



17 July 2019, Limassol, Cyprus

MHP SE

Pre-close trading update for the second quarter and six months ended 30 June 2019

MHP SE (LSE: MHPC), the parent company of a leading international agro-industrial group with headquarters in Ukraine, today announces its pre-close trading update for the second quarter and six months ended 30 June 2019. Hereinafter, MHP SE and its subsidiaries are referred to as “MHP”, “The Company” or “The Group”.

From now and going forward, MHP’s operational and financial results of the recently acquired Perutnina Ptuj will be included into the results of activities and will be shown separately (please see the result of operations at the end of press release).

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. Later this year MHP is planned to launch additional 2 brigades. MHP is expected to produce by around 15% more chicken meat (around 100,000 tonnes) in 2019.

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

Poultry production volumes in Q2 2019 increased by 17% to 182,306 tonnes (Q2 2018: 155,725 tonnes) and by 6% higher compared to Q1 2019 (171,272 tonnes). In H1 2019 poultry production volumes increased by 15% to 353,578 tonnes (H1 2018: 307,890 tonnes). The increase in the reporting periods is mainly driven by the increased production of chicken meat as a result of Phase 2 of the Vinnytsia Poultry Complex expansion.

Poultry	Q2 2019	Q2 2018	% change	H1 2019	H1 2018	% change
Sales volume, third parties tonnes:	181,273	153,137	18%	345,278	288,437	20%
- Domestic	83,835	82,722	1%	154,794	154,874	0%
- Exports	97,439	70,145	39%	190,484	133,564	43%

Poultry Sales

During H1 2019 third parties sales amounted to 345,278 tonnes of poultry, which is 20% higher than in H1 2018, driven mainly by growth in exports.

During the second quarter of 2019 the volume of chicken meat exports totaled 97,439 tonnes and increased by 39% compared to the second quarter of 2018 volume - 70,145 tonnes, and by around 5% higher compared to Q1 2019.

During the first half of 2019, poultry exports increased by 43% and reached 190,484 tonnes compared to H1 2018 - 133,564 tonnes. MHP continued to follow a strategy of both geographic diversification and of a product mix optimization building-up the export volumes of chicken meat across the MENA, the EU, Africa and Asia. Total poultry exports in H1 2019 constituted around 55% vs 46% in H1 2018 of total poultry sales volumes.

Poultry Prices

Poultry	Q2 2019	Q2 2018	%	H1 2019	H1 2018	%
			change			change
Price per 1 kg net VAT	40.06	39.38	2%	39.63	39.17	1%

* Average official FX rate for Q2 2019 UAH/US\$ 26.56 and for Q2 2018 UAH/US\$ 26.18

Average official FX rate for H1 2019 UAH/US\$ 27.31 and for H1 2018 UAH/US\$ 26.75

Through the second quarter of 2019 the average chicken meat price (both domestic and export) constituted UAH 40.06 per 1 kg of natural weight (excluding VAT), remained relatively stable year-on-year and increased by 4% compared to Q1 2019. H1 2019 average chicken meat price was UAH 39.63, which is stable compared with chicken price in H1 2018.

Vegetable oils

Sales volume, tonnes	Q2 2019	Q2 2018	%	H1 2019	H1 2018	%
			change			change
Sunflower oil	86,661	100,598	-14%	186,487	148,104	26%
Soybean oil	9,097	13,366	-32%	24,249	31,621	-23%

In Q2 2019, MHP's sales of sunflower oil decreased by 14% to 86,661 tonnes compared to 100,598 tonnes in Q2 2018, mainly driven by delivery terms change from DAP to FOB, as a result of sales structure change between Q1 and Q2 of 2019; in H1 2019 sunflower oil exports constituted 186,287 tonnes, which is 26% higher year-over-year. The increase in volumes in H1 2019 is driven mainly by an increase in production and by delivery terms change from DAP to FOB.

In Q2 2019, soybean oil exports were at 9,097 tonnes, 32% lower year-on-year, and accumulatively for the first six months of 2019– 24,249 tonnes, 23% lower year-on-year, due to high bases in the relevant periods in 2018. MHP also sells soybean cake to third parties.

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

In 2019 in grain growing operations the Company is to harvest around 365,000 hectares of land.

The Company's harvesting campaign of winter rapeseeds, barley and wheat is on track, so that around 40% of land under winter crops is harvested with good yields in line with Company's expectations taking into account weather condition.

Spring crops (corn, soybeans and sunflower) are in good condition.

OTHER AGRI OPERATIONS

MHP Results

Meat-processing products	Q2 2019	Q2 2018	%		%	
			<i>change</i>	H1 2019	H1 2018	<i>change</i>
Sales volume, third parties						
tonnes	9,094	8,798	3%	16,666	16,969	-2%
Price per 1 kg net VAT, UAH	66.75	61.09	9%	66.29	60.01	10%
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Convenience food	Q2 2019	Q2 2018	%		%	
			<i>change</i>	H1 2019	H1 2018	<i>change</i>
Sales volume, third parties						
tonnes	4,400	4,283	3%	8,467	8,126	4%
Price per 1 kg net VAT, UAH	40.61	44.09	-8%	40.67	45.30	-10%

Sales volumes of meat-processing products (sausages and smoked meat) in H1 2019 constituted 16,666 tonnes and remained relatively stable year-on-year. The average price in H1 2019 increased by 10% to UAH 66.29 per kg (excluding VAT) year-on-year driven mainly by poultry price increase.

Sales volumes of convenience food in H1 2019 reached 8,467 tonnes and remained relatively stable year-on-year. The average price in H1 2019 decreased by 10% to UAH 40.67 per kg (excluding VAT) due to the high comparison base, where salted fillet (semi-final product) was included.

Perutnina Ptuj (PP) Results

In Q2 2019 PP's poultry production facilities produced 15,631 tonnes of chicken and turkey meat, while poultry sales constituted 15,835 tonnes. In H1 2019 PP's poultry production facilities produced 20,587 tonnes of chicken and turkey meat, while poultry sales constituted 21,014 tonnes.

In Q2 2019 PP's meat-processing (including sausages, convenience foods) facilities produced 8,372 tonnes, while sales constituted 8,430 tonnes. In H1 2019 PP's meat-processing facilities produced 11,079 tonnes of meat-processing products, while sales constituted 11,092 tonnes.

Next release

The financial results for Q2 and H1 2019 will be published on **03 September 2019**. There will be a conference call for investors and analysts on the day that will take place at 4pm Kyiv time (2 pm London/4 pm Moscow). Dialing instructions for the call will be published 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). 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.