



Cherkizovo Group announces operating results for June and the second quarter of 2020

Moscow, Russia – July 10, 2020– Cherkizovo Group (MOEX: GCHE), the largest vertically integrated meat producer in Russia, today announces operating results for June and the second quarter of 2020.¹

Second quarter 2020 highlights:

Chicken: Sales volume of 168.3 thousand tonnes declined by 2% y-o-y. Sales volumes of our premium brand Petelinka was in line with the results of the previous year, while volumes of Chicken Kingdom branded produce added 3% y-o-y. We also significantly added export volumes, as foodservice demand remained well below the levels of the last year due to COVID-19 restrictions. Average sales price increased by 6% y-o-y.

Turkey: JV Tambov Turkey sales volume of 9.6 thousand tonnes up 8% y-o-y, with sales of Pava-Pava branded products adding 23% y-o-y and boosting average sales price by 10% y-o-y.

Pork: Production volumes of 76.4 thousand tonnes increased by 14% y-o-y, and sales volume reached 74.3 thousand tonnes, up 14% y-o-y compared to 2Q19. We gradually reach our targeted production levels on the back of facilities ramp up and operational efficiencies gains. Prices declined by 11% y-o-y as the domestic market remains oversupplied with limited export possibilities.

Meat Processing: Sales volume increased by 1% y-o-y, as we were pushing more sausages and carcass sales, up 6% and 11% respectively. Average sales price of the segment declined by 4%: as carcass price eased by 11% y-o-y, in line with live pork prices, and prices for sausages and cuts remaining stable.

Grain: Due to the seasonal nature of the business, the results of this segment are reported annually to better reflect business performance.

Monthly performance

	June 2020	June 2019	Change % y-o-y	May 2020	Change % m-o-m
Chicken					
Volume sold, thousand tonnes	52.08	56.09	(7%)	60.08	(13%)
Average price, RUB/kg	107.57	101.68	6%	101.45	6%
Turkey*					
Volume sold, thousand tonnes	3.25	2.95	10%	3.20	2%
Average price, RUB/kg	176.64	160.26	10%	182.70	(3%)
Pork**					
Volume produced, thousand tonnes	26.39	21.71	22%	25.79	2%
Volume sold, thousand tonnes	25.62	20.84	23%	25.26	1%
Average price, RUB/kg	89.18	92.44	(4%)	83.19	7%

¹ Volume data is presented before intersegment eliminations and denotes to sales volumes except noted (**). All prices in the release are net of sales volume discounts and VAT.



	June 2020	June 2019	Change % y-o-y	May 2020	Change % m-o-m
Meat Processing					
Volume, thousand tonnes	21.94	19.55	12%	20.60	6%
Sausages	9.36	8.46	11%	9.09	3%
Cuts	3.11	2.78	12%	2.04	53%
Carcass	8.62	7.12	21%	8.64	(0%)
By-products	0.86	1.19	(28%)	0.84	3%
Average price, RUB/kg	160.77	163.51	(2%)	157.02	2%
Sausages	183.43	186.23	(2%)	186.39	(2%)
Cuts	207.60	214.13	(3%)	207.14	0%
Carcass	130.46	137.25	(5%)	123.44	6%
By-products	48.47	40.99	18%	62.66	(23%)

Samson***

Volume sold, thousand tonnes	2.97	1.55	91%	2.62	13%
Average price, RUB/kg	194.00	206.38	(6%)	191.38	1%

Quarterly performance

	2Q 2020	2Q 2019	Change % y-o-y	1Q 2020	Change % q-o-q
Chicken					
Volume sold, thousand tonnes	168.31	171.52	(2%)	174.70	(4%)
Average price, RUB/kg	105.99	100.34	6%	103.48	2%
Turkey*					
Volume sold, thousand tonnes	9.63	8.93	8%	9.87	(2%)
Average price, RUB/kg	180.85	164.01	10%	173.00	5%
Pork**					
Volume produced, thousand tonnes	76.36	67.04	14%	77.11	(1%)
Volume sold, thousand tonnes	74.34	64.76	15%	74.27	0%
Average price, RUB/kg	85.71	95.88	(11%)	79.97	7%
Meat Processing					
Volume, thousand tonnes	62.36	61.47	1%	61.36	2%
Sausages	26.78	25.38	6%	25.43	5%
Cuts	6.76	9.49	(29%)	7.03	(4%)
Carcass	25.90	23.24	11%	25.00	4%
By-products	2.91	3.36	(13%)	3.91	(25%)

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	2Q 2020	2Q 2019	Change % y-o-y	1Q 2020	Change % q-o-q
Average price, RUB/kg	158.50	165.96	(4%)	155.34	2%
Sausages	187.94	187.21	0%	190.30	(1%)
Cuts	209.19	211.15	(1%)	208.46	0%
Carcass	126.49	141.63	(11%)	121.81	4%
By-products	54.85	46.10	19%	46.96	17%

Samson***

Volume sold, thousand tonnes	7.90	4.80	65%	5.94	33%
Average price, RUB/kg	194.04	211.87	(8%)	195.63	(1%)

* Volume and prices reported in turkey section represent sales of the Trading Company "Cherkizovo".

** Difference in the volume produced and volume sold in the pork segment is attributable to retained gilts replacement. Volumes sold include both intercompany and 3rd party sales.

*** Volumes and prices reflect total sales of Samson – Food products, an associate company where the Company has 75% interest.

For more information please visit <http://www.cherkizovo.com> or contact:

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Cherkizovo is the largest diversified meat producer in Russia focusing on poultry and pork products.

The Group's operations are spread over the full production cycle from grain and feed production to animal breeding, meat processing and distribution. The operational facilities of the Group include eight meat processing plants (including meat processing plant operated by an equity associate Samson – Food Products), thirteen full-cycle pork farms, twenty one wean-to-finish facilities and two sow farms, nine poultry production complexes (including the Belaya Ptitsa production complex which is currently operates pursuant to a lease agreement), nine animal feed plants, twelve grain elevators and circa 300 thousand hectares of agricultural land, and a full-cycle turkey production plant in Tambov, owned and operated as a joint venture with Grupo Fuertes, a leading Spanish agriculture and food company.

Due to its vertically-integrated structure, which includes grain growing and storage, feed production, livestock breeding, fattening and slaughtering, and meat processing, alongside a distribution network across Russia, the Group has delivered long-term sales growth and profitability.

Cherkizovo Group shares are traded on the Moscow Exchange (MOEX).