



FRUIT  
STARCH  
SUGAR

The natural upgrade



AGRANA Beteiligungs-AG  
**Roadshow Zurich | Lancy | Geneva**  
Berenberg Bank

15 October 2018



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(FINANCIAL)  
HIGHLIGHTS

H1 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

### 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.

### 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

### 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

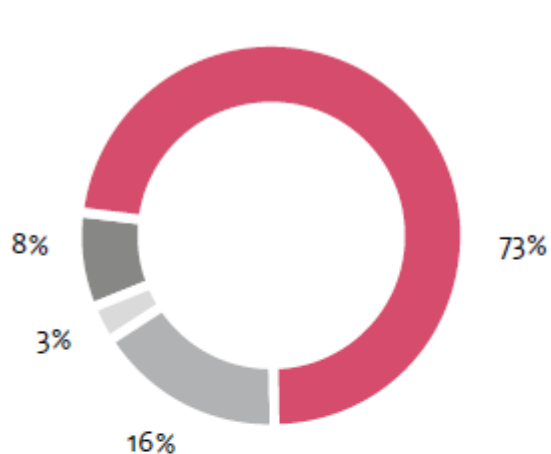


AGRANA PRODUCTS IN DAILY LIFE

# REVENUE BY PRODUCT GROUP (2017|18)

## FRUIT

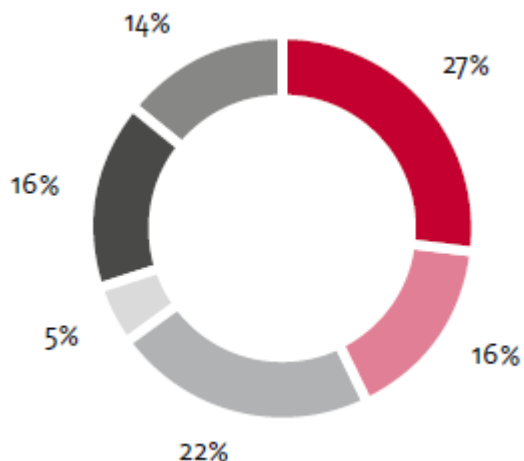
€ 1,161.4 m



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

## STARCH

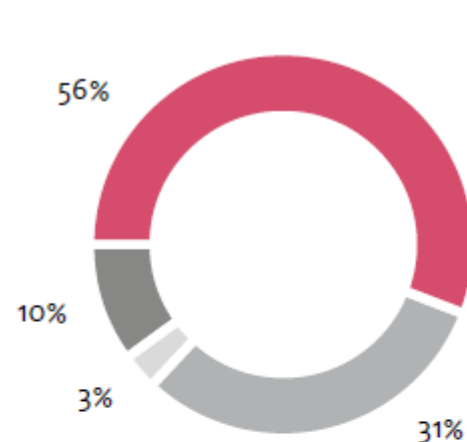
€ 752.3 m



- 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.)





## 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



59 PRODUCTION SITES WORLDWIDE

# SEGMENTATION BY SEGMENT

## SUGAR

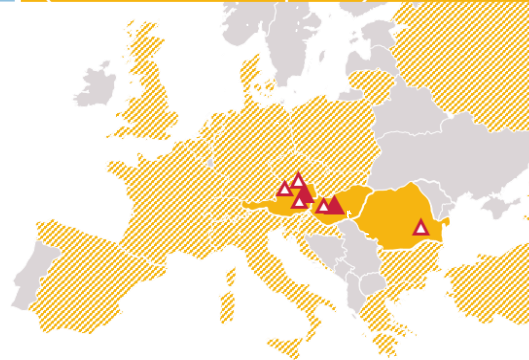
7 sugar beet plants  
2 raw sugar refineries & Instantina plant



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

## STARCH

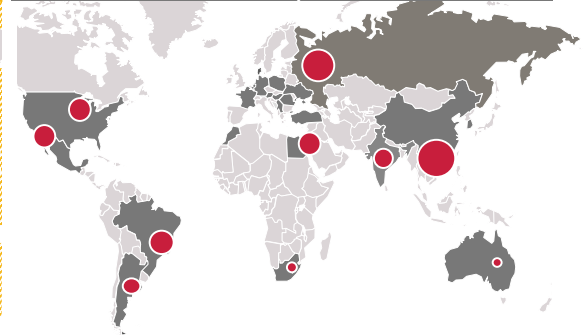
5 starch plants  
(incl. 2 bioethanol plants)



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

## FRUIT

29 fruit preparation plants and  
15 fruit concentrate plants

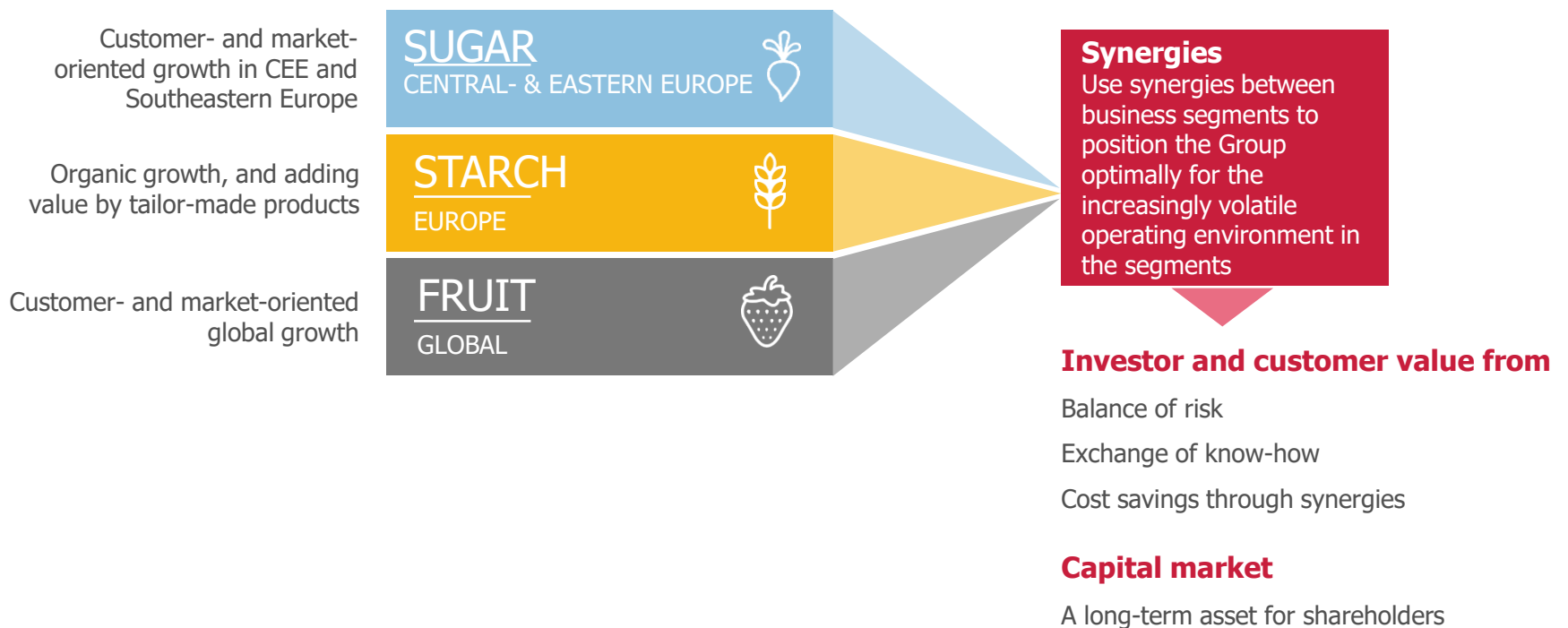


- Countries with production sites
- Potential growth regions





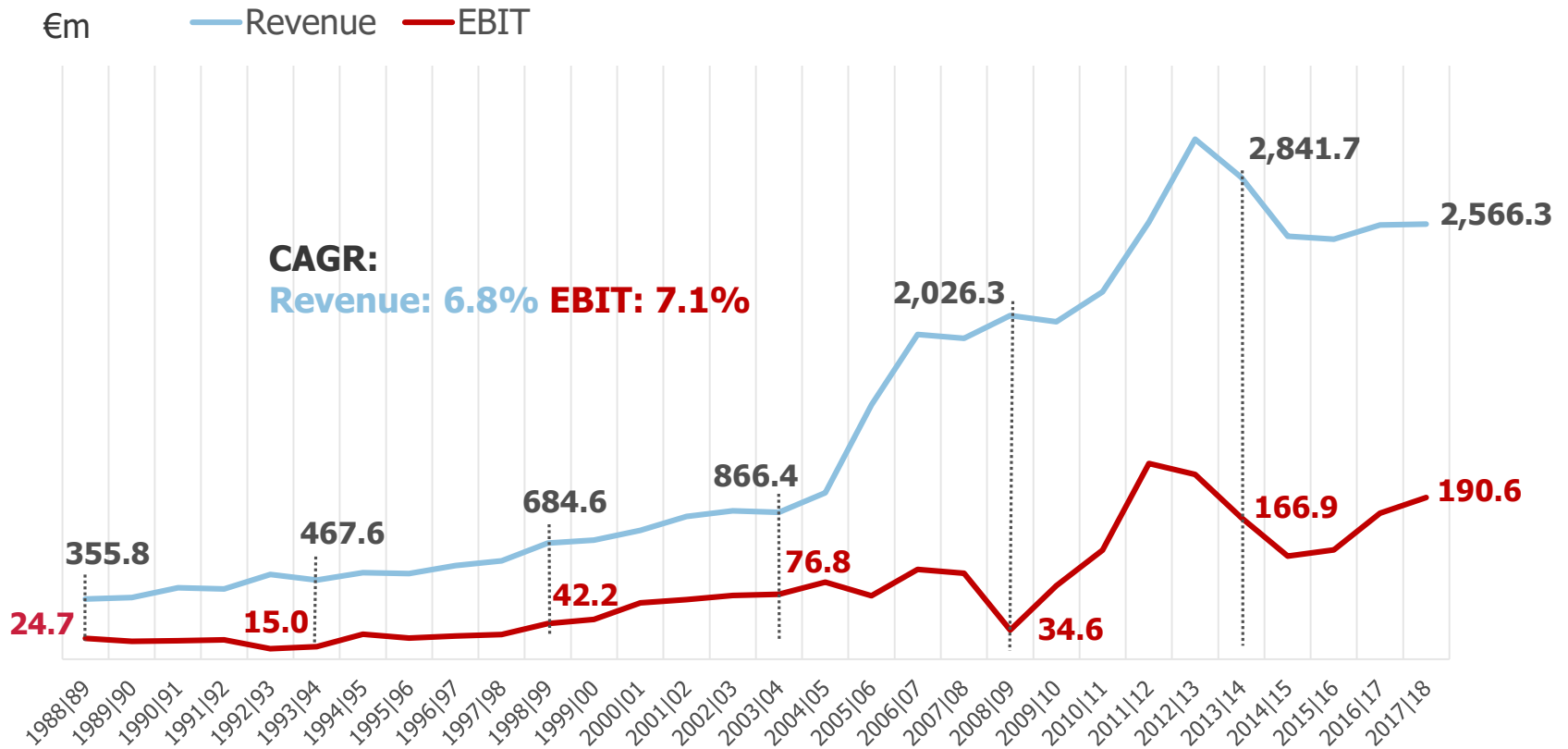
# GROWTH BY STRATEGY





SINCE 1988

# SOLID ECONOMIC GROWTH





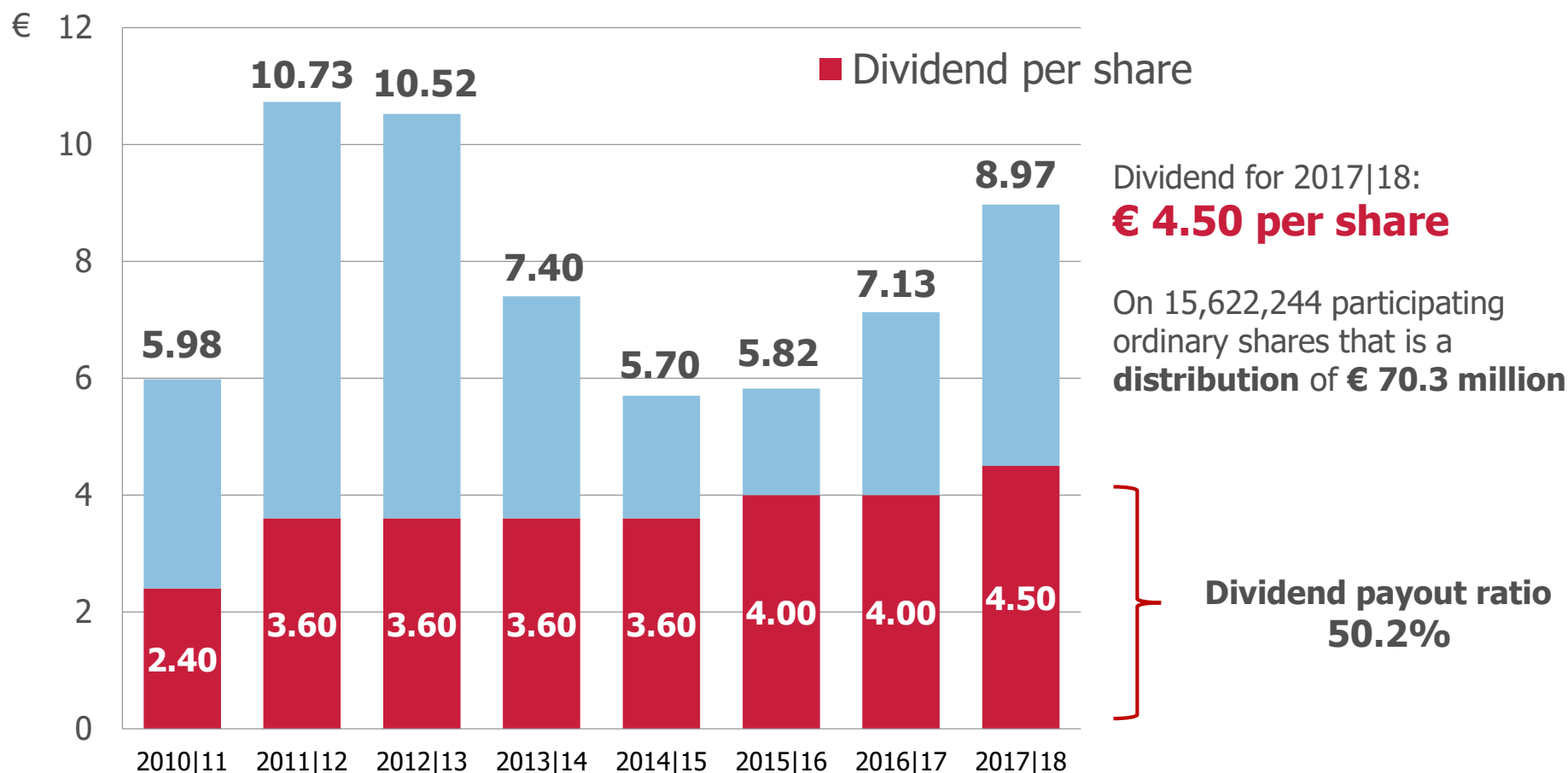
AGRANA  
SHARE





## AGRANA DIVIDEND

# DISTRIBUTION OF A DIVIDEND OF € 4.50



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



AGRANA

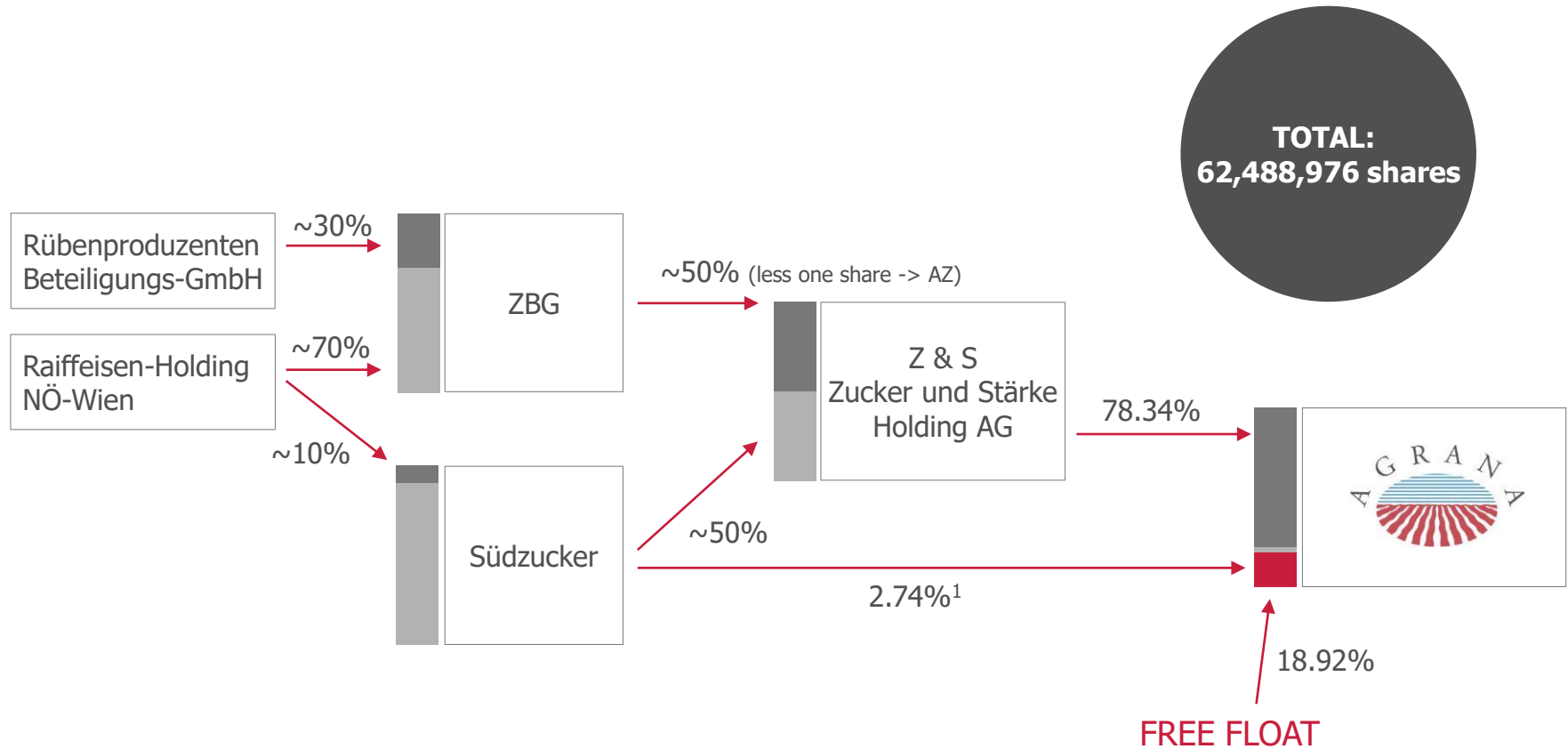
## SHARE SPLIT 1:4

- 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, higher liquidity
- **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



H1 2018|19

# SEGMENT OVERVIEW

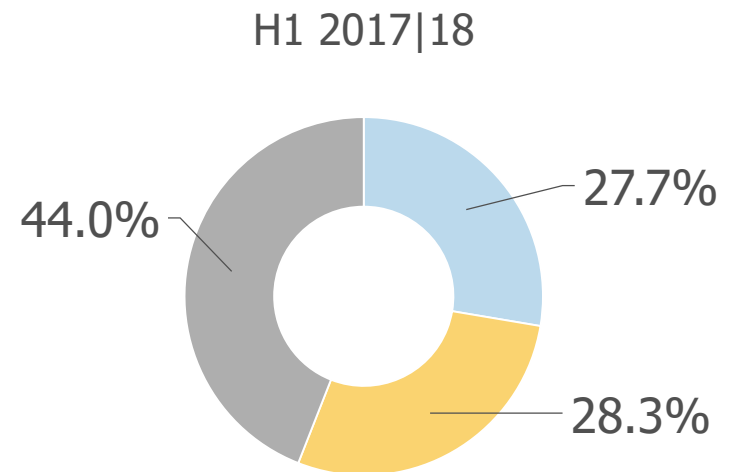
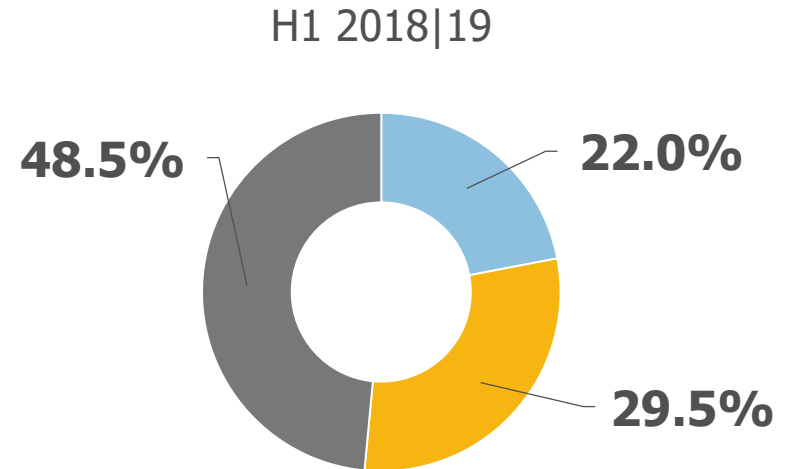
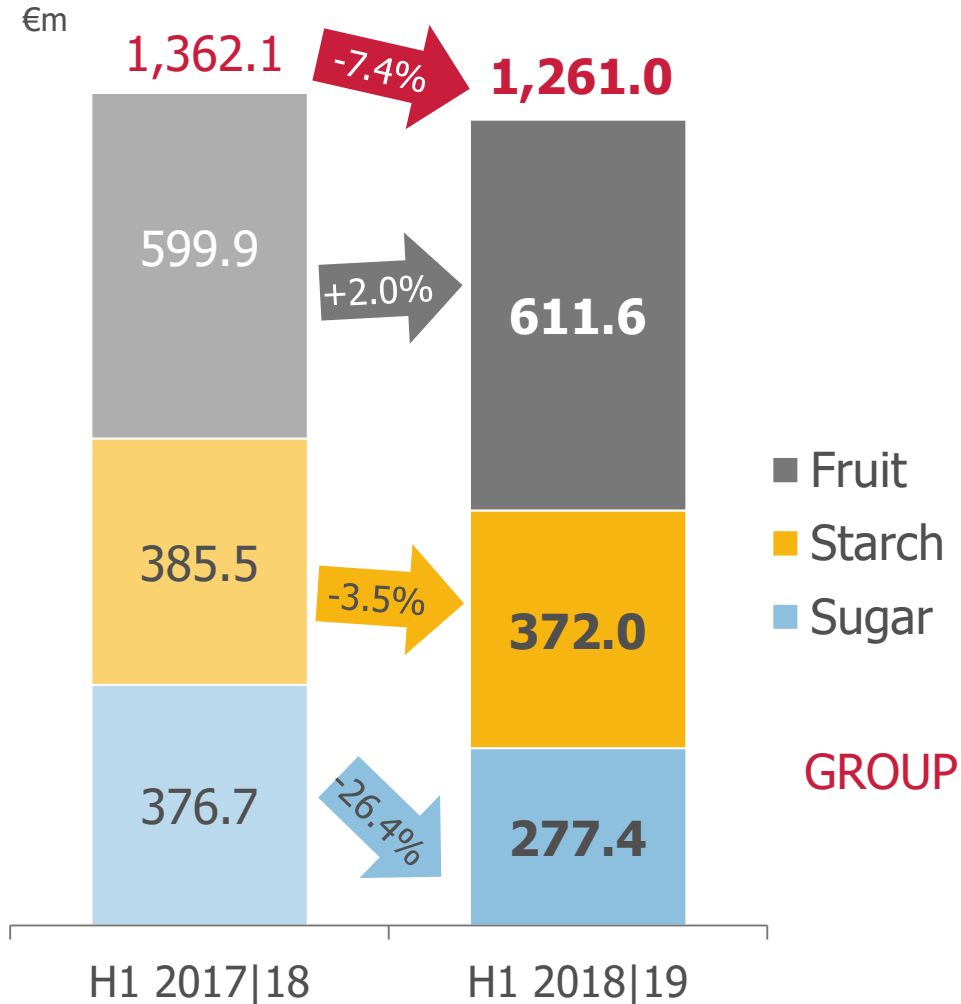






H1 2018|19 VS PRIOR YEAR

## REVENUE BY SEGMENT





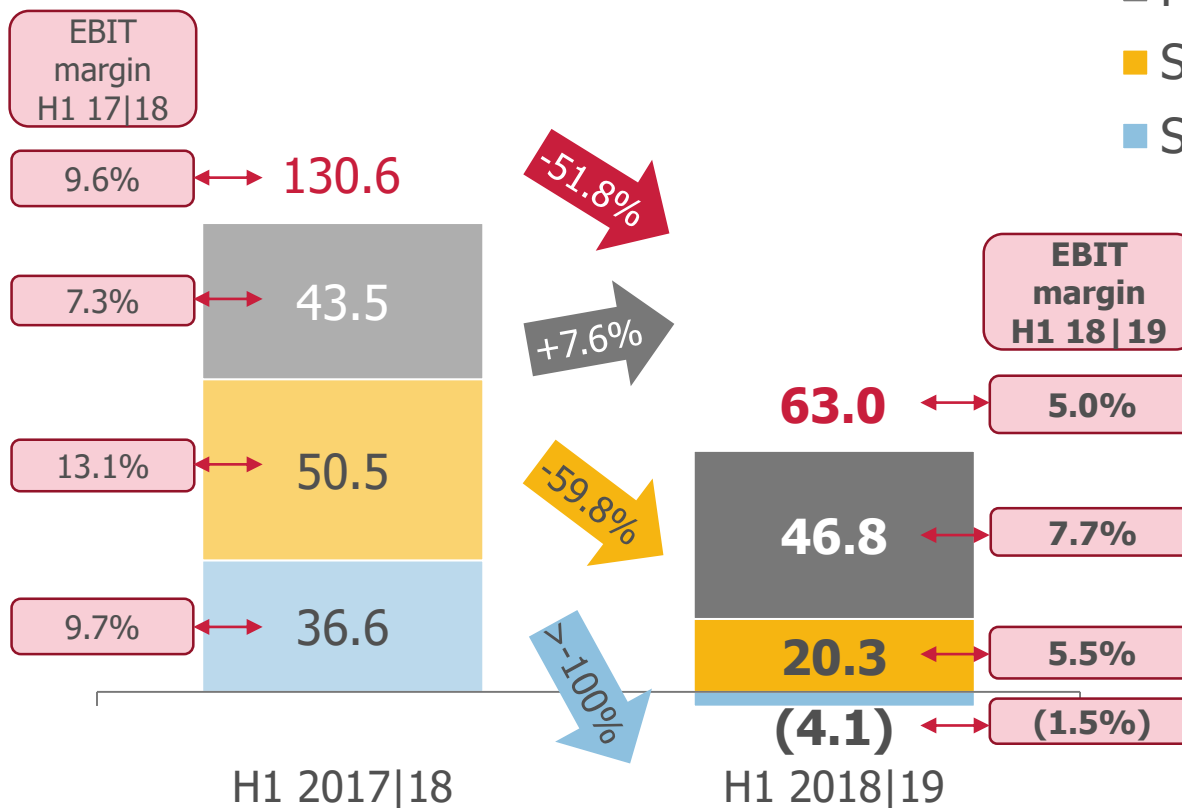
H1 2018|19 VS PRIOR YEAR

## EBIT BY SEGMENT

€m

### GROUP

- Fruit
- Starch
- Sugar





## MOST IMPORTANT PROJECTS IN THE GROUP

# INVESTMENT OVERVIEW

H1 2018|19

### FRUIT

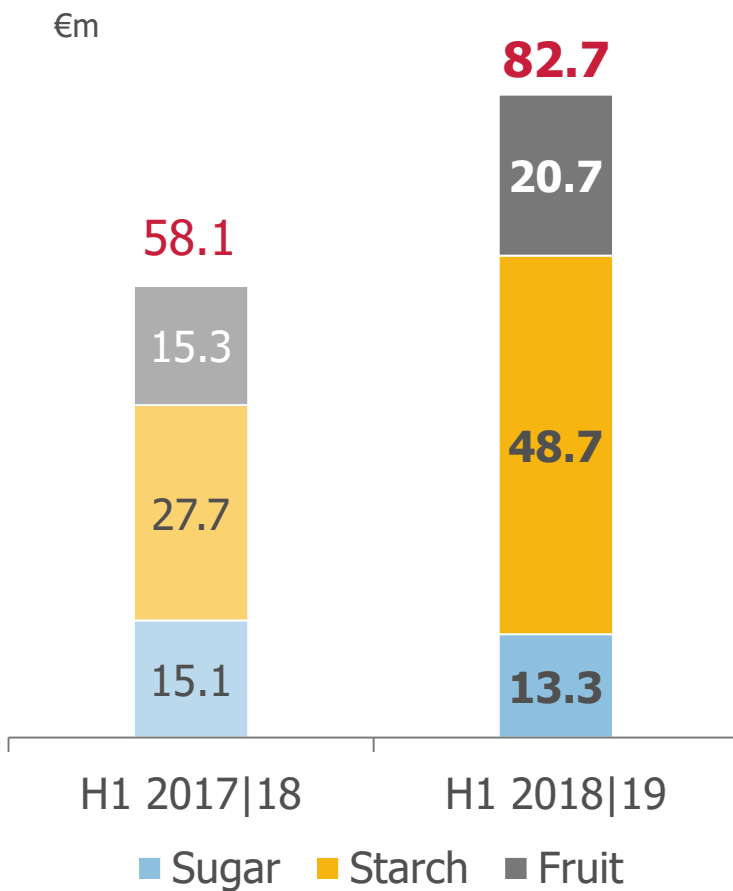
- Various projects across all 44 production sites; key projects: construction of the new, second fruit preparations plant in China and a new carrot juice concentrate production line in Hungary

### 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 - 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...



## 22

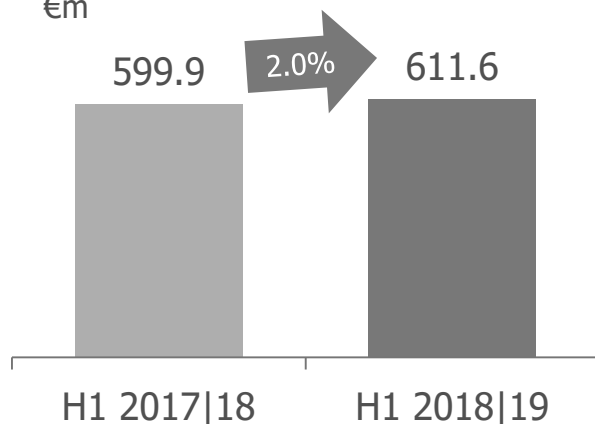




## FRUIT SEGMENT

### REVENUE

€m

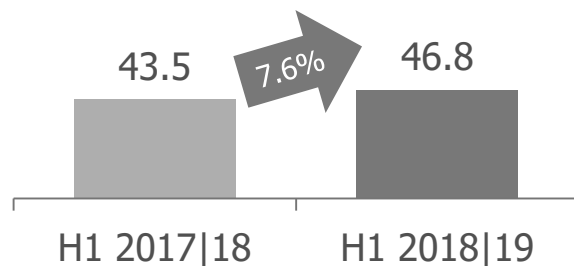


### REVENUE slightly up to € 611.6 million

- 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



## 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



## SEGMENT STARCH





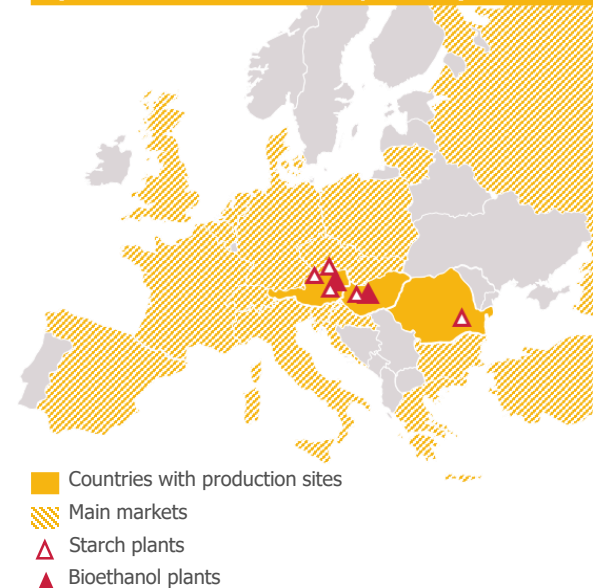
STARCH SEGMENT

## 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

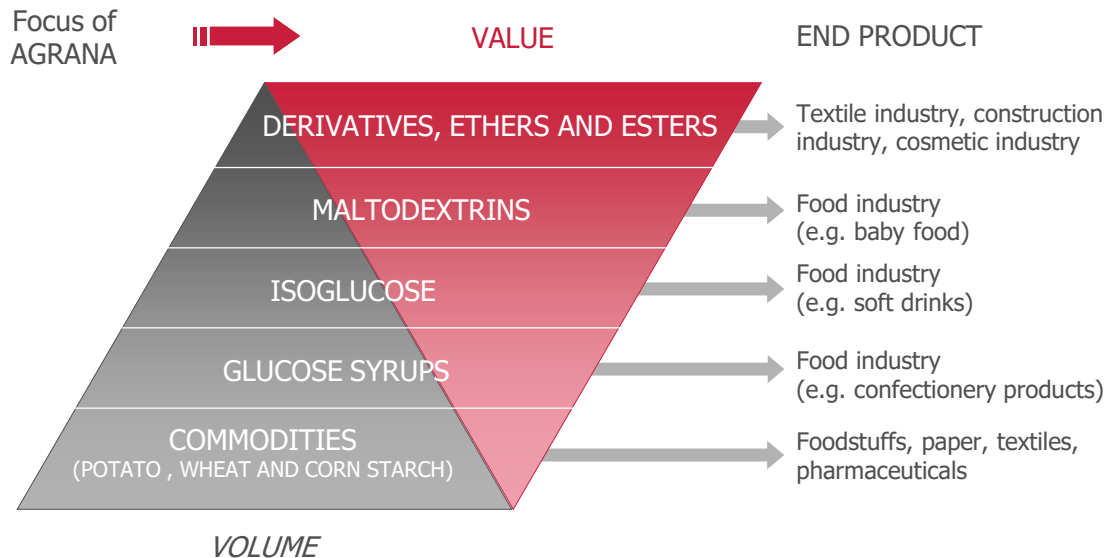
5 starch plants  
(incl. 2 bioethanol plants)





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

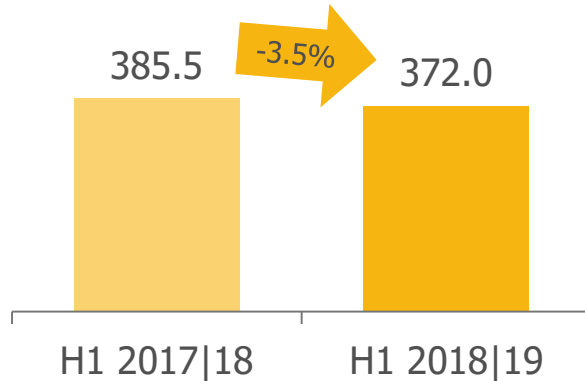
- Growth in (special applications for) paper, textile & cardboard industry
- Innovation and market leadership in
  - Special applications for construction industry
  - Adhesive (sack adhesive)
- Growth in cosmetics industry



## STARCH SEGMENT

### REVENUE

€m

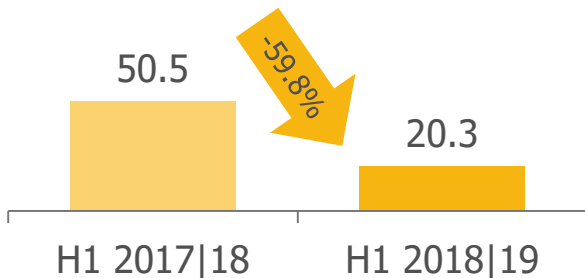


### REVENUE at € 372.0 m slightly below prior year

- 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





## STARCH SEGMENT

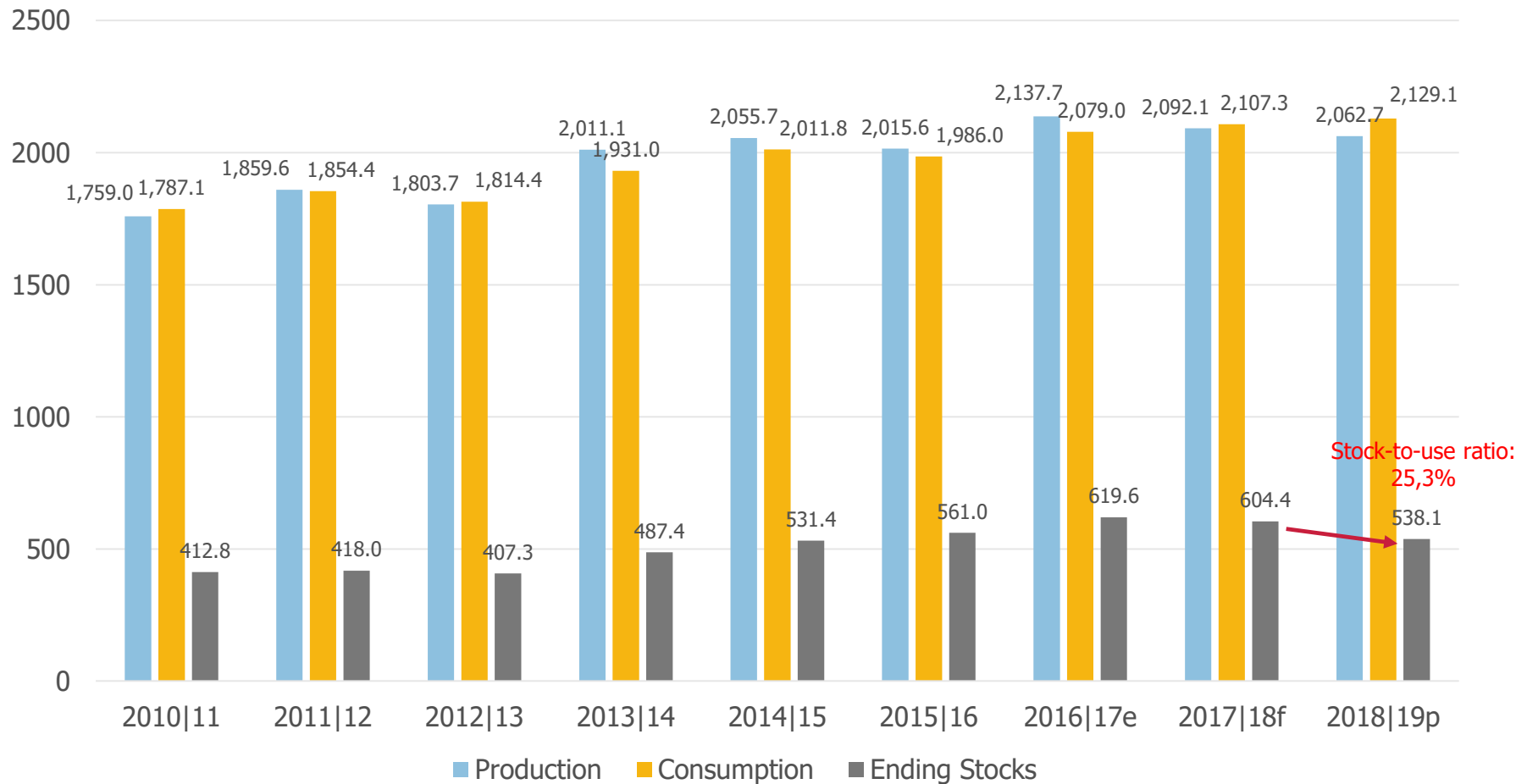
- **Difficult market** setting for **sugar** -> huge **impact on starch sweetener products**
  - low sugar prices with direct downward **price pressure on isoglucose**
  - customers also had very little incentive to use additional quantities of starch sweetener products
- **Sales volumes** of **native 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



2018|19 FY



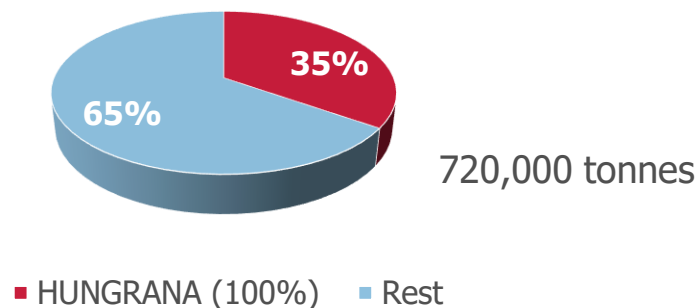


## ISOGLUCOSE MARKET IN THE EU

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

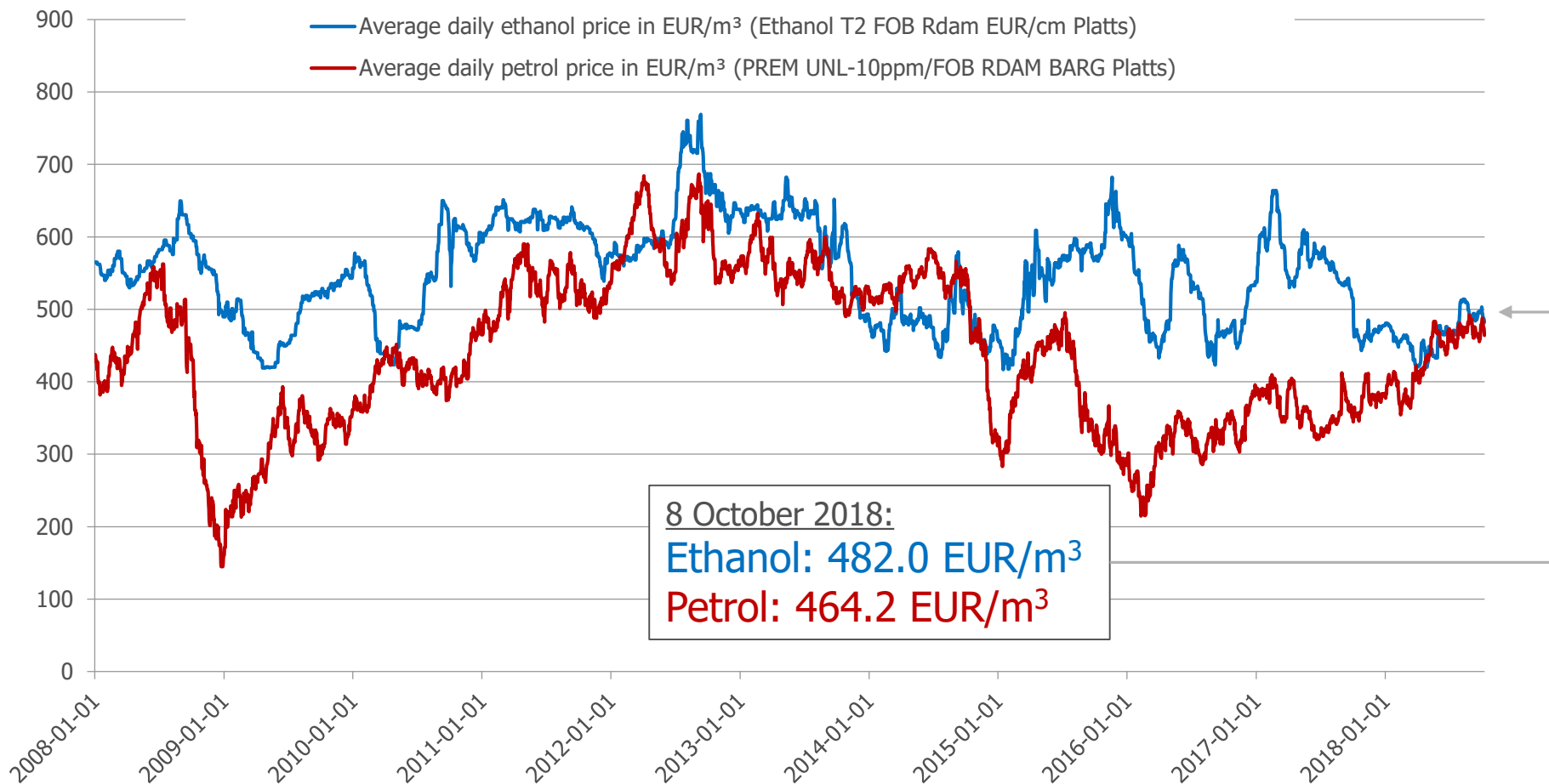


\* in the meantime also B+C starches



1 JANUARY 2008 – 8 OCTOBER 2018 (EUR)

# ETHANOL AND PETROL PRICES





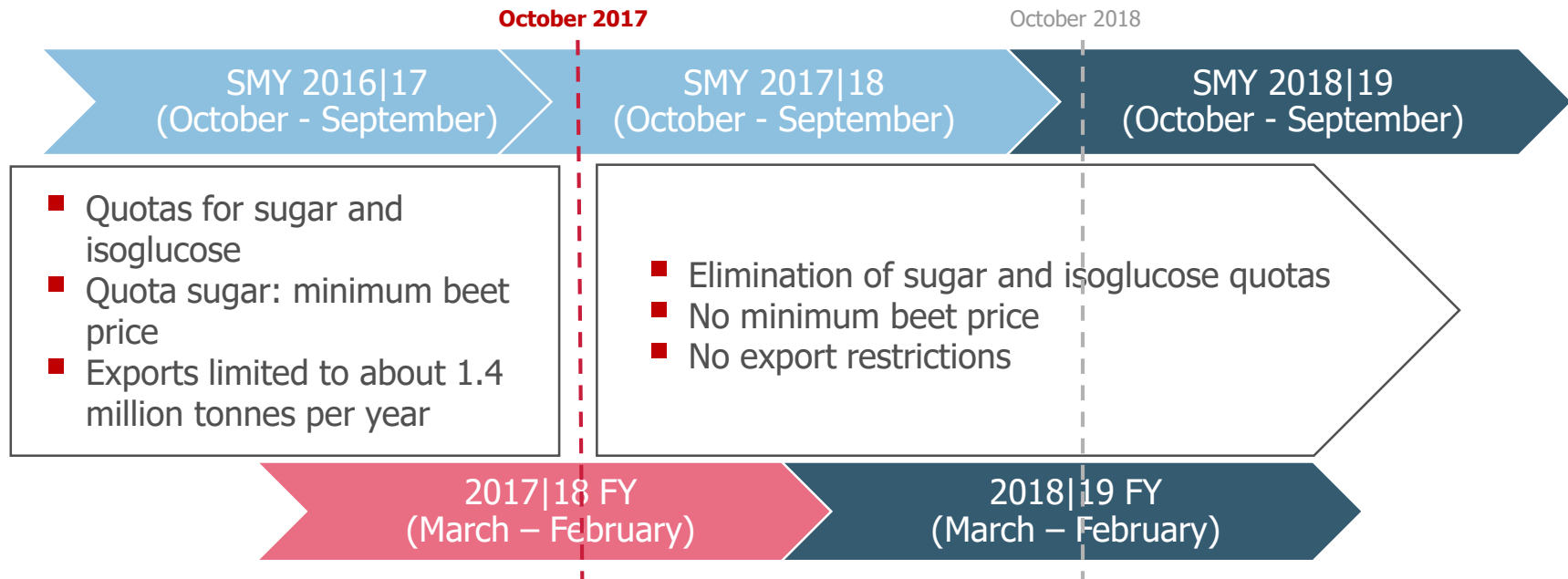


## SEGMENT SUGAR





# 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





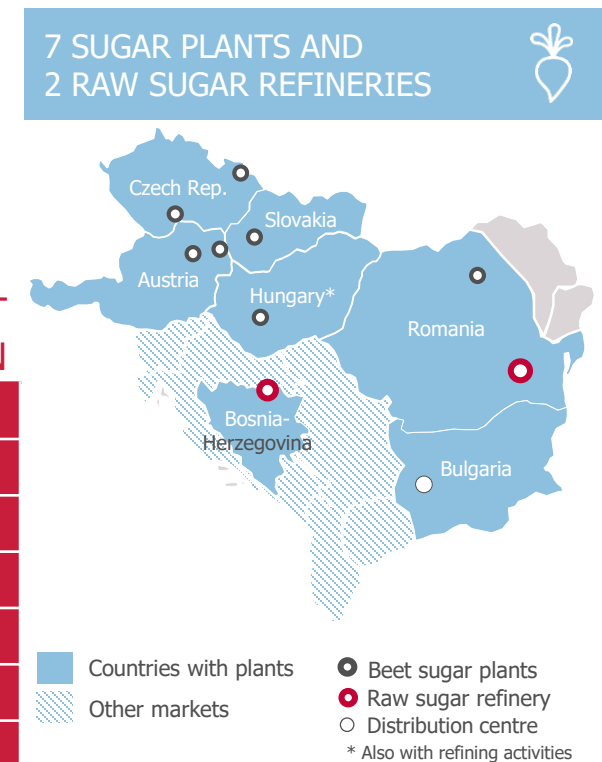
BENEFIT FROM THE STRONG MARKET POSITION IN CEE AND SEE

# 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 |

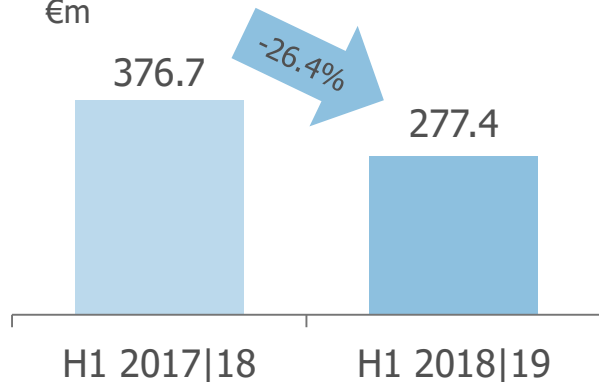




## SUGAR SEGMENT

### REVENUE

€m

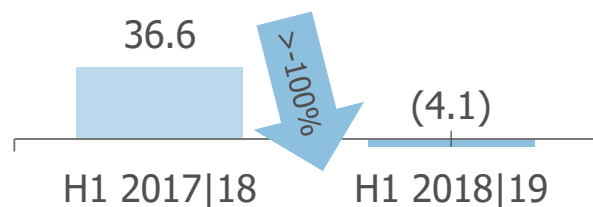


### REVENUE down to € 277.4 million

- 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



## 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

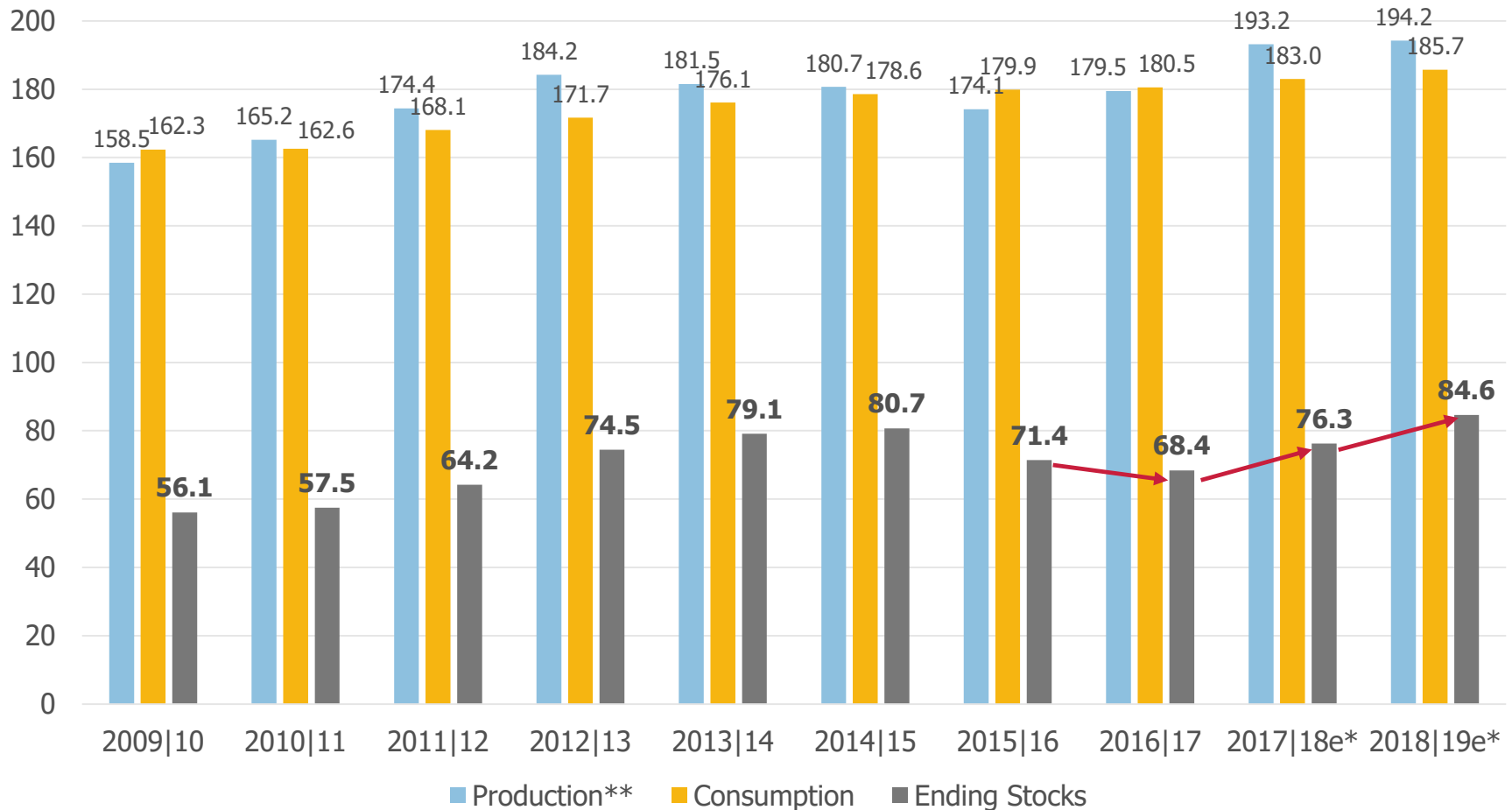
### ■ EU policy

- 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)



1/1/2009

**10-years-low:**

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

**9-years-low:**

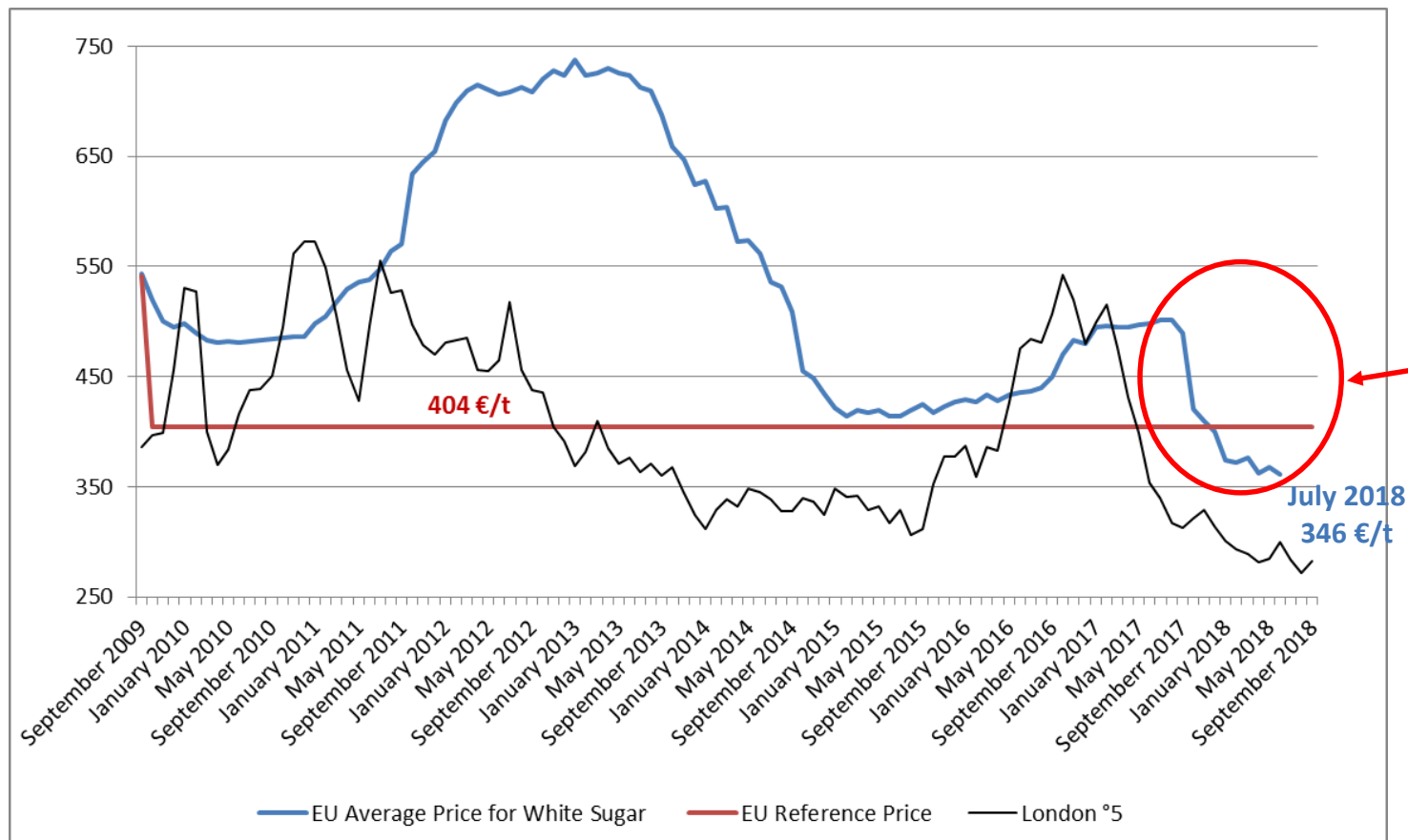
White sugar, 20/8/18: 303.7 USD/t



## 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**



H1 2018|19

# CONSOLIDATED FINANCIAL STATEMENTS





# CONSOLIDATED INCOME STATEMENT

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

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

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



## ANALYSIS OF NET FINANCIAL ITEMS

| €m                               | H1<br>2018   19 | H1<br>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%        |
| <b>Total</b>                     | <b>(10.9)</b>   | <b>(8.9)</b>    | <b>-22.5%</b> |



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





2018|19

# PROJECTS & OUTLOOK





PRESS RELEASE AS OF 3 JULY 2018

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

- 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, 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 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

### 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





## 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



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



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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%                                    |