

KEY PERFORMANCE INDICATORS



Uralkali continues to maintain a leading position in the industry against the growing competition background.

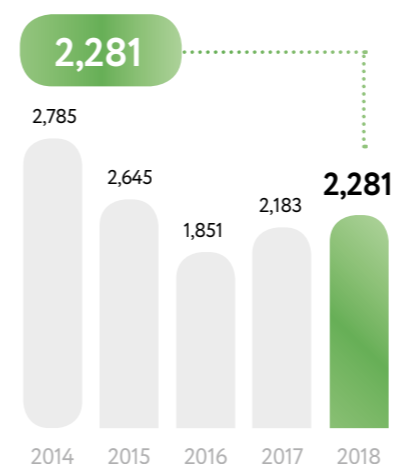
The market environment strengthened its fundamental industry characteristics in 2018.

The Company's EBITDA was 9% higher compared to 2017 and amounted to USD 1,459 million.

Dmitry Osipov,
CEO

Strengthening Industry Leadership Positions

NET REVENUE, USD MLN



Relevance to the strategy

Net revenue is the key financial metric that measures the success of the revenue maximisation strategy. We use net revenue to eliminate the effect of trading transportation costs in order to provide for better cross-industry comparison.

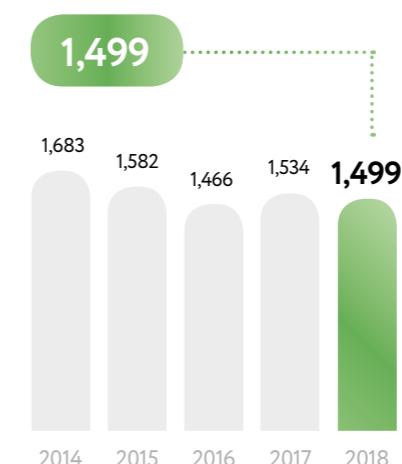
Measurement

Net revenue represents revenue net of freight, railway tariff, lease of wagons, and transshipment costs.

Performance overview

Compared to 2017, the net revenue growth in 2018 was due to high potash demand and higher prices.

LABOUR PRODUCTIVITY TONNES PER PERSON



Relevance to the strategy

Output per capita (production personnel) measures manpower productivity and how efficiently we can produce our product.

Measurement

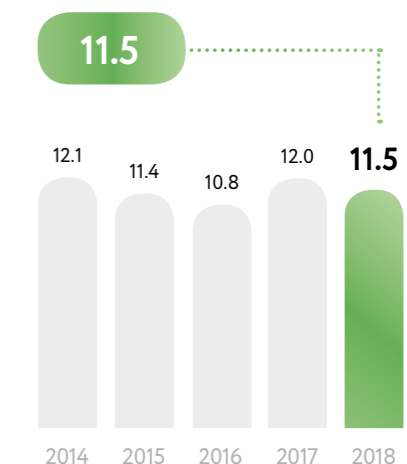
Potash fertilisers output divided by average production personnel headcount.

Performance overview

The production volume in 2018 decreased year-on-year due to the sales redistribution to more profitable markets.

Focus on Relationship with End Consumers

PRODUCTION VOLUME, MLN TONNES KCL



Relevance to the strategy

Achieved production shows the volume of products produced by the Company and based on the market conditions and the current strategy.

Measurement

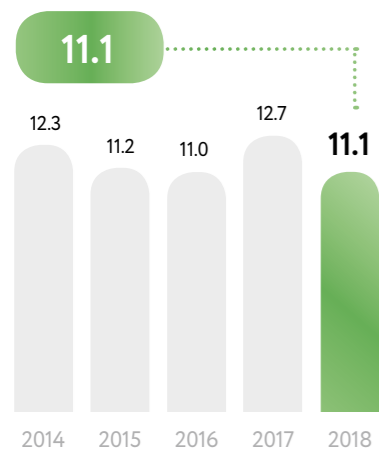
The volume of potash fertilisers produced within the reporting period.

Performance overview

The production volume in 2018 decreased year-on-year due to the sales redistribution to more profitable markets.

Focus on Relationship with End Consumers

SALES VOLUME, MLN TONNES KCL



Relevance to the strategy

Sales volume is one of the indicators representing the efficiency of our logistics, trading performance, and route to the market.

Measurement

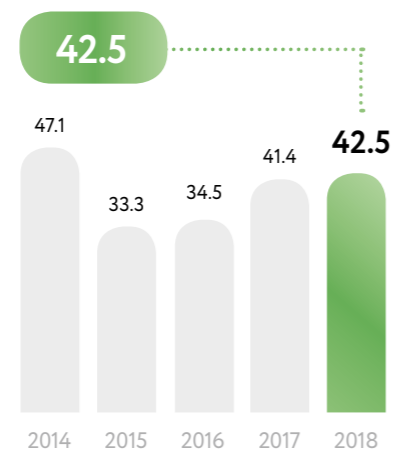
The volume of potash fertilisers sold within the reporting period.

Performance overview

In 2018, the Company followed the strategy aiming at export revenue maximisation based on production volume redistribution to more profitable markets.

Maintaining a Leadership Position in Cash Cost of Goods

UNIT CASH COGS, USD PER TONNE



Relevance to the strategy

Cash cost of goods sold (COGS) per tonne measures our competitive cost position in the industry.

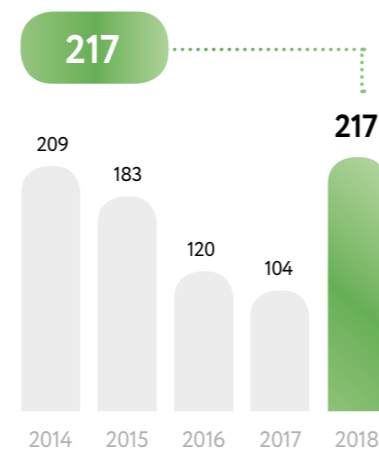
Measurement

COGS less depreciation and amortisation per tonne.

Performance overview

In 2018, our costs increased to USD 42.5 per tonne. The main reason for this increase in COGS per tonne were larger cost of materials and energy resources as well as payroll indexation.

MAINTENANCE CAPEX, USD MLN



Relevance to the strategy

Maintenance CAPEX shows investments in maintenance of our facilities once they are put in operation.

Measurement

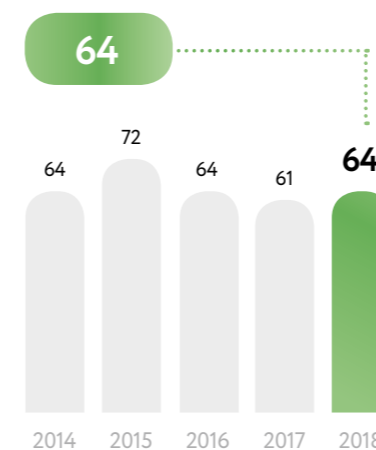
Capital expenditures aimed at maintaining the current production facilities in sound technical condition.

Performance overview

The cost of production capacity maintenance corresponds to the historical level. The equipment is being replaced and the panels are being prepared for testing in accordance with the production cycle. Investments are being made in the construction of hydraulic stowage facilities to ensure safety of mining operations.

Balanced Approach to Investment in Expansion and Return of Free Cash Flow to Shareholders

EBITDA MARGIN, %



Relevance to the strategy

The EBITDA margin demonstrates our pricing success, cost efficiency, advantages of being a pure-potash producer, and reflects the attractive fundamentals of our business.

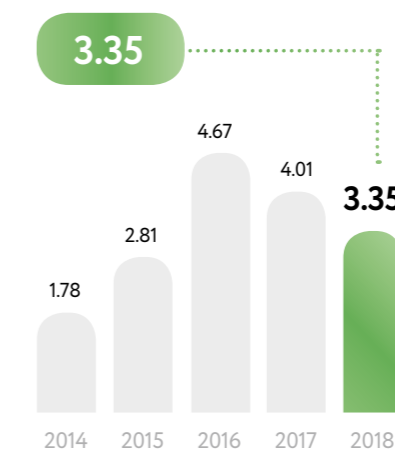
Measurement

EBITDA margin divided by net revenue. EBITDA margin is operating profit plus depreciation and amortisation.

Performance overview

The EBITDA margin rose from 61% to 64% in 2018, mainly due to a price increase on the potash market caused by the weakening of rouble.

NET DEBT/EBITDA FOR THE LAST 12 MONTHS



Relevance to the strategy

Net debt/EBITDA measures how robust our capital structure is and how we manage our balance sheet.

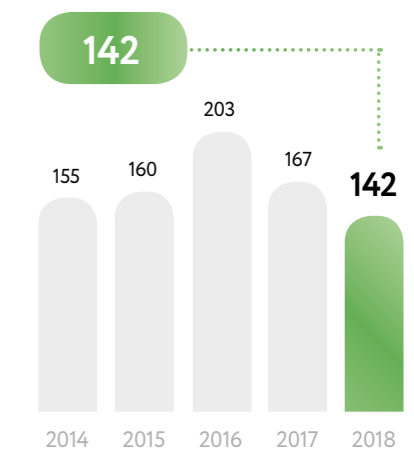
Measurement

Net debt is debt (including bank loans and bonds) less cash and deposits.

Performance overview

The fall in the net debt/EBITDA ratio was caused by an increase in EBITDA due to favourable market conditions in 2018 and the growth in net debt.

EXPANSION CAPEX, USD MLN



Relevance to the strategy

Expansion CAPEX reflects how efficiently we bring new potash capacity on line.

Measurement

Capital expenditures attributable to the expansion programme.

Performance overview

The Company's expansion programme remains one of the most efficient in the field. In 2018, the total expansion CAPEX corresponded to the schedule of launching new capacities aimed to maintain the leading position on the market.

Focus on People, Communities, Safety and Environment

WORK-RELATED FATAL INJURY FREQUENCY RATE (FIFR)



Relevance to the strategy

FIFR is the core indicator of responsible health and safety management. It is central to our focus on operational excellence.

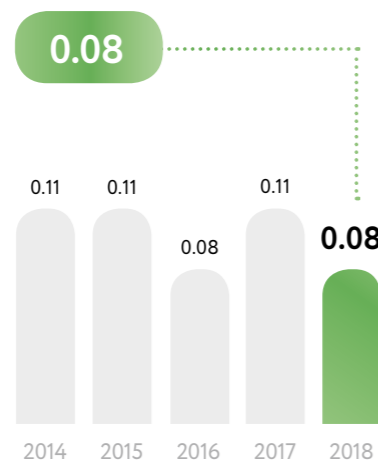
Measurement

FIFR is calculated based on the number of fatalities per 200 thousand hours worked.

Performance overview

In 2018, no fatal accidents took place at Uralkali or its subsidiaries and affiliates.

LOST TIME INJURY FREQUENCY RATE (LTIFR)



Relevance to the strategy

LTIFR reflects work-related injury frequency. The rate helps us to measure the efficiency of our health and safety initiatives and controls across our operations.

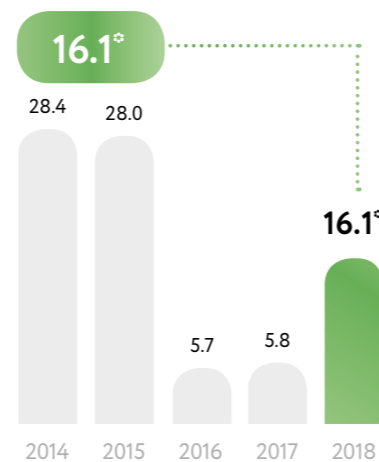
Measurement

LTIFR is calculated based on the number of lost time injuries per 200 thousand hours worked.

Performance overview

In 2018, 13 accidents were registered at Uralkali's enterprises and subsidiaries in Russia. No fatal outcomes took place. All cases were investigated; the Company took the necessary measures to prevent similar accidents in future.

SOCIAL INVESTMENTS, USD MLN



Relevance to the strategy

Social investments demonstrate and reflect the Company's important role in the community in which it operates.

Measurement

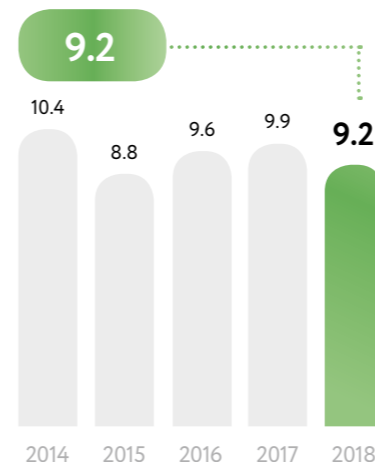
Total amount of social expenditures including charity, support of infrastructure, and sport.

Performance overview

In 2018, Uralkali continued to support sport activities, donate to charity, and contribute to the development of the region where it operates.

* Social expenditures in roubles amounted to RUB 1,008 million for 2018. Average rate of the Central Bank of the Russian Federation for 2018: USD 1 = RUB 62.7078.

VOLUNTARY LABOUR TURNOVER, %



Relevance to the strategy

Labour turnover represents the ability to retain our people, which is key to the Company's strategy to be positioned as an employer of choice.

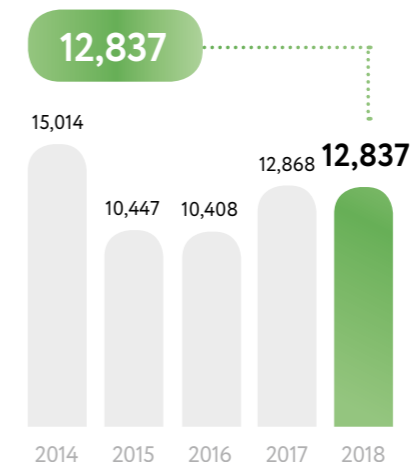
Measurement

Turnover is the number of permanent employee resignations as a percentage of total employees (excl. transfer to another employer).

Performance overview

In 2018, the labour turnover index decreased due to an increase in payment to key staff, free employee transportation and other measures taken by the Company.

AVERAGE ANNUAL WAGES, USD



Relevance to the strategy

The average annual wages per employee indicator in the main production unit measures how competitive we are on the market in relation to attracting and retaining the best people.

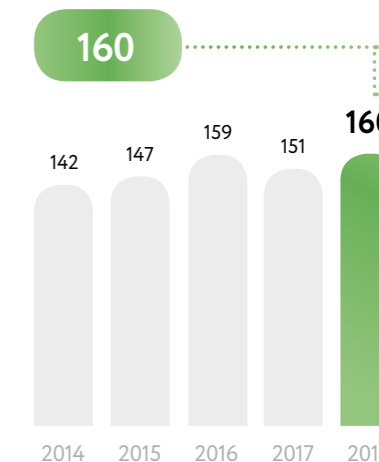
Measurement

The annual payroll is divided by the average number of employees in the main production unit, excluding top managers.

Performance overview

In 2018, the average annual wages denominated in US dollars remained at the level of the previous year due to the weakening of rouble and indexation. Uralkali constantly monitors salary rates and pays the utmost attention to retaining people through ensuring its salary levels remain attractive.

ENERGY CONSUMPTION KWH/T



Relevance to the strategy

Energy utilisation as a result of a number of mitigating actions demonstrates how the Company responds to climate change.

Measurement

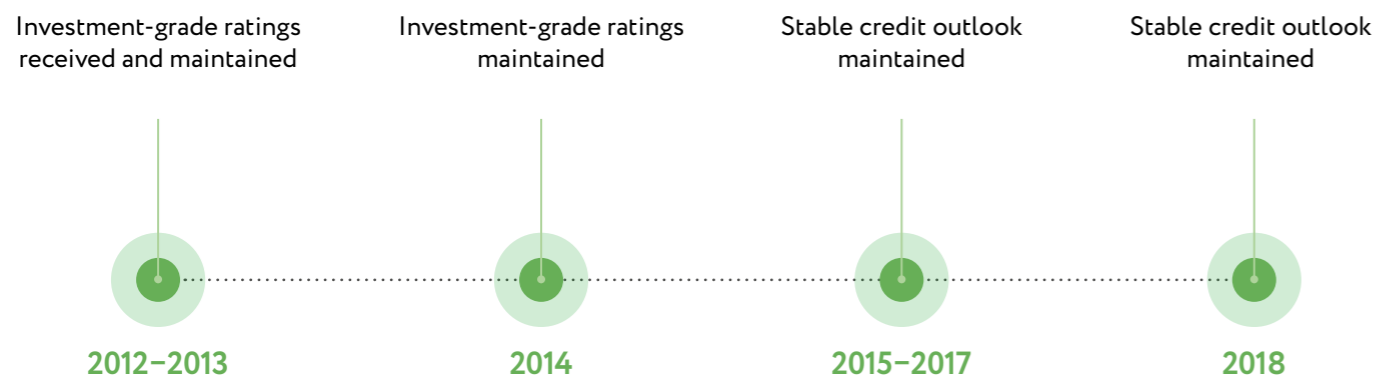
Energy consumed (electricity) per tonne of production for industrial needs.

Performance overview

Increase in energy consumption per tonne of production was due to the decrease in production volume amid other factors.

Continued Focus on Best Corporate Governance Practices

CREDIT RATING MAINTENANCE



THE COMPANY'S GOVERNANCE AND TRANSPARENCY ARE NOT NEGATIVELY CITED BY RATING AGENCIES/REGULATORS

The Company pursued a consistent policy of enhancing its corporate governance and information transparency, which also includes improving the information uploaded to its website and the quality of public reporting. No complaints were received from regulators.

Uralkali continued implementing consistent measures to maintain the existing corporate governance system and information transparency.



Relevance to the strategy

Investment-grade ratings acknowledge that Uralkali is a first-class borrower with strong industry position, balanced financial policy, prudent risk management, and adherence to leading corporate governance standards.



Measurement

Type of ratings assigned to the Company by four rating agencies: Fitch, Moody's, Standard & Poor's, and Expert RA.



Performance overview

In 2018, Expert RA assigned the Company the ruA rating.

In 2018, Fitch and Standard & Poor's improved the outlook on the Company's rating from Negative to Stable. Moody's rating agency's outlook remained at the same level.



Relevance to the strategy

The corporate governance system, based on the best international standards, is the backbone of shareholders' trust.



Measurement

Any defects in the Company's corporate governance, transparency, disclosure or ethical standards, practices or procedures cited by any rating agency or regulator with jurisdiction over the Company's securities as a reason for an adverse decision with respect to the Company.



Performance overview

Corporate governance continued to be among the Company's key priorities in 2018. The decision-making process in the Company is in line with legal and regulatory requirements and the best international corporate governance practices.