



FRUIT  
STARCH  
SUGAR

The natural upgrade



AGRANA Beteiligungs-AG  
**Institutional Investor Conference Zuers**  
Raiffeisen Centrobank AG

2 April 2019



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(FINANCIAL)  
HIGHLIGHTS

Q1-3 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

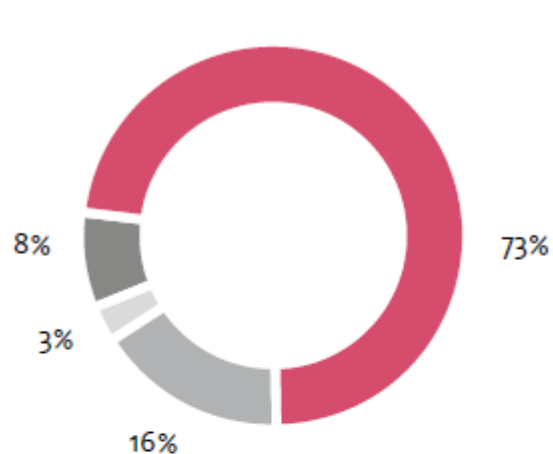


AGRANA PRODUCTS IN DAILY LIFE

# REVENUE BY PRODUCT GROUP (2017|18)

## FRUIT

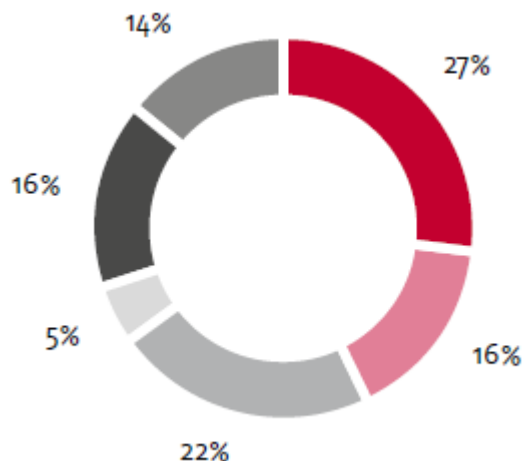
€ 1,161.4 m



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

## STARCH

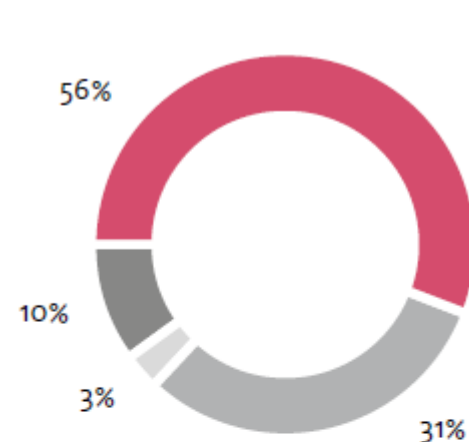
€ 752.3 m



- 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.)





## 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



**58**

Production  
sites  
as of 28 Feb. 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



58 PRODUCTION SITES WORLDWIDE

# SEGMENTATION BY SEGMENT

## SUGAR

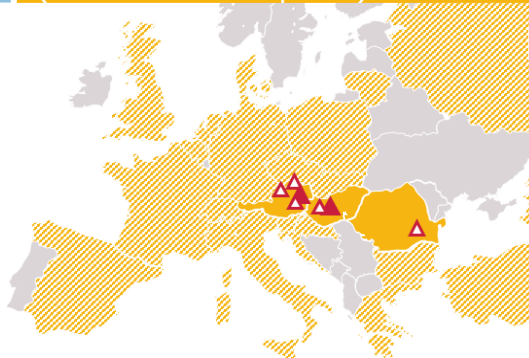
7 sugar beet plants  
2 raw sugar refineries & Instantina plant



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

## STARCH

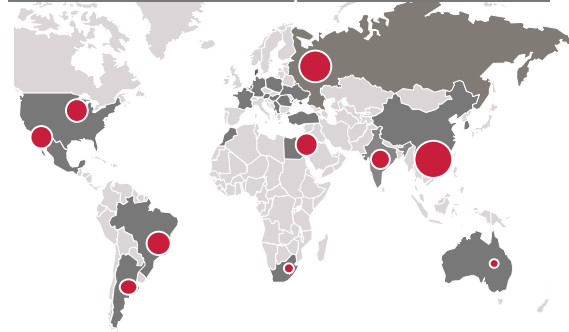
5 starch plants  
(incl. 2 bioethanol plants)



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

## FRUIT

28 fruit preparation plants and  
15 fruit concentrate plants

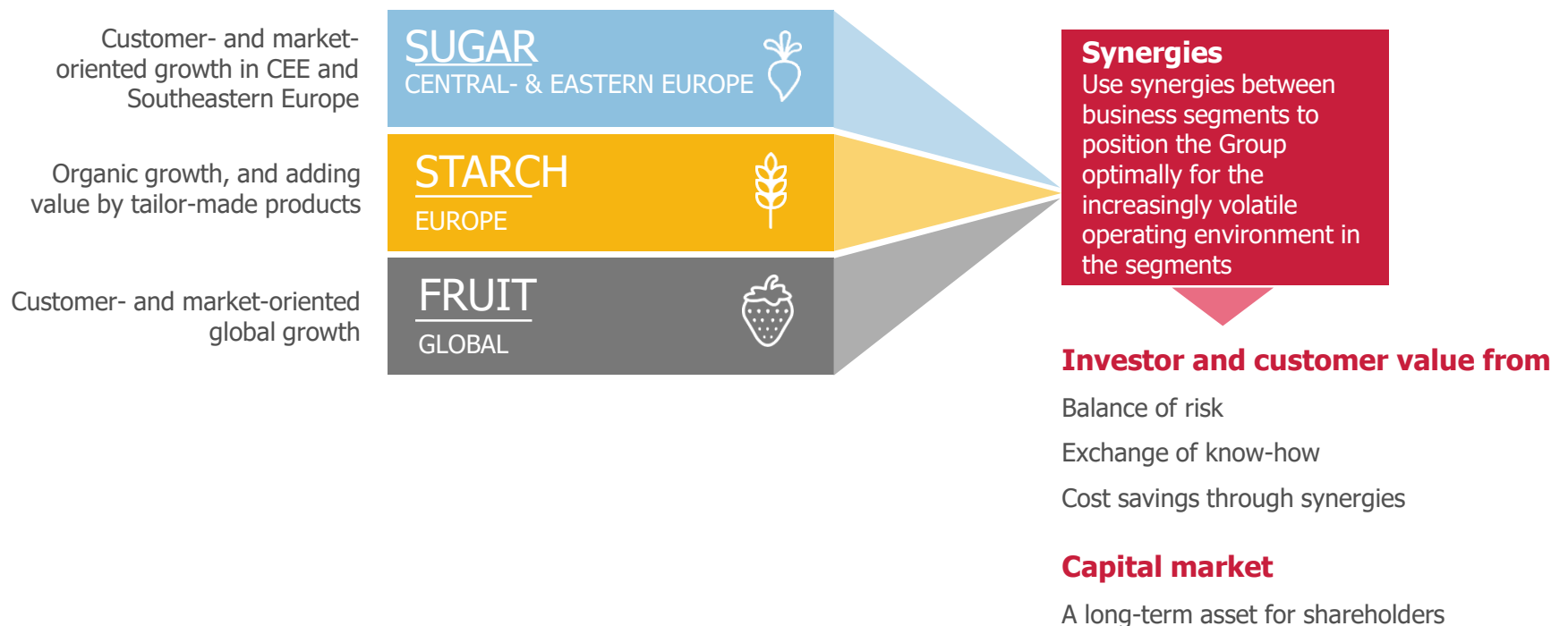


- Countries with production sites
- Potential growth regions





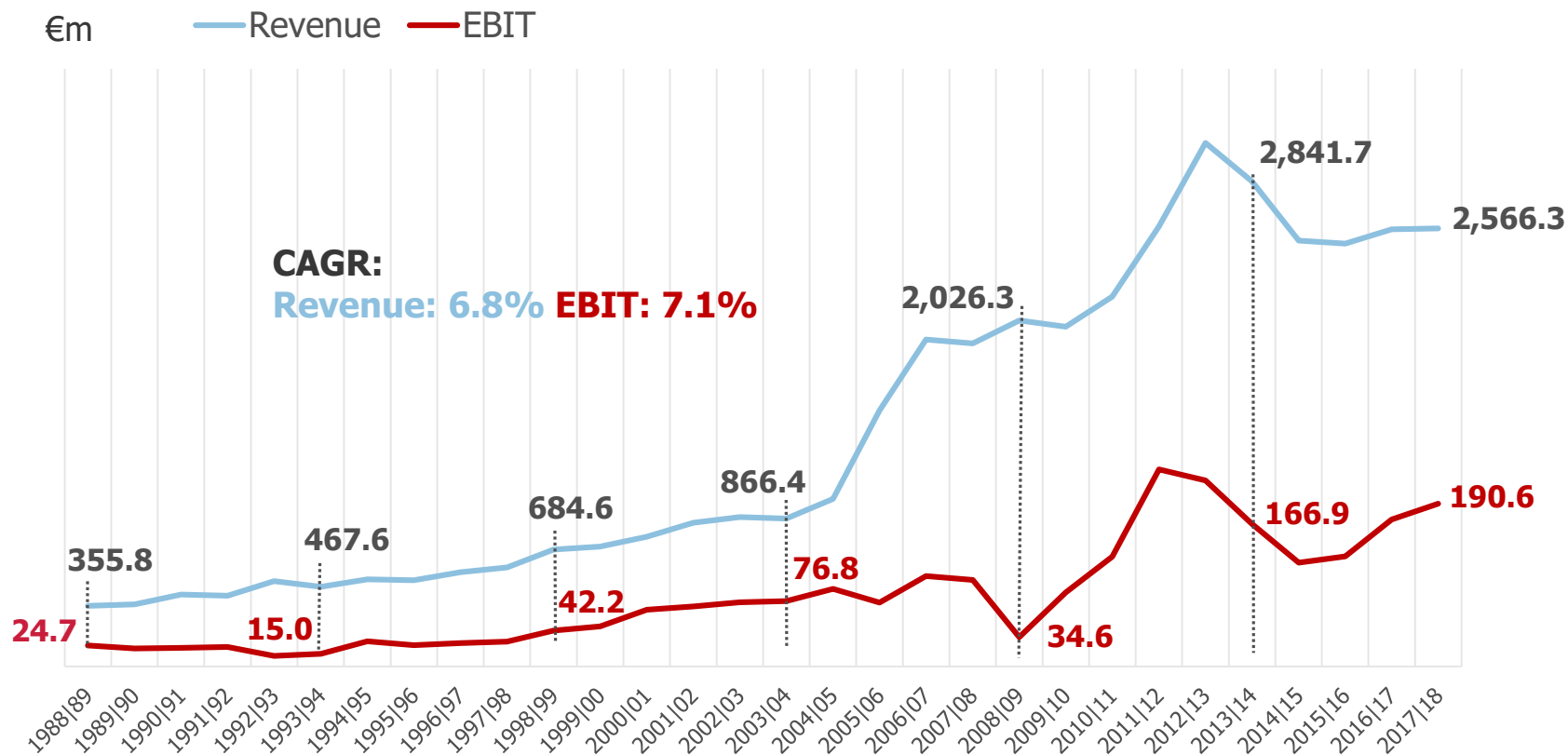
# GROWTH BY STRATEGY





SINCE 1988

# SOLID ECONOMIC GROWTH





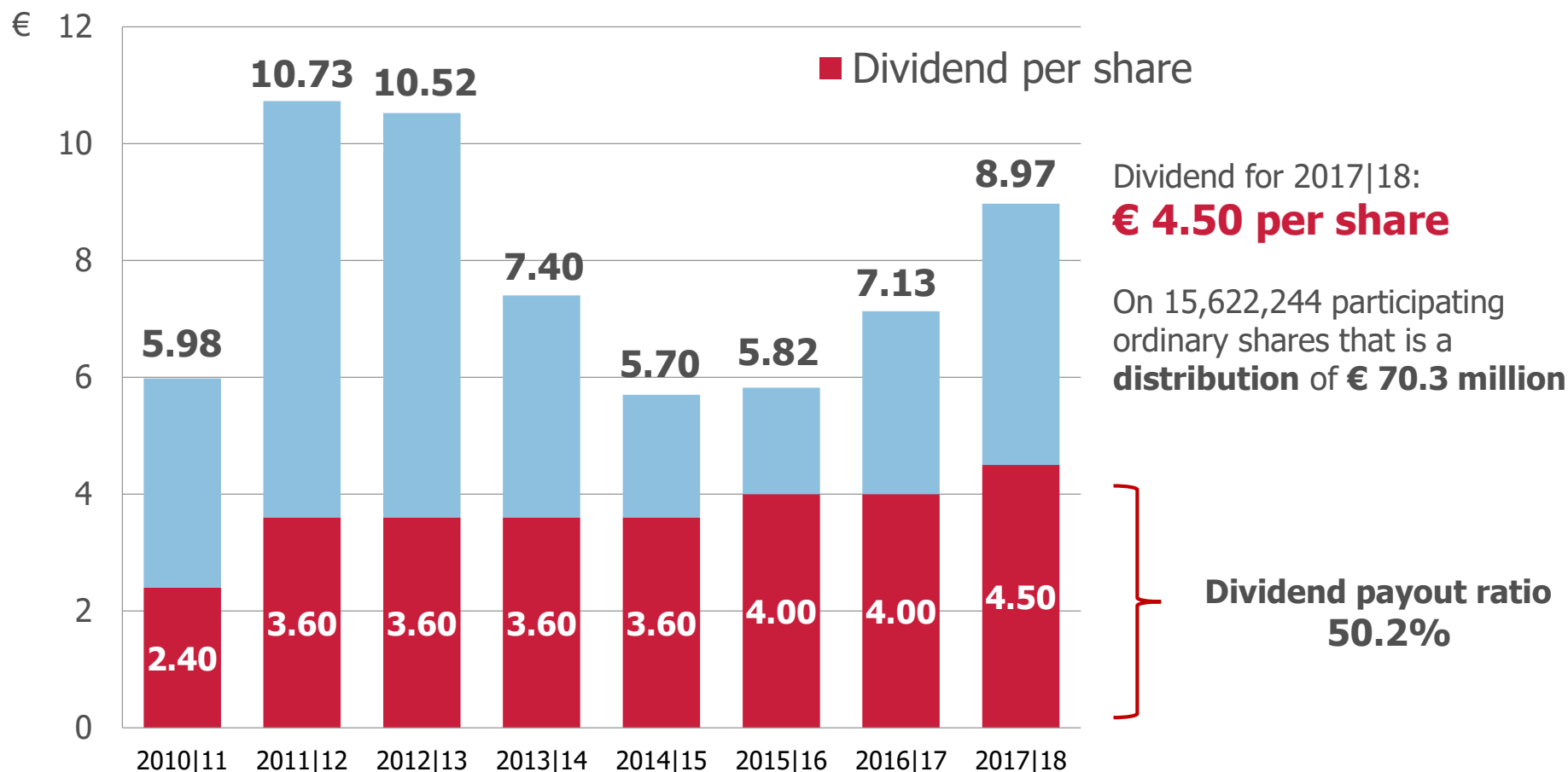
AGRANA  
SHARE





AGRANA DIVIDEND (BEFORE THE STOCK-SPLIT)

## DISTRIBUTION OF A DIVIDEND OF € 4.50



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



AGRANA

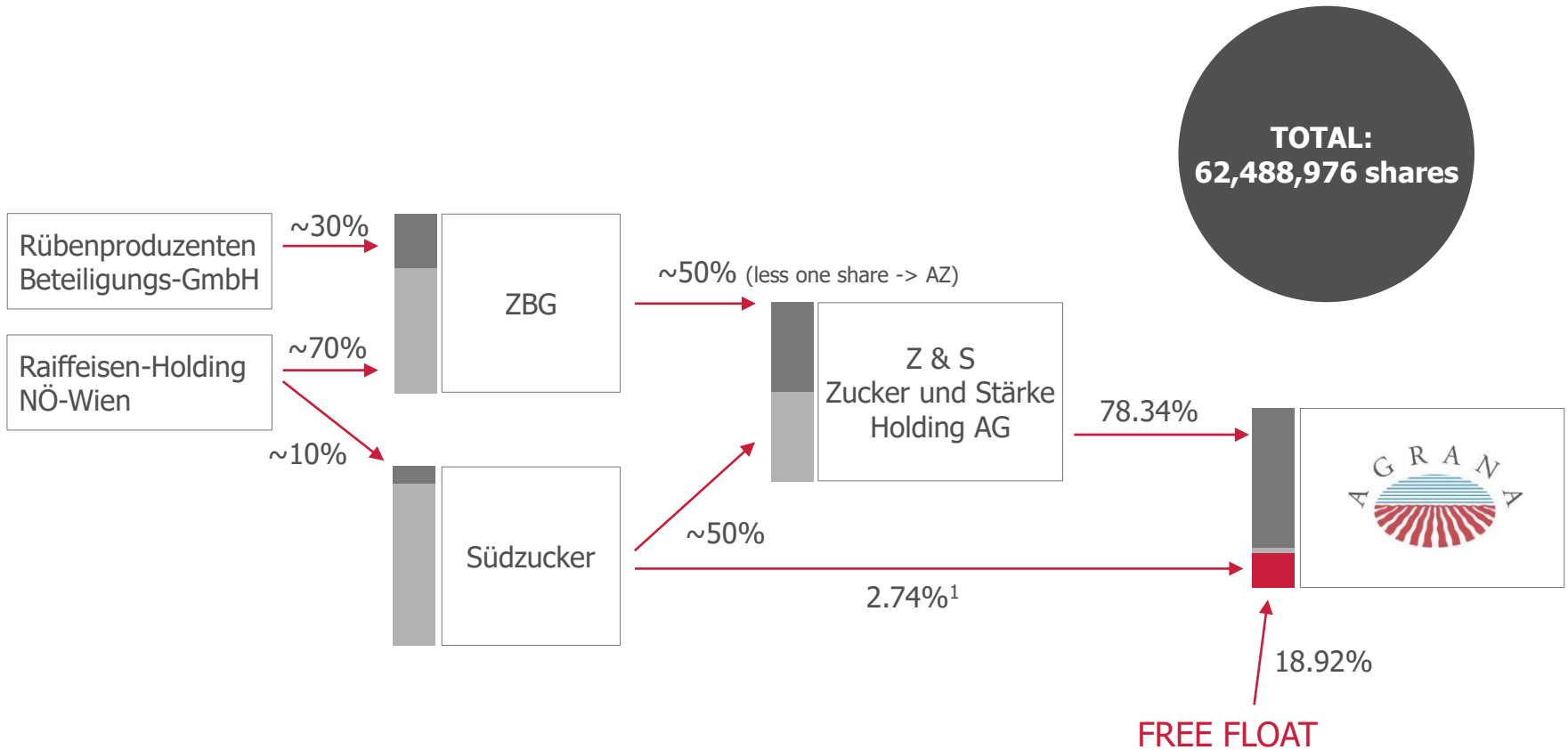
## SHARE SPLIT 1:4

- 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



Q1-3 2018|19

# SEGMENT OVERVIEW

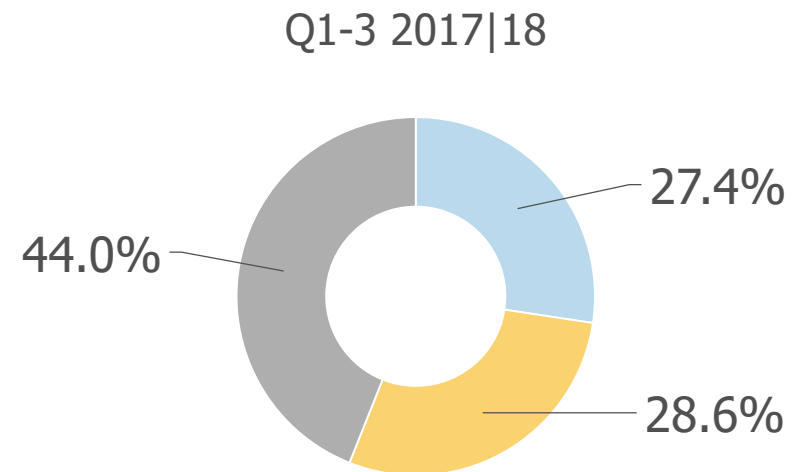
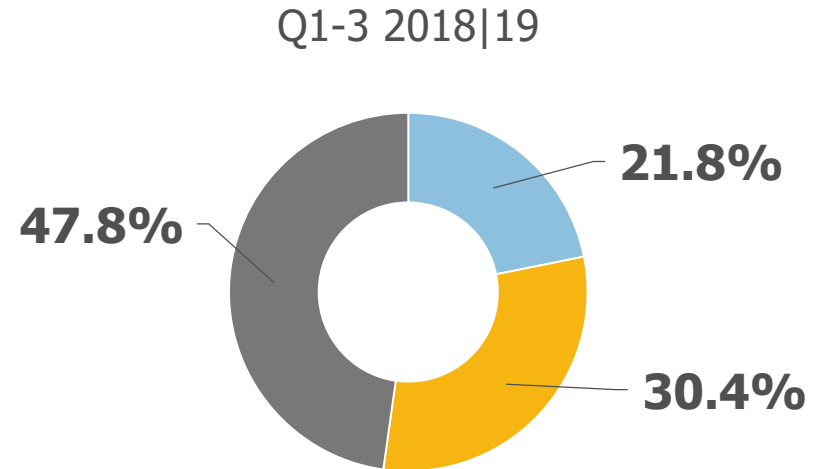
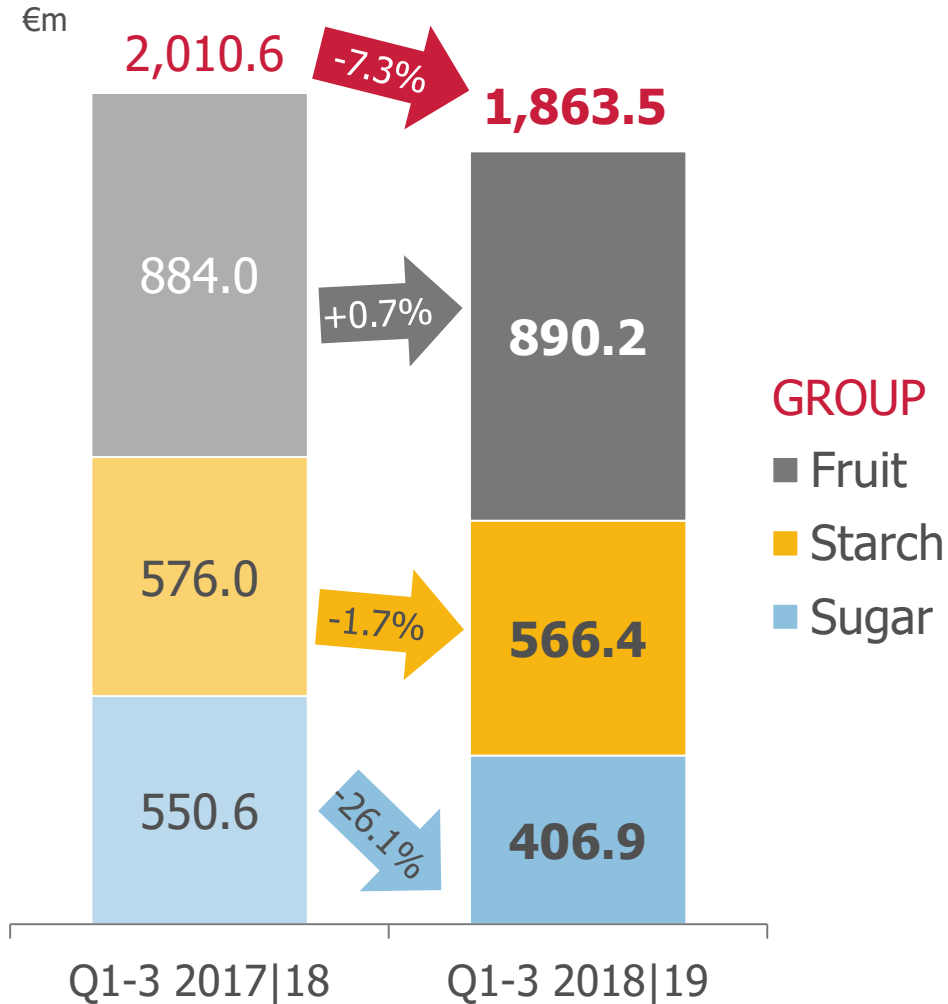






Q1-3 2018|19 VS PRIOR YEAR

## REVENUE BY SEGMENT





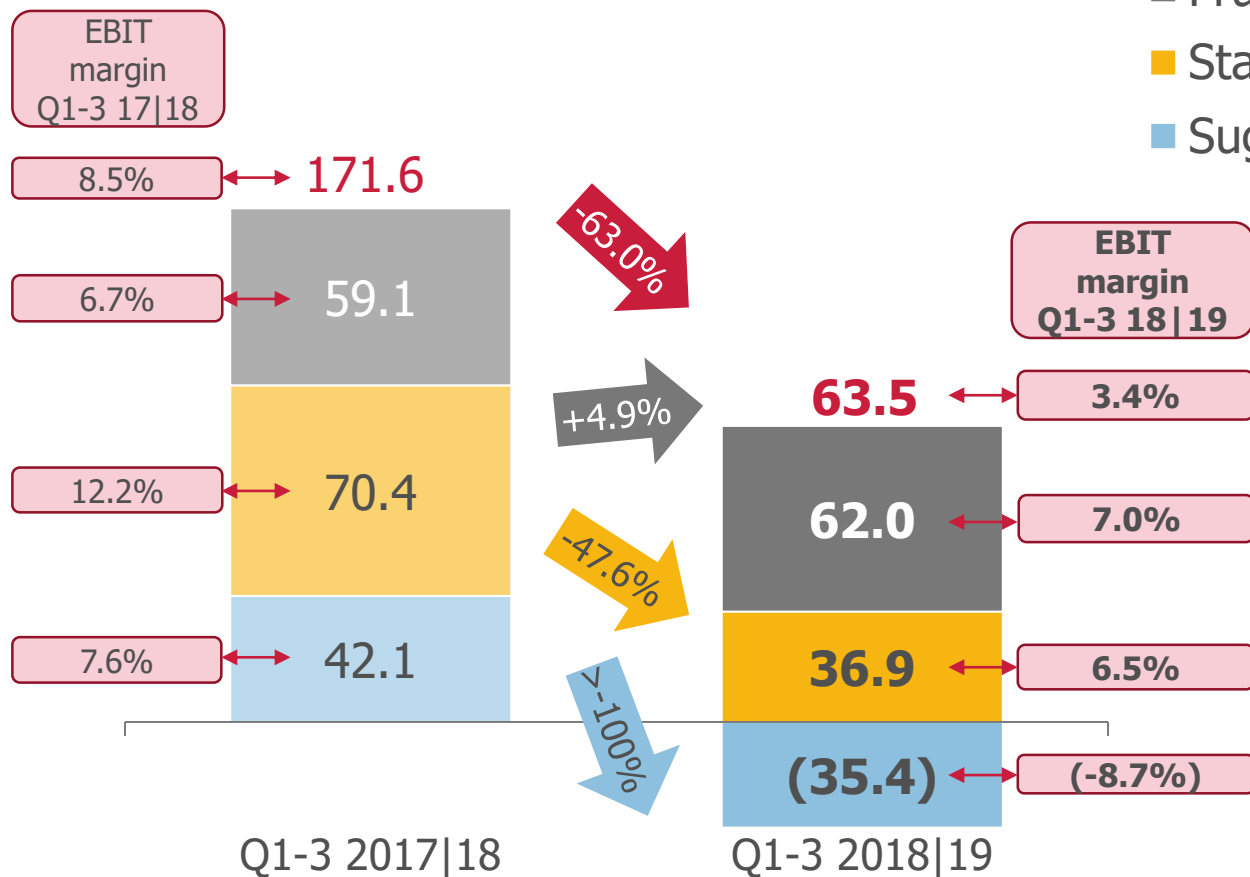
Q1-3 2018|19 VS PRIOR YEAR

## EBIT BY SEGMENT

€m

### GROUP

- Fruit
- Starch
- Sugar

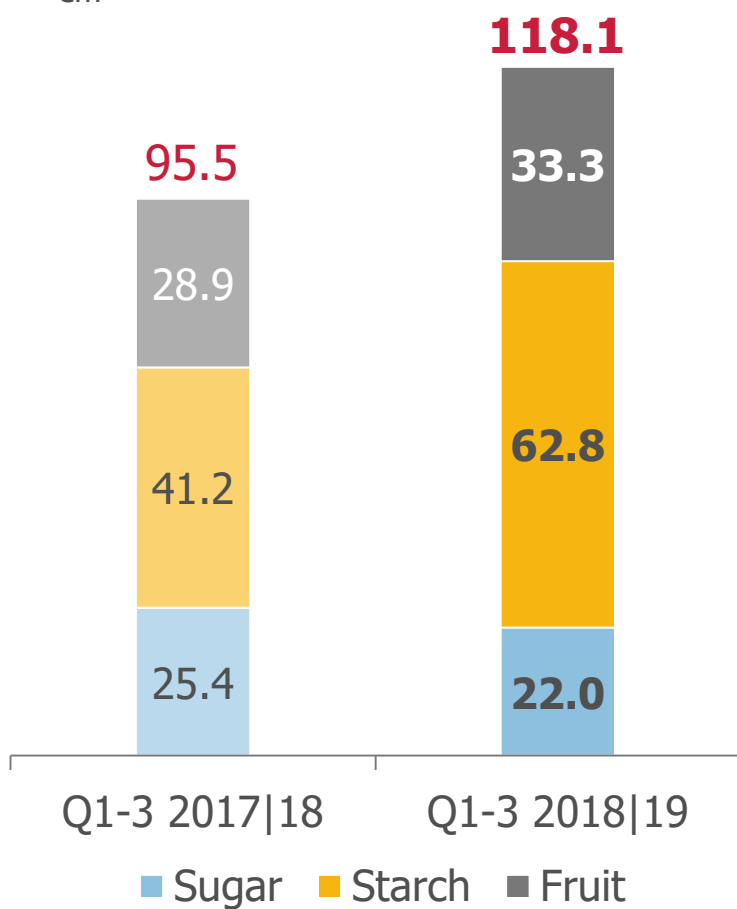




## MOST IMPORTANT PROJECTS IN THE GROUP

# 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 - BUSINESS MODEL

## FRUIT PREPARATIONS

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



## FRUIT JUICE CONCENTRATES

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



# FRUIT PREPARATION – WHAT IS IT ABOUT?

## FRUIT



... most important ingredient of fruit preparations

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

## SUGAR



... sweetens and supports taste and durability

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

## FRUIT PREPARATIONS



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

## THICKENERS

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



FRUIT SEGMENT

## MARKET POSITION

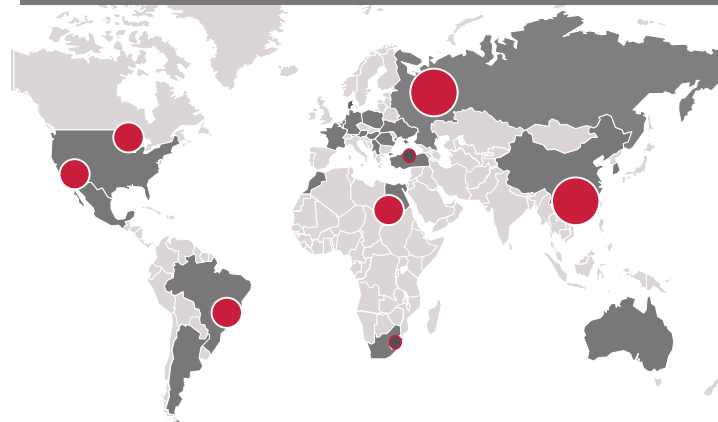
### FRUIT PREPARATIONS

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

### FRUIT JUICE CONCENTRATES

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

28 FRUIT PREPARATION PLANTS &  
15 FRUIT JUICE CONCENTRATE PLANTS



- Countries with production sites
- Potential growth regions

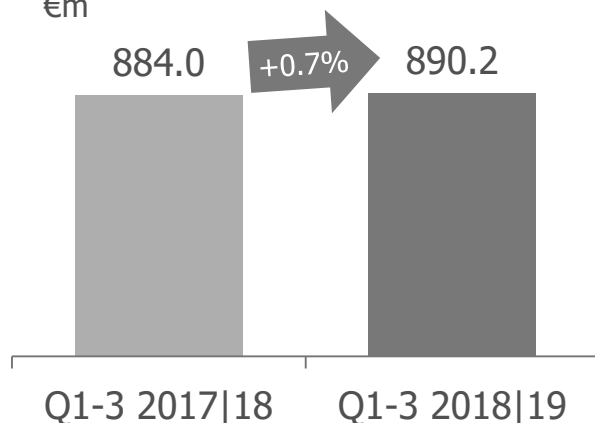




## FRUIT SEGMENT

### REVENUE

€m

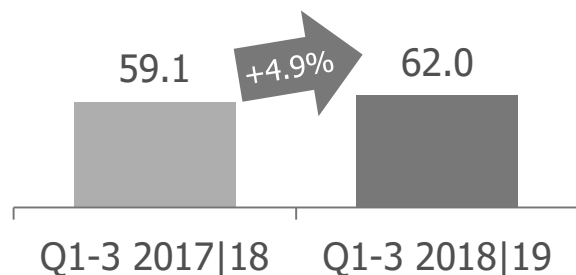


### REVENUE stable at € 890.2 million

- 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



## 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**



PROJECTS IN THE 2018|19 FY

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



- **Second fruit preparations plant in China, Jiangsu** (Shanghai region)
- Began operation on schedule and on cost in December 2018
- 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



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**







## SEGMENT STARCH





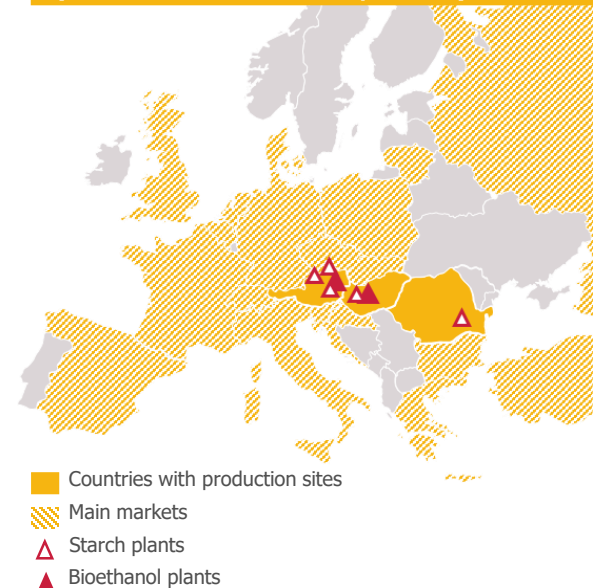
STARCH SEGMENT

## 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

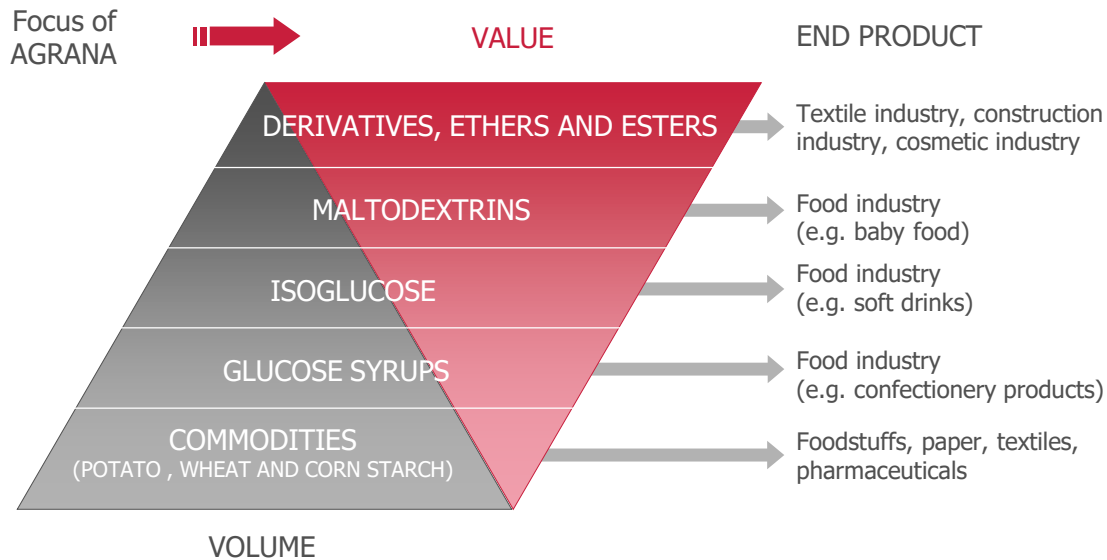
5 starch plants  
(incl. 2 bioethanol plants)





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

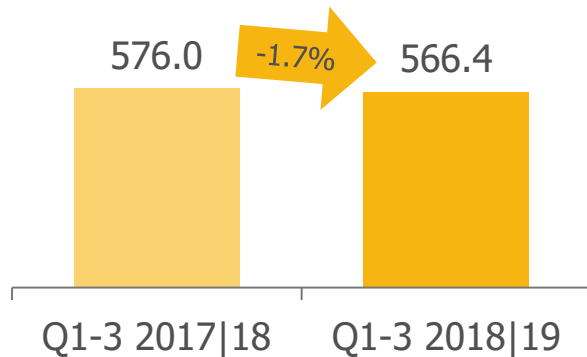




## STARCH SEGMENT

### REVENUE

€m

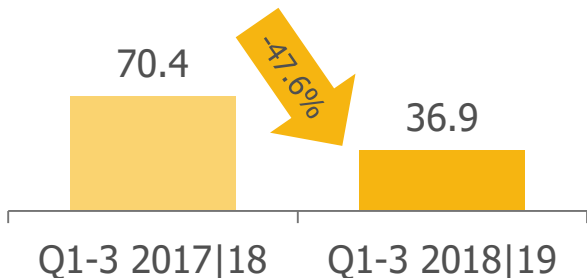


### REVENUE at € 566.4 m slightly below prior year

- 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



## 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



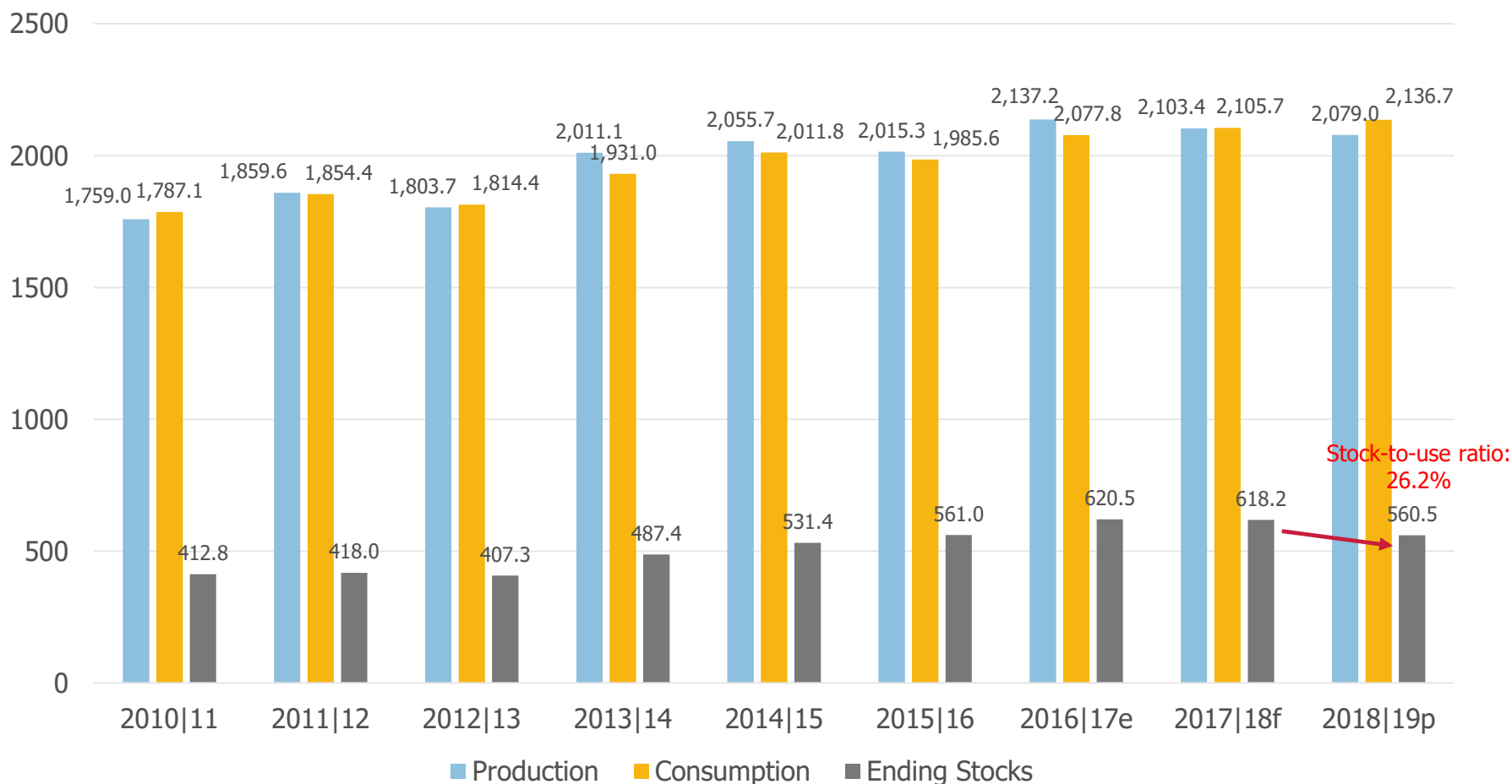
2018|19 FY





# WORLD CEREAL PRODUCTION & CONSUMPTION

million tonnes



Source: IGC website, 9 Jan. 2019  
e...estimate f...forecast p...projection  
Period: July - June

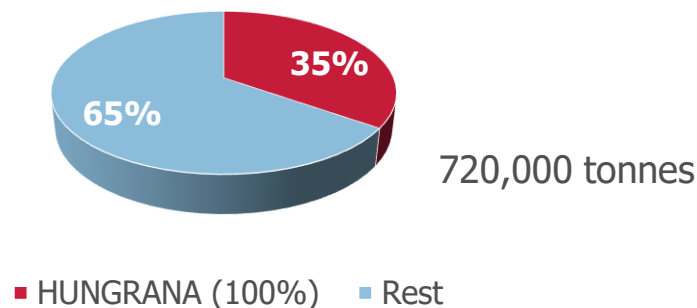


## ISOGLUCOSE MARKET IN THE EU

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

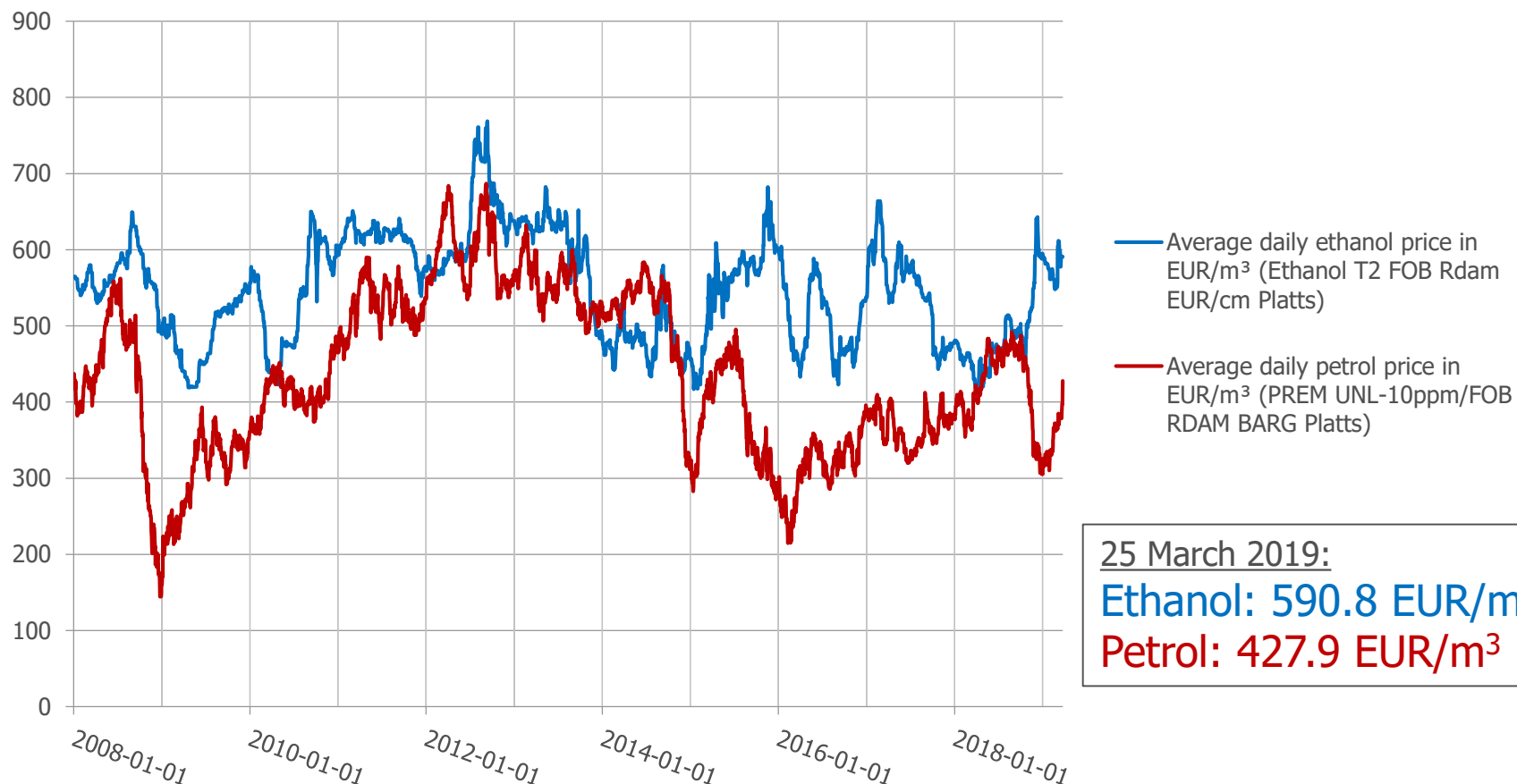


\* in the meantime also B+C starches



1 JANUARY 2008 – 25 MARCH 2019 (EUR)

# ETHANOL AND PETROL PRICES





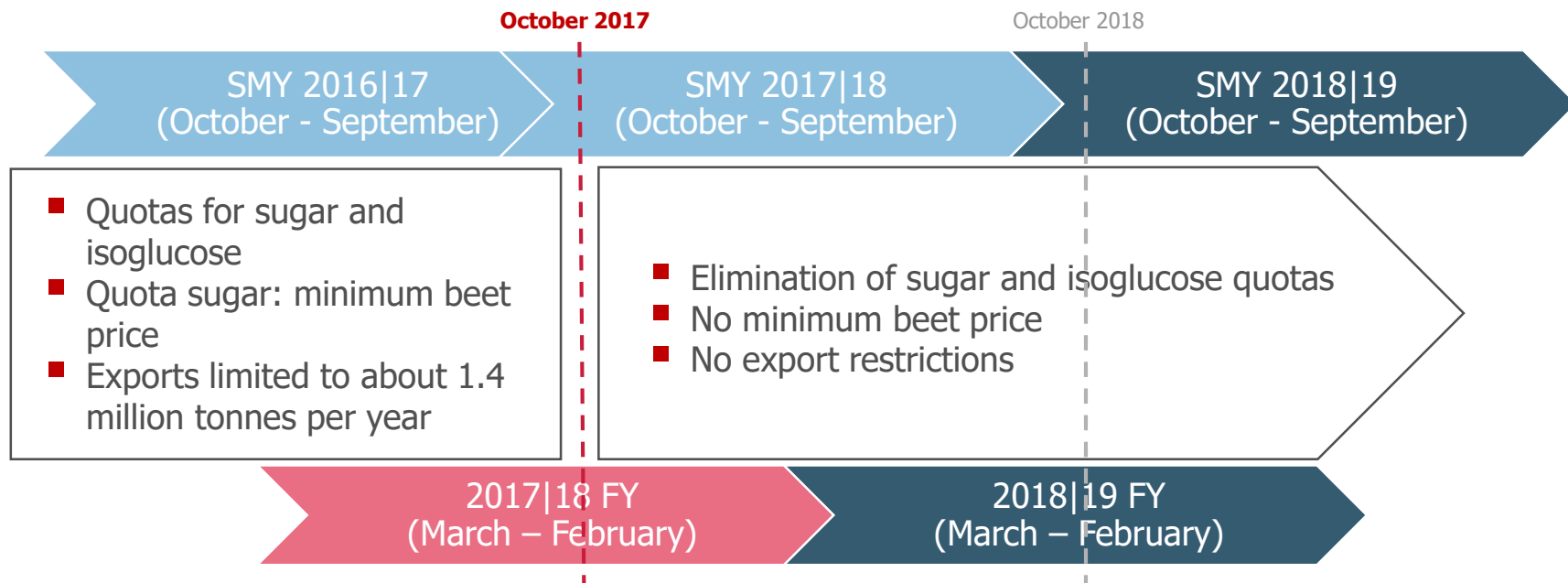


## SEGMENT SUGAR





# 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



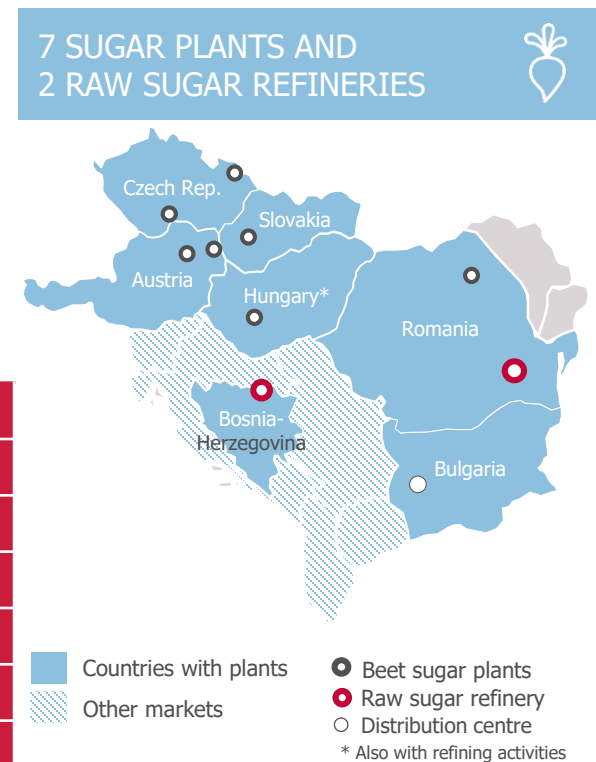
BENEFIT FROM THE STRONG MARKET POSITION IN CEE AND SEE

# 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



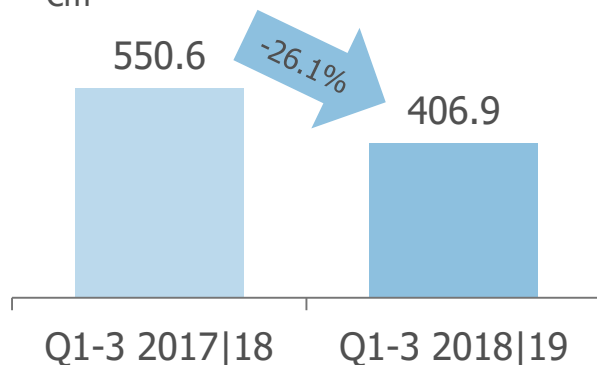


FINANCIAL RESULTS FOR Q1-3 2018|19

## SUGAR SEGMENT

### REVENUE

€m

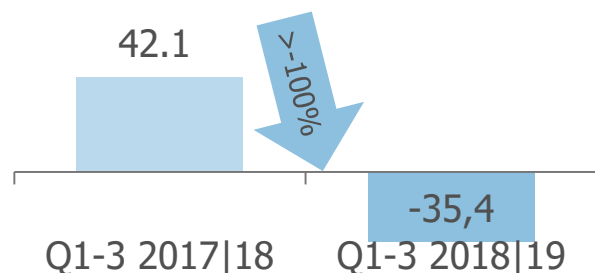


### REVENUE down to € 406.9 million

- 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



## 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)





Daily ICE SUG11 MAY9; SUGAR NO5 MAY9



**28 Mar. 2019:**  
276.2 USD/t  
= 245.3 EUR/t

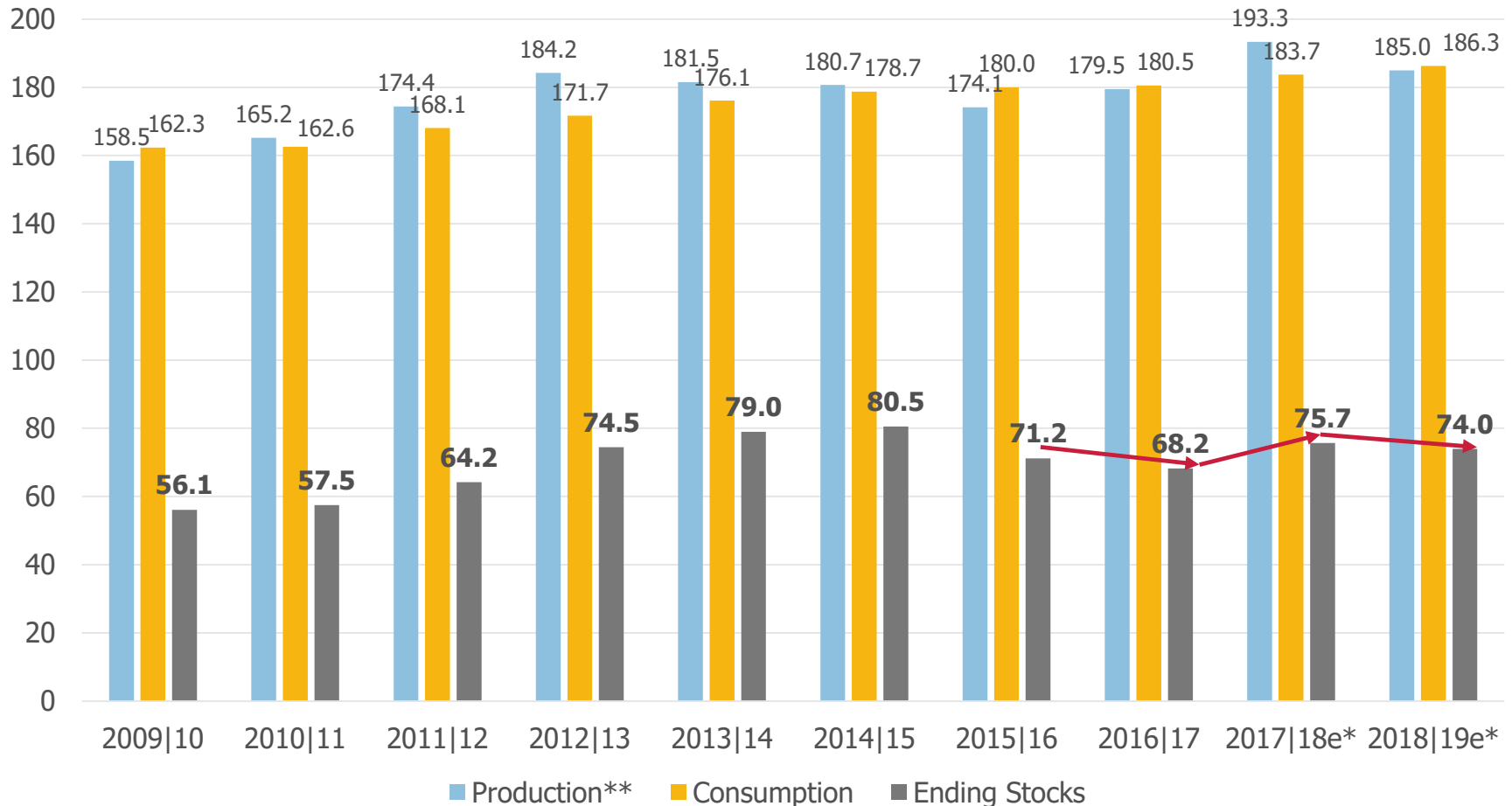
White sugar, 20/8/18: 303.7 USD/t





# WORLD SUGAR PRODUCTION & CONSUMPTION

Million tonnes



Source: F.O. Licht (20 December 2018)

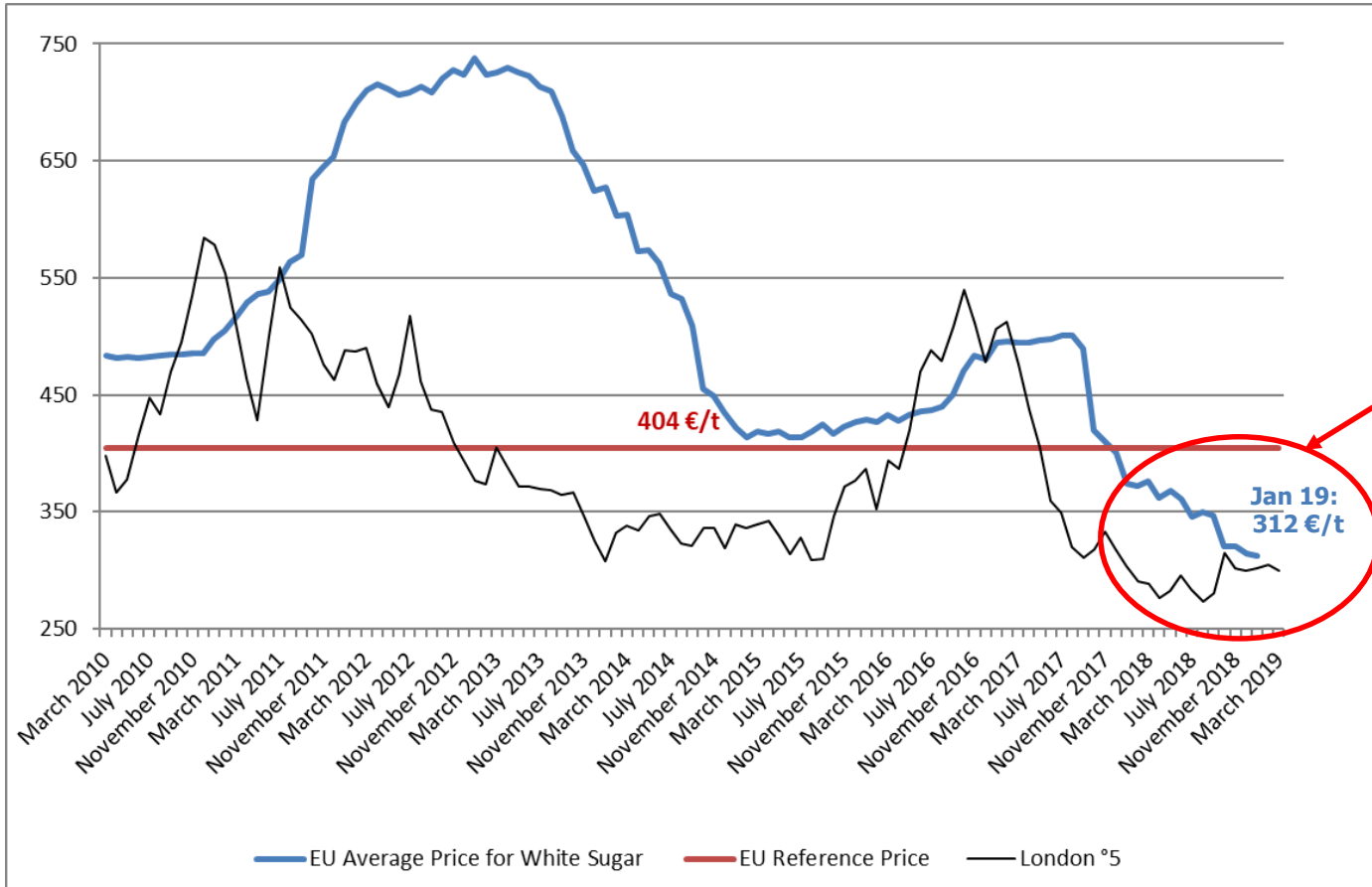
\* Estimates

\*\* Production: October-September



## SUGAR PRICE REPORTING

# MONTHLY EU AVERAGE PRICES (MARCH 2010 TO MARCH 2019; € PER TONNE)



**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 March 2019) and SugarOnline (as of 27 March 2019)



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**
- Reason behind this is the **challenging European sugar market environment**



Q1-3 2018|19

# CONSOLIDATED FINANCIAL STATEMENTS (CONDENSED)





# CONSOLIDATED INCOME STATEMENT

€m (condensed)	<b>Q1-3</b> <b>2018 19</b>	Q1-3 2017 18	<b>Q3</b> <b>2018 19</b>	Q3 2017 18
<b>Revenue</b>	<b>1,863.5</b>	<b>2,010.6</b>	<b>601.9</b>	<b>648.5</b>
EBITDA <sup>1</sup>	<b>124.1</b>	213.8	<b>27.8</b>	64.2
Operating profit before except. items and results of equity-accounted JV	<b>54.6</b>	149.4	<b>(1.9)</b>	36.0
Share of results of equity-accounted JV	<b>10.5</b>	25.8	<b>3.9</b>	5.8
Exceptional items	<b>(1.6)</b>	(3.6)	<b>(0.8)</b>	(0.8)
<b>EBIT</b>	<b>63.5</b>	<b>171.6</b>	<b>1.2</b>	<b>41.0</b>
<b>EBIT margin</b>	<b>3.4%</b>	8.5%	<b>0.2%</b>	6.3%
Net financial items	<b>(11.9)</b>	(11.0)	<b>(1.5)</b>	(2.1)
Profit before tax	<b>51.6</b>	160.6	<b>(0.3)</b>	38.9
Income tax expense	<b>(14.6)</b>	(33.0)	<b>(2.4)</b>	(8.6)
<b>Profit for the period</b>	<b>37.0</b>	<b>127.6</b>	<b>(2.7)</b>	<b>30.3</b>
Attributable to shareholders of the parent	<b>33.1</b>	124.6	<b>(3.5)</b>	30.6
Earnings per share	<b>€ 0.53</b>	€ 1.99 <sup>2</sup>	<b>(€ 0.06)</b>	€ 0.49 <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	<b>Q1-3 2018   19</b>	Q1-3 2017   18	Change
Net interest expense	<b>(3.6)</b>	(6.0)	+40.0%
Currency translation differences	<b>(7.8)</b>	(2.7)	> -100%
IAS 29 - Argentina	<b>0.9</b>	0	-
Other financial items	<b>(1.4)</b>	(2.3)	+39.1%
<b>Total</b>	<b>(11.9)</b>	<b>(11.0)</b>	-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%
<b>Net cash from operating activities</b>	<b>119.4</b>	<b>197.6</b>	-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%
<b>Net (decrease) in cash and cash equivalents</b>	<b>(35.5)</b>	<b>(66.7)</b>	+46.8%



# CONSOLIDATED BALANCE SHEET

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



2018|19

# PROJECTS & OUTLOOK





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



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







PRESS RELEASE AS OF 14 DECEMBER 2018

## MANUFACTURE OF CRYSTALLINE BETAINES

- 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**





## 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



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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%