# Press release

15 October 2018

**Q3 2018 NLMK GROUP TRADING UPDATE\***

**In Q3 2018, steel output grew by 1% qoq to 4.4 m t (flat yoy); capacity utilization rate remained high at 99%. Group sales in Q3 2018 grew by 1% qoq to 4.4 m t (+4% yoy).**

**Q3 2018 highlights:**

* Steel output grew by 1% qoq (flat yoy) to 4.4 m t.
* Sales totalled 4.4 m t (+1% qoq). This growth was supported by the increase in long steel sales as previously accumulated stocks were being sold off. The share of finished products in Group sales grew by 4 p.p. qoq to 66%. Sales grew by 4% yoy, driven mainly by the growth of semi-finished product and long steel sales.
* Group sales in home markets accounted for 63% (+1 p.p. qoq; -4 p.p. yoy) in total sales.

**9M 2018 highlights:**

* Steel output grew by 3% yoy to 13.1 m t, driven by the growth in output at the Group’s Russian and American sites as a result of the uptick in demand.
* Group sales totalled 13.0 m t, up 7% yoy, due to the growth of semi-finished product and long steel sales to third parties.
* Group sales in home markets accounted for 63% (-2 p.p. yoy) in total sales.

\* Hereinafter, Q3 and 9M output and sales data is preliminary and can be updated. Hereinafter, NLMK Group steel output and sales in home markets are shown taking into account NBH performance. Product sales are shown without taking into account NBH performance. Sales to NLMK Group’s home markets are understood to be sales by NLMK Group companies in the regions where the products are produced in Russia, the EU and the USA.

# **NLMK Group's Q3 2018 operating performance**

**Sales by market\*\***

**Sales by product\***

**Steel output**

**Steel output** grew by 1% qoq to 4.42 m t (flat yoy). Growth of output was driven by the increase in steel production volumes at NLMK’s Russian sites.

**Sales** totalled 4.42 m t (+1% qoq), driven by the growth in long product sales as previously accumulated stocks were being sold off.

Compared to Q3 2017, sales grew by 4% yoy, due to the increase in sales of slabs, square billets and long products, and the growth in HVA product sales to international markets.

**Sales breakdown:** finished product sales grew by 6% qoq to 2.91 m t (+5% yoy) due to long product stocks being sold off in response to an uptick in demand after the World Cup.

Semis sales to third parties totalled 0.97 m t (-2% qoq; -10% yoy). This decrease was caused by the drop in demand for slabs from the pipe & tube sector in Russia, and the decrease in pig iron exports ([Appendix 2](#_Приложение_2._Продажи), [Appendix 13](#_Приложение_13._Продажи)).

Slab deliveries to NBH JV decreased by 18% qoq (+41% yoy) to 0.54 m t, due to seasonal maintenance at NLMK’s European companies ([Appendix 2](#_Приложение_2._Продажи)).

**Growth of sales to home markets by** 3% qoq (-5% yoy) to 2.74 m t was driven by the increase in Russian sales by 15% qoq. Local sales of NLMK Group’s companies in the US decreased by 8% qoq, with consumers expecting for the downward price trend that started in July to continue. Sales by European companies decreased by 13% qoq due to seasonal maintenance activities ([Appendix 1](#_Приложение_1._Основные)).

**Sales to external markets** decreased by 2% qoq to 1.61 m t (+13% yoy) due to the decrease in finished flat product export sales by NLMK Russia Flat division.

\* Hereinafter without NBH

\*\* Hereinafter with NBH

# **NLMK Group's 9M 2018 operating performance**

**Sales by market**

**Sales by product**

**Steel output**

**Steel output** grew by 3% yoy to 13.13 m t. NLMK Russia Flat’s share in steel output decreased by 1 p.p. yoy, while the Division’s output in absolute terms grew by 1% yoy to 9.97 m t, due to the outstripping growth of production at other divisions (mainly NLMK Russia Long).

**Sales** totalled 12.95 m t (+7% yoy), driven by the increase in semi-finished product sales due to the uptick in demand on the international markets.

**Sales breakdown:** finished product sales remained flat yoy (8.14 m t). The share of HVA products in total sales increased due to a part of HRC being redirected for further downstream processing to satisfy growing demand.

Semis sales to third parties grew to 3.00 m t (+28% yoy), driven by the uptick in demand in export markets for all types of products: slabs, pig iron, and square billet ([Appendix 2](#_Приложение_2._Продажи),  [Appendix 13](#_Приложение_13._Продажи)).

Slab deliveries to NBH JV increased by 12% yoy to 1.80 m t, supported by the growth in the Division’s sales ([Appendix 2](#_Приложение_2._Продажи)).

**Sales to home markets** totalled 8.03 m t (+3% yoy). Sales growth was achieved in all home markets: by 5% yoy to 1.78 m t in the US, by 4% yoy to 1.89 m t in the EU, and by 1% yoy to 4.37 m t in Russia. The Group’s share of sales on its home markets decreased by 2 p.p. to 63%.

**Sales to external markets** were up 12% yoy to 4.80 m t, driven by higher slab and pig iron sales.

# Global prices:

**Q3 2018**

**Average raw material prices** in the global market:

* Average coal price in the global market dropped by 2% qoq (-1% yoy) due to extensive offer from Australia in July. In August and September prices grew due to intensified demand from Indian and Chinese manufacturers. Global prices were also impacted by the delays in deliveries from the US caused by the hurricane and the decrease in the throughput capacity at Australia’s ports due to maintenance.
* Average prices for iron ore were up 1% qoq (-6% yoy).
* Scrap prices in the US decreased by 5% qoq (+21% yoy). Scrap prices in the European marked dropped by 7% qoq. The decrease in prices was impacted by the devaluation of the Turkish lira and the decrease in demand in August, among other factors. Prices in Russia decreased by 2% qoq (+11% yoy).

**Average steel product prices**:

* In the Russian market, average prices for uncoated flat steel lost 5-7% qoq (+10% yoy) in dollar terms, due to the decrease in global prices and the devaluation of the RUB/US$ exchange rate. RUB HRC prices were down by 2% qoq (+22% yoy), while CRC prices were up 1% qoq (+22% yoy). Average rebar prices in dollar terms decreased by 4% qoq (+15% yoy). Rebar RUB prices grew by 2% qoq (+28% yoy).
* Export slab prices (FOB Black Sea) decreased by 4% qoq (+15% yoy).
* Steel product prices in the US decreased by 1% qoq (+22-41% yoy). Prices dropped as the supply/demand balance was restored in the US market.
* In the EU, steel product prices in dollar terms were down 0-3% qoq (+4-8% yoy) due to the strengthening of the US/EUR exchange rate; EUR prices were 0.5-3% up qoq.

# SEGMENTAL PERFORMANCE

**NLMK Russia Flat**

**Sales**

**NLMK Russia Long**

**Mining and processing**

**Sales**

**Sales**

**NLMK USA**

**Sales**

**NLMK DANSTEEL**

**NLMK Belgium Holdings**

**Sales**

**Sales**

**Output**

**Sales by market**

**Sales by market**

*Note: detailed data are given in tables in the Appendix; also available in a separate excel sheet.*

# NLMK RUSSIA FLAT PRODUCTS[[1]](#footnote-2)

## **Q3 2018 performance**

**Steel output** increased by 1% qoq (-1% yoy) to 3.32 m t ([Appendix](#_Приложение_9._Объемы) 9) due to the completion of planned equipment maintenance.

**Sales** of the Segment decreased by 7% qoq and yoy, driven by reduced deliveries of semis to NLMK’s companies in Europe and the US ([Appendix](#_Приложение_2._Продажи) 2) and reduced sales of HRC due to planned maintenance of Mill 2000.

**Sales breakdown:** finished steel sales were down 1% qoq (-5% yoy) to 1.46 m t amid reduced demand in export markets. Nonetheless, HVA product sales grew by 10% qoq and +1% yoy to 0.89 m t (+15% qoq in Russia) since a part of HRC was redirected for further downstream processing to satisfy growing demand in this product segment.

Sales of semis dropped by 12% qoq (-8% yoy) due to reduced slab sales driven by planned maintenance at the sites in Europe.

**Sales markets:** sales in Russia dropped by 3% qoq to 1.04 m t (-24% yoy) amid reduced demand from the tube & pipe sector. ([Appendix 3](#_Приложение_3._Продажи)). Sales in export markets dropped by 9% qoq (+4% yoy) to 2.15 m t due to reduced slab sales in the EU driven by planned maintenance at the companies in Europe.

## **9M 2018 performance**

**Steel output** increased by 1% yoy to 9.97 m t ([Appendix](#_Приложение_9._Объемы) 9) amid growing demand for NLMK's products.

**Sales** increased by 1% yoy to 9.96 m t amid growing demand for semis in export markets ([Appendix 2](#_Приложение_2._Продажи)).

**Sales breakdown:** finished steel sales dropped by 7% yoy to 4.19 m t driven by sales redistribution in favour of semis due to increased demand for this product in international markets. The share of finished steel was down 4 p.p. to 42%.

Semis sales climbed 9% yoy to 5.77 m t, supported by higher pig iron and slab exports.

**Sales markets:** sales in Russia fell back by 1% yoy to 3.11 m t. Export sales totalled 6.85 m t (+2% yoy).

# NLMK RUSSIA LONG PRODUCTS[[2]](#footnote-3)

## Q3 2018 performance

**Steel output** grew by 4% qoq to 0.88 m t (+3% yoy), supported by high seasonal demand ([Appendix](#_Приложение_9._Объемы) 9).

**Sales** grew by 46% qoq (+27% yoy) to 0.93 m t ([Appendix 4](#_Приложение_4._Продажи_1)), supported by the pick-up in demand after the World Cup and subsequent sales of previously accumulated finished steel stocks. Rebar sales in Russia posted the biggest growth. The share of finished steel in total sales climbed 4 p.p. qoq to 79% (-1 p.p. yoy).

**Sales markets:** sales in Russia grew by 76% qoq to 0.58 m t due to higher sales of finished long steel, while export sales grew by 15% qoq (+20% yoy) to 0.36 m t. The share of sales in Russia increased by 11 p.p.qoqto 62% (+2 p.p. yoy).

**Scrap:** scrap sales declines by 2% qoq (+1% yoy) to 1.46 m t. 99% of scrap is still supplied to NLMK Group facilities ([Appendix 4](#_Приложение_4._Продажи_1)).

## **9M 2018 performance**

**Steel output** climbed 9% yoy to 2.48 m t ([Appendix](#_Приложение_9._Объемы) 9) due mostly to steel output growth at NLMK Ural.

**Sales** went up by 9% yoy to 2.34 m t, driven by growing supplies of finished long products to the Russian market and semis for export ([Appendix 4](#_Приложение_4._Продажи_1)).

**Sales breakdown:** finished steel sales totalled 1.77 m t (+4% yoy) due mostly to stronger sales of rebar and wire rod. The share of finished steel reduced by 4 p.p. to 76%.

Semis sales grew by 31% yoy to 0.57 m t due to increasing demand on export markets.

**Sales markets:** sales is Russia climbed 7% yoy to 1.27 m t. Export sales amounted to 1.08 m t (+11% yoy). The share of export sales increased by 1 p.p. yoy to 45%.

## MINING AND PROCESSING OF RAW MATERIALS

## Q3 2018 performance

**Output** of iron ore increased by 3% qoq to 4.64 m t (+7% qoq), driven by growing output of concentrate and pellets ([Appendix 12](#_Приложение_12._Объемы)).

**Pellet output** totalled 1.70 m t (+2% qoq and yoy), or 6.81 m t in year-on-year terms with planned output of the pelletizing plant of 6 m t per year.

**Iron ore sales** climbed 2% qoq to 4.60 m t (+5% yoy). This growth was supported by the increase of iron ore needs at NLMK Lipetsk ([Appendix 5](#_Приложение_5._Продажи)).

## **9M 2018 performance**

**Output** of iron ore grew by 6% yoy to 13.59 m t, driven by increased pellet output due to last year’s low base effect (the pelletizing plant reached its design capacity in Q3 ([Appendix 12](#_Приложение_12._Объемы)).

**Pellet output** totalled 5.04 m t (+15% yoy) due to full capacity utilization rates.

**Iron ore sales** grew by 6% yoy to 13.63 m t due to an upturn in pellet sales ([Appendix 5](#_Приложение_5._Продажи)).

# NLMK USA[[3]](#footnote-4)

## Q3 2018 performance

**Sales** dropped by8% qoq to 0.59 m t, driven by customer expectations of prices slumping further after hitting an all-time high in July ([Appendix 6](#_Приложение_6._Продажи)).

The 4% increase yoy became possible due to the uptick in the US market and economy in 2018.

## **9M 2018 performance**

**Sales** grew by 5% yoy to 1.78 m t against the backdrop of growing supplies of HRC and HDG, supported by growth of consumer demand.

# NLMK DANSTEEL

## Q3 2018 performance

**Sales** of platesdropped by 11% qoq to 0.12 m t due to planned maintenance in September. Compared to Q3 2017, sales gained 14%, driven by growth of demand from key plate consumers ([Appendix 7](#_Приложение_7._Продажи)).

## **9M 2018 performance**

**Sales** climbed 13% yoy to 0.40 m t, supported by stronger demand for plates.

# JOINT VENTURE - NLMK Belgium Holdings (NBH)[[4]](#footnote-5)

## Q3 2018 performance

**NBH sales** went down by 18% qoq to 0.47 m t (+5% yoy) also due to planned seasonal maintenance ([Appendix 8](#_Приложение_8._Продажи)).

Sales of flat steel dropped to 0.32 m t (-16% qoq and +11% yoy), due mostly to the decrease in HRC sales.

Sales of plates and ingots fell by 22% qoq to 0.16 m t (-4% yoy), driven by maintenance activities. NLMK slab supplies in Q3 2018 declined by 18% qoq, following Segment sales (high base effect of the previous quarter), to 0.54 m t (+41% yoy) ([Appendix 2](#_Приложение_2._Продажи)).

## **9M 2018 performance**

**Sales** grew by 5% yoy to 1.69 m t, due mostly to stronger demand for flat steel.

# Appendices

## Appendix 1. NLMK Group operating highlights

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Production, m t** | **Q3 2018** | **Q2 2018** | **QoQ** | **Q3 2017** | **YoY** | **9M 2018** | **9M 2017** | **YoY** |
| Crude steel production (without NBH) | 4.377 | 4.326 | 1% | 4.363 | 0% | 12.971 | 12.597 | 3% |
| Crude steel production (with NBH) | 4.421 | 4.382 | 1% | 4.406 | 0% | 13.129 | 12.760 | 3% |
| Capacity utilization | 99% | 99% | 0 п.п. | 100% | -1 п.п. | 99% | 98% | +1 п.п. |
| **Sales, m t** |  |  |  |  |  |  |  |  |
| Semi-finished steel 5 | 1.512 | 1.651 | -8% | 1.461 | 3% | 4.806 | 3.953 | 22% |
| Finished steel | 2.906 | 2.733 | 6% | 2.779 | 5% | 8.142 | 8.156 | 0% |
| *Flat* | 2.169 | 2.251 | -4% | 2.191 | -1% | 6.368 | 6.445 | -1% |
| *Longs and metalware* | 0.737 | 0.482 | 53% | 0.589 | 25% | 1.774 | 1.711 | 4% |
| **Total consolidated sales** | **4.418** | **4.384** | **1%** | **4.240** | **4%** | **12.948** | **12.109** | **7%** |
| Sales to home markets of the Group 6 | 63% | 62% | +1 п.п. | 67% | -4 п.п. | 63% | 64% | -1 п.п. |
| Sales to external markets | 37% | 38% | -1 п.п. | 33% | +4 п.п. | 37% | 36% | +1 п.п. |
| For information: slab sales to foreign subsidiaries and affiliates | 0.956 | 1.118 | -14% | 0.958 | 0% | 3.328 | 3.408 | -2% |
| **Segment sales** |  |  |  |  |  |  |  |  |
| Russian Flat Products | 3.189 | 3.433 | -7% | 3.425 | -7% | 9.959 | 9.822 | 1% |
| Russian Long Products | 0.934 | 0.639 | 46% | 0.737 | 27% | 2.344 | 2.145 | 9% |
| Mining | 4.597 | 4.518 | 2% | 4.387 | 5% | 13.625 | 12.906 | 6% |
| NLMK USA | 0.590 | 0.638 | -8% | 0.568 | 4% | 1.781 | 1.689 | 5% |
| Dansteel | 0.121 | 0.137 | -11% | 0.107 | 14% | 0.400 | 0.353 | 13% |
| ***For information: NBH Sales*** | ***0.472*** | ***0.578*** | ***-18%*** | ***0.448*** | ***5%*** | ***1.690*** | ***1.603*** | ***5%*** |

5 Including commercial pig iron, slabs and billets

6 Home markets: Russia for the Russian assets of NLMK Group, North America for NLMK USA and the EU market for NLMK Dansteel and NBH

## Appendix 2. NLMK Russia Flat sales by product

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sales, m t** | **Q3 2018** | **Q2 2018** | **QoQ** | **Q3 2017** | **YoY** | **9M 2018** | **9M 2017** | **YoY** |
| Pig iron | 0.145 | 0.205 | -29% | 0.178 | -19% | 0.610 | 0.292 | > 100% |
| Slabs incl. | 1.585 | 1.750 | -9% | 1.706 | -7% | 5.158 | 5.016 | 3% |
| Slab sales to foreign subsidiaries and affiliates | 0.956 | 1.118 | -14% | 0.958 | 0% | 3.328 | 3.408 | -2% |
| to NLMK USA, NLMK Dansteel | 0.415 | 0.458 | -9% | 0.572 | -28% | 1.527 | 1.793 | -15% |
| to NBH | 0.542 | 0.660 | -18% | 0.386 | 41% | 1.801 | 1.615 | 12% |
| Hot-rolled steel | 0.567 | 0.666 | -15% | 0.659 | -14% | 1.748 | 2.061 | -15% |
| Cold-rolled steel | 0.389 | 0.362 | 7% | 0.396 | -2% | 1.068 | 1.188 | -10% |
| Galvanized steel | 0.227 | 0.198 | 15% | 0.227 | 0% | 0.621 | 0.537 | 16% |
| Pre-painted steel | 0.128 | 0.101 | 27% | 0.133 | -3% | 0.316 | 0.310 | 2% |
| Dynamo steel | 0.079 | 0.077 | 3% | 0.062 | 28% | 0.228 | 0.231 | -1% |
| Transformer steel | 0.069 | 0.073 | -5% | 0.063 | 10% | 0.210 | 0.186 | 13% |
| incl. VIZ-Steel | 0.043 | 0.043 | 0% | 0.041 | 7% | 0.127 | 0.117 | 9% |
| **Total products** | **3.189** | **3.433** | **-7%** | **3.425** | **-7%** | **9.959** | **9.822** | **1%** |
| Coke sales from Altai-Koks 5 | 0.899 | 0.865 | 4% | 1.029 | -13% | 2.662 | 3.078 | -14% |
| incl. to NLMK Lipetsk | 0.719 | 0.682 | 5% | 0.743 | -3% | 2.074 | 2.302 | -10% |

## Appendix 3. NLMK Russia Flat sales by region and product

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sales, m t** | **Q3 2018** | **Q2 2018** | **QoQ** | **Q3 2017** | **YoY** | **9M 2018** | **9M 2017** | **YoY** |
| **Russian market** | **1.043** | **1.080** | **-3%** | **1.364** | **-24%** | **3.106** | **3.127** | **-1%** |
| Semi-finished products | 0.096 | 0.159 | -39% | 0.247 | -61% | 0.459 | 0.468 | -2% |
| Hot-rolled steel | 0.358 | 0.410 | -13% | 0.512 | -30% | 1.070 | 1.176 | -9% |
| Cold-rolled steel | 0.224 | 0.207 | 8% | 0.261 | -14% | 0.633 | 0.642 | -1% |
| Galvanized steel | 0.212 | 0.179 | 19% | 0.190 | 12% | 0.558 | 0.471 | 18% |
| Pre-painted steel | 0.127 | 0.100 | 27% | 0.129 | -2% | 0.311 | 0.301 | 3% |
| Dynamo steel | 0.017 | 0.016 | 4% | 0.013 | 31% | 0.045 | 0.040 | 14% |
| Transformer steel | 0.010 | 0.011 | -5% | 0.011 | -6% | 0.030 | 0.030 | 1% |
| **Export markets** | **2.146** | **2.352** | **-9%** | **2.061** | **4%** | **6.853** | **6.695** | **2%** |
| Semi-finished products | 1.634 | 1.797 | -9% | 1.637 | 0% | 5.309 | 4.841 | 10% |
| Hot-rolled steel | 0.209 | 0.257 | -18% | 0.147 | 42% | 0.677 | 0.885 | -24% |
| Cold-rolled steel | 0.165 | 0.155 | 7% | 0.134 | 23% | 0.435 | 0.547 | -20% |
| Galvanized steel | 0.015 | 0.019 | -22% | 0.038 | -61% | 0.063 | 0.066 | -4% |
| Pre-painted steel | 0.002 | 0.002 | 1% | 0.003 | -47% | 0.006 | 0.009 | -38% |
| Dynamo steel | 0.062 | 0.061 | 2% | 0.049 | 27% | 0.183 | 0.191 | -4% |
| Transformer steel | 0.059 | 0.062 | -5% | 0.052 | 13% | 0.180 | 0.156 | 15% |
| **Total sales** | **3.189** | **3.433** | **-7%** | **3.425** | **-7%** | **9.959** | **9.822** | **1%** |

## Appendix 4. NLMK Russia Long sales by product

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sales, m t** | **Q3 2018** | **Q2 2018** | **QoQ** | **Q3 2017** | **YoY** | **9M 2018** | **9M 2017** | **YoY** |
| Billet | 0.198 | 0.157 | 26% | 0.148 | 33% | 0.569 | 0.434 | 31% |
| Rebar | 0.570 | 0.331 | 72% | 0.434 | 31% | 1.289 | 1.267 | 2% |
| Sections | 0.022 | 0.017 | 30% | 0.011 | > 100% | 0.055 | 0.023 | > 100% |
| Wire rod | 0.072 | 0.079 | -9% | 0.069 | 4% | 0.241 | 0.216 | 11% |
| Metalware | 0.073 | 0.056 | 30% | 0.075 | -3% | 0.190 | 0.205 | -7% |
| **Total steel products** | **0.934** | **0.639** | **46%** | **0.737** | **27%** | **2.344** | **2.145** | **9%** |
| **Ferrous and non-ferrous scrap, incl.** | **1.460** | **1.493** | **-2%** | **1.451** | **1%** | **3.664** | **3.459** | **6%** |
| to NLMK Ural | 0.561 | 0.554 | 1% | 0.558 | 0% | 1.391 | 1.254 | 11% |
| to NLMK Kaluga | 0.394 | 0.448 | -12% | 0.397 | -1% | 1.106 | 0.997 | 11% |
| to NLMK Lipetsk | 0.489 | 0.477 | 2% | 0.482 | 2% | 1.124 | 1.160 | -3% |

## Appendix 5. Mining Division sales

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sales, m t** | **Q3 2018** | **Q2 2018** | **QoQ** | **Q3 2017** | **YoY** | **9M 2018** | **9M 2017** | **YoY** |
| **Iron ore concentrate** | **2.507** | **2.460** | **2%** | **2.333** | **7%** | **7.419** | **7.397** | **0%** |
| incl. to NLMK Lipetsk | 2.507 | 2.460 | 2% | 2.333 | 7% | 7.419 | 7.388 | 0% |
| **Pellets** | **1.706** | **1.678** | **2%** | **1.675** | **2%** | **5.074** | **4.391** | **16%** |
| incl. to NLMK Lipetsk | 1.706 | 1.678 | 2% | 1.675 | 2% | 5.074 | 4.391 | 16% |
| **Sinter ore** | **0.384** | **0.380** | **1%** | **0.378** | **2%** | **1.132** | **1.118** | **1%** |
| incl. to NLMK Lipetsk | 0.384 | 0.380 | 1% | 0.378 | 2% | 1.132 | 1.118 | 1% |
| **Total** | **4.597** | **4.518** | **2%** | **4.387** | **5%** | **13.625** | **12.906** | **6%** |
| incl. to NLMK Lipetsk | 4.597 | 4.518 | 2% | 4.387 | 5% | 13.625 | 12.897 | 6% |

## Appendix 6. NLMK USA sales

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sales, m t** | **Q3 2018** | **Q2 2018** | **QoQ** | **Q3 2017** | **YoY** | **9M 2018** | **9M 2017** | **YoY** |
| Hot-rolled steel | 0.309 | 0.369 | -16% | 0.320 | -4% | 0.997 | 0.926 | 8% |
| Cold-rolled steel | 0.128 | 0.129 | -1% | 0.115 | 11% | 0.380 | 0.378 | 1% |
| Galvanized steel | 0.152 | 0.139 | 10% | 0.131 | 16% | 0.399 | 0.377 | 6% |
| **Total NLMK USA 8** | **0.590** | **0.638** | **-8%** | **0.568** | **4%** | **1.781** | **1.689** | **5%** |

7 НЛМК США кроме готового проката реализует незначительные объемы товарных слябов, не включенные в общий объем продаж проката.   
В 3 кв. 2018 г. продажи слябов составили 1 тыс. т.

## Appendix 7. Dansteel sales

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sales, m t** | **Q3 2018** | **Q2 2018** | **QoQ** | **Q3 2017** | **YoY** | **9M 2018** | **9M 2017** | **YoY** |
| **Thick plates** | **0.121** | **0.137** | **-11%** | **0.107** | **14%** | **0.400** | **0.353** | **13%** |

## Appendix 8. NBH (associated companies) sales

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sales, m t** | **Q3 2018** | **Q2 2018** | **QoQ** | **Q3 2017** | **YoY** | **9M 2018** | **9M 2017** | **YoY** |
| Hot-rolled steel | 0.240 | 0.289 | -17% | 0.214 | 12% | 0.851 | 0.749 | 14% |
| Cold-rolled steel | 0.008 | 0.008 | -1% | 0.009 | -9% | 0.027 | 0.040 | -32% |
| Coated steel | 0.067 | 0.081 | -16% | 0.063 | 7% | 0.236 | 0.234 | 1% |
| **Total flat steel** | **0.316** | **0.378** | **-16%** | **0.286** | **11%** | **1.114** | **1.023** | **9%** |
| Semi-finished (ingots) | 0.013 | 0.018 | -27% | 0.017 | -22% | 0.053 | 0.060 | -12% |
| Thick plates | 0.142 | 0.182 | -22% | 0.145 | -2% | 0.523 | 0.520 | 1% |
| **Total steel products** | **0.472** | **0.578** | **-18%** | **0.448** | **5%** | **1.690** | **1.603** | **5%** |

## Appendix 9. NLMK Group steel output

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Production, m t** | **Q3 2018** | **Q2 2018** | **QoQ** | **Q3 2017** | **YoY** | **9M 2018** | **9M 2017** | **YoY** |
| NLMK Lipetsk | 3.320 | 3.294 | 1% | 3.356 | -1% | 9.972 | 9.842 | 1% |
| NLMK Long Products | 0.885 | 0.851 | 4% | 0.860 | 3% | 2.482 | 2.274 | 9% |
| incl. NLMK Kaluga | 0.376 | 0.375 | 0% | 0.375 | 0% | 1.076 | 1.007 | 7% |
| NLMK Indiana (NLMK USA) | 0.172 | 0.181 | -5% | 0.146 | 17% | 0.517 | 0.481 | 8% |
| **NLMK Group (without NBH)** | **4.377** | **4.326** | **1%** | **4.363** | **0%** | **12.971** | **12.597** | **3%** |
| *for information* |  |  |  |  |  |  |  |  |
| NBH, NLMK Europe (EAF) | 0.044 | 0.056 | -20% | 0.043 | 3% | 0.158 | 0.163 | -4% |
| **NLMK Group (with NBH)** | **4.421** | **4.382** | **1%** | **4.406** | **0%** | **13.129** | **12.760** | **3%** |

## Appendix 10. NLMK Group steel product output

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Производство, млн т** | **Q3 2018** | **Q2 2018** | **QoQ** | **Q3 2017** | **YoY** | **9M 2018** | **9M 2017** | **YoY** |
| Товарный чугун | 0.211 | 0.172 | 23% | 0.187 | 13% | 0.548 | 0.319 | 71% |
| Товарные слябы | 1.361 | 1.217 | 12% | 1.105 | 23% | 3.714 | 3.094 | 20% |
| Листовой прокат | 2.089 | 2.229 | -6% | 2.125 | -2% | 6.479 | 6.427 | 1% |
| Товарная заготовка | 0.226 | 0.168 | 35% | 0.219 | 3% | 0.563 | 0.488 | 16% |
| Сортовой прокат | 0.578 | 0.576 | 0% | 0.541 | 7% | 1.652 | 1.495 | 11% |
| Метизы | 0.069 | 0.064 | 8% | 0.077 | -11% | 0.197 | 0.208 | -5% |
| **Итого металлопродукция** | **4.533** | **4.425** | **2%** | **4.254** | **7%** | **13.152** | **12.031** | **9%** |

## Appendix 11. NLMK Russia Flat steel product output

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Production, m t** | **Q3 2018** | **Q2 2018** | **QoQ** | **Q3 2017** | **YoY** | **9M 2018** | **9M 2017** | **YoY** |
| Merchant pig iron | 0.211 | 0.172 | 23% | 0.187 | 13% | 0.548 | 0.319 | 71% |
| Merchant slabs | 1.776 | 1.675 | 6% | 1.677 | 6% | 5.241 | 4.887 | 7% |
| Hot-rolled steel | 0.547 | 0.641 | -15% | 0.620 | -12% | 1.823 | 1.993 | -9% |
| Cold-rolled steel | 0.403 | 0.375 | 8% | 0.392 | 3% | 1.156 | 1.167 | -1% |
| Galvanized steel | 0.210 | 0.221 | -5% | 0.193 | 9% | 0.633 | 0.550 | 15% |
| Pre-painted steel | 0.105 | 0.102 | 3% | 0.102 | 3% | 0.308 | 0.319 | -3% |
| Dynamo steel | 0.076 | 0.075 | 1% | 0.072 | 6% | 0.226 | 0.228 | -1% |
| Transformer steel | 0.069 | 0.070 | -2% | 0.067 | 3% | 0.209 | 0.186 | 12% |
| **Total steel products** | **3.396** | **3.330** | **2%** | **3.310** | **3%** | **10.143** | **9.649** | **5%** |

## Appendix 12. Output of main raw materials

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Production, m t** | **Q3 2018** | **Q2 2018** | **QoQ** | **Q3 2017** | **YoY** | **9M 2018** | **9M 2017** | **YoY** |
| **Coke** | **1.537** | **1.463** | **5%** | **1.662** | **-8%** | **4.507** | **4.925** | **-9%** |
| NLMK Lipetsk | 0.617 | 0.609 | 1% | 0.627 | -2% | 1.824 | 1.848 | -1% |
| Altai-Koks | 0.920 | 0.854 | 8% | 1.034 | -11% | 2.683 | 3.078 | -13% |
| **Iron ore** | **4.635** | **4.491** | **3%** | **4.316** | **7%** | **13.593** | **12.833** | **6%** |
| Iron ore concentrate | 2.558 | 2.445 | 5% | 2.270 | 13% | 7.426 | 7.312 | 2% |
| Sinter ore | 0.375 | 0.375 | 0% | 0.382 | -2% | 1.126 | 1.140 | -1% |
| Pellets | 1.702 | 1.671 | 2% | 1.664 | 2% | 5.041 | 4.381 | 15% |
| **Scrap** | **0.733** | **0.681** | **8%** | **0.661** | **11%** | **1.736** | **1.613** | **8%** |

## Appendix 13. NLMK Group steel product sales (without NBH)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Sales, m t** | **Q3 2018** | **Q2 2018** | **QoQ** | **Q3 2017** | **YoY** | **9M 2018** | **9M 2017** | **YoY** |
| **Semi-finished** | **1.512** | **1.651** | **-8%** | **1.461** | **3%** | **4.806** | **3.953** | **22%** |
| Pig iron | 0.142 | 0.201 | -29% | 0.176 | -19% | 0.601 | 0.287 | > 100% |
| Slabs | 1.172 | 1.293 | -9% | 1.136 | 3% | 3.635 | 3.232 | 12% |
| Billet | 0.198 | 0.157 | 26% | 0.148 | 33% | 0.569 | 0.434 | 31% |
| **Flat steel** | **2.169** | **2.251** | **-4%** | **2.191** | **-1%** | **6.368** | **6.445** | **-1%** |
| Plate | 0.121 | 0.137 | -11% | 0.107 | 14% | 0.400 | 0.353 | 13% |
| Hot-rolled steel | 0.875 | 1.036 | -15% | 0.979 | -11% | 2.744 | 2.987 | -8% |
| Cold-rolled steel | 0.516 | 0.491 | 5% | 0.489 | 6% | 1.448 | 1.464 | -1% |
| Galvanized steel | 0.379 | 0.336 | 13% | 0.358 | 6% | 1.021 | 0.914 | 12% |
| Pre-painted steel | 0.128 | 0.101 | 27% | 0.133 | -3% | 0.316 | 0.310 | 2% |
| Transformer steel | 0.069 | 0.073 | -5% | 0.063 | 10% | 0.210 | 0.186 | 13% |
| Dynamo steel | 0.079 | 0.077 | 3% | 0.062 | 28% | 0.228 | 0.231 | -1% |
| **Long products** | **0.737** | **0.482** | **53%** | **0.589** | **25%** | **1.774** | **1.711** | **4%** |
| Long | 0.664 | 0.426 | 56% | 0.514 | 29% | 1.584 | 1.506 | 5% |
| Metalware | 0.073 | 0.056 | 30% | 0.075 | -3% | 0.190 | 0.205 | -7% |
| **Total steel products** | **4.418** | **4.384** | **1%** | **4.240** | **4%** | **12.948** | **12.109** | **7%** |

1. NLMK Russia Flat companies include NLMK Lipetsk, VIZ-Steel, and Altai-Koks. Export sales are calculated including the corresponding share of trading companies. [↑](#footnote-ref-2)
2. NLMK Russia Long companies include NLMK Ural, NLMK Metalware, NLMK Kaluga and scrap collecting facilities. Export long product sales are calculated including the corresponding share of trading companies. [↑](#footnote-ref-3)
3. NLMK USA includes NLMK Indiana, NLMK Pennsylvania, and Sharon Coating. Data for NLMK USA is presented in metric tonnes. [↑](#footnote-ref-4)
4. NBH assets include producers of plates - NLMK Clabecq (Belgium), NLMK Verona (Italy) - and producers of flat steel - NLMK La Louvière (Belgium) and NLMK Strasbourg (France). [↑](#footnote-ref-5)