



# **PRESENTATION ON THE FINANCIAL RESULTS FOR 3 MONTHS OF 2022**

AUGA group, AB

# PRESENTED BY

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# RESULTS



## 2022 3M: outlook is positive for Y2022, but uncertainties remain

Sales in Q1 2022 have decreased due to lower harvest of previous season.

Profitability growth is mainly attributed to the crop growing segment, due to a significant increase in commodity prices.

EUR million	2022 3M	2021 3M	Variance	2020 3M
Revenue	17.56	19.48	-10%	17.04
Gross profit	5.65	4.51	+25%	3.74
Net profit	1.21	0.67	+81%	0.18
EBITDA	6.71	5.74	+17%	4.95





Results by segment  
**Crop growing**

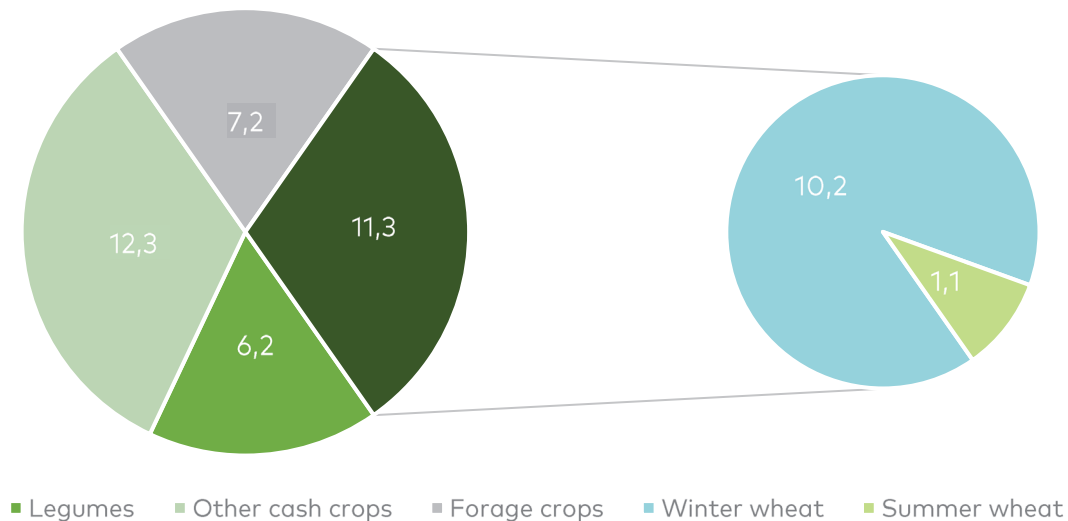
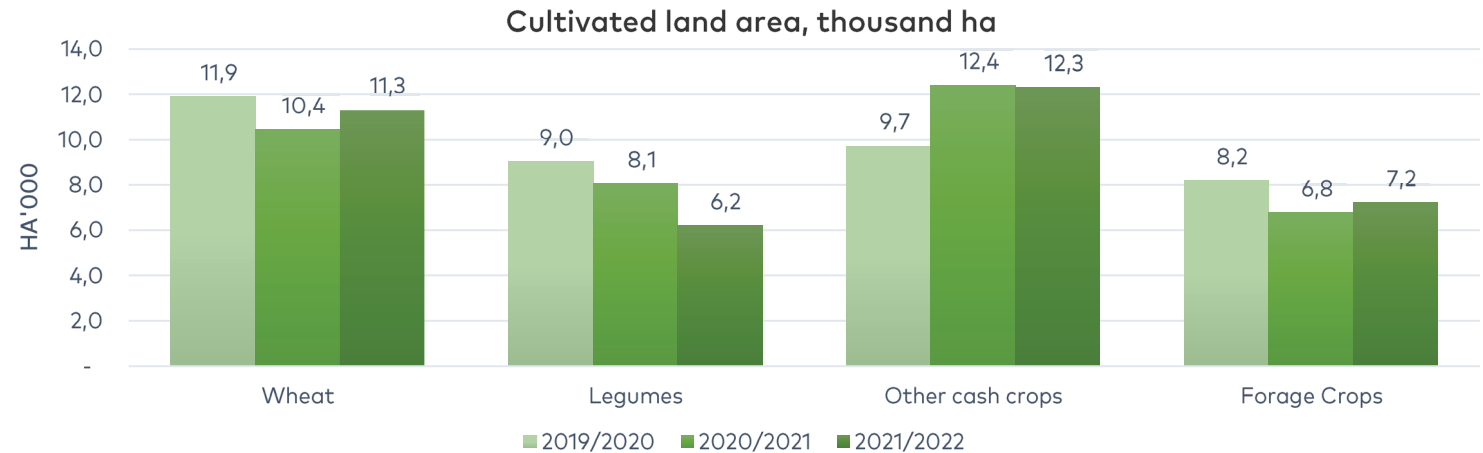
# CROP GROWING

Condition of crops is good. Larger proportion of "less risky" cultures

Autumn sowing took place according to plan.

Winter did not have a negative impact on crops, 4% of area was resown with summer crops.

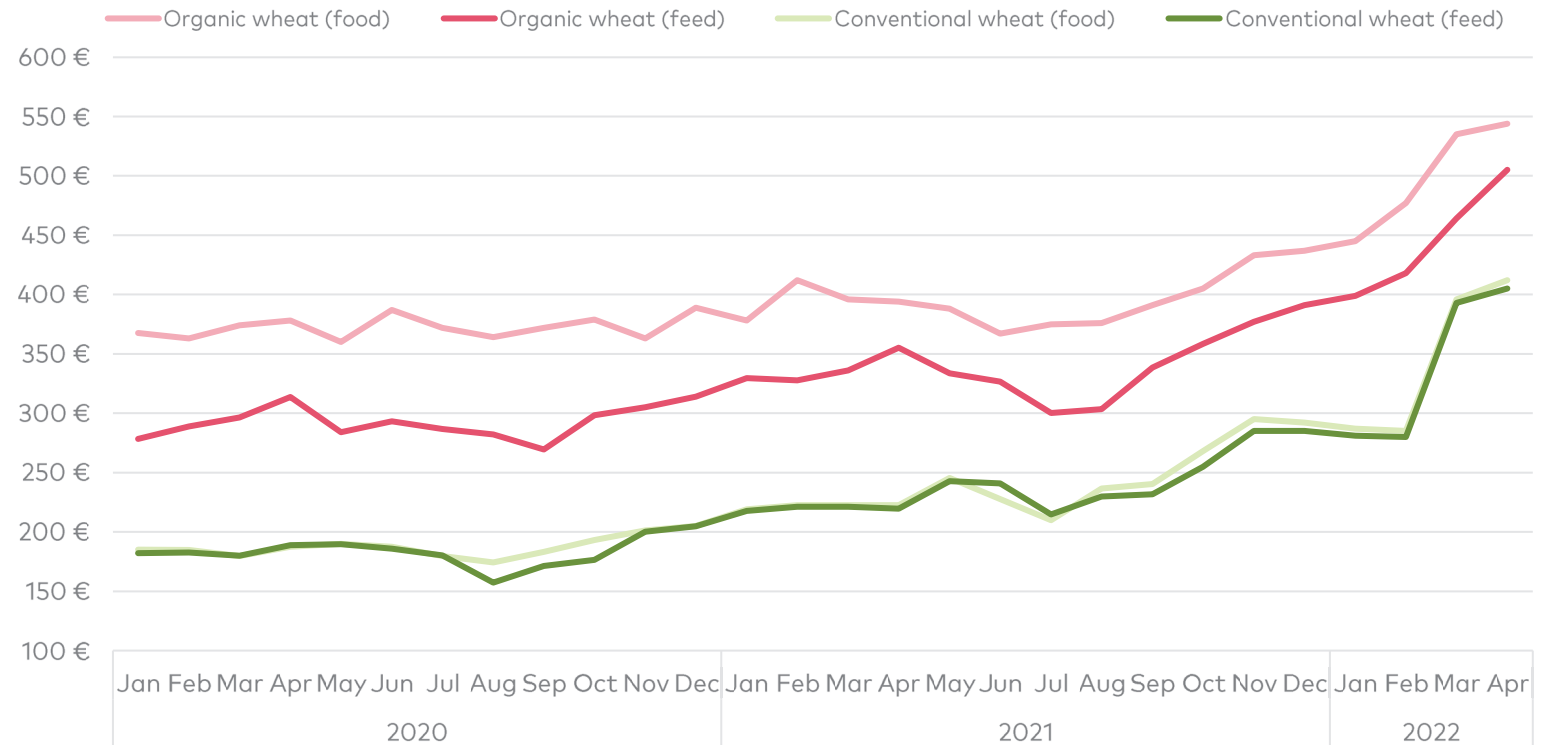
Spring sowing is complete, 13.8 thous. ha was seeded.



Rapid and significant price changes created uncertainty in organic market, contracting of future harvest started later this year.

## Market trends: prices for conventional and organic grains are at record highs

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



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

As for 31.05.2022, AUGA group contracted 39% of forecasted 2022 harvest.

If to exclude long term agreements – 19% of forecasted 2022 harvest is contracted.

Harvest of 2022 is contracted with 51% higher prices than the harvest of 2021 (excluding long term agreements).



Outlook is positive for Y2022, but uncertainties remain

No changes in forecasted yields, as condition of crops is good.

Gain on revaluation was positively impacted by increasing prices. The trend continues, creating room for additional upside.

Lower sales due to lower harvest in Y2021. Absolute majority of Y2021 harvest is contracted.

Internal transactions are clarified and disclosed in order to assess results of the segments more precisely. Negative result for Q1 2022, as expensive forage, produced in Y2021, is used.

	2022 3M	2021 3M	Variance	2020 3M
Total cultivated land, ha	38,591	39,223	-2%	39,673
EUR million	2022 3M	2021 3M	Variance	2020 3M
Total gain (loss) on revaluation of biological assets (crops)	5.86	3.61	+62%	2.72
Gain (loss) on revaluation of biological assets (crops) recognized in previous period	2.33	2.02	+15%	1.45
Gain (loss) on revaluation of biological assets (crops) recognized in current period	3.53	1.59	+122%	1.27
Sales revenue	5.09	7.53	-32%	5.36
Cost of sales	5.08	8.00	-37%	5.32
Inventory write-offs	0.30	0.08	+275%	0.24
Result of internal transactions	(0.73)	-	n/a	-
Result of sales of agricultural produce	(1.01)	(0.54)	-87%	(0.20)
Subsidies	2.42	2.38	+2%	1.89
Gross profit	4.94	3.43	+44%	2.96





An aerial photograph of a large herd of dairy cows grazing in a lush green field. The cows are scattered across the frame, with some standing and others lying down. The field is vibrant green, and the cows exhibit various colors including black and white, brown, and white with brown spots. The perspective is from directly above, looking down on the herd.

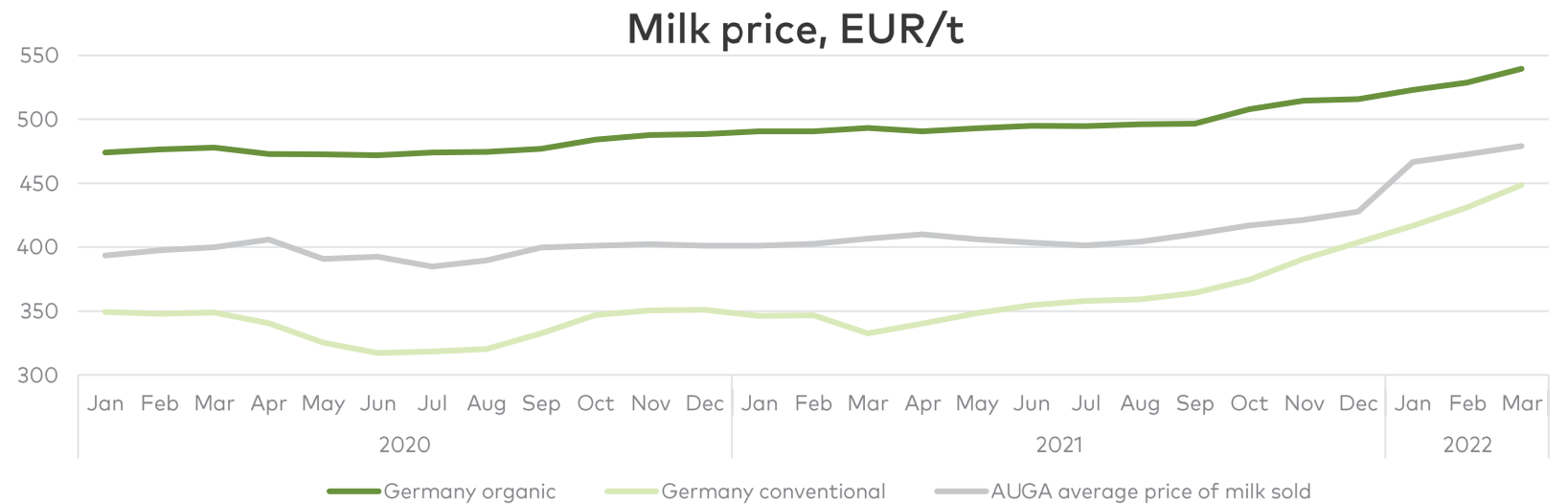
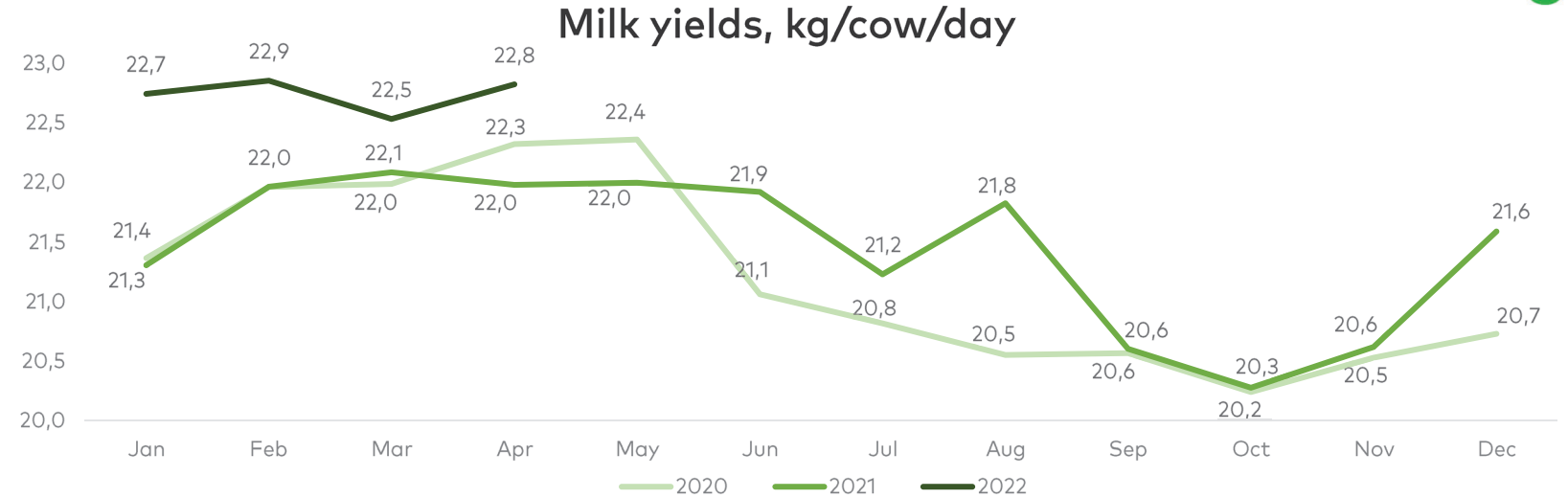
Results by segment

**Dairy**

## Milk yield and price dynamics

Milk yield in the Q1 2022 grew by 4% YoY.

Average milk price has increased by 16% in since the beginning of 2022.



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

As for 31.03.2022 Group's herd consists of 3,591 cows and 3,136 heifers and bulls, compared to 3,503 cows and 3,012 heifers and bulls a year before.

Sales revenue of the dairy segment increased by 23% YoY as a result of increased prices and growth in production.

## 2022 3M results

Increasing efficiency and cost control remains the primary focus.



	2022 3M	2021 3M	Variance	2020 3M
Total quantity of products sold, t	7,324	6,565	+12%	6,963
Milk	6,986	6,189	+13%	6,549
Milk commodities	113	190	-41%	233
Cattle	225	186	+21%	181

EUR million	2022 3M	2021 3M	Variance	2020 3M
Revenue	4.05	3.28	+23%	3.49
Milk	3.31	2.51	+32%	2.60
Milk commodities	0.38	0.58	-34%	0.72
Cattle	0.36	0.19	+89%	0.18
Cost of sales	3.59	3.26	+10%	3.19
Milk	2.87	2.51	+14%	2.31
Milk commodities	0.37	0.56	-34%	0.70
Cattle	0.36	0.19	+89%	0.18
Revaluation of biological assets	(0.67)	(0.55)	-22%	(0.70)
Subsidies	0.79	0.73	+8%	0.50
Gross profit	0.57	0.21	+171%	0.09



Results by segment

# Mushroom growing

# MUSHROOM GROWING

## Mostly affected by growing costs



Production output still lower by 8% compared to last year (+4% vs Q4 2021) due to:

- Previously sustained production challenges;
- COVID-19.

Increasing costs put pressure on profitability: energy and payroll costs account for 35% of total COGS.

Review of product prices is always challenging and takes time: ~5% increase in prices during last quarter, but average sale price is the same YoY due to different product mix.



# MUSHROOM GROWING

## Key focus areas:

- Production volumes.  
Production in two months of Q2: 2,011 t;
- Continuing negotiations for price changes;
- Energy consumption control.

## 2022 3M results

Growing costs and not fully utilized production capacities are main reasons for lower results.

	2022 3M	2021 3M	Variance	2020 3M
Sold mushrooms, t	3,038	3,177	-4%	3,288
Average price (Eur/t)	2,255	2,246	0%	2,043

EUR million	2022 3M	2021 3M	Variance	2020 3M
Total revenue	7.01	7.26	-3%	7.28
Mushroom sales revenue	6.85	7.14	-4%	6.72
Compost sales revenue	0.16	0.12	+33%	0.56
Cost of sale	7.14	6.76	+6%	6.66
Cost of mushrooms sold	6.98	6.68	+4%	6.17
Cost of compost sold	0.16	0.08	+94%	0.49
Gross profit	<b>(0.13)</b>	<b>0.50</b>	<b>n/a</b>	<b>0.62</b>



Results by segment

# Fast-moving consumer goods (FMCG)

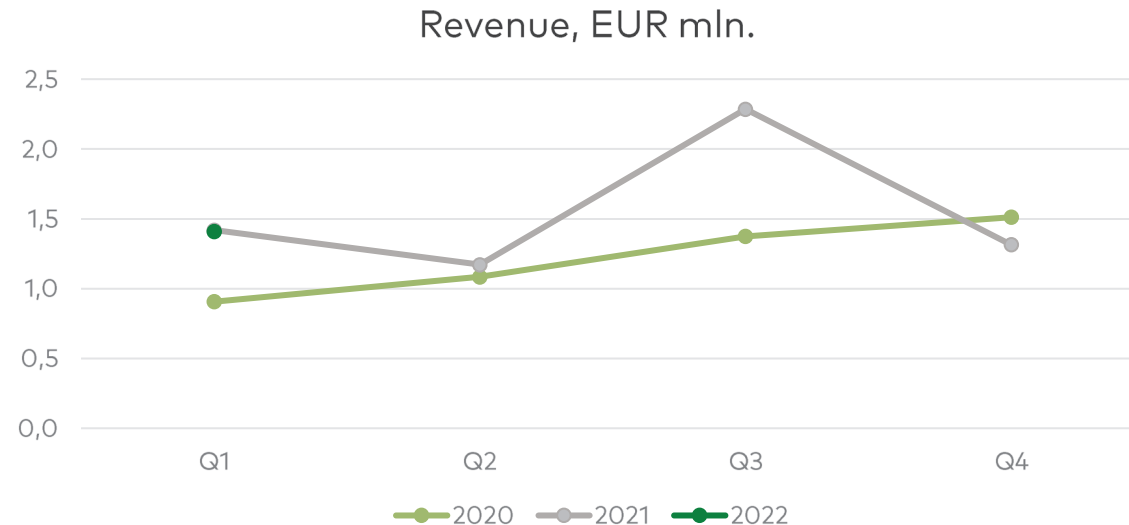
## 2022 3M results

Growth of sales had stalled due to seasonality.

Sales of main products are becoming more seasonal due to higher logistic costs.

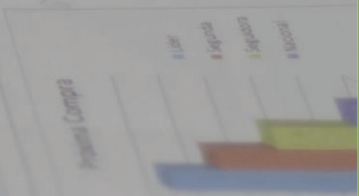
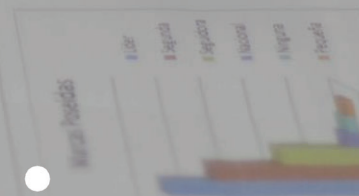
No growth in Q1, but this corresponds to Group's plans – bigger part of sales is planned for Q3.

EUR million	2022 3M	2021 3M	Variance	2020 3M
Revenue	1.41	1.42	-1%	0.91
Cost of goods sold	1.14	1.04	+10%	0.85
Gross profit	0.27	0.38	-29%	0.06





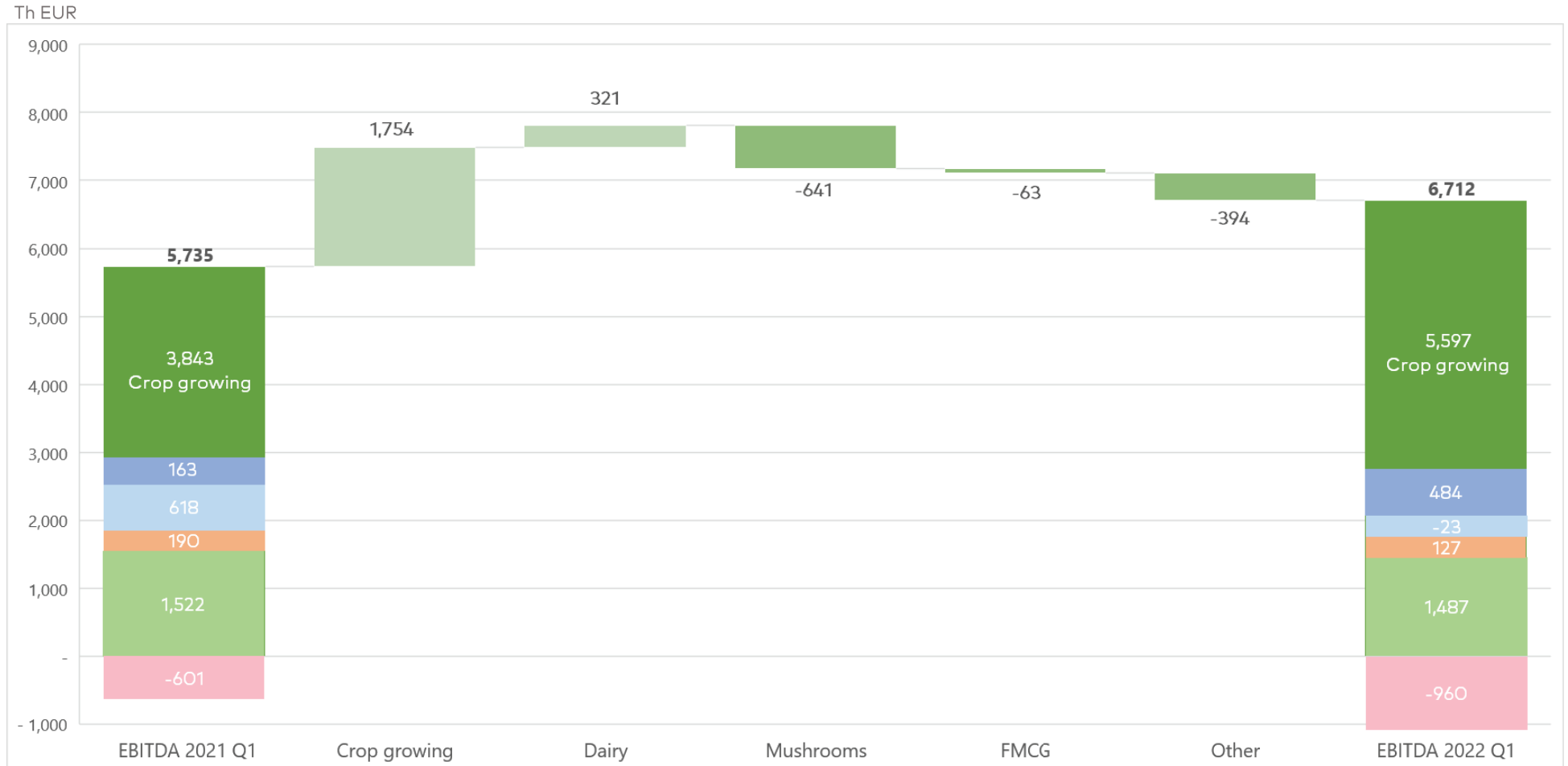
# Financial information



## Main factors for EBITDA change

EBITDA increased by 0.97 EUR million.

- Crop growing
- Dairy
- Mushrooms
- FMCG
- IFRS 16 effect
- Centralized OPEX



# FINANCIAL INFORMATION

## 3 projects to be implemented / further developed in 2022



Project	Plan	Status
Biomethane infrastructure	The Group is planning to operate 3 facilities by Q4 2022.	Construction/installation works had started.
Specialized feed technology	First prototype is already built and is in testing currently. Two main targets: a) improved milk yields, b) reduction of CO2 e emissions.  The Group is planning to start scaling of technology in it's farms if tests will be successful.	Testing phase. Further development of technology.
AUGA tractor	The Group is aiming to have up to 10 tractors working in Group's fields by Q4 2022. Agreement for assembling is already signed.	Preparation for production of the first batch has started.



# FINANCIAL INFORMATION

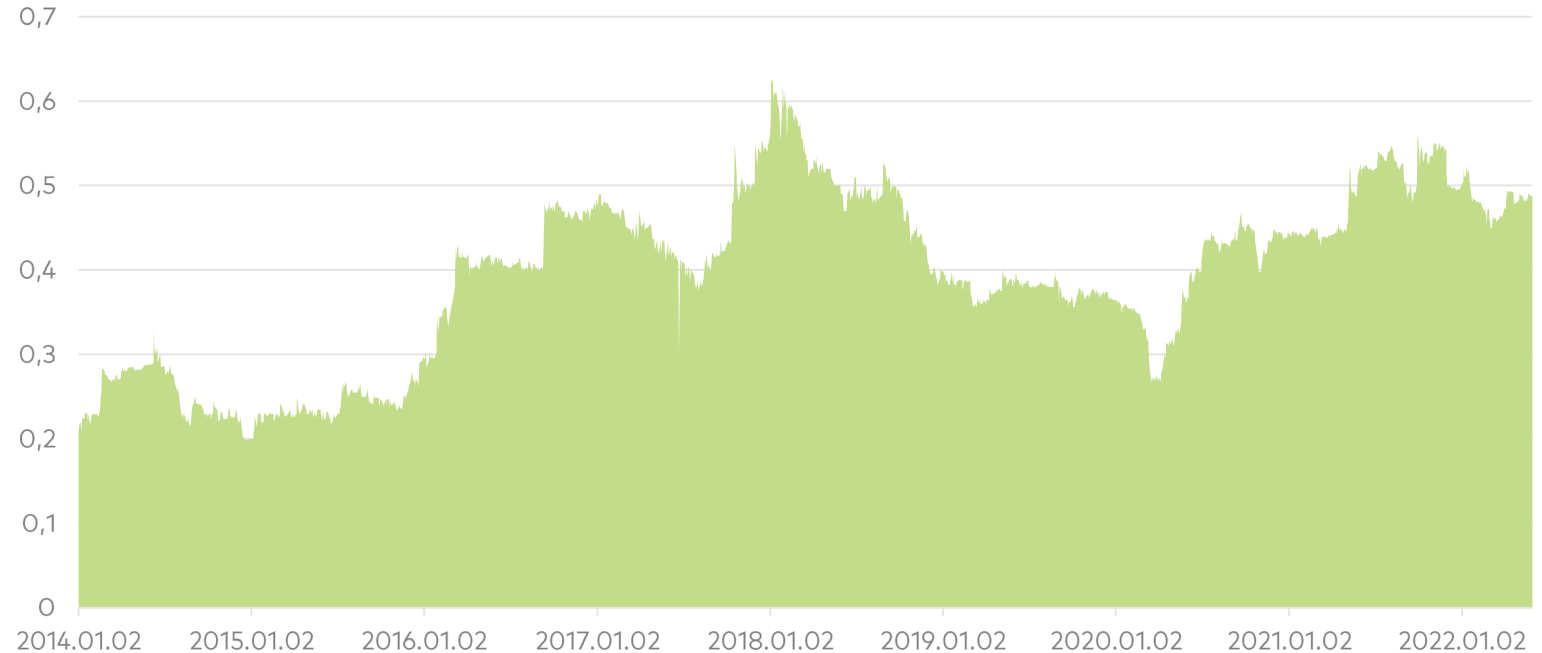
## Share price information



The share price decreased by 3% (from EUR 0.503 to EUR 0.488 per share) from the beginning of 2022 to 31 May 2022. OMX Baltic Benchmark GI decreased by 10% during the same period.

The average monthly turnover was EUR 0.19 million.

AUGA group, AB share price on Nasdaq Vilnius, EUR



Valuation target price, EUR



0.55\*



0.61-0.71



0.61

\* - Base case scenario



## More information:

- Nasdaq Vilnius, Baltic Main List: [AUG1L](#)
- Nasdaq Vilnius, green bonds: [AUGB060024A](#)
- Information for investors: <http://auga.lt/en/for-auga-investors>
- Analyst reports, data in MS Excel format: <https://auga.lt/en/investors/reports-and-presentations>
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