

Agrofert

Agriculture, Chemicals, Food Processing & Other

11 Dec 2013



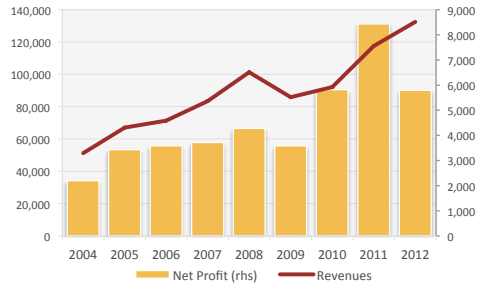
Czech Republic

COMPANY DESCRIPTION

Agrofert, a.s. is a Czech Republic's agricultural, food processing and chemical holding company. The company controls over 230 firms in the Czech Republic and Slovakia and was the fourth largest company in the Czech Republic by sales in 2012. The company was created in 1993 and is owned by its CEO Andrej Babis. The largest chemical companies controlled by Agrofert are for example Deza, Duslo, Lovochemie, Precheza or Synthetie while Kostelecke uzeniny, Prochazka, Vodnanska drubez or Mlekarna Hlinsko belong among Agrofert's largest food-processing subsidiaries. In 2013, Agrofert got exposed to the media business when acquiring media concern Mafra (issuing daily newspapers Lidove noviny and Dnes, for instance). Last, but not least, Andrej Babis's political party Ano has ranked second in the Czech 2013 parliamentary elections, so he has gained a significant political influence.

Main Shareholders: Andrej Babis (100.0%)

REVENUES & PROFIT, CZK mil



INCOME STATEMENT

CZK mil	2008	2009	2010	2011	2012
Sales	101,365	85,898	92,140	117,606	132,500
Cost of Goods & Services	80,846	71,577	73,726	91,900	107,360
Gross Profit	20,519	14,321	18,414	25,706	25,140
Staff Cost	9,231	9,937	9,890	11,122	12,731
Other Cost	252	-5,843	-2,760	-719	-235
EBITDA	11,036	10,227	11,284	15,303	12,644
Depreciation	3,776	4,656	4,187	4,268	4,541
EBIT	7,260	5,571	7,097	11,035	8,103
Financing Cost	1,261	1,040	668	555	558
Extraordinary Cost	-11	-104	-62	-1	0
Pre-Tax Profit	6,010	4,635	6,491	10,481	7,545
Tax	1,721	999	643	2,001	1,703
Minorities	11	52	31	45	49
Net Profit	4,278	3,584	5,817	8,435	5,793
Dividends	5	5	7	37	

BALANCE SHEET

CZK mil	2008	2009	2010	2011	2012
Non-Current Assets	32,221	35,446	37,770	43,808	45,838
Property, Plant & Equipment	35,425	37,295	37,330	41,707	43,412
Current Assets	36,395	33,262	35,309	48,484	50,103
Inventories	17,737	14,910	15,920	22,838	26,123
Receivables	92	76	89	101	136
Cash & Cash Equivalents	4,323	4,141	4,376	4,222	4,760
Total Assets	68,616	68,708	73,079	92,292	95,941
Shareholders' Equity	28,518	32,253	37,879	46,691	52,381
Liabilities	40,337	36,657	35,461	42,851	43,781
Non-Current Liabilities	1,360	1,270	1,138	1,619	1,699
Long-Term Debt	6,376	4,862	3,151	2,641	1,702
Current Liabilities	12,173	11,121	11,606	14,895	15,781
Short-Term Debt	15,750	16,934	16,097	20,355	21,457
Trade Payables	36	27	12	27	30

Sale Growth	-15.3%	7.3%	27.6%	12.7%
EBIT Growth	-23.3%	27.4%	55.5%	-26.6%
Net Profit Growth	-16.2%	62.3%	45.0%	-31.3%

Asset Growth	0.1%	6.4%	22.1%	7.4%
Net Debt Growth	-0.8%	-15.8%	26.2%	-2.0%
Equity Growth	13.1%	17.4%	23.3%	12.2%

CASH FLOW

CZK mil	2008	2009	2010	2011	2012
Net Profit	4,278	3,584	5,817	8,435	5,793
Depreciation	3,776	4,656	4,187	4,268	4,541
Non-Cash Items	2,270	-841	-1,368	-1,113	231
Change in Working Capital	-3,601	2,834	-1,038	-6,915	-3,317
Total Cash From Operations	6,723	10,233	7,598	4,675	7,248
Capital Expenditures	-8,891	-4,405	-3,939	-4,829	-6,448
Other	1,615	-2,842	-1,906	-2,100	51
Total Cash From Investing	-7,276	-7,247	-5,845	-6,929	-6,397
Dividends Paid	-12	-5	-5	-7	-37
Issuance Of Shares	0	0	0	0	0
Issuance Of Debt	4,294	-330	-2,548	3,748	163
Total Cash From Financing	2,401	-3,168	-1,519	2,100	-313
NET CHANGE IN CASH	1,848	-182	234	-154	538

RATIOS & OTHER

	2008	2009	2010	2011	2012
Gross Margin	20.2%	16.7%	20.0%	21.9%	19.0%
EBITDA Margin	10.9%	11.9%	12.2%	13.0%	9.5%
EBIT Margin	7.2%	6.5%	7.7%	9.4%	6.1%
Net Margin	4.2%	4.2%	6.3%	7.2%	4.4%
ROE	18.7%	12.0%	16.8%	20.1%	11.8%
ROCE	9.1%	7.1%	11.2%	14.0%	8.3%
Net Debt/Equity	62%	55%	39%	40%	35%
Net Debt/EBITDA	1.6	1.7	1.3	1.2	1.5
Cost of Financing	6.3%	4.7%	3.3%	2.6%	2.4%
Payout Ratio	0.1%	0.1%	0.1%	0.4%	
Cash Conversion Cycle	80	76	79	91	89
FX TO USD (Average)	17.0	19.1	19.1	17.7	19.6
FX TO USD (Year-End)	19.2	18.4	18.7	19.7	19.0

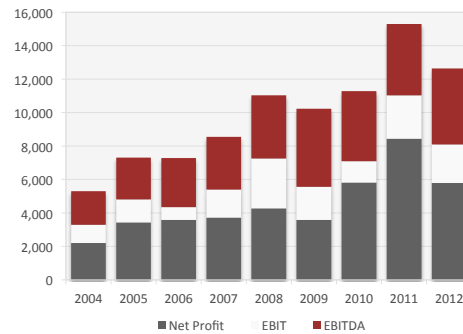
Source: Company data, Helgi Analytics calculation



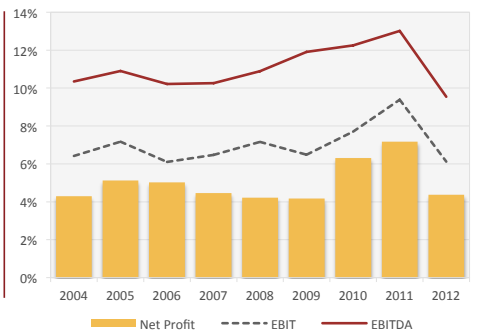
www.HelgiAnalytics.com

Financials

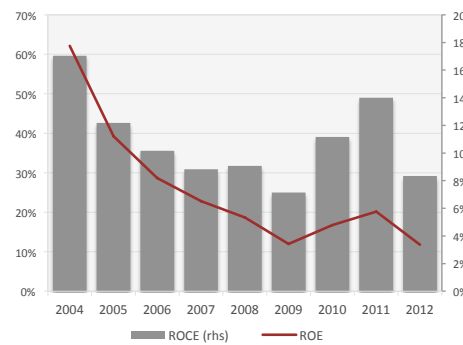
FROM EBITDA TO NET PROFIT CZK mil



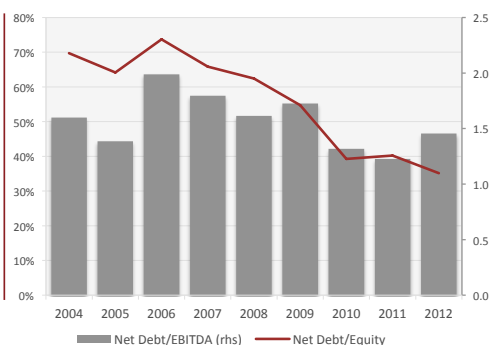
PROFIT MARGIN



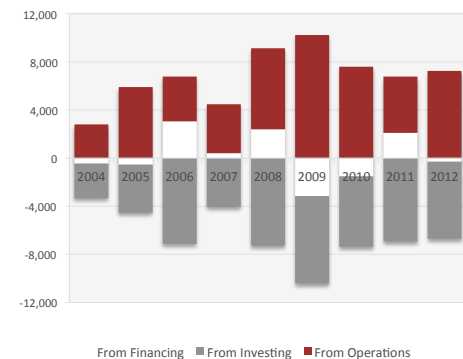
ROE & ROCE



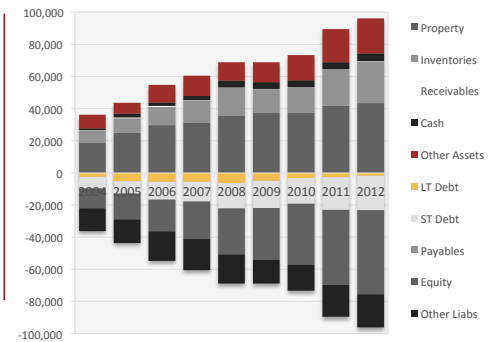
INDEBTEDNESS



CASH FLOW SUMMARY CZK mil



BALANCE SHEET STRUCTURE, CZK mil



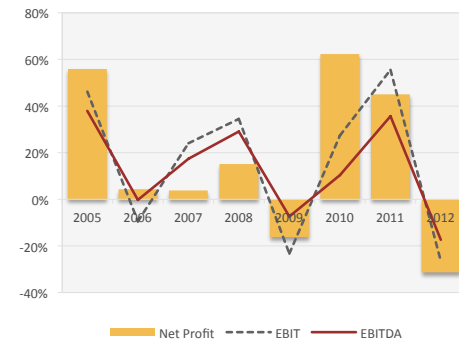
Source: Company data, Helgi Analytics calculation



www.HelgiAnalytics.com

Momentum

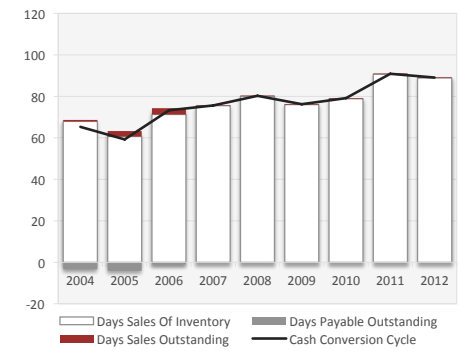
PROFIT GROWTH



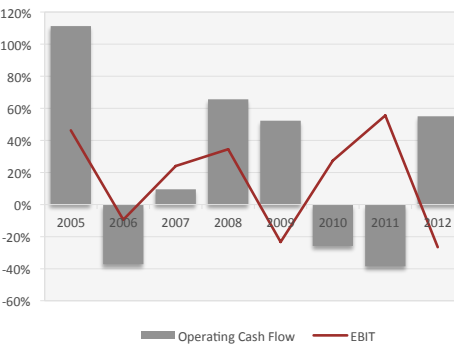
SALES GROWTH



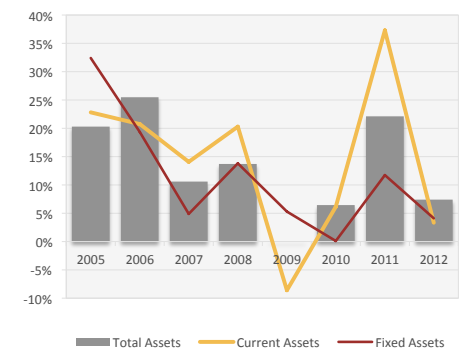
CASH CONVERSION CYCLE (days)



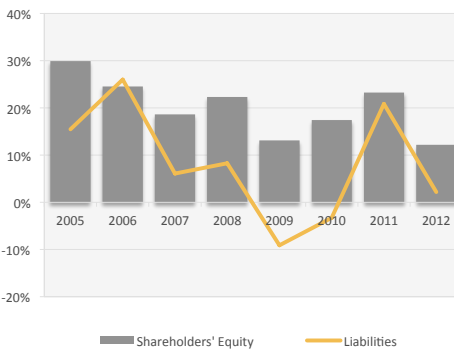
OPERATING CASH FLOW



ASSET GROWTH



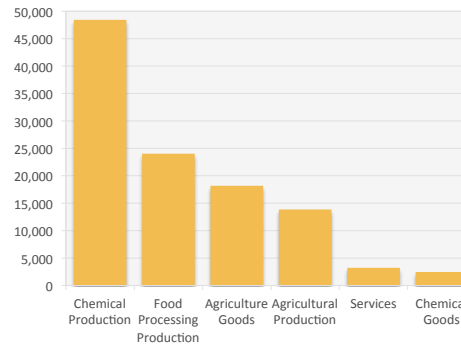
LIABILITY GROWTH



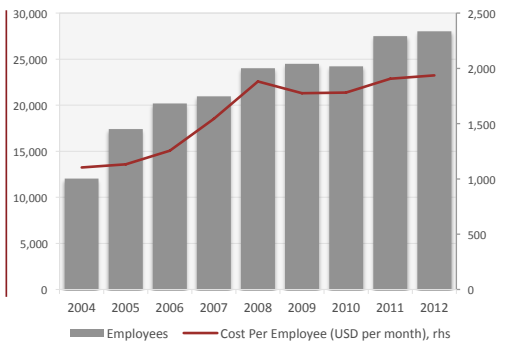
Source: Company data, Helgi Analytics calculation

Business Specifics

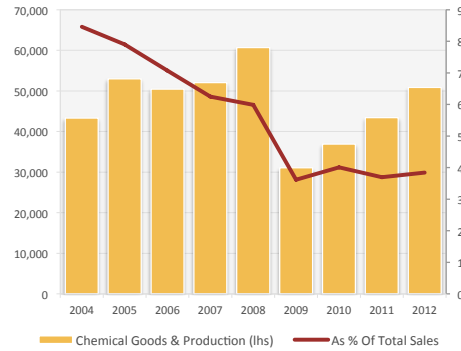
SALES BREAKDOWN (CZK mil), 2012



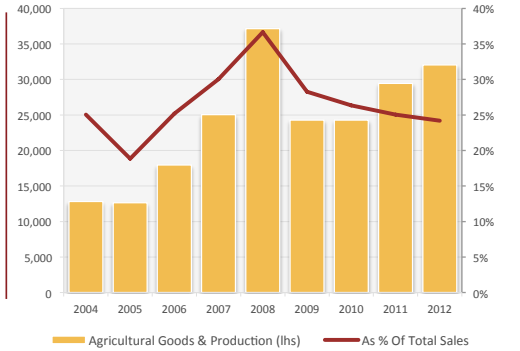
WORKFORCE AND PERSONAL COST



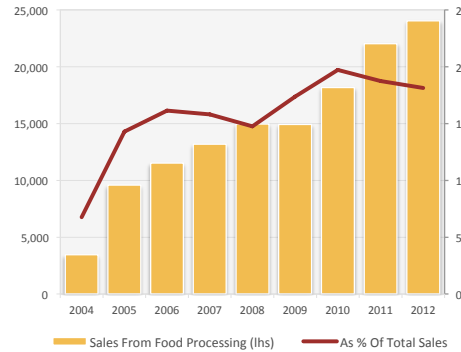
SALES FROM CHEMICALS (CZK mil)



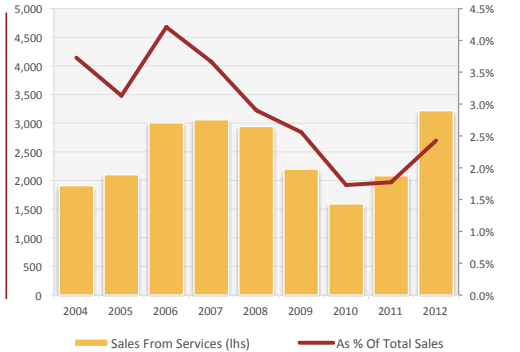
SALES FROM AGRICULTURE (CZK mil)



SALES FROM FOOD PROCESSING (CZK mil)



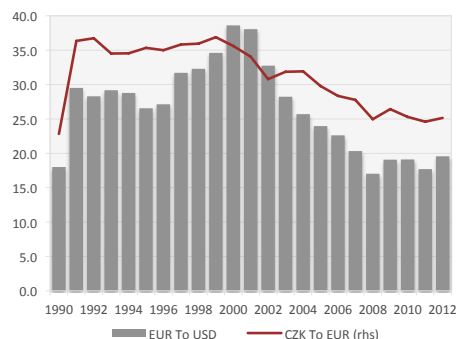
SALES FROM SERVICES (CZK mil)



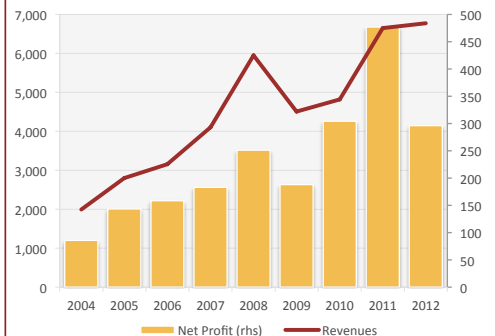
Source: Company data, Helgi Analytics calculation

Financials (USD)

FX TO USD



REVENUES & PROFIT (USD mil)



INCOME STATEMENT

USD mil	2008	2009	2010	2011	2012
Sales	5,950	4,507	4,821	6,650	6,774
Cost of Goods & Services	4,746	3,756	3,858	5,196	5,489
Gross Profit	1,205	751	964	1,453	1,285
Staff Cost	542	521	518	629	651
Other Cost	15	-307	-144	-41	-12
EBITDA	648	537	590	865	646
Depreciation	222	244	219	241	232
EBIT	426	292	371	624	414
Financing Cost	74	55	35	31	29
Extraordinary Cost	-1	-5	-3	0	0
Pre-Tax Profit	353	243	340	593	386
Tax	101	52	34	113	87
Minorities	1	3	2	3	3
Net Profit	251	188	304	477	296

BALANCE SHEET

USD mil	2008	2009	2010	2011	2012
Non-Current Assets	1,678	1,929	2,016	2,229	2,411
Property, Plant & Equipment	1,845	2,029	1,992	2,122	2,284
Current Assets	1,895	1,810	1,884	2,467	2,636
Inventories	924	811	850	1,162	1,374
Receivables	5	4	5	5	7
Cash & Cash Equivalents	225	225	234	215	250
Total Assets	3,586	3,749	3,914	4,556	5,059
Shareholders' Equity	1,485	1,755	2,021	2,376	2,756
Liabilities	2,101	1,995	1,892	2,180	2,303
Non-Current Liabilities	71	69	61	82	89
Long-Term Debt	332	265	168	134	90
Current Liabilities	634	605	619	758	830
Short-Term Debt	820	921	859	1,036	1,129
Trade Payables	2	1	1	1	2

Sale Growth	-24.3%	7.0%	37.9%	1.9%
EBIT Growth	-31.4%	27.0%	68.0%	-33.6%
Net Profit Growth	-25.1%	61.8%	56.7%	-37.9%

Asset Growth	4.6%	4.4%	16.4%	11.0%
Net Debt Growth	3.6%	-17.4%	20.4%	1.3%
Equity Growth	18.2%	15.2%	17.5%	16.0%

CASH FLOW

	2008	2009	2010	2011	2012
Net Profit	251	188	304	477	296
Depreciation	222	244	219	241	232
Non-Cash Items	133	-44	-72	-63	12
Change in Working Capital	-211	149	-54	-391	-170
Total Cash From Operations	395	537	398	264	371
Capital Expenditures	-522	-231	-206	-273	-330
Other	95	-149	-100	-119	3
Total Cash From Investing	-427	-380	-306	-392	-327
Dividends Paid	-1	0	0	0	-2
Issuance Of Shares	0	0	0	0	0
Issuance Of Debt	252	-17	-133	212	8
Total Cash From Financing	141	-166	-79	119	-16
NET CHANGE IN CASH	108	-10	12	-9	28

RATIOS & OTHER

	2008	2009	2010	2011	2012
Gross Margin	20.2%	16.7%	20.0%	21.9%	19.0%
EBITDA Margin	10.9%	11.9%	12.2%	13.0%	9.5%
EBIT Margin	7.2%	6.5%	7.7%	9.4%	6.1%
Net Margin	4.2%	4.2%	6.3%	7.2%	4.4%
ROE	18.7%	12.0%	16.8%	20.1%	11.8%
ROCE	9.1%	7.1%	11.2%	14.0%	8.3%
Net Debt/Equity	62%	55%	39%	40%	35%
Net Debt/EBITDA	1.6	1.7	1.3	1.2	1.5
Cost of Financing	6.3%	4.7%	3.3%	2.6%	2.4%
Cash Conversion Cycle	80	76	79	91	89
FX TO USD (Average)	17.0	19.1	19.1	17.7	19.6
FX TO USD (Year-End)	19.2	18.4	18.7	19.7	19.0

Source: Company data, Helgi Analytics calculation



www.HelgiAnalytics.com

ABOUT HELGI ANALYTICS

Helgi Analytics is a consulting company based in the Czech Republic. The company mainly provides consultancy in the area of financial services and real estate and focuses primarily on the region of Central and Eastern Europe.

Helgi Analytics also runs a web application called Helgi Library, which is a database/library offering data and analyses on more than 95% of the world's economy and population. The Library aims to bring interesting statistical data and analyses to a wide audience under affordable conditions. If you wish to get more details, please visit www.helgilibrary.com or contact us at info@helgianalytics.com.

Helgi Analytics

Eliasova 38, Prague 6
160 00, Czech Republic
www.helgianalytics.com