



FRUIT
STARCH
SUGAR

The natural upgrade

**#HELLO
TOMORROW**

Ready for the future.

AGRANA Beteiligungs-AG **Results for the first half of 2020 | 21**

Presentation for investors and analysts

Vienna, 8 October 2020



H1 2020|21 OVERVIEW

- Revenue: € 1,309.3 m (prior year: € 1,250.0 m)
- EBIT: € 55.8 m (prior year: € 51.7 m)
- EBIT margin: 4.3% (prior year: 4.1%)
- COVID-19 pandemic continued to be a defining issue for AGRANA in the financial second quarter
- Nevertheless, EBIT in H1 2020|21 moderately above prior year
- Much of the stability of AGRANA's business performance can be credited to its diversification



~9,200

Employees (FTEs)



56

Production sites



€ ~2.5 billion

Group revenue
in 2019|20 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

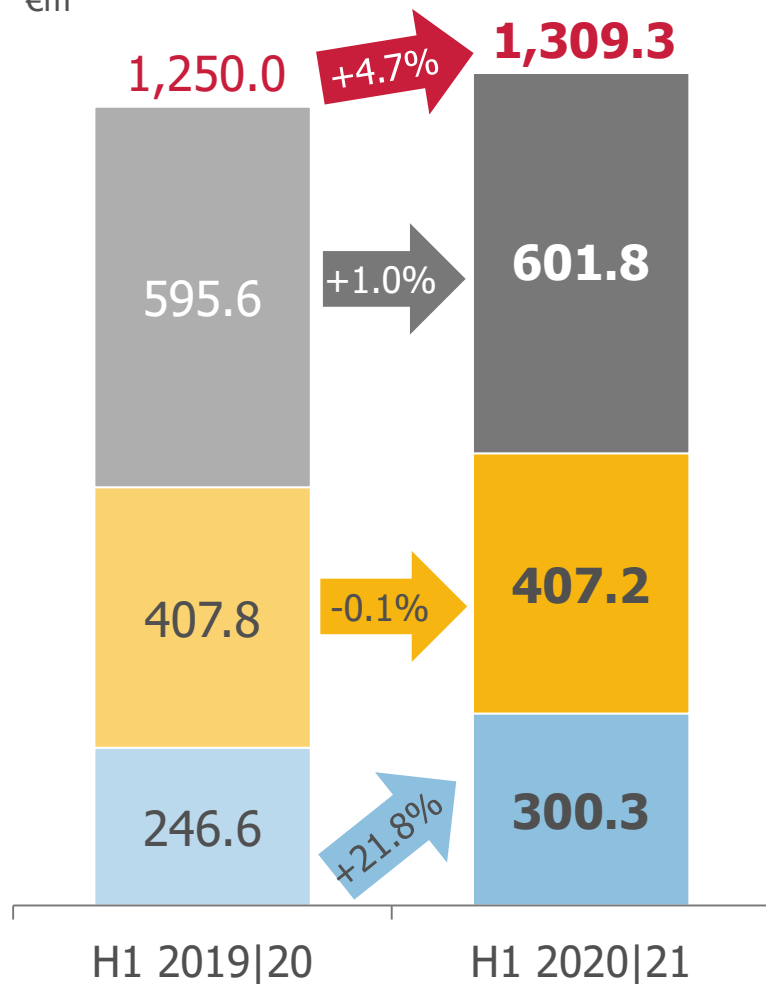
SUPPLIER
in Central, Eastern &
Southeastern Europe



H1 2020|21 VS PRIOR YEAR

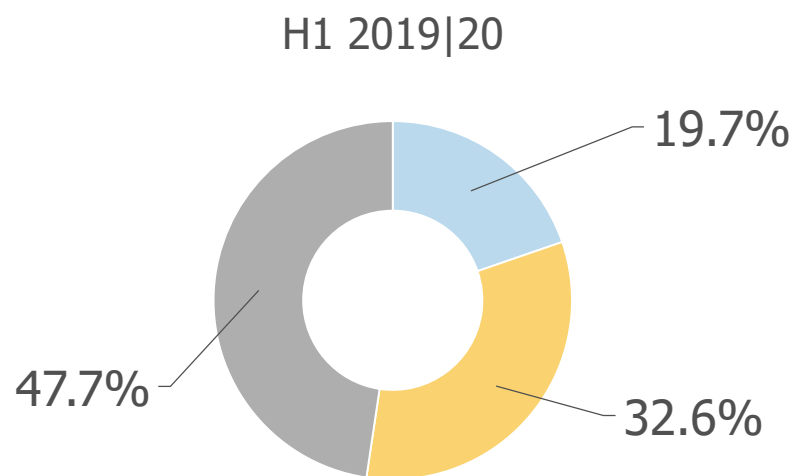
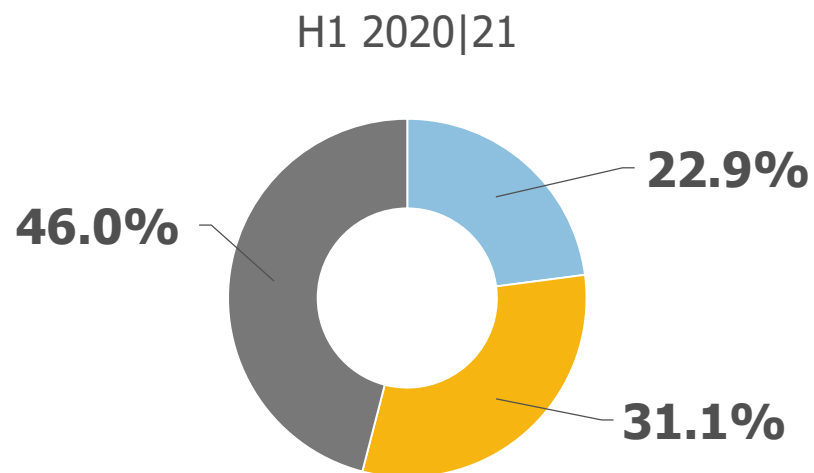
REVENUE BY SEGMENT

€m



■ Fruit
■ Starch
■ Sugar

GROUP





H1 2020|21 VS PRIOR YEAR

EBIT BY SEGMENT

€m

GROUP

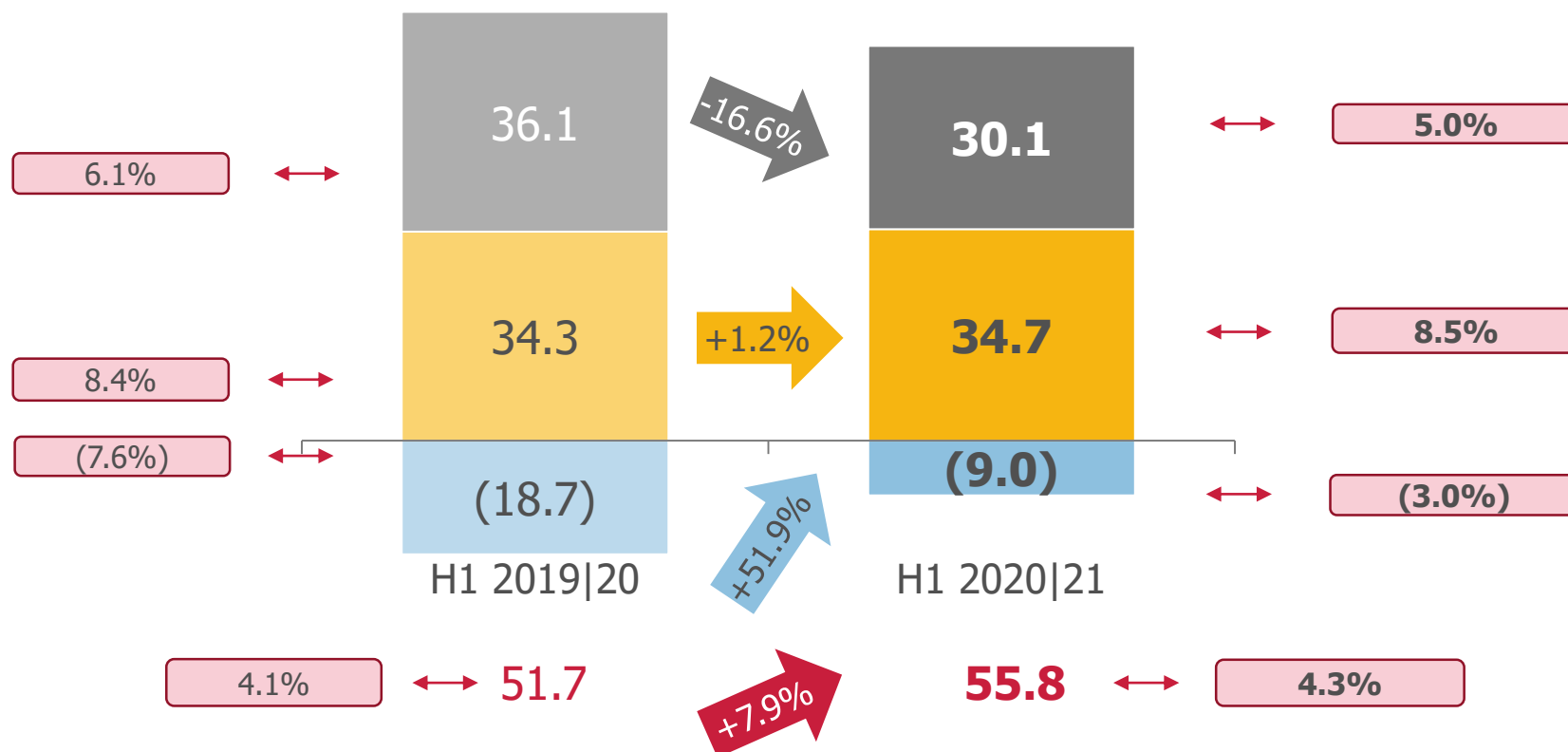
■ Fruit

■ Starch

■ Sugar

EBIT margin
H1 2019|20

EBIT margin
H1 2020|21

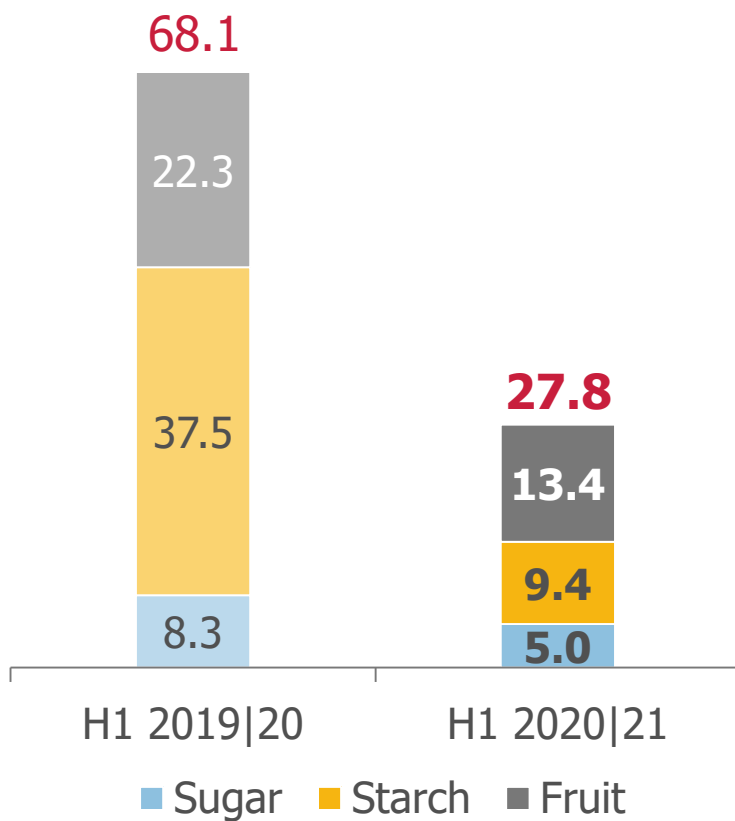




MOST IMPORTANT PROJECTS IN THE GROUP

INVESTMENT OVERVIEW

€m



GROUP

H1 2020|21

FRUIT

- Wastewater treatment in Jacona, Mexico
- Expansion of warehouse for finished product in Chung-Buk, South Korea
- Additional production line in Lysander, USA
- Additional production line in Central Mangrove, Australia

STARCH

- Expansion of the corn starch derivatives plant in Aschach, Austria
- Measures to increase specialty corn processing in Aschach
- Optimisation work at the wheat starch plant in Pischelsdorf, Austria

SUGAR

- Conversion of the energy supply to natural gas in Sered', Slovakia



BIGGEST PROJECT IN FY 2020|21

MANUFACTURE OF CRYSTALLINE BETAININE

- **New betaine plant was successfully commissioned** in August 2020 and the market launch of the crystalline product has begun
- JV between AGRANA and The Amalgamated Sugar Company (Boise, Idaho|USA)
- **Investment:** approx. **€ 40 million** (AGRANA: € 20 million)
- 16 new jobs
- Production capacity of around **8,500 metric tonnes** of crystalline betaine per year



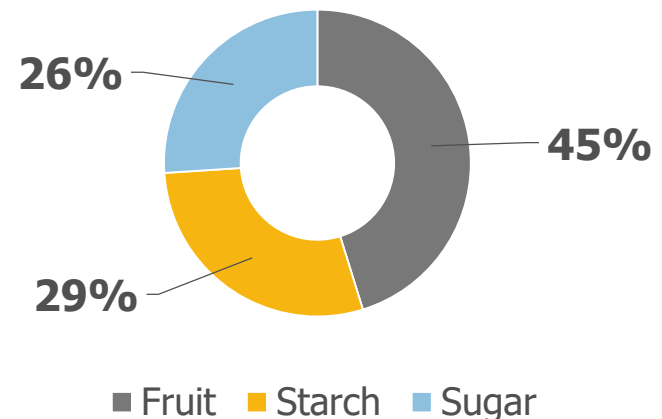


OUTLOOK FOR 2020|21

INVESTMENT PLAN

- **Total investment** across the three business segments in the 2020|21 financial year, at approximately **€ 73 million**
- **Significantly below** both the 2019|20 capital expenditure (€ ~150 m) and this year's budgeted depreciation € 120 m
- **Implementation phase** after completion of major projects and capacity expansion in recent years

Investment split 2020|21
(€ ~73 million)





SEGMENT

FRUIT

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FRUIT SEGMENT

Fruit preparations

- Main target market, fruit yoghurt, is being slightly negatively **influenced by the COVID-19 pandemic**
- Current forecasts by Euromonitor show global **growth rate** for yoghurt of **1.8%** in the calendar year 2020 (0.5 percentage points below rate before the outbreak of the coronavirus crisis)
- Products aimed at **boosting the immune system** have great short- and medium-term market potential
- Despite these opportunities, global **recession** is driving trend towards **lower-priced and simpler products**

Fruit juice concentrates

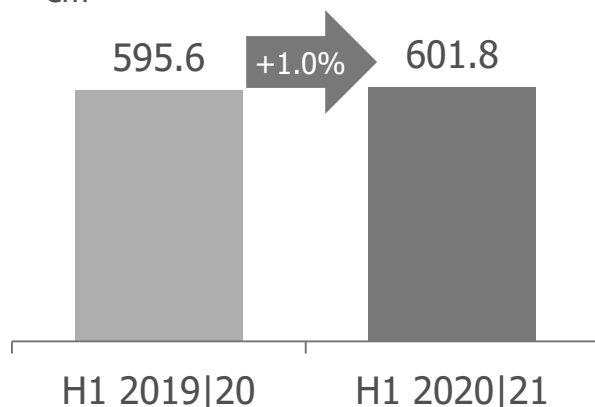
- Demand for **apple juice concentrate** remained solid this spring and was able to be met from the 2019 crop
- For most of the **berry juice concentrate** volumes produced from the 2020 harvest, contracts were already successfully concluded with customers; market environment was extremely challenging



FRUIT SEGMENT

REVENUE

€m



REVENUE somewhat above year-earlier level

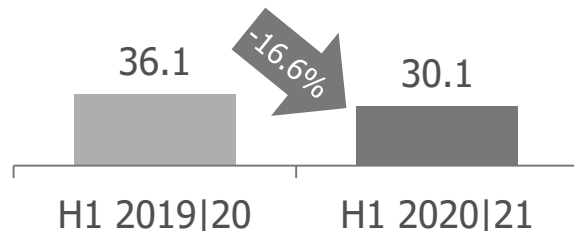
- In the **fruit preparations business**, revenue remained stable despite slightly lower sales volumes
- In the **fruit juice concentrate** activities, revenue was up from a year ago; higher prices for apple juice concentrate from the 2019 harvest

EBIT significantly lower than in prior year

- Reasons for the decline lay in the **fruit juice concentrate** business
 - Lower contribution margins of apple juice concentrates produced from the 2019 crop
- EBIT in **fruit preparations** nearly reached the prior-year value
 - An improvement in EBIT in Mexico and North America and savings in administration were offset by earnings decreases in South America and Europe

EBIT

€m





SEGMENT

STARCH

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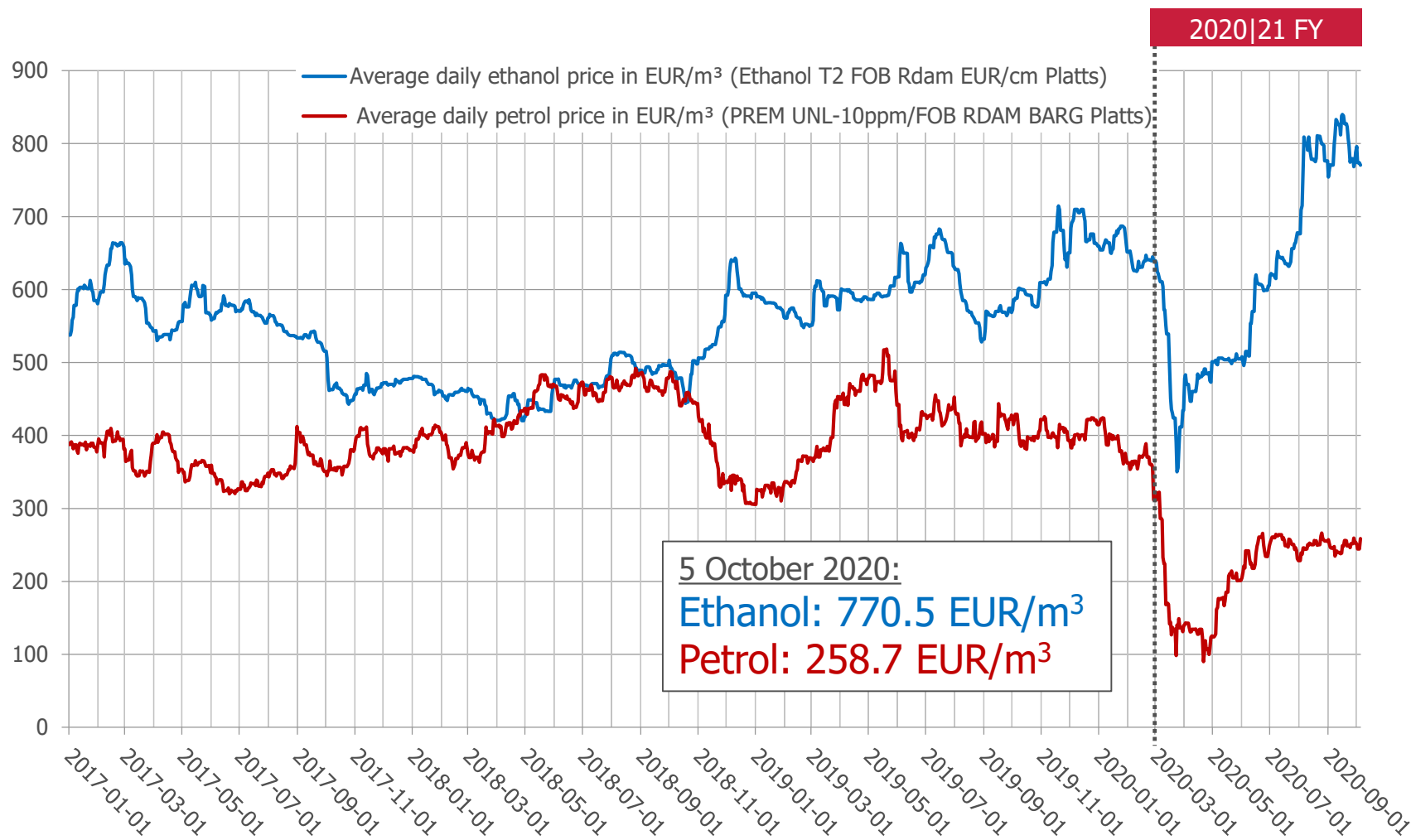
STARCH SEGMENT

- **Effects of the lockdown** and the associated global changes in consumer behaviour were evident in almost all Starch sales markets
 - Significant **demand declines in the food sector**, especially in the starch saccharification business
 - In technical starches (non-food starches), **production cutbacks in the graphic paper industry** and **declines in parts of the packaging paper sector** led to reduced starch sales
- **Bioethanol business:**
 - European fuel alcohol market saw **consumption fall** by more than 40% **during the lockdown** -> ethanol quotations came under severe pressure (€ 350 per cubic metre)
 - Volume losses in the first quarter were largely offset by the early **maximising of alcohol sales** into the **disinfection sector**
 - After the loosening of COVID-19 restrictions and the resurgence of private transport, **ethanol demand** also **rose again significantly**
 - Combined with delayed ethanol imports -> **shortage in Europe** -> quotations were pushed to a **historic high of over € 800** per cubic metre in August



1 JANUARY 2017 – 5 OCTOBER 2020 (EUR)

ETHANOL AND PETROL PRICES

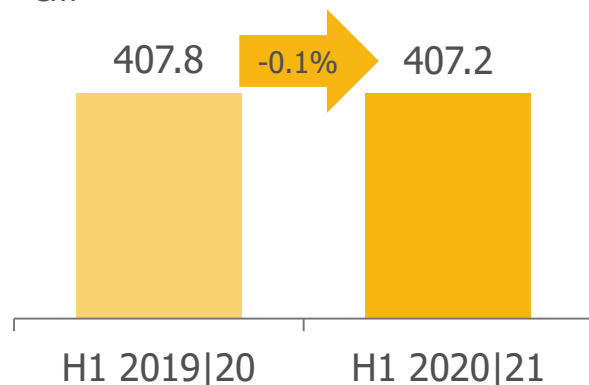




STARCH SEGMENT

REVENUE

€m

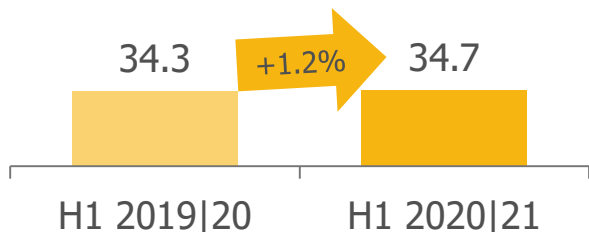


REVENUE in line with the year-earlier level

- With full operation of the new, second wheat starch plant, sales volumes and revenues of the products manufactured in-house rose significantly yoy
- Decline in revenues from merchandise caused by charging sugar by-product sales on a commission basis
- Ethanol quotations, after having collapsed in March 2020 amid the COVID-19 lockdown and the significant drop in demand for petrol, recovered again progressively especially in the second financial quarter

EBIT

€m



EBIT slightly up to € 34.7 million

- Earnings were driven by the high selling prices for ethanol, which made up for the lower market demand
- Savings in energy and material costs were positive for EBIT, while a significant increase in depreciation had a negative impact
- Contribution of the equity-accounted HUNGRANA group rose from € 7.2 million to € 9.6 million; main earnings driver was the high level of ethanol prices



SEGMENT

SUGAR

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SUGAR SEGMENT

- **World sugar market**

- Shaken confidence amid the COVID-19 pandemic, and historic drop in oil prices -> **world market sugar quotations** moved in parallel with oil prices and **remained at low absolute levels** during the reporting period
- **Brazil has increased its sugar output**, as ethanol production from sugar cane is hardly competitive when oil prices are low

- **EU sugar market**

- According to estimates by the EC, **EU sugar production** in the SMY 2020|21 is expected to reach about **16 million tonnes**, in line with the prior year
- Given the COVID-19 restrictions, a **decrease in consumption is projected** both for human nutrition and in industrial use



Daily ICE SUG11 MAR1; SUGAR NO5 DEC0

Line; ICE SUG11 MAR1; Trade Price(Last)
07.10.2020; 304,679

Line; SUGAR NO5 DEC0; Trade Price(Last)
06.10.2020; 378,900; N/A; N/A

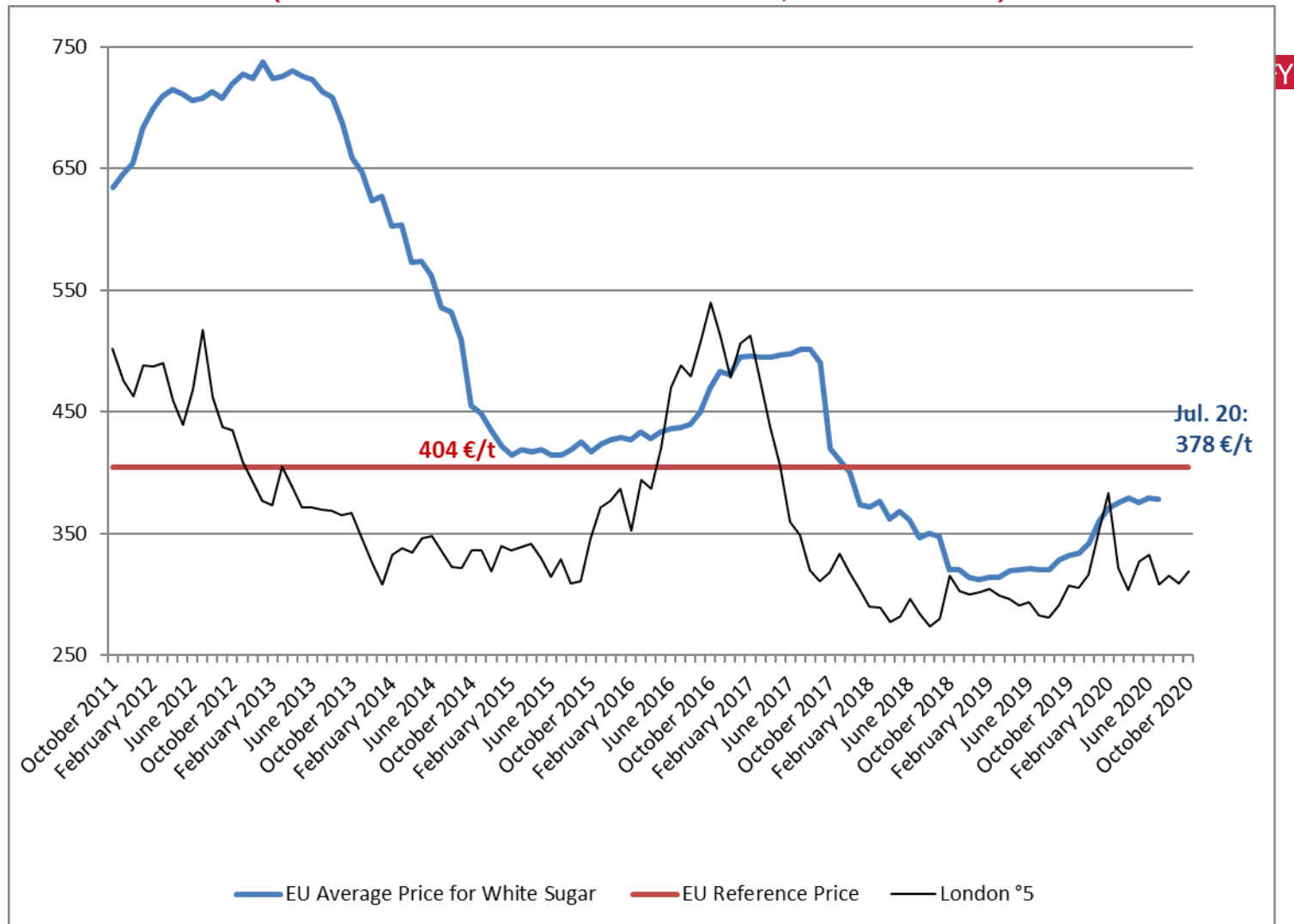




SUGAR PRICE REPORTING

MONTHLY EU AVERAGE PRICES

(OCTOBER 2011 TO OCTOBER 2020; € PER TONNE)



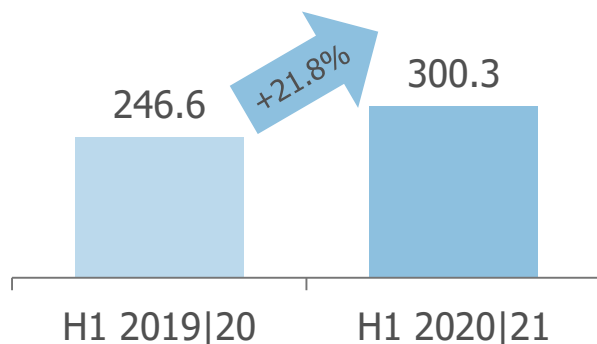
Source: European Commission (as of 28 September 2020) and SugarOnline (as of 6 October 2020)



SUGAR SEGMENT

REVENUE

€m

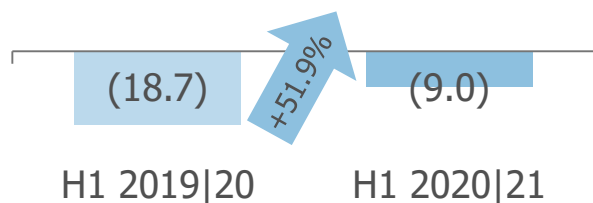


REVENUE up to € 300.3 million

- This was significantly up from one year earlier
- Both higher sugar selling prices and increased sugar sales volumes led to this growth, especially with resellers (retail)

EBIT

€m



EBIT improved, but negative

- EBIT in the first six months of 2020|21 was still negative at a deficit of € 9.0 million
- But improved substantially compared to the same period of the previous year due to a relatively better sales price environment



H1 2020|21

CONSOLIDATED FINANCIAL STATEMENTS (CONDENSED)





CONSOLIDATED INCOME STATEMENT

€m (condensed)	H1 2020 21	H1 2019 20	Q2 2020 21	Q2 2019 20
Revenue	1,309.3	1,250.0	656.7	611.6
EBITDA ¹	101.1	90.8	46.4	39.3
Operating profit before except. items and results of equity-accounted JV	47.4	44.0	19.3	16.5
Share of results of equity-accounted JV	8.9	7.7	5.0	4.3
Exceptional items	(0.5)	0.0	(0.5)	0.0
EBIT	55.8	51.7	23.8	20.8
EBIT margin	4.3%	4.1%	3.6%	3.4%
Net financial items	(9.1)	(7.9)	(3.0)	(4.1)
Profit before tax	46.7	43.8	20.8	16.7
Income tax expense	(12.3)	(14.9)	(5.6)	(6.1)
Profit for the period	34.4	28.9	15.2	10.6
Attributable to shareholders of the parent	33.9	27.0	15.1	10.3
Earnings per share	€ 0.54	€ 0.43	€ 0.24	€ 0.16

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 2020 21	H1 2019 20	Change
Net interest expense	(4.0)	(3.5)	-14.3%
Currency translation differences	(3.4)	(3.3)	-3.0%
Other financial items	(1.7)	(1.1)	-54.5%
Total	(9.1)	(7.9)	-15.2%



TAX RATE

€m	H1 2020 21	H1 2019 20	Change
Profit before tax	46.7	43.8	+6.6%
Income tax expense	(12.3)	(14.9)	+17.4%
Tax rate	26.3%	34.0%	-7.7pp



CONSOLIDATED CASH FLOW STATEMENT

€m (condensed)

H1 2020|21

H1 2019|20

Change

Operating cash flow before changes in working capital

112.8

81.8

+37.9%

Changes in working capital

(28.1)

(9.3)

> -100%

Total of interest paid/received and tax paid, net

(13.2)

(12.8)

-3.1%

Net cash from operating activities

71.5

59.7

+19.8%

Net cash (used in) investing activities

(32.3)

(69.0)

+53.2%

Net cash (used in)/from financing activities

(29.0)

36.4

> -100%

Net increase in cash and cash equivalents

10.2

27.1

-62.4%



CONSOLIDATED BALANCE SHEET

€m (condensed)	31 Aug. 2020	29 Feb. 2020	Change
Non-current assets	1,289.5	1,331.9	-3.2%
Current assets	1,121.1	1,217.5	-7.9%
Total assets	2,410.6	2,549.4	-5.4%
Equity	1,329.9	1,387.1	-4.1%
Non-current liabilities	561.4	565.3	-0.7%
Current liabilities	519.3	597.0	-13.0%
Total equity and liabilities	2,410.6	2,549.4	-5.4%
Equity ratio	55.2%	54.4%	+0.8pp
Net debt	479.6	464.0	+3.4%
Gearing	36.1%	33.5%	+2.6pp



2020|21
**NEWS
AND
OUTLOOK**





SUGAR SEGMENT

CLOSURE FACTORY LEOPOLDSDORF|AUSTRIA

- Current sugar beet growing area necessitates **streamlining sugar production in Austria**
- On 25 August 2020, the **Supervisory Board** of AGRANA Beteiligungs-AG **approved the closure of the sugar factory at Leopoldsdorf**, Austria, site in December 2020 after this year's beet campaign
 - If there is no assurance that at least **38,000 hectares** of beet will be planted in Austria for the 2021 campaign by **mid-November 2020**
- From today's perspective, the **restructuring costs** associated with the permanent closure would amount to up to **EUR 35 million**, of which up to EUR 15 million would be cash out for social plans



OUTLOOK 2020|21

AGRANA GROUP

- Based on adjusted internal planning that best reflects the potential economic and financial impact of the COVID-19 pandemic
 - AGRANA expects **Group EBIT** for the full 2020|21 financial year **to at least match the prior-year level**
 - **Group revenue** is projected to show **slight to moderate growth**

EBIT 2020 | 21 →
Revenue 2020 | 21 ↗

- Due to the ongoing COVID-19 pandemic and the associated high volatility in all business segments, the forecast remains characterised by a **very high degree of uncertainty**.
- The forecast does **not yet include** the financial effects of a possible **closure of the sugar plant in Leopoldsdorf, Austria**, after the 2020 campaign.



OUTLOOK 2020|21

FRUIT SEGMENT

€m	2019 20 ACTUAL	2020 21 FORECAST <u>including</u> COVID-19 effects		
Revenue	1,185.4	Slight increase	↗	> +1% to +5%
EBIT	55.9	Steady	➡	0% to +1%

- Fruit preparations business
 - Projecting stable revenue, which despite negative COVID-19 effects is to be achieved through full utilisation of the capacity already created
 - EBIT is to be raised through higher margins, which are to be realised partly via smaller cost increases than in 2019|20
- Fruit juice concentrate business
 - Significant increase in revenues is expected for the full financial year
 - But the earnings situation will deteriorate significantly due to lower apple juice concentrate margins

COVID-19 risk factors for the outlook

Especially in the Fruit segment with its global production operations (41 sites in 21 countries), the forecast is subject to substantial uncertainties, including with regard to the short- and medium-term demand situation in many regions of the world.



OUTLOOK 2020|21

STARCH SEGMENT

€m	2019 20 ACTUAL	2020 21 FORECAST <u>including</u> COVID-19 effects		
Revenue	807.0	Slight increase	↗	> +1% to +5%
EBIT	75.2	Moderate reduction	↘	> -1% to -5%

- Sales prices for native starches and wheat gluten are expected to be reduced as a result of increased supply in the European market
- Starch-based saccharification products: no major recovery in prices can be expected, owing to the persistently challenging market environment
- Starch segment EBIT is projected to decrease moderately as a consequence of foreseeable margin reductions resulting from lower selling prices
- Business performance in the Starch segment overall will continue also to depend on the further trend in ethanol prices

COVID-19 risk factors for the outlook

Bioethanol is a major core product in the Starch segment. Restrictions on business activity and on mobility may have a renewed negative impact on the price trend in the European ethanol markets.



OUTLOOK 2020|21

SUGAR SEGMENT

€m	2019 20 ACTUAL	2020 21 FORECAST <u>including</u> COVID-19 effects		
Revenue	488.3	Significant increase	↑↑	> +10% to +50%
EBIT	(44.0)	Significant improvement	↑↑	> +10% to +50%

- AGRANA expects a continual improvement in conditions in the EU sugar market
- On the distribution side, the company predicts rising sugar prices in the EU and a shift in consumption from industrial to reseller demand
- Positive evolution in the EU sugar market environment, combined with rigorous cost management, leads to the expectation of a significant improvement in EBIT (although the absolute value will still be negative)

COVID-19 risk factors for the outlook

Sales volume gains and revenue growth in the first half of the year were encouraging, but were also due to the pulling-forward of sugar purchases by many consumers at the beginning of the COVID-19 pandemic.

It remains to be seen how the demand situation will unfold over the next few months, especially in the industrial sector.



2020|21

FINANCIAL CALENDAR

14 January 2021

Results for first three quarters of 2020 | 21

11 May 2021

Results for full year 2020|21 (annual results press conference)

19 June 2021

Record date for Annual General Meeting participation

29 June 2021

Annual General Meeting in respect of 2020|21

2 July 2021

Ex-dividend date

5 July 2021

Record date for dividend

6 July 2021

Dividend payment date

8 July 2021

Results for first quarter of 2021|22

14 October 2021

Results for first half of 2021|22



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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%