



Cherkizovo Group announces operating results for September and the third quarter of 2019

Moscow, Russia – October 10, 2019– Cherkizovo Group (MOEX: GCHE), the largest vertically integrated meat producer in Russia, today announces operating results for September and the third quarter of 2019.¹

Third quarter 2019 highlights:

Chicken: Sales volume of 164.5 thousand tonnes increased by 25% y-o-y, driven by volumes growth from the assets acquired in late 2018. Average sales price increase of 12% y-o-y is attributed to limited supply, lower base effect of the previous year, and further shift of the sales mix towards value-added products.

Turkey: JV Tambov Turkey sales volume of 11.0 thousand tonnes up 18% y-o-y, on inventory release accumulated in the first half of the year, and stronger demand for turkey products. Average sales price increased by 3% y-o-y as we further expanded Pava-Pava branded offering.

Pork: Production and sales volume increased by 12% and 13%, respectively, compared to 3Q18 as production facilities completed in 2018 have started harvesting market hogs. Prices declined by 16% y-o-y due to higher pork supply coming from domestic producers, while imports fell to negligible volumes, as Latin American producers re-routed shipments to Asia.

Meat Processing: Sales volume increased by 7% y-o-y, on the acceleration of sausages and carcass sales, up 8% and 28% respectively. Average sales price of the segment declined by 7%: sausages and cuts prices were unchanged compared to 3Q18, while carcass price eased by 14% y-o-y, in line with live pork prices.

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

Monthly performance

| | September 2019 | September 2018 | Change % y-o-y | August 2019 | Change % m-o-m |
|----------------------------------|-------------------|-------------------|-------------------|----------------|-------------------|
| Chicken | | | | | |
| Volume sold, thousand tonnes | 52.86 | 41.54 | 27% | 51.41 | 3% |
| Average price, RUB/kg | 110.79 | 103.21 | 7% | 114.04 | (3%) |
| Turkey* | | | | | |
| Volume sold, thousand tonnes | 3.54 | 2.86 | 24% | 3.64 | (3%) |
| Average price, RUB/kg | 167.27 | 161.19 | 4% | 165.53 | 1% |
| Pork** | | | | | |
| Volume produced, thousand tonnes | 24.14 | 20.10 | 20% | 22.01 | 10% |
| Volume sold, thousand tonnes | 23.14 | 19.48 | 19% | 21.45 | 8% |
| Average price, RUB/kg | 85.62 | 115.42 | (26%) | 92.95 | (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.



| | September 2019 | September 2018 | Change % y-o-y | August 2019 | Change % m-o-m |
|------------------------------|-------------------|-------------------|-------------------|----------------|-------------------|
| Meat Processing | | | | | |
| Volume, thousand tonnes | 21.24 | 19.91 | 7% | 21.94 | (3%) |
| Sausages | 10.01 | 8.93 | 12% | 9.62 | 4% |
| Cuts | 2.20 | 3.25 | (32%) | 2.25 | (2%) |
| Carcass | 7.99 | 6.59 | 21% | 8.74 | (9%) |
| By-products | 1.03 | 1.14 | (9%) | 1.33 | (22%) |
| Average price, RUB/kg | 157.99 | 180.87 | (13%) | 160.38 | (1%) |
| Sausages | 180.41 | 188.91 | (4%) | 181.35 | (1%) |
| Cuts | 218.17 | 228.53 | (5%) | 221.12 | (1%) |
| Carcass | 127.77 | 168.01 | (24%) | 139.82 | (9%) |
| By-products | 46.34 | 55.87 | (17%) | 40.51 | 14% |
| Samson*** | | | | | |
| Volume sold, thousand tonnes | 1.97 | N/A | - | 2.01 | (2%) |
| Average price, RUB/kg | 204.51 | N/A | - | 208.99 | (2%) |

Quarterly performance

| | 3Q 2019 | 3Q 2018 | Change % y-o-y | 2Q 2019 | Change % q-o-q |
|----------------------------------|------------|------------|-------------------|------------|-------------------|
| Chicken | | | | | |
| Volume sold, thousand tonnes | 164.51 | 131.27 | 25% | 171.52 | (4%) |
| Average price, RUB/kg | 110.81 | 99.14 | 12% | 100.34 | 10% |
| Turkey* | | | | | |
| Volume sold, thousand tonnes | 11.03 | 9.34 | 18% | 8.93 | 24% |
| Average price, RUB/kg | 160.71 | 155.34 | 3% | 164.01 | (2%) |
| Pork** | | | | | |
| Volume produced, thousand tonnes | 66.76 | 59.37 | 12% | 67.04 | (0%) |
| Volume sold, thousand tonnes | 64.47 | 56.85 | 13% | 64.76 | (0%) |
| Average price, RUB/kg | 93.52 | 110.98 | (16%) | 95.88 | (2%) |
| Meat Processing | | | | | |
| Volume, thousand tonnes | 63.70 | 59.35 | 7% | 61.47 | 4% |
| Sausages | 29.30 | 27.23 | 8% | 25.38 | 15% |
| Cuts | 6.73 | 9.67 | (30%) | 9.49 | (29%) |
| Carcass | 24.46 | 19.10 | 28% | 23.24 | 5% |
| By-products | 3.21 | 3.33 | (4%) | 3.36 | (5%) |

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| | 3Q 2019 | 3Q 2018 | Change % y-o-y | 2Q 2019 | Change % q-o-q |
|-----------------------|------------|------------|-------------------|------------|-------------------|
| Average price, RUB/kg | 162.56 | 175.22 | (7%) | 165.96 | (2%) |
| Sausages | 180.12 | 182.00 | (1%) | 187.21 | (4%) |
| Cuts | 223.11 | 223.44 | (0%) | 211.15 | 6% |
| Carcass | 140.18 | 162.68 | (14%) | 141.63 | (1%) |
| By-products | 45.75 | 51.84 | (12%) | 46.10 | (1%) |

Samson***

| | | | | | |
|------------------------------|--------|-----|---|--------|------|
| Volume sold, thousand tonnes | 5.74 | N/A | - | 4.80 | 20% |
| Average price, RUB/kg | 207.73 | N/A | - | 211.87 | (2%) |

* 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. 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. 290 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.

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).