



FRUIT  
STARCH  
SUGAR

The natural upgrade

***STRONG AND  
PROFITABLE***

AGRANA Beteiligungs-AG  
**Investor Conference 2018 | Stegersbach**  
Erste Group

8 October 2018



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(FINANCIAL)  
HIGHLIGHTS

Q1 2018|19

# 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



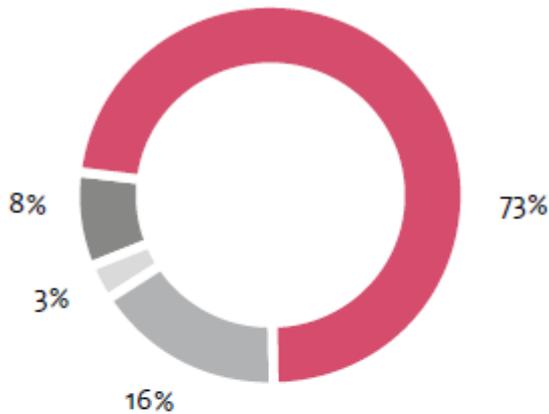
- Fruit juice concentrates customers are fruit juice and beverage bottlers and fillers
- Fruit preparations are special customized products for
  - the dairy industry,
  - the baked products industry,
  - the ice-cream industry.



# REVENUE BY PRODUCT GROUP (2017|18)

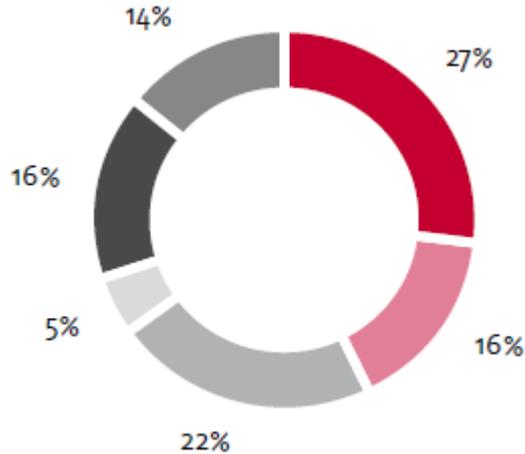
## FRUIT

€ 1,161.4 m



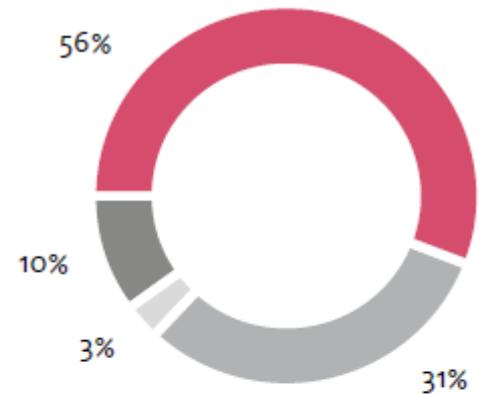
## STARCH

€ 752.3 m



## SUGAR

€ 652.6 m



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

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



## Q1 2018|19 OVERVIEW

- Revenue: € 630.3 m (Q1 prior year: € 684.2 m)
- EBIT: € 37.0 m (Q1 prior year: € 69.8 m)
- EBIT margin: 5.9% (Q1 prior year: 10.2%)
  
- EBIT in the first quarter of the 2018|19 FY was on plan overall, but represented a significant reduction from the very good level of the same period one year earlier



~9,100

Employees (FTEs)  
in Q1 2018|19



59  
Production sites  
as of July 2018



€ ~2.6 billion

Group revenue  
in 2017|18 FY



World market leader  
in the production of

**FRUIT**

PREPARATIONS  
and largest  
manufacturer of  
fruit juice concentrates  
in Europe



Major European  
manufacturer  
of customised

**STARCH**

PRODUCTS and  
bioethanol



Leading

**SUGAR**

SUPPLIER  
in Central, Eastern &  
Southeastern Europe



59 PRODUCTION SITES WORLDWIDE

# SEGMENTATION BY SEGMENT

## SUGAR

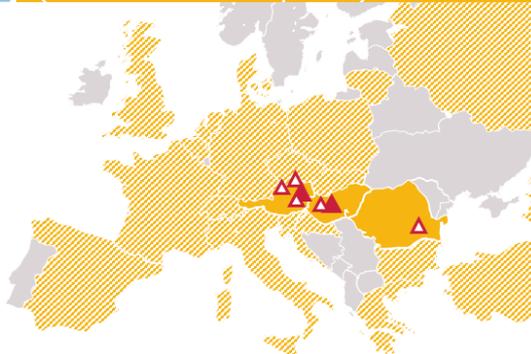
7 sugar beet plants  
2 raw sugar refineries & Instantina plant



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

## STARCH

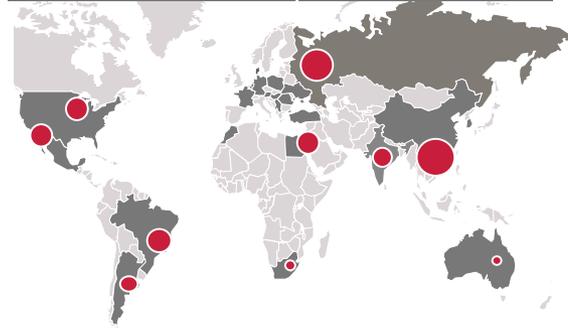
5 starch plants  
(incl. 2 bioethanol plants)



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

## FRUIT

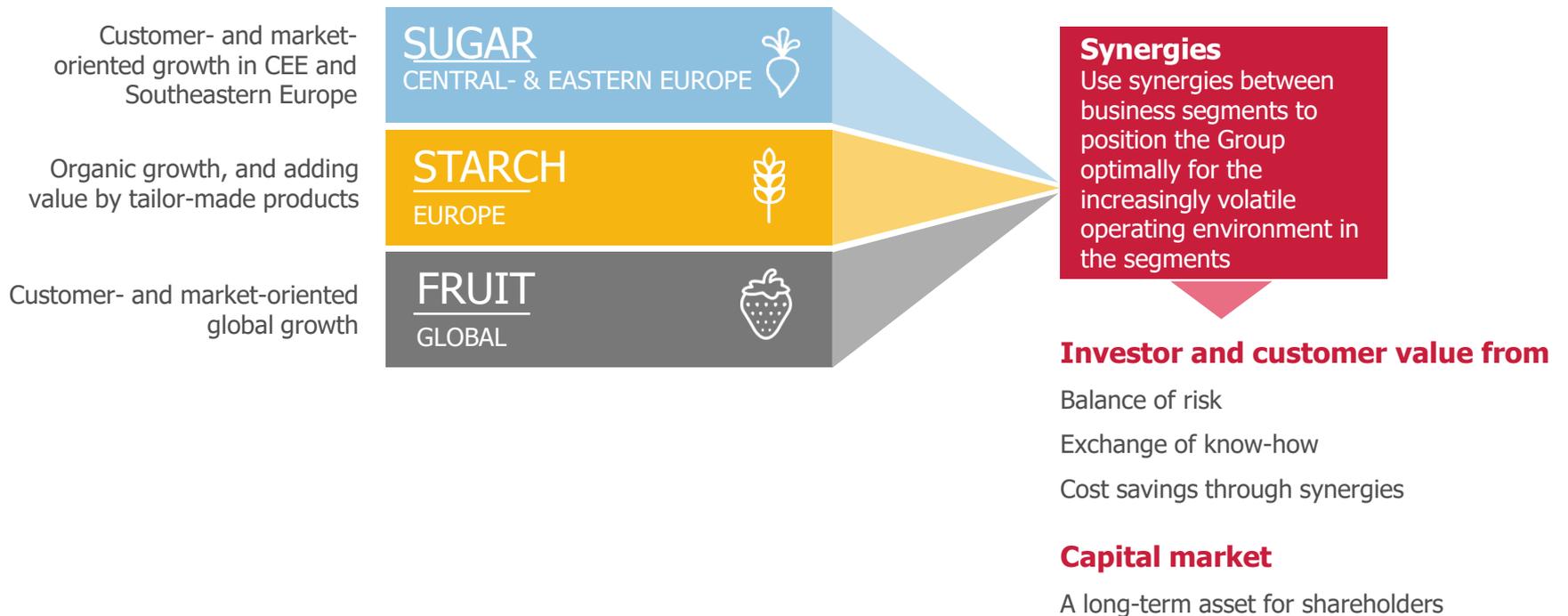
29 fruit preparation plants and  
15 fruit concentrate plants



- Countries with production sites
- Potential growth regions



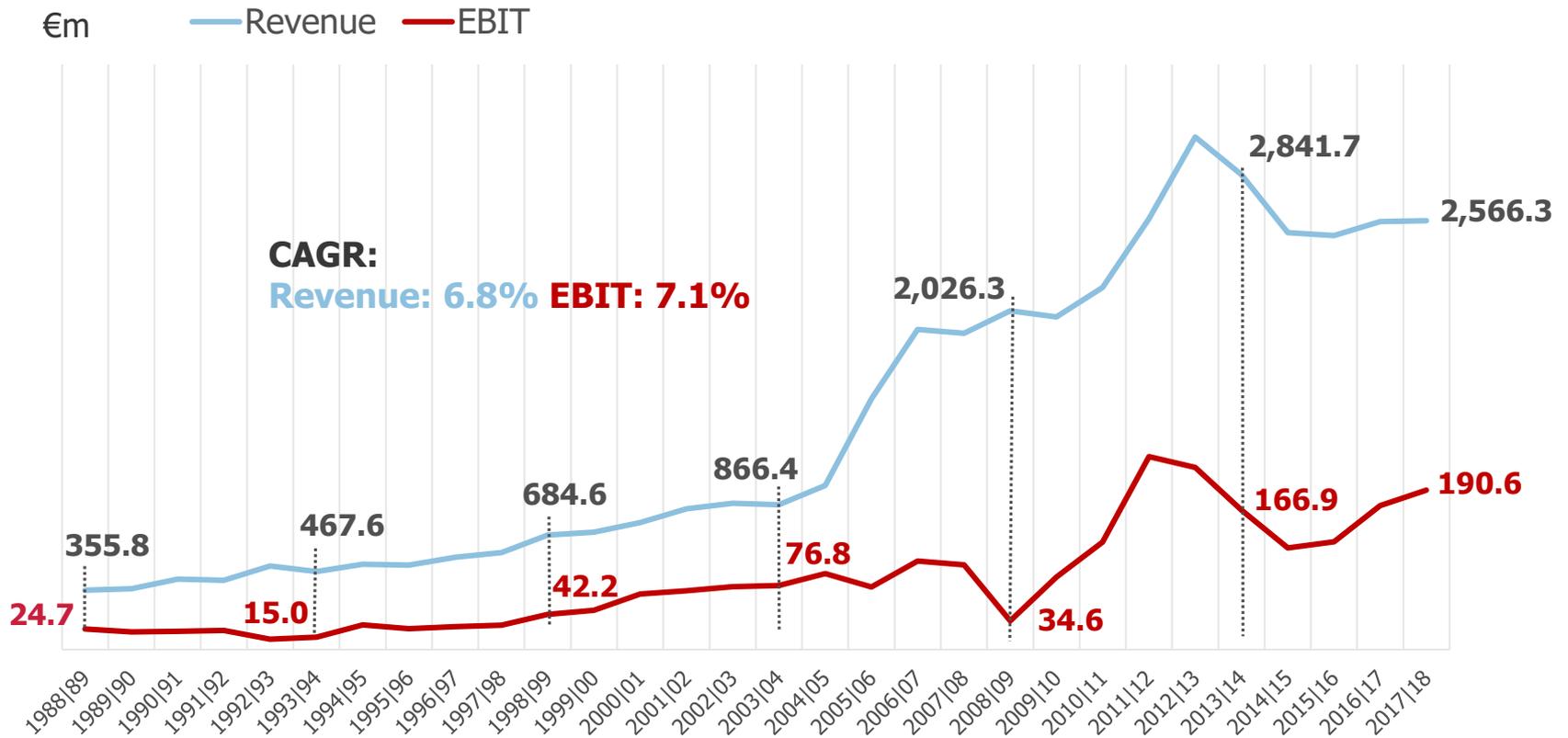
# GROWTH BY STRATEGY





SINCE 1988

# SOLID ECONOMIC GROWTH



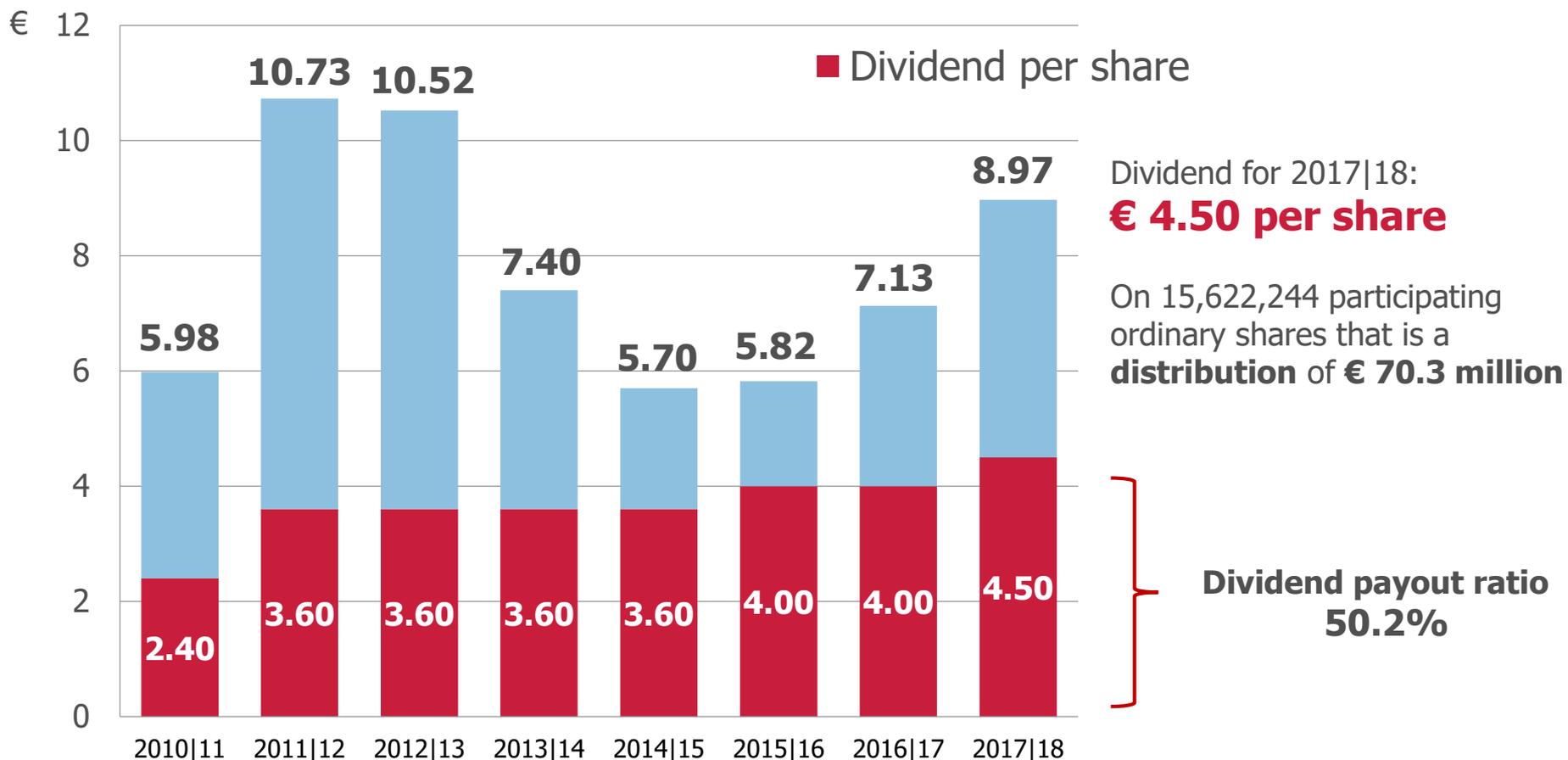


AGRANA  
            
**SHARE**





# DISTRIBUTION OF A DIVIDEND OF € 4.50



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



AGRANA

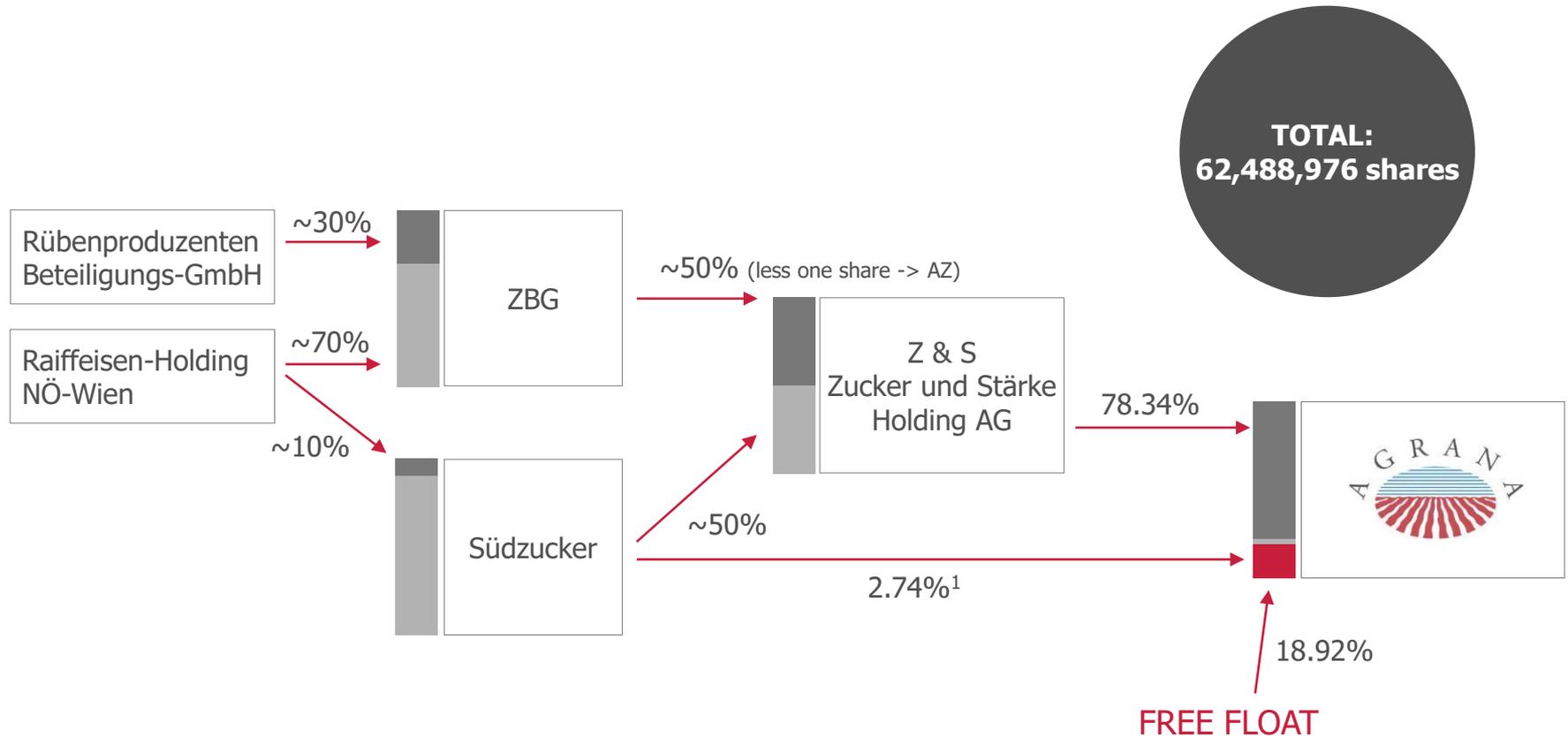
## SHARE SPLIT 1:4

- At the 31st ordinary AGM, on 6 July 2018, a resolution was passed pertaining to a 1:4 share split
- **Share split was executed end of July 2018**
  - The corresponding amendment to the articles of association in the register of companies was made on 24 July 2018
  - Trading in the **new ISIN AT000AGRANA3** since 27 July 2018
  - Recording of shares with the new ISIN AT000AGRANA3 and the removal of shares with the previous ISIN AT0000603709 took place on 31 July 2018
- The split **makes the share look more favorable and facilitates trading** -> increased attractiveness, liquidity should rise
- **Establishment of a broader investor base** -> improved access to the share, especially for small investors (private individuals)



## CURRENT STATUS

# SHAREHOLDER STRUCTURE



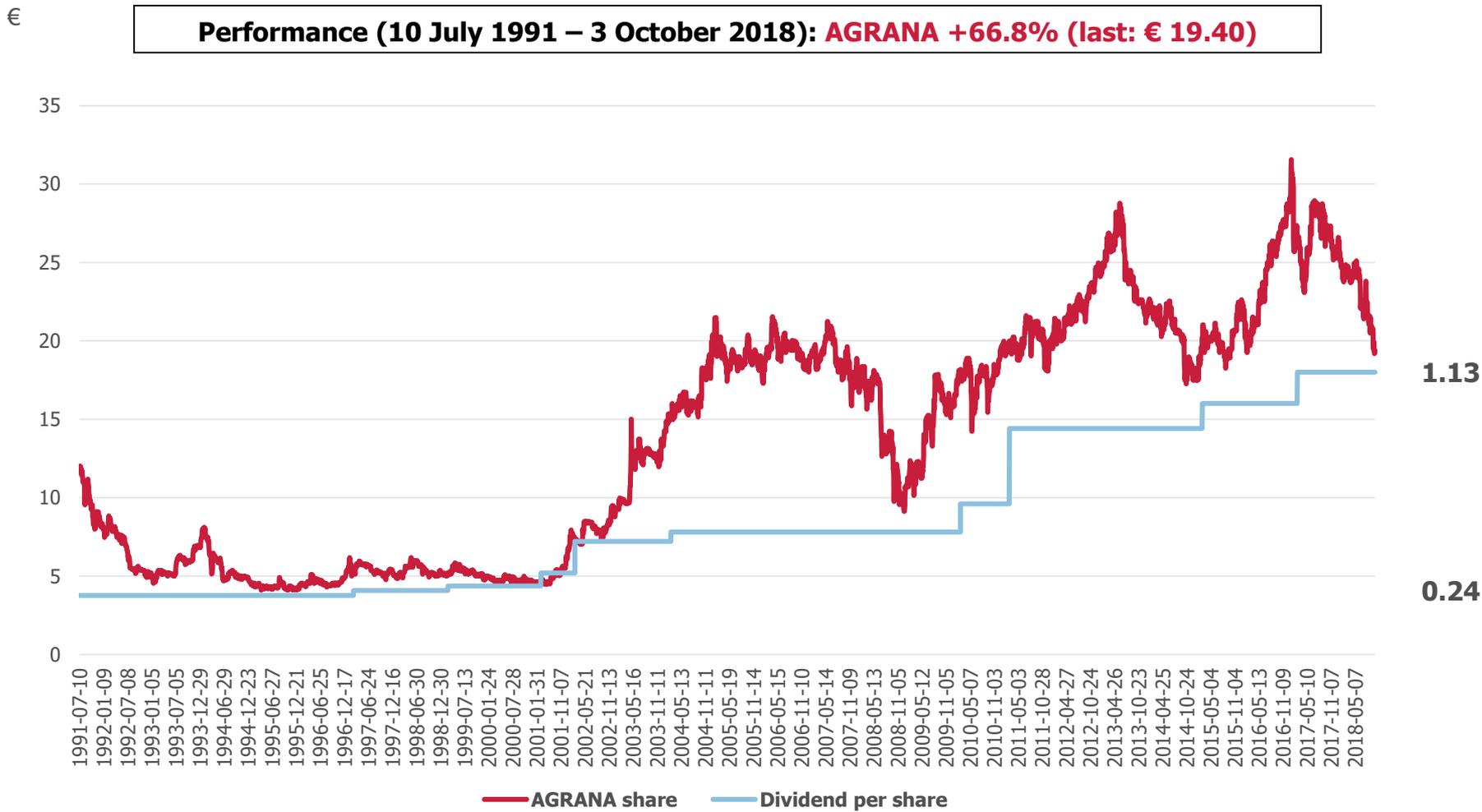
<sup>1</sup> directly held by Südzucker



LISTED AT THE VIENNA STOCK EXCHANGE SINCE 1991

# STEADY DIVIDEND POLICY

Performance (10 July 1991 – 3 October 2018): **AGRANA +66.8% (last: € 19.40)**





Q1 2018|19

# SEGMENT OVERVIEW

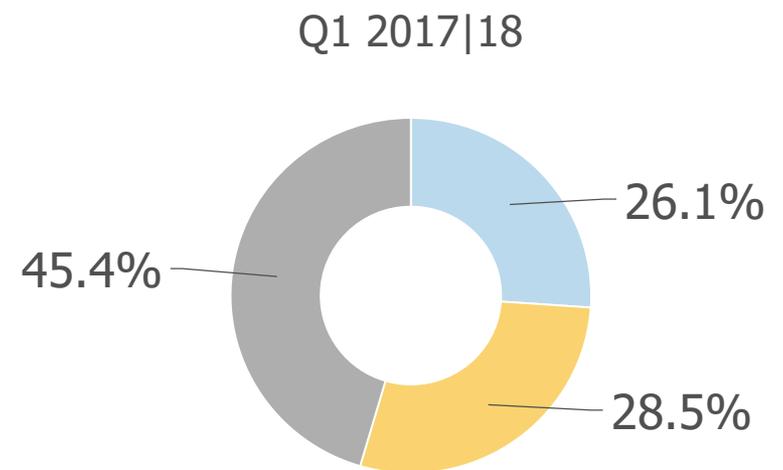
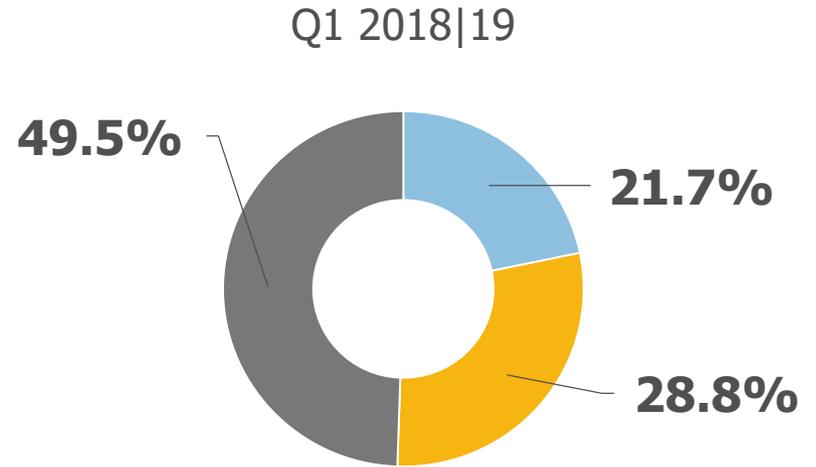
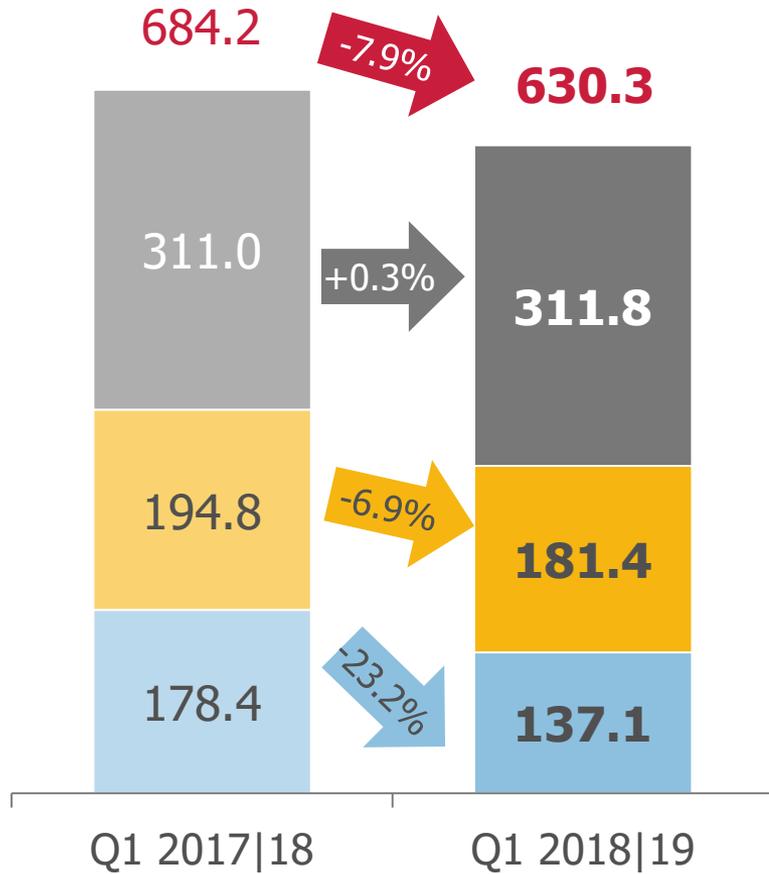




Q1 2018|19 VS PRIOR YEAR

# REVENUE BY SEGMENT

€m

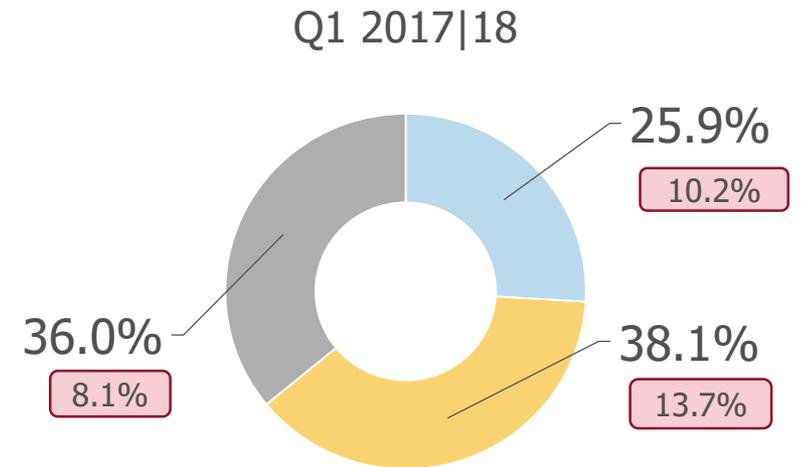
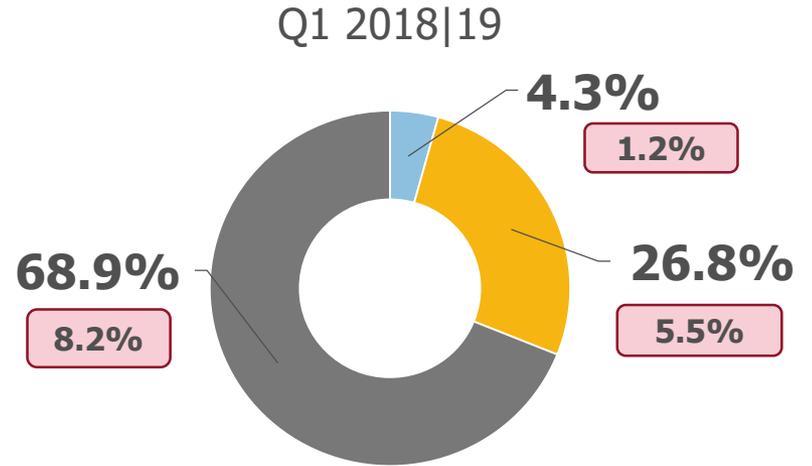
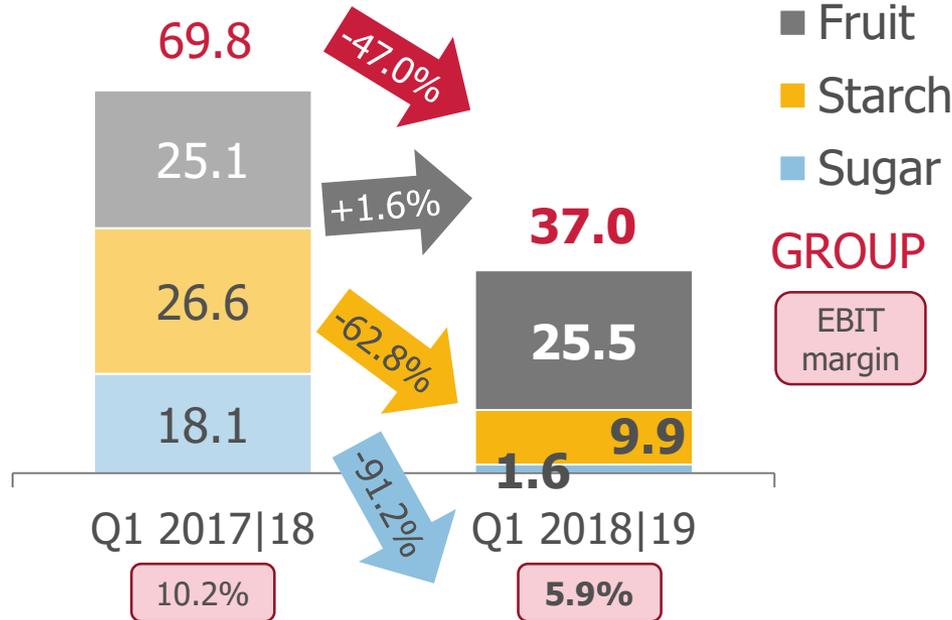




Q1 2018|19 VS PRIOR YEAR

# EBIT BY SEGMENT

€m



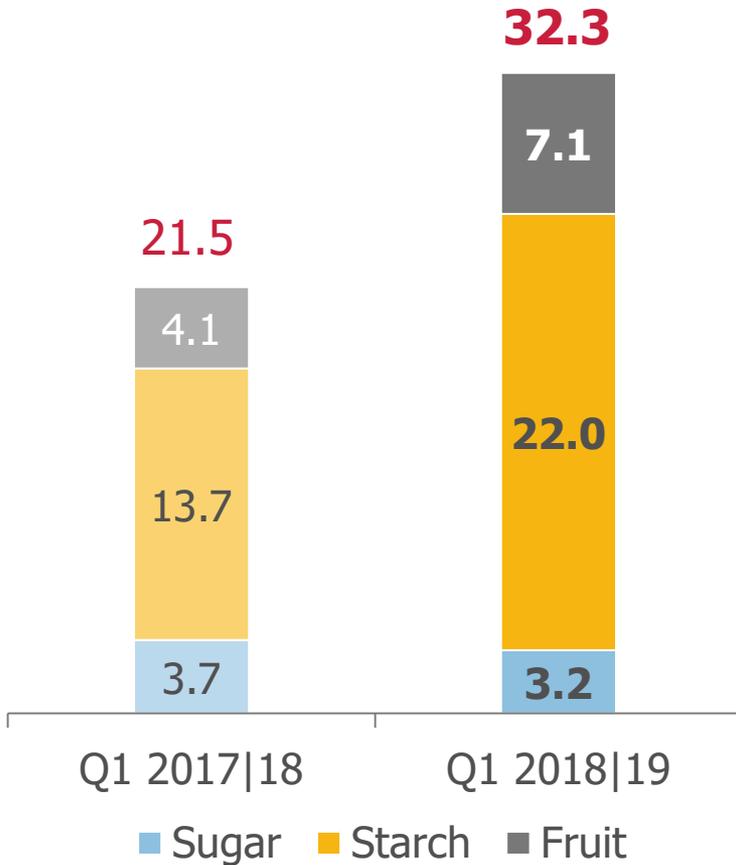


# MOST IMPORTANT PROJECTS IN THE GROUP

## INVESTMENT OVERVIEW

€m

**Q1 2018|19**



**GROUP**

### FRUIT

- Various projects across all 43 production sites; key projects: Construction of the new, second fruit preparations plant in China and a new carrot juice concentrate production line in Hungary

### STARCH

- Increase of potato processing capacity through installation of a new potato starch dryer in Gmünd, Austria
- Installation of a potato fibre dryer in Gmünd
- Expansion of wheat starch plant in Pischelsdorf, Austria

### SUGAR

- Renewal of the brick lining of the lime kiln in Leopoldsdorf, Austria
- Installation of an organic sugar line with a big-bag filling station and rail loading facility in Tulln, Austria
- Renewal of the pulp press station in Kaposvár, Hungary (replacement of four old presses with two new ones)
- Project start for construction of a warehouse for finished product in Buzău, Romania



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...



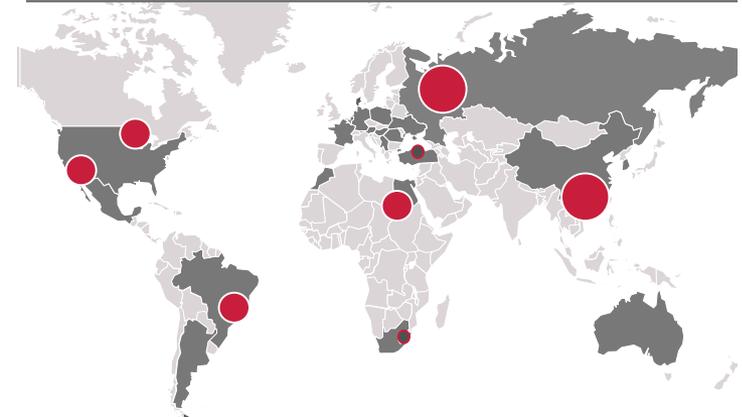
## FRUIT PREPARATIONS

- 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

29 FRUIT PREPARATION PLANTS &  
15 FRUIT JUICE CONCENTRATE PLANTS



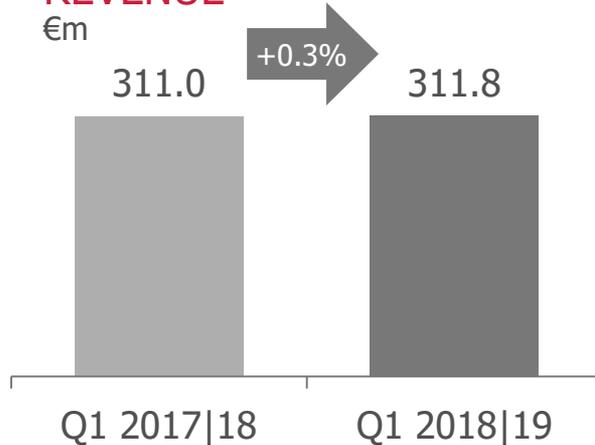
- Countries with production sites
- Potential growth regions



## FRUIT SEGMENT

### REVENUE

€m

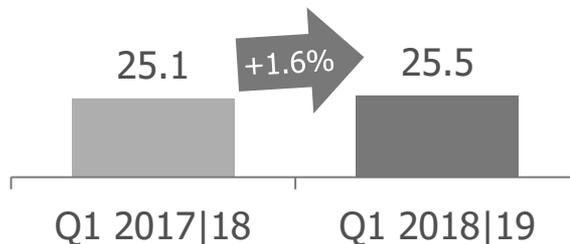


### REVENUE stable at € 311.8 million

- For fruit preparations, revenue remained constant despite an increase in sales volumes; reason -> negative currency translation effects
- In the fruit juice concentrate business, revenue rose as a result of the smaller 2017 apple crop, as this led to higher concentrate prices

### EBIT

€m



### EBIT slightly higher than in prior year

- Fruit preparations business saw a currency-related moderate drop in earnings
- EBIT in the fruit juice concentrate activities increased significantly; this reflected improved contribution margins in apple juice concentrate (produced from the 2017 harvest), as well as continued good performance in beverage bases



## FRUIT SEGMENT

### Fruit preparations<sup>1</sup>

- **Global market for yoghurt** will grow worldwide by 5.4% in 2019; most of this growth coming from the drinking yoghurt and natural yoghurt segments
- For **drinkable yoghurt**, very high growth is forecasted especially for the Asia-Pacific region (11.6%); as well, the market in the Middle East and Africa is to grow by 5.8%
- **Bakery sector:** global market growth for fruit snacks in 2019 is predicted at 2.2%
- Market volume of **ice-creams and frozen desserts** to rise from an estimated 17.7 million tonnes in 2018 to 19.3 million tonnes in 2022

### Fruit juice concentrates

- **Apple juice concentrate:** low crop volumes in the major apple production regions Poland, Hungary, Germany and Italy caused prices of concentrate from the now-completed 2017 apple campaign to rise significantly from the prior year
- **Apple juice concentrate prices** for product from the 2018 crop in Europe are expected to be lower than last year's

<sup>1</sup> Euromonitor data



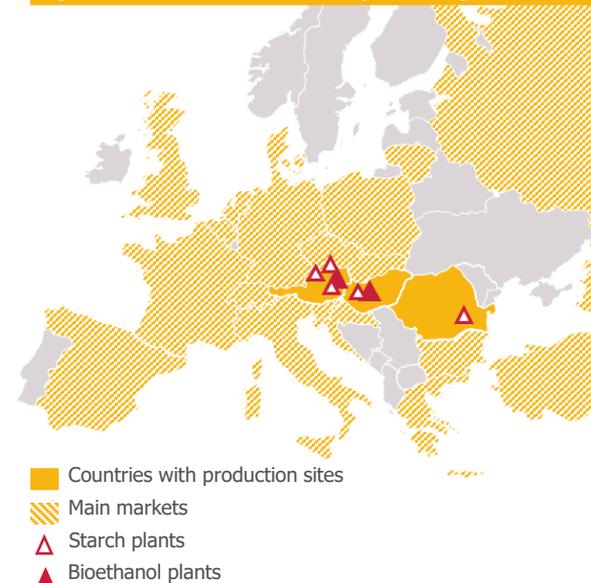
SEGMENT  
**STARCH**



- 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

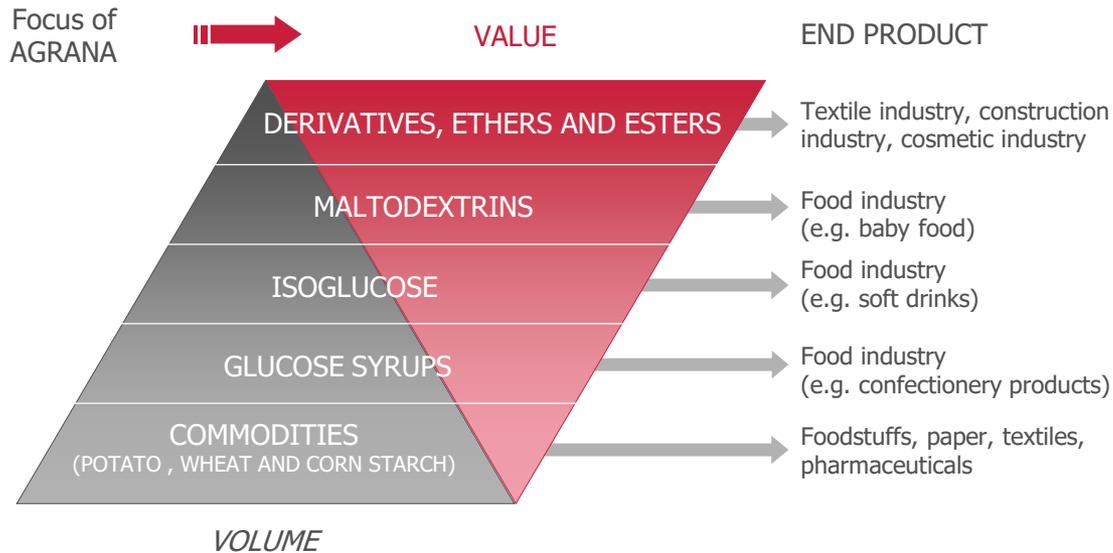
## STARCH

5 starch plants  
(incl. 2 bioethanol plants)





# 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

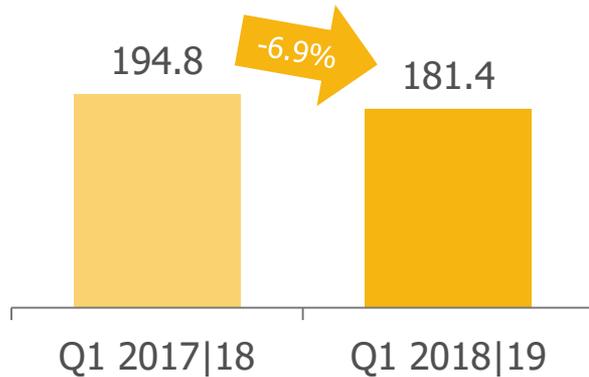
- Growth in (special applications for) paper, textile & cardboard industry
- Innovation and market leadership in
  - Special applications for construction industry
  - Adhesive (sack adhesive)
- Growth in cosmetics industry



## STARCH SEGMENT

### REVENUE

€m

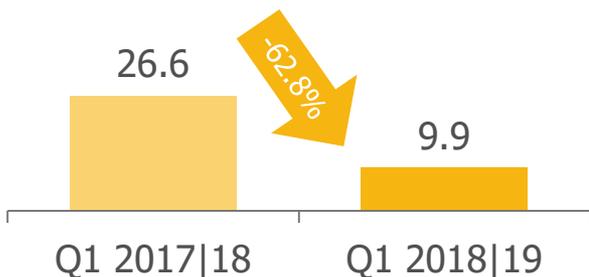


### REVENUE at € 181.4 m moderately below prior year

- Reduction was explained largely by price-related lower revenue from bioethanol -> Platts quotations during the reporting period down about 20% from a year ago
- Native and modified starches: sales prices were stable on sustained good market demand
- Revenue in feedstuff reselling was off slightly, though at a high absolute level

### EBIT

€m



### EBIT significantly down to € 9.9 million

- More than two-thirds of the earnings reduction was driven by the market prices for bioethanol
- About one-third resulted from the lower selling prices for starch-based sweetener products
- Profit contribution from the equity-accounted HUNGRANA was halved to € 4.7 million



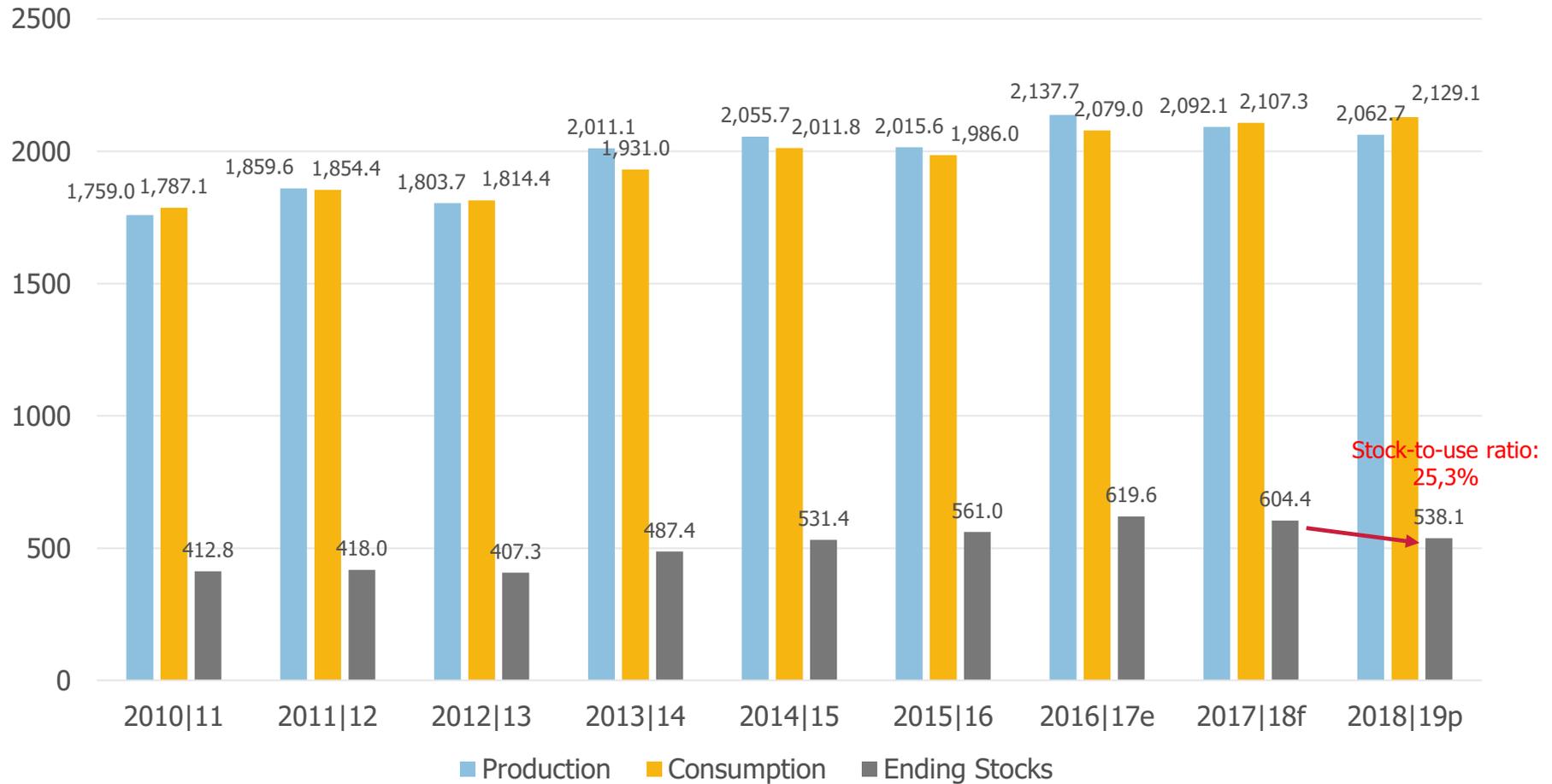
## STARCH SEGMENT

- **Difficult market** setting for **sugar** -> huge **impact for starch sweetener products**
  - low sugar prices exerted direct downward **price pressure on isoglucose**
  - customers also had very little inclination to use additional quantities of starch sweetener products
- **Sales volumes of native and modified starches** into food industry were **stable**; as well, spot prices for cereal starches moved upward
- Principal **upside driver in non-food starches** -> lasting high demand from the **paper and corrugated board** industry
- **Outlook** for the **bioethanol** business after the first quarter is **extremely cautious**; significant increase in supply amid consistently high utilisation of European bioethanol plants and only moderate growth in demand
- In **by-products**, prices of high-protein products -> firm trend; vital wheat gluten in particular showed continuing positive trend in price



# WORLD CEREAL PRODUCTION & CONSUMPTION

million tonnes



Source: IGC website, 13 Sept. 2018  
 e...estimate f...forecast p...projection  
 Period: July - June



# WHEAT & CORN (EURONEXT, PARIS) COMMODITY PRICES

1 January 2006 – 2 October 2018 (EUR)

2018|19 FY

Daily MAIZE EUR NOV8; M.WHEAT EUR DEC8

Line; MAIZE EUR NOV8; Trade Price(Last)  
02.10.2018; 174,75+0,25; (+0,14%)  
Line; M.WHEAT EUR DEC8; Trade Price(Last)  
02.10.2018; 201,75+0,50; (+0,25%)

02.01.2006 - 30.10.2018 (PAR)



Wheat (Paris)  
**2 Oct. 2018:**  
201.8 EUR/t

Corn (Paris)  
**2 Oct. 2018:**  
174.8 EUR/t

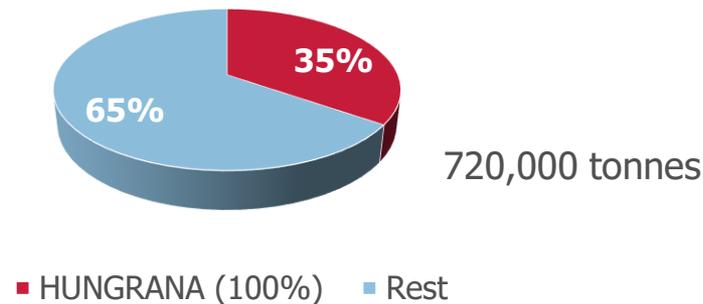


## ISOGLUCOSE MARKET IN THE EU

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 ~< 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

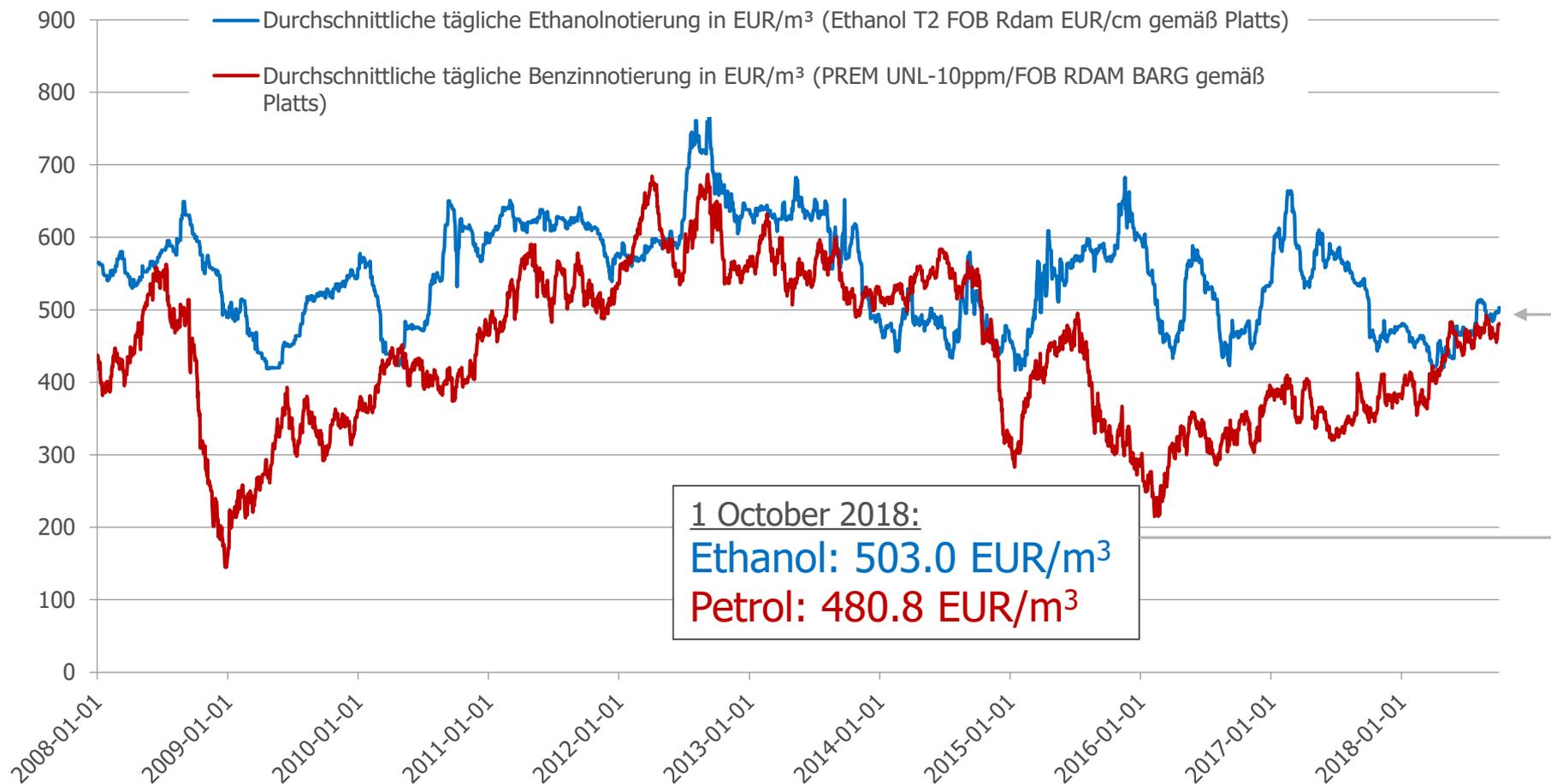


\* in the meantime also B+C starches



1 JANUARY 2008 – 1 OCTOBER 2018 (EUR)

# ETHANOL AND PETROL PRICES



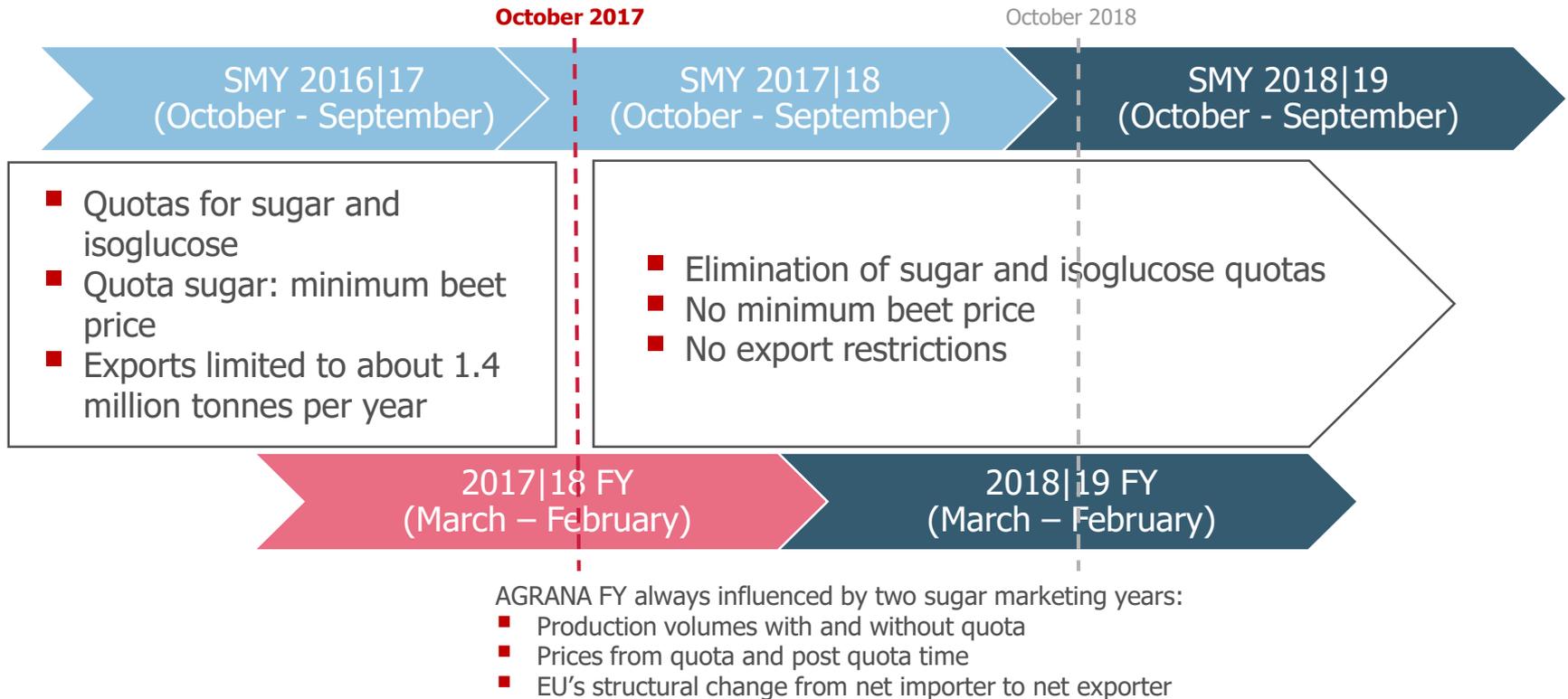


SEGMENT  
**SUGAR**





# MARKET STRUCTURE SINCE OCTOBER 2017



**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

7 SUGAR PLANTS AND 2 RAW SUGAR REFINERIES



## MARKET POSITION

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

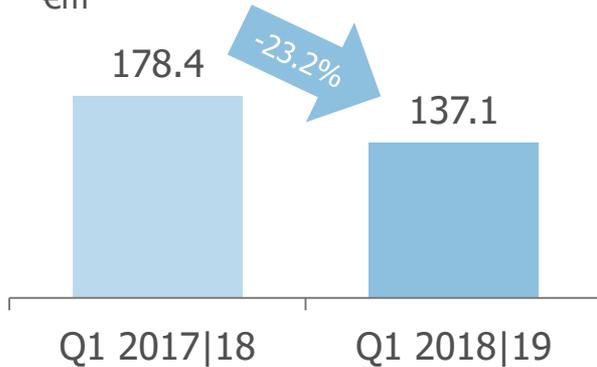
■ Countries with plants  
▨ Other markets  
● Beet sugar plants  
● Raw sugar refinery  
○ Distribution centre  
 \* Also with refining activities



## SUGAR SEGMENT

### REVENUE

€m

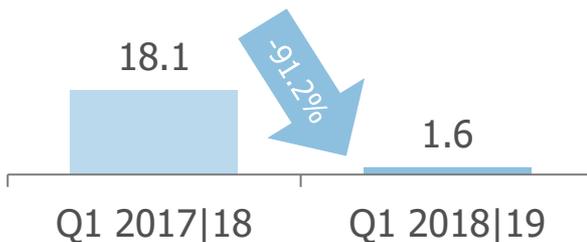


### REVENUE down at € 137.1 million

- This downward change was caused by a significant year-on-year reduction in sugar sales prices, as well as lower sugar quantities sold

### EBIT

€m



### EBIT decreased significantly to € 1.6 million

- The principal driving factor was the poorer sales price environment compared to the prior year



## SUGAR SEGMENT

### ▪ **World sugar market**

- After two deficit years a **production surplus** is forecasted for SMY 2017|18
- For **SMY 2018 | 19** as well, F.O. Licht is projecting a production **surplus**
- As of the beginning of the 2018|19 FY, world market prices remain persistently low, mainly due to the continuing expectation of a significant surplus in the world sugar balance

### ▪ **EU sugar market**

- European Commission is forecasting an **EU sugar production** of about **21 million tonnes** for SMY 2017|18 -> significant increase of 26% from the prior SMY
- F.O. Licht expects that, in **SMY 2018 | 19** as well, **roughly 20-21 million tonnes** of sugar will be produced in the EU

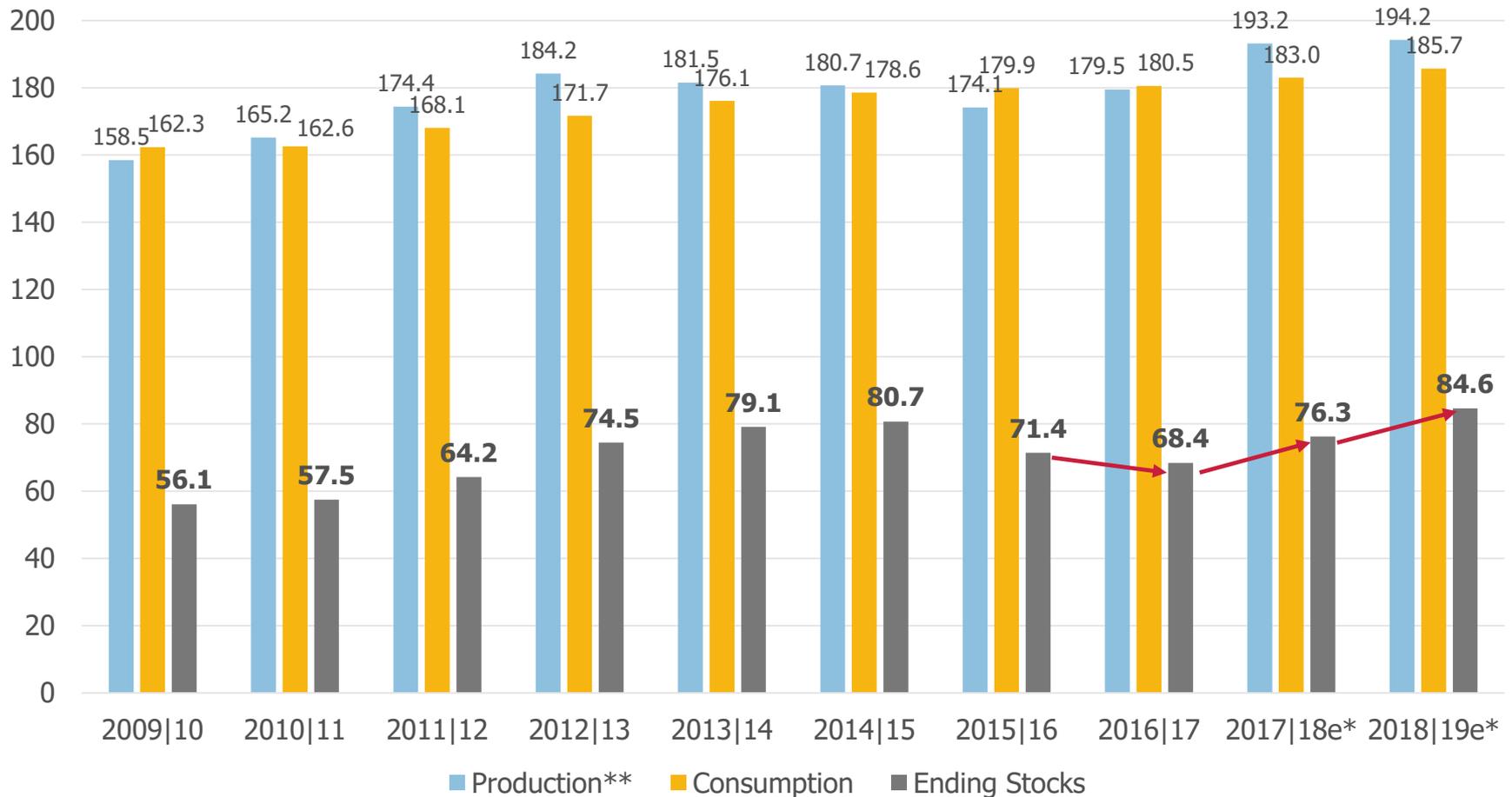
### ▪ **EU policy**

- Since the liberalisation of the EU sugar market (1 October 2017) -> **sugar sales prices have fallen sharply**; very evident from values in the EU sugar price reporting system: while in September 2017 the average price in the EU was still € 490 per tonne, in April 2018 it was only € 362 per tonne



# WORLD SUGAR PRODUCTION & CONSUMPTION

Million tonnes



Source: F.O. Licht (16 August 2018)

\* Estimates  
 \*\* Production: October-September



# RAW SUGAR & WHITE SUGAR SUGAR QUOTATION

1 January 2006 – 2 October 2018 (USD)

2018|19 FY

Daily ICE SUG11 MAR9; SUGAR NO5 DEC8

- Line; ICE SUG11 MAR9; Trade Price(Last)  
02.10.2018; 256,398
- Line; SUGAR NO5 DEC8; Trade Price(Last)  
02.10.2018; 326,900; -0,3; (-0,09%)



1/1/2009

**10-years-low:**  
Raw sugar, 27/9/18: 216.7 USD/t

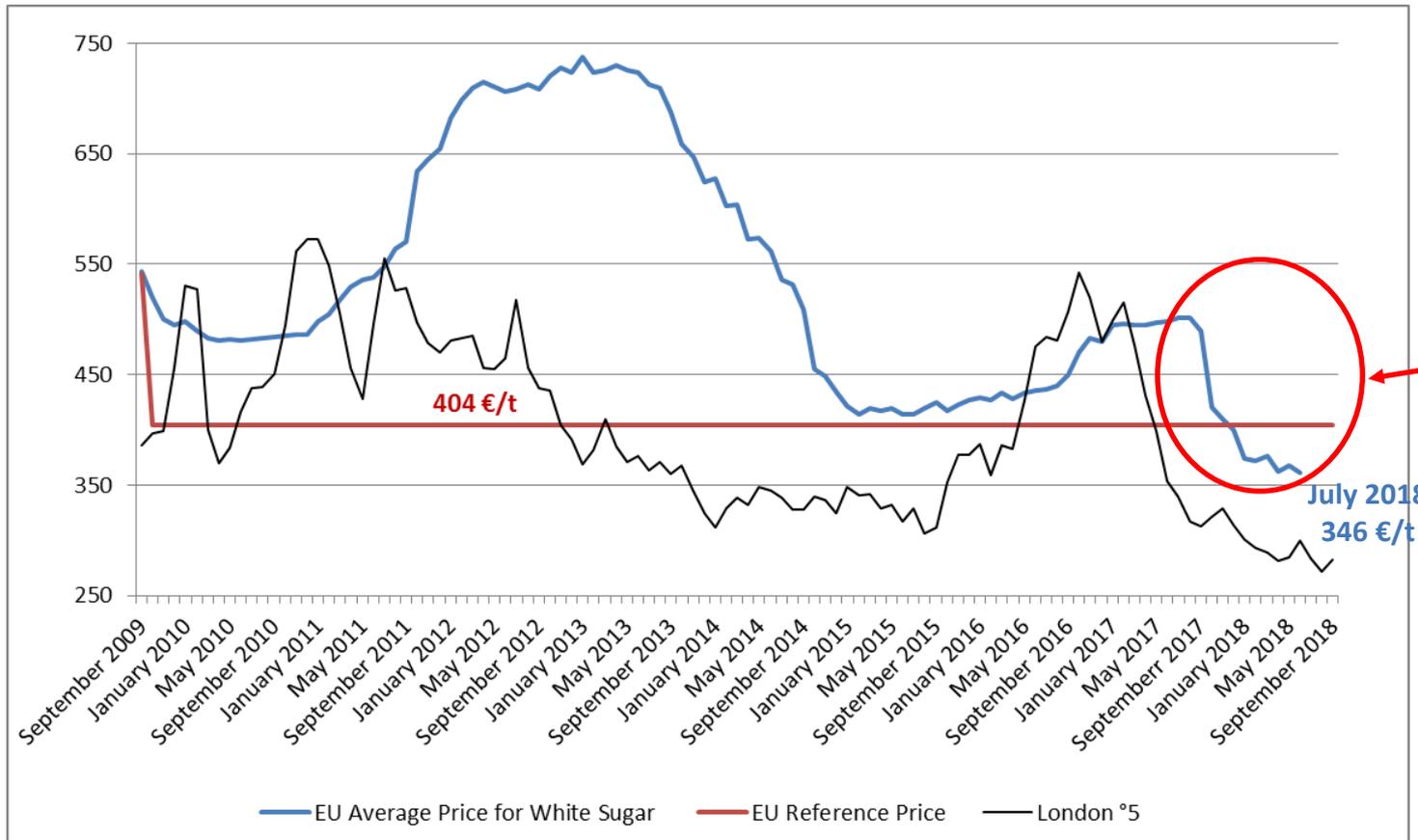
**9-years-low:**  
White sugar, 20/8/18: 303.7 USD/t



## SUGAR PRICE REPORTING

# MONTHLY EU AVERAGE PRICES

(SEPTEMBER 2009 TO SEPTEMBER 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)

€ 346 is the lowest average price since the start of the EU sugar price reporting

**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 27 September 2018) and SugarOnline (as of 27 September 2018)



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**



Q1 2018|19

# CONSOLIDATED FINANCIAL STATEMENTS





# CONSOLIDATED INCOME STATEMENT

| €m (condensed)  | Q1<br>2018 19 | Q1<br>2017 18 | Change |
|---|---------------|---------------|--------|
| <b>Revenue</b>  | <b>630.3</b>  | <b>684.2</b>  | -7.9%  |
| EBITDA <sup>1</sup>   | <b>53.5</b>   | 77.6          | -31.1% |
| Operating profit before except. items<br>and results of equity-accounted JV | <b>33.8</b>   | 59.7          | -43.4% |
| Share of results of equity-accounted JV                                     | <b>3.3</b>    | 10.1          | -67.3% |
| Exceptional items   | <b>(0.1)</b>  | 0.0           | --     |
| <b>EBIT</b>   | <b>37.0</b>   | <b>69.8</b>   | -47.0% |
| <b>EBIT margin</b>  | <b>5.9%</b>   | 10.2%         | -4.3pp |
| Net financial items   | <b>(4.3)</b>  | (4.8)         | +10.4% |
| Profit before tax   | <b>32.7</b>   | 65.0          | -49.7% |
| Income tax expense  | <b>(7.4)</b>  | (14.1)        | +47.5% |
| <b>Profit for the period</b>  | <b>25.3</b>   | <b>50.9</b>   | -50.3% |
| Earnings per share  | <b>€ 1.50</b> | € 3.16        | -52.5% |

<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                               | Q1<br>2018   19 | Q1<br>2017   18 | Change        |
|----------------------------------|-----------------|-----------------|---------------|
| Net interest expense             | (1.2)           | (2.3)           | +47.8%        |
| Currency translation differences | (2.5)           | (1.8)           | -38.9%        |
| Other financial items            | (0.6)           | (0.7)           | +14.3%        |
| <b>Total</b>                     | <b>(4.3)</b>    | <b>(4.8)</b>    | <b>+10.4%</b> |



## CONSOLIDATED CASH FLOW STATEMENT

| €m (condensed)  | <b>Q1 2018   19</b> | Q1 2017 18 | Change  |
|---|---------------------|------------|---------|
| Operating cash flow before changes in working capital | <b>49.6</b>         | 82.9       | -40.2%  |
| Changes in working capital                            | <b>(18.1)</b>       | (61.0)     | +70.3%  |
| Total of interest paid/received and tax paid, net     | <b>(10.6)</b>       | (14.5)     | +26.9%  |
| <b>Net cash from operating activities</b>             | <b>20.9</b>         | <b>7.4</b> | > +100% |
| Net cash (used in) investing activities               | <b>(31.1)</b>       | (21.1)     | -47.4%  |
| Net cash (used in) financing activities               | <b>(18.0)</b>       | (48.6)     | +63.0%  |
| <b>Net (decrease) in cash and cash equivalents</b>    | <b>(28.2)</b>       | (62.3)     | +54.7%  |



## CONSOLIDATED BALANCE SHEET

| €m (condensed)                      | <b>31 May 2018</b> | 28 Feb. 2018   | Change |
|-------------------------------------|--------------------|----------------|--------|
| Non-current assets                  | <b>1,170.5</b>     | 1,161.0        | +0.8%  |
| Current assets                      | <b>1,140.6</b>     | 1,195.4        | -4.6%  |
| <b>Total assets</b>                 | <b>2,311.1</b>     | <b>2,356.4</b> | -1.9%  |
| Equity                              | <b>1,474.4</b>     | 1,454.0        | +1.4%  |
| Non-current liabilities             | <b>373.1</b>       | 419.4          | -11.0% |
| Current liabilities                 | <b>463.6</b>       | 483.0          | -4.0%  |
| <b>Total equity and liabilities</b> | <b>2,311.1</b>     | <b>2,356.4</b> | -1.9%  |
| Equity ratio                        | <b>63.8%</b>       | 61.7%          | +2.1pp |
| Net debt                            | <b>242.8</b>       | 232.5          | +4.4%  |
| Gearing ratio                       | <b>16.5%</b>       | 16.0%          | +0.5pp |



2018|19

# PROJECTS & OUTLOOK





PRESS RELEASE AS OF 3 JULY 2018

## AGRANA ACQUIRES STAKE IN ALGERIAN FRUIT PREPARATIONS PRODUCER ELAFRUIT'S SPA

- AGRANA has **extended** its **presence** in the **North-African market** by **acquiring 49%** of the shares in ELAFRUIT'S SPA, an Algerian producer of fruit preparations
- Located in Akbou, around 200 km east of Algiers, this company with a workforce of around 100 employees generated revenues of approximately € 7 million in its 2017 financial year
- Besides producing **standard fruit preparations** for yoghurts and ice creams, ELAFRUIT'S SPA also makes **fruit purees** and **bases for the beverage industry**





CURRENT PROJECTS IN THE 2018|19 FY

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



- Construction of the second fruit preparations plant in China, Changzhou (Shanghai region), is **on schedule**
- **Start** of production expected **end of 2018 CY**
- Total investment: **€ 22 million**
- Planned production capacity: **30,000 tonnes**

China

AF Dachang

Beijing

Customer locations

New site

Jiangsu (population of 3.5 million)

150 km north-west from

Shanghai

- China is the **world's largest yoghurt market** with strongest growth
- **Yoghurt consumption** per capita: 6.2 kg (EU: 12.6 kg), consumption should be increased by 30% until 2020



CURRENT PROJECTS IN THE 2018|19 FY

## INCREASED POTATO PROCESSING

- Gmünd potato starch factory (Austria)
- Construction of a new **potato starch dryer**
- Expansion of **daily processing capacity** from 1,600 to 2,000 tonnes
- Refining of **potato pulp** to a food ingredient, water binder and fiber
- **Investment volume** (by 2020): € 40 million





CURRENT PROJECTS IN THE 2018|19 FY AND 2019|20 FY

# 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** by the **end of 2019 CY**
- Important step in terms of sustainably **consolidating AGRANA's position in the starch market**
- Expansion project will create **45 new jobs**
- 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



|                        | 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



AGRANA GROUP

## OUTLOOK FOR 2018|19

### AGRANA Group

### Guidance confirmed

- As a result of the current challenges, especially 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 € 97 million



## AGRANA SEGMENTS

# OUTLOOK FOR 2018|19

### FRUIT

Revenue ↑  
EBIT ↑↑

- **Fruit segment:** AGRANA expects 2018|19 FY year to bring **moderate growth in revenue** and a **significant improvement in 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 slight 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

### 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 -> **significant reduction in EBIT** is predicted

### SUGAR

Revenue ↓↓  
EBIT ↓↓

- **Sugar segment:** AGRANA expects **revenue to decline significantly**, as sugar sales volumes and prices are projected to decrease
- 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



2018|19

## FINANCIAL CALENDAR

**11 October 2018**

**Results for first half of 2018 | 19**

10 January 2019

Results for first three quarters of 2018|19

Publication of 2019|20 Financial Calendar is planned for 11 October 2018.



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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%                                    |