



FRUIT
STARCH
SUGAR

The natural upgrade

**#HELLO
TOMORROW**

Ready for the future.

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

Presentation for investors and analysts

AGRANA 2019 | 20 Online:
reports.agrana.com/en

Vienna, 9 July 2020



Q1 2020|21 OVERVIEW

- Revenue: € 652.6 m (prior year: € 638.4 m)
- EBIT: € 32.0 m (prior year: € 30.9 m)
- EBIT margin: 4.9% (prior year: 4.8%)
- Despite COVID-19, EBIT in Q1 2020|21 slightly above prior year
- First quarter was challenging not only due to the general environment created by the COVID-19 pandemic, but also because of the extremely dry crop-growing conditions faced by our suppliers



~9,100

Employees (FTEs)



57

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

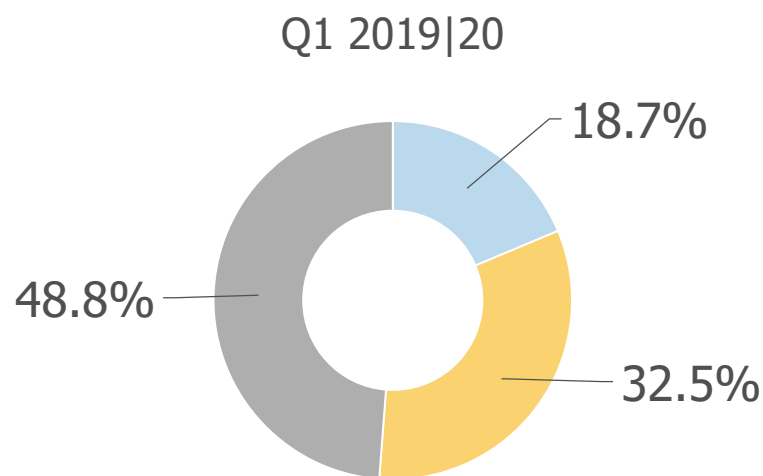
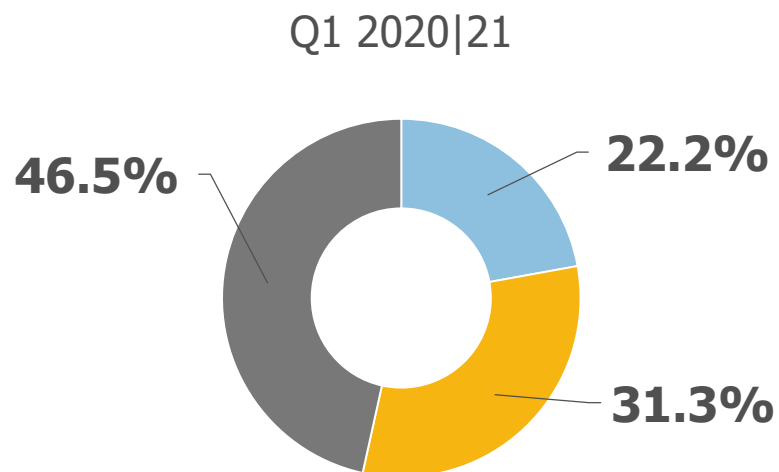
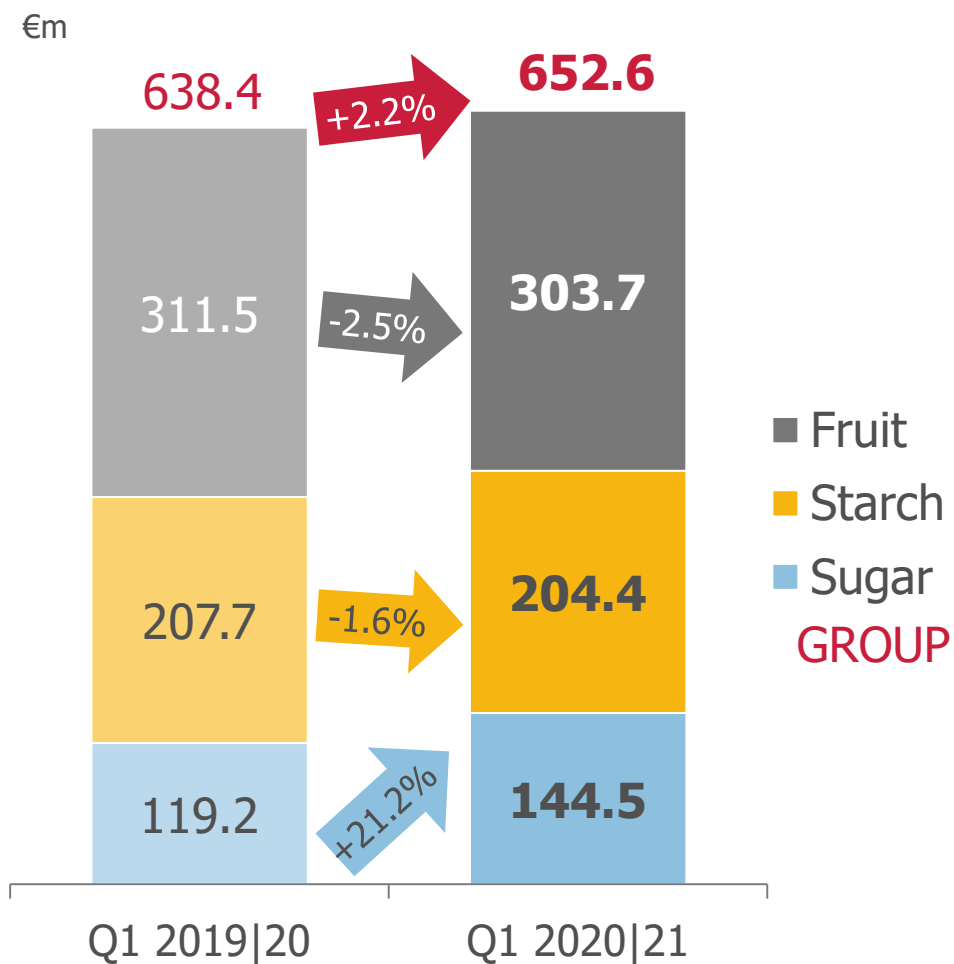
SUGAR

SUPPLIER
in Central, Eastern &
Southeastern Europe



Q1 2020|21 VS PRIOR YEAR

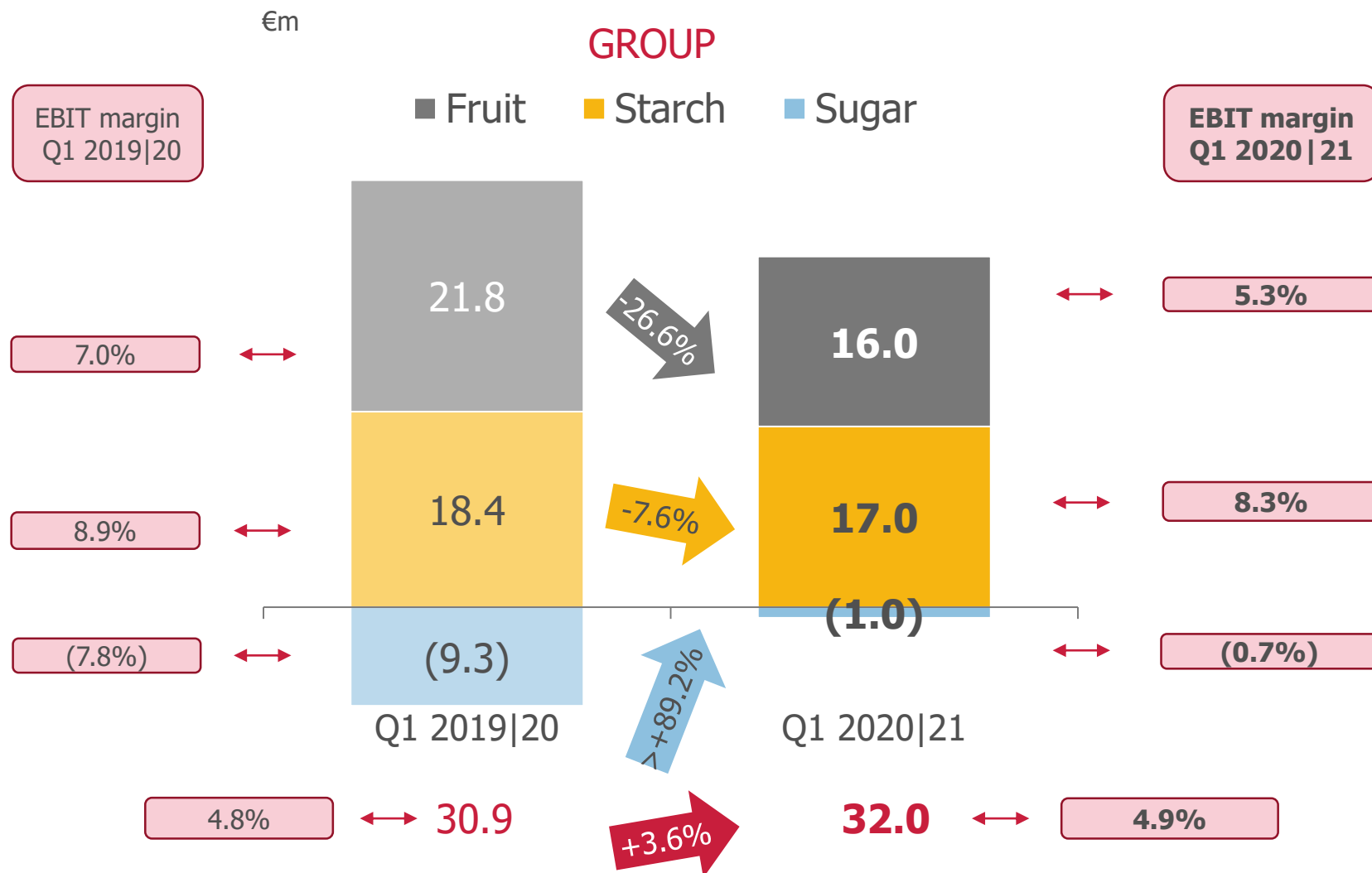
REVENUE BY SEGMENT





Q1 2020|21 VS PRIOR YEAR

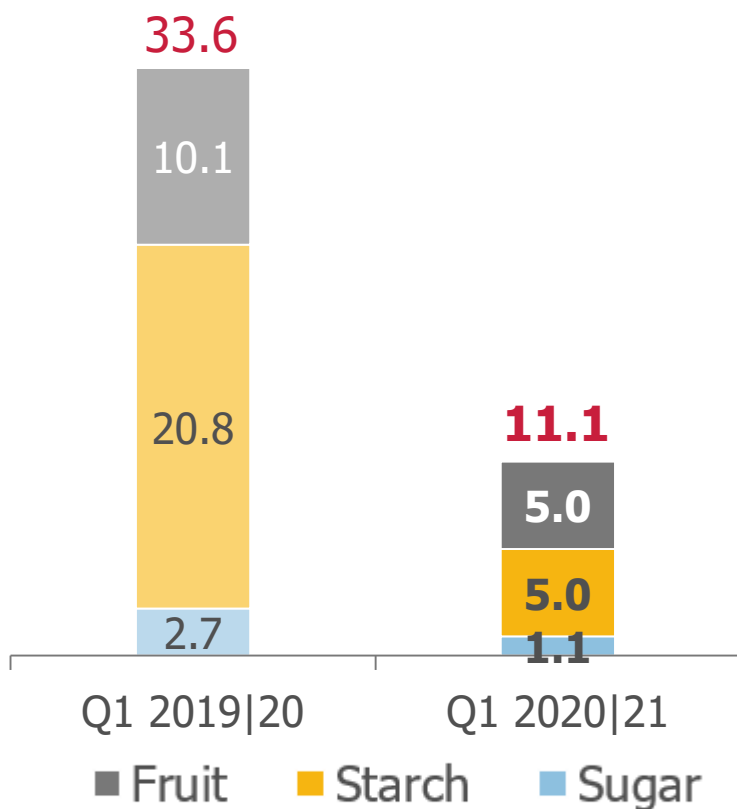
EBIT BY SEGMENT





MOST IMPORTANT PROJECTS IN THE GROUP INVESTMENT OVERVIEW

€m



GROUP

Q1 2020|21

FRUIT

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

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 gas in Sered', Slovakia



CURRENT PROJECTS

MANUFACTURE OF CRYSTALLINE BETAININE

- The construction of the betaine crystallisation plant in Tulln, Austria, is proceeding and the facility will increase value added to the Sugar segment from the 4th quarter of 2020|21 (Q3 2020|21: start up costs)
- JV between AGRANA and The Amalgamated Sugar Company (Boise, Idaho|USA)
- Completion planned in August 2020 (delays due to COVID-19)
- **Investment:** approx. **€ 40 million** (AGRANA: € 20 million)
- 16 new jobs
- Production capacity of around **8,500 metric tonnes** of crystalline betaine per year



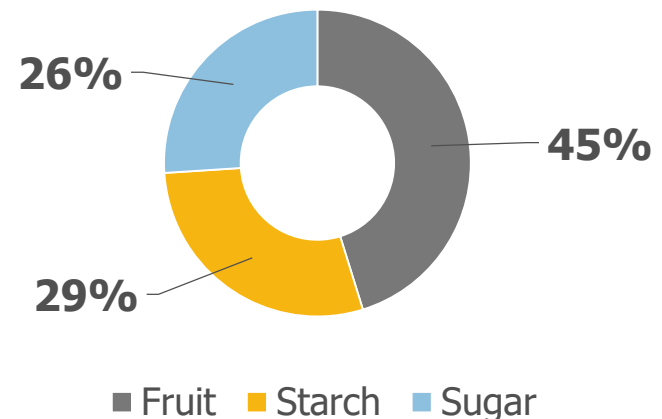


OUTLOOK FOR 2020|21

INVESTMENT PLAN

- **Total investment** across the three business segments in this new financial year, at approximately **€ 73 million**
- **Significantly below** both the 2019|20 capital expenditure (€ 149.7 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 the growth rate** predicted 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 threat of recession** is driving trend towards lower-priced and simpler products

Fruit juice concentrates

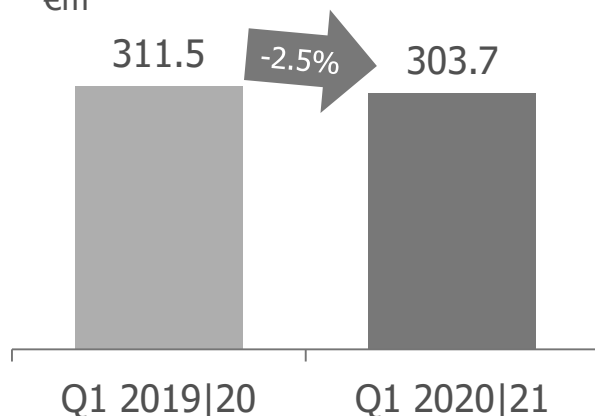
- **Demand for apple juice concentrate** remained solid this spring and was able to be met from the 2019 crop
- For the upcoming **berry campaign**, demand is expected to remain stable at the level of the prior year



FRUIT SEGMENT

REVENUE

€m



REVENUE slightly down

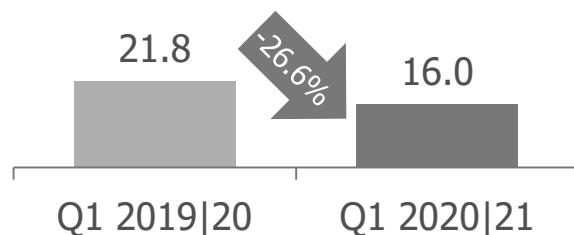
- Revenue from **fruit preparations** fell slightly due to lower sales volumes
- In the **fruit juice concentrate** activities, revenue was down moderately from a year ago, also for volume reasons

EBIT significantly lower than in prior year

- Reasons for the deterioration lay primarily in the **fruit juice concentrate** business
- Reduced delivery volumes in combination with lower contribution margins of apple juice concentrates produced from the 2019 crop
- Earnings in **fruit preparations** were moderately below the prior year's level
- Improvement in EBIT in Mexico and savings in administration were offset by earnings decreases in South America and China (lower sales volumes mainly due to coronavirus effects)

EBIT

€m





SEGMENT

STARCH

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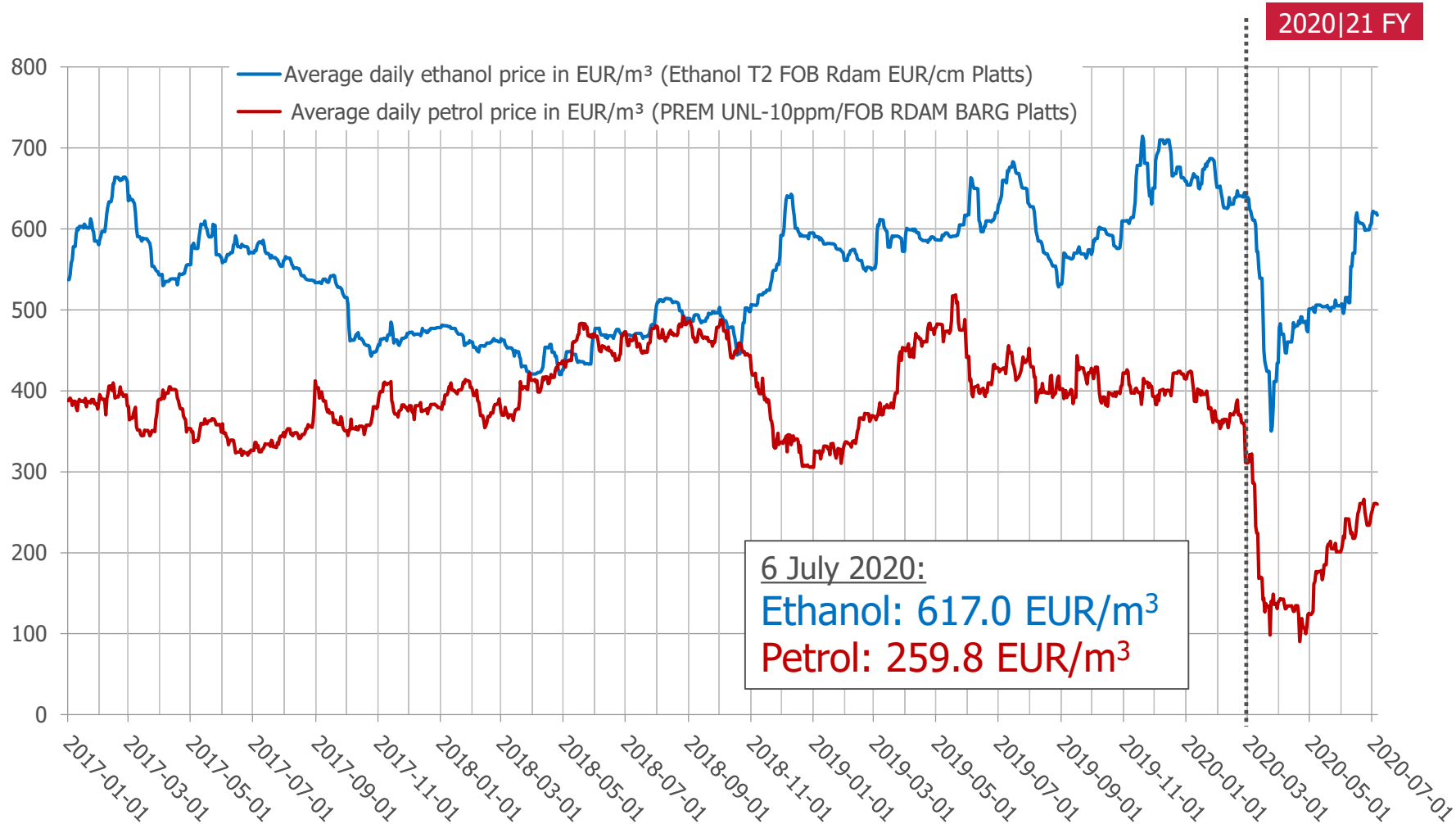
STARCH SEGMENT

- Global **COVID-19 pandemic** also impacts product markets of the Starch segment
 - After a **strong month for sales in March 2020**, sales volumes of some product groups, such as saccharification products declined in the following two months
 - Complete standstill of the hotel and catering sector and changes in the amount of retail space allocated (more shelf space given to basic foodstuffs)
- Demand from the **European paper and corrugated board industry** is currently **weak**
 - Many graphic paper manufacturers significantly reduced their capacity during the COVID-19 lockdown.
- **Bioethanol business** in the first quarter was defined by a **slump in Platts quotations**
 - Following the global spread of the COVID-19 epidemic, ethanol prices fell to an all-time low (€ 350 per cubic metre FOB Rotterdam)
 - In the meantime, prices have settled within a band between € 550 and € 600 per cubic metre
 - Fuel demand in Europe fell by about 50% in April 2020
 - Volume losses in the refinery business were offset by sales into the disinfection segment



1 JANUARY 2017 – 6 JULY 2020 (EUR)

ETHANOL AND PETROL PRICES





FINANCIAL RESULTS FOR Q1 2020|21

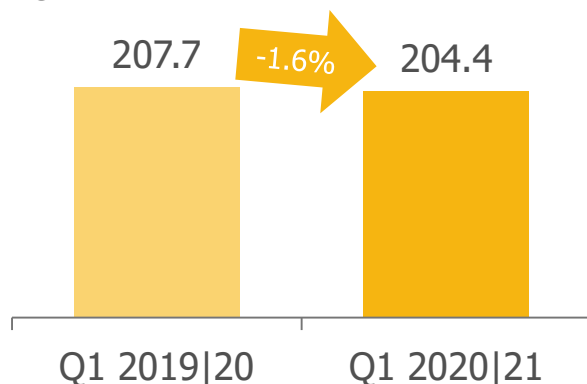
STARCH SEGMENT

REVENUE at € 204.4 m slightly below prior year

- 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 resold merchandise caused by charging sugar by-product sales on a commission basis
- Platts ethanol quotations collapsed in March 2020 amid the COVID-19 lockdown and significant drop in demand for petrol, but recovered again in the course of the rest of the financial quarter

REVENUE

€m

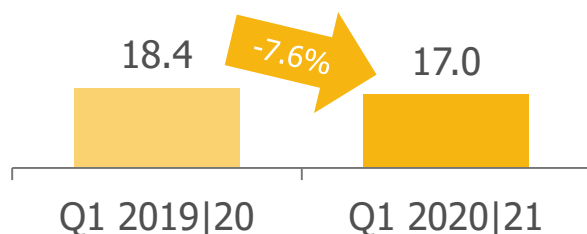


EBIT moderately down to € 17.0 million

- Weaker market demand dampened prices and put pressure on margins
- On the cost side, savings in energy and material costs in connection with the COVID-19 measures were beneficial for earnings, but the commissioning of the new wheat starch plant led to significantly higher depreciation
- HUNGRANA: earnings impact of lower sales volumes and margins for isoglucose and other saccharification products was more than made up for by increased sales of alcohol (disinfectants)

EBIT

€m





SEGMENT

SUGAR

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SUGAR SEGMENT

■ World sugar market

- As a result of the **COVID-19-induced** current sharp reduction in confidence, the historic slump in oil prices and a generally very uncertain consumption outlook, **sugar prices fell globally**
- **Raw sugar** price fell to a thirteen-year low in April 2020
- Towards the end of the reporting period, sugar quotations recovered somewhat from the lows (-> i.e. rebound in the oil market)

■ EU sugar market

- **2019 | 20 SMY: sugar production** in the EU was about **17.4 million tonnes**
- According to the latest estimate from May 2020, the European Commission expects a **similar production volume for SMY 2020 | 21**
- Since the end of sugar quotas, average sugar prices as per the **EU price reporting system** have declined significantly
 - By January 2019 the price was only € 312 per tonne; in the 2019 calendar year, the price of sugar in the EU recovered steadily; price of € 379 per tonne was reported in April 2020

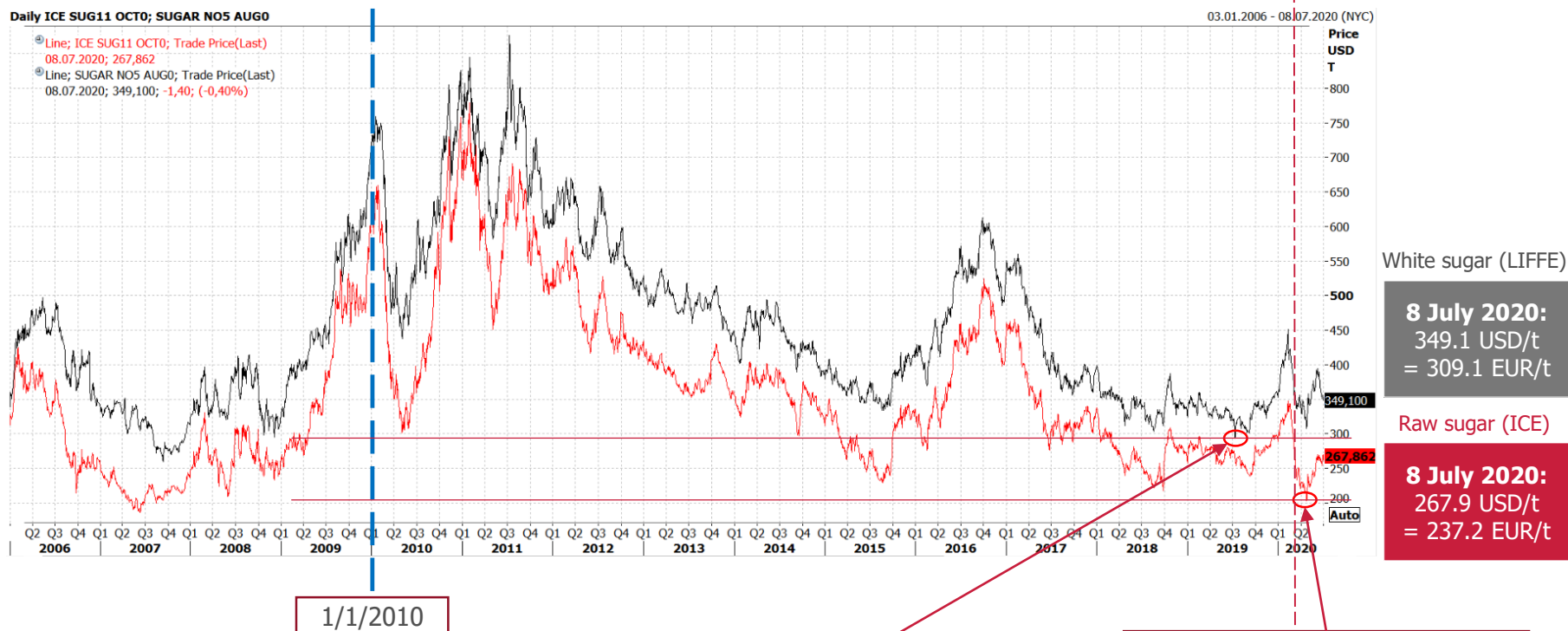


RAW SUGAR & WHITE SUGAR SUGAR QUOTATION

1 January 2006 – 8 July 2020 (USD)

Daily ICE SUG11 OCT0; SUGAR NOS AUG0

④ Line: ICE SUG11 OCT0; Trade Price(Last)
08.07.2020; 267,862
④ Line: SUGAR NOS AUG0; Trade Price(Last)
08.07.2020; 349,100; -1,40; (-0,40%)

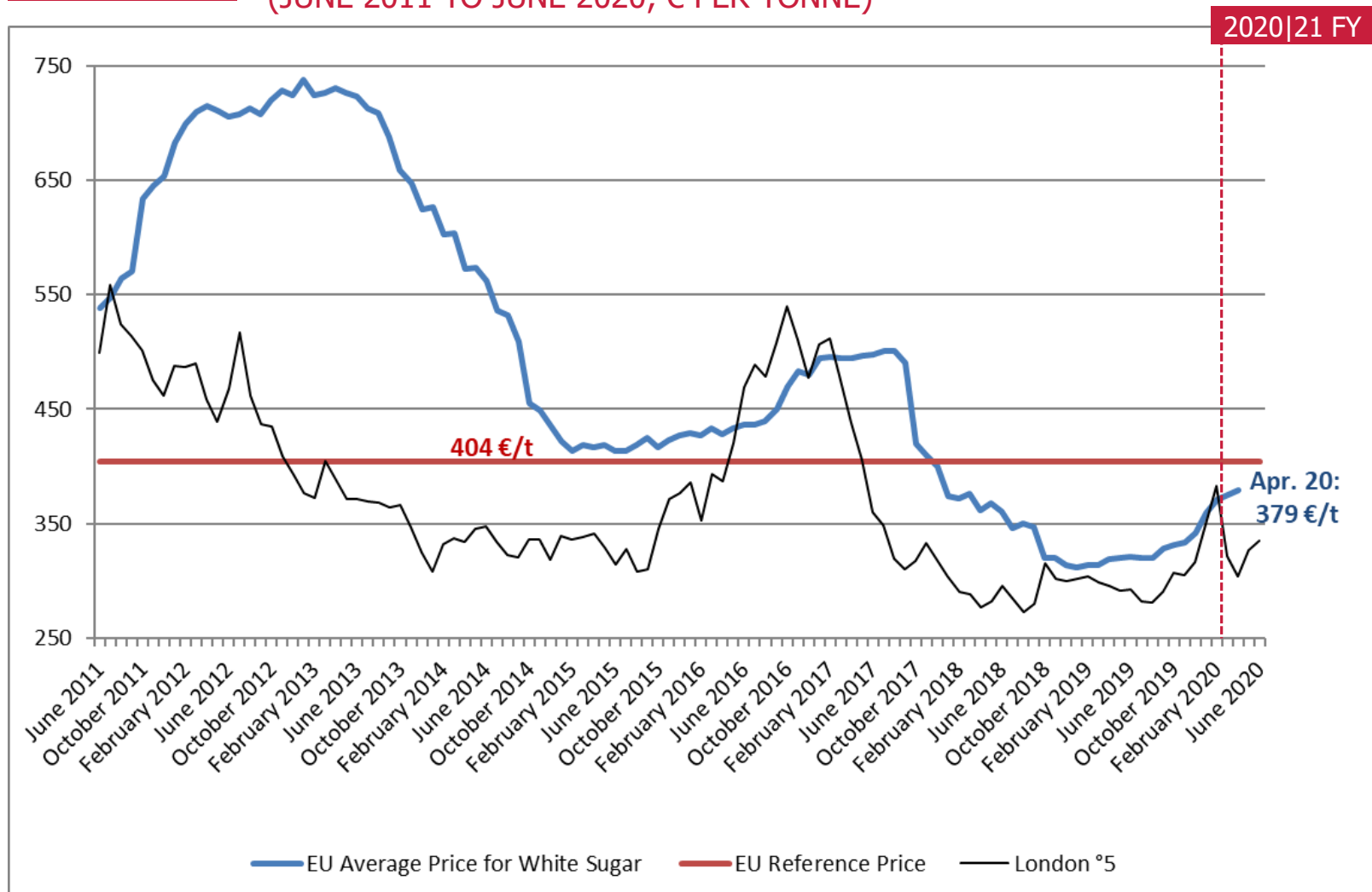




SUGAR PRICE REPORTING

MONTHLY EU AVERAGE PRICES

(JUNE 2011 TO JUNE 2020; € PER TONNE)



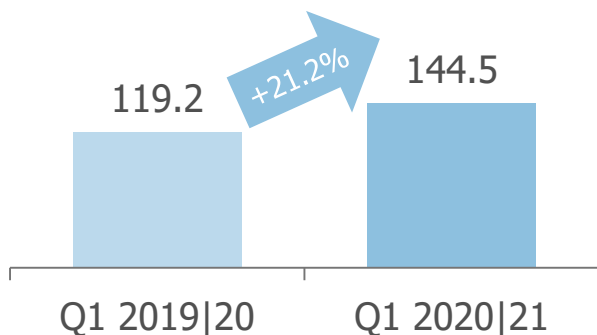
Source: European Commission (as of 29 June 2020) and SugarOnline (as of 29 June 2020)



SUGAR SEGMENT

REVENUE

€m

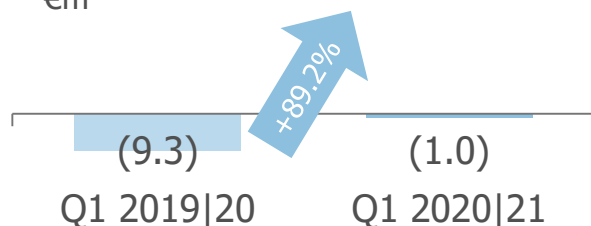


REVENUE up to € 144.5 million

- This was significantly up from one year earlier
- Both higher sugar selling prices and increased sugar sales volumes led to this positive development

EBIT

€m



EBIT still negative

- EBIT in the first three months of 2020|21 was still negative at a deficit of € 1.0 million
- But improved substantially compared to the same quarter of the previous year due to a better sales price environment



Q1 2020|21

CONSOLIDATED FINANCIAL STATEMENTS (CONDENSED)





CONSOLIDATED INCOME STATEMENT

€m (condensed)	Q1 2020 21	Q1 2019 20	Change
Revenue	652.6	638.4	+2.2%
EBITDA ¹	54.7	51.5	+6.2%
Operating profit before except. items and results of equity-accounted JV	28.1	27.5	+2.2%
Share of results of equity-accounted JV	3.9	3.4	+14.7%
EBIT	32.0	30.9	+3.6%
EBIT margin	4.9%	4.8%	+0.1pp
Net financial items	(6.1)	(3.8)	-60.5%
Profit before tax	25.9	27.1	-4.4%
Income tax expense	(6.7)	(8.8)	+23.9%
Profit for the period	19.2	18.3	+4.9%
Attributable to shareholders of the parent	18.8	16.7	+12.6%
Earnings per share	€ 0.30	€ 0.27	+11.1%

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	Q1 2020 21	Q1 2019 20	Change
Net interest expense	(2.0)	(1.6)	-25.0%
Currency translation differences	(2.9)	(1.8)	-61.1%
Other financial items	(1.2)	(0.4)	>-100%
Total	(6.1)	(3.8)	-60.5%



TAX RATE

€m	Q1 2020 21	Q1 2019 20	Change
Profit before tax	25.9	27.1	-4.4%
Income tax expense	(6.7)	(8.8)	+23.9%
Tax rate	25.9%	32.5%	-6.6pp



CONSOLIDATED CASH FLOW STATEMENT

€m (condensed)

Q1 2020|21

Q1 2019|20

Change

Operating cash flow before changes in working capital

56.0

47.9

+16.9%

Changes in working capital

(48.9)

(71.3)

+31.4%

Total of interest paid/received and tax paid, net

(4.5)

(7.3)

+38.4%

Net cash from/(used in) operating activities

2.6

(30.7)

>+100%

Net cash (used in) investing activities

(21.1)

(34.6)

+39.0%

Net cash from financing activities

17.8

71.8

-75.2%

Net (decrease)/increase in cash and cash equivalents

(0.7)

6.5

>-100%

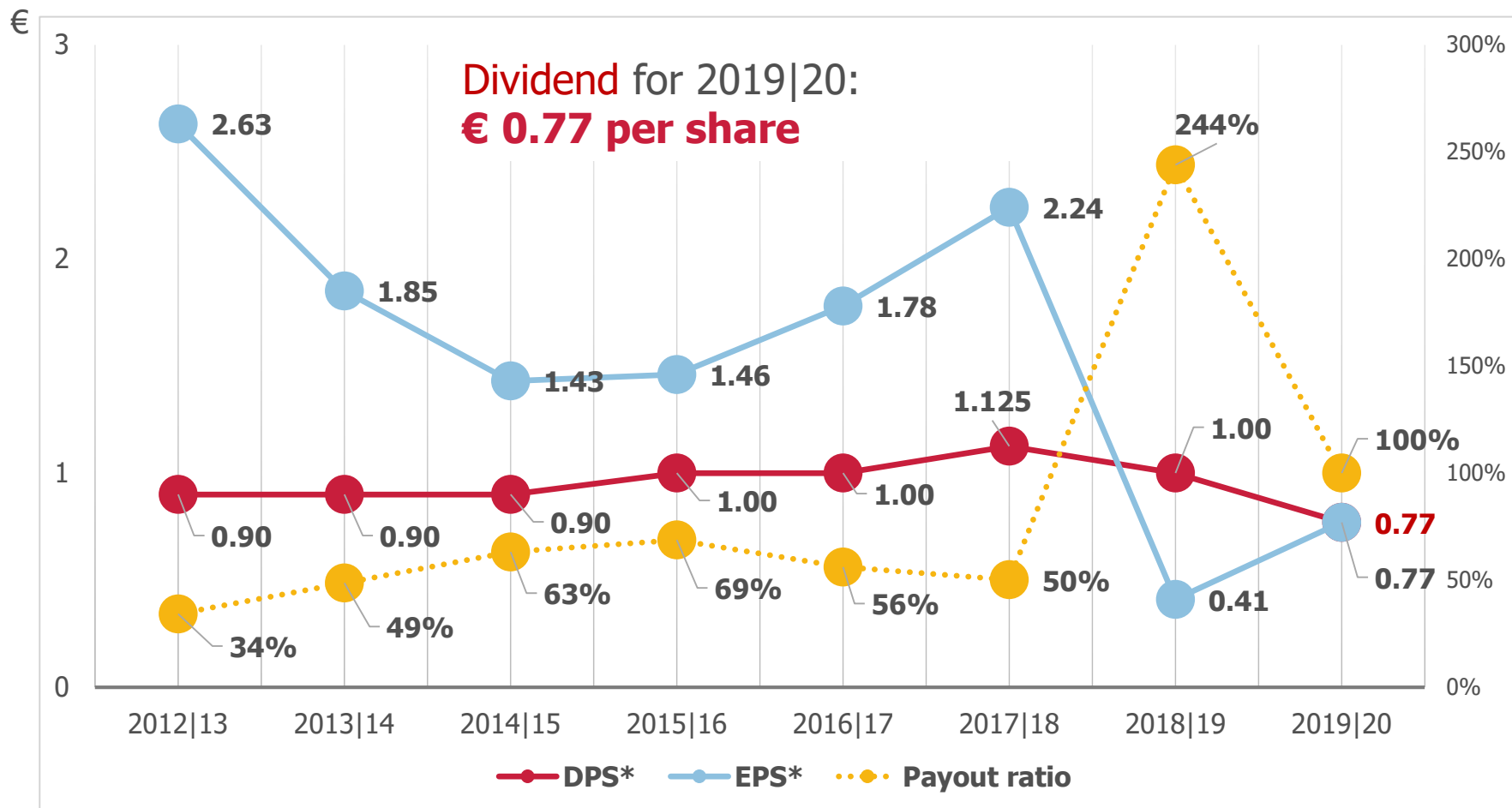


CONSOLIDATED BALANCE SHEET

€m (condensed)	31 May 2020	29 Feb. 2020	Change
Non-current assets	1,314.6	1,331.9	-1.3%
Current assets	1,208.5	1,217.5	-0.7%
Total assets	2,523.1	2,549.4	-1.0%
Equity	1,386.4	1,387.1	-0.1%
Non-current liabilities	559.8	565.3	-1.0%
Current liabilities	576.9	597.0	-3.4%
Total equity and liabilities	2,523.1	2,549.4	-1.0%
Equity ratio	54.9%	54.4%	+0,5pp
Net debt	485.8	464.0	+4.7%
Gearing	35.0%	33.5%	+1.5pp



DIVIDEND AND EARNINGS PER SHARE



Dividend yield (based on the closing share price at the last balance sheet date): **4.4%**

*EPS and DPS adjusted; after the four-for-one stock split performed in July 2018, all EPS and DPS values are based on the number of shares outstanding at 29 February 2020, which was 62,488,976.



2020|21
OUTLOOK





- On the basis of the **forecasts prepared before the incidence of COVID-19**, the AGRANA Group anticipated a significant increase in consolidated EBIT for the full year 2020|21.
- This guidance remains **subject to** the currently still **unquantifiable commercial and financial impacts**, as well as the duration of the COVID-19 pandemic.

EBIT 2020 | 21



Revenue 2020 | 21



- This “forecast before COVID-19” for all segments based on the budget originally planned for 2020|21 is supplemented by a **COVID-19 risk assessment**.

The business development of the AGRANA Group in the first quarter was consistently satisfactory and on budget. The still rapid evolution of the impacts from the COVID-19 pandemic currently prevents any specific determination of parameters and thus presently does not allow a realistically quantified “**post-COVID-19**” forecast to be made for 2020|21.



OUTLOOK 2020|21

FRUIT SEGMENT

FRUIT forecast BEFORE COVID-19

		2019 20 Actual	2020 21 Forecast before COVID-19	
Revenue	€m	1,185.4	Moderate increase	↑
EBIT	€m	55.9	Significant increase	↑↑
Investment	€m	56.5	38	

- Before COVID-19 effects growth in revenue and EBIT
- **Fruit preparations** business was projecting revenue growth, full utilisation of the capacity created -> further diversification in the non-dairy business; higher margins and smaller cost increases than in 2019|20, should raise EBIT significantly
- In the **fruit juice concentrate** business, revenue was projected to rise significantly in 2020|21 and this should bring a solid earnings situation

COVID-19 risk assessment

Especially in the Fruit segment with its global production operations (42 sites in 22 countries), the forecast is fraught with high uncertainty, e.g. regarding the short and medium term demand situation in many regions of the world.



OUTLOOK 2020|21

STARCH SEGMENT

STARCH forecast BEFORE COVID-19

		2019 20 Actual	2020 21 Forecast before COVID-19	
Revenue	€m	807.0	Slight increase	↗
EBIT	€m	75.2	Significant reduction	↓↓
Investment	€m	73.6	22	

- Before COVID-19 effects a slight increase in revenue was planned; for native starches and wheat gluten sales prices were expected to come under pressure by AGRANAs and competitors' increased supply volumes; no major recovery in prices was expected for starch-based saccharification products, due to the persistently challenging sugar market environment
- The overall trend in the Starch segment will again be shaped by high ethanol price volatility
- EBIT was therefore projected to decrease due to foreseeable margin reductions resulting from lower sales prices

COVID-19 risk assessment

Bioethanol is a major product in the Starch segment. Restrictions on mobility have a negative impact on the European ethanol markets. The easing of COVID-19 restrictions should lead to an increase in fuel demand in general and the demand for renewable, CO₂-reducing energy in particular, again.



OUTLOOK 2020|21

SUGAR SEGMENT

SUGAR forecast BEFORE COVID-19

		2019 20 Actual	2020 21 Forecast before COVID-19	
Revenue	€m	488.3	Significant increase	↑↑
EBIT	€m	(44.0)	Significant improvement	↑↑
Investment	€m	19.6	20	

- Before COVID-19 effects it was anticipated a continuous improvement of sugar prices in the EU
- On the distribution side, AGRANAs sugar sales volumes and sugar prices in the EU were expected to rise
- This positive EU sugar market environment combined with rigorous cost management implied a significantly improved EBIT result

COVID-19 risk assessment

The sales volume and revenue development in the Sugar segment was positive in the first quarter, but triggered by panic purchases of many consumers at the beginning of the COVID-19 pandemic. It is questionable how the demand situation, especially in the beverage industry, will develop over the next few months.



2020|21

FINANCIAL CALENDAR

10 July 2020

Dividend payment date

8 October 2020

Results for first half of 2020|21

14 January 2021

Results for first three quarters of 2020|21



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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%