



FRUIT
STARCH
SUGAR

The natural upgrade



AGRANA Beteiligungs-AG **Results for the first three quarters of 2018 | 19**

Presentation for investors and analysts

Vienna, 10 January 2019



Q1-3 2018|19 OVERVIEW

- **Revenue: € 1,863.5 m** (Q1-3 prior year: € 2,010.6 m)
 - **EBIT: € 63.5 m** (Q1-3 prior year: € 171.6 m)
 - **EBIT margin: 3.4%** (Q1-3 prior year: 8.5%)
-
- Quarterly EBIT (3 months) was the lowest yet in this financial year to date
 - For the new, 2018 beet crop, new and extremely low sugar prices driven by export parity took effect
 - Historic low sugar prices exerted direct downward price pressure on isoglucose in the Starch segment
 - Considerably lower market prices for bioethanol



~9,500

Employees (FTEs)
in Q1-3 2018|19



60

Production sites
as of January 2019



€ ~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

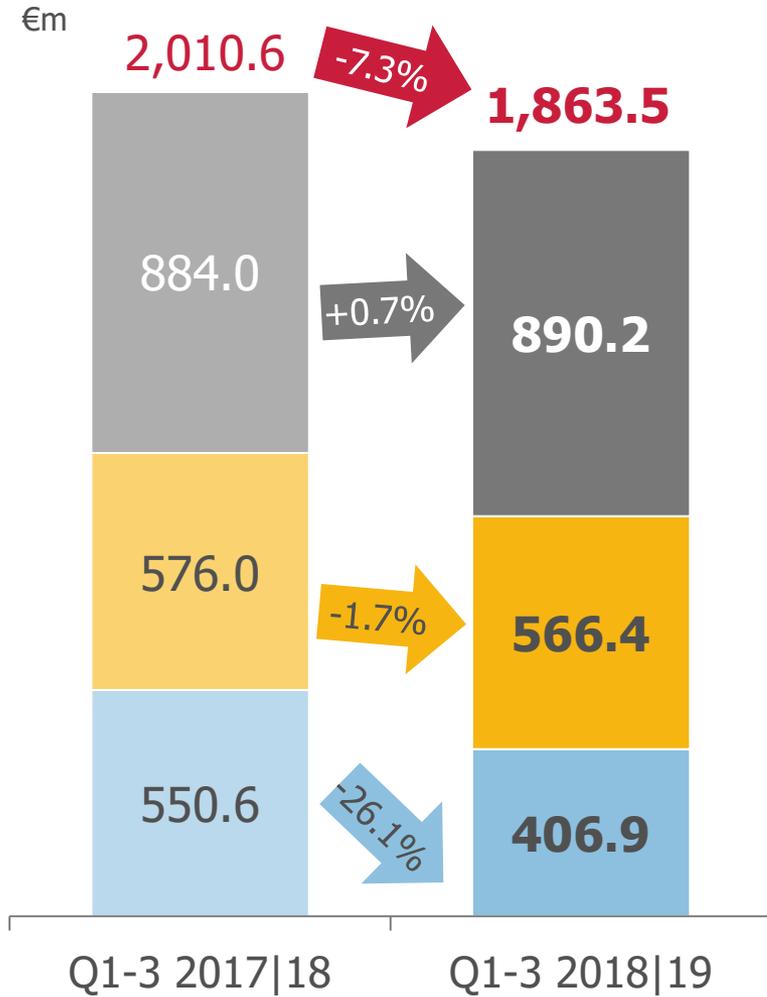
SUGAR

SUPPLIER
in Central, Eastern &
Southeastern Europe



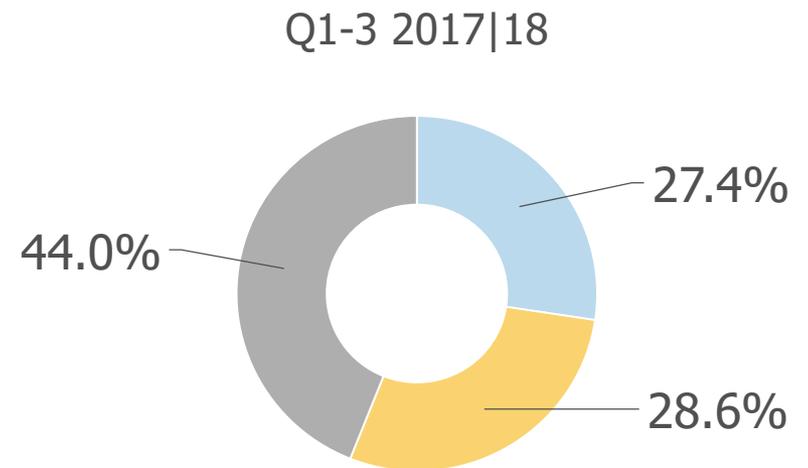
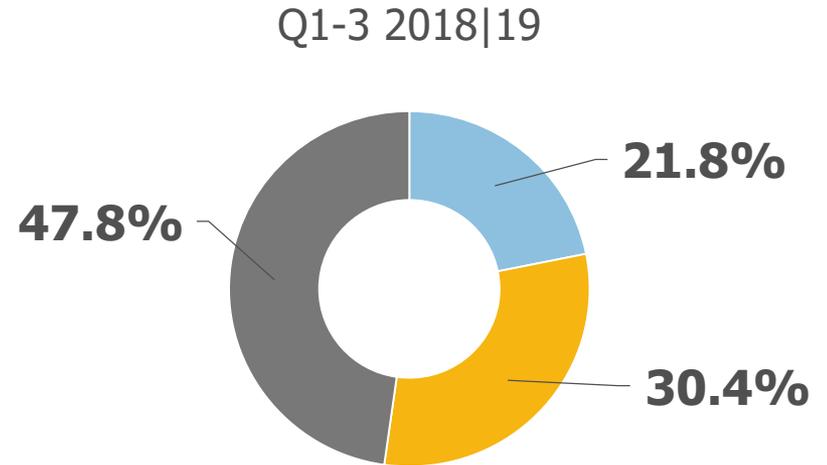
Q1-3 2018|19 VS PRIOR YEAR

REVENUE BY SEGMENT



GROUP

- Fruit
- Starch
- Sugar





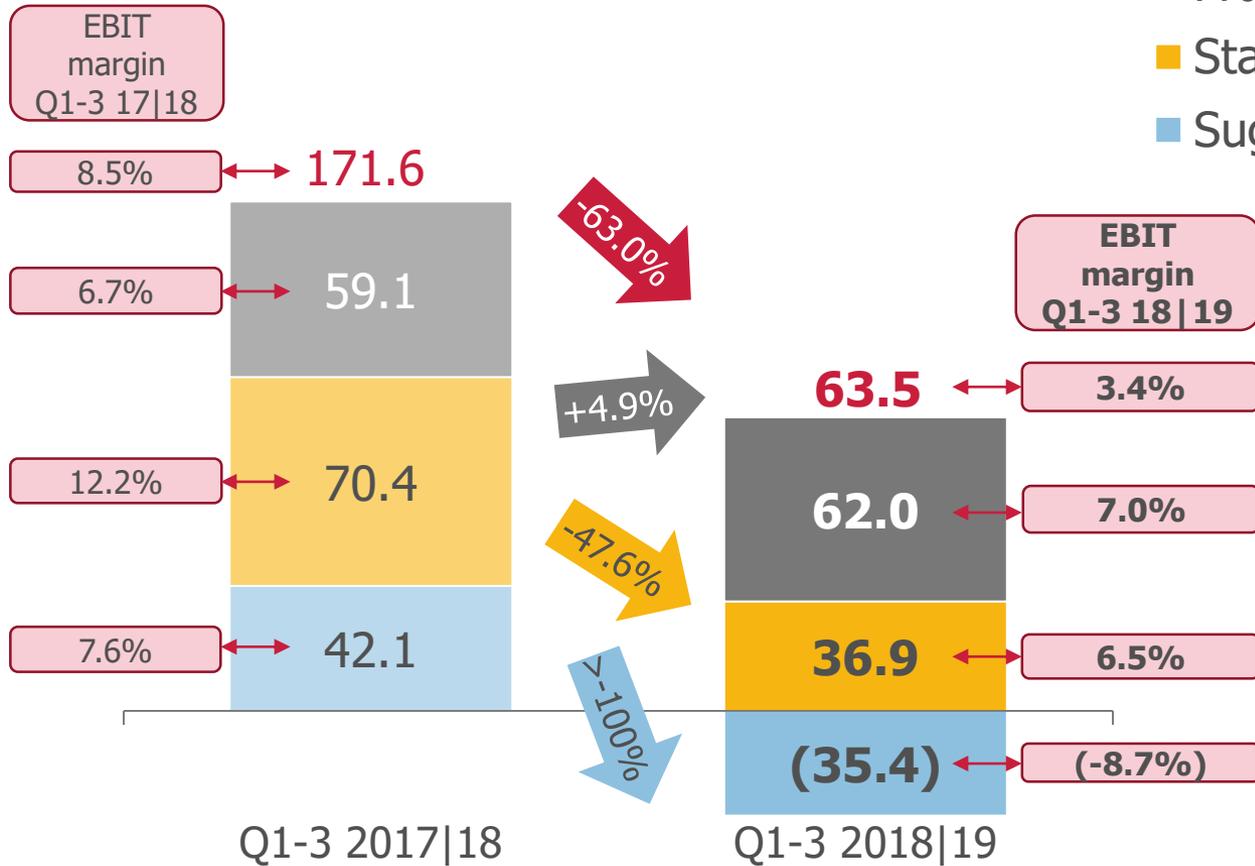
Q1-3 2018|19 VS PRIOR YEAR

EBIT BY SEGMENT

€m

GROUP

- Fruit
- Starch
- Sugar

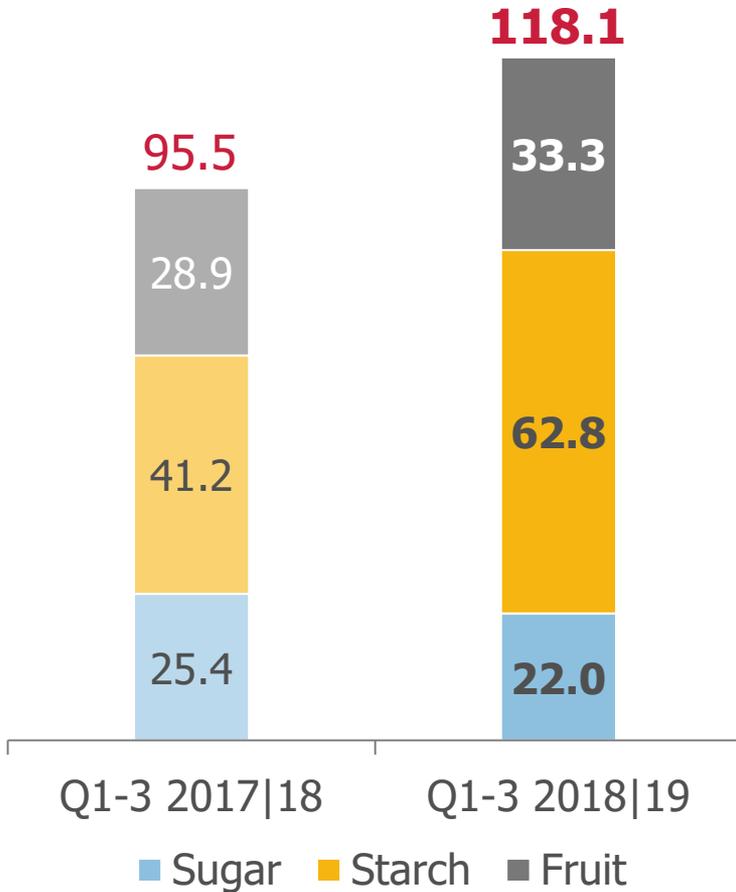




MOST IMPORTANT PROJECTS IN THE GROUP

INVESTMENT OVERVIEW

€m



Q1-3 2018|19

FRUIT

- 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

- Installation of an organic sugar line with a big-bag filling station and rail loading facility in Tulln, Austria
- Project start for construction of a warehouse for finished product in Buzău, Romania

GROUP



SEGMENT
FRUIT





FRUIT SEGMENT

Fruit preparations

- Market-driving global consumer trends remain **naturalness, sustainability, pleasure and health**
- Launching of products with a strong emphasis on **animal welfare** (such as products using grass-fed milk and milk from pastured cows)
- **Vegan dairy alternatives** (e.g. soy milk) 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

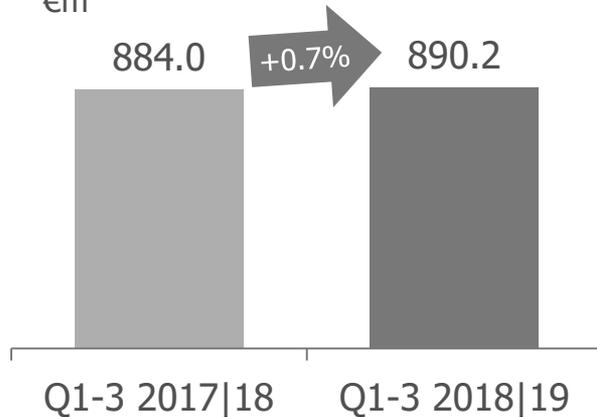
- For apple juice concentrate, **historic high crops** in the major apple production regions (Poland, Hungary, Germany and Italy) caused concentrate prices to come down significantly from the prior year
- As a result of spring frost in China and introduction of a US import tariff on apple juice concentrate of Chinese origin -> possibility to **sell significant volumes of apple juice concentrate from Europe in the USA**



FRUIT SEGMENT

REVENUE

€m

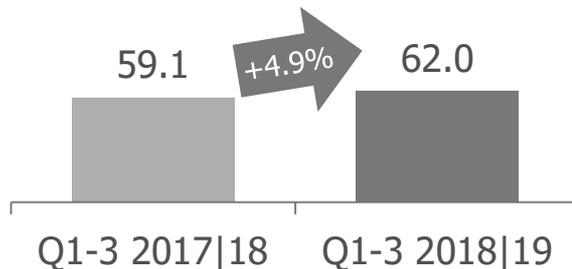


REVENUE stable at € 890.2 million

- Fruit preparations: revenue stagnated despite higher sales volumes -> negative currency translation effects
- Fruit juice concentrates: revenue rose as a result of the high apple juice concentrate prices for products from the 2017 crop

EBIT

€m



EBIT slightly higher than in prior year

- Fruit preparations business saw a decline in earnings, but mainly 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

- **Extremely difficult market** setting for **sugar** -> huge **impact on starch sweetener products**
 - Historically low sugar prices with direct downward **price pressure on isoglucose**
 - Beverage industry is now substituting isoglucose with sugar
- **Sales volumes of native and modified starches** into food industry were **stable**
- Upside **driver in non-food starches** -> lasting high demand from the **paper and corrugated board** industry
- **Bioethanol** environment:
 - Logistical delivery difficulties in Europe and higher raw material prices for wheat -> ethanol prices recovered in the summer months from **low spring levels**
 - After a renewed price decline in October, **ethanol quotations recently regained stability** at a higher level -> capacity reductions in the UK, where one ethanol plant was closed and another temporarily halted production
- In the **feedstuff** sector, prices were steady and above those of the prior year



WHEAT & CORN (EURONEXT, PARIS) COMMODITY PRICES

1 January 2006 – 8 January 2019 (EUR)

2018|19 FY

Daily MAIZE EUR MAR9; M.WHEAT EUR MAR9

Line: MAIZE EUR MAR9; Trade Price(Last)
08.01.2019; 182,50; +0,25; (+0,14%)
Line: M.WHEAT EUR MAR9; Trade Price(Last)
08.01.2019; 206,25; +1,00; (+0,49%)

02.01.2006 - 30.01.2019 (PAR)



Wheat (Paris)

8 Jan. 2019:
206.25
206.3 EUR/t

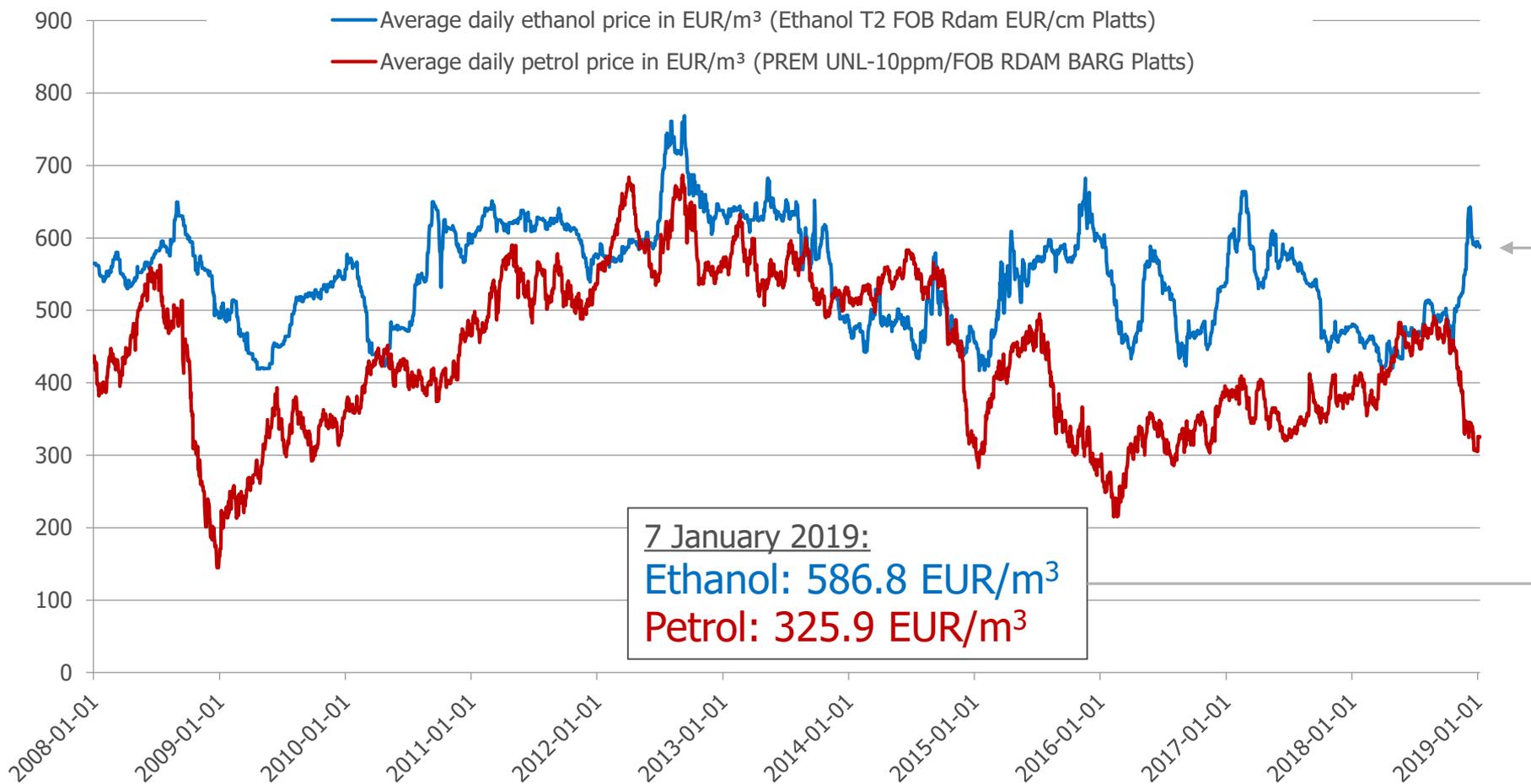
Corn (Paris)

8 Jan. 2019:
182.50
182.5 EUR/t



1 JANUARY 2008 – 7 JANUARY 2019 (EUR)

ETHANOL AND PETROL PRICES

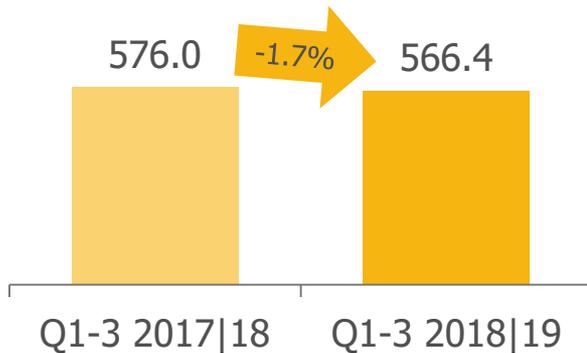




STARCH SEGMENT

REVENUE

€m

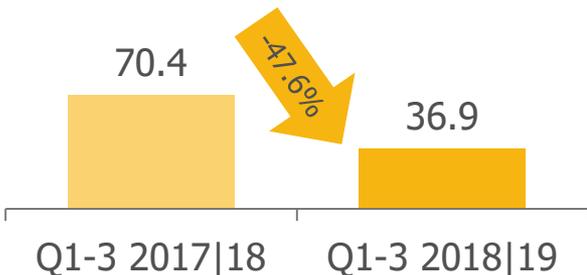


REVENUE at € 566.4 m slightly below prior year

- 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, 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 € 36.9 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 € 13.4 million -> Hungarian location particularly affected by negative market price development in saccharification products and ethanol



SEGMENT

SUGAR





SUGAR SEGMENT

■ World sugar market

- Clear **downward trend in the world sugar market price continued** in the first seven months of the 2018|19 FY
 - Anticipation of a significant surplus in the world sugar balance
 - Drove world market quotations to 9y low for white sugar (Aug. 2018) and 10y low for raw sugar (Sept. 2018)
- Particularly lower-than-expected crop results in Brazil for SMY 17|18, effects of the dry weather in Europe on the 2018 campaign -> **since October market has rallied again somewhat** from its lows

■ EU sugar market

- At the beginning of last SMY (17|18), in **October 2017**, EU price for sugar fell to **€ 420** per tonne (September 2017: € 500 per tonne) and, in the months that followed, tumbled further to slightly below € 350 per tonne
- At the **start of the new SMY (18|19)**, quotation lost another € 27, receding to just **€ 320** per tonne in October 2018
- For **SMY 18|19 production expectations** are **considerably lower** than in the prior year, -> drought-related poorer yields in the large European beet growing regions (EC, on a stable beet production acreage, projected production decrease of 1.9 million tonnes to 19.8 million tonnes (SMY 17|18: 21.7 million tonnes)



RAW SUGAR & WHITE SUGAR SUGAR QUOTATION

1 January 2006 – 8 January 2019 (USD)

2018|19 FY

Daily ICE SUG11 MAR9; SUGAR NO5 MAR9

Line: ICE SUG11 MAR9; Trade Price(Last)
08.01.2019; 279,987
Line: SUGAR NO5 MAR9; Trade Price(Last)
08.01.2019; 344,900; +0,10; (+0,03%)

03.01.2006 - 30.01.2019 (NYC)



White sugar (LIFFE)

8 Jan. 2019:
344.9 USD/t
= 301.3 EUR/t

Raw sugar (ICE)

8 Jan. 2019:
280.0 USD/t
= 244.6 EUR/t

1/1/2009

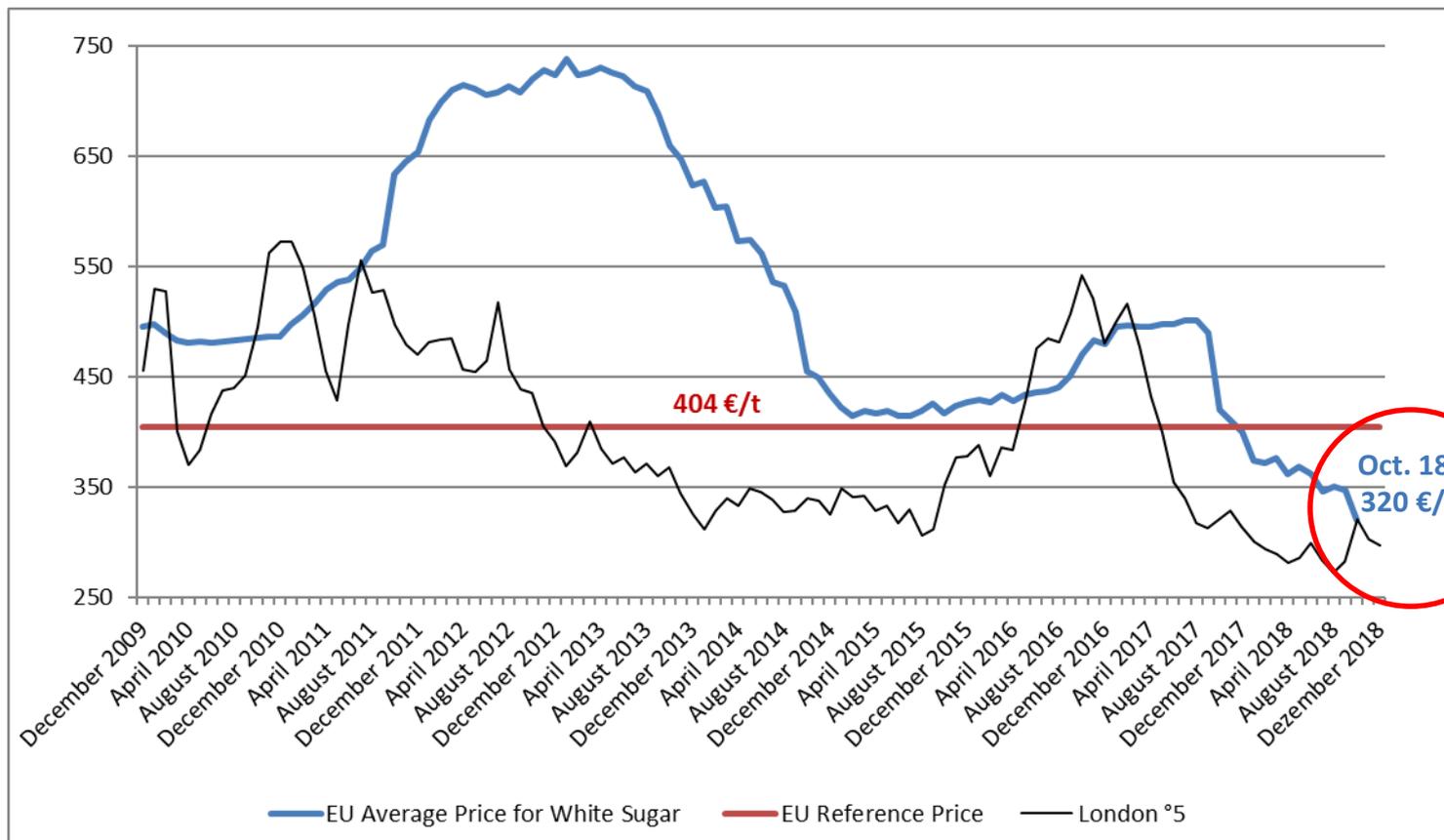
10-years-low:
Raw sugar, 26/9/18: 218.3 USD/t

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



SUGAR PRICE REPORTING

MONTHLY EU AVERAGE PRICES (DECEMBER 2009 TO DECEMBER 2018; € PER TONNE)



Further decline in October 2018 to € 320 -> start of the new SMY 2018|19 (the second without quotas and minimum beet prices)

Oct. 18: 320 €/t

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

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

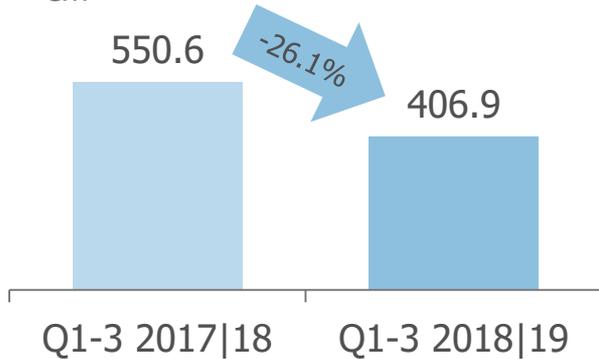
Source: European Commission, Sugar Price Reporting (as of 20 December 2018) and SugarOnline (as of 4 January 2019)



SUGAR SEGMENT

REVENUE

€m

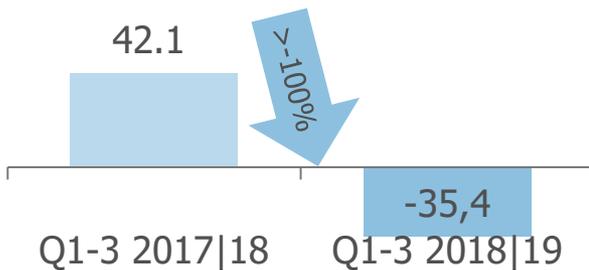


REVENUE down to € 406.9 million

- 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 nine months declined from a profit of € 42.1 million to a loss of € 35.4 million
- Principal driving factor was the much poorer sales price environment compared to the prior year
- In addition, production costs increased due to the poor beet quality of the 2018 crop -> extreme drought conditions and beet losses in spring 2018 caused by the beet weevil



Q1-3 2018|19

CONSOLIDATED FINANCIAL STATEMENTS (CONDENSED)





CONSOLIDATED INCOME STATEMENT

€m (condensed)	Q1-3 2018 19	Q1-3 2017 18	Q3 2018 19	Q3 2017 18
Revenue	1,863.5	2,010.6	601.9	648.5
EBITDA ¹	124.1	213.8	27.8	64.2
Operating profit before except. items and results of equity-accounted JV	54.6	149.4	(1.9)	36.0
Share of results of equity-accounted JV	10.5	25.8	3.9	5.8
Exceptional items	(1.6)	(3.6)	(0.8)	(0.8)
EBIT	63.5	171.6	1.2	41.0
EBIT margin	3.4%	8.5%	0.2%	6.3%
Net financial items	(11.9)	(11.0)	(1.5)	(2.1)
Profit before tax	51.6	160.6	(0.3)	38.9
Income tax expense	(14.6)	(33.0)	(2.4)	(8.6)
Profit for the period	37.0	127.6	(2.7)	30.3
Attributable to shareholders of the parent	33.1	124.6	(3.5)	30.6
Earnings per share	€ 0.53	€ 1.99 ²	€ (0.06)	€ 0.49 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	Q1-3 2018 19	Q1-3 2017 18	Change
Net interest expense	(3.6)	(6.0)	+40.0%
Currency translation differences	(7.8)	(2.7)	> -100%
IAS 29 - Argentina	0.9	0	-
Other financial items	(1.4)	(2.3)	+39.1%
Total	(11.9)	(11.0)	-8.2%



CONSOLIDATED CASH FLOW STATEMENT

€m (condensed)	Q1-3 2018 19	Q1-3 2017 18	Change
Operating cash flow before changes in working capital	141.5	243.2	-41.8%
Changes in working capital	1.9	(6.7)	> +100%
Total of interest paid/received and tax paid, net	(24.0)	(38.9)	+38.3%
Net cash from operating activities	119.4	197.6	-39.6%
Net cash (used in) investing activities	(118.7)	(96.1)	-23.5%
Net cash (used in) financing activities	(36.2)	(168.2)	+78.5%
Net (decrease) in cash and cash equivalents	(35.5)	(66.7)	+46.8%



CONSOLIDATED BALANCE SHEET

€m (condensed)	30 Nov. 2018	28 Feb. 2018	Change
Non-current assets	1,224.5	1,161.0	+5.5%
Current assets	1,150.3	1,195.4	-3.8%
Total assets	2,374.8	2,356.4	+0.8%
Equity	1,411.1	1,454.0	-3.0%
Non-current liabilities	393.2	419.4	-6.2%
Current liabilities	570.5	483.0	+18.1%
Total equity and liabilities	2,374.8	2,356.4	+0.8%
Equity ratio	59.4%	61.7%	-2.3pp
Net debt	301.8	232.5	+29.8%
Gearing ratio	21.4%	16.0%	+5.4pp



2018|19

PROJECTS AND OUTLOOK





MANUFACTURE OF CRYSTALLINE BETAINE

- AGRANA signed a **JV agreement** with US-based sugar producer **Amalgamated** (The Amalgamated Sugar Company) relating to the construction of a **betaine crystallisation plant** (the third worldwide) at its sugar factory in Tulln, Austria, in December 2018
- Betaine is produced **from sugar beet molasses** and has **numerous practical applications**:
 - Not only used in the livestock sector as a constituent of animal feedstuffs but also in food supplements and sports drinks
 - Due to its osmoregulatory properties, betaine is also used in cosmetic products.
- Work on the new betaine crystallisation plant is intended to start in early 2019; construction work will take approximately a year.
- Investment: approx. **€ 40 million**



Q1-3 2018|19

FURTHER PROJECTS

- **Second Chinese fruit preparations plant** successfully began operation in Jiangsu, China, on schedule and on cost
- **Austrian potato starch plant** in Gmünd: **capacity** was **increased** in the course of the 2018 campaign
 - Processing volume of 2,000 tonnes per day
 - Potato pulp is refined into food-grade fine fibre valued for its water retention properties
- **Thermoplastic starch** developed at AGRANA Research & Innovation Center represents breakthrough in **home-compostable** plastic films and produce bags
 - With this innovation, AGRANA's Starch segment offers sustainable alternative with a view to the planned ban on non-biodegradable plastic bags in Austria and other countries
- **Doubling of the wheat starch capacity** at the plant in Pischelsdorf, Austria, is proceeding according to plan; completion by the end of 2019



AGRANA SEGMENTS

OUTLOOK FOR 2018|19

FRUIT

Revenue ↗
EBIT ↗

- **Fruit segment:** AGRANA expects 2018|19 FY year to bring **slight growth in revenue** and **EBIT**
 - Fruit preparations: revenue is predicted to increase, driven by rising sales volumes in all areas (particularly in non-dairy); synergy effects in Argentina, acquisition of Elafruits in Algeria and opening of the new Chinese production site in Jiangsu, China, are positive drivers for earnings; however, negative currency effects are to lead to a significantly lower EBIT than last year
 - Fruit juice concentrates: revenue is projected stable and EBIT should climb significantly in the 2018|19 financial year

STARCH

Revenue →
EBIT ↓↓

- **Starch segment: stable development 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 + higher raw material prices and 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, at approximately **€ 185 million**, will significantly exceed the budgeted depreciation of about € 96 million



2019|20

FINANCIAL CALENDAR

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

14 January 2020

Results for first three quarters 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%