



PRESS RELEASE

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AGRANA results for the first half of 2017|18 (ended 31 August 2017)

AGRANA EBIT grows 45% – Outlook: Significant earnings growth confirmed for full year 2017 | 18

AGRANA, the Sugar, Starch and Fruit manufacturer, is delivering compelling results for the first half of the 2017|18 financial year. Operating profit (EBIT) grew to € 130.6 million, a substantial improvement of 44.5% from one year earlier. The Group's revenue rose slightly, by 3.2% to € 1,362.1 million (H1 prior year: € 1,320.3 million). AGRANA Chief Executive Officer Johann Marihart says: "AGRANA had a very satisfactory first half of 2017|18 in all three business segments. We are especially pleased with the significant profit growth in the Starch segment, where productivity gains and higher ethanol quotations enabled EBIT to surpass the already very good year-earlier result. While in the Sugar segment our earnings were improved by a year-on-year increase in sugar sales prices, EBIT in the Fruit segment was pushed up by higher sales volumes both in the fruit preparations and fruit juice concentrate businesses."

AGRANA Group consolidated financial results

€ million, except %

	H1 2017 18	H1 2016 17	Q2 2017 18	Q2 2016 17
Revenue	1,362.1	1,320.3	677.9	654.8
EBITDA ¹	149.6	114.2	72.0	56.1
Operating profit before exceptional items and results of equity-accounted joint ventures	113.4	78.3	53.7	37.7
Share of results of equity-accounted joint ventures	20.0	15.0	9.9	8.6
Exceptional items	(2.8)	(2.9)	(2.8)	(2.9)
Operating profit [EBIT]	130.6	90.4	60.8	43.4
EBIT margin	9.6%	6.8%	9.0%	6.6%
Net financial items	(8.9)	(10.3)	(4.1)	(2.8)
Profit for the period	97.3	62.6	46.4	31.8
Investment ²	58.1	42.4	36.6	23.8

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

² Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

Net financial items improved to a net expense of € 8.9 million from the year-earlier net expense of € 10.3 million. After an income tax expense of € 24.4 million, corresponding to a tax rate of approximately 20.0% (H1 prior year: 21.8%), profit for the period was € 97.3 million (H1 prior year: € 62.6 million).

Net debt as of 31 August 2017 stood at € 190.1 million, down by € 49.8 million from the 2016|17 year-end level. The gearing ratio thus eased to 13.4% as of the quarterly balance sheet date (28 February 2017: 17.0%).

Sugar segment

€ million, except %

	H1 2017 18	H1 2016 17	Q2 2017 18	Q2 2016 17
Revenue	376.7	352.0	198.3	173.6
Operating profit [EBIT]	36.6	18.3	18.5	8.3
EBIT margin	9.7%	5.2%	9.3%	4.8%

Sugar segment revenue in the first half of 2017|18 grew by 7.0% year-on-year to € 376.7 million. While sugar sales volumes were constant, higher sales prices relative to one year earlier were responsible for this positive change. The doubling of EBIT to € 36.6 million was driven by an improvement in the market environment from one year earlier.

Starch segment

€ million, except %

	H1 2017 18	H1 2016 17	Q2 2017 18	Q2 2016 17
Revenue	385.5	363.1	190.7	183.7
Operating profit [EBIT]	50.5	32.0	23.9	18.2
EBIT margin	13.1%	8.8%	12.5%	9.9%

Revenue in the Starch segment for the first half of 2017|18 was € 385.5 million, representing growth of 6.2% from one year earlier. The revenue growth resulted primarily from higher sales volumes of starches and higher bioethanol prices than in the year-ago period. EBIT, at € 50.5 million, was 57.8% stronger than the already good year-earlier result. Besides the higher bioethanol quotations, other drivers of the earnings growth were productivity gains, stable raw material prices and lower energy prices.

Fruit segment

€ million, except %

	H1 2017 18	H1 2016 17	Q2 2017 18	Q2 2016 17
Revenue	599.9	605.2	288.9	297.5
Operating profit [EBIT]	43.5	40.1	18.4	16.9
EBIT margin	7.3%	6.6%	6.4%	5.7%

Revenue in the Fruit segment in the first half of 2017|18, at € 599.9 million, was in line with the same period one year earlier. In the fruit preparations business, a slight increase in sales volumes, higher selling prices, and positive foreign currency effects (notably in Eastern Europe, the USA, Brazil and South Korea) added up to revenue growth. In the fruit juice concentrate operations, revenue decreased as a result of lower raw material prices and the associated reduction in concentrate prices for product from the 2016 crop compared to

2015. EBIT of the Fruit segment overall, at € 43.5 million, grew by 8.5% from the prior year's comparative figure. Both the fruit juice concentrate business (partly through volume and margin growth in beverage bases) and the fruit preparations side contributed to the earnings improvement.

Outlook

For the full 2017|18 financial year, AGRANA expects Group revenue to rise moderately and continues to predict a significant increase in operating profit (EBIT). Total investment across the three business segments in the financial year, at approximately € 140 million, will exceed the budgeted depreciation of about € 93 million.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 8,600 employees at 55 production sites worldwide generate annual Group revenue of approximately € 2.6 billion. Established in 1988, the company today is the leading sugar producer in Central and Eastern Europe, and its Starch segment is a major European manufacturer of custom starch products and bioethanol. AGRANA is also the world market leader in fruit preparations and the largest manufacturer of fruit juice concentrates in Europe.

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