



MMK GROUP TRADING UPDATE

FOR Q1 2023

18 APRIL 2023
Magnitogorsk, Russia

PJSC Magnitogorsk Iron & Steel Works
("MMK", or the "Group") (MOEX: MAGN) announces its Trading Update
for Q1 2023.



HIGHLIGHTS

Q1 2023**VS Q4 2022**

- Pig iron output decreased by 3.4% quarter-on-quarter (q-o-q) to 2,345 thousand tonnes due to overhauls of blast furnace facilities.
- Steel output grew by 8.1% q-o-q to 3,058 thousand tonnes reflecting higher demand on the Russian and neighbouring countries' markets in Q1 2023.
- Group sales of metal products totalled 2,760 thousand tonnes, an increase of 2.8% q-o-q amid favourable market conditions on the Russian and neighbouring countries' markets, while sales of the Turkish division decreased significantly due to constraints caused by the February 2023 earthquake. Sales of premium products totalled 1,173 thousand tonne, flat q-o-q. The share of premium products in the sales portfolio was 42.5%.
- Coal concentrate production declined by 1.4% q-o-q to 857 thousand tonnes reflecting higher share of difficult coal in the charge.

HIGHLIGHTS

Q1 2023**VS Q1 2022**

- Pig iron output grew by 4.4% year-on-year (y-o-y). At the same time, Q1 2023 included the overhaul of a blast furnace with a lower capacity compared to Q1 2022.
- Steel output fell by 3.5% y-o-y due to suspension of steel production facilities at the Turkish division in November 2022, while steel output at the Magnitogorsk facilities increased by 7.2% to 3,057 thousand tonnes.
- Group sales of metal products were down by 4.3% y-o-y following the shutdown of hot-rolled coils production at the Turkish division and export restrictions. Sales of premium products declined by 13.1% driven by a decrease in sales of galvanized and polymer-coated steel in Turkey, change in the order mix of Mill 5000 toward more complex products and a reduction in sales of cold-rolled products amid lower demand from automotive industry.
- Production of coal concentrate increased by 1.8% y-o-y.



MMK GROUP'S CONSOLIDATED RESULTS

thousand tonnes	Q1 '23	Q4 '22	%	Q1 '23	Q1 '22	%
Crude steel production	3,058	2,828	8.1	3,058	3,170	- 3.5
Steel segment Russia	3,057	2,750	11.2	3,057	2,852	7.2
Steel segment Turkey	1	79	-	1	318	-
Pig iron production	2,345	2,429	- 3.4	2,345	2,247	4.4
Coal concentrate production	857	870	- 1.4	857	842	1.8
Iron ore production	477	554	- 13.9	477	485	- 1.6
Finished products sales, including:	2,760	2,684	2.8	2,760	2,884	- 4.3
Slabs and billets	0	0	-	0	10	-
Long products	274	264	3.6	274	277	- 1.3
Flat hot-rolled products	1,314	1,243	5.7	1,314	1,247	5.3
Premium products, including:	1,173	1,176	- 0.3	1,173	1,349	- 13.1
Thick plate (Mill 5000)	204	211	- 3.5	204	240	- 15.0
Flat cold-rolled products	257	256	0.6	257	280	- 8.1
Downstream products, including:	712	710	0.3	712	829	- 14.2
Tinplate	44	39	12.4	44	45	- 1.6
Galvanised steel	391	380	2.9	391	421	- 7.3
Polymer-coated steel	131	149	- 11.8	131	182	- 28.0
Band	27	30	- 8.5	27	35	- 23.0
Formed section	13	9	47.4	13	31	- 59.2
Pipe	24	25	- 4.6	24	19	25.7
Metalware	81	77	5.1	81	93	- 13.3
Other metal products	2	2	- 12.9	2	3	- 35.9
Share of premium products	42.5%	43.8%		42.5%	46.8%	



MMK GROUP'S SUSTAINABILITY PERFORMANCE

HIGHLIGHTS

- MMK won two gold and two silver medals at the 26th Archimedes Moscow International Salon of Inventions and Innovation Technologies. This year, the Company presented at the prestigious forum three patented inventions and one digital product at the prestigious forum, which received high appraisals from the expert committee and the international jury.
- At the Global CIO Project of the Year competition, MMK digital procurement technology was awarded in the category "Best Project for Modelling Industrial Business Processes Using Domestic Technologies", MMK marketplace became the winner in the category "Best Industry Solution" in the "Metallurgy / Continuous Production / Mining Industry" segment.

	Q1 '23	Q4 '22	%	Q1 '23	Q1 '22	%
LTIFR	0.58	0.62	- 6.5	0.58	0.51	13.7
Gross air emissions, thousand tonnes	41.27	40.11	2.9	41.27	40.21	2.6
Specific air emissions, kg/tonne	13.50	14.59	- 7.5	13.50	14.10	- 4.3

+ 13.7% Y-o-Y
LTIFR

In Q1 2023, LTIFR increased by 13.7% y-o-y to 0.58. The Group continues to implement initiatives to improve the production safety and address the root causes of accidents.

Specific air emissions for Q1 2023 were down by 4.3% y-o-y to 13.50 kg per tonne, driven by a higher share of scrap in the steelmaking charge on the back of increased steel output by the EAF Shop.



OUTLOOK

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- It is expected, that the reasonably favourable market conditions in Russia will continue in Q2 2023. Seasonal growth in construction activity and robust industrial steel consumption will support demand.
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- In Q2 2023, the Group will complete an overhaul of the blast furnace at the Magnitogorsk site, which will have a positive impact on production capacities during the period of increased demand. The commissioning of steel production facilities at the Turkish division at the end of March 2023 will have an additional positive impact.
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- The Group's performance in Q2 2023 will benefit from premium products capacities being run at full utilisation rate.

INVESTOR RELATIONS DEPARTMENT

Ilya Nechaev

+7 909 093 0898

nechaev.ia@mmk.ru

Yaroslava Vrubel

+7 982 282 9682

vrubel.ys@mmk.ru

COMMUNICATIONS DEPARTMENT

Dmitry Kuchumov

+7 985 219 2874

kuchumov.do@mmk.ru