

PJSC 'Novorossiysk Commercial Sea Port' (NCSP)

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NCSP Group's consolidated cargo turnover for 2019 totaled 142.5 million tons

January 27, 2020

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 2019 grew by 7.8% y-o-y.

Key drivers

- Increase in crude oil transshipment volumes (+18.6%) amid the general growth in export of this raw material from Russia.
- Increase in iron ore raw materials transshipment (+22.1%) due to high export activity.
- Growth of raw sugar transshipment volumes (growth by 2.1 times) against the background of recovery of cane raw material supplies to Asian CIS countries.

Liquid cargo

In 2019, liquid cargo transshipments at NCSP Group's terminals grew by 13.8% or 13,836 thousand tons y-o-y, and totaled 114,377 thousand tons.

In 2019, crude oil transshipments totaled 78,562 thousand tons. Compared to the results in 2018, the increase was 18.6% (12,332 thousand tons), which is 10.5 p.p. higher than the industry rate. Oil products transshipment grew to 34,690 thousand tons, by 447 thousand tons, or 4.4% which is 1.1 p.p. higher than the industry rate.

In 2019, liquid fertilizers transshipments (UAN) slightly decreased (-4.4%) to 762 thousand tons. The turnover of seed oils grew by 33.9% or 92 thousand tons and reached 364 thousand tons.

The terminal for seed oils transshipment at IPP LLC handled 351 thousand tons of seed oils in 2019.

Bulk cargo

In 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 8.6% (849 thousand tons) y-o-y and totaled 8,986 thousand tons.

Grain transshipments dropped by 44.4% (2,103 thousand tons), to 2,633 thousand tons, against the background of a decrease in exports from Russia.

Iron ore raw materials turnover grew by 22.1% or 546 thousand tons to 3,019 thousand tons against the backdrop of high export activity.

Coal transshipments increased by 21.6% (by 311 thousand tons), to 1,755 thousand tons, due to the recovery of demand on foreign markets.

The turnover of chemical products grew by 24.6% or 143 thousand tons and amounted to 724 thousand tons.

Raw sugar turnover was up 2.1 times or 292 thousand tons and reached 563 thousand tons.

Transshipment of other ore cargo reduced by 11.5% to 292 thousand tons.

General cargo

In 2019, general cargo transshipments at NCSP Group's terminals decreased by 13.2%, or 1,983 thousand tons, and totaled 12,983 thousand tons.

Ferrous metals and cast iron transshipments decreased by 1,948 thousand tons (-14.5%), to 11,523 thousand tons, at the background of unfavorable foreign market conditions, stronger rouble, and high prices on the Russian domestic market.

Nonferrous metals transshipments grew by 8% to 1,081 thousand tons (+80 thousand tons), at the background of favorable aluminum market conditions.

Timber cargo transshipments remained practically the same and totaled 308 thousand tons.

Perishable cargoes turnover amounted to 71 thousand tons.

Container turnover

In 2019, the turnover of containers through NCSP Group's berths in twenty-foot equivalent grew to 638 thousand TEU, by 18 thousand TEU, or 2.9%. Cargo turnover amounted to 5,951 thousand tons which is 2.8% less y-o-y.

Other cargo

In 2019, turnover of other cargoes at NCSP Group's terminals amounted to 203 thousand tons, down by 69.5% y-o-y.

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

	January-December		Change	
	2019	2018	thousand tons	%
Cargo turnover, total	142,501	132,129	10,371	7.8%
Liquid cargo, total	114,377	100,541	13,836	13.8%
Crude oil	78,562	66,229	12,332	18.6%
Oil products	34,690	33,243	1,447	4.4%
UAN	762	797	-35	-4.4%
Oils	364	272	92	33.9%
Bulk cargo, total	8,986	9,835	-849	-8.6%
Grain	2,633	4,736	-2,103	-44.4%
Chemical cargo	724	582	143	24.6%

Sugar	563	271	292	108.0%
Iron ore raw materials	3,019	2,473	546	22.1%
Other ore cargo	292	330	-38	-11.5%
Coal	1,755	1,444	311	21.6%
General cargo, total	12,983	14,965	-1,983	-13.2%
Ferrous metals and cast iron	11,523	13,471	-1,948	-14.5%
Timber	308	309	-2	-0.5%
<i>Timber (thousand cubic meters)</i>	<i>559</i>	<i>562</i>	<i>-3</i>	<i>-0.5%</i>
Nonferrous metals	1,081	1 001	80	8.0%
Perishable cargo	71	184	-113	-61.2%
Containers	5,951	6,121	-170	-2.8%
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<i>Containers (thousand TEU)</i>	<i>638</i>	<i>620</i>	<i>18</i>	<i>2.9%</i>
Other cargo	203	667	-464	-69.5%

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 cargo turnover for Q1 2019 amounted to 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 JSC SFP.

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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 are not taken into account in the transshipment volume.

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