



27 January 2022, Limassol, Cyprus

MHP SE

Pre-close trading update for the fourth quarter and twelve months ended 31 December 2021

MHP SE (LSE: MHPC), the parent company of a leading international agro-industrial group with headquarters in Ukraine, today announces its pre-close trading update for the fourth quarter and twelve months ended 31 December 2021. Hereinafter, MHP SE and its subsidiaries are referred to as “MHP”, “The Company” or “The Group”.

POULTRY AND RELATED OPERATIONS (w/o PP)

All Company's poultry production facilities continued to operate at full capacity.

Poultry production volumes in Q4 2021 increased by 7% to 202,657 tonnes (Q4 2020: 189,687 tonnes), driven mainly by continued lower share of small bird production since Q3 2021, and increased by 4% compared to Q3 2021 (194,199 tonnes). In 12M 2021 poultry production volumes increased by 3% to 754,387 tonnes (12M 2020: 731,279 tonnes).

Poultry Sales

Poultry	Q4 2021	Q4 2020	% change YoY	Q3 2021	% change QoQ	12M 2021	12M 2020	% change
Sales volume, third parties tonnes	180,028	175,135²⁾	3%	185,389	-3%	704,010	699,926	1%
<i>Domestic sales volume, tonnes</i>	<i>70,767</i>	<i>79,551</i>	<i>-11%</i>	<i>74,738</i>	<i>-5%</i>	<i>288,831</i>	<i>324,285</i>	<i>-11%</i>
<i>Export sales volume, tonnes</i>	<i>104,841</i>	<i>94,709</i>	<i>11%</i>	<i>106,231</i>	<i>-1%</i>	<i>402,388</i>	<i>373,734</i>	<i>8%</i>
<i>Culinary products sales, tonnes</i>	<i>4,419</i>	<i>877</i>	<i>404%</i>	<i>4,420³⁾</i>	<i>0%</i>	<i>12,791</i>	<i>1,909</i>	<i>570%</i>
Share of export sales, %	58%	54%	4 pps	59%	0 pps	57%	54%	3 pps
Average price per 1 kg net of VAT, US\$¹⁾	1.72	1.36	26%	1.74	-1%	1.63	1.34	22%
Average price per 1 kg net of VAT, UAH (Ukraine)	46.76	38.06	23%	48.47	-4%	45.37	34.54	31%
Average price per 1 kg net of VAT, US\$ (Ukraine)	1.75	1.35	30%	1.80	-3%	1.66	1.28	30%
Average price per 1 kg net of VAT, US\$ (export)	1.77	1.37	29%	1.75	1%	1.67	1.40	19%
Sunflower oil								
Sales volume, third parties tonnes	79,480	82,590	-4%	36,620	117%	207,240	330,823	-37%
Soybeans oil								

Sales volume, third parties tonnes	9,622	7,783	24%	12,571	-23%	45,209	40,904	11%
------------------------------------	-------	-------	-----	--------	------	--------	--------	-----

¹⁾ Average official FX rate for Q4 2021 UAH/US\$ 26.68 and for Q4 2020 UAH/US\$ 28.27

Average official FX rate for 12M 2021 UAH/US\$ 27.29 and for 12M 2020 UAH/US\$ 26.96

²⁾ Total poultry sales include domestic sales, export sales and sales of culinary products; data for 2020 has been adjusted accordingly to this approach;

³⁾ Corrected data (published data as of 18 November 2021, Financial Results of Q3 and 9M 2021 – 2,702 tonnes of culinary products – was incorreced as it didn't include all culinary products of MHP).

Q4 2021

During the period overall third parties sales increased by 3% to 180,028 tonnes y/y, while chicken meat sales in Ukraine decreased by 11% y/y resulting in 70,767 tonnes (by 5% lower compared to Q3 2021: 74,738 tonnes), partially due to decreased sales of frozen chicken.

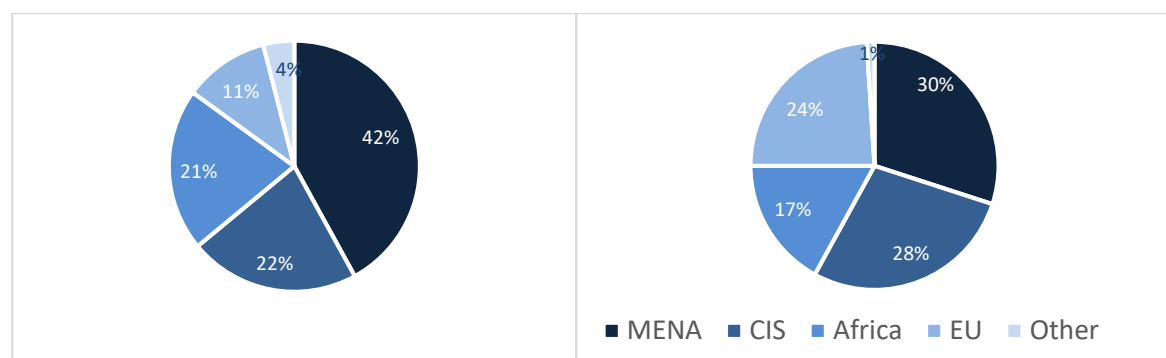
Following its strategy of culinary transformation, sales of culinary products (marinated meat, value-added and ready-to-cook meals/products etc) increased by almost 5 times and reached 4,419 tonnes (included into poultry meat).

Poultry exports increased by 11% y/y to 104,841 tonnes of meat and remained relatively stable q/q. Total poultry exports in Q4 2021 constituted around 58% vs 54% in 4Q 2020 of total poultry sales volumes.

Diagramme 1. Geography of export sales breakdown, tonnes

Q4 2020

Q4 2021



12M 2021

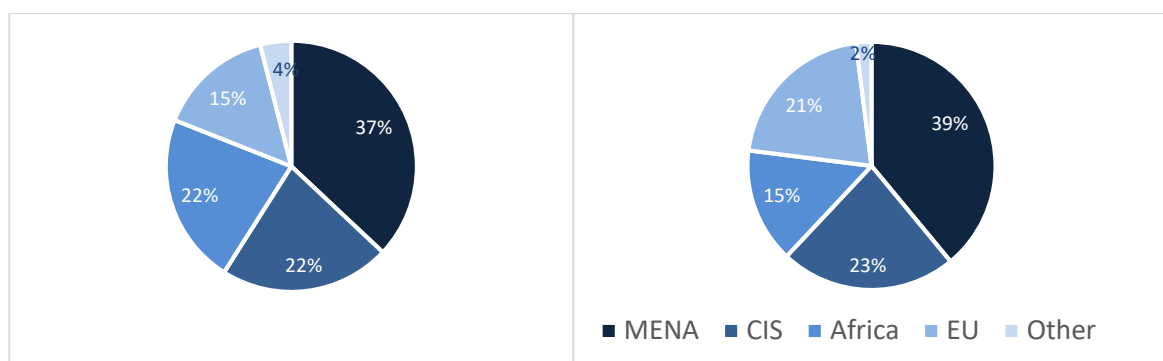
Poultry sales remained relatively stable and constituted 704,010 tonnes of poultry (12M 2020: 699,926 tonnes): poultry sales in Ukraine decreased by 11% y/y, while exports increased by 8% y/y, partially affected by decreased sales of frozen meat.

Sales of culinary products increased by 6.7 times and reached 12,791 tonnes.

Diagramme 2. Geography of export sales breakdown, tonnes

12M 2020

12M 2021



Poultry Prices

In Q4 2021 the average chicken meat price (both domestic and export) constituted US\$ 1.72 per 1 kg of natural weight (excluding VAT), increased by 26% year-on-year, supported by strong prices both in Ukraine and on export markets; in 12M 2021 the average chicken meat price increased by 22% year-on-year to US\$ 1.63 per 1 kg.

Poultry prices in Ukraine in Q4 2021 increased by 30% y/y to US\$ 1.75 per 1 kg and decreased by 3% q/q; in 12M 2021 prices increased by 30% to US\$ 1.66 per 1 kg, mainly driven by a substantial poultry production cost increase since Q4 2020 and substantial utilities (gas mainly) price increase since the end of Q3 2021 as well as strong and upward price trends for all proteins during the period in the country.

Export poultry price in Q4 2021 increased by 29% y/y to US\$ 1.77 per 1 kg and remained stable q/q; in 12M 2021 export poultry price increased by 19% to US\$ 1.67 per kg, mainly driven by strong prices on breast and fillet in Europe, quarters, small chicken price in the MENA region.

Vegetable oils

In Q4 2021, MHP's sales of sunflower oil decreased by 4% to 79,480 tonnes y/y and increased by 117% q/q. In 12M 2021 sunflower oil exports decreased by 37% y/y to 207,240 tonnes. The decrease in sales in 12M 2021 is mainly driven by a decrease in production of oil because of decreased share of sunflower cake in fodder (change in recipe).

In Q4 2021, soybean oil exports increased by 24% y/y to 9,622 tonnes and decreased by 23% q/q; in 12M 2021 sales increased by 11% y/y to 45,209 tonnes. The increase in sales of soybean oil in 12M 2021 is a result of soya cake share increase in fodder recipe and partial substitution of sunflower cake in it, which also resulted in decreased sales of soybean cake to third parties.

The Company considers vegetable oils exports as one of the "natural hedge" routes accumulating additional hard currency revenues and protecting the Company from volatilities in local currency.

GRAIN GROWING OPERATIONS

In 2021 in grain growing operations the Company harvested around 351,440 hectares of land and gathered around 2.6 million tonnes of crops, 52% more versus 2020 mainly positively affected by a combination of modern technology and machinery applied during the cultivation of land and favorable weather condition.

2021		2020	
<i>Production volume</i>	<i>Cropped land</i>	<i>Production volume</i>	<i>Cropped land</i>
<i>in tonnes</i>	<i>in hectares</i>	<i>in tonnes</i>	<i>in hectares</i>

Corn	1,624,173	163,295	864,537	155,094
Wheat	216,007	36,773	208,143	40,827
Sunflower	279,822	88,256	261,886	93,713
Rapeseed	71,055	21,522	80,708	30,857
Soya	57,208	22,879	43,192	19,118
Other*	348,590	18,715	248,476	16,437
Total	2,596,855	351,440	1,706,942	356,046

*- Including barley, rye, sugar beet, sorghum and other and excluding land left fallow as part of crop rotation

	2021		2020	
	MHP's average*	Ukraine's average**	MHP's average	Ukraine's average
	<i>tonnes per hectare</i>		<i>tonnes per hectare</i>	
Corn	10.0	8.0	5.6	5.4
Wheat	5.9	4.6	5.1	3.7
Sunflower	3.2	2.5	2.8	2.0
Rapeseed	3.3	3.0	2.6	2.2
Soya	2.5	2.7	2.3	2.0

*- net weight, ** - bunker weight

OTHER AGRICULTURAL OPERATIONS AND MEAT PROCESSING

Meat processing products	Q4 2021	Q4 2020	% change YoY	Q3 2021	% change QoQ	12M 2021	12M 2020	% change
Sales volume, tonnes	8,507	7,234	18%	9,378	-9%	33,954	32,626	4%
Price per 1 kg net VAT, UAH	88.29	74.72	18%	83.37	6%	82.20	70.78	16%
Convenience Food	Q4 2021	Q4 2020	% change YoY	Q3 2021	% change QoQ	12M 2021	12M 2020	% change
Sales volume, tonnes	4,750	5,314	-11%	5,442	-13%	18,857	19,905	-5%
Price per 1 kg net VAT, UAH	52.58	46.45	13%	47.58	10%	48.62	39.94	22%

Sales volumes of meat-processing products (sausages and smoked meat) in Q4 2021 increased by 18% y/y to 8,507 tonnes but decreased by 9% q/q. The average price in Q4 2021 increased by 18% to UAH 88.29 per kg y/y and by 6% q/q, driven mainly by an increase in raw material price (poultry meat).

Sales volumes of convenience food in Q4 2021 decreased by 11% y/y to 4,750 tonnes and decreased by 13% q/q. The average price in Q4 2021 increased by 13% y/y to UAH 52.58 per kg and increased by 10% q/q.

PERUTNINA PTUJ (PP) RESULTS

Poultry	Q4 2021	Q4 2020	% change YoY	Q3 2021	% change QoQ	12M 2021	12M 2020	% change
Sales volume, tonnes	17,924	15,165	18%	19,367	-7%	72,841	63,007	16%

Price per 1 kg net VAT, EUR		2.70	2.48	9%	2.66	2%	2.59	2.52	3%
Meat products*	processing	Q4 2021	Q4 2020	% change YoY	Q3 2021	% change QoQ	12M 2021	12M 2020	% change
Sales volume, tonnes		10,321	9,918	4%	11,030	-6%	40,366	38,772	4%
Price per 1 kg net VAT, EUR		2.83	2.75	3%	2.76	3%	2.78	2.72	2%

*-includes sausages and convenience foods

In Q4 2021 PP's poultry production facilities produced 28,043 tonnes of chicken and turkey meat, 14% more y/y. Poultry sales constituted 17,924 tonnes, 18% higher y/y, but 7% lower q/q (due to annual seasonality). In 12M 2021 PP's poultry production facilities produced 111,973 tonnes of chicken and turkey meat, 10% more y/y. Poultry sales constituted 72,841 tonnes, 16% higher year-on-year, which is mainly driven by an increase in sales volumes in Bosnia-Herzegovina, Serbia, and Austria.

In Q4 2021 PP's meat-processing (including sausages, convenience foods) facilities produced 10,420 tonnes, 6% higher y/y. Sales constituted 10,321 tonnes, 4% higher y/y, but 6% lower q/q (due to annual seasonality). In 12M 2021 PP's meat-processing facilities produced 41,411 tonnes of meat-processing products, 5% higher y/y; sales constituted 40,366 tonnes, 4% higher y/y, which is mainly driven by an increase in sales volumes in Kosovo, Germany, Serbia, and Croatia.

Both in poultry and meat processing divisions, prices showed positive to stable trends both in Q4 and during the year of 2021 compared to same periods of 2020 as a result of positive price dynamic for poultry prices both in the EU and in the world.

Next release

The financial results for Q4 and 12M 2021 will be published on **24 March 2022**. There will be a conference call for investors and analysts on the day that will take place at 4pm Kyiv time (2 pm London/5 pm Moscow). Dialing instructions for the call will be published in a due course.

For further information and Investor Relations enquiries please contact:

	+38 044 207 00 70
Anastasiya Sobotyuk (Kyiv)	+38 050 339 29 99
	a.sobotyuk@mhp.com.ua

Notes to Editors:

About MHP

MHP is the leading producer of poultry products not only in Ukraine, but also in the Balkans (Perutnina Ptuj Group).

Ukraine: MHP has the greatest market share (over 30% of poultry consumption) and highest brand recognition for its products. MHP owns and operates each of the key stages of chicken production processes, from feed grains and fodder production to egg hatching and grow out to processing, marketing, distribution and sales

(including through MHP's franchise outlets). Complete vertical integration practically eliminates MHP's exposure to raw material price fluctuations since its grain production exceeds internal consumption requirements, allowing the Company to be an important participant in the international commodity trade. In addition to cost efficiency, vertical integration also enables MHP to maintain strict biosecurity and to control the quality of its inputs and the resulting quality and consistency of its products all the way to the point of sale. To support its sales, MHP maintains a distribution network consisting of nine distribution and logistical centers within major Ukrainian cities. MHP uses its own truck fleet to distribute its products, reducing overall transportation costs and delivery times.

MHP also has a leading grain cultivation business growing corn, soya and sunflower to support the vertical integration of its chicken production and increasingly other grains, such as wheat and rape, for sale to third parties. MHP leases agricultural land located primarily in the highly fertile black soil regions of Ukraine.

The Balkans: Perutnina Ptuj (PP) is a leading poultry and meat-processing producer in the Balkans, with production sites in four Balkan countries: Slovenia, Croatia, Serbia, Bosnia and Herzegovina. PP owns distribution companies in Austria, Macedonia and Romania and supplies products to fifteen countries in Europe. PP is vertically integrated across all states of chicken meat production - feed, hatching eggs production and hatching, breeding, slaughtering, sausage production and further poultry processing.

MHP trades on the London Stock Exchange under the ticker symbol MHPC.

Forward-Looking Statements

This press release might contain forward-looking statements that refer to future events or forecast financial indicators for MHP SE. Such statements do not guarantee that these are actions to be taken by MHP SE in the future, and estimates can be inaccurate and uncertain. Actual final indicators and results can considerably differ from those declared in any forward-looking statements. MHP SE. does not intend to change these statements to reflect actual results.