



NLMK GROUP STRATEGY 2022

March 2019

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Marjan Oudeman

Member of the Board of
Directors,
Independent Director



Oleg Bagrin

Member of the Board of
Directors,
Chairman of the Strategy
Committee



Grigory Fedorishin

CEO



Shamil Kurmashov

CFO

- | | | |
|--------------|--------------------------------------|--|
| 8:30 | CORPORATE GOVERNANCE IN FOCUS | MARJAN OUDEMAN
Independent Director |
| 8:45 | MAINTAINING LEADERSHIP | OLEG BAGRIN
Chairman of the Strategy Committee |
| 9:00 | STRATEGY 2022 HIGHLIGHTS | GRIGORY FEDORISHIN
CEO |
| 9:30 | BALANCED CAPITAL ALLOCATION | SHAMIL KURMASHOV
CFO |
| 9:45 | CONCLUDING REMARKS | GRIGORY FEDORISHIN
CEO |
| 10:00 | Q&A | |

MARJAN OUDEMAN
Independent Director

Corporate governance
in focus



Corporate governance is the system of rules, practices and processes by which

- a company is controlled and directed
- a board of directors ensures accountability, fairness, and transparency in a company's relationship with its stakeholders

- High corporate governance standards with highly engaged Board
- Financial and non-financial reporting
- Nomination and remuneration of the executive leadership
- Business strategy development and delivery
- Sustainable development
- Competitive shareholder returns
- Capital allocation
- Human capital strategy





NEW INDEPENDENT BOARD MEMBER

- Ms. Marjan Oudeman joined the Board in June 2018
- Over 35 years of extensive experience in the steel industry and international business
- Took senior executive positions at AkzoNobel, Corus Group, Hoogovens Group
- Member of the Board of Directors of Solvay SA, SHV Holdings, NV Aalberts Industries NV, UPM - Kymmene Corporation

>50% Independent Directors

2/3 Committees with a majority of independent directors

2/3 Committees chaired by independent directors

3/4 Directors with expertise in metals and mining

3/4 Directors with expertise in international businesses

STRATEGY COMMITTEE

HR COMMITTEE

AUDIT COMMITTEE

Expertise

100% experience in global strategy development

**80% metals & mining
100% HR & general management**

100% finance, compliance and risk

Key matters reviewed in 2018

- Strategy 2017 execution
- Strategy 2022 development
- Investment program monitoring

- Human capital – part of Strategy 2022 development
- CEO succession
- Management motivation
- Independent directors
- Board evaluation

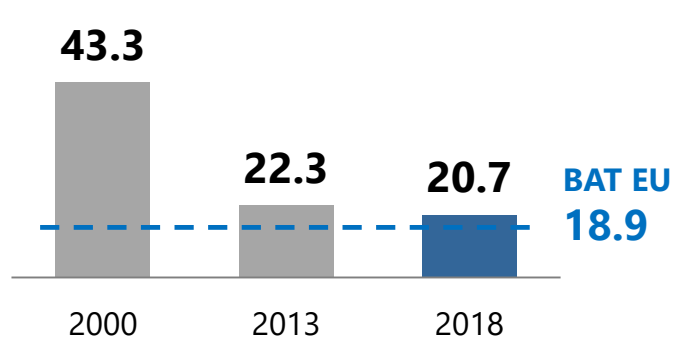
- Review of financials
- Review of external & internal audit activities
- Review of risk management & anticorruption practices

NLMK has delivered significant progress on minimizing environmental impact from its operations

Leveraging strong track record & expertise for further improvements

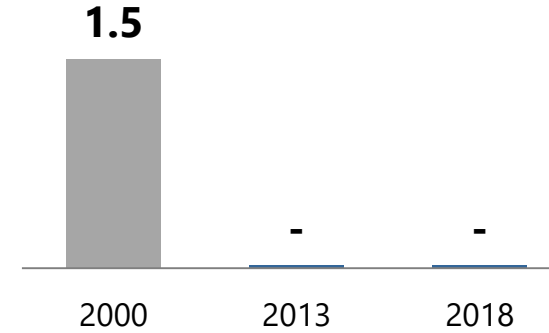
SPECIFIC AIR EMISSIONS

Kg/t of steel, NLMK integrated operations



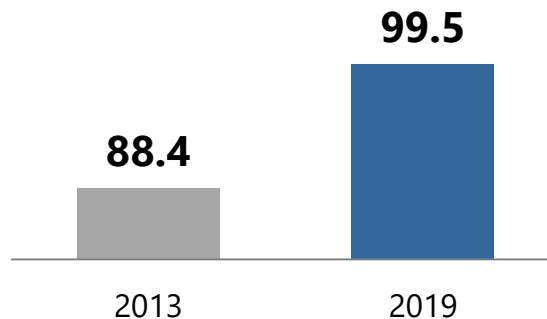
WATER DISCHARGE

Kg/t of steel, NLMK integrated operations



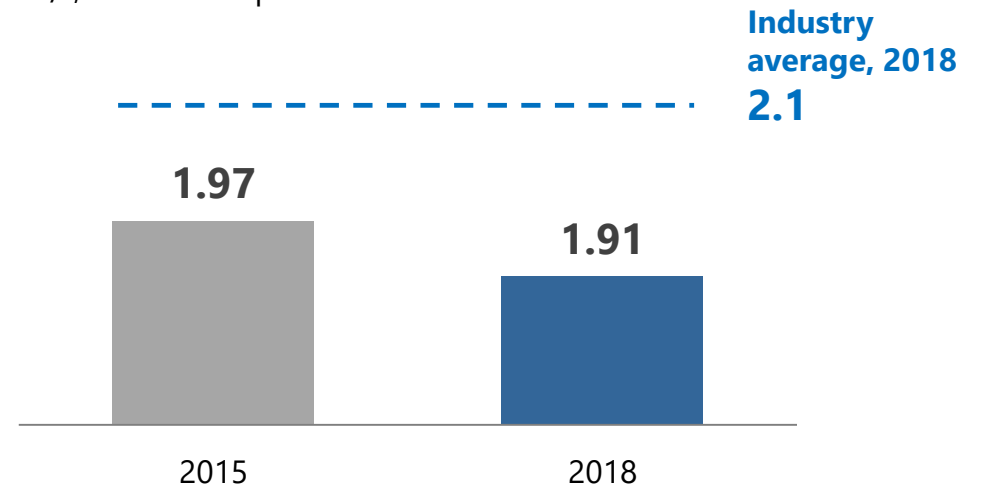
RECYCLING OF GENERATED FE-CONTAINING WASTE

%, NLMK integrated operations



DIRECT & INDIRECT CO₂ EMISSIONS

t/t, NLMK Group



Source: industry average for CO₂ emissions (direct & indirect) as per Science Based Targets



HR COMMITTEE REVIEWED AND APPROVED HUMAN CAPITAL DEVELOPMENT STRATEGY 2022

- **Targeted 25%* increase in labor productivity across the Group**
- **New processes to bring advanced management practices to the shop floor**
- **Employee engagement at all levels to drive operational excellence**
- **Compensation system to be fully objectives and merit based**
- **Development of knowledge management system**
 - In-house Corporate University with 300 internal trainers
 - 50,000 users of Knowledge Management system with smartphone access
 - 35,000 users of internal portal & online HR services

* vs the base level of 2017



FORWARD AGENDA ITEMS OF THE BOARD

- Strategy 2022 delivery
- Agenda beyond Strategy 2022
- Extending focus on Environmental, Social and Governance (ESG) & reporting in accordance with Global Reporting Initiative (GRI)
- Board composition evolution

OLEG BAGRIN
Chairman
Strategy Committee
of the Board of Directors

Maintaining Leadership



Strategy 2017 targets announced by Vladimir Lisin, Chairman of the Board,
at NLMK Capital Markets Day, February 2014

STRATEGY 2017 TARGETS

- Net gains of \$1.0 bn pa. vs. 2013
- Reduction of annual capex to \$0.9 bn pa.
- Conservative leverage: Net debt/EBITDA of 1.0x
- Stable positive free cashflow
- 30% dividend payout throughout the cycle

PILLAR	KEY METRICS	2013A	2018 Target	2018A	2018 Target gain, \$ m	2018 Actual gain, \$ m	
1. Operational Efficiency	<ul style="list-style-type: none"> ○ Slab cost reduction, \$/t ○ Productivity and yield improvements in all operations 	329	-12	-24	+330	+701	✓
2. Resource Base	<ul style="list-style-type: none"> ○ Iron ore concentrate output, m t ○ Iron ore pellets output, m t 	14.0 0	17.2 6.0	17.4 6.7	+480	+502	✓
3. Market Leadership	<ul style="list-style-type: none"> ○ Shipments, m t 	14.9	16.3	17.4	+190	+145	
4. Safety and Sustainability	<ul style="list-style-type: none"> ○ Labor productivity, t/FTE ○ LTIFR* 	250 0.9	325 0.6	328 0.4			
					+1,000	+1,348	✓

* LTIFR – Lost Time Injury Frequency Rate (per 1 mln man-hours worked) for employees, Russian operations

In 2014-2018, Strategy 2017 delivered \$1,348 m of net gains*, well above initial target

Operational efficiency projects driven by NLMK Production System contributed c.\$700 m

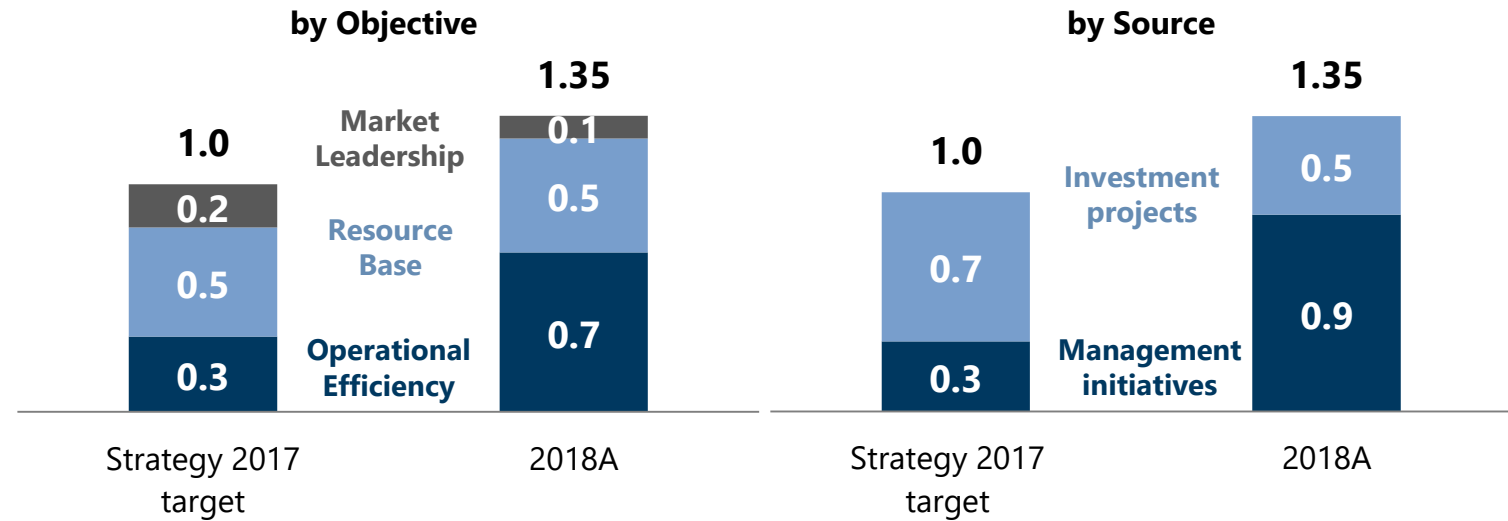
Investment projects mainly focused on upstream operations generated c.\$500 m

Higher downstream capacity utilization and sales growth brought c.\$150 m

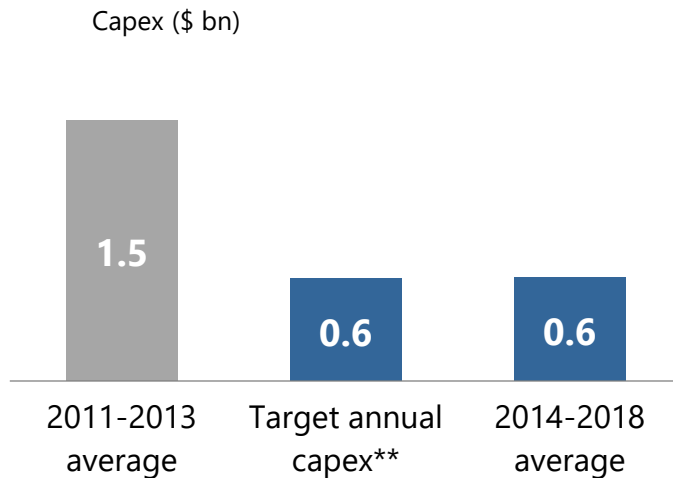
Capex was lower relative to previous cycle and stayed in line with target of \$600 m pa

Strategy 2017 projects were the main driver behind profitability growth from 14% in 2013 to 30% in 2018

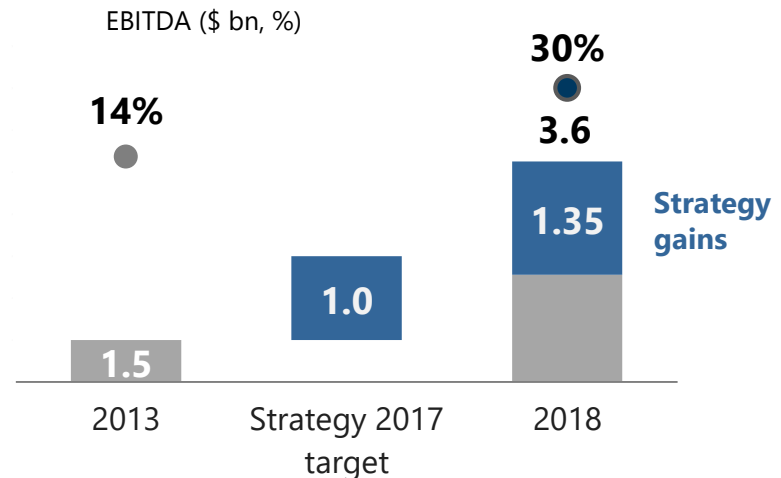
✓ STRATEGY NET GAINS RELATIVE TO TARGET, \$ bn



✓ LOWER CAPITAL INTENSITY



✓ STRUCTURAL PROFITABILITY GROWTH



*All numbers include NBH results unless otherwise stated

** Updated (reduced) capex target of 2015

Strategy 2017 execution resulted in strong financial performance

FCF was rising four years in a row supported by earnings expansion and cost improvement

Net debt/EBITDA ratio fell to 0.25x, well below initial target

Solid operational results and lower capital intensity allowed higher dividends

- 2018 dividends to exceed \$2 bn
- High payout maintained despite tough market environment in 2015-2016

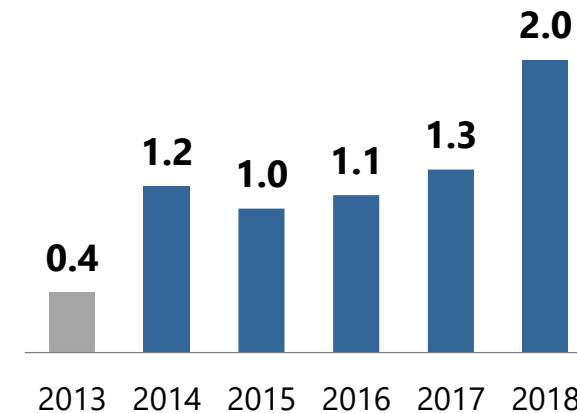
✓ LEVERAGE* BELOW TARGET

Net Debt / EBITDA ratio



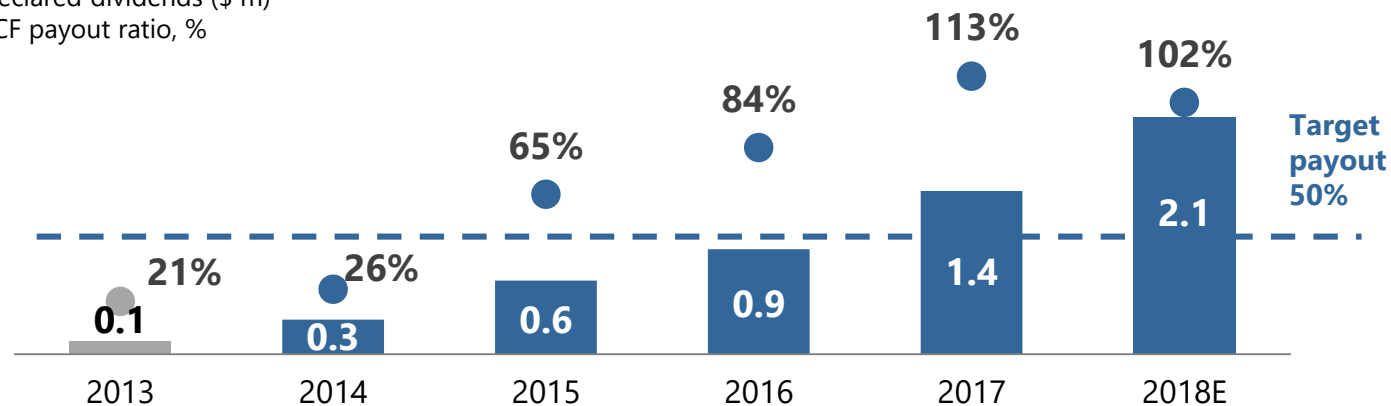
* Excluding NBH

✓ STABLE HIGH FREE CASH FLOW*, \$ bn



✓ SUPERIOR SHAREHOLDER RETURNS

Declared dividends (\$ m)
FCF payout ratio, %



NLMK is the largest steelmaker in Russia with 35% share of the country's high value-added (HVA) products output

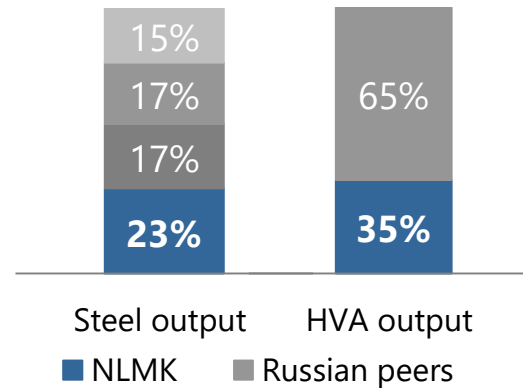
NLMK delivered strongest growth in steel output among its peers in 2013-2018

Operational excellence and well-invested facilities position NLMK as the lowest cost producer

Balance sheet strength provides resilience and flexibility in capital allocation through the cycle

#1 STEEL PRODUCER IN RUSSIA

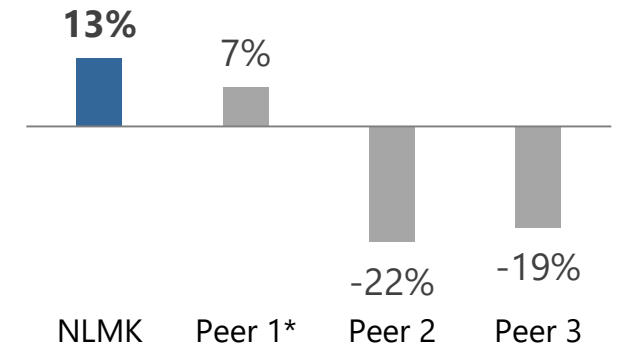
Share in 2018 Russian steel output



Latest reported data. High value added (HVA) flat steel: CR coils, coated steel, electrical steel

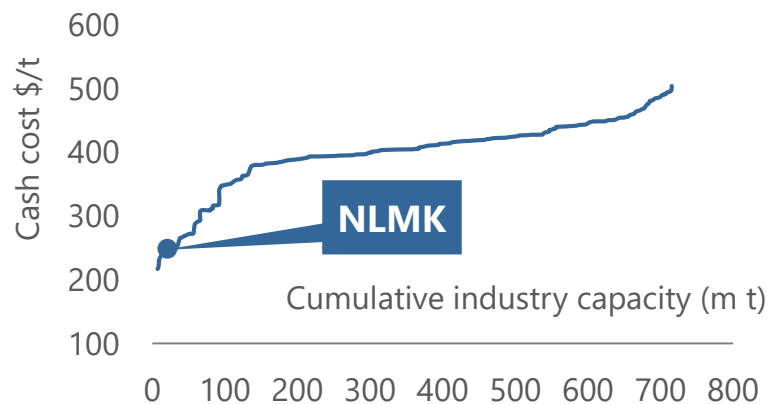
IMPRESSIVE PRODUCTION GROWTH

2018/2013



* Russian peers (incl. foreign operations)

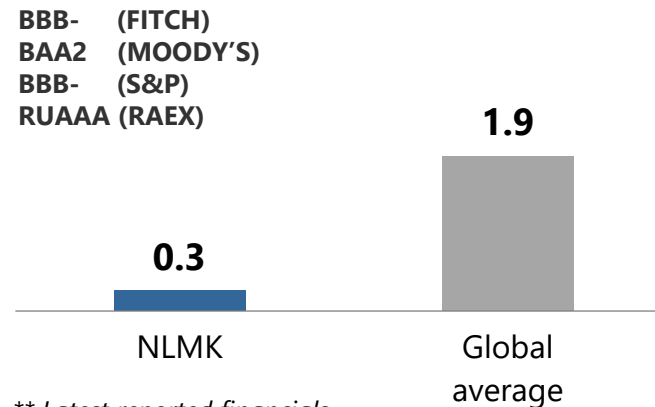
NLMK IS ONE OF THE LOWEST COST PRODUCERS



Source: World Steel Dynamics, Jan'19 data

CONSISTENTLY LOW LEVERAGE

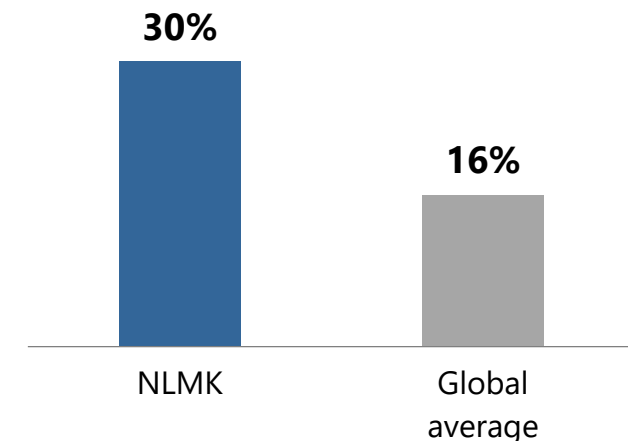
2018 Net debt / LTM EBITDA**



** Latest reported financials

OUTSTANDING PROFITABILITY

EBITDA margin**, 2018



Steel demand growth to slow

- Global consumption growth is set to drop from 4% pa in 2000-2018 to 1% pa until 2022 driven by less steel intensive growth in China
- Demand in developed markets to stabilize
- Strong fundamentals for consumption growth in emerging economies ex-China

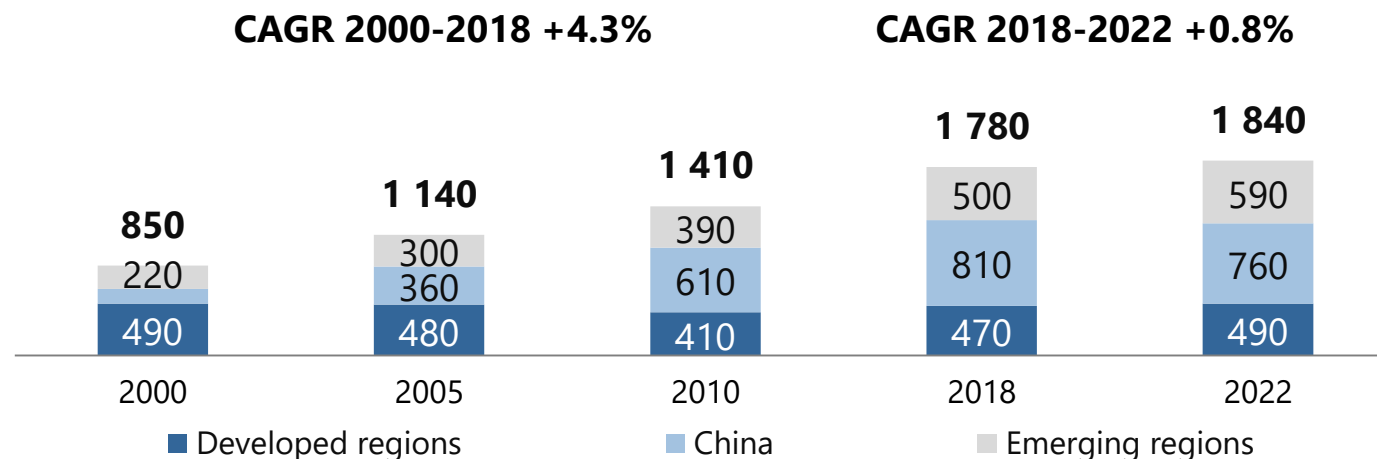
Drop in Chinese steel demand will exacerbate global overcapacity, weigh on raw materials and steel prices

- Chinese steel capacity rationalization and demand growth in other regions will support utilization rates

Trade barriers will remain in place pegging Chinese and global exports

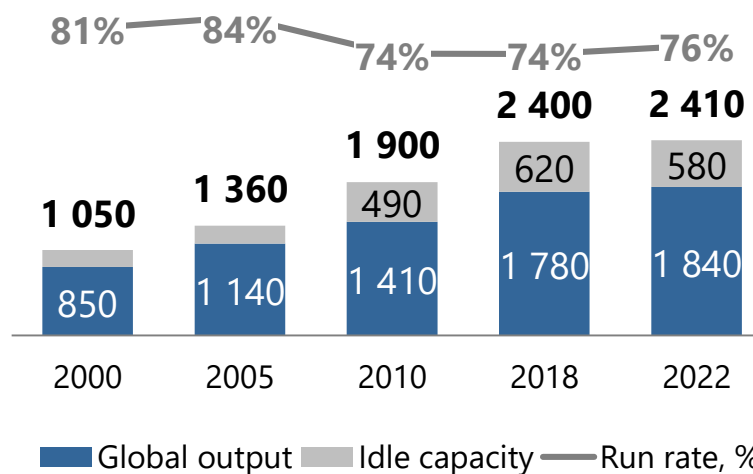
- The US, EU and Asian countries imposed record number of steel trade restrictions

MODERATE GROWTH OF GLOBAL STEEL CONSUMPTION, m t



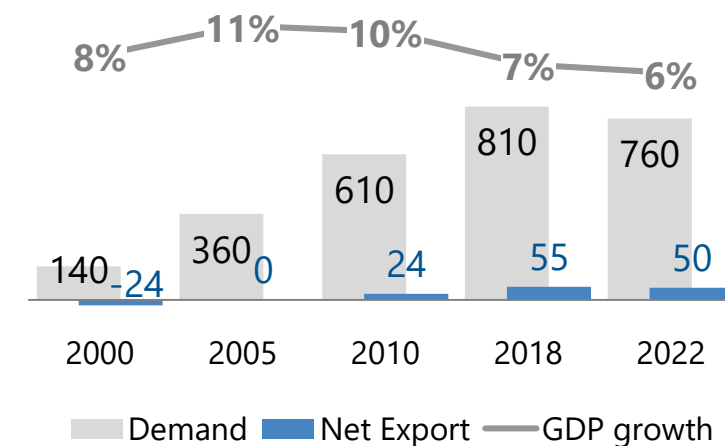
Source: worldsteel

PERSISTENT OVERCAPACITY, m t



Source: worldsteel, OECD

DEMAND, NET EXPORTS IN CHINA, m t



High level of diversification across products and markets

- Mitigates exposure to and potential profitability drops in specific segments

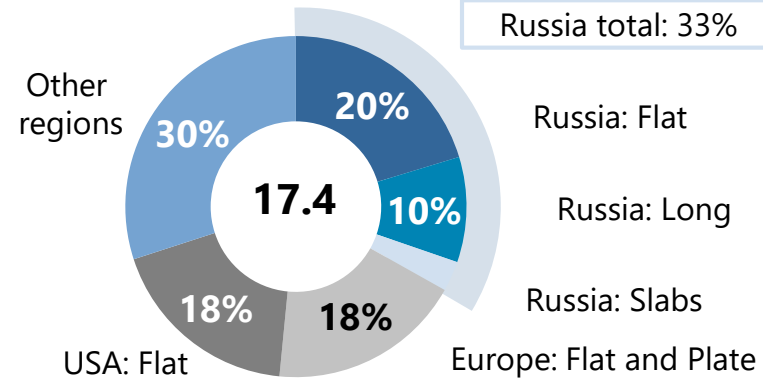
Growing localization in Home markets

- Ensures direct access to core markets partially offsetting trade barriers

High vertical integration and lowest production costs

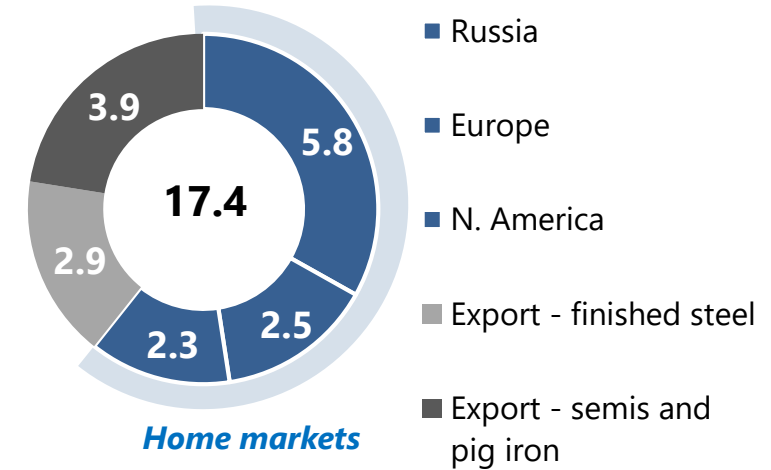
- Capturing margins across the entire production chain
- Resulting in high capacity utilization and profitability through the cycle

SALES BY PRODUCT*, 2018, %



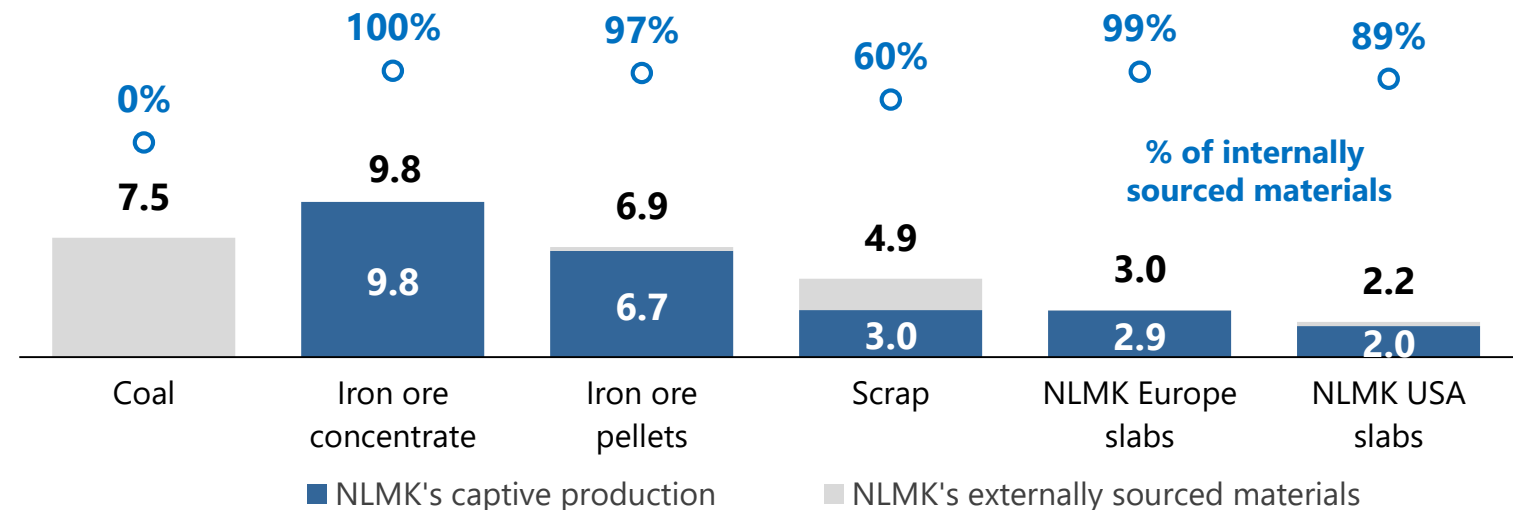
* Including NBH

SALES BY REGION*, 2018, m t



Home markets

SELF-SUFFICIENCY IN KEY INPUTS, 2018, m t



1 LOW-COST

Lowest steel production cost globally
Operational and process excellence

2 GROWING

Growth across the
integrated production chain
Full self-sufficiency in
key raw materials and energy



4 SUSTAINABLE

Safe operations
Low environmental footprint
Socially responsible business

3 PREMIUM QUALITY

Growing exposure to premium
segments in our core markets

GRIGORY FEDORISHIN
CEO

Strategy 2022 highlights



Key focus areas of operational improvements with zero or minor capex

- Production growth along integrated value chain
- Lower cost of steel - targeted slab cash cost reduction of \$18/t

Target setting

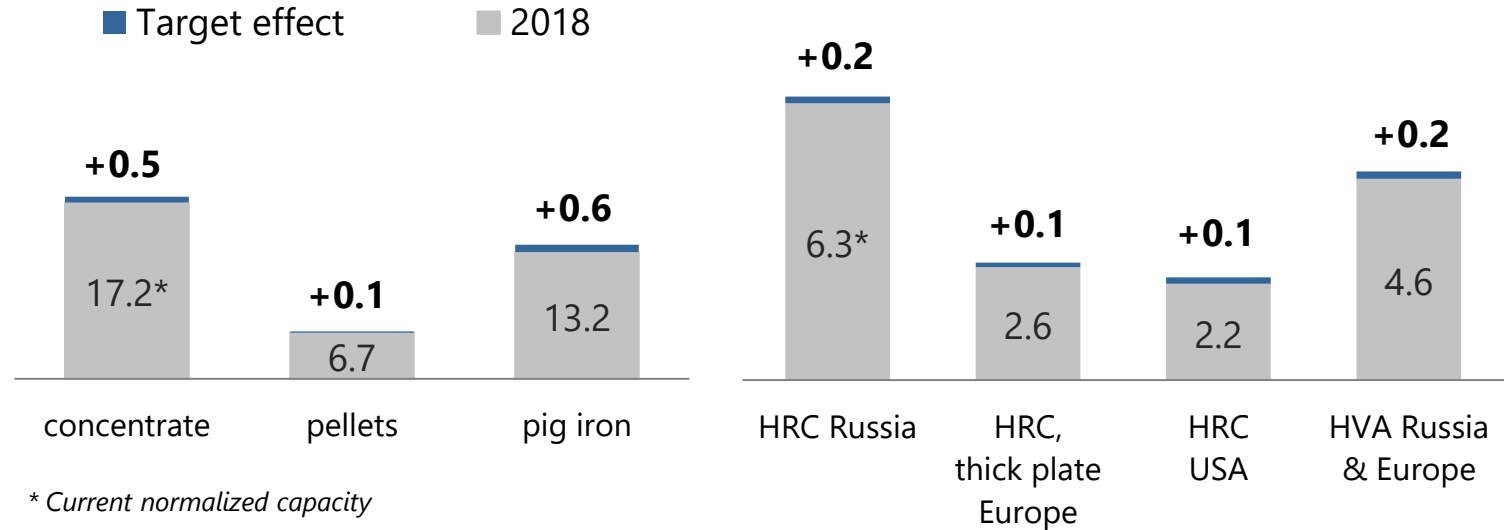
- Technology based
- Internal benchmarking
- Peers' best practice

NLMK Production System to drive the process

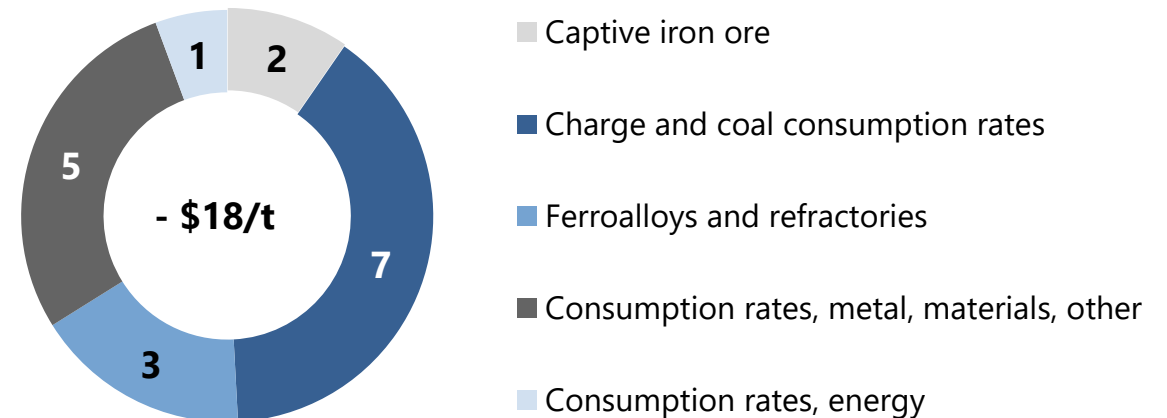
- Ongoing technology development with the highest impact in the hot end production
- High engagement of operational personnel

Labor productivity to grow by 25% across the Group

GROWTH IN PRODUCTION THROUGH IMPROVED OPERATIONAL EFFICIENCY, m t



TARGETED REDUCTION IN SLAB CASH COSTS RELATIVE TO 2018, RUSSIA FLAT, \$/t



Target structural EBITDA gain of (+) \$500 m pa

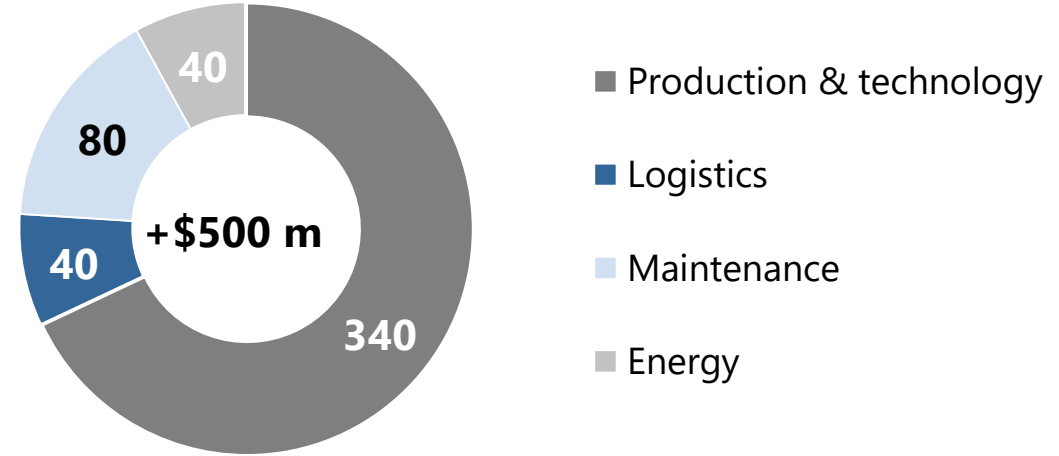
Minor CAPEX requirements of \$50 m

The largest gains to come from production processes and technology

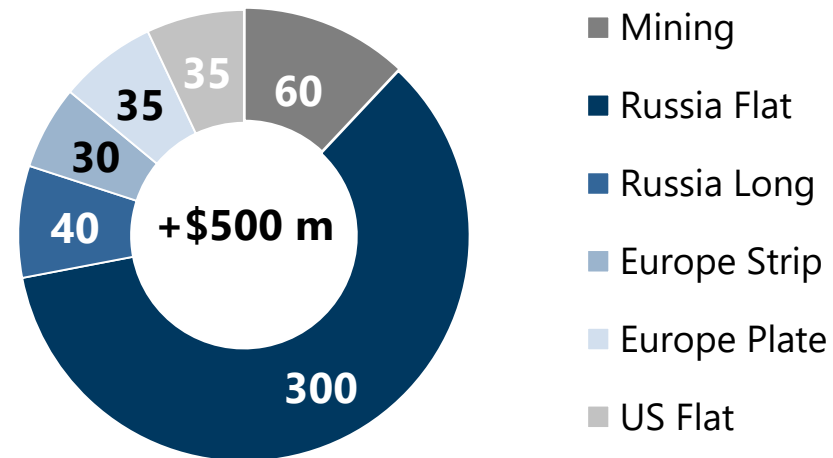
Russia Flat division to contribute the most

- Lower cost of steel
- Better yields
- Improved logistics and overhauls
- Removed bottlenecks
- Higher quality and productivity

TARGET EBITDA GAIN BY 2023 VS 2018, BY AREA, \$ m pa



TARGET EBITDA GAIN BY 2023 VS 2018, BY DIVISION, \$ m pa



'No-regret' growth project to increase steel production to 14.2 m t pa (+1 m t)

- Continuous casting upgrade at NLMK Lipetsk - superior quality slabs
- Concentrate and pellets output to rise by 2.3 m t and 1.2 m t pa, respectively – 100% integration in iron ore
- Infrastructure debottlenecking

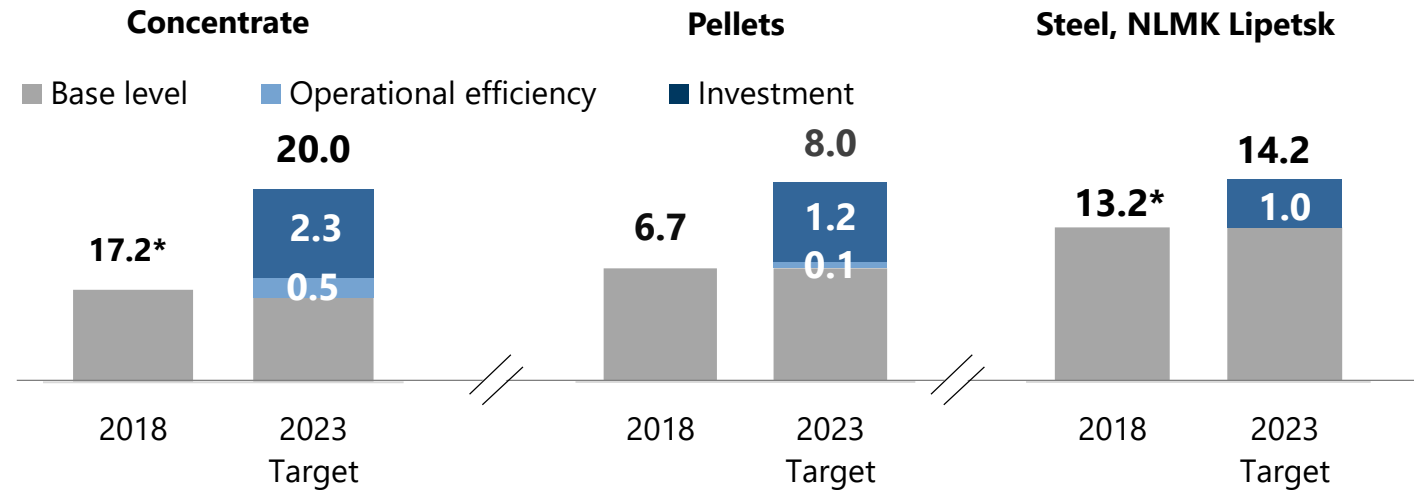
Increase in energy self-sufficiency at Russia Flat

- A 300 MW power plant project to recover by-product fuel gases
- 94% energy self-sufficiency at NLMK Lipetsk

Reduction of premium coal grades in total consumption

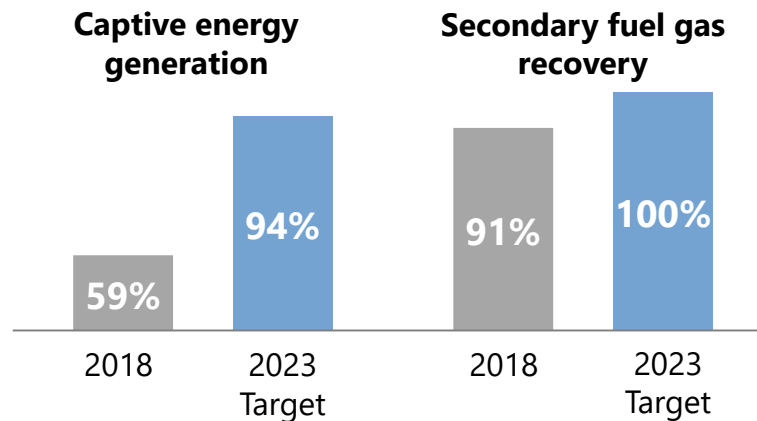
- Coal charge stamping project to reduce premium grades consumption from 4.2 m t to 3.8 m t (from 45% to 40%)

PRODUCTION VOLUMES, m t

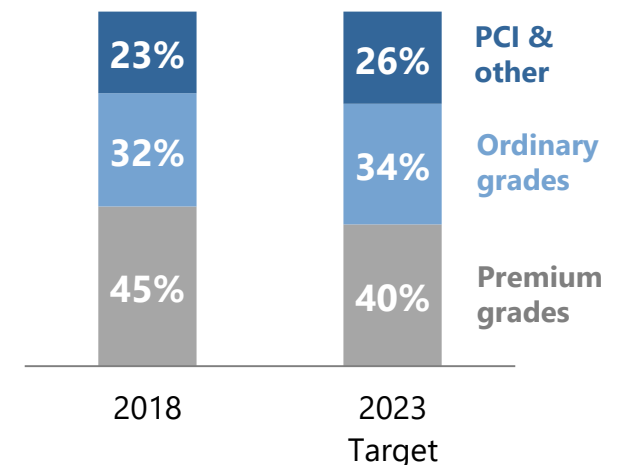


* Normalized capacity

ENERGY SELF-SUFFICIENCY TARGETS, NLMK LIPETSK



COAL CONSUMPTION BY GRADE



Target structural EBITDA gain of (+) \$300 m pa

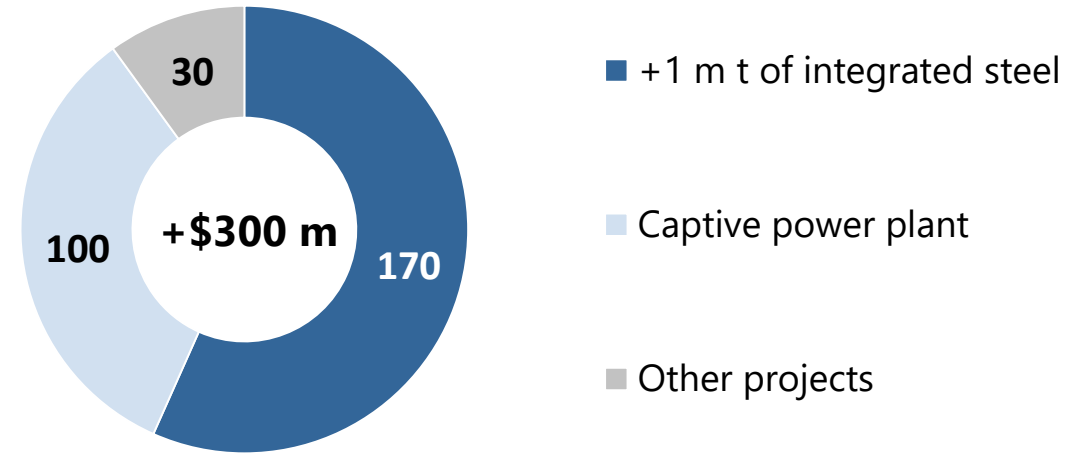
Targeted slab cash cost reduction of \$9/t

CAPEX requirement: \$990 m

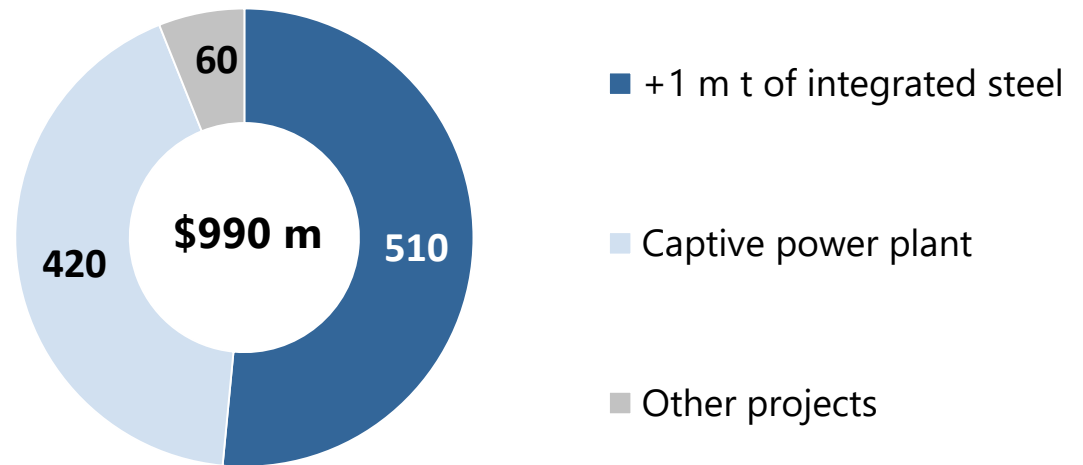
- +1 m t of integrated steel: \$510 m
- Captive power plant: \$420 m

IRR on investments: 27%

TARGET EBITDA GAIN BY 2023 VS 2018, \$ m pa



TOTAL REQUIRED CAPEX 2019-2023, \$ m



Targeted total sales growth: +0.6 m t

- Steel production growth
- Structural sales of pig iron and billets to be lower than during strong 2018
- Slab supplies from the 3rd parties assumed to increase to 0.4 m t (2018: 0.3 m t)

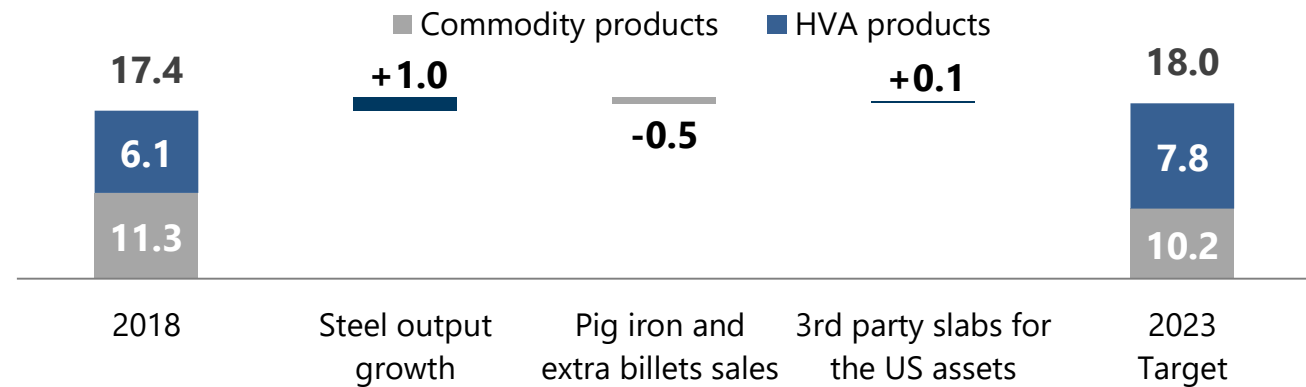
New steel volumes to be converted into high value added (HVA) products: +1.7 m t

Targeted growth of sales by regions:

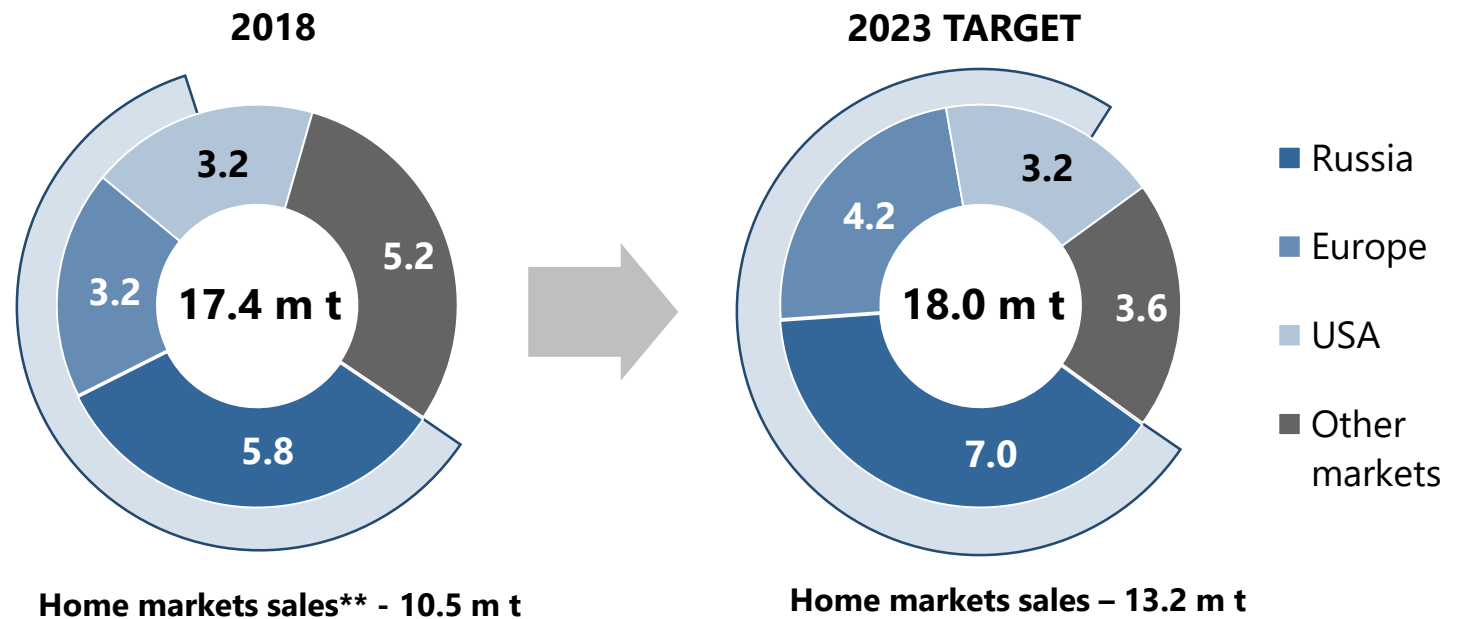
- Russian market: +1.2 m t (+22%), growth from 33% to 39% of total sales
- European market: +1 m t (+32%)
- US market: +0.3 m t (+13%) at the US division to be offset by decrease in pig iron sales from Russia (0.3 m t in 2018)

Targeted growth in home markets (Russia, Europe and the US): +2.7 m t

TARGET SALES PRODUCT MIX IMPROVEMENT, m t



TARGET MARKET STRUCTURE IMPROVEMENT*, m t



* Incl. export sales from the Russia Flat and Long to related markets ** Sales in the regions where the products are manufactured

Russia Flat: New galvanizing line at NLMK Lipetsk

- Rising demand for coated products in Russia
- Additional HDG capacity of +0.4 m t to be partially used to feed existing pre-painted capacity
- Premium coatings and high strength grades

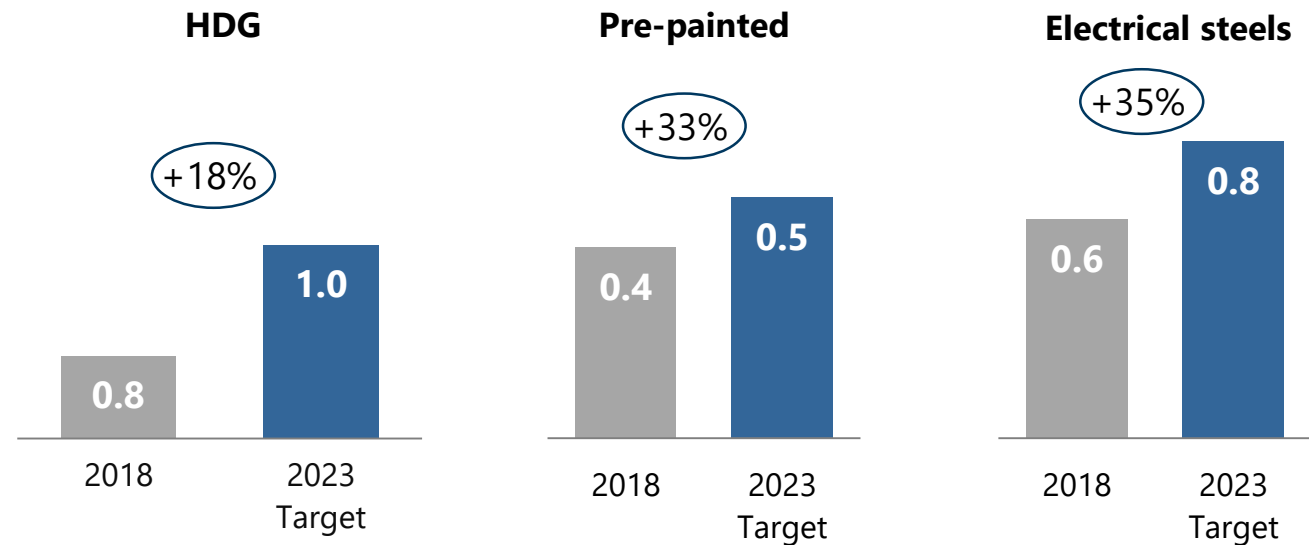
Russia Flat: Increased electrical steel output (GO and NGO) for the global market

- Expected boom in global production of EVs, energy-efficient equipment and transformers
- High grade GO output: +0.1 m t
- Premium grade NGO production for electric vehicles & energy-efficient motors: +0.1 m t

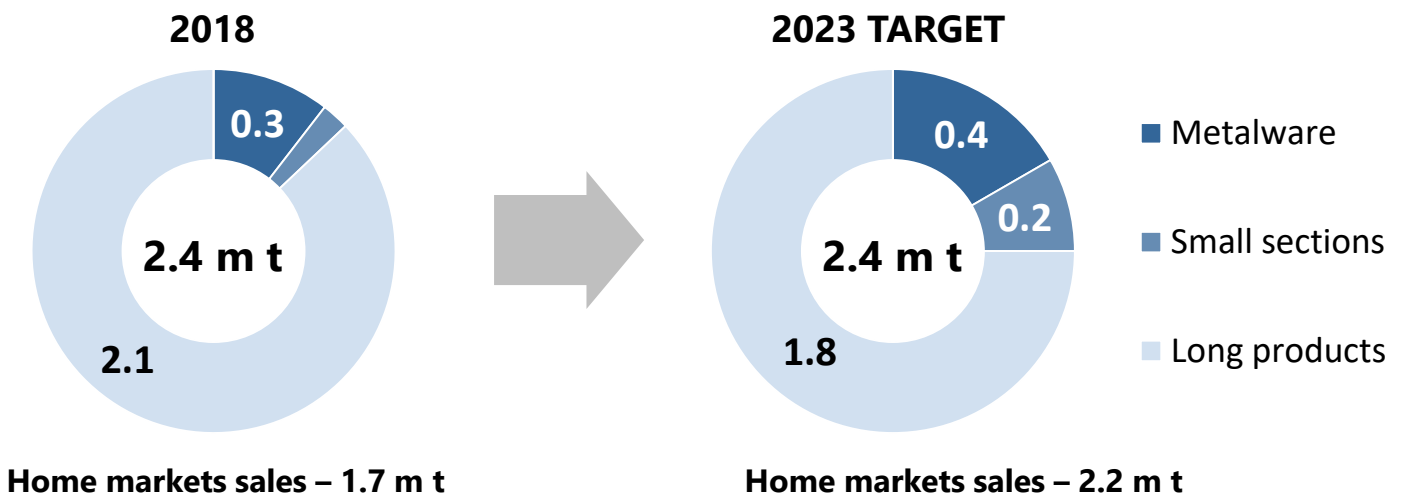
Russia Long: Improved product mix

- Switch from rebar to higher margin shapes: +0.2 m t, advanced metalware products: +65 k t
- Volumes to the Russian market: +0.5 m t (+28%)
- Direct rebar sales to construction end-users to achieve 33% of the portfolio (2018: 25%)

SALES TARGETS FOR SELECTED HVA PRODUCTS, RUSSIA FLAT, m t



TARGETED LONG PRODUCT MIX IMPROVEMENT, m t



Europe Strip: Increased exposure to fast growing premium segments

- Sales of thin and high-strength steel +0.6 m t. Wider accessible market, market share stays at the same level. Premium coatings: +0.1 m t
- Upgrade of hot strip mill and HDG line
- Europe Strip capacity utilization to reach 80-85%

Europe Plate: Premium plates at Dansteel

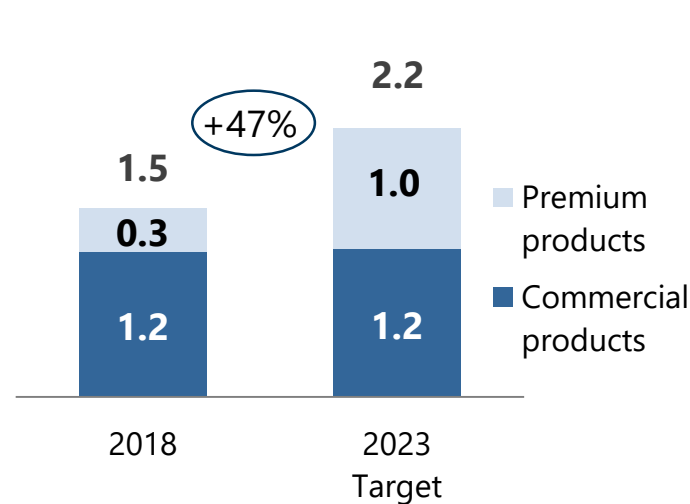
- Additional demand for thick plates for windmills production: 8-11 m t until 2023 and another 12-20 m t in 2023-2030
- +0.2 m t of thick plates for wind generation & pressure vessels at Dansteel
- Key projects: accelerated cooling system and new reheating furnace

Europe Plate: Mix improvement at Clabecq & Verona

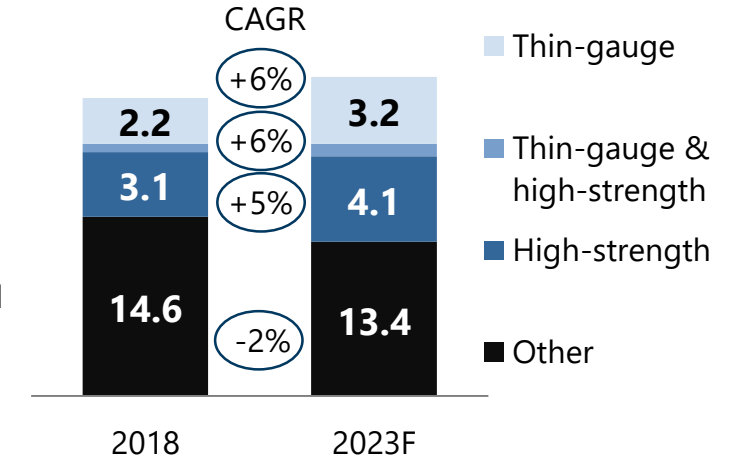
- +0.2 m t of Q&T and DQ plates at Clabecq with corresponding reduction in commercial grades
- Europe Plate capacity utilization to reach 80%

US division's strategy is under review

EUROPE STRIP TARGET SALES, m t

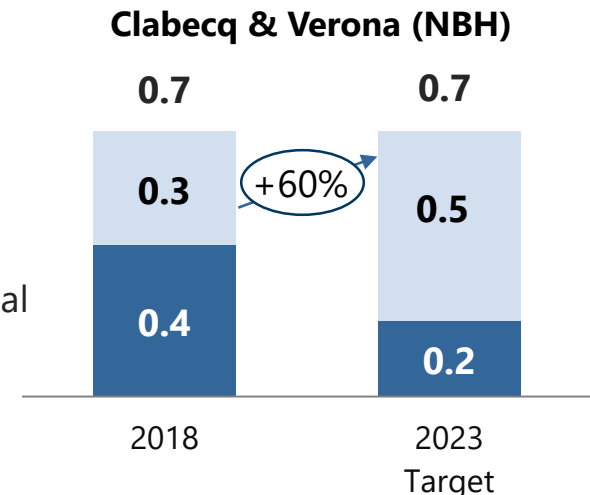
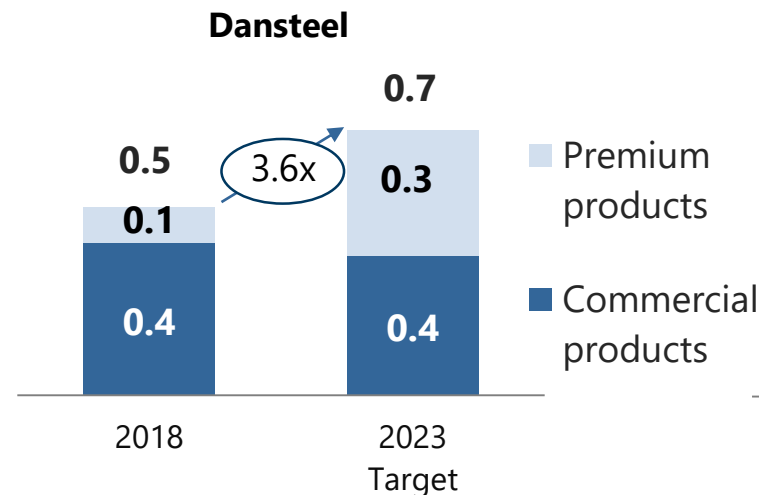


HR STEEL DEMAND FORECAST, EU-12, m t



Source: CRU, customers data

TARGET PLATES SALES, m t



Targeted structural EBITDA gain of (+) \$450 m pa

- 60% of the effect to be generated by the Russian divisions and 40% by the European and the US divisions

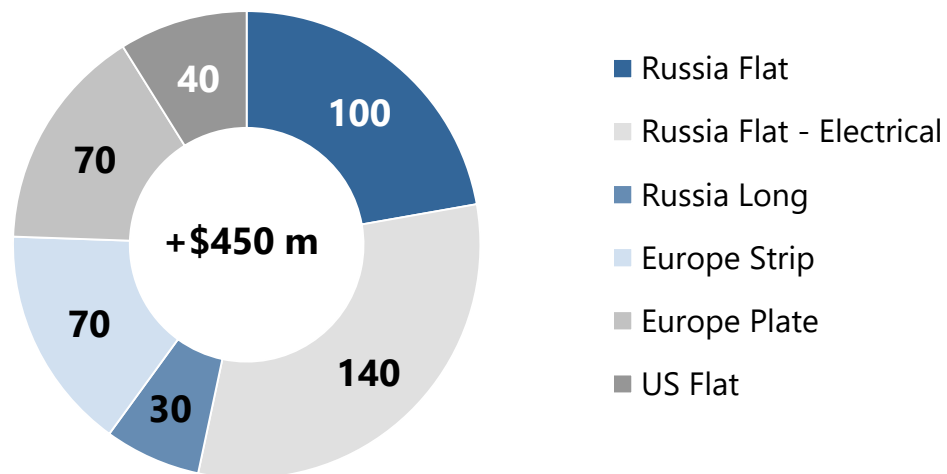
CAPEX requirement: \$1,060 m

IRR on investments: 29%

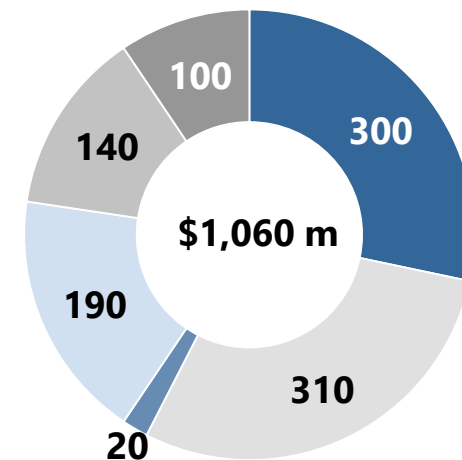
HVA products development – key objectives:

- To ensure an offtake for increased steel volumes
- To generate additional margins
- To reduce volatility of commodity segments

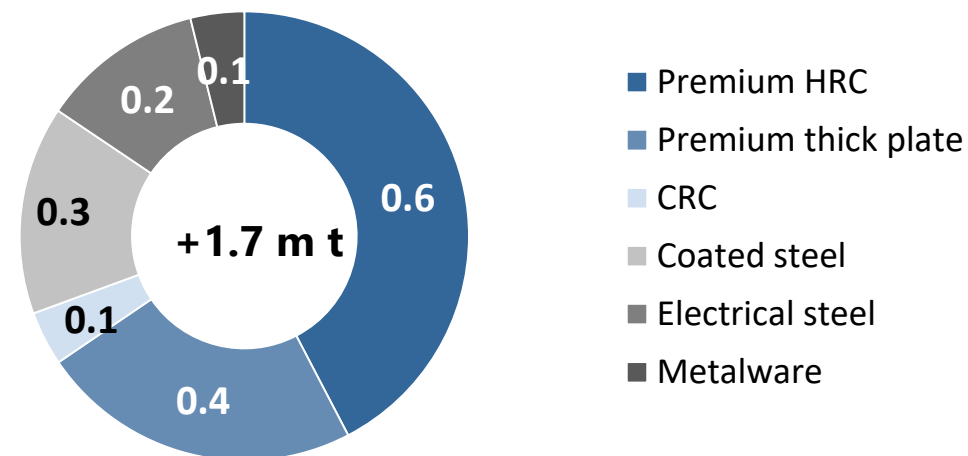
TARGETED EBITDA GAIN BY 2023 VS 2018, \$ m pa



TOTAL REQUIRED CAPEX, 2019-2023, \$ m



TARGETED INCREASE IN HVA PRODUCTS BY 2023, m t



Safety development programs

- Safety culture programs & communications
- Contractors management
- Safety risk management

Targeted 35% drop in LTIFR relative to 2018 and zero fatalities

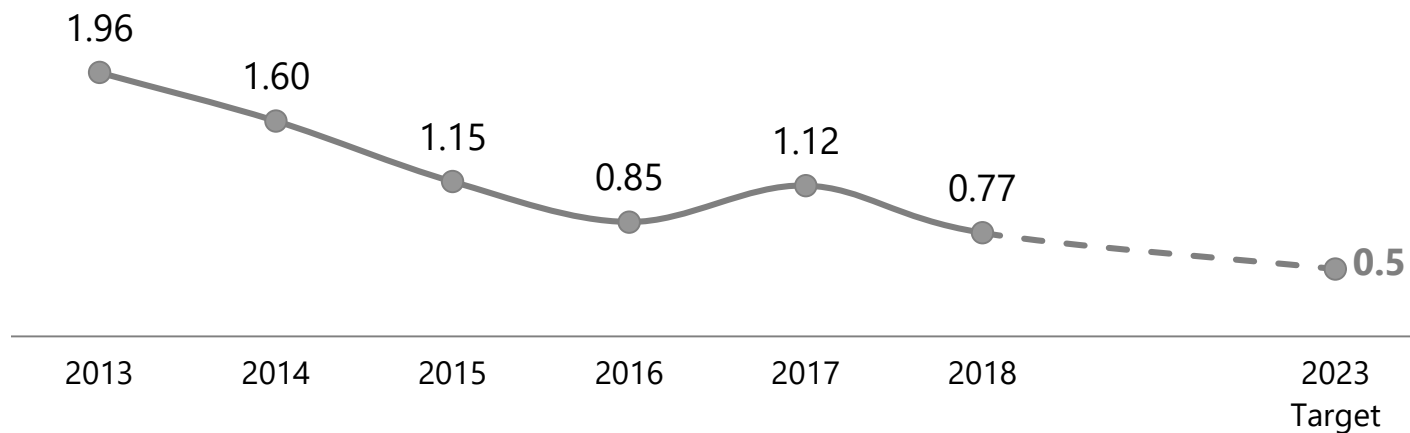
- LTIFR of 0.5 corresponds to TOP-20 steel companies, as per 2017 WSA ranking

Environmental programs' focus

- Further reduction in environmental footprint
- Waste recycling: metallurgical briquette plant with a capacity of 700 kt pa

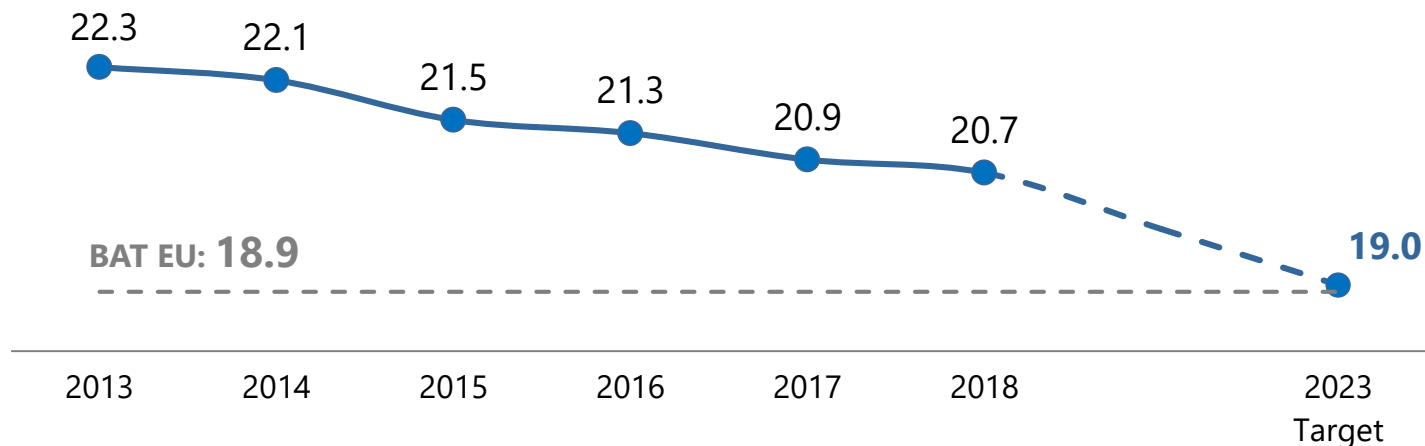
Specific air emissions to reach 19.0 kg/t of steel at NLMK Lipetsk

GROUP SAFETY TARGETS, LTIFR*, EMPLOYEES & CONTRACTORS



* LTIFR refers to Lost Time Injury Frequency Rate, the number of lost time injuries occurring in a workplace per 1 million man-hours worked, employees and contractors

SPECIFIC AIR EMISSIONS, NLMK LIPETSK, kg/t of steel



① LOW-COST

Lowest steel production cost globally

Operational and process excellence

+ \$500 m

with minor capex

④ SUSTAINABLE

Safe operations

Low environmental footprint

Socially responsible business



+ \$1,250 m

② GROWING

Growth across the integrated production chain

Full self-sufficiency in key raw materials and energy

+ \$300 m

+ 1 m t steel pa

③ PREMIUM QUALITY

Growing exposure to premium segments in our core markets

+ \$450 m

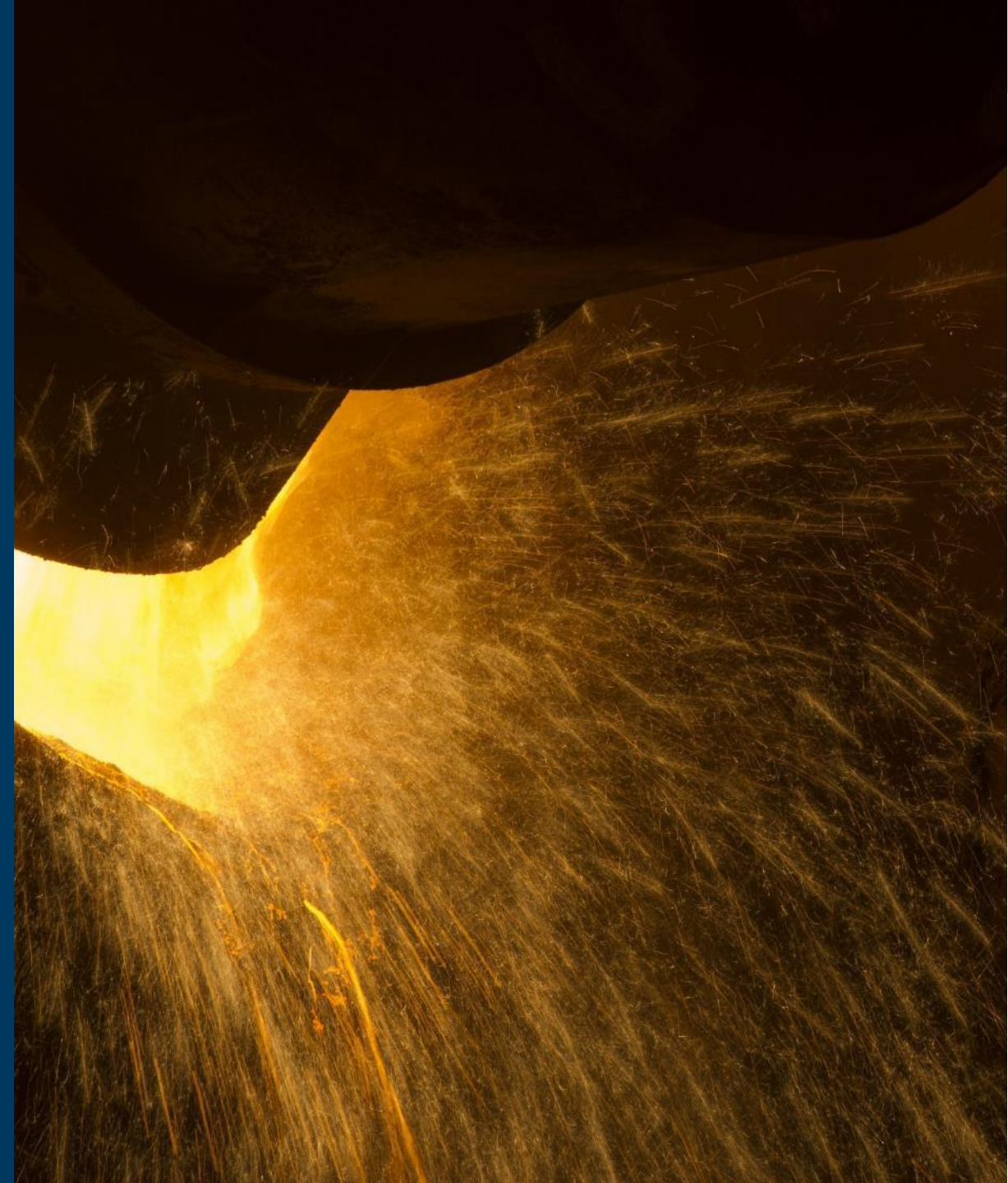
+1.7 m t HVA products

- NLMK is well positioned for the new strategic cycle and we plan to maintain our solid execution track record
- We set an ambitious target to generate additional \$1.25 bn of EBITDA through the implementation of Strategy 2022
- As we move towards our goals we will continue to maintain relentless focus on sustainability and maximizing shareholder value



SHAMIL KURMASHOV
CFO

Balanced capital allocation



EBITDA rose to 10-year high of \$3.6 bn in 2018 following Strategy 2017 implementation

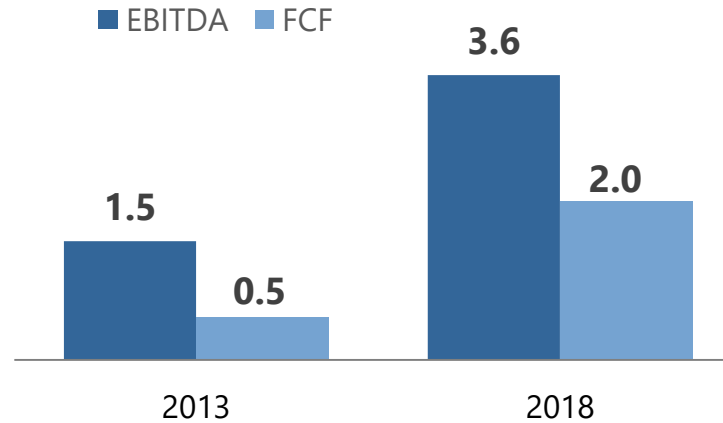
FCF jumped to an all-time-high in 2018 on stronger cash flow from operations and disciplined capex

As a result, Net debt / EBITDA fell to 0.25x

Conservative balance sheet structure and strong cash flow generation led to improved shareholder returns

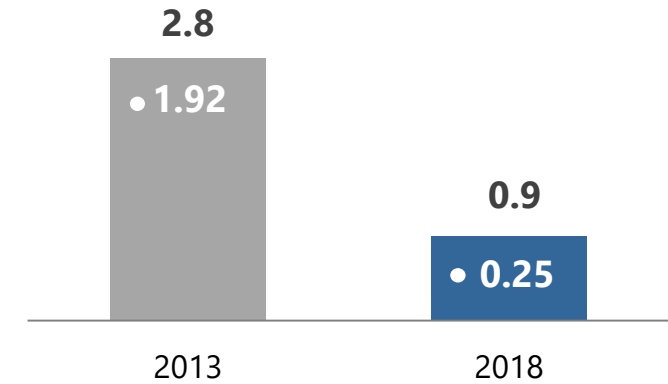
Strategy 2017 also established solid platform for the next strategic cycle

SOLID FCF AND EBITDA* DESPITE MARKET TURBULENCE, \$ bn



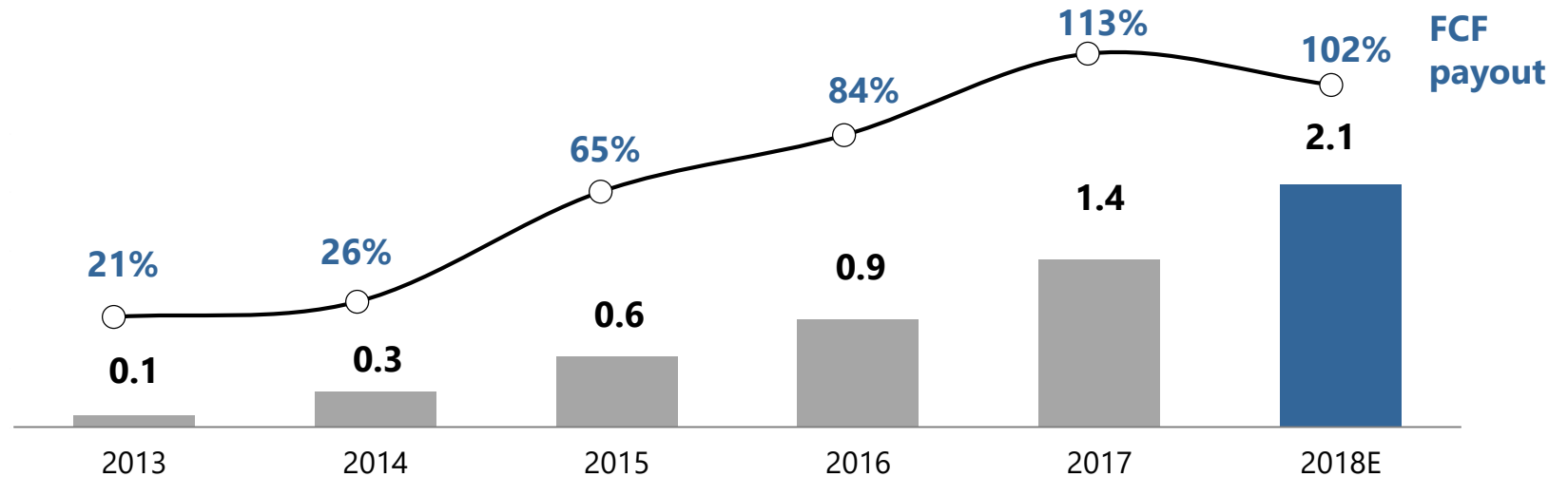
STRONG BALANCE SHEET*, \$ bn

• Net Debt / EBITDA ■ Net debt



* without NBH

DELIVERED DIVIDENDS GROWTH, \$ bn



Targeted structural effect of Strategy 2022 is extra \$1.25 bn of EBITDA

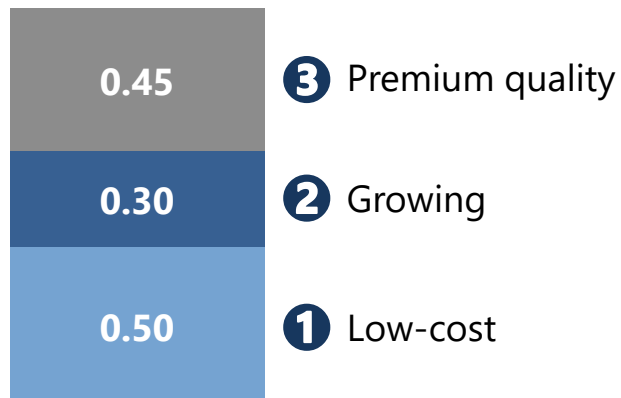
Operational efficiency (no capex) to contribute almost half of the target

Effect is balanced across strategy targets that should reduce execution risks

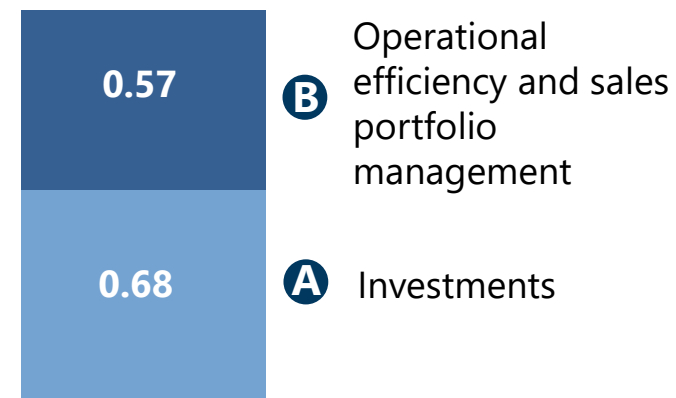
Russian flat division to generate 2/3 of target effect, however sizable gains targeted across the whole value chain

Slab cost reduction of \$27/t to be achieved through operational efficiency and investments

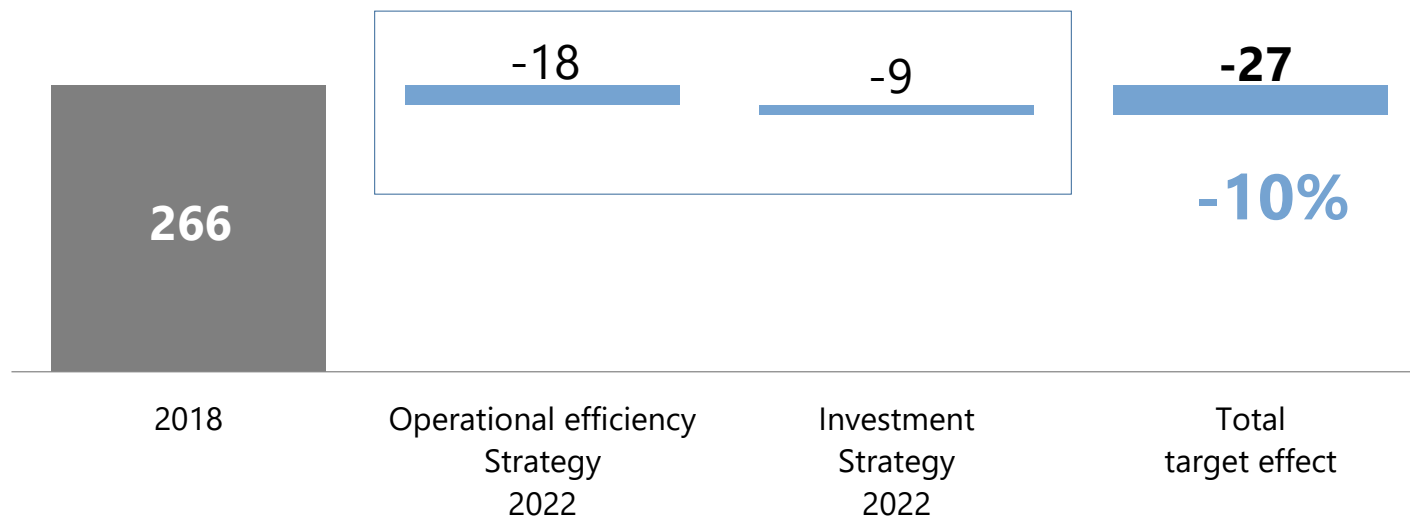
BY STRATEGIC OBJECTIVE: \$1.25 bn



BY SOURCE: \$1.25 bn



EFFECT ON SLAB CASH COSTS BY 2022, \$/t



NLMK has guided for higher capex related to “no-regret” growth and development:

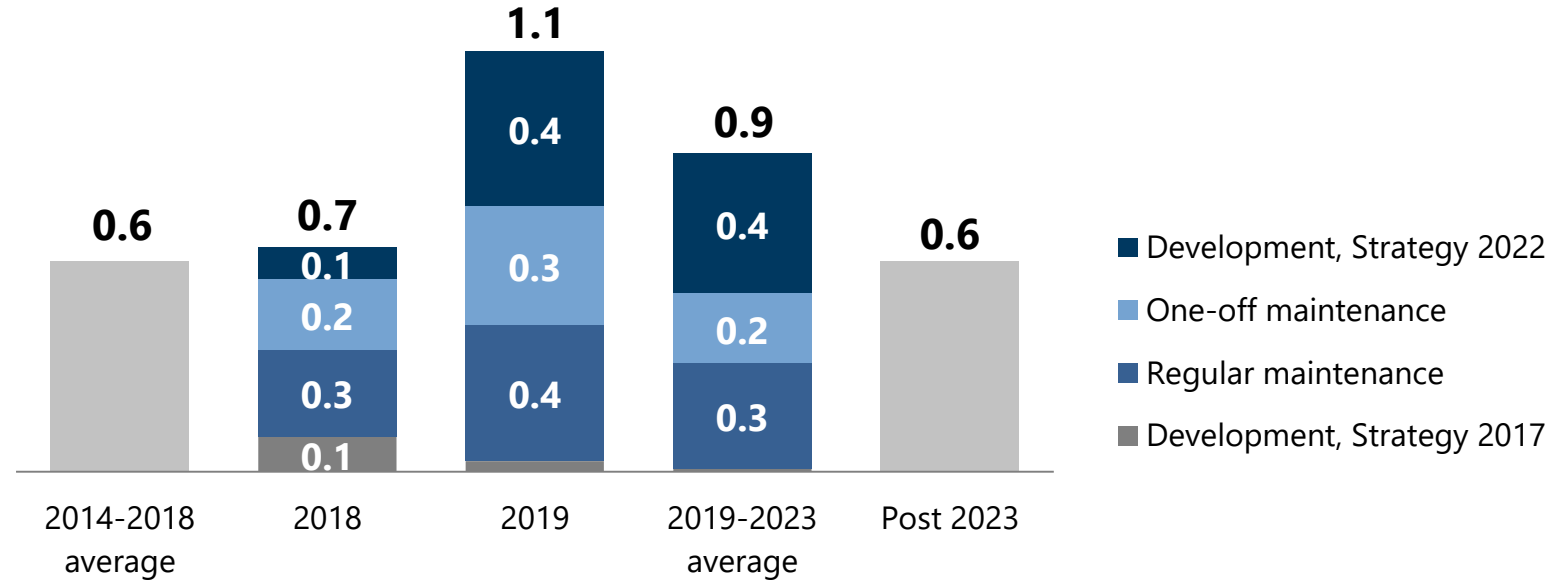
- Large maintenance projects include BF and BOF overhauls in 2019-2020 (\$0.25 bn of capex carried over from prior years)
- Strategy 2022 investments are expected to peak in 2019-2020
- Average capex of \$0.9 bn pa
- Capex program remains flexible

Post 2023 normalized capex at \$0.6 bn pa

Lower 2019-2020 steel output

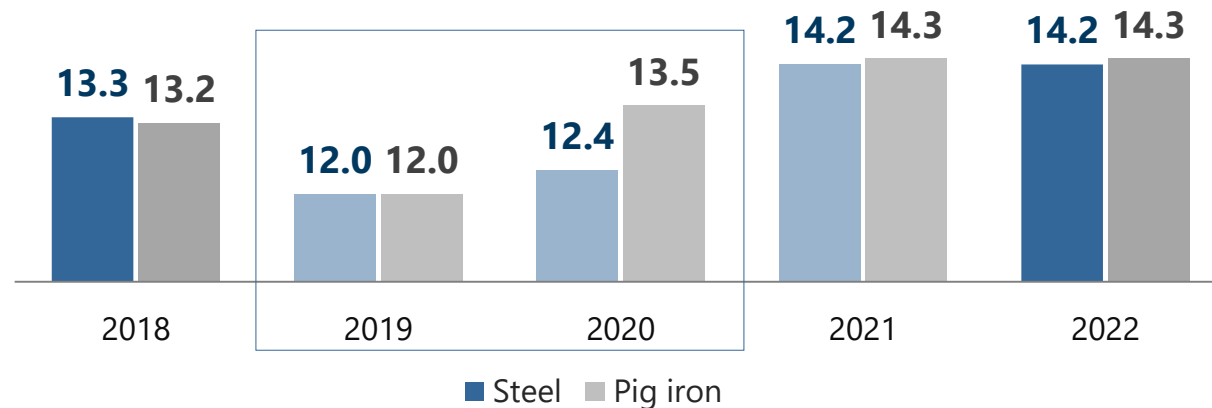
- Impacts slab sales to 3rd parties only, no downstream sales to be lost
- Will be partially offset by higher pig iron and iron ore concentrate sales

CAPEX, \$ bn



STEEL PRODUCTION AT THE LIPETSK SITE IN 2018-2022, m t

BF / BOF repairs at NLMK Lipetsk



Development capex under Strategy 2022 to total \$2.1 bn

Investment portfolio remains flexible

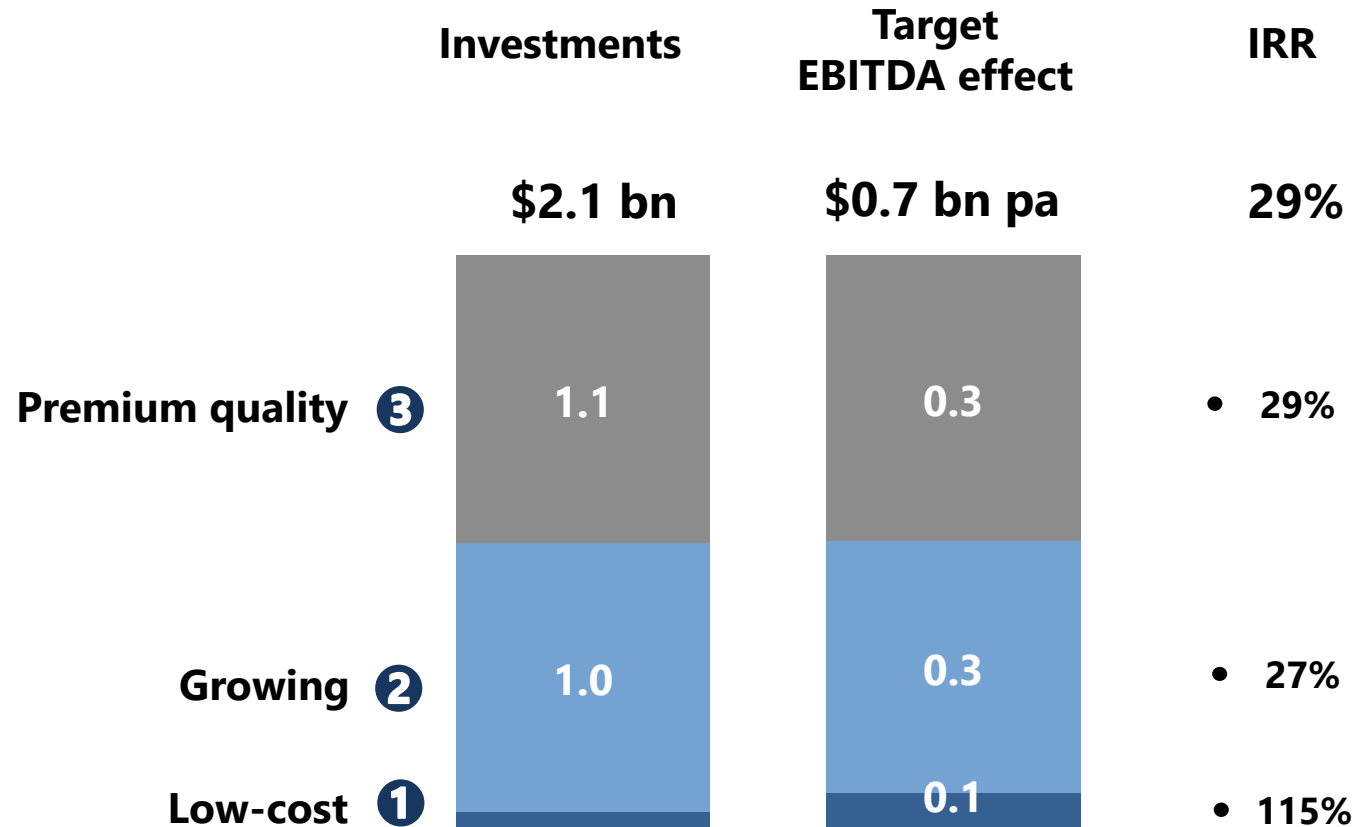
Focus is on low-risk projects that meet strict investment criteria

IRR is the key metric used to assess projects. Hurdle rate is 25%

Overall IRR for development capex program is 29%

Conservative pricing assumptions are used for key projects: forecasted prices and spreads at or below 5Y average*

CAPEX & EFFECTS, \$ bn



* Please refer to the appendix for details and sensitivity analysis

Capital allocation aimed at maximizing total shareholder returns while preserving financial stability

Conservative financial policy

- Target leverage range: 1.0 – 1.5x

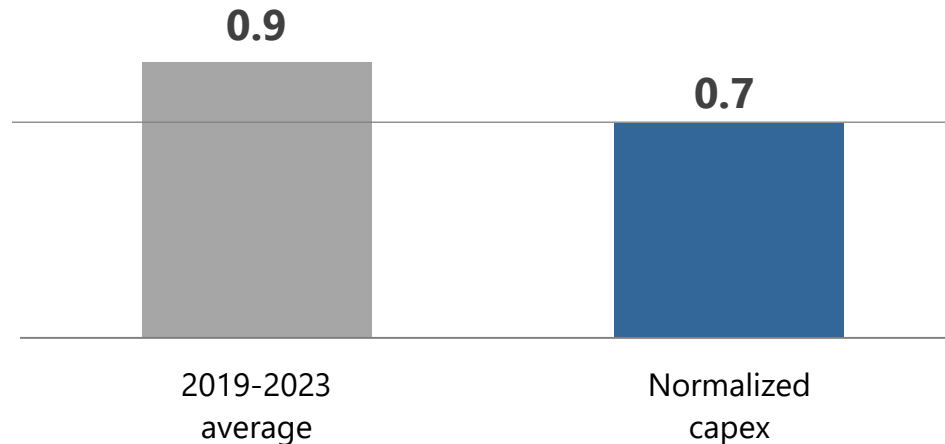
Transparent and attractive dividend policy with quarterly payments linked to free cash flow

Higher capex during strategy cycle is not affecting dividend payments

- Free cash flow to be calculated assuming normalized capex of \$0.7 bn pa for the purposes of dividend payments
- Up to \$1.0 bn of additional dividends to be paid in 2019-2023 through increased leverage

	Current dividend policy	New dividend policy
Base for calculation	FCF and net income	FCF
Minimum payout if net debt / EBITDA < 1.0x	50% of FCF 50% of net income	100%
Minimum payout if net debt / EBITDA > 1.0x	30% of FCF 30% of net income	50%

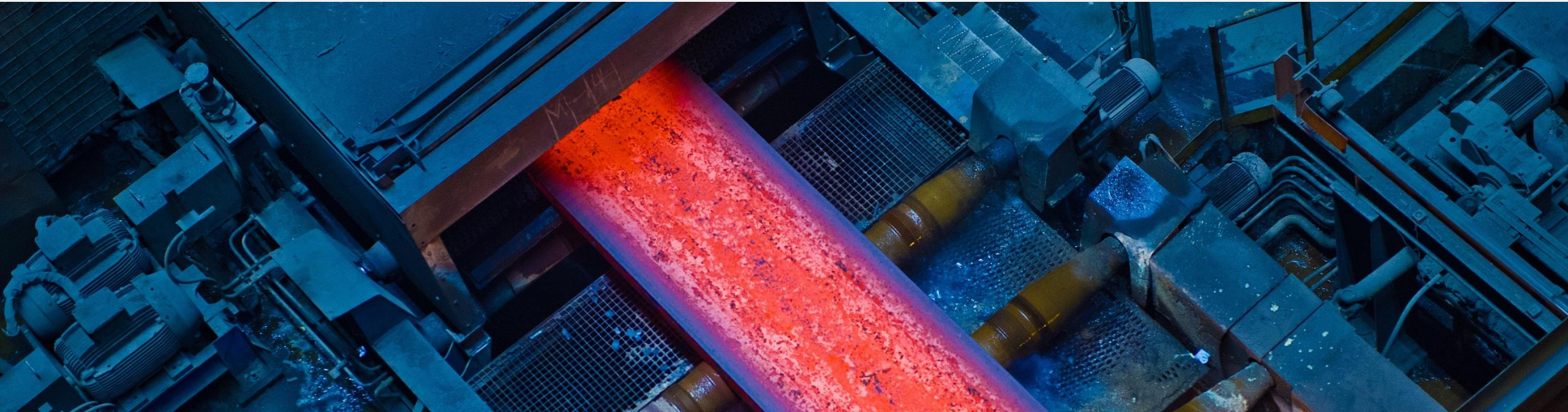
CAPEX, \$ bn



+ \$0.2 bn of additional dividends payments pa

CAPEX level used for adjusted FCF calculation

- NLMK enters new Strategic cycle with strong financial profile as well as low leverage
- We will continue to adhere to a conservative financial policy
- Further improvement in operational performance, stringent cost control and development projects will support sustainable FCF generation
- The Group's needs to maintain fixed assets and to enable efficient development would be fulfilled
- Higher capex requirements will not compromise dividend payouts
- **Generating superior shareholder returns remains top priority**



GRIGORY FEDORISHIN CEO

Concluding remarks





NLMK PLATFORM

PROFITABILITY GROWTH

- Smart growth story
- Well invested asset base
- #1 in Russia by steel output
- 1st quartile cost position
- High EBITDA margin
- History of strong FCF generation

SHAREHOLDER RETURNS

- 100% FCF dividend payout
- Transparent & consistent dividend policy

ROBUST BALANCE SHEET

- Low leverage
- Balanced debt structure
- Substantial liquidity
- Investment grade rating

DISCIPLINED CAPEX

- Investing in high quality projects
- Solid investment projects pipeline
- Track record of investment projects delivery

STRATEGY 2022 TO ENHANCE THE COMPANY'S COMPETITIVE ADVANTAGES

LOW COST

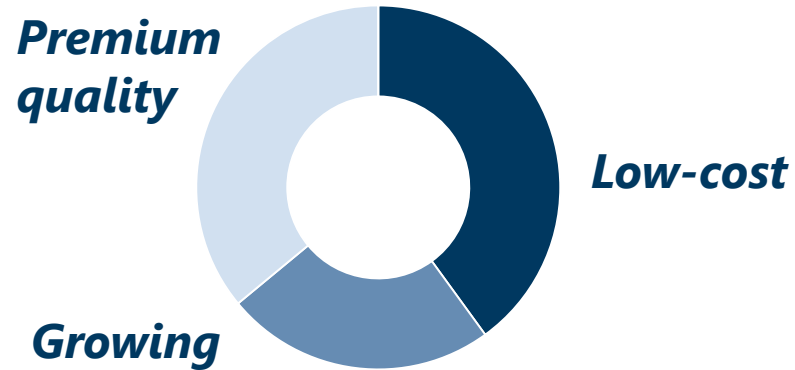
VERTICAL INTEGRATION

DIVERSIFICATION

LOCALIZATION



BY STRATEGIC OBJECTIVES

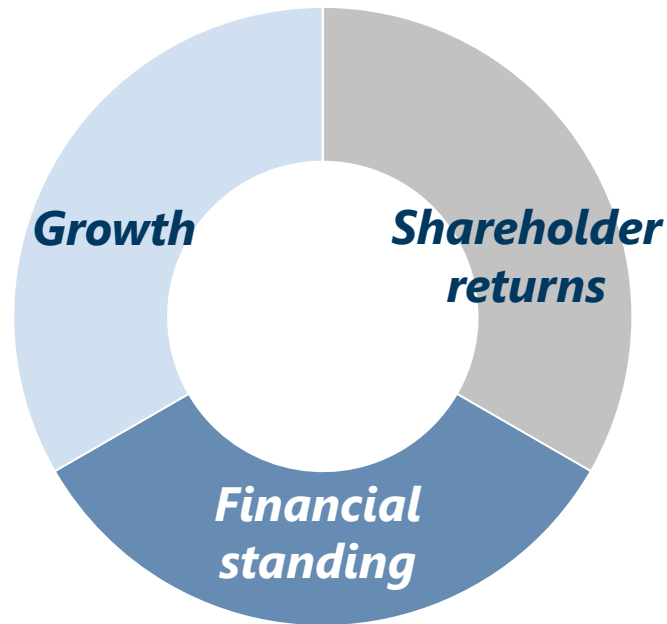


Operational efficiency & sales portfolio management

BY SOURCE



BY CAPITAL ALLOCATION



- ✓ Net gains of \$1.25 bn vs 2018
- ✓ Average capex of \$0.9 bn pa

- ✓ 100% FCF payout based on normalized capex of \$0.7 bn pa
- ✓ Up to \$1.0 bn of additional dividends in 2019-2023 through increased leverage
- ✓ Focus on total shareholder return

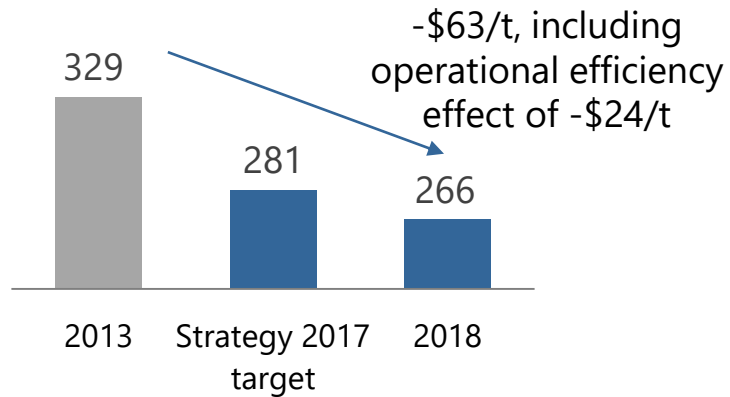
- ✓ Conservative leverage constraint of 1.0-1.5x

APPENDIX



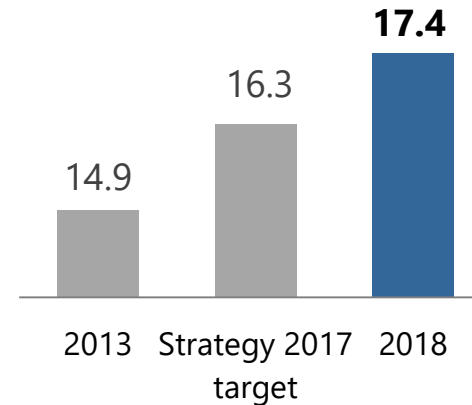
1 OPERATIONAL EFFICIENCY

Slab cost reduction, \$/t

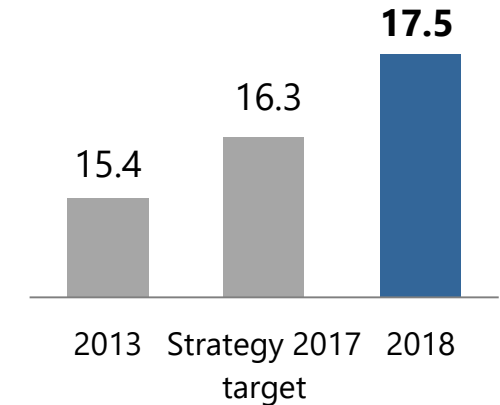


3 MARKET LEADERSHIP

Shipments, m t



Crude steel output, m t

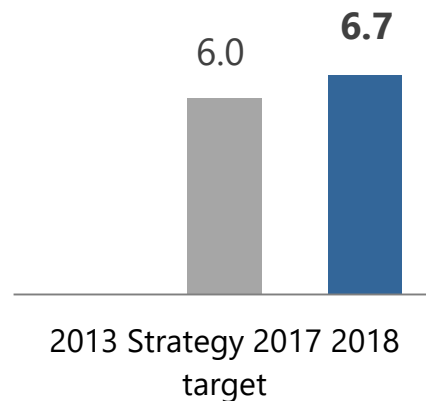


2 WORLD-CLASS RESOURCE BASE

Concentrate, m t

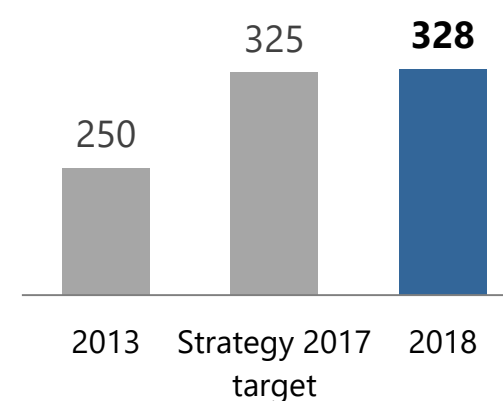


Pellets, m t

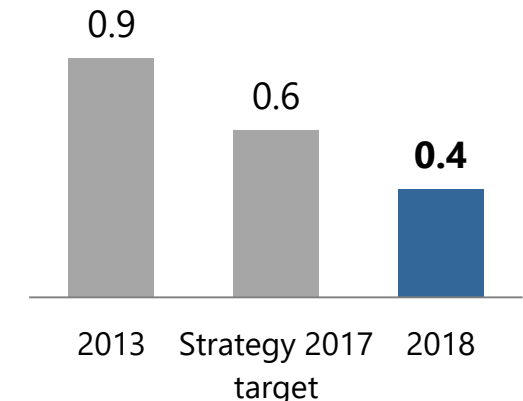


4 SUSTAINABILITY & SAFETY

Labor productivity, t of steel per employee



LTIFR, Russian operations*



95%

100%

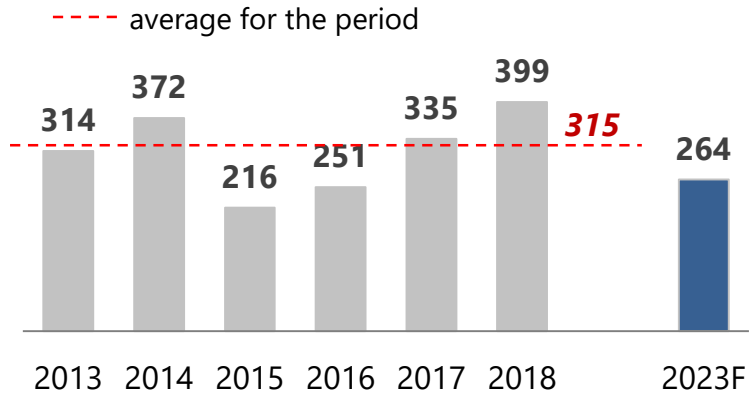
% self-sufficiency

97%

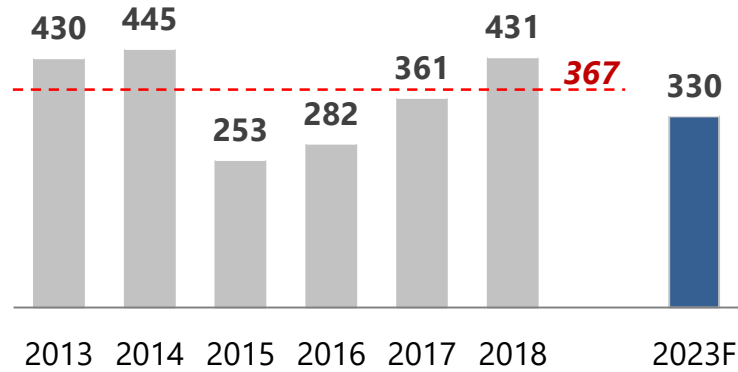
* LTIFR – Lost Time Injury Frequency Rate (per 1 mln man-hours worked) for employees. Russian assets include Russian Flat Products, Russian Long Products, Russian Mining

Key assumptions for long-term spread levels as well as prices for raw materials and steel are in line with average historical levels

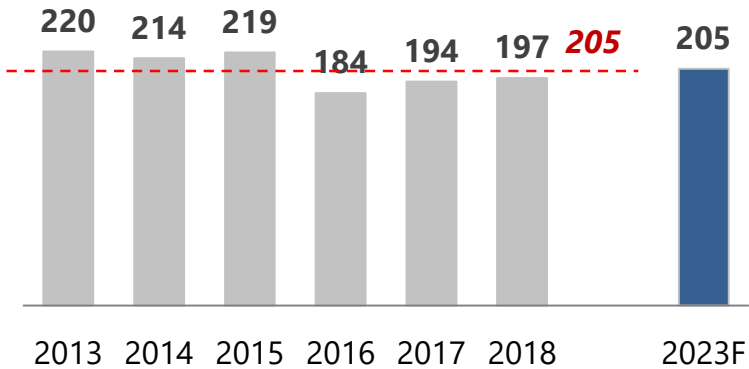
“SLAB – PELLET” SPREAD, \$/t



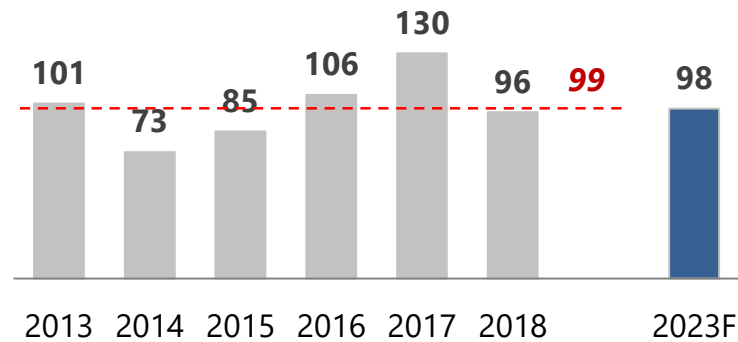
“SLAB – HCC” SPREAD, \$/t



“SLAB – COMMERCIAL PLATE” SPREAD, \$/t

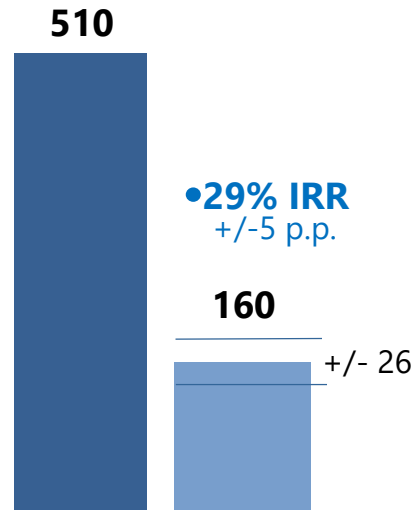


“SLAB – HRC EUROPE” SPREAD, \$/t



\$20/t change in spreads

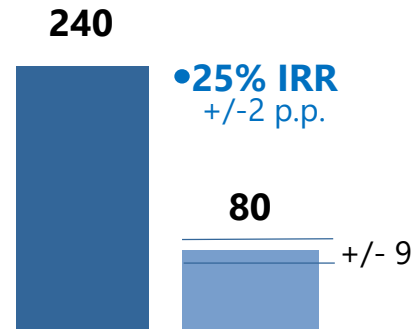
② Growing



Additional 1 m t of integrated steel (NLMK Lipetsk & SGOK)

\$100/t change in HGO and HF prices

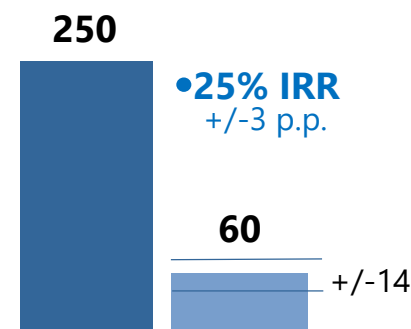
③ Premium quality



GO & NGO steel development program (NLMK Lipetsk & VIZ)

\$20/t change in spreads

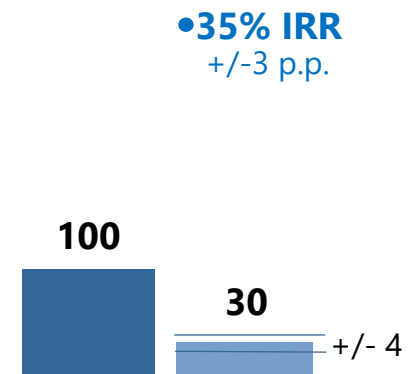
③ Premium quality



EU: niche thick plate (NLMK Dansteel) & strip development program (NLMK La Louviere)

\$20/t change in spreads

③ Premium quality



US: product range and efficiency of HSM (NLMK Pennsylvania)

Investment, \$ m Target EBITDA effect pa, \$ m



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