

2Q 2020 IFRS RESULTS

28.08.2020



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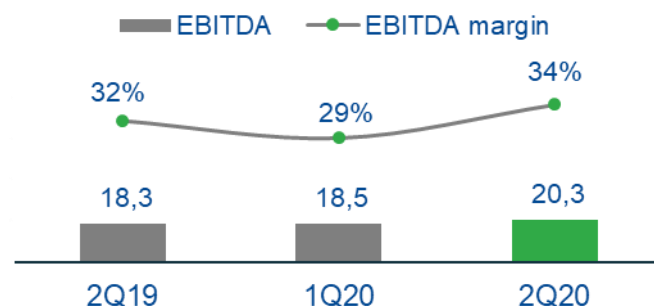
2Q 2020 HIGHLIGHTS



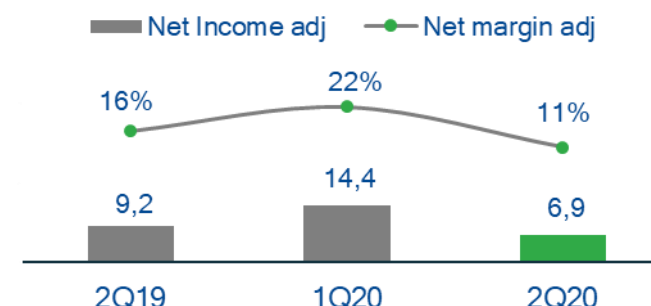
Comments

- Revenue for 2Q 2020 increased 3.1% year-on-year to RUB 59.9 billion (USD 828 million) due to an increase in export sales while maintaining a high share of sales to the Russian market
- In 2Q 2020, EBITDA increased 11.0% year-on-year to RUB 20.3 billion (USD 281 million), with the EBITDA margin increasing to almost 34% (from 31.5% in 2Q 2019).
- Free cash flow in 2Q 2020 totalled RUB 2.0 billion (USD 28 million), compared with RUB 10.2 billion (USD 158 million) in 2Q 2019. This decrease was due to an accumulation of working capital related to the active recovery in seasonal demand in export markets and an increase in exports. In 1H 2020, free cash flow was RUB 20.3 billion (USD 303 million).
- In 2Q 2020, net profit adjusted for non-cash FX items amounted to RUB 6.9 billion (USD 95 million).
- Recommended dividends for 2Q20: RUB 11.0 per GDR, which is 2 times more than FCF or 62% of adj. Net Income

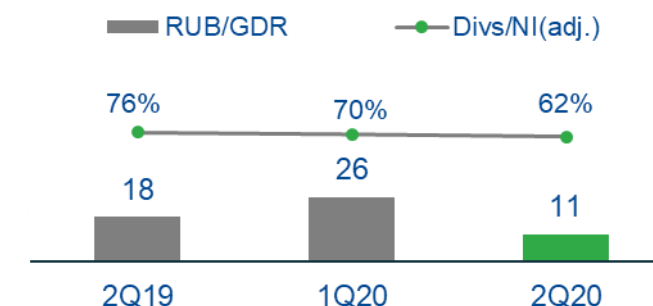
EBITDA and EBITDA margin, RUB bln



Net income (adj) & net margin, RUB bln



Recommended/Paid dividends,



FINANCIAL HIGHLIGHTS						
RUB million	2Q 2020	2Q 2019	Chng, %	6M 2020	6M 2019	Chng, %
Revenue	59 938	58 146	3,1%	123 996	130 433	-4,9%
EBITDA	20 341	18 317	11,0%	38 843	43 095	-9,9%
EBITDA margin	34%	32%	2,4pp	31%	33%	-1,7pp
Net income	20 879	11 785	77,2%	5 291	32 945	-83,9%
Net income adj	6 861	9 197	-25,4%	21 216	22 737	-6,7%
FCF	2 021	10 184	-80,2%	20 274	28 959	-30,0%
30.06.2020 31.12.2019						
Net debt	138 787	131 583				
ND/LTM EBITDA	1,95	1,74				
Sales, 000' t	2Q 2020	2Q 2019	Chng, %	6M 2020	6M2019	Chng, %
Phosphate-based&MCP	1 789	1 629	9,9%	3 877	3 558	9,0%
Nitrogen-based	604	531	13,7%	1 306	1 148	13,8%
Total sales	2 393	2 160	10,8%	5 183	4 706	10,1%

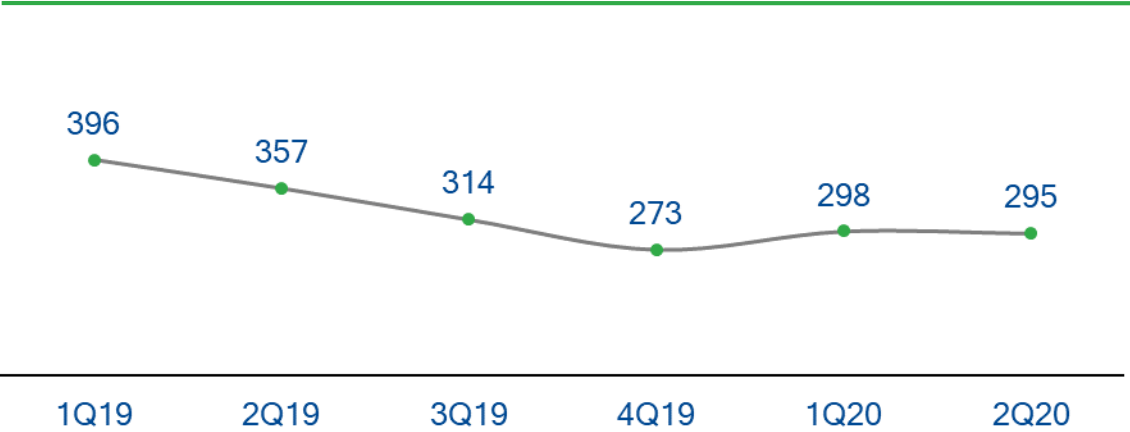
MARKET OVERVIEW



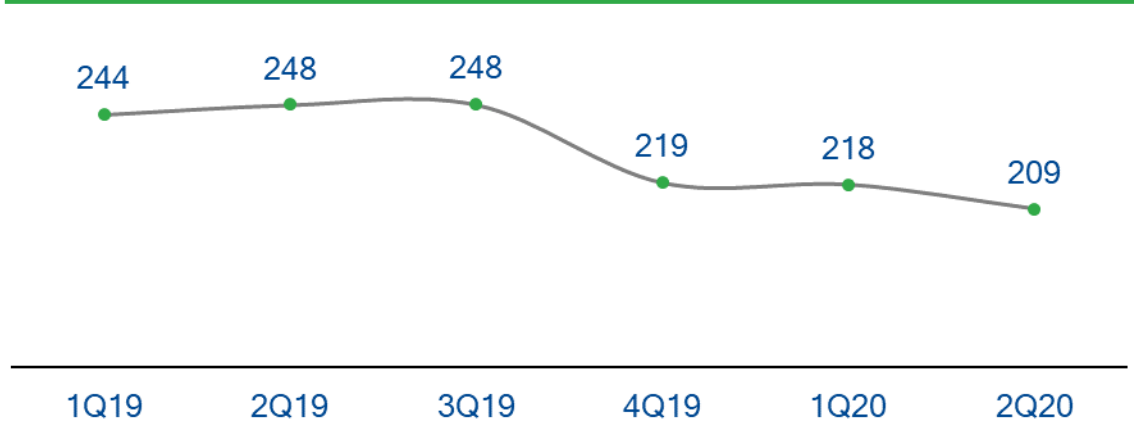
FERTILIZER PRICE PERFORMANCE



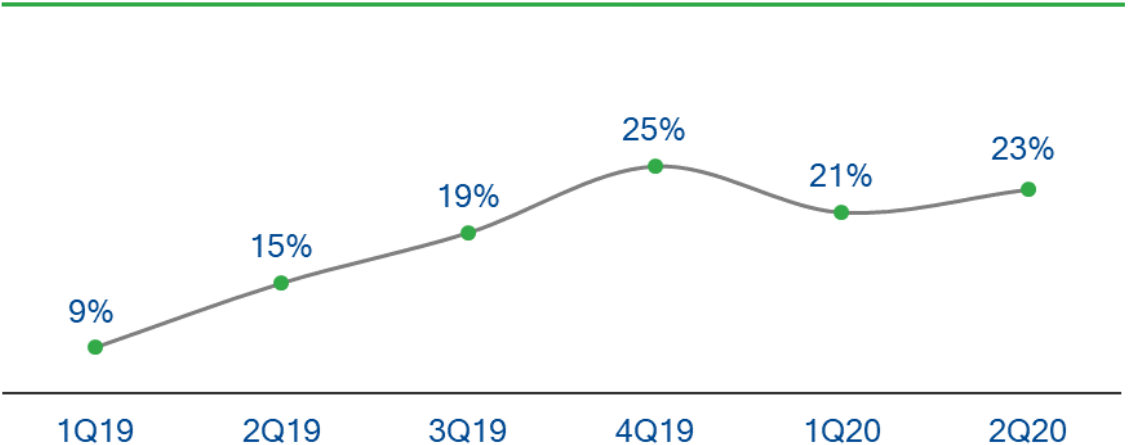
MAP FOB Baltic price performance, USD/t



Prilled urea FOB Baltic price performance, USD/t



NPK price premium to nutrients, %



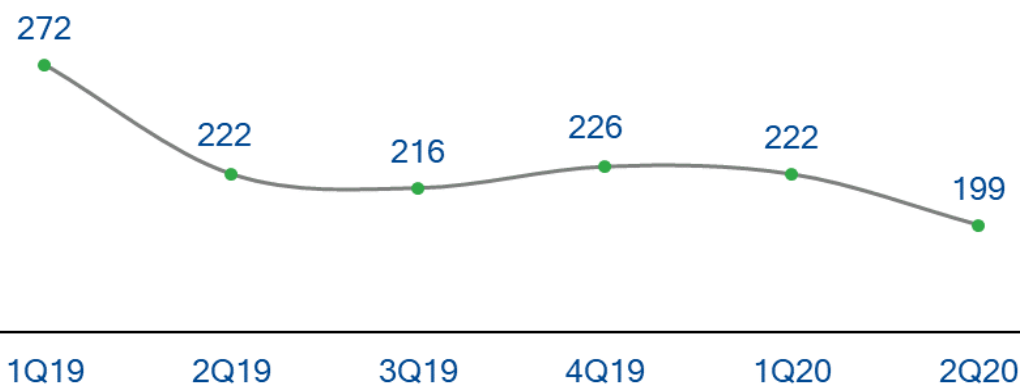
NPK basket vs. soft commodities, week 1 2011 = 0



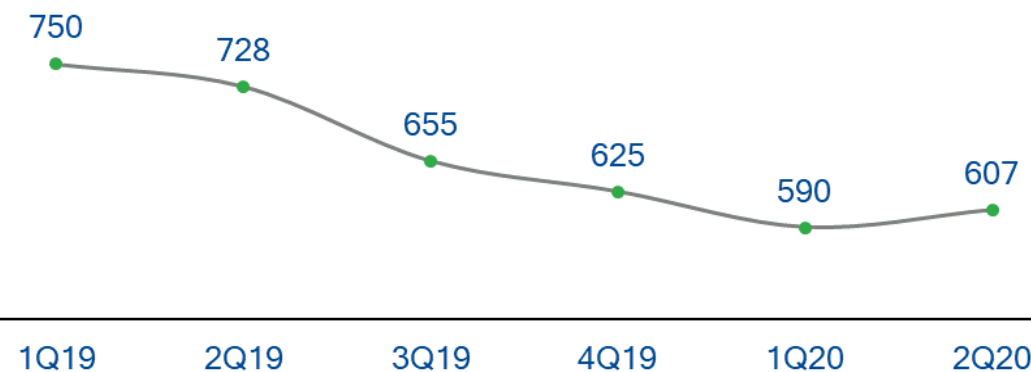
Source: CRU, PhosAgro

FEEDSTOCK PRICES

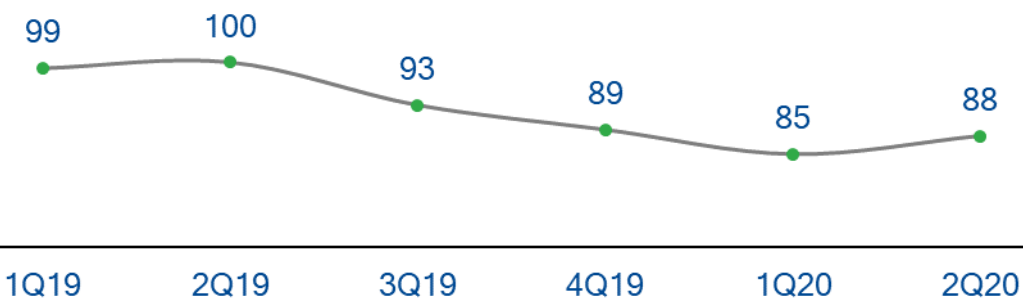
Ammonia FOB Black price, USD/t



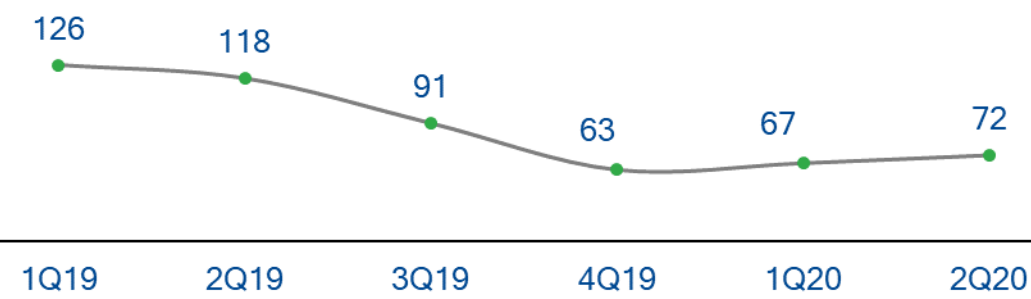
Phosphoric acid CFR India contract price, USD/t



Phosphate rock FOB Morocco prices, USD/t



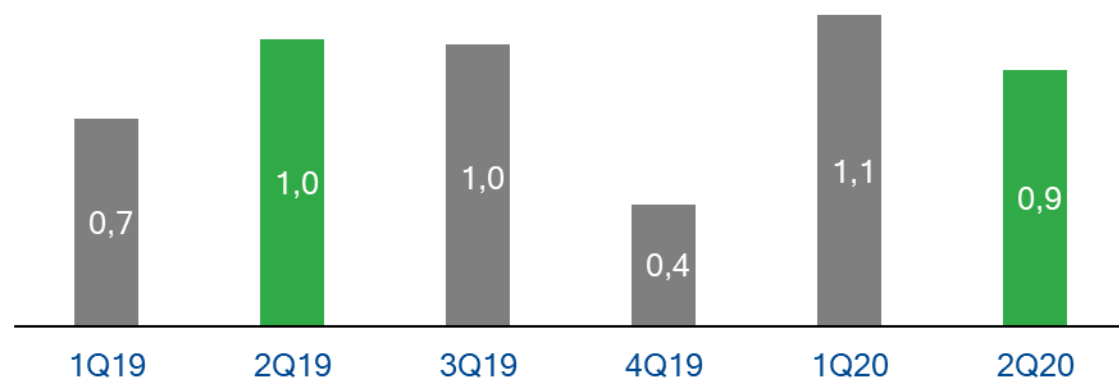
Sulphur CFR China prices, USD/t



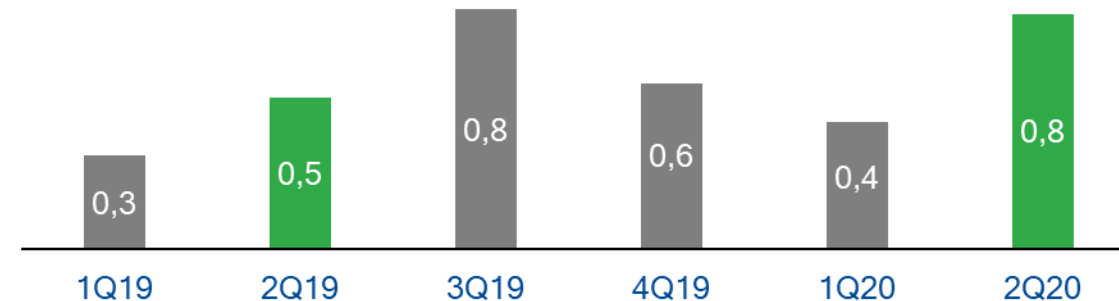
Source: CRU, PhosAgro

GLOBAL TRENDS

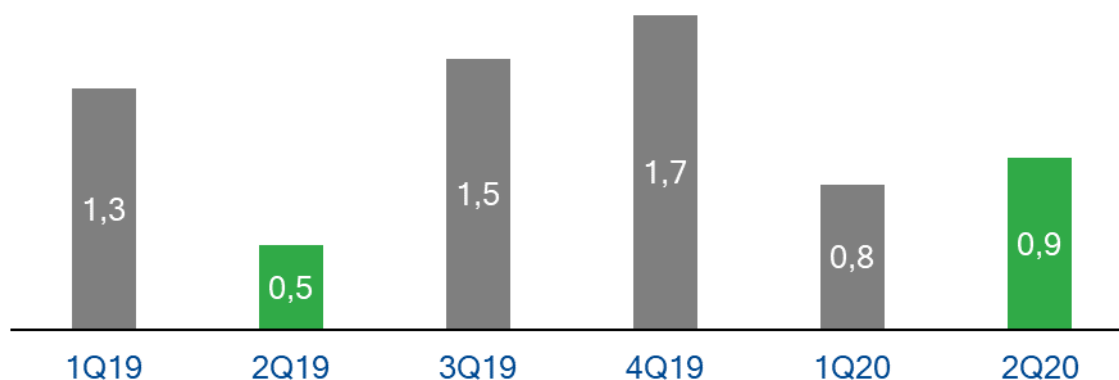
MAP/NPK/NP sales in Russia, mln t



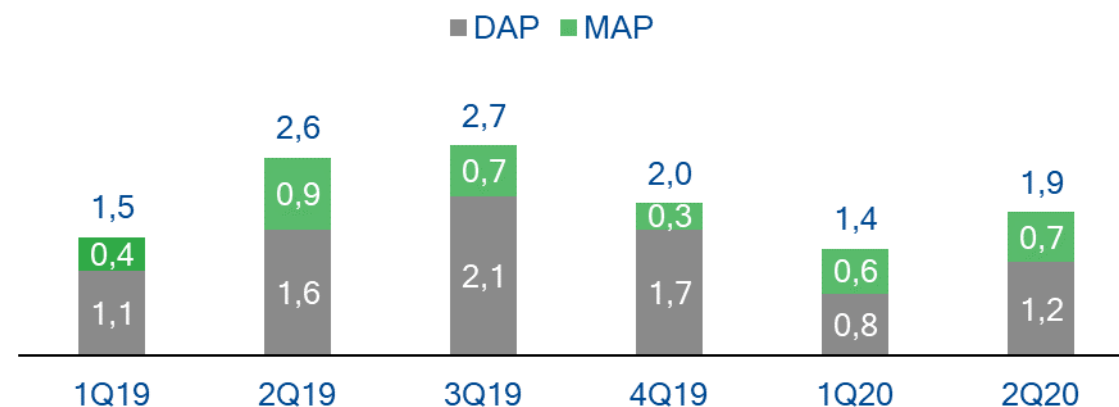
MAP/NP import to Brazil, mln t P2O5



Urea export from China, mln t



DAP/MAP export from China, mln t



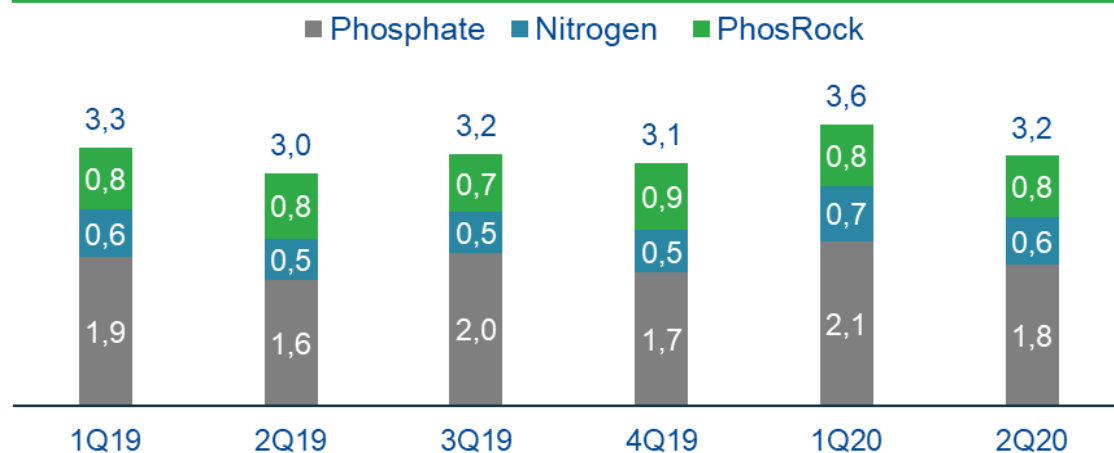
Source: CRU, Fertecon, RAPU, China General Administration of Customs, PhosAgro

FINANCIAL REVIEW

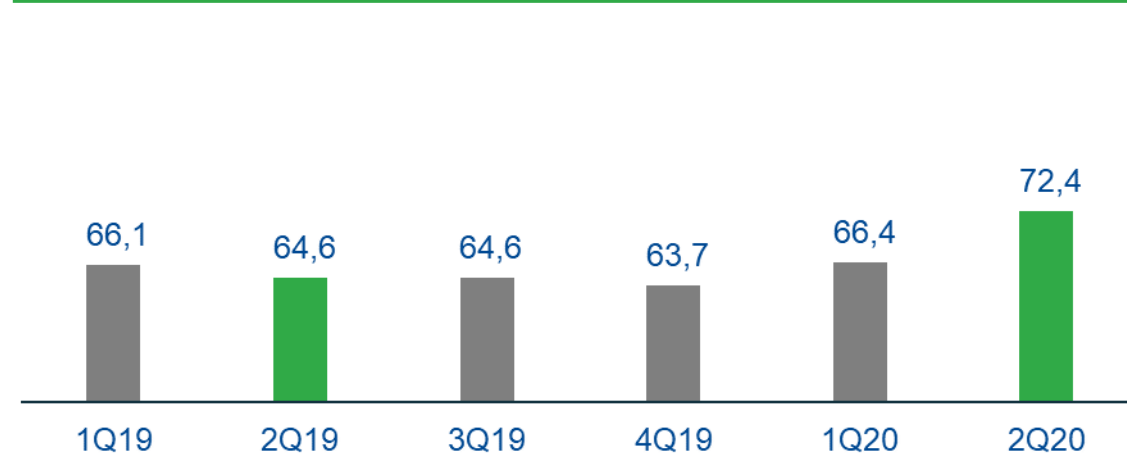


REVENUE BREAKDOWN

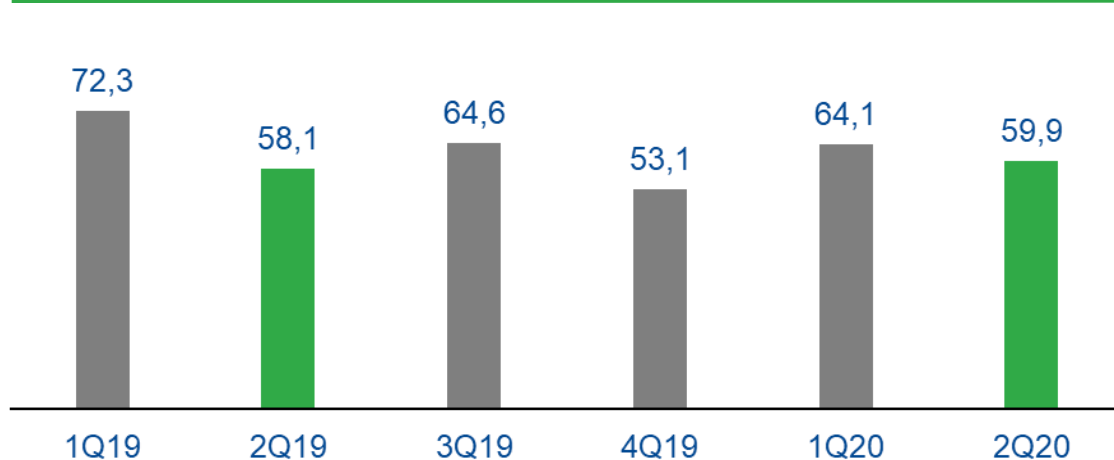
Sales breakdown, mln tonnes



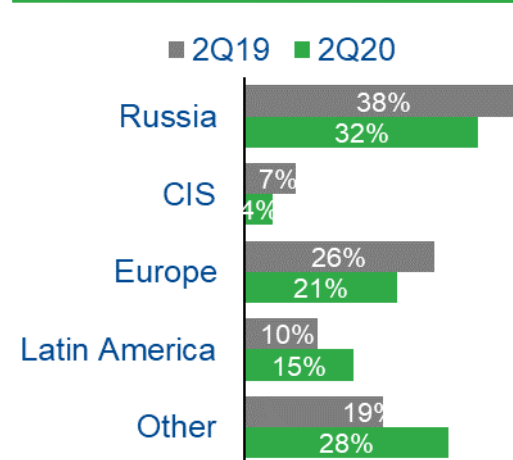
FX rates, RUB/USD



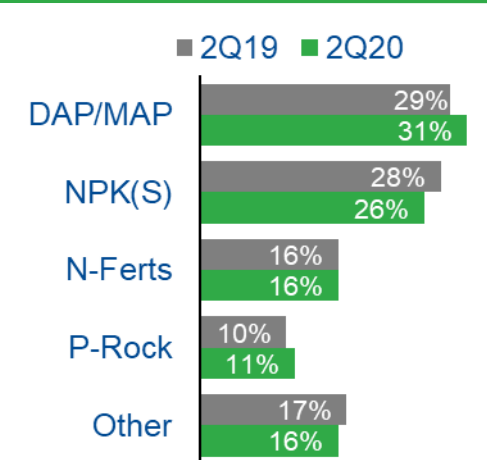
Revenue dynamics, RUB bln



Revenue by region



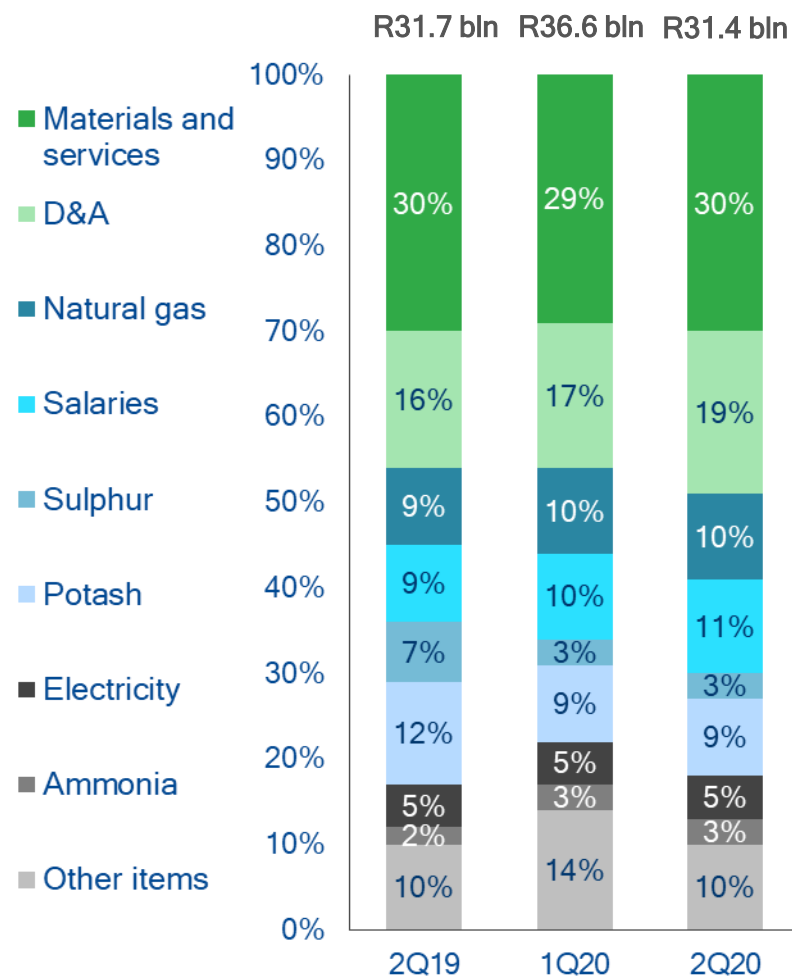
Revenue by product



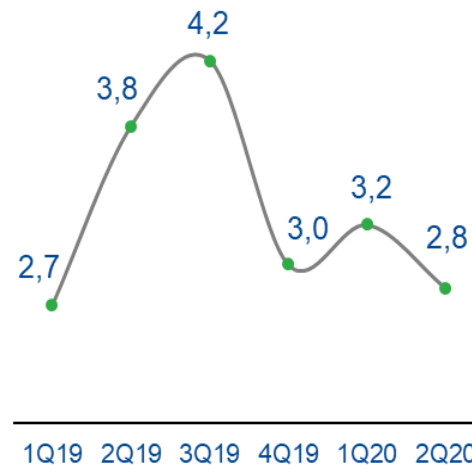
Source: PhosAgro

COST ANALYSIS

Cost of goods sold structure, %



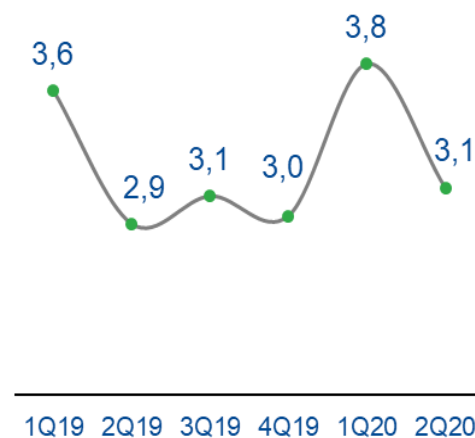
Potash, RUB bln



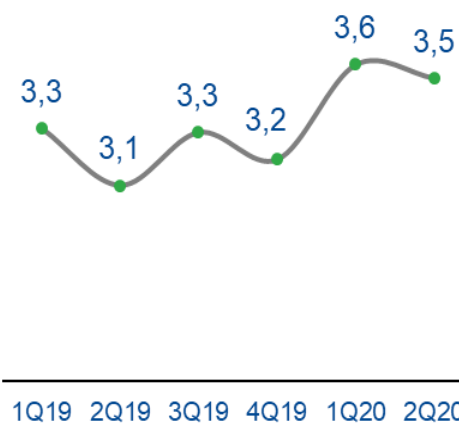
Ammonia, RUB bln



Natural gas, RUB bln



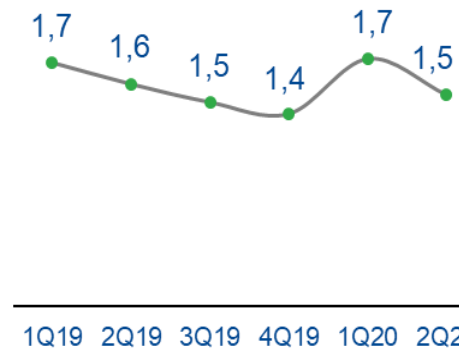
Payroll, RUB bln



Sulphur, RUB bln



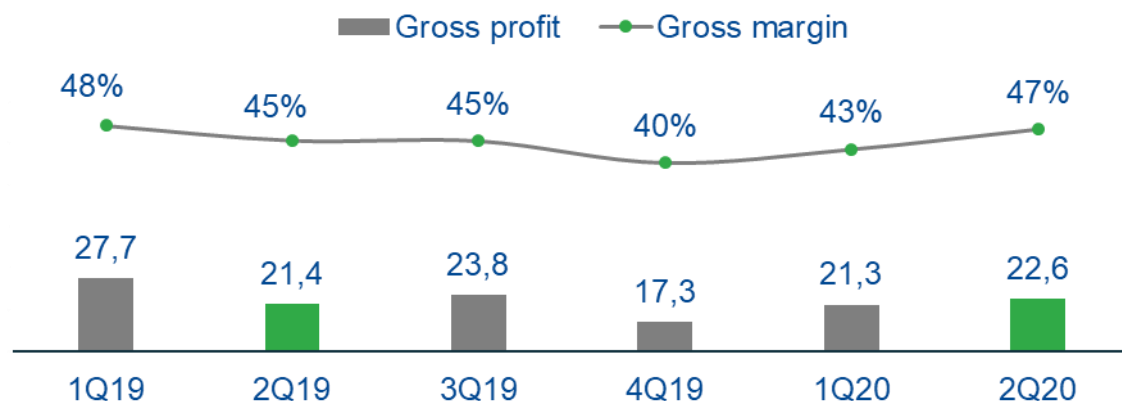
Electricity, RUB bln



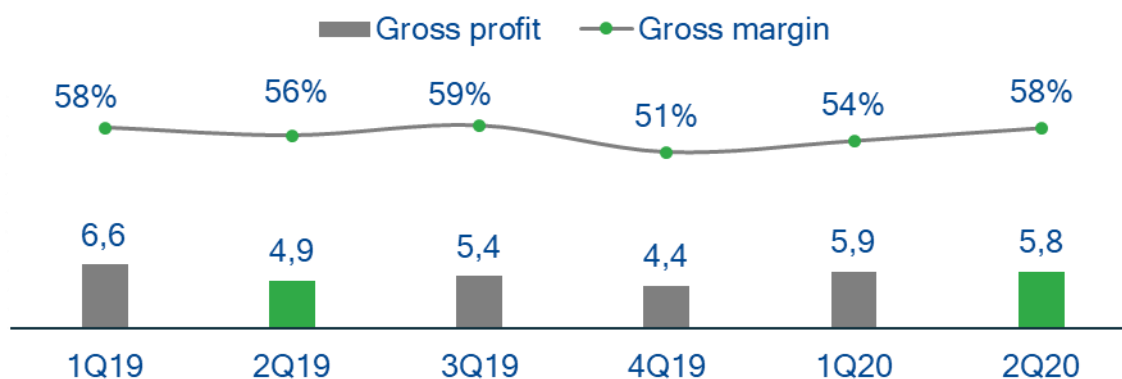
Source: PhosAgro

SEGMENT PROFITABILITY

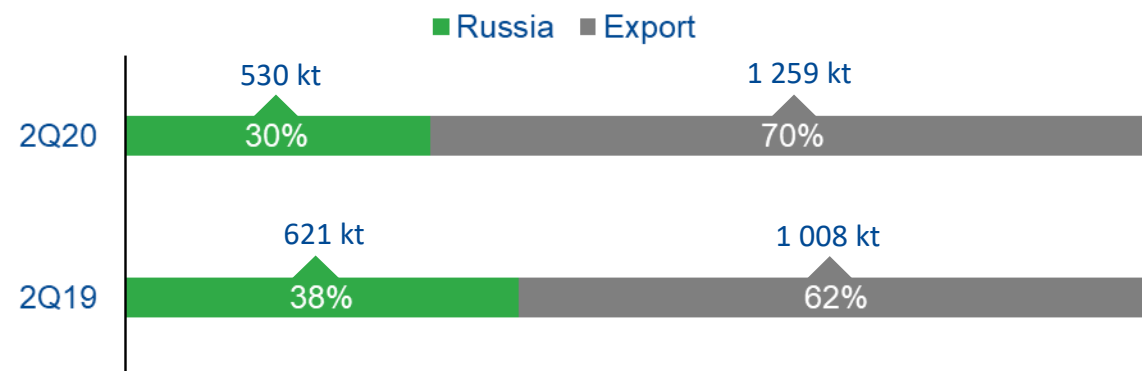
Phosphate - gross profit and margin, RUB bln



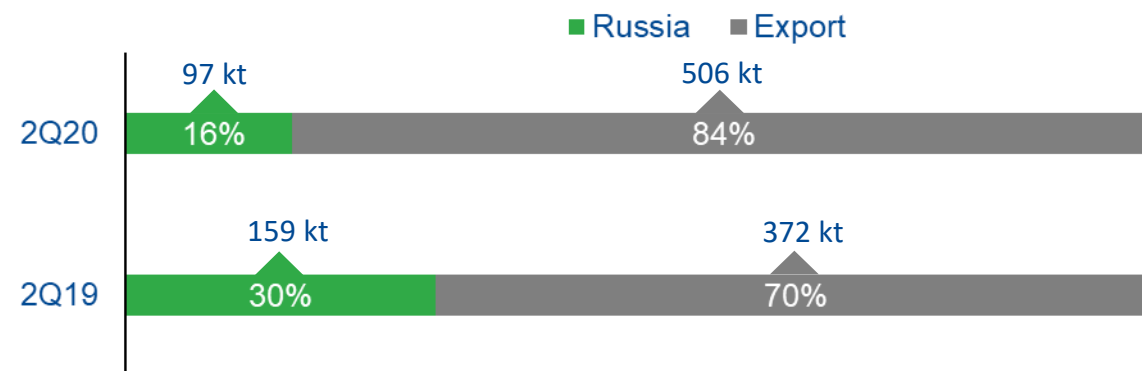
Nitrogen - gross profit and margin, RUB bln



Phosphate fertilizers sales (export + domestic), kt



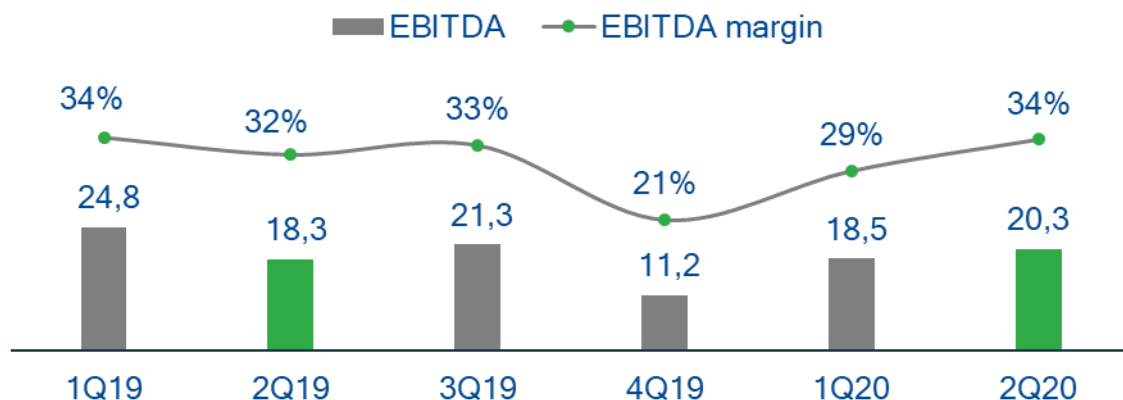
Nitrogen fertilizers sales (export + domestic), kt



Source: PhosAgro

EBITDA ANALYSIS

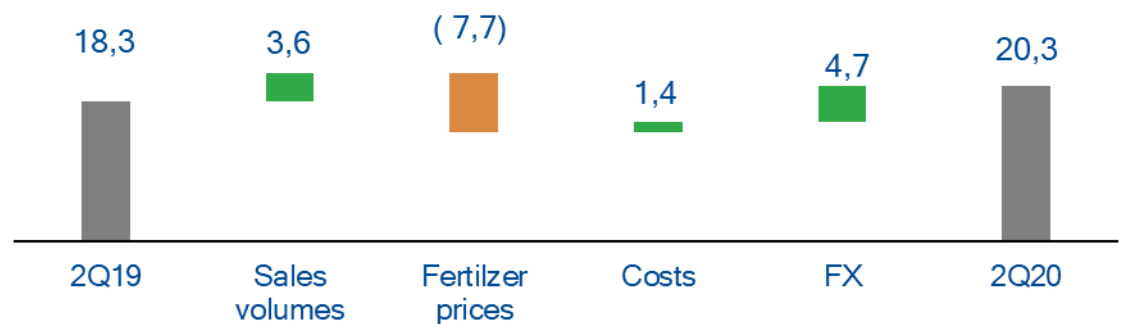
EBITDA and EBITDA margin, RUB bln



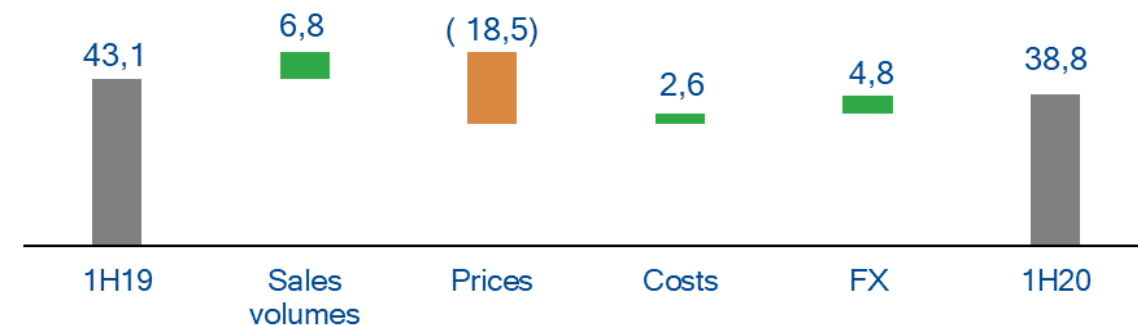
Comments

- PhosAgro's EBITDA for 2Q 2020 increased by 11.0% year-on-year and amounted to RUB 20.3 billion (USD 281 million). EBITDA margin for 2Q 2020 was 34%, up from 32% in 2Q 2019.
- The Company's solid EBITDA margin was primarily due to a decrease in prices for basic raw materials.

EBITDA bridge in 2Q20, RUB bln



EBITDA bridge in 1H20, RUB bln



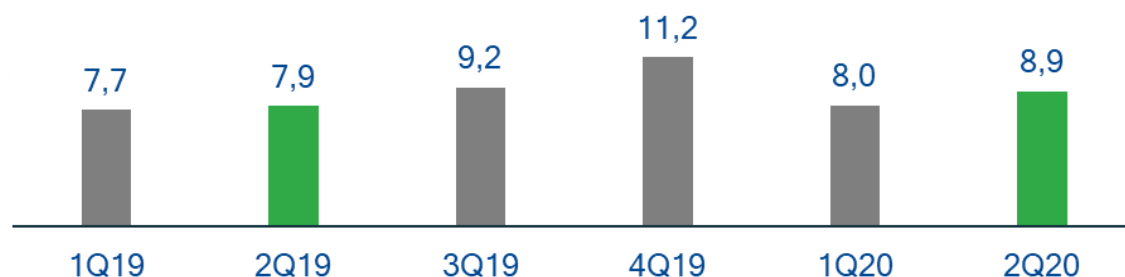
Source: PhosAgro

FCF ANALYSIS

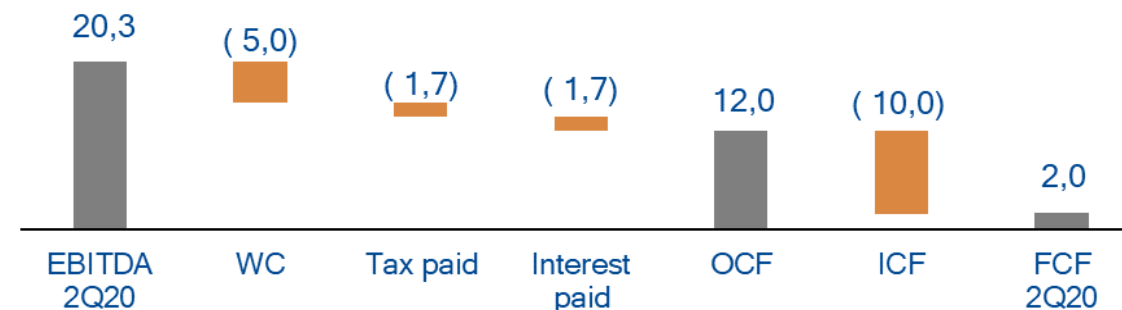
Comments

- Free cash flow for 2Q 2020 amounted to RUB 2.0 billion (USD 28 million). The main reasons for the year-on-year decline were an outflow related to higher working capital associated with an increase in export sales (including to Latin America) and high base effect in 2019.
- Capital expenditure in 2Q 2020 amounted to RUB 9.8 billion (USD 135 million), which corresponds to 48% of EBITDA for the reporting period. The Company primarily invested in the development of its resource base in Kirovsk, the construction of new and upgrades to existing sulphuric acid and phosphoric acid production facilities in Cherepovets and Balakovo, as well as the comprehensive development of the Volkhov production site.

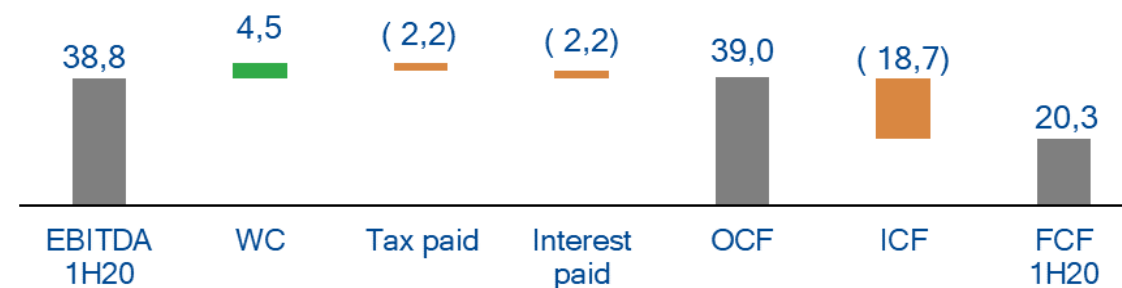
Capex*, RUB bln



2Q20 EBITDA to FCF conversion, RUB bln



1H20 EBITDA to FCF conversion, RUB bln



*- Acquisition of property, plant and equipment excluding capitalized repairs

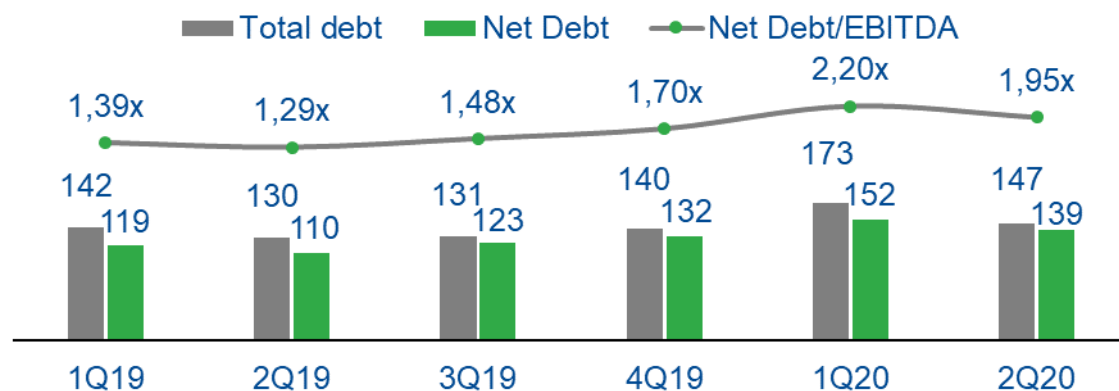
Source: PhosAgro

Debt Overview

Comments

- As of 30 June 2020, the net debt/EBITDA ratio was 1.95x. The increase from 31 December 2019 was due to the devaluation of the rouble against the US dollar in June 2020, since most of the Company's loan portfolio is denominated in US dollars. Net debt as of 30 June 2020 amounted to RUB 138.8 billion (USD 2.0 billion).

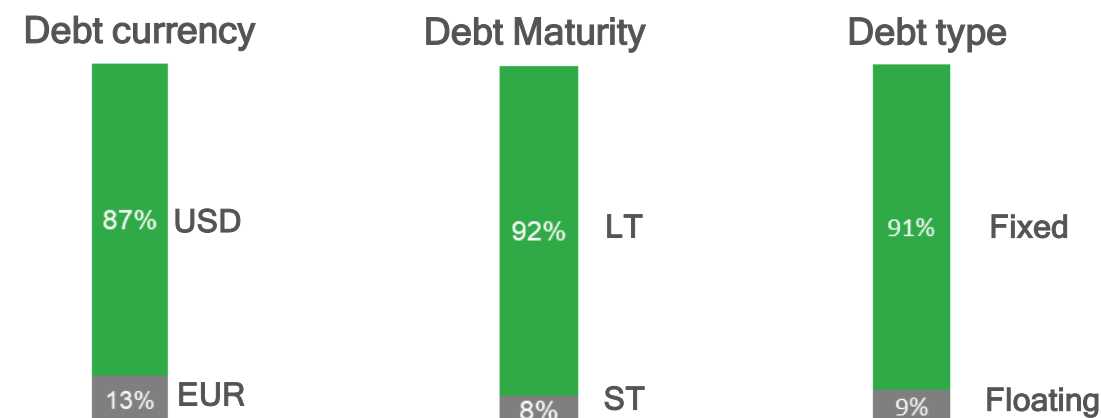
Total debt* and net debt/LTM EBITDA ratio, RUB bln and x



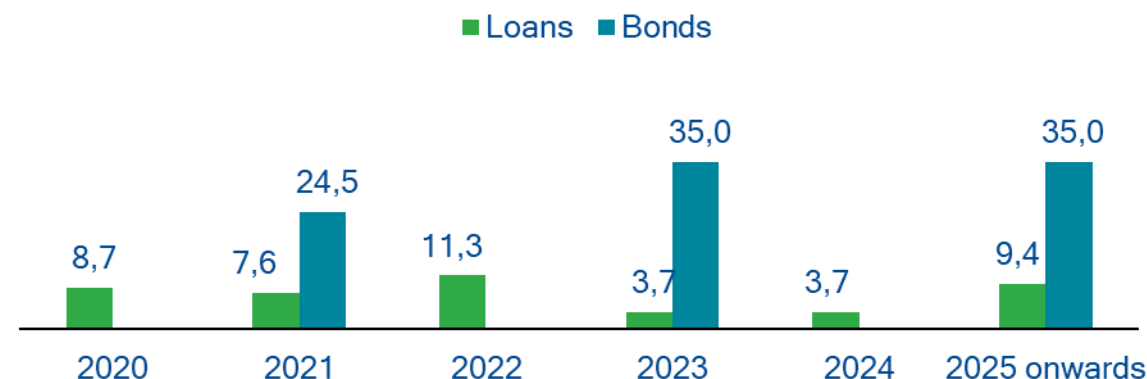
Source: PhosAgro

* Total debt includes finance lease liabilities

Debt breakdown by currency as of 30 June 2020



Maturity profile, RUB bln



MARKET OUTLOOK



- On 26 June 2020, Mosaic, the main producer of phosphate-based fertilizers in the United States, petitioned the US International Trade Commission and the US Department of Commerce to conduct an investigation in order to determine whether Morocco and Russia were subsidising the production of phosphate-based fertilizers and to introduce countervailing duties on phosphate-based fertilizers imported from both countries. PhosAgro does not agree with Mosaic's arguments and intends to do everything possible to fight the introduction of new import duties. The launch of the investigation has already practically halted all sales of phosphate-based fertilizers to the United States from Morocco and Russia, which has in turn has led to a significant increase in prices in the US domestic market by more than USD 60/tonne to date.
- Maintaining stable demand for phosphate-based fertilizers from India and Brazil against the backdrop of limited exports from China combined with the upcoming boost in seasonal demand in Europe and Africa are helping balance the market as a whole and to support the upward price trend.
- The nitrogen-based fertilizer market is at the peak of demand in the Indian and Latin American markets, which is keeping urea prices at higher levels than in 2Q 2020.



Thank you!

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