



Cherkizovo Group announces operating results for March and the first quarter of 2020

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

First quarter 2020 highlights:

Chicken: Sales volume of 174.7 thousand tonnes increased by 15% y-o-y, as in 2019 we launched production at the Kursk facility only in March, but it was fully operational in 2020. Average sales price remained unchanged compared to a year ago.

Turkey: JV Tambov Turkey sales volume of 9.9 thousand tonnes up 20% y-o-y, due to the low base effect of 1Q19, when we accumulated inventory. Average sales price declined by 2% y-o-y.

Pork: Production and sales volume both increased by 13%, compared to 1Q19 as we were ramping up production facilities built last year. Prices declined by 10% y-o-y due to the additional supply of pork meat from domestic producers, while export opportunities remained limited.

Meat Processing: Sales volume increased by 7% y-o-y, on the acceleration of sausages and carcass sales, up 13% and 25% respectively. In the sausages category we broadened sales of hams, semi-smoked and boiled sausages, while growth of the carcass sales was in line with pork production increase. Average sales price of the segment declined by 5%, as carcass price eased by 8% y-o-y, in line with live pork prices, and prices for sausages and cuts were 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

	March 2020	March 2019	Change % y-o-y	February 2020	Change % m-o-m
Chicken					
Volume sold, thousand tonnes	61.30	56.72	8%	56.56	8%
Average price, RUB/kg	107.38	97.92	10%	99.98	7%
Turkey*					
Volume sold, thousand tonnes	3.59	2.95	22%	3.18	13%
Average price, RUB/kg	175.81	175.03	0%	170.66	3%
Pork**					
Volume produced, thousand tonnes	24.91	25.12	(1%)	24.83	0%
Volume sold, thousand tonnes	23.83	24.42	(2%)	23.86	(0%)
Average price, RUB/kg	87.68	89.98	(3%)	76.75	14%

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.

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	March 2020	March 2019	Change % y-o-y	February 2020	Change % m-o-m
Meat Processing					
Volume, thousand tonnes	22.05	18.99	16%	21.16	4%
Sausages	9.30	7.64	22%	8.34	11%
Cuts	2.59	2.81	(8%)	2.50	3%
Carcass	8.57	7.48	15%	8.97	(4%)
By-products	1.59	1.07	49%	1.34	18%
Average price, RUB/kg	159.34	166.17	(4%)	151.66	5%
Sausages	191.05	199.00	(4%)	191.42	(0%)
Cuts	211.28	203.93	4%	205.16	3%
Carcass	130.09	135.95	(4%)	116.10	12%
By-products	46.82	43.40	8%	42.47	10%
Samson***					
Volume sold, thousand tonnes	2.13	1.75	22%	1.92	11%
Average price, RUB/kg	202.88	202.71	0%	188.00	8%

Quarterly performance

	1Q 2020	1Q 2019	Change % y-o-y	4Q 2019	Change % q-o-q
Chicken					
Volume sold, thousand tonnes	174.70	151.60	15%	175.40	(0%)
Average price, RUB/kg	103.48	103.56	(0%)	109.05	(5%)
Turkey*					
Volume sold, thousand tonnes	9.87	8.22	20%	11.23	(12%)
Average price, RUB/kg	173.00	177.10	(2%)	176.00	(2%)
Pork**					
Volume produced, thousand tonnes	77.11	68.13	13%	82.24	(6%)
Volume sold, thousand tonnes	74.27	65.94	13%	79.41	(6%)
Average price, RUB/kg	79.97	89.17	(10%)	80.08	(0%)
Meat Processing					
Volume, thousand tonnes	61.36	53.56	15%	66.87	(8%)
Sausages	25.43	22.53	13%	30.45	(17%)
Cuts	7.03	7.70	(9%)	7.91	(11%)
Carcass	25.00	20.01	25%	25.24	(1%)
By-products	3.91	3.32	18%	3.27	19%



	1Q 2020	1Q 2019	Change % y-o-y	4Q 2019	Change % q-o-q
Average price, RUB/kg	155.34	162.85	(5%)	160.66	(3%)
Sausages	190.30	193.82	(2%)	191.48	(1%)
Cuts	208.46	203.30	3%	210.71	(1%)
Carcass	121.81	132.50	(8%)	122.37	(0%)
By-products	46.96	41.74	13%	48.37	(3%)
Samson***					
Volume sold, thousand tonnes	5.94	5.03	18%	7.10	(16%)
Average price, RUB/kg	195.63	201.04	(3%)	200.77	(3%)

* 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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About Cherkizovo Group

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).