



FINANCIAL RESULTS

FY 2020

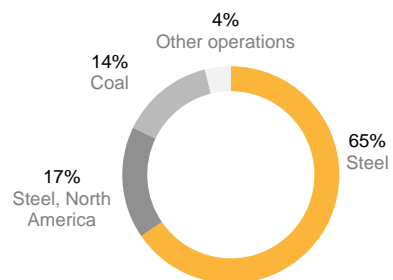
📅 25 February 2021



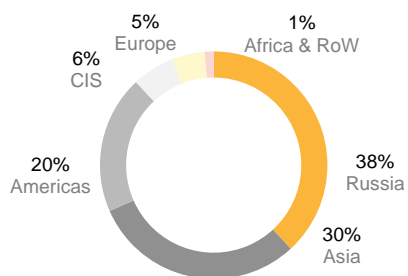
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Core operations and distribution markets

Segment revenue structure¹, %



Consolidated revenue by region, %



Key operational indicators, mt

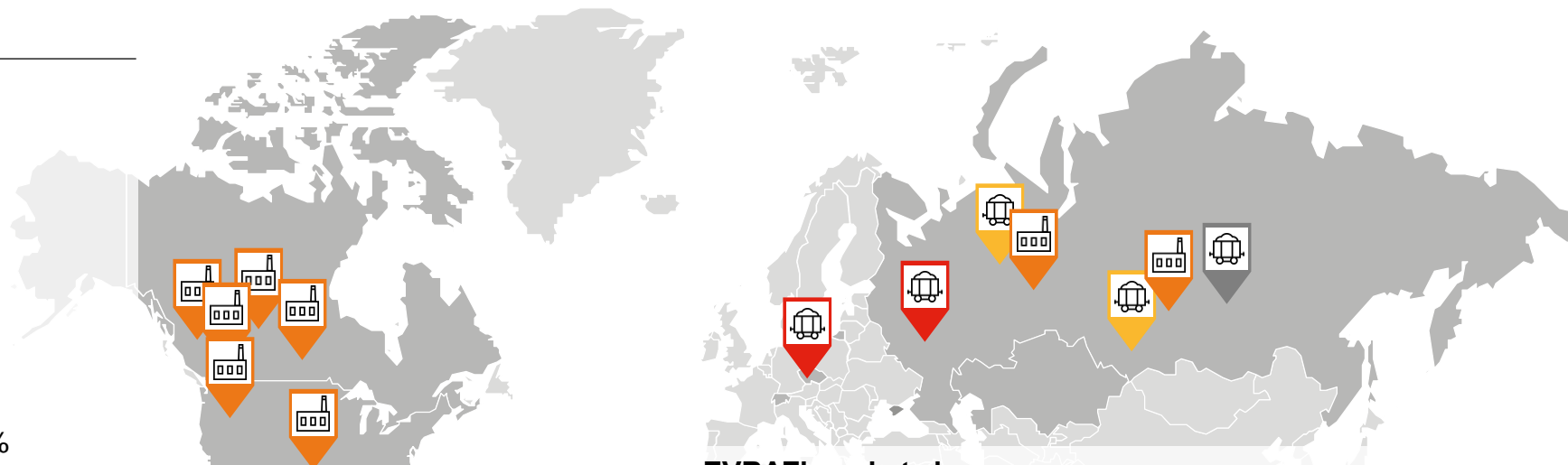
Production	2020	2019
Crude steel	13.6	13.8
Iron ore products	14.2	13.8
Raw coking coal	20.7	26.1

Source: Company information

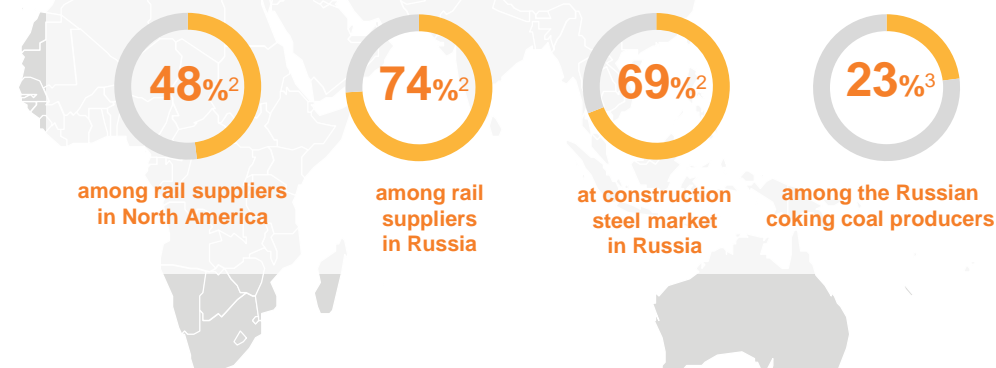
¹ EVRAZ' steel segment sales include sales of semi-finished and finished steel products, iron ore and vanadium products both to local and global markets

² All market shares data are company's estimation for 2020. For construction steel market in Russia - market share for beams.

³ Market share in Russia's coking coal, company's estimates for 2020



EVRAZ' market shares



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Highlights

Alexander Frolov
Chief Executive Officer

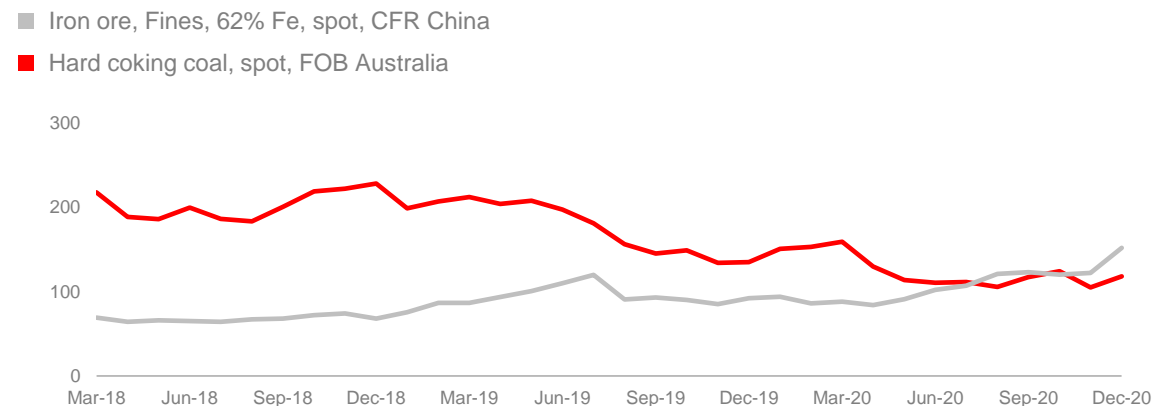
Performance highlights

- Intense global uncertainty caused by the outbreak of COVID-19 had a profound effect on economies and pressured global markets
- However, thanks to the upswing seen on the global markets in the second half of the year, EVRAZ delivered solid operating and financial results

- Consolidated EBITDA reached \$2,212m, EBITDA margin moved up to 22.7%
- The decline in EBITDA YoY was primarily attributable to lower steel, vanadium and coal product sales prices as well as lower sales of tubular and flat-rolled steel products resulting from weakening market demand in North America
- Cost-cutting and productivity improvement initiatives combined with customer focus efforts generated a total EBITDA effect of \$426m

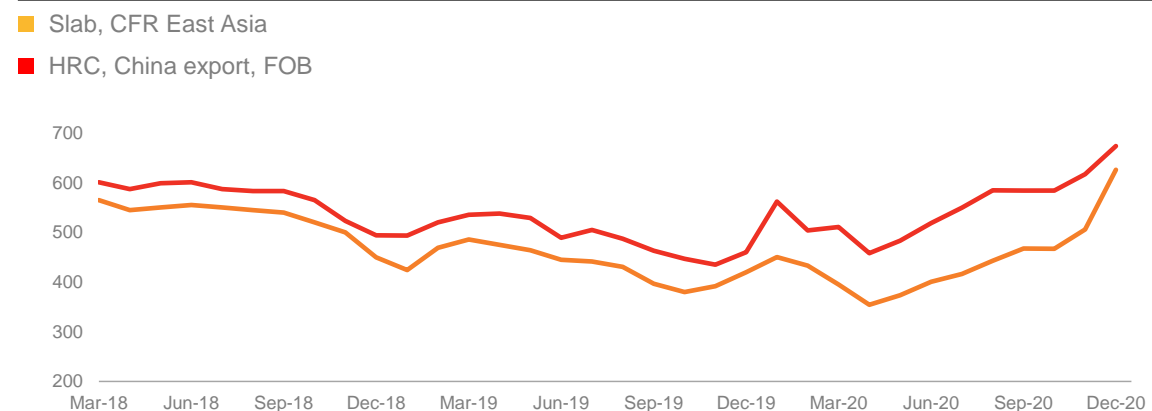
- CAPEX amounted to \$657m vs \$762m in 2019
- FCF reached \$1,020m despite market headwinds
- Net debt decreased slightly to \$3,356m, net leverage reached 1.5x
- An interim dividend of \$0.30 per share, totaling c.\$437.1m was recommended by the BoD on 24 February 2021

Global raw material prices, \$/t



Source: CRU

Global steel prices, \$/t



Source: CRU



E

- Current 2022 environmental targets met:
 - GHG emissions intensity ratio amounted to 1.97 tCO₂e/tcs (1.97 tCO₂e/tcs in 2019)
 - fresh water consumption reached 206 million m³ (205 million m³ in 2019)
 - recycled 102.7% of non-mining waste (105.2% in 2019)
- New environmental strategy 2030 developed and approved by the Board*



S

- LTIFR of 1.58x in 2020 (2.04x in 2019)
- Regretfully 5 fatalities in 2020 (16 fatalities in 2019)
- 69,916 employees as of 31.12.2020 (71,215 employees in 2019)



G

- More than 50% of BoD are Independent Non-executive directors, about 22% of BoD members are female
- Premium listing on London Stock Exchange, constituent of FTSE 100 and MSCI UK indices, included into FTSE4Good index
- EVRAZ has published its first Climate change report prepared in accordance with TCFD recommendations
- Improved performance in key ESG ratings: MSCI – BBB (B in 2019), FTSE Russell – 3.6 (2.6 in 2019), Sustainalytics – 32.4 (41.2 in 2019, lesser number is better)*

*Pls, see Appendix for more information

Strategic priorities



Retention of low-cost position



Development of product portfolio and customer base



Prudent CAPEX



Debt management and stable dividends

Results



Cost cutting initiatives effect on EBITDA – \$192m



Customer focus initiatives effect on EBITDA – \$234m



**Development
CAPEX – \$199m**

**Maintenance
CAPEX – \$458m**



**Net Debt - \$3,356m,
Net Debt/EBITDA - 1.5x**

**Dividends paid c.\$0.9bn
with a dividend yield of 14%**

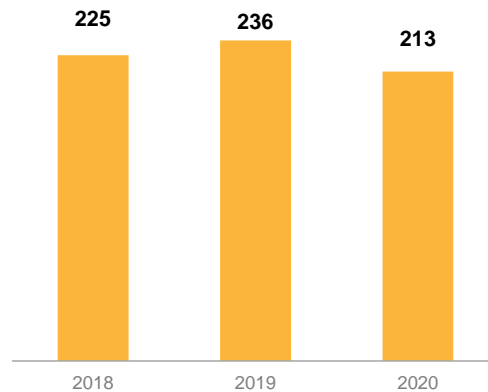
Vertically integrated business model supported by robust cost base

Cash cost of slabs decreased YoY primarily due to lower raw material prices (iron ore, coal, ferroalloys), better raw material yield and mix, lower auxiliary, services and repairs costs

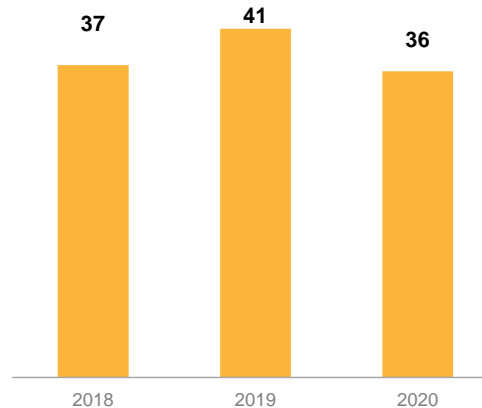
Iron ore cash cost decreased YoY driven mainly by rouble depreciation, higher iron ore production volume and lower fixed costs (repairs, taxes, etc.)

Coking coal concentrate cash cost decreased YoY mainly as a result of rouble depreciation

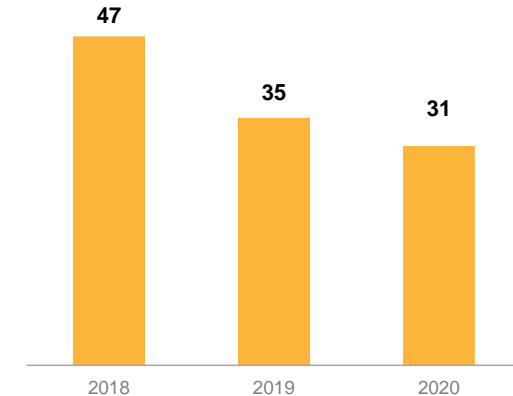
Cash cost of slab of Russian steel plants*, US\$/t



Cash cost of iron ore products (Fe 62%)*, US\$/t



Cash cost of washed coking coal*, US\$/t



Source: Company information

* The data in this chart is derived from the unaudited monthly management accounts of EVRAZ in respect of the indicated periods

**The raw material requirement of EVRAZ steelmaking facilities compared with coal product sales or production of iron ore products from own raw materials.

68%
Self-coverage**
in iron ore

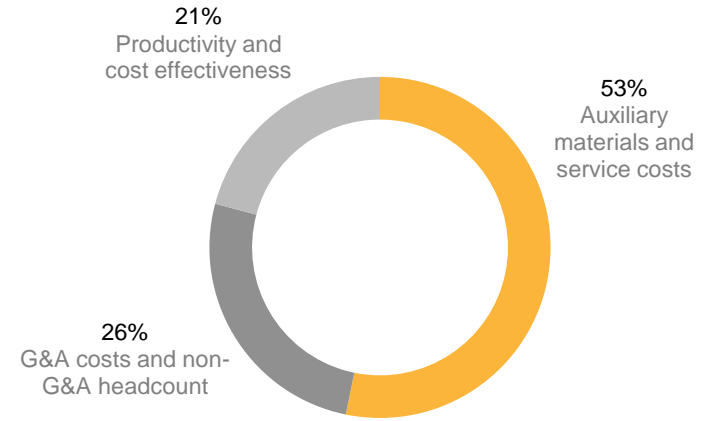
236%
Self-coverage**
in coking coal

Efficiency improvements

- The efficiency programme generated \$192m of additional EBITDA mostly through productivity growth, yield improvements and numerous savings projects

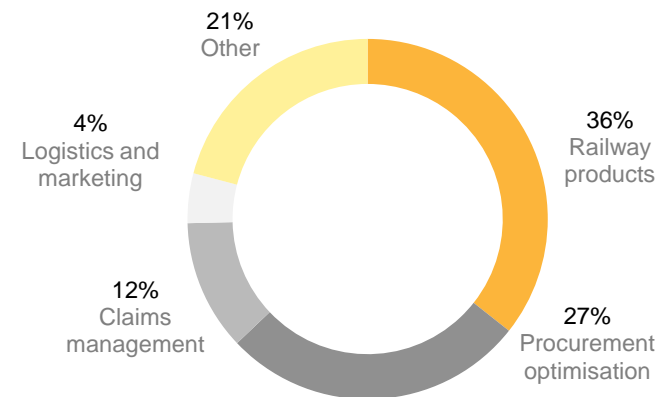
- Customer focus initiatives added \$234m to EBITDA as a result of sales efforts in railway products as well as to improvements in logistics and procurement functions efficiency

Cost-cutting initiatives, \$m



Source: Company information

Customer focus effect, \$m



Source: Company information

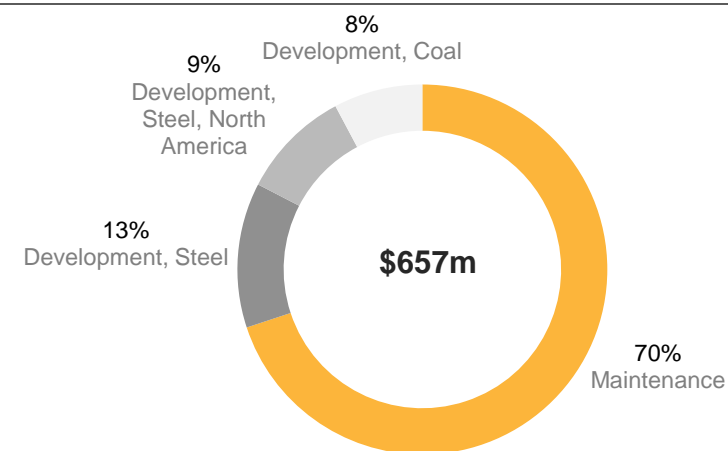
- Total CAPEX decreased by 13.8% YoY following decreased in spending on maintenance projects
- EVRAZ Pueblo's new long rail mill project continued according to the schedule with an active investment phase having commenced in the second half of the year

- The decision was made to go ahead with rail and beam mill modernisation project at EVRAZ NTMK and postpone execution of integrated flat casting and rolling facility project at EVRAZ ZSMK
- FY 2021 target is c.\$1bn

Development CAPEX breakdown by key projects

Segment	Project	CAPEX 2020
Steel	Tashtagol iron ore mine upgrade at EVRAZ ZSMK mining site	24
	Sobstvenno-Kachkanarsky deposit greenfield project	13
	Rail and beam mill modernisation at EVRAZ NTMK	2
Steel, North America	Long rail mill at EVRAZ Pueblo	46
	Electric arc furnace (EAF) repowering at EVRAZ Regina	14
Coal	Acquisition of equipment at Osinnikovskaya mine	14
	Access and development of reserves in the Uskovskaya mine's seam no. 48	11
	Acquisition of equipment at Alardinskaya mine	10
	Access and development of reserves in the Esaulskaya mine's seam no. 29a	9

CAPEX breakdown, \$m



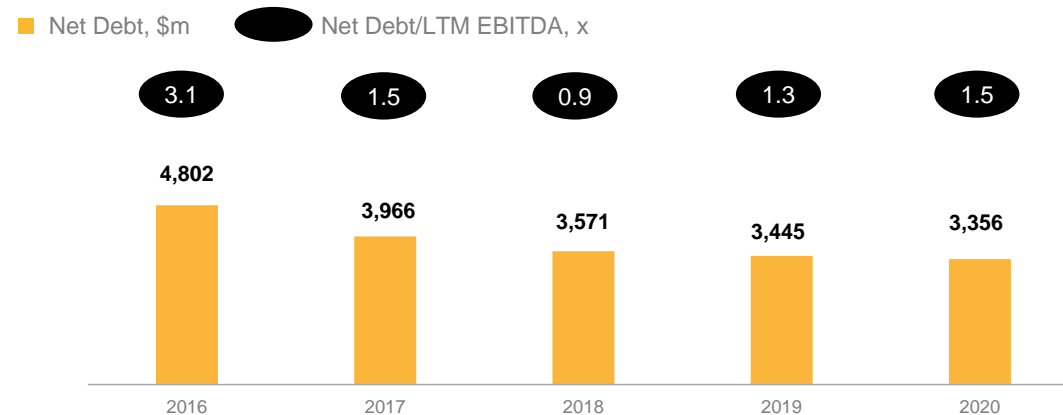
Source: Company information

Focus on stable dividends

- EVRAZ ended 2020 with net debt of \$3,356m
- Major leverage metric, the ratio of net debt to last twelve months (LTM) EBITDA increased to 1.5 times as at 31 December 2020
- We remain committed to net debt <\$4bln target

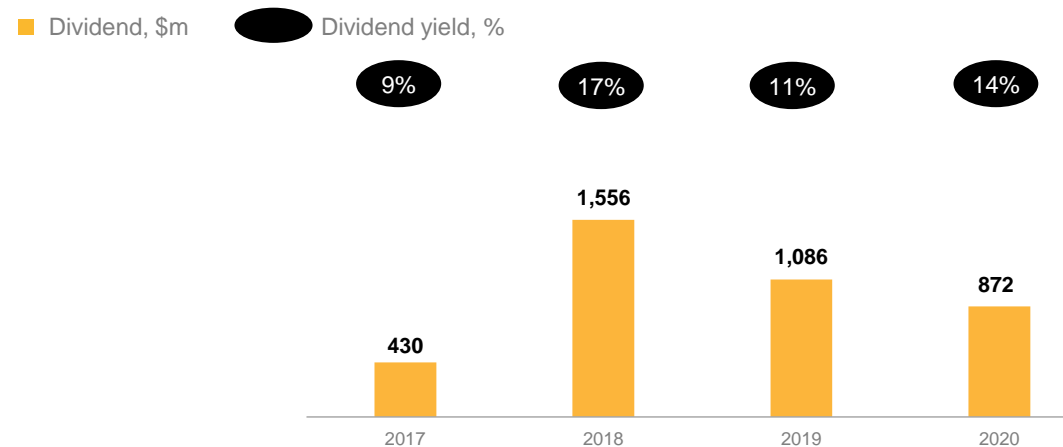
- In 2020, EVRAZ paid dividends of c.\$872m, equivalent to a 14% yield
- An interim dividend of c.\$437.1m was declared by the BoD on 24 February 2021
- EVRAZ remains committed to stable dividend payments going forward

EVRAZ leverage, US\$m



Source: Company information

EVRAZ dividend payments, US\$m



Source: Company information



In 2021, EVRAZ will continue to improve its safety culture, customer focus and operational efficiency, using digital tools where appropriate



The Group aims to achieve significant progress in its key investment projects, the foremost of which is to upgrade the rail mills in North America and Nizhny Tagil



EVRAZ will also focus on making the best possible use of the opportunities that arise as the markets begin to recover from the pandemic in 2021

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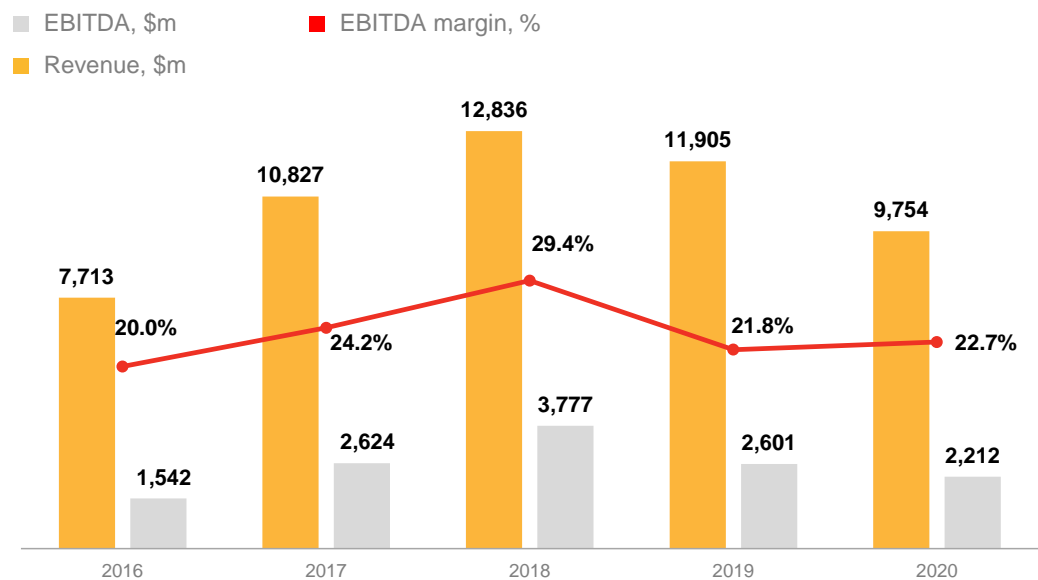
Financial performance

Nikolay Ivanov
Chief Financial Officer

EBITDA and margins

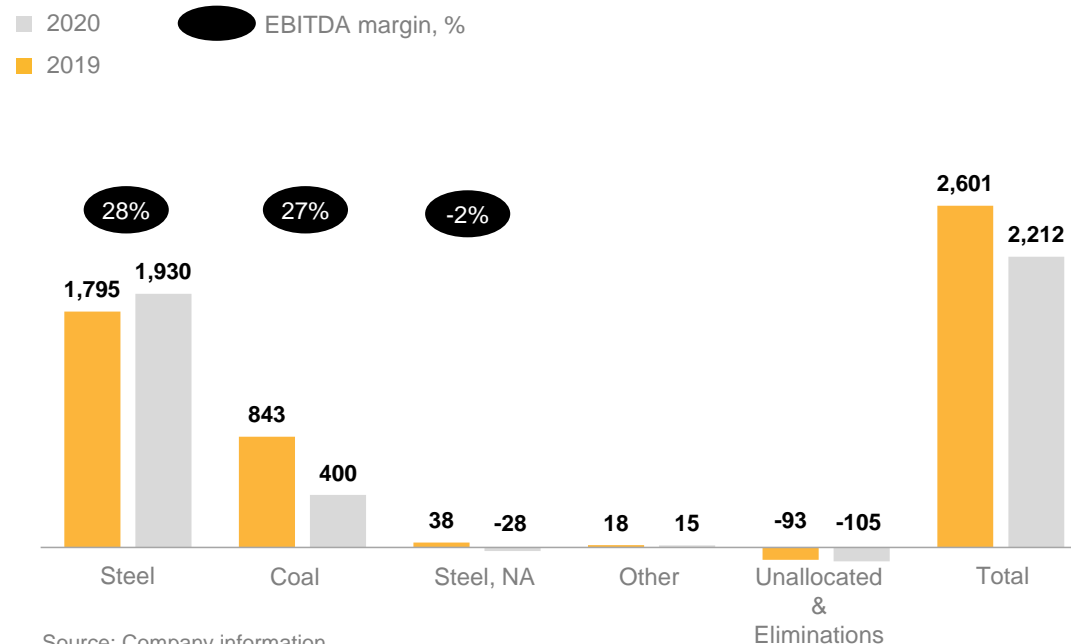
- EBITDA amounted to \$2,212m in 2020 vs \$2,601m in 2019, EBITDA margin increased from 21.8% to 22.7%
- The decline in EBITDA was primarily attributable to lower steel, vanadium and coal product sales prices as well as lower sales of tubular and flat-rolled steel products resulting from weakening market demand in North America

Financial performance, \$m



Source: Company information

EBITDA by segment, \$m

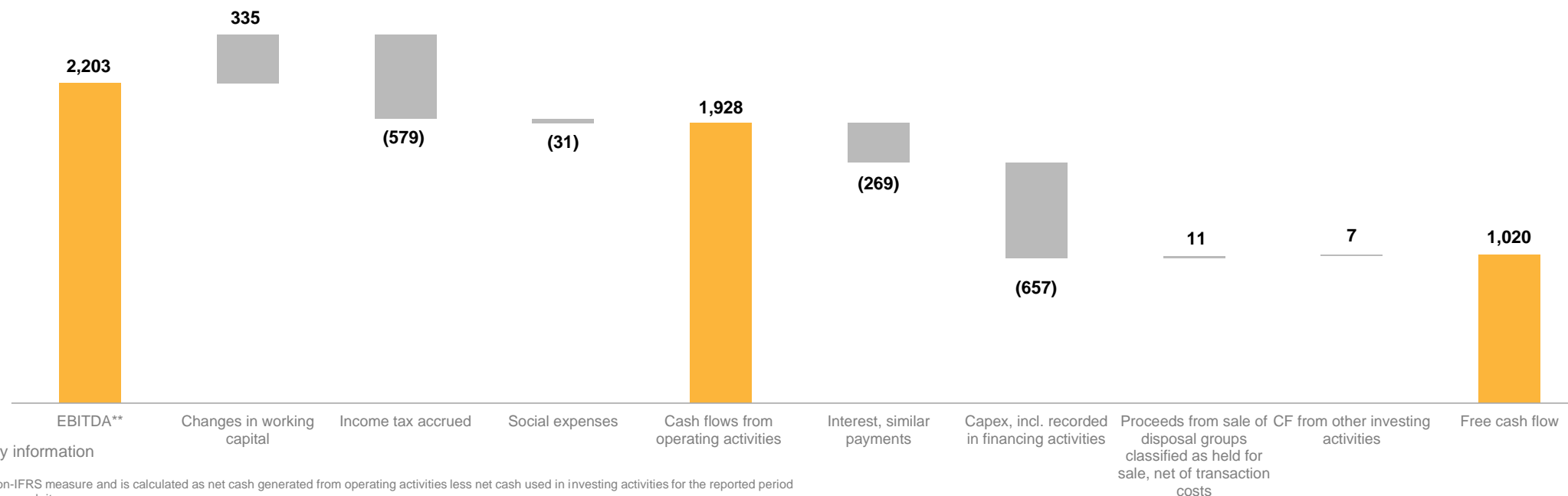


Source: Company information

FCF generation

- EVRAZ was able to deliver robust FCF in 2020 despite market headwinds
- FCF generation was supported by working capital release following decrease in inventories at Coal, North America and Steel segments, as well as decrease in receivables at North America segment due to sales volumes decline

EBITDA to FCF* bridge, 2020, \$m



Source: Company information

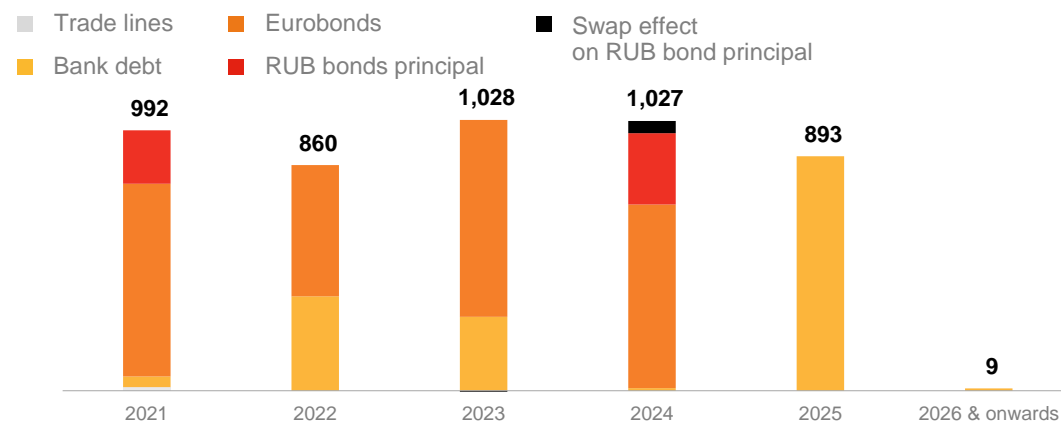
* Free cash flow is a non-IFRS measure and is calculated as net cash generated from operating activities less net cash used in investing activities for the reported period

** EBITDA excluding non-cash items

- In order to address upcoming maturities and increase available liquidity amid uncertainties in the wake of COVID-19 pandemic, EVRAZ:
 - signed a \$750m committed syndicated facility with a group of international banks with availability period till March 2021 (at 31.12.2020 remained undrawn)
 - utilised RUB20,000m (c.\$271m) VTB credit lines
- In November, EVRAZ repurchased and cancelled \$15m of the outstanding principal of its \$750m 8.25% Notes due in 2021. Residual outstanding principal was fully repaid at maturity date (28 January 2021), subsequent to statement date

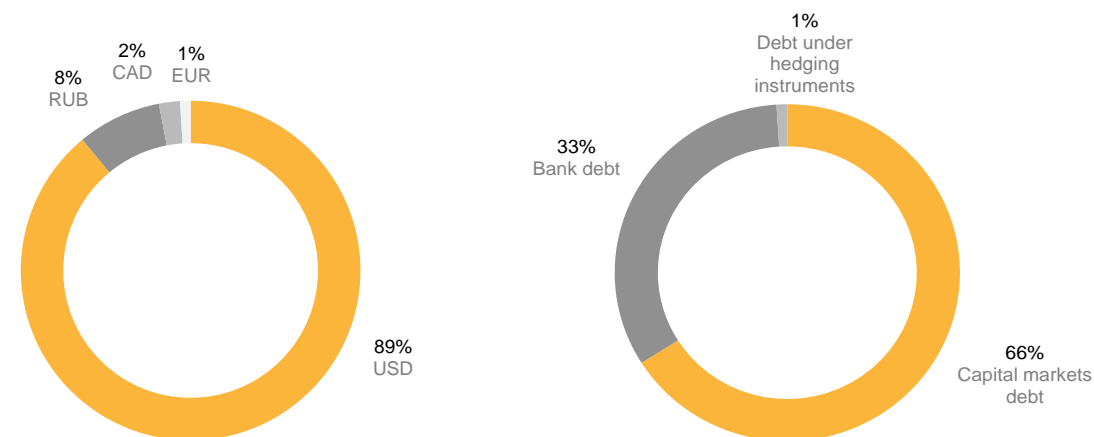
- As of 31.12.2020 total debt stood at \$4,983m
- Cash in the amount of \$1,627m and committed credit facilities of \$937m comfortably covered upcoming debt maturities

Debt maturity profile, as of 31.12.2020*, \$m



* Principal of loans and borrowings (incl. hedging exposure and excl. interest payments)

Debt structure, as of 31.12.2020, %



Source: Company information

Interim dividend 2021

- Given the performance in 2020, EVRAZ has announced an interim dividend
- On 24 February 2021, the Board of Directors voted to disburse a total of \$437.1m, or \$0.30 per share

Dividend payment timetable

Record Date	12 March 2021
Last day for dividend currency election	15 March 2021
Conversions	17 March 2021
Payment Date	7 April 2021

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Operational update

Railway products in Russia

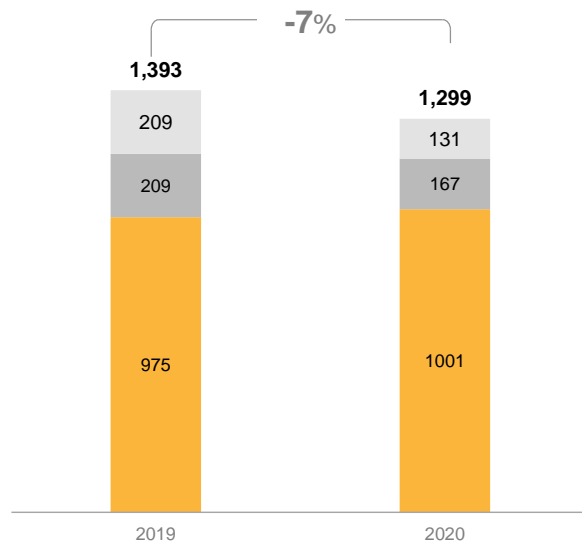
Sales declined mainly due to lower demand for wheels and railcar profiles in Q2 2020 amid COVID-19 pandemic, sales of rails grew YoY

Export sales grew amid lower demand in Russia and CIS resulted from the imposed restrictions to fight COVID-19 pandemic, and lower oil prices

EVRAZ remained the core supplier to Russian Railways: sales remained almost flat YoY despite market headwinds and reached 819kt in 2020

Railway products sales, kt

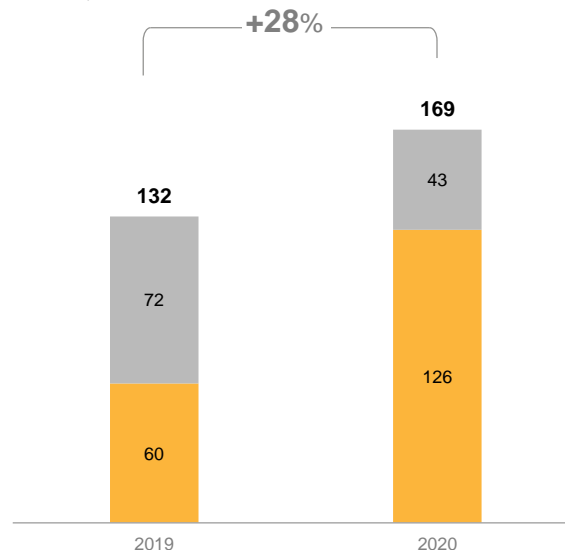
■ Railway wheels & wheel blanks ■ Other
■ Rails



Source: Company information

Export sales of rails and wheels, kt

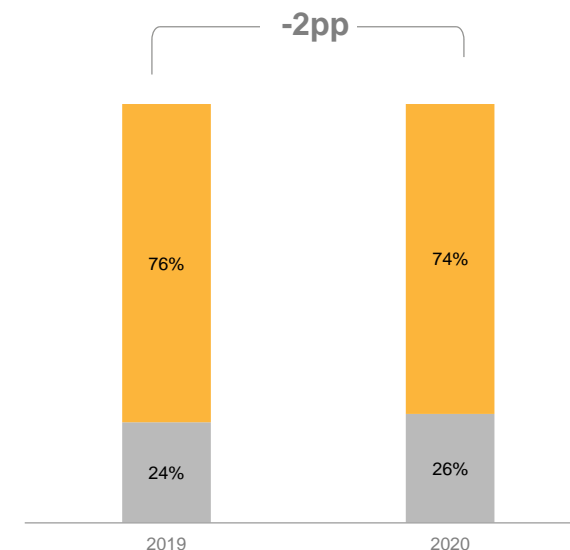
■ Export sales to CIS
■ Export sales, excl. CIS



Source: Company information

Market share in Russia, rails, %

■ Others
■ EVRAZ



Source: Company information

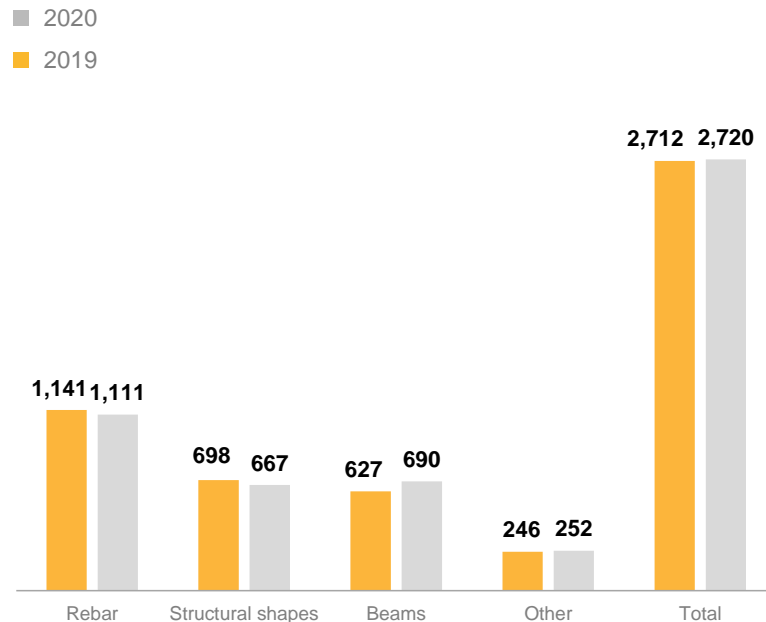
Construction steel in Russia

The construction sector was hit hard by the COVID-19 pandemic and demand fell YoY by 4% for rebar and 3% for structural products while demand for beams increased by 11%

EVRAZ increased its sales to export markets to hedge against lower demand in Russia

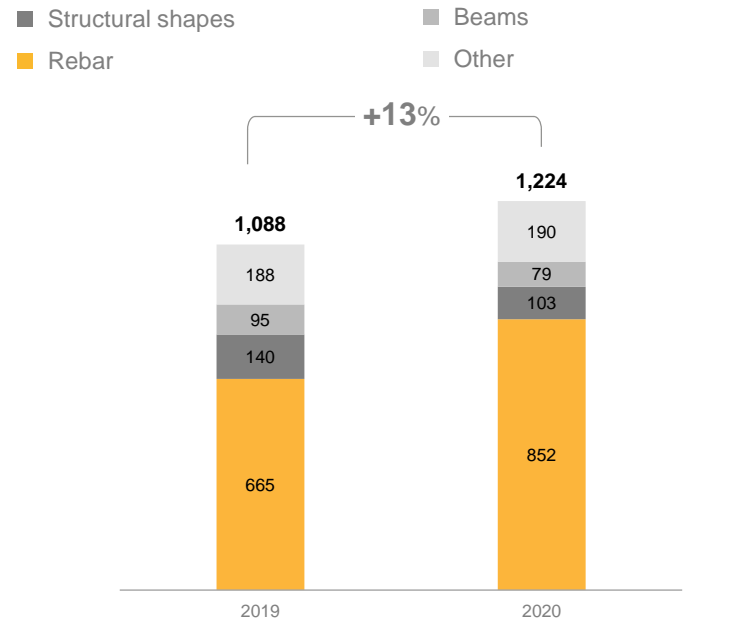
EVRAZ continued to develop its programme aimed at promoting demand for beams in construction which helped to drive sales up substantially despite market headwinds

Construction product sales volumes in Russia, kt



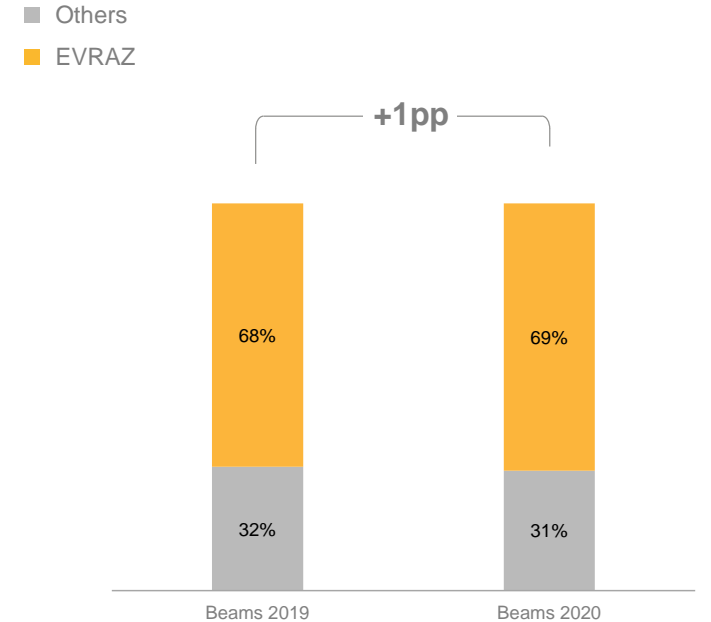
Source: Company information

Export sales *, kt



Source: Company information * Structural shapes (structural) are angles and channels

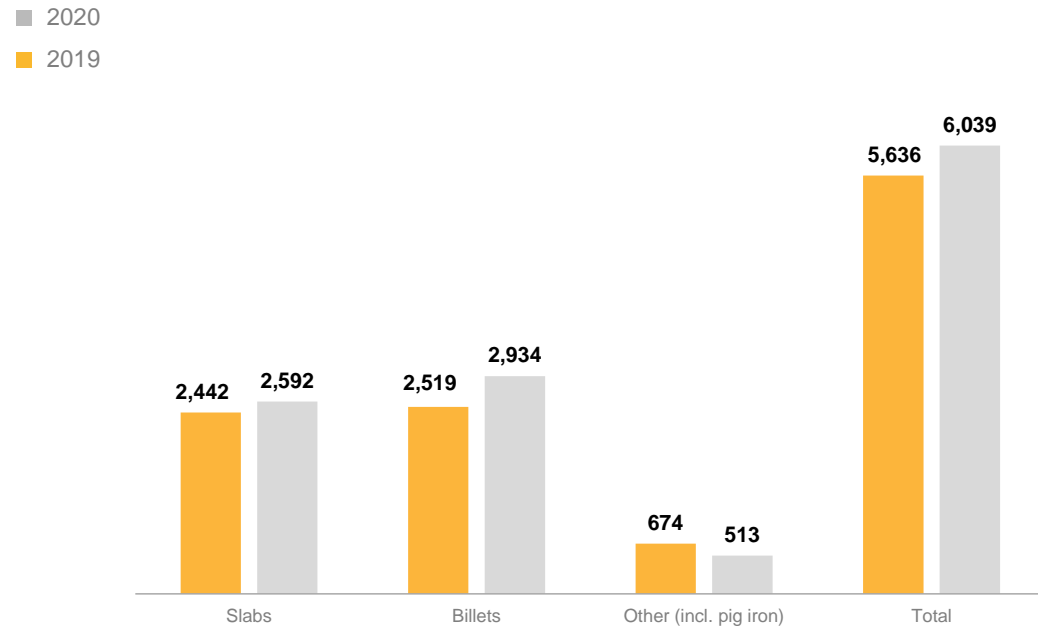
Market share in Russia, beams, %



Source: Company information

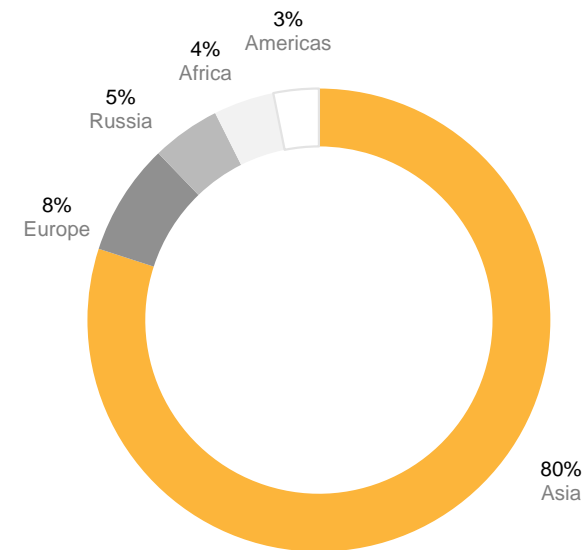
- Sales of semi-finished products climbed by 7% YoY due to change in the product mix in favour of higher slab and billets sales to export destinations following a decrease in demand in Russia amid the COVID-19 pandemic

Sales volumes of semi-finished products, kt



Source: Company information

Sales volumes of semi-finished products by region, kt



Source: Company information

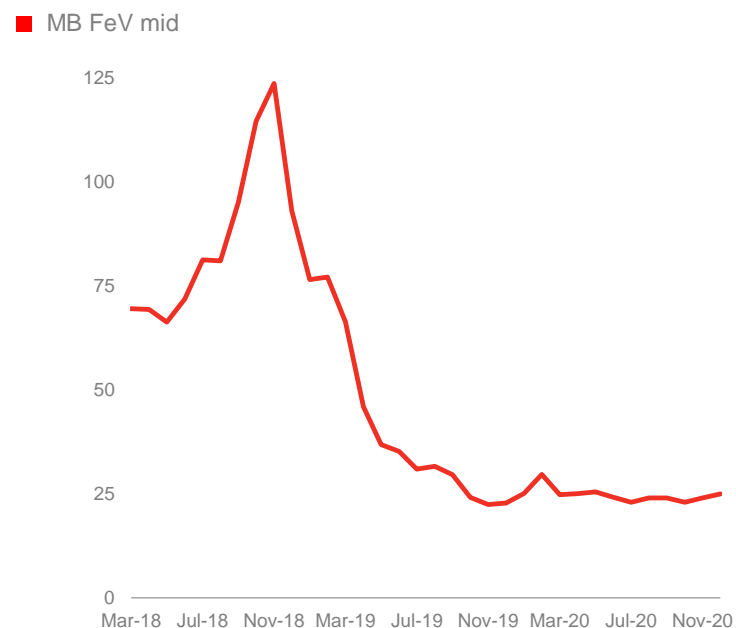
Vanadium operations

The FeV price was under pressure during Q2-Q3 2020, reaching a low point in July at \$22/kg due to lower buying activity in most regions outside China. However, the market began to recover in Q4 2020

Sales of vanadium final products fell YoY mainly due to weaker demand for FeV following the imposition of COVID-19 restrictions

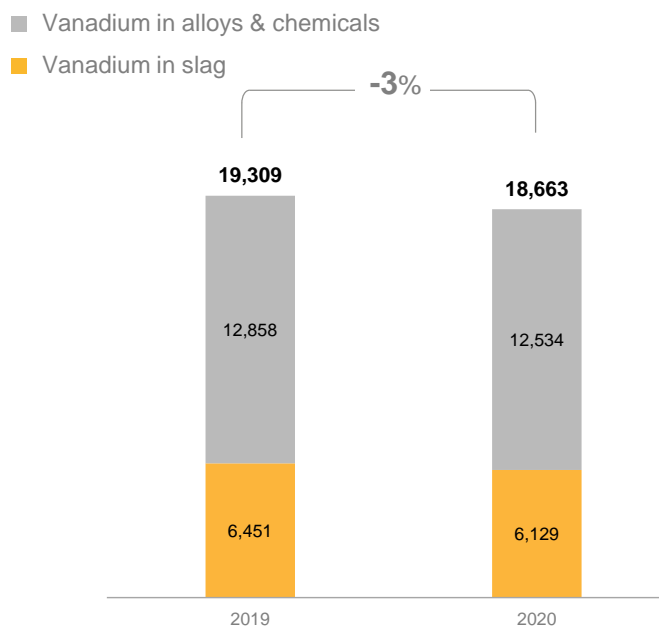
EVRAZ further expanded its customer base in Asia, Middle East and North Africa

Vanadium price, \$/kgV



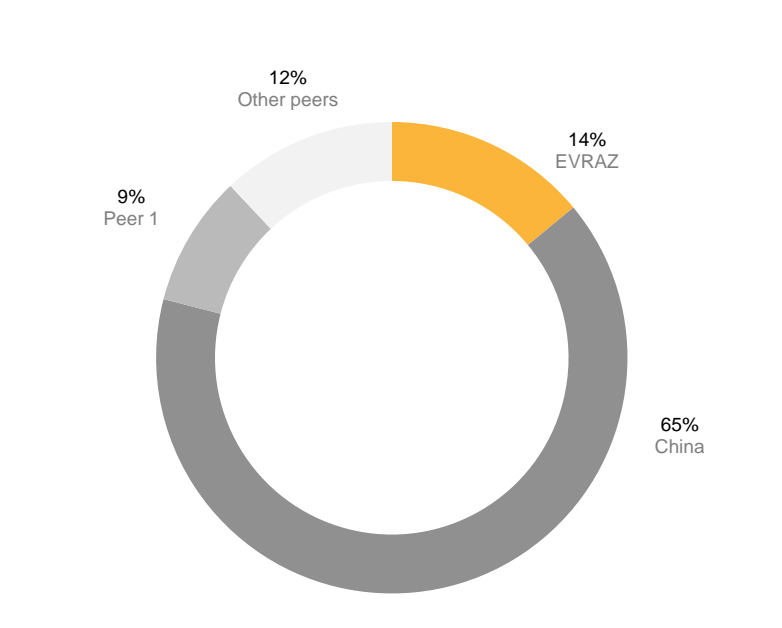
Source: MB

Sales volumes of vanadium products, mtV



Source: Company information

EVRAZ' global market share, %



Source: Company information

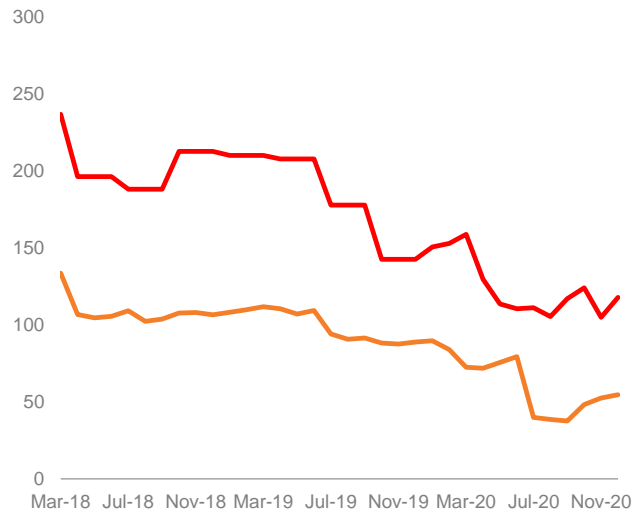
Under pressure from cuts in steel output worldwide (apart from China), Russian prices of metallurgical coal followed international benchmarks

Sales volumes increased driven by higher shipments to Southeast Asian countries and Russia amid healthy demand and greater utilization of accumulated stockpiles

Long-term partnerships with Japanese, Korean and European clients have minimized the impact of declining demand on these markets

Local coking coal price vs export benchmark, \$/t

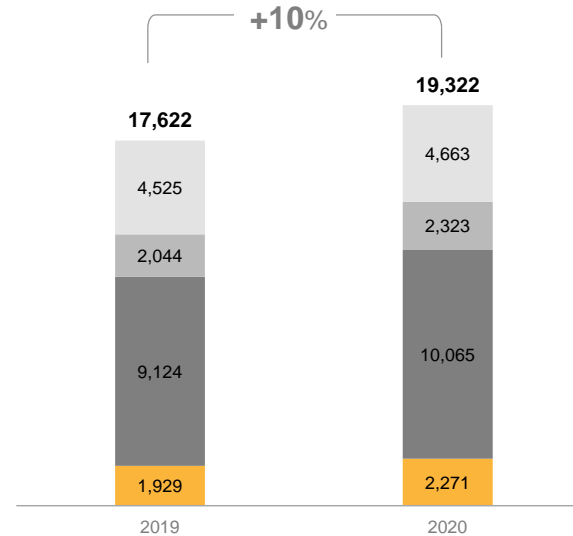
- Hard coking coal, Quarterly, FOB Australia
- GZh coking coal, FCA, Russia



Source: Metal Expert

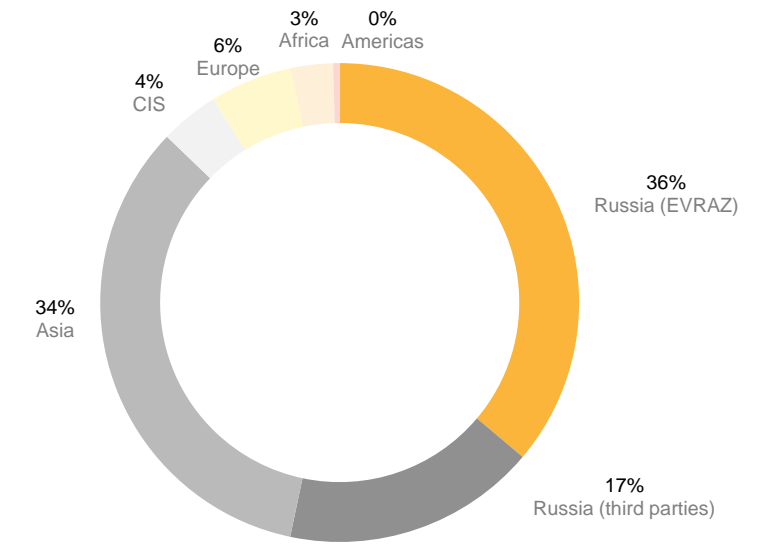
Coal products sales breakdown by type, kt

- Concentrate (external)
- Raw coal (external)
- Raw coal (intersegment)
- Concentrate (intersegment)



Source: Company information

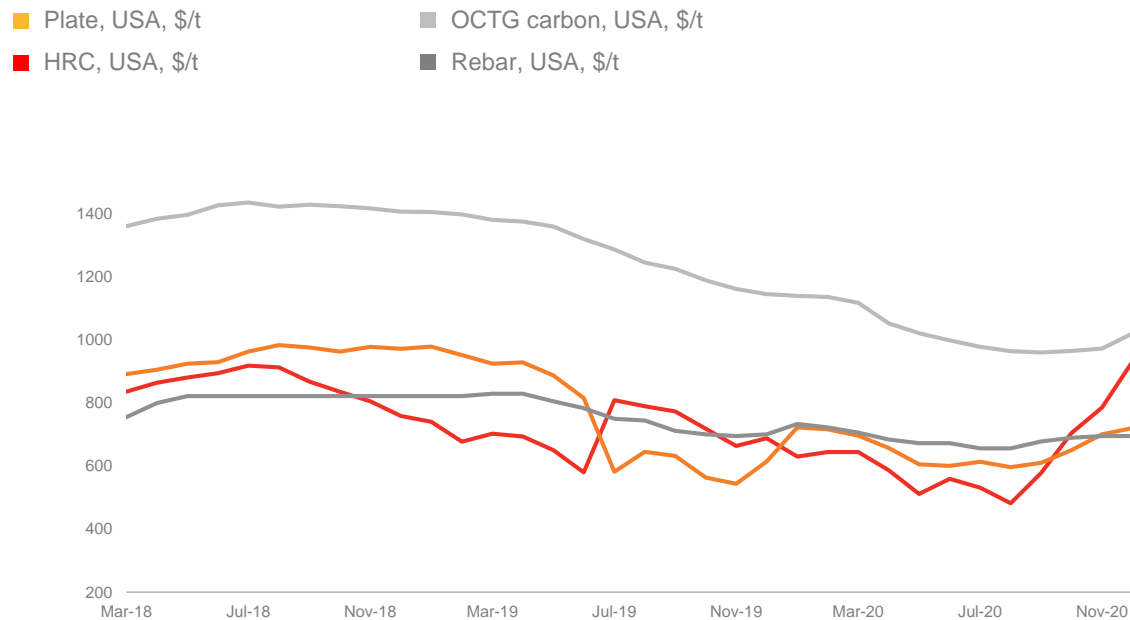
Breakdown of coal products sales, %



Source: Company information

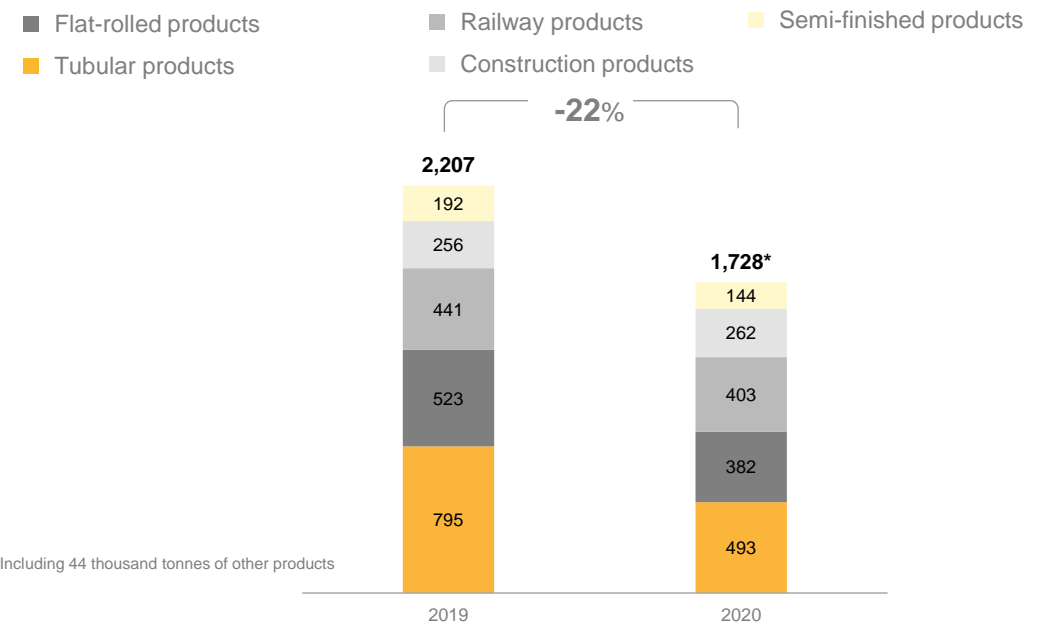
- Demand was down across the three major segments (flat, tubular and railway products) served by EVRAZ amid COVID-19 pandemic and the slump in oil prices
- Management undertook numerous measures, including idling facilities to support free cash flow, reducing operating costs and optimising working capital
- Despite markets downturn EVRAZ strengthened its leading position in the rails market and reached a share of roughly 48%
- EVRAZ Pueblo long rail mill project continued according to the schedule

Prices for flat-rolled products in the US



Source: CRU

Steel products sales, kt



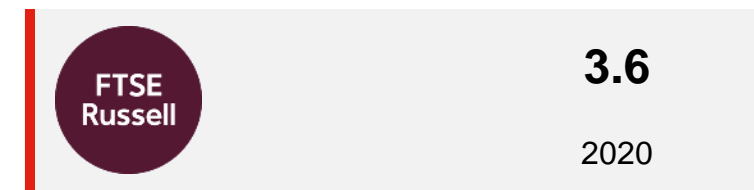
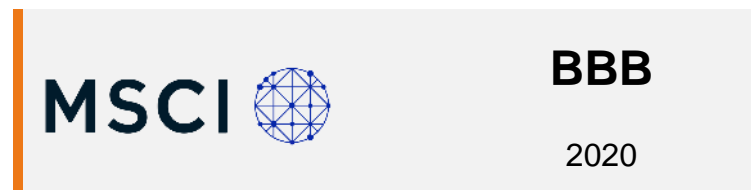
Source: Company information

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Appendix

Improved performance in key ESG ratings

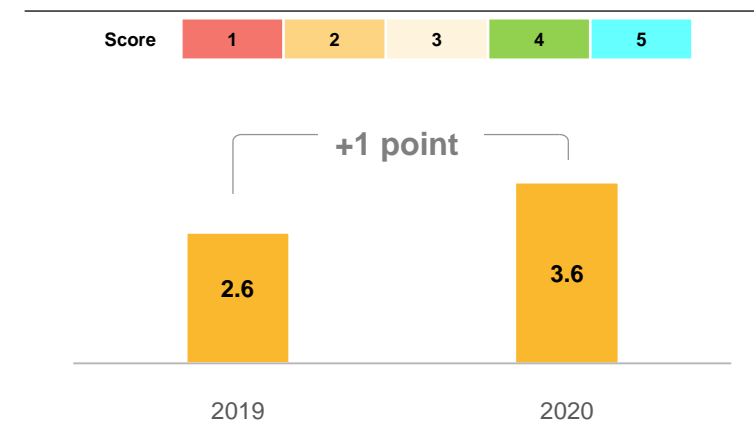
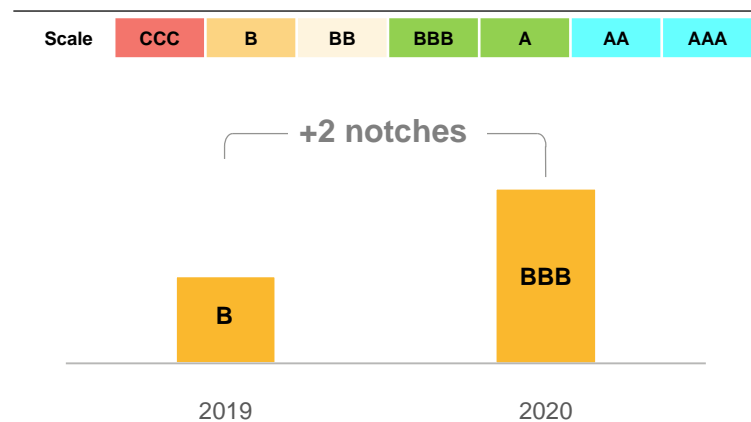
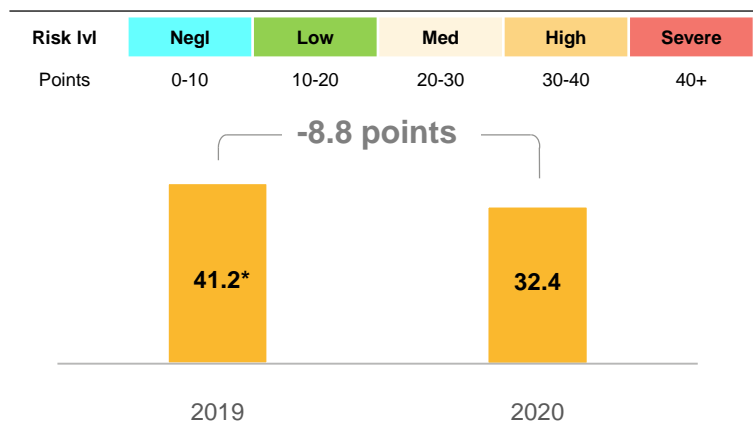
- During 2020 EVRAZ has achieved the following results in ESG performance:
 - improved its ESG rating scores for Sustainalytics, MSCI and FTSE Russell
 - has been included into the FTSE4Good Index Series in June 2020 following scores improvement
 - took a 2 place in the TOP-10 list for environmental issues management among the WSJ ranking of the world's 100 most sustainably managed companies
 - score at SAM S&P rating remained almost flat YoY and amounted to 52 points in 2020 (53 in 2019)
 - score at CDP for climate change disclosure remained flat YoY (D in 2019), however, EVRAZ was scored at C for water security (not disclosed in 2019)



EVRAZ' performance in 2019-2020

EVRAZ' performance in 2019-2020

EVRAZ' performance in 2019-2020



*2019 scores were adjusted following changes in methodology during 2020

New environmental strategy 2030

- In 2020, management decided to update EVRAZ' environmental strategy to meet expectations of investment community and broader society
- The new environmental strategy 2030 sets ambitious goals to reduce the negative impact on the environment

	Goal	KPI
GHG 	<ul style="list-style-type: none"> ▪ Reduce specific Scope 1 and 2 GHG emissions from EVRAZ's Steel segments (the Steel and North America segments) by 20%, which complies with the Paris Agreement ▪ Utilise 75% of methane (CH₄) emitted in the process of degassing carried out during coal mining 	<p>-20% tCO₂e/t steel</p> <p>Utilise 75% of methane emitted in the process of degassing</p>
Air emissions 	<ul style="list-style-type: none"> ▪ Reduce total atmospheric emissions from steel production by 33% ▪ Reduce dust emissions from coal mining by 1.5 times 	<p>- 33% Total atmosphere emissions</p> <p>- 1.5x dust emissions (coal)</p>
Water 	<ul style="list-style-type: none"> ▪ Zero water discharge from steel production 	<p>0 mln m³ water discharge</p>
Waste 	<ul style="list-style-type: none"> ▪ Utilise 95% of waste from metal production and general waste ▪ Recycle 50% of mining waste 	<p>recycle 95% of gen. and met. waste</p> <p>recycle 50% of mining waste</p>

- EVRAZ remained closely focused on its operations, including logistics, supply and technological processes
- Operations and sales have continued to generate sufficient operating cash flow, while EVRAZ has proactively addressed its upcoming obligations and maintained a strong liquidity position
- In response to the COVID-19 pandemic, EVRAZ has introduced additional safety measures to protect its people and ensure continued operations
- Since the beginning of the COVID-19 pandemic, EVRAZ has allocated more than \$25m to ensure safe working conditions for employees, as well as to support medical and pre-school institutions in local communities
- Management has considered cash flow forecasts in the view of possible impacts of the COVID-19 crisis on the financial results and liquidity position. In the most pessimistic stress scenario EVRAZ maintained sufficient liquidity and would be able to operate within its debt covenants
- Management does not reasonably anticipate that the most pessimistic stress scenario will occur, given the relatively limited impacts on the EVRAZ' businesses to date and the signs of a recovery in key markets



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