



Leveraging Ukraine's natural advantage in agriculture



C O M P A N Y P R E S E N T A T I O N

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Q1 FY2015 results highlights

Key Highlights:

- Revenues increased 40% y-o-y to USD 579.2 million in Q1 FY2015, driven by an increase in volumes amid global agricultural commodity prices that were lower y-o-y.
- EBITDA of USD 80.5 million in Q1 FY2015, up from USD 3.0 million in Q1 FY2014, as a result of improved profitability across all business lines.
- The sunflower oil business performed well, with sunflower seed crushing volumes up 2.2x y-o-y and sunflower oil sales up 2.1x y-o-y in Q1 FY2015 as a result of strong sunflower seed inventories accumulated by the company at the end of FY2014. The segment sunflower oil sales in bulk's EBITDA margin improved from USD 8 per ton a year ago to USD 202 per ton in Q1 FY2015, reflecting lower competition on the market.
- The grain segment's export volumes grew 38% y-o-y to 1.2 million tons in Q1 FY2015 as a result of strong wheat and barley harvests in Ukraine and Russia, and accelerated selling by farmers. The segment's EBITDA margin improved from USD 11 per ton a year ago to USD 14 per ton in Q1 FY2015, reflecting strong selling by farmers.
- Export terminals' throughput growth of 56% y-o-y to 1.2 million tons in Q1 FY2015 tracked an increase in grain and sunflower oil exports. The segment's EBITDA margin rose 16% y-o-y to USD 10 per ton in Q1 FY2015 reflecting operating leverage.
- Our own farming crop yields increased 16-29% y-o-y, driven by the change in technology amid less favorable weather conditions. The farming segment's sales in Q1 FY2015 reflect mostly intragroup sales of oilseed crops while grain sales are scheduled to begin from Q2 FY2015 when VAT refund on grain export sales by farming companies is resumed.
- Net profit of USD 23.4 million in Q1 FY2015 also reflects a foreign exchange loss of USD 17.2 million stemming from Ukrainian hryvnia devaluation during the period.

Corporate and Regulatory:

- In August 2014, Kernel renewed its pre-export credit facilities, which are being used to finance working capital in the sunflower oil and grain business. With this renewal, the Company completed its refinancing needs for this marketing season.
- In July 2014, the Ukrainian parliament adopted changes to the Tax Code that reinstate VAT refunds for farming companies exporting their own grain effective from 1 October 2014. VAT on grain exports was not refunded from 1 July 2011 to 1 January 2014 and from 1 April 2014 to 1 October 2014.
- The annual general meeting of shareholders is scheduled to be held on 10 December 2014. Among other things, the board is recommending shareholders approve a USD 0.25 per share ordinary dividend payout.

USD million except ratios and EPS	Q1 FY2015	Q1 FY2014	y-o-y
P&L highlights			
Revenue	579.2	412.9	40%
EBITDA ⁽¹⁾	80.5	3.0	27x
Net profit/(loss) ⁽²⁾	23.4	(33.4)	n/m
EBITDA margin	13.9%	0.7%	13.2pp
Net margin	4.0%	(8.1%)	12.1pp
EPS ⁽³⁾ , USD	0.29	(0.42)	n/m
Cash flow highlights			
Operating profit before working capital changes	74.4	12.3	6.1x
Change in working capital	0.9	(16.2)	n/m
Cash from operations before interest & taxes	75.3	(3.9)	n/m
Net cash obtained from operating activities	46.0	(35.9)	n/m
Net cash used in investing activities	(11.6)	(17.0)	(32%)
Liquidity position and credit metrics			
Net interest-bearing debt	653.9	711.8	(8%)
Readily marketable inventories	328.8	276.3	19%
Adjusted net debt ⁽⁴⁾	325.2	435.5	(25%)
Shareholders' equity	1,022.5	1,301.5	(21%)
Net debt/EBITDA ⁽⁵⁾	2.2x	3.3x	(1.1x)
Adjusted net debt/EBITDA	1.1x	2.0x	(1.0x)
EBITDA/Interest ⁽⁶⁾	3.9x	3.2x	0.7x

⁽¹⁾ Hereinafter, EBITDA is calculated as the sum of profit from operating activities plus amortization and depreciation.

⁽²⁾ Net profit/(loss) attributable to equity holders of Kernel Holding S.A.

⁽³⁾ EPS is measured in US Dollars per share, based on 79.7 million shares for Q1 FY2015 and Q1 FY2014.

⁽⁴⁾ Adjusted net financial debt is net debt minus readily marketable inventories. Adjusted net debt/EBITDA is calculated based on 12-month trailing EBITDA.

⁽⁵⁾ Net debt/EBITDA is calculated based on 12-month trailing EBITDA.

⁽⁶⁾ EBITDA/Interest is calculated based on 12-month trailing EBITDA and net finance costs.

Q1 FY2015 segment results summary

	Revenue, USD million			EBITDA, USD million			EBITDA margin		Volumes, thousand tons		
	Q1 FY2015	Q1 FY2014	y-o-y	Q1 FY2015	Q1 FY2014	y-o-y	Q1 FY2015	Q1 FY2014	Q1 FY2015	Q1 FY2014	y-o-y
Sunflower oil											
Sunflower oil sold in bulk	232.5	116.5	2.0x	40.9	0.8	53x	17.6%	0.7%	202.6	95.7	2.1x
Bottled sunflower oil	26.3	33.4	(21%)	3.8	3.7	1%	14.4%	11.2%	22.8 ⁽¹⁾	22.4 ⁽¹⁾	2%
Grain and infrastructure											
Grain	287.0	229.0	25%	17.7	9.4	88%	6.2%	4.1%	1,220.9	884.7	38%
Export terminals	10.7	7.2	48%	6.8	3.7	85%	63.9%	51.3%	1,212.6 ⁽²⁾	778.2 ⁽²⁾	56%
Silo services	9.2	9.8	(6%)	4.5	4.6	(4%)	48.5%	47.5%			
Farming											
Farming	55.3	69.9	(21%)	10.7	(6.4)	n/m	19.4%	(9.2%)			
Sugar and discontinued operations ⁽³⁾	20.2	4.7	4.3x	2.9	(0.2)	n/m	14.4%	(5.3%)			
Unallocated corporate expenses				(6.8)	(12.6)	(46%)					
Revenue reconciliation	(62.0)	(57.5)	8%								
Total	579.2	412.9	40%	80.5	3.0	27x	13.9%	0.7%			

Note: Differences are possible due to rounding. Segment revenue includes intersegment sales reflected in the item "Reconciliation".

(1) Million liters.

(2) Including 543,050 tons transhipped through Taman port in Q1 FY2015 and 359,209 tons in Q1 FY2014 (Kernel's share in joint venture).

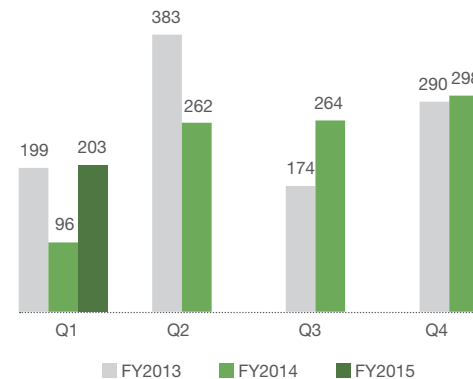
(3) Discontinued operations from sugar and assets held for sale.

Sunflower oil in Q1 FY2015

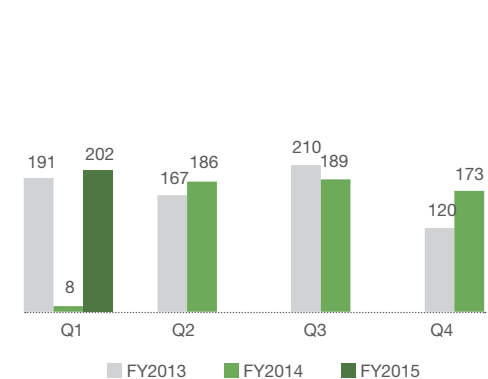
Sunflower oil sales in bulk

- Sunflower seed crushing volumes increased 2.2x y-o-y to 506,386 tons in Q1 FY2015, a record volume for the seasonally weak first quarter, as the Company procured strong inventory stock as of the beginning of the quarter, utilizing better availability of sunflower seed on the market. The segment's revenues amounted to USD 232.5 million in Q1 FY2015, up 2.0x y-o-y.
- As a result of higher crush, sunflower oil sales in bulk increased 2.1x y-o-y to 202,592 tons in Q1 FY2015.
- The segment's profitability improved to USD 202 per ton in Q1 FY2015 (vs. USD 164 per ton in FY2014 and USD 8 per ton in Q1 FY2014), as the Company took advantage of lower competition to improve the margin.
- The segment's total EBITDA amounted to USD 40.9 million in Q1 FY2015 compared to USD 0.8 million in Q1 FY2014, due to a combination of better margins and volumes.

Sunflower oil sales in bulk,
thousand tons



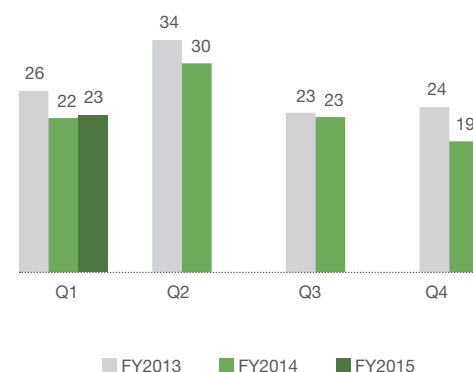
Sunflower oil sold in bulk EBITDA,
USD per ton



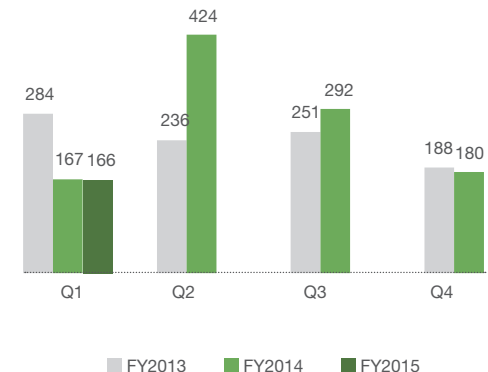
Bottled oil

- Bottled oil sales amounted to 22.8 million liters in Q1 FY2015, up 2% y-o-y. The segment's revenues declined 21% y-o-y to USD 26.3 million in Q1 FY2015, reflecting an environment where sunflower oil prices were lower y-o-y.
- The bottled oil segment's EBITDA margin was 14.4% in Q1 FY2015, up from 11.2% a year ago, but lower than the sunflower oil sales in bulk segment's profitability in Q1 FY2015 due to the natural lag in retail price adjustment following local currency devaluation.
- The segment's total EBITDA amounted to USD 3.8 million in Q1 FY2015, compared to USD 3.7 million in Q1 FY2014.

Bottled sunflower oil sales,
million liters



Bottled sunflower oil EBITDA,
USD per thousand liters

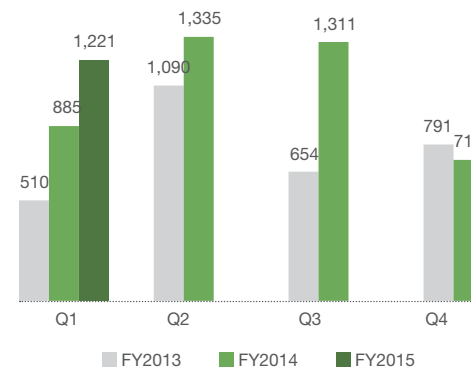


Grain and infrastructure in Q1 FY2015

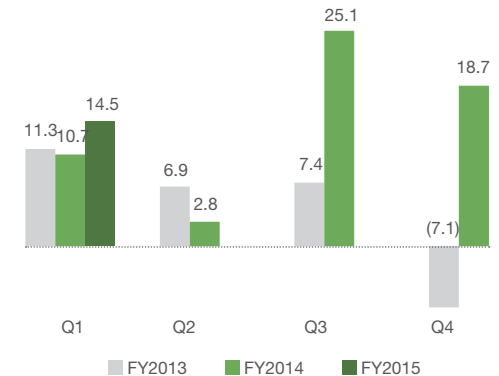
Grain

- Grain sales increased 38% y-o-y to 1,220,855 tons in Q1 FY2015, driven by solid wheat and barley harvests both in Ukraine and Russia (109 million tons for both countries in 2014/15 compared to 97 million tons in 2013/14), as well as faster selling by farmers in the beginning of the season this year. The segment's revenues increase of 25% y-o-y to USD 287.0 million in Q1 FY2015 was slower than growth in volumes as international prices decreased y-o-y.
- The grain segment's EBITDA margin was USD 14 per ton in Q1 FY2015 (compared to USD 11 per ton in Q1 FY2014), an improvement driven by farmers' willingness to sell a higher portion of their crop in the beginning of the season.
- As a result of improved margins and growth in volumes, the segment's EBITDA almost doubled y-o-y to USD 17.7 million in Q1 FY2015.

Grain sales,
thousand tons



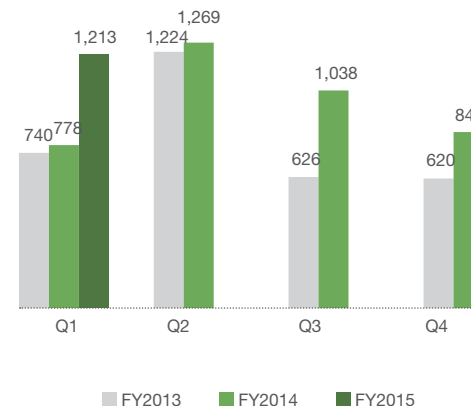
Grain segment EBITDA,
USD per ton



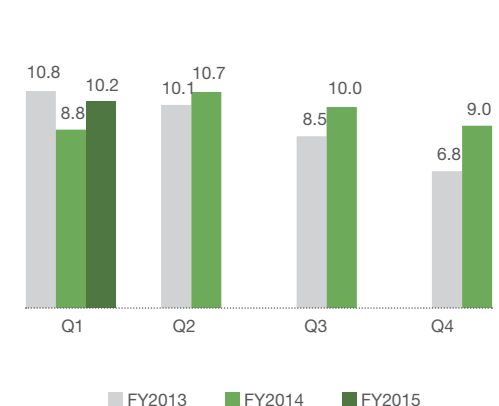
Export terminals and silo services

- The export terminals segment's throughput rose 56% y-o-y to 1.2 million tons in Q1 FY2015, fueled by an increase in grain and sunflower oil exports. The segment's EBITDA margin increased 16% y-o-y to USD 10 per ton in Q1 FY2015 reflecting operating leverage.
- The segment's total EBITDA increased 1.9x y-o-y to USD 6.8 million in Q1 FY2015 (this reflects only Ukrainian operations, as the contribution from the Taman joint venture is accounted for according to the equity method below operating profit). The net contribution from the Taman joint venture increased 2.2x y-o-y to USD 4.2 million in Q1 FY2015, reflecting growth in volumes and the operating leverage of the fixed costs business.
- The silo services segment's revenues declined 6% y-o-y to USD 9.2 million in Q1 FY2015 as less rainy weather this autumn required less drying services to be provided during crop intake at silos. The segment's EBITDA amounted to USD 4.5 million in Q1 FY2015 compared to USD 4.6 million in Q1 FY2014.

Export terminals throughput,
thousand tons



Export terminals EBITDA,
USD per ton

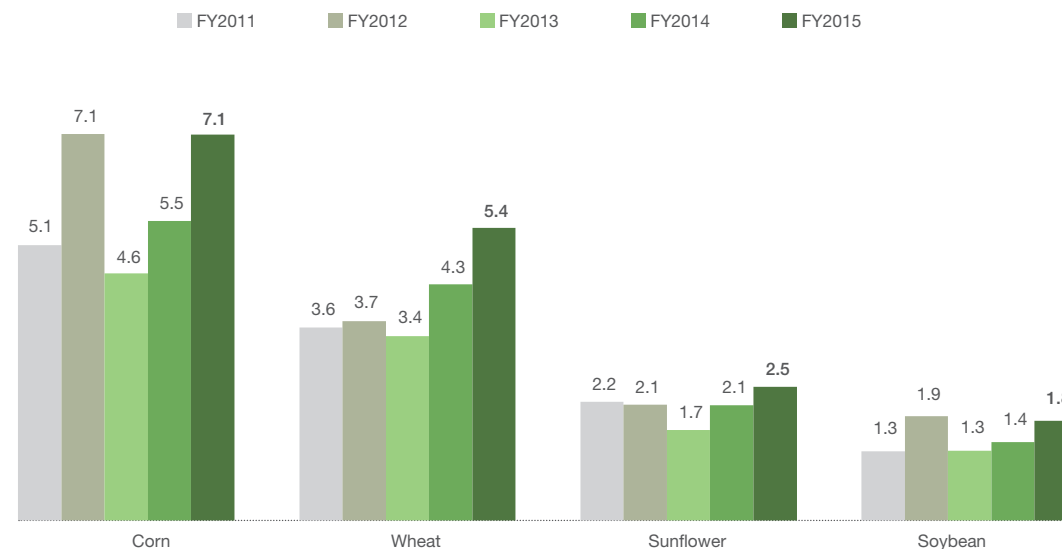


Farming in Q1 FY2015

Farming and sugar

- 97% acreage harvesting for FY2015 was completed as of this report's publication, with crop yields up 16-29% y-o-y as a result of improved technology amid inferior weather conditions. As a result, the total grain and oilseed harvest increased 30% y-o-y to 1.8 million tons in FY2015.
- In July 2014, the Ukrainian parliament adopted changes to the Tax Code to reinstate VAT refunds for farming companies that directly export grains effective from 1 October 2014. VAT on grain exports was not refunded from 1 July 2011 to 1 January 2014 and from 1 April 2014 to 1 October 2014. As a result, most grain sales for our own farming division are contracted starting from 1 October 2014, while Q1 FY2014 sales reflect primarily oilseed crops sold intragroup.
- As a result, the segment's revenues comprised of USD 55.3 million in Q1 FY2015, with EBITDA up to USD 10.7 million in Q1 FY2015, compared to negative USD 6.4 million a year ago.
- The Company also sold most of its sugar stock leftover from the 2012 production campaign in Q1 FY2015, prior to the sharp decline in sugar prices on the local market. Sugar sales contributed USD 2.9 million to the Company's EBITDA in Q1 FY2015 compared to negative USD 0.2 million a year ago.

Net crop yields, tons per hectare



Harvest update

	Acreage, thousand hectares			Net crop yield ⁽¹⁾ , tons/hectare			Net tonnage, thousand tons	
	FY2015	FY2014	% change	FY2015	FY2014	% change	FY2015	FY2014
Corn	184.2	161.6	14%	7.1	5.5	29%	1,308.0	891.2
Wheat	30.7	33.6	(9%)	5.4	4.3	24%	165.2	146.0
Sunflower	69.5	102.8	(32%)	2.5	2.1	16%	170.8	217.9
Soybean	66.5	61.2	9%	1.8	1.4	28%	122.2	88.0
Other ⁽²⁾	21.7	22.7	(4%)					
Total	383.9	388.7	(1%)					
incl. grains	223.0	201.1	11%	6.7	5.3	28%	1,500.3	1,056.1
incl. oilseed	136.1	169.2	(20%)	2.2	1.9	14%	293.1	319.2

⁽¹⁾ Net crop yields are based on 95% of corn acreage harvested and 100% for other crops, and based on estimated losses during drying and cleaning.

1 ton per hectare equals 15.9 bushels per acre for corn and 14.9 bushels per acre for wheat and soybean.

⁽²⁾ Other acreage includes barley, rye, oats, forage crops, and land left fallow for crop rotation purposes.

Balance sheet

Balance sheet highlights

USD million	30 Sep 2014	30 June 2014	30 Sep 2013
Invested capital			
Cash & cash equivalents	52.5	65.4	77.7
Net trade accounts receivable	72.6	99.8	137.2
Inventory	411.4	299.5	327.6
of which: readily marketable inventories	328.8	243.4	276.3
Biological assets	79.4	182.8	209.4
Other currents assets	213.4	225.0	330.6
Net property, plant & equipment	624.8	643.5	771.1
Other non-current assets	412.4	403.0	506.1
Total assets	1,866.5	1,919.0	2,359.7
Financed by			
Short-term liabilities	579.6	597.4	660.0
of which: interest-bearing debt	468.5	489.4	431.7
Long-term liabilities	267.8	291.0	382.5
of which: long-term interest bearing debt	237.9	260.0	357.9
Total liabilities	847.4	888.3	1,042.6

Credit metrics highlights

USD million except ratios	30 Sep 2014	30 June 2014	30 Sep 2013
Gross interest-bearing debt	706.4	749.4	789.5
Net interest-bearing debt	653.9	684.0	711.8
Readily marketable inventories	328.8	243.4	276.3
Adjusted net financial debt	325.2	440.6	435.5
Net debt / EBITDA	2.2x	3.1x	3.3x
Adjusted net debt / EBITDA	1.1x	2.0x	2.0x
EBITDA / Interest	3.9x	3.1x	3.2x

P&L and cash flow

P&L highlights

USD million except ratios and EPS

	Q1 FY2015	Q1 FY2014
Revenue	579.2	412.9
Net IAS 41 gain	(1.6)	(9.4)
Gross profit	111.5	25.8
EBITDA	80.5	3.0
EBIT	60.4	(22.8)
Net financial costs	(18.5)	(13.4)
Net profit⁽¹⁾	23.4	(33.4)
Gross margin	19.3%	6.2%
EBITDA margin	13.9%	0.7%
Net margin	4.0%	(8.1%)
EPS, USD	0.29	(0.42)

Cash flow highlights

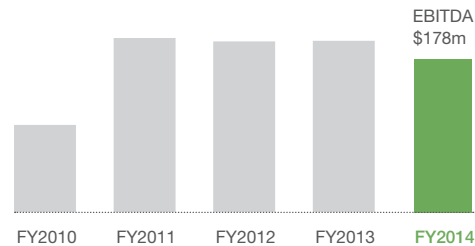
USD million

	Q1 FY2015	Q1 FY2014
Operating profit before working capital changes	74.4	12.3
Changes in working capital	0.9	(16.2)
Cash obtained from/(used in) operations	75.3	(3.9)
Finance costs paid	(21.5)	(13.3)
Income tax paid	(7.9)	(18.7)
Net cash obtained from/(used in) operating activities	46.0	(35.9)
Net PPE disposals/(purchases)	(8.7)	(16.9)
Sales/(Purchase) of intangible and other non-current assets	(2.9)	(0.2)
Net cash used in investing activities	(11.6)	(17.0)
Net cash obtained from/(used in) investing & operating activities	34.4	(52.9)

⁽¹⁾ Net profit attributable to equity holders of Kernel Holding S.A.

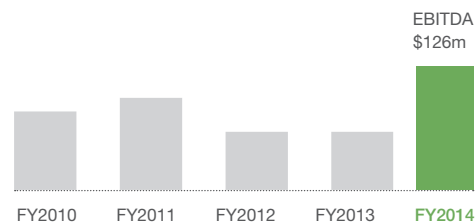
Kernel at a glance

Sunflower oil



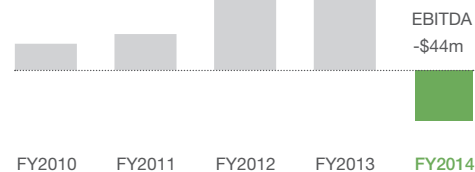
- #1 sunflower oil producer and exporter in Ukraine.
- 2.9 million tons/year sunflower seed crushing capacity.
- #1 bottled sunflower oil producer and marketer in Ukraine with 30% market share.

Grain and infrastructure



- Leading grain originator and marketer with 9-12% of Ukraine's total grain exports.
- Emerging player in grain export from Russia.
- 3 export terminals in Ukraine and Russia with a total annual capacity to transship 6 million tons.
- #1 inland grain silo network with 2.8 million tons of storage capacity in Ukraine.

Farming



- #2 crop producer in Ukraine with 389,000 hectares of leasehold farmland.
- Modern large-scale machinery, sustainable agronomic practices, cluster management system, focused export-oriented crop mix.
- 85-90% of output goes through our grain and infrastructure or sunflower oil segments, earning incremental profits.

Note: Hereinafter, segment EBITDA is presented prior to certain unallocated G&A costs.

Stock information

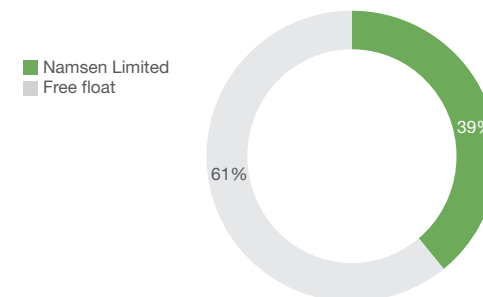
Exchange	Warsaw Stock Exchange
Stock quote currency	PLN
Issued shares	79,683,410
Bloomberg Reuters ticker	KER PW KERN.WA
ISIN code	LU0327357389

Market data as of 31 October 2014

Market capitalization	USD 627.0 million
Closing price	PLN 26.5 / USD 7.9
Lowest/Highest price for last six months	USD 6.7 / 11.3
Average daily turnover, six months	197,142 shares / USD 1.8 million

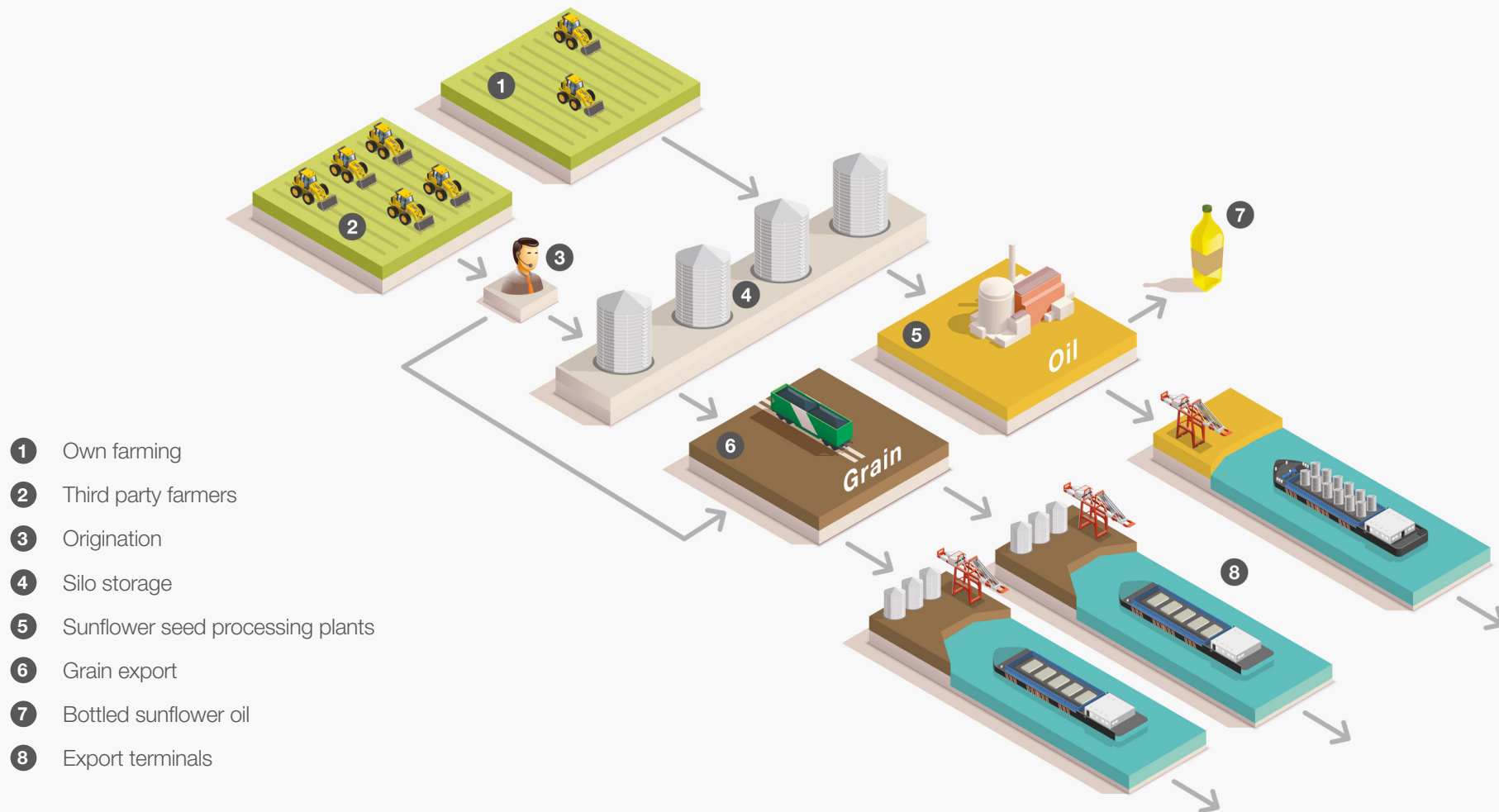
USD million except ratios and EPS	FY2014	FY2013	y-o-y
Revenue	2,393.3	2,796.8	(14.4%)
EBITDA	223.0	287.5	(22.4%)
Net (loss)/profit ⁽¹⁾	(98.3)	111.6	n/m
EBITDA margin	9.3%	10.3%	(1.0pp)
Net margin	(4.1%)	4.0%	(8.1pp)
EPS, USD	(1.23)	1.40	n/m

Shareholding structure

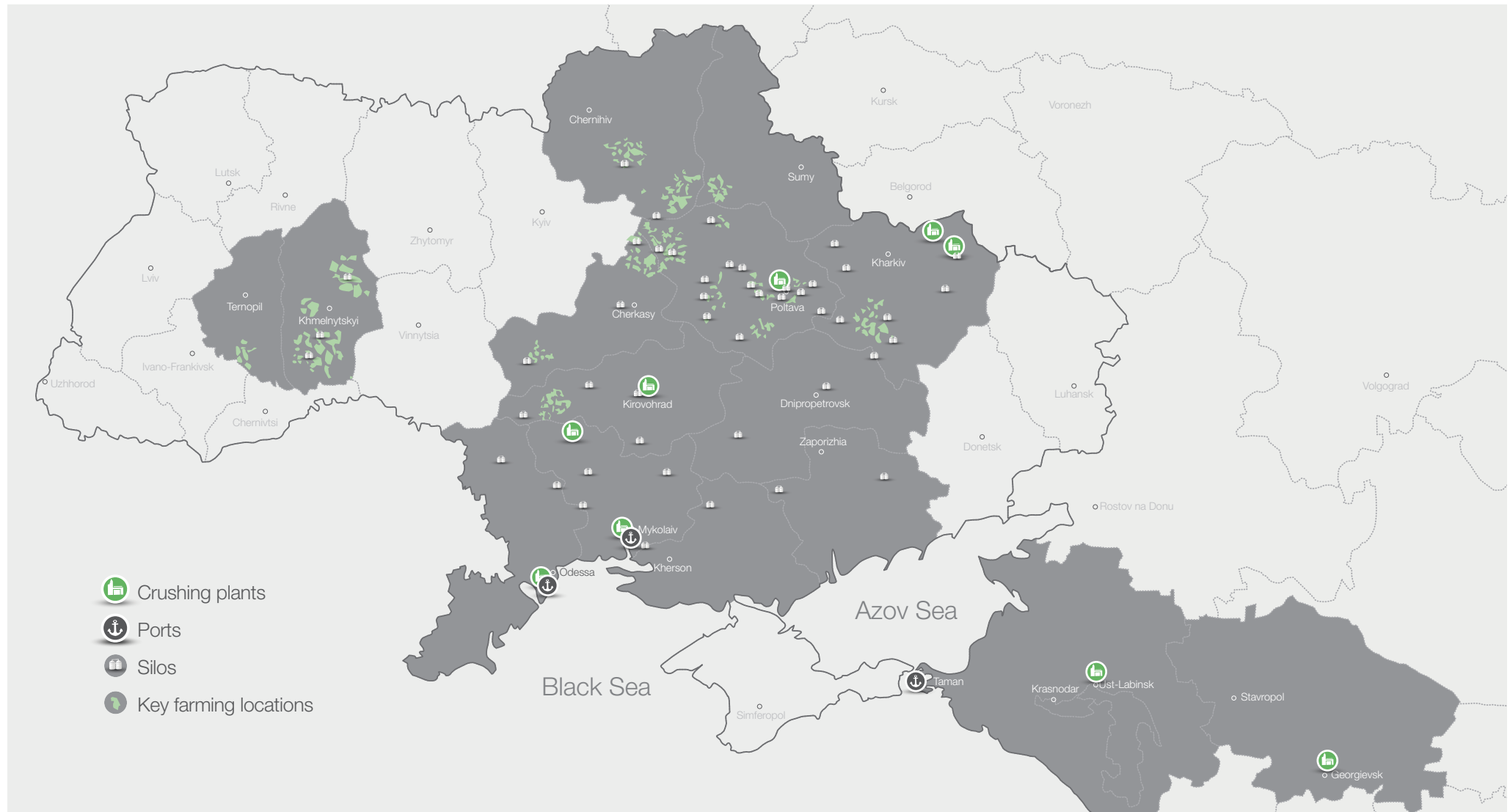


⁽¹⁾ Net (loss)/profit attributable to equity holders of Kernel Holding S.A.
Note: Shareholder structure as of 30 June 2014. Source: Bloomberg, Kernel.

Our business model



Asset map



Sunflower Oil

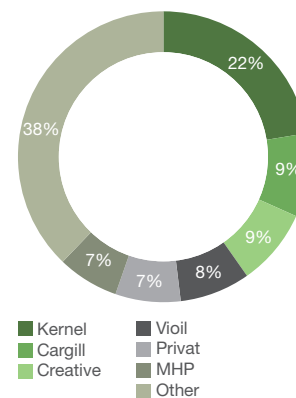


Our business model

- #1 oilseed crusher in Ukraine; total capacity of 2.9 million tons of sunflower seed per year.
- Diversified asset base: 7 plants located across the sunflower seed belt in Ukraine, 2 plants in southern Russia.
- Diversified supplier base: 5,000+ suppliers annually. Own farming contributes 6-9% of total volumes.
- 'Balanced book' policy of locking into margins at the moment of sunflower seed procurement.
- 90% volumes exported in bulk; 10% sold domestically via three brands and private labels.

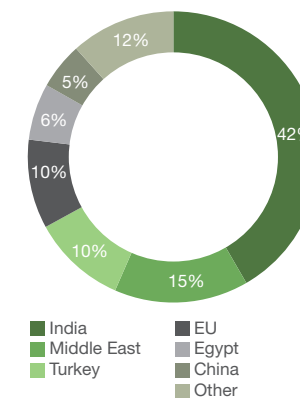


Sunflower seed industrial crushing capacity in Ukraine



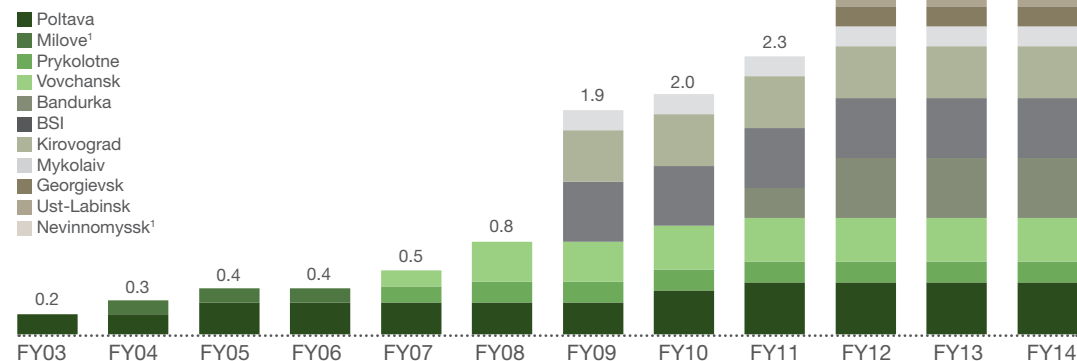
Source: Kernel.

Kernel's sunflower oil export by destination (FY2014)



Source: Kernel.

Kernel oilseed crushing capacity (million tons per year)



(1) Milove oilseed crushing plant divested in FY2006. Nevinnomyssk oilseed crushing plant divested in FY2014.
Source: Kernel.

FY2014 performance

Sunflower oil sold in bulk:

- › Volumes down 12% y-o-y due to poor Q1 (low carry-over sunflower seed and oil inventories because of inferior 2012 harvest in Ukraine).
- › Strong margin in Q2-Q4 FY2014 (16% EBITDA, driven by strong sunflower seed harvest in Ukraine in 2013), negligible contribution in Q1 FY2014, resulting in full year EBITDA at 14%, up 3 pp y-o-y.

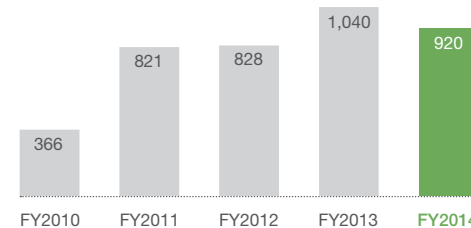
Bottled sunflower oil:

- › Volumes down 13% y-o-y because of Q1 and lower branded sales, as we increased our price premium vs. private labels.
- › EBITDA margin up to 20% (from 14%) as a result of lower sunflower seed prices and an increased price premium.

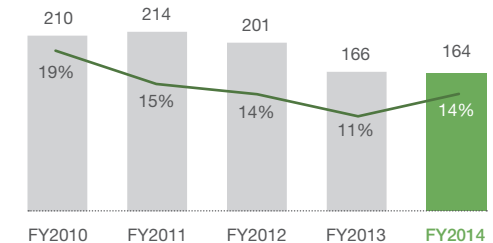
Key market trends in 2013/14:

- › Global edible oil prices, including for sunflower oil, declined by 20-35% y-o-y in 2013/14, resulting in a decrease in sunflower seed prices.
- › The sunflower seed harvest in Ukraine was 11.1 million tons in 2013/14, up from 8.4 million tons in 2012/13.
- › The strong harvest in Ukraine improved the sunflower seed crushing margin and the industry's capacity utilization in 2013/14.
- › Abundant stock of sunflower seed at yearend ensures strong utilization in Q1 FY2015.

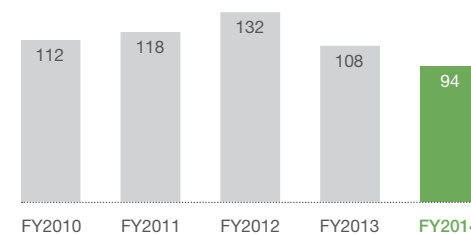
Sunflower oil sold in bulk
(thousand tons)



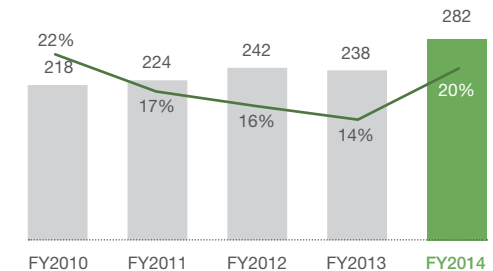
Sunflower oil sold in bulk EBITDA
(USD/ton, %)



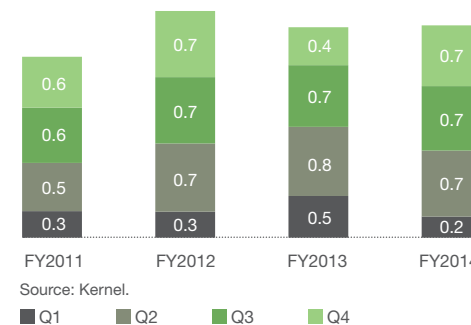
Sunflower oil sold bottled
(thousand tons)



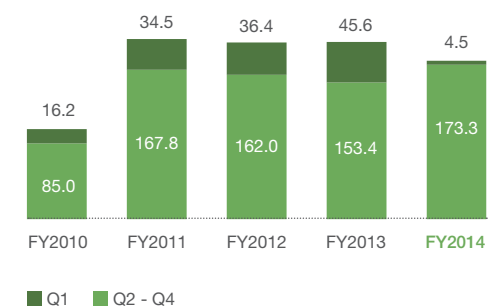
Bottled sunflower oil EBITDA
(USD/thousand liters, %)



Sunflower seed crushing volumes
(million tons)



Sunflower oil segments' EBITDA
split by quarters (USD million)



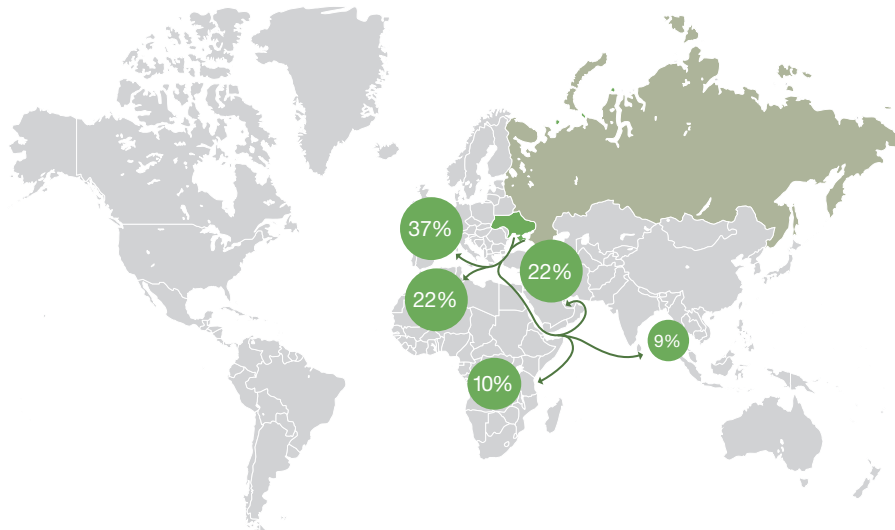
Grain and Infrastructure



Our business model

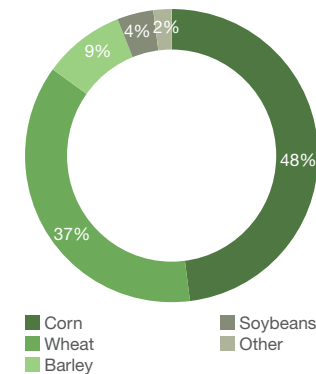
- › Top grain exporter from the Black Sea region, with a market share in Ukraine of 9-12% and in Russia of about 4%.
- › 'Balanced book' policy of locking in margins at the moment of grain purchase from farmer.
- › Our origination team buys from thousands of farmers at their farm-gate or inland silos.
- › Our own 2.8 million ton silo storage capacity serves as captive for our origination platform.
- › Three export terminals with a total capacity of 6 million tons per year.
- › Our own crop production in Ukraine secures 20-30% of the total grain export and transshipment volumes and 40-50% of silo throughput.

Kernel's grain sales by destination
(2013/14)



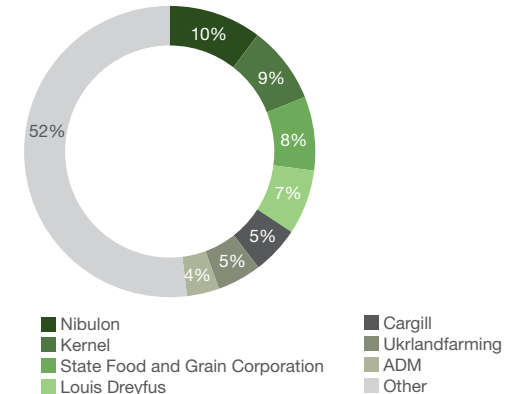
Source: Kernel.
→ Trade flows

Kernel grain sales by crop
(FY2012-FY2014)



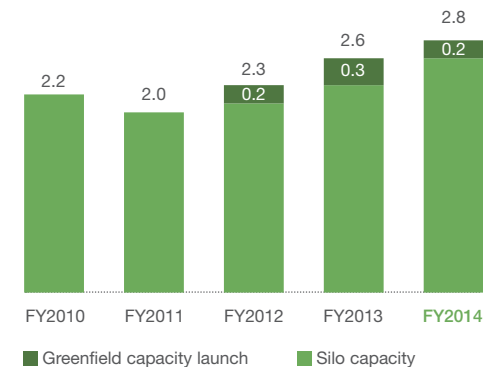
Source: Kernel.

Grain exports from Ukraine
(2013/14)



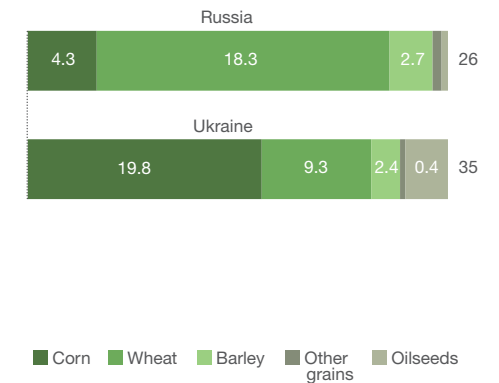
Source: Forbes Ukraine.

Kernel's silo storage capacity
(million tons)



Source: Kernel.

Ukraine's and Russia's total export
structure by crop, 2013/14, million tons



Source: APK-Inform.

FY2014 performance

Grain:

- 40% volume growth driven by an upsurge in exports from Russia (first full year of operations at Taman) and growth in Ukraine.
- EBITDA margin improved to USD 14/ton, with particularly strong amounts in H2 due to uncertainty over the government's renewal of VAT refunds and farmers' active selling during the spring planting campaign.

Silo services:

- Volumes grew 49% y-o-y, driven by capacity expansion and stronger internal crop and national harvests.
- EBITDA margin increased to a high of USD 15/ton as wet weather during harvesting increased demand for grain drying services.

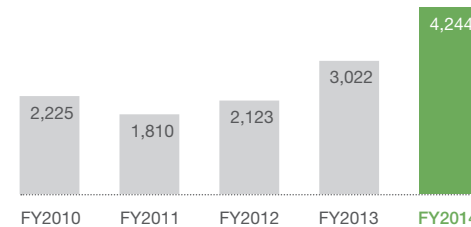
Export terminals:

- 22% y-o-y growth in throughput as we utilized our Taman capacity for the first full year.
- EBITDA profitability increased marginally to USD 9.8/ton.

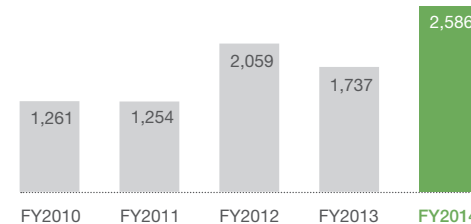
Key market trends in 2013/14:

- Global grain overproduction caused international prices to slump 17-35%, which was fully reflected in domestic prices in Ukraine and Russia.
- Ukraine's farmers produced a strong grain crop of 63 million tons, resulting in the country's grain exports reaching an all-time high of 32 million tons and improving infrastructure utilization.
- Russia's grain exports were up 1.6x y-o-y to 26 million tons in 2013/14, driving up infrastructure throughput.

Grain sales
(thousand tons)



Grain received in inland silos
(thousand tons)

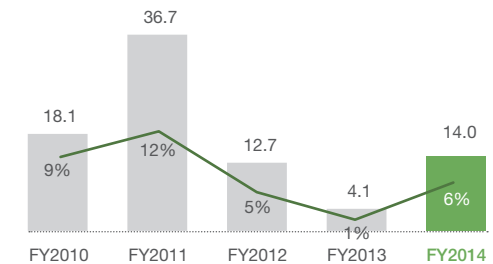


Export terminal throughput
(thousand tons)

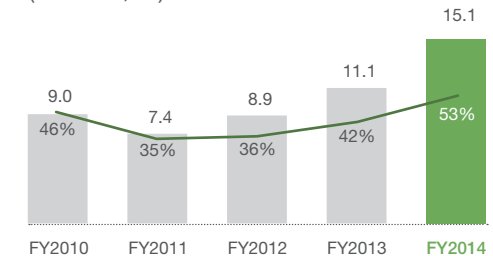


Source: Kernel.

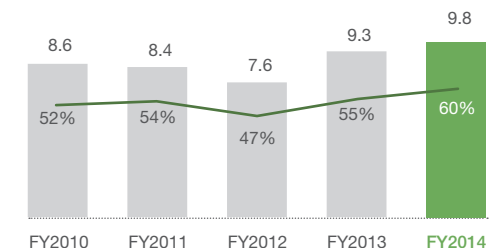
Grain segment's EBITDA
(USD/ton, %)



Silo services EBITDA
(USD/ton, %)



Export terminal EBITDA
(USD/ton, %)

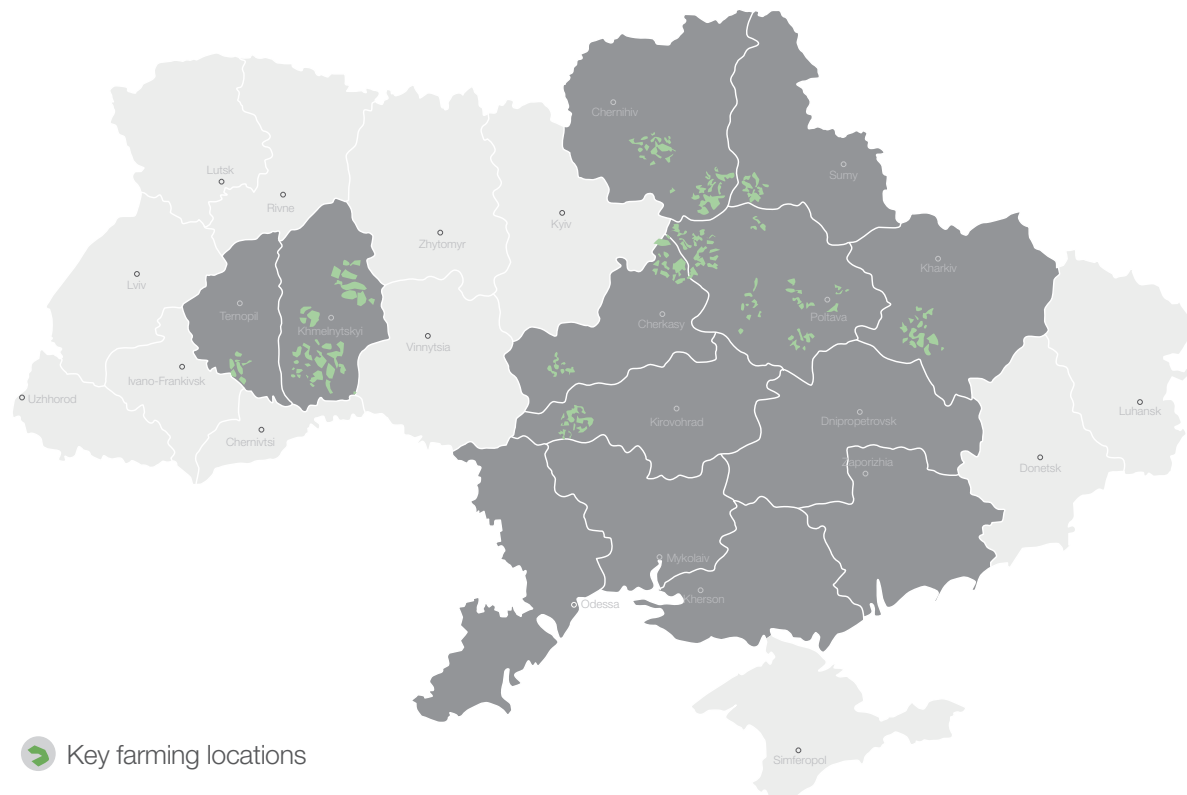


Farming

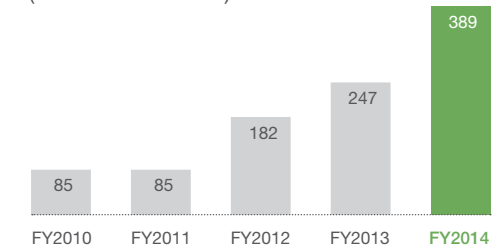


Our business model

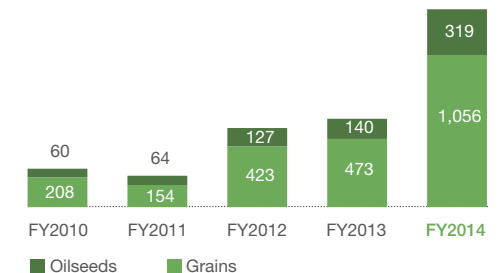
- Large-scale crop production on 389,000 hectares of leasehold farmland in Ukraine.
- A crop mix based on four crops allows us to focus on profits and technology while keeping sufficient flexibility.
- We utilize modern large-scale machinery, sustainable agronomic practices, and a cluster management system.
- 85-90% of output goes through our grain and infrastructure or sunflower oil segments, earning incremental profits.



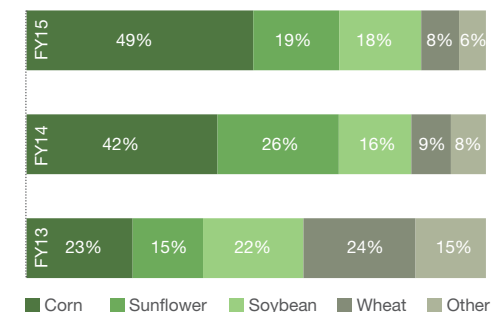
Kernel's farmed acreage
(thousand hectares)



Kernel's crop production
(thousand tons)



Kernel's farmed acreage crop mix



Source: Kernel.

FY2014 performance

Farming segment's EBITDA contribution was negative in FY2014 due to:

- 8-34% y-o-y drops in crop prices.
- Yields significantly below management expectations.
- Grain drying costs that were higher than expected due to heavy rains in autumn.

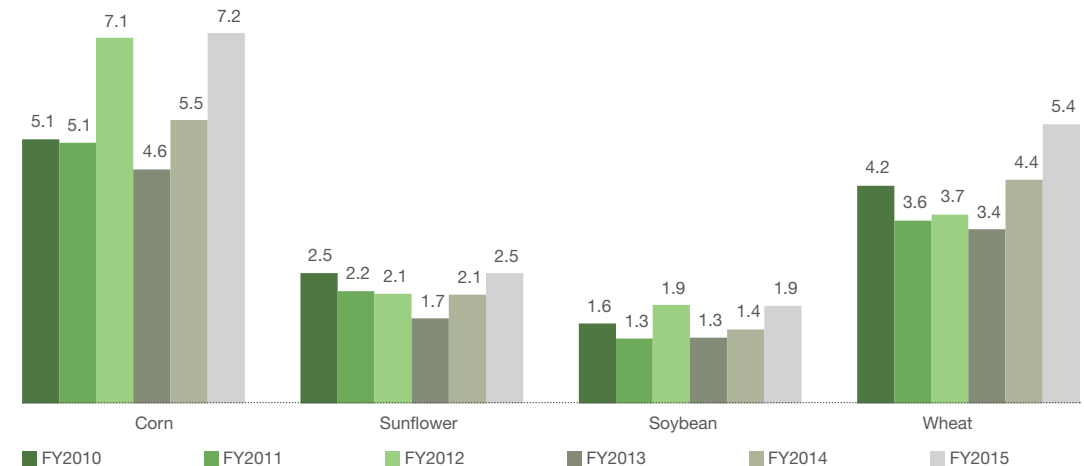
Low corn & soybean yields were the keys behind the underperformance due to:

- Inefficient fertilizer application.
- Improper seed structure for corn.
- Use of mini-till for corn cultivation instead of deep tillage.
- Poor quality seeds for soybeans.
- Use of generic plant protection products instead of name brand products.

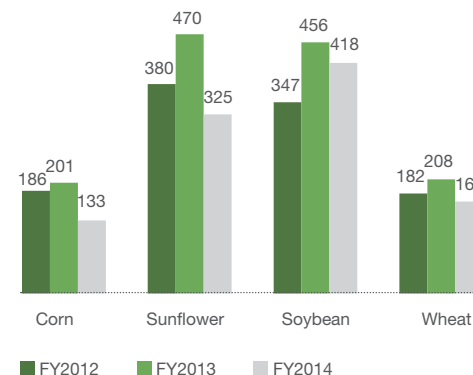
Key market trends:

- Strong production globally caused a decline in international grain prices in 2013/14. As prices in Ukraine are derived net-back from global prices, they declined as well, decreasing by 8-34% y-o-y.
- US farmers are currently having their most favorable weather in the last 30 years, leading to expectations of a second consecutive year of global grain production exceeding consumption. As a result, global prices further declined at the start of 2014/15. However, as Ukraine reinstated VAT refunds on grain exports from 1 October 2014, the global price decline should be partially offset by lower taxation of farming businesses in Ukraine.

Net crop yields
(tons per hectare)

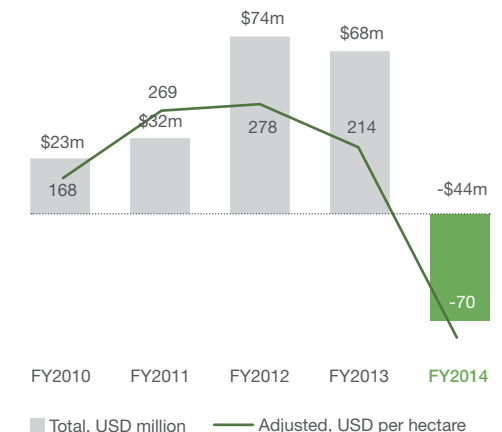


Average farm gate prices in Ukraine
(USD per ton)



Source: Kernel.

Farming segment's EBITDA



Source: Kernel.

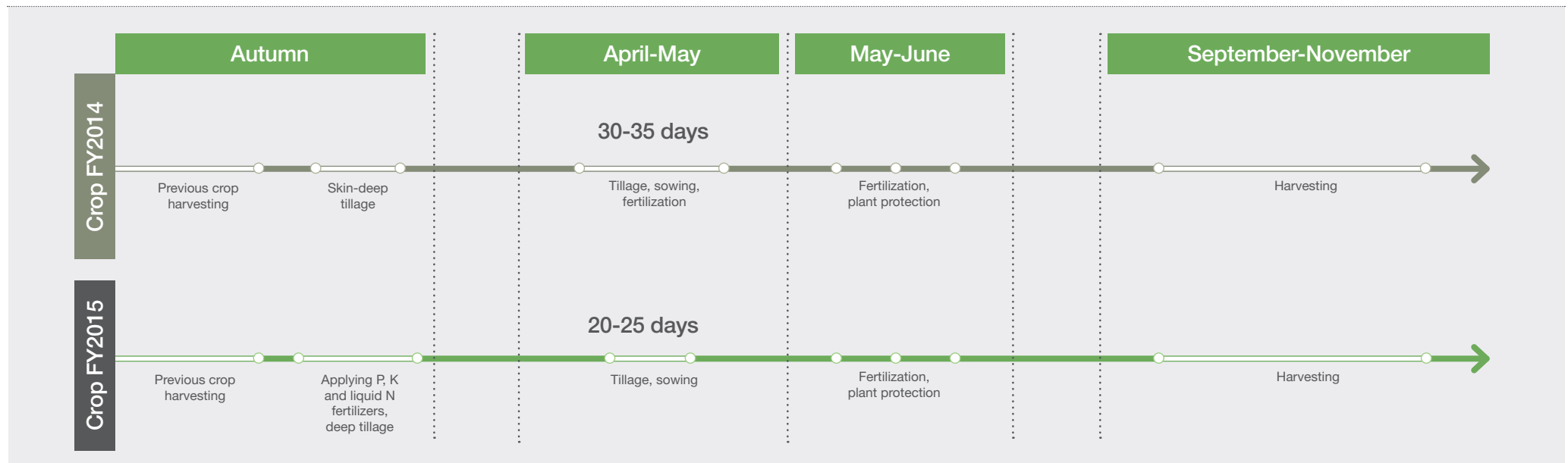
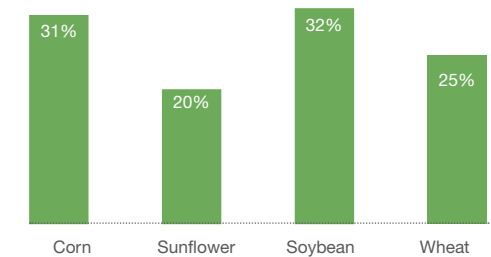
Operational improvements for FY2015

Key operational changes for crops in FY2015:

- › Shifting fertilizer application to autumn.
- › Increasing fertilizer intensity, shifting to liquid nitrogen fertilizers.
- › Procuring higher quality soybean and corn seeds.
- › Launching our own seed plant in March 2014.
- › Moving to higher quality plant protection products.
- › Shift to deep tillage vs. mini-till for corn growing.
- › Delegating cluster-level management with more flexibility and power to act within a reasonable band from the budget.



Crop yield growth in FY2015,
y-o-y



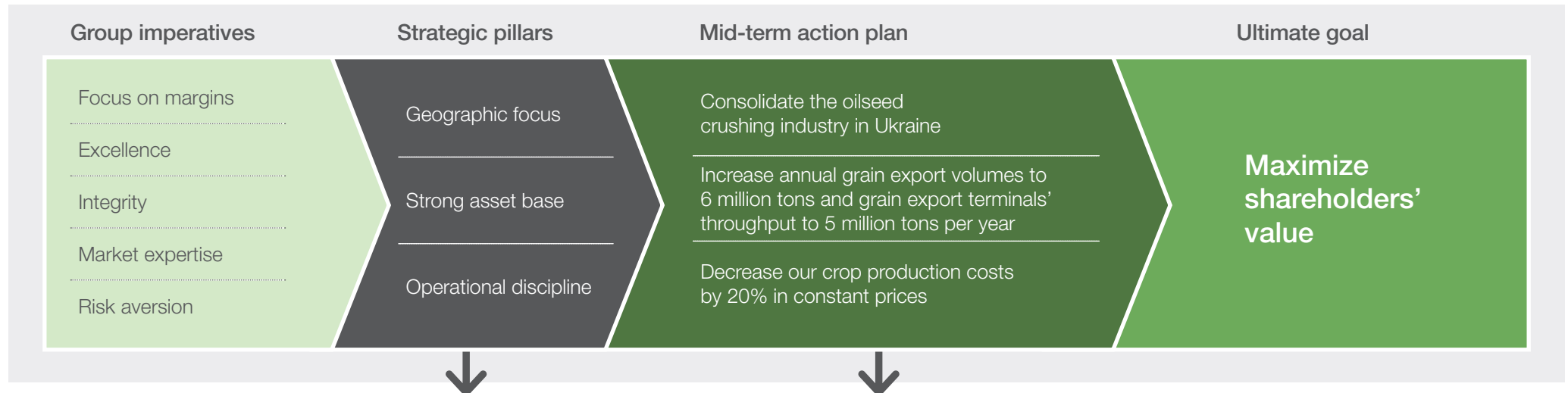
Crop production cycle in Ukraine



Strategy and Outlook



Strategy



Our strategic pillars in detail

Geographic focus

Our belief is that the Black Sea region, with Ukraine and Russia playing the principal roles, is one of the world's fastest-growing suppliers of soft commodities. We utilize our local footprint and experience to profit from this growth.

Strong asset base

We aim to control critical assets throughout the food export value chain that serve as the backbone for building export flows of different agricultural commodities and improve our earnings quality.

Operational discipline

Our 'balanced book' policy of locking in the margin as we sell agricultural commodities through forward contracts within the same time frame as we buy them from farmers ensures our risk exposure to commodity price volatility is minimized. We are also averse to counterparty risk.

FY2014 strategic deliverables

Our oilseed crushing arm's operational team successfully identified low CapEx capacity expansion opportunities at two of our crushing plants this year. With implementation to be completed in the middle of FY2015, these projects are expected to increase our crushing capacity by 5%.

Grain exports reached 4.2 million tons in FY2014, up 40% y-o-y. Most of this growth was the result of our investment into a 50/50 joint venture to acquire one of the largest deep-water grain export terminals in Russia, which we made in FY2013 in line with our strategy to control critical assets in the value chain.

The reorganization of our crop production operations to achieve better production costs by improving crop yields reached the peak stage in FY2014. Under new management, technology was altered to apply fertilizer in autumn, reduce the planting campaign window and improve seed and plant protection products' quality. With a goal of reaching our peers' best operational results within three years, a leap in progress is already visible already in autumn 2014 crop yields, which are up by 20-30% y-o-y.

FY2015 outlook

Sunflower oil

- Crush of 2.4-2.5 million tons of sunflower seed in FY2015 vs. 2.3 million tons in FY2014.
- Healthy margins.

Grain and infrastructure

- Grain exports to increase to 4.5-5.0 million tons in FY2015 vs. 4.2 million tons in FY2014.
- Export terminals and silo throughput are expected to rise to a similar degree.

Farming

- Crop yields up 20-32% y-o-y:
 - corn at 7.2 t/ha vs. 5.5 t/ha in year earlier;
 - sunflower seed at 2.5 t/ha vs. 2.2 t/ha year earlier;
 - soybean at 1.9 t/ha vs. 1.4 t/ha year earlier;
 - winter wheat at 5.4 t/ha vs. 4.3 t/ha year earlier.
- Costs per hectare to post a double-digit decline.

Outlook is provided as of 21 October 2014.
The Company does not intend to update outlook provided herein.

This discussion contains forward-looking statements, which by their nature are uncertain and involve risk as they depend on the events or circumstances that will or may occur in the future and are outside the control of the Company. We urge you to read the related statement on page 2.

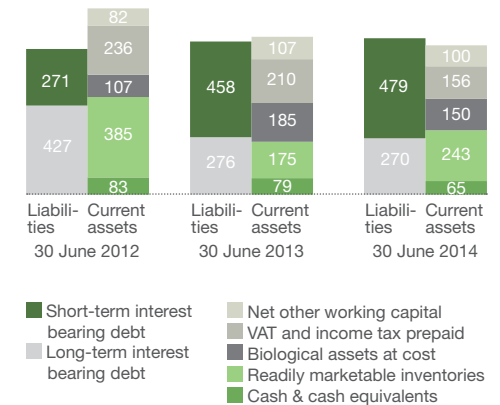
Financials



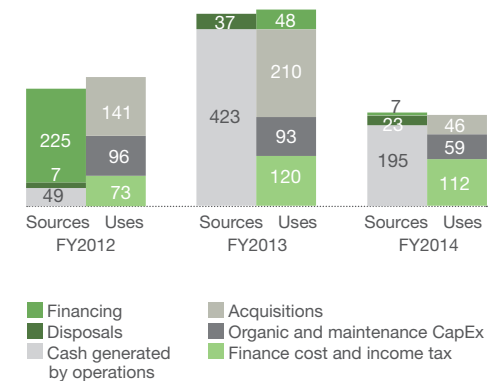
FY2014 results highlights

USD million except ratios and EPS	FY2014	FY2013	y-o-y
P&L highlights			
Revenue	2,393.3	2,796.8	(14.4%)
EBITDA ⁽¹⁾	223.0	287.5	(22.4%)
Net (loss)/profit attributable to equity holders of Kernel Holding S.A.	(98.3)	111.6	n/m
EBITDA margin	9.3%	10.3%	(1.0pp)
Net margin	(4.1%)	4.0%	(8.1pp)
EPS, USD	(1.23)	1.40	n/m
Cash flow highlights			
Operating profit before working capital changes	195.5	288.0	(32.1%)
Change in working capital	(0.9)	135.4	n/m
Cash obtained from operations	194.7	423.5	(54.0%)
Net cash obtained from operating activities	82.5	303.9	(72.9%)
Net cash used in investing activities	(83.2)	(266.1)	(68.7%)
Liquidity position and credit metrics			
Net interest-bearing debt	684.0	655.3	4.4%
Readily marketable inventories	243.4	175.1	39.0%
Adjusted net debt ⁽²⁾	440.6	480.2	(8.2%)
Shareholders' equity	1,029.7	1,335.5	(22.9%)
Net debt/EBITDA	3.1x	2.3x	+0.8x
Adjusted net debt ⁽²⁾ /EBITDA	2.0x	1.7x	+0.3x
EBITDA/Interest	3.1x	3.8x	(0.7x)

Kernel's debt vs. working capital
(USD million)



Cash sources and uses
(USD million)



Note: Our financial year ends 30 June.

(1) Hereinafter, EBITDA is calculated as a sum of the profit from operating activities plus amortization and depreciation.

(2) Adjusted net financial debt is the sum of short-term interest-bearing debt, current maturities of long-term interest-bearing debt and long-term interest-bearing debt, less cash and cash equivalents, marketable securities and readily marketable inventories.

Source: Kernel.

Segment results summary

	Revenue, USD million			EBITDA, USD million			EBITDA margin		Volumes, thousand tons		
	FY2014	FY2013	y-o-y	FY2014	FY2013	y-o-y	FY2014	FY2013	FY2014	FY2013	y-o-y
Sunflower oil											
Sunflower oil sold in bulk	1,079.0	1,527.7	(29.4%)	151.2	173.2	(12.7%)	14.0%	11.3%	920.3	1,040.3	(11.5%)
Bottled sunflower oil	132.6	182.6	(27.4%)	26.6	25.8	3.3%	20.1%	14.1%	94.4 ¹	108.2 ¹	(12.8%)
Grain and infrastructure											
Grain	1,053.6	972.3	8.4%	59.4	12.5	4.7x	5.6%	1.3%	4,243.5	3,021.7	40.4%
Export terminals	45.5	49.1	(7.3%)	27.3	27.1	0.8%	60.1%	55.2%	3,926.4	3,209.2	22.3%
Silo services	74.5	46.4	60.6%	39.2	19.4	2.0x	52.6%	41.8%	2,584.3	1,736.6	48.8%
Farming											
Farming	290.1	193.1	50.2%	(44.3)	67.7	n/m	(15.3%)	35.0%	1,375.3	613.6	2.2x
Sugar and discontinued operations ²	34.9	29.3	19.2%	0.3	(4.0)	n/m	1.0%	(13.6%)	57.8	46.1	25.6%
Unallocated corporate expenses				(36.7)	(34.1)	7.6%					
Revenue reconciliation	(317.0)	(203.7)	55.6%								
Total	2,393.3	2,796.8	(14.4%)	223.0	287.5	(22.4%)	9.3%	10.3%			

Note: Differences are possible due to rounding.

(1) Million liters.

(2) Discontinued operations from sugar and assets held for sale.

Balance sheet

Balance sheet highlights

USD million	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Invested capital									
Cash & cash equivalents	6.4	25.3	88.5	129.3	59.5	115.9	82.5	78.8	65.4
Net trade accounts receivable	9.1	9.8	48.7	32.4	65.5	111.6	146.4	150.8	99.8
Inventory	32.3	40.2	144.7	99.1	147.8	183.7	410.2	270.2	299.5
of which: readily marketable inventories	29.3	38.1	138.6	94.9	142.9	172.7	385.1	175.1	243.4
Biological assets	3.4	9.7	42.4	18.9	26.1	96.0	153.3	247.0	182.8
Other currents assets	16.8	31.1	53.0	98.7	299.8	302.6	326.0	343.3	225.0
Net property, plant & equipment	72.5	127.9	231.6	221.8	379.0	502.8	728.4	763.3	643.5
Other non-current assets	15.4	31.2	146.7	99.6	147.0	260.1	269.6	508.2	403.0
Total assets	155.8	275.1	755.6	699.7	1,124.8	1,572.6	2,116.4	2,361.6	1,919.0
Financed by									
Short-term liabilities	34.5	59.2	185.1	195.1	352.2	395.0	446.2	700.1	587.4
of which: interest-bearing debt	28.9	44.4	126.7	159.7	209.9	265.9	271.4	458.4	479.4
Long-term liabilities	73.8	130.6	130.1	147.2	167.7	180.3	459.5	309.3	301.0
of which: long-term interest bearing debt	64.4	119.9	98.1	132.9	135.3	156.1	426.9	275.7	270.0
Total liabilities	108.3	189.8	315.2	342.2	519.9	575.3	905.7	1,009.4	888.3
Total equity	47.6	77.8	440.4	357.5	604.9	997.3	1,210.7	1,352.3	1,030.7

Net debt and credit metrics

USD million except ratios	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Gross interest-bearing debt	93.3	164.3	224.8	292.6	345.1	422.0	698.3	734.1	749.4
Net interest-bearing debt	87.0	139.1	136.2	163.3	285.6	306.1	615.8	655.3	684.0
Readily marketable inventories	29.3	38.1	138.6	94.9	142.9	172.7	385.1	175.1	243.4
Adjusted net financial debt	57.7	101.0	(2.4)	68.4	142.7	133.4	230.7	480.2	440.6
Net debt / EBITDA	5.1x	3.0x	1.1x	0.9x	1.5x	1.0x	1.9x	2.3x	3.1x
Adjusted net debt / EBITDA	3.4x	2.2x	(0.0x)	0.4x	0.8x	0.4x	0.7x	1.7x	2.0x
EBITDA / Interest	1.8x	2.5x	4.4x	5.9x	8.3x	7.3x	5.1x	3.8x	3.1x

P&L and cash flow

P&L highlights

USD million except ratios and EPS	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Revenue	215.2	350.4	663.1	1,047.1	1,020.5	1,899.1	2,071.8	2,796.8	2,393.3
Net IAS 41 gain ¹								14.9	(17.1)
Gross profit	41.8	83.0	158.6	316.8	311.1	459.5	457.4	450.6	408.2
EBITDA	17.0	46.4	123.2	190.1	190.0	309.6	318.8	287.5	223.0
EBIT	12.0	38.6	111.6	166.6	167.5	277.3	257.3	200.9	128.7
Net financial costs	(9.3)	(18.9)	(28.1)	(32.2)	(22.8)	(42.5)	(63.1)	(74.9)	(72.5)
Net profit²	1.3	19.5	83.2	135.5	152.0	226.3	206.7	111.6	(98.3)
Gross margin	19.4%	23.7%	23.9%	30.3%	30.5%	24.2%	22.1%	16.1%	17.1%
EBITDA margin	7.9%	13.2%	18.6%	18.2%	18.6%	16.3%	15.4%	10.3%	9.3%
Net margin	0.6%	5.6%	12.6%	12.9%	14.9%	11.9%	10.0%	4.0%	(4.1%)
EPS, USD			2.08	1.97	2.20	3.03	2.61	1.40	(1.23)

Cash flow highlights

USD million	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
Operating profit before working capital changes	16.6	45.4	116.1	188.2	205.7	275.2	291.4	288.0	195.5
Changes in working capital	(35.8)	(14.7)	(210.3)	(25.0)	(97.4)	(180.1)	(242.1)	135.4	(0.9)
Cash obtained from/(used in) operations	(19.3)	30.7	(94.1)	163.2	108.4	95.1	49.3	423.5	194.7
Finance costs paid	(9.4)	(18.4)	(28.1)	(32.2)	(22.8)	(36.0)	(66.8)	(76.2)	(72.0)
Income tax paid	(0.4)	(0.7)	(3.4)	(1.7)	(0.8)	(3.0)	(6.5)	(43.4)	(40.2)
Net cash obtained from/(used in) operating activities	(29.0)	11.6	(125.6)	129.3	84.8	56.1	(24.0)	303.9	82.5
Net PPE disposals/(purchases)	(6.0)	2.2	(24.4)	(88.6)	(56.2)	(48.1)	(93.1)	(90.9)	(41.7)
Sales/(Purchase) of intangible and other non-current assets	0.6	0.3	(48.5)	(1.2)	0.8	(66.5)	(1.6)	(23.1)	(0.5)
Acquisition of subsidiaries and purchase of investment in joint ventures	-	(59.7)	(97.2)	(5.5)	(70.2)	(11.5)	(134.5)	(152.1)	(41.0)
Net cash used in investing activities	(5.4)	(57.2)	(170.1)	(95.3)	(125.6)	(126.1)	(229.2)	(266.1)	(83.2)
Net cash obtained from/(used in) investing & operating activities	(34.4)	(45.7)	(295.7)	34.0	(40.9)	(69.9)	(253.2)	37.8	(0.7)

(1) The amount is calculated for FY2014 and FY2013 only, as the Company started presenting IAS 41 gain as a separate line in its P&L statement only starting from FY2014. Prior to that, components were allocated to COGS and Other Operating Income. For more details, please refer to the disclosures in FY2014 annual report.

(2) Net profit attributable to equity holders of Kernel Holding S.A.

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Investor calendar

› Q1 FY2015 financial report	26 November 2014
› Q2 FY2015 operations update	20 January 2015
› H1 FY2015 financial report	27 February 2015
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