

AB Kauno Grūdai increases investment in breadcrumb factory

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AB Kauno Grūdai, a subsidiary of AB Akola Group, has increased its investment in the breadcrumb factory, which it plans to build in Kėdainiai. The company, which has one breadcrumb coatings factory in the Kaunas region, will build a second and more giant factory. Once built, the production capacity will more than double to over 21 thousand tons per year.

"The investment was planned as early as 2022 and has since grown 1.5 times; the planned capacity of the factory has also increased. The total investment will amount to EUR 6.7 million; we will use our own and borrowed funds. SEB Bank has granted a EUR 5 million loan to Kauno Grūdai, most of which will be used to build and equip the new factory. The planned payback period of the factory is 6.7 years, and the EBITDA (earnings before interest, taxes, depreciation and amortisation) of the breadcrumb coatings business is expected to increase by EUR 1.5 million to EUR 3.3 million annually," says Mažvydas Aileika, CFO of AB Akola Group.

A plot of land in Kėdainiai with a derelict building has been purchased for the construction of a new factory, which will be renovated and adapted to the needs of the new factory. The more than one-hectare site will be used for production facilities, warehouses, and administration, as well as for all the necessary infrastructure. The factory should be operational by the end of March or early April 2025.