

## EVRAZ Q3 2020 TRADING UPDATE

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**29 October 2020** — EVRAZ plc (LSE: EVR; “EVRAZ” or the “Group”) today released its trading update for the third quarter of 2020.

### Q3 2020 vs Q2 2020 HIGHLIGHTS

- In Q3 2020, EVRAZ’ consolidated crude steel output fell by 4.4% QoQ, mainly due to the planned shutdown of blast furnace no. 5 and the launch of blast furnace no. 6 after the completion of a major overhaul at EVRAZ NTMK.
- Total sales of steel products decreased by 9.5% QoQ. Sales of semi-finished products fell by 24.1% QoQ following the increase of sales of finished goods to the Russian market.
- Sales of finished products increased by 5.7% QoQ amid better market conditions in Russia and an improved product mix.
- Total raw coking coal production went up by 14.6% QoQ, driven by the completion of longwall moves at the Alardinskaya and Esaulskaya mines in Q2 2020.
- While production at the Razrez Raspadsky open pit remained suspended during the reporting period due to unfavourable market conditions, operations were resumed in October 2020 amid dwindling stockpiles and rising prices for coal products.
- External sales volumes of coking coal products climbed by 23.6% QoQ following an improvement in market conditions.
- External sales of iron ore products grew by 9.0% QoQ amid higher shipments to export markets in Q3 2020.
- Sales of vanadium products rose by 13.4% QoQ, mainly due to increased steel utilisation rates and a slight recovery of the automotive industry. The regional sales and product mix was also changed to serve the more active Chinese oxide market.

Product, '000 tonnes	Q3 2020	Q2 2020	Q3 2020/ Q2 2020, change	9m 2020	9m 2019	9m 2020/ 9m 2019, change
<b>Total crude steel production</b>	<b>3,227</b>	<b>3,377</b>	<b>-4.4%</b>	<b>10,163</b>	<b>10,364</b>	<b>-1.9%</b>
Russia	2,893	2,992	-3.3%	9,006	8,945	0.7%
North America	334	385	-13.2%	1,157	1,419	-18.5%
<b>Total raw coking coal mined</b>	<b>4,775</b>	<b>4,165</b>	<b>14.6%</b>	<b>14,632</b>	<b>20,159</b>	<b>-27.4%</b>
<b>Total coking coal concentrate production</b>	<b>3,873</b>	<b>3,820</b>	<b>1.4%</b>	<b>11,440</b>	<b>12,385</b>	<b>-7.6%</b>
<b>Iron ore products production</b>	<b>3,508</b>	<b>3,460</b>	<b>1.4%</b>	<b>10,563</b>	<b>10,488</b>	<b>0.7%</b>
<b>Total sales of steel products</b>	<b>3,062</b>	<b>3,382</b>	<b>-9.5%</b>	<b>9,668</b>	<b>9,884</b>	<b>-2.2%</b>
Semi-finished products	1,309	1,724	-24.1%	4,476	4,131	8.4%
Finished products	1,753	1,658	5.7%	5,192	5,753	-9.8%
<b>Total sales of third-party steel products</b>	<b>267</b>	<b>197</b>	<b>35.5%</b>	<b>639</b>	<b>601</b>	<b>6.3%</b>
<b>Sales of coking coal products</b>	<b>3,460</b>	<b>2,800</b>	<b>23.6%</b>	<b>9,539</b>	<b>8,539</b>	<b>11.7%</b>
<b>Sales of iron ore products</b>	<b>486</b>	<b>446</b>	<b>9.0%</b>	<b>1,287</b>	<b>861</b>	<b>49.5%</b>
<b>Sales of vanadium in slag</b>	<b>1,605</b>	<b>1,996</b>	<b>-19.6%</b>	<b>4,366</b>	<b>4,529</b>	<b>-3.6%</b>
<b>Sales of vanadium final products <sup>1</sup></b>	<b>2,779</b>	<b>2,450</b>	<b>13.4%</b>	<b>8,397</b>	<b>9,369</b>	<b>-10.4%</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

## CONFERENCE CALL DETAILS

A conference call to discuss the trading update will be held on Thursday, 29 October 2020, at:

- **08:00 (New York time)**
- **12:00 (London time)**
- **15:00 (Moscow time)**

Key speakers:

- **Alexey Ivanov**, Senior Vice President, Commerce and Business Development
- **Evgeny Terekhov**, Head of sales, Coal Division
- **Olesya Afanasyeva**, Vice President Finance, Interim CFO, EVRAZ North America

To join the call, please dial:

<b>+44 (0)330 336 9411 (local access) or 0800 279 7204 (toll free)</b>	UK
<b>+7 495 646 9190 (local access) or 8 10 8002 8675011 (toll free)</b>	Russia
<b>+1 646-828-8193 (local access) or 888-394-8218 (toll free)</b>	US

**Access code: 6381713**

To avoid any technical inconvenience, it is recommended that participants dial in 10 minutes before the start of the call.

The Q3 2020 trading update presentation will be available on the Group's website, [www.evraz.com](http://www.evraz.com), on Thursday, 29 October 2020, at the following link:

<https://www.evraz.com/en/investors/reports-and-results/presentations/>

## **FORWARD-LOOKING STATEMENTS**

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

## STEEL SEGMENT

### Total production volumes

Product, '000 tonnes	Q3 2020	Q2 2020	Q3 2020/ Q2 2020, change	9m 2020	9m 2019	9m 2020/ 9m 2019, change
<b>Pig iron production</b>	<b>2,686</b>	<b>2,792</b>	<b>-3.8%</b>	<b>8,306</b>	<b>8,252</b>	<b>0.7%</b>
EVRAZ ZSMK	1,556	1,532	1.6%	4,644	4,517	2.8%
EVRAZ NTMK	1,130	1,260	-10.3%	3,662	3,735	-2.0%
<b>Crude steel production</b>	<b>2,893</b>	<b>2,992</b>	<b>-3.3%</b>	<b>9,006</b>	<b>8,945</b>	<b>0.7%</b>
EVRAZ ZSMK	1,880	1,878	0.1%	5,738	5,703	0.6%
EVRAZ NTMK	1,013	1,114	-9.1%	3,268	3,242	0.8%
<b>Total steel products production, net of re-rolled volume<sup>1</sup></b>	<b>2,600</b>	<b>2,739</b>	<b>-5.1%</b>	<b>8,206</b>	<b>8,149</b>	<b>0.7%</b>
EVRAZ ZSMK	1,608	1,657	-3.0%	5,008	5,047	-0.8%
EVRAZ NTMK	930	994	-6.4%	2,956	2,607	13.4%
EVRAZ Caspian Steel	62	88	-29.5%	242	208	16.3%
<b>Iron ore products production</b>	<b>3,508</b>	<b>3,460</b>	<b>1.4%</b>	<b>10,563</b>	<b>10,488</b>	<b>0.7%</b>
Pellets (EVRAZ KGOK)	1,607	1,616	-0.6%	4,888	4,672	4.6%
Sinter (EVRAZ KGOK)	833	905	-8.0%	2,654	2,709	-2.0%
Concentrate saleable (EVRAZ KGOK, Evrazruda)	1,068	939	13.7%	3,021	3,107	-2.8%
<b>Coking coal concentrate production</b>	<b>475</b>	<b>496</b>	<b>-4.2%</b>	<b>1,457</b>	<b>1,454</b>	<b>0.2%</b>
From own raw coal <sup>2</sup>	317	480	-34.0%	1,147	1,004	14.2%
From third-party raw coal	158	16	887.5%	310	450	-31.1%
<b>Gross vanadium slag production<sup>3</sup></b>	<b>4,419</b>	<b>5,098</b>	<b>-13.3%</b>	<b>14,496</b>	<b>13,713</b>	<b>5.7%</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 Q3 2020, pig iron production fell by 3.8% QoQ, mainly due to the planned shutdown of blast furnace no. 5 and launch of blast furnace no. 6 at EVRAZ NTMK after completion of major overhaul.

Crude steel output decreased by 3.3% QoQ, primarily due to lower pig iron availability.

Total output of steel products fell by 5.1% QoQ amid lower crude steel availability. EVRAZ Caspian Steel reduced production by 29.5% QoQ due to lower demand.

Output of iron ore products went up by 1.4% QoQ, mainly due to an increase in primary concentrate production volumes at EVRAZ ZSMK (former Evrazruda). This was partly offset by scheduled capital repairs at EVRAZ KGOK's sinter plant in July-August 2020.

## Total sales volumes

Product, '000 tonnes	Q3 2020	Q2 2020	Q3 2020/ Q2 2020, change	9m 2020	9m 2019	9m 2020/ 9m 2019, change
<b>Coke</b>	<b>130</b>	<b>81</b>	<b>60.5%</b>	<b>316</b>	<b>271</b>	<b>16.6%</b>
<b>Steel products, external sales</b>	<b>2,703</b>	<b>2,921</b>	<b>-7.5%</b>	<b>8,331</b>	<b>8,199</b>	<b>1.6%</b>
<b>Semi-finished products</b>	<b>1,309</b>	<b>1,670</b>	<b>-21.6%</b>	<b>4,332</b>	<b>3,970</b>	<b>9.1%</b>
Slabs	436	737	-40.8%	1,743	1,723	1.2%
Billets	735	820	-10.4%	2,211	1,753	26.1%
Other steel products <sup>1</sup>	138	113	22.1%	378	494	-23.5%
<b>Finished products</b>	<b>1,394</b>	<b>1,251</b>	<b>11.4%</b>	<b>3,999</b>	<b>4,228</b>	<b>-5.4%</b>
Construction products	925	783	18.1%	2,547	2,476	2.9%
Railway products	310	311	-0.3%	979	1,024	-4.4%
Flat products	0	0	n/a	0	268	-100.0%
Other steel products	159	157	1.3%	473	460	2.8%
<b>Steel products, inter-segment sales</b>	<b>3</b>	<b>3</b>	<b>0.0%</b>	<b>46</b>	<b>308</b>	<b>-85.1%</b>
<b>Third-party steel products, external sales</b>	<b>267</b>	<b>197</b>	<b>35.5%</b>	<b>639</b>	<b>601</b>	<b>6.3%</b>
<b>Iron ore products, external sales</b>	<b>486</b>	<b>446</b>	<b>9.0%</b>	<b>1,287</b>	<b>861</b>	<b>49.5%</b>
Pellets	486	446	9.0%	1,287	861	49.5%
<b>Sales of vanadium in slag</b>	<b>1,605</b>	<b>1,996</b>	<b>-19.6%</b>	<b>4,366</b>	<b>4,529</b>	<b>-3.6%</b>
<b>Sales of vanadium final products<sup>2</sup></b>	<b>2,779</b>	<b>2,450</b>	<b>13.4%</b>	<b>8,397</b>	<b>9,369</b>	<b>-10.4%</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 Q3 2020, external sales of steel products fell by 7.5% QoQ. Sales of semi-finished products went down by 21.6% QoQ following the increase of sales of finished goods to the Russian market.

Sales of finished products rose by 11.4% QoQ due to better market conditions in Russia and an improved product mix.

Sales of iron ore products surged by 9.0% QoQ amid higher shipments to export markets in Q3 2020.

Sales of vanadium products grew by 13.4% QoQ, primarily due to increased steel utilisation rates and a slight recovery of the automotive industry. The regional sales and product mix was also changed to serve the more active Chinese oxide market.

Cash cost, US\$/t	Q3 2020	Q2 2020	Q3 2020 / Q2 2020, change	9m 2020	9m 2019	9m 2020 / 9m 2019, change
Slab cash cost vertically integrated	200	198	1%	206	234	-12%
Iron ore products (Fe 62%)	35	35	0%	36	39	-8%

#### Average selling prices

US\$/tonne (ex-works)	Q3 2020	Q2 2020	9m 2020	9m 2019
<b>Coke</b>	<b>135</b>	<b>148</b>	<b>149</b>	<b>225</b>
<b>Steel products</b>	<b>435</b>	<b>401</b>	<b>437</b>	<b>493</b>
Semi-finished products <sup>1</sup>	315	296	318	378
Construction products	473	441	474	548
Railway products	796	812	848	780
Other steel products	477	490	492	590
Pellets	61	47	54	77
<b>Metal Bulletin Ferro-Vanadium basis 78% min, free DDP, consumer plant, 1st grade Western Europe<sup>2</sup></b>	<b>24.23</b>	<b>24.94</b>	<b>25.74</b>	<b>56.35</b>
<b>Ryan's Notes N.A. FeV 80% min, US ex-warehouse, duty paid<sup>2</sup></b>	<b>21.81</b>	<b>23.28</b>	<b>25.23</b>	<b>67.87</b>

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

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

In Q4 2020, pig iron production volumes are expected to increase following the launch of blast furnace no.6 at EVRAZ NTMK.

Iron ore pellet production volumes are expected to rise following the completion of scheduled repairs of the roast and sinter machines at EVRAZ KGOK's sinter plant in Q3 2020.

## STEEL, NORTH AMERICA SEGMENT

### Production and sales volumes

Product, '000 tonnes	Q3 2020	Q2 2020	Q3 2020/ Q2 2020, change	9m 2020	9m 2019	9m 2020/ 9m 2019, change
<b>Crude steel</b>	<b>334</b>	<b>385</b>	<b>-13.3%</b>	<b>1,157</b>	<b>1,419</b>	<b>-18.5%</b>
EVRAZ US mills	181	210	-13.8%	642	711	-9.7%
EVRAZ Canadian mills	153	175	-12.6%	516	708	-27.1%
<b>Total steel products production, net of re-rolled volume</b>	<b>377</b>	<b>446</b>	<b>-15.6%</b>	<b>1,291</b>	<b>1,700</b>	<b>-24.1%</b>
EVRAZ US mills	257	288	-10.8%	856	1,092	-21.6%
EVRAZ Canadian mills	119	158	-24.5%	435	608	-28.5%
<b>Sales of steel products</b>	<b>359</b>	<b>461</b>	<b>-22.1%</b>	<b>1,337</b>	<b>1,686</b>	<b>-20.7%</b>
Semi-finished products	0	54	-100.0%	144	161	-10.6%
Construction products	61	68	-10.1%	194	201	-3.5%
Railway products	91	107	-15.0%	304	339	-10.3%
Flat-rolled products	100	69	44.9%	269	408	-34.1%
Tubular products	107	163	-34.4%	426	577	-26.2%

In Q3 2020, crude steel production was 13.3% lower QoQ, which was attributable primarily to continued depressed demand across North American steel markets due to the slow economic recovery amid the COVID-19 pandemic and energy market uncertainty.

Total output of steel products declined by 15.6%, as steep drops in demand brought on by the pandemic remained in place for OCTG and other products in the Group's portfolio. In addition, production was affected by a planned maintenance outage in Pueblo.

Semi-finished products sales fell by 100.0% following fulfilment of the contract with a key customer.

Flat-rolled product sales spiked 44.9% QoQ as the Q3 2020 volumes improved over extremely low Q2 2020 levels. Higher sales were driven by service centres' purchases to replenish inventories, which dropped to historically low levels in Q2 2020. Demand, however, remains soft given continued market uncertainty.

Construction product sales decreased by 10.1% due to maintenance downtime in July and August 2020.

Railway product sales decreased by 15.0% amid the usual seasonal slowdown of purchases from Class I railroads, accompanied by a planned maintenance outage in September.

Sales volumes of tubular products dropped by 34.4% QoQ, as the Group's OCTG mills in Canada and the US remained idled. At the same time, line pipe production continued to be stable with both large and small diameter mills producing to current orders.

Prices for construction products remained flat QoQ, while those for tubular products rose by 9% QoQ, driven primarily by changes in the order mix. Prices for flat-rolled products, however, showed a 6% QoQ decline, as producers continued to compete for the limited available demand, putting downward pressure on prices.

### Average selling prices

<b>US\$/tonne (ex-works)</b>	<b>Q3 2020</b>	<b>Q2 2020</b>	<b>9m 2020</b>	<b>9m 2019</b>
Construction products*	649	647	660	772
Flat-rolled products*	719	764	765	958
Tubular products*	1,401	1,283	1,300	1,354

\* The Q2 2020 data have been adjusted

In Q4 2020, headwinds will remain for production and sales volumes for all product groups due to the uncertainty in energy markets and slow economic recovery during the resurgent COVID-19 pandemic, leaving North American customers cautious in their purchasing decisions.



## COAL SEGMENT

### Production volumes

Product, '000 tonnes	Q3 2020	Q2 2020	Q3 2020/ Q2 2020, change	9m 2020	9m 2019	9m 2020/ 9m 2019, change
<b>Raw coking coal (mined)</b>	<b>4,775</b>	<b>4,165</b>	<b>14.6%</b>	<b>14,632</b>	<b>20,159</b>	<b>-27.4%</b>
<i>Yuzhkuzbassugol</i>	3,341	2,053	62.7%	8,098	9,115	-11.2%
<i>Raspadskaya</i>	1,434	2,112	-32.1%	6,498	10,112	-35.7%
<i>Mezhegeyugol</i>	0	0	n/a	36	932	-96.1%
<b>Coking coal concentrate (production)</b>	<b>3,398</b>	<b>3,324</b>	<b>2.2%</b>	<b>9,983</b>	<b>10,931</b>	<b>-8.7%</b>
<i>Produced at Yuzhkuzbassugol coal washing plants</i>	1,506	1,328	13.4%	4,245	4,840	-12.3%
<i>Produced at the Raspadskaya coal washing plant</i>	1,892	1,996	-5.2%	5,738	6,091	-5.8%

In Q3 2020, overall raw coking coal output grew by 14.6% QoQ, primarily due to the completion of longwall moves at the Alardinskaya and Esaulskaya mines in Q2 2020.

Production at Raspadskaya went down by 32.1% QoQ, mainly as a result of the continued suspension of production at the Razrez Raspadsky open pit, which began in May 2020 due to unfavourable market conditions, as well as due to dome formation problems, difficult gas conditions and increased water ingress at the Raspadskaya mine. The Raspadskaya-Koksovaya mine also saw a reduction in output due to additional gas safety work and the gradual return to target mining volumes after completing a longwall move.

Output of coking coal concentrate rose by 2.2% QoQ due to the completion of longwall moves at the Osinnikovskaya, Esaulskaya and Alardinskaya mines in Q2 2020, which was partly offset by lower production volumes at Raspadskaya coal washing plant due to reduced raw coal availability.

## Sales volumes

Product, '000 tonnes	Q3 2020	Q2 2020	Q3 2020/ Q2 2020, change	9m 2020	9m 2019	9m 2020/ 9m 2019, change
<b>External sales</b>	<b>3,460</b>	<b>2,800</b>	<b>23.6%</b>	<b>9,539</b>	<b>8,539</b>	<b>11.7%</b>
<i>Raw coking coal</i>	822	492	67.2%	2,021	1,685	19.9%
<i>Coking coal concentrate</i>	2,638	2,309	14.3%	7,518	6,854	9.7%
<b>Intersegment sales</b>	<b>1,824</b>	<b>1,880</b>	<b>-3.0%</b>	<b>5,327</b>	<b>4,882</b>	<b>9.1%</b>
<i>Raw coking coal</i>	622	712	-12.6%	1,826	1,581	15.5%
<i>Coking coal concentrate</i>	1,202	1,167	2.9%	3,501	3,301	6.1%

In Q3 2020, external sales volumes of coking coal products climbed by 23.6% QoQ. Raw coking coal sales volumes grew by 67.2% QoQ due to higher sales of coal from the Uskovskaya mine to serve clients' needs.

Cash cost, US\$/t	Q3 2020	Q2 2020	Q3 2020 / Q2 2020, change	9m 2020	9m 2019	9m 2020 / 9m 2019, change
Coking coal concentrate	31	34	-9%	33	35	-6%

## Average selling prices

US\$/tonne (ex-works)	Q3 2020	Q2 2020	9m 2020	9m 2019
Raw coking coal	30	39	34	53
Coking coal concentrate	57	65	64	103

In Q3 2020, coking coal selling prices moved in line with global benchmarks.

In Q4 2020, raw coal production is expected to increase QoQ amid a return to the planned capacity after eliminating mining and geological violations at the Raspadskaya and Raspadskaya-Koksovaya mines. This will also be supported by the completion of a longwall move at the Esaulskaya mine and resumption of production at the Razrez Raspadsky open pit. Might be partly offset though by a longwall move at the Uskovskaya mine in Q4 2020.

**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.