

AB Linas Agro Group

# Overview of activities & finance For 3 months of FY 2023/2024

1<sup>st</sup> of December, 2023



# Disclaimer

This document might include directly or indirectly expressed forward-looking statements, reflecting assumptions or current view of the Company's management. Group's future performance and results highly depend on the market conditions, regulations, climate changes and other various external factors or risks, that could therefore cause actual results to differ materially from those stated or implied in this document, as well as to the historically attained ones. Company encourages the reader to critically examine these forward-looking statements, furthermore, invites to get acquainted with the scope of Group's risks and its management in the set of annual financial reports, available on Company's web-page

[\(https://www.linasagrogroupl.it/en/to-investors/company-reports/\)](https://www.linasagrogroupl.it/en/to-investors/company-reports/).

For the more detailed representation of Group's results, this document might as well include non-audited alternative financial ratios or operating data. At all events, this alternative data shall not be viewed as a substitute for Company's IFRS based figures, but rather as broader or complementing illustration of the Group's financial performance and overall activity.

# The Speaker

With AB Linas Agro Group since 2020  
>10 years professional experience including  
Banking & Shipping industries  
Master's degree in Shipping, Trade and Finance /  
City University London Bayes Business School  
Bachelor's degree in Management /  
University of Leeds



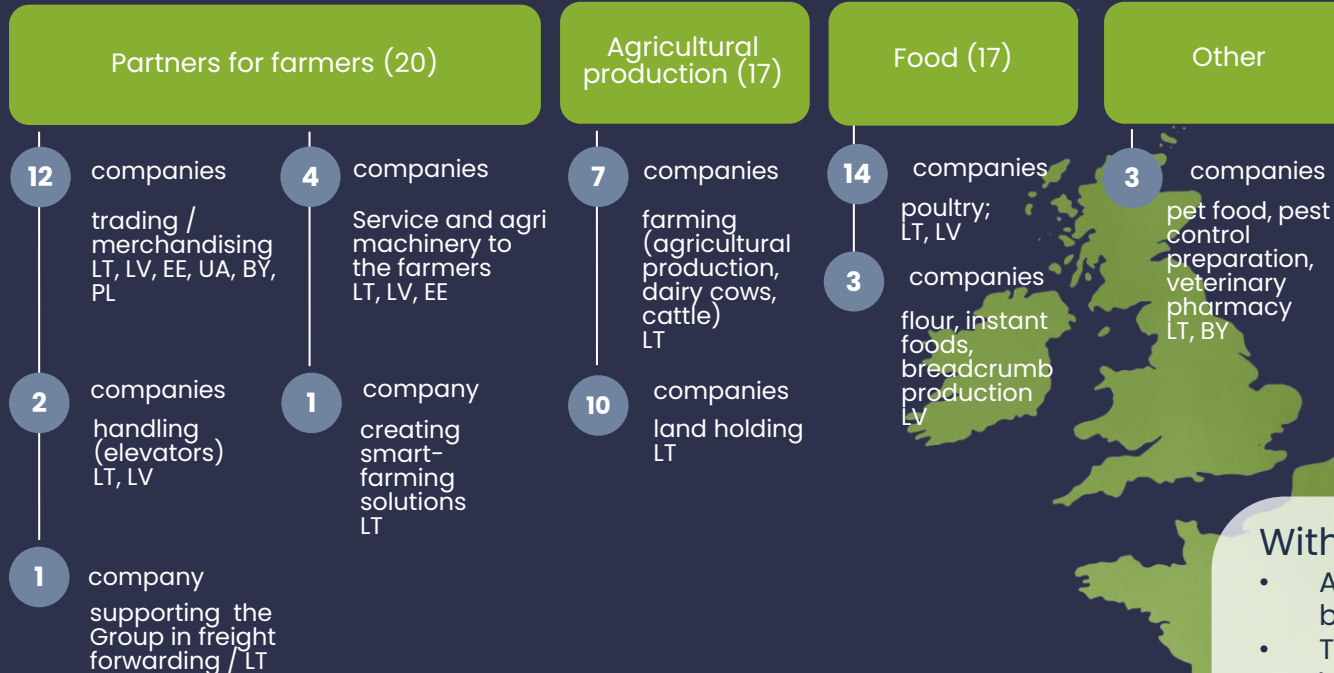
**Mažvydas Šileika**

CFO & Contact for Investors

✉ [m.sileika@linasagro.lt](mailto:m.sileika@linasagro.lt)

# Agribusiness & food group

69 Subsidiaries



\*2023-September-30  
 out of 69 companies, not shown in the structure are: 4 management companies, 6 dormant companies, 5 under liquidation, 1 company have activity in three segments, 1 company- in two segments

## Within Q1 of 2023/2024:

- AB Linas Agro Group completed the acquisition of part of the business from AUGA Group, AB
- The liquidation of UAB KG Distribution, UAB KG Logistika, UAB VKP Valdymas and UAB Gastroneta has been initiated with effect from 02/10/2023;

## After reporting period:

- Reorganization of merging SIA Broileks, SIA Cerova and SIA Lielzeltini to AS Putnu Fabrika Kekava has been initiated.
- The split-off from Landvesta 1 UAB resulted in foundation of UAB Sunvesta UAB



# Financial highlights for 3 months 2023/2024

**161,085,933\***

Ordinary shares

**198**

MCap  
mEUR

**EBIT,%**

**5.24%**      **6.47%**

3m 23/24      3m 22/23

5Y avg 3.12%

**P/E**

**19.02**      **1.88**

3m 23/24      3m 22/23

5Y avg 3.71

**ROCE,%**

**4.10%**      **19.34%**

3m 23/24      3m 22/23

5Y avg 6.12%

**EPS, €**

**0.06 €**      **0.69 €**

3m 23/24      3m 22/23

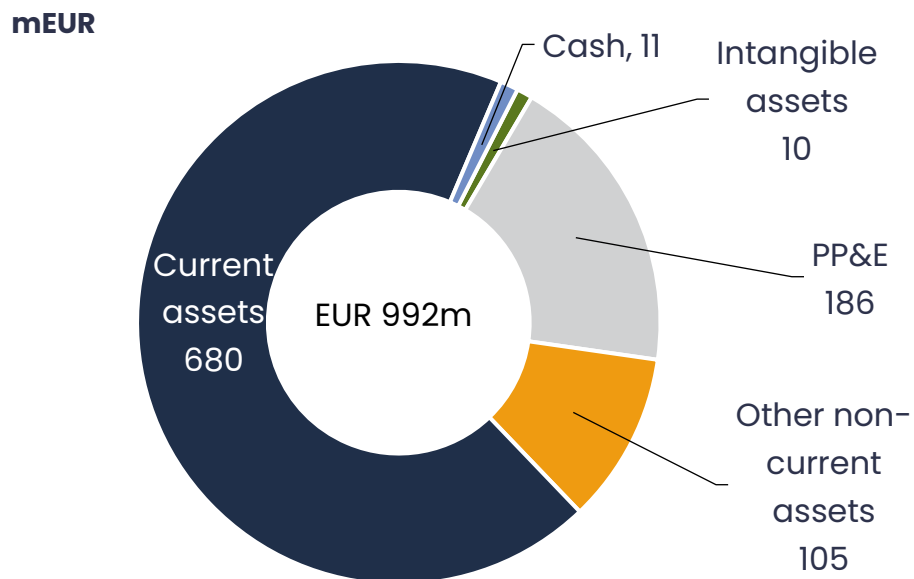
5Y avg 0.19 €



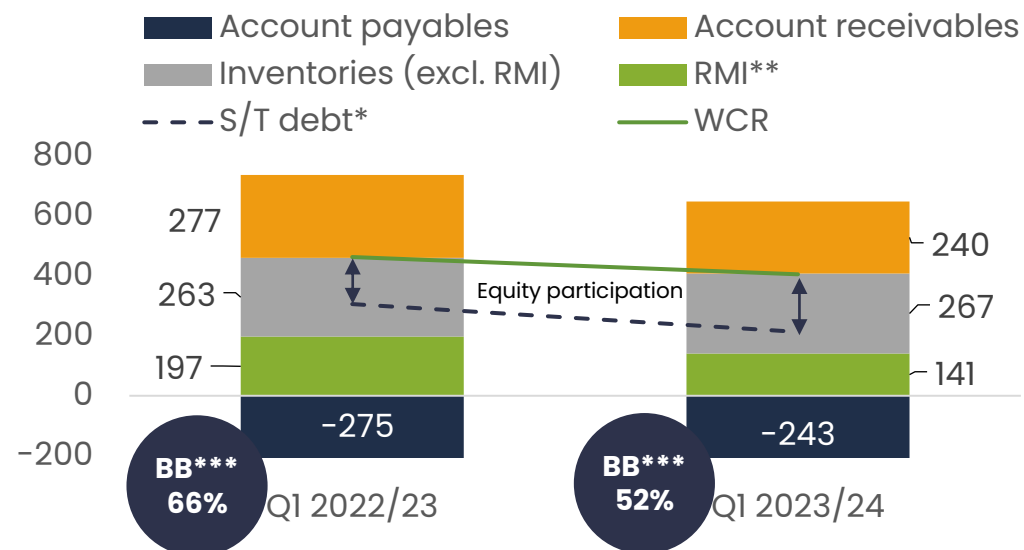
NOTE: ROCE, EPS, P/E - as 12 months rolling basis result / Market capitalisation - 30-September-2023 / \*160,394,398 ordinary shares at 30-September-2022

# Balance Sheet

## Total assets 30-Sep-2023



## S/T debt portfolio



### Liquidity position

**~520** mEUR – available lines at the day of the webinar

**~9** mEUR – capex

### Debt composition

**38%** L/T debt, including leases

**344** mEUR **total debt**, including leases

### Capital employed

**~314** mEUR – equity position of the Group; **Capital ratio** remains solid – **32%**

mEUR 12 months rolling EBITDA  
**Net Debt / EBITDA: 6.47x**  
**Net RMI adj. Debt / EBITDA: 4.0x**  
 (vs l/t strategic target </= 4.0)

\* S/T debt does not include current portion of L/T debt / \*\*RMI - Readily Marketable Inventories / \*\*\*BB - borrowing base ratio

# Group Segment revision

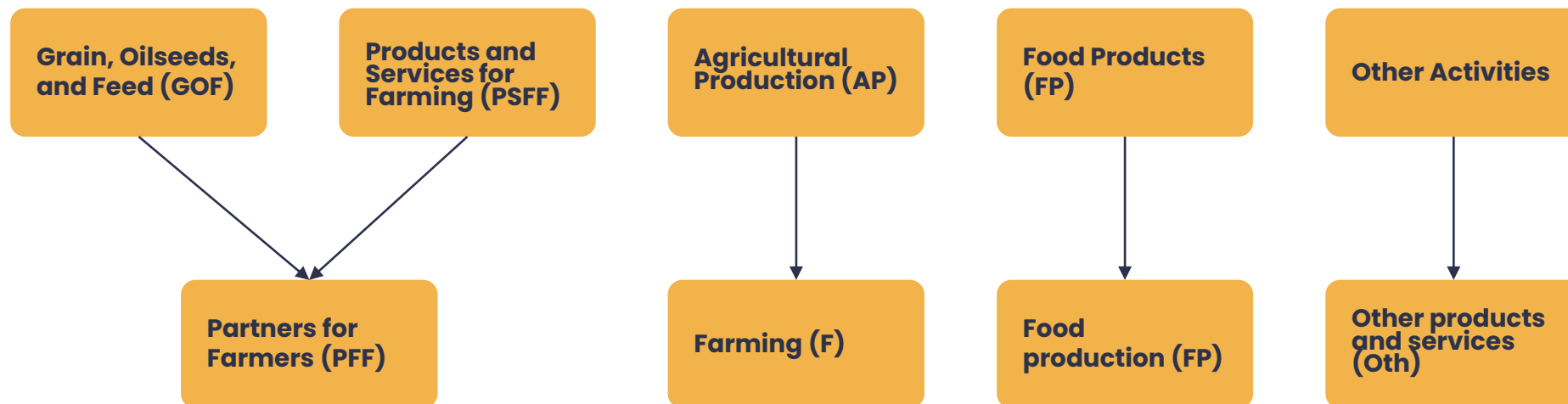
## The idea behind the change:

simplifying the structure and resource allocation within segments / adapting it better for Group's strategic vision implementation assessment / emphasizing the circular nature of the activities

## Key principles mapping previous Segments with new Segments:

- Segments "Grain, Oilseeds, and Feed" and "Products and Services for Farming" merged into one;
- Except for AB Kauno grūdai, that continue to be active in 3 Segments, all the other companies of the Group are delivering results to only one Segment

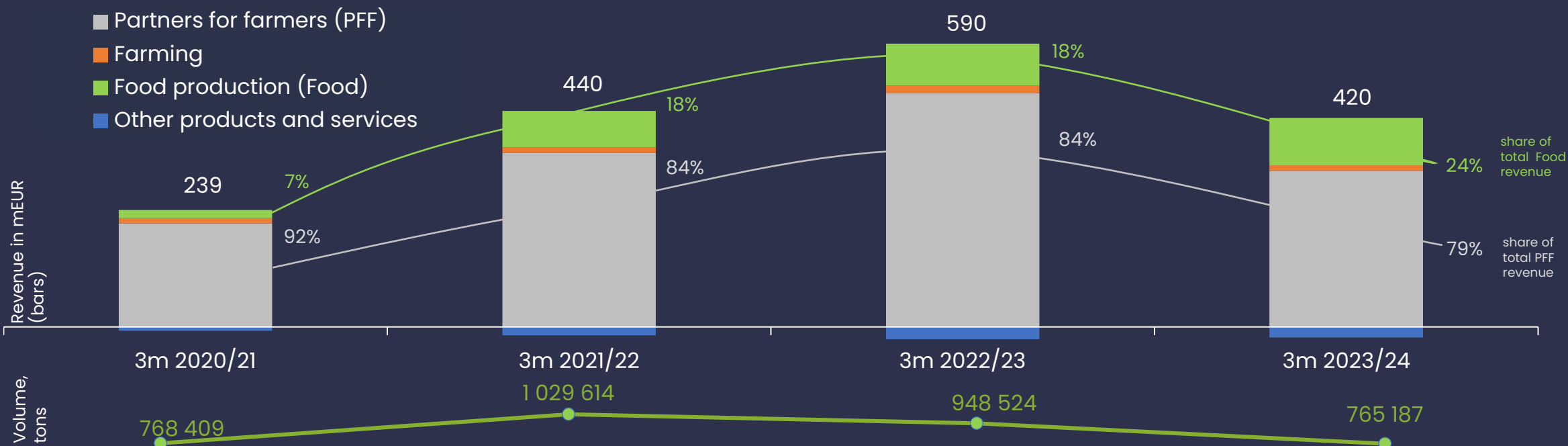
## Group Segments up until 30/06/2023:



## Group Segments starting with 01/07/2023:

# Revenues normalizing

## Segment dynamics

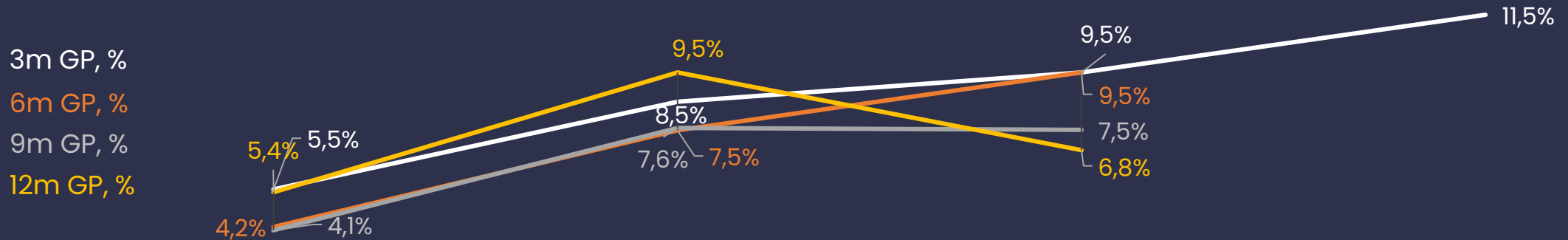
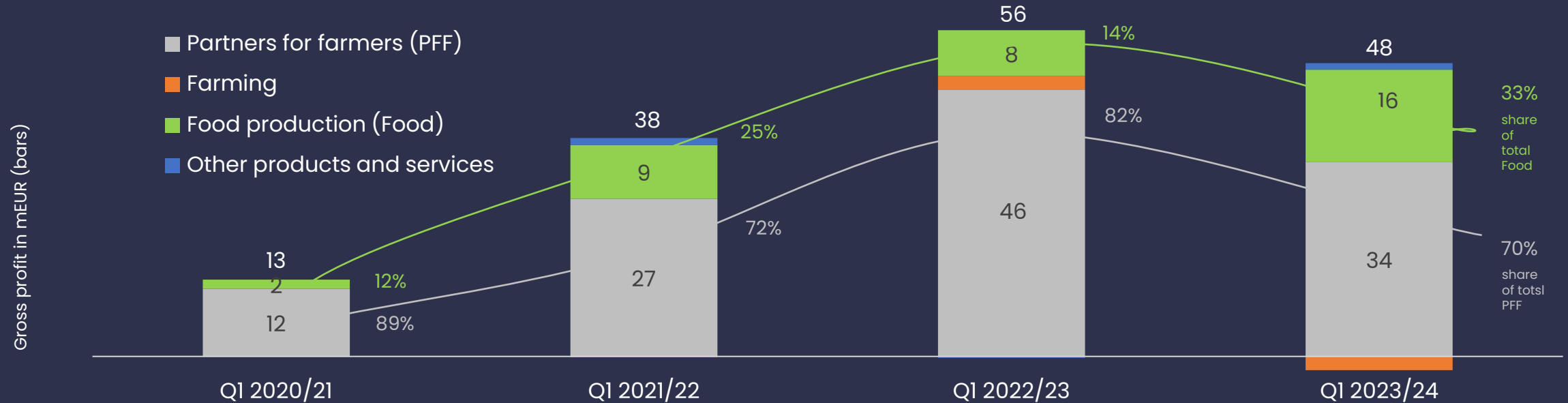


- The volume of production sold was comparatively low, being **closer to 2020/21 quantities** (before acquisition of KGG);
- 2023/24 vs 2020/21 turnover **difference still represents inflated prices** (even significantly lower compared to 2022/23) **and changes in product portfolio**
- After acquisition of KGG (2021/22), portfolio **re-positioning was continuously visible** - increased share of Food segment income (7% to 24%)



# Record gross profitability for Q1

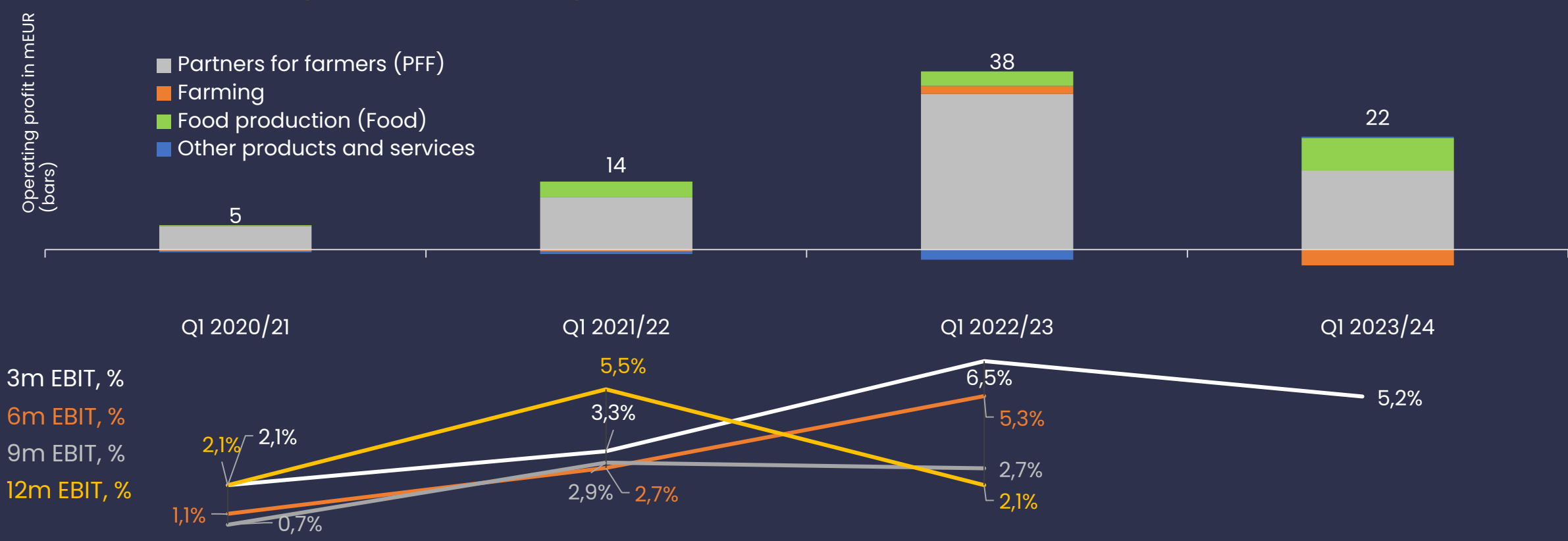
## Gross profit / Segments



- Strong GP for Q1 2023/24; GP% **5Y Q1 average: 7.7%**
- With exceptions, however historically Q1 GP% usually proved to be closer to full year GP% than profitability in Q2 and Q3

# Operating profit

## Operating profit / Segments



- 2023/24; EBIT% **5Y avg. 3.1%**
- Strong input from Food production segment, weak results of Farming segment



# Partners for farmers (1)

- Grain storage and preparation
- Ecologic grain and oilseeds
- Compound feed, feedstuff
- Grain
- Oilseed
- Logistic services
- Agricultural machinery
- Grain storage facilities and farm equipment
- Spare parts and service
- Smart farming system
- Certified seed
- Fertilizers
- Plant protection products, micronutrients

## Key facts



Main export commodity is Lithuanian and Latvian wheat



595 thousand tons total capacity of grain storage



295 thousand tons storage Capacity at ports



288 ktons of annual compound feed production capacity



6 ktons of annual premixes production capacity



12 feed retail stores



30 thousand tons total capacity of seed production plant



185 thousand tons total capacity for warehousing seeds, fertilizers, plant care products



16 sales outlets

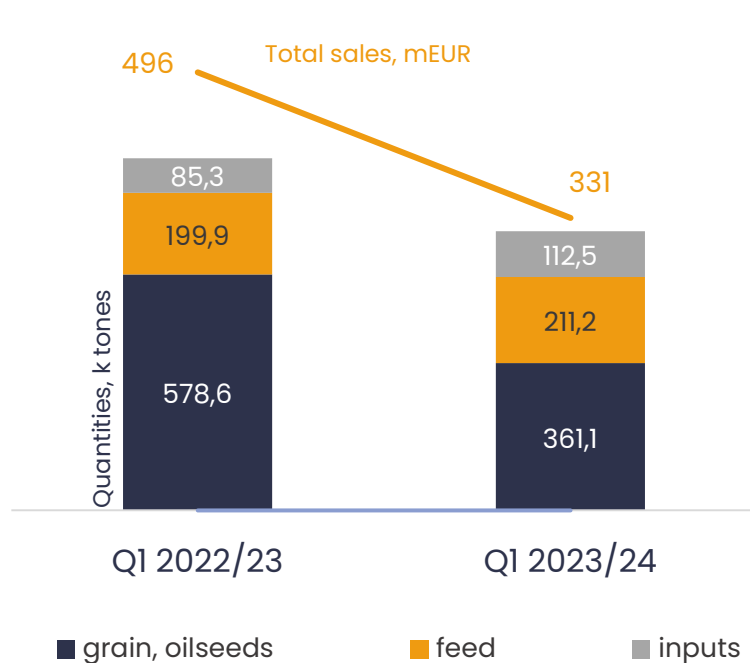


13 service centers

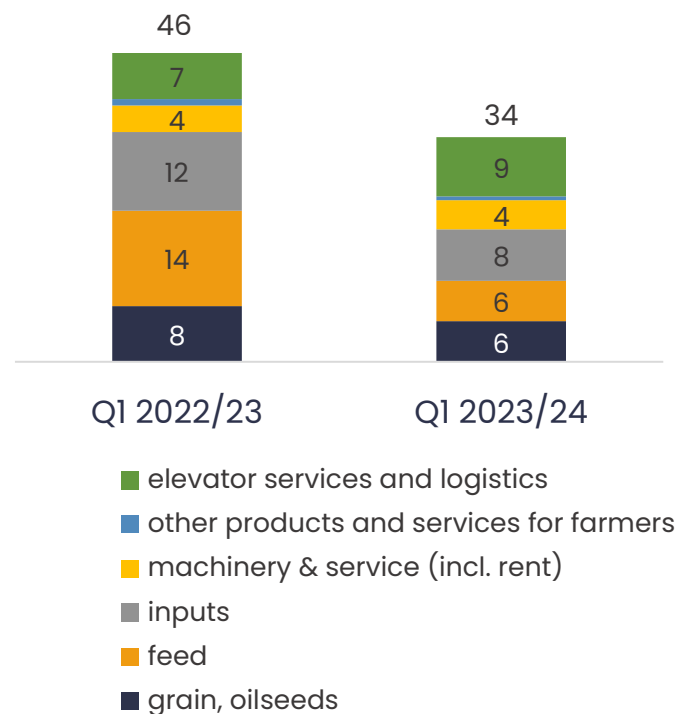
# Partners for farmers (2)

**Grain storage and logistics** – slightly higher quantities of grain collected through elevator chain, higher income from drying services;  
**Grain and oilseeds trade** – lower quantities traded; higher gross profitability per ton of traded position;  
**Feed business** – strong results of compound feed category were outweighed with deteriorated margins in raw materials and feed additives trade;  
**Inputs** – quantities wise all the input categories were growing, profitability of seeds and fertilizers trade was similar to the levels of Q1 2022/23, however plant protection and micronutrients category came in red mainly due to supply surplus in the market;  
**Agricultural machinery** – highly competitive market, farmers cautious to take investment decisions; despite decrease in revenue, gross profitability increased.

## Volume, kt & value, mEUR



## Gross profit, mEUR



| GP%          | 22/23 1Q    | 23/24 1Q      |
|--------------|-------------|---------------|
| ■            | 85.1%       | 94.1%         |
| ■            | 26.8%       | 31.0%         |
| ■            | 14.6%       | 17.6%         |
| ■            | 11.8%       | 8.9%          |
| ■            | 10.9%       | 5.9%          |
| ■            | 3.7%        | 5.7%          |
| <b>Total</b> | <b>9.3%</b> | <b>10.14%</b> |



# Food products

- Manufacture and wholesale of flour, flour mixes, breadcrumbs, breeding mixes, instant foods
- Full poultry manufacturing cycle

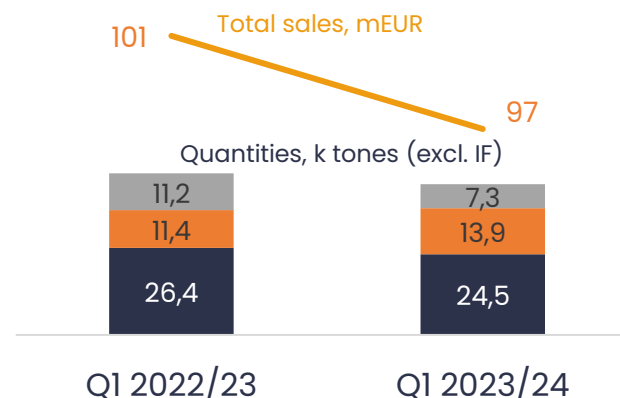
## Poultry business:

- restored profitability; prices relatively stable lately, feed and energy cost decreasing;

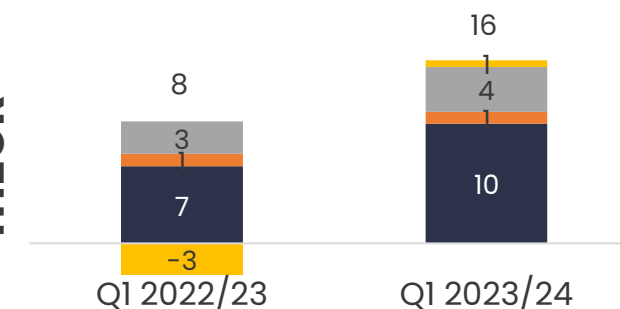
## Other foods:

- Q1 includes the results of 2 months Grybai LT activity;
- Instant and ready to eat foods profitability was at record levels, illustrating a decline in cost;
- Decreased profitability in flour category offset with strong results of Coating systems

Volume, kt &  
value, mEUR



Gross profit,  
mEUR



- other food products and services
- instant food products
- flour, breadcrumbs
- poultry

| GP%          | 22/23 Q1    | 23/24 Q1     |
|--------------|-------------|--------------|
| ■            | -67.0%      | 21.6%        |
| ■            | 14.2%       | 18.6%        |
| ■            | 17.5%       | 15.4%        |
| ■            | 9.0%        | 15.0%        |
| <b>Total</b> | <b>7.8%</b> | <b>16.4%</b> |

## Key facts

- Top poultry producer in LV and LT
- Major flour producer in Lithuania
- Sole producer of instant noodles in the region
- 17 Retail shops (SIA PFK Trader)
- 30 thousand tons of live weight meat produced (3m of 23/24)
- Private label contractor
- 80% antibiotics free birds in Lithuania  
100% antibiotics free birds in Latvia

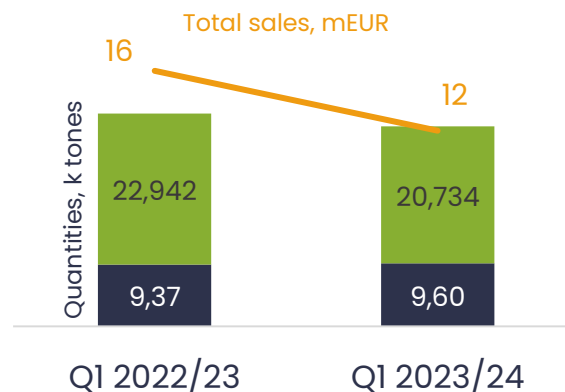


# Agricultural production

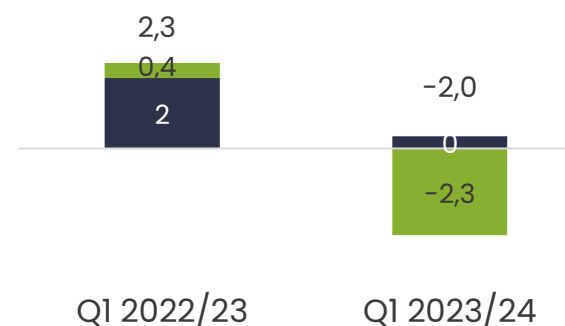
- Cereals growing
- Rapeseed growing
- Sugar beet growing
- Milk production
- Beef cattle rearing

- 2023Y Lithuanian harvest shall be roughly 1% higher than 5 years average, while Estonian and Latvian – 5-10% lower;
- Group farming companies harvested 4% less crops (vs Q1 22/23); mainly due to summer crops yield; profitability decreasing as a result of higher COGS vs lower selling prices)
- High milk farms productivity, however low raw milk prices; positive signs starting with 2023-Oct

Volume, kt & value, mEUR



Gross profit, mEUR



- milk & cattle meat
- crops

| GP%          | 22/23 Q1     | 23/24 Q1      |
|--------------|--------------|---------------|
| ■            | 4.1%         | -30.8%        |
| ■            | 36.1%        | 8.7%          |
| <b>Total</b> | <b>15.2%</b> | <b>-20.1%</b> |

## Key facts

19,229 ha – arable land, out of which 6,117 ha owned

3,220 dairy cows

9.6 thousand tons of raw milk (3m 23/24)

84 thousand tons of crop harvest (3m 23/24)

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