



PRESS RELEASE

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AGRANA: significant EBIT decrease in 2018|19 financial year

Outlook: Significant EBIT growth expected in 2019|20

- Revenue: € 2,443.0 million (-4.8%; prior year: € 2,566.3 million)
- Operating profit (EBIT): € 66.6 million (-65.1%; prior year: € 190.6 million)
- Earnings per share: € 0.41¹ (-81.7%; prior year: € 2.24¹)
- Equity ratio: 59.0% (prior year: 61.7%)
- Dividend proposal for 2018|19 of € 1,00¹ per share (prior-year dividend: € 1.125¹ per share)
- Outlook for 2019|20: expecting significant EBIT growth and a moderate rise in revenue

In the 2018|19 financial year, AGRANA Beteiligungs-AG achieved consolidated revenue of € 2,443.0 million, a slight decrease from the prior year. Operating profit (EBIT), at € 66.6 million, decreased by 65.1% from one year earlier. The significant earnings decline was especially due to persistent extremely low sugar prices, but also to low isoglucose and ethanol prices in the Starch segment. In the Fruit segment, AGRANA recorded stable revenue and an increase in EBIT, with the fruit juice concentrate business generating the earnings growth thanks to an improved situation in margins and sales volume.

AGRANA Chief Executive Officer Johann Marihart says: "The past financial year, which was negatively impacted above all by losses in the Sugar segment and by volatile but low overall ethanol prices, certainly does not give us cause for satisfaction. However, for the new financial year now under way, we expect renewed significantly better overall earnings, driven particularly by EBIT growth in the Fruit segment. Amid the difficult situation in the sugar market, our strategy of diversification once again proves its worth, enabling us to balance out the effects of fluctuating business conditions across the different operating segments. Our optimism is also reflected in our investments in growth projects in the Fruit segment and specialisation projects in the Starch segment. The biggest project of the new financial year is the expansion of the wheat starch plant in Pischelsdorf, Austria; the enlarged facility is scheduled for commissioning at the end of 2019."

¹ Reflecting the four-for-one stock split performed in July 2018, i.e., based on the new number of shares outstanding at 28 February 2019 of 62,488,976.

AGRANA Group results	FY 2018 19	FY 2017 18
Revenue	€ 2,443.0 m	€ 2,566.3 m
EBITDA ²	€ 147.7 m	€ 254.2 m
Operating profit (EBIT)	€ 66.6 m	€ 190.6 m
EBIT margin	2.7%	7.4%
Profit for the period	€ 30.4 m	€ 142.6 m
Earnings per share	€ 0.41	€ 2.24 ³
Investment ⁴	€ 183.8 m	€ 140.9 m
Number of employees ⁵	9,230	8,678

Net financial items in 2018|19 amounted to a net expense of € 15.4 million (prior year: net expense of € 14.5 million). The prior year's optimisation of the credit and interest rate structure led to a further improvement of € 2.3 million in net interest expense. Profit before tax decreased from the prior year's € 176.2 million to € 51.2 million. After an income tax expense of € 20.9 million based on a tax rate of 40.7% (prior year: 19.0%), the Group's profit for the period was € 30.4 million (prior year: € 142.6 million).

With total assets of € 2,389.4 million, which were € 33.0 million higher than one year earlier, the equity ratio of 59.0% was 2.7 percentage points below the prior-year level. Net debt as of 28 February 2019 amounted to € 322.2 million, up € 89.7 million from the 2017|18 year-end level. The gearing ratio was thus 22.9% at the balance sheet date (28 February 2018: 16.0%). Consistent with AGRANA's transparent dividend policy, under which distributions are based on the Group's profit and cash flow as well as its debt situation and the need to maintain a sound balance sheet structure, the Management Board will propose to shareholders at the Annual General Meeting to pay a dividend of € 1.00⁶ per share for the 2018|19 financial year (prior-year dividend: € 1.125⁶ per share).

Fruit segment	FY 2018 19	FY 2017 18
Revenue	€ 1,179.1 m	€ 1,161.4 m
Operating profit [EBIT]	€ 77.3 m	€ 75.6 m
EBIT margin	6.6%	6.5%

Fruit segment revenue rose by 1.5% to € 1,179.1 million. EBIT, at € 77.3 million, was up 2.1% from one year earlier. While revenue in the fruit preparations business, despite higher sales volumes, showed a decrease as a result of negative currency translation effects, revenue of the fruit juice concentrate activities rose thanks to the high apple juice concentrate prices for product from the 2017 crop and good sales volumes from the 2018 campaign. The EBIT increase in the Fruit segment was thus driven by the improved margin and sales volume situation in the fruit juice concentrate business and the high capacity utilisation of the concentrate plants in the 2018 processing season.

² EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

³ Based on the number of shares outstanding at 28 February 2019 of 62,488,976.

⁴ Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

⁵ Average number of full-time equivalents in the financial year.

⁶ Reflecting the four-for-one stock split performed in July 2018, i.e., based on the new number of shares outstanding at 28 February 2019 of 62,488,976.

Starch segment	FY 2018 19	FY 2017 18
Revenue	€ 762.7 m	€ 752.3 m
Operating profit [EBIT]	€ 51.2 m	€ 80.2 m
EBIT margin	6.7%	10.7%

Revenue in the Starch segment was € 762.7 million, up slightly by 1.4% from the year before. Growth in native and modified starches and in specialties made up for volume- and price-induced revenue reductions in saccharification products and price-driven decreases in bioethanol revenue. The poorer performance in the ethanol and saccharification products business led to an EBIT decline of 36.2% to € 51.2 million.

Sugar segment	FY 2018 19	FY 2017 18
Revenue	€ 501.2 m	€ 652.6 m
Operating profit [EBIT]	(€ 61.9 m)	€ 34.8 m
EBIT margin	(12.3%)	5.3%

The Sugar segment had revenue of € 501.2 million, a reduction of 23.2% from the prior year due to the very low sugar selling prices. In terms of volume, sales with resellers and industrial customers grew in the domestic markets. Meanwhile, export volumes and sales to the non-food industry decreased. EBIT fell markedly to a deficit of € 61.9 million. This negative performance resulted from the year-on-year decline in sales prices as well as from adverse effects of the drought-related poorer harvest in Austria.

Outlook

Thanks to its sound balance sheet and the diversified business model built on the Fruit, Starch and Sugar segments, AGRANA considers itself well positioned for the future. "From today's perspective, we expect a significant increase in operating profit (EBIT) for the 2019|20 financial year despite the continuing major challenges in the Sugar segment. For Group revenue we are projecting a moderate increase," comments CEO Marihart. In 2019|20 the total investment in the three business segments – about € 143 million – will significantly exceed the budgeted depreciation of approximately € 108 million.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 9,200 employees at 58 production sites worldwide generate annual Group revenue of approximately € 2.4 billion. Established in 1988, the company is the world market leader in fruit preparations and the leading producer of fruit juice concentrates in Europe. As well, its Starch segment is a major manufacturer of custom starch products and bioethanol. AGRANA today is also the leading sugar producer in Central and Eastern Europe.

This announcement is available in German and English at www.agrana.com.