



22 July 2019

Operations Update for the six months ended 30 June 2019

Ovostar Union Public Company Limited (WSE: OVO) (further referred to as “Company”), a vertically integrated holding company, one of the leading egg and egg products producer in Ukraine, announces its operational results for the six months ended 30 June 2019.

As of 30 June 2019 the Company’s total flock was 7.6 mln hens representing a 2% increase year-on-year (2018: 7.4 mln). The laying flock grew by 6% YoY and reached 6.5 mln hens (2018: 6.2 mln).

In the first half of 2019 782 mln eggs were produced (2018: 787 mln), out of which 610 mln were sold (2018: 679 mln eggs). The 10% decrease is explained by substantial reduction of volume of trading operations in the reporting period. Export sales increased by 14% as compared to the 6 months of the previous year and equaled to 335 mln eggs making up 55% of the total volume of eggs sold (2018: 294 mln eggs and 43% respectively). Average selling price of eggs fell by 8% YoY and was 0.063 USD/egg (2018: 0.069 USD/egg).

In the reporting period 293 mln eggs were processed (+5% in comparison to the first half of 2018). The volume of dry and liquid egg products produced was 1 525 tons (-8% YoY) and 7 214 tons (+19% YoY) respectively.

Sales volume of dry egg products was 1 030 tons (-25% YoY), out of which 714 tons, or 69%, were exported (2018: 980 tons and 71% respectively).

The volume of liquid egg products sold grew by 20% YoY and reached 7 035 tons, out of which export sales totaled to 3 481, or 49% of sales volume, by 20% exceeding the level of the previous year (2018: 2 904 tons, or 50%).

Average selling price of dry eggs products decreased by 8% YoY, being 4.59 USD/kg (2018: 4.97 USD/kg); average selling price of liquid egg products fell by 3% YoY to 1.43 USD/kg (2018: 1.47 USD/kg).

The Company’s CEO Mr. Borys Bielikov commented:

“In the first half of the year significant price drop, both in Ukraine and abroad, has created unfavorable market situation for the egg industry. However, the Company has been promptly responding to the changing conditions and appropriately adjusting its production and sales plan. In general, the management is satisfied with the operational results achieved in the first two quarters of 2019.”

Note: All prices in this press release are indicated net of VAT