

KTG Agrar SE: Phase of investment concluded in 2013 - Earnings phase begins

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Dividend to be increased by 10 percent to EUR 0.22 per share

- Group sales revenues of EUR 164.9 million; EBIT of EUR 23.9 million
- Food segment boosts revenues by 223 percent
- Objective for 2014: Optimisation of investments
- Forecast for 2014: Group revenues in excess of EUR 230 million and strong EBIT growth

Hamburg, 16 May 2014. "The year 2013 saw us focus on strategic investments, especially in the Food segment. The investment phase of the past years was a great opportunity but also a challenge for our company. We have now concluded this phase successfully. By extending the value chain, we have greatly reduced KTG's exposure to the volatile prices of agricultural commodities," says Siegfried Hofreiter, CEO of KTG Agrar SE (ISIN: DE000A0DN1J4). Since 2011, KTG Agrar has made massive investments in human resources, farmland, production facilities and brands. In the past three years alone, KTG Agrar has increased its headcount by 519, its farmland by 10,000 hectares and the biogas production capacity by 27 megawatts. In addition, the company built up a Food segment, which today generates revenues in excess of EUR 50 million - and rising strongly. "Starting 2014, we will begin to fully exploit the potential of our investments in farmland, biogas plants and food production, optimise our costs and processes, boost our profits, increase our equity ratio and reduce our debt capital."

The year 2013 already provides a first impression of the momentum expected in the coming years. As the investments were debt financed, the net result was still slightly negative, at EUR -0.7 million, while the distributable profit amounted to EUR 13.1 million. The start-up of the Food segment and the expansion of the farmland in Germany and Eastern Europe tied up further current assets totalling EUR 70 million in 2013, thereof approx. EUR 50 million in the Food segment and approx. EUR 20 million in the Farming segments. This is reflected in the still negative cash flow as of the reporting date on 31 December 2013. The conclusion of the investment phase will lead to an opposite effect in the coming years. By the end of April 2014, KTG Agrar has already reduced its trade receivables by as much as EUR 50 million and generated clearly positive cash flow. Sales revenues and EBIT generated in 2013 also point the way. Group sales revenues climbed 49.6 percent from EUR 110.2 million to EUR 164.9 million. All three core segments contributed to this increase: Farming +7.5 percent to EUR 48.5 million, Energy +57 percent to EUR 50.1 million (due to a change in the fiscal year of KTG Energie, only ten months were counted in 2013) and Food +223 percent to EUR 55.8 million. Total output increased by 22.1 percent to EUR 205.3 million.

Earnings before interest and taxes (EBIT) amounted to EUR 23.9 million in 2013, compared to only EUR 13.4 million in 2012 (adjusted for the extraordinary income of EUR 16.1 million resulting from the IPO of KTG Energie). Based on the distributable profit of EUR 13.1 million, a dividend of EUR 0.22 per share will be proposed to the shareholders at the upcoming Annual General Meeting. This represents an increase of 10 percent on the previous year.

MEGATREND REGIONALITY EMBRACED AT AN EARLY STAGE

KTG Agrar rests on two strong pillars, i.e. the cultivation of organic and conventional agricultural products and local energy production from biomass. This has given the agricultural company the unique opportunity to

build up an unparalleled value chain: regional food production from the field to the plate from a single source. KTG Agrar has invested at the right time and now benefits from the trend towards regionality; as many as 92 percent of Germany's consumers prefer to buy regional food. This is the remarkable result of the representative "Ökobarometer" study conducted on behalf of the Federal Agriculture Ministry, according to which "regionality" is an increasingly important criterion when buying food. Not surprisingly, therefore, farmers are trusted most (54 percent) when it comes to the quality of food, according to a study conducted by the "Institut für Demoskopie Allensbach". By comparison, food retailers achieve a score of 21 percent.

Today, KTG Agrar can offer a complete range of local products - from fresh potatoes to tasty convenience meals and muesli to GM-free soy oil - all made from a single source and covered by a unique quality guarantee. For this purpose, KTG has made selective acquisitions such as Ölmühle Anklam and also given Frenzel Tiefkühlkost, a Ringleben-based company rich in tradition, a new lease of life. In 2013, the company again made significant investments in order to achieve a critical size for the production of food. Thanks to the takeover of biozentrale Naturprodukte, the Group now also has organic products in the stores. Moreover, the company's state-of-the-art fresh produce facility in Linthe was completed in autumn 2013, just in time for the 2014 season. Located just outside of Berlin, the new facility packages up to 400 tons of vegetables per day for delivery to central markets, processors - such as KTG subsidiary Frenzel Tiefkühlkost - and food retailers in the region. Above and beyond the established brands of Frenzel and biozentrale, KTG has developed an exciting new brand called "Die Landwirte". Launched in autumn 2013, the new brand has been met with great interest in the market. At the end of the first quarter of 2014, the first products were already available in several thousand branches of two leading German food retailers.

By investing in the Food segment, KTG Agrar has begun to build up hidden reserves such as they already exist in the Farming and Energy segments. At the end of 2013, the company cultivated 42,600 hectares in east Germany and Lithuania, of which 10,300 are owned by the company and recognised at cost in the balance sheet. Farmland is a limited resource. It cannot be increased and its value will continue to rise, driven by unstoppable population growth and the growing need for energy in the future. Our biogas subsidiary, KTG Energie, is equally valuable. Starting 2007, KTG has built up one of the largest German producers of clean energy which can cover baseload and peak load requirements. These hidden reserves in the form of farmland and biogas alone exceed KTG Agrar's current market capitalisation by far.

2014: CLEAR REVENUE AND EARNINGS GROWTH WITHOUT MATERIAL INVESTMENTS

KTG Agrar has formulated a clear objective for 2014: strengthen the equity base and reduce interest expenses through the repayment of debt capital and earnings growth.

KTG Agrar had a dynamic start to the year 2014. The business trend from January to April 2014 makes the company very optimistic. Sales revenues in this traditionally quiet season already amounted to over EUR 60 million, compared to EUR 38 million in the same period of the previous year. This is equivalent to an increase of 60 percent.

Siegfried Hofreiter: "The seeds have been sown and we are now reaping the fruits. 2014 will see us consolidate and focus on optimising the investments made. At the same time, we will continue to grow dynamically without making material investments." Group revenues will pass the EUR 200 million mark and exceed it by far. The Food segment will grow to EUR 100 million and achieve a critical size. In the Energy segment, further revenue and earnings growth is very well plannable thanks to the biogas plants erected in 2013. In addition, the production capacity will be increased to 50 megawatts by the end of July. KTG Agrar is firmly targeting the EUR 250 million mark for the year 2015.

About KTG Agrar SE

With cultivable land of more than 40,000 hectares, KTG Agrar SE (ISIN: DE000A0DN1J4) is one of the leading producers of agricultural commodities in Europe. As an integrated supplier, the company produces agricultural commodities and renewable energy and food. The Hamburg-based company's core area of expertise is the organic and traditional cultivation of market products such as cereals, maize and rapeseed. For organic market products KTG Agrar is the European market leader. The company mainly produces in Germany but has also operated production in the EU member state of Lithuania since 2005. As a result of the takeover of Frenzel Tiefkühlkost and Biozentrale Naturprodukte, KTG has expanded the value chain by the production of food. In the year 2013, KTG achieved a total output of EUR 205.3 million and EBIT of EUR 23.9 million. Since November 2007 the company is listed on the Frankfurt Stock Exchange and had 591

employees at year end 2012. Further information can be found at www.ktg-agrar.de.

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