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AB Linas Agro Group

OVERVIEW OF ACTIVITIES & FINANCE

FOR FY 2021/2022

2ND OF SEPTEMBER, 2022

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.linasagrogroup.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

With AB Linas Agro Group since 2020

10 years professional experience including

Banking & Shipping industries

Master's degree in Shipping, Trade and Finance /

Cass Business School

Bachelor's degree in Management / University of Leeds



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International agribusiness & food group

1991
Founded

2010
Listed since

213
mEUR
Market
Capitalisation

TOP revenue
company listed on
Nasdaq Baltic SE

highest sales agri-
business and food
company in the
Baltics

5,031
employees

3.7
m tons
Sales volume

564ktons
own storage
capacity

18,258
ha arable land

5
Key activity
Segments*

62%
Grain, oilseeds, feed

20%
Products & services
for farming

2%
Agricultural
Production

18%
Food Products

2%
Other activities

€ 1,896m
Conso revenue

134
mEUR
Conso EBITDA

80
mEUR
Net profit

873
mEUR
Conso BS

19%
ROCE

32%
Capital ratio

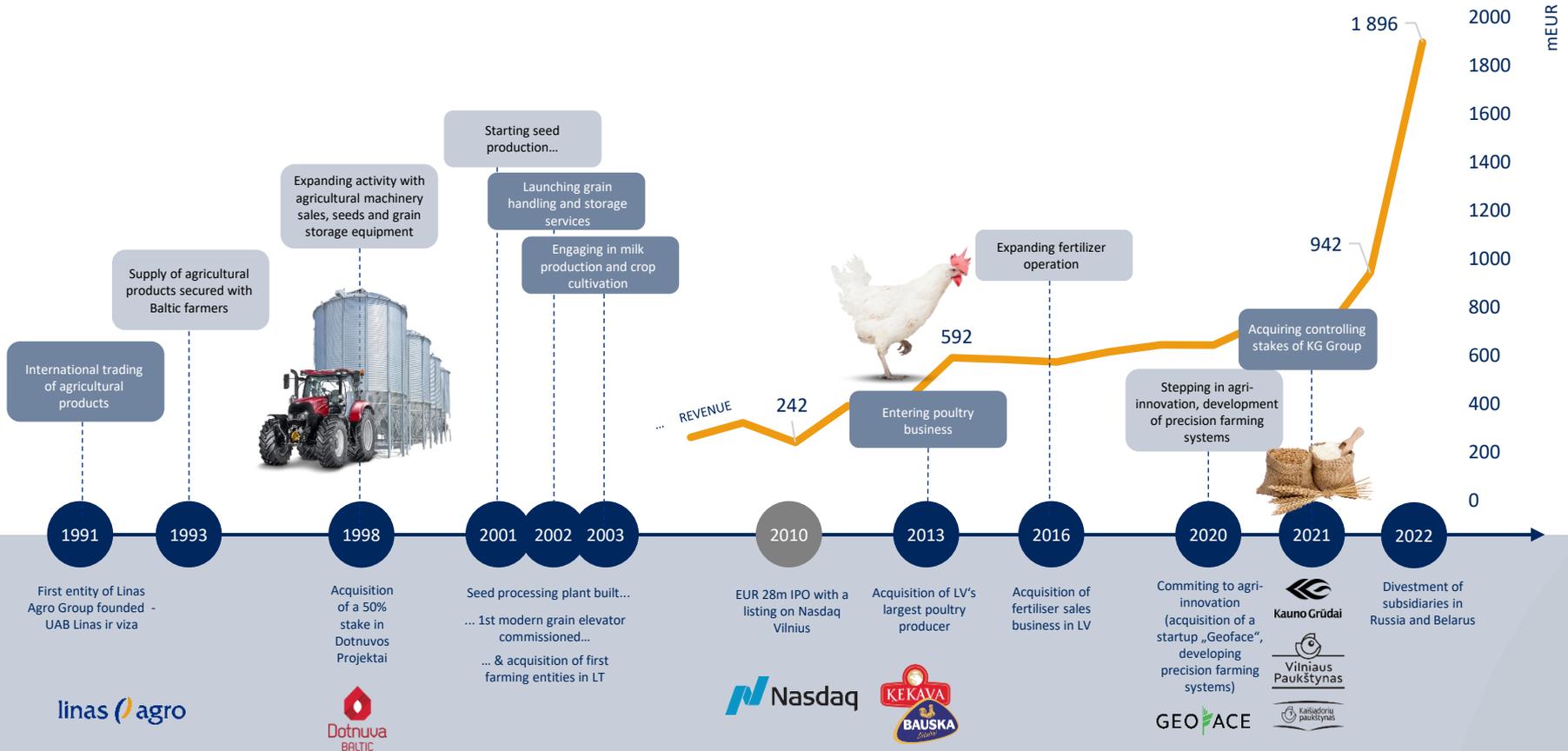
2.05x
Net financial debt
to EBITDA

2021/2022
12 months data



*the sum of sales exceeds 100% due applicable intersegment eliminations
Consolidated revenue, EBITDA, sales volume, employees data – as of 30/06/2022, market capitalisation – as of 01/09/2022

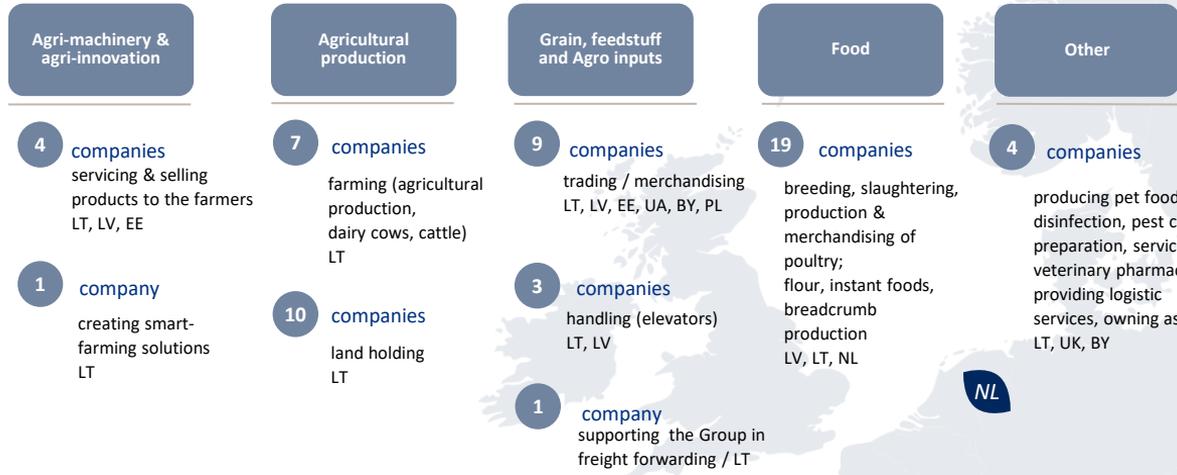
Key milestones



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Linus Agro Group today



69
companies

**out of 69 companies, 3 are management companies (not shown), 9 dormant companies (not shown) and 1 under liquidation (not shown); 2 companies has activity in two segments*





- Record year, with KG acquisition and inflation being key driving factors
- Still room for improvement in segments “Food” & “Other”
- Solid liquidity, conservative leverage
- Boosted return ratios

Financial highlights

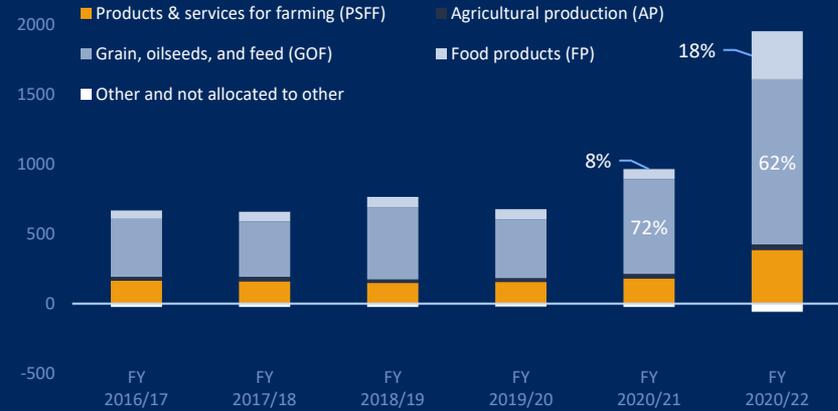
**FOR 12 MONTHS
OF FY 2021/2022**

Fiscal year of the Company starts on July 1st



Flourishing revenues

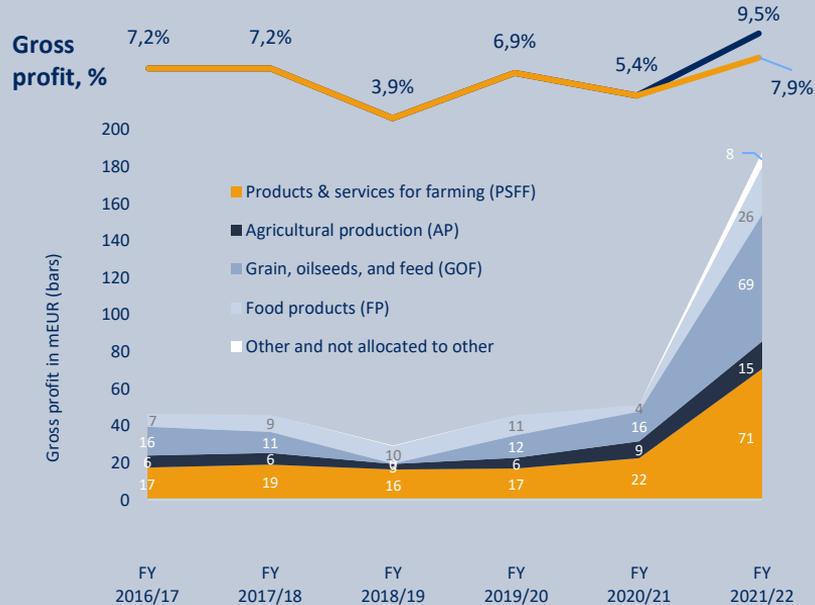
Quarter / Segment / pre & post Acquisition income



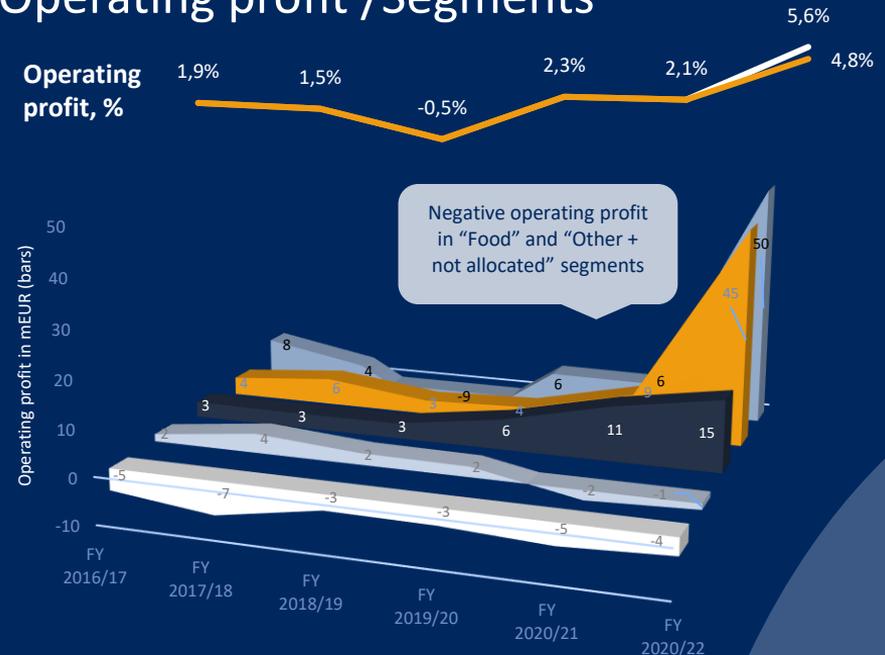
- During 2021/22, quarterly revenue generation proportion remained similar to historical periods, as usually delivering **strongest input within 4Q**
- Due to acquisition of KGG – results of 2021/22 illustrated segment **revenue portfolio re-positioning** (increased share of Food segment income)
- Key income boosting drivers **were inflation and acquisition of KGG**; KGG effect is considered to be 68%

Phenomenon profitability

Gross profit / Segments



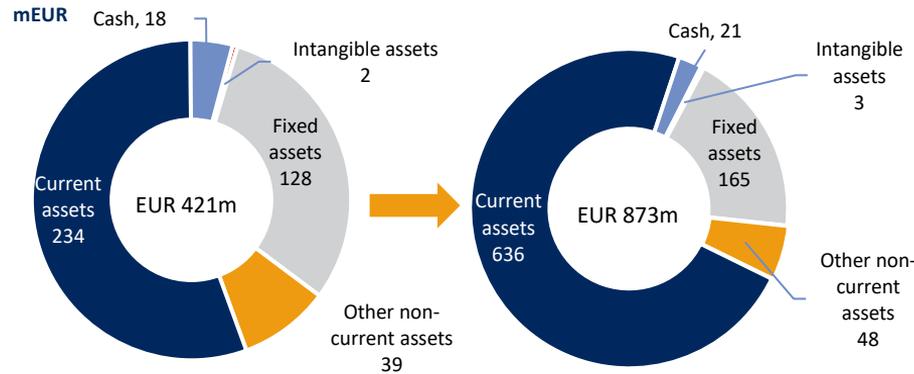
Operating profit / Segments



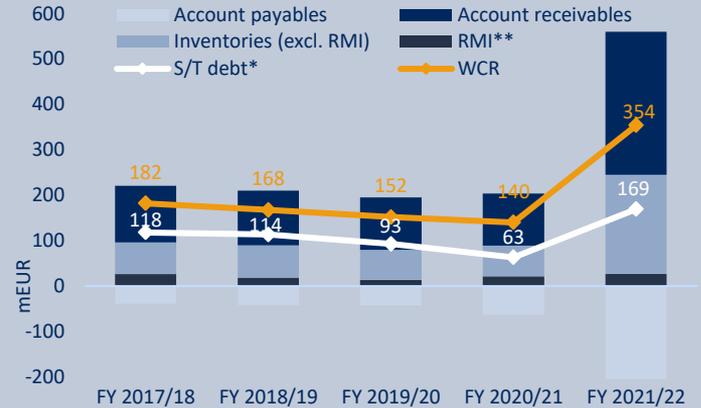
• KGG effect on the profitability is illustrated in total margin graphs, **yellow curve** showing potential Group's margin if KGG not acquired

Boosted Balance Sheet

Total assets 30-Jun-2021 vs 30-Jun-2022



S/T debt portfolio



Liquidity position

- ~350** mEUR total committed factoring and credit lines were available within 2021/2022 under contracts with the banks,
- ~500** mEUR – at the day of the webinar

Debt composition

- 43%** L/T debt, including leases
- 296** mEUR total debt, including leases

Capital employed

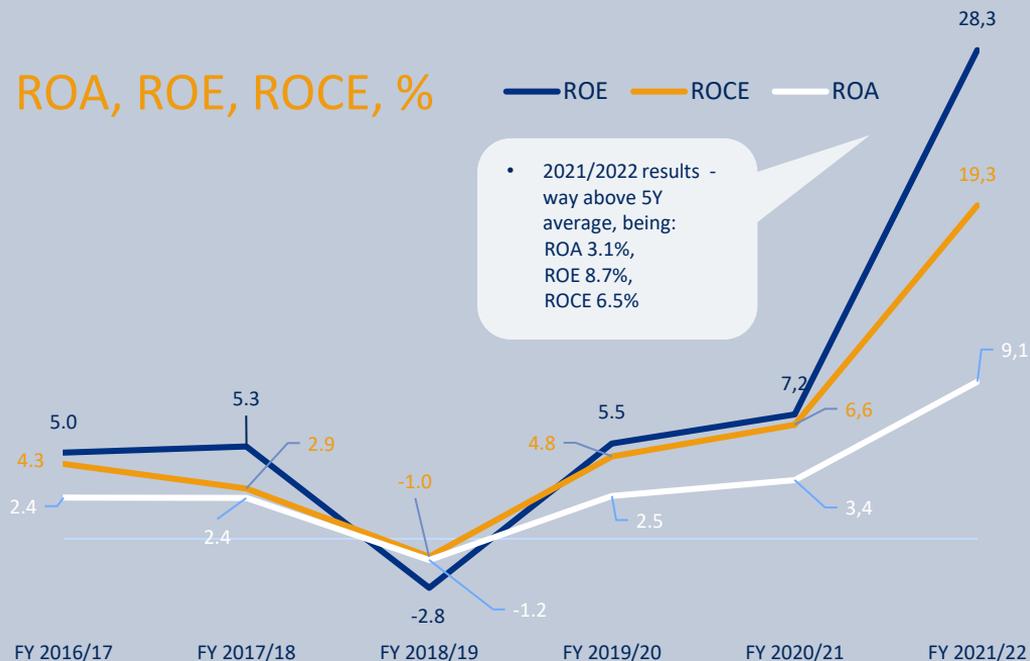
- ~282** mEUR - equity position of the Group; **Capital ratio** remains solid - **32%**
- ~134** mEUR EBITDA (IFRS)
Net Debt / EBITDA: 2.1x
Net RMI adj. Debt / EBITDA: 1.9x

* S/T debt does not include current portion of L/T debt

**RMI - Readily Marketable Inventories

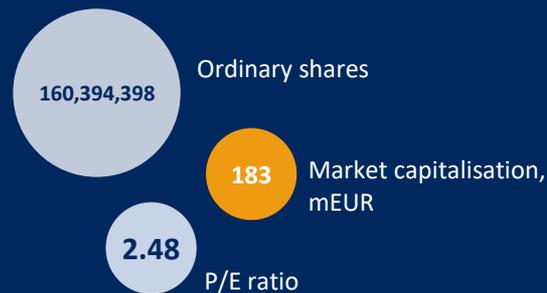
Creating value to shareholders

ROA, ROE, ROCE, %



ROCE, % - Return on capital employed (operating profit (EBIT) for the period expressed as a percentage of capital employed for the period); ROCE value was negative on the financial year ended 30/06/2019
ROA, % - Return on assets (net profit for the period expressed as a percentage of total assets for the period)
ROE, % - Return on Equity (net profit for the period as a percentage of average Shareholders' equity for the period)

The share of the company, 30-Jun, 2022



- Three years in a row without dividends - for 2018/19 due to poor performance, 2019-2021 due to Kauno Grūdai group acquisition



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AB Linas Agro Group

SEGMENT ACTIVITY

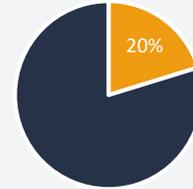
Products and services for farming

Since 1993



- Certified seed
- Fertilizers
- Plant protection products
- Micronutrients
- Agricultural machinery
- Grain storage facilities and farm equipment
- Spare parts and service
- Smart farming system

Revenue split on 03/06/2022:



- Products & services for farming
- Remainder

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On 03/06/2022:



Seed production plant

19+15

19 outlets in Baltics & 15 service centers network

185

ktons total Group's warehousing capacity

30

ktons heavyweight seeds (cereals and pulses) production capacity



Key trends in sales of 12 months 2021/2022*:



12 months 2021/2022 was a show time for the segment:



Key companies active in the segment:



*Compared to results of the previous financial year

Agricultural production



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

Revenue split on 03/06/2022:



- Agricultural production (AP)
- Remainder



Since 2003

On 03/06/2022:

Medeikių ŽŪB

Sidabravo ŽŪB
Žibartonių ŽŪB

Aukštadvario ŽŪB
ŽŪB Nemunas

Labūnavos ŽŪB

Lukšių ŽŪB

Lithuania

- 7 agricultural companies
- 18,258 ha – arable land, out of which 5,919 ha owned
- 3,304 dairy cows
- 90 ktons of crop production sold



Key trends in sales of 12m 2021/2022*:

- Crop production +4%
- Milk production +43%
- Beef cattle rearing 0%



Strong “milk” performance and high grain prices vs the impact of lower harvest & inflating COGS



Key companies active in the segment:



*Compared to results of the previous financial year

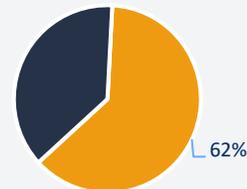
Grain, oilseeds, feed

Since 1991



- Grain storage and preparation
- Logistic services
- Feedstuff
- Grain
- Oilseed
- Ecologic grain and oilseeds

Revenue split on 03/06/2022:



- Grain, oilseeds, and feed
- Remainder

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On 03/06/2022:

Latvia

Lithuania

564

ktons of total own elevators grain storage capacity

310

ktons storage capacity at ports

295

ktons comound feed and premixes production capacity



main export commodity is Lithuanian and Latvian wheat



Key trends in sales of 12m 2021/2022*:

Grain & oilseeds trade

+29%

Compound feed, feedstuff sales

+215%

Handling of the grain / Elevators, logistics

+41%



Scaling-up & restoring profitability



Key companies active in the segment:



*Compared to results of the previous financial year

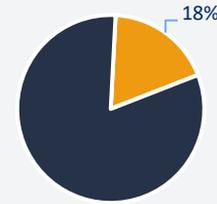
Food products



Since 2013

- Full poultry manufacturing cycle:
 - Feed mill plant
 - Parent flocks
 - Chicken from locally laid eggs
 - Broiler
 - Poultry meat products
- Manufacture and wholesale of flour, flour mixes, breadcrumbs, breeding mixes, instant foods

Revenue split on 03/06/2022:



■ Food products (FP) ■ Remainder



On 03/06/2022:

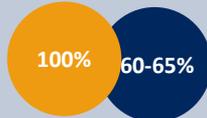


Key positions among poultry producers in LV and LT



New additions

flour, breadcrumbs, instant foods



Poultry raised without antibiotics in LV
Poultry raised without antibiotics in LT



21

retail shops all over Latvia

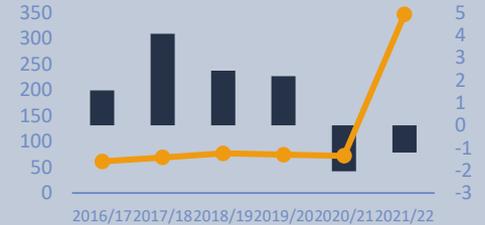


Key trends in sales of 12m 2021/2022*:

- Poultry meat products +261%
- Flour, flour mixes, breadcrumbs NEW
- Instant foods NEW



EBIT stays negative as a result of increasing expense & continuous poultry overproduction in Europe



■ EBIT, mEUR (sec. axis) — Sales, mEUR

Key companies active in the segment:



*Compared to results of the previous financial year

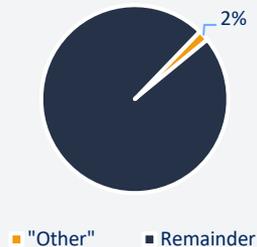
Other activities

Since 2021



- Pests control, hygiene products, disinfection
- Pet food production and sales
- Veterinary pharmacy
- Other

Revenue split on 03/06/2022:



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On 03/06/2022:



Owned pet food brands 'Quattro', 'Canis', 'LaMurr', 'Aport'



Pet feed, veterinary pharmacy, hygiene goods



12 ktons of extruded products production capacity in own plant, Alytus



Key trends in sales of 12m 2021/2022*:

- Extruded products, petfood **NEW**
- Veterinary pharmacy **NEW**
- Pest control, disinfection **NEW**



Dynamics in sales and EBIT of FY 2021/2022:



Key companies active in the segment:



*Compared to results of the previous financial year

Key events during reporting period and falling after

- As of 1-Jul, 2022, **KG Crop Business division activities have been transferred** to AB Linas Agro. AB Kauno Grūdai received shares in AB Linas Agro - 28.26%, remainder with AB Linas Agro Group).
- On 31-Aug, 2022, the grain elevators operating company UAB 'Kauno Grūdai ir Partneriai' was acquired by AB Linas Agro.
- On 25-Aug, 2022 AB Linas Agro Group **sold three subsidiaries in Russia and Belarus** with one Belarusian company still under "assets held for sale". Financial effect will be calculated within 1Q of 2022/2023, recalculating previously booked impairment of EUR 2.8m.

Focus going forward

- The Group's **Latvian companies** SIA Linas Agro and SIA KG Latvija are still **to transform in same manner** as LT counterparts did
- Estimated harvest in Lithuania might total at **7-8 million tons of grain** (strong multiyear average), while **rapeseed** production could account for **1 million tons or more**, higher concentration of feed grain compared to previous year, subtracted quality, low protein content, however quite solid oil concentration in rapeseed.

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Inspired by land and food

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