

ROS AGRO PLC TRADING UPDATE 2Q AND 6M 2019

22 July 2019 – ROS AGRO PLC has announced preliminary operating results for 2nd quarter and 6 months of year 2019.

2Q 2019 highlights compared to 2Q 2018:

- Total revenue before intersegment eliminations amounted to RR 41.9 billion, an increase of RR 24.1 billion (+135%) as the result of revenue growth of all business divisions;
- Revenue of Sugar segment increased to RR 11.1 billion (+104%) due to upsurge of sugar sales volume to 348 thousand tonnes (+117%);
- Meat segment augmented in revenue to RR 6.0 billion (+18%) due to the growth of sales volume of cuts by 38%;
- Oil & Fat segment increased revenue to RR 19.4 billion (+250%) due to the continuous growth of sales volume;
- Revenue of Agriculture business rose to RR 4.4 billion (+153%) due to the increase of sale price and sales volume of almost all crops;
- Revenue of Milk products business reached RR 1.0 billion.

Table 1. Key operating results by segment:

Item	6M 2019	6M 2018	Change, %	Q2 2019	Q2 2018	Change, %
Sugar Business						
Revenue, million RUB	15,674	10,671	47%	11,149	5,458	104%
Production volume, thousand tonnes	24	26	-7%	7	17	-60%
Sales volume, tonnes	453	326	39%	348	161	117%
Average sugar sale price, RUB/kg excl. VAT	31.8	29.4	8%	30.3	31.0	-2%
Meat Business						
Revenue, million RUB	11,171	9,417	19%	5,983	5,091	18%
Production volume, thousand tonnes						
livestock	117	101	16%	62	50	24%
Sales volume, thousand tonnes						
livestock	8	14	-38%	4	7	-43%
carcass	13	17	-21%	7	8	-12%
cuts	53	39	36%	28	20	38%
other pork cutting products	11	8	41%	6	4	73%
Average sale prices, RUB/kg excl. VAT						
livestock	73.2	82.9	-12%	76.1	86.0	-12%
carcass	136.2	122.8	11%	141.0	138.6	2%
cuts	153.6	148.3	4%	156.6	157.7	-1%
other pork cutting products	44.2	49.0	-10%	44.1	47.5	-7%

Item	6M 2019	6M 2018	Change, %	Q2 2019	Q2 2018	Change, %
Oil and Fat Business						
Revenue, million RUB	36,337	10,029	262%	19,408	5,551	250%
Sales volume, thousand tonnes						
mayonnaise	63	20	206%	37	11	243%
margarine	20	14	47%	10	6	70%
bottled oil	72	25	189%	36	16	122%
industrial fats	106	4	2932%	62	3	2360%
bulk oil	317	74	330%	169	38	344%
meal	334	133	152%	168	67	149%
Average sale prices, RUB/kg excl. VAT						
mayonnaise	79.9	80.6	-1%	80.2	81.5	-2%
margarine	81.0	79.5	2%	80.7	82.3	-2%
bottled oil	52.5	53.9	-3%	52.7	54.0	-2%
industrial fats	50.0	48.8	2%	48.9	48.2	1%
bulk oil	44.0	43.2	2%	44.4	45.2	-2%
meal	15.1	18.1	-16%	14.1	20.6	-31%
Agriculture Business						
Revenue, million RUB	9,334	3,212	191%	4,413	1,745	153%
Sales volume, thousand tonnes						
sugar beet	-	2	-100%	-	-	0%
wheat	262	113	131%	83	74	11%
barley	121	79	52%	72	47	52%
corn	125	76	64%	40	34	16%
sunflower	8	3	182%	8	1	682%
soybean	130	31	324%	91	14	572%
Average sale prices, RUB/kg excl. VAT						
sugar beet	-	1.0	-	-	-	0%
wheat	12.8	7.2	79%	12.9	7.6	70%
barley	11.2	7.3	54%	11.0	7.8	41%
corn	12.1	9.5	28%	12.6	9.5	32%
sunflower	18.8	18.5	2%	18.8	18.8	0%
soybean	20.3	21.8	-7%	19.2	23.8	-19%
Milk products						
Revenue, million RUB	1 830	-	-	969	-	-
Sales volume, thousand tonnes	-	-	-	-	-	-
cheese	1.8	-	-	1.1	-	-
cheese product	2.1	-	-	0.9	-	-
butter	1.1	-	-	0.4	-	-
spread	0.3	-	-	0.1	-	-
dry mixes	7.3	-	-	3.9	-	-
Average sale prices, RUB /kg excl. VAT						
cheese	282.2	-	-	288.9	-	-
cheese product	176.6	-	-	173.3	-	-
butter	335.7	-	-	365.0	-	-
spread	97.9	-	-	91.6	-	-
dry mixes	79.0	-	-	81.2	-	-

Table 2. Historical operating results by segment:

Item	1Q 2018	2Q 2018	3Q 2018	4Q 2018	Q1 2019	Q2 2019	6M 2019	6M 2018
Sugar Business								
Revenue, million RUB	5,214	5,458	7,063	6,500	4,525	11,149	15,674	10,671
Production volume, thousand tonnes	9	17	212	535	18	7	24	26
Sales volume, tonnes	166	161	235	140	104	348	453	326
Average sugar price, RUB/kg excl. VAT	27.9	31.0	28.2	35.0	36.5	30.3	31.8	29.4
Meat Business								
Revenue, million RUB	4,326	5,091	5,677	7,227	5,188	5,983	11,171	9,417
Sales volume, thousand tonnes								
livestock	7	7	5	9	4	4	8	14
carcass	9	8	5	7	6	7	13	17
cuts	19	20	21	28	25	28	53	39
other pork cutting products	4	4	4	6	5	6	11	8
Average sale prices, RUB/kg excl. VAT								
livestock	79.7	86.0	106.1	86.6	70.7	76.1	73.2	82.9
carcass	109.0	138.6	158.3	149.5	131.0	141.0	13.2	16.8
cuts	138.2	157.7	184.3	174.0	150.3	156.6	53.4	39.3
other pork cutting products	50.6	47.5	67.3	57.4	44.2	44.1	11.3	8.0
Oil and Fat Business								
Revenue, million RUB	4,448	5,551	4,638	11,536	16,928	19,408	36,337	10,029
Sales volume, thousand tonnes								
mayonnaise	10	11	12	16	26	37	63	20
margarine	8	6	7	9	10	10	20	14
bottled oil	9	16	27	45	36	36	72	25
industrial fats	1	3	2	4	45	62	106	4
bulk oil	36	38	11	83	148	169	317	74
meal	65	67	41	129	165	168	334	133
Average sale prices, RUB/kg excl. VAT								
mayonnaise	79.7	81.5	82.6	81.3	79.4	80.2	79.9	80.6
margarine	77.4	82.3	86.4	86.2	81.3	80.7	81.0	79.5
bottled oil	53.7	54.0	46.4	56.5	54.7	52.7	52.5	53.9
industrial fats	50.3	48.2	50.6	59.3	51.3	48.9	50.0	48.8
bulk oil	41.1	45.2	55.8	47.7	43.3	44.4	44.0	43.2
meal	15.6	20.6	19.2	15.7	15.8	14.1	15.1	18.1
Agriculture Business								
Revenue, million RUB	1,467	1,745	3,822	12,909	4,921	4,413	9,334	3,212
Sales volume, thousand tonnes								
sugar beet	2	-	978	2,509	-	-	-	2
wheat	39	74	75	322	179	83	262	113
barley	32	47	36	37	49	72	121	79
corn	42	34	3	30	85	40	125	76
sunflower	2	1	1	50	0	8	8	3
soybean	17	14	3	57	38	91	130	31
Average sale prices, RUB/kg excl. VAT								
sugar beet	1.0	-	2.3	2.6	-	-	-	1.0
wheat	6.3	7.6	9.8	9.2	12.8	12.9	12.8	7.2
barley	6.5	7.8	13.1	11.4	11.5	11.0	11.2	7.3
corn	9.4	9.5	10.7	11.7	12.7	12.6	12.1	9.5
sunflower	18.3	18.8	14.0	18.7	18.7	18.8	18.8	18.5
soybean	20.2	23.0	31.1	24.2	22.8	19.2	20.3	21.8

Milk products

Revenue, million RUB	-	-	-	-	861	969	1,830	-
Sales volume, thousand tonnes								
cheese	-	-	-	-	0.6	1.1	1.8	-
cheese product	-	-	-	-	1.2	0.9	2.1	-
butter	-	-	-	-	0.6	0.4	1.1	-
spread	-	-	-	-	0.1	0.1	0.3	-
dry mixes	-	-	-	-	3.4	3.9	7.3	-
Average sale price, RUB/kg excl. VAT								
cheese	-	-	-	-	270.0	288.9	282.2	-
cheese product	-	-	-	-	179.1	173.3	176.6	-
butter	-	-	-	-	315.9	365.0	335.7	-
spread	-	-	-	-	102.7	91.6	97.9	-
dry mixes	-	-	-	-	76.4	81.2	79.0	-

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