

linas  agro



*Tomas Tumėnas, Finance director of AB Linas Agro Group*



# **AB Linas Agro Group in food chain**

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**International agribusiness Group.**

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**Runs business in Lithuania, Latvia, Estonia and Denmark.**

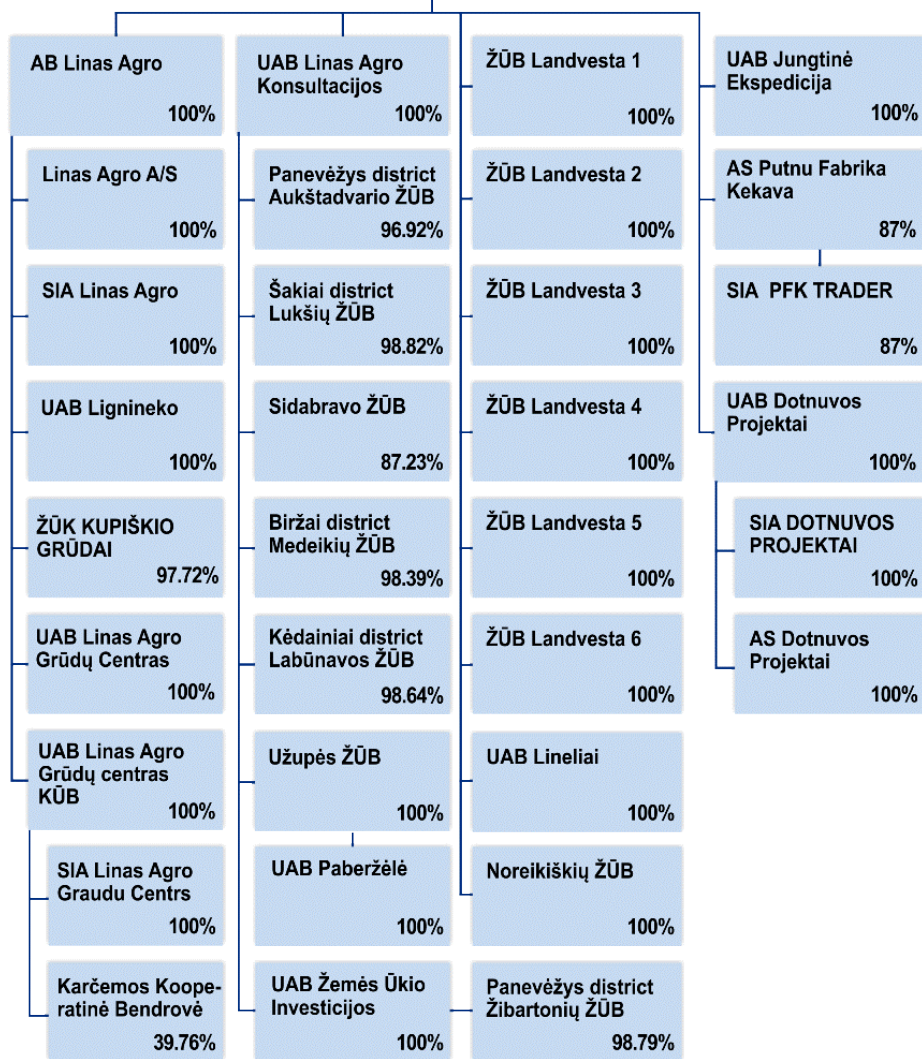
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**Produce and trade agricultural commodities, provide products and services for farming.**



# Companies

AB Linas Agro Group



**34**  
companies

**1,780**  
employees

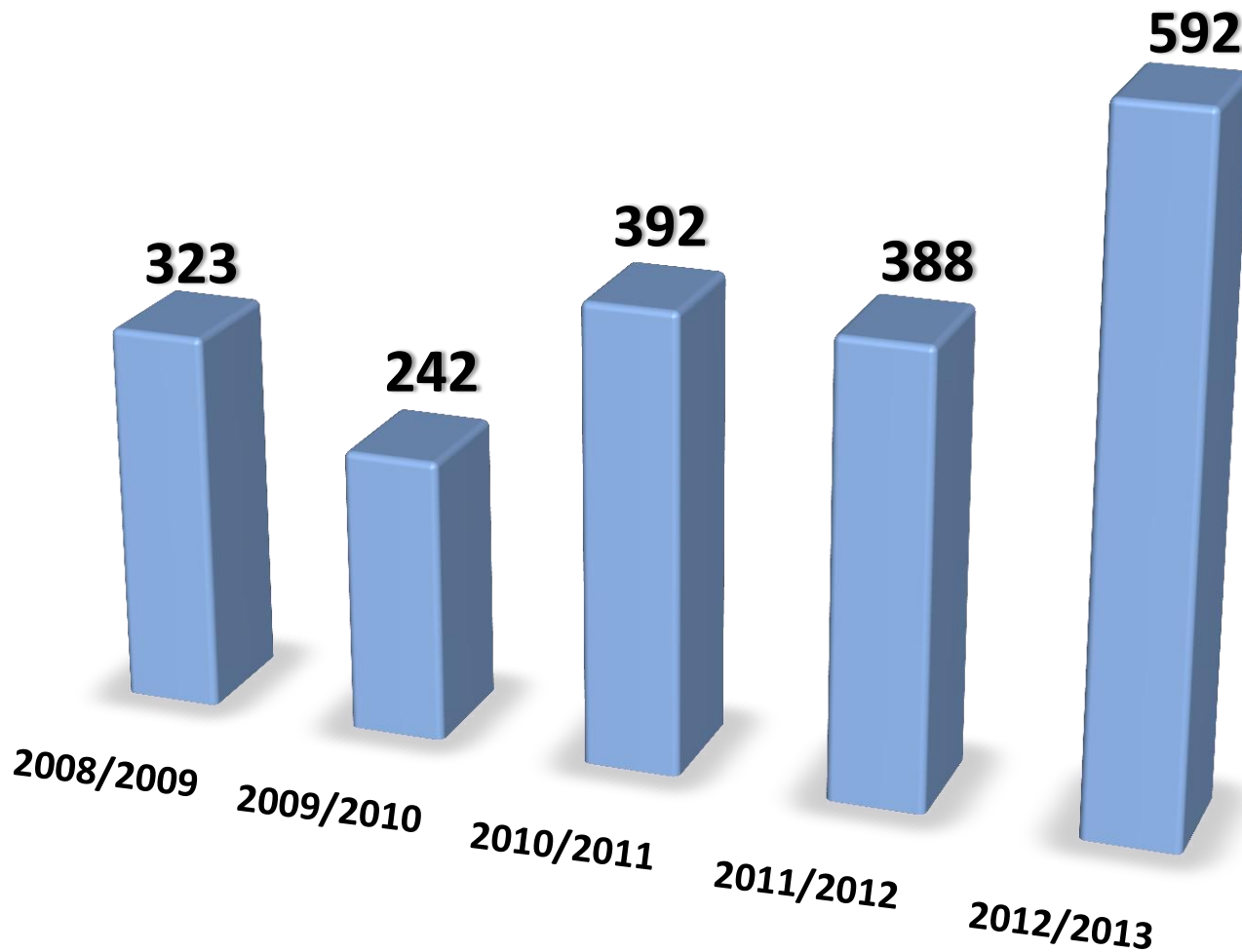


**our vision** – leadership in Baltic agribusiness sector



# Sales revenue

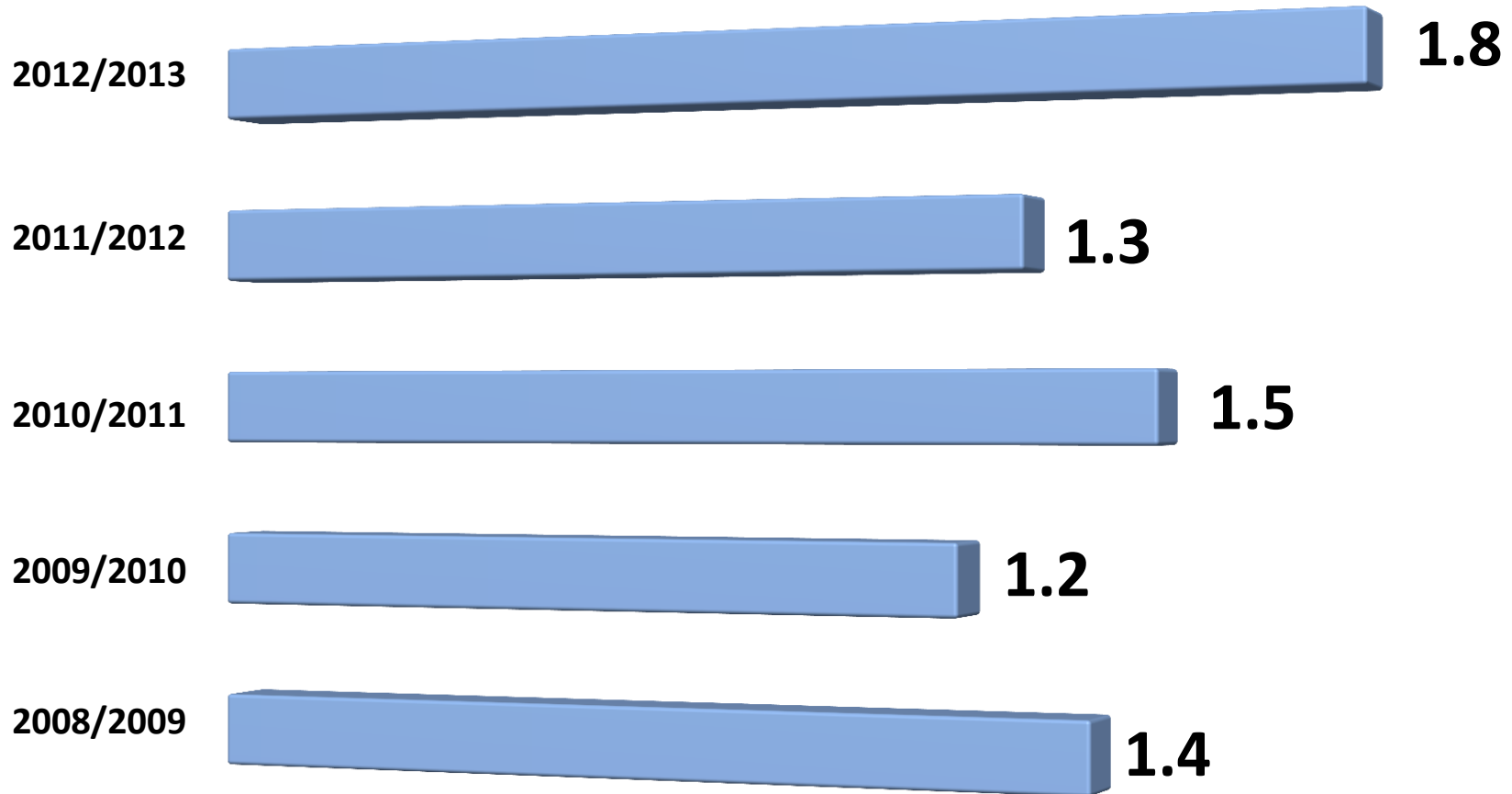
EUR million





# Sales volume in tons

million mt

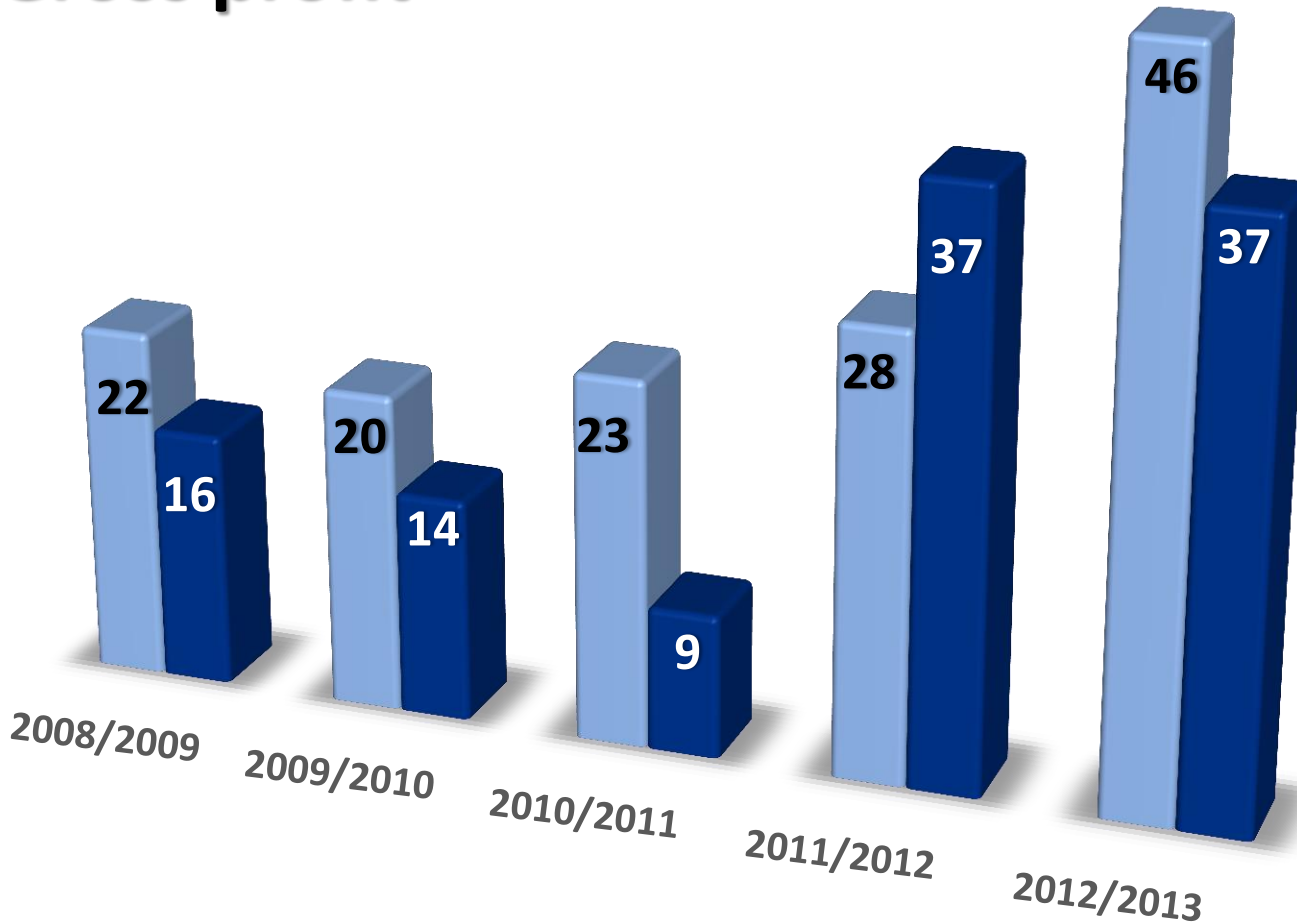




# Gross profit and EBITDA

EUR million

 Gross profit       EBITDA





# Operating and net profit

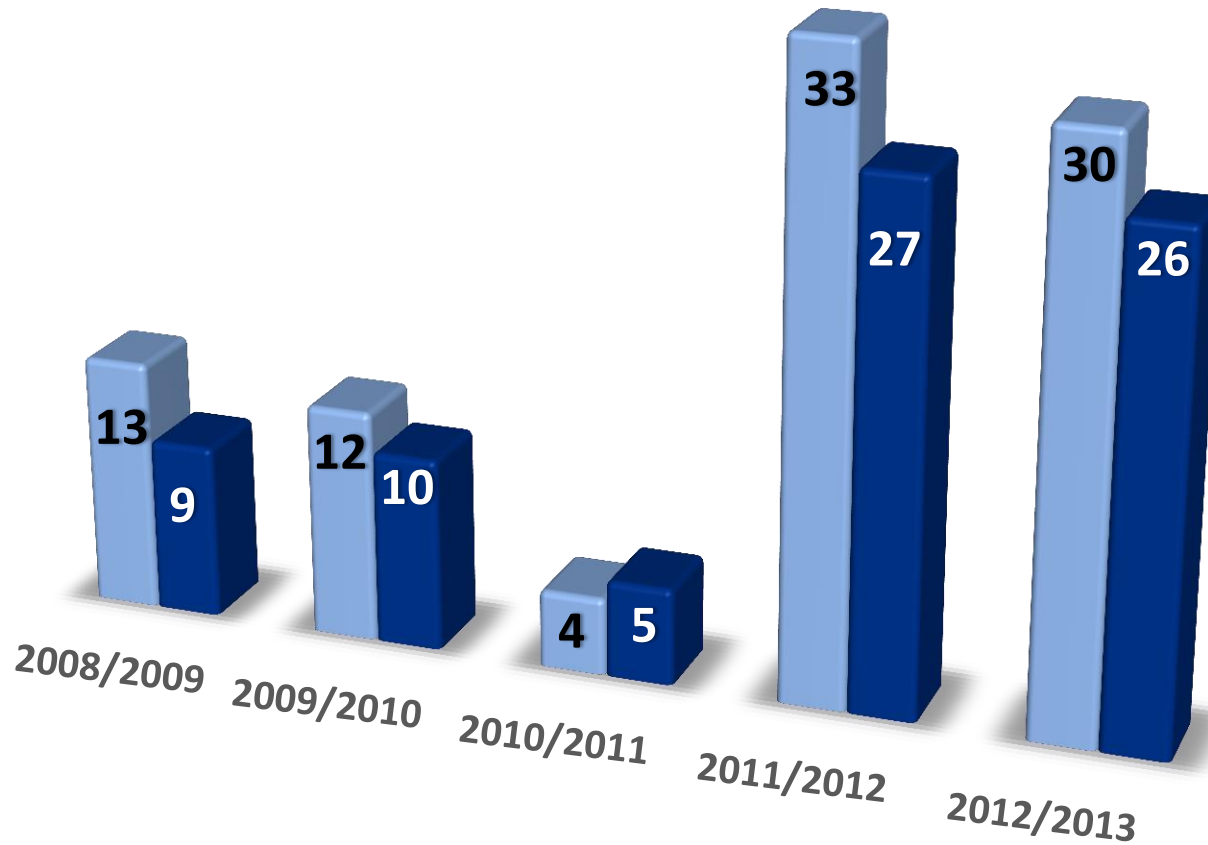
EUR million



Operating profit



Net profit

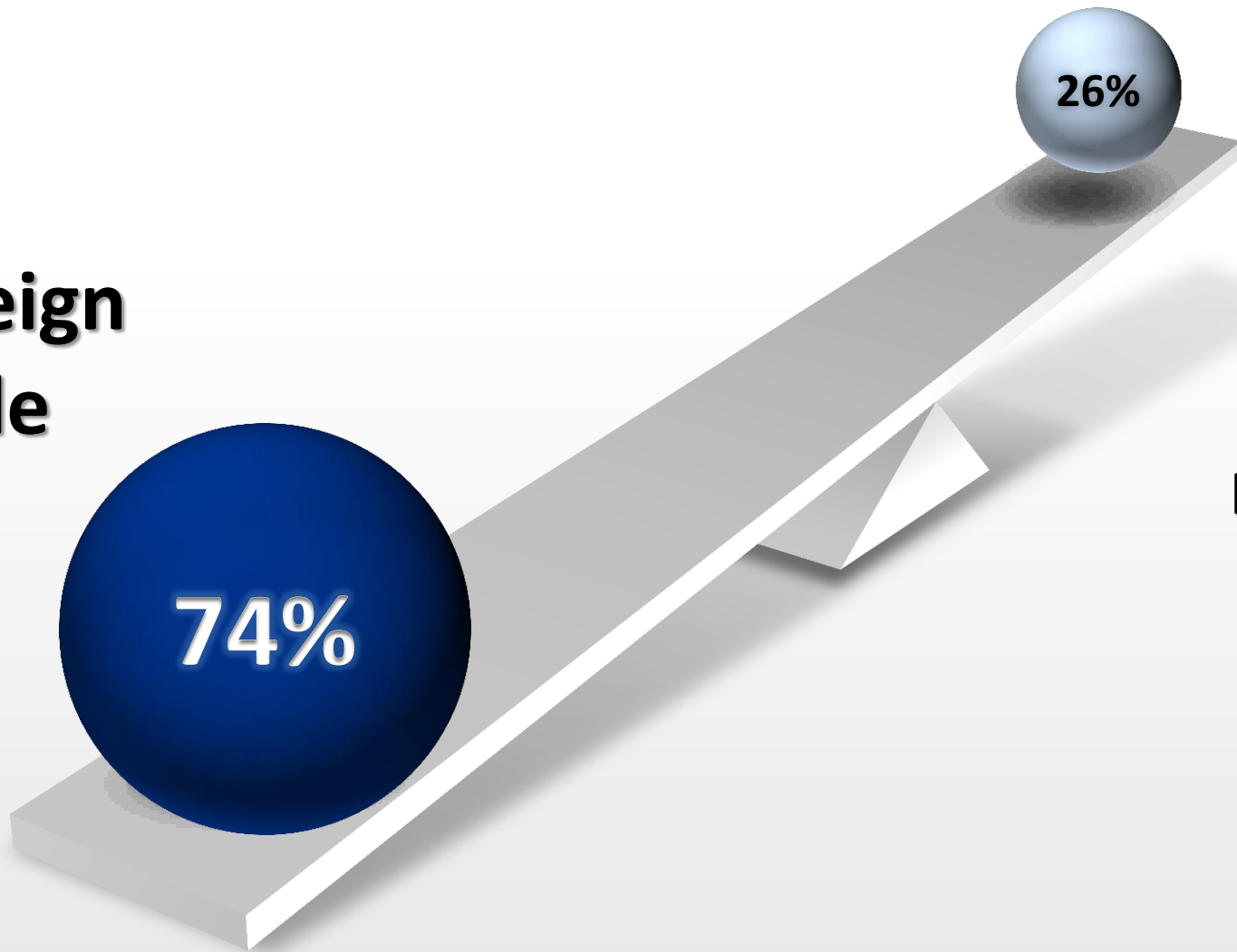






# Trade structure

**Foreign  
trade**



**Local  
market  
sales**



# Business segments

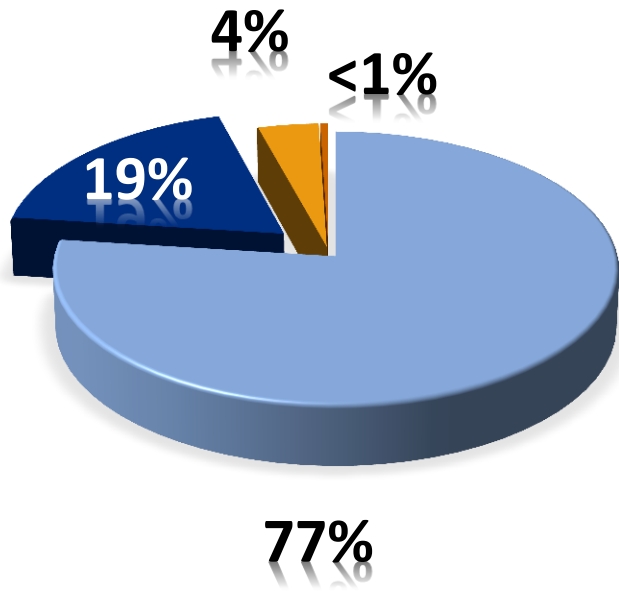




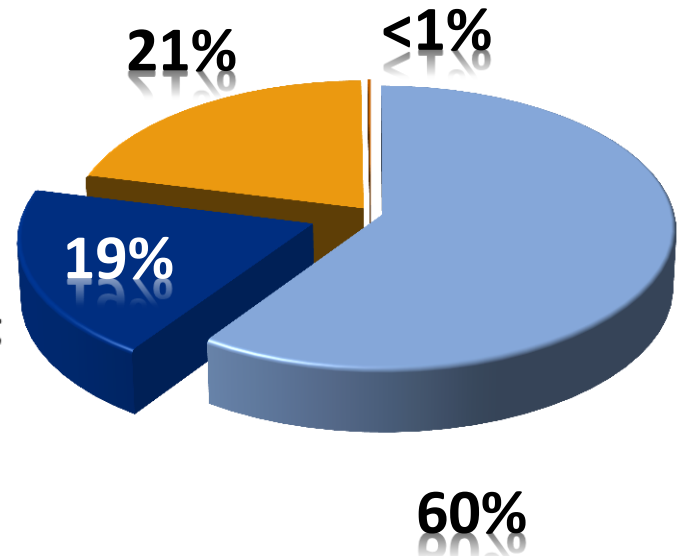
# Income & operating profit structure

## Income Structure

## Operating Profit Structure



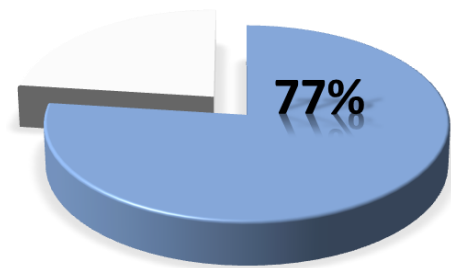
- Grain and feedstuff handling and merchandising
- Products and services for farming
- Agricultural production
- Other



Results for FY2012/2013. Transactions between segments eliminated from the graphics



# Grain and feedstuff handling and merchandising



- Grain trade
- Oilseed trade
- Feedstuff trade
- Grain storage and preparation
- Logistic services





# Products and services for farming

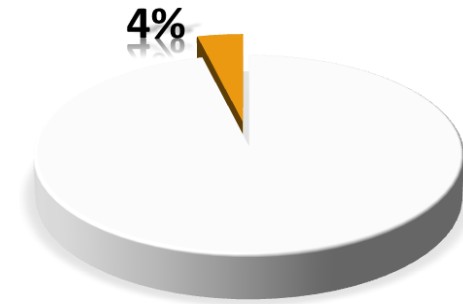


- Certified seed
- Fertilizers
- Plant protection products
- Agricultural and forestry machinery
- Grain storage facilities
- Spare parts





# Agricultural production



- Grain growing
- Rapeseed growing
- Sugar beet growing
- Dairy production
- Meat production





# Other

Less than 1%

- Lignin biofuel
- Other products and services





# Business model of the Baltic sourcing



Products for farming

- Certified seeds, fertilizers, plant protection products, agricultural machinery and grain storage silos provided to the ~3,500 growers in Lithuania and ~500 in Latvia.



Agricultural production

- Growing activities are performed mostly outside the Group.
- 25 employed consultants advice farmers through workshops and field visits.
- 7 own farms, 17,000 ha of arable land.



Handling and storage

- 24 elevators(8 own) + 3 storages in ports with total 610 thousand ton storage capacity.
- Elevator services include intake, cleaning, drying, storing and off-load
- ISCC certificate (*International Sustainability and Carbon Certification.*)



International merchandising

- Trading companies in Lithuania, Latvia and Denmark.
- Well-functioning logistics system.
- Certificates of Good Trading Practice.









# The own grain storage facilities

**Storage capacity  
194 thousand tons.**

**Collect and dispatch  
over 550 thousand  
tons of grain during  
trade season.**

**Plans to launch some new  
elevators in 2014 and 2015.**



-  Own grain elevators
-  The most fertile land



# **Recent developments and investments – never sleep !**

**The Group within last 2 FY have invested almost EUR 24 million into expansion of its activities as well as into acquisition of wonderful companies what in turn fuels its growth and market presence in Baltic Agro sector.**

**Investments under pipeline – EUR 13.6 million.**

**Investments already boosted Group's revenue by almost EUR 71 million.**



# The newest acquisition in 2013/2014: Latvian poultry company

**AS Putnu fabrika Ķekava (PFK)**



## Products:

- Fresh and frozen chicken products, seasoned chicken in various flavors, chicken sausages, smoked chicken and other processed poultry products.
- Incubation eggs and one-day broilers.

**Acquired for EUR 1.4 million, will increase consolidated revenue of the Group by EUR 38 million.**



# Planned acquisition in 2014: A group of Latvian poultry companies

**SIA Lielzeltini – the 2nd largest poultry farm in Latvia.**

Revenue – EUR 21 million in 2012.

**SIA Broileks – growing and sale of live chicken.**

Revenue – EUR 1.2 million in 2012.

**SIA Cerova incubate eggs and sell day-old chicks.**

Revenue – EUR 2 million in 2012.

**Acquired for EUR 12.2 million, will increase consolidated revenue of the Group by EUR 32 million.**



# More efficient integrated poultry producer



More efficient  
use of  
marketing  
and  
administra-  
tion resources

Financial  
capability to  
resolve  
liquidity  
problems of  
acquired  
companies

Efficiency  
gains will  
bring  
financial  
benefits

Sizable player  
able to  
compete with  
large poultry  
farms in  
Lithuania and  
Poland

Bargaining  
position in  
relations with  
retailers and  
suppliers

Supply of  
hatching eggs  
from PFK to  
Lielzeltini

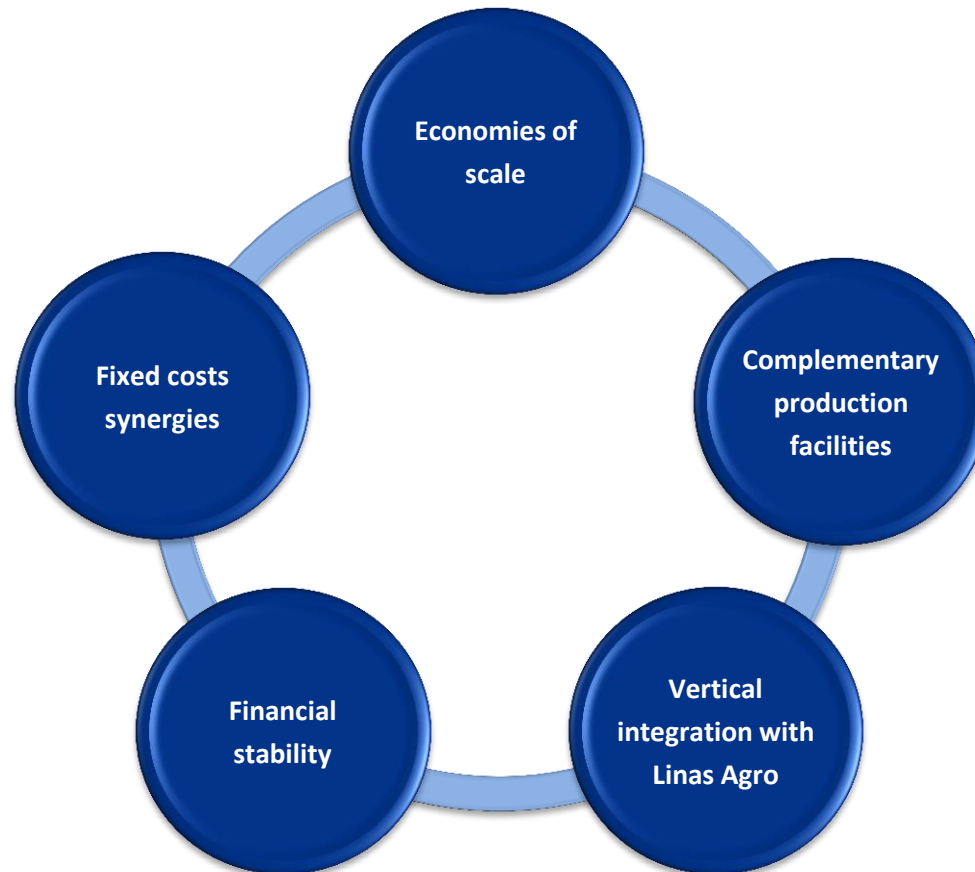
Supply of  
feed from  
Lielzeltini  
to PFK

Hedging of  
grain price

Linas Agro  
with its  
operations in  
grain trading  
to provide  
know-how of  
input market



# More efficient integrated poultry producer

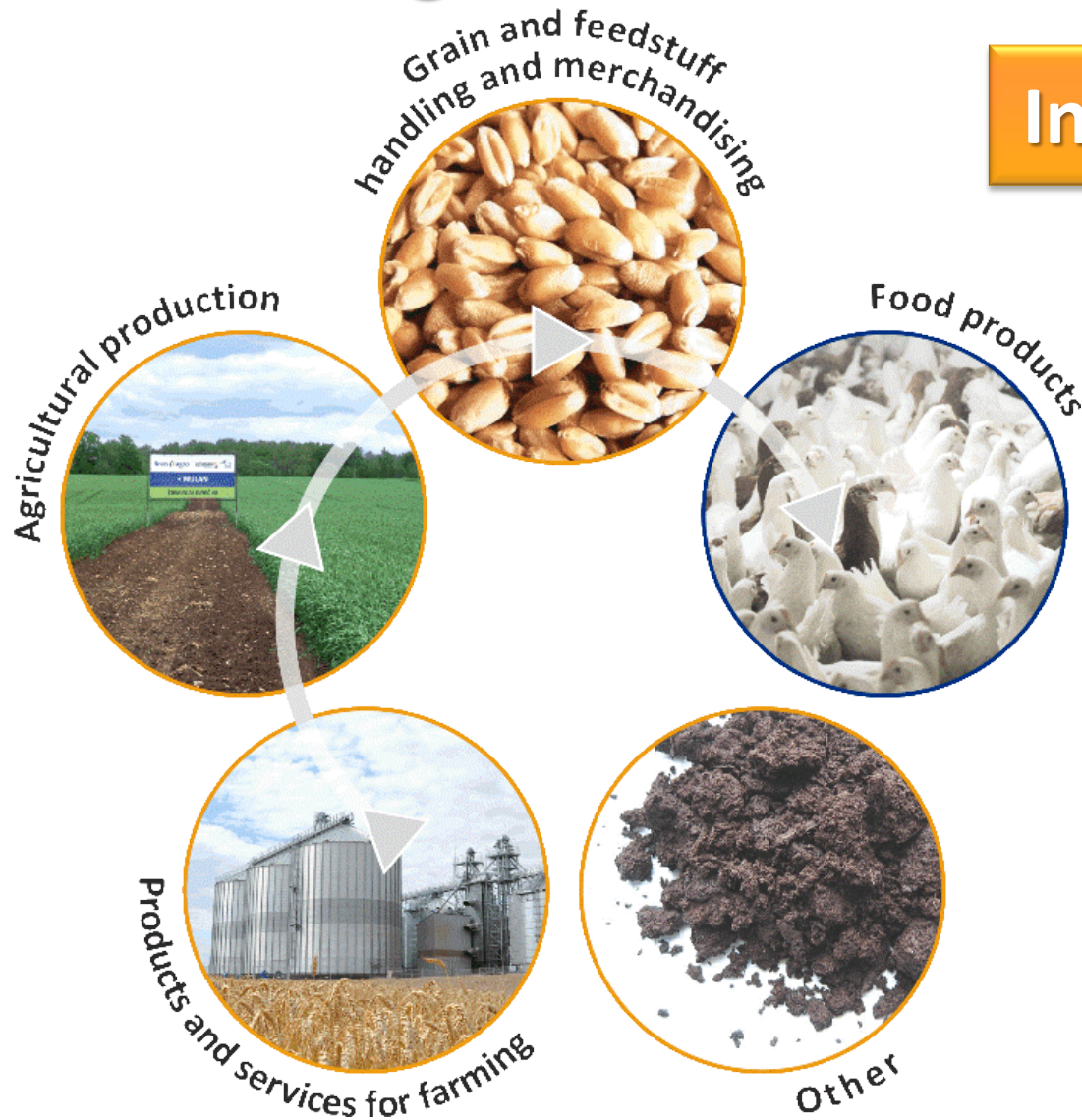


By acquiring both companies Linas Agro creates a more competitive and sizeable poultry player in the Baltic market



# Vertical integration in food chain

In 2013/2014





# Why invest into AB Linas Agro Group ?

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**Fundamental company in fundamental economy's sector – FOOD.**

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**Baltics have geographic location appropriate for international trade and favorable natural conditions for agricultural development.**

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**The growing population of the world is a solid foundation for the growth of the demand of agricultural production.**

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**The most diverse product range and inputs services to farmers as compared with other competitors = less risky company.**





# Why invest into AB Linas Agro Group ?

Active main shareholders and management board,  
no bureaucracy and quick decision making.

Company is able not only invest, but to also  
successfully divest.

400% return to shareholders after Ukrainian  
company UkrAgro NPK sale (EUR 23 million).

**Cheap !**

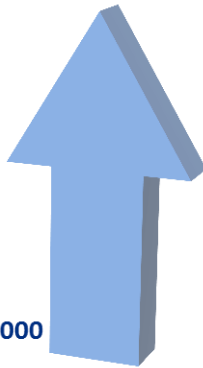
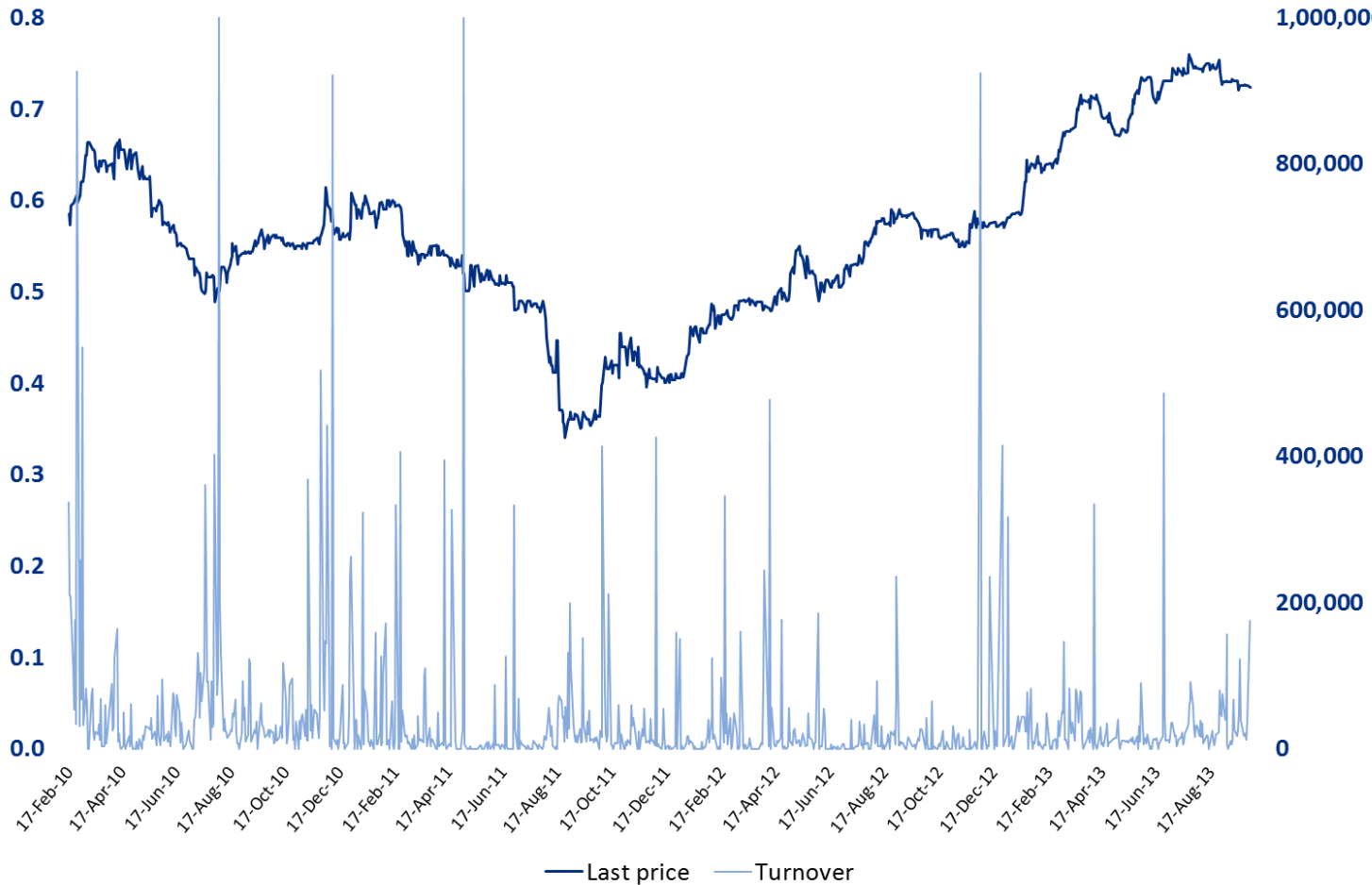
P/E in a range 6–7  
P/BV bellow 1.00  
Revenues growth 145%  
Sales volumes in tons – 50%  
EBITDA – 164%  
Net profit – 160%

**Since IPO**



# Share price and turnover

EUR





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