



*SUGAR  
STARCH  
FRUIT*

The natural upgrade



**Acting together.**

AGRANA Beteiligungs-AG

**Results for the first three quarters of 2016 | 17**

Presentation for investors and analysts

Vienna, 12 January 2017



## Q1-3 2016/17 OVERVIEW

- AGRANA Group **kept up the positive trend** of its current 2016|17 financial year
- 9 months EBIT **already exceeded** last year's 12 months results
- Revenue: € 1,967.5 m (Q1-3 prior year: € 1,908.0 m)
- **EBIT: € 137.7 m** (Q1-3 prior year: € 108.8 m)
- **EBIT margin: 7.0%** (Q1-3 prior year: 5.7%)
- Equity ratio: 52.5% (29 February 2016: 53.5%)
- Gearing ratio: 30.8% (29 February 2016: 33.8%)



**~8,500**

Employees (FTEs)  
in 2015|16 FY



**53**  
Production  
sites  
as of 30 Nov. 2016



**€ ~2.5 billion**

Group revenue  
in 2015|16 FY



A leading  
**SUGAR**  
SUPPLIER  
in Central, Eastern &  
Southeastern Europe



Major manufacturer  
of customised  
**STARCH**  
PRODUCTS  
in Europe



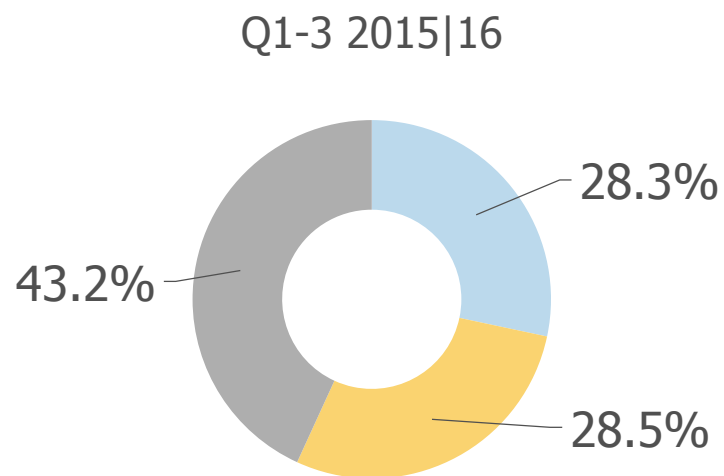
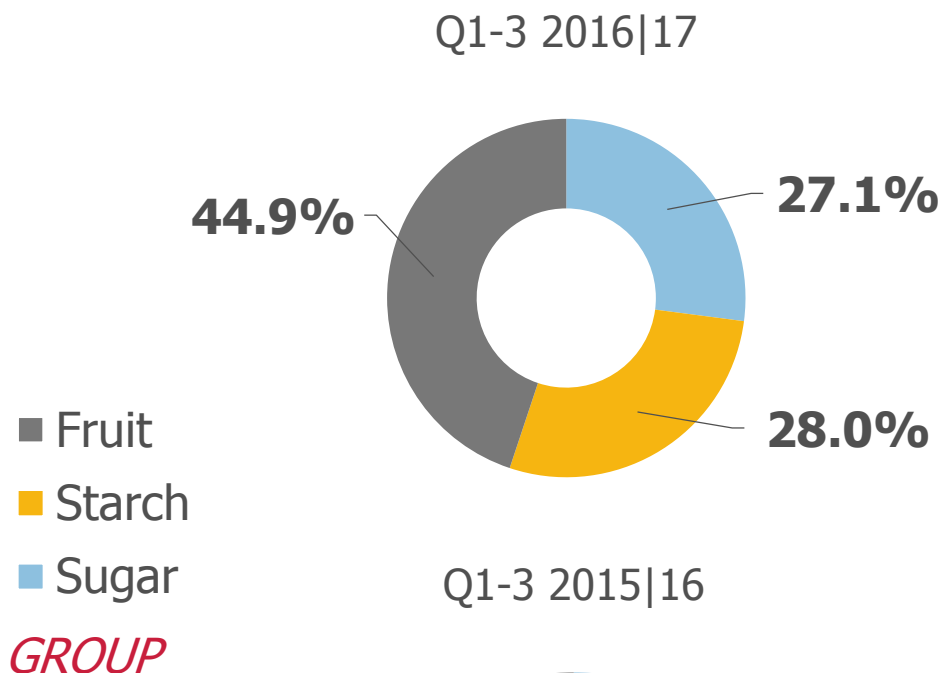
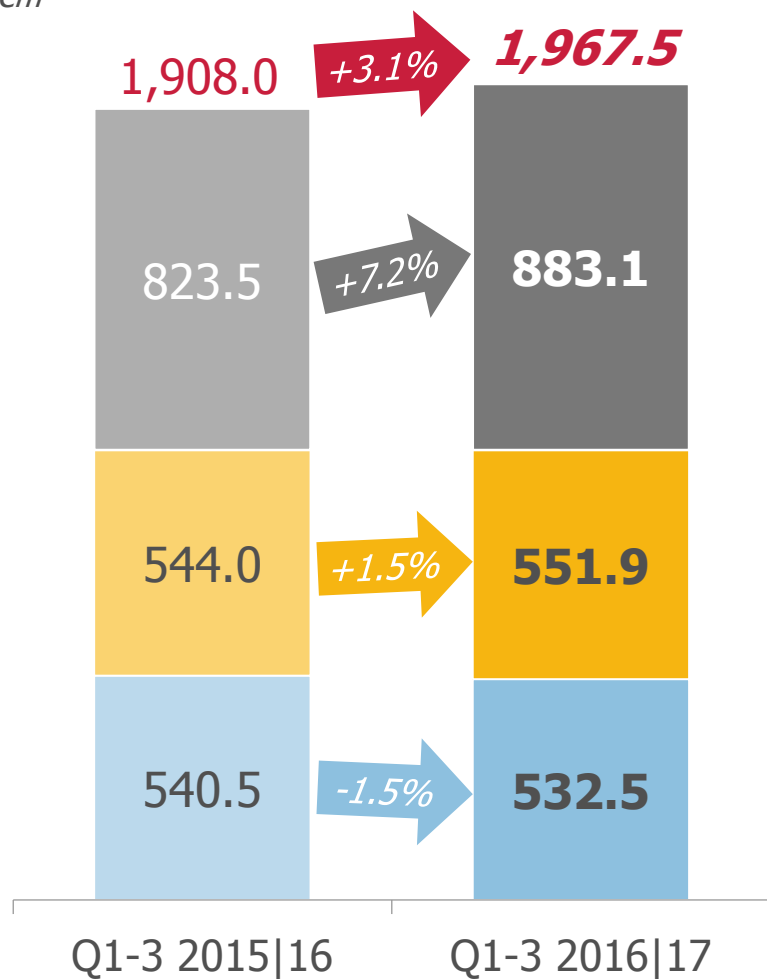
A world market leader  
in the production of  
**FRUIT**  
PREPARATIONS  
and one of the largest  
manufacturers of  
FRUIT JUICE  
CONCENTRATES in  
Europe



Q1-3 2016|17 VS PRIOR YEAR

## REVENUE BY SEGMENT

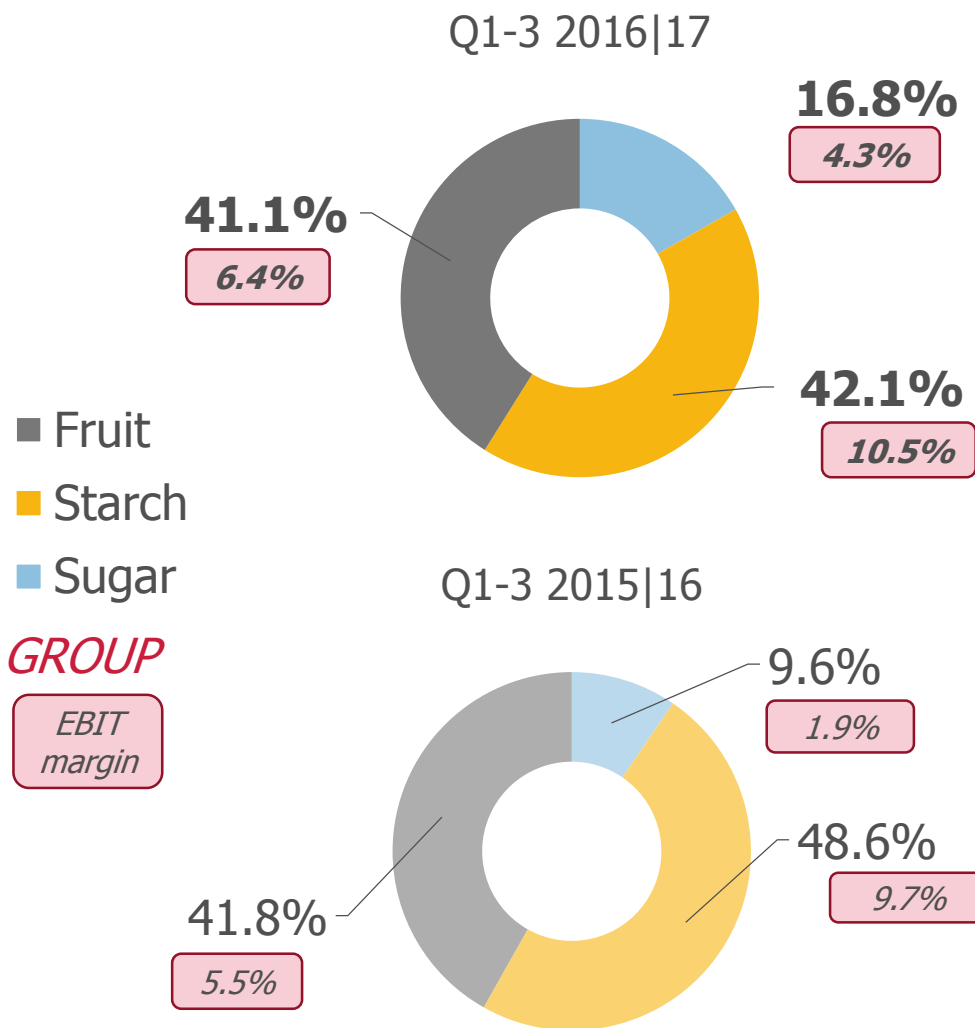
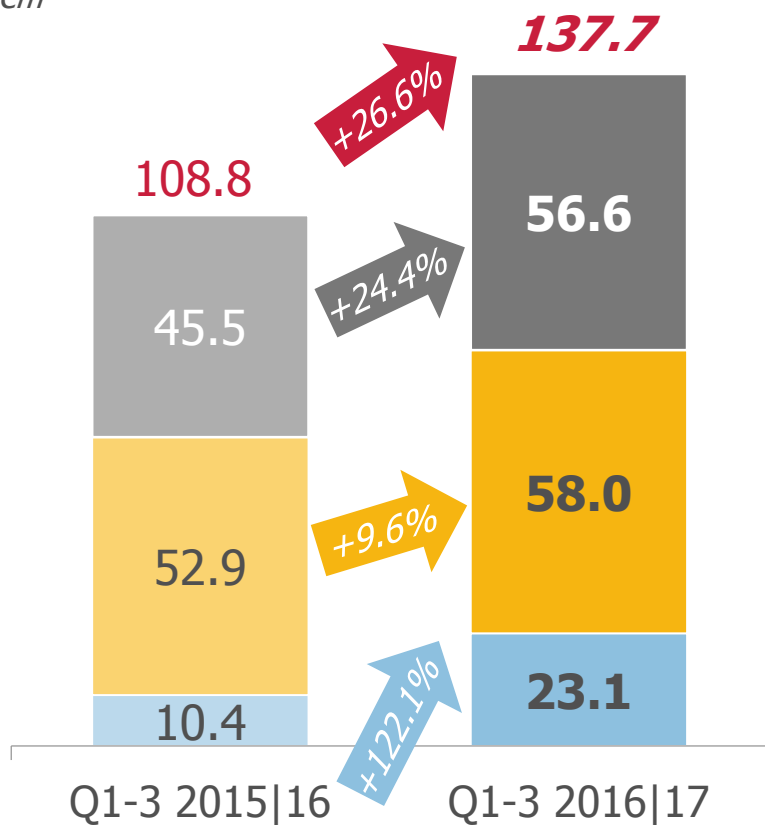
€m





*Q1-3 2016|17 VS PRIOR YEAR*  
***EBIT BY SEGMENT***

€m



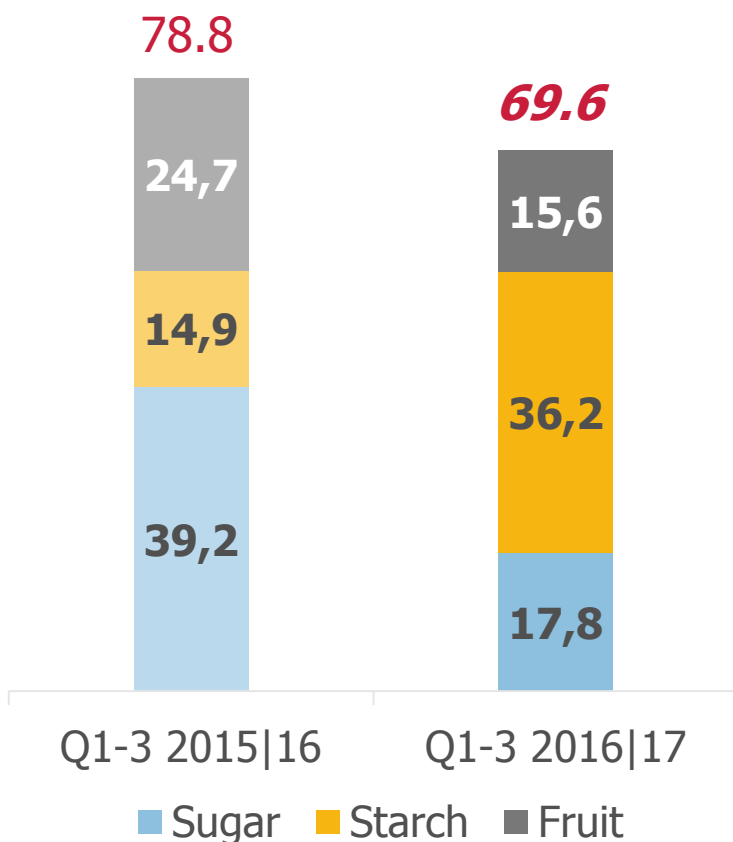


## *MOST IMPORTANT PROJECTS IN THE GROUP*

# *INVESTMENT OVERVIEW*

*Q1-3 2016/17*

€m



*GROUP*

### *SUGAR*

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

### *STARCH*

- Expansion of corn processing in Aschach, Austria
- Expansion of starch saccharification facilities in Aschach
- Construction of a new maltodextrin spray drying plant in Aschach

### *FRUIT*

- Third production line in Lysander, New York, USA
- Installation of a bag-in-box packaging line in Botkins, Ohio, USA
- Installation of a third production line in Mitry-Mory, France



SEGMENT

***SUGAR***



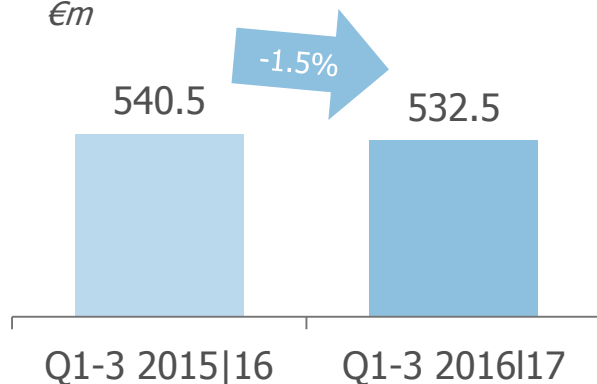


FINANCIAL RESULTS FOR Q1-3 2016|17

## SUGAR SEGMENT

### REVENUE

€m

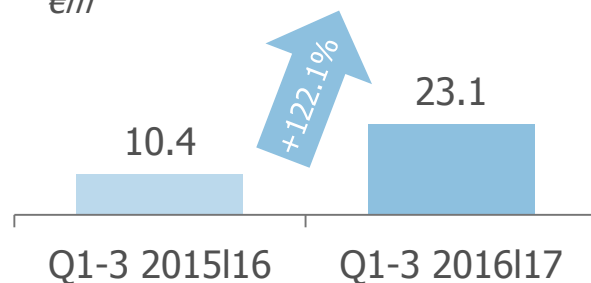


### REVENUE slightly down

- Increased sugar selling prices had a positive effect
- Sugar sales quantities were lower (as a result of lower crops) -> particularly with resellers (retail) and in non-quota sugar sold into the chemical industry
- Revenue from by-products remained steady and that from other products (INSTANTINA, services etc.) was pushed up

### EBIT

€m



### EBIT increased significantly

- Higher EBIT despite negative one-time effects in Romania
- Attributable primarily to significant year-on-year increase in spot sales prices



## SUGAR SEGMENT

### SUGAR



#### ■ World sugar market

- After six consecutive years of growth in global sugar stocks, SMY 2016|17 predicted to be the second sugar marketing year in a row with a **declining year-end balance**
- **Prices in the world sugar market had recovered** strongly since September 2015 -> thanks largely to this world market deficit

#### ■ EU sugar market

- As in the previous SMY, **sugar imports are low**, as a consequence of the high world market prices and relatively low EU prices
- This is also reflected in the Commission's current forecast of **declining closing stocks for the end of SMY 2016 | 17** (30 September 2017)

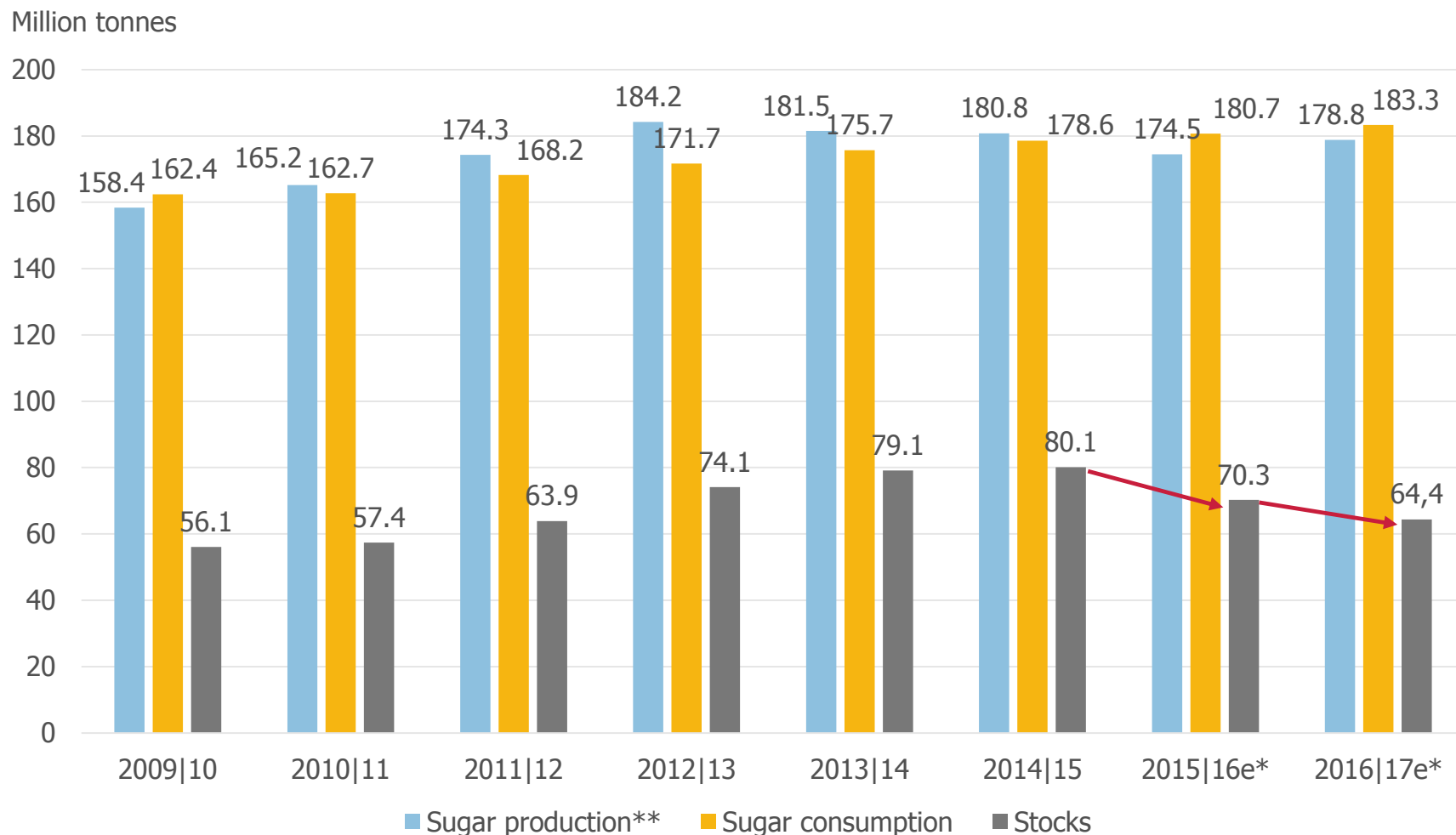
#### ■ EU policy

- After the quota expiration on 30 September 2017 there will continue to be e.g. a **master agreement between the sugar industry and beet producers**, private storage, and scope for measures against market disruptions





# WORLD SUGAR PRODUCTION & CONSUMPTION



Source: F.O. Licht (15 December 2016)

\* Expectation

\*\* Production: October-September



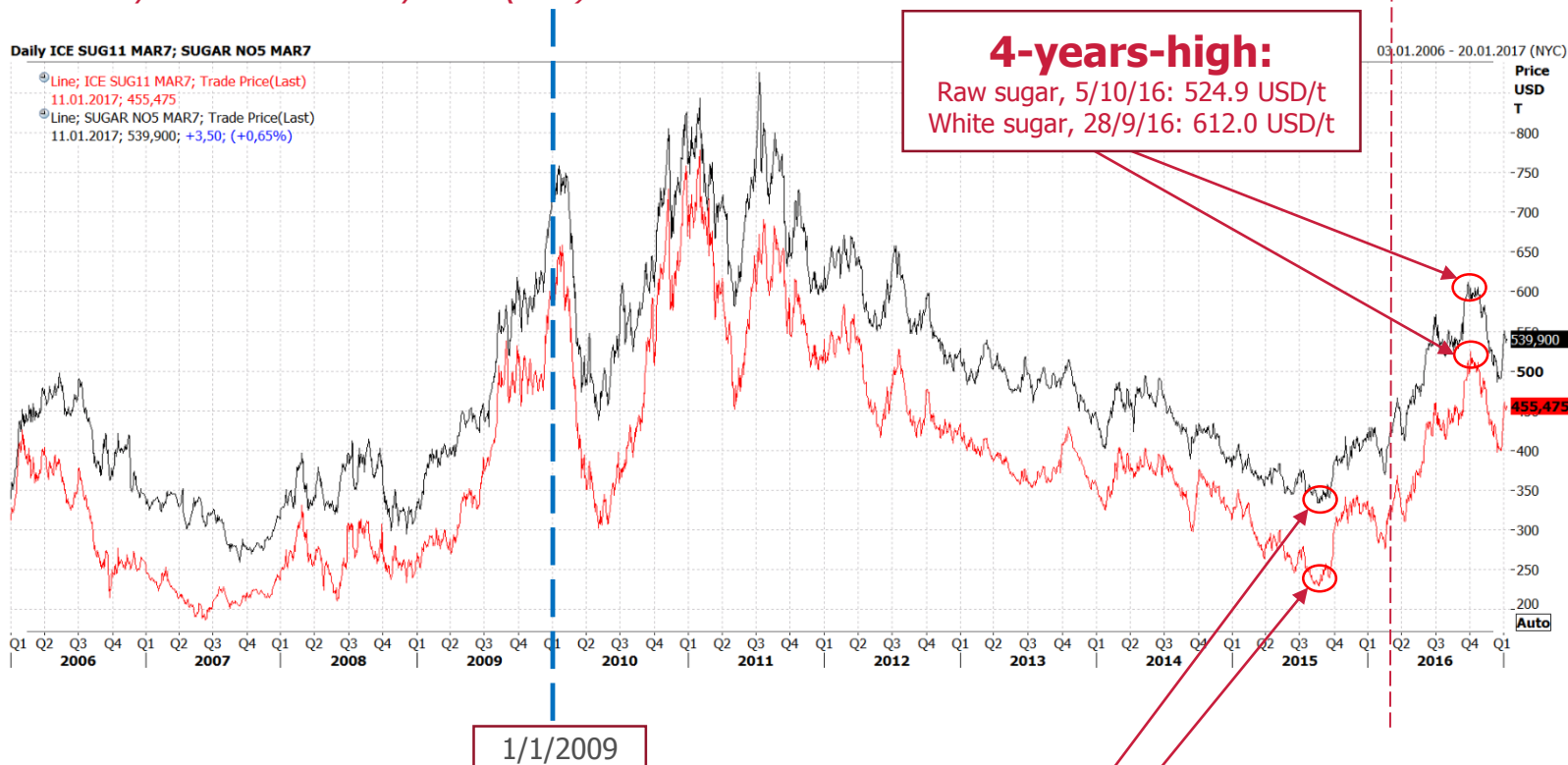
RAW SUGAR & WHITE SUGAR

## SUGAR QUOTATION

1 January 2006 – 11 January 2017 (USD)

Daily ICE SUG11 MAR7; SUGAR NOS MAR7

- Line; ICE SUG11 MAR7; Trade Price(Last)  
11.01.2017; 455,475
- Line; SUGAR NOS MAR7; Trade Price(Last)  
11.01.2017; 539,900; +3,50; (+0,65%)



**4-years-high:**

Raw sugar, 5/10/16: 524.9 USD/t  
White sugar, 28/9/16: 612.0 USD/t

2016/17 FY

03.01.2006 - 20.01.2017 (NYC)

White sugar (LIFFE)

**11 Jan. 2017:**  
539.9 USD/t  
= 510.0 EUR/t

Raw sugar (ICE)

**11 Jan. 2017:**  
455.5 USD/t  
= 430.3 EUR/t

**7-years-low:**

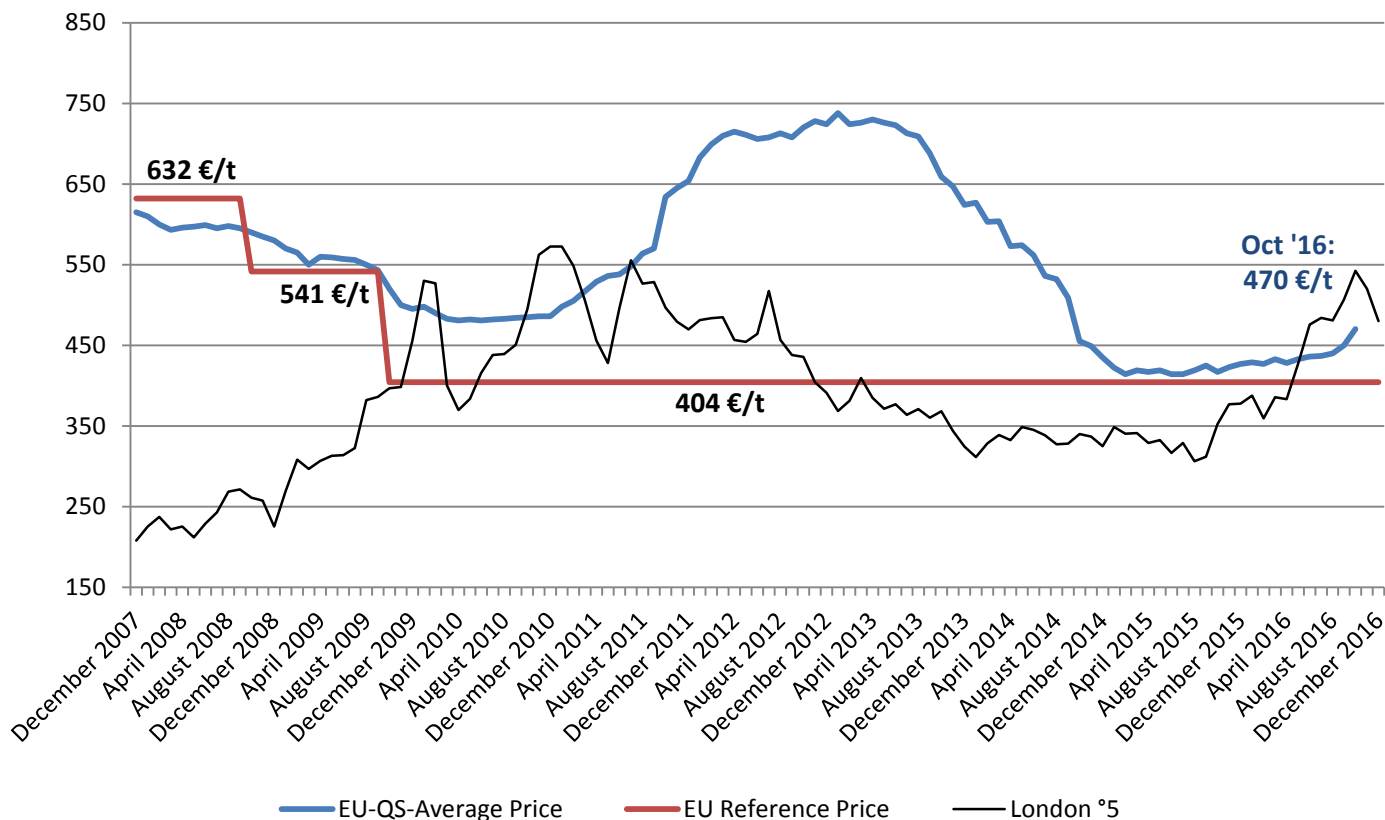
Raw sugar, 24/8/15: 229.1 USD/t  
White sugar, 24/8/15: 333.6 USD/t



SUGAR

## *MONTHLY AVERAGE PRICES*

*(DECEMBER 2007 TO DECEMBER 2016; € 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 22 December 2016) and SugarOnline as of 4 December 2016



SEGMENT

***STARCH***



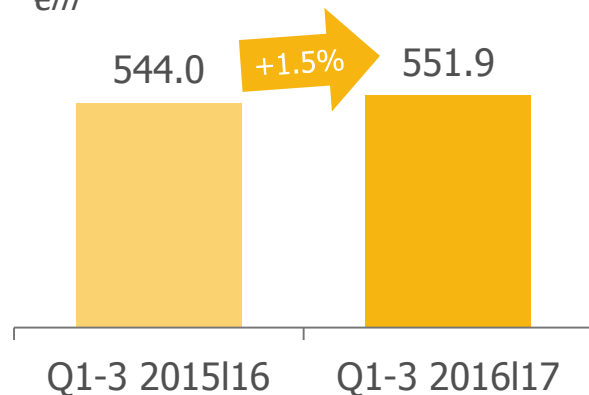


FINANCIAL RESULTS FOR Q1-3 2016|17

## STARCH SEGMENT

### REVENUE

€m

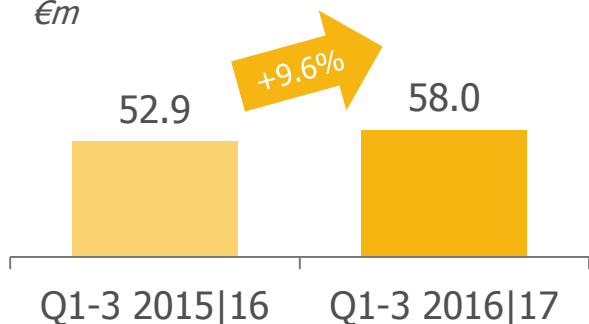


### REVENUE at € 551.9 m slightly above prior year level

- Through productivity increases, higher quantities were produced and sold than in year-ago period
- At the overall segment level, revenue decline in bioethanol resulting from significantly fallen ethanol quotations was more than made up for

### EBIT

€m



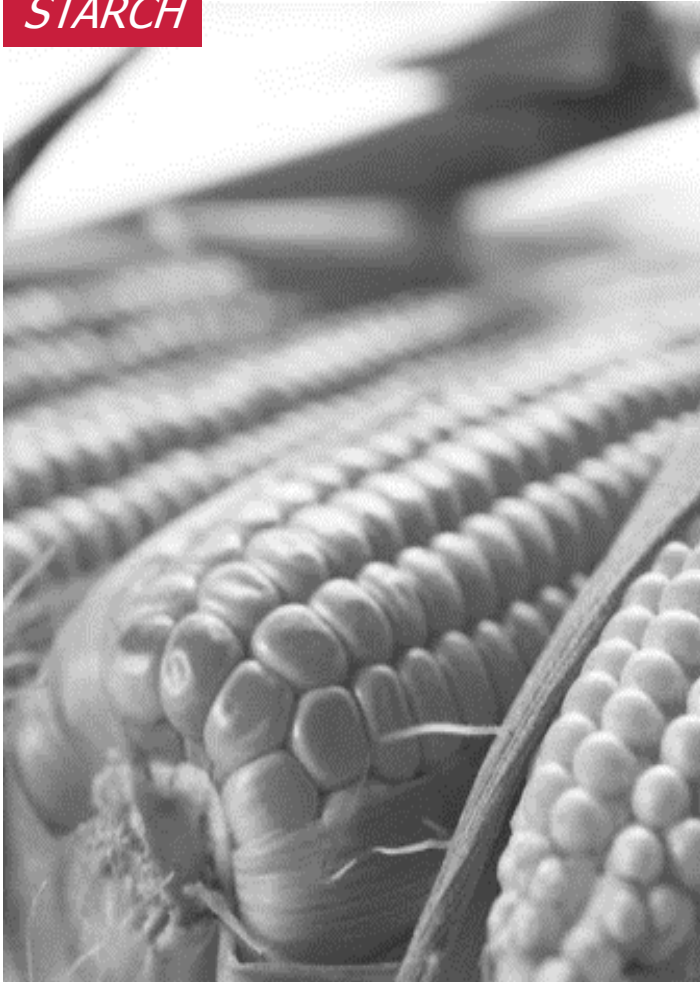
### EBIT moderately up at high level

- Good comparative prior-period result of € 52.9 million was surpassed by 9.6%
- Key factors driving the earnings improvement were lower raw material costs for corn and reduced energy costs
- Equity-accounted subsidiary HUNGRANA was able to raise its earnings contribution



## STARCH SEGMENT

### STARCH

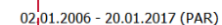


- **Food starch market** was **stable** in terms of sales quantities, prices for native and modified starches moved sideways
- Concerning **starch saccharification** products in general and isoglucose in particular, there is high **competitive pressure** in advance of the liberalisation of the sugar market in October 2017
- The **paper and corrugated board** sector is characterised by **good demand**
- **Bioethanol business:** after a low in early September, prices are recently benefiting from a close correspondence between supply and demand in the EU -> slight increase
  - On balance, volatility should be expected to remain high as a result of the numerous factors influencing bioethanol quotations (supply and demand, US dollar/euro relations, imports, etc.)





2016/17 FY



Line: MAIZE EUR MAR7; Trade Price(Last)  
11.01.2017; 168,75; -0,25; (-0,15%)

Line: M.WHEAT EUR MAR7; Trade Price(Last)  
11.01.2017; 170,00; +0,25; (+0,15%)



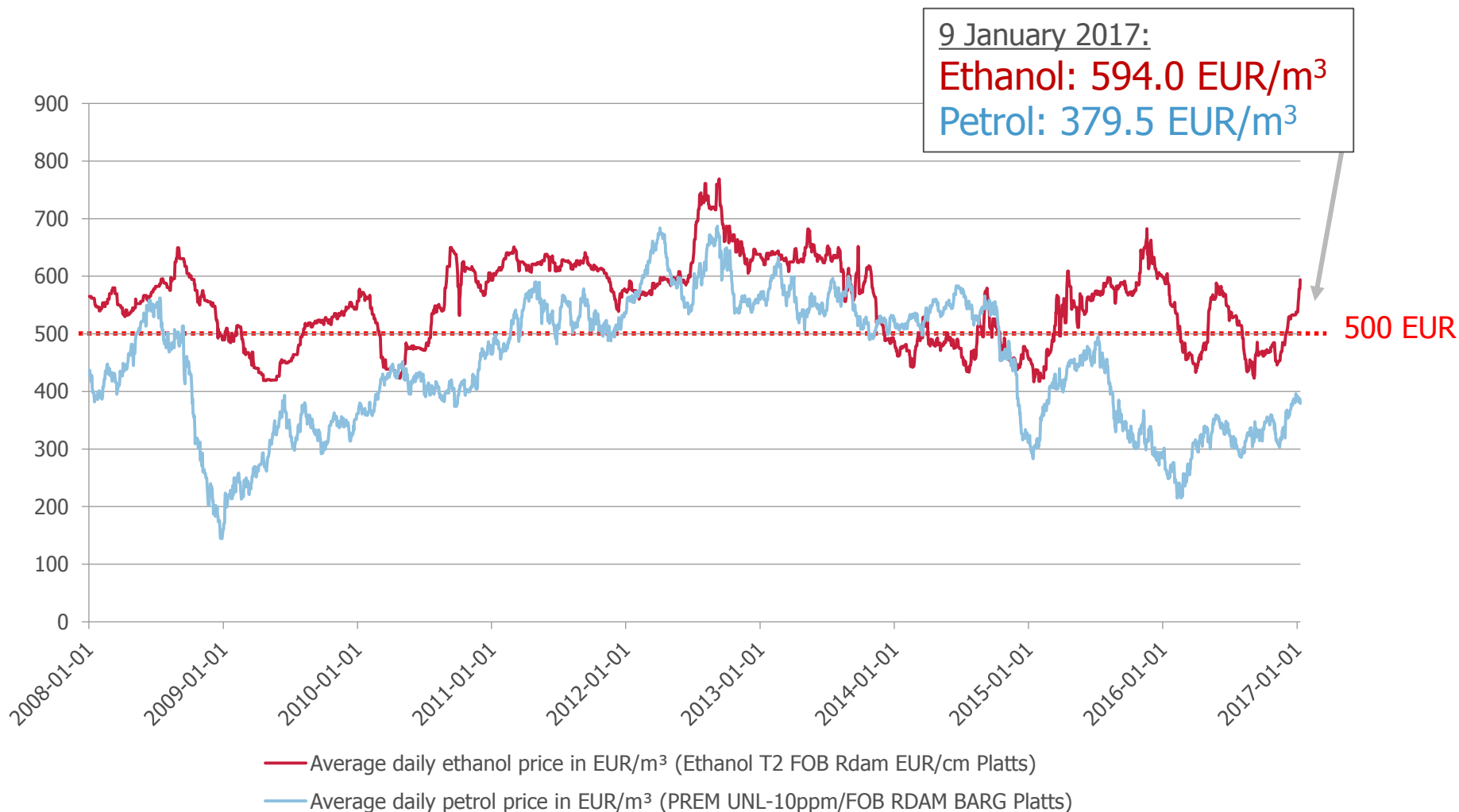
**11 Jan. 2017:**  
170.0 EUR/t

**11 Jan. 2017:**  
168.8 EUR/t



1 JANUARY 2008 – 9 JANUARY 2017 (EUR)

## DEVELOPMENT OF ETHANOL PRICES







SEGMENT

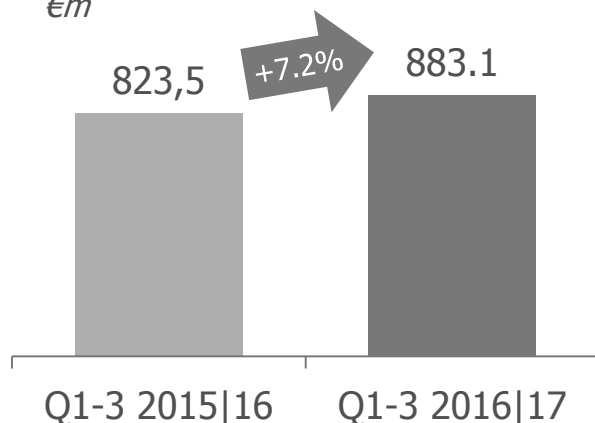
***FRUIT***





## FRUIT SEGMENT

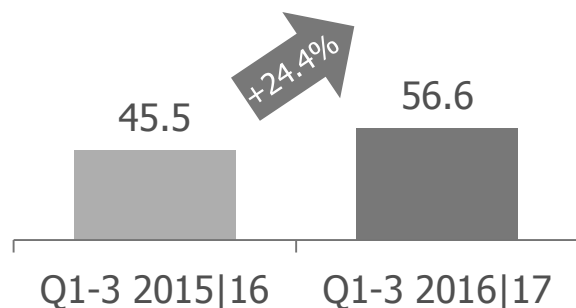
### REVENUE €m



### REVENUE moderately up to € 883.1 million

- Positive trend in sales volumes of fruit preparations counteracted by somewhat reduced selling prices outside the EU -> only slight overall growth in revenue
- Revenue increased significantly in the fruit juice concentrate business on a rise in sales prices both for apple juice concentrates and specialty products

### EBIT €m



### EBIT significantly higher than in prior year

- Significant earnings improvement was driven
  - Above all by the fruit juice concentrate business (due to higher prices for apple juice concentrates and specialties from the 2015 crop)
  - And to some degree by the fruit preparations business (through growth in sales volumes)



## FRUIT SEGMENT

### FRUIT



#### Fruit preparations

- **Markets outside Europe**, especially Asia, but also North Africa and the Middle East, are **growing significantly**
- 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

- **Prices in Europe stabilised** at a **solid level** in the past weeks as a result of a rise in demand coinciding with limited quantities of supply
- For **berry juice concentrates** from the 2016 crop there are currently **no significant** marketing or price **risks**



*Q1-3 2016/17*

# *CONSOLIDATED FINANCIAL STATEMENTS*





# CONSOLIDATED INCOME STATEMENT

€m (condensed)

	<b>Q1-3</b> <b>2016 17</b>	Q1-3 2015 16	<b>Q3</b> <b>2016 17</b>	Q3 2015 16
<b>Revenue</b>	<b>1,967.5</b>	1,908.0	<b>647.2</b>	644.5
EBITDA <sup>1</sup>	<b>183.9</b>	154.1	<b>69.7</b>	61.0
Operating profit before except. items and results of equity-accounted JV	<b>121.6</b>	90.8	<b>43.3</b>	32.8
Share of results of equity-accounted JV	<b>23.7</b>	19.7	<b>8.7</b>	7.7
Exceptional items	<b>(7.6)</b>	(1.7)	<b>(4.7)</b>	(0.4)
<b>EBIT</b>	<b>137.7</b>	108.8	<b>47.3</b>	40.1
<b>EBIT margin</b>	<b>7.0%</b>	5.7%	<b>7.3%</b>	6.2%
Net financial items	<b>(13.3)</b>	(16.3)	<b>(3.0)</b>	(5.1)
Profit before tax	<b>124.4</b>	92.5	<b>44.3</b>	35.0
Income tax expense	<b>(29.2)</b>	(21.6)	<b>(11.7)</b>	(8.0)
<b>Profit for the period</b>	<b>95.2</b>	70.8	<b>32.6</b>	26.9
Attributable to shareholders of the parent	<b>89.3</b>	70.6	<b>29.5</b>	26.9
Earnings per share	<b>€ 6.29</b>	€ 4.97	<b>€ 2.08</b>	€ 1.89

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



## ANALYSIS OF NET FINANCIAL ITEMS

€m	<b>Q1-3 2016 17</b>	Q1-3 2015 16	Change
Net interest expense	<b>(6.9)</b>	(7.7)	+10.4%
Currency translation differences	<b>(0.7)</b>	(6.7)*	+89.6%
Other financial items	<b>(5.7)</b>	(1.9)*	-200.0%
<b>Total</b>	<b>(13.3)</b>	<b>(16.3)</b>	+18.4%

### Change in Currency translation differences:

Improvement compared to prior year, because of gains from foreign currency financing in Brazil, Egypt and Ukraine

### 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><i>Q1-3 2016/17</i></b>	Q1-3 2015 16*	Change
Operating cash flow before changes in working capital	<b>186.8</b>	160.1	+16.7%
Changes in working capital	<b>(7.9)</b>	(106.8)	+92.6%
Total of interest paid/received and tax paid	<b>(25.8)</b>	(40.7)	+36.6%
<b><i>Net cash from operating activities</i></b>	<b>153.1</b>	12.6	+1,115.1%
Net cash (used in) investing activities	<b>(72.4)</b>	(78.7)	+8.0%
Net cash (used in) financing activities	<b>(101.8)</b>	(59.0)	-72.5%
<b><i>Net (decrease) in cash and cash equivalents</i></b>	<b>(21.1)</b>	(125.1)	+83.1%

\* The prior-year data were restated.





## CONSOLIDATED BALANCE SHEET

€m (condensed)	<b>30 Nov. 2016</b>	29 Feb. 2016	Change
Non-current assets	<b>1,063.3</b>	1,027.7	+3.5%
Current assets	<b>1,299.2</b>	1,213.9	+7.0%
Non-current assets held for sale	<b>1.6</b>	1.6	0.0%
<b>Total assets</b>	<b>2,364.1</b>	2,243.2	+5.4%
Equity	<b>1,240.8</b>	1,200.1	+3.4%
Non-current liabilities	<b>260.8</b>	378.7	-31.1%
Current liabilities	<b>862.5</b>	664.4	+29.8%
<b>Total equity and liabilities</b>	<b>2,364.1</b>	2,243.2	+5.4%
Equity ratio	<b>52.5%</b>	53.5%	-1.0pp
Net debt	<b>382.0</b>	405.8	-5.9%
Gearing	<b>30.8%</b>	33.8%	-3.0pp





2016/17

# *OUTLOOK & "NEWS"*





*Q1-3 2016/17*

***"NEWS"***

## **Sunoko acquisition project**

- In June 2016 AGRANA signed a term sheet with the intent of acquiring a majority stake in Sunoko and later initiated the process of approval by the competition authorities
- Serbian company Sunoko d.o.o., Novi Sad, Serbia, is one of the largest beet sugar producers in the Balkans region

## **Fruit expansion in Argentina**

- On 1 December 2016 AGRANA expanded its market presence in South America through the acquisition of 100% of the share capital of Main Process S.A., Buenos Aires, Argentina, a manufacturer of fruit preparations with 175 employees and most recent annual revenue of € 19 million
- Purchase price consists of a fixed base component and an earn-out component

## **Long-term financing**

- In December 2016 AGRANA signed a development loan agreement for € 41.5 million to finance the expansion of the starch activities in Aschach, Austria, and increased the Group's long-term financing through the Südzucker group by € 85 million



*AGRANA GROUP*

## *OUTLOOK FOR 2016/17*

**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, expected at about **€ 126 million** (2015|16: € 116 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 **prior year**
- Improved margins, thanks in part to 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 **slight increase in revenue** projected
- Despite a year-on-year decrease in average bioethanol prices, **EBIT** is expected to show **moderate growth**

### *FRUIT*

Revenue ↑↑  
EBIT ↑↑

- **Fruit segment: significant growth in revenue and EBIT** expected
  - Fruit preparations: volume-driven, moderate increase in revenue; with expected stable raw material prices -> EBIT is projected to decrease moderately compared to 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 (although this revenue outlook may yet be affected by the 2016 harvest)  
-> significant growth in EBIT



*2016/17 AND 2017/18*

## *FINANCIAL CALENDAR*

**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

11 January 2018

Results for first three quarters of 2017|18



## DISCLAIMER

This presentation is being provided to you solely for your information and may not be reproduced or further distributed to any other person or published, in whole or in part, for any purpose. This presentation comprises the written materials/slides for a presentation concerning AGRANA Beteiligungs-AG ("Company") and its business.

This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or investment decision.

This presentation includes forward-looking statements, i.e. statements that are not historical facts, including statements about the Company's beliefs and expectations and the Company's targets for future performance are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore investors should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update publicly any of them in light of new information or future events.

Although care has been taken to ensure that the facts stated in the presentation are accurate, and that the opinions expressed are fair and reasonable, the contents of this presentation have not been verified by the Company no representation or warranty, express or implied, is given by or on behalf of the Company any of its respective directors, or any other person as to the accuracy or completeness of the information or opinions contained in this presentation. Neither the Company nor any of its respective members, organs, representatives or employees or any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

---

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%