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VOLODYMYR DAHL EAST UKRAINIAN NATIONAL UNIVERSITY
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TASK
FOR MASTER'S QUALIFICATION THESIS

Student Name: _____Zhang Dungyuan_____

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Supervisor: Maslosh Olha Volodymyrivna, Assoc. prof.
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4. Content of the Explanatory Note: 1. Theoretical and methodological foundations of strategic management of the international competitiveness of an enterprise in the context of integration into the markets of the European Union. 2. Assessment of the current financial and economic condition of the enterprise under study and analysis of its international competitiveness. 3. Analysis of the competitive environment, foreign economic activity, and strategic potential of the enterprise in the EU markets. 4. Development of strategic directions for increasing the international competitiveness of the enterprise in the context of integration into the markets of the European Union. 5. Economic substantiation of the proposed strategic measures and assessment of their

impact on the financial results, competitiveness, economic sustainability, and long-term development of the enterprise.

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5	Data collection for Chapter 2	January 2026	
6	Submission of Chapter 2 materials	February 2026	
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9	Drafting conclusions and finalizing the thesis	March 2026	
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ABSTRACT

Master's thesis: 89 p., 32 tables, 17 sources.

The object of the study is the strategic management of an enterprise's international competitiveness in the agro-industrial sector, in the context of integration into the markets of the European Union (using the example of the Kernel Group Company).

The study examines a set of theoretical and methodological provisions and practical tools for the formulation and implementation of a strategy to enhance an enterprise's international competitiveness in the context of European integration.

The purpose of the work is to develop and economically justify a strategy for increasing the international competitiveness of an enterprise in the context of integration into the markets of the European Union based on a comprehensive analysis of its activities, competitive environment, and strategic potential.

The study examines the theoretical and methodological foundations of strategic management of international competitiveness in the context of European integration and generalizes the principles of combining resource, institutional, innovation, and adaptive approaches in enterprise management. Based on the analysis of the enterprise under study, the financial and economic performance, foreign economic activity, competitive environment in the EU markets, resource and logistics potential, and the level of international competitiveness have been assessed. Strategic directions for increasing international competitiveness have been substantiated, a set of measures has been developed, and the economic feasibility of the proposed strategy has been proved, considering its financial, production, logistics, innovation, and long-term effects.

INTERNATIONAL COMPETITIVENESS, STRATEGIC MANAGEMENT, EUROPEAN INTEGRATION, FOREIGN ECONOMIC ACTIVITY, EU MARKETS, ECONOMIC SUSTAINABILITY, LOGISTICS, INNOVATION, DIGITALIZATION, ESG.

CONTENTS

INTRODUCTION

The current stage of development of the national economy is characterized by the intensification of integration processes, deepening cooperation with the European Union and the transformation of the foreign economic environment. In the context of increased global competition, rising regulatory requirements for product quality, environmental standards, and business transparency, the problem of strategic management of international competitiveness for enterprises becomes particularly relevant.

For the Ukrainian agro-industrial sector, integration into EU markets opens new opportunities for expanding exports while increasing requirements for production efficiency, logistical flexibility, innovation, and compliance with the principles of sustainable development. In such conditions, enterprises must develop long-term competitive strategies capable of ensuring sustainable operations amid the high volatility of global markets.

The research topic is relevant because it aims to develop scientifically sound approaches to the formulation and implementation of a strategy to increase an enterprise's international competitiveness, taking into account modern integration processes and the requirements of the EU market.

The object of the study is the strategic management of an enterprise's international competitiveness in the agro-industrial sector, in the context of integration into the markets of the European Union (using the example of the Kernel Group Company).

The study examines a set of theoretical and methodological provisions and practical tools for the formulation and implementation of a strategy to enhance an enterprise's international competitiveness in the context of European integration.

The purpose of the work is to develop and economically justify a strategy for increasing the international competitiveness of an enterprise in the context of integration into the markets of the European Union based on a comprehensive analysis of its activities, competitive environment, and strategic potential.

To achieve the goal, the following tasks have been defined:

To summarize theoretical approaches to determining the essence of an enterprise's international competitiveness.

To investigate the methodological principles of assessing competitiveness in the context of foreign economic activity.

Analyze the technical and economic indicators of the enterprise's activities and the effectiveness of its foreign economic activities.

Assess the industry environment and the company's competitive position in EU markets.

Identify the enterprise's price and non-price competitive advantages.

Calculate the integral indicator of international competitiveness.

Develop a strategic framework for increasing international competitiveness.

Conduct an economic justification of the proposed strategic measures using investment analysis methods.

To form an integrated indicator of economic sustainability and to forecast long-term financial and economic results.

In the research process, general scientific and special methods of cognition were used, in particular: methods of theoretical generalization and system analysis to study the essence of international competitiveness; economic analysis and comparison to assess the technical and economic indicators of the enterprise's activities; SWOT analysis to determine the strategic positions of the enterprise; integrated assessment method to calculate the index of international competitiveness and economic sustainability; methods of financial and investment analysis (NPV, IRR, payback period, scenario analysis) to substantiate the effectiveness of strategic measures; forecasting and modeling to assess the long-term results of strategy implementation.

The use of these methods ensured the comprehensiveness of the study and enabled the formulation of scientifically sound recommendations to increase the enterprise's international competitiveness in the context of integration into the markets of the European Union.

SECTION 1. THEORETICAL BASIS OF STRATEGIC MANAGEMENT OF INTERNATIONAL COMPETITIVENESS OF AN ENTERPRISE

1.1. The economic essence of the international competitiveness of an enterprise

The issue of competitiveness occupies a central place in the theory of international economics, since it determines the ability of economic entities to function effectively in conditions of open markets, transnationalization of capital and global integration. In the context of European integration and the deepening participation of Ukrainian enterprises in global value chains, international competitiveness becomes a strategic priority.

There is no single, universal approach to interpreting competitiveness in the scientific literature. This is due to the multilevel nature of the category, which covers micro-, meso- and macro-levels of analysis. At the macro level, competitiveness is associated with a national economy's ability to sustain growth in welfare and productivity (Krugman, 1994). At the meso level, it is viewed through the prism of industry structure, innovation dynamics and the institutional environment. At the micro level, it is viewed as an enterprise's ability to create and sustain sustainable competitive advantage in domestic and foreign markets (Porter, 1990).

The classical approach to the analysis of an enterprise's competitiveness was proposed by M. Porter, who associates it with the presence and implementation of competitive advantages arising from an effective combination of production factors, innovative activity, and a correctly chosen competitive strategy. According to the concept of the "diamond of competitive advantages", international competitiveness is formed under the influence of four groups of determinants: factor conditions, demand conditions, the presence of related and supporting industries, as well as the strategy, structure and rivalry of firms.

In subsequent studies, the category of competitiveness was expanded by the resource approach (Barney, 1991), according to which the source of sustainable competitive advantages are the unique resources and competencies of the enterprise

that meet the criteria of value, rarity, difficult imitation and organizational order (VRIO paradigm). In the international context, this approach is complemented by the concept of dynamic capabilities (Teece, 2007), which focuses on the enterprise's ability to adapt to changes in the global environment, integrate new knowledge, and transform business models.

From the perspective of institutional economics, competitiveness is viewed as the result of an enterprise's interaction with the regulatory environment, the system of standards, trade barriers, and international agreements. In the case of integration into the markets of the European Union, compliance with technical regulations, environmental standards, safety standards, and principles of sustainable development becomes particularly important.

To systematize scientific approaches to determining competitiveness, it is advisable to summarize them in the form of a table (Table 1.1).

As shown in Table 1.1, each approach reflects a separate aspect of competitiveness, but none is sufficient for a comprehensive analysis of an enterprise's international activities. In modern conditions, an integrative approach is appropriate, combining structural, resource and institutional factors.

It is important to emphasize that international competitiveness differs from domestic in the scale and complexity of the environment. If, in the national market, an enterprise interacts with a limited number of competitors and operates within a single regulatory field, then at the international level it faces heterogeneous standards, currency risks, customs regimes, logistical barriers, and cultural differences.

In view of this, it is advisable to define the international competitiveness of an enterprise as the comprehensive ability of a business entity to create, sustain, and leverage competitive advantages in foreign markets through the effective use of resource potential, innovative capabilities, and strategic adaptation to the requirements of the global environment.

Table 1.1

Basic scientific approaches to determining the competitiveness of an enterprise

Approach	Representatives	Key content	Limitation
Structural and sectoral	M. Porter	Competitiveness is determined by the structure of the industry and the position of the firm	Insufficient attention to internal resources
Resourceful	J. Barney	The source of advantages is unique resources and competencies	Ignores external institutional factors
Institutional	D. North et al.	The regulatory environment plays a crucial role	Less attention to microeconomic mechanisms
Dynamic	D. Teece	Advantages are formed through adaptability and innovation	The complexity of quantitative measurement

Modern research also emphasizes the role of global value chains (GVCs), within which competitiveness is determined not only by a company's own efficiency, but also by its position in an international network of partnerships. Therefore, strategic competitiveness management should take into account cooperation mechanisms, cluster integration, and the digitalization of business processes.

Quantitative measurement of competitiveness is carried out through a system of indicators that cover financial, production, innovation and export parameters. The generalization of such indicators allows forming an integral competitiveness index, which provides a comparative analysis in dynamics and space. This approach will be used in the second section of the study to assess the enterprise's international positions.

Thus, the evolution of scientific approaches indicates a gradual transition from a narrow interpretation of competitiveness as a price advantage to a comprehensive understanding of it as a strategic category that integrates resource, institutional, innovative and organizational factors. In the context of integrating Ukrainian enterprises into EU markets, this means combining internal efficiency with compliance with international standards and the ability to adapt in the long term.

Therefore, competitiveness in the international economy is not only a characteristic of an enterprise's current state, but also an indicator of its strategic potential and ability to develop in the context of global competition.

International competitive advantages of an enterprise are shaped by a set of internal and external factors that determine its ability to operate successfully in the global market environment. If competitiveness is an integral characteristic of the effectiveness of the business entity, then competitive advantage is its substantive basis, reflecting the specific sources of the enterprise's market power.

In scientific studies (Porter, 1990; Barney, 1991; Teece, 2007), competitive advantages are considered as the result of the effective interaction of resources, organizational capabilities, innovative potential and strategic management. In the international dimension, they are complemented by aspects such as access to foreign markets, integration into global value chains, compliance with international standards, and the ability to adapt in conditions of regulatory multivariate.

From a systemic perspective, it is advisable to identify several key groups of factors that contribute to the formation of international competitive advantage (Table 1.2).

Table 1.2

Groups of factors forming the international competitive advantages of an enterprise

Group of factors	Content	Role in international activities
Resourceful	Material, financial, human and intellectual resources	Provide a basis for value creation
Production and technological	Technology level, process efficiency, productivity	Determine the cost and quality of products
Innovative	R&D, digitalization, new products and business models	Create long-term benefits
Institutional	Regulatory environment, standards, customs policy	Affect access to markets
Logistic	Transport infrastructure, geographical location	Determine the speed and cost of deliveries
Reputable	Brand, partner trust, ESG indicators	Increase the intangible value of the company

As shown in Table 1.2, international competitiveness is not limited to price parameters alone. In the modern economy, non-price factors are becoming crucial: innovation, environmental friendliness, compliance with sustainable development standards, and digital transformation.

Resource factors play a special role in the formation of international advantages. According to the resource concept (Barney, 1991), a company is able to achieve sustainable advantages only if it has resources that are valuable, rare, difficult to reproduce and properly organized. In the international context, such resources can be access to a raw material base, vertical integration, long-term contracts with foreign partners or exclusive technologies.

Production and technological factors directly affect the level of cost and product quality. Enterprises using modern processing technologies, automated management systems and digital solutions are able to provide a higher level of labor productivity and resource efficiency. In the context of integration into EU markets, this becomes especially important due to strict requirements for product safety, environmental standards and traceability of production processes.

Innovation factors underpin long-term competitiveness. According to the concept of dynamic capabilities (Teece, 2007), an enterprise must not only possess resources but also be able to transform them in response to environmental changes. In the international dimension, this means the ability to adapt products to the requirements of a specific market, develop new products, implement digital management tools and actively integrate into international innovation networks.

Institutional factors are gaining particular importance in the context of integration into the European Union markets. Regulatory compliance, certification, compliance with technical regulations, environmental standards and ESG principles are becoming mandatory prerequisites for access to European consumers. Thus, a company's international competitiveness largely depends on its ability to integrate regulatory requirements into its development strategy.

Logistical factors determine the level of transport costs, speed of deliveries and reliability of fulfillment of contractual obligations. In conditions of global crises, military risks and transformation of transport corridors, logistical flexibility becomes a critical element of competitive stability.

A separate group comprises reputational and socio-ecological factors. In modern European practice, indicators of sustainable development, corporate social

responsibility and transparency of management play an increasingly important role. Enterprises that implement environmental standards and report in accordance with international norms receive additional benefits in cooperation with European counterparties.

Systematizing the above, we can conclude that the formation of international competitive advantages is the result of the synergy of the enterprise's internal resources and external institutional conditions. At the same time, strategic management plays a coordinating role, ensuring the consistency of production, innovation, financial and marketing decisions.

As can be seen, international competitive advantages are not static characteristics. They are transformed by global economic trends, technological changes, and regulatory reforms. In the context of integration into EU markets, the enterprise's key task is to ensure a balance between internal efficiency and external adaptability, which underpins its long-term competitiveness.

In the context of globalization and strengthening integration processes, strategic management is a key tool for forming and supporting the international competitiveness of an enterprise. If competitive advantage results from the effective use of resources and opportunities, then strategic management ensures their targeted coordination, development, and adaptation to changes in the external environment.

The foreign economic activity of the enterprise is characterized by a high level of uncertainty, which is due to fluctuations in exchange rates, changes in trade policy, transformation of logistics routes, geopolitical risks and increased international competition. In such conditions, operational management is insufficient, as it is mainly focused on short-term solutions. Strategic management provides long-term stability, allowing the enterprise to shape its development trajectory in line with global trends.

According to the concept of strategic management (Porter, 1996), the essence of strategy is to choose a unique position in the market and create a system of interrelated activities that provide a sustainable competitive advantage. In the international dimension, this means identifying target markets, optimizing the export structure, diversifying risks and forming partner networks.

The external economic sustainability of an enterprise can be defined as the ability to maintain a stable level of income, profitability, and market presence in external markets, even in an unstable environment. It is shaped by strategic decisions on diversification, integration, innovation, and financial policy.

The scientific literature identifies several key functions of strategic management in the context of international activities:

Analytical function - involves a systematic analysis of the external environment (PESTEL, industry analysis, competitor assessment) to identify risks and opportunities.

The predictive function consists in forming scenarios for the development of the enterprise, taking into account macroeconomic and regulatory changes.

Coordination function - ensures consistency of financial, production, marketing and innovation strategies.

Adaptive function – aimed at quickly responding to changes in the international environment and reviewing strategic priorities.

The systematization of strategic tools for managing external economic sustainability is given in Table 1.3.

As shown in Table 1.3, strategic management is multi-level in nature and combines analytical, predictive, and management tools.

Strategic management acquires particular importance in the context of integration into the markets of the European Union. In this case, the enterprise must not only adapt production to EU standards, but also transform the management system in accordance with the principles of transparency, environmental friendliness and sustainable development. Thus, the strategy becomes a tool for integrating regulatory requirements into the internal structure of business processes.

Table 1.3

Tools for strategic management of international competitiveness

Tool	Appointment	Result for the company
PESTEL analysis	Macroenvironmental assessment	Identifying external risks
SWOT analysis	Comprehensive assessment of internal and external factors	Identification of strategic alternatives

Value chain analysis	Identifying sources of competitive advantage	Cost optimization and differentiation
Portfolio strategies	Market diversification management	Reducing concentration risk
Scenario planning	Forecasting development options	Increasing resilience to crises

An important element of strategic management is risk diversification. Geographical diversification of exports, expansion of product range, use of alternative logistics routes allows to reduce dependence on individual markets or supply channels. This is especially relevant in conditions of military and geopolitical challenges, when traditional trade routes may be disrupted.

No less important is the financial strategy, which includes currency risk management, capital structure optimization, and liquidity reserve formation. An enterprise that actively engages in foreign economic activity must take into account fluctuations in exchange rates and interest rates, which can significantly affect financial results.

Recent research (Teece, 2007) emphasizes the importance of dynamic capabilities as a component of strategic management. An enterprise must constantly reassess its position in the global environment, introduce innovations and change its business model in accordance with the requirements of the international market.

Thus, strategic management plays a system-forming role in ensuring the foreign economic stability of the enterprise. It combines environmental analysis, the formation of long-term goals, the choice of a competitive position and adaptation to changes in the global economy. In the context of the integration of Ukrainian enterprises into the EU markets, strategic management becomes a key factor in the transition from a reactive model of behavior to proactive development, which ensures not only the preservation of market positions, but also their strengthening in the long term.

1.2. Strategic management methodology in the context of European integration

Strategic development of an enterprise in international markets is a complex and multidimensional process that involves defining long-term goals, choosing entry strategies into foreign markets, establishing a competitive position, and adapting to the requirements of the global environment. A number of concepts have been formed in the scientific literature that explain the mechanisms of international expansion and justify strategic alternatives for enterprise development in the context of internationalization.

One of the basic ones is the theory of competitive strategy by M. Porter (Porter, 1985), according to which a company can achieve stable positions in the international market through the implementation of one of three basic strategies: cost leadership, differentiation, or focus. In the international dimension, these strategies are transformed to take into account the scale of activity, industry structure, and level of global integration. Thus, the cost leadership strategy requires the optimization of production and logistics processes at the transnational level, while the differentiation strategy is focused on creating unique value for consumers in different countries.

Another important approach is the eclectic paradigm of J. Dunning (Dunning, 1988), known as the OLI model (Ownership–Location–Internalization). It explains the international expansion of a company through the presence of three groups of advantages:

– proprietary (O) – unique resources and technologies;

– localization (L) – advantages of a specific market or country;

– internalization (I) – benefits from control over operations instead of transferring them to third-party structures.

The application of the OLI model allows you to determine the feasibility of exporting, licensing, creating joint ventures, or engaging in foreign direct investment.

A significant contribution to the understanding of the internationalization process was made by the Uppsala model (Johanson & Vahlne, 1977), according to which companies enter international markets gradually, increasing the level of involvement depending on the accumulated experience and knowledge. This concept

emphasizes the role of learning, trust and network ties in shaping the strategic development trajectory.

In modern conditions, the concept of global value chains (Gereffi, 1999) is becoming increasingly important, according to which the competitiveness of an enterprise is determined by its position in the international network of production and distribution. Strategic development in this context involves integration into high-added segments of the chain - research, design, marketing and branding.

A summary of the main concepts of strategic development of an enterprise in international markets is given in Table 1.4.

As can be seen from Table 1.4, strategic development in international markets can be implemented through different trajectories - from gradual exports to full transnational integration.

Table 1.4

Basic concepts of strategic development of an enterprise in international markets

Concept	Authors	The main idea	Practical significance
Basic competitive strategies	M. Porter	Positioning: costs, differentiation, focus	Formation of a market strategy
Eclectic Paradigm (OLI)	J. Dunning	Advantages of ownership, localization and internalization	Justification of the form of market entry
Uppsala model	Johanson, Vahlne	Gradual internationalization through accumulation of experience	Planning the stages of international expansion
GVC theory	G. Gereffi	Positioning in the global value chain	Optimizing the role in international cooperation

In the current context of integration into the European Union markets, the combination of classic competitive strategies with the concept of sustainable development is particularly important. The European economic model is based on the principles of environmental friendliness, digitalisation, and social responsibility, which necessitate the adaptation of the strategic priorities of the enterprise to the requirements of the Green Deal and ESG approaches.

The strategic development of an enterprise in the international market must also take into account risk factors: currency fluctuations, changes in trade regimes, logistical restrictions, and regulatory barriers. In this context, it is advisable to use scenario planning and diversification of sales markets.

Thus, the concepts of strategic development of the enterprise in international markets form the theoretical basis for choosing the optimal model of internationalization. Their integration enables combining the enterprise's resource capabilities with the requirements of the global environment, ensuring long-term competitiveness and stability as the enterprise integrates into the European economic space.

The effectiveness of strategic management of an enterprise's international competitiveness largely depends on the quality of the analytical basis for management decisions. In this context, strategic analysis tools that enable a systematic assessment of the external environment, the enterprise's internal potential, and its position in the international competitive landscape are particularly important.

The scientific literature (Porter, 1980; Wheelen & Hunger, 2012; Johnson et al., 2017) has developed a set of methods used for strategic diagnostics of enterprise activities. In the international context, they gain additional depth by covering a multifactorial environment that includes the political, economic, legal, technological, and cultural aspects of different countries.

One of the basic tools is PESTEL analysis, which allows you to systematize the impact of the macro environment according to the following groups of factors: political (P), economic (E), social (S), technological (T), environmental (E) and legal (L). In the context of integration into the markets of the European Union, PESTEL analysis acquires strategic importance, as it allows you to assess regulatory requirements, tax policy, environmental standards, digital initiatives and the impact of geopolitical processes.

The second important tool is M. Porter's Five Competitive Forces model (Porter, 1980), which helps us determine the intensity of competition in an industry. It covers:

– the threat of new competitors;

– the strength of suppliers;

– buyer power;

– the threat of substitute goods;

– the level of intra-industry competition.

In the international dimension, this model allows us to account for the specifics of regional markets, producer concentration, barriers to entry, and the influence of transnational corporations.

SWOT analysis plays a significant role in strategic analysis, integrating the enterprise's internal strengths and weaknesses with external opportunities and threats. In the international context, SWOT analysis helps you determine strategic directions for adapting to external market requirements, forming partner networks, and diversifying exports.

An important addition to these methods is the analysis of the value chain (Porter, 1985), which allows for the identification of the key stages in the creation of added value and for determining the sources of competitive advantage. In the international activities of the enterprise, this tool helps to optimise logistics routes, minimise costs and strengthen product quality control.

A systematization of the main tools of strategic analysis is given in Table 1.5.

Table 1.5

Tools for strategic analysis of an enterprise's international activities

Tool	Object of analysis	Advantages	Limitation
PESTEL analysis	Macro environment	Complexity of assessment of external factors	Generalizability of results
Porter's 5 forces model	Industry environment	Estimating the intensity of competition	Static approach
SWOT analysis	Internal and external factors	Ease of integrating results	Subjectivity of assessments
Value chain	Internal processes	Identifying sources of benefits	Requires detailed data
Scenario analysis	Development alternatives	Increasing risk resilience	Forecasting complexity

As can be seen from Table 1.5, each tool has its own advantages and limitations, which necessitates their comprehensive use.

In modern conditions, strategic analysis is complemented by digital tools, big data analytics, and business intelligence systems. This enables greater forecasting accuracy and faster decision-making.

Of particular importance for companies integrating into EU markets is the consideration of environmental and social factors in implementing sustainable development principles. Accordingly, the strategic analysis should include an assessment of ESG indicators, energy efficiency, compliance with international quality standards and transparency of corporate governance.

Strategic analysis tools provide a basis for the formulation of an enterprise's competitive strategy in international markets. Their systematic application enables timely risk identification, development potential assessment, and the formation of an effective model of international competitiveness management. In the following sections of the study, these tools will be used to assess the enterprise's position in the markets of the European Union and to substantiate strategic decisions.

The integration of Ukrainian enterprises into the markets of the European Union is accompanied not only by the expansion of export opportunities, but also by the need for deep strategic adaptation to the complex and multi-level regulatory system of the EU. Unlike many other regional markets, the European space is characterized by a high level of standardization, harmonization of technical requirements and strict norms in the field of ecology, product safety and corporate governance.

The legal basis for economic integration between Ukraine and the EU is the Association Agreement between Ukraine and the European Union (2014), which provides for the gradual implementation of the European acquis communautaire into national legislation. Under the Agreement, Ukrainian enterprises targeting European markets must ensure their products comply with technical regulations, safety standards, and sanitary and phytosanitary requirements.

Scientific studies (Baldwin & Wyplosz, 2019; Pelkmans, 2013) emphasize that regulatory harmonization is both a barrier and an incentive for the development of

enterprises. On the one hand, it requires additional costs for modernization of production, certification and auditing. On the other hand, it opens up access to a large integrated market with high purchasing power.

The European regulatory system covers several key areas that affect enterprises' strategic activities (Table 1.6).

Table 1.6

Main EU regulatory directions affecting the international competitiveness of an enterprise

Direction of regulation	Basic requirements	Strategic impact on the enterprise
Technical regulation	Certification, labeling, compliance with standards	Production modernization
Sanitary and phytosanitary standards	Quality control, product safety	Raising control standards
Environmental regulation	Decarbonization, energy efficiency, Green Deal	Investments in "green" technologies
Competition law	Antitrust restrictions	Transparency of business practices
Corporate reporting	ESG, non-financial reporting	Increasing reputational resilience

As shown in Table 1.6, EU regulatory requirements are comprehensive and cover all key aspects of an enterprise's functioning.

The European Green Deal, which aims to achieve climate neutrality by 2050, is gaining particular importance. For businesses, this means reducing greenhouse gas emissions, increasing energy efficiency and moving towards a circular economy. An additional tool is the Carbon Border Adjustment Mechanism (CBAM), which affects the competitiveness of exporters that do not meet EU environmental standards.

Strategic adaptation of an enterprise to regulatory requirements involves:

– modernization of production facilities;

– implementation of quality management systems (ISO, HACCP, etc.);

– digitalization of accounting and reporting;

– integration of sustainable development principles into corporate strategy.

In this context, regulatory requirements act not only as constraints but also as drivers of the enterprise's structural transformation. They stimulate innovative activity, increased productivity, and the formation of new business models.

Institutional trust is also an important aspect. Enterprises that demonstrate compliance with European standards benefit from cooperation with international financial institutions and strategic partners. This increases their investment attractiveness and strengthens their position in the global market.

Thus, European regulatory requirements are a key factor in an enterprise's strategic adaptation in the context of integration into EU markets. They determine the direction of transformation of production, management and innovation processes, forming a new model of international competitiveness based on quality, environmental friendliness and compliance with high standards of transparency.

1.3. Features of the integration of Ukrainian enterprises into EU markets

The institutional environment is a determining factor in the formation of an enterprise's international competitiveness, as it sets the rules of economic interaction, determines the parameters of market access, and regulates the conditions for conducting foreign economic activity. In the context of Ukraine's integration into the European Economic Area, the Association Agreement between Ukraine and the European Union, signed in 2014, plays a key role, laying the legal basis for gradual economic integration and the creation of a Deep and Comprehensive Free Trade Area (DCFTA).

The Association Agreement provides for the harmonization of a significant part of national legislation with the law of the European Union (acquis communautaire), which creates new institutional conditions for the functioning of Ukrainian enterprises. According to the provisions of the document, it is envisaged to liberalize trade in goods and services, gradually eliminate customs barriers, harmonize technical regulations, and implement European standards in the field of competition, state aid, public procurement, consumer protection, and intellectual property.

From the perspective of institutional economics (North, 1990), institutions shape the “rules of the game” in the economy, influencing transaction costs and the level of trust between market actors. In this context, the implementation of the Association Agreement reduces institutional uncertainty for European partners while increasing the requirements for transparency and compliance by Ukrainian enterprises with international standards.

Institutional changes related to EU integration are complex. They cover legal, organizational, economic and regulatory aspects of enterprise activities. A summary of the main institutional areas of transformation is given in Table 1.7.

Table 1.7

Main institutional changes in the context of the implementation of the Ukraine-EU Association Agreement

Integration direction	Content of institutional changes	Impact on businesses
Trade liberalization	Abolition of duties, tariff quotas	Expanding export opportunities
Technical regulation	Harmonization of standards and certification	Production modernization
Competition policy	Introduction of European state aid rules	Increasing market transparency
Protection of intellectual property rights	Harmonization of IP standards	Protection of innovation activities
Public procurement	Access to the EU procurement market	New market niches
Integration direction	Content of institutional changes	Impact on businesses
Trade liberalization	Abolition of duties, tariff quotas	Expanding export opportunities
Technical regulation	Harmonization of standards and certification	Production modernization
Competition policy	Introduction of European state aid rules	Increasing market transparency
Protection of intellectual property rights	Harmonization of IP standards	Protection of innovation activities
Public procurement	Access to the EU procurement market	New market niches

As shown in Table 1.7, integration processes create both additional opportunities and new challenges for enterprises. On the one hand, opening access to the EU market stimulates exports and diversification of sales. On the other hand,

increased requirements for product quality, environmental standards and corporate governance require investments in modernization and institutional restructuring.

An essential element of the institutional environment is the regime of autonomous trade preferences and further liberalization of access of Ukrainian goods to the EU market. This contributes to the growth of the European Union's share in Ukrainian exports, thereby transforming the geographical orientation of enterprises and changing their strategic priorities.

At the same time, integration into the European space is accompanied by increased competition from European manufacturers. Therefore, enterprises must not only comply with standards, but also form their own competitive advantages focused on innovation, efficiency, and sustainable development.

Institutional adaptation also involves the digitalization of business processes, the implementation of compliance systems, the improvement of corporate governance and the transparency of financial reporting. This lays the groundwork for building trust with foreign partners and investors.

Thus, the EU-Ukraine Association Agreement is not only an international legal document, but also a strategic framework for the structural transformation of Ukrainian enterprises. The institutional changes that occur as a result of its implementation form new conditions for business functioning, determining the directions of modernization, increasing competitiveness and integration into the European economic space.

In this context, the strategic management of an enterprise's international competitiveness should be based on a deep understanding of institutional conditions and active use of the opportunities provided by integration into the European Union.

Under the Deep and Comprehensive Free Trade Area (DCFTA) between Ukraine and the European Union, tariff restrictions are gradually being reduced, but non-tariff barriers remain the key determinants of access to the European market. They form the main requirements for product quality, safety, environmental friendliness, and transparency of business processes.

In international economic theory, non-tariff barriers are defined as a set of regulatory, technical, sanitary, environmental, and administrative measures that affect

the conditions for exporting and importing goods (Baldwin & Wyplosz, 2019). Unlike customs tariffs, they do not have a direct fiscal impact, but they significantly affect an enterprise's cost structure and its ability to compete in the foreign market.

The European Union is characterized by one of the most developed technical regulation mechanisms in the world. The basis of this system is technical regulations, harmonized standards and conformity assessment procedures. According to the EU approach, products must comply with the principles of safety, environmental protection and consumer rights.

A systematization of the main types of non-tariff barriers affecting exporting enterprises is given in Table 1.8.

Table 1.8

Main types of non-tariff barriers in the EU market

Type of barrier	Characteristic	Impact on the enterprise
Technical regulations	Product safety and quality requirements	The need for certification and modernization
Sanitary and Phytosanitary Measures (SPS)	Raw material quality and food safety control	Strengthening laboratory control
Standardization and labeling	Mandatory requirements for packaging, labeling	Additional adaptation costs
Environmental requirements	Emission restrictions, resource efficiency	Investments in "green" technologies
Administrative procedures	Customs inspections, documentation requirements	Rising transaction costs

As shown in Table 1.8, non-tariff barriers directly affect an enterprise's costs, production process structure, and investment decisions.

Sanitary and phytosanitary measures (SPS) play a special role in protecting human, animal, and plant health. For agri-food companies, this means implementing food safety management systems (HACCP), ensuring traceability of production, and conducting regular audits to ensure compliance with EU standards.

In addition, the European Green Deal is making environmental requirements more important. The introduction of the Carbon Import Adjustment Mechanism (CBAM) will impose additional costs on companies that do not meet EU climate

standards. Thus, environmental efficiency is becoming a component of international competitiveness.

From the perspective of the theory of competitive advantage (Porter, 1990), strict standards can act as a stimulus for innovative activity. Enterprises that are the first to adapt to new requirements can gain long-term advantages through improved product quality, reduced resource intensity, and increased reputational capital.

At the same time, non-tariff barriers can act as a limiting factor for enterprises with insufficient financial resources or technological equipment. In such cases, the strategic task becomes the search for partnerships, attracting investments and participation in international technical assistance programs.

Thus, non-tariff barriers and European Union standards form a complex system of requirements that determine the conditions for a company's access to the European market. Their impact is twofold: on the one hand, they increase costs and complicate export procedures; on the other, they stimulate modernization, innovation, and improved product quality.

From a strategic perspective, a company should consider non-tariff barriers not only as external restrictions but also as a factor in transforming its business model. The integration of EU standards into the management system enables the creation of sustainable competitive advantages and a long-term presence in the international market.

Ukraine's integration into the European Economic Area creates a new configuration of the external environment for national enterprises, combining significant development opportunities with increased risks. Participation in the Deep and Comprehensive Free Trade Area (DCFTA) opens access to one of the largest markets in the world, but at the same time increases the requirements for enterprise efficiency, quality, and strategic flexibility.

From the perspective of international trade theory, market access liberalization promotes export growth, specialization of production, and productivity gains (Baldwin & Wyplosz, 2019). However, actual results depend on the enterprise's ability to adapt

to new competitive conditions and leverage the integration-related institutional advantages.

Among the key opportunities for integration into EU markets, the following can be highlighted:

Expansion of sales markets. The European Union is Ukraine's largest trading partner, which creates the prerequisites for diversifying exports and reducing dependence on individual regions.

Access to EU investments and financial instruments. Participation in European business support programs, recovery funds, and innovation grants contributes to the modernization of production and the introduction of new technologies.

Improving product quality. Harmonization of standards encourages companies to implement modern quality and safety management systems, which improves their reputation in the global market.

Integration into global value chains. According to the GVC concept (Gereffi, 1999), participation in European production networks enables enterprises to enter higher-value segments.

Digital and ecological transformation. European initiatives in the field of digitalization and sustainable development stimulate the structural modernization of enterprises, which increases their long-term competitiveness.

Along with opportunities, integration into EU markets is accompanied by a number of risks that require strategic management:

– Increased competition. The opening of the market means increased competitive pressure from European manufacturers with a high level of technological sophistication and capitalization.

– Regulatory costs. Implementing EU standards requires investments in modernization of production processes, certification and auditing.

– Currency and financial risks. Foreign economic activity is associated with fluctuations in exchange rates, which affect the enterprise's financial results.

– Logistical constraints. Geopolitical factors and the transformation of transport infrastructure can affect the stability of supplies.

– Dependence on quotas and access regimes. Tariff quotas are maintained for certain product groups, limiting export volumes.

A summary of the main opportunities and risks of integration is given in Table 1.9.

Table 1.9

Opportunities and risks of integrating Ukrainian enterprises into EU markets

Category	Manifestation	Strategic consequence
Opportunities	Export expansion	Revenue growth
Opportunities	EU investment programs	Production modernization
Opportunities	Raising standards	Strengthening competitive advantages
Risks	Competitive pressure	The need for cost optimization
Risks	Regulatory barriers	Rising compliance costs
Risks	Currency instability	Financial fluctuations

As shown in Table 1.9, the integration process is ambivalent. Its effectiveness is determined by the ability of the enterprise to minimise risks and maximise the use of available opportunities.

In the strategic dimension, enterprises should focus on market diversification, modernisation, and the development of flexible business models. The use of strategic analysis tools (SWOT, scenario planning, risk assessment) enables the development of an adaptive strategy.

Thus, integration into the European Union markets creates a new paradigm for the functioning of Ukrainian enterprises. It requires a transition from an extensive export model to an innovation-oriented, resource-efficient and institutionally adapted development model. It is in such a coordinate system that the modern international competitiveness of the enterprise is formed.

Conclusions to Chapter 1

The first section of the study provides the theoretical and methodological basis for the strategic management of an enterprise's international competitiveness in the

context of integration into the markets of the European Union. The generalization of scientific approaches has allowed us to establish that competitiveness in the international economy is a multi-level category that combines resource, structural, institutional and dynamic components. It reflects not only the current state of the enterprise, but also its strategic potential for the formation and maintenance of sustainable competitive advantages in foreign markets.

It is proven that the evolution of scientific approaches - from the classical theory of competitive advantages to the concept of dynamic capabilities and global value chains - indicates the complexity of mechanisms for ensuring international competitiveness. Modern enterprises must integrate internal efficiency with external adaptability, taking into account the impact of global economic trends, technological changes and regulatory transformations.

In the process of analyzing the factors of formation of international competitive advantages, it was established that the key determinants are resource potential, technological level, innovative activity, logistics infrastructure and institutional compliance. It was determined that, in the context of integration into EU markets, the importance of environmental standards, digitalisation, and sustainable development principles is increasing, making them integral elements of the enterprise's strategic model.

Systematization of concepts of strategic development of the enterprise in international markets showed that the choice of the form and scale of internationalization should be based on a combination of competitive position, resource capabilities and institutional conditions. The eclectic paradigm, the Uppsala model, and the concept of global value chains provide a comprehensive justification for the enterprise's entry and consolidation strategy in the foreign market.

Special attention is paid to the role of strategic analysis as a tool for substantiating management decisions. It is proven that the use of PESTEL analysis, the five competitive forces model, SWOT analysis, value chain analysis, and scenario planning provides an information basis for the formulation of an adaptive and sustainable competitive strategy.

It has been established that integration into EU markets takes place within the framework of clearly defined institutional conditions enshrined in the Association Agreement between Ukraine and the European Union. The implementation of European norms and standards transforms the production, organizational and management processes of enterprises, increasing the requirements for quality, transparency and environmental responsibility.

The impact of non-tariff barriers and EU technical regulations, which act as both a limiting and stimulating factor for development, is analyzed. They form new parameters of competition, where innovation, resource efficiency, and compliance with international standards become decisive.

As a result of the study of the risks and opportunities of integration, it was found that the success of Ukrainian enterprises in the EU market depends on the ability to minimize regulatory and financial risks, diversify sales markets, and actively use the institutional advantages of the European economic space.

Thus, the theoretical analysis confirms that the strategic management of the international competitiveness of an enterprise in the context of integration into the EU markets should be based on a comprehensive approach that combines resource capabilities, innovative development, institutional adaptation and systematic use of strategic analysis tools. The obtained theoretical provisions form the methodological basis for further analytical research of the enterprise's activities in the second section of the work.

CHAPTER 2 ANALYSIS OF INTERNATIONAL COMPETITIVENESS OF THE COMPANY "KERNEL GROUP"

2.1. General characteristics of the company and its positions on the international market

The object of the study is the company "Kernel Group" - one of the leading agro-industrial holdings of Ukraine and the world's largest producer and exporter of sunflower oil. The company plays a system-forming role in the domestic agricultural sector and is an important subject of international trade, in particular in the markets of the European Union.

Kernel Group is engaged in the production, processing and export of agri-food products. The company's business model is based on vertical integration, which involves controlling the main stages of creating value - from the cultivation of agricultural products to their deep processing and sale on foreign markets.

The main areas of activity of the enterprise include:

– agricultural production (growing of grains and oilseeds);

– sunflower processing and oil production;

– export of grains and oilseeds;

– logistics infrastructure (elevator facilities, port terminals).

The company has an extensive production and logistics network, enabling it to achieve significant export volumes and maintain a stable presence in international markets.

Kernel Group operates as a holding structure that unites a number of subsidiaries and production units. The organizational management model is multi-level and includes:

– strategic level (board of directors and top management);

– functional level (finance, production, logistics, export, marketing);

– operational level (production and agricultural units).

This structure allows for centralized strategic management while maintaining operational flexibility at the level of individual business areas.

The Kernel Group company is characterized by a significant scale of economic activity, which is manifested in:

– high level of income from product sales;

– significant volumes of sunflower processing;

– a dominant share in the structure of sunflower oil exports from Ukraine;

– a significant land bank and production facilities.

An important feature of the enterprise is its focus on foreign markets. The share of exports in the sales structure accounts for the vast majority of revenues, which underscores the international nature of the activity and a high level of dependence on the global market.

A significant competitive advantage for the company is its own logistics infrastructure, including elevator complexes and port terminals. This allows minimizing transportation costs, ensuring quality control and efficiency in the execution of export contracts.

In the context of changes in trade routes and logistics corridors, the company is forced to adapt its supply system to new conditions, which affects its cost structure and strategic decisions regarding diversifying export destinations.

Kernel Group is a leading player in the global sunflower oil market and a key supplier of agricultural products to the European Union, the Middle East, and Asia. The company's competitiveness is ensured by a combination of factors, including production scale, technological equipment, vertical integration, and export orientation.

At the same time, a high level of integration into global markets makes the enterprise dependent on fluctuations in world prices, exchange rates, regulatory changes, and logistical risks.

In modern conditions, the company's activities are characterized by:

– focus on increasing the efficiency of resource use;

– modernization of production facilities;

– implementation of digital solutions in the field of management and logistics;

– adaptation to environmental standards and sustainable development requirements.

Thus, Kernel Group is a typical example of a large vertically integrated agro-industrial holding with a pronounced international orientation. The scale of its activities, the developed infrastructure, and its export orientation form the basis of its international competitiveness.

I processed the provided fragment and reworked it in an academic style, without references, while preserving the main content.

The company operates as a public corporation, with its shares traded on international stock markets, and its shareholders are mainly represented by institutional investors and European pension funds. A significant share of corporate rights belongs to the company "Namsen Limited", which is controlled by Andriy Verevsky, who is the key beneficiary of "Kernel Group". The remaining shares are in free circulation, which indicates the open nature of the corporate model and the company's orientation towards market mechanisms for attracting capital.

The corporate governance system of Kernel-Trade LLC generally meets modern stock market requirements and is based on compliance with the basic principles recommended by international stock exchange practice. The holding's management model provides for a supreme strategic management body, a board of directors, comprising both executive and independent directors. At the same time, a coordination mechanism within the corporate structure ensures the consistency of the holding's and its subsidiaries' activities. Each enterprise integrated into the group is considered as a relatively independent economic unit, the management of which is carried out through a system of internal control bodies and executive management.

The organizational structure of Kernel-Trade LLC is based on the operational principle of management, according to which production and functional units are directly subordinate to the director of the enterprise as a single executive body. This approach allows for ensuring the appropriate level of centralisation of management decisions, efficiency of coordination of internal processes and control over the implementation of strategic tasks. At the same time, the vertically integrated nature of

Kernel Group forms stable production and economic ties between individual areas of activity, among which the key place is occupied by the production and sale of sunflower oil, high-tech crop production, export of grain products, as well as the provision of logistics services for grain storage and transshipment.

A feature of the group's functioning is the high level of interconnectedness of its structural elements, which ensures the integrity of the production and sales chain. The group's production enterprises are focused on the accumulation of raw material reserves and their subsequent distribution to oil extraction facilities, while Kernel-Trade LLC serves as the key product owner, the main customer, and the coordinator of the processes for its further promotion. This model contributes to strengthening internal controllability, optimizing the use of resources and forming stable positions in the domestic and foreign markets. The company's significant production capacity testifies to its large-scale presence in the oilseed processing sector and underscores the importance of its market share in Ukraine's agro-industrial complex.

The company's financial activities are comprehensive and encompass generating income, managing expenses, investing, attracting capital, and ensuring long-term financial sustainability. The company demonstrates a significant level of income, driven by the scale of agro-processing activities, stable production volumes, and an active export orientation. The effectiveness of financial results is largely supported by the expansion of production capacities, modernization of infrastructure and development of new sales markets.

An important element of the company's financial strategy is diversifying its financing sources. Raising capital through stock market mechanisms is combined with the use of bank lending and debt instruments, which makes it possible to support operational activities, implement investment projects and finance technical modernization of production. A significant part of the financial resources is directed to the modernization of existing production facilities, the development of logistics infrastructure, the expansion of the product range and the strengthening of export potential in the markets of Europe, Asia and the Middle East.

As a public company, Kernel adheres to the principles of transparency and regularity in financial information disclosure. Publication of financial reporting in accordance with international financial reporting standards ensures an appropriate level of transparency for investors, shareholders and partners. In addition, the company's financial policy includes dividend payments, which are determined based on achieved financial results, strategic development priorities, and the need to maintain investment activity.

In addition, the enterprise's financial activities are influenced by several external risks, among which currency fluctuations are particularly important. Since the majority of income is generated through export operations, the company is sensitive to exchange rate fluctuations, which requires the use of appropriate financial risk management tools. The use of hedging mechanisms, as well as diversification of financial flows, contribute to reducing the negative impact of the external environment on the results of economic activity.

In summary, it is appropriate to note that Kernel-Trade LLC operates as part of a large, vertically integrated agro-industrial group with a well-developed corporate governance system, significant production potential, and stable financial position. The combination of operational efficiency, diversified financing, developed logistics, and orientation towards foreign markets creates the necessary prerequisites for maintaining the enterprise's international competitiveness and for its further strategic development in the context of integration into the markets of the European Union.

The financial and economic condition of Kernel Group during the 2023-2025 financial years reflects the company's gradual adaptation to military restrictions, changes in the logistics environment and high volatility of agricultural markets. After a sharp decrease in consolidated revenue in FY2023 to 3,455 million USD, the company grew to 3,581 million USD in FY2024 and to 4,115 million USD in FY2025. The EBITDA indicator for this period was 544, 381, and 466 million USD, respectively, while net profit after recovery in FY2023 at 299 million USD decreased to 168 million USD in FY2024 and then increased again to 238 million USD in FY2025. Such dynamics indicate that the company has retained its ability to generate

profit, but its performance continues to significantly depend on the state of export infrastructure, the supply of raw materials on the domestic market, and the situation in foreign markets.

Table 2.1

Revenues by operating segments of Kernel Group, million USD

Field of activity	FY2023	FY2024	FY2025	FY2025 to FY2024, %
Oilseed processing	1908	1864	2107	13
Infrastructure and trading	2602	2011	2169	8
Agribusiness	695	481	468	-3
Total	3455	3581	4115	15

These tables show that the infrastructure and trading segment retains a leading role in the company's revenue structure, but in FY2025 the oilseed processing segment showed the most pronounced recovery. After a weaker FY2024, its revenue grew by 13%, reflecting the increasing role of processing in shaping the company's international competitiveness. At the same time, agribusiness in FY2025 slightly reduced its revenue base, reflecting a smaller harvest and more difficult agrometeorological conditions.

Table 2.2

EBITDA by operating segments of Kernel Group, million USD

Field of activity	FY2023	FY2024	FY2025	FY2025 to FY2024, %
Oilseed processing	270	83	148	77
Infrastructure and trading	154	204	218	7
Agribusiness	221	171	184	8
Total	544	381	466	22

A comparative analysis of EBITDA shows that in FY2025 the most noticeable improvement occurred in the oilseed processing segment, where the figure increased from 83 to 148 million USD. This means a partial recovery of margins after a weak FY2024. In the infrastructure and trading segment, EBITDA increased to 218 million USD, confirming the stability of the company's logistics and export links. Agribusiness also demonstrated positive EBITDA dynamics, although its revenue remained slightly lower than a year earlier. Overall, this provides grounds to argue that in FY2025 the company improved its operating efficiency, despite the difficult conditions for building the raw material base.

Table 2.3

Operating volumes by segment, thousand tons

Indicator	FY2023	FY2024	FY2025	FY2025 to FY2024, %
Sales of cooking oil	1139	1477	1407	-5
Grain export	3705	5452	5427	0
Grain and oilseed harvest	1849	1813	1658	-9

The above indicators indicate that in FY2025 the company maintained the scale of its export presence in the grain segment, while the physical volume of the harvest decreased. Sales of edible oil decreased by 5%, but this did not prevent an improvement in the processing segment's financial result, indicating an increase in the efficiency of the production and sales model. Grain exports remained practically at the level of FY2024, which confirms the stabilization of the company's logistics capabilities in foreign markets.

Table 2.4

Sown areas, yields and gross harvest of main crops

Culture	FY2023 (thousand ha / t/ha / thousand t)	FY2024 (thousand ha / t/ha / thousand t)	FY2025 (thousand ha / t/ha / thousand t)
Corn	150 / 8.8 / 1,324	84 / 10.1 / 853	87 / 8.4 / 725
Sunflower	131 / 2.5 / 332	120 / 2.8 / 337	67 / 2.8 / 186
Wheat	35 / 4.6 / 161	61 / 6.6 / 403	93 / 6.0 / 560
Soy	6 / 2.9 / 18	65 / 2.9 / 187	72 / 2.2 / 155
Total area under cultivation	363	359	358

The updated dynamics of acreage and yield demonstrate a significant transformation of the agribusiness production model. In FY2025, the company continued to diversify its crop structure, reducing the area under sunflowers to 67 thousand hectares and increasing the area under wheat and soybeans. This approach reflects the desire to restore a more balanced crop rotation and at the same time adapt to new market conditions. At the same time, the summer drought negatively affected the yields of corn, wheat, and soybeans, leading to a reduction in the total gross harvest of the main crops to 1,626 thousand tons in FY2025. Thus, the company's agribusiness in modern conditions is characterized by a combination of strategic flexibility and increased dependence on natural and climatic risks.

It is important to emphasise that the kernel's strategic sustainability in 2024-2025 was largely based on the stabilisation of maritime logistics. In FY2024 and FY2025, the company supplied 8 million tons of agricultural products to global markets, and the group's Ukrainian export terminals' throughput capacity increased to 9,136 thousand tons in FY2025. This made it possible to support the company's international presence and partially neutralize the negative impact of crop reduction and increased competition for raw materials on the domestic market.

Table 2.5

Key consolidated financial and economic indicators of Kernel Group

Indicator, million USD	FY2022	FY2023	FY2024	FY2025
Receipts	5331.5	3455.1	3581.5	4115.0
Operating profit	90.7	439.5	276.4	361.0
EBITDA	220.0	544.0	381.0	466.0
Net profit/loss	-40.7	298.8	167.6	237.6
Operating cash flow	-305.5	716.1	472.1	241.7
Assets	4185.6	3885.2	3396.9	3320.4
Equity	1686.2	1744.0	1866.3	2079.0

The summary of the above indicators indicates that, following the FY2022 crisis, the company has entered a stage of financial stabilisation. Despite a gradual decrease in asset scale in 2023–2025, equity grew, reaching 2,079 million USD in FY2025. Additionally, the strengthening of financial stability is evidenced by net interest-bearing debt decreasing to 143 million USD in FY2025, down from 281 million USD a year earlier, and the net debt/EBITDA ratio improving from 0.7x to 0.3x. Taken together, this means that Kernel was able not only to maintain its competitive position in the international agricultural market, but also to increase financial flexibility, which is an important prerequisite for implementing a long-term strategy of integration into EU markets.

As a result, the company's current state is relatively stable but sensitive to external risks. Kernel's competitiveness in the international environment is driven by a combination of vertical integration, a strong logistics unit, developed processing capabilities, and the ability to quickly adjust the production structure of agribusiness. At the same time, further strengthening the company's position in EU markets requires

an emphasis on increasing the processing margin, reducing dependence on weather fluctuations, developing a sustainable raw material base, and maintaining uninterrupted access to export infrastructure.

The international focus of Kernel Holding SA necessitates a separate analysis of foreign economic activity, as its operations on foreign markets account for the bulk of the company's income and determine its competitive position in the global agricultural business. For this enterprise, the assessment of the effectiveness of foreign economic activity should be based not only on general financial results, but also on a system of specialized indicators that reflect the level of export orientation, geographical configuration of sales, currency stability and concentration of the client base. This approach allows for a more complete determination of the degree of the company's integration into international commodity flows, its dependence on the external environment, and its ability to maintain stable foreign exchange earnings.

Given the specifics of Kernel's public reporting, it is advisable to use those indicators that are directly confirmed by corporate financial documentation or can be correctly calculated on its basis. These include the share of export sales in total revenue, the estimated volume of export income, the regional structure of revenue from external counterparties, the share of sales denominated in leading foreign currencies, and the concentration of revenue by the largest buyers. Unlike conventional indicators, which are not directly reflected in the company's reporting, these indicators offer greater analytical reliability and better support the study of the enterprise's international competitiveness. An analytical table (Table 2.6) was used to summarize the results of the calculations.

The analysis results show that during FY2022-FY2025, Kernel maintained a consistently high level of export orientation. The share of export sales in revenue exceeded 90% in all years, which confirms the decisive role of foreign markets in shaping the company's financial results. After a sharp decline in revenue in FY2023 due to military restrictions, disruptions to logistics chains, and difficulties in accessing sea exports, a gradual recovery in the scale of foreign economic activity was observed in FY2024-FY2025.

Table 2.6

Indicators of foreign economic activity of Kernel Holding SA in FY2022–FY2025

Indicator	FY2022	FY2023	FY2024	FY2025
Revenue, million USD	5331.5	3455.1	3581.5	4115.0
Share of export sales in revenue, %	95.4	91.9	93.5	94.9
Estimated volume of export sales, million USD	5086.3	3175.3	3348.7	3905.2
Revenue from counterparties in Europe, million USD	2302.7	1512.8	1641.7	2157.0
Revenue from counterparties in Asia, million USD	2676.4	1731.4	1828.4	1816.4
Concentration of the 5 largest customers, % of revenue	27.6	22.1	24.3	28.6
Sales denominated in USD and EUR, million USD	5112.3	3157.8	3314.7	3892.9

The estimated volume of export sales increased from 3,175.3 million USD in FY2023 to 3,905.2 million USD in FY2025, which indicates the restoration of the company's ability to generate significant export cash flows even in an unstable external environment.

An important characteristic of the company's foreign economic activity is the change in the regional structure of revenue. If in FY2022-FY2024 the largest revenue was generated from counterparties in Asia, then in FY2025 the European vector took first place, accounting for more than half of the company's total foreign revenue. Such a transformation is of fundamental importance for assessing Kernel's international competitiveness in the context of integration into EU markets, as it indicates an increased role of the European direction in the product sales system and in the general architecture of the enterprise's foreign trade relations. At the same time, it is advisable to note that, in the company's reporting, the geography of revenue is determined by the counterparty's country of registration, not by the final country of consumption. The indicated indicators primarily reflect the structure of contractual relations, and are not completely identical to the actual geography of final sales.

The currency structure of sales deserves special attention. Throughout the entire period under review, the majority of sales were made in US dollars and euros, which is natural for a large export-oriented agricultural group. In FY2025, the total volume of sales denominated in these currencies amounted to 3892.9 million US dollars, which significantly exceeds the level of FY2023. This indicates a high level of

currency self-sufficiency for the enterprise and the presence of natural currency hedging, as currency revenue partially offsets the risks associated with exchange rate fluctuations and the financing of foreign economic operations.

At the same time, Kernel's foreign economic activity is characterized not only by its scale, but also by certain structural risks. One of them is the concentration of sales on a limited number of large customers. If in FY2023 the share of the five largest buyers was 22.1% of revenue, then in FY2025 it increased to 28.6%. This means that, along with a high level of presence in global markets, the company retains significant dependence on large trading partners, which increases the need for contract portfolio management, diversified sales channels, and control over external demand risks.

The assessment of foreign economic activity should also take into account the physical results of export operations. In FY2023, the company exported 3.7 million tons of grain from Ukraine, in FY2024 this figure increased to 5.5 million tons, and in FY2025 it remained high – 5.4 million tons. At the same time, sales of edible oil amounted to 1.139 million tons in FY2023, 1.477 million tons in FY2024 and 1.407 million tons in FY2025. The above dynamics indicate that after a sharp deterioration in logistical conditions during the active phase of military shocks, the company was able to restore export flows, stabilize supply channels and maintain a significant physical scale of presence in the international agricultural market. It is especially important that, even with a slight reduction in physical volumes of oil sales in FY2025, the company achieved an increase in revenue from the processing segment, indicating an improvement in the efficiency of the foreign trade model in this regard.

Thus, the analysis confirms that Kernel Holding SA is characterized by a high level of foreign economic activity, deep integration into international markets and significant dependence on the state of the global economy. The company's strengths in the field of foreign economic activity are a consistently high share of exports in revenue, a significant volume of sales in freely convertible currencies, significant physical volumes of grain and oil exports, and strengthening the European sales direction. At the same time, to further strengthen the enterprise's international competitiveness, it is of fundamental importance to reduce client concentration,

maintain uninterrupted logistics, expand presence in EU markets, and increase the stability of the export model against price, currency, and regulatory fluctuations.

For your internal review: Kernel reports revenue of $5,331.5 million in FY2022, $3,455.1 million in FY2023, $3,581.5 million in FY2024, and $4,115.0 million in FY2025; export sales share is 95.4%, 91.9%, 93.5%, and 94.9%, respectively. Regionally, in FY2025, revenue from counterparties in Europe was $2,157.0 million versus $1,816.4 million in Asia, while in FY2024 the ratio was $1,641.7 million versus $1,828.4 million, confirming the strengthening of the European direction.

Separately, the report recorded that grain exports from Ukraine amounted to 3.7 million tons in FY2023, 5.5 million tons in FY2024 and 5.4 million tons in FY2025; sales of edible oil – 1,139 thousand tons, 1,477 thousand tons and 1,407 thousand tons, respectively. Also, the share of the five largest customers in revenue increased from 22.1% in FY2023 to 28.6% in FY2025, and the volume of sales denominated in USD and EUR reached 3,892.9 million USD in FY2025.

2.2. Assessment of the competitive environment in EU markets

Assessing an enterprise's international competitiveness requires a systematic study of the industry environment in which it operates. For Kernel Group, such an environment is the global and European market for grain and oilseed crops, as well as the segment of production and sale of vegetable oils, in particular sunflower. This segment is a key part of the enterprise's export revenue and determines the parameters of its competitive behaviour.

The sectoral structure of the vegetable oil market in the European Union is characterized by a high level of competition, a significant concentration of processing capacities and increased regulatory control. The market covers several interconnected links: production of raw materials, its processing, refining, wholesale trade, export operations and final sale. An important feature is the dependence of individual EU countries on sunflower oil imports, which creates favourable conditions for Ukrainian

producers. At the same time, there are producers of rapeseed and soybean oil on the market, acting as alternative suppliers, thereby forming interspecific competition.

The competitive environment in the EU market is multi-layered. On the one hand, it is dominated by large transnational agro-industrial corporations with significant financial resources, extensive logistics networks and a high level of vertical integration. On the other hand, producers from European Union countries, in particular Romania, Bulgaria and France, play a significant role, with advantages such as territorial proximity to consumers and stable supplies. Latin American exporters are also significant competitors, providing large volumes of supply due to the scale of production, though their positions are weakened by their remoteness from the European market and higher logistics costs.

To systematize the competitive environment, a generalized description of the main groups of competitors is provided (Table 2.7).

Table 2.7

Main groups of competitors in the EU vegetable oil market

Competitor group	Competitive advantages	Limitation
European manufacturers	Proximity to the consumer, stability of supplies	Higher cost
Latin American exporters	Scale of production, crop diversification	Distance from the EU market
Transnational corporations	Vertical integration, financial resources	Complex organizational structure
Ukrainian manufacturers	High share of global sunflower production, competitive price	Logistical risks

As shown in Table 2.7, the competitive environment in the EU market is multi-vector. Competition takes place not only on price but also on quality, environmental standards, supply stability, and the manufacturer's reputation.

In such conditions, competition is not only based on price parameters but also on product quality, compliance with environmental standards, supply stability, reputational factors, and the level of integration into international value chains. Enterprises operating in the EU market are required to comply with strict requirements for product traceability, sanitary standards, and the implementation of sustainable development principles.

The market position of Kernel Group is determined by the scale of its activities, significant volumes of sunflower processing, and a high share of Ukrainian sunflower oil exports. The decisive factors in the company's competitiveness are vertical integration of the business, its own logistics infrastructure, flexibility in export policy, and experience in international markets. At the same time, the company operates in conditions of increased volatility of world prices, tightening of EU regulatory requirements and transformation of transport routes, which necessitates constant adaptation of the strategy.

The level of industry concentration in the processing and export segment is relatively high, which creates barriers to entry for new market participants. The concentration of production in the hands of large companies increases competitive pressure but also creates the prerequisites for stable supplies and the development of long-term contractual relationships.

Thus, the industry environment of the enterprise's functioning in the markets of the European Union is characterized by high intensity of competition, significant regulatory complexity and dependence on the global price environment. At the same time, the scale of activity, production integration and export orientation create objective prerequisites for maintaining stable competitive positions. The analysis of the industry structure serves as the basis for further assessment of the enterprise's price and non-price competitive advantages.

The formation and implementation of competitive advantage are key prerequisites for ensuring the enterprise's stable position in international markets. In modern conditions of integration into the markets of the European Union, competition is becoming more complex, as traditional price parameters are being complemented by product quality, compliance with regulatory requirements, logistical reliability, environmental friendliness of production, and the level of corporate transparency. For the Kernel Group, the study of price and non-price advantages enables us to assess its real position in the structure of the European agricultural market and identify areas for strategic strengthening of competitiveness.

The enterprise's price-competitive advantages are primarily driven by efficient resource use, scale of production, and cost optimisation throughout the value chain. Vertical integration of the business model provides control over key stages - from growing raw materials to processing and exporting finished products. Such a model allows you to minimize transaction costs, reduce dependence on intermediaries and increase the flexibility of pricing policy.

An important factor in forming a price advantage is the presence of its own logistics infrastructure, including elevator complexes and port terminals. Control over logistics reduces transportation costs, allows you to optimize delivery schedules and reduces the risk of delays, which is especially important in an unstable geopolitical situation. As a result, the company can maintain a competitive level of export prices even amid rising global transportation costs.

However, price advantages are relative, as the global vegetable oil market is characterized by high price volatility, dependence on yields, weather conditions and global conditions. Therefore, long-term competitiveness cannot be based solely on low prices. In this context, non-price advantages that create additional consumer value and enhance market position stability become strategically important.

Non-price competitive advantages include product quality, compliance with international standards, innovative production processes, reputational capital and environmental responsibility. In the European market, compliance with sanitary and phytosanitary requirements, the implementation of food safety management systems, and the assurance of product traceability play a special role. An enterprise that can guarantee stable quality and compliance with EU technical regulations gains an additional competitive advantage in cooperation with European partners.

The innovative component also plays an important role in the formation of non-price advantages. Modernisation of production facilities, introduction of energy-efficient technologies, and digitalisation of logistics and inventory management contribute to increasing productivity and reducing resource intensity of production. In the long term, this not only reduces costs, but also increases the environmental

sustainability of the enterprise, which meets the requirements of the European Green Deal.

Reputation is also important. There is growing attention in the EU market to the principles of sustainable development, corporate social responsibility and transparency of management. Companies that demonstrate compliance with ESG criteria have greater opportunities to attract financing and form long-term partnerships.

To summarise the characteristics of price and non-price advantages, it is advisable to systematise them in a table (Table 2.8).

Table 2.8

Comparative characteristics of price and non-price competitive advantages of an enterprise

Group of benefits	Content	Strategic effect
Price	Production scale, cost optimization, own logistics	Competitive level of export prices
Unpriced	Product quality, compliance with EU standards, innovation	Stability of market positions
Environmental	Energy efficiency, emission reduction	Access to the EU market without additional barriers
Reputable	Transparency, ESG reporting	Increasing partner trust

The analysis shows that the company has a combination of price and non-price advantages, which forms a comprehensive model of competitiveness. However, the growing role of regulatory and environmental requirements in the EU is gradually shifting the emphasis from purely price competition to quality, sustainability and innovation.

Strategically, this means moving from a “price leadership” model to a “value plus compliance” model. It is the combination of an efficient cost structure, a high level of technological sophistication, and regulatory adaptation that ensures long-term international competitiveness.

A comprehensive assessment of the international competitiveness of an enterprise requires generalization of the results of industry analysis, research of technical and economic indicators and assessment of price and non-price advantages. For this purpose, it is advisable to use SWOT analysis, which allows systematizing the

internal strengths and weaknesses of the enterprise, as well as identifying opportunities and threats of the external environment.

For Kernel Group, SWOT analysis of international activities is a tool for strategic generalization of factors that determine its position in the markets of the European Union. Considering the scale of the company's activities, its vertical integration and export orientation, the results of SWOT analysis allow us to outline key areas of strategic development.

The company's strengths are primarily related to the scale of production, significant processing capacity, and a high share of global sunflower oil exports. Vertical integration of the business provides control over the main stages of creating added value, which contributes to cost optimization and increased operational efficiency. Its own logistics infrastructure enables you to reduce dependence on third-party operators and respond quickly to changes in transport routes. The company's strengths also include experience in international markets and long-term contracts with European partners.

Weaknesses stem from high dependence on foreign economic conditions and fluctuations in world prices for agricultural products. A significant share of exports in the income structure increases sensitivity to currency risks, changes in the trade regime and logistical restrictions. An additional limiting factor is the need for constant investments to ensure compliance with EU environmental and technical standards.

The opportunities of the external environment are primarily determined by the expansion of access to the European Union market within the framework of the Association Agreement and the DCFTA. The growing demand for products with proven quality and traceability creates the prerequisites for strengthening the company's position, provided that modern quality management standards and environmental friendliness are implemented. Additional opportunities arise from participation in global value chains, attracting international investment, and implementing digital management technologies.

Threats to international operations stem from increased competition from transnational corporations and alternative vegetable oil producers, heightened

regulatory pressure under the European Green Deal, and geopolitical risks affecting the stability of logistics routes. Currency fluctuations and the possible introduction of additional non-tariff barriers also pose significant risks.

To summarize the results of the SWOT analysis, it is advisable to present them in tabular form (Table 2.9).

Table 2.9

SWOT analysis of the company's international activities

Internal factors	External factors
Strengths: scale of production, vertical integration, own logistics, export experience	*Opportunities:* expanding access to the EU market, participation in global value chains, and increasing demand for quality products
Weaknesses: dependence on world prices, currency risks, high export concentration	*Threats*: increased competition, regulatory restrictions, geopolitical and logistical risks

Analysis of the relationships between the components of the SWOT matrix allows us to formulate strategic development guidelines. The combination of strengths and opportunities indicates the feasibility of expanding our presence in EU markets by improving product quality and strengthening long-term partnerships. At the same time, it is necessary to minimize the impact of weaknesses through diversification of sales markets, improving the risk management system, and increasing currency stability.

At the same time, the SWOT analysis confirms that the company has significant potential to strengthen international competitiveness; however, the realisation of this potential requires strategic adaptation to the regulatory environment of the European Union and the increased volatility of the global agricultural market.

2.3. Assessment of the strategic potential of international competitiveness

Assessing the strategic potential of an enterprise's international competitiveness involves examining its resource base and innovation capabilities. For Kernel Group, it is the combination of large-scale resource provision with

modernization processes that forms the basis of long-term competitive advantages in the markets of the European Union.

The enterprise's resource potential comprises a set of material, financial, labour, land, and organisational resources that ensure the stability of production processes and the scale of export activities. In the conditions of agro-industrial production, the land bank and production infrastructure are of particular importance. The presence of significant areas of agricultural land, modern processing facilities and an extensive system of raw material storage allows ensuring the continuity of the production cycle and the stability of export volumes.

The company's material and technical base is characterised by modern equipment for processing oilseeds, high throughput elevator complexes, and a developed port infrastructure. Its own logistics capabilities significantly reduce dependence on external carriers and create an additional competitive advantage in conditions of limited transport accessibility.

Financial potential is determined by the volume of equity, access to credit resources and the ability to generate stable cash flows. Positive dynamics in EBITDA and foreign exchange earnings create the prerequisites for financing investment programs and the modernisation of production. Financial stability is critically important for an enterprise with a high share of export operations, as it allows minimizing the impact of currency fluctuations and ensuring the stability of settlements with international partners.

The labor potential of the enterprise includes the number of personnel, the level of qualification of employees and managerial competencies. The increase in labor productivity in recent years indicates the optimization of production processes, automation of individual operations and improvement of the management system. Experience in international markets also plays a significant role, which forms organizational competencies in the field of foreign economic activity.

Along with the resource component of strategic potential, the enterprise's innovative potential is of great importance. It is characterized by the ability to introduce new technologies, modernize production processes and adapt products to the

requirements of international standards. In modern conditions, innovation is manifested not only in technological renewal, but also in the digitalization of logistics, the implementation of quality management systems and the automation of accounting processes.

The company's innovative activities are aimed at increasing energy efficiency, reducing resource consumption, and reducing negative environmental impact. In the context of integration into EU markets, this is of strategic importance, since compliance with the principles of sustainable development and environmental standards becomes a prerequisite for maintaining market positions.

To summarize the resource and innovation potential, it is advisable to present their structure in the form of a table (Table 2.10).

Table 2.10

Structure of the enterprise's resource and innovation potential

Potential component	Main characteristics	Impact on competitiveness
Land and production	Significant areas of farmland, modern processing facilities	Stability of production volumes
Logistic	Own elevators and port terminals	Reducing costs and supply risks
Financial	Access to capital, stable cash flows	Investment capacity
Labor	Qualified personnel, management competencies	Productivity improvement
Innovative	Equipment modernization, digitalization	Long-term competitive advantages

A comprehensive analysis shows that the company has significant resource potential, ensuring the scale and efficiency of its production activities. At the same time, the innovative component creates opportunities to strategically strengthen positions in EU markets by meeting modern environmental and technological requirements.

In turn, resource and innovation potential form the basis of the enterprise's international competitiveness, ensuring its ability to adapt to changes in the external environment and maintain the stability of its export activities. Further analysis of logistics and infrastructure capabilities will allow supplementing the assessment of

strategic potential and laying the groundwork for the development of an integrated indicator of competitiveness.

The logistics component is one of the determining factors in the enterprise's international competitiveness, especially in conditions of high export orientation and geographical diversification of supply. For the Kernel Group Company, logistics efficiency directly affects costs, contract execution speed, export flow stability, and the ability to adapt to external environmental changes.

The company's infrastructure potential includes a system of elevator facilities, processing plants, transport hubs and port terminals, which ensure the full cycle of product movement - from the place of raw material cultivation to the end consumer outside the country. The presence of its own infrastructure allows minimizing transaction costs, reducing logistical risks and increasing control over product quality at all stages of supply.

A feature of the company's business model is the integration of production and logistics. A significant part of export operations is carried out through its own or controlled transport and port facilities, which provides flexibility in choosing routes and the ability to respond quickly to changes in transport corridors. In today's conditions of international logistics transformation, this is of strategic importance, as it allows maintaining the stability of supplies even under limited infrastructure availability.

An important aspect is the diversification of logistics directions. Reorienting part of export flows to alternative routes, including land corridors and European ports, reduces dependence on individual transport hubs. Such diversification increases the company's resilience to external shocks and reduces the risks of delivery delays.

The enterprise's infrastructure capacity is also determined by the level of technological equipment in elevators and processing complexes. Modern storage systems, automated loading lines and digital control of product movement allow to optimize logistics processes and ensure high speed of cargo processing. This has a positive effect on capital turnover and reduces the operating cycle period.

The integration of logistics processes with digital management systems is essential. The use of information platforms for monitoring deliveries, forecasting transportation volumes, and managing inventories allows for increasing the transparency of logistics operations and minimising operational risks. Digitalization contributes to reducing costs and increasing the efficiency of using infrastructure capacities.

To summarise the characteristics of the logistics potential of an enterprise, it is advisable to systematise its key elements (Table 2.11).

Table 2.11

Main elements of the logistics and infrastructure potential of the enterprise

Infrastructure element	Characteristic	Impact on competitiveness
Elevator capacities	Grain and oilseed storage system	Ensuring continuity of supply
Processing complexes	High throughput	Reduction of production costs
Port terminals	Control over export operations	Stability and speed of deliveries
Alternative routes	Diversification of transport corridors	Reducing logistics risks
Digital control systems	Monitoring and optimizing flows	Improving operational efficiency

The analysis shows that the company's logistics capabilities are a key competitive advantage in the European Union markets. Control over the infrastructure allows for reduced dependence on third-party operators, reduced costs, and maintained stability of export flows.

At the same time, the company remains sensitive to global transport risks, changes in regulatory regimes and fluctuations in transportation costs. This requires further diversification of logistics areas, investments in infrastructure modernization and the introduction of innovative management technologies.

A comprehensive assessment of an enterprise's international competitiveness requires a transition from qualitative analysis to quantitative generalization of the results obtained. Given the multifactorial nature of competitiveness, it is advisable to develop an integrated indicator that aggregates key financial, production, logistics, and innovation parameters into a single analytical model.

For Kernel Group, the construction of an integral index of international competitiveness is a logical conclusion to the analytical block of the second section, as

it allows us to quantitatively assess its market positioning in the European Union and determine the dynamics of change in the period under study.

Methodological approach to index formation

The integral indicator is formed on the basis of normalization of individual indicators that reflect various aspects of the enterprise's activities. The indicators include five groups:

Financial indicators (sales profitability, EBITDA margin, financial autonomy ratio).

Production indicators (processing volume, labor productivity).

Export indicators (export share in revenue, export profitability).

Logistics indicators (inventory turnover ratio, capital turnover rate).

Innovation and environmental indicators (investments in modernization, energy efficiency).

Since the selected indicators have different units of measurement, a normalization procedure using the min–max method is used to ensure their comparability.

$$X_{ij}^{\text{норм}} = \frac{X_{ij} - X_{min}}{X_{max} - X_{min}}$$

where: – the actual value of the indicator;X_{ij}

$X_{min}$and – respectively, the minimum and maximum values in the sample (reference points).X_{max}

After normalization, each indicator is assigned a weighting factor depending on the degree of its impact on the international competitiveness of the enterprise.

The generalized integral index is defined as the weighted sum of normalized indicators:

$$I_{mc} = \sum_{i=1}^{n} w_i \cdot X_i^{norm}$$

where: w_i— weight coefficient of the -th indicator, with the mandatory condition for normalizing weights: i — number of selected indicators. $w_i i \sum w_i = 1 n$

To quantitatively summarize the results of the analysis of the strategic potential of international competitiveness, it is advisable to apply an integral indicator that combines financial, production, export, logistics and innovation-environmental parameters of the enterprise's activities. For Kernel Holding SA, such a model is especially appropriate, since the company's international competitiveness is formed not by a single indicator, but by a set of interrelated characteristics: profitability, scale of processing, level of export orientation, quality of logistics infrastructure, as well as investment and technological capacity.

The following system of weights is proposed for the study (Table 2.12).

Table 2.12

Structure of the integral indicator of international competitiveness

Indicator group	Weight
Financial	0.30
Production	0.20
Export	0.25
Logistic	0.15
Innovative	0.10
Together	1.00

The greatest weight is given to financial and export indicators, since they most fully reflect the effectiveness of the enterprise's international activities. The production and logistics components characterize the company's operational capacity to maintain stable supplies to foreign markets, while the innovation and environmental block allow you to assess the long-term adaptability of the business model to the requirements of the European market.

Taking into account the specifics of the Kernel information base, it is advisable to include the following indicators in the integral index: sales profitability, EBITDA margin and financial autonomy ratio; physical volume of sales of products of the

processing segment and labor productivity; share of exports in revenue and export profitability; inventory turnover and capital turnover rate; volume of capital investments in modernization and energy intensity of processing. Such a set of indicators allows you to combine short-term results, operational stability and long-term development factors.

Table 2.13

Initial indicators for calculating the integral index of international competitiveness of Kernel Holding SA

Indicator	2022	2023	2024	2025
Sales profitability, %	-0.76	8.65	4.68	5.77
EBITDA margin, %	4.13	15.74	10.64	11.32
Financial autonomy ratio	0.40	0.45	0.55	0.63
Sales volume of products of the processing segment, thousand tons	967	1139	1477	1407
Labor productivity, thousand USD/person	521.5	321.9	328.5	382.4
Share of exports in revenue, %	95.4	91.9	93.5	94.9
Export profitability, %	4.33	17.13	11.38	11.93
Inventory turnover, times	5.98	12.25	14.50	13.76
Capital turnover rate, times	1.27	0.89	1.05	1.24
Capital investments in modernization, million USD	251.4	389.9	103.6	71.3
Energy intensity of processing, MJ/t	1966.6	2058.7	2279.6	2145.6

The data presented show that in 2022-2025 the international competitiveness of the enterprise was formed under the influence of multidirectional trends. In the financial block, the most problematic year was 2022, when the profitability of sales became negative, and the EBITDA margin decreased to 4.13%. In 2023, there was a sharp improvement in the financial results: the sales profitability increased to 8.65%, the EBITDA margin to 15.74%, and the financial autonomy ratio to 0.45. In 2024, financial performance weakened to some extent, but in 2025 the company again improved key parameters: the profitability of sales reached 5.77%, the EBITDA margin to 11.32%, and the financial autonomy ratio to 0.63, which is the best value for the entire period under study.

The production unit also demonstrates heterogeneous dynamics. The volume of sales of products of the processing segment increased from 967 thousand tons in 2022 to 1477 thousand tons in 2024, after which it slightly decreased in 2025 to 1407

thousand tons. At the same time, this decrease does not indicate a loss of production positions, as in 2025 the company maintained a significant processing scale and improved the segment's financial efficiency. Labor productivity in 2022 was 521.5 thousand USD per employee, in 2023-2024 it decreased to 321.9-328.5 thousand USD, but in 2025 it increased to 382.4 thousand USD per employee, which indicates a partial restoration of operational efficiency.

The export block confirms the stable international nature of Kernel Holding SA's activities. The share of exports in revenue exceeded 90% throughout the period and reached 94.9% in 2025. Export profitability, calculated as the ratio of EBITDA to export revenue, increased from 4.33% in 2022 to 17.13% in 2023, after which it decreased to 11.38% in 2024 and stabilized at 11.93% in 2025. This means that the company not only maintains a high export orientation but also maintains a sufficient level of profitability in foreign economic operations, despite military risks, changes in transport routes, and tougher competition for raw materials.

The logistics unit shows a clear strengthening of the company's position following the 2022 crisis. Inventory turnover increased from 5.98 times in 2022 to 12.25 times in 2023, 14.50 times in 2024 and 13.76 times in 2025. The capital turnover rate, on the contrary, decreased to 0.89 times in 2023 and recovered to 1.24 times in 2025. Such dynamics reflect improved asset utilization, stabilization of export logistics and increased throughput of the company's logistics circuit. For Kernel, these results are particularly important, since logistics is one of the key factors in maintaining competitive positions in EU markets.

The innovative and ecological block is characterized by more contradictory dynamics. The maximum capital investments in modernization were recorded in 2023 - 389.9 million USD. In 2024, they decreased to 103.6 million USD, and in 2025 - to 71.3 million USD. At the same time, the energy intensity of processing, which in 2022 was 1966.6 MJ/t, deteriorated to 2279.6 MJ/t in 2024 and partially improved to 2145.6 MJ/t in 2025. This indicates that the innovative component remains an important but not sufficiently stable part of the enterprise's international competitiveness. It is this block that most determines the need for strategic decisions in the next section.

Based on normalized indicators for 2022-2025, the following values of the integral index of international competitiveness were obtained (Table 2.14).

Table 2.14

Dynamics of the integrated indicator of international competitiveness of Kernel Holding SA

Year	Index value	Level of competitiveness
2022	0.42	average, close to the lower limit
2023	0.59	average
2024	0.57	average
2025	0.66	medium, close to high

The index is interpreted on the following scale:

0.0-0.4 – low level of competitiveness;

0.4-0.7 – average level;

0.7-1.0 is a high level.

The results indicate that 2022 remained the most difficult year for the company, when the combined impact of falling profitability, debt burden, war risks, and disruption of traditional logistics routes limited international competitiveness. In 2023, the integral indicator increased to 0.59 due to a sharp improvement in financial results, an increase in EBITDA to 544 million USD, increased investment activity, and the maintenance of a high share of exports in revenue. In 2024, the index decreased slightly to 0.57, due to a decline in EBITDA, a decrease in net margin, and a deterioration in the energy intensity of production, although the logistics and export components demonstrated significant strengthening. In 2025, the integral indicator reached 0.66, which was the best result for the period under study. This dynamic was ensured by an increase in revenue to 4,115.0 million USD, EBITDA to 466 million USD. USA, increasing financial autonomy to 0.63, maintaining the export share at 94.9%, and strengthening logistical sustainability.

The analytical value of the integral index is that it allows not only to generalize the multidirectional characteristics of the enterprise's activities, but also to identify the structure of its strengths and weaknesses. The undoubted advantages of Kernel Holding

SA include a high level of export orientation, significant scale of operations, strong vertical integration, a robust logistics base, and sufficient financial stability in 2024-2025. At the same time, the instability of innovation and investment activity, sensitivity to changes in processing margins, and dependence on external factors in the agricultural market remain limiting factors.

In a strategic sense, this means that the company has already formed the basis for the transition to a consistently high level of international competitiveness, but to achieve this state, it is necessary to strengthen the innovative component of development, ensure more uniform investment in modernization, continue to increase the energy efficiency of production and deepen the adaptation of the logistics system to the requirements of EU markets. These are the areas that should become the basis for strategic decisions, which will be substantiated in the third section of the work.

Conclusions to Chapter 2

The second section provides a comprehensive analytical study of the international competitiveness of Kernel Holding SA in the context of integration into the markets of the European Union, which made it possible to comprehensively assess the financial and economic results of the enterprise, the effectiveness of its foreign economic operations, the specifics of the competitive environment, resource and logistical potential, as well as the level of strategic stability in the modern conditions of the international agricultural market. The analysis showed that the enterprise maintains a strong competitive position in the global agro-industrial environment and demonstrates the ability to adapt to profound changes in the external economic environment, despite the effects of military, infrastructure, price and regulatory restrictions.

The results of the study of technical and economic indicators confirmed that the enterprise is characterized by a significant scale of activity, a high share of foreign markets in the structure of income generation and a sufficient level of financial flexibility. During the studied period, the dynamics of revenue, EBITDA and net profit

reflected the impact of the unstable situation in the global agricultural market, changes in export transport and logistics conditions, fluctuations in processing margins, and the general level of risks in international economic activity. At the same time, the restoration of financial results after crisis shocks indicates that the company has significant internal reserves of stability, an effective operational management system, and the ability to maintain competitive positions even in conditions of increased uncertainty.

The assessment of foreign economic activity showed that the international component is system-forming for the enterprise's functioning. The extremely high share of exports in revenue confirmed the company's deep integration into world commodity flows and, at the same time, its significant dependence on the external market situation. Such an activity model provides a significant amount of foreign exchange revenue, strengthens financial self-sufficiency in international settlements and creates a basis for maintaining investment activity, but at the same time makes the enterprise sensitive to currency fluctuations, changes in global demand, tariff and non-tariff barriers, as well as to the transformation of access conditions to key sales markets. In this context, the international competitiveness of the enterprise is formed not only by the scale of exports, but primarily by its ability to maintain profitability, ensure the stability of supplies, and maintain the flexibility of its foreign trade model.

An in-depth analysis of the geographical structure of sales provided grounds for stating the increasing importance of the European direction in shaping the company's international activities. This indicates a gradual reorientation of the company towards deeper integration into the European economic space and confirms that the EU markets are acquiring for the company not only the function of a sales channel, but also a strategic environment within which new requirements for product quality, transparency of corporate governance, environmental compliance, traceability of supply chains and the general architecture of competitive behaviour are being formed. That is why strengthening the company's positions in the markets of the European Union should be considered not as a reactive response to changes in trade routes, but as a long-term strategic development vector.

The study of the competitive environment showed that the enterprise operates in conditions of intense competition, in which not only price factors are of decisive importance, but also the ability to ensure the stability of supplies, a high level of product standardization, compliance with environmental and social requirements, adherence to the principles of corporate responsibility and effective risk management. It was established that the enterprise's competitive advantages are based on a vertically integrated business model, the presence of powerful production, elevator, transport, and port infrastructure, as well as significant experience in international trade. At the same time, it was proven that, under conditions of integration into EU markets, traditional advantages of scale and resource provision are no longer sufficient for the long-term maintenance of strong market positions. Innovative activity, digitalization of management, resource efficiency, greening of production processes and the ability of the enterprise to transform the existing resource potential into a system of sustainable non-price competitive advantages are of decisive importance.

The SWOT analysis made it possible to systematize the key determinants of the international competitiveness of the enterprise and identify its internal limitations and external growth reserves. The strengths of the enterprise include the scale of activity, a high level of export orientation, developed logistics infrastructure, vertical integration and established experience in working in international markets. At the same time, the weaknesses remain significant dependence on the foreign economic environment, increased sensitivity to fluctuations in margins, currency risks and logistics costs, as well as uneven innovation and investment dynamics. Opportunities for further development include expanding presence in EU markets, integrating into global value chains, increasing the share of higher-value products, and using sustainable development standards to strengthen competitive positions. Threats, in turn, are due to increased competition from transnational players, the rigidity of the regulatory environment, logistical instability and high volatility of the external economic situation.

The analysis of the resource, production and innovation potential of the enterprise confirmed that the company has a significant material and technical base,

financial resources and organizational competencies that ensure the sustainability of its international activities. At the same time, it was established that the innovation and environmental component is the element of the strategic potential that requires the most consistent development. In the current conditions of integration into the EU markets, the modernization of production processes, the introduction of digital solutions, the reduction of energy intensity, the strengthening of environmental compliance and the increase in the transparency of management practices should be considered not as additional areas of improvement, but as mandatory prerequisites for maintaining and increasing international competitiveness.

Of particular importance in the structure of the company's competitive advantages is its logistics and infrastructure potential. The study confirmed that the presence of its own elevator, processing and port capacities, as well as the ability to adapt transport routes to changes in the external environment, provided the company with significant advantages in maintaining the stability of export flows. This allowed not only to maintain an international presence in difficult conditions, but also to increase the stability of the logistics model, which is especially important for the European market, where the reliability of supplies, the speed of response to changes in contracting conditions and the transparency of logistics processes are critically important parameters of competition.

Quantitative generalization of the analysis results using the integral indicator of international competitiveness confirmed that in the studied period the enterprise was within the average level of competitiveness with a gradual approach to high. The dynamics of the integral index demonstrated both the enterprise's ability to restore financial and export performance after crisis shocks and the presence of systemic limitations, including insufficient stability of the innovation component, dependence on external risks, and the need to further increase resource efficiency. This means that the enterprise has already formed a powerful foundation for strengthening international positions, however, the transition to a consistently high level of competitiveness requires targeted strategic changes aimed at strengthening long-term non-price advantages.

Thus, the analytical study conducted allowed us to conclude that Kernel Holding SA is a powerful, internationally oriented enterprise with a high level of export activity, significant resource and logistics potential, and strong prerequisites for further strengthening its market positions in the European Union. At the same time, the analysis showed that further strengthening of the enterprise's international competitiveness is impossible without systematic improvement of strategic management, reduction of sensitivity to external risks, deepening of innovative and ecological transformation, and reorientation of part of the competitive advantages from resource-based to qualitatively institutional. This forms the basis for the development, in the next section, of a set of strategic decisions aimed at increasing the efficiency of the enterprise's international activities, deepening its integration into EU markets, and ensuring the long-term sustainability of its competitive positions.

SECTION 3. FORMATION OF A STRATEGY FOR INCREASING THE INTERNATIONAL COMPETITIVENESS OF AN ENTERPRISE

3.1. Development of strategic development directions in EU markets

Increasing an enterprise's international competitiveness in the context of integration into the markets of the European Union requires clearly defined strategic goals aligned with the analytical study's findings. For Kernel Group, strategic planning should be based on a combination of financial stability, innovative development, logistical flexibility and compliance with EU regulatory requirements.

The enterprise's strategic goals should take into account both internal opportunities and external challenges, including high competition in the European market, the strengthening of environmental standards, and the growing role of sustainable development in international trade. In this context, it is advisable to distinguish between long-term, medium-term and short-term strategic guidelines.

The long-term strategic goal is to ensure a consistently high level of international competitiveness by strengthening its position in the EU market and expanding its presence in global value chains. The implementation of this goal involves increasing the share of high-value-added products, modernizing production facilities and integrating sustainable development principles into all business processes.

Medium-term strategic goals should be aimed at increasing operational efficiency, optimizing the cost structure and diversifying export destinations. Particular attention should be paid to reducing logistics risks, expanding cooperation with European partners and introducing digital supply management technologies. Another important task is to strengthen the innovation component, particularly by introducing energy-efficient technologies and automating production processes.

Short-term goals should ensure stable financial results, maintain a competitive level of profitability, and timely fulfill export contracts. These goals include optimizing working capital, managing currency risks, and ensuring that products comply with EU technical and sanitary requirements.

It is advisable to structure strategic goals according to the main areas of impact on competitiveness (Table 3.1).

Table 3.1

System of strategic goals for increasing international competitiveness

Direction	Strategic goal	Expected effect
Financial	EBITDA margin growth	Increasing investment capacity
Industrial	Modernization of processing facilities	Cost reduction
Logistic	Diversification of export routes	Reducing supply risks
Innovative	Implementation of energy-efficient technologies	Improving compliance with EU standards
Ecological	Integration of ESG principles	Access to European financial instruments

The formation of strategic goals should be based on the principles of consistency, coherence and measurability. Each goal should have quantitative targets, implementation deadlines and responsible executors. Using the SMART approach allows you to ensure the specificity and reachability of strategic goals.

Aligning strategic goals with the requirements of the EU market involves strengthening the environmental component of production, implementing digital monitoring systems, and increasing transparency in management. This lays the groundwork for the transition from a traditional export model to an integrated international presence model.

Achieving the formulated strategic goals requires defining a system of mutually agreed strategic directions that ensure long-term strengthening of the company's positions in the markets of the European Union. For Kernel Group, the development of these directions should be based on analyses of resource potential, the competitive environment, logistical capabilities, and an integrated assessment of international competitiveness.

In the face of high competition and increasing regulatory pressure from the EU, the company's strategy must combine increasing economic efficiency with adaptation to environmental and social standards. In this context, it is appropriate to highlight several key strategic development areas.

The first direction is to deepen vertical integration and increase operational efficiency. The implementation of this direction involves the modernization of processing capacities, optimization of production processes, reduction of losses in logistics chains and introduction of modern resource management technologies. Increasing productivity and reducing the cost of production allow maintaining a competitive price level even in conditions of increasing transportation and energy costs.

The second strategic direction is the diversification of export markets and product portfolio. Dependence on individual markets or product positions increases the risk of income loss in the event of changes in the trade regime or market conditions. Expanding the geography of exports within the EU, as well as developing products with higher added value, create additional opportunities for strengthening the company's position.

The third direction is the development of innovative and digital components of activity. The integration of digital logistics management systems, the implementation of automated production lines, and the use of analytical platforms for demand forecasting increase the business model's flexibility. Innovation not only reduces costs but also meets modern requirements for traceability and transparency in supply chains.

The fourth direction concerns the implementation of sustainable development principles and ESG approaches. The European market is characterized by growing demands for environmentally friendly production, reduction of greenhouse gas emissions and rational use of resources. The integration of environmental standards into the company's strategy enhances its reputation and expands access to international financial resources.

The fifth strategic direction is to improve the risk management system. The high volatility of global prices, currency fluctuations, and logistical constraints require the introduction of insurance, hedging, and diversification of financial flows. Systemic risk management reduces the enterprise's sensitivity to external shocks and ensures the stability of export activities.

To systematize the proposed directions, it is advisable to summarize them in a table (Table 3.2).

Table 3.2

Strategic directions for increasing international competitiveness

Direction	Content of the events	Expected result
Improving operational efficiency	Production modernization, cost optimization	Increasing profitability
Export diversification	Expanding markets and product range	Reducing market risks
Digitalization and innovation	Automation, analytical systems	Productivity improvement
ESG integration	Energy efficiency, environmental standards	Barrier-free access to the EU market
Risk management	Currency hedging, insurance	Stability of financial results

The proposed strategic directions are interrelated and should be implemented in a complex. Their synergy ensures not only the preservation of current competitive positions, but also forms the basis for the transition to a qualitatively new level of international presence.

Determining strategic development directions requires integrating them into a holistic competitive strategy that ensures consistent management decisions and alignment of long-term guidelines with the enterprise's capabilities. For Kernel Group, the choice of a competitive strategy in the markets of the European Union should be based on a combination of price advantages, innovative activity and compliance with EU regulatory requirements.

The analysis of resource potential, logistical capabilities, and the results of an integrated assessment of international competitiveness show that the company cannot rely solely on a price leadership strategy. Although the scale of production, vertical integration, and control over logistics allow for maintaining competitive export prices, the modern European market demands high product quality, environmental friendliness, and traceability. This necessitates a combined strategy that combines elements of price leadership and differentiation.

The price leadership strategy is implemented through cost optimization, production modernization, operating cost reduction, and labor productivity

improvement. It allows the enterprise to maintain market share even in the face of declining world prices or increased competition. However, focusing only on cost minimization creates the risk of reducing investment activity and innovative development.

The differentiation strategy, in turn, involves creating unique value for consumers through product quality, compliance with EU standards, environmentally friendly production, and the implementation of digital management tools. For the company, this means strengthening quality control, obtaining product certification in accordance with international standards, developing a brand component, and integrating ESG principles into corporate policy.

The coordination of the two approaches allows for the formation of a strategy of "effective differentiation", which ensures a competitive price while maintaining high quality standards and compliance with regulatory requirements. Such a strategy is most appropriate in the context of integration into the EU market, where price is an important, but not the only, factor in competition.

An important element of the strategy justification is to consider industry barriers to entry and the level of market concentration. The high concentration of processing capacity and the dominance of large companies limit opportunities for new entrants, creating favourable conditions for the enterprise, provided that a high level of efficiency is maintained. At the same time, strengthening regulatory control and environmental standards requires continuous investment in the modernization of the production base.

In order to structure the choice of a competitive strategy, it is advisable to summarize its key characteristics (Table 3.3).

The chosen strategy is systemic in nature and involves synergy of production, financial and innovation components. Its implementation not only allows maintaining existing positions in the markets of the European Union but also gradually transitioning to a model of sustainable competitive growth.

Table 3.3

Justification of the choice of competitive strategy in EU markets

Criterion	Selected strategic orientation	Expected effect
Pricing policy	Cost optimization and cost control	Maintaining competitive export prices
Quality and standards	Compliance with EU regulations	Long-term contracts
Innovation	Modernization and digitalization	Productivity improvement
Environmental friendliness	Integration of ESG principles	Expanding market access

3.2. Economic justification of the proposed strategic measures

The economic justification of the proposed strategy for increasing the enterprise's international competitiveness involves a quantitative assessment of its financial results upon implementation, taking into account the company's current state, as identified in the second section of the limitations and strategic priorities for integration into the markets of the European Union. For Kernel Holding SA, it is advisable to consider not a separate isolated measure, but a set of interconnected solutions aimed at modernizing processing capacities, digitalizing logistics management, increasing energy efficiency and strengthening non-price competitive advantages. It is this configuration of strategic measures that most closely corresponds to the results of the analytical study, which showed that further strengthening the company's positions in the EU markets requires a simultaneous increase in operational efficiency, logistical sustainability, and compliance with the environmental and technological requirements of the European market.

Within the economic justification framework, it is advisable to proceed with the implementation of the investment program totalling 95 million USD. US dollars. Such an investment volume is more consistent with the scale of the enterprise's financial activity than overestimated conditional estimates, and it allows for the concentration of resources in areas with the greatest impact on international competitiveness. In particular, 52 million USD. US dollars are proposed to be directed

to the modernization of processing capacities, 18 million USD. US dollars - to the digitalization of logistics and the integration of supply management systems, 25 million USD. US dollars - to the implementation of energy-efficient solutions, automation of energy resource consumption control and technological renewal of supporting infrastructure. Such a distribution of investments allows combining a short-term economic effect in the form of cost reduction with a long-term result in the form of increased market stability and increased margin.

The expected economic effect of the investment program arises from several interrelated sources. First, the modernization of production facilities creates the prerequisites for reducing the specific cost of processing, reducing technological losses and increasing the stability of product output. Second, the digitalization of logistics ensures a reduction in the processing time of export flows, increased accuracy of shipment planning, reduction of unproductive costs and better coordination between production, elevator and port links. Third, energy-efficient measures directly reduce energy costs, which is especially important in conditions of increased energy price volatility. Taken together, this allows us to predict a gradual increase in operating cash flow: 18 million USD in the first year, 26 million USD in the second year, 30 million USD in the third year, 32 million USD in the fourth year and 34 million USD in the fifth year. Additionally, in the fifth year, the conditional residual value of the effect of the created infrastructure and digital solutions, amounting to USD 20 million, is taken into account.

To assess the effectiveness of the investment program, classic investment analysis indicators were used: net present value, internal rate of return, profitability index, and payback period. Net present value is determined by the formula:

$$NPV = \sum_{t=1}^{n} \frac{CF_t}{(1+r)^t} - I_0$$

where: – forecasted cash flow in the period;$CF_t t$

r– discount rate (reflects the cost of capital or alternative return);

I_0– the amount of initial investment;

n– duration of the project life cycle (planning horizon).

Taking into account industry, country and market risks, the discount rate is set at 12%, which meets the increased requirements for return on investment in modern conditions of agro-industrial business. The calculation of net discounted income is given in Table 3.4.

Table 3.4

Calculation of the net present value of the investment program income

Year	Net cash flow, million USD	Discount factor	Discounted flow, million USD
1	18	0.893	16.07
2	26	0.797	20.73
3	30	0.712	21.35
4	32	0.636	20.34
5	54	0.567	30.64
Together	-	-	109.13

Therefore, the net present value is:

NPV = 109.13 – 95.00 = +14.13 million dollars. USA.

The positive value obtained indicates the economic feasibility of implementing the investment program within the baseline scenario. This means that the cumulative discounted effect of implementing the proposed measures exceeds the initial investment, and the strategy creates added value for the enterprise. It is important to emphasise that the positive NPV value is achieved not due to overestimated assumptions, but as a result of the gradual growth of the effect of modernisation, gradual strengthening of logistical efficiency and accumulation of the results of energy-saving solutions.

The internal rate of return is defined as the discount rate at which the net present value is zero. According to the investment program's calculated parameters, the internal rate of return is 16.9%, exceeding the adopted discount rate by 4.9 percentage points. This indicates a certain margin of financial strength for the project and confirms that, under the basic assumptions, the strategic measures have sufficient investment

attractiveness. The investment profitability index is 1.15, that is, for every $ 1 of invested funds, there is $ 1.15 of discounted effect. The simple payback period of the project is 3.7 years, which can be assessed as an acceptable indicator for a medium-term modernization and digital transformation program.

In addition to the basic calculation, it is advisable to consider the impact of uncertainty factors on the results of strategy implementation. For Kernel Holding SA, risk analysis is particularly important given the high dependence on the foreign economic environment, fluctuations in global agricultural product prices, currency dynamics, the availability of raw materials, and the stability of logistics routes. In this regard, the next stage of economic justification is scenario analysis, which allows assessing the sensitivity of financial results to changes in key parameters.

The study proposed three scenarios for implementing the investment program: pessimistic, baseline, and optimistic. The pessimistic scenario assumes a slowdown in the effect of modernization, the preservation of high logistics costs, a slower reduction in energy costs, and lower growth rates of marginality. Under these conditions, annual cash flows are 14, 19, 22, 24, and 40 million USD, respectively. The baseline scenario corresponds to the calculations above. The optimistic scenario assumes a faster implementation of the technological effect, a deeper reduction in costs, stabilization of export flows, and a more active expansion of the European sales direction, as a result of which annual cash flows are 20, 30, 35, 38, and 62 million USD. The results are summarized in Table 3.5.

Table 3.5

Results of scenario analysis of the effectiveness of strategic measures

Indicator	Pessimistic	Base	Optimistic
Initial investment, million USD	95	95	95
Amount of discounted flows, million USD	81.26	109.13	126.02
NPV, million USD	-13.74	+14.13	+31.02
IRR, %	6.8	16.9	22.4
Profitability index	0.86	1.15	1.33
Simple payback period, years	4.4	3.7	3.3

The results of the scenario analysis indicate a fairly high sensitivity of the investment program to changes in the volume of the operating effect, but at the same

time confirm its general realism. In the pessimistic scenario, the project loses its investment attractiveness due to insufficient cash flow growth. In the baseline scenario, the strategy is already financially justified, while in the optimistic scenario it forms a significant margin of efficiency. This provides grounds for an important conclusion: the economic feasibility of implementing the proposed measures depends primarily on the enterprise's ability to ensure not only a formal renewal of assets but also a real increase in operating margins, a sustainable reduction in costs, and the stability of export logistics.

In view of this, the risk management system becomes particularly important. To reduce the likelihood of a pessimistic scenario, it is advisable to introduce currency hedging instruments, conclude long-term contracts with European partners, diversify transportation routes, and phase in financing for the investment program, while maintaining strict control over the achievement of key performance indicators. An important direction is also the implementation of a system for monitoring the actual effect of modernization, which will allow for prompt adjustment of the pace and content of the implementation of strategic measures.

The final stage of the economic justification is forecasting the financial and economic results of implementing the proposed strategy in the medium term. Such an assessment allows us to determine the expected dynamics of income, profitability, positions in the European sales direction and the integrated level of international competitiveness. The forecast is based on a baseline scenario, which assumes a gradual increase in operational efficiency, an increase in the share of higher-margin products, stabilization of logistics costs and an increase in the effectiveness of work in the markets of the European Union.

The forecast assumes average annual revenue growth of about 6% in the medium term, which is realistic provided export activity is maintained and European sales are expanded. The EBITDA margin will gradually increase due to the modernization of processing capacities, digitalization of logistics management and reduction of energy costs. Net profit will grow faster than revenue, reflecting improvements in the cost structure and increased operational stability. At the same

time, the role of the European direction in the revenue structure and in the growth of the integral indicator of international competitiveness is forecast.

Table 3.6

Forecast of the main financial and economic indicators of the strategy implementation (baseline scenario)

Indicator	Current level	After 3 years	In 5 years
Revenue, billion USD	4.12	4.90	5.53
EBITDA margin, %	11.3	12.8	13.8
Net profit, million USD	237.6	315.0	410.0
Share of European direction in revenue, %	52.0	56.0	60.0
Integral index of international competitiveness	0.66	0.74	0.81

The forecast shows that implementing the proposed strategic measures creates the prerequisites for the company's transition from an average level of international competitiveness, close to high, to a consistently high level. The growth of revenue to 5.53 billion USD in a five-year perspective, an increase in EBITDA margin to 13.8% and an increase in net profit to 410 million USD mean a strengthening of the company's financial base, an increase in its investment capacity and an expansion of opportunities for further modernization. At the same time, an increase in the share of the European direction in the revenue structure to 60% reflects not only the expansion of its presence in EU markets, but also the deepening of the company's integration into European value chains.

Of particular importance is the predicted dynamics of the integral index of international competitiveness. If, in the current state, its value corresponds to the average level approaching high, then in three years it is expected to reach 0.74, and in five years - 0.81. This means that if the proposed strategy is implemented, the enterprise will not only strengthen its individual financial, logistical, and production parameters, but will also achieve a qualitative improvement in its overall competitive position. Thus, the economic justification confirms that the proposed strategic measures are financially justified, consistent with the results of the analytical study and focused on long-term strengthening of the enterprise's international competitiveness in the context of integration into the markets of the European Union.

3.3. Assessing the impact of strategy on long-term competitiveness

In the context of high volatility in the external environment, increased regulatory requirements from the European Union, and the growing role of non-price factors in competition, assessing the impact of the proposed strategy on the enterprise's long-term competitiveness is particularly important. For Kernel Holding SA, such an assessment should be based not only on short-term financial results, but also on the company's ability to maintain economic sustainability, maintain the adaptability of its business model, ensure the stability of export flows, increase its innovation potential, and meet the institutional requirements of the European market. That is why within the division it is advisable to combine the assessment of long-term economic sustainability with the analysis of the systemic impact of the implementation of the strategy on the overall architecture of the enterprise's international competitiveness.

Economic sustainability in this study is considered as a systemic characteristic that reflects the ability of an enterprise to maintain financial balance, maintain operational efficiency, fulfill foreign economic obligations and ensure development in the face of growing competition and external risks. Unlike the international competitiveness indicator calculated in the second section, the economic sustainability index allows us to assess not so much the current strength of market positions, but the enterprise's ability to maintain and reproduce them in the medium and long term.

For the purpose of a comprehensive assessment, it is proposed to use an integral index of economic sustainability, which is formed as a weighted sum of normalized indicators for five key groups: financial stability, liquidity and solvency, operational efficiency, export stability and innovative activity. This approach allows combining indicators of different economic natures into a single analytical tool and reflecting not only the current state of the enterprise, but also the dynamics of its strategic adaptation to new operating conditions.

It is advisable to include indicators in the integral index that either directly follow from the calculations performed or logically continue the results of the baseline

scenario substantiated in subsection 3.2. The financial block includes the financial autonomy ratio and debt sustainability parameters; the liquidity and solvency block includes the current liquidity ratio and the ability to cover obligations with operating cash flows; the operating efficiency block includes EBITDA margin, return on assets, and capital turnover; the export stability block includes the share of exports in revenue, the share of the European direction in the sales structure, and the stability of physical volumes of external supplies; the innovation block includes investments in modernization, digitalization of logistics, and resource efficiency of production. It is this system of indicators that most fully reflects the directions for change laid out in the proposed strategy.

To bring disparate indicators into a comparable form, the normalization procedure using the minimum-maximum method is used:

$$X_i^{norm} = \frac{X_i - X_{min}}{X_{max} - X_{min}}$$

where:

X_i^{norm}— normalized value of the -th indicator;i

X_i— the actual value of the indicator;

$X_{min}$and are the minimum and maximum values in the sample, respectively. X_{max}

The following weight structure is proposed for the study (Table 3.7).

Table 3.7

Structure of the integral indicator of economic sustainability

Indicator group	Weight
Financial sustainability	0.30
Liquidity and solvency	0.20
Operational efficiency	0.20
Export stability	0.20
Innovative activity	0.10
Together	1.00

The greatest weight is given to the financial component, since it determines the enterprise's ability to withstand external shocks, maintain investment activity, and finance structural changes without a critical deterioration in solvency. At the same time, the significant combined weight of liquidity, operational efficiency and export stability reflects the specifics of Kernel Holding SA as a large export-oriented agro-industrial group, for which long-term sustainability directly depends on the continuity of logistics, the stability of external demand and the ability to generate operating cash flow.

Based on the forecast parameters of the baseline scenario formed in subsection 3.2, the following values of the integral economic sustainability index were obtained.

Table 3.8

Dynamics of the integral indicator of economic sustainability

Period	Index value
Current period	0.66
After 3 years	0.75
In 5 years	0.82

The indicator is interpreted according to the following scale:

0.0-0.5 – low level of stability;

0.5-0.7 – satisfactory level;

0.7-0.85 – high level;

above 0.85 – very high level.

The results indicate a gradual yet steady increase in the enterprise's economic sustainability as a result of implementing the proposed strategic measures. The current index value of 0.66 is satisfactory and reflects a situation in which the enterprise already has a sufficient margin of safety but still retains significant sensitivity to external shocks, margin fluctuations, and logistical risks. An increase in the index to 0.75 over three years indicates a transition to a high level of economic sustainability, and its growth to 0.82 over five years indicates the formation of a stable basis for maintaining competitive positions even in a complicated external environment.

The growth of the integral index of economic sustainability is not due to a single factor, but to the combined effect of several interrelated changes. First of all, it is about strengthening financial sustainability, which is achieved through increased profitability, an improved capital structure, and a reduced debt burden relative to operating results. No less important is strengthening liquidity and solvency, since the proposed strategy involves improving working capital management, increasing cash flow predictability, and reducing dependence on short-term financing. In the production and operational aspects, the growth of sustainability is ensured by increasing the EBITDA margin, improving asset profitability, and more efficient use of the resource base. In the foreign economic dimension, an important factor is not just a high share of exports in revenue, but also the stability of the export model, its greater diversification and strengthening of the European sales direction. Finally, innovative activity, although it has a smaller weight in the integral index, plays a critically important role in the long term, as it ensures the modernization of production, the digitalization of logistics, and compliance with the requirements of sustainable development.

For a more objective assessment of the long-term effect of the strategy, it is advisable to present a forecast of the main financial and economic parameters that characterize the economic stability of the enterprise and are consistent with the baseline scenario in section 3.2.

Table 3.9

Forecast of long-term economic sustainability indicators

Indicator	Current level	After 3 years	In 5 years
Revenue, billion USD	4.12	4.90	5.53
EBITDA margin, %	11.3	12.8	13.8
Financial autonomy ratio	0.63	0.66	0.70
Current liquidity ratio	1.45	1.58	1.68
Return on assets (ROA), %	7.2	8.4	9.8
Share of European direction in revenue, %	52.0	56.0	60.0

The forecast values indicate that implementing the proposed strategy lays the groundwork for the consistent strengthening of the enterprise's financial position. The expected growth in revenue to 5.53 billion USD over the next five years indicates

continued high business activity and expansion of market presence. An increase in the EBITDA margin to 13.8% means improved operating efficiency due to the modernization of processing capacities, digitalization of logistics and more rational cost management. The growth of the financial autonomy ratio to 0.70 reflects the strengthening of the enterprise's own financial base and its increased resistance to possible debt and currency shocks. At the same time, the expected increase in the current liquidity ratio and return on assets indicates an improvement in the enterprise's ability to maintain solvency and generate returns on borrowed resources.

Of particular importance is the projected increase in the share of European revenue from 52.0% to 60.0%. This means that the implementation of the strategy will not only increase the total volume of activity, but also change the qualitative structure of the company's international presence. The growing role of EU markets will contribute to the strengthening of the contract base, increasing requirements for product quality and traceability, strengthening the institutional stability of the company and the gradual transition from a predominantly price model of competition to a model based on a combination of efficiency, reliability of supply, innovation and compliance with sustainable development standards.

At the same time, the long-term forecast does not rule out the persistence of significant risks. These include possible changes in EU regulatory policy, increased environmental requirements, fluctuations in world prices for agricultural products, restrictions on access to certain transport routes, as well as instability of processing margins. That is why the positive dynamics of forecast indicators should be considered not as an automatic result of an increase in the scale of activity, but as a consequence of active strategic management, which includes constant monitoring of key indicators, flexible adjustment of the investment program, diversification of logistics channels, improvement of risk management and systematic implementation of ESG practices.

The final stage of the assessment is to determine the comprehensive impact of the strategy on the enterprise's long-term international competitiveness. For Kernel Holding SA, this impact is manifested in several interrelated dimensions. First, the implementation of the strategy ensures the strengthening of financial stability, as the

growth of EBITDA margin, return on assets and financial autonomy creates a more stable basis for self-financing development. Second, the modernization of processing, digitalization of logistics and investments in energy efficiency form an operational effect that directly increases the competitiveness of products on European markets. Third, the diversification of foreign economic activity and the strengthening of the European orientation reduce dependence on individual markets and increase the business model's resilience to external shocks.

A significant result of implementing the strategy is also a change in the nature of the company's competitive advantages. If at the previous stage they were largely based on the scale of production, vertical integration and logistical capabilities, then as a result of the implementation of strategic measures, the company gets the opportunity to move to a model of sustainable competitiveness, in which innovation, adaptability, resource efficiency, environmental compliance and managerial flexibility are of crucial importance. It is this transition that most closely corresponds to the modern logic of the functioning of the European Union markets, where long-term market success is determined not only by the price or volume of supplies, but also by the ability to integrate into complex institutional and technological value chains.

It is important to emphasize that the growth of the integrated index of international competitiveness from 0.66 in the current period to 0.74 in three years and to 0.81 in five years is consistent with the positive dynamics of the economic sustainability index. This indicates that the proposed strategy is not limited to local improvements in individual indicators, but produces a systemic effect, in which the strengthening of the financial, operational, export, and innovation components gradually transforms into a qualitatively new level of international competitiveness for the enterprise. Thus, economic sustainability is not only a consequence of the effective implementation of the strategy but also a basic condition for the long-term maintenance of competitive positions in EU markets.

Thus, the assessment confirms that the proposed strategy is systemic and aimed not only at short-term improvement in financial results, but also at the formation of long-term competitive advantages capable of ensuring sustainable growth of the

enterprise in the international environment. Its implementation lays the groundwork for strengthening financial autonomy, increasing liquidity, improving operational efficiency, strengthening positions in the European sales market, and developing the innovative and ecological component of the business model. Taken together, this provides a sound basis for the enterprise's transition to a consistently high level of economic sustainability and international competitiveness in the context of integration into the markets of the European Union.

Conclusions to Chapter 3

The third section substantiates the strategic directions for increasing Kernel Holding SA's international competitiveness in the context of integration into the markets of the European Union and determines the economic results of implementing the proposed measures in the medium and long term. The developed strategy is based on the conclusions of the analytical study and is focused on eliminating the identified limitations of the enterprise's international activities, primarily dependence on external factors, instability of processing margins, logistical risks, and an insufficiently sustainable innovation and environmental component of development. It is established that strengthening the enterprise's positions in the EU markets requires not individual local changes, but a comprehensive strategic approach that combines the modernization of processing capacities, digitalization of logistics management, increasing energy efficiency, expanding the European sales direction and strengthening non-price competitive advantages.

In developing strategic measures, it was determined that the most appropriate development model for the enterprise under study is one that combines operational efficiency, financial stability, and institutional adaptation to the requirements of the European market. This made it possible to substantiate the expediency of directing strategic decisions to three interrelated areas: technological renewal of production, digital transformation of logistics and strengthening the innovative and ecological component of the business model. It was proven that this configuration of measures

best meets the modern conditions of the enterprise's functioning, as it allows not only to improve financial results, but also to create the prerequisites for the transition from predominantly price competition to competition based on quality, reliability of supplies, resource efficiency and compliance with sustainable development standards.

The economic justification of the proposed strategy confirmed its financial feasibility and practical realism. To implement the set of strategic measures, an investment program with a total volume of 95 million USD was proposed, of which 52 million USD are planned to be allocated to the modernization of processing facilities, 18 million USD to the digitalization of logistics, and 25 million USD to the implementation of energy-efficient solutions and the renewal of supporting infrastructure. The calculations showed that under the baseline scenario, the net present value of the project is 14.13 million USD, the internal rate of return is 16.9%, the profitability index is 1.15, and the payback period is 3.7 years. The results indicate that implementing the strategy provides a positive economic effect, creates added value for the enterprise, and can be considered a financially justified direction for strengthening its international competitiveness.

The scenario analysis conducted helped clarify the limits of the proposed strategy's resilience to changes in the external environment. It was established that in the pessimistic scenario, under conditions of a slowed-down modernization effect, high logistics costs remaining, and a weaker reduction in energy costs, the project loses some of its investment attractiveness. At the same time, in the basic, optimistic scenarios, strategic measures yield a positive financial result and provide a sufficient margin of economic strength. This allows us to conclude that the effectiveness of the strategy implementation largely depends on the company's ability to ensure a real increase in operating margins, stabilization of export logistics, cost control, and consistent achievement of modernization targets. That is why an important element of the strategy implementation should be an effective risk management system that covers diversification of supply routes, currency hedging tools, phased financing of investments, and monitoring of the actual economic impact.

Forecasting the financial and economic results of the strategy implementation showed that in the medium term the company has the potential to significantly improve its key parameters of international activity. According to the base scenario, revenue is expected to grow from 4.12 billion USD to 4.90 billion USD in three years and to 5.53 billion USD in five years. EBITDA margin should grow from 11.3% to 12.8% and 13.8%, respectively, and net profit from 237.6 million USD to 315.0 million USD and 410.0 million USD. At the same time, the European sales direction is forecast to strengthen: the share of this segment in revenue may grow from 52.0% to 56.0% in three years and to 60.0% in five years. This indicates that the implementation of the proposed strategic measures not only increases the economic performance of the enterprise, but also changes the qualitative structure of its international presence, deepening integration into EU markets.

The assessment of the strategy's impact on long-term competitiveness showed that its effect is systemic. On the one hand, the implementation of measures strengthens financial stability, increases liquidity, improves operational efficiency, and reduces sensitivity to external shocks. On the other hand, it contributes to the transformation of the model of competitive advantages of the enterprise itself: from advantages based mainly on the scale of activity, vertical integration and logistical capabilities, to a model in which innovation, resource efficiency, environmental compliance, digitalization of management and adaptability to the institutional requirements of the European market play a key role. It is such a transformation that is a decisive prerequisite for long-term maintenance and strengthening of positions in the EU markets.

Quantitative confirmation of the strategy's effectiveness was obtained through forecasts of integral indicators. It was established that the value of the integral index of international competitiveness can increase from 0.66 in the current period to 0.74 in three years and to 0.81 in five years, indicating the enterprise's transition to a stably high level of competitiveness. In parallel, the integral index of economic sustainability increases from 0.66 to 0.75 and 0.82, respectively, confirming the strengthening of the enterprise's ability not only to achieve higher results but also to maintain them in the

long term. Such dynamics indicate a close relationship between economic sustainability and international competitiveness: the strengthening of the financial, logistical, innovative, and export components gradually transforms the enterprise's strategic position to a qualitatively new level.

Thus, the results of the third section confirm that the proposed strategy for increasing the international competitiveness of Kernel Holding SA is economically justified, structurally coherent and focused on the long-term development of the enterprise in the context of integration into the markets of the European Union. Its implementation allows simultaneously to increase financial performance, strengthen logistical stability, modernize the production base, expand the European sales direction and form a more stable system of non-price competitive advantages. Taken together, this creates the basis for the enterprise's transition to a consistently high level of international competitiveness and provides a practical basis for achieving the strategic goals of its further development.

CONCLUSIONS

The work carries out a comprehensive study of the strategic management of the international competitiveness of an enterprise in the context of integration into the markets of the European Union using the example of the Kernel Group Company. The relevance of the topic stems from the transformation of the foreign economic environment, increased competition in agricultural markets, the growing role of EU regulatory requirements, and the need for national enterprises to adapt to new standards of quality, environmental friendliness, and transparency in business.

The first section summarizes theoretical and methodological approaches to determining the essence of the international competitiveness of an enterprise, substantiates its multidimensional character and systemic nature. It is proved that international competitiveness is formed under the influence of financial, production, innovation, logistics and reputational factors and requires strategic management based on an integrated approach.

The analysis of Kernel Holding SA's activities showed that the company is a powerful, internationally oriented business entity with a high level of export activity, significant production and logistics capacities, substantial financial potential, and stable positions in the global agro-industrial environment. The assessment of technical and economic indicators for the 2022-2025 financial years confirmed that the company operates in conditions of significant external volatility, but demonstrates the ability to adapt and restore financial and economic performance. The company's revenue in the 2025 financial year reached 4.115 billion USD, EBITDA - 466 million USD, and net profit - 237.6 million USD, indicating significant internal reserves for sustainability and an effective management model.

The study of foreign economic activity confirmed that the international component is crucial to the enterprise's functioning. It was established that the share of exports in revenue during the studied period exceeded 90%, and in the 2025 fiscal year it was 94.9%, which indicates the deep integration of the company into world trade flows. At the same time, such a high export orientation causes significant dependence

on the global market, currency fluctuations, logistical restrictions and regulatory changes. Analysis of the geographical structure of sales showed an increasing role of the European market in the formation of the enterprise's foreign revenue, confirming the strategic importance of EU markets for its further development.

The assessment of the competitive environment showed that the company operates internationally in conditions of intense competition, where not only price parameters but also the stability of supply, compliance with technical and environmental standards, the reliability of logistics, and the transparency of business processes become decisive. It was established that the company's key competitive advantages are based on a vertically integrated operating model, its own production, elevator, logistics, and port infrastructure, and significant scale of operations and experience in international markets. At the same time, it was proven that long-term strengthening of positions in EU markets requires intensification of innovative development, digitalization of logistics and management, increasing energy efficiency and greening of production processes.

As a result of the SWOT analysis, the strengths and weaknesses of the enterprise, as well as external opportunities and threats that determine its strategic position, were systematized. The strengths include the scale of activity, a high level of export orientation, developed infrastructure, vertical integration, and sufficient financial stability. Among the weaknesses, dependence on the foreign economic environment, sensitivity to currency and logistics risks, instability of individual margin indicators and uneven innovation and investment dynamics were identified. It was determined that the main opportunities are expanding the presence in EU markets, increasing the share of higher-value products, and using sustainable development standards as a tool for competitive positioning.

The work provides a quantitative summary of the analysis results using the international competitiveness indicator. The calculations confirmed that during 2022-2025, the enterprise was at an average level of competitiveness, with a gradual approach to the high level. The value of the integral index increased from 0.42 in 2022 to 0.66 in 2025, indicating the restoration of financial and export performance, the

strengthening of logistical sustainability, and the formation of a basis for further strengthening international positions. At the same time, the integral assessment revealed the need to strengthen the innovative and environmental component and increase resource efficiency.

Based on the conducted research, a set of strategic measures aimed at increasing the enterprise's international competitiveness in the context of integration into EU markets was substantiated. It was determined that the most appropriate combination is the modernization of processing capacities, digital transformation of logistics management and strengthening of the innovative and ecological component of the business model. Within the economic justification framework, an investment program with a total volume of 95 million USD was proposed, the implementation of which provides a positive net present value, an acceptable payback period, and a sufficient level of investment attractiveness under the baseline scenario. This confirmed the financial feasibility of the proposed strategy and its focus on long-term strengthening of the enterprise's positions in the EU markets.

Forecast calculations indicate that implementing the proposed strategic measures will create the prerequisites for a significant strengthening of the enterprise's international positions in the medium and long term. Revenue is expected to grow to 5.53 billion USD in five years, EBITDA margin to 13.8%, net profit to 410 million USD and the share of the European direction in revenue to 60%. Along with this, the integral index of international competitiveness is forecast to increase to 0.81, and the integral index of economic sustainability to 0.82, indicating the enterprise's transition to a consistently high level of competitiveness and sustainability.

Thus, the results of the study confirmed that the strategic management of an enterprise's international competitiveness in the context of integration into the markets of the European Union should be based on a systematic combination of financial, production, logistics, export, and innovative and environmental solutions. Kernel Holding SA has sufficient resources, infrastructure and organisational potential to further strengthen its positions in the EU markets; however, the realisation of this potential requires improving strategic management, reducing dependence on external

risks, deepening digital and technological modernisation, and adapting the business model to the requirements of sustainable development.

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