

ROS AGRO PLC TRADING UPDATE 3Q AND 9M 2019

21 October 2019 – ROS AGRO PLC announces preliminary operating results for 3^d quarter and 9 months of year 2019.

3Q 2019 highlights compared to 3Q 2018:

- Total revenue before intersegment eliminations amounted to RR 37.2 billion, an increase of RR 16.0 billion (+76%) as the result of revenue growth of all four business segments;
- Revenue of Sugar segment augmented to RR 7.6 billion (+7%) due to sugar sales rise to 274 thousand tonnes (+17%);
- Revenue of Meat segment surged to RR 7.1 billion (+26%) due to increase of sales of cuts (+36%) and carcasses (+89%);
- Revenue of Oil & Fats segment increased to RR 15.6 billion (+237%) as the result of continuing sales growth;
- Revenue of Agriculture segment rose to RR 5.9 billion (+54%) due to the sales growth of almost all crops;
- Revenue of Milk products segment amounted to RR 1.0 billion.

Table 1. Key operating results by segment:

Item	9M 2019	9M 2018	Change, %	3Q 2019	3Q 2018	Change, %
Sugar Business						
Revenue, million RUB	23 242	17 735	31%	7 568	7 063	7%
Production volume of sugar, thousand tonnes	231	238	-3%	207	212	-2%
Sales volume of sugar, thousand tonnes	727.1	561.8	29%	274.3	235.4	17%
Av. sugar sale price, RUB/kg excl. VAT	29.8	28.9	3%	26.5	28.2	-6%
Meat Business						
Revenue, million RUB	18 296	15 094	21%	7 127	5 677	26%
Sales volume, thousand tonnes						
livestock	18	19	-1%	10	5	97%
carcass	22	21	2%	9	5	89%
cuts	83	61	36%	29	21	36%
other pork cutting products	17	11	48%	6	4	43%
Average sale price, RUB/kg excl. VAT						
livestock	77.6	89.8	-14%	81.3	106.1	-23%
carcass	136.5	131.9	3%	136.8	158.3	-14%
cuts	157.6	160.9	-2%	165.0	184.3	-10%
other pork cutting products	47.8	56.3	-15%	55.0	67.3	-18%
Oil and Fat Business						
Revenue, million RUB	51 975	14 637	255%	15 638	4 638	237%
Sales volume, thousand tonnes						
mayonnaise	99	33	203%	37	12	198%
margarine	31	20	54%	11	7	66%
bottled oil	109	52	109%	37	27	37%
industrial fats	176	6	2887%	70	2	2822%
bulk oil	409	85	381%	92	11	709%
meal	470	174	170%	136	41	230%

Item	9M 2019	9M 2018	Change, %	3Q 2019	3Q 2018	Change, %
Average sale price, RUB/kg excl. VAT						
mayonnaise	79.9	81.4	-2%	79.9	82.6	-3%
margarine	80.8	81.8	-1%	80.4	86.4	-7%
bottled oil	53.8	54.9	-2%	54.1	55.8	-3%
industrial fats	48.1	49.5	-3%	45.4	50.6	-10%
bulk oil	44.3	43.6	2%	45.8	46.4	-1%
meal	15.0	18.4	-18%	15.1	19.2	-21%
Agriculture Business						
Revenue, million RUB	15 219	7 034	116%	5 884	3 822	54%
Sales volume, thousand tonnes						
sugar beet	944	980	-4%	944	978	-3%
wheat	474	188	152%	212	75	183%
barley	248	115	115%	127	36	257%
corn	137	80	72%	12	3	233%
sunflower	10	4	162%	2	1	99%
soybean	174	34	414%	45	3	1274%
other crops	5	34	-84%	1	28	-95%
Average sale price, RUB/kg excl. VAT						
sugar beet	1.8	2.2	-21%	1.8	2.3	-21%
wheat	11.3	8.2	38%	8.8	9.8	-10%
barley	10.4	9.1	15%	9.5	13.1	-28%
corn	12.6	9.5	32%	12.2	10.7	13%
sunflower	19.0	17.4	9%	17.0	14.0	22%
soybean	20.3	22.4	-9%	19.2	31.1	-38%
other crops	5.9	7.5	-22%	5.7	6.7	-15%
Milk products						
Revenue, million RR	2 826	-	-	995	-	-
Sales volume, thousand tonnes						
cheese & cheese product	6	-	-	2	-	-
butter & spread	2	-	-	0	-	-
cream	1	-	-	1	-	-
dry mixes	11	-	-	4	-	-
Average sale prices, rub/kg excl. VAT						
cheese & cheese product	216.9	-	-	203.0	-	-
butter & spread	279.2	-	-	235.4	-	-
cream	197.5	-	-	197.5	-	-
dry mixes	80.0	-	-	82.0	-	-

Table 2. Historical operating results by segment:

Item	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	9M 2018	9M 2019
Sugar Business									
Revenue, million RUB	5 214	5 458	7 063	6 500	4 525	11 149	7 568	17 735	23 242
Production volume, thousand tonnes									
Production volume, thousand tonnes	9	17	212	535	18	7	207	238	231
Sales volume, tonnes	166	161	235	140	104	348	274	562	727
Av. sugar price, rub/kg excl. VAT	27.9	31.0	28.2	35.0	36.5	30.3	26.5	28.9	29.8
Meat Business									
Revenue, million RUB	4 326	5 091	5 677	7 227	5 186	5 983	7 127	15 094	18 296
Sales volume, thousand tonnes									
livestock	7	7	5	9	4	4	10	19	18
carcass	9	8	5	7	6	7	9	21	22
cuts	19	20	21	28	25	28	29	61	83
other pork cutting products	4	4	4	6	5	6	6	11	17
Av. sale price, RUB/kg excl. VAT									
livestock	79.7	86.0	106.1	86.6	70.7	76.1	81.3	89.8	77.6
carcass	109.0	138.6	158.3	149.5	131.0	141.0	136.8	131.9	136.5
cuts	138.2	157.7	184.3	174.0	150.3	156.6	165.0	160.9	157.6
other pork cutting products	50.6	47.5	67.3	57.4	44.2	44.1	55.0	56.3	47.8

Item	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	9M 2018	9M 2019
Oil and Fat Business									
Revenue, million RUB	4 448	5 551	4 638	11 536	16 928	19 408	15 638	14 637	51 975
Sales volume, thousand tonnes									
mayonnaise	10	11	12	16	26	37	37	33	99
margarine	8	6	7	9	10	10	11	20	31
bottled oil	9	16	27	45	36	36	37	52	109
industrial fats	1	3	2	4	45	62	70	6	176
bulk oil	36	38	11	83	148	169	92	85	409
meal	65	67	41	129	165	168	136	174	470
Av. sale prices, rub/kg excl. VAT									
mayonnaise	79.7	81.5	82.6	81.3	79.4	80.2	79.9	81.4	79.9
margarine	77.4	82.3	86.4	86.2	81.3	80.7	80.4	81.8	80.8
bottled oil	53.7	54.0	55.8	56.5	54.7	52.7	54.1	54.9	53.8
industrial fats	50.3	48.2	50.6	59.3	51.3	48.9	45.4	49.5	48.1
bulk oil	41.1	45.2	46.4	47.7	43.3	44.4	45.8	43.6	44.3
meal	15.6	20.6	19.2	15.7	15.8	14.1	15.1	18.4	15.0
Agriculture Business									
Revenue, million RUB	1 467	1 745	3 822	12 909	4 921	4 413	5 884	7 034	15 219
Sales volume, thousand tonnes									
sugar beet	2	-	978	2 509	-	-	944	980	944
wheat	39	74	75	322	179	83	212	188	474
barley	32	47	36	37	49	72	127	115	248
corn	42	34	3	30	85	40	12	80	137
sunflower	2	1	1	50	0	8	2	4	10
soybean	17	14	3	57	38	91	45	34	174
other crops	3	3	28	17	2	2	1	34	5
Av. sale prices, rub/kg excl. VAT									
sugar beet	1.0	-	2.3	2.6	-	-	1.8	2.2	1.8
wheat	6.3	7.6	9.8	9.2	12.8	12.9	8.8	8.2	11.3
barley	6.5	7.8	13.1	11.4	11.5	11.0	9.5	9.1	10.4
corn	9.4	9.5	10.7	11.7	12.7	12.6	12.2	9.5	12.6
sunflower	18.3	18.8	14.0	18.7	18.7	18.8	17.0	17.4	19.0
soybean	20.2	23.0	31.1	24.2	22.8	19.2	19.2	22.4	20.3
other crops	5.3	5.5	6.7	6.2	4.9	6.9	5.7	7.5	5.9
Milk products									
Revenue, million RR	-	-	-	-	861	969	995		2 826
Sales volume, thousand tonnes									
cheese & cheese product	-	-	-	-	2	2	2		6
butter & spread	-	-	-	-	1	1	0		2
cream	-	-	-	-	-	-	1		1
dry mixes	-	-	-	-	3	4	4		11
Av. sale prices, rub/kg excl. VAT									
cheese & cheese product	-	-	-	-	210.3	237.7	203.0		216.9
butter & spread	-	-	-	-	277.1	309.3	235.4		279.2
cream	-	-	-	-	-	-	197.5		197.5
dry mixes	-	-	-	-	76.4	81.2	82.0		80.0

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