

ADVANCE TERRAFUND REIT

Stable performance in unstable environment

NAV: BGN 2.89

Share Information

Price (BGN)	3.00
52-week price change	2.39%
52-week price range	2.75-3.59
Market Cap (BGN)	255 330 273
Market Cap (EUR)	130 548 296
Shares outstanding	85 110 091
Free Float	61.40%
P/E (ttm)	5.29
P/S (ttm)	2.89
P/BV	1.04

Source: SIS Calculations and Market Data
BGN is pegged to EUR at 1.95583 BGN



Bse-sofia.bg
* in BGN

Atanas Videv

Equity Analyst

Tel.: +359 88 834 3583

e-mail: videv@sis.bg

Svetozar Abrashev

Senior Managing Partner

Tel.: +359 2 937 9869

e-mail: abrashev@sis.bg

Sofia International Securities

Sofia 1000,

140 G. S. Rakovski Str.

Tel.: + 359 2 937 98 65

e-mail: info@sis.bg

Q3 2022 Results

- At the end of the first nine months of 2022, the largest company with a special investment purpose in Bulgaria, Advance Terrafund REIT, owns 18 630 ha of farmland and 6.08 ha land in urbanized territories.
 - The Company has rented 15 685 ha for the business year 2022-2023, which represents 85.9% of the lands which could be leased.
 - The expected rental revenues for the agricultural 2022-2023 are EUR 4 617 935 and grows by 49,5% compared to the previous period. This is due to both – the higher percentage of leased land and the higher negotiated rent per ha (294,4 EUR/ha – 2022 compared to 213 EUR/ha – 2021).
 - For the first nine months the Company bought 686,2 ha of agricultural land at an average price of 76,4 EUR/ha. The purchase price was 21% higher than the average for the previous period (63,1 EUR/ha).
 - During the period, 32,4 ha was sold. This is a 99.1% from the same period of previous year. This is the reason for the collapse in revenue for the nine months.
 - The company continues to perform its investment activity by selling own land and simultaneously to invest in agricultural land. The limited supply is the cause of the trend over the last couple of years for increased interest from farmers and other investors for the purchase of agricultural land, which results in significant increase in the price per ha.
 - The company's activity is not dependent on the situation in Ukraine although the agricultural sector is directly dependent on gas prices and the fertilizers rising costs. The company does not cultivate land, it rents it to different agricultural produces.
 - The current ratio as of Q3 2022 is decreasing but still showing good liquidity proportion and ability of the company to cover its current liabilities.
 - The profitability ratios at the end of the first nine months of 2022 grow as the company completes sales of investment properties.
 - The company continues working with zero long-term debt and low net-debt-to-EBITDA ratio. The net profit margin increases to 39.7% in Q3 2022 compared to 23.3% for the same period of 2021.

QUARTERLY RESULTS

Financial Metrics	Q3 2022	Q3 2021	% Change	TTM
Total Revenue	5 650	63 164	-91,1%	107 558
Income from leasing and renting of IP	4 569	5 137	-11,1%	55 167
	883	57 805	-98,5%	52 391
Operating expenses	3 508	48 436	-92,8%	55 167
Carrying amount of property s	630	39 767	-98,4%	44 213
EBIT	2 142	14 728	14,5%	52 391
Operating Margin	37,9%	23,3%	14,6%	48,7%
EBITDA	2 139	14 723	-85,5%	52 385
Net profit	2 139	14 723	-85,5%	52 385
Net Margin	37,9%	23,3%	14,5%	48,7%
Total Assets	253 391	257 929	-1,8%	-
Net Debt	(19 580)	(67 049)	-70,8%	-
Debt-to-Equity	-	-	-	-

FINANCIAL RATIOS

Per share	2021	2020	2019	2018
Number of shares	85 110	85 110	85 110	85 110
EPS	0,62	0,09	0,04	0,13
DPS	0,11	0,14	0,05	0,11

Growth & Activity	2021	2020	2019	2018
Revenue growth	387,7%	-16,2%	56,6%	0,0%
Earnings growth	615,3%	-113,2%	-68,1%	0,0%
CAPEX growth	100,2%	-29,9%	9,0%	0,0%
CAPEX/Revenue	13,8%	33,5%	40,1%	57,6%
Asset Turnover	0,4	0,1	0,1	0,1
Working Capital Turnover	4,4	1,1	1,3	0,9

Return & Profitability	2021	2020	2019	2018
ROE	21,1%	3,1%	1,4%	4,4%
ROA	17,9%	2,9%	1,4%	4,2%
ROIC	21,1%	3,1%	1,4%	4,4%
EBITDA margin	48,7%	33,2%	13,0%	64,1%
Operating margin	48,7%	33,2%	13,1%	64,1%
Net margin	48,7%	33,2%	13,0%	64,1%

Gearing & Liquidity	2021	2020	2019	2018
Debt-to-Equity	0,0	0,0	0,0	0,0
Net Debt to EBITDA	-0,8	-0,3	-0,1	-0,6
Interest coverage	0,0	0,0	0,0	0,0
Cash ratio	1,5	2,2	1,9	2,7
Current ratio	1,6	2,7	2,4	3,8

COMPANY DESCRIPTION

Advance Terrafund is the largest joint-stock company with a special investment purpose and is the largest public company that owns agricultural land in Bulgaria.

FINANCIAL METRICS

Income Statement (BGN th)	2021	2020	2019	2018
Operating Revenue	107 396	21 710	25 782	16 040
Financial Income	162	346	541	767
Total Revenue	107 558	22 056	26 323	16 807
Operating expenses	55 167	14 732	22 886	6 027
EBIT	52 391	7 324	3 437	10 780
EBITDA	52 385	7 323	3 435	10 777
Net profit	52 385	7 323	3 435	10 777

Balance Sheet (BGN th)	2021	2020	2019	2018
Current assets	71 422	33 108	35 235	25 786
Cash & equiv.	67 981	26 271	28 075	18 561
Non-current assets	220 534	216 146	217 883	227 890
PP&E	-	-	-	-
Investment properties	220 005	213 945	212 742	218 820
Total Assets	291 956	249 254	253 118	253 676
Current Liabilities	43 904	12 219	14 594	6 775
ST Loans	-	-	-	-
Non-current liabilities	-	-	-	-
LT Loans	-	-	-	-
Total Liabilities	43 904	12 219	14 594	6 775
Equity	248 052	237 035	238 524	246 901
Net Working Capital	27 518	20 889	20 641	19 011
Total Debt	-	-	-	-
Net Debt	(67 981)	(26 271)	(28 075)	(18 561)

Cash Flow Statement (BGN th)	2021	2020	2019	2018
CF from operations	65 756	17 486	24 092	7 574
CF from investments	(14 797)	(7 390)	(10 549)	(9 680)
CAPEX	(14 797)	(7 390)	(10 549)	(9 680)
Purchase of investments	-	-	-	-
CF from financing	(9 249)	(11 900)	(4 029)	(9 021)
Change in debt	-	-	-	-
Paid interest	-	-	-	-
Paid dividends	(9 243)	(11 899)	(4 027)	(9 018)

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