



Aragvi (Trans-Oil): strong financial results for 2021 FY

Aragvi Group (B/B), the largest agricultural holding in Eastern Europe, has published its financial results for the 2021 fiscal year, ended 30.06.2021. The financial statement has not yet consolidated the results of Victoria Oil, Serbia's leading sunflower oil producer, which was acquired at the end of 2020.

Aragvi still enjoys a high growth rate, with revenues increasing by almost 67% (year-on-year) to \$1.35 bln (\$1.5 bln including Victoria Oil results). The growth in turnover was driven both by higher sales volumes (3.6 mt) and favourable commodity market conditions. Almost 98% of revenues accounted for hard currencies.

EBITDA, in turn, increased to \$137 mln (+43% y-o-y). The bulk of operating profit (78%) traditionally came from the Origination and Marketing segment. Geographically, 63% of EBITDA is generated outside Moldova. Last year net profit amounted to \$14 mln, decreasing due to a fee paid for Eurobonds buyback.

Total debt of the group increased markedly, to \$678 mln. The sharp increase in borrowings is primarily driven by inclusion of Victoria Oil liabilities. The schedule of debt repayment looks very acceptable - approximately 20% of the portfolio is due for repayment within the next year.

Aragvi's liquidity profile has significantly improved thanks to the issuance of new dollar-denominated notes (\$500 mln) due in 2026 and early redemption of the previously outstanding Aragvi 24 issue. The debt has slightly increased, since the group's financial flows do not yet reflect Victoria Oil's results. Nevertheless, net leverage still looks very acceptable for a 'single-B'-rated company. The ratio of adjusted net debt (on liquid inventories or RMIs) to EBITDA for 2021 FY was 2.3x.

Free cash flow (FCF) remains in the negative zone (-\$41 mln) due to high working capital financing needs.

UNIFIN IFRS SELECTED FINANCIALS

€, mln	2021	2020	2019	2018
Revenue	1357	814	552	458
YoY, %	66.7%	47.5%	20.5%	30.9%
EBITDA	137	96	80	60
YoY, % EBITDA	42.7%	20.0%	33.3%	27.0%
EBITDA margin	10.1%	11.8%	14.5%	13.1%
Net profit	14	39	34	26
OFC	-28	-14	-56	10
CAPEX	13	14	5	7
FCF	-41	-28	-61	3
Assets	1 156	860	719	525
Equity	382	332	284	243
Total debt	678	467	394	248
Share of short debt	20.2%	27.4%	17.3%	73.8%
Net Debt	611	407	319	222
RMIs	394	203	146	84
Net debt (adj.)	316	255	210	159
Net debt/EBITDA	4.5	4.2	4.0	3.7
Net debt (adj.)/EBITDA	2.3	2.7	2.6	2.7
EBITDA/interest	1.3	2.3	3.0	2.4
Total debt/equity	1.8	1.4	1.4	1.0

Source: Company data

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