

# Operational model

## INPUT



### Proved and probable reserves

**9.9** bln t of iron ore     **1.9** bln t of coking coal



### Self-coverage<sup>1</sup>

**70%** of iron ore     **221%** of coking coal

<sup>1</sup> The raw material requirement of EVRAZ steelmaking facilities compared with coal product sales or production of iron ore products from own raw materials



### Number of employees

**46,175** in Steel segment

**16,133** in Coal segment

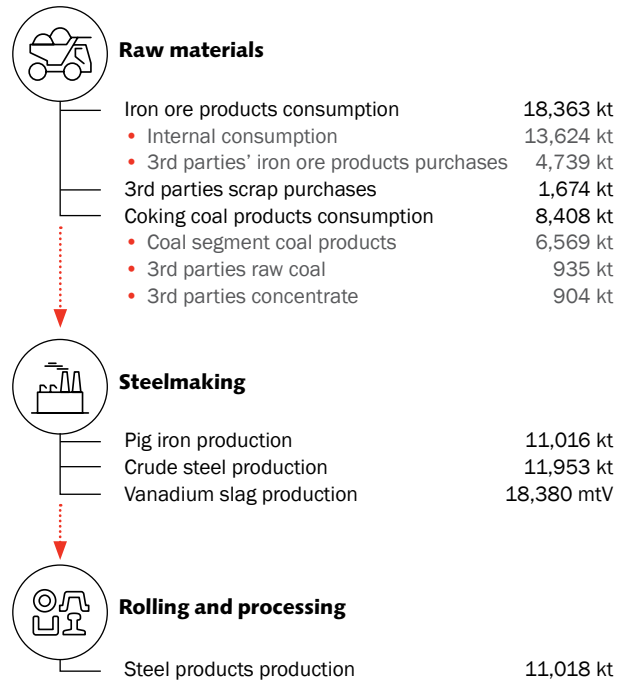
**4,302** in Steel, NA segment

# Steel segment

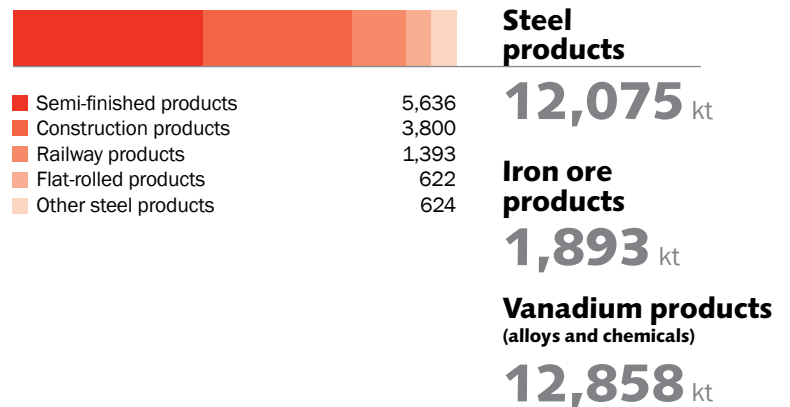
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## OPERATIONS



## SALES TO 3<sup>rd</sup> PARTIES



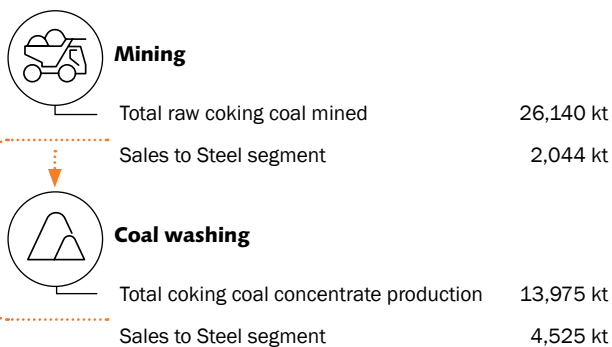
## EBITDA

US\$ **1,795** million ↓ 32.8% year-on-year

The Steel segment's EBITDA dropped amid lower steel and vanadium prices, as well as higher expenses due to increased prices for raw and auxiliary materials, including iron ore, scrap and refractories. This was partly offset by lower coking coal prices.

# Coal segment

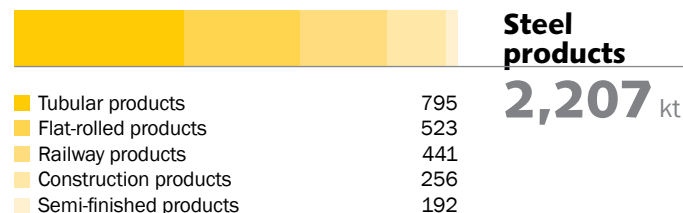
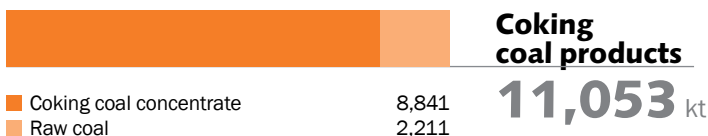
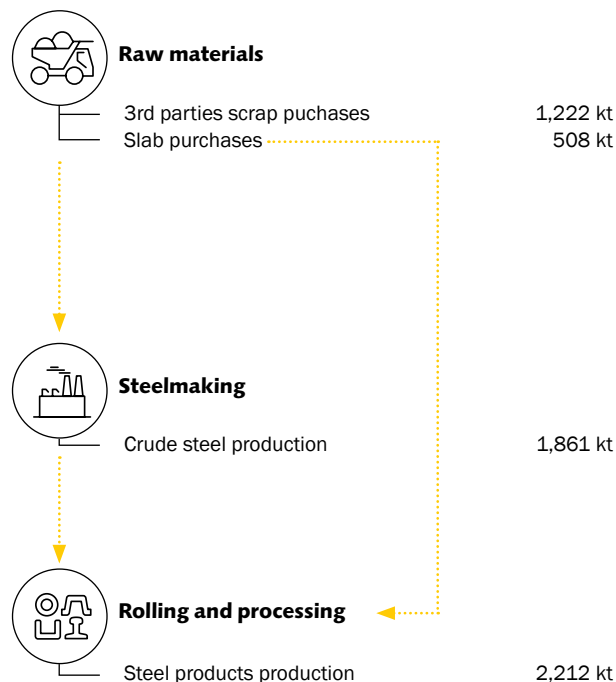
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EVRAZ unique combination of reserves, operations, product quality and clients makes its Coal segment one of the key pillars of its operational model. The synergy between the steelmaking and coal operations, combined with a broad export client base, provides the opportunity for further development of the coal business.

# Steel, North America segment

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US\$ **843** million ↓ 30.8% year-on-year

The Coal segment's EBITDA decreased year-on-year, mainly due to sales prices trending lower in line with global benchmarks.

US\$ **38** million ↑ 171.4% year-on-year

The Steel, North America segment's EBITDA rose, driven mainly by the decline of Section 232 duties on sales to the US, which were included in 2018 expenses. EBITDA remains at low levels due to the weak OCTG market and tariff on slab supply to Portland operations in North America.