

24 August 2022

FirstFarms A/S' interim financial report 1 January – 30 June 2022

High prices and effective production secure a good half year result and upward adjustment

FirstFarms has in the first half year of 2022 realised higher turnover, EBITDA and EBIT as well as a better pre-tax result compared to same period last year. The expectations to the result of the year are adjusted upwards with 10 mDKK.

The Board of Directors and Management of FirstFarms A/S have today reviewed and adopted the unaudited interim financial accounts for the period 1 January – 30 June 2022.

FirstFarms has in the accounting period realised:

- A net turnover of 155 mDKK (2021: 143 mDKK)
- An EBITDA of 66 mDKK (2021: 57 mDKK)
- An EBIT of 45 mDKK (2021: 36 mDKK)
- A pre-tax result of 41 mDKK (2021: 25 mDKK)

FirstFarms adjusts the previously announced 2022-expectations upwards to an EBITDA of 90-130 mDKK and an EBIT of 45-85 mDKK.

CEO Anders H. Nørgaard says:

“It is a satisfactory result, which of course is based on high prices in a few of our operation branches, but also on the ongoing focus we have on increasing efficiency and productivity. To become better at what we do. Every day, we strive to live up to the great expectations and demands, that we ourselves and the surroundings have for a sustainable development and growth in a large, modern circular production.”

Operation branches

Increasing milk prices as well as increased productivity and thus a significantly increased turnover are of great importance for the result. The productivity has increased by 10 %, and the price on milk has increased by 30 % in one year. The price has now stabilised at a high level, that is expected to last the rest of the year.

Last year's record high prices on crops continued into 2022 but have stabilised in the recent months. The value adjustment on crops has decreased to 10 mDKK compared to 18 mDKK in first half year of 2021. This is due to the drought in Europe in general, but especially in Romania the drought has had a negative effect on the overall harvest yield. The high prices on crops partly compensate for a lower harvest yield.

The pig prices are still low compared to the production costs. The upward trend we saw in the pig prices in Q1 has slowed down, but the productivity and efficiency are still at a high level. Overall, the pigs give a zero result for the half year. There is a positive value adjustment on the pigs of 10 mDKK – this is 4 mDKK higher compared to first half year 2021.

"We do not have influence on the pig prices, but we have in terms of efficiency and productivity, and here we are skilled so it is possible not to lose money on the pigs in challenging times. We must get better still. In July, the acquisition of the company Try-Béta Kft. in Hungary was finally in place, and we took over silo plant and cultivated land. Among other things, the crops will be used in our large nearby pig productions and thus form part of our circular operation. This means even greater efficiency, lower costs and thereby a significant contribution to a satisfactory income from the pigs going forward, says Anders H. Nørgaard.

Best regards,
FirstFarms A/S

For further information:

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About FirstFarms:

FirstFarms is a Danish stock exchange listed company. We operate FirstFarms with responsibility for the surrounding communities, and we deliver highest quality which is primarily sold locally. We act on new opportunities, that create value for our investors and for the surroundings. Every day, we work on creating a more sustainable company.