MHP - Ukraine

J.P. Morgan Credit and Equities Emerging Markets Conference 2016

September 27, 2016
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Robust business model of vertical integration

- Leading agricultural company with growth potential
- #1 poultry producer in Ukraine – over 60% of industrially produced chicken
- Vertically-integrated business with best-in-class margins and efficiency in production cost despite challenging environment during whole history
- EU certified enterprises since 2013

Business Highlights 2016

- 100% capacity utilization despite challenges in Ukraine
- #1 poultry exporter in Ukraine - growth by 33% in 2016
- 50% of revenues in hard currency from exports
- Diversification in exports: EU partnership in processing, new distribution offices in MENA

Key operational figures

<table>
<thead>
<tr>
<th>Capacity as of August, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chickens processing per week (heads)</td>
</tr>
<tr>
<td>Poultry meat</td>
</tr>
<tr>
<td>Feed production</td>
</tr>
<tr>
<td>Vegetable oil production</td>
</tr>
<tr>
<td>Agricultural land bank in Ukraine</td>
</tr>
<tr>
<td>Meat processing (sausages, convenience food, etc)</td>
</tr>
</tbody>
</table>

Revenue and EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Sales</th>
<th>EBITDA</th>
<th>EBITDA Margin, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>944</td>
<td>325</td>
<td>34%</td>
</tr>
<tr>
<td>2011</td>
<td>1,229</td>
<td>401</td>
<td>33%</td>
</tr>
<tr>
<td>2012</td>
<td>1,408</td>
<td>468</td>
<td>33%</td>
</tr>
<tr>
<td>2013</td>
<td>1,496</td>
<td>391</td>
<td>26%</td>
</tr>
<tr>
<td>2014</td>
<td>1,397</td>
<td>555</td>
<td>40%</td>
</tr>
<tr>
<td>2015</td>
<td>1,183</td>
<td>459</td>
<td>39%</td>
</tr>
</tbody>
</table>

In thousand tonnes
### Unique Integrated Business Model

**MHP business model — a key cost competitive advantage to its peers worldwide**

<table>
<thead>
<tr>
<th>Less exposure to commodity cost volatility due to high level of self-sufficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grain</strong></td>
</tr>
<tr>
<td>Own grain production satisfies 100% of the Company’s corn and 26% of sunflower needs</td>
</tr>
</tbody>
</table>

### Capacity increase in 2016 by around 40,000 tons to total production of appx. 600,000 tons of chicken meat

| | | | | | | | |
| 370,000 hectares of land under control in Ukraine | Around 310,000 tonnes of sunflower oil, 33,000 tonnes of soybean oil | 4 fodder mills | Own grain storage facilities | 2 breeding farms, around 320 mm hatching eggs per year | 2 breeding farms, around 320 mm hatching eggs per year | Growing self-sufficiency in energy to ensure lower costs, being environmentally friendly | Over 100,000 tonnes of convenience foods, sausages and cooked meat per year | Fleet of around 490 vehicles | Approx. 2,160 dedicated outlets |
MHP by segments: today and tomorrow
2016
- 370,000 ha of land with 5 main crops: corn, sunflower, wheat, rapeseed and soybean
- MHP’s harvest is strong with historically higher yields compared to Ukraine’s average
- EBITDA - US$400-450 per 1 ha despite low world grain prices

Future
- Land bank increase to up to 550,000 ha in the medium term
Growth in Poultry: Today and Tomorrow

2006-2014 - US$1.2 billion investment into green-field poultry complexes

2016
• 100% capacity utilization despite all challenges in Ukraine
• Gradual capacity increase at Myronivska and Oril Leader poultry complexes:
  ➢ 2016 – 40 Kt
  ➢ 2017 – 30 Kt
• Self-sufficiency in hatching eggs since July 2016

Future
• New production - Vinnytsia complex expansion - Phase 2 (2 lines) - 260,000 per annum with gradual launch
• Estimated CAPEX for Phase 2 is about US$ 350 million:
  ➢ Line 1 (130 Kt) – launch in 2018
  ➢ Line 2 (130 Kt) – launch after 2020
• Majority of production from Phase 2 will be for exports
Global Trends - Poultry Consumption increase

- Poultry has the highest growth rate (CAGR) and is perceived more healthy meat with no religious restriction, more affordable compared to pork and beef
- Global annual poultry export constitutes 11-12 million tones
- Saudi Arabia, UAE and the European - the largest poultry importers in 2011-2015, showing future growth and great potential for MHP exports
- Worldwide future growth in consumption drives MHP for future exports opportunities in the regions

Global Protein Production Trends

Volume '000MT

- CAGR 2%
- CAGR 5%
- CAGR 1%

Forecast of per capita consumption of poultry, mln tonnes*

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worldwide</td>
<td>13.2</td>
<td>14.6</td>
</tr>
<tr>
<td>EU</td>
<td>21.3</td>
<td>23.1</td>
</tr>
<tr>
<td>MENA</td>
<td>7.1</td>
<td>8.9</td>
</tr>
<tr>
<td>Africa</td>
<td>4.1</td>
<td>4.6</td>
</tr>
</tbody>
</table>

MHP’s Poultry Operations & Exports

2016
- 2016 new poultry volumes result in a 33% annual growth of exports sales (175,000 tones), over 30% of total poultry sales
- Significant geographic diversification across export markets (currently over 60 countries)
- In line with strategy, MHP:
  - creates distribution network in primary markets (UAE, Egypt)
  - opened a poultry processing facility in the Netherlands

Future
- Additional export sales – 200- 250 Kt:
  - the EU – fresh chicken (mostly fillets)
  - MENA, Africa, Asia – frozen chicken (carcasses and chicken parts)

Source: Company information, SSSU
Note: split by sales volume
MHP: Profitability

- Two businesses under one “roof” – sustainable profitability and growth despite challenges in Ukraine and worldwide
- MHP’s EBITDA margins are much higher than those of international peers

Superior profitability: 2013-2015 EBITDA margin

Adjusted EBITDA margin: Consolidated, Poultry, Grain

Revenue and EBITDA

US$m/000t

Note: (1) Annual figures otherwise stated
Source: Company information
P&L & Cash Flows

- Debt - appx 80% in LT facilities
- 50% of total revenue in USD to cover debt services
- Continuous investment into expansion, but positive CF and dividends since 2013

CAPEX and Net Cash from Operations during 2010-2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Maintenance CAPEX</th>
<th>Development CAPEX</th>
<th>Net Cash from Operations</th>
<th>Net Cash from Operations to CAPEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>223</td>
<td>335</td>
<td>0.4x</td>
<td>1x line – balance between CF and CAPEX</td>
</tr>
<tr>
<td>2011</td>
<td>97</td>
<td>198</td>
<td>0.6x</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>198</td>
<td>389</td>
<td>0.5x</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>277</td>
<td>332</td>
<td>1,2x</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>254</td>
<td>119</td>
<td>2,1x</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>170</td>
<td>191</td>
<td>1,1x</td>
<td></td>
</tr>
<tr>
<td>Q2 LTM</td>
<td>128</td>
<td>175</td>
<td>1,4x</td>
<td></td>
</tr>
</tbody>
</table>

Debt Profile

<table>
<thead>
<tr>
<th></th>
<th>30.06.2016</th>
<th>31.12.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total debt</td>
<td>1,286</td>
<td>1,279</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>1,001</td>
<td>1,016</td>
</tr>
<tr>
<td>Short-term loans</td>
<td>285</td>
<td>263</td>
</tr>
<tr>
<td>Cash and Deposits</td>
<td>(47)</td>
<td>(59)</td>
</tr>
<tr>
<td>Net debt</td>
<td>1,239</td>
<td>1,220</td>
</tr>
<tr>
<td>LTM EBITDA</td>
<td>423</td>
<td>459</td>
</tr>
<tr>
<td>Net Debt/LTM EBITDA</td>
<td>2.93</td>
<td>2.66</td>
</tr>
</tbody>
</table>

Debt Profile Breakdown

30.06.2016

- Long-term debt: 22%
- Short-term debt: 78%

31.12.2015

- Long-term debt: 21%
- Short-term debt: 79%
## Strategy

### Poultry

I. Production Growth
- Expansion of poultry facilities – Vinnytsya complex (Phase 2 – 260,000 tonnes):
  - a. Second phase (first line - 130,000 tonnes per year) - investment starts in 2017
  - b. Second phase (second line - 130,000 tonnes per year) anticipated after 2020

II. Export Growth
- To increase diversity of export sales developing exports in the EU, MENA, Africa and Asia
- To acquire a meat processor in the EU
- To become the #1 poultry producer in Europe

### Grain Growing
- To expand land bank in Ukraine: from 370,000 to 550,000 ha
- To sustain and increase profitability of business direction through introduction new technics and world best practices

### Focus on Further Integration
- To use co-generation technology and alternative energy sources,
- To grow our presence in a segment of value-added products
- Focus on promoting new branded products
Thank you for your attention!

Questions?