



FRUIT
STARCH
SUGAR

The natural upgrade

Sustainable management



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

Presentation for investors and analysts

Vienna, 14 January 2020



Q1-3 2019|20 OVERVIEW

The EBIT of € 69.8 million in Q1-3 2019|20 surpassed the twelve-month result of the prior year

➤ **Thus forecast of a significant improvement in EBIT for the full year is reaffirmed**

- **EBIT: € 69.8 m** (prior year: € 63.5 m)
- **Revenue: € 1,879.4 m** (prior year: € 1,863.5 m)
- **EBIT margin: 3.7%** (prior year: 3.4%)


~9,500
Employees (FTEs)
as of 30 Nov. 2019


57
Production sites
as of 30 Nov. 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

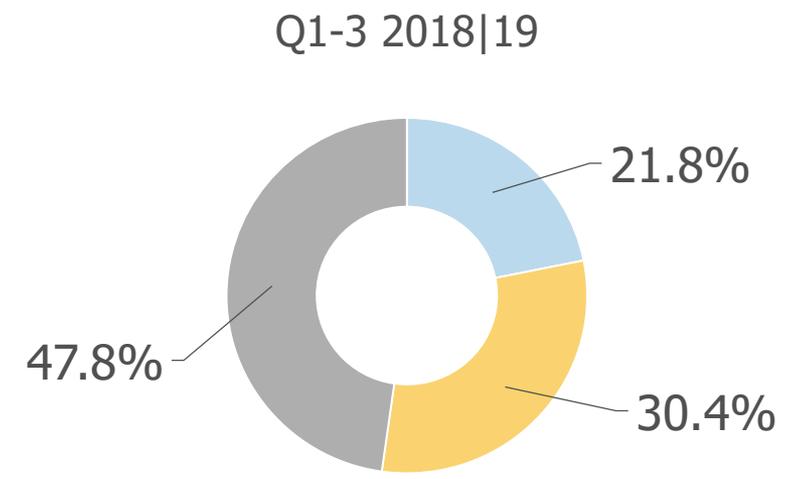
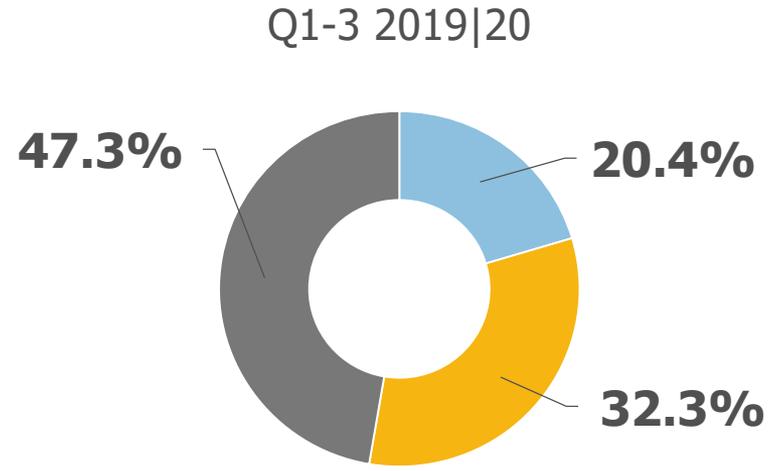
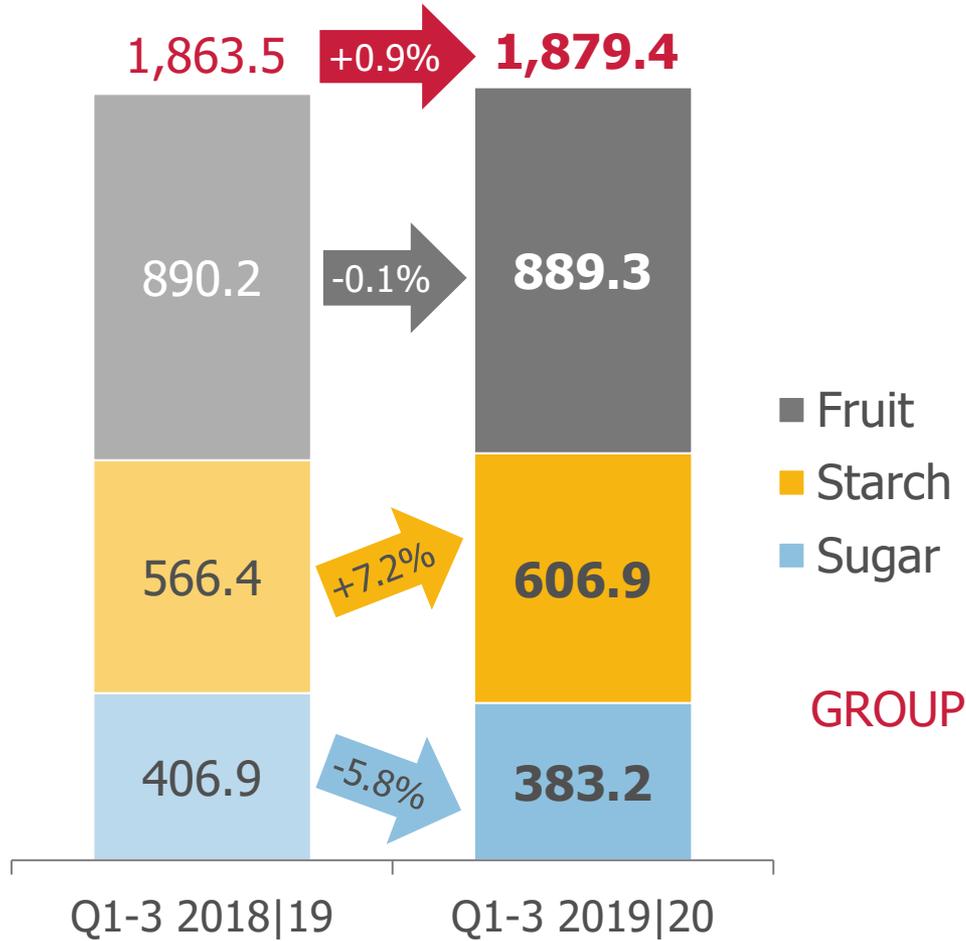
SUPPLIER
in Central, Eastern &
Southeastern Europe



Q1-3 2019|20 VS PRIOR YEAR

REVENUE BY SEGMENT

€m





Q1-3 2019|20 VS PRIOR YEAR

EBIT BY SEGMENT

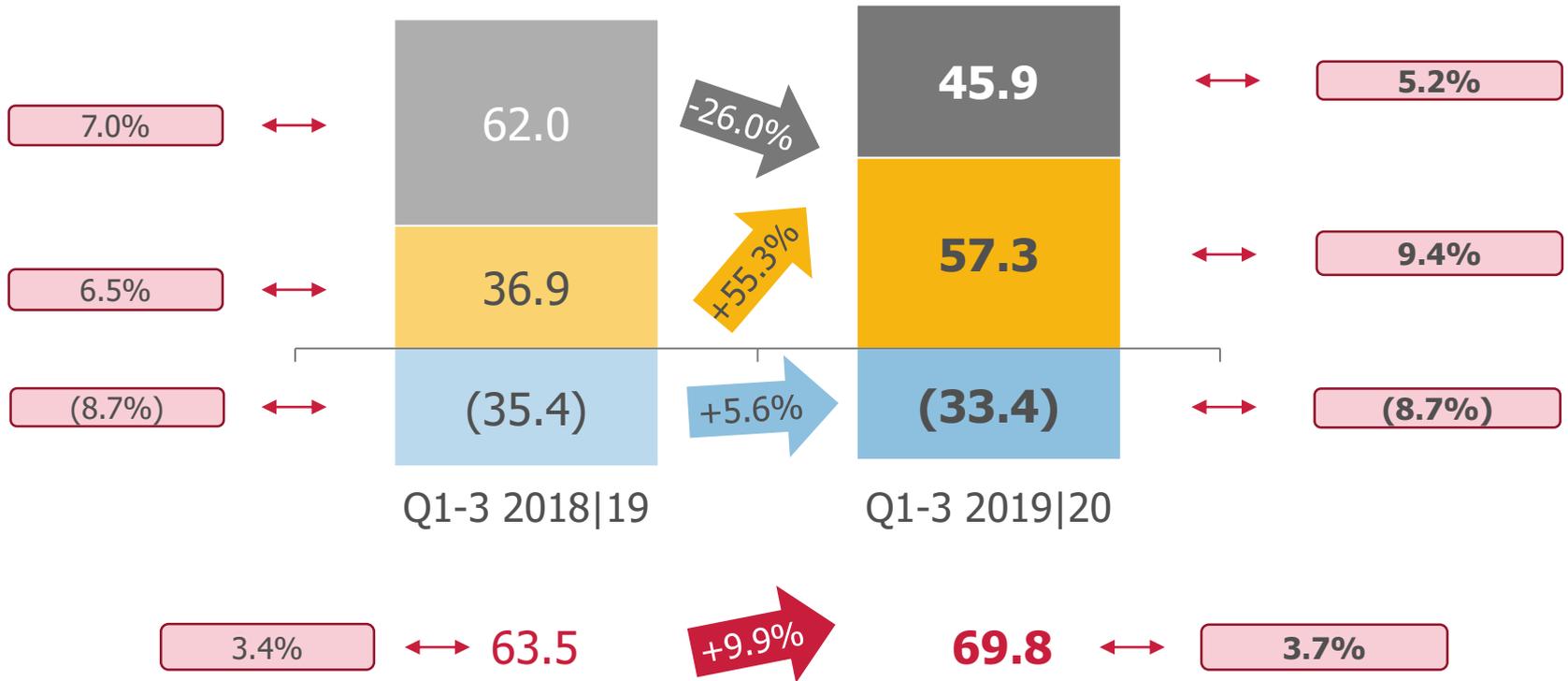
€m

GROUP

■ Fruit ■ Starch ■ Sugar

EBIT margin
Q1-3 2018|19

EBIT margin
Q1-3 2019|20

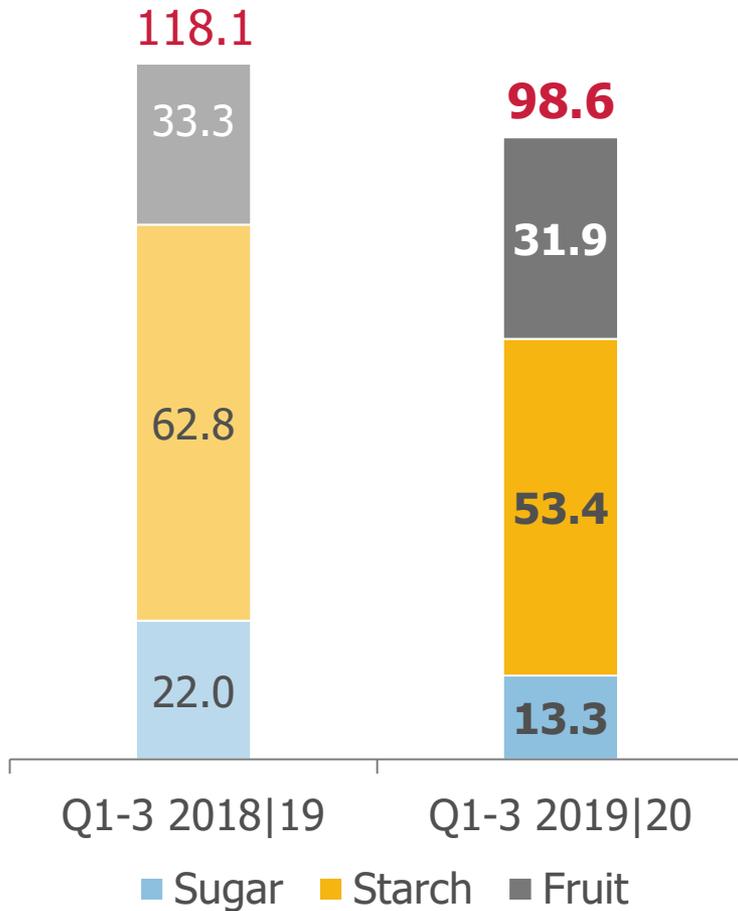




MOST IMPORTANT PROJECTS IN THE GROUP

INVESTMENT OVERVIEW

€m



GROUP

Q1-3 2019|20

FRUIT

- Second production line at new plant in China
- New lab for product development in Mitry-Mory, France

STARCH

- Expansion of the wheat starch plant in Pischelsdorf, Austria
- Expansion of the corn 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



MAIN PROJECT IN 2019|20

WHEAT STARCH CAPACITY INCREASE

- 2nd 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
- Total investment: **€ 102 million**
- **45 new jobs**
- **Further expansion of AGRANA's market position** in the starch market



Pischelsdorf site

Processed raw
materials (to)

Investment

TOTAL:

1,190,000

€ ~300 million (2005 -2019)

**~ 3,300 tonnes
processing capacity per
day**



MANUFACTURE OF CRYSTALLINE BETAININE

- The construction of the betaine crystallisation plant in Tulln, Austria, is proceeding well and the facility will increase value added to the Sugar segment from the second quarter of 2020|21
- Production of **crystalline betaine** (component of animal feedstuffs, in food supplements and sports drinks, in cosmetic products) under a JV between AGRANA and The Amalgamated Sugar Company (USA)
- Completion in early summer 2020
- **Investment:** approx. **€ 40 million**
- 16 new jobs
- New plant, with a production capacity of around **8,500 metric tons** of crystalline betaine per year





SEGMENT
FRUIT





FRUIT SEGMENT

Fruit preparations

- **Spoonable fruit yoghurt** (main market of the FP division) is expected to **grow only slightly**
- Global market growth is driven by **drinkable yoghurt** and **natural yoghurt** categories
- **Western Europe and North America** are predicted to see a **contraction** in the spoonable fruit yoghurt segment
- Regions such as **South America, Middle East, Europe and North America** currently **negatively affected**

Fruit juice concentrates

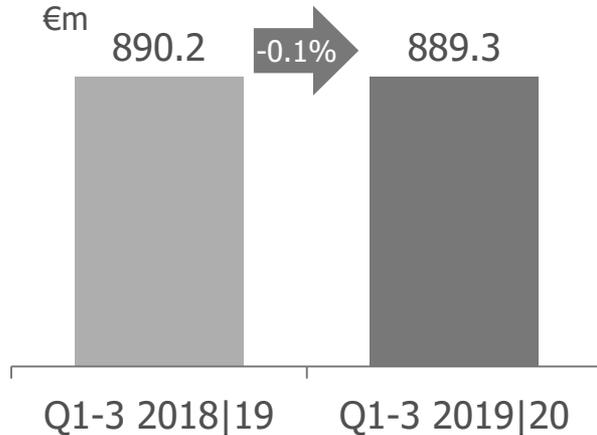
- Continuing **good demand for apple juice concentrate** projected for spring 2020
- Most of available apple juice concentrate from 2019 crop has **already been contractually placed** with customers
- Contractual placement of **berry juice concentrates** from the 2018 crop is **complete**



FRUIT SEGMENT

REVENUE

€m

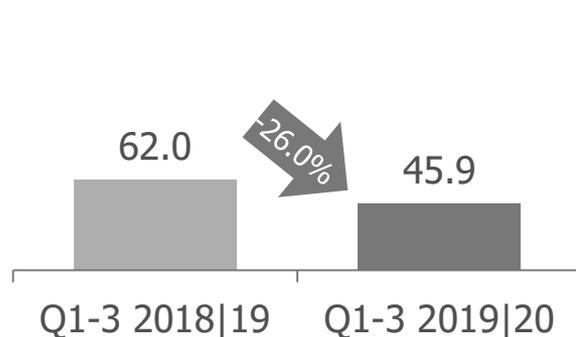


REVENUE stable at € 889.3 million

- Fruit preparations: revenue rose slightly, with a small increase in sales volume
- Fruit juice concentrates: revenue was down, volume was up significantly

EBIT

€m



EBIT lower than in prior year

- Reasons for deterioration mainly in the FP business:
 - General cost increases could not be fully offset by higher sales volumes
 - One-time impacts related to raw materials in Mexico (strawberry and mango)
 - Exceptional staff cost effects
- EBIT in the fruit juice concentrate business at a solid level (high delivery volumes from the 2018 harvest and good contribution margins), although it eased yoy -> idle-capacity costs (smaller 2019 apple harvest)



SEGMENT

STARCH





STARCH SEGMENT

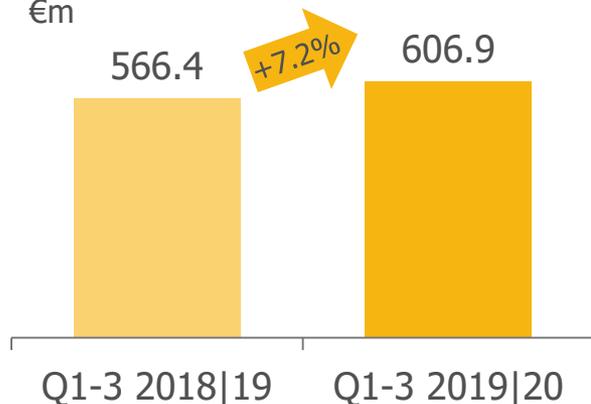
- **Bioethanol** business benefited from **high Platts quotations**; quotes supported by rising demand, notably in Northern and Central Europe
- Demand situation for **native and modified starches** was **stable**, especially in the food industry
- **Increasing demand** from the **paper industry** (growing demand for packaging → online trading)
- **Isoglucose**: still **high pressure on prices** and margins; particularly in Central and Eastern Europe -> new installed capacity -> supply significantly exceeded demand
- **Wheat gluten**: based on the current and expected growing volumes a significant price reduction is likely



STARCH SEGMENT

REVENUE

€m

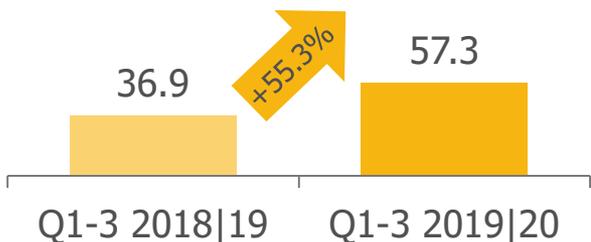


REVENUE at € 606.9 million above prior year

- Key reason was considerable increase in ethanol revenue
- Saccharification products: despite declining prices, revenue was raised slightly through bigger volumes
- Native and modified starches saw revenue growth (thanks largely to volume increases)
- Revenue from animal feedstuffs was stable

EBIT

€m



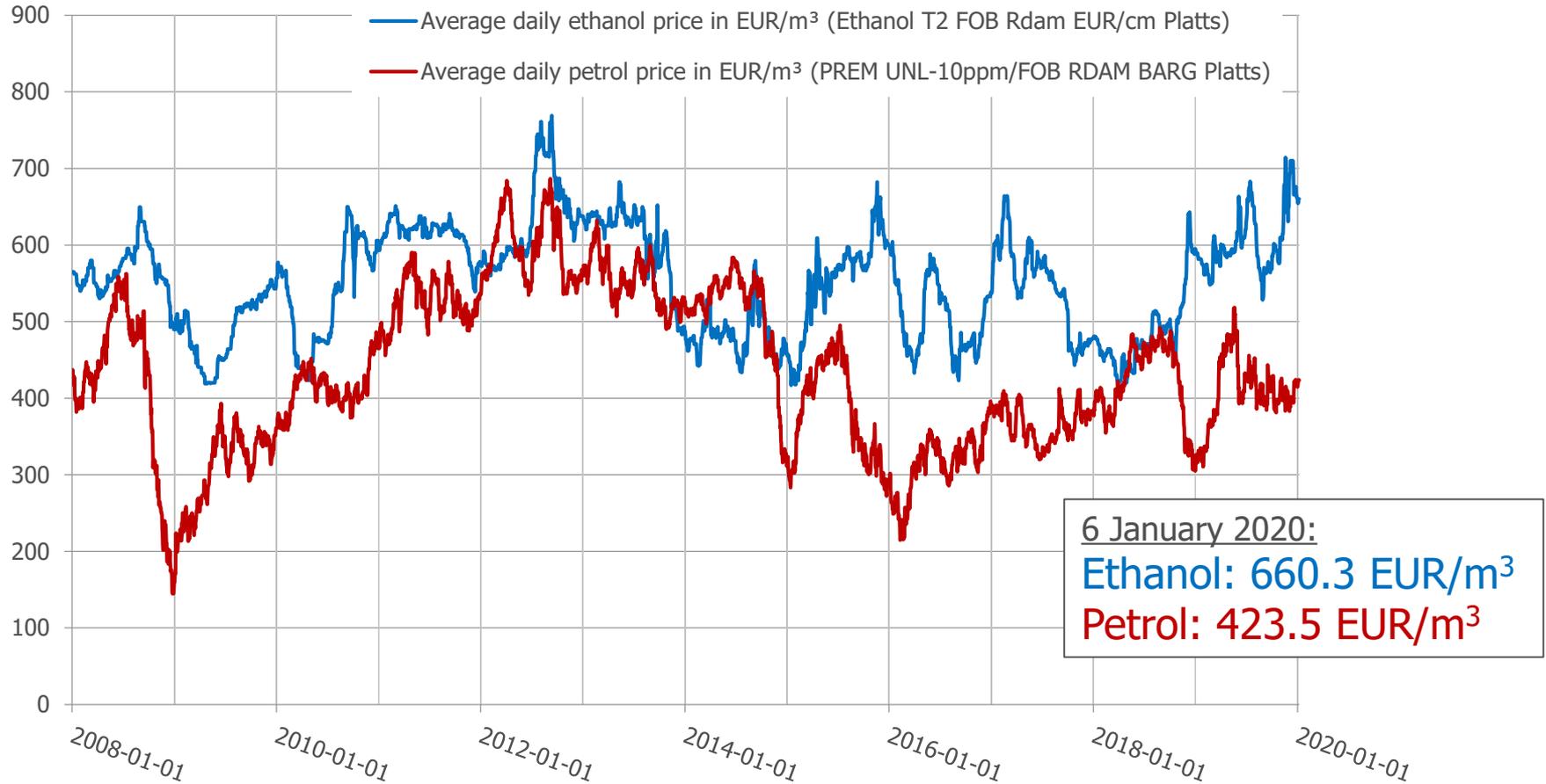
EBIT significantly up to € 57.3 million

- EBIT growth primarily due to significant price increases of ethanol and due to volume gains in all other product segments
- Equity-accounted HUNGRANA contribution declined from € 13.4 million to € 11.2 million -> strongly affected by price declines for isoglucose



1 JANUARY 2008 – 6 JANUARY 2020 (EUR)

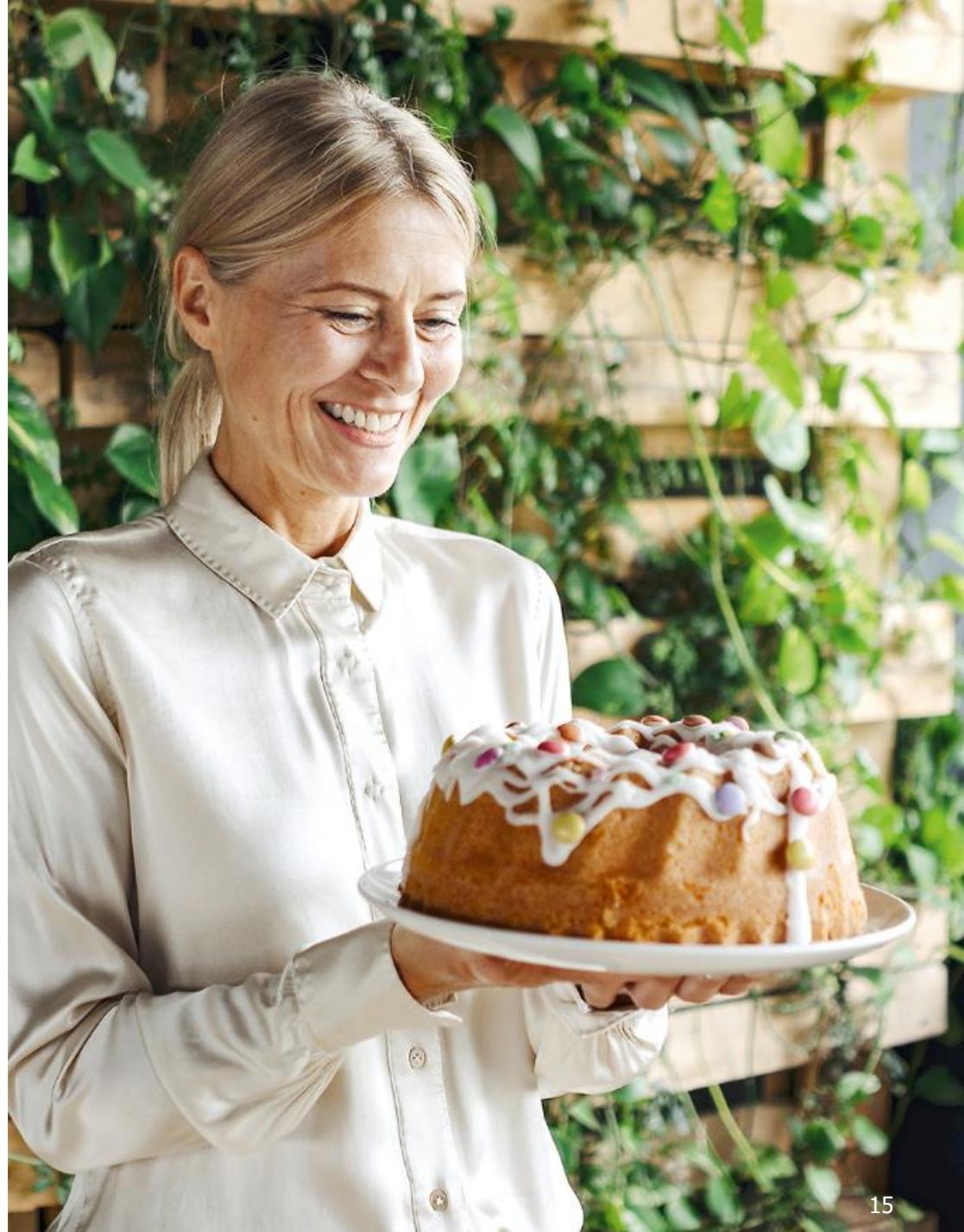
ETHANOL AND PETROL PRICES





SEGMENT

SUGAR





SUGAR SEGMENT

▪ **World sugar market**

- World market price for sugar fluctuated at a low level, even **new ten-year low for white sugar** in July 2019
- Despite a small deficit in the SMY 2018|19, **considerable inventories**, notably in India, led to **low prices**
- **Significant deficit** expected for **SMY 2019 | 20** is also regarded as **only moderately supportive** for sugar price development

▪ **EU sugar market**

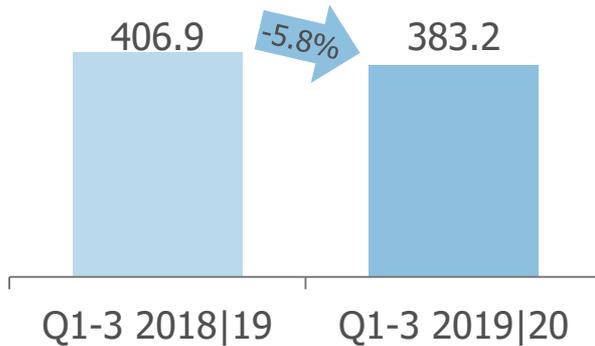
- In the **SMY 2018 | 19**, **sugar production in the EU** was around **17.6 million tonnes** (yoy **decline** of around **17%**); due to the once again very dry weather in summer 2019, the EC also expects only **17.5 million tonnes** of sugar for the **SMY 2019 | 20** according to the August forecast
- **Further price increase is expected** for the next several months
- Potentially **limited availability** of sugar in **deficit regions**



SUGAR SEGMENT

REVENUE

€m

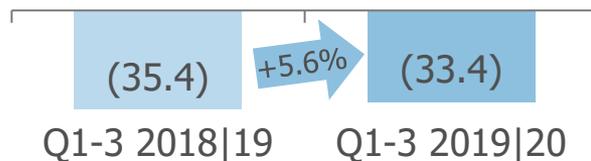


REVENUE down to € 383.2 million

- Lower sugar sales volumes
- Selling prices higher than in the year-earlier period

EBIT

€m



EBIT still negative, but improved moderately

- 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



RAW SUGAR & WHITE SUGAR SUGAR QUOTATION

1 January 2006 – 13 January 2020 (USD)

2019|20 FY

Daily ICE SUG11 MAR0; SUGAR NO5 MAR0

- Line; ICE SUG11 MAR0; Trade Price(Last)
13.01.2020; 310,632
- Line; SUGAR NO5 MAR0; Trade Price(Last)
13.01.2020; 377,800; +1,0; (+0,27%)

03.01.2006 - 10.02.2020 (NYC)



1/7/2009

10-years-low:
Raw sugar, 26/9/2018: 218.3 USD/t

10-years-low:
White sugar, 15/7/2019: 294.0 USD/t

White sugar (LIFFE)

13 Jan. 2020:
377.8 USD/t
= 339.6 EUR/t

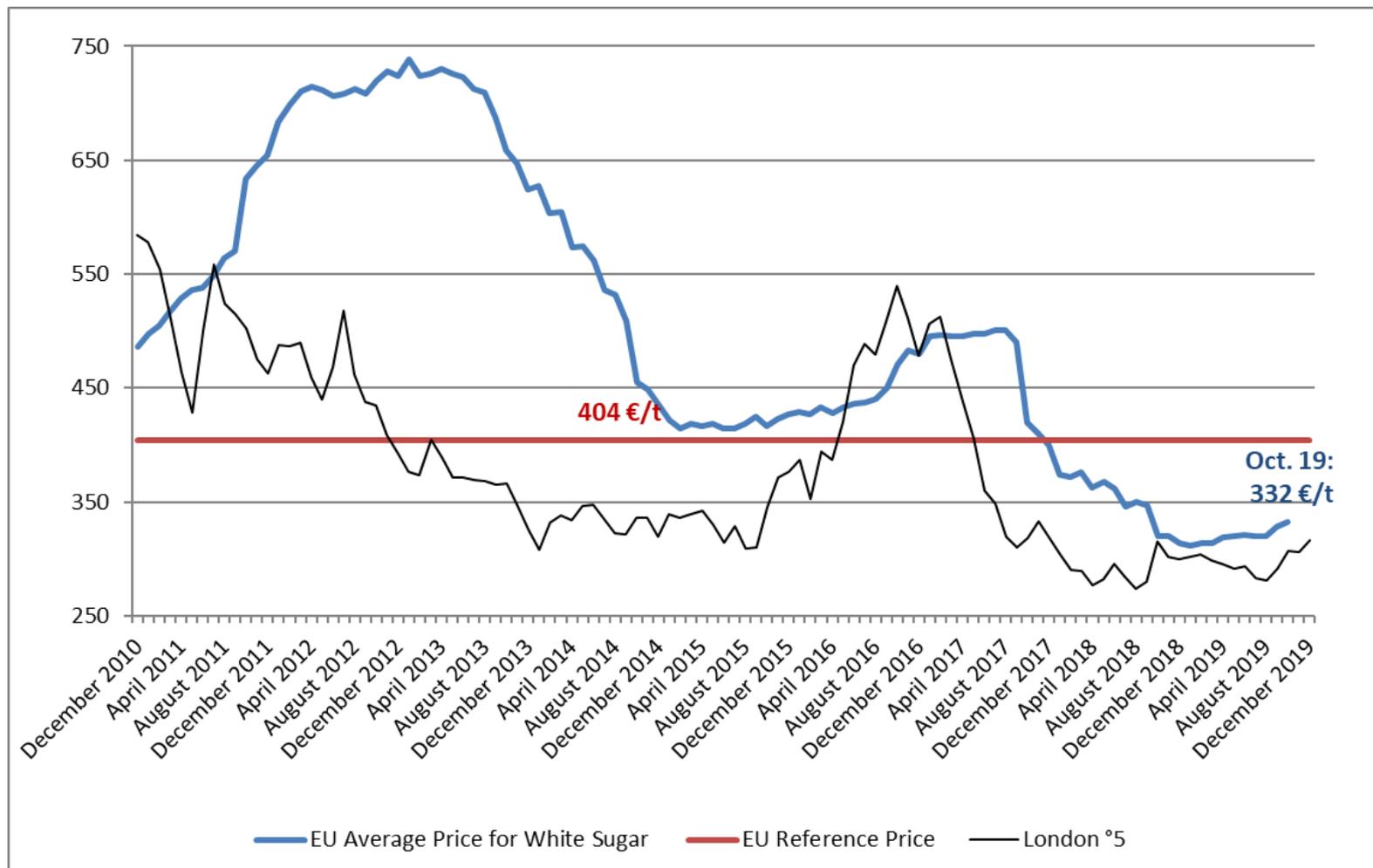
Raw sugar (ICE)

13 Jan. 2020:
310.6 USD/t
= 279.2 EUR/t



SUGAR PRICE REPORTING

MONTHLY EU AVERAGE PRICES (DECEMBER 2010 TO DECEMBER 2019; € PER TONNE)



Source: European Commission (as of 19 December 2019) and SugarOnline (as of 7 January 2020)



Q1-3 2019|20

**CONSOLIDATED
FINANCIAL
STATEMENTS
(CONDENSED)**



CONSOLIDATED INCOME STATEMENT

| €m (condensed) | Q1-3 2019 20 | Q1-3 2018 19 | Q3 2019 20 | Q3 2018 19 |
|---|-------------------------------|-----------------|-----------------------------|---------------|
| Revenue | 1,879.4 | 1,863.5 | 629.4 | 601.9 |
| EBITDA ¹ | 139.5 | 124.1 | 48.7 | 27.8 |
| Operating profit before except. items and results of equity-accounted JV | 58.3 | 54.6 | 14.3 | (1.9) |
| Share of results of equity-accounted JV | 11.9 | 10.5 | 4.2 | 3.9 |
| Exceptional items | (0.4) | (1.6) | (0.4) | (0.8) |
| EBIT | 69.8 | 63.5 | 18.1 | 1.2 |
| EBIT margin | 3.7% | 3.4% | 2.9% | 0.2% |
| Net financial items | (11.6) | (11.9) | (3.7) | (1.5) |
| Profit before tax | 58.2 | 51.6 | 14.4 | (0.3) |
| Income tax expense | (15.1) | (14.6) | (0.2) | (2.4) |
| Profit for the period | 43.1 | 37.0 | 14.2 | (2.7) |
| Attributable to shareholders of the parent | 40.1 | 33.1 | 13.1 | (3.5) |
| Earnings per share | € 0.64 | € 0.53 | € 0.21 | € (0.06) |

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 | Q1-3 2019 20 | Q1-3 2018 19 | Change |
|----------------------------------|-------------------------|-----------------|---------|
| Net interest expense | (5.3) | (3.6) | -47.2% |
| Currency translation differences | (4.2) | (7.8) | +46.2% |
| IAS 29 - Argentina | (0.6) | 0.9 | > -100% |
| Other financial items | (1.5) | (1.4) | -7.1% |
| Total | (11.6) | (11.9) | +2.5% |



TAX RATE

| €m | Q1-3 2019 20 | Q1-3 2018 19 | Change |
|--------------------|-------------------------|-----------------|--------|
| Profit before tax | 58.2 | 51.6 | +12.8% |
| Income tax expense | (15.1) | (14.6) | +3.4% |
| Tax rate | 25.9% | 28.3% | -2.4pp |

Deferred tax assets on losses carried forward were considered with an amount of € 3.1 million in Q3 2019|20 for losses in the sugar segment



CONSOLIDATED CASH FLOW STATEMENT

| €m (condensed) | Q1-3 2019 20 | Q1-3 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% |
| Total of interest paid/received and 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% |



CONSOLIDATED BALANCE SHEET

| €m (condensed) | 30 Nov. 2019 | 28 Feb. 2019 | Change |
|-------------------------------------|---------------------|----------------|---------|
| Non-current assets | 1,314.5 | 1,252.1 | +5.0% |
| Current assets | 1.271.6 | 1,137.3 | +11.8% |
| Total assets | 2,586.1 | 2,389.4 | +8.2% |
| Equity | 1,381.1 | 1,409.9 | -2.0% |
| Non-current liabilities | 561.5 | 393.1 | +42.8% |
| Current liabilities | 643.5 | 586.4 | +9.7% |
| Total equity and liabilities | 2,586.1 | 2,389.4 | +8.2% |
| Equity ratio | 53.4% | 59.0% | -5.6pp |
| Net debt | 484.6 | 322.2 | +50.4% |
| Gearing | 35.1% | 22.9% | +12.2pp |



2019|20
OUTLOOK





OUTLOOK FOR 2019|20

FRUIT

Revenue →
EBIT ↓↓

- **Fruit segment:** AGRANA expects the 2019|20 FY to bring **steady revenue** but a **significant EBIT decrease**
 - Fruit preparations: due to flat sales volumes, the FP business expects revenue to move sideways; 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
 - Fruit juice concentrates: revenue is projected this FY to be stable; EBIT will be significantly less than last year due to reduced capacity utilisation driven by lower raw material availability

STARCH

Revenue ↑
EBIT ↑↑

- **Starch segment: moderate increase in revenue** is forecasted for 2019|20; markets for starches are expected to be stable, with starch-based saccharification products remaining still affected by European sugar prices
- **EBIT** of the Starch segment is expected to **increase significantly** thanks primarily to the year-on-year increase in ethanol prices

SUGAR

Revenue ↗
EBIT ↑↑

- **Sugar segment:** AGRANA is projecting **consistently low revenue** in expectation of a challenging sugar market environment and a beet crop below average
- 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; however, in relative terms, as a result of higher sales prices in the SMY 2019|20, EBIT is expected to improve significantly in the financial year



AGRANA GROUP

OUTLOOK FOR 2019|20

AGRANA Group

EBIT 2019 | 20



Revenue 2019 | 20



- Despite the **challenges in the Sugar and Fruit 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 **slight growth**
- Total **investment** across the three business segments in 2019|20 FY, at approximately **€ 140 million** exceeds the budgeted depreciation of about € 110 million



2019|20 AND 2020|21

FINANCIAL CALENDAR

13-14 February 2020

CAPITAL MARKETS DAY 2020 in Vienna and Pischelsdorf

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



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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% |