



## Press Release

**NCSP Group's cargo turnover for 12 months of 2018 totaled 140,209 thousand tons**

February 11, 2019

NCSP Group (LSE: NCSP, MOEX: NMTP) hereby reports that NCSP Group's cargo turnover for 2018 decreased by 2.3% compared to the same period last year and totaled 140,209 thousand tons.

### Main drivers

- Positive trends of the grain (+14.3%) and oil products (+9.7%) transshipment growth;
- Cargo turnover of ferrous metals and cast iron increased (+13%) due to the increase in deliveries to Europe and Southeast Asia;
- Crude oil transshipment decreased by 11.4% due to the redistribution of oil exports from Western to Eastern direction;
- A significant increase in other cargo transshipment (+109.6%).

### Liquid cargo

In 2018, transshipment of liquid cargo at NCSP Group's terminals decreased by 5.2% or 5,525 thousand tons and amounted to 100,541 thousand tons, including 66,229 thousand tons of crude oil, 33,243 thousand tons of oil products, 797 thousand tons of UAN, and 272 thousand tons of seed oils.

In November 2018, the first shipment of vegetable oils for export through IPP LLC took place.

In 2019, IPP LLC expects to reach the volumes of seed oils transshipment in the amount of 0.6–0.7 million tons. In 2020, increasing market demand may result in an increase in the annual transshipment capacity to 1–1.5 million tons with further growth.

Crude oil transshipment decreased by 11.4% or 8,520 thousand tons, including by 9.8% in Novorossiysk and by 12.5% in Primorsk. At the same time, transshipment of oil products increased by 9.7% or 2,944 thousand tons, which is 7.3 p.p. higher than the industry growth rate (according to Association of Commercial Sea Ports (ASOP)).

Transshipment of liquid fertilizers (UAN) increased by 33.7%, and transshipment of seed oils, on the contrary, decreased by 35.4% compared to 2017.

### **Bulk cargo**

In 2018, transshipment of bulk cargo at NCSP Group's terminals increased by 2.3% or 403 thousand tons compared to the same period last year and reached 17,584 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 high exports in the first half of 2018/2019.

Grain transshipment increased by 14.3% or 1,601 thousand tons, to 12,815 thousand tons. The volume of iron ore raw materials transshipment decreased by 10.1% to 2,473 thousand tons. Transshipment of coal decreased by 27.6% or 550 thousand tons to 1,444 thousand tons due to lower purchasing power of consumers in Turkey amid 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 582 and 271 thousand tons, respectively.

### **General cargo**

In 2018, transshipment of general cargo at NCSP Group's terminals increased by 8.1% or 1,123 thousand tons and amounted to 14,965 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 13% or 1,548 thousand tons, to 13,471 thousand tons.

Transshipment of nonferrous metals, timber and perishable cargo amounted to 1,001 thousand tons, 309 thousand tons and 184 thousand tons, respectively.

### **Container turnover**

In the reporting period, NCSP Group's container transshipment volume totaled 6,121 thousand tons or 620 thousand TEU, which was by 2.8% more in tons and by 4.1% more in TEU than in the same period of 2017.

### **Other cargo**

In 2018, transshipment of other cargo at NCSP Group's terminals amounted to 997 thousand tons, increasing more than 2 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 12 months of 2018/2017 (thousand tons)**

	January–December		Change	
	2018	2017	thousand tons	%
<b>Cargo turnover, total</b>	<b>140,209</b>	<b>143,517</b>	<b>-3,308</b>	<b>-2.3%</b>
<b>Liquid cargo, total</b>	<b>100,541</b>	<b>106,066</b>	<b>-5,525</b>	<b>-5.2%</b>
Crude oil	66,229	74,750	-8,520	-11.4%
Oil products	33,243	30,300	2,944	9.7%
UAN	797	596	201	33.7%
Seed oils	272	420	-149	-35.4%
<b>Bulk cargo, total</b>	<b>17,584</b>	<b>17,181</b>	<b>403</b>	<b>2.3%</b>
Grain	12,815	11,214	1,601	14.3%
Chemical cargo	582	722	-140	-19.4%
Sugar	271	500	-229	-45.8%
Iron ore raw materials	2,473	2,752	-279	-10.1%
Coal	1,444	1,994	-550	-27.6%
<b>General cargo, total</b>	<b>14,965</b>	<b>13,843</b>	<b>1,123</b>	<b>8.1%</b>
Ferrous metals and cast iron	13,471	11,923	1,548	13.0%
Timber	309	413	-104	-25.1%
<i>Timber (thousand cubic meters)</i>	<i>562</i>	<i>748</i>	<i>-185</i>	<i>-24.8%</i>
Nonferrous metals	1,001	1,216	-215	-17.7%
Perishable cargo	184	291	-107	-36.8%
<b>Containers</b>	<b>6,121</b>	<b>5,952</b>	<b>169</b>	<b>2.8%</b>
Containers	6,121	5,952	169	2.8%
<i>Containers (thousand TEU)</i>	<i>620</i>	<i>596</i>	<i>24</i>	<i>4.1%</i>
<b>Other</b>	<b>997</b>	<b>476</b>	<b>521</b>	<b>109.6%</b>

**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 volumes in 2018 totaled 140.2 million tons. 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.

**For more information, please contact:**

For press: [MSidorov@ncsp.com](mailto:MSidorov@ncsp.com)