

Business Description -

Industry leader:

- 49% share in the industrial production of shell eggs in 2014
- 91% share in the production of dry egg products in 2014
- 72% share in export of eggs and dry egg products from Ukraine in 2014

Diversified sales channels:

- 33% of the Company's total consolidated revenue derived from export
- Export sales to 37 countries, including new markets of Bangladesh and the UK
- Main export destinations: MENA, SSA, the Far East, the CIS, the EU
- 10% of the Company's total shell egg sales were from export sales
- Shell egg sales to supermarket chains increased to 38% of the Company's total sales to third parties, while sales through a lower margin wholesale channel declined to 52% in Q1 2015
- 65% of the Company's total egg product sales derived from export sales of dry egg products

Financial Summary

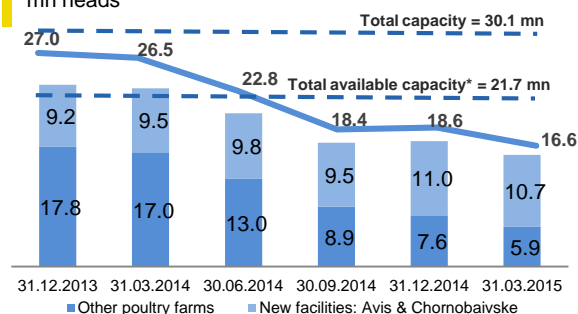
US\$'000	Q1 2014	Q1 2015
Revenue	152,199	72,426
Gross profit	59,745	14,610
EBITDA	61,163	6,357
Net Income	46,799	(52,179)
EPS, US\$	7	(8)

Operational Summary

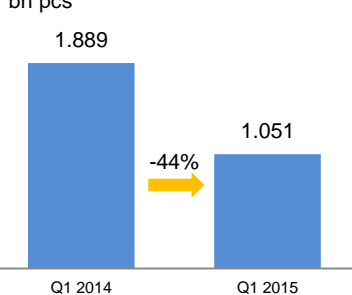
	Q1 2014	Q1 2015
Total flock, mn birds	34.1	20.0
Laying hens, mn birds	26.5	16.6
Shell egg production, mn pcs	1,889	1,051
Shell egg av. sales price, UAH/egg (excl. VAT)	0.67	1.07
Dry egg product production, tonnes	6 802	1 150
Egg product av. sales price, US\$/kg	7.04	5.24

Key Diagrams

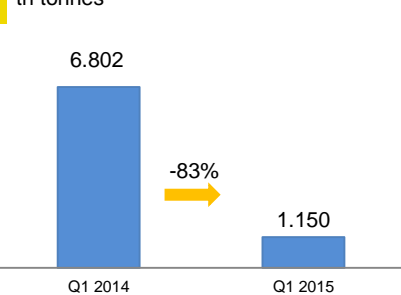
Total number of laying hens, mn heads



Production of shell eggs, bn pcs



Production of egg products, th tonnes



Macroeconomics: key metrics

Continued negative impact on the Ukrainian economy resulting from the military conflict:

- ✓ Further devaluation of the Ukrainian Hryvnia against the world currencies
- ✓ Sharp decrease in industrial production
- ✓ Decrease in retail trade turnover due to the reduced real income of the population
- Real GDP:
 - ✓ 2014 – decrease by 6.8% YoY
 - ✓ Q1 2015 – decrease by 17.6% YoY
- CPI:
 - ✓ 2014: 24.9% YoY;
 - ✓ April 2015: 60.9% YoY
- Currency devaluation:
 - ✓ 2014 UAH/USD: average 49% YoY;
 - ✓ 2014 UAH/EUR: average 48% YoY
 - ✓ Q1 2015 UAH/USD: average 138% YoY
 - ✓ Q1 2015 UAH/ EUR: average 96% YoY
- Agriculture amounted to 10.3% of GDP in 2014

Source: SSCU, the Company data

Industry update

- Reduced demand for consumer goods due to decline in population's living standards (in April a decrease in retail trade turnover amounted to 29.6% YoY)
- Partial loss of sales market in the Crimea, Lugansk and Donetsk regions (Crimea totalled up to 5% of Ukrainian shell egg consumer market and Donbass and Lugansk regions amounted to 14%)
- Growth in production of shell eggs by households in Ukraine

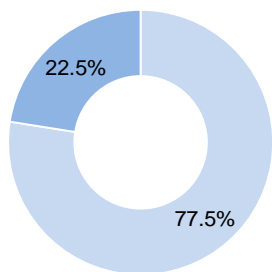
Key Ratios & Profitability

Ratios	31.03.2014	31.03.2015
P/S	0.9	0.5
P/E	2.8	-
EV/LTM EBITDA	2.8	5.8
Net debt/LTM EBITDA	0.54	3.34
Profitability		
Gross margin	39%	20%
EBITDA margin	40%	9%

Source: Bloomberg data, the Company data

Shareholder Structure -

Share Capital Structure



■ Ukrlandfarming PLC ■ Free Float

Securities Information

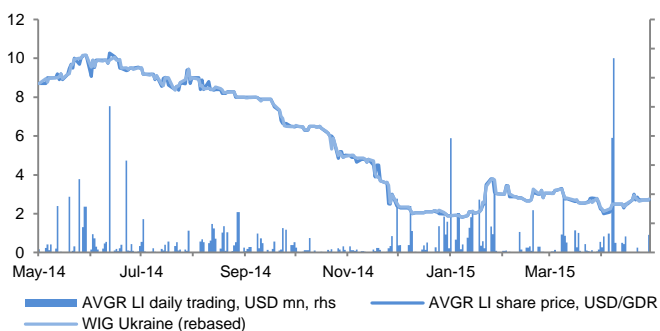
GDR/ADR's

Ticker	AVGR
Stock Exchange	LSE
Deal Size	1,437,500 new ordinary shares in the form of GDRs
Use of Proceeds	Finalization of new capacity expansion programs
Proceeds	US\$ 208 mn
Offer Price	US\$15.0 per GDR

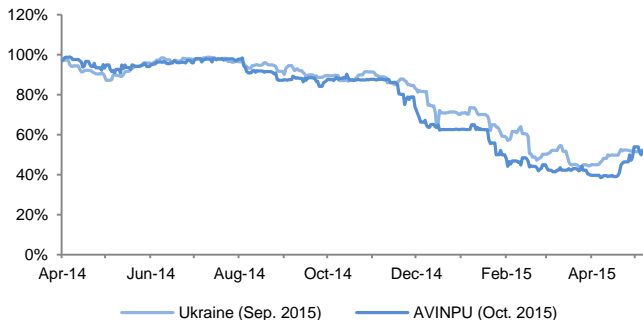
Bonds

Format	Reg S
Amount	US\$200 mn
Maturity	29 October 2015
Coupon	10%, payable semi-annually in arrears on 29 Apr and Oct
Listing	LSE

GDR Performance -



Bond Price -



Board of Directors -



Nataliya Vasylyuk
Chairwoman of the Board
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Mrs. Vasylyuk obtained a Finance and Accounting Diploma at the Ivano-Frankivsk National Technical University of Oil & Gas in 2005. She began her career in 2004 as sales and marketing director at LLC Prykarpattya Financial Company, then from 2004 to 2007 she served as CFO at LLC Stanislavska Trade Company. Nataliya Vasylyuk joined the Company in 2007. Between 2007 and 2010 she served as the CEO of Agroholding Avangard LLC and from April 2010 to January 2013 she served as CEO and member of the Board of Directors of AVANGARDCO IPL. Nataliya Vasylyuk has been Chairwoman of the Board since 30 January 2013.



Oleg Bakhmatyuk
Board Member
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Mr. Bakhmatyuk graduated from the Chernivtsi Economy and Law Institute with a Business Management degree and from the Ivano-Frankovsk National Technical University of Oil and Gas, with a degree in engineering, physics and management. Oleg Bakhmatyuk founded AVANGARDCO IPL in 2003 and Ukrlandfarming PLC in 2007. Between 2010 and 2013 Mr. Bakhmatyuk was the Chairman and member of the Board of Directors of AVANGARDCO IPL. Since 2013 Mr. Bakhmatyuk has been a member of the Board of Directors of AVANGARDCO IPL. Since 2010 Mr. Bakhmatyuk serves as the Chairman and CEO of Ukrlandfarming PLC. Oleg Bakhmatyuk owns several other companies in the food, transport, real estate and finance sectors.



Oleg Pohotsky
Board Member, Independent director,
[Read more](#)

Mr. Pohotsky holds an MBA from the Harvard University Graduate School of Business and a Juris Doctor degree from the University of Miami Law School. He also holds a BSChE degree from Clarkson University. Mr. Pohotsky has been the managing partner of Right Bank Partners, a corporate governance and strategy advisory firm. He serves as Chairman of the Board of the H&Q Healthcare and Life Sciences Funds and as a director of the New America High Income Fund. All three closed-end funds are NYSE-listed. Mr. Pohotsky also serves on the Board of Advisors of Kaufman & Co., a Boston-based boutique investment banking firm and in the position of Senior Advisor to Governance Metrics International.



Iryna Marchenko
Board Member, CEO
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Mr. Pohotsky has served as an independent non-executive Director of the Company since 2011.

Mrs. Marchenko graduated from the Kyiv Municipal Management Academy in 2004 with an accounting and audit qualification. She obtained an ACCA IFRS Diploma in 2008. Mrs. Marchenko joined the Company in 2007 and served as its CFO since 2010 to January 2013. Iryna Marchenko became a Chief Executive Officer of the Company in 2013.

IR & PR Contacts

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