



PRESS RELEASE

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AGRANA grows profit in first six months and remains on track

AGRANA, the international fruit, starch and sugar group, generated revenue of € 1,959.5 million in the first half of the 2023|24 financial year, an increase of 9.3% year-on-year (H1 prior year: € 1,792.3 million). Operating profit (EBIT) jumped to € 110.9 million (H1 prior year: € 11.1 million¹).

"AGRANA has adjusted well to the new market dynamics, particularly in raw material and energy prices. This is reflected in a good performance in the first half of the year. Especially the Fruit segment – where business was very good in fruit preparations for the food service industry and in the fruit juice concentrate activities – and the Sugar segment, with strong summer demand from the beverage industry, performed well," emphasises AGRANA Chief Executive Officer Markus Mühleisen. In the Starch segment, AGRANA is dealing with a sluggish economy and with inventory reduction by customers in Europe. Adjustments in AGRANA's production kept margins stable in starch products, but earnings in the ethanol business fell sharply from the comparative period due to significantly lower market prices. This led to an overall decline in the Starch segment's EBIT in the first half of the year.

AGRANA Group financial results, first half of 2023 | 24 (1 Mar. – 31 Aug. 2023)

€ million, except %

	H1 2023 24	H1 2022 23	Q2 2023 24	Q2 2022 23
Revenue	1,959.5	1,792.3	993.4	906.0
EBITDA ²	163.7	141.2	73.1	69.1
Operating profit before exceptional items and results of equity-accounted joint ventures	112.7	86.5	47.8	41.6
Share of results of equity-accounted joint ventures	(2.2)	13.5	(0.4)	6.9
Exceptional items	0.4	(88.9)	0.0	(89.0)
Operating profit [EBIT]	110.9	11.1	47.4	(40.5)
EBIT margin	5.7%	0.6%	4.8%	(4.5%)
Profit/(loss) for the period	64.3	(17.0)	26.3	(53.1)
Investment ³	41.9	35.7	26.4	24.4

¹ EBIT in the first half of the prior year (2022|23) included an impairment charge on assets and goodwill in the Fruit segment of € 91.2 million.

² EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

³ Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

The Group's net financial items amounted to an expense of € 24.3 million, up from a € 10.2 million net expense in the year-earlier period, as a result of adverse changes primarily in net interest expense and (to a lesser extent) in currency translation differences. After an income tax expense of € 22.3 million, corresponding to a tax rate of 25.8% (H1 prior year: >100%), the Group's profit for the period was € 64.3 million (H1 prior year: loss of € 17.0 million). Total assets, at € 2,808.6 million as of 31 August 2023, were moderately lower than at the 2022|23 year-end balance sheet date, and the equity ratio was 44.4% (28 February 2023: 41.8%). Net debt as of 31 August 2023 stood at € 779.6 million, an increase of € 94.7 million from the year-end level of 28 February 2023.

Fruit segment

€ million, except %

	H1 2023 24	H1 2022 23	Q2 2023 24	Q2 2022 23
Revenue	791.1	727.5	390.0	366.8
Operating profit/(loss) [EBIT]	43.7	(60.0)	19.3	(79.9)
EBIT margin	5.5%	(8.2%)	5.0%	(21.8%)

Fruit segment revenue grew by 8.7% from the first half of the prior year. The revenue expansion occurred both in the fruit preparations and fruit juice concentrate businesses and resulted from price changes. EBIT of the segment as a whole was a profit of € 43.7 million in the first half of the financial year (H1 prior year: loss of € 60.0 million). In the prior-year comparative period, following an impairment test at 31 August 2022, non-cash impairment on assets and goodwill was recognised in exceptional items as part of EBIT.

In fruit preparations, the item "operating profit before exceptional items and results of equity-accounted joint ventures" was very significantly above the year-ago level. The improvement was attributable mainly to a positive business performance in the Europe region (including Ukraine) and in North America. The fruit juice concentrate business further grew its earnings significantly compared to the already very good year-earlier period. This was driven primarily by improved contribution margins of apple juice concentrates made from the 2022 crop.

Starch segment

€ million, except %

	H1 2023 24	H1 2022 23	Q2 2023 24	Q2 2022 23
Revenue	614.8	655.3	297.7	336.2
Operating profit [EBIT]	36.2	56.7	14.1	27.4
EBIT margin	5.9%	8.7%	4.7%	8.1%

Revenue in the Starch segment in the first half of 2023|24 was moderately below the value of the year-earlier comparative period, in which the war in Ukraine had led to powerful increases in market prices. In recent months, there was a normalisation in starch market prices due to declining energy and raw material prices, with an impact on the sales pricing of the entire starch product portfolio. Selling prices for ethanol fell significantly, owing to a steep year-on-year drop in Platts quotations. This was the main reason why EBIT in the Starch segment, at € 36.2 million, was down significantly year-on-year.

Sugar segment

€ million, except %

	H1 2023 24	H1 2022 23	Q2 2023 24	Q2 2022 23
Revenue	553.6	409.5	305.7	203.0
Operating profit [EBIT]	31.0	14.4	14.0	12.0
EBIT margin	5.6%	3.5%	4.6%	5.9%

The Sugar segment's revenue in the first half of 2023|24 was up 35.2% from one year earlier. This growth, achieved despite lower sales volumes, was driven by a substantial rise in sugar selling prices. The price trend was very positive both in the reseller business (wholesalers and retailers) and the industrial market. This trajectory was also reflected in strong EBIT growth.

Outlook

For the full 2023|24 financial year, AGRANA expects a very significant increase in operating profit (EBIT). Group revenue is projected to show moderate growth.

Total investment across the three business segments in the 2023|24 financial year, at approximately € 140 million, should exceed both the 2022|23 level and this year's budgeted depreciation of about € 120 million. Around 14% of this capital expenditure will be for emission reduction measures in the Group's own production operations, as part of the AGRANA climate strategy.

About AGRANA

AGRANA converts agricultural raw materials into high-quality foods and numerous industrial intermediate products. About 9,000 employees at 55 production sites worldwide generate annual Group revenue of approximately € 3.6 billion. Established in 1988, the company is the world market leader in fruit preparations and the foremost producer of fruit juice concentrates in Europe. As well, its Starch segment is a major manufacturer of custom starch products (made from potato, corn and wheat) and of bioethanol. AGRANA is the leading sugar producer in Central and Eastern Europe.

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