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AB Akola Group plans to acquire Latviaâ??s SIA Elagro Trade

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SIA Linas Agro, an indirectly controlled company of AB Akola Group, has agreed to acquire a company in Latvia - it is buying 100 per cent of SIA Elagro Trade for a preliminary amount of EUR 22 million. The final transaction price will depend on the net working capital of the target company at the closing date. The shares are to be purchased from Agrolats Holding AS and three natural persons. The transaction, which is subject to the approval of the Latvian Competition Council, should be completed in 2024 or early 2025.

SIA Elagro Trade is one of Latvia's leading grain, seed, crop protection, and fertiliser businesses, operating since 2010 and with around 15 per cent of the total Latvian grain market. In 2023, SIA Elagro Trade exported EUR 103 million worth of products. The company has 73 employees.

"The target company is a competitor of our company in Latvia, SIA Linas Agro, a strong grain trader and supplier of goods to farmers. This acquisition will bring efficiency in services to Latvian farmers and help us compete more vigorously in grain exports. At the same time, our existing infrastructure in Latvia will be supplemented, with increased grain and liquid fertiliser storage capacity, and additional area of warehouses for seeds, fertilisers and plant protection products. We expect to improve the Group's operational and financial performance: in 2023, SIA Elagro Trade's revenue was EUR 154 million, and its EBITDA (earnings before interest, taxes, depreciation, and amortisation) was EUR 2.1 million. We plan to borrow funds for the acquisition of the Latvian company," says MaÅ¾vydas Å ileika, CFO of AB Akola Group.