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Press Release

NCSP Group's cargo turnover for January-October 2018 totaled 116,946 thousand tons

17.12.2018

NCSP Group (LSE: NCSP, MOEX: NMTP) hereby reports that NCSP Group's consolidated cargo turnover for January-October 2018 decreased by 2.4% compared to the same period last year and amounted to 116,946 thousand tons.

Main drivers

- Growth trends in transshipment of oil products and grain remained positive (+12.4% and +22.7%, respectively);
- Cargo turnover of ferrous metals and cast iron increased (+11.3%) due to the increase in deliveries to Europe and Southeast Asia;
- Transshipment of crude oil decreased by 13.6% 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-October 2018, transshipment of liquid cargo at NCSP Group's terminals decreased by 6.1% or 5,496 thousand tons and amounted to 83,944 thousand tons, including 54,879 thousand tons of crude oil, 28,176 thousand tons of oil products, 646 thousand tons of UAN, and 243 thousand tons of seed oils.

Crude oil transshipment decreased by 13.6% or 8,618 thousand tons, including by 9.6% in Novorossiysk and by 16.2% in Primorsk. At the same time, transshipment of oil products increased by 12.4% or 3,106 thousand tons, which is 8.2 p.p. higher than the industry growth rate (according to Association of Commercial Sea Ports (ASOP)).

Transshipment of liquid fertilizers (UAN) increased by 24.1%, transshipment of seed oils, on the contrary, decreased by 31.2% compared to the same period in 2017.

Bulk cargo

In January-October 2018, transshipment of bulk cargo at NCSP Group's terminals increased by 7.1% or 960 thousand tons compared to the same period last year and reached 14,534 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 export rates in the beginning of the new season (2018/2019), which was facilitated by the excitement in the grain market caused by the news about the drought in agricultural regions of Europe and Australia.

Grain transshipment increased by 22.7% or 1,975 thousand tons, to 10,657 thousand tons. The volume of iron ore raw materials transshipment remained almost at the last year level and amounted to 2011 thousand tons. Transshipment of coal decreased by 27% or 464 thousand tons to 1,254 thousand tons due to lower purchasing power of consumers in Turkey amid ongoing devaluation of Turkish lira. Russian coal is replaced with coal of lower quality and cost or with petroleum coke.

Transshipment of chemical goods and raw sugar amounted to 457 and 155 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 1,3 times according to ASOP).

General cargo

In January-October 2018, transshipment of general cargo at NCSP Group's terminals increased by 7.7% or 885 thousand tons and amounted to 12,426 thousand tons.

Increase in general cargo transshipment was mainly 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 11.3% or 1,130 thousand tons to 11,165 thousand tons.

Transshipment of nonferrous metals, timber and perishable cargo amounted to 826 thousand tons, 262 thousand tons, and 173 thousand tons, respectively.

Container turnover

NCSP Group's container transshipment volume amounted to 5,160 thousand tons or 515 thousand TEU in the reporting period, which is 5.1% in tons and 5.6% in TEU higher compared to the same period in 2017.

Other cargo

In January-October 2018, transshipment of other cargo at NCSP Group's terminals amounted to 882 thousand tons, increasing 2.7 times due to the involvement of various cargo to the transshipment, which is mainly cargo shipped in big bags and special containers at the direct option.

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

	January-October		Change	
	2018	2017	thousand tons	%
Cargo turnover, total	116,946	119,792	-2,311.4	-2.4%
Liquid bulk cargo, total	83,944	89,441	-5,325	-6.1%
Crude oil	54,879	63,497	-8,618	-13.6%
Oil products	28,176	25,070	3,106	12.4%
UAN	646	521	125	24.1%
Seed oils	243	353	-110	-31.2%
Bulk cargo, total	14,534	13,574	960	7.1%
Grain	10,657	8,682	1,975	22.7%
Chemical cargo	457	611	-154	-25.3%
Sugar	155	452	-297	-65.6%
Iron ore raw materials	2,011	2,112	-101	-4.8%
Coal	1,254	1,717	-464	-27.0%
General cargo, total	12,426	11,541	885	7.7%
Ferrous metals and cast iron	11,165	10,035	1,130	11.3%
Timber	262	336	-74	-22.1%
Timber (thousand cubic meters)	476	607	-131	-21.6%
Non-ferrous metals	826	953	-126	-13.3%
Perishable goods	173	218	-45	-20.5%
Containers	5,160	4,909	251	5.1%
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Containers (thousand TEU)	515	488	27	5.6%
Other cargo	882	327	555	169.6%

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 2017 million tons in 2017. NCSP Group consists of PJSC Novorossiysk Commercial Sea Port, LLC Primorsk Trade Port, JSC Novorossiysk Grain Terminal, JSC Novorossiysk Ship Repair Yard, JSC NCSP Fleet, JSC NLE, JSC IPP, Baltic Stevedore Company LLC, and JSC SFP.

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