

**EWA**

**|| 2024**

**AB EAST WEST AGRO  
INTERIM RESULTS FOR  
6 MONTHS OF 2024**

# Overview

Weather conditions in the first half of 2024 were quite favorable, but in some regions of the country, farms suffered significant losses due to hail and heavy rains. These extreme natural phenomena had a negative impact on the yield and quality of grain crops - some crops were damaged or destroyed in some regions of Lithuania. However, the majority of farms were able to enjoy favorable natural conditions, so it is predicted that the total yield of grain crops will be 5-10% higher than last year, although the overall quality indicator will be worse.

On average, grain purchase prices were slightly lower than in the same period in 2023, but farms were most worried about high price volatility, which made it difficult to plan sales and income. In addition, the prices offered by grain buyers for farms were less favorable than in previous years, so many farmers had to sell grain under worse conditions. Such a situation not only reduced income, but also increased uncertainty in future plans, forcing farms to be extremely careful when planning expenses.





## Overview

High interest rates created an additional challenge for farms. High interest rates made it more difficult for farmers to carry out planned investments, and existing liabilities often became an additional burden. This led to cautious investment planning, often postponing modernization or development initiatives. Farmers who had loans felt financial pressure as their borrowing costs rose. This not only reduced profitability, but also introduced a sense of caution that inhibited the implementation of riskier and longer-term projects.

New equipment market, which slowed down significantly from the second half of 2023, continued stagnation until the 2024 harvest. According to the data of the first half of 2024, the market for tractors fell by 27 percent, and registrations of combine harvesters decreased by as much as 58 percent compared to the first half of 2023. This shows that many farmers avoided large investments due to high interest rate and unfavorable grain purchase prices.



# Overview

In the plot of 4.3 ha in Sausinés km., Kaunas district, near the Vilnius-Klaipėda highway, purchased by the company in 2022, the construction of a new company office, trade and service center has already started. The construction works started at the beginning of 2024 they are planned to be completed in the first half of 2025. The new center will be strategically important for the company's development, allowing for more effective customer service and business expansion.

The company's management maintains the unchanged budget for 2024, in which the estimated sales revenue should reach 37 million. EUR, the profit before tax should reach 2 million. EUR, EBITDA will reach 2.9 million. Eur.

AB East West Agro board plans to approve the dividend policy by the end of 2024, as well as to periodically buy back its own shares, using the purchased shares to implement employee options or canceling them later.







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# ▄ Agricultural machinery market

	2024 06	2023 06	Pokytis
<b>Number of new tractors registered</b>	270	370	-27%
<b>Number of MF tractors registered</b>	52	50	+4%
<b>Market share of registered MF tractors</b>	19,3%	13,5%	37%
<b>Number of new harvesters registered</b>	26	62	-58%
<b>Number of MF harvesters registered</b>	4	9	-56%
<b>Market share of registered MF harvesters</b>	15,4%	14,5%	+6%

	2022 06	2021 06	2020 06
	474	393	268
	78	65	41
	16,5%	16,5%	15,3%
	44	62	35
	9	15	9
	20,5%	24,2%	25,7%









## Key financial indicators

	2024.06.30	2023.06.30	Change
Sales revenue, MEUR	14,64	17,94	-18,4%
Gross margin, MEUR	3,15	3,34	-5,7%
Total costs, MEUR	2,41	2,38	+1%
Profit (loss) before taxes, MEUR	0,60	0,96	-37,5%
EBITDA, MEUR	1,05	1,26	-16,7%
Financial debt, MEUR	6,52	4,08	+59,8%
Number of employees	82	83	+1,2%



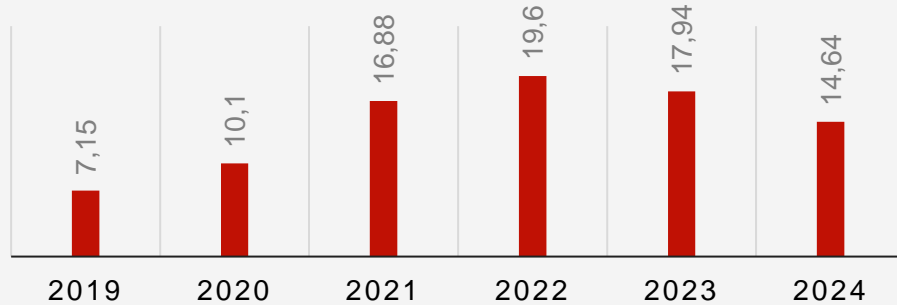




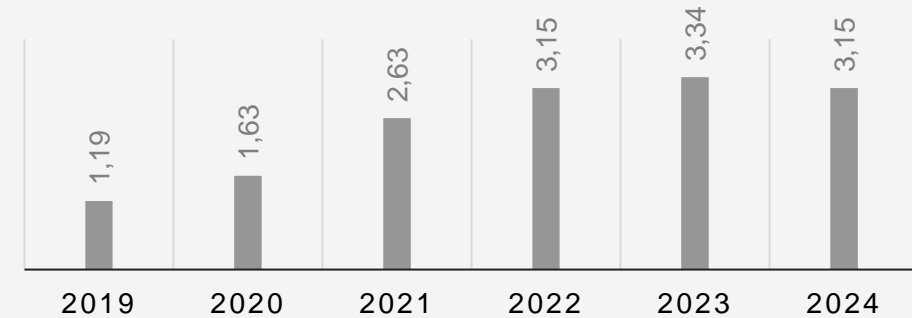


# Key financial indicators

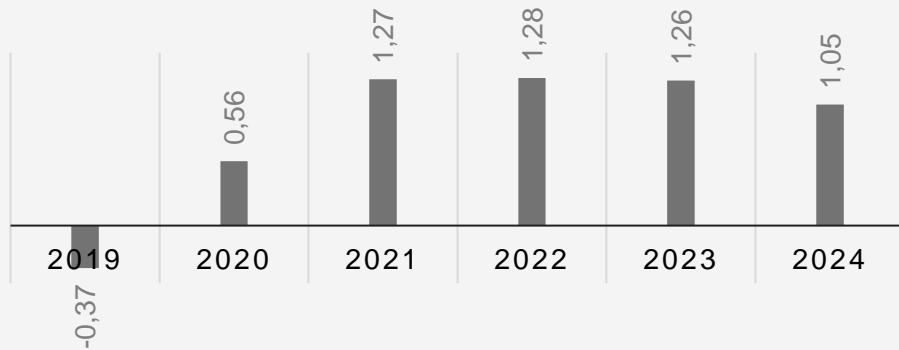
## Sales revenue, MEUR



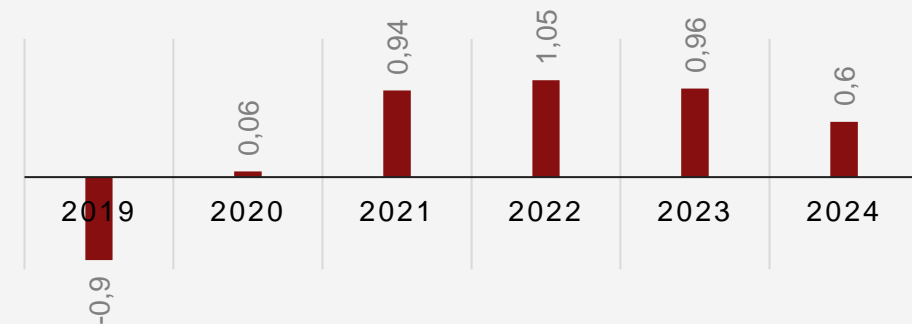
## EBITDA, MEUR



## Gross margin, MEUR



## Profit (loss) before taxes, MEUR









## Profit (loss) statement

EUR thousands	2024.06.30	2023.06.30	2022.06.30
Sales revenue	14 640	17 943	19 604
Cost of sales	(11 493)	(14 607)	16 458
<b>Gross profit</b>	3 148	3 336	3 147
Cost of sales	(117)	(64)	(35)
General and administrative costs	(2 415)	(2 376)	(2 104)
<b>Total costs</b>	(2 532)	(2 440)	(2 139)
<b>Results from operating activities</b>	616	896	1 008
<b>Results of other activities</b>	116	55	15
Financial income	91	(126)	68
Financial costs	(223)	(113)	(43)
<b>Results of financial activities</b>	(132)	13	25
<b>Profit (LOSS) BEFORE TAX</b>	600	964	1 048
Income tax		7	1
<b>Net profit (loss)</b>	600	957	1 047
<b>EBITDA</b>	1 051	1 255	1 280





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# Balance sheet

<b>ASSETS (EUR thousands)</b>	<b>2024.06.30</b>	<b>2023.06.30</b>	<b>2022.06.30</b>
Intangible assets	9		
Tangible assets	6 193	3 293	3 623
Financial assets	104	104	104
Other non-current assets	86	83	75
<b>NON-CURRENT ASSETS</b>	<b>6 392</b>	<b>3 480</b>	<b>3802</b>
Inventories	13 146	16 294	11 018
Paid advance payments	115	112	268
Trade receivables	8033	6 987	11 760
Other amounts receivable	827	980	1 158
Cash and cash equivalents	6	10	6
<b>CURRENT ASSETS</b>	<b>22 127</b>	<b>24 383</b>	<b>24 210</b>
<b>COSTS OF FUTURE PERIODS AND ACCUMULATED INCOME</b>	<b>577</b>	<b>310</b>	<b>268</b>
<b>TOTAL ASSETS</b>	<b>29 096</b>	<b>28 172</b>	<b>28 280</b>
<b>EQUITY AND LIABILITIES (EUR thousands)</b>			
Authorised (subscribed) or main capital	1 000	1 000	1 000
Share premium	2875	2 875	2 875
Reserves	659	520	299
Retained profit (loss)	5 494	5 110	3 835
<b>EQUITY</b>	<b>10 028</b>	<b>9 505</b>	<b>8 009</b>
Debt liabilities	296	421	316
Payables to credit institutions	6 152	2 560	2 113
Other payables and long-term liabilities	26	72	117
<b>NON-CURRENT LIABILITIES</b>	<b>6 474</b>	<b>3 052</b>	<b>2 546</b>
Debt liabilities	74	102	49
Received advance payments	32	244	438
Trade payables	10 722	10 622	11 331
Amounts payable on basis of bills of exchange and cheques			
Liabilities related to employment	254	237	233
Other amounts payable and current liabilities	1 057	2 401	3 070
<b>CURRENT LIABILITIES</b>	<b>12 139</b>	<b>13 607</b>	<b>15 121</b>
<b>TOTAL LIABILITIES</b>	<b>18 613</b>	<b>16 659</b>	<b>17 667</b>
<b>ACCUMULATED COSTS AND INCOME OF FUTURE PERIODS</b>	<b>455</b>	<b>2 008</b>	<b>2 604</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29 096</b>	<b>28 172</b>	<b>28 280</b>







## ▄▄ About company

Established in 2006, AB East West Agro (EWA) is one of the leading suppliers of agricultural machinery in Lithuania. The main areas of the company's activities include trade in new and used agricultural machinery and spare parts, servicing and maintenance of agricultural machinery, as well as machinery rental services. Since 2015, EWA has been the official importer and representative of Massey Ferguson, one of the world's largest manufacturers of agricultural machinery, in Lithuania. The company also represents other well-known agricultural machinery manufacturers such as Dalbo, Sky Agriculture, Schuitemaker and Euromilk.

Since 2017, EWA shares have been traded on the Nasdaq Vilnius First North list.

EWA is guided by the values of courage, freedom, friendship and authenticity. The company's goal is to be leaders in the field of agricultural machinery, offering high-quality products and services and maintaining close relationships with customers. EWA actively participates in the activities of local communities, contributes to social initiatives and support projects, promoting positive changes and community development.

## ▄▄ Main shareholders

	Percentage of shares
<b>Danas Šidlauskas</b>	40,0%
<b>Gediminas Kvietkauskas</b>	39,69%
<b>Multi Asset Selection Fund</b>	9,39%
<b>Other shareholders</b>	10,92%

\*Company owns 15 668 vnt. of it's own shares.





