

Agroland Business System posts consolidated revenues of 203.9 million lei and an operating profit of 14.6 million lei in the first semester of 2024

Timisoara, 27 September, 2024 – Agroland Business System (BVB: AG), the Romanian entrepreneurial retail, agriculture, and food group that owns the largest network of agricultural stores in Romania, posts, at the consolidated level, operating revenue of 203.9 million lei in the first semester of 2024, an 8% increase compared to the same period last year. In the first six months of 2024, the company's operating profit amounted to 14.6 million lei, up 11% compared to H1 2023, while the net profit was 9.8 million lei, a 29% growth.

"The first half of 2024 has generated positive results for the Agroland Group which, due to the diverse and complex activities carried out by its divisions, is less influenced by the volatile periods we are going through. Thus, the retail, agricultural inputs, processing and food segments registered increases that reconfirm our business model. The positive evolution of our retail division is driven by the constant optimization of the traditional store network and the extension of the Agroland MEGA concept to towns where small stores perform very well and where there is potential for growth. As regards the feed segment, one year after the operationalization of the Isalnita factory, we have reached the nominal production capacity, so we are planning to expand this capacity. In the Caransebes factory, which is the only stand-alone unit producing certified organic feed, we have started the production of organic feed for poultry, but we already have demand for cattle feed. Through this factory, we also aim to reduce costs for organic farmers, who until now have been using feed and concentrates imported from Western Europe," stated Horia Cardos, founder and CEO of Agroland Business System.

In the first six months of 2024, Agroland Business System registered a consolidated turnover of 206.7 million lei, a 9% increase compared to H1 2023. Sales of feed and concentrates amounted to 70.8 million lei, up 10% compared to the same period last year, although the nominal price fell amid higher volumes, influenced also by increased feed production at the Caransebes and Isalnita factories. Sales of day-old chickens continued the positive trend, rising by 16% to 51.4 million lei.

The agricultural inputs division, which represents Agroland Agribusiness' performance, contributed 31.5 million lei to consolidated turnover, down 5% compared to the first six months of 2023. In addition, sales of food products, which represent the sale of eggs for consumption, increased by 54% in H1 2024 to 20.8 million lei, reflecting the increase in production capacity at Mihailești.

"Together with the management team, we are constantly looking for opportunities to develop and diversify the group's activities. Thus, we continue to invest in the Mihailesti poultry platform, and by the end of the year we will reach a capacity of more than 300,000 hens in egg production, so that we will produce almost 100 million eggs in a year. Regarding the production of organic eggs, we are in discussions to acquire such a producer and we plan to further grow this segment by building small-scale farms spread all over Romania, delivering within a radius of 100 km maximum. Such a strategy has both the benefit of bringing fresh eggs on the shelf and reducing the carbon footprint. Agroland's plans to increase production are designed to meet domestic demand, with the trade deficit for the agri-food sector reaching 6.3 billion euros in 2023. Together with other local producers, we want to help reduce this deficit and make Romania less dependent on imports," added Horia Cardos.

At the end of the first semester of 2024, Agroland Group operated 240 stores, of which 26 were MEGA stores. 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.



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On September 27, 2024, Agroland Business System announced the closing of a private placement of bonds through which it raised 6.92 million lei. As part of this operation, 69,206 bonds were issued, with a nominal value of 100 lei each, which were bought by 82 investors. The bonds have a maturity of 4 years and a coupon rate of 9.75%, payable semi-annually. In the coming period, the bonds will be listed on the Bucharest Stock Exchange, AeRO market.

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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 240 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.
