



PRESS RELEASE

Vienna, 12 July 2018

AGRANA earnings decrease in first quarter of 2018|19

- Unchanged forecast for full year 2018|19, with steady revenue and a significant reduction in EBIT

AGRANA, the global manufacturer of fruit products, starch and sugar, as expected started the 2018|19 financial year with a significant quarterly decrease in operating profit (EBIT). The Group's revenue eased moderately to € 630.3 million in the first quarter ended 31 May 2018, down 7.9% from the first three months of the prior year. EBIT, at € 37.0 million, decreased by a significant 47.0% from the year-earlier quarter. "While EBIT in the first quarter was on plan overall, it represented a significant reduction from the very good year-ago quarter. This was due mainly to the low sugar and isoglucose prices after the quota expiration and to the distinct year-on-year decrease in bioethanol prices. The performance in the Fruit segment was satisfactory, in line with our planning, and the segment's earnings were slightly above those of the prior-year comparative quarter," says AGRANA Chief Executive Officer Johann Marihart in summing up the first three months of the current financial year.

AGRANA Group consolidated financial results	Q1 2018 19	Q1 2017 18
€ million, except %		
Revenue	630.3	684.2
EBITDA ¹	53.5	77.6
Operating profit [EBIT]	37.0	69.8
EBIT margin	5.9%	10.2%
Net financial items	(4.3)	(4.8)
Income tax	(7.4)	(14.1)
Profit for the period	25.3	50.9
Investment ²	32.3	21.5

The net financial items expense improved from the comparative period's € 4.8 million to € 4.3 million. After an income tax expense of € 7.4 million, corresponding to a tax rate of approximately 22.6% (Q1 prior year: 21.7%), profit for the period was € 25.3 million (Q1 prior year: € 50.9 million). Earnings per share attributable to AGRANA shareholders decreased to € 1.50 (Q1 prior year: € 3.16). Total assets eased slightly from the 2017|18 year-end balance sheet date to € 2.31 billion at 31 May 2018 (28 February 2018: € 2.36 billion) and the equity ratio was up 2.1 percentage points to 63.8% (28 February 2018: 61.7%). Net debt as of 31

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.

May 2018 stood at € 242.8 million, up € 10.3 million from the 2017|18 year-end level. The gearing ratio accordingly rose modestly to 16.5% as of the quarterly balance sheet date (28 February 2018: 16.0%).

Fruit segment

€ million, except %	Q1	Q1
	2018 19	2017 18
Revenue	311.8	311.0
Operating profit [EBIT]	25.5	25.1
EBIT margin	8.2%	8.1%

The Fruit segment's revenue in the first quarter was in line with one year earlier. For fruit preparations, revenue remained constant despite an increase in sales volumes. In the fruit juice concentrate business, revenue rose as a result of higher concentrate prices attributable to the smaller 2017 apple crop. EBIT of the Fruit segment overall grew by 1.6% from the prior year's comparative period. While the fruit preparations business saw a currency-related moderate drop in earnings, EBIT in the fruit juice concentrate activities increased significantly thanks to better contribution margins of apple juice concentrate produced from the 2017 harvest and a continuing good performance in beverage bases.

Starch segment

€ million, except %	Q1	Q1
	2018 19	2017 18
Revenue	181.4	194.8
Operating profit [EBIT]	9.9	26.6
EBIT margin	5.5%	13.7%

Starch segment revenue was off by 6.9% in the first quarter. This reduction was explained largely by the price-driven lower revenue from bioethanol and isoglucose. EBIT, at € 9.9 million, was down significantly from the record result of one year earlier.

Sugar segment

€ million, except %	Q1	Q1
	2018 19	2017 18
Revenue	137.1	178.4
Operating profit [EBIT]	1.6	18.1
EBIT margin	1.2%	10.2%

Revenue in the Sugar segment for the first financial quarter was 23.2% less than one year earlier. This downward change was caused by a significant year-on-year reduction in sugar sales prices. The deterioration in the sales price environment compared to the prior year affected EBIT, too, which declined markedly from € 18.1 million to € 1.6 million.

Outlook

AGRANA currently expects Group revenue for the 2018|19 financial year in line with the prior year and is projecting a significant decrease in operating profit (EBIT). In 2018|19 the total investment in the three business segments – about € 170 million – will significantly exceed the budgeted depreciation of approximately € 97 million.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 8,700 employees at 59 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 <https://www.agrana.com/>.