

“Adopting innovative practices is key to staying ahead.”

PETER DE BOER
STRATEGIC FINANCE & IR
MANAGER AND BOD MEMBER



DN AGRAR is among most important dairy producers in Europe, thanks to a decades-long programme of investment, acquisition and expansion. Director Peter de Boer explains how the company's commitment to adopting a circular economy mindset, improving animal welfare and reducing energy consumption has helped it to become an industry leader.

Q: How do you plan to meet increasing demands for dairy exports?

With our current daily milk production of 165,000 litres set to increase to 200,000 litres soon, our goal is to reach 300,000 litres per day by 2027, making us one of the largest milk producers in Romania.

Q: Can you expand while maintaining your environmental commitments?

We are constructing a compost facility, investing in solar energy, and exploring a partnership in biogas. Our focus on circular agriculture involves producing food for our animals across 10,000 hectares using a no-till technology. Solar panels make our farms more self-sufficient in terms of electricity. Looking ahead, we are considering the electrification of company cars and trucks, where feasible.

Q: Why is innovation so important to your strategy?

Sustainability is crucial, given our position as a listed company and a lead-

er in Romania and Eastern Europe. As we strive to become one of the top three in the EU, adopting innovative practices is key to staying ahead.

Q: What opportunities exist for investors?

Romania offers significant opportunities for growth. Our company aims to be more visible to foreign investment funds as we move to the main market. With a profit margin ranging from 12-14%, which is impressive for the agricultural sector, we see potential for even faster growth and diversification into other areas as we continue to scale up and leverage economies of scale.

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A new era for Romanian agriculture

Last year, Minister of Agriculture, Florin Ionuț Barbu launched his plan for a more efficient, sustainable and adaptable agricultural sector.

According to the European Commission, Romania is home to the largest number of farmers and agricultural workers in the EU; almost a quarter (23%) of the country's workforce are employed in the sector, mostly in traditional, small-scale operations.

Improving the viability of the country's farms and enabling them to operate more competitively in a global market is at the heart of the government's new 'Investalim' programme, initially worth 590 million euros over three years. Initiatives include encouraging higher-value crops and shifting from the production of raw materials to value-added processed products. Minister Barbu recently spoke of his ambition for Romania to become "the largest processing country in South-East Europe", adding that the scheme "underscores our commitment to sustainable and innovative agriculture".

Monies will be made available not just for essential infrastructure, such as irrigation systems, agricultural equipment and processing facilities, but also for implementing digital solutions and green energy projects. Kickstarting innovation is crucial – supporting the startups, tech disruptors and specialist finance providers that have the power to accelerate the changes necessary to transform production. With government assistance and inward investment, Romania can become a leading player in the agricultural sector.



”
[Investalim] underscores our commitment to sustainable and innovative agriculture.”

Florin-Ionuț Barbu,
Minister of
Agriculture

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Peter de Boer

MEMBER OF THE BOARD OF DIRECTORS AND INVESTOR RELATIONS MANAGER, DN AGRAR GROUP S.A.

Peter de Boer, Member of the Board and Investor Relations Manager at DN AGRAR, highlights the company's growth strategies, focusing on sustainability, expansion, and becoming the European leader in dairy production.

Q: Since joining DN AGRAR in 2019, what strategies have you implemented for growth, and what were the pivotal decisions behind this progress?

The initial idea to enter Romania as DN AGRAR arose in 2008 as we observed a significant deficit in food production, particularly in dairy and agricultural products. Romania imports over 50% of its milk, mainly from Poland and Hungary, creating a growth potential. The government is focused on developing the pork industry, aiming for self-sufficiency by 2030, but there is an opportunity for similar strategies in the dairy sector.

Our company aims to become the largest milk producer in Romania and the EU. Romania currently has the lowest yield per cow at approximately 10 litres, indicating substantial room for growth. With our current daily milk production of 165,000 litres set to increase to 200,000 litres soon, our goal is to reach 300,000 litres per day by 2027, making us one of the largest milk producers in Romania.

I joined the company with a background in law and economics, focusing on getting the company listed on the stock exchange. With a family investment fund holding 74% of the shares, we are among the fastest-growing companies on the Romanian stock exchange. Our strategic financial planning, operational analyses, and acquisitions, including obtaining financing from ING, have contributed to our significant growth, with 165% growth on the stock market since listing.

Q: To what extent do you attribute the company's rapid 16-year growth to its integrated approach and internal collaboration?

Having everything in-house has greatly benefited us. The cultural clash has been minimized, allowing for better

control and predictability. While external options may sometimes seem cost-effective, having our operations in-house has increased efficiency. This integration has transformed us into a larger company, enabling us to pursue more substantial projects.

In addition to our dairy operations, we are constructing a compost facility, investing in solar energy, and exploring a partnership in biogas. These initiatives align with our commitment to environmental, social, and governance (ESG) policies. Managing our manure through composting has reduced the need for chemical fertilizers, contributing positively to both the environment and cost savings.

“ Our company aims to become the largest milk producer in Romania and the EU.”

Our focus on circular agriculture involves producing food for our animals across 10,000 hectares. We employ a no-till technology in most fields, further contributing to sustainable practices. Solar panels on our roofs aim to make our farms more self-sufficient in terms of electricity. Looking ahead, we are considering the electrification of company cars and trucks, where feasible. Engaging in discussions with key players in the field, including private equity funds, we are poised for strategic decisions in the coming months. Our goal is not only financial growth but also a commitment to sustainable and responsible practices, making us a leader in the agricultural sector. Currently, our workforce comprises approximately 300 employees.

Q: Could you elaborate on the core values of high quality, innovation, and community impact in your operations, and identify potential opportunities for investors or partners in Germany?

Our growth strategy is straightforward. Currently, our market capitalization is around 60 million euros. Our goal, by the end of 2027 or the



beginning of 2028, is to double this figure, aiming for a market cap of 100 million euros, which translates to a threefold increase per share.

To achieve this, our strategy involves several key initiatives. We are building a compost facility, focusing on sustainability through solar and biogas projects. Additionally, we plan to acquire at least one external farm to integrate into our group. These steps, we believe, will be sufficient to reach our target market cap.

Investing in infrastructure, such as an eight-kilometre manure pipe, has significantly increased efficiency, reducing pollution and benefiting the climate. Sustainability is crucial, given our position as a listed company and a leader in Romania and Eastern Europe. As we strive to become one of the top three in the EU, adopting innovative practices is key to staying ahead.

Q: In light of your global reach, what encouraging message would you offer to potential investors and partners about Romania?

Romania offers significant opportunities for growth, especially if approached correctly. Being physically present is crucial for effective management, and selecting the right region, such as Transylvania, is essential due to its reputation as the most developed region. The

country has vast potential, particularly in production and agriculture, with many foreign companies already active.

There is a diverse business community, and language might not be a barrier, as German is widely spoken in certain communities. Romania imports a considerable amount, leaving room for value-added products in a home market of nearly 20 million people. Additionally, the proximity to emerging economies like Ukraine, Hungary, and Serbia, along with the existing EU members, creates a region with substantial growth potential.

The Romanian workforce, especially the younger generation, is enthusiastic about developing their country. Building strong partnerships and experiencing growth rates of 20-30% is not uncommon, making it an attractive investment market. The stock exchange in Romania presents opportunities for significant growth compared to Western European rates.

Our company, with investors from various European countries, aims to be more visible to foreign investment funds as we move to the main market. With a profit margin ranging from 12-14%, which is impressive for the agricultural sector, we see potential for even faster growth and diversification into other areas as we continue to scale up and leverage economies of scale.