



18 April 2019, Limassol, Cyprus

MHP SE
Pre-close trading update for the first quarter ended 31 March 2019

MHP SE (LSE: MHPC), the parent company of a leading international agro-industrial group with headquarters in Ukraine, focusing primarily on the production of poultry and cultivation of grain, as well as other agricultural operations (meat processing and meat products ready for consumption) today announces its pre-close trading update for the three months ended 31 March 2019. Hereinafter, MHP SE and its subsidiaries are referred to as “MHP”, “The Company” or “The Group”.

POULTRY AND RELATED OPERATIONS

Since January 2019, MHP has commissioned into operations additional two rearing sites (brigades) and currently grows chickens at five brigades of the Vinnytsia Poultry Complex, Phase 2. MHP is expected to produce by around 15% more chicken meat (around 100,000 tonnes) in 2019.

As usual, the Company’s poultry production facilities continued to operate at full capacity during the reporting period.

MHP’s overall production volumes of chicken meat in Q1 2019 increased by 13% and constituted 171,272 tonnes (Q1 2018: 152,167 tonnes), as a result of new rearing sites launched into operations both in H2 2018 and in Q1 2019 (Phase 2 of the Vinnytsia Complex).

Poultry Sales	Q1 2019	Q1 2018	% change
Sales volume, third parties tonnes	164,004	135,307	21%
- Domestic sales	70,959	72,163	-2%
- Exports	93,045	63,144	47%

Sales of chicken meat to third parties in Q1 2019 increased by 21% and constituted 164,004 tonnes of chicken meat compared to 135,307 tonnes in Q1 2018 as a result of significant increase of exports. Domestic sales volumes remained stable year-on-year.

Poultry Exports

The Company continues to implement its strategy of targeting products to specific markets and export sales diversification.

The Dutch and the Slovenian processing plants and sales/distribution office in the UAE have been performing in accordance with expectations and their business plans.

In Q1 2019 MHP's exports of chicken meat constituted 93,045 tonnes, which is 47% higher than in the same period last year (Q1 2018: 63,144 tonnes), having exported its poultry to around 60 countries worldwide. Export sales represented around 57% vs 47% of total poultry sales volumes in Q1 2019 and Q1 2018, respectively.

During the reporting period, following its export strategy, the Company has been developing its exports mainly in the countries of the MENA (KSA, Iraq and UAE predominantly) and the EU.

Poultry Prices

The average chicken meat price through the first quarter of 2019 constituted UAH 38.63 per kg (excluding VAT) and remained stable compared to the same period last year and Q4 2018.

Price per 1 kg net of VAT	Q1 2019	Q1 2018	% change
Average Poultry Prices (UAH)	38.63	38.78	0%

* Average official FX rate for Q1 2019 UAH/US\$ 27.31 and for Q1 2018 UAH/US\$ 27.32

Both poultry exports prices and prices on the domestic market remained almost at the same level year-on-year.

Oil Sales

	Q1 2019	Q1 2018	% change
Sunflower oil	99,826	47,506	110%
Soybean oil	15,152	18,255	-17%

In Q1 2019, MHP's sales of sunflower oil increased by 110% to 99,826 tonnes compared to 47,506 tonnes in Q1 2018 mainly as a result of delivery terms change and partially due to increase in production. In Q1 2019, soybean oil export sales decreased by 17% to 15,152 tonnes compared to 18,255 tonnes sold in Q1 2018.

The Company considers vegetable oils exports as one of the "natural hedge" routes accumulating additional hard currency revenues and protecting the Company from volatilities in local currency.

GRAIN GROWING OPERATIONS

MHP has around 94,000 ha under winter crops, of which around 50% is sowed with winter wheat and 41% with winter rapeseeds. Currently, all crops are in good condition. MHP expects good harvest of winter crops in 2019. MHP is going to harvest in 2019 around 365,000 hectares.

MHP's 2019 spring sowing campaign is ongoing now with no significant change in crops structure.

OTHER AGRI OPERATIONS

	Q1 2019	Q1 2018	% <i>change</i>
Meat processing products			
Sales volume, third parties tonnes	7,572	8,162	-7%
Price per 1 kg net VAT, UAH	65.73	58.66	12%

	Q1 2019	Q1 2018	% <i>change</i>
Convenience food			
Sales volume, third parties tonnes	4,067	3,835	6%
Price per 1 kg net VAT, UAH	43.43	46.51	-7%

Sales volumes of sausage and cooked meats in Q1 2019 decreased by 7% and constituted 7,572 tonnes compared to 8,162 tonnes in Q1 2018. The average sausage and cooked meat price in Q1 2019 increased by 12% to UAH 65.73 per kg (excluding VAT) compared to UAH 58.66 in Q1 2018.

Sales volumes of convenience food in Q1 2019 increased by 6% and reached 4,067 tonnes. The average price in Q1 2019 decreased by 7% to UAH 43.43 per kg (excluding VAT).

SUBSEQUENT EVENTS

21 February 2019 - MHP SE (LSE: MHPC), a leading international agroindustrial group, has completed a deal to acquire Perutnina Ptuj, international meat-processing company and the most important and largest producer of poultry meat and poultry meat products in Southeast Europe. Final consideration amount is a subject to completion of audited results of Perutnina Ptuj due diligence for the year ended 31 December 2018 and will be disclosed until the end of April.

NEXT RELEASE

Financial results for Q1 2019 will be disclosed in a due course.

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Notes to Editors:

About MHP

MHP is the leading producer of poultry products in Ukraine with the greatest market share and highest brand recognition for its products. MHP owns and operates each of the key stages of chicken production processes, from feed grains and fodder production to egg hatching and grow out to processing, marketing, distribution and sales (including through MHP's franchise outlets). As of the end of 2017, MHP's land bank constituted around 370,000 ha of land. Vertical integration reduces MHP's dependence on suppliers and its exposure to increases in raw material prices. In addition to cost efficiency, vertical integration also allows MHP to maintain strict biosecurity and to control the quality of its inputs and the resulting quality and consistency of its products through to the point of sale. To support its sales, MHP maintains a distribution network consisting of 11 distribution and logistical centres, within major Ukrainian cities. MHP uses its trucks for the distribution of its products, which Management believes reduces overall transportation costs and delivery times.

MHP also has a leading grain cultivation business growing corn to support the vertical integration of its chicken production and increasingly other grains, such as wheat and rape, for sale to third parties. MHP leases agricultural land located primarily in the highly fertile black soil regions of Ukraine.

Since May 15, 2008, MHP has traded on the London Stock Exchange under the ticker symbol MHPC.

Forward-Looking Statements

This press release might contain forward-looking statements that refer to future events or forecast financial indicators for MHP SE. Such statements do not guarantee that these are actions to be taken by MHP SE in the future, and estimates can be inaccurate and uncertain. Actual final indicators and results can considerably differ from those declared in any forward-looking statements. MHP SE does not intend to change these statements to reflect actual results.