



## PRESS RELEASE

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**2021|22 annual results: AGRANA posts Group revenue of € 2.9 billion and a significant increase in “operating profit before exceptional items and joint venture results” – but high impairment charges due to war in Ukraine**

*Operating profit (EBIT) of € 24.7 million after impairment*

### 2021|22 at a glance (year ended 28 February 2022)

- Revenue: € 2,901.5 million (+13.9%; prior year: € 2,547.0 million)
- Operating profit before exceptional items and results of equity-accounted joint ventures: € 86.5 million (+18.3%; prior year: € 73.1 million)
- Operating profit (EBIT): € 24.7 million (–68.6%; prior year: € 78.7 million)
- Loss per share: € 0.20 (–120.8%; prior year: earnings per share of € 0.96)
- Equity ratio: 48.5% (prior year: 53.8%)
- Dividend proposal for 2021|22: € 0.75 per share (prior-year dividend: € 0.85 per share)

The AGRANA Group's revenue of € 2,901.5 million in the 2021|22 financial year was up significantly from the year before. Operating profit before exceptional items and results of equity-accounted joint ventures rose 18.3% to € 86.5 million. Operating profit (EBIT) in 2021|22 was € 24.7 million, a pronounced decrease from the year-ago level of € 78.7 million. The decline in EBIT was due to a net exceptional items expense of € 69.8 million (prior year: net expense of € 11.9 million), primarily caused by impairment losses in connection with the war in Ukraine. The outbreak of the war on 24 February 2022 still fell within the 2021|22 financial year and thus, for accounting purposes, represented a so-called adjusting event for AGRANA that triggered internal impairment tests.

“Until the outbreak of the war, we were fully on track to meet our targets and, if it had not been for the negative one-time expenses related to the war, we would have achieved our guided significant EBIT increase. That's because operationally, the 2021|22 financial year was very satisfactory. In the Fruit segment, a good apple processing campaign in 2021 led to a recovery for the fruit juice concentrate business, while in the Starch segment, historic high ethanol prices were the key reason for a very strong EBIT performance achieved especially in the second half of 2021|22. In the Sugar segment, capacity utilisation of the factories was improved thanks to higher beet volumes,” explains AGRANA CEO Markus Mühleisen.

<b>AGRANA Group results</b> € million, except as indicated	<b>FY 2021   22</b>	FY 2020 21
Revenue	<b>2,901.5</b>	2,547.0
EBITDA <sup>1</sup>	<b>206.7</b>	191.2
Operating profit before exceptional items and results of equity-accounted joint ventures	<b>86.5</b>	73.1
Share of results of equity-accounted joint ventures	<b>8.0</b>	17.5
Operating profit [EBIT]	<b>24.7</b>	78.7
EBIT margin	<b>0.9%</b>	3.1%
(Loss)/profit for the period	<b>(12.2)</b>	55.0
(Loss)/earnings per share (€)	<b>(0.20)</b>	0.96
Investment <sup>2</sup>	<b>82.4</b>	72.3
Number of employees <sup>3</sup>	<b>8,691</b>	8,847

Net financial items amounted to an expense of € 16.1 million in the 2021|22 financial year (prior year: net expense of € 18.5 million), an improvement driven primarily by more favourable currency translation effects. Net interest expense also eased compared to the prior year. Profit before tax fell from the prior year's € 60.2 million to € 8.6 million. After an income tax expense of € 20.9 million, representing a tax rate of 241.7% (prior year: 8.7%), the Group registered a loss for the period of € 12.2 million (prior year: profit for the period of € 55.0 million). The loss for the period attributable to shareholders of AGRANA was € 12.6 million (prior year: profit of € 59.8 million); earnings per share were negative at a loss € 0.20 (prior year: positive earnings per share of € 0.96).

Total assets as of 28 February 2022, at € 2.64 billion, were up moderately from one year earlier (28 February 2021: € 2.47 billion), with an equity ratio of 48.5% (28 February 2021: 53.8%). Net debt as of 28 February 2022 amounted to € 532.0 million, up € 88.5 million from the 2020|21 year-end level. The gearing ratio at the balance sheet date was thus 41.5% (28 February 2021: 33.4%).

In line with the long-term orientation of AGRANA's dividend policy, the Management Board will propose to the Annual General Meeting to pay a dividend of € 0.75 per share for the year (prior-year dividend: € 0.85 per share).

<b>Fruit segment</b> € million, except %	<b>FY 2021   22</b>	FY 2020 21
Revenue	<b>1,251.1</b>	1,166.6
Operating (loss)/profit [EBIT]	<b>(15.8)</b>	41.2
EBIT margin	<b>(1.3%)</b>	3.5%

Revenue in the Fruit segment showed moderate growth of 7.2% compared to the previous year. This was driven by higher selling prices for both fruit preparations and fruit juice concentrates. The net exceptional items expense in the fruit businesses, due mainly to impairment of goodwill as a result of the war in Ukraine, was € 67.7 million, sharply reducing EBIT in the Fruit segment.

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

<sup>2</sup> Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

<sup>3</sup> Average number of full-time equivalents in the financial year.

<b>Starch segment</b> € million, except %	<b>FY 2021   22</b>	FY 2020 21
Revenue	<b>1,010.4</b>	821.9
Operating profit [EBIT]	<b>71.7</b>	64.8
EBIT margin	<b>7.1%</b>	7.9%

In a market shaped by COVID-19 pandemic effects, revenue in the Starch segment rose very significantly to € 1,010.4 million. Adjusted sales prices across the product portfolio were the biggest revenue driver. Extreme increases in raw material and energy costs, particularly in the second half of 2021|22, made it necessary to pass through the rise in manufacturing costs to customers by means of sales price adjustments. The fact that this was only partially possible weighed on margins.

The high energy prices in turn buoyed ethanol quotations, which averaged € 812 per cubic metre over the year, or about € 228 more than in the year before. The very high ethanol prices more than covered the vastly increased production costs, and the ethanol business thus made a critical contribution to the Starch segment's earnings growth. EBIT in the Starch segment rose significantly, by 10.6%.

<b>Sugar segment</b> € million, except %	<b>FY 2021   22</b>	FY 2020 21
Revenue	<b>640.1</b>	558.5
Operating (loss) [EBIT]	<b>(31.1)</b>	(27.3)
EBIT margin	<b>(4.9%)</b>	(4.9%)

Revenue in the Sugar segment grew by 14.6% from the prior year. The overall sales volume of sugar products expanded significantly in 2021|22 from the prior year, with differences between the various AGRANA sugar markets. In the reseller sector, considerable volume increases were achieved in Hungary, Romania and also Bulgaria, while in the industrial market, sales in Austria, the Czech Republic and Slovakia rose significantly.

The EBIT result was below the weak prior-year figure and thus remained negative. Higher sugar sales volumes and prices were only able partially to offset the increased raw material costs and, above all, the significantly higher energy prices. A net exceptional items expense of € 2.1 million in connection with an impairment charge for trade receivables from Beta Pura GmbH (triggered by the war in Ukraine) additionally detracted from the segment's EBIT performance.

## Outlook

For the 2022|23 financial year, AGRANA expects a very significant increase in operating profit (EBIT). Group revenue is projected to show significant growth.

This forecast is based on the assumption that the war in Ukraine is temporary and remains regionally limited, that the physical supplies of energy and raw materials are ensured and that the Group's target markets and procurement markets partially normalise in this new financial year.

AGRANA also expects and assumes that, through adjusted customer contracts, it will be able to pass on the significantly increased prices paid especially for raw materials and energy. Total investment across the three business segments in the 2022|23 financial year, at approximately € 115 million, is expected to exceed the 2021|22 level, but to be below this year's budgeted depreciation of about € 120 million.

#### **About AGRANA**

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 9,000 employees at 55 production sites worldwide generate annual Group revenue of approximately € 2.9 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 (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](http://www.agrana.com).