

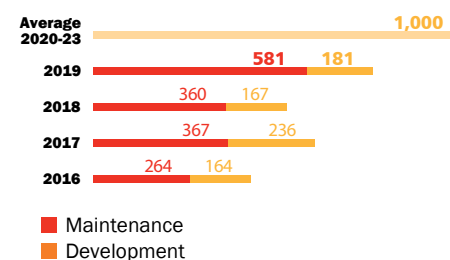
PRUDENT CAPEX

According to the current investment programme, EVRAZ total annual capital expenditures are expected to be on average US\$1.0 billion during 2020-23, including:

- Three major development projects around US\$335 million a year (2020-23 total capex around US\$1,340 million)
- Small and middle-sized development projects roughly US\$165 million a year
- Maintenance CAPEX around US\$500 million a year

In 2019, EVRAZ CAPEX totalled US\$762 million, of which US\$581 million was spent on maintenance projects and US\$181 million on development projects. Maintenance investments grew by 61%, mainly due to the execution of Blast furnace No. 6 major overhaul at EVRAZ NTMK, projects in the Coal segment linked with higher production volumes. Major development projects – such as the long rail mill at EVRAZ Pueblo, rail and beam mill modernisation at EVRAZ NTMK and integrated flat casting and rolling facility at EVRAZ ZSMK – are currently in the equipment supplier selection stage or the engineering phase.

Annual CAPEX, US\$ million



Key projects

Projects under review

Integrated flat casting and rolling facility at EVRAZ ZSMK

Incremental effect: 2.5 mtpa of premium 0.8–16 mm flat products instead of slabs and billets

Execution decision: October 2020

CAPEX: ~US\$647 million

Launch date: 2023

Long rail mill at EVRAZ Pueblo

630 ktpa of rails with a maximum length of 100 metres

Execution decision: Beginning of 2020

CAPEX: ~US\$512 million

Launch date: 2022

Rail and beam mill modernisation at EVRAZ NTMK

Incremental effect: 481 ktpa of high value-added products (H-beams, sheet piles and HH rails) instead of semi-finished products

Execution decision: October 2020

CAPEX: ~US\$205 million

Launch date: 2022

Projects in execution stage

Blast furnace No. 6 major overhaul at EVRAZ NTMK

Reconstruction of blast furnace No. 6 with a planned capacity of 2.5 mtpa; after the project is launched, blast furnace No. 5 with a current capacity of 2.3 mtpa will be shut down

CAPEX: ~US\$187 million

Launch date: 2020

Tashtagol iron ore mine upgrade

Increase Tashtagol mining volumes to 3.25 mtpa

CAPEX: ~US\$108 million

Launch date: 2021