



PRESS RELEASE

Vienna, 8 October 2020

Results for the first half of 2020|21 (ended 31 August 2020)

AGRANA boosts EBIT and revenue

Forecast: EBIT at least matching prior-year level

AGRANA, the fruit, starch and sugar company, generated operating profit (EBIT) of € 55.8 million in the first half of the 2020|21 financial year, a moderate increase of 7.9% year-on-year (H1 prior year: € 51.7 million). The Group's revenue rose slightly to € 1,309.3 million (H1 prior year: € 1,250.0 million).

AGRANA Chief Executive Officer Johann Marihart says: "Much of our positive business performance can be credited to the diversification of our business activities, which enables us to balance out fluctuating economic conditions in the various segments. Thus, in the first half of the year, the Starch segment was able to maintain the prior year's EBIT earnings despite significantly weaker starch sales in the paper sector, thanks to the very strong performance in bioethanol especially in the second quarter."

Helping make the year-on-year growth in Group EBIT possible was the Sugar segment, which, as in the first quarter, saw a year-on-year improvement in earnings in the second quarter as a result of higher sugar prices. The Sugar segment's EBIT nonetheless remained negative. In the Fruit segment, AGRANA was able to hold earnings in the fruit preparations business in line with the first half of the prior year. The performance of the fruit juice concentrate business was down significantly due to lower available volumes from the 2019 apple crop.

AGRANA Group consolidated financial results (€ million, except as indicated)	H1 2020 21	H1 2019 20	Q2 2020 21	Q2 2019 20
Revenue	1,309.3	1,250.0	656.7	611.6
EBITDA ¹	101.1	90.8	46.4	39.3
Operating profit ²	47.4	44.0	19.3	16.5
Share of results of equity-accounted joint ventures	8.9	7.7	5.0	4.3
Exceptional items	(0.5)	0.0	(0.5)	0.0
Operating profit [EBIT]	55.8	51.7	23.8	20.8
EBIT margin	4.3%	4.1%	3.6%	3.4%
Profit for the period	34.4	28.9	15.2	10.6
Investment ³	27.8	68.1	16.7	34.5

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.

Editorial responsibility: Markus Simak; E-mail: markus.simak@agrana.com

Net financial items amounted to an expense of € 9.1 million (H1 prior year: expense of € 7.9 million). After an income tax expense of € 12.3 million, corresponding to a tax rate of about 26.3% (H1 prior year: 34.0%), profit for the period was € 34.4 million (H1 prior year: € 28.9 million). Earnings per share attributable to AGRANA shareholders increased to € 0.54 (H1 prior year: € 0.43).

Net debt at 31 August 2020 amounted to € 479.6 million, up € 15.6 million from the year-end level of 29 February 2020 (year-ago level of 31 August 2019: € 423.6 million). The gearing ratio rose accordingly to 36.1% as of the quarterly balance sheet date (29 February 2020: 33.5%; 31 August 2019: 31.2%).

Fruit segment

€ million, except %

	H1 2020 21	H1 2019 20	Q2 2020 21	Q2 2019 20
Revenue	601.8	595.6	298.1	284.1
Operating profit [EBIT]	30.1	36.1	14.1	14.3
EBIT margin	5.0%	6.1%	4.7%	5.0%

The Fruit segment's revenue in the first half of 2020|21 rose slightly year-on-year, by 1.0%. In the fruit preparations business, revenue remained stable despite somewhat lower sales volumes. Revenue in the fruit juice concentrate activities saw an increase from a year ago, thanks largely to higher prices for apple juice concentrate produced from the 2019 crop. EBIT of the Fruit segment was off 16.6% from the first half of 2019|20. The reason for the deterioration lay in lower delivery volumes in the fruit juice concentrate business combined with reduced contribution margins for apple juice concentrate from the 2019 harvest.

Starch segment

€ million, except %

	H1 2020 21	H1 2019 20	Q2 2020 21	Q2 2019 20
Revenue	407.2	407.8	202.8	200.1
Operating profit [EBIT]	34.7	34.3	17.7	15.9
EBIT margin	8.5%	8.4%	8.7%	7.9%

Starch segment revenue in the first half of 2020|21 was steady at the prior-year level. With the full operation of the new, second wheat starch plant, sales volumes and revenues of the products manufactured in-house increased. At the same time, revenue from resold merchandise declined sharply, as the sale of sugar by-products is now charged on a commission basis and the corresponding sales are no longer included in the Starch segment's revenue. Ethanol quotations, after collapsing in March 2020 amid the COVID-19 lockdown and the steep fall in demand for petrol, recovered again progressively especially in the second financial quarter and even reached a new all-time high in August. Sales volumes of saccharification products, on the other hand, were negatively affected by the COVID-19 crisis, particularly with the beverage industry.

EBIT in the Starch segment slightly exceeded the year-earlier result, by 1.2%. The earnings were driven by the high selling prices for ethanol, which made up for the lower market demand for starch and starch products.

Sugar segment

€ million, except %

	H1 2020 21	H1 2019 20	Q2 2020 21	Q2 2019 20
Revenue	300.3	246.6	155.8	127.4
Operating loss [EBIT]	(9.0)	(18.7)	(8.0)	(9.4)
EBIT margin	(3.0%)	(7.6%)	(5.1%)	(7.4%)

The Sugar segment's revenue in the first half of 2020|21 was up 21.8% from one year earlier. This growth was attributable both to higher sugar selling prices and increased sugar sales volumes, especially with food retailers. Although EBIT was still negative, it marked a substantial improvement from the same period of the prior year due to a more benign sales price environment.

Outlook

Taking into account potential impacts of the coronavirus crisis, AGRANA expects Group EBIT for the full 2020|21 financial year to at least match the prior-year level. Group revenue is projected to show slight to moderate growth of up to 10%. Due to the ongoing COVID-19 pandemic and the associated high volatility in all business segments, this forecast remains characterised by a very high degree of uncertainty. It also does not yet include any financial effects of a possible closure of the sugar plant in Leopoldsdorf, Austria, after the 2020 campaign.

The drive to secure grower contracts with beet farmers is underway, with the aim of increasing next year's beet cultivation area in Austria to at least 38,000 hectares by the middle of November 2020. With a three-year contract and guaranteed minimum prices, AGRANA is offering farmers long-term predictability for beet cultivation. Depending on the contracting status in mid-November, a decision will be made on whether to continue operations at the Leopoldsdorf factory or close it down after the end of the campaign.

In the 2020|21 financial year, the AGRANA Group's investment is expected to amount to € 73 million, which is significantly below the year's depreciation of about € 120 million following the very high capital expenditure of prior years.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 9,400 employees at 56 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