



FRUIT  
STARCH  
SUGAR

The natural upgrade

***STRONG AND  
PROFITABLE***

AGRANA Beteiligungs-AG  
**Austrian Conference London**  
Baader Helvea and Wiener Börse

AGRANA 2017/18 Online:  
[reports.agrana.com/en](https://reports.agrana.com/en)

14 June 2018



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- 2 AGRANA share
- 3 (Financial) Highlights & Segment overview 2017|18
- 4 Financial statements 2017|18
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(FINANCIAL)  
HIGHLIGHTS

2017|18

# INTRODUCTION & BUSINESS OVERVIEW





STRATEGIC POSITIONING B2B

# WE ALL CONSUME AGRANA (PRODUCTS)

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...





## 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.

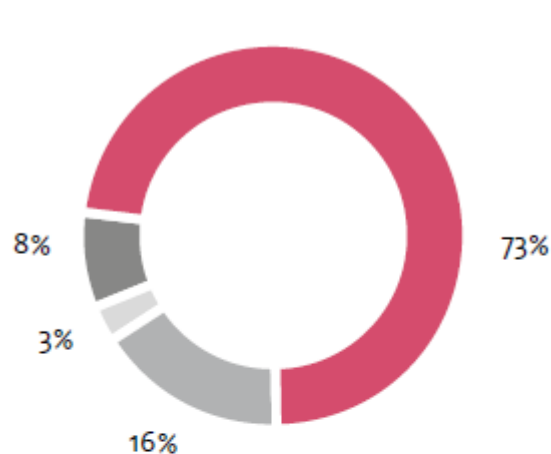


AGRANA PRODUCTS IN DAILY LIFE

# REVENUE BY PRODUCT GROUP (2017|18)

## FRUIT

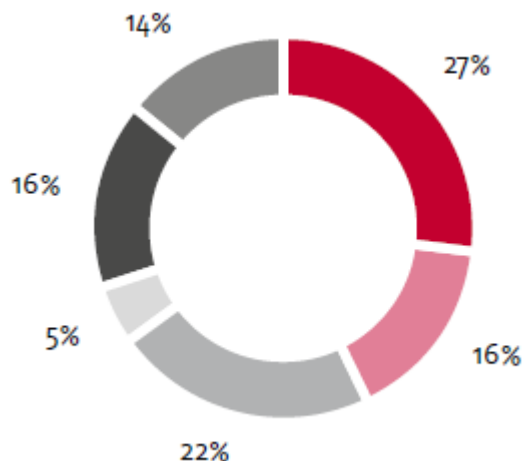
€ 1,161.4 m



- Fruit preparations (dairy and non-dairy)
- Fruit juice concentrates
- Other juice core products (NFC, fruit wine, etc.)
- Other (fruit reselling, frozen fruits, etc.)

## STARCH

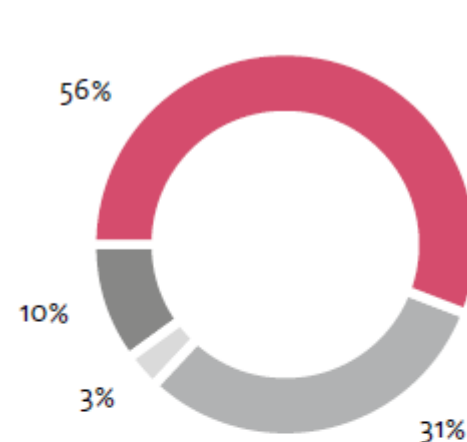
€ 752.3 m



- Native and modified starches
- Saccharification products
- Alcohol and ethanol
- Other core products (dairy and instant products, long-life potato products, etc.)
- By-products (protein products, DDGS, etc.)
- Others (soy, dried beet pulp, etc.)

## SUGAR

€ 652.6 m



- Sugar: Industrial customers
- Sugar: Resellers
- By-products (molasses, beet pulp, etc.)
- Others (products of INSTANTINA, seed, services, etc.)



## 2017|18 OVERVIEW

- Revenue: € 2,566.3 m (prior year: € 2,561.3 m)
- EBIT: € 190.6 m (prior year: € 172.4 m)
- EBIT margin: 7.4% (prior year: 6.7%)
- All segments contributed to the EBIT growth
- New starch capacity in Aschach, Austria, successfully brought on-stream
- Fruit segment invests where the global growth is, with various projects including facility expansions
- Dividend proposal of € 4.50 per share



~8,700

Employees (FTEs)  
as of 28 Feb. 2018



58  
Production  
sites  
as of 31 May 2018



€ ~2.6 billion

Group revenue  
in 2017|18 FY



Leading  
**SUGAR**  
SUPPLIER  
in Central, Eastern &  
Southeastern Europe



Major European  
manufacturer  
of customised  
**STARCH**  
PRODUCTS and  
bioethanol



World market leader  
in the production of  
**FRUIT**  
PREPARATIONS  
and largest  
manufacturer of  
fruit juice concentrates  
in Europe



58 PRODUCTION SITES WORLDWIDE

## SEGMENTATION BY SEGMENT

### SUGAR

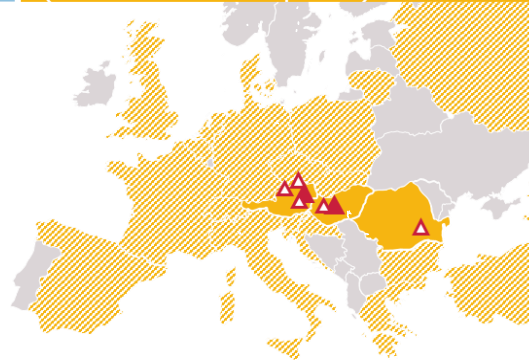
7 sugar beet plants  
2 raw sugar refineries & Instantina plant



- Countries with plants
- Other markets
- Beet sugar plants
- Raw sugar refinery
- Distribution centre
- \* Also with refining activities

### STARCH

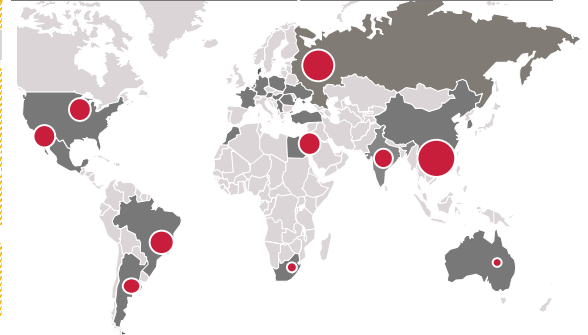
5 starch plants  
(incl. 2 bioethanol plants)



- Countries with production sites
- Main markets
- Starch plants
- Bioethanol plants

### FRUIT

28 fruit preparation plants and  
15 fruit concentrate plants

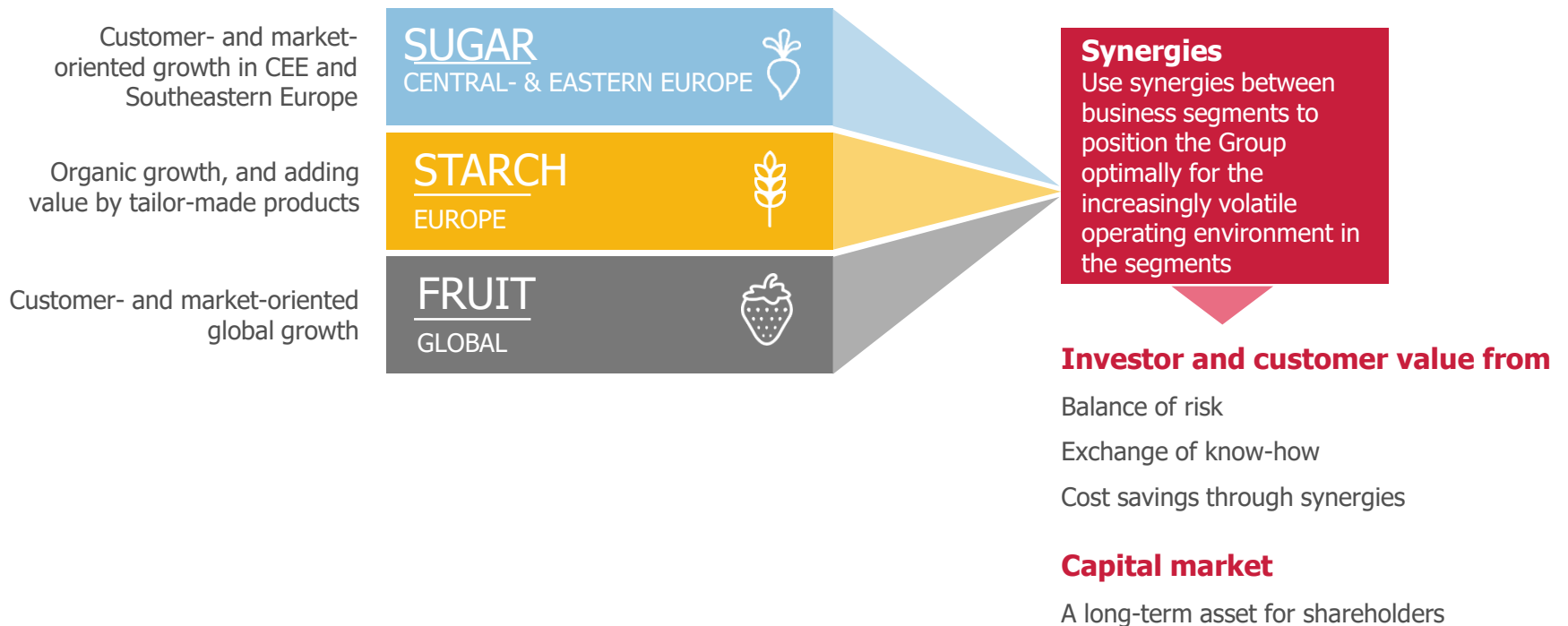


- Countries with production sites
- Potential growth regions





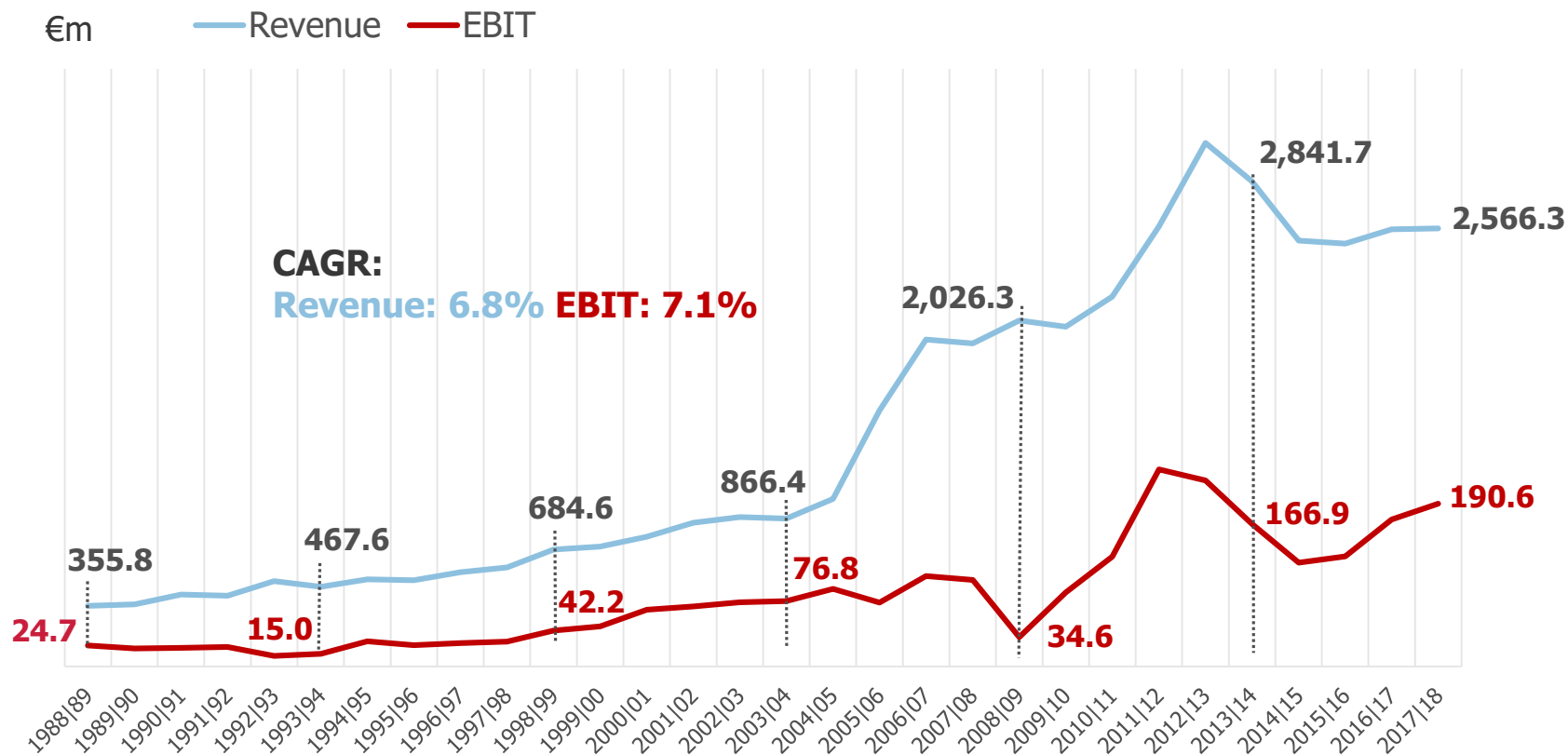
# GROWTH BY STRATEGY





SINCE 1988

# SOLID ECONOMIC GROWTH





AGRANA  
SHARE





2017|18

# AGRANA SHARE

AGRANA SHARE DATA		2017   18	2016   17
Closing price YE	€	99.10	106.00
High	€	115.80	126.20
Low	€	92.32	78.80
Book value per share YE	€	89.43	86.39
EPS	€	8.97	7.13
P/E ratio YE		11.05	14.87
Dividend	€	4.50*	4.00
Dividend yield	%	4.54*	3.77
Number of shares YE	000	15,622.2	15,622.2
Closing market capitalisation YE	€m	1,548.2	1,656.0
Av. daily traded volume*		19,331	6,401
Av. daily traded value*	€000	2,015	666.5

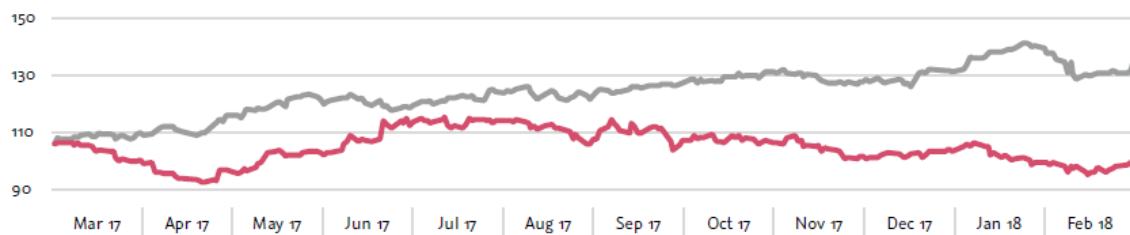
\*Based on double counting, as published by the Vienna Stock Exchange.

\*\*Dividend proposal to the AGM (to be held on 6 July 2018).

**Performance**  
**(1/3/2017 – 28/02/2018):**  
**AGRANA -6.5% (closing: 99.10)**  
**ATX +26.6% (closing: 3,476.04)**

AGRANA share performance in 2017|18

€



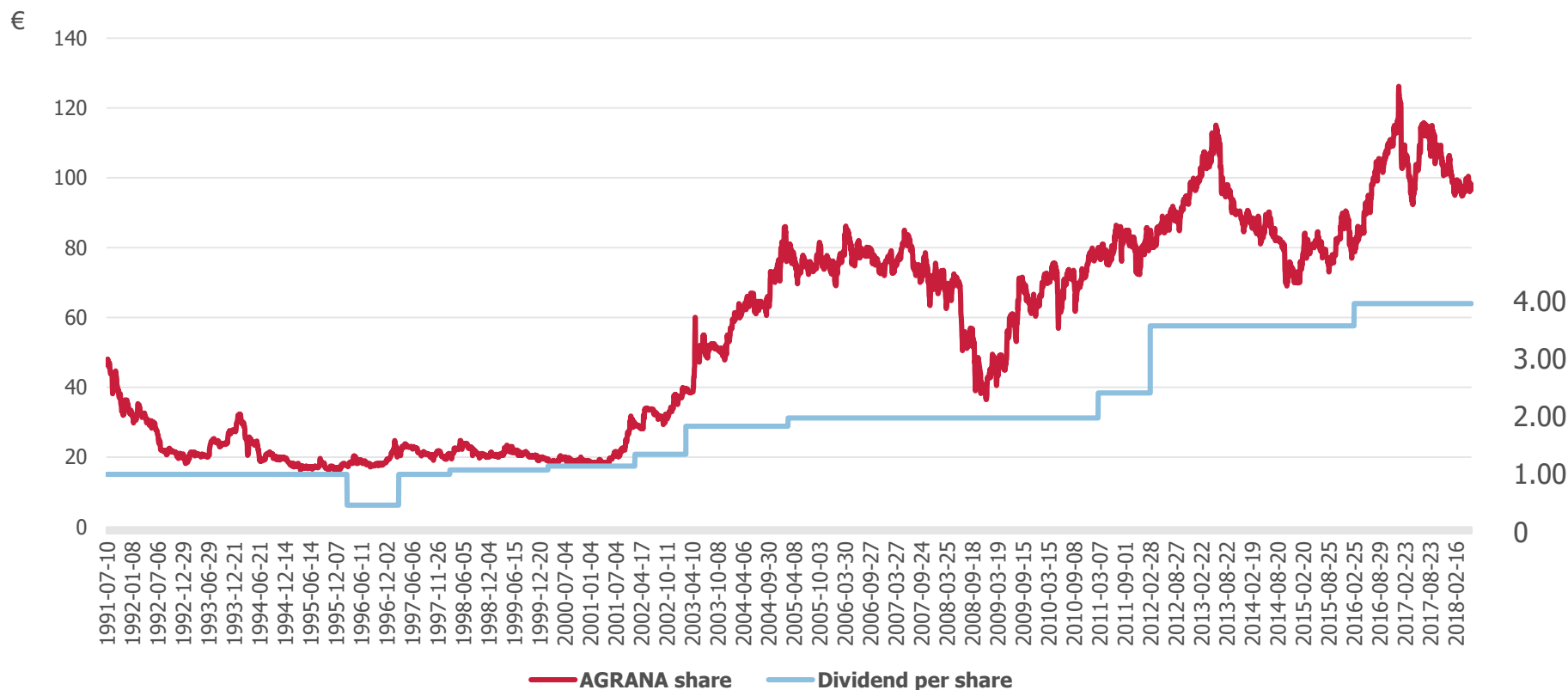
■ AGRANA  
 ■ ATX indexed to AGRANA



LISTED AT THE VIENNA STOCK EXCHANGE SINCE 1991

## STEADY DIVIDEND POLICY

Performance (10 July 1991 – 12 June 2018): **AGRANA +108.3% (last: € 96.90)**

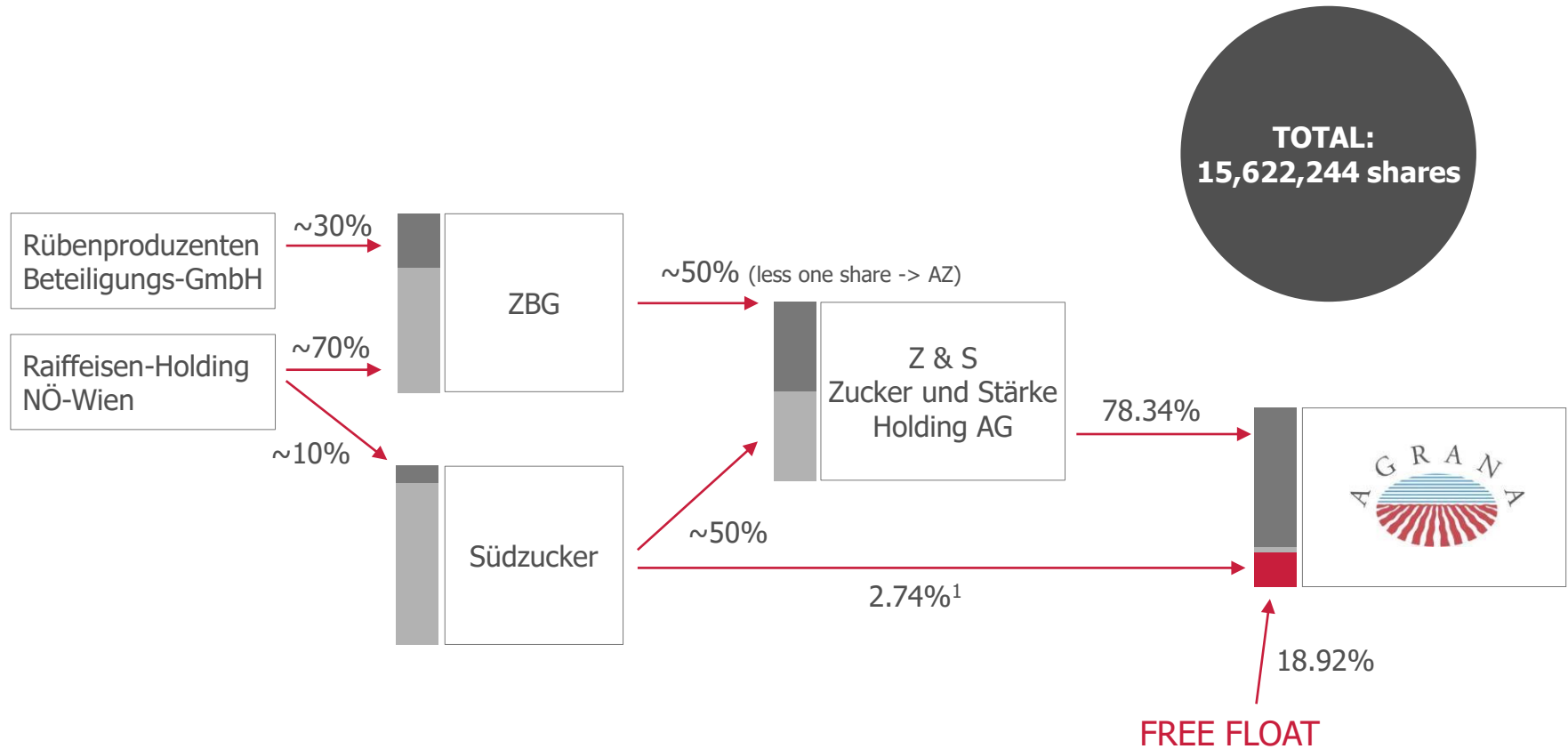


**Dividend proposal** for 2017|18: **€ 4.50** per share



## CURRENT STATUS

# SHAREHOLDER STRUCTURE



<sup>1</sup> directly held by Südzucker



2017|18

# SEGMENT OVERVIEW

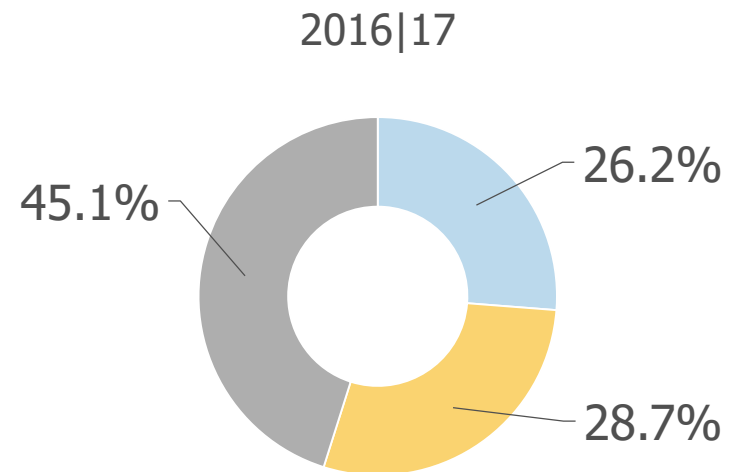
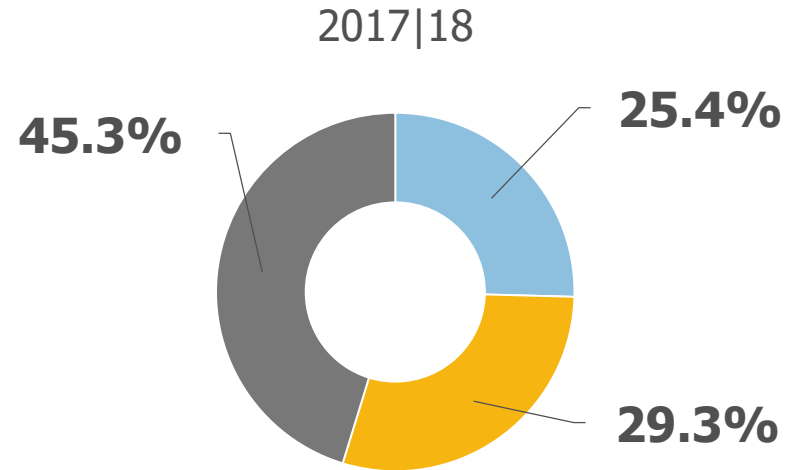
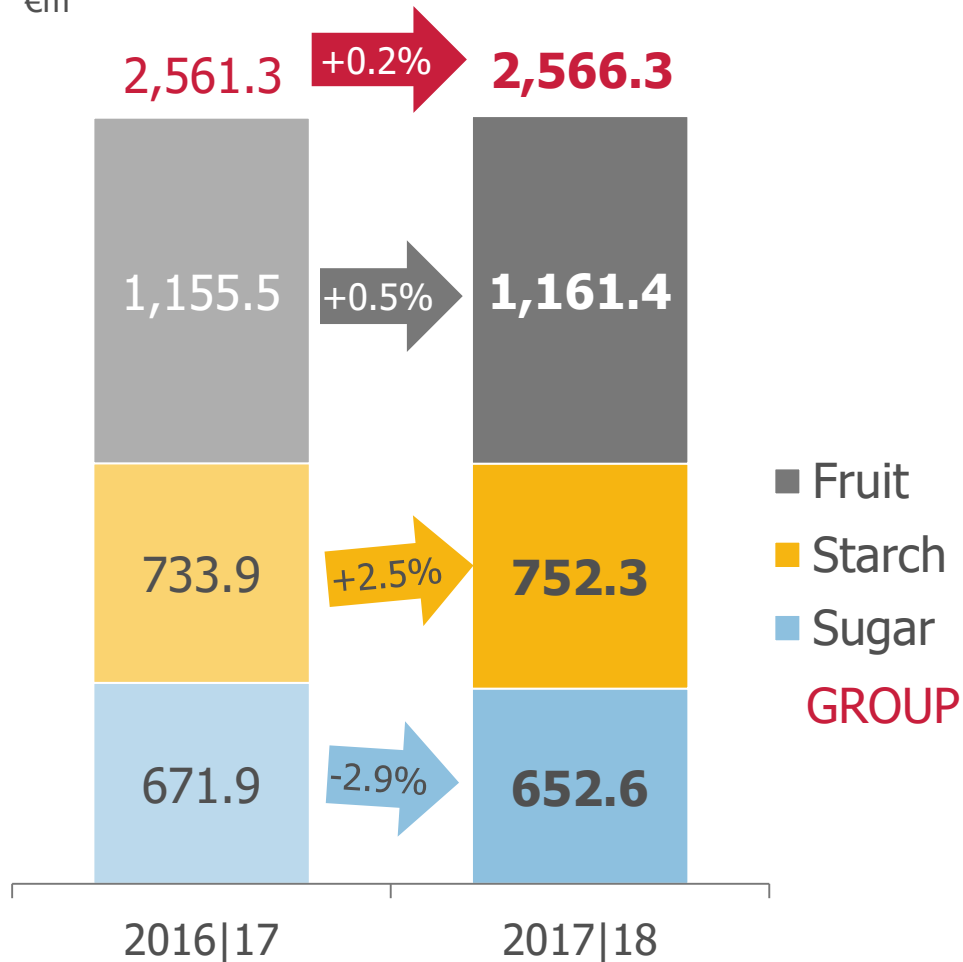




2017|18 VS PRIOR YEAR

## REVENUE BY SEGMENT

€m

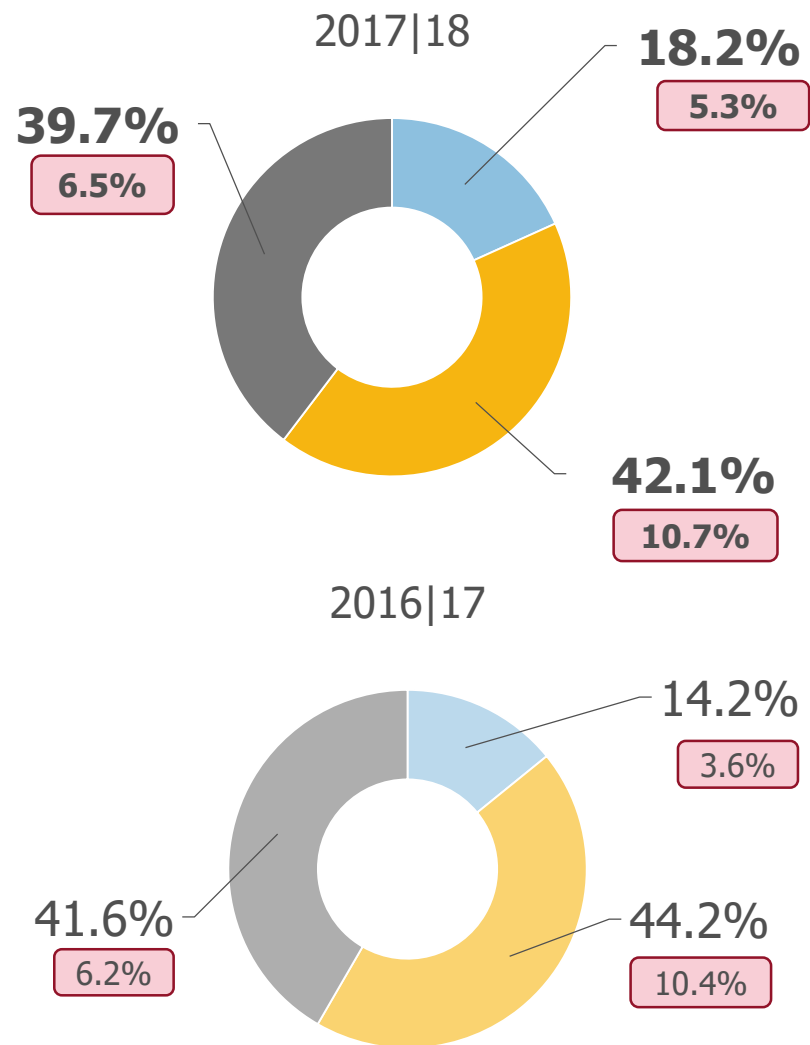
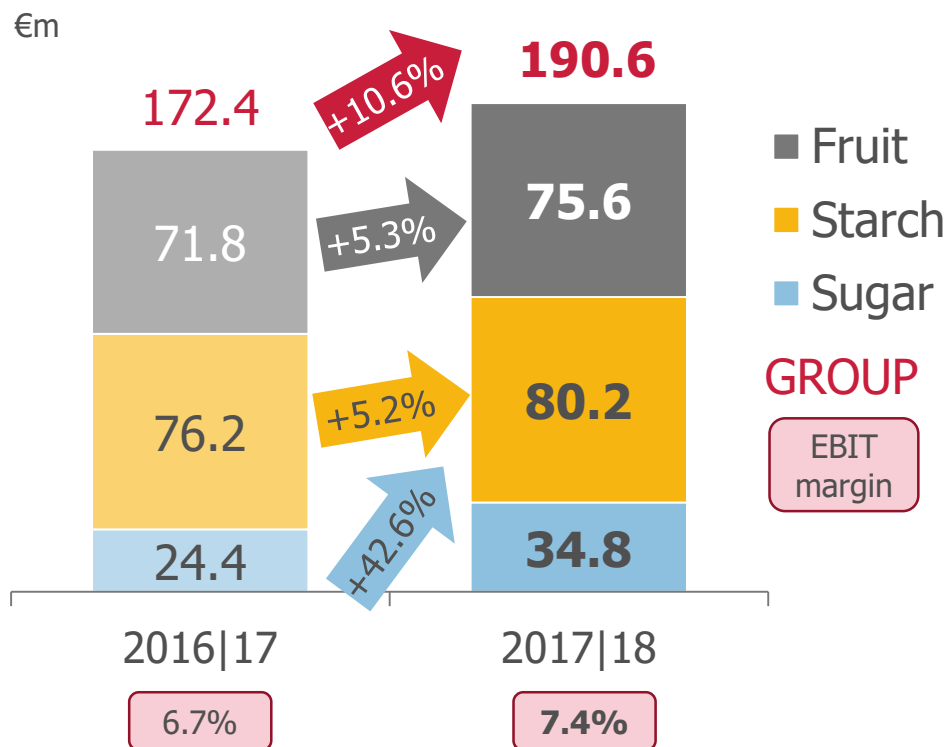






2017|18 VS PRIOR YEAR

## EBIT BY SEGMENT

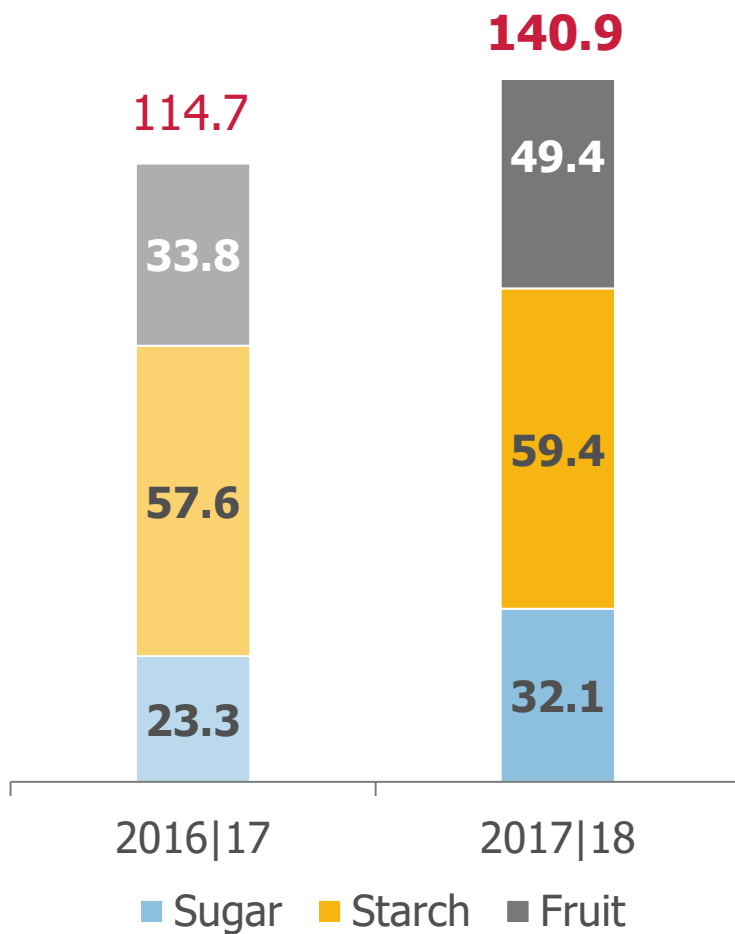




## MOST IMPORTANT PROJECTS IN THE GROUP

# INVESTMENT OVERVIEW

€m



**GROUP**

**2017|18**

### FRUIT

- Various projects across all 42 production sites (including the construction start of the second fruit preparations plant in China and a new carrot concentrate production line in Hungary)

### STARCH

- Expansion of corn processing in Aschach, Austria
- Enlargement of starch saccharification facilities in Aschach
- Construction and commissioning of a new spray drying plant in Aschach
- Increase of potato processing capacity (new potato starch dryer) in Gmünd, Austria
- Installation of potato fibre dryer in Gmünd
- Start of the project to expand the wheat starch plant in Pischelsdorf, Austria

### SUGAR

- Sugar drying in Leopoldsdorf, Austria
- Replacement of two beet diffusers in Tulln, Austria
- Optimisation of the cooling crystallisation in Sered', Slovakia



## SEGMENT FRUIT



# FRUIT SEGMENT - BUSINESS MODEL

## FRUIT PREPARATIONS

- Based on mostly frozen fruits
- Tailor-made customer products (several thousand recipes worldwide)
- Customers: dairy, bakery and ice cream industry
- Shelf life of the fruit preparation ~6 weeks -> necessity to produce regionally



## FRUIT JUICE CONCENTRATES

- Based on fresh fruits
- Production in the growing area of the fruits (water content and quality of the fruits don't allow far transports)
- Customers: bottling industry
- Shelf life of fruit juice concentrates ~2 years -> can be shipped around the world



# FRUIT PREPARATION – WHAT IS IT ABOUT?

## FRUIT



... most important ingredient of fruit preparations

- Frozen (IQF or block)
- Aseptic
- Purees
- Concentrates

## SUGAR



... sweetens and supports taste and durability

- Crystal sugar
- Liquid sugar (syrup)
- Other sweeteners

## FRUIT PREPARATIONS



optional flavours and colours for an even fruitier taste and an intense colour

## THICKENERS

- create a good mouth-feel and prevent emulsions
- Pectins
- Starch
- Guar flour...



FRUIT SEGMENT

## MARKET POSITION

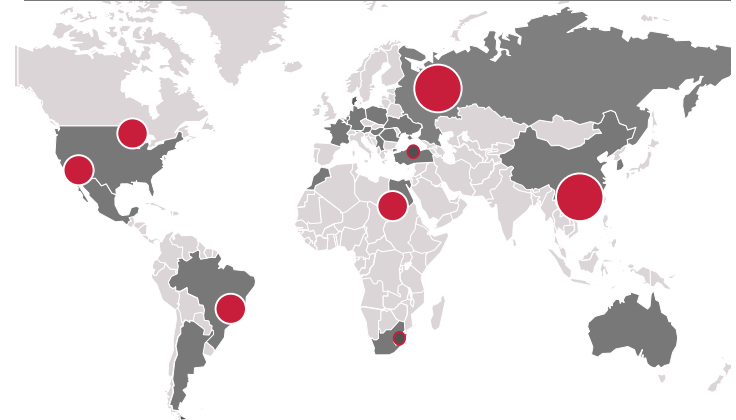
### FRUIT PREPARATIONS

- World Market Leader in Fruit preparations global market share > 30%
- The emerging markets are overall showing good market growth rates, while the market's sales volumes of fruit preparations in Europe and the US are stagnating at a high absolute level

### FRUIT JUICE CONCENTRATES

- Largest producer of fruit juice concentrates in Europe (AUSTRIA JUICE)
- In general, optimisation measures taken in previous years show their positive effects
- Customer portfolio extended and new markets

28 FRUIT PREPARATION PLANTS &  
15 FRUIT JUICE CONCENTRATE PLANTS



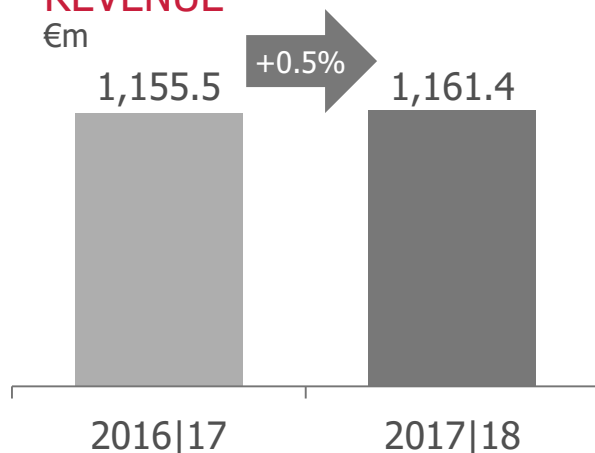
■ Countries with production sites  
● Potential growth regions



## FRUIT SEGMENT

### REVENUE

€m

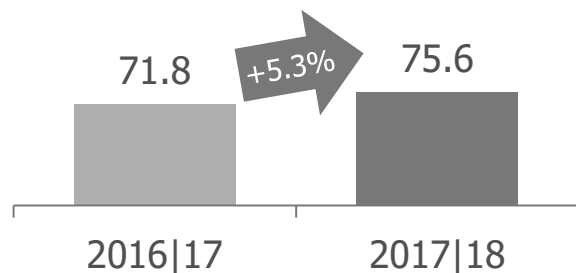


### REVENUE stable at € 1,161.4 million

- Fruit segment revenue in 2017|18 very close to previous year
- Fruit preparations: small increase in sales volumes together with stable selling prices added up to slight revenue growth
- Fruit juice concentrates: revenue decreased slightly as a result of lower concentrate prices for product from the 2016 crop compared to 2015

### EBIT

€m



### EBIT moderately higher than in prior year

- Fruit preparations activities generated significant earnings growth; significant EBIT improvements were achieved especially in Europe, Latin America and the Asia/Australia regions
- EBIT in the fruit juice concentrate business declined significantly as a result of underutilised capacity in the third quarter amid lower availability of apples



## PROJECTS CONCLUDED IN THE FRUIT SEGMENT

# ARGENTINA & INDIA

- **Integration of the Argentine company Main Process S.A. completed** and fruit preparations production in Argentina now concentrated at this new site (Bella Vista)
- Synergy effects in Argentina are expected to contribute to the future AGRANA Fruit EBIT improvement



- The company in India founded in the prior year launched **sales of purees** in 2017|18
- In addition to the existing production of mango puree, AGRANA Fruit India **will start production of fruit preparations** in June 2018





## FRUIT SEGMENT

### Fruit preparations

- Global market for spoonable fruit yoghurts (which is relevant to the fruit preparations business) is to grow at an average annual rate of 0.6% to 2021<sup>(1)</sup>
  - Major markets such as Europe and North America are saturated
  - Positive sales volume trends are seen in Asia-Pacific and some parts of Africa<sup>(1)</sup>
- Drinkable yoghurts are projected to have significantly higher growth of 7.4% over the same period<sup>(1)</sup>
- The global market for bakery and ice-cream is forecasted to continue the growth
- The development of new products is influenced by key trends like naturalness, locally inspired flavours and seasonal products

### Fruit juice concentrates

- Concentrate business remains marked by the trends both towards lower fruit content in beverages and towards not-from-concentrate 100% juices
- Rising demand for beverage compounds with a reduced fruit juice content
- Sales of apple juice concentrate for the production of cider remain stable and cider consumption is growing globally
- Low crop volumes in the major apple production regions led to higher prices of concentrate from the 2017 apple campaign

<sup>(1)</sup> Euromonitor data



## SEGMENT STARCH





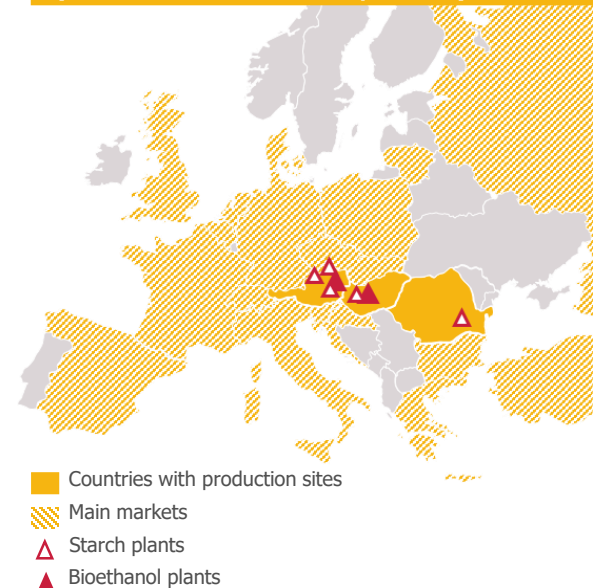
STARCH SEGMENT

## MARKET POSITION

- Austrian production sites:
  - **Potato** starch factory in Gmünd
  - **Corn** starch plant in Aschach
  - **Wheat** starch & bioethanol plant in Pischelsdorf
- Operational management and coordination of international holdings in Hungary and Romania
- The bioethanol business also forms part of the Starch segment
- 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

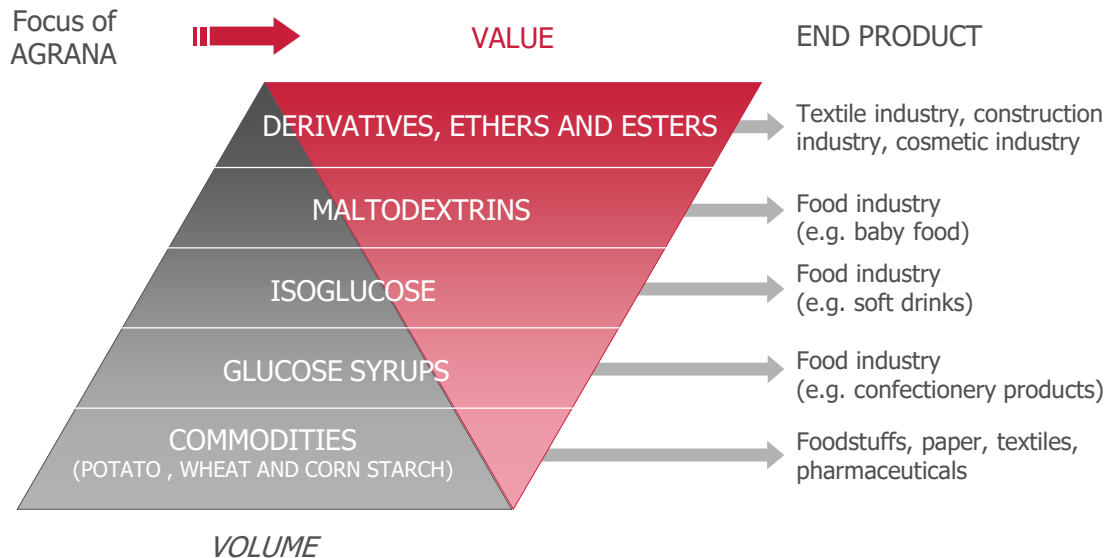
5 starch plants  
(incl. 2 bioethanol plants)





STARCH SEGMENT

# SPECIALISATION STRATEGY



## FOOD

- Growth in products from special raw materials (market leadership)
- Growth in starch derivatives for fruit preparations
- Growth in „high care“-starches

## NON-FOOD

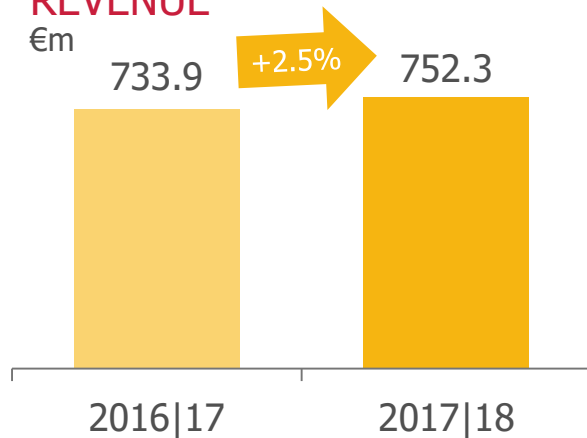
- Growth in (special applications for) paper, textile & cardboard industry
- Innovation and market leadership in
  - Special applications for construction industry
  - Adhesive (sack adhesive)
- Growth in cosmetics industry



## STARCH SEGMENT

### REVENUE

€m

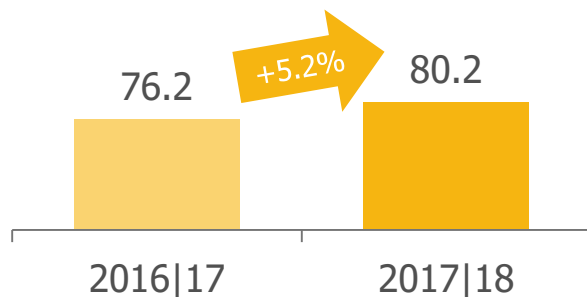


### REVENUE at € 752.3 m slightly above prior year

- Key positive drivers were higher sales volumes of starches (particularly organic and specialty grades) and saccharification products
- Higher bioethanol prices in the first nine months
- Decrease of feedstuffs volumes caused a moderate reduction in by-product revenue compared to the prior year, despite higher in-house production

### EBIT

€m



### EBIT moderately up to € 80.2 million

- Raw material prices were in line with the previous year
- While start-up costs for the commissioning of the facility expansion in Aschach, Austria, negatively impacted earnings, lower energy prices and higher annual average ethanol quotations allowed EBIT improvements to be achieved
- As well, there was a moderate increase in the profit contribution from the equity-accounted HUNGRANA facility, due largely to the year-on-year increase in sales prices of bioethanol





PROJECTS CONCLUDED IN 2017|18

## CORN STARCH CAPACITY INCREASE

- Expansion project in Aschach|Austria **completed successfully**
- Expansion in the fields of wet corn grinding process, waxy corn derivatisation and spraying capacity for maltodextrin production
- Full utilisation of the additional corn grinding capacity will have a positive impact for the revenue development of the Starch segment in 2018|19

- Total investment: **€ 80 m**
- **Capacity increase: +30%**  
-> 540,000 tonnes
- 25 new jobs





## STARCH SEGMENT

- **Food starch** segment steady in terms of sales quantities; prices for native and modified starch products moved higher
- **Non-food starches** -> positive development mainly driven by higher demand from the paper and corrugated board industry; the steady growth of the online mail order market stimulates consumption of corrugated board and container board
- European market for **potato starch** is saturated; Latin America and Asia regions are becoming attractive export destinations
- Environment for starch-based **saccharification products**, especially the isoglucose business, influenced mainly by the development of the sugar market and sugar prices
- European market for **bioethanol** remained volatile in the 2017|18 financial year; after months of close correlation between supply and demand in the EU market and firm prices, a significantly lower price range established since the beginning of October 2017
- In **by-products**, prices of high-protein products maintained a firm trend; vital wheat gluten in particular showed an upward movement in prices



## WHEAT & CORN (EURONEXT, PARIS)

# COMMODITY PRICES

1 January 2006 – 13 June 2018 (EUR)

Daily MAIZE EUR AUG8; M.WHEAT EUR SEP8



Wheat (Paris)

**13 June 2018:**  
181.3 EUR/t

Corn (Paris)

**13 June 2018:**  
168.3 EUR/t



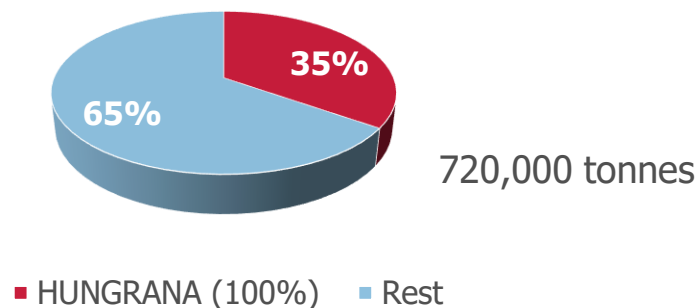


## ISOGLUCOSE MARKET IN THE EU

As of 1<sup>st</sup> of October 2017 also the quotas for isoglucose were abolished, which means new **growth potential** for AGRANA.

**Before**, AGRANA held 125,000 tonnes (->> HUNGRANA: 250,000 tonnes).

**Former** isoglucose quota of the EU-28  $\sim < 5\%$  of sugar consumption



**Higher market share** of isoglucose in the mid and longer term expected.



# 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)

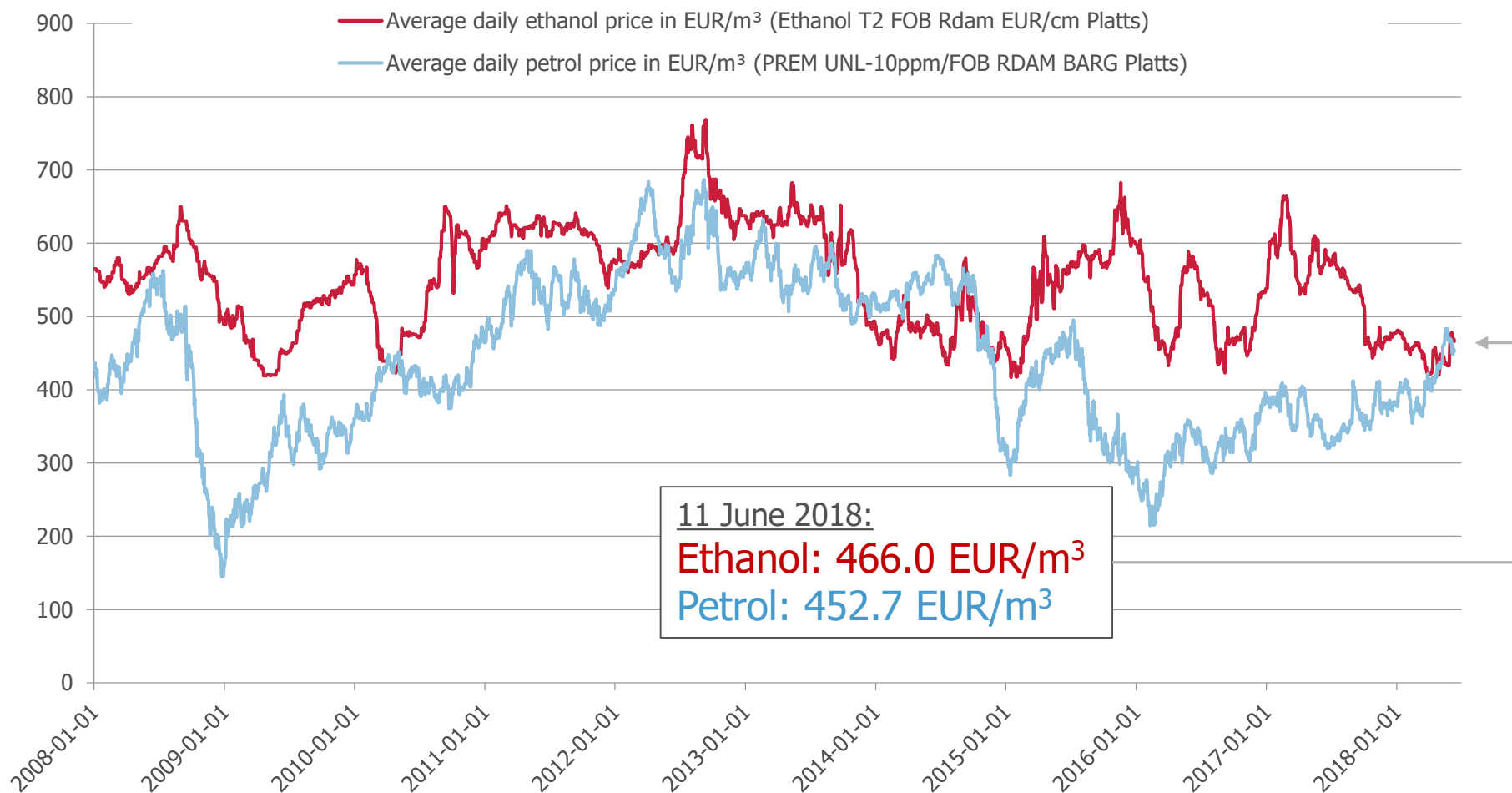
- Investment volume: ~ € 100 m (50% share held by AGRANA: ~ € 50 m)
  - for grind increase from 1,500 to 3,000 tonnes/day
  - for isoglucose capacity increase due to quota increase
  - for bioethanol expansion
- Capacity: up to 187,000 m<sup>3</sup>
- Conclusion of expansion programme: July 2008
- Raw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





1 JANUARY 2008 – 11 JUNE 2018 (EUR)

# ETHANOL AND PETROL PRICES



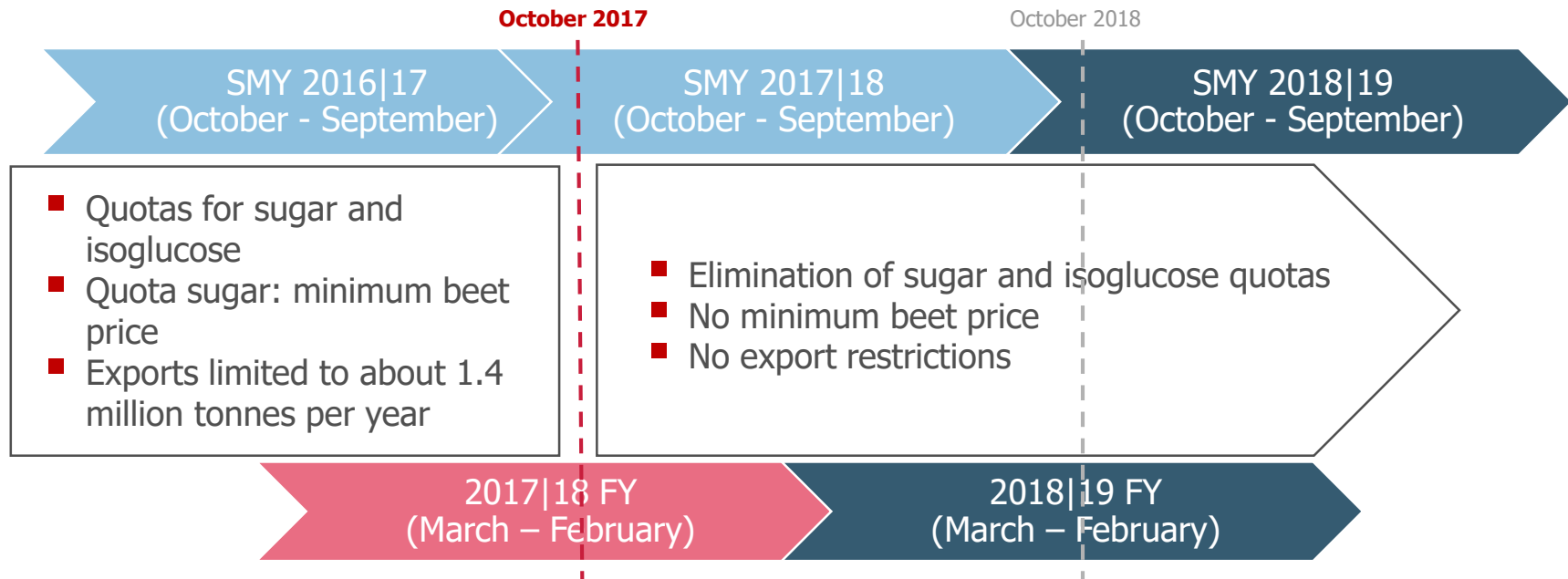


SEGMENT  
**SUGAR**





# MARKET STRUCTURE SINCE OCTOBER 2017



AGRANA FY always influenced by two sugar marketing years:

- Production volumes with and without quota
- Prices from quota and post quota time
- EU's structural change from net importer to net exporter

## Border protection: unchanged

Import duty from non-preferential countries  
Preferential agreements with LDC-/ACP- and other countries



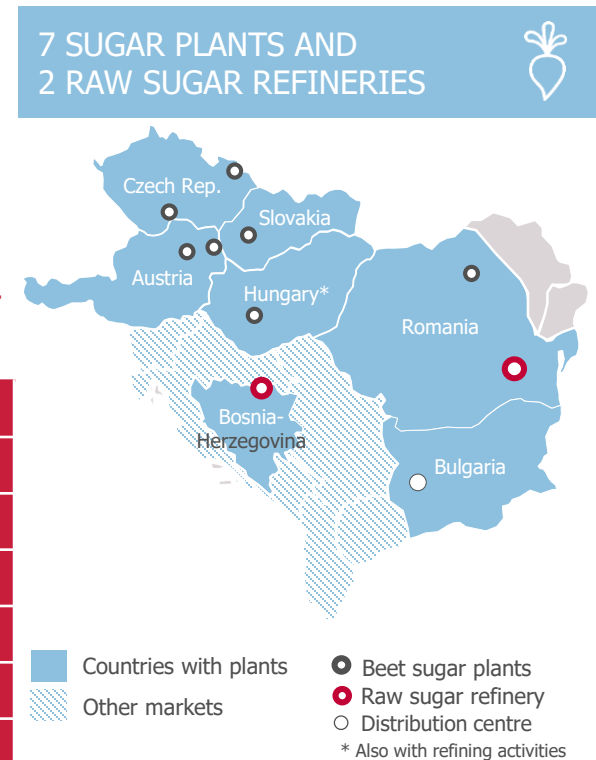


BENEFIT FROM THE STRONG MARKET POSITION IN CEE AND SEE

## AGRANA SUGAR AFTER THE END OF QUOTAS

- 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
  - Defend and extend existing market share in CEE
- AGRANA has established **long-term relationships** with key sugar producers in the LDCs and ACPs (duty-free-imports)
- Uncertain market development requires **continuous flexibility**
- High volatility** expected

	MARKET POSITION
Austria	#1
Hungary	#1
Czech Republic	#2
Slovakia	#2
Romania	n/a
Bosnia and Herzegovina	n/a
Bulgaria	n/a

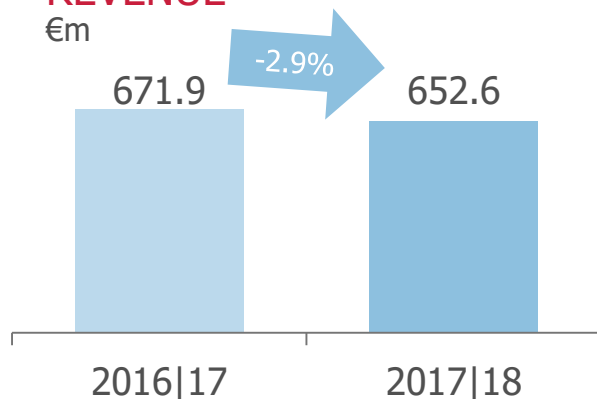




## SUGAR SEGMENT

### REVENUE

€m

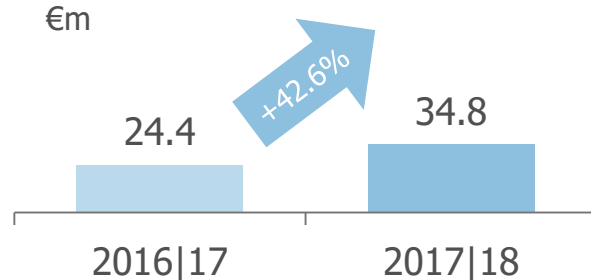


### REVENUE slightly down at € 652.6 million

- Decrease resulted in part from a slight reduction in average sugar selling prices for the year (since the new 2017|18 SMY prices dropped both for retail sugar and for sugar sold to industrial customers)
- Revenue from by-products rose moderately, driven primarily by higher sales volume of dried beet pulp

### EBIT

€m



### EBIT increased significantly to € 34.8 million

- EBIT benefited in the first six months from an environment of higher sales price compared to the year-earlier period
- Since the financial third quarter – the first quarter in the new 2017|18 SMY – operating profit declined significantly
- Exceptional items in 2017|18 amounted to a net expense of € 2.9 million out of costs of restructuring



AD-HOC RELEASE AS OF 2 MAY 2018

## SUNOKO NEGOTIATIONS PLACED ON HOLD

- AGRANA Beteiligungs-AG and Agri Europe Cyprus Ltd., Limassol|Cyprus, **agreed to place the negotiations on the acquisition** of the Serbian sugar company **Sunoko** d.o.o., Novi Sad|Serbia, **on hold**
- The reason behind this is the **challenging European sugar market environment**





## SUGAR SEGMENT

### ■ World sugar market

- After two deficit years a **production surplus** is forecasted for SMY 2017|18
- **Sugar quotations** at commodity exchanges follow a **bearish trend** mainly **driven by a surplus in the world sugar balance** linked to positive sugar production in major beet and cane production regions such as the EU, India and other Asian countries

### ■ EU sugar market

- SMY 2017|18: **+18% increase** in the sugar beet **planting area**, ~77 tonnes of beet per hectare -> 6.7% above five year's average
- European Commission is forecasting an **EU sugar production** of about 21 million tonnes for SMY 2017|18 (prior SMY: 17.3 million tonnes)

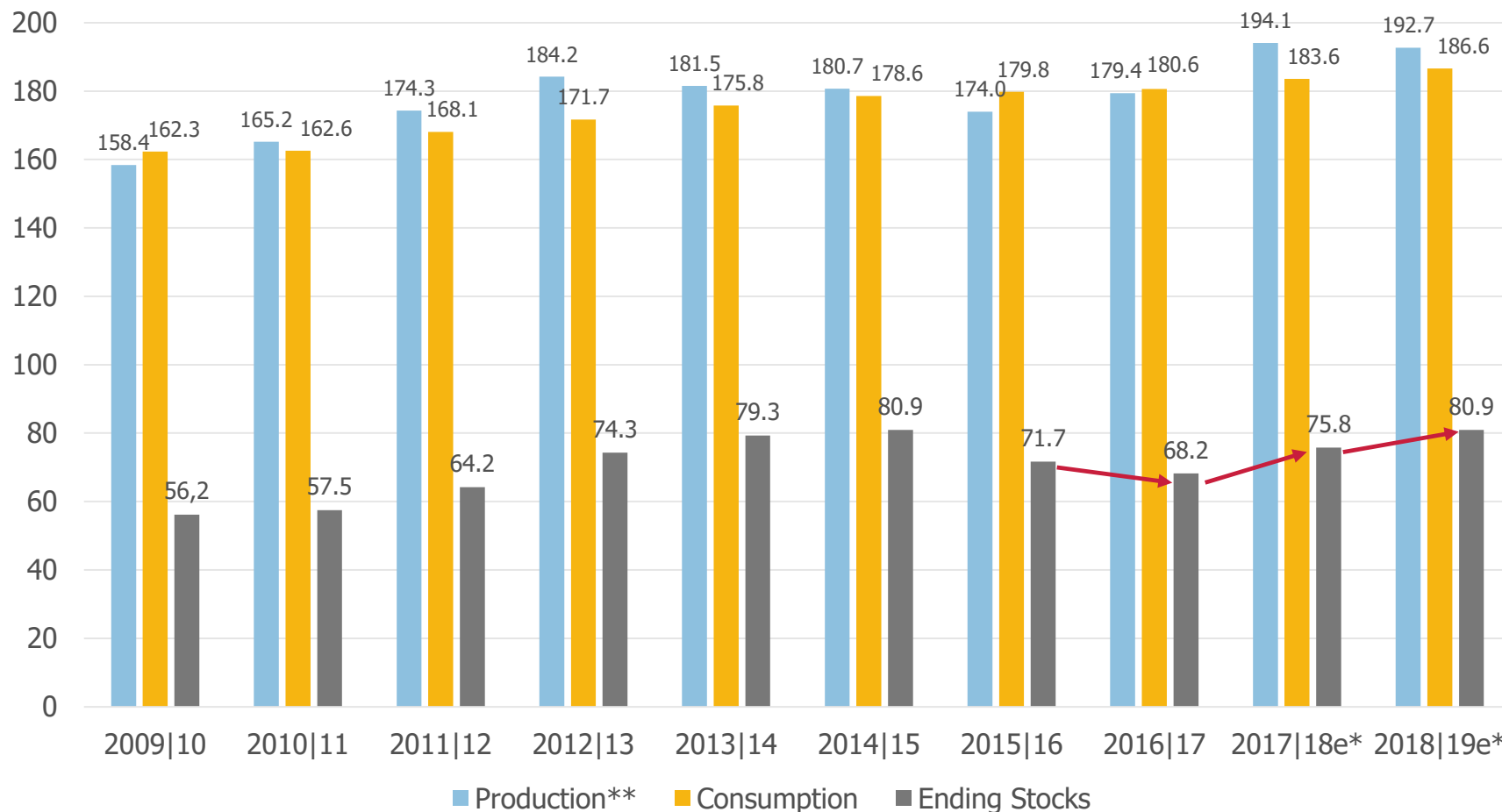
### ■ EU policy

- Since 1 October 2017, the European sugar industry is operating in a **new environment**
- **End of production quotas** for sugar and isoglucose and **abolition** of the **minimum beet price**
- **Tariff protection** of the EU sugar market remains **unchanged**



# WORLD SUGAR PRODUCTION & CONSUMPTION

Million tonnes



Source: F.O. Licht (9 April 2018)

\* Estimates

\*\* Production: October-September

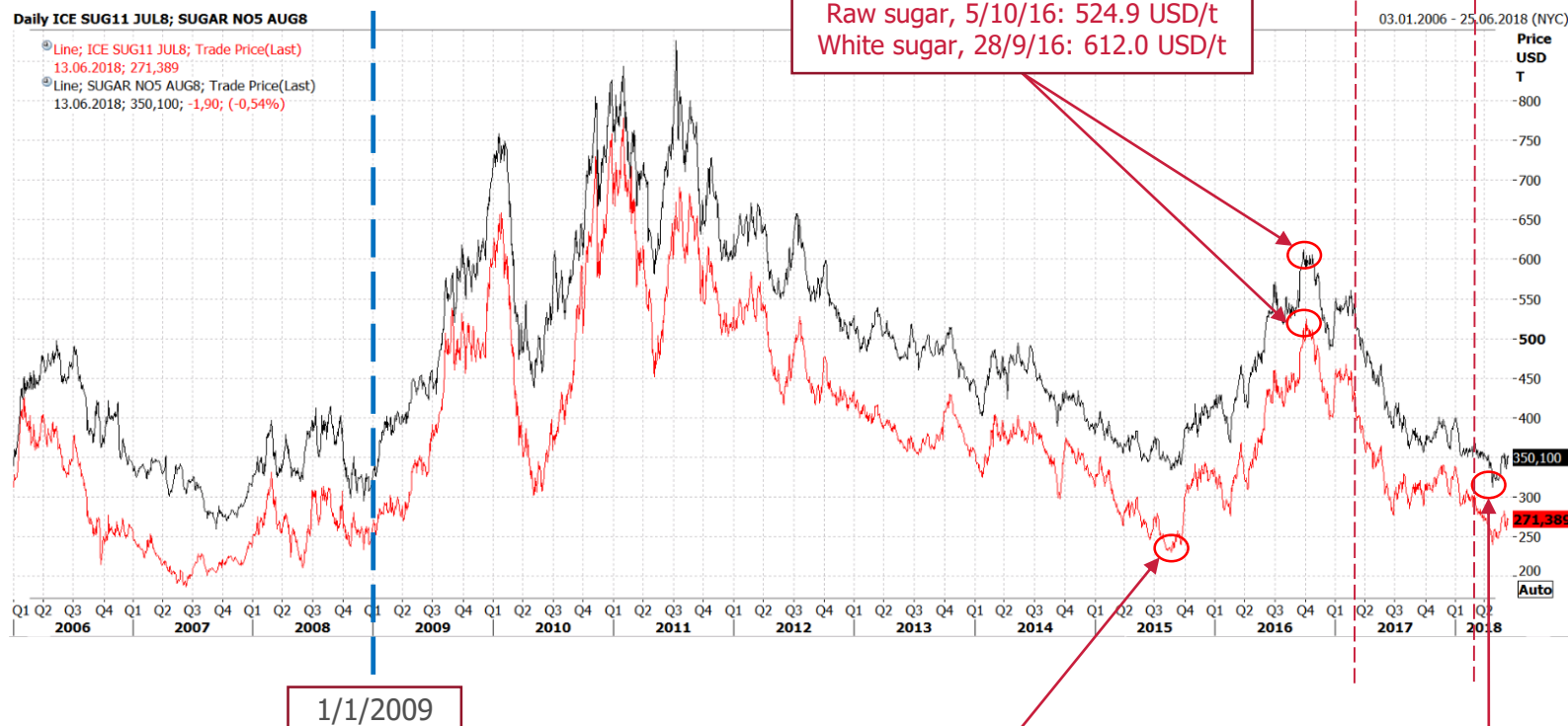


# RAW SUGAR & WHITE SUGAR SUGAR QUOTATION

1 January 2006 – 13 June 2018 (USD)

Daily ICE SUG11 JUL8; SUGAR NOS AUG8

④ Line; ICE SUG11 JUL8; Trade Price(Last)  
13.06.2018; 271,389  
④ Line; SUGAR NOS AUG8; Trade Price(Last)  
13.06.2018; 350,100; -1,90; (-0,54%)



**4-years-high:**

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

2017/18 FY

03.01.2006 - 25.06.2018 (NYC)

Price  
USD  
T

White sugar (LIFFE)

**13 June 2018:**

350.1 USD/t  
= 297.4 EUR/t

Raw sugar (ICE)

**13 June 2018:**

271.4 USD/t  
= 230.6 EUR/t

**7-years-low:**

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

**9-years-low:**

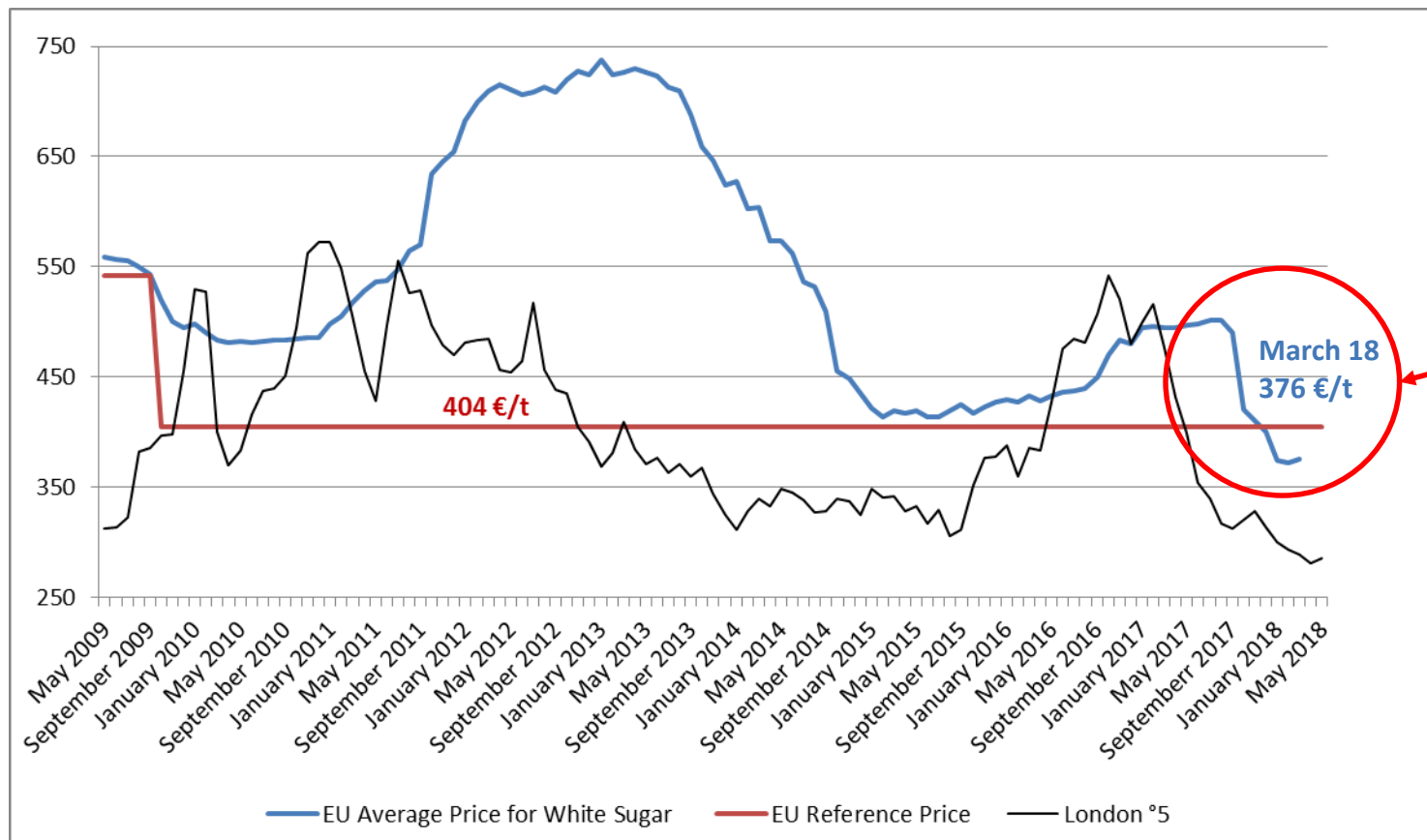
White sugar, 25/4/18: 312.3 USD/t



## SUGAR IN THE EU

# MONTHLY EU AVERAGE PRICES

(MAY 2009 TO MAY 2018; € PER TONNE)



Decline in October 2017 to € 420 (September 2017: € 490) -> start of the new SMY 2017|18 (without quotas and minimum beet prices)

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

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

Source: European Commission, Sugar Price Reporting (as of 31 May 2018) and SugarOnline (as of 4 June 2018)



2017|18

# CONSOLIDATED FINANCIAL STATEMENTS





# CONSOLIDATED INCOME STATEMENT

€m (condensed)	2017   18	2016   17	Change
<b>Revenue</b>	<b>2,566.3</b>	<b>2,561.3</b>	+0.2%
EBITDA <sup>1</sup>	<b>254.2</b>	235.2	+8.1%
Operating profit before except. items and results of equity-accounted JV	<b>164.1</b>	150.8	+8.8%
Share of results of equity-accounted JV	<b>29.4</b>	30.6	-3.9%
Exceptional items	<b>(2.9)</b>	(9.0)	+67.8%
<b>EBIT</b>	<b>190.6</b>	<b>172.4</b>	+10.6%
<b>EBIT margin</b>	<b>7.4%</b>	6.7%	+0.7pp
Net financial items	<b>(14.5)</b>	(17.9)	+19.0%
Profit before tax	<b>176.2</b>	154.5	+14.0%
Income tax expense	<b>(33.5)</b>	(36.6)	+8.5%
<b>Profit for the period</b>	<b>142.6</b>	<b>117.9</b>	+20.9%
Attributable to shareholders of the parent	<b>140.1</b>	111.3	+25.8%
Earnings per share	<b>€ 8.97</b>	€ 7.13	+25.8%

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





## EXCEPTIONAL ITEMS IN THE SUGAR SEGMENT

€m	2017   18	2016 17	Change
Exceptional items	(2.9)	(9.0)	+67.8%

- Net exceptional items expense of **€ 2.9 million in the 2017 | 18 FY** resulted largely from **restructuring costs of € 4.1 million**, which were **partly offset** by one-off income of **€ 1.9 million** from the refunding of excess amounts of **sugar production levies** collected by the EU in the 1999|00 and 2000|01 sugar marketing years
- In the **prior year**, the net exceptional items **expense of € 9.0 million** represented tax liabilities of € 11.5 million in connection with a tax audit in Romania, the creation of a provision of € 1.5 million for a legal dispute in Romania, and the release of a € 4.0 million provision for a settled legal dispute in the Czech Republic



## ANALYSIS OF NET FINANCIAL ITEMS

€m	2017   18	2016 17	Change
Net interest expense	(7.8)	(10.2)	+23,5%
Currency translation differences	(3.8)	(1.2)	> -100%
Share of results of non-consolidated subsidiaries and outside companies	0.0	0.6	-100%
Other financial items	(2.9)	(7.1)	+59.2%
<b>Total</b>	<b>(14.5)</b>	<b>(17.9)</b>	<b>+19.0%</b>

- **Improvement** driven by two developments
  - First, an optimisation of the credit and interest rate structure **reduced** the **interest expense** by € 2.4 million
  - Second, the **prior year** included a non-recurring expense for an **impairment charge** of € 4.8 million on a current finance receivable in Ukraine in the Fruit segment -> improvement of € 4.2 million in other financial items
- **Currency translation differences** (including currency derivatives) **deteriorated** by about € 2.6 million, due primarily to negative movements in foreign currency financings in Argentina and Brazil (euro and US dollar financings)



## TAX RATE

€m	2017   18	2016   17	Change
Profit before tax	176.2	154.5	+14.0%
Income tax expense	(33.5)	(36.6)	+8.5%
<b>Tax rate</b>	<b>19.0%</b>	<b>23.7%</b>	+4.7pp



# CONSOLIDATED CASH FLOW STATEMENT

€m (condensed)	<b>2017   18</b>	2016 17	Change
Operating cash flow before changes in working capital	<b>302.7</b>	258.0	+17.3%
Changes in working capital	<b>(43.1)</b>	31.8	> -100%
Total of interest paid/received and tax paid	<b>(45.8)</b>	(34.0)	-34.7%
<b>Net cash from operating activities</b>	<b>213.9</b>	<b>255.8</b>	-16.4%
Net cash (used in) investing activities	<b>(133.3)</b>	(171.5)	+22.3%
Net cash (used in)/from financing activities	<b>(153.7)</b>	9.3	> -100%
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(73.2)</b>	93.6	> -100%

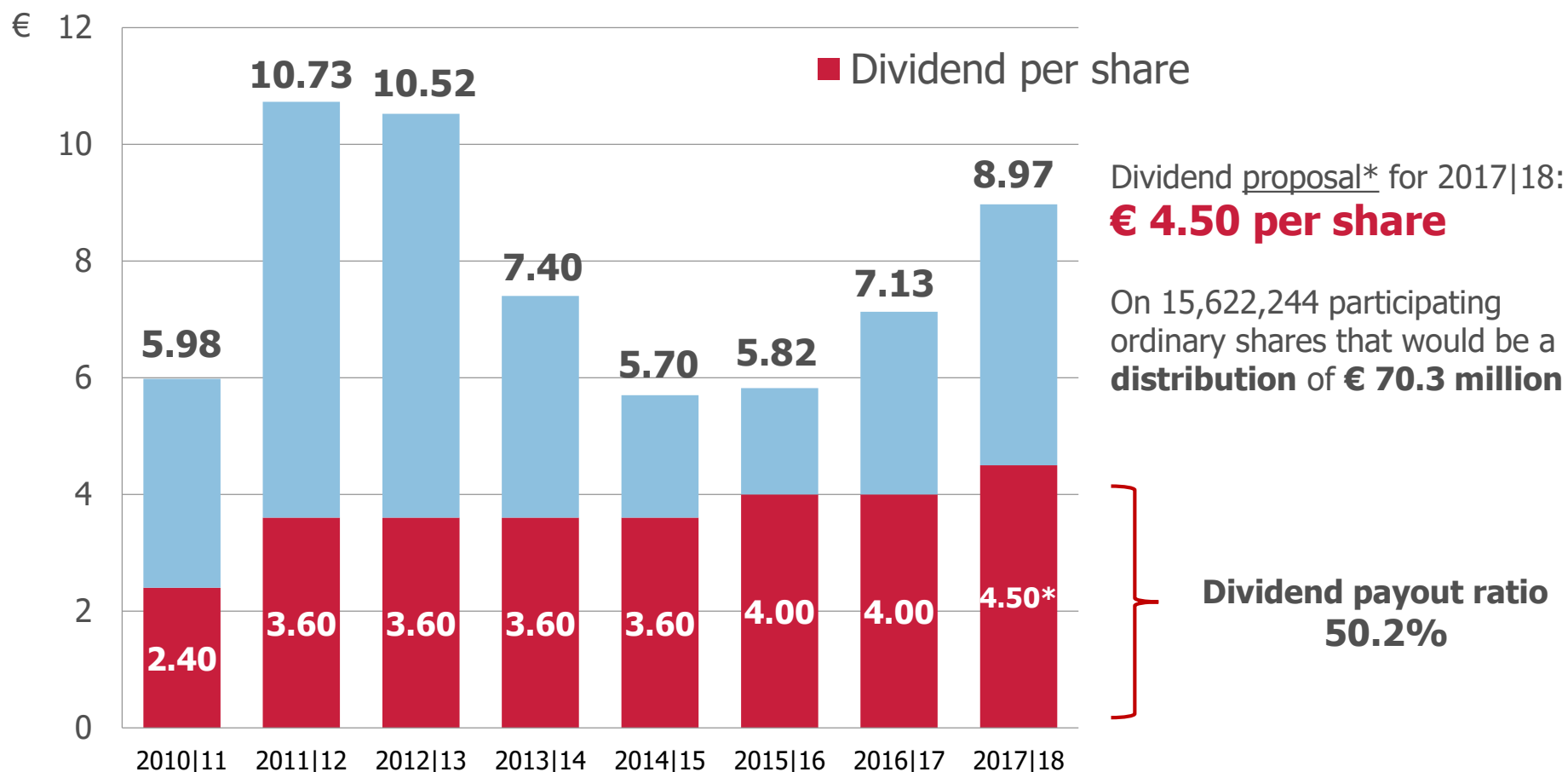


## CONSOLIDATED BALANCE SHEET

€m (condensed)	<b>28 Feb. 2018</b>	28 Feb. 2017	Change
Non-current assets	<b>1,161.0</b>	1,135.3	+2.3%
Current assets	<b>1,195.4</b>	1,346.1	-11.2%
<b>Total assets</b>	<b>2,356.4</b>	<b>2,481.4</b>	-5.0%
Equity	<b>1,454.0</b>	1,411.9	+3.0%
Non-current liabilities	<b>419.4</b>	296.6	+41.4%
Current liabilities	<b>483.0</b>	772.9	-37.5%
<b>Total equity and liabilities</b>	<b>2,356.4</b>	<b>2,481.4</b>	-5.0%
Equity ratio	<b>61.7%</b>	56.9%	+4.8pp
Net debt	<b>232.5</b>	239.9	-3.1%
Gearing	<b>16.0%</b>	17.0%	-1.0pp



## DIVIDEND AND EARNINGS PER SHARE



**Dividend yield** (based on the closing share price at the last balance sheet date): **4.5%**





2018|19

# PROJECTS & OUTLOOK





## PROJECTS IN THE STARCH SEGMENT

# WHEAT STARCH CAPACITY INCREASE

- **Doubling the production capacity of the wheat starch factory** in Pischelsdorf|Austria
- Total investment: **€ 102 million**
- Construction work started in early 2018 and to **commission the new facility at the end of 2019 CY**
- Important step in terms of sustainably **consolidating AGRANA's position in the starch market**
- Expansion reflects the **increasing demand**, particularly from the **paper industry** -> high proportion of recycled paper and rising demand for packaging stemming from internet/mail order trade
- Expansion project will create **45 new jobs**



	Processed raw materials (to)	Investment
Ethanol plant:	621,000	€ ~130 million (until 2008)
Wheat starch plant I:	196,000	€ ~70 million (until 2013)
Wheat starch plant II:	215,000	€ ~100 million (until 2019)
<b>TOTAL:</b>	<b>1,032,000</b>	<b>€ ~300 million (until 2019)</b>

### **TARGET:**

1 million tonnes  
processing capacity

~ 3,000 to per day

## 2<sup>ND</sup> FP PRODUCTION SITE IN CHINA



- **Second Chinese fruit preparations plant** in Shanghai region
- Construction began in the third quarter of 2017/18; **start** of production expected in **November 2018**
- Total **investment: € 22 million**
- Planned production **capacity: 30,000 tonnes**

China

Customer locations

AF Dachang

Beijing

New site

Shanghai

- China with 3.7 million tonnes **world's largest yoghurt market** with strongest growth
- **Yoghurt consumption** per capita: 2.8 kg (EU: 12 kg, USA: 7 kg) and should be doubled by 2020
- China is **also the world's largest market for ice cream** (market volume: 4.3 billion litres in 2016)



AGRANA GROUP

## OUTLOOK FOR 2018|19

**AGRANA Group**

**Revenue 2018 | 19** →

**EBIT 2018 | 19** ↓ ↓

- As a result of the current challenges in the Sugar segment, the **Group's EBIT** is expected **to decrease significantly** in the 2018|19 financial year; **revenue** is projected to be **in line with** the **year before**
- Total **investment** across the three business segments in the financial year, at approximately **€ 170 million**, will significantly exceed the budgeted depreciation of about € 98 million



## AGRANA SEGMENTS

# OUTLOOK FOR 2018|19

### SUGAR

Revenue ↓↓  
EBIT ↓↓

- **Sugar segment:** AGRANA expects **revenue to decline significantly**, in anticipation of decreasing sugar sales volumes and prices
- Ongoing cost reduction programmes will only be able to soften the margin reduction to some extent; **significant decrease in EBIT** is thus expected for the 2018|19 financial year

### STARCH

Revenue ↑  
EBIT ↓

- **Starch segment: moderate increase in revenue** is forecast for the 2018|19 financial year; sales volumes are to rise significantly, thanks also to the full utilisation of the additional corn grinding capacity in Aschach, Austria
- For bioethanol and starch-based saccharification products, however, sales prices are likely to decline amid the challenging market environment + expected slightly rising raw material prices -> **moderate decline in EBIT** is thus predicted

### FRUIT

Revenue ↑↑  
EBIT ↑↑

- **Fruit segment:** AGRANA expects 2018|19 FY year to bring **significant growth in revenue and EBIT**
  - Fruit preparations: revenue is predicted to increase, driven by rising sales volumes in all areas (particularly in non-dairy); synergy effects in Argentina, start of fruit preparations production in India and planned opening of the new Chinese production site in Jiangsu, China, in November 2018 -> contribute to a moderate EBIT improvement in comparison with the 2017|18 FY
  - Fruit juice concentrates: revenue and EBIT are projected to rise significantly in the new financial year



2018|19

# FINANCIAL CALENDAR

## 6 July 2018

### Annual General Meeting in respect of 2017 | 18

26 June 2018

Record date for Annual General Meeting participation

6 July 2018

Annual General Meeting in respect of 2017|18

11 July 2018

Ex-dividend date

12 July 2018

Results for first quarter of 2018|19

12 July 2018

Record date for dividend

13 July 2018

Dividend payment date

11 October 2018

Results for first half of 2018|19

10 January 2019

Results for first three quarters of 2018|19





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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%