

### Business description -

#### # 1 producer of shell eggs and dry egg products in Ukraine and Europe\* :

- 35% share of the industrial production of shell eggs in Ukraine in 2015
- 80% share of the production of dry egg products in Ukraine in 2015

#### Vertically integrated business model and production facilities across Ukraine:

- Total production capacity of 8.6 bln eggs and 30.1 mln laying hens \*\*
- New full cycle poultry complexes Avis and Chornobaivske with total production capacity of 3.5 bln eggs and 11.2 mln laying hens:
- Shell egg processing capacity of 6 mln eggs per day

#### The largest exporter of shell eggs and dry egg products from Ukraine:

- 68% share of the export market of shell eggs and dry egg products in Ukraine in 2015
- Export portfolio encompasses 42 countries with new export markets
- Export to EU now accounts for more than 76% of egg product sales

#### Diversified sales structure:

- Sales through supermarkets chains and exports rose to 53% and 16% of total sales respectively. The share of less profitable wholesale sales decreased from 52% in Q1 2015 to 31% in Q1 2016

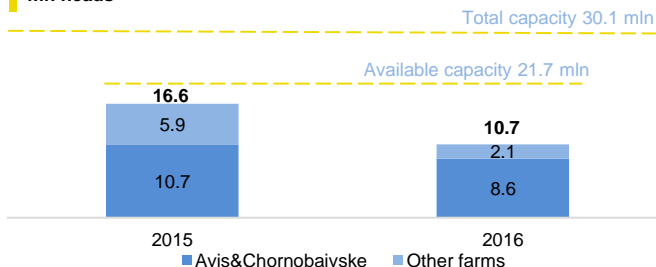
\*According to data from SSCU, Pro-Consulting, Egg Industry Journal ([www.WATTAgNet.com](http://www.WATTAgNet.com))  
 \*\* Including temporarily closed facilities in the East and Crimea

### Poultry flock

#### One of the largest numbers of laying hens globally\*:

- 13.5 mln total flock as at 31.03.2016
- 10.7 mln laying hens flock as at 31.03.2016
- 76% of laying hens are at the Avis and Chornobaivske complexes

#### Total number of laying hens, mn heads



\*According to data from SSCU, Pro-Consulting, Egg Industry Journal ([www.WATTAgNet.com](http://www.WATTAgNet.com))

### Macroeconomics: key metrics

The economic and political situation in Ukraine remains fragile however there are signs of a slight economic recovery as shown by major economic indicators:

- In Q1 2016 GDP rose 0.1% YoY after a two-year contraction
- In Q1 2016 the Ukrainian Hryvnia depreciated 21% YoY\*\*\* against the US dollar and stabilised at UAH26.2 per US dollar as at 31.03.2016
- Inflation is still a negative factor behind the recovering of consumer's purchasing power. Although in March CPI decelerated to 20.9% YoY from a 60.9% peak in April 2015
- Retail trade turnover has been positive for the first time since June 2014 at 1.6% YoY in Q1 2016 which can be a sign of a gradual recovery in consumer demand

\*\*\* Weighted average rate for the period  
 Source: SSCU, company data

### Key ratios & profitability

Ratios	31.03.2015	31.03.2016
P/S	0.5	0.3
P/E	-	-
EV/LTM EBITDA	5.8	-
Total debt/LTM EBITDA	3.34	-
<b>Profitability</b>		
Gross margin	20%	21%
EBITDA margin	9%	24%

Source: Bloomberg data, Company data

### Our brand

Packaged shell eggs under the "Kvochka" umbrella brand are represented in the most popular consumer price segments



### Financial summary

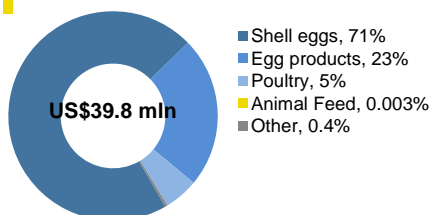
USD'000	Q1 2015	Q1 2016
Revenue	72,426	39,839
Gross profit	14,610	8,281
EBITDA	6,357	9,566
Net Income/(Loss)	(52,179)	(3,974)
EPS, USD	(8)	(1)

### Operational summary

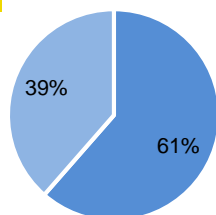
	Q1 2015	Q1 2016
Total flock, mln heads	20.0	13.5
Laying hens, mln heads	16.6	10.7
Shell egg production, mln pcs	1,051	627
Shell egg sales, mln pcs	1,067	475
Shell egg av. sales price, UAH/egg (excl. VAT)	1.07	1.53
Dry egg product production, tonnes	1,150	1,575
Dry egg product sales, tonnes	3,251	1,638
Egg product av. sales price, USD/kg	5.24	5.68

### Key diagrams

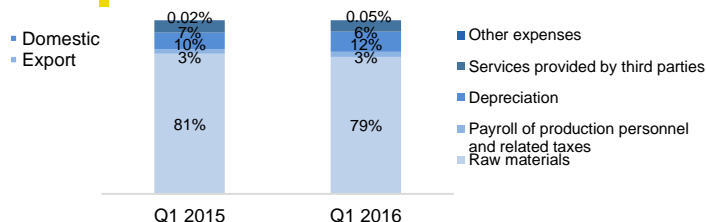
Revenue by segments, %



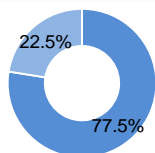
Export revenue, %



Cost of sales by elements, %



## Shareholder structure -



■ Uklandfarming PLC ■ Free Float



## Eurobonds

On 28 October 2015, via Scheme of Arrangement the Company extended maturity of its Eurobonds from 29 October 2015 to 29 October 2018

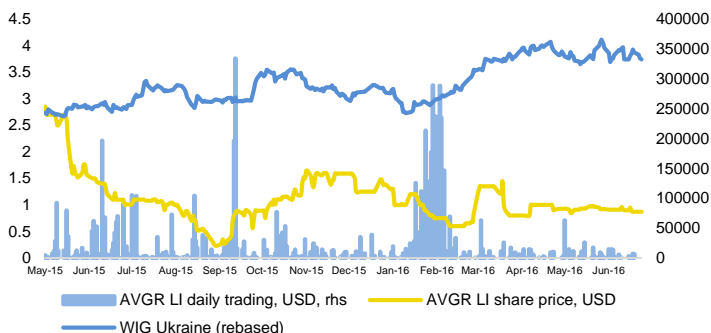
Format	Reg S																					
Amount	USD 200 mln																					
Maturity	29 October 2018																					
Coupon	<ul style="list-style-type: none"> <li>The 5% coupon payable on 29 October 2015 (representing the semi-annual payment of the existing 10% coupon) was paid as follows: (i) 2% in cash and (ii) 3% as payment in kind ("PIK");</li> <li>10% payable semi-annually in arrears on 29 April and 29 October of each year, commencing 29 April 2016, but subject to the following PIK and cash payment provisions:</li> </ul> <table border="1"> <thead> <tr> <th>Interest payment date</th> <th>PIK interest %</th> <th>Cash interest %</th> </tr> </thead> <tbody> <tr> <td>29.04.16</td> <td>75</td> <td>25</td> </tr> <tr> <td>29.10.16</td> <td>75</td> <td>25</td> </tr> <tr> <td>29.04.17</td> <td>50</td> <td>50</td> </tr> <tr> <td>29.10.17</td> <td>50</td> <td>50</td> </tr> <tr> <td>29.04.18</td> <td>25</td> <td>75</td> </tr> <tr> <td>29.10.18</td> <td>0</td> <td>100</td> </tr> </tbody> </table>	Interest payment date	PIK interest %	Cash interest %	29.04.16	75	25	29.10.16	75	25	29.04.17	50	50	29.10.17	50	50	29.04.18	25	75	29.10.18	0	100
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Listing	LSE
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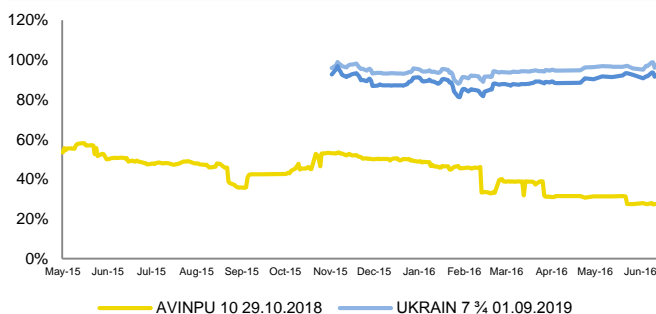
## GDRs

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	USD 208 mln
Offer price	USD 15.0 per GDR

## GDR performance -



## Eurobond price -



## Board of directors -



**Oleg Bakhmatyuk**  
*Chairman of the Board*  
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Mr. Bakhmatyuk graduated from the Chernivtsi Institute of Economics and Law with a degree in business administration and from the Ivano-Frankivsk National Technical University of Oil and Gas with a degree in engineering, physics and management.

Oleg Bakhmatyuk founded Avangard in 2003 and Uklandfarming PLC in 2007. Between 2010 and 2013 Mr. Bakhmatyuk served as Chairman of the Board of Directors of AVANGARDCO IPL, remaining on the Board after this time. Mr. Bakhmatyuk again took over as Chairman of the Board of Directors of AVANGARDCO IPL in April 2016. Since 2010 Mr. Bakhmatyuk has served as 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 a 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.

Mr. Pohotsky has served as an independent non-executive Director of the Company since 2011.



**Nataliya Vasylyuk**  
*Board Member, CEO*  
[Read more](#)

Ms. Vasylyuk obtained a Finance and Accounting degree from 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 Avangard in 2007. Between 2007 and 2010 she served as CEO and from April 2010 to January 2013 while staying on as CEO she also became a member of the Board of Directors of AVANGARDCO IPL. Nataliya Vasylyuk served as Chair of the Board from January 2013 to April 2016. She retook the position of CEO in April 2016.

## IR & PR contacts

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