



20 October 2021, Limassol, Cyprus

**MHP SE**  
**Pre-close trading update for the third quarter and nine months ended 30 September 2021**

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 third quarter and nine months ended 30 September 2021. Hereinafter, MHP SE and its subsidiaries are referred to as “MHP”, “The Company” or “The Group”.

**POULTRY AND RELATED OPERATIONS (w/o PP)**

All Company’s poultry production facilities continued to operate at full capacity.

Poultry production volumes in Q3 2021 increased by 7% to 194,199 tonnes (Q3 2020: 181,661 tonnes), mainly because of lower share of thinning in Q3 2021 compared to Q3 2020, and remained relatively stable compared to Q2 2021 (190,908 tonnes). In 9M 2021 poultry production volumes remained relatively stable at 551,729 tonnes (9M 2020: 541,592 tonnes).

**Poultry Sales**

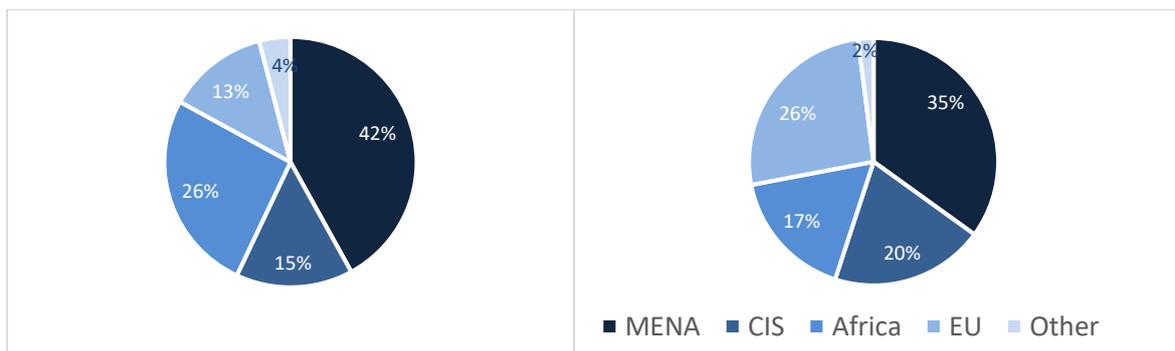
During Q3 2021 third parties sales decreased by 5% to 185,364 tonnes. In Q3 2021 the volume of chicken meat sales in Ukraine decreased by 12% y/y and reached 76,401 tonnes (by 5% higher compared to Q2 2021: 72,749 tonnes), mainly due to decreased sales of frozen chicken: whole chicken, fillet and quarters.

In Q3 2021, poultry exports remained relatively stable both y/y and q/q and reached 108,963 tonnes of meat. Total poultry exports in Q3 2021 constituted around 59% vs 56% in 3Q 2020 of total poultry sales volumes.

In 9M 2021 poultry sales remained relatively stable and constituted 521,538 tonnes of poultry (9M 2020: 523,758 tonnes): poultry sales in Ukraine increased by 10% y/y, while exports increased by 8% y/y – both mainly driven by strong results in sales in H1 2021 compared to H1 2020.

**Q3 2020**

**Q3 2021**



<b>Poultry</b>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>% chang e YoY</b>	<b>Q2 2021</b>	<b>% chang e QoQ</b>	<b>9M 2021</b>	<b>9M 2020</b>	<b>% chang e</b>
<b>Sales volume, third parties tonnes</b>	<b>185,364</b>	<b>195,373</b>	<b>-5%</b>	<b>181,804</b>	<b>2%</b>	<b>521,538</b>	<b>523,758</b>	<b>0%</b>
<i>Domestic sales volume, tonnes</i>	78,401	86,649	-10%	72,749	8%	221,260	244,736	10%
<i>Export sales volume, tonnes</i>	108,963	108,469	1%	109,055	0%	300,278	279,022	8%
Share of export sales, %	59%	56%	2 pps	60%	-2 pps	58%	53%	4 pps
<b>Average price per 1 kg net of VAT, US\$</b>	<b>1.79</b>	<b>1.36</b>	<b>32%</b>	<b>1.67</b>	<b>6%</b>	<b>1.64</b>	<b>1.34</b>	<b>22%</b>
Average price per 1 kg net of VAT, UAH (Ukraine)	48.73	35.76	36%	45.05	6%	45.16	33.39	35%
Average price per 1 kg net of VAT, US\$ (Ukraine)	1.81	1.30	39%	1.63	9%	1.64	1.26	30%
Average price per 1 kg net of VAT, US\$ (export)	1.77	1.42	25%	1.69	4%	1.63	1.41	16%
<b>Sunflower oil</b>								
Sales volume, third parties tonnes	36,620	84,877	-57%	35,192	4%	127,760	248,233	-49%
<b>Soybeans oil</b>								
Sales volume, third parties tonnes	12,571	11,512	9%	11,871	6%	35,587	33,121	7%

\* Average official FX rate for Q3 2020 UAH/US\$ 27.60 and for Q3 2021 UAH/US\$ 26.91

Average official FX rate for 9M 2020 UAH/US\$ 26.52 and for 9M 2021 UAH/US\$ 27.49

## **Poultry Prices**

Through the third quarter of 2021 the average chicken meat price (both domestic and export) constituted US\$ 1.79 per 1 kg of natural weight (excluding VAT), increased by 32% year-on-year, supported by strong prices both in Ukraine and on export markets; in 9M 2021 the average chicken meat price increased by 22% increase year-on-year to US\$ 1.64 per 1 kg.

Poultry prices in Ukraine in Q3 2021 increased by 36% y/y to US\$ 1.76 per 1 kg and by 9% q/q, mainly driven mainly affected by a substantial poultry production cost increase since Q4 2020 and upward price trends for all proteins during the period.

Export poultry price in Q3 2021 increased by 25% y/y to US\$ 1.77 per 1 kg and by 6% q/q, mainly driven by strong prices on breast and fillet in Europe, quarters, small chicken price in the MENA region.

## **Vegetable oils**

In Q3 2021, MHP's sales of sunflower oil decreased by 57% to 36,620 tonnes y/y and increased by 4% q/q. In 9M 2021 sunflower oil exports decreased by 49% y/y to 127,760 tonnes. The decrease in sales in both periods is mainly driven by a decrease in production of oil because of decreased share of sunflower cake in fodder (change in recipe).

In Q3 2021, soybean oil exports increased by 9% y/y to 12,571 tonnes and by 6% q/q, in 9M 2021 sales increased by 7% y/y to 35,587 tonnes. The increase in sales of soybean oil in both periods is a result of soya cake share increase in fodder recipe and partial substitution of sunflower cake in it, which also resulted in decreased sales of 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 2021 in grain growing operations the Company is to harvest around 355,000 hectares of land.

The Company's harvesting campaign of sunflower, corn and soya is on track. As of today, MHP's harvesting campaign of sunflower is 85% complete with current bunker yield of 3.4 t/ha, around 28% of corn is harvested with current bunker yield of 10.8 t/ha and around 55% of soya is harvested with current bunker yield of 2.9 t/ha.

Sowing campaign of winter crops is almost complete on around 70,455 ha of land (around 60% of land is under winter wheat, around 40% of land is under winter rapeseed).

	<b>2021</b>		<b>2020</b>	
	<b>Production volume</b>	<b>Cropped land</b>	<b>Production volume</b>	<b>Cropped land</b>
	<i>in tonnes</i>	<i>in hectares</i>	<i>in tonnes</i>	<i>in hectares</i>
Corn	488,462	163,122	864,537	155,094
Wheat	215,863	36,773	208,143	40,827
Sunflower	246,370	88,256	261,886	93,713
Rapeseed	70,562	21,522	80,708	30,857
Soya	35,264	22,879	43,192	19,118
Other <sup>[2]</sup>	n/a	n/a	248,476	16,437
<b>Total</b>	<b>In progress</b>	<b>In progress</b>	<b>1,706,942</b>	<b>356,046</b>

	<b>2021</b>		<b>2020</b>	
	<b>MHP's average</b>	<b>Ukraine's average</b>	<b>MHP's average</b>	<b>Ukraine's average</b>
	<i>tonnes per hectare</i>		<i>tonnes per hectare</i>	
<b>Corn</b>	10.8*	In progress	5.6	5.4
<b>Wheat</b>	5.9	4.6	5.1	3.7
<b>Sunflower</b>	3.4*	In progress	2.8	2.0
<b>Rapeseed</b>	3.3	2.7	2.6	2.2
<b>Soya</b>	2.9*	In progress	2.3	2.0

\*- bunker weight

## OTHER AGRICULTURAL OPERATIONS AND MEAT PROCESSING

<b>Meat processing products</b>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>% change YoY</b>	<b>Q2 2021</b>	<b>% change QoQ</b>	<b>9M 2021</b>	<b>9M 2020</b>	<b>% change</b>
	Sales volume, tonnes	9,378	8,870	6%	8,462	10%	25,447	25,392
Price per 1 kg net VAT, UAH	83.37	72.16	15%	80.72	3%	80.02	70.75	13%
<b>Convenience Food</b>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>% change YoY</b>	<b>Q2 2021</b>	<b>% change QoQ</b>	<b>9M 2021</b>	<b>9M 2020</b>	<b>% change</b>
Sales volume, tonnes	5,442	6,055	-11%	4,485	21%	14,107	14,591	-3%
Price per 1 kg net VAT, UAH	47.58	40.79	17%	50.91	-7%	47.29	40.28	32%

Sales volumes of meat-processing products (sausages and smoked meat) in Q3 2021 increased by 6% y/y to 9,378 tonnes and by 10% q/q. The average price in Q3 2021 increased by 15% to UAH 83.37 per kg y/y but remained relatively stable q/q, driven mainly by an increase in raw material price (poultry meat).

Sales volumes of convenience food in Q3 2021 decreased by 11% y/y to 5,442 tonnes and increased by 21% q/q. The average price in Q3 2021 increased by 17% y/y to UAH 47.58 per kg (but decreased by 7% q/q).

### Perutnina Ptuj (PP) Results

Poultry	Q3 2021	Q3 2020	% change YoY	Q2 2021	% change QoQ	9M 2021	9M 2020	% change
Sales volume, tonnes	19,367	16,804	15%	19,508	-1%	54,917	47,842	15%
Price per 1 kg net VAT, UAH	2.65	2.48	7%	2.53	5%	2.56	2.52	2%
Meat processing products*	Q3 2021	Q3 2020	% change YoY	Q2 2021	% change QoQ	9M 2021	9M 2020	% change
Sales volume, tonnes	11,030	10,218	8%	9,868	12%	30,046	28,853	4%
Price per 1 kg net VAT, UAH	2.76	2.69	3%	2.80	-1%	2.76	2.71	2%

\*-includes sausages and convenience foods

In Q3 2021 PP's poultry production facilities produced 29,812 tonnes of chicken and turkey meat (8% more than in Q3 2020). Poultry sales constituted 19,367 tonnes, 15% higher y/y and remained relatively stable q/q.

In 9M 2021 PP's poultry production facilities produced 83,930 tonnes of chicken and turkey meat (8% more than in 9M 2020). Poultry sales constituted 54,917 tonnes, 15% higher year-on-year.

In Q3 2021 PP's meat-processing (including sausages, convenience foods) facilities produced 11,645 tonnes, 13% more year-on-year. Sales constituted 11,030 tonnes, 8% higher y/y and 12% higher q/q.

In 9M 2021 PP's meat-processing facilities produced 30,991 tonnes of meat-processing products, 6% lower y/y. Sales constituted 30,046 tonnes, 4% higher year-on-year.

Both in poultry and meat processing divisions, prices showed positive to stable trends both in Q3 and 9M 2021 compared to same periods of 2020 as a result of positive price dynamic for poultry prices both in the EU and in the world.

### Next release

The financial results for Q3 and 9M 2021 will be published on **18 November 2021**. There will be a conference call for investors and analysts on the day that will take place at 4pm Kyiv time (2 pm London/5 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 not only in Ukraine, but also in the Balkans (Perutnina Ptuj Group).

Ukraine: MHP has the greatest market share (over 30% of poultry consumption) 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). Complete vertical integration practically eliminates MHP's exposure to raw material price fluctuations since its grain production exceeds internal consumption requirements, allowing the Company to be an important participant in the international commodity trade. In addition to cost efficiency, vertical integration also enables MHP to maintain strict biosecurity and to control the quality of its inputs and the resulting quality and consistency of its products all the way to the point of sale. To support its sales, MHP maintains a distribution network consisting of nine distribution and logistical centers within major Ukrainian cities. MHP uses its own truck fleet to distribute its products, reducing overall transportation costs and delivery times.

MHP also has a leading grain cultivation business growing corn, soya and sunflower 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.

The Balkans: Perutnina Ptuj (PP) is a leading poultry and meat-processing producer in the Balkans, with production sites in four Balkan countries: Slovenia, Croatia, Serbia, Bosnia and Herzegovina. PP owns distribution companies in Austria, Macedonia and Romania and supplies products to fifteen countries in Europe. PP is vertically integrated across all stages of chicken meat production - feed, hatching eggs production and hatching, breeding, slaughtering, sausage production and further poultry processing.

MHP trades 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.