

ROS AGRO PLC TRADING UPDATE 3Q AND 9M 2018

22 October 2018 – ROS AGRO PLC announces preliminary operating results for 3^d quarter and 9 months of year 2018.

3Q 2018 highlights compared to 3Q 2017:

- Total revenue before intersegment eliminations amounted to RR 21.1 billion, an increase of RR 1.9 billion (+10%) as the result of revenue growth of all four business segments;
- Revenue of Sugar segment augmented to RR 7.0 billion (+9%) due to sugar sales rise to 235 thousand tonnes (+22%), which was partially compensated by the price drop to 28.2 RUB/kg excl. VAT (-10%);
- Revenue of Meat segment surged to RR 5.7 billion (+10%) due to increase of sales of cuts and other pork cutting products (+17%) and price growth;
- Revenue of Oil & Fats segment increased to RR 4.6 billion (+0.5%) as the result of bottled oil sales growth to 27 thousand tonnes (almost 7 times);
- Revenue of Agriculture segment rose to RR 3.8 billion (+25%) due to the sale price growth of all crops.

Table 1. Key operating results by segment:

Item	9M 2018	9M 2017	Change, %	3Q 2018	3Q 2017	Change, %
Sugar Business						
Revenue, million RUB	17 621	20 993	-16%	6 950	6 391	9%
Production volume of sugar, thousand tonnes	238	347	-32%	212	211	0%
Sales volume of sugar, thousand tonnes	562	584	-4%	235	193	22%
Average sugar sale price, RUB/kg excl. VAT	28.9	33.1	-13%	28.2	31.4	-10%
Meat Business						
Revenue, million RUB	15 367	15 191	1%	5 677	5 154	10%
Production volume, thousand tonnes						
livestock	145	153	-5%	44	51	-13%
Sales volume, thousand tonnes						
livestock	19	46	-60%	5	11	-54%
carcass	21	21	3%	5	8	-46%
cuts	61	49	23%	21	18	20%
other pork cutting products	11	9	23%	4	4	6%
Average sale price, RUB/kg excl. VAT						
livestock	89.8	97.2	-8%	106.1	97.4	9%
carcass	131.9	129.7	2%	158.3	132.4	20%
cuts	160.9	151.6	6%	184.3	155.1	19%
other pork cutting products	56.3	49.9	13%	67.3	51.6	30%
Oil and Fats Business						
Revenue, million RUB	14 647	14 217	3%	4 618	4 596	0%
Production volume, thousand tonnes						
crude oil	144	137	5%	37	36	0%
meal	169	174	-3%	33	43	-24%
Sales volume, thousand tonnes						
mayonnaise	33	44	-25%	12	13	-7%
margarine	20	24	-16%	7	8	-17%
bottled oil	52	11	361%	27	4	573%
bulk oil	85	120	-29%	11	41	-72%
meal	174	183	-5%	41	46	-11%

Item	9M 2018	9M 2017	Change, %	3Q 2018	3Q 2017	Change, %
Average sale price, RUB/kg excl. VAT						
mayonnaise	81.4	79.6	2%	82.6	82.3	0%
margarine	81.8	77.8	5%	86.4	77.5	12%
bottled oil	54.9	58.8	-7%	55.8	56.3	-1%
bulk oil	43.7	42.5	3%	46.4	43.6	6%
meal	18.4	16.2	14%	19.2	15.6	23%
Agriculture Business						
Revenue, million RUB	7 034	8 060	-13%	3 822	3 054	25%
Sales volume, thousand tonnes						
sugar beet	980	1 486	-34%	978	1 033	-5%
wheat	188	308	-39%	75	124	-40%
barley	115	80	44%	36	55	-35%
corn	80	74	7%	3	3	13%
sunflower	4	49	-92%	1	0	734%
soybean	34	50	-33%	3	5	-30%
other	34	6	464%	28	3	986%
Average sale price, RUB/kg excl. VAT						
sugar beet	2.2	1.9	20%	2.3	1.8	28%
wheat	8.2	6.5	27%	9.8	5.4	81%
barley	9.1	6.3	44%	13.1	6.1	115%
corn	9.5	8.6	11%	10.7	5.3	105%
sunflower	17.4	15.6	11%	14.0	9.6	45%
soybean	22.4	19.6	14%	31.1	20.5	52%
other	7.5	4.7	58%	6.7	0.2	0%

Table 2. Historical operating results by segment:

Item	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	9M 2017	9M 2018
Sugar Business									
Revenue, million RUB	7 410	7 192	6 392	9 393	5 213	5 458	6 950	20 993	17 621
Production volume, thousand tonnes	122	15	211	637	9	17	212	347	238
Sales volume, tonnes	196	193	193	316	166	161	235	584	562
Av. sugar price, rub/kg excl. VAT	33.4	34.4	31.4	25.9	27.9	31.0	28.2	33.1	28.9
Meat Business									
Revenue, million RUB	4 732	5 305	5 154	5 321	4 326	5 091	5 677	15 191	15 367
Sales volume, thousand tonnes									
livestock	21	14	11	12	7	7	5	46	19
processed pork	23	30	30	35	33	33	30	84	97
Average sale prices, rub/kg excl. VAT									
livestock	93.9	102.1	97.4	85.8	79.7	86.0	106.1	97.2	89.8
processed pork	120.1	130.7	135.9	124.9	116.5	136.3	160.9	128.3	139.3
Oil and Fats Business									
Revenue, million RUB	4 368	5 253	4 596	5 213	4 478	5 551	4 618	14 217	14 647
Sales volume, thousand tonnes									
mayonnaise	16	15	13	15	10	11	12	44	33
margarine	9	7	8	12	8	6	7	24	20
bottled oil	5	3	4	9	9	16	27	11	52
bulk oil	24	54	41	31	36	38	11	120	85
meal	69	67	46	70	65	67	41	183	174
Average sale prices, rub/kg excl. VAT									
mayonnaise	77.1	82.3	83.6	80.2	79.7	81.5	82.6	79.6	81.4
margarine	78.1	77.5	77.3	79.5	77.4	82.3	86.4	77.8	81.8
bottled oil	62.1	57.3	56.3	57.3	53.7	54.0	55.8	58.8	54.9
bulk oil	44.2	40.9	44.4	42.6	41.1	45.2	46.4	42.5	43.7
meal	16.2	16.5	15.6	15.4	15.6	20.6	19.2	16.2	18.4
Agriculture Business									
Revenue, million RUB	3 670	1 336	3 054	10 709	1 467	1 745	3 822	8 060	7 034

Item	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	9M 2017	9M 2018
Sales volume, thousand tonnes									
sugar beet	452	0	1033	2472	2	0	978	1486	980
wheat	168	16	124	402	39	74	75	308	188
barley	12	13	55	113	32	47	36	80	115
corn	38	33	3	30	42	34	3	74	80
sunflower	18	31	0	35	2	1	1	49	4
soybean	31	15	5	118	17	14	3	50	34
Average sale prices, rub/kg excl. VAT									
sugar beet	2.1	0.0	1.8	1.7	1.0	0.0	2.3	1.9	2.2
wheat	7.2	6.8	5.4	5.8	6.3	7.6	9.8	6.5	8.2
barley	7.1	6.6	6.1	6.1	6.5	7.8	13.1	6.3	9.1
corn	9.3	8.1	5.3	6.4	9.4	9.5	10.7	8.6	9.5
sunflower	16.7	15.1	-	19.1	18.3	18.8	14.0	15.6	17.4
soybean	19.9	18.9	20.5	20.1	20.2	23.0	31.1	19.6	22.4

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