



Starch segment

At a glance

€ **955** million
Revenues

€ **36** million
Operating result

€ **411** million
Capital employed

8.8 %
ROCE

Strategy

Cost efficiency from the purchase of raw materials to production is prioritized in the starch segment because of the wide standardization of products and intense competitive pressure.

We rely on our regional footprint – that is, the proximity to our raw materials – and our skills in raw material management and production.

We are responding to the challenges posed by fundamentally lower margins in the commodity business and high dependence on agricultural cycles and climatic conditions by optimizing our processes, technology, and costs. The focus in the areas of sales as well as research and development is placed on specialties and bio-products with higher margins, in order to improve results and increase market share.



Production

Austria (3), Romania (1), Hungary (1, joint venture)



Raw materials

Potatoes, corn, wheat



Products

Native and modified starches, saccharification products, ethanol, byproducts (animal feed and fertilizers)



Markets

Central and Eastern Europe (primarily Austria and Germany), special markets such as the United States and United Arab Emirates



Customers

Food, paper, textiles, industrial chemicals, pharmaceuticals, cosmetics, petroleum and animal feed industries



Brands

ActiProt®, BioAgenasol®, AgenaBee®

Markets

Target markets

In fiscal 2024/25, after two years of significant decline in demand, a recovery was noticeable in some product groups relevant to the starch segment. Nevertheless, the oversupply led to a noticeable increase in competitive pressure, which in turn caused prices to drop.

The typically more stable food sector reported overall solid sales, yet suppliers had to lower prices to retain market share, particularly for liquid sweetening products, as their prices are linked to sugar prices. The organic industry saw signs of recovery following a challenging previous year due to inflation, but competition also heightened.

The non-food sector was particularly affected by fluctuating contract cancellations from customers and paper machine downtime in the paper and packaging segment. The construction and adhesives sector for paper adhesives experienced slightly more positive development.

The prices of medium proteins in the byproducts sector for the feed industry are based on the prices quoted on the grain markets. Last fiscal year, we saw that customers only stocked up for the short term. High-protein products (corn gluten feed, wheat gluten feed, and potato protein) consistently experienced more stable market demand and more solid prices.

Please refer to the CropEnergies segment report for details about developments in the international ethanol markets and the associated political conditions for ethanol.

Raw material markets

The CropEnergies segment report discusses in detail developments in the international grain markets. Global corn production is expected to reach 1,217 (1,231) million tonnes and consumption 1,238 (1,228) million tonnes. The total grain inventory is expected to be approximately 577 million tonnes, about 30 million tonnes lower than the previous year. The corn prices quoted at Euronext Paris on the balance sheet date for 2024/25 stood at 221 (178) €/t, equivalent to the wheat prices.

Business performance

Revenues and operating result

The starch segment recorded a moderate drop in revenues to € 955 (1,056) million, due to a significant overall decline in prices for starch and byproducts as well as ethanol. In contrast, sales volumes developed positively and increased overall.

Business performance – Starch segment

		2024/25	2023/24	+/- in %
Revenues	€ million	955	1,056	-9.6
EBITDA	€ million	83	94	-11.7
EBITDA margin	%	8.7	8.9	
Depreciation	€ million	-47	-46	2.2
Operating result	€ million	36	48	-25.0
Operating margin	%	3.8	4.5	
Result from restructuring/special items	€ million	-6	0	-
Result from companies consolidated at equity	€ million	7	2	>100
Result from operations	€ million	37	50	-26.0
Investments in fixed assets and intangible assets	€ million	33	41	-19.5
Investments in financial assets/acquisitions	€ million	0	0	-
Total investments	€ million	33	41	-19.5
Shares in companies consolidated at equity	€ million	50	47	6.4
Capital employed	€ million	411	505	-18.6
Return on capital employed	%	8.8	9.5	
Working capital	€ million	91	171	-46.8
Employees (FTE)		1,164	1,167	-0.3

TABLE 019

In line with the revenues trend, the operating result of € 36 (48) million, was significantly lower than the previous year. The substantial decrease in raw material and energy costs, along with moderately higher sales volumes, was not enough to completely offset the significantly lower prices. The second half of the year was also affected by the several-week flood-induced shut-down at the Pischelsdorf location in Austria.

Result of restructuring and special items

The result from restructuring and special items in the starch segment amounted to € –6 (0) million and was largely due to a social plan.

Result from companies consolidated at equity

The result from companies consolidated at equity of € 7 (2) million mainly related to the pro rata result from the starch and ethanol activities of the Hungarian HUNGRANA Group.

Capital employed and return on capital employed (ROCE)

A significant decline in operating result of € 36 (48) million and a simultaneous reduction in capital employed to € 411 (505) million drove ROCE down to 8.8 (9.5) %.

Investments in fixed assets

Investments in fixed assets in the starch segment totaled € 33 (41) million. The main projects included:

- Expansion of production capacity for roller-dried technical specialty starches at the Gmünd location in Austria
- Increased bagging capacity for wheat starch and gluten at the Pischelsdorf location in Austria
- Renewal of the biofilter plant at the Aschach location in Austria

Raw materials and production

We use potatoes, corn and wheat as raw materials to make starches for various technical applications, food and animal feed, as well as renewable ethanol and byproducts.

The potato starch factory in Gmünd, Austria, processed about 175,100 (170,600) tonnes of industrial starch potatoes during the 2024/25 campaign. Food industry potato processing for potato staple products was at the previous year's level. Unfavorable vegetation and growing conditions led to lower yields for both starch potatoes and potatoes for the food industry.

The Aschach and Pischelsdorf sites in Austria processed around 1.4 (1.3) million tonnes of corn and cereals in the past financial year. Corn processing increased by around 4 % while the share of specialty corn (especially waxy corn and organically produced corn) was about 27 %. Wheat grinding volumes for the production of wheat starch and bioethanol at the Pischelsdorf site were slightly higher in 2024/25 compared to the previous year. The plant in Romania processed a higher volume of yellow corn than in the previous year, but the processing volume of specialty corn remained below the previous year's level.

Volumes

The starch segment was shaped by rising demand again in fiscal 2024/25, allowing sales of main and byproducts to increase moderately. At the same time, competitive pressure increased, leading to falling prices.

After a difficult previous year due to inflation, the sales of organic products have bounced back; nevertheless, the growing competition in this market demands considerable efforts focused on customer orientation and maintaining market share.

Sales of construction starch and starch derivatives for the adhesion of paper sacks developed somewhat more positively, partly due to intensified market efforts on a global scale.