

EARNINGS CONFERENCE CALL
3Q 2019 IFRS RESULTS
25 NOVEMBER 2019



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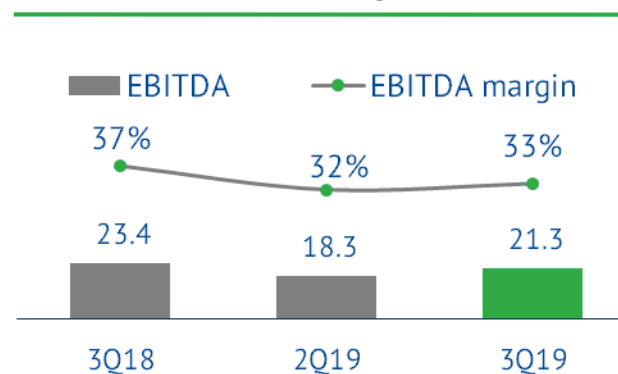
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3Q 2019 HIGHLIGHTS

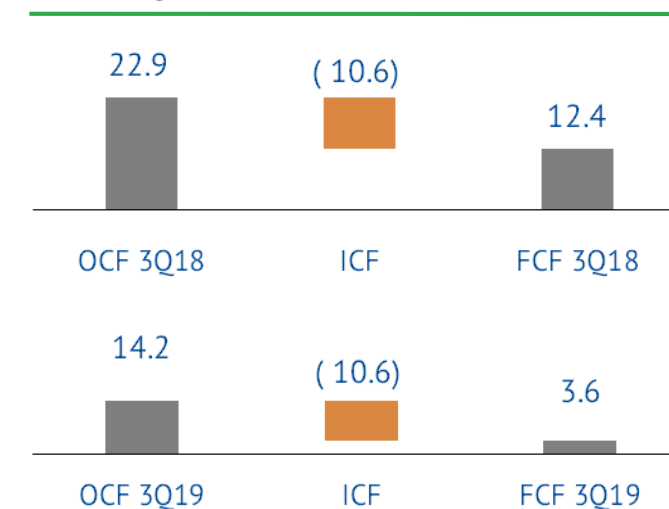
- EBITDA for 3Q 2019 decreased by 9% year-on-year to RUB 21.3 billion (USD 330 million) due to a correction in global fertilizer prices. EBITDA margin remained at a comfortable level of 33% due to lower purchase prices for key raw materials. EBITDA for 9M 2019 increased by 14% year-on-year to RUB 64.4 billion (USD 989 million), while EBITDA margin also remained at 33%.
- Free cash flow in the third quarter decreased by 71% year-on-year to RUB 3.6 billion (USD 56 million) as a result of a correction in global fertilizer prices and seasonal outflows related to accumulation of working capital. Free cash flow reached RUB 32.6 billion for 9M 2019, an increase of 48% year-on-year.
- Net debt/EBITDA decreased to 1.5x as of 30 September 2019, from 1.8x as of 31 December 2018, reflecting strong EBITDA performance and the gradual appreciation of the rouble against the US dollar over 9M 2019.
- Recommended dividends for 3Q19: RUB 16.0 per GDR, which is 172% of FCF or 53% of adj. Net Income

FINANCIAL HIGHLIGHTS						
RUB million or %	3Q 2019	3Q 2018	Chng, % YoY	9M 2019	9M 2018	Chng, % YoY
Revenue	64,550	62,684	3.0%	194,983	173,761	12.2%
EBITDA	21,302	23,385	(8.9%)	64,396	56,352	14.3%
EBITDA margin	33.0%	37.3%	(4.3pp)	33.0%	32.4%	0.6pp
Net income	9,762	7,798	25.2%	42,707	17,631	142.2%
Net income adj	11,797	12,855	(8.2%)	34,534	30,844	12.0%
FCF	3,605	12,364	(70.8%)	32,564	22,061	47.6%
	30.09.2019	31.12.2018				
Net debt	122,882	135,330				
ND/LTM EBITDA	1.5x	1.8x				

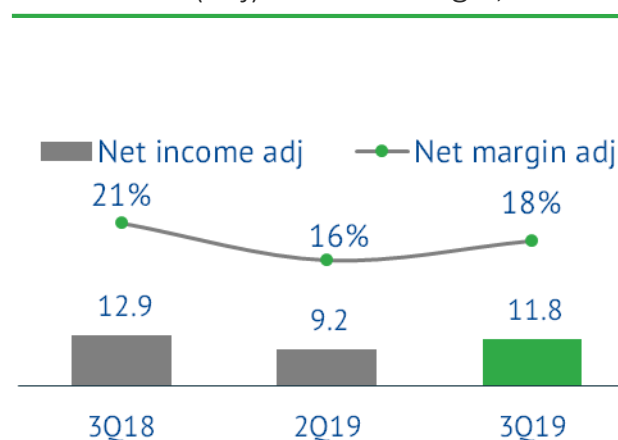
EBITDA and EBITDA margin, RUB bln



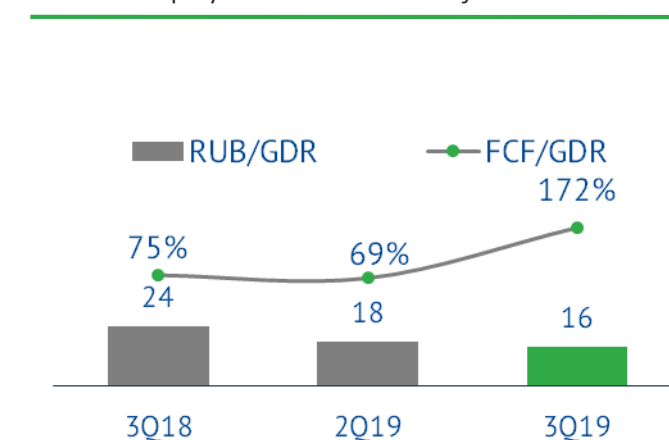
FCF bridge in 3Q, RUB bln



Net income (adj) and net margin, RUB bln



Dividend payout based on adj. NI

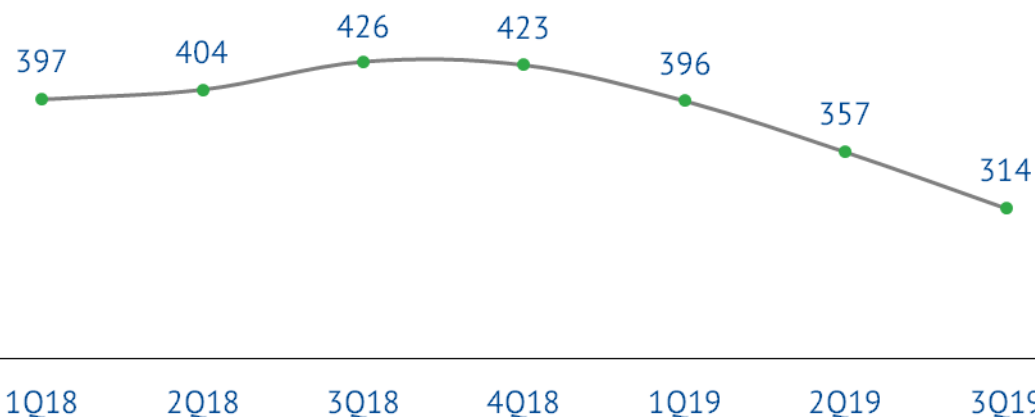


Market context

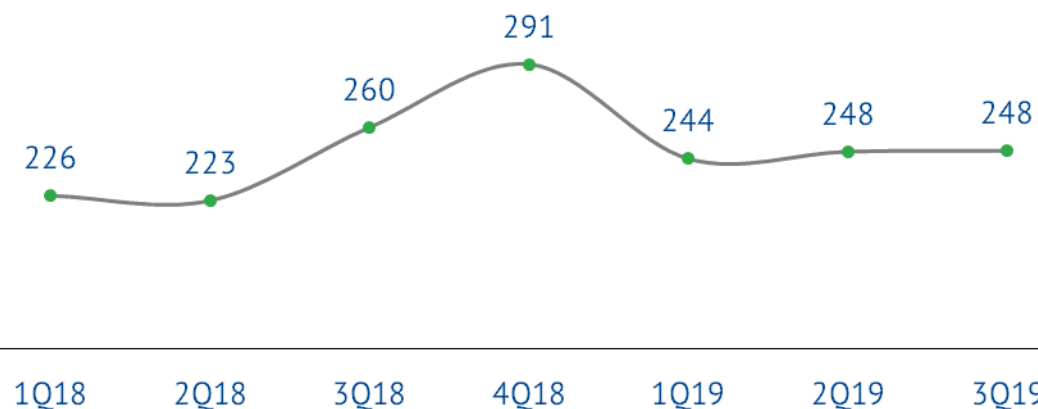
FERTILIZER PRICE PERFORMANCE



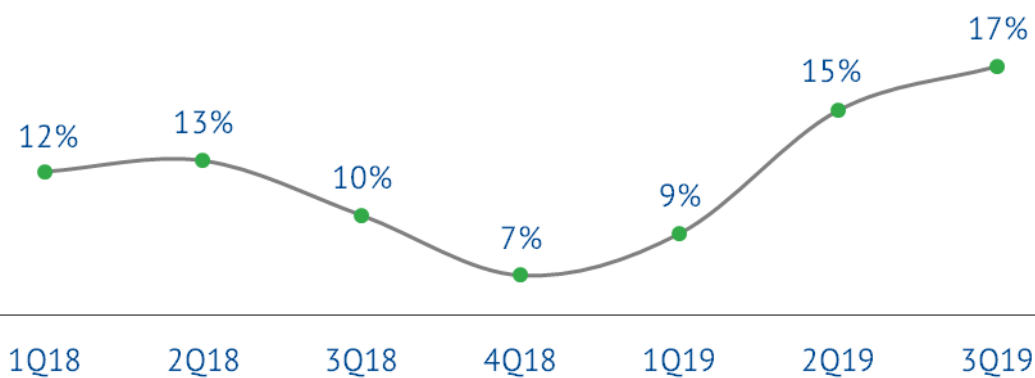
MAP FOB Baltic price performance, USD/t



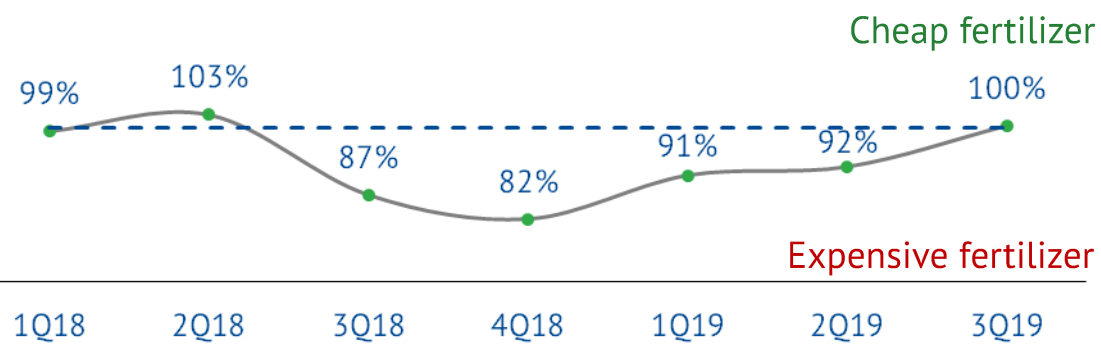
Prilled urea FOB Baltic price performance, USD/t



NPK price premium to nutrients, %



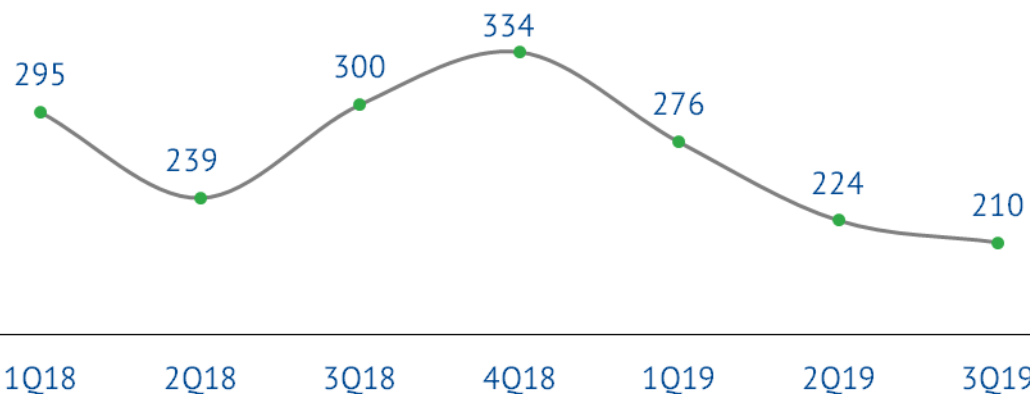
NPK basket vs. soft commodities, week 1 2011 = 0



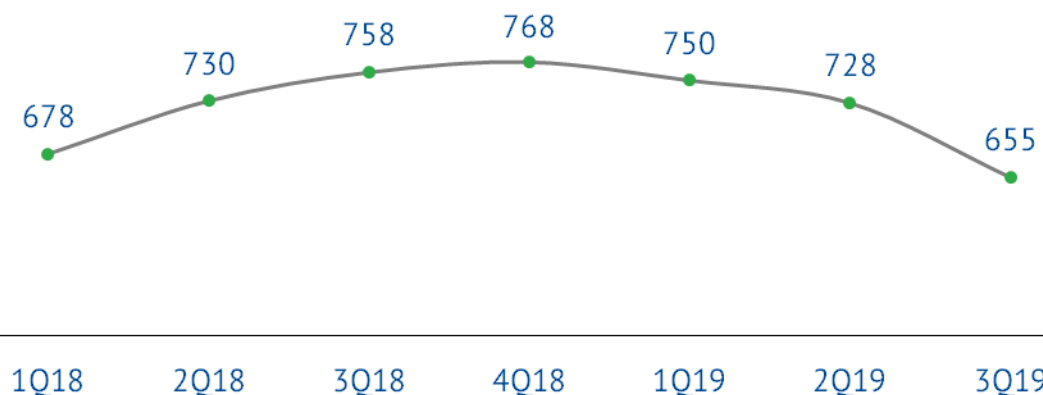
Source: CRU, PhosAgro

FEEDSTOCK PRICES

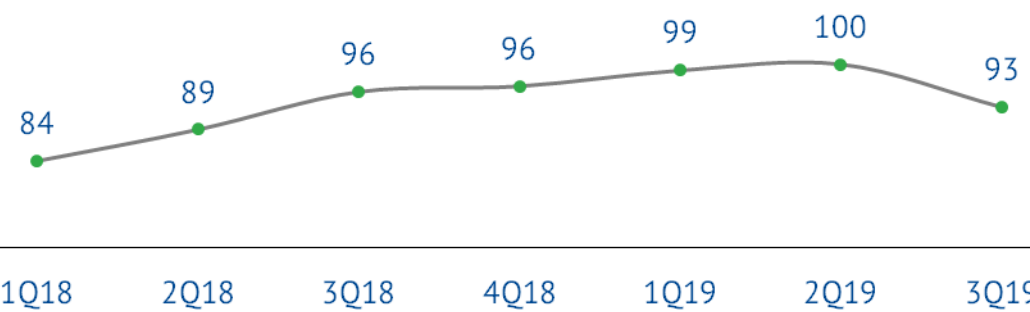
Ammonia FOB Baltics price, USD/t



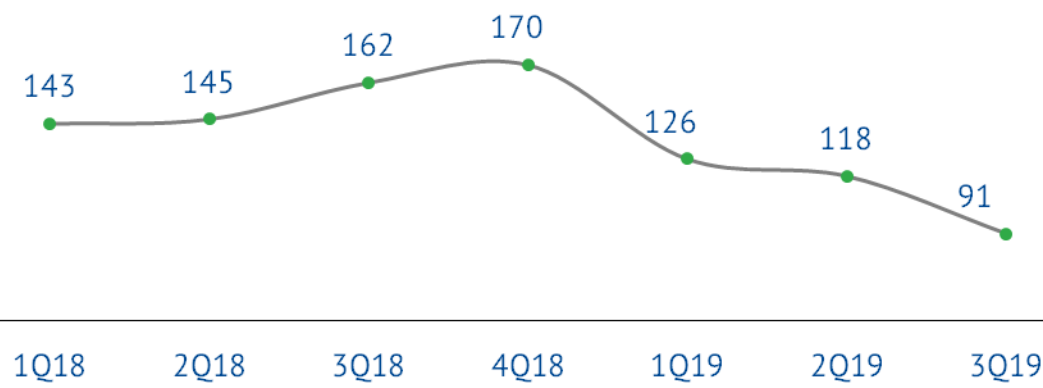
Phosphoric acid CFR India contract price, USD/t



Phosphate rock FOB Morocco prices, USD/t



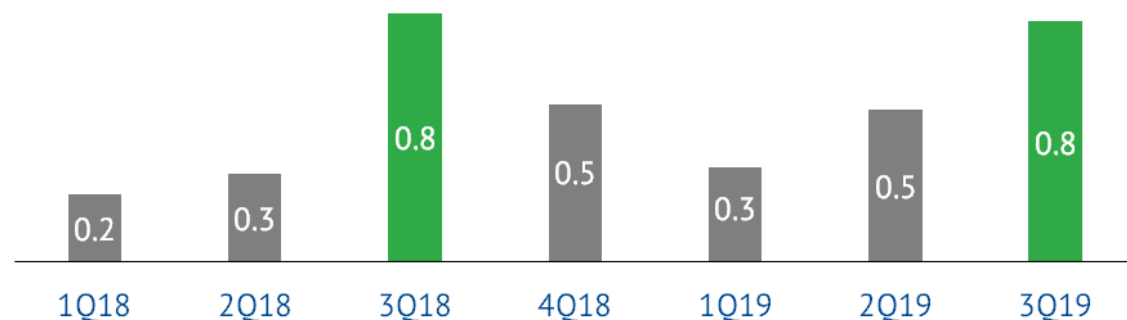
Sulphur CFR China prices, USD/t



Source: CRU, PhosAgro

GLOBAL TRENDS

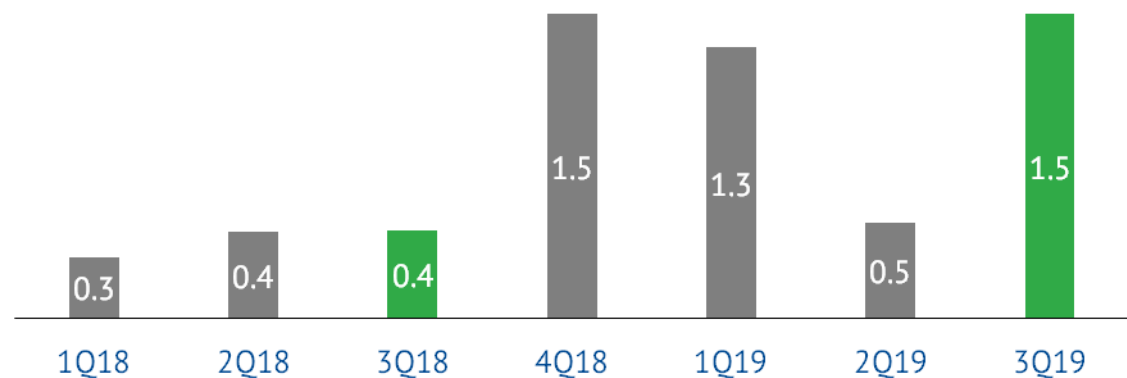
MAP/NP import to Brazil, mln t P₂O₅



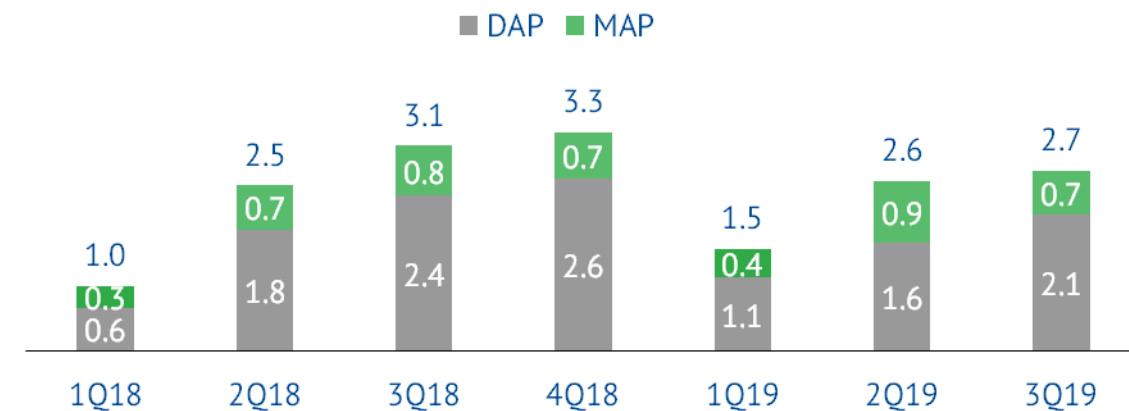
DAP import to India, mln t DAP



Urea export from China, mln t



DAP/MAP export from China, mln t DAP



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

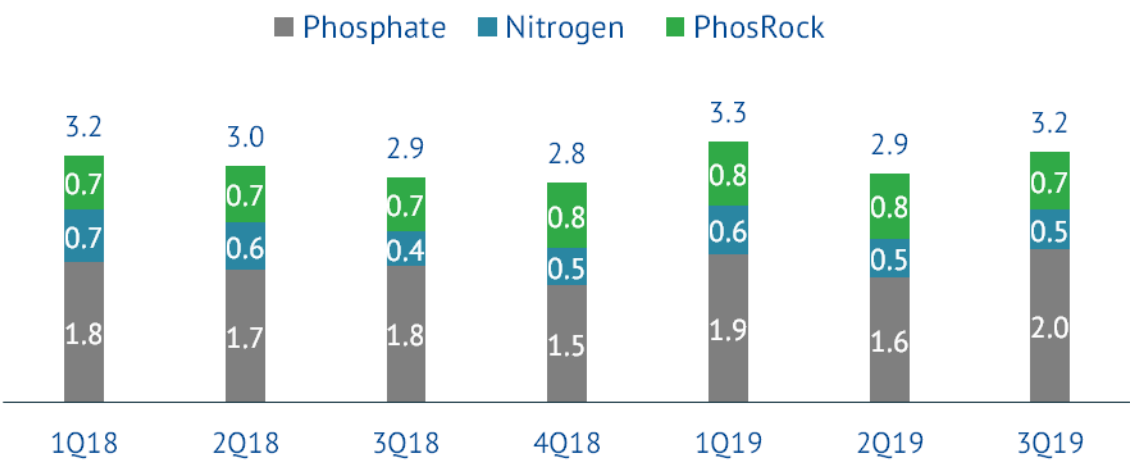


3Q 2019 Financial review

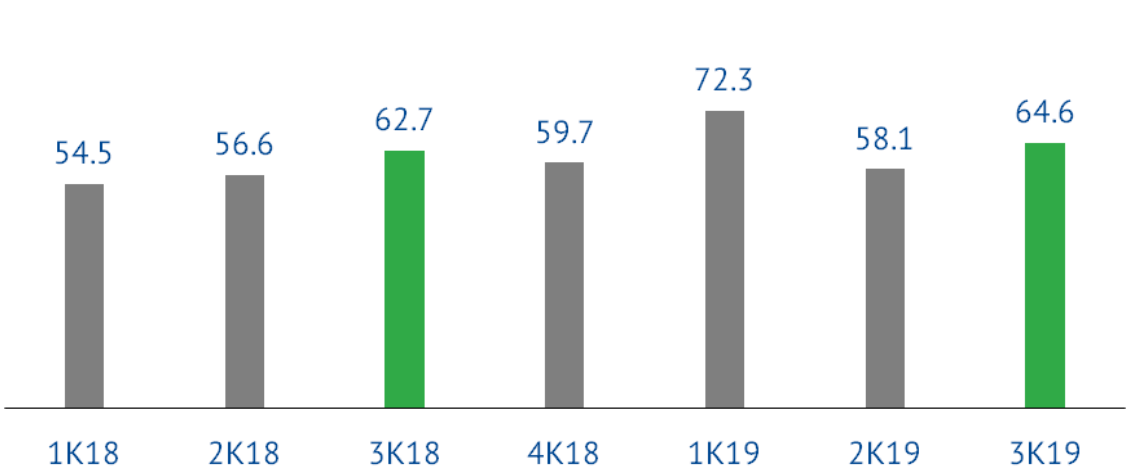
REVENUE BREAKDOWN



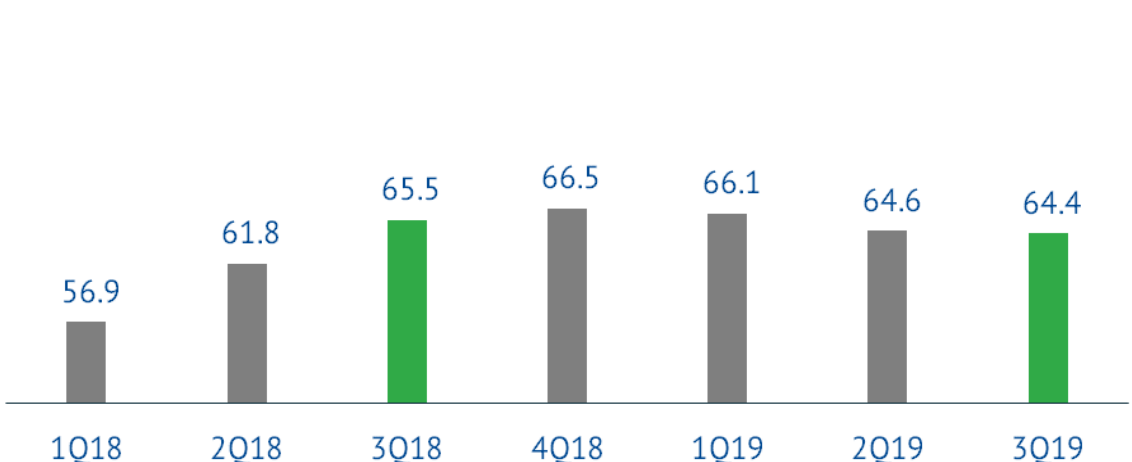
Sales breakdown, mln tonnes



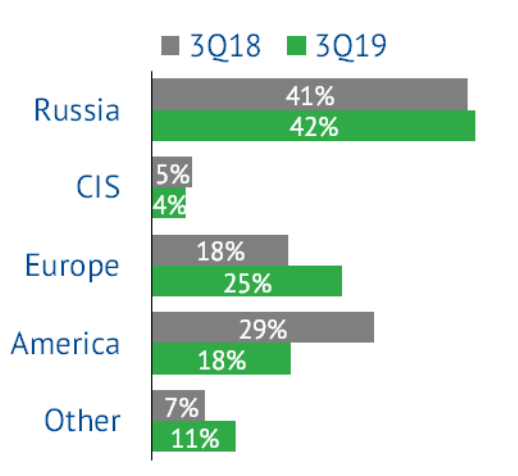
Revenue dynamics, RUB bln



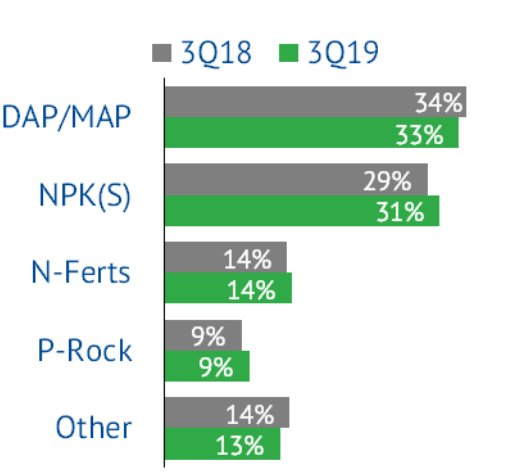
FX rates, RUB/USD



Revenue by region, %



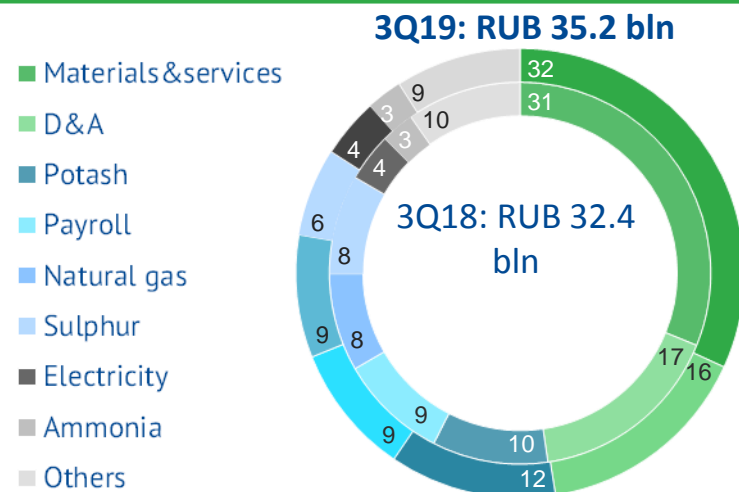
Revenue by product, %



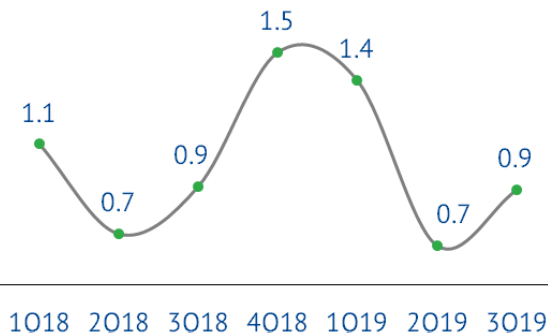
Source: PhosAgro

COST ANALYSIS

Cost of goods sold structure, %



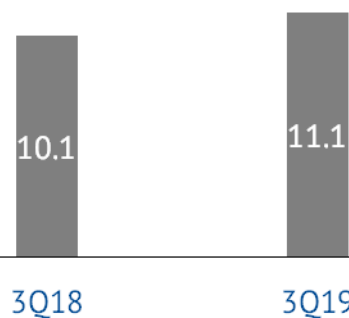
Ammonia, RUB bln



Natural gas, RUB bln



Materials&services, RUB bln



Payroll, RUB bln



Sulphur, RUB bln



Potash, RUB bln

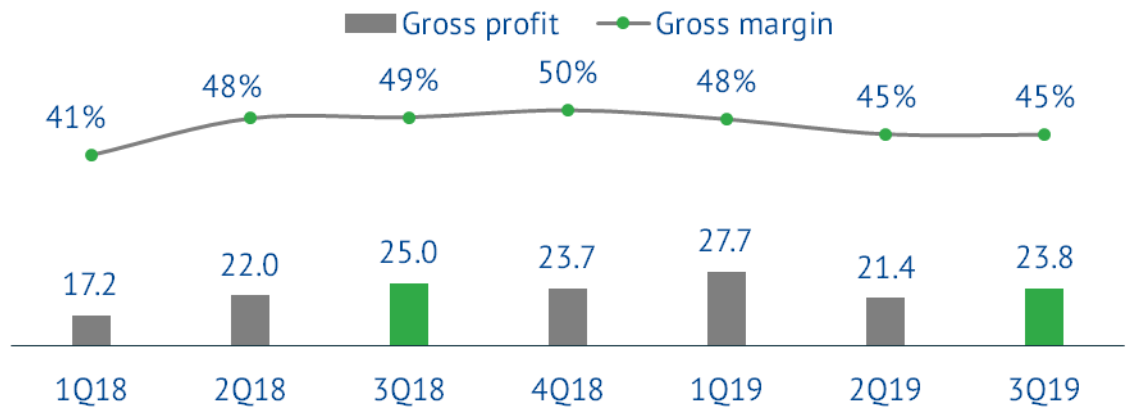


Source: PhosAgro

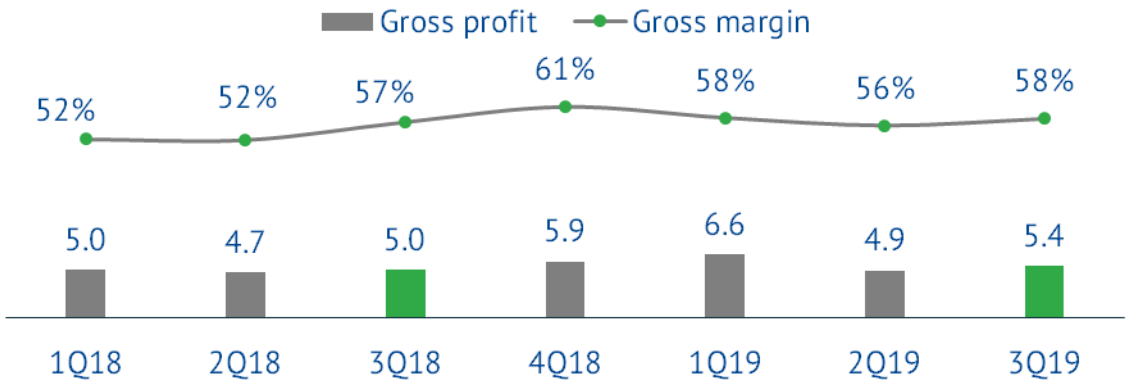
SEGMENT PROFITABILITY



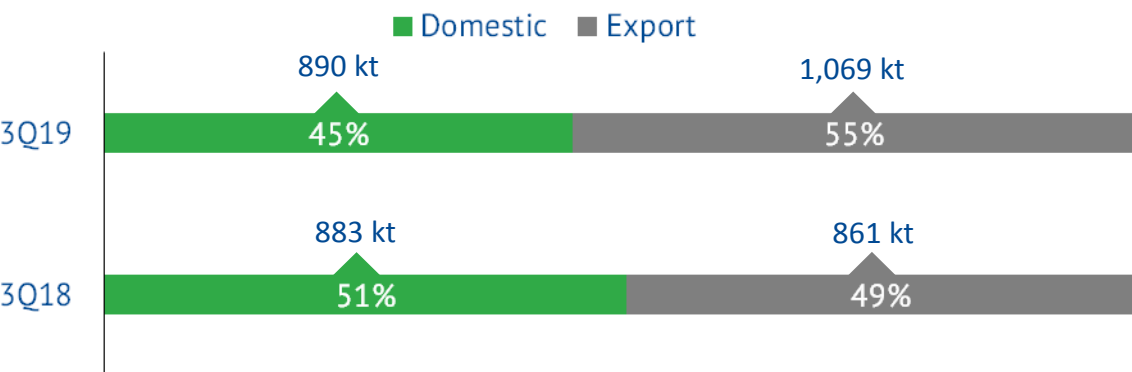
Phosphate - gross profit and margin, RUB bln



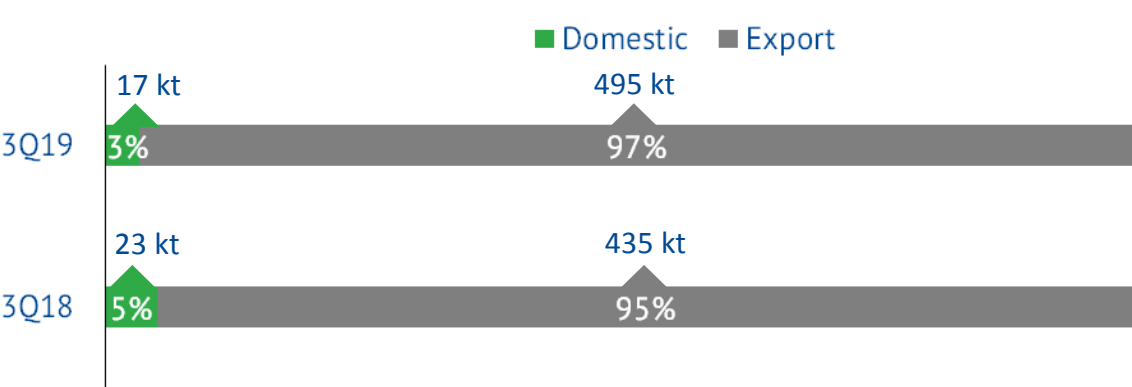
Nitrogen - gross profit and margin, RUB bln



Phosphate fertilizers sales (export + domestic), kt



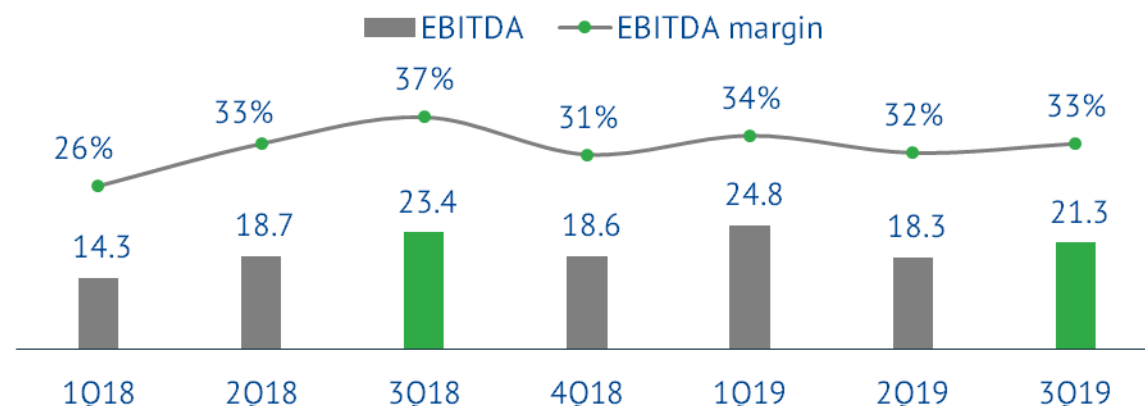
Nitrogen fertilizers sales (export + domestic), kt



Source: PhosAgro

EBITDA ANALYSIS

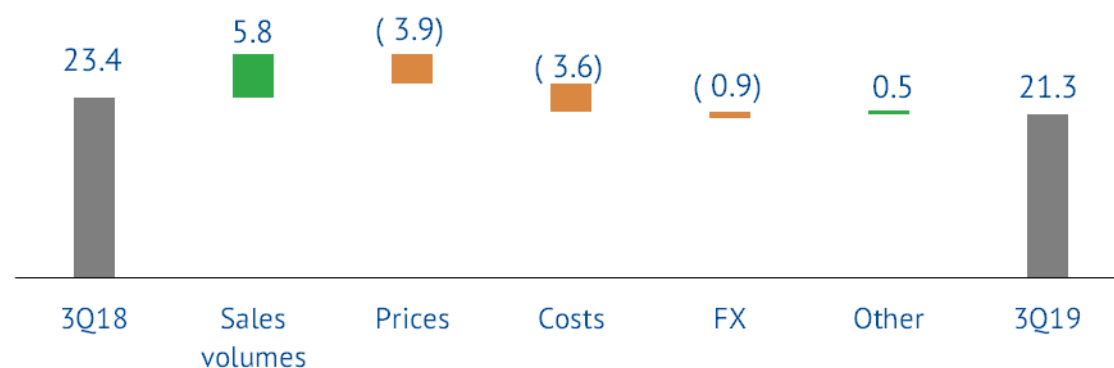
EBITDA and EBITDA margin, RUB bln



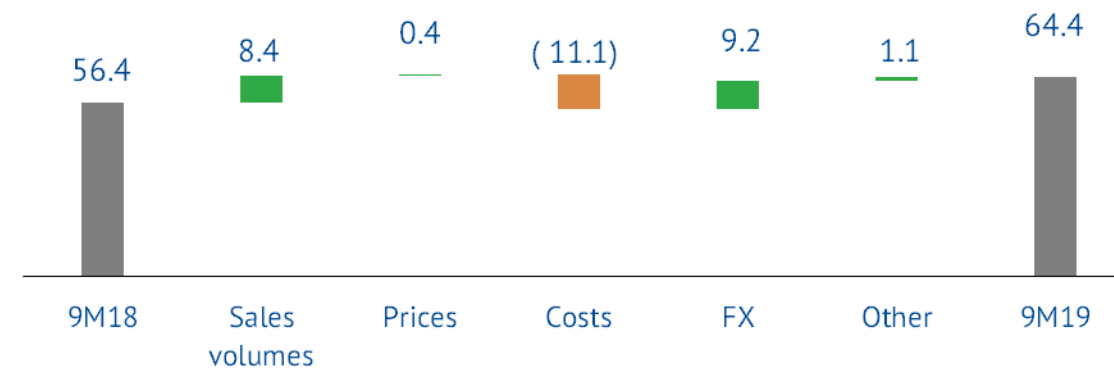
Comments

- EBITDA for 3Q 2019 decreased by 9% year-on-year to RUB 21.3 billion (USD 330 million) due to a correction in global fertilizer prices. EBITDA margin remained at a comfortable level of 33% due to lower purchase prices for key raw materials. EBITDA for 9M 2019 increased by 14% year-on-year to RUB 64.4 billion (USD 989 million), while EBITDA margin also remained at 33%.

EBITDA bridge in 3Q19, RUB bln



EBITDA bridge in 9M19, RUB bln



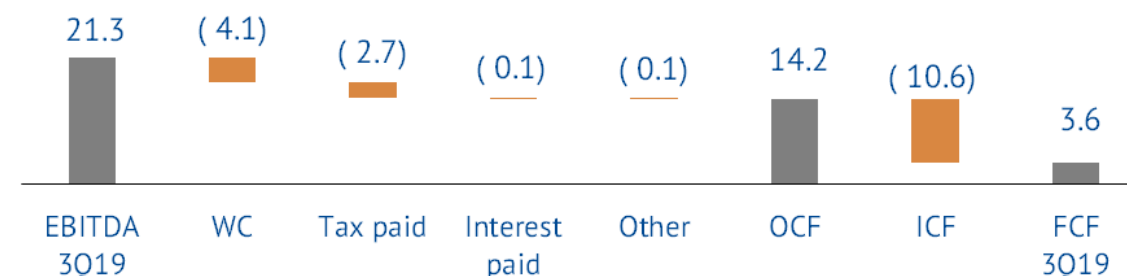
Source: PhosAgro

FCF Analysis

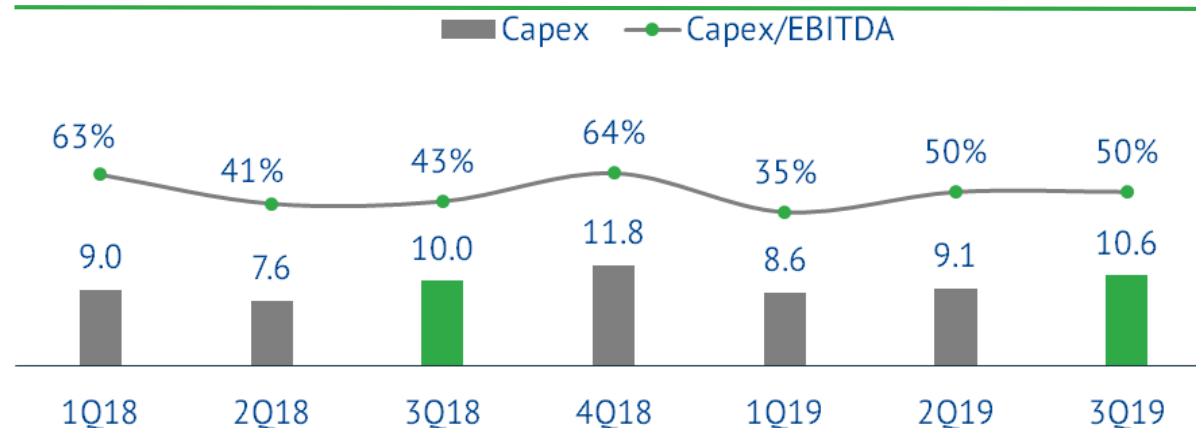
Comments

- Net operating cash flow declined by 38% year-on-year to RUB 14.2 billion (USD 220 million) due to an increase in working capital, driven mainly by higher sales during the quarter.
- PhosAgro's capital expenditure for 3Q 2019 totalled RUB 10.6 billion (USD 164 million), up by 6% year-on-year and representing 50% of the Company's EBITDA for the same period.

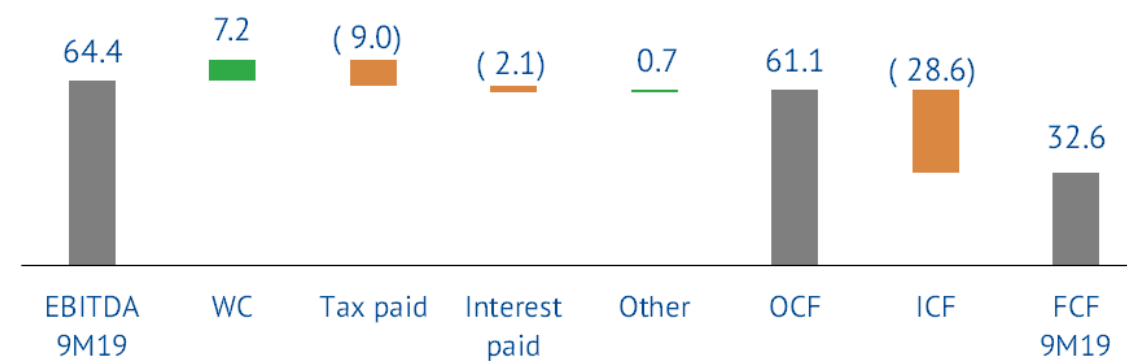
3Q19 EBITDA to FCF conversion, RUB bln



Capex and Capex/EBITDA ratio, RUB bln



9M19 EBITDA to FCF conversion, RUB bln



Source: PhosAgro

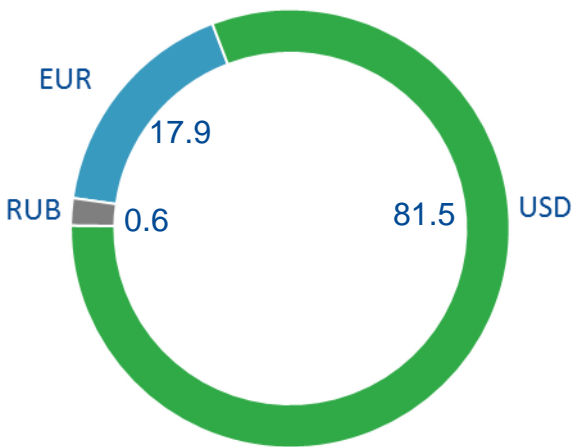
Debt Overview



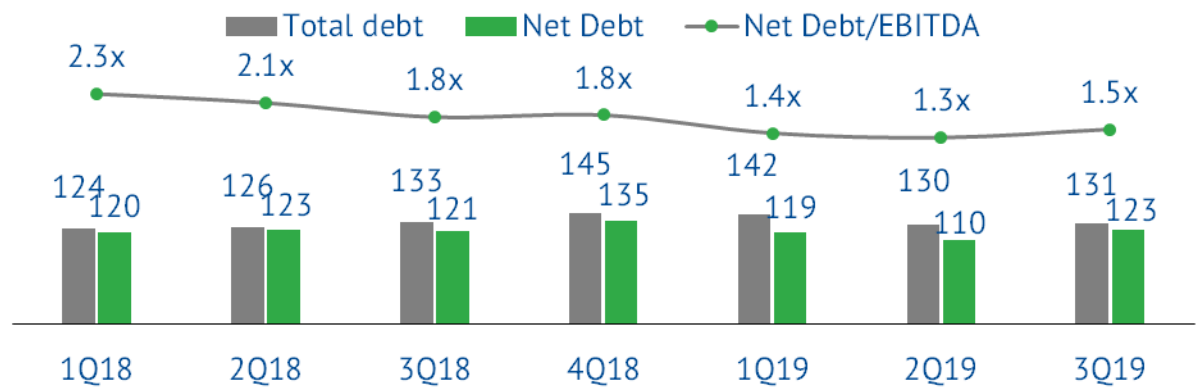
Comments

- Net debt/EBITDA decreased to 1.5x from 1.8x as of 31 December 2018, reflecting strong EBITDA performance and the gradual appreciation of the rouble against the US dollar over 9M 2019. Net debt as of 30 September 2019 amounted to RUB 122.9 billion (USD 1.9 billion).

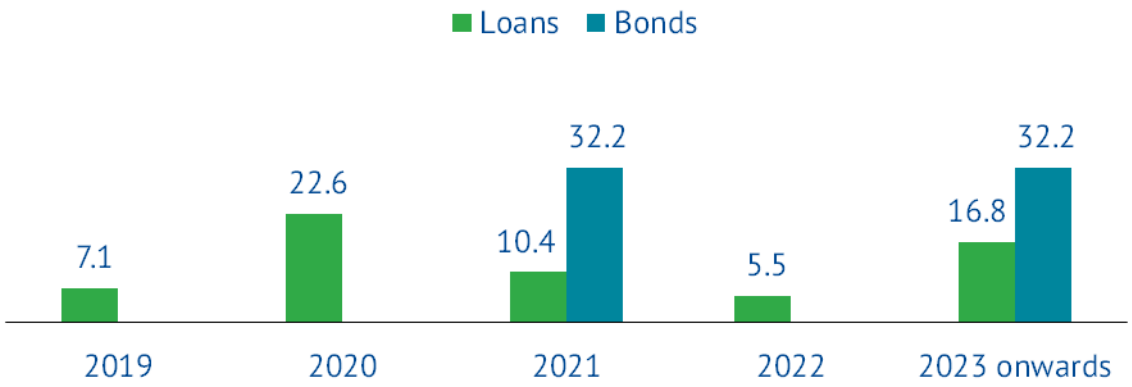
Debt breakdown by currency as of 30 September 2019, %



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



Maturity profile, RUB bln



Source: PhosAgro

Note: Total debt includes finance lease liabilities



Market Outlook

Continued pressure is expected on the price of phosphate-based fertilizers in 4Q 2019 due to the off-season in key markets, combined with high stockpiles in India and the United States. Thus, despite a decrease in production in the United States and China, excess supply in the global market may persist until next spring.

Slow resumption of seasonal demand in key urea markets coupled with considerable supply of Chinese product may continue to curb prices.

However, upward trends in the markets for major crops and a record level of affordability in recent years will support demand and prices as they approach the main fertilizer application season in 1Q 2020.



Thank you!

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