



24 January 2020

Operations Update for 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 year 2019.

As of 31 December 2019 the Company’s total flock was 8.1 mln heads, including 6.7 mln laying hens (31 December 2018: 7.6 mln and 6.4 mln. respectively).

The volume of eggs produced in 2019 totaled 1 587 mln (2018: 1 625 mln eggs). In the reporting period the sales volume in shell eggs segment fell by 17% to 1 147 mln eggs (2018: 1 381 mln). The volume of eggs exported was 525 mln that makes up 46% of the total sales in the segment (2018: 587 mln or 42%). The decrease of shell eggs sales is accounted for by the significant reduction of trading operations in 2019. Average price of eggs in UAH terms fell by 12% y-o-y and reached 1.606 UAH/egg, while in USD terms the decrease was 7% y-o-y and the price for the year was 0.062 USD/egg (2018: 1.819 UAH/egg or 0.067 USD/egg respectively).

In 2019 the volume of eggs processed was 577 mln, which by 9% exceeds the level of the previous year (2018: 530 mln eggs).

The volume of dry egg products output grew slightly y-o-y and reached 2 969 tons (2018: 2 959 tons).

The output of liquid egg products increased by 12% y-o-y up to 13 904 tons (2018: 12 435 tons).

The volume of dry egg products sold grew by 3% and equaled to 2 786 tons (2018: 2 712 tons), out of which 2 064 tons, or 74%, were exported (2018: 1 897 tons or 70%).

The volume of liquid egg products sales increased by 12% y-o-y and totaled 13 762 tons (2018: 12 265 tons), 6 516 tons, or 47%, of which were exported (2018: 5 643 tons or 46%).

Average sales price of dry egg products decreased by 19% y-o-y in UAH terms – to 107.16 UAH/kg and by 14% in USD terms – to 4.15 USD/kg (2018: 131.61 UAH/kg or 4.84 USD/kg). Average price of liquid egg products fell by 6% in UAH terms and was 37.15 UAH/kg, while in USD terms it remained on the level of the previous year and equaled 1.44 USD/kg (2018: 39.52 UAH/kg и 1.45 USD/kg).

The Company’s CEO Mr. Borys Bielikov commented:

«A considerable reduction of selling prices was noted in the global egg market in 2019. Worldwide trends also affected the local market, where the oversupply of eggs was pushing the prices down. Given these factors the operational results of the Company for the year 2019 can be considered satisfying»

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