

AB Akola Group

Overview of activities & finance

For 6 months of FY 2024/2025

20th of February, 2025

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 it's management in the set of annual financial reports, available on Company's web-page

<https://www.akolagroup.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

Mažvydas Šileika

CFO & Contact for Investors

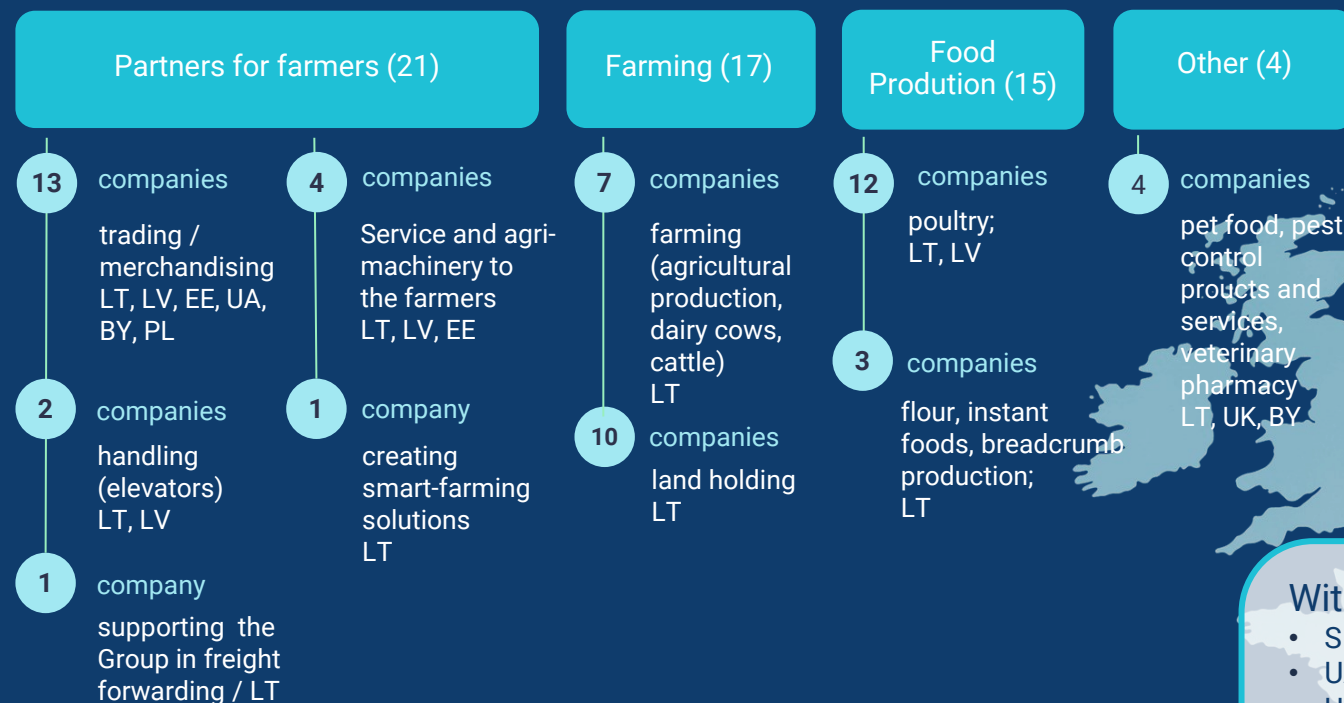
m.sileika@akolagroup.lt

With AB Akola 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



Agribusiness & food group

63 subsidiaries 2 associates



*2024-December-31:

Out of 63 companies, not shown in the structure are: 3 management companies, 5 dormant companies, 1 under liquidation, 1 company have activity in three segments, 1 company – in two segments

Within Q2 of 2024/2025:

- SIA "Linās Agro" acquired SIA "Elagro Trade"
- UAB „Baltic fumigation service“ acquired SIA "LABIBAS SARGS"
- UAB Kormoprom Invest was deregistered from the Register of Legal Entities after liquidation

& after reporting period:

- UAB Grybai LT was converted into AB Grybai LT, UAB Šlaituva was converted into AB Šlaituva
- Liquidation of KB Baltoji Plunksnelė, UAB Kaišiadorių Paukštyno Mažmena was initiated

Financial highlights for 6 months 2024/2025

Ordinary shares: 167,170,481*
Mcap, mEUR: 195

EBITDA, m €

48

6m 24/25

42

6m 23/24

5Y avg. 36m €

EBIT, %

4.2%

6m 24/25

5Y avg. 2.8%

3.8%

6m 23/24

P/E

5.96

6m 24/25

5Y avg. (2.5)

(11.95)

6m 23/24

ROCE, %

7.37%

6m 24/25

5Y avg. 6.14%

0.43%

6m 24/25

EPS, €

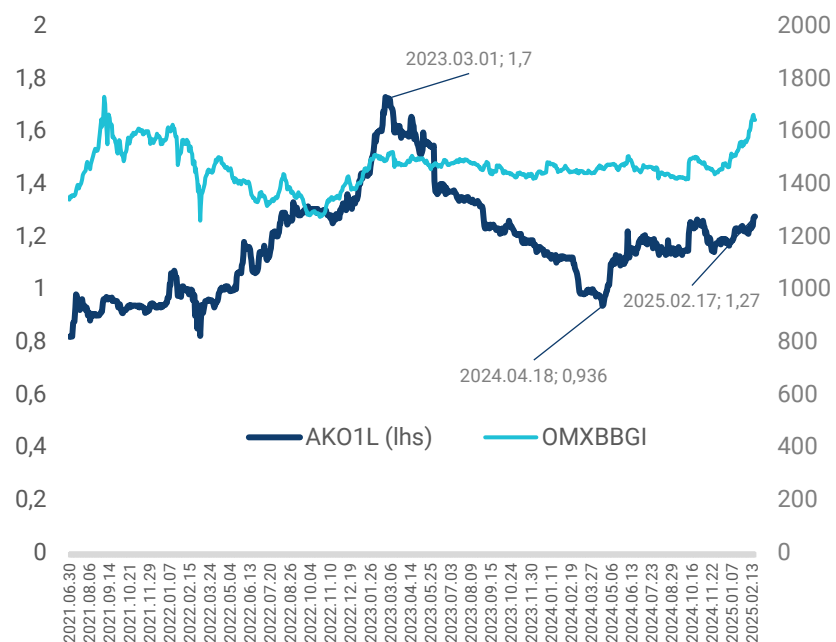
0.20 €

6m 24/25

5Y avg. 0.19€

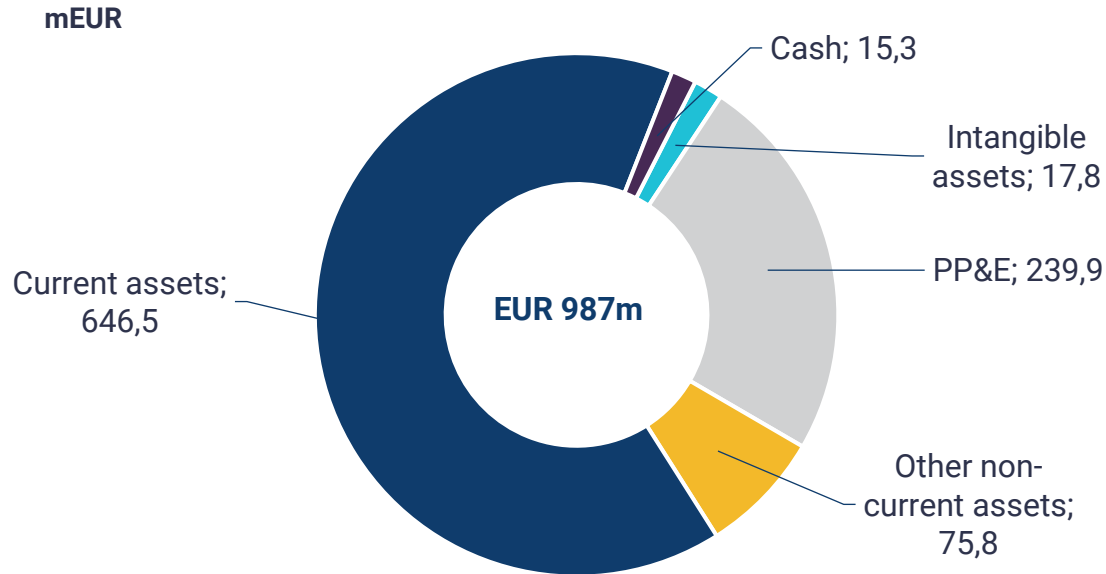
(0.09) €

6m 23/24

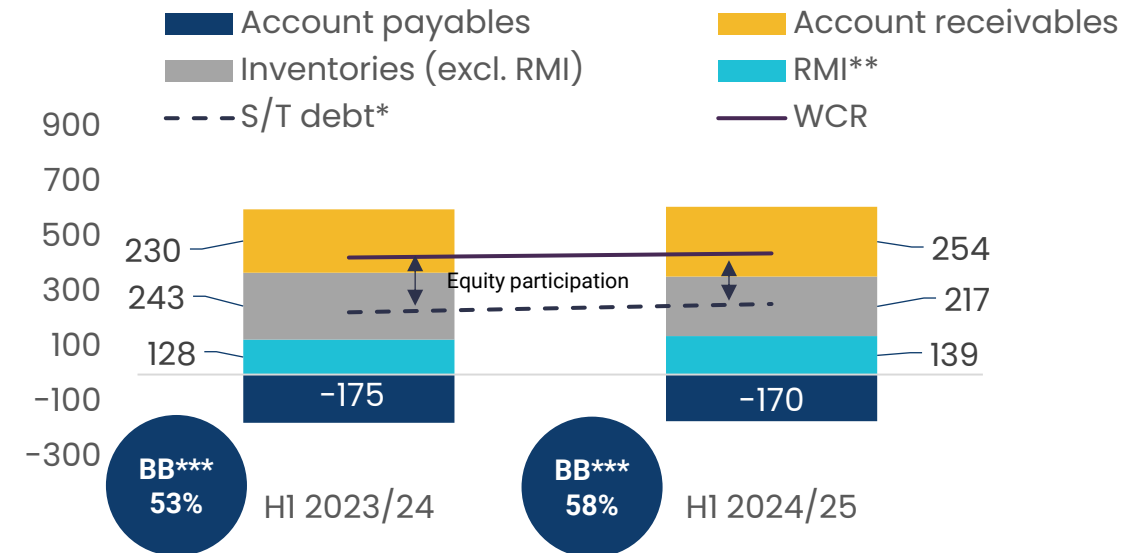


Balance Sheet

Total assets 31-Dec-2024



S/T debt portfolio



Liquidity position

~470 mEUR – available lines

~46 mEUR – capex

Debt composition

39% L/T debt, including leases

420 mEUR total debt, including leases

Capital employed

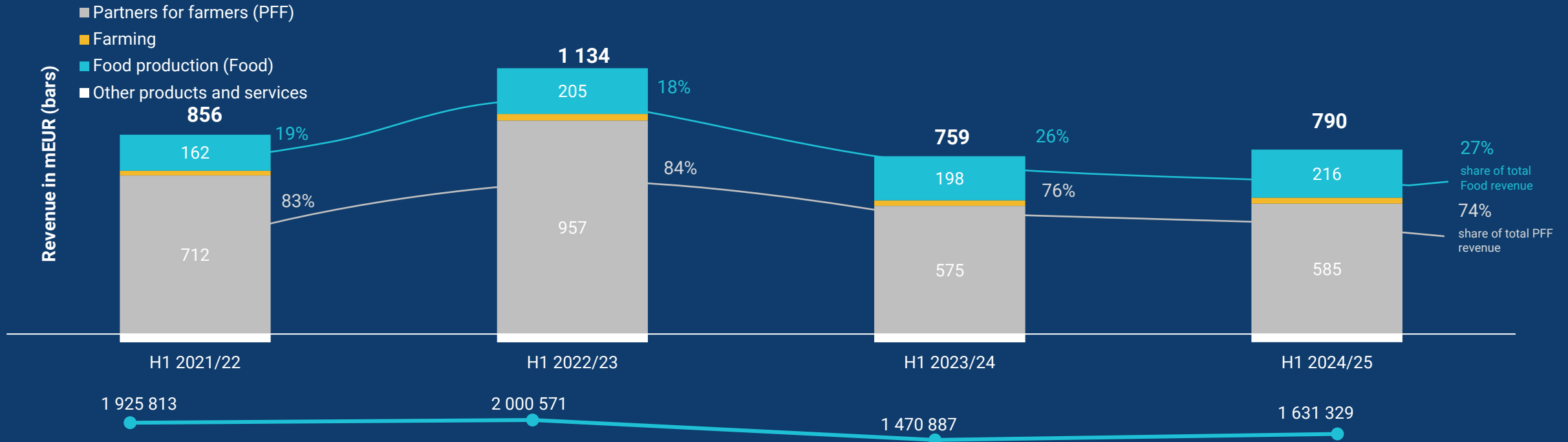
~331 mEUR - equity position of the Group; **Capital ratio** remains solid - **34%**

mEUR 12 months rolling EBITDA
Net Debt / EBITDA: 5.1x
Net RMI adj. Debt / EBITDA: 3.5x
 (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

The curve is losing its charm – stable revenues

Segment dynamics

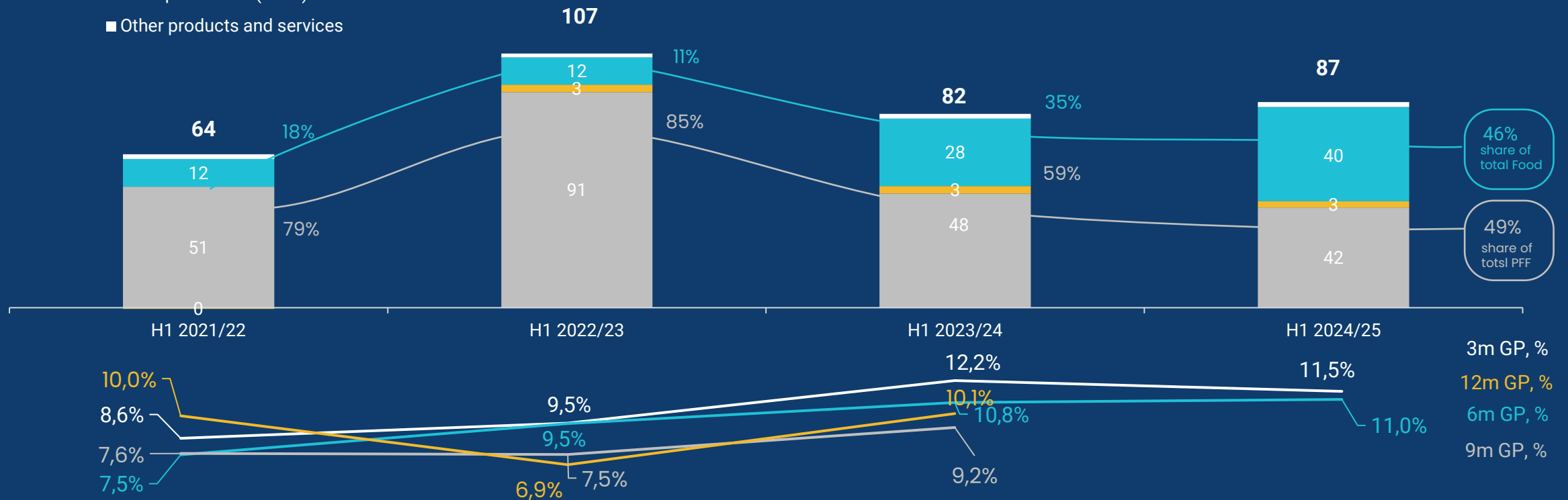


- **Volume** (H1 24/25 vs H1 23/24): +11%. Slower start of the FY24/25 contrasted with volume wise way more active Q2. While growth was seen in all key segments, naturally **highest quantity additions came through trade and compound feed** increases (notable maize and rapeseed decreases were more than offset with boost in wheat and pulses positions)
- **Revenue** (H1 24/25 vs H1 23/24): +4%. Quantity increases did not translate into proportionate revenue growth, observing continuous **deflationary trend in average Group product portfolio** (pronounced in grain trade, compound feed, fertilizers, machinery merchandising, as well as in instant food, breadcrumbs products), with **positive offsetting impacts from peaking milk prices, marginal upticks in poultry quotations**

Diversification or perhaps a perfect hedge

Gross profit / Segments

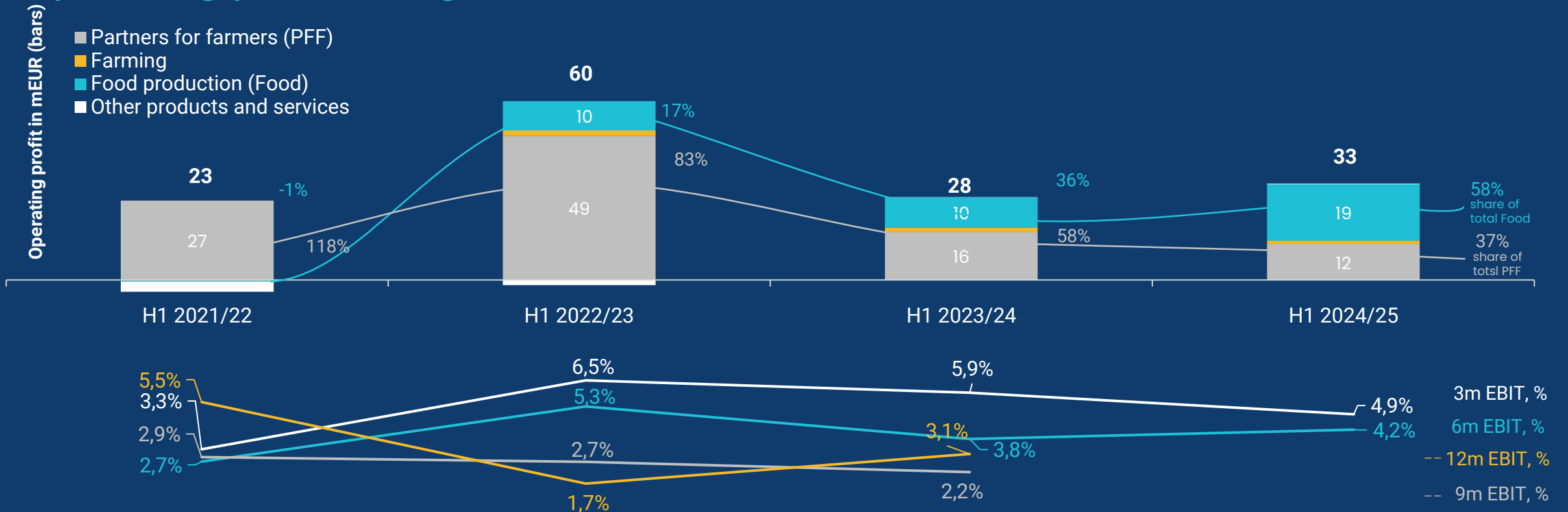
- Partners for farmers (PFF)
- Farming
- Food production (Food)
- Other products and services



- **GP% (H1 24/25 vs 5Y H1 average) 11.0% vs 7.7%**
Improvement in gross profitability – simply praise the Food segment; **absolute top performer – poultry category**, offsetting deteriorated margins in feed, fertilizers, plant care, crop cultivation and once again proving benefit of portfolio diversification.

Improving profitability

Operating profit / Segments



- **EBIT%** (H1 24/25 vs 5Y H1 average) **4.2% vs 2.8%**
- Positive effect to EBIT from scaled poultry activity, diluting fixed costs'
- FY24/25 H1 [12 months rolling basis] **EBITDA 79.6mEUR** - **within indicated Normalised range of 70-90mEUR**; comparing latest results with FY 24/25 Q1 [12 months rolling basis] EBITDA 68.1mEUR, improvement is to most extent related with roughly 2x better EBITDA of Q2 y-o-y



Partners for farmers (1)

Our major locations:












Activity explained:

- Grain storage and preparation
- Compound feed production and sales
- Grain and oilseeds trade
- Feedstuffs trade
- Logistic services
- Agricultural machinery
- Grain storage facilities and farm equipment
- Spare parts and service
- Smart farming system
- Certified seed
- Fertilizers
- Plant protection products, micronutrients

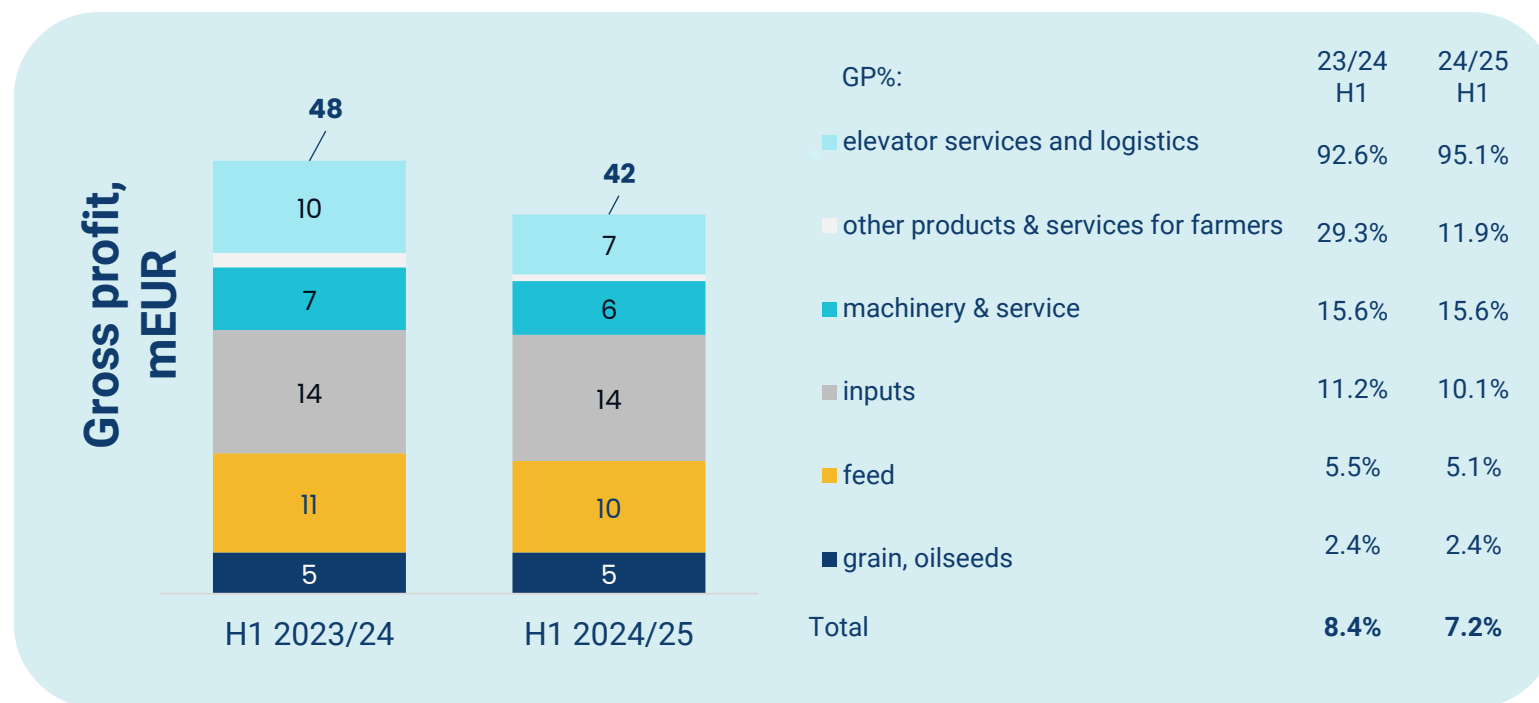
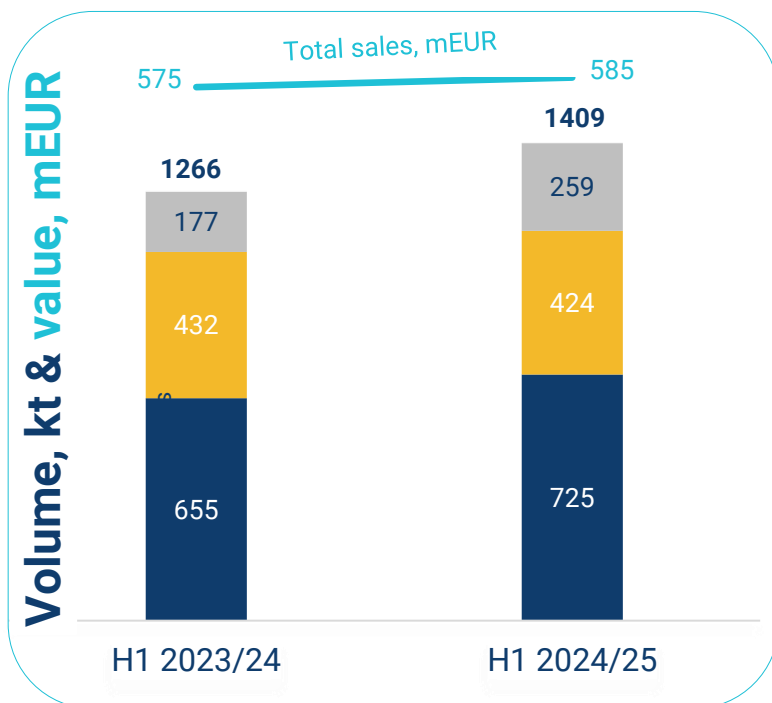
Key export Markets:



Key facts:

-  Main export commodity is Lithuanian and Latvian wheat
-  711 thousand tons total capacity of grain storage
-  344 thousand tons storage Capacity at ports
-  336 ktons of annual compound feed, premixes production capacity
-  12 feed retail stores
-  30 ktons total capacity of seed production plant
-  202 ktons total capacity for warehousing seeds, fertilizers, plant care products
-  16 sales outlets
-  13 service centers

Partners for farmers (2)



- **Grain storage and logistics** – lower quantities collected, squeezed drying service income; starting with FY24/25 Q3 – category results will be complemented with activity and additional storage capacities in Latvia (in relation to acquisition of SIA Elagro Trade);
- **Grain and oilseeds trade** – picked up activity in FY 24/25 Q2, navigating low price environment, finding momentum for some spot trade opportunities; comparing H1 y-o-y, more active wheat trade, nice additions in pulses in contrast to lower maize and rapeseed quantities; GP% flat, staying at 2.4% H1 y-o-y (previous 5Y H1 average – 1.3%);
- **Feed business** – slightly narrowed gross profitability of both compound feed and raw feed materials sub-categories; continuously difficult trade in Ukraine origin raw materials, expected challenges with amino acid lysine (Jan-2025 EC imposed anti-dumping duties on its imports from China);
- **Inputs** – still challenging plant protection and micronutrients activity, normalized fertilizers returns (FY 24/25 H1 GP% similar to previous 5Y values for H1, if eliminating extreme 21/22 – 8.4%), solid seed performance
- **Agricultural machinery** – demand and market size decreasing in all the operating geographies (LT, LV, EE), yet market share - sustained, service and spare parts activity - recovering, GP% kept firm, inventory levels further on decreasing.



Food production

Activity explained:

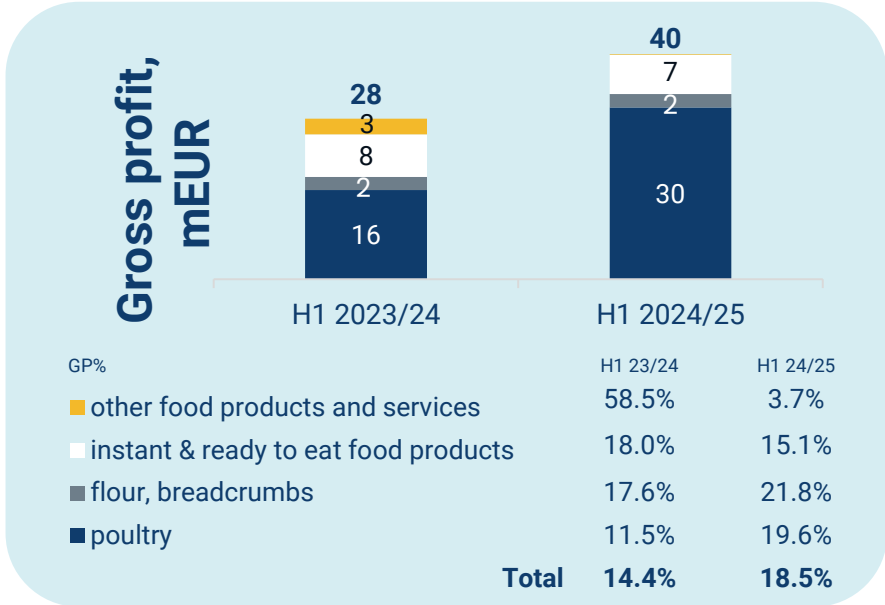
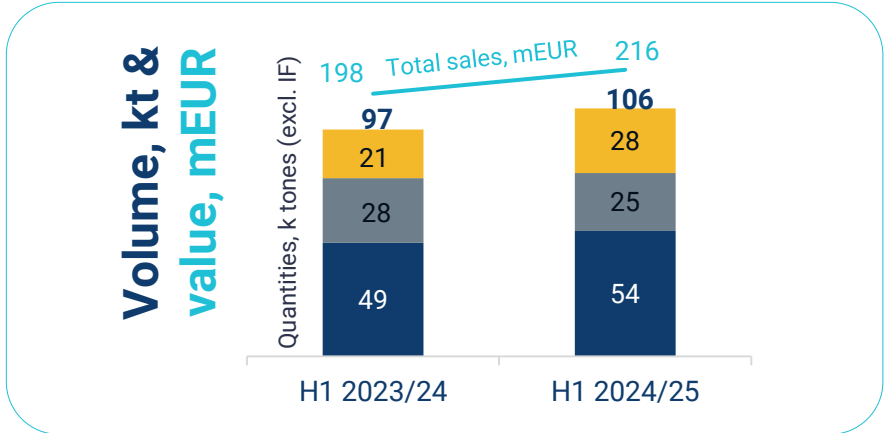
- Manufacture and wholesale of flour, flour mixes, breadcrumbs, breading mixes, instant foods, ready to eat products
- Full poultry manufacturing cycle

Poultry business: higher quantities, favourable price environment, flourishing profitability

Instant foods: sold quantities in units +17%, new contracts with large accounts, slightly contracted GP%; new IF noodles factory in Alytus – testing/calibrating phase; **ready to eat foods** – downward price pressure; will continue with very own “ACTIVUS” brand in FY 24/25 Q3;

Flour: average product portfolio price roughly 10% down contrasted with improved gross profitability

Coating systems: solid demand, increasing produced and sold quantities, stable gross profitability.



Key facts:

- Top poultry producer in LV and LT
- Major flour producer in Lithuania
- Sole producer of instant noodles in the region
- 10 Retail shops (SIA PFK Trader)
- 60.8 thousand tons of live weight meat produced (H1 of 24/25)
- Private label contractor
- 85% antibiotics free birds in Lithuania
100% antibiotics free birds in Latvia

Agricultural production

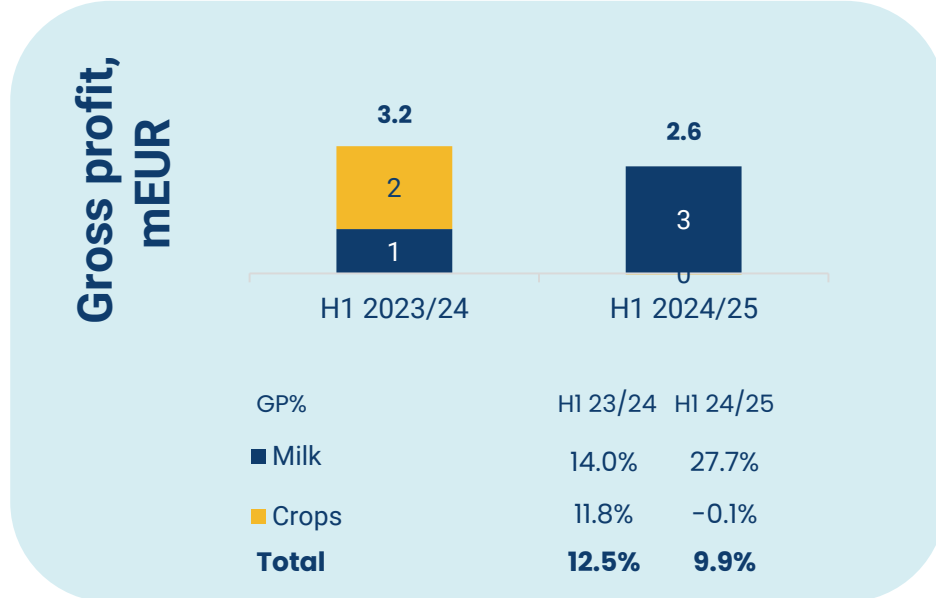
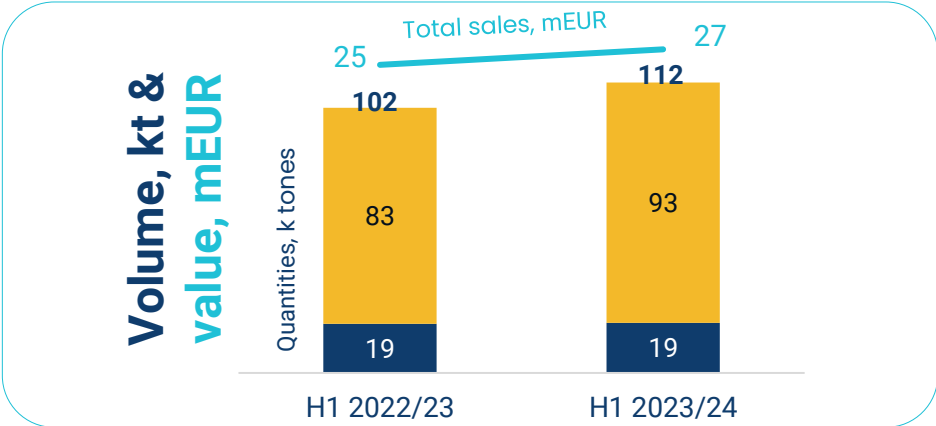
- Cereals growing
- Rapeseed growing
- Sugar beet growing
- Milk production
- Beef cattle rearing

Crop production:

-2024 harvesting results (+3% in volume y-o-y); condition of future 2025 crops is so far considered good;
 -continuously low-price environment (approx. 10-15% lower), 95% of 2024 harvest sold (including forward contracts)
 -during H1 of FY 24/25 total EUR 0.88 million (H1 of FY 23/24 total EUR 0.02 million) write-down of the sold inventory cost was made;
 -throughout H1 of FY 24/25 subsidies accounted for EUR 0.7m (EUR 1.1m for H1 FY 23/24), but were accounted as Other income (not part of gross profit);

Milk production:

-highly comparable milk production quantities and quality metrics (compared to H of FY 23/24);
 -raw milk purchase prices at peak (approx. 20% higher compared to prices a year ago)



Key facts

- 19,072 ha – arable land, out of which 6,249 ha owned
- 3,241 dairy cows
- 19.3 thousand tons of raw milk (H1 24/25)
- 132.27 thousand tons of crop harvest (H1 24/25)

receive news and other financial information



<https://www.akolagroup.lt/en/to-investors/subscription-center/>

Select from the options below to receive news and other financial information by email.

- ✓ Stock exchange releases
- ✓ Notification on material event
- ✓ Reports
- ✓ General meeting of shareholders
- ✓ Managers' transactions
- ✓ Total number of voting rights and capital
- ✓ Other regulatory information
- ✓ Corporate news
- ✓ Financial Calendar

[Home](#) | [To Investors](#) → [Subscription Center](#)

Subscription Center

Select from the options below to receive news and other financial information by email.

- Stock exchange releases
- Notification on material event
- Reports
- General meeting of shareholders
- Managers' transactions
- Total number of voting rights and capital
- Other regulatory information
- Corporate news
- Financial Calendar

Email

Last Name

Country

First Name

Company

Subscribe

Do I have a subscription?



Thank you

akola
GROUP

m.sileika@akolagroup.lt
Subačiaus g. 5, Vilnius
LT-01302 Lietuva

