

4Q 2020 IFRS RESULTS

19.02.2021



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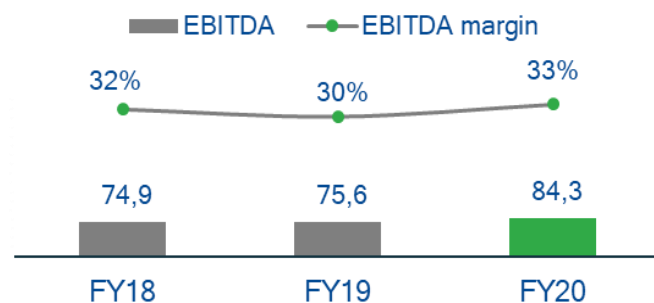
HIGHLIGHTS

Comments on 2020 IFRS results

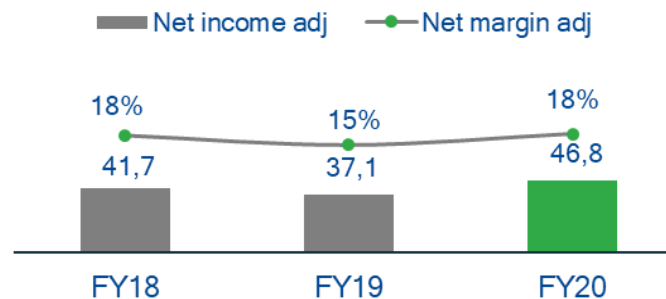
- Revenue for FY 2020 increased by 2.3% year-on-year to RUB 253.9 billion (USD 3.5 billion). Revenue growth was fueled by increased fertilizer sales volumes throughout the year.
- EBITDA for FY 2020 increased by 11.5% year-on-year to RUB 84.3 billion (USD 1,168 million). The EBITDA margin was 33.2%.
- Free cash flow for FY 2020 increased 1.5x year-on-year to a record RUB 42.5 billion (USD 582 million).
- Adjusted net income for FY 2020 was RUB 46.8 billion (USD 649 million), an increase of 26.3% year-on-year.
- Net debt as of 31 December 2020 was RUB 156.9 billion (USD 2.1 billion), and the net debt/EBITDA ratio as of the end of 4Q 2020 had decreased from the previous quarter to 1.86x.

Financial highlights						
	FY 2020	FY 2019	Change, %	4Q 2020	4Q 2019	Change, %
Revenue	253,879	248,125	2.3%	58,891	53,142	10.8%
EBITDA*	84,280	75,582	11.5%	18,383	11,186	64.3%
EBITDA margin	33.2%	30.5%	2.7 p.p.	31.2%	21.0%	10.2 p.p.
Net income	16,921	49,408	-65.8%	12,963	6,701	93.4%
Adj. net income**	46,791	37,062	26.3%	7,480	2,528	195.9%
Free cash flow	42,517	28,272	50.4%	2,852	-4,292	n/a
	31.12.2020	31.12.2019				
Net debt	156,875	131,583				
ND/LTM EBITDA	1.86x	1.74x				

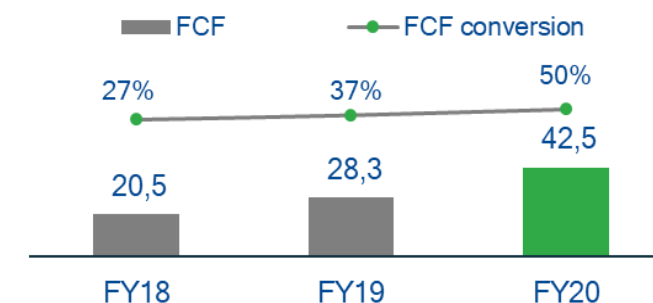
EBITDA and EBITDA margin, RUB bln



Net income (adj) & net margin, RUB bln



FCF and FCF conversion, RUB bln



Source: PhosAgro

*EBITDA is calculated as operating profit adjusted for depreciation and amortization

**Net profit as reported minus FX gain or loss and other non-cash items

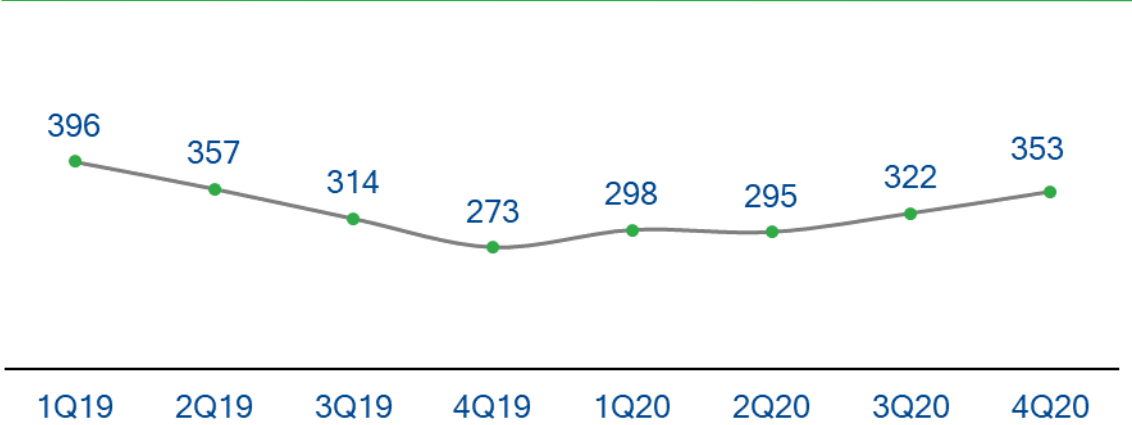
MARKET OVERVIEW



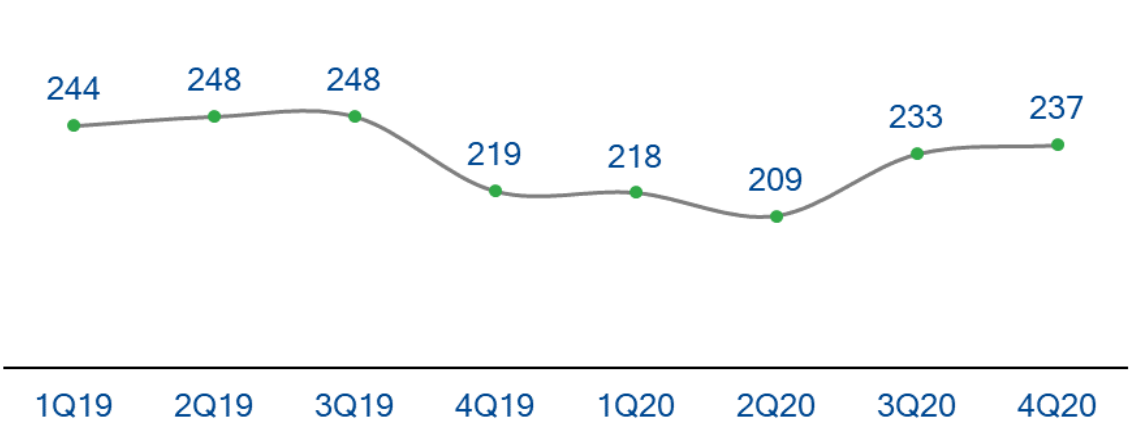
FERTILIZER PRICE PERFORMANCE



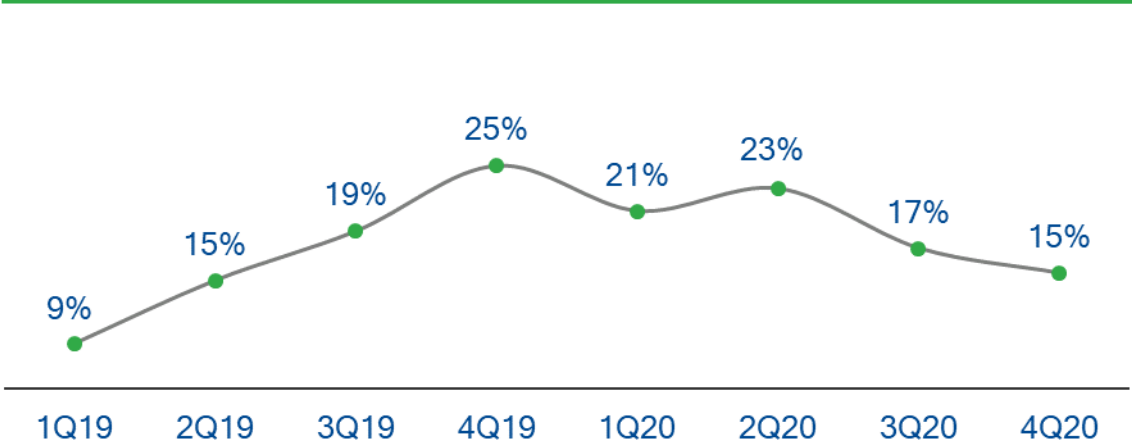
MAP FOB Baltic price performance, USD/t



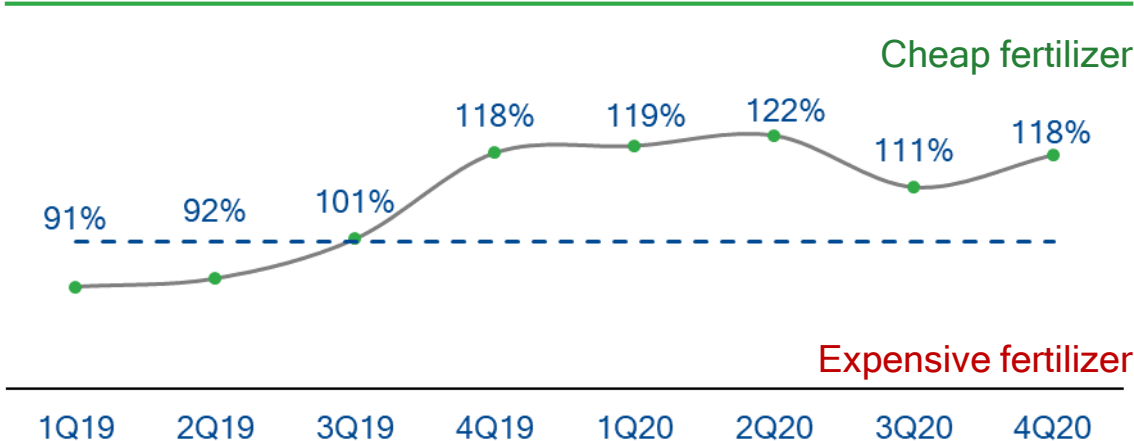
Prilled Urea FOB Baltic price performance, USD/t



NPK price premium to nutrients, %



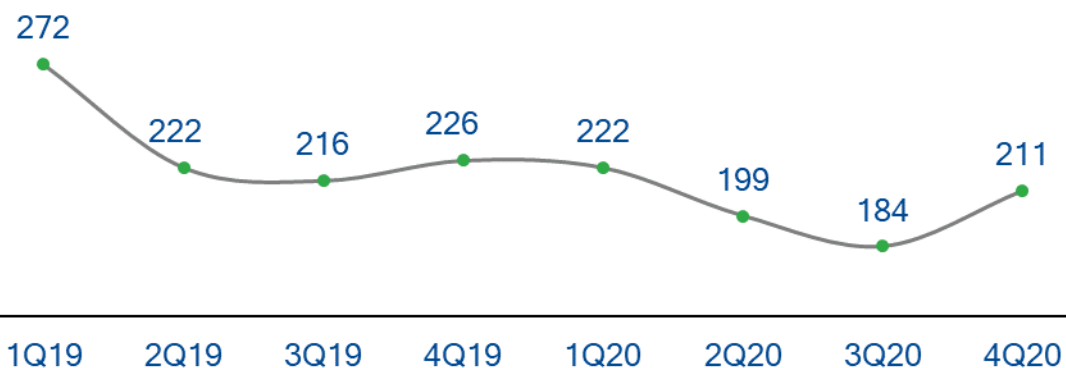
NPK basket vs. soft commodities, week 1 2011 = 0



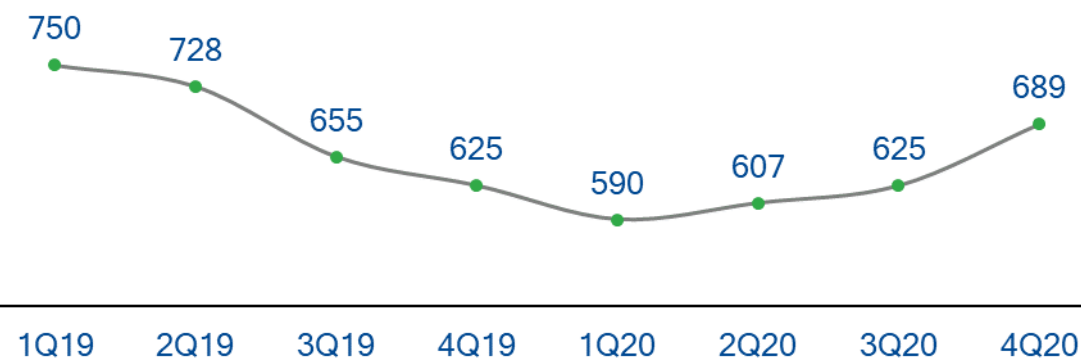
Source: CRU, PhosAgro

FEEDSTOCK PRICES

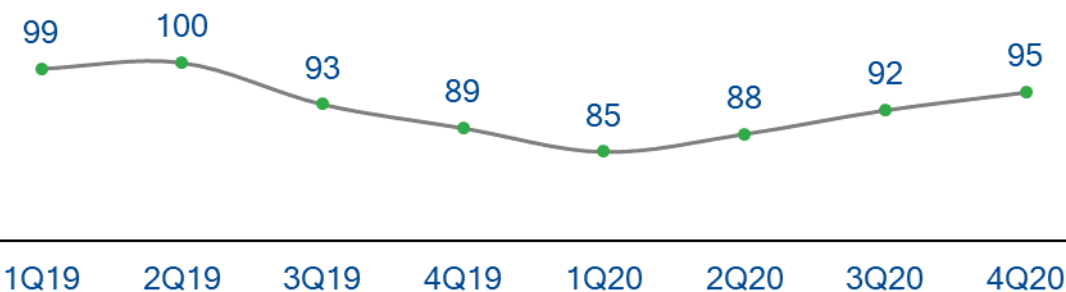
Ammonia FOB Black sea price, USD/t



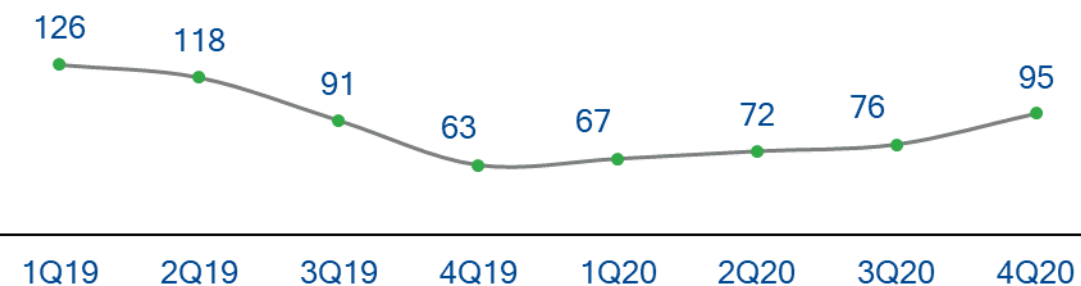
Phosphoric acid CFR India contract price, USD/t



Phosphate rock FOB Morocco prices, USD/t



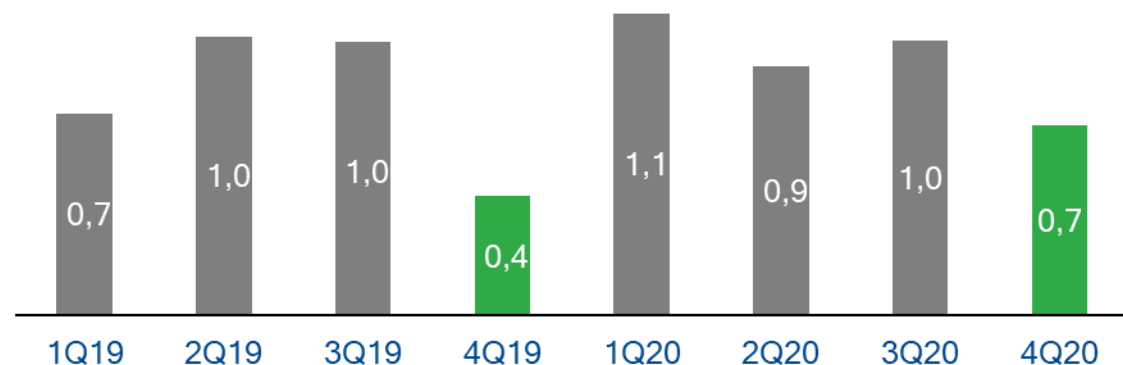
Sulphur CFR China prices, USD/t



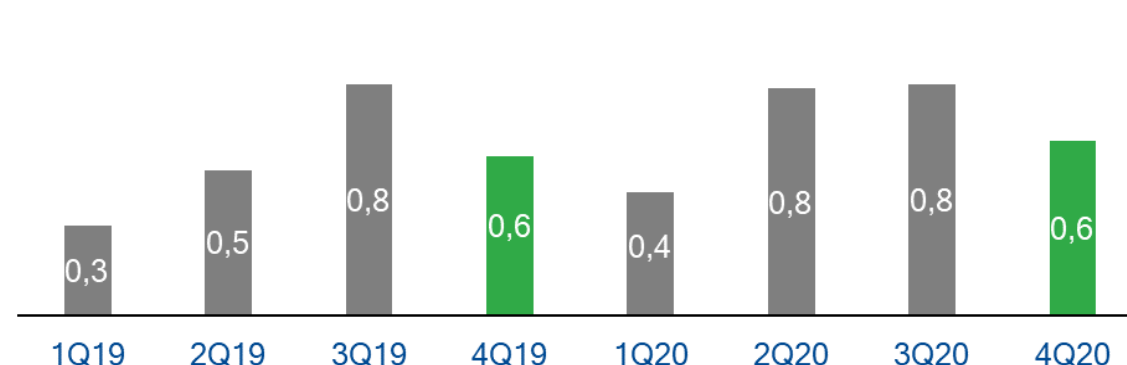
Source: CRU, PhosAgro

GLOBAL TRENDS

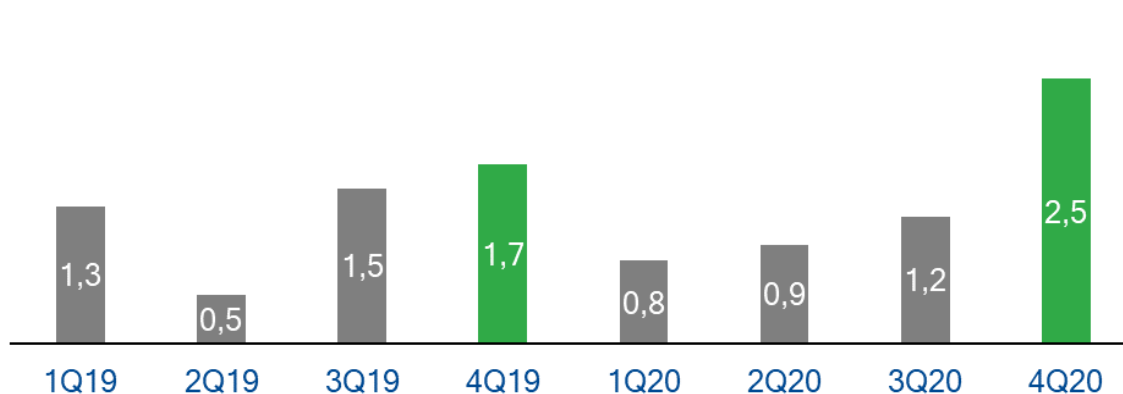
MAP/NPK/NP sales in Russia, mln t



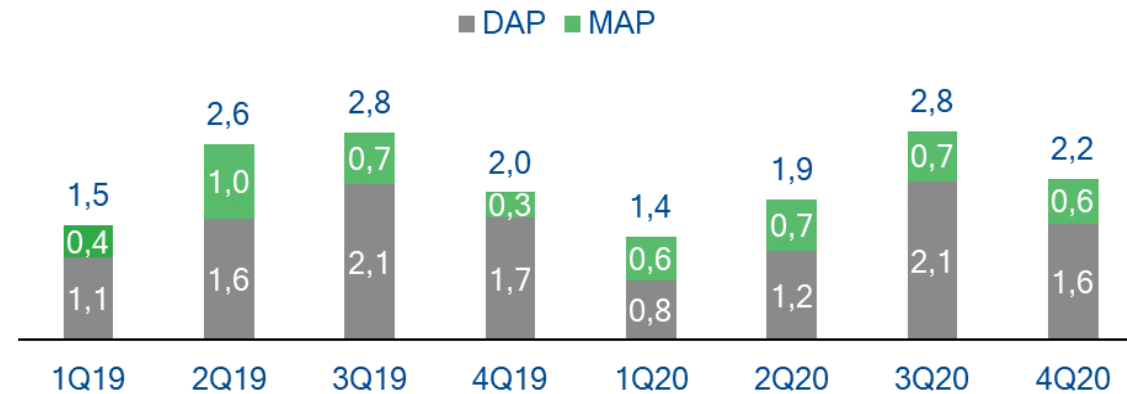
MAP/NP import to Brazil, mln t P2O5



Urea export from China, mln t



DAP/MAP export from China, mln t



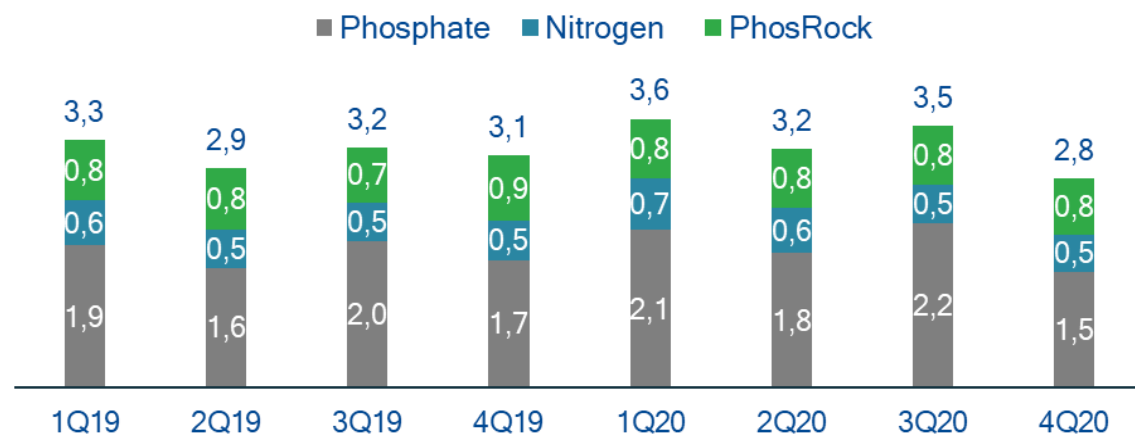
Source: CRU, Fertecon, RAPU, China General Administration of Customs, PhosAgro

FINANCIAL REVIEW

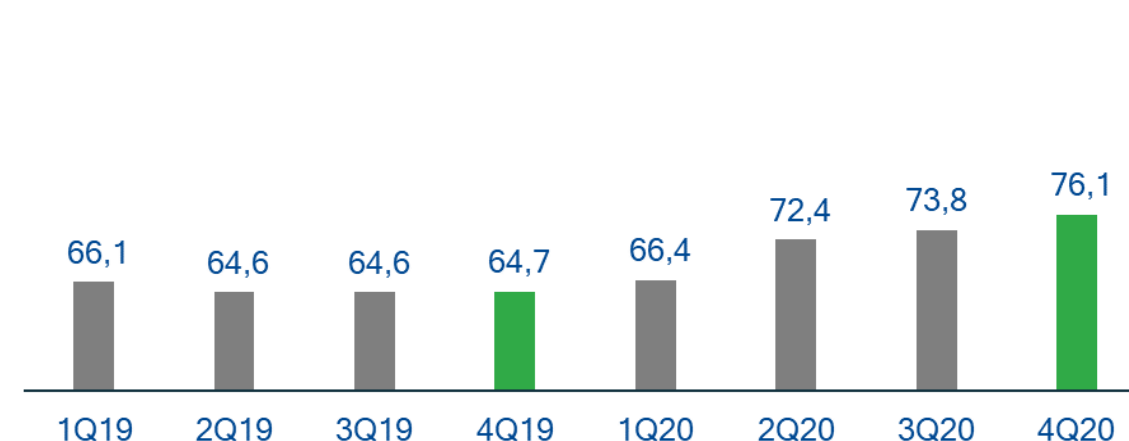


REVENUE BREAKDOWN

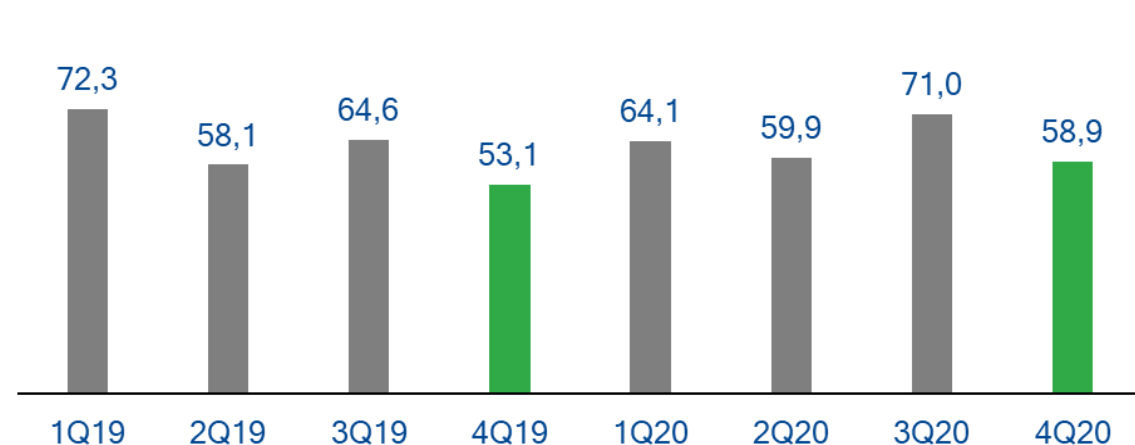
Sales breakdown, mln tonnes



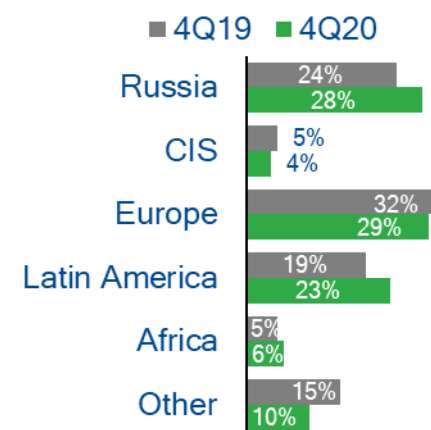
FX rates, RUB/USD



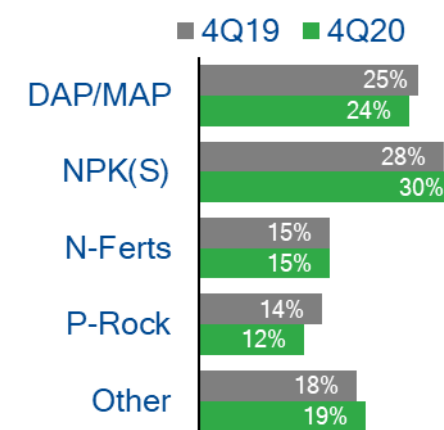
Revenue dynamics, RUB bln



Revenue by region



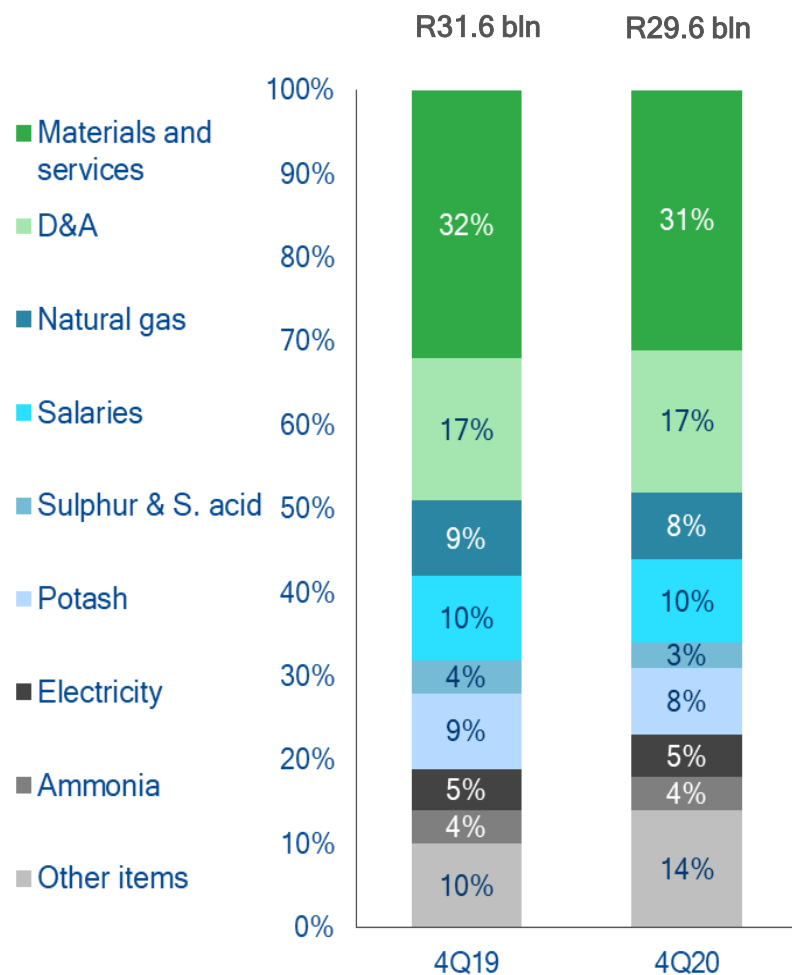
Revenue by product



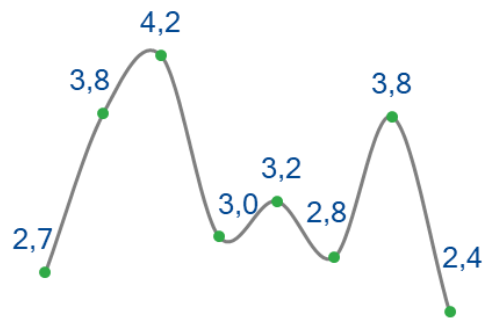
Source: PhosAgro

COST ANALYSIS

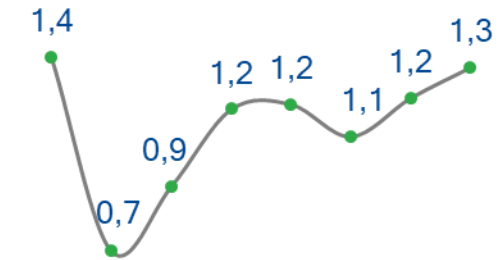
Cost of goods sold structure, %



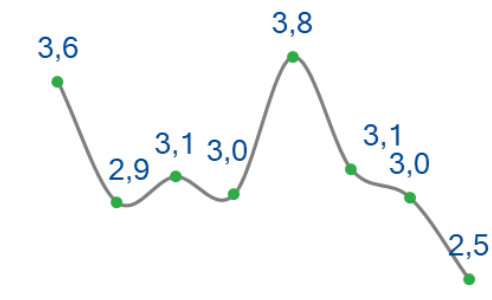
Potash, RUB bln



Ammonia, RUB bln



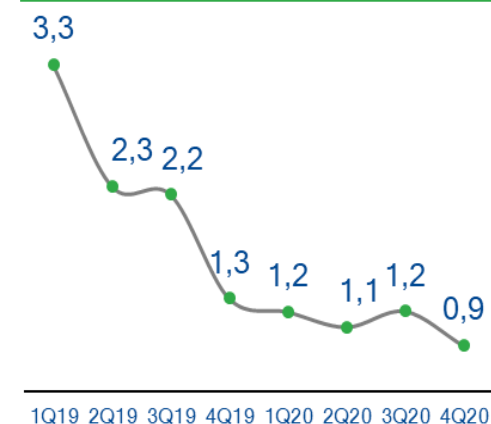
Natural gas, RUB bln



Payroll, RUB bln



Sulphur, RUB bln



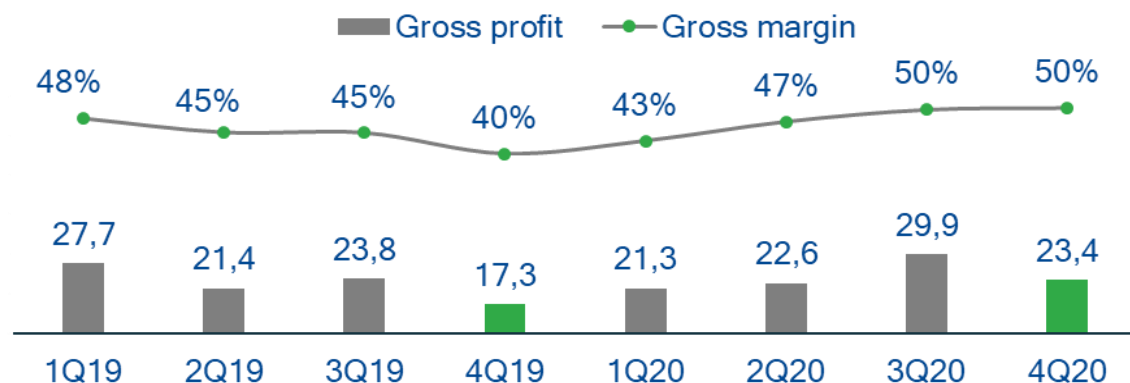
Electricity, RUB bln



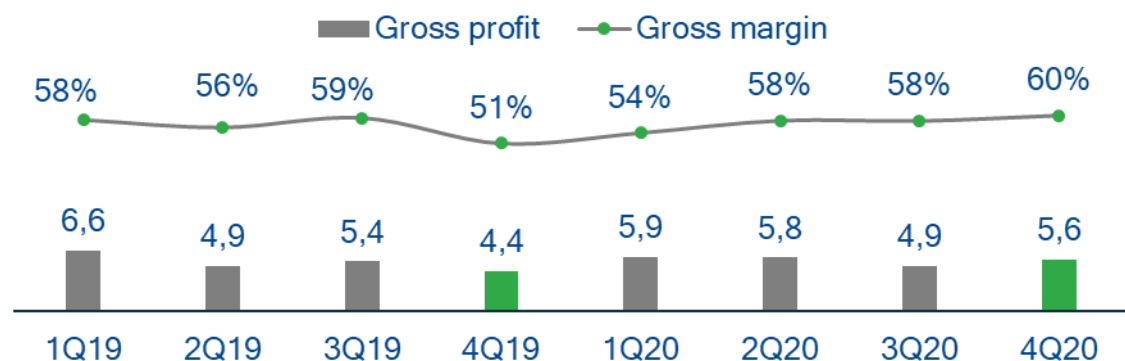
Source: PhosAgro

SEGMENT PROFITABILITY

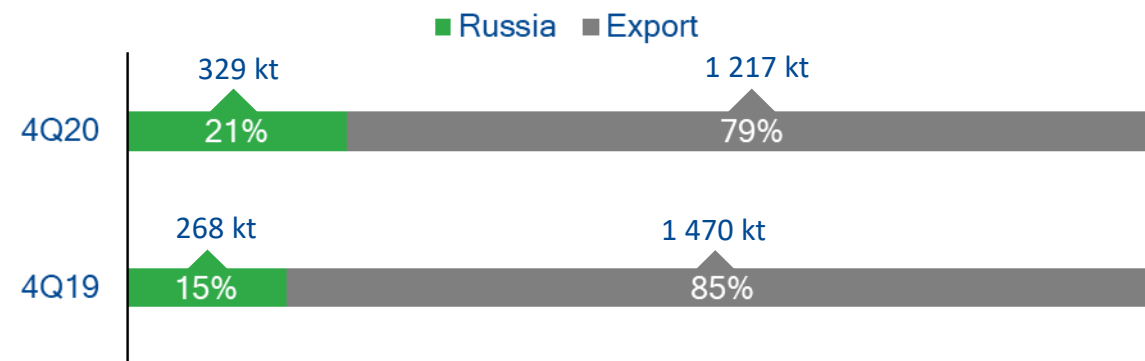
Phosphate - gross profit and margin, RUB bln



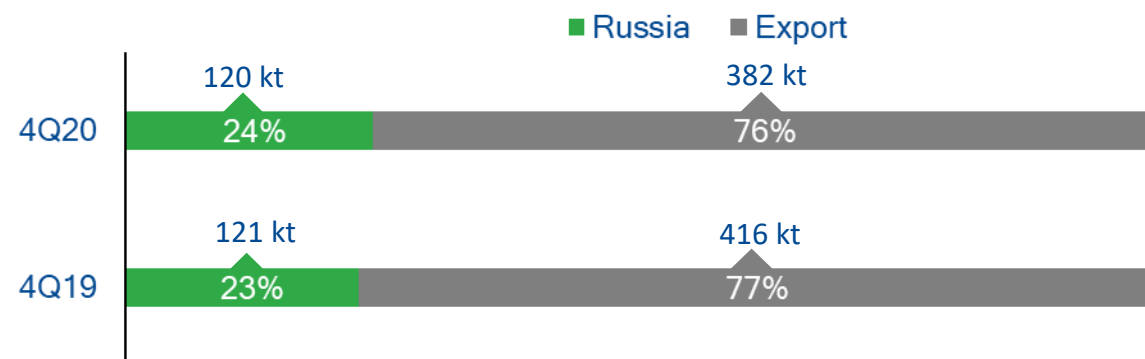
Nitrogen - gross profit and margin, RUB bln



Phosphate fertilizers sales (export + domestic), kt

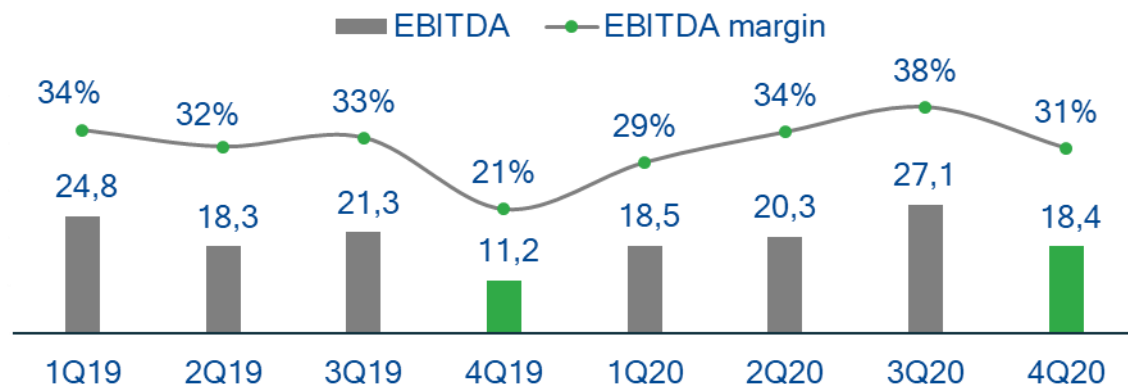


Nitrogen fertilizers sales (export + domestic), kt

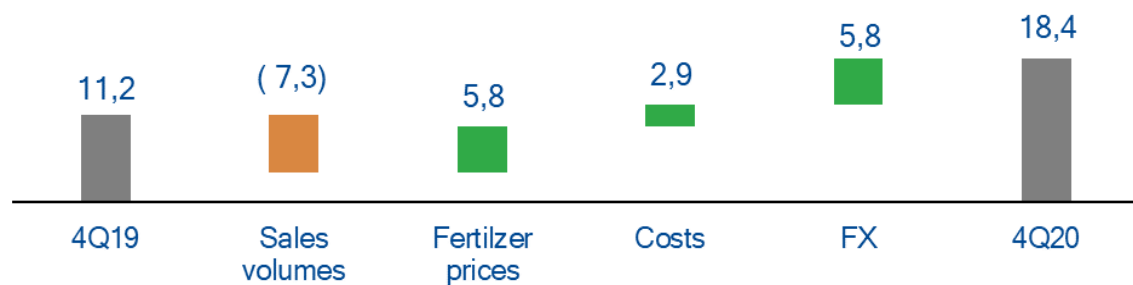


EBITDA ANALYSIS

EBITDA and EBITDA margin, RUB bln



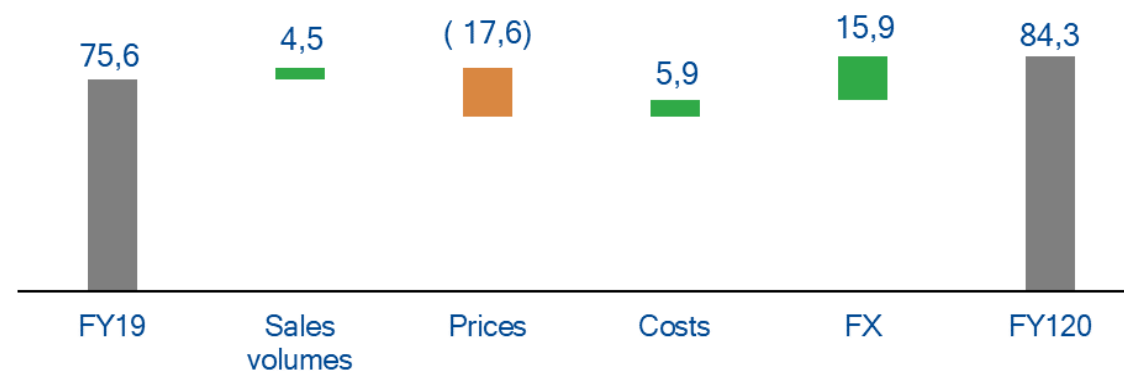
EBITDA bridge in 4Q20, RUB bln



Comments

- PhosAgro's EBITDA for 4Q 2020 increased by 64.3% year-on-year and amounted to RUB 18.4 billion (USD 241 million).
- The main growth drivers were the recovery in global fertilizer prices and the completion of equipment upgrades and operational improvements at production facilities. Additional supporting factors were the weakening of the rouble against the US dollar and low prices for primary feedstocks.

EBITDA bridge in FY20, RUB bln

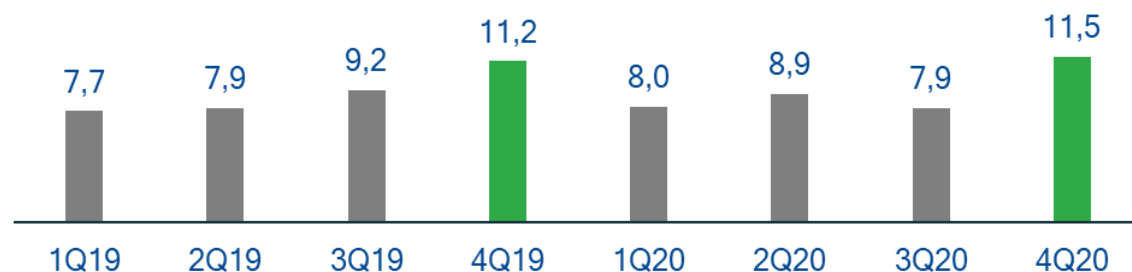


FCF ANALYSIS

Comments

- Free cash flow in 4Q 2020 was RUB 2.9 billion (USD 37 million), compared with a negative cash flow of RUB 4.3 billion (USD 67 million) in 4Q 2019. This considerable increase was possible because of the Company's high EBITDA margin and efficient management of working capital.
- Capital expenditure in 4Q 2020 amounted to RUB 13.5 billion (USD 177 million). In annual terms, capital expenditure amounted to RUB 40.9 billion (USD 567 million), which corresponds to 49% of EBITDA for the reporting period. The Company invested primarily in the development of its ore base in Kirovsk, upgrades to its fertilizer production assets and railway infrastructure in Cherepovets, the creation of a flexible ammonium sulphate production line in Balakovo and the construction of new capacities at its production site in Volkhov.

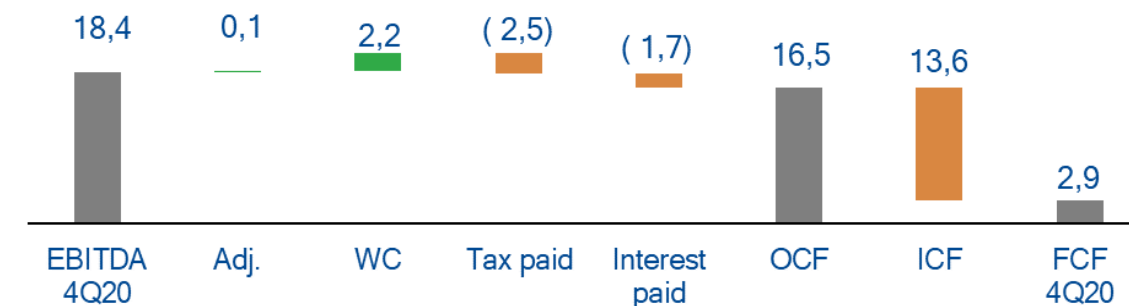
Capex*, RUB bln



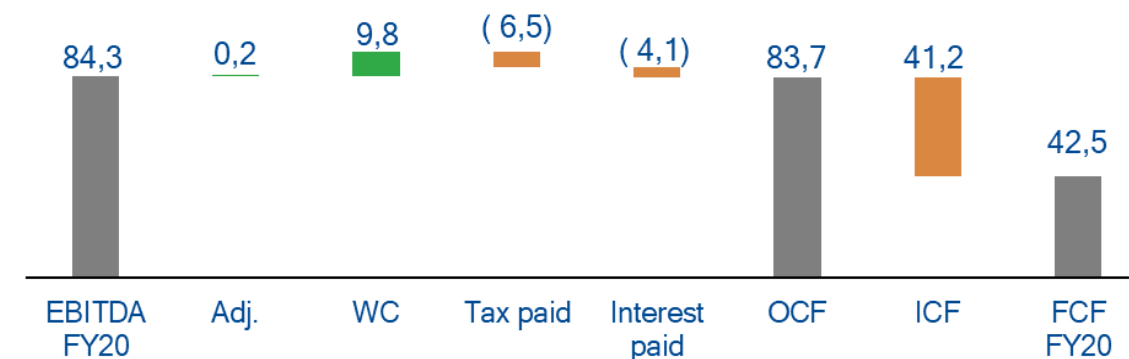
* Acquisition of property, plant and equipment excluding capitalized repairs

Source: PhosAgro

4Q20 EBITDA to FCF conversion, RUB bln



FY20 EBITDA to FCF conversion, RUB bln

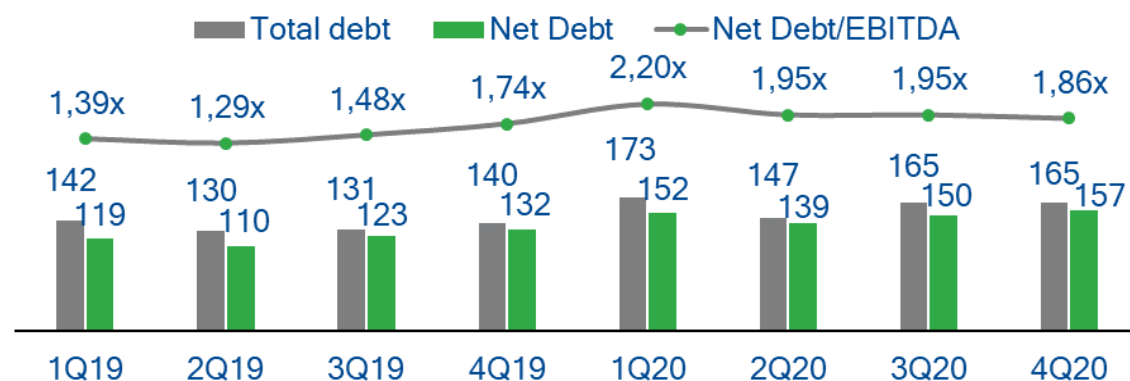


Debt Overview

Comments

- As of the end of the year, the net debt/EBITDA ratio was 1.86x. The increase compared to year-end 2019 was driven by the devaluation of the rouble against the US dollar, since a large part of the Company's loan portfolio is denominated in US dollars. Net debt as of 31 December 2020 amounted to RUB 156.9 billion (USD 2.1 billion).

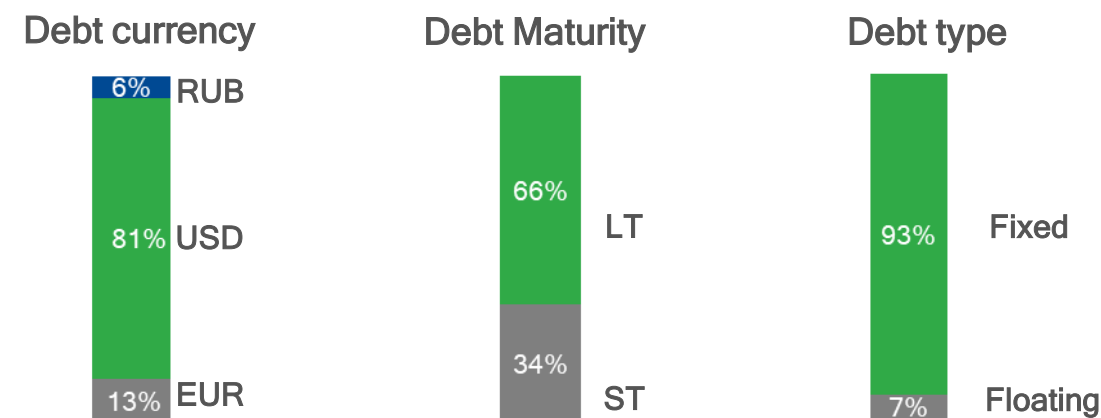
Total debt* and net debt/LTM EBITDA ratio, RUB bln and x



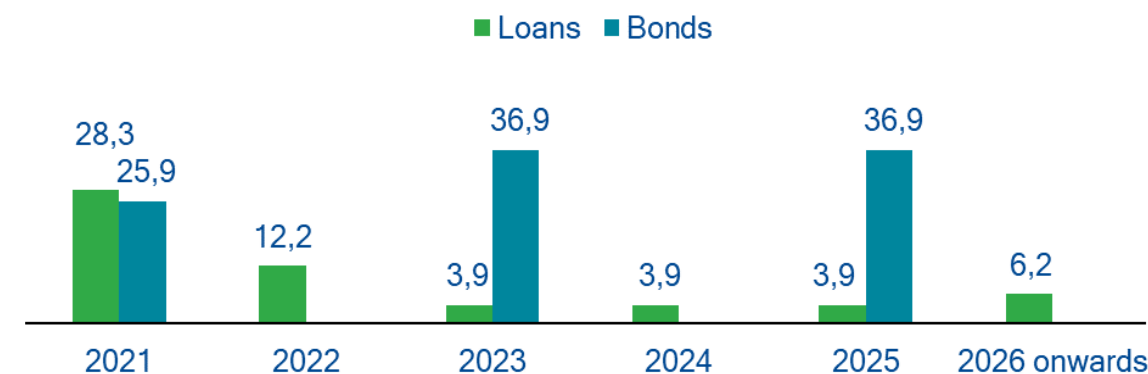
Source: PhosAgro

* Total debt includes finance lease liabilities

Debt breakdown by currency as of 31 December 2020



Maturity profile, RUB bln



MARKET OUTLOOK



- The start of 2021 has shown a noticeable increase in prices for major agricultural crops, which, combined with the growth in seasonal demand in key sales markets (Europe, the US domestic market and China in particular), contributed to a significant increase in demand and prices for all major types of mineral fertilizers and raw materials for production.
- The main benchmarks for phosphate-based fertilizers (DAP/MAP) and urea increased by more than USD 100 per tonne throughout January and in early February and continue to rise. Persistent demand in China's domestic market has limited exports from the region.
- The Indian market is characterized by low carryover stocks, especially for phosphate-based fertilizers, implying an earlier start to major seasonal purchases. The US domestic market continues to face a shortage of DAP/MAP due to the lack of traditional imports from Morocco and Russia, which, at the height of the main spring demand, is acting as an additional driver pushing up prices to their highest levels in recent years.



Thank you!

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