



**PhosAgro Reports 3Q and 9M 2020 Operating Results:  
Phosphate-Based Fertilizer Sales Rise by 15% Year-on-Year in 3Q 2020**

**Moscow** – PhosAgro (Moscow Exchange, LSE: PHOR), one of the world’s leading vertically integrated phosphate-based fertilizer producers, reports that fertilizer sales increased by 10% year-on-year in 9M 2020, to 7.9 million tonnes.

**3Q and 9M 2020 Highlights:**

Phosphate rock and nepheline concentrate production increased by 1.3% year-on-year to 8.9 million tonnes in 9M 2020. In 3Q 2020, production rose by 1.3% year-on-year to 2,976.6 thousand tonnes

Total fertilizer production increased by almost 5% year-on-year in 9M 2020, reaching 7.5 million tonnes. This growth was due to the ongoing modernisation of production facilities and efficiency improvements achieved during the past year. Fertilizer production for 3Q 2020 amounted to 2,503.3 thousand tonnes, an increase of 1.7% year-on-year.

Fertilizer sales increased by 10% year-on-year in 9M 2020 to 7.9 million tonnes. This impressive growth was driven by strong demand in PhosAgro’s priority sales markets. In 3Q 2020, fertilizer sales amounted to 2,716.5 thousand tonnes, up by 9.9% year-on-year due to high demand from Canada and India.

The domestic market accounted for 31% of sales in 9M 2020, nearly unchanged year-on-year.

**PhosAgro production and sales volumes:**

Production volume by category						
(kt)	9M 2020	9M 2019	Chng, %	3Q 2020	3Q 2019	Chng, %
Phosphate-based & MCP	5,748.2	5,490.0	4.7%	1,940.5	1,930.3	0.5%
Nitrogen-based fertilizers	1,769.2	1,672.0	5.8%	562.8	530.1	6.2%
<b>TOTAL fertilizers</b>	<b>7,517.4</b>	<b>7,162.0</b>	<b>5.0%</b>	<b>2,503.3</b>	<b>2,460.4</b>	<b>1.7%</b>
Phosphate rock and nepheline concentrate	8,907.9	8,797.8	1.3%	2,976.6	2,939.0	1.3%
Other products	161.1	132.9	21.2%	59.6	41.9	42.3%

Sales volume by category						
(kt)	9M 2020	9M 2019	Chng, %	3Q 2020	3Q 2019	Chng, %
Phosphate-based & MCP	6,123.7	5,516.6	11.0%	2,247.0	1,958.8	14.7%
Nitrogen-based fertilizers	1,775.8	1,660.3	7.0%	469.5	512.0	-8.3%
<b>TOTAL fertilizers</b>	<b>7,899.5</b>	<b>7,176.9</b>	<b>10.1%</b>	<b>2,716.5</b>	<b>2,470.8</b>	<b>9.9%</b>
Phosphate rock and nepheline concentrate	3,280.9	3,293.3	-0.4%	1,121.2	1,029.6	8.9%
Other products	139.5	137.4	1.5%	48.8	45.8	6.6%

**PhosAgro CEO Andrey Guryev said:**

“Despite some improvement in the epidemiological situation in the summer period, we have kept in place the comprehensive prevention measures that were introduced when the first signs of the pandemic appeared. As a result, in the face of a new wave of coronavirus infections in Russia and globally, PhosAgro is fully prepared to continue operating at full capacity, following effective protocols to protect its personnel and the residents of the regions of where it operates.

“I want to highlight PhosAgro’s achievements in the field of sustainable development. MSCI ESG Research assigns an MSCI ESG rating by assessing companies’ inherent environmental, social responsibility and governance (ESG) risks, and their ability to manage those risks relative to competitors. PhosAgro’s achievements in this area earned us a rating upgrade from BB to BBB in 3Q 2020. This rating is one of the highest assigned to Russia’s largest companies.

“In addition, PhosAgro recently won a prestigious nationwide competition in the field of sustainable development, Russian Business Leaders: Dynamics and Responsibility 2019, held by the Russian Union of Industrialists and Entrepreneurs. The company won the Grand Prix for the second time, making PhosAgro the only winner of the highest award in the entire 23-year history of the competition.

“Looking at our 9M 2020 operating results, I would note that we worked very efficiently, increasing fertilizer production by 5% year-on-year. At the same time, improved production efficiency, a favourable pricing environment and our flexible sales system enabled us to sell a record 6.1 million tonnes of phosphate-based fertilizers in 9M 2020, an increase of 11% year-on-year, while in 3Q 2020 sales were up by nearly 15% year-on-year.

“Turning to global fertilizer markets, during 3Q 2020 prices were driven higher by strong seasonal demand in Brazil and India combined with restrictions on exports from China and rising prices for phosphoric acid.”

### Production volumes by type:

Production volumes by category						
(kt)	9M 2020	9M 2019	Chng, %	3Q 2020	3Q 2019	Chng, %
Phosphate rock	8,037.4	7,899.8	1.7%	2,683.2	2,641.4	1.6%
Nepheline concentrate	870.5	898.0	-3.1%	293.4	297.6	-1.4%
<b>TOTAL</b>	<b>8,907.9</b>	<b>8,797.8</b>	<b>1.3%</b>	<b>2,976.6</b>	<b>2,939.0</b>	<b>1.3%</b>
<b>Phosphate-based fertilizers</b>						
DAP/MAP	2,388.5	2,432.2	-1.8%	771.3	820.3	-6.0%
NPK	2,123.3	2,097.7	1.2%	736.7	796.3	-7.5%
NPS	746.2	486.7	53.3%	302.2	175.3	72.4%
APP	157.0	133.5	17.6%	40.2	47.9	-16.0%
MCP	289.2	268.4	7.7%	87.0	82.5	5.5%
PKS	44.0	71.5	-38.5%	3.1	8.0	-61.0%
<b>TOTAL</b>	<b>5,748.2</b>	<b>5,490.0</b>	<b>4.7%</b>	<b>1,940.5</b>	<b>1,930.3</b>	<b>0.5%</b>
<b>Nitrogen-based fertilizers</b>						
AN	505.7	400.6	26.2%	142.9	116.8	22.3%
Urea	1,263.5	1,271.4	-0.6%	419.9	413.3	1.6%
<b>TOTAL</b>	<b>1,769.2</b>	<b>1,672.0</b>	<b>5.8%</b>	<b>562.8</b>	<b>530.1</b>	<b>6.2%</b>
<b>TOTAL fertilizers</b>	<b>7,517.4</b>	<b>7,162.0</b>	<b>5.0%</b>	<b>2,503.3</b>	<b>2,460.4</b>	<b>1.7%</b>
<b>Other products</b>						
STPP	74.7	73.3	1.9%	27.3	21.2	28.4%
Other	86.4	59.6	45.0%	32.4	20.7	56.5%
<b>TOTAL other products</b>	<b>161.1</b>	<b>132.9</b>	<b>21.2%</b>	<b>59.6</b>	<b>41.9</b>	<b>42.3%</b>
<b>Feedstocks</b>						
Ammonia	1,509.5	1,470.0	2.7%	496.9	484.4	2.6%
Phosphoric acid	2,073.4	2,041.0	1.6%	692.8	691.8	0.1%
Sulphuric acid	5,136.9	4,610.8	11.4%	1,742.9	1,590.4	9.6%
Ammonium sulphate	214.5	0.0	n/a	71.5	0.0	n/a
<b>TOTAL feedstocks</b>	<b>8,934.3</b>	<b>8,121.8</b>	<b>10.0%</b>	<b>3,004.1</b>	<b>2,766.6</b>	<b>8.6%</b>

In 9M 2020, production in the phosphate segment rose by 4.7% year-on-year due to increased capacities at existing production lines for phosphoric acid and phosphate-based fertilizers. This was the result of

improvements in phosphoric acid production technology and last year's overhauls of fertilizer production facilities.

Output in the nitrogen segment rose 5.8% year-on-year in 9M 2020 due to a 26.2% increase in AN production to 505.7 thousand tonnes. This increase was made possible when a new production unit for nitric acid (the main raw material for AN production) was brought online and began operating at full capacity. Other contributing factors included the timely completion of maintenance work on existing nitric acid units and upgrades to AN capacities.

Sulphuric acid production increased by 11.4% year-on-year in 9M 2020 to 5.1 million tonnes. This considerable increase in production was associated with the launch of a new sulphuric acid production unit in Cherepovets in the middle of 1Q 2020. The new production unit also had an impact on year-on-year production growth in Q3 2020. With an annual nameplate capacity of 1,100 thousand tonnes, the new production line will increase the Company's self-sufficiency in sulphuric acid.

As part of its Strategy-2025, PhosAgro's synthetic ammonium sulphate production unit in Cherepovets was ramped up to full capacity (up to 300 thousand tonnes per year) at the beginning of the year; the production increase will reduce the volume of ammonium sulphate purchases from external suppliers by more than half. Ammonium sulphate is used as a feedstock for the production of sulphate grades of NPK(S) fertilizers and reduces the cost of their production in comparison with purchased ammonium sulphate.

### Sales volumes by type:

Sales volumes by category						
(kt)	9M 2020	9M 2019	Chng, %	3Q 2020	3Q 2019	Chng, %
Phosphate rock	2,409.6	2,398.5	0.5%	828.0	741.4	11.7%
Nepheline concentrate	871.3	894.8	-2.6%	293.2	288.2	1.7%
<b>TOTAL</b>	<b>3,280.9</b>	<b>3,293.3</b>	<b>-0.4%</b>	<b>1,121.2</b>	<b>1,029.6</b>	<b>8.9%</b>
<b>Phosphate-based fertilizers</b>						
DAP/MAP	2,667.9	2 509.6	6.3%	922.3	907.1	1.7%
NPK	2,244.0	2 105.6	6.6%	886.7	768.5	15.4%
NPS	719.5	438.4	64.1%	299.8	151.9	97.4%
APP	148.1	133.5	10.9%	38.3	32.3	18.6%
MCP	294.7	254.6	15.8%	95.2	73.6	29.3%
PKS	49.5	74.9	-33.9%	4.7	25.4	-81.5%
<b>TOTAL</b>	<b>6,123.7</b>	<b>5,516.6</b>	<b>11.0%</b>	<b>2,247.0</b>	<b>1,958.8</b>	<b>14.7%</b>
<b>Nitrogen-based fertilizers</b>						
AN	467.8	391.4	19.5%	73.4	116.3	-36.9%
Urea	1,308.0	1,268.9	3.1%	396.1	395.7	0.1%
<b>TOTAL</b>	<b>1,775.8</b>	<b>1,660.3</b>	<b>7.0%</b>	<b>469.5</b>	<b>512.0</b>	<b>-8.3%</b>
<b>TOTAL Fertilizers</b>	<b>7,899.5</b>	<b>7,176.9</b>	<b>10.1%</b>	<b>2,716.5</b>	<b>2,470.8</b>	<b>9.9%</b>
<b>Other products</b>						
STPP	70.9	77.6	-8.6%	26.4	26.4	0.0%
Other	68.6	59.8	14.7%	22.4	19.4	15.5%
<b>TOTAL feedstocks</b>	<b>139.5</b>	<b>137.4</b>	<b>1.5%</b>	<b>48.8</b>	<b>45.8</b>	<b>6.6%</b>

In 9M 2020, fertilizer sales rose by 11% year-on-year to 6.1 million tonnes. The brisk growth in sales volumes was supported by a favourable pricing environment in both domestic and international markets and by the affordability of fertilizers for end consumers. Other supporting factors included higher demand for NPK(S) fertilizers from India, where production was suspended in spring due to coronavirus restrictions.

In 3Q 2020, sales of PhosAgro's phosphate-based fertilizers increased by 14.7% year-on-year to 2.2 million tonnes due to a 26% increase in sales of NPK(S) fertilizers to 1.2 million tonnes. Key growth drivers included the affordability of fertilizers for end consumers in domestic and international markets and reduced supply as a result of the suspension of fertilizer production in China and India due to coronavirus restrictions.

In 9M 2020, sales of PhosAgro's nitrogen-based fertilizers rose by 7.0% year-on-year to 1.8 million tonnes. Ammonium nitrate sales grew at the highest pace, up 19.5% to 467.8 thousand tonnes, amid growth in Russia's agricultural sector.

Global seasonal demand for nitrogen-based fertilizers peaked in the first two quarters of the year; thus, 3Q 2020 saw a reduction in demand, which resulted in lower sales year-on-year.

## Sale volumes by key markets:

Sales volumes by region						
(kt)	Phosphate-based fertilizers					
	9M 2020	9M 2019	Chng, %	3Q 2020	3Q 2019	Chng, %
Russia	2,028.6	1,926.5	5.3%	872.3	890.3	-2.0%
North America	291.3	426.6	-31.7%	135.6	39.3	245.0%
Latin America	739.2	624.2	18.4%	230.3	211.6	8.8%
Europe	1,557.6	1,518.5	2.6%	476.9	528.1	-9.7%
CIS	247.0	313.6	-21.2%	74.2	71.8	3.3%
India	803.6	465.4	72.7%	370.0	114.9	221.9%
Other	456.4	241.8	88.8%	87.7	102.9	-14.7%
<b>Total</b>	<b>6,123.7</b>	<b>5,516.6</b>	<b>11.0%</b>	<b>2,247.0</b>	<b>1,958.9</b>	<b>14.7%</b>

  

(kt)	Nitrogen-based fertilizers					
	9M 2020	9M 2019	Chng, %	3Q 2020	3Q 2019	Chng, %
Russia	415.7	371.3	12.0%	27.9	17.0	64.1%
North America	189.5	200.3	-5.4%	7.2	37.0	95.1%
Latin America	665.5	547.5	21.6%	227.3	326.9	-30.5%
Europe	369.4	412.4	-10.4%	116.8	84.9	37.6%
CIS	11.6	13.4	-13.4%	0.0	3.0	-100.0%
Other	124.1	115.5	7.4%	25.3	43.2	-41.4%
<b>Total</b>	<b>1,775.8</b>	<b>1,660.4</b>	<b>7.0%</b>	<b>469.5</b>	<b>512.0</b>	<b>-8.3%</b>

In 9M 2020, PhosAgro's domestic sales of phosphate-based fertilizers rose by 5.3% year-on-year to over 2 million tonnes. This increase was driven by higher sales to Russian farmers as the entire agricultural sector in Russia grew.

Export sales for the same period rose by 14.1% year-on-year to 4.1 million tonnes. To a large extent, this growth was achieved due to the advanced sales system and the high quality of fertilizers produced. Favourable weather conditions, the affordability of fertilizers and the springtime suspension of fertilizer production in India and China as a result of coronavirus restrictions also contributed to sales growth. All these factors enabled PhosAgro to increase its sales in key markets in Latin America and Europe.

In 9M 2020, sales of phosphate-based fertilizers to the US totalled approximately 200 thousand tonnes, almost two times lower than in the same period in 2019. This was due to an unfavourable pricing environment in the US market at the beginning of the year and the Mosaic petition filed against suppliers of phosphate-based fertilizers from Morocco and Russia. PhosAgro's flexible sales and distribution network enabled it to redirect fertilizer supplies to other markets, including Canada and India, without losses.

## Market highlights

### Phosphate-based fertilizers

The phosphate-based fertilizer market was characterised by seasonal demand from the key geographies of India and Brazil, where preliminary estimates show that DAP/MAP/NPK/NPS imports rose year-on-year. Additional factors contributing to market activity included a significant increase in contract prices for

phosphoric acid (more than 10%) and the continued limited export supply from China, where supplies were directed towards the domestic market.

### **Urea/nitrogen fertilizers:**

High seasonal demand from the key markets of India and Brazil was the centre of attention in the global urea market, contributing to an increase in global prices during 3Q 2020. Ammonium nitrate prices were supported by an earlier recovery in demand and supplies to the Russian domestic market.

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### **About PhosAgro**

*PhosAgro ([www.phosagro.ru](http://www.phosagro.ru)) 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 P<sub>2</sub>O<sub>5</sub> content of 39% and higher. PhosAgro's environmentally friendly fertilizers stand out for their high efficiency, and they do not lead to the contamination of soils with heavy metals.*

*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 P<sub>2</sub>O<sub>5</sub> 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 RAFP).*

*PhosAgro's main products include phosphate rock, over 50 grades of fertilizers, feed phosphates, ammonia, and sodium tripolyphosphate, which are used by customers in 102 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).*