



MMK GROUP TRADING UPDATE

FOR Q3 2023 AND
9M 2023

18 OCTOBER 2023
Magnitogorsk, Russia

PJSC Magnitogorsk Iron & Steel Works
("MMK", or the "Group") (MOEX: MAGN) announces its Trading Update
for Q3 and 9M 2023.



HIGHLIGHTS

Q3 2023**VS Q2 2023**

- Pig iron output increased by 1.7% quarter-on-quarter (q-o-q) to 2,612 thousand tonnes.
- Steel output totalled 3,457 thousand tonnes, down by 3.0% q-o-q due to lower steel demand amid short-term overhauls of rolling equipment at the Magnitogorsk production site.
- Group sales of metal products remained high q-o-q and totalled 3,067 thousand tonnes, reflecting the continued favourable market conditions on the Russian and neighbouring countries' markets. Sales of premium products also remained high q-o-q and totalled 1,340 thousand tonnes due to strong demand for cold-rolled, galvanised and colour-coated steel amid positive demand dynamics from automotive industry and robust consumption in metal processing and construction materials industries. The share of premium products in the sales portfolio increased to 43.7%.
- Coal concentrate production declined by 7.7% to 943 thousand tonnes, as a result of lower coal mining volumes amid challenging mining and geological conditions.

HIGHLIGHTS

9M 2023**VS 9M 2022**

- Pig iron output rose by 13.2% year-on-year (y-o-y) to 7,526 thousand tonnes due to lower blast furnace overhauls duration compared to the previous year.
- Steel output increased by 11.4% y-o-y to 9,869 thousand tonnes, reflecting the continued favourable conditions on the Russian market. Steel output at the Magnitogorsk facilities grew by 19.5% y-o-y to 9,611 thousand tonnes, while steel production at the Turkish asset decreased by 68.3% y-o-y to 258 thousand tonnes as a result of ongoing challenging macroeconomic headwinds in Turkey.
- Group sales of metal products was up by 10.9% y-o-y to 8,893 thousand tonnes, due to favourable conditions on the Russian and neighbouring countries markets amid robust construction activity and increased demand from automotive and machine-building industries. Sales of premium products increased by 9.0% y-o-y to 3,844 thousand tonnes driven by higher sales of cold-rolled, galvanized and polymer-coated steel.
- Production of coal concentrate increased by 1.1% y-o-y to 2,671 thousand tonnes.



MMK GROUP'S CONSOLIDATED RESULTS

thousand tonnes	Q3 '23	Q2 '23	%	9M '23	9M '22	%
Crude steel production	3,354	3,457	- 3.0	9,869	8,859	11.4
Steel segment Russia	3,231	3,323	- 2.7	9,611	8,045	19.5
Steel segment Turkey	123	134	- 8.3	258	814	- 68.3
Pig iron production	2,612	2,569	1.7	7,526	6,649	13.2
Coal concentrate production	871	943	- 7.7	2,671	2,642	1.1
Iron ore production	643	617	4.2	1,737	1,839	- 5.5
Finished products sales, including:	3,067	3,065	0.0	8,893	8,018	10.9
Slabs and billets	0	0	-	0	78	-
Long products	314	310	1.2	898	851	5.5
Flat hot-rolled products	1,413	1,424	- 0.8	4,150	3,561	16.5
Premium products, including:	1,340	1,332	0.6	3,844	3,528	9.0
Thick plate (Mill 5000)	167	196	- 15	566	692	- 18.1
Flat cold-rolled products	296	299	- 1.1	852	645	32.2
Downstream products, including:	877	836	4.9	2,425	2,191	10.7
Tinplate	45	43	4.1	131	134	- 1.9
Galvanised steel	439	441	- 0.3	1,270	1,101	15.4
Polymer-coated steel	210	185	13.3	526	466	12.9
Band	35	32	9.6	94	92	2.2
Formed section	14	20	- 29.2	46	64	- 27.9
Pipe	32	30	6.7	85	71	20.4
Metalware	99	83	18.5	263	257	2.4
Other metal products	5	3	48.1	10	8	34.5
Share of premium products	43.7%	43.4%		43.2%	44.0%	



MMK GROUP'S SUSTAINABILITY PERFORMANCE

HIGHLIGHTS

- MMK was named one of the laureates of the second nationwide II Choose Clean Air campaign in several categories, including Most Active Enterprise and Best Campaign Communications. Organised with the support of Russia's Ministry of Natural Resources and the Environment, the campaign aims to encourage business and society to play a role in the national Clean Air project. The jury lauded the MMK's efforts to reduce its atmospheric emissions as well as to promote healthy lifestyles among its employees.
- MMK has become the first steelmaker in Russia to receive integrated environmental permits from Rosprirodnadzor, Russia's federal oversight body for the use of natural resources, for all its facilities that have an adverse impact on the environment. An integrated environmental permit (IER) is a key permitting document for large industrial enterprises that establishes environmental impact standards and outlines required measures to reduce this impact.
- MMK was awarded an Ecotech Leader 2023 national green tech award for the MMK's construction of environmental protection facilities. The expert jury lauded MMK's efforts to integrate best available technologies, enabling the Company to significantly reduce its environmental impact.

	Q3 '23	Q2 '23	%	9M '23	9M '22	%
LTIFR	0.51	0.90	- 43.3	0.66	0.42	57.1
Gross air emissions, thousand tonnes	41.24	42.46	- 2.9	124.92	116.95	6.8
Specific air emissions, kg/tonne of steel	12.76	12.78	- 0.1	13.00	14.54	- 10.6

In 9M 2023, LTIFR rose to 0.66 y-o-y. The Group continues to implement initiatives to improve the production safety and address the root causes of accidents.

Specific air emissions for 9M 2023 were down by 10.6% y-o-y to 13.00 kg per tonne, driven by a higher steel output by the EAF Shop.



OUTLOOK

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- The traditional seasonal slowdown in steel demand from the construction industry is expected in Q4 2023, which will be largely offset by stable demand from other industries.
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- At the same time, MMK's production capacities will be limited in Q4 2023 due to scheduled overhauls of blast furnace and rolling mills, including those producing the premium products.
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- MMK will continue to maximise premium products capacities utilisation despite the overhauls.

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