

PJSC 'Novorossiysk Commercial Sea Port' (NCSP)

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NCSP Group's consolidated cargo turnover for 9 months of 2019 totaled 109.8 million tons

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NCSP Group (LSE: NCSP, MOEX: NMTP) informs the normalized cargo turnover of NCSP Group (with the sale of NGT LLC taken into account) for 9 months of 2019 grew by 9.3% against 2018. (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 are not taken into account in the transshipment volume.)

Key drivers

- Increase in crude oil transshipment volumes (+24.7%) amid the general growth in export of this raw material from Russia.
- Growth in chemicals transshipment volumes (+26.4%) due to increased shipments of hazardous mineral fertilizers to South and North America, as well as non-hazardous mineral fertilizers to the Middle East countries.
- Increase in iron ore raw materials transshipment (+25.3%) due to high export activity.

Liquid cargo

In January-September 2019, liquid cargo transshipments at NCSP Group's terminals grew by 16.6% or 12,517 thousand tons compared to the same period last year and totaled 88,097 thousand tons.

The crude oil transshipment volume for 9 months of 2019 totaled 60,910 thousand tons. Compared to the same period in 2018, the increase was 24.7% (12,061 thousand tons), which is 13.6 p.p. higher than the industry rate. The volume of oil products transshipment raised by 1.7% or 439 thousand tons to 26,345 thousand tons.

In January-September 2019, the volume of transshipment of liquid fertilizers (UAN) remained at the level of 2018. The turnover of seed oils grew by 7.4% or 18 thousand tons and reached 261 thousand tons.

At its seed oil transshipment terminal (launched in November 2018), IPP LLC shipped 248 thousand tons of seed oils in January-September 2019.

Bulk cargo

In January-September 2019, the normalized turnover of bulk cargoes at NCSP Group's terminals (with the sale of NGT LLC taken into account) had a decrease of 13.8% or 1,174 thousand tons y-o-y and totaled 7,346 thousand tons.

Iron ore raw materials turnover grew by 25.3% or 470 thousand tons to 2,324 thousand tons against the backdrop of high export activity.

The volume of coal transshipment decreased by 2.7% or 32 thousand tons, to 1,155 thousand tons due to unfavorable conditions on foreign markets in the first half of 2019.

The turnover of chemical products grew by 26.4% or 112 thousand tons and amounted to 537 thousand tons.

Raw sugar turnover was up 3.6 times or 334 thousand tons and reached 462 thousand tons.

Transshipment of other ore cargoes decreased by 6.5%, respectively.

General cargo

In January-September 2019, general cargo transshipments at NCSP Group's terminals decreased by 12.9% or 1,443 thousand tons, totalling 9,716 thousand tons.

Ferrous metals and cast iron transshipments had a decrease of 1,266 thousand tons (-12.7%), amounting to 8,725 thousand tons due to the introduction of custom duties on imports of ferrous metals to the USA, as well as poor conditions on foreign markets and high prices on the domestic market.

Timber cargo transshipments dropped by 8.4% or 21 thousand tons to 223 thousand tons.

Nonferrous metals transshipments dropped by 4% or 31 thousand tons to 727 thousand tons. Perishable cargoes turnover amounted to 40 thousand tons.

Container turnover

In January-September 2019, container turnover through NCSP Group's berths amounted to 4,524 thousand tons, which is 3.4% less than the transshipment volume for the same period last year. Cargo turnover in twenty-foot equivalent increased by 3.4% (19 thousand TEU) to 484 thousand TEU.

Other cargo

In January-September 2019, transshipments of other cargoes at NCSP Group's terminals totaled 151 thousand tons, which is a 71.9% decrease as compared to the same period of the previous year.

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

	January-September		Change	
	2019	2018	thousand tons	%
Cargo turnover, total	109,834	100,475	9,359	9.3%
Liquid cargo, total	88,097	75,580	12,517	16.6%
Crude oil	60,910	48,849	12,061	24.7%
Oil products	26,345	25,905	439	1.7%
UAN	582	583	-1	-0.1%
Oils	261	243	18	7.4%
Bulk cargo, total	7,346	8,520	-1,174	-13.8%
Grain	2,628	4,670	-2,041	-43.7%
Chemical cargo	537	425	112	26.4%
Sugar	462	128	334	260.7%
Iron ore raw materials	2,324	1,854	470	25.3%
Other ore cargo	240	257	-17	-6.5%
Coal	1,155	1,186	-32	-2.7%
General cargo, total	9,716	11,159	-1,443	-12.9%
Ferrous metals and cast iron	8,725	9,991	-1,266	-12.7%
Timber	223	244	-21	-8.4%
<i>Timber (thousand cubic meters)</i>	<i>406</i>	<i>443</i>	<i>-37</i>	<i>-8.4%</i>
Nonferrous metals	727	758	-31	-4.0%
Perishable cargo	40	166	-126	-75.6%
Containers	4,524	4,681	-157	-3.4%
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<i>Containers (thousand TEU)</i>	<i>484</i>	<i>469</i>	<i>16</i>	<i>3.4%</i>
Other	151	536	-385	-71.9%

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 depositary 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 951 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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