



FRUIT
STARCH
SUGAR

The natural upgrade

Sustainable management



AGRANA Beteiligungs-AG
Results for the first half of 2019 | 20

Presentation for investors and analysts

Vienna, 10 October 2019



H1 2019|20 OVERVIEW

- Revenue: € 1,250.0 m (prior year: € 1,261.0 m)
- EBIT: € 51.7 m (prior year: € 63.0 m)
- EBIT margin: 4.1% (prior year: 5.0%)
- As expected, Group EBIT reduction mainly due to a significantly weaker result in the **Sugar** segment
- EBIT in the **Fruit** segment also went down significantly, owing to a market trend below expectations
- **Starch** segment was able to boost its EBIT substantially thanks to higher bioethanol revenue
- **Significant Group EBIT increase for full year 2019 | 20 is reaffirmed**



~9,700

Employees (FTEs)
as of 31 Aug. 2019



57
Production sites
as of 31 Aug. 2019



€ ~2.4 billion

Group revenue
in 2018|19 FY



World market leader
in the production of

FRUIT

PREPARATIONS
and largest
manufacturer of
fruit juice concentrates
in Europe



Major European
manufacturer
of customised

STARCH

PRODUCTS and
bioethanol



Leading

SUGAR

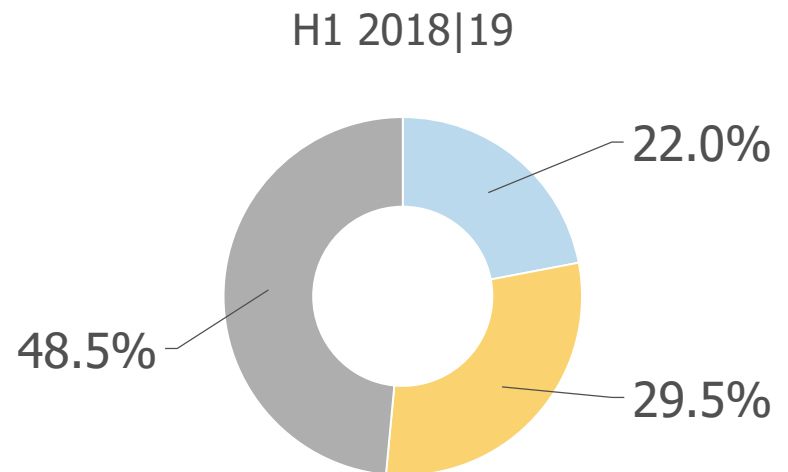
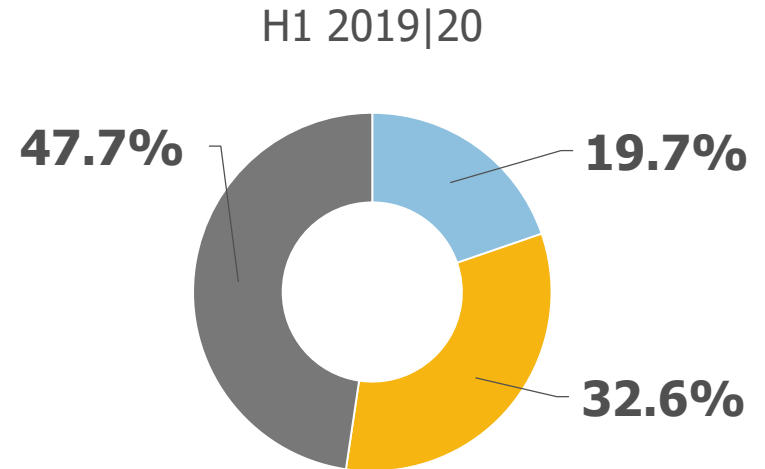
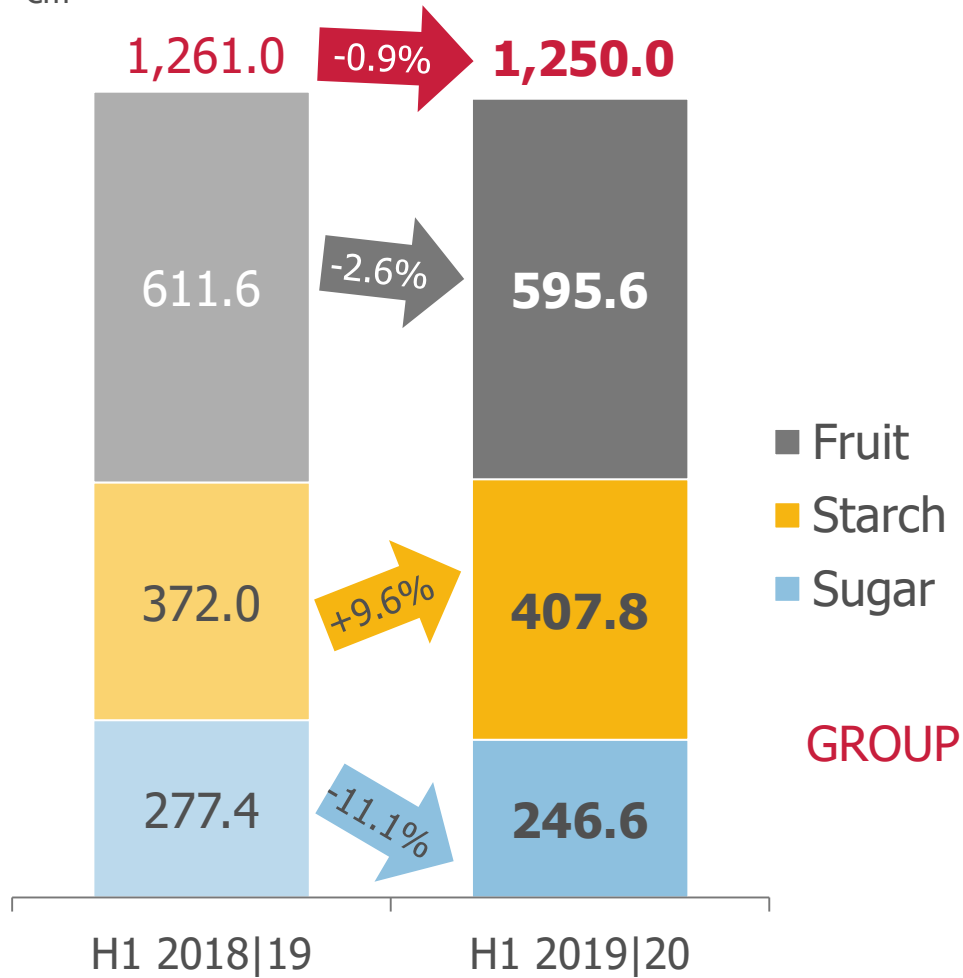
SUPPLIER
in Central, Eastern &
Southeastern Europe



H1 2019|20 VS PRIOR YEAR

REVENUE BY SEGMENT

€m





H1 2019|20 VS PRIOR YEAR

EBIT BY SEGMENT

€m

GROUP

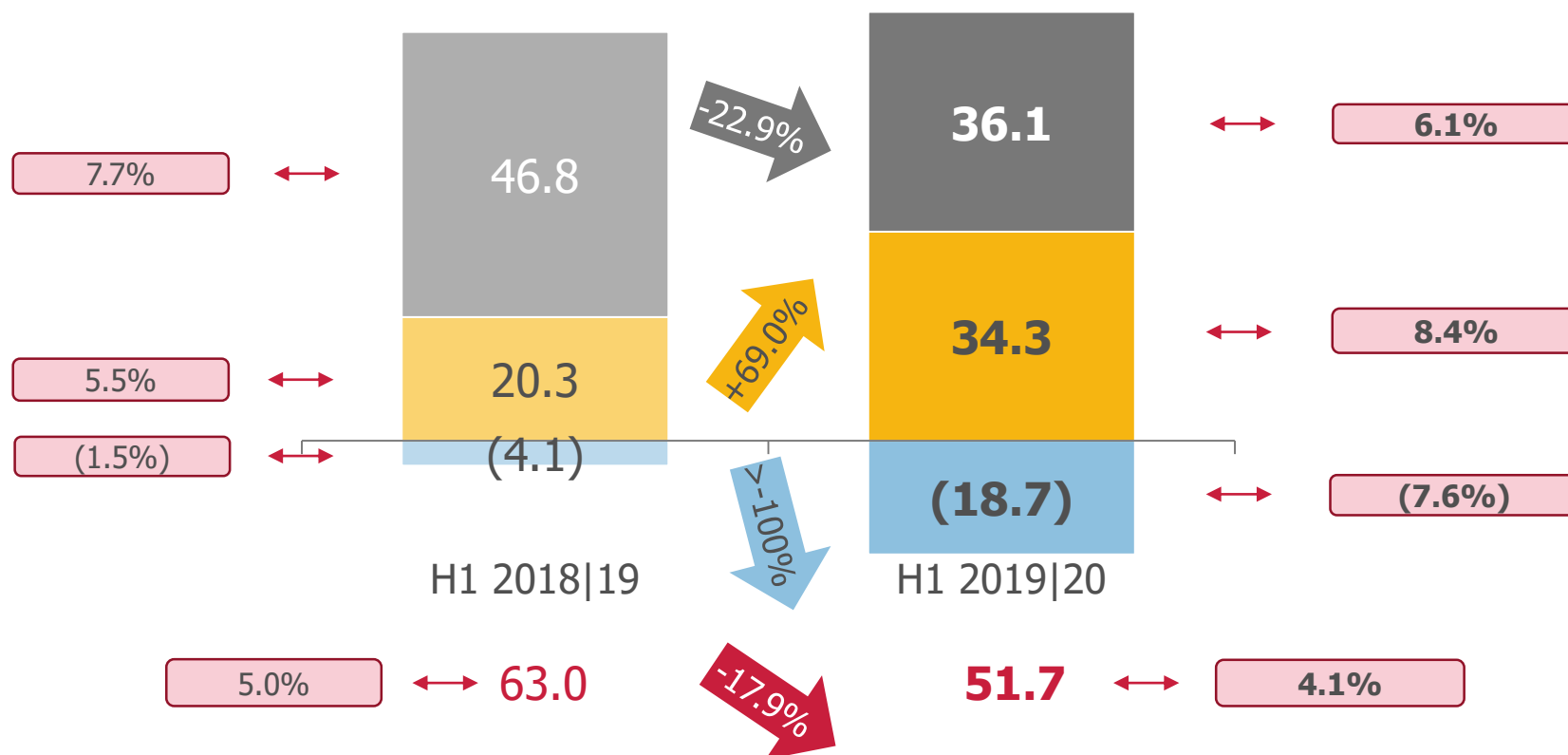
■ Fruit

■ Starch

■ Sugar

EBIT margin
H1 2018|19

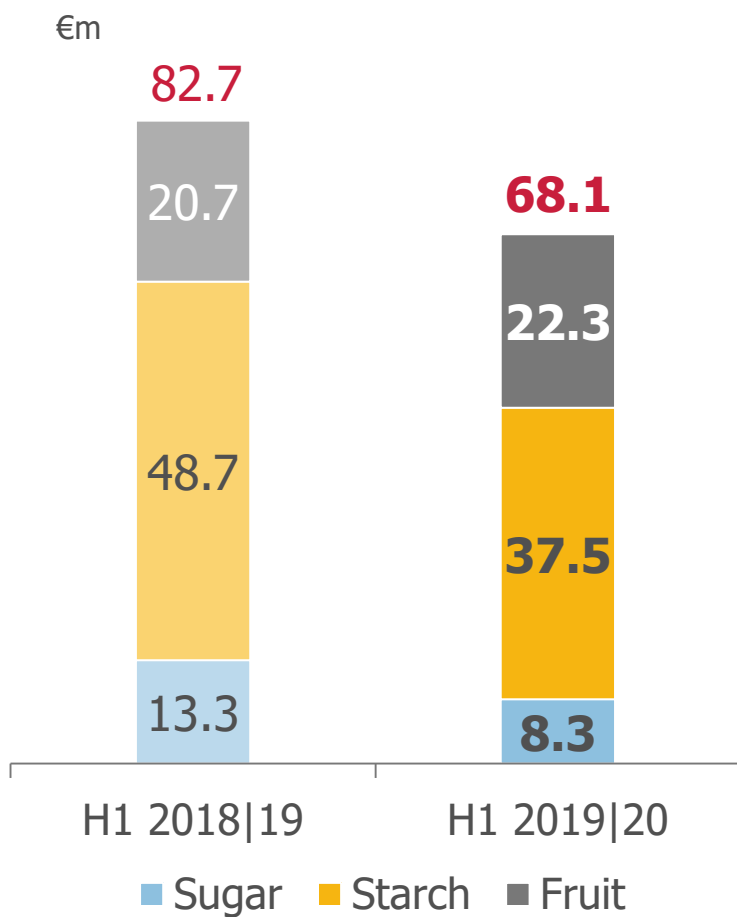
EBIT margin
H1 2019|20





MOST IMPORTANT PROJECTS IN THE GROUP

INVESTMENT OVERVIEW



H1 2019|20

FRUIT

- Second production line at new plant in China
- New lab for product development in Mitry-Mory, France

STARCH

- Expansion of the wheat starch plant in Pischelsdorf, Austria
- Expansion of the corn starch derivatives plant in Aschach, Austria
- Measures to enable more specialty corn processing in Aschach

SUGAR

- Completion of the new warehouse for finished product in Buzău, Romania
- New sugar centrifuges for reduction of energy consumption in Hrušovany, Czech Republic

GROUP



MAIN PROJECT IN 2019|20

WHEAT STARCH CAPACITY INCREASE

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



Pischelsdorf site

Processed raw
materials (to)

Investment

TOTAL:

1,190,000

€ ~300 million (until 2019)

**~ 3,300 tonnes
processing capacity per
day**



CURRENT PROJECTS

MANUFACTURE OF CRYSTALLINE BETAINES

- Production of **crystalline betaine** under a JV between AGRANA and The Amalgamated Sugar Company (USA)
- Construction on schedule; completion in early summer 2021
- **Investment:** approx. **€ 40 million**
- 16 new jobs
- 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
- **Third manufacturing site worldwide** where premium-quality, natural crystalline betaine is produced
- Betaine produced **from sugar beet molasses** has **numerous practical applications** (constituent of animal feedstuffs, in food supplements and sports drinks, in cosmetic products)





SEGMENT

FRUIT





FRUIT SEGMENT

Fruit preparations

- **FP relevant market** for dairy products is **forecast to grow** by +3.2% in 2020 (baseline 2019)
 - Driven by **drinking yoghurt category** (+6.5%)
 - **Spoonable fruit yoghurt** grows in the regions relevant to AGRANA Fruit by +0.2%
- **Planned growth** in areas such as e.g. South America, Middle East, Europe and North America is **currently affected negatively** by macro-economic influences
- **Continued focus on alternative market segments such as ice-cream** and food services

Fruit juice concentrates

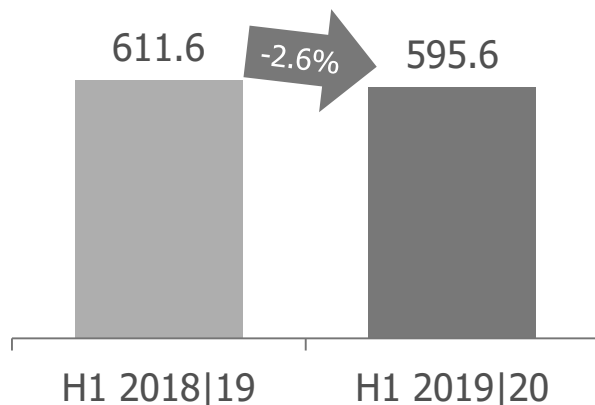
- Demand for **apple juice concentrate** moderate in anticipation of the new harvest
- Spring production was successfully marketed
- **Berry concentrates** from harvest 2018 are almost completely contracted



FRUIT SEGMENT

REVENUE

€m



REVENUE slightly down at € 595.6 million

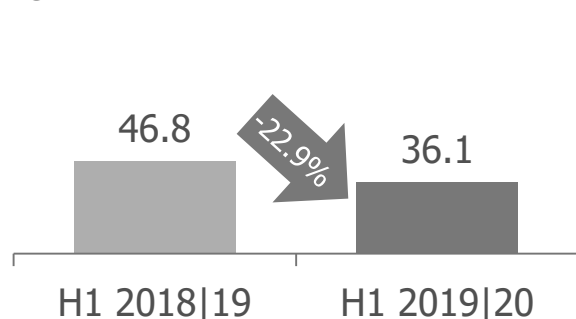
- Fruit preparations: revenue was flat, with stable volumes and prices
- Fruit juice concentrates: revenue was down due to lower market price levels, sales volumes increased

EBIT lower than in prior year

- Reasons for deterioration mainly in the fruit preparations business (primary drivers):
 - One-time impacts related to raw materials in Mexico (strawberry and mango)
 - Low sales prices for apples in Ukraine
 - Exceptional staff cost effects
 - General sales development below expectations
 - General cost increases could not be fully offset by higher sales volumes
- EBIT in the fruit juice concentrate business remained at a high level thanks to stable operating performance, although it was down on the previous year -> idle costs are already being booked in anticipation of a lower apple harvest in 2019

EBIT

€m





SEGMENT

STARCH





STARCH SEGMENT

- Market environment for the Starch segment in the first half of the financial year 2019|20 was characterised by **solid sales development**
- Market situation for **liquid saccharification products**, particularly **isoglucose**, remains determined by **volume pressure**; positive development of organic maltodextrins
- **Stable demand** for native and modified starches; tight supply in cereal starches for the European paper and corrugated board industry has eased
- **High ethanol quotations -> bioethanol business** made a very positive contribution to overall result; prices were supported by seasonally higher demand and supply shortages, especially in Northern and Western Europe
- **Feedstuff area**: steadily growing demand for GMO-free feedstuffs is the key reason for **stable prices**

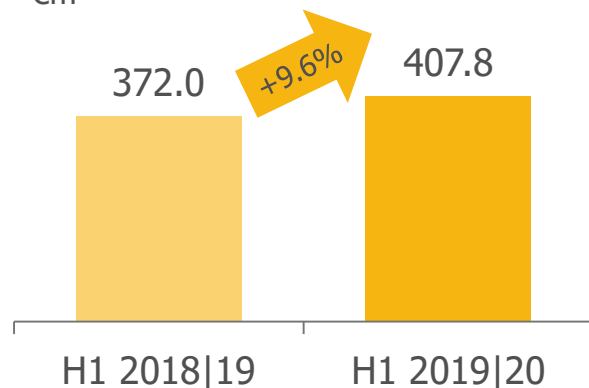


FINANCIAL RESULTS FOR H1 2019|20

STARCH SEGMENT

REVENUE

€m

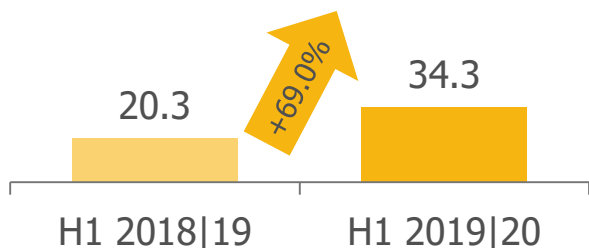


REVENUE at € 407.8 m above prior year

- Key reason substantial increase in ethanol revenue
- Saccharification products with declining prices, revenue was slightly raised due to higher volumes
- Native and modified starches experienced revenue growth, partly thanks to volume increases
- Baby food revenue increased, too

EBIT

€m



EBIT significantly up to € 34.3 million

- EBIT growth primarily due to significant price increases of ethanol and higher sales volumes in all other segments
- Higher raw material costs out of the 2018 crop was the main mitigating factor
- Equity-accounted HUNGRANA contribution declined from € 9.1 million to € 7.2 million -> strongly affected by price declines for saccharification products



2019|20 FY



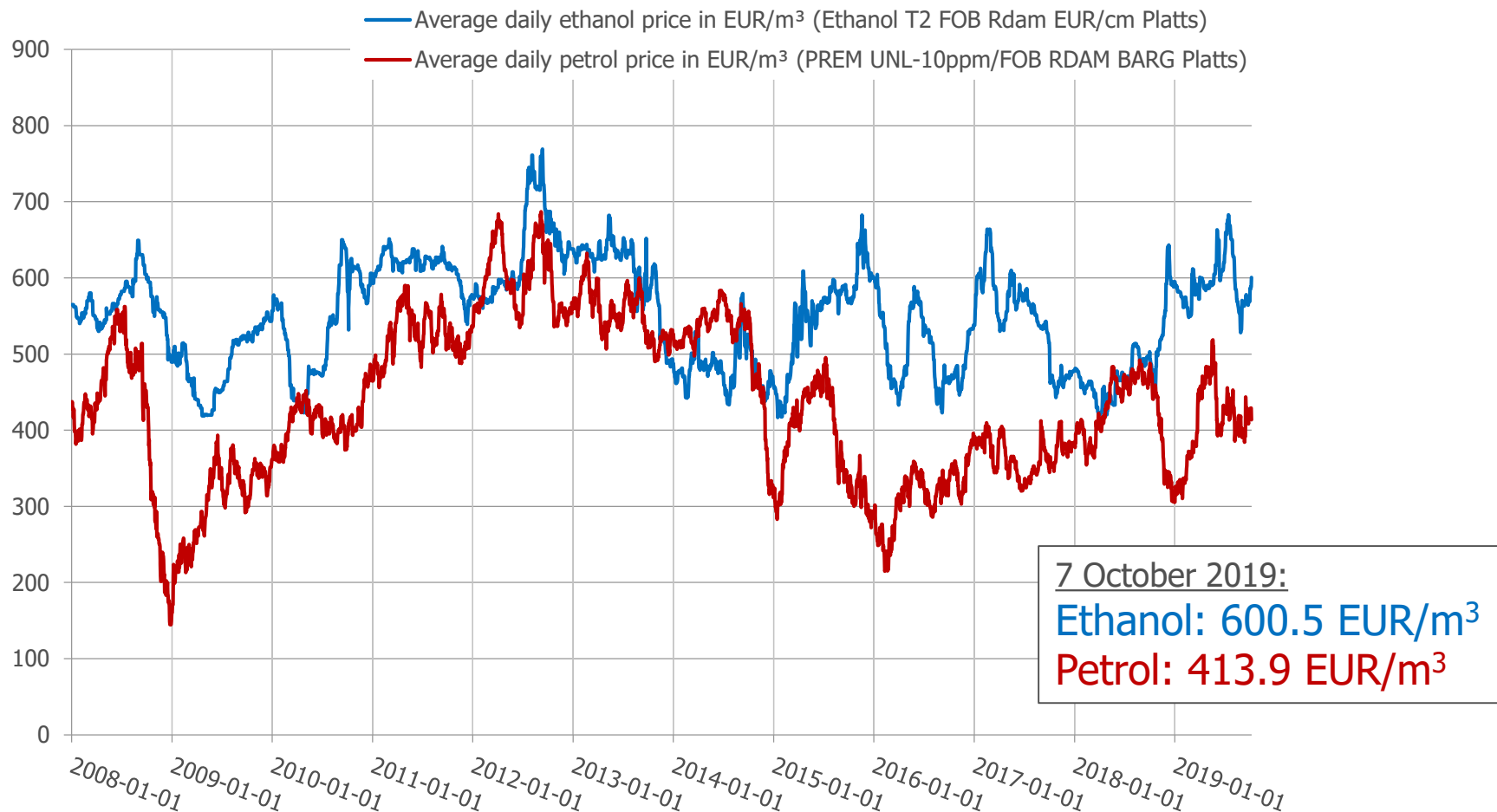
8 Oct. 2019:
176.5 EUR/t

8 Oct. 2019:
163.5 EUR/t



1 JANUARY 2008 – 7 OCTOBER 2019 (EUR)

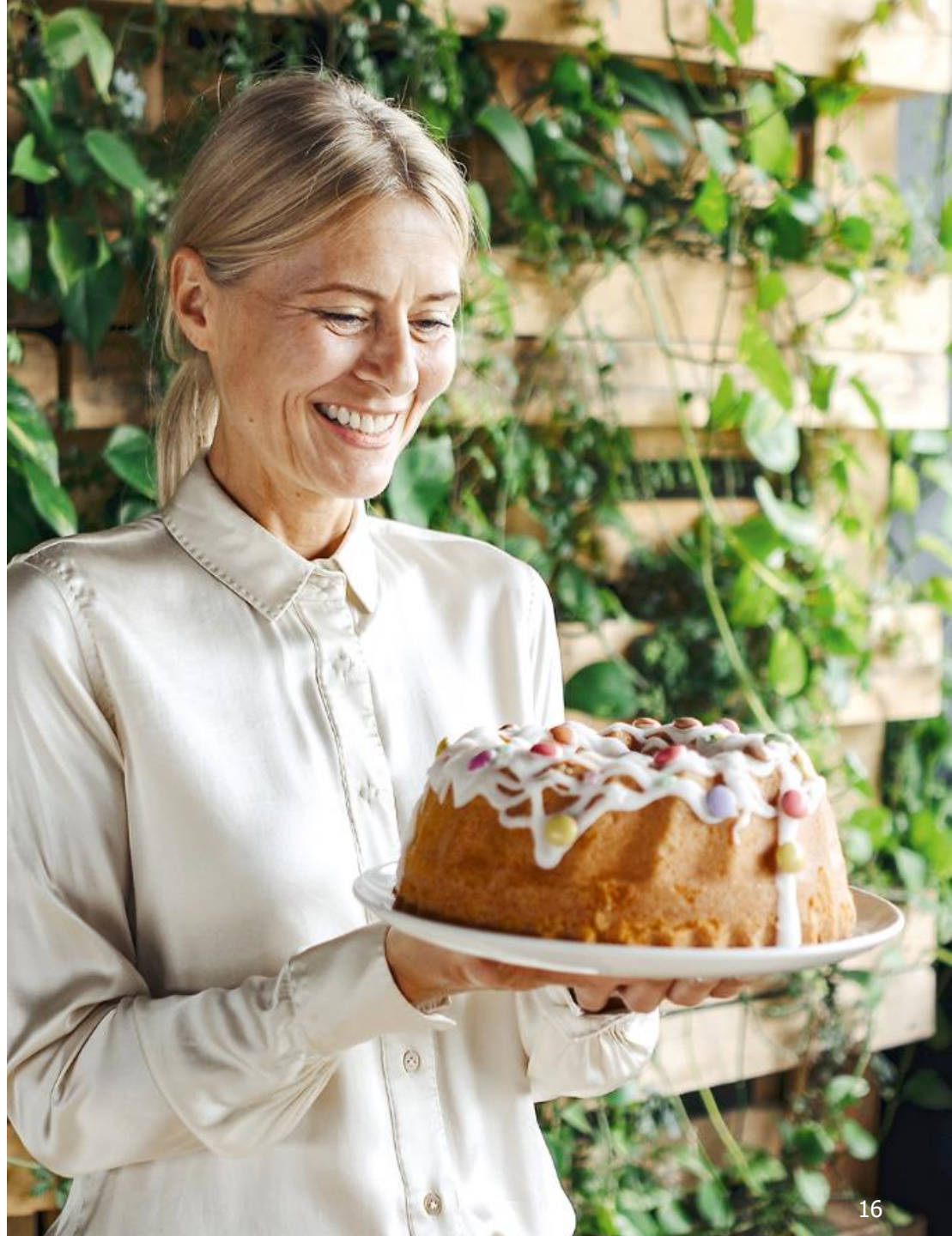
ETHANOL AND PETROL PRICES





SEGMENT

SUGAR





SUGAR SEGMENT

■ World sugar market

- **World market price stagnated** at a **low level** since the beginning of the FY
- Even, new 10-year low for white sugar (July 2019 at US\$ 294.0 per tonne)
- Against the expectation of small deficit in the SMY 2018|19, considerable inventories, notably in India, led to **low prices**
- **Deficit expected for SMY 2019 | 20** is also regarded as **only moderately supportive** for sugar price development

■ EU sugar market

- In the **SMY 2018 | 19**, **sugar production in the EU** was around **17.6 million tonnes** (yoy **decline** of around **17%**); due to the repeatedly very dry weather conditions in the summer, the EC also expects only **18.3 million tonnes** of sugar for the **SMY 2019 | 20** according to the August forecast
- EU price reporting system:
 - Since the abolition of the sugar quotas (end of September 2017) prices **declined significantly and continually**
 - In July 2019 average price **increase again** to approx. € 320 per tonne
 - **Further increase is expected** for the next several months; also because the **European beet harvest in 2019** is expected **only at the level of the drought year 2018**
- Potentially **limited availability** of sugar in **deficit regions**

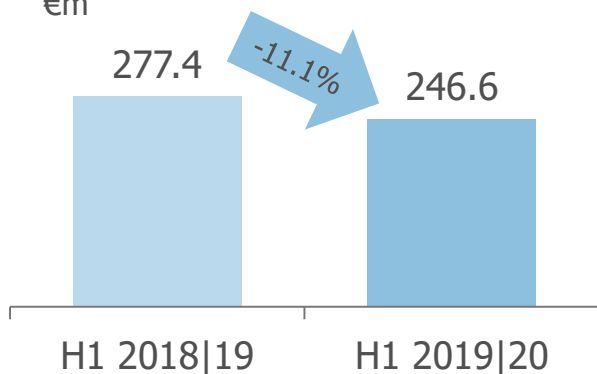


FINANCIAL RESULTS FOR H1 2019|20

SUGAR SEGMENT

REVENUE

€m

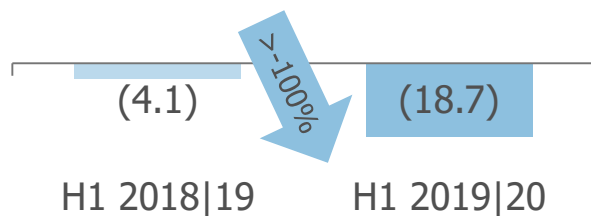


REVENUE down to € 246.6 million

- Lower sugar sales volumes, mainly in retail
- Sugar sales prices comparable with prior year level

EBIT

€m



EBIT decreased significantly

- Sharp decrease caused by lower sugar sales volumes and squeezed margins



2019|20 FY

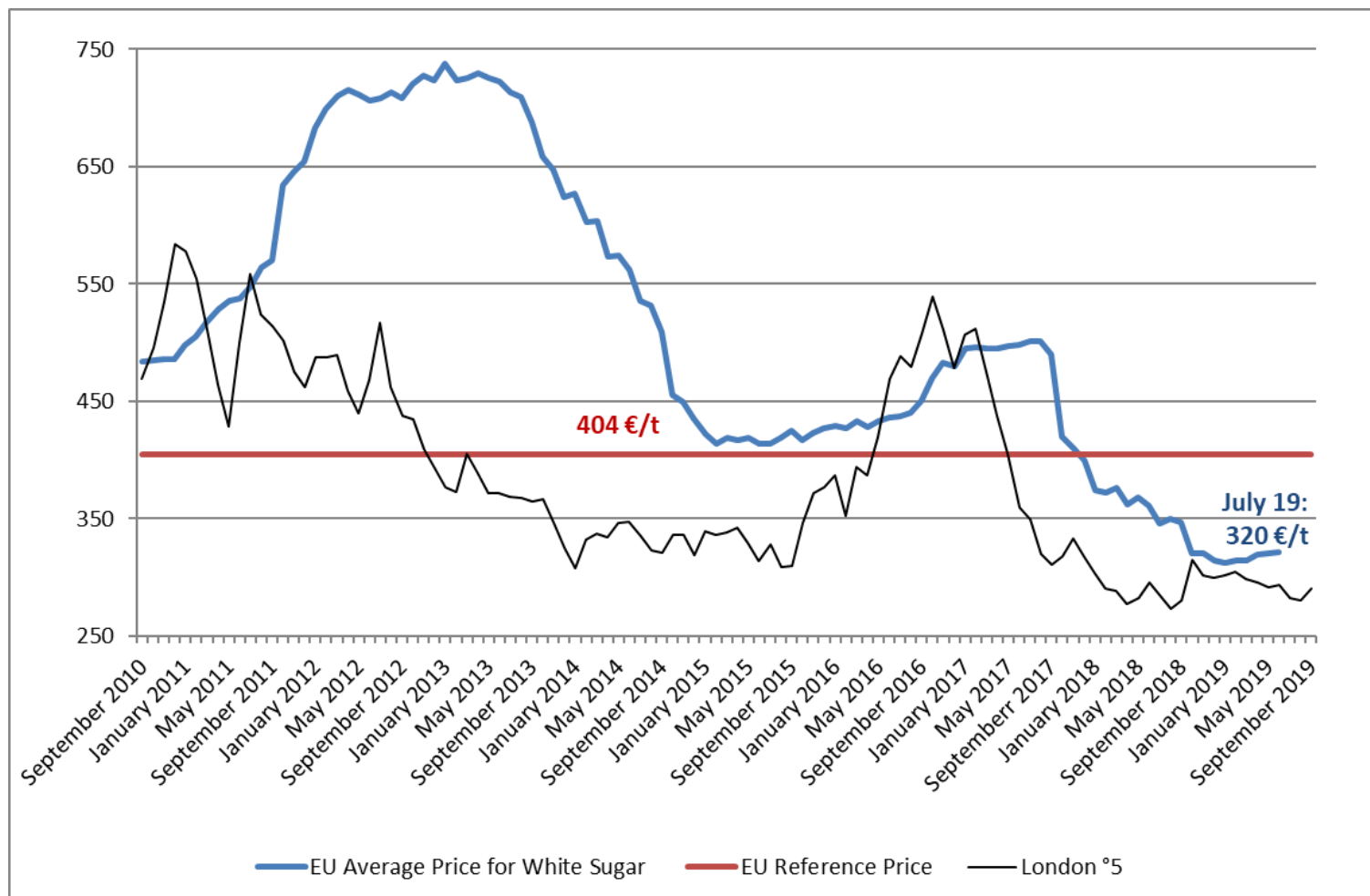




SUGAR PRICE REPORTING

MONTHLY EU AVERAGE PRICES

(SEPTEMBER 2010 TO SEPTEMBER 2019; € PER TONNE)



Source: European Commission, Sugar Price Reporting (as of 26 September 2019) and SugarOnline (as of 8 October 2019)



H1 2019|20

CONSOLIDATED FINANCIAL STATEMENTS (CONDENSED)



CONSOLIDATED INCOME STATEMENT

€m (condensed)	H1 2019 20	H1 2018 19	Q2 2019 20	Q2 2018 19
Revenue	1,250.0	1,261.0	611.6	630.7
EBITDA ¹	90.8	97.0	39.3	43.5
Operating profit before except. items and results of equity-accounted JV	44.0	57.2	16.5	23.4
Share of results of equity-accounted JV	7.7	6.6	4.3	3.3
Exceptional items	0.0	(0.8)	0.0	(0.7)
EBIT	51.7	63.0	20.8	26.0
EBIT margin	4.1%	5.0%	3.4%	4.1%
Net financial items	(7.9)	(10.9)	(4.1)	(6.6)
Profit before tax	43.8	52.1	16.7	19.4
Income tax expense	(14.9)	(12.2)	(6.1)	(4.8)
Profit for the period	28.9	39.9	10.6	14.6
Attributable to shareholders of the parent	27.0	36.9	10.3	13.4
Earnings per share ²	€ 0.43	€ 0.59	€ 0.16	€ 0.22

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



ANALYSIS OF NET FINANCIAL ITEMS

€m	H1 2019 20	H1 2018 19	Change
Net interest expense	(3.5)	(2.5)	+40.0%
Currency translation differences	(2.9)	(7.7)	+62.3%
Other financial items	(1.5)	(0.7)	> -100%
Total	(7.9)	(10.9)	+27.5%



TAX RATE

€m	H1 2019 20	H1 2018 19	Change
Profit before tax	43.8	52.1	-15.9%
Income tax expense	(14.9)	(12.2)	+22.1%
Tax rate	34.0%	23.4%	+10.6pp

- Significantly higher tax rate was caused by the Sugar segment
- Loss before tax in the Sugar segment
 - H1 2018|19: € (1.8) million
 - H1 2019|20: € (18.2) million
- Most of these losses were recognised without deferred tax assets and thus increased the tax rate disproportionately



CONSOLIDATED CASH FLOW STATEMENT

€m (condensed)

H1 2019 | 20

H1 2018|19

Change

Operating cash flow before changes in working capital

81.8

108.7

-24.7%

Changes in working capital

(9.3)

34.1

> -100%

Total of interest paid/received and tax paid, net

(12.8)

(15.2)

+15.8%

Net cash from operating activities

59.7

127.6

-53.2%

Net cash (used in) investing activities

(69.0)

(83.4)

+17.3%

Net cash from/(used in) financing activities

36.4

(58.9)

> +100%

Net increase/(decrease) in cash and cash equivalents

27.1

(14.7)

> +100%



CONSOLIDATED BALANCE SHEET

€m (condensed)	31 Aug. 2019	28 Feb. 2019	Change
Non-current assets	1,304.3	1,252.1	+4.2%
Current assets	1,097.6	1,137.3	-3.5%
Total assets	2,401.9	2,389.4	+0.5%
Equity	1,355.9	1,409.9	-3.8%
Non-current liabilities	528.1	393.1	+34.3%
Current liabilities	517.9	586.4	-11.7%
Total equity and liabilities	2,401.9	2,389.4	+0.5%
Equity ratio	56.5%	59.0%	-2.5pp
Net debt	423.6	322.2	+31.5%
Gearing	31.2%	22.9%	+8.3pp



2019|20
OUTLOOK





AGRANA GROUP

OUTLOOK FOR 2019|20

AGRANA Group

EBIT 2019 | 20



Revenue 2019 | 20



- Despite the **challenges in the Sugar and Fruit 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 **€ 140 million**, is once more to significantly exceed the budgeted depreciation of about € 110 million



AGRANA SEGMENTS

OUTLOOK FOR 2019|20

FRUIT

Revenue →
EBIT ↓↓

- **Fruit segment:** AGRANA expects the 2019|20 FY to bring **stable revenue** but a **significant EBIT decrease**
 - Fruit preparations: due to stagnating sales volumes in all business areas, the FP business expects a corresponding sales trend; EBIT is expected to show a significant decline compared with the prior year due to the subdued earnings trend in the first half of 2019|20
 - Fruit juice concentrates: revenue is projected this FY to be steady; EBIT will be significantly lower than in the excellent prior year due to lower capacity utilisation because of lower raw material availability

STARCH

Revenue ↑
EBIT ↑↑

- **Starch segment:** **moderate increase** in **revenue** is forecasted for 2019|20; markets for starches are expected to be stable, with starch-based saccharification products remaining affected by European sugar prices
- **EBIT** of the Starch segment is expected to **increase significantly** from the prior-year level also because of year on year higher ethanol prices

SUGAR

Revenue ↗
EBIT ↑↑

- **Sugar segment:** AGRANA is projecting still a **low revenue** in expectation of a continued challenging sugar market environment
- Ongoing cost reduction programmes will be able to soften the margin reduction to some extent; **EBIT** is thus expected to **remain negative** in the 2019|20 FY; nonetheless, a **significant improvement in earnings** is anticipated due to higher sugar sales prices and lower idle costs in the SMY 2019|20



2019|20 AND 2020|21

FINANCIAL CALENDAR

14 January 2020

Results for first three quarters of 2019 | 20

5 May 2020

Results for full year 2019|20 (annual results press conference)

23 June 2020

Record date for Annual General Meeting participation

3 July 2020

Annual General Meeting in respect of 2019|20

8 July 2020

Ex-dividend date

9 July 2020

Results for first quarter of 2020|21

9 July 2020

Record date for dividend

10 July 2020

Dividend payment date



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