



UPDATE ON 2018 RESULTS

DRAGON CAPITAL INVESTOR CONFERENCE

12-13 FEBRUARY 2019

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- 1 Operations Update for 2018
- 2 Outlook for 2019
- 3 Market overview



Section 1
OPERATIONS
UPDATE
FOR 2018



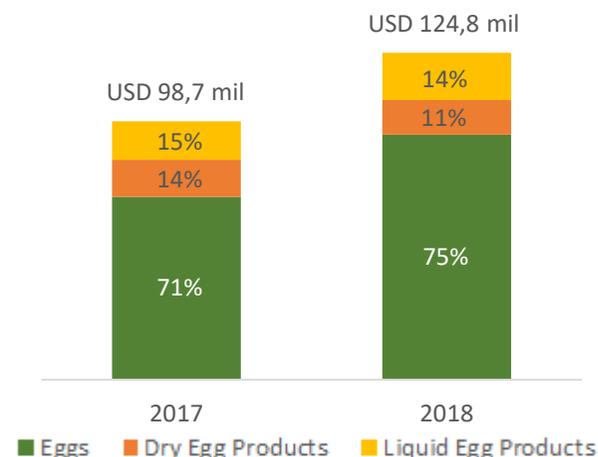
Key highlights 2018

- The Group produced 1 625 million eggs, out of which 530 million eggs were processed in 2018
- The decrease of output is explained mainly by installation of enriched cages which lead to a reduction of laying hens number
- Estimated revenues in 2018 reached USD 124 mil (25% increase y-o-y); contribution of trading activities to the egg segment revenues totaled 27%)

Key performance indicators

	Units	2017	2018	Y-o-Y
Poultry flock:				
Total flock	mln	7,7	7,6	(1%)
Laying hens	mln	6,6	6,4	(3%)
Production:				
Shell eggs	mln	1 659	1 625	(2%)
Dry egg products	tons	3 246	2 959	(9%)
Liquid egg products	tons	11 602	12 435	7%
Processing:				
Shell eggs	mln	541	530	(2%)

Revenues structure



Net debt position

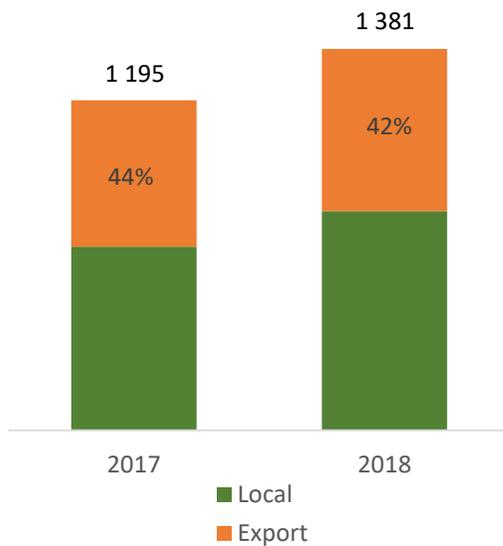
	31 Dec 2017	31 Dec 2018
Cash and cash equivalents, mUSD	15,0	14,3
Total debt, mUSD	13,6	9,3
Net debt, mUSD	-1,4	-5,0
Net debt/EBITDA	-	-

Operations update. Egg segment

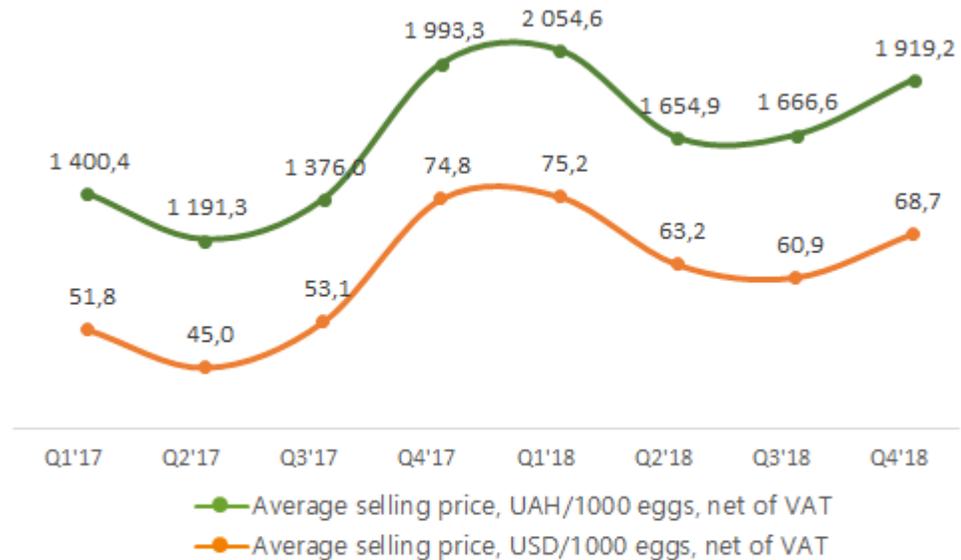
- In 2018 laying hens flock equaled 6,4 mln hens
- Egg production totaled 1,63 billion eggs
- Volume of eggs sold amounted to 1,38 billion eggs (16% increase y-o-y), out of which 0,59 billion eggs were exported (11% increase y-o-y). Volume of eggs sold within trading activities reached 26% of total segment sales
- Key export markets – UAE and the EU

Key indicators

Shell eggs sales and share of export, mln eggs



Average selling price for shell eggs

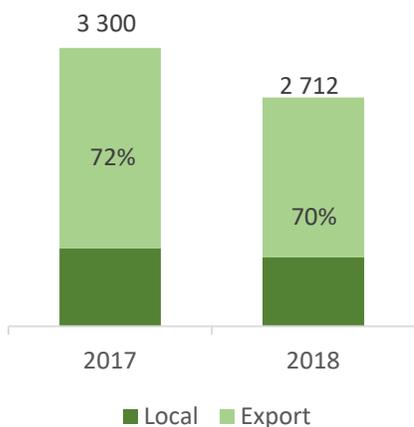


Operations update. Egg products segment

- 530 million eggs were processed in 2018 leading to 2 959 and 12 435 tons of dry and liquid egg products produced
- The volume of dry egg products sold – 2 712 tons (2017: 3 300 tons)
- The volume of liquid egg products sold – 12 265 tons (2017: 11 497 tons)
- Key export markets – Saudi Arabia and the EU

Dynamics in volumes sold and export shares

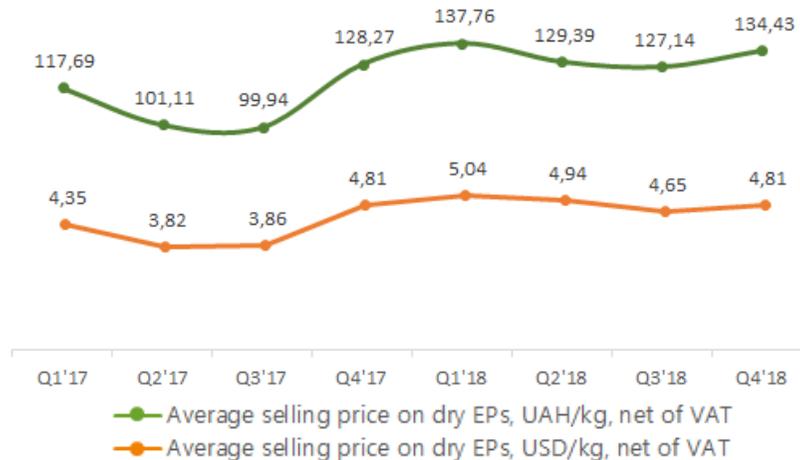
Dry egg products, tons



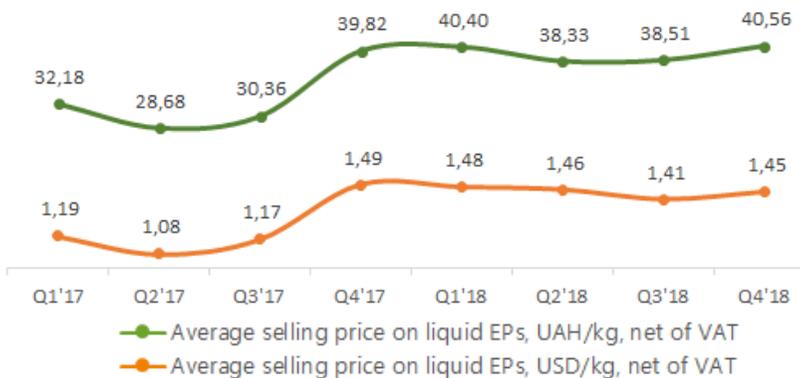
Liquid egg products, tons



Average price on dry egg products



Average price for liquid egg products





Section 2
OUTLOOK
FOR 2019



Investment program

Investment program for **2018** included:

- 2 poultry houses construction and equipment
- Purchase and installment of MOBA Omnia-PX 700 egg sorting machine
- Purchase and integration of egg processing facilities in Makarov, Kyiv region

Actual CAPEX for the year is ~ USD 12,5 mil

Investment program for **2019** shall include:

- 2 poultry houses
- 2 rearing houses construction and equipment
- Construction of poultry processing plant

Estimated CAPEX for 2019 is ~ USD 15-17 mil

Projected operations results

		2017	YoY (2018/2017)	2018	YoY (2019/2018)	2019F
 Laying hens flock	mln heads	6,6	(3%)	6,4	13%	7,2
 Shell eggs production	mln eggs	1 659	(2%)	1 625	14%	1 850
 Dry egg products produced	tons	3 246	(9%)	2 959	12%	3 300
 Liquid egg products produced	tons	11 602	7%	12 435	12%	14 000

Section 3
MARKET
OVERVIEW



Market overview

Egg segment

- In 2018 industrial egg production in Ukraine increased by 5% y-o-y and reached 8,9 billion eggs
- Share of industrial egg producers remained basically unchanged in comparison to 2017 and equaled 55%
- Ovostar Union share in industrial egg production is estimated to be 18% in 2018

Egg products segment

- In 2018 total output of egg products increased by 16% to 24,4 thousand tons, out of which dry egg products – 40% and liquid egg products – 60%
- Share of Ovostar in production of dry egg products is estimated to be 28% in 2018
- Share of Ovostar in production of liquid egg products is estimated to be 90% in 2018

Sources: State Statistics Service of Ukraine, Union of Poultry Farmers of Ukraine

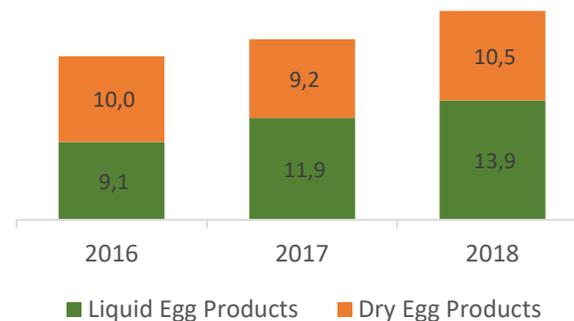
Egg production in Ukraine

billion eggs



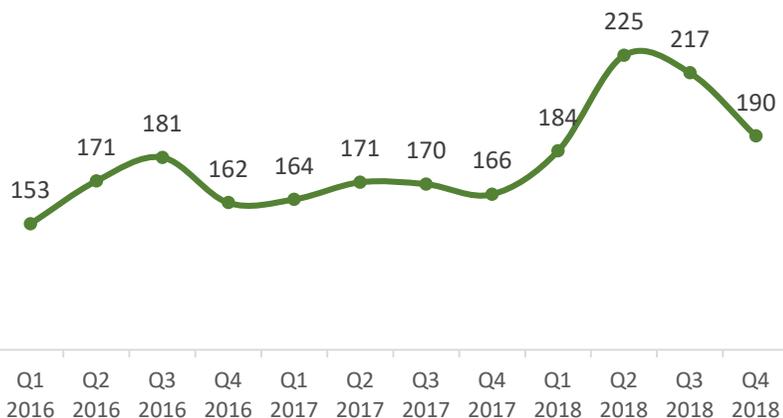
Production of egg products in Ukraine

thousand tons



Mixed feed and its components prices

Average price of mixed feed, USD/ton



Average price of wheat, USD/ton



Average price of corn, USD/ton



Average price of sunflower meal, USD/ton

