



PRESS RELEASE

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AGRANA: significant EBIT growth in 2019|20 financial year

COVID-19: No reliable forecast of revenue and EBIT for 2020|21 financial year is possible to date

- Revenue: € 2,480.7 million (+1.5%; prior year: € 2,443.0 million)
- Operating profit (EBIT): € 87.1 million (+30.8%; prior year: € 66.6 million)
- Earnings per share: € 0.77 (+87.8%; prior year: € 0.41)
- Equity ratio: 54.4% (prior year: 59.0%)
- Dividend proposal for 2019|20: € 0.77 per share (prior-year dividend: € 1.00 per share)

In the 2019|20 financial year, AGRANA Beteiligungs-AG achieved Group revenue of € 2,480.7 million, a slight increase from the prior year. Operating profit (EBIT), at € 87.1 million, rose significantly (by € 20.5 million) from one year earlier. "The past financial year brought the expected significant improvement in earnings. Business performance was very good in the Starch segment, where we also benefited from high bioethanol prices. But the Group's overall growth in EBIT was also due to a slight recovery in the Sugar segment, where EBIT improved while remaining in negative territory. In the Fruit segment, the original goal of EBIT growth had to be revised during the year, due particularly to lower-than-expected results in the fruit preparations business," notes AGRANA Chief Executive Officer Johann Marihart.

Remarking on AGRANA's current situation regarding the COVID-19 pandemic, CEO Marihart explains: "As a food producer, AGRANA is considered to be critical infrastructure. Since the emergence of the coronavirus pandemic, despite the difficult production environment and the high demand for our products, we have been well able to assure that our customers are supplied. Our diversified business model with the three segments of Fruit, Starch and Sugar is a stabilising factor especially in these challenging times and will help us in overcoming the crisis."

AGRANA Group results (€ million, except as indicated)	FY 2019 20	FY 2018 19
Revenue	2,480.7	2,443.0
EBITDA ¹	183.1	147.7
Operating profit ²	73.1	51.1
Share of results of equity-accounted joint ventures	16.7	12.2
Operating profit [EBIT]	87.1	66.6
EBIT margin	3.5%	2.7%
Profit for the period	51.3	30.4
Earnings per share (€)	0.77	0.41
Investment ³	149.7	183.8
Number of employees (FTE) ⁴	9,342	9,230

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

² Operating profit before exceptional items and results of equity-accounted joint ventures

³ Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

⁴ Average number of full-time equivalents in the financial year.

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The higher net financial items expense of € 17.2 million (prior year: net expense of € 15.4 million) was due to a rise in net interest expense from € 5.5 million in the prior year to € 8.4 million. This in turn was attributable primarily to an increase of € 150 million in average debt and to an additional interest expense of about € 1.0 million resulting from the initial application of IFRS 16, Leases. Profit before tax increased from the prior year's € 51.2 million to € 69.9 million. After an income tax expense of € 18.6 million, representing a tax rate of 26.6% (prior year: 40.7%), the Group's profit for the period was € 51.3 million (prior year: € 30.4 million).

With total assets of € 2,549.4 million that were € 160.0 million higher than one year earlier, the Group had an equity ratio of 54.4%, which was 4.6 percentage points below the prior-year level. Net debt as of 29 February 2020 amounted to € 464.0 million, up € 141.8 million from the 2018|19 year-end level. The gearing ratio at the balance sheet date was 33.5% (28 February 2019: 22.9%). 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, and which also takes into account current events and the expected future business trajectory, the Management Board will propose to shareholders at the Annual General Meeting to pay a dividend of € 0.77 per share for the 2019|20 financial year (prior-year dividend: € 1.00 per share).

Fruit segment	FY 2019 20	FY 2018 19
Revenue	1,185.5	1,179.1
Operating profit [EBIT]	55.9	77.3
EBIT margin	4.7%	6.6%

The Fruit segment's overall revenue was steady (up 0.5%) compared to one year earlier. While revenue in the fruit preparations business showed a slight increase thanks to higher sales volumes, revenue of the fruit juice concentrate activities eased year-on-year as a result of lower apple juice concentrate prices for product from the 2018 crop and lower sales volumes from the 2019 campaign. EBIT decreased by 27.6% from the year-ago value. This earnings deterioration was driven above all by one-time effects (including in raw materials), higher costs and lower-than-expected sales volume in the fruit preparations business on the one hand, and a poorer margin and sales volume situation and reduced capacity utilisation of the fruit juice concentrate facilities in the 2019 processing season on the other hand.

Starch segment	FY 2019 20	FY 2018 19
Revenue	807.0	762.7
Operating profit [EBIT]	75.2	51.2
EBIT margin	9.3%	6.7%

Starch segment revenue rose by 5.8% year-on-year. Significant revenue growth was generated in native and modified starches, while there was a decline in revenue with by-products (animal feeds and fertilisers). EBIT in the Starch segment surpassed the year-earlier result by 46.7%. The pronounced earnings growth stemmed primarily from the considerable rise in the market price of ethanol.

Sugar segment	FY 2019 20	FY 2018 19
Revenue	488.3	501.2
Operating (loss) [EBIT]	(44.0)	(61.9)
EBIT margin	(9.0%)	(12.4%)

Amid the continued low sugar selling prices, revenue in the Sugar segment eased by 2.6% from the prior year. In terms of volume, sales with resellers and industrial customers in the domestic markets were in line with the year before. EBIT improved by 28.8%, although remaining negative. The positive EBIT trend was attributable mainly to higher sugar prices for resellers compared with the prior year.

Outlook

The outlook for the 2020|21 financial year is subject to the proviso that the economic and financial impacts and duration of the COVID-19 pandemic are currently not yet clear. Given the dynamic nature of the pandemic, quantitative assumptions about these unknowns would be largely speculative. Based on the projections made before the emergence of COVID-19, the AGRANA Group would have expected a significant increase both in its revenue and EBIT. In 2020|21 the total investment in the three business segments – about € 80 million – will be significantly below the budgeted depreciation of approximately € 120 million.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 9,300 employees at 57 production sites worldwide generate annual Group revenue of approximately € 2.5 billion. Established in 1988, the company is the world market leader in fruit preparations and the foremost producer of fruit juice concentrates in Europe. As well, its Starch segment is a major manufacturer of custom starch products and of 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.