

**ASTARTA HOLDING N.V.**

# Presentation

on the interim results for the three months ended 31 March 2019



**ASTARTA Holding N.V.**  
agri-industrial holding

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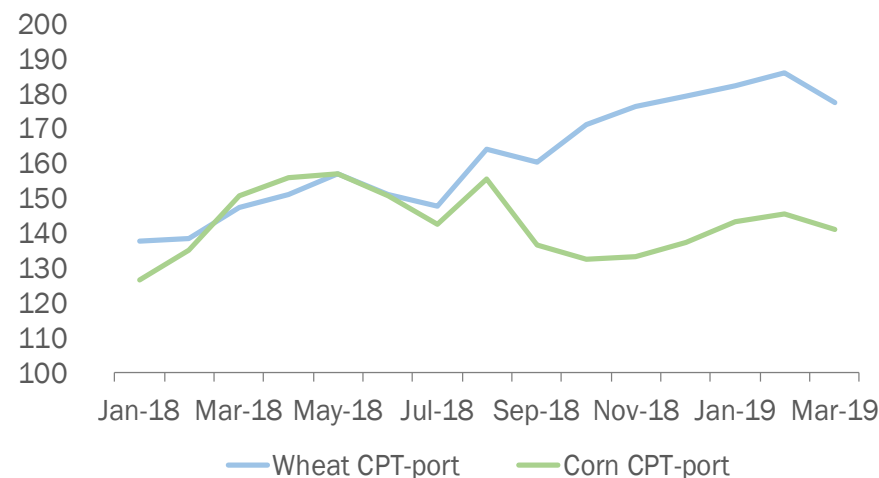
# FARMING SEGMENT OVERVIEW



## Key considerations

- ✓ 54% share in the consolidated revenues
- ✓ Revenues more than doubled to EUR62m on back of improved prices for key grain crops and higher sale volumes of corn from the record harvest in 2018
- ✓ High levels of inventories at YE18 led to significant increase of fair value measurement of agricultural produce from 7% in 1Q19 to 23% in 1Q18 of the Agriculture segment
- ✓ Share of exports in volumes - 94% of total in the reporting period vs 83% last year

## Commodities price performance, EUR/t



Source: APK-inform

## Financial results

EURm	1Q 2018	1Q 2019
Revenues	25,7	62,0
Cost of revenues	-23,8	-57,2
Changes in FA of BA	5,6	6,5
Gross profit	7,4	11,2
General and administrative expenses	-2,1	-3,5
Selling and distribution expenses	-4,0	-8,3
EBIT	0,8	-1,8
EBITDA	6,7	6,6

## Grain and oilseed sales and price performance

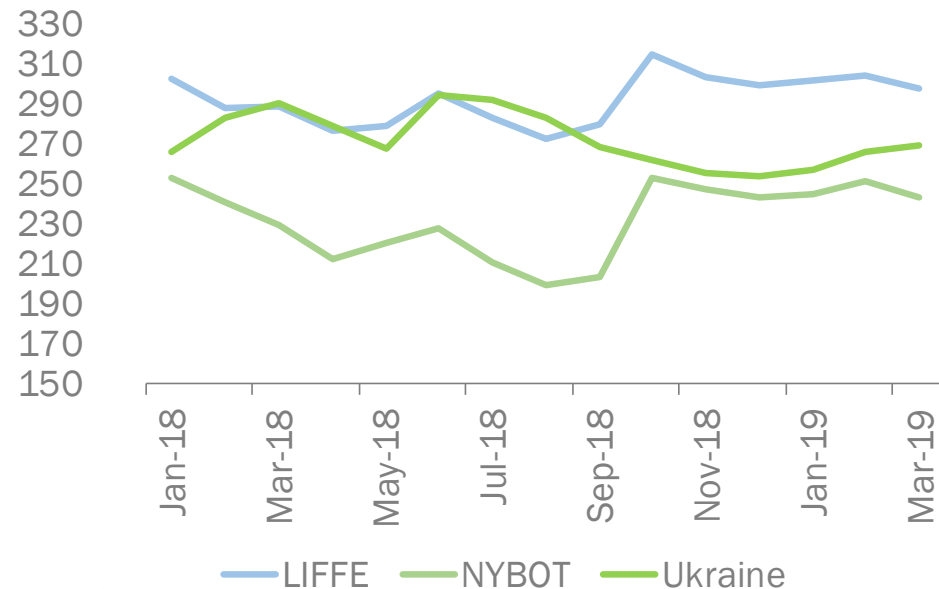
	1Q 2018		1Q 2019	
	kt	EUR/t	kt	EUR/t
Wheat	50	146	11	189
Corn	91	133	304	154
Sunflower	20	282	12	273

# SUGAR SEGMENT OVERVIEW

## Key considerations

- ✓ Revenues down by 44% y-o-y to EUR20m on back of lower volume sales and prices
- ✓ EBITDA declined by 58% to EUR2m
- ✓ As of mid-May Ukrainian farmers planted sugar beet under the area of 220 kha which is 22% lower y-o-y according to the Ministry of Agrarian Policy and Food
- ✓ ASTARTA reduced sugar beet planting area to 36 kha (-12% y-o-y)
- ✓ After two years of excessive sugar production in Ukraine the local sugar prices remained suppressed

## World and Ukrainian sugar price performance, EUR/t



Source: AAA

## Financial results

EURm	1Q 2018	1Q 2019
Revenues	35,5	19,7
Cost of revenues	-28,2	-17,6
Gross profit	7,3	2,2
General and administrative expenses	-0,9	-1,0
Selling and distribution expenses	-3,7	-1,8
EBIT	2,4	-0,8
EBITDA	4,8	2,0

## Sugar sales and price performance

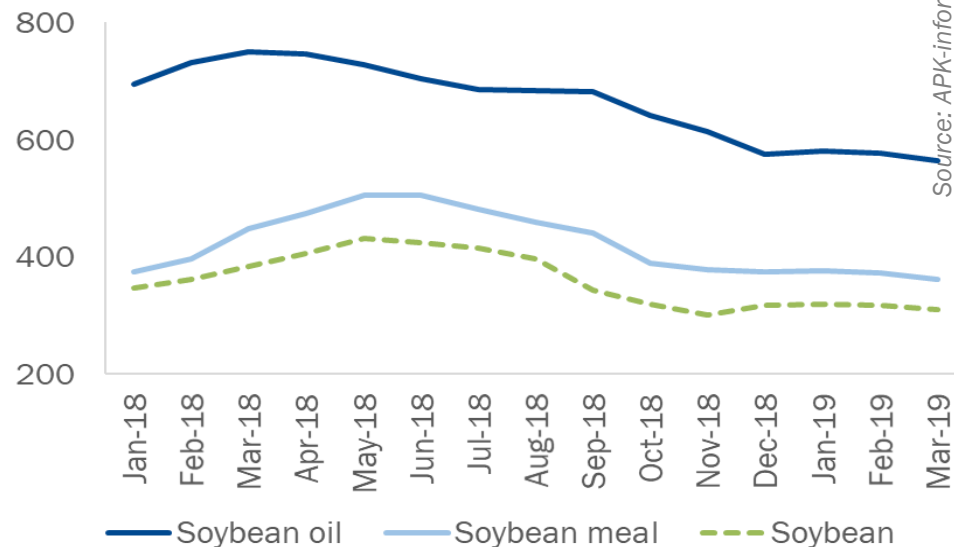
	1Q 2018	1Q 2019
Sugar sales volumes, kt	54	93
Price, EUR/t	316	346

# SOYBEAN PROCESSING SEGMENT OVERVIEW

## Key considerations

- ✓ Soybean processing volumes increased to c. 63 kt (+6% y-o-y). Production of the soybean meal amounted to 46kt (+5% y-o-y), soybean oil – 12 kt (+8%) and husk – 4 kt (+20%)
- ✓ Production share of the plant stood at 13% of the total soybean processing volumes in Ukraine
- ✓ Revenues were EUR24m (+15% y-o-y)
- ✓ EBITDA was EUR3m (6x higher y-o-y on tight cost control and strong sales performance)

## Soybean products price performance, EUR/t



## Financial results

EURm	1Q 2018	1Q 2019
Revenues	20,7	23,8
Cost of revenues	-19,4	-19,6
Gross profit	1,3	4,2
General and administrative expenses	-0,1	-0,1
Selling and distribution expenses	-0,9	-1,2
EBIT	0,2	2,8
EBITDA	0,5	3,1

## Soybean products sales and price performance

	1Q 2018		1Q 2019	
	kt	EUR/t	kt	EUR/t
Soybean oil	13	609	14	555
Soybean meal	42	302	47	331
Soybean husk	3	96	3	119

# DAIRY SEGMENT OVERVIEW

## Key considerations

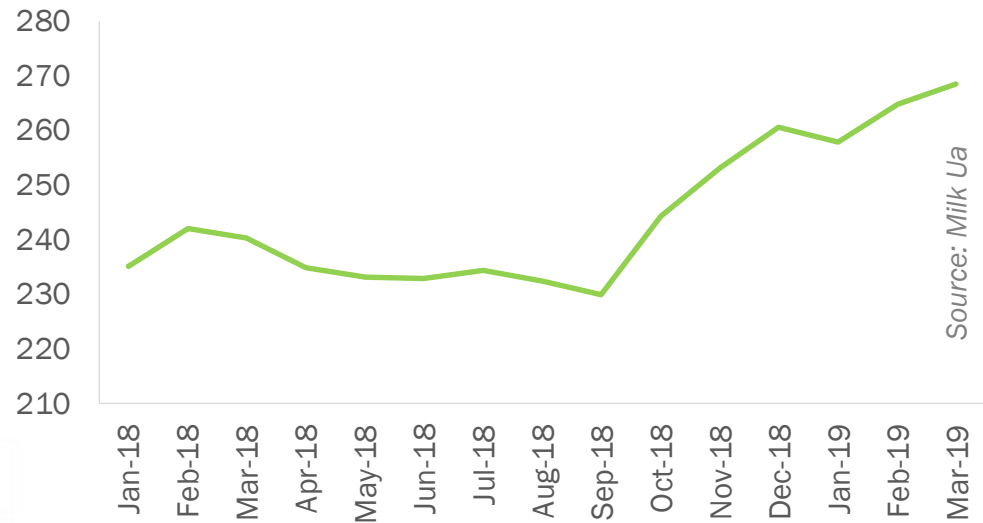
- ✓ Revenues increased by 16% y-o-y to EUR9m on growth of the selling price by 24% y-o-y to EUR303 per ton due to rebalancing in the client portfolio and improved quality of milk
- ✓ EBITDA slightly declined to c. EUR2m on the negative result from the revaluation of the biological assets

## Financial results

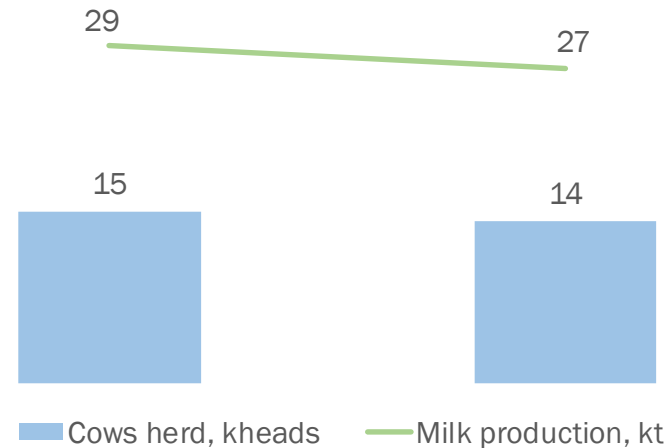
EURm	1Q 2018	1Q 2019
Revenues	7,6	8,8
Cost of revenues	-5,9	-6,8
Changes in FA of BA	0,7	-0,3
Gross profit	2,5	1,7
G&A expenses	-0,4	-0,3
S&D expenses	-0,1	-0,1
EBIT	1,8	1,3
EBITDA	2,2	1,6

	1Q 2018	1Q 2019
Milk sales volumes, kt	28	26
Price, EUR/t	245	303

## Ukrainian milk price performance, EUR/t



## Milk production and cows herd



# KEY FINANCIAL RESULTS

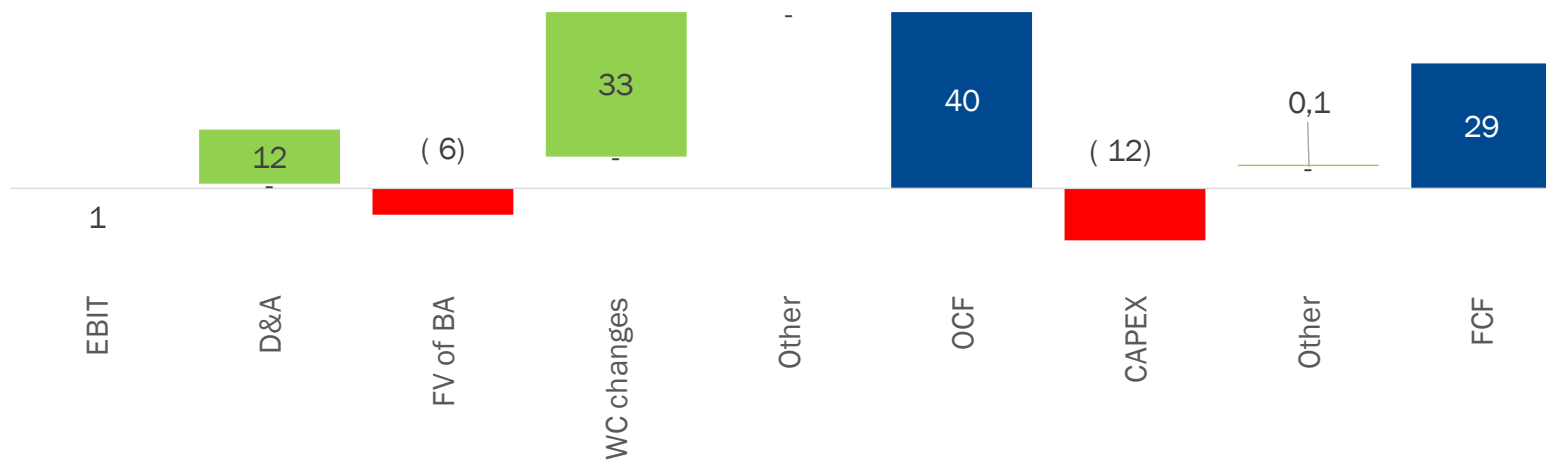
## Key consolidated financial results

EURm	1Q 2018	1Q 2019
Revenues	90,6	115,8
Cost of sales	-78,3	-102,3
Revaluation of biological assets	6,3	6,1
<b>Gross profit</b>	<b>18,6</b>	<b>19,7</b>
Gross profit margin	20%	17%
<b>EBIT</b>	<b>4,2</b>	<b>1,1</b>
EBIT margin	5%	1%
<b>EBITDA</b>	<b>13,3</b>	<b>13,6</b>
EBITDA margin	15%	12%
Foreign currency translation gain, net	5,7	2,9
<b>Net profit (loss)</b>	<b>3,7</b>	<b>-4,4</b>
Net profit (loss) margin	4%	-4%
Cash flows provided by operating activities	21,6	40,4
Cash flows used in investing activities	-9,6	-11,9
Cash flows used in financing activities	-13,5	-32,3
<b>NET DEBT (financing)</b>	<b>126,6</b>	<b>208,9</b>
<b>NET DEBT (total)</b>	<b>201,5</b>	<b>293,0</b>
EBITDA (LTM)	89,5	57,1
NET DEBT (total)/EBITDA (LTM)	2,4	5,1
DEBT/EQUITY	0,4	0,6

- ✓ Revenues increased to EUR116m, or by 28% y-o-y, due to solid performance by the agricultural and the soybean processing segments
- ✓ High levels of inventories at YE18 lead to significant increases of fair value measurement of agricultural produce as share of cost of sales: from 7% to 23% of the Agriculture segment and from 9% to 16% of the consolidated cost of sales 1Q19/1Q18
- ✓ As a result, EBIT was down to EUR1.1m (-73% y-o-y). S&D and G&A expenses grew by 29% and 26% y-o-y to EUR12m and EUR5m, correspondingly, in line with the growth in revenues
- ✓ Finance costs grew by 71% y-o-y to EUR5m as a result of increase of the finance debt to EUR219m from EUR142m as at 31 March 2018
- ✓ Cash flow from operating activities grew by 87% y-o-y to EUR40m driven by strong sales of inventories (EUR42m versus EUR22m during the same period in 2019 and 2018)
- ✓ As at 31 March 2019 the Group had strong liquidity and its current assets exceeded current liabilities by EUR 59 million

# KEY FINANCIAL RESULTS

## FCF 1Q 2019



## FCF 1Q 2018

