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EVRAZ Q1 2019 TRADING UPDATE

29 April 2019 — EVRAZ plc (LSE: EVR; “EVRAZ” or the “Group”) today released its trading update for the first quarter of 2019.

Q1 2019 vs Q4 2018 HIGHLIGHTS

- In Q1 2019, EVRAZ’ consolidated crude steel output climbed by 12.4% QoQ to 3.5 million tonnes, primarily as a result of higher pig iron production following the completion of capital repairs at EVRAZ ZSMK’s blast furnace no. 3 at the end of Q4 2018.
- Total steel product sales rose by 8.4% QoQ, driven by higher crude steel production. Sales of semi-finished products surged by 29.0%, primarily due to increased pig iron and crude steel output. This was partly offset by a 2.7% reduction in sales of finished products, which was mostly attributable to lower sales of construction products in Russia and tubular and railway products in North America.
- Production of raw coking coal remained flat QoQ. In Q1 2019, external sales volumes of coking coal products declined by 4.1% as coking coal concentrate sales subsided from the elevated levels during the longwall repositioning at Yuzhkuzbassugol’s Uskovskaya mine in Q4 2018.
- Sales of vanadium products fell by 5.3% QoQ, mainly due to a sharp decline of demand from the automotive industry and high stock levels at steel makers, accumulated during a period of sharp FeV price increase.

Product, '000 tonnes	Q1 2019	Q4 2018	Q1 2019/ Q4 2018, change	Q1 2018	Q1 2019/ Q1 2018, change
Total crude steel production	3,488	3,102	12.4%	3,351	4.1%
Russia	2,986	2,599	14.9%	2,730	9.4%
Ukraine	0	0	n/a	154	n/a
North America	502	503	-0.2%	467	7.5%
Total raw coking coal mined	6,844	6,853	-0.1%	5,969	14.7%
Total coking coal concentrate production	3,684	4,221	-12.7%	4,154	-11.3%
Iron ore products production	3,636	3,367	8.0%	3,431	6.0%
Total sales of steel products *	3,187	2,939	8.4%	3,068	3.9%
Semi-finished products	1,335	1,035	29.0%	1,303	2.5%
Finished products	1,852	1,904	-2.7%	1,765	4.9%
Total sales of third-party steel products	180	228	-21.0%	170	5.9%
Sales of coking coal products	2,656	2,770	-4.1%	2,713	-2.1%
Sales of iron ore products	464	460	0.9%	585	-20.7%
Sales of vanadium final products **	2,518	2,659	-5.3%	3,108	-19.0%

Note. Numbers in this table and the tables below may not add up to totals due to rounding.

* Q1 2019 production and sales volumes of EVRAZ North America are preliminary

** in tonnes of pure vanadium

CONFERENCE CALL DETAILS

A conference call to discuss the trading update will be held on Monday, 29 April 2019, at:

- 2 pm (London time)
- 4 pm (Moscow time)
- 9 am (New York time)


Key speakers:

- **Alexey Ivanov**, Senior Vice President, Commerce and Business development,
- **Alexander Erenburg**, Vice President, Head of the Vanadium Division
- **Sergey Stepanov**, Vice President, Head of the Coal Division
- **Alexander Vasiliev**, Chief Financial Officer, EVRAZ North America

To join the call, please dial:

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Conference ID: 3551607

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To avoid any technical inconvenience, it is recommended that participants dial in 10 minutes before the start of the call.

The Q1 2019 Trading update presentation will be available on the Group's website, www.evraz.com, on Monday, 29 April 2019, at the following link:
<http://www.evraz.com/investors/presentations/>

FORWARD-LOOKING STATEMENTS

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STEEL SEGMENT

Total production volumes (RUSSIA, UKRAINE, KAZAKHSTAN and EUROPE)

Product, '000 tonnes	Q1 2019	Q4 2018	Q1 2019/ Q4 2018, change	Q1 2018	Q1 2019/ Q1 2018, change
Pig iron production	2,712	2,348	15.5%	2,571	5.5%
EVRAZ ZSMK	1,471	1,090	35.0%	1,397	5.3%
EVRAZ NTMK	1,241	1,258	-1.4%	1,020	21.7%
EVRAZ DMZ	0	0	n/a	153	- n/a
Crude steel production	2,986	2,599	14.9%	2,884	3.5%
EVRAZ ZSMK	1,895	1,494	26.8%	1,790	5.9%
EVRAZ NTMK	1,091	1,105	-1.3%	940	16.1%
EVRAZ DMZ	0	0	n/a	154	n/a
Total steel products production, net of re-rolled volume	2,622	2,354	11.4%	2,549	2.9%
EVRAZ ZSMK	1,686	1,376	22.5%	1,608	4.9%
EVRAZ NTMK	794	845	-6.0%	679	16.9%
EVRAZ DMZ	0	0	n/a	132	-100%
EVRAZ Palini e Bertoli	97	82	18.3%	91	6.6%
EVRAZ Caspian Steel	45	51	-11.8%	39	15.4%
Iron ore products production	3,636	3,367	8.0%	3,431	6.0%
Pellets (EVRAZ KGOK)	1,643	1,571	4.6%	1,651	-0.5%
Sinter (EVRAZ KGOK)	898	908	-1.1%	831	8.1%
Concentrate saleable (EVRAZ KGOK, Evrazruda)	1,095	888	23.3%	949	15.4%
Coking coal concentrate production	454	519	-12.5%	522	-13.0%
From own raw coal*	256	294	-12.9%	282	-9.2%
From third-party raw coal	198	225	-12.0%	240	-17.5%
Gross vanadium slag production**	4,446	4,377	1.6%	4,020	10.6%

Note. Numbers in this table and the tables below may not add up to totals due to rounding.

* from Coal segment

** in tonnes of pure vanadium

In Q1 2019, pig iron output at EVRAZ' Russian mills grew by 15.5% QoQ to 2.7 million tonnes following the completion of capital repairs at EVRAZ ZSMK's blast furnace no. 3.

Crude steel output climbed by 14.9% QoQ to 3.0 million tonnes following an increase in pig iron output.

Iron ore products' output rose by 8% QoQ to 3.6 million tonnes mainly due to improved performance of Evrazruda and increased demand for own-produced iron ore at EVRAZ ZSMK after the completion of capital repairs at blast furnace no. 3

Total sales volumes (RUSSIA, UKRAINE, KAZAKHSTAN and EUROPE)

Product, '000 tonnes	Q1 2019	Q4 2018	Q1 2019/ Q4 2018, change	Q1 2018	Q1 2019/ Q1 2018, change
Coke	65	251	-74.1%	110	-40.9%
Steel products, external sales	2,583	2,323	11.2%	2,586	-0.1%
Semi-finished products	1,279	1,003	27.5%	1,303	-1.8%
Slabs	482	387	24.5%	422	14.2%
Billets	646	504	28.2%	763	-15.3%
Other steel products *	151	112	34.8%	119	26.9%
Finished products	1,304	1,320	-1.2%	1,283	1.6%
Construction products	729	771	-5.4%	735	-0.8%
Railway products	343	334	2.7%	308	11.4%
Flat products	91	84	8.3%	94	-3.2%
Other steel products	141	130	8.5%	146	-3.4%
Steel products, inter-segment sales	186	151	23.2%	129	44.2%
Third-party steel products, external sales	180	228	-21.1%	170	5.9%
Iron ore products, external sales	464	460	0.9%	585	-20.7%
Pellets	464	458	1.3%	585	-20.7%
Other	0	2	-100.0%	0	n/a
Sales of vanadium final products**	2,518	2,659	-5.3%	3,108	-19.0%

Note. Numbers in this table and the tables below may not add to totals due to rounding.

* includes tonnes of pig iron

** in tonnes of pure vanadium

In Q1 2019, external sales of steel products rose by 11.2% QoQ, mostly due to higher crude steel production volumes. Sales of semi-finished products jumped by 27.5%, mostly due to the completion of capital repairs at EVRAZ ZSMK's blast furnace no. 3, which affected sales in Q4 2018.

Sales of finished products dropped by 1.2% QoQ, mainly driven by lower sales of construction products, which were down 5.4% QoQ due to a decrease of market demand in retail in Q1 2019 amid seasonal slowdown of construction works in Russia.

Sales of vanadium products fell by 5.3% QoQ, mainly due to a sharp decline of demand from the automotive industry and high stock levels at steel makers, accumulated during a period of sharp FeV price increase.

Cash cost, US\$/t	Q1 2019	Q4 2018	Q1 2019 / Q4 2018, change	Q1 2018	Q1 2019 / Q1 2018, change
Slab cash cost vertically integrated	223	195	14.4 %	256	-12.9 %
Iron ore products (Fe 62%)	37	42	-11.9 %	38	-2.6 %
Average selling prices					
US\$/tonne (ex works)	Q1 2019	Q4 2018	Q1 2018		
Coke	223	202	264		
Steel products	481	504	544		
Semi-finished products*	381	424	439		
Construction products	522	535	618		
Railway products	743	662	720		
Other steel products	593	627	628		
Pellets	75	66	61		
Metal Bulletin Ferro-Vanadium basis 78% min, free DDP, consumer plant, 1st grade Western Europe**	73.33	108.60	61.90		
Ryan's Notes N.A. FeV 80% min, US ex-warehouse, duty paid**	87.93	118.65	63.32		

* includes prices for pig iron

** US\$/kgV

In Q2 2019, pig iron production volumes are expected to remain flat.

STEEL, NORTH AMERICA SEGMENT

Production and sales volumes

Product, '000 tonnes	Q1 2019	Q4 2018	Q1 2019/ Q4 2018, change	Q1 2018	Q1 2019/ Q1 2018, change
Crude steel	502	503	-0.2%	467	7.5%
EVRAZ U.S. mills	234	233	0.4%	228	2.6%
EVRAZ Canadian mills	268	270	-0.7%	239	12.1%
Total steel products production, net of re-rolled volume	524	575	-8.9%	515	1.7%
EVRAZ U.S. mills	350	368	-4.9%	342	2.3%
EVRAZ Canadian mills	175	206	-15.0%	173	1.2%
Sales of steel products	548	585	-6.3%	482	13.7%
Semi-finished products	56	32	75.0%	0	n/a
Construction products	70	74	-5.4%	69	1.4%
Railway products	99	117	-15.4%	96	3.1%
Flat-rolled products	132	126	4.8%	142	-7.0%
Tubular products	191	236	-19.1%	175	9.1%

* Q1 2019 production and sales volumes are preliminary

In Q1 2019, total output of steel products dropped by 8.9% QoQ due to a reduction of 15.0% QoQ at EVRAZ Regina. The latter was caused by lower line pipe production volumes, which was due to lower US sales driven by US tariffs and duties, as well as lower LDP production due to increased changeover time as mills switched through multiple orders.

Total output of steel products at EVRAZ Pueblo fell by 11.0% QoQ as output of construction products declined amid lower demand for concrete reinforcing bar, which was driven by late start of construction season and reduced railway product output due to unplanned rail mill downtime in March 2019.

Sales of construction products decreased by 5.4% QoQ due to lower demand for concrete reinforcing bar, as inclement weather caused a slowdown of construction activity.

Railway product sales slid by 15.4% QoQ, driven by unplanned rail mill downtime in March 2019 at EVRAZ Pueblo, while market fundamentals remain strong.

Sales of flat-rolled products jumped by 4.8% QoQ as demand recovered in Q1 2019, after customers reduced inventory in Q4 2018. The sales growth was also impacted by a planned maintenance outage in Q4 2018 and a rail car shortage at the year-end that limited shipments.

Sales of tubular products dropped by 19.1% QoQ due to the temporary shutdown of the coating operation, which impacted line pipe shipments, as well as to lower sales of oil country tubular goods (OCTG) due to declining drilling activity in Western Canada.

Prices for tubular products were up during Q1 2019, reflecting higher prices for prevailing scrap and other inputs, as well as improved demand. Prices for construction products went down in Q1 2019 due to a seasonal reduction in market demand and surplus domestic capacity in the US. Prices for flat-rolled products were little changed compared with Q4 2018.

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Average selling prices

US\$/tonne (ex works)	Q1 2019	Q4 2018	Q1 2018
Construction products	840	889	705
Flat-rolled products	1,055	1,074	781
Tubular products	1,400	1,267	1,243

In Q2 2019, crude steel output is expected to drop by 2-5% QoQ amid a reduction in tubular volumes due to the seasonal decline on Canada's OCTG market. Flat-rolled products are expected to climb by 5-7%, driven by customer production schedules. Construction products are expected to grow by 3-5% and railway products are expected to recover by 5-10% following the unplanned downtime in March 2019.

COAL SEGMENT

Production volumes

Product, '000 tonnes	Q1 2019	Q4 2018	Q1 2019/ Q4 2018, change	Q1 2018	Q1 2019/ Q1 2018, change
Raw coking coal (mined)	6,844	6,853	-0.1%	5,969	14.7%
<i>Yuzhkuzbassugol</i>	2,606	2,188	19.1%	2,720	-4.2%
<i>Raspadskaya</i>	3,916	4,376	-10.5%	3,008	30.2%
<i>Mezhegeyugol</i>	322	289	11.4%	241	33.6%
Coking coal concentrate (production)	3,229	3,702	-12.8%	3,631	-11.1%
<i>Produced at Yuzhkuzbassugol coal washing plants</i>	1,433	1,428	0.4%	1,770	-19.0%
<i>Produced at the Raspadskaya coal washing plant</i>	1,796	2,274	-21.0%	1,861	-3.5%

In Q1 2019, overall raw coking coal output was flat QoQ, primarily due to higher production at Yuzhkuzbassugol's mines following the longwall move at the Uskovskaya mine in Q4 2018.

This was partly offset by lower production volumes at Raspadskaya' mines after the decision was taken to optimise production and reduce spending on contractor services at Razrez Raspadsky given the high inventories of raw coal that built up in Q4 2018 amid record mining volumes of GZh-grade coal.

Output of coking coal concentrate fell by 12.8%, primarily due to high level of accumulated inventories at the end of Q4 2018 and in Q1 2019.

Sales volumes

Product, '000 tonnes	Q1 2019	Q4 2018	Q1 2019/ Q4 2018, change	Q1 2018	Q1 2019/ Q1 2018, change
External sales	2,656	2,770	-4.1%	2,713	-2.1%
<i>Raw coking coal</i>	497	313	58.5%	323	53.9%
<i>Coking coal concentrate</i>	2,160	2,457	-12.1%	2,391	-9.7%
Intersegment sales	1,519	1,472	3.2%	1,443	5.3%
<i>Raw coking coal</i>	396	409	-3.1%	396	0.0%
<i>Coking coal concentrate</i>	1,123	1,063	5.7%	1,047	7.3%

In Q1 2019, external sales volumes of coking coal products dropped by 4.1% as coking coal concentrate sales subsided from the elevated levels during the longwall repositioning at Yuzhkuzbassugol's Uskovskaya mine in Q4 2018. A deficit of K-grade coal caused by the switch to longwall operations at the Raspadskaya-Koksovaya mine also contributed to the QoQ fall in coal concentrate sales.

Cash cost, US\$/t	Q1 2019	Q4 2018	Q1 2019 / Q4 2018, change	Q1 2018	Q1 2019 / Q1 2018, change
Coking coal concentrate	48	46	4.3%	45	6.7%

Average selling prices					
US\$/tonne (ex works)	Q1 2019		Q4 2018		Q1 2018
Raw coking coal	57		67		75
Coking coal concentrate	117		113		135

In Q1 2019, coking coal selling prices rose in line with global benchmarks.

In Q2 2019, raw coal production is expected to increase QoQ after the completion of the Alardinskaya mine's transfer and the Rapsadskaya-Koksovaya mine's switch to longwall mining.

Notes:

Semi-finished products include slabs, billets, pipe blanks and other semi-finished products.

Construction products include beams, channels, angles, rebars, wire rods, wire and other construction products.

Railway products include rails, wheels, tyres and other railway products.

Flat-rolled products include commodity plate, specialty plate and other flat products.

Tubular products include large-diameter line pipes, ERW pipes and casings, seamless pipes and other tubular products.

Other steel products include rounds, grinding balls, mine uprights, strips, etc. They also include railway products for Ukraine.

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EVRAZ is a vertically integrated steel, mining and vanadium business with operations in the Russian Federation, Kazakhstan, USA, Canada, Czech Republic and Italy. EVRAZ is among the top steel producers in the world based on crude steel production of 14 million tonnes in 2018. A significant portion of the company's internal consumption of iron ore and coking coal is covered by its mining operations. The company's consolidated revenues for the year ended 31 December 2018 were US\$12,836 million, and consolidated EBITDA amounted to US\$3,777 million.