

Agroland Business System posts consolidated revenues of 264.4 million lei and an operating profit of 13.1 million lei in the first nine months of 2024

Timisoara, November 29, 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 revenues of 264.4 million lei in the first nine months of 2024, a 6% increase compared to 2023. During this period, the company's operating profit reached 13.1 million lei, up 19% compared to the first nine months of 2023, while net profit amounted to 5.8 million lei, a 17% growth 17%.

"In the first nine months of 2024, our company once again demonstrated its ability to navigate an economic environment marked by volatility and significant challenges, such as inflationary pressures, rising supply chain costs, and the severe effects of drought on the agricultural sector. Despite the current context, managed to maintain our strategic direction by diversifying our business, adapting to economic realities, and maintaining a constant focus on the needs of our partners and customers. The retail segment recorded an increase in net sales and customer base, but with lower margins due to cautious consumer behavior. The feed and concentrates category continued to show positive dynamics, driven by the diversification of the product range offered through our factories, as well as the growth in the day-old chick category. The agricultural inputs division, represented by Agroland Agribusiness, maintained financial and operational stability, despite the challenges posed by the difficult agricultural year. In the food segment, we sustained a positive trajectory, despite a slowdown in the second half of the year due to modernization works at the Mihailesti poultry platform. However, at European level, the shortage of eggs has led to higher prices, which will be reflected in higher margins for the company in the coming quarters," stated Horia Cardos, founder and CEO of Agroland Business System.

In the first nine months of 2024, Agroland Business System registered a consolidated turnover of 264.1 million lei, a 6% increase compared to the same period last year. Sales of feed and concentrates reached 91.2 million lei, an 11% increase compared to 2023, while the day-old chick category generated revenues of 56.7 million lei, up by 12%.

The agricultural inputs division, reflecting the performance of Agroland Agribusiness, contributed 40.5 million lei to consolidated turnover, a 22% decrease compared to the same period in 2023. Additionally, sales of food products, representing eggs for consumption, grew by 37% to 28.3 million lei, while pet food products generated revenues of 19 million lei, a 2% decline.

"The economic developments in the second half of 2024 significantly impacted our operations, necessitating adjustments to reflect the current situation. Reduced agricultural production due to drought led to higher grain costs, which negatively affected the company's expenses and margins. Additionally, the financial difficulties faced by farmers limited demand for agricultural inputs, impacting Agroland Agribusiness's activity. These challenges were compounded by investments to increase the capacity of the Mihailesti poultry platform, with delays from equipment suppliers requiring a longer-than-expected reduction in the poultry flock. Additionally, we observed a general trend of reduced consumer spending, which affected the retail segment. In this context, we revised the 2024 budget, now estimating consolidated net sales of 325.6 million lei, a 6% decrease compared to the initial budget, EBITDA of 25.5 million lei, down by 9%, and a net profit of 9 million lei, a 27% decline compared to the initial budget," added Horia Cardos.



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At the end of the first nine months of 2024, Agroland Group operated 236 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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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 Cardoș and today operates a network of approximately 240 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. 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.
