



PRESS RELEASE

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AGRANA: significant EBIT growth in 2017 | 18 financial year

Operating profit (EBIT) up across all segments; Outlook: significant reduction in EBIT ahead

- Revenue: € 2,566.3 million (up 0.2%; prior year: € 2,561.3 million)
- Operating profit (EBIT): € 190.6 million (up 10.6%; prior year: € 172.4 million)
- All segments contributed to the significant improvement in operating profit
- Earnings per share: € 8.97 (up 25.8%; prior year: € 7.13)
- Equity ratio: 61.7% (prior year: 56.9%)
- Dividend proposal at AGM: € 4.50 per share (prior-year dividend: € 4.00 per share)
- Outlook for 2018|19: expecting significant EBIT reduction, revenue in line with last year

In the 2017|18 financial year, AGRANA Beteiligungs-AG improved its consolidated operating profit (EBIT) significantly to € 190.6 million (prior year: € 172.4 million). The Group's revenue of € 2,566.3 million was steady at the year-earlier level (prior year: € 2,561.3 million). "We are pleased that all three segments contributed to the profit improvement, with the Fruit and Starch segments even reaching new all-time highs. The Sugar segment as well participated in the EBIT growth, thanks to a good performance in the first half of 2017|18. Since the second half of the year, however, the absence of the sugar quotas is clearly making itself felt in the strong downward pressure on prices," says AGRANA CEO Johann Marihart.

AGRANA Group results	FY 2017 18	FY 2016 17
Revenue	€ 2,566.3 m	€ 2,561.3 m
EBITDA ¹	€ 254.2 m	€ 235.2 m
Operating profit (EBIT)	€ 190.6 m	€ 172.4 m
EBIT margin	7.4%	6.7%
Profit for the period	€ 142.6 m	€ 117.9 m
Earnings per share	€ 8.97	€ 7.13
Purchases of property, plant and equipment and intangibles ²	€ 140.9 m	€ 114.7 m
Number of employees ³	8,678	8,638

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

² Excluding goodwill.

³ Average number of full-time equivalents in the financial year.

Net financial items amounted to a net expense of € 14.5 million in the 2017|18 financial year (prior year: net expense of € 17.9 million), an improvement driven partly by a more favourable credit and interest rate structure. Profit before tax increased from the prior year's € 154.5 million to € 176.2 million. After an income tax expense of € 33.5 million based on a tax rate of 19.0% (prior year: 23.7%), the Group's profit for the period was € 142.6 million (prior year: € 117.9 million).

With total assets of € 2,356.4 million that were € 125.0 million lower than one year earlier, AGRANA improved its equity ratio from 56.9% to 61.7% or by 4.8 percentage points. Net debt as of 28 February 2018, at € 232.5 million, was down € 7.4 million from the 2016|17 year-end level. The gearing ratio thus amounted to 16.0% at the balance sheet date (28 February 2017: 17.0%). In view of the positive financial results, and consistent with AGRANA's dependable distribution policy, the Management Board and Supervisory Board will propose at the Annual General Meeting to pay a dividend of € 4.50 per share for the 2017|18 financial year (prior-year dividend: € 4.00 per share).

Sugar segment	FY 2017 18	FY 2016 17
Revenue	€ 652.6 m	€ 671.9 m
Operating profit (EBIT)	€ 34.8 m	€ 24.4 m
EBIT margin	5.3%	3.6%

Sugar segment revenue eased slightly by 2.9% to € 652.6 million. Until the end of September, average sugar prices in 2017 were still significantly higher than one year earlier. Since the new, 2017|18 sugar marketing year (which began on 1 October 2017 and runs to 30 September 2018), prices plummeted both with resellers and industrial customers. EBIT for the year nonetheless grew from € 24.4 million to € 34.8 million, still benefiting especially in the first six months from higher sales prices compared to the year-earlier period.

Starch segment	FY 2017 18	FY 2016 17
Revenue	€ 752.3 m	€ 733.9 m
Operating profit (EBIT)	€ 80.2 m	€ 76.2 m
EBIT margin	10.7%	10.4%

Revenue in the Starch segment was € 752.3 million, up slightly by 2.5% from the year before. Key positive drivers included higher sales volumes of starches (particularly native starches and organic and specialty grades) and, in the first nine months, higher bioethanol prices. The segment's EBIT of € 80.2 million surpassed the prior year's record result by 5.2% and translated into an EBIT margin of 10.7% (prior year: 10.4%). The EBIT increase was made possible in part by higher average ethanol quotations over the year and by lower energy prices.

Fruit segment	FY 2017 18	FY 2016 17
Revenue	€ 1,161.4 m	€ 1,155.5 m
Operating profit (EBIT)	€ 75.6 m	€ 71.8 m
EBIT margin	6.5%	6.2%

Revenue in the Fruit segment, at € 1,161.4 million, was in line with one year earlier. In the fruit preparations business, a small increase in sales volumes together with stable selling prices added up to slight revenue growth. In the fruit juice concentrate activities, revenue decreased slightly, due partly to lower concentrate prices for product from the 2016 crop compared to 2015. The Fruit segment's EBIT reached a new high of € 75.6 million, up by 5.3% from the prior year.

Outlook

Thanks to its sound balance sheet and the diversified business model built on the Fruit, Starch and Sugar segments, AGRANA considers itself well positioned for the future. "For the 2018|19 financial year, at present we expect Group revenue in line with last year and see a significant reduction in Group EBIT amid the current challenges in the Sugar segment," comments CEO Marihart. In 2018|19 the total investment in the three business segments – about € 170 million – will significantly exceed the budgeted depreciation of approximately € 98 million.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 8,700 employees at 58 production sites worldwide generate annual Group revenue of approximately € 2.6 billion. Established in 1988, the company today is the leading sugar producer in Central and Eastern Europe, and its Starch segment is a major European manufacturer of custom starch products and bioethanol. AGRANA is also the world market leader in fruit preparations and the largest manufacturer of fruit juice concentrates in Europe.

This announcement is available in German and English at www.agrana.com.