METINVEST

1Q 2021 Preliminary Results

31 May 2021

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Industry Overview

Global steel, iron ore and coking coal markets

Global finished steel consumption remained relatively flat y-o-y in 2020, as the economic downturn caused by the COVID-19 pandemic and associated lockdowns disrupted the global economy, including production and logistics chains. This impacted both supply and demand across all commodity markets, and its effects were particularly severe in 1H 2020

At the same time, China showed another year of steel consumption growth in 2020, a result of its prompt containment of the virus and provision of economic support

Economic stimulus measures and easing of lockdown restrictions in other major economies in the second half of 2020 spurred a commodity price rally, which continued into 1Q 2021

The price of hot-rolled coils (HRC) on FOB Black Sea basis surged by 30% q-o-q and by 60% y-o-y to US$755/t in 1Q 2021

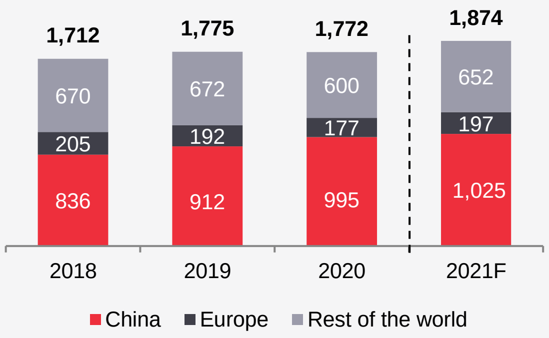
The price of 62% Fe iron ore increased by 24% q-o-q and 86% y-o-y to US$168/t in 1Q 2021. This was attributable to consistently strong demand in China, as well as demand recovery in Europe and North America, where hot metal production rose by 5% and 8% q-o-q in 1Q 2021, respectively. On the supply side, iron ore price dynamic was driven by seaborne supply disruptions from Brazil

Demand recovery in Europe also led to an increase in the Atlantic basin pellet premium by 57% q-o-q and 48% y-o-y to US$43/t in 1Q 2021

The hard coking coal spot price recovered by 17% q-o-q to US$127/t in 1Q 2021. Tensions persisted over Chinese import restrictions on Australian coking coal and the coking coal benchmark price was down by 18% relative to 1Q 2020

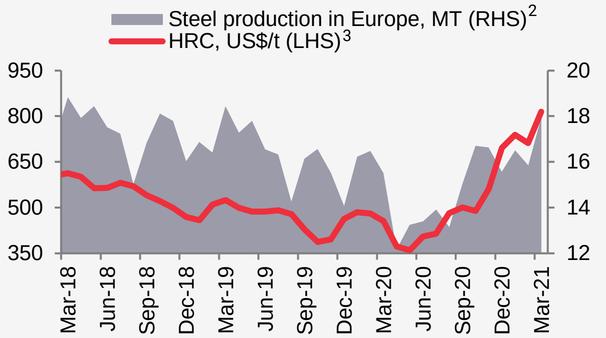
Finished steel consumption[1]

MT



Source: World Steel Association (WSA)

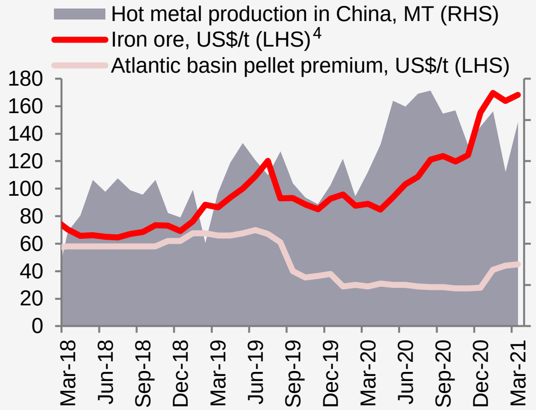
Steel price and production in Europe



Source: WSA, Metal Expert

Iron ore price

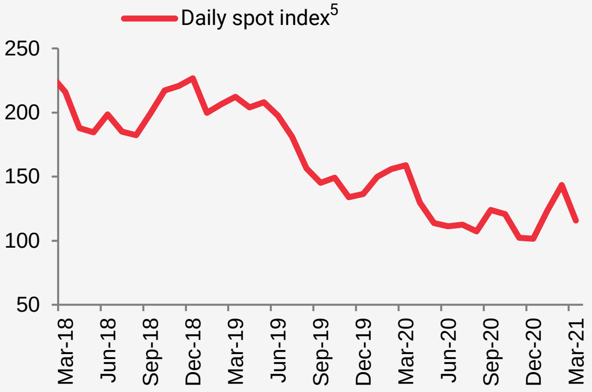
US$/t



Source: Bloomberg, WSA

Hard coking coal price

US$/t



Source: Bloomberg, Platts

1. Apparent consumption of finished steel products. 2021 data are WSA estimates as at April 2021
2. Europe includes the current 27 EU member states and the UK, Bosnia-Herzegovina, North Macedonia, Norway, Serbia and Turkey
3. FOB Black Sea
4. 62% Fe iron ore fines, CFR China
5. FOB Australia

Macro and steel industry in Ukraine

The Ukrainian economy demonstrated sustained growth for four straight years through 2019, amid overall macroeconomic stabilisation

Beginning in 1Q 2020, the Ukrainian economy has been contracting amid a decrease in industrial output and lockdown measures introduced to contain the pandemic

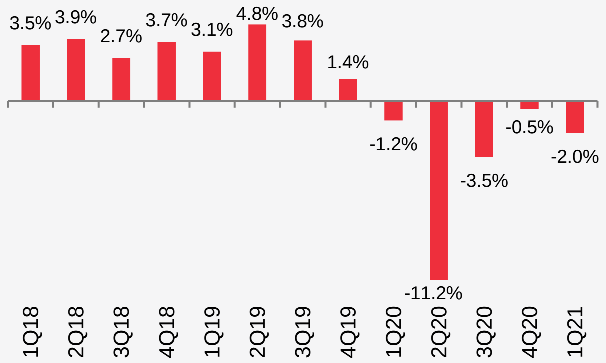
Restrictive measures easing in 2H 2020 slowed the decline. Overall, real GDP contracted by 4.0% y-o-y in 2020. In 1Q 2021, the Ukrainian economy contracted by 2.0% y-o-y

The NBU continued to follow an interest rate policy of inflation targeting and keeping the local currency floating:

- While in 2H 2020 the consumer price index (CPI) remained well below the NBU target of 5%±1%, it surged to 7.4% y-o-y in 1Q 2021
- This led the NBU to begin monetary tightening and increase its key rate from 6.0% to 6.5% in March 2021 and then to 7.5% in April 2021
- The hryvnia depreciated against the US dollar by 10.5% y-o-y, to 27.97 in 1Q 2021 from 25.04 in 1Q 2020

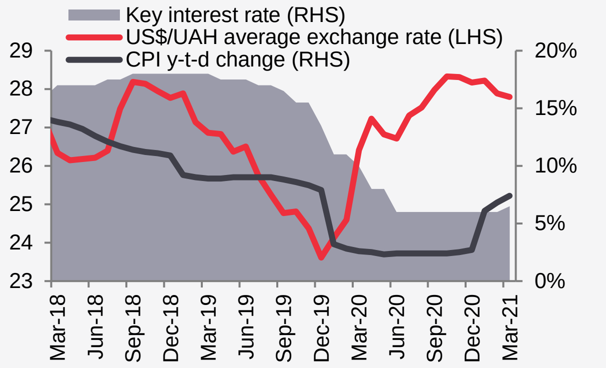
In 1Q 2021, total steel output declined by 0.5% y-o-y. At the same time, apparent steel consumption fell by 4.8% y-o-y, mainly caused by a 12.3% decline in construction activity and 2.4% reduction in machinery output, partly offset by a 4.4% y-o-y increase in pipe production

Real GDP dynamics (y-o-y)



Source: State Statistics Service of Ukraine

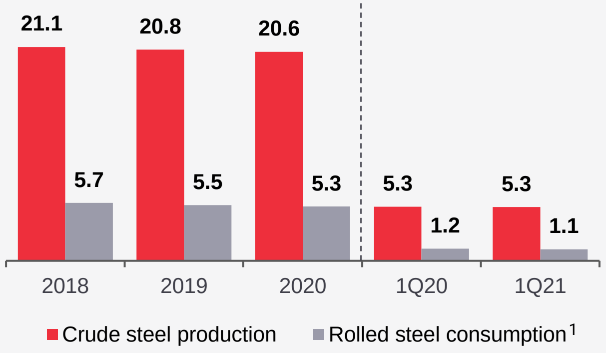
Inflation targeting policy in place



Source: National Bank of Ukraine (NBU), State Statistics Service of Ukraine

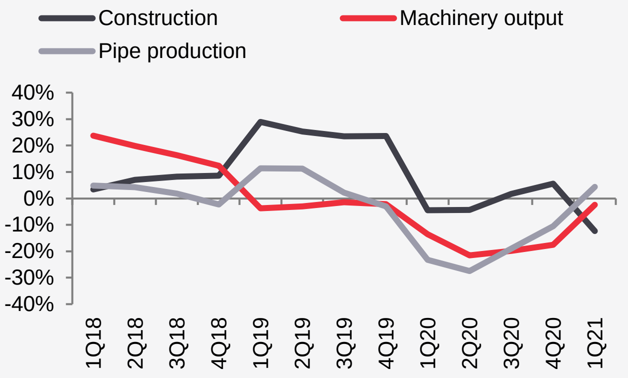
Steel industry

MT



Source: WSA, Metal Expert

Key steel-consuming sectors[2]



Source: State Statistics Service of Ukraine, Metal Expert

1. Consumption in Ukraine includes flat, long and certain semi-finished products, but excludes pipes.
2. Index represents the cumulative index from the beginning of the respective year, y-o-y change.

1Q 2021 Highlights

Financial highlights

Total revenues increased by 43% y-o-y to US$3,624 mn:

- metallurgical revenues rose by 35% y-o-y to US$2,732 mn
- mining revenues jumped by 72% y-o-y to US$892 mn

Adjusted EBITDA[1] almost quadrupled y-o-y to US$1,462 mn:

- metallurgical EBITDA rose by 4.0x y-o-y to US$660 mn
- mining EBITDA increased by 3.4x y-o-y to US$953 mn

Segmental contribution to EBITDA[2] changed y-o-y:

- metallurgical accounted for 41% (37% in 1Q 2020)
- mining accounted for 59% (63% in 1Q 2020)

The consolidated EBITDA margin rose by 25 pp y-o-y to 40%:

- metallurgical EBITDA margin climbed by 16 pp y-o-y to 24%
- mining EBITDA margin increased by 38 pp y-o-y to 75%

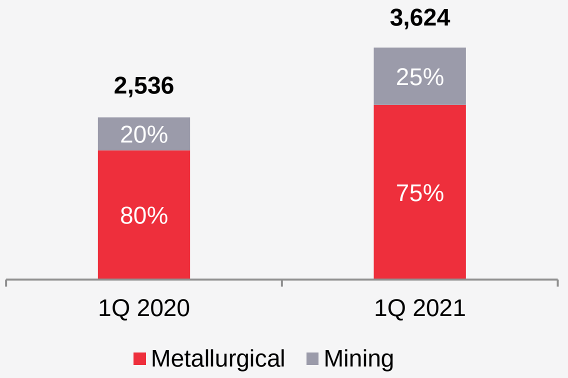
CAPEX totalled US$147 mn, almost flat y-o-y

Free cash flow[3] reached US$776 mn in 1Q 2021, amid strong profitability and EBITDA to operating cash flow conversion

Net debt[4] to LTM EBITDA decreased to 0.7x as at 31 March 2021, down 0.3x y-t-d, driven by strong EBITDA generation and a higher cash balance

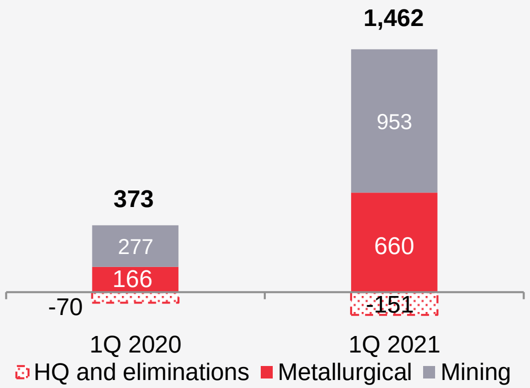
Revenues

US$ mn



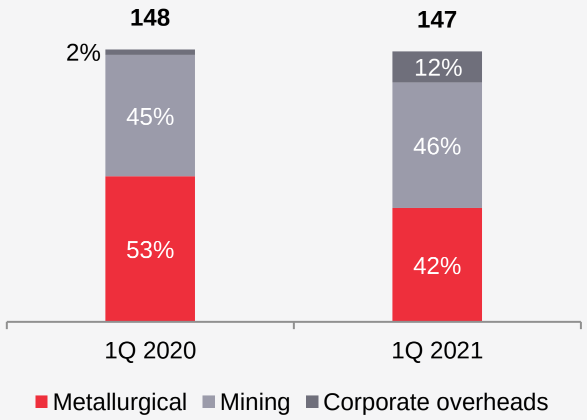
EBITDA

US$ mn



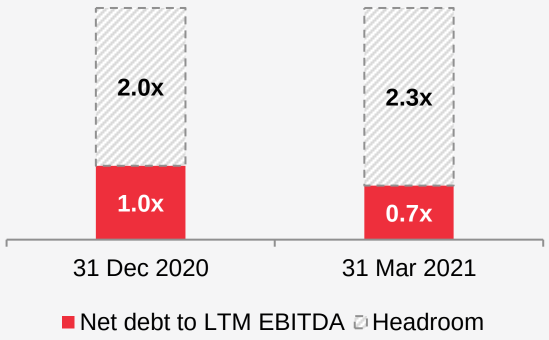
CAPEX

US$ mn



Net debt to LTM EBITDA

x



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. The contribution is to the gross EBITDA, before adjusting for corporate overheads and eliminations
3. Free cash flow is calculated as net cash from operating activities less net cash used in investing activities
4. 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.

Sales portfolio

Metallurgical sales

- Up 35% y-o-y, mainly attributable to higher average selling prices for steel products in line with global benchmarks, as well as higher sales volumes of flat products (up 6%) as a result of demand recovery in several strategic markets for the Group and recently realised investments
- Distribution highlights:
  - higher share of Europe (+3 pp), due to an ongoing demand recovery in the region
  - share of Ukraine remained relatively high at 24%
  - almost no shipments to Southeast Asia amid redirection of volumes to higher-margin markets

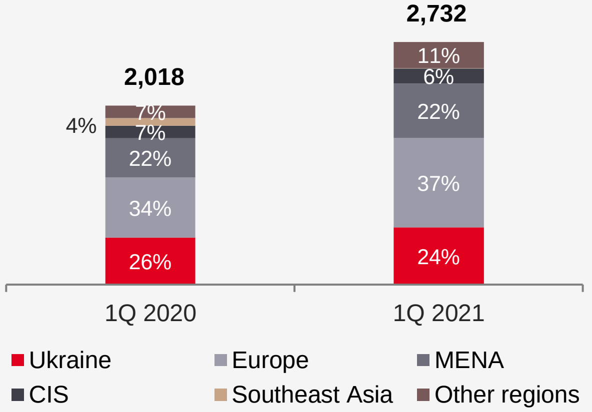
Mining sales

- Up 72% y-o-y, amid higher iron ore selling prices and pellet premiums globally, as well as higher pellet shipments (up 34%)
- Distribution highlights:
  - pellet demand recovery in Europe increased the region's share to 28% (+1 pp)
  - share of Ukraine remained relatively high at 34% amid a 17% rise in sales volumes of iron ore products
  - share of Southeast Asia fell to 32% (-2 pp) following a 31% drop in shipments to China
  - share of other regions reached 6% (+5 pp) primary amid greater sales to MENA

Sales in hard currencies (US$, US$-linked, EUR and GBP) accounted for 82% in 1Q 2021 (+1 pp y-o-y)

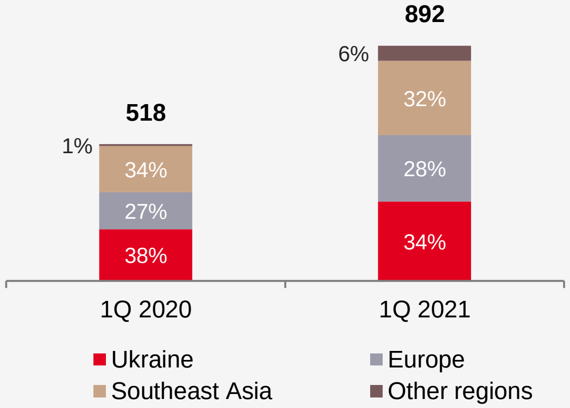
Metallurgical sales by region

US$ mn



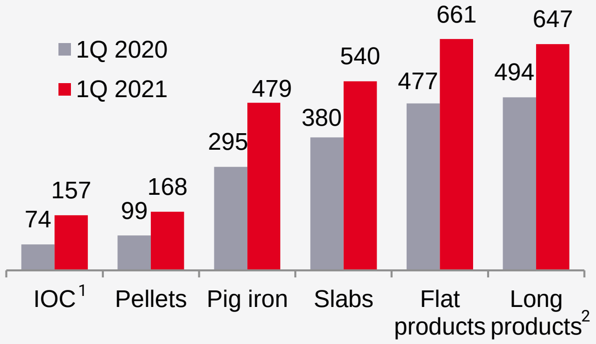
Mining sales by region

US$ mn



Price trends, FCA basis

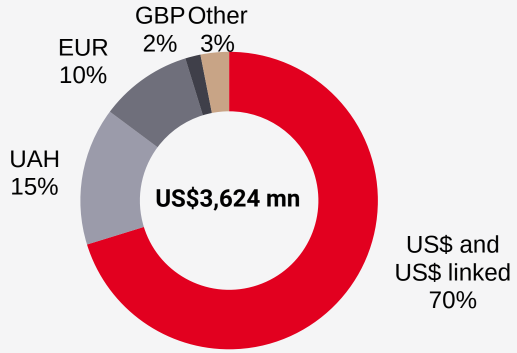
US$/t



1. Iron ore concentrate
2. Excluding railway products

Total sales by currency in 1Q 2021

US$ mn



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EBITDA

EBITDA almost quadrupled y-o-y to US$1,462 mn, mainly driven by:

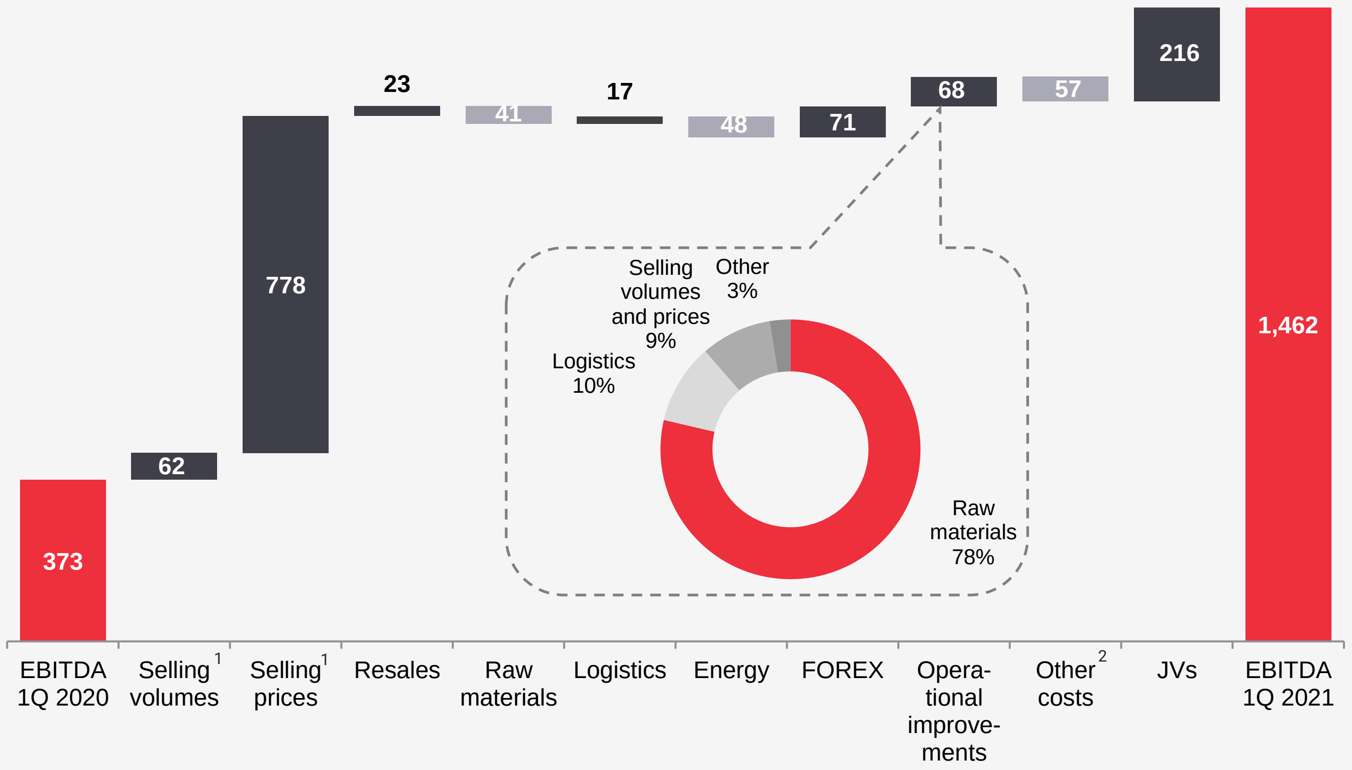
- higher sales prices for steel and iron ore products, which also improved earnings from resales and the contribution of both joint ventures
- 10.5% y-o-y depreciation of the hryvnia against the US dollar
- a positive effect from operational improvements, mainly through greater efficiency of consumption of raw materials and increased productivity of key production equipment
- greater sales volumes, mainly flat products and pellets
- lower logistics costs as a results of reduced railcar usage fees in Ukraine, as well as lower freight and other transportation costs amid a change in sales geography

Negative impact on EBITDA was primarily due to:

- higher expenses on energy materials, mainly amid increased natural gas prices (+33% y-o-y) and electricity tariffs in Ukraine (+6% y-o-y)
- greater spending on raw materials amid increased purchase prices of scrap (+49% y-o-y) and sinter ore (+2.2x y-o-y), greater consumption of purchased scrap due to its improved availability in Ukraine, as well as higher purchases of billets for further processing at the Bulgarian re-roller
- increased other costs (including an increase in the subsoil use tax for iron ore extraction)

EBITDA drivers

US$ mn



1. Net of resales
2. Other costs include fixed costs and other expenses; net of resales

Cash flow

Operating cash flow (OCF):

- US$1,342 mn in 1Q 2021, up 4.8x y-o-y
- EBITDA to OCF conversion reached 92% in 1Q 2021, up 17 pp y-o-y

Working capital release of US$270 mn, primarily attributable to an increase in trade payables

Purchases of property, plant and equipment (PPE) and intangible assets (IA) totalled US$149 mn, down 31% y-o-y, as 1Q 2020 included settlement of accounts payable for CAPEX from previous periods

Other investing cash outflow of US$417 mn, primarily due to payments for the acquisition of the Pokrovske coal business[1]

Financing cash outflow, amid:

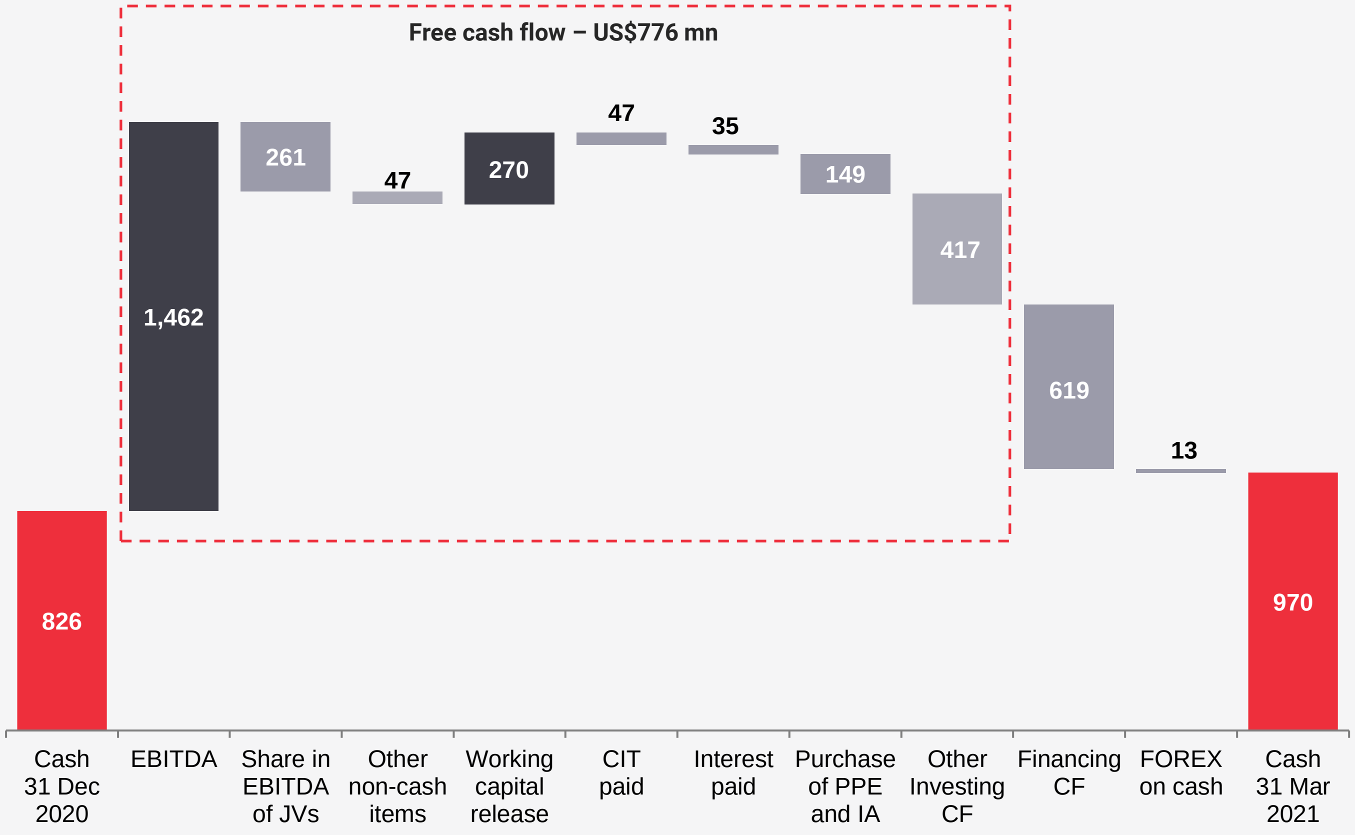
- PXF prepayment of US$150 mn in March
- net trade financing repayments of US$47 mn

Free cash flow[2] reached US$776 mn in 1Q 2021, compared with US$31 mn in 1Q 2020

Cash balance improved to US$970 mn as at 31 March 2021, up 17% y-t-d

Cash flow in 1Q 2021

US$ mn



1. The Pokrovske coal business was consolidated in March 2021 and comprises several entities, the most significant of which are Pokrovske Colliery and Sviato-Varvarynska Concentrating Factory
2. Free cash flow is calculated as net cash from operating activities less net cash used in investing activities

Capital expenditure

In 1Q 2021:

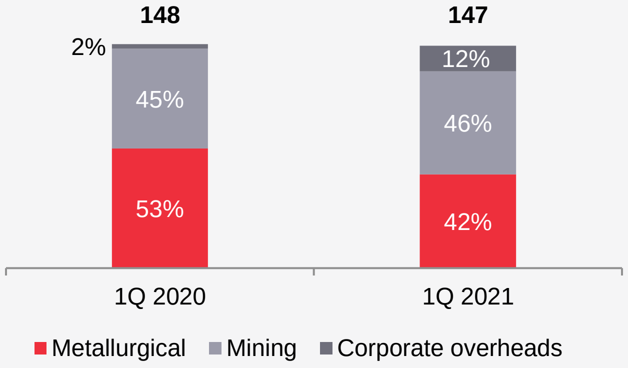
- CAPEX was US$147 mn, almost unchanged y-o-y
- the Mining segment accounted for 46% of total investments, up 1 pp y-o-y
- the share of strategic projects was 30%, down 17 pp y-o-y, due to the ongoing revision of the Technological Strategy and completion of some key projects in 2020

2021 CAPEX priorities:

- completion of the Technological Strategy review
- progress in ongoing strategic projects:
  - construction of crusher and conveyor systems at Northern GOK and Ingulets GOK to be completed by the end of 2021
  - construction works have been started for the air separation unit at Ilyich Steel
- conducting maintenance
- developing design for projects in the pipeline
- focusing on environmental agenda:
  - such investments totalled US$30 mn in 1Q 2021
  - major initiatives have advanced at Ilyich Steel, Azovstal and Northern GOK

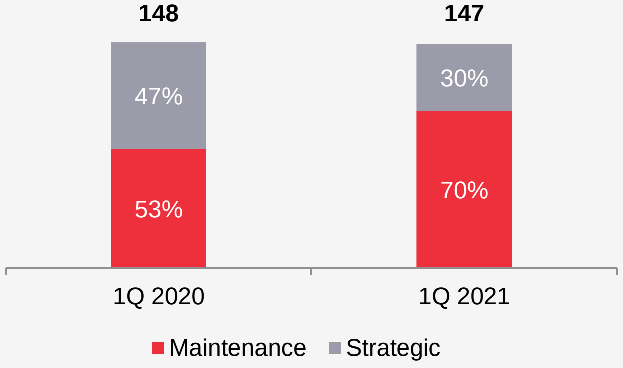
CAPEX by segment

US$ mn



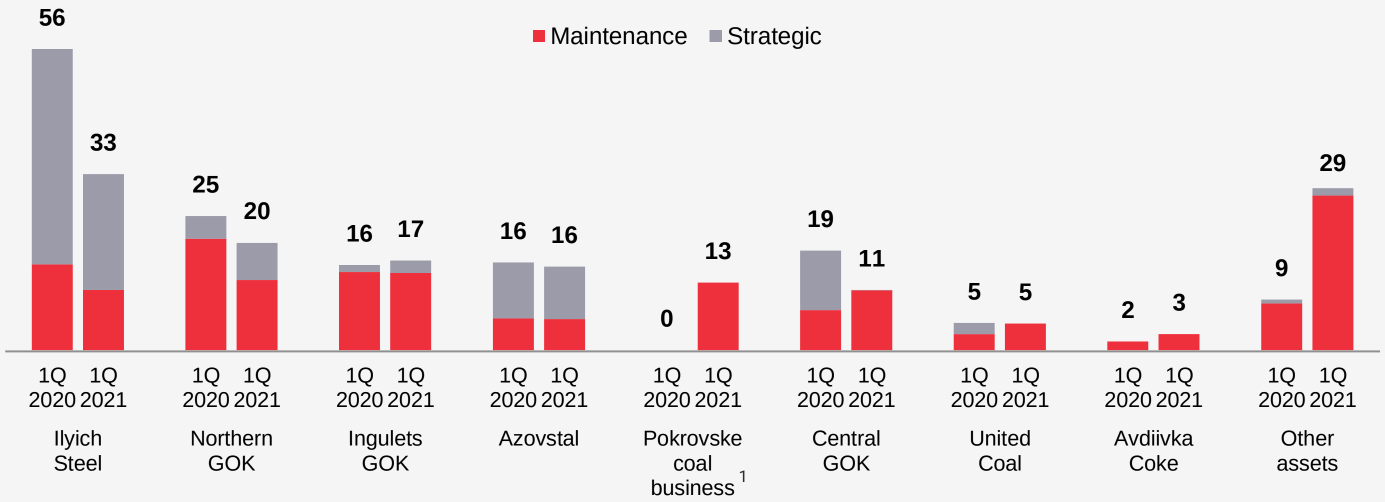
CAPEX by purpose

US$ mn



CAPEX by key asset

US$ mn



1. The Pokrovske coal business has been consolidated in March 2021

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Key strategic CAPEX projects in 1Q 2021

No	Project	Asset	Description	Status
1	**Sinter plant reconstruction**	**Ilyich Steel**	Comply with environmental requirements	Construction of the complex for the two-stage gas cleaning system of sintering and cooling zones for all 12 sintering machines has been completed. Auxiliary works to be finalised in 2021
2	**Construction of air separation units**	**Ilyich Steel**	Increase production of oxygen and nitrogen required for steel production	Detailed engineering has been developed. Air Liquide was selected as the key equipment supplier. Contracting process with sub-suppliers is ongoing. Installation of technical premises and structures has started. Commissioning is expected in 1Q 2022
3	**Reconstruction with new construction of the gas cleaning facilities for the casthouses and stockhouses of blast furnaces (BFs) nos. 4 and 5**	**Ilyich Steel**	Comply with environmental requirements	The project at BF no. 5 started in 3Q 2020, with its completion expected in mid-2021. For BF no. 4, contracting has started of auxiliary equipment and services for construction and installation works
4	**Reconstruction of gas cleaning equipment for basic oxygen furnaces (BOF)**	**Azovstal**	Comply with environmental requirements	Basic and detailed engineering and documentation have been finalised. A contract for the main technological equipment supply has been signed and preparatory works have been launched. Launch is scheduled for 2H 2022
5	**Installation of a new plasma cutting line**	**Metinvest Trametal**	Increase the cutting capacity by 150-190 kt/y of plates with a thickness from 4 mm to 40 mm	All necessary authorisations and permits have been received. Construction works have started. Installation is going to be finalized in 4Q 2021
6	**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 Eastern conveyor line. It is expected to be completed in 4Q 2021
7	**Construction of crusher and conveyor system at Pervomaisky quarry**	**Northern GOK**	Reduce operational and capital expenditure in iron ore mining and maintain production volumes	Construction of the facility for rock transportation is ongoing. It is expected to be put into operation in 3Q 2021
8	**Replacement of gas cleaning units in Lurgi 552-A roasting machine**	**Northern GOK**	Comply with environmental requirements and improve workplace conditions	Active construction works are ongoing. Completion is expected in 1Q 2022
9	**Thickening of beneficiation waste**	**Northern GOK**	Reduce waste transportation costs, decrease investments in maintenance of pumping equipment at slurry pumping stations	The project was approved in March 2021. Development of detailed engineering is ongoing. Completion is expected in 2023
10	**New mine block no. 11**	**Pokrovske Colliery**	Maintain production volumes	Active construction works on the ventilation shaft are progressing

Debt profile

As at 31 March 2021, total debt was US$3,273 mn, up 11% y-t-d, due to the consolidation of debt of the Pokrovske coal business totalling US$547 mn

Taking advantage of its strong financial performance and robust liquidity position, Metinvest has sought to improve the quality of its debt portfolio and deleverage:

- the PXF facility has been prepaid almost in full (as of May 2021), repayments were made on several other bank loans
- trade finance utilisation has been decreased
- both debt facilities of the Pokrovske coal business were restructured: their interest rates were significantly decreased with newly agreed repayment schedules

As at 31 March 2021, net debt to LTM EBITDA was 0.7x (-0.3x y-t-d)

CREDIT RATINGS

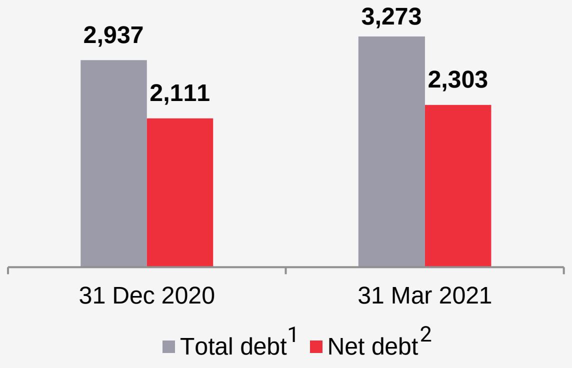
BB- stable / outlook change (Apr-21)
Fitch

B stable / rating affirmed (Jul-20)
S&P

B2 stable / rating upgrade (Jun-20)
Moody's

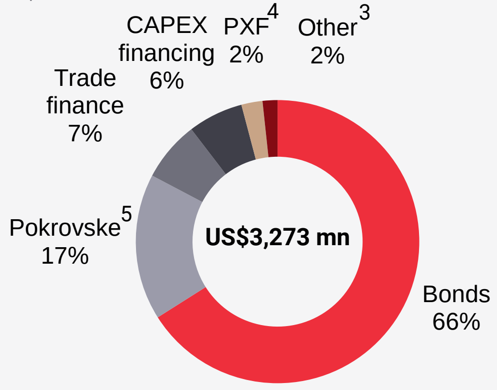
Total and net debt

US$ mn



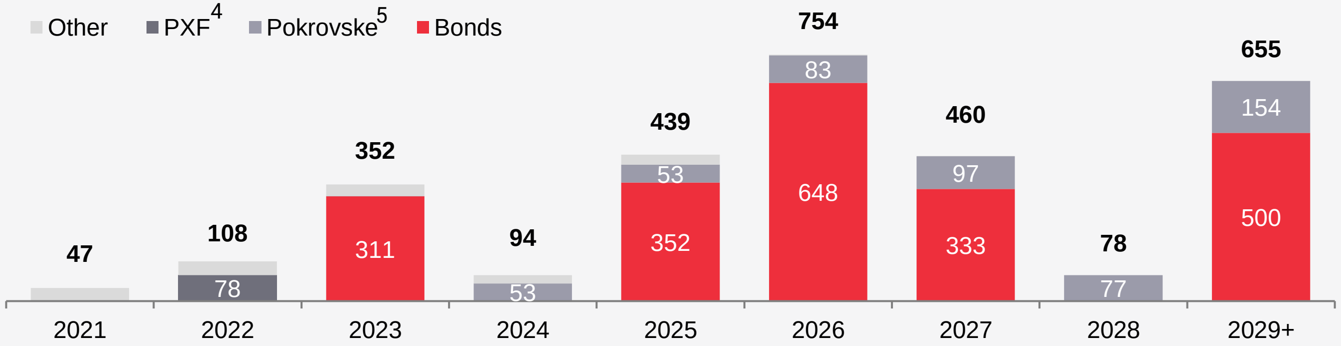
Total debt as at 31 March 2021

US$ mn



Corporate debt maturity as at 31 March 2021[6]

US$ mn



1. Total debt is calculated as the sum of bank loans, non-bank borrowings, bonds, trade finance and lease liabilities
2. Net debt is calculated as total debt less cash and cash equivalents
3. Lease liability under the IFRS 16 and other bank loans
4. US$68 mn of the PXF facility was prepaid ahead of schedule in May 2021
5. Debt resulting from the consolidation of the Pokrovske coal business in March 2021
6. Notes:
   - Presented amounts of scheduled installments include principal only (without accrued interest, fees, commissions and discounts)
   - Bonds: US$311 mn at 7.75% pa due in 2023, EUR300 mn at 5.625% pa due in 2025 (converted at EUR/USD f/x of 1.2287), US$648 mn at 8.50% pa due in 2026, US$333 mn at 7.65% pa due in 2027, US$500 mn at 7.75% pa due in 2029
   - Trade finance lines are mainly rollovers, so are excluded from the maturity profile chart; Lease liability under the IFRS 16 is excluded

ESG

Goals

Environment

Reduce environmental footprint and help fight climate change

Introduce more efficient, energy-saving technology

Meet best global standards in this area

Proactively address critical issues

Social

Cooperate with the communities where Metinvest operates to achieve sustainable improvements in social conditions

Maintain a close dialogue with local stakeholders

Achieve zero incidents

Governance

Develop the corporate governance system to be among the most transparent international companies and serve the interests of all stakeholders as thoroughly as possible

Results in 1Q 2021

Environment

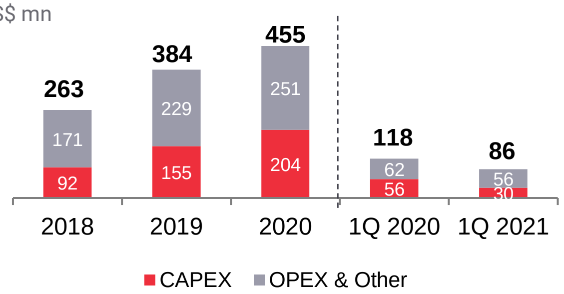
Around US$86 mn was spent on environmental safety[1] in 1Q 2021, down 27% y-o-y, mainly due to completion of core works of the biggest environmental project in the history of the Group – the reconstruction of Ilyich Steel's sinter plant

Progress on other environmental projects:

- reconstruction of casthouses and stockhouses of BFs at Ilyich Steel – expected 80% reduction in dust emissions
- reconstruction of the gas cleaning systems for BOFs nos. 1 and 2 at Azovstal – expected 70% reduction in dust emissions
- replacement of gas cleaning units of the Lurgi 552-A roasting machine at Northern GOK – expected 40% reduction in dust emissions
- systematic extensive maintenance of coke oven chambers at all coke production facilities to keep dust and gaseous emissions at well below permitted levels

Spending on the environment[1]

US$ mn



Social

Metinvest remains one of Ukraine's largest employers and was recognised among the top 25 employers in Ukraine[2]

Around 80,300 employees as at 31 March 2021

US$20 mn was spent on health and safety in 1Q 2021, down 11% y-o-y

No fatalities in 1Q 2021 – for the first time

Paid almost US$200 mn of taxes globally in 1Q 2021, incl. CIT

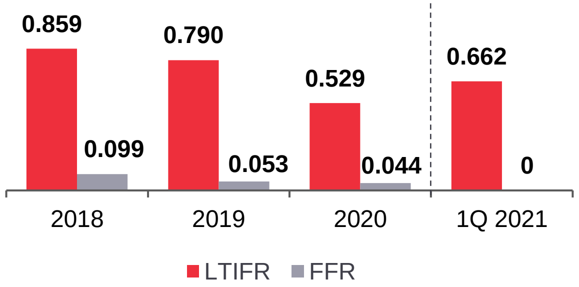
US$3 mn was invested to support communities in 1Q 2021, of which around US$1 mn was spent to help fight COVID-19

In response to the COVID-19 pandemic in 1Q 2021:

- administrative employees worked remotely and enhanced health protocols in place at all assets
- installation of around 350 oxygen supply points in state hospitals was completed and 88 tonnes of oxygen was supplied

Metinvest announced establishment of the first private steel and mining university in Ukraine – Metinvest Polytechnic

LTIFR[3] and FFR[4]



Governance

The Supervisory Board includes three independent members, who are deemed independent within the meaning of the Dutch Corporate Governance Code 2016

Business Partnership Code of Conduct was adopted to guarantee fair business relationships between Metinvest and its partners

SUSTAINALYTICS 31.7

In February 2021, Metinvest improved its ESG Risk Ratings from Sustainalytics to 31.7 points from 32.0 assigned in June 2020 (on a scale between 0 being lowest risk and 100 being highest risk)

Sustainalytics assessed the Group's management of material ESG issues as strong, amid:

- robustness of Metinvest's ESG programmes, practices and policies
- ESG integration into the Group's core business strategy
- ESG oversight by the Supervisory Board

Metinvest maintained its position in the top 10 global steelmakers assessed by Sustainalytics (at the time of assessment)

MSCI ESG RATINGS B

CCC | B | BB | BBB | A | AA | AAA

As of 2020, Metinvest received MSCI ESG Rating of 'B'[5] (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment. The rating remained unchanged y-o-y

Note: 1Q 2021 data on this slide are preliminary and may change upon completion of internal verification procedures

1. Including both capital and operational improvements
2. According to Vlada Groshei (the Power of Money), a reputable Ukrainian business journal providing expert analytics, as of March 2021
3. The lost-time injury frequency rate (LTIFR) is the number of lost-time incidents per 1 million man-hours.
4. The fatality frequency rate (FFR) is the number of job-related fatalities per 1 million man-hours.
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Segmental Review

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Mining operations

Overall iron ore concentrate output grew by 2% y-o-y, as a result of:

- the Group's mining assets boosting ore production
- operational improvements
- Central GOK processing third-party ore

Iron ore self-sufficiency of around 306%[1] in 1Q 2021

Merchant iron ore concentrate[2] output dropped by 10% y-o-y, due to larger order book for pellets and a rise in intragroup consumption of iron ore concentrate

- the share of high-grade merchant iron ore concentrate was 31%, up 3 pp y-o-y

Merchant pellet[2] output surged by 29% y-o-y

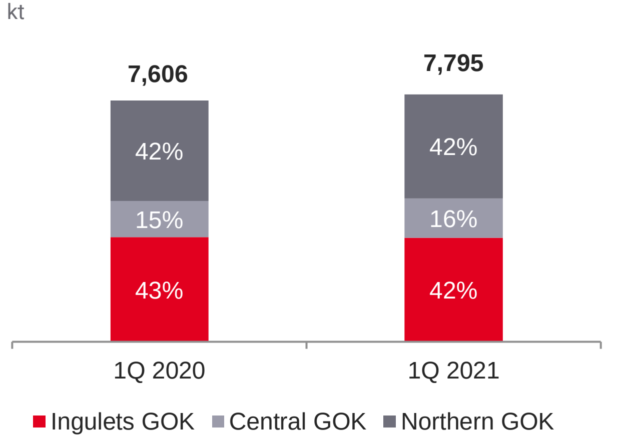
- the share of high-grade pellets was 31%, down 10 pp y-o-y, primarily as a result of the change in order portfolio mix in favour of pellets with lower Fe content
- output of pellets with 67.5% Fe content totalled 110 kt in 1Q 2021

Overall coking coal concentrate output[3] increased by 18% y-o-y, driven by:

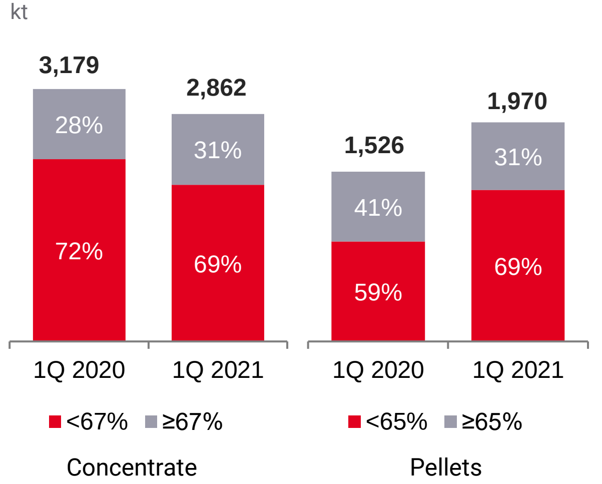
- consolidation of the Pokrovske coal business[4] from March 2021 (effect of 262 kt)
- lower output at United Coal's mines following suspension of operations at several mining sections in 1Q 2020

Coking coal self-sufficiency reached 99%[5] in 1Q 2021

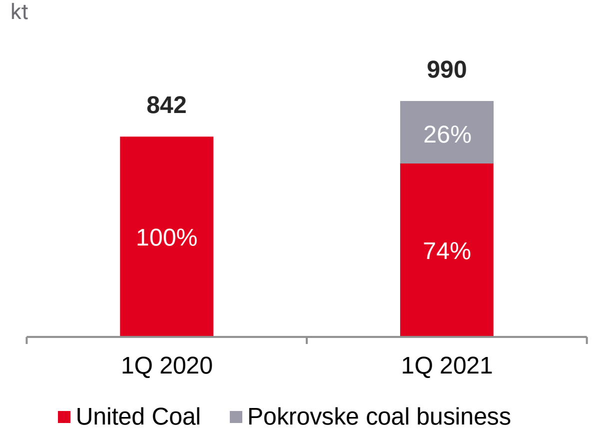
Iron ore concentrate production



Output of iron ore products by Fe %



Coking coal production



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. Merchant iron ore product output figures exclude intragroup sales and consumption. The production data for merchant iron ore concentrate in 1Q 2020 was revised to exclude sales between the mining assets to produce pellets
3. Excluding production from raw coal purchased from third parties
4. The Pokrovske coal business comprises several entities, the most significant of which are Pokrovske Colliery and Sviato-Varvarynska Concentrating Factory
5. 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 sales increased by 72% y-o-y, driven by higher selling prices of iron ore concentrate and pellets and a 34% y-o-y rise in sales volumes of pellets
- share of pellets in the iron ore sales mix increased to 41% in 1Q 2021 (+ 10 pp y-o-y), amid higher demand and premiums globally, while that of merchant concentrate decreased to 59%
- the top-5 customers of the segment accounted for 54% of segmental sales (53% in 1Q 2020)
- overall, 67% of iron ore volumes were sold under annual contracts (69% in 1Q 2020)

EBITDA

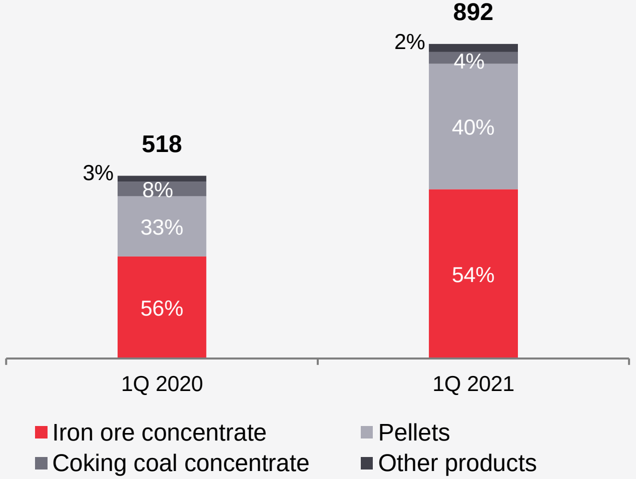
- EBITDA rose by 3.4x y-o-y, mainly amid a higher segmental top line, improved contribution from the Mining JV, a positive effect from operational improvements, as well as consolidation of the Pokrovske coal business
- the contribution to gross EBITDA[1] totalled 59%, down 4 pp y-o-y
- the EBITDA margin jumped by 38 pp y-o-y to 75%

The segment's CAPEX increased by 3% y-o-y to US$68 mn, primarily due to investments related to the Pokrovske coal business

US$ mn	1Q 2021	1Q 2020	CHANGE
Sales (total)	1,268	759	67%
Sales (external)	892	518	72%
% of Group total	25%	20%	5 pp
EBITDA	953	277	3.4x
% of Group total[1]	59%	63%	-4 pp
Margin	75%	37%	38 pp
CAPEX	68	66	3%

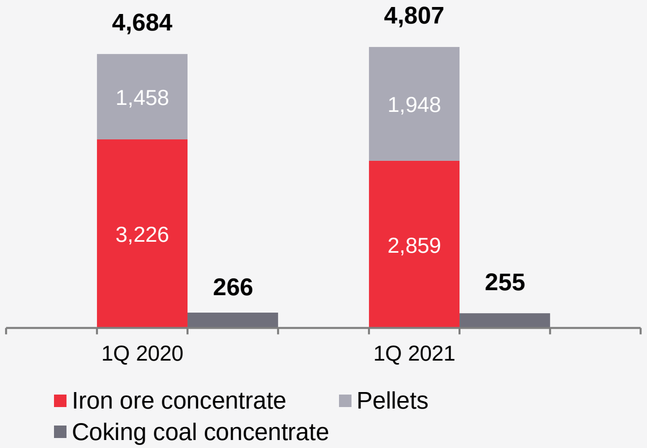
Sales by product

US$ mn



Sales by product

kt



1. The contribution is to the gross EBITDA, before adjusting for corporate overheads and eliminations

Metallurgical operations

Hot metal output increased by 3% y-o-y, driven by:

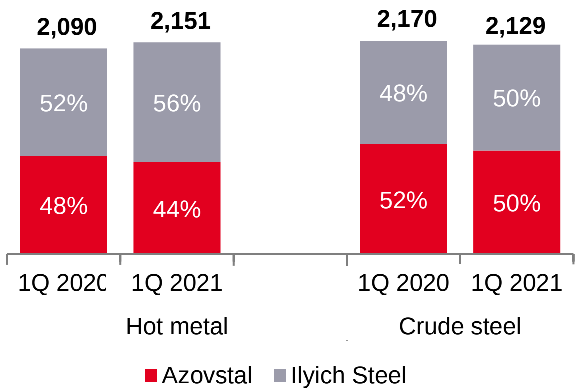
- an 11% increase at Ilyich Steel due to a lower base effect, attributable to a shutdown of BF no. 3 for a scheduled overhaul in early 2020
- a 6% decrease at Azovstal as a result of a shutdown of BFs for a short repair in March 2021 amid the scheduled overhaul of BOF no. 1

Crude steel output fell by 2% y-o-y on the back of:

- a 6% decrease at Azovstal amid the scheduled overhaul of BOF no. 1
- a 2% rise at Ilyich Steel due to higher hot metal output

Hot metal and crude steel production

kt

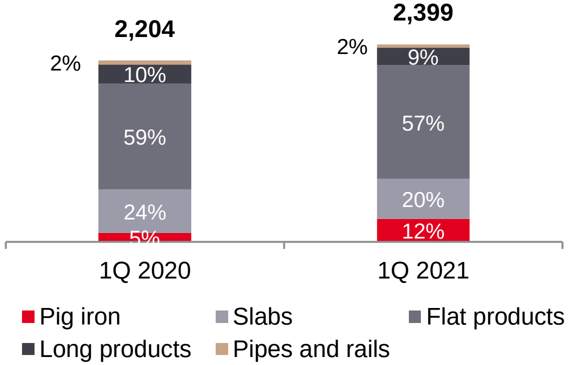


Merchant pig iron and steel product mix highlights:

- higher share of pig iron (+7 pp), amid greater hot metal output at Ilyich Steel
- lower share of slabs (-4 pp), primarily due to their allocation to flat product rolling
- lower share of flat products (-2 pp), while their output grew by 92 kt following the revamp of hot strip mill 1700 at Ilyich Steel
- lower share of long products (-1 pp), amid a decrease in orders at Azovstal

Merchant pig iron and steel product output

kt



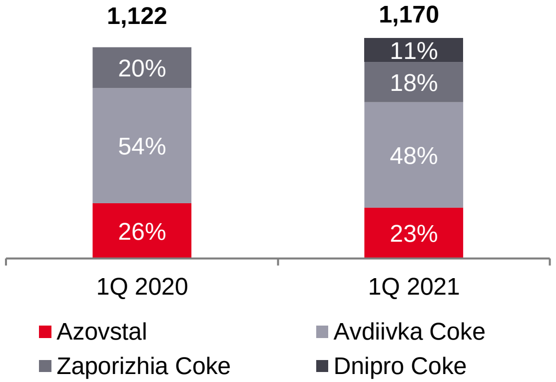
Coke[1] output grew by 4% y-o-y, driven by:

- the consolidation of Dnipro Coke's production from 2Q 2020 (131 kt in 1Q 2021)
- a decline in output at Avdiivka Coke of 50 kt amid the overhaul of coke oven battery no. 6

Coke self-sufficiency was 150%[2] in 1Q 2021

Coke production

kt



1. Dry blast furnace coke output. Starting in 2Q 2020, coke production data include production volumes of Dnipro Coke after the Group increased its stake in the asset to 73.01%
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 rose by 35% y-o-y, mainly due to increased prices of all steel products in line with global benchmarks, as well as greater shipments of flat products
- the share of HVA products[1] in the sales mix volumes, excluding resales, was 41% in 1Q 2021, down 8 pp y-o-y
- the top-5 customers accounted for 17% of segmental revenues, down 1 pp y-o-y
- almost all steel volumes were sold on the spot market

EBITDA

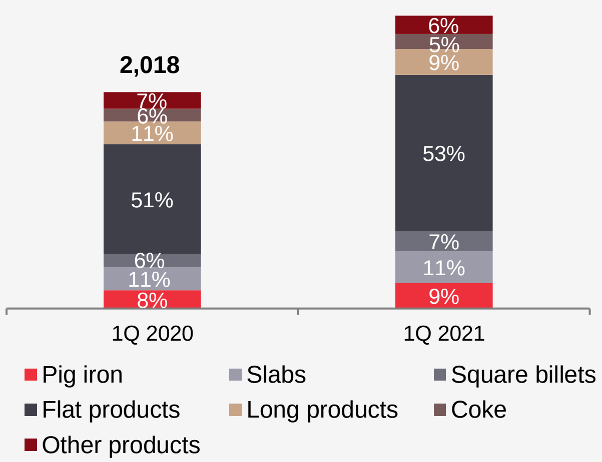
- EBITDA quadrupled y-o-y to US$660 mn, driven primarily by higher segmental top line, greater contribution from the Metallurgical JV and the positive effect from operational improvements
- contribution to gross EBITDA[2] reached 41%, up 4 pp y-o-y
- EBITDA margin rose by 16 pp y-o-y to 24%

The segment's CAPEX declined by 22% y-o-y to US$62 mn, following the completion of major strategic projects at Ilyich Steel

US$ mn	1Q 2021	1Q 2020	CHANGE
Sales (total)	2,755	2,034	35%
Sales (external)	2,732	2,018	35%
% of Group total	75%	80%	-5 pp
EBITDA	660	166	4.0x
% of Group total[1]	41%	37%	4 pp
Margin	24%	8%	16 pp
CAPEX	62	79	-22%

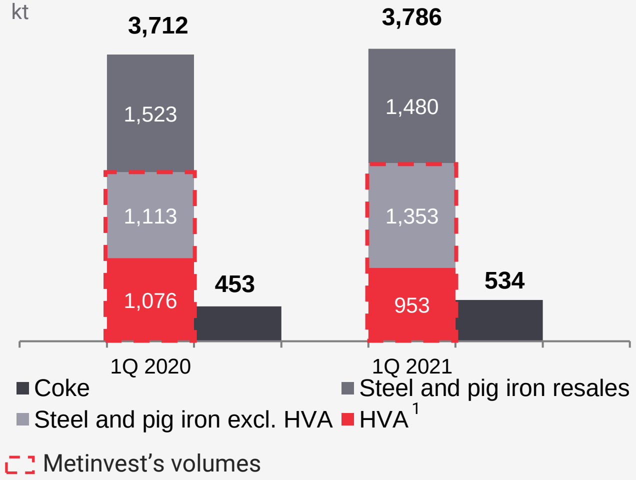
Sales by product

US$ mn



Sales by product

kt



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 and eliminations

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