

## EVRAZ Q2 2021 TRADING UPDATE

**29 July 2021** — EVRAZ plc (LSE: EVR; “EVRAZ” or the “Group”) today released its trading update for the second quarter of 2021.

### Q2 2021 vs Q1 2021 HIGHLIGHTS

- In Q2 2021, EVRAZ’ consolidated crude steel output remained almost flat QoQ.
- Total sales of steel products climbed by 6.1% QoQ, driven primarily by higher sales of finished products in Russia amid favourable market conditions and an increase in slab sales following the completion of repairs of basic oxygen furnaces at EVRAZ NTMK in Q1 2021.
- Total raw coking coal production dropped by 21.5% QoQ. The reduction was caused primarily by scheduled longwall movements at the Rospadskaya and Alardinskaya mines, as well as completion on the current longwall at the Osinnikovskaya mine ahead of the upcoming movement in Q3 2021.
- External sales volumes of coking coal concentrate fell by 8.3% QoQ because of logistical restrictions on shipments to the Russian Far East amid rising exports and the start of the repair season at Russian Railways.
- External sales of iron ore products increased by 8.4% QoQ, driven by higher production in Q2 2021.
- Sales of vanadium products fell by 3.6% QoQ, mainly due to changing the regional sales and product mix to support the increased FeV demand, resulting in longer lead times.

Product, '000 tonnes	Q2 2021	Q1 2021	Q2 2021/ Q1 2021, change	H1 2021	H1 2020	H1 2021/ H1 2020, change
<b>Total crude steel production</b>	<b>3,368</b>	<b>3,414</b>	<b>-1.3%</b>	<b>6,782</b>	<b>6,936</b>	<b>-2.2%</b>
Russia	2,953	2,921	1.1%	5 874	6,113	-3.9%
North America	415	493	-15.8%	908	823	10.3%
<b>Total raw coking coal mined</b>	<b>5,098</b>	<b>6,492</b>	<b>-21.5%</b>	<b>11,590</b>	<b>9,857</b>	<b>17.6%</b>
<b>Total coking coal concentrate production</b>	<b>3,814</b>	<b>4,236</b>	<b>-10.0%</b>	<b>8,050</b>	<b>7,567</b>	<b>6.4%</b>
<b>Iron ore products production</b>	<b>3,750</b>	<b>3,394</b>	<b>10.5%</b>	<b>7,144</b>	<b>7,055</b>	<b>1.3%</b>
<b>Total sales of steel products<sup>1</sup></b>	<b>3,244</b>	<b>3,057</b>	<b>6.1%</b>	<b>6,301</b>	<b>6,606</b>	<b>-4.6%</b>
Semi-finished products	1,439	1,406	2.3%	2,845	3,167	-10.2%
Finished products	1,805	1,651	9.3%	3,456	3,439	0.5%
<b>Total sales of third-party steel products</b>	<b>217</b>	<b>134</b>	<b>61.9%</b>	<b>351</b>	<b>372</b>	<b>-5.6%</b>
<b>Sales of coking coal products</b>	<b>2,761</b>	<b>2,824</b>	<b>-2.2%</b>	<b>5,585</b>	<b>6,079</b>	<b>-8.1%</b>
<b>Sales of iron ore products</b>	<b>337</b>	<b>311</b>	<b>8.4%</b>	<b>648</b>	<b>801</b>	<b>-19.1%</b>
<b>Sales of vanadium in slag</b>	<b>1,624</b>	<b>1,135</b>	<b>43.1%</b>	<b>2,759</b>	<b>2,760</b>	<b>0.0%</b>
<b>Sales of vanadium final products<sup>2</sup></b>	<b>3,247</b>	<b>3,368</b>	<b>-3.6%</b>	<b>6,615</b>	<b>5,610</b>	<b>17.9%</b>

Note. Numbers in this table and the tables below may not add up to totals due to rounding.

<sup>1</sup> Includes tonnes of pig iron

<sup>2</sup> In tonnes of pure vanadium

## FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements", which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements, including, among others, the achievement of anticipated levels of profitability, growth, cost and synergy of recent acquisitions, the impact of competitive pricing, the ability to obtain necessary regulatory approvals and licenses, the impact of developments in the Russian economic, political and legal environment, volatility in stock markets or in the price of the Group's shares or GDRs, financial risk management and the impact of general business and global economic conditions. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as at the date as of which they are made, and each of EVRAZ and the Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in EVRAZ' or the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. Neither the Group, nor any of its agents, employees or advisors intends or has any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this document.

## STEEL SEGMENT

### Total production volumes

Product, '000 tonnes	Q2 2021	Q1 2021	Q2 2021/ Q1 2021, change	H1 2021	H1 2020	H1 2021/ H1 2020, change
<b>Pig iron production</b>	<b>2,719</b>	<b>2,683</b>	<b>1.3%</b>	<b>5,402</b>	<b>5,620</b>	<b>-3.9%</b>
EVRAZ ZSMK	1,435	1,424	0.8%	2,859	3,088	-7.4%
EVRAZ NTMK	1,284	1,259	2.0%	2,543	2,532	0.4%
<b>Crude steel production</b>	<b>2,953</b>	<b>2,921</b>	<b>1.1%</b>	<b>5,874</b>	<b>6,113</b>	<b>-3.9%</b>
EVRAZ ZSMK	1,821	1,810	0.6%	3,631	3,858	-5.9%
EVRAZ NTMK	1,132	1,111	1.9%	2,243	2,255	-0.5%
<b>Total steel products production, net of re-rolled volume</b>	<b>2 693</b>	<b>2,656</b>	<b>1.4%</b>	<b>5,349</b>	<b>5,606</b>	<b>-4.6%</b>
EVRAZ ZSMK	1,548	1,559	-0.7%	3,107	3,400	-8.6%
EVRAZ NTMK	1,040	1,014	2.6%	2,054	2,026	1.4%
EVRAZ Caspian Steel	105	83	26.5%	188	180	4.4%
<b>Iron ore products production</b>	<b>3,750</b>	<b>3,394</b>	<b>10.5%</b>	<b>7,144</b>	<b>7,055</b>	<b>1.3%</b>
Pellets (EVRAZ KGOK)	1,643	1,574	4.4%	3,217	3,281	-2.0%
Sinter (EVRAZ KGOK)	922	921	0.1%	1,843	1,821	1.2%
Concentrate saleable (EVRAZ KGOK, EVRAZ ZSMK)	1,185	899	31.8%	2,084	1,953	6.7%
<b>Coking coal concentrate production</b>	<b>434</b>	<b>367</b>	<b>18.3%</b>	<b>801</b>	<b>982</b>	<b>-18.4%</b>
From own raw coal <sup>1</sup>	370	313	18.2%	683	830	-17.7%
From third-party raw coal	64	54	18.5%	118	152	-22.4%
<b>Gross vanadium slag production<sup>2</sup></b>	<b>5,206</b>	<b>4,798</b>	<b>8.5%</b>	<b>10,004</b>	<b>10,077</b>	<b>-0.7%</b>

Note. Numbers in this table and the tables below may not add up to totals due to rounding.

<sup>1</sup> From Coal segment

<sup>2</sup> In tonnes of pure vanadium

In Q2 2021, pig iron and crude steel production remained mostly flat QoQ at the Russian mills.

The total output of steel products rose by 1.4% QoQ, mainly because of an increase of production at EVRAZ NTMK and EVRAZ Caspian Steel amid higher market demand.

Output of iron ore products climbed by 10.5% QoQ, mainly driven by the resumption of third-party raw material supplies and additional loading of the Abagurskaya processing plant's capacity at EVRAZ ZSMK.



## Total sales volumes

Product, '000 tonnes	Q2 2021	Q1 2021	Q2 2021/ Q1 2021, change	H1 2021	H1 2020	H1 2021/ H1 2020, change
<b>Coke</b>	<b>73</b>	<b>74</b>	<b>-2.2%</b>	<b>147</b>	<b>186</b>	<b>-21.0%</b>
<b>Steel products, external sales</b>	<b>2,862</b>	<b>2,642</b>	<b>8.3%</b>	<b>5,504</b>	<b>5,628</b>	<b>-2.2%</b>
<b>Semi-finished products</b>	<b>1,439</b>	<b>1,406</b>	<b>2.3%</b>	<b>2,845</b>	<b>3,023</b>	<b>-5.9%</b>
Slabs	870	666	30.6%	1,536	1,307	17.5%
Billets	468	624	-25.0%	1,092	1,476	-26.0%
Other steel products <sup>1</sup>	101	116	-12.9%	217	240	-9.6%
<b>Finished products</b>	<b>1,423</b>	<b>1,236</b>	<b>15.1%</b>	<b>2,659</b>	<b>2,605</b>	<b>2.1%</b>
Construction products	943	794	18.8%	1,737	1,622	7.1%
Railway products	285	279	2.2%	564	669	-15.7%
Other steel products	195	163	19.6%	358	314	14.0%
<b>Steel products, intersegment sales</b>	<b>11</b>	<b>4</b>	<b>n/a</b>	<b>15</b>	<b>43</b>	<b>-65.1%</b>
<b>Third-party steel products, external sales</b>	<b>217</b>	<b>134</b>	<b>61.9%</b>	<b>351</b>	<b>372</b>	<b>-5.6%</b>
<b>Iron ore products, external sales</b>	<b>337</b>	<b>311</b>	<b>8.4%</b>	<b>648</b>	<b>801</b>	<b>-19.1%</b>
<b>Pellets</b>	<b>337</b>	<b>311</b>	<b>8.4%</b>	<b>648</b>	<b>801</b>	<b>-19.1%</b>
<b>Sales of vanadium in slag</b>	<b>1,624</b>	<b>1,135</b>	<b>43.1%</b>	<b>2,759</b>	<b>2,760</b>	<b>0.0%</b>
<b>Sales of vanadium final products<sup>2</sup></b>	<b>3,247</b>	<b>3,368</b>	<b>-3.6%</b>	<b>6,615</b>	<b>5,610</b>	<b>17.9%</b>

Note. Numbers in this table and the tables below may not add to totals due to rounding.

<sup>1</sup> Includes tonnes of pig iron

<sup>2</sup> In tonnes of pure vanadium

In Q2 2021, external sales of steel products rose by 8.3% QoQ, driven by an increase in sales volumes of semi-finished and finished products.

Sales of semi-finished products climbed by 2.3% QoQ amid a 30.6% QoQ surge in slab sales volumes. This was mainly driven by the completion of repairs of basic oxygen furnace no. 1 in February and basic oxygen furnace no. 2 in March at EVRAZ NTMK. Sales of billets dropped by 25.0% QoQ, driven by changes in the product mix in favour of slabs and finished products to account for market conditions.

Sales of finished products rose by 15.1% QoQ amid favourable market conditions. Sales of construction and other products increased by 18.8% and 19.6% QoQ, respectively, because of higher domestic and CIS market demand.

Sales of iron ore products climbed by 8.4% QoQ, driven by higher production in Q2 2021.

Sales of vanadium products fell by 3.6% QoQ, mainly due to changing the regional sales and product mix to support the increased FeV demand, resulting in longer lead times.

Cash cost, US\$/t	Q2 2021	Q1 2021	Q2 2021/ Q1 2021, change	H1 2021	H1 2020	H1 2021/ H1 2020, change
Slab cash cost vertically integrated	290	277	4.7%	283	210	34.8%
Iron ore products (Fe 62%)	41	40	2.5%	40	37	8.1%

#### Average selling prices

US\$/t (ex-works)	Q2 2021	Q1 2021	H1 2021	H1 2020
<b>Coke</b>	<b>307</b>	<b>258</b>	<b>285</b>	<b>159</b>
<b>Steel products</b>	<b>707</b>	<b>583</b>	<b>646</b>	<b>438</b>
Semi-finished products <sup>1</sup>	604	484	543	319
Construction products	805	650	734	474
Railway products	838	838	838	873
Other steel products	740	669	704	500
Pellets	166	115	142	49
<b>Metal Bulletin Ferro-Vanadium basis 78% min, free DDP, consumer plant, 1st grade Western Europe<sup>2</sup></b>	<b>35.94</b>	<b>30.91</b>	<b>33.43</b>	<b>25.02</b>
<b>Ryan's Notes N.A. FeV 80% min, US ex-warehouse, duty paid<sup>2</sup></b>	<b>35.99</b>	<b>32.03</b>	<b>34.01</b>	<b>23.85</b>

<sup>1</sup> Includes prices for pig iron

<sup>2</sup> US\$/kgV

In Q3 2021, pig iron production volumes are expected to slightly decrease following the planned repairs at EVRAZ NTMK.



## STEEL, NORTH AMERICA SEGMENT

### Production and sales volumes

Product, '000 tonnes	Q2 2021	Q1 2021	Q2 2021/ Q1 2021, change	H1 2021	H1 2020	H1 2021/ H1 2020, change
<b>Crude steel</b>	<b>415</b>	<b>493</b>	<b>-15.8%</b>	<b>908</b>	<b>823</b>	<b>10.3%</b>
EVRAZ US mills	161	227	-29.1%	388	461	-15.8%
EVRAZ Canadian mills	254	266	-4.7%	520	363	43.3%
<b>Total steel products production, net of re-rolled volume</b>	<b>385</b>	<b>399</b>	<b>-3.5%</b>	<b>784</b>	<b>914</b>	<b>-14.2%</b>
EVRAZ US mills	273	276	-1.2%	549	598	-8.2%
EVRAZ Canadian mills	112	123	-8.7%	235	316	-25.6%
<b>Sales of steel products</b>	<b>382</b>	<b>415</b>	<b>-8.1%</b>	<b>797</b>	<b>978</b>	<b>-18.5%</b>
Semi-finished products	-	-	-	-	144	-100.0%
Construction products	82	66	24.0%	148	133	11.3%
Railway products	87	104	-16.6%	191	213	-10.3%
Flat-rolled products	143	168	-14.5%	311	169	84.0%
Tubular products	69	77	-10.1%	146	319	-54.2%

In Q2 2021, crude steel production at the Canadian operations fell by 4.7% QoQ as a result of a planned seven-day maintenance outage in May at EVRAZ Regina. Market demand remained high in the quarter amid a rapid economic recovery from the downturn driven by the COVID-19 pandemic, fewer imports and relatively low levels of distributor inventory.

In Q2 2021, crude steel production of US operations decreased 29.1% QoQ due to a steam explosion in the furnace at the end of May at EVRAZ Pueblo, resulting in an unplanned outage.

Sales of construction products in Q2 2021 climbed by 24.0% QoQ amid strong market demand and price growth outpacing those for raw materials.

Sales of railway products decreased by 16.6% QoQ, primarily due to a shortage of steel caused by the unplanned steelmaking outage in June and lower demand from project and distribution customers.

Sales of flat-rolled products dropped by 14.5% QoQ, primarily because of reduced steel availability driven by the planned maintenance outage at EVRAZ Regina in May.

Tubular volumes fell by 10.1% QoQ following the completion of large diameter pipe orders in Q1 2021, there were no large diameter pipe shipments in Q2 2021. This decline in large diameter volumes was partially offset by increase in OCTG and line pipe sales that more than doubled QoQ. The improvement in sales volumes has been driven by rapidly growing market demand, which allowed us to restart all our OCTG facilities that had been idled since Q2 2020.



### Average selling prices

US\$/t (ex-works)	Q2 2021	Q1 2021	H1 2021	H1 2020
Construction products	900	826	867	665
Flat-rolled products	1,205	869	1,024	792
Tubular products	1,513	1,496	1,504	1 267

In Q3 2021, steel production is expected to increase QoQ due to a non-repeat planned maintenance outage at EVRAZ Regina and unplanned downtime at EVRAZ Pueblo. We expect the market sentiment to continue to remain strong and improve QoQ in the product segments where EVRAZ operates.

## COAL SEGMENT

### Production volumes

Product, '000 tonnes*	Q2 2021	Q1 2021	Q2 2021/ Q1 2021, change	H1 2021	H1 2020	H1 2021/ H1 2020, change
Raw coking coal (mined)	5,098	6,492	-21.5%	11,590	9,857	17.6%
Coking coal concentrate (production)	3,380	3,869	-12.6%	7,249	6,585	10.1%

\* Starting from 2021, Rospadskaya includes Yuzhkuzbassugol and Mezhegeyugol; the data have been adjusted

In Q2 2021, overall raw coking coal output fell by 21.5% QoQ. The reduction was caused primarily by scheduled longwall movements at the Rospadskaya and Alardinskaya mines, as well as completion on the current longwall at the Osinnikovskaya mine ahead of the upcoming movement in Q3 2021. The Group's remaining mines increased their production volumes during the reporting period. Open-pit mining volumes also rose at the Razrez Rospadsky and Rospadskaya-Koksovaya sites.

Output of coking coal concentrate fell by 12.6% QoQ, mainly amid lower mining volumes.



## Sales volumes

Product, '000 tonnes	Q2 2021	Q1 2021	Q2 2021/ Q1 2021, change	H1 2021	H1 2020	H1 2021/ H1 2020, change
<b>External sales</b>	<b>2,761</b>	<b>2,824</b>	<b>-2.2%</b>	<b>5,585</b>	<b>6,079</b>	<b>-8.1%</b>
<i>Raw coking coal</i>	299	139	n/a	438	1,198	-63.4%
<i>Coking coal concentrate</i>	2,462	2,684	-8.3%	5,147	4,880	5.5%
<b>Intersegment sales</b>	<b>1,682</b>	<b>1,540</b>	<b>9.2%</b>	<b>3,222</b>	<b>3,503</b>	<b>-8.0%</b>
<i>Raw coking coal</i>	647	497	30.3%	1,144	1,204	-5.0%
<i>Coking coal concentrate</i>	1,035	1,044	-0.9%	2,078	2,300	-9.7%

External sales volumes of raw coking coal doubled QoQ due to raised shipments to Ukrainian and Far East markets amid greater demand.

External sales volumes of coking coal concentrate fell by 8.3% QoQ because of logistical restrictions on shipments to the Russian Far East amid rising exports and the start of the repair season at Russian Railways. Domestic concentrate sales also fell because of customer requests to increase raw coal supplies.

Intersegment sales volumes of coking coal products rose by 9.2% QoQ, mainly because of an increase in the shipments of K-grade coal from the Rapsadskaya-Koksovaya mine.

Cash cost, US\$/t	Q2 2021	Q1 2021	Q2 2021/ Q1 2021, change	H1 2021	H1 2020	H1 2021/ H1 2020, change
Coking coal concentrate	37	34	8.8%	36	34	5.9%

## Average selling prices

US\$/t (ex-works)	Q2 2021	Q1 2021	H1 2021	H1 2020
Raw coking coal	59	46	53	36
Coking coal concentrate	86	68	76	67

In Q3 2021, raw coal production is expected to increase QoQ, mainly because of the completion of longwall movements at the Alardinskaya and Rapsadskaya mines, as well as work stabilisation amid favourable mining and geological conditions at the Esaulskaya mine.







**Notes:**

Semi-finished products include slabs, billets, pipe blanks and other semi-finished products.

Construction products include beams, channels, angles, rebars, wire rods, wire and other construction products.

Railway products include rails, wheels, tyres and other railway products.

Flat-rolled products include commodity plate, specialty plate and other flat products.

Tubular products include large-diameter line pipes, ERW pipes and casings, seamless pipes and other tubular products.

Other steel products include rounds, grinding balls, mine uprights, strips, etc.

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**For further information:**

**Media Relations:**

+7 495 937 6871

+44-207-290-1096

media@evraz.com

**Investor Relations:**

+7 495 232 1370

+44-207-290-1095

ir@evraz.com

