



PRESS RELEASE

Vienna, 14 January 2021

AGRANA delivers significant earnings increase in first three quarters of 2020 | 21

First three quarters of 2020 | 21 at a glance

- Revenue: € 1,965.3 million (+4.6%; Q1-Q3 prior year: € 1,879.4 million)
- EBIT: € 84.3 million (+20.8%; Q1-Q3 prior year: € 69.8 million)
- EBIT margin: 4.3% (Q1-Q3 prior year: 3.7%)
- Profit for the period: € 53.8 million (+24.8%; Q1-Q3 prior year: € 43.1 million)
- Equity ratio: 53.4% (29 February 2020: 54.4%)

Outlook for full year 2020 | 21

- Forecast for full 2020|21 financial year is reaffirmed, with EBIT at least at year-earlier level and with slight rise in revenue
- Diversification provided by the three segments Fruit, Starch and Sugar underpins stable Group performance

In the first three quarters of the 2020|21 financial year, AGRANA, the fruit, starch and sugar company, generated EBIT operating profit of € 84.3 million. AGRANA Chief Executive Officer Johann Marihart comments: "The key drivers of the earnings growth were good results in bioethanol – especially in the third quarter – and a profitability improvement in the Sugar segment thanks to higher sugar prices and volumes. Sugar EBIT nevertheless remained negative due mainly to idle-capacity costs associated with the incomplete utilisation of sugar factories, notably in Austria. In the Fruit segment, EBIT in the fruit preparations business rose significantly in the first three quarters from the year-earlier reporting period. The performance of the fruit juice concentrate business, on the other hand, was down considerably as a result of lower available volumes from the prior year's apple crop."

Results in each business segment

FRUIT segment

Fruit segment revenue in the first three quarters was € 891.7 million, closely in line with the year-earlier level. In fruit preparations, revenue and sales volumes remained steady. Revenue in the fruit juice concentrate activities saw a moderate increase from a year ago, thanks largely to higher prices for the product group of fruit juice concentrates, albeit on the back of higher apple prices. Segment EBIT in the first nine months was € 41.3 million, off 10.0% from one year earlier. While fruit preparations EBIT improved, the main reason for the deterioration at segment level lay in lower delivery volumes in the fruit juice concentrate business combined with reduced contribution margins for apple juice concentrate produced from the 2019 harvest. Likewise, margins are under pressure in berry juice concentrates and apple juice concentrate made from the 2020 crop.

STARCH segment

Revenue in the Starch segment in the first nine months was € 620.8 million, or slightly above the year-ago value. Significant volume and revenue growth was achieved for wheat starch, through the capacity expansion in Pischelsdorf, Austria. Market demand for almost all core products eased as a result of COVID-19, leading to higher supply pressure. Reflecting the impact of the pandemic, ethanol quotations were highly volatile. A drastic price slump in March 2020 in the course of the first lockdown was followed by a recovery in quotations during the second quarter of the financial year amid the renewed increase in private transport, culminating in an all-time high of above € 800 per cubic metre of ethanol in September; prices fell again to below € 500 per cubic metre in December. At € 58.5 million, EBIT in the Starch segment was slightly above the year-earlier amount. The earnings increase was made possible by the high ethanol selling prices, while the margins on the other core products were down amid reduced market demand.

SUGAR segment

The Sugar segment's revenue in the first three quarters was € 452.8 million, up 18.2% from one year earlier. This reflected both higher sugar selling prices and increased sugar sales volumes, especially with resellers. Although EBIT in the first nine months was still negative at a deficit of € 15.5 million, it improved markedly from the year-ago loss of € 33.4 million thanks to a more benign sales price environment.

The detailed financial results are provided in the **interim statement for the first three quarters of 2020|21** → [LINK](#)

Outlook

Taking into account the continuing impacts of the coronavirus crisis, 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 growth. Due to the ongoing COVID-19 pandemic and the associated strong volatility in all business segments, the forecast for the full year remains subject to very high uncertainty.

In the 2020|21 financial year, after the high capital expenditure of the previous years, the AGRANA Group plans to invest approximately € 76 million, an amount significantly less than the budgeted depreciation of about € 120 million.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 9,400 employees at 56 production sites worldwide generate annual Group revenue of approximately € 2.5 billion. Established in 1988, the company is the world market leader in fruit preparations and the foremost producer of fruit juice concentrates in Europe. As well, its Starch segment is a major manufacturer of custom starch products (made from potato, corn and wheat) and of bioethanol. AGRANA is the leading sugar producer in Central and Eastern Europe.

This announcement is available in German and English at www.agrana.com.