



MMK GROUP TRADING UPDATE

FOR Q2 AND
H1 2022

19 JULY 2022
Magnitogorsk, Russia

PJSC Magnitogorsk Iron & Steel Works
("MMK", or the "Group") (MOEX: MAGN; LSE: MMK) is pleased to
announce its Trading Update for Q2 and H1 2022.



MMK GROUP'S CONSOLIDATED RESULTS

thousand tonnes	Q2 '22	Q1 '22	%	H1 '22	H1 '21	%
Crude steel production	2,892	3,170	- 7.9	6,063	6,701	- 9.5
Pig iron production	2,065	2,247	- 8.1	4,318	5,213	- 17.3
Coal concentrate production	923	842	9.5	1,765	1,690	4.5
Iron ore production	678	485	39.9	1,163	1,421	- 18.1
Finished product sales	2,362	2,884	- 18.1	5,246	6,224	- 15.7
Domestic market + CIS	2,033	2,257	- 9.9	4,290	4,686	- 8.5
Exports	329	627	- 47.5	956	1,538	- 37.8
Share of premium products	43.7%	46.8%		45.4%	40.9%	

HIGHLIGHTS

Q2 2022

VS Q1 2022

- Pig iron output decreased by 8.1% quarter-on-quarter (q-o-q) to 2,065 thousand tonnes amid blast furnace overhauls and lower demand for pig iron due to weak demand for metal products.
- Steel output declined by 7.9% q-o-q to 2,892 thousand tonnes due to market headwinds.
- MMK Group's sales of metal products fell by 18.1% q-o-q to 2,362 thousand tonnes, driven by demand contraction for metal products in Russia, existing limitations and unfavourable export market conditions. Sales of premium products were also down, with their share in the sales portfolio standing at 43.7%.
- Coal concentrate production totalled 923 thousand tonnes, up 9.5% q-o-q, due to the increased processing of own coals.

HIGHLIGHTS

H1 2022

VS H1 2021

- Pig iron output decreased by 17.3% year-on-year (y-o-y) to 4,318 thousand tonnes due to lengthy overhauls at blast furnace operations and an unfavourable market environment.
- Steel output contracted by 9.5% y-o-y to 6,063 thousand tonnes due to lower demand amid headwinds in the current market for metal products.
- MMK Group's sales of metal products fell by 15.7% y-o-y to 5,246 thousand tonnes, reflecting lengthy equipment overhauls at the beginning of the year, existing restrictions on export markets, the significant slowdown in business activity in Russia and the challenging



global market environment in Q2 2022. The share of premium products in the sales portfolio for H1 2022 stood at 45.4%.

- Production of coal concentrate increased by 4.5% y-o-y to 1,765 thousand tonnes, driven by MMK's stronger demand for third-party supplies of coking coal grades.

CONSOLIDATED SALES TRENDS AT MMK GROUP IN 2022

Consolidated sales between 2019 and 2021, monthly average, thousand tonnes	Deviation from the average, %					
	Jan '22	Feb '22	Mar '22	Apr '22	May '22	Jun '22
960	-1.3	1.4	0.4	-12.0	-16.4	-25.5

CONSOLIDATED PRICES FOR METAL PRODUCTS AND CASH COST OF SLAB

	Q2 '22	Q1 '22	%	H1 '22	H1 '21	%
Average price per tonne of metal products, USD/tonne	1,023	884	15.7	947	836	13.3
Cash cost of slab, USD/tonne	528	410	28.8	469	365	28.5
USD exchange rate, RUB/USD	66.65	85.79	-22.3	76.22	73.66	3.5

+15.7% q-o-q

AVERAGE SELLING PRICE

Average selling prices for Q2 2022 rose by 15.7% q-o-q to USD 1,023 per tonne, reflecting a significant strengthening of the Russian rouble vs the US dollar. Yet, rouble prices for metal products fell by 10.1% on the back of a significant drop in demand in Russia. In H1 2022, prices grew by 13.3% y-o-y to USD 947 per tonne, driven by more favourable market conditions at the start of the year compared to 2021.

+28.8% q-o-q

CASH COST OF SLAB

The cash cost of slab for Q1 2022 rose by 28.8% q-o-q to USD 528 per tonne amid stronger Russian rouble and high commodity prices. In H1 2022, the cash cost of slab grew by 28.5% y-o-y to USD 469 per tonne amid a rally in key commodities driven by global market trends.

Therefore, the Company's profit margins came under significant pressure in Q2 2022 amid low demand in the Russian market, challenging export market conditions, falling rouble prices for metal products and continued high prices for key raw materials.

INVESTOR RELATIONS DEPARTMENT

Veronika Kryachko
+7 915 380 6266
kryachko.vs@mmk.ru



COMMUNICATIONS DEPARTMENT

Dmitry Kuchumov

+7 985 219 2874

kuchumov.do@mmk.ru