

Agroland posts consolidated revenues of 233.9 million lei in 2021, an increase of 23%

Timișoara, 1 march 2022 – Agroland Business System (BVB: AG), Romanian entrepreneurial retail, agriculture, and food group, which has the largest network of agricultural stores in Romania, posts consolidated revenues of 233.9 million lei in 2021, an increase of 23% compared to 2020 and a net profit of 8.5 million lei, in line with the bottom line estimated for 2021 by the company in the memorandum of admission to BVB a year ago.

"Exactly today, we celebrate one year since the listing of Agroland on the AeRO market of the Bucharest Stock Exchange. 2021 was a year full of events and challenges, but we believe we managed to end it well. Last year, we opened 12 new MEGA stores and five traditional ones with significant national coverage. We are also thrilled to see the growing number of Agroland customers. In 2021, we had over 1 million customers who bought from our network - MEGA stores, traditional and online, an increase of 25% compared to 2020. This is proof that the strategy of diversifying our clientele by providing access to a wide range of products for hobby farming, gardening, and pets works. Also, we are also extremely pleased with the 6-fold increase in the number of customers of MEGA stores, especially considering that in 2021, MEGA stores did not yet reach full maturity and, therefore, their revenues will continue to grow in 2022," stated Horia Cardoș, founder and CEO of Agroland Business System.

In 2021, the Agroland Group operated 252 stores (14 MEGA and 238 traditional), 12 more than in 2020. In terms of the performance of all own stores (all stores, including the performance of MEGA stores), it was recorded a 17% increase in turnover, while the number of customers increased by 31%, exceeding the historic milestone of 1 million customers served in Agroland's own stores. In terms of comparable stores (same stores, excluding the performance of MEGA stores), last year Agroland recorded a 5% increase in sales in comparable stores and a 21% increase in the number of customers. Also, in 2021, the sales made by the online store continued to increase, their total value reaching 7 million lei, with 82% more compared to 2020.

Over the past year, MEGA stores generated a turnover of 20.5 million lei, up 337% compared to 2020, while the number of customers increased sixfold, exceeding the threshold of 300 thousand customers. In 2022, the company plans to open more than 10 new MEGA stores across the country.

In terms of revenues by product type, the highest increase last year, of 428%, was recorded for products in the food category, which brought revenues of 9.8 million lei, due to the launch of a new line of business, namely the sale of eggs for consumption. A significant increase, of 97%, was registered for the sale of day-old chicks from its own production, which contributed 10.2 million lei to the turnover. At the same time, another increase was reported for the segment of pet food products, which increased 68%, reaching 21.7 million lei. In addition, the inputs, which represent the turnover generated by Agroland Agribusiness, increased by 75%, reaching 32.3 million lei.

Regarding the revenues from the production sold by Avicola Mihăilești - eggs for consumption and day-old chicks, the company registered an increase of 576%, reporting total revenues of 21.9 million lei. In 2022, Agroland aims to expand the production capacity of day-old chicks to 1,000,000 eggs for hatching per month and increase the production capacity of eggs for consumption to a minimum of 180,000 eggs per day. The management estimates that in 2022, revenues from this line of business will increase by 50%.

"The results of 2021, especially the increase in transactions, validate the development strategy we proposed when we listed on the AeRO market a year ago. Thus, in terms of profit distribution, our proposal for the General Meeting of Shareholders will be to keep the profit in the company. We believe that there are significant opportunities to grow our business, generating additional value for our shareholders. Therefore, we remain committed to our dividend policy, which focuses on the capitalization of the profits," added Horia Cardoș.

For 2022, according to the revenues and expenses budget published by the company, Agroland has planned total investments of 17 million lei, which will focus on opening new stores, expanding the poultry business, modernizing the fodder factory in Caransebeș, and developing the online store. The company aims to achieve a consolidated turnover of 241 million lei, EBITDA of 20.7 million lei, and a net profit of 13 million lei.

Agroland intends to start preparations for the transfer to the Main Market of the Bucharest Stock Exchange in 2022 to take place at the beginning of 2023 effectively. Also, Agroland Business System will appoint a Board of Directors consisting of at least five members with significant experience in areas relevant to the company, such as retail, expansion, operations, and financing. One of the members proposed for the board is Leonard Leca, whose local fund, SevenX, which he controls together with Iulian Cîrciumaru, has acquired a 3% stake in Agroland in the successful capital increase operation closed in January 2022.

Agroland Business System is listed on the AeRO market of the Bucharest Stock Exchange as of March 1, 2021, and is traded under the AG ticker. The company has a market capitalization of 170 million lei. As of October 11, 2021, AG shares are included in the BET-AeRO index developed by BVB for the AeRO market.

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About Agroland Business System

Agroland Business System (BVB: AG) is a Romanian entrepreneurial company, which owns the largest network of agricultural stores in Romania. The company was founded in 2009 in Timișoara by the entrepreneur Horia Cardoș and today operates a network of 250 stores specializing in the sale of the garden, farm, and pet products. The company also owns the Avicola Mihalesti platform, where it produces table eggs and one-day-old chicks. This platform consists of six farms located on an area of 30 hectares in Giurgiu County. Agroland is also active in the technology area through AgTech TM by Agroland, the first complete incubation program in Romania that stimulates and supports innovation in agriculture. The shares of Agroland Business System have been floating on the AeRO market of the Bucharest Stock Exchange since 1 March 2021 under the symbol AG.
