

# Key performance indicators

EVRAZ performance is assessed against several key performance indicators (KPIs), which are linked to our strategic priorities.

## FINANCIAL

| KPI  | EBITDA,<br>US\$ million  | Free cash flow,<br>US\$ million  | Effect from efficiency<br>improvement programme,<br>US\$ million (cost cutting +<br>customer focus)  | Cash cost of slab,<br>US\$ per tonne  |
|--|--|--|--|---|
| Data                                       | <p>2019 <b>2,601</b></p> <p>2018 3,777</p> <p>2017 2,624</p>   | <p>2019 <b>1,456</b></p> <p>2018 1,940</p> <p>2017 1,322</p>   | <p>2019 <b>407</b></p> <p>2018 340</p> <p>2017 267</p>   | <p>2019 <b>236</b></p> <p>2018 225</p> <p>2017 247</p>  |
| What does it mean?                         | Our financial performance  | Our ability to generate free cash flow from the current business   | The effect of our efforts to generate and implement efficiency improvements initiatives  | Our integrated cash-cost per tonne of slab for Russian steel plants   |
| How did we perform in 2019?                | The decline comparing to 2018 is primarily attributable to lower vanadium and coal product sales prices, as well as higher expenses for raw materials (mainly increased iron ore prices) | The decline comparing to 2018 is primarily attributable to lower EBITDA and increased capital expenditures   | The efficiency programme generated its additional effect mostly through productivity growth, yield improvements and numerous savings projects. Customer focus initiatives generated additional effect a result of sales efforts in wheels, beams, grinding balls and large diameter pipes as well as to improvements in logistics efficiency | Cash cost of slab increased following change in blast furnace charge as higher percentage of more expensive pellets were added in the mix at EVRAZ ZSMK as well as due to the higher prices for raw materials and increased salary expenses |
| Relevance to strategic priorities or basis | <ul style="list-style-type: none"> <li>Retention of low cost position</li> <li>Development of product portfolio and customer base</li> </ul>   | <ul style="list-style-type: none"> <li>Debt management and stable dividend</li> <li>Prudent CAPEX</li> <li>Retention of low cost position</li> <li>Development of product portfolio and customer base</li> </ul> | <ul style="list-style-type: none"> <li>Retention of low-cost position</li> <li>Development of product portfolio and customer base</li> </ul>   | <ul style="list-style-type: none"> <li>Retention of low-cost position</li> <li>Development of product portfolio and customer base</li> <li>EVRAZ business system</li> </ul>   |
| Further details                            | <a href="#">Read more on page 251</a>  | <a href="#">Read more on page 251</a>  | <a href="#">Read more on page 251</a>  | <a href="#">Read more on page 251</a>   |