



FRUIT
STARCH
SUGAR

The natural upgrade

Sustainable management



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

Presentation for investors and analysts



Vienna, 11 July 2019



Q1 2019|20 OVERVIEW

- Revenue: € 638.4 m (prior year: € 630.3 m)
- EBIT: € 30.9 m (prior year: € 37.0 m)
- EBIT margin: 4.8% (prior year: 5.9%)
- Full capacity utilisation in Aschach, Austria, and rise in ethanol prices -> EBIT of the Starch segment is 86% above last year
- Raw-material-related one-time costs in the fruit preparations business kept EBIT of the segment below the year-earlier quarter
- Sugar segment's negative EBIT compares with a still positive Q1 last year



~9,500

Employees (FTEs)
as of 31 May 2019



58
Production
sites
as of 31 May 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



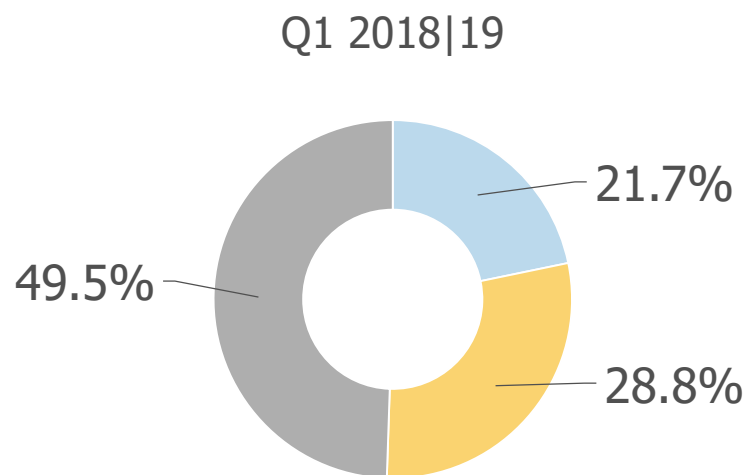
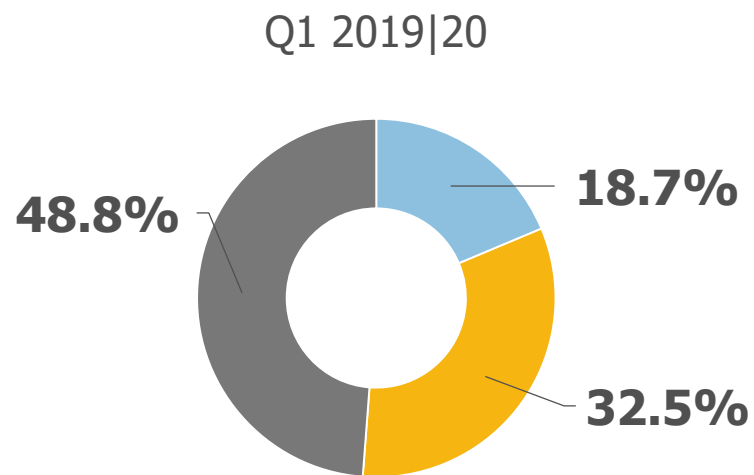
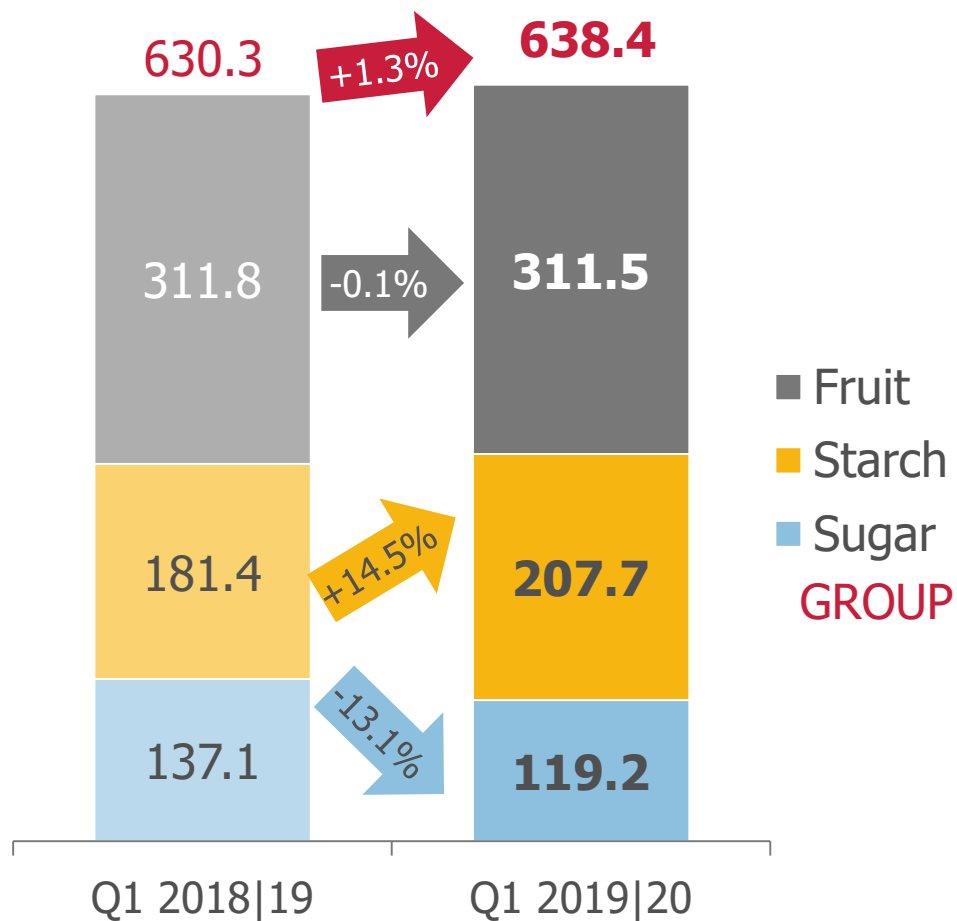
Leading
SUGAR
SUPPLIER
in Central, Eastern &
Southeastern Europe



Q1 2019|20 VS PRIOR YEAR

REVENUE BY SEGMENT

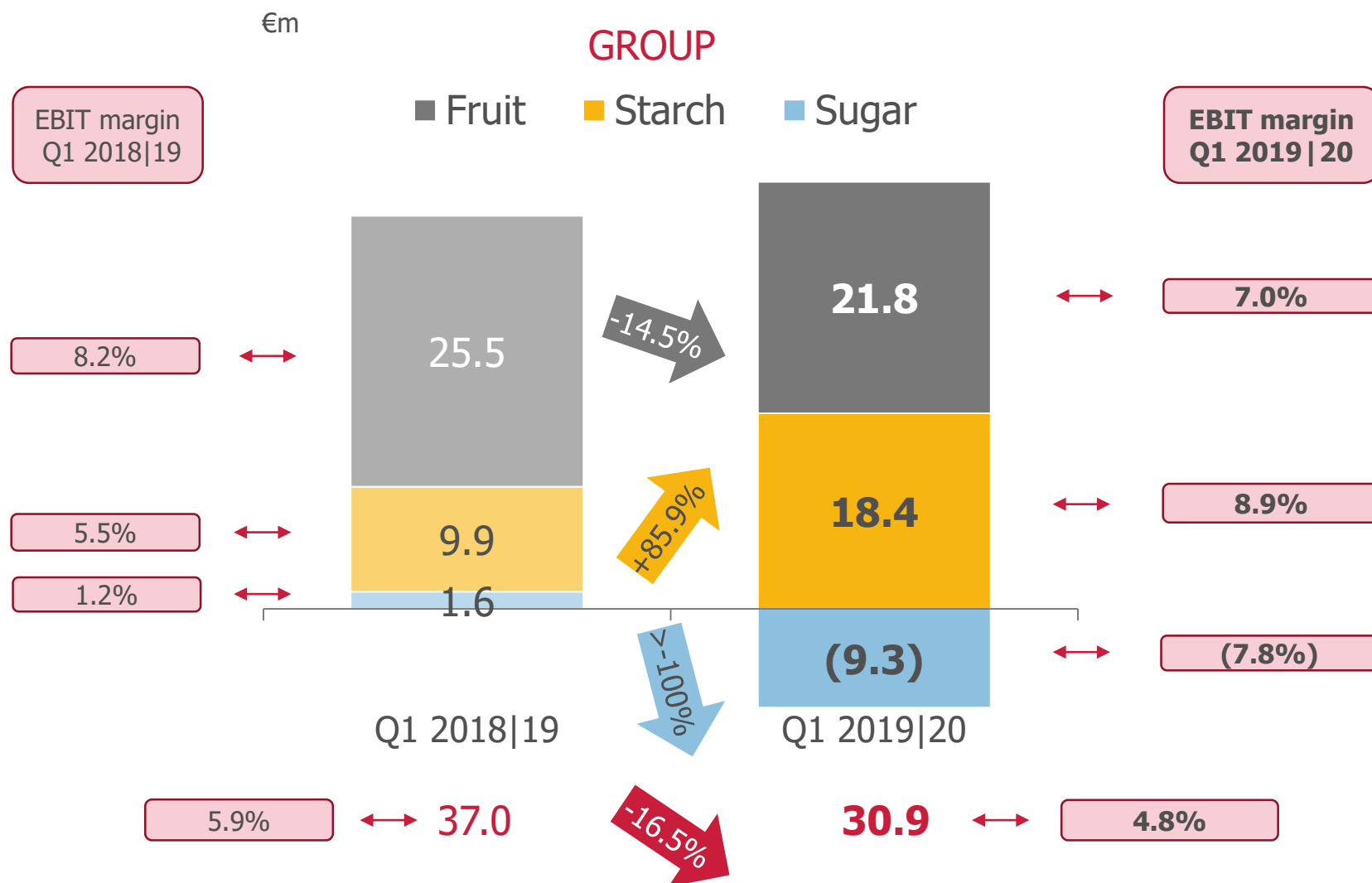
€m





Q1 2019|20 VS PRIOR YEAR

EBIT BY SEGMENT

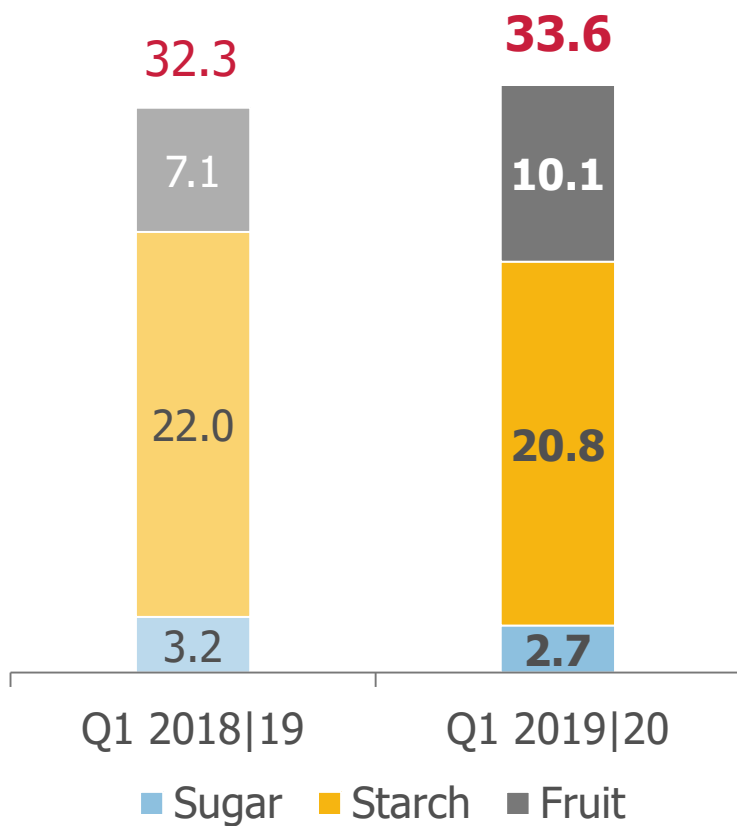




MOST IMPORTANT PROJECTS IN THE GROUP

INVESTMENT OVERVIEW

€m



GROUP

Q1 2019|20

FRUIT

- Second production line at new plant in China is under construction
- Additional production lines in Australia and Russia
- New lab for product development in Mitry-Mory, France

STARCH

- Doubling of the wheat starch plant in Pischelsdorf, Austria, ongoing
- Expansion of the 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



SEGMENT

FRUIT





FRUIT SEGMENT

Fruit preparations

- AGRANA Fruit successfully **defends its position** in the saturated markets of Europe and North America
- High focus on **diversification** in **Non-Dairy** sectors (bakery, ice cream, food services) with additional volumes and customers
- Naturalness and sustainability: main focus is on circular economy and **traceability** of ingredients
- Numerous products are being launched in all of the above product categories as **quick, but healthy, snacks** for between meals

Fruit juice concentrates

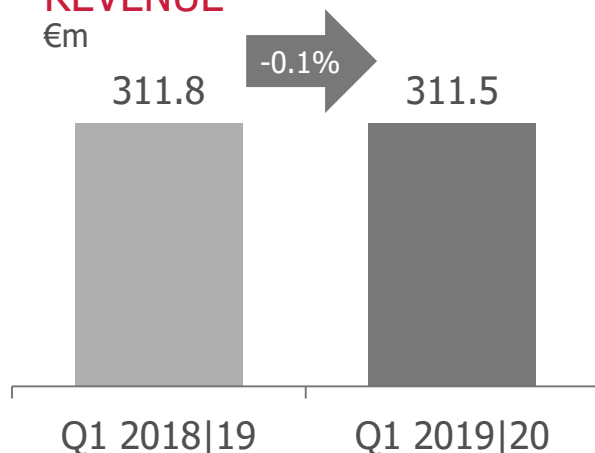
- **Demand** for **apple juice concentrate** continues to be **stable**
- Available product from the current spring production was successfully marketed
- Good sales development in the **USA**
- Contractual placement of **berry juice** concentrates from the 2018 crop with customers almost completed



FRUIT SEGMENT

REVENUE

€m

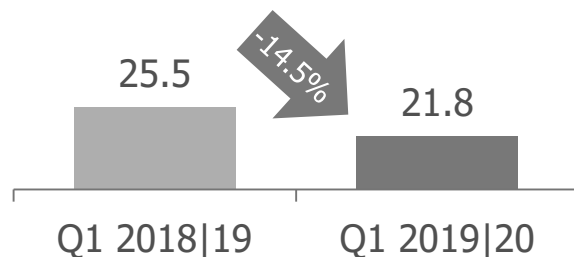


REVENUE stable at € 311.5 million

- In fruit preparations, revenue showed a small uptick partly due to a slight increase in sales volume
- In the fruit juice concentrate activities, revenue was down moderately from a year ago for price reasons

EBIT

€m



EBIT lower than in prior year

- Reasons for deterioration lay 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
- EBIT in the fruit juice concentrate business was pushed up significantly and stabilised at the high year-earlier level



SEGMENT

STARCH





STARCH SEGMENT

- **Sales volume growth** was achieved in all product areas
- **Saccharification capacity** especially in Southeastern Europe remains significantly **underutilized**
 - **Market developments in isoglucose** continue to be driven by volume pressure
- **Sales figures for native and modified starches** were **stable**; tight supply situation in cereal starches for the European paper and corrugated board industry has eased and increasing spot volumes are on offer again
- **High ethanol quotations -> bioethanol business** made a very positive contribution to overall result
 - Quotes were supported by a supply shortage existing particularly in Northern and Western Europe
 - Maintenance work at numerous factories made for a shorter supply
- **Feedstuffs segment:** steadily growing demand for GMO-free feedstuffs is key reason for the market environment of **stable prices**



WHEAT & CORN (EURONEXT, PARIS) COMMODITY PRICES

1 January 2006 – 9 July 2019 (EUR)

2019|20 FY

Daily MAIZE EUR AUG9; M.WHEAT EUR SEP9

Line: MAIZE EUR AUG9; Trade Price(Last)
09.07.2019; 177,75-0,50; (-0,28%)
Line: M.WHEAT EUR SEP9; Trade Price(Last)
09.07.2019; 174,75; -2,00; (-1,13%)



Corn (Paris)

9 July 2019:
177.8 EUR/t

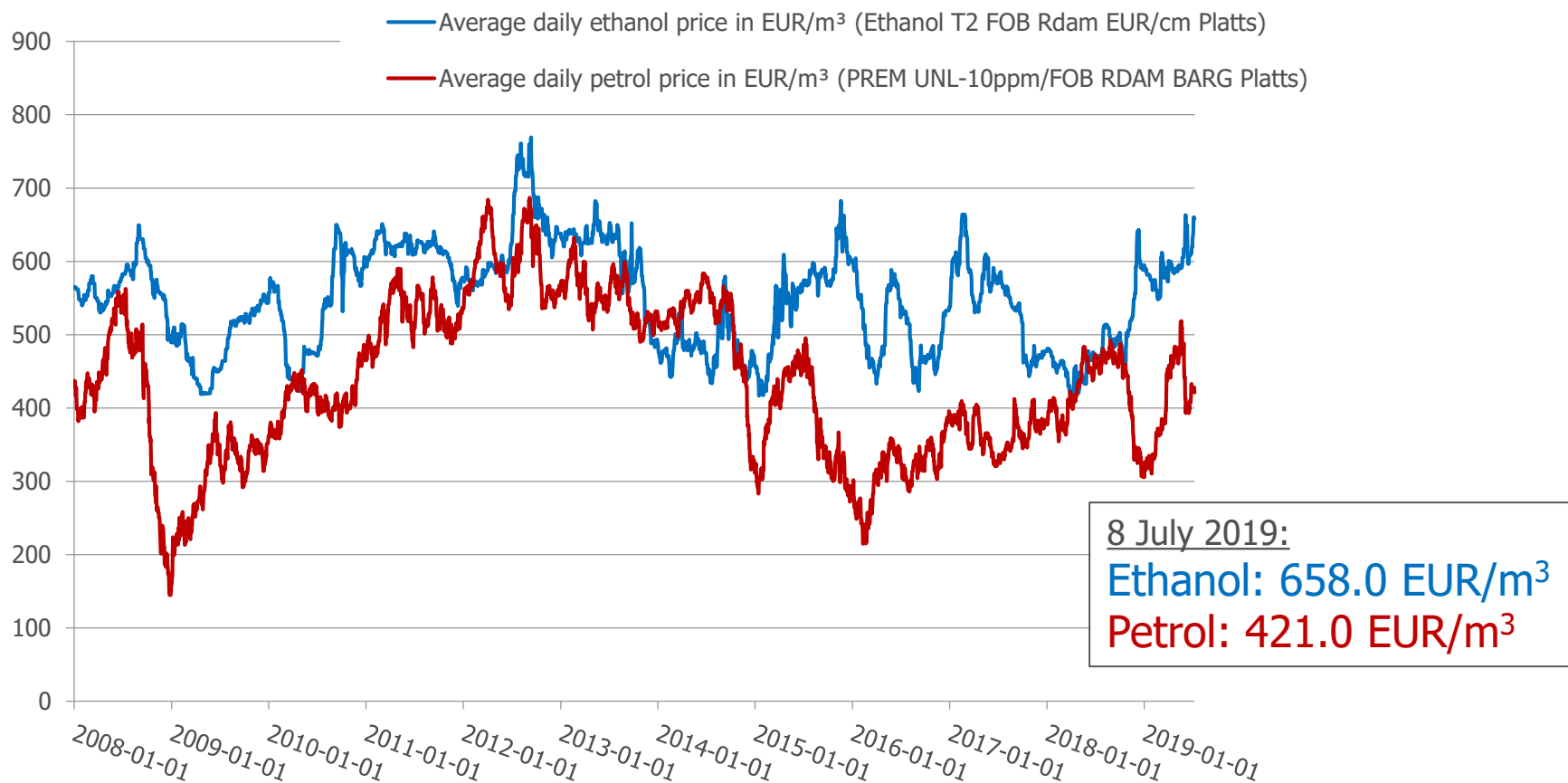
Wheat (Paris)

9 July 2019:
174.8 EUR/t



1 JANUARY 2008 – 8 JULY 2019 (EUR)

ETHANOL AND PETROL PRICES

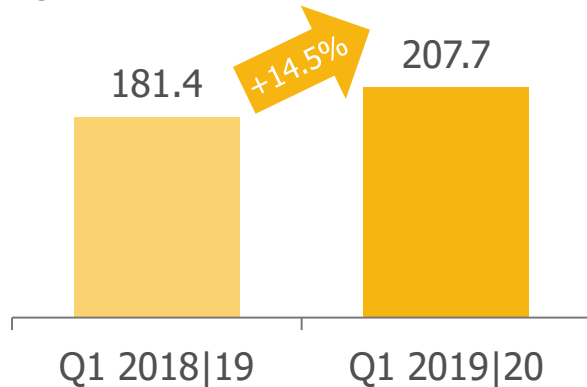




STARCH SEGMENT

REVENUE

€m

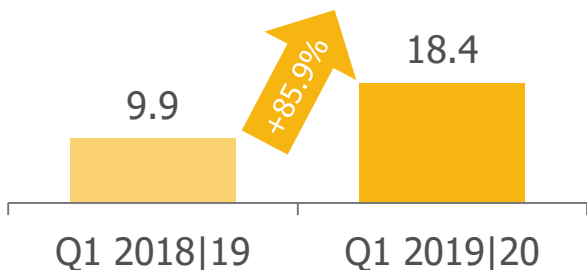


REVENUE at € 207.7 m above prior year

- Key reason was substantial increase in ethanol revenue -> stronger Platts quotations (more than one-third higher year-on-year)
- Saccharification products with declining prices, revenue was raised moderately through the sale of higher volumes
- Native and modified starches experienced revenue growth, partly thanks to volume increases
- Revenue from baby food also rose

EBIT

€m



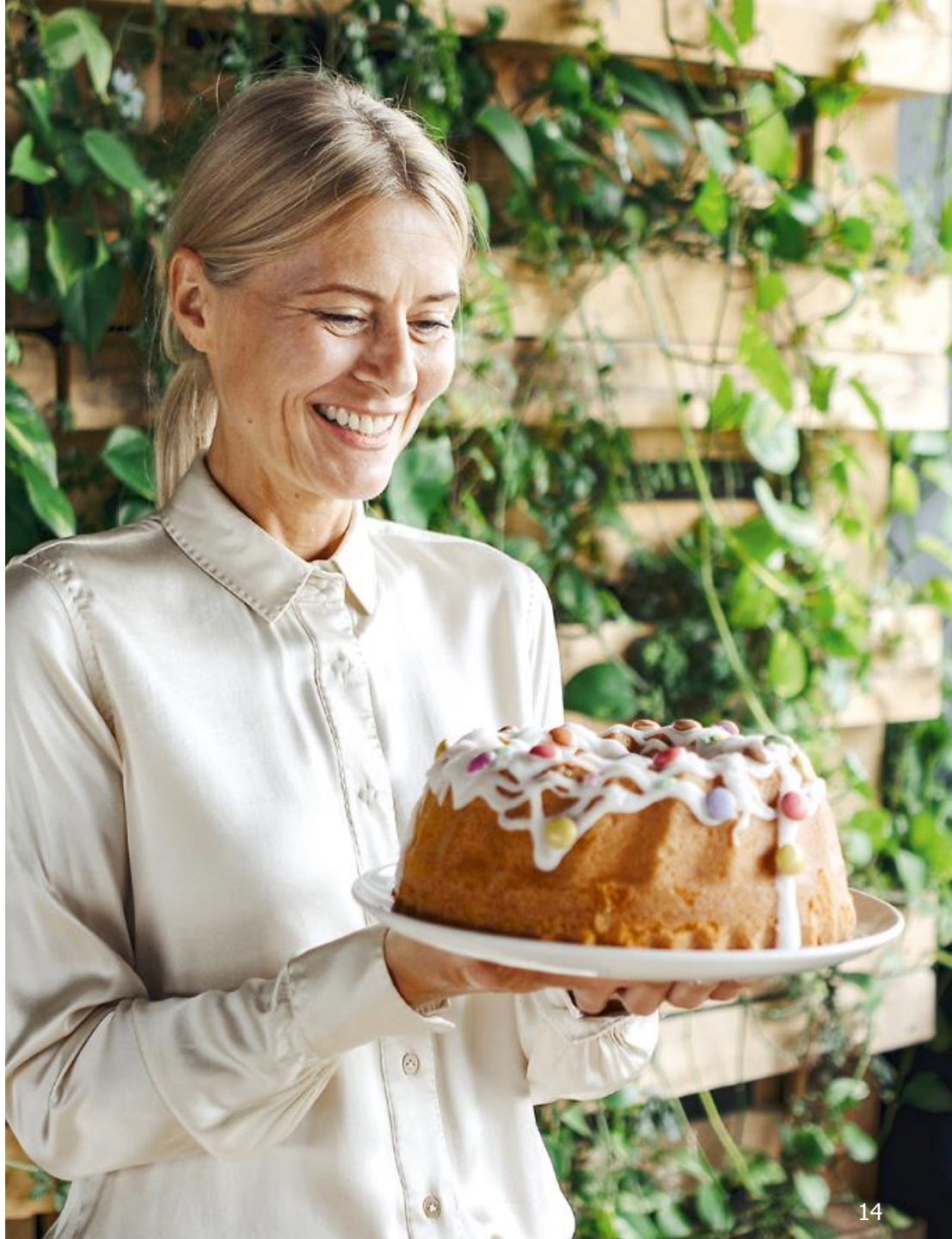
EBIT significantly up to € 18.4 million

- Earnings growth stemmed primarily from significant rise in market price of ethanol and from volume gains in all other product segments
- On the expense side, higher raw material costs for the 2018 crops remained downside factor for earnings
- Earnings contribution of the equity-accounted HUNGRANA declined from € 4.7 million to € 3.2 million -> strongly affected by price declines for saccharification products



SEGMENT

SUGAR





SUGAR SEGMENT

■ World sugar market

- **World market price stagnated** at a **low level** since the beginning of the FY
- Nonetheless, **slight improvement** compared to the 9-year low for white sugar (August 2018 at US\$ 303.7 per tonne) and the 10-year low for raw sugar (September 2018 at US\$ 218.3 per tonne)
- Contrary to the expectation of small deficit in the SMY 2018|19, presence of considerable inventories, notably in India, led to **strained world market situation**
- F.O. Licht is projecting a **small production deficit** for the end of the SMY 2018|19

■ EU sugar market

- **SMY 2018 | 19:** until July 2018 a production volume of approx. **20.4 million tonnes** was forecasted -> owing to **dry weather conditions**, however, estimate of the EC from April 2019 puts production at **17.5 million tonnes** of sugar
- **Average sugar prices** as per the EU price reporting system
 - Since the abolition of the sugar quotas (end of September 2017) prices **declined significantly and continually**
 - In April 2019 average price **rose again somewhat** to € 319 per tonne
 - **Further increase is expected** for the next several months of SMY 2018|19
 - **Low sugar stocks** at the end of the SMY 2018|19 expected



RAW SUGAR & WHITE SUGAR SUGAR QUOTATION

1 January 2006 – 9 July 2019 (USD)

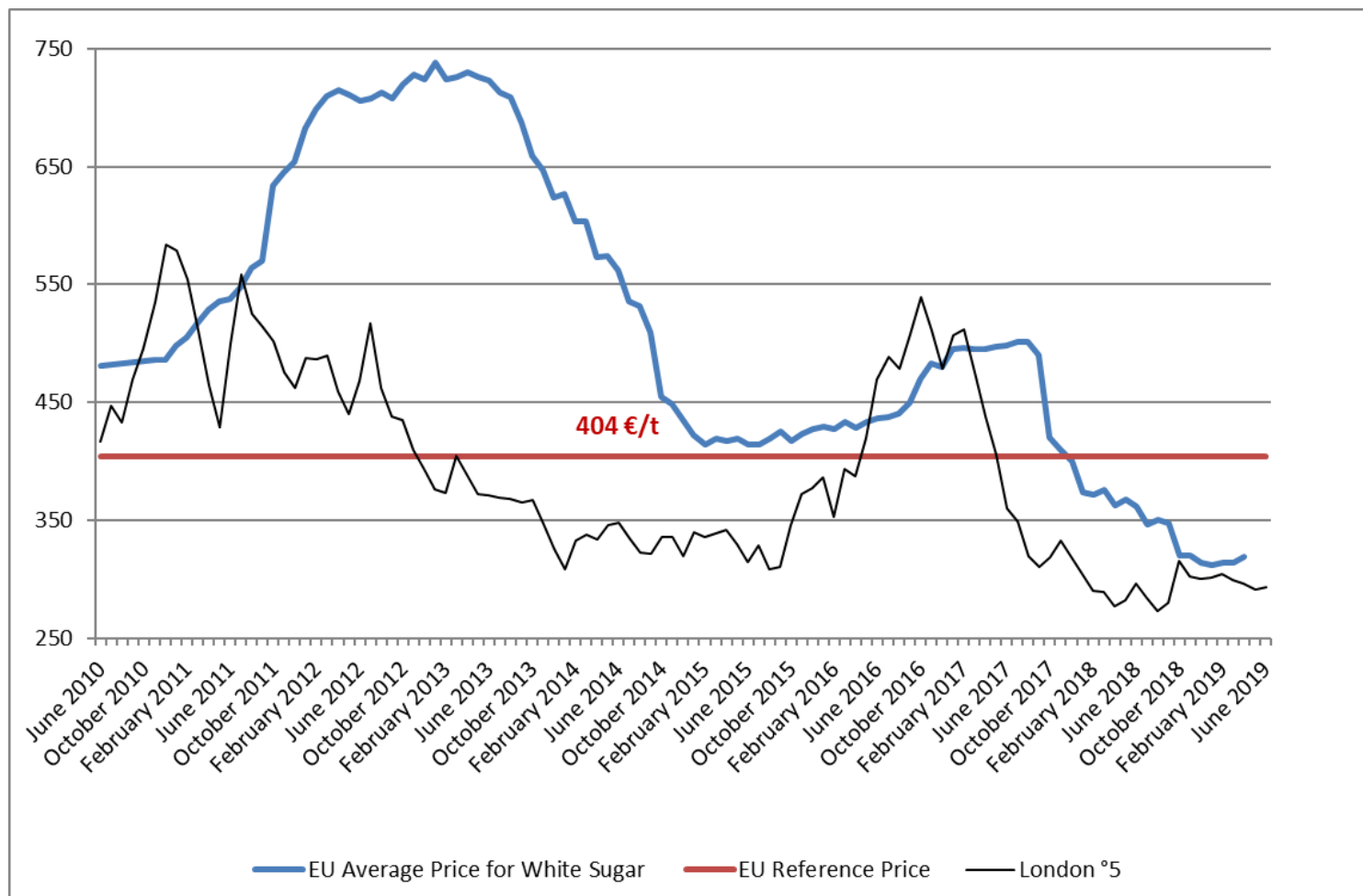




SUGAR PRICE REPORTING

MONTHLY EU AVERAGE PRICES

(JUNE 2010 TO JUNE 2019; € PER TONNE)



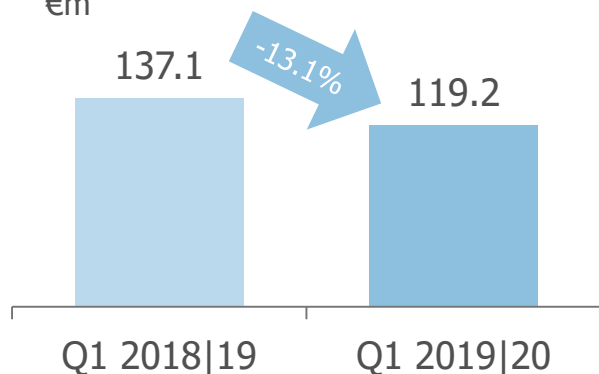
Source: European Commission, Sugar Price Reporting (as of 27 June 2019) and SugarOnline (as of 2 July 2019)



SUGAR SEGMENT

REVENUE

€m

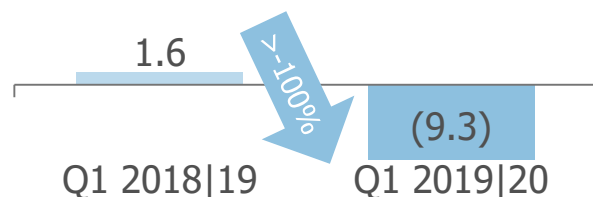


REVENUE down to € 119.2 million

- Year-on-year reduction in sugar sales prices
- Lower volumes of sugar sold (the latter especially in exports and the non-food sector)

EBIT

€m



EBIT decreased significantly

- Principal driving factor was the poorer sales price environment compared to the prior year



Q1 2019|20

CONSOLIDATED FINANCIAL STATEMENTS (CONDENSED)



CONSOLIDATED INCOME STATEMENT

€m (condensed)	Q1 2019 20	Q1 2018 19	Change
Revenue	638.4	630.3	+1.3%
EBITDA ¹	51.5	53.5	-3.7%
Operating profit before except. items and results of equity-accounted JV	27.5	33.8	-18.6%
Share of results of equity-accounted JV	3.4	3.3	+3.0%
Exceptional items	0.0	(0.1)	+100.0%
EBIT	30.9	37.0	-16.5%
EBIT margin	4.8%	5.9%	-1.1pp
Net financial items	(3.8)	(4.3)	+11.6%
Profit before tax	27.1	32.7	-17.1%
Income tax expense	(8.8)	(7.4)	+18.9%
Profit for the period	18.3	25.3	-27.7%
Attributable to shareholders of the parent	16.7	23.4	-28.6%
Earnings per share	€ 0.27	€ 0.37 ²	-27.0%

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

² After the four-for-one stock split performed in July 2018. The value is thus based on the new number of shares out-standing at 31 May 2019, which was 62,488,976.



ANALYSIS OF NET FINANCIAL ITEMS

€m	Q1 2019 20	Q1 2018 19	Change
Net interest expense	(1.6)	(1.2)	-33.3%
Currency translation differences	(1.6)	(2.5)	+36.0%
Other financial items	(0.6)	(0.6)	0.0%
Total	(3.8)	(4.3)	+11.6%



TAX RATE

€m	Q1 2019 20	Q1 2018 19	Change
Profit before tax	27.1	32.7	-17.1%
Income tax expense	(8.8)	(7.4)	+18.9%
Tax rate	32.5%	22.6%	+9.9pp



CONSOLIDATED CASH FLOW STATEMENT

€m (condensed)

Q1 2019 | 20

Q1 2018|19

Change

Operating cash flow before changes in working capital

47.9

49.6

-3.4%

Changes in working capital

(71.3)

(18.1)

> -100%

Total of interest paid/received and tax paid, net

(7.3)

(10.6)

+31.1%

Net cash (used in)/from operating activities

(30.7)

20.9

> -100%

Net cash (used in) investing activities

(34.6)

(31.1)

-11.3%

Net cash from/(used in) financing activities

71.8

(18.0)

> +100%

Net increase/(decrease) in cash and cash equivalents

6.5

(28.2)

> +100%



CONSOLIDATED BALANCE SHEET

€m (condensed)	31 May 2019	28 Feb. 2019	Change
Non-current assets	1,292.5	1,252.1	+3.2%
Current assets	1,151.0	1,137.3	+1.2%
Total assets	2,443.5	2,389.4	+2.3%
Equity	1,422.6	1,409.9	+0.9%
Non-current liabilities	416.2	393.1	+5.9%
Current liabilities	604.7	586.4	+3.1%
Total equity and liabilities	2,443.5	2,389.4	+2.3%
Equity ratio	58.2%	59.0%	-0.8pp
Net debt	415.4	322.2	+28.9%
Gearing	29.2%	22.9%	+6.3pp



2019|20
OUTLOOK





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



AGRANA SEGMENTS

OUTLOOK FOR 2019|20

FRUIT

Revenue ↑
EBIT ↑↑

- **Fruit segment:** AGRANA expects the 2019|20 FY to bring **growth in revenue and EBIT**
 - Fruit preparations: positive revenue trend is predicted in all business areas, driven by rising sales volumes; EBIT will reflect the volume and margin growth, resulting in a significant earnings improvement yoy
 - Fruit juice concentrates: revenue and EBIT are projected this FY to be steady on a high prior year level

STARCH

Revenue ↑↑
EBIT ↑↑

- **Starch segment: significant 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; specialty products such as infant formula, organic and GMO-free products should continue to generate consistently positive impetus
- **High quotations for ethanol** have recently fired the revenue and earnings situation
- Assuming an average grain harvest in 2019 and slight reduction in raw material prices compared to the drought year 2018, **EBIT** of the Starch segment is expected to **increase significantly** from the prior-year level

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**



2019|20

FINANCIAL CALENDAR

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