



MMK Capital Markets Day



15 NOVEMBER 2019
LONDON

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Capital Markets Day
15 November 2019 London

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Tav Morgan

Independent member of the Board of Directors,
Chairman of the Committee on Health, Safety and
Environment

CORPORATE GOVERNANCE
DEVELOPMENTS



Audit Committee

- Improving internal & external reporting
- Reduce reporting times
- Advancing risk management system
- Overseeing dividend policy changes

All committee members are independent directors (including the chair)



HSE Committee

NEW

- Improvement of safety practices and education
- Pursuit of best practice in environmental management
- Initiation of ESG reporting

2 of 4 members are independent directors (including the chair)



Nominations and Remuneration Committee

- Professional personal development
- KPI development for top management

2 of 3 members are independent directors (including the chair)



Strategic Planning Committee

- Continuous monitoring of CAPEX programmes
- Improving delivery of client services

Includes non-executive and independent directors

Operational efficiency and cost reduction

- Optimization of production and logistic processes and costs
- Reorganization and streamlining of headcount
- Prioritization of digitalization initiatives

Brand strengthening

- Continuous improvement of customer service delivery
- Building customer and supplier loyalty
- Broadening MMK's brand recognition

High standards of corporate governance

- Protection of minority shareholder rights
- Focus on TSR and ESG
- Continuous review of investment portfolio to pursue highest IRR projects
- Timely and transparent disclosure of information
- Creation of new Board Committee on Health, Safety and Environment

NEW

Effective risk management

- Continuous development of risk management practices
- Conduct of independent assessment of Board's work and setting of new goals

Development of human capital

- Hiring highly qualified staff
- Improvement of personnel motivation system
- Continuous staff development in cooperation with a specialised regional university
- R&D centre



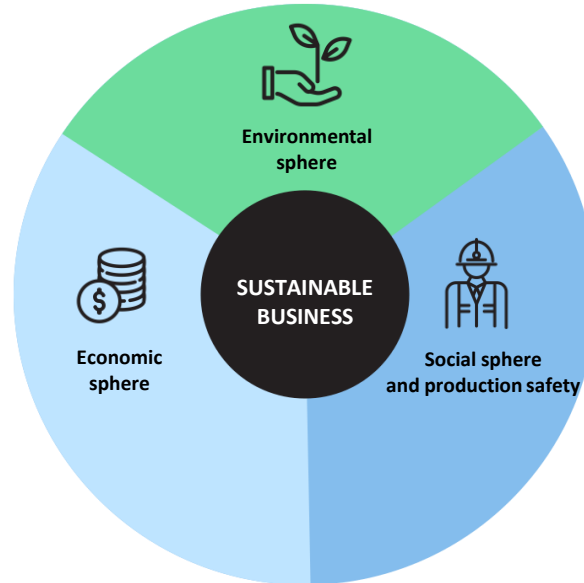
Environmental sphere:

- Reducing impact of operations on environment
- Managing environmental risks
- Efficient use of natural resources

Economic sphere:

- Sustainable economic performance
- Reduction of working capital through supply chain improvements
- Boosting development of localities company operates in
- Institution of best business practices, including transparency in contracting

**A sustainable business =
A successful business**



Social sphere and production safety:

- Focus on instituting leading health and safety practices
- Emphasis on safety culture reforms through newest available tools
- Baselineing and tracking socio-economic impact

Goals for 2020

1. Preparation of a sustainability report
2. Obtaining ESG ratings from leading international agencies



Victor Rashnikov

Chairman of the Board of Directors

STATEMENT BY THE CHAIRMAN
OF THE BOARD OF DIRECTORS

Leading positions in terms of production of steel in Russia with a focus on HVA products



№1 producer of HVA products in Russia



17.5%

Market share in Russia, 2018

High-quality asset base with globally competitive low-cost production



Q1

First quartile on the global cost curve



\$408/t

Production costs of hot rolled coil (C1 cost)

High and stable margins and strong cash flow generation



25–30%

EBITDA margin, 2015–2019



>\$4 bln

Net cash flow, 2015–2019

Prudent, stable financial policies and strong credit ratings



(0.04x)

Net debt/EBITDA, 9 months 2019

Baa2

BBB–

Moody's
Standard & Poor's
Fitch Ratings

Sharp focus on total return to shareholders



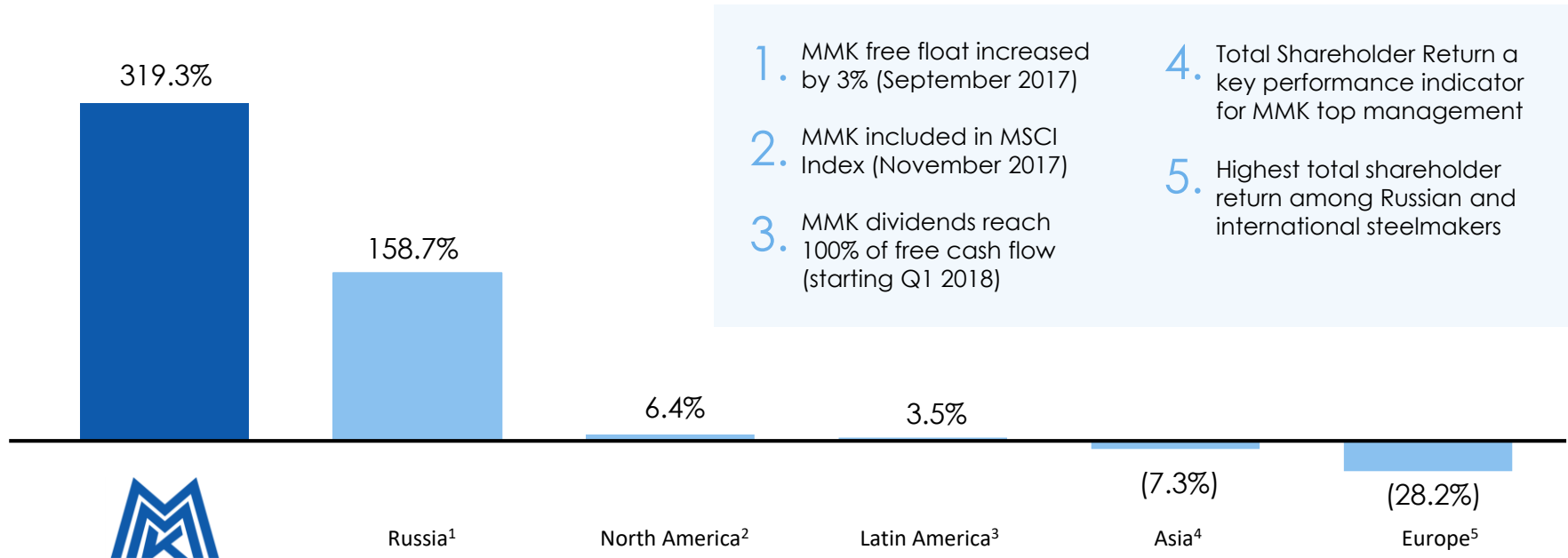
Dividend policy tied to free cash flow



>10%

Dividend yield for the last 5 years

Total shareholder return (TSR) for the last 5 years



1. MMK free float increased by 3% (September 2017)
2. MMK included in MSCI Index (November 2017)
3. MMK dividends reach 100% of free cash flow (starting Q1 2018)
4. Total Shareholder Return a key performance indicator for MMK top management
5. Highest total shareholder return among Russian and international steelmakers

Source: Bloomberg, Reuters as of 8 November 2019

¹ Russia includes Severstal, NLMK and Evraz

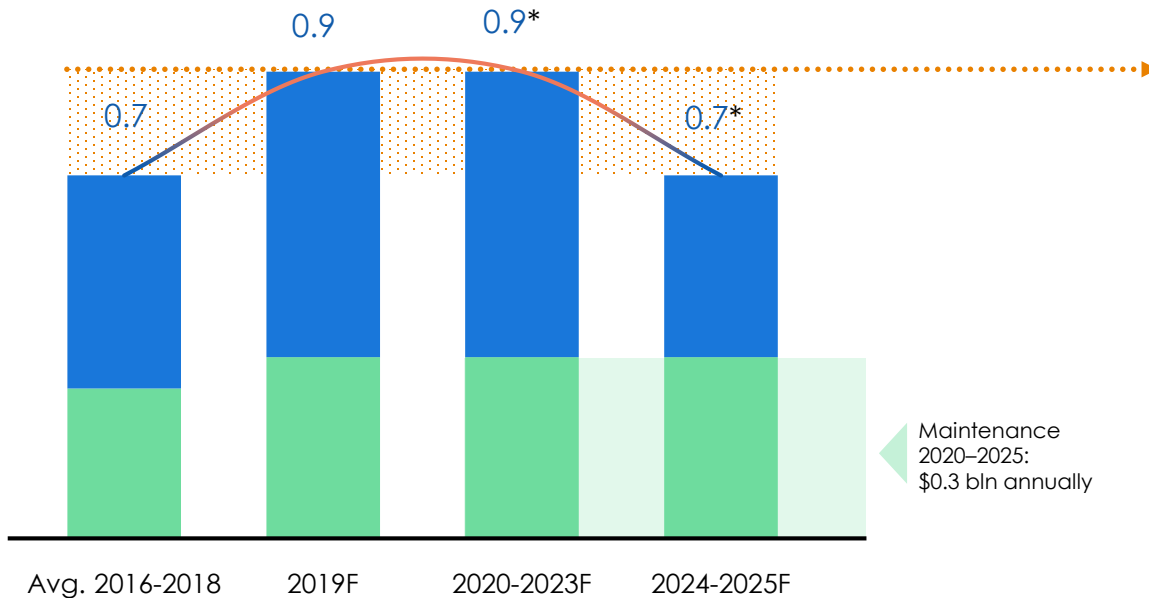
² North America includes Nucor, US Steel, Steel Dynamics, AK Steel and Commercial Metals

³ Latin America includes Gerdau, CSN, Usiminas, CAP and Ternium

⁴ Asia includes POSCO, Tata Steel, Jindal, JSW Steel, Baosteel and Nippon Steel & Sumitomo Metal Corporation

⁵ Europe includes ArcelorMittal, ThyssenKrupp, Voestalpine, Edermir and SSAB

MMK CAPEX (\$ bln)



Source: MMK

Sound investments:

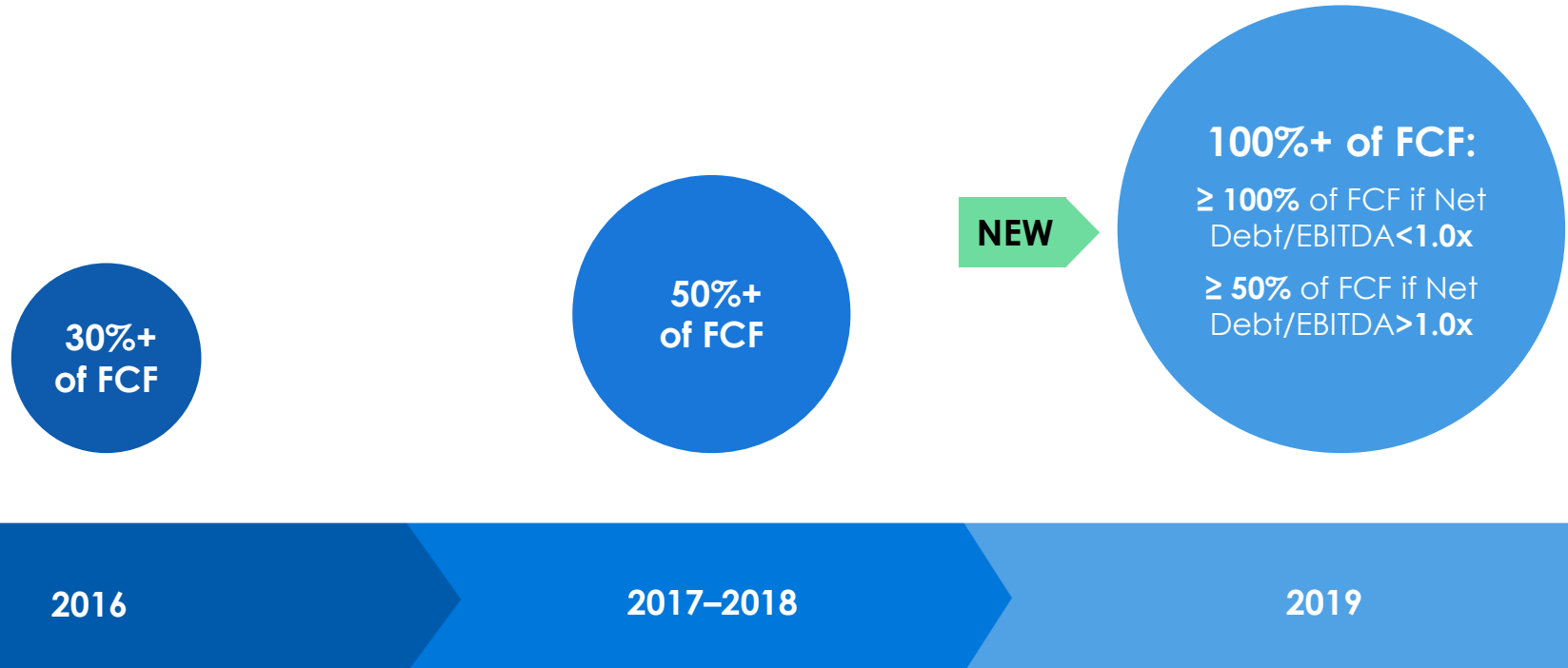
1. Additional CAPEX **will not affect** dividend payments
2. Strict DCF and risk assessment of potential projects, followed by prioritized planning and sequencing
3. Increasingly flexible approach to CAPEX implementation based on prevailing market conditions
4. Investments do not exceed operating profit
5. Targeting >20% IRR on all investment projects



Volume growth, improved product mix	Launch date	CAPEX 2016–2025	EBITDA*	IRR
New galvanising unit	2017	\$82 mln	\$85 mln	73%
New polymer coated plant	2017	\$71 mln	\$92 mln	61%
Metalware capacities upgrade	2019	\$63 mln	\$31 mln	32%
Transition to monograde 'Zh' (pure fat coal concentrate), beneficiation plant upgrade	2018–2019	\$40 mln	\$25 mln	50%
Reconstruction of Hot Rolled Products Mill 2500	2020	\$287 mln	\$103 mln	26%
Cost leadership, environmental performance				
New oxygen unit (No 5)	2018	\$88 mln	\$18 mln	26%
New sinter plant	2019	\$400 mln	\$47 mln**	23%
New coke and by-product plant: coke-oven battery No 12, by-product recovery and processing shop, biochemical plant	2021–2022	\$785 mln	\$54 mln**	24%
New blast furnace, new steam turbine power station	2024	\$694 mln	\$119 mln	36%
New oxygen unit (No 9)	2025	\$167 mln	\$51 mln	21%
Other development projects	2020–2025	\$202 mln	\$61 mln	>22%
Completed projects	Total	\$2,879 mln	\$686 mln	

* Average annual impact based on estimates under current macroeconomic conditions

** Excluding the impact of production losses



Maximising shareholder return



Leadership in sales of HVA products



Leadership in the domestic market



Maintaining leadership in terms of product portfolio and customer service



High EBITDA margin



Continuous ongoing operational improvements



Impactful CAPEX and M&A



Consistently high FCF

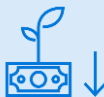


Low debt burden

Sustainable development



Leading positions among Russian companies in terms of occupational health and safety



Significant decrease in environmental impact through the use of best available technologies



Effective management team and continuous staff development

Leading ESG rating
(sustainable development rating)
and **Total Shareholder Return**

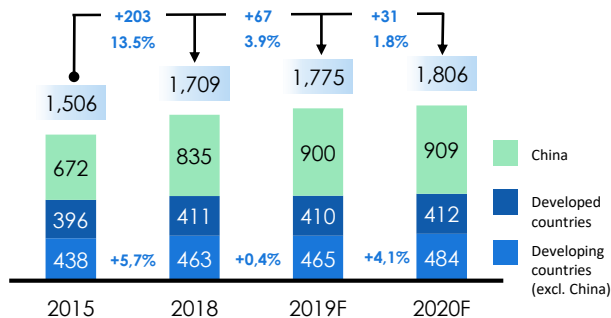


Pavel Shilyaev

CEO

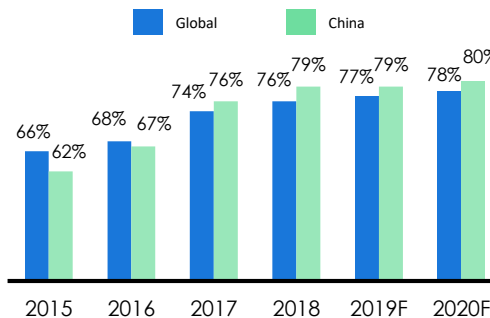
MARKET OVERVIEW

Forecast of apparent steel products consumption (mln t)



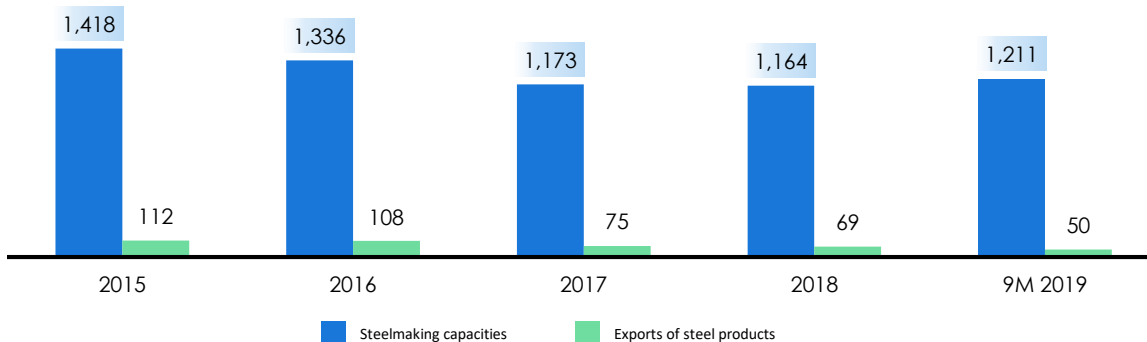
Source: WorldSteel (October 2019), World Steel Dynamics (September 2019)

Utilisation of steelmaking capacities globally and in China



Source: CRU, IHS Markit (October 2019)

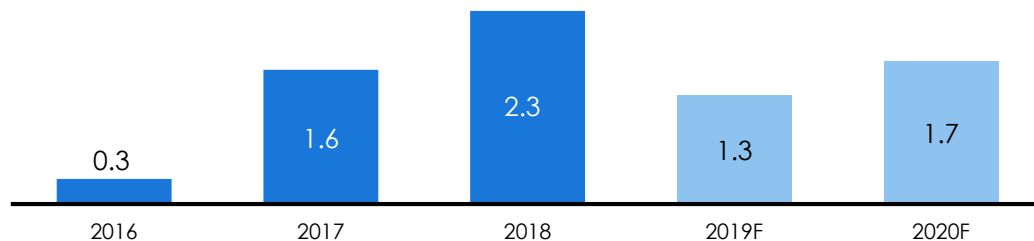
Steelmaking capacities and exports of steel products from China (mln t)



Source: WorldSteel (October 2019), China General Administration of Customs, CRU

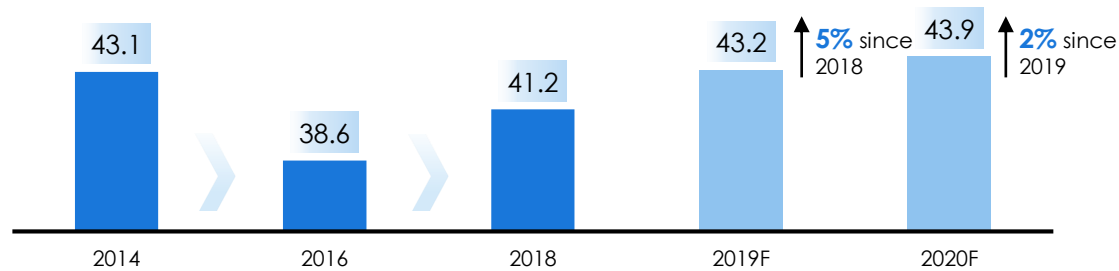
1. The key drivers behind increasing consumption of steel products will be the ASEAN countries and India
2. The utilisation of steelmaking capacities globally and in China has improved considerably to a rate that is higher than it has been historically
3. Exports of steel products from China will remain at a relatively low level

Russian GDP in 2019–2020 expected to be approaching 2% (%)



Source: Ministry of Economic Development of the Russian Federation

Consumption of steel products in Russia to recover to pre-crisis levels, and further growth is expected (mln t)



Source: WorldSteel (October 2019)

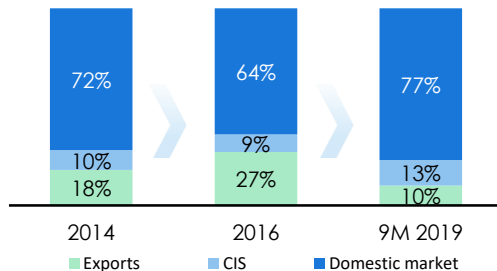
1. Investment growth in fixed capital is expected, partially due to national infrastructure projects and increased consumer demand
2. Import substitution is ongoing alongside expected growth in domestic consumption of steel products
3. Utilisation of steelmaking capacities in Russia is 85%, which is considerably higher than the global average

MMK HAS ACHIEVED A STRONG POSITION IN THE RUSSIAN MARKET AND EMPLOYS STRONG EXPORT CAPABILITIES



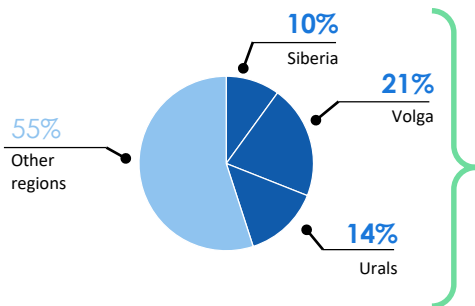
Leading position in the Russian market, effective export capabilities

The weakening of Russia's domestic market in 2015–2016 was successfully balanced by increased exports



Source: MMK

More than **45%** of Russian steel consumption takes place in MMK's home regions**



Source: Metal Expert, 2018

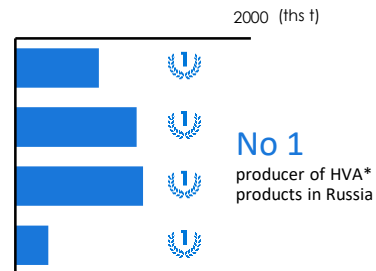
* Includes thick plate Mill 5000, cold-rolled steel, galvanised steel, polymer-coated steel, tin plate, formed sections, tubes, and cold-rolled bands

** Home regions are regions close to MMK where the Company has a logistical advantage

Leader in high tech steel supply to Russian customers

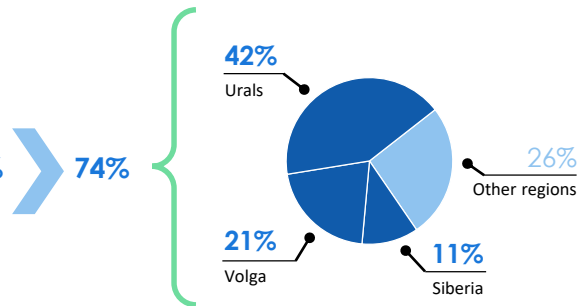
2018

Thick plate Mill 5000
Cold-rolled steel
Galvanised steel
Polymer-coated steel



Source: MMK, 2018

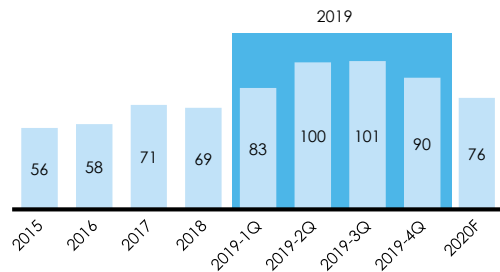
MMK's home regions** account for **74%** of the Company's sales in Russia



Source: MMK, 2018

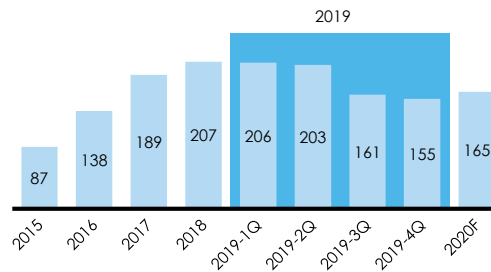
- MMK is the leader in the Russian market and the No 1 supplier of HVA products:
 - The leader in steel supplies to automakers in Russia
 - The only producer of tinplate in Russia
- Leadership in the Russian market on the back of MMK's unique capabilities – high-quality product mix, efficient logistics and customer focus
- Additional stability thanks to MMK's flexible sales system, which allows the Group to quickly refocus on exports

Iron ore price dynamics (\$/t)



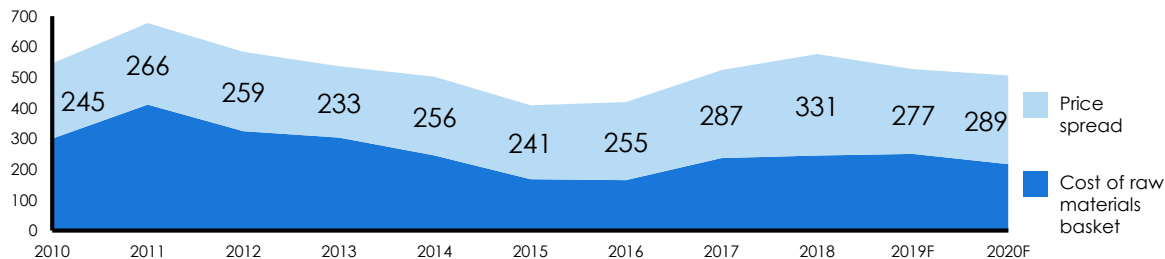
Sources: Platts, consensus bank forecasts for 2020

Coking coal price dynamics (\$/t)



Sources: Platts, consensus bank forecasts for 2020

Highly stable price corridor – spreads between MMK raw material basket and HRC price* (\$/t)



Sources: Platts, MMK

* The cost of the raw materials basket for 1 tonne of steel is calculated as the sum of the products of consumption indices and the average purchase price for iron ore, pellets, coking coal concentrate and scrap metal

1. High degree of correlation between prices for raw materials and steel allows MMK to maintain a sizable stable spread at all stages of price cycle
2. Russian iron ore and coking coal markets are characterised by surplus domestic production, minimising risks related to raw material supply
3. Pellet and high-quality iron ore prices dropped in H2 2019, providing MMK with an advantage over peers with a higher integration into raw materials production



Pavel Shilyaev

CEO

IMPLEMENTATION OF
STRATEGY 2016-2025

SUSTAINABLE DEVELOPMENT

VALUE CREATION FOR SHAREHOLDERS



Safe production



Social strategy and environmental responsibility



Professional development



Strengthening positions in key markets

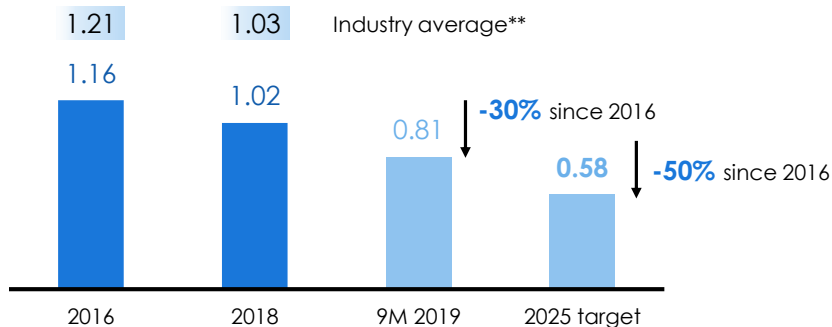


Improving operational efficiency

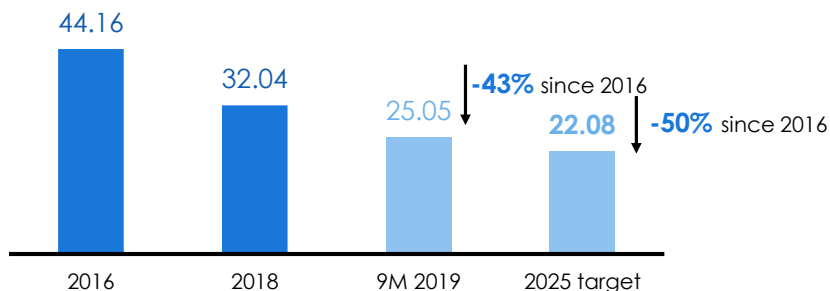


Improving investment attractiveness

Steady decrease in LTIFR...*



...and LTISR***



Source: MMK

* LTIFR (lost time injury frequency rate)

** WSA (WorldSteel Association) - Russian and International steelmakers data

*** LTISR (lost time injury severity rate)

MAIN ACHIEVEMENTS:

1. Achieved LTIFR score below industry average**
2. Created the Safety School training facility – unique in Russia
3. Applied digital technologies (VR/AI) in the area of occupational health and industrial safety

STRATEGIC INITIATIVES:

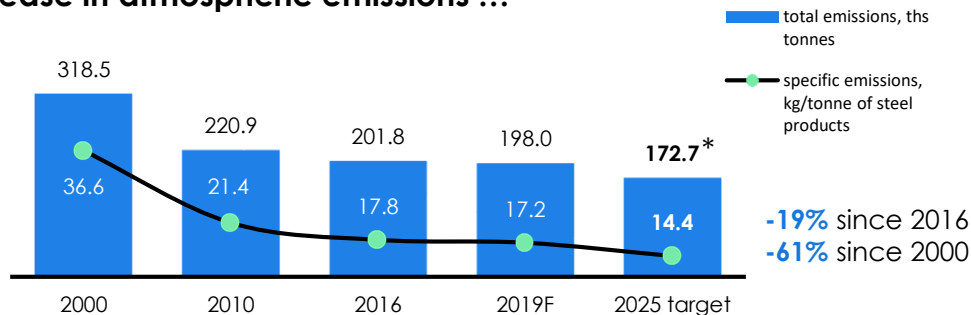
“Zero tolerance for safety violations”

- Staff incentive system tied to safe production
- Staff assessment and training focused on maintenance of workplace safety
- Machine vision systems and the installation of robotic equipment

KEY TARGETS:

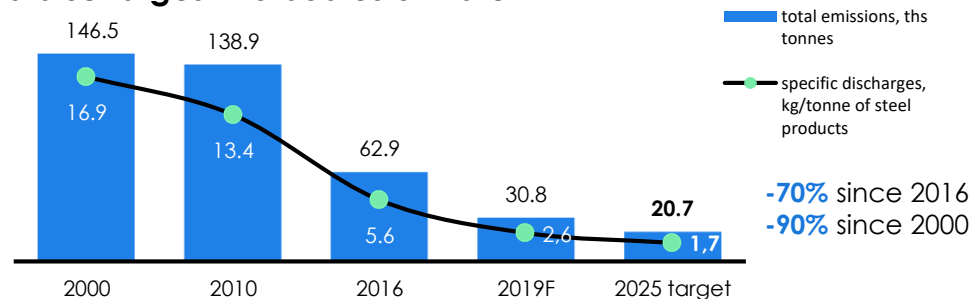
1. LTIFR **-50% ↓** LTISR **-50% ↓** by 2025 compared with 2016
2. Zero fatalities
3. Zero tolerance for safety violations and corporate culture promoting safety at all levels
4. Compliance with the requirements of ISO 45001

Decrease in atmospheric emissions ...



* Including carbonic oxide emissions of 134.3 ths tonnes

... and discharges into bodies of water



2025 Magnitogorsk – a clean city

Source: MMK

MAIN ACHIEVEMENTS:

1. Based on 2018 results, Russia's Ministry of Natural Resources removed Magnitogorsk from its list of cities with the worst air pollution
2. The Magnitogorsk reservoir on the Ural River has been recognized as a fishery basin of the highest class

STRATEGIC INITIATIVES:

- Constant monitoring of emissions; introduction of an environmental dispatch facility
- Investment programme aimed at improving operational efficiency and environmental performance

PRIMARY TARGETS:

1. Complete elimination of discharges of industrial wastewater into natural bodies of water by 2025
2. **Stored solid waste from steelmaking**
-63% ↓ by 2025

Training and in-service education

Future talents

Human resources development and equal opportunities

1. **89%** of employees have vocational education
2. **Staff development:** Training at the best Russian and international business schools
3. **Maintaining a pool of candidates:** Earning a second qualification and providing employees with on-the-job training in other departments

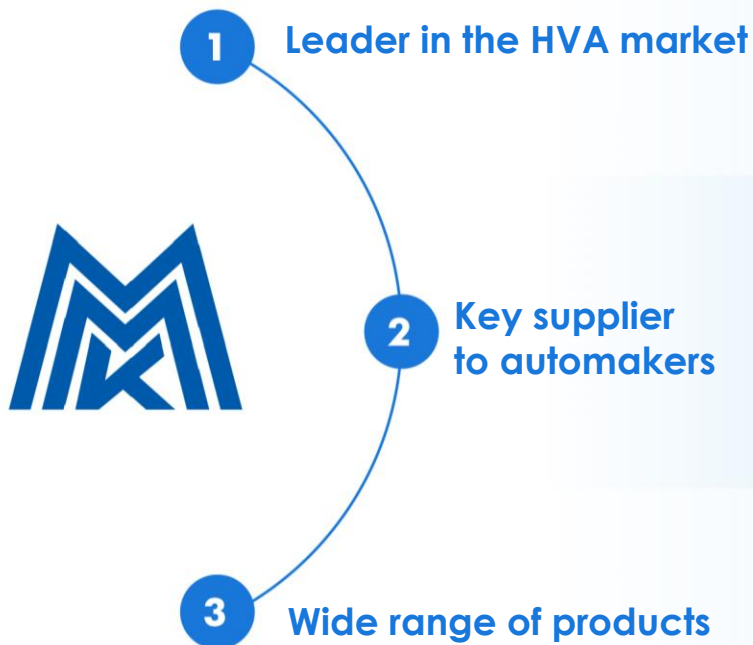


4. **Hiring talented young people:** Over **2,000** students completed internships within the Group in 2018
5. **International Conferences for Young Professionals:** More than **600** young professionals take part in the International Conferences annually



6. **350 programmes** at the Corporate Training Centre, **50** areas of specialisation at education centres in Magnitogorsk
7. **95%** of top managers were trained within the Group
8. **31%** female employees in 2018





1 No 1 producer
of HVA products in Russia



>50% market share
of rolled steel for the automotive
industry in Russia



3x growth in sales
to foreign automakers with localised
production¹



New coated metal production capacities
New galvanising unit and MMK – Lysvensky
Metallurgical Plant

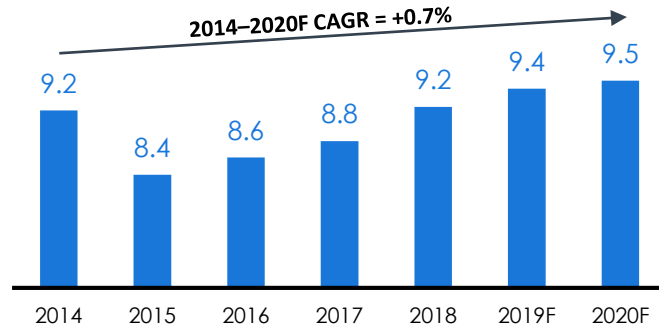


MAGSTRONG: High-strength, wear-resistant
Steel Art: texturised polymer coatings



Top 3 metalware producer
MMK-Metiz

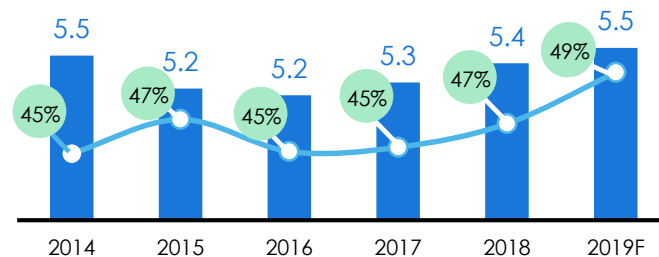
Consumption of high-value-added products in Russia (mln t)



1.8 mln t of HVA products
(20% of consumption)
imported into Russia in 2018

Source: Metal Expert, MMK projections

Sales of HVA products by MMK Group (mln t)



% Share of HVA* products in total sales of MMK Group

* Includes thick plate Mill 5000, cold-rolled steel, galvanised steel, polymer-coated steel, tin plate, formed sections, tubes, and cold-rolled bands

Steady growth of sales and
share of HVA products

Source: MMK

1. Russian HVA products consumption is recovering and import substitution is observed (still accounts for a significant share of the market)
2. As part of its strategy to increase HVA products sales, MMK is expanding its capacities and product range:
 - Creation of a modern metalware production facility at MMK-Metiz
 - Production capacity ramp-up at MMK – Lysvensky Metallurgical Plant

Sales on time. Quality and customer service.



Marketing and
planning

Mobile sales assistant –
pricing management

Agile teams for
customer groups

Automation of
operational
management

Development of
e-commerce platform
to improve customer
range



Procurement and
production

Minimum lead time
between production
and orders delivery in
the industry

OTIF – this KPI was introduced for sales and production departments.
Target of 12% increase in OTIF by 2020



Logistics and
sales

Closer to customers – development of logistics infrastructure and a joint venture
with Coşkunöz (a steel service centre for automakers in Russia)

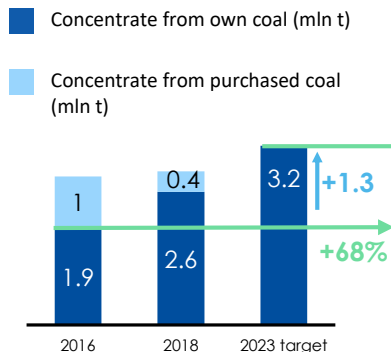


Cooperation and
customer
management

iClient MMK – mobile app for orders management

One point of contact to meet customer needs in
terms of production process, delivery times and
product quality

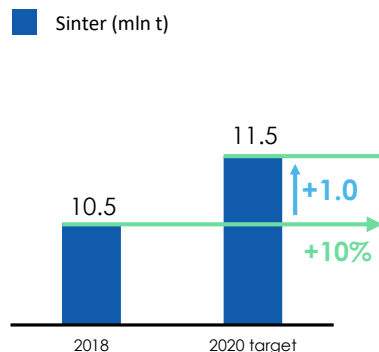
Increase use of own coal concentrate



- Initiative**
- Transition to uniform quality coking coal concentrate
 - Reconstruction of processing plant

- Impact**
- Production costs reduction
 - Reduction in procurement of third party coal

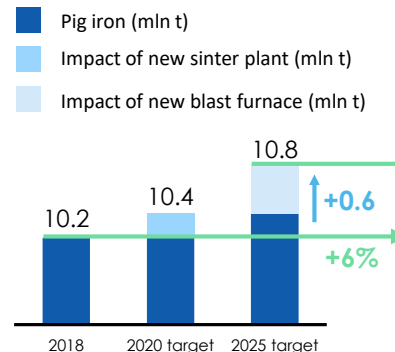
Increase sinter production



- Initiative**
- New sinter plant

- Impact**
- Pig iron cash costs reduction

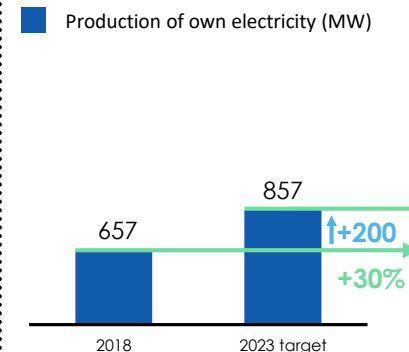
Increase pig iron production



- Initiative**
- New blast furnace
 - New sinter plant
 - New coke and by-product plant

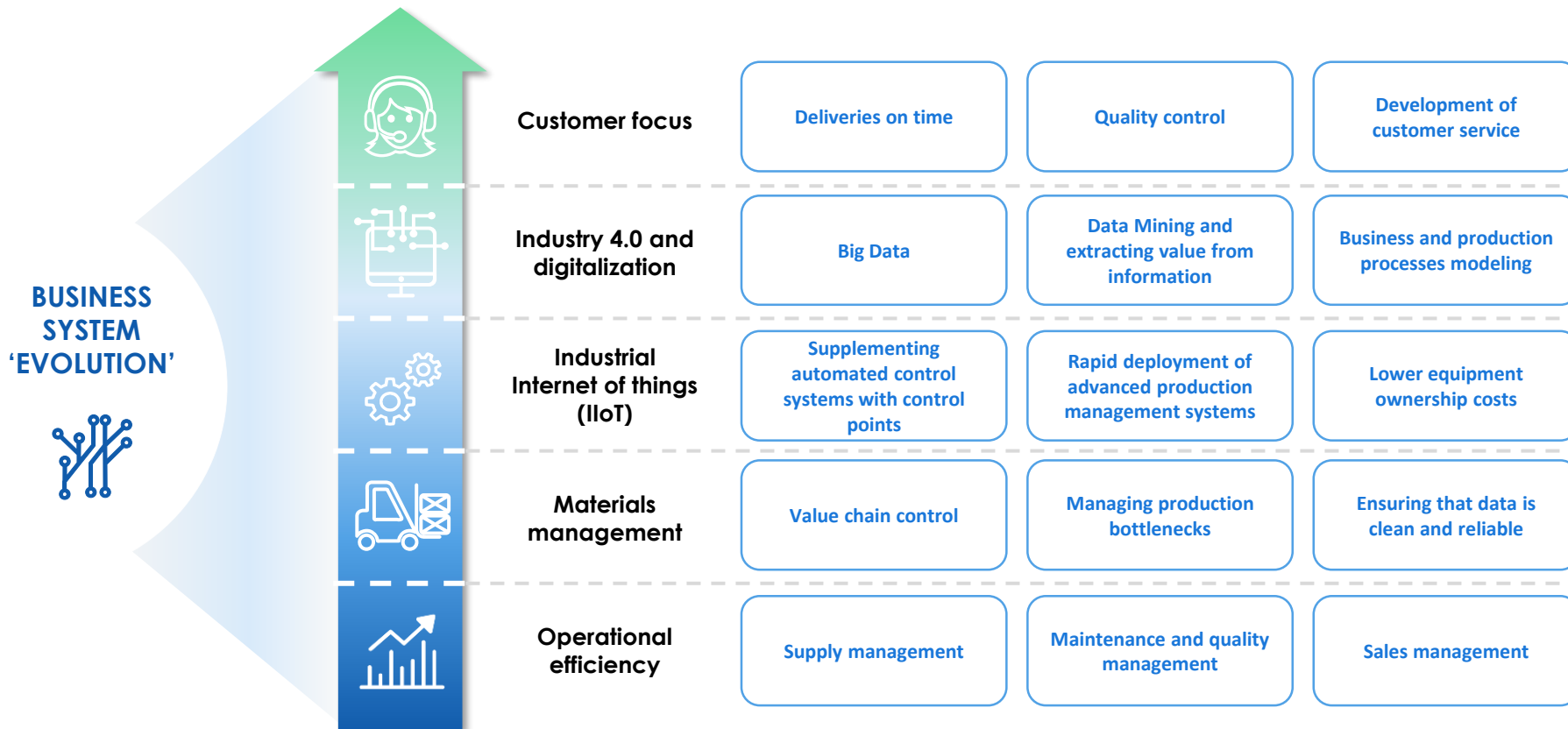
- Impact**
- Improved quality of pig iron
 - Slab cash costs reduction

Increase production of own electricity



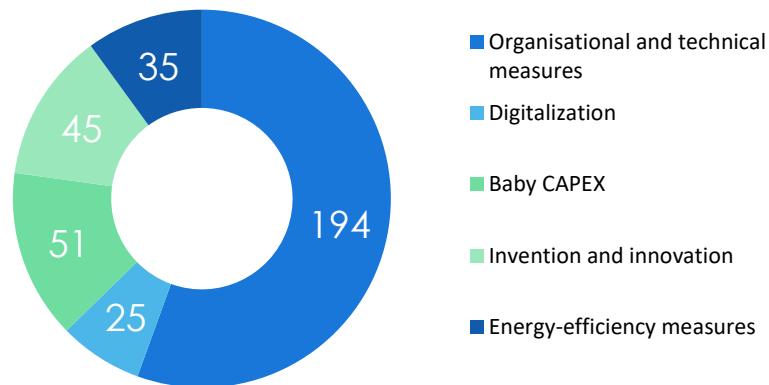
- Initiative**
- New coke and by-product plant
 - New blast furnace

- Impact**
- Replacement of natural gas with secondary resources
 - Electricity self-sufficiency up to 85%
 - Slab cash costs reduction

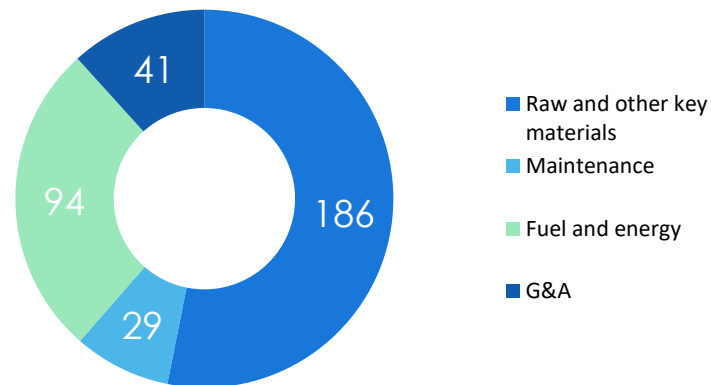


In 2016–2019, business system ‘Evolution’ enabled cost savings of **\$350 mln**

By area (\$ mln)



By resource (\$ mln)



2-3% per year – target reduction in **production costs**
through operating efficiency improvements measures

2019

START

MMK
Digital
Strategy

EXISTING INFORMATION SYSTEMS WILL FORM THE BASIS FOR THE DEPLOYMENT OF OUR DIGITALIZATION STRATEGY

Digital enterprise



Production life-cycle management

Optimisation of product life-cycle management with help of digital technologies

Tracking and managing material flow

Technology and quality management system

Energy management platform

Digital twins



Smart factory

Cost reduction through usage of modern technologies, models and capacities

Optimisation planning

Real-time scheduling

Expert system "Sniper"

Production process optimisation model "Optimal pig iron"

Product Quality Analyzer (PQAO)



Smart supply chain

Improving the quality of customer service, establishing uninterrupted work with customers from expression of interest to fulfilment

Operational planning

CRM

MMK iClient Mobile

Chat bots



Industrial Internet of things

Emergence of new opportunities through creation of flexible, proactive and unified production facilities

IIoT sensors

Machine vision system (Parsytec)

Mobile maintenance

Positioning of movable units



Safety and security

Safety and security issues related to various aspects of operations: information security, industrial safety, the environment

Cybersecurity

Unified system for occupational health and industrial safety

Environmental monitoring

Exoskeletons

Staff monitoring system "Radar"



HR engineering

Increasing labour productivity through usage of modern teaching techniques

Developing training facilities based on VR/AR technologies

Introducing a system of online education







2025

COMPLETION

MMK
Digital
Production

Project impact
>\$25 mln by 2019

Expected impact of digitalization
\$140–160 mln by 2025

	Objective	Solution	Expected impact in 2019	
 <p>Big Data and artificial intelligence Project "Sniper"</p>	<p>Reducing expenses on high-priced materials used in steelmaking</p>	<p>Model for calculating the converter smelting parameters based on physical and chemical models of thermodynamic equilibrium and mathematical analysis</p>	<p>\$3.9 mln annually</p>	
 <p>Modelling and optimisation Production process optimisation models</p>	<p>Reducing pig iron production costs</p>	<p>Selection of optimal values in terms of coke quality and amount of sinter, taking into account market conditions, as well as the blast furnaces' actual operating modes</p>	<p>\$14.3 mln annually</p>	
 <p>Energy-efficient technologies Automated control system for cogeneration plant steam boilers</p>	<p>Reducing consumption of natural gas and improving the reliability of steam boilers operations</p>	<p>Automated control of all key operational parameters of steam boilers, optimisation of boilers efficiency in terms of minimum consumption of natural gas</p>	<p>\$1.8 mln annually Increased safety</p>	
 <p>Digital twins Digital twins of turbine generators with a combined capacity of 464 MW</p>	<p>Creation of an optimisation model for energy efficiency and an assessment of risks of accidents involving turbine generators</p>	<p>Automated control of turbine generator parameters, improved technical and economic efficiency of the load control, improved reliability of operation and reduced risk of unplanned maintenance and turbine generator downtime</p>	<p>\$1.2 mln annually Increased safety</p>	



Andrey Eremin

CFO

OVERVIEW OF MMK GROUP'S
FINANCIAL POSITION



FINANCIAL POLICY OBJECTIVES

A

Focus on business performance

Cost leadership


B

NET DEBT/EBITDA
Investment rating

Goal  **<1.0x**

C

Proactive management of working capital

Goal  **14-15%** net working capital/revenue L3M

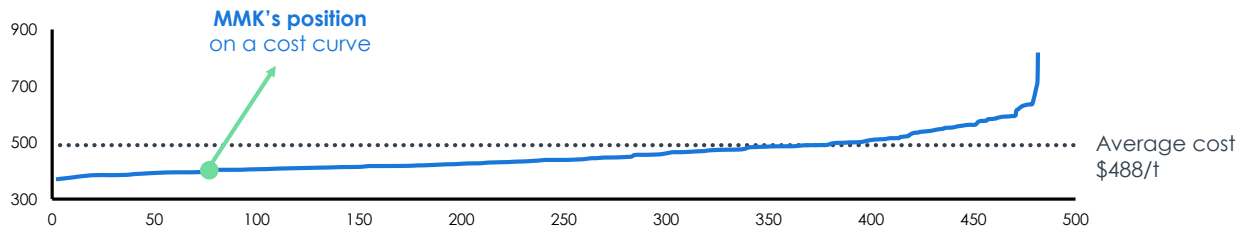
D

New  **Dividends**

≥ 100% FCF if Net Debt/EBITDA<1.0x
≥ 50% FCF if Net Debt/EBITDA>1.0x

MMK is at the beginning of the cost curve

Global cost curve for the production of hot-rolled coils in 2018 (\$/t)



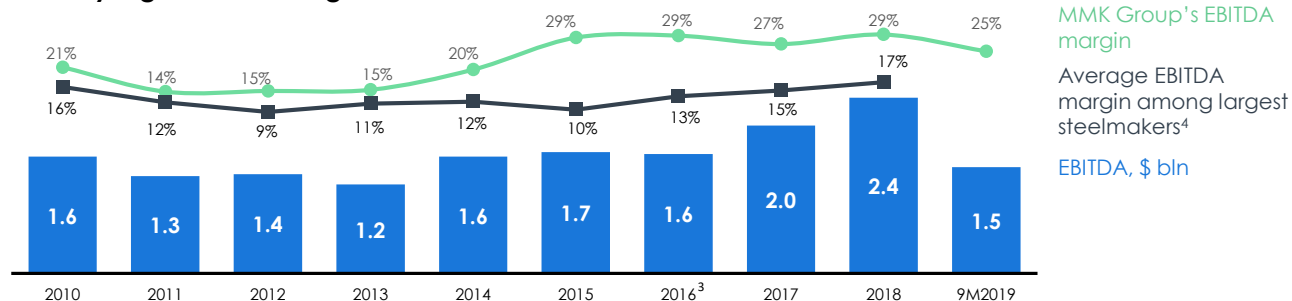
Source: CRU Steel Costs (Q2 2019)

One of the cost leaders
in the industry

No 1 in terms of
profitability among
Russian peers in steel
segment¹

Leading positions
among largest
steelmakers in terms of
EBITDA margin²

Consistently high EBITDA margin



Source: Bloomberg, CapiQ, MMK

¹ Based on 9M 2019 results

² Based on H1 2019 results

³ Excluding profit from the sale of FMG shares

⁴ Median indicator for the following group of companies:

Severstal, NLMK, EVRAZ, Nucor, US Steel, Steel Dynamics,

AK Steel and Commercial Metals, Gerdau, CSN, Usiminas, CAP and Ternium, POSCO, Tata Steel, Jindal, JSW Steel, Baosteel and Nippon Steel & Sumitomo Metal Corporation, ArcelorMittal, ThyssenKrupp, Voestalpine, Edermir and SSAB. Data for Q3 2019 is not publicly available



Implementation of projects to improve operational efficiency and product mix

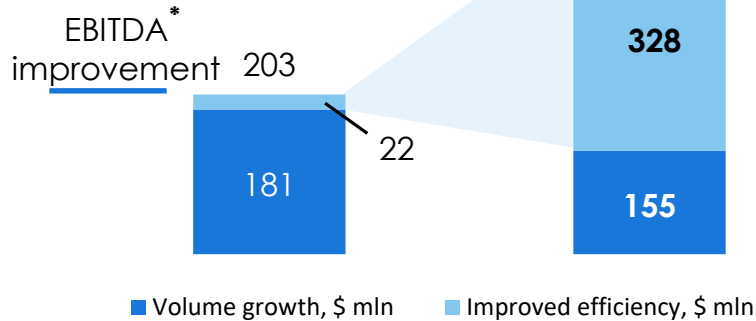
New projects impact on EBITDA

2016–2018

CAPEX* \$742 mln

2019–2025

\$2,137 mln

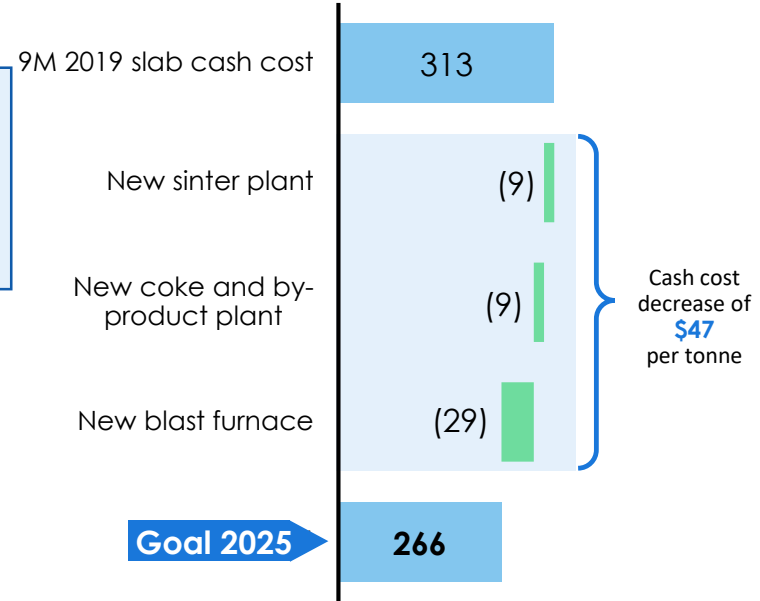


Phase of investments in production expansion has essentially been completed

Further investments are focused on efficiency improvement

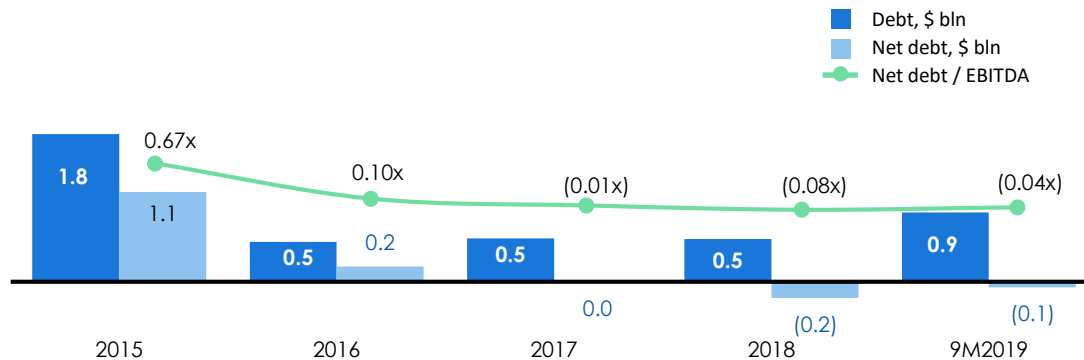
Focus on slab cash cost reduction

Impact of investment projects and operational improvements on slab cash cost, \$/t

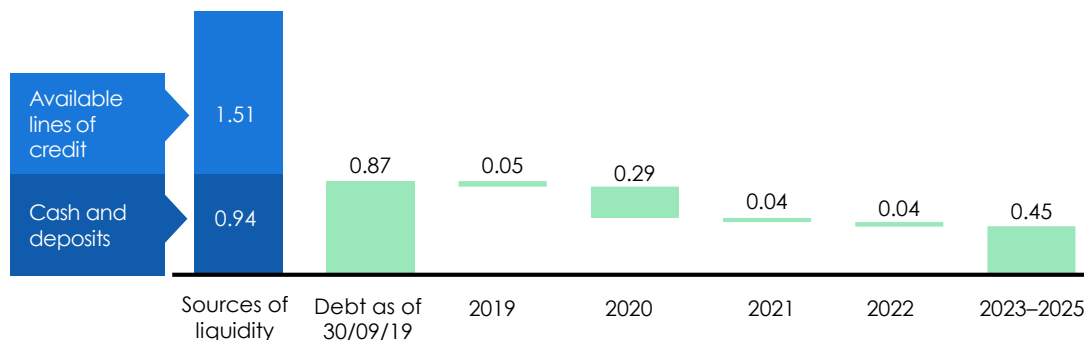


* Preliminary data in prevailing market conditions

Low debt burden



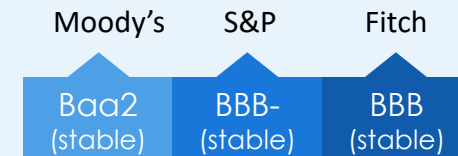
Comfortable repayment schedule and a considerable cash position



TARGET:

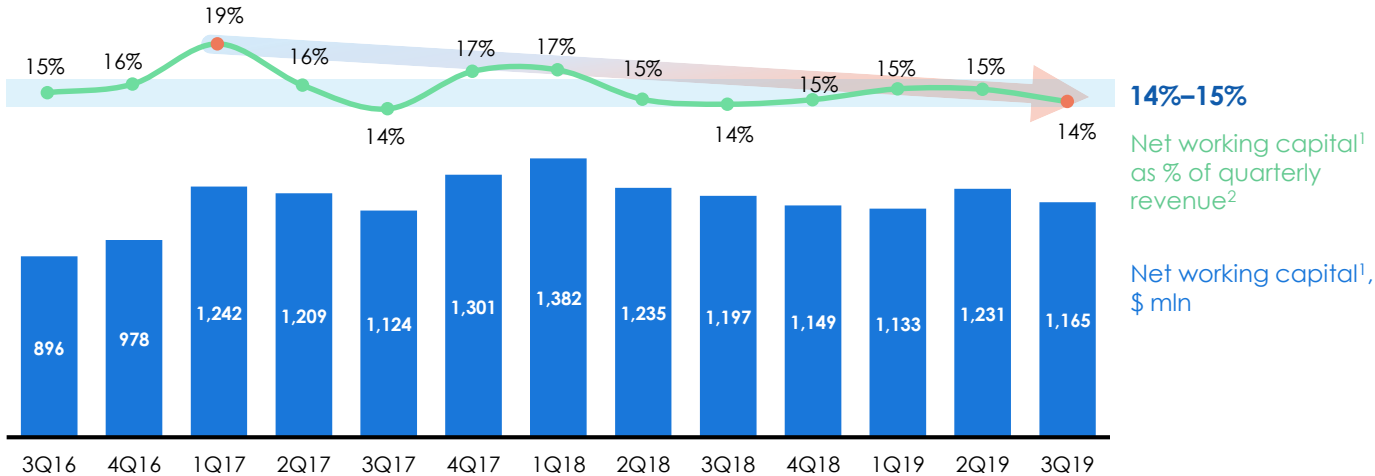
NET DEBT / EBITDA <1.0X

1. Significant debt **reduction**
2. Available lines of credit significantly exceed the level of short-term debt
3. **3.09%** average rate on debt as of 30/09/2019
4. Closed currency position
5. In June 2019, MMK made a successful **return to the Eurobond market**
6. **MMK Group's credit ratings are some of the highest in Russia** (at or above the sovereign rating), particularly in the Metals & Mining sector





The Company aims to maintain working capital at the level no higher than **14%–15%** of revenue

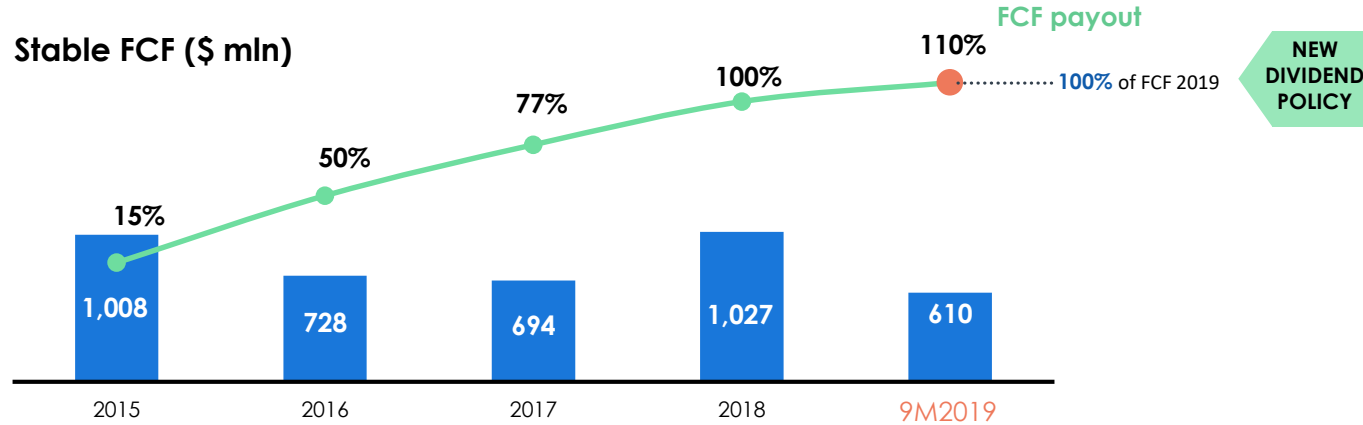


TARGET:
NET WORKING
CAPITAL AT THE
LEVEL OF **14–15%**
OF REVENUE

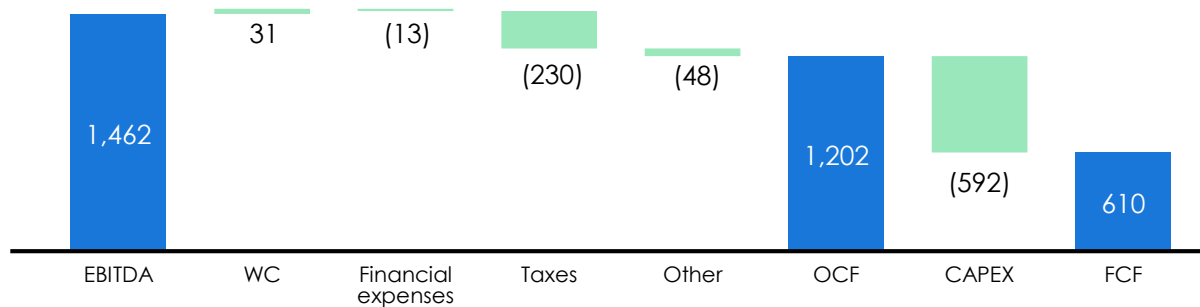
¹ Calculated as: Provisions + accounts receivable (including other receivables and taxes) – accounts payable (excluding dividends)

² Revenue for the latest quarter * 4

Stable FCF (\$ mln)



FCF structure: 9M 2019 (\$ mln)



1. Stable generation of FCF under any market conditions
2. Operating cash flow significantly exceeds CAPEX
3. Maintaining maximum dividend payments

The background features a repeating pattern of light blue triangles and chevrons. A solid blue horizontal band runs across the middle of the image, containing the text.

CONCLUDING REMARKS

MMK today



Leading steelmaker in Russia



High-quality asset base
with some of the lowest
production costs in the world



Sustainable high margins
and cash-flow generation



Conservative financial policy
and high credit rating



Focus on total
shareholder returns



Implementation
of strategy
2016–2025

**Sustainable
development
and maximising
shareholder
return**

The image features a blue background with a repeating geometric pattern of light blue triangles and lines. A solid blue horizontal band runs across the center, containing the word "APPENDIX" in white, uppercase, sans-serif font.

APPENDIX

PERFORMANCE OF KEY INVESTMENT PROJECTS UNDER STRATEGY 2016–2025



Capital Markets Day
15 November 2019 London

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Volume growth, improved product mix		Launch date	CAPEX 2016–2025	EBITDA*	IRR	
✓	New galvanising unit	+0.36 mln t of galvanised steel	2017	\$82 mln	\$85 mln	73%
✓	New polymer coated plant	+0.35 mln t of polymer-coated steel, Steel Art niche rolled steel	2017	\$71 mln	\$92 mln	61%
✓	Metalware capacities upgrade	+0.1 mln t of metalware, capacity upgrade, expanded product line, cost reduction	2019	\$63 mln	\$31 mln	32%
✓	Transition to monograde 'Zh' (pure fat coal concentrate), beneficiation plant upgrade	+1.3 mln t of concentrate: transition to monograde 'Zh' (pure fat coal concentrate); beneficiation plant upgrade	2018–2019	\$40 mln	\$25 mln	50%
	Reconstruction of Hot Rolled Products Mill 2500	+0.8 mln t of hot-rolled steel, improved quality, +0.9 mln t of steel	2020	\$287 mln	\$103 mln	26%
Cost leadership, environmental performance						
✓	New oxygen unit (No 5)	+0.25 mln t of pig iron, reduced consumption of scrap metal, +0.35 mln t of steel	2018	\$88 mln	\$18 mln	26%
✓	New sinter plant	+1.0 mln t of sinter, reduced cash cost of pig iron, reduced environmental impact	2019	\$400 mln	\$47 mln**	23%
	New coke and by-product plant: coke-oven battery No 12, by-product recovery and processing shop, biochemical plant	Replaced 5 batteries, reduced consumption of coal concentrate and natural gas, reduced environmental impact, increased production of own electricity	2021–2022	\$785 mln	\$54 mln**	24%
	New blast furnace, new steam turbine power station	Replaced 3 blast furnaces, +0.4 mln t of pig iron, substitution of scrap metal, reduced consumption of raw materials, increased production of own electricity, reduced environmental impact	2024	\$694 mln	\$119 mln	36%
	New oxygen unit (No 9)	Increased oxygen production, cost reduction	2025	\$167 mln	\$51 mln	21%
	Other development projects	Reduced consumption of raw and other materials, use of by-products, increased machine capacity	2020–2025	\$202 mln	\$61 mln	>22%

* Average annual impact based on estimates under current macroeconomic conditions

** Excluding the impact of production losses



Completed projects

Total

\$2,879 mln

\$686 mln

	2016 – 2018	2019	2020	2021	2022	2023	2024	2025
New oxygen unit (No 5)	\$88 mln							
New polymer coated plant	\$71 mln							
New galvanizing unit	\$82 mln							
Metalware capacities upgrade	\$56 mln	\$7 mln						
New sinter plant	\$333 mln	\$67 mln						
Reconstruction of hot-rolled products Mill 2500	\$59 mln	\$228 mln						
New coke and by-product plant	\$1 mln	\$784 mln						
New blast furnace			\$694 mln					
New oxygen unit (No 9)						\$167 mln		
Other development projects	\$52 mln		\$190 mln					
Total CAPEX	\$742 mln	\$2,137 mln						
EBITDA	+\$203 mln	+\$483 mln						

+\$181 mln
Volume growth,
improved product mix

+\$22 mln
Cost leadership

+\$155 mln
Volume growth, improved
product mix

+\$328 mln
Cost leadership

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