



PRESS RELEASE

Vienna, 12 May 2017

AGRANA delivers significant EBIT growth in 2016 | 17 financial year

Operating profit improvement in all segments

- Group revenue: € 2,561.3 million (up 3.4%; prior year: € 2,477.6 million)
- Operating profit (EBIT): € 172.4 million (up 33.6%; prior year: € 129.0 million)
- All three segments drove the significant improvement in operating profit
- Earnings per share: € 7.13 (up 22.5%; prior year: € 5.82)
- Successful increase in share capital and free float
- Equity ratio of 56.9% (prior year: 53.5%)
- Dividend proposal of € 4.00 per share as in the prior year
- Outlook for 2017|18: expecting further moderate rise in revenue and EBIT

The international sugar, starch and fruit products manufacturer AGRANA is reporting on another profitable year. Operating profit (EBIT) was boosted substantially by 33.6% in the 2016|17 financial year to € 172.4 million (prior year: € 129.0 million). The Group's revenue grew by 3.4% to € 2,561.3 million (prior year: € 2,477.6 million). "We are pleased to say that all three business segments, Sugar, Starch and Fruit, starting from different base levels of operating profit, contributed to the significant earnings improvement and we more than achieved our targets for the year. While the EBIT increase in the Sugar segment was made possible by higher sales prices, the renewed rise in Starch EBIT was driven by stronger sales volumes. In the Fruit segment, it was above all the upturn in the fruit juice concentrate business that led to significant EBIT growth," explains CEO Johann Marihart in commenting on the past financial year.

AGRANA Group results (IFRS) € million, except %	FY 2016 17	FY 2015 16
Revenue	2,561.3	2,477.6
EBITDA ¹	235.2	192.0
Operating profit before exceptional items	150.8	107.5
Operating profit (EBIT)	72.4	129.0
EBIT margin	6.7%	5.2%
Profit for the period	117.9	80.9
Earnings per share ²	€ 7.13	€ 5.82
Purchases of property, plant and equipment and intangibles ³	114.7	116.0
Number of employees ⁴	8,638	8,510

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

² 2016|17 earnings per share are based on the new number of shares outstanding at the balance sheet date of 28 February 2017.

³ Excluding goodwill.

⁴ Average number of full-time equivalents in the financial year.

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

Net financial items amounted to a net expense of € 17.9 million in the 2016|17 financial year (prior year: net expense of € 24.5 million), an improvement driven by more favourable currency translation effects. Profit before tax increased from the prior year's € 104.4 million to € 154.5 million. After an income tax expense of € 36.6 million based on a tax rate of 23.7% (prior year: 22.5%), the Group's profit for the period was € 117.9 million (prior year: € 80.9 million).

With total assets of € 2,481.4 million that were up € 238.3 million compared to one year earlier, AGRANA improved its equity ratio from 53.5% to 56.9% or by 3.4 percentage points. Net debt at 28 February 2017 was € 239.9 million, down significantly as expected – by € 165.9 million – from the 2015|16 year-end level. The gearing ratio of 17.0% at the balance sheet date was thus much lower than on 29 February 2016, when it measured 33.8%.

In the cash capital increase successfully completed towards the end of the 2016|17 financial year, AGRANA issued a total of 1,420,204 new shares in two tranches, including through a rights offering. Through the placement of existing AGRANA shares from the direct shareholding of Südzucker AG, and as a result of the fact that the two principal shareholders Z&S Zucker und Stärke Holding AG and Südzucker AG waived their subscription rights, AGRANA's free float was increased from 7.3% to 18.9%. Despite the higher number of shares outstanding after the capital increase, earnings per share rose to € 7.13 in the 2016|17 financial year (prior year: € 5.82). Consistent with AGRANA's dependable dividend policy, the Management Board will recommend to the Annual General Meeting an unchanged dividend of € 4.00 per share.

Results in the Sugar, Starch and Fruit segments

Sugar segment	FY 2016 17	FY 2015 16
Revenue	671.9	672.6
Operating profit (EBIT)	24.4€	4.3
EBIT margin	3.6%	0.6%

Revenue in the Sugar segment in the 2016|17 financial year was € 671.9 million, or essentially constant year-on-year. At € 24.4 million, EBIT represented a significant improvement (despite a non-recurring expense of € 9.0 million) thanks largely to higher sales prices achieved especially with resellers and with exports.

Starch segment	FY 2016 17	FY 2015 16
Revenue	733.9	721.6
Operating profit (EBIT)	76.2	65.9
EBIT margin	10.4%	9.1%

Revenue in the Starch segment was € 733.9 million, up slightly by 1.7% from the previous year. Through productivity increases, higher quantities of starch (particularly from potatoes) and ethanol were produced and sold than in the year-ago period. EBIT of € 76.2 million significantly surpassed the already good year-earlier result, by 15.6%. Savings on raw material and energy costs and on administrative (non-staff) expenses had a major positive impact on Starch EBIT.

Fruit segment	FY 2016 17	FY 2015 16
Revenue	1,155,5	1,083.4
Operating profit (EBIT)	71.8	58.8
EBIT margin	6.2%	5.4%

Fruit segment revenue rose by 6.7% to € 1,155.5 million. Fruit preparations revenue increased by almost 5% as a result of growth in sales volumes. In the fruit juice concentrate activities, revenue was up considerably from the previous year, due mainly to higher prices for apple juice concentrate. EBIT for the Fruit segment improved by 22.1% to € 71.8 million, thanks particularly to the upturn in the fruit juice concentrate business.

Outlook

With its sound finances and diversified business model built on the Sugar, Starch and Fruit segments, AGRANA considers itself to be well positioned for the new financial year. "For the 2017|18 financial year we currently expect both Group revenue and operating profit (EBIT) to show a moderate increase," says CEO Marihart. In 2017|18 the total investment in the three business segments – about € 140 million – will remain significantly above the level of depreciation of just under € 95 million.

Management developments

At its meeting on 11 May 2017 the Supervisory Board of AGRANA Beteiligungs-AG extended the term of Chief Executive Officer Johann Marihart to 28 February 2021.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 8,600 employees at more than 50 production sites worldwide generate annual Group sales of around € 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.