

Presentation for
meeting
December 2019



Pure Minerals for Healthy Lives

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PhosAgro at glance

OVERVIEW

Deposits lifetime

50+
years



Global footprint

>100
countries



Position in Russia

#1



By market share

Global position

#4



By DAP/MAP capacities in P₂O₅ (excl. China)

Dividend payout ratio

65%

of adj Net Income
in 9M 19

Investment rating

**BBB-
Baa3
BBB-**

S&P global ratings
Moody's
Fitch ratings

Fertilizer output

9.5
mln t



EBITDA margin

33%



As of 9M19

DAP cash cost

<200
\$/t



4-year average

ND/EBITDA

1.5x



As of 9M19

Company stocks

**LSE
MOEX**

Since 2011
Since 2011
Incl. in MSCI Russia

Product line

>39
grades



Employees

17k



INED

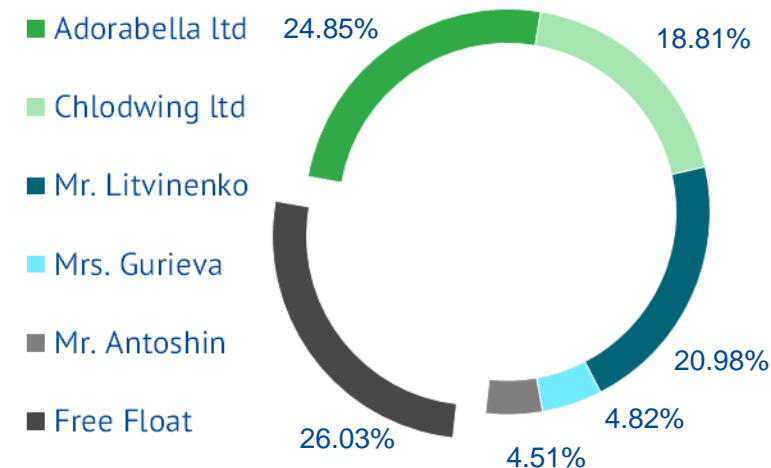
7 out of 10



Financial highlights

RUB bln	3Q18	3Q19	Δ yoy	9M18	9M19	Δ yoy
Revenue	64.7	64.6	3%	173.8	195.0	12%
EBITDA	23.4	21.3	-9%	56.4	64.4	14%
EBITDA margin	37%	33%	-4pp	32%	33%	1pp
Adjusted NI	12.9	11.8	-8%	30.8	34.5	12%
NI margin	21%	18%	-2pp	18%	18%	0pp
FCF	12.4	3.6	-71%	22.1	32.6	52%
Divs (RUB/GDR)	24.0	16.0	-33%	47	58	23%

Shareholder structure, 31.09.2019



PHOSAGRO ASSETS IN 2019

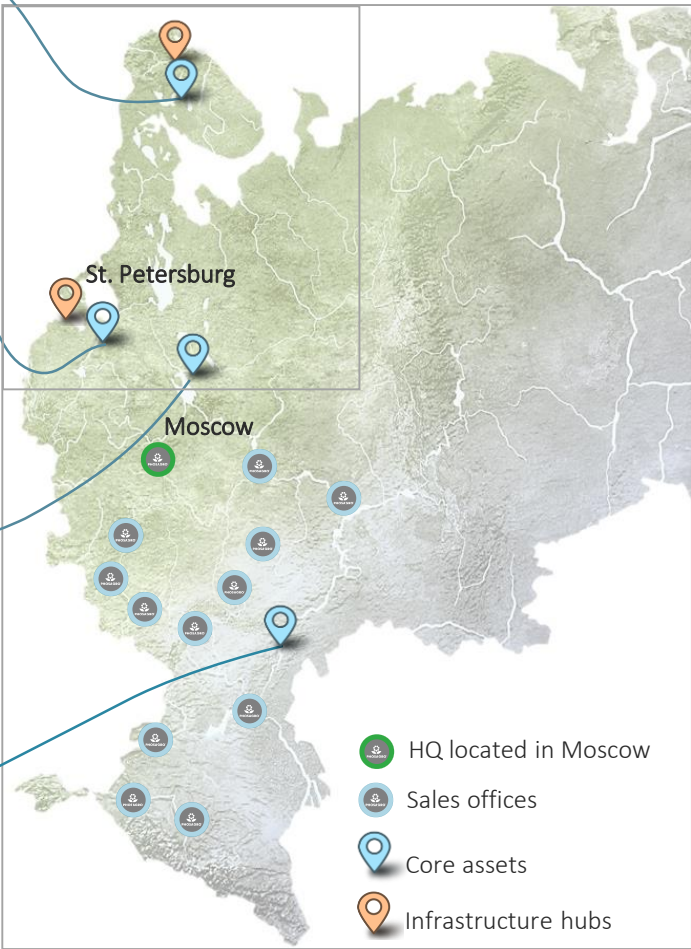


Mining			
Kirovsk Branch of Apatit (Kirovsk)			
38 mln t	Ore mining	10.5 mln t	phosphate rock production
2.3 bln t	Total resources	39%	Content of P ₂ O ₅

Production			
Metachem (Volkhov)			
0.3 mln t	NPK(S)	0.2 mln t	Sulphuric acid
0.1 mln t	STPP	96 Kt P ₂ O ₅	Phosphoric acid

Apatit (Cherepovets)			
4.8 mln t	MAP/DAP/NPK(S)	0.5 mln t	AN/AN-based
1.7 mln t	Urea	1.9 mln t	Ammonia

Balakovo branch of Apatit (Balakovo)			
1.8 mln t	MAP/DAP/NPK	0.4 mln t	MCP



Sales	
Infrastructure hubs	



Domestic distribution network	
-------------------------------	--

16	Sales offices	8.9k	Railcars of different configurations
26	Distribution centers	67	Regions supplied by PhosAgro

International offices	
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10	Trading offices	~100	Countries supplied by PhosAgro
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Source: PhosAgro
* EST stands for European Sulphur Terminal

VERTICAL INTEGRATION AS A KEY ADVANTAGE



Key Facts

- There are 4 core raw materials for P-fertilizer production...
- And 3 key feedstocks, in which PhosAgro is almost self-sufficient:

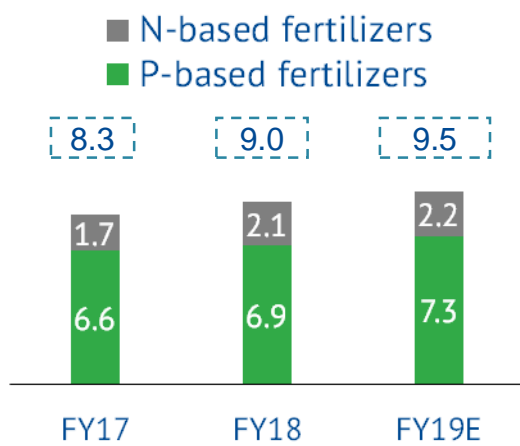
100%
phosphate
rock

~90%
ammonia

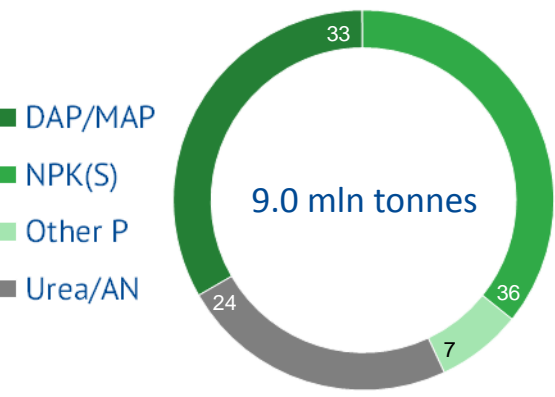
~90%
sulphuric
acid

PhosAgro secures margins against any market headwinds

Fertilizer production, mln t



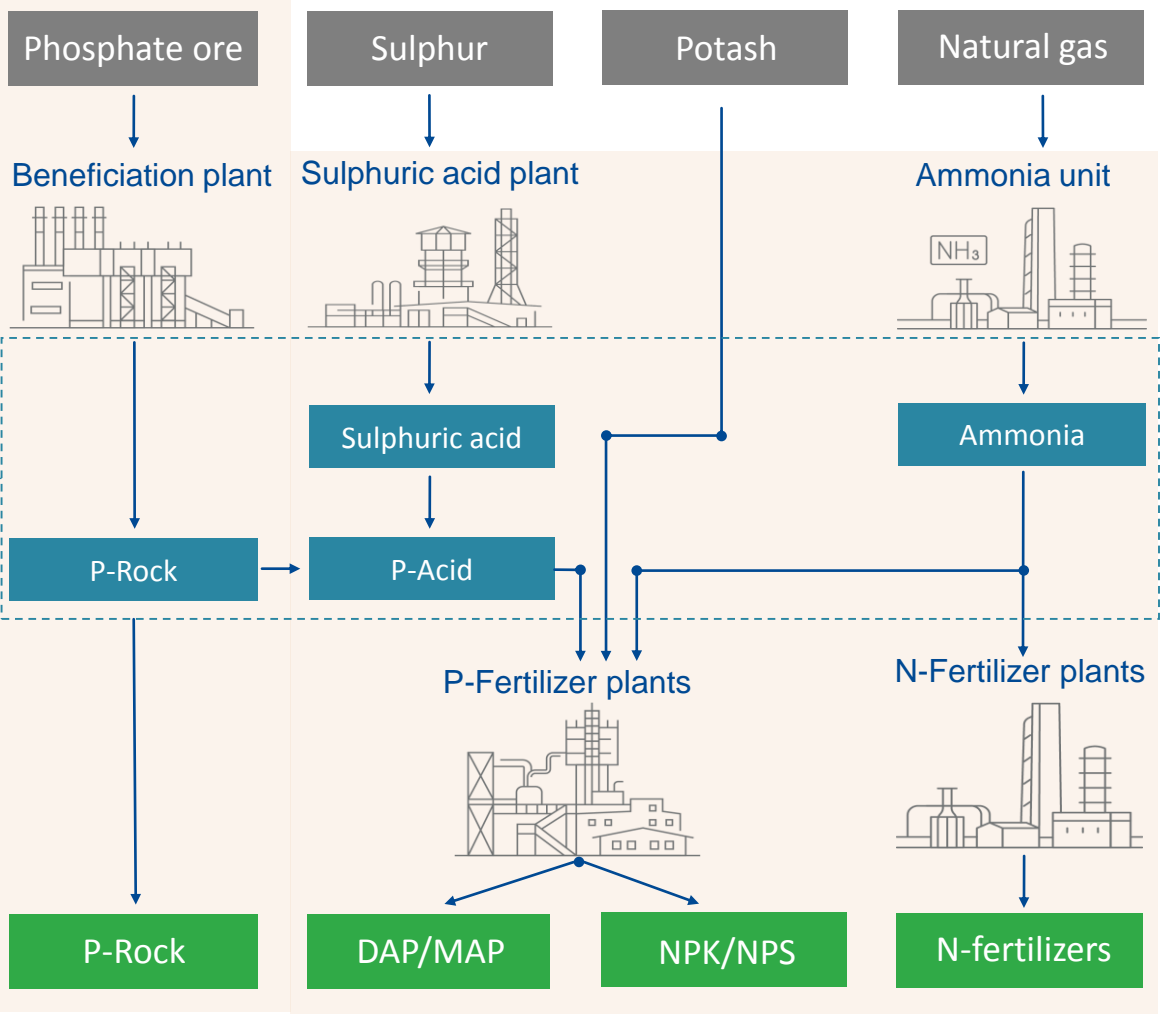
Product mix in 2018, %



Source: CRU, PhosAgro

Operational structure

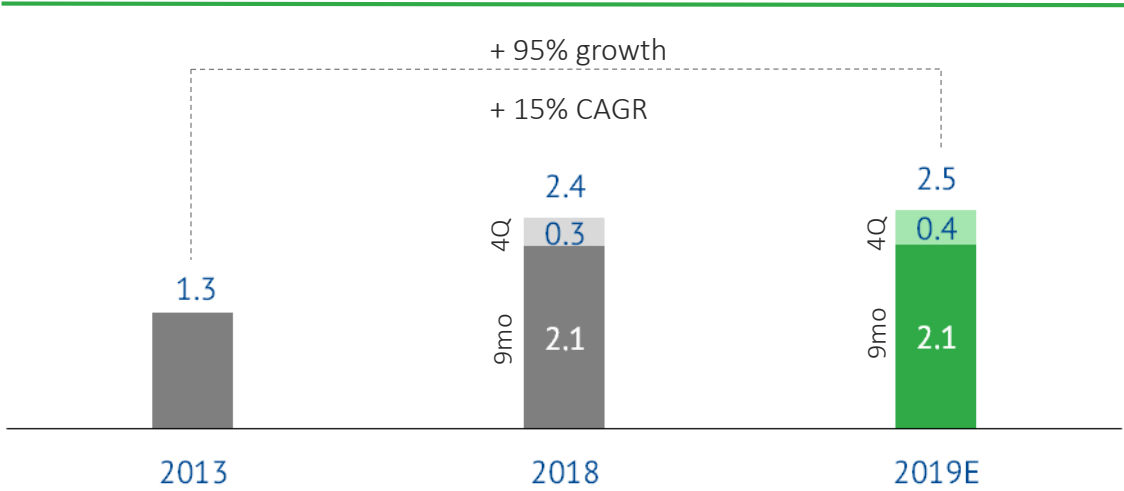
PhosAgro perimeter



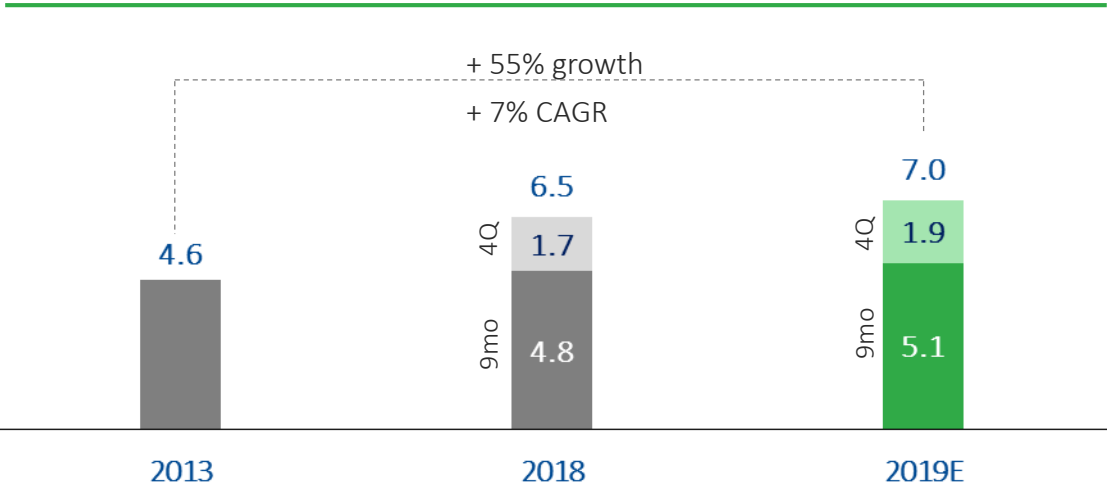
GLOBAL FOOTPRINT WITH DIVERSIFIED PRODUCT PORTFOLIO



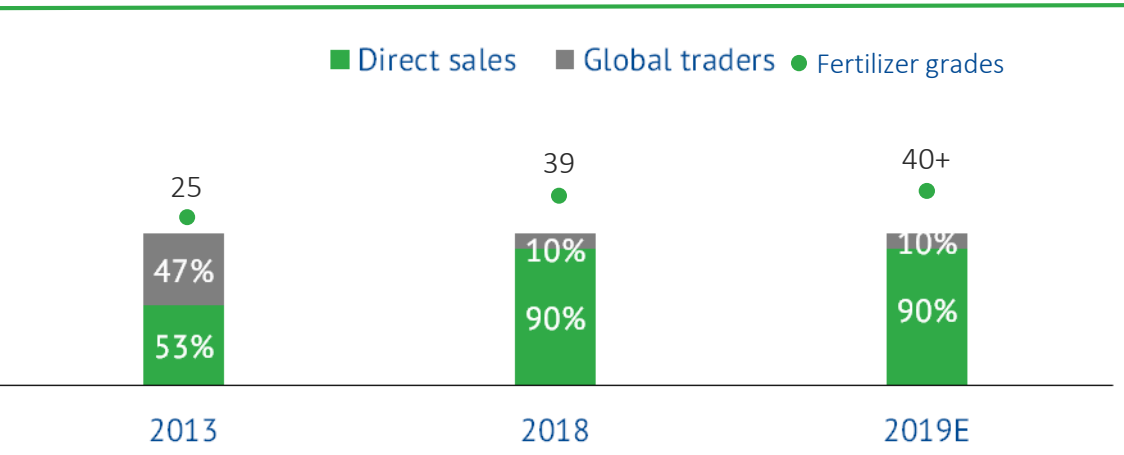
Russia fertilizer sales, mln t



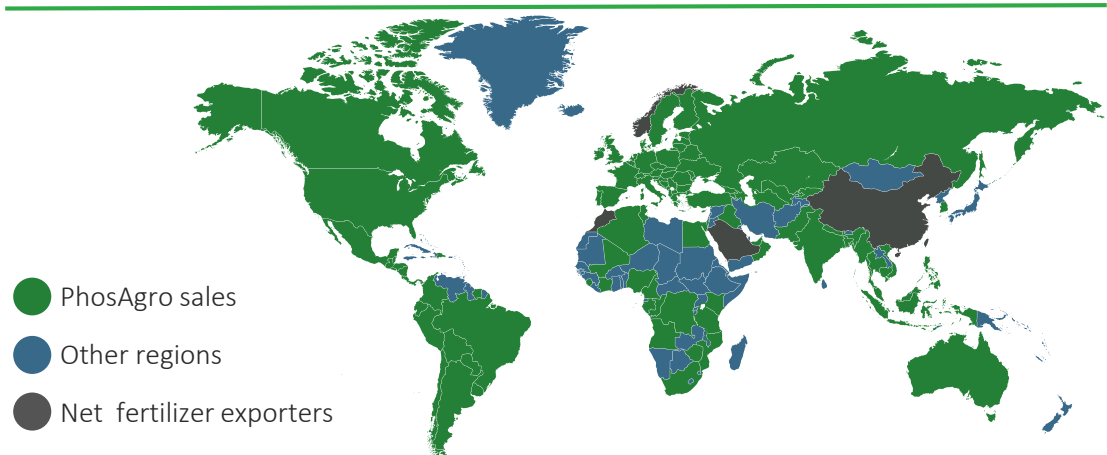
Export fertilizer sales, mln t



Access to markets



Global footprint




Source: PhosAgro


CORPORATE GOVERNANCE





BOARD OF DIRECTORS


Independent Directors


- 


Xavier Robert Rolet KBE
Chairman
- 

Irina Bokova
Chairman of the Sustainable Development Committee
- 

Sven Ombudstvedt
Chairman of the Strategy Committee//
Chairman of the Risk management Committee
- 


James Rogers
Chairman of the Remuneration and HR Committee
- 


Marcus Rhodes
Chairman of the Audit Committee
- 


Andrey Sharonov
Non-Executive Director
- 

Natalia Pashkevich
Non-Executive Director

Executive Directors

- 

Andrey G Guryev
Deputy Chairman
- 

Andrey A Guryev
Chief Executive Officer
- 

Mikhail Rybnikov
Chairman of the Environmental, Health and Safety Committee

EXPERIENCE



HIGHLIGHTS

10
DIRECTORS

7
INED

6
COMMITTEES

5
COMMITTEES ARE
CHAired BY INED

NEW **SUSTAINABLE DEVELOPMENT COMMITTEE**
WAS ESTABLISHED AND CHAIRED BY
IRINA BOKOVA

ESG & UN PRINCIPLES - PART OF OUR STRATEGY

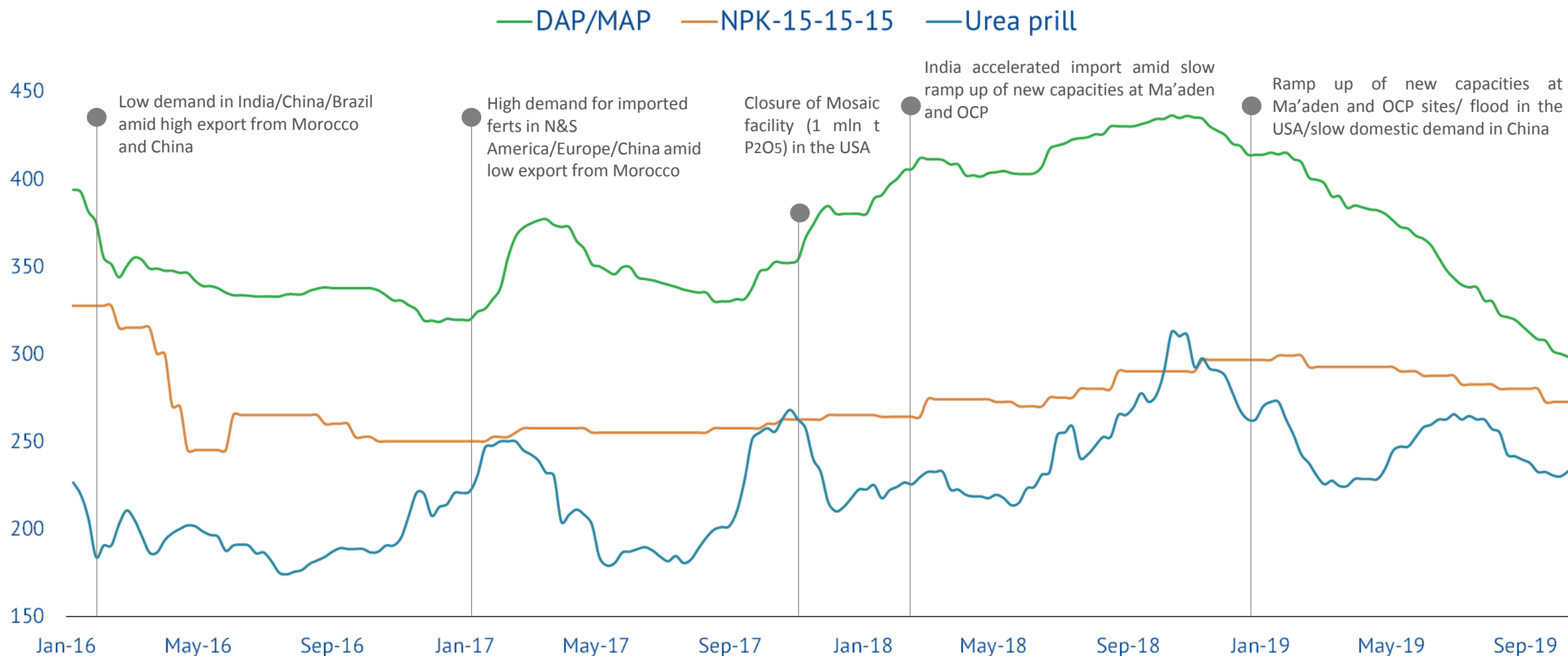


Source: PhosAgro
* Average performer



Fertilizer Industry

FERTILIZER PRICE PERFORMANCE, FOB BALTICS (USD/T)

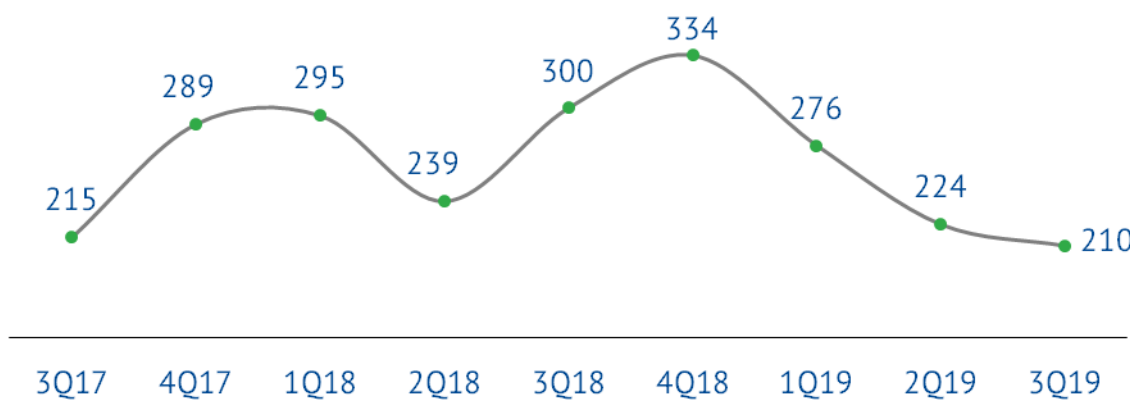


Source: CRU/FW, Fertecon, Argus, Green Markets, Prophecy, PhosAgro

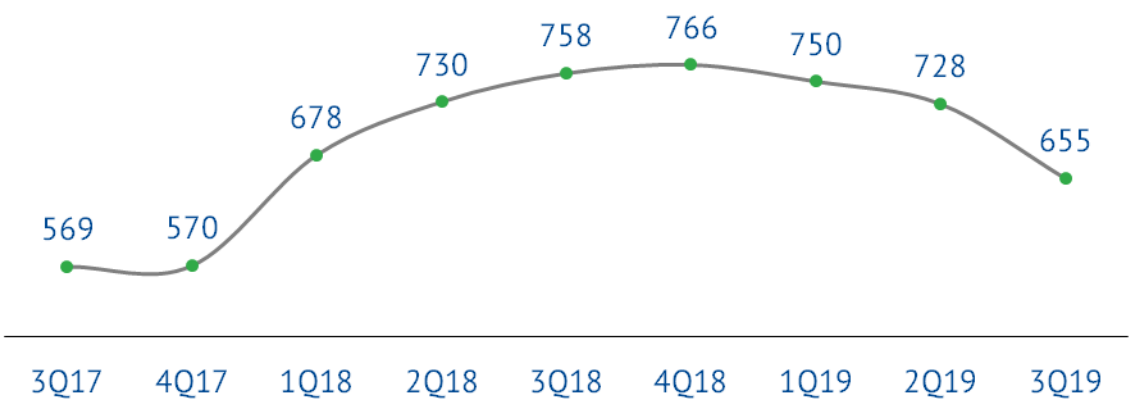
FEEDSTOCK PRICES



Ammonia FOB Baltics price, USD/t



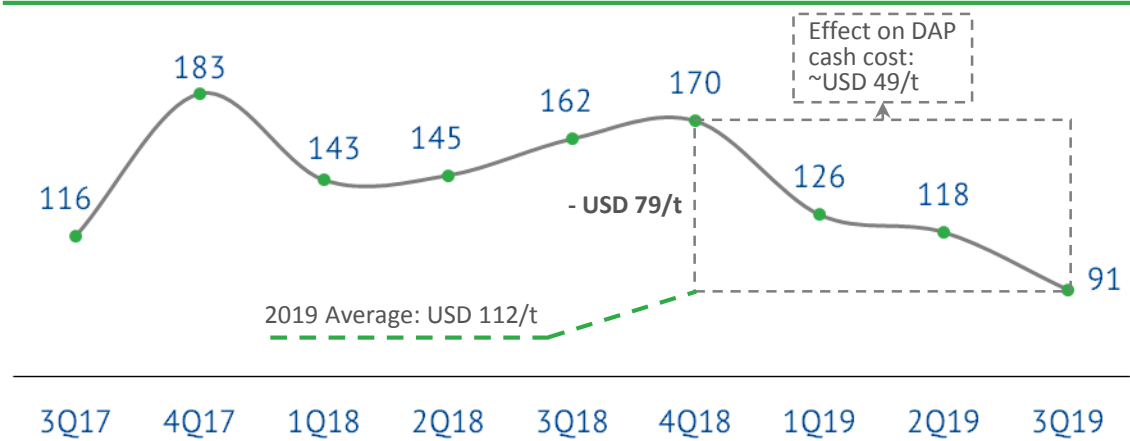
Phosphoric acid CFR India contract price, USD/t



Phosphate rock FOB Morocco prices, USD/t



Sulphur CFR China prices, USD/t

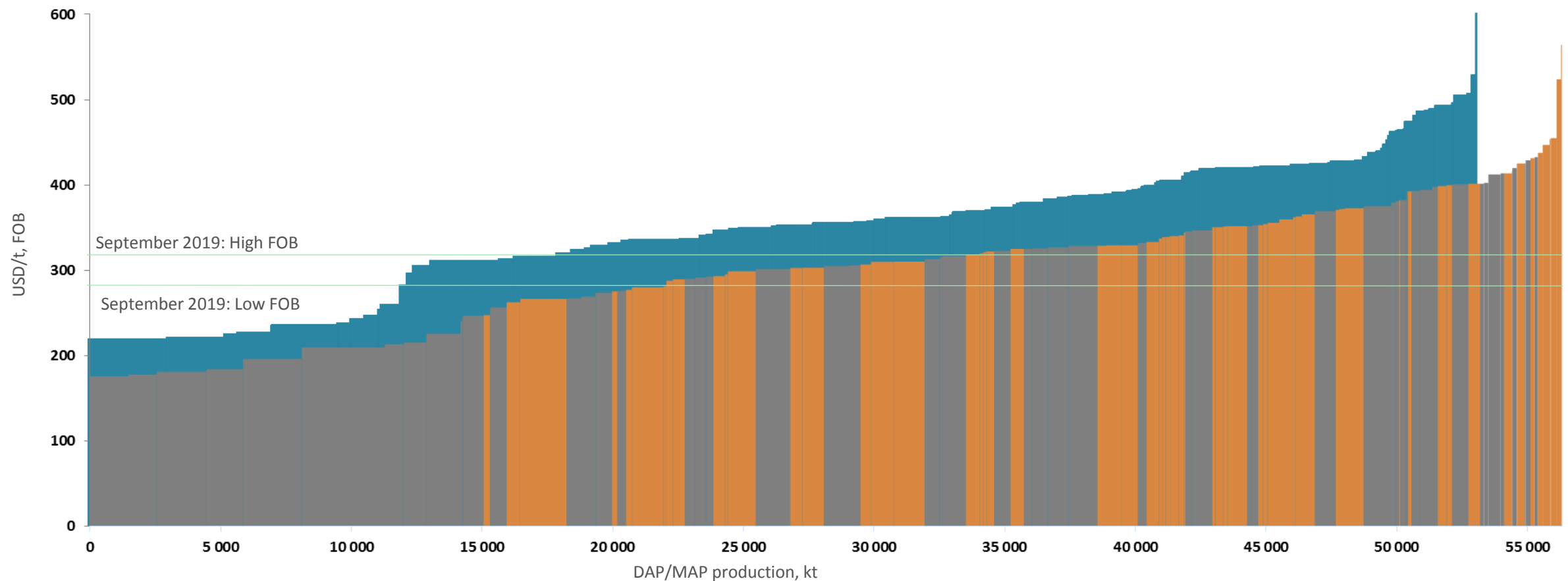


Source: CRU, PhosAgro

GLOBAL DAP/MAP CASH COST, USD/t, FOB



- Cash cost production in 3Q18
- Cash cost production in 3Q19
- Cash cost production in China, 3Q19

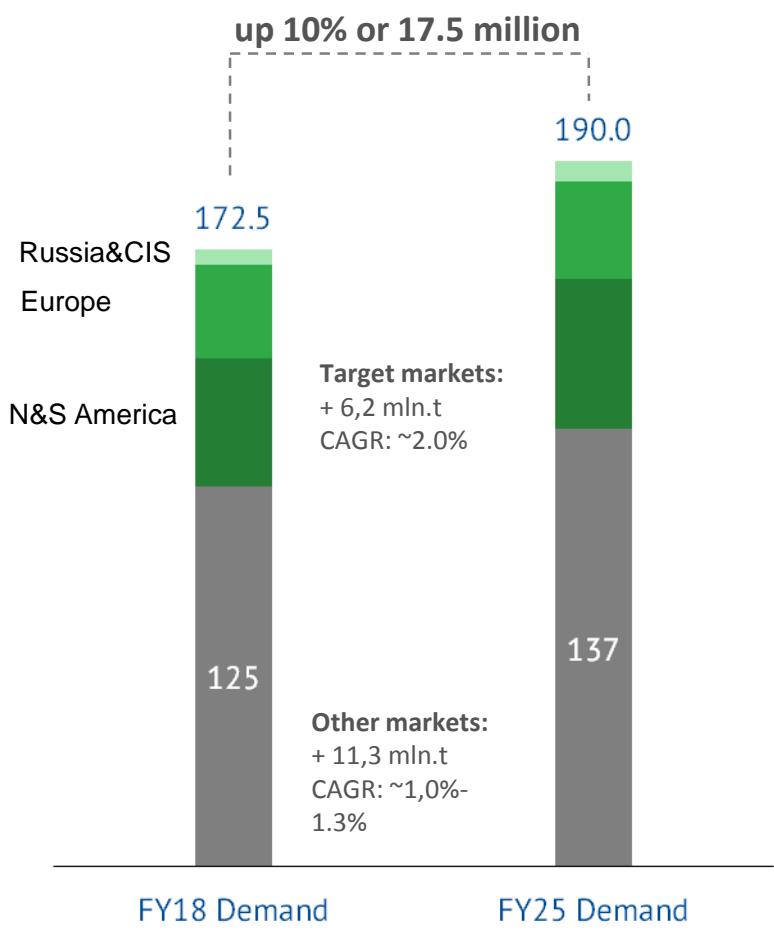


Source: CRU/FW, Fertecon, Argus, Green Markets, Prophecy, PhosAgro

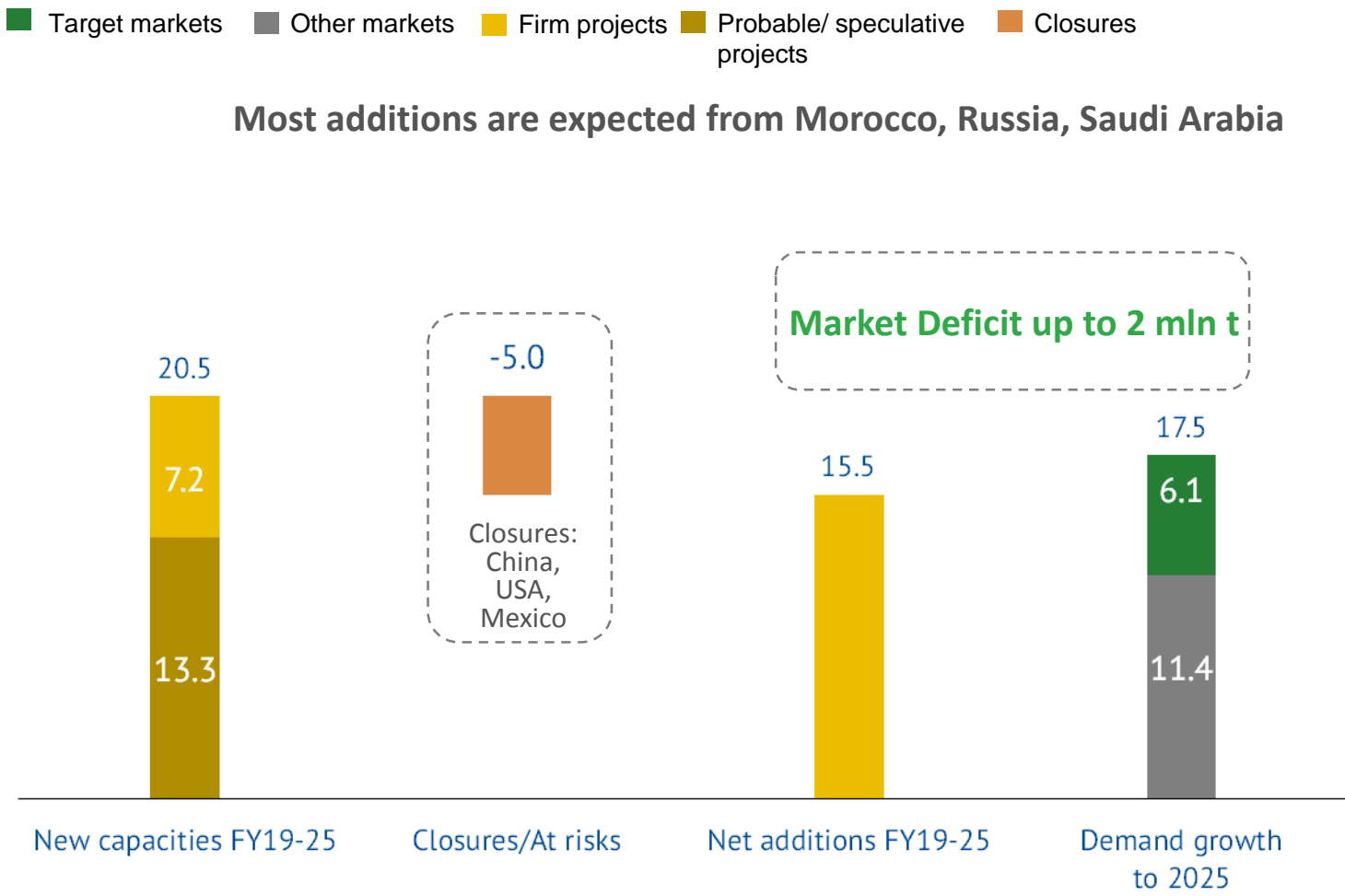
GLOBAL P-FERTILIZER MARKET: DEMAND IS GROWING FASTER THAN SUPPLY



P-fertilizers demand, mln t



P-fertilizers supply growth vs demand growth, mln t

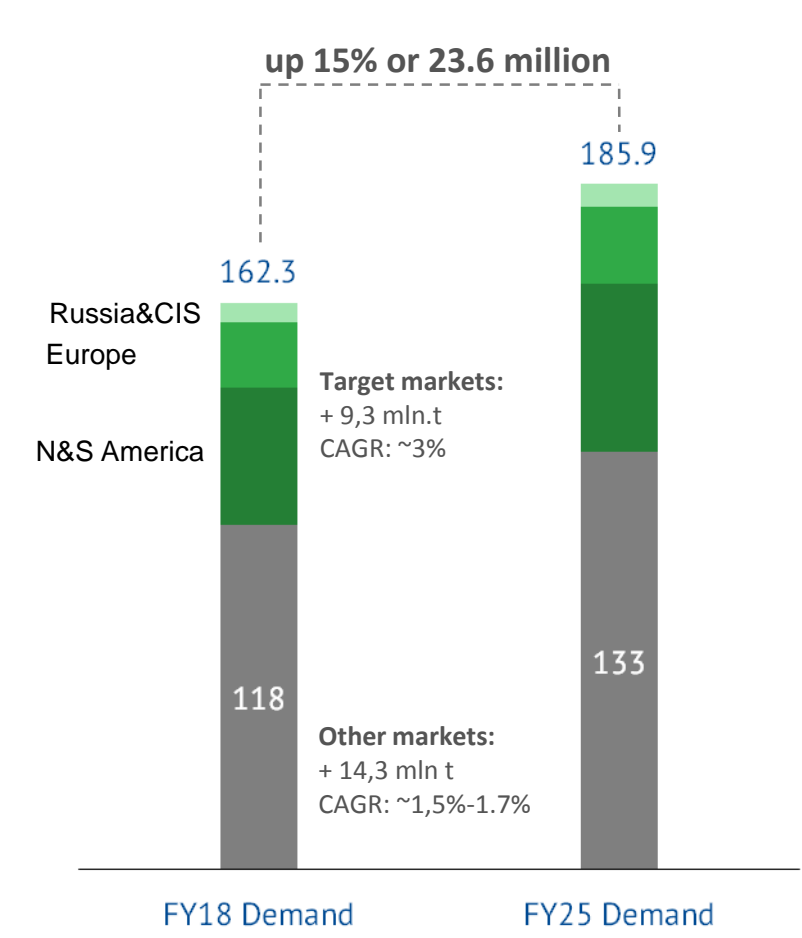


Source: CRU, Companies, PhosAgro
Note: P-fertilizers include DAP/MAP/NP/NPS/NPK

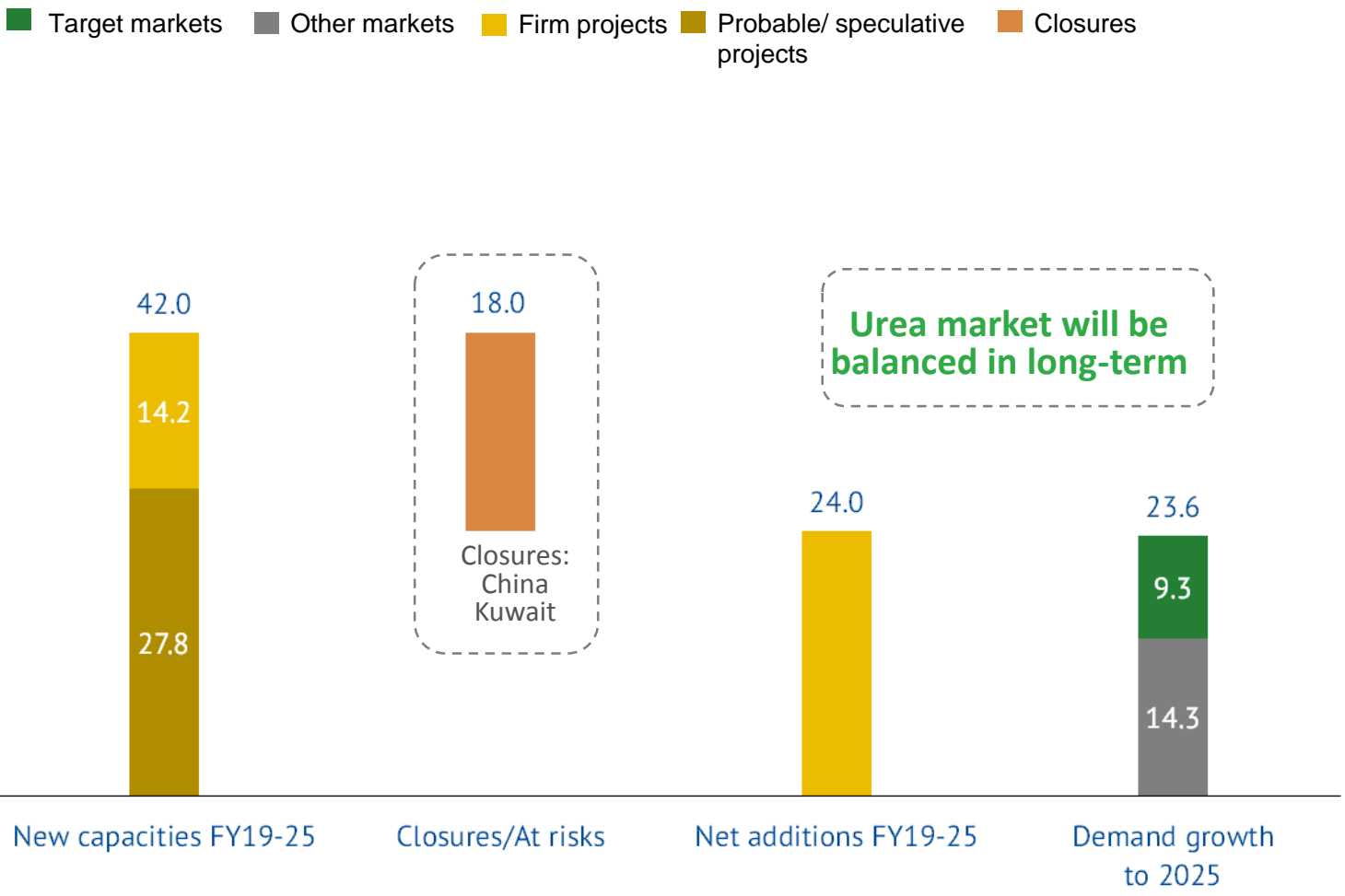
GLOBAL UREA MARKET: LONG-TERM BALANCE EXPECTED



Urea demand, mln t



Urea supply growth vs demand growth, mln t

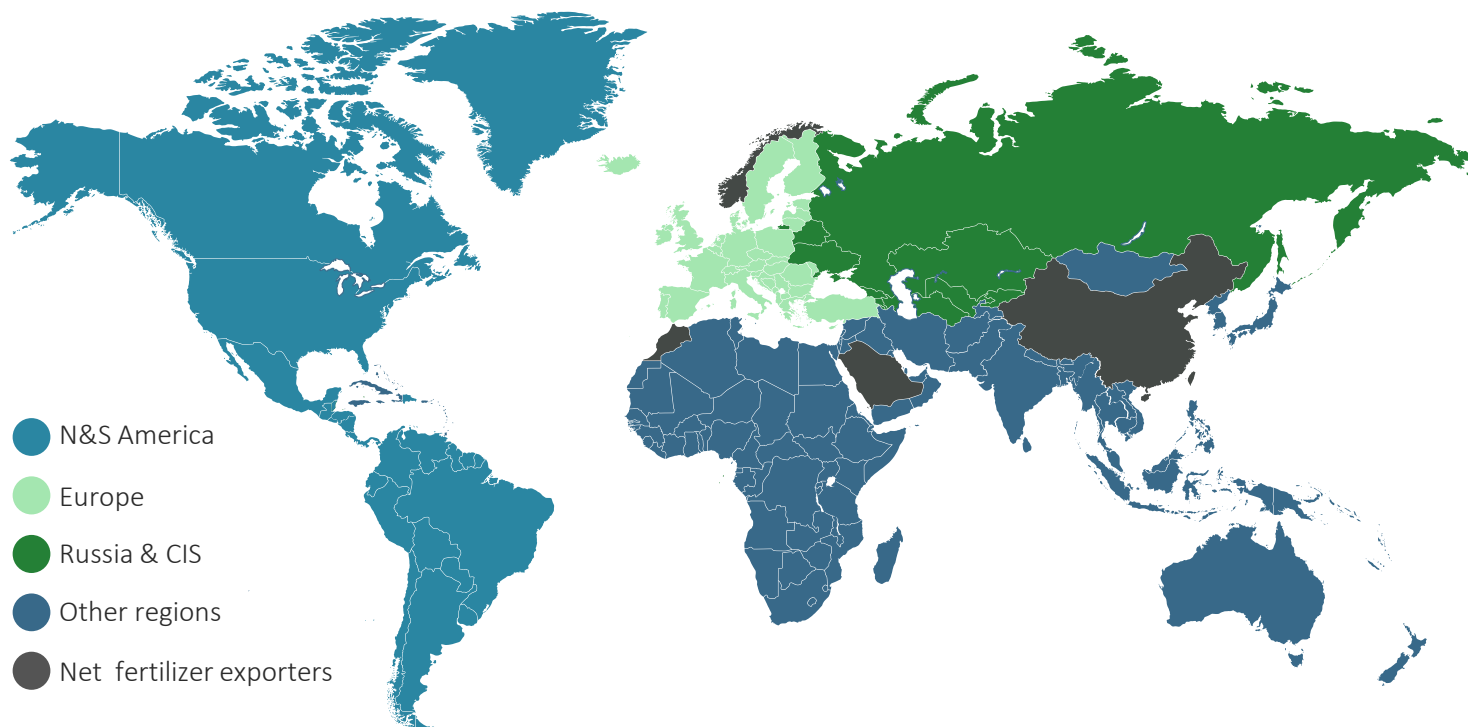


Source: CRU, Companies Data

PREMIUM MARKET EXPANSION

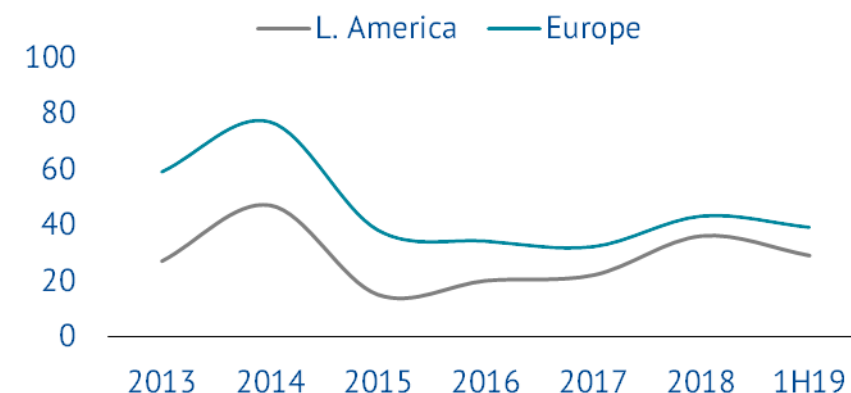
Sales breakdown¹

	N&S America	Europe	Russia & CIS	Other
2018	3.1 mln t	2.0 mln t	2.6 mln t	1.2 mln t
2025	3.5 mln t	3.1 mln t	3.7 mln t	1.4 mln t
2018	36%	22%	30%	13%
2025	30%	26%	32%	12%

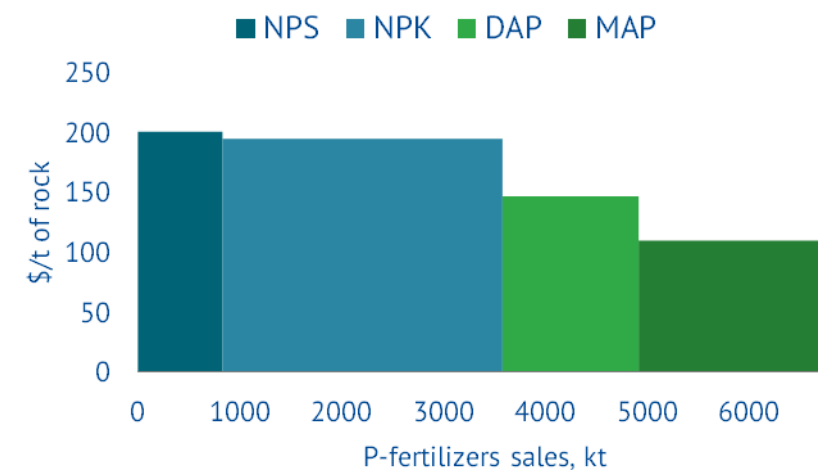


Source: Argus, Fertecon, CRU/FW, PhosAgro
1. Only DAP/MAP, NPK(S), Urea and AN

Premium to Indian netback prices (USD/t, FOB, Baltic)



Profitability of phosphate fertilizers, 2019E



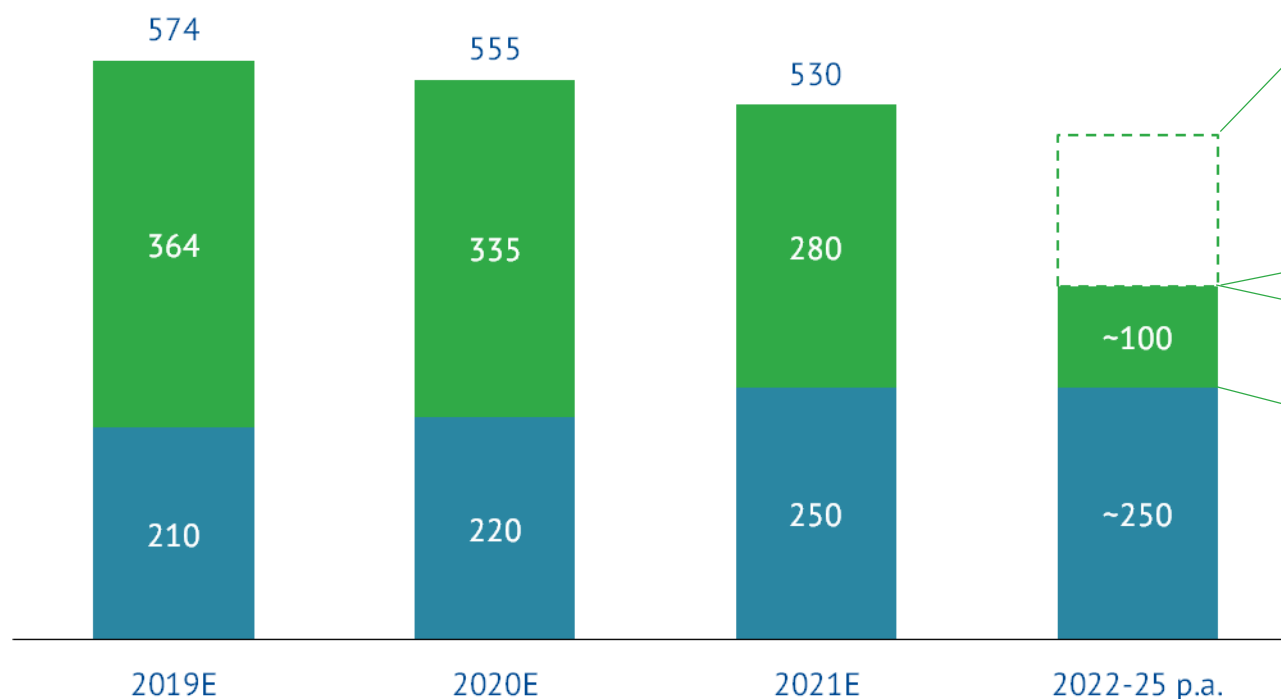


Strategic Developments

INVESTMENT PROGRAM 2019-2025

CapEx allocation*, USD mln

- Investment projects
- Stay-in-business projects



Investment projects

- Investment projects CapEx 2019-2025: USD 1.1 bln
- Stay-in-business CapEx 2019-2025: USD 1.7 bln
- Effect on EBITDA***: USD 450+ mln
- Projected IRR**: 20%+ at WACC 11%

Potential projects under consideration, complying with company investment principles:

- IRR 20+%
- Substantial synergies to business model
- ESG principles compliance, etc.

Committed investment projects for 2022-2025

Source: PhosAgro

* CapEx calculated at RUB65/USD

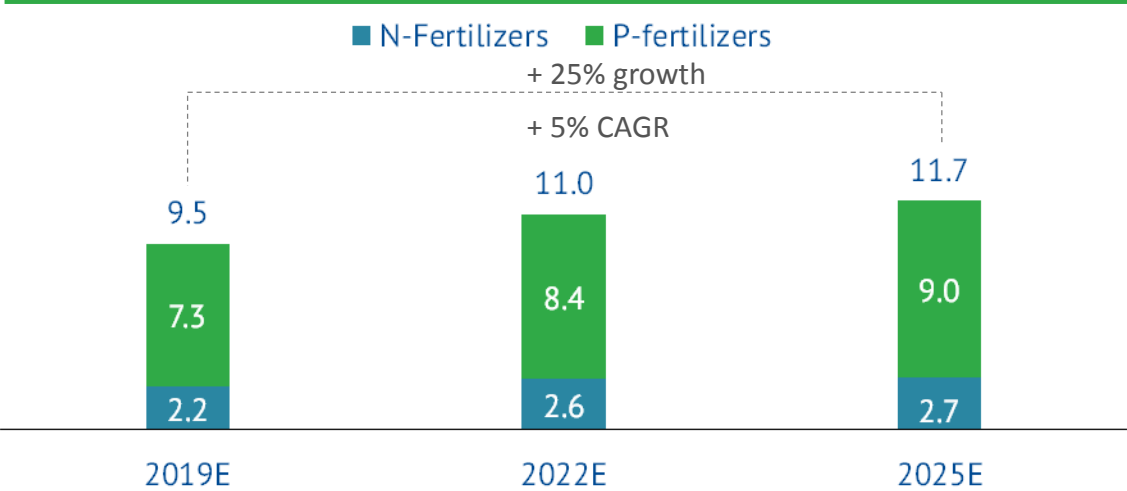
**IRR calculated for investment projects, including new capacities and plants' upgrade

*** Subject to macro condition changes

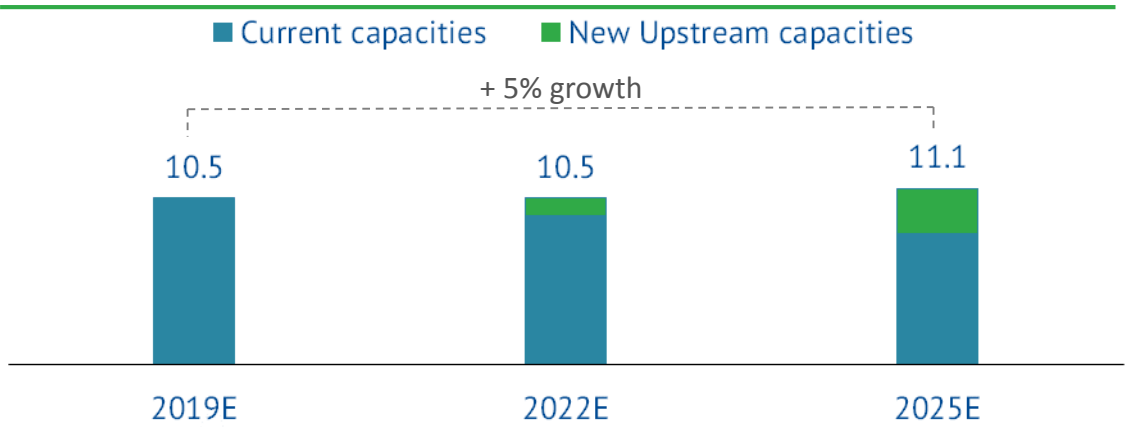
PRODUCTION GUIDANCE 2019-2025



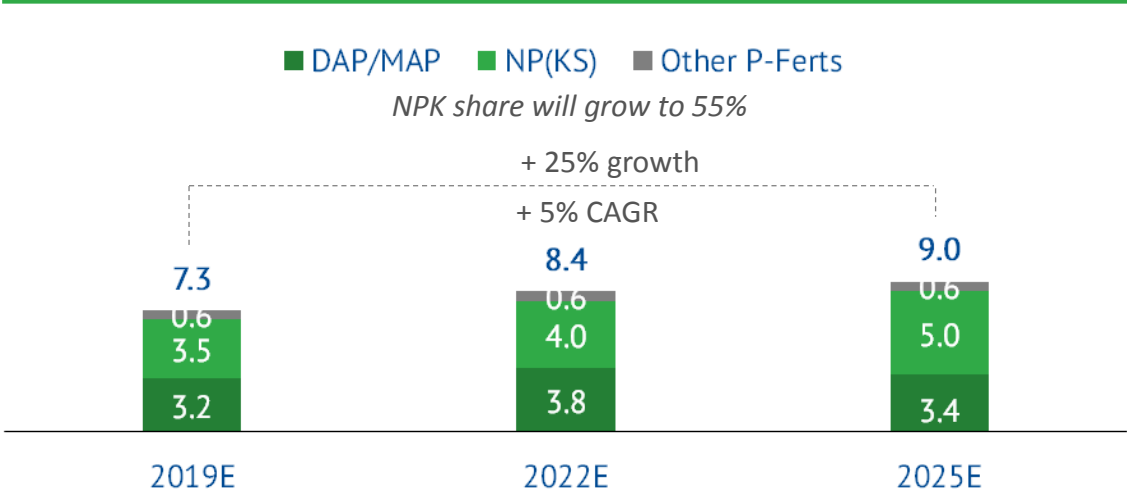
Fertilizer production outlook, mln t



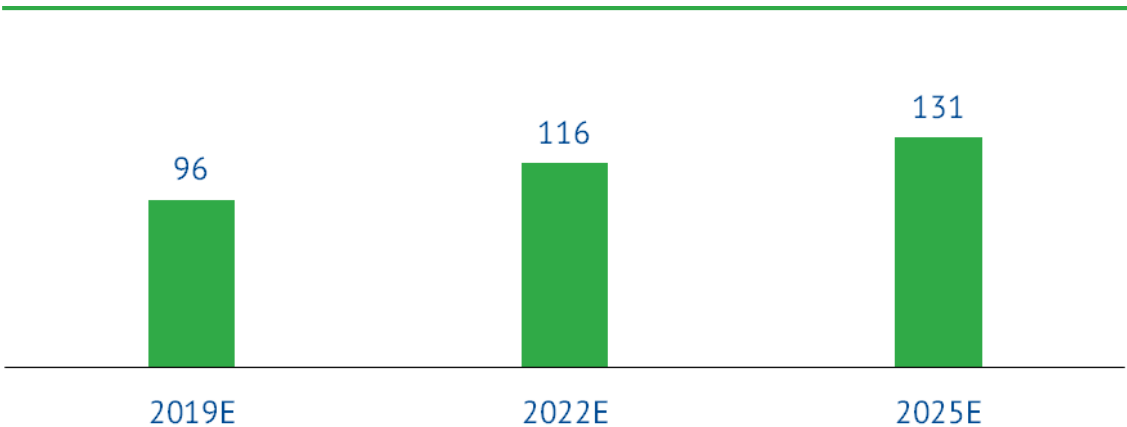
Phosphate rock output, mln t



Phosphate fertilizer production, mln t



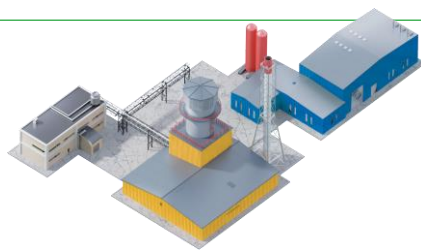
Processing margin*, USD/ t of Ph-rock



Source: PhosAgro
*additional margin, that company expected to get from processing of Phrock into Fertilizers instead of selling it to 3rd parties.
"E" stands for Expected by Management team

ASSET DEVELOPMENT PIPELINE

PROJECT	MAP CAPACITES	NPK/NPS LINE	CHEREPOVETS CAPACITIES
TARGET	MAP for export markets	NPK(S) for domestic and European markets	Debottlenecking initiatives
SITE	Metachem	Balakovo	Cherepovets
COMMISSIONING	2021	2022	2019-20
DESIGNED CAPACITY	0.86 mtpa	1.7 mtpa	Various targets
CAPEX	USD 430 mln	USD 240 mln	USD 389 mln
EBITDA	USD 90+ mln	USD 50+ mln	USD 60+ mln
WACC	11%	11%	11%
NPV	USD 173 mln	USD 143 mln	USD 265 mln
IRR	20%	20%	20+%



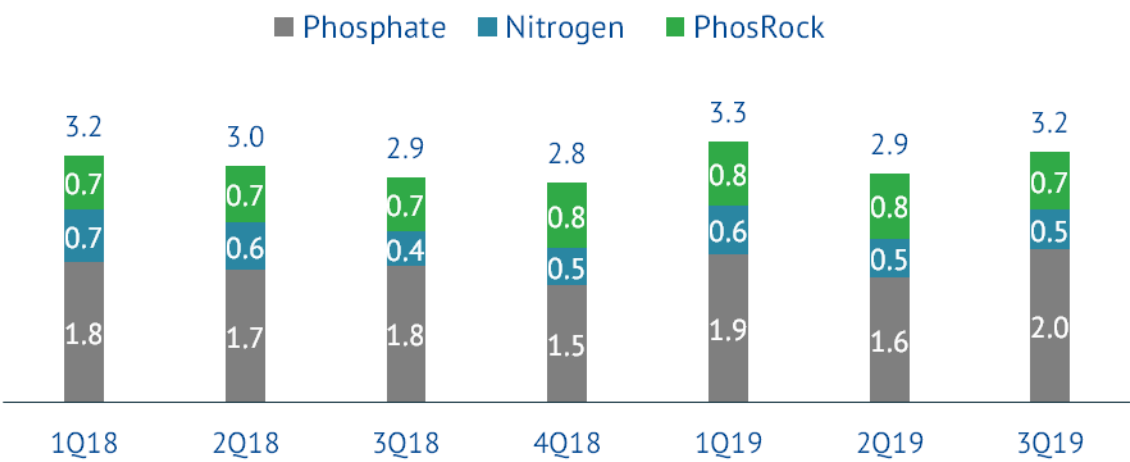


Financial review

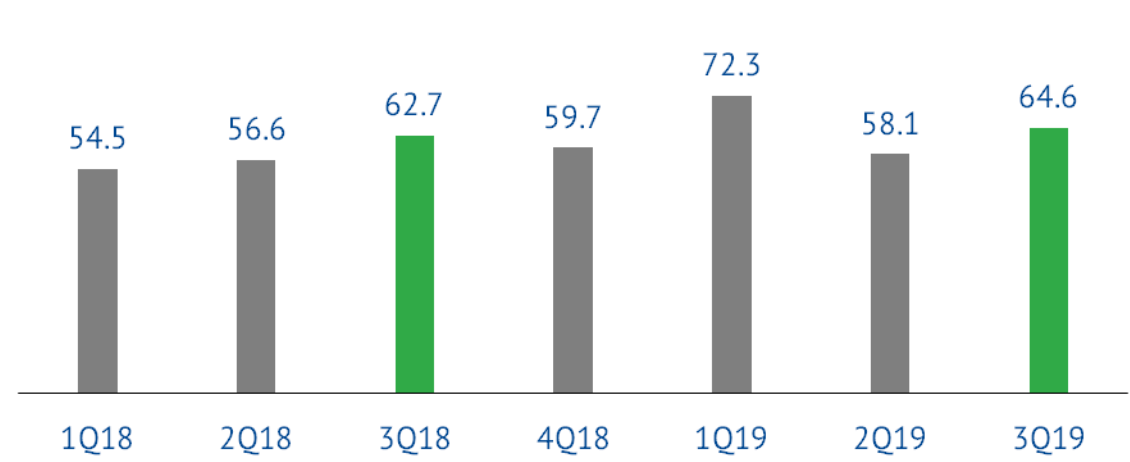
REVENUE BREAKDOWN



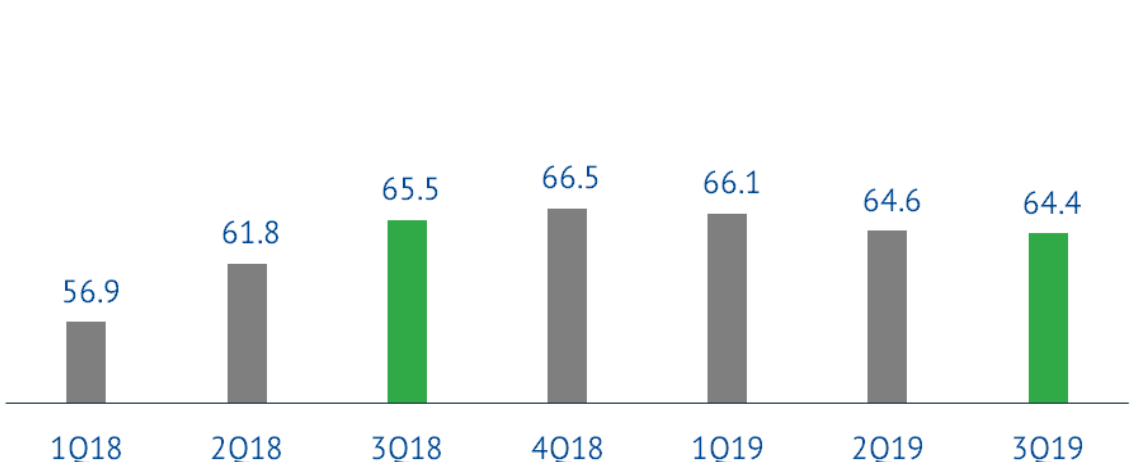
Sales breakdown, mln tonnes



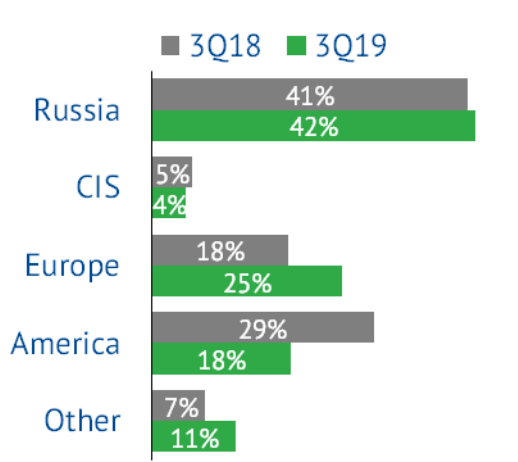
Revenue dynamics, RUB bln



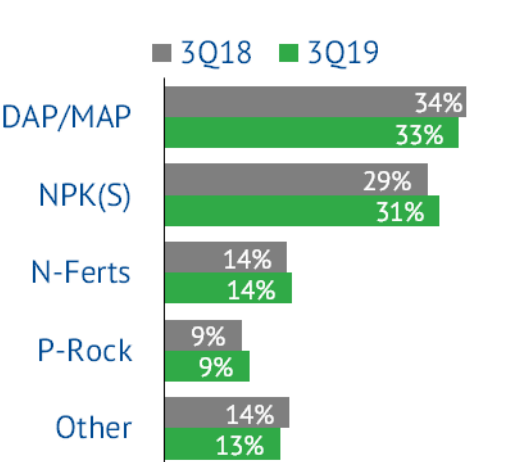
FX rates, RUB/USD



Revenue by region, %



Revenue by product, %

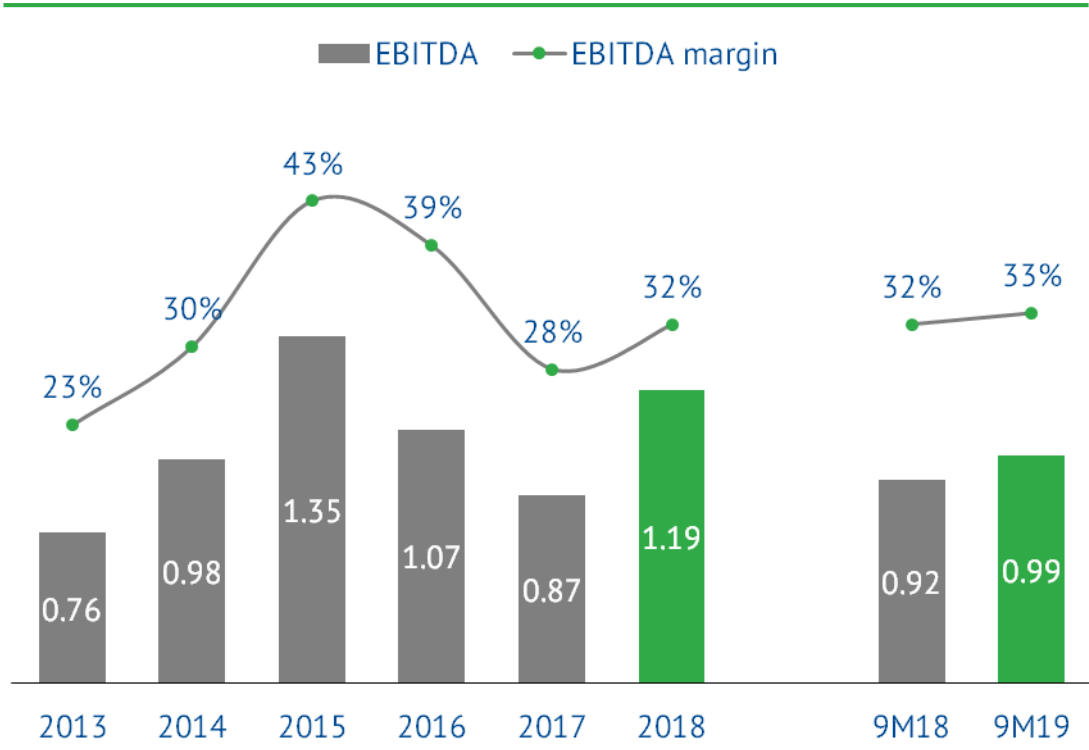


Source: PhosAgro

THE MOST EFFICIENT COMPANY AMID MARKET HEADWINDS

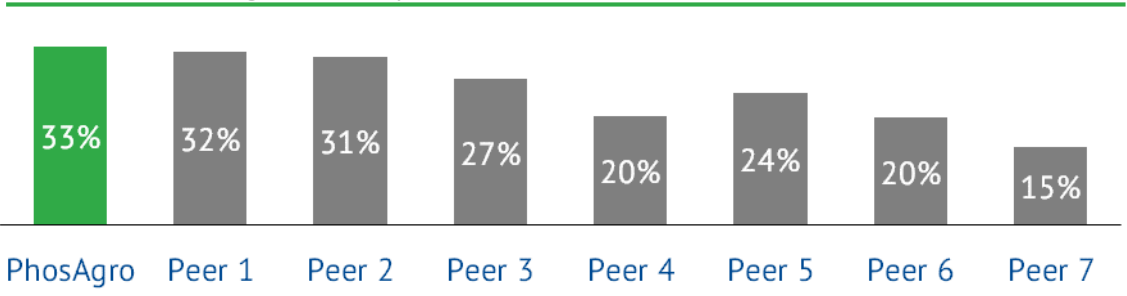


EBITDA and EBITDA margin for the last 6 years

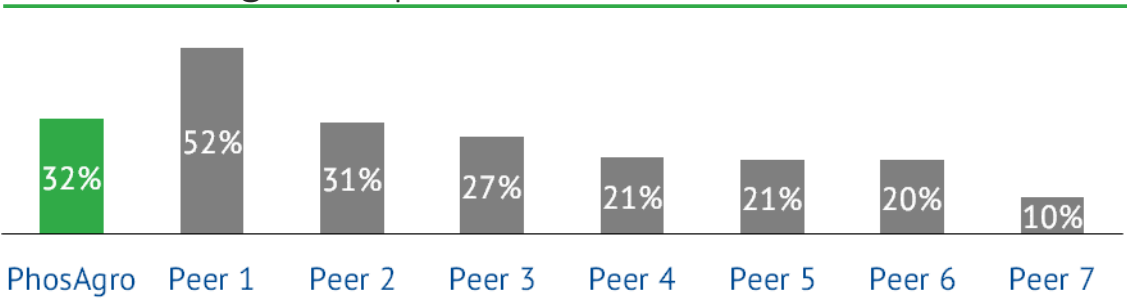


PhosAgro has a proven track record as a **sustainably profitable company** in the industry, delivering leading EBITDA margin performance throughout the cycle

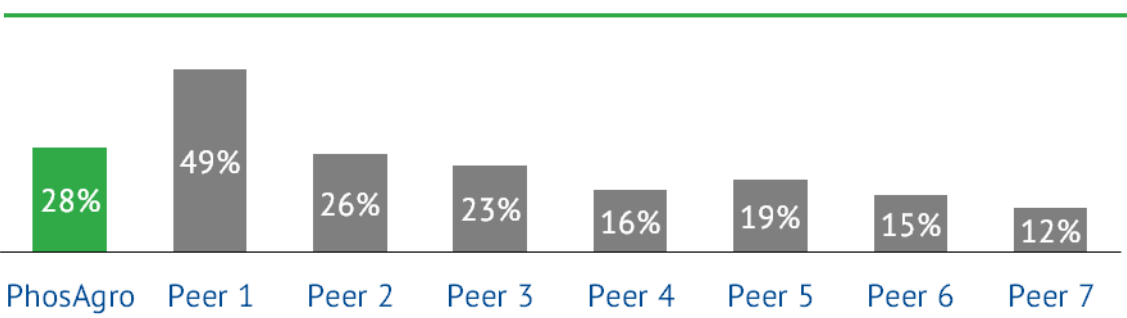
EBITDA margin comparison in 1H19



EBITDA margin comparison in 2018



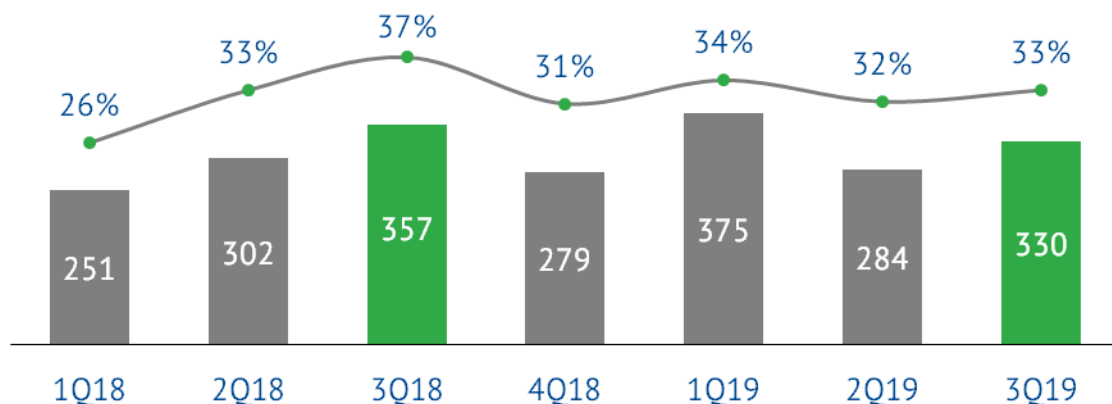
EBITDA margin comparison in 2017



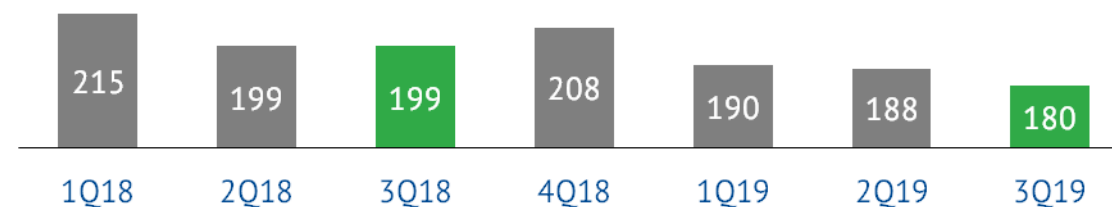
Source: PhosAgro
Note: Peer group includes Mosaic, OCP, Nutrien, ICL, Yara, Eurochem, Ma'den

FINANCIAL PERFORMANCE

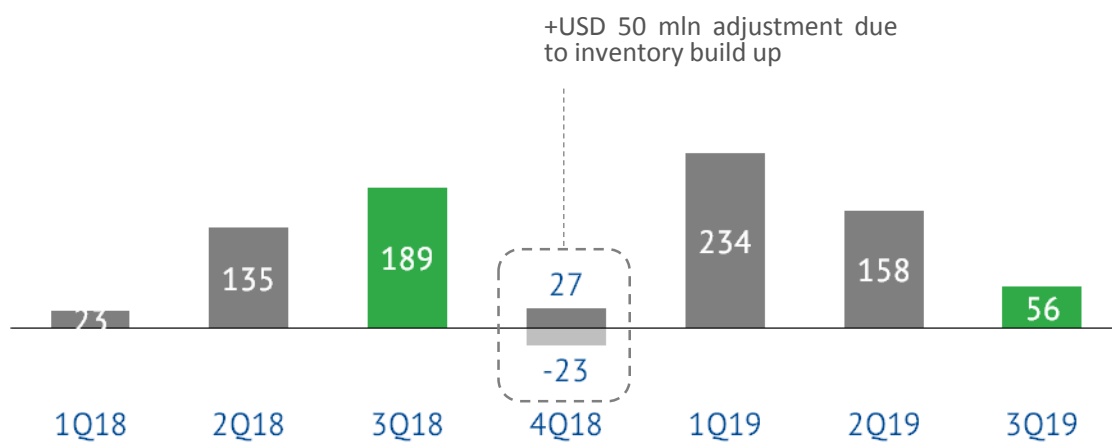
EBITDA and EBITDA margin, mln USD



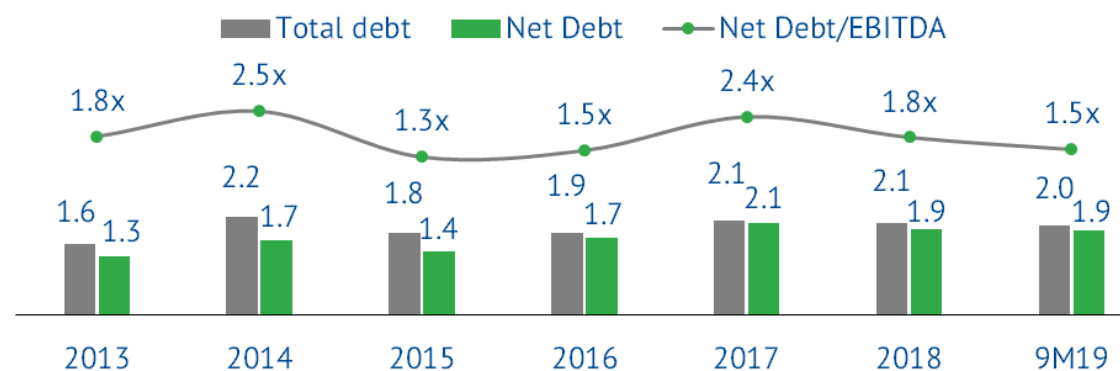
DAP cash cost, USD/t



FCF, mln USD



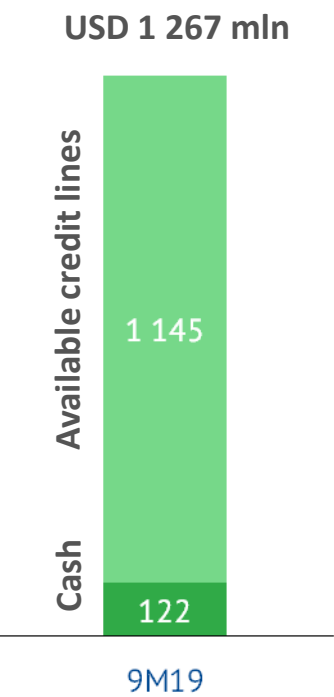
Net debt/EBITDA, x



MATURITY PROFILE, USD MLN



Liquidity position

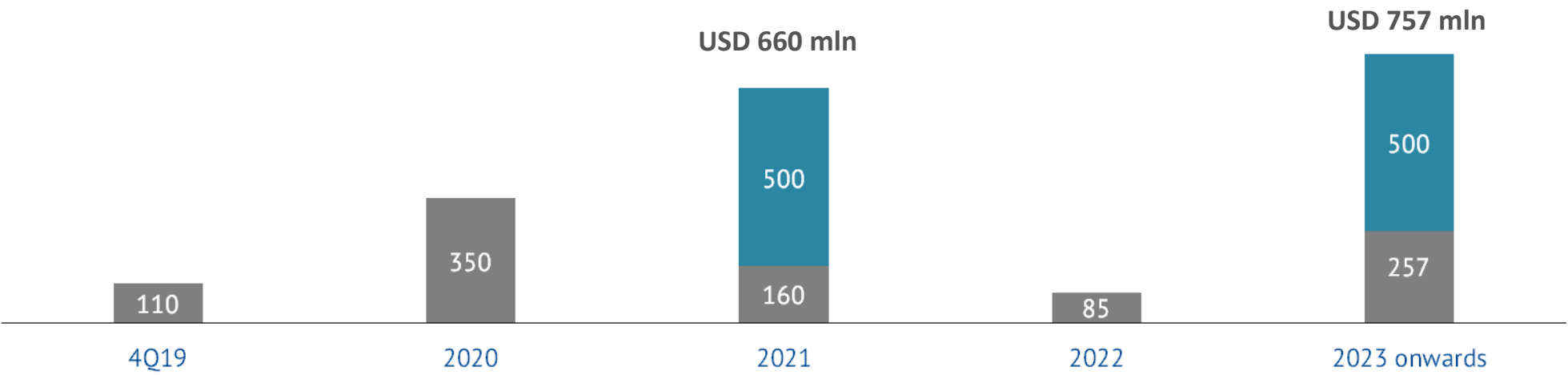


Current credit rating:

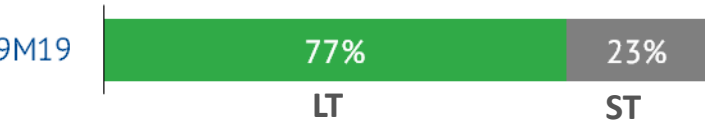
BBB- S&P global ratings
Baa3 Moody's
BBB- Fitch ratings

Debt repayment schedule

Cash Available credit lines Loans Bonds



Debt maturity



Debt currency



Debt type



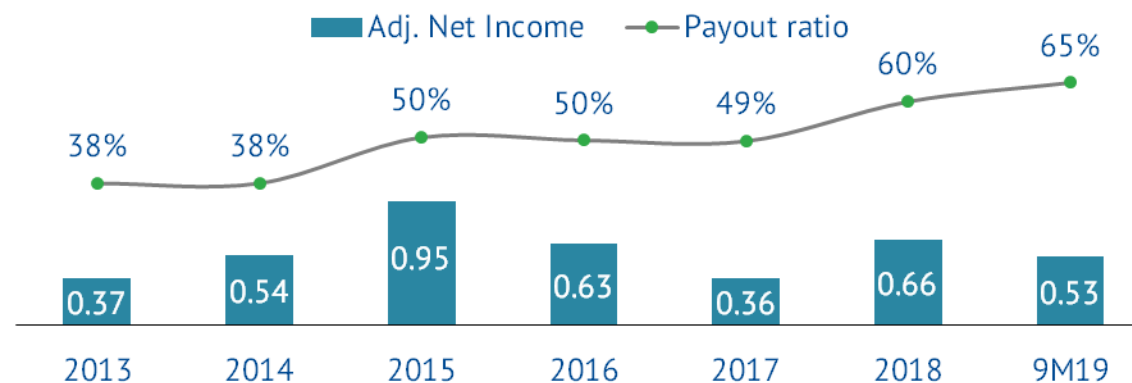
Source: PhosAgro

NEW DIVIDEND POLICY

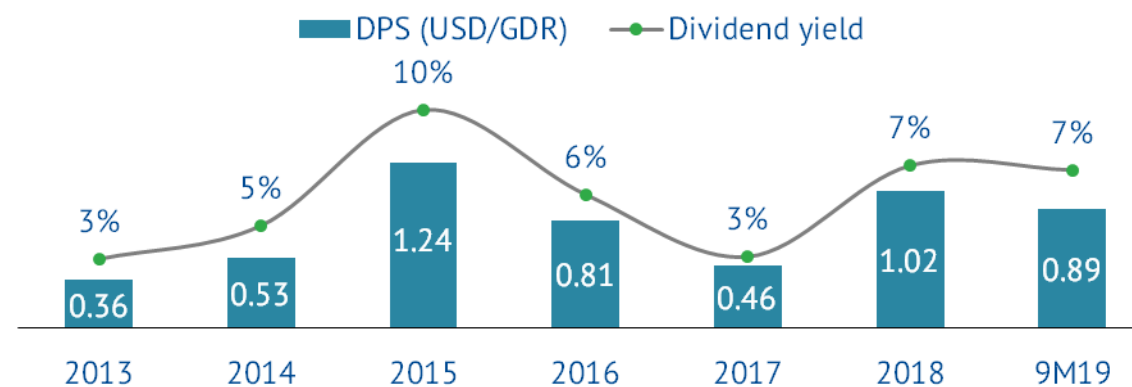
Board of Directors approved new dividend policy on 24 September 2019

Dividend base	FREE CASH FLOW		
Frequency	Quarterly		
Threshold	ND/EBITDA <1.0x	ND/EBITDA 1-1.5x	ND/EBITDA >1.5x
Payout ratio	>75%	50-75%	<50%
Minimum payout	50% of adj. net Income		

Historical dividend payments, USD bln



Dividends per GDR and dividend yield, USD/GDR



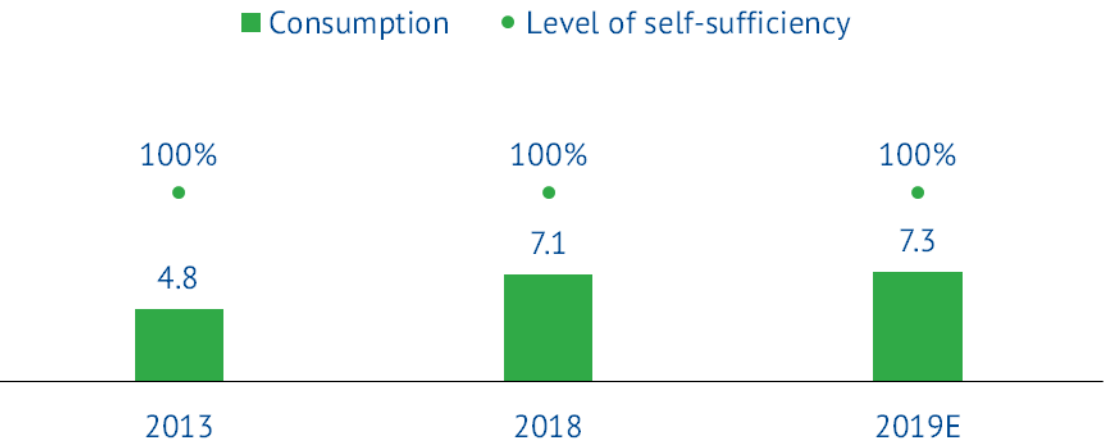


Appendix

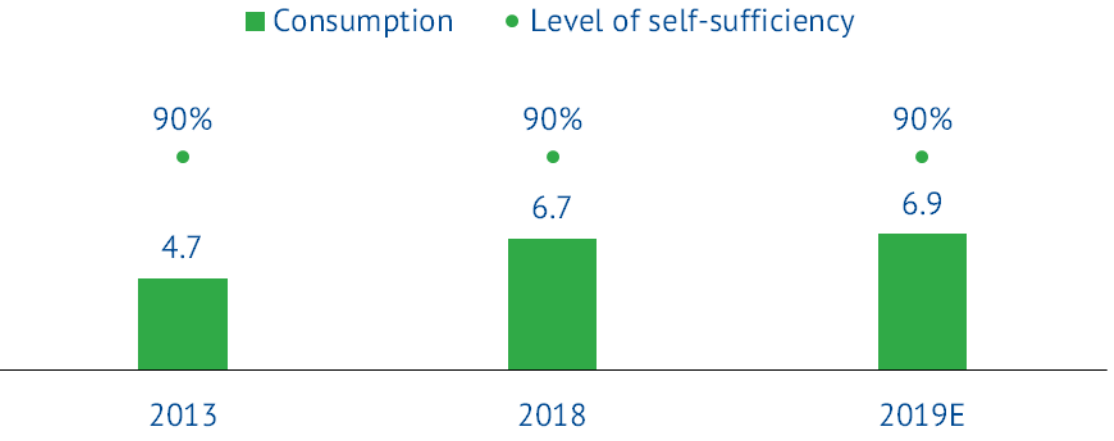
STRATEGY 2020 RESULTS: INTEGRATION INTO FEEDSTOCKS



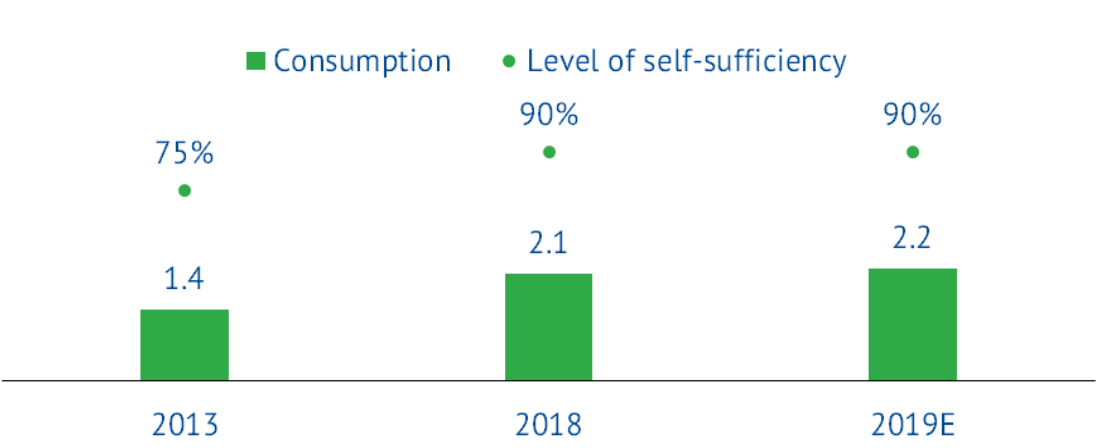
Phosphate rock internal consumption, mln t



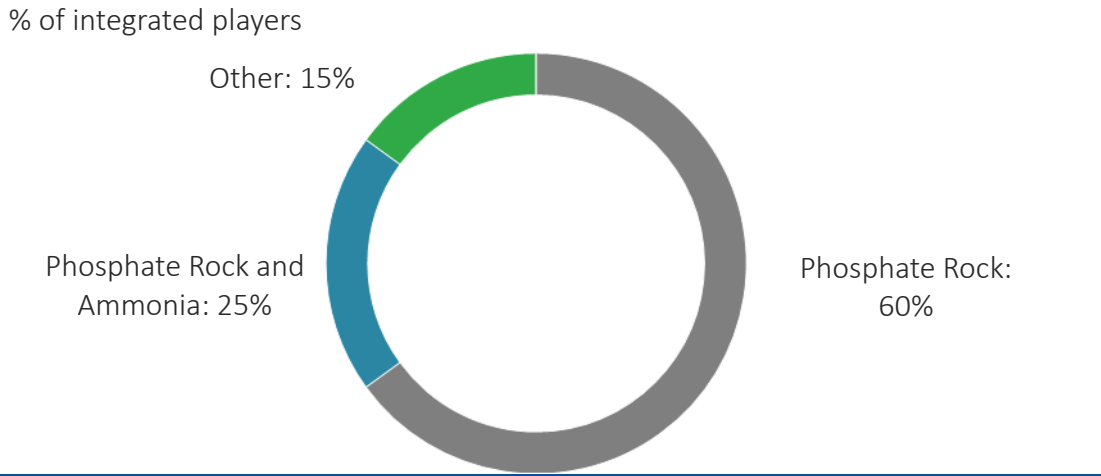
Sulphuric acid, mln t



Ammonia, mln t



Global industry breakdown by scale of integration*



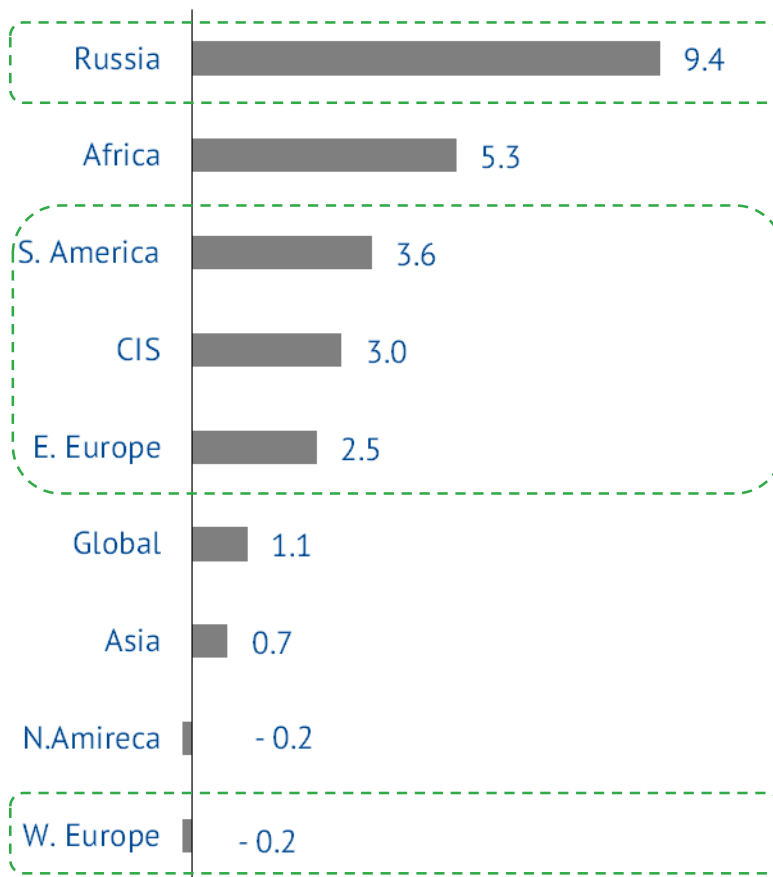
Source: PhosAgro
* Excluding China

RUSSIA: FERTILIZER MARKET

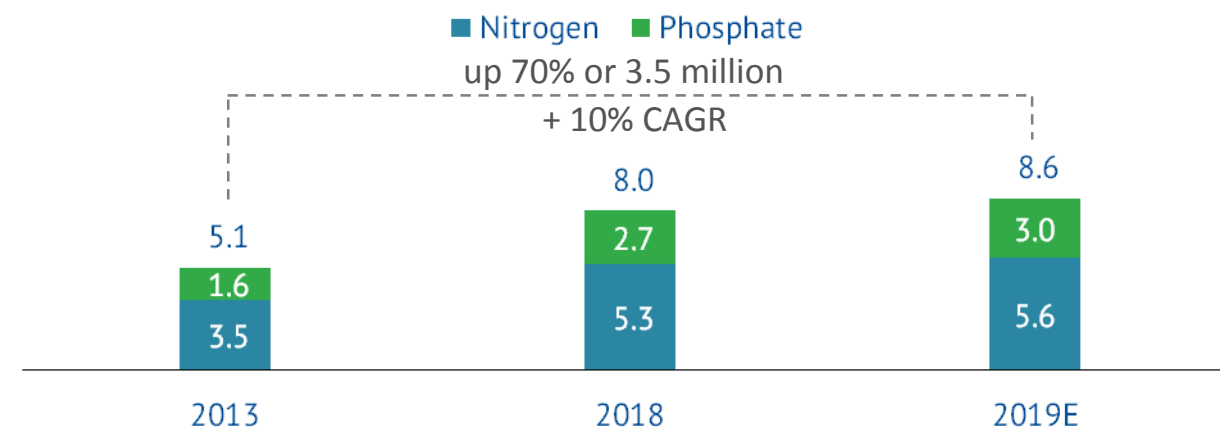
Fertilizer consumption CAGR by region, %

CAGR 2013/2018

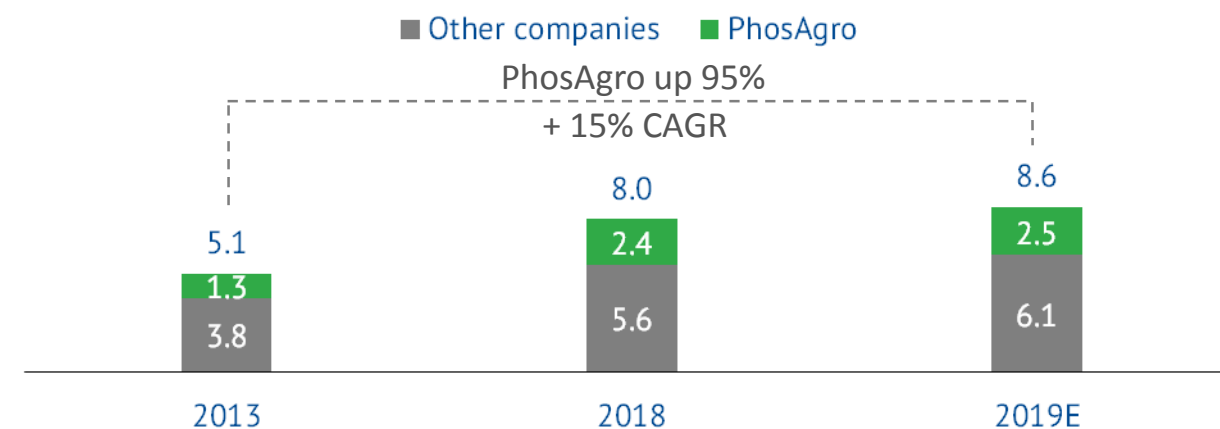
Main markets



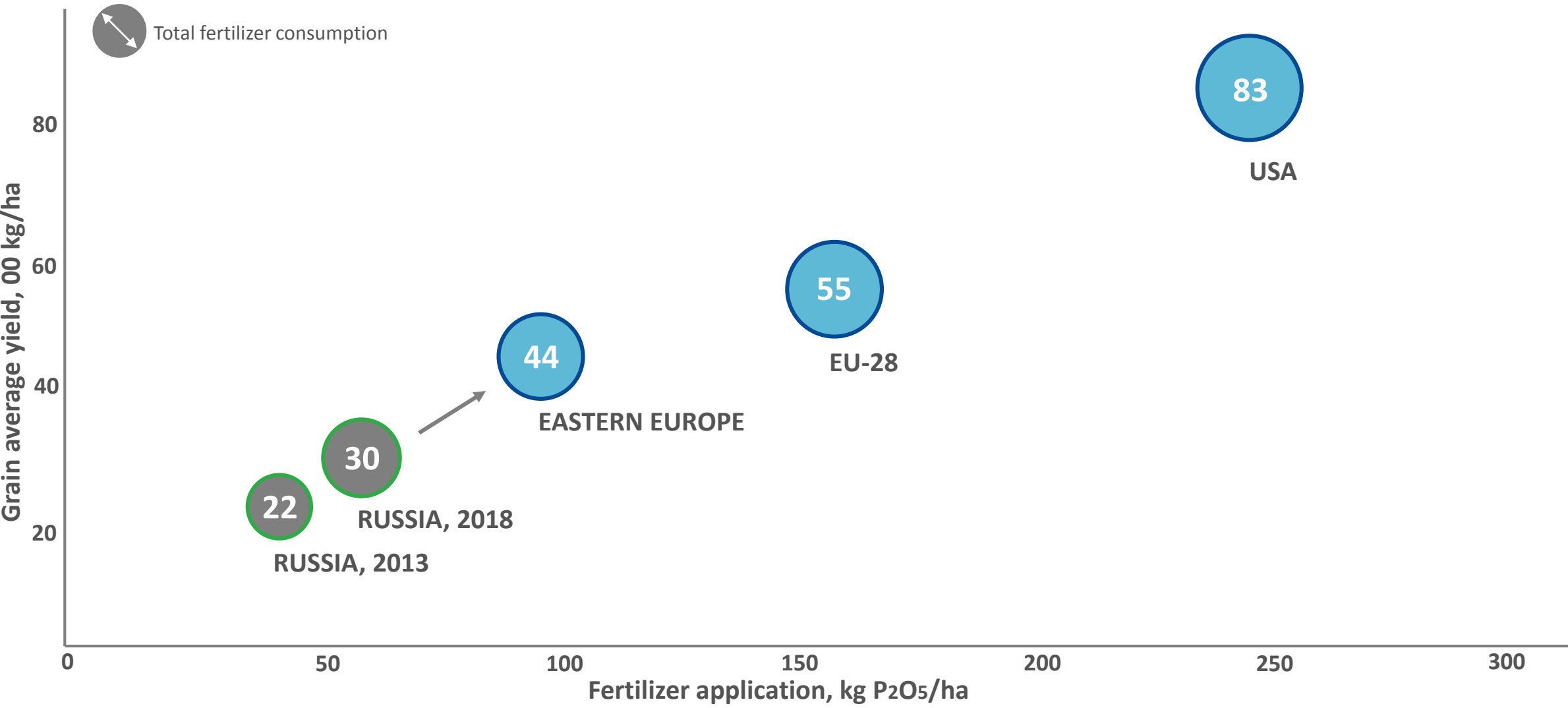
Fertilizer consumption in Russia, mln t



Fertilizer supply in Russia, mln t



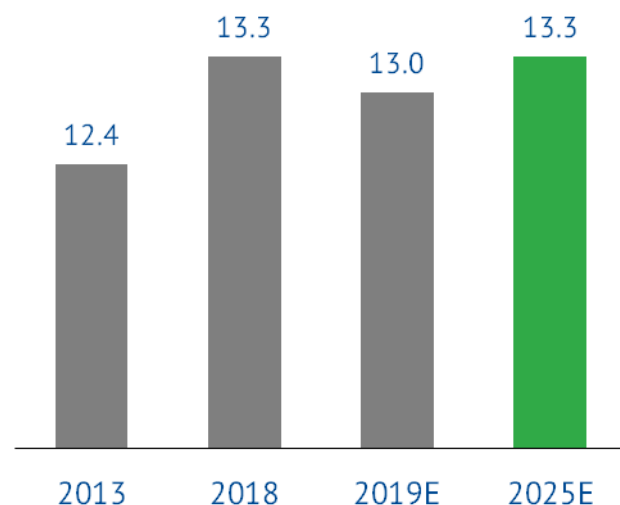
RUSSIA : MORE SPACE FOR GROWTH



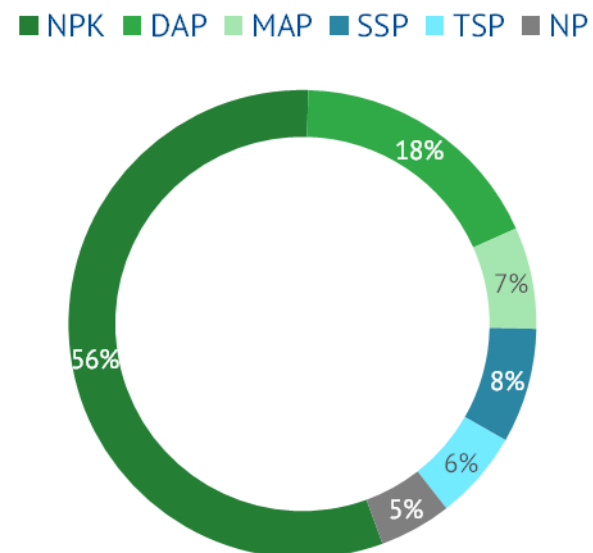
Source: Rosstat, RAPU, IFA, FAO, PhosAgro

EUROPE: P-FERTILIZER MARKET

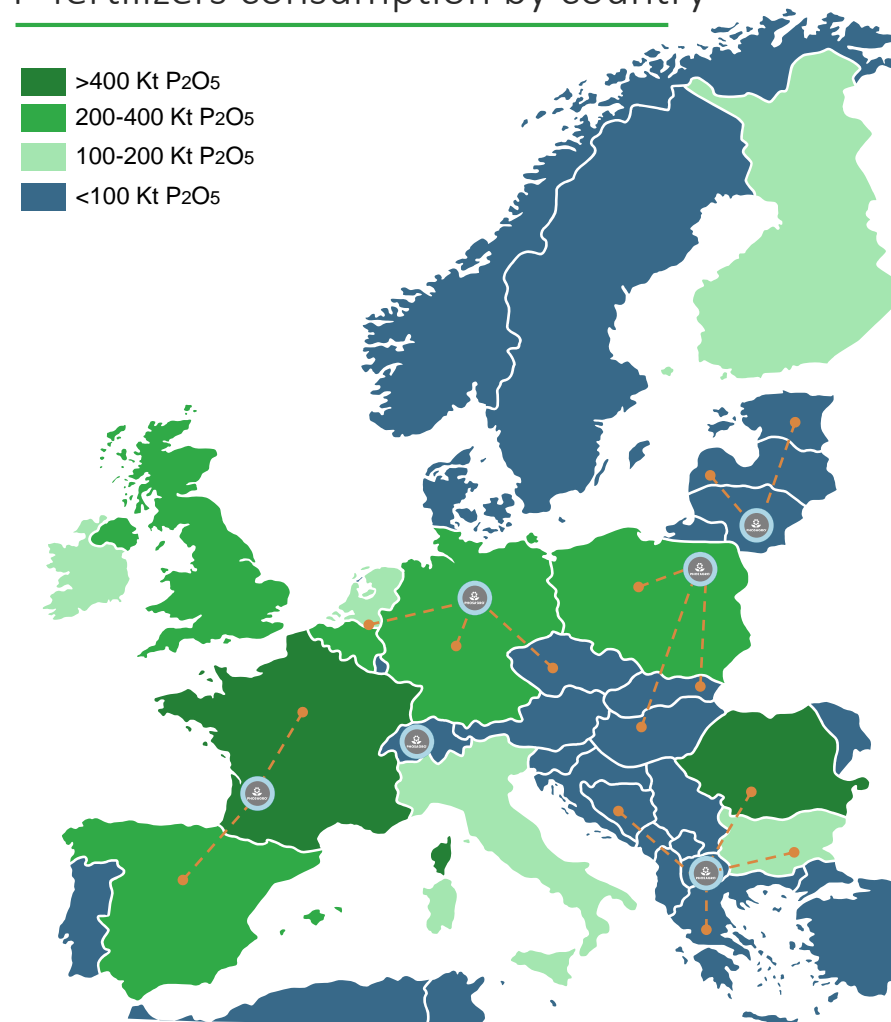
P-fertilizer consumption, mln t



Breakdown by product in 2018



P-fertilizers consumption by country

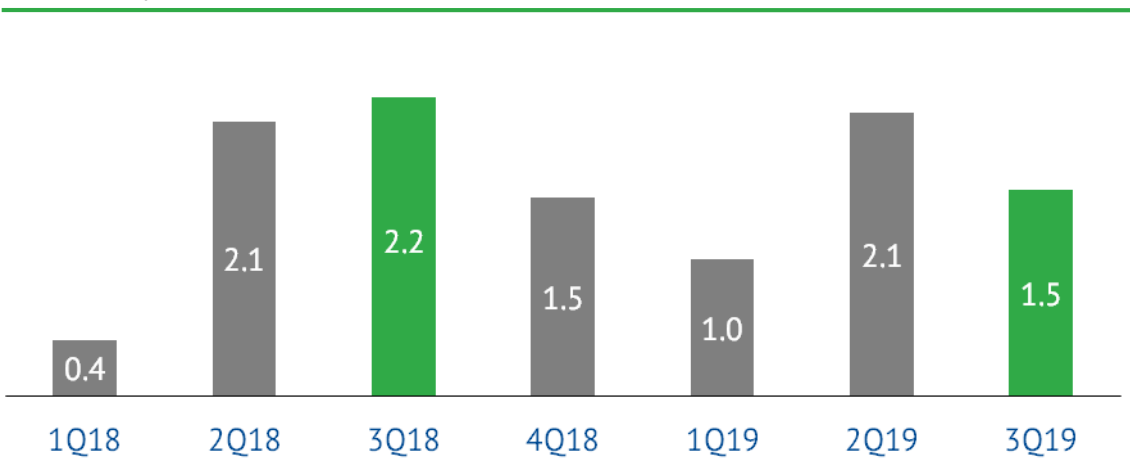


NP/NPKs to remain an important component of demand
accounting for 50-60% of regional fertilizer demand across the EU

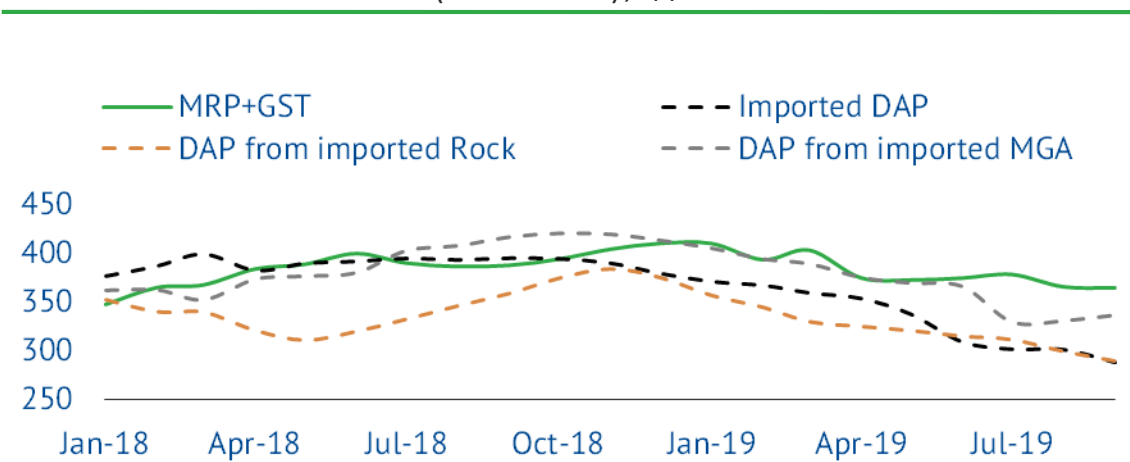
Fertilizer industry – India



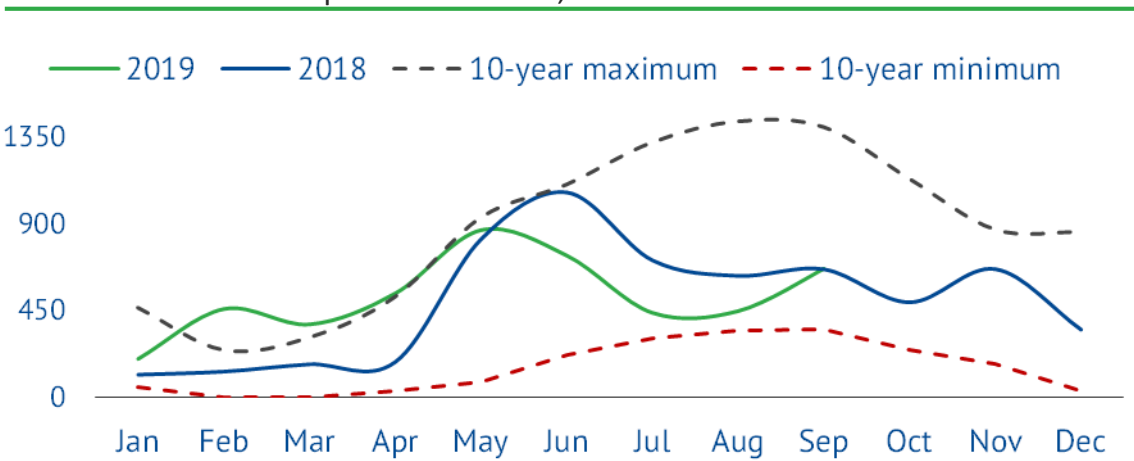
DAP import to India, Mln t



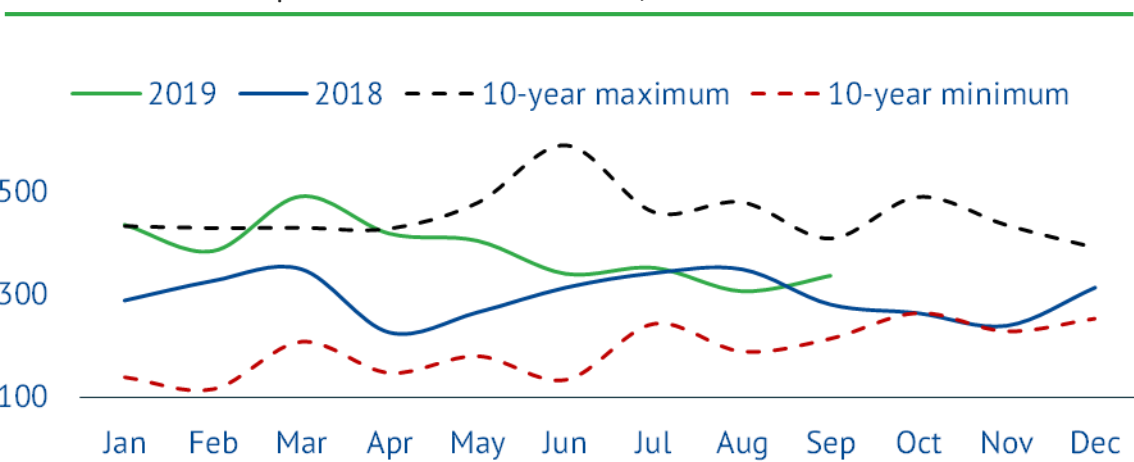
DAP cash cost vs MRP (incl. GST), \$/t



Seasonal DAP import in India, kt



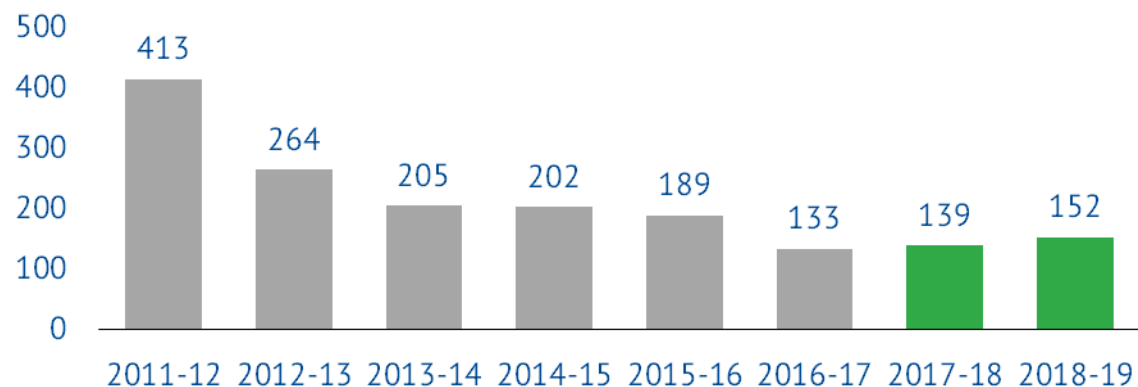
Seasonal DAP production in India, kt



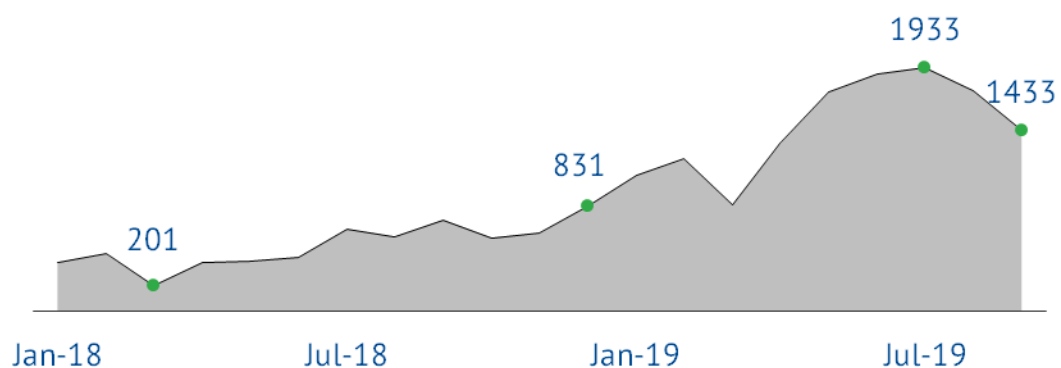
Source: CRU, Fertecon, PhosAgro estimates

Fertilizer industry – India

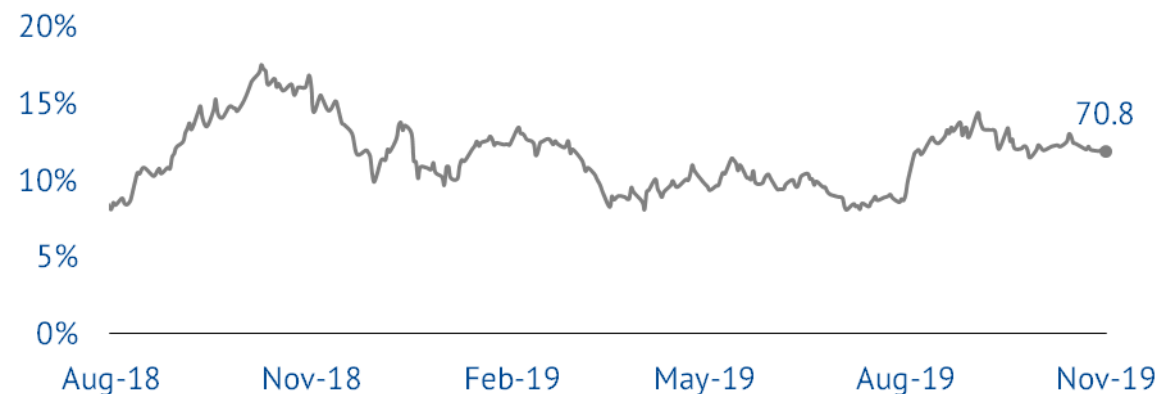
Nutrient-based subsidy rates for DAP, \$/t



Dynamics in DAP inventories, kt



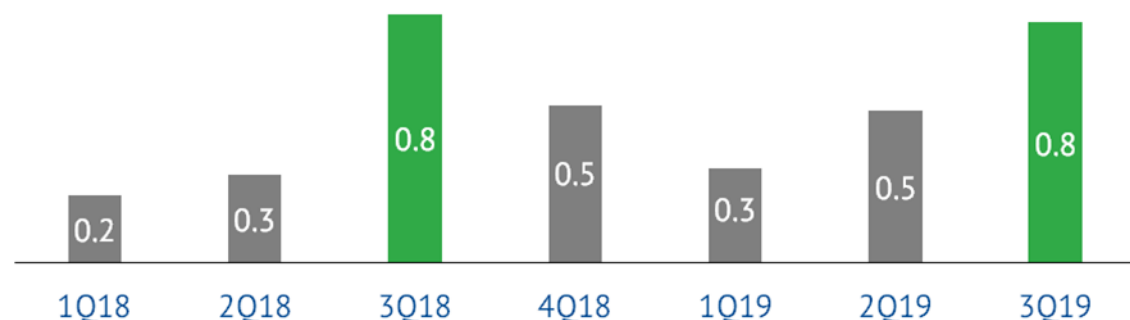
INR performance vs USD, week 1 2015 = 0



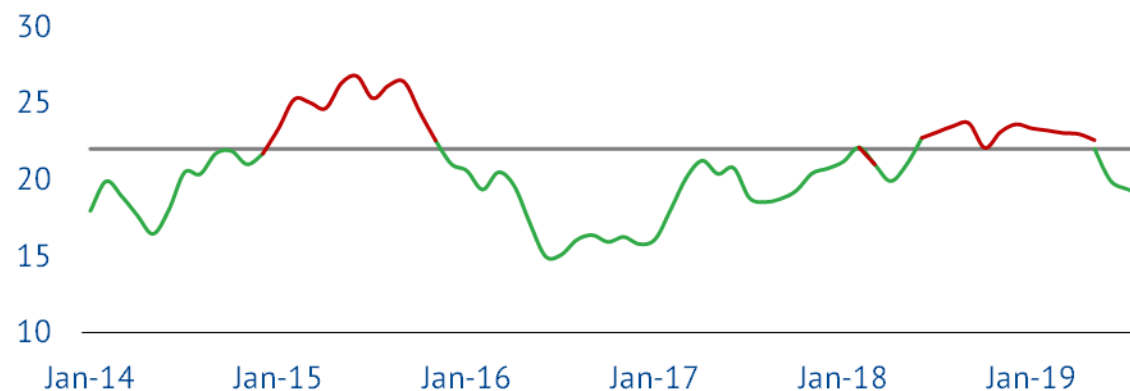
Source: CRU, Fertecon, PhosAgro estimates

Fertilizer industry – Latin America

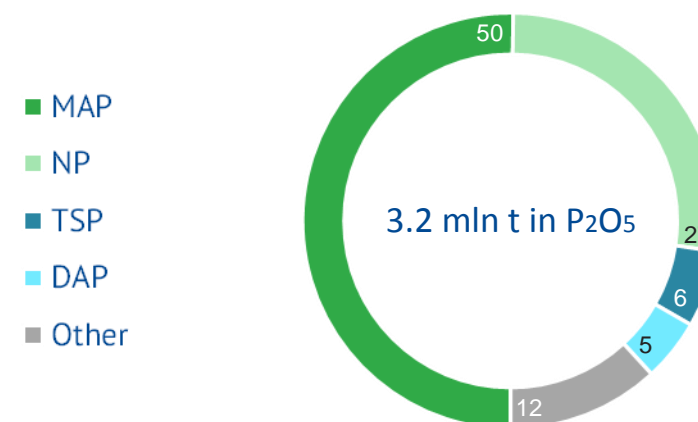
MAP/NP import to Brazil, mln t P₂O₅



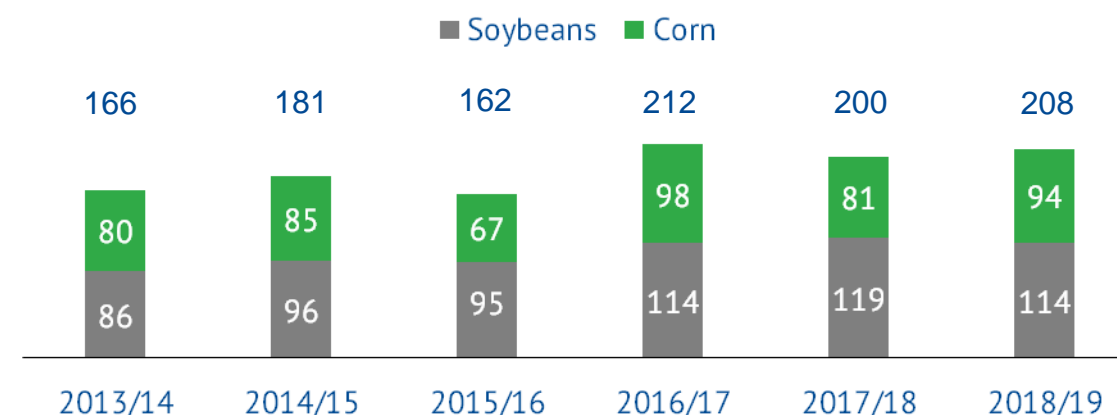
MAP barter ratio, 1t of MAP/60kg of soy price



P-fertilizer import split by products in 2018, %



Brazil agricultural production, mln t

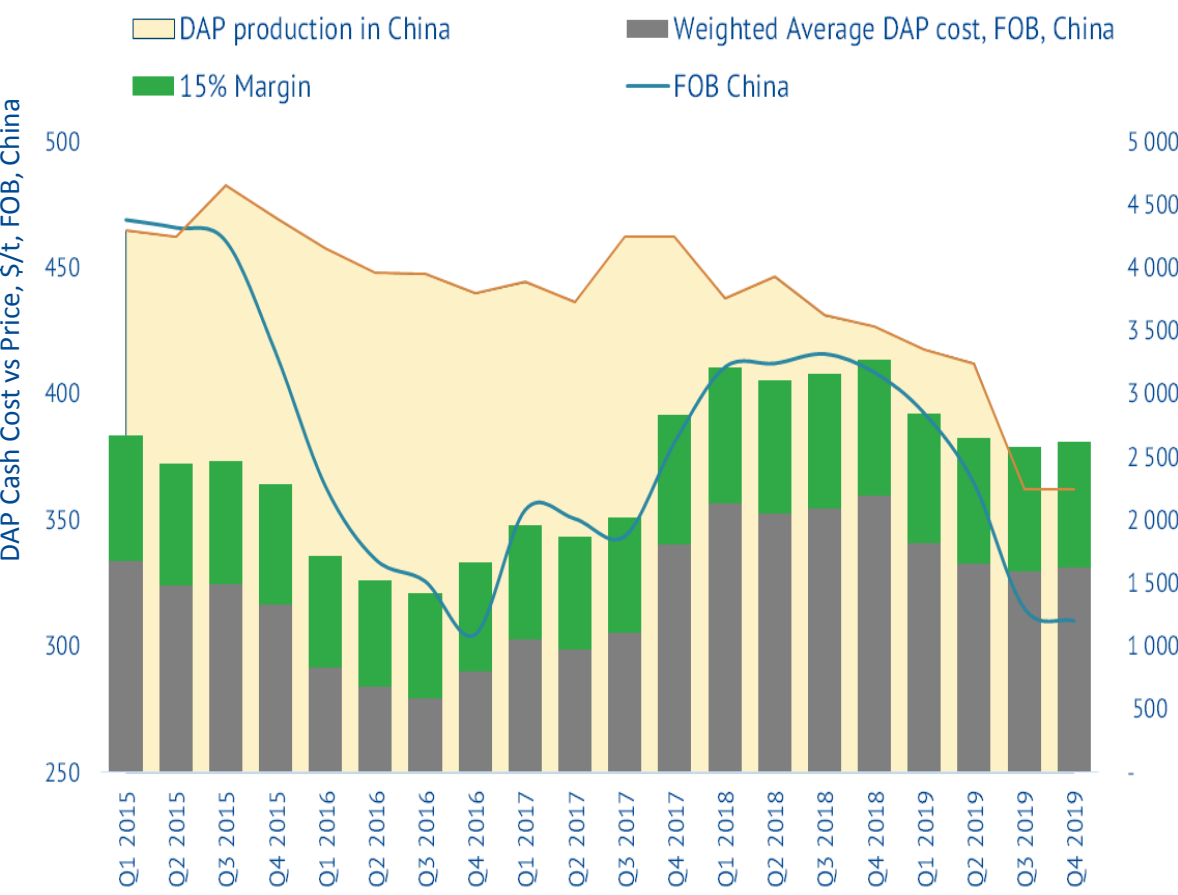


Source: CRU, Agrolink.com.br, USDA, IFA, ANDA, PhosAgro

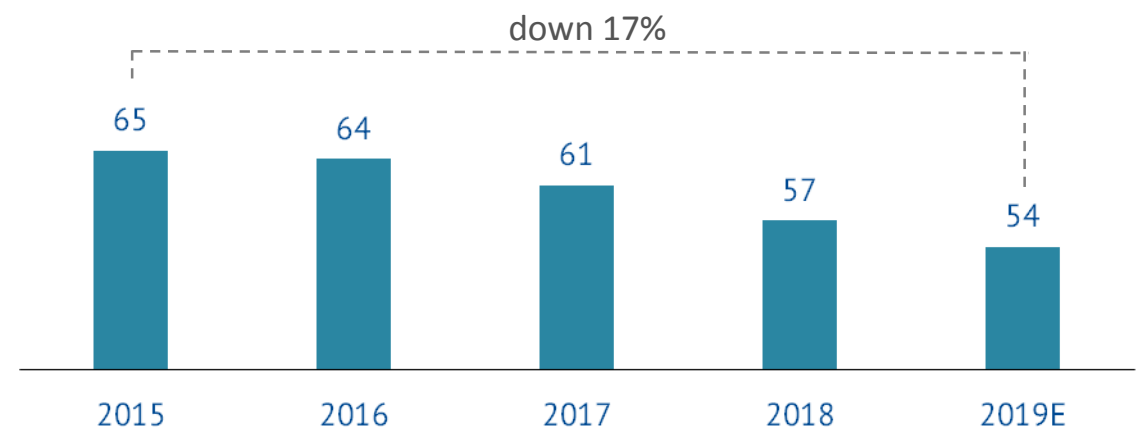
CHINA: FERTILIZER MARKET



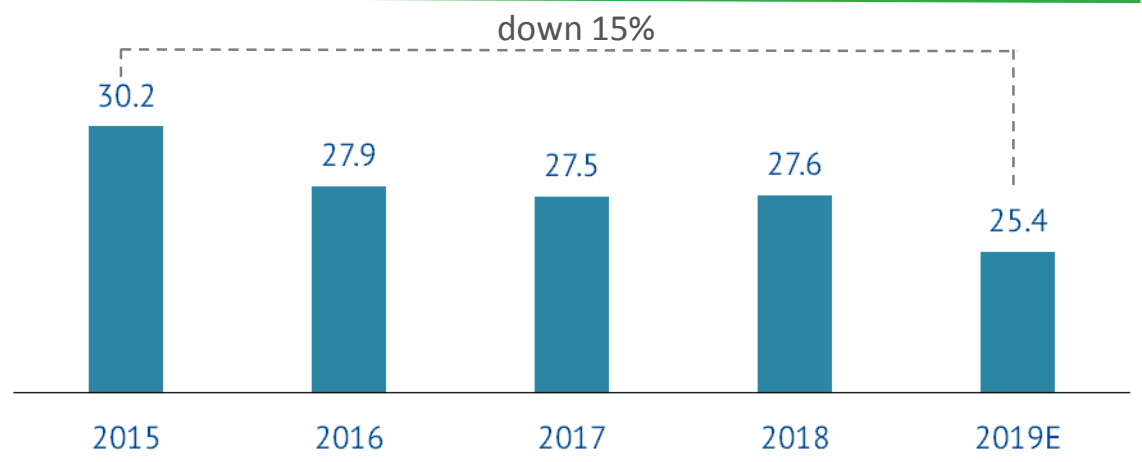
DAP cash cost vs production



China phosphate fertilizers: Application Rates, kg P2O5/Ha



China DAP/MAP production, mln tonnes



Source: CRU/FW, Fertecon, Argus, Green Markets, Prophecy, PhosAgro

Environment

1. Air emissions **reduction by 10%** to 1.45 kg/ton
2. Water pollution **reduction by 20%** to 7.4 m3/ton
3. **Reduction of CO2 emissions by 10%** to 218 kg in CO2/ton
4. **Increase** waste recycling and disposal processes **to 40%** from 27% in 2018

Health & Safety

1. **Zero** fatal injuries
2. **Zero** tolerance to accidents
3. LTIFR **reduction by 15%** to 0.19

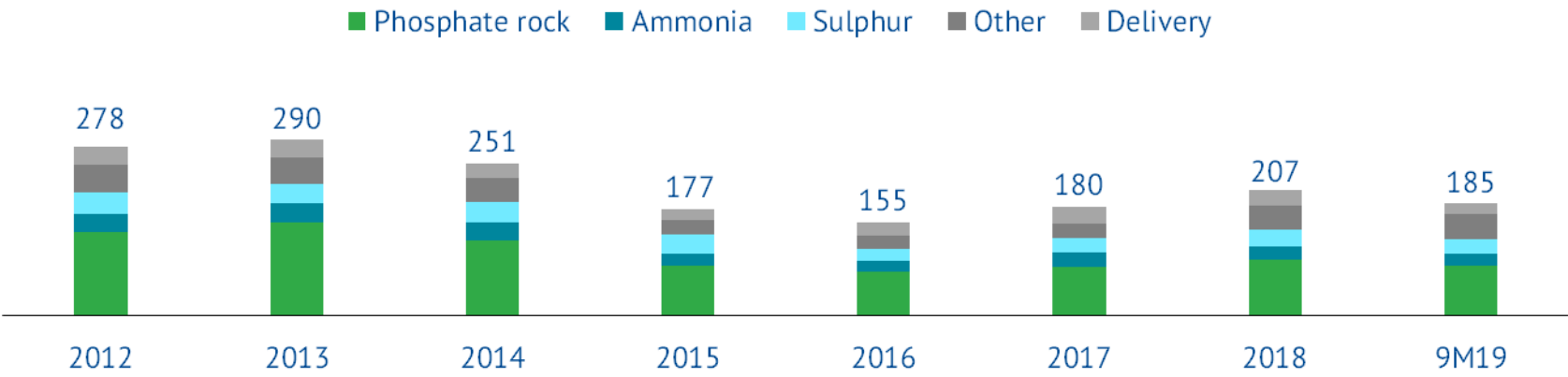
Social

1. **Increase** employee loyalty and satisfaction index from 62% **to 75%**
2. **Increase** the average annual number of education hours per employee **by 50%** to 123 to increase work efficiency
3. **Increase** investments in health and wellbeing programs per employee **by 40%**

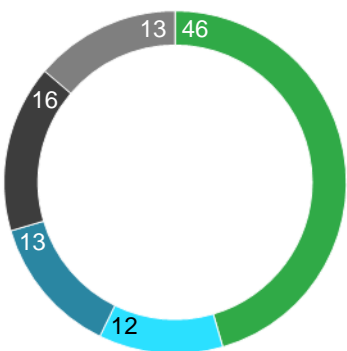
Cash cost performance



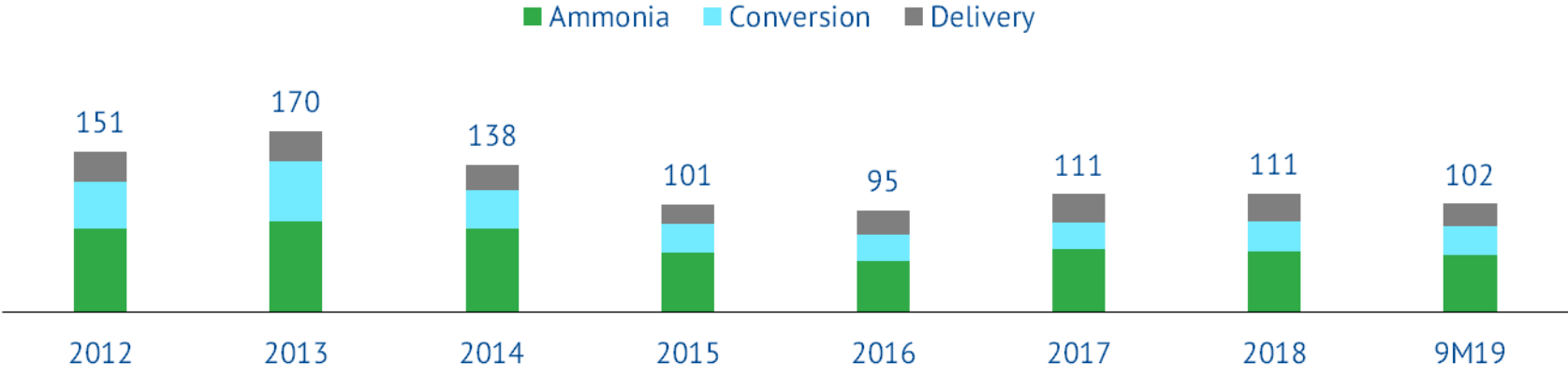
DAP cash costs at FOB, USD/t



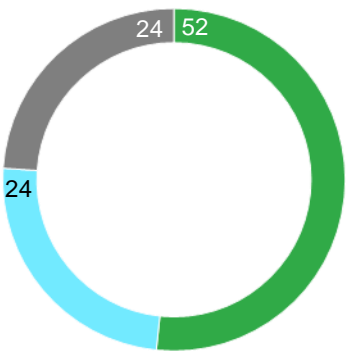
Av. DAP cash cost, %



Urea cash costs at FOB, USD/t



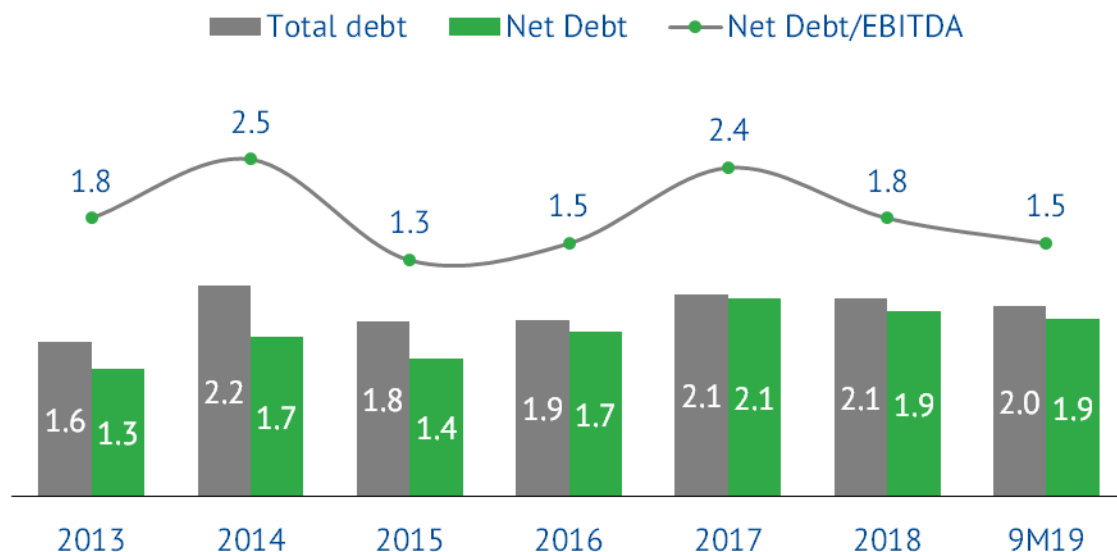
Av. Urea cash cost, %



Source: CRU, PhosAgro

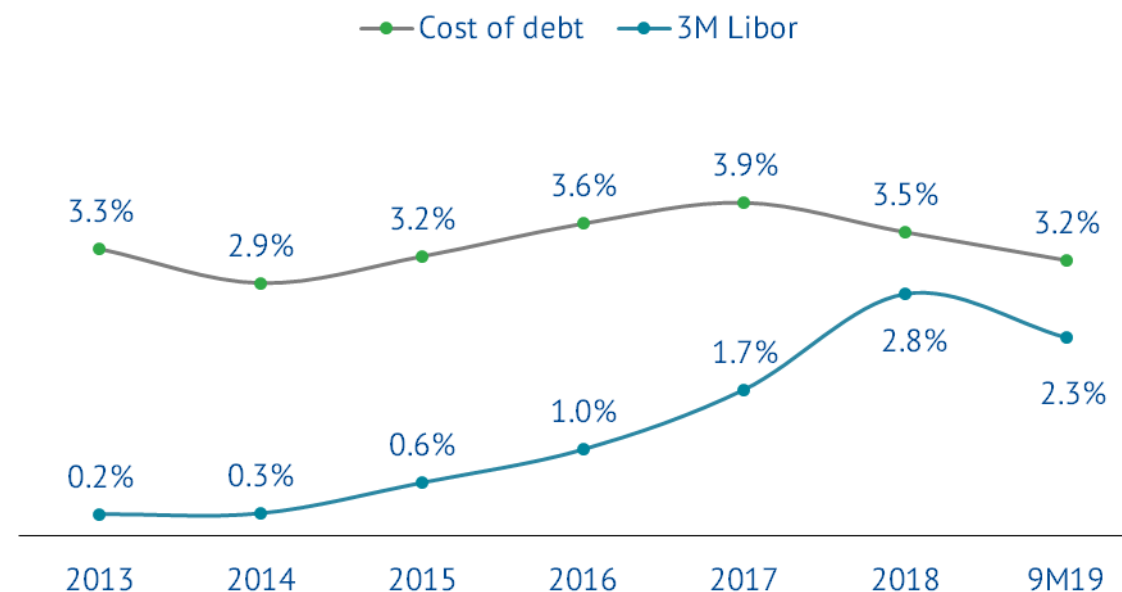
DEBT PORTFOLIO

Total debt and net debt/LTM EBITDA ratio, USD bln and x



PhosAgro carefully manages its balance sheet and cost of financing for all current initiatives, including investment projects

Cost of debt USD (% p.a.) vs 3M Libor



Comfortable net debt/EBITDA level is in the range at 1-1.5x, mitigating refinancing risk

Thank you!

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