



Cherkizovo Group announces operating results for December, the fourth quarter and full 2019

Moscow, Russia – January 14, 2020– Cherkizovo Group (MOEX: GCHE), the largest vertically integrated meat producer in Russia, today announces operating results for December, the fourth quarter and full 2019.¹

Fourth quarter 2019 highlights:

Chicken: Sales volume growth of 22% y-o-y is mainly attributed to the full integration of the assets that the Group acquired at the end of 2018. Average sales price declined by 3% y-o-y and 2% q-o-q.

Turkey: JV Tambov Turkey sales volume of 11.2 thousand tonnes increased by 17% y-o-y and 2% compared to the previous quarter. Average sales price of 176 rub/kg declined 6% y-o-y and increased by 10% q-o-q.

Pork: Production and sales volume were higher, compared to both 4Q18 results and the previous quarter, adding 13% and 23 % respectively, as we get additional volumes from the wean-to-finish farms added to our production system. Average sales price declined by 20% y-o-y and 14% q-o-q, as domestic producers ramped up newly built facilities and exacerbated supply.

Meat Processing: Sales volume growth of 12% y-o-y and 5% q-o-q was driven by higher sales volumes of the sausages backed by the heavy marketing campaign and rebranding of our core Cherkizovo brand, that we've launched at the end of 2019, as well as higher carcass sales on the back of the higher volumes of market hogs.

Grain (2019 results): Sales volume of 524 thousand tonnes declined by 25% y-o-y, while overall harvest came to 593 thousand tonnes, a 24 % increase y-o-y as we had better results for all major crops in general, and wheat and corn in particular, as we've optimized crop rotation and achieved better yields, while marginally increasing crop area.

Monthly performance

	December 2019	December 2018	Change % y-o-y	November 2019	Change % m-o-m
Chicken					
Volume sold, thousand tonnes	59.77	51.50	16%	58.02	3%
Average price, RUB/kg	110.91	116.54	(5%)	108.41	2%
Turkey*					
Volume sold, thousand tonnes	4.06	3.38	20%	3.63	12%
Average price, RUB/kg	179.25	204.30	(12%)	177.20	1%
Pork**					
Volume produced, thousand tonnes	25.55	27.32	(6%)	27.63	(8%)
Volume sold, thousand tonnes	24.63	26.42	(7%)	26.77	(8%)
Average price, RUB/kg	73.27	96.86	(24%)	79.48	(8%)

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.



	December 2019	December 2018	Change % y-o-y	November 2019	Change % m-o-m
Meat Processing					
Volume, thousand tonnes	22.40	20.72	8%	21.69	3%
Sausages	10.83	9.63	12%	9.53	14%
Cuts	2.61	3.02	(14%)	2.45	6%
Carcass	7.95	6.96	14%	8.52	(7%)
By-products	1.01	1.11	(10%)	1.18	(15%)
Average price, RUB/kg	164.74	185.79	(11%)	157.97	4%
Sausages	202.51	215.03	(6%)	189.87	7%
Cuts	208.88	231.96	(10%)	210.35	(1%)
Carcass	113.81	148.12	(23%)	121.95	(7%)
By-products	46.18	42.80	8%	51.87	(11%)
Samson***					
Volume sold, thousand tonnes	2.39	N/A	-	2.27	5%
Average price, RUB/kg	204.55	N/A	-	195.45	5%

Quarterly performance

	4Q 2019	4Q 2018	Change % y-o-y	3Q 2019	Change % q-o-q
Chicken					
Volume sold, thousand tonnes	175.40	144.35	22%	164.51	7%
Average price, RUB/kg	109.05	112.39	(3%)	110.81	(2%)
Turkey*					
Volume sold, thousand tonnes	11.23	9.61	17%	11.03	2%
Average price, RUB/kg	176.00	188.05	(6%)	160.71	10%
Pork**					
Volume produced, thousand tonnes	82.24	72.72	13%	66.76	23%
Volume sold, thousand tonnes	79.41	70.20	13%	64.48	23%
Average price, RUB/kg	80.08	100.61	(20%)	93.52	(14%)
Meat Processing					
Volume, thousand tonnes	66.87	59.64	12%	63.70	5%
Sausages	30.45	27.69	10%	29.30	4%
Cuts	7.91	9.02	(12%)	6.73	17%
Carcass	25.24	19.90	27%	24.46	3%
By-products	3.27	3.04	8%	3.21	2%



	4Q 2019	4Q 2018	Change % y-o-y	3Q 2019	Change % q-o-q
Average price, RUB/kg	160.66	180.86	(11%)	162.56	(1%)
Sausages	191.48	201.11	(5%)	180.12	6%
Cuts	210.71	226.08	(7%)	223.11	(6%)
Carcass	122.37	151.69	(19%)	140.18	(13%)
By-products	48.37	53.23	(9%)	45.75	6%

Samson***

Volume sold, thousand tonnes	7.10	N/A	-	5.74	24%
Average price, RUB/kg	200.77	N/A	-	207.74	(3%)

Annual performance

	2019	2018	Change % y-o-y
--	------	------	-------------------

Chicken

Volume sold, thousand tonnes	663.02	544.15	22%
Average price, RUB/kg	105.98	96.89	9%

Turkey*

Volume sold, thousand tonnes	39.41	39.25	0%
Average price, RUB/kg	169.23	147.95	14%

Pork**

Volume produced, thousand tonnes	284.17	247.27	15%
Volume sold, thousand tonnes	274.59	236.87	16%
Average price, RUB/kg	89.14	98.20	(9%)

Meat Processing

Volume, thousand tonnes	245.60	229.52	7%
Sausages	107.66	106.73	1%
Cuts	31.82	40.33	(21%)
Carcass	92.95	70.28	32%
By-products	13.16	12.18	8%
Average price, RUB/kg	162.96	169.64	(4%)
Sausages	187.87	184.45	2%
Cuts	211.67	205.29	3%
Carcass	134.05	146.74	(9%)
By-products	45.48	53.86	(16%)



	2019	2018	Change % y-o-y
Samson***			
Volume sold, thousand tonnes	22.67	-	N/A
Average price, RUB/kg	204.94	-	N/A
Grain****			
Volume harvested, thousand tonnes	592.97	479.73	24%
Wheat	320.60	281.55	14%
Corn	99.31	61.22	62%
Sunflower	84.42	65.11	30%
Barley	38.99	27.76	40%
Soybean	38.48	28.39	36%
Other	11.17	15.70	(29%)
Volume sold, thousand tonnes	523.98	696.09	(25%)
Wheat	277.12	349.73	(21%)
Corn	94.58	172.85	(45%)
Sunflower	83.41	85.96	(3%)
Barley	37.93	31.18	22%
Soybean	6.88	25.11	(73%)
Other	24.06	31.26	(23%)
Average price, RUB/kg	11.02	9.92	11%
Wheat	9.02	8.94	1%
Corn	8.76	6.32	39%
Sunflower	17.09	17.43	(2%)
Barley	8.62	9.31	(7%)
Soybean	21.58	23.27	(7%)
Other	22.60	10.00	126%

* 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.

**** Volumes are in dry weight



CHERKIZOVO
SINCE 1974

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

Investor Relations

Andrei Novikov

Phone: 7 495 6602440 ext 15430

Email: a.novikov@cherkizovo.com

Media contacts

Phone: 7 495 6602440

Email: pr@cherkizovo.com

About Cherkizovo Group

Cherkizovo is the largest diversified meat producer in Russia. The Group is a top-3 producer in each of the Russian poultry, pork and processed meat markets.

Cherkizovo encompasses seven chicken manufacturing complexes (as well as the Belaya Ptitsa production complex which we currently operate pursuant to a lease agreement), sixteen pork farms, five meat processing plants (and an additional meat processing plant operated by an equity associate Samson – Food Products) and two slaughter facilities, nine animal feed plants, twelve grain elevators, a land bank of c. 300 thousand ha 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.

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, allows the Group to deliver long-term sales growth and profitability.

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