

AB Akola Group acquires Latvian company SIA Elagro

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SIA Linas Agro, an indirectly controlled company of AB Akola Group, has acquired 100 per cent of the shares of SIA Elagro Trade, a Latvian company, from Agrolats Holding AS and three natural persons. The deal has been authorised by the Competition Council of the Republic of Latvia. The final amount of the transaction has increased from EUR 22 million to EUR 25.5 million due to the higher-than-expected net working capital of the target company at the closing date. The investment is estimated to pay for itself within five years.

SIA Elagro Trade is a grain, seeds, plant protection products, and fertilisers business operating in Latvia since 2010 with a market share of 15 per cent. In 2023, SIA Elagro Trade had revenue of EUR 154 million and EBITDA (earnings before interest, taxes, depreciation, and amortization) of EUR 2.1 million. The company employs 68 people.

"For over two decades, we have strengthened our position in Lithuania because you cannot be strong in all countries simultaneously. In Latvia, where we have been operating since 2003, we had a much smaller grain intake capacity, warehouse space, and market share. This acquisition should give us the same leadership in Latvian grain exports as we have in Lithuania. Grain storage capacity alone will more than triple to 161,000 tonnes. In 2025, we will focus on merging teams and businesses and improving the customer experience, and we expect to retain all of SIA Elagro Trade's customers and attract new ones," says MaÅ¾vydas Åileika, the Chief Financial Officer of AB Akola Group.

The acquisition of SIA Elagro Trade will complement the group's infrastructure for the agricultural service business with grain elevators in Eleja, Jekabpils, and Skulte and covered warehouses and liquid fertiliser storage facilities in Eleja and Jekabpils.