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## NLMK Group Q4 and 12M 2020 IFRS Financial Results

In Q4 2020, NLMK Group (LSE: NLMK, MOEX: NLMK) increased its revenue by 7% qoq to \$2.4 bn with EBITDA reaching \$890 m. At year-end, EBITDA amounted to \$2.6 bn, gaining 3%, with EBITDA margin reaching 29% (+5 p.p. yoy).

k t/\$ million	Q4 2020	Q3 2020	QoQ	Q4 2019	YoY	2020	2019	YoY
Sales volumes	4,220	4,443	-5%	4,172	1%	17,520	17,069	3%
Revenue	2,385	2,229	7%	2,312	3%	9,245	10,554	-12%
EBITDA <sup>2</sup>	890	579	54%	480	85%	2,645	2,564	3%
EBITDA margin	37%	26%	+11 p.p.	21%	+16 p.p.	29%	24%	+5 p.p.
Profit for the period <sup>3</sup>	558	312	79%	200	2.8x	1,236	1,339	-8%
Free cash flow <sup>4</sup>	229	239	-4%	338	-32%	1,103	1,523	-28%
Net debt <sup>5</sup>	2,495	1,946	28%	1,786	40%	2,495	1,786	40%
Net debt/EBITDA <sup>5</sup>	0.94x	0.87x		0.70x		0.94x	0.70x	

### Q4 2020 key highlights

- **Revenue increased to \$2.4 bn** (+7% qoq; +3% yoy), supported by a recovery in rolled product prices.
- **EBITDA grew to \$890 m** (+54% qoq; +85% yoy), due to the expansion of the raw material/slab price spreads, recovery of production volumes at Stoilensky after the September incident, accrued refund from the US Department of Commerce in line with the settlement agreement, and gains from Strategy 2022 projects. EBITDA margin was 37% (+11 p.p. qoq; +16 p.p. yoy).
- **Free cash flow reduced to \$229 m** (-4 % qoq). The increase in EBITDA was offset by the outflow of cash to replenish working capital amid growing global steel and raw material prices.
- **Net profit** grew by 79% qoq to \$558 m, due to an increase in operating profit.

<sup>1</sup> Consolidated financial results are prepared under IFRS. Reporting periods of the Company are 3M, 6M, 9M and 12M. Quarterly figures are obtained by calculation, including in the segment reporting. Figures for comparable periods may differ from figures posted earlier because of rounding off to integers.

<sup>2</sup> EBITDA is the operating profit before equity share in financial results of joint ventures, impairment of capital assets and losses from retirement of fixed assets, allowed for amortization and depreciation. EBITDA calculations and further details are presented in the Appendix.

<sup>3</sup> Profit for the period attributable to NLMK shareholders.

<sup>4</sup> Free cash flow is determined as net cash from operations plus interest received net of interest paid and capital investment. Free cash flow calculations are presented in the Appendix.

<sup>5</sup> Net debt is calculated as the sum of long-term and short-term borrowings less cash and cash equivalents, as well as short-term deposits at period end. Net debt / EBITDA is represented by net debt as at the end of the reporting period and EBITDA as last 12 months EBITDA. Net debt calculations are presented in the Appendix.



## 12M 2020 key highlights

- **Revenue reduced by 12% yoy to \$9.2 bn**, due to a reduction in steel product prices in Q2-Q3 and an increase in the share of semi-finished products in total sales by 5 p.p. to 40%.
- **EBITDA grew by 3% yoy to \$2.6 bn**, supported by investment programme and operational efficiency programme gains, a weaker ruble, and refund from the US Department of Commerce under the settlement agreement. EBITDA margin reached 29% (+5 p. p. yoy).
- **Free cash flow reduced by 28% yoy to \$1.1 bn**, due to the high base of the previous year, when there was a significant release of cash from the working capital with a decrease in receivables and inventory reduction (for details, see [p. 8, Q4 2019 Financial release](#)).
- **Net profit reduced by 8% yoy to \$1.2 bn** amid increased losses in the joint ventures' performance, including due to the recognition of the NBH investment value impairment in the amount of \$120 m in Q2 2020. Without the impact of this non-cash transaction, net profit would have stood at \$1.4 bn (+1% yoy).

### Comment from NLMK Group CFO Shamil Kurmashov:

“In Q4 2020, the recovery in business activity, including in the form of pent-up demand and restocking in the global supply chain coupled with a limited supply of steel products, led to a spike in steel product prices in our key regions. High iron ore prices supported this trend.

“In this context, NLMK Group increased its revenue by 7% qoq to \$2.4 bn, and its EBITDA by 54% qoq to \$890 m in Q4 2020. EBITDA margin grew to 37%.

“In 2020, despite the constraints of the pandemic, we maintained our capacity utilization rates and were able to achieve a 3% yoy increase in EBITDA, reaching \$2.6 bn. Our flexible business model enabled a 3% yoy increase in sales to 17.5 m t. Free cash flow for 12M 2020 totalled \$1.1 bn.

“Over 12M 2020, the structural gain from our Strategy projects reached \$261 m vs. the 2019 base. Operational efficiency programmes contributed \$176 m, with \$85 m coming from investment projects. We have completed upgrades at the Lipetsk site blast furnace and steelmaking operations, which will enable an increase in steel production capacity of 1 m t pa starting from 2021. Construction of a coal charge stamping unit was completed at Altai-Koks, which will reduce NLMK Group's dependence on expensive and scarce coal grades. The full-year effect of these projects will be reflected in our financial results in 2021.

“Net debt/EBITDA ratio stood at 0.94x, total debt was \$3.5 bn.

“Solid financial performance enabled the management to recommend NLMK's Board of Directors to pay \$570 as Q4 2020 dividends.”



## TELECONFERENCE

NLMK is pleased to invite the investment community to a conference call and webcast with the management of NLMK:

Thursday, February 11<sup>th</sup> 2021

- 09:00 am (New York)
- 2:00 pm (London)
- 5:00 pm (Moscow)

To join the conference call and webcast, please dial:

**US Number:**

+1 929-477-0402 (Local access) // 888-254-3590 (Toll free)

**United Kingdom Number:**

+44 (0)330 336 9411 (Local access) // 0800 279 7204 (Toll free)

**Russian Number:**

+7 495 646 9190 (Local access) // 8 10 800 2867 5011 (Toll free)

**Conference ID: 4792848**

To join the webcast, please follow the link

<https://www.webcast-eqs.com/nlmk20210211>

*\*We recommend that participants start dialing in 5-10 minutes prior to ensure a timely start of the conference call.*



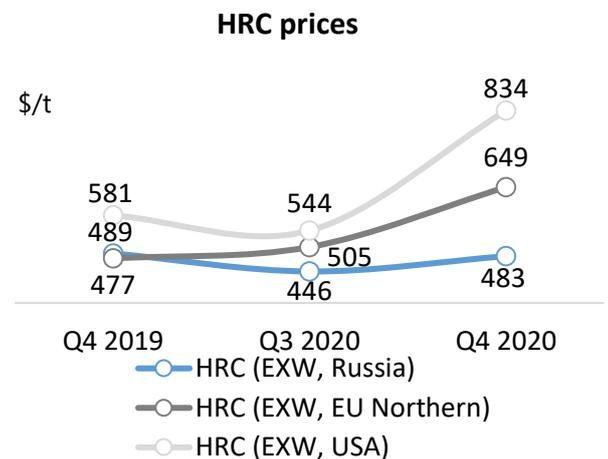
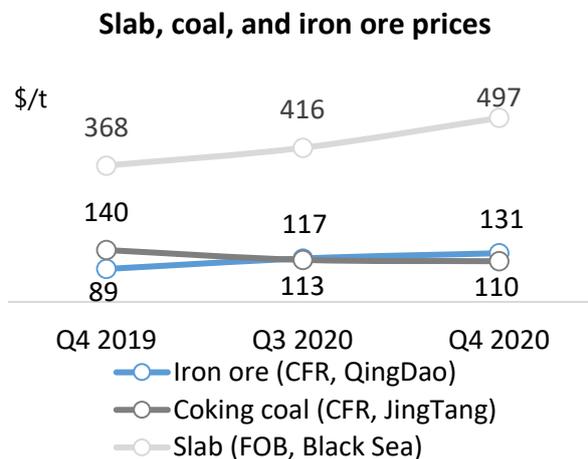
## MANAGEMENT COMMENTS

### Q4 2020 market review

- In Q4 2020, demand for steel products in the Western markets continued to recover, albeit at an uneven pace. US steel consumption increased by 3% qoq (-15% yoy) amid limited supply from local steel producers, which led to a spike in prices. Steel demand in the EU grew by 19% qoq (+5% yoy), supported by recovering activity in the automotive sector and other metal-intensive industries.
- In China, steel consumption decreased by 5% qoq (+11% yoy), due to the high base effect of the previous quarter, when all-time-high steel output was achieved thanks to state support measures.
- Steel product consumption in Russia decreased by 7% qoq as a result of the high base of the previous quarter, when the pent-up demand effect was most pronounced following the decline in April-May 2020. Year-on-year, consumption increased by 5%, due mainly to demand in the flat steel segment.

### Q4 2020 prices

- **Raw material prices:** coal price trends on the global market were multidirectional. Australian coking coal prices decreased by 3% qoq (-22% yoy) due to import restrictions imposed by China. In China, coking coal prices grew by 33% qoq (+2% yoy), driven by a limited supply of raw materials amid high demand from steel producers. Iron ore prices grew by 12% qoq (+48% yoy), driven by high steel output in China and recovering activity in other key regions.
- **Market prices\*\* for flat steel** grew by 44% qoq (+34% yoy) in the US and by 23% qoq (+29% yoy) in Europe as global demand and raw material prices continued to recover.
- **Uncoated steel prices on the Russian market** denominated in dollars grew by 11% qoq (-3% yoy), following global prices. Dollar-denominated rebar prices grew by 13% qoq (+4% yoy).
- **Export slab prices (FOB Black Sea)** grew by 19% qoq (+35% yoy).



\* Data on steel consumption trends on regional markets are estimates.

\*\* Market prices reflect the level of prices for a given calendar period and differ from the average sales prices of the Company and its segments due to the time lag of the production & sales cycle.



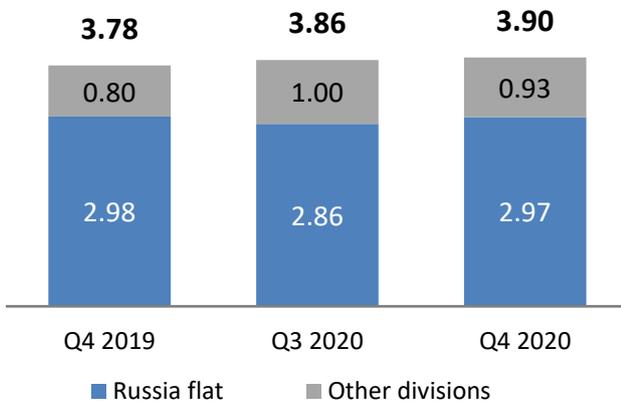
### Q4 2020 output and sales breakdown

- **Steel output\*** grew by 1% qoq to 3.9 m t (+3% yoy) following the completion of upgrades at NLMK Lipetsk steelmaking operations.
- **Sales** decreased to 4.2 m t (-5% qoq), as slab inventories in ports grew due to higher output and slab shipments at the end of the calendar year. Year-on-year, steel product sales increased by 1%.
- **Sales of semi-finished products** declined by 4% qoq to 1.6 m t due to the growth of slab inventories and the redistribution of slab shipments to NBH. Sales to third parties declined by 25% qoq to 1 m t, while slab supplies to NBH grew by 89% qoq to 0.6 m t. Year-on-year, semi-finished product sales to third parties grew by 15% as pig iron sales increased. Slab supplies to NBH grew by 11% yoy.
- **Sales of finished products** totalled 2.6 m t (-5% qoq; -5% yoy) as sales of rebar and coated steel decreased.

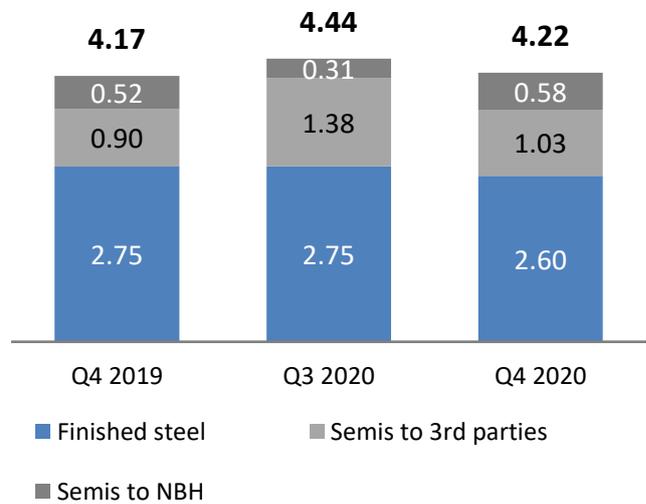
### 12M 2020 output and sales breakdown

- **Steel output\*** increased by 1% yoy to 15.8 m t.
- **Sales** grew by 3% yoy to 17.5 m t.
- **Sales of semi-finished products** to third parties grew by 25% yoy to 4.9 m t due to higher pig iron and billet exports. Slab sales to NBH remained flat yoy, at 2.1 m t.
- **Finished rolled steel sales** declined by 5% yoy to 10.5 m t amid weak demand in April-May 2020 and sales redistribution to semi-finished products.

**Steel output grew by 1% qoq amid completion of repairs**



**Sales dropped by 5% qoq as inventories grew**



\* Hereinafter NLMK Group steel output and sales in home markets include NBH. Consolidated sales are given without NBH. Sales to home markets mean sales of the Group's companies in the regions where production capacities are located in Russia, Europe, and the US



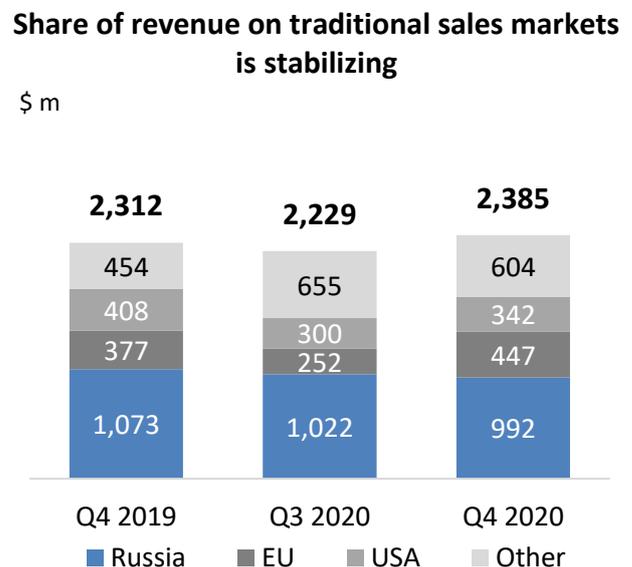
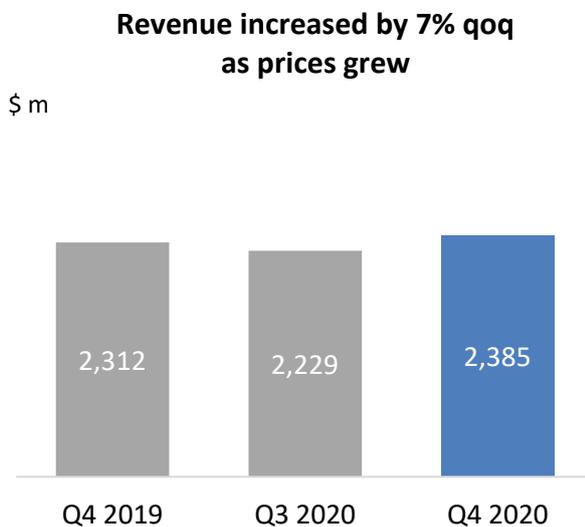
## NLMK GROUP KEY FINANCIALS

### Q4 2020 revenue

- Revenue grew by 7% qoq to \$2.4 bn against the backdrop of higher steel product prices. Year-on-year, revenue increased by 3% amid higher sales volumes and steel prices.
- The share of semi-finished products in the revenue increased by 1 p.p. to 30% due to pig iron and billet sales. The share of finished products totalled 65% (-1 p.p. qoq). The share of high value-added products decreased by 4 p.p. to 33%.
- The share of the Russian market in the revenue totalled 42% (-4 p.p. qoq and yoy). The share of Asian countries dropped to 4% (-10 p.p. qoq; +2 p.p. yoy) due to sales being redirected to traditional markets: the EU share grew to 19% (+8 p.p. qoq; +3 p.p. yoy), while the US share reached 14% (+1 p.p. qoq; -4 p.p. yoy).

### 12M 2020 revenue

- Revenue decreased by 12% yoy to \$9.2 bn due to lower steel product prices and a higher share of semi-finished products in the sales portfolio.
- The share of semi-finished products in the revenue grew by 4 p.p. yoy to 30% as a result of higher pig iron sales; the share of finished products went down by 3 p.p. yoy to 65%. The share of revenue from high value-added products was 36% (-2 p.p. yoy).
- The share of the Russian market in the revenue totalled 41% (flat yoy). The share of the EU and US in the consolidated revenue decreased to 17% and 15%, respectively (-1 p.p. yoy; -3 p.p. yoy).





## Q4 2020 EBITDA

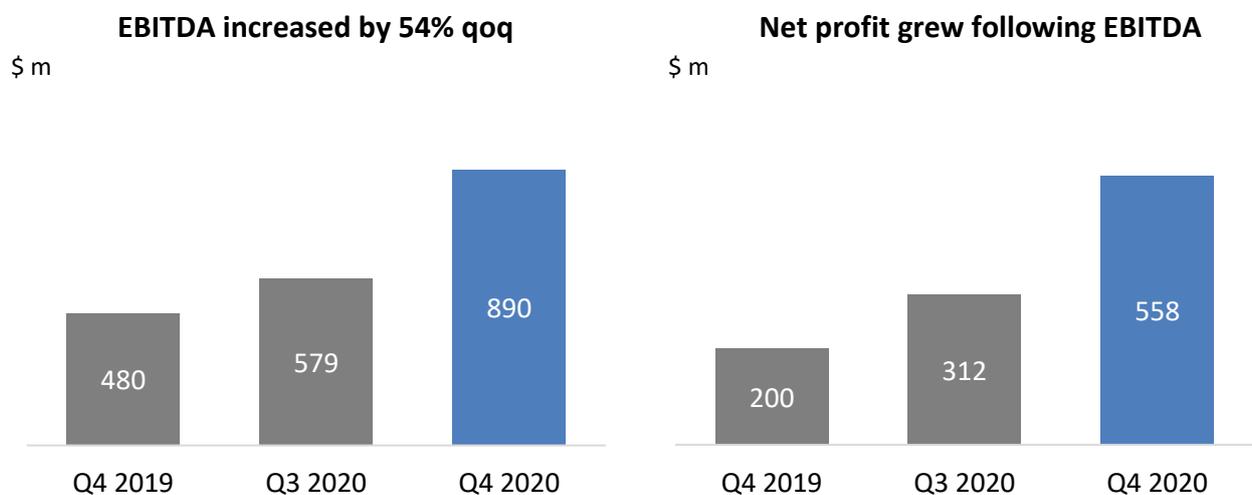
- EBITDA\* grew by 54% qoq to \$890 m (+85% yoy) due to the expansion of the raw material/steel price spreads, recovery of production volumes at Stoilensky after the September incident, and gains from Strategy 2022 investment and operational efficiency programmes. In addition, EBITDA growth was supported by the accrued refund of \$97 m (a total of \$105 m with interest) from the US Department of Commerce in line with the settlement agreement resolving NLMK's lawsuit on the exclusion of slabs from import tariffs. NLMK USA received this compensation in January 2021.
- Commercial expenses went down by 5% qoq (-7% yoy) to \$198 m due to lower sales. General and administrative expenses stood at \$94 m (+12% qoq; +3% yoy).

## 12M 2020 EBITDA

- EBITDA reached \$2.6 bn (+3% yoy). Strategy 2022 programme gains, the accrued refund from the US Department of Commerce in line with the settlement agreement, and a weaker ruble fully offset the narrower slab/uncoated flat steel spread and the negative impact of the incident at Stoilensky in September 2020.
- Commercial expenses totalled \$647 m (flat yoy). General and administrative expenses decreased by 3% yoy to \$346 m.

## Net profit\*\*

- Q4 2020 net profit increased to \$558 m (+79% qoq; +179% yoy) amid EBITDA growth and a lower average income tax rate (due to the financial performance of NLMK USA). 12M 2020 net profit decreased by 8% yoy to \$1.2 bn, due mainly to the recognition of the NBH investment impairment in the amount of \$120 m in Q2 2020. Without this factor, net profit would have amounted to \$1.3 bn.



\* EBITDA used in NLMK's financial releases is calculated as operating profit before equity share in net losses of associates and other companies accounted for using the equity method of accounting, impairment and write-off of assets, adjusted to depreciation and amortization. EBITDA is not an indicator of operating profit, operating activity or liquidity under IFRS, and NLMK discloses it because equivalent indicators could be used by investors and analysts. That said, NLMK's EBITDA should not be viewed on a standalone basis, or in place of profit before tax, or cash flows from operations, as defined by IFRS, or as an indicator of operational efficiency, or as the sum of free cash funds that NLMK can invest into business development. NLMK's EBITDA margin and EBITDA might not be comparable to similar indicators disclosed by other companies as there are no commonly accepted rules for calculating them. For instance, NLMK's EBITDA is calculated similar to what is termed as 'Adjusted EBITDA' in other companies, as NLMK's EBITDA excludes other profit/loss items in addition to interest payments, income tax, depreciation and amortization.

\*\*Profit for the period, attributable to NLMK shareholders.



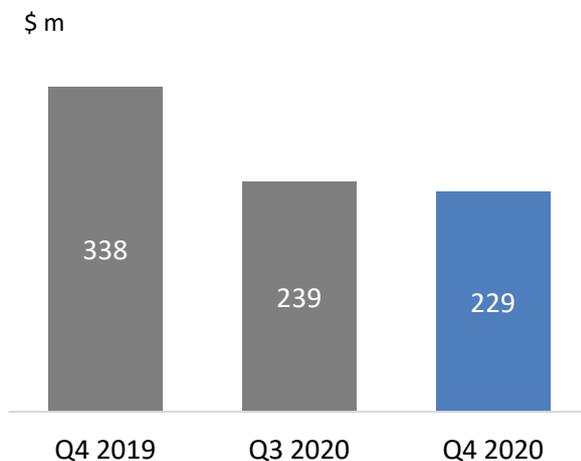
### Q4 2020 free cash flow

- Free cash flow went down by 4% qoq to \$229 m (-32% yoy) due to a cash outflow to finance working capital amid growing steel product and raw material prices.
- Operating cash flow decreased by 11% qoq to \$524 m.
- **Cash outflow to finance working capital** totalled \$256 m due to:
  - - \$205 m: an increase in receivables due to higher steel product prices at the end of the year and a redistribution of sales to NBH with longer payment periods.
  - - \$81 m: higher cost of raw materials and finished products in stock amid growing prices, amassed winter stocks of scrap, and more goods in transit and at ports due to higher export shipments (including to NBH) at the end of the calendar year.
  - + \$28 m: an increase in payables due to higher raw material prices.

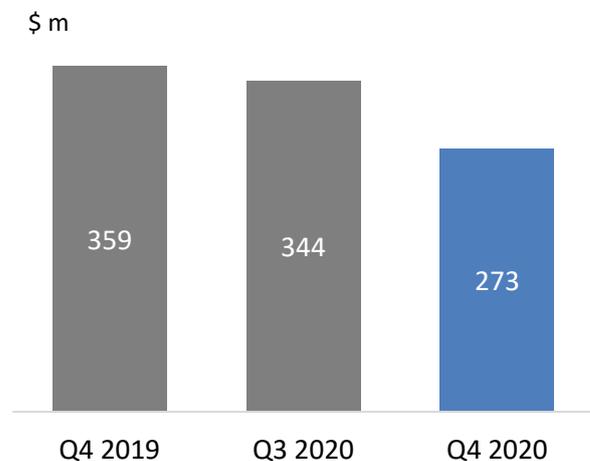
### 12M 2020 free cash flow

- Free cash flow decreased by 28% yoy to \$1.1 bn due to working capital financing as receivables grew.
- **Cash outflow from working capital** totalled \$16 m due to:
  - - \$177 m: an increase in receivables due to higher prices and increased slab sales to NBH.
  - + \$117 m: a decrease in raw material and finished product stocks.
  - + \$46 m: an increase in payables.

#### Free cash flow went down by 4% qoq amid working capital financing



#### Investment decreased by 21% qoq





## Investment

- The Group's investment in Q4 2020 decreased by 21% qoq to \$273 m (-24% yoy) following the completion of large-scale upgrade projects at the NLMK Lipetsk blast furnace and steelmaking operations and projects at Stoilensky.
- The Group's investment in 12M 2020 went up by 4% yoy to \$1.1 m in line with the previous guidance.

## Dividends

- In Q4 2020 NLMK paid out \$0.8 bn in dividends.
- On 11<sup>th</sup> February 2021, the Board of Directors recommended that shareholders approve the payment of Q4 2020 dividends in the amount of 7.25 rubles per share (for a total of \$570 m). Consequently, the Company can accrue 12M 2020 dividends in the amount of 21.64 rubles per share.

## Strategy 2022 execution

- In 12M 2020 operational efficiency improvements added \$176 m to EBITDA, due mainly to initiatives introduced in the Russia Flat Products segment. Capex projects, mainly Stoilensky's output growth and NLMK Lipetsk Briquetting Plant, added \$85 m to EBITDA.

## Debt management

- **Total debt** in Q4 2020 grew by 9% qoq to \$3.5 bn. Weighted average interest rates on loans decreased from 3% to 2.8%.
- **Net debt** increased by 28% qoq to \$2.5 bn due to cash outflow to Q4 2020 dividend payments, including a one-off payment of \$250 m above the dividend policy aimed at compensating the lower dividends in Q4 2019, as approved by NLMK's General Meeting of Shareholders on 24<sup>th</sup> April 2020. Net debt/EBITDA was 0.94x.

## Q1 2021 outlook

- We expect that the higher equipment productivity following upgrades and its ramp-up to full capacity will enable an increase in NLMK Lipetsk's steel output to 3.5 m t in Q1 2021, which is in line with goal of 14.2 m t of steel per year announced earlier.
- Global steel prices in January 2021 were at multi-year highs, driven by high demand for steel amid limited supply. Considering the price increase in late Q4 2020 and the sales recognition time gap, average sales prices in Q1 2021 will be higher qoq, which have a positive impact on our financial performance.



## NLMK Russia Flat Products

### Q4 2020 highlights

- **Sales** were down by 3% qoq to 3.2 m t (-2% yoy) due to lower slab sales to the market as port stocks increased in December 2020.
- **Revenue** in the Segment grew by 11% qoq to \$1.8 bn (+5% yoy) due to higher steel product prices. Meanwhile, as supplies of semis to NLMK Group and NBH companies increased, the share of intersegment revenue reached 20% (+9 p.p. qoq).
- **EBITDA** grew by 52% qoq to \$466 m (+88% yoy) due to wider price spreads, a lower share of iron ore purchases from third parties as run rates were restored at Stoilensky, investment programme gains, and a weaker ruble.

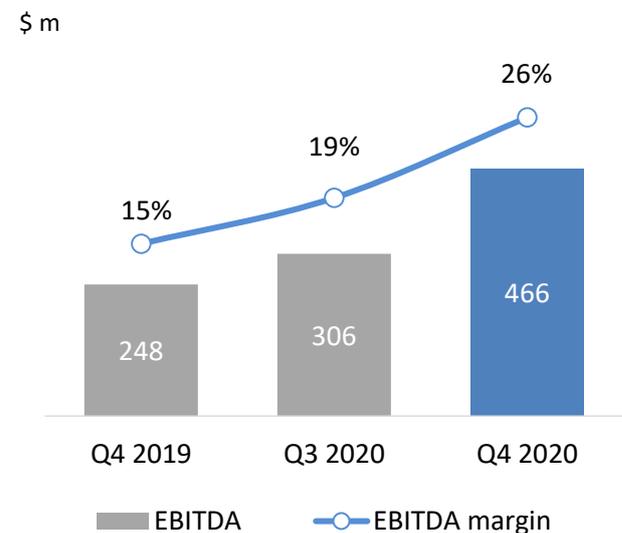
### 12M 2020 highlights

- **Sales** in the Segment increased by 7% yoy to 13.4 m t as export sales of pig iron grew, along with hot-rolled steel sales on the Russian market due to higher Hot Strip Mill productivity.
- **Revenue** was down by 7% yoy to \$6.8 bn as steel product prices decreased, which was partially offset by higher sales.
- **EBITDA** decreased by 4% yoy to \$1.4 bn amid narrowing price spreads and higher personnel costs due to additional one-off payments to employees as part of COVID-19 pandemic support.

Revenue was up by 11% qoq due to higher prices



EBITDA increased by 52% qoq, driven by wider spreads





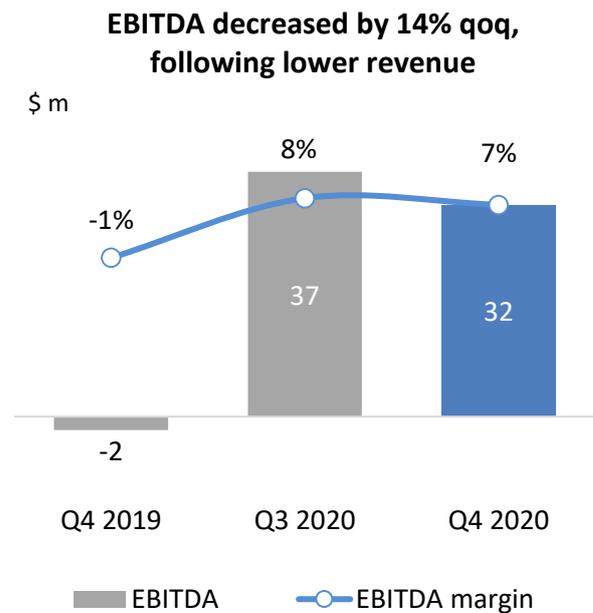
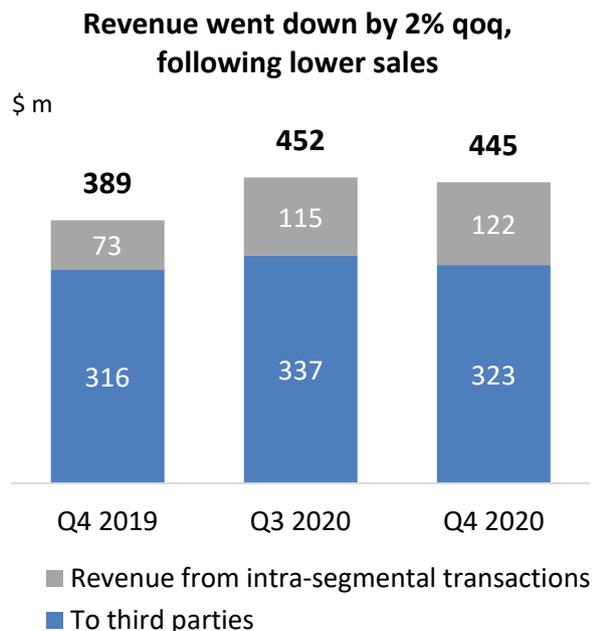
## NLMK Russia Long Products

### Q4 2020 highlights

- **Sales** decreased to 0.7 m t (-15% qoq) amid upgrades of rolling equipment, which were synched with repair works at NLMK's steelmaking facilities.
- **Revenue** decreased by 2% qoq to \$445 m. The higher long product prices were offset by lower sales. Year-on-year, revenue grew by 14% due to higher steel product sales and a 2% increase in rebar and metalware prices.
- **EBITDA** in the Segment went down by 14% qoq to \$32 m, following lower sales and a higher share of billet in the sales mix.

### 12M 2020 highlights

- **Sales** went down by 7% yoy to 2.6 m t amid lower demand for long products.
- **Revenue** decreased by 12% yoy to \$1.5 bn, following lower sales and prices (-12% yoy on average).
- **EBITDA** grew by 4% yoy to \$93 m due to operational efficiency programme gains and a weaker ruble, as the share of billet exports increased.





## Mining and Processing of Raw Materials

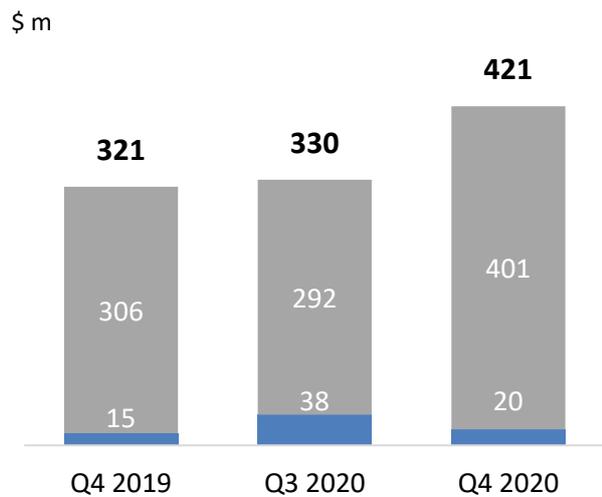
### Q4 2020 highlights

- **Sales** were up by 17% qoq to 4.8 m t (+6% yoy) due to the recovery of concentrate output after the incident in September. Sales of iron ore to the external market went down by 12% qoq to 139 k t.
- **Revenue** increased by 28% qoq to \$421 m (+31% yoy) supported by a stronger sales performance and a price increase of 24% qoq for concentrate (+47% yoy) and 2% qoq for pellets (+12% yoy).
- **EBITDA** went up by 36% qoq to \$339 m (+41% yoy) as prices increased, output grew, and the schedule of repairs was optimized.

### 12M 2020 highlights

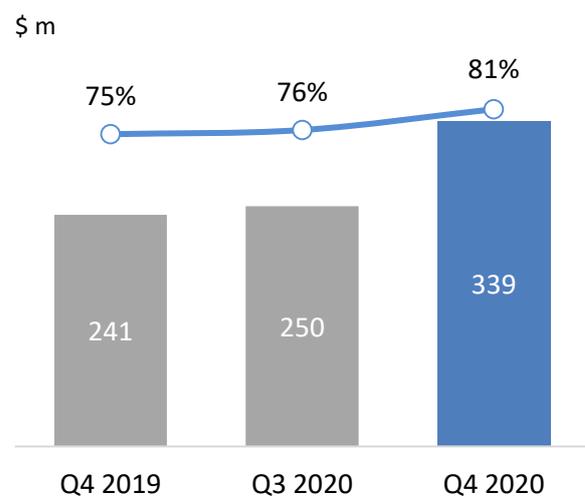
- **Sales** remained flat yoy at 18.4 m t.
- **Revenue** increased by 6% yoy amid higher iron ore prices.
- **EBITDA** increased by 9% yoy to \$1.1 bn due to higher iron ore prices, a weaker ruble, and gains from investment and operational efficiency programmes that offset production losses associated with the September 2020 incident.

**Revenue increased by 28% qoq amid higher prices and sales**



■ Revenue from intra-segmental transactions  
■ To third parties

**EBITDA grew by 36% qoq, following revenue growth**



■ EBITDA    ● EBITDA margin



## NLMK USA

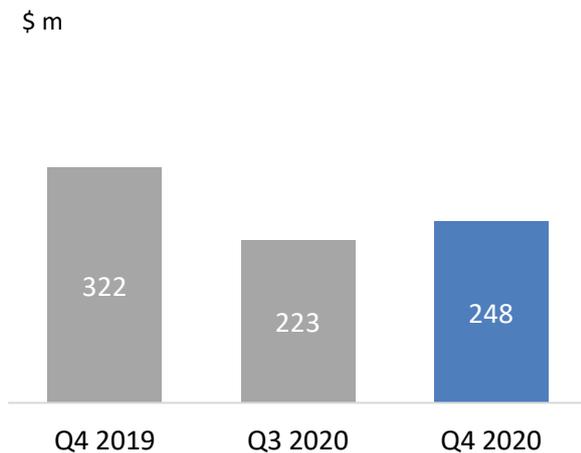
### Q4 2020 highlights

- **Sales** increased by 1% qoq to 0.37 m t. Year-on-year, sales were 22% lower amid low NLMK Pennsylvania capacity utilization rates due to a lack of slabs available for duty-free imports, and a strike.
- **Revenue** grew by 11% qoq to \$248 m, due mainly to recovering hot-rolled steel prices. Year-on-year, revenue was down by 23% due to lower sales.
- **EBITDA** totalled \$107 m (vs -\$12 m the previous quarter and -\$37 in Q4 2019) due to an accrued refund in the amount of \$97 m following a settlement agreement with the US Department of Commerce, and the widening of the slab/hot-rolled steel price spread. Without the accrued refund, the Segment's EBITDA was +\$10 m.

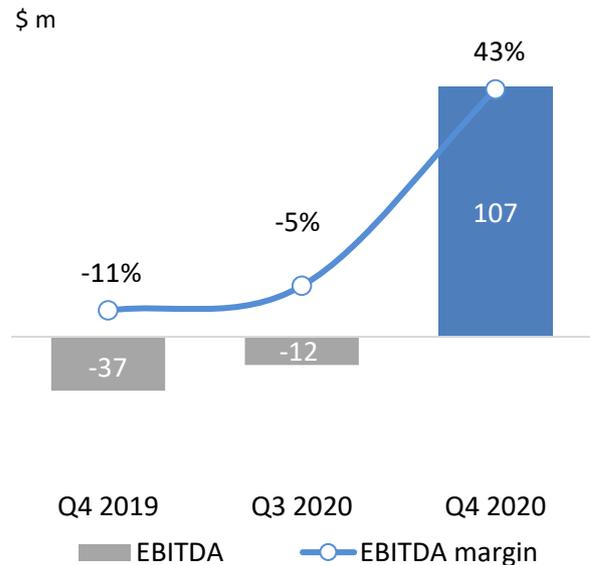
### 12M 2020 highlights

- **Sales** decreased by 27% yoy to 1.6 m t amid lower output and weaker steel consumption in the US due to the consequences of the COVID-19 pandemic.
- **Revenue** was down by 37% yoy to \$1.1 bn due a steel price adjustment and lower sales.
- **EBITDA** grew to \$76 m, vs. -\$37 m in 2019. Without the accrued refund in line with the settlement agreement with the US Department of Commerce, the Segment's EBITDA was -\$21 m amid lower output and sales.

**Revenue grew by 11% qoq  
as prices recovered**



**EBITDA totalled \$107 m  
due to one-off settlement agreement refund**





## NLMK DanSteel\*

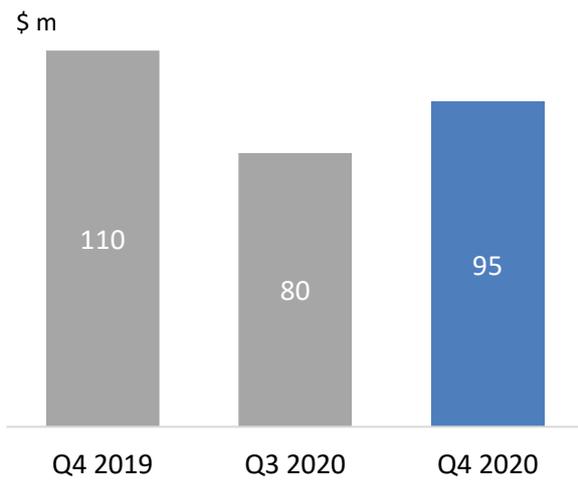
### Q4 2020 highlights

- **Sales** of plate increased to 0.14 m t (+47% qoq, +11% yoy) as earlier sales were recognized and demand gradually recovered.
- **Revenue** increased by 19% qoq to \$95 m, following higher sales. Year-on-year, revenue was down by 14% due to lower plate prices.
- **EBITDA** totalled -\$4 m (vs. -\$3 m in Q3 2020 and \$1 m in Q4 2019).

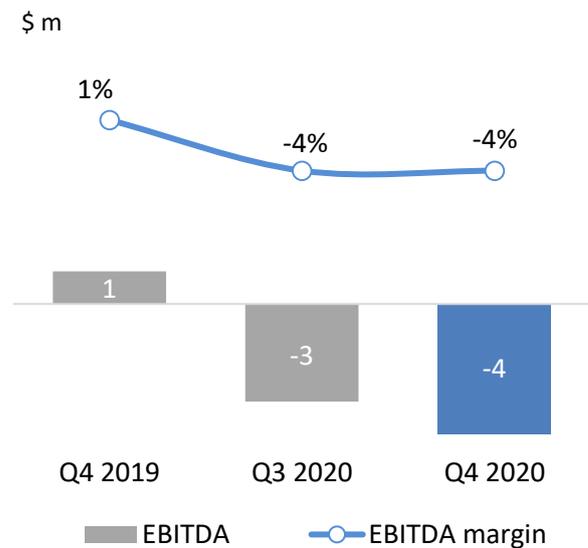
### 12M 2020 highlights

- **Sales** totalled 0.52 m t (-1% yoy).
- **Revenue** was down by 19% yoy to \$400 m, due mainly to the plate price adjustment.
- **EBITDA** decreased to -\$4 m (vs. \$8 m the previous year) due to lower plate prices.

**Revenue increased by 19% qoq due to higher sales**



**EBITDA decreased to -\$4 m**



\* NLMK DanSteel and plate distribution network.



## JV performance (NBH)

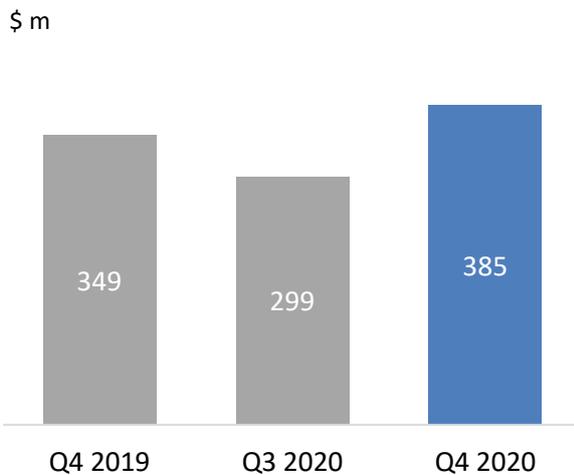
### Q4 2020 highlights

- **NBH sales** grew by 19% qoq to 0.55 m t (+6% yoy) amid recovering flat product demand from automotive companies.
- **Revenue** increased by 29% qoq (+10% yoy) to \$385 m against the backdrop of higher steel product supplies and prices recovering by an average of 8% qoq.
- **EBITDA** reached -\$28 m, vs. -\$32 m the previous quarter and -\$27 m the previous year.

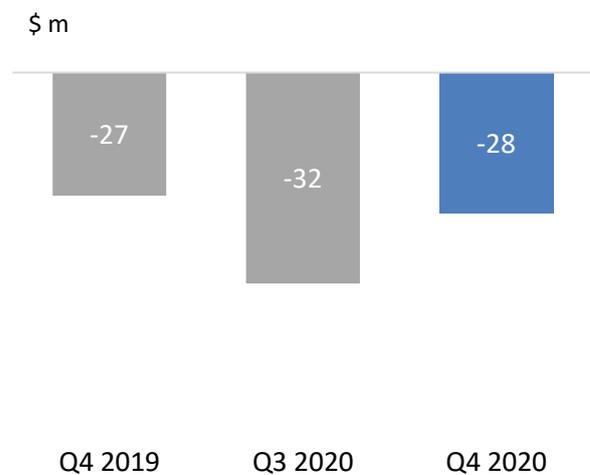
### 12M 2020 highlights

- **Sales** were down by 5% yoy to 2.1 m t due to lower demand for steel products in Q2 2020 amid the COVID-19 pandemic.
- **Revenue** decreased by 12% yoy to \$1.4 bn due to lower steel product sales prices and a decrease in sales.
- **EBITDA** totalled -\$93 m vs. -\$134 m the previous year. Losses in the Segment were due to low prices for end products coupled with a decrease in output and sales amid the COVID-19 pandemic. The relative decrease in losses vs. the previous year was due, among other factors, to last year's accrual of non-operating provisions for NLMK Clabecq restructuring.

**Revenue increased by 29% qoq, following higher prices and sales**



**EBITDA totalled -\$28 m in Q4 2020**





## Appendix No. 1 Operating and financial results

### (1) Sales markets

k t	Total	Sales markets					
		Russia	EU	North America	Middle East and Turkey	Central & South America	Other
NLMK Group (with NBH)	4 135	1 643	793	596	565	178	361
Division sales to third parties:							
NLMK Russia Flat	2 435	1 200	45	219	535	176	259
NLMK Russia Long	677	438	114	1	25	0	99
International subsidiaries and affiliates, incl.:	1 023	5	633	376	4	2	3
<i>NLMK USA</i>	370	0	0	370	0	0	0
<i>European rolling facilities (NLMK DanSteel and NBH)</i>	652	5	633	6	4	2	3

### (2) NLMK Russia Flat

k t/\$ million	Q4 2020	Q3 2020	qoq	Q4 2019	yoy	2020	2019	yoy
Steel product sales, incl.:	3,172	3,281	-3%	3,226	-2%	13,355	12,460	7%
external customers	2,433	2,870	-15%	2,375	2%	10,637	9,381	13%
semis to NBH	582	308	89%	523	11%	2,096	2,104	0%
intersegmental sales	158	102	54%	328	-52%	621	975	-36%
Revenue, incl.:	1,776	1,600	11%	1,687	5%	6,788	7,327	-7%
external customers	1,415	1,425	-1%	1,347	5%	5,600	5,897	-5%
intersegmental operations	361	175	2,1x	340	6%	1,188	1,430	-17%
EBITDA	466	306	52%	248	88%	1,430	1,490	-4%
EBITDA margin	26%	19%	+7 p.p.	15%	+11 p.p.	21%	20%	+1 p.p.

### (3) NLMK Russia Long

k t/\$ million	Q4 2020	Q3 2020	qoq	Q4 2019	yoy	2020	2019	yoy
Steel product sales	682	802	-15%	674	1%	2,647	2,850	-7%
Revenue, incl.:	445	452	-2%	389	14%	1,539	1,757	-12%
external customers	323	337	-4%	316	2%	1,171	1,428	-18%
intersegmental operations	122	115	6%	73	67%	368	329	12%
EBITDA	32	37	-14%	(2)	-16x	93	89	4%
EBITDA margin	7%	8%	-1 p.p.	-1%	+8 p.p.	6%	5%	+1 p.p.



#### (4) Mining Segment

k t/\$ million	Q4 2020	Q3 2020	qoq	Q4 2019	yoy	2020	2019	yoy
Iron ore products sales, incl.:	4,819	4,112	17%	4,560	6%	18,415	18,446	0%
sales to Lipetsk plant	4,680	3,954	18%	4,440	5%	17,592	17,850	-1%
Revenue, incl.:	421	330	28%	321	31%	1,399	1,315	6%
external customers	20	38	-47%	15	33%	92	77	19%
intersegmental operations	401	292	37%	306	31%	1,307	1,238	6%
EBITDA	339	250	36%	241	41%	1,064	977	9%
EBITDA margin	81%	76%	+5 p.p.	75%	+6 p.p.	76%	74%	+2 p.p.

#### (5) NLMK USA

k t/\$ million	Q4 2020	Q3 2020	qoq	Q4 2019	yoy	2020	2019	yoy
Steel product sales	370	366	1%	472	-22%	1,604	2,205	-27%
Revenue, incl.:	248	223	11%	322	-23%	1,086	1,715	-37%
external customers	248	223	11%	322	-23%	1,086	1,715	-37%
intersegmental operations	-	-	0%	-	0%	-	-	0%
EBITDA	107	(12)	-8,9x	(37)	-2,9x	76	(37)	-2,1x
EBITDA margin	43%	-5%	+48 p.p.	-11%	+54 p.p.	7%	-2%	+9 p.p.

#### (6) NLMK DanSteel

k t/\$ million	Q4 2020	Q3 2020	qoq	Q4 2019	yoy	2020	2019	yoy
Steel product sales	142	97	47%	128	11%	524	529	-1%
Revenue, incl.:	95	80	19%	110	-14%	400	491	-19%
external customers	95	79	20%	110	-14%	399	490	-19%
intersegmental operations	-	1.0	-100%	-	0%	1	1	0%
EBITDA	(4)	(3)	33%	1	-4x	(4)	8	-0,5x
EBITDA margin	-4%	-4%	0 p.p.	1%	-5 p.p.	-1%	2%	-3 p.p.

#### (7) NBH

k t/\$ million	Q4 2020	Q3 2020	qoq	Q4 2019	yoy	2020	2019	yoy
Steel product sales	549	461	19%	518	6%	2,083	2,185	-5%
Revenue, incl.:	385	299	29%	349	10%	1,374	1,562	-12%
external customers	372	286	30%	332	12%	1,325	1,502	-12%
intersegmental operations	13.0	13.0	0%	17.0	-24%	49	60	-18%
EBITDA	(28)	(32)	-13%	(27)	4%	(93)	(134)	-31%
EBITDA margin	-7%	-11%	+4 p.p.	-8%	+1 p.p.	-7%	-9%	+2 p.p.



### (8) Sales by product

k t	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Pig iron	437	389	368	292	253
Slabs	1,083	1,215	1,445	1,430	1,172
Thick plates	145	97	122	164	128
Hot-rolled steel	947	887	904	921	912
Cold-rolled steel	424	480	405	528	473
Galvanized steel	273	315	292	362	331
Pre-painted steel	82	129	96	97	113
Grain-oriented steel	78	64	65	70	66
Non-grain-oriented steel	68	66	62	72	50
Billet	96	86	116	30	1
Long products	522	642	426	474	596
Metalware	65	74	53	65	77
<b>TOTAL</b>	<b>4,220</b>	<b>4,443</b>	<b>4,352</b>	<b>4,505</b>	<b>4,172</b>

### (9) Sales by region

k t	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Russia	1,643	1,817	1,447	1,767	1,805
European Union	852	482	767	1,026	787
Middle East, including Turkey	567	580	553	529	556
North America	604	562	472	826	727
Central and South America	184	49	44	134	73
CIS	101	135	76	91	91
Asia and Oceania	190	794	899	23	69
Rest of World	79	25	95	108	64
<b>TOTAL</b>	<b>4,220</b>	<b>4,443</b>	<b>4,352</b>	<b>4,505</b>	<b>4,172</b>

### (10) Revenue by region

Region	Q4 2020		Q3 2020		Q2 2020	
	\$ million	share	\$ million	share	\$ million	share
Russia	992	42%	1,022	46%	797	37%
European Union	447	19%	252	11%	358	16%
Middle East, including Turkey	296	12%	246	11%	250	11%
North America	342	14%	300	13%	299	14%
Central and South America	95	4%	22	1%	23	1%
CIS	64	3%	52	2%	58	3%
Asia and Oceania	103	4%	315	14%	333	15%
Rest of World	46	2%	20	1%	57	3%
<b>TOTAL</b>	<b>2,385</b>	<b>100%</b>	<b>2,229</b>	<b>100%</b>	<b>2,174</b>	<b>100%</b>



### (11) EBITDA calculation\*

\$ million	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Operating income**	758	437	437	439	338
minus:					
Depreciation and amortization	(132)	(142)	(145)	(155)	(142)
<b>EBITDA</b>	<b>890</b>	<b>579</b>	<b>582</b>	<b>594</b>	<b>480</b>

\* EBITDA used in NLMK's financial releases is calculated as operating profit before equity share in net losses of associates and other companies accounted for using the equity method of accounting, impairment and write-off of assets, adjusted to depreciation and amortization. EBITDA is not an indicator of operating profit, operating activity or liquidity under IFRS, and NLMK discloses it because equivalent indicators could be used by investors and analysts. That said, NLMK's EBITDA should not be viewed on a standalone basis, or in place of profit before tax, or cash flows from operations, as defined by IFRS, or as an indicator of operational efficiency, or as the sum of free cash funds that NLMK can invest into business development. NLMK's EBITDA margin and EBITDA might not be comparable to similar indicators disclosed by other companies as there are no commonly accepted rules for calculating them. For instance, NLMK's EBITDA is calculated similar to what is termed as 'Adjusted EBITDA' in other companies, as NLMK's EBITDA excludes other profit/loss items in addition to interest payments, income tax, depreciation and amortization.

\*\* Operating profit before equity share in net losses of associates and other companies accounted for using the equity method of accounting, impairment and write-off of assets

### (12) Free cash flow calculation

\$ million	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Net cash provided operating activities	524	591	549	617	710
Interest paid	(25)	(9)	(28)	(2)	(22)
Interest received	3	1	2	4	9
Advance VAT payments on imported equipment	-	-	-	-	-
<b>Capex</b>	<b>(273)</b>	<b>(344)</b>	<b>(219)</b>	<b>(288)</b>	<b>(359)</b>
<b>Free Cash Flow</b>	<b>229</b>	<b>239</b>	<b>304</b>	<b>331</b>	<b>338</b>

### (13) Net debt calculation

\$ million	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Short-term borrowings	1,054	856	1,219	1,678	468
Long-term borrowings	2,432	2,346	2,139	1,799	2,188
Cash and cash equivalents	(842)	(755)	(1,121)	(1,456)	(713)
Short-term deposits	(149)	(501)	(407)	(251)	(157)
<b>Net debt</b>	<b>2,495</b>	<b>1,946</b>	<b>1,830</b>	<b>1,770</b>	<b>1,786</b>



#### (14) Production of main products

k t	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
<b>Crude steel, incl.:</b>	<b>3,863</b>	<b>3,824</b>	<b>3,809</b>	<b>4,171</b>	<b>3,749</b>
Steel Segment	2,970	2,864	3,145	3,325	2,977
Long Products Segment, incl.:	708	786	610	659	603
NLMK Kaluga	349	361	272	256	215
International Rolled Products Segment	185	173	53	188	169
<b>Finished products, incl.:</b>	<b>2,594</b>	<b>2,614</b>	<b>2,467</b>	<b>2,852</b>	<b>2,642</b>
Flat steel	2,024	1,957	1,978	2,240	2,058
Long steel	570	657	489	612	584
<b>Coke (6% moisture), incl.:</b>	<b>1,486</b>	<b>1,506</b>	<b>1,530</b>	<b>1,540</b>	<b>1,487</b>
NLMK Lipetsk	647	647	643	645	652
Altai-Koks	839	858	887	895	834

#### (15) Slab sales, including intra-group sales to NLMK Group companies

k t	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Sales to 3rd parties, incl.:	502	907	973	696	648
Export	380	797	796	406	473
Sales to subsidiaries & associates	728	410	598	970	851
Sales to NBH	582	308	472	734	523
<b>TOTAL</b>	<b>1,230</b>	<b>1,318</b>	<b>1,571</b>	<b>1,665</b>	<b>1,499</b>

#### (16) Export shipments of steel products from Group's Russian companies to third parties

k t	Q4 2020	Q3 2020	qoq	Q4 2019	yoy	2020	2019	yoy
<b>Semi-finished products</b>	<b>912</b>	<b>1,271</b>	<b>-28%</b>	<b>726</b>	<b>26%</b>	<b>4,191</b>	<b>3,073</b>	<b>36%</b>
Pig iron	437	389	12%	253	73%	1,485	510	2,9x
Slabs	380	797	-52%	473	-20%	2,379	2,270	5%
Billets	96	85	12%	-	0%	327	293	11%
<b>Flat products</b>	<b>428</b>	<b>416</b>	<b>3%</b>	<b>381</b>	<b>12%</b>	<b>1,873</b>	<b>1,959</b>	<b>-4%</b>
HRC	203	160	27%	151	34%	863	854	1%
CRC	104	148	-30%	130	-20%	547	633	-14%
HDG	6	8	-30%	12	-52%	38	53	-29%
Coated	1	1	-24%	1	68%	3	4	-31%
Non-grain-oriented	50	47	6%	33	50%	192	182	5%
Grain-oriented	64	52	25%	54	19%	231	231	0%
<b>Long products</b>	<b>148</b>	<b>169</b>	<b>-12%</b>	<b>138</b>	<b>8%</b>	<b>563</b>	<b>560</b>	<b>1%</b>
<b>Total</b>	<b>1,488</b>	<b>1,856</b>	<b>-20%</b>	<b>1,245</b>	<b>20%</b>	<b>6,627</b>	<b>5,591</b>	<b>19%</b>



**(17) Segmental information**

<b>Q4 2020</b>					<b>NLMK</b>		<b>Totals</b>	<b>Intersegmental</b>	<b>NBH</b>	<b>Consolidated</b>
<b>\$ million</b>	<b>Russian Flat Steel</b>	<b>Russian Long Products</b>	<b>Mining</b>	<b>NLMK USA</b>	<b>DanSteel and Plates Distribution Network</b>	<b>Investments in NBH</b>		<b>operations and balances</b>	<b>deconsolidation</b>	
Revenue from external customers	1,415	323	20	248	95	372	2,473	-	(88)	2,385
Intersegment revenue	361	122	401	-	-	13	897	(884)	(13)	-
Gross profit	609	64	332	108	7	(10)	1,110	(37)	(13)	1,060
Operating income/(loss)	387	22	313	93	(7)	(46)	762	(26)	22	758
Income / (loss) before minority interest	274	16	252	99	(7)	(53)	581	(1)	(21)	559
Segment assets including goodwill	6,957	940	1,738	749	428	1,366	12,178	(1,153)	(1,163)	9,862

*Balance figures presented as of 31.12.2020*

<b>Q3 2020</b>					<b>NLMK</b>		<b>Totals</b>	<b>Intersegmental</b>	<b>NBH</b>	<b>Consolidated</b>
<b>\$ million</b>	<b>Russian Flat Steel</b>	<b>Russian Long Products</b>	<b>Mining</b>	<b>NLMK USA</b>	<b>DanSteel and Plates Distribution Network</b>	<b>Investments in NBH</b>		<b>operations and balances</b>	<b>deconsolidation</b>	
Revenue from external customers	1,425	337	38	223	79	286	2,388	-	(159)	2,229
Intersegment revenue	175	115	292	-	1	13	596	(583)	(13)	-
Gross profit	457	62	248	(16)	5	(6)	750	(18)	20	752
Operating income/(loss)	218	26	224	(26)	(6)	(47)	389	(13)	61	437
Income / (loss) before minority interest	441	24	170	(26)	(11)	(50)	548	(290)	54	312
Segment assets including goodwill	6,756	859	1,592	655	403	1,362	11,627	(1,281)	(1,128)	9,218

*Balance figures presented as of 30.09.2020*