



## PRESS RELEASE

Vienna, 12 January 2023

### **AGRANA has strong operating performance in first three quarters**

- Revenue growth of 26.4% to € 2,742.5 million
- Strong operating profit of € 121.6 million before exceptional items and results of equity-accounted joint ventures, an increase of 77.0%
- Impairment of goodwill and assets in Fruit segment in Q2 2022|23 leads to reduction of 33.9% in Group EBIT to € 50.2 million
- Outlook: Reiterating the forecast for full year 2022|23, with very significant increase in EBIT and significant growth both in "operating profit before exceptional items and equity-accounted joint ventures" and in revenue.

In the first three quarters of the 2022|23 financial year (the nine months ended 30 November 2022), AGRANA, the fruit, starch and sugar group, recorded revenue of € 2,742.5 million, an increase of 26.4% compared to the year-earlier period (Q1-Q3 prior year: € 2,169.6 million). An even more powerful gain was the 77.0% rise in "operating profit before exceptional items and equity-accounted joint ventures" to € 121.6 million (Q1-Q3 prior year: € 68.7 million).

AGRANA Chief Executive Officer Markus Mühleisen comments: "A key driver of the earnings improvement was the Sugar segment's turnaround in this financial year. In addition to benefiting from the improved sales price environment in this business, we are reaping rewards of the efficiency measures taken in recent years and of our rigorous cost management. Our strong performance in the first nine months was also helped by the high bioethanol quotations in the first half of the year and by good results in the wheat gluten business. Once again, our diversified, sustainable business model proves a stabilising influence in turbulent times."

### **Results in each business segment**

#### **FRUIT segment**

Fruit segment revenue in the first three quarters grew to € 1,094.9 million, a significant increase of 16.6%. On the fruit preparations side, revenue rose for price reasons, while the increase in fruit juice concentrate revenue was additionally driven by volume. Due to an impairment charge taken in the second quarter, the Fruit segment had an EBIT loss of € 51.6

million in the first three quarters, a very significant difference from the year-ago profit. The impairment test for the Fruit cash-generating unit was triggered back at the half-year reporting date by the continuing war in Ukraine, by the upheaval in energy and commodity markets and particularly by rapidly rising capital costs.

In the fruit juice concentrate business, earnings rose very significantly thanks to improved contribution margins for apple juice concentrate from the 2021 and 2022 harvests. Better contribution margins from berry juice concentrates and natural aromas also contributed to the EBIT growth.

## **STARCH segment**

Revenue in the Starch segment in the first three quarters expanded to € 987.8 million, a significant increase of 33.9%. With demand subdued compared to the previous year, the extreme increases in raw material and energy prices led to markedly higher manufacturing costs, which AGRANA was partly able to pass on in sales prices. A major driver of the revenue growth in the first nine months was the climb in ethanol prices compared to the same period last year. The Starch segment's EBIT of € 67.1 million was up significantly year-on-year, with the wheat gluten business performing very well.

This financial year's volatility in ethanol markets is extreme. After quoting at over € 1,300 per cubic metre in the first half of 2022|23, ethanol prices have fallen sharply since the end of the summer and were only between € 700 and € 800 per cubic metre in November 2022.

## **SUGAR segment**

The Sugar segment's revenue in the first three quarters was € 659.8 million, up 33.9% from one year earlier. Both higher sugar selling prices and increased sugar sales volumes led to this growth. Sugar EBIT of € 34.7 million marked a pronounced improvement from the double-digit loss of the year-earlier period. This very positive trajectory was attributable to significantly improved margins thanks to the favourable sales price environment and disciplined cost management. Given the upward trend in sugar prices, AGRANA expects beet prices to be attractive to farmers in the next crop year as well.

The detailed financial results are provided in the **interim statement for the first three quarters of 2022|23** → [LINK](#)

## **Outlook**

For the full 2022|23 financial year, AGRANA continues to expect a very significant increase in operating profit (EBIT), in other words, a rise of at least 50%. As well, both the Group's "operating profit before exceptional items and results of equity-accounted joint ventures" and revenue are projected to show significant growth, i.e., an increase of between 10% and 50%.

Total investment across the three business segments in the 2022|23 financial year, at approximately € 111 million, is expected to exceed the 2021|22 level, but to come in below this year's budgeted depreciation of about € 120 million.

"A substantial share of our future investment will be in further measures to reduce greenhouse gas emissions. AGRANA is committed to a concrete plan to make its production CO<sub>2</sub>-neutral by 2040 and also to reduce to net zero its emissions in the upstream and downstream value chain by 2050 at the latest, from primary agricultural production all the way to the transport of products to our customers," says CEO Mühleisen. AGRANA's sustainability strategy includes ongoing energy efficiency measures for a complete transition to renewable energy in production and, from 2025, recovering energy from low-protein raw material residues as a substitute for fossil fuels.

#### **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 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 at <https://www.agrana.com/>.