



FRUIT  
STARCH  
SUGAR

The natural upgrade

# Sustainable management



WELCOME  
to the **32<sup>nd</sup> Annual General Meeting**  
of AGRANA Beteiligungs-AG



Vienna | 5 July 2019



## AGENDA

1. Presentation of the annual financial statements including the management report and the corporate governance report, the consolidated financial statements including the group management report, the proposal for appropriation of profits and the report of the Supervisory Board for the financial year 2018|19.
2. Resolution on the appropriation of profits.
3. Resolution on the formal approval of the actions of the members of the Management Board for the financial year 2018|19.
4. Resolution on the formal approval of the actions of the members of the Supervisory Board for the financial year 2018|19.
5. Resolution on the remuneration of members of the Supervisory Board.
6. Appointment of the auditor and the group auditor for the financial year 2019|20.



## FIRST AGENDA ITEM

**Presentation of the annual financial statements together with the management report and the corporate governance report, the consolidated financial statements and the group management, the proposed appropriation of profits as well as the report prepared by the Supervisory Board for the financial year 2018 | 19.**

Since the submission of the aforementioned documents is only for the purposes of providing information for the Annual General Meeting, there will be no resolution on this agenda item. The 2018|19 annual financial statements have already been approved by the Supervisory Board.



2018|19

# REPORT OF THE MANAGEMENT BOARD



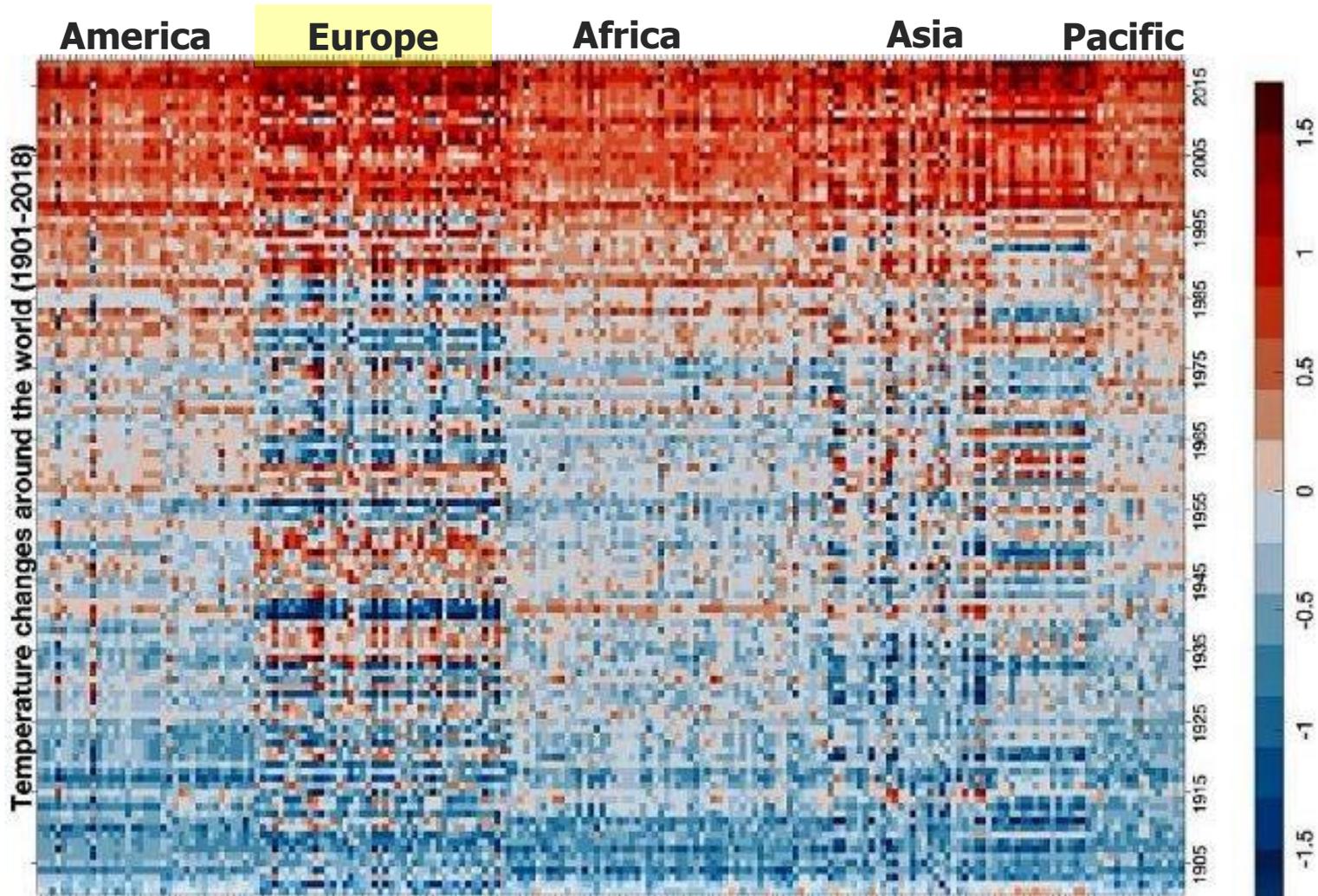


# **Sustainable management**





# CLIMATE CHANGE = GLOBAL WARMING IS A FACT (1)



Temperature deviations from the long-term average in blue or red shades

**Visualisation of average annual temperatures as pattern**  
(Climate researcher Ed Hawkins, University of Reading)

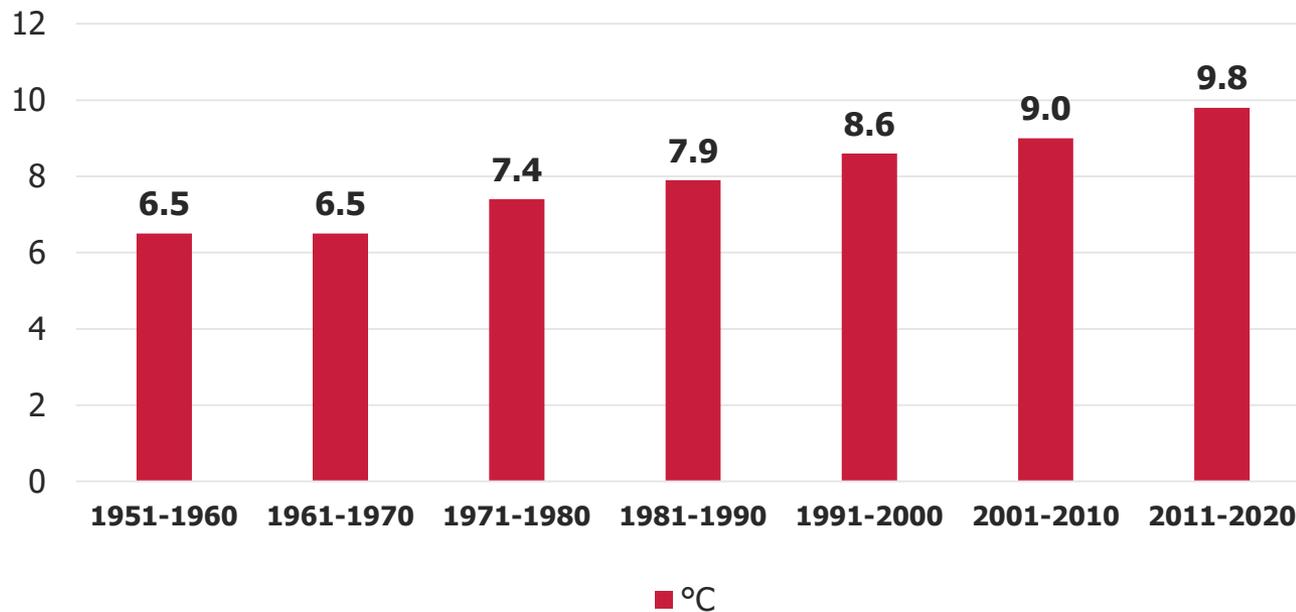


## CLIMATE CHANGE = GLOBAL WARMING IS A FACT (2)

Meteorological station of the Austrian Hydrographic Service at the site of the **AGRANA potato starch factory in Gmünd**

*Collection of temperature and precipitation data from the last 70 years*

*10-year temperature averages since 1951*



**Over the last 50 years, the average annual temperature has risen by 3.3 °C!**



2018|19

## DOING BUSINESS SUSTAINABLY (1)

### Climate change is reality

Global warming and failure of precipitation are a challenge for European agriculture and the processing industry even now.

**Responsible utilization of agricultural resources** and **doing business sustainably** have therefore long been a matter of concern to AGRANA

Complete  
utilization of raw  
materials

AGRANA products  
as part of the  
solution

Protein  
enrichment in  
our processes

## Complete utilisation of raw materials

- **Potato pulp refinement**  
Potato fiber drying at the Gmünd facility
- **Crystalline betaine**  
Construction of a crystallization facility at the Tulln facility for complete utilization of sugar beet molasses
- **Apple pomace** for the pectin and feedstuff industry
- **Biorefinery Pischelsdorf**  
100 % grain utilization through integration of the wheat starch facility into the bioethanol production



## DOING BUSINESS SUSTAINABLY (3)

### AGRANA products as part of the solution

- **Bioethanol from Pischelsdorf** as an environmentally sound gasoline ingredient, reduces CO<sub>2</sub> emissions and particulate matter
- **Wheat starch from Pischelsdorf** enables cardboard production with 80 % recovered paper content
- **Biogenic liquid CO<sub>2</sub>** as a by-product at the Pischelsdorf facility for mineral water and soft drinks
- **Bioplastics AGENACOMP®** as a contribution to the reduction of plastic waste  
This starch-based bioplastics compound is 100 % home-compostable without leaving microplastic residues, and can be used for a variety of applications
- Starch as **drilling fluid component for water drilling**



## AGRANA products as part of the solution

- AGRANA offers **certified GMO-free products** in its fruit division (especially in the USA), in the starch segment, and with “Wiener Zucker” [Viennese Sugar] in the sugar segment.
- AGRANA has the necessary certifications at its facilities and in the supply chain to meet customer demands for **goods from controlled organic farming**.
- We need a balanced coexistence of conventional and organic agriculture for a secure raw material base in international competition.





2018|19

## DOING BUSINESS SUSTAINABLY (5)

### Protein enrichment in our processes (Pischelsdorf site)

**Wheat:** 945,000 t  
12.2 % protein

**Corn:** 245,000 t  
7.8 % protein

Total raw material: 1.2 Mt  
Total dry protein: 115,000 t



*Wheat protein*

>80 % protein

Bakery products  
Pisciculture  
Pet food

(53,000 t / 44,000 t of protein)



*Protein feed  
ACTIPROT®*

>30 % protein

Feedstuffs for  
cattle

(145,000 t / 42,000 t of protein)



*Wheat gluten  
feed*

>20 % protein

Feedstuffs for ruminants (109,000 t / 21,800 t of protein)



*Wheat  
bran*

>15 % protein

Feedstuffs for cattle (35,000 t / 4,800 t of protein)



## 2018|19 OVERVIEW

- Historically low sugar prices after the end of sugar quotas
- Impact also on isoglucose prices in the Starch segment
- Considerably lower market prices for bioethanol
- **Revenue: € 2,443.0 m** (prior year: € 2,566.3 m)
- **EBIT: € 66.6 m** (prior year: € 190.6 m)
- **EBIT margin: 2.7%** (prior year: 7.4%)
- Diversification is an essential stability factor
- **Dividend proposal of € 1.00** per share



~9,200

Employees (FTEs)



58

Production sites



€ ~2.4 billion

Group revenue



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**

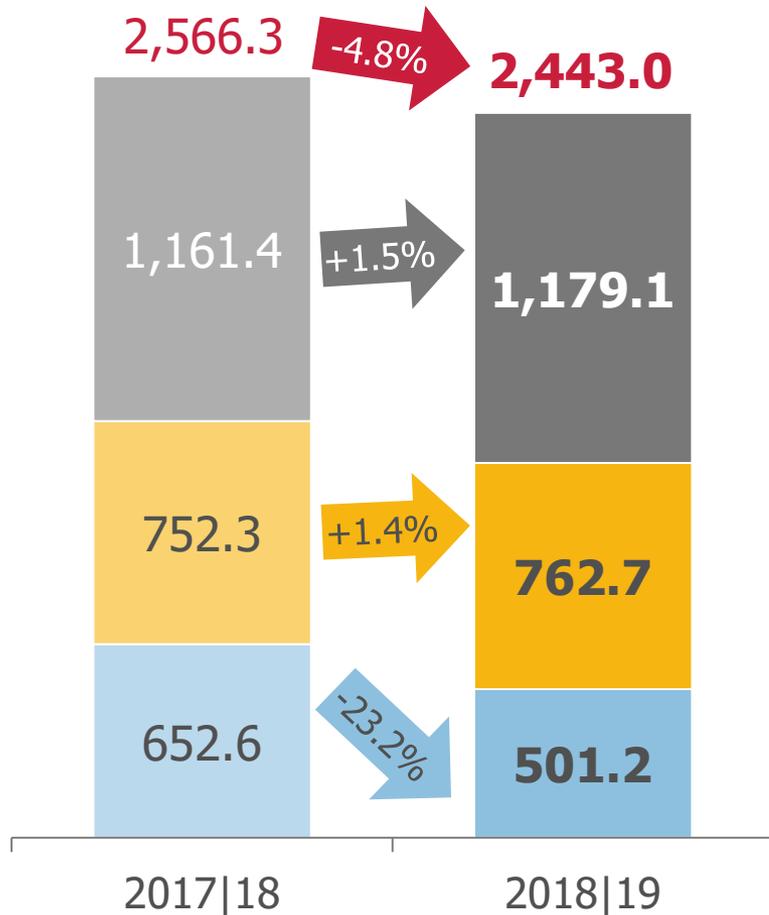
SUPPLIER in Central, Eastern & Southeastern Europe



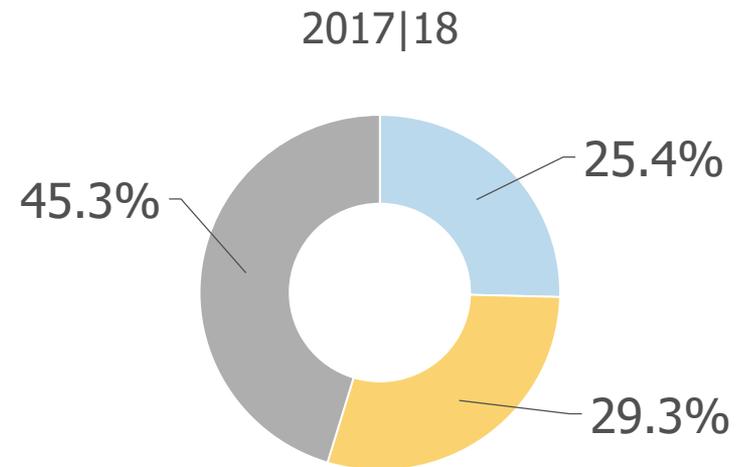
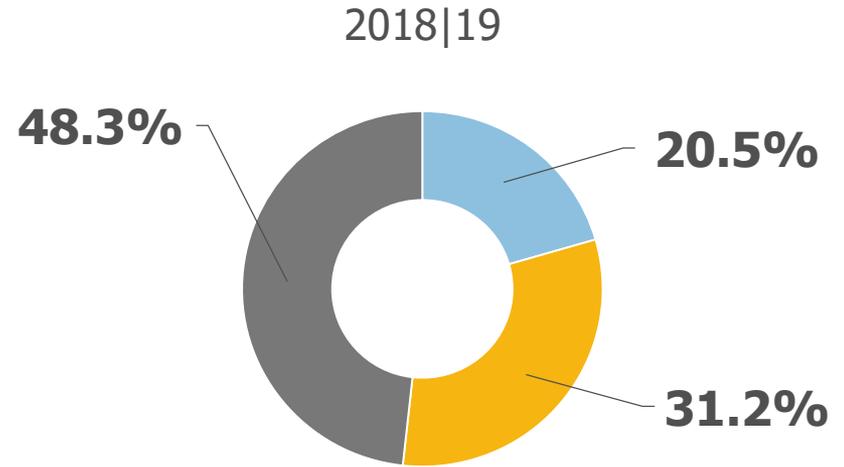
2018|19 VS PRIOR YEAR

# REVENUE BY SEGMENT

€m



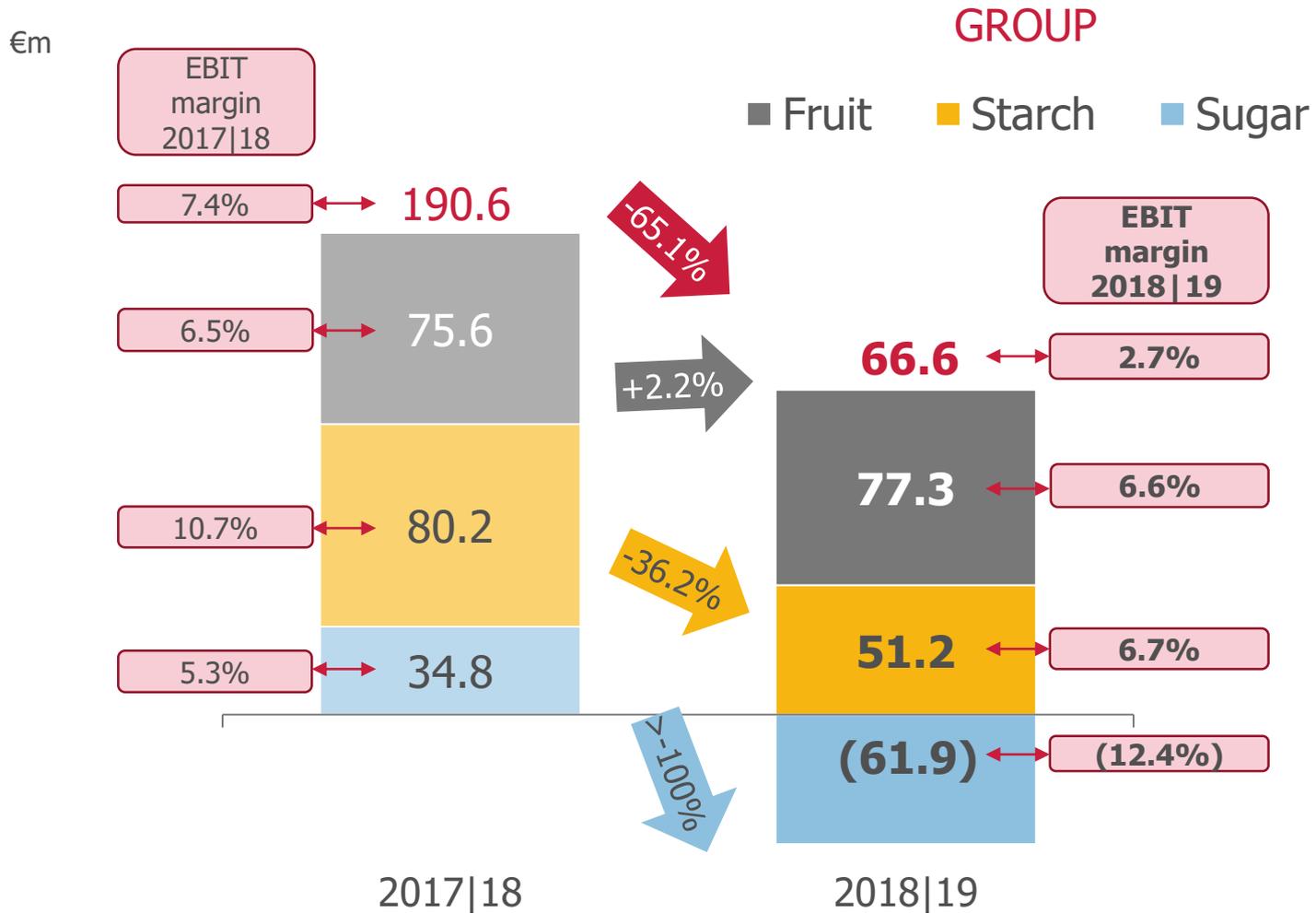
- Fruit
- Starch
- Sugar
- GROUP**





2018|19 VS PRIOR YEAR

# EBIT BY SEGMENT

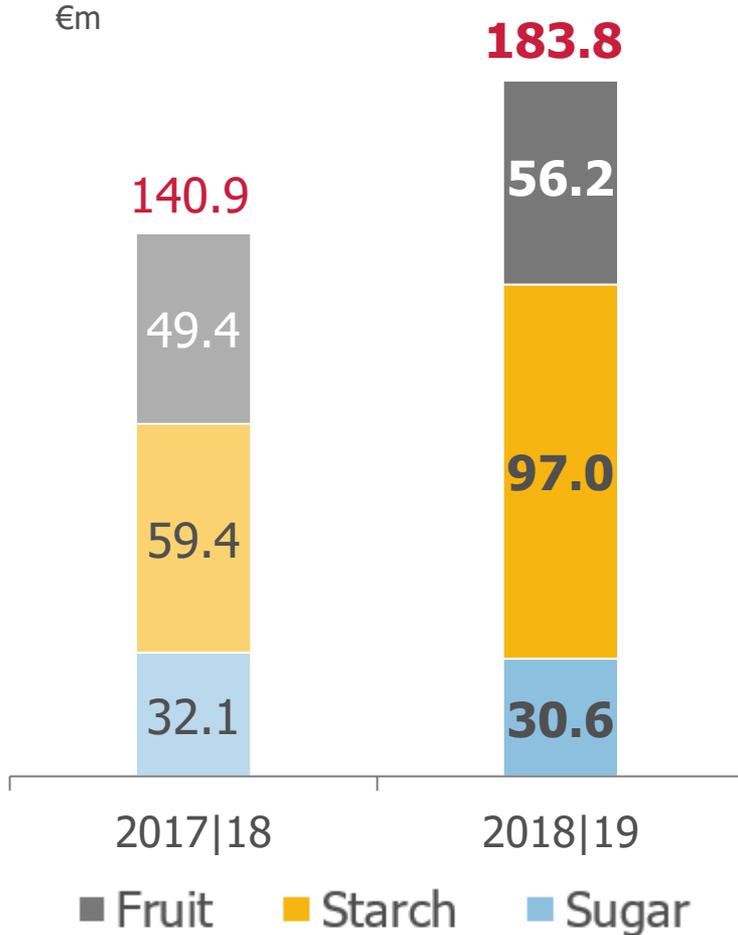




## MOST IMPORTANT PROJECTS IN THE GROUP

# INVESTMENT OVERVIEW

€m



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

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

### 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 preparations

- The sales markets for fruit yogurt in the western industrialised countries are saturated
- **Growth markets** are Asia (China), Eastern Europe, the Middle East and Africa
- AGRANA grows by gaining market share
- Market opportunities through **diversification into the non-dairy sector** (food services, ice cream, bakery products)
- Consumer trends remain **naturalness, sustainability, healthiness, enjoyment and convenience**
- Fruit application is an important core competence



## Fruit juice concentrates

- **Record apple crop in 2018** in Europe
- Low European costs as well as low production volumes due to frost in China as well as the US trade policy created **good sales opportunity for European product in the USA**





PROJECTS IN THE 2018|19 FY

## 2<sup>ND</sup> FRUIT PREP PRODUCTION SITE IN CHINA

- **Second fruit preparations plant in Changzhou** (Jiangsu region) opened on 18 March 2019
- Total investment: **€ 22 million**
- Planned production capacity: **30,000 tonnes**



- China is the **world's largest yoghurt market** with strongest growth
- **Yoghurt consumption** per capita: 6.8 kg (EU: 12.5 kg), consumption should grow by 7.9% p.a. until 2023 (Euromonitor)



SEGMENT

# STARCH





## STARCH SEGMENT

**Difficult market** setting for **sugar** with negative **impact on starch sweetener products** -> price pressure on isoglucose

### Food

- **Sales volumes** of **native and modified starches** into food industry were **stable**

### Non-Food

- Lasting high demand from the **paper and corrugated board** industry as upside **driver** in **non-food starches**

### Bioethanol

- **Volatility** in the European market for bioethanol **remained at a significant level** in the 2018|19 FY
  - H1 2018|19: ethanol quotations were below the year 2017|18 due to greater supply in the EU and higher imports from overseas
  - Since October 2018, ethanol quotations regained stability at a higher level -> especially due to capacity reductions in the UK

### By-product

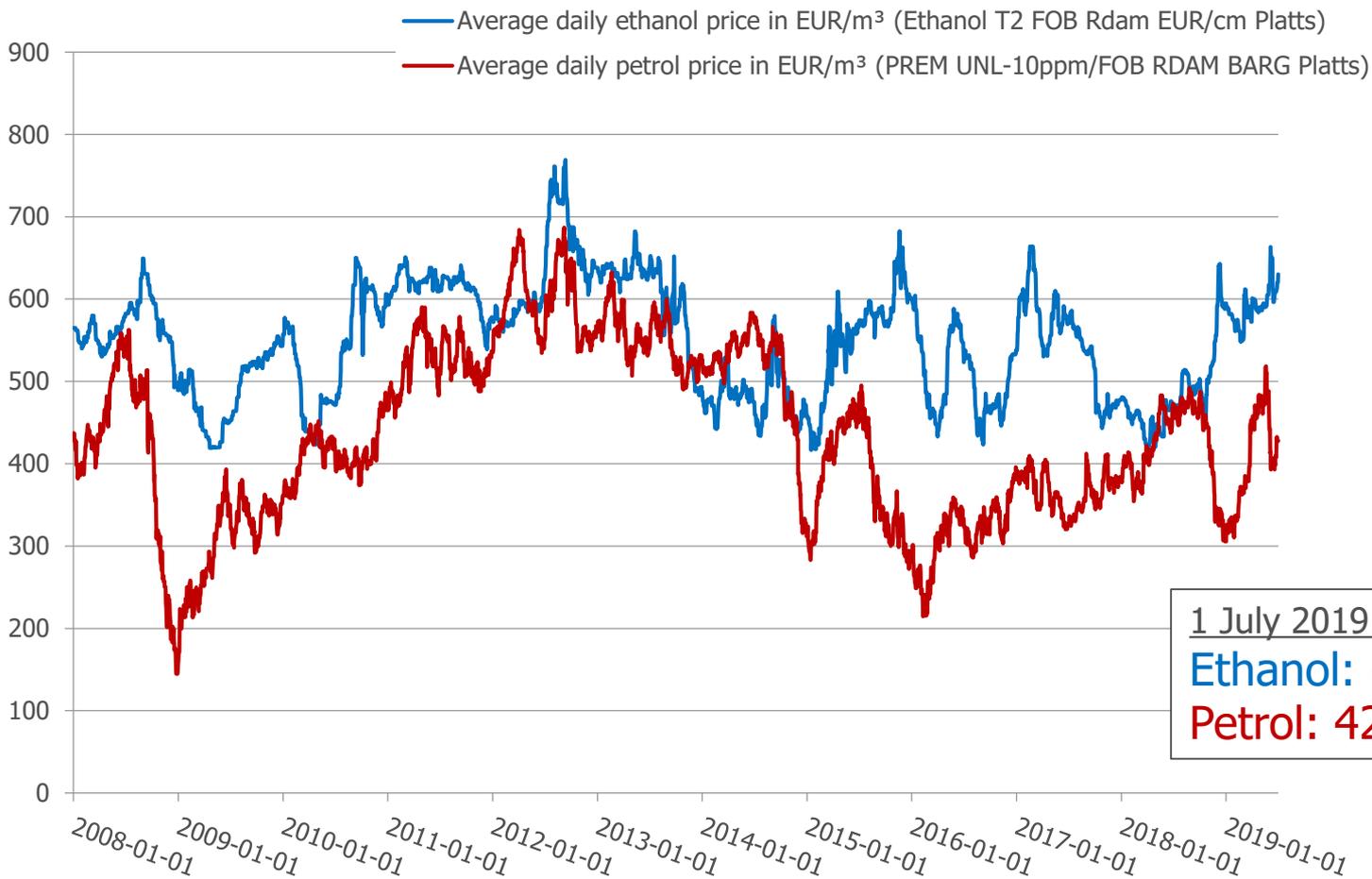
- **Prices** for high-protein products (corn gluten, vital wheat gluten and potato protein) remained stable overall





1 JANUARY 2008 – 1 JULY 2019 (EUR)

# ETHANOL AND PETROL PRICES



# INCREASED POTATO PROCESSING

## Gmünd potato starch factory (Austria)

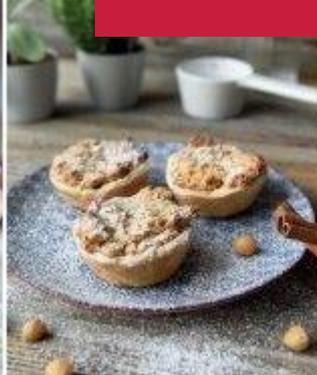
- Construction of a new **potato starch dryer**
- Expansion of **daily processing capacity** from 1,600 to 2,000 tonnes
- Refining of **potato pulp** to a food ingredient, water binder and fiber
- **Investment:** € 40 million





# WIDE RANGE OF STARCH PRODUCTS (1)

As food ingredients



As infant nutrition



In cosmetic and pharma products



For technical applications



As animal feed





## WIDE RANGE OF STARCH PRODUCTS (2)

- **Special starches** for the paper, textile, cosmetics, pharmaceutical and building materials industries
- Focus on organic and GMO-free starches and clean-label products



Glue stick made of approx. 70% potato



Ultrafinely milled starch as basis for dry shampoo

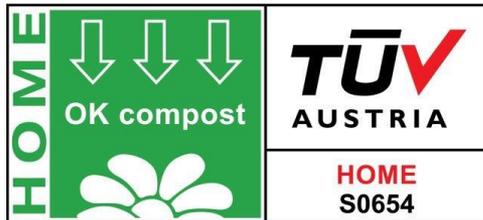


Styling foam conditioner with starch instead of microplastics

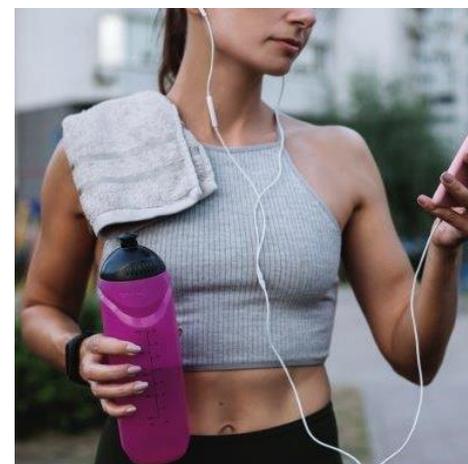
# WIDE RANGE OF STARCH PRODUCTS (3)



Thermoplastic starch as a basis for compounds for plastic bags, foils, injection molding elements



100 % home-compostable without microplastic residues



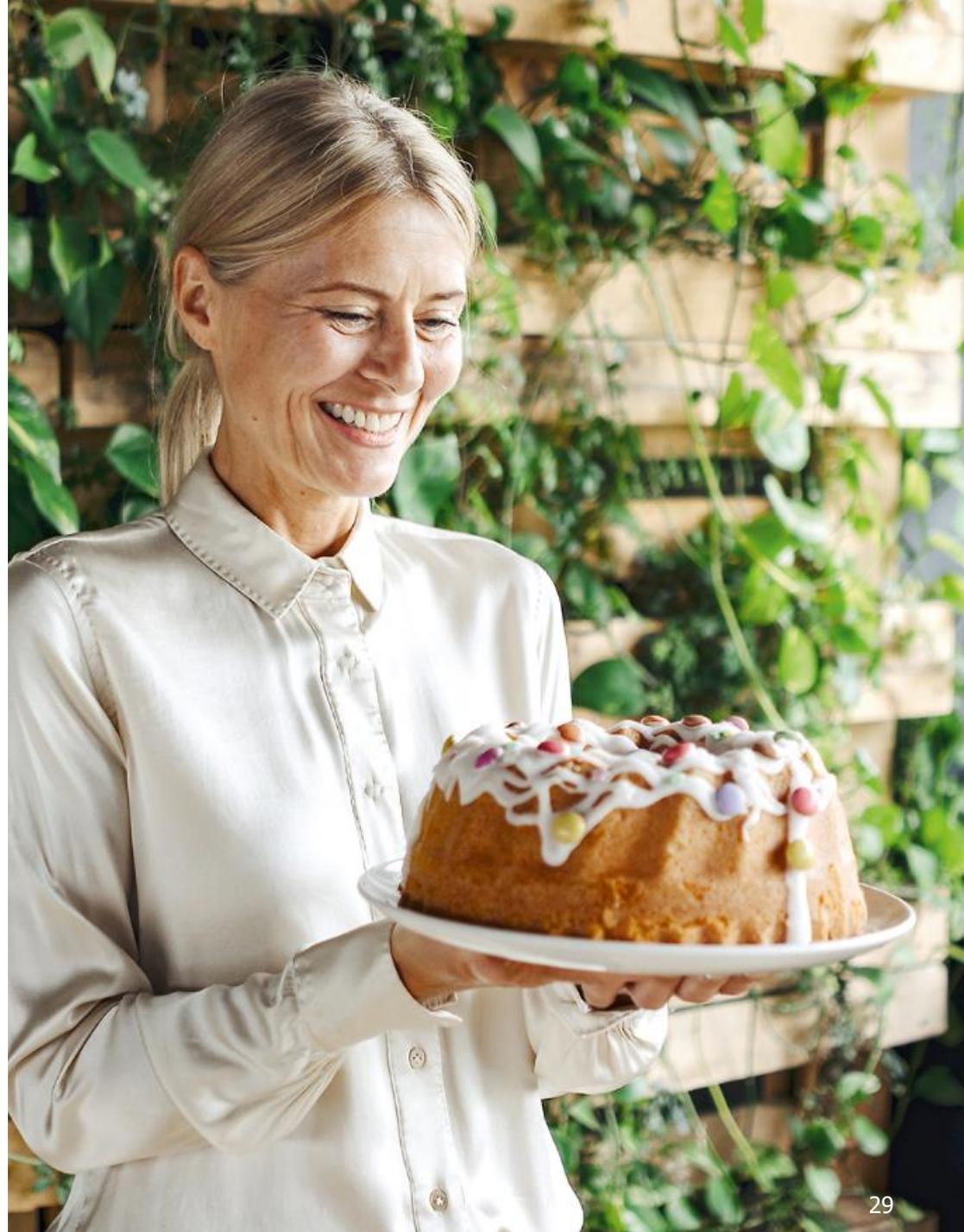
Clean Label AGENANOVA – Carbohydrate with low sweetness and high water solubility – as an energy source for sports, infant and clinical nutrition



SEGMENT

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**SUGAR**





## World sugar market

- **Downward trend in the world sugar market price**
  - World market quotations dropped to a 9y low for white sugar (Aug. 2018) and to a 10y low for raw sugar (Sept. 2018)
- Since October the market has **rallied again somewhat** from its lows
  - Lower crop results and higher ethanol production in Brazil
  - Effects of the dry weather in Europe on the 2018 campaign
  - Dynamics in the foreign exchange and oil markets



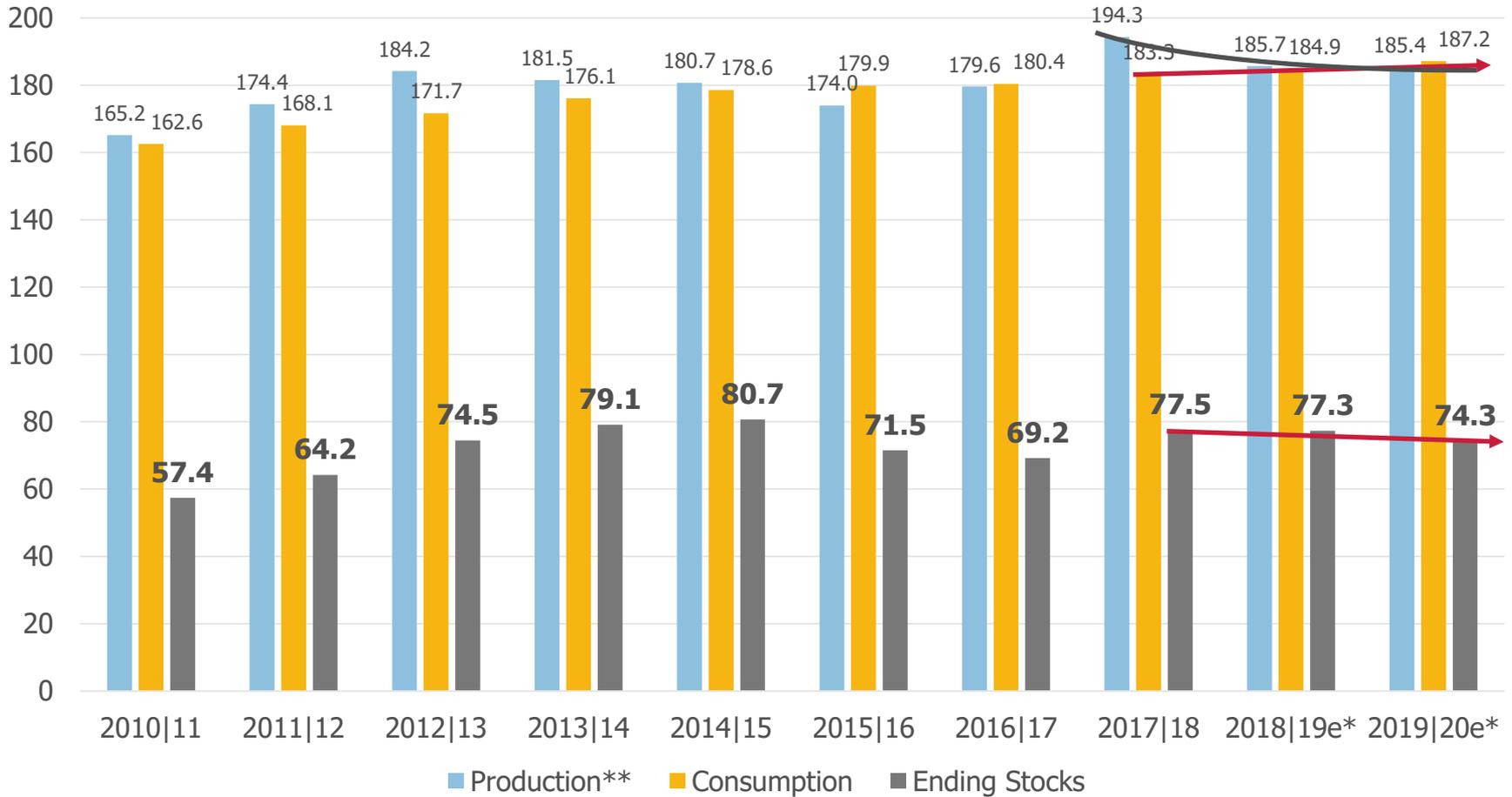
### EU sugar market

- Sugar prices have continued to decline in the course of the financial year
- EU sugar price reporting: in January 2019, the EU sugar price was at € 312 per tonne (January 2018: € 371 per tonne)
- **Effects of dry wetter in summer 2018** in major crop areas: reduced EU sugar production from 21.3 million tonnes (SMY 2017|18) to 18.2 million tonnes and lower availability of sugar
- Outlook: EU sugar production 2019|20 estimated at 18.6 million tonnes (F.O. Licht)



# WORLD SUGAR PRODUCTION & CONSUMPTION

Million tonnes



Source: F.O. Licht (29 May 2019)

\* Estimates

\*\* Production: October-September



# RAW SUGAR & WHITE SUGAR SUGAR QUOTATION

1 January 2006 – 3 July 2019 (USD)

2018|19 FY

Daily ICE SUG11 OCT9; SUGAR NO5 AUG9

Line; ICE SUG11 OCT9; Trade Price(Last)  
03.07.2019; 276,460  
Line; SUGAR NO5 AUG9; Trade Price(Last)  
03.07.2019; 320,700; N/A; N/A



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

White sugar (LIFFE)

**3 July 2019:**  
320.7 USD/t  
= 284.0 EUR/t

Raw sugar (ICE)

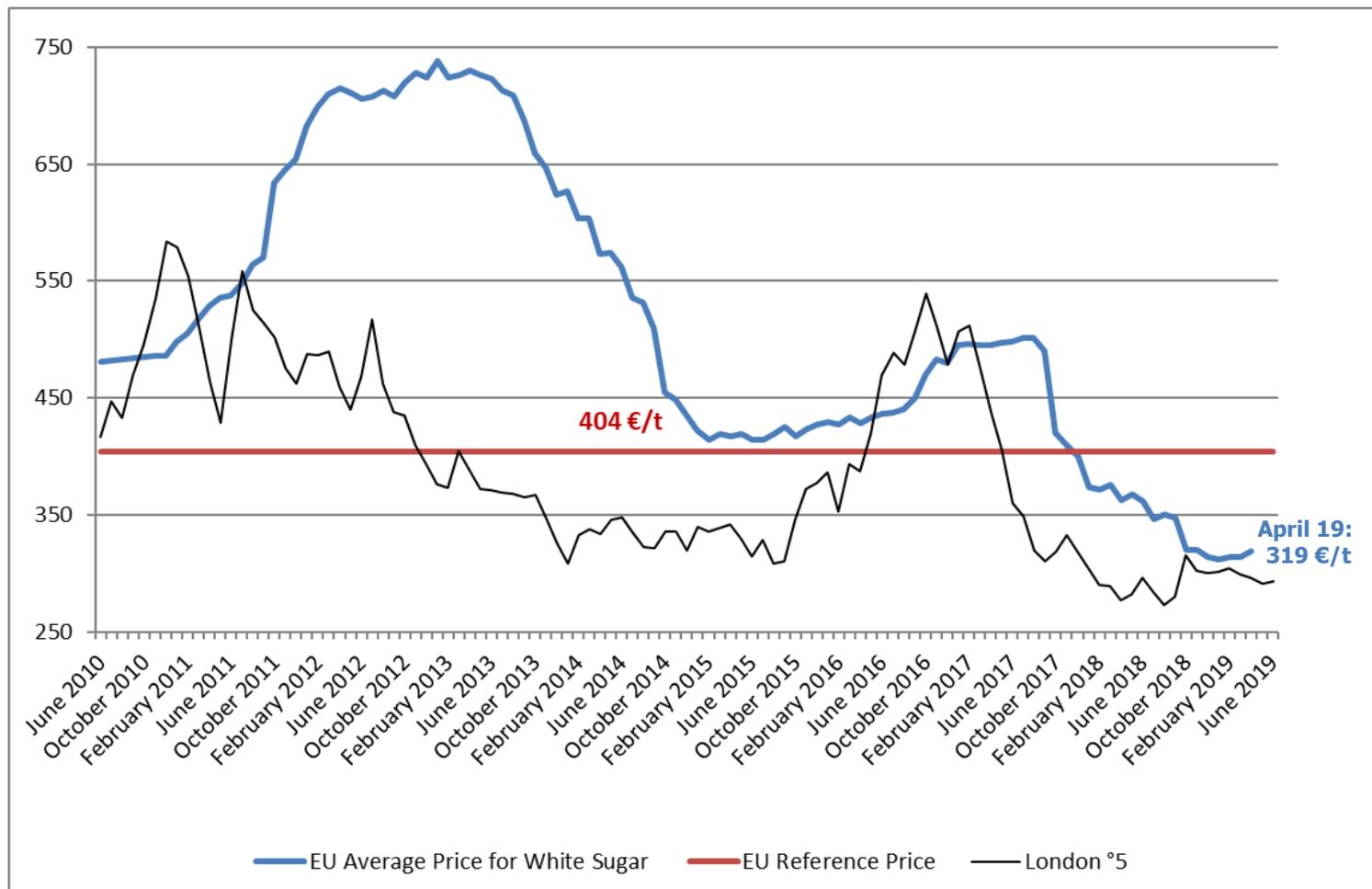
**3 July 2019:**  
276.5 USD/t  
= 244.8 EUR/t



## SUGAR PRICE REPORTING

# MONTHLY EU AVERAGE PRICES

(JUNE 2010 TO JUNE 2019; € PER TONNE)



Source: European Commission, Sugar Price Reporting (as of 27 June 2019) and SugarOnline (as of 2 July 2019)



AGRANA SUGAR

## BEET LEAF WEEVILS IN AUSTRIA

Beet acreage 2019 AGRANA total: **81,400** ha,  
of which in Austria **32,100** ha

Weevil infestation:  
4,900 ha plowed up  
**3,700** ha of area lost

### Beet cultivation management measures

- Cost assumption for cultivation € 170.–/ha
- Use of fall-groove plows and pheromone traps (approx. 90,000 pcs.)
- Use of insecticides
- Intensive experimental activities of the R&D team and numerous consulting activities of the raw materials team





AGRANA SUGAR

## BEET CROPS CURRENTLY

Further crops development dependent on precipitation

*Images taken on June 27*





- Anti-sugar campaigns ("Süßes Gift" [Sweet Poison] on ORF) make sugar a scapegoat for overeating and suggest a link to addictive drugs.
- Fewer calories on the diet plan for weight loss are undoubtedly fine. But: advertising one's products as more healthy by means of sugar reduction verges on deception of consumers.
- Less sugar is usually not equivalent to fewer calories.



- Sugar does not cause illness, but, like other nutrients, it can contribute to an excessive supply of energy.
- The crucial factor for development of overweight is not which energy sources are consumed, but whether the energy balance is even.
- More conscious handling of foodstuffs supports a healthy lifestyle. This also includes awareness of the mandatory information on the nutritional values of foodstuffs.



2018|19

# CONSOLIDATED FINANCIAL STATEMENTS

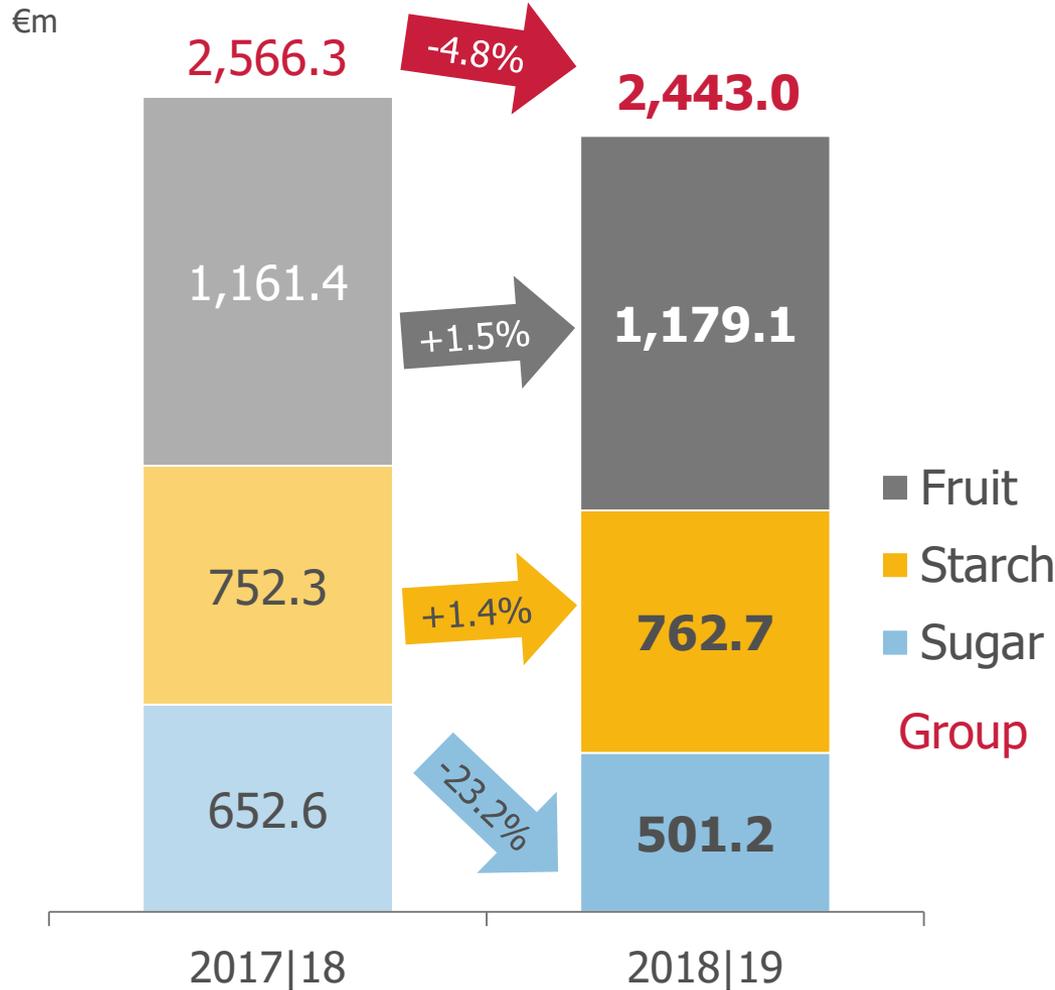


## CONSOLIDATED INCOME STATEMENT (I)

€m	2018   19	2017   18	Change
<b>Revenue</b>	<b>2,443.0</b>	<b>2,566.3</b>	<b>-4.8%</b>
Changes in inventories of finished and unfinished goods	(53.5)	(26.8)	+99.6%
Own work capitalised	1.1	1.5	-26.7%
Other operating income	33.0	33.0	0.0%
Cost of materials	(1,647.5)	(1,716.6)	-4.0%
Staff costs	(323.7)	(308.1)	+5.1%
Depreciation, amortisation and impairment losses	(96.6)	(90.0)	+7.3%
Other operating expenses	(301.4)	(298.1)	+1.1%
Share of results of equity-accounted joint ventures	12.2	29.4	-58.5%
<b>Operating profit [EBIT]</b>	<b>66.6</b>	<b>190.6</b>	<b>-65.1%</b>
thereof exceptional items	3.3	(2.9)	>+100%

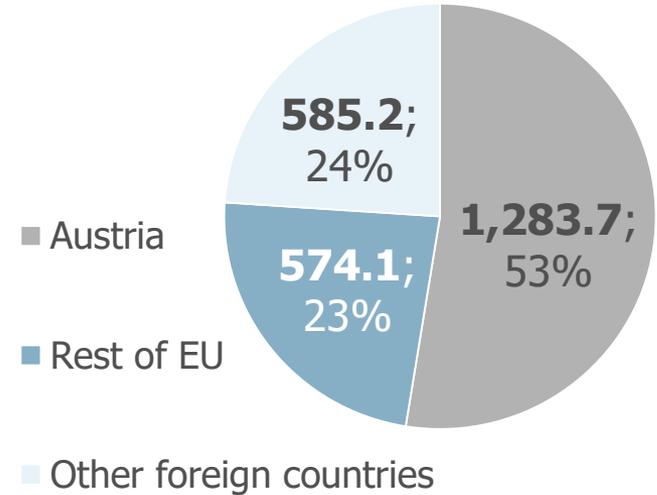


TOTAL AND BY SEGMENT  
**REVENUE**

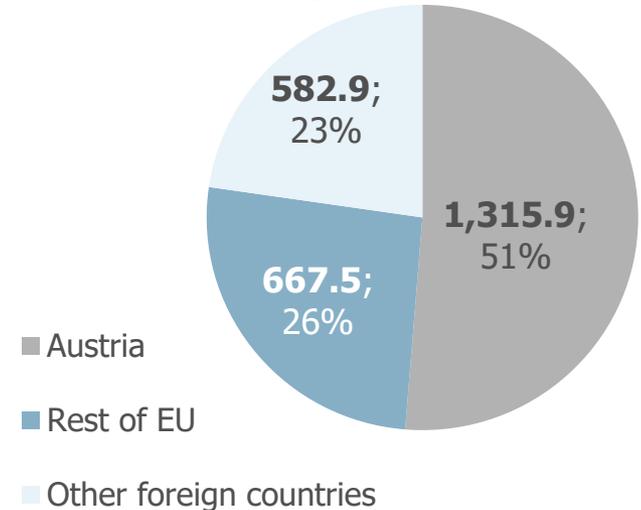


■ Fruit  
■ Starch  
■ Sugar  
**Group**

**By region\* 2018 | 19**



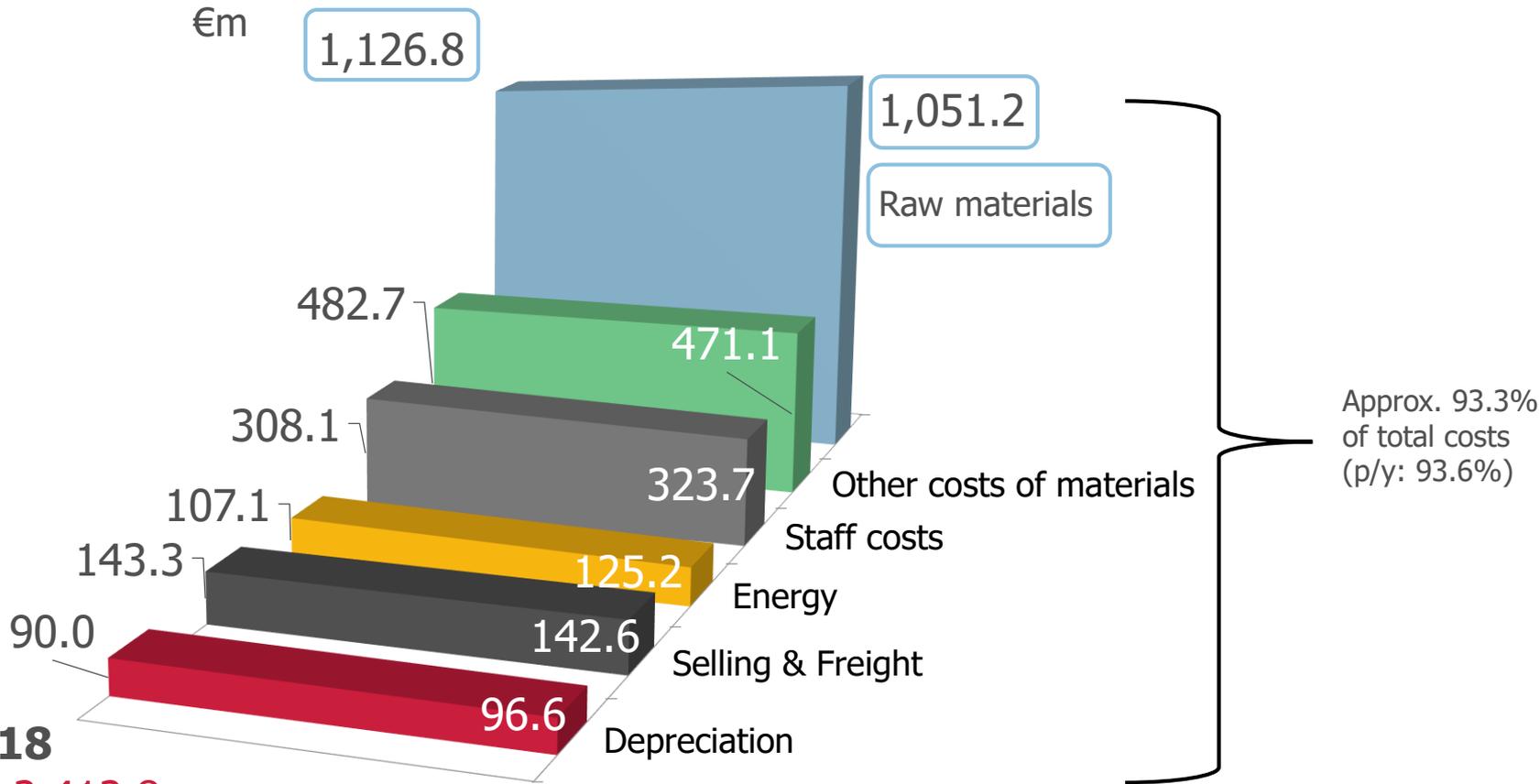
**By region\* 2017 | 18**



\* Companies are assigned to geographic segments based on the location of their registered office



# COST STRUCTURE (OPERATIONAL)



**2017 | 18**  
Total: € 2,412.8 m

**2018 | 19**  
Total: € 2,369.2 m



## CONSOLIDATED INCOME STATEMENT (II)

€m	<b>2018   19</b>	2017 18	Change
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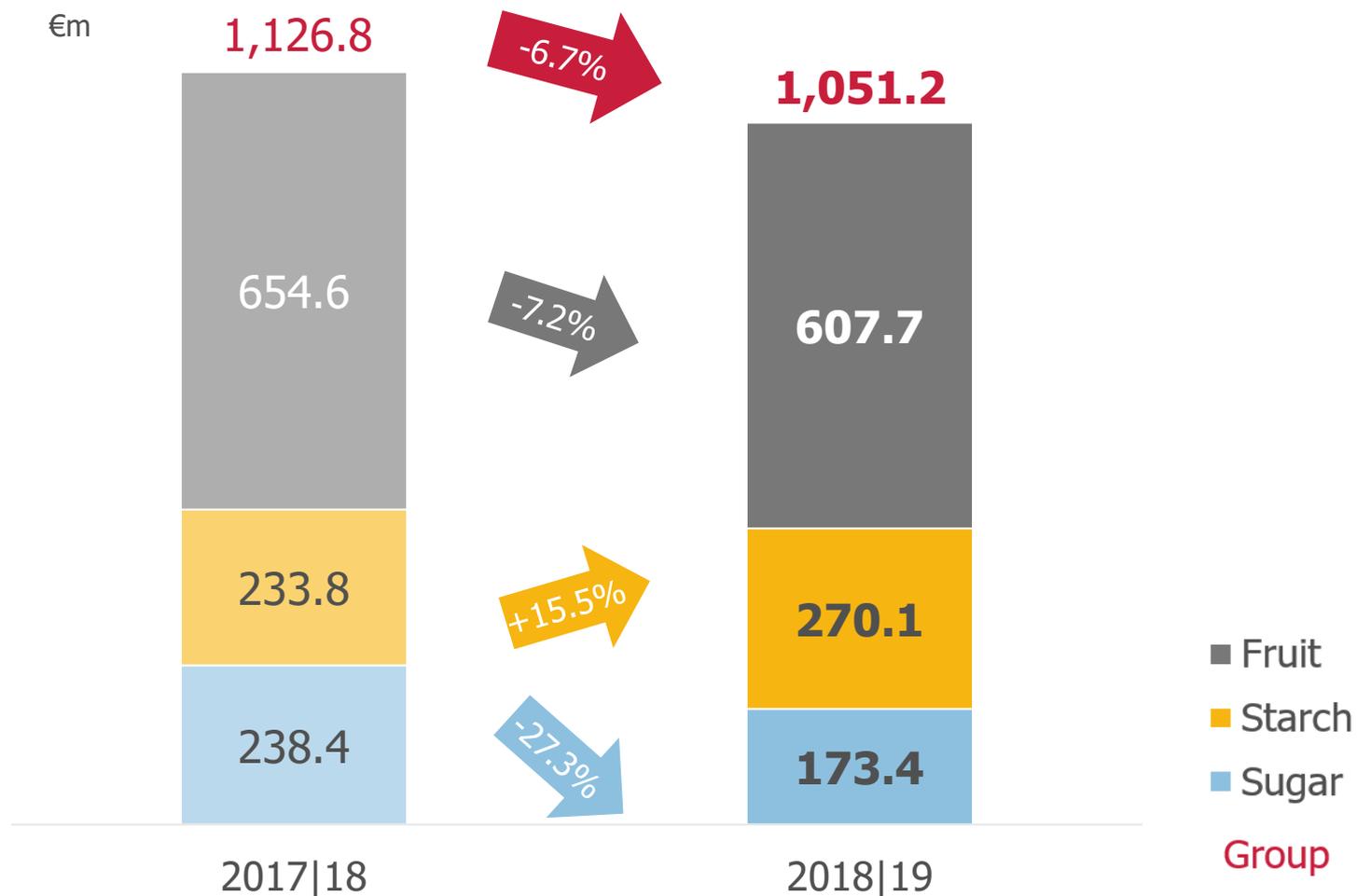
## COST OF MATERIALS

€m	<b>2018   19</b>	2017 18	Change
Costs of			
Raw materials	<b>1,051.2</b>	1,126.8	-6.7%
Other materials	<b>471.1</b>	482.7	-2.4%
thereof Trade goods	<b>258.7</b>	276.6	-6.5%
thereof Other supplies	<b>136.4</b>	135.4	+0.7%
thereof Purchased services	<b>76.0</b>	70.7	+7.5%
Energy	<b>125.2</b>	107.1	+16.9%
<b>Total</b>	<b>1,647.5</b>	<b>1,716.6</b>	<b>-4.0%</b>

Corresponds to 69.5%  
(p/y: 71.2%) of total costs



# COST OF RAW MATERIALS BY SEGMENT





## COSTS OF RAW MATERIALS BY PRODUCTS

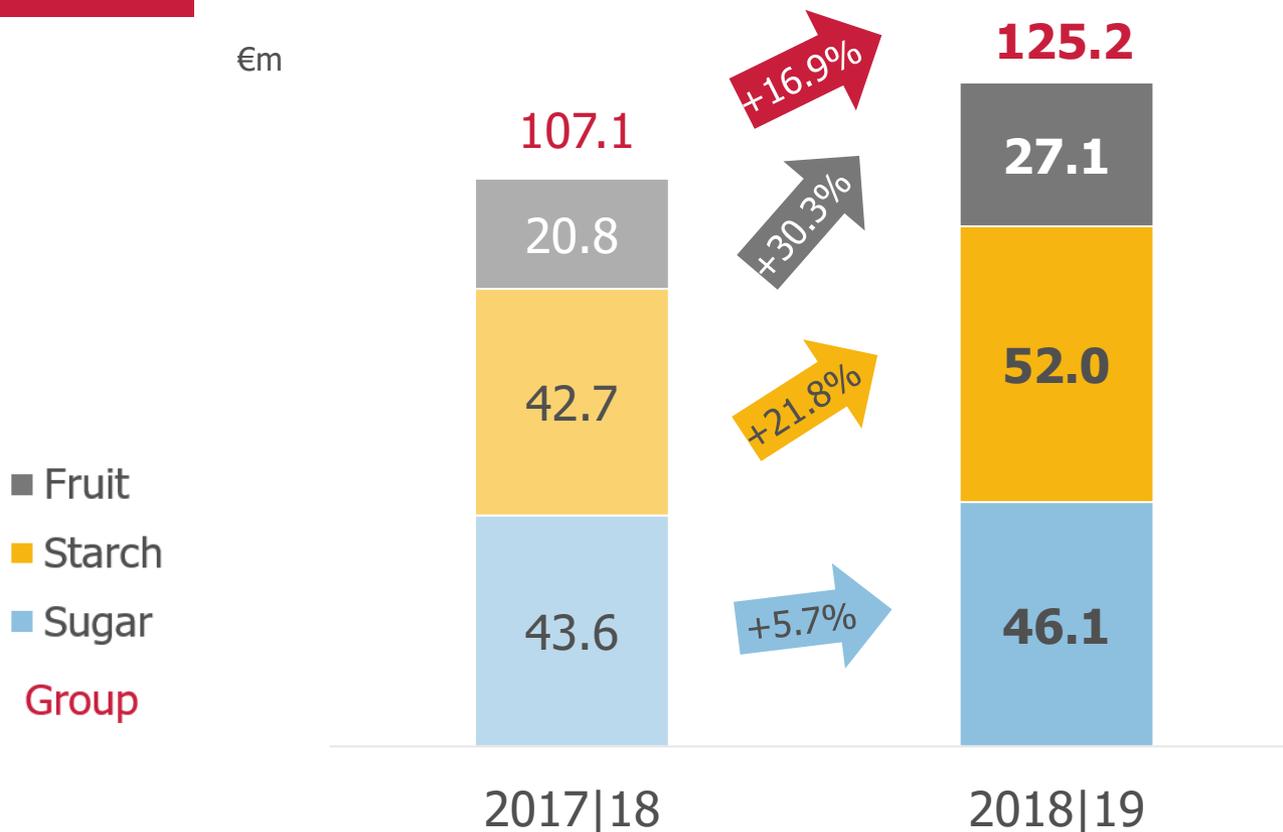
€m	<b>2018   19</b>	2017 18	Change
Fruits	<b>340.3</b>	330.7	+2.9%
Other	<b>267.4</b>	323.9	-17.4%
<b>Fruit segment</b>	<b>607.7</b>	<b>654.6</b>	<b>-7.2%</b>
Corn	<b>238.7</b>	205.3	+16.3%
Potato	<b>31.1</b>	28.5	+9.1%
Other	<b>0.3</b>	0.0	-
<b>Starch segment</b>	<b>270.1</b>	<b>233.8</b>	<b>+15.5%</b>
Beet	<b>159.8</b>	221.4	-27.8%
Raw sugar	<b>0.4</b>	5.5	-92.7%
Other*	<b>13.2</b>	11.5	+14.8%
<b>Sugar segment</b>	<b>173.4</b>	<b>238.4</b>	<b>-27.3%</b>
<b>Group</b>	<b>1,051.2</b>	<b>1,126.8</b>	<b>-6.7%</b>

\* Various raw materials for instant products



# TOTAL AND BY SEGMENT ENERGY COSTS

€m



2018 19 vs. 2017 18	Fruit	Starch	Sugar
<b>Total variance</b>	<b>+30.3%</b>	<b>+21.8%</b>	<b>+5.7%</b>
Quantity variance	+49.0%	+4.5%	-41.1%
Price variance	-18.3%	+17.1%	+46.7%

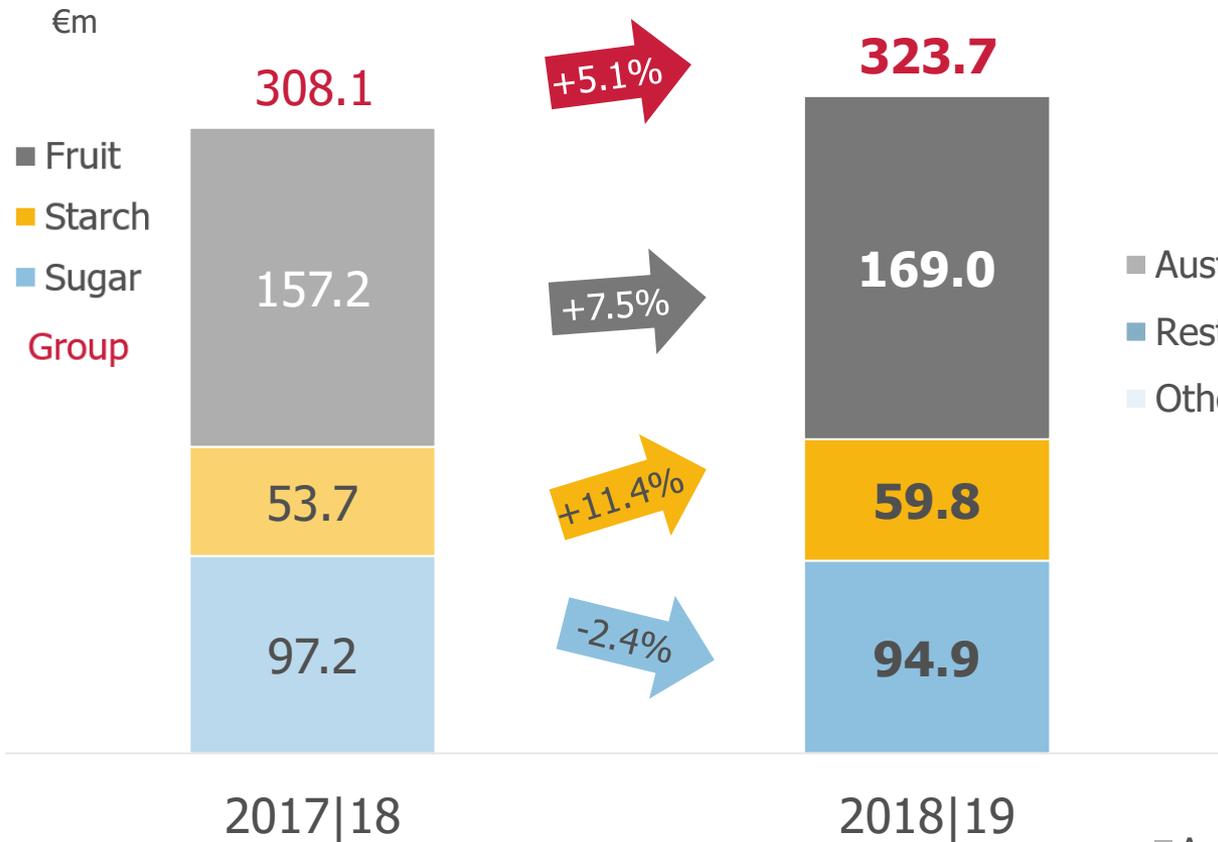


## CONSOLIDATED INCOME STATEMENT (III)

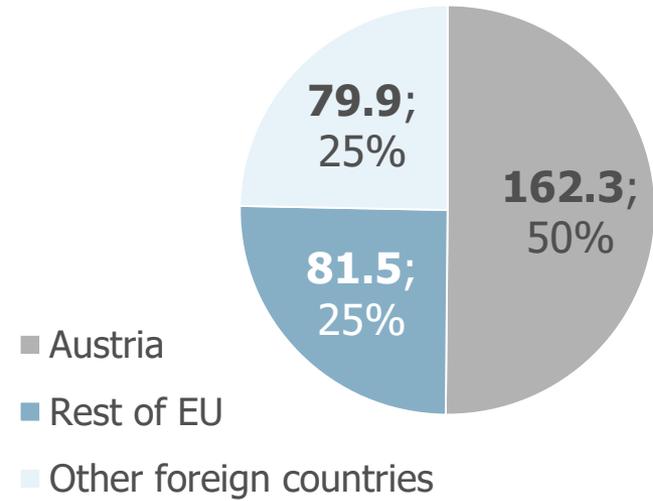
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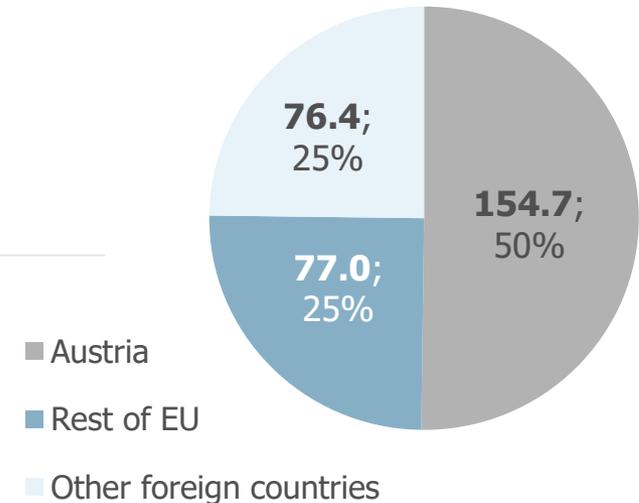
TOTAL AND BY SEGMENTS  
**STAFF COSTS**



**By region 2018 | 19**

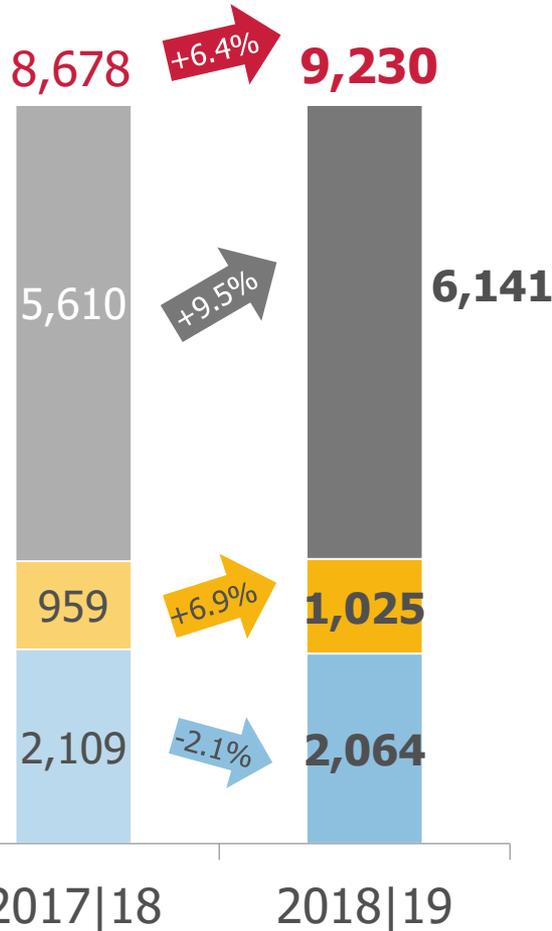


**By region 2017 | 18**



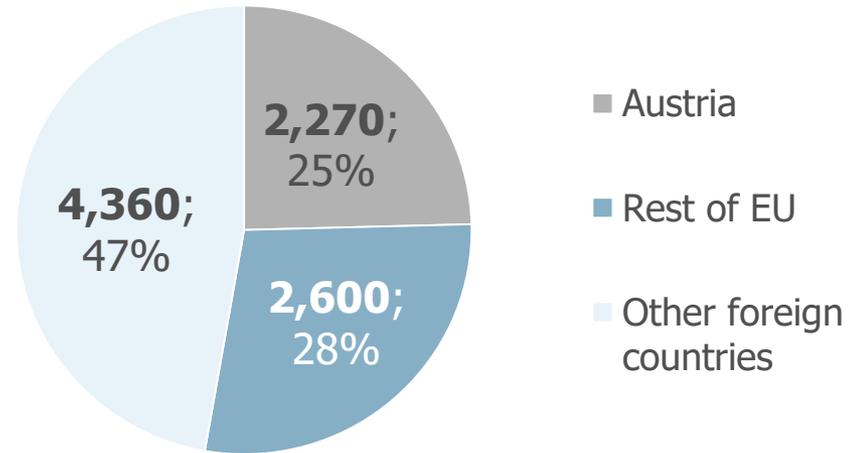


# EMPLOYEES (FTEs)

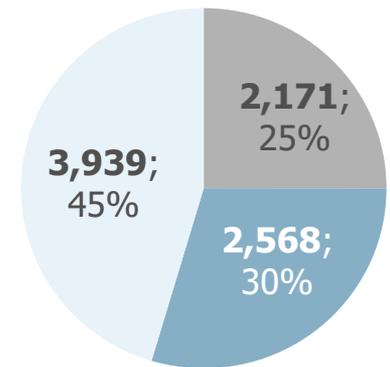


- Fruit
  - Starch
  - Sugar
- Group

## By region 2018 | 19



## By region 2017 | 18



FTEs	2018   19	2017   18	Change
Wage earning staff	6,456	6,050	+6.7%
Salaried staff	2,686	2,544	+5.6%
Apprentices	88	84	+4.8%
<b>Total</b>	<b>9,230</b>	<b>8,678</b>	<b>+6.4%</b>



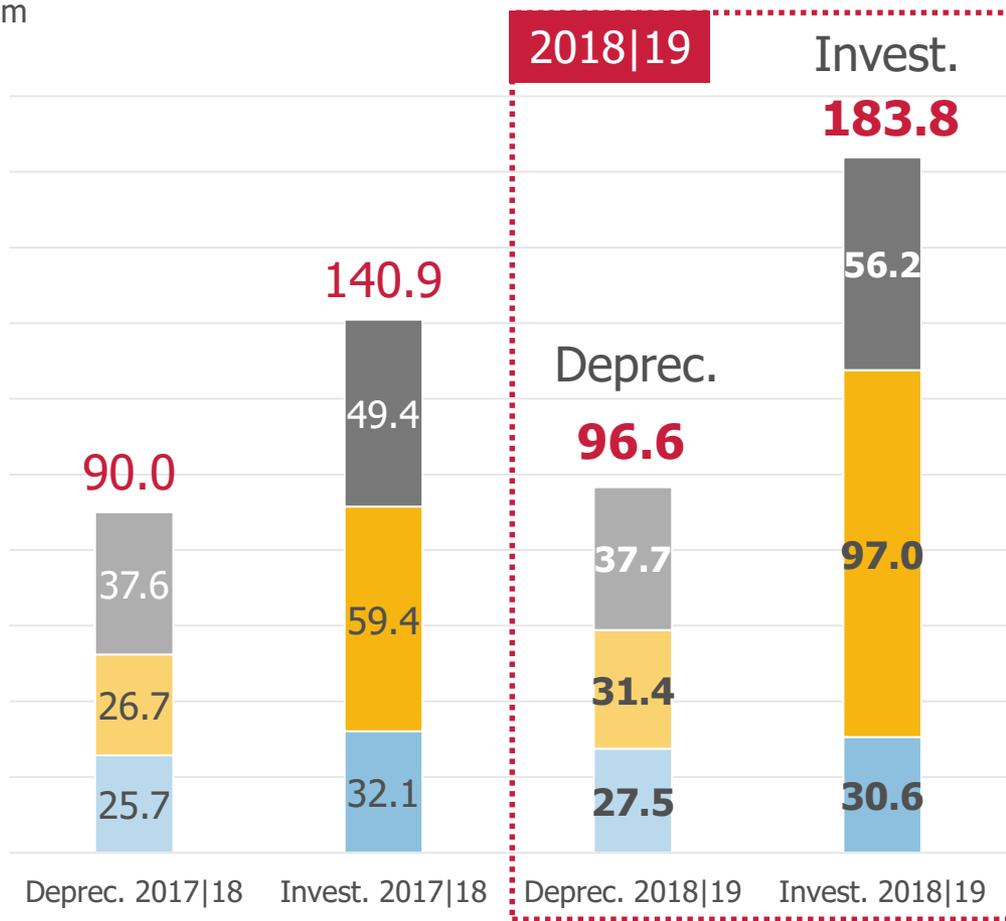
## CONSOLIDATED INCOME STATEMENT (IV)

€m	<b>2018   19</b>	2017 18	Change
Revenue	<b>2,443.0</b>	2,566.3	-4.8%
Changes in inventories of finished and unfinished goods	<b>(53.5)</b>	(26.8)	+99.6%
Own work capitalised	<b>1.1</b>	1.5	-26.7%
Other operating income	<b>33.0</b>	33.0	0.0%
Cost of materials	<b>(1,647.5)</b>	(1,716.6)	-4.0%
Staff costs	<b>(323.7)</b>	(308.1)	+5.1%
<b>Deprec., amortisation and impairment losses</b>	<b>(96.6)</b>	(90.0)	+7.3%
Other operating expenses	<b>(301.4)</b>	(298.1)	+1.1%
Share of results of equity-accounted joint ventures	<b>12.2</b>	29.4	-58.5%
<b>Operating profit [EBIT]</b>	<b>66.6</b>	190.6	-65.1%
thereof exceptional items	<b>3.3</b>	(2.9)	>+100%



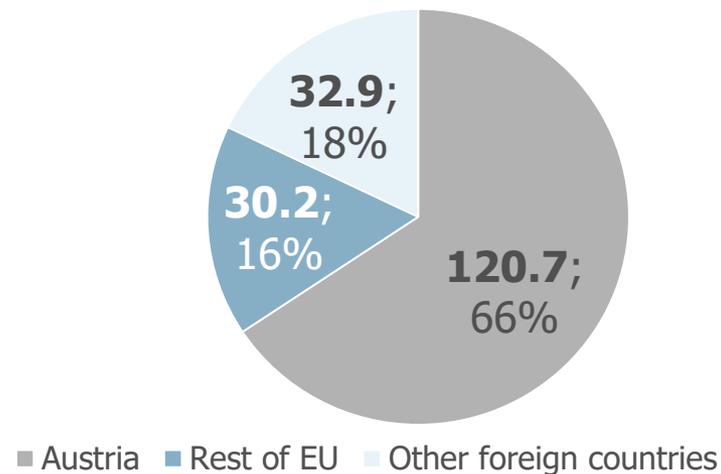
# DEPRECIATION | INVESTMENT

€m

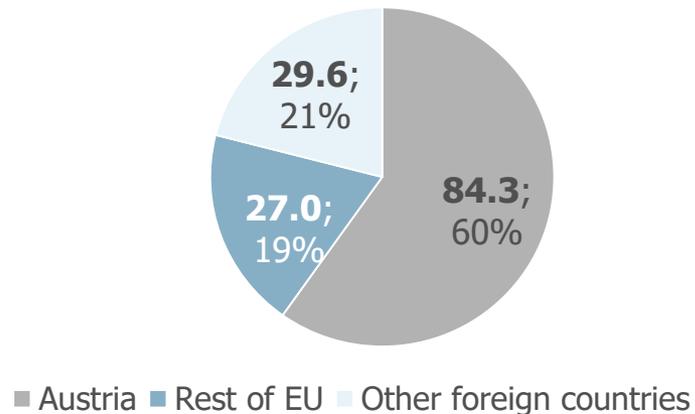


■ Fruit ■ Starch ■ Sugar ■ Group

By region 2018 | 19



By region 2017 | 18





## CONSOLIDATED INCOME STATEMENT (V)

€m	<b>2018   19</b>	2017 18	Change
Revenue	<b>2,443.0</b>	2,566.3	-4.8%
Changes in inventories of finished and unfinished goods	<b>(53.5)</b>	(26.8)	+99.6%
Own work capitalised	<b>1.1</b>	1.5	-26.7%
Other operating income	<b>33.0</b>	33.0	0.0%
Cost of materials	<b>(1,647.5)</b>	(1,716.6)	-4.0%
Staff costs	<b>(323.7)</b>	(308.1)	+5.1%
Depreciation, amortisation and impairment losses	<b>(96.6)</b>	(90.0)	+7.3%
<b>Other operating expenses</b>	<b>(301.4)</b>	(298.1)	+1.1%
Share of results of equity-accounted joint ventures	<b>12.2</b>	29.4	-58.5%
<b>Operating profit [EBIT]</b>	<b>66.6</b>	190.6	-65.1%
thereof exceptional items	<b>3.3</b>	(2.9)	>+100%



## OTHER OPERATING EXPENSES

€m	2018   19	2017   18	Change
<b>Other operating expense</b>	<b>301.4</b>	298.1	+1.1%
<b>thereof (i.a.)</b>			
Selling and freight costs	<b>142.6</b>	143.3	-0.5%
Operating and administrative expenses	<b>103.3</b>	99.5	+3.8%
Rent and lease expenses	<b>10.8</b>	10.1	+6.9%
Advertising expenses	<b>10.4</b>	10.6	-1.9%
Currency translation losses	<b>8.2</b>	7.2	+13.9%
Other taxes	<b>7.2</b>	7.3	-1.4%
Exceptional items	<b>2.3</b>	4.8	-52.1%
Damage payments	<b>1.6</b>	1.2	+33.3%
Derivatives	<b>0.4</b>	3.1	-87.1%

Corresponds to 95.2% (p/y: 96.3%)  
of total other operating expense



## CONSOLIDATED INCOME STATEMENT (VI)

€m	<b>2018   19</b>	2017 18	Change
Revenue	<b>2,443.0</b>	2,566.3	-4.8%
Changes in inventories of finished and unfinished goods	<b>(53.5)</b>	(26.8)	+99.6%
Own work capitalised	<b>1.1</b>	1.5	-26.7%
Other operating income	<b>33.0</b>	33.0	0.0%
Cost of materials	<b>(1,647.5)</b>	(1,716.6)	-4.0%
Staff costs	<b>(323.7)</b>	(308.1)	+5.1%
Depreciation, amortisation and impairment losses	<b>(96.6)</b>	(90.0)	+7.3%
Other operating expenses	<b>(301.4)</b>	(298.1)	+1.1%
<b>Share of results of equity-accounted JV</b>	<b>12.2</b>	29.4	-58.5%
<b>Operating profit [EBIT]</b>	<b>66.6</b>	190.6	-65.1%
thereof exceptional items	<b>3.3</b>	(2.9)	>+100%



## SHARE OF RESULTS OF EQUITY-ACCOUNTED JOINT VENTURES

€m	2018   19	2017   18
<b>Profit after tax (PAT)</b>		
STUDEN Group	<b>(8.0)</b>	(2.2)
HUNGRANA Group	<b>32.4</b>	61.0
<b>PAT Total</b>	<b>24.4</b>	<b>58.8</b>
	<b>Proportionately 50%</b>	<b>Proportionately 50%</b>
STUDEN Group	<b>(4.0)</b>	(1.1)
HUNGRANA Group	<b>16.2</b>	30.5
<b>Share of results of equity- accounted joint ventures</b>	<b>12.2</b>	<b>29.4</b>



## CONSOLIDATED INCOME STATEMENT (VII)

€m	<b>2018   19</b>	2017 18	Change
Revenue	<b>2,443.0</b>	2,566.3	-4.8%
Changes in inventories of finished and unfinished goods	<b>(53.5)</b>	(26.8)	+99.6%
Own work capitalised	<b>1.1</b>	1.5	-26.7%
Other operating income	<b>33.0</b>	33.0	0.0%
Cost of materials	<b>(1,647.5)</b>	(1,716.6)	-4.0%
Staff costs	<b>(323.7)</b>	(308.1)	+5.1%
Depreciation, amortisation and impairment losses	<b>(96.6)</b>	(90.0)	+7.3%
Other operating expenses	<b>(301.4)</b>	(298.1)	+1.1%
Share of results of equity-accounted joint ventures	<b>12.2</b>	29.4	-58.5%
<b>Operating profit [EBIT]</b>	<b>66.6</b>	190.6	-65.1%
<b>thereof exceptional items</b>	<b>3.3</b>	(2.9)	>+100%



## EXCEPTIONAL ITEMS

€m	<b>2018   19</b>	2017 18	Change
Exceptional items	<b>3.3</b>	(2.9)	>+100%

€m	<b>Exceptional items in the Sugar segment</b>
5.6	<b>Tax returns in Romania</b>
(1.8)	Cost for restructuring measures
(0.5)	Default charges case „Lemarco”
<b>3.3</b>	<b>Total</b>



## CONSOLIDATED INCOME STATEMENT (VIII)

€m	2018   19	2017   18	Change
Operating profit [EBIT]	<b>66.6</b>	190.6	-65.1%
Finance income	<b>25.4</b>	41.2	-38.4%
Finance expense	<b>(40.8)</b>	(55.7)	-26.8%
<b>Net financial items</b>	<b>(15.4)</b>	(14.5)	-6.2%
Profit before tax	<b>51.2</b>	176.1	-70.9%
Income tax expense	<b>(20.9)</b>	(33.5)	-37.6%
Profit for the period	<b>30.4</b>	142.6	-78.7%
- Attributable to shareholders of the parent	<b>25.4</b>	140.1	-81.9%
- Attributable to non-controlling interests	<b>5.0</b>	2.5	+100.0%

\* The prior year data were restated.



## ANALYSIS OF NET FINANCIAL ITEMS

€m	2018   19	2017   18	Change
Net interest expense	(5.5)	(7.8)	+29.5%
Currency translation differences	(8.0)	(3.8)	>-100%
Share of results of non-consolidated subsidiaries and outside companies	0.0	0.0	-
Other financial items	(1.9)	(2.9)	+34.5%
<b>Total</b>	<b>(15.4)</b>	<b>(14.5)</b>	<b>-6.2%</b>

- Prior year's optimisation of the credit and interest rate structure led to a further **improvement of € 2.3 million in net interest expense**
- **Currency translation differences deteriorated** by about **€ 4.1 million**, due primarily to negative movements in foreign currency financings in Argentina, Brazil, China, Mexico and Romania (euro and US dollar financings)
- As a result of lower ancillary expenses, **other financial items improved by € 0.9 million**



## CURRENCY TRANSLATION DIFFERENCES

€m	<b>2018 19</b>	2017 18	Change (€m)
RON	<b>(2.9)</b>	(0.3)	-2.6
USD	<b>(1.9)</b>	(0.4)	-1.5
ARS*	<b>(1.4)</b>	(2.7)	+1.3
BRL	<b>(0.4)</b>	(0.5)	+0.1
CNY	<b>(0.4)</b>	0.8	-1.2
MXN	<b>(0.3)</b>	0.4	-0.7
EGP	<b>(0.1)</b>	0.4	-0.5
Other	<b>(0.5)</b>	(1.5)	+1.0
<b>Total</b>	<b>(8.0)</b>	<b>(3.8)</b>	-4.2

\*Including effects from the application of IAS 29 (Hyperinflation)



## CONSOLIDATED INCOME STATEMENT (IX)

€m	2018   19	2017   18	change
Operating profit [EBIT]	66.6	190.6	-65.1%
Finance income	25.4	41.2	-38.4%
Finance expense	(40.8)	(55.7)	-26.8%
Net financial items	(15.4)	(14.5)	-6.2%
Profit before tax	51.2	176.1	-70.9%
 <b>Income tax expense</b>	<b>(20.9)</b>	(33.5)	-37.6%
Profit for the period	30.4	142.6	-78.7%
- Attributable to shareholders of the parent	25.4	140.1	-81.9%
- Attributable to non-controlling interests	5.0	2.5	+100.0%



## TAX RATE

€m	<b>2018   19</b>	2017   18	Change
Profit before tax	<b>51.2</b>	176.2	-70.9%
Income tax expense	<b>(20.9)</b>	(33.5)	-37.6%
<b>Tax rate</b>	<b>40.7%</b>	19.0%	+21.7pp

### Tax reconciliation

Nominal tax expense (calc. with 25%)	(12.8)
<b>Effects of unrecognized tax loss carryforwards in respect of the financial year</b>	(6.3)
thereof Fruit segment	(1.7)
thereof Starch segment	0.1
thereof Sugar segment	(4.7)
Other effects (net)	(1.8)
<b>Income tax expense</b>	<b>(20.9)</b>



## CONSOLIDATED INCOME STATEMENT (X)

€m	<b>2018   19</b>	2017 18	change
Operating profit [EBIT]	<b>66.6</b>	190.6	-65.1%
Finance income	<b>25.4</b>	41.2	-38.4%
Finance expense	<b>(40.8)</b>	(55.7)	-26.8%
Net financial items	<b>(15.4)</b>	(14.5)	-6.2%
Profit before tax	<b>51.2</b>	176.1	-70.9%
Income tax expense	<b>(20.9)</b>	(33.5)	-37.6%
<b>Profit for the period</b>	<b>30.4</b>	142.6	-78.7%
- Attributable to shareholders of the parent	<b>25.4</b>	140.1	-81.9%
- Attributable to non-controlling interests	<b>5.0</b>	2.5	+100.0%



## CONSOLIDATED BALANCE SHEET

€m (condensed)	<b>28 Feb. 2019</b>	28 Feb. 2018	Change
Non-current assets	<b>1,252.1</b>	1,161.0	+7.8%
Current assets	<b>1,137.3</b>	1,195.4	-4.9%
<b>Total assets</b>	<b>2,389.4</b>	<b>2,356.4</b>	+1.4%
Equity	<b>1,409.9</b>	1,454.0	-3.0%
Non-current liabilities	<b>393.1</b>	419.4	-6.3%
Current liabilities	<b>586.4</b>	483.0	+21.4%
<b>Total equity and liabilities</b>	<b>2,389.4</b>	<b>2,356.4</b>	+1.4%
Equity ratio	<b>59.0%</b>	61.7%	-2.7pp
Net debt	<b>322.2</b>	232.5	+38.6%
Gearing	<b>22.9%</b>	16.0%	+6.9pp



## CONSOLIDATED CASH FLOW STATEMENT

€m (condensed)	<b>2018   19</b>	2017 18	Change
Operating cash flow before changes in working capital	<b>177.5</b>	302.7	-41.4%
Changes in working capital	<b>(5.9)</b>	(43.1)	+86.3%
Total of interest paid/received and tax paid	<b>(30.0)</b>	(45.8)	+34.5%
<b>Net cash from operating activities</b>	<b>141.7</b>	<b>213.9</b>	-33.8%
Net cash (used in) investing activities	<b>(161.9)</b>	(133.3)	-21.5%
Net cash (used in) financing activities	<b>(18.2)</b>	(153.7)	+88.2%
<b>Net (decrease) in cash and cash equivalents</b>	<b>(38.4)</b>	(73.2)	+47.5%



## FINANCING STRUCTURE

€m	<b>28 Feb. 2019</b>	<b>Due within 1 year</b>	<b>Due after more than 1 year</b>	28 Feb. 2018
<b>Borrowings</b>	<b>423.6</b>	<b>144.6</b>	<b>279.0</b>	372.2
Securities and cash (equivalents)	(101.4)			(139.7)
<b>Net debt</b>	<b>322.2</b>			<b>232.5</b>
<b>Credit lines</b>	<b>897.2</b>	<b>315.1</b>	<b>582.1</b>	916.2

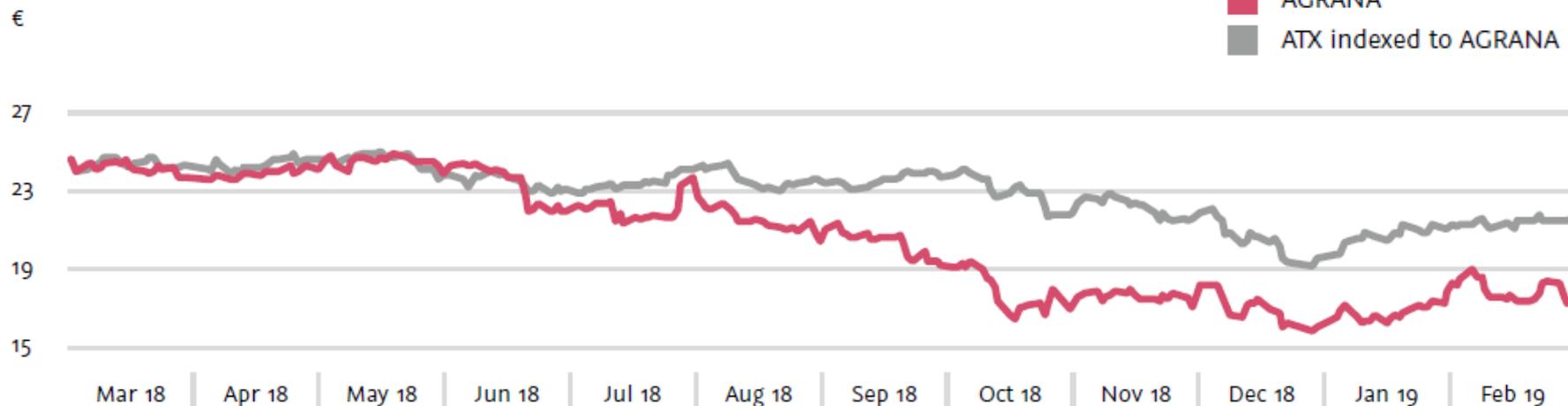


2018|19

# AGRANA SHARE

**Performance**  
**(1/3/2018 – 28/02/2019):**  
**AGRANA -29.8% (closing: 17.40)**  
**ATX -12.5% (closing: 3,040.92)**

## AGRANA share performance in 2018|19



### AGRANA share data

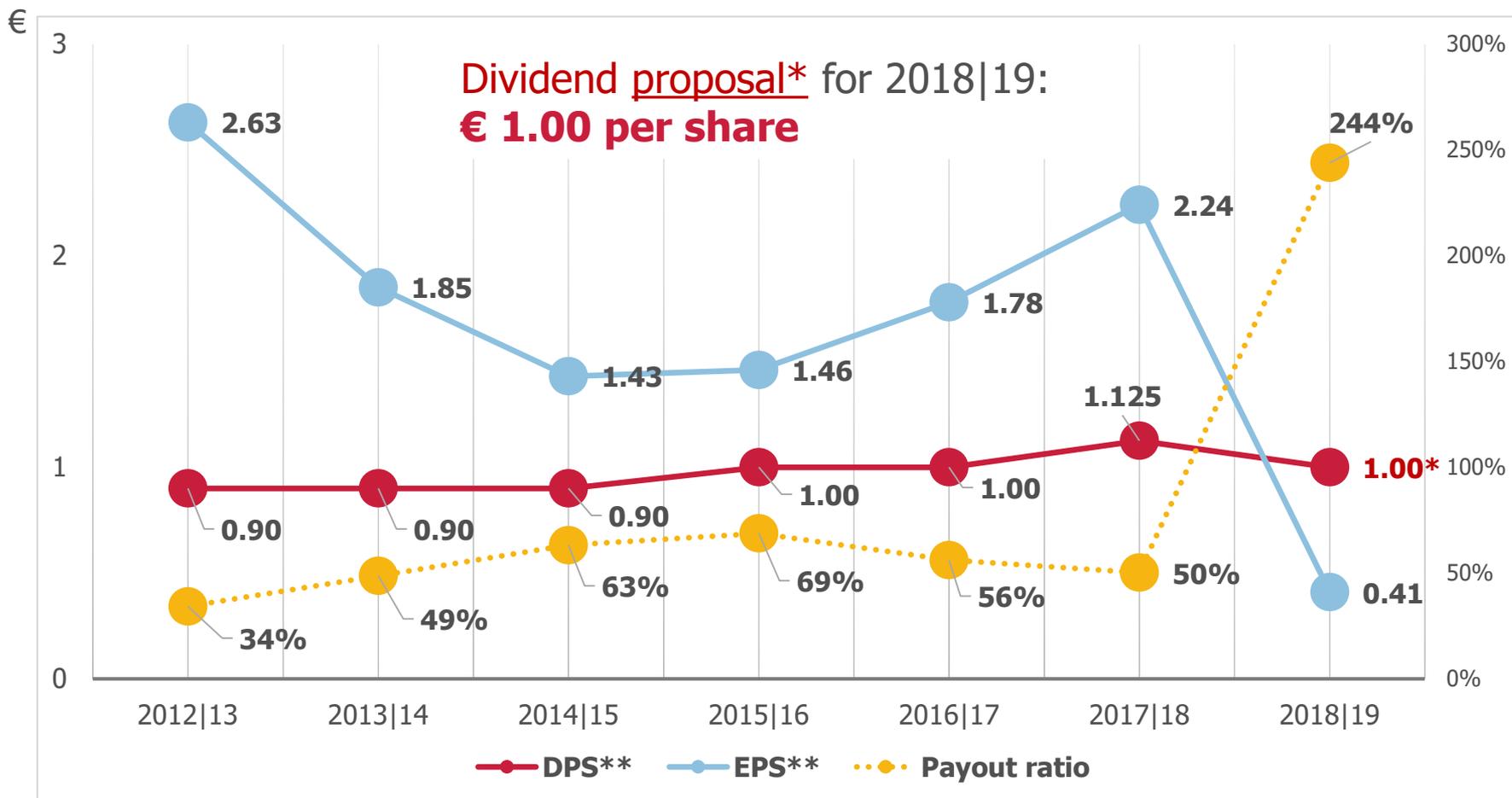
		2018 19	2017 18
Closing price at Feb 28 year-end	€	17.40 <sup>1</sup>	99.10
High	€	25.10 <sup>1</sup>	115.80
Low	€	15.78 <sup>1</sup>	92.32
Earnings per share	€	0.41 <sup>1,2</sup>	8.97 <sup>2</sup>
Closing price/earnings ratio at year-end		42.4	11.0
Closing book value per share at year-end	€	21.58 <sup>1,2</sup>	89.43 <sup>2</sup>
Number of shares at year-end	'000	62,489.0 <sup>1</sup>	15,622.2
Closing market capitalisation at year-end	€m	1,087.3	1,548.2

<sup>1</sup> A four-for-one stock split was performed in July 2018.

<sup>2</sup> Based on the number of shares outstanding at the balance sheet date.



# DIVIDEND AND EARNINGS PER SHARE



**Dividend yield** (based on the closing share price at the last balance sheet date): **5.7%**

\*\*EPS and DPS adjusted; after the four-for-one stock split performed in July 2018, all EPS and DPS values are based on the new number of shares out-standing at 28 February 2019, which was 62,488,976.



2019|20

# OUTLOOK

(INCL. CURRENT PROJECTS)





## CURRENT PROJECTS

# BETA PURA GMBH (JOINT VENTURE)

- Production of **crystalline betaine** under a JV between AGRANA and The Amalgamated Sugar Company (USA)
- AGRANA has been processing sugar beet molasses obtained during the production of sugar at its **Tulln site in Austria** to make liquid betaine already since 2015
- New plant, with a production capacity of around 8,500 metric tons of crystalline betaine per year, will make Tulln the **third manufacturing site worldwide** where premium-quality, natural crystalline betaine is produced
- **Betaine produced from sugar beet molasses** has **numerous practical applications** due to its osmoregulatory properties:
  - In livestock sector as a constituent of animal feedstuffs
  - In food supplements and sports drinks
  - In the cosmetics industry
  - In surfactants or detergents, e.g. shampoos, hair conditioners (foam-stabilizing, lightly setting)
- Construction by spring 2020
- Investment: **€ 40 million**; 16 new jobs





CURRENT PROJECTS

# WHEAT STARCH CAPACITY INCREASE

- **Doubling the production capacity of the wheat starch factory** in Pischelsdorf|Austria
- Total investment: **€ 102 million**
- Commissioning by the **end of 2019**
- **Further expansion of AGRANA's market position** in the starch market
- **45 new jobs**
- Expansion meets the **increasing demand**, particularly from the **paper industry** -> high proportion of recycled paper and rising demand for packaging



	Processed raw materials (to)	Investment
Ethanol plant:	535,000	€ ~130 million (until 2008)
Wheat starch plant I:	300,000	€ ~70 million (until 2013)
Wheat starch plant II:	355,000	€ ~100 million (until 2019)
<b>TOTAL:</b>	<b>1,190,000</b>	<b>€ ~300 million (until 2019)</b>

**TARGET:**

> 1 million tonnes processing capacity

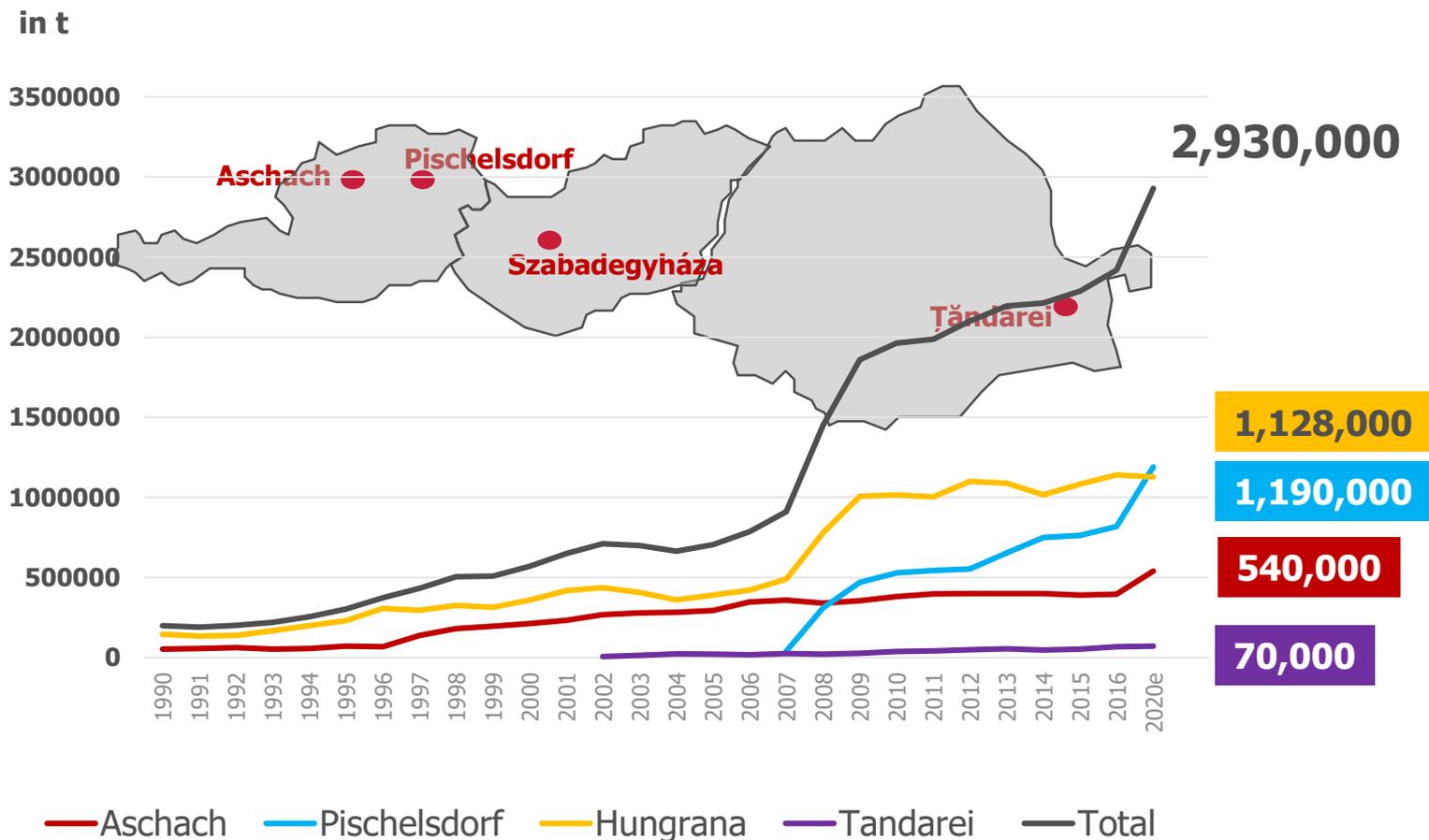
~ 3,300 to per day



AGRANA STARCH

# CEREAL PROCESSING QUANTITIES

Since 1990 more than decupled!



For comparison: ø grain production in AUT (incl. sweet corn) 5.1 Mt

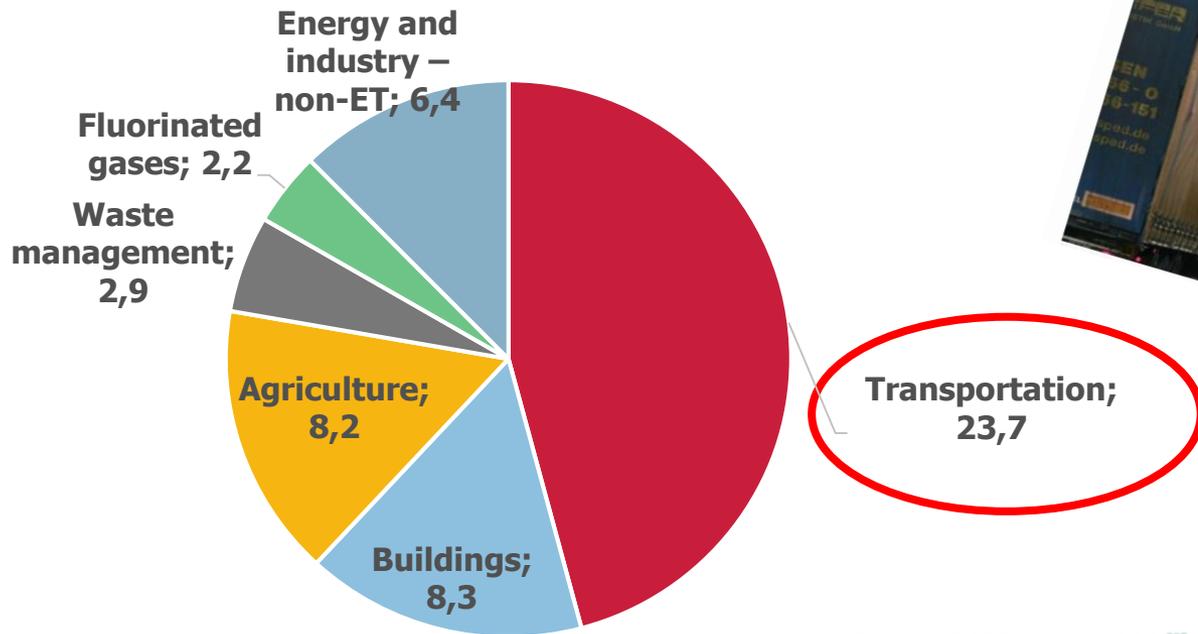


# GHG EMISSIONS AUSTRIA

**GHG emissions Austria 2017 (excl. emissions trading):** 51.7 Mt CO<sub>2</sub> equivalent  
(+ 1.1 Mt CO<sub>2</sub> equivalent or + 2.2% vs. 2016)

**Target 2020:** 47.8 Mt CO<sub>2</sub> equivalent

Sectoral GHG emissions 2017 outside the ET  
in Mt



umweltbundesamt<sup>u</sup>



## CLIMATE TARGETS

# ECOLOGICAL CONTRIBUTION WITH BIOETHANOL FROM AUSTRIA

### ■ IMMEDIATELY AVAILABLE

AGRANA produces **enough bioethanol for a 10 % admixture (E10)** in Austria

currently only 5 % (E5) are added, i.e.

- 40 %: Domestically
- 60 %: Export → The loss of **200,000 t** of greenhouse gas savings for Austria or 60 % of the GHG savings potential, respectively, are credited to other countries

(corresponds to approx. € 5 million at the current rate of € 25/t CO<sub>2</sub>, to approx. € 8 million at the expected € 40/t CO<sub>2</sub>)

### ■ BIO-ETHANOL REDUCES PROTEIN GAP

Bioethanol production exclusively from the starch content of **feed grain surpluses**; the valuable protein content remains in the feed cycle in a “concentrated” form, replacing soybean imports

- 200,000 tons of the GMO-free **high-grade protein feedstuff ActiProt®** significantly reduces the EU protein feedstuff gap!





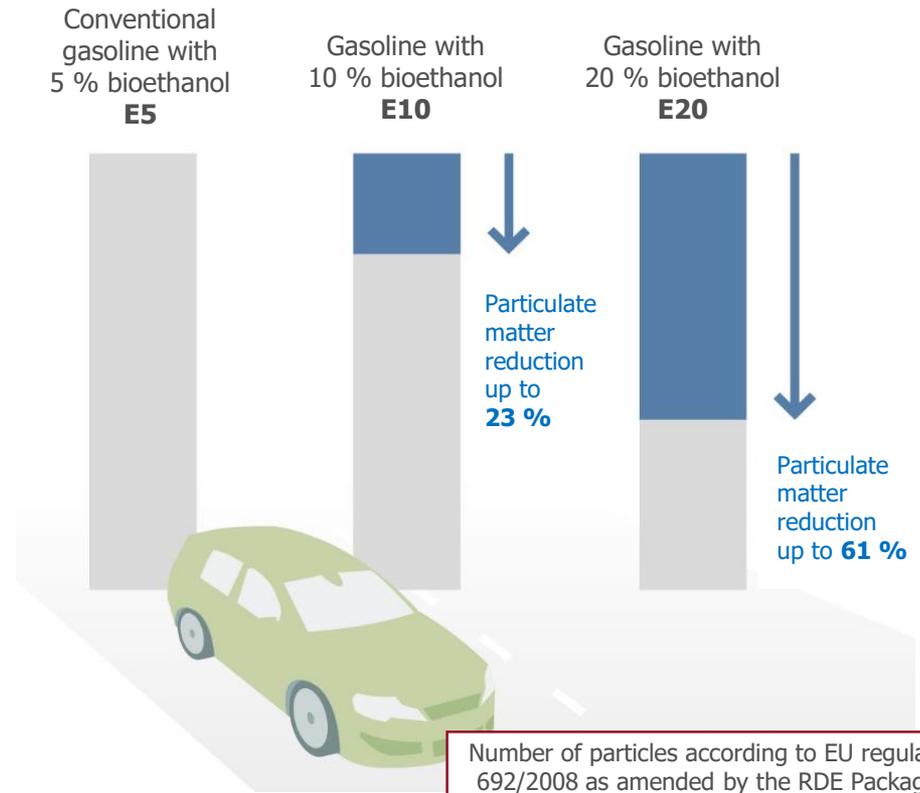
# TU STUDY ON PARTICLE NUMBER EMISSIONS

10 % instead of 5 % bioethanol in the tank reduces particulate matter by **more than 20 % of the total fleet**

Technical University of Vienna:

**Less particulate matter thanks to bio-ethanol in the tank!**

Effect of a higher content of bioethanol in gasoline on particulate matter emissions\*





AGRANA GROUP

## OUTLOOK FOR 2019|20

### AGRANA Group

EBIT 2019 | 20



Revenue 2019 | 20



- Despite the **continuing substantial challenges in the Sugar segment**, the Group's **operating profit (EBIT)** is expected to **increase significantly** (between +10% and +50%) in the 2019|20 FY
- **Revenue** is projected to show **moderate growth**
- Total **investment** across the three business segments in 2019|20 FY, at approximately **€ 143 million**, is to significantly exceed the budgeted depreciation of about € 108 million



2019|20

## FINANCIAL CALENDAR

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



AGM 2019

# FURTHER AGENDA ITEMS





## AGENDA ITEMS 2 AND 3

### **2. Resolution on the appropriation of profits.**

The Management Board and the Supervisory Board propose that the balance sheet profit of € 67,766,778.08, stated in the 2018|19 annual financial statements, be used as follows:

- (i) Distribution of a dividend of € 1.00 per dividend-entitled share,  
i.e. the total amount of dividends € 62,488,976
- (ii) Carry forward of the balance in the amount of € 5,277,802.08 to new account

Dividend payment date is 12 July 2019.

### **3. Resolution on the formal approval of the actions of the members of the Management Board for the financial year 2018 | 19.**

The Management Board and the Supervisory Board propose that a resolution on the formal approval of the actions of the members of the Management Board appointed for the financial year 2018|19 be adopted for this period.



## AGENDA ITEMS 4 TO 6

### **4. Resolution on the formal approval of the actions of the members of the Supervisory Board for the financial year 2018 | 19.**

The Management Board and the Supervisory Board propose that a resolution on the formal approval of the actions of the members of the Supervisory Board appointed for the financial year 2018|19 be adopted for this period.

### **5. Resolution on the remuneration of members of the Supervisory Board.**

The Management Board and the Supervisory Board propose to set the remuneration of the members of the Supervisory Board for the financial year 2018|19 at a total amount of € 325,000 and to leave the division of this amount up to the Supervisory Board.

### **6. Appointment of the auditors and the group auditors for the financial year 2019 | 20.**

The Supervisory Board proposes, in line with a recommendation by the Audit Committee, that PwC Wirtschaftsprüfung GmbH be appointed as the auditors and group auditors for the financial year 2019|20.



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# QUESTIONS & ANSWERS



**THANK YOU  
FOR YOUR  
ATTENTION!**

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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% and up to 50%, or less than -10% and not less than -50%
Very significant(ly)	↑↑↑ or ↓↓↓	More than 50%, or less than -50%