



# PRESENTATION ON THE FINANCIAL RESULTS FOR 6 MONTHS OF 2020

AUGA group, AB

# PRESENTED BY

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HY2020

# RESULTS

## 2020 half-year results



AUGA group's revenue, profit and EBITDA have increased.

The Group improved results in all business segments.

Net profit of HY2020 quadrupled compared to HY2019.

	HY2020	HY2019	Variance	FY2019
Revenue, EUR million	34.69	28.84	+20%	71.13
Gross profit, EUR million	8.58	6.33	+36%	9.85
Net profit, EUR million	1.30	0.34	+382%	(3.22)
EBITDA, EUR million	11.53	9.33	+24%	17.12

*EUR 1.45 million of fair value gain for this season's winter crops was recognized in 2019.*



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Results by segment  
Crop growing

# CROP GROWING

## Improved yields



This year's yield, especially in terms of leguminous crops, is expected to be higher than in 2019.

Favourable weather conditions and improving efficiency set expectations for better yields for 2019/2020 harvest.

Overall positive results can be negatively affected by lower quality and prices of some of the crops.

Yield	2017	2018	2019	2020F
Wheat, t/ha	4.10	2.83	4.21	4.29
Legumes, t/ha	3.30	1.41	1.67	3.02



# CROP GROWING



## Wheat price dynamics

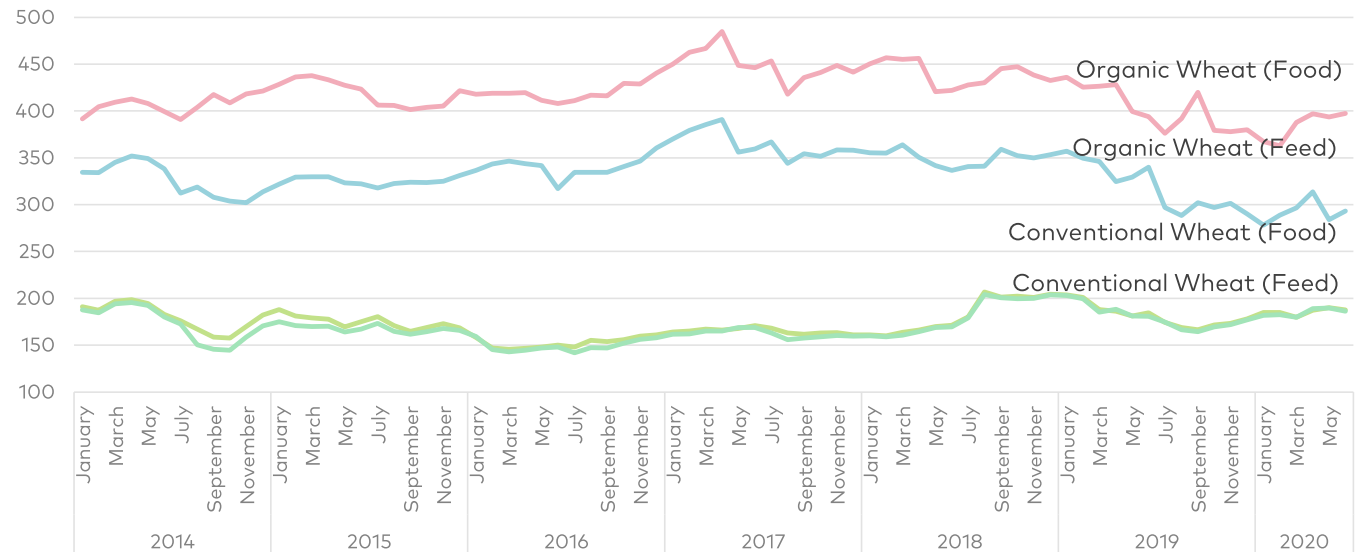
Increasing supply leads to decreasing prices, especially for feed wheat, in EU market.

In HY2020, average wheat sales price of AUGA was 13.9% lower vs. the same period last year.

German organic wheat sales price was lower by 10.9%.

Sale contracts have already been signed for 67% of the forecasted harvest, as of 30 June 2020.

Organic vs. Conventional wheat price in Germany\*, EUR/t



\*Germany, the largest EU market, is a benchmark for major organic product prices.

Source: [www.ami-informiert.de](http://www.ami-informiert.de), <https://www.bmel-statistik.de/>

# CROP GROWING

## 2020 half-year results

Improved revenue and gross profit.



Total fair value gain for HY2020 was EUR 1.64 million higher than in HY2019. Additionally, EUR 1.45 million of fair value gain of this season's winter crops was recognized in 2019.

The Group maintains a positive outlook on the annual harvest potential. 2020 Q3 results are expected to show the most significant improvement compared to 2019.

34.8 thous. tons of crops were sold in 2020 compared to 21.9 thous. tons sold in 2019. All harvest from the 2018/2019 season has already been sold.

No sanctions for agricultural activities are expected in 2020 since the requirements for which the Group was penalized in 2019 does not apply for 2020.



HY2020

	HY2020	HY2019	Variance	FY2019
Total cultivated land, ha	39,673	38,564	+3%	38,564
Total fair value of harvest, EUR million	33.55	28.06	+20%	38.26
Total production cost, EUR million	27.16	24.76	+10%	34.43
<b>Gain (loss) on revaluation of biological assets (crops) recognized in reporting period, EUR million</b>	<b>4.93</b>	<b>3.29</b>	<b>+50%</b>	<b>5.28</b>
Total fair value gain (loss) on revaluation of biological assets, EUR million	6.38	3.29	+94%	5.28
Sales revenue, EUR million	11.89	8.78	+36%	29.49
Cost of sales, EUR million	12.50	9.54	+31%	30.45
Inventory write-offs, EUR million	0.68	0.49	+39%	1.54
<b>Result of sales of agricultural produce, EUR million</b>	<b>(1.29)</b>	<b>(1.26)</b>	<b>+2%</b>	<b>(2.50)</b>
Subsidies, EUR million	3.71	3.51	+6%	4.96
<b>Gross profit, EUR million</b>	<b>7.35</b>	<b>5.54</b>	<b>+33%</b>	<b>7.74</b>



Results by segment  
Dairy



# DAIRY



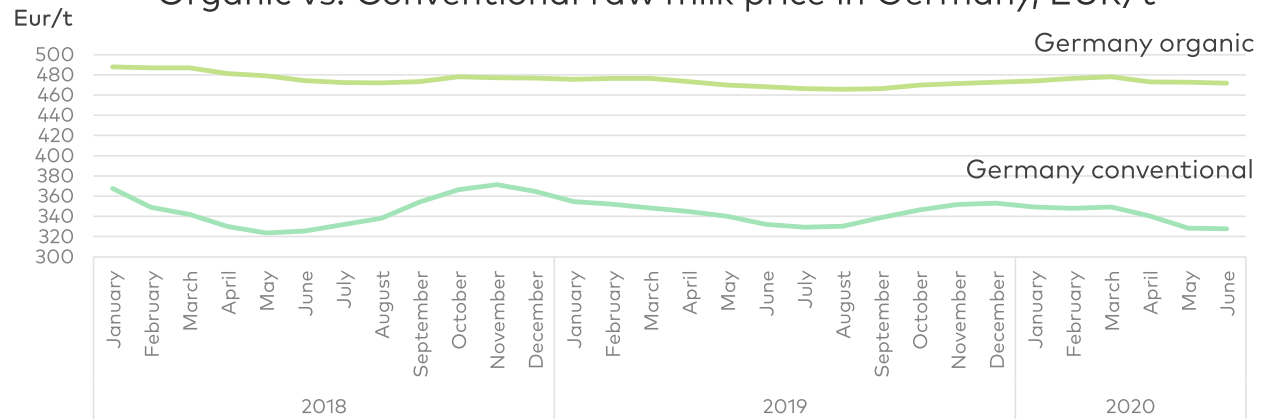
While there has been a decrease in conventional milk price, organic milk price remains stable.

The share of AUGA milk sold at prices of organic milk ranges between 90-100%.

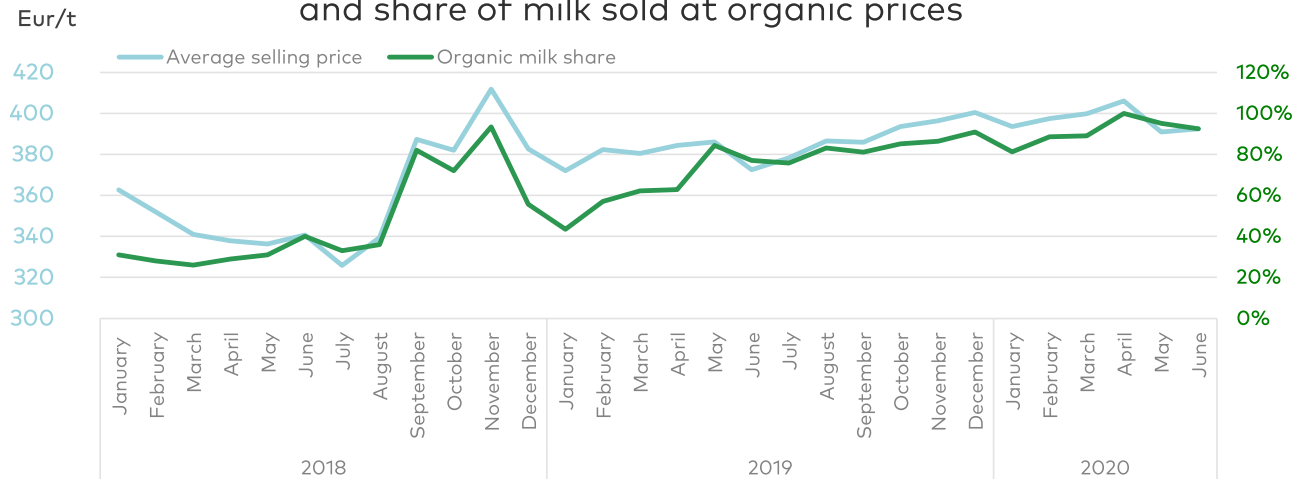
In April 2020, China organic certificate for commodity and packaged milk products has been received. The Group is in progress with the first delivery to China.

## Milk price dynamics

Organic vs. Conventional raw milk price in Germany, EUR/t



AUGA average raw milk selling price (EUR/t) and share of milk sold at organic prices



Source: [www.ami-informiert.de](http://www.ami-informiert.de), <https://www.bmel-statistik.de/>, <https://ec.europa.eu/agriculture/market-observatory/milk>

# DAIRY

Milk yield per cow increased by 6%.

In order to increase efficiency, aged herd has been replaced. Write-offs of aged herd are represented in the revaluation of biological assets.

The Company aims to maintain the high share of milk sold at organic price, to improve the yield further and to increase efficiency of dairy operations.

## 2020 half-year results

The segment has become profitable and has a potential to improve its current results.



	HY2020	HY2019	Variance	FY2019
Total quantity of products sold, t	6,730	6,413	+4%	25,224
Milk, t	13,158	12,699	+4%	24,492
Cattle, t	388	356	+9%	732
Revenue, EUR million	5.59	5.20	+7%	10.14
Milk, EUR million	5.22	4.81	+8%	9.42
Cattle, EUR million	0.37	0.39	-5%	0.72
Cost of sales, EUR million	5.21	5.13	+2%	10.64
Milk, EUR million	4.84	4.74	+2%	9.93
Cattle, EUR million	0.37	0.39	-5%	0.72
Revaluation of biological assets, EUR million	(1.61)	(1.49)	+8%	(2.20)
Subsidies, EUR million	1.31	1.11	+18%	2.22
Gross profit, EUR million	0.07	(0.30)	+224%	(0.47)



HY2020

A wide-angle photograph of a large-scale indoor mushroom cultivation facility. The room is filled with long, parallel rows of mushroom beds. Each bed is densely packed with small, white, button-shaped mushrooms growing from a dark substrate. The facility has a high ceiling with visible pipes and lighting fixtures. The perspective is from a low angle, looking down the length of the rows, creating a strong sense of depth and repetition.

Results by segment  
Mushroom growing

# MUSHROOM GROWING

Growing demand for packaged mushrooms increased average price and cost.

Sales of compost were negatively impacted by the pandemic and developments in the Russian market.

The Company does not foresee any material changes in the results of the segment in the nearest future.

## 2020 half-year results

The segment demonstrates continuous growth.



	HY2020	HY2019	Variance	FY2019
Sold mushrooms, t	6,579	6,001	+10%	12,256
Average price (Eur/t)	2,168	2,107	+3%	2,147
<b>Total revenue, EUR million</b>	<b>15.21</b>	<b>13.80</b>	<b>+10%</b>	<b>28.71</b>
Mushroom sales revenue, EUR million	14.26	12.64	+13%	26.32
Compost sales revenue, EUR million	0.95	1.15	-18%	2.39
<b>Cost of sale, EUR million</b>	<b>14.14</b>	<b>12.75</b>	<b>+11%</b>	<b>26.22</b>
Cost of mushrooms sold, EUR million	13.22	11.68	+13%	2.49
Cost of compost sold, EUR million	0.92	1.07	-14%	23.73
<b>Gross profit, EUR million</b>	<b>1.06</b>	<b>1.04</b>	<b>+2%</b>	<b>2.49</b>



HY2020



Results by segment  
End-consumer products  
(FMCG)

## 2020 half-year results

Sales revenue almost doubled in the first half year of 2020.

Sales increased in all markets, with the largest impact coming from the U.S. and the Baltics.

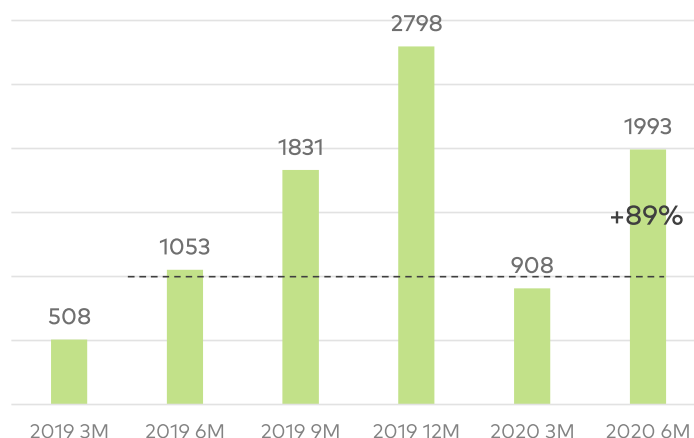
The main group of product remains unchanged: preserved mushrooms, vegetables and soups.

Grybai LT, KB was acquired in Q2 2020. Production profit will improve consolidated results of the group.

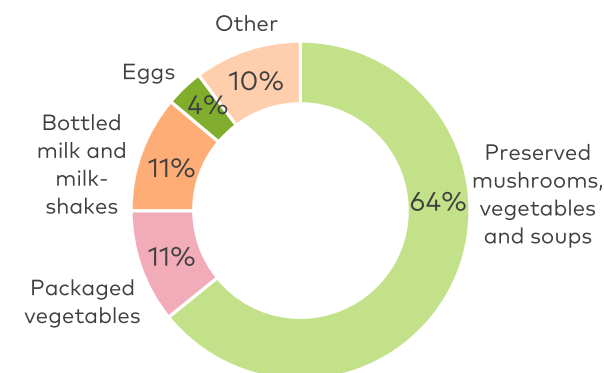
The Company expects the growth of segment to continue.

	HY2020	HY2019	Variance	FY2019
Revenue, EUR million	1.99	1.05	+89%	2.79
Cost of goods sold, EUR million	1.90	1.01	+89%	2.75
Gross profit, EUR million	0.09	0.04	+98%	0.05

Revenue dynamics, thous. EUR

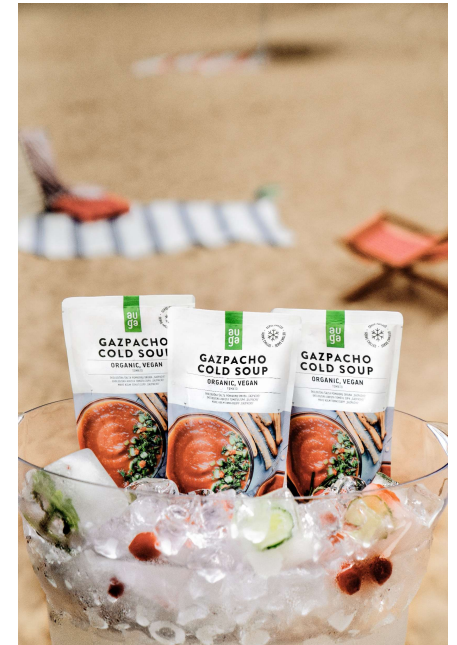


Revenue structure



AUGA group has entered a new high-organic consumption market, Australia.

The Group has launched several new ready-to-eat products: Gazpacho soup, steamed (no brine) chickpeas, and various beans.



A photograph showing a close-up of a meeting table. Several hands are visible, some holding black pens, resting on documents. The documents feature bar charts with multiple colored bars (blue, green, yellow, red) and labels in Spanish. The text 'Financial information' is overlaid in white on the center of the image.

# Financial information



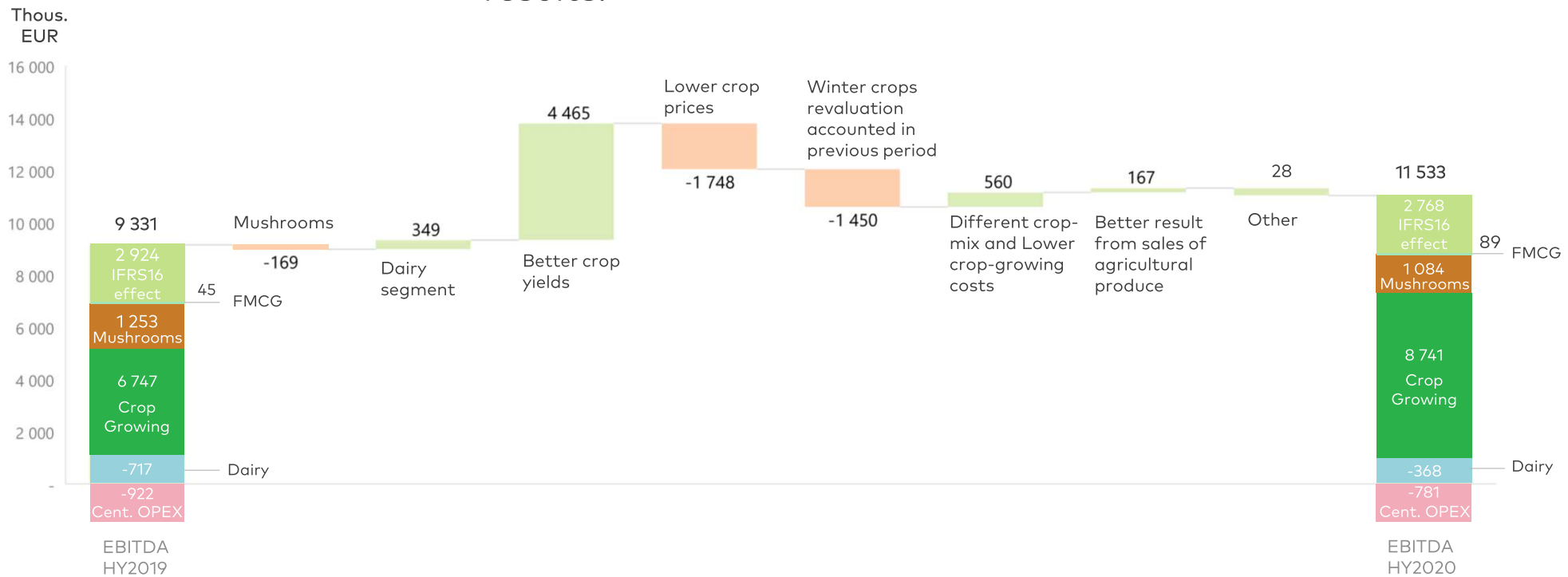
# FINANCIAL INFORMATION



## Main factors for EBITDA increase

EBITDA increased by EUR 2.2 million.

Crop-growing segment had the biggest impact on the results.



# FINANCIAL INFORMATION

## Financial indicators



The variance in the balance sheet was mainly caused by the acquisition of Grybai LT, KB in 2020 Q2.

Growing profitability improved indebtedness ratios of the Group.

	HY2020	FY2019	Variance
Equity, EUR million	91.47	90.07	-
Total assets, EUR million	221.22	206.72	+7%
Equity Ratio, %	41%	44%	-3%
Debt to financial institutions, EUR million	60.18	59.03	+2%
Net debt – adjusted working capital*, EUR million	16.05	18.93	-15%

\*Adjusted working capital = Current biological assets + Trade receivables, advance payments and other receivables + Inventory – Trade payables – Other payables and current liabilities. The adjusted working capital formula eliminates cash and financing elements allowing the reader to see how the short-term assets and liabilities directly related to operations of the Group are being utilized.



HY2020

# FINANCIAL INFORMATION

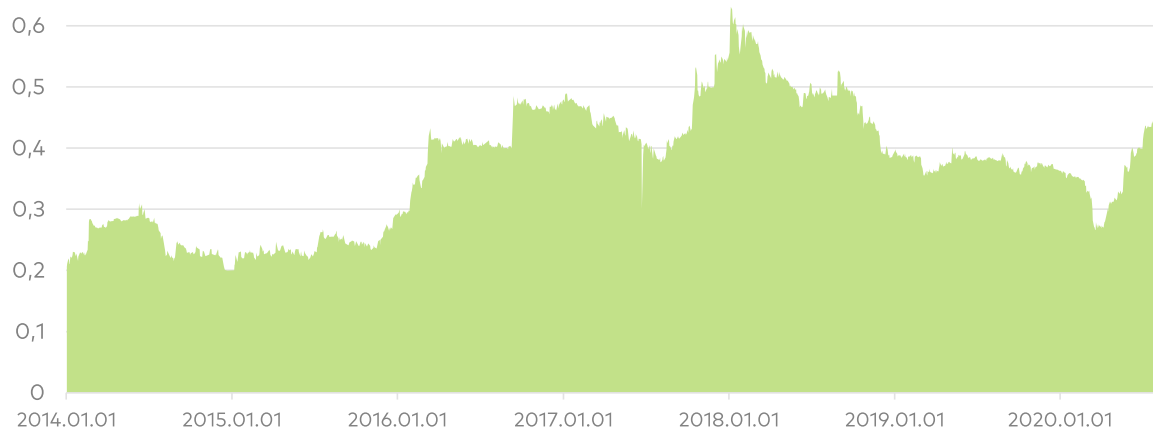
The share price increased by 17.6% (from EUR 0.363 to EUR 0.427 per share) from the beginning of 2020 to 31 of August, 2020.

The average monthly turnover was EUR 0.32 million.

## Share price information



AUGA group, AB share price on Nasdaq Vilnius, EUR



## Valuation target price, EUR



0,69\*



0,45-0,55

\* - Base case scenario



## More information:

- Nasdaq Vilnius, Baltic Main List: [AUG1L](#)
- Nasdaq Vilnius, green bonds: [AUGB060024A](#)
- Information for investors, data in MS Excel format: <http://auga.lt/en/for-auga-investors/>
- Analyst reports: <http://auga.lt/en/for-auga-investors/analyst-coverage/>
- News for investors subscription: <http://cutt.ly/auga>
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