



PRESS RELEASE

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AGRANA grows EBIT in financial first three quarters of 2019 | 20

First three quarters of 2019 | 20 at a glance

- Revenue: € 1,879.4 million (+0.9%; Q1-Q3 prior year: € 1,863.5 million)
- EBIT: € 69.8 million (+9.9%; Q1-Q3 prior year: € 63.5 million)
- EBIT margin: 3.7% (Q1-Q3 prior year: 3.4%)
- Profit for the period: € 43.1 million (+16.5%; Q1-Q3 prior year: € 37.0 million)
- Equity ratio: 53.4% (28 February 2019: 59.0%)

Outlook for full year 2019 | 20

- Forecast for full 2019|20 financial year reaffirmed, with significant EBIT increase and slight growth in revenue year-on-year
- Investment well above depreciation
- Diversification and specialties are basis for stable Group performance

In the first three quarters of the 2019|20 financial year, AGRANA, the fruit, starch and sugar company, generated EBIT operating profit of € 69.8 million, already surpassing the result of the full prior year. AGRANA Chief Executive Officer Johann Marihart comments: "Despite a recent improvement in the sugar price situation, seen especially in the spot markets in Eastern Europe, higher campaign costs are again weighing on results in the 2019 beet processing campaign, as heat and drought led to reduced beet crops. Revenue in the Fruit segment was stable, although fruit preparations revenue remained below initial expectations despite higher sales volumes. The Starch segment benefited from the high bioethanol prices and, with its EBIT growth, drove the Group's earnings improvement relative to the prior year."

Results in each business segment

FRUIT segment

Fruit segment revenue in the financial first three quarters was € 889.3 million, in line with the year-earlier period. EBIT, at € 45.9 million, showed a significant decrease of 26% from a year ago. The causes of this deterioration lay mainly in the fruit preparations division, where several factors, including sales volume growth below expectations, reduced margins in Europe as well as one-off effects especially in raw materials, along with low sales prices for apples in Ukraine, were the primary drivers of the reduction in operating profit.

STARCH segment

The Starch segment's revenue in the first nine months rose by 7.2% year-on-year to € 606.9 million. And with EBIT of € 57.3 million, the Starch segment surpassed the comparative year-earlier result by 55.3%. The very significant earnings growth was powered largely by the rise in the market price of ethanol and by higher sales volumes of saccharification products and native and modified starches.

SUGAR segment

Sugar segment revenue in the first three quarters of the financial year was € 383.2 million, off 5.8% from one year earlier. Lower sugar sales volumes were responsible for this decrease. EBIT improved moderately to a deficit of € 33.4 million, from a deficit of € 35.4 million in the year-ago period. Although the 2019 campaign, like the prior year's, is associated with significant idle-capacity costs resulting from smaller beet harvests, higher sugar sales prices than in the prior year had a positive effect on EBIT.

The detailed financial results are provided in the **interim statement for the first three quarters of 2019|20** at → [LINK](#)

Outlook

For the full 2019|20 financial year, AGRANA continues to expect a significant increase in Group operating profit (EBIT). Revenue is projected to be slightly higher than in the year before.

In the 2019|20 financial year the AGRANA Group plans to invest € 140 million, significantly exceeding the budgeted depreciation of about € 110 million. CEO Johann Marihart says: "The construction of the betaine crystallisation plant in Tulln, Austria, a € 40 million project, is proceeding apace and from June 2020 this new facility will boost the amount of value added in the Sugar segment. The second wheat starch plant in Pischelsdorf, Austria, which opened in November, has successfully begun operation and will already contribute significant product quantities to the Starch segment's sales volumes in the fourth quarter of the 2019|20 financial year. Thanks to our diversified business model, we are thus able to reiterate the guidance of a significant year-on-year improvement in the Group's EBIT for the full year 2019|20."

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 9,500 employees at 57 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 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