

Excerpts from research reports covering PhosAgro shares

Alfa Bank

In our view, PhosAgro maintains its position as the world's most efficient producer of phosphate fertilizers

The recovery of phosphate fertilizer prices to above USD 500 per tonne (DAP Baltic) in the current year has provided significant support to the company's earnings performance. PhosAgro exports approximately 75% of its production. The company faces minimum logistical constraints by utilising low-tonnage vessels for its export operations, including those from "friendly" states. Brazil and India represent PhosAgro's primary export markets.

PhosAgro is actively implementing the third stage of its Strategy, which includes the modernisation of the Balakovo production site. There are plans to create production capacities for 1 mt of complex mineral fertilizers (NPK) and 0.5 mt of DAP per year. Design capacity is to be reached in 2026.

Currently, PhosAgro trades at 5.5x EV/EBITDA 2026P, offering a substantial discount compared to global industry peers and the Company's own historical valuation multiples.

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PhosAgro: our recommendation is "buy" despite rising raw material costs

We are lowering PhosAgro's target share price by 5% to RUB 8,000, but maintain our "buy" recommendation on expectations of a weaker rouble next year and sustained high fertilizer prices. Total yield, including dividends of RUB 489 per share, stands at 28% over the next year.

Key messages

- The primary driver behind the reduced target price is higher projected costs for key raw materials in phosphate fertilizer production: sulphur and ammonia.
- The fertilizer market remains robust despite seasonal correction: Indian demand continues to grow, while China's export restrictions provide ongoing support for DAP/MAP prices.
- Raw material costs are climbing amid global supply shortages as several production facilities are taken offline. Sulphur prices have risen particularly sharply, pressuring PhosAgro's profitability.
- The Company delivered strong financial results in 2025 on the back of higher fertilizer prices. For next year, we anticipate revenue and EBITDA growth driven by a weaker rouble. However, we project lower profits in 2026 and 2027.

SBER CIB

Fertilizer producers

Rising costs and rouble strength offset favourable market conditions

We have raised our fertilizer export price forecasts reflecting the strength of the global fertilizer market in 2025. However, a stronger than anticipated rouble, combined with higher indexation rates for domestic gas and electricity, has largely neutralised the positive impact of improved export price expectations. We have cut PhosAgro's target share price by 3% to RUB 7,500, while maintaining our "hold" recommendation.



Debt management

The Company uses a conservative approach to leverage and believes that a comfortable net debt/EBITDA ratio should be below 2x. As at 31 December 2025, the Company's leverage was comfortable, with the net debt/EBITDA ratio standing at 1.82x.

When determining its borrowing requirements, the Company assesses the cost of borrowing from banks and public debt markets, the amount and maturity available while striving to ensure that this fits into the Group's

long-term debt reduction strategy. The choice of the currency of borrowings is based on the availability of currencies and the structure of the Company's revenue, with almost 72% of total amount denominated in foreign currency in 2025.

In line with the investment policy designed to meet PhosAgro's investor obligations and strengthen its investment case, the investment budget shall not exceed 50% of planned EBITDA.

One of the events after the reporting date that had an impact on the Company's debt profile was the January 2025 redemption of the USD 500 mln Eurobond issue. This redemption was executed in full across both the Russian perimeter and outside of it.

The record high capital investments and charitable expenses in 2025 did not affect the Company's leverage, which remained comfortably below the net debt/EBITDA target.

Eurobonds

ISIN	XS2384719402
Borrower	PJSC PhosAgro
Issuer	PhosAgro Bond Funding Limited
Currency	USD
Offering date	16 September 2021
Maturity date	16 September 2028
Issue value, USD mln	500
Including replacement bonds, USD mln	RU000A106G56 383.470



RUB-denominated exchange bonds

ISIN	RU000A106516	RU000A109K40	RU000A10A4S7
Series	BO-P01	BO-P02	BO-02-01
Issuer	PJSC PhosAgro	PJSC PhosAgro	PJSC PhosAgro
Currency	RUB	RUB	RUB
Offering date	21 April 2023	18 September 2024	22 November 2024
Maturity date	17 April 2026	8 September 2026	12 November 2026
Coupon rate	9.4%	Key rate + 1.10%	Key rate + 2.00%
Coupon payments	Semi-annual	Monthly	Monthly
Issue value, RUB mln	20,000	35,000	30,371.791

CNY-denominated exchange bonds

ISIN	RU000A1063Z5	RU000A10AXK9
Series	BO-P01-CNY	BO-02-02
Issuer	PJSC PhosAgro	PJSC PhosAgro
Currency	CNY	CNY
Offering date	13 April 2023	18 February 2025
Maturity date	9 April 2026	12 August 2026
Coupon rate	China Loan Prime Rate (LPR 1Y) + 1.2%	10.4%
Coupon payments	91 days	Monthly
Issue value, CNY mln	2,000	1,000

USD-denominated exchange bonds

ISIN	RU000A108LP2	RU000A10CZ68	RU000A10B7J8
Series	BO-P01-USD	BO-02-04	BO-02-03
Issuer	PJSC PhosAgro	PJSC PhosAgro	PJSC PhosAgro
Currency	USD	USD	USD
Offering date	6 June 2024	2 October 2025	1 April 2025
Maturity date	31 May 2029	12 October 2028	18 September 2027
Coupon rate	6.25%	7.0%	7.5%
Coupon payments	91 days	Monthly	Monthly
Issue value, USD mln	100	250	642.2



Alexander Sharabaika
Deputy CEO for Finance and International Projects at PhosAgro

In January 2025, the Company redeemed its USD 500 mln Eurobond issue. This redemption was executed in full across both the Russian perimeter and outside of it.

During 2025, we placed three bond issues that drew considerable interest from institutional and private investors alike.

In February, we issued bonds worth CNY 1 bln with a 10.4% per annum coupon. Robust investor demand enabled three successive reductions from the initial 11.00% per annum coupon guidance. This placement represented a milestone for PhosAgro: despite prevailing market conditions, we secured financing on favourable terms, demonstrating the Company’s resilience and our financial strategy’s effectiveness.

In March, we successfully closed the order book for USD-denominated bonds settled in Russian roubles. We set the issue volume at USD 250 mln with a 2.5-year tenor and a fixed 7.50% per annum coupon.

The book-building process delivered the lowest coupon rate among all foreign currency-denominated bond placements on the Russian primary bond market since early 2025.

The Company’s strong creditworthiness – reflected in top-tier ratings from leading Russian agencies (AAA, at the country ceiling) – enables us to execute transactions that are unique in the Russian public debt market. These include placing USD-denominated bonds settled in roubles to replace repurchased RUB-denominated bonds.

We completed one such transaction in June 2025, raising the equivalent of USD 400 mln at a 6.53% per annum coupon. This represented the lowest coupon rate among all foreign currency placements on the Russian primary bond market year-to-date.

In October, we placed our second USD-denominated bond issue of 2025 with rouble settlements in the local market. We increased the issue volume from USD 200 mln to USD 250 mln while reducing the initial coupon rate guidance by 25 bps to 7.0%. This transaction supports our debt policy of securing foreign currency financing and enables us to borrow against foreign currency revenues. We will use the proceeds to refinance existing debt, and the substantially lower coupon rate versus rouble borrowing costs will reduce interest payments across the Group’s debt portfolio.

