

PRESS RELEASES

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Financial results for the three months ended 31 March 2018

Ovostar Union N.V. (WSE: OVO) (hereinafter, the "Group"), a vertically integrated holding company, one of the leading egg and egg products producers in Ukraine, announces its financial results for the three months ended 31 March 2018.

Revenue, gross profit and gross margin

The Group's revenue over the 1Q 2018 increased by 71% year-on-year to mUSD 33.9 from mUSD 19.8 as a result of growth in sales volumes and prices as well as contribution of the egg trading activities to the total turnover. The export sales for the reporting period more than doubled year-on-year and reached mUSD 14.4, while the share of export revenue amounted to 43%. In particular, the EU share in revenue went up from mUSD 0.9 to mUSD 4.8, what resulted in 14% share in total revenue for the 1Q 2018.

The gross profit increased by 90% year-on-year to mUSD 11.2, while the gross profit margin amounted to 33% (1Q 2017: 30%). Overall the market environment has showed a positive dynamics of the selling prices for shell eggs and egg products on both local and export markets.

Operating profit, EBITDA and cash flow from operating activities

The Group's operating profit for the reporting period increased by 99% year-on-year to mUSD 8.8. Along with rising export sales, the transportation costs have been also increasing what resulted in EBITDA of mUSD 9.5, an 85% increase year-on-year in 1Q 2018, while EBITDA margin amounted to 28% (1Q 2017: 26%). Net cash flow from operating activities during the 1Q 2018 increased by 72% and equaled to mUSD 14.9.

Net profit

Over the 3 months 2018 net profit reached mUSD 7.3, a 71% growth year-on-year (1Q 2017: mUSD 4.3).

The Group's CEO Borys Bielikov noted:

"Adhering to the strategy of export markets expanding, in the first quarter of 2018 the Group continued to build on its export activities, with particular focus on the EU market, which resulted in significant growth of revenues from foreign customers."