



MMK GROUP TRADING UPDATE

FOR Q4 AND 12M 2022

10 FEBRUARY 2023
Magnitogorsk, Russia

PJSC Magnitogorsk Iron & Steel Works
("MMK", or the "Group") (MOEX: MAGN) announces its Trading Update
for Q4 and 12M 2022.



HIGHLIGHTS

Q4 2022**VS Q3 2022**

- Pig iron output increased by 4.0% quarter-on-quarter (q-o-q) to 2,429 thousand tonnes due to steady demand for metal products on the Russian market.
- Steel output grew by 1.2% q-o-q to 2,828 thousand tonnes reflecting higher pig iron output amid suspension of steel production facilities at the Turkish division in November 2022 driven by global market headwinds and increased costs of electricity and natural gas in Turkey.
- Group sales of metal products were down by 3.2% q-o-q to 2,684 thousand tonnes mainly driven by a decrease in export sales, partially offset by a clearance of inventories. Sales of premium products rose by 2.7% to 1,176 thousand tonnes, reflecting higher sales of cold-rolled products and galvanized steel on the back of partial recovery of demand from automotive industry and stable demand from construction and metal processing industries. The share of premium products in the sales portfolio was 43.8%.
- Coal concentrate production remained almost flat q-o-q at 870 thousand tonnes.

HIGHLIGHTS

12M 2022**VS 12M 2021**

- Pig iron output decreased by 12.9% year-on-year (y-o-y) to 9,078 thousand tonnes due to lengthy overhauls at blast furnace facilities and deteriorating global market conditions.
- Steel output fell by 14.0% y-o-y to 11,687 thousand tonnes driven by overhauls at blast-furnace facilities and unfavourable conditions on export markets amid the last year's high base.
- Group sales of metal products amounted to 10,703 thousand tonnes, down by 14.2% y-o-y, due to existing restrictions on export markets, overhauls of main equipment at the beginning of the year and a significant slowdown in business activity on international markets. Sales of premium products contracted by 9.7% to 4,704 thousand tonnes driven by a decrease in sales of galvanized steel by 25.7% y-o-y to 1,480 thousand tonnes amid challenging export market conditions and a lower demand from automotive industry. The share of premium product in sales portfolio was 44.0%.
- Production of coal concentrate increased by 1.9% y-o-y to 3,512 thousand tonnes, driven by MMK's stronger demand for third-party supplies of coking coal grades.



MMK GROUP'S CONSOLIDATED RESULTS

thousand tonnes	Q4 '22	Q3 '22	%	12M '22	12M '21	%
Crude steel production	2,828	2,796	1.2	11,687	13,592	- 14.0
Steel segment Russia	2,750	2,630	4.5	10,794	13,278	- 18.7
Steel segment Turkey	79	166	- 52.6	892	314	x2.8
Pig iron production	2,429	2,336	4.0	9,078	10,420	- 12.9
Coal concentrate production	870	877	- 0.8	3,512	3,445	1.9
Iron ore production	554	690	- 19.6	2,393	2,913	- 17.8
Finished products sales, including:	2,684	2,773	- 3.2	10,703	12,480	- 14.2
Slabs and billets	0	36	-	78	194	- 59.8
Long products	264	324	- 18.3	1,116	1,161	- 3.9
Flat hot-rolled products	1,243	1,268	- 1.9	4,805	5,914	- 18.8
Premium products, including:	1,176	1,146	2.7	4,704	5,211	- 9.7
Thick plate (Mill 5000)	211	217	- 2.8	903	829	8.9
Flat cold-rolled products	256	191	33.9	901	873	3.2
Downstream products, including:	710	738	- 3.8	2,901	3,509	- 17.3
Tinplate	39	45	- 13.7	173	169	2.4
Galvanised steel	380	362	4.9	1,480	1,992	- 25.7
Polymer-coated steel	149	164	- 9.2	614	614	0.0
Band	30	27	8.6	121	137	- 11.3
Formed section	9	12	- 29.4	73	76	- 4
Pipe	25	31	- 19.5	95	72	31.8
Metalware	77	94	- 17.9	334	438	- 23.7
Other metal products	2	3	- 27.4	10	11	- 9.9
Share of premium products	43.8%	41.3%		44.0%	41.8%	
Finished product sales by market						
Domestic market + CIS	2,485	2,401	3.5	9,176	9,060	1.3
Exports	199	371	- 46.4	1,526	3,420	- 55.4



MMK GROUP'S SUSTAINABILITY PERFORMANCE

HIGHLIGHTS

- MMK was named among the top ten Russian companies by ESG performance in *Expert* magazine's 2022 sustainability ranking, taking 9th place. In addition, MMK became the leader in the "social policy and personnel" category, receiving the highest score among all rating participants.
- MMK came out in joint 4th place in the list of Russia's best employers, according to *RBC Market Research*, becoming one of 13 companies to be named as "high performers" in the ranking.
- MMK has improved its ranking in environmental management and environmental impact performance, taking 6th place in the World Wildlife Fund's rating of environmental information transparency among Russian mining and metals companies.

	Q4 '22	Q3 '22	%	12M '22	12M '21	%
LTIFR	0.62	0.55	12.7	0.54	0.62	- 12.9
Gross air emissions, thousand tonnes	40.11	38.83	3.3	157.06	177.18	- 11.4
Specific air emissions, kg/tonne	14.59	14.76	- 1.2	14.55	13.34	9.1

- 12.9% Y-o-Y

LTIFR

In 12M 2022, LTIFR decreased by 12.9% y-o-y to 0.54. The Group continues to successfully implement initiatives to improve the production safety.

Specific air emissions for 12M 2022 were up by 9.1% y-o-y to 14.55 kg per tonne, driven by a lower share of scrap in the steelmaking charge on the back of decreased steel output by the EAF Shop.



OUTLOOK

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- In Q1 2023 the Group will carry out overhauls of blast furnace and converter facilities in Magnitogorsk. Additionally, in 2023, MMK will continue the implementation of large-scale project for the construction of Coke-oven battery No. 12, aimed on a reduction of environmental footprint and operational excellence.
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- Steady demand in Russia and neighbouring countries combined with a positive market prices dynamics, will offset higher input costs and the impact of production constraints during the overhauls of production equipment, contributing the Group's stable performance in Q1 2023.

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