



FRUIT  
STARCH  
SUGAR

The natural upgrade

Corporate presentation 2019  
AGRANA Beteiligungs-AG



# OVERVIEW

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# ABOUT US

## AGRANA FACTS

- We refine agricultural raw materials, turning them into a range of different industrial products to supply local producers as well as large multinational companies active in the food processing industry, in particular
- We also serve the end-consumer market in the Sugar segment with country-specific brands such as „Wiener Zucker“ in Austria



9,200  
employees



58  
production  
sites



2.4 € bn  
revenue



World market leader in the  
production of

**FRUIT**

SUPPLIER PREPARATIONS



Major manufacturer  
of customer-specific

**STARCH**

PRODUCTS



Leading

**SUGAR**

SUPPLIER

In Central, Eastern & South-  
Eastern Europe



## STRATEGIC POSITIONING B2B

# WE ALL CONSUME AGRANA (PRODUCTS)

At the beginning  
there is always  
agriculture...



AGRANA refines  
agricultural raw  
materials...



AGRANA supplies  
the Big Names...



confectionery, beverage,  
fermentation industries,  
food retailers; paper,  
textile, pharmaceutical  
industries; feed industry;  
dairy, ice-cream, bakery  
industries and many more



We all consume  
AGRANA every  
day...





## AGRANA-PRODUCTS IN DAILY LIFE AT A GLANCE

### FRUIT



- fruit preparations in dairy products, ice-cream, in baked goods or as fruit decoration
- fruit juice concentrates in soft drinks and alcoholic beverages

### STARCH



- as food ingredients, e.g. for sauces, potato products etc.
- as child and infant food
- for cosmetic products
- for technical applications, e.g. for paper finishing
- as animal feeds
- for bioethanol

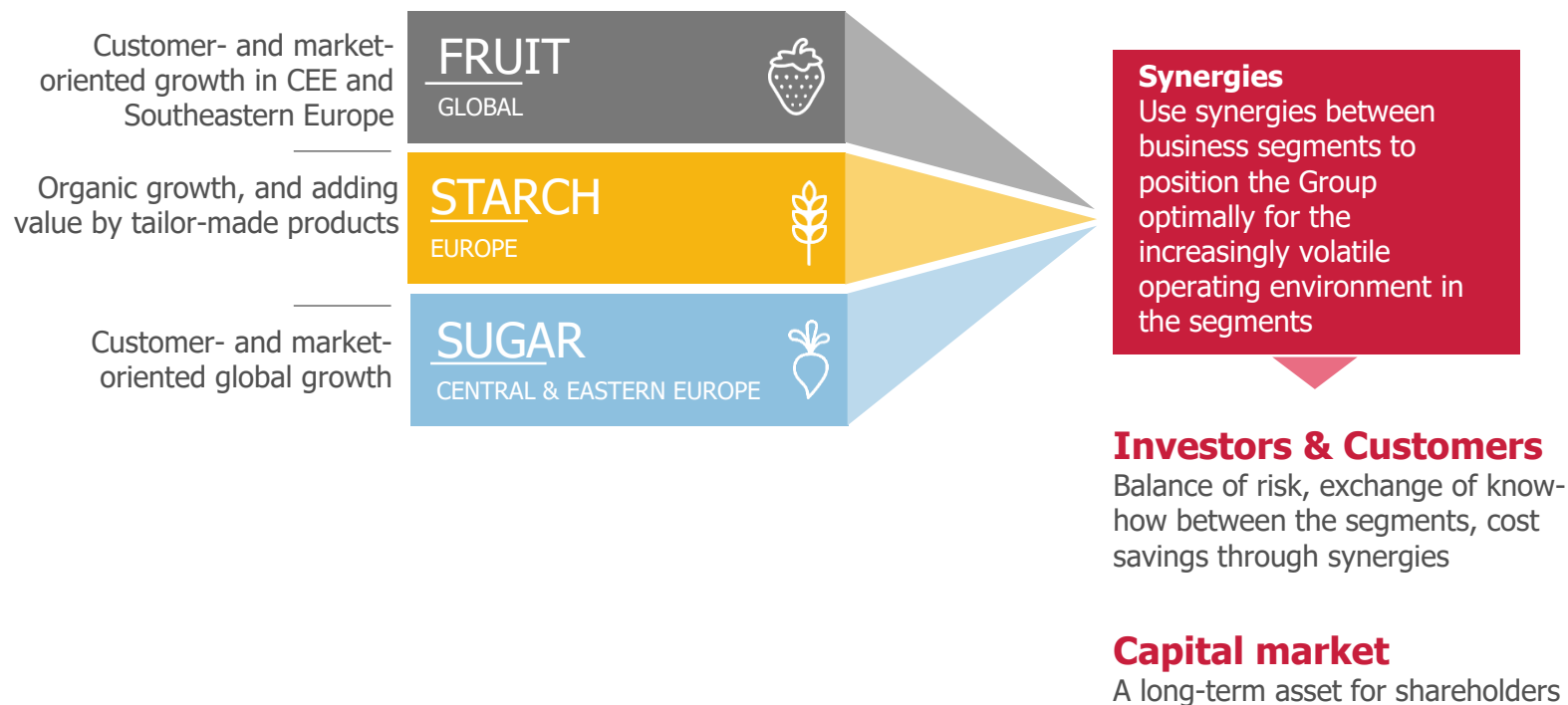
### SUGAR



- for consumers: „Wiener Zucker“ (20%)
- for food producers: e.g. for pastries, confectionery, dairy products, preserves, drinks etc. (80%)



## REFINING OF AGRICULTURAL RAW MATERIALS STRATEGY



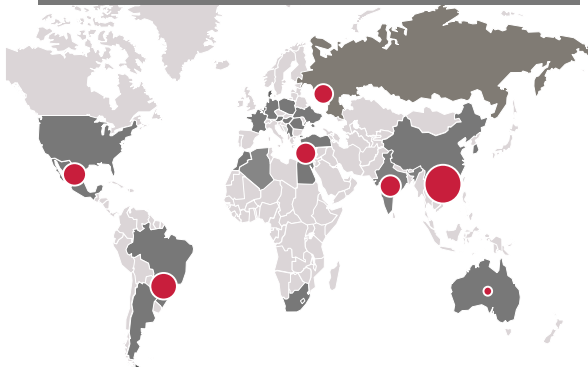


INTERNATIONAL PRODUCTION MEETS INT. CUSTOMERS

# 58 PRODUCTION SITES WORLDWIDE

## FRUIT

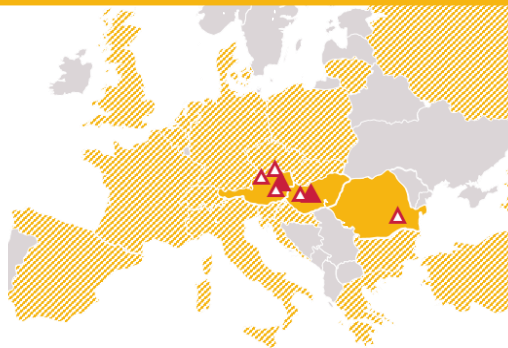
28 fruit preparation plants and  
15 fruit concentrate plants



- Countries with production sites
- Potential Growth Regions

## STARCH

5 starch plants  
(incl. 2 bioethanol plants)



- Countries with production sites
- ▨ Main markets
- ▲ Starch plants
- ▲ Bioethanol plants

## SUGAR

7 sugar beet plants  
2 raw sugar refineries &  
1 Instantina plant



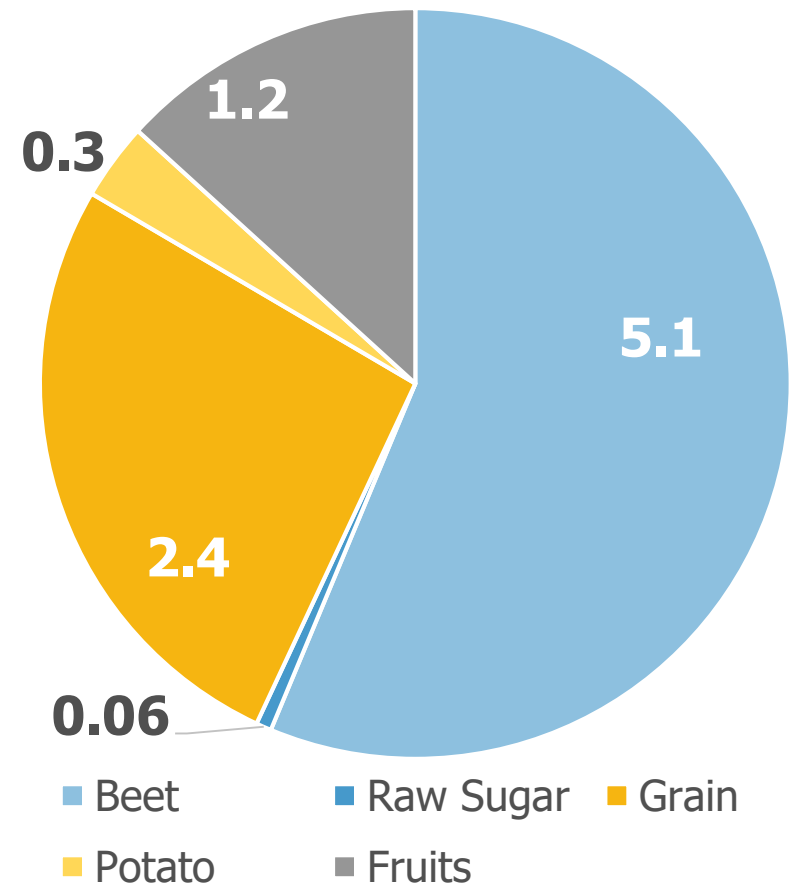
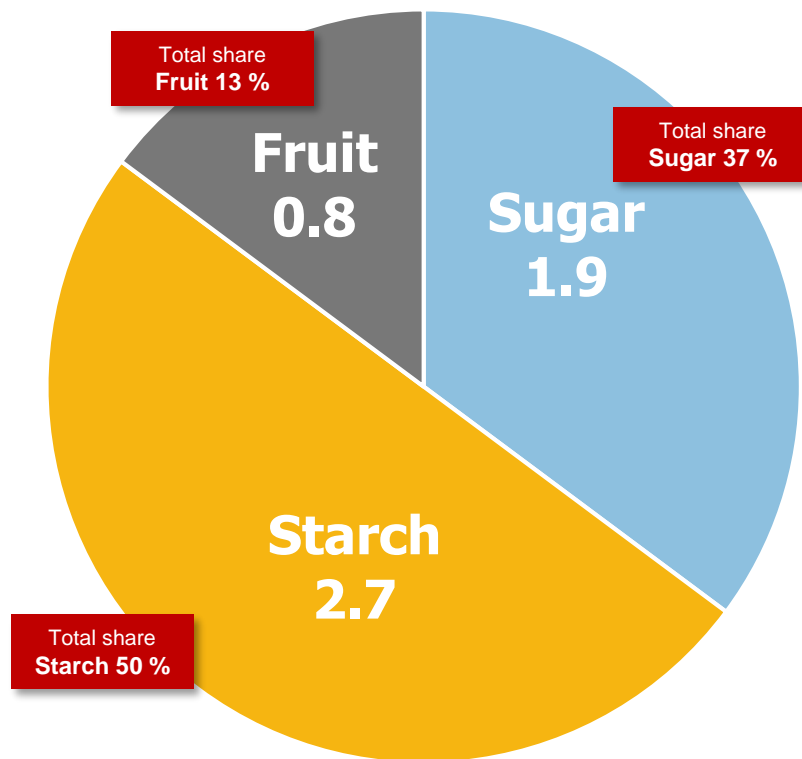
- Countries with plants
- ▨ Other markets
- Beet sugar plants
- Raw sugar refinery
- Distribution centre
- \* Also with refining activities



## QUANTITY OVERVIEW

Sales: 5.4 million tonnes

Raw material processing: 9 million tonnes



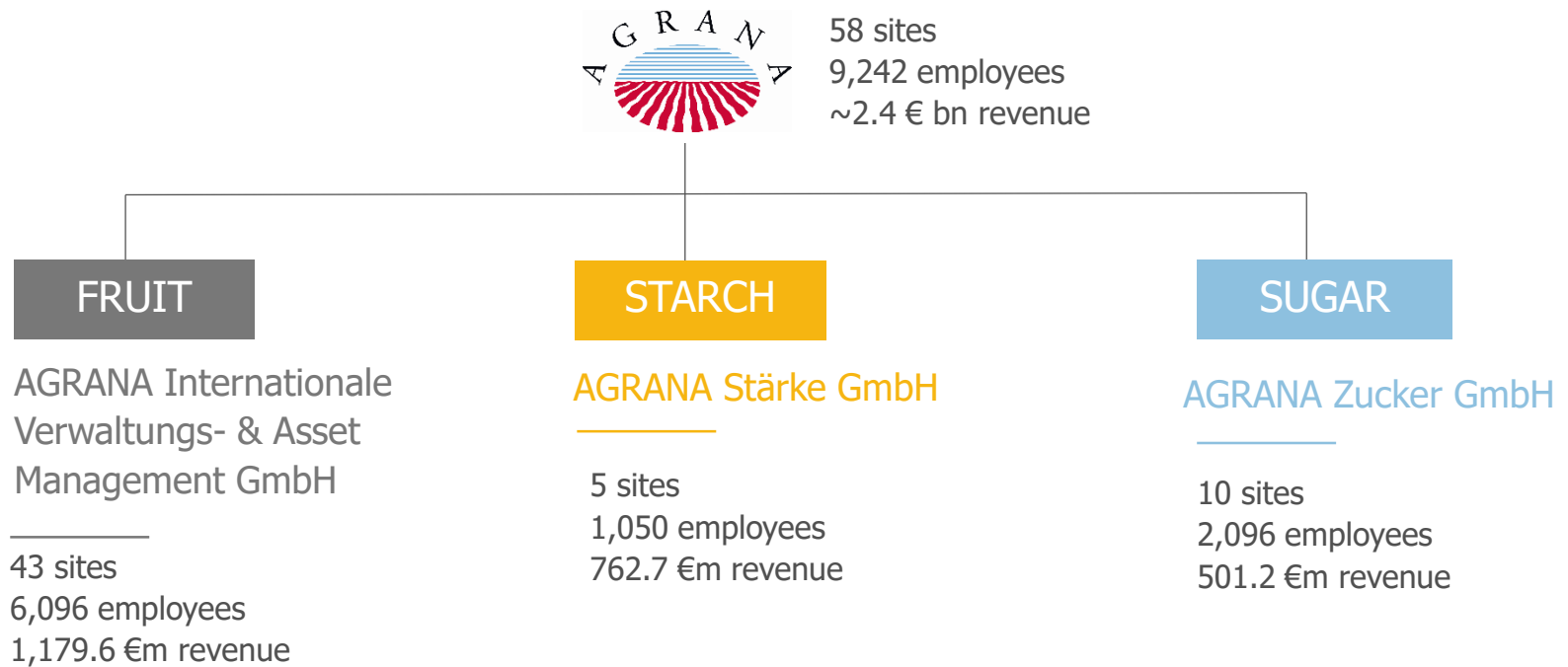
in million tonnes





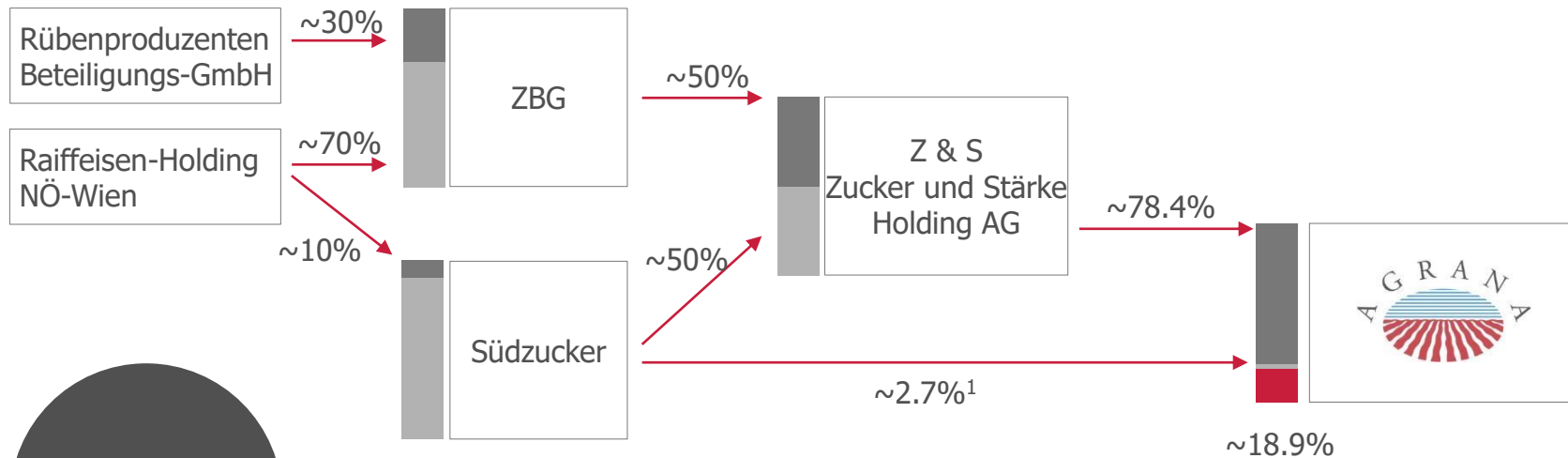
# GROUP STRUCTURE

AGRANA Beteiligungs-AG





# OWNERSHIP STRUCTURE

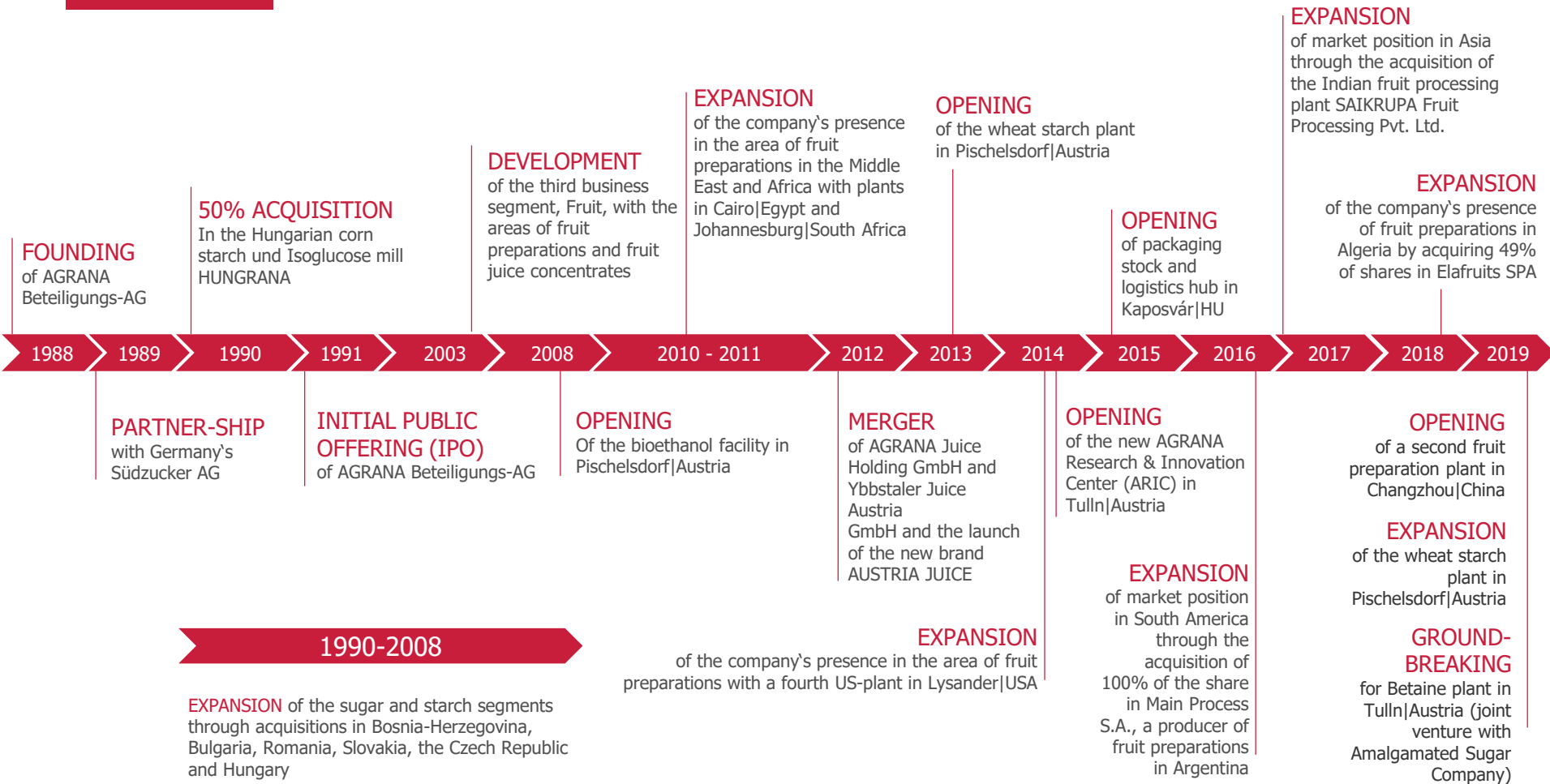


**TOTAL:**  
62,488,976 shares

<sup>1</sup> directly held by Südzucker



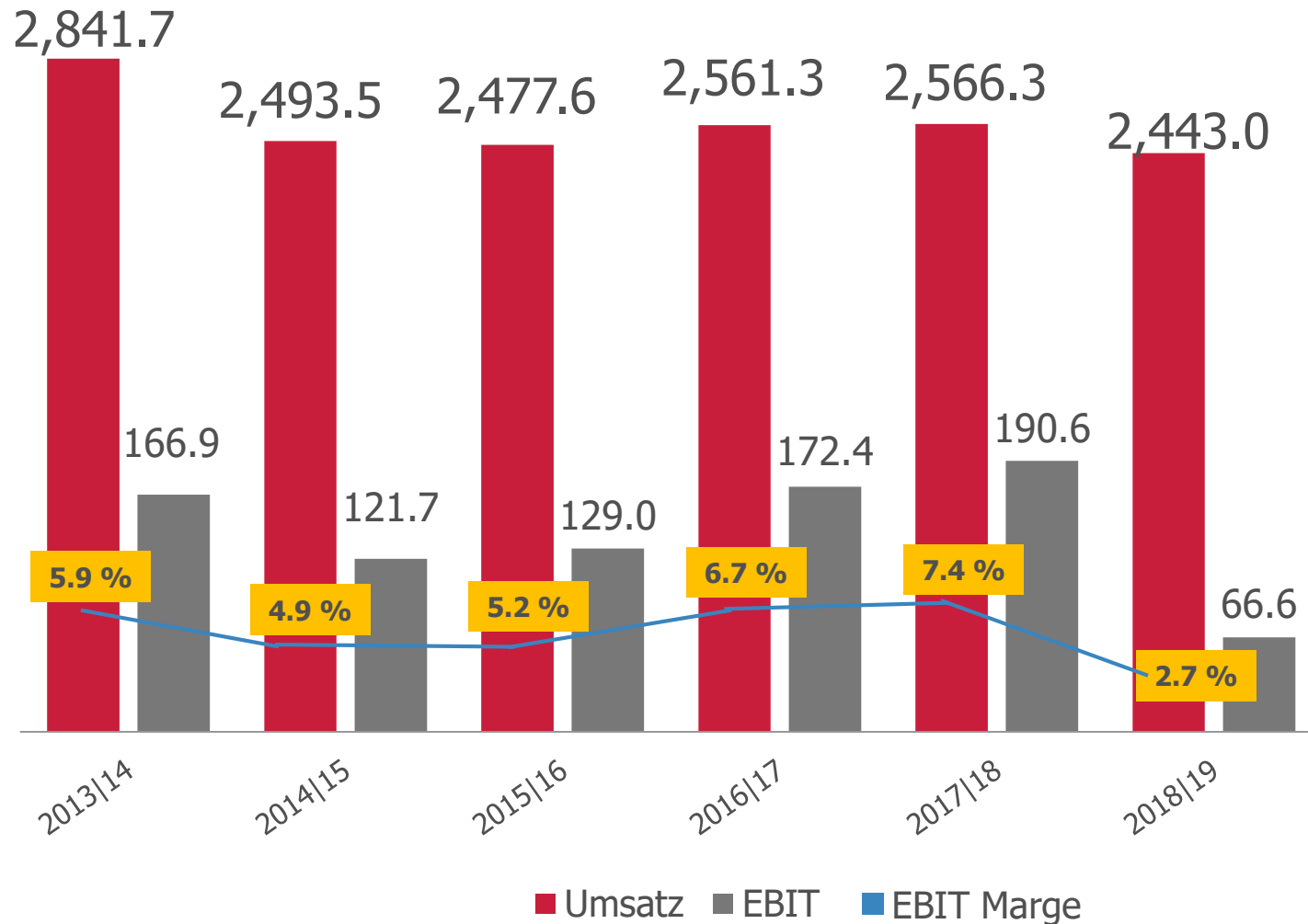
# OUR HISTORY





2013|14 – 2018|19

## REVENUE-, EBIT- AND MARGIN DEVELOPMENT

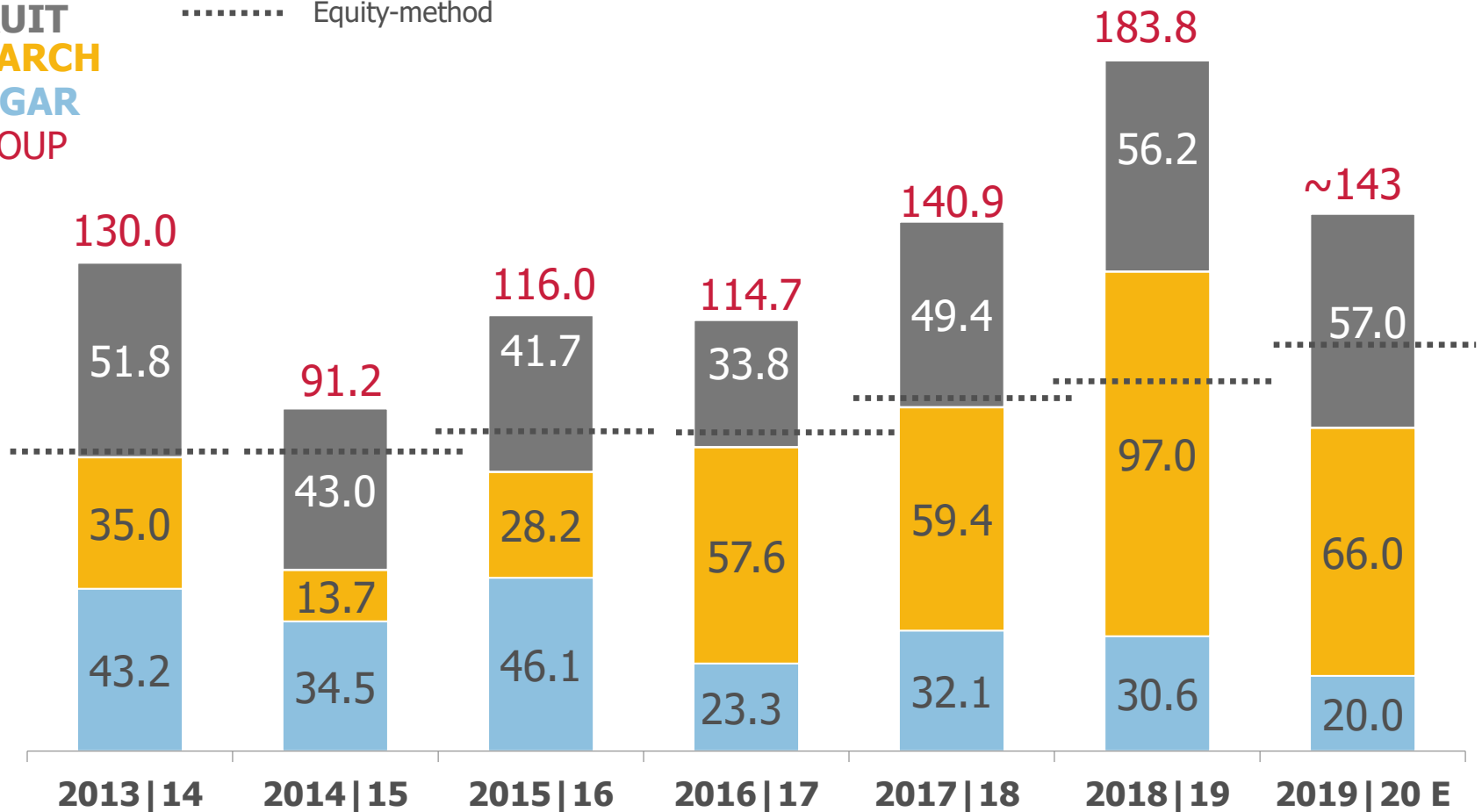




# INVESTMENT DEVELOPMENT

**FRUIT**  
**STARCH**  
**SUGAR**  
**GROUP**

..... Equity-method

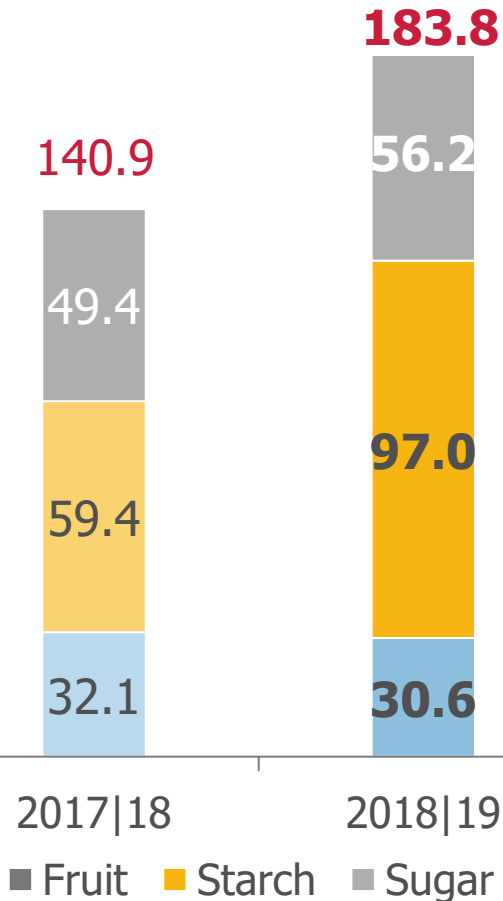




2018|19

## INVESTMENT BY SEGMENT

€m



2018|19

### FRUIT

- Various projects at all 43 production sites including the construction of the second fruit preparation plant in China and the addition of a carrot juice concentrate production line in Hungary

### STARCH

- Expansion of the wheat starch plant in Pischelsdorf (AT)
- Increase of potato processing capacity through installation of a new potato starch dryer in Gmünd (AT)
- Installation of a new potato fibre dryer in Gmünd (AT)

### SUGAR

- Installation of an organic sugar line with a big-bag filling station and rail loading facility in Tulln (AT)
- Project start for construction of a warehouse for finished product in Buzău (RO)



SEGMENT

# FRUIT







## FRUIT SEGMENT

- Processing of fruit in the gentlest way possible, applying state-of-the-art production processes. Refinement of fruit into top quality fruit preparations and fruit juice concentrates
- fruit juice concentrate business: operated by AUSTRIA JUICE (formerly Ybbstaler) as a joint venture between AGRANA and RWA (Raiffeisen Ware Austria AG)
- AGRANA Fruit ...
  - is the global market leader in producing fruit preparations for the dairy, baking and ice-cream industries
  - is a leading producer of fruit juice concentrates in Europe and
  - has established a global presence based on its production facilities and international sales activities







# FRUIT PREPARATION – WHAT IS IT ABOUT?

FRUIT



SUGAR



FRUIT PREPARATIONS



... most important ingredient of fruit preparations

- Frozen (IQF or block)
- Aseptic
- Purees
- Concentrates

... sweetens and supports taste and durability

- Crystal sugar
- Liquid sugar (syrup)
- Other sweeteners
- Thickeners create a good mouth-feel and prevent emulsions
  - Pectins
  - Starch
  - Guar, Xanthan, ...

optional flavors and colours for an even fruitier taste and an intense colour



SEGMENT

# STARCH





## STARCH SEGMENT

- Processing and refinement of top-quality corn, wheat and potatoes to create a variety of different, highly refined starch products
- Manufacture of products made of valuable raw materials at the highest quality level, using modern, environmentally friendly methods
- Starch and special starch products (e.g. organic and GMO free starch) to numerous industrial sectors:
  - food and beverage industries
  - plastic industry
  - paper and paper processing industry
  - textile industry
  - construction chemicals industry
  - pharmaceutical and cosmetic industries







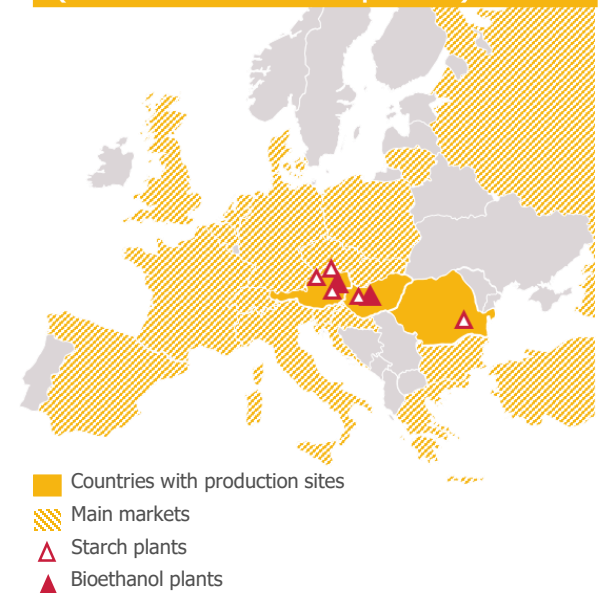
## STARCH SEGMENT

# MARKET POSITION

- Austrian production sites:
  - potato starch factory in Gmünd|AUT
  - corn starch plant in Aschach|AUT
  - Bioethanol & wheat starch plant in Pischelsdorf|AUT
- AGRANA Stärke GmbH: operational management and coordination of international holdings in Hungary and Romania
- Focus on highly refined speciality products
- Innovative, customer-driven products supported by application advice
- Leading position in organic and in GMO-free starches for the food industry
- Bioethanol business: part of the Starch segment

## STARCH

5 starch plants  
(incl. 2 bioethanol plants)





SEGMENT

# SUGAR





# SUGAR SEGMENT

- Sugar:
  - is obtained from sugar beet without any additives  
→ pure, natural product
  - is a natural provider of energy as part of a balanced diet
- AGRANA: market leader in Austria and top provider in Eastern and South-Eastern Europe
- Close partnerships with sugar beet growers: AGRANA offers wide range of advice on growing sugar beet
- End-consumer-market is served with country-specific brands
- Europe's largest producer of organic sugar:
  - 'Wiener Bio Kristall- und Staubzucker': sugar made from organically grown Austrian beet

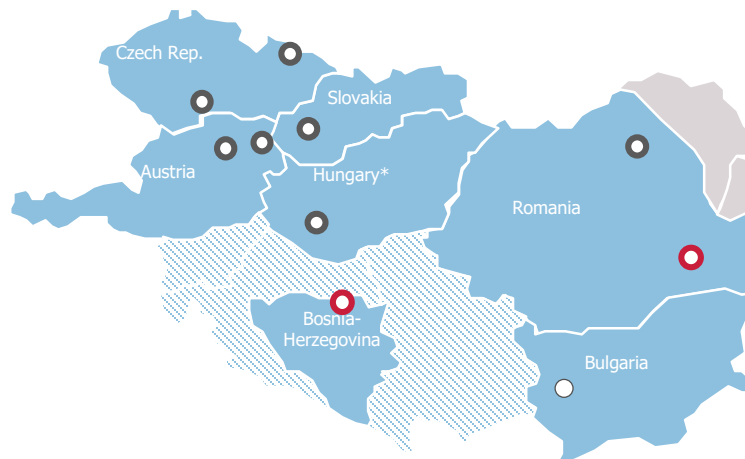









## BENEFIT FROM THE STRONG MARKET POSITION IN CEE AND SEE

# AGRANA SUGAR

7 SUGAR PLANTS AND  
2 RAW SUGAR REFINERIES



 Countries with plants  
 Other markets

 Beet sugar plants  
 Raw sugar refinery  
 Distribution centre

\* Also with refining activities





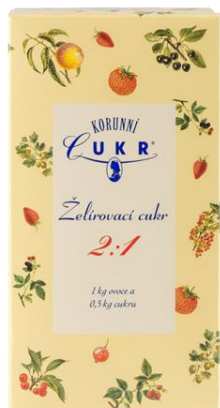
A large collection of various Wiener Zucker products, including granulated sugar, baking powder, and specialty sugars, displayed in their original packaging. The products are arranged in several rows, showing a wide variety of brands and types of sugar. The packaging includes boxes, bags, and tins, with some featuring illustrations of food items like cakes, bread, and coffee. The colors of the packaging are diverse, ranging from white and blue to green, yellow, and red. The text on the packaging is in German, indicating the products are from Austria. The collection includes standard granulated sugar, baking powder, and specialty sugars like coconut blossom sugar and organic sugar. Some products are in larger quantities, marked with 'XXL' or '2KG'. The overall display is a comprehensive overview of the Wiener Zucker product line.





## SUGAR SEGMENT

...and maintenance of regional products



CZ



SK



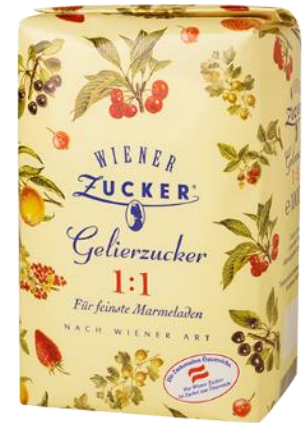
RO



HU



BG



AT



## AGRANA RESEARCH & INNOVATION CENTER RESEARCH & DEVELOPMENT

### AGRANA Research & Innovation Center (ARIC)

- Bundling of all R&D activities at ARIC in Tulln|AUT
- Aim: to secure and actively shape the company's success in the future through innovations:
  - product innovations
  - innovations related to our processes and production technology
- Crossdivisional research topics:  
Clean Label / Nutrition / Sweeteners / Flavors
- Networking with other research institutions
- State-accredited testing unit for yield and quality evaluation of sugar beets





# AGRANA'S UNDERSTANDING OF SUSTAINABILITY

Balance of economic, environmental and social responsibility

At AGRANA, we ...

- utilise **almost 100% of our raw materials** and **employ low-emission technologies** to protect the environment,
- **respect all our stakeholders** and the communities where we operate,
- engage in **long-term partnerships.**





# AGRANA'S CORE SUBJECTS ALONG THE VALUE CHAIN



## **Sustainability Reporting:**

Acc. to GRI integrated in AGRANA's annual reports since 2012|13  
Since 2016|17 audited by KPMG





## ENVIRONMENTAL AND SOCIAL CRITERIA IN THE SOURCING OF AGRICULTURAL RAW MATERIALS

# SUSTAINABLE AGRICULTURE INITIATIVE (SAI)

- **SAI is an initiative of stakeholders of the food industry**, founded in 2002 by Nestlé, Unilever and Danone.
- **SAI develops principles and practices of sustainable agriculture**
- **SAI's 2 major tools to document sustainable environmental and social practices in the agricultural value chain**
  - **Farm Sustainability Assessment (FSA)**
  - **Benchmarking Tool** for international certification standards & national legislation
- **AGRANA Beteiligungs-AG has been a member since 2014 and uses the FSA questionnaire as the only company in the world to evaluate contract farmers for several commodity categories**



### Farm Sustainability Assessment (FSA) & Benchmarking Tool

- FSA is a questionnaire (applicable worldwide), that enables agricultural producers to assess the status of their operations in terms of environmentally and socially sustainable production (112 questions on farm management, soil and nutrient management as well as plant protection).
- The benchmarking tool compares requirements of internat. certification standards with the requirements of the FSA-questionnaire



## CONTRACT GROWING

# SAI FSA RESULTS

Raw material	Country	Consolidated results per Segment/Division and raw material category
Sugar beet	Austria	In <b>AGRANA's Sugar segment</b> , selected growers of sugar beet from all 5 growing regions (AT, CZ, SK, HU, RO) participated in the mandatory FSA- self-assessment and external audits according to <b>SAI-rules</b> . Therefore, based on SAI-rules, AGRANA Sugar is allowed to claim <b><u>Gold and Silver for more than 75% of supplying farms.</u></b>
	Czech Rep.	
	Slovakia	
	Hungary	
	Romania	
Potatoes	Austria	In <b>AGRANA's Starch segment</b> , selected Austrian contract growers of potatoes participated in the mandatory FSA-self-assessment and external audits according to <b>SAI-rules</b> . Therefore, based on SAI-rules, AGRANA Starch is allowed to claim <b><u>Gold and Silver for more than 75% of supplying farms.</u></b>
Apples	Hungary	Selected Hungarian and Polish suppliers of resistant apple sorts ("re-sorts") participated in the mandatory FSA-self-assessment and external audits according to <b>SAI-rules</b> . Therefore, based on SAI-rules, Austria Juice is allowed to claim <b><u>Silver for the vast majority of its Hungarian and Polish re-sorts-suppliers, for several even Gold.</u></b>
	Poland	





## MEASURES IN THE CORE BUSINESS

# SUSTAINABILITY AT AGRANA

### ENVIRONMENTAL AND ENERGY TOPICS IN AGRANA'S PRODUCTION

- Energy efficiency measures are the first **ecological, economical and social priority for AGRANA**
- Since 2014|15 Energy-management-systems and certification according to **ISO 50001** in many production plants in the EU
- **Low temperature dryers** installed at the Tulln & Leopoldsdorf site, both Austria, **have saved more than 210,000 tonnes CO<sub>2</sub>equ.** since their installation in 2011|12
- **Target: energy-self-sufficient in terms of figures of the sugar plant Kaposvár | HU**
  - The Kaposvár sugar plant in Hungary generated about 27.4 million cubic metres of biogas from beet pulp in the 2018|19 financial year. This would have been sufficient for the site:
  - 86 % of its primary energy needs for the beet campaign 2018|19
  - But: 9.9 cubic metres were treated to biomethane for feeding into the local natural gas grid (= annual heating demand of around 2,100 single-family homes).





GMO-FREE & ORGANIC

# SUSTAINABILITY AT AGRANA

## PRODUCT RESPONSIBILITY und SUSTAINABLE PRODUCTS

- **AGRANA does not make products anywhere in the world that require GMO labelling under local laws** (for example, in the EU under Reg. EC No **1829/2003** and **1830/2003**).
- AGRANA offers **certified GMO-free products** in the fruit segment (esp. in the USA), in the starch business and the sugar segment (f.e. „Wiener Zucker“).
- AGRANA has the **necessary certifications** in its plants and supply chain to be able to fill customer needs for organically made foods, feeds and other products.





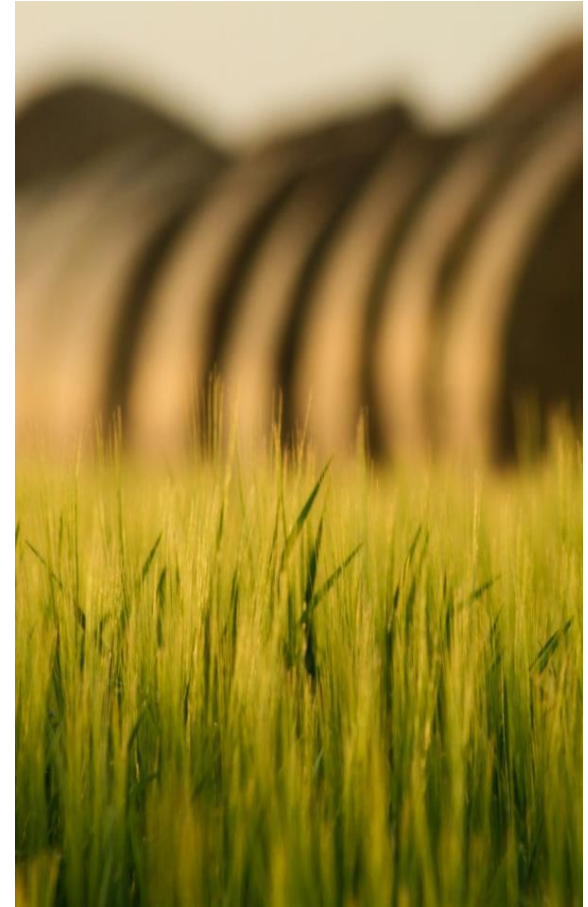


## MEASURES IN THE CORE BUSINESS

# SUSTAINABILITY AT AGRANA

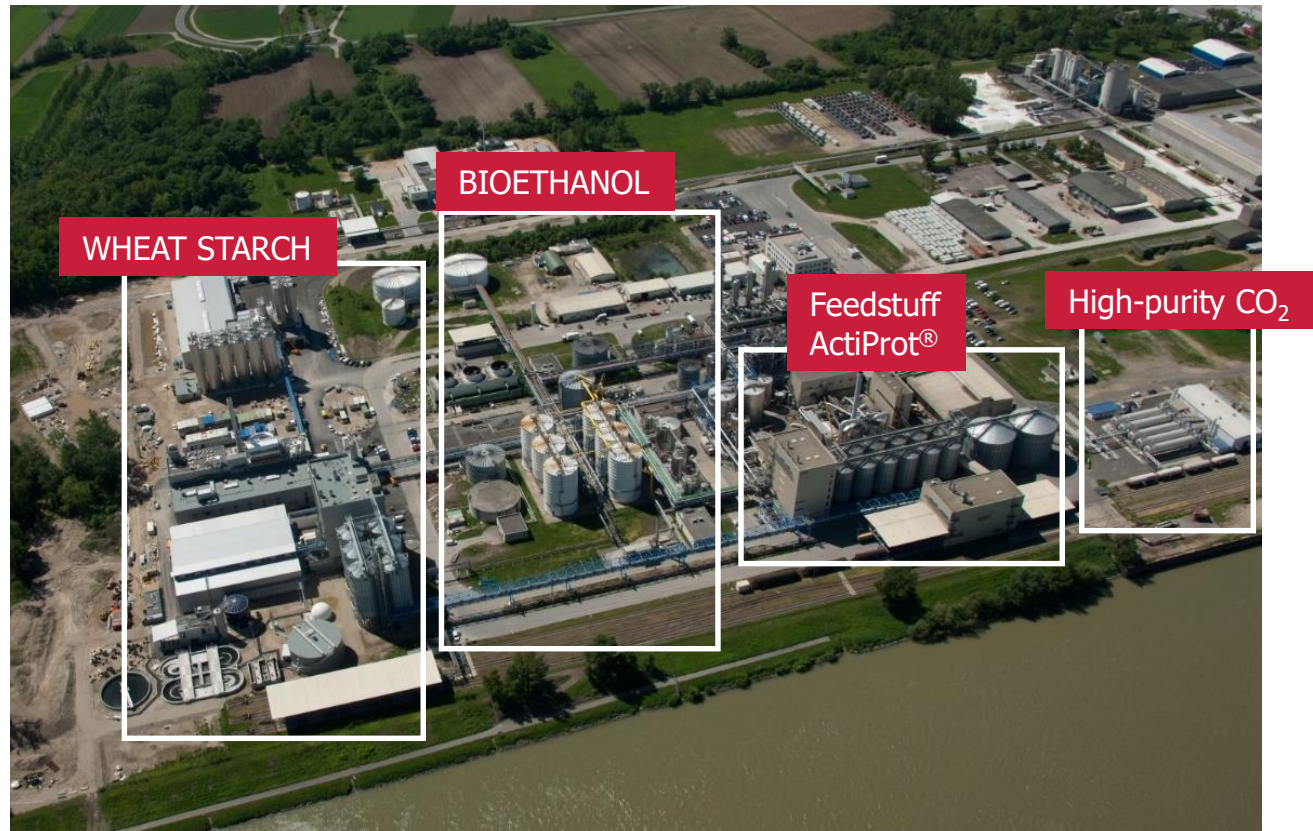
### „ZERO-WASTE“-PRINCIPLE

- Almost complete (98.6 to 99.9%) of raw materials use in all segments through
  - the efficient use of raw materials
  - technical innovations and
  - product development (main & by-products)
- Biorefinery Pischelsdorf|AUT: Integration of 2013 opened wheat starch plant and the bioethanol facility
  - 100% grain utilization → resource efficiency





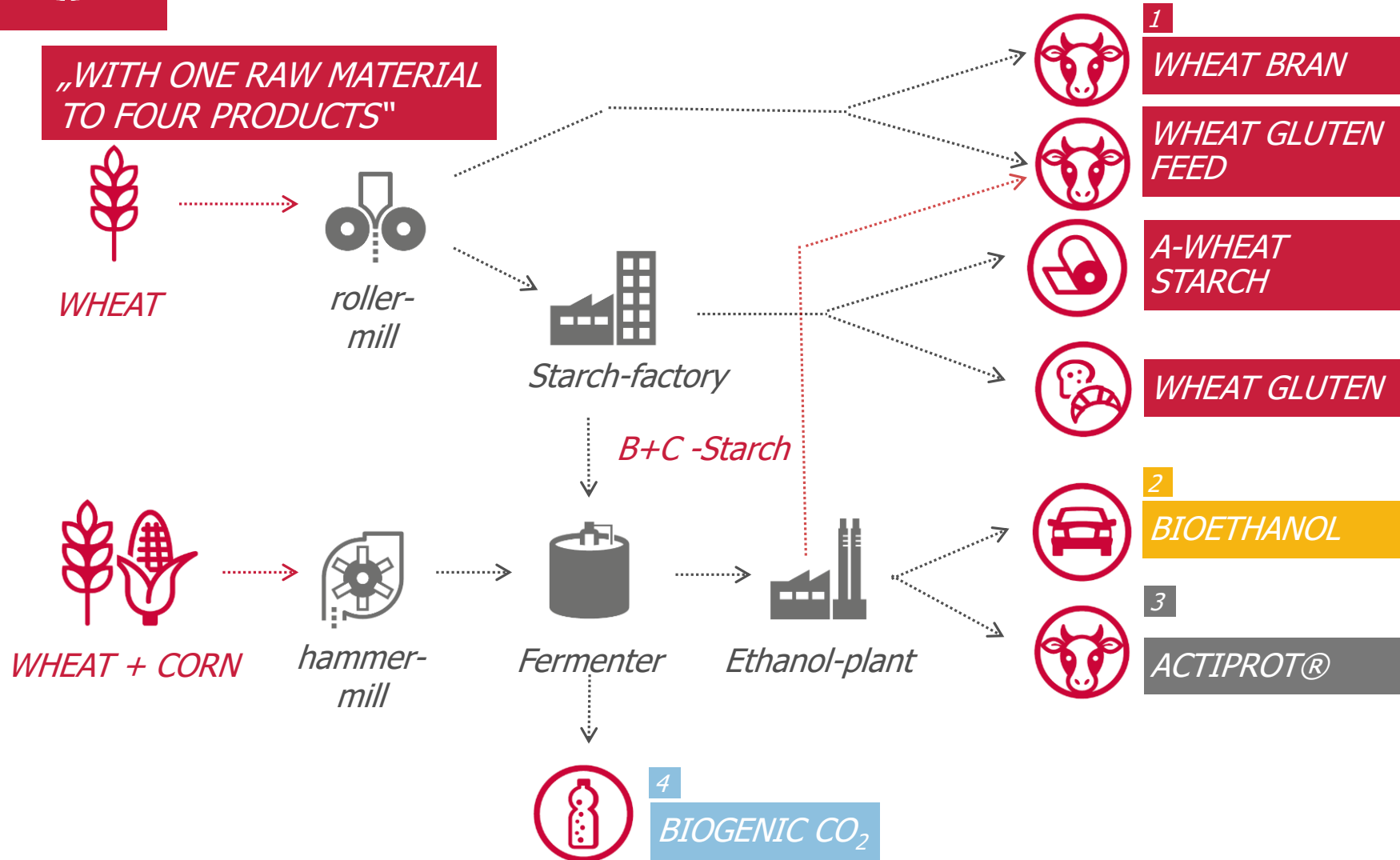
# BIOREFINERY PISCHELSDORF





## ENVIRONMENTAL AND ENERGY ASPECTS OF PRODUCTION

# 100% UTILISATION OF RAW MATERIALS





2018|19

# BUSINESS FIGURES

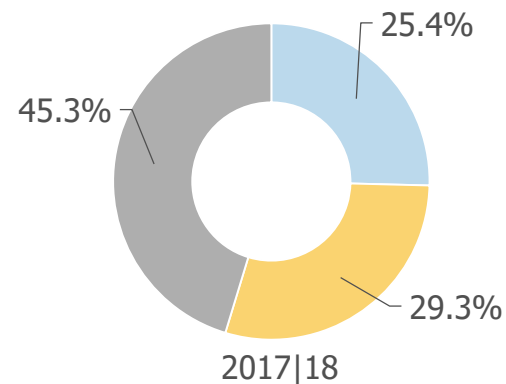
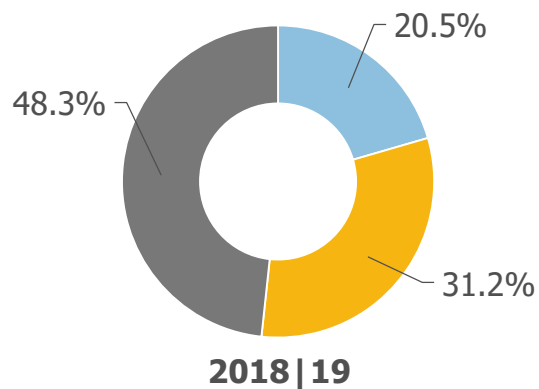
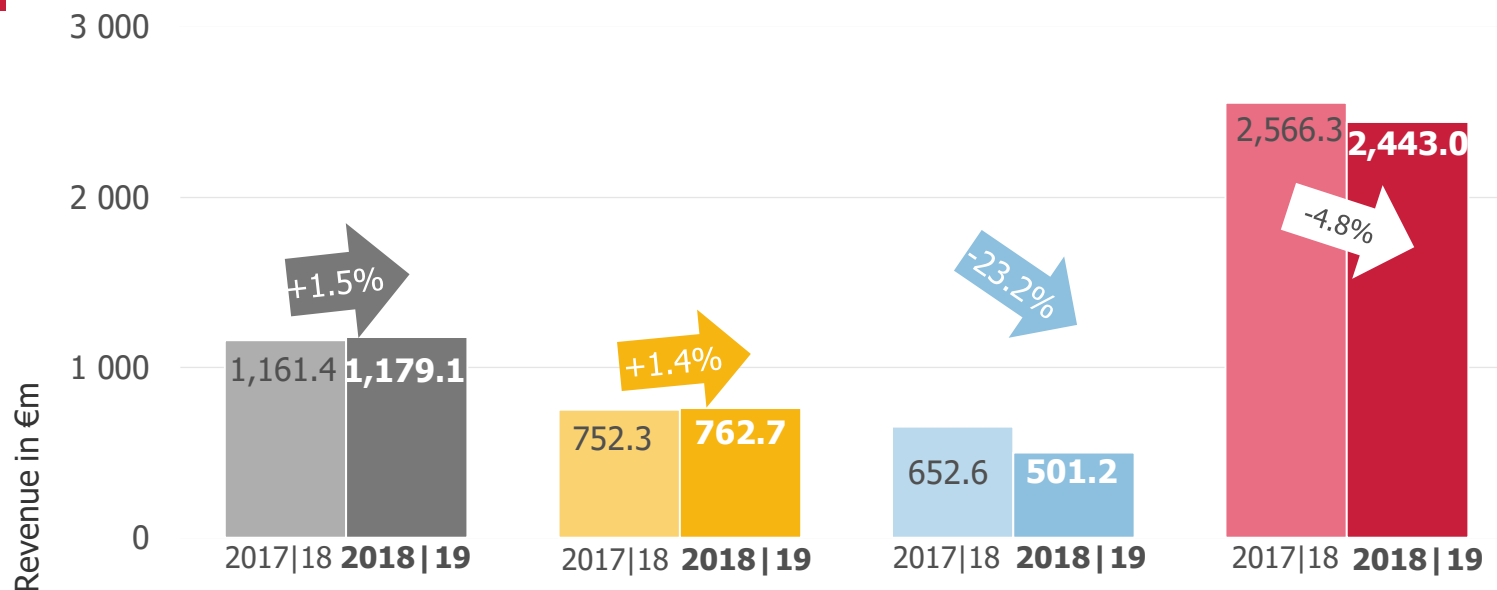




FRUIT  
STARCH  
SUGAR  
GROUP

2018|19 VS PRIOR YEAR

## REVENUE BY SEGMENT





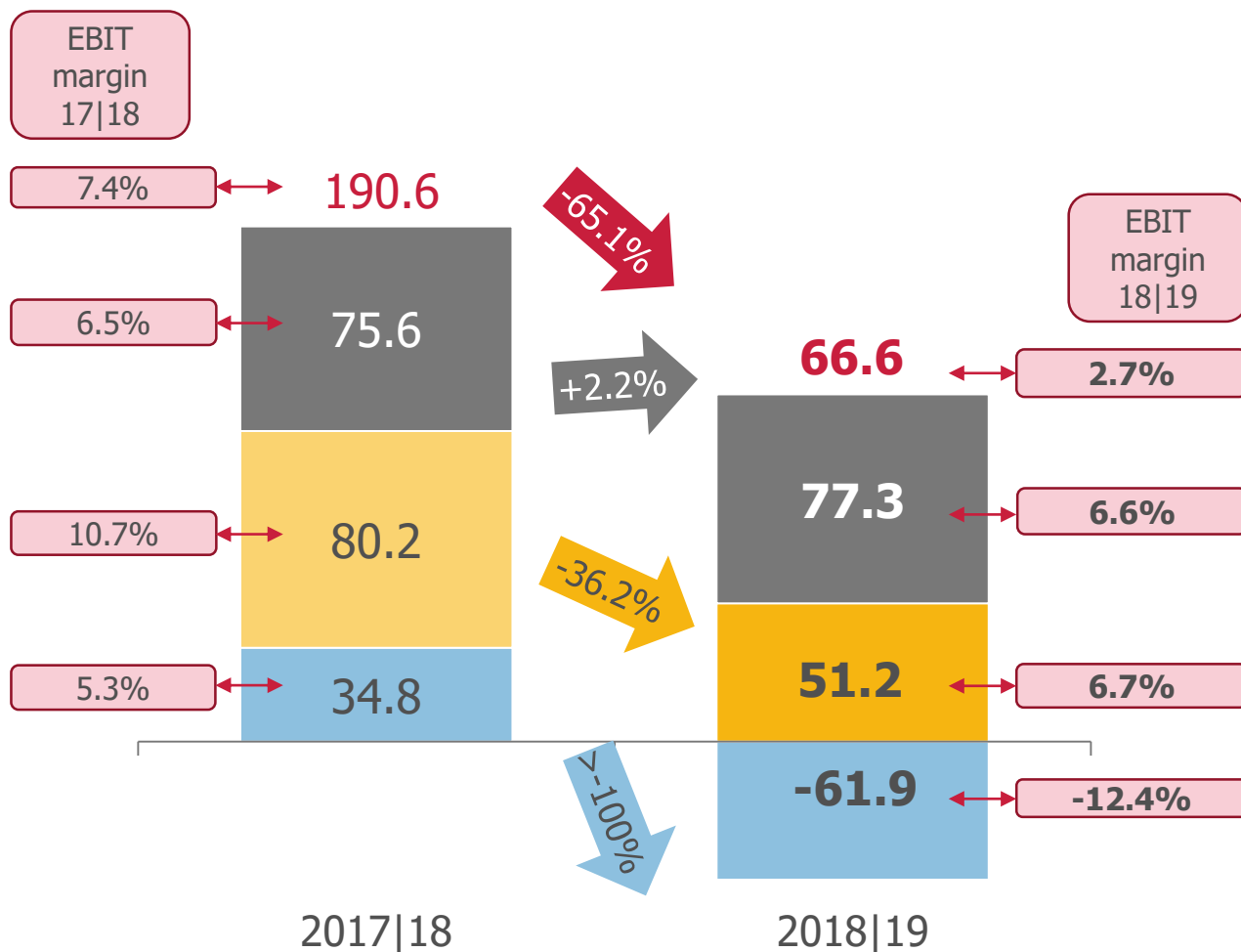


## 2018|19 VS PRIOR YEAR

# EBIT BY SEGMENT

FRUIT  
STARCH  
SUGAR  
GROUP

€m





# CONSOLIDATED INCOME STATEMENT

€m (condensed)	2018   19	2017 18	Change
<b>Revenue</b>	<b>2,443.0</b>	<b>2,566.3</b>	-4.8%
EBITDA <sup>1</sup>	<b>147.7</b>	254.2	-41.9%
Operating profit before except. items and results of equity-accounted JV	<b>51.1</b>	164.1	-68.9%
Share of results of equity-accounted JV	<b>12.2</b>	29.4	-58.4%
Exceptional items	<b>3.3</b>	-2.9	+213.1%
<b>EBIT</b>	<b>66.6</b>	<b>190.6</b>	-65.1%
<b>EBIT margin</b>	<b>2.7 %</b>	7.4 %	-4.7 pp
Net financial items	<b>-15.4</b>	-14.5	-6.2%
Profit before tax	<b>51.2</b>	176.2	-70.9%
Income tax expense	<b>-20.9</b>	-33.5	+37.8%
<b>Profit for the period</b>	<b>30.4</b>	<b>142.6</b>	-78.7%
Attributable to shareholders of the parent	<b>25.4</b>	140.1	+25.8%
Earnings per share	<b>€ 0.41</b>	€ 2.24 <sup>2</sup>	-81.7%

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

<sup>2</sup> Based on the number of shares outstanding at February 28, 2019, which was 62.488.976.



# CONSOLIDATED BALANCE SHEET

€m (condensed)	2018   19	2017 18	Change
Non-current assets	1,252.1	1,161.0	+7.9%
Current assets	1,137.3	1,195.4	-4.9%
<b>Total assets</b>	<b>2,389.4</b>	<b>2,356.4</b>	<b>+1.4%</b>
Equity	1,409.9	1,454.0	-3.0%
Non-current liabilities	393.0	419.4	-6.3%
Current liabilities	586.4	483.0	+21.4%
<b>Total equity and liabilities</b>	<b>2,389.4</b>	<b>2,356.4</b>	<b>+1.4%</b>
Equity ratio	59.0%	61.7%	-2.7pp
Net debt	322.2	232.5	+38.6%
Gearing	22.9%	16.0%	+6.9pp



# CONSOLIDATED CASH FLOW STATEMENT

€m (condensed)	2018   19	2017 18	Change
Operating cash flow before changes in working capital	<b>177.5</b>	302.7	-41.4%
Changes in working capital	<b>-5.9</b>	-43.1	+86.4%
Total of interest paid/received and tax paid	<b>-30.0</b>	-45.8	+34.5%
<b>Net cash from operating activities</b>	<b>141.7</b>	213.9	-33.7%
Net cash (used in) investing activities	<b>-161.9</b>	-133.3	-21.4%
Net cash (used in) financing activities	<b>-18.2</b>	-153.7	+88.2%
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>-38.4</b>	-73.2	+47.6%



## ANALYSIS OF NET FINANCIAL ITEMS

€m	2018 19	2017 18	Change
Net interest expense	-5.5	-7.8	+29.6%
Currency translation differences	-8.0	-3.8	-107.6%
Share of results of non-consolidated subsidiaries and outside companies	0.0	0.0	-29.4%
Other financial items	-1.9	-2.8	+32.6%
<b>Total</b>	<b>-15.4</b>	<b>-14.5</b>	<b>-6.2%</b>





AGRANA

# OUTLOOK





# OUTLOOK

2019|20

- The Group's **operating profit (EBIT)** is expected to increase significantly in the 2019|20 financial year. **Revenue** is projected to show moderate growth.
- The investment volume in the three segments will total around **€ 143 million**, well above the planned depreciation of around € 108 million.





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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%