

RETENTION OF LOW-COST POSITION

During the year, the segment continued to focus on improving operational performance and tightly managing controllable costs across the board.

These programmes have resulted in approximately

US\$
37

million
in benefit in 2019.

DEVELOPMENT OF PRODUCT PORTFOLIO AND CUSTOMER BASE

MARKET AND CUSTOMER FOCUS

Key developments in 2019

Secured all major Canadian LDP projects available and significantly increased production of thick-wall LDP using new production capabilities.

Achieved target production and productivity levels at the EVRAZ Regina steel mill following the upgrade programme.

Regina coating facility recovered from Q1 2019 facility fire to reach full operations.

EVRAZ share of the North American rail market increased in 2019, reaching 42%.

Announced partnership with Xcel Energy and Lightsource BP for long-term electricity supply contract, backed by solar power.

Ramp-up of large diameter spiral pipe mill at EVRAZ Portland was completed with new orders in the domestic market.

Outlook for 2020

Order book for LDP in Canada is full in 2020 for EVRAZ Regina's mills.

EVRAZ rail market share to increase further with new Class I railroads contracts and expanded customer base.

EVRAZ Portland's flat division has a renewed focus on increasing market share in Western Canada to historical levels following the elimination of trade restrictions between the US and Canada. US trade restrictions (Section 232 tariffs) aimed at other nations, including Brazil and Russia, remain, which continue to impact slab purchases.

NEW PRODUCT DEVELOPMENT AND QUALITY INCREASES

Key developments in 2019

Developed larger sizes for OCTG premium and semi-premium connections driven by market needs.

Finalised development of heavy gauge pipe products with improved toughness at extreme temperatures and of sour-service line pipe product.

Outlook for 2020

Cost reduction and productivity improvement programmes focused on yield, quality enhancements and operational excellence.

Successful ramp up of EVRAZ Red Deer heat treat to full production levels.

EVRAZ Portland to commercialise new products, including laser flat quality products, with expected launch in Q2 2020.



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