

Spring is always  
around the corner...



**2020 IFRS RESULTS**

**19 MARCH 2021**

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## Overall Market

- The COVID-19 pandemic had limited impact on the industry.
- Global mineral fertiliser consumption continued to grow.

## Nitrogen Fertilisers

- Global prices recovered in H2 2020 due to strong demand, mainly in India, Brazil, and the United States, and were additionally supported by higher global prices for natural gas, which increased the cost of urea production in several countries.

## Phosphate Fertilisers

- Global prices recovered, driven by strong demand, decreased Chinese exports, changes in trade flows sparked by potential import duties in the United States, and higher production costs because of increased sulphur and ammonia prices.

## Potash Fertilisers

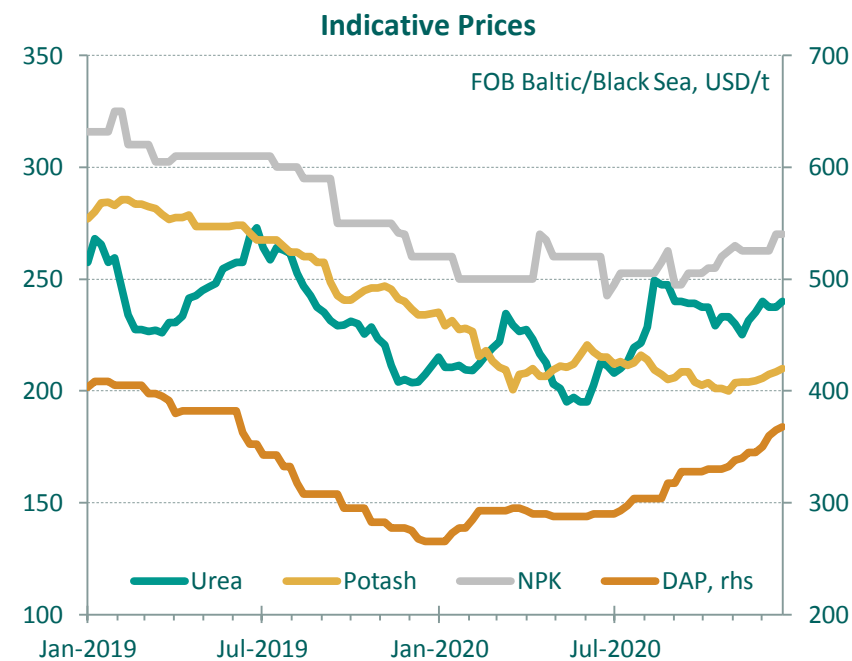
- Global prices stabilised between the counterbalancing forces of higher demand and increased output.

## Complex Fertilisers

- Global NPK prices started recovering by year-end due to higher nitrogen and phosphate fertiliser prices. The NPK premium over the basic product basket remained at approximately 20%.

Consumption, mn t	2019	2020	YoY
Nitrogen fertilisers, N	105.1	107.3	+2.0%
Phosphate fertilisers, P <sub>2</sub> O <sub>5</sub>	46.3	47.8	+3.2%
Potash fertilisers, K <sub>2</sub> O	35.8	36.4	+1.6%
<b>Total</b>	<b>187.2</b>	<b>191.4</b>	<b>+2.2%</b>

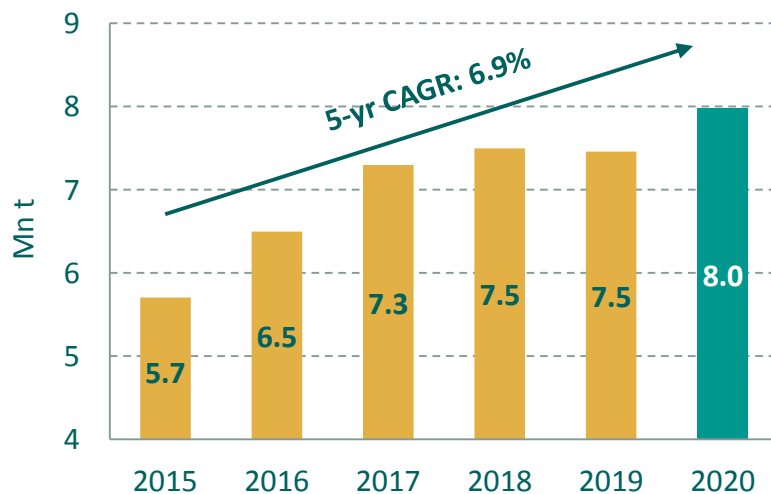
Source: IFA, November 2020



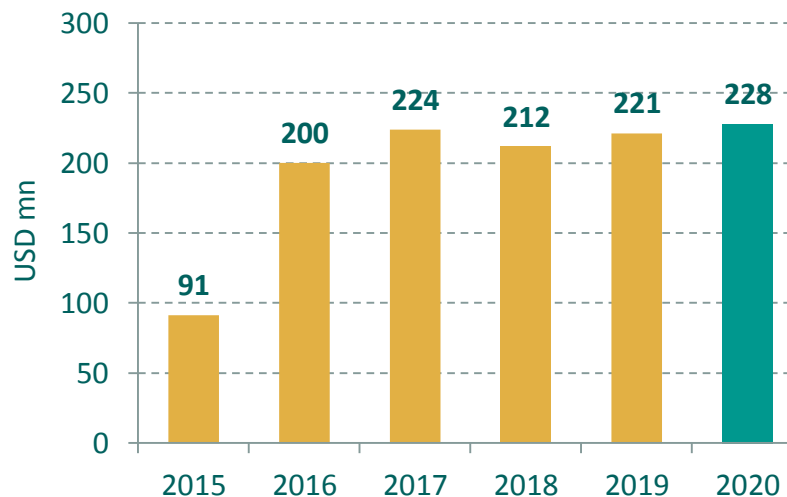
Source: Fertecon, Argus Media

- ✓ In 2020, Acron Group finalised three investment projects:
  - Construction of a 135,000-tpa nitric acid unit
  - Construction of a 700,000-tpa urea granulation unit
  - Upgrades to the Ammonia-4 unit to increase capacity by 90,000 tpa
- ✓ Product output was up 7% to a new record high of 8.0 mtpa.
- ✓ USD 228 mn in dividends paid in 2020.

### COMMERCIAL OUTPUT



### DIVIDENDS PAID IN CALENDAR YEAR





# KEY FINANCIALS

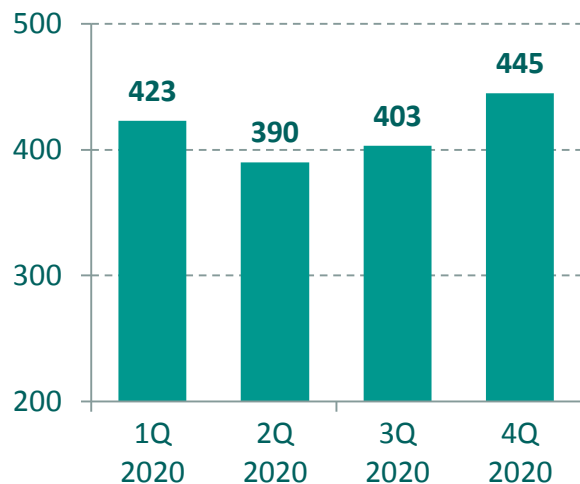
	RUB mn			USD mn		
	2020	2019	YoY	2020	2019	YoY
<b>Revenue</b>	119,864	114,835	+4%	1,661	1,774	-6%
<b>EBITDA</b>	35,311	35,749	-1%	489	552	-11%
<b>EBITDA margin</b>	29%	31%	-2 p.p.	29%	31%	-2 p.p.
<b>Net profit</b>	3,836	24,786	-85%	53	383	-86%
<b>Net profit margin</b>	3%	22%	-19 p.p.	3%	22%	-19 p.p.
<b>Total debt</b>	115,116	86,541	+33%	1,558	1,398	+11%
<b>Net debt</b>	99,579	75,185	+32%	1,348	1,215	+11%
<b>Net debt / EBITDA</b>	2.8	2.1	+0.7	2.8	2.2	+0.6
<b>Net cash flow from operating activities</b>	26,190	28,278	-7%	363	437	-17%
<b>CAPEX</b>	17,946	19,030	-6%	249	294	-15%
<b>Leveraged free cash flow</b>	8,244	9,248	-11%	114	143	-20%
<b>Dividend paid to shareholders</b>	16,448	14,313	+15%	228	221	+3%
<b>Sales volume (kt)</b>	7,807	7,569	+3%			

Note: The exchange rate was 73.8757 RUB/USD as of 31 December 2020 and 61.9057 RUB/USD as of 31 December 2019; the average annual exchange rate was 72.1464 RUB/USD in 2020 and 64.7361 RUB/USD in 2019.

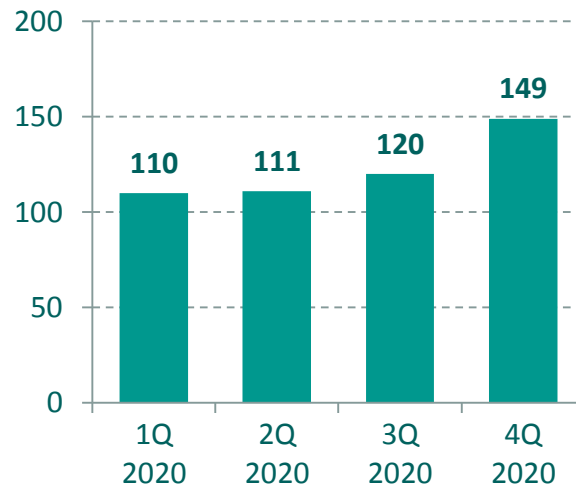


# QUARTERLY RESULTS

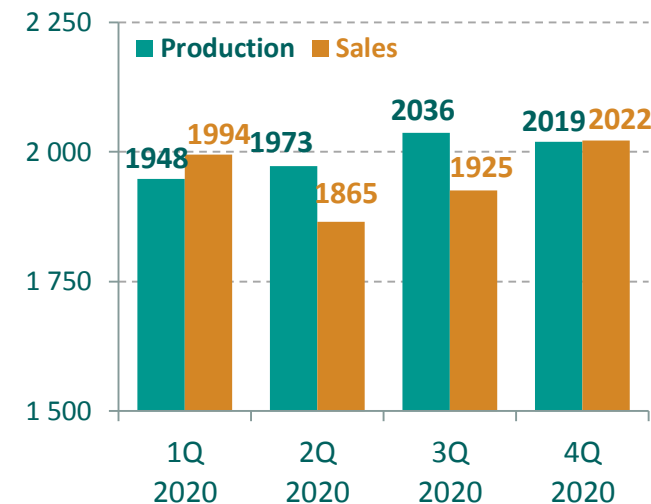
### REVENUE (USD mn)



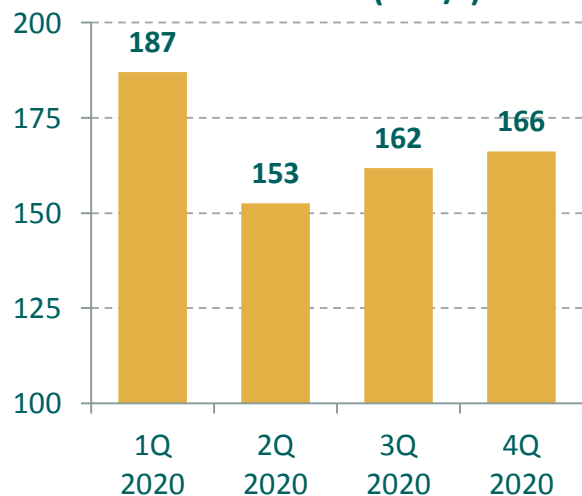
### EBITDA (USD mn)



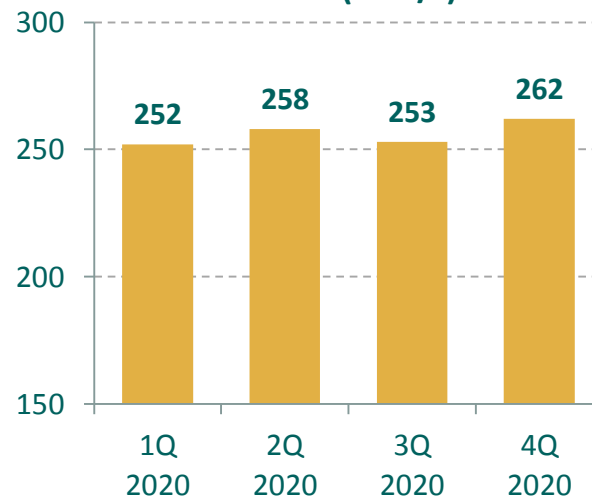
### PRODUCTION & SALES (kt)



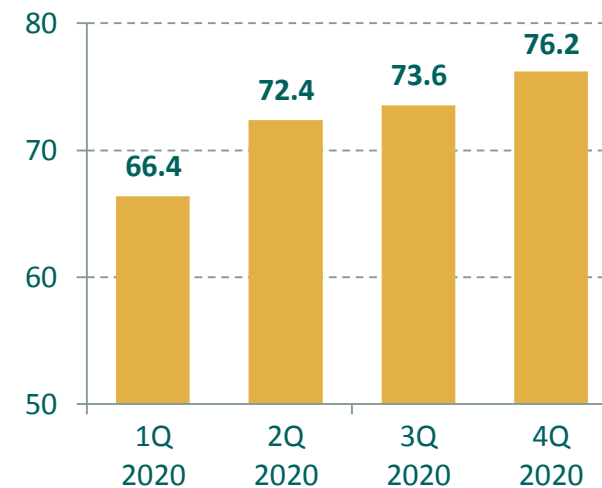
### INDICATIVE PRICES: AMMONIUM NITRATE FOB BALTICS (USD/t)



### INDICATIVE PRICES: NPK 16-16-16 FOB FSU (USD/t)

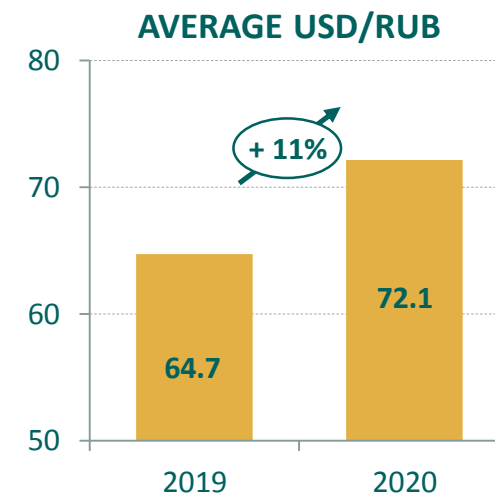
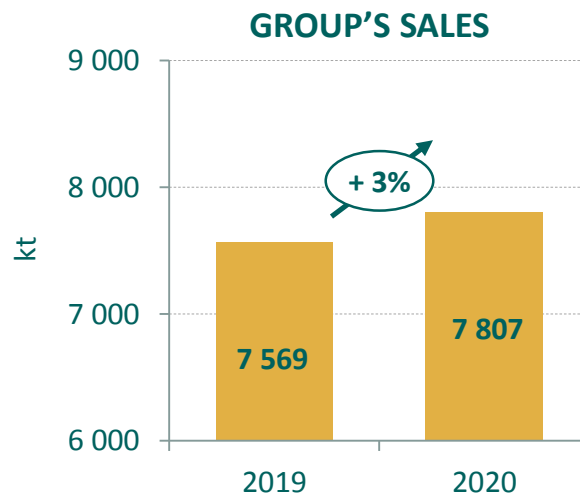
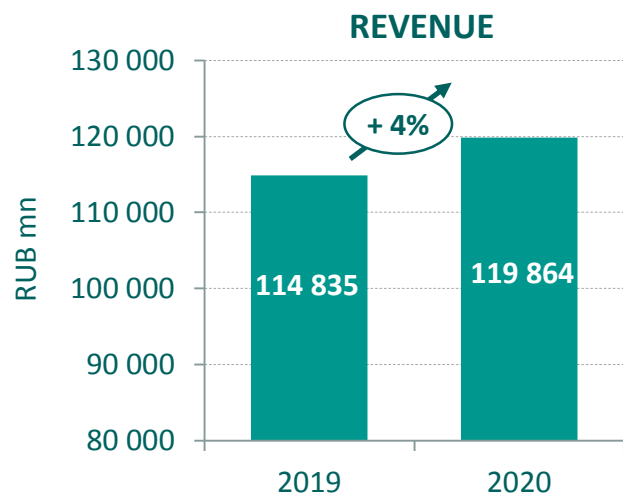


### RUB/USD DYNAMICS





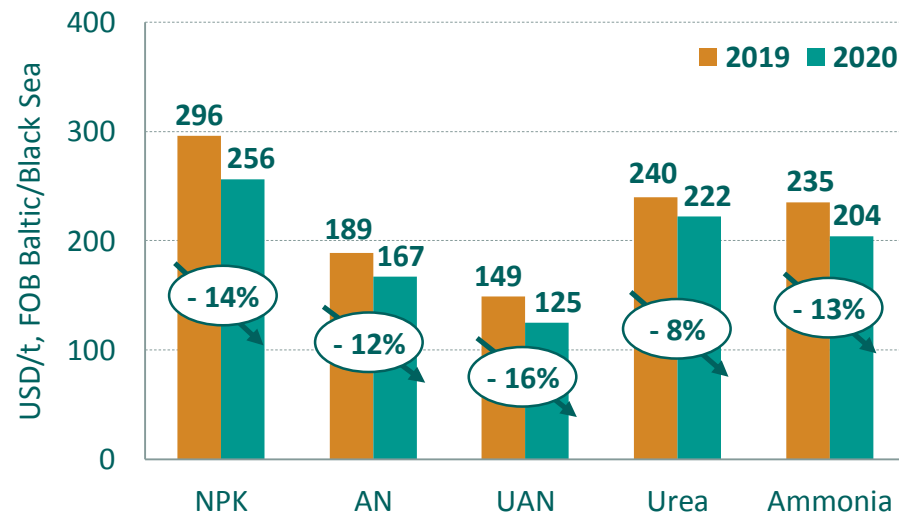
# REVENUE DYNAMICS



## OPERATING RESULTS

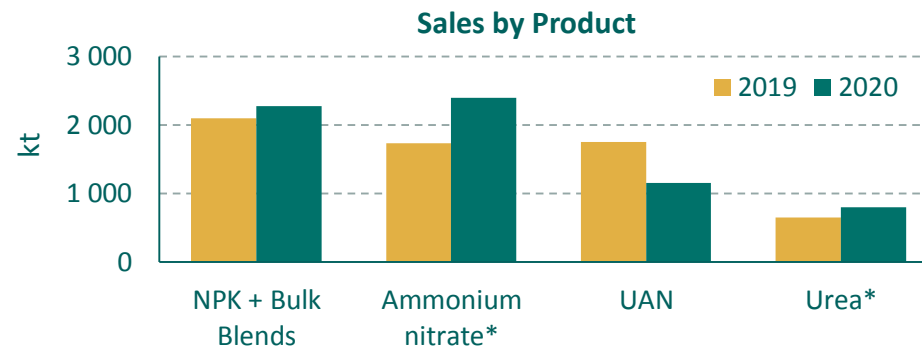
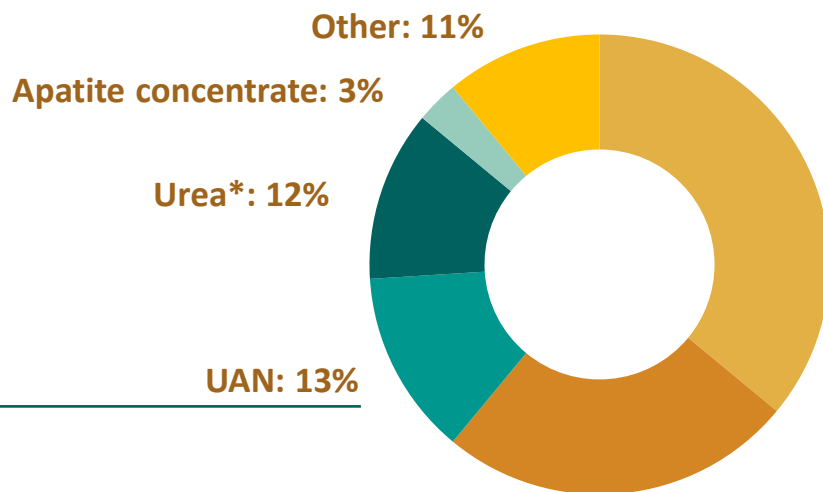
- **The Group's output** was up 7% to 8.0 mn t.
- **Acron:** Commercial output was down 1% due to scheduled repairs.
- **Dorogobuzh:** Commercial output increased 36% due to the completion of upgrades to the ammonia unit in 2019.
- **NWPC:** Apatite concentrate output was up 9% driven by the ongoing development of the underground mine.

## AVERAGE INDICATIVE PRICES

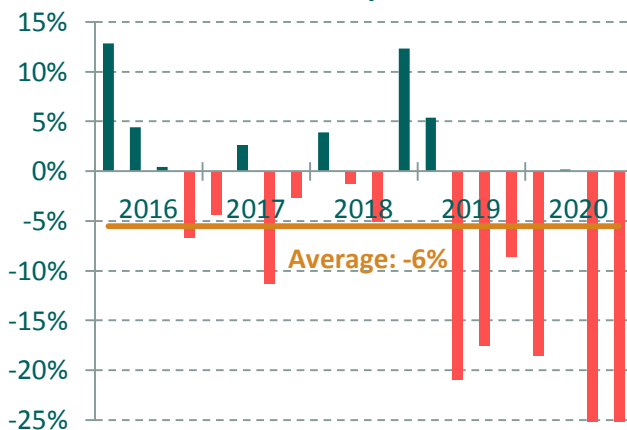




# REVENUE BREAKDOWN

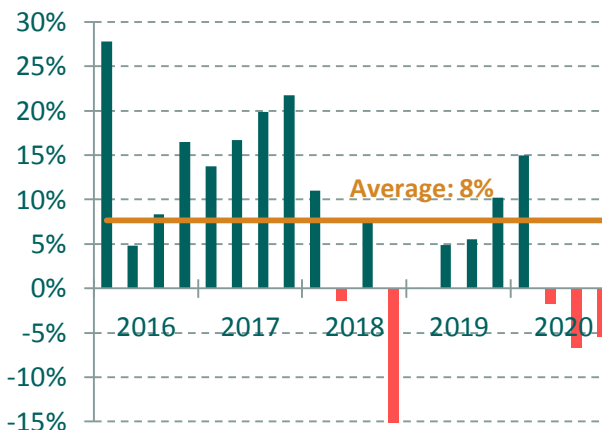


UAN premium/discount to Urea by nutrient



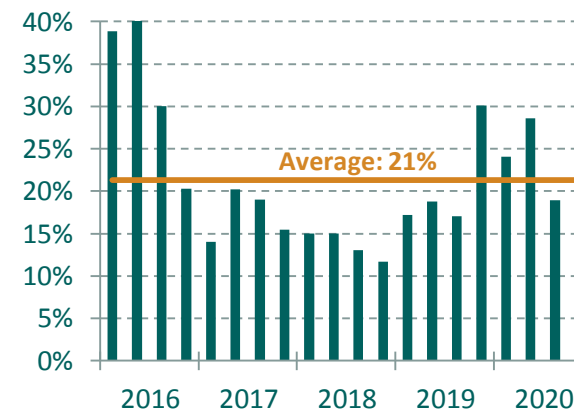
Ammonium nitrate\*: 25%

AN premium/discount to Urea by nutrient



NPK + Bulk Blends: 36%

NPK premium over the basket\*\*



\* Including agricultural and industrial products

\*\* Calculated using urea, DAP and potash

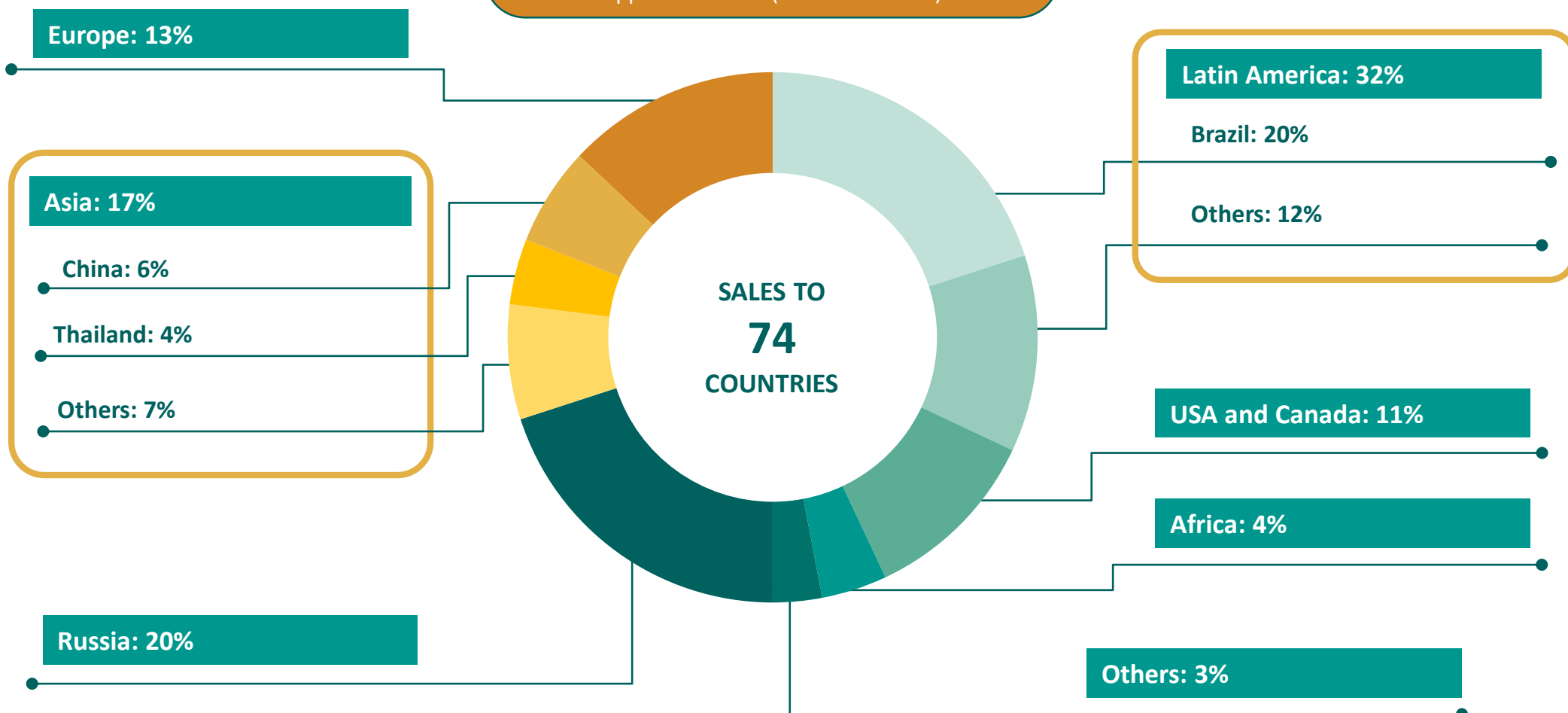




# SALES MARKETS: LEADERSHIP AND DIVERSIFICATION

## Acron Group in 2020

- #1 AN exporter to Brazil (65% of AN imports)
- #2 NPK exporter to Brazil (31% of NPK imports)
- #2 UAN exporter to US (27% of UAN imports)
- #2 NPK exporter to China (23% of NPK imports)
- #2 NPK supplier to Russia (19% of NPK sales)
- #2 AN supplier to Russia (18% of AN sales)

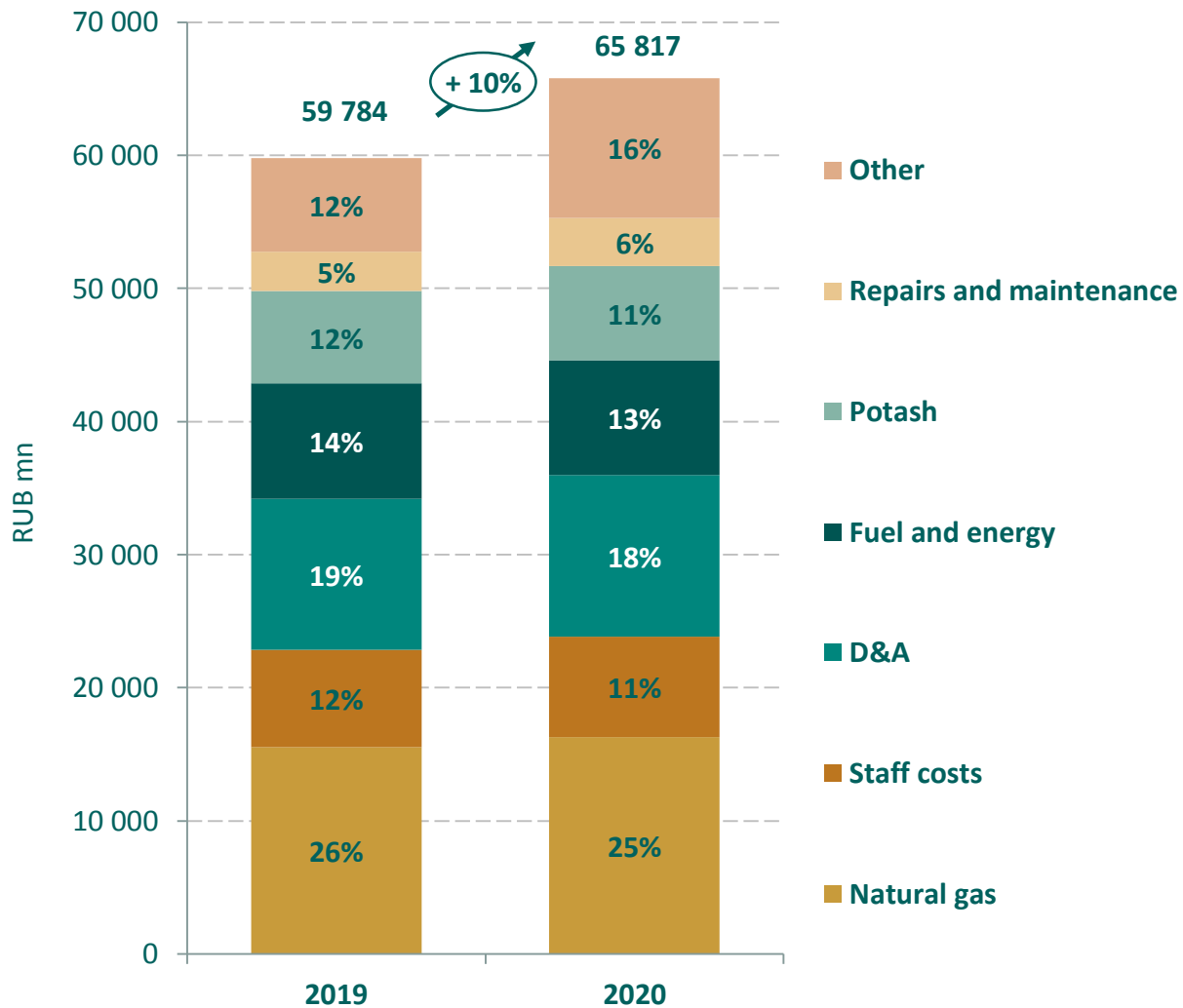


Note: sales in monetary terms



# COST SIDE

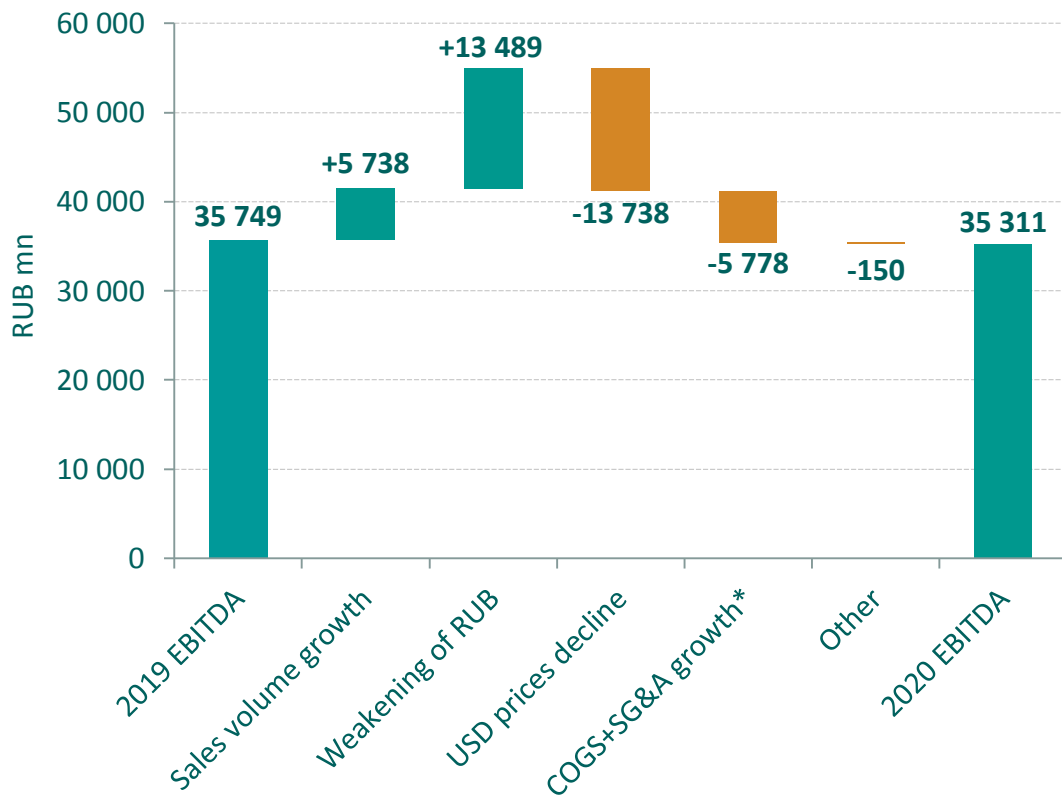
## COGS BREAKDOWN



### COMMENTS

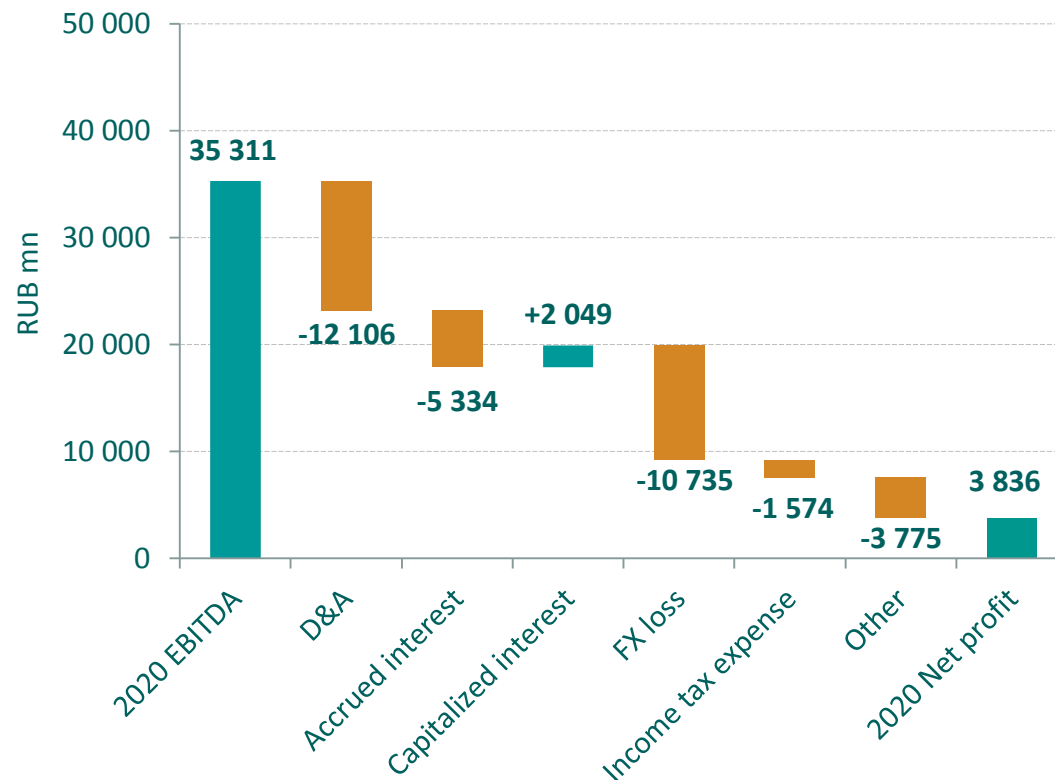
- COGS was up 10%. The increase in sales volume, higher D&A, and repairs and maintenance expenses were the main drivers behind this growth.

### EBITDA BRIDGE



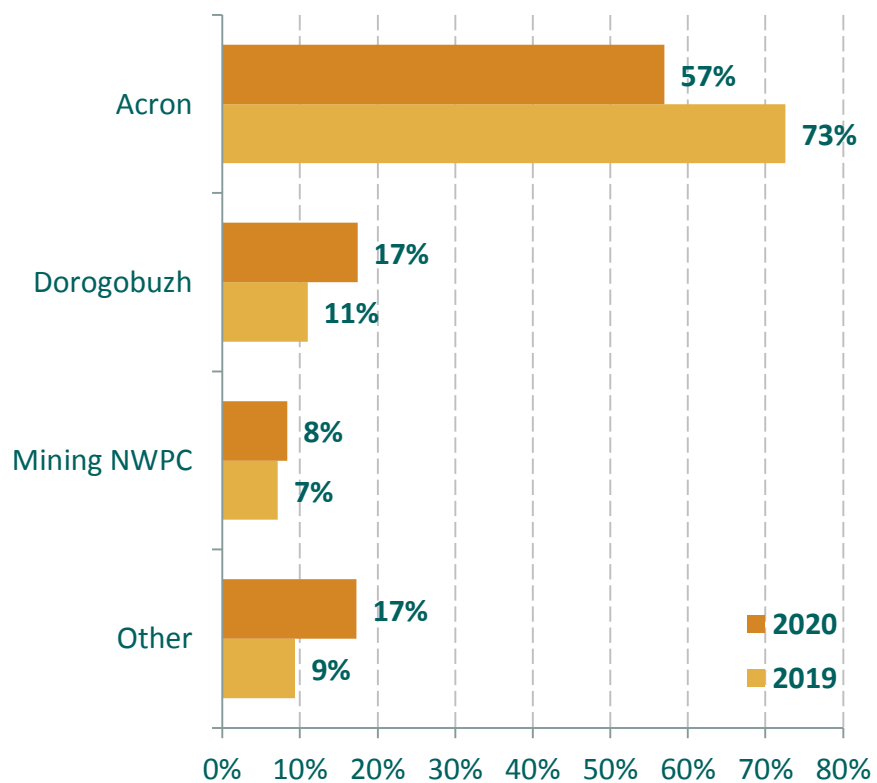
\* Excl. D&A

### EBITDA & NET PROFIT

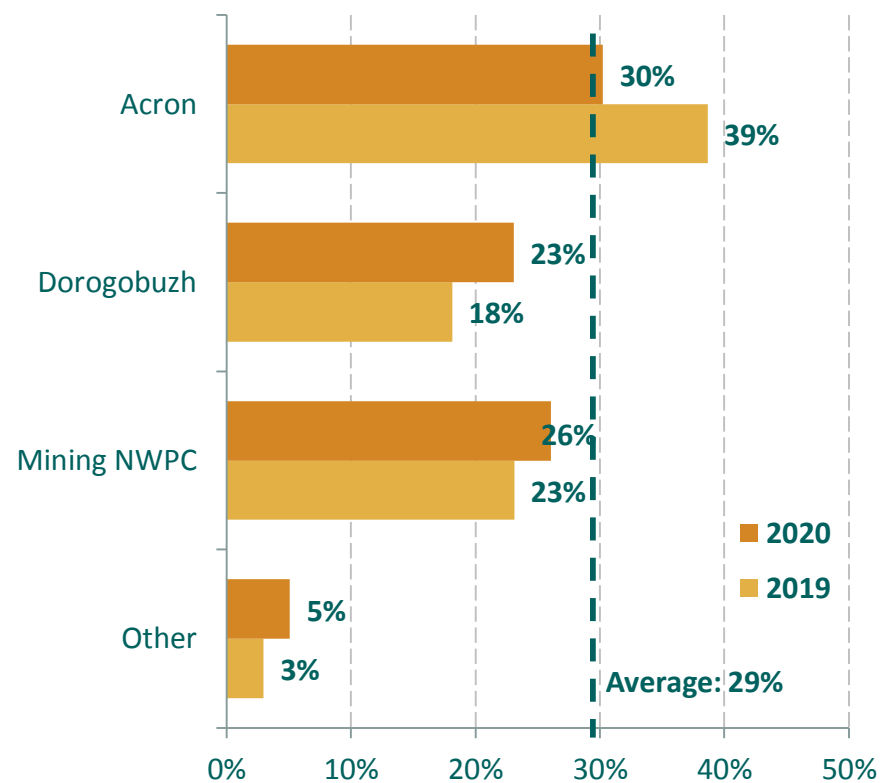


EBITDA was supported by an increase in sales volume and a weaker rouble; however, this effect was offset by the decrease in USD-denominated mineral fertiliser prices.

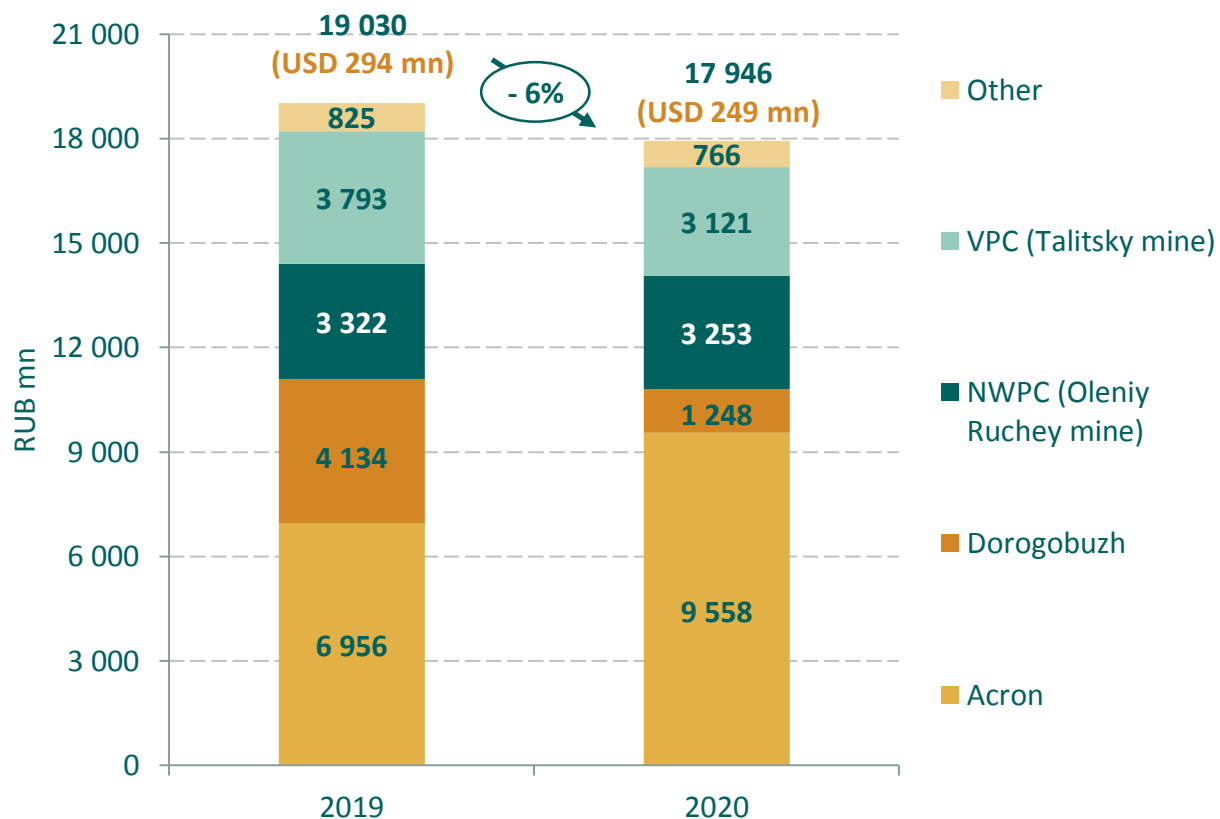
### CONTRIBUTION TO THE GROUP'S EBITDA



### EBITDA MARGIN



### CAPEX BREAKDOWN



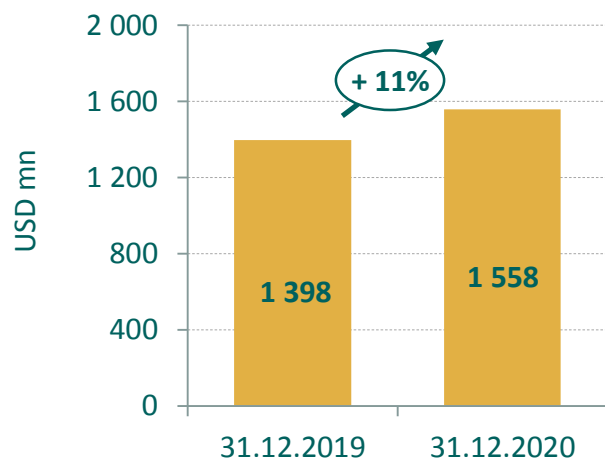
### COMMENTS

- CAPEX was down 6%. USD-denominated CAPEX decreased 15% to USD 249 mn.
- Acron's increase in CAPEX was due to implementation of investment projects.
- CAPEX at Dorogobuzh dropped from the 2019 high, when large-scale upgrades to the ammonia unit were completed.
- Scheduled CAPEX for 2021 is approximately USD 210 mn.

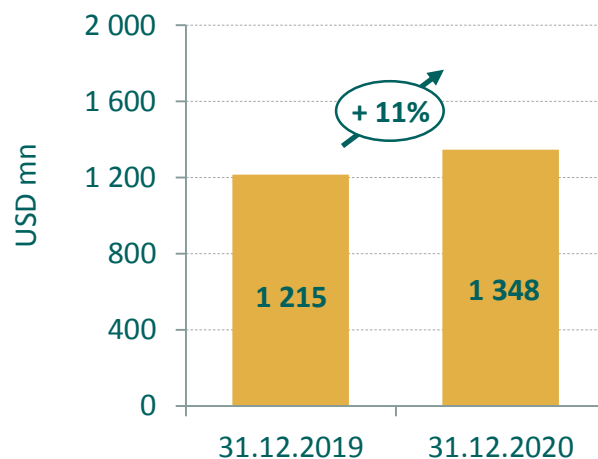


# DEBT POSITION

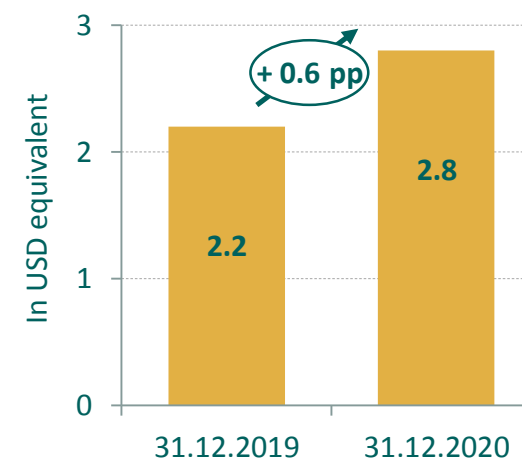
### TOTAL DEBT



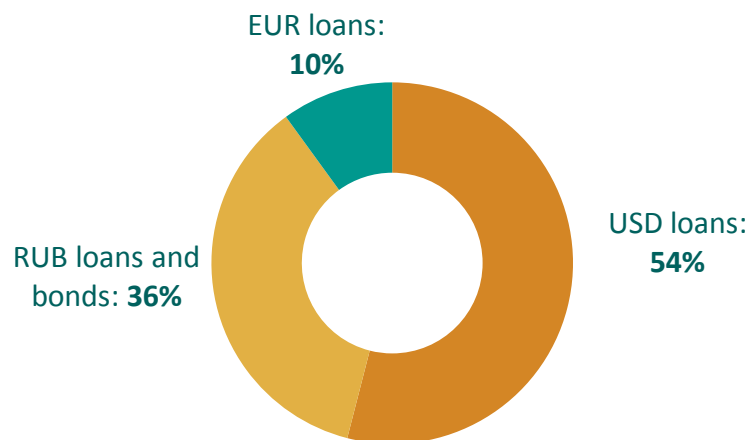
### NET DEBT



### NET DEBT/EBITDA



### DEBT CURRENCY STRUCTURE



### AS OF 31 DECEMBER 2020

- Net Debt/EBITDA in dollar equivalent: **2.8**, up from **2.2** as of 31 December 2019
- Debt portfolio duration: **1.7** years
- Weighted average interest rate: **3.9%**, down from **4.9%** as of 31 December 2019
- Credit ratings: Moody's Ba3/Stable, Fitch BB-/Stable



# 2021: MARKET

## Overall Market

- Global consumption of mineral fertilisers continues to grow.
- Record-high cereal crop prices at the beginning of the year encourage higher demand for fertilisers.

## Nitrogen Fertilisers

- High seasonal demand in Europe and the United States, the limited supply of Chinese urea, and the increase in global gas prices contributed to explosive price growth at the beginning of the year. Urea purchases by India and the start of the high season in Brazil will further support the market. However, the end of the agricultural season in Europe and the United States and the expansion of Chinese exports may cause an excess supply on the market.

## Phosphate Fertilisers

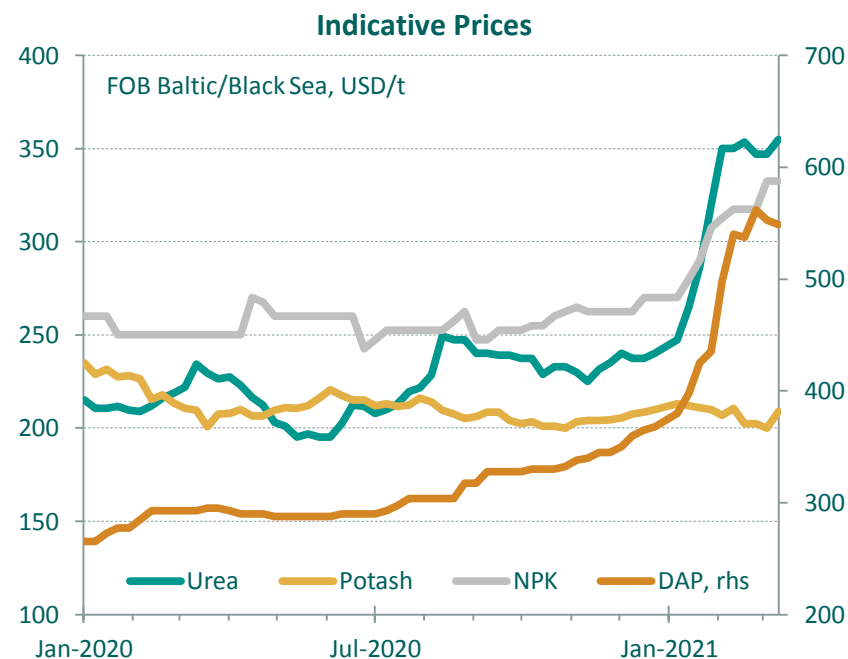
- Higher sulphur and ammonia prices, limited supply from China, and the introduction of the import duties in the United States all encouraged an upsurge in prices at the beginning of the year, while rising Chinese exports may cause excess supply on the market.

## Potash Fertilisers

- At the beginning of the year, prices in Brazil rose due to strong demand.
- There is still excess capacity, but it is controlled by a small number of major producers.

Consumption, mn t	2020	2021F	YoY
Nitrogen fertilisers, N	107.3	109.1	+1.7%
Phosphate fertilisers, P <sub>2</sub> O <sub>5</sub>	47.8	48.8	+2.1%
Potash fertilisers, K <sub>2</sub> O	36.4	36.9	+1.6%
<b>Total</b>	<b>191.4</b>	<b>194.8</b>	<b>+1.8%</b>

Source: IFA, November 2020



Source: Fertecon, Argus Media

- ✓ Acron Group continues to pursue its investment programme.

Projects at the active stage	Timeline, years	Output increase, ktpa	Capex, USD mn	Site
Increase of Urea-6 unit capacity	2019 – 2Q 2021	+520	81	Acron
Construction of CN unit	2020 – 2022	+100	22	Acron
Increase of Ammonia-3 unit capacity	2020 – 2023	+200	95	Acron
Construction of nitric acid unit and increase of AN units capacity	2020 – end 2021	AN: +180	23	Dorogobuzh

- ✓ The target to distribute at least USD 200 mn as dividends per calendar year remains unchanged; however, in 2021, to reduce the debt burden, the Board of Directors is expected to issue recommendations regarding allocation of a larger portion of the amount towards year-end.



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