

## Ekosem-Agrar AG publishes 2019 Annual Report

- **Preliminary figures from early May confirmed**
- **Strong increase in total output, sales revenues and EBITDA**
- **Group equity up by EUR 142 million to EUR 316.5 million**
- **Outlook on 2020: Production of 1 million tons of raw milk, expansion of the value chain and strengthening of the EkoNiva brand**

Walldorf, 22 May 2020 – Ekosem-Agrar AG, the German holding company of Russian milk producer EkoNiva Group, today published its Annual Report for the year 2019 and confirmed the preliminary Group figures published on 4 May. According to these figures, the Group again recorded a strong increase in total output, sales revenues and operating result in the fiscal year 2019.

Sales revenues climbed to EUR 402.7 million, up 64% on 2018. Total output (revenue plus changes in the balances of fall-ploughed land and of agricultural produce and biological assets as well as other operating income) adjusted for one-time lucky buy effects from acquisitions (2019: approx. EUR 21.6 million) also rose noticeably by approx. 50% to EUR 564.5 million (previous year: EUR 376.5 million). As in the previous years, revenues were primarily driven by raw milk production, which rose by 85% to EUR 255 million and accounted for 63% of total revenues, up from 56% in 2018. Revenues from the sale of grain and other agricultural products also grew by an impressive 58% to EUR 78 million. Major progress was also achieved in milk processing, the youngest business area of the Group, whose revenues rose by approx. 39% to EUR 38.3 million. By converting and expanding its own processing capacity and investments in the “EkoNiva” umbrella brand, the Group is pushing ahead with its strategic objective to expand its value chain in the milk production area and to become the leading vertically integrated supplier of dairy products in Russia.

Earnings before interest, taxes, depreciation and amortization (EBITDA) improved by 44% to EUR 167.0 million (previous year: EUR 116.1 million). EBIT increased from EUR 74.2 million to EUR 92.5 million. This is equivalent to an EBITDA margin of roughly 30% and an EBIT margin of 16%. The Group’s net income after taxes amounted to EUR 14.4 million, compared to EUR 18.7 million in the previous year. All earnings figures are adjusted for lucky buy effects from acquisitions.

Operating cash flow after interest paid and interest subsidies received from the public sector amounted to EUR 23.3 million (2018: net cash outflow of EUR 15.7 million).

The Group’s equity capital increased to EUR 316.5 million in the fiscal year, up by close to 82% on the previous year’s EUR 174.3 million. This is primarily attributable not only to the consolidated profit and currency effects, but also to the increase in revaluation and revenue reserves, resulting, among other things, from a complete revaluation of the Group’s land and buildings, which is required under IFRS every three years. Consequently, the equity ratio climbed to 14.4% (31 December 2018: 12.9%).

For the full year, the Management Board expects the dairy cow herd to grow to roughly 110,000 animals by the end of 2020. The raw milk output is expected to increase to approx. 1 million tons in the fiscal year 2020. Besides increasing its milk output, the Group places its main strategic focus on further expanding in-house milk processing and strengthening the “EkoNiva” umbrella brand, which has been successfully launched in the market. Based on

the above targets, the company projects revenues of between EUR 525 million and EUR 545 million and EBITDA of between EUR 180 million and EUR 200 million for the fiscal year 2020.

The Annual Report 2019 is published on the company website at <https://www.ekosem-agrar.de/en/investor-relations/financial-publications/>.

### **About Ekosem-Agrar**

Ekosem-Agrar AG, Walldorf, is the German holding company of the EkoNiva Group, one of the largest Russian agricultural companies. A herd of approx. 190,000 cattle in milk production (thereof about 103,475 dairy cows) and a daily output of approx. 2,500 tons of raw milk make the company the largest milk producer in the country. The Group controls an agricultural land area of more than 600,000 hectares and is also one of the leading Russian seed producers. The founder and CEO of the company is Stefan Dürr, who has been active in the Russian agricultural sector since the end of the 1980s and has been instrumental in modernizing the industry in the past three decades. In 2009, he was awarded the Order of Merit of the Federal Republic of Germany in recognition of his contributions to the German-Russian Dialogue on Agriculture. The Group employs roughly 14,000 people and has a presence in nine regions in Russia. Ekosem-Agrar generated a total output of EUR 565 million and adjusted EBITDA of EUR 167 million in 2019. Further information is available at: [www.ekosem-agrar.de](http://www.ekosem-agrar.de)

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