PRESS RELEASE

Vienna, 10 October 2019

AGRANA results for the first half of 2019|20 (ended 31 August 2019)

AGRANA reaffirms significant earnings growth for full 2019|20 financial year

EBIT in first half still significantly below year-earlier period – Positive full-year forecast remains in place

In the first half of the 2019|20 financial year, AGRANA, the fruit, starch and sugar company, generated operating profit (EBIT) of € 51.7 million, a decrease of 17.9% year-on-year (H1 prior year: € 63.0 million). The Group's revenue was stable, at € 1,250.0 million (H1 prior year: € 1,261.0 million). AGRANA Chief Executive Officer Johann Marihart says: "The lower EBIT earnings in the first half of the year were due primarily to the negative EBIT in the Sugar segment, which last year had not posted high losses until the second half of the year. For the year as a whole we will see a positive change in this business, as we expect a significant improvement compared to the second half of the prior year. The Group's EBIT decrease in the first half also reflected a year-on-year earnings reduction in the Fruit segment, where the market trend in fruit preparations was below expectations. The Group's best performance in the first six months was achieved in the Starch segment, with growth of 69% in EBIT compared to a year ago. This business segment benefited from higher ethanol prices as well as the capacity expansion in Aschach/D. (Austria)."

AGRANA Group consolidated financial results

€ million, except %

	H1 2019|20	H1 2018|19	**Q2 2019|20**	Q2 2018|19
Revenue	**1,250.0**	1,261.0	**611.6**	**630.7**
EBITDA[1]	**90.8**	97.0	**39.3**	**43.5**
Operating profit before exceptional items and results of equity-accounted joint ventures	**44.0**	57.2	**16.5**	**23.4**
Share of results of equity-accounted joint ventures	**7.7**	6.6	**4.3**	**3.3**
Exceptional items	**0.0**	(0.8)	**0.0**	**(0.7)**
Operating profit [EBIT]	**51.7**	63.0	**20.8**	**26.0**
EBIT margin	**4.1%**	5.0%	**3.4%**	**4.1%**
Profit for the period	**28.9**	39.9	**10.6**	**14.6**
Investment[2]	**68.1**	82.7	**34.5**	**50.4**

[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.

Net financial items amounted to an expense of € 7.9 million (H1 prior year: expense of € 10.9 million). After an income tax expense of € 14.9 million, corresponding to a tax rate of about 34.0% (H1 prior year: 23.4%), profit for the period was € 28.9 million (H1 prior year: € 39.9 million).

Net debt as of 31 August 2019 amounted to € 423.6 million, up € 101.4 million from the 2019|20 year-end level of 28 February 2019. The gearing ratio increased accordingly to 31.2% as of the interim balance sheet date (28 February 2019: 22.9%).

Fruit segment

€ million, except %

	H1 2019|20	H1 2018|19	**Q2 2019|20**	Q2 2018|19
Revenue	**595.6**	611.6	**284.1**	299.8
Operating profit [EBIT]	**36.1**	46.8	**14.3**	21.3
EBIT margin	**6.1%**	7.7%	**5.0%**	7.1%

The Fruit segment's revenue in the first half of 2019|20 decreased slightly year-on-year. Revenue in fruit preparations was flat, on stable sales volumes and prices. In the fruit juice concentrate activities, revenue was down from a year ago for price reasons, while volume was up. EBIT of the Fruit segment overall declined by 22.9% from the prior year's comparative period. The key drivers of this decrease were one-time effects, notably in the raw materials area, and lower-than-expected sales volume in the fruit preparations business.

Starch segment

€ million, except %

	H1 2019|20	H1 2018|19	**Q2 2019|20**	Q2 2018|19
Revenue	**407.8**	372.0	**200.1**	190.6
Operating profit [EBIT]	**34.3**	20.3	**15.9**	10.4
EBIT margin	**8.4%**	5.5%	**7.9%**	5.5%

Starch segment revenue in the first half of 2019|20 rose by almost 10% year-on-year. The main reason was a considerable increase in ethanol revenue due to stronger Platts quotations. In saccharification products, with declining prices, revenue was raised slightly by selling greater volumes. Native and modified starches saw revenue growth, thanks in part to volume increases. Revenue from baby food also rose. EBIT in the Starch segment surpassed the year-earlier result by 69.0%. The pronounced earnings growth stemmed primarily from the significant rise in the market price of ethanol and from volume gains in all other product segments.

Sugar segment
€ million, except %

	H1 2019|20	H1 2018|19	**Q2 2019|20**	Q2 2018|19
Revenue	**246.6**	277.4	**127.4**	140.3
Operating loss [EBIT]	**(18.7)**	(4.1)	**(9.4)**	(5.8)
EBIT margin	**(7.6%)**	(1.5%)	**(7.4%)**	(4.1%)

Sugar segment revenue in the first half of 2019|20 declined by 11.1% year-on-year. Lower sugar sales volumes, at selling prices comparable to the year-earlier period, were responsible for this decrease. EBIT of the Sugar segment fell sharply from a deficit of € 4.1 million to one of € 18.7 million, driven mainly by the sales volume decline and lower margins compared with the first half of the prior year.

Outlook
For the full 2019|20 financial year, AGRANA expects a significant increase in Group EBIT 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 € 140 million, significantly exceeding the budgeted depreciation of about € 110 million. The largest project is 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 will 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 9,600 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.