

## EVRAZ Q4 2020 TRADING UPDATE

**29 January 2021** — EVRAZ plc (LSE: EVR; “EVRAZ” or the “Group”) today released its trading update for the fourth quarter and full year 2020.

### Q4 2020 vs Q3 2020 HIGHLIGHTS

- In Q4 2020, EVRAZ’ consolidated crude steel output rose by 7.4% QoQ, mainly due to higher production volumes at EVRAZ NTMK following the completion of scheduled capital repairs during Q3 2020, as well as improved production volumes at EVRAZ North America, which grew by 26.6% QoQ.
- Total sales of steel products increased by 12.0% QoQ, driven primarily by sales of semi-finished products, which grew by 30.4%. This, in turn, was mainly the result of a recovery in export markets and weaker demand for finished construction products in Russia due to seasonal factors.
- Total raw coking coal production rose by 26.1% QoQ, driven by the relaunch of production at the Razrez Rospadsky open pit as well as better production volumes at the Rospadskaya mine.
- Coking coal concentrate production grew by 5.6% QoQ, mainly due to increased coal mining volumes.
- External sales volumes of coking coal products fell by 19.2% QoQ, due to a deficit of GZh grade coal amid longwall move at the Uskovskaya mine as well as elevated levels of Q2-Q3 2020 sales amid utilisation of stockpiles.
- External sales of iron ore products decreased by 8.4% QoQ, amid higher consumption of pellets by EVRAZ NTMK following the successful launch of blast furnace no. 6 in Q3 2020.
- Sales of vanadium products rose by 51.4% QoQ, mainly due to higher steel utilisation rates, following increased FeV demand also from the automotive industry as well as some increase of oxide and FeV sales to China during Q4 2020.

### FY2020 vs FY2019 HIGHLIGHTS

- In 2020, EVRAZ’ consolidated crude steel production remained almost flat YoY (-1.3%), despite challenges created by the COVID-19 pandemic. In addition, turbulence in the oil and gas markets led to lower demand, resulting in decrease of production volumes at EVRAZ North America.
- Sales volumes of semi-finished products increased by 6.1% YoY, primarily due to a change in the product mix in favour of higher slab and billets sales to export destinations following a decrease in demand in Russia during the COVID-19 pandemic.
- Sales of finished products declined by 10.1%, mainly attributable to the sale of Palini e Bertoli in 2019, as well as lower tubular and flat-rolled products sales at EVRAZ North America, amid unfavourable market conditions caused by the COVID-19 pandemic.
- Production of raw coking coal fell by 21.0% YoY, due to a halt in mining at the Razrez Rospadsky open pit from May to September 2020, the idling of the Mezhegeyugol mine from March 2020 and lower production volumes at the Rospadskaya mine due to challenging geological conditions.
- External iron ore product sales rose by 52.7% YoY, primarily as a result of higher shipments to external markets amid lower consumption of pellets by EVRAZ NTMK during a major overhaul of blast furnace no.6, which was successfully launched in Q3 2020.
- Sales of final vanadium products declined by 2.2% YoY, mainly due to reduced global FeV demand, following the imposition of COVID-19 restrictions (which were partially compensated by changing the regional sales and product mix to serve the more active Chinese oxide market during 2020).

Product, '000 tonnes	Q4 2020	Q3 2020	Q4 2020/ Q3 2020, change	12m 2020	12m 2019	12m 2020/ 12m 2019, change
<b>Total crude steel production</b>	<b>3,467</b>	<b>3,227</b>	<b>7.4%</b>	<b>13,630</b>	<b>13,814</b>	<b>-1.3%</b>
Russia	3,044	2,893	5.2%	12,050	11,953	0.8%
North America	423	334	26.6%	1,580	1,861	-15.1%
<b>Total raw coking coal mined</b>	<b>6,021</b>	<b>4,775</b>	<b>26.1%</b>	<b>20,653</b>	<b>26,140</b>	<b>-21.0%</b>
<b>Total coking coal concentrate production</b>	<b>4,088</b>	<b>3,873</b>	<b>5.6%</b>	<b>15,528</b>	<b>15,922</b>	<b>-2.5%</b>
<b>Iron ore products production</b>	<b>3,642</b>	<b>3,508</b>	<b>3.8%</b>	<b>14,205</b>	<b>13,765</b>	<b>3.2%</b>
<b>Total sales of steel products</b>	<b>3,410</b>	<b>3,046</b>	<b>12.0%</b>	<b>13,062</b>	<b>13,479</b>	<b>-3.1%</b>
Semi-finished products	1,707	1,309	30.4%	6,183	5,828	6.1%
Finished products	1,703	1,737	-1.9%	6,879	7,651	-10.1%
<b>Total sales of third-party steel products</b>	<b>209</b>	<b>267</b>	<b>-21.7%</b>	<b>848</b>	<b>801</b>	<b>5.9%</b>
<b>Sales of coking coal products</b>	<b>2,797</b>	<b>3,460</b>	<b>-19.2%</b>	<b>12,336</b>	<b>11,053</b>	<b>11.6%</b>
<b>Sales of iron ore products</b>	<b>445</b>	<b>486</b>	<b>-8.4%</b>	<b>1,732</b>	<b>1,134</b>	<b>52.7%</b>
<b>Sales of vanadium in slag</b>	<b>1,763</b>	<b>1,605</b>	<b>9.8%</b>	<b>6,129</b>	<b>6,451</b>	<b>-5.0%</b>
<b>Sales of vanadium final products <sup>1</sup></b>	<b>4,207</b>	<b>2,779</b>	<b>51.4%</b>	<b>12,604</b>	<b>12,883</b>	<b>-2.2%</b>

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

<sup>1</sup> In tonnes of pure vanadium

## STEEL SEGMENT

### Total production volumes

Product, '000 tonnes	Q4 2020	Q3 2020	Q4 2020/ Q3 2020, change	12m 2020	12m 2019	12m 2020/ 12m 2019, change
<b>Pig iron production</b>	<b>2,851</b>	<b>2,686</b>	<b>6.1%</b>	<b>11,157</b>	<b>11,016</b>	<b>1.3%</b>
EVRAZ ZSMK	1,564	1,556	0.5%	6,208	6,072	2.2%
EVRAZ NTMK	1,287	1,130	13.9%	4,949	4,944	0.1%
<b>Crude steel production</b>	<b>3,044</b>	<b>2,893</b>	<b>5.2%</b>	<b>12,050</b>	<b>11,953</b>	<b>0.8%</b>
EVRAZ ZSMK	1,933	1,880	2.8%	7,671	7,659	0.2%
EVRAZ NTMK	1,111	1,013	9.7%	4,379	4,294	2.0%
<b>Total steel products production, net of re-rolled volume<sup>1</sup></b>	<b>2,876</b>	<b>2,600</b>	<b>10.6%</b>	<b>11,082</b>	<b>11,018</b>	<b>0.6%</b>
EVRAZ ZSMK	1,758	1,608	9.3%	6,766	6,817	-0.7%
EVRAZ NTMK	1,043	930	12.2%	3,999	3,590	11.4%
EVRAZ Caspian Steel	75	62	21.0%	317	283	12.0%
<b>Iron ore products production</b>	<b>3,642</b>	<b>3,508</b>	<b>3.8%</b>	<b>14,205</b>	<b>13,765</b>	<b>3.2%</b>
Pellets (EVRAZ KGOK)	1,660	1,607	3.3%	6,548	6,203	5.6%
Sinter (EVRAZ KGOK)	928	833	11.4%	3,582	3,511	2.0%
Concentrate saleable (EVRAZ KGOK, EVRAZ ZSMK)	1,054	1,068	-1.3%	4,075	4,051	0.6%
<b>Coking coal concentrate production</b>	<b>473</b>	<b>475</b>	<b>-0.4%</b>	<b>1,930</b>	<b>1,947</b>	<b>-0.9%</b>
From own raw coal <sup>2</sup>	371	317	17.0%	1,518	1,335	13.7%
From third-party raw coal	102	158	-35.4%	412	612	-32.7%
<b>Gross vanadium slag production<sup>3</sup></b>	<b>5,037</b>	<b>4,419</b>	<b>14.0%</b>	<b>19,533</b>	<b>18,380</b>	<b>6.3%</b>

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

<sup>1</sup> Including EVRAZ Palini e Bertoli

<sup>2</sup> From Coal segment

<sup>3</sup> In tonnes of pure vanadium

In Q4 2020, pig iron production increased by 6.1% QoQ, as the capital repair of blast furnace no. 6 was completed in Q3 2020 at EVRAZ NTMK. In FY2020, EVRAZ' pig iron production remained almost flat YoY.

Crude steel production volumes rose by 5.2% QoQ, as scheduled capital repairs during Q3 2020 were completed. In FY2020, the production of crude steel remained almost flat YoY, which was in line with pig iron production volumes.

The total output of steel products increase by 10.6% QoQ, following the completion of scheduled capital repairs at EVRAZ ZSMK in Q3 2020 and a change in the product mix at EVRAZ NTMK. EVRAZ Caspian Steel increased production by 21.0% QoQ, due to higher market demand. In FY2020, the total output of steel products remained flat YoY. This was mainly due to a 11.4% YoY increase in production at EVRAZ NTMK, amid higher volumes of semi-finished and construction products, partly offset by the sale of Palini e Bertoli.

Output of iron ore products went up by 3.8% QoQ, as scheduled capital repairs at EVRAZ KGOK were completed in Q3 2020. In FY2020, output of iron ore products rose by 3.2% YoY, following higher consumption of pellets, lower unscheduled downtime and increased operational efficiency at EVRAZ KGOK.

Consolidated output of vanadium slag increased by 14.0% QoQ, due to higher volumes of pig iron duplex processing. In FY2020, output of vanadium slag climbed by 6.3% YoY, due to the higher vanadium content in pig iron.

### Total sales volumes

Product, '000 tonnes	Q4 2020	Q3 2020	Q4 2020/ Q3 2020, change	12m 2020	12m 2019	12m 2020/ 12m 2019, change
<b>Coke</b>	<b>74</b>	<b>130</b>	<b>-43.1%</b>	<b>390</b>	<b>361</b>	<b>8.0%</b>
<b>Steel products, external sales</b>	<b>3,046</b>	<b>2,703</b>	<b>12.7%</b>	<b>11,377</b>	<b>11,273</b>	<b>0.9%</b>
<b>Semi-finished products</b>	<b>1,707</b>	<b>1,309</b>	<b>30.4%</b>	<b>6,039</b>	<b>5,636</b>	<b>7.2%</b>
Slabs	849	436	94.7%	2,592	2,443	6.1%
Billets	722	735	-1.8%	2,933	2,519	16.4%
Other steel products <sup>1</sup>	136	138	-1.4%	514	674	-23.7%
<b>Finished products</b>	<b>1,339</b>	<b>1,394</b>	<b>-3.9%</b>	<b>5,338</b>	<b>5,636</b>	<b>-5.3%</b>
Construction products	845	925	-8.6%	3,392	3,331	1.8%
Railway products	320	310	3.2%	1,299	1,393	-6.7%
Flat products	0	0	n/a	0	321	-100.0%
Other steel products	174	159	9.4%	647	591	9.5%
<b>Steel products, inter-segment sales</b>	<b>21</b>	<b>3</b>	<b>600.0%</b>	<b>67</b>	<b>318</b>	<b>-78.9%</b>
<b>Third-party steel products, external sales</b>	<b>209</b>	<b>267</b>	<b>-21.7%</b>	<b>848</b>	<b>801</b>	<b>5.9%</b>
<b>Iron ore products, external sales</b>	<b>445</b>	<b>486</b>	<b>-8.4%</b>	<b>1,732</b>	<b>1,134</b>	<b>52.7%</b>
Pellets	445	486	-8.4%	1,732	1,134	52.7%
<b>Sales of vanadium in slag</b>	<b>1,763</b>	<b>1,605</b>	<b>9.8%</b>	<b>6,129</b>	<b>6,451</b>	<b>-5.0%</b>
<b>Sales of vanadium final products<sup>2</sup></b>	<b>4,207</b>	<b>2,779</b>	<b>51.4%</b>	<b>12,604</b>	<b>12,883</b>	<b>-2.2%</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 Q4 2020, external sales of steel products rose by 12.7% QoQ. Sales of semi-finished products surged by 30.4% QoQ, driven by a recovery in export markets and weaker demand for finished construction products in Russia due to seasonal factors. This resulted in a change in the sales mix in favour of semi-finished products.

In FY 2020, sales volumes of semi-finished products were up 7.2% YoY, primarily due to a change in the product mix in favour of higher slab and billets sales to export destinations following a decrease in demand in Russia amid the COVID-19 pandemic.

Sales of finished products dropped by 3.9% QoQ, due to a change in the product mix. In FY2020, sales volumes of finished products declined by 5.3% YoY, mainly due to the sale of Palini e Bertoli in 2019 and lower demand for railway products on the domestic market.

Sales of iron ore products fell by 8.4% QoQ, amid higher consumption of pellets by EVRAZ NTMK, following the successful launch of blast furnace no. 6 in Q3 2020. In FY2020, primarily as a result of higher shipments to external markets amid lower consumption of pellets by EVRAZ NTMK at the time of a major overhaul of blast furnace no.6 which was successfully launched in Q3 2020.

Sales of vanadium products rose by 51.4% QoQ, mainly due to higher steel utilisation rates, following increased FeV demand also from the automotive industry as well as some increase of oxide and FeV sales to China during Q4. In FY2020, sales of final vanadium products declined by 2.2% YoY, mainly due to reduced global FeV demand, following the imposition of COVID-19 restrictions.

Cash cost, US\$/t	Q4 2020	Q3 2020	Q4 2020 / Q3 2020, change	12m 2020	12m 2019	12m 2020 / 12m 2019, change
Slab cash cost vertically integrated	224	200	12.0%	213	236	-9.7%
Iron ore products (Fe 62%)	37	35	5.7%	36	41	-12.2%

#### Average selling prices

US\$/tonne (ex-works)	Q4 2020	Q3 2020	12m 2020	12m 2019
<b>Coke</b>	<b>177</b>	<b>135</b>	<b>155</b>	<b>217</b>
<b>Steel products</b>	<b>455</b>	<b>435</b>	<b>442</b>	<b>483</b>
Semi-finished products <sup>1</sup>	374	315	333	361
Construction products	494	473	479	534
Railway products	732	796	818	823
Other steel products	516	477	498	576
Pellets	78	61	60	70
<b>Metal Bulletin Ferro-Vanadium basis 78% min, free DDP, consumer plant, 1st grade Western Europe<sup>2</sup></b>	<b>24.38</b>	<b>24.23</b>	<b>25.02</b>	<b>41.62</b>
<b>Ryan's Notes N.A. FeV 80% min, US ex-warehouse, duty paid<sup>2</sup></b>	<b>23.11</b>	<b>21.81</b>	<b>23.85</b>	<b>49.18</b>

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

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

In Q1 2021, pig iron production volumes are expected to decrease slightly as a result of fewer operational days in Q1 2021. Iron ore pellets and sinter production volumes are expected to remain flat.

## STEEL, NORTH AMERICA SEGMENT

### Production and sales volumes

Product, '000 tonnes	Q4 2020	Q3 2020	Q4 2020/ Q3 2020, change	12m 2020	12m 2019	12m 2020/ 12m 2019, change
<b>Crude steel</b>	<b>423</b>	<b>334</b>	<b>26.6%</b>	<b>1,580</b>	<b>1,861</b>	<b>-15.1%</b>
EVRAZ US mills	196	181	8.3%	838	925	-9.4%
EVRAZ Canadian mills	227	153	48.4%	743	936	-20.6%
<b>Total steel products production, net of re-rolled volume</b>	<b>377</b>	<b>377</b>	<b>0.0%</b>	<b>1,668</b>	<b>2,212</b>	<b>-24.6%</b>
EVRAZ US mills	270	257	4.8%	1,125	1,418	-20.7%
EVRAZ Canadian mills	107	119	-10.4%	542	794	-31.7%
<b>Sales of steel products</b>	<b>364</b>	<b>343</b>	<b>6.2%</b>	<b>1,685</b>	<b>2,207</b>	<b>-23.7%</b>
Semi-finished products	0	0	n/a	144	192	-25.0%
Construction products	68	61	11.8%	262	256	2.3%
Railway products	99	91	8.8%	404	441	-8.4%
Flat-rolled products	113	100	13.0%	382	523	-27.0%
Tubular products	84	91	-7.7%	494	795	-37.9%

In Q4 2020, crude steel production was 26.6% higher QoQ, following increased demand for flat-rolled and construction products driven by a market recovery. In FY2020, crude steel production was down 15.1% YoY, mainly due to market turbulence amid the COVID-19 pandemic and energy market uncertainty, which led to falling demand and lower production volumes.

Semi-finished products sales fell by 25.0% YoY, following the fulfilment of a contract with a key customer.

Sales of construction products and railway products went up by 11.8% and 8.8% respectively QoQ, due to improved market conditions and additional steel availability. Sales of railway products in FY 2020 decreased by 8.4% YoY, primarily due to reduced demand driven by the COVID-19 pandemic.

Flat-rolled product sales rose by 13.0% QoQ, as a result of improving market conditions. In FY2020, sales of flat-rolled products dropped by 27.0% YoY, as market demand contracted amid the COVID-19 pandemic.

Tubular products sales declined by 7.7% QoQ, and 37.9% YoY, as turbulence in the oil and gas markets led to falling demand, resulting in the idling of the Group's OCTG mills in Canada and the US. At the same time, line pipe production continued to be stable during the period as both large and small diameter mills were producing to current orders.

### Average selling prices

US\$/tonne (ex-works)	Q4 2020	Q3 2020	12m 2020	12m 2019
Construction products	677	649	664	745
Flat-rolled products	728	719	754	911
Tubular products	1 327	1 401	1 349	1 340

In Q1 2021, production and sales volumes for construction, flat-rolled and rail products are expected to continue to improve in line with market recovery. For tubular products, the uncertainty in energy markets remains a significant factor impacting North American customers, however, the OCTG market has started demonstrating early signs of returning demand.

### COAL SEGMENT

#### Production volumes

Product, '000 tonnes	Q4 2020	Q3 2020	Q4 2020/ Q3 2020, change	12m 2020	12m 2019	12m 2020/ 12m 2019, change
<b>Raw coking coal (mined)</b>	<b>6,021</b>	<b>4,775</b>	<b>26.1%</b>	<b>20,653</b>	<b>26,140</b>	<b>-21.0%</b>
<i>Yuzhkuzbassugol</i>	<i>3,257</i>	<i>3,341</i>	<i>-2.5%</i>	<i>11,355</i>	<i>12,180</i>	<i>-6.8%</i>
<i>Raspadskaya</i>	<i>2,764</i>	<i>1,434</i>	<i>92.7%</i>	<i>9,262</i>	<i>12,824</i>	<i>-27.8%</i>
<i>Mezhegeyugol</i>	<i>0</i>	<i>0</i>	<i>n/a</i>	<i>36</i>	<i>1,136</i>	<i>-96.8%</i>
<b>Coking coal concentrate (production)</b>	<b>3,615</b>	<b>3,398</b>	<b>6.4%</b>	<b>13,598</b>	<b>13,975</b>	<b>-2.7%</b>
<i>Produced at Yuzhkuzbassugol coal washing plants</i>	<i>1,804</i>	<i>1,506</i>	<i>19.8%</i>	<i>6,049</i>	<i>6,247</i>	<i>-3.2%</i>
<i>Produced at the Raspadskaya coal washing plant</i>	<i>1,811</i>	<i>1,892</i>	<i>-4.3%</i>	<i>7,549</i>	<i>7,728</i>	<i>-2.3%</i>

In Q4 2020, overall raw coking coal output grew by 26.1% QoQ, driven by re-launched production at the Razrez Raspadsky open pit as well as better production volumes at the Raspadskaya mine. In FY2020, production of raw coking coal went down by 21.0% YoY, due to a halt in mining at the Razrez Raspadsky open pit from May to September 2020, the idling of Mezhegeyugol mine starting from March 2020 and lower production volumes at the Raspadskaya mine amid challenging geological conditions.

Output of coking coal concentrate rose by 6.4% QoQ, mainly due to increased coal mining volumes.

## Sales volumes

Product, '000 tonnes	Q4 2020	Q3 2020	Q4 2020/ Q3 2020, change	12m 2020	12m 2019	12m 2020/ 12m 2019, change
<b>External sales</b>	<b>2,797</b>	<b>3,460</b>	<b>-19.2%</b>	<b>12,336</b>	<b>11,053</b>	<b>11.6%</b>
Raw coking coal*	250	822	-69.6%	2,271	1,929	17.7%
Coking coal concentrate*	2,547	2,638	-3.4%	10,065	9,124	10.3%
<b>Intersegment sales</b>	<b>1,663</b>	<b>1,824</b>	<b>-8.8%</b>	<b>6,990</b>	<b>6,569</b>	<b>6.4%</b>
Raw coking coal	496	622	-20.2%	2,323	2,044	13.6%
Coking coal concentrate	1,166	1,202	-2.9%	4,667	4,525	3.1%

\*The 12m 2019 data have been adjusted

External sales volumes of coking coal products fell by 19.2% QoQ, due to a deficit of GZh grade coal amid longwall move at the Uskovskaya mine as well as elevated levels of Q2-Q3 2020 sales amid utilisation of stockpiles. In FY2020, external sales volumes of coking coal products increased by 11.6% YoY, following higher shipments of raw coal from the Uskovskaya mine. Coking coal concentrate sales volumes rose by 10.3% YoY, due to higher shipments to Southeast Asian countries and Russia, amid the greater utilisation of accumulated stockpiles during Q2-Q3 2020.

Cash cost, US\$/t	Q4 2020	Q3 2020	Q4 2020 / Q3 2020, change	12m 2020	12m 2019	12m 2020 / 12m 2019, change
Coking coal concentrate	26	31	-16.1%	31	35	-11.4%

## Average selling prices

US\$/tonne (ex-works)	Q4 2020	Q3 2020	12m 2020	12m 2019
Raw coking coal	34	30	34	49
Coking coal concentrate	56	57	62	99

In Q1 2021, raw coal production is expected to increase QoQ, amid the completion of the longwall move at the Uskovskaya mine, a return to planned capacity after the resumption of production at the Razrez Rospadsky open pit, and favourable mining and geological conditions at the Esaulskaya mine. This will be partly offset by unfavourable mining and geological conditions at the Alardinskaya and Rospadskaya mines.



**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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EVRAZ is a vertically integrated steel, mining and vanadium business with operations in Russia, Kazakhstan, the US, Canada and Czech Republic. EVRAZ is among the top steel producers in the world based on crude steel production of 14 million tonnes in 2019. A significant portion of the Group's internal consumption of iron ore and coking coal is covered by its mining operations. The Group's consolidated revenues for the year ended 31 December 2019 were US\$11,905 million, and consolidated EBITDA amounted to US\$2,601 million.