prior-year data were restated.

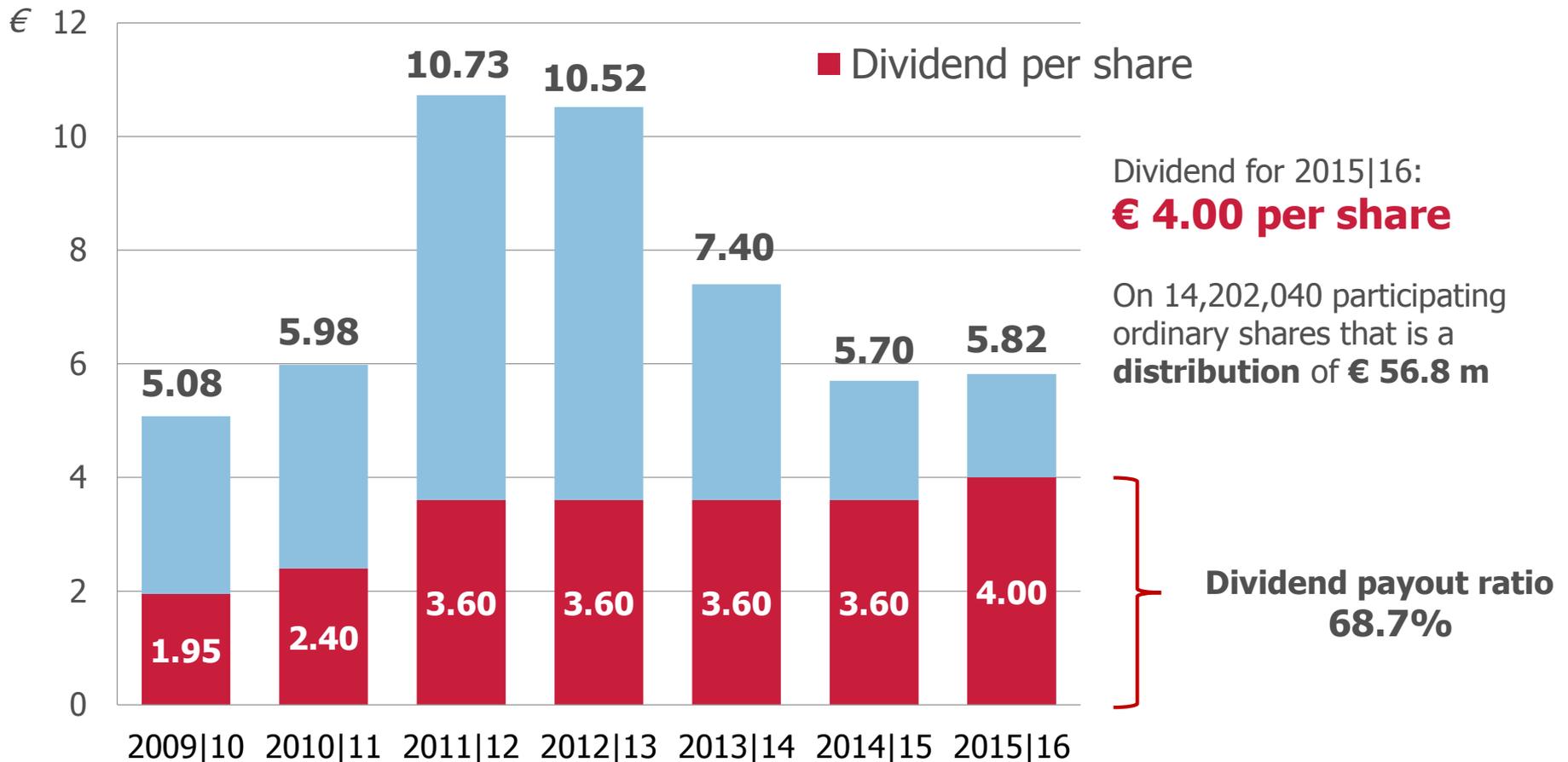


## CONSOLIDATED BALANCE SHEET

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



## DIVIDEND AND EARNINGS PER SHARE



**Dividend yield** (based on the closing share price at the last balance sheet date): **4.97 %**



2016/17  
**OUTLOOK**





AGRANA GROUP

## OUTLOOK FOR 2016|17

- 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



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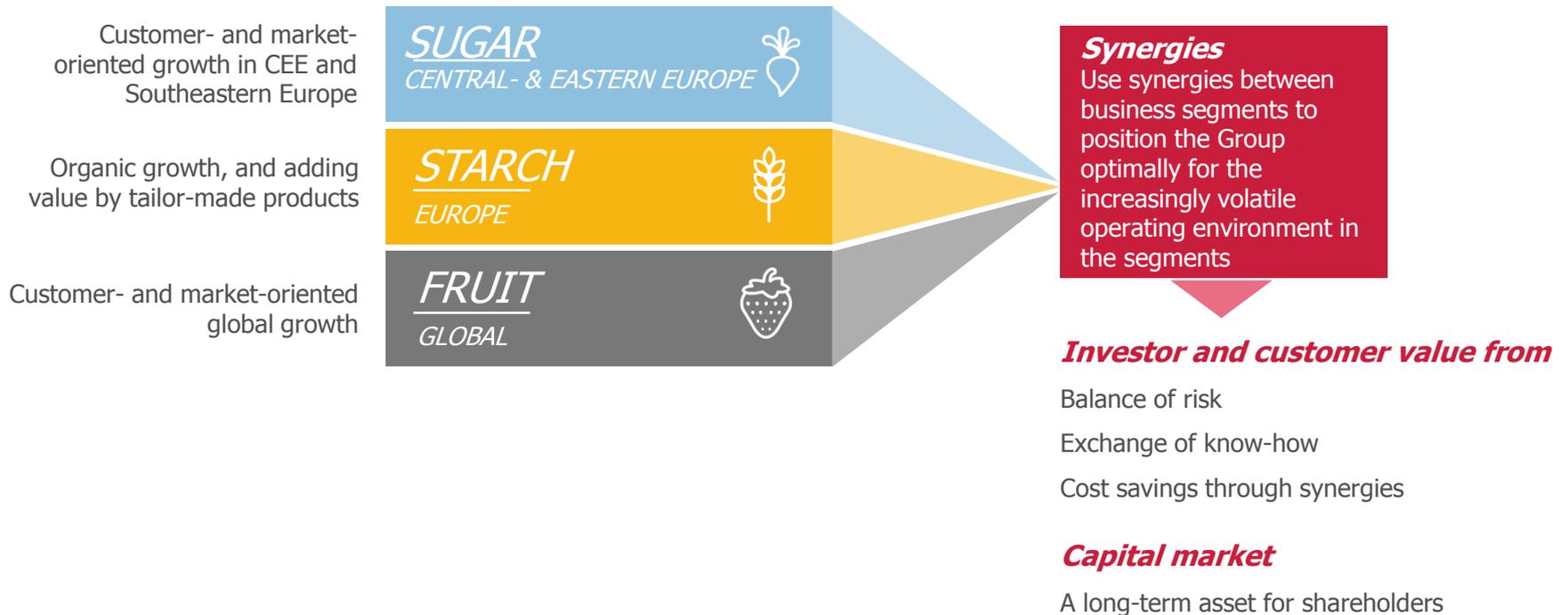
# *STRATEGY UPDATE*

# *CHALLENGES & COMPETENCIES*





# *GROWTH BY STRATEGY*





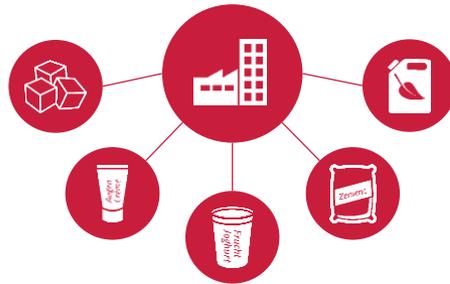
*WE ALL CONSUME AGRANA (PRODUCTS)*

# *STRATEGIC POSITIONING B2B*

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...



- Uncertainty and volatility are determining parameters/factors
- Sourcing of agricultural raw materials (growing demand vs. limited global production):
  - Growing population
  - Arable land [(Changing) climate effects, availability of water]
- Change of consumer behaviour -> nutrition (proteins & calories)



Also:

- Sustainability as a comprehensive concept
- Strategic plans based on scenarios vs. calculated 5 years plans
- Increase of the amount of money by central banks vs. contraction of money supply for real economy

Sugar.  
Starch.  
Fruit.



## *AGRANA'S CORE COMPETENCIES*

- **Sourcing** agricultural raw materials
- Handling a **global raw material flow** and being specialised in big quantities
- Managing **production processes** in a lean way, but with highest quality standards, from commodities up to tailor-made products
- Serving industrial customer markets **with focusing on (highly) specialised products**
- Developing **innovative** processes, methods and products





*STRATEGY FOR THE FUTURE*  
***OUR APPROACH***

Execute properly and utilise our **growth projects** (e.g. Aschach & Sunoko)

**Working capital** improvements -> to get financial resources free

**(Risk) diversification  
→ means crisis resistance**

**Food industry is less sensitive** than other industries (e.g. car industry) to economic slow-downs

Push forward the **organisational harmonisation** projects -> increase efficiencies



*AGRANA GROUP*

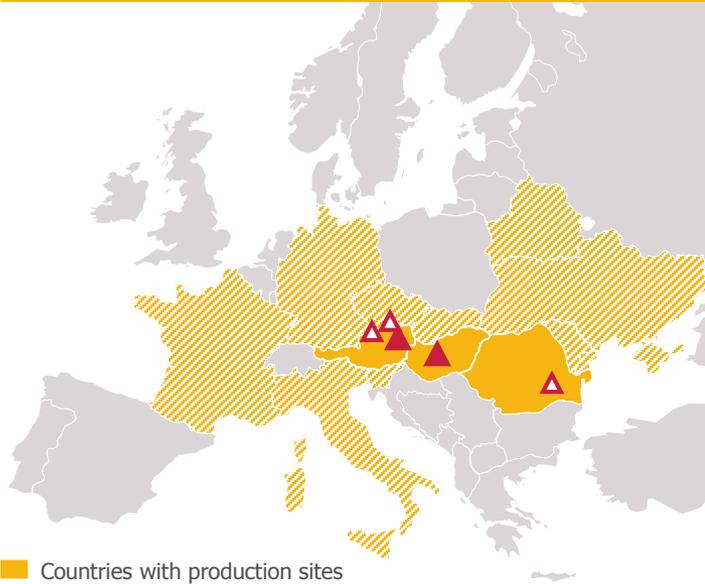
# *STARCH: DIVERSITY & GROWTH*





## STARCH SEGMENT (PLANTS & MARKET POSITION)

5 STARCH PLANTS  
INCL. 2 BIOETHANOL FACILITIES



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

- 5 production sites:
  - Aschach (A)
  - Gmünd (A)
  - Pischelsdorf (A)
  - Szabadegyháza (HU)
  - Tandarei (RO)
- Our raw material base:
  - Potato
  - Corn
  - Wheat
- 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 SEGMENT (STRUCTURE)



50 %

**Gmünd**  
(Austria)

Potato starch  
Modified starches  
Maltodextrins  
Potato flakes (puree)  
Baby food (spray dried)

**Aschach**  
(Austria)

Corn starch  
Modified starches  
Corn starch derivatives  
Glucose syrups  
Liquid dextrose

**Pischelsdorf**  
(Austria)

Ethanol  
Wheat Starch  
Wheat Gluten

**Hungrana Kft**  
(Hungary)

Corn starch  
Isoglucose  
Glucose syrups  
Crystalline dextrose  
Ethanol

**A.G.F.D. Tandarei**  
(Romania)

Corn starch  
Modified Starches  
Glucose syrups



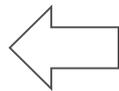
## STARCH SEGMENT: KEY FIGURES 2015/16

Location	Processed raw-material [tons]		Main Products [tons]	FTE (29/2/2016)	Revenues [€m]
Aschach	395,000	corn	260,000	227	} 715
Gmuend	185,000	potato	100,000	342	
Pischelsdorf	760,000	corn, wheat	345,000	156	
Tandarei	60,000	corn	40,000	127	
Hungrana (50%)	560,000	corn	355,000	147	18
Animal Feed			740,000	18	
<b>Grand Total</b>	<b>1,960,000</b>		<b>1,100,000</b>	<b>1,017</b>	<b>708</b>
(incl. Animal Feed)			1,840,000		(cons.)

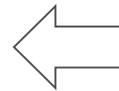


# *FIELDS OF APPLICATION OF STARCH PRODUCTS*

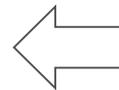
Sweets,  
soft drinks



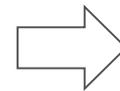
Food industry



Building industry



Pharma



Paper industry,  
corrugated cardboard



Textile industry



Cosmetics industry



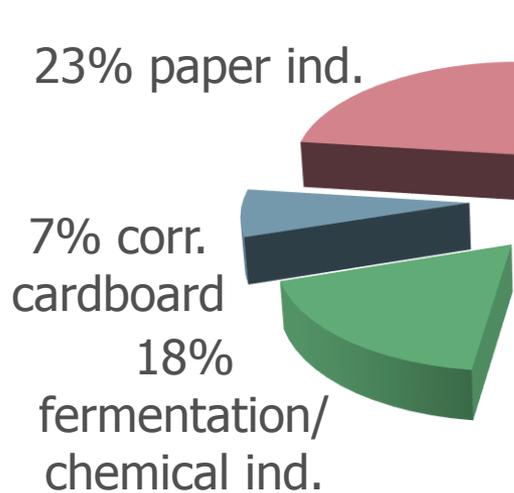
Animal feed



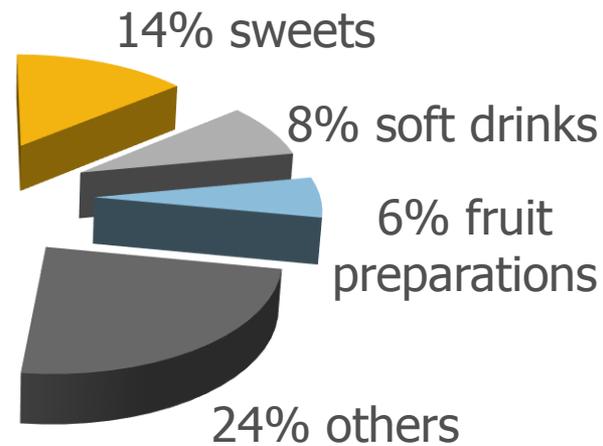


## *STARCH CONSUMPTION IN THE EU*

### Non-food applications: 48 %



### Food industry: 52 %





# STARCH – SACCHAROSE (1)



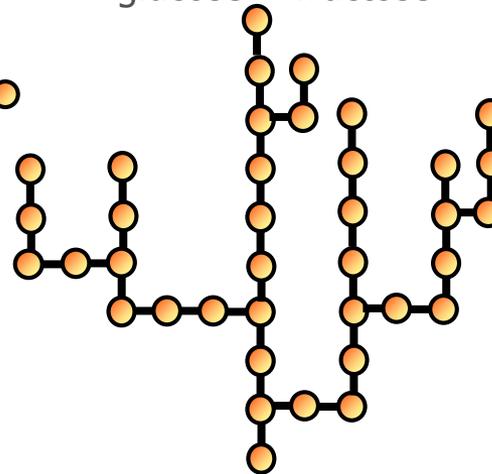
Monosaccharide  
glucose, dextrose  
fructose



Disaccharide =  
„sugar“  
glucose + fructose



Polysaccharide  
= „starch“  
polyglucose

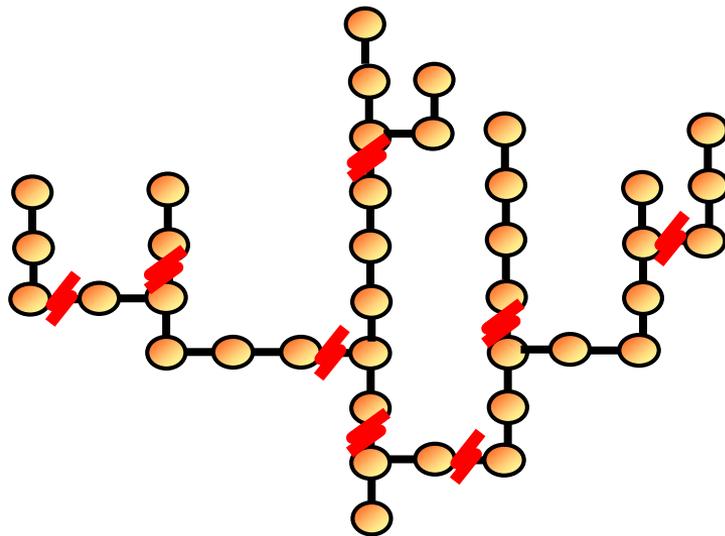




## STARCH – SACCHAROSE (2)



dextrose  
(liquid –crystal)



glucose sirups – maltodextrins (liquid – spray dried)



# AGRANA STARCH PRODUCTS



**STARCH (native)**

**Modified Starches**

- gelatinised
- chemical modified
- gelatinised + chem. modified
- ☞ Food Products
- ☞ Corrugated board
- ☞ Bag glue
- ☞ Textiles
- ☞ Construction-Mat.
- ☞ Pharmacy & Cosmetics

**Glucose Syrups,  
Liquid Dextrose**

- Isoglucose
- Maltodextrins
- Crystalline Dextrose
- ☞ Soft drinks
- ☞ Candies
- ☞ Convenience Food
- ☞ Sauces
- ☞ Flavours

**Ethanol**

- ☞ Fuel
- ☞ Pharma
- ☞ Drink alcohol



**Potato flakes**

milk powder  
vitamins  
veg↓ oil  
**Baby food (spray dried)**

**Animal feed (by-product)**

- ☞ ActiProt (DDGS)
- ☞ Corn Gluten Feed
- ☞ Corn Germs
- ☞ Proteins (Wheat, Corn, Potato)

- **Standard**
- **Organic**
- **Certified non-GMO**



## 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)

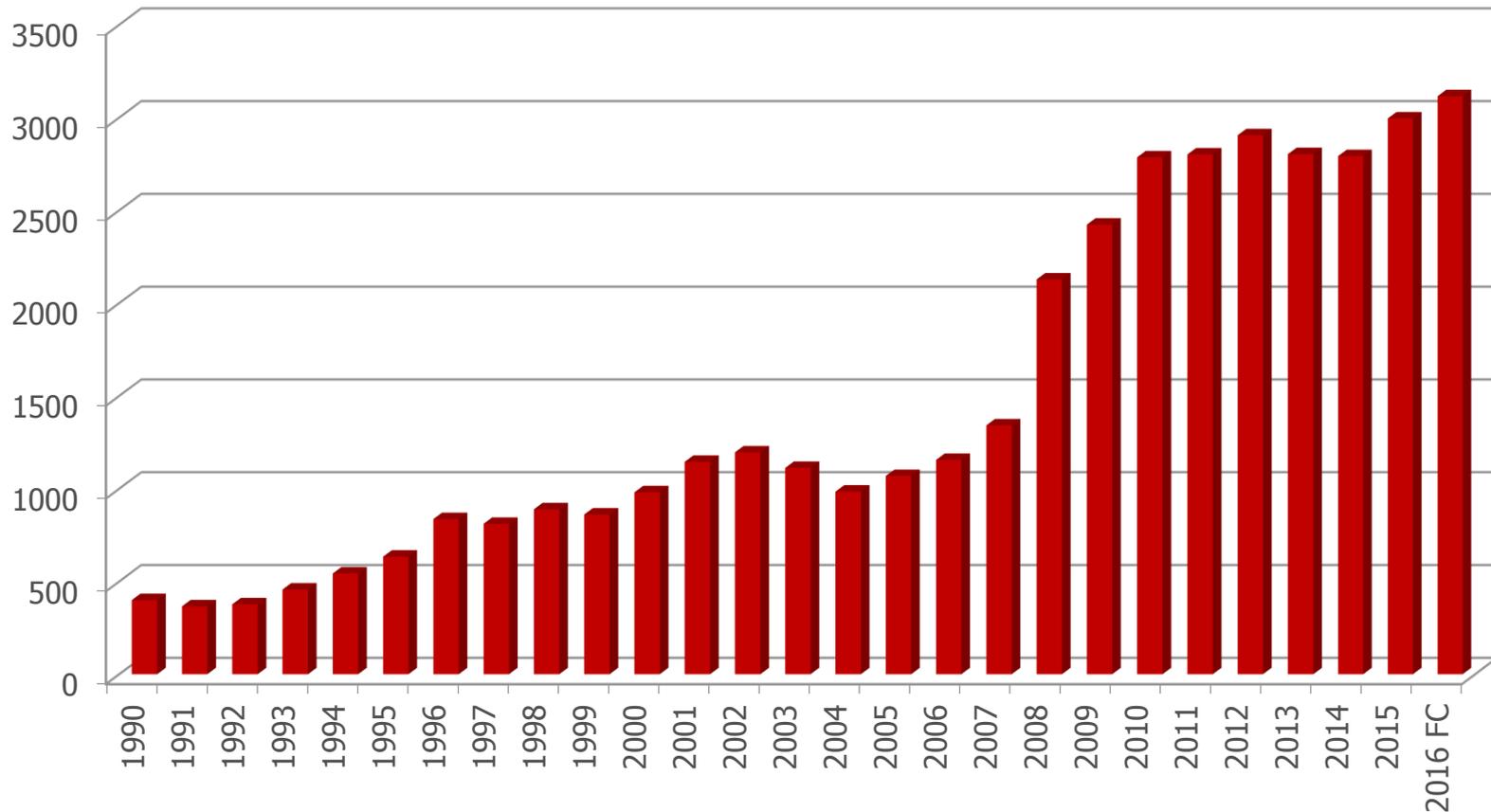
- Investment volume: ~ € 100 m (50% share held by AGRANA: ~ € 50 m)
  - for grind increase from 1,500 to 3,000 tonnes/day
  - for isoglucose capacity increase due to quota increase
  - for bioethanol expansion
- Capacity: up to 187,000 m<sup>3</sup>
- Conclusion of expansion programme: July 2008
- Raw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





## *HUNGRANA GRIND SINCE 1990*

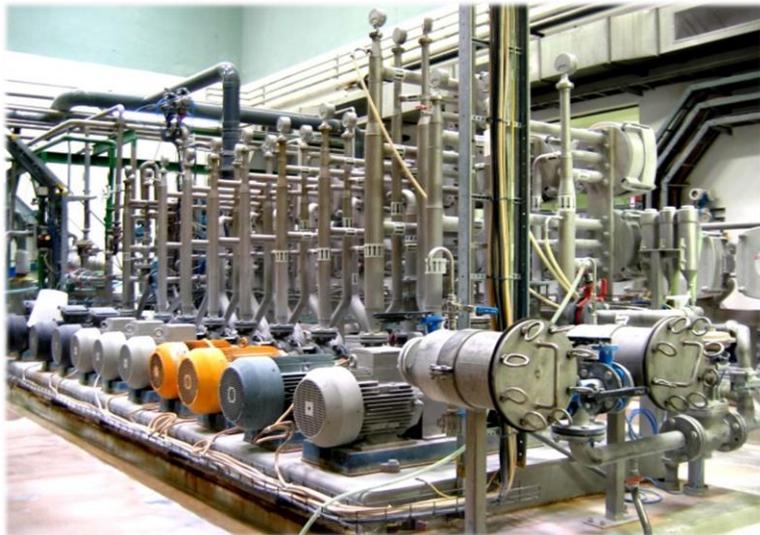
Daily average grind (1990-2016)





## *PLANT EXPANSION: CORN PLANT ASCHACH (1)*

- Expansion in the fields of corn wet grinding processes, waxy corn derivative production and spraying capacities for maltodextrin production





## *PLANT EXPANSION: CORN PLANT ASCHACH (2)*

- Investment (2016 - 2017): € 80 million
- 25 new jobs

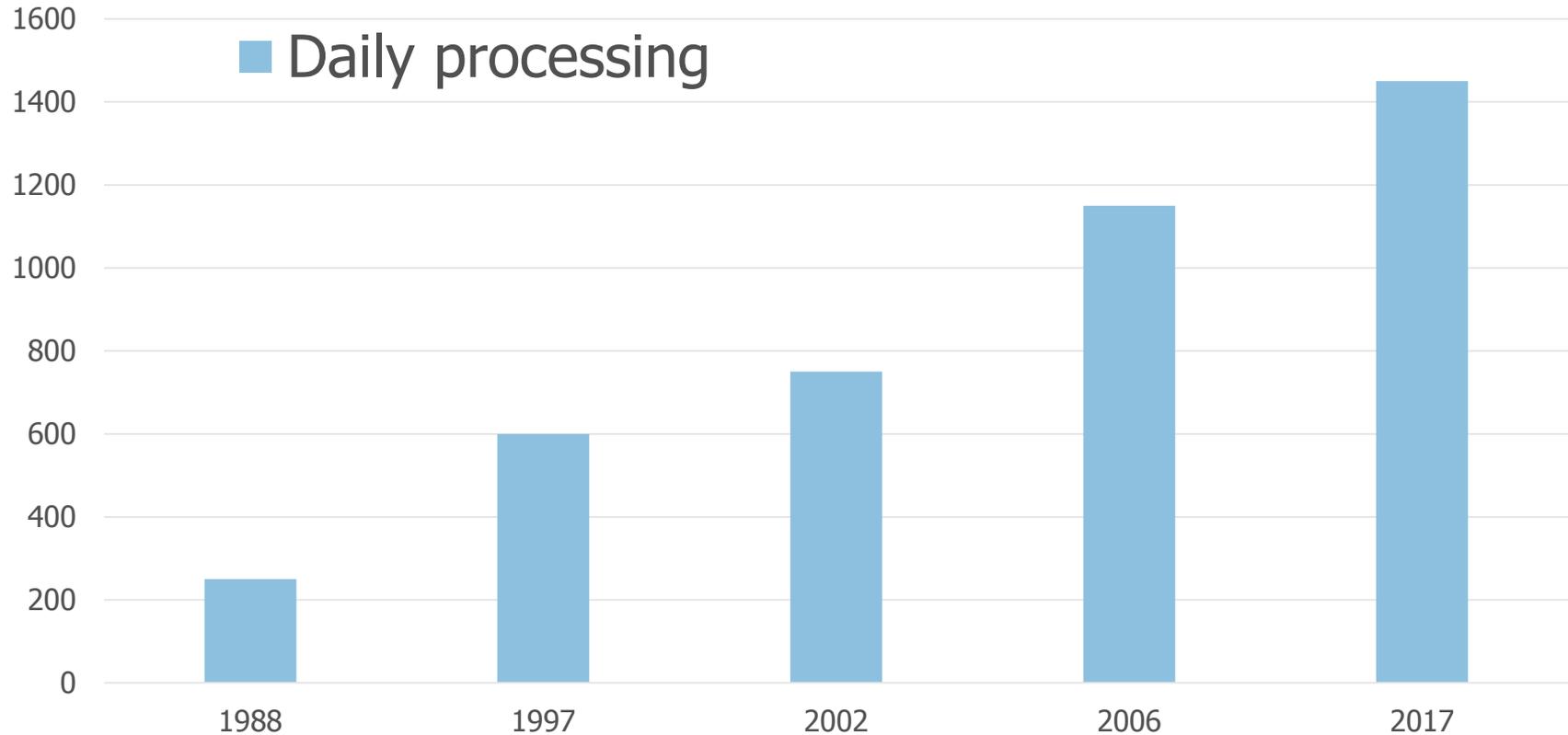




*STAGES OF DAILY PROCESSING*

## *PLANT EXPANSION: CORN PLANT ASCHACH (3)*

*tonnes*





## *FUTURE KEY DRIVERS & AGRANA STRENGTHS*

- CEE markets
- Specialities/intelligent products
- Wheat starch
- GMO-free, organic

### **Strengths of AGRANA Starch**

- Excellent link to CEE customers
- Strong position in the organic market
- Broad raw material range (corn, potato, wheat)
- Wide product portfolio
- Located in GMO-free area
- Integrated, well established, highly efficient plant HUNGRANA



## *STARCH SEGMENT: OUTLOOK (1)*

- Growing organic market
- Growing market of “clean label” (E-number free) & GMO-free products
- Top technology needs top products:
  - Construction industry
  - Textile industry
  - Paper industry



## *STARCH SEGMENT: OUTLOOK (2)*

- AGRANA Starch is well positioned:
  - Wide range of raw materials  
(corn, waxy corn, wheat, potato; organic, GMO free)
  
  - Widely diversified markets/products
    - Food & non food
    - Starches (nat. + mod.), sweeteners (liquid, dry)
    - Ethanol (fuel, food, pharma)
  
  - High flexibility + high qualified R&D team  
→ new products/applications, tailor-made



*AGRANA GROUP*

*"NEW"  
START FOR  
SUGAR*





*AGRANA SUGAR*

## *CURRENT MARKET REGULATION AND END OF QUOTAS IN SEPTEMBER 2017 (1)*

**The EU sugar market is currently a regulated one.**

- **Production quotas**
  - which can be sold in every EU country
  - surpluses beyond quota production have to be exported or sold to the chemical industry
- **Minimum** beet prices
- Import regulations with **defined duty free access** (LDCs)
- Beside the market regime **substantial import duties** which are laid down in WTO agreements (-> therefore practically no free import)



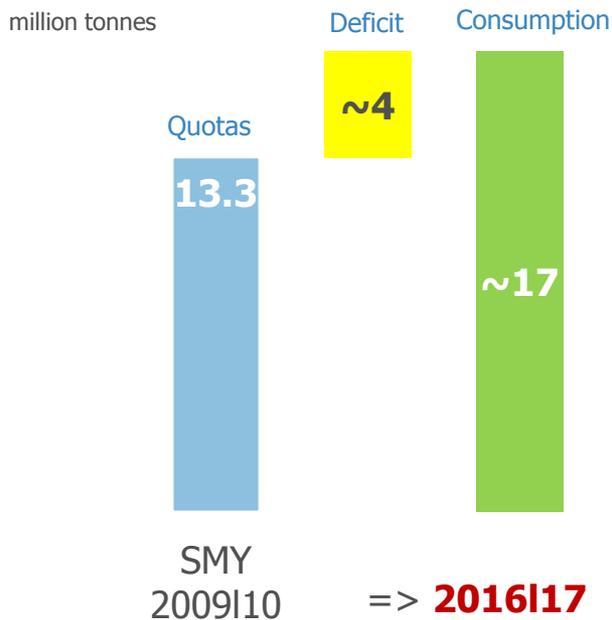
## *CURRENT MARKET REGULATION AND END OF QUOTAS IN SEPTEMBER 2017 (2)*

- After 30 September 2017: **expiration** on of the sugar and isoglucose **quotas** and the **minimum beet price**
- New regime for the intra-EU market:
  - unchanged reference price of € 404 per tonne for white sugar
  - possibility of government funded private storage
  - **contracts between beet growers and the sugar industry will remain mandatory**
- As a consequence of the market liberalisation, the **volume and price volatility** in the world market will feed through to the EU sugar market **more strongly** than before
- The **tariff protection of the EU sugar market** for imports from non-EU countries is **not affected** by the change in the sugar regime
- AGRANA believes that, after quotas are abolished, sugar exports will no longer be subject to volume limits in the future
  - as the absence of quotas and of a minimum beet price will remove any (regulatory) basis for the WTO export limit



# EU: SUPPLY & DEMAND SITUATION

## Current situation



Net importer! →

- EU-28 sugar quota for SMY
- Imports from ACP, LDC & Western Balkan Agreement
- EU demand

## SUGAR AND ISOGLUCOSE

x 1000 tonnes	Forecast	
	2016/17 (oct-sept)	
	EU 28	
	quota	out of quota
<b>1 Beginning stocks</b>	715	0
1 1 private	715	
1 2 intervention	0	
<b>2 Production</b>	14 214	4 137
of which quota / out-of-quota	13 914	- 300
release out-of-quota	0	4 437
<b>3 Imports</b>	3 489	5
3 1 - as such (*)	2 940	
3 2 - in processed products	549	
<b>4 TOTAL AVAILABLE</b>	18 418	4 142
<b>5 Consumption/disappearance</b>	16 730	2 150
		800 indust.
		1 350 bioeth.
<b>6 Exports</b>	1 480	690
6 1 - as such (**)	75	
6 2 in processed products	1 405	
<b>7 Ending stocks</b>	207	1 302
7 1- private	207	
(of which stock declared by manufacturers and refiners)		
7 2 - intervention	0	
<b>8 TOTAL OUTLETS</b>	18 418	4 142

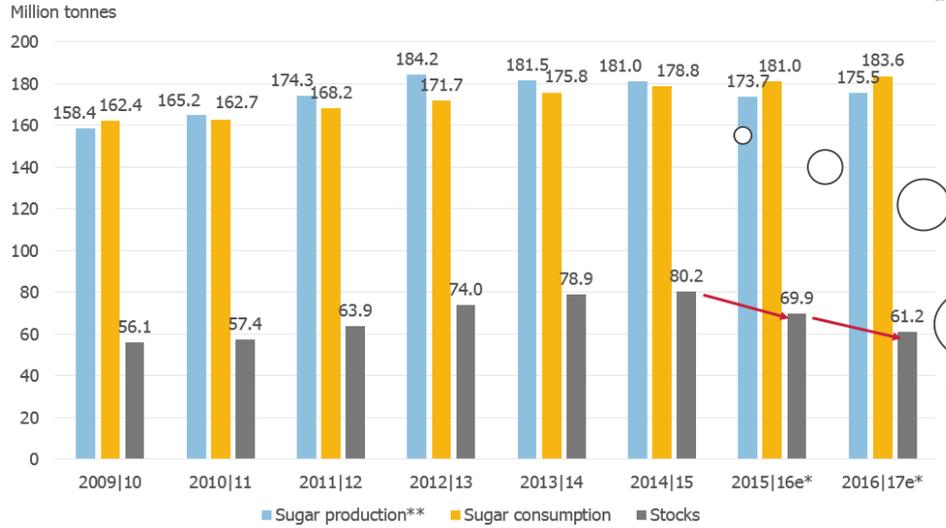
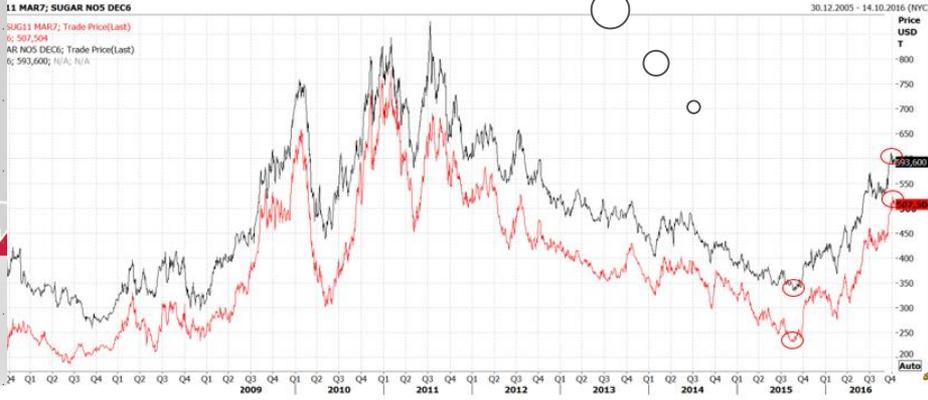
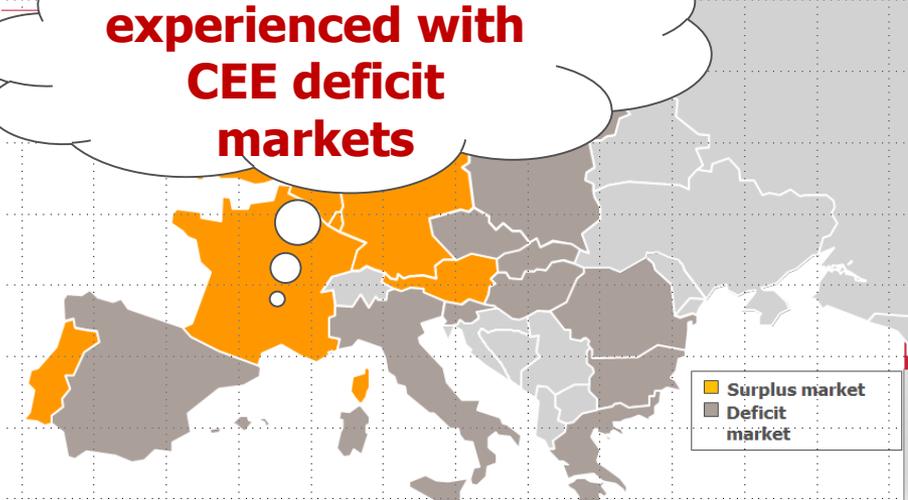


WHAT DOES THIS MEAN FOR AGRANA

# MORE CHANCES THAN RISKS

**Already experienced with CEE deficit markets**

**Increased volatility**



**Worldwide increasing demand for sugar**

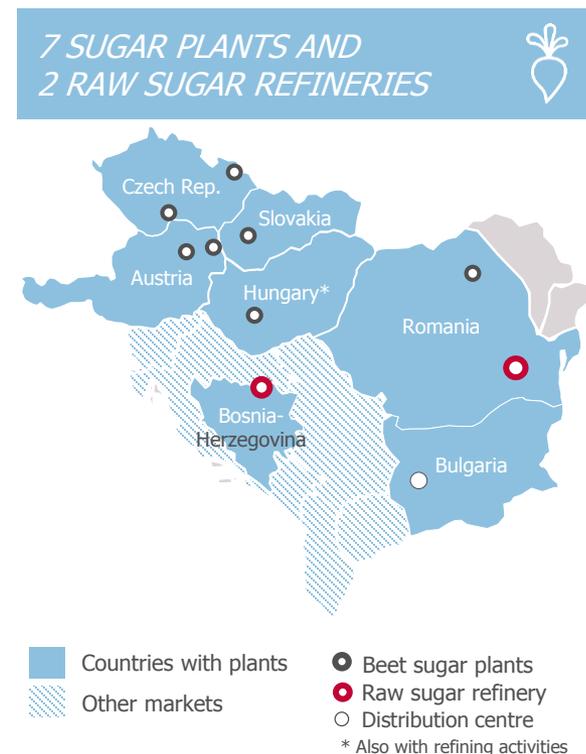


*AGRANA SUGAR*

# *BENEFIT FROM THE STRONG MARKET POSITION IN CEE AND SEE*

<i>1,000 TONNES</i>	<i>EU-QUOTA</i>	<i>AGRANA SUGAR BEET QUOTA<sup>(1)</sup></i>	<i>MARKET POSITION</i>
Austria	351	351	#1
Hungary	105	105	#1
Czech Republic	372	94	#2
Slovakia	112	44	#2
Romania	105	24	n.a.
<b>Total</b>	<b>1,045</b>	<b>618</b>	
Refining activities in total (incl. Bosnia-H.)		368 <sup>(2)</sup>	n.a.

(1) AGRANA beet quota for 2016|17 Sugar Marketing Year (SMY)  
 (2) Refined tonnes of white sugar equivalent from raw sugar (2015|16)

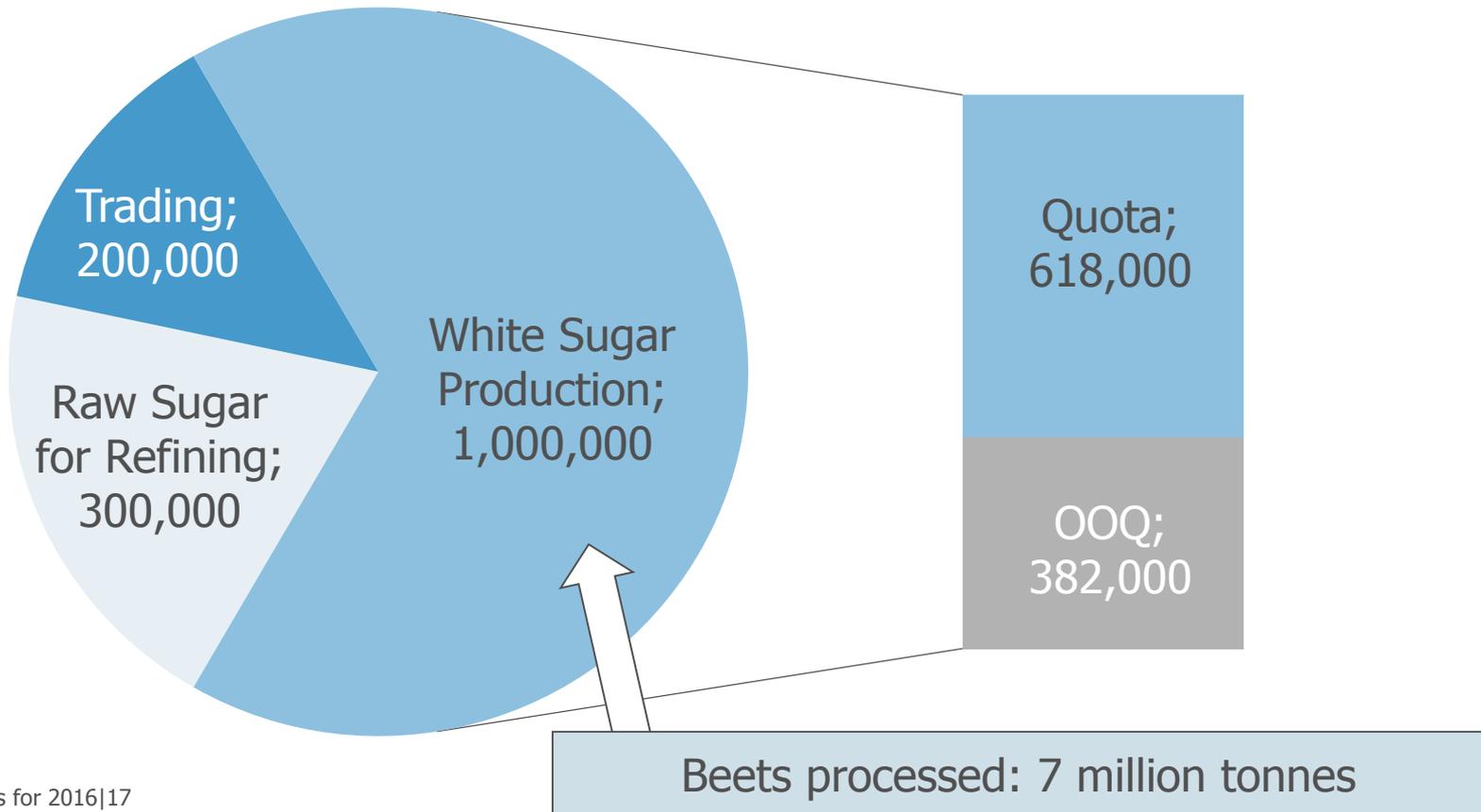




# DIFFERENT FIELDS OF BUSINESS ACTIVITIES

## 1.5 m tonnes operational sugar quantities

tonnes



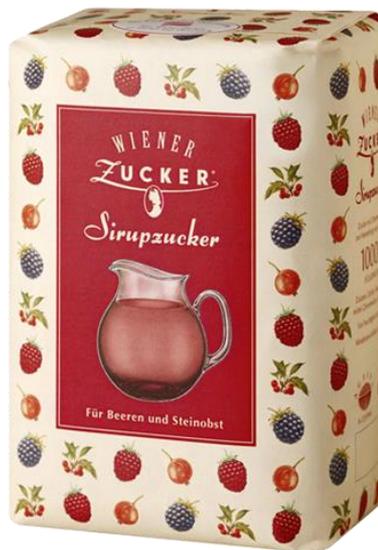
Estimates for 2016|17



AGRANA SUGAR RETAIL

# STRONG BRANDS

- Speciality products



- Focus on regional, branded products



Wiener Zucker  
Österreich



Koronás Cukor  
Ungarn



Korunný Cukor  
Slowakei



Korunní Cukr  
Tschechien



Zahira  
Bulgarien



Mărgăritar Zahăr  
Rumänien



AGRAGOLD  
Bosnien-Herzegowina



*SEPTEMBER 2017 - END OF QUOTAS*

## *SO, WE FEEL WELL PREPARED*

- 
- A black spoon is shown from a side profile, with a stream of water pouring from its bowl. The water is captured in mid-air, creating a soft, misty spray as it falls. The background is plain white.
- 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
    - The company operates its own raw sugar refineries; safeguarding of existing market share in CEE
  - **Being flexible** with beet, refining and trading; focus on balanced strategy between these three fields of activity
  - AGRANA has established **long-term relationships** with key sugar producers in the LDCs and ACPs (duty-free-imports)
  - The Group has cut sugar segment’s costs and enhanced its logistic processes (targeted investments) **to further improve competitiveness**
  - Uncertain market development requires **continuous flexibility**
  - **High volatility** expected
  - **AND SUNOKO ...**



## *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**

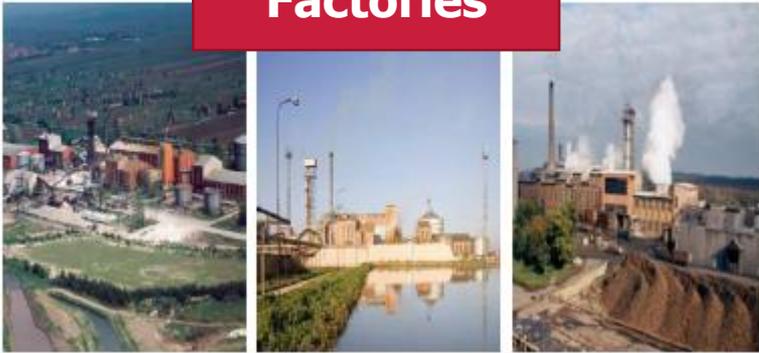


M&A ACTIVITIES

# SUNOKO, SERBIA, HQ: NOVI SAD



## Factories

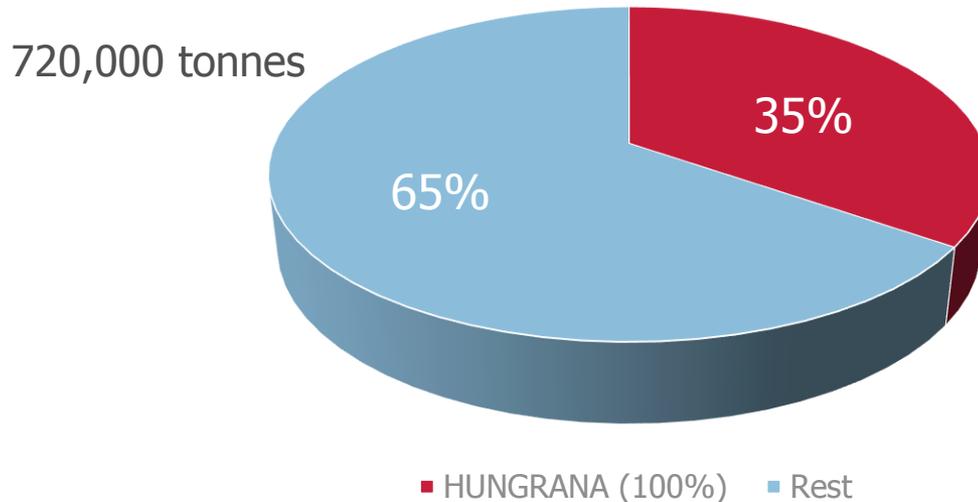


	Beet processing (t), total	Sugar production (t), total
2011	1,470,000	220,000
2012	1,450,000	220,000
2013	1,850,000	260,000
2014	2,450,000	312,000
2015	1,150,000	150,000
<b>2016e</b>	<b>2,500,000</b>	<b>350,000</b>



## *ISOGLUCOSE MARKET IN THE EU*

Isoglucose Quota of the EU-28 ~< 5% of sugar consumption



AGRANA holds 125,000 tonnes (->> HUNGRANA: 250,000 tonnes)

Starting with 1st of October 2017 also the quotas for isoglucose will be abolished, which means new **growth potential** for AGRANA.

10 - 15% market share of isoglucose expected.



*AGRANA GROUP*

***GROWING  
WITH FRUIT***





## 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

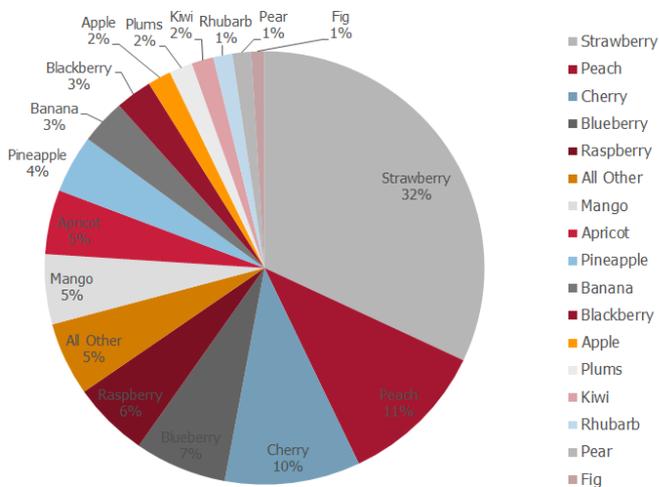


FRUIT PREPARATIONS

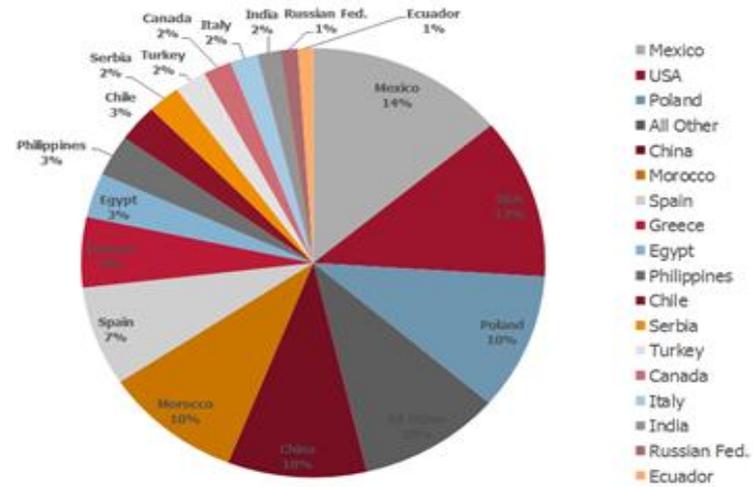
COMPLEXITY – FRUIT SUPPLY CHAIN

- ~ **150,000 tonnes (frozen) fruits** out of 68 countries
- ~ **500 suppliers** worldwide
- **600 different fruit materials** of 70 different fruits
  - IQF fruits
  - Aseptic fruits
  - (Fruit purees & concentrates)

Selected frozen berries



Source: AFS Contract database crop 2013 in t



Source: AFS Contract database crop 2013 in t

## WHAT WE DID SUCCESSFULLY

### Fruit preparations

- Investments in growth regions → **new production lines**
- Growth with Lysander, **US-market**: dairy market is now served well
- Market shares gained in **China** (planned capacity was 15,000 tonnes → current status 20,000 tonnes)
- **Europe: structural measures** have been implemented; market shares were gained

FP for  
dairy:

Fruit  
Preparations



Warm flavor  
Preparations



Cereal  
Preparations



Inclusions /  
Specialties



Savory  
Preparations



### Fruit juice concentrates

- Successful merger AGRANA – Ybbstaler: **AUSTRIA JUICE is now a stronger player**



# WHAT WE WILL DO FOR FURTHER GROWTH

## Fruit preparations

- **Further investments** in growth regions (e.g. second FP site in China in discussion)
- We are **strong in other industries as well**; increased focus also on:

Ice-Cream



Food Service



Bakery



Beverages



## Fruit juice concentrates

- **New playing fields** (compounds, aromas) – specialities / value added
- And using of **synergies**: a) aromas made by JUICE for Fruit Prep; b) using FP sites for compound production...

Beverage Compounds



Fruitwine



Aromas (Comp)



Fruit Purees



De-ionized FJC





*AGRANA GROUP*

# *"WRAP UP"*





## *AGRANA STRATEGY SPANNING 28 YEARS (1)*

- ✓ **Crisis resistance**
- ✓ **Dividend payout**

By means of

- **Regional diversification** (eastward expansion)
- **Vertical integration** (specialisation strategy)
- **Horizontal diversification** (Fruit segment)

along the value-added chain and in the core competences of the Group  
(B2B, adding value to agrarian commodities)



## *AGRANA STRATEGY SPANNING 28 YEARS (2)*

This strategic mix has been applied differently across the segments.

### **Objective: Risk diversification**

Many options in line with the relevant business strategy:

- Sugar: beet sugar, isoglucose, refining
- Starch: Wheat, corn and potato starch
- Fruit: global production, broad portfolio

**--> means crisis resistance**

In a highly competitive environment we are aiming for the following targets:

- Highest efficiency in production
- Best possible prices through qualitative differentiation of our products and
- Further growth



*2016|17 AND 2017|18*

## *FINANCIAL CALENDAR*

### **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

12 October 2017

Results for first half of 2017|18



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Quantitative definitions of selected common modifying words used:

<b>Modifier</b>	<b>Visualisation</b>	<b>Numerical rate of change</b>
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%