

Agroland Business System targets consolidated net sales of 344.6 million lei and an operating profit of 22.1 million lei in 2024

Craiova, April 30, 2024 – Agroland Business System (BVB: AG), the Romanian entrepreneurial retail, agriculture, and food group that owns the largest network of agricultural stores in Romania, targets for 2024, at the consolidated level, net sales of 344.6 million lei, a 23% increase compared to the result registered in 2023, and an operating profit of 22.1 million lei, a 98% increase compared to the previous year. In addition, the company has budgeted for 2024 a net profit of 12.5 million lei, +164% versus the amount reported for 2023.

"The revenue and expense budget for this year is based on the development and maturity of the Agroland store network and the investments we have made over the past year, including the feed factory in Isalnita and the pet food factory. Despite the fact that these two product categories continue to be affected by low sales prices, in the case of animal feed, or high inflation and customer preference for cheaper products, as in the case of pet food, due to our own production, we are targeting a substantial improvement in the overall net profit margin to 3.6% for 2024, compared to 1.6% in 2023. We are optimistic about this year's outlook, with a relative stabilization of prices and interest rates, coupled with the competitive advantage offered by the investments made in recent years that complement our business model," stated Horia Cardos, founder and CEO of Agroland Business System.

For 2024, Agroland Business System has budgeted investments of about 15 million lei, mainly for the Mihailesti poultry platform. There, the company plans to increase the number of hens in production from 250,000 to 330,000 by the end of the year, so that the monthly production of consumer eggs will reach around 8 million in 2025, compared to the monthly average of 5.1 million eggs produced in Q1 2024. At the Agroland store network level, the company plans to open 3-4 new Agroland MEGA stores in 2024, targeting a turnover of 45 million lei generated by the MEGA network, up from 2023, when there were net sales of 38 million lei.

As for Agroland Agribusiness, the Agroland Business System subsidiary specialized in the sale of agricultural inputs, it expects net sales of 68.4 million lei for 2024, a 20% increase compared to the 2023 result, and a net profit of 2.4 million lei, a 130% increase compared to the previous year. The 2024 revenue and expense budgets of Agroland Business System and Agroland Agribusiness were approved by the General Meetings of Shareholders of the two companies held on April 30, 2024.

"Agribusiness companies had a very difficult 2023, full of challenges and unforeseen developments that affected the financial situation of Romanian farmers. Thanks to its experience, our team managed to overcome this context by strengthening existing partnerships and developing new ones. There are also optimistic premises for this agricultural season that things will get back to normal, with an accelerated restart of agriculture. In 2024, we will also focus on strengthening and growing our sales, trading, and logistics teams in order to capitalize on the growing volumes traded. In addition, we aim to integrate new lines of business into our activity, diversifying revenues to reduce the potential risks of future difficulties," stated Florin Radu, CEO of Agroland Agribusiness.

Agroland Business System registered in 2023, at the consolidated level, operating revenues of 295.6 million lei, down 3% compared to the previous year. At the same time, operating profit increased by 45% to 11.2 million lei and net profit amounted to 4.7 million lei, a 42% appreciation compared to 2022.

At the Agroland Agribusiness level, the company registered operating revenues of 57.1 million lei in 2023, a 10% decrease compared to 2022, EBITDA of 2.6 million lei, a 34% decrease, and net profit of 1 million lei, a 56% decrease compared to the previous year.



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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. Agroland Agribusiness shares are also listed on the AeRO market of the Bucharest Stock Exchange as of 15 June 2021 and trade under the symbol AAB.

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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 Timisoara by entrepreneur Horia Cardos and today operates a network of over 230 specialized stores selling products for the garden, farm, and pets. Also, the company owns the Mihailesti Avicola platform, which produces consumer eggs and day-old chicks. This platform comprises six farms spread over 30 hectares in Giurgiu County. In addition, Agroland operates two feed factories in Caransebes and Isalnita and a pet food factory in Covasna County. 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.

About Agroland Agribusiness

Agroland Agribusiness is a Romanian entrepreneurial company specializing in selling inputs for agriculture. The company is currently active in the southern part of the country, namely in the counties of Dolj, Olt, Mehedinti, Arges, Teleorman, Valcea, Gorj, Dambovita, Ilfov, Ialomita, Calarasi, Tulcea, Braila and Constanta. The main agricultural inputs sold by Agroland Agribusiness are fertilizers, pesticides, seeds, and fuels. Thus, the company trades the entire set of inputs needed by farmers. On a secondary level, Agroland Agribusiness is also involved in grain trading. It purchases grain from farmers and sells it to large traders who operate only in fixed points or ports. Thus, Agroland Agribusiness operates as a supplier to farmers through its inputs and as a potential buyer of farmers' crops. Agroland Agribusiness shares are listed on the AeRO market of the Bucharest Stock Exchange as of June 15, 2021, under the AAB symbol.
