



# **A survey of the nut manufacturing industry**

**Prepared based on 2022 data**

2023 year



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reason of research

This study serves to reveal the current trends in the nut production industry, based on the financial statements of the companies of the third and second size categories for the year 2022. The report presents the average financial indicators of the industry, which forms a benchmark of the industry and provides information on its financial situation.



# Methodology

The data used in the study were taken from the website of the reporting portal, where annual financial statements are published by Georgian legislation.

These companies belong to the third and second size categories, out of which only two companies were audited. The mentioned information is based on the data of 2022, attention is focused on the leading companies in the market, the number of which is 8.

The research focuses on the overview of the nut products market, specifically on its production and export-import, the data is taken from the website of the International Trade Center.



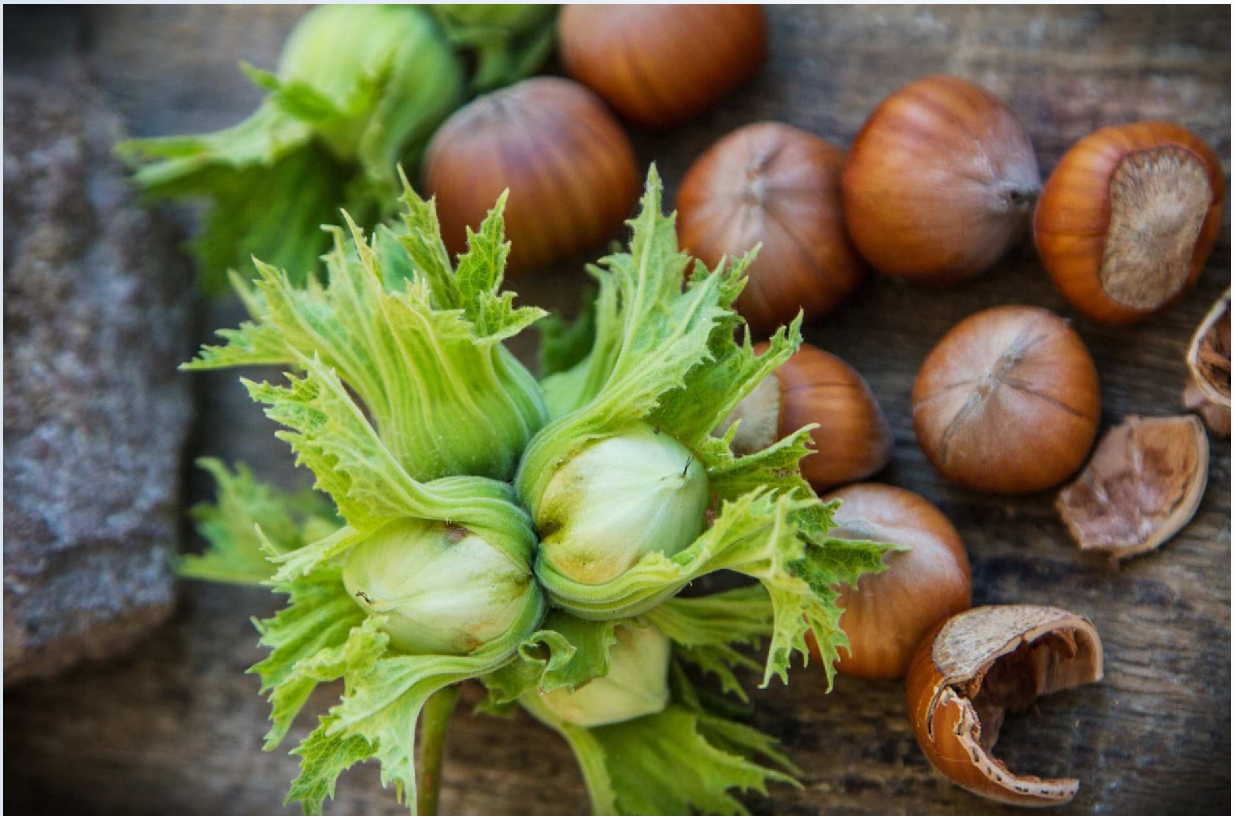


# Research Results

The study reviews nut companies with total turnover exceeding 88 million GEL, total assets of 124 million GEL, and total profit before taxation exceeding 20 million GEL. The study identified industry-leading companies in terms of revenue, assets, and profits.

As a result of the data analysis, it was determined that Georgian companies in the nut production industry have the following financial indicators: the average return on assets (ROA) was 5%, and the return on capital (ROE) was 15%.

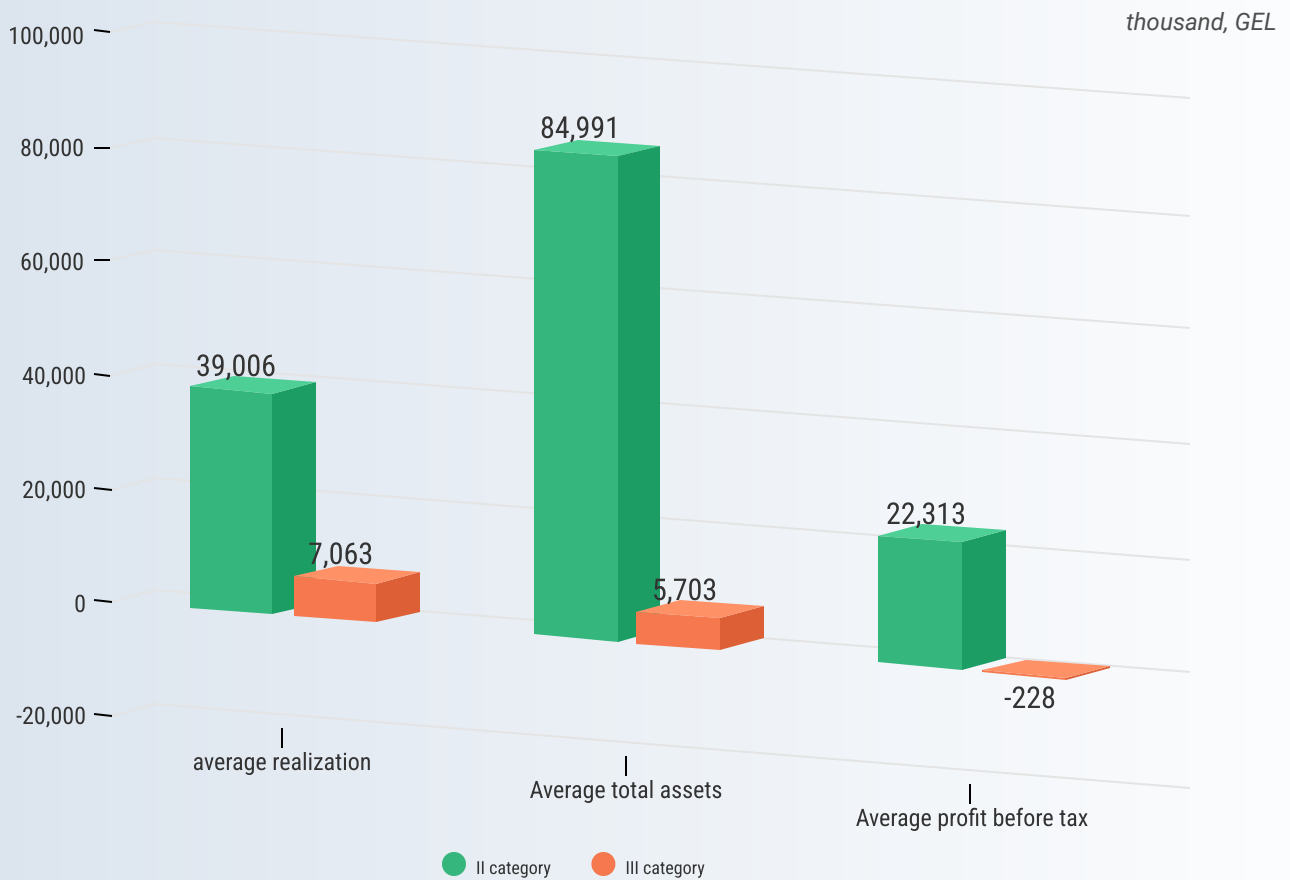
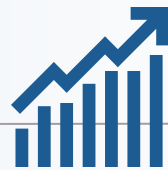
In addition, financial ratios of industry average liquidity, efficiency, and solvency were determined.





# Research Results

As a result of the research, the average data of the companies in 2022 by category was also revealed. Out of these 8 companies, one company belongs to the second category, and the remaining seven belong to the third dimension category.

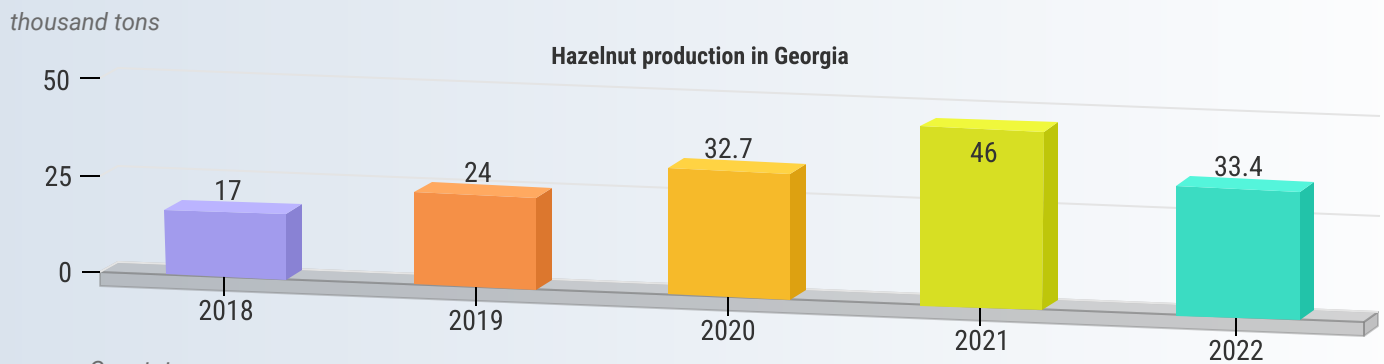




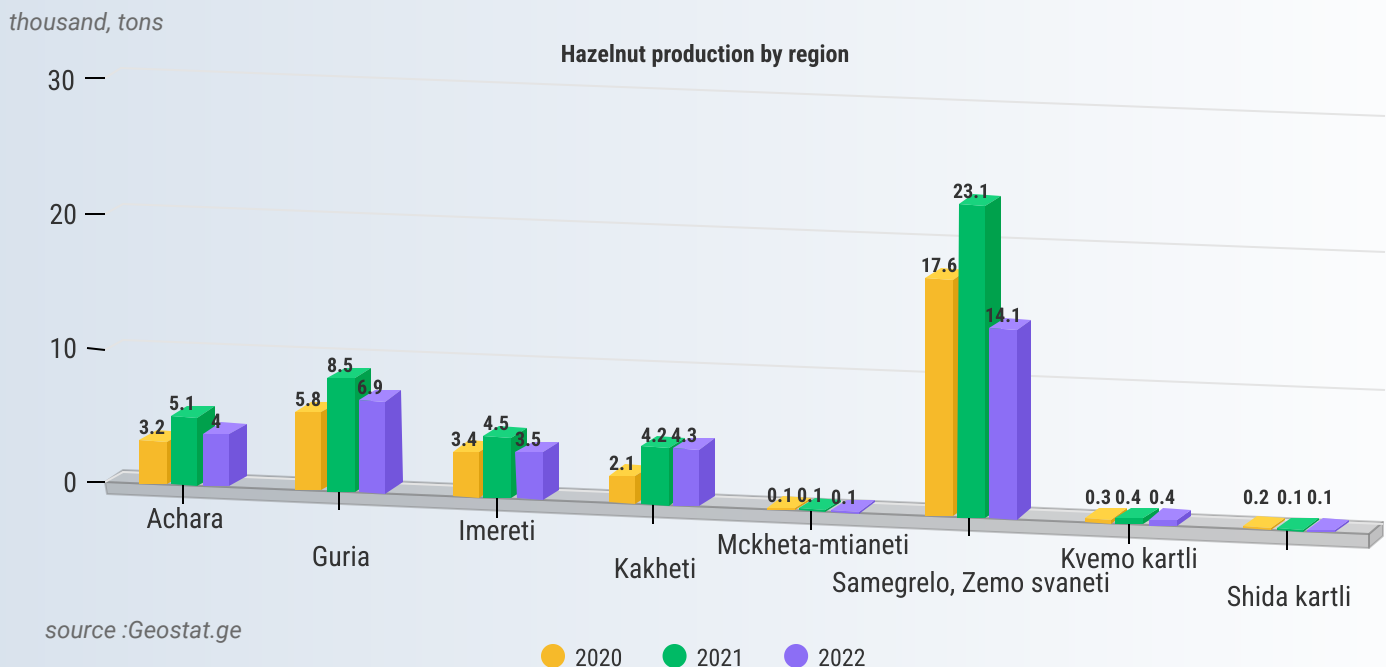
# A general overview of the nut market

Hazelnut production in Georgia was characterized by an increasing trend until 2021, and a decrease was observed in 2022, which is confirmed by the statistics of hazelnut production, according to the official data of GEOstat, although the country has the potential to produce much more and high-quality products that meet the requirements of the country. will therefore increase

The number of companies producing nuts and, accordingly, the volume of production. According to the National Statistical Service of Georgia, the amount of hazelnut production in 2022 has significantly decreased and amounted to 33.4 thousand tons, which is 27% lower than the previous year's figure. The details are as follows:



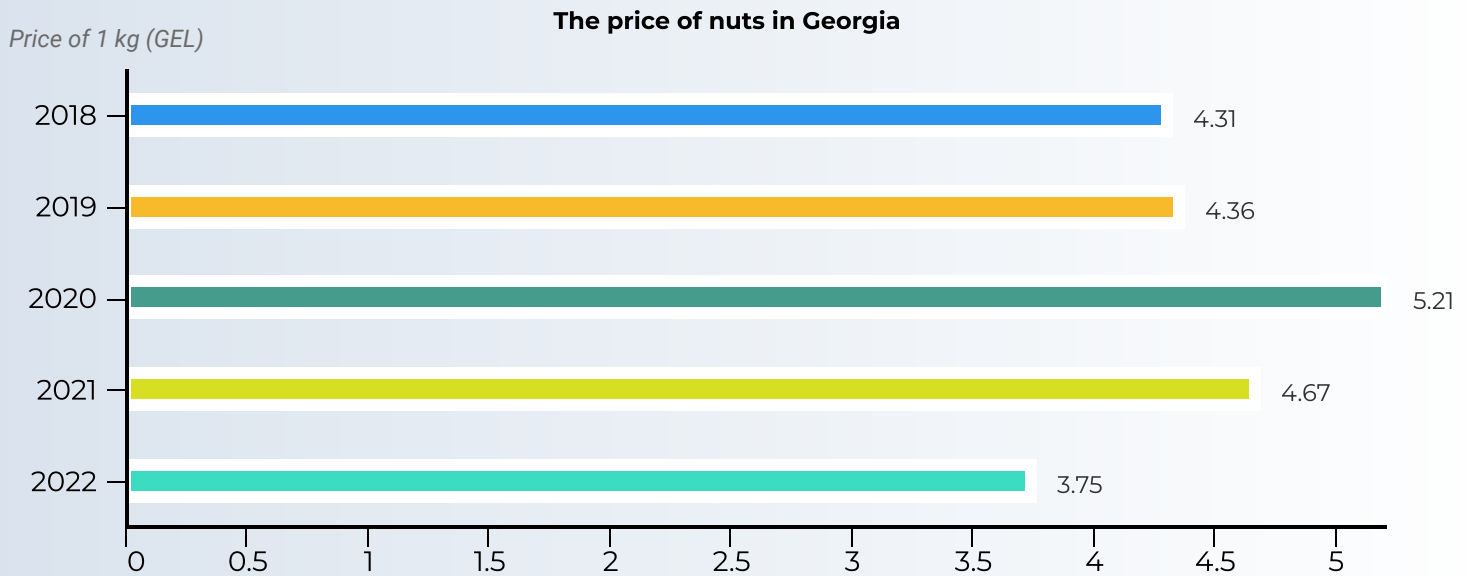
Hazelnut production according to regions is also interesting, according to which Samegrelo-Zemo Svaneti is leading. Detailed data for the last three years are as follows:





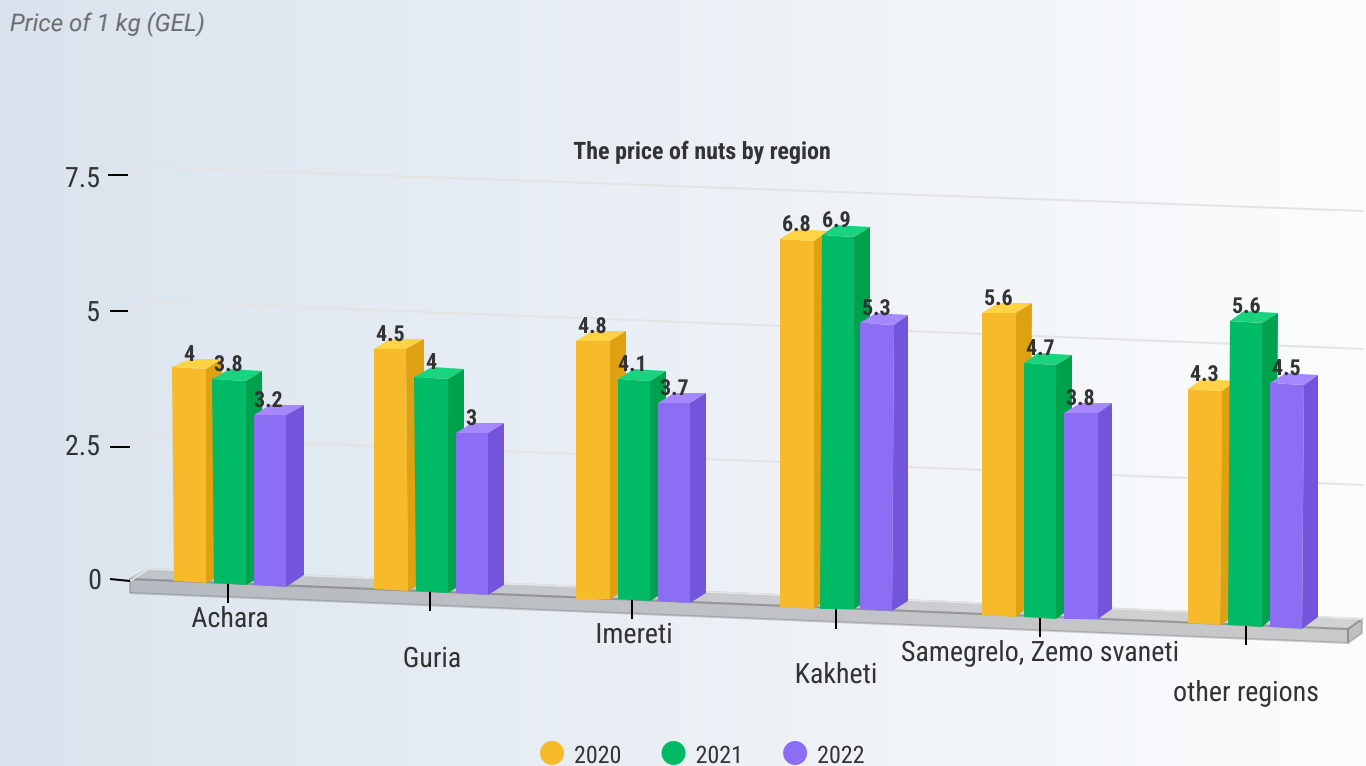
# A general overview of the nut market

According to the National Statistical Service of Georgia, in 2022, the minimum price of nuts was recorded in the last five years. The detailed data according to the years are as follows:



source:Geostat.ge

Also interesting is the value of nuts, according to regions, according to which in 2022 it was the most expensive in Kakheti, and the detailed data is as follows:



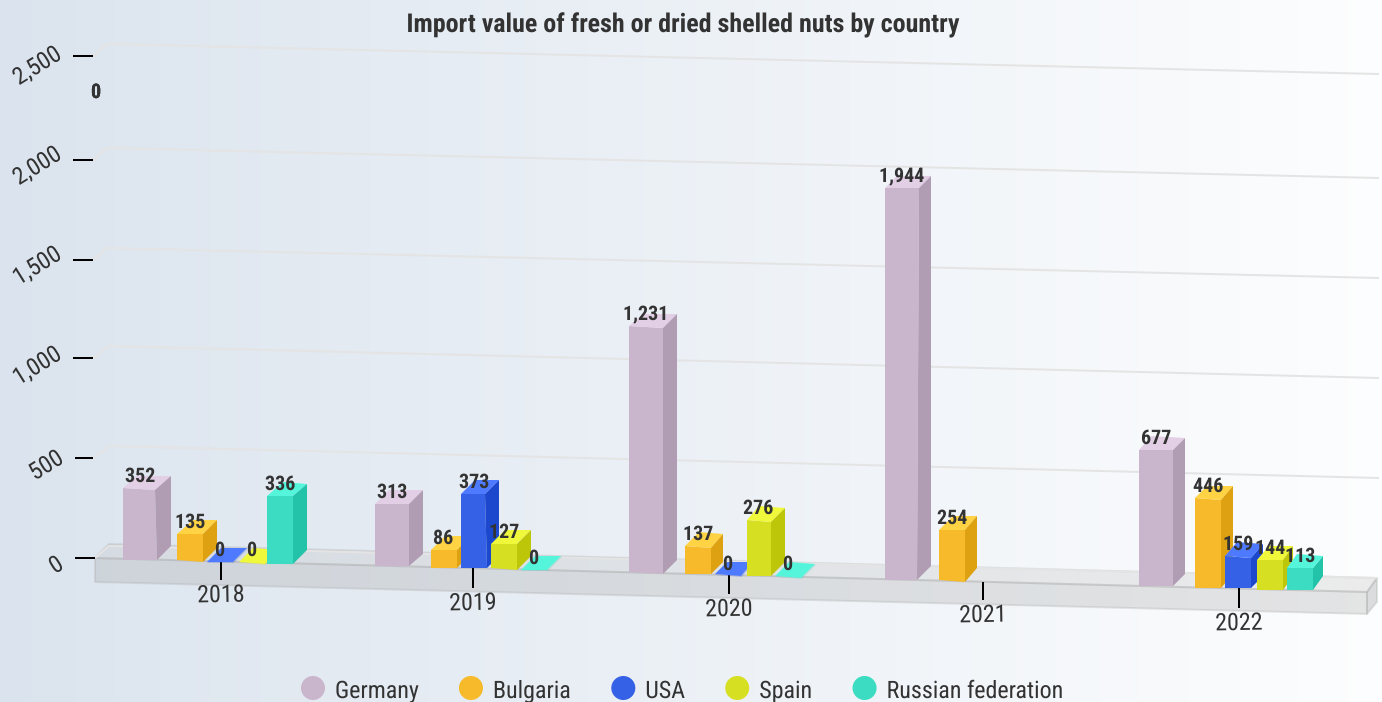
source:Geostat.ge



# A general overview of the nut market

According to the International Trade Center, the total value of imported nuts in 2022 significantly decreased compared to the data of the previous year and amounted to 1,822 thousand US dollars, and in 2021 it was 4,327 thousand US dollars. The top five countries from which the main imports of fresh or dried shelled nuts are made in 2022 are as follows: Germany, Bulgaria, the USA, Spain, and the Russian Federation. Below, in the form of a diagram, the value of imports by country, and the statistics for the last five years are presented

thousand, US dollars



source: International Trade Center

As can be seen from the diagram, according to the data of 2022, the main importing countries are Germany and Bulgaria, from where the main part of fresh or dried shelled nuts was imported.

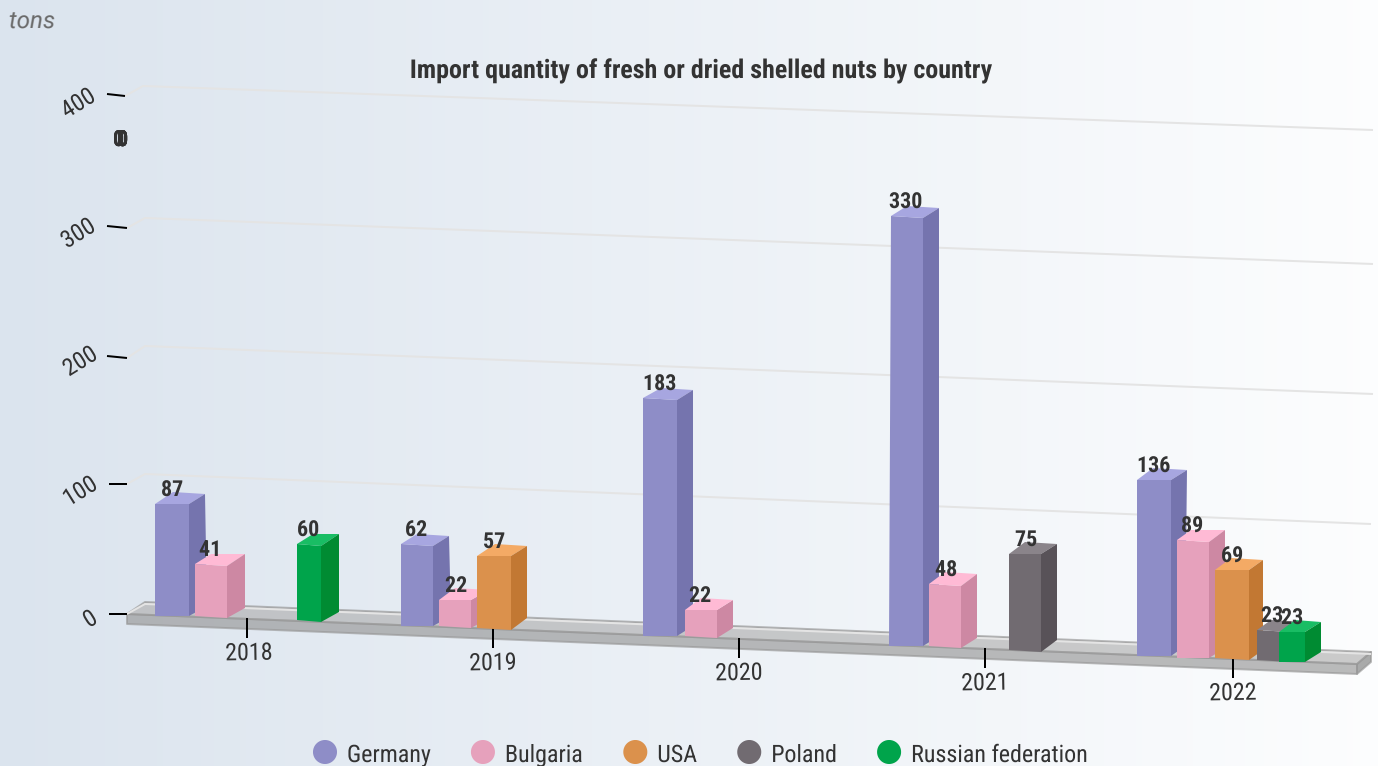
It should be noted that in the past five years, the highest value of nuts was imported in 2021, the main part of which came from Germany.





# A general overview of the nut market

According to the International Trade Center, the number of nut imports in 2022 was 2,392 tons, the highest figure in the last five years. The top five countries from which major hazelnut imports are made, in order of quantity, are: Turkey, Hungary, the Russian Federation, Bulgaria and the Netherlands. Below, in the form of a diagram, the number of imports by country, the statistics of the last five years are presented:



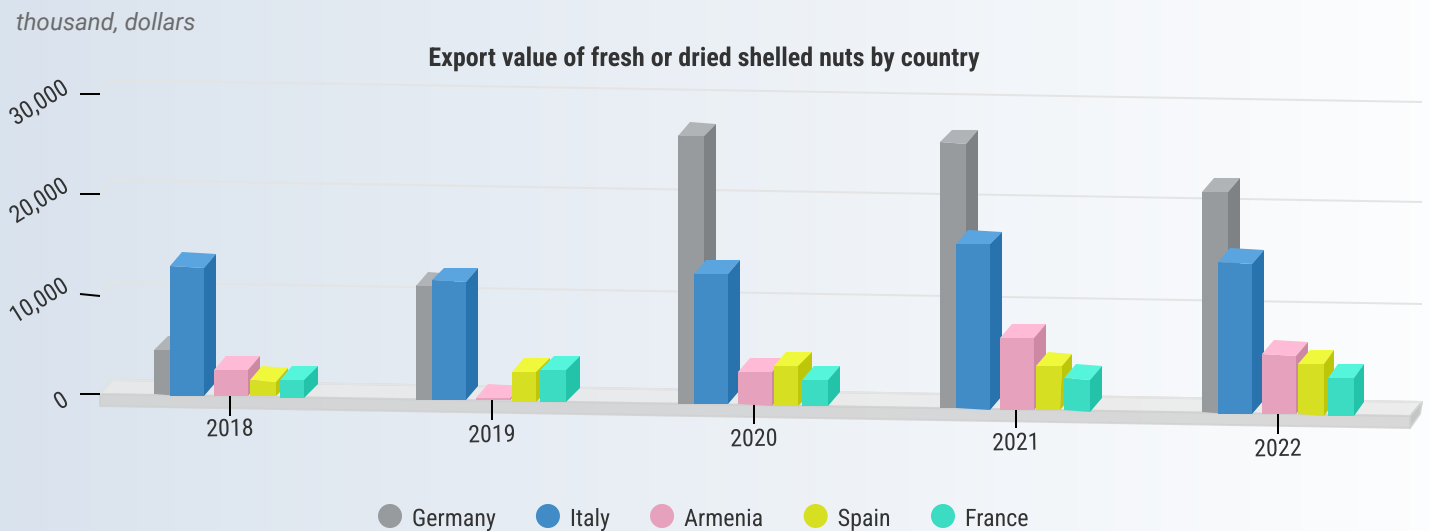
source: International Trade Center

As can be seen from the diagram, the main importing country for the last five years is Germany, from which the main part of the nuts is imported, in terms of quantity. The highest figure in the case of Germany in the last five years was recorded in 2021, the amount of imports amounted to 330 tons.



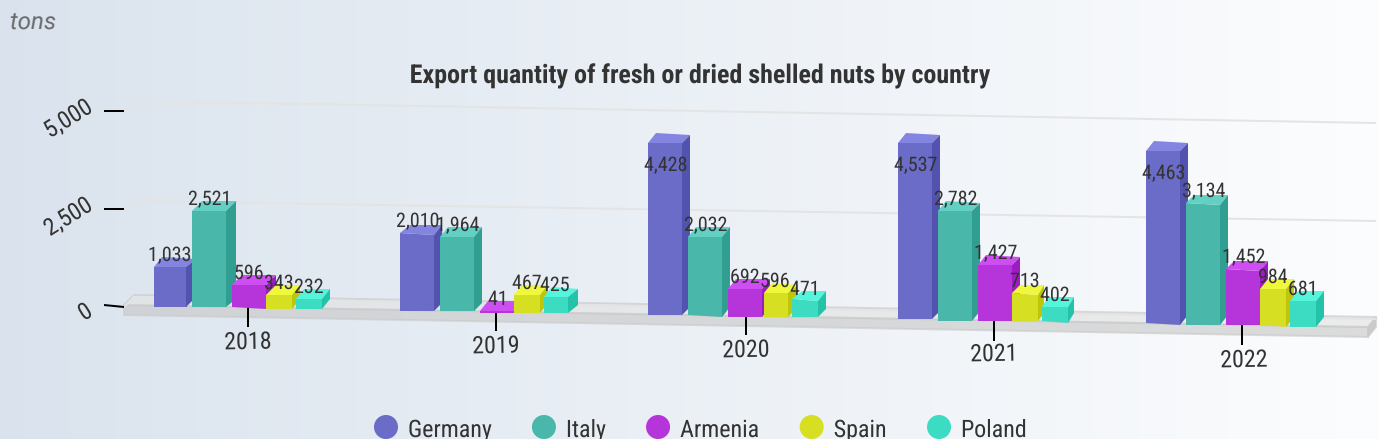
# A general overview of the nut market

As for export, quite a large amount of hazelnuts are taken out of the country, compared to imports, it is interesting to see where they go and how much. According to the International Trade Center, 2021 recorded the highest value of the total export value of fresh or dried shelled nuts and amounted to 94,622 thousand USD. The top hazelnut exporting countries by value are: Germany, Italy, Armenia, Spain and France. Below, in the form of a diagram, the value of exports by country, the statistics of the last five years are presented:



source:International Trade Center

As can be seen from the chart, the highest value exports in the last five years were made in 2021, and Germany led the way. As for the export of nuts by quantity, it is as follows:



source:International Trade Center

As can be seen from the diagram, in the last five years, in 2021, the largest amount of exports, 4537 tons, was recorded in Germany.



# A general overview of the nut market

Although Germany is the leading importing country, it is interesting how the top countries have changed over the last three years. Below is a chart of the top five importing countries by year:

thousand, dollars

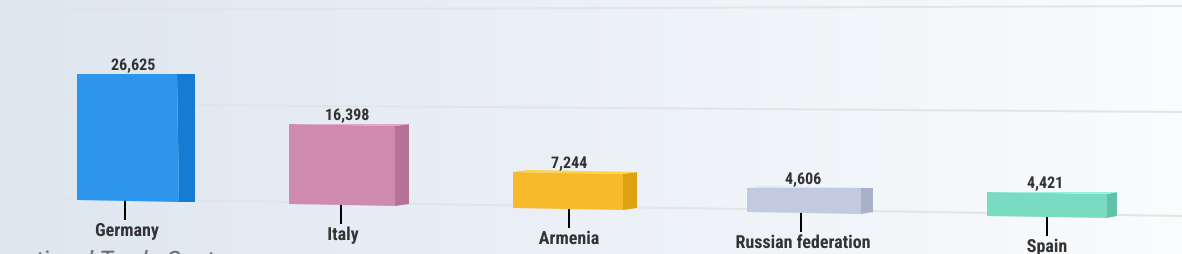
Importing countries in 2020



source:International Trade Center

thousand, dollars

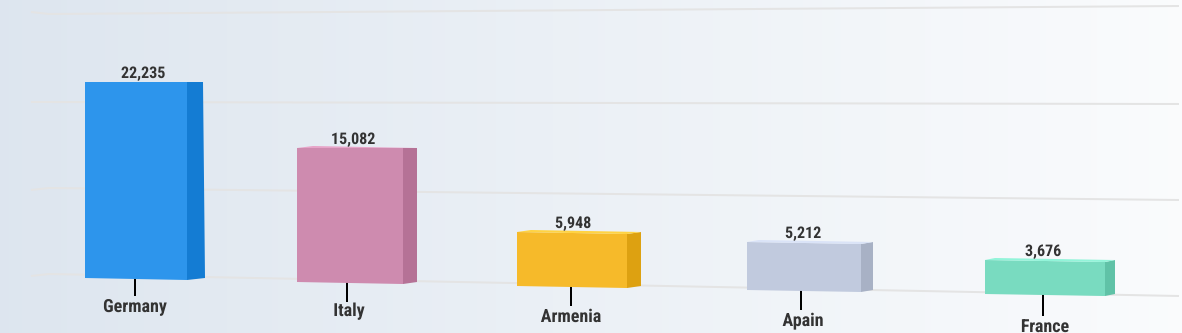
Importing countries in 2021



source:International Trade Center

thousand, dollars

Exporting countries in 2022



source:International Trade Center

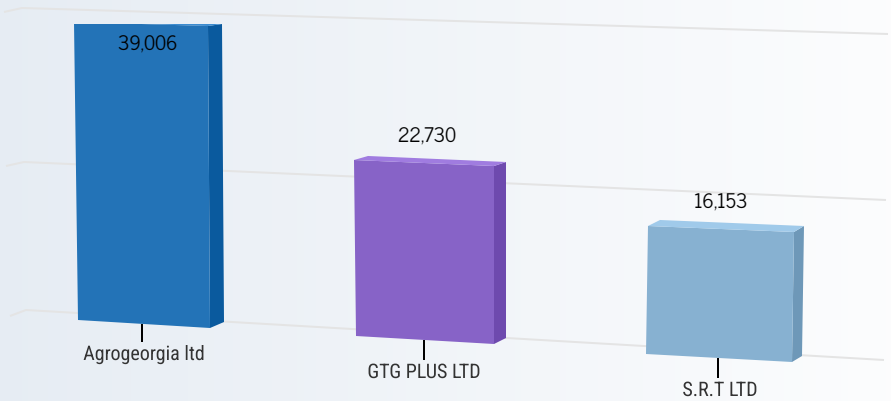
As can be seen from the graph, Germany and Italy have been in the lead for the last three years. Accordingly, the value of goods imported into their country is maximum.



## Top 3 nut companies by revenue (2022)

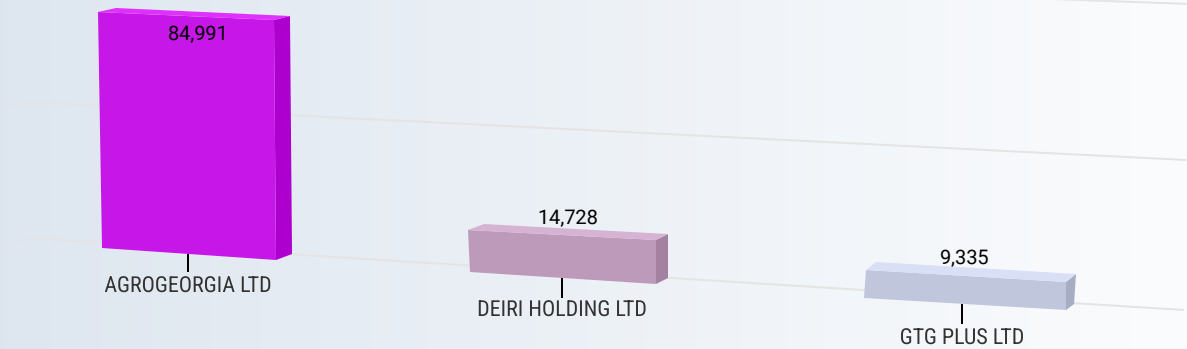
thousand, GEL

The total income of the mentioned companies represents 88% of the total income of the companies producing nuts.



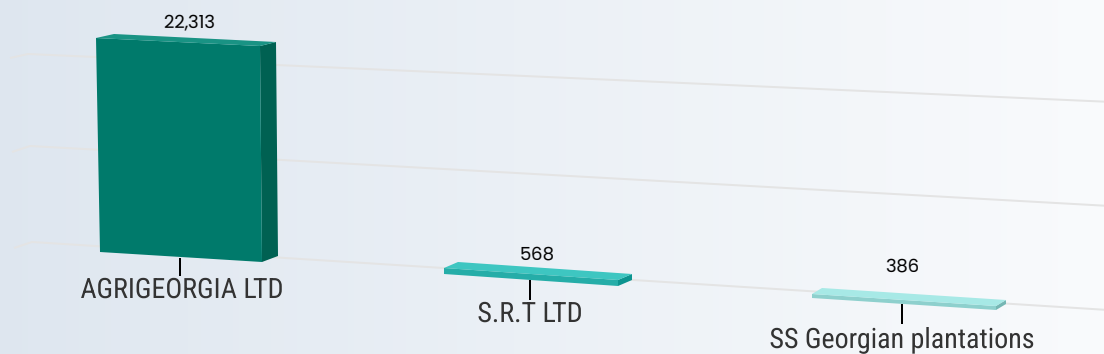
## Top 3 companies in the nut industry by total assets (2022)

thousand, gel



## Profit before tax, top 3 companies in the nut industry (2022)

thousand, gel

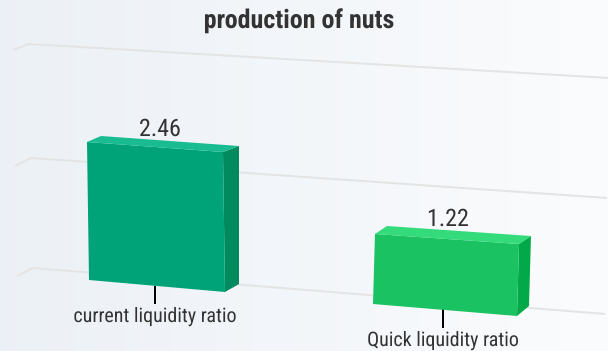




## Industry Average Financial Ratios (2022)

### liquidity ratios

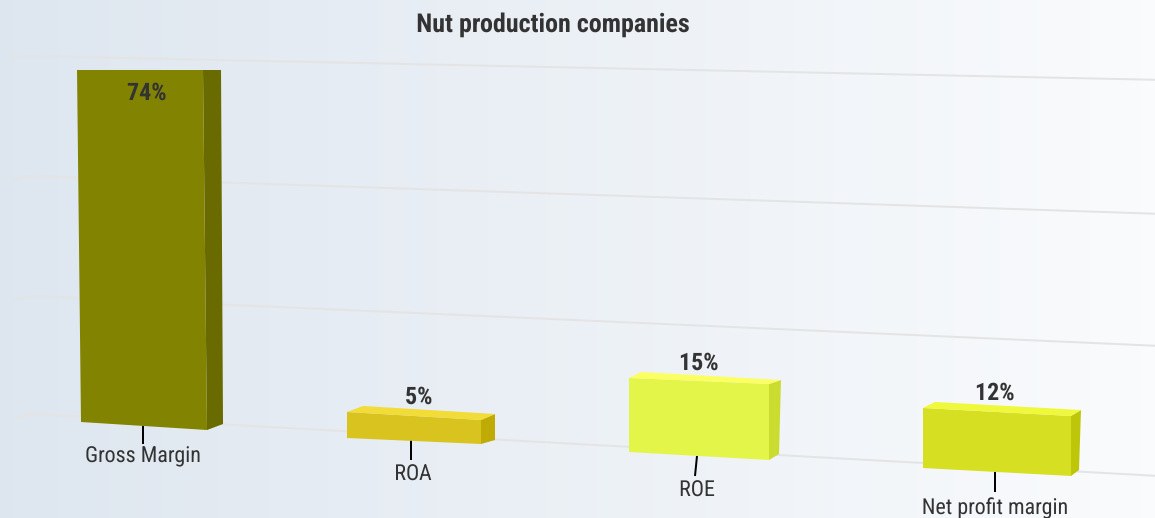
As a result of the research, the liquidity ratios of nut-producing companies were determined. Current and quick liquidity ratios were 2.46 and 1.22, when the liquidity ratio is greater than 1, the indicator is considered satisfactory.



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### Profitability ratios

The profitability ratios of the nut companies were as follows: gross profit margin ratio of 12%, annual return on assets (ROA) of 5%, and return on equity ROE of 15%. It should be noted the coefficient of the profit margin, which is quite high and is 74%, this indicator is an indicator of how much more the company sells its product compared to the cost price. To a large extent, this indicator determines the profitability of the industry. However, it is worth noting the rather high costs in the industry and its seasonal nature, which is why the profit margin is 12%.

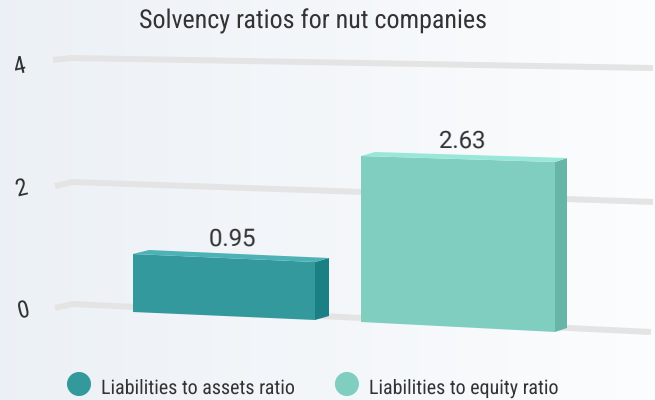




## Industry Average Financial Ratios (2022)

### Solvency ratios

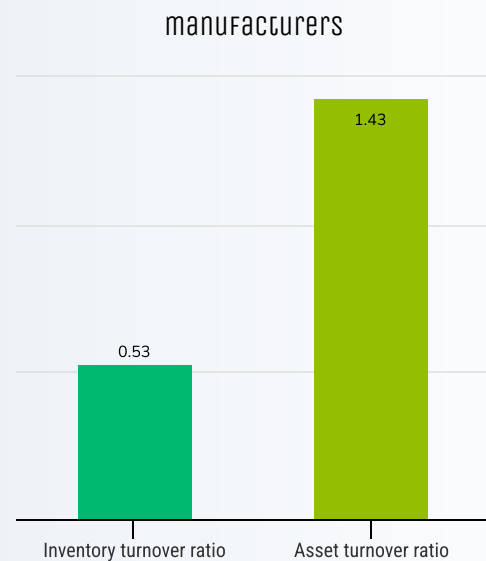
The liabilities to assets ratio shows the ratio of total assets to liabilities. For nut producers, the ratio is equal to 0.95, and it is also worth noting the ratio of liabilities to capital, which is 2.63, this indicator indicates how much liabilities exceed capital expenditures.



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### Efficiency coefficients

The inventory turnover ratio is equal to 0.53 for companies producing nuts, the higher this ratio, the higher the number of sales and the less time the manufactured product spends in the warehouse. The asset turnover ratio in the nut manufacturing industry is 1.43 for manufacturers, the higher the ratio, the more efficiently the company is able to use its assets in relation to sales volume.





The report was prepared by the consulting company AGIC, which has been operating since 2007 and provides the highest quality services in the areas of audit, accounting, business consulting and marketing. The company's team consists of up to 60 highly qualified, experienced and professional employees who focus on development and customer success. Auditing and consulting company "AGIC" is a member of "PrimeGlobal" in Georgia, which allows to implement global, complex and complex projects together with partners in more than 100 countries of the world.



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