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NCSP Group's cargo turnover for January-July 2018 totaled 82,351 thousand tons

21 September 2018

NCSP Group (LSE: NCSP, MOEX: NMTP) hereby reports that NCSP Group's consolidated cargo turnover for January-July 2018 decreased by 3.3% compared to the same period last year, and amounted to 82,351 thousand tons.

Main drivers

- Growth trends in transshipment of oil products and grain remained positive (+10.3% and +40.0%, respectively).
- Cargo turnover of ferrous metals and cast iron increased (+6.3%) due to the increase in deliveries to Europe and Southeast Asia.
- Transshipment of crude oil decreased by 16.2% due to redistribution of oil exports from Western to Eastern direction, as well as due to increased loading of Russian refineries.

Liquid cargo

In January-July 2018, transshipment of liquid cargo at NCSP Group's terminals decreased by 8.3% or 5,325 thousand tons and amounted to 59,218 thousand tons, including 37,806 thousand tons of crude oil, 20,721 thousand tons of oil products, 461 thousand tons of UAN, and 230 thousand tons of seed oils.

Transshipment of crude oil decreased by 16.2% or 7,298 thousand tons, including in Novorossiysk (decrease by 13.4%) and Primorsk (decrease by 18.0%). At the same time, transshipment of oil products increased by 10.3% or 1,942 thousand tons, which is 9.1 p.p. higher than the industry growth rate (according to Association of Commercial Sea Ports (ASOP)).

Transshipment of liquid fertilizers (UAN) increased by 20.5%, transshipment of seed oils, on the contrary, decreased by 17.2% compared to the same period in 2017.

Bulk cargo

In January-July 2018, transshipment of bulk cargo at NCSP Group's terminals increased by 16.8% or 1,449 thousand tons compared to the same period last year and reached 10,100 thousand tons.

Bulk cargo turnover increased mainly due to the growth of grain transshipment volumes against the background of high yield in the last grain season (2017/2018) and record exports in the first month of the new season (2018/2019), which was facilitated by the excitement in the grain market caused by the news about the drought in the agricultural regions of Europe and Australia.

Transshipment of grain increased by 40.0% or 2,062 thousand tons to 7,224 thousand tons. The volume of iron ore raw materials transshipment remained almost at the last year level and amounted to 1,477 thousand tons. Transshipment of coal decreased by 25.3% or 317 thousand tons to 936 thousand tons due to lower purchasing power of consumers in Turkey amid ongoing devaluation of Turkish lira.

Transshipment of mineral fertilizers and raw sugar amounted to 340 and 122 thousand tons, respectively.

Despite the growth of transshipment volumes, the share of NCSP Group in grain turnover of Russian ports increased, which is caused by a significant increase in exports of grain through small ports of the Azov Sea (increase 1.8 times according to ASOP).

General cargo

In January-July 2018, transshipment of general cargo at NCSP Group's terminals increased by 4.5% or 375 thousand tons and amounted to 8,626 thousand tons.

Increase in general cargo transshipment was primarily due to the growth in cast iron transshipment related to active sales to EU countries and the expansion of sales markets (deliveries to Southeast Asia). Transshipment of ferrous metals and cast iron increased by 6.3% or 452 thousand tons to 7,657 thousand tons.

Transshipment of nonferrous metals, timber and perishable cargo amounted to 625 thousand tons, 178 thousand tons and 166 thousand tons, respectively.

Container turnover

NCSP Group's container turnover amounted to 3,769 thousand tons or 381 thousand TEU in the reporting period, which is 6.6% in tons and 7.6% in TEU higher compared to the same period in 2017.

Other cargo

In January-July 2018, transshipment of other cargo at NCSP Group's terminals amounted to 639 thousand tons, increasing almost

3 times due to the involvement of various cargo to transshipment, which are mainly cargoes shipped in big bags and special containers at the direct option.

NCSP Group's cargo turnover for January-July 2018/2017 (thousand tons)

	January-July		Change	
	2018	2017	thousand tons	%
Cargo turnover, total	82,351	85,203	-2,852	-3.3%
Liquid cargo, total	59,218	64,543	-5,325	-8.3%
Crude oil	37,806	45,104	-7,298	-16.2%
Oil products	20,721	18,779	1,942	10.3%
UAN	461	383	78	20.5%
Seed oils	230	278	-48	-17.2%
Bulk cargo, total	10,100	8,651	1,449	16.8%
Grain	7,224	5,162	2,062	40.0%
Mineral fertilizers	340	512	-171	-33.5%
Sugar	122	206	-84	-40.6%
Iron ore raw materials	1,477	1,518	-41	-2.7%
Coal	936	1,253	-317	-25.3%
General cargo, total	8,626	8,252	375	4.5%
Ferrous metals and cast iron	7,657	7,205	452	6.3%
Timber	178	205	-27	-13.0%
Timber (thousand cubic meters)	323	368	-45	-12.2%
Non-ferrous metals	625	670	-45	-6.7%
Perishable cargo	166	172	-6	-3.6%
Containers	3,769	3,536	232	6.6%
Containers	3,769	3,536	232	6.6%
Containers (thousand TEU)	381	354	27	7.6%
Other	639	221	418	188.9%

About NCSP Group

NCSP Group is the largest port operator in Russia by cargo turnover. NCSP Group is traded on Moscow Exchange (NMTP) and London Stock Exchange as GDRs (NCSP). NCSP Group's cargo turnover totaled 143.5 million tons in 2017. NCSP Group consists of PJSC Novorossiysk Commercial Sea Port, LLC Primorsk Trade Port, LLC Novorossiysk Grain Terminal, JSC Novorossiysk Ship Repair Yard, JSC NCSP Fleet, JSC NLE, LLC IPP, Baltic Stevedore Company LLC, and JSC SFP.

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