



PRESS RELEASE

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Despite an EBIT decrease year on year in first quarter of 2019 | 20, AGRANA expects significant EBIT growth for full year

First quarter of 2019 | 20 at a glance

- Revenue: € 638.4 million (+1.3%; Q1 prior year: € 630.3 million)
- Operating profit (EBIT): € 30.9 million (-16.5%; Q1 prior year: € 37.0 million)
- EBIT margin: 4.8% (Q1 prior year: 5.9%)
- Profit for the period: € 18.3 million (-27.7%; Q1 prior year: € 25.3 million)
- Equity ratio: 58.2% (28 February 2019: 59.0%)

Outlook for full year 2019 | 20

- Forecast for full 2019|20 financial year confirmed, with significant EBIT growth and moderate increase in revenue
- Investing in growth, with capex significantly exceeding depreciation
- Expansion of wheat starch plant in Pischelsdorf|AT on track; commissioning at end of 2019

As expected, the first quarter of the 2019|20 financial year of AGRANA, the fruit, starch and sugar company, was marked by a continued negative earnings result in the Sugar segment. In the first quarter of the prior year, the Sugar segment had still earned a slight profit. AGRANA Chief Executive Officer Johann Marihart explains: "Although the slightly lower EU sugar production volumes after the 2018 beet processing campaign, together with a reduced planting area in 2019, have led to the first slight pick-up in sugar prices, the Sugar segment's EBIT result even under these circumstances is still negative. On the other hand, the fruit juice concentrate business and the Starch segment performed well, which in the case of the Starch segment was thanks to higher ethanol prices than in the prior year. Due to raw-material-related one-time costs in the fruit preparations business, however, EBIT for the Fruit segment overall was below that of the year-earlier quarter. For the full financial year, for the Group as a whole, we continue to expect a significant increase in EBIT."

Results in each segment

FRUIT segment

Fruit segment revenue in the financial first quarter was € 311.5 million, in line with the year-earlier period. EBIT was € 21.8 million, a decrease of 14.5% from a year ago. One-off effects related to raw materials in the fruit preparations activities were the primary driver of the reduction in operating profit. EBIT in the fruit juice concentrate business was boosted significantly. This was attributable mainly to high delivery volumes in combination with strong contribution margins of fruit juice concentrates from the 2018 crop.

STARCH segment

First-quarter revenue in the Starch segment was € 207.7 million, a significant increase of 14.5% year-on-year. The revenue growth resulted from high bioethanol prices, which were up by more than one-third from the year-earlier level. With EBIT of € 18.4 million, the Starch segment surpassed the comparative year-earlier quarter by 85.9%. The pronounced earnings growth stemmed primarily from the significant rise in the market price of ethanol, as well as from volume gains in all other product segments.

SUGAR segment

Sugar segment revenue in the first quarter was € 119.2 million, or 13.1% less than one year earlier. This downward change was caused by a year-on-year reduction in sugar sales prices, as well as by lower sugar quantities sold. EBIT declined very significantly from a profit of € 1.6 million to a deficit of € 9.3 million. The principal driving factor was the poorer sales price environment compared to the prior year.

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

Outlook

AGRANA expects a significant increase in the Group's EBIT for the 2019|20 financial year despite the continuing major challenges in the Sugar segment. Group revenue is projected to show moderate growth.

In the 2019|20 financial year the AGRANA Group plans to invest € 143 million, significantly exceeding the budgeted depreciation of about € 108 million. Key capex projects include the addition of new production lines in Asia and Australia and the expansion of the wheat starch plant in Pischelsdorf near Tulln, Austria. The doubling of the wheat starch capacity at this site is progressing on schedule and the plant expansion is to be brought on stream at the end of 2019.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 9,200 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.