

AB Linas Agro Group

OVERVIEW OF ACTIVITIES & FINANCE
FOR 3 MONTHS OF FY 2022/2023

1ST OF DECEMBER, 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



+370 619 19 403



m.sileika@linasagro.lt



International agribusiness & food group



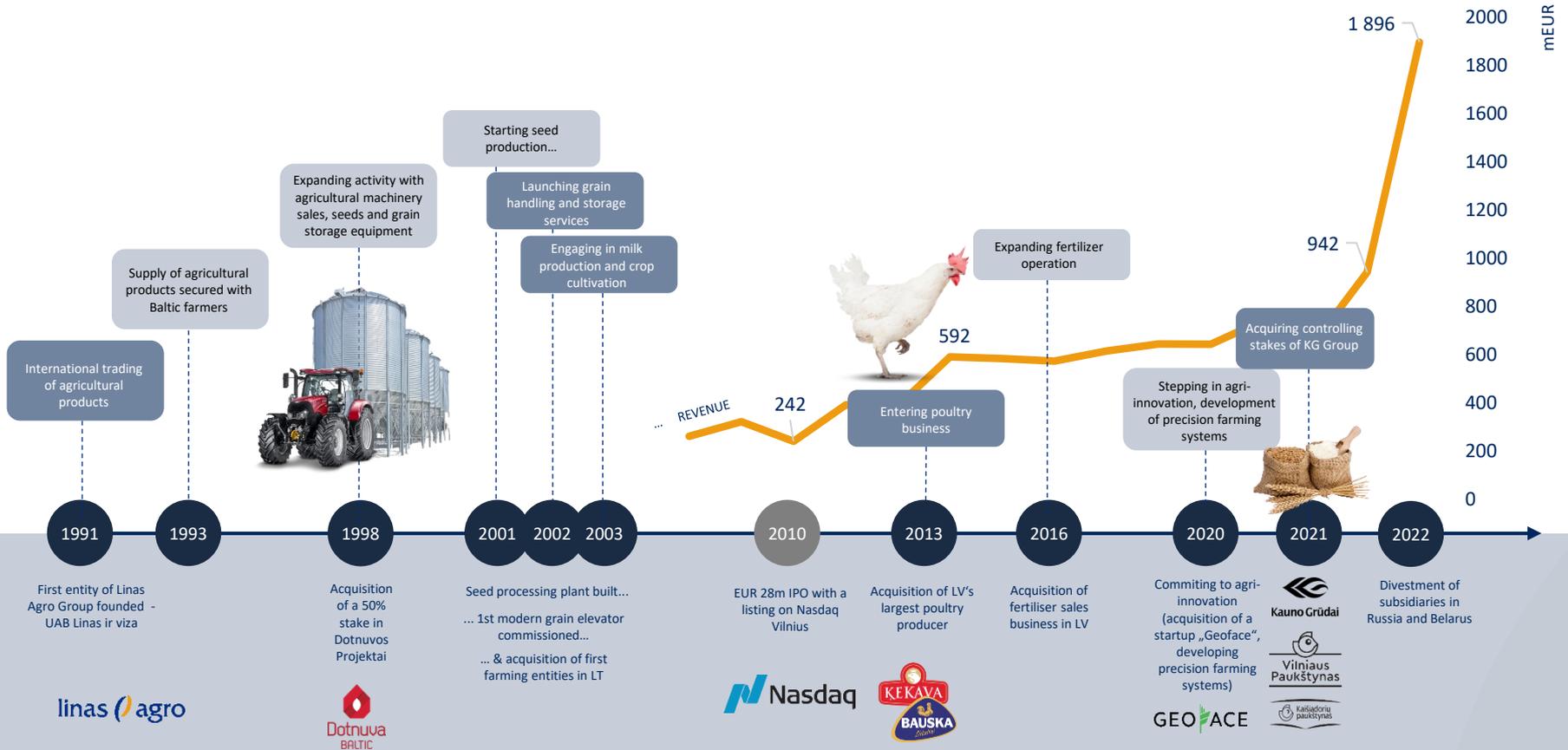
2021/2022
12 months data

*the sum of sales exceeds 100% due applicable intersegment eliminations

Consolidated revenue, EBITDA, sales volume data – as of 30/06/2022, employees data, storage, arable land – as of 30/09/2022, market capitalisation – as of 29/11/2022

Key milestones

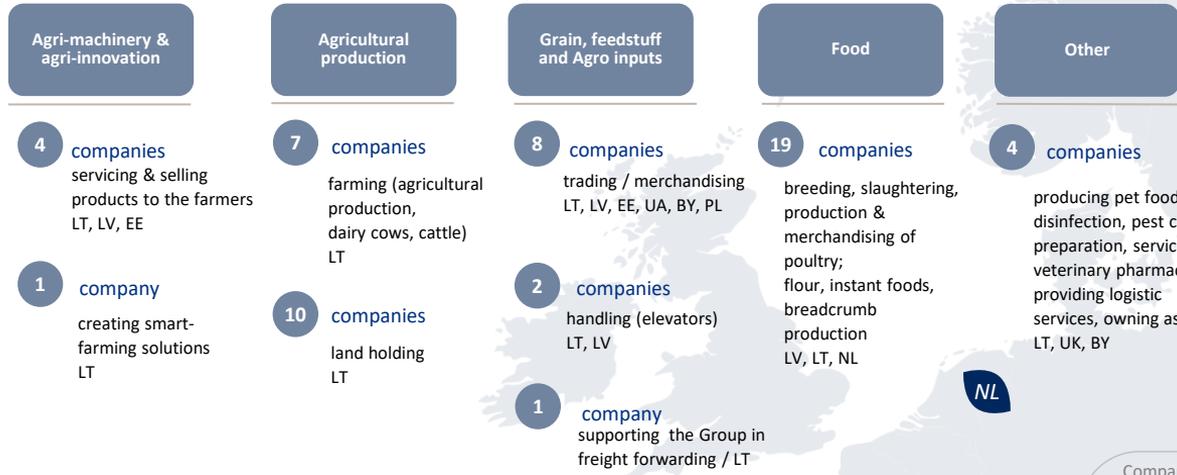
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Linus Agro Group today



67 companies

*out of 67 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



- Finally comparing ‘apples with apples’ (2021/22 Q1 and 2022/23 Q1 both include KGG companies)
- Strong 2022/23 Q1 performance in high volatility environment; for majority of the Group segments - inflated prices so far winning the battle against inflated costs
- 2022/23 Q1 **EBITDA – 46mEUR**
- Weakest results repeatedly coming from segments “Food” & “Other”
- Solid liquidity
- Very conservative leverage
- Increased WCR

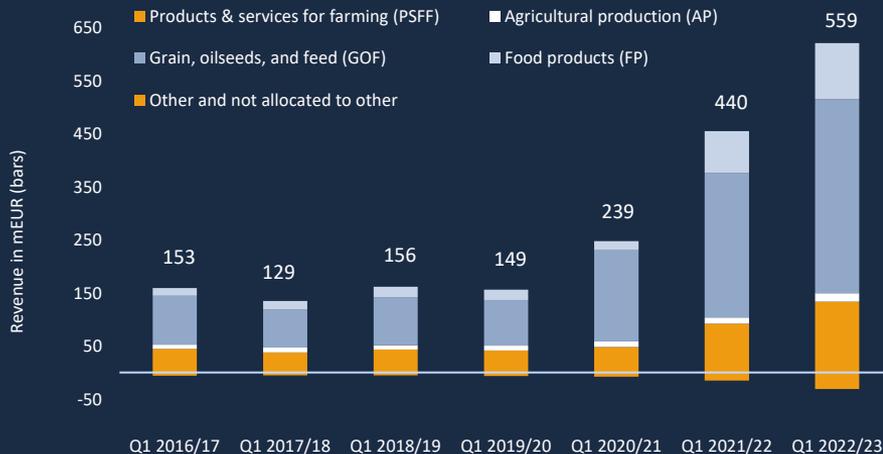
Financial highlights

FOR 3 MONTHS
OF FY 2022/2023

Fiscal year of the Company starts on July 1st

Unstoppable revenues

Segment / pre & post Acquisition income

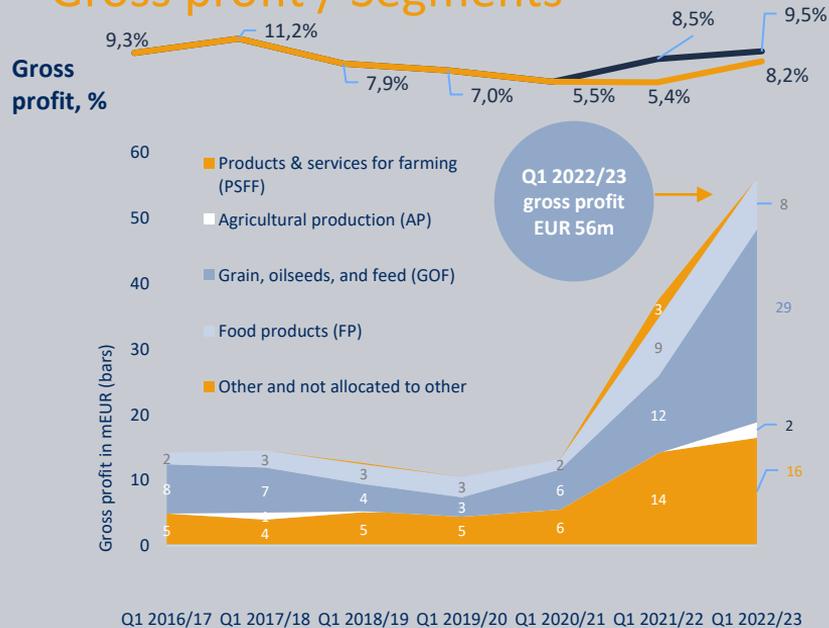


- Due to acquisition of KGG – 2022/2023 Q1 results once again illustrated segment **revenue portfolio re-positioning** (increased share of Food segment income)
- Core contributors to increased revenue: grain and oilseed trade, feed production and merchandising, food;

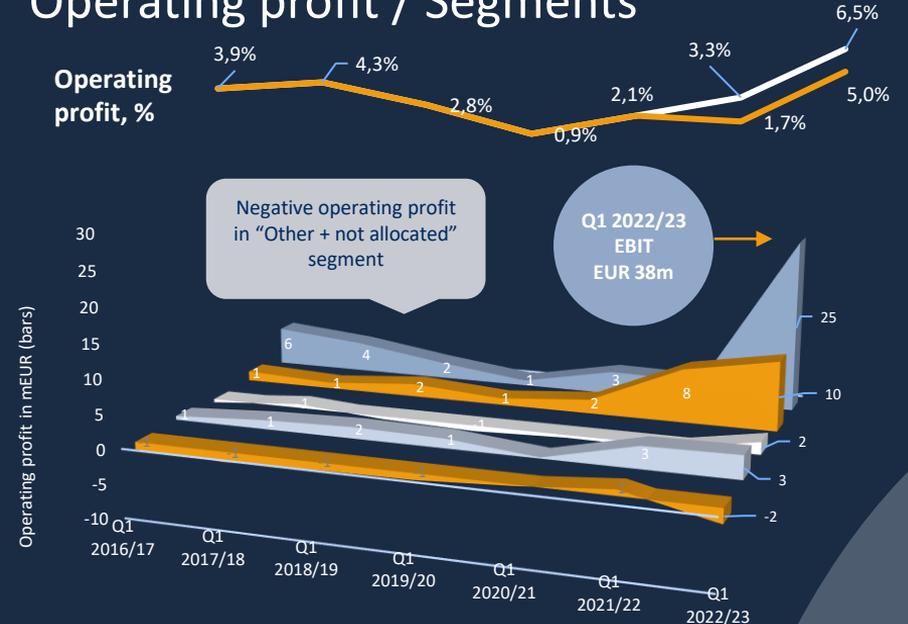
- Key income boosting drivers **were inflation and acquisition of KGG**; KGG sales effect is considered to be ~150mEUR, however it should be noted that due to internal reorganisations, part of the KGG business were synergised with Linas Agro Group old timers, increasing the result of AB Linas Agro

Acquisition proves it's point on profitability

Gross profit / Segments



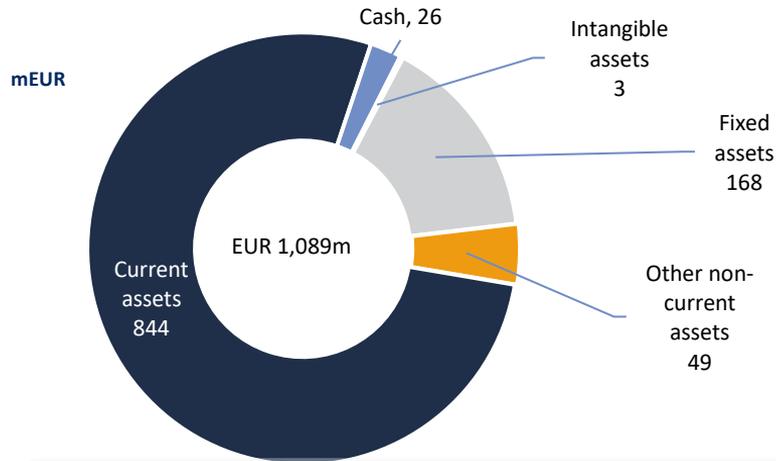
Operating profit / Segments



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

Balance Sheet

Total assets 30-Sep-2022



Liquidity position

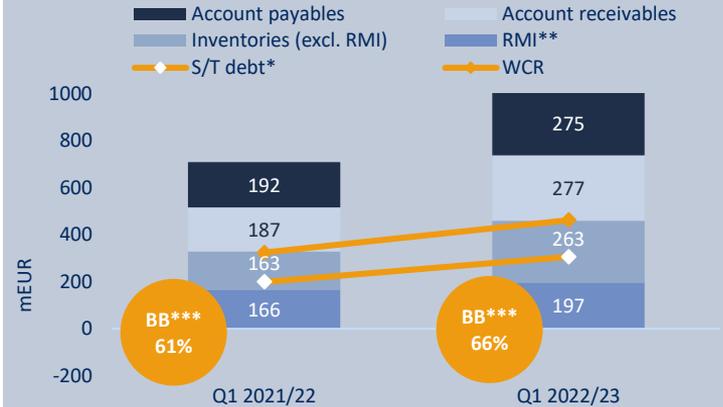
~500 mEUR – at the day of the webinar

Debt composition

20% L/T debt, including leases

379 mEUR total debt, including leases

S/T debt portfolio



Capital employed

~309 mEUR - equity position of the Group;
Capital ratio remains solid - **28%**

~154 mEUR 12 months rolling EBITDA (IFRS)
Net Debt / EBITDA: 2.3x
Net RMI adj. Debt / EBITDA: 1.1x

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

**RMI - Readily Marketable Inventories

***BB – borrowing base ratio



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Segment
Activity

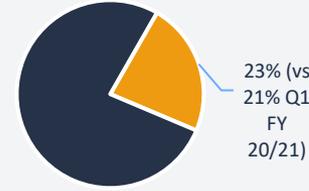
Products and services for farming

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 03/09/2022:



- Products & services for farming
- Remainder

On 03/09/2022:



Seed production plant

15+12

15 outlets in Baltics & 12 service centers network

185

ktons total Group's warehousing capacity

30

ktons heavyweight seeds (cereals and pulses) production capacity



Key trends in sales of 3 months 2022/2023*:

- Certified seed +2%
- Fertilizers +82%
- Plant protection & trace +35%
- Grain storage facilities & farm equipment +47%
- Agricultural machinery +82%
- Spare parts and service +30%



Simply a nice curve to look at



Key companies active in the segment:



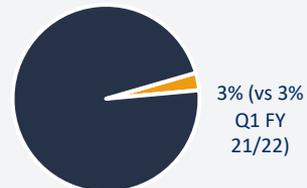
*Compared to results of the previous financial year

Agricultural production



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

Revenue split on 03/09/2022:



- Agricultural production (AP)
- Remainder

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Since 2003

On 03/09/2022:



- 7 agricultural companies
- 19,229 ha – arable land, out of which 5,943 ha owned
- 3,277 dairy cows
- 23 ktms of crop production sold
- 9 ktms of milk produced



Key trends in sales of 3m 2022/2023*:

- Crop production +25%
- Milk production +74%
- Beef cattle rearing +9%



Strong “milk” performance and high grain prices so far winning the inflating COGS battle



Key companies active in the segment:

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*Compared to results of the previous financial year

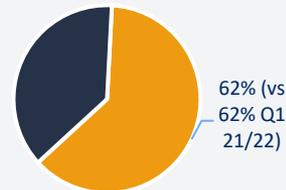
Grain, oilseeds, feed

Since 1991



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

Revenue split on 03/09/2022:



■ Grain, oilseeds, and feed ■ Remainder



On 03/09/2022:

Latvia

543

ktons of total own elevators grain storage capacity

310

ktons storage capacity at ports

246

ktons comound feed and premixes production capacity in Lithuania

Lithuania



main export commodity is Lithuanian and Latvian wheat



Key trends in sales of 3m 2022/2023*:

Grain & oilseeds trade

+37%

Compound feed, feedstuff sales

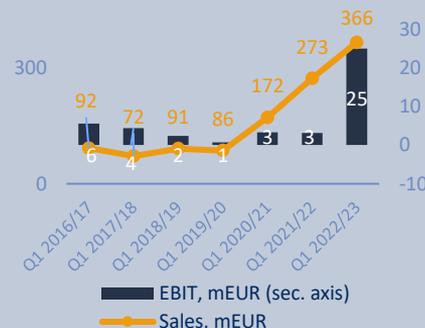
+27%

Handling of the grain / Elevators, logistics

+122%



The harder, the better



Key companies active in the segment:



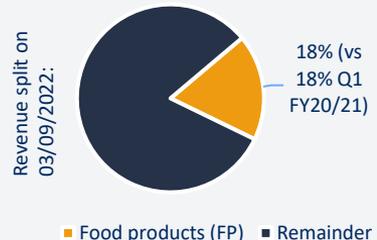
*Compared to results of the previous financial year

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



Key positions among poultry producers in LV and LT

Poultry raised without antibiotics in LV: 100%

Poultry raised without antibiotics in LT: 60-65%

20 retail shops all over Latvia

70 Flour mill capacity in Kaunas, LT

12 breadcrumbs production capacity in Kaunas, LT

241 Instant food production capacity in Kedainiai and Alytus, LT

Key trends in sales of 3m 2022/2023*:

- Poultry meat products: +26%
- Flour, flour mixes, breadcrumbs: +39%
- Instant foods: +67%

Complicated poultry category (combination of lower volume, higher value and decreased profitability), counterbalanced mainly with booming instant food category results



On 03/09/2022:

Key companies active in the segment:



*Compared to results of the previous financial year

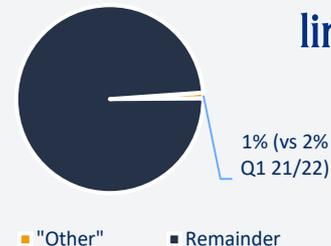
Other activities

Since 2021



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

Revenue split on 03/09/2022:



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On 03/09/2022:



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



Pet feed, veterinary pharmacy, hygiene goods



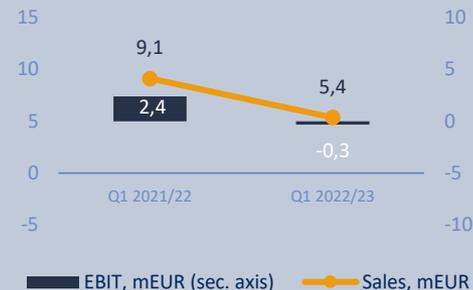
12 ktons of extruded products production capacity in own plant, Alytus



Key trends in sales of 3m 2022/2023*:



Latest developments suggest segment activities require further optimisation



Key companies active in the segment:



*Compared to results of the previous financial year

Key events during reporting period and falling after

- The Group's **Latvian companies** SIA Linas Agro and SIA KG Latvija transformed **in same manner** as LT counterparties did (merging **Crop Business division**)
- On 25th of August, 2022 AB Linas Agro Group **sold three subsidiaries in Russia and Belarus** with one Belarusian company still under “assets held for sale”. Financial effect – EUR 3.4m, recalculating previously booked impairment of EUR 2.8m.
- On 24th of November, 2022 AB Linas Agro Group **paid-out dividends to it's shareholders**: 0,0313 EUR/share, dividend yield 2.45%, totalling 5mEUR
- On 28th of October **new Board was elected**, as well as **new Supervisory Board established**
- On 28th of October, 2022 – first extensive GRI standard based **sustainability report** published (you are welcome to explore: www.linasagrogroup.lt/en/about-us/sustainability/reports/)

Focus going forward

- Looking for potential ways to divest remaining Belarusian company OOO „KLM“ (under “assets held for sale”)
- Taking care of future harvest crops: agricultural companies have sown close to 11 thousand hectares of arable land for the harvest 2023, crop quality assessed as very good or good
- Poultry business – working on energy efficiencies



Inspired by land
and food

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