

ROS AGRO PLC TRADING UPDATE 4Q AND 12M 2019

3 February 2020 – ROS AGRO PLC announces preliminary operating results for 4th quarter and 12 months of 2019.

4Q 2019 highlights compared to 4Q 2018:

- Total revenue before intersegment eliminations amounted to RR 45.0 billion, an increase of RR 5.1 billion (+13%) as the result of revenue growth of all business segments, except for agricultural one;
- Revenue of Sugar segment augmented to RR 7.8 billion (+23%) due to sugar sales rise to 295 thousand tonnes (+110%);
- Revenue of Meat segment grew to RR 7.5 billion (+4%) due to an increase of sales of livestock (+65%) and carcasses (+48%);
- Revenue of Oil & Fats segment surged to RR 17.8 billion (+53%) as the result of sales growth of industrial fats (from 4 to 81 thousand tonnes) and mayonnaise (+176%);
- Revenue of Agriculture segment dropped to RR 10.8 billion (-22%) due to a decrease of sugar beet price to 1.5 thousand roubles per tonnes (-42%);
- Revenue of Milk products segment increased to RR 1.0 billion (+22%) thanks to sales rise of cheese, cheese products and cream.

Table 1. Key operating results by segment:

Item	12M 2019	12M 2018	Change	4Q 2019	4Q 2018	Change
Sugar Business						
Revenue, million RUB	31,059	24,083	29%	7,817	6,348	23%
Production volume of sugar, ths tonnes	875	773	13%	643	535	20%
Sales volume of sugar, thousand tonnes	1,022	702	46%	295	140	110%
Av. sugar sale price, RUB/kg excl. VAT	27.5	30.1	-9%	21.9	35.0	-37%
Meat Business						
Revenue, million RUB	25,808	22,350	15%	7,513	7,256	4%
Sales volume, thousand tonnes						
livestock	33	27	20%	14	9	65%
carcass	32	28	14%	10	7	48%
cuts	113	89	27%	30	28	9%
other pork cutting products	24	17	35%	7	6	11%
Average sale price, RUB/kg excl. VAT						
livestock	75.3	88.3	-15%	72.5	86.6	-16%
carcass	131.3	135.1	-3%	120.4	149.5	-19%
cuts	157.7	165.1	-4%	157.9	174.0	-9%
other pork cutting products	49.7	56.0	-11%	54.5	57.4	-5%
Oil and Fat Business						
Revenue, million RUB	62,375	26,286	137%	17,796	11,649	53%
Sales volume, thousand tonnes						
mayonnaise	136	48	181%	43	16	176%
margarine	45	29	52%	14	9	59%
bottled oil	147	97	52%	43	45	-4%
industrial fats	243	10	2404%	81	4	2040%
bulk oil	406	168	141%	107	83	28%
meal	647	302	114%	178	129	38%

Item	12M 2019	12M 2018	Change	4Q 2019	4Q 2018	Change
Average sale price, RUB/kg excl. VAT						
mayonnaise	80.1	81.3	-2%	80.7	81.3	-1%
margarine	80.3	83.1	-3%	79.1	86.2	-8%
bottled oil	53.7	55.7	-4%	53.3	56.5	-6%
industrial fats	48.4	53.4	-9%	49.0	59.3	-17%
bulk oil	44.4	45.7	-3%	44.5	47.7	-7%
meal	14.2	17.2	-18%	12.2	15.7	-22%
Agriculture Business						
Revenue, million RUB	26 022	20 828	25%	10 804	13 794	-22%
Sales volume, thousand tonnes						
sugar beet	3 875	3 489	11%	2 931	2 509	17%
wheat	831	510	63%	357	322	11%
barley	278	152	82%	30	37	-20%
corn	156	109	43%	19	30	-35%
sunflower	80	54	49%	70	50	40%
soybean	225	91	148%	51	57	-11%
other crops	8	51	-84%	3	17	-85%
Average sale price, RUB/kg excl. VAT						
sugar beet	1.6	2.5	-37%	1.5	2.6	-42%
wheat	10.4	8.8	18%	9.5	9.2	4%
barley	10.2	9.6	5%	8.6	11.4	-24%
corn	12.6	10.1	25%	12.9	11.7	10%
sunflower	17.3	18.6	-7%	17.2	18.7	-8%
soybean	20.5	23.5	-13%	22.0	24.2	-9%
other crops	6.3	6.4	-1%	7.3	6.2	19%
Milk products						
Revenue, million RR	3,867	854	353%	1,041	854	22%
Sales volume, thousand tonnes						
cheese & cheese product	8	2	435%	2	2	56%
butter & spread	2	1	160%	0	1	-72%
cream	1	-	n/a	1	-	n/a
dry mixes	15	5	234%	4	5	-10%
Average sale prices, rub/kg excl. VAT						
cheese & cheese product	217.9	204.4	7%	219.9	204.4	8%
butter & spread	273.5	259.4	5%	227.3	259.4	-12%
cream	79.4	74.6	6%	77.7	74.6	4%
dry mixes	200.6	-	n/a	204.3	-	n/a

Table 2. Historical operating results by segment:

Item	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	12M 2018	12M 2019
Sugar Business										
Revenue, million RUB	5,214	5,458	7,063	6,348	4,525	11,149	7,568	7,817	24,083	31,059
Production volume, thousand tonnes	9	17	212	535	18	7	207	643	773	875
Sales volume, tonnes	166	161	235	140	104	348	274	295	702	1 022
Average sugar price, rub/kg excl. VAT	27.9	31.0	28.2	35.0	36.5	30.3	26.5	21.9	30.1	27.5

Item	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	12M 2018	12M 2019
Meat Business										
Revenue, million RUB	4,326	5,091	5,677	7,256	5,186	5,983	7,127	7,513	22,350	25,808
Sales volume, thousand tonnes										
livestock	7	7	5	9	4	4	10	14	27	33
carcass	9	8	5	7	6	7	9	10	28	32
cuts	19	20	21	28	25	28	29	30	89	113
other pork cutting products	4	4	4	6	5	6	6	7	17	24
Average sale price, RUB/kg excl. VAT										
livestock	79.7	86.0	106.1	86.6	70.7	76.1	81	73	88.3	75.3
carcass	109.0	138.6	158.3	149.5	131.0	141.0	137	120	135.1	131.3
cuts	138.2	157.7	184.3	174.0	150.3	156.6	165	158	165.1	157.7
other pork cutting products	50.6	47.5	67.3	57.4	44.2	44.1	55.0	54.5	56.0	49.7
Oil and Fat Business										
Revenue, million RUB	4,448	5,551	4,638	11,649	13,422	15,519	15,638	17,796	26,286	62,375
Sales volume, thousand tonnes										
mayonnaise	10	11	12	16	20	37	37	43	48	136
margarine	8	6	7	9	9	10	11	14	29	45
bottled oil	9	16	27	45	31	36	37	47	97	147
industrial fats	1	3	2	4	30	62	70	81	10	243
bulk oil	36	38	11	83	111	96	92	107	168	406
meal	65	67	41	129	165	168	136	178	302	647
Average sale prices, rub/kg excl. VAT										
mayonnaise	79.7	81.5	82.6	81.3	79.4	80.2	79.9	80.7	81.3	80.1
margarine	77.4	82.3	86.4	86.2	81.3	80.7	80.4	79.1	83.1	80.3
bottled oil	53.7	54.0	55.8	56.5	54.7	52.7	54.1	54.4	55.7	53.7
industrial fats	50.3	48.2	50.6	59.3	51.3	48.9	45.4	49.0	53.4	48.4
bulk oil	41.1	45.2	46.4	47.7	43.3	44.4	45.8	43.7	45.7	44.4
meal	15.6	20.6	19.2	15.7	15.8	14.1	15.1	12.2	17.2	14.2
Agriculture Business										
Revenue, million RUB	1,467	1,745	3,822	13,794	4,921	4,413	5,884	10,804	20,828	26,022
Sales volume, thousand tonnes										
sugar beet	2	0	978	2,509	0	0	944	2,931	3,489	3,875
wheat	39	74	75	322	179	83	212	357	510	831
barley	32	47	36	37	49	72	127	30	152	278
corn	42	34	3	30	85	40	12	19	109	156
sunflower	2	1	1	50	0	8	2	70	54	80
soybean	17	14	3	57	38	91	45	51	91	225
Average sale prices, rub/kg excl. VAT										
sugar beet	1.0	0.0	2.3	2.6	0.0	0.0	1.8	1.5	2.5	1.6
wheat	6.3	7.6	9.8	9.2	12.8	12.9	8.8	9.5	8.8	10.4
barley	6.5	7.8	13.1	11.4	11.5	11.0	9.5	8.6	9.6	10.2
corn	9.4	9.5	10.7	11.7	12.7	12.6	12.2	12.9	10.1	12.6
sunflower	18.3	18.8	14.0	18.7	18.7	18.8	17.0	17.2	18.6	17.3
soybean	20.2	23.0	31.1	24.2	22.8	19.2	19.2	22.0	23.5	20.5

Item	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	12M 2018	12M 2019
Milk products										
Revenue, million RR	-	-	-	854	861	969	995	1,041	854	3,867
Sales volume, thousand tonnes	-	-	-	-	-	-	-	-	-	-
cheese & chees product	-	-	-	1.6	1.8	2.0	2.1	2.4	1.6	8.4
butter & spread	-	-	-	0.7	0.8	0.6	0.3	0.2	0.7	1.9
cream	-	-	-	-	-	-	0.8	0.7	-	1.4
dry mixes	-	-	-	4.6	3.4	3.9	4.0	4.2	4.6	15.4
Average sale prices, rub/kg excl. VAT										
cheese & chees product	-	-	-	204.4	210.3	237.7	203.0	219.9	204.4	217.9
butter & spread	-	-	-	259.4	277.1	309.3	235.4	227.3	259.4	273.5
cream	-	-	-	-	-	-	197.5	204.3	-	200.6
dry mixes	-	-	-	74.6	76.4	81.2	82.0	77.7	74.6	79.4

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