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Operations Update for 2022



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 year 2022.

As of 31 December 2022 the Company’s total flock was 7.2 mln heads, including 6.0 mln laying hens (31 December 2021: 8.4 mln and 7.0 mln respectively).

The volume of eggs produced in 2022 totaled 1 546 mln, demonstrating 9% decrease Y-o-Y (2021: 1 691 mln eggs). In the reporting period the sales volume in shell eggs segment decreased by 6% Y-o-Y to 1 082 mln eggs (2021: 1 150 mln). The volume of eggs exported was 290 mln that makes up 27% of the total sales in the segment (2021: 264 mln or 23%).

Average price of eggs in UAH terms increased by 34% Y-o-Y and reached 2.909 UAH/egg, while in USD terms there was a 13% increase up to 0.090 USD/egg (2021: 2.178 UAH/egg or 0.080 USD/egg respectively).

In 2022 the volume of eggs processed was 427 mln, which is by 15% below the level of the previous year (2021: 501 mln eggs).

The volume of dry egg products output decreased by 6% Y-o-Y and reached 2 542 tons (2021: 2 699 tons). The output of liquid egg products fell by 24% Y-o-Y to 10 797 tons (2021: 14 136 tons).

The volume of dry egg products sold fell by 34% and equaled to 2 137 tons (2021: 3 237 tons), out of which 1 446 tons, or 68%, were exported (2021: 2 064 tons or 64%).

The volume of liquid egg products sales decreased by 26% Y-o-Y and totaled 10 682 tons (2021: 14 391 tons), 4 316 tons, or 40%, of which were exported (2021: 4 098 tons or 28%).

Average sales price of dry egg products grew by 103% Y-o-Y in UAH terms – to 277.94 UAH/kg and by 71% in USD terms – to 8.59 USD/kg (2021: 136.85 UAH/kg or 5.02 USD/kg). Average price of liquid egg products rose by 42% in UAH terms and was 66.79 UAH/kg, while in USD terms it increased by 20% and equaled 2.06 USD/kg (2021: 47.07 UAH/kg и 1.73 USD/kg).

The Company’s CEO Mr. Borys Bielikov commented:

“2022 proved to be hard not only for the egg industry but also for any business that keeps working despite the tough effects of the military aggression against Ukraine.

Throughout the year, the Company now and again faced various challenges that urged to seek new approaches to the logistics, sales markets, production technology and overall operations.

Problems with supply chains, additional export and import regulations, internal and external migration, temporary occupation of some territories in the first half of the year, as well as worsening purchasing power and electricity cut-offs in the second half made the Company decrease its investments in the new flock and optimize other processes.

Although by the end of 2022 the total flock fell by 14% Y-o-Y, the Group managed to soften the negative effects, which resulted in just 9% decrease of the production volume. At the same time, the sales volume fell by only 6% on the account of, among other things, lower volumes of processing.

All this, added to the favorable price dynamics observed on the world shell eggs and egg products market in the second half of 2022, makes the management content with the Groups operational results."

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