Sustainable management

Interim statement for the
first three quarters of 2019|20

First three quarters of 2019|20 at a glance

- Revenue: € 1,879.4 million (+0.9%; Q1-Q3 prior year: € 1,863.5 million)
- EBIT: € 69.8 million (+9.9%; Q1-Q3 prior year: € 63.5 million)
- EBIT margin: 3.7% (Q1-Q3 prior year: 3.4%)
- Profit for the period: € 43.1 million (+16.5%; Q1-Q3 prior year: € 37.0 million)
- Equity ratio: 53.4% (28 February 2019: 59.0%)
- Gearing ratio[1]: 35.1% (28 February 2019: 22.9%)
- Number of employees (FTE)[2]: 9,543 (Q1-Q3 prior year: 9,471)

[1] Debt-equity ratio (ratio of net debt to total equity).
[2] Average number of full-time equivalents in the reporting period.

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Letter from the CEO

Dear Investor,

Nine months into the 2019|20 financial year, with operating profit (EBIT) of € 69.8 million, we have surpassed the twelve-month result of the prior year, and we thus reaffirm our forecast of a significant improvement in EBIT for the full year.

Challenges continue to exist in the Sugar and Fruit segments. In the fruit preparations business, we are lagging behind the original expectations despite higher volume sales. While the sugar price situation, especially in the spot markets in Eastern Europe, has improved significantly, considerable idle-capacity costs continue to weigh on results in the 2019 campaign as well, as the dry weather in late summer and early autumn led to lower beet crop volumes and hence a reduction in available sugar beet. These weather conditions also translated into smaller apple harvests, so that our fruit juice concentrate manufacturing sites in Poland and Hungary are likewise confronted with utilisation issues. On the other hand, reduced harvest volumes throughout Europe also mean firmer prices for apple juice concentrate. We have countered the utilisation problem in the Sugar segment with a three-year beet price offer, which, in combination with our other measures such as crop protection support, is designed to enhance the attractiveness of beet cultivation for farmers.

In recent months the Starch segment benefited from the high bioethanol prices and, with its EBIT growth, ensured the net positive earnings trend for the Group relative to the prior year.

On the investment side, the construction of the betaine crystallisation plant in Tulln, Austria, is proceeding apace and the facility will increase value added in the Sugar segment from the second quarter of 2020|21. The € 100 million second wheat starch plant in Pischelsdorf, Austria, was completed on schedule; the plant successfully began operation at the end of November 2019 and will already contribute significant product quantities to the Starch segment's sales volumes in the fourth quarter of 2019|20.

Thanks to our diversified business model, we are thus able to reiterate the guidance of a significant year-on-year improvement in the Group's EBIT for the full year 2019|20.

Sincerely

Johann Marihart
Chief Executive Officer

Group report

AGRANA Group results for the first three quarters of 2019|20

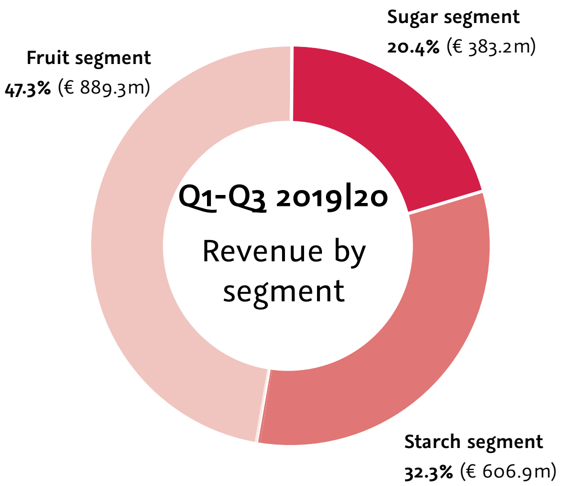
Revenue and earnings

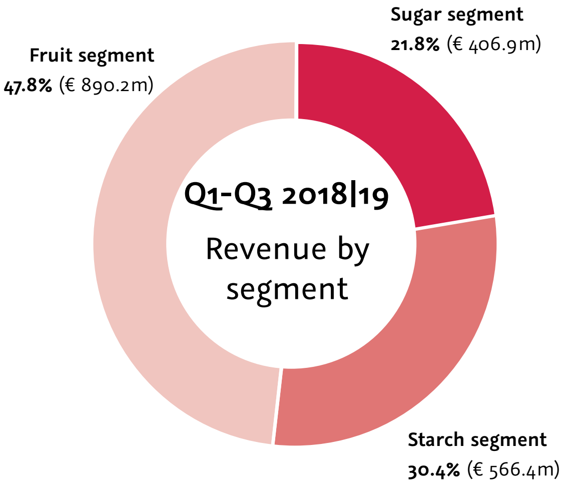
Consolidated income statement (condensed) €m, except as otherwise indicated	Q1-Q3 2019|20	Q1-Q3 2018|19
Revenue	1,879.4	1,863.5
EBITDA[1]	139.5	124.1
Operating profit before exceptional items and results of equity-accounted joint ventures	58.3	54.6
Share of results of equity-accounted joint ventures	11.9	10.5
Exceptional items	(0.4)	(1.6)
Operating profit [EBIT]	**69.8**	**63.5**
EBIT margin	**3.7%**	**3.4%**
Net financial items	(11.6)	(11.9)
Profit before tax	58.2	51.6
Income tax expense	(15.1)	(14.6)
Profit for the period	43.1	37.0
Attributable to shareholders of parent	40.1	33.1
Earnings per share (€)	0.64	0.53

Consolidated income statement (condensed) €m, except as otherwise indicated	Q3 2019|20	Q3 2018|19
Revenue	629.4	601.9
EBITDA[1]	48.7	27.8
Operating profit before exceptional items and results of equity-accounted joint ventures	14.3	(1.9)
Share of results of equity-accounted joint ventures	4.2	3.9
Exceptional items	(0.4)	(0.8)
Operating profit [EBIT]	**18.1**	**1.2**
EBIT margin	**2.9%**	**0.2%**
Net financial items	(3.7)	(1.5)
Profit before tax	14.4	(0.3)
Income tax expense	(0.2)	(2.4)
Profit for the period	14.2	(2.7)
Attributable to shareholders of parent	13.1	(3.5)
Earnings per share (€)	0.21	(0,06)

In the first three quarters of 2019|20 (the nine months ended 30 November 2019), **revenue** of the AGRANA Group was € 1,879.4 million, in line with the prior-year comparative period. Revenue was stable in the Fruit segment, eased in the Sugar segment (by 5.8%) and grew in the Starch segment (by 7.2%).

Operating profit (EBIT) was € 69.8 million in the first three quarters of 2019|20, an increase of 9.9% from the year-ago comparative period. In the Fruit segment, EBIT decreased to € 45.9 million, a reduction of 26.0% driven primarily by a decrease in the fruit preparations business. In the Sugar segment, higher sugar sales prices than in the prior year led to a moderate EBIT improvement, although in absolute terms, EBIT remained strongly negative at a deficit of € 33.4 million. The Starch segment expanded its EBIT substantially by 55.3% to € 57.3 million. The Group's **net financial items** amounted to a net finance





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

expense of € 11.6 million (versus a net expense of € 11.9 million in the year-earlier period), with the slight positive change resulting from an improvement in currency translation differences. After an income tax expense of € 15.1 million, corresponding to a tax rate of 25.9% (Q1-Q3 prior year: 28.3%), **profit for the period** was € 43.1 million (Q1-Q3 prior year: € 37.0 million). **Earnings per share** attributable to AGRANA shareholders increased to € 0.64 (Q1-Q3 prior year: € 0.53).

Investment[1]

In the first nine months of 2019|20, AGRANA invested € 98.6 million, or € 19.5 million less than in the year-ago comparative period. Capital expenditure by segment was as follows:

Investment €m, except %	Q1-Q3 2019|20	Q1-Q3 2018|19	Change
Fruit segment	31.9	33.3	-4.2%
Starch segment	53.4	62.8	-15.0%
Sugar segment	13.3	22.0	-39.5%
Group	**98.6**	**118.1**	**-16.5%**

Fruit segment

- The second production line has begun operation at the new plant in China
- New lab for new-product development in France

Starch segment

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

Sugar segment

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

Additionally in Q1-Q3 2019|20, € 28.5 million (Q1-Q3 prior year: € 12.7 million) was invested in the equity-accounted joint ventures (the HUNGRANA and STUDEN groups and Beta Pura GmbH; values for these entities are stated at 100% of the respective total).

Cashflow

Consolidated cash flow statement (condensed)

€m, except %	Q1-Q3 2019|20	Q1-Q3 2018|19	Change
Operating cash flow before changes in working capital	132.5	141.5	-6.4%
Changes in working capital	(85.6)	1.9	>-100%
Interest received and paid and income tax paid, net	(15.8)	(24.0)	34.2%
Net cash from operating activities	**31.1**	**119.4**	**-74.0%**
Net cash (used in) investing activities	(100.8)	(118.7)	15.1%
Net cash from/(used in) financing activities	55.8	(36.2)	>100%
Net (decrease) in cash and cash equivalents	**(13.9)**	**(35.5)**	**60.8%**
Effects of movements in foreign exchange rates on cash and cash equivalents	0.1	(1.5)	>100%
Cash and cash equivalents at beginning of period	82.6	121.0	-31.7%
Cash and cash equivalents at end of period	**68.8**	**84.0**	**-18.1%**

[1] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

Operating cash flow before changes in working capital was € 132.5 million in the first three quarters of 2019|20, somewhat less than in the same period one year earlier despite an improvement in profit for the period (also see table on page 5). With an increase of € 85.6 million in working capital (Q1-Q3 prior year: reduction of € 1.9 million), net cash from operating activities in the first nine months of 2019|20 decreased to € 31.1 million (Q1-Q3 prior year: € 119.4 million). Net cash used in investing activities was € 100.8 million, reflecting lower payments for purchases of property, plant and equipment and intangibles (Q1-Q3 prior year: net cash use of € 118.7 million). In the first three quarters of 2019|20, an overall increase in borrowings (on a net basis across the current and non-current portions) and a lower dividend payment led to net cash from financing activities of € 55.8 million (Q1-Q3 prior year: net cash use of € 36.2 million).

Financial position

Consolidated balance sheet (condensed)

€m, except % and pp	30 November 2019	28 February 2019	Change
Assets			
Non-current assets	**1,314.5**	**1,252.1**	**5.0%**
Of which intangible assets	273.9	276.7	-1.0%
Of which property, plant and equipment	908.0	864.2	5.1%
Current assets	**1,271.6**	**1,137.3**	**11.8%**
Of which inventories	740.1	619.1	19.5%
Of which trade receivables and other assets	458.2	429.5	6.7%
Of which cash and cash equivalents	68.8	82.6	-16.7%
Total Assets	**2,586.1**	**2,389.4**	**8.2%**
Equity and liabilities			
Equity	**1,381.1**	**1,409.9**	**-2.0%**
Equity attributable to shareholders of the parent	1,317.4	1,348.7	-2.3%
Non-controlling interests	63.7	61.2	4.1%
Non-current liabilities	**561.5**	**393.1**	**42.8%**
Of which borrowings	450.1	279.0	61.3%
Current liabilities	**643.5**	**586.4**	**9.7%**
Of which borrowings	122.4	144.6	-15.4%
Of which trade and other payables	487.1	403.6	20.7%
Total equity and liabilities	**2,586.1**	**2,389.4**	**8.2%**
Net debt	**484.6**	**322.2**	**50.4%**
Gearing ratio[1]	**35.1%**	**22.9%**	**12.2pp**
Equity ratio	**53.4%**	**59.0%**	**-5.6pp**

[1] Debt-equity ratio (ratio of net debt to total equity).

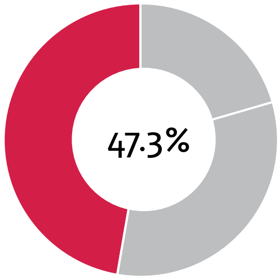
Total assets as of 30 November 2019 were up moderately from the 2018|19 year-end balance sheet date, at € 2.59 billion (28 February 2019: € 2.39 billion), with an equity ratio of 53.4% (28 February 2019: 59.0%).

The value of non-current assets increased, due mainly to the initial application of IFRS 16, Leases, and also reflecting a level of investment that exceeded depreciation. Current assets grew as a result of an increase in inventories and in trade receivables and other assets. On the other side of the balance sheet, non-current liabilities rose significantly, due primarily to an increase in long-term borrowings. Current liabilities also went up, which was attributable above all to a rise in trade and other payables.

Net debt as of 30 November 2019 stood at € 484.6 million, up € 162.4 million from the 2019|20 year-end level of 28 February 2019. The gearing ratio rose accordingly to 35.1% as of the interim balance sheet date (28 February 2019: 22.9%).

Fruit segment

Share of Group revenue



Financial results

FRUIT SEGMENT €m, except %	Q1-Q3 2019|20	Q1-Q3 2018|19
Revenue	889.3	890.2
EBITDA[1]	77.5	89.7
Operating profit before exceptional items and results of equity-accounted joint ventures	45.9	62.0
Operating profit [EBIT]	**45.9**	**62.0**
EBIT margin	**5.2%**	**7.0%**

FRUIT SEGMENT €m, except %	Q3 2019|20	Q3 2018|19
Revenue	293.7	278.0
EBITDA[1]	22.2	27.0
Operating profit before exceptional items and results of equity-accounted joint ventures	9.8	15.9
Operating profit [EBIT]	**9.8**	**15.9**
EBIT margin	**3.3%**	**5.7%**

Fruit segment revenue in the first three quarters of 2019|20 was € 889.3 million, in line with the year-earlier level. Revenue in fruit preparations rose marginally, with a small increase in sales volume. In the fruit juice concentrate activities, revenue was down from a year ago due to raw material prices, while volume was up significantly.

Fruit segment EBIT in the first nine months was € 45.9 million, off 26.0% from one year earlier. The causes of the deterioration lay mainly in the fruit preparations business. Here, one-time impacts relating to raw materials in

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

Mexico (strawberry and mango), combined with low sales prices for apples in Ukraine, smaller margins in Europe as well as exceptional staff cost effects, were the primary drivers of the reduction in operating profit. At the same time, sales volume growth in the first nine months was below expectations and general cost increases thus could not be fully offset by higher sales volumes. EBIT in the fruit juice concentrate business was held at a solid level thanks to the high delivery volumes from the 2018 harvest and good contribution margins, although it eased year-on-year as a result of idle-capacity costs attributable to the smaller 2019 apple harvest.

Market environment

The global market for yoghurt is forecast to see volume growth of more than 4% in 2020 (compared to 2019), but this growth is driven by the drinkable yoghurt and natural yoghurt categories. Globally in the same year, spoonable fruit yoghurt, the main market of the fruit preparations division, is expected to grow only slightly. AGRANA Fruit's largest market regions, Western Europe and North America, are predicted to see a contraction in the spoonable fruit yoghurt segment. The planned growth in regions such as South America, Middle East, Europe and North America is currently negatively affected by business cycle-driven reversals and political developments.

Besides continual growth in sales quantities in the dairy sector through innovative products, AGRANA Fruit continues to focus on alternative market segments such as ice-creams and dairy alternatives as well as the food services sector. In 2020 the ice-cream sector globally is to grow at a moderate pace, although with high growth rates in some regions. In this segment, AGRANA's collaborations with the global market leaders are to be expanded, along with the food services activities. The market for dairy alternatives in the yoghurt and ice-cream sectors is still a niche in the overall market, but is showing dynamic growth. Particularly in Western Europe and North America, this market is growing significantly more than that for traditional milk products. In a subsegment of this market, fruit preparations of the same kind are used as in dairy products.

The top consumer trends shaping developments in the markets of the fruit preparations business (dairy products, ice-cream, bakery and food services) continue to be naturalness, sustainability, health, pleasure and convenience. Features valued in new products are novel and surprising flavours or textures to offer today's variety-seeking consumer new sensory experiences. In the market, the sustainability and health themes increasingly manifest themselves in the introduction of plant-based products as an alternative to milk-based yoghurts.

In the fruit juice concentrate business, continuing good demand for apple juice concentrate is projected for spring 2020, leading to the expectation of stable prices. Most of the available apple juice concentrate from the 2019 crop has already been contractually placed with customers.

The contractual placement of berry juice concentrates from the 2018 crop is complete.

Raw materials and production

In the first three quarters of 2019|20, AGRANA purchased about 307,000 tonnes of raw materials for the fruit preparations activities.

Raw material purchasing of berries and stone fruits was largely concluded by the end of the third quarter of 2019|20.

For strawberry as the most important fruit by volume, the planned supply quantities from the 2019 crop were contracted in the principal sourcing markets of Morocco, Egypt, Spain and Mexico. Moderate price increases (of about 5%) occurred in the Mediterranean regions, while prices rose significantly more in Mexico (with increases of up to 30%) as a result of below-average crop yields. Varieties from Poland, the Ukraine and China are used mainly for regional products and in organics, due to overall higher purchasing prices in these countries.

Amid sustained strong demand for frozen fruit, especially in Europe and the USA, it is expected that crop production areas will be slightly expanded and that raw material prices in Egypt and Morocco will pick up.

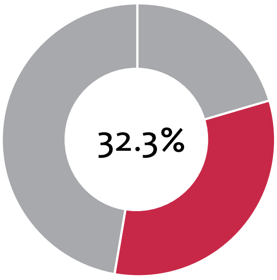
Lower-than-average crop yields for raspberry and cherry as a result of unfavourable weather conditions in the European key crop production areas led to significant price gains for these fruits of up to 60% compared to the previous year.

Berry juice concentrate production in 2019 was marked by reduced availability of the principal fruits, and thus by significantly higher berry juice concentrate prices than in the prior year.

For apple, the most important fruit in the juice concentrate business, availability in the major crop regions was well below that in the year before. In China and Austria, the supply was satisfactory.

Starch segment

Share of Group revenue



Financial results

STARCH SEGMENT €m, except %	Q1-Q3 2019|20	Q1-Q3 2018|19
Revenue	606.9	566.4
EBITDA[1]	72.0	46.5
Operating profit before exceptional items and results of equity-accounted joint ventures	46.1	23.5
Share of results of equity-accounted joint ventures	11.2	13.4
Operating profit [EBIT]	**57.3**	**36.9**
EBIT margin	**9.4%**	**6.5%**

STARCH SEGMENT €m, except %	Q3 2019|20	Q3 2018|19
Revenue	199.1	194.4
EBITDA[1]	27.7	19.9
Operating profit before exceptional items and results of equity-accounted joint ventures	19.0	12.3
Share of results of equity-accounted joint ventures	4.0	4.3
Operating profit [EBIT]	**23.0**	**16.6**
EBIT margin	**11.6%**	**8.5%**

Revenue in the first three quarters of 2019|20 was € 606.9 million, representing growth of 7.2% from one year earlier. The key reason was a considerable increase in ethanol revenue due to markedly stronger Platts quotations. In saccharification products, with declining prices, revenue was raised slightly through greater volumes. Native and modified starches saw revenue growth, thanks largely to volume increases. Revenue from animal feedstuffs was stable.

With EBIT of € 57.3 million, the Starch segment surpassed the comparative year-earlier result by 55.3%. The very significant earnings growth stemmed primarily from the sharp rise in the market price of ethanol and from volume gains in all other product segments. On the cost side, the good 2019 grain crop had a positive impact on earnings, especially through the use of higher-than-average quantities of wet corn. The earnings contribution of the equity-accounted HUNGRANA group eased from € 13.4 million to € 11.2 million, since the Hungarian site, as the largest European manufacturer of isoglucose, is particularly strongly exposed to the year-on-year price decline for saccharification products, while better margins on bioethanol were not able to make up for the reduction in isoglucose earnings. On balance, the EBIT profit margin of the Starch segment in the financial first three quarters increased to 9.4%, from 6.5% in the comparative prior-year period.

Market environment

The markets for the various starch products presented a mixed picture in the reporting period.

Saccharification products were marked by continuing high pressure on prices and margins. Particularly in Central and Eastern Europe, as a result of new installed capacity, supply significantly exceeded demand.

The demand situation for native and modified starches was stable, especially in the food industry. The collaboration with companies in the growing paper and corrugated board industry was intensified in connection with the expansion of the wheat starch plant in Pischelsdorf, Austria.

The bioethanol business made a very positive contribution to overall EBIT of the Starch segment in the first nine months of 2019|20, buoyed by sustained high Platts quotations. The quotes were supported by tighter supply and rising demand notably in Northern and Central Europe. Through the increase in the required ethanol content of fuel blends in some EU countries (such as Hungary, Estonia, Slovakia and the Netherlands), additional impetus for demand can be expected in the coming financial year.

For wheat gluten, based on the current and expected volumes available in the market, a significant price reduction is likely compared to the current contract prices. The prices for medium-protein feeds are projected to be broadly stable depending on the future grain and soy quotations.

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

Raw materials and production

World grain production in the 2019|20 grain marketing year (July to June) is estimated by the International Grains Council in its forecast of 21 November 2019 at 2.16 billion tonnes, which is about 19 million tonnes more than in the prior year and falls short of expected consumption by around 26 million tonnes. Wheat production is forecast at 762 million tonnes (prior year: 733 million tonnes; estimated 2019|20 consumption: 756 million tonnes) and the predicted output of corn (maize) is 1,103 million tonnes (prior year: 1,131 million tonnes; estimated 2019|20 consumption: 1,142 million tonnes). Total ending grain stocks are to decline by approximately 26 million tonnes to a new balance of 594 million tonnes.

Grain production in the EU-28 is estimated by Stratégie Grains in its forecast of 14 November 2019 at about 309 million tonnes (prior year: 280 million tonnes). Of this total, the soft wheat harvest is to account for about 146 million tonnes, significantly more than the 2018 crop of 127 million tonnes. The 2019 corn harvest in the EU is expected to reach 64 million tonnes (prior year: 62 million tonnes).

The quotations on the NYSE Euronext Liffe commodity derivatives exchange in Paris moved sideways for corn since the beginning of September 2019 while rising slightly for wheat; on 29 November 2019, they were around € 166 per tonne for corn (year earlier: € 173) and € 186 per tonne for wheat (year earlier: € 201).

Potatoes

On 23 August the potato starch factory in Gmünd, Austria, began the processing of the 2019 crop of starch potatoes. As a result of unfavourable weather – drought in June and above-average temperatures in July and August – growers' fulfilment of the contracted amount of starch potatoes is expected to reach 85%. The average starch content is estimated to be about 18.0%, or slightly below last year's level of 18.5%.

Corn and wheat

The receiving of freshly harvested wet corn at the corn starch plant in Aschach, Austria, began at the end of August 2019 and wet corn processing was completed in early December with a processing volume of about 130,000 tonnes (prior year: 117,000 tonnes). For the full financial year, total processing volume at this facility is expected to reach about 471,000 tonnes (prior year: 468,000 tonnes).

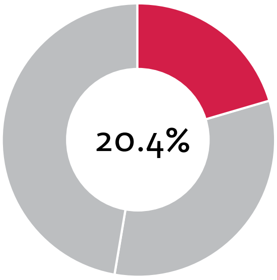
At the plant in Pischelsdorf, Austria, approximately 105,000 tonnes of wet corn was processed from the end of August to early December 2019 (prior year: 106,000 tonnes). For this financial year as a whole, total grain processing volume (of wheat, organic wheat, corn and triticale) at the facility is expected to reach about 881,000 tonnes (prior year: 839,000 tonnes).

The raw material supply for the Austrian manufacturing plants for the 2019|20 financial year is almost fully secured. Raw material prices in the first three quarters of the financial year were at or slightly below the expected levels.

The wet-corn campaign at the equity-accounted plant in Hungary (HUNGRANA) ran from the end of August to early December 2019. Wet corn processing volume at this facility was approximately 240,000 tonnes this year (prior year: 227,000 tonnes). Total corn processing here in the full financial year is expected to reach 1.04 million tonnes (prior year: 1.03 million tonnes).

Sugar segment

Share of Group revenue



Financial results

Sugar segment €m, except %	**Q1-Q3 2019|20**	**Q1-Q3 2018|19**
Revenue	383.2	406.9
EBITDA[1]	(10.0)	(12.1)
Operating loss before exceptional items and results of equity-accounted joint ventures	(33.7)	(30.9)
Share of results of equity-accounted joint ventures	0.7	(2.9)
Exceptional items	(0.4)	(1.6)
Operating loss [EBIT]	**(33.4)**	**(35.4)**
EBIT margin	**(8.7%)**	**(8.7%)**

Sugar segment €m, except %	**Q3 2019|20**	**Q3 2018|19**
Revenue	136.6	129.5
EBITDA[1]	(1.2)	(19.1)
Operating loss before exceptional items and results of equity-accounted joint ventures	(14.5)	(30.2)
Share of results of equity-accounted joint ventures	0.2	(0.3)
Exceptional items	(0.4)	(0.8)
Operating loss [EBIT]	**(14.7)**	**(31.3)**
EBIT margin	**(10.8%)**	**(24.2%)**

The Sugar segment's revenue in the first three quarters of 2019|20, at € 383.2 million, was off 5.8% from the comparative period of the prior year. Lower sugar sales volumes were responsible for this decrease, outweighing the effect of selling prices that were moderately higher than in the year-earlier period.

EBIT in the first nine months of 2019|20 was a deficit of € 33.4 million, a moderate improvement from one year earlier. Although the 2019 campaign, like last year's, is associated with crop-related idle-capacity costs, higher sugar sales prices than in the prior year had a positive effect on EBIT.

Market environment

World sugar market

Since the beginning of the financial year, the world market price for white sugar has fluctuated in low territory. In fact, during the reporting period, in July 2019, white sugar marked a new ten-year low (US$ 294.0 per tonne). As a result of the reduced white sugar premium, raw sugar did not fall below its existing ten-year low of September 2018, which was US$ 218.3 per tonne.

Despite a small deficit in the 2018|19 sugar marketing year (SMY, October 2018 to September 2019), the considerable inventories, notably in India, led to low prices. Against this backdrop, even the significant deficit expected in SMY 2019|20 is seen as providing only moderate support for prices. Especially the ability of mills in Brazil, where ethanol production is currently high, to switch easily between ethanol and sugar production places the likely deficit in perspective. For SMY 2019|20 as well, the inventory issue in India is not yet resolved. The present market situation is also influenced by the behaviour of institutional investors, which regularly accumulated large short positions during the reporting period and thus bet on continuing low prices.

Current political tensions are causing oil price volatility, which in turn affects sugar prices. Further uncertainty was caused by the dynamics in the foreign exchange market.

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

In its estimate of 18 October 2019 of the world sugar balance for the end of SMY 2019|20, the analytics firm F.O. Licht has projected a significant production deficit for the year. The forecast calls for production of 180.7 million tonnes (SMY 2018|19: 184.4 million tonnes) and growth in consumption to 186.1 million tonnes (SMY 2018|19: 184.2 million tonnes), implying a decrease in global sugar stocks to 71.7 million tonnes (SMY 2018|19: 78.2 million tonnes) and a deficit of 6.5 million tonnes.

At the end of the financial reporting period, white sugar quoted at US$ 344.9 (€ 314.1) per tonne and raw sugar at US$ 285.3 (€ 259.8).

EU sugar market

In SMY 2018|19, sugar production in the EU was about 17.6 million tonnes, a decrease of around 17% from the year before (21.3 million tonnes). As a result of the once again very dry weather in summer 2019, the European Commission's August 2019 forecast for SMY 2019|20 as well called for production of only 17.5 million tonnes of sugar.

Since the abolition of the sugar quotas at the end of September 2017, the average sugar prices as per the EU price reporting system have declined significantly and continually. By January 2019 the sugar price was only € 312 per tonne. In the first half of 2019 the average price rose again slightly; for October 2019 an average price of € 332 per tonne was reported, and a further increase is predicted for the coming months, in part because the 2019 European beet harvest is expected merely to match that of the drought year 2018.

In SMY 2018|19, as a result of the reduced production, export volumes fell and imports rose. The first months of the new SMY 2019|20 confirm that this trend is continuing for now. The European sugar market will thus remain a net import market in SMY 2019|20 as well.

AGRANA Sales & Marketing GmbH

Since 1 October 2019, all sales and marketing activities of the Sugar segment are combined in a new distribution company, AGRANA Sales & Marketing GmbH. This centralisation of all sales and administrative functions is designed to help better meet the challenges in the sugar market.

Raw materials and production

In the 2019 crop year, the sugar beet production acreage contracted by AGRANA with beet growers was approximately 82,100 hectares, or about 1,000 hectares less than in the prior year.

From the end of April to the end of May 2019, enough precipitation was recorded in the entire production area in all regions. This improved the until then dry weather situation, and rapid juvenile development led to an early or average timing of row closure in most beet fields. The months of June to August 2019 presented very different faces in the different beet production regions. Austria recorded one of the hottest summers in measurement history, although thunderstorms occurring with a very uneven regional distribution brought some rain in many parts of the country, providing at least partial relief. In the Czech Republic as well, conditions were very dry for some time, notably in the beet production area serving the northern factory in Opava. Precipitation in Slovakia, Hungary and Romania was sufficient until the middle of August 2019. September and nearly all of October were relatively dry again, almost entirely preventing the forecast beet growth from the beginning of September.

The harvest in Slovakia and Romania began early, at the start of September 2019. In the Czech Republic and Hungary it commenced in the last week of September. As a result of the reduction in crop area caused by beet weevil damage (a decrease of 10% relative to the planned area), beet lifting in Austria did not start until the beginning of October. On the currently about 76,200 hectares under beet (including approximately 1,900 hectares of organic beet), this year's relatively unfavourable overall weather and growing conditions have led to beet yields ranging from below average (in the Czech Republic, Slovakia and Hungary) to average (in Austria and Romania). As a consequence of the dry weather and of the high incidence of Cercospora leaf spot disease in early autumn, sugar yields are below average. The total beet crop is about 4.7 million tonnes (including about 90,000 tonnes of organic beet).

At the three raw sugar refineries in Kaposvár in Hungary, Buzău in Romania and Brčko in Bosnia and Herzegovina, about 207,500 tonnes of white sugar were produced in the first three quarters of 2019|20 from around 208,000 tonnes of raw cane sugar.

Management of risks and opportunities

AGRANA uses an integrated system for the early identification and monitoring of risks that are relevant to the Group.

There are currently no known risks to the AGRANA Group's ability to continue in operational existence and no future risks of this nature are discernible at present.

A detailed description of the Group's business risks is provided on pages 88 to 93 of the annual report 2018|19.

Number of employees

Full-time equivalents	Q1-Q3 2019|20	Q1-Q3 2018|19	Change
Fruit segment	6,406	6,397	0.1%
Starch segment	1,082	1,022	5.9%
Sugar segment	2,055	2,052	0.1%
Group	**9,543**	**9,471**	**0.8%**

In the first three quarters of 2019|20 the AGRANA Group had an average of 9,543 employees, expressed in full-time equivalents (Q1-Q3 prior year: 9,471). The increase in personnel resulted mainly from the expansion of the starch production site in Pischelsdorf, Austria.

Significant events after the interim reporting date

No significant events occurred after the quarterly balance sheet date of 30 November 2019 that had a material effect on AGRANA's financial position, results of operations or cash flows.

Outlook

AGRANA Group €m	2018|19 Actual	2019|20 Forecast
Revenue	2,443.0	↗
EBIT	66.6	↑↑
Investment[1]	183.8	140

↗ *Slight increase* [2]
↑↑ *Significant increase*[2]

Despite the current challenges in the Sugar and Fruit segments, the Group's **operating profit (EBIT)** is expected to increase significantly in the 2019|20 financial year. Group **revenue** is projected to show slight growth.

Starch segment €m	2018|19 Actual	2019|20 Forecast
Revenue	762.7	↑
EBIT	51.2	↑↑
Investment[1]	97.0	70

↑ *Moderate increase*[2]
↑↑ *Significant increase*[2]

For the **Starch segment**, a moderate increase in revenue is forecast for the 2019|20 financial year. The markets for starches are expected to be stable, with starch-based saccharification products remaining affected by the trend in European sugar prices. Given the good grain harvest in 2019, a reduction in raw material prices is expected compared to the drought year 2018. On balance, EBIT of the Starch segment is projected to rise significantly from the prior year, thanks primarily to the year-on-year increase in ethanol prices.

Fruit segment €m	2018|19 Actual	2019|20 Forecast
Revenue	1,179.1	→
EBIT	77.3	↓↓
Investment[1]	56.2	50

→ *Steady*[2]
↓↓ *Significant reduction*[2]

In the **Fruit segment**, AGRANA expects the full 2019|20 financial year to bring steady revenue with a significant decrease in EBIT. The fruit preparations division, due to flat sales volumes in all its business areas, expects revenue to move sideways, and its full-year EBIT is projected to decrease significantly from the prior year as a result of the subdued earnings trend in the first half of 2019|20. In the fruit juice concentrate division, revenue for the full 2019|20 financial year is forecast to be stable, while its EBIT will be significantly less than last year due to reduced capacity utilisation that is driven by lower raw material availability.

Sugar segment €m	2018|19 Actual	2019|20 Forecast
Revenue	501.2	↗
EBIT	(61.9)	↑↑
Investment[1]	30.6	20

↗ *Slight increase*[2]
↑↑ *Significant improvement*[2]

For the **Sugar segment**, AGRANA is projecting consistently low revenue in expectation of a continued challenging sugar market environment. The ongoing cost reduction programmes will only be able to counteract the adverse effect on margins to some extent and EBIT is thus predicted to be negative in the 2019|20 financial year. However, in relative terms, as a result of higher sales prices in the 2019|20 sugar marketing year, EBIT is expected to improve significantly in the financial year.

Investment

Total **investment** across the three business segments in the financial year, at approximately € 140 million, is to significantly exceed the budgeted depreciation of about € 110 million.

[1] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[2] For definitions of these quantitative terms as used here in the "Outlook" section, see page 15.

Other information

Financial calendar

7 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
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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FORWARD-LOOKING STATEMENTS

This interim statement contains forward-looking statements, which are based on assumptions and estimates made by the Management Board of AGRANA Beteiligungs-AG. Although these assumptions, plans and projections represent the Management Board's current intentions and best knowledge, a large number of internal and external factors may cause actual future developments and results to differ materially from these assumptions and estimates. Some examples of such factors are, without limitation: negotiations concerning world trade agreements; changes in the overall economic environment, especially in macroeconomic variables such as exchange rates, inflation and interest rates; EU sugar policy; consumer behaviour; and public policy related to food and energy. AGRANA Beteiligungs-AG does not guarantee in any way that the actual future developments and actual future results achieved will match the assumptions and estimates expressed or made in this interim statement, and does not accept any liability in the event that assumptions and estimates prove to be incorrect.

THE QUANTITATIVE STATEMENTS AND DIRECTION ARROWS IN THE "OUTLOOK" SECTION ARE BASED ON THE FOLLOWING DEFINITIONS:

Modifier	Visualisation	Numerical rate of change
Steady	→	0% up to +1%, or 0% up to -1%
Slight(ly)	↗ or ↘	More than +1% and up to +5%, or more than -1% and up to -5%
Moderate(ly)	↑ or ↓	More than +5% and up to +10%, or more than -5% and up to -10%
Significant(ly)	↑↑ or ↓↓	More than +10% and up to +50%, or more than -10% and up to -50%
Very significant(ly)	↑↑↑ or ↓↓↓	More than +50% or more than -50%

This interim statement has not been audited or reviewed. It was prepared by the Management Board of AGRANA Beteiligungs-AG on 27 December 2019.

For financial performance indicators not defined in a footnote, please see the definitions on page 196 of the annual report 2018/19.

In the interest of readability, this document may occasionally use language that is not gender-neutral. Any gender-specific references should be understood to include masculine, feminine and neuter as the context permits.

As a result of the standard round-half-up convention used in rounding individual amounts and percentages, this interim statement may contain minor, immaterial rounding errors.

AGRANA

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