METINVEST

1H 2019 Results

16 September 2019

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Industry overview

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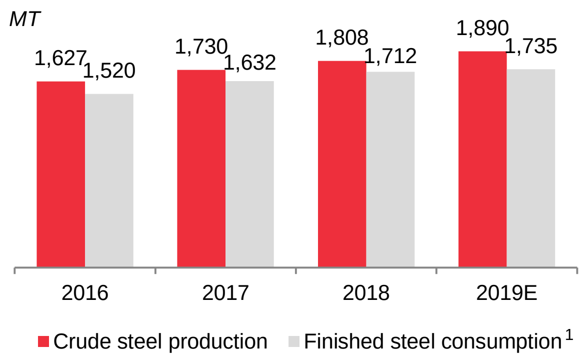
Global steel, iron ore and coking coal markets

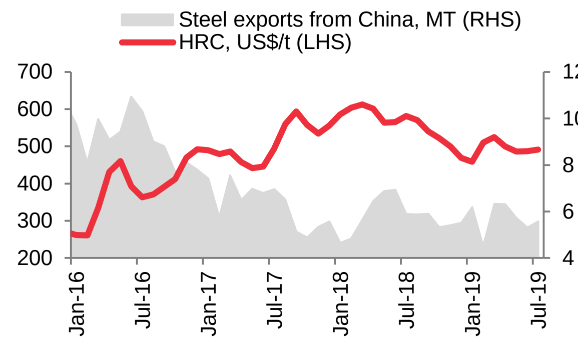
- In 2018, global steel output rose by 4.5% y-o-y, while consumption increased by 4.9% y-o-y. In 2019, global steel consumption is expected to increase by 1.3% y-o-y and global steel production by 2.8% y-o-y
- In 2019, global steel prices have decreased amid weak demand in several regions, including Europe, intensified trade tensions and expectations of a global recession
- Sluggish demand in Europe and high raw material prices have pushed European steel producers to reduce production. Economy stimulus measures were widely announced across major economies
- In 1H 2019, HRC FOB Black Sea decreased by 16% y-o-y to US$495/t, from US$589/t in 1H 2018
- In 1H 2019, the 62% Fe iron ore price jumped by 32% y-o-y to US$92/t amid supply cuts after the tailing dam collapse in Brazil and Cyclone Veronica in Australia
- In 1H 2019, premiums for pellets grew amid tight market conditions resulting from pellet supply reductions from Brazil. The Atlantic Basin premium increased by 16% y-o-y to US$67/t
- In 1H 2019, the average contract hard coking coal price decreased by 3% y-o-y to US$209/t, nonetheless remaining high due to supply constraints (including slow production growth in China and logistical disruptions in Australia)

Global steel industry



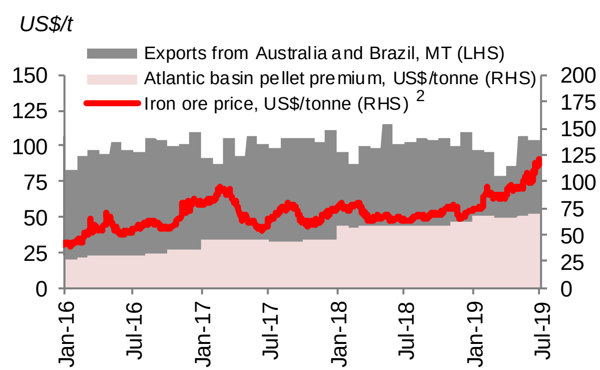
Source: World Steel Association, Metinvest estimates

Steel product prices vs exports from China



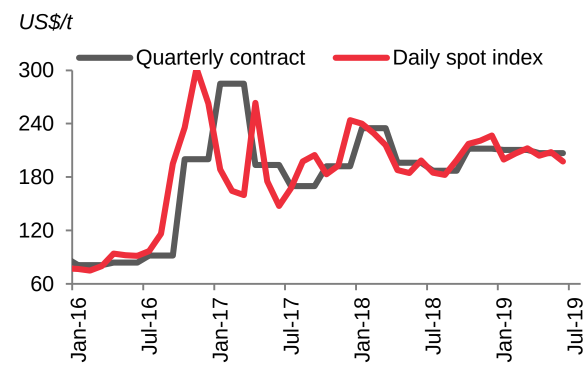
Source: Bloomberg, Metal Expert

Iron ore price



Source: Bloomberg, Platts

Hard coking coal price[3]



Source: Bloomberg, Platts

1. Apparent consumption of finished steel products
2. 62% Fe iron ore fines, CFR China
3. FOB Australia

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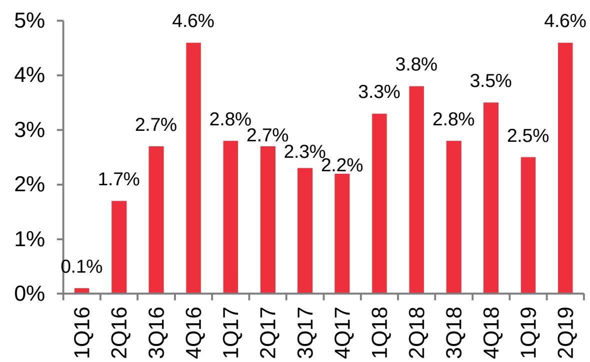
Macro and steel industry in Ukraine

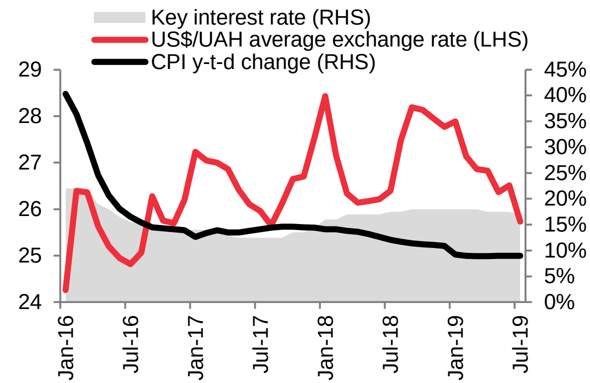
- Presidential and parliamentary elections have taken place in Ukraine, resulting in a majority of seats in parliament going to the presidential party. A new cabinet of ministers was formed
- Ukraine's economy continued to show decent growth in 2019, driven by structural economic reforms, higher consumer spending due to an increase in real wages, growing industrial production and trade
- Real GDP growth accelerated to 4.6% y-o-y in 2Q 2019, compared with 2.5% y-o-y in 1Q 2019
- The NBU has followed a consistent interest rate policy of inflation targeting and keeping the local currency floating
    - CPI remained in the single digits in 1H 2019, at 9.0% y-o-y, down from 12.6% in 1H 2018
    - In 2Q 2019, the hryvnia exchange rate against the US dollar strengthened further to 26.6, from 27.3 in 1Q 2019
    - In 2019, the NBU decreased its key interest rate three times: from 18.0% to 17.5% in April, 17.0% in July and 16.5% in September
- In 1H 2019, apparent steel consumption increased by 0.5% y-o-y
- In 1H 2019, total steel output rose by 5.2% y-o-y

Real GDP dynamics (y-o-y)



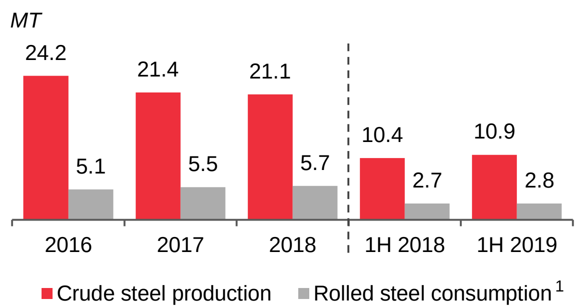
Source: State Statistics Service of Ukraine

Inflation targeting policy in place



Source: National Bank of Ukraine, State Statistics Service of Ukraine

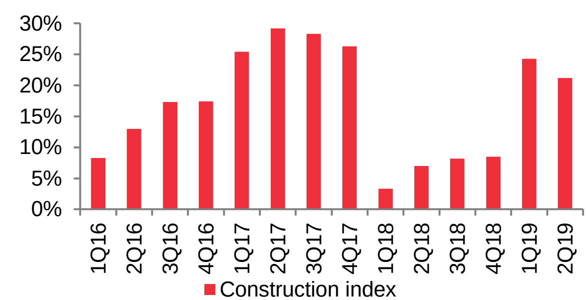
Steel industry



Source: World Steel Association, Metal Expert

1. Consumption in Ukraine includes flat, long and certain semi-finished products but excludes pipes.

Construction activity



Source: State Statistics Service of Ukraine

2. Index represents the cumulative index from the beginning of the respective year, y-o-y change.

1H 2019 highlights

Summary

US$ mn	1H 2019	1H 2018	Change
Revenues	**5,818**	**6,179**	**-6%**
Adjusted EBITDA[1]	**890**	**1,335**	**-33%**
EBITDA margin	15%	22%	-7 pp
Operating cash flow	**570**	**457**	**25%**
CAPEX	**482**	**420**	**15%**

US$ mn	30 Jun 2019	31 Dec 2018	Change
Total debt[2]	**2,753**	**2,743**	**0%**
Cash and cash equivalents	**279**	**280**	**0%**
Net debt[3]	**2,474**	**2,463**	**0%**
Net debt to LTM EBITDA	**1.2x**	**1.0x**	**0.2x**

Production (kt)	1H 2019	1H 2018	Change
Hot metal	**4,008**	**4,292**	**-7%**
Crude steel	**3,923**	**3,794**	**3%**
Coke	**2,480**	**2,664**	**-7%**
Iron ore concentrate	**14,454**	**13,987**	**3%**
Coking coal concentrate	**1,404**	**1,340**	**5%**

Credit ratings	Fitch	S&P	Moody's
Rating / outlook	**B+ / stable**	**B- / positive**	**B3 / stable**

1. Adjusted EBITDA is calculated as earnings before income tax, finance income and costs, depreciation and amortisation, impairment of property, plant and equipment, foreign exchange gains and losses, the share of results of associates and other expenses that the management considers non-core plus the share of EBITDA of joint ventures. Adjusted EBITDA will be referred to as EBITDA in this presentation.
2. Total debt is calculated as the sum of bank loans, bonds, trade finance, lease liabilities and deferred consideration.
3. Net debt is calculated as total debt less cash and cash equivalents.

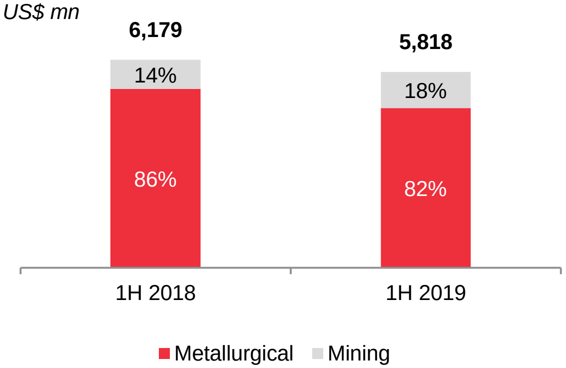
Due to rounding, numbers presented throughout this presentation may not add up precisely to the totals provided and percentages may not precisely reflect absolute figures.

Financial highlights

- Total revenues decreased by 6% y-o-y
  - Metallurgical revenues fell by 11% y-o-y to US$4,746 mn
  - Mining revenues climbed by 24% y-o-y to US$1,072 mn
- Total EBITDA declined by 33% y-o-y
  - Metallurgical EBITDA dropped by 83% y-o-y to US$132 mn
  - Mining EBITDA increased by 24% y-o-y to US$791 mn
- The segments' shares in EBITDA[1] changed y-o-y in 1H 2019: 86% for Mining (46% in 1H 2018) and 14% for Metallurgical (54% in 1H 2018)
- The consolidated EBITDA margin was 15%, down 7 pp y-o-y
  - Metallurgical EBITDA margin declined by 11 pp y-o-y to 3%
  - Mining EBITDA margin rose by 2 pp y-o-y to 45%[2]
- Operating cash flow (OCF) rose by 25% y-o-y to US$570 mn amid improved EBITDA to OCF conversion (64% in 1H 2019, compared with 34% in 1H 2018)
- CAPEX totalled US$482 mn, up 15% y-o-y

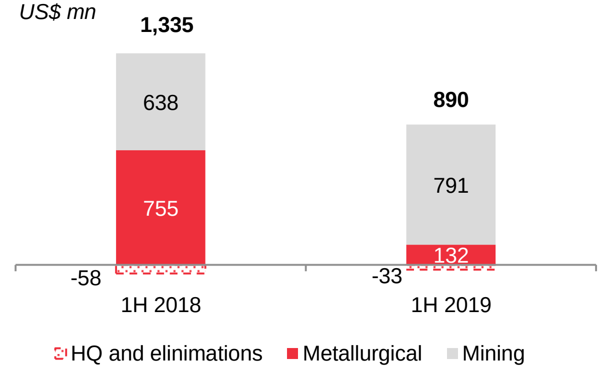
Revenues

US$ mn



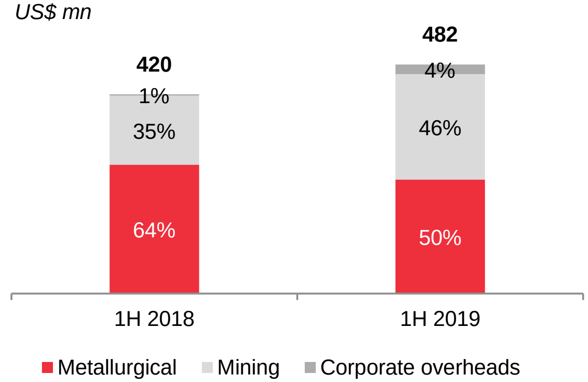
EBITDA

US$ mn



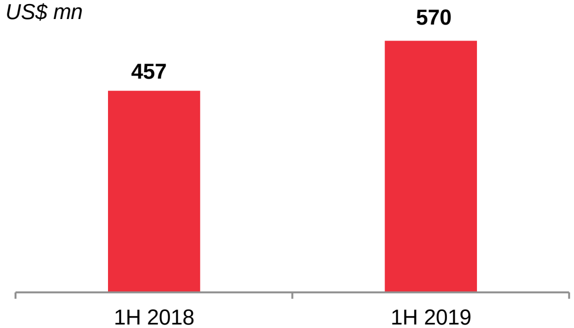
CAPEX

US$ mn



Operating cash flow

US$ mn



1. The contribution is to the gross EBITDA, before adjusting for corporate overheads and eliminations
2. Management has changed the presentation of sales of coal produced by third parties, excluding them from intersegment mining sales to allow a better understanding of segment results and improve their comparability. This reduced the Mining segment's sales to other segments in 1H 2018 by US$307 mn to US$632 mn.

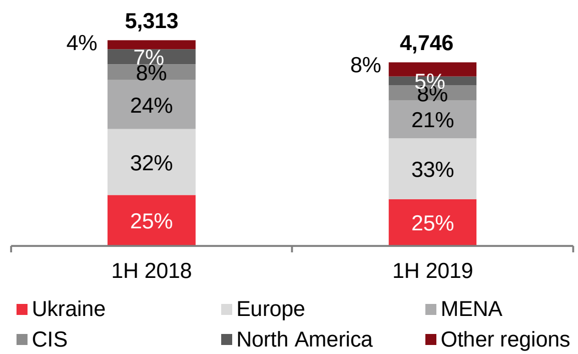
Sales portfolio

- Metallurgical sales
  - 11% y-o-y decline, mainly amid lower steel selling prices, which followed global benchmarks, and lower resales volumes
  - greater in-house steel product volumes following the change in the product mix, mainly due to the launch of the new CCM[1] no. 4 at Ilyich Steel, which allows the plant to use greater volumes of hot metal in steelmaking and further downstream, instead of pig iron
  - Product mix change and sluggish demand in Turkey resulted in higher shares of Europe (+1 pp) and other regions (+4 pp), as well as lower shares of North America (-2 pp) and MENA (-3 pp)
- Mining sales
  - 24% y-o-y rise, primarily due to higher iron ore volumes and increased selling prices, in line with global benchmarks
  - premium European and Ukrainian markets accounted for 45% and 39% of 1H 2019 sales, respectively
- Sales in hard currencies (US$, EUR, GBP) accounted for 79% in 1H 2019, flat y-o-y

1. Continuous casting machine

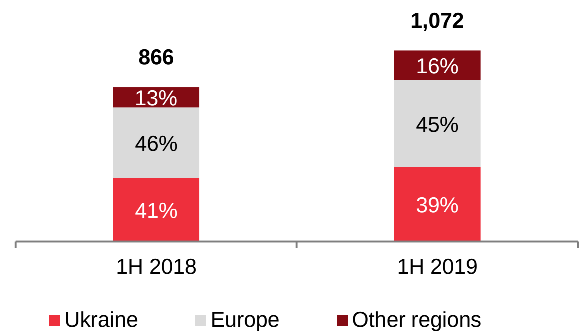
Metallurgical sales by region

US$ mn



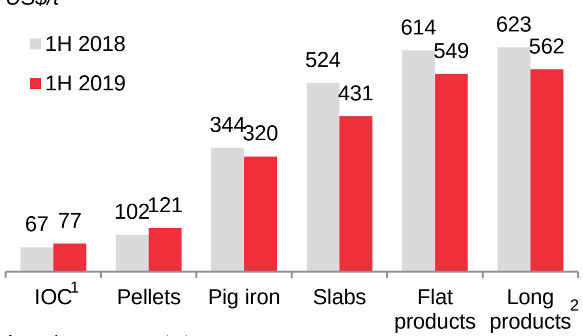
Mining sales by region

US$ mn



Price trends, FCA basis

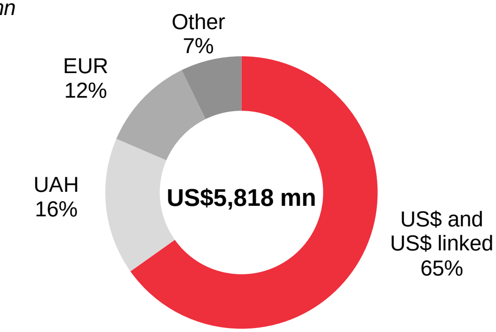
US$/t



1. Iron ore concentrate
2. Excluding railway products

Total sales by currency in 1H 2019

US$ mn

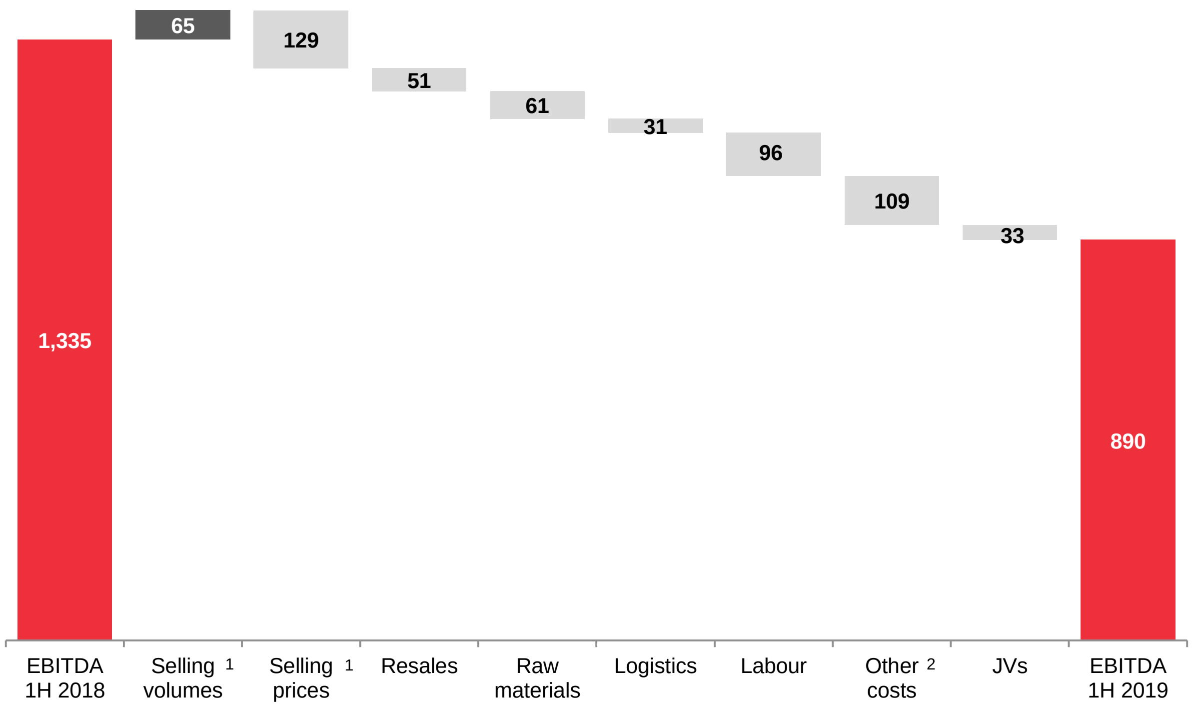


EBITDA

- Total EBITDA declined by US$445 mn y-o-y to US$890 mn, driven by:
  - lower average steel selling prices, which affected sales of in-house steel products, earnings from resales and contribution from the metallurgical JV
  - greater costs due to:
    - salary increases for production staff (25% in April 2018, 10% in October 2018, 15% in April 2019)
    - higher spending on raw materials amid greater consumption of purchased scrap (due to a 3% y-o-y steel output growth), higher purchased iron ore material costs and a decrease in inventories
    - greater railway expenses amid increased shipments of iron ore products and slabs, and railcar tariffs and usage fees
    - higher trade receivable impairment (US$46 mn)
- Positive EBITDA drivers were:
  - greater sales volumes of in-house steel and iron ore products
  - higher average iron ore selling prices

EBITDA drivers

US$ mn



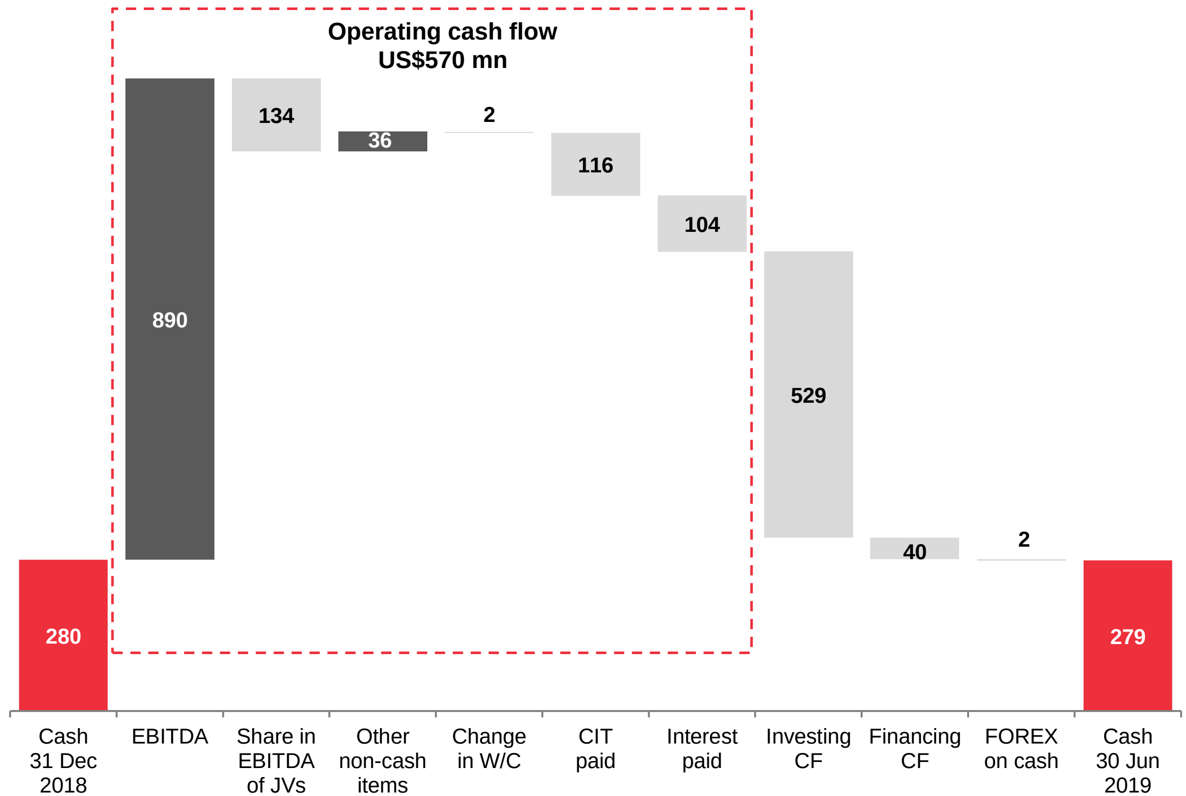
1. Net of resales
2. Other costs include energy materials, fixed costs (excl. labour costs), impairment of trade and other accounts receivable, and other expenses; net of resales.

Cash flow

- Operating cash flow
  - up 25% y-o-y
  - EBITDA to OCF conversion improved to 64% in 1H 2019 (34% in 1H 2018)
- Working capital
  - neutral change y-t-d
  - inventory decreased by US$120 mn y-t-d (primarily slabs, flat products and coal)
  - trade receivables rose by US$393 mn, primarily amid iron ore price growth
  - trade payables increased by US$271 mn following improvements in payment terms with suppliers
- Investing cash outflow includes US$439 mn used to purchase PPE and IA
- Financing cash outflow was primarily due to:
  - dividend payments of US$31 mn
  - repayment of US$30 mn of deferred consideration for the acquisition of around 25% of a coking coal business in Ukraine

Cash flow in 1H 2019

US$ mn

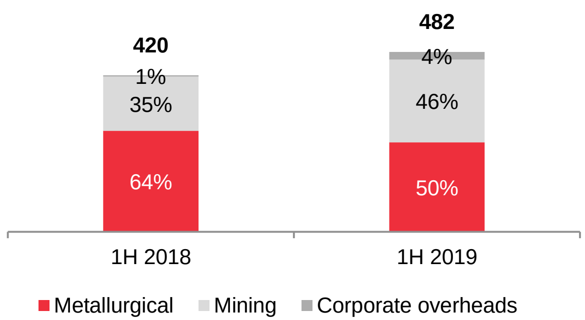


Capital expenditure

- In 1H 2019:
  - CAPEX totalled US$482 mn, up 15% y-o-y
  - The Mining segment accounted for 46% of total investments (+11 pp y-o-y)
  - The share of strategic projects remained at 37% (flat y-o-y)
- The Technological Strategy 2030 implementation is on track:
  - Enhanced focus on operational safety and reduction of environmental footprint
  - Steel
    - blast-furnace shop upgrade is ongoing: Azovstal completed the major overhaul of BF no. 3 in June 2019
    - the new CCM no. 4 at Ilyich Steel effectively increased the Group’s steel production capacity by 14% to 9.6 mt/y, moving Metinvest closer to its long-term target of 11 mt/y
    - sharpened focus on downstream: the hot strip mill 1700 reconstruction at Ilyich Steel is expected to be completed in 2H 2019
  - Iron ore
    - improved quality led to greater sales on premium markets
    - maintained low-cost position

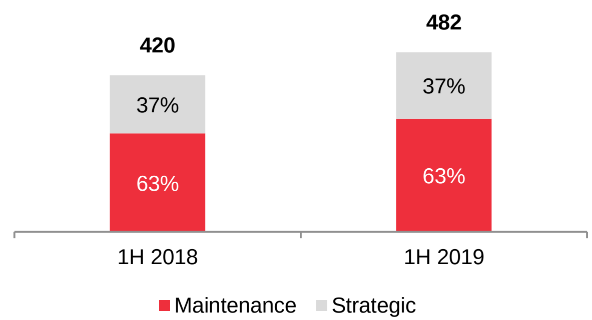
CAPEX by segment

US$ mn



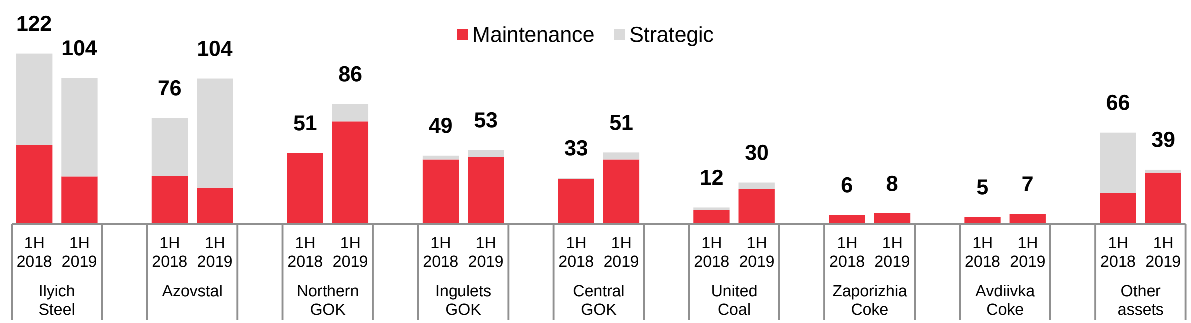
CAPEX by purpose

US$ mn



CAPEX by key asset

US$ mn



Key strategic CAPEX projects in 2019

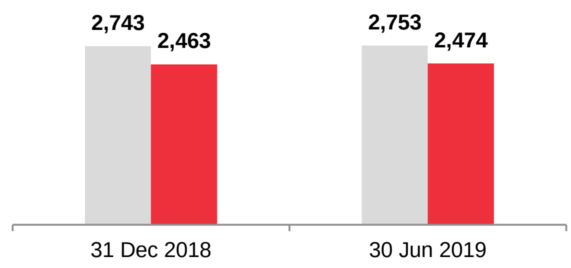
No	Project	Asset	Description	Status
1	**Construction of continuous casting machine (CCM) no. 4**	**Ilyich Steel**	Increase slab casting capacity to 4.3 mt/y, improve product quality, decrease costs and reduce environmental impact	The active construction stage started in September 2016. The first pill heat was cast in November 2018, as expected. Officially launched in March 2019.
2	**Reconstruction of hot strip mill 1700**	**Ilyich Steel**	Increase hot strip mill capacity to 2.5 mt/y; improve HRC quality by reducing their minimum thickness to 1.2 mm, increasing weight to 27 t and allowing widths of 900-1600 mm; and reduce production costs	Basic engineering development started in 3Q 2017. Active construction work is ongoing and commissioning is expected in 2H 2019.
3	**Sinter plant reconstruction**	**Ilyich Steel**	Comply with environmental requirements	New bag filters have been installed in the sintering zones of all sintering machines (SMs) and cooling zones of SMs nos. 7-12. Desulphurisation complexes at SMs nos. 7-9 are being tested, while their construction at other SMs is ongoing.
4	**Major overhaul of blast furnace (BF) no. 3**	**Azovstal**	Increase hot metal production capacity above 1.3 mt/y; reduce production cost by decreasing consumption of coke and coke nuts; and reduce environmental impact	The active construction stage started in July 2017. The major overhaul was completed in June 2019, after which the BF started operating.
5	**Major overhaul of BF no. 6**	**Azovstal**	Increase hot metal production capacity; reduce production cost by decreasing consumption of coke and coke nuts; and reduce environmental impact	Basic and detailed engineering, as well as design documentation, are being developed
6	**Construction of pulverised coal injection (PCI) facilities**	**Azovstal**	Minimise the need for natural gas in the production process and use coke more efficiently	Three BFs are operating using PCI technology (nos. 2, 4 and 3). Construction of PCI facilities at BF no. 3 was completed in June 2019 and injection started together with the launch of BF no. 3.
7	**Construction of crusher and conveyor system**	**Ingulets GOK**	Reduce operational and capital expenditure in iron ore mining and maintain production volumes	Construction is ongoing on the Vostochny conveyor line
8	**Construction of crusher and conveyor system at Pervomaisky quarry**	**Northern GOK**	Reduce operational and capital expenditure in iron ore mining and maintain production volumes	The first facility for iron ore transportation was launched in July 2016. The launch of the second facility for rock transportation has been postponed to 2020.
9	**Upgrade of pelletising machines OK-306 and Lurgi 278-A**	**Northern GOK**	Improve mechanical properties of pellets to capture additional market premium	Equipment shipments and construction are in progress. Commissioning is expected in 2H 2019.
10	**Re-equipment of beneficiation facilities to produce DRI-quality pellets**	**Central GOK**	Improve mechanical properties of pellets to penetrate new premium markets	In 2H 2018, the project plan was approved, and shipment of core equipment began. Construction work has started and commissioning is expected in 1H 2020.

Debt profile

- Sustainable maturity profile amid no significant repayments until 2023
- 2023 and 2026 bonds have been included in the JPMorgan Corporate Emerging Markets Index (CEMBI) series
- As of 30 June 2019:
  - total debt was US$2,753 mn (flat y-t-d)
  - net debt stood at US$2,474 mn (flat y-t-d)
  - net debt to LTM EBITDA was 1.2x (+0.2x y-t-d)
  - 92% of debt is US$-denominated => debt service is hedged by revenues in hard currencies
- EUR34.4 mn, 9-year, ECA-covered facility was secured for CAPEX at Ilyich Steel

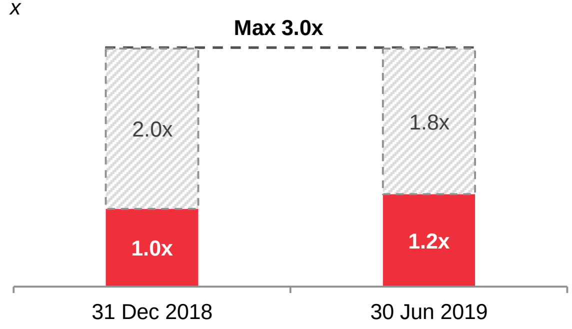
Total and net debt

US$ mn



Net debt to LTM EBITDA

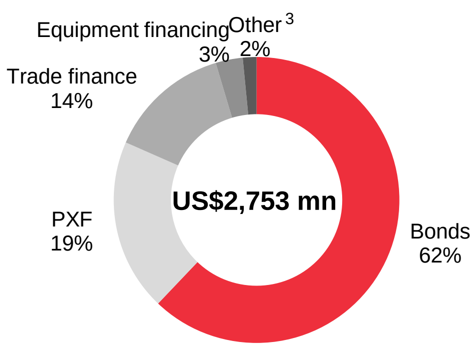
x



1. Total debt is calculated as the sum of bank loans, bonds, trade finance, lease liabilities and deferred consideration
2. Net debt is calculated as total debt less cash and cash equivalents

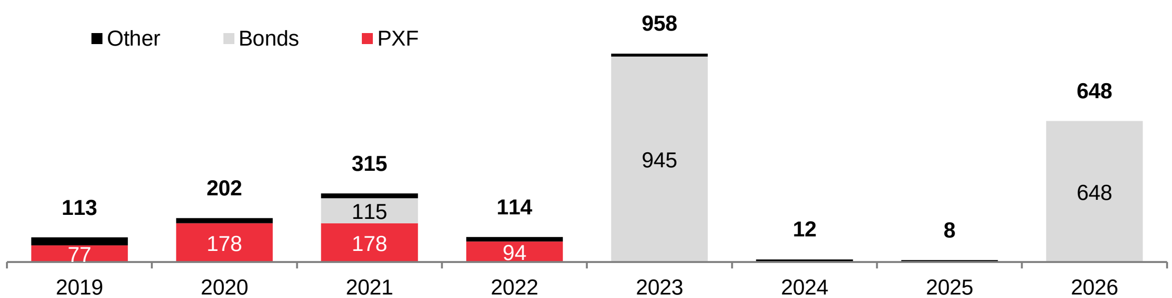
Total debt breakdown as of 30 June 2019

US$ mn



Corporate debt maturity as of 30 June 2019[4]

US$ mn



3. Deferred consideration for Pokrovske coal business acquisition (24.77%) and lease liability under the IFRS 16
4. Notes:
   - Bonds: US$115 mn at 7.50% pa due in 2021, US$945 mn at 7.75% pa due in 2023, US$648 mn at 8.50% pa due in 2026
   - PXF: US$528 mn at LIBOR + margin due in October 2022
   - Other includes deferred consideration for Pokrovske coal business acquisition (24.77%), ECA facilities and other facilities
   - Trade finance lines are mainly rollovers, so are excluded from the maturity profile chart
   - Lease liability under the IFRS 16 is excluded

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Credit rating

- Progress in credit ratings with all three international rating agencies

	FitchRatings	S&P Global	Moody's
Rating	**B+** **upgrade** from B	**B–** affirmed	**B3** **upgrade** from Caa1
Outlook	**STABLE** **-**	**POSITIVE** **upgrade** from stable	**STABLE** **-**
Last change	April 2019	January 2019	December 2018
Vs Ukraine Sovereign rating	One notch above	In line	One notch above

ESG

	Environment	Social	Governance
Goals	▪ Reduce environmental footprint ▪ Introduce more efficient energy-saving technology ▪ Meet best global standards in this area ▪ Proactively address critical issues	▪ Work in close partnership with the communities where Metinvest operates to achieve sustainable improvements in social conditions ▪ Maintain a close dialogue with local stakeholders	▪ Develop the corporate governance system to be among the most transparent international companies and serve the interests of all stakeholders as thoroughly as possible
Initiatives and results in 1H 2019	▪ Around US$163 mn was spent on environmental safety[1] in 1H 2019, up 16% y-o-y ▪ Progress on key efforts to combat environmental footprint: ○ Ilyich Steel (reconstruction of gas-cleaning system at sinter plant, construction of a new dedusting system at BF no. 3, replacement of a gas cleaning system at basic oxygen furnace no. 3, refurbishment of a sewage system, including construction of sand trap) ○ Azovstal (reconstruction of a gas treatment system at the hot metal desulfurisation unit, major overhaul of coke oven battery no. 1) ○ Avdiivka Coke and Zaporizhia Coke (extensive maintenance of oven chambers) ○ Northern GOK (replacement of gas cleaning units of pelletising machine Lurgi 552-A) ○ Central GOK (reconstruction of tailing facilities and recycled water supply, current overhaul of slurry pipelines)	▪ LTIFR[2] was 0.858 and and FFR[3] was 0.072 in 1H 2019 ▪ Around US$39 mn was spent on health and safety in 1H 2019 (US$42 mn in 1H 2018) ▪ Responsible corporate citizen: ○ Invested US$7 mn in supporting communities in cities where Metinvest operates in 1H 2019 (US$8 mn in 1H 2018) ○ Held around 740 environmental events as part of “Green Centre” in Mariupol, Kryvyi Rih and Zaporizhia in 1H 2019 ○ Implemented 40 projects of the educational initiative ‘Green Plant’ in 1H 2019 ○ Selected 16 projects of the “We Improve the City” initiative in Mariupol in 1H 2019 ○ Selected 100 projects of the “We are the city” initiative in Zaporizhia in 1H 2019 ○ Selected 17 projects of the “#FestMetinvest2019” initiative in Kryvyi Rih in 1H 2019	▪ More than 12 years of regular public reporting of audited consolidated financial statements prepared in accordance with IFRS ▪ Monthly financial reporting ▪ CSR reporting in accordance with the G4 Sustainability Reporting Guidelines as defined by the Global Reporting Initiative ▪ Continuous drive to streamline ownership structure: used squeeze-out procedures to increase ownership of several key assets to 100% ▪ Ongoing promotion campaign for the Code of Ethics and Whistleblowing hotline

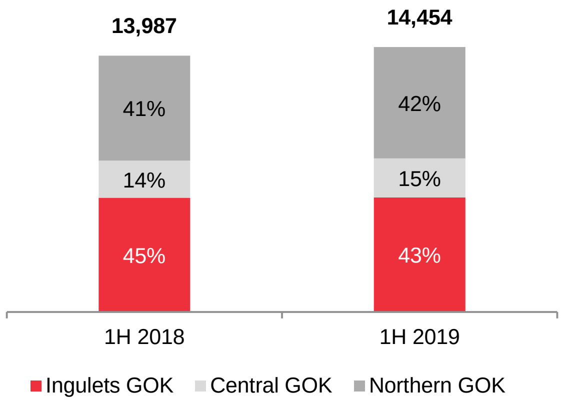
1. Including both capital and operational improvements
2. The lost-time injury frequency rate (LTIFR) is the number of lost-time incidents per 1 million man-hours.
3. The fatality frequency rate (FFR) is the number of job-related fatalities per 1 million man-hours.

Segmental review

Mining operations

Iron ore concentrate production

kt



Output of iron ore products[3] by Fe %

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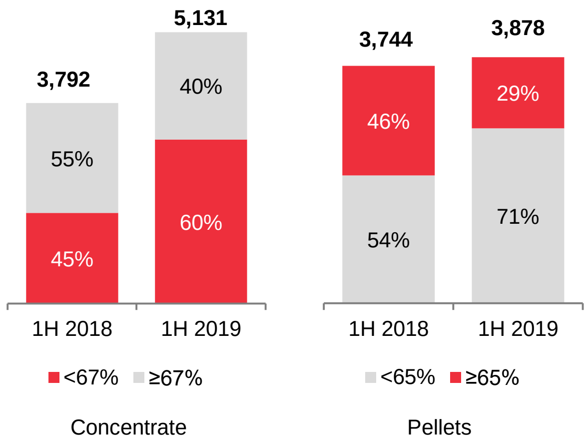
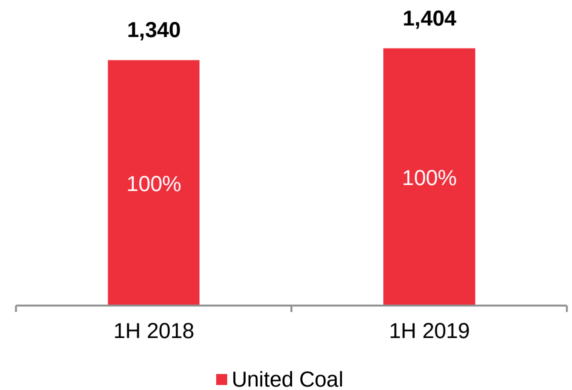


Coking coal production

kt



- Overall iron ore concentrate production grew by 3% y-o-y, due to greater capacity utilisation at the iron ore beneficiation plants and higher Fe content of iron ore:
  - up 6% y-o-y at Northern GOK
  - up 5% y-o-y at Central GOK
  - flat y-o-y at Ingulets GOK
- Iron ore self-sufficiency was >300%[1] in 1H 2019
- Metinvest used 35%[2] of total iron ore concentrate internally and allocated 65%[2] for third-party sales (42% and 58% in 1H 2018)

- Merchant iron ore concentrate output increased by 20% y-o-y, due to lower intra-group consumption
- Merchant pellet output rose by 4% y-o-y amid:
  - greater total output of concentrate
  - lower intra-group consumption
  - higher output at Northern GOK and Central GOK due to improved equipment productivity after major overhauls in 2018

- Coking coal concentrate production rose by 5% y-o-y following the commissioning of new mining areas at United Coal
- High-quality US coking coal is primarily delivered to Metinvest's Ukrainian coke production facilities to cover around 40%[4] of intragroup needs
- Other coal volumes required for coke production are sourced from international and local suppliers
- Additional long-term supplies have been secured after acquiring 24.77% in coking coal assets in Ukraine, primarily the Pokrovske colliery and Sviato-Varvarynska coal enrichment plant (Pokrovske coal business)

1. Iron ore self-sufficiency is calculated as actual iron ore concentrate production divided by actual consumption of iron ore products to produce hot metal in the Metallurgical segment.
2. In iron ore concentrate equivalent
3. Merchant iron ore product output figures exclude intragroup sales and consumption.
4. Coal self-sufficiency is calculated as actual coal concentrate production divided by actual consumption of coal concentrate to produce coke required for production of hot metal in the Metallurgical segment, and coal consumption for PCI is included in the calculation.

Mining segment financials

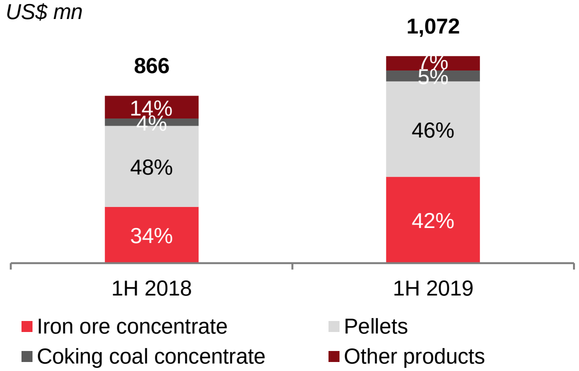
- Sales
  - External revenues increased by 24% y-o-y, driven by greater sales volumes of iron ore products and higher prices
  - Pellets accounted for 42% of the iron ore sales mix volumes and merchant concentrate for 58% in 1H 2019 (48% and 52% in 1H 2018, respectively)
  - The top five iron ore customers accounted for 73% of segmental sales
  - Overall, 80% of iron ore volumes were sold under annual contracts (79% in 1H 2018)
- EBITDA
  - EBITDA rose by 24% y-o-y, mainly due to higher iron ore prices and sales volumes, as well as an increase in the contribution from the Southern GOK JV
  - The contribution to gross EBITDA[1] increased by 40 pp y-o-y to 86%
  - The EBITDA margin rose by 2 pp y-o-y to 45%[2]
- The segment's CAPEX increased by 52% y-o-y to US$222 mn, due to higher maintenance and strategic investments at iron ore and coal producers

Segment financials

US$ mn	1H 2019	1H 2018	Change
Sales (total)	**1,752**	**1,498**	**17%**
Sales (external)	**1,072**	**866**	**24%**
% of Group total	*18%*	*14%*	*+4 pp*
EBITDA	**791**	**638**	**24%**
% of Group total[1]	*86%*	*46%*	*+40 pp*
margin[2]	*45%*	*43%*	*+2 pp*
CAPEX	**222**	**146**	**52%**

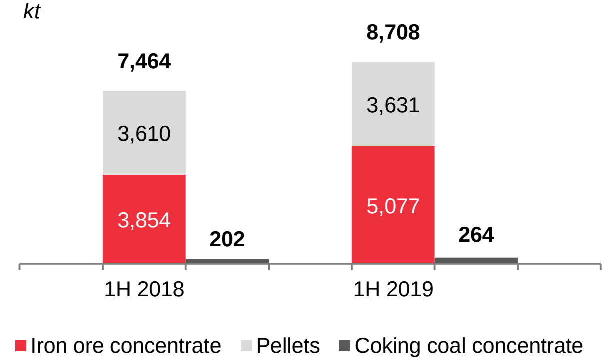
Sales by product

US$ mn



Sales by product

kt

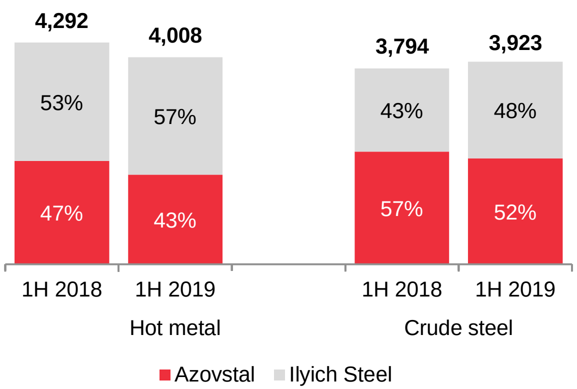


1. The contribution is to the gross EBITDA, before adjusting for corporate overheads
2. Management has changed the presentation of sales of coal produced by third parties, excluding them from intersegment mining sales to allow a better understanding of segment results and improve their comparability. This reduced the Mining segment's sales to other segments in 1H 2018 by US$307 mn to US$632 mn.

Metallurgical operations

Hot metal and crude steel production

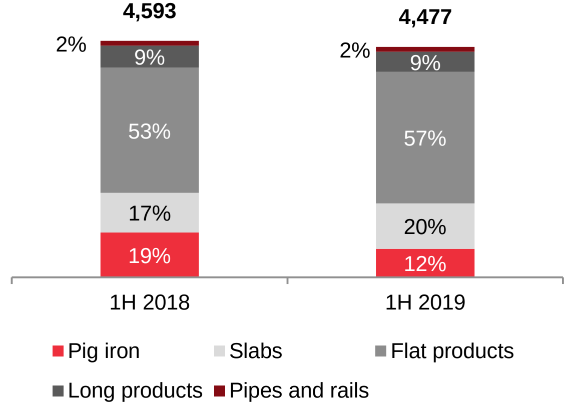
kt



- Total hot metal production declined by 7% y-o-y amid irregular supplies of primary raw materials and shutdowns of BFs no. 5 and 6 at Azovstal in June 2019
- Crude steel output rose by 3% y-o-y due to a 16% y-o-y increase at Ilyich Steel, as hot metal was redirected to make steel and downstream products instead of merchant pig iron due to the commissioning of CCM no. 4

Output of merchant metal products

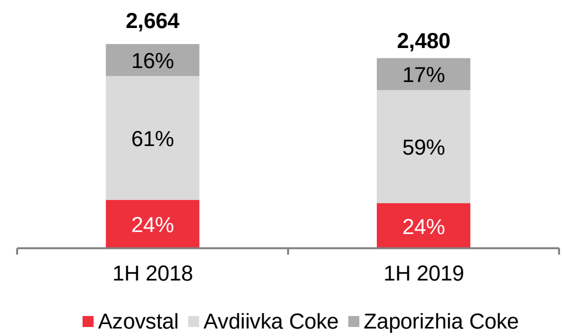
kt



- Metal product mix changed y-o-y in 1H 2019:
  - the share of slabs rose by 3 pp y-o-y to 20%, while that of pig iron dropped by 7 pp y-o-y to 12%, after the commissioning of new equipment at Ilyich Steel
  - the share of flat products reached 57%, up 4 pp y-o-y, amid a 5% rise in their output, supported by the acquisition of Unisteel's galvanising facilities (with production capacity of up to 100 kt/y)
  - shares of long products and pipes and rails were 9% and 2%, respectively, flat y-o-y

Coke production

kt



- Coke[1] output decreased by 7% y-o-y due to the unstable operation of coke oven batteries and a coke dry quenching plant at Avdiivka Coke and a coal shortage
- Metinvest covered some 140%[3] of its coke needs with own production in 1H 2019
- To improve long-term coke self-sufficiency in Ukraine, the Group acquired:
  - a 23.71% in Southern Coke (output capacity of 600 kt/y) for US$30 mn in January 2019
  - a 49.37% in Dnipro Coke (output capacity of 700 kt/y) for some US$11 mn in August 2019, and is aiming to consolidate around 95% by the year-end

1. Dry blast furnace coke output
2. Coke self-sufficiency is calculated as actual coke production divided by actual consumption of coke to produce hot metal in the Metallurgical segment.

Metallurgical segment financials

- Sales
  - External sales declined by 11% y-o-y, mainly due to lower steel selling prices in line with global benchmarks, and lower resales volumes
  - The share of HVA products[1] in the metal sales mix volumes, excluding resales, was 49% in 1H 2019 (+1 pp y-o-y)
  - The top five steel customers accounted for 16% of the segment's revenues
  - Almost all steel volumes were sold on the spot market
- EBITDA
  - Segment's EBITDA and EBITDA margin decreased y-o-y due to lower steel prices; higher raw material, logistics and labour costs; lower coke sales volumes; and a drop in the contribution from the Zaporizhstal JV
- The segment's CAPEX totalled US$240 mn, down 11% y-o-y

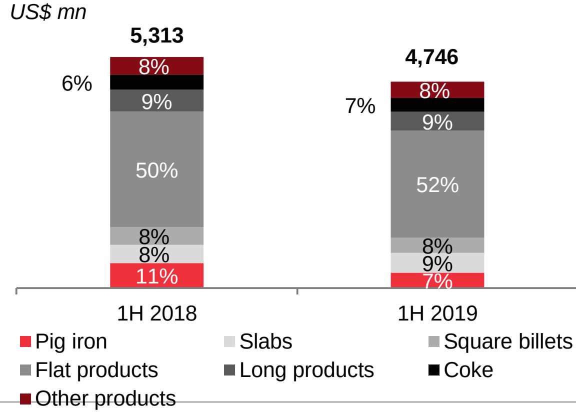
1. HVA products include thick plates, cold-rolled flat products, hot-dip galvanised sheets and coils, structural sections, rails and pipes.
2. The contribution is to the gross EBITDA, before adjusting for corporate overheads.

Segment financials

US$ mn	1H 2019	1H 2018	Change
Sales (total)	**4,786**	**5,348**	**-11%**
Sales (external)	**4,746**	**5,313**	**-11%**
% of Group total	*82%*	*86%*	*-4 pp*
EBITDA	**132**	**755**	**-83%**
% of Group total[1]	*14%*	*54%*	*-40 pp*
margin	*3%*	*14%*	*-11 pp*
CAPEX	**240**	**271**	**-11%**

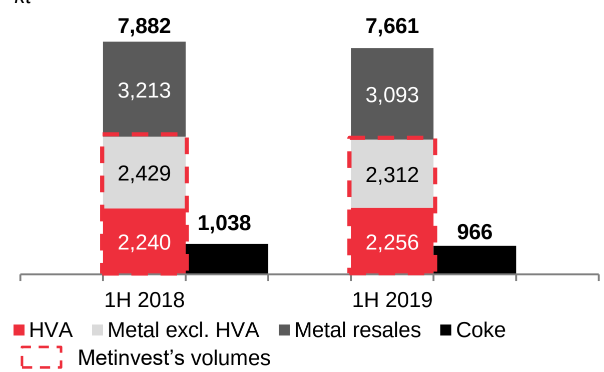
Sales by product

US$ mn



Sales by product

kt



Thank you!

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