

25 October 2017

Operations Update for the nine months ended 30 September 2017



Ovostar Union N.V. (WSE: OVO) (hereinafter the “Company”), a vertically integrated holding company, one of the leading producers of eggs and egg products in Ukraine announces operating results for the nine months ended 30 September 2017.

As at 30 September 2017 the Company’s total flock increased by 8% y-o-y to 7.9 million hens. The laying hens flock increased by 15% y-o-y to 6.8 million hens.

During the 9 months of 2017 the egg production increased by 16% y-o-y to 1 246 million eggs. Respectively, sales volume of shell eggs increased by 8% to 829 million eggs. As a result of the Company’s export development strategy, the volume of eggs exported increased by 47% y-o-y, from 237 to 350 million eggs, representing a 42% share in total volume of shell eggs sold. Over the reporting period the average egg selling price was 8% higher y-o-y and amounted to 1.33 UAH/egg.

In the nine-month period of 2017 the volume of eggs processed increased by 24% y-o-y to 380 million eggs. The volume of dry egg products sold increased by 36% to 2 076 tons, while the volume of liquid egg products sold slightly decreased by 8% to 6 015 tons. The export of dry egg products grew up by 47% to 1 407 tons (68% share in total sales), the export of liquid egg products increased by 34% to 2 444 tons (41% share in total sales). The average selling price of dry egg products decreased by 12% y-o-y to 107.89 UAH/kg; the average selling price of liquid egg products increased by 8% y-o-y to 30.53 UAH/kg.

The Company CEO Mr. Borys Bielikov has commented:

“Based on the export development strategy and as a result of the dedicated teamwork, in September the Company (along with already existing permission to export the egg products) was authorized for deliveries of shell eggs to the EU countries. I am pleased to highlight that the first two million eggs were already supplied to the European consumers.

The management of the Company is overall satisfied with the operating results for the 9 months 2017 and is expecting to obtain good results for the whole year of 2017”.

Note: All prices in this press-release are indicated net of VAT (20%)