



PRESS RELEASE

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AGRANA: significant EBIT reduction in first half of 2024 | 25

Sugar market in particular remains challenging

In the first half of the 2024|25 financial year, AGRANA, the fruit, starch and sugar company, registered a significant year-on-year decrease of 49.0% in operating profit (EBIT) to € 56.6 million. The Group's revenue eased by 5.0% to € 1,861.7 million (H1 prior year: € 1,959.5 million). The reduction in EBIT and revenue resulted from a decline in sales prices for sugar and lower margins on starch and saccharification products compared to the year before. The Fruit segment, on the other hand, delivered a very satisfactory performance, with EBIT significantly above that of the previous year. In the sugar market, the coming months will remain very challenging. Strong initial harvest forecasts in Europe, coupled with substantially risen imports from Ukraine, have in the past months led to elevated supply, which in combination with flat demand has significantly driven down sugar prices.

"The currently very adverse market situation will have a negative impact on the earnings of the AGRANA Group for the 2024|25 financial year. Although our diversified business model acts as a buffer against economic swings, we continue to work at full speed on our Next Level strategy in order to reduce our exposure to market volatility and increase our baseline profitability. We have already initiated measures to this end, including a comprehensive cost reduction programme both at the holding company and segment level. In the volatile commodity markets where we operate, cost leadership is crucial. On this front we intend to fully leverage our existing potential," **says AGRANA CEO Stephan Büttner.**

AGRANA Group financial results, first half of 2024 | 25 (1 March–31 August 2024)

€ million, except %

	H1	H1	Q2	Q2
	2024 25	2023 24	2024 25	2023 24
Revenue	1,861.7	1,959.5	917.4	993.4
EBITDA ¹	107.6	163.7	51.8	73.1
Operating profit before exceptional items and results of equity-accounted joint ventures	55.3	112.7	25.3	47.8
Share of results of equity-accounted joint ventures	3.2	(2.2)	1.1	(0.4)
Exceptional items	(1.9)	0.4	(2.1)	0.0
Operating profit [EBIT]	56.6	110.9	24.3	47.4
EBIT margin	3.0%	5.7%	2.6%	4.8%
Profit for the period	23.5	64.3	7.4	26.3
Investment ²	47.1	41.9	28.7	26.4

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.

The Group's **net financial items** amounted to an expense of € 19.4 million, down from a € 24.3 million net expense in the year-earlier period, primarily as a result of significantly improved currency translation differences, but also thanks to a moderate improvement in net interest expense. After an income tax expense of € 13.7 million, corresponding to a tax rate of 36.8% (H1 prior year: 25.8%), the Group's **profit for the period** was € 23.5 million (H1 prior year: € 64.3 million). Net debt as of 31 August 2024 stood at € 621.2 million, a decrease of € 14.9 million from the year-end level of 29 February 2024. The gearing ratio (net debt to total equity) at the quarterly balance sheet date was 50.9% (29 February 2024: 51.0%).

Fruit segment

€ million, except %

	H1 2024 25	H1 2023 24	Q2 2024 25	Q2 2023 24
Revenue	824.5	791.1	408.9	390.0
Operating profit [EBIT]	50.4	43.7	23.4	19.3
EBIT margin	6.1%	5.5%	5.7%	4.9%

The Fruit segment's revenue in the first half of 2024|25 was € 824.5 million, somewhat above the year-earlier amount. On the fruit preparations side, revenue rose for volume reasons, while the increase in fruit juice concentrate revenue was driven by volume and prices.

Fruit segment EBIT in the first six months grew to € 50.4 million, up significantly from the first half of the previous year. The improvement was due mainly to a positive business performance in fruit preparations in Europe and Mexico. The fruit juice concentrate activities also recorded a good EBIT result.

Starch segment

€ million, except %

	H1 2024 25	H1 2023 24	Q2 2024 25	Q2 2023 24
Revenue	532.9	614.8	267.4	297.7
Operating profit [EBIT]	24.9	36.2	15.5	14.1
EBIT margin	4.7%	5.9%	5.8%	4.7%

Revenue in the Starch segment in the first half of 2024|25 was 13.3% below the value of the year-earlier comparative period, when the war in Ukraine had led to powerful increases in market prices. Owing to the decline in raw material and energy prices, market prices for the segment's products decreased noticeably year-on-year, which affected the selling prices obtained for the entire Starch portfolio.

At € 24.9 million, EBIT in the Starch segment was off significantly from one year earlier. The key reason for this was the margin decline in starch and saccharification products driven by significantly lower sales prices for core and by-products.

In Austria, AGRANA was affected by the September flooding, which led to temporary production stoppages at the starch plants in Pischelsdorf and Gmünd. The financial impacts cannot yet be fully assessed at this time.

Sugar segment

€ million, except %

	H1 2024 25	H1 2023 24	Q2 2024 25	Q2 2023 24
Revenue	504.3	553.6	241.1	305.7
Operating (loss)/profit [EBIT]	(18.7)	31.0	(14.6)	14.0
EBIT margin	(3.7%)	5.6%	(6.1%)	4.6%

Sugar segment revenue in the first half of 2024|25 declined by a moderate 8.9% year-on-year, as the negative effect of lower sugar sales prices could not be made up for by slightly higher sales volumes. The EBIT result in the first half of the year fell markedly from a profit of € 31.0 million to a deficit of € 18.7 million. This reflected particularly the significantly reduced sugar sales prices with the resellers channel.

The start of the sugar beet campaign at the two Austrian sugar plants and other AGRANA sugar factories in Central and Eastern Europe was in some cases delayed due to the floods in the middle of September. However, beet processing has been underway at all sites since 4 October.

Outlook

As a result of the persistent challenges faced especially in the Sugar segment, AGRANA continues to predict a significant reduction in Group operating profit (EBIT) for the full 2024|25 financial year. Group revenue is projected to show a moderate decrease.

Total investment across the three business segments in the 2024|25 financial year, at approximately € 120 million, will be moderately below the 2023|24 value and only in line with depreciation of about € 120 million budgeted for 2024|25. Around 12% of this capital expenditure will be for emission reduction measures in the Group's own production operations, as part of the AGRANA climate strategy.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 9,000 employees at 53 production sites worldwide generate annual Group revenue of approximately € 3.8 billion. Established in 1988, the company is the global market leader in fruit preparations and the world's leading producer of apple and berry juice concentrates. As well, its Starch segment is a major manufacturer of custom starch products (made from potato, corn and wheat) and of bioethanol. AGRANA is the leading sugar producer in Central and Eastern Europe.

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