



22 July 2020

OPERATIONS UPDATE FOR THE SIX MONTHS ENDED 30 JUNE 2020

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 2020.

As of 30 June 2020 the Company’s total flock equaled 8.24 mln hens, including 6.91 laying hens (30 June 2019: 7.56 and 6.51 mln hens respectively).

The volume of eggs produced in H1 2020 was 793 mln demonstrating 1% increase YoY (H1 2019: 782 mln). In the reporting period the sales volume in the egg segment totaled 490 mln (H1 2019: 610 mln, including 125 mln eggs in trading operations).

Export sales of shell eggs totaled 169 mln (H1 2019: 335 mln), which represents 34% of total number of eggs sold in H1 2020 (H1 2019: 55%).

Average price of eggs in H1 2020 decreased by 7% YoY in USD terms to 0.059 USD/egg (H1 2019: 0.063 USD/egg).

The volume of eggs processed in H1 2020 fell by 1% YoY and reached 290 mln (H1 2019: 293 mln). The Company produced 1 782 tons of dry egg products and 6 598 tons of liquid egg products (H1 2019: 1 525 tons and 7 214 tons respectively).

The volume of dry egg products sold amounted to 1 658 tons (H1 2019: 1 030 tons), out of which 1 218 tons, or 73%, were exported (H1 2019: 714 tons, 69%).

The volume of liquid egg products sold was 6 401 tons (H1 2019: 7 035 tons), out of which export sales equaled 2 467 tons or 39% (H1 2019: 3 481 tons, 49%).

Average price of dry egg products decreased by 14% YoY to 3.96 USD/kg (H1 2019: 4.59 USD/kg); average price of liquid egg products fell by 12% YoY to 1.26 USD/kg (H1 2019: 1.43 USD/kg).

The Company’s CEO Mr. Borys Bielikov commented:

«I would like to point out that in the first half of 2020 the Company has managed to minimize the negative impact of COVID-19 pandemic on its operations. We have maintained our production and sales volume at the level of the previous year. However, the reduced demand from our B2B clients has resulted in the decrease of sales in the egg products segment. Nonetheless, the management finds the operational results for the six months of 2020 satisfactory.»

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