



**4Q & FY 2020 Operating Results:
PhosAgro Reports Record Production of More Than 10 Million Tonnes**

Moscow – PhosAgro (the “Company”, Moscow Exchange, LSE: PHOR), one of the world’s leading vertically integrated phosphate-based fertilizer producers, reports that its commercial product output increased by 5% year-on-year to 10.2 million tonnes in FY 2020.

4Q and FY 2020 highlights:

Production of phosphate rock and nepheline concentrates increased by 0.1% year-on-year to 11.7 million tonnes in FY 2020. In 4Q 2020, production decreased by 3.6% year-on-year to 2.8 million tonnes.

Total fertilizer production increased by 5% year-on-year in FY 2020, reaching 10.0 million tonnes. This growth was due to the construction of new production facilities and ongoing upgrades to existing facilities, as well as an increase in production efficiency during the year. Fertilizer production in 4Q 2020 amounted to 2.4 million tonnes, an increase of 4.1% year-on-year.

Fertilizer sales increased by 5.3% year-on-year in FY 2020 to almost 10.0 million tonnes. This growth was driven by an increase in production volumes and higher demand in the Company’s priority sales markets. Fertilizer sales exceeded 2.0 million tonnes in 4Q 2020, a decrease of 10.1% year-on-year due to the large volume of carry-over supplies at the end of December 2020 and with Company's decision to wait for further potential fertilizer price increases.

The priority domestic market accounted for a significant 29% of fertilizer sales in FY 2020, nearly unchanged year-on-year.

PhosAgro production and sales volumes

Production volumes by category						
(kt)	FY 2020	FY 2019	Chng, %	4Q 2020	4Q 2019	Chng, %
Phosphate-based & MCP	7,577.9	7,256.8	4.4%	1,829.7	1,767.8	3.5%
Nitrogen-based fertilizers	2,402.3	2,251.8	6.7%	613.4	578.7	6.1%
TOTAL fertilizers	9,980.2	9,508.6	5.0%	2,443.0	2,346.5	4.1%
Other products	184.1	173.2	6.3%	42.7	43.5	-1.8%
TOTAL fertilizers and other products	10,164.3	9,681.7	5.0%	2,485.7	2,390.0	4.0%
Phosphate rock and nepheline concentrate	11,700.9	11,694.7	0.1%	2,792.9	2,897.0	-3.6%
Sales volumes by category						
(kt)	FY 2020	FY 2019	Chng, %	4Q 2020	4Q 2019	Chng, %
Phosphate-based & MCP	7,668.9	7,255.0	5.7%	1,545.3	1,738.4	-11.1%
Nitrogen-based fertilizers	2,285.7	2,197.3	4.0%	499.5	537.1	-7.0%
TOTAL fertilizers	9,954.6	9,452.3	5.3%	2,044.8	2,275.5	-10.1%
Other products	183.7	185.6	-1.0%	44.2	48.2	-8.3%
TOTAL fertilizers and other products	10,138.3	9,637.9	5.2%	2,089.0	2,323.7	-10.1%
Phosphate rock and nepheline concentrate	4,310.8	4,446.2	-3.0%	1,029.9	1,152.9	-10.7%

PhosAgro Board of Directors Chairman Xavier Rolet said:

“The entire world faced a challenging year in 2020. PhosAgro took on this global challenge by prioritising the safety and health of all its employees, their families and residents of all the locations where we operate. The success we achieved is a testament to the dedication and commitment of our executive team led by CEO Andrey Guryev and all our employees who worked so selflessly to contain the spread of the virus. Thanks to their tireless efforts, PhosAgro delivered on its objectives and achieved record production figures, exceeding the annual output level of 10 million tons of commercial product for the first time in its history.”

PhosAgro CEO Andrey Guryev said:

“First, I would like to say a few words about the Company’s achievements in an area that is very important for us – ESG. In recent years, we focused on the Company’s organic growth and sustainable development. And last year, our achievements in this area were recognised in the form of upgraded ratings on the part of Sustainalytics and MSCI ESG. In 2020, PhosAgro also published a climate report for the second time, and based on the report, the Company’s CDP rating was raised at the end of the year from C to B-.

“This achievement was the result of ongoing work on implementation of the Company’s climate strategy, which includes developing and analysing climate scenarios, assessing climate risks, setting science-based goals to reduce greenhouse gas emissions and developing a low-carbon transition plan.

“PhosAgro’s updated rating is one of the highest that CDP has assigned to Russia’s largest companies.

“Regarding the Company’s operating results, I would like to note that we experienced favourable market conditions during the year. Excellent demand and the affordability of fertilizers, on the one hand, and restrictions on the production of phosphate-based fertilizers in global markets, on the other, enabled us to increase sales of these products by more than 5% year-on-year. All the investments in the development of production facilities that the Company had systematically made in previous years were instrumental in this. Increased production of fertilizers and an improvement in our brand structure in favour of high-margin complex fertilizers enabled us to strengthen our position in the Russian market and increase sales to Russian farmers by almost 10%.

“In terms of the global market, the price of phosphate-based fertilizers increased during the fourth quarter on the back of residual seasonal demand (in India, Pakistan and Brazil), and because fertilizers were as affordable as they have ever been, a situation made possible by rising global prices for major agricultural products. At the moment, we see that prices are continuing to rise in January this year.”

Production volumes by type:

Production volumes by category						
(kt)	FY 2020	FY 2019	Chng, %	4Q 2020	4Q 2019	Chng, %
Phosphate rock	10,541.4	10,506.6	0.3%	2,504.1	2,606.9	-3.9%
Nepheline concentrate	1,159.4	1,188.1	-2.4%	288.9	290.1	-0.4%
TOTAL	11,700.9	11,694.7	0.1%	2,792.9	2,897.0	-3.6%
Phosphate-based fertilizers						
DAP/MAP	3,164.4	3,186.7	-0.7%	775.9	757.9	2.4%
NPK	2,840.3	2,771.6	2.5%	717.0	673.9	6.4%
NPS	928.9	644.3	44.2%	182.7	155.3	17.7%
APP	205.8	193.4	6.4%	48.8	59.9	-18.6%
MCP	392.1	367.7	6.6%	102.9	99.3	3.7%
PKS	46.4	93.0	-50.1%	2.4	21.5	-88.6%
TOTAL	7,577.9	7,256.8	4.4%	1,829.7	1,767.8	3.5%
Nitrogen-based fertilizers						
AN	691.5	566.4	22.1%	185.8	165.8	12.1%
Urea	1,679.1	1,684.1	-0.3%	415.6	412.8	0.7%
Ammonium sulphate	31.7	1.2	2520.8%	11.9	0.2	6,630.3%

TOTAL	2,402.3	2,251.8	6.7%	613.4	578.7	6.0%
TOTAL fertilizers	9,980.2	9,508.6	5.0%	2,443.0	2,346.5	4.1%
Other products						
STPP	95.0	98.9	-3.9%	20.3	25.6	-20.7%
Other	89.0	74.2	19.9%	22.4	17.9	25.4%
TOTAL other products	184.1	173.2	6.3%	42.7	43.5	-1.8%
Feedstocks						
Ammonia	1,970.3	1,930.1	2.1%	460.8	460.1	0.1%
Phosphoric acid	2,716.8	2,684.0	1.2%	643.3	643.0	0.1%
Sulphuric acid	6,815.6	6,123.0	11.3%	1,678.8	1,512.2	11.0%
Ammonium sulphate	293.9	13.5	2,071.0%	79.4	13.5	486.4%
TOTAL feedstocks	11,796.6	10,750.6	9.7%	2,862.3	2,628.9	8.9%

In FY 2020, production in the phosphate segment rose by 4.4% year-on-year due to increased capacities at existing production lines for phosphoric acid and phosphate-based fertilizers. This was the result of technological and operational improvements in phosphoric acid production and the completion of overhauls at fertilizer production facilities at the end of 2019.

Output in the nitrogen segment in FY 2020 increased by 6.7% year-on-year thanks to the launch of commercial ammonium sulphate production and a 22.1% increase in AN production to 691.5 thousand tonnes. This increase was made possible when a new production unit for nitric acid (the main raw material for AN production) was brought online and began operating at full capacity, as well as the timely completion of maintenance work on existing nitric acid units and upgrades to AN capacities.

Sulphuric acid production increased by 11.3% year-on-year in FY 2020 to 6.8 million tonnes. This considerable increase in production was associated with the launch of a new sulphuric acid production unit in Cherepovets in the middle of 1Q 2020. The new production unit also had an impact on year-on-year production growth in 4Q 2020. With an annual nameplate capacity of 1,100 thousand tonnes, the new production line will increase the Company's self-sufficiency in sulphuric acid.

As part of its strategy to 2025, PhosAgro's synthetic ammonium sulphate production unit in Cherepovets was ramped up to full capacity (up to 300 thousand tonnes per year) at the beginning of the year; the production increase will reduce the volume of ammonium sulphate purchases from external suppliers by more than half. Ammonium sulphate is used as a feedstock for the production of sulphate grades of NPK(S) fertilizers and reduces the cost of their production in comparison with purchased ammonium sulphate.

Sales volumes by type:

Sales volumes by category						
(kt)	FY 2020	FY 2019	Chng, %	4Q 2020	4Q 2019	Chng, %
Phosphate rock	3,151.8	3,256.4	-3.2%	742.2	857.9	-13.5%
Nepheline concentrate	1,159.0	1,189.8	-2.6%	287.7	295.0	-2.5%
TOTAL	4,310.8	4,446.2	-3.0%	1,029.9	1,152.9	-10.7%
Phosphate-based fertilizers						
DAP/MAP	3,203.4	3,204.6	0.0%	535.5	694.8	-22.9%
NPK	2,924.6	2,775.7	5.4%	680.7	670.2	1.6%
NPS	912.2	616.0	48.1%	192.7	177.6	8.5%
APP	200.3	198.4	1.0%	52.2	64.9	-19.6%
MCP	378.6	377.4	0.3%	83.9	122.9	-31.7%
PKS	49.8	82.9	-39.9%	0.3	8.1	-96.3%
TOTAL	7,668.9	7,255.0	5.7%	1,545.3	1,738.4	-11.1%
Nitrogen-based fertilizers						
AN	618.6	506.4	22.2%	150.8	115.0	31.1%
Urea	1,649.0	1,690.9	-2.5%	341.0	422.0	-19.2%
Ammonium sulphate	18.1	0.0	n/a	7.7	0.0	n/a

TOTAL	2,285.7	2,197.3	4.0%	499.5	537.1	-7.0%
TOTAL fertilizers	9,954.6	9,452.3	5.3%	2,044.8	2,275.5	-10.1%
Other products						
STPP	93.3	103.5	-9.9%	22.4	25.9	-13.5%
Other	90.4	82.2	10.0%	21.8	22.4	-2.7%
TOTAL feedstocks	183.7	185.6	-1.0%	44.2	48.2	-8.3%

In FY 2020, sales of PhosAgro's phosphate-based fertilizers increased by 5.7% year-on-year to 7.7 million tonnes. The brisk growth in sales was supported by a favourable pricing environment and by the affordability of fertilizers for end users due to the increase in prices for the main agricultural crops. Other supporting factors included higher demand for NPK(S) fertilizers from India, where production was suspended in spring due to coronavirus restrictions.

In 4Q 2020, sales of PhosAgro's phosphate-based fertilizers decreased by 11.1% year-on-year to 1.5 million tonnes. This drop was mainly due to the high volume of carryover shipments at the end of 2020 and the Company's cautious approach amid strong price growth. In 4Q 2020, the Company also reduced supplies of DAP/MAP fertilizers to North America (in connection with a review of the petition Mosaic filed against suppliers of phosphate-based fertilizers from Morocco and Russia) and Europe (where price growth was lagging).

In FY 2020, sales of PhosAgro's nitrogen-based fertilizers increased by 4.0% year-on-year to 2.3 million tonnes. AN saw the biggest increase in sales (up 22.2% to 618.6 thousand tonnes), amid increased production of this type of fertilizer and the large size of Russia's agricultural sector.

Sales volumes by key markets:

Sales volumes by region						
Phosphate-based fertilizers						
<i>(kt)</i>	FY 2020	FY 2019	Chng, %	4Q 2020	4Q 2019	Chng, %
Russia	2,357.2	2,194.7	7.4%	328.7	268.1	22.6%
Europe	2,037.0	2,098.7	-2.9%	479.4	580.2	-17.4%
Latin America	1,142.6	1,033.8	10.5%	403.4	409.6	-1.5%
India	924.9	566.7	63.2%	121.3	101.3	19.7%
Africa	440.0	259.9	69.3%	110.2	109.6	0.5%
North America	316.5	592.4	-46.6%	25.2	165.9	-84.8%
CIS	302.7	367.5	-17.6%	55.7	53.9	3.3%
Other	148.0	141.2	4.8%	21.4	49.8	-57.0%
Total	7,668.9	7,254.9	5.7%	1,545.3	1,738.4	-11.1%
Nitrogen-based fertilizers						
Russia	546.1	492.4	10.9%	120.0	121.1	-0.9%
Europe	461.4	535.3	-13.8%	92.0	122.9	-25.1%
Latin America	871.5	710.5	22.7%	206.0	163.1	26.3%
North America	256.6	289.5	-11.4%	67.1	89.2	-24.8%
CIS	11.9	13.4	-11.2%	0.3	0.0	n/a
Other	138.2	156.3	-11.6%	14.1	40.8	-65.4%
Total	2,285.7	2,197.4	4.0%	499.5	537.1	-7.0%

In FY 2020, domestic sales of PhosAgro's fertilizers increased by 8.0% year-on-year exceeding 2.9 million tonnes. This expansion was the result of increased supplies to Russian farmers amid growth in the country's agriculture sector as a whole.

In 4Q 2020, supplies of fertilizers to the Russian market increased by 15.3% year-on-year to 448.7 thousand tonnes.

Export sales of all types of fertilizers in FY 2020 increased by 4.2% to 7.1 million tonnes. This increase was largely due to the Company's robust sales system and the high quality and eco-efficiency of its fertilizers. Sales also got a boost from favourable weather conditions, the affordability of fertilizers for end users and the temporary halt in fertilizer production in India and China in spring due to the introduction of restrictive measures in connection with the coronavirus pandemic. All these factors enabled PhosAgro to increase sales in its main markets of Latin America, India and Africa.

Sales of phosphate-based fertilizers in the North America in FY 2020 amounted to about 316.5 thousand tonnes, a decrease of nearly 50% year-on-year. The drop was due to both an unfavourable price environment in the US market at the beginning of the year and the petition Mosaic filed against suppliers of phosphate-based fertilizers to the USA from Morocco and Russia. The flexibility of the Company's distribution network made it possible to ship these fertilizers, without loss, to other markets, including Canada and India.

Market highlights

Phosphate-based fertilizers

The phosphate-based fertilizer markets remained stable thanks, in part, to residual seasonal demand in India, Pakistan and Brazil, as well as the continued limited export supply from China, where supplies were directed towards the domestic market. The increase in global prices for the main types of agricultural products ensured that fertilizers remained as affordable as they have ever been in nearly every market for phosphate-based fertilizers. This factor ultimately neutralised the traditional off-season effect and helped support demand and higher prices for fertilizers towards the end of the year.

Urea/nitrogen fertilizers:

The global urea market was shaped by a series of large tenders in India, which, combined with growth in seasonal demand in Latin America and Southeast Asia, helped stabilise the balance of supply and demand in the market as a whole.

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About us

PhosAgro (www.phosagro.ru) is one of the world's leading vertically integrated phosphate-based fertilizer producers in terms of production volumes of phosphate-based fertilizers and high-grade phosphate rock with a P₂O₅ content of 39% and higher. PhosAgro's environmentally friendly fertilizers stand out for their high efficiency, and they do not lead to the contamination of soils with heavy metals.

The Company is the largest phosphate-based fertilizer producer in Europe (by total combined capacity for DAP/MAP/NP/NPK/NPS), the largest producer of high-grade phosphate rock with a P₂O₅ content of 39%, a top-three producer of MAP/DAP globally, one of the leading producers of feed phosphates (MCP) in Europe, and the only producer in Russia, and Russia's only producer of nepheline concentrate (according to the RAFP).

PhosAgro's main products include phosphate rock, more than 50 grades of fertilizers, feed phosphates, ammonia, and sodium tripolyphosphate, which are used by customers in over 100 countries spanning all of the world's inhabited continents. The Company's priority markets outside of Russia and the CIS are Latin America, Europe and Asia.

PhosAgro's shares are traded on the Moscow Exchange, and global depositary receipts (GDRs) for shares trade on the London Stock Exchange (under the ticker PHOR). Since 1 June 2016, the Company's GDRs have been included in the MSCI Russia and MSCI Emerging Markets indexes. More information about PhosAgro can be found on the website: www.phosagro.ru.