

Agroland Business System reports 250.2 million lei revenues and an operating result of 11.1 million lei at consolidated level in the first nine months of 2023

Timisoara, November 24, 2023 – Agroland Business System (BVB: AG), the Romanian entrepreneurial retail, agriculture, and food group that owns the largest network of agricultural stores in Romania, reports, at the consolidated level, operating revenue of 250.2 million lei in the first nine months of 2023, down 2% compared to the same period last year. Also, the operating result for the first nine months of the year amounted to 11.1 million lei, a 61% increase compared to the same period of 2022, while the net profit was 4.9 million lei, a 38% appreciation compared to the same period of the previous year.

"Despite the challenges, we will be profitable this year as we have continued to make significant investments in our production capacities. Considering that the negative effects of the unfavorable agricultural year are extending to other segments, such as hobby gardening, the impact on our sales combined with the volatility in the food market demonstrates the resilience of our business model. We have continued to make investments that help us increase margins in the future with our own product line, which will positively impact the profitability and seasonality of our business by introducing year-round basic products such as eggs and feed. However, considering these difficult times, we had to do a new rectification of the revenue and expense budget for this year. Accordingly, we estimate that we will end 2023 with consolidated net sales of 289.1 million lei, EBITDA of 19.7 million lei, and a net profit of 6.1 million lei", stated Horia Cardos, founder and CEO of Agroland Business System.

In the first nine months of 2023, the turnover amounted to 249.9 million lei, a 2% increase compared to the same period of 2022. The turnover is mainly made up of feed and concentrates sales, which reached 82.1 million lei, down 6% compared to the first nine months of 2022, caused by the decrease in prices of this category, with volumes remaining on a slight upward trend. Sales of agricultural inputs (results generated by Agroland Agribusiness) decreased by 8% to 52 million lei amid the low liquidity of farmers due to drought and low grain prices.

Sales of day-old chickens continued their positive evolution, recording an advance of 3%, up to 50.5 million lei. Sales of food products, which represent the sale of eggs for consumption, recorded the highest absolute growth, reaching 20.7 million lei, a 93% increase compared to the first nine months of 2022, amid the increase in the production capacity from Mihailesti.

As for Agroland's development, the company commissioned a pet food factory in November this year, another essential addition to Agroland's complex business model. Thus, Agroland produces pet food under its own brand, A-Pet-It for cats and Pamax for dogs. Currently, the company has a monthly capacity to produce 300 tons of pet food, translating into monthly revenues of approximately 0.8 million lei and a positive impact of about 10 million lei in revenues during one year as of 2024.

Another development carried out by the company is the diversification of the products obtained at the Isalnita Feed Factory. This year, Agroland introduced rabbit feed and aims to reach a 75% share of this niche market next year – currently, the feed is only available through its own network and online. Still, as of next year, Agroland will have the option to introduce its own brand in stores owned by other retailers.

At the factory in Caransebes, the company introduced a new packaging line and now packs premixes for all types of farm animals. The operational objective is to focus on covering a wide range of products in different categories, as having its own production facility helps to increase margins, thus transforming Agroland from a retailer to a producer with the most significant sales unit footprint in Romania.



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Agroland Business System is listed on the AeRO market of the Bucharest Stock Exchange as of March 1, 2021, and trades under the symbol AG, with a market capitalization of approximately 109 million lei. At the end of the first nine months of 2023, the Agroland Group operated 234 stores, of which 22 were MEGA stores.

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About Agroland Business System

Agroland Business System (BVB: AG) is a Romanian entrepreneurial company owning Romania's largest network of agricultural stores. The company was founded in 2009 in Timișoara by entrepreneur Horia Cardoș and today operates a network of over 230 specialized stores selling products for the garden, farm, and pets. Also, the company owns the Mihăilești Avicola platform, which produces consumer eggs and day-old chicks. This platform comprises six farms spread over 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 listed on the AeRO market of the Bucharest Stock Exchange since March 1, 2021, under the symbol AG.
