



FRUIT
STARCH
SUGAR

The natural upgrade



AGRANA Beteiligungs-AG

Results for the first half of 2018 | 19

Presentation for investors and analysts

Vienna, 11 October 2018



H1 2018|19 OVERVIEW

- Revenue: € 1,261.0 m (H1 prior year: € 1,362.1 m)
- EBIT: € 63.0 m (H1 prior year: € 130.6 m)
- EBIT margin: 5.0% (H1 prior year: 9.6%)
- Also Q2 EBIT was significantly below the very good level of the same period one year earlier
- Low prices in the sugar and isoglucose business, but also significantly lower ethanol prices compared to the previous year mainly led to the decline in earnings



~9,500

Employees (FTEs)
in H1 2018|19



59
Production
sites
as of October 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

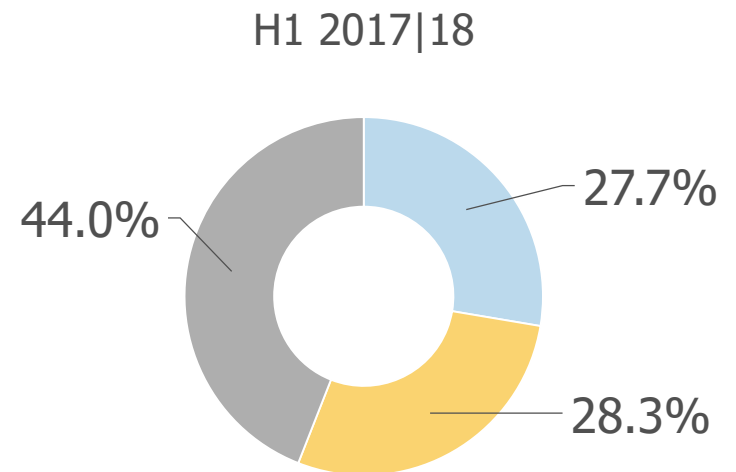
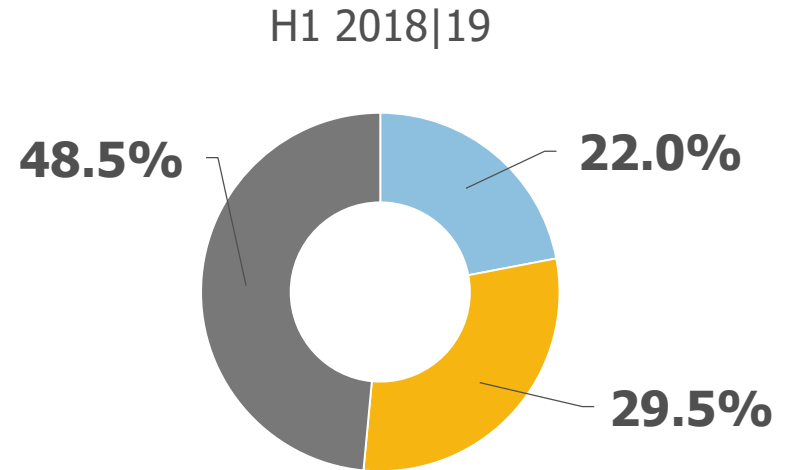
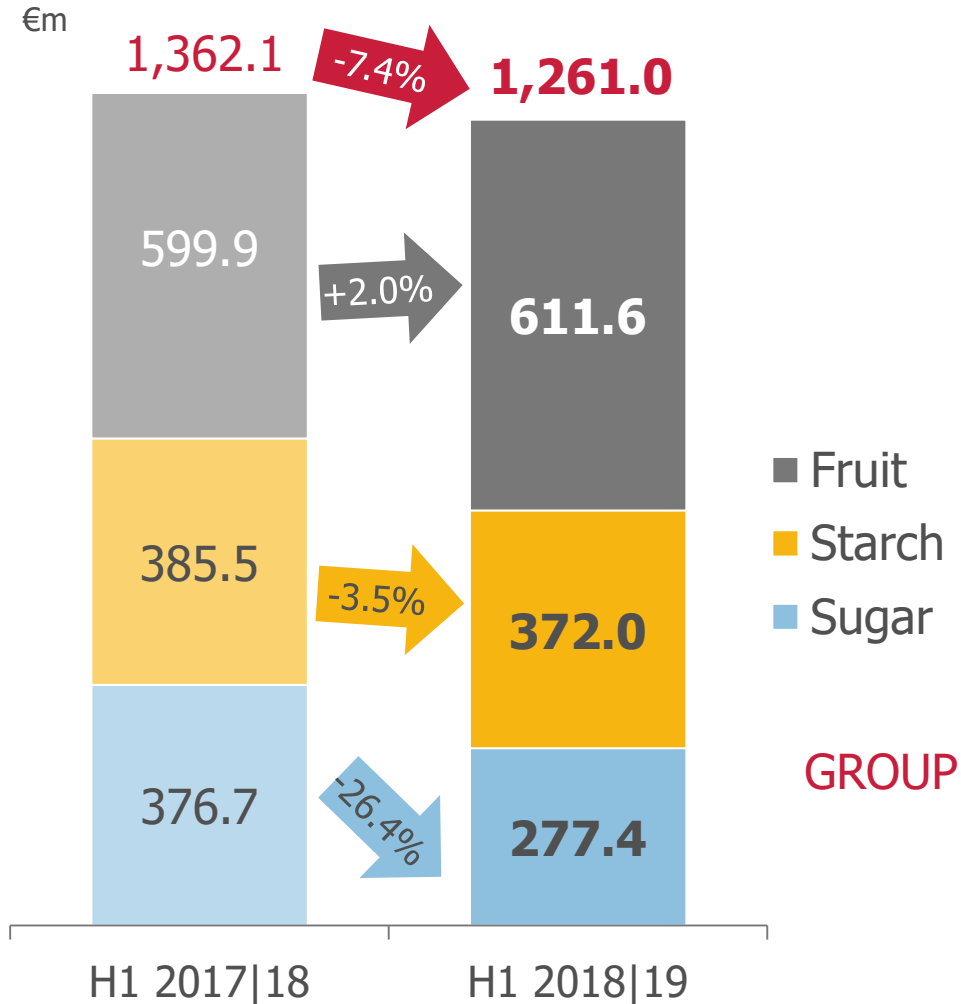


Leading
SUGAR
SUPPLIER
in Central, Eastern &
Southeastern Europe



H1 2018|19 VS PRIOR YEAR

REVENUE BY SEGMENT



EBIT BY SEGMENT

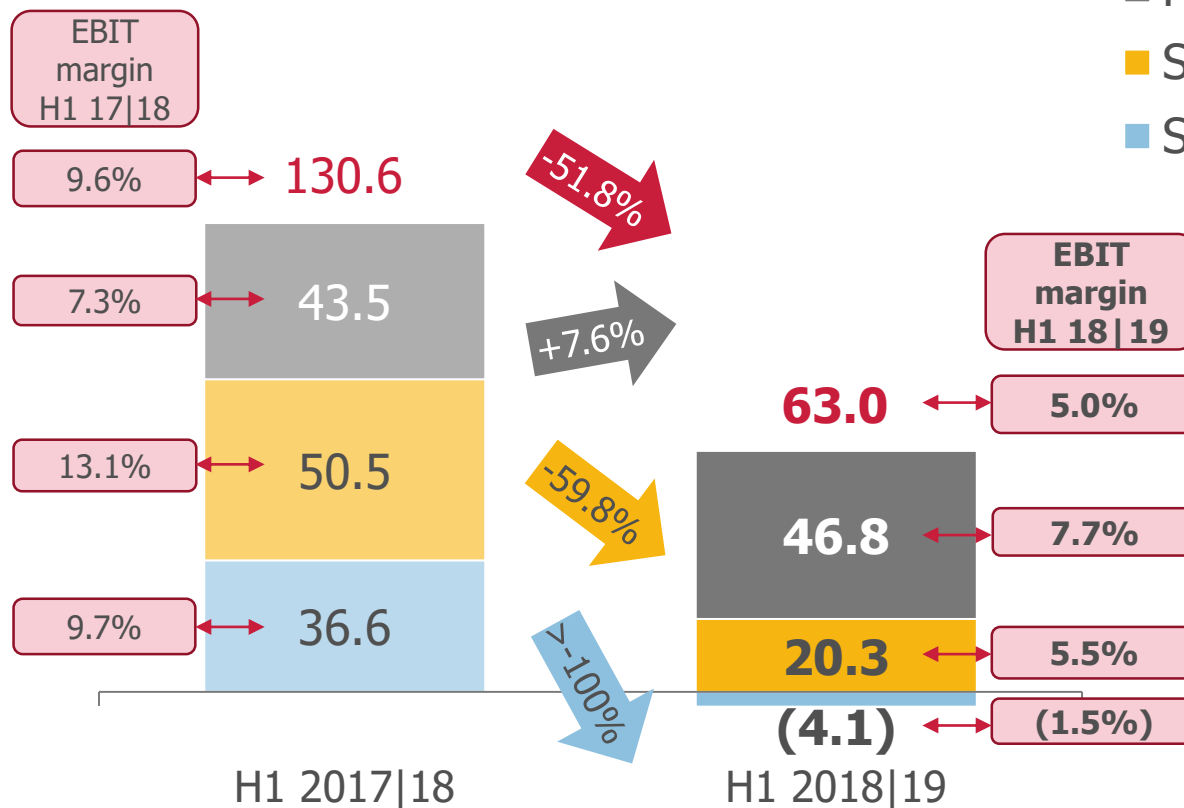
€m

GROUP

- Fruit

■ Starch

■ Sugar





MOST IMPORTANT PROJECTS IN THE GROUP

INVESTMENT OVERVIEW

H1 2018|19

FRUIT

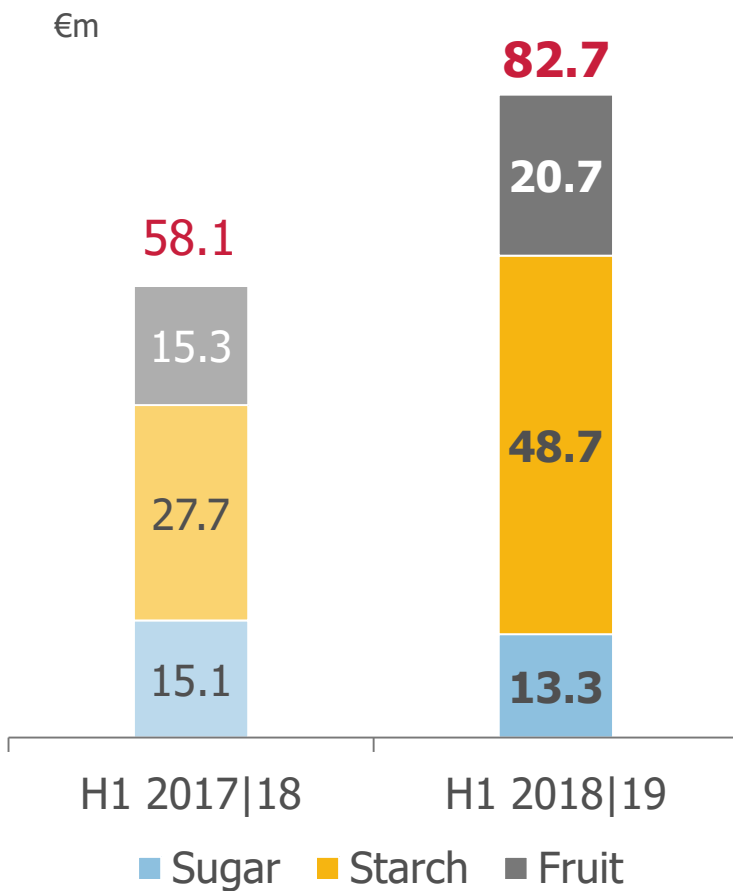
- Various projects across all 44 production sites; key projects: construction of the new, second fruit preparations plant in China and a new carrot juice concentrate production line in Hungary

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
- Project start for construction of a warehouse for finished product in Buzău, Romania



GROUP



SEGMENT

FRUIT





FRUIT SEGMENT

Fruit preparations

- Market-dominating **global consumer trends** continue to be naturalness, sustainability and transparency, enjoyment and health
- Launch of products with a strong focus on **animal welfare**
- **Vegan milk alternatives** (e.g. soybean) continue to boom
- **"Clean labeling"**: customer's request for products with short and understandable list of ingredients and products without "E number"

Fruit juice concentrates

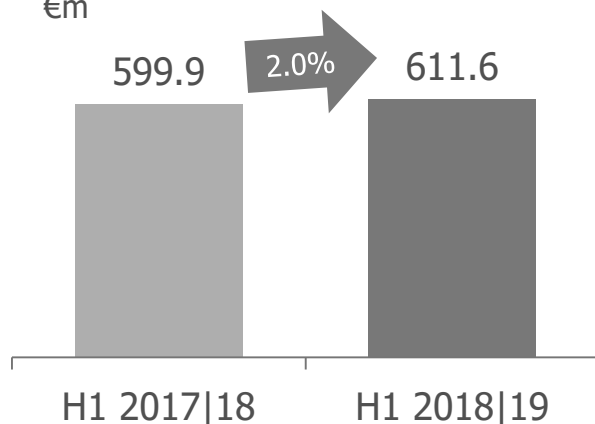
- Expectation for the **apple juice concentrate prices** from the 2018 harvest in Europe significantly below the price level of the previous year
- Low apple juice concentrate prices in Europe, combined with higher prices in China due to the spring frost there -> European concentrates competitive in the US



FRUIT SEGMENT

REVENUE

€m

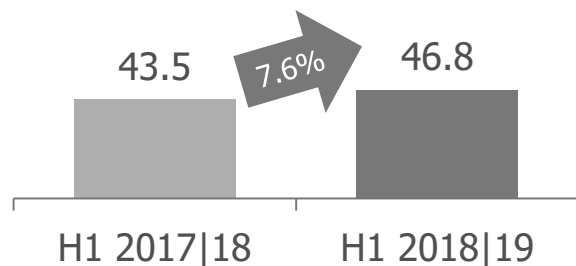


REVENUE slightly up to € 611.6 million

- Fruit preparations: revenue remained constant despite an increase in sales volumes -> negative currency translation effects
- 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 moderately higher than in prior year

- Fruit preparations business saw a slight decline in earnings, but only because of FX effects
- EBIT in the fruit juice concentrate activities increased significantly -> improved contribution margins in apple juice concentrate (produced from the 2017 harvest), as well as continued good performance in compounds



SEGMENT

STARCH





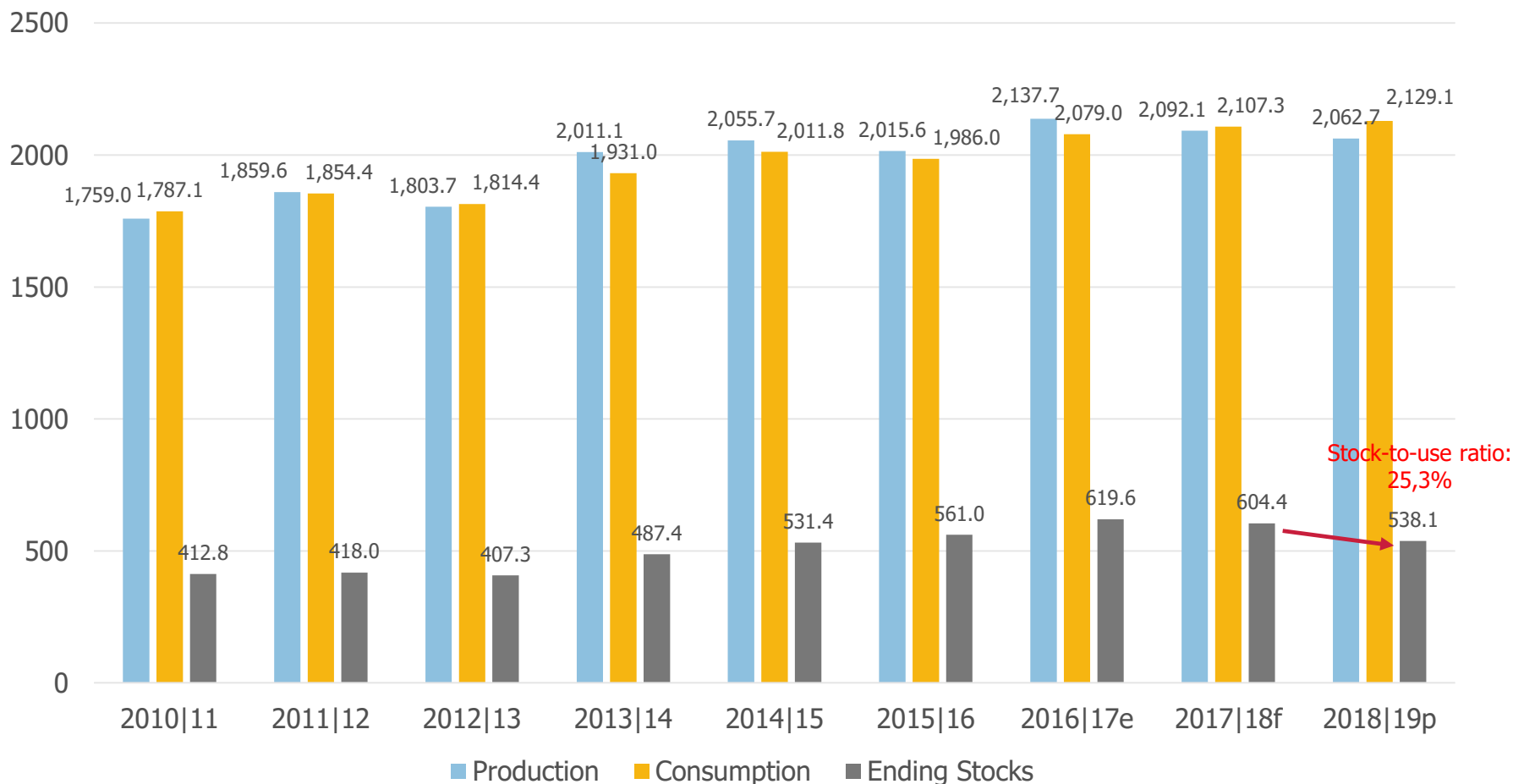
STARCH SEGMENT

- **Difficult market** setting for **sugar** -> huge **impact on starch sweetener products**
 - low sugar prices with direct downward **price pressure on isoglucose**
 - customers also had very little incentive to use additional quantities of starch sweetener products
- **Sales volumes** of **native and modified starches** into food industry were **stable**
- **Rising raw material costs** (reduced harvest expectations for wheat and corn) -> price increases are expected for all starches
- Principal **upside driver in non-food starches** -> lasting high demand from the **paper and corrugated board** industry
- **Outlook** for the **bioethanol** business continuously **cautious**
 - Logistical difficulties in Europe due to low water levels of the Rhine and Danube during the summer months + increased wheat commodity prices -> helped lower prices in spring to boost prices towards the end of the reporting period
- 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 – 9 October 2018 (EUR)

Daily MAIZE EUR NOV8; M.WHEAT EUR DEC8



Wheat (Paris)

9 Oct. 2018:
203.3 EUR/t

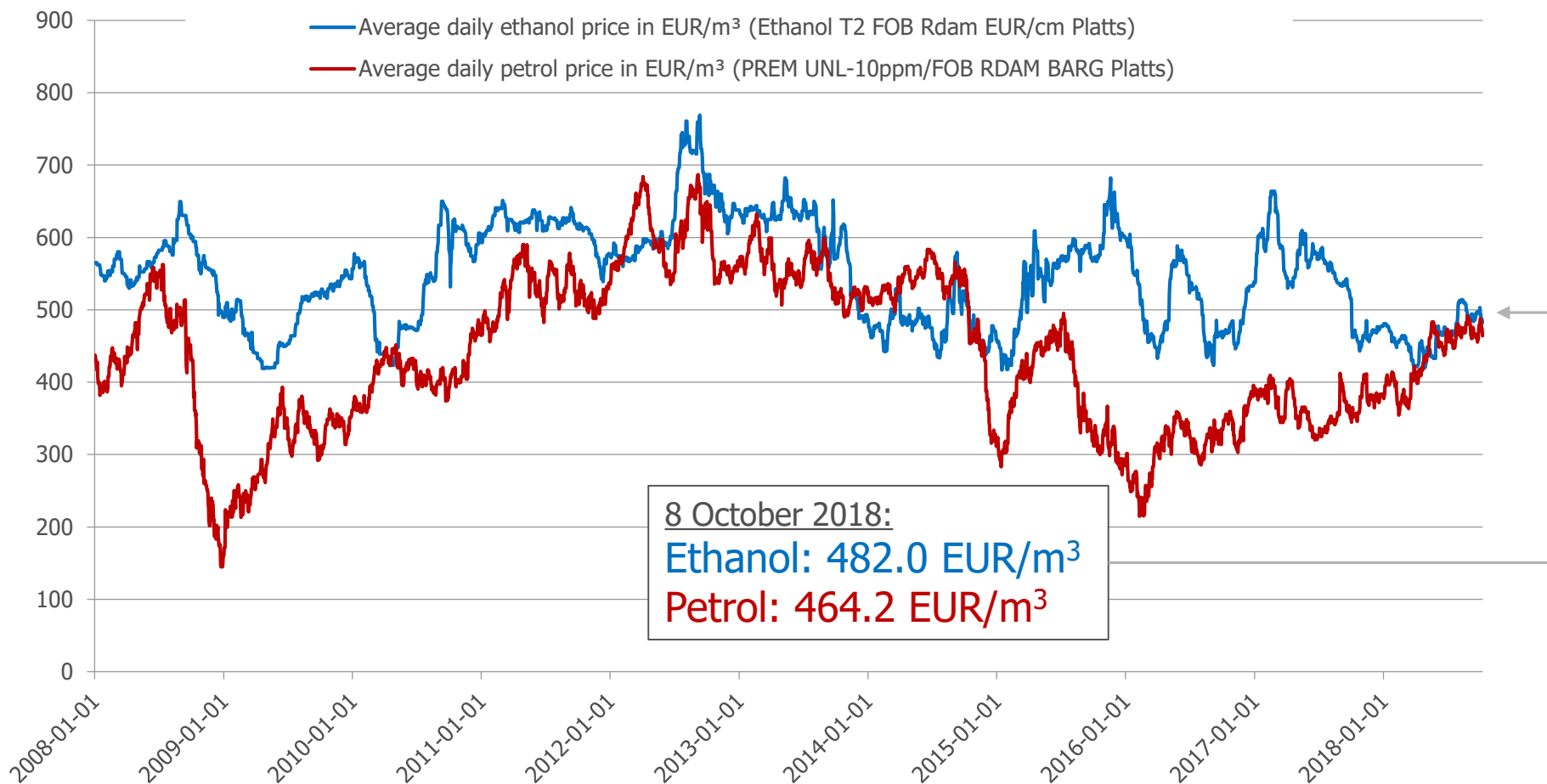
Corn (Paris)

9 Oct. 2018:
173.8 EUR/t



1 JANUARY 2008 – 8 OCTOBER 2018 (EUR)

ETHANOL AND PETROL PRICES

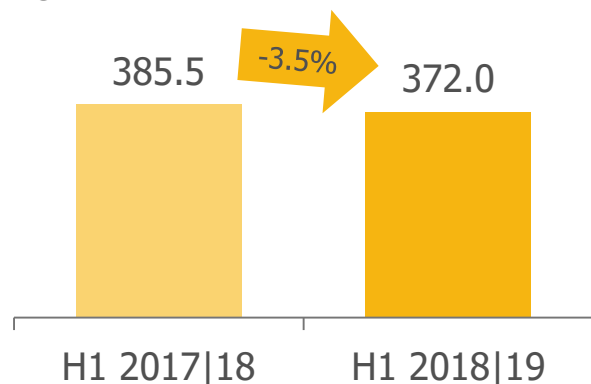




STARCH SEGMENT

REVENUE

€m

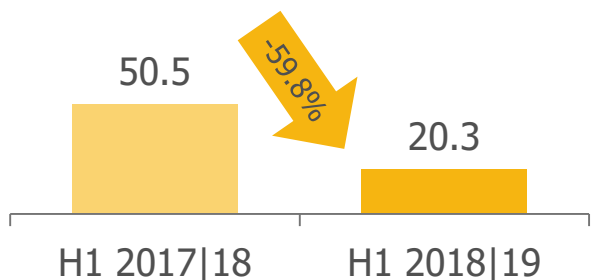


REVENUE at € 372.0 m slightly below prior year

- Reduction was caused mainly by price-related lower revenue from bioethanol -> Platts quotations during the reporting period down significantly from a year ago
- Revenue also declined for saccharification products, i.a. influenced by the very low price level of crystalline sugar
- Native and modified starches: stable development on sustained good market demand

EBIT

€m



EBIT significantly down to € 20.3 million

- Decline in earnings is mainly attributable to the significantly lower market prices for ethanol and isoglucose
- Profit contribution from the equity-accounted HUNGRANA was halved to € 9.1 million -> Hungarian location particularly affected by negative market price development in saccharification products and ethanol



SEGMENT

SUGAR





SUGAR SEGMENT

■ World sugar market

- For **SMY 2018|19**, F.O. Licht is projecting again a production **surplus**; stocks up to 84.6 million tonnes (SMY 2017|18: 76.3 million tonnes)
- 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

- In May 2018, EC forecast with beet harvest yield of 76.1 tonnes for SMY 2018|19; August forecast: **yield per hectare of only 73.8 tonnes** -> exceptionally hot and dry weather conditions in recent months
- Current EC forecast assumes that **production** in the EU **will decline** by around 1.9 million tonnes to 19.8 million tonnes in the EU in SMY 2018|19

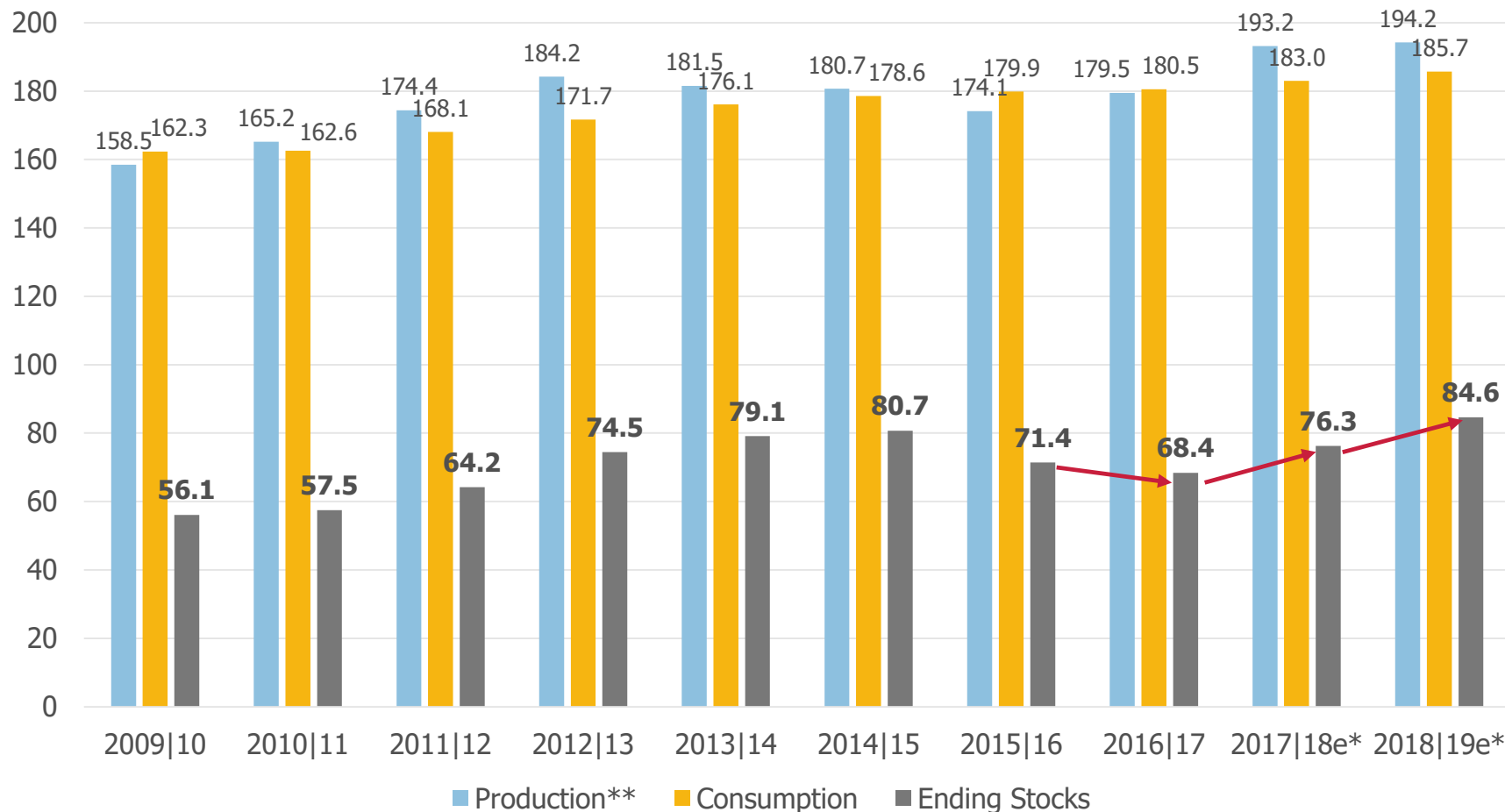
■ EU policy

- 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 July 2018 it was **only € 346 per tonne** (lowest price since the start of the EU price reporting)



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 – 9 October 2018 (USD)

Daily ICE SUG11 MAR9; SUGAR NOS DEC8

Line; ICE SUG11 MAR9; Trade Price(Last)
09.10.2018; 285,499
Line; SUGAR NOS DEC8; Trade Price(Last)
09.10.2018; 353,600; +3,4; (+0,97%)



10-years-low:

Raw sugar, 27/9/18: 216.7 USD/t

9-years-low:

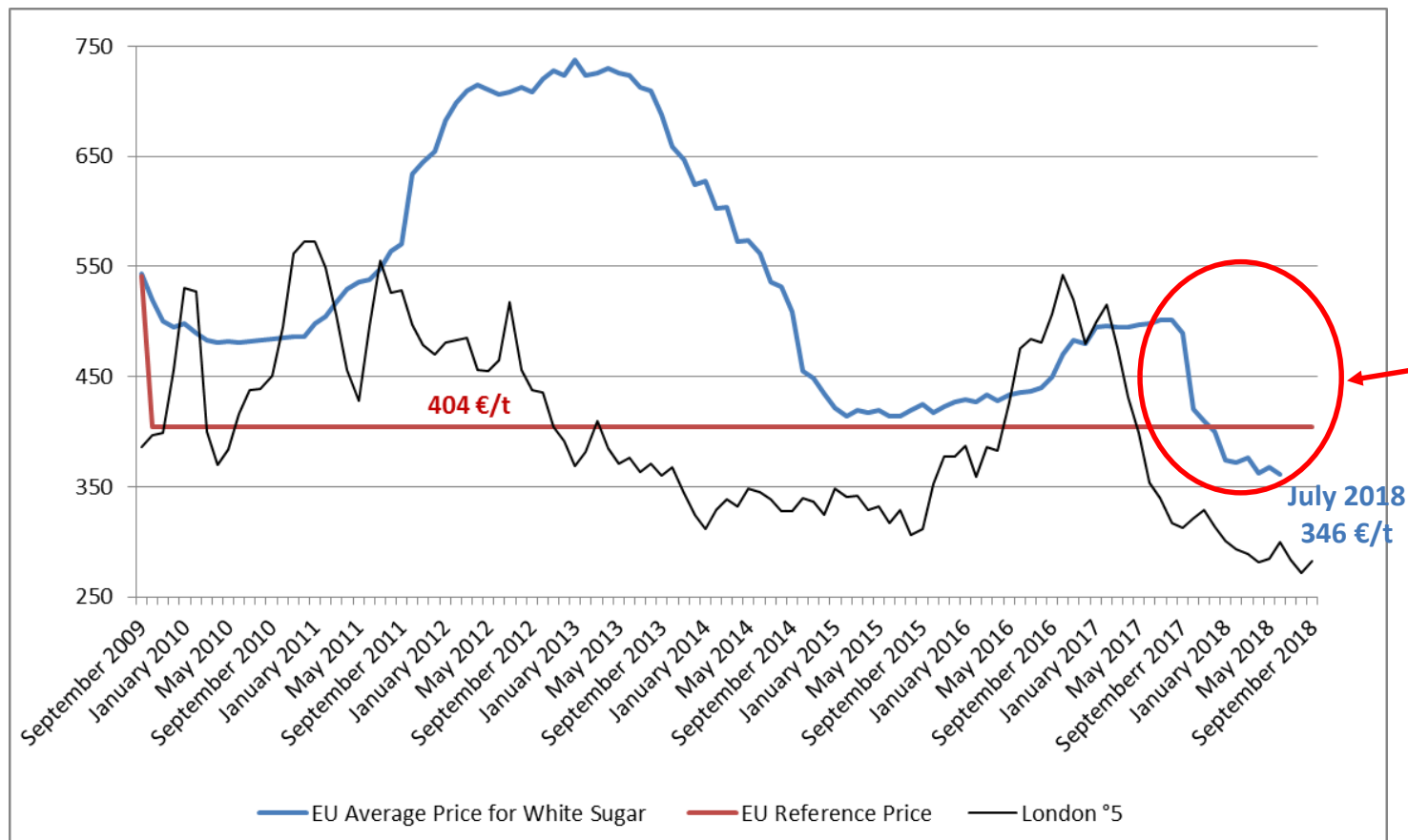
White sugar, 20/8/18: 303.7 USD/t



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)

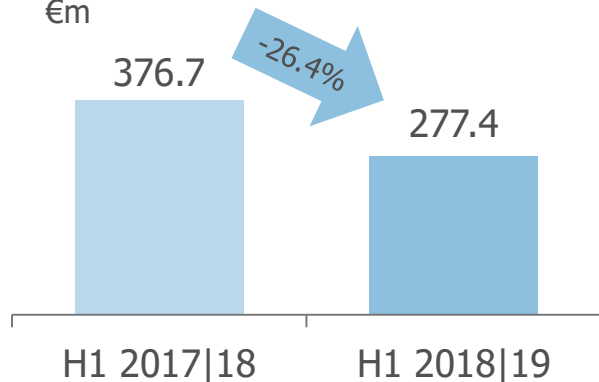
Source: European Commission, Sugar Price Reporting (as of 27 September 2018) and SugarOnline (as of 27 September 2018)



SUGAR SEGMENT

REVENUE

€m

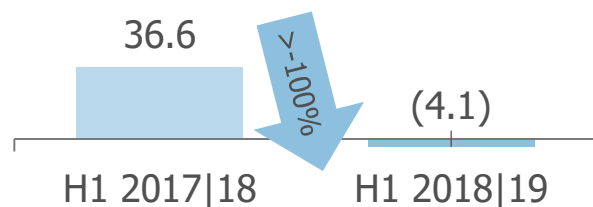


REVENUE down to € 277.4 million

- Downward change was caused by a significant year-on-year reduction in sugar sales prices
- Also lower sugar sales volumes (mainly in export and non-food sectors)

EBIT

€m



Negative EBIT

- EBIT in the first half decreased significantly from € 36.6 million to an operating loss of € 4.1 million
- Principal driving factor was the massively worse sales price environment compared to the prior year



H1 2018|19

CONSOLIDATED FINANCIAL STATEMENTS (CONDENSED)





CONSOLIDATED INCOME STATEMENT

€m (condensed)	H1 2018 19	H1 2017 18	Q2 2018 19	Q2 2017 18
Revenue	1,261.0	1,362.1	630.7	677.9
EBITDA ¹	97.0	149.6	43.5	72.0
Operating profit before except. items and results of equity-accounted JV	57.2	113.4	23.4	53.7
Share of results of equity-accounted JV	6.6	20.0	3.3	9.9
Exceptional items	(0.8)	(2.8)	(0.7)	(2.8)
EBIT	63.0	130.6	26.0	60.8
EBIT margin	5.0%	9.6%	4.1%	9.0%
Net financial items	(10.9)	(8.9)	(6.6)	(4.1)
Profit before tax	52.1	121.7	19.4	56.7
Income tax expense	(12.2)	(24.4)	(4.8)	(10.3)
Profit for the period	39.9	97.3	14.6	46.4
Attributable to shareholders of the parent	36.9	94.0	13.4	44.7
Earnings per share ²	€ 0.59	€ 1.50 ²	€ 0.22	€ 0.71 ²

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

² This prior-year value has been restated -> share split as of July/August 2018



ANALYSIS OF NET FINANCIAL ITEMS

€m	H1 2018 19	H1 2017 18	Change
Net interest expense	(2.5)	(4.8)	+47.9%
Currency translation differences	(7.7)	(2.6)	> -100%
Other financial items	(0.7)	(1.5)	+53.3%
Total	(10.9)	(8.9)	-22.5%



CONSOLIDATED CASH FLOW STATEMENT

€m (condensed)

H1 2018 | 19

H1 2017|18

Change

Operating cash flow before changes in working capital

108.7

176.5

-38.4%

Changes in working capital

34.1

46.3

-26.3%

Total of interest paid/received and tax paid, net

(15.2)

(29.3)

+48.1%

Net cash from operating activities

127.6

193.5

-34.1%

Net cash (used in) investing activities

(83.4)

(59.1)

-41.1%

Net cash (used in) financing activities

(58.9)

(156.0)

+62.2%

Net (decrease) in cash and cash equivalents

(14.7)

(21.6)

+31.9%



CONSOLIDATED BALANCE SHEET

€m (condensed)	31 Aug. 2018	28 Feb. 2018	Change
Non-current assets	1,198.4	1,161.0	+3.2%
Current assets	1,066.0	1,195.4	-10.8%
Total assets	2,264.4	2,356.4	-3.9%
Equity	1,398.7	1,454.0	-3.8%
Non-current liabilities	374.4	419.4	-10.7%
Current liabilities	491.3	483.0	+1.7%
Total equity and liabilities	2,264.4	2,356.4	-3.9%
Equity ratio	61.8%	61.7%	+0.1pp
Net debt	261.3	232.5	+12.4%
Gearing ratio	18.7%	16.0%	+2.7pp



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, higher liquidity
- **Establishment of a broader investor base** -> improved access to the share, especially for small investors (private individuals)



2018|19

PROJECTS AND OUTLOOK





PROJECTS IN THE FRUIT SEGMENT

CHINA AND ALGERIA



- 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**
- Production capacity: **30,000 tonnes**
- China is the world's largest yoghurt market with strongest growth

- AGRANA has **extended** its **presence** in the **North-African market** by acquiring 49% of the shares in **ELAFRUIT** SPA, an Algerian producer of fruit preparations
- Located in Akbou, around 200 km east of Algiers
- workforce of around 100 employees generated revenues of approx. € 7 million in its 2017 FY
- Producing **standard fruit preparations** for yoghurts and ice creams, but also making **fruit purees** and **bases** for the **beverage industry**





POTATO AND WHEAT STARCH



Investment at the potato starch factory in Gmünd|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**

Investment at the wheat starch factory in Pischelsdorf|Austria:

- **Doubling** the production **capacity** of the wheat starch factory
- Total **investment: € 102 million**
- 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
- **Increasing demand**, particularly from the **paper industry** -> high proportion of recycled paper and rising demand for packaging from internet/mail order trade





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, acquisition of Elafruits in Algeria and planned opening of the new Chinese production site in Jiangsu, China -> contribute to a slight EBIT improvement in comparison with the 2017|18 FY
 - Fruit juice concentrates: revenue is projected to rise moderately and EBIT should climb significantly in the 2018|19 financial year

STARCH

Revenue ↗
EBIT ↓↓

- **Starch segment: slight increase in revenue** forecasted 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, lower yoy sales prices in a challenging market environment + expected slightly rising raw material prices + higher energy costs -> **significant reduction in EBIT** is predicted

SUGAR

Revenue ↓↓
EBIT ↓↓

- **Sugar segment:** AGRANA expects **revenue to decline significantly**, as especially sugar sales prices are projected to decrease
- Ongoing cost reduction programmes will soften the margin reduction only to some extent; **significant decrease in EBIT** is thus expected for the 2018|19 financial year



AGRANA GROUP

OUTLOOK FOR 2018|19

AGRANA Group

EBIT 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 **slightly below** the year before
- Total **investment** across the three business segments in the financial year, now at approximately **€ 185 million**, will significantly exceed the budgeted depreciation of about € 95 million



2019|20

FINANCIAL CALENDAR

10 January 2019

Results for first three quarters of 2018 | 19

13 May 2019

Results for full year 2018|19 (annual results press conference)

25 June 2019

Record date for Annual General Meeting participation

5 July 2019

Annual General Meeting in respect of 2018|19

10 July 2019

Ex-dividend date

11 July 2019

Results for first quarter of 2019|20

11 July 2019

Record date for dividend

12 July 2019

Dividend payment date

10 October 2019

Results for first half of 2019|20



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%