

VALUING MHP SE UNDER GEOPOLITICAL UNCERTAINTY: A COMPREHENSIVE
EQUITY ANALYSIS AND INVESTMENT RECOMMENDATION

by

Oleksii Tarasenko

A thesis submitted in partial fulfillment of the
requirements for the degree of
BA in Business Economics, Faculty of
Economics
Kyiv School of Economics

2026

Thesis Supervisor: Oleksii Marchenko, MA in Economic Analysis

Approved by _____

Head of the KSE Defense Committee, Professor

Date _____

TABLE OF CONTENTS

LIST OF TABLES	4
LIST OF FIGURES	5
LIST OF ABBREVIATIONS	6
CHAPTER 1. INTRODUCTION	8
CHAPTER 2. BUSINESS DESCRIPTION	10
2.1 COMPANY OVERVIEW	10
2.2 BUSINESS SEGMENTS	11
2.3 PRODUCTS AND SERVICES	12
2.4 BUSINESS MODEL AND VALUE CHAIN	12
2.5 GEOGRAPHIC FOOTPRINT AND COUNTRIES OF OPERATION	13
2.6 REVENUE STRUCTURE	15
2.7 OWNERSHIP STRUCTURE AND PRINCIPAL SHAREHOLDER	18
CHAPTER 3. STRATEGIC ANALYSIS	21
3.1 INDUSTRY ANALYSIS	21
3.2 ENVIRONMENTAL AND SOCIAL FACTORS	27
3.3 COMPETITIVE STRATEGY ANALYSIS	29
CHAPTER 4. FINANCIAL ANALYSIS	36
4.1 FINANCIAL STATEMENTS	36
4.2 ANALYSIS OF OPERATING ACTIVITIES	37
4.3 ANALYSIS OF INVESTING ACTIVITIES	39
4.4 ANALYSIS OF FINANCING ACTIVITIES	39
4.5 ROE DECOMPOSITION	40
CHAPTER 5. FUNDAMENTAL VALUATION	42

	3
5.1 FINANCIAL STATEMENTS FORECASTING	42
5.2 VALUATION MODELS	52
5.3 CAPITAL COSTS	55
5.4 DCF VALUATION RESULTS	59
5.5 MULTIPLE-BASED VALUATION	61
5.6 RISK ASSESSMENT	64
5.7 SENSITIVITY ANALYSIS	67
CHAPTER 6. VALUATION SUMMARY	71
CHAPTER 7. INVESTMENT RECOMMENDATION	73
Works Cited	76
APPENDICES	81
APPENDIX 1. Geographic Location of MHP Ukraine's Agricultural and Production Assets Relative to Occupied Territories and the Approximate Front Line	81
APPENDIX 2. Standardized Financial Statements	82
APPENDIX 3. Condensed Financial Statements	84
APPENDIX 4. Financial Analysis and Ratios	85
APPENDIX 5. Revenue Decomposition	87
APPENDIX 6. Financial Statements Forecasting	89
APPENDIX 7. Capital Costs Calculation	90
APPENDIX 8. DCF Valuation Results	91
APPENDIX 9. Sensitivity Analysis	92
APPENDIX 10. Multiple-based Valuation	93
APPENDIX 11. MHP SE Historical Share Price Performance	94
APPENDIX 12. MHP SE Valuation Model	94

LIST OF TABLES

Table 1. MHP Revenue by Reportable Segment, 2025	16
Table 2. MHP Group Revenue by Destination, 2025	16
Table 3. MHP Poultry Export Volumes from Ukraine by Region, 2025	17
Table 4. MHP SE Ownership Structure, 2025	19
Table 5. Leading Chicken Meat Exporters, 2026 Forecast	23
Table 6. VRIO Analysis of MHP SE's Key Resources and Capabilities	31
Table 7. Selected M&A Transactions Supporting MHP SE's International Diversification	33
Table 8. Key Forecast Drivers Used in the Model	51
Table 9. Comparison of Valuation Methods Used in the Thesis	54
Table 10. Calculation of Equity Risk Premium Based on the Location of MHP's Assets	56
Table 11. Calculation of MHP Bottom-Up Beta	57
Table 12. Summary of DCF Valuation Results	60
Table 13. Summary of Multiple-based Valuation Results	63
Table 14. Key Risks and Valuation Implications for MHP SE	65
Table 15. FCFE Sensitivity Analysis: Estimated Equity Value per Share in USD	68
Table 16. FCFF Sensitivity Analysis: Estimated Equity Value per Share in USD	69

LIST OF FIGURES

Fig. 1. Porter's Five Forces Assessment of the Poultry Industry.	27
Fig. 2. MHP Revenue Growth: Historical and Forecast, 2019-2035F.	44
Fig. 3. MHP Recurring NOPAT Margin: Historical and Forecast, 2019-2035F.	47
Fig. 4. MHP Operating Working Capital / Revenue: Historical and Forecast, 2019-2035F.	49
Fig. 5. MHP SE Football Field Valuation Summary.	72

LIST OF ABBREVIATIONS

CAGR – Compound Annual Growth Rate

CAPEX – Capital Expenditures

CAPM – Capital Asset Pricing Model

CBD – Customer Business Development

CEO – Chief Executive Officer

CIS – Commonwealth of Independent States

COGS – Cost of Goods Sold

DCF – Discounted Cash Flow

DRP – Debt Risk Premium

EBIT – Earnings Before Interest and Taxes

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization

ERP – Equity Risk Premium

ESG – Environmental, Social and Governance

ESRS – European Sustainability Reporting Standards

EU – European Union

EV – Enterprise Value

FAO – Food and Agriculture Organization of the United Nations

FCFE – Free Cash Flow to Equity

FCFF – Free Cash Flow to the Firm

FX – Foreign Exchange

GDR – Global Depositary Receipt

GHG – Greenhouse Gas

HHI – Herfindahl-Hirschman Index

HoReCa – Hotel, Restaurant and Catering

LSE – London Stock Exchange

LTM – Last Twelve Months

M&A – Mergers and Acquisitions

MENA – Middle East and North Africa

MHP – Myronivskyi HliboProduct

NBU – National Bank of Ukraine

NIPAT – Net Investment Profit After Tax

NOPAT – Net Operating Profit After Tax

OECD – Organisation for Economic Co-operation and Development

OWC – Operating Working Capital

P/B – Price-to-Book Ratio

P/E – Price-to-Earnings Ratio

PP – Perutnina Ptuj

PV – Present Value

RFR – Risk-Free Rate

ROE – Return on Equity

SALIC – Saudi Agricultural and Livestock Investment Company

SE – Societas Europaea

SG&A – Selling, General and Administrative Expenses

USDA FAS – United States Department of Agriculture, Foreign Agricultural Service

USD – United States Dollar

VRIO – Value, Rarity, Imitability and Organization

WACC – Weighted Average Cost of Capital

y/y – Year-on-Year

CHAPTER 1. INTRODUCTION

The effectiveness of the redistribution of the financial resources between investors and businesses largely depends on the ability of market participants to correctly determine the intrinsic value of public companies and take into account and adequately evaluate the associated risks. The main reasons behind the disagreements between the market price and fundamental value of a company is the information asymmetry, uncertainty regarding the future financial results and market volatility. In author's opinion, under these circumstances the correctness of a comprehensive equity valuation becomes particularly important to make right and wise investment decisions. MHP SE is one of the biggest vertically integrated agricultural companies in Ukraine and a significant exporter of poultry products to international markets. The company is listed on the London stock exchange under the ticker MHPC.IL, which is an evidence of its integration into the global capital market system, on the one hand, and dependence on international investors expectations, on the other. Operating under the conditions of extremely high geopolitical risks, which are related to the full-scale invasion in Ukraine, MHP is being faced with significant operational, financial and macroeconomic challenges and is characterized by exporting orientation, a diversified income structure and the high level of vertical integration of production, trying to level off these risks. It makes MHP an extremely relevant object for equity valuation.

The main goal of this thesis is to define the intrinsic equity value MHP SE and the estimation of whether its shares are underestimated, fairly valued or overvalued to market price as for valuation date. In this thesis the valuation date is defined as 1 May 2026, and market share price as for this date are USD 9.42. The result of this analysis should be the justified investment recommendation buy, hold or sell, formed according to the business analysis, financial analysis, forecasting and valuation results.

To reach this goal this thesis is built on a structured and analytical approach, in a range of which the business analysis of the company is used, strategic analysis and financial analysis of the historical results of MHP for the period of 2018-2025 years, which includes the analysis of

standardized and condensed financial statements, profitability, efficiency, liquidity, leverage, ROE decomposition and cash flow generation (see Appendix 2; see Appendix 3; see Appendix 4). According to these results, business, strategic and financial analysis financial statements forecasting with 10-year forecast period is made. It includes 2026F-2035F, which is justified by the need to show the transition of the company from the period of integration-driven growth.

Valuation stage is based on two models: DCF models Free Cash Flow to Equity (FCFE), which estimates cash flows available to equity holders and discounts them at Cost of Equity and Free Cash Flow to the Firm (FCFF), which estimates cash flows available to all capital providers and discounts them at Weighted Average Cost of Capital (WACC), after which enterprise value is transitioned to equity value through adjustment to debt claims and non-controlling interest. After that the sensitivity analysis is used to check how the total equity value changes under different assumptions regarding the Cost of Equity, WACC and terminal growth rate (see Appendix 7; see Appendix 8; see Appendix 9).

In thesis, apathy form DCF, Multiple-based Valuation is used as market-based cross-check, in which international protein / poultry / food peers and Ukrainian / Ukraine-exposed companies are compared, because MHP simultaneously has international food exposure and Ukraine-related operating risk, which allows to check whether the DCF results are consistent with market pricing of comparable companies (see Appendix 10).

As a conclusion, this thesis aims not only to calculate the fair value of MHP SE, but also to understand which factors shape this value. The result of the analysis is a final investment recommendation, which is based on valuation outputs, risk assessment, sensitivity analysis and comparison with market price as of the valuation date.

CHAPTER 2. BUSINESS DESCRIPTION

2.1 COMPANY OVERVIEW

MHP SE is a publicly traded international food and agri group with Ukrainian roots, whose operational activity is concentrated mainly in Ukraine and Europe, although it is registered in Cyprus as Societas Europaea (SE). The main office of holding company MHP SE is located in Limassol, Cyprus, and its securities in the form of Global Depositary Receipts (GDRs) have been listed on the London Stock Exchange since 2008 (MHP SE 197). As of 31 December 2025 Group had 107,038,208 shares outstanding, which is the base number of shares for calculating equity value per share in this valuation model (MHP SE 234).

Nowadays it is considered out of pocket to call MHP just a Ukrainian poultry producer: in 2025 the company's international profile became significantly stronger after acquisition of UVESA Group, which is one of the leading producers of poultry and pork in Spain. Before that MHP had already had a European platform presented with Perutnina Ptuj, acquired in 2019. As a result, the company's position as an international agricultural group became stronger, which combines large-scale poultry production, food processing, agriculture, vegetable oil operations and European expansion. As a global player MHP SE is one of the biggest producers of poultry within European region and is claimed to be one of the leaders in top-10 global poultry producers by production volumes. In Ukraine MHP takes the place of the biggest poultry producer, one of the biggest seed and plant oil manufacturer, and top-10 producer of value-added non-commodity food products (MHP SE 188).

For the goals of this study and further valuation MHP SE is a significantly relevant subject of analysis, because the company combines strong operating assets, international revenue exposure, meaningful debt burden, high capital intensity and noteworthy geopolitical risk.

2.2 BUSINESS SEGMENTS

Operation values of MHP SE consist of poultry and food processing, agricultural production of organic grain and oil crops, and the production of plant oil. Officially, the group highlights four report segments: Poultry and Related Operations, Vegetable Oils Operations, Agriculture Operations, and European Operating Segment. Apart from accounting business splitting, this structure has economic logic of dividing the operational activity within 4 segments: the company groups production of poultry and processed meat, upstream agricultural inputs, vegetable oil production and international proceeding platform in Europe (MHP SE 188).

Poultry and Related Operations are basic segments of MHP, which constantly create the biggest part of revenue and still is the milestone of the company's operating model. Segment takes chicken production, hatching, fodder manufacturing, grow-out, processing and sale of frozen and chilled chicken meat, processed meat products, convenience food and other poultry-related products.

Vegetable Oil Operations Segment consist of production and sale of sunflower oil, soybean oil and related products, such as cake or husk. It has an important role for export revenue but in the year 2025 his profitability was notably weaker because of margin compression and lower sunflower oil volumes.

Agriculture Operations, that includes cultivation and sale of grains and oilseeds, and also related agriculture operations, is important not just as a separate source of revenue, but also as a strategic input base for poultry operations, because feed costs are one of the key drivers of cost of production in the poultry industry.

From 2025 European Operating Segment, which comprises sales of poultry meat and processed products in Southeast Europe has claimed a new meaning. If earlier it consisted of mainly

operational activity Perutnina Ptuj Group in Southeastern Europe, after the 1st August 2025, this segment has conquered Perutnina Ptuj ra UVESA Group.

2.3 PRODUCTS AND SERVICES

Producing poultry meat, processed meat products, convenience food, vegetable oils, grains and related agricultural products, MHP gradually switches its strategic focus from commodity products to food products with value-added. It's important for valuation, since value-added products potentially may support higher margin stability, better customer loyalty and dependency on pure commodity price competition.

In the Ukrainian market MHP sells fresh and frozen chicken meat, whole chicken, poultry parts, marinated products, ready-to-cook and ready-to-eat products. Through main brands, such as Nasha Riaba, Lehko, Bashchynsky, Skott Smeat, Kvaliko and others, the company not only works in the commodity poultry segment, but in processed meat, convenience and culinary categories (MHP SE 11-12).

Concurrently the group produces and sells sunflower oil, soybean oil and related by-products. The valid point is that vegetable oils are mainly exported, which supports hard-currency revenue and partly lowers the level of local currency risk (MHP SE 14). In agricultural segment the company grows corn, sunflower, soybean, wheat, rapeseed and other crops for its own needs in nourishment and for selling it to third parties. In 2025 MHP harvested 336,500 hectares and produced approximately 2.0 million tonnes of crops (MHP SE 14). European business using Perutnina Ptuj adds poultry and processed meat products to the company's portfolio in the Southeastern Europe markets, while UVESA adds Spanish poultry and pork platform.

2.4 BUSINESS MODEL AND VALUE CHAIN

The base of MHP SE business model consists of vertical integration, which holds a significant part of the food and agri value chain. In a structure like that, when in Ukraine the Group controls almost the whole production cycle: from the grains growing to the distribution channels, it creates cost efficiency, supply chain control and quality control, which is highly important for MHP as a poultry business with high feed, energy and logistics costs sensibility. On the other hand, this model requires worthy non-current operating assets, operating working capital and continuous investment in production facilities. Which is why further forecasting assumptions regarding the operating working capital / revenue and net non-current operating assets / revenue predict the prolonging of the high level of capital-intensity in MHP operational activity.

The circular economy model is a separate element of the value chain: waste from crop and poultry production is proceeded to energy and organic fertilizer, especially because of biogas power, which lowers producing costs and environmental harm³.(MHP SE 28-29).

2.5 GEOGRAPHIC FOOTPRINT AND COUNTRIES OF OPERATION

The information regarding the location of manufacturing and agricultural assets has a remarkable meaning for valuation Ukrainian company MHP SE, because it shows in what stage the company suffers from war-related risks, логістичних обмежень, shutdowns and potential physical harm to assets. Although MHP is an international food and agri group, its operating base is still connected to Ukraine. After acquisition of UVESA Group in 2025 the company significantly extended the European Operating Segment, so its geographical profile is considered to be a combination of Ukrainian manufacturing base, European assets and wide export geography.

In Ukraine MHP is one of the biggest agricultural land bank operators with precisely 350,000 hectares of land under cultivation. The company's agricultural and production facilities are

located in 12 Ukrainian regions and land bank is divided in four main hubs: Western Hub – 95,575 ha, Southwest Hub – 101,702 ha, Central Hub – 119,245 ha, and Northeast Hub – 33,283 ha (MHP SE 13). As it is shown in Appendix 1, the widest part of land bank is in Central, Southwest and Western hubs, while Northeast Hub is the smallest in square. It is shown on the map that the main part of MHP agricultural base is not located precisely across active front line, which usually assumes lower possibility of straight influence of hostilities, although the war consequences such as missile attacks, energy disruptions, logistics bottlenecks and higher operating costs, leave the negative impact on the company's activity. (see Appendix 1).

The information about the location of the key poultry production assets MHP Ukraine also shows remoteness from the front line. The main poultry complexes are Vinnytsia Poultry Complex, which provides 56% poultry meat produced, Myronivka Poultry Complex – 34%, a Oril-Leader Poultry Complex – 10% (MHP SE 13). It is important to mention that Oril-Leader, which is the most sensitive towards the war-related risk, is located nearer to the East and South-East regions. Its location explains the lower share of volume production. In general the main part of poultry production capacity is related to the central Ukrainian regions and MHP flags that Ukrainian operations continued to run at 100% capacity despite the War in Ukraine, which justifies the operational stability of the company despite the high country risk (MHP SE 6).

Except Ukraine, MHP leads its business activity in Slovenia, Croatia, Serbia and Bosnia and Herzegovina through Perutnina Ptuj Group and in Navarra, Castilla y León, La Rioja, C. Valenciana, Madrid, Tudela, Alfaro and Burgos через UVESA Group (MHP SE 18). Unlike the Ukrainian business part, the European Operating Segment is less vertically integrated through land bank and crop production, and is more poultry, pork, feed production and processing oriented.

Company's export footprint is wider than its operational assets, and this fact supports hard-currency revenues and geographic diversification – MHP sells poultry, poultry products, grains and vegetable oils to over 80 countries worldwide, while export markets include EU, MENA, CIS,

Africa, Asia, UK and Canada (MHP SE 6, 25). Meanwhile it creates bigger sensibility towards export restrictions, logistics disruptions, regional demand shocks and changes in trade regimes.

2.6 REVENUE STRUCTURE

In 2025 MHP SE generated consolidated revenue increased for 24% in comparison with 2024 from USD 3,046 million to USD 3,766 million (MHP SE 35-36). On the other hand, revenue growth did not cause profitability to increase, after all operating profit decreased by 15% in 2025 to USD 376 million and adjusted EBITDA margin decreased from 19% in 2024 to 15% in 2025 (MHP SE 35-36). It is important to flag that in spite of significant scale expansion and segment mix shift, in 2025 MHP marginality decreased.

The main revenue stream is still Poultry and Related Operations segment, which formed USD 1,926 million, or 51% total revenue. The second place on the level of revenue contribution takes European Operating Segment, which provided USD 1,010 million, or 27% total revenue in 2025 as a result of UVESA Group. This segment showed a significant rise in 75% compared to the previous 2025, having USD 505 million and 17% total revenue. Other segments – Agriculture Operations, which formed USD 436 million, or 12%, and Vegetable Oil Operations, which provided USD 394 million, or 10% – completes the structure of revenue and shows a role of agricultural production and plant oil proceeding as important but less profitable revenue streams (see Table 1). This structure shows that MHP is still a poultry-driven business, but after UVESA acquisition European Operating Segment it became mainly material element of the business mix.

Table 1. MHP Revenue by Reportable Segment, 2025

Business segment	Revenue, USDm	Revenue, % of total revenue
Poultry and Related Operations	1,926	51%
Vegetable Oil Operations	394	10%
Agriculture Operations	436	12%
European Operating Segment	1,010	27%
Total	3,766	100%

Source: MHP SE, *Annual Report and Accounts 2025*, 2026, p. 36.

Except for segment structure, it is important to pay attention to revenue by destination in the scale of the whole group, because MHP is an export-oriented business. In 2025 export revenue was assessed at USD 2,069 million, or 55% total revenue, while domestic and other non-export revenue are estimated on the level of USD 1,697 million, or 45% total revenue (see Table 2). Important notice is that in spite of export revenue increasing by 12% in 2024, its part in total revenue decreased from 60% to 55% (MHP SE 35). In the author's opinion, this change should not be considered as an export model weakening. The real reason may be the change in revenue mix after European Operating Segment and consolidation of UVESA increasing.

Table 2. MHP Group Revenue by Destination, 2025

Destination	Revenue, USDm	Revenue, % of total revenue
Export revenue	2,069	55%
Domestic and other non-export revenue	1,697	45%

Total	3,766	100%
-------	-------	------

Source: MHP SE, *Annual Report and Accounts 2025, 2026*, p. 35.

It is considered to be important to look carefully at poultry export volumes by destination, which in 2025 look like this: MENA – 33%, EU – 29%, CIS – 19%, UK – 11%, Africa – 5%, Asia and other – 3% (see Table 3). Despite the diversified export geography MHP, these indicators show the significant concentration of poultry exports in MENA and EU.

Table 3. MHP Poultry Export Volumes from Ukraine by Region, 2025

Region	Share of poultry export volumes, %
MENA	33%
EU	29%
CIS	19%
UK	11%
Africa	5%
Asia and other	3%
Total	100%

Source: MHP SE, *Annual Report and Accounts 2025, 2026*, p. 37.

As a conclusion, revenue structure MHP in 2025 has three key conclusions for valuation. Firstly, Poultry and Related Operations are still the main revenue driver, so assumptions regarding the poultry prices, sales volumes and product mix are going to take the main place in forecasting. Secondly, European Operating Segment already created more that quarter of total revenue, so

UVESA and PP performance are going to have a big impact on medium-term growth. Thirdly, MHP keeps material export exposure, which supports hard-currency revenue and diversification, but increases the dependency from logistics, trade access and regional demand conditions at the same time.

2.7 OWNERSHIP STRUCTURE AND PRINCIPAL SHAREHOLDER

Understanding the ownership structure of MHP SE and size of free float is important for valuation, since it determines the level of corporate control, potential minority shareholder risks and liquidity of GDRs on the market. MHP SE is a public company listed on the London Stock Exchange through GDRs, but its control stays highly concentrated. The controlling shareholder is Yuriy Kosyuk, who owns 100% of WTI Trading Limited. Meanwhile WTI Trading Limited directly owns 59.7% of total outstanding share capital of MHP SE (MHP SE 197). Based on this information MHP can be listed as a controlled public company, when the shares are publicly held but the strategic control is centred on the company's founder.

Apart from that, it is important to count the appearance of significant institutional shareholder in 2024. Saudi Agricultural and Livestock Investment Company (SALIC), subsidiary of Saudi Arabia's Public Investment Fund, acquired 13,514,563 GDRs of MHP SE, which takes 12.6% of the company's total outstanding shares (SALIC). Simultaneously it is more expedient to analyse SALIC not as strategic investor in narrow operational sense, but as significant institutional shareholder with food-security and agrifood investment interest, after all the available information proves a purchase of a share through GDRs on the market, but doesn't testify about operational control or direct participation SALIC in the control of MHP. So after taking SALIC into the account the rest of shares, white belong to other investors and is traded through market-held GDRs, can be evaluated by 27.7%. This indicator should not be interpreted as a fully dispersed free float, because

among other investors there are individual private or institutional holders with significant financial packages.

Table 4. MHP SE Ownership Structure, 2025

Shareholder category	Ownership share, %	Comment
WTI Trading Limited / Yuriy Kosyuk	59.7%	Controlling shareholder
Saudi Agricultural and Livestock Investment Company (SALIC)	12.6%	Significant institutional shareholder
Other shareholders / market-held GDRs	27.7%	Remaining shares, not necessarily fully dispersed
Total	100%	

Source: MHP SE, *Annual Report and Accounts 2025*, 2026, p. 197; SALIC, “SALIC Expands Its Global Investment Portfolio with Ukrainian Company MHP SE,” 2024.

The principal shareholder profile is largely important for investor analysis because of key-person risk and possible impact on governance. Yuriy Kosyuk is the founder and Chief Executive Officer of MHP. He founded the company in 1998 and currently serves as CEO of PrJSC MHP in Ukraine, a wholly owned Group subsidiary (MHP SE 166). His professional background is tightly linked with food production and agribusiness: in 1992 he graduated Kyiv National University of Food Technologies as process engineer in meat product technologies; In 1991 he worked as broker at the Kyiv Commodity Exchange; from 1992 to 1994 he held the position of Commercial Director at Roda Furniture enterprise, and after that as a Chairman; from 1994 to 1995 he was Chairman of the Board at CSJC Eldorado; in 1995 he founded JSC Scientific and Technical Business Centre of the food industry, and in 1998 - Myronivskyi HliboProduct (MHP). In 2001 he

launched brand Nasha Ryaba, which became one of the key brands of Ukrainian poultry market, and in 2008 he led the process, in which MHP became the first Ukrainian agro-industrial company, listed on the London Stock Exchange (MHP SE 166).

On the one hand, the long term participation of Kosyuk in MHP developing gives benefits in the way of knowing the business, the stability of strategic continuity and the ability to quickly make decisions in capital-intensive and operationally complex industries. It is crucial for MHP which works under war conditions, high uncertainty and international expansion. On the other hand, the problematic combination of the roles of founder, CEO, principal shareholder and Board member creates key-person risk and potential agency risk for minority shareholders. It is impossible and incorrect to highlight the existence of the straight governance problem, however it is not useful to ignore these facts, which increase the attention of investors to board independence, dividend policy, capital allocation and protection of minority shareholders.

As a conclusion, ownership structure MHP SE combines simultaneously the public status of the company on London Stock Exchange, majoritarian control, the appearance of significant institutional shareholder and remaining market-held GDRs, which support the market liquidity and the potential interest of institutional investors. However the founder, CEO and the participant of Board of Directors still holds the significant control over the company, which requires countability of governance profile, key-person risk and potential agency risks as final investment recommendation.

CHAPTER 3. STRATEGIC ANALYSIS

3.1 INDUSTRY ANALYSIS

For the purpose of valuation the relevant branch is defined as poultry meat industry, where the main focus is on the production and distribution of chicken meat. This definition relates to the operational structure of MHP, where the main and base segment Poultry and Related Operations is built around fresh and frozen chicken meat, processed poultry products i value-added convenience food (MHP SE 9). At the same time it is not right to consider this branch as only an internal Ukrainian market, after all MHP combines Ukrainian production base, European operations and wide export geography. In 2025 the company received USD 2,069 million export revenue, which stated the 55% total revenue (MHP SE 5, 35). So for the purpose of further valuation it is significantly important to state that MHP works in a global poultry market but with clear Ukrainian production anchor.

In a global context poultry is still one of the most important segments in the meat industry. First of all, chicken meat, compared to red meat, usually is more affordable for consumers and has better protein-to-fat ratio. Compared to red meat poultry requires relatively less quantity of producing resources, which holds the high demand not only in developed but also in emerging markets (OECD and FAO 88). Looking at OECD and FAO estimation, poultry is going to hold a place as one of the main drivers of future meat consuming development because it combines affordability, scalability and broad consumer acceptance (OECD and FAO 86-88). This forecast regarding the prolonged increase in demand of chicken meat supports the revenue side of MHP, but the competitive structure of the industry and cost pressure limit the possible level of margin.

The global market of chicken meat is big, competitive and tightly integrated with international trade. As the actual forecast of USDA FAS, which was published in April 2026 poky,

global chicken meat production is estimated to reach 110.7 million tonnes in 2026, which is almost 3% higher compared to the previous year. The main drivers of increasing are China, where forecast production increases to 17.3 million tonnes, and Brazil production with 15.8 million tonnes, supported with export demand, lower production costs and weaker real (USDA FAS 18). In comparison with 2024, when global production was 104.4 million tonnes, it related to CAGR approximately 3.0% for the period of 2024-2026 years:

$$CAGR = (110.7/104.4)^{1/2} - 1 \approx 3.0\%$$

This growth tempo is not significantly high but for the global protein category it is quite important - 3%, which shows that the branch is expanding . At the same time industry returns don't depend not only from market growth, but also from scale, cost efficiency, product mix and market access, so this increase does not guarantee the same high increase for all companies. For MHP this is a milestone of gradual state of increasing revenue growth in future forecasted years.

International trade in chicken meat also continues to grow and in USDA FAS forecast global chicken meat exports in 2026 will reach 14.8 million tonnes, which is bigger by 3%, compared to 2025. The biggest exporter is still Brazil with forecast exports on the level of 5.15 million tonnes, or approximately 34.8% global exports. Also among the leaders there are United States with forecast on the level of 3.02 million tonnes, or 20.4%; European Union – 1.75 million tonnes, or 11.8%; China – 1.40 million tonnes, or 9.5%; Thailand – 1.28 million tonnes, or 8.6%; Ukraine – 0.46 million tonnes, or approximately 3.1% global exports (USDA FAS 20). This distribution of parties shows that Ukraine is going to stay noticeable, but not the dominant participant of global poultry trade, which keeps for MHP both things: export opportunities and the high competition from the side of listed country leaders (see Table 5).

Table 5. Leading Chicken Meat Exporters, 2026 Forecast

Exporter	Chicken Meat Exports, million tonnes	Share of Global Exports, %
Brazil	5.15	34.8%
United States	3.02	20.4%
European Union	1.75	11.8%
China	1.40	9.5%
Thailand	1.28	8.6%
Ukraine	0.46	3.1%
Other countries	1.75	11.8%
Total	14.79	100%

Source: USDA Foreign Agricultural Service, Livestock and Poultry: World Markets and Trade, Apr. 2026, p. 20; author's calculations.

In this global context Ukrainian poultry market requires special attention, since it remains strategically important for MHP, despite that company is increasingly integrating in global poultry trade. According to USDA FAS/Kyiv, in 2026 chicken meat production in Україні is expected at approximately 1.36 million tonnes, exports – approximately 0.48 million tonnes, and domestic consumption – around 0.98 million tonnes. These indicators are close to the 2024 level, indicating not sharp growth, but rather step by step recovery of the industry after war-related production disruptions in 2025 (USDA FAS). USDA FAS also emphasizes the influence of war, energy outages, labor shortages, logistics problems on future forecasts (USDA FAS). Considering this, the

Ukrainian market should not be viewed as a source of aggressive growth, but rather as a stable and at the same time risky production base.

The main restriction of profitability y poultry industry is still cost pressure, where the biggest share of cost is formed by feed costs. Food and Agriculture Organization assess the feed expenses on the level of 50-60% total production costs (Food and Agriculture Organization 36), when for Ukraine Kyiv School of Economics assess, that altogether feed, energy and veterinary medicines form approximately 85-90% total costs y poultry production (Kyiv School of Economics 7). This is evidence of branch special sensitivity towards the prices of corn and soybean inputs, and also the fluctuation of energy i logistics costs (Nechyporenko 10). In accordance, the key value drivers are still feed-cost efficiency, economies of scale, vertical integration, export logistics and energy resilience, because these factors indeed are the most impactful on margin and general producers profitability.

For the purpose of more detailed analysis and valuation of the Ukrainian poultry industry structure, Porter's Five Forces framework was used in this thesis (see Fig.1). This approach is relevant, because as Michael Porter explains, competition for profits forms not only as the straight competitors but also four other powerhouses: buyers, suppliers, potential entrants and substitute products (Porter 78-93). In the Ukrainian poultry market these powerhouse are formed under the high production concentration, significant role of export channels, sensitivity towards the feed and energy costs, and also war-related operational and logistics risks. Generalized evaluation of 5 powerhouses is shown on Fig. 1.

Rivalry among existing firms: Weak-to-moderate.

Rivalry among existing producers in Ukrainian poultry industry in work is defined as weak-to-moderate (see fig. 1). The main argument is quite high concentration of domestic industrial production. USDA FAS states, the Ukrainian poultry sector dominated by vertically integrated producers, and MHP SE provides almost 80% industrial poultry production in Ukraine(USDA FAS). Using this data and assuming that the rest 20% of the market is equally

splitted within many producers, the minimal Herfindahl-Hirschman Index (HHI) is more than 6,400 points just because of the MHP part. For comparison, U.S. The Department of Justice considers the markets with HHI higher than 1,800 points highly concentrated (U.S. Department of Justice), which is the main evidence of high competition in the Ukrainian poultry industry.

Under the circumstances of high concentration, when a player has significant scale advantage, strong feed base, logistics infrastructure and processing capacity, the intensity of competition is declining sharply. On one hand, rivalry can't be defined as absolutely weak, after all poultry products in basic categories are still standardized, switching costs for buyers is low, and MHP competes with bigger international producers on the export market. These rivals are Brazil, United States, EU and Thailand. So domestic rivalry is weak, but general MHP rivalry is balancing between weak and moderate because of international price competition and dependency on export market access.

Threat of new entrants: Weak.

The threat of the new players is low, because the poultry industry is characterized by high entry barriers. The successful entry requires significant investments in breeding, farming, slaughtering, processing, cold-chain logistics, veterinary control and certification. Additionally the branch requires access to stable feed base, established sales channels and compliance of sanitary and export standards, especially for working with the European and foreign markets (USDA FAS). In Ukrainian case these barriers are additionally powered by war, after all producers have to invest in energy resilience, backup power, logistics flexibility and labor retention.

So even if the appearance of theoretical possibilities of entering the real threat of the appearance of the new big integrated producer in Ukraine is low and the real threat of entry for industrial-scale poultry production is still weak.

Threat of substitute products: Moderate.

Threat of substitutes is defined as moderate, since chicken has important structural advantages compared to other substitutes, in particular pork, beef, eggs, fish, remaining as the most

affordable stream of animal protein. From Kyiv School of Economics data, an average ukrainian consumes about 22 kg chicken meat per year, and chicken stands for 40% of total meat consumption in Ukraine, which is the indicator of a strong position chicken y domestic protein basket (Kyiv School of Economics 3).

Bargaining power of buyers: Strong.

The bargaining power of buyers is strong, especially in export-oriented segments. Although the end consumer power is restricted because of the existence of wide and stable internal demand, these categories of buyers such as HoReCa, retails, distributors or international importers have higher impact because of lower switching costs and high price sensitivity. For export markets this pressure is more powerful including the possibility of international buyers comparing offers with Brazil, EU, Thailand and United States.

Bargaining power of suppliers: Moderate.

Bargaining power of suppliers expedient to be defined as moderate. The suppliers power is weaken by the availability of basic raw inputs, especially grain i feed components on the Ukrainian market. In general the branch is historically winning because of the strong country crop base. In MHP case the dependency on external suppliers of corn is quite low, after all in 2025 the company was providing its own corn requirements for fodder production (MHP SE 14).

However supplier power is growing in the segments of energy, fuel, veterinary inputs, packaging and logistics, where war-related disruptions and outages in infrastructure strengthen expendable pressure. So, supplier power is not critically high, but is not weak either: the decisive factor is not the supplier's concentration but it is the strong branch dependency on feed and volatility of production costs.

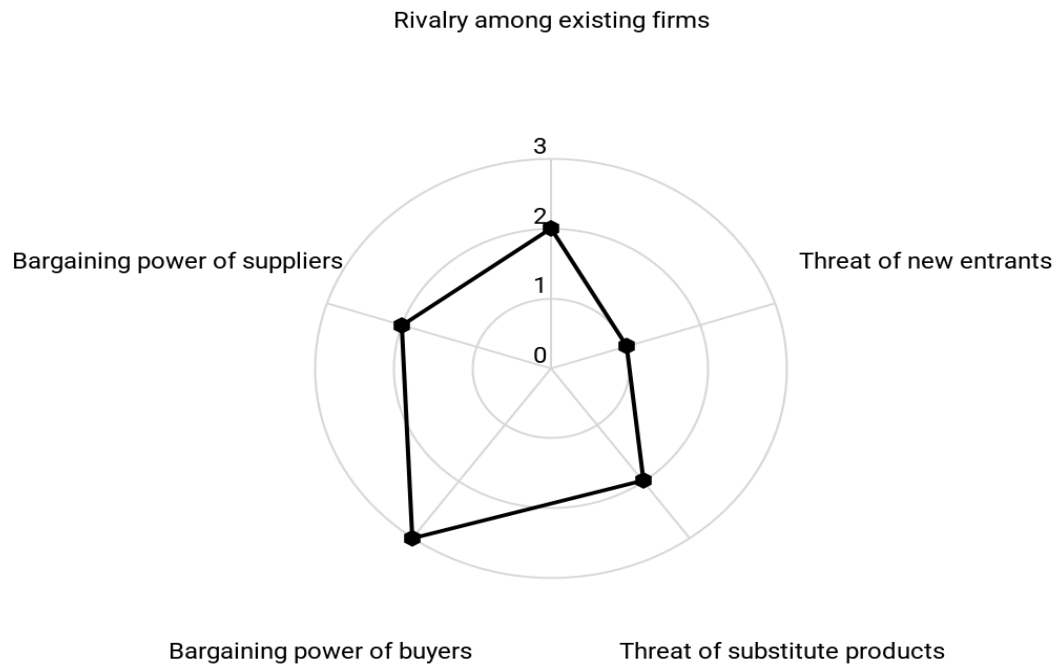


Fig. 1. Porter's Five Forces Assessment of the Poultry Industry. Source: Author's own assessment based on Porter's Five Forces framework, MHP Integrated Annual Report and Accounts 2025, and industry data.

By Porter's Five Forces analysis Ukrainian poultry industry can be characterized as the branch with moderate overall competitive pressure. Profitability of the branch is supported by low threat of new entrants, the scale of internal demand and the price advantage of chicken compared to more expensive protein substitutes. Simultaneously the profitability is restricted by moderate rivalry, noticeable bargaining power of buyers and high sensitivity to feed, energy and logistics costs. Consequently, key economic factors, which determine industry profitability and have direct impact on margins, growth i risk profile of the company, are economies of scale, access to low-cost feed, export market access, logistics resilience and ability to control cost volatility.

3.2 ENVIRONMENTAL AND SOCIAL FACTORS

For poultry industry the main are environmental and social risks, which have the straight economic meaning because of the impact on production costs, operational continuity and market access, related to animal disease outbreaks, the strengthening the environmental and trade regulation, requirements to animal welfare, and also high standards of biosecurity i food safety (OECD and Food and Agriculture Organization 87-88).

From the environmental side the most important is manure management, water use, energy consumption and related to them GHG emissions. Because poultry production requires the stable work of key operational facilities, перебої в energy supply, water availability or veterinary control can have fast impact on output and margins. In the Ukrainian context these risks are powered by war - as USDA FAS states - producers continue working under the pressure of energy outages, labor shortages, logistics problems and rising production costs (United States Department of Agriculture 1-3).

MHP partly decreases these risks by vertical integration and renewable energy development; the company fully provides its own corn requirements for fodder production and develops circular economy and alternative energy, having in 2025 18.9 MW installed biogas capacity and 12.7 MW installed solar PV capacity (MHP SE 28-29).

Social factors are related to labor availability and workplace safety. In 2025 MHP Group employed approximately 39,601 people, from which 31,121 worked in MHP Ukraine (MHP SE 7, 9). Under war circumstances workforce stability is a crucial factor of operational continuity, because for the company which operates in Ukraine the problems of mobilization, migration and safety risk are highly concerning. To support labor retention and social stability, MHP continues to support mobilised employees: wage payments to mobilised employees established USD 24.47 million and took 2,751 employees (MHP SE 126).

Health and safety also have importance for producing stability. In 2025 MHP didn't record employee or non-employee fatalities from work-related incidents, and all employees in Ukraine were covered by occupational health and safety management system (MHP SE 119). Apart from that, MHP Health programme was used by approximately 90% employees, which assures the systematic approach to workforce support (MHP SE 119).

As a conclusion, environmental and social factors create additional cost pressure and capex needs for MHP; but at the same time they can power up the company's competitive advantage компанії. Big vertically integrated producers have more resources for investment in biosecurity, energy resilience, ESG reporting and workforce support, compared to smaller producers, which should be considered as the part of long-term sustainability of business model, which influence forecasted margins, reinvestment needs and risk premium.

3.3 COMPETITIVE STRATEGY ANALYSIS

The MHP SE profitability is defined not only by the structure of poultry industry, but also by the way the company states itself inside this structure, how the company changes its risk profile and the streams of pricing. The previous industry analysis showed that the branch is appealing from the side of long-term demand, but is sensitive to feed costs, energy costs, logistics, export access and buyer pressure. According to that, under these circumstances MHP SE can not rely on general market state but its competitive strategy should defend margins, lower operating risks and create the source of growth outside the borders of traditional commodity poultry business.

The main positioning of MHP SE is defined by author as cost leadership with selective differentiation, when the strategic base of the company is scale, vertical integration, control over inputs and economies of scale, when selective differentiation forms through strong brands, value-added products, customer relationships and geographic diversification. This logic relates to

the company's strategy because MHP is not only the chicken meat at low cost, but it gradually switches to a more diversified international food company model.

Vertically integrated business models remain the main part of cost leadership – in Ukraine MHP controls a significant part of the value chain from crop production to logistics and retail. In 2025 MHP Ukraine had approximately 350,000 hectares of land under cultivation, produced about 2.0 million tonnes of crops and fully met its corn requirements for fodder production (MHP SE 13-14). Because the feed is one of the main cost drivers in the poultry industry, vertical integration allows MHP not only to lower the dependency from external suppliers, but also implement better control over quality, biosecurity, supply chain continuity and cost volatility.

At the same time MHP SE is not a pure commodity producer - a significant part of its differentiation is linked with brands and product mix. In Ukraine the company works through Nasha Riaba, Lehko!, Bashchynsky, Skott Smeat, Kvaliko and other brands, which make fresh and frozen chicken, chilled meat, processed meat, convenience food, ready-to-cook and ready-to-eat products (MHP SE 11-12). These brands are important not only from a marketing perspective, they also help MHP partly lower the dependency from pure price competition, support customer recognition, work with retail and HoReCa channels, and also promote higher-margin value-added products. Based on this, brands are one of the main resources of the company, especially in the domestic market.

It is important to highlight the strengthening of the strategy of selective differentiation through Customer Business Development (CBD), foodservice partnerships and value-added product development, as MHP states the transition to non-commodity and value-added products as an important part of its long-term growth. In 2025 Perutnina Ptuj increased sales volume of poultry meat to 13% y/y, processed meat products to 7% y/y, and average prices also increased to 5% in both categories (MHP SE 42). This data increasing shows the active implantation and appearance of value-added growth strategy in operational results European Operating Segment, which is especially important for valuation because of more stable margins in value-added products, but their

impact should not be overestimated because of the overall lowering NOPAT margin and recurring NOPAT margin in 2025.

To evaluate how MHP strategy is supported by real resources, it is advisable to use VRIO framework. This approach is based on a resource-based view, according to which sustained competitive advantage depends on whether the resources of the company are valuable, rare, costly to imitate and organizationally embedded (Barney, “Looking Inside” 50-60). In MHP's case the main strategic resources are vertical integration, economies of scale, brands and customer access, export and international distribution capabilities, and also energy and circular infrastructure. Generalised evaluation of these resources through the VRIO framework is shown in Table 6.

Table 6. VRIO Analysis of MHP SE's Key Resources and Capabilities

Resource / capability	Valuable	Rare	Inimitable	Organized	Impact on competitive advantage
Vertically integrated operating model	Yes	Yes	Partly	Yes	Strong long-term competitive advantage
Economies of scale	Yes	Yes	Yes	Yes	Sustainable competitive advantage
Brands and customer access	Yes	Partly	Partly	Yes	Medium-term differentiation advantage
Export and international distribution capabilities	Yes	Yes	No	Yes	Strong market access advantage
Energy and circular infrastructure	Yes	Yes	No	Yes	Emerging competitive advantage

Source: Author's own elaboration based on MHP SE, *Annual Report and Accounts 2025, 2026*, pp. 11-18, 24-29, 35-42; Barney, "Looking Inside for Competitive Advantage," 1995.

a. Note: The VRIO classification reflects the author's analytical judgment based on MHP SE's disclosed business model, strategy, operating scale and market position.

Within the VRIO analysis the most powerful sources of advantage are vertical integration and economies of scale. Vertical integration is valuable, because it allows to control inputs, costs, quality and operational continuity and it can be defined as relatively rare, especially in the Ukrainian context in this scale. However, according to the fact that separate elements of integration can be played by other big producers it is hard to name it absolutely inimitable, this resource is not unreachable moat, but it creates more of a strong long-term competitive advantage (see Table 6). Economies of scale are even harder for copying because they require a large production base, access to land and feed, significant capital investments, export certification and logistics infrastructure. Exactly scale explains why MHP can support competitive positions even under war-related costs and logistics disruptions.

Brands and customer access are also important especially for domestic and value-added categories. Nasha Riaba, Lehko!, Bashchynsky and other brands support customer loyalty, consumer recognition and retail presence. However this resource is not totally inimitable, because food brands can be gradually built by other producers, and their power depends on stable investments in product development, quality and distribution. According to that, brands should be characterized as having a medium-term differentiation advantage (see Table 6).

Export and international distribution capabilities deserve additional attention because they can't be analyzed as only the possibility to sell the production abroad. In MHP's case, when the company sells its products to more than 80 countries, has export markets in EU, MENA, CIS, Africa, Asia, UK and Canada, and also develops international trade offices and distribution presence, this resource doesn't look like other large producers which are also capable of building

(MHP SE 6, 10, 25). Apart from that, European Operating Segment allows the company to access the local platform in Europe: Perutnina Ptuj has production facilities in Slovenia, Croatia, Serbia and Bosnia and Herzegovina, sales and distribution companies in Austria, North Macedonia and Romania, and UVESA adds Spanish poultry and pork platform (MHP SE 15, 18). Not only production volumes are needed but also certifications, client relationships, logistics routes, local market knowledge and brand portfolio, other Ukrainian producers cannot just repeat export scale MHP.

The important continuation of competitive strategy is M&A and international diversification. Through acquisition of Perutnina Ptuj in 2019 MHP received the platform in Southeastern Europe, and because of acquisition of over 92% of UVESA Group in 2025 - significant presence in Spain (see Table 7). In 2025 European Operating Segment formed USD 1,010 million revenue, or 27% total revenue, compared with USD 575 million in 2024 (MHP SE 36, 42). According to that, the conclusion can be made that international diversification for MHP is not only the strategic declaration but also it is a full material part of the revenue base.

Table 7. Selected M&A Transactions Supporting MHP SE's International Diversification Strategy

Date	Target	Target Country	Target Business Description	Strategic Role for MHP
2019	Perutnina Ptuj Group	Slovenia / Southeastern Europe	Poultry and processed meat producer with distribution presence in Southeastern European countries	Entry platform into European poultry and value-added meat products
2024	Toni d.o.o.	Croatia	Grain supply chain asset	Support for supply-chain stability in European

				operations
2024	KK & Sons Group Ltd	United Kingdom	Logistics company	Strengthening of logistics capabilities
2024	Ukrainskyi Miasnyi Khutir	Ukraine	Meat-processing business	Expansion of domestic value-added meat processing
2025	UVESA Group	Spain	Poultry and pork producer	Expansion into Western Europe and strengthening of European Operating Segment

Source: MHP SE, *Annual Report and Accounts 2024, 2025*, pp. 9-10; MHP SE, *Annual Report and Accounts 2025, 2026*, pp. 15, 42.

However M&A cannot be defined only as an additional revenue generator, in this work interpretation of M&A as a source of additional investment needs is also important. International diversification creates integration risk, execution risk and capital allocation pressure – MHP should allocate limited financial resources between maintenance CAPEX, debt servicing, war-related resilience investments, working capital needs and new international growth projects. So M&A should not be interpreted as only an upside story; in valuation it is the growth driver and source of additional investment needs at the same time.

Summarizing through SWOT logic, key strengths of MHP are vertical integration, economies of scale, export access, strong brands, European expansion and operational resilience, while main weaknesses – high capital intensity, exposure to commodity poultry dynamics and sensitivity to feed, energy and logistics costs. Among main opportunities are global poultry demand, value-added food products, European Operating Segment growth, M&A and further distribution expansion. The most important threats include war-related disruptions, regulatory uncertainty, buyer

pressure on export markets, input cost volatility and integration risks related to international expansion.

In conclusion, competitive strategy analysis gives an interesting summary - MHP has a convincing but not fully protected economic moat, in the base of which there is more than one unique asset and the combination of scale, vertical integration, brands, export capabilities. For valuation it is important to flag that base-case margins can be supported by cost advantage and vertical integration, medium-term growth assumptions can be supported by international diversification and value-added products, but forecast should be careful regarding the pace of margin expansion, because the part of business is still independent from commodity poultry market, high input-cost volatility and war-amplified external risks.

CHAPTER 4. FINANCIAL ANALYSIS

4.1 FINANCIAL STATEMENTS

Financial analysis of MHP SE is based on the author's financial model (see Appendix 12), where historical financial statements of the company from 2018 to 2025 were standardized and restructured in a condensed financial statements format. The period of analysis holds both: the relatively stable pre-war years and the period after the beginning of the full-scale invasion in Ukraine. So the results cannot be interpreted as a stable trend because the factors dynamic was influenced by COVID-19, commodity price cycles, currency fluctuations, logistics disruptions, war-related costs, and also acquisition and consolidation of UVESA Group in 2025. The whole standardized financial statements are shown in Appendix 2, and detailed calculations of all condensed financial statements are used for valuation purposes in Appendix 3.

The main point of condensed financial statements preparing is the separating operating activities from financing decisions and non-operating items, because valuation should be based in not only on accounting profit, but also on the ability of business to generate sustainable operating cash flows, which is the base to form the further FCFE and FCFF models. In condensed income statement the base building blocks are revenue, Net Operating Profit After Tax (NOPAT), Net Investment Profit After Tax (NIPAT), after-tax interest expense and profit. The calculation logic of NOPAT is this:

$$NOPAT = Profit - NIPAT + Interest\ Expense\ After\ Tax$$

Grouping assets and sources of financing in operating working capital, net non-current operating assets, non-operating investments, debt and equity in condensed balance sheets create a valuation-oriented structure:

$$\text{Net Operating Assets} + \text{Non - Operating Investments} = \text{Debt} + \text{Equity}$$

Condensed financial statements show the significant growth of MHP scale: revenue increased from USD 1,552 million in 2018 to USD 3,766 million in 2025. However the year 2025 should not be considered an absolutely organic trend because the revenue growth of 24% year-on-year partly is explained by consolidation of UVESA Group from 1 August 2025 (MHP SE 35). Balance sheet proves capital-intensive business character. Business assets grew from USD 2,441 million in 2018 to USD 4,694 million in 2025, operating working capital – from USD 720 million to USD 1,436 million, and net non-current operating assets – from USD 1,529 million to USD 2,996 million (see Appendix 3). This indicates that vertical integration supports operational resilience but requires significant reinvestment.

The funding of this growth is still significantly dependent on debt, which increased from USD 1,343 million in 2018 to USD 2,480 million in 2025, while equity increased from USD 1,098 million to USD 2,214 million (see Appendix 3). According to Annual Report 2025, net debt is USD 1,532 million, and Net Debt / LTM Adjusted EBITDA - 2.49x, compared to 2.08x in 2024 (MHP SE 5). So, leverage is still controlled but important for valuation, because it influences the cost of capital, FCFE and FCFF equity bridge.

In this way, condensed financial statements give three conclusions for the next chapters. First of all, MHP has continued revenue growth but 2025 includes acquisition effect. Second of all, profitability is still volatile, so forecasting should rely on recurring NOPAT margin. Third of all, vertical integration creates stability but supports the high demand in operating working capital and non-current operating assets. Especially these conclusions define the logic behind the next chapters: operating activities, investing activities, financing activities and ROE decomposition, whose key figures are shown in Appendix 4.

4.2 ANALYSIS OF OPERATING ACTIVITIES

While analyzing Operating activities MHP is hard to talk about stable dynamic so it is more appropriate to call it the continued growth; after all revenue grew up by leaps. After sharp increase in 2019, decrease in 2020 and recovery in years 2021-2023, in 2024 the increase almost stopped and in 2025 it became faster again and reached 23.6% (see Appendix 4). CAGR indicator. For the whole 2018-2025 period revenue CAGR, which is 13.5%, proves the thesis about interpretation of revenue growth as significant scale expansion, but not about equal organic growth. The year 2025 is ought to be interpreted carefully because the part of increase was connected with consolidation of UVESA Group, not only the internal increase of the Ukrainian business(MHP SE 5).

Before the profitability analysis it is important to count MHP revenue structure, which still holds the main part of Poultry and Related Operations, which form 51% consolidated revenue, when European Operating Segment increased to 27% after including UVESA. Agriculture Operations and Vegetable Oil Operations together formed 22% revenue, but are still important for vertical integration and cost control (MHP SE 35-36).The revenue dynamic of revenue growth and structure in 2025 shows not only the improving of demand but also the change of segment mix.

Profitability was less stable than revenue as gross margin in 2025 was 23.0%, almost on the level of 2024 poky, but lower than the peak values in 2021-2022 period. NOPAT margin is 8.5%, and recurring NOPAT margin is 8.8%, which is significantly lower value than 13.1% in 2024 (see Appendix 4). Shown values once again prove the important conclusion - revenue was not converted in proportional increase of operating profitability. The main reasons behind it are higher payroll costs, SG&A expenses, war-related costs and also margin compression in Vegetable Oil and Agriculture segments (MHP SE 35-36).

Compared to peer companies, which are used in multiple-based valuation, MHP has strong operational base thanks to vertical integration but its profitability should be assessed with including the higher country risk, war-related costs and logistics disruptions (see Appendix 10). In conclusion,

for forecasting it is advisable to not shift 2025 revenue growth forward but to use more normalized assumptions regarding revenue growth and recurring NOPAT margin.

4.3 ANALYSIS OF INVESTING ACTIVITIES

The high capital-intensive MHP character is proved by investing activities. The important change is the decrease of net non-current operating assets turnover from 98.5% in 2018 to 73.2% in 2025, which is a proof of the improvement of asset efficiency as the company started generating more revenue on one unit of long-term operating assets (see Appendix 4). The important restriction for free cash flow generation is still working capital. Despite the positive tendency in decreasing operating working capital turnover from 46.4% in 2018 to 34.3% in 2025 the OWC level is still high because of inventories, biological assets, agricultural seasonality and export-oriented operations (see Appendix 4). In 2025 cash conversion cycle was 139.4 days, mainly because of high inventory days, which signals about the remaining tied up in operations of a significant part of cash. And this forms the demand of additional funding to support working capital under the increasing revenue.

Analysis of investing activities MHP shows some improvement of asset turnover and OWC efficiency but its business model still needs significant reinvestment. That is why forecasting stage assumptions regarding these factors are still conservative.

4.4 ANALYSIS OF FINANCING ACTIVITIES

Financing activities show that MHP has a controlled but significant level of leverage. In 2025 current ratio decreased to 1.33x, quick ratio - to 0.45x, and cash ratio - to 0.25x (see Appendix 4). It tells that short-term liquidity became bigger compared to 2024 and is more dependent on

inventory conversion, operating cash flow and refinancing capacity. On the other hand, long-term solvency looks more stable, but debt burden is still important for valuation. With the help of debt-to-equity factor which constitutes in 2025 1.12x and debt-to-invested capital at level of 0.53x, it is clear that more than half of invested capital is financed by debt (see Appendix 4).

Annual Report 2025 proves the main conclusion from analysis of financing activities regarding the leverage growth – and net debt increased to USD 1,532 million, and Net Debt / LTM Adjusted EBITDA increased to 2.49x compared with 2.08x in 2024 (MHP SE 5). It is important that despite the decrease in safety margin the company is still in the borders of stated target leverage below 3.0x. For valuation it has a straight consequence: debt burden influences FCFE through cash flows to equity and FCFF through WACC and enterprise-to-equity bridge as well.

4.5 ROE DECOMPOSITION

In this thesis ROE decomposition was performed in order to determine whether shareholder returns were formed by operational activity, non-operating returns or financial leverage. In the model the next logic is used:

$$ROE = \text{Return on Invested Capital} + \text{Financial Leverage Gain}$$

The company does not have a stable normalized ROE because from 2018 to 2025 ROE MHP was quite volatile from -14.3% in 2022 to 26.0% in 2021 and in 2025 is 8.9% (see Appendix 4). The reason behind this volatility are the fluctuations of operating profitability which is caused by commodity cycles, war-related costs, logistics disruptions, FX effects and changes in segment profitability. The main ROE driver in 2025 was Return on Invested Capital on the level of 7.8%, when Financial Leverage Gain added only 1.1 percentage points, NOPAT margin was 8.5% and net operating asset turnover was 0.9x (see Appendix 4). The positive profitability side is the increase of

ROE which is precisely because of operating performance not the leverage, but it also shows that without the increasing of NOPAT margin or asset turnover MHP will not be able to significantly increase ROE only through financial structure.

Thus ROE decomposition shows that the main source of shareholder returns MHP is operating performance not the financial leverage, which gives reason to believe recurring NOPAT margin, asset turnover, operating working capital turnover and debt-to-invested capital as key assumptions in forecasting and valuation as they are the main part of defining whether MHP will be able to support shareholder returns higher than cost of equity.

CHAPTER 5. FUNDAMENTAL VALUATION

5.1 FINANCIAL STATEMENTS FORECASTING

To move from strategic and financial analysis to further FCFE/FCFF valuation, the logical bridge in the form of prediction of the company's future cash flows is needed. This transition in this work is featured as financial statements forecasting. However forecast can not be a simple continuing of the company's previous results, especially in the case of MHP SE, for which pandemic, full-scale invasion, the logistic changes, commodity price cycles and M&A were the reasons for sharp fluctuations of revenue, margins, working capital and leverage during researched 2019-2025 years. So in the model forecast drivers are highlighted, which are straightly linked with operating economics of the company – revenue growth, recurring NOPAT margin, operating working capital / revenue, net non-current operating assets / revenue, non-operating investments / revenue, return on non-operating investments τ a debt-to-invested capital. The main statements forecasting are shown in the financial model and in the appendixes of the work (see Appendix 5; see Appendix 6).

Forecast horizon requires additional explanation because in a model the a decade forecast period within 2026F-2035F is used. It is longer than a standard forecast for 5 years, however it is better aligned with the current MHP situation. The main reason for using the 10-year period is non-typical significant revenue growth in 2025 to USD 3,766 million and the change of scale of operations after acquisition of UVESA Group. These significant changes testify that a company is in the active phase of international expansion and transformation from mainly commodity poultry and agriculture business to a more diversified food processing group. Regarding that and in order to avoid to fix valuation on a transitional 2025-2026 period, when the results are still showing integration effect and not a fully normalized organic development, in this thesis 10-year forecast horizon was used to show gradual transition from high growth, which is linked with UVESA

consolidation, to a moderate long-term organic growth closer to normalized industry levels (see Appendix 6).

The base point of forecast is 2025 pik because it shows the newest MHP financial state after the publishing of Annual Report and Accounts 2025, which gave valuable information for forecast: revenue growth was significant without the growth of proportional profitability because of acquisition impact, cost pressure, integration effects and war-related operating environment (MHP SE 5). Because of this forecast assumptions in the model are built as base-case scenario: they acknowledge the powerful strategic position of MHP but do not assume the sharp risks declining which were defined in previous chapters.

Revenue growth and revenue decomposition

The most important and the hardest forecast driver is revenue growth because it forms the scale of operations, future NOPAT, investment needs and free cash flows. During 2019-2025 period revenue growth MHP was very uneven and stated -7.0% in 2020, 24.1% in 2021, 11.4% in 2022, 14.3% in 2023, only 0.8% in 2024 and 23.6% in 2025 (see Fig. 2; see Appendix 6). According to that the level of volatility and irregularity make it impossible to take simple average from historical years or 2025 value as a forecast for future, revenue decomposition was separately made in a model, where a forest is not built only with general revenue growth rate, it is built with segments and operating drives (see Appendix 5). Thereby in forecast period the model predicts 19.2% growth in 2026F, after which the pace gradually decreases to 6.2% in 2027F, 5.1% in 2028F, 4.8% in 2029F and 3.1% in 2035F. As follows, the model does not transfer the high 2025-2026 growth on the whole forecast horizon, it shows convergence to more moderate growth (see Fig. 2; see Appendix 6).

MHP Revenue Growth: Historical and Forecast, 2019–2035F

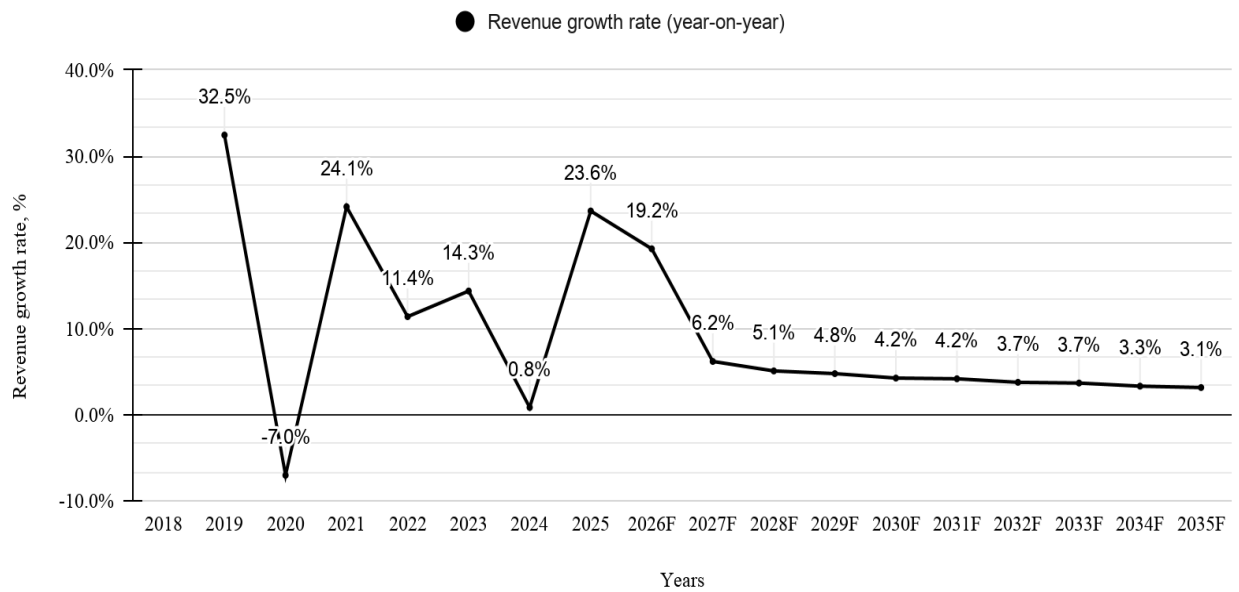


Fig. 2. MHP Revenue Growth: Historical and Forecast, 2019-2035F. *Source: Author's calculations based on MHP SE annual reports and valuation model.*

For revenue forecast detalization revenue decomposition in a model is created , which is built from 2022, not from 2019 because MHP changed its segment presentation logic and starting from 2023, the company presented business segments in a new structure, for example Vegetable Oil Operations was singled out from Poultry & Related Operations into a separate segment. It is stated in the report that the 2022 year was restated for comparability, when the 2021 results were not adjusted (MHP SE 31). Therefore the usage of 2022-2025 as a base for revenue decomposition is more correct than a mechanical combination of old and new segmented structure.

Revenue decomposition was being done in a few stages. Firstly, for all segments key operating components were flagged, after which for these drivers historical growth rates and relative ratios were calculated. Then in the forecast period relative growth rates were predicted, for example volume growth, price growth, crop mix, yield assumptions, organic growth rates and forecasted segment revenue and total Group revenue was made out of them. It was done to make forecast more transparent, so it will not rely on an aggregate number and explained at the expense of which drivers future revenue is formed (see Appendix 5).

For the biggest segment Poultry & Related Operations the forecast is based on poultry sales volumes, average poultry meat price, processed poultry meat volumes, processed meat prices and complementary products (see Appendix 5). This structure allows separately count the maternity of core poultry business and the strategic transition to processed / value-added products. In 2026F revenue of this segment grows to USD 2,000 million, and in 2035F to USD 2,910 million. It means the moderate, not the sharp growth because the core poultry business is already relatively mature and its growth is limited by the production base in Ukraine, military risks, export conditions and by the competition on international poultry markets. At the same time the model takes into account the strategic transition MHP to processed / value-added products, which supports price growth and product mix but does not create an assumption regarding the sharp increase in volumes.

For Vegetable Oil Operations the forecast is built using sunflower oil and soybean oil volumes, vegetable oil price per tonne and related products revenue and is estimated to be more of a cyclical and commodity-driven segment because its historical results were highly dependent on world prices for oils, availability of sunflower seed. In the 2025 segment revenue is USD 394 million, after which the model predicts restoration to USD 480 million in 2026F and gradual growth to USD 828 million in 2035F (see Appendix 5). This forecast explains normalization after the weaker 2025 year, gradual restoration of volumes and prices and stable contribution of related products. However in a long-term period this segment growth rate decreases because vegetable oil business is still dependent on commodity prices and raw material availability.

Agriculture Operations are predicted on cropped area, yields, crop production and implied revenue per tonne (see Appendix 5). It was important to highlight and take these drivers for forecast because historical revenue of this segment was especially volatile because of weather conditions, grain prices, logistics costs and crop mix change. In the model cropped area is stabilizing near 350 thousand hectares, which corresponds with current MHP's land bank scale in Ukraine and revenue increases from USD 436 million in the 2025 year to USD 547 million in 2035F, which rather shows the stable role of Agriculture Operations in vertically integrated model MHP.

European Operating Segment is a very important segment for a right forecast because it is a main stream of short-term growth in forecast period. In the 2025 year segment revenue was USD 1,010 million, which included Perutnina Ptuj for 12 months and UVESA Group for 5 months after acquisition. In the report MHP notes straightly that European Operating Segment revenue increased to 76% y/y to USD 1,010 million and UVESA Group generated revenue of USD 318 million for 5M 2025 (MHP SE 42). Therefore for the correct forecast 2026F in the model firstly UVESA revenue was annualized: $\text{USD } 318 \text{ million} / 5 \text{ months} \times 12 \text{ months} = \text{approximately USD } 763.2 \text{ million}$ (see Appendix 5). After that forecasted organic growth rate for 2026F was used to annualized base. This approach allows to evaluate not only reported 2025 contributions but more realistic full-year revenue potential UVESA in the first full year of consolidation. Regarding that, it is important to state the increase of revenue of the European Operating Segment to USD 1,580 million in 2026F as a full-year consolidation effect, not just a recurring organic growth. Following the principle of convergence to industry-like growth, growth rate of this segment slows down to 5.5% in 2027F, 4.6% in 2028F, 4.2% in 2029F and approximately 3.0% in a long-term period, which correlates with a more mature character of the European food processing market. At the same time the connection with strategy analysis is important because it stated that MHP is truly expanding in Europe but the European business has lower marginality and higher cost base, so oit growth cannot be automatically seen as the proportional growth of Group profitability.

Recurring NOPAT margin

Recurring NOPAT margin is the second key forecast driver because it transfers revenue growth into operating profitability. It is important to mention the recurring NOPAT margin is used in the model, not the simple NOPAT margin, because historical NOPAT margin for MHP was to volatile and in other years had negative values, especially in the 2020 and 2022 years, when the results were significantly curvature by crisis and non-recurring effects and could create the wrong assumption regarding the sustainable profitability MHP. Instead Recurring NOPAT margin recurring

margin allows to see how business can generate the adjusted operating margin in a normalized environment.

Historically recurring NOPAT margin in the model was 9.4% in the 2019 year, 8.7% in the 2020 year, 20.8% in the 2021 year, 9.2% in the 2022 year, 9.5% in the 2023 year, 13.1% in the 2024 year and 8.8% in 2025 year. This dynamic shows that even recurring profitability is still sensitive towards commodity prices, FX, logistics, energy costs, war-related costs and business mix. However it is more suitable for forecast rather than unadjusted NOPAT margin because it does not implement any sudden non-recurring gains or losses in the future cash flows (see Fig. 3; see Appendix 6).

MHP Recurring NOPAT Margin: Historical and Forecast, 2019–2035F

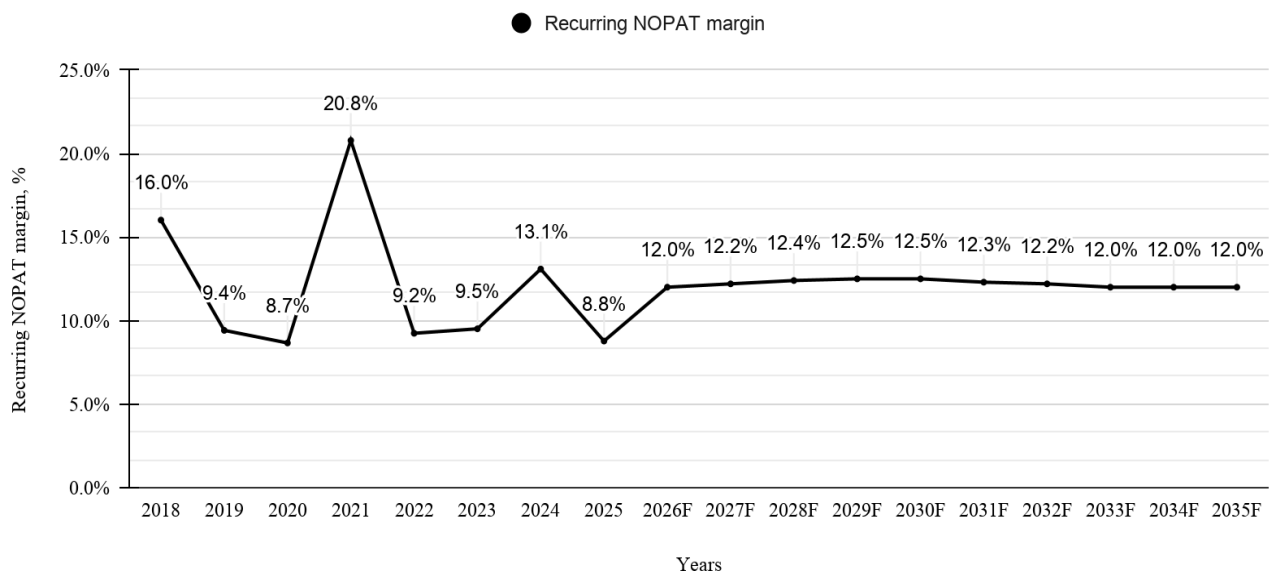


Fig. 3. MHP Recurring NOPAT Margin: Historical and Forecast, 2019-2035F. *Source: Author's calculations based on MHP SE annual reports and valuation model.*

Before defining forecasted recurring NOPAT margin three levels of analysis were used. Firstly, to define the normalized range for MHP margin, profitability range for food processing companies and peers was researched, including big international food processing / consumer staples companies, such as Danone, Nestlé and other comparable companies. Accounting business model MHP, its commodity exposure, Ukrainian risk premium, vertical integration and growing food

processing segment, the normal range of recurring NOPAT margin for MHP can be evaluated approximately on the level 8-16%.

The second step was to check segment profitability MHP, which showed the highest margin in Agriculture Operations. At the same time this segment is one of the smallest from revenue and is not predicted to be the main source of growth. Apart from that, its profitability is really volatile because of grain prices, yields and weather conditions. Surprisingly, the European Operating Segment, which is the main driver of future revenue growth because of Perutnina Ptuj and UVESA, showed lower margin in the 2025 year (MHP SE 31). According to that, the escalation in Europe supports diversification and revenue scale but does not create the automatic high growth of Group margin.

The third step was to check the historical trend, which showed the restoration of recurring NOPAT margin after weaker years but did not reach the peak of the 2021 year. The forecast does not use 20.8% as a sustainable benchmark and predicts the gradual restoration of margin from 8.8% in the 2025 year to 12.0% in the 2026F, 12.2% in 2027F, 12.4% in 2028F and 12.5% in 2029F-2030F. Such indicators show the MHP strategy: food processing, brands and culinary transformation can support margin expansion, but the effect should be gradual because European segment and UVESA still have lower margin and Agriculture is cyclical.

After 2030F recurring NOPAT margin is gradually lowering to 12.0% in 2034F-2035F. It shows convergence to normalized long-term profitability, not an assumption about the continuous margin expansion, which balances the forecast – it is higher than weak level of the 2025 year, lower than exceptional 2021 year, and in general it is still inside normalized range for MHP including peer analysis, segment mix and strategic transformation (see Fig. 3; see Appendix 6).

Operating working capital / revenue

Operating working capital / revenue is used to forecast which part of revenue is going to be in inventories, biological assets, receivables, payables and other elements of operating cycle, which

is especially important for MHP because the company has a long agricultural and poultry production cycle and significant inventories.

Historically operating working capital / revenue in the model was unstable: 33.0% in 2019, 37.1% in 2020, 41.0% in 2021, 42.8% in 2022, 35.1% in 2023, 35.6% in 2024, 34.3% in 2025, 35.0% in 2026F, 34.5% in 2027F, 34.5% in 2028F, 34.5% in 2029F, 34.0% in 2030F, 34.0% in 2031F, 34.0% in 2032F, 34.0% in 2033F, 34.0% in 2034F and 34.0% in 2035F (see Fig. 4; see Appendix 6).

MHP Operating Working Capital / Revenue: Historical and Forecast, 2019–2035F

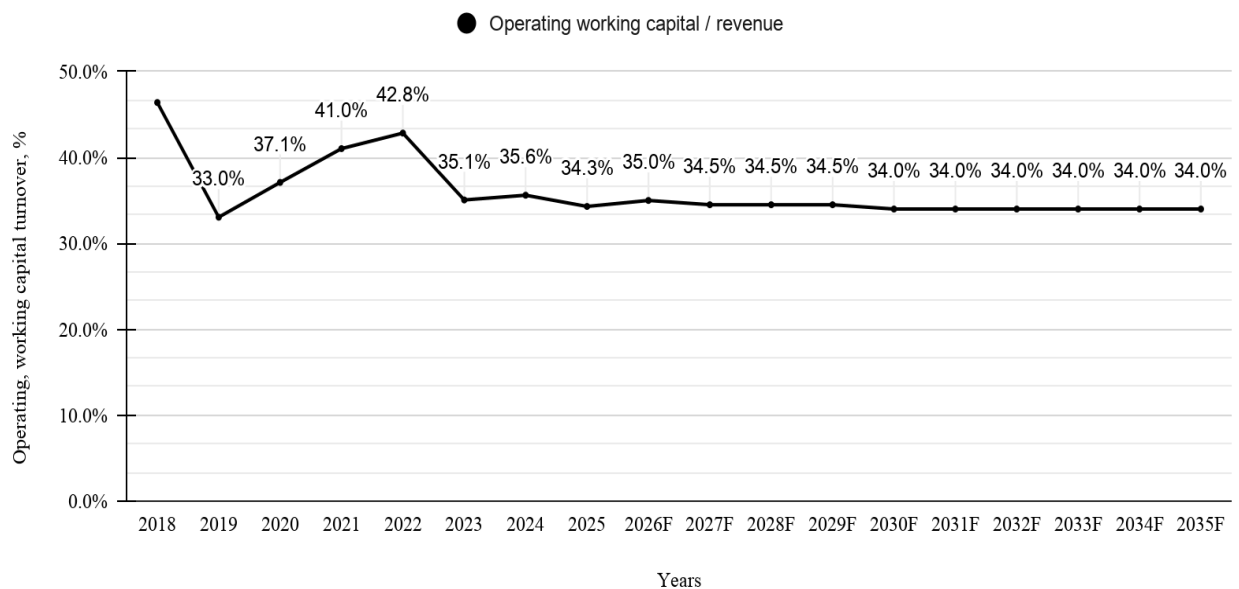


Fig. 4. MHP Operating Working Capital / Revenue: Historical and Forecast, 2019-2035F. *Source: Author's calculations based on MHP SE annual reports and valuation model.*

This logic corresponds to the previous financial analysis: MHP has a strong operating base but cash conversion is still limited because of capital intensity, inventories and biological assets. So in the valuation forecast working capital is not used as an artificial source upside. Vice versa, the stable level of operating working capital / revenue shows the real need to finance scale growth of

the company, especially after UVESA acquisition and the further development of the European Operating Segment (see Appendix 3; see Appendix 4).

Net non-current operating assets / revenue

Net non-current operating assets / revenue shows how many long-term operating assets the company needs to support one dollar revenue and is high for MHP because of a vertically integrated and capital-intensive business model, which includes for example poultry complexes, slaughterhouses, feed production, agricultural machinery and European production assets. The model does not assume a sharp improvement in asset turnover after UVESA acquisition or after high transition of MHP to asset-light model and vice versa forecast admits that the strategy of international diversification and food processing expansion requires a significant asset base. Therefore due to the value of this indicator on the level of 73.2% in 2025, in forecast period the model lays down 74.5% in 2026F and 75.0% in the further years (see Appendix 6).

Non-operating investments and return on non-operating investments

Including that the main value of MHP is formed by core operations, such as poultry, vegetable oils, agriculture and European operating segment, Non-operating investments / revenue and return on non-operating investments after tax are supported on the level of 8.0% and 5.0% respectively. This indicator shows the profitability assets which are not the part of core operating business and the value 5.0% is used as stable normalized return, which is lower than operating return targets and does not create an assumption that the significant part of value creation comes from financial investments rather than operating business.

Debt-to-invested capital

Debt-to-invested capital in a model is established at the level of 52.8% in forecast period, which corresponds with current capital structure of the company and does not assume nor sharp deleveraging, nor additional debt expansion (see Appendix 6). This approach is careful because MHP has significant leverage after 2025, because of net debt growth to USD 1,532 million, which not only impacts the balance sheet, but also risk profile equity holders.

Higher leverage increases sensitivity equity value to cost of debt, refinancing conditions and country risk premium. It should be taken into account that FCFE valuation leverage has a straight impact on cash flows available to equity holders, because higher debt service or refinancing needs can reduce equity cash flows. That is why the model does not use aggressive deleveraging as the stream of upside and keeps capital structure close to the current level (see Appendix 6).

In general, the financial statements forecast in this thesis is built as conservative base-case. It counts the strong sides of MHP, such as vertical integration, export diversification, European expansion, UVESA acquisition and the transition to value-added food products, but forecast does not ignore the business restrictions, such as war-related risks, capital intensity, commodity exposure, working capital needs and leverage (see Table 8). That is why high revenue growth in 2026F is mainly explained by full-year UVESA consolidation, while in subsequent years revenue growth, margins and balance sheet ratios gradually converge to more normalized long-term levels. This approach provides a consistent basis for subsequent FCFE and FCFF valuation models.

Table 8. Key Forecast Drivers Used in the Model

Forecast driver	Historical basis	Forecast logic	Reference
Revenue growth	Highly volatile in 2019-2025	Segment-level decomposition and convergence to normalized growth	Fig. 2; Appendix 5; Appendix 6.
Recurring NOPAT margin	Less volatile than NOPAT margin	Peer range, segment margins, strategy and normalization	Fig. 3; Appendix 6.
Operating working capital / revenue	High due to inventories and biological assets	Stabilization after 2021-2022 peak	Fig. 4; Appendix 6.

Net non-current operating assets / revenue	High capital intensity	Stable asset-heavy model	Appendix 6
Debt-to-invested capital	Reflects current capital structure	No aggressive deleveraging assumed	Appendix 6

Source: Author's summary based on MHP SE Annual Report and Accounts 2025 and the author's valuation model.

5.2 VALUATION MODELS

After financial statements forecasting, the next step is to convert the forecasted operating performance MHP SE into an intrinsic equity value. This thesis uses two interrelated valuation approaches: fundamental valuation through Discounted Cash Flow (DCF) models, which is a fundamental approach because it values the company through the future cash flows, that the business is capable of generating and Multiple-based Valuation, which is rather used as market-based cross-check to compare the results obtained with the valuation of comparable in the market (see Appendix 8; see Appendix 10).

The general logic of DCF is that the value of an asset is equal to present value of future cash flows that this asset can generate:

$$Value = CF_1/(1 + r)^1 + CF_2/(1 + r)^2 + \dots + CF_n/(1 + r)^n + Terminal\ Value/(1 + r)^n$$

where CF – forecasted cash flow, r – appropriate discount rate, n – explicit forecast period.

In this thesis explicit forecast period covers 2026F-2035F, after which a terminal value is applied,

which is consistent previous forecasting section, where the 10-year horizon is justified by scale expansion after the UVESA acquisition, significant revenue growth in 2025 and the need to show MHP's gradual transition to normalized long-term growth (see Appendix 6).

For terminal value, the Gordon growth model is used:

$$Terminal\ Value = CF_{t+1} / (r - g)$$

where CF_{t+1} – is the cash flow of the first year after explicit forecast period, r – discount rate, a g – terminal growth rate. In the model terminal growth rate shows the assumptions that after 2035F MHP is transitioning to a more stable long-term state, where revenue growth, margins, asset intensity and capital structure do not change drastically.

Within the DCF approach, two models are used: Free Cash Flow to Equity (FCFE) and Free Cash Flow to the Firm (FCFF). FCFE model evaluates cash flows, available ordinary shareholders after operating activity, reinvestment needs, interest payments after tax and changes in debt financing. Therefore FCFE is discounted by Cost of Equity. In the model Cost of Equity is counted using Capital Asset Pricing Model (CAPM):

$$Cost\ of\ Equity = Risk\text{-}free\ Rate + Levered\ Beta \times Equity\ Risk\ Premium$$

This formula shows required return for equity holders, meaning profitability, which an investor expects for taking systematic risk MHP. The detailed calculation of Cost of Equity is given in Capital Costs Calculation (see Appendix 7).

FCFF model estimates cash flows available to all capital providers, both debt holders and equity holders. Unlike FCFE, FCFF is calculated before the impact of financing decisions, therefore it is discounted at the Weighted Average Cost of Capital (WACC):

$$WACC = \text{Cost of Equity} \times \text{Weight of Equity} + \text{After-tax Cost of Debt} \times \text{Weight of Debt}$$

After calculating the business assets value in the FCFF model debt claims and non-controlling interest are subtracted to arrive at the equity value. For MHP this step is significantly important because the company has a significant debt burden, and therefore enterprise value and equity value can differ significantly.

Table 9. Comparison of Valuation Methods Used in the Thesis

Method	Value measured	Cash flow / metric	Discount rate or benchmark	Main role in the thesis
FCFE	Equity value	Free Cash Flow to Equity	Cost of Equity	Direct valuation of value available to shareholders
FCFF	Enterprise value, then equity value	Free Cash Flow to the Firm	WACC	Valuation of operating business before financing effects
Multiple-based Valuation	Implied equity value	EBITDA, EBIT, earnings, book equity	Peer multiples	Market-based cross-check of DCF results

Source: Author's summary based on the valuation model.

Multiple-based Valuation is included as a supporting approach rather than a replacement for DCF. Since MHP combines Ukrainian operating exposure, international revenue, European expansion and high leverage, no peer group can be perfectly comparable (see Table 9). Therefore, peer multiples are used mainly to test whether DCF results are broadly consistent with market pricing of comparable food, poultry and Ukraine-exposed companies (see Appendix 10).

Overall, FCFE, FCFF and Multiple-based Valuation play complementary roles. FCFE focuses on value available to shareholders, FCFF checks the value of operating assets before financing effects, and Multiple-based Valuation provides an external market benchmark. Together, these methods form the basis for the following sections on capital costs, DCF valuation results, risk assessment, sensitivity analysis and final valuation summary.

5.3 CAPITAL COSTS

To discount forecasted cash flows in the DCF valuation two key rates were calculated: Cost of Equity for FCFE model and Weighted Average Cost of Capital (WACC) for FCFF model. Since the valuation model was built in USD, all discount rate components were also estimated in the same currency, which is important for methodological consistency, when cash flows, risk-free rate, cost of debt and risk premiums should be determined in the same currency. The main calculations of capital costs are given in Appendix 7.

The first component of calculation is risk-free rate (RFR), which is taken in the model in the value yield on US 10-year government bonds on the level of 4.38% as of valuation date 1 May 2026. This approach is logical and proven because US Treasury yield shows a benchmark for a long-term risk-free rate in USD, and MHP reports in USD, has a significant part of hard-currency revenue, and its debt financing is also largely linked to foreign currency.

Cost of Equity was calculated through Capital Asset Pricing Model (CAPM) with Risk-free Rate on the level of 4.38%, Levered Beta – 1.14, a Equity Risk Premium – 16.38%, which in the result gave a value Cost of Equity on the level of 23.12% (see Appendix 7). The Cost of Equity is predictable for MHP, because it shows not only systematic risk food and agriculture business, but also country risk, war-related uncertainty, high leverage and investor required return for holding Ukrainian-risk equity.

It is important to mention that, Equity Risk Premium was defined not by geography of sales, but by the location of non-current operating assets, which is more logical for MHP, because despite the significant international revenue exposure and European expansion, the main part of its production and agricultural assets was still linked with Ukraine(see Table 10). So the use of only sales geography could lower country risk, because export revenue does not erase the risk of physical assets, labor, logistics, energy infrastructure and operating continuity in Ukraine. To calculate ERP in the model the first step was to define the parts of non-current assets in Ukraine and Europe which are 72.16% and 27.84% respectively (see Table 10). Then to each part the relatable ERP was used on the level of 19.77% for Ukraine and 7.58% for Europe and, as result, weighted ERP on the level of 16.38% was received (Damodaran, Country Default Spreads and Risk Premiums; see Appendix 7). This approach allows to combine the international MHP profile with the fact that a significant part of operating risk is still coming from Ukrainian asset base.

Table 10. Calculation of Equity Risk Premium Based on the Geographic Location of MHP's Assets

Location	Non-current assets, USDm	Weight, %	ERP, %	Weighted contribution, %
Ukraine	2,341	72.16%	19.77%	14.27%
Europe	903	27.84%	7.58%	2.11%
Total / Weighted ERP	3,244	100%	-	16.38%

Source: Author's calculations based on MHP SE, Annual Report and Accounts 2025, 2026, and Damodaran, Country Default Spreads and Risk Premiums, Jan. 2026.

It is important to pay attention to beta calculation because five-year regression beta MHP on the level of 0.55 is not representative because of low liquidity of GDRs and sensitivity to choice of

market index, frequency of observations or selected historical period. Therefore in this model the bottom-up beta approach was used instead because it better shows the operating risk MHP and its current capital structure. Firstly, revenue MHP was divided between industries of Food Processing, which had 88.42% weight and Farming/Agriculture, which had 11.58% (see Table 11). Then these scales were used to Damodaran Europe unlevered beta corrected for cash with values of 0.38 and 0.30 for Food Processing and Farming/Agriculture respectively (Damodaran, Betas by Sector).

Table 11. Calculation of MHP Bottom-Up Beta

Industry	MHP weight, %	Damodaran Europe unlevered beta corrected for cash	Weighted beta contribution
Food Processing	88.42%	0.38	0.336
Farming / Agriculture	11.58%	0.30	0.035
MHP unlevered beta	-	-	0.371

Source: Author's calculations based on MHP SE, Annual Report and Accounts 2025, 2026, and Damodaran, Betas by Sector, Jan. 2026.

As shown in Table 11, bottom-up beta was calculated by mapping MHP's revenue structure to relevant industries. Food Processing received the largest weight because Poultry and Related Operations, Vegetable Oil Operations and European Operating Segment are closer to food processing activities, while Agriculture Operations was mapped to Farming / Agriculture. As a result, weighted unlevered beta MHP is 0.371, and the value of 1.14 is as Levered beta by relevered with taking into account structure MHP (see Appendix 7):

$$\text{Levered Beta} = \text{Unlevered Beta} \times [1 + (1 - \text{Tax Rate}) \times \text{Debt-to-Equity}]$$

Cost of Debt in the model is defined through Debt Risk Premium. The main guideline is DRP 6.97%, which corresponds with MHP credit rating CCC+. It is an accurate and careful but justified approach because credit rating directly reflects the company's current perception of credit risk with taking into account leverage, refinancing risk, country risk and war-related uncertainty (Damodaran, Ratings, Interest Coverage Ratios and Default Spread; see Appendix 7).

The additional justifying of the choice is the new MHP 10.5% Senior Notes due 2029. Their yield / issue yield on the level of 10.5% compared with risk-free rate 4.38% gives implied DRP approximately 6.12%, which is close to selected DRP 6.97%. It is important that it is the newest bond market signal, because especially 2029 notes were being used for refinancing of 2026 Notes. MHP in the yearly report states that at the beginning of the 2026 year the company finished USD 450 million Eurobond issuance and additional USD 100 million tap of its 10.500% 2029 notes, which proves the topicality of this market benchmark (MHP SE 21-22).

As a result, Pre-tax Cost of Debt in the model is 11.35%, and after-tax Cost of Debt after applying tax rate 15.00% equals 9.65% (see Appendix 7)

For WACC market value of equity, which is USD 1,008,32 million, was used and calculated as share price USD 9.42 multiplied by 107.04 million shares outstanding and debt value, taken as book value of debt USD 2,480 million as proxy for market value of debt. According to these inputs Weight of Equity is 28.94%, and Weight of Debt is 71.06% (see Appendix 7).

Overall, capital costs used in the model reflect the specific risk profile of MHP SE. Cost of Equity is high because it captures country risk, war-related uncertainty and financial leverage. WACC is lower than Cost of Equity because debt remains a major part of the capital structure, although the high Cost of Debt limits the benefit of debt financing. For the following valuation results, this means that FCFE valuation is mainly exposed to Cost of Equity assumptions, while FCFF valuation is especially sensitive to WACC, debt weight and refinancing conditions.

5.4 DCF VALUATION RESULTS

Based on forecasted condensed financial statements for the period of 2026F-2035F DCF valuation MHP SE was conducted with two approaches FCFE model and FCFF model, which use the same operating forecast, but estimate value from different perspectives. If FCFE model at once defines equity value, meaning value potentially available to ordinary shareholders, FCFF model firstly estimates business assets value, and then transitions to equity value using the correction for debt and non-controlling interest. The usage of two models and their results is especially important for MHP. It is important because a company has a significant part of debt in its capital structure. Detailed outputs are given Appendix 8.

In FCFE model forecasted cash flows to equity were discounted at Cost of Equity of 23.12%. Present value of FCFE as for explicit forecast period is USD 698 million or 77.7% total equity value. In return, the present value of terminal value is USD 200 million or 22.3% total equity value, which shows a low dependency on terminal value, because the significant part of value is formed by forecasted cash flows within the selection of explicit forecast horizon in 10 years (see Appendix 8). The terminal growth rate in the model is 3.1% and shows normalized long-term growth after the end of the 10-year forecast period, when, according to the author's predictions, MHP should already move from transitional stage after UVESA consolidation to more stable organic growth.

As a result the FCFE model gives equity value of USD 899 million, which by 107.04 million shares outstanding, corresponds with USD 8.40 per share as of the last reporting date and USD 9.00 per share as of valuation date. If compared with market share price of USD 9.42 as of 1 May 2026, FCFE valuation implies downside of approximately 4.4% (see Table 12; see Appendix 8).

Table 12. Summary of DCF Valuation Results

Method	Discount rate	PV of explicit forecast, USDm	PV of terminal value, USDm	Equity value per share as of valuation date, USD	Upside / downside, %
FCFE	23.12%	698	200	9.00	-4.4%
FCFF	13.55%	1,880	1,666	9.11	-3.3%
Market price	-	-	-	9.42	

Source: Author's calculations based on the valuation model.

FCFF model evaluates cash flows available to all capital providers and discounts them at WACC of 13.55%. Present value of forecasted FCFF with explicit forecast period states USD 1,880 million, or 53.7% business assets value, and present value of terminal value is USD 1,666 million, or 46.3% business assets value. As can be seen, unlike the FCFE model, FCFF valuation has a higher dependency on terminal value, which makes it more sensitive to WACC and terminal growth assumptions.

Together, business assets value by the FCFF model is USD 3,546 million, which after adjustment to debt and non-controlling interest gives equity value of approximately USD 974 million. It corresponds to USD 9.10 per share as of the last reporting date and USD 9.11 per share as of valuation date. Compared with market share price of USD 9.42, FCFF valuation implies downside of approximately 3.3% (see Table 12; see Appendix 8).

Overall, both DCF models suggest that MHP SE is trading close to its intrinsic value under base-case assumptions. Therefore, the DCF valuation results support a cautious interpretation: the company does not appear materially overvalued, but the current market price also does not provide a sufficient margin of safety for a clear Buy recommendation. The robustness of this conclusion is further tested in the sensitivity analysis section (see Appendix 9).

5.5 MULTIPLE-BASED VALUATION

Multiple-based Valuation in this thesis is used as supporting market-based approach до DCF valuation. It is right to say that its goal is not to replace the FCFE and FCFF models, but to check whether the received DCF results are broadly consistent with market pricing of comparable companies. However it was difficult to find the correct peer companies for MHP SE, as for the company that combines the signs of international food and poultry group, Ukrainian operating exposure, high leverage, export orientation and European expansion. Because of this none of the peer group is ideal, and two groups of comparable companies were used in the model: international protein / poultry / food peers and Ukrainian / Ukraine-exposed companies (see Appendix 10).

To international peer group such companies were included: Tyson Foods, Pilgrim's Pride, Cranswick, JBS and Astral Foods, which are not highly identical to MHP, but they have common characteristics of exposure to poultry, protein products, food processing, value-added food products and international food markets. At the same time it is impossible to ignore the fact that their risk profile is lower compared to MHP's, since none of them has even 0,1% of the productive assets in a country that is in a full-scale war.

To take into account the war risk the second group with Ukrainian or Ukraine-exposed reference companies were used. The companies such as: Astarta, Kernel, IMC and Kyivstar. In this case the situation is quiet opposite because on one hand they better show how market prices Ukrainian operating risk, country risk, liquidity discount and investor perception of Ukraine-related

assets. On other hand, these companies are less similar to MHP by business model, because not all of them are poultry or protein companies. MHP SE is also included in the table of peer multiples only as a target company reference, but is not included to median and average calculations, to avoid circularity in valuation (see Appendix 10).

In the model five main multiples were calculated: EV/Revenue, EV/EBITDA, EV/EBIT, P/E and P/B, however for valuation interpretation the key accent was made on EV/EBITDA, which is useful for comparing operating scale and cash-generating ability before depreciation and amortization to EV/EBIT, which better includes capital intensity, which is important for MHP as vertically integrated and asset-heavy business. EV/Revenue, P/E and P/B are used only as supplementary checks and are not studied as main valuation indicators, because they give skewed results.

International peer median is 0.54x EV/Revenue, 5.52x EV/EBITDA, 8.25x EV/EBIT, 10.76x P/E and 1.97x P/B. If these multiples are implemented to relevant indicators MHP, implied share price is USD 13.28 by EV/EBITDA, USD 9.20 by EV/EBIT and USD 17.60 by P/E. EV/Revenue gives a negative implied share price of USD -0.68, which does not have any economic sense as a standalone result, because MHP has a high debt position and cash/debt adjustments materially reduce equity value. P/B gives USD 39.87 per share, but this result should be treated carefully as book equity can differ significantly between companies because of accounting policies, asset structure and country risk (see Table 13; see Appendix 10).

Ukrainian / Ukraine-exposed peer median gives different result on the level of 1.70x EV/Revenue, 4.87x EV/EBITDA, 8.00x EV/EBIT, 10.58x P/E and 1.23x P/B. According to that multiples implied share price MHP is USD 9.38 by EV/EBITDA, USD 8.32 by EV/EBIT and USD 17.30 by P/E (see Table 13; see Appendix 10). EV/Revenue and P/B again produce much higher implied values, but they are less reliable for final interpretation because of differences in business models and balance sheet structure among Ukrainian reference companies.

Table 13. Summary of Multiple-based Valuation Results

Approach	Peer multiple rate	Implied share price, USD
International peer median EV/Revenue	0.54x	-0.68
International peer median EV/EBITDA	5.52x	13.28
International peer median EV/EBIT	8.25x	9.20
International peer median P/E	10.76x	17.60
International peer median P/B	1.97x	39.87
Ukrainian peer median EV/Revenue	1.70x	39.96
Ukrainian peer median EV/EBITDA	4.87x	9.38
Ukrainian peer median EV/EBIT	8.00x	8.32
Ukrainian peer median P/E	10.58x	17.30
Ukrainian peer median P/B	1.23x	24.88

Source: Author's calculations based on the valuation model.

The most informative multiple-based results are EV/EBITDA and EV/EBIT. International EV/EBITDA suggests a higher implied value of USD 13.28 per share, while Ukrainian / Ukraine-exposed EV/EBITDA gives USD 9.38 per share, almost equal to the market price of USD 9.42. This difference is important and it is that international peers reflect sector valuation, but they

do not fully capture Ukraine-related risk, while Ukrainian / Ukraine-exposed peers better capture country risk, but they are less comparable by business model.

A similar conclusion can be reached if MHP's own trading multiples also are taken into account because 4.88x and 8.31x MHP's EV/EBITDA and EV/EBIT respectively are close to Ukrainian / Ukraine-exposed peer medians, but below international peer medians (see Appendix 10). This suggests that the market applies a discount to MHP compared with international food and poultry peers, which is consistent with the company's higher country risk, lower liquidity and war-related exposure.

Overall, Multiple-based Valuation does not provide a clear Buy signal. Some multiples, especially international EV/EBITDA and P/E, imply material upside, but these results should be treated cautiously because they may not fully reflect MHP's Ukraine-related risks and leverage. More conservative and more relevant benchmarks, such as Ukrainian / Ukraine-exposed EV/EBITDA and EV/EBIT, place MHP close to the market price or slightly below it. Therefore, multiple-based valuation confirms the main conclusion from DCF valuation: MHP SE appears to be trading broadly close to its intrinsic value, with no powerful arguments for an aggressive Buy recommendation.

5.6 RISK ASSESSMENT

Risk assessment in this part does not fully repeat business and strategic risks, which were researched earlier. It focuses on how the key risks of MHP SE can impact valuation assumptions. For DCF valuation the most important are the risks that can change revenue growth, recurring NOPAT margin, operating working capital, reinvestment needs, Cost of Equity, Cost of Debt and terminal value. The main risks and their connection with valuation are given in Table 14.

Table 14. Key Risks and Valuation Implications for MHP SE

Risk category	Key risk for MHP	Valuation impact	Assessment
War-related and operational	Physical damage to production facilities, infrastructure attacks, energy disruptions, logistics constraints, workforce mobilisation	Lower revenue growth, higher COGS, lower recurring NOPAT margin, higher CAPEX or OWC needs	Very high impact
Export and market access	Dependence on export markets and uncertainty over trade regimes, especially EU access	Lower volumes, weaker pricing, less favourable sales mix	High impact
Financial / refinancing	High debt burden, refinancing needs, Eurobond servicing limitations, higher borrowing cost	Higher Cost of Debt, higher WACC, lower equity value	High impact
FX and macroeconomic	Exchange rate volatility, inflation in feed, energy and logistics costs	Margin pressure, working capital volatility, unstable FCFE	Medium-high impact
ESG / regulatory	Environmental, land use, animal welfare, EU sustainability compliance	Higher compliance CAPEX, reputational risk, terminal value risk	Medium impact

Source: Author's analysis based on MHP SE, Annual Report and Accounts 2025, 2026, and the valuation model.

The main risk for MHP is still war-related and operational risk (see Table 15). However company's Ukrainian operations continue to work on 100% capacity in 2025, this does not eliminate the risk of possible disruption, because MHP clearly states that the operational environment is still connected to War in Ukraine, logistics constraints and market restrictions and war-related costs 2025 increased to USD 69 million (MHP SE 5-6). In spite of that the risk is already calculated in the model through high Cost of Equity and country-risk-adjusted ERP, it is highly important to consider this risk in this thesis for valuation purposes because of the possible influence on stability, operating costs, recurring NOPAT margin, operating working capital and CAPEX needs (see Appendix 7).

The second main block is export and market access risk. The significant volume of export revenue MHP, which in 2025 was USD 2,069 million, or 55% total revenue, on one hand supports hard-currency inflows and geographic diversification. On other hand, this structure makes the company sensitive to trade restrictions, veterinary requirements, regional demand shocks and logistics bottlenecks (MHP SE 5). According to the financial model this risk is calculated because of moderate long-term growth assumptions, not because of an aggressive growth, despite the company's international profile and strengthening of the European Operating Segment after UVESA acquisition (see Appendix 6).

Financial and refinancing risk should be flagged because of its connection to discount rates and equity value. In 2025 net debt MHP increased to USD 1,532 million, and Net Debt / LTM Adjusted EBITDA was 2.49x, which increased the company's sensitivity to refinancing conditions. It explains why Cost of Debt is an important input in the valuation model (MHP SE 5). In this model this risk is defined by selecting Debt Risk Premium, Cost of Debt and WACC (see Appendix 7).

The additional risks ,FX / macroeconomic risk and ESF-related risks, impact MHP from a few channels. The company states that foreign exchange fluctuations are still highly unpredictable because of War in Ukraine, geopolitical uncertainty and changes in international financial support, which from the point of valuation, can influence reported earnings, debt servicing, imported inputs, export revenue translation and working capital needs (MHP SE 58). With ESG and regulatory risks there is an interesting situation because they are less critical in short-term period, but can have an impact on long-term value. MHP prepares for future ESRS reporting requirements and has approved an updated Sustainability Strategy in 2025 (MHP SE 4, 6). Such factors as environmental compliance, animal welfare, water use, biosecurity and sustainability reporting can gradually increase CAPEX and operating costs, however the biggest meaning they have is for terminal value, because long-term valuation depends on MHP's ability to support market access and stable margins under stricter regulatory standards.

In general risk profile MHP can be defined as asymmetric, when the main downside scenarios are related to war-related disruptions, refinancing pressure and weaker margins, and upside depends on gradual normalization, successful UVESA integration and stronger value-added product mix. In spite of that, the base-case valuation partly includes high Cost of Equity, elevated Cost of Debt and conservative long-term assumptions, such inputs cannot fully erase forecast uncertainty. That is why in the next chapter sensitivity analysis checks how the changing of the key assumptions impact equity value per share and investment recommendation (see Appendix 9).

5.7 SENSITIVITY ANALYSIS

After receiving base-case DCF results it is important to check how stable is valuation conclusions to the change of key assumptions using sensitivity analysis. Meaning how estimated equity value per share changes with a different combination of discount rate and terminal growth rate. The detailed results of sensitivity analysis are given in Appendix 9.

For the FCFE model the key variables is Cost of Equity, which influences not only the present value of terminal value, but also the present value of forecasted FCFE during explicit forecast period and terminal growth rate, which defines long-term cash flow growth after completion of forecast horizon. That is why these two assumptions are the most important for the sustainability check of FCFE valuation (see Table 15).

Table 15. FCFE Sensitivity Analysis: Estimated Equity Value per Share in USD

Terminal growth \ Cost of Equity	21.1%	22.1%	23.1%	24.1%	25.1%	26.1%
1%	9.92	9.32	8.77	8.29	7.85	7.44
2%	10.07	9.45	8.88	8.38	7.92	7.50
3%	10.24	9.59	9.00	8.49	8.01	7.58
4%	10.41	9.73	9.11	8.58	8.09	7.65
5%	10.61	9.90	9.25	8.70	8.19	7.73

Source: Author's calculations based on the valuation model.

In the base-case scenario FCFE model uses Cost of Equity 23.1% and terminal growth rate 3.0%, which gives equity value of USD 9.00 per share, which is lower than market share price of USD 9.42 as of valuation date. In a more optimistic scenario, when Cost of Equity lowers to 21.1% and terminal growth rate increases to 5.0%, valuation increases to USD 10.61 per share. Instead, in a more conservative scenario, when Cost of Equity is 26.1%, and terminal growth rate 1.0%, value decreases to USD 7.44 per share (see Table 15). FCFE sensitivity analysis gives a clear and understandable conclusion that the FCFE valuation is still relatively close to market price in base case and does not create valid reasons for strong Buy recommendation.

For the FCFF model the key changes are WACC and terminal growth rate. Because of the fact that unlike the FCFE, FCFF firstly evaluates enterprise value, after which debt and other claims are subtracted to move to equity value, FCFF result are significantly sensitive to WACC, because even the smallest change of discount rate can significantly change enterprise value and residual value attributable to shareholders (see Table 16).

Table 16. FCFF Sensitivity Analysis: Estimated Equity Value per Share in USD

Terminal growth \ WACC	11.55%	12.05%	13.55%	14.05%	14.55%	15.05%
1%	13.48	11.39	6.17	4.69	3.34	2.09
2%	15.56	13.20	7.41	5.79	4.32	2.96
3%	18.55	15.78	9.11	7.28	5.63	4.13
4%	21.40	18.20	10.66	8.63	6.82	5.17
5%	25.65	21.76	12.86	10.53	8.46	6.61

Source: Author's calculations based on the valuation model.

In the base-case scenario FCFF model uses WACC 13.55% and terminal growth rate 3.0%, which gives closer to market share price of USD 9.42 resulting in an equity value of USD 9.11 per share. Despite the smaller step, the FCFF sensitivity ranges wider than in the FCFE model, because with lower WACC 11.55% and terminal growth rate 5.0% estimated value increases to USD 25.65 per share, when as for WACC 15.05% and terminal growth rate 1.0% decreases to USD 2.09 per share (see Table 16). It is correct to note that this wide diapazone does not state the operational instability of the business. It rather shows the high sensitivity of enterprise value to discount rate and terminal growth assumptions in the company with high debt burden.

After comparing the results of two sensitivity tables the careful conclusion can be made. The FCFE and FCFF estimates are close to market price and do not demonstrate a significant upside. FCFE valuation is more stable in a scale of taken assumptions, when the FCFF valuation more strongly reacts to the changes of WACC, because enterprise value after that is corrected to debt claims. If the optimistic scenarios are considered, they can show the upside, but they require lower risk perception, successful normalization of the operational environment and stronger long-term growth. On the contrary, conservative scenarios rapidly reduce equity value. So the results of sensitivity analysis support a careful interpretation of valuation results and are going to be counted in the final Valuation Summary and Investment Recommendation.

Therefore, sensitivity analysis proves that investment conclusion depends on cost of capital and terminal growth assumptions. As for base-case assumptions MHP SE looks close to fairly

valued, and not clearly undervalued. The optimistic scenarios can show upside, but they require lower risk perception, the successful normalization of the production environment and stronger long-term growth. On the contrary the conservative scenarios rapidly decrease equity value. So the results of sensitivity analysis support the careful interpretation of valuation results and are going to be calculated in the final Valuation Summary and Investment Recommendation.

CHAPTER 6. VALUATION SUMMARY

In this chapter Valuation Summary the results of previous chapters are generalized and it is shown how different valuation approaches correlate with the market price of the MHP SE shares as of valuation date. At this stage it is important not only to compare separate outputs, but also define which cost range is the most reasonable given the results of business analysis, financial analysis, DCF valuation, multiple-based valuation and sensitivity analysis.

According to the results of the financial model, the FCFE valuation gives equity value of USD 9.00 per share, which is lower by 4.4% compared to market price of USD 9.42, and the FCFF valuation shows results closer to USD 9.11 per share, with a downside of 3.3%. It is important that both DCF outputs are close and they sign that the current market price is close to estimated intrinsic value (see Appendix 8 and Appendix 12).

Multiple-based valuation is with the most relevant cross-check Ukraine / Ukraine-exposed peer median, because it better takes into account country risk, lower liquidity and war-related discount, which are not fully displayed in international peer median. It proves a more careful conclusion because with this approach EV/EBITDA multiple gives implied share price of USD 9.38, which almost equals market price, when EV/EBIT multiple gives USD 8.32 per share. Simultaneously the international peer median forms a higher valuation range of USD 9.20-13.28 per share, which should be correctly understood and counted because the international peers work in less risky jurisdictions and have different levels of market discount (see Appendix 10).

For visual generalizing of the results the football field valuation chart is used in the thesis. It opens the opportunity to compare valuation ranges from different methodologies in one figure (see Fig. 5). In this thesis Fig. 5 includes 52-week trading range of USD 4.90-9.98, market price of USD 9.42, FCFE valuation range of USD 8.38-9.73, FCFF valuation range of USD 7.28-15.78, international peer-based range of USD 9.20-13.28, and Ukraine / Ukraine-exposed peer-based range of USD 8.32-9.38. By means of Figure 5 the important moment can be seen. The market price is

near the FCFE, FCFF and Ukraine-adjusted multiple-based valuation outputs, which strengthens the argument in favor of the absence of significant upside or downside.

MHP SE Football Field Valuation Summary

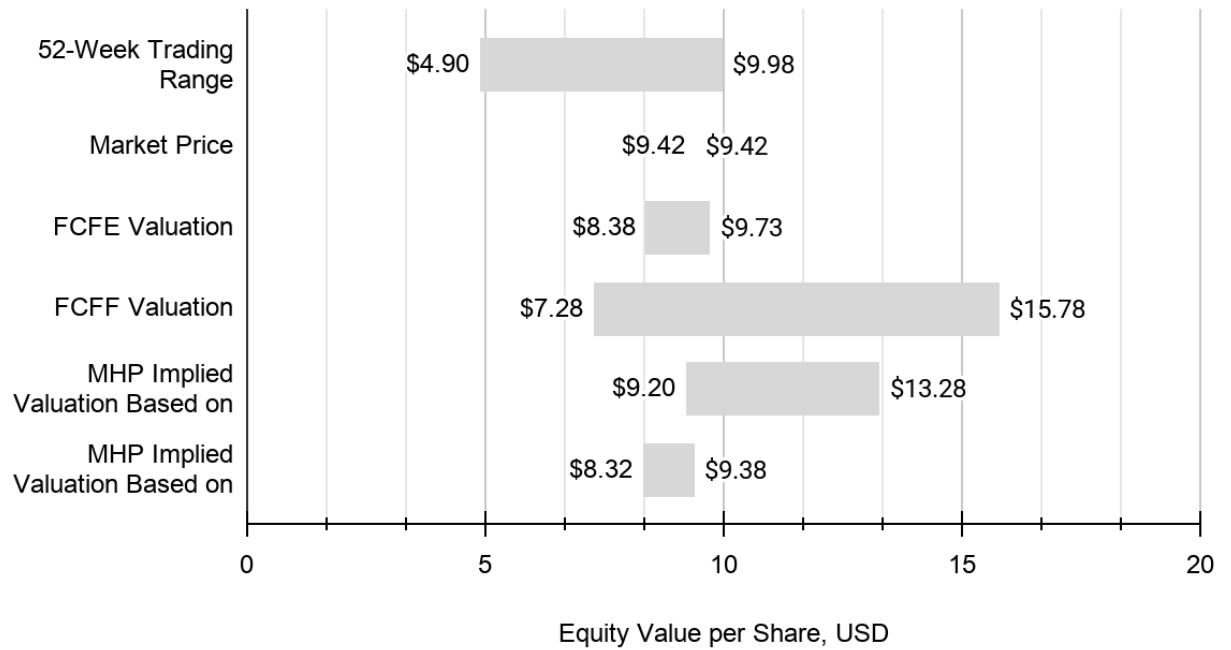


Fig. 5. MHP SE Football Field Valuation Summary. Source: Author's calculations based on the valuation model; chart structure adapted from Corporate Finance Institute, "What Is Valuation in Finance? Methods to Value a Company".

CHAPTER 7. INVESTMENT RECOMMENDATION

Final investment recommendation for MHP SE – HOLD. This conclusion is based on the results of the DCF valuation, multiple-based valuation, sensitivity analysis, risk assessment and the comparison of estimated equity value with market share price as for valuation date. In professional equity research investment recommendation should be logically linked with the valuation analysis, forecast, risks and expected return for the investor. At the same time the difference between estimated value and market price should not be interpreted mechanically, meaning without consideration of risks and margin of safety (CFA Institute). That is why in this thesis the recommendation is formed not only through the formal comparison of ‘above or below the market’, but through the valuation of whether there is a gap between intrinsic value and market price sufficient for Buy and Sell decision.

For the purpose of this thesis the author uses decision rule, according to which estimated equity value per share lays in a range within $\pm 5\%$ from market share price, the recommendation is defined as HOLD and on the contrary, if upside or downside significantly exceeds this range and is supported by sufficient margin of safety, the recommendation can be Buy or Sell respectively. This approach follows the practical logic of analyst ratings, where Hold usually means that the stock is expected to show performance close to the market or comparable companies and not demonstrate a convincing overestimation or underestimation (Grant). For MHP SE this range is especially relevant because the company works under the condition of elevated geopolitical risk, has high sensitivity to Cost of Equity, WACC and terminal growth assumptions, and is being under the impact of Ukraine-related risk discount.

As for valuation date 1 May 2026 market share price MHP SE is USD 9.42. According to the financial model, the FCFE valuation gives an equity value of USD 9.00 per share, which means a downside of 4.4%, while the FCFF valuation gives USD 9.11 per share, or downside of 3.3%. Both of the DCF outputs are in a range of established $\pm 5\%$ HOLD range, which does not provide sufficient grounds for either Buy, nor for Sell recommendation (see Appendix 8 and Appendix 12).

Multiple-based valuation, where the most relevant cross-check is Ukraine / Ukraine-exposed peer median, since it better takes into account country risk, lower liquidity and war-related discount, generally supports this conclusion. After all, according to this approach EV/EBITDA multiple gives implied share price of USD 9.38, which is almost equal to market price, while EV/EBIT multiple gives USD 8.32 per share. Since P/E-based result, which showed a significantly higher value, should not be used as the main basis for the recommendation because net income is more sensitive to FX effects, non-recurring items and capital structure differences. Within the framework of the final recommendation, the greatest meaning is given to DCF outputs and Ukraine-adjusted EV-based multiples, and not to isolated P/E results (see Appendix 10).

It is important to understand that HOLD recommendation does not mean that MHP is a fundamentally weak company. On the contrary, as the previous chapters have shown, the company has a resilient vertically integrated business model, strong export exposure, hard-currency revenue base and growing European platform after acquisition of UVESA. However the most important thing is that the market price already reflects a significant part of MHP's operational resilience, its export profile and European expansion potential, so there are no valid reasons to conclude that MHP's shares are undervalued or overvalued.

The potential upside is possible, but under the condition of the perceived country risk decreases, refinancing conditions improve, UVESA integration will confirm the expected growth of the European Operating Segment, and the company will maintain its access to export markets and logistics routes. In this case the market can gradually decrease discount to MHP and revalue the shares regarding the more optimistic valuation scenarios. However, as of valuation date these factors are still potential catalysts, not already realized drivers of value.

At the same time Sell recommendation is not properly justified. Base-case FCFE and FCFF results are close to market price, and Ukraine / Ukraine-exposed EV/EBITDA almost fully confirms the current market valuation. In addition, using sensitivity analysis, which showed that the valuation conclusion depends to a large extent on the Cost of Equity, WACC and terminal growth

assumptions, it proves that conservative scenarios quickly reduce the equity value (see Appendix 9). This supports a cautious, not aggressive recommendation.

Thus, the final investment recommendation for MHP SE – HOLD, which means for current investors that the shares can remain in the portfolio, as the company has a fundamentally strong business and potential re-rating in case of risk reduction. At the same time, for new investors the current market price does not create a sufficiently attractive margin of safety. Therefore, MHP SE looks close to fairly valued as of the valuation date, and the most rational position is to hold the shares until clearer catalysts appear or until the more significant gap between market price and intrinsic value appears.

Works Cited

Astarta Holding PLC. *Annual Report 2025*. Astarta Holding PLC, 2026.

Astral Foods Limited. *Integrated Annual Report 2025*. Astral Foods Limited, 2025.

Barney, Jay B. "Looking Inside for Competitive Advantage." *Academy of Management Executive*, vol. 9, no. 4, 1995, pp. 49-61.

Board of Governors of the Federal Reserve System. *Foreign Exchange Rates – G.5A Annual*. Federal Reserve, 2026, www.federalreserve.gov/releases/g5a/. Accessed 1 May 2026.

CFA Institute. "Equity Valuation: Applications and Processes." *CFA Institute*, 2026, www.cfainstitute.org/insights/professional-learning/refresher-readings/2026/equity-valuation-applications-and-processes. Accessed 1 May 2026.

Corporate Finance Institute. "What Is Valuation in Finance? Methods to Value a Company." *Corporate Finance Institute*, corporatefinanceinstitute.com/resources/valuation/valuation/. Accessed 1 May 2026.

Cranswick plc. *Annual Report and Accounts 2025*. Cranswick plc, 2025.

Damodaran, Aswath. *Betas by Sector (Global)*. Stern School of Business, New York University, Jan. 2026, pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/BetasGlobal.html. Accessed 1 May 2026.

Damodaran, Aswath. *Country Default Spreads and Risk Premiums*. Stern School of Business, New York University, Jan. 2026, pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html. Accessed 1 May 2026.

Damodaran, Aswath. *Ratings, Interest Coverage Ratios and Default Spreads*. Stern School of Business, New York University, Jan. 2026, pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ratings.html. Accessed 1 May 2026.

DeepStateMap.Live. *Map of the War in Ukraine*. Deep State UA, 2026, deepstatemap.live/en. Accessed 1 May 2026.

Dragon Capital. *MHP SE Credit Rating and Bond Market Update*. Dragon Capital, Feb. 2026.

Food and Agriculture Organization of the United Nations. *Ukraine: Meat Sector Review*. FAO, 2014, www.fao.org/4/i3532e/i3532e.pdf.

Grant, Mitchell. "Understanding Stock Ratings: Buy, Sell, and Hold Explained." *Investopedia*, 31 Mar. 2026, www.investopedia.com/financial-edge/0512/understanding-analyst-ratings.aspx. Accessed 1 May 2026.

IMC S.A. *Annual Report 2025*. IMC S.A., 2026.

Investing.com. "United States 10-Year Bond Yield." *Investing.com*, 2026, www.investing.com/rates-bonds/u.s.-10-year-bond-yield. Accessed 1 May 2026.

JBS N.V. *Annual Report 2025*. JBS N.V., 2026.

Kernel Holding S.A. *Annual Report 2025*. Kernel Holding S.A., 2025.

Koretska, Iana. "Poroshenko Appoints Billionaire Kosyuk to Coordinate Military Supplies." *Kyiv Post*, 4 July 2014, archive.kyivpost.com/article/content/ukraine-politics/poroshenko-appoints-billionaire-kosyuk-to-coordinate-military-supplies-354643.html.

Kyiv School of Economics. *Synthesis Report on Poultry Meat Production in Ukraine*. Kyiv School of Economics, 2025, kse.ua/wp-content/uploads/2025/06/Chicken-meat-ENG.pdf.

Kyivstar Group Ltd. *Annual Report on Form 20-F 2025*. U.S. Securities and Exchange Commission, 2026.

MHP SE. *Annual Report and Accounts 2025*. MHP SE, 2026, api.next.mhp.com.ua/images/51d31/51d31/efac388c6.pdf

MHP SE. *Integrated Annual Report and Accounts 2024*. MHP SE, 2025, api.next.mhp.com.ua/images/d0665/3e75f/9585dc89caeec.pdf.

Nechyporenko, Kyra. *Impact of the Ukrainian Poultry Market Amidst War, Logistical Shifts, and Export Dependence*. Kyiv School of Economics, 2024, kse.ua/wp-content/uploads/2025/09/Kyra_Nechyporenko_IMPACT-OF-THE-UKRAINIAN-POULTRY.pdf.

OECD, and Food and Agriculture Organization of the United Nations. *OECD-FAO Agricultural Outlook 2025-2034*. OECD Publishing, 2025, www.oecd.org/content/dam/oecd/en/publications/reports/2025/07/oecd-fao-agricultural-outlook-2025-2034_3eb15914/601276cd-en.pdf.

Palepu, Krishna G., Paul M. Healy, and Erik Peek. *Business Analysis and Valuation: IFRS Edition*. 6th ed., Cengage Learning, 2022.

Pilgrim's Pride Corporation. *Fourth Quarter and Year-End 2025 Results*. Pilgrim's Pride Corporation, 2026.

Porter, Michael E. "The Five Competitive Forces That Shape Strategy." *Harvard Business Review*, vol. 86, no. 1, Jan. 2008, pp. 78-93.

Saudi Agricultural and Livestock Investment Company. “SALIC Expands Its Global Investment Portfolio with Ukrainian Company MHP SE.” *SALIC*, 19 Sept. 2024, www.salic.com/news/salic-expands-its-global-investment-portfolio-with-ukrainian-company-mhp-se/.

S&P Global Ratings. *MHP SE Long-Term Issuer Credit Rating*. S&P Global Ratings, 2026

TradingView. “MHPS4886628 Bond Risk Analysis.” *TradingView*, 2026, www.tradingview.com/symbols/FINRA-MHPS4886628/analysis-risks/. Accessed 1 May 2026.

Tyson Foods, Inc. *Annual Report on Form 10-K 2025*. U.S. Securities and Exchange Commission, 2025.

United States Department of Agriculture, Foreign Agricultural Service. *Livestock and Poultry: World Markets and Trade*. USDA Foreign Agricultural Service, Apr. 2026, www.fas.usda.gov/sites/default/files/2025-04/livestock_poultry.pdf.

United States Department of Agriculture, Foreign Agricultural Service. *Poultry and Products Annual: Ukraine*. Report no. UP2025-0025, USDA Foreign Agricultural Service, 20 Aug. 2025, apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Poultry+and+Products+Annual_Kyiv_Ukraine_UP2025-0025.pdf.

United States Department of Agriculture, Foreign Agricultural Service. *Poultry and Products Semi-Annual: Ukraine*. Report no. UP2025-0003, USDA Foreign Agricultural Service, 14 Mar. 2025, apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Poultry+and+Products+Semi-annual_Kyiv_Ukraine_UP2025-0003.

United States Department of Agriculture, Foreign Agricultural Service. *Poultry and Products Semi-Annual: Ukraine*. Report no. UP2026-0004, USDA Foreign Agricultural Service, 3 Mar. 2026, apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Poultry+and+Products+Semi-annual_Kyiv_Ukraine_UP2026-0004.pdf.

United States Department of Justice, Antitrust Division. “Herfindahl-Hirschman Index.” *United States Department of Justice*, 17 Jan. 2024, www.justice.gov/atr/herfindahl-hirschman-index. Accessed 1 May 2026.

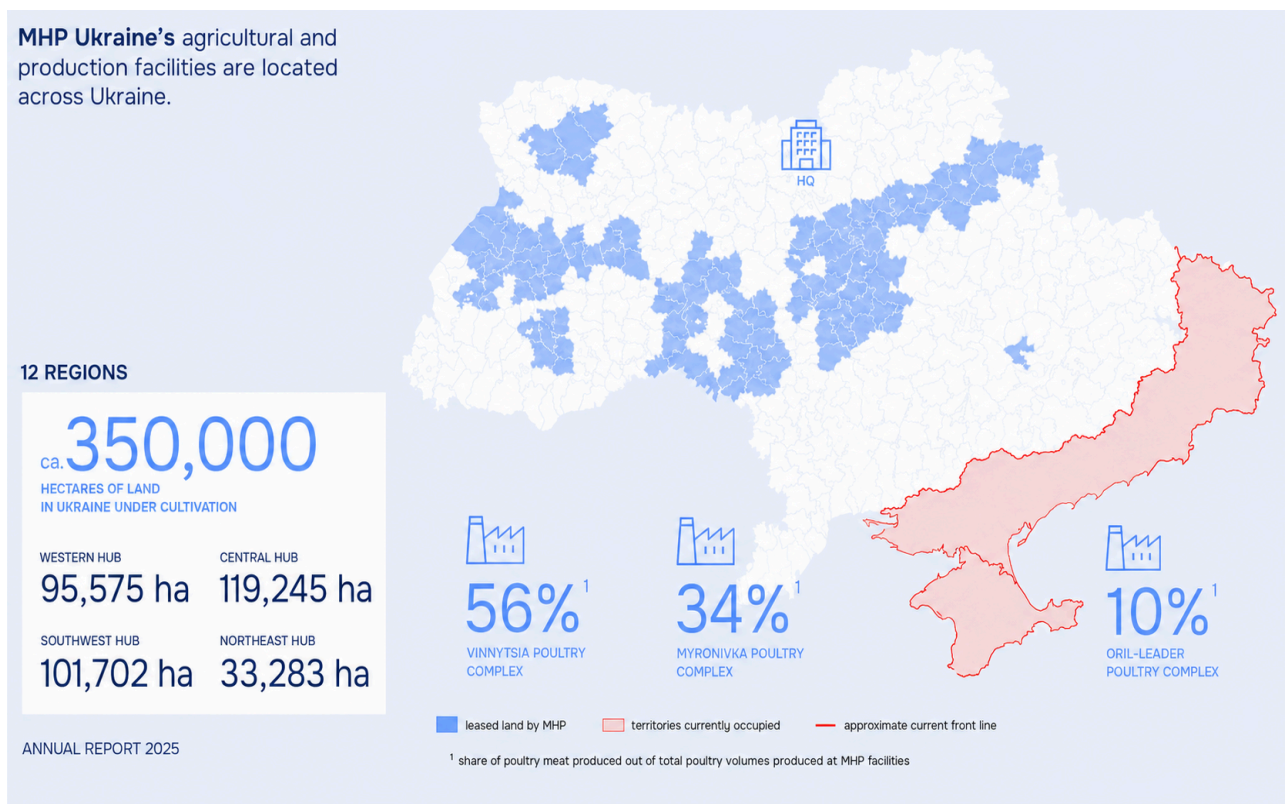
World Bank. *Commodity Markets Outlook*. World Bank, 2026

Yahoo Finance. “MHP SE (MHPC.IL) Historical Data.” *Yahoo Finance*, 2026, finance.yahoo.com/quote/MHPC.IL/history/. Accessed 1 May 2026.

Yahoo Finance. “MHP SE (MHPC.IL) Statistics.” *Yahoo Finance*, 2026, finance.yahoo.com/quote/MHPC.IL/key-statistics/. Accessed 1 May 2026.

APPENDICES

APPENDIX 1. Geographic Location of MHP Ukraine's Agricultural and Production Assets Relative to Occupied Territories and the Approximate Front Line



Source: Author's adaptation based on MHP SE, Annual Report and Accounts 2025, 2026, p. 13; DeepStateMap.Live, map data on occupied territories and the approximate front line as of 1 May 2026.

APPENDIX 2. Standardized Financial Statements

YEAR		2018	2019	2020	2021	2022	2023	2024	2025
BEGINNING OF PERIOD		January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
END OF PERIOD		December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024	December 31, 2025
	Units Source								
STANDARDIZED INCOME STATEMENT									
Revenue	USDm IS	1,552	2,056	1,911	2,372	2,642	3,021	3,046	3,766
Operating expenses		(1,236)	(1,834)	(1,708)	(1,859)	(2,358)	(2,682)	(2,606)	(3,390)
Operating profit		316	222	203	514	284	339	440	376
Net non-recurring income or expense		(3)	171	(209)	30	(394)	(40)	(152)	(12)
Investment income		0	0	0	0	0	0	0	0
Interest expense		(138)	(148)	(144)	(150)	(155)	(163)	(160)	(171)
Interest income		4	8	14	11	6	37	21	19
Profit before taxes		180	253	(137)	404	(259)	173	149	212
Tax expense		(51)	(32)	5	(7)	28	(31)	(5)	(25)
Profit after taxes		129	221	(132)	397	(231)	142	144	187
Profit/loss to non-controlling interest		3	(3)	3	18	(5)	(2)	10	12
Profit/loss of discontinued operations		(1)	(6)	(1)	(3)	0	0	0	0
Profit/loss to ordinary shareholders		125	218	(137)	376	(226)	144	134	175
Operating expenses									
Classification by function:									
Cost of sales (function)		(1,163)	(1,619)	(1,544)	(1,813)	(1,906)	(2,334)	(2,333)	(2,898)
SG&A (function)		(100)	(179)	(188)	(228)	(254)	(270)	(348)	(461)
Other operating income, net of other operating expenses (function)		26	(36)	24	182	(198)	(78)	75	(31)
Operating expenses (function)		(1,236)	(1,834)	(1,708)	(1,859)	(2,358)	(2,682)	(2,606)	(3,390)
Effective tax rate		28.1%	12.7%	3.8%	1.7%	10.8%	17.9%	3.4%	11.8%
YEAR		2018	2019	2020	2021	2022	2023	2024	2025
BEGINNING OF PERIOD		January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
END OF PERIOD		December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024	December 31, 2025
	Units Source								
STANDARDIZED BALANCE SHEET									
ASSETS									
Non-current tangible assets	USDm BS	1,522	2,314	1,912	2,244	2,100	2,149	2,598	3,019
Non-current intangible assets		55	171	167	164	140	137	131	227
Minority equity investments		0	0	0	0	0	1	21	17
Other non-operating investments		57	21	28	39	11	9	10	18
Deferred tax asset		0	2	2	2	2	2	1	0
Derivatives - asset		0	0	0	0	0	0	0	0
Total non-current assets		1,634	2,509	2,108	2,449	2,253	2,298	2,761	3,281
Inventories		678	630	685	1,094	952	874	987	1,245
Trade receivables		69	124	119	157	183	186	200	327
Other current assets		78	83	153	129	121	92	123	177
Cash and cash equivalents		212	341	218	275	300	436	355	415
Total current assets		1,037	1,178	1,174	1,655	1,556	1,588	1,665	2,164
Assets held for sale		0	4	0	0	0	0	0	0
Total assets		2,671	3,690	3,283	4,104	3,809	3,886	4,426	5,445
EQUITY & LIABILITIES									
Ordinary shareholders' equity		1,081	1,582	1,238	1,764	1,428	1,557	1,940	2,162
Non-controlling interest in equity		17	14	16	30	18	10	26	52
Preference shares		0	0	0	0	0	0	0	0
Total equity		1,098	1,596	1,254	1,794	1,446	1,567	1,966	2,214
Non-current debt		1,206	1,593	1,572	1,685	1,665	1,305	1,583	1,350
Deferred tax liability		13	55	30	45	124	123	169	192
Derivatives - liability		0	0	0	0	0	0	0	0
Other non-current liabilities (non interest bearing)		35	56	52	51	41	41	43	58
Total non-current liabilities		1,253	1,704	1,654	1,780	1,830	1,469	1,795	1,600
Trade payables		66	147	150	163	123	142	147	277
Other current liabilities		116	154	123	168	169	139	168	224
Current debt		137	89	102	199	241	569	350	1,130
Total current liabilities		319	390	375	529	533	850	665	1,631
Liabilities held for sale		0	0	0	0	0	0	0	0
Total equity and liabilities		2,671	3,690	3,283	4,104	3,809	3,886	4,426	5,445

YEAR		2018	2019	2020	2021	2022	2023	2024	2025
BEGINNING OF PERIOD		January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
END OF PERIOD		December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024	December 31, 2025
	Units Source								
STANDARDIZED CASH FLOW STATEMENT									
OPERATING ACTIVITIES									
Profit before interest and tax	USDm CF	179	247	(138)	400	(259)	173	149	212
Taxes paid (plus tax shield on interest paid)		(8)	(11)	(15)	(13)	(4)	(25)	(15)	(35)
Non-operating losses (gains)		(6)	(179)	205	(24)	395	42	158	(11)
Non-current operating accruals		106	248	177	5	324	226	59	250
Operating cash flow before working capital investments		271	306	229	368	456	416	351	416
Net (investments in) or liquidation of operating working capital		(45)	192	(154)	(245)	(340)	61	(97)	(142)
Cash flow from operating activities before investment in non-current assets		226	498	75	123	116	477	254	274
Interest received		(0)	(0)	(4)	(0)	(3)	(26)	(11)	(5)
Dividends received		0	0	0	0	0	0	0	0
Net (Investments in) or liquidation of non-current operating or i		(224)	(333)	(129)	(100)	(174)	(228)	(333)	(541)
Free cash flow available to debt and equity		2	165	(57)	23	(61)	223	(90)	(272)
Interest paid (after tax)		35	4	(1)	2	25	(13)	3	2
Net debt (repayment) or issuance		138	57	(21)	106	58	(84)	17	298
Free cash flow available to equity		175	226	(79)	130	22	126	(70)	28
Dividend (payments)		(89)	(85)	(31)	(71)	0	(2)	0	0
Net share (repurchase) or issuance		(1)	(20)	0	0	(1)	0	0	0
Net increase (decrease) in cash balance		85	121	(110)	60	21	124	(70)	28
Tax shield on interest paid:									
Taxes paid		(13)	(12)	(15)	(13)	(8)	(23)	(15)	(35)
Interest paid		41	5	(1)	2	29	(15)	3	2
Corporate income tax rate (Cyprus)	% Inputs	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
Interest tax shield		5	1	(0)	0	4	(2)	0	0

APPENDIX 3. Condensed Financial Statements

YEAR			2018	2019	2020	2021	2022	2023	2024	2025
BEGINNING OF PERIOD			January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
END OF PERIOD			December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024	December 31, 2025
	Units	Source								
CONDENSED INCOME STATEMENT										
Revenue	USDm	Standardized IS	1,552	2,056	1,911	2,372	2,642	3,021	3,046	3,766
NOPAT			246	343	(17)	519	(101)	252	266	320
Profit			129	221	(132)	397	(231)	142	144	187
- Investment profit after tax (NIPAT)			(4)	(7)	(12)	(9)	(5)	(32)	(18)	(17)
+ Interest expense after tax			121	129	126	132	136	143	140	150
= Net operating profit after tax (NOPAT)			246	343	(17)	519	(101)	252	266	320
of which: Net non-recurring income (expense) after tax			(2)	150	(183)	26	(345)	(35)	(133)	(11)
= Net non-recurring income (expense)			(3)	171	(209)	30	(394)	(40)	(152)	(12)
x (1 – Tax rate)	%	Calculation	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%
= Net non-recurring income (expense) after tax			(2)	150	(183)	26	(345)	(35)	(133)	(11)
+NIPAT			4	7	12	9	5	32	18	17
= Investment and Interest income			4	8	14	11	6	37	21	19
x (1 – Tax rate)			87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%
= Net Investment Profit after Tax (NIPAT)			4	7	12	9	5	32	18	17
– Interest Expense after Tax			(121)	(129)	(126)	(132)	(136)	(143)	(140)	(150)
= Interest expense			(138)	(148)	(144)	(150)	(155)	(163)	(160)	(171)
x (1 – Tax rate)			87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%
= Interest Expense after Tax			(121)	(129)	(126)	(132)	(136)	(143)	(140)	(150)
= Profit (Loss)			129	221	(132)	397	(231)	142	144	187
Corporate income tax rate (Cyprus)	%	Inputs	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%	12.5%
CONDENSED BALANCE SHEET										
Operating working capital			720	639	779	1,168	1,096	1,022	1,147	1,436
Operating cash (@ 5% of revenue)			78	103	96	119	132	151	152	188
+ Trade receivables			69	124	119	157	183	186	200	327
+ Inventories			678	630	685	1,094	952	874	987	1,245
+ Other current assets			78	83	153	129	121	92	123	177
– Trade payables			(66)	(147)	(150)	(163)	(123)	(142)	(147)	(277)
– Other current liabilities			(116)	(154)	(123)	(168)	(169)	(139)	(168)	(224)
= Operating working capital			720	639	779	1,168	1,096	1,022	1,147	1,436
+ Net non-current operating assets			1,529	2,377	1,999	2,314	2,077	2,124	2,518	2,996
Non-current tangible assets			1,522	2,314	1,912	2,244	2,100	2,149	2,598	3,019
+ Non-current intangible assets			55	171	167	164	140	137	131	227
+ Derivatives (assets net of liabilities)			0	0	0	0	0	0	0	0
– Deferred tax liabilities (net of assets)			(13)	(53)	(28)	(43)	(122)	(121)	(168)	(192)
– Other non-current liabilities (non-interest-bearing)			(35)	(56)	(52)	(51)	(41)	(41)	(43)	(58)
= Net non-current operating assets			1,529	2,377	1,999	2,314	2,077	2,124	2,518	2,996
= Net operating assets			2,249	3,016	2,778	3,482	3,173	3,146	3,665	4,432
+ Non-operating investments			192	259	150	195	179	295	234	262
Excess cash			134	238	122	157	168	285	203	227
+ Minority equity investments			0	0	0	0	0	1	21	17
+ Other Non-Operating investments			57	21	28	39	11	9	10	18
= Non-operating investments			192	259	150	195	179	295	234	262
= Business assets			2,441	3,274	2,928	3,677	3,352	3,441	3,899	4,694
Debt			1,343	1,682	1,674	1,883	1,906	1,874	1,933	2,480
Current debt			137	89	102	199	241	569	350	1,130
+ Non-current debt			1,206	1,593	1,572	1,685	1,665	1,305	1,583	1,350
+ Preference shares			0	0	0	0	0	0	0	0
= Debt			1,343	1,682	1,674	1,883	1,906	1,874	1,933	2,480
+ Equity			1,098	1,592	1,254	1,794	1,446	1,567	1,966	2,214
Shareholders' equity			1,081	1,582	1,238	1,764	1,428	1,557	1,940	2,162
+ Non-controlling interests			17	14	16	30	18	10	26	52
- Net assets held for sale (net of liabilities)			0	(4)	0	0	0	0	0	0
= Equity			1,098	1,592	1,254	1,794	1,446	1,567	1,966	2,214
= Invested capital			2,441	3,274	2,928	3,677	3,352	3,441	3,899	4,694
Normal level of operating cash	% of Revenue	Inputs	5%	5%	5%	5%	5%	5%	5%	5%

APPENDIX 4. Financial Analysis and Ratios

YEAR		2018	2019	2020	2021	2022	2023	2024	2025
BEGINNING OF PERIOD		January 1, 2018	January 1, 2019	January 1, 2020	January 1, 2021	January 1, 2022	January 1, 2023	January 1, 2024	January 1, 2025
END OF PERIOD		December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024	December 31, 2025
	Units Source								
ROE									
ROE	%	11.8%	16.4%	-9.2%	26.0%	-14.3%	9.4%	8.2%	8.9%
Net operating profit after tax (NOPAT) margin		15.9%	16.7%	-0.9%	21.9%	-3.8%	8.3%	8.7%	8.5%
× Net operating asset turnover		0.7	0.8	0.7	0.8	0.8	1.0	0.9	0.9
= Return on net operating assets		10.9%	13.0%	-0.6%	16.6%	-3.0%	8.0%	7.8%	7.9%
Return on net operating assets		10.9%	13.0%	-0.6%	16.6%	-3.0%	8.0%	7.8%	7.9%
× (Net operating assets/invested capital)		0.92	0.92	0.93	0.95	0.95	0.93	0.93	0.94
+ Return on non-operating investments		2.0%	3.1%	5.8%	5.3%	2.8%	13.7%	7.0%	6.7%
× (Non-operating investments/invested capital)		0.08	0.08	0.07	0.05	0.05	0.07	0.07	0.06
= Return on invested capital		10.2%	12.3%	-0.2%	16.0%	-2.7%	8.4%	7.7%	7.8%
Spread		1.3%	3.7%	-7.7%	8.6%	-9.9%	0.8%	0.4%	1.1%
× Financial leverage		1.22	1.12	1.18	1.17	1.17	1.25	1.08	1.06
= Financial leverage gain		1.5%	4.2%	-9.1%	10.0%	-11.5%	1.0%	0.4%	1.1%
ROE = Return on Invested Capital + Financial leverage gain		11.8%	16.4%	-9.2%	26.0%	-14.3%	9.4%	8.2%	8.9%
OPERATING ACTIVITIES									
Income statement									
Revenue	USDm	1,552	2,056	1,911	2,372	2,642	3,021	3,046	3,766
Cost of sales	USDm	(1,163)	(1,619)	(1,544)	(1,813)	(1,906)	(2,334)	(2,333)	(2,898)
Gross profit	USDm	389	437	367	560	736	687	713	868
SG&A	USDm	(100)	(179)	(188)	(228)	(254)	(270)	(348)	(461)
Other operating income, net of other ops	USDm	26	(36)	24	182	(198)	(78)	75	(31)
Operating profit	USDm	316	222	203	514	284	339	440	376
Non-recurring income (expense)	USDm	(3)	171	(209)	30	(394)	(40)	(152)	(12)
Interest and investment income	USDm	4	8	14	11	6	37	21	19
Interest expense	USDm	(138)	(148)	(144)	(150)	(155)	(163)	(160)	(171)
Profit before taxes	USDm	180	253	(137)	404	(259)	173	149	212
Tax expense	USDm	(51)	(32)	5	(7)	28	(31)	(5)	(25)
Profit	USDm	129	221	(132)	397	(231)	142	144	187
NOPAT	USDm	246	343	(17)	519	(101)	252	266	320
Recurring NOPAT	USDm	249	194	166	493	244	287	399	331
Adjusted EBITDA	USDm	451	428	395	707	443	508	632	641
Common-sized income statement									
Revenue	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	%	-74.9%	-78.7%	-80.8%	-76.4%	-72.1%	-77.3%	-76.6%	-77.0%
Gross profit	%	25.1%	21.3%	19.2%	23.6%	27.9%	22.7%	23.4%	23.0%
SG&A	%	-6.4%	-8.7%	-9.8%	-9.6%	-9.6%	-8.9%	-11.4%	-12.2%
Non-recurring income (expense)	%	1.7%	-1.8%	1.2%	7.7%	-7.5%	-2.6%	2.5%	-0.8%
Operating profit	%	20.4%	10.8%	10.6%	21.7%	10.7%	11.2%	14.4%	10.0%
Interest and investment income	%	0.3%	0.4%	0.7%	0.4%	0.2%	1.2%	0.7%	0.5%
Interest expense	%	-8.9%	-7.2%	-7.5%	-6.3%	-5.9%	-5.4%	-5.3%	-4.5%
Profit before taxes	%	11.6%	12.3%	-7.2%	17.0%	-9.8%	5.7%	4.9%	5.6%
Tax expense	%	-3.3%	-1.6%	0.3%	-0.3%	1.1%	-1.0%	-0.2%	-0.7%
Profit	%	8.3%	10.8%	-6.9%	16.7%	-8.7%	4.7%	4.7%	5.0%
NOPAT margin	%	15.9%	16.7%	-0.9%	21.9%	-3.8%	8.3%	8.7%	8.5%
Recurring NOPAT margin	%	16.0%	9.4%	8.7%	20.8%	9.2%	9.5%	13.1%	8.8%
Adjusted EBITDA margin	%	29.1%	20.8%	20.7%	29.8%	16.8%	16.8%	20.7%	17.0%
Revenue growth analysis									
Revenue growth	%		32.5%	-7.0%	24.1%	11.4%	14.3%	0.8%	23.6%

INVESTMENT ACTIVITIES

Non-current asset management ratios

Net non-current assets / Revenue	%	98.5%	95.0%	114.5%	90.9%	83.1%	69.5%	76.2%	73.2%
PP&E / Revenue	%	98.0%	93.3%	110.6%	87.6%	82.2%	70.3%	77.9%	74.6%
Net non-current asset turnover	x	1.0	1.1	0.9	1.1	1.2	1.4	1.3	1.4
PP&E turnover	x	1.0	1.1	0.9	1.1	1.2	1.4	1.3	1.3

Working capital management ratios

Operating working capital / Revenue	%	46.4%	33.0%	37.1%	41.0%	42.8%	35.1%	35.6%	34.3%
Operating working capital turnover	x	2.2	3.0	2.7	2.4	2.3	2.9	2.8	2.9
Trade receivables turnover	x	22.4	21.2	15.7	17.2	15.5	16.4	15.8	14.3
Inventories turnover	x	1.7	2.5	2.3	2.0	1.9	2.6	2.5	2.6
Trade payables turnover	x	17.5	15.1	10.4	11.6	13.3	17.6	16.1	13.7
Days' receivables	days	16.3	17.2	23.3	21.2	23.5	22.3	23.2	25.5
Days' inventories	days	212.7	147.4	155.8	179.1	195.9	142.8	146.0	140.6
Days' payables	days	20.8	24.1	35.2	31.5	27.4	20.7	22.7	26.7
Cash conversion cycle	days	208.2	140.5	143.9	168.9	192.0	144.3	146.5	139.4

Days in a year	days	365	365	366	365	365	365	366	365
----------------	------	-----	-----	-----	-----	-----	-----	-----	-----

Non-operating investments management ratios

Non-operating investments / revenue	%	12.3%	11.0%	10.7%	7.3%	7.1%	7.8%	8.7%	6.6%
Return on non-operating investments (at %		2.0%	3.1%	5.8%	5.3%	2.8%	13.7%	7.0%	6.7%

FINANCING ACTIVITIES

Liquidity ratios

Current ratio	x	3.25	3.02	3.13	3.13	2.92	1.87	2.50	1.33
Quick ratio	x	0.88	1.19	0.90	0.82	0.91	0.73	0.83	0.45
Cash ratio	x	0.66	0.87	0.58	0.52	0.56	0.51	0.53	0.25
Operating cash flow ratio	x	0.71	1.28	0.20	0.23	0.22	0.56	0.38	0.17

Debt and coverage ratios

Liabilities-to-equity	x	1.43	1.31	1.62	1.29	1.63	1.48	1.25	1.46
Debt-to-equity	x	1.22	1.06	1.33	1.05	1.32	1.20	0.98	1.12
Debt-to-invested capital	x	0.55	0.51	0.57	0.51	0.57	0.54	0.50	0.53
Interest coverage (earnings-based)	x	2.30	2.72	0.05	3.68	(0.67)	2.06	1.93	2.24
Interest coverage (cash flow-based)	x	5.37	4.27	3.69	4.61	5.90	4.31	4.31	4.78

Effective interest rate

Effective interest rate (after-tax)	%	9.0%	8.5%	7.5%	7.4%	7.2%	7.5%	7.4%	6.8%
-------------------------------------	---	------	------	------	------	------	------	------	------

APPENDIX 5. Revenue Decomposition

YEAR		2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F
BEGINNING OF PERIOD		January 1, 2026	January 1, 2027	January 1, 2028	January 1, 2029	January 1, 2030	January 1, 2031	January 1, 2032	January 1, 2033	January 1, 2034	January 1, 2035
END OF PERIOD		December 31, 2026	December 31, 2027	December 31, 2028	December 31, 2029	December 31, 2030	December 31, 2031	December 31, 2032	December 31, 2033	December 31, 2034	December 31, 2035
	Units										
REVENUE GROWTH BY SEGMENT											
Poultry & Related Operations	%	3.9%	6.6%	5.2%	4.9%	3.6%	4.0%	3.8%	3.6%	3.4%	3.2%
Vegetable Oil Operations	%	21.8%	9.8%	7.6%	7.2%	6.7%	5.9%	5.4%	5.0%	4.9%	4.0%
Agriculture Operations	%	-1.2%	2.9%	3.2%	3.4%	3.3%	2.8%	2.0%	2.6%	2.0%	2.0%
European Operating Segment	%	56.4%	5.5%	4.6%	4.2%	4.5%	4.1%	3.6%	3.6%	3.0%	3.0%
Total Revenue	%	19.2%	6.2%	5.1%	4.8%	4.2%	4.2%	3.7%	3.7%	3.3%	3.1%
REVENUE BY SEGMENT											
Poultry & Related Operations	USDm	2,000	2,132	2,243	2,352	2,437	2,535	2,632	2,727	2,819	2,910
Vegetable Oil Operations	USDm	480	527	567	607	648	686	723	759	796	828
Agriculture Operations	USDm	431	443	457	473	489	502	513	526	536	547
European Operating Segment	USDm	1,580	1,666	1,743	1,815	1,896	1,974	2,044	2,117	2,179	2,244
Total Revenue	USDm	4,491	4,768	5,010	5,248	5,470	5,698	5,911	6,128	6,330	6,529
POULTRY & RELATED OPERATIONS											
Poultry sales volumes	tonnes	631,883	638,202	641,393	644,600	647,823	649,767	651,716	653,019	654,325	654,325
Poultry sales volumes growth	%	1.00%	1.00%	0.50%	0.50%	0.50%	0.30%	0.30%	0.20%	0.20%	0.00%
Average poultry meat price per 1 kg	USD	2.44	2.53	2.61	2.68	2.75	2.82	2.89	2.96	3.04	3.11
Average poultry meat price per 1 kg growth	%	4.00%	3.50%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Poultry adjustment factor		1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035	1.035
Poultry meat revenue	USD	1,598	1,671	1,730	1,790	1,844	1,896	1,949	2,002	2,056	2,108
Poultry meat revenue growth	%	5.04%	4.54%	3.52%	3.51%	3.01%	2.81%	2.81%	2.70%	2.71%	2.50%
Processed poultry meat sales volumes	tonnes	62,994	68,033	72,115	75,721	79,128	82,294	85,585	88,581	91,681	94,432
Processed poultry meat sales volumes growth	%	10.00%	8.00%	6.00%	5.00%	4.50%	4.00%	4.00%	3.50%	3.50%	3.00%
Average processed poultry meat price per 1 kg	USD	3.67	3.97	4.25	4.50	4.73	4.96	5.16	5.37	5.53	5.69
Average processed poultry meat price per 1 kg growth	%	10.00%	8.00%	7.00%	6.00%	5.00%	5.00%	4.00%	4.00%	3.00%	3.00%
Processed adjustment factor		0.983	0.983	0.983	0.983	0.983	0.983	0.983	0.983	0.983	0.983
Processed poultry meat revenue	USDm	228	265	301	335	368	401	434	467	498	528
Processed poultry meat revenue growth	%	21.00%	16.64%	13.42%	11.30%	9.72%	9.20%	8.16%	7.64%	6.60%	6.09%
Complementary products and other sales	USDm	174	195	213	227	225	238	248	257	264	274
Other sales ratio		9.54%	10.09%	10.47%	10.68%	10.19%	10.36%	10.42%	10.41%	10.35%	10.39%
Total Poultry & Related Operations revenue	USDm	2,000	2,132	2,243	2,352	2,437	2,535	2,632	2,727	2,819	2,910
Total Poultry & Related Operations revenue growth	%	3.86%	6.58%	5.23%	4.87%	3.61%	4.02%	3.81%	3.59%	3.38%	3.24%
VEGETABLE OIL OPERATIONS											
Sunflower oil sales volumes	tonnes	280,708	308,779	327,305	345,307	362,572	377,075	390,273	401,981	414,041	422,321
Sunflower oil sales volumes growth	%	18.00%	10.00%	6.00%	5.50%	5.00%	4.00%	3.50%	3.00%	3.00%	2.00%
Soybean oil sales volumes	tonnes	79,066	82,229	85,107	88,085	90,728	93,450	95,786	98,181	100,144	102,147
Soybean oil sales volumes growth	%	4.00%	4.00%	3.50%	3.50%	3.00%	3.00%	2.50%	2.50%	2.00%	2.00%
Total vegetable sales volumes	tonnes	359,774	391,007	412,412	433,393	453,300	470,525	486,059	500,162	514,185	524,469
Total vegetable sales volumes growth	%	14.61%	8.68%	5.47%	5.09%	4.59%	3.80%	3.30%	2.90%	2.80%	2.00%
Vegetable oil price per 1 ton	USD	1,276	1,289	1,315	1,341	1,368	1,395	1,423	1,452	1,481	1,510
Vegetable oil price per 1 ton growth	%	6.00%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Vegetable oil revenue	USDm	459	504	542	581	620	657	692	726	761	792
Vegetable oil revenue growth	%	21.49%	9.77%	7.58%	7.19%	6.69%	5.88%	5.37%	4.96%	4.86%	4.04%
Related products revenue (meal, cake, husk) revenue	USDm	21	23	24	26	28	30	31	33	34	36
Related products revenue (meal, cake, husk) ratio	%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Total Vegetable Oil Operations revenue	USDm	480	527	567	607	648	686	723	759	796	828
Total Vegetable Oil Operations revenue growth	%	21.80%	9.77%	7.58%	7.19%	6.69%	5.88%	5.37%	4.96%	4.86%	4.04%

YEAR		2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F
AGRICULTURE OPERATIONS											
Corn											
Yield	t/ha	8.0	8.2	8.3	8.4	8.5	8.5	8.5	8.5	8.5	8.5
Cropped area	%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Cropped area	ha	135,946	137,305	138,679	139,372	140,069	140,769	140,769	140,769	140,769	140,769
Crop produced	tonnes	1,087,568	1,125,905	1,151,032	1,170,724	1,190,585	1,196,537	1,196,537	1,196,537	1,196,537	1,196,537
Wheat											
Yield	t/ha	7.4	7.4	7.4	7.5	7.5	7.5	7.5	7.6	7.6	7.6
Cropped area	%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
Cropped area	ha	44,182	44,624	45,071	45,296	45,522	45,750	45,750	45,750	45,750	45,750
Crop produced	tonnes	326,950	330,220	333,522	339,719	341,418	343,125	343,125	347,700	347,700	347,700
Soyabeans											
Yield	t/ha	2.7	2.7	2.7	2.7	2.7	2.8	2.8	2.8	2.8	2.8
Cropped area	%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
Cropped area	ha	64,574	65,220	65,872	66,202	66,533	66,865	66,865	66,865	66,865	66,865
Crop produced	tonnes	174,351	176,094	177,855	178,744	179,638	187,223	187,223	187,223	187,223	187,223
Sunflower											
Yield	t/ha	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.1	3.1	3.1
Cropped area	%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Cropped area	ha	50,980	51,490	52,004	52,264	52,526	52,788	52,788	52,788	52,788	52,788
Crop produced	tonnes	152,939	154,469	156,013	156,793	157,577	158,365	158,365	163,644	163,644	163,644
Rapeseed											
Yield	t/ha	3.5	3.5	3.5	3.5	3.6	3.6	3.6	3.7	3.7	3.7
Cropped area	%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Cropped area	ha	30,588	30,894	31,203	31,359	31,515	31,673	31,673	31,673	31,673	31,673
Crop produced	tonnes	107,057	108,128	109,209	109,755	113,456	114,023	114,023	117,190	117,190	117,190
Others											
Implied yield	t/ha	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Cropped area	%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Cropped area	ha	13,595	13,731	13,868	13,937	14,007	14,077	14,077	14,077	14,077	14,077
Crop produced	tonnes	190,324	192,228	194,150	195,121	196,096	197,077	197,077	197,077	197,077	197,077
Total Agriculture Operations											
Total cropped area	ha	339,865	343,264	346,696	348,430	350,172	351,923	351,923	351,923	351,923	351,923
Total cropped area growth	%	1.00%	1.00%	1.00%	0.50%	0.50%	0.50%	0.00%	0.00%	0.00%	0.00%
Total crop produced	tonnes	2,039,190	2,087,043	2,121,781	2,150,857	2,178,770	2,196,350	2,196,350	2,209,371	2,209,371	2,209,371
Implied revenue per tonne	USD	211	212	216	220	224	229	233	238	243	248
Implied revenue per tonne growth	%	-3.00%	0.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Total Agriculture Operations revenue	USDm	431	443	457	473	489	502	513	526	536	547
Total Agriculture Operations revenue growth	%	-1.16%	2.86%	3.19%	3.40%	3.32%	2.82%	2.00%	2.60%	2.00%	2.00%
EUROPEAN OPERATING SEGMENT											
PERUTNINA PTUJ GROUP											
PP poultry meat revenue	EURm	393.76	417.39	438.25	457.98	478.59	497.73	515.15	533.18	549.17	565.65
PP poultry meat revenue growth	%	7.00%	6.00%	5.00%	4.50%	4.50%	4.00%	3.50%	3.50%	3.00%	3.00%
PP processed meat revenue	EURm	206.08	226.69	244.82	264.41	282.92	302.72	317.86	333.75	347.10	360.98
PP processed meat revenue growth	%	12.00%	10.00%	8.00%	8.00%	7.00%	7.00%	5.00%	5.00%	4.00%	4.00%
PP adjustment factor		1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13	1.13
EUR/USD average FX		1.16	1.15	1.14	1.13	1.13	1.13	1.13	1.13	1.13	1.13
Total Perutnina Ptuj Group revenue	USDm	786	837	880	922	972	1,022	1,064	1,107	1,144	1,183
Total Perutnina Ptuj Group revenue growth	%	13.62%	6.45%	5.13%	4.83%	5.42%	5.11%	4.07%	4.07%	3.38%	3.39%
UVESA GROUP											
UVESA reported revenue	USDm										
UVESA annualized revenue	USDm										
UVESA Group revenue growth		4.00%	4.50%	4.00%	3.50%	3.50%	3.00%	3.00%	3.00%	2.50%	2.50%
Total UVESA Group revenue	USDm	793.73	829.45	862.62	892.82	924.06	951.79	980.34	1,009.75	1,034.99	1,060.87
Total UVESA Group revenue growth	%	149.60%	4.50%	4.00%	3.50%	3.50%	3.00%	3.00%	3.00%	2.50%	2.50%
Total European Operating											
Total European Operating revenue	USDm	1,580	1,666	1,743	1,815	1,896	1,974	2,044	2,117	2,179	2,244
Total European Operating revenue growth	%	56.44%	5.47%	4.57%	4.17%	4.47%	4.08%	3.55%	3.56%	2.96%	2.97%

APPENDIX 6. Financial Statements Forecasting

YEAR		2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F
BEGINNING OF PERIOD		January 1, 2026	January 1, 2027	January 1, 2028	January 1, 2029	January 1, 2030	January 1, 2031	January 1, 2032	January 1, 2033	January 1, 2034	January 1, 2035
END OF PERIOD		December 31, 2026	December 31, 2027	December 31, 2028	December 31, 2029	December 31, 2030	December 31, 2031	December 31, 2032	December 31, 2033	December 31, 2034	December 31, 2035
	Units										
FORECAST ASSUMPTIONS											
Ratios											
Revenue growth rate (year-on-year)	%	19.2%	6.2%	5.1%	4.8%	4.2%	4.2%	3.7%	3.7%	3.3%	3.1%
Recurring NOPAT margin	%	12.0%	12.2%	12.4%	12.5%	12.5%	12.3%	12.2%	12.0%	12.0%	12.0%
Operating working capital / revenue	%	35.0%	34.5%	34.5%	34.5%	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%
Net non-current operating assets / revenue	%	74.5%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Non-operating investments / revenue	%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Return on non-operating investments (after-tax)	%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Cost of debt (after-tax)	%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%
Debt-to-invested capital	%	52.8%	52.8%	52.8%	52.8%	52.8%	52.8%	52.8%	52.8%	52.8%	52.8%
FORECASTED CONDENSED FINANCIAL STATEMENTS											
Condensed income statement											
Revenue	USDm	4,491	4,768	5,010	5,248	5,470	5,698	5,911	6,128	6,330	6,529
NOPAT	USDm	539	582	621	656	684	701	721	735	760	783
+ NIPAT	USDm	18	19	20	21	22	23	24	25	25	26
= Net business profit after tax	USDm	557	601	641	677	706	724	745	760	785	810
- Net interest expense after tax	USDm	(269)	(286)	(300)	(314)	(326)	(340)	(352)	(365)	(377)	(389)
= Profit (loss)	USDm	288	315	341	363	380	384	392	394	408	420
Condensed balance sheet											
Operating working capital	USDm	1,572	1,645	1,728	1,811	1,860	1,937	2,010	2,083	2,152	2,220
+ Net non-current operating assets	USDm	3,346	3,576	3,757	3,936	4,103	4,273	4,434	4,596	4,748	4,897
+ Non-operating investments	USDm	359	381	401	420	438	456	473	490	506	522
= Business assets	USDm	5,277	5,602	5,886	6,166	6,400	6,667	6,916	7,170	7,406	7,639
Debt	USDm	2,788	2,960	3,110	3,258	3,382	3,522	3,654	3,788	3,913	4,036
+ Equity	USDm	2,489	2,642	2,776	2,908	3,019	3,144	3,262	3,382	3,493	3,603
= Invested capital	USDm	5,277	5,602	5,886	6,166	6,400	6,667	6,916	7,170	7,406	7,639
Selected ratios											
Return on invested capital (ROIC)	%	10.55%	10.72%	10.89%	10.98%	11.03%	10.85%	10.77%	10.60%	10.60%	10.60%
ROE	%	11.57%	11.93%	12.29%	12.47%	12.57%	12.21%	12.03%	11.67%	11.67%	11.67%
FREE CASH FLOW TO EQUITY (FCFE)											
NOPAT	USDm	539	582	621	656	684	701	721	735	760	783
+ NIPAT	USDm	18	19	20	21	22	23	24	25	25	26
- Interest after tax	USDm	(269)	(286)	(300)	(314)	(326)	(340)	(352)	(365)	(377)	(389)
= Profit (loss)	USDm	288	315	341	363	380	384	392	394	408	420
- Change in operating working capital	USDm	(135)	(73)	(83)	(82)	(49)	(77)	(73)	(74)	(69)	(68)
- Change in net non-current operating assets	USDm	(350)	(230)	(181)	(179)	(167)	(171)	(160)	(162)	(152)	(149)
- Change in non-operating investments	USDm	(98)	(22)	(19)	(19)	(18)	(18)	(17)	(17)	(16)	(16)
+ Change in debt	USDm	308	172	150	148	124	141	132	134	125	123
= Free cash flow to equity (FCFE)	USDm	13	162	207	231	269	258	275	275	296	311
FREE CASH FLOW TO FIRM (FCFF)											
NOPAT	USDm	539	582	621	656	684	701	721	735	760	783
+ NIPAT	USDm	18	19	20	21	22	23	24	25	25	26
- Change in operating working capital	USDm	(135)	(73)	(83)	(82)	(49)	(77)	(73)	(74)	(69)	(68)
- Change in net non-current operating assets	USDm	(350)	(230)	(181)	(179)	(167)	(171)	(160)	(162)	(152)	(149)
- Change in non-operating investments	USDm	(98)	(22)	(19)	(19)	(18)	(18)	(17)	(17)	(16)	(16)
= Free cash flow to firm (FCFF)	USDm	(26)	275	357	397	472	458	495	507	548	577

APPENDIX 7. Capital Costs Calculation

COMPONENTS	VALUE	SOURCE
Risk-free rate (RFR)	4.38%	US government 10Y bond yield as of May 1, 2026
Equity-risk premium (ERP)	16.38%	Implied ERP adjusted for country risks
Beta	1.14	Levered beta based on bottom-up industry beta re-levered using MHP target capital structure
Cost of equity (CoE)	23.12%	CAPM: CoE = RFR + Beta * ERP
Risk-free rate (RFR)	4.38%	US government 10Y bond yield as of May 1, 2026
Debt-risk premium (DRP)	6.97%	Damodaran CCC+ / Caa1 spread based on MHP credit rating "CCC+"
Pre-tax cost of debt	11.35%	CoD (pre-tax) = RFP + DRP
Tax rate (T)	15.00%	MHP corporate tax rate
After-tax cost of debt (CoD)	9.65%	CoD = CoD (pre-tax) * (1 - T)
Weight of equity (We)	28.94%	MHP: market value of equity
Weight of debt (Wd)	71.06%	MHP: market value of debt (=book value)
WACC	13.55%	WACC = CoE * We + CoD * Wd

INPUTS	VALUE	SOURCE
Risk-free rate (RFR)		
RFR: theoretical approach (stable currencies)	3.70%	Postponement of consumption + long-term inflation target
Historical real return on government bonds (global)	1.70%	Palepu et al. (p. 336)
US long-term inflation target	2.00%	Central Bank of the United States
US government 10Y bond yield	4.38%	Investing.com as of May 1, 2026
Equity risk premium (ERP)		
ERP: historical (developed markets)	5.00%	Palepu et al. (p. 335)
ERP: implied (developed markets)	4.23%	Damodaran mature market ERP, Jan 2026
ERP: implied (adjusted for country risks)	16.38%	Damodaran country ERP, weighted by MHP non-current assets, Jan/Apr 2026 (Table 1)
Equity beta		
Regression beta: MHP (5Y monthly)	0.55	Yahoo Finance, MHPC.IL, as of May 1, 2026
Unlevered beta corrected for cash	0.37	Damodaran Europe industry betas, weighted by MHP 20
Levered beta	1.14	Re-levered using MHP D/E ratio and 12.5% tax rate
MHP credit ratings		
S&P Global Ratings, long-term issuer rating	CCC+	S&P/Dragon Capital, Feb 2026
MHP synthetic credit rating		
Synthetic credit rating	Ba2/BB	Damodaran as of Jan 2026
Interest coverage ratio	2.240	Calculation
EBIT (2025), USDm	383	Standardized IS
Interest expense (2025), USDm	171	Standardized IS
Default spreads (debt risk premiums) based on credit rating		
Ba2/BB	1.84%	Damodaran as of Jan 2026
CCC+	6.97%	Damodaran as of Jan 2026
MHP bonds YTM		
MHP Lux S.A. 6.25% 2029 bond YTM	8.716%	TradingView as of May 1, 2026
MHP Lux S.A. 10.5% 2029 new notes coupon / issue yield	10.5%	MHP 2026 new Eurobond issue
Implied DRP from new 2029 notes	6.12%	Issue yield – RFR
MHP financial leverage		
Share price, USD	9.42	MHPC.IL close price as of May 1, 2026
Shares outstanding, m	107.04	MHP financial statements
Market capitalization, USDm	1,008.32	Share price × shares outstanding
Market capitalization, USDm	1,010.00	Yahoo Finance, MHPC.IL, market cap as of 1 May 2026
Debt (book value), USDm	2,480	Condensed FS
Weight of equity (We)	28.94%	
Weight of debt (Wd)	71.06%	
D/E	2.46	

APPENDIX 8. DCF Valuation Results

FREE CASH FLOW TO EQUITY (FCFE) MODEL

FCFE	USDm	FS Forecasting	
Discount rate (cost of equity)	%	Capital costs	23.12%
Last reporting date	date	Inputs	31/12/25
Discount periods	years	Calculation	
PV factor	x	Calculation	
PV of forecasted FCFE	USDm	Calculation	
Forecast period value	USDm	Calculation	698.43
Terminal growth rate	%	FS Forecasting	3.1%
Terminal value in terminal year	USDm	Calculation	
PV of terminal value	USDm	Calculation	
Terminal value	USDm	Calculation	200.30
Equity value	USDm	Calculation	898.73
Forecast period value / total value	%	Calculation	77.7%
Terminal value / total value	%	Calculation	22.3%
Number of shares outstanding	million	Inputs	107.04
Equity value per share (as of last reporting date)	USD/share	Calculation	8.40
Valuation date	date	Inputs	01/05/26
Period between last reporting and valuation date	years	Calculation	0.34
Correction (compounding) factor	x	Calculation	1.07
Equity value per share (as of valuation date)	USD/share	Calculation	9.00
Market share price (as of valuation date)	USD/share	Inputs	9.42
Upside (downside)	%	Calculation	-4.41%

FREE CASH FLOW TO FIRM (FCFF) MODEL

FCFF	USDm	FS Forecasting	
Discount rate (WACC)	%	Capital costs	13.55%
Last reporting date	date	Inputs	31/12/25
Discount periods	years	Calculation	
PV factor	x	Calculation	
PV of forecasted FCFF	USDm	Calculation	
Forecast period value	USDm	Calculation	1,860
Terminal growth rate	%	FS Forecasting	3.1%
Terminal value in terminal year	USDm	Calculation	
PV of terminal value	USDm	Calculation	
Terminal value	USDm	Calculation	1,606
Business assets value	USDm	Calculation	3,466
Forecast period value / total value	%	Calculation	53.7%
Terminal value / total value	%	Calculation	46.3%
Business assets value	USDm	Calculation	3,466
+ Net assets held for sale	USDm	Condensed FS	0
- Value of debt	USDm	Condensed FS	(2,480)
- Value of non-controlling (minority) interest	USDm	Condensed FS	(52)
= Equity value	USDm		934
Number of shares outstanding	million	Inputs	107.04
Equity value per share (as of last reporting date)	USD/share	Calculation	8.73
Valuation date	date	Inputs	01/05/26
Period between last reporting and valuation date	years	Calculation	0.34
Correction (compounding) factor	x	Calculation	1.04
Equity value per share (as of valuation date)	USD/share	Calculation	9.11
Market share price (as of valuation date)	USD/share	Inputs	9.42
Upside (downside)	%	Calculation	-3.32%

APPENDIX 9. Sensitivity Analysis

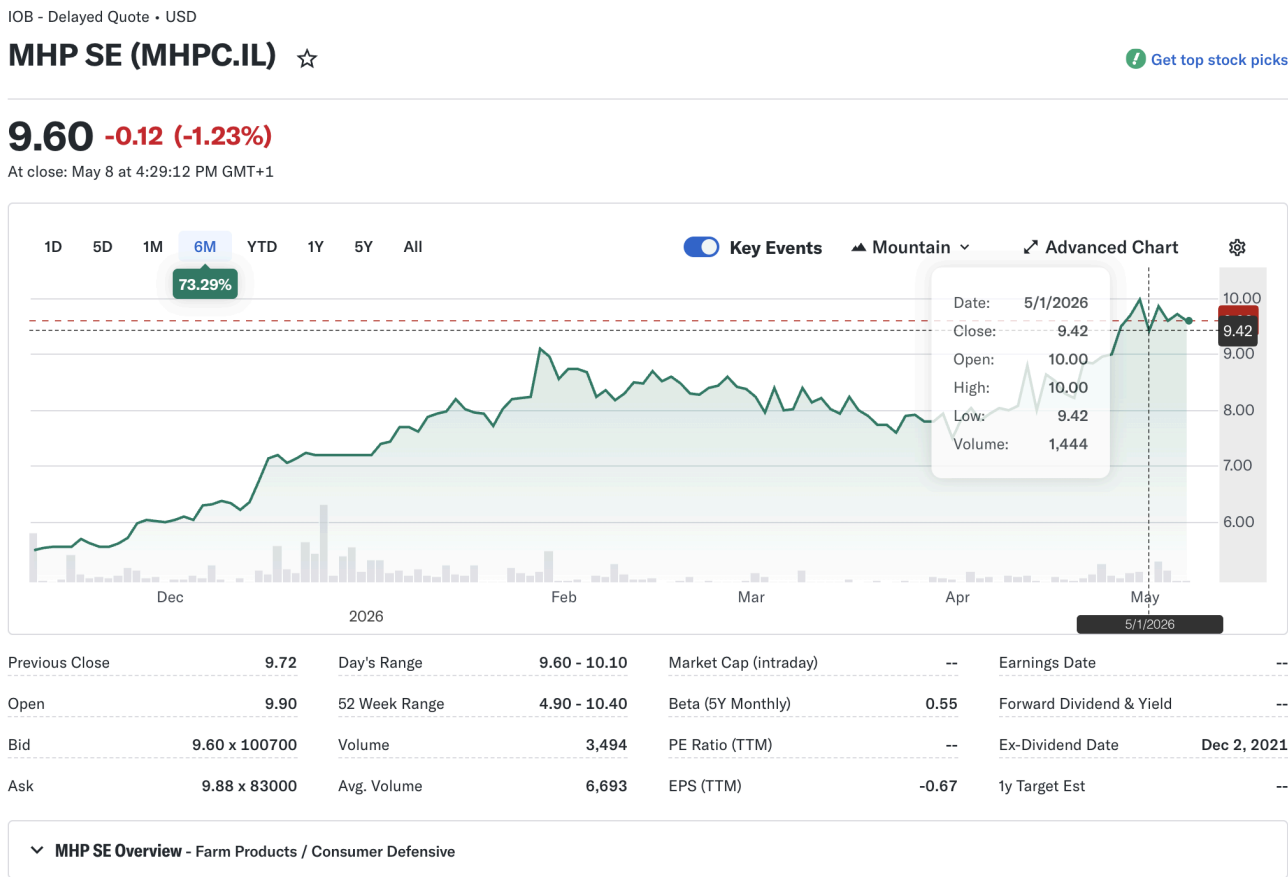
FCFE SENSITIVITY: equity value per share as of valuation date (USD/share)						
Terminal growth \ Cost of Equity	21.1%	22.1%	23.1%	24.1%	25.1%	26.1%
1%	9.92	9.32	8.77	8.29	7.85	7.44
2%	10.07	9.45	8.88	8.38	7.92	7.50
3%	10.24	9.59	9.00	8.49	8.01	7.58
4%	10.41	9.73	9.11	8.58	8.09	7.65
5%	10.61	9.90	9.25	8.70	8.19	7.73

FCFF SENSITIVITY: equity value per share as of valuation date (USD/share)						
Terminal growth \ WACC	11.55%	12.05%	13.55%	14.05%	14.55%	15.05%
1%	13.48	11.39	6.17	4.69	3.34	2.09
2%	15.56	13.20	7.41	5.79	4.32	2.96
3%	18.55	15.78	9.11	7.28	5.63	4.13
4%	21.40	18.20	10.66	8.63	6.82	5.17
5%	25.65	21.76	12.86	10.53	8.46	6.61

APPENDIX 10. Multiple-based Valuation

PEER CONTROL DATA										
Company	Ticker	Reporting Currency	FX Rate to USD	Fiscal Year / Period	Market Data Date	Source				
Tyson Foods, Inc.	TSN	USD	1.00	FY ended Sep 27, 2025	May 1, 2026	Tyson Foods 2025 Annual report, Form 10-K				
Pilgrim's Pride Corporation	PPC	USD	1.00	FY ended Dec 28, 2025	May 1, 2026	Fourth Quarter and Year-End 2025 Results				
Cranswick plc	CWK / CWK.L	GBP	1.357800	5 weeks ended 29 March 2025	May 1, 2026	Cranswick plc Annual Report & Accounts 2025				
JBS N.V.	JBS / JBSS32	USD	1.00	FY ended Dec 31, 2025	May 1, 2026	JBS 2025 Annual Report				
Astral Foods Limited	ARL	ZAR	0.06	FY ended Sep 30, 2025	April 30, 2026	Astral 2025 Annual Report				
Astarta Holding PLC	AST	EUR	1.17	FY ended Dec 31, 2025	April 30, 2026	Astarta 2025 Annual Report				
Kernel Holding S.A.	KER	USD	1.00	FY ended June 30, 2025	April 30, 2026	Kernel Holding S.A. 2025 Annual Report				
IMC S.A. / Industrial Milk Company	IMC	USD	1.00	FY ended Dec 31, 2025	April 30, 2026	IMC S.A. 2025 Annual Report				
Kyivstar Group Ltd.	KYIV	USD	1.00	FY ended Dec 31, 2025	May 1, 2026	Kyivstar Group Ltd. 2025 Form 20-F				
MHP SE	MHPC / MHPC.IL	USD	1.00	FY ended Dec 31, 2025	May 1, 2026	MHP SE 2025 Annual report				
PEER MARKET DATA										
Company	Share price (USD)	Shares Outstanding (million)	Market Cap (USDm)	Total Debt (USDm)	Cash (USDm)	Minority Interest (USDm)	Enterprise Value (USDm)			
Tyson Foods, Inc.	63.68	353.05	22,482	8,830	1,229	142	30,225			
Pilgrim's Pride Corporation	31.88	237.55	7,573	3,094	640	14	10,040			
Cranswick plc	72.91	53.53	3,903	242	8	0	4,137			
JBS N.V.	16.08	1,068.51	17,182	21,091	4,771	819	34,320			
Astral Foods Limited	14.68	38.53	566	19	62	0	523			
Astarta Holding PLC	13.73	24.47	336	312	47	0	601			
Kernel Holding S.A.	5.52	293.13	1,618	761	618	1	1,762			
IMC S.A. / Industrial Milk Company	9.94	35.50	353	135	46	-1	440			
Kyivstar Group Ltd.	12.29	230.86	2,837	516	455	0	2,898			
MHP SE	9.42	107.04	1,008	2,480	415	52	3,125			
PEER FINANCIAL DATA AND MULTIPLES										
Company	Revenue (USDm)	EBITDA (USDm)	EBIT (USDm)	Net Income (USDm)	Book Equity (USDm)	EV/Revenue (x)	EV/EBITDA (x)	EV/EBIT (x)	P/E (x)	P/B (x)
International Protein / Poultry / Food Peers										
Tyson Foods, Inc.	54,441	2,459	1,098	474	18,085	0.56	12.29	27.53	47.43	1.24
Pilgrim's Pride Corporation	18,498	2,069	1,614	1,082	3,680	0.54	4.85	6.22	7.00	2.06
Cranswick plc	3,698	369	258	182	1,341	1.12	11.21	16.01	21.40	2.91
JBS N.V.	86,184	6,468	4,160	2,024	8,704	0.40	5.31	8.25	8.49	1.97
Astral Foods Limited	1,357	95	75	53	323	0.39	5.52	6.99	10.76	1.75
Average						0.60	7.84	13.00	19.02	1.99
Median						0.54	5.52	8.25	10.76	1.97
Ukrainian / Ukraine-Exposed Companies										
Astarta Holding PLC	554	117	59	23	648	1.09	5.14	10.18	14.37	0.52
Kernel Holding S.A.	4,115	466	361	238	2,078	0.43	3.78	4.88	6.80	0.78
IMC S.A. / Industrial Milk Company	190	96	76	68	209	2.31	4.60	5.82	5.19	1.69
Kyivstar Group Ltd.	1,157	479	274	124	1,299	2.51	6.05	10.58	22.88	2.18
Average						1.58	4.89	7.86	12.31	1.29
Median						1.70	4.87	8.00	10.58	1.23
MHP SE	3,766	641	376	175	2,162	0.83	4.88	8.31	5.76	0.47
MHP Implied Valuation Based on International Peer Median										
Method	Peer multiple (x)	MHP metric	MHP metric value (USDm)	Implied Enterprise Value (USDm)	Implied Equity Value (USDm)	Shares Outstanding (million)	Implied Share Price (USD)			
EV/Revenue	0.54	MHP Revenue	3,766	2044.18	-72.82	107.038	-0.68			
EV/EBITDA	5.52	MHP EBITDA	641	3538.77	1421.77	107.038	13.28			
EV/EBIT	8.25	MHP EBIT	376	3102.24	985.24	107.038	9.20			
P/E	10.76	MHP Net Income attributable to shareholders	175	-	1883.51	107.038	17.60			
P/B	1.97	MHP Book Equity attributable to shareholders	2,162	-	4267.97	107.038	39.87			
MHP Implied Valuation Based on Ukrainian / Ukraine-Exposed Median										
Method	Peer multiple (x)	MHP metric	MHP metric value (USDm)	Implied Enterprise Value (USDm)	Implied Equity Value (USDm)	Shares Outstanding (million)	Implied Share Price (USD)			
EV/Revenue	1.70	MHP Revenue	3,766	6393.76	4276.76	107.038	39.96			
EV/EBITDA	4.87	MHP EBITDA	641	3120.99	1003.99	107.038	9.38			
EV/EBIT	8.00	MHP EBIT	376	3007.55	890.55	107.038	8.32			
P/E	10.58	MHP Net Income attributable to shareholders	175	-	1852.22	107.038	17.30			
P/B	1.23	MHP Book Equity attributable to shareholders	2,162	-	2663.56	107.038	24.88			

APPENDIX 11. MHP SE Historical Share Price Performance



APPENDIX 12. MHP SE Valuation Model

✚ Oleksii-Tarassenko-MHP-Valuation-Model