

For Immediate Release



### PhosAgro announces growth in fertilizer output by more than 15% to 2.5 mln t in 3Q 2019

**Moscow, Russia – 24 October 2019 – PhosAgro (MOEX/LSE ticker: PHOR), one of the world's leading vertically integrated phosphate-based fertilizer producers, announces that its 3Q 2019 fertilizer production volumes increased by over 15% year-on-year to 2.5 million tonnes.**

Total fertilizer production in 3Q 2019 increased by 15.2% year-on-year to 2,460.4 kt. Fertilizer output for 9M 2019 grew by 7.2% year-on-year to 7,162.0 kt.

Phosphate rock and nepheline concentrate production in 3Q 2019 rose by 9.6% year-on-year to 2,939.0 kt. For 9M 2019, the output of phosphate rock and nepheline concentrate was up by 6.7% year-on-year and reached 8,797.7 kt.

Sales of phosphate-based fertilizers in 3Q 2019 grew by 12.4% year-on-year to 1,958.8 kt. Sales of phosphate-based fertilizers for 9M 2019 increased by 7.3% year-on-year and reached 5,516.6 kt.

Sales of nitrogen fertilizers in 3Q 2019 rose by 11.7% year-on-year and amounted to 512.0 kt. Sales of nitrogen fertilizers for 9M 2019 decreased by 3.8% year-on-year and amounted to 1,660.3 kt.

Sales of phosphate rock and nepheline concentrate in 3Q 2019 grew by 11.7% year-on-year and amounted to 1,029.6 kt. For 9M 2019 sales of phosphate rock and nepheline concentrate increased by 15.7% year-on-year and amounted to 3,293.3 kt.

#### PhosAgro production and sales volumes

	Production volumes					
('000 mt)	3Q 2019	3Q 2018	Chg y/y	9M 2019	9M 2018	Chg y/y
Phosphate-based & MCP	1,930.3	1,678.9	15.0%	5,490.0	5,111.0	7.4%
Nitrogen-based	530.1	456.5	16.1%	1,672.0	1,570.0	6.5%
<b>TOTAL fertilizers</b>	<b>2,460.4</b>	<b>2,135.4</b>	<b>15.2%</b>	<b>7,162.0</b>	<b>6,681.0</b>	<b>7.2%</b>
Phosphate rock and nepheline	2,939.0	2,682.1	9.6%	8,797.7	8,246.0	6.7%
Other products	41.9	55.3	-24.2%	132.9	151.7	-12.4%

	Sales volumes					
('000 mt)	3Q 2019	3Q 2018	Chg y/y	9M 2019	9M 2018	Chg y/y
Phosphate-based & MCP	1,958.8	1,743.2	12.4%	5,516.6	5,143.2	7.3%
Nitrogen-based	512.0	458.4	11.7%	1,660.3	1,726.4	-3.8%
<b>TOTAL fertilizers</b>	<b>2,470.8</b>	<b>2,201.6</b>	<b>12.2%</b>	<b>7,176.9</b>	<b>6,869.6</b>	<b>4.5%</b>
Phosphate rock and nepheline	1,029.6	921.4	11.7%	3,293.3	2,845.3	15.7%
Other products	45.8	49.5	-7.5%	137.4	134.7	2.0%

Commenting 3Q 2019 operating results, PhosAgro CEO Andrey Guryev said:

"In view of good demand from our primary sales markets in 3Q 2019, we significantly increased production volumes. This growth was possible due to our decision to delay planned production line overhauls until the fourth quarter, when demand for fertilizers is traditionally lower. Increased production output was also supported by the modernisation of a number of production lines in Cherepovets and Balakovo at the end of last year.

"As a result, fertilizer production reached nearly 7.2 million tonnes in the first nine months of 2019, and we are comfortable confirming our full-year production guidance of around 9.5 million tonnes of finished products. This will represent a new record for the Company and is driven by projects implemented during our recently completed investment cycle.

"We continue to increase production volumes of key feedstocks like phosphate rock, ammonia, sulphuric acid and phosphoric acid, which further strengthens our cash cost advantage and increases the Company's global competitiveness.

"PhosAgro's flexible sales model enabled us increase sales in the third quarter to our priority Russian and CIS market, as well as to European markets, where we see positive pricing developments."

#### Production volumes by type:

Production volumes						
('000 mt)	3Q 2019	3Q 2018	Chg, y/y	9M 2019	9M 2018	Chg, y/y
<b><i>Apatit mine and beneficiation plant</i></b>						
Phosphate rock	2,641.4	2,452.6	7.7%	7,899.8	7,514.3	5.1%
Nepheline concentrate	297.6	229.5	29.7%	898.0	731.7	22.7%
<b>TOTAL</b>	<b>2,939.0</b>	<b>2,682.1</b>	<b>9.6%</b>	<b>8,797.7</b>	<b>8,246.0</b>	<b>6.7%</b>
<b><i>Phosphate-based fertilizers</i></b>						
DAP/MAP	820.3	700.5	17.1%	2,432.2	2,220.3	9.5%
NPK	796.3	772.2	3.1%	2,097.7	2,106.2	-0.4%
NPS	175.3	64.6	171.4%	486.7	298.3	63.2%
APP	47.9	52.4	-8.6%	133.5	162.4	-17.8%
MCP	82.5	83.4	-1.1%	268.4	263.6	1.8%
PKS	8.0	5.8	37.6%	71.5	60.2	18.8%
<b>TOTAL fertilizers</b>	<b>1,930.3</b>	<b>1,678.9</b>	<b>15.0%</b>	<b>5,490.0</b>	<b>5,111.0</b>	<b>7.4%</b>
<b><i>Nitrogen-based fertilizers</i></b>						
AN	116.8	100.7	16.0%	400.6	379.9	5.5%
Urea	413.3	355.8	16.2%	1,271.4	1,190.1	6.8%
<b>TOTAL fertilizers</b>	<b>530.1</b>	<b>456.5</b>	<b>16.1%</b>	<b>1,672.0</b>	<b>1,570.0</b>	<b>6.5%</b>
<b><i>Other products</i></b>						
STPP	21.2	26.9	-21.1%	73.3	78.2	-6.2%
Other	20.7	28.4	-27.1%	59.6	73.5	-18.9%
<b>TOTAL other products</b>	<b>41.9</b>	<b>55.3</b>	<b>-24.2%</b>	<b>132.9</b>	<b>151.7</b>	<b>-12.4%</b>
<b><i>Feedstocks</i></b>						
Ammonia	484.4	411.9	17.6%	1,470.0	1,401.0	4.9%
Phosphoric acid	691.8	628.8	10.0%	2,041.0	1,923.4	6.1%
Sulphuric acid	1,590.4	1,344.2	18.3%	4,610.8	4,287.6	7.5%
<b>TOTAL feedstocks</b>	<b>2,279.1</b>	<b>1,973.0</b>	<b>15.5%</b>	<b>6,650.7</b>	<b>6,211.0</b>	<b>7.1%</b>

In the third quarter, production of phosphate-based fertilizers increased by 15.0% year-on-year to 1,930.3 kt.

Growth in production was driven by a 17.1% rise in DAP/MAP production to 820.3 kt, which was made possible after completion of technical overhauls at the Company's production sites in Cherepovets and Balakovo at the end of last year. Performance in 3Q 2019 was also affected by the decision to delay some scheduled maintenance until the fourth quarter, when we traditionally see a seasonal slowdown in demand.

Growth was also supported by higher NPS production, which rose by 171.4% year-on-year to 175.3 kt due to an increase in production of grades with lower phosphorus content, as well as an increase in the efficiency of production of sulphur-containing fertilizer grades following equipment modernisation.

The production of nitrogen fertilizers rose by 16.1% year-on-year to 530.1 kt due to increases in the production of ammonium nitrate and urea by 16.0% and 16.2% year-on-year, respectively. This growth was also related to the decision to delay some maintenance projects until the end of the year.

In line with the Company's strategy to increase its self-sufficiency in key feedstocks, the Company grew ammonia production by 17.6% year-on-year to 484.4 kt. This performance was driven by a series of repairs at existing capacities in September 2018.

In the third quarter, the Company increased its production of sulphuric acid by 18.3% year-on-year to 1,590 kt, which enabled PhosAgro to reduce the purchase of this feedstock from third parties. This was made possible following the modernisation of one of the production units at the Cherepovets site in December 2018.

Increased self-sufficiency in sulphuric acid combined with a two-fold decrease in sulphur prices year-to-date made it possible for PhosAgro to lower the cost of fertilizer production, which should have a beneficial effect on profitability.

#### Sales volumes by type:

Sales volumes						
('000 mt)	3Q 2019	3Q 2018	Chg, y/y	9M 2019	9M 2018	Chg, y/y
<i>Apatit mine and beneficiation plant</i>						
Phosphate rock	741.4	695.4	6.6%	2,398.5	2,119.3	13.2%
Nepheline concentrate	288.2	226.0	27.5%	894.8	726.0	23.3%
<b>TOTAL</b>	<b>1,029.6</b>	<b>921.4</b>	<b>11.7%</b>	<b>3,293.3</b>	<b>2,845.3</b>	<b>15.7%</b>
<i>Phosphate-based fertilizers</i>						
DAP/MAP	907.1	732.0	23.9%	2,509.6	2,268.1	10.6%
NPK	768.5	750.9	2.3%	2,105.6	2,061.0	2.2%
NPS	151.9	95.3	59.3%	438.4	322.1	36.1%
APP	32.3	57.9	-44.3%	133.5	154.9	-13.8%
MCP	73.6	86.1	-14.6%	254.6	262.8	-3.1%
PKS	25.4	21.0	21.0%	74.9	74.3	0.9%
<b>TOTAL fertilizers</b>	<b>1,958.8</b>	<b>1,743.2</b>	<b>12.4%</b>	<b>5,516.6</b>	<b>5,143.2</b>	<b>7.3%</b>

<b>Nitrogen-based fertilizers</b>						
AN	116.3	86.0	35.3%	391.4	459.1	-14.7%
Urea	395.7	372.4	6.3%	1,268.9	1,267.3	0.1%
<b>TOTAL fertilizers</b>	<b>512.0</b>	<b>458.4</b>	<b>11.7%</b>	<b>1,660.3</b>	<b>1,726.4</b>	<b>-3.8%</b>

  

<b>Other products</b>						
STPP	26.4	26.0	1.5%	77.6	75.6	2.7%
Other	19.4	23.5	-17.4%	59.8	59.1	1.2%
<b>TOTAL other products</b>	<b>45.8</b>	<b>49.5</b>	<b>-7.5%</b>	<b>137.4</b>	<b>134.7</b>	<b>2.0%</b>

In 3Q 2019, PhosAgro's fertilizer sales rose by 12.2% year-on-year to 2,470.8 kt on the back of higher sales in both the phosphate and nitrogen segments.

Sales of phosphate-based fertilizers grew by 12.4% year-on-year to 1,958.8 kt, mainly driven by an increase in sales to Europe, where the start of seasonal demand for fertilizer created a more favourable pricing environment relative to North America, and PhosAgro's integrated and flexible distribution network enabled the Company to maintain high sales volumes amid the price correction and to maximise profitability in challenging market conditions.

In current market conditions (higher margins from DAP), the Company was also able to leverage its flexible production capacities by significantly increasing the output of higher-margin products and selling them not only to markets in Europe, but also to India and other countries in Asia.

In 3Q 2019, sales of nitrogen-based fertilizers rose by 11.7% year-on-year to 512.0 kt due to an increase in the sales of urea and AN to Latin America, driven by a recovery in seasonal demand, reinforced by expectations of recovery in prices for agricultural products (including soy and corn).

Active seasonal demand in the domestic market helped to maintain sales of phosphate-based fertilizers at a consistently high level of 890.3 kt. PhosAgro mainly sold high value-added fertilizers, with NPK(S) sales volumes at nearly about 530 kt.

In 3Q 2019, the price correction for phosphate-based fertilizers continued due to the ramp-up of new capacities at OCP and Ma'aden. Nevertheless, this trend coincided with a decrease in feedstock prices, which supported PhosAgro's profitability.

The company expects preparation for the spring application season in key markets (including Russia & CIS, Europe and Latin America) to start by the end of the year, which will support prices for PhosAgro's products. An additional positive growth driver is the favourable price ratio for agricultural products and fertilizers. At the same time, high volumes of accumulated inventory in the USA and southern Asia will continue to put pressure on the global phosphate-based fertilizers market.

### Sales volumes by key markets:

<b>Sales volumes by region</b>						
('000 mt)	<b>Phosphate-based fertilizers</b>					
	3Q 2019	3Q 2018	Chg, y/y	9M 2019	9M 2018	Chg, y/y
Russia	890.3	882.6	0.9%	1,926.5	1,694.4	13.7%
North America	39.3	253.0	-84.5%	426.6	545.6	-21.8%
South America	211.6	185.0	14.4%	624.2	793.4	-21.3%
Europe	528.1	256.9	105.6%	1,518.5	1,176.5	29.1%
CIS	71.8	68.3	5.1%	313.6	251.2	24.8%
Other	217.7	97.4	123.5%	707.2	682.1	3.7%

('000 mt)	Nitrogen-based fertilizers					
	3Q 2019	3Q 2018	Chg, y/y	9M 2019	9M 2018	Chg, y/y
Russia	17.0	23.3	-27.0%	371.3	397.9	-6.7%
North America	37.0	62.9	-41.2%	200.3	206.5	-3.0%
South America	326.9	254.0	28.7%	547.4	683.0	-19.9%
Europe	84.9	93.0	-8.7%	412.4	334.1	23.3%
CIS	3.0	0.4	747.1%	13.4	13.6	-1.5%
Other	43.2	24.8	73.8%	115.5	91.3	26.9%

**For further information please contact:**

PJSC PhosAgro  
 Andrey Serov. Head of Investor Relations Department  
 +7 495 232 9689 ext 2183  
[ir@phosagro.ru](mailto:ir@phosagro.ru)

Timur Belov. Press Officer  
 +7 495 232 9689

EM  
 Sam VanDerlip  
[vanderlip@em-comms.com](mailto:vanderlip@em-comms.com)  
 +44 207 002 7859

Dmitriy Zhadan  
[zhadan@em-comms.com](mailto:zhadan@em-comms.com)  
 +7 916 770-89-09

**About the Company**

PhosAgro is one of the world's leading vertically integrated phosphate-based fertilizer producers in terms of production volumes of phosphate-based fertilizers and high-grade phosphate rock with a P2O5 content of 39% and higher. PhosAgro's pure phosphate-based fertilizers stand out for their high efficiency and their environmental safety for the health of people and soils.

The Company is the largest phosphate-based fertilizer producer in Europe (by total combined capacity for DAP/MAP/NP/NPK/NPS), the largest producer of high-grade phosphate rock with a P2O5 content of 39%, a top-three producer of MAP/DAP globally, one of the leading producers of feed phosphates (MCP) in Europe, and the only producer in Russia, and Russia's only producer of nepheline concentrate (according to the RAFF).

PhosAgro's main products include phosphate rock, 39 grades of fertilizers, feed phosphates, ammonia, and sodium tripolyphosphate, which are used by customers in 100 countries spanning all of the world's inhabited continents. The Company's priority markets outside of Russia and the CIS are Latin America, Europe and Asia.

PhosAgro's shares are traded on the Moscow Exchange, and Global Depositary Receipts (GDRs) for shares trade on the London Stock Exchange (under the ticker PHOR). Since 1 June 2016, the Company's GDRs have been included in the MSCI Russia and MSCI Emerging Markets indexes.

More information about PhosAgro can be found on the website: [www.phosagro.ru](http://www.phosagro.ru).