



# Ukrainian agricultural market overview

# 1. Introduction to FinPoint

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## Background information

### 1 **FinPoint is the most successful investment-banking firm in Ukraine**

- Independent privately-owned company founded in 2003 by management and key employees of a leading Austrian and CEE investment bank
- Since 2003, we advised on dozens of transactions for a total size of around US\$ 4bn

### 2 **Wide sector experience, which includes financial institutions, food and agriculture, consumer goods, telecommunication, construction materials, etc.**

- Participated in most M&A processes in Ukrainian market – #1 adviser by number of deals
- Access to wide network of business owners in CIS
- Diverse range of experience – buy & sell-side; local & international clients

### 3 **Cooperation of FinPoint with Rothschild provides a unique combination in the Ukrainian market**

- FinPoint and Rothschild have entered into an agreement under which both support each other's activities in the Ukrainian market or with respect to Ukrainian clients












# 1. Introduction to FinPoint

## Selected financial sector credentials

*FinPoint is by far the most experienced adviser in Ukraine's financial sector*

*Diverse range of experience:  
buy-side and sell-side M&A transactions  
debt restructuring  
strategy review, independent valuation, etc.  
local and international clients*

<p><b>Bank Trust</b></p>  <p>Adviser to a private Ukrainian Investor on acquisition of majority stake in Bank Trust, mid-sized Ukrainian bank</p> <p>2015</p>	<p><b>Oschadbank</b></p>  <p>Adviser to Oschadbank on submitting a bid for certain assets of Delta Bank</p> <p>2015</p>	<p><b>Universal Bank</b></p>  <p>Adviser to Delta Bank on acquisition of Universal Bank from Eurobank Group for €95m (transaction announced but not completed)</p> <p>2014</p>	<p><b>FUIB</b></p>  <p>Consultant to FUIB on strategy in transactions business development</p> <p>2014</p>	<p><b>Alpha Bank</b></p>  <p>Adviser to Alpha Bank on sale of 100% of Astra Bank to Delta Bank for US\$ 108m</p> <p>2013</p>	<p><b>Kreditprombank</b></p>  <p>Co-adviser<sup>(1)</sup> for restructuring of Kreditprombank debt in excess of US\$ 400m</p> <p>2010</p>
<p><b>Nadra Bank</b></p>  <p>Co-adviser<sup>(1)</sup> for restructuring of Nadra bank debt with Export Credit Agencies</p> <p>2010</p>	<p><b>ProCredit Bank</b></p>  <p>Adviser to shareholders of ProCredit Bank Ukraine on valuation and strategic options</p> <p>2008</p>	<p><b>Alpha Bank</b></p>  <p>Adviser to Alpha Bank on creation of a JV with local business group in Ukraine US\$ 220m</p> <p>2008</p>	<p><b>Piraeus Bank</b></p>  <p>Adviser to Piraeus Bank on potential acquisition in Ukraine</p> <p>2008-07</p>	<p><b>GE Money / Garanti</b></p>  <p>Adviser to GE Money / Garanti on acquisition opportunities in Ukraine</p> <p>2007</p>	<p><b>Volksbank International</b></p>  <p>Adviser to Volksbank International on acquisition of Elektron Bank in Ukraine for US\$ 72m</p> <p>2007</p>
<p><b>Raiffeisen International</b></p>  <p>Advisory to RI on tender sale of 100% of Raiffeisen Bank Ukraine to OTP for US\$ 800m</p> <p>2006</p>	<p><b>Prestige Bank</b></p>  <p>Adviser to shareholders of mid-sized Ukrainian bank on sale of 49% to ErsteBank</p> <p>2006</p>	<p><b>Index Bank</b></p>  <p>Adviser to shareholders of Index Bank on tender sale of 98% to Credit Agricole for US\$ 260m</p> <p>2006</p>	<p><b>Banca Intesa</b></p>  <p>Co-adviser<sup>(1)</sup> to Banca Intesa on acquisition of Ukrspotsbank in Ukraine</p> <p>2006 (Lapsed)</p>	<p><b>Prestige Bank</b></p>  <p>Adviser to shareholders of mid-sized Ukrainian bank on sale of 51% to Erste Bank for US\$ 105m</p> <p>2006</p>	<p><b>Aval Bank</b></p>  <p>Co-adviser<sup>(2)</sup> to shareholders of Aval Bank in Ukraine on tender sale of 94% to Raiffeisen International for US\$ 1.0bn</p> <p>2005</p>

# 1. Introduction to FinPoint

## Selected industrial credentials

<p><b>Mriya</b></p>  <p>Co-adviser<sup>(1)</sup> of creditors on US\$ 1.3bn debt restructuring</p> <p><b>Current</b></p>	<p><b>Nova Poshta</b></p>  <p>Adviser to shareholders of Nova Poshta on strategic options</p> <p><b>Current</b></p>	<p><b>Biosintez</b></p>  <p>Adviser to shareholders of large Russian pharmaceutical producers on sale of 85% to Sun Pharma</p> <p><b>2016</b></p>	<p><b>The Coca Cola Company</b></p>  <p>Adviser to Coca-Cola on sale of its Ukrainian kvass business to local strategic investor</p> <p><b>2016</b></p>	<p><b>BelObst</b></p>  <p>Adviser to fruit fillers producer on strategic options</p> <p><b>Current</b></p>
<p><b>Pharma Start</b></p>  <p>Adviser to shareholders of Ukrainian pharmaceutical producer on sale of 100% to Acino Pharma</p> <p><b>2015</b></p>	<p><b>Naftogaz</b></p>  <p>Part of international advisory consortium<sup>(1)</sup> on unbundling and debt management strategy</p> <p><b>2013-14</b></p>	<p><b>Auchan</b></p>  <p>Advisor to Auchan on acquisition of supermarket network in Ukraine</p> <p><b>2013</b></p>	<p><b>Edenred</b></p>  <p>Adviser to Edenred on CIS market entry</p> <p><b>2012-13</b></p>	<p><b>Dary Prirody</b></p>  <p>Adviser of local distributor on strategic options</p> <p><b>2012-13</b></p>
<p><b>WOG</b></p>  <p>Adviser on several local acquisitions and strategic partnerships</p> <p><b>2010-12</b></p>	<p><b>Communicorp</b></p>  <p>Sale of Communicorp Ukrainian radio stations Nashe radio and NRJ to CIS media group</p> <p><b>2011</b></p>	<p><b>Galychyna</b></p>  <p>Co-adviser<sup>(1)</sup> to a large Ukrainian dairy producer</p> <p><b>2011</b></p>	<p><b>Unilever</b></p>  <p>Co-adviser<sup>(1)</sup> on market entry strategy</p> <p><b>2010-11</b></p>	<p><b>Sisecam</b></p>  <p>Co-adviser<sup>(1)</sup> to Sisecam on acquisition of a glass plant in Ukraine</p> <p><b>2010</b></p>

## 2. Ukrainian macroeconomic trends

Broadening revival of economic activity underway as fundamentals improve

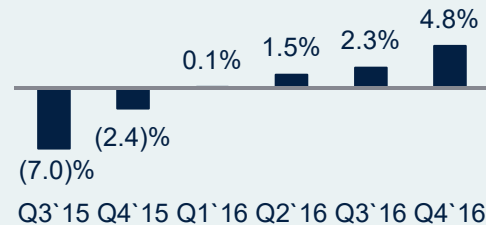
- Ukraine is a large developing country with US\$ 93bn GDP and 43m population (2016)
- Economy is consistently recovering after 2014-15 decline. Signs of recovery:
  - 4.8% y-o-y real GDP growth in Q4'16
  - 2.8% industrial production growth in 2016
  - **Rising real incomes:** +8.8% y-o-y in Jan-Nov 2016
  - **Improving consumer and investor confidence:** 4.0% y-o-y growth of retail trade turnover in 2016, 17.1% y-o-y FDI inflow growth in 2016
- **Reforms ongoing:** reduction of regulation, stabilization of budget and trade imbalances
  - IMF maintains affirmative outlook and has been working with the government for 3 consecutive years, providing support in reforms implementation
- **Doing Business rating improved: 137→80** in 2013-16

### Key macro indicators

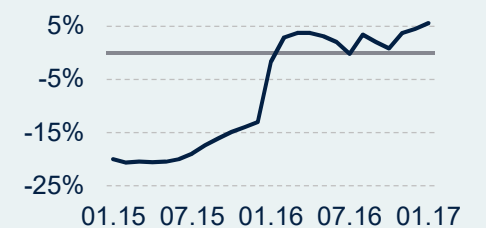
	2014	2015	2016	2017f	2018f	2019f
Real GDP growth, %	(6.6)	(9.9)	2.3	2.0	3.2	3.5
Nominal GDP (US\$bn)	132	91	93	96	102	112
CPI (% , avg)	12	49	14	12	10	7
UAH / USD rate	12	22	26	28	30	31
Inward FDI (US\$bn)	0.3	3.0	3.4	1.7	2.5	3.3

Sources: Ukrstat, IMF, World Bank, National Bank of Ukraine

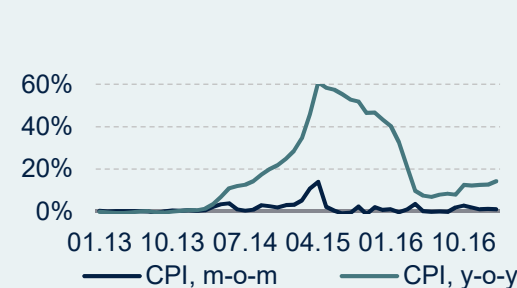
#### Real GDP growth, y-o-y



#### Industrial output growth, y-o-y



#### Inflation (monthly CPI), %



#### FX evolution, UAH / USD (avg.)



Source: National Bank of Ukraine, Ukrstat

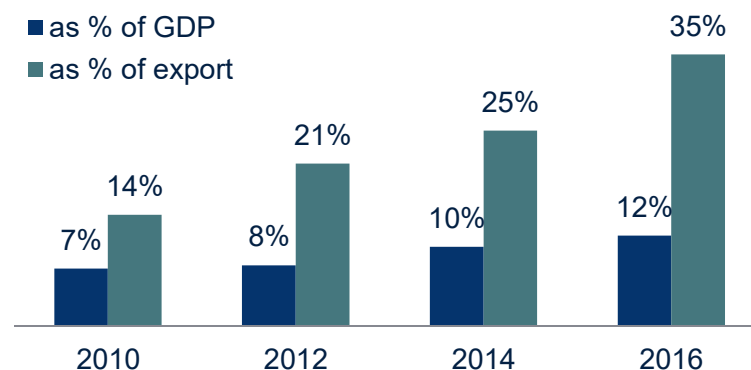


## 3.1 Agro as an important sector of Ukrainian economy

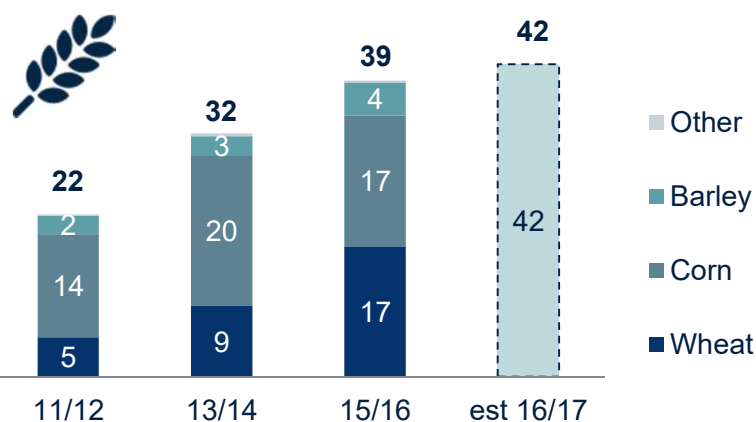
Agriculture stands for 12% of GDP and 35% of export

- Agriculture is the **3<sup>rd</sup> largest sector of Ukraine's economy: 12% of GDP in 2016**
- Significant potential of agro sector allows to fulfill domestic demand and export increasingly large amounts, making the country **an important player in the global agricultural market**
  - Agriculture stands for **35% of export of Ukraine** (US\$13bn<sup>1</sup>)
  - Key export products: sunflower oil and grain

### Agriculture contribution to Ukrainian economy

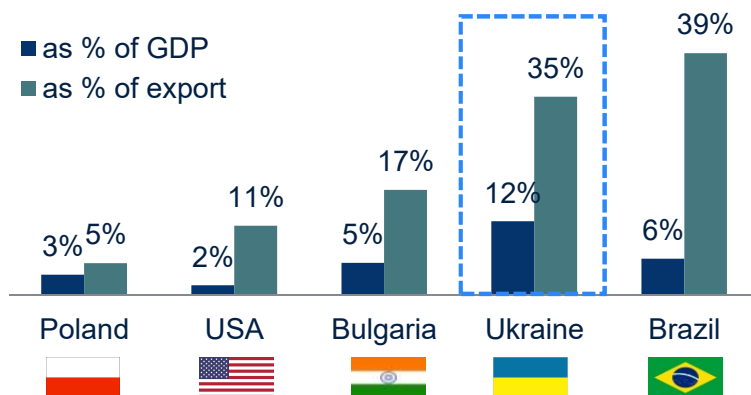


### Ukrainian grain export structure, m tons



**Note 1** Export of grain and oilseeds, vegetable oils, meat  
**Note 2** All data for 2014-16 is presented excl. Crimea and ATO region  
[Promo video](#)

### Share of agriculture in the economy



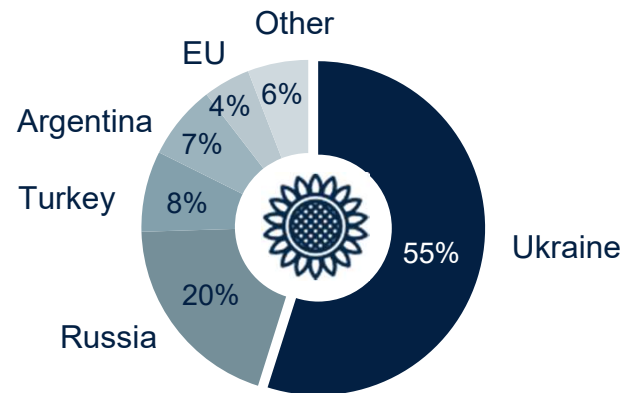
Source WTO, Eurostat, Ukrstat

## 3.2 Ukraine as an important player in the world agri market

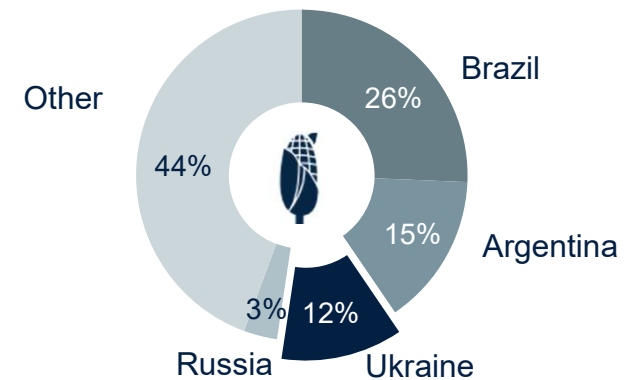
### Leading positions in trade of key agri commodities

Export, MY 2015/16

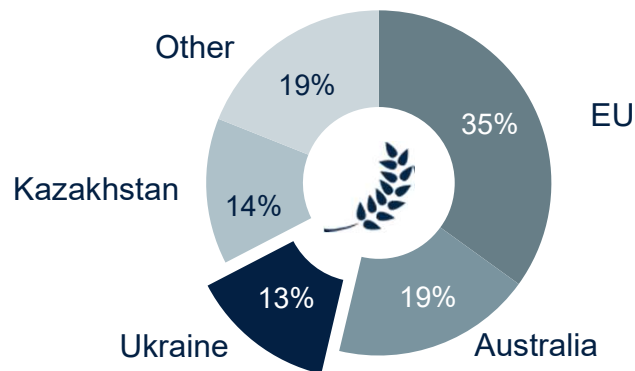
**Sunflower oil: #1**



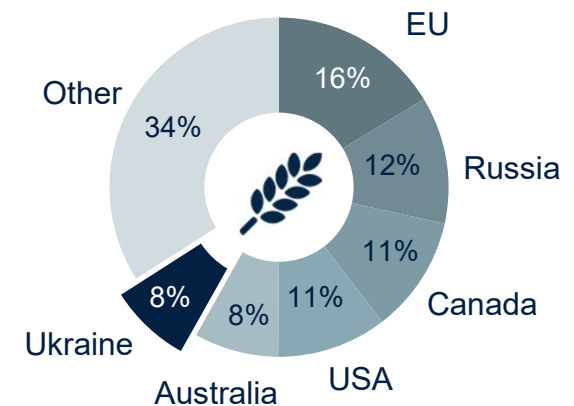
**Corn: #3**



**Barley: #3**



**Wheat: #6**



Source USDA

## 3.3 Competitive advantages in agro: summary

Prospective sector of the economy with strong competitive advantages

Ukraine enjoys a number **of strong competitive advantages in agriculture...**

### 1 Lower production costs compared to regional peers

- Lower price for domestically produced fertilizers (c. 60% of fertilizers used)
- Average salary in agro US\$292 per month – the lowest in the region
- US\$35 / ha agro land rental rate – the lowest in the region
- Fertile black soil and favorable climate conditions → lower WC needs per ha

### 2 Lower transportation costs

- **Shorter average distance to ports** (300 km in Ukraine vs 900 in US vs 1,500 in Brazil)
- Direct access to EU and Asia through road, railway and port system (13 ports)

### 3 Developed infrastructure

- Storage capacity of c.50m t (vs grain harvest of 60m t, oilseeds 17m t)
- Transshipment: 43m t per year grain, over 11m t oil

### 4 Regulation and taxation

- Beneficial VAT treatment, simplified single tax system
- 32.5m ha of arable land under **common regulatory environment**





## 3.4 Overview of agricultural environment

### Exceptional arable land and favorable climate

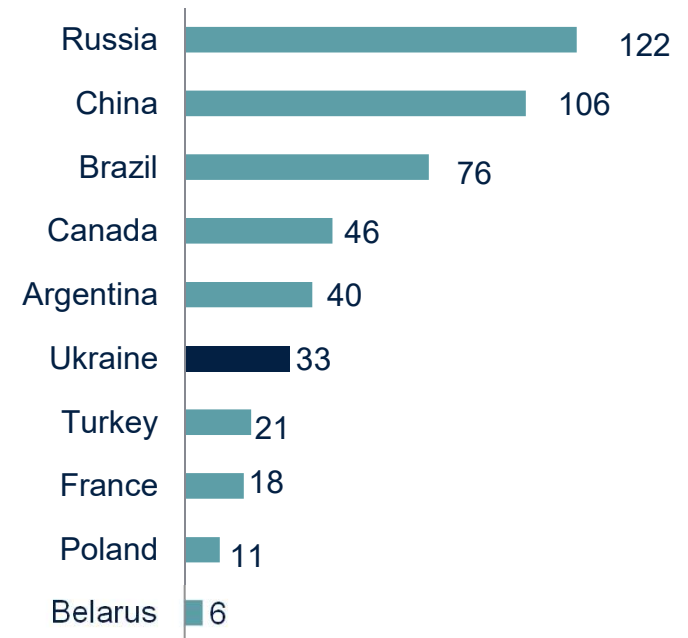
#### Land bank

- Area of Ukraine is 60m ha, of which **32.5m ha (55%) is arable land**
  - The largest arable land bank in Europe
  - Arable land could be increased to c.40m ha
- Chornozem, or black soil, **one of the most fertile soils in the world, covers over 60% of arable land** → lower working capital required to achieve the same productivity as other countries
  - Ukraine stands for c. 25% of the global chornozem area
  - Almost half of land bank is covered with chornozem

#### Climate

- Moderate continental climate with high level of precipitations and availability of water resources → **favorable weather conditions for crops production**

#### Arable land, m ha

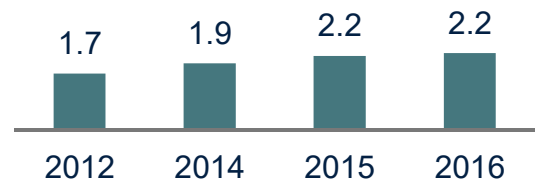


Source FAO

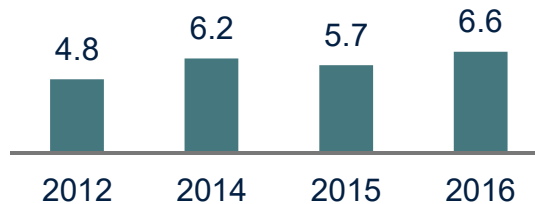
## 3.5 Productivity benchmarking

Growing yields with room for further improvement

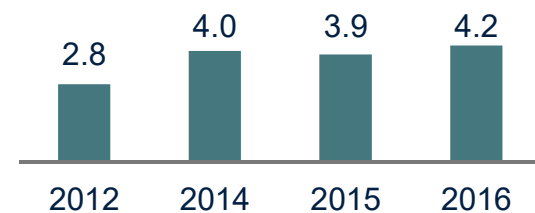
Crop net yields in Ukraine, t/ha



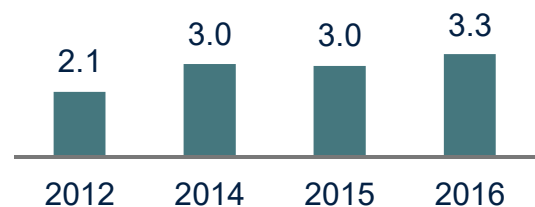
Sunflower



Corn

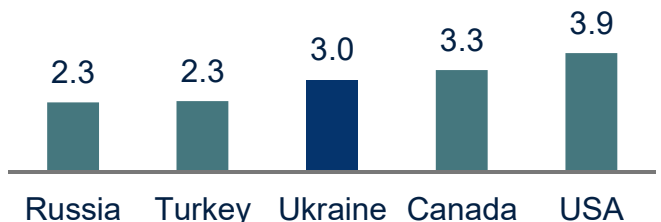
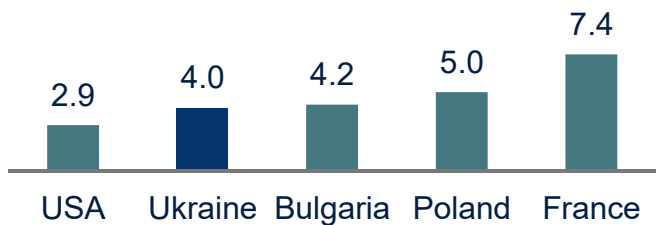
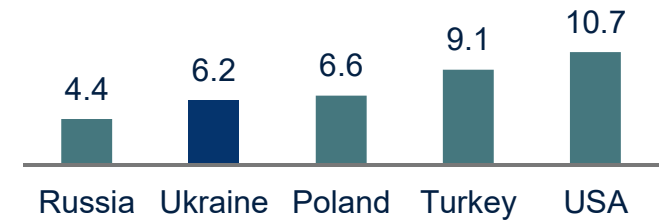
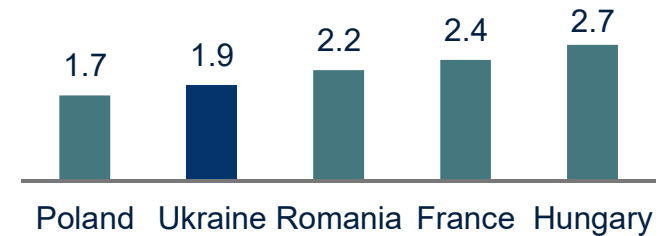


Wheat



Barley

Crop net yields: international benchmark 2014, t/ha



Source: FAO, Ukrstat

## 3.6 Productivity benchmarking

Significant room for improvement exists

*Key factors contributing to productivity improvement*



**Compliance  
with agronomic  
rules**



**Usage of higher  
quality seeds**

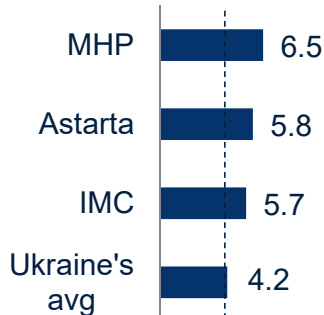


**Proper  
fertilization and  
crop protection**



**More intensive  
machinery usage**

**Wheat yields  
2016, t/ha**

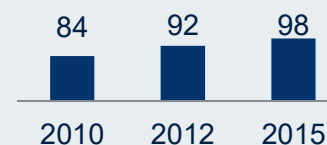


Source Companies' data

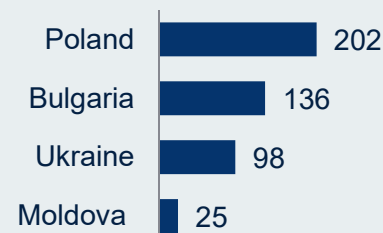
- Lack of knowledge about modern agribusiness practices, poor investments and inability to quickly undertake management decisions

- 70 seed plants, o/w only 25 are able to produce high quality seeds
- Growing seeds import, still far below Ukrainian needs
- In Ukraine 10-65% of seeds (depending on crop) are of high quality vs 90% on average in France

- Nearly 20% of agricultural crops are treated without non-organic fertilizers
- Fertilizer usage in Ukraine, kg/ha**



**Fertilizer usage 2015, kg/ha**



- One of the lowest among peers rate of machinery usage per hectare
- Lack of modern machinery affect both quality and yield of crops (c.10-20% of harvest is lost)

Source: FAO, Ukrstat, ICU, Countries' statistical offices

## 3.7 Agricultural commodities price development

Long-term growing trend, despite temporary slump since 2011

**Wheat, US\$/t**



**Barley, US\$/t**



**Corn, US\$/t**



**Sunflower oil, US\$/t**



## 3.8 Costs analysis

### Farming as an example

Astarta crop  
production  
costs  
structure  
(100% in total)



**Fertilizers &  
crop  
protection**

**39%**



**Land lease**

**25%**



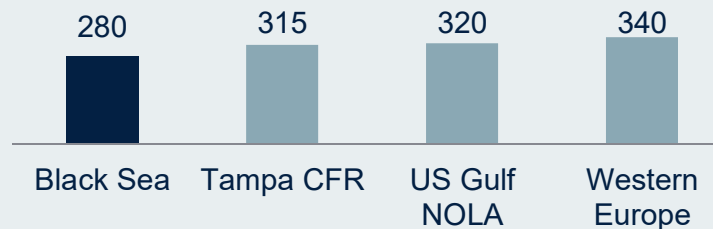
**Seed 15%**



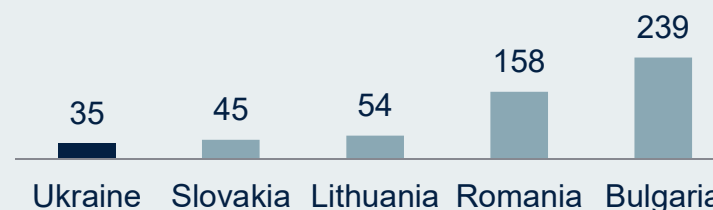
**Fuel 14%**



**Salary 3%  
Other 4%**



**Ammonia prices as  
of May 2016, US\$/t**



**Annual land lease  
rates 2015, US\$/ha**



**Diesel price as of  
May '17, €/l**



**Avg salary in agro  
in 2015,  
US\$/month**

## 3.9 Land market overview

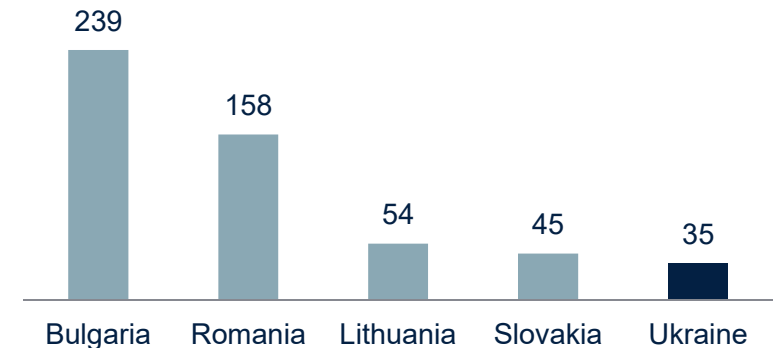
### Key figures

- **US\$300-450** / ha - average price of lease holding rights
- **US\$80** / ha - average market cost of lease contract prolongation
- **US\$35** / ha – average rental rate

### Overview

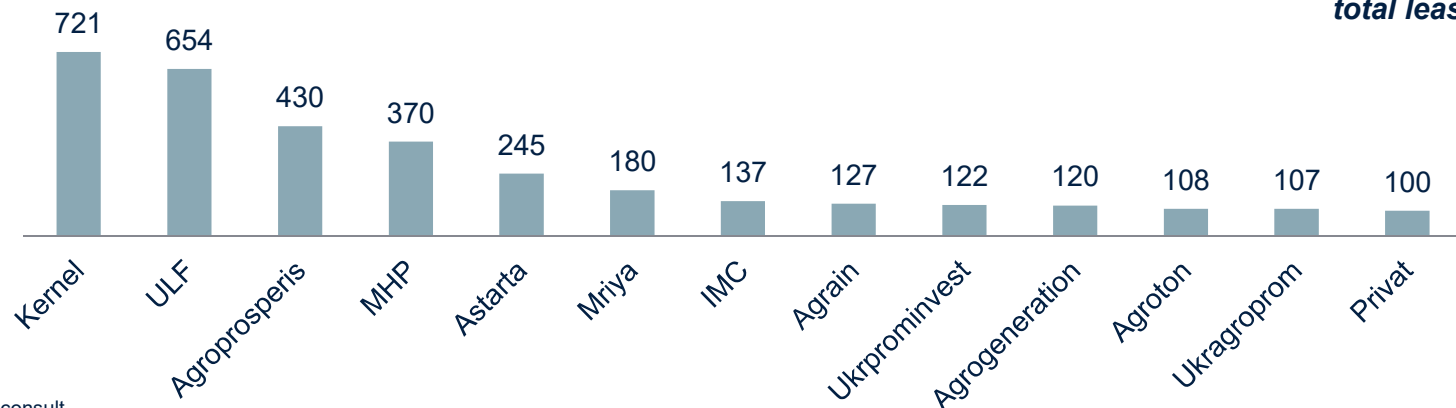
- C. 30m ha of agricultural land is privately owned
  - Very fragmented ownership (average plot of 4ha) → **low bargaining power of land owners**
- Moratorium on agri land sale since 2001 → **majority of land is leased**
  - **Land market reform:** the latest IMF memorandum sets out the necessity to liberalize the land market → law approval is expected by end-May 2017
- **Lease payments:** average \$35/ha → much lower compared to the EU peers
- **Up to 60%** of lease payments are done in the form of agri products, this share tends to decline

### Lease payments for agricultural land, US\$/ha



Source Statistical services of respective countries

### Largest agroholdings by leased land in 2016, k ha



Top-20 largest agro companies operate c. **24% of total leased area**

Source Ukragroconsult



## 3.10 Infrastructure: storage capacities

Developed storage infrastructure, although investments in modernization required

- **Total storage capacity is c.50m t<sup>1</sup>**
  - 36m t of c.730 certified silos
    - >30% of silos are operated by large agroholdings
    - c. 46% are floor-type granaries
  - 10-20m t of uncertified capacity (mostly outdated) operated by private farmers
- Insufficient modern elevator storage capacities
- Increasing production and expanding export will drive new modern silos construction



Steel silo

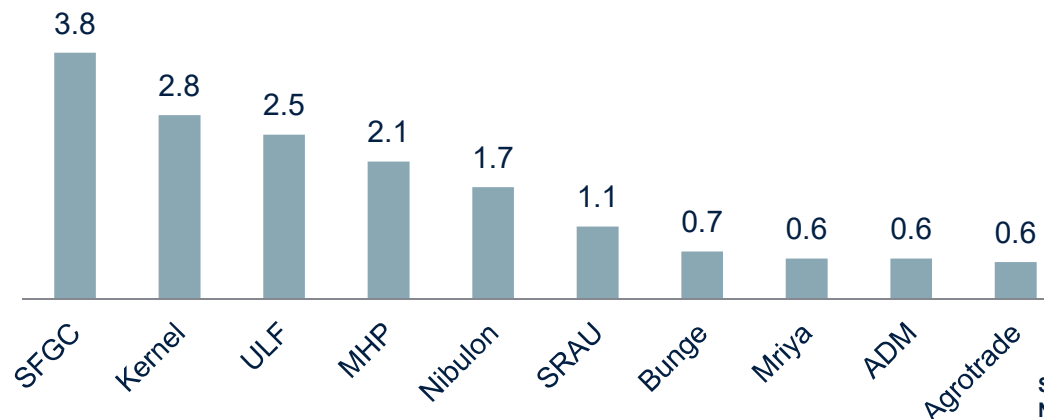


Floor-type granary



Concrete silo

**Top-10 companies by storage capacities 2015, m t**



Source Ukrstat, Elevatorist.com

Note 1 Local experts estimate Note 2 State Food and Grain Corporation

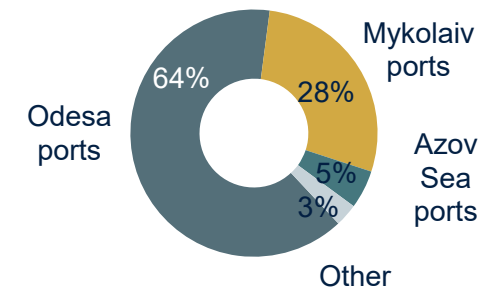
Note 3 State Reserve Agency of Ukraine

## 3.11 Infrastructure: sea ports

Close proximity to ports → strong transportation advantage

- 13 ports along the Black and Azov Sea coastlines
  - Grain: throughput capacity 43m t, vegetable oil: 11m t
- All ports are state-owned; some terminals leased out to private grain traders under long-term contracts
- Deep-water sea ports near Odesa account for >60% of Ukraine's maritime grain turnover
- On-going investments: Bunge (vegetable oil terminal) and Cofco (grain terminal) in Mykolaiv

Grain export handling volumes by ports, 2014



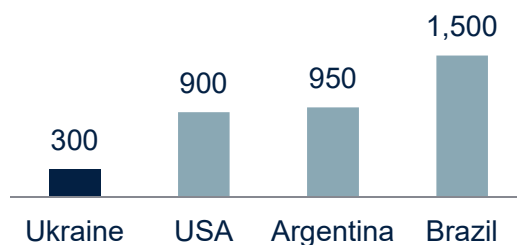
Transbulkterminal (Kernel)



Mykolaiv terminal (Nibulon)



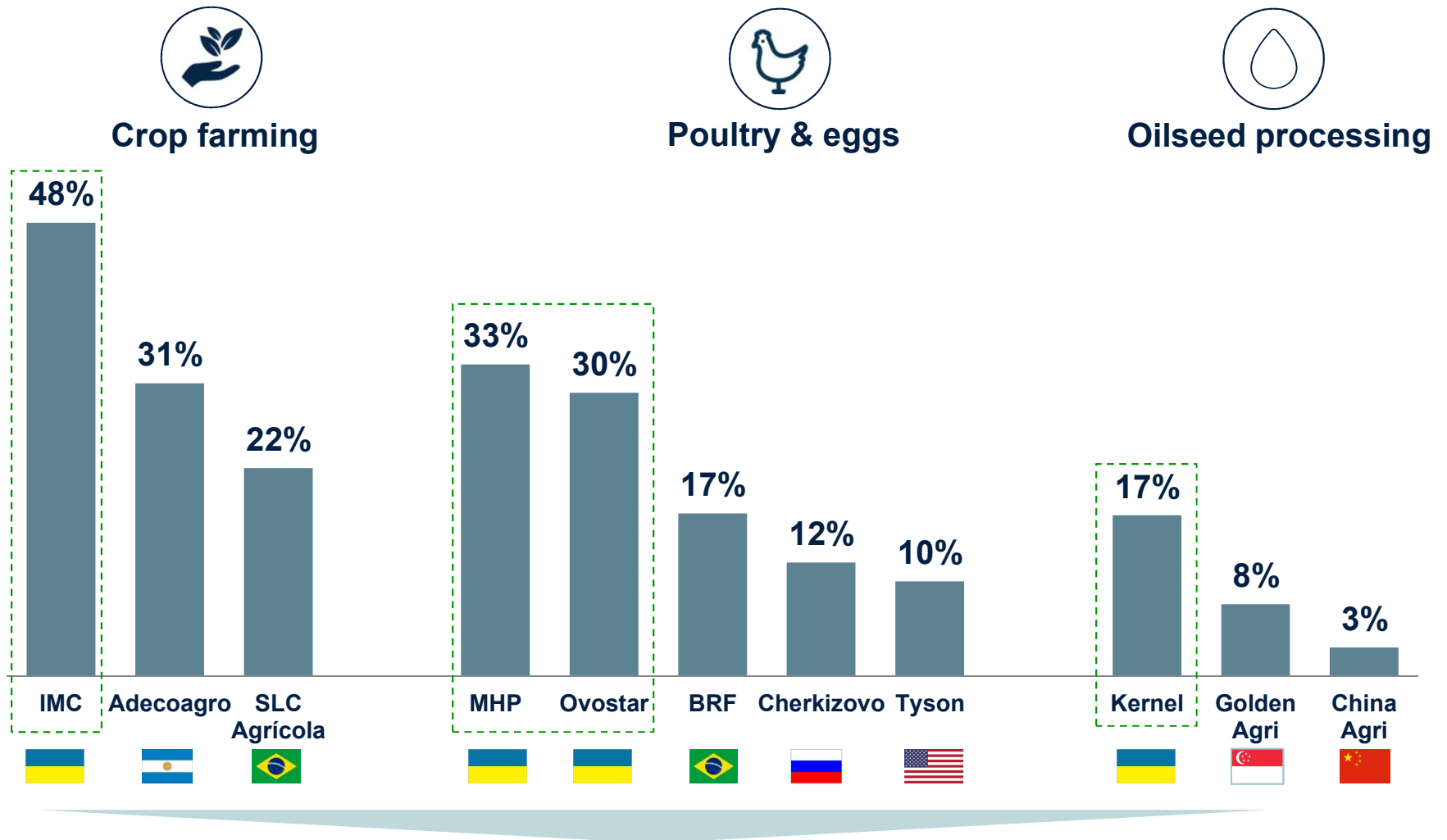
Avg distance to port, km



Source Ministry of infrastructure of Ukraine

## 3.12 Profitability benchmarking

EBITDA margin comparison (as of May 2017)

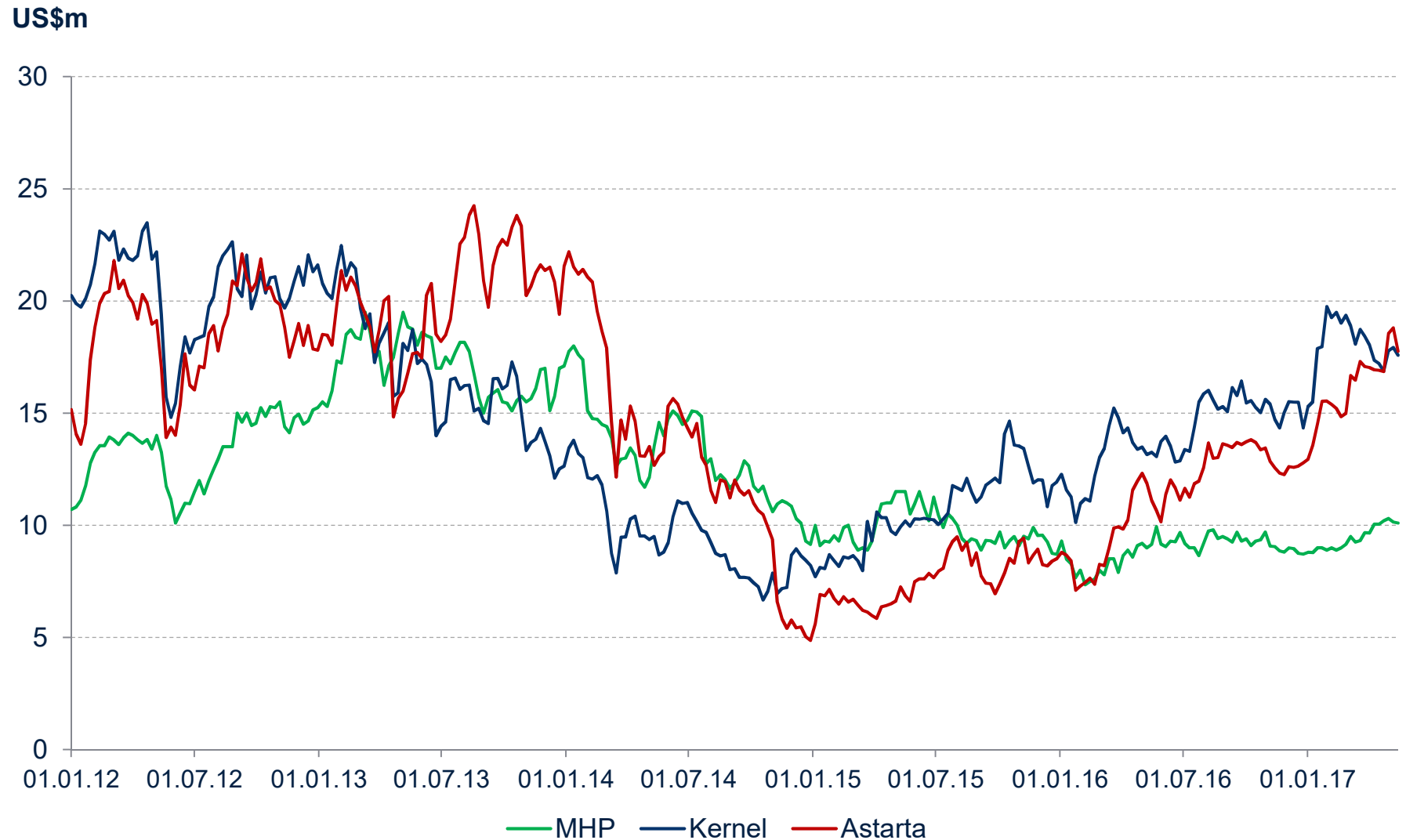


Sustainable cost advantage in Ukraine → higher profitability compared to international peers

Source S&P Capital IQ

### 3.13 Development of agro companies stock prices

Stock prices are recovering in line with macro recovery



## 3.14 Agro vs sovereign bond yields

Ukrainian agri corporate debt is priced higher than sovereign borrowings



Sovereign Eurobonds	YTM, %
Ukraine 2020	6.76%
Ukraine 2022	7.55%
Ukraine 2024	8.09%



Quasi-sovereign Eurobonds	
Ukrainian Railway 21	9.33%
Oschadbank 23	7.98%
Oschadbank 25	8.74%
Ukreximbank 22	8.09%
Ukreximbank 23	9.96%
Ukreximbank 25	8.95%

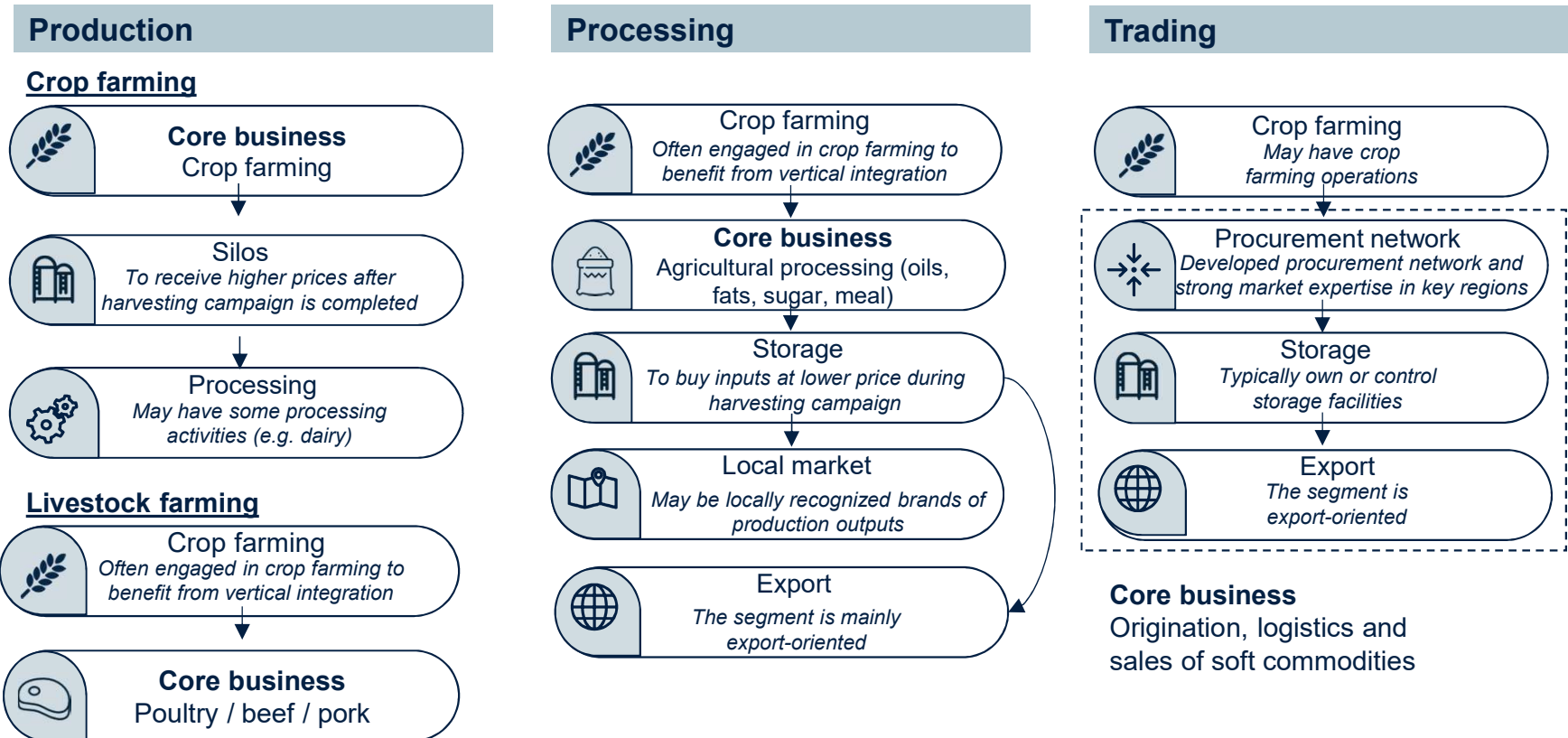
KERNEL



Agri corporate Eurobonds	
Kernel Holding 22	7.00%
MHP 20	6.32%
MHP 24	7.47%

Yields of corporate agri bonds are lower than that of sovereign and quasi-sovereign bonds of the same maturity

## 4.1 Existing business models on the market



### Examples



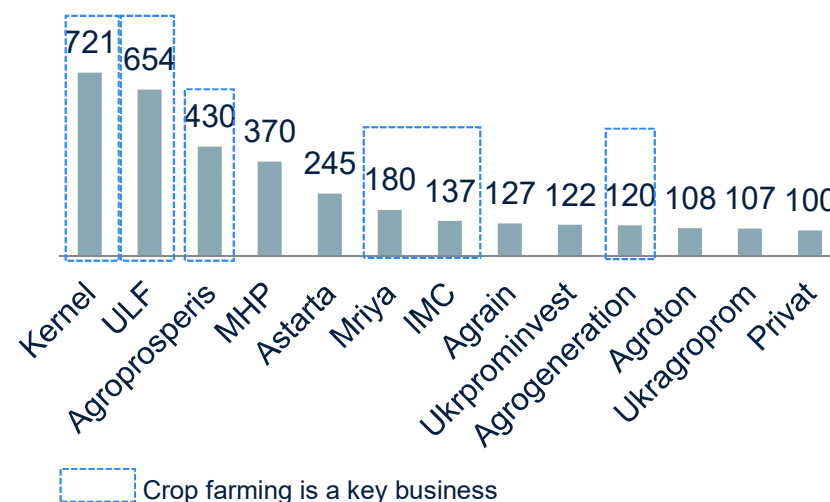


## 5.1 Key segments overview: crop farming

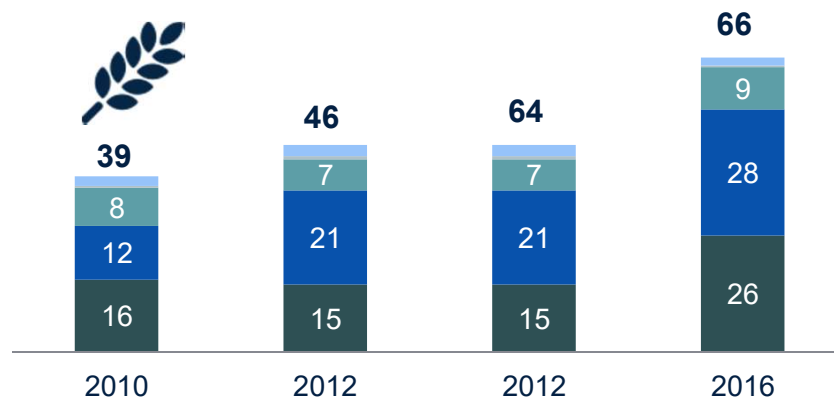
### Increasing grain and oilseeds production

- **66m t of grain harvested in 2016**
  - c. 25m t of grain is needed for the domestic consumption, surplus of 30-35m t can be exported
- **Share of corn in total production is increasing** as global demand for corn as feed crop is growing
- **Production of soybean is increasing** due to increasing usage of protein rich soybean meal in livestock farming
- Largest land operators have different core businesses: for some of them crop farming is a key business and for the others a part of vertical integration

Largest land operators in 2016, k ha



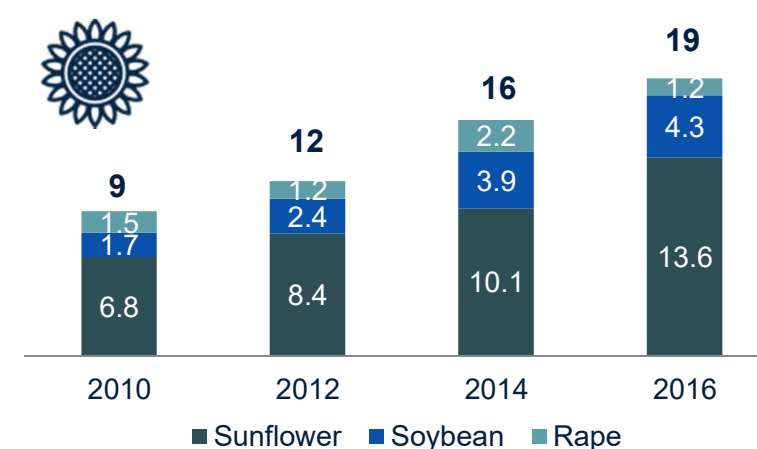
Grain production structure 2010-16, m t



Source Ukrstat, Ukragroconsult

■ Wheat ■ Corn ■ Barley ■ Rye ■ Other

Oilseeds production structure 2010-16, m t



■ Sunflower ■ Soybean ■ Rape

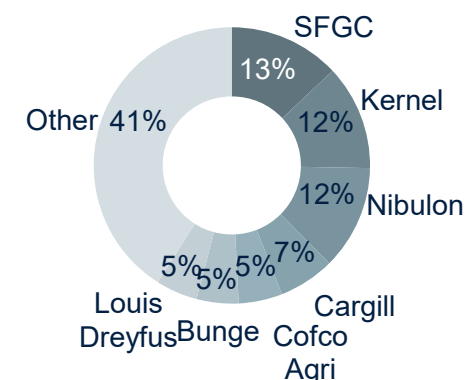
## 5.2 Key segments overview: grain trading

New players emerging on the back of export volumes continuous increase

- **Diversified grain trading** market with no single player having more than 15% of the market
- **Market is getting more fragmented:** Nibulon market share of 20.5% in 2008/07 vs 13% in 2015/16
- Among largest traders only few (Kernel, Nibulon) are actively involved in farming operations; the rest act primarily as resellers to foreign markets
- Grain traders operate own grain storage networks and sea port transshipment terminals
- Increasing degree of vertical integration: own or leased silos and own sea transshipment terminals

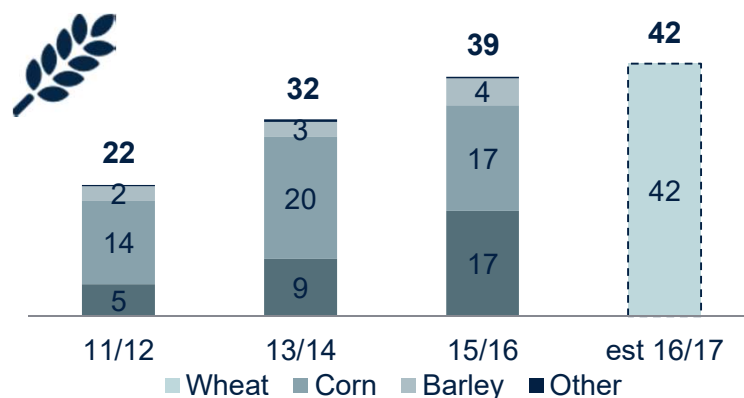
### Largest crops exporters, MY 2015/16

% of total export



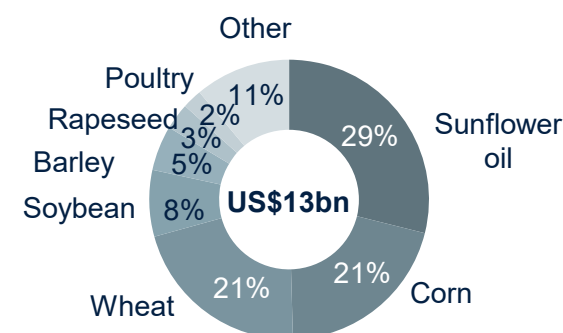
Source Apk-inform, graintrade.com.ua

### Grain export, m t



Source Ukrstat

### Export structure of agricultural products, 2016



Source Ukrstat

## 6.1 Key players overview

### Kernel – #1 sunflower oil producer in Ukraine

#### Business model



#### Industry

Oilseed processing,  
crop farming, grain  
trading

#### Controlling shareholder

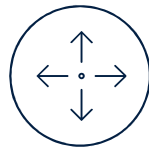
Andriy Verevskyi



**721k ha  
land bank**

#### Crop farming

- 2m t of grain and oilseeds annually (20-30% of Kernel's grain export; 6-9% of sunflower seed crush volumes)



**>5,000  
farmers**

#### 3<sup>rd</sup> party farming - procurement

- >2m t of sunflower seeds annually
- >3m t of grain annually



**2.8m t  
storage  
capacity**

#### Storage

- Storage network across 11 regions of Ukraine
- Grain cleaning, drying and storage services
- 650k t of new capacity added during the last 3 years



#### Bottled sunflower oil

- 10% of total oil production
- Sold in Ukraine under 3 brands and private labels

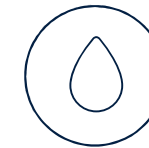
#### Key business



**4-5m t  
annually**

#### Grain export

- 80% - Middle East, North Africa and EU
- 20% - Eastern Asia and Sub-Saharan Africa



**3.5 mt / year  
oilseed  
crushing  
capacity**

#### Oilseed processing

- 9 crushing plants<sup>1</sup>
- 90% of production exported in bulk to China, India, ME, EU etc.

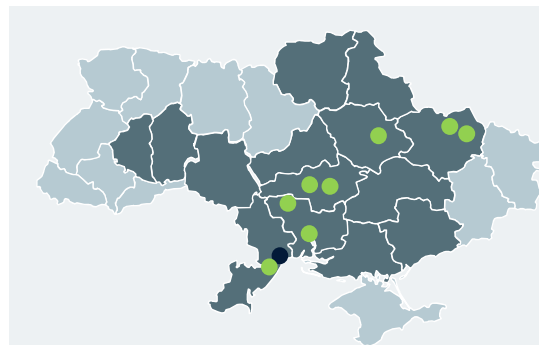


**Up to 6m t annual  
throughput  
capacity**

#### Export terminals

- Own deep-water grain export terminals<sup>2</sup>
- 1 sunflower oil / meal terminal

#### Geography of operations



■ Regions of presence  
(farming and silos)

● Transshipment  
terminal

● Oilseed crushing  
plants

**Note 1** Including one in Kropyvnytskyi under a tolling agreement

**Note 2** 100%-owned terminal in Ukraine and 1 50%-owned terminal in Taman port (RU, currently being sold)

## 6.1 Key players overview

### Kernel – #1 sunflower oil producer in Ukraine



**Industry**  
Oilseed processing,  
crop farming, grain  
trading

**Controlling  
shareholder**  
Andriy Verevskyi

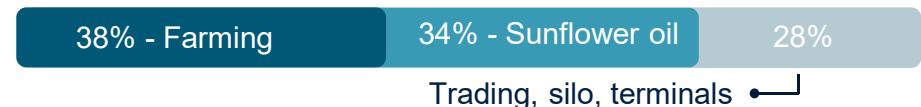
#### Overview

- Vertically integrated agroholding engaged in sunflower oil production, crop farming and grain trading
- 7% of the world's sunflower oil is produced by Kernel
  - 8 oilseed processing plants in Central and Southern Ukraine
- #2 Ukrainian grain exporter in MY 2015/16
- The largest private network of inland silos in Ukraine
- 2 own transshipment terminals in Ukraine and Russia
- US\$729m invested in oilseed crushing, port terminal, storage and farming operations during 2010-15
- Public company listed on WSE since 2007, current MC US\$1.42bn; free float 61.2%
- Recent developments during Q1 2017:
  - Acquired Ukrainian Agrarian Investments with land bank of 240k ha
  - Acquired Glencore's farms in Ukraine with land bank of c. 70k ha
  - Issued US\$500m Eurobonds at interest rate of 8.875%

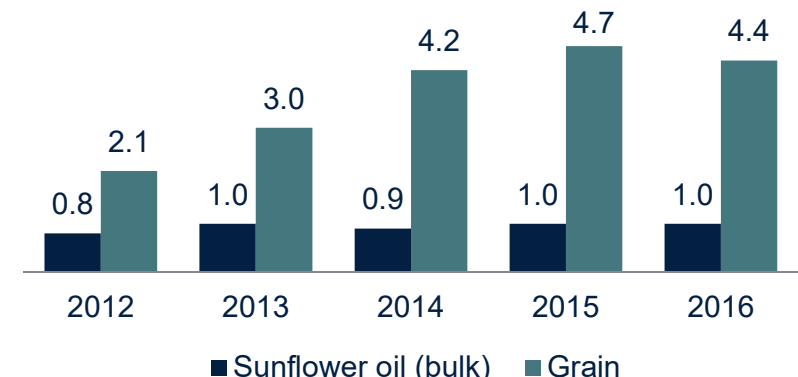
#### Key financials, US\$m

	2012	2013	2014	2015	2016
Revenue	2,072	2,797	2,393	2,330	1,989
Gross profit	457	411	408	512	460
EBITDA	319	288	223	397	346
<i>EBITDA margin, %</i>	15%	10%	9%	17%	17%
Net profit	207	111	(98)	107	225
Assets	2,116	2,367	1,919	1,466	1,509
Net debt	616	655	684	340	283

#### FY'16 EBITDA<sup>1</sup> composition



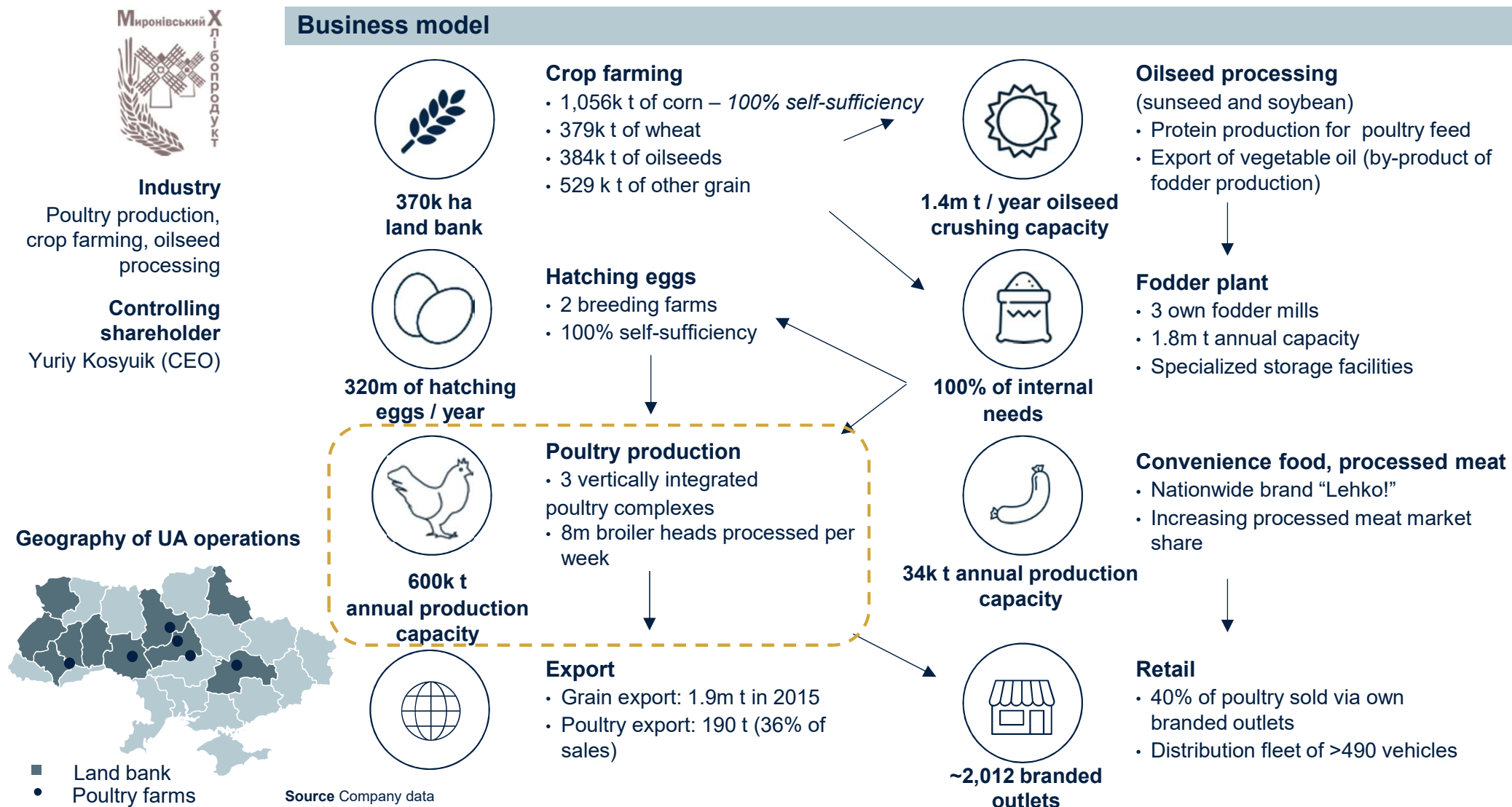
#### Sales, k t



**Note 1** Prior to HQ costs which are unallocated between segments

## 6.2 Key players overview

### MHP - #1 poultry producer in Ukraine



## 6.2 Key players overview

### MHP - #1 poultry producer in Ukraine



#### Industry

Poultry production, crop farming, oilseed processing

#### Controlling shareholder

Yuriy Kosyuk (CEO)

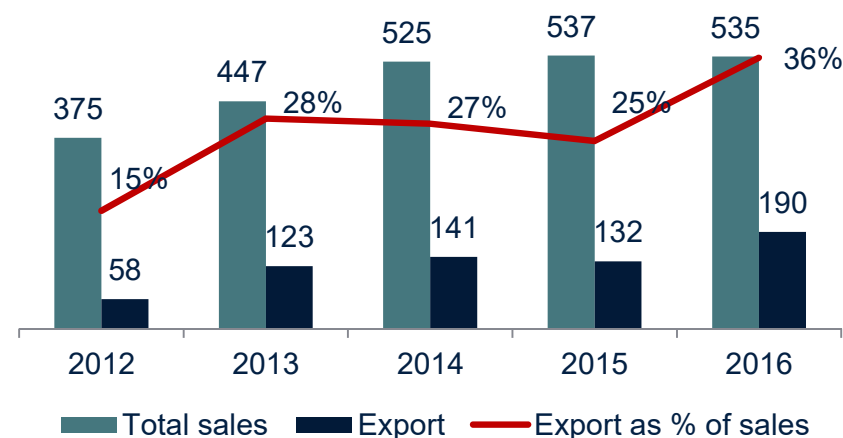
#### Overview

- Vertically integrated agro-industrial company, focused on poultry production (60% of sales)
- **The largest poultry producer in Ukraine**
  - 60% of industrially produced chicken
  - 80% of total poultry export
- Key export markets: 31% CIS, 37% MENA, 21% EU
- #3 largest producer of sunflower oil in Ukraine (8.3% market share)
- Public company listed on LSE since 2008; current MC US\$1,094m; free float 37.7%
- Recent developments:
  - In Apr 2017 **issued US\$500m Eurobond** at interest rate of 7.75% and repurchased US\$245.2m of its outstanding Eurobonds maturing in 2020
  - Sold its assets in the Crimea for US\$77.5m
  - Acquired poultry cutting facility in the Netherlands in 2016 and in Slovakia in 2017

#### Key financials, US\$m

	2011	2012	2013	2014	2015	2016
Revenue	1,229	1,408	1,496	1,379	1,183	1,135
Gross profit	361	422	324	501	366	362
EBITDA	401	468	391	555	459	415
EBITDA margin, %	33%	33%	26%	40%	39%	35%
Net profit <sup>1</sup>	259	311	162	(412)	(126)	69
Assets	1,944	2,488	2,768	2,294	2,076	2,076
Debt	898	1,140	1,302	1,215	1,279	1,236

#### Poultry meat sales, k t



**Note 1** Including FX losses of US\$777m in 2014 and US\$419m in 2015, US\$145m in 2016



## 6.3 Key players overview

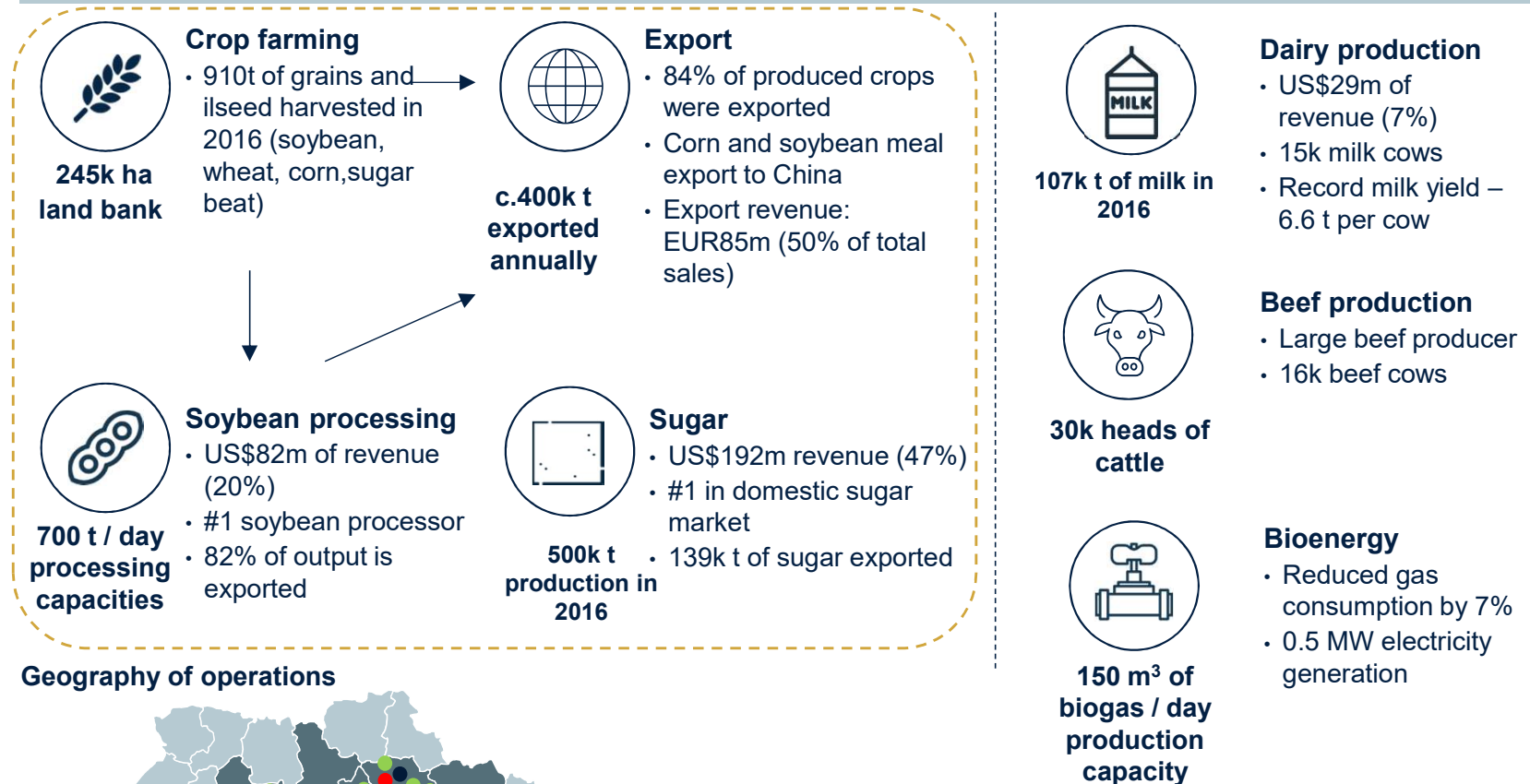
### Astarta - #1 sugar producer in Ukraine

#### Business model

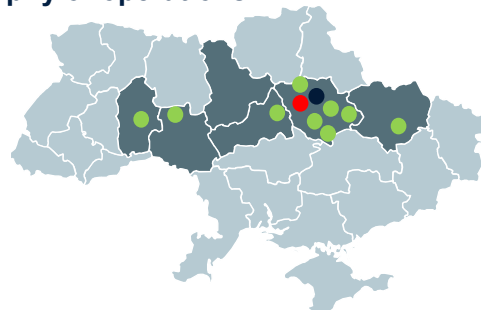


#### Shareholders

Viktor Ivanchyk: 38.7%  
Valeriy Korotkov: 26.6%  
Free float: 34.7%



#### Geography of operations



- Regions of presence
- Soybean processing factory
- Sugar plant
- Biogas complex

## 6.3 Key players overview

### Astarta - #1 sugar producer in Ukraine



#### Shareholders

Viktor Ivanchyk: 38.7%  
Valeriy Korotkov: 26.6%  
Free float: 34.7%

#### Overview

- Vertically integrated agro-industrial holding
  - #1 in sugar production (25% domestic market share)
  - #1 in soybean processing (21% of domestic processing in 2016)
- Since the beginning of 2016 started soybean products export to China
- Large dairy producer: 107k t of milk produced in 2017 (3.1% domestic market share)
- Public company listed on WSE since 2006, current MC US\$446m
- Recent developments:
  - Storage capacities increase by 82t in 2016, construction of a new 100t silo underway

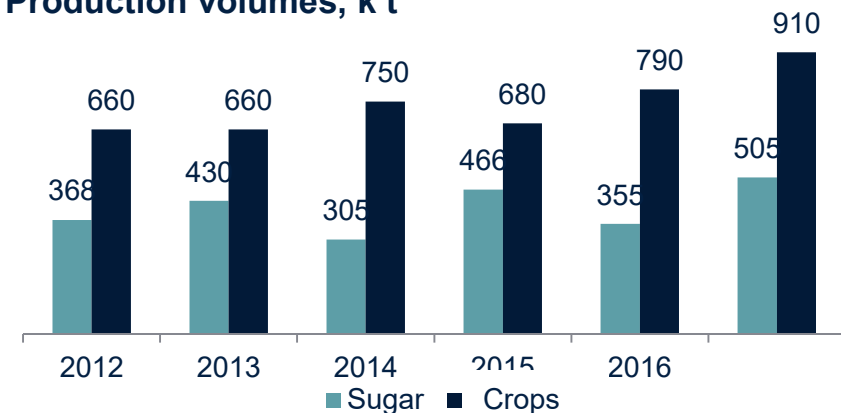
#### Key financials, US\$m

	2011	2012	2013	2014	2015	2016
Revenue	425	402	442	462	350	408
Gross profit	169	124	107	166	158	173
EBITDA	154	106	86	158	145	168
EBITDA margin, %	36%	26%	19%	34%	41%	41%
Net profit	123	55	26	(85)	17	91
Assets	743	850	993	819	590	631
Debt	268	309	351	286	191	174

#### FY'16 Revenue composition

47% - Sugar 23% - Crops 20% - Soybean 10% - other

#### Production volumes, k t



Source Company data

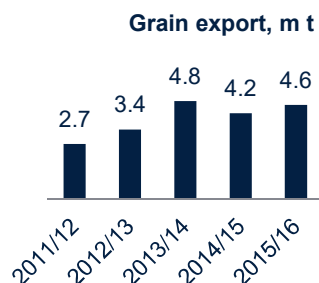
## 6.4 Key players overview

### Nibulon - Top-3 Ukrainian grain exporter

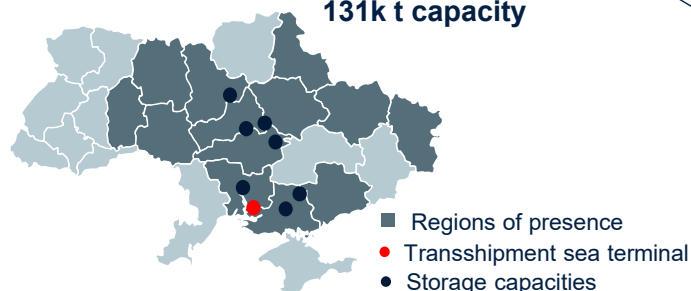


**Industry**  
Grain trading

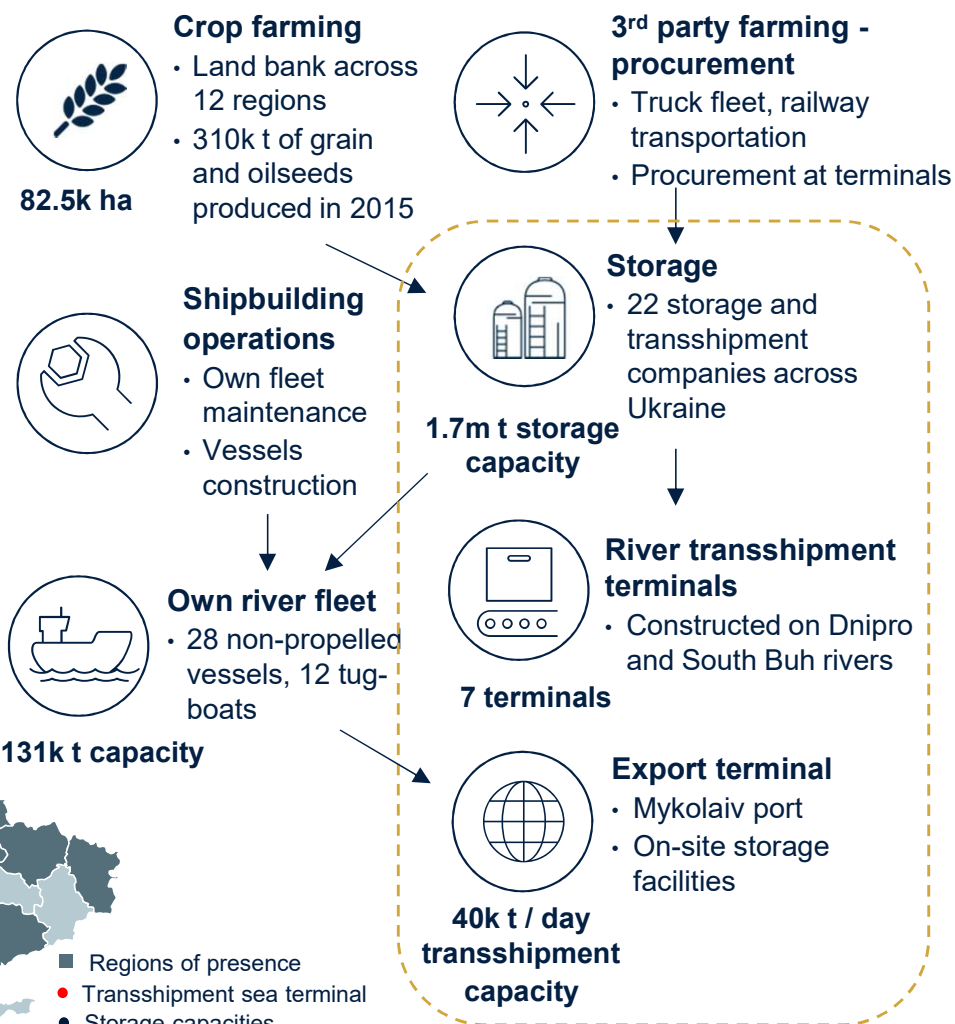
**Controlling shareholder**  
Oleksiy Vadaturskyi (CEO)



**Geography of operations**



#### Business model



#### Key financial and operational data

FY'15 financials, US\$m		FY'15 volumes, k t	
Revenue	1,946	Grain export	4,200
Export sales	819	Transshipment <sup>1</sup>	2,500
		Grain production	310

**Note 1** As of 2014  
**Source** Company data, landlord.ua

#### Overview

- Top-3 grain and oilseeds exporter in MY 2015/16: 4.6m t exported (12% of total country's grain and oilseeds export)
- Key markets: Egypt, Spain, Saudi Arabia, China etc.
- Expansion program under way to boost grain transshipment
  - Deepening of Dnipro and Southern Buh rivers coasts
  - Construction of 13 ships in 2016-18
- Livestock farming: 3k heads of cattle and 5k pigs

**Source** Company data

**THANK YOU FOR ATTENTION!**

