

23-Sep-2019 / 17:55 MSK

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Press Release

NCSP Group's consolidated cargo turnover for 7 months of 2019 totaled 85.16 million tons

September 23, 2019

NCSP Group (LSE: NCSP, MOEX: NMTP) informs that the normalized^[1] cargo turnover of NCSP Group (with the sale of NGT LLC taken into account) for 7 months of 2019 grew by 6.7% against 2018.

Key drivers

- Increase in crude oil transshipment volumes (+20.7%) amid the general growth in export of this raw material from Russia.
- Growth in chemicals transshipment volumes (+26.3%) due to increased shipments of mineral fertilizers to South and North America, as well as to the Middle East countries.
- Increase in iron ore raw materials transshipment (+15.1%) due to growth in cargo turnover of HBI amid increase in prices for raw materials in China (iron ore concentrate).

Liquid cargo

In January-July 2019, liquid cargo transshipments at NCSP Group's terminals grew by 13.4% or 7,927 thousand tons compared to the same period last year, and totaled 67,144 thousand tons.

The volume of crude oil transshipment in January-July 2019 increased by 20.7% compared to the same period in 2018 and amounted to 45,618 thousand tons, which is higher than in the industry in general by 9 p.p. Oil products transshipment volume increased by 1%, or 198 thousand tons, to 20,919 thousand tons.

In January-July 2019, the volume of liquid mineral fertilizers (UAN) transshipment decreased by 8.8% compared to January-July 2018 due to a shift in the vessel shipment schedule.

Cargo turnover of seed oils decreased by 18.7%, or 43 thousand tons, and totaled 187 thousand tons.

At its seed oil transshipment terminal (launched in November 2018), IPP LLC shipped 174.7 thousand tons of seed oils in January-July 2019.

Bulk cargo

In January-July 2019, the normalized turnover of bulk cargo at NCSP Group's terminals (with the sale of NGT LLC taken into account) had a decrease of 21.4% compared to January-July 2018, and totaled 6,100 thousand tons.

Cargo turnover of iron ore raw materials grew by 15.1%, or 223 thousand tons, to 1,700 thousand tons due to increased cargo turnover of HBI amid increase in prices for raw materials in China (iron ore concentrate).

Coal transshipments decreased by 14% y-o-y to 804 thousand tons due to unfavorable conditions on foreign markets in 2019.

Turnover of chemical products grew by 26.3% or 90 thousand tons and amounted to 430 thousand tons.

Raw sugar turnover was up by 180.4% or 220 thousand tons and reached 342 thousand tons.

General cargo

In January-July 2019, general cargo transshipments at NCSP Group's terminals decreased by 7.5% or 650 thousand tons, totalling 7,976 thousand tons.

Ferrous metals and cast iron transshipments had a decrease of 5.4% or 410 thousand tons, amounting to 7,247 thousand tons due to the introduction of custom duties on imports of ferrous metals to the USA and poor market conditions for end product.

Timber cargo transshipments dropped by 8.9% or 16 thousand tons to 162 thousand tons.

Non-ferrous metals and perishable freight transshipments reduced to 528 thousand tons and 39 thousand tons, respectively.

Container turnover

In January-July 2019, the turnover of containers through NCSP Group's berths amounted to 3,819 thousand tons or 404 thousand TEU, which was by 1.3% more in tons and by 6% more in TEU than in January-July 2018.

Other cargo

In January-July 2019, turnover of other cargoes at NCSP Group's terminals amounted to 124 thousand tons, down by 71.1% compared to January-July last year.

Normalized cargo turnover of NCSP Group in January-July 2019/2018 in thousand tons (with the sale of NGT LLC taken into account)

	January-July		Change	
	2019	2018	thousand tons	%
Cargo turnover, total	85,162	79,797	5,366	6.7%
Liquid cargo, total	67,144	59,218	7,927	13.4%
Crude oil	45,618	37,806	7,813	20.7%
Oil products	20,919	20,721	198	1.0%
UAN	420	461	-41	-8.8%
Oils	187	230	-43	-18.7%
Bulk cargo, total	6,100	7,756	-1,656	-21.4%
Grain	2,628	4,670	-2,041	-43.7%
Chemical cargo	430	340	90	26.3%
Sugar	342	122	220	180.4%
Iron ore raw materials	1,700	1,477	223	15.1%
Other ore cargo	195	211	-16	-7.7%
Coal	804	936	-131	-14.0%
General cargo, total	7,976	8,626	-650	-7.5%
Ferrous metals and cast iron	7,247	7,657	-410	-5.4%
Timber	162	178	-16	-8.9%
<i>Timber (thousand cubic meters)</i>	<i>295</i>	<i>323</i>	<i>-29</i>	<i>-8.9%</i>
Non-ferrous metals	528	625	-98	-15.6%
Perishable cargo	39	166	-127	-76.7%
Containers	3,819	3,769	50	1.3%
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<i>Containers (thousand TEU)</i>	<i>404</i>	<i>381</i>	<i>23</i>	<i>6.0%</i>
Other cargo	124	428	-304	-71.1%

NCSP Group is the largest port operator in Russia by cargo turnover. Its controlling shareholder (62%) is PJSC Transneft. NCSP Group is traded on Moscow Exchange (NMTP) and London Stock Exchange as global depository receipts (NCSP). NCSP Group's consolidated cargo turnover for HY 2019 totaled 71.75 million tons. The Group's consolidated revenue as per IFRS totaled USD 2018 million in 2018. NCSP Group is comprised of PJSC Novorossiysk Commercial Sea Port, Primorsk Trade Port LLC, JSC Novorossiysk Ship Repair Yard, JSC NCSP Fleet, JSC NLE, IPP LLC, NCS LLC, Baltic Stevedore Company LLC, and SFP LLC.

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^[1] Normalized indicators of NCSP Group's cargo turnover for 2018-2019: the grain turnover through NGT LLC and Berth No. 3 from May 1, 2018 to December 31, 2018 is not taken into account in the transshipment volume.

ISIN: US67011U2087
Category Code:UPD
TIDM: NCSP
LEI Code: LEIA0010014976
Sequence No.: 21014
EQS News ID: 878289

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