

ENSURING THE PROFITABILITY OF ECONOMIC ACTIVITIES OF PJSC "MHP"

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The problem of improving the efficiency of economic activity plays an important role in the system of current economic problems. Not only business owners, but also public administrators are engaged in its solution. Difficult current conditions and competitive struggle make it necessary to pay special attention to ensuring the improvement of the results of economic activity of enterprises, the sustainability of their functioning and development. One of the key factors in ensuring the competitiveness of enterprises is the efficiency of their economic activities.

Of course, proportional, balanced and harmonious development of all economic sectors is important for the effective functioning of the economy. One of the backbone sectors of the national economy is the agricultural sector with its basic component. Agriculture has a significant impact on the formation of macroeconomic indicators of the state.

Poultry farming is considered an important segment of Ukrainian agriculture. Despite the lockdowns during the Covid-19 pandemic and the war in Ukraine, forecasts for the global poultry market over the next five years have not changed significantly. The global chicken market is expected to grow to \$429.11 billion by 2028. In 2022, it amounted to \$312.11 billion [1].

The peculiarity of the chicken market is that it cannot be monopolized, as a significant amount of products is produced by small enterprises. However, one of the leaders in terms of physical volume of poultry production among large enterprises in the domestic market is MHP.

MHP is a leading producer of chicken, accounting for more than 55 % of its industrial production and almost 35 % of total consumption in Ukraine [2].

The main strategy of MHP is to maintain a significant role in the Ukrainian market of meat and its processed products, and to increase the influence of the company's position in the international arena.

Combining data from market research, cost accounting, financial analysis and production planning makes it possible to determine the effectiveness of operational analysis and justify a wide range of indicators of impact on the company's performance. For example, determining the break-even sales volume and minimum selling price, the most profitable product mix with limited resources, the impact of structural changes in the product mix on the company's profit, etc. When calculating the breakeven level of MHP's operations for 2019-2023, the marginal income and critical sales volumes were determined (Table 1).

1. Breakeven of MHP PJSC for 2019-2023, UAH thousand

Indicators	2019	2021	2023
Net revenue from sales of products	4996319	5960985	5072359
Expenses	4125916	3820506	5124151
including fixed costs	1237774,8	1146151,8	1537245,3
variable costs	2888141,2	2674354,2	3586905,7
Marginal income	2108177,8	3286630,8	1485453,3
Revenue margin ratio, %.	0,42	0,55	0,29
Critical sales volume	2947082,9	2101278,3	5300845,9

Source: calculated by the author.

For a long time, the company has been increasing its capacity and improving its performance. During the period under study, MHP's results deteriorated compared to previous years in 2020, due to the negative trends of the pandemic, and in 2023, as a result of Russia's military aggression. In 2022, MHP lost 45% of its value, while most Ukrainian agricultural holdings lost 50-70 % of their capitalization.

In 2019-2020, the company's operations were profitable and the critical sales volume was lower than the actual figures, and the income margin ratio tended to increase, in 2019 – 44 %, in 2021 - already 55%. This confirms the efficiency of the company's operations and the effectiveness of management. In 2023, the revenue margin ratio sharply decreases to 29 %, the critical sales volume exceeds the actual net income from sales by UAH 228486.9 thousand. As a result of a number of negative factors during the full-scale russian invasion of Ukraine, MHP's expenses increased and exceeded net income by UAH 51792 thousand, which led to these results.

By influencing the ratio of fixed and variable costs within its capabilities, the company will be able to solve the issue of profit optimization [3].

MHP's policy takes into account all components of development: economic, environmental and social. The company is diversified, with finished and semi-finished products among its assets, so it was less affected by the aggressor's actions. Nevertheless, this area also saw a drop in production, destruction or loss of assets, and a significant increase in logistics costs. MHP lost a significant share of the domestic market and faced deteriorating export conditions. Nevertheless, the company's advantages are its high quality products, significant production capacity, developed sales network and brand awareness. Continuous improvement of production technology and the use of more environmentally friendly substances leads to the expansion of the company's capabilities, reduction of the environmental impact and increase in the number of consumers.

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