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EVRAZ Q1 2018 TRADING UPDATE

26 April 2018 — EVRAZ plc (LSE: EVR; “EVRAZ” or the “Group”) today released its trading update for the first quarter of 2018.

Please, note that starting Q1 2018 the Group will publish Trading updates instead of Production reports.

The following key changes should be taken into consideration:

- 1) Production and sales data were aligned with reporting segments in EVRAZ’ financial statements to improve transparency.
- 2) Production volumes for saleable products were replaced with the sales data, in which own produced products and the resale of third-party product volumes were separated.
- 3) The cash costs for steel, iron ore and coking coal products were added and will be reported within the trading updates on a quarterly basis going forward.
- 4) Pig iron and crude steel production volumes were reported on a “by plant” basis in the Steel and Steel, North America segments.
- 5) Iron ore production volumes reflect the performance of the following assets: EVRAZ KGOK and Evrazruda. The saleable concentrate production volumes from Evrazruda replaced the data on sinter produced at EVRAZ ZSMK.
- 6) Coking coal concentrate output at the Steel segment (EVRAZ ZSMK’s coal washing plant) has a breakdown by volumes produced from own and from third-party raw coal.

Q1 2018 vs Q4 2017 HIGHLIGHTS:

- In Q1 2018, EVRAZ’ consolidated crude steel output fell by 5.5% QoQ to 3.3 million tonnes, primarily as a result of lower pig iron production due to iron ore supply logistics limitation in the view of severe weather conditions in January and February (congelation of third party iron ore concentrate and pellets) as well as the technical condition of blast furnaces no. 1 and no. 3 at EVRAZ ZSMK, shutdown of the blast furnace no.6 at EVRAZ NTMK and the disposal of EVRAZ DMZ in March 2018.
- Production of raw coking coal climbed by 6.7% QoQ to 6.0 million tonnes following the completion of scheduled longwall repositioning at the Alardinskaya and Uskovskaya mines.
- Total steel product sales dropped by 5.7% QoQ due to lower crude steel production. Sales of semi-finished products fell by 16.6%, primarily due to reduced pig iron and crude steel production. This was partly offset by a 5.7% increase in the output of finished products (mainly construction products, driven by stronger demand for rebars and channels).
- Coking coal product sales declined by 10.0% QoQ, mainly due to unusually high sales of raw coking coal in Q4 2017, which was driven by higher sales prices and the need to reduce coking coal inventories. Coking coal concentrate sales volumes grew by 9.8% QoQ due to higher sales prices for coal concentrate and increased export sales following the debottlenecking of logistics capacity.
- Iron ore product sales decreased by 4.3% QoQ due to restocking of pellets, which has been made driven by expected higher marginal sales to domestic market and scheduled repairs in September.
- Sales of vanadium products fell by 17.0% QoQ, mainly due to lower FeV and oxide sales, resulting from reduced oxide availability. The main reason for lower oxide availability was reduced slag conversion at third parties resulting from slag produced in 2017. Despite the fact of expected total lower slag production during 2018 comparing to 2017, the aim is to increase conversion of the slag produced in 2018 and accumulated from 2017 later in the year.

Product, '000 tonnes	Q1 2018	Q4 2017	Q1 2018/ Q4 2017, change	Q1 2017	Q1 2018/ Q1 2017, change
Total crude steel production	3,357	3,551	-5.5%	3,678	-8.7%
Russia	2,730	2,842	-3.9%	2,980	-8.4%
Ukraine	154	257	-40.0%	241	-36.1%
North America*	473	452	4.6%	457	3.5%
Total raw coking coal mined	5,969	5,593	6.7%	5,603	6.5%
Total coking coal concentrate production	4,154	4,112	1.0%	3,605	15.2%
Iron ore production	3,431	3,352	2.4%	3,689	-7.0%
Total sales of steel products*	3,214	3,406	-5.7%	3,461	-7.2%
Semi-finished products	1,448	1,735	-16.6%	1,770	-18.2%
Finished products	1,766	1,671	5.7%	1,691	4.4%
Total sales of third-party steel products	170	190	-10.5%	145	17.2%
Sales of coking coal products	2,801	3,111	-10.0%	2,136	31.1%
Sales of iron ore products	585	611	-4.3%	800	-26.9%
Sales of vanadium final products**	3,108	3,746	-17.0%	4,266	-27.1%

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

* Q1 2018 production and sales volumes of Evraz North America are preliminary

** in tonnes of pure vanadium

STEEL SEGMENT

Total production volumes (RUSSIA and UKRAINE)

Product, '000 tonnes	Q1 2018	Q4 2017	Q1 2018/ Q4 2017, change	Q1 2017	Q1 2018/ Q1 2017, change
Pig iron production	2,571	2,805	-8.3%	2,894	-11.2%
EVRAZ ZSMK	1,397	1,468	-4.8%	1,429	-2.2%
EVRAZ NTMK	1,020	1,087	-6.2%	1,234	-17.3%
EVRAZ DMZ	153	251	-39.0%	232	-34.1%
Crude steel production	2,884	3,099	-6.9%	3,221	-10.5%
EVRAZ ZSMK	1,790	1,877	-4.6%	1,883	-4.9%
EVRAZ NTMK	940	964	-2.5%	1,097	-14.3%
EVRAZ DMZ	154	257	-40.1%	241	-36.1%
Iron ore products production	3,431	3,352	2.4%	3,689	-7.0%
Pellets (EVRAZ KGOK)	1,651	1,608	2.7%	1,634	1.0%
Sinter (EVRAZ KGOK)	831	833	-0.2%	898	-7.5%
Concentrate saleable (EVRAZ KGOK, Evrazruda)	949	912	4.1%	1,157	-18.0%
Coking coal concentrate production	522	546	-4.4%	481	8.5%
From own raw coal*	282	211	33.6%	221	27.6%
From third-party raw coal	240	336	-28.6%	260	-7.7%
Gross vanadium slag production**	4,020	4,372	-8.1%	4,553	-11.7%

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 2018, EVRAZ' pig iron output at its Russian and Ukrainian mills fell by 8.3% QoQ to 2.6 million tonnes. The main reasons were logistics limitation of iron ore supplies because of severe weather conditions in January and February (congelation of third party iron ore concentrate and pellets) and lower productivity driven by technical incidents at EVRAZ ZSMK's blast furnaces no. 1 and no. 3. This decrease was accompanied by the shutdown of EVRAZ NTMK's blast furnace no. 6 and the launch of blast furnace no. 7.

In Ukraine, pig iron production declined due to the disposal of EVRAZ DMZ in March 2018 and unstable operations of EVRAZ DMZ' blast furnace no. 3.

Crude steel output fell by 6.9% QoQ to 2.9 million tonnes following a reduction in pig iron output.

Consolidated output of vanadium slag fell by 8.1% QoQ, which was in line with lower pig iron production.

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

Product, '000 tonnes	Q1 2018	Q4 2017	Q1 2018/ Q4 2017, change	Q1 2017	Q1 2018/ Q1 2017, change
Coke	85	109	-22.0%	49	73.5%
Steel products, external sales	2,730	2,939	-7.1%	2,992	-8.8%
Semi-finished products	1,448	1,735	-16.6%	1,770	-18.2%
Slabs	708	787	-10.1%	1,054	-32.9%
Billets	635	786	-19.2%	615	3.3%
Other steel products*	105	162	-35.3%	101	4.0%
Finished products	1,283	1,204	6.5%	1,222	5.0%
Construction products	735	644	14.1%	702	4.7%
Railway products	308	351	-12.2%	347	-11.3%
Flat products	94	70	34.3%	45	108.9%
Other steel products	146	140	4.3%	129	13.2%
Steel products, inter-segment sales	129	132	-2.3%	166	-22.5%
Sales of third-party steel products, external sales	170	190	-10.5%	145	17.2%
Sales of iron ore products, external sales	585	611	-4.3%	800	-26.9%
Pellets	585	611	-4.3%	312	87.5%
Other	0	0	n/a	488	-100.0%
Sales of vanadium final products**	3,108	3,746	-17.0%	4,266	-27.1%

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 2018, external sales of steel products fell by 7.1% QoQ, mostly due to lower crude steel production volumes. A reduction of 16.6% QoQ in sales of semi-finished products was partly offset by a rise of 6.5% in sales of finished products (mainly construction products, sales of which climbed by 14.1% QoQ, driven by stronger demand for rebars and channels).

Sales of railway products fell by 12.2% QoQ amid lower production due changes in the product mix and lower demand from Russian Railways (RZhD) in January and February.

Sales of flat-rolled products rebounded by 34.3% QoQ due to lower production at EVRAZ Palini e Bertoli in Q4 2017, which was caused by a delay in the delivery of slabs, accompanied by a shorter maintenance stop in January 2018 than in December 2017.

Iron ore product sales decreased by 4.3% QoQ due to restocking of pellets, which has been made driven by expected higher marginal sales to domestic market and scheduled repairs in September.

Sales of vanadium products fell by 17.0% QoQ, mainly due to lower FeV and oxide sales, resulting from reduced oxide availability. The main reason for lower oxide availability was reduced slag conversion at third parties resulting from slag produced in 2017. Despite the fact of expected total lower slag production during 2018 comparing to 2017, the aim is to increase conversion of the slag produced in 2018 and accumulated from 2017 later in the year.

Cash cost, USD/t	Q1 2018	Q4 2017	Q1 2018/ Q4 2017, change	Q1 2017	Q1 2018/ Q1 2017, change
Slab cash cost (vertically integrated)	256	257	-0.4 %	256	0.0 %
Iron ore products (Fe 62%)	38	41	-7.3 %	35	8.6 %
Average selling prices					
US\$/tonne (ex works)	Q1 2018	Q4 2017	Q1 2017	Q1 2017	Q1 2017
Coke	264	219	207		
Steel products	544	499	435		
Semi-finished products*	439	423	341		
Construction products	618	581	530		
Railway products	720	661	621		
Other steel products	628	595	516		
Pellets	61	54	84		
Metal Bulletin Ferro-Vanadium basis 78% min, free DDP, consumer plant, 1st grade Western Europe**	61.90	39.28	25.31		
Ryan's Notes N.A. FeV 80% min, US ex-warehouse, duty paid**	63.32	42.72	27.24		

* includes prices for pig iron

** US\$/kgV

In Q2 2018, the increase of pig iron production by c.9% is expected amid absence of major repairs and launching of blast furnace no.7 at EVRAZ NTMK. In Q2 2018, pellets production at EVRAZ KGOK is expected to decrease by c.2% due to the scheduled repairs in June.

STEEL, NORTH AMERICA SEGMENT

Production and sales volumes

Product, '000 tonnes	Q1 2018*	Q4 2017	Q1 2018/ Q4 2017, change	Q1 2017	Q1 2018/ Q1 2017, change
Crude steel	473	452	4.9%	457	3.5%
EVRAZ Pueblo	227	202	12.4%	201	12.9%
EVRAZ Regina	246	249	-1.2%	256	-3.9%
Sales of steel products	484	468	3.4%	469	3.0%
Construction products	69	59	17.0%	64	7.8%
Railway products	98	81	21.0%	95	3.2%
Flat-rolled products	135	110	22.7%	141	-4.3%
Tubular products	182	218	-16.5%	169	7.7%

* Q1 2018 production and sales volumes are preliminary

In Q1 2018, crude steel production grew by 4.9% QoQ, primarily driven by improved rail and rod and bar order book at the EVRAZ Pueblo mill.

Sales of construction products climbed by 17.0% QoQ, which included a 13-day planned maintenance outage and downtime for the Thanksgiving and Christmas holidays.

Railway products sales were up 21.0% QoQ, driven by improved demand and downtime for the holidays in Q4 2017.

Sales of flat-rolled products surged by 22.7% QoQ due to lower seasonal demand in Q4 2017 as customers reduce inventory at the year-end, as well as stronger demand, partially driven by the impact of Section 232 import tariffs.

Sales of tubular products dropped by 16.5% QoQ amid lower demand for large-diameter line pipe.

Prices for all steel products rose during the reporting period, reflecting higher prevailing prices for scrap and other inputs, reduced pressure from imports and improving demand fundamentals.

Average selling prices

US\$/tonne (ex works)	Q1 2018	Q4 2017	Q1 2017
Construction products	701	647	594
Flat-rolled products	770	768	742
Tubular products	1,243	1,195	980

In Q2 2018, crude steel output is expected to be slightly higher than in the prior quarter, tubular product volumes to experience a 5%-10% increase in volume, flat-rolled products to climb 5-10% and construction products and rail to remain strong, in line with the levels seen in Q1 2018.

COAL SEGMENT

Production volumes

Product, '000 tonnes	Q1 2018	Q4 2017	Q1 2018/ Q4 2017, change	Q1 2017	Q1 2018/ Q1 2017, change
Raw coking coal (mined)	5,969	5,593	6.7%	5,603	6.5%
<i>Yuzhkuzbassugol</i>	2,720	2,468	10.2%	2,502	8.7%
<i>Raspadskaya</i>	3,008	2,876	4.6%	2,886	4.2%
<i>Mezhegeyugol</i>	241	249	-3.2%	215	12.1%
Coking coal concentrate (production)	3,631	3,566	1.8%	3,124	16.2%
<i>Produced at Yuzhkuzbassugol coal washing plants</i>	1,770	1,826	-3.1%	1,491	18.7%
<i>Produced at Raspadskaya coal washing plant</i>	1,861	1,741	6.9%	1,634	13.9%

In Q1 2018, production of raw coking coal rose by 6.7% QoQ, primarily due to scheduled longwall repositioning at the Alardinskaya and Uskovskaya mines in Q4 2017. Output of coking coal concentrate was almost flat QoQ.

Sales volumes

Product, '000 tonnes	Q1 2018	Q4 2017	Q1 2018/ Q4 2017, change	Q1 2017	Q1 2018/ Q1 2017, change
External sales	2,801	3,111	-10.0%	2,136	31.1%
Raw coking coal	156	703	-77.8%	190	-17.9%
Coking coal concentrate	2,644	2,407	9.8%	1,947	35.8%
Intersegment sales	1,443	1,482	-2.6%	1,526	-5.4%
Raw coking coal	396	300	32.0%	313	26.5%
Coking coal concentrate	1,047	1,182	-11.4%	1,212	-13.6%

In Q1 2018, external sales volumes of raw coking coal dropped by 77.8% amid unusually high sales of raw coking coal in Q4 2017, which was driven by higher sales prices and the need to reduce coking coal inventories. Coking coal concentrate sales volumes grew by 9.8% QoQ due to higher sales prices for coal concentrate and increased export sales following the debottlenecking of logistics capacity.

Cash cost, USD/t	Q1 2018	Q4 2017	Q1 2018/ Q4 2017, change	Q1 2017	Q1 2018/ Q1 2017, change
Coking coal concentrate	45	41	9.8%	44	2.3%

Average selling prices

US\$/tonne (ex works)	Q1 2018	Q4 2017	Q1 2017
Raw coking coal	75	60	89
Coking coal concentrate	135	113	155

In Q1 2018, coking coal selling prices rose in line with global benchmarks.

In Q2 2018, raw coal production is expected to slightly decrease QoQ resulted from scheduled longwall repositioning at the Rospadskaya mine started from the end of Q1 2018 and is expected to be completed by Q3 2018.

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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 2017. 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 2017 were US\$10,827 million, and consolidated EBITDA amounted to US\$2,624 million.