

# FY'2021 RESULTS PRESENTATION

March 1, 2022



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# KEY FINANCIAL RESULTS

Nelli Galeeva – Deputy Chief Executive Officer for Finance

A table of financial data with columns for stock symbols, current prices, and price changes. The table is overlaid on a background of a person's hands holding a smartphone and a laptop, with various financial charts and graphs visible in the background.

CTHX	▲	+18.01
CSTG	▼	-0.88
FTF	▼	-20.01
CHC	▲	+52.01
AVZG	▼	-10.01
DEX	▼	-35.01
KEY	▲	+96.01
TMS	▲	+11.01
OLP	▼	-15.01

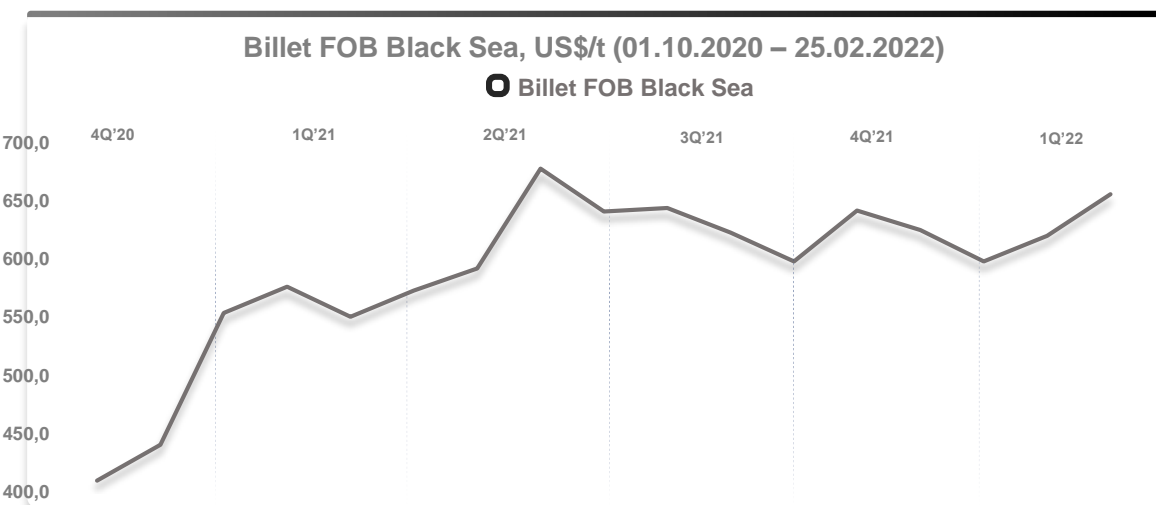
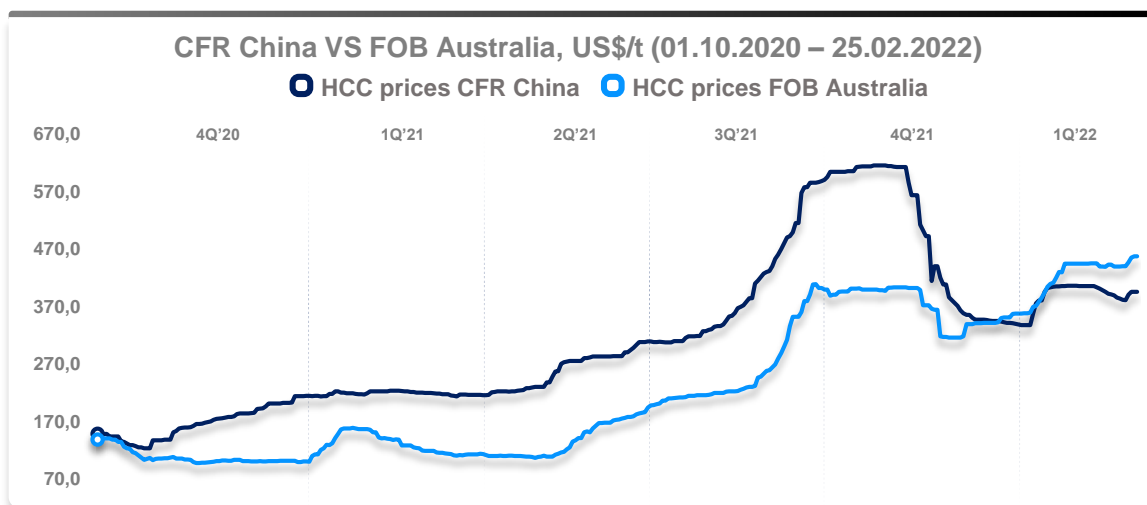
In 1Q2021 and beginning of 2Q2021 hard coking coal prices remained quite stable, but in May 2021, coking coal prices started their growth, which continued until the end of October 2021. Main reasons for such dynamics were deficit of local supplies in China and production constrains in Australia amidst high demand from steel-makers. In October, coking coal prices reached their record levels of about \$400 per tonne on FOB Australia basis and \$600 per tonne on CFR China basis.

In October, Chinese Government brought in measures supporting coking coal supply increase on local market such as safety inspections recall, Mongolian border crossings opening, unloading of vessels with Australian coal that stayed at the ports since ban on import of Australian coal was imposed. These actions bore pressure upon coking coal prices and led to their sharp decline in November. But in December prices stabilized and FOB Australia prices even started to recover.

As a result average level of spot Premium LV HCC price in 4Q'2021 amounted to over \$369 per tonne that was about 40% higher than in 3Q'2021. Average sales price for coking coal concentrate produced by Mechel mining segment on FCA basis in 4Q'2021 increased by 7% compared to 3Q'2021 average price.

In January – February 2022 coking coal prices kept up at high levels. Rainfalls in Australia and rise in new COVID variant cases resulted in coal supplies limitations that backed coal price levels.

Through first half of 2021 iron ore prices demonstrated constant growth on strong demand from China, backed by limitations in local Chinese supply. In July and in first half of August iron ore concentrate prices also remained on a high level. However, decreased iron ore demand associated with Chinese policy to lower steel production facilitated iron ore prices to decline in the second half of August and in September. In 4Q'2021 iron ore prices downward trend remained in place on the back of demand deterioration. In January 2022 iron ore prices advanced, supported by information regarding Brazil and Australia supply limitations due to weather conditions deterioration.



Source: S&P Global Platts

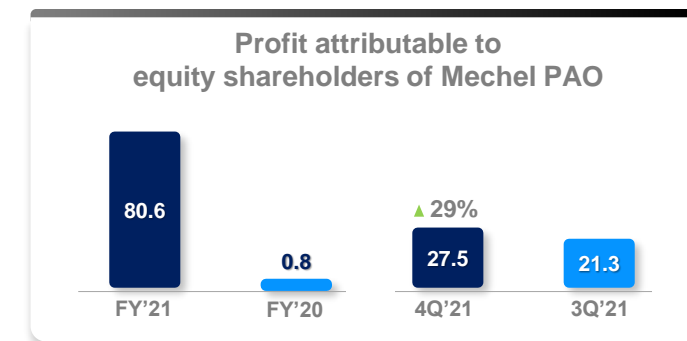
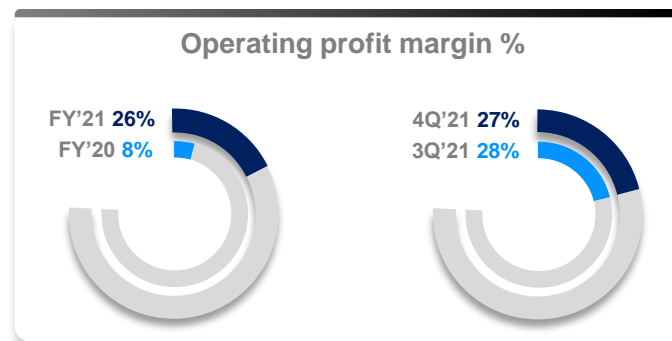
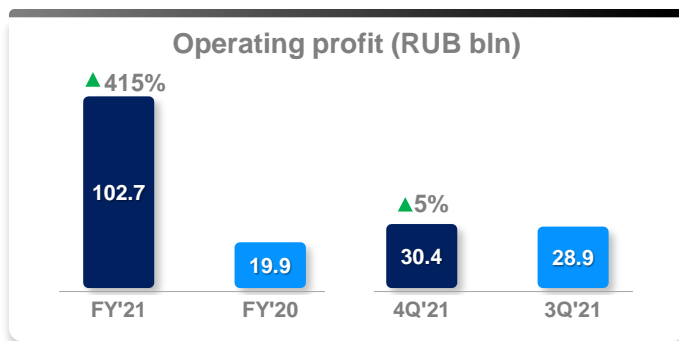
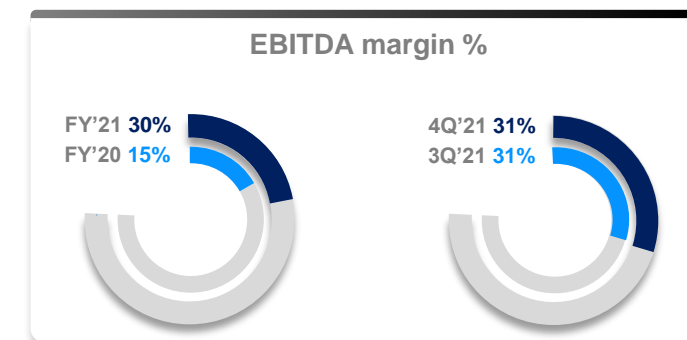
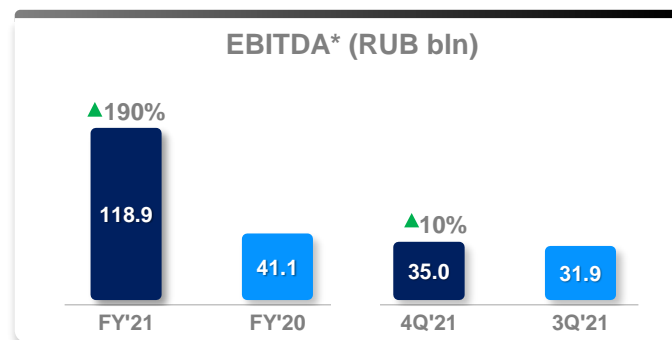
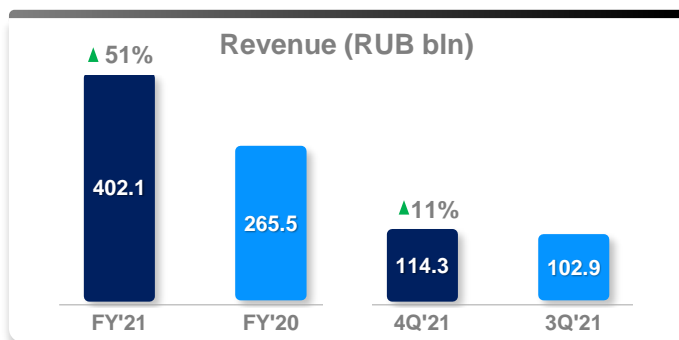
# FY'2021 FINANCIAL RESULTS SUMMARY



Consolidated Revenue in FY'2021 amounted to **402.1** bln RUB, an increase by **51%** compared to FY'2020. The main positive factor was the price increase for both mining and steel segments products.

EBITDA advanced by **190%** in FY'2021 compared to FY'2020 and amounted to **118.9** bln RUB, reflecting gross profit growth by **83.2** bln RUB on higher prices. FY'2021 EBITDA margin increased to **30%** compared to **15%** in FY'2020.

Profit attributable to Mechel PAO's equity shareholders went up to **80.6** bln RUB in FY'2021. A raise in profit compared to the previous year was due to the same reasons which mentioned above.



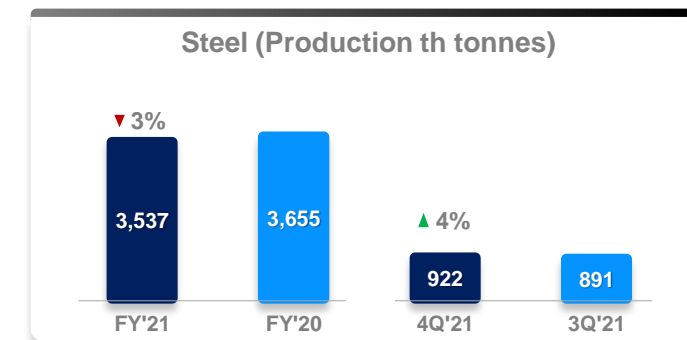
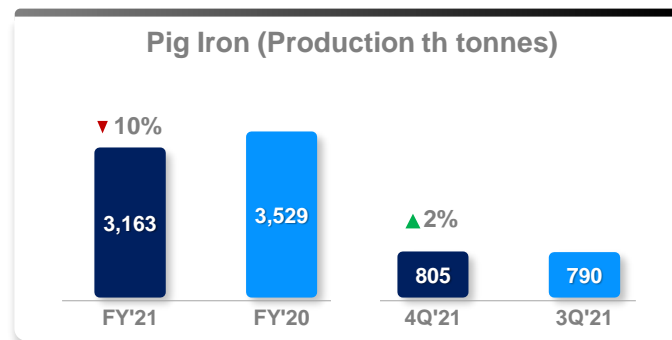
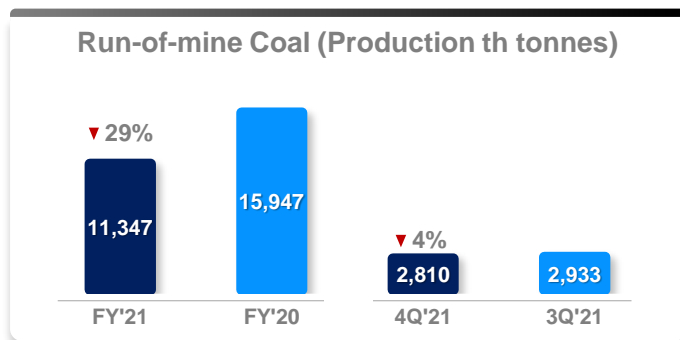
\* Here and further EBITDA is calculated as Adjusted EBITDA in accordance with definition in our earnings Press release Appendix A

# FY'2021 PRODUCTION AND SALES SUMMARY



In FY'2021 coal mining volumes decreased by **29%** compared to FY'2020.

Pig iron went down by **10%** and steel production - by **3%** Y-on-Y.

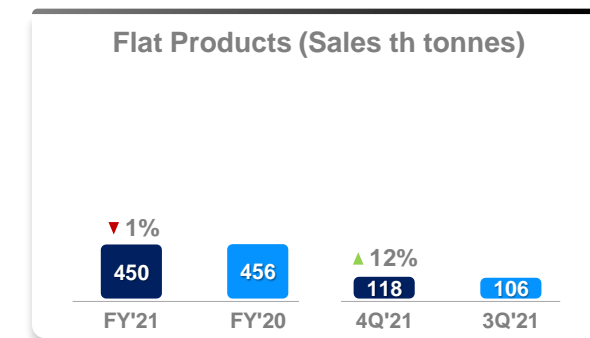
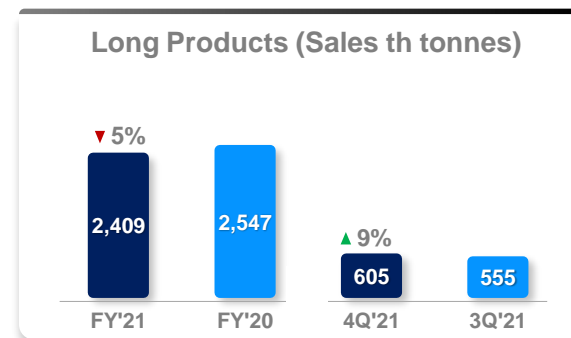
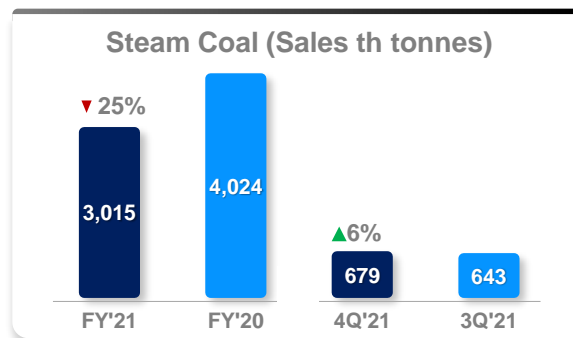
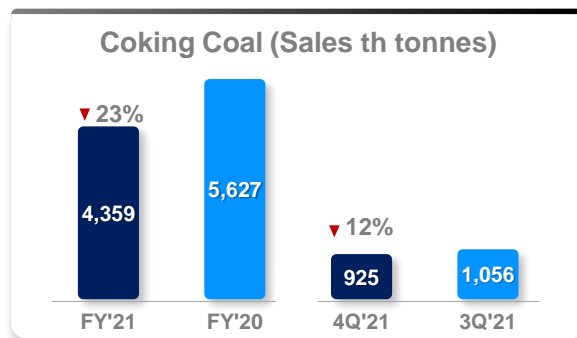


Coking coal sales volumes in FY'2021 decreased by **23%** compared to FY'2020.

PCI sales volumes declined by **42%** Y-on-Y and Anthracites sales were higher by **7%** Y-on-Y. Steam coal sales (including middlings) decreased in FY'2021 by **25%** Y-on-Y.

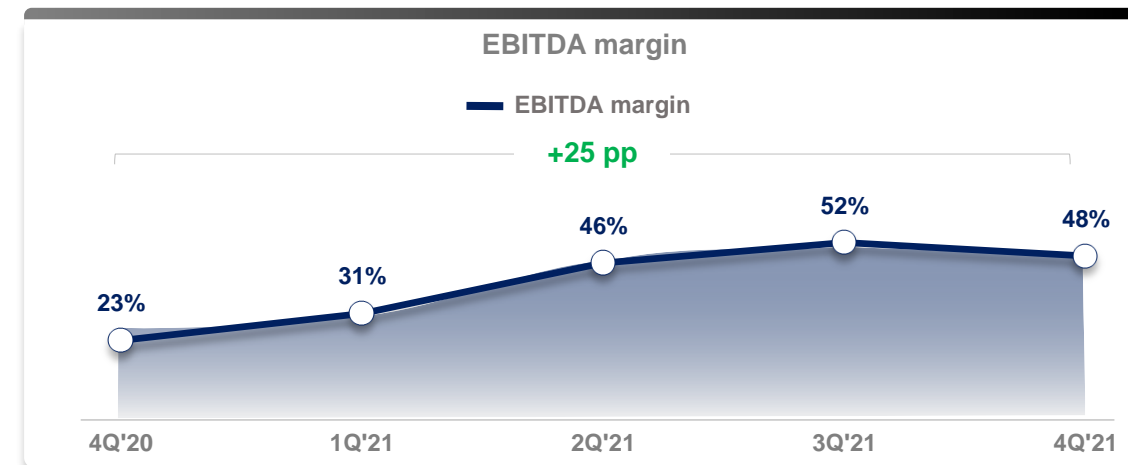
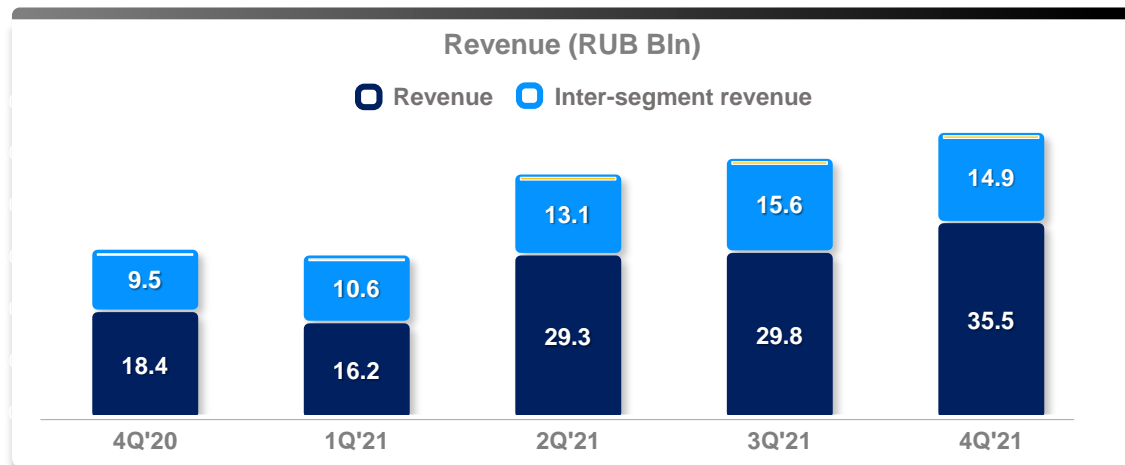
Overall met coal (Coking coal, PCI and Anthracites) sales to third parties in FY'2021 decreased by **28%**, compared to FY'2020.

Long and Flat steel products sales in FY'2021 went down by **5%** and **1%** respectively Y-on-Y.

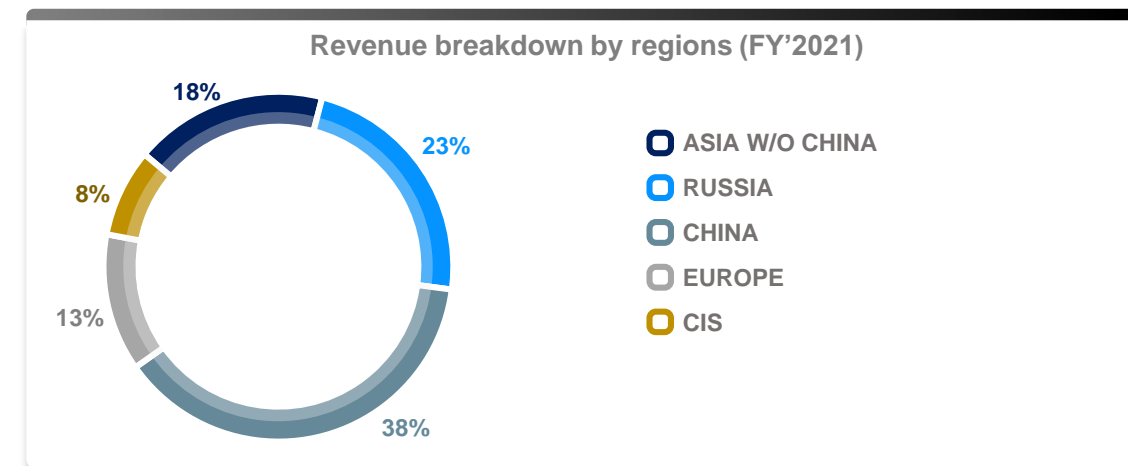
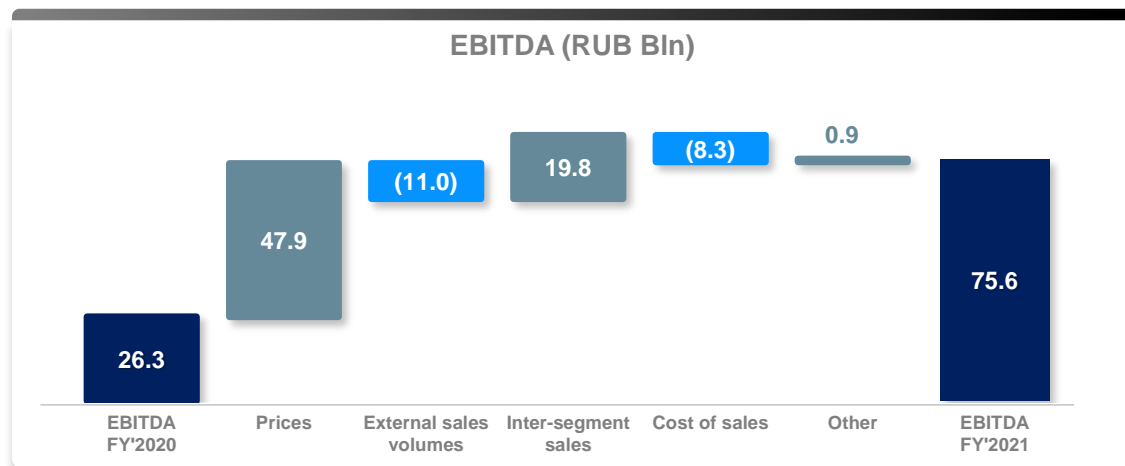


Mining segment Revenue to 3rd parties in FY'2021 increased by **56%** compared to FY'2020 due to significant growth in prices for all types of mining products. As deterrent factor was a decrease in sales volumes.

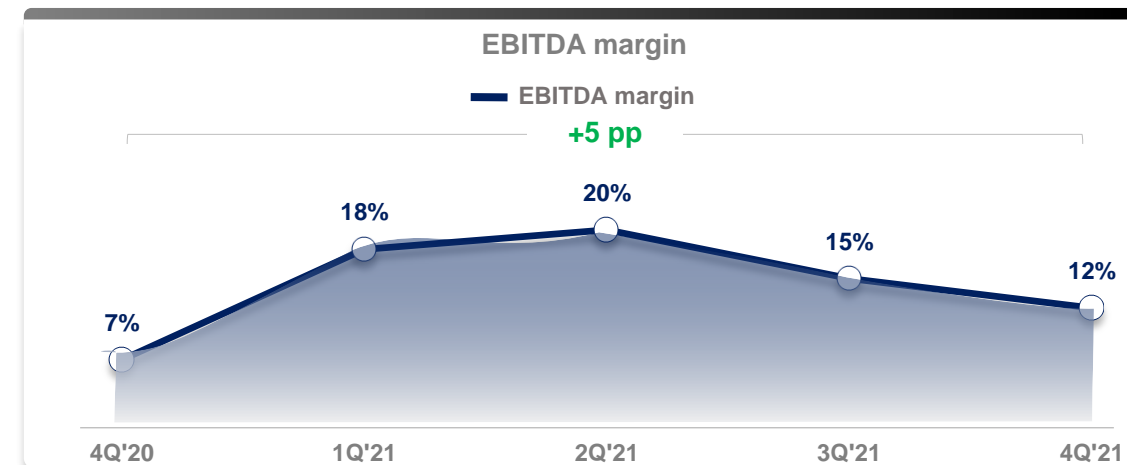
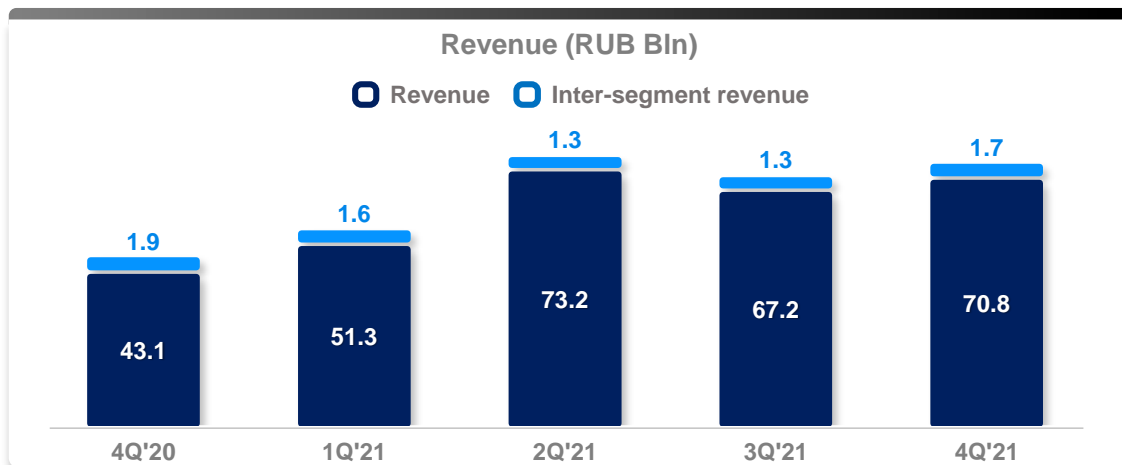
EBITDA margin went up from **25%** to **46%** compared to FY'2020.



For the same reasons mining segment EBITDA increased by **188%** Y-on-Y.

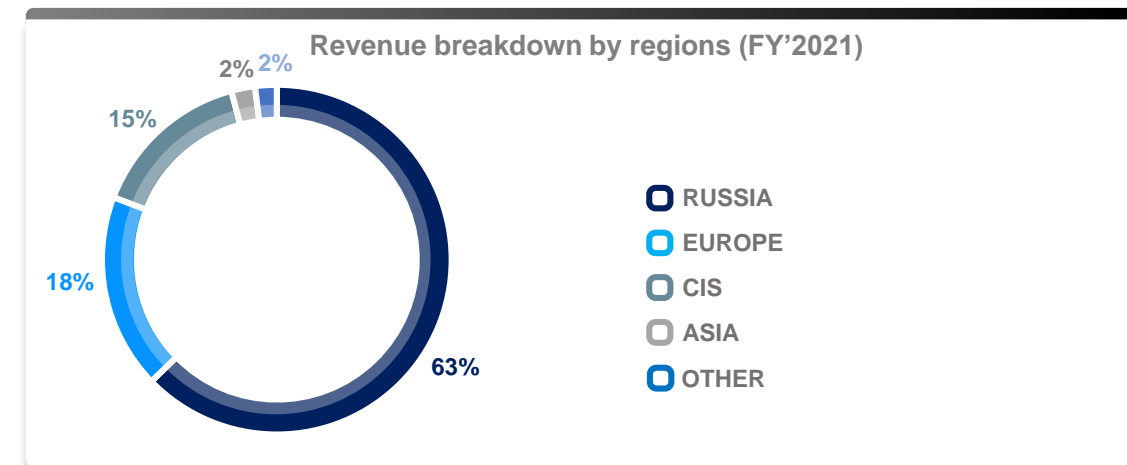
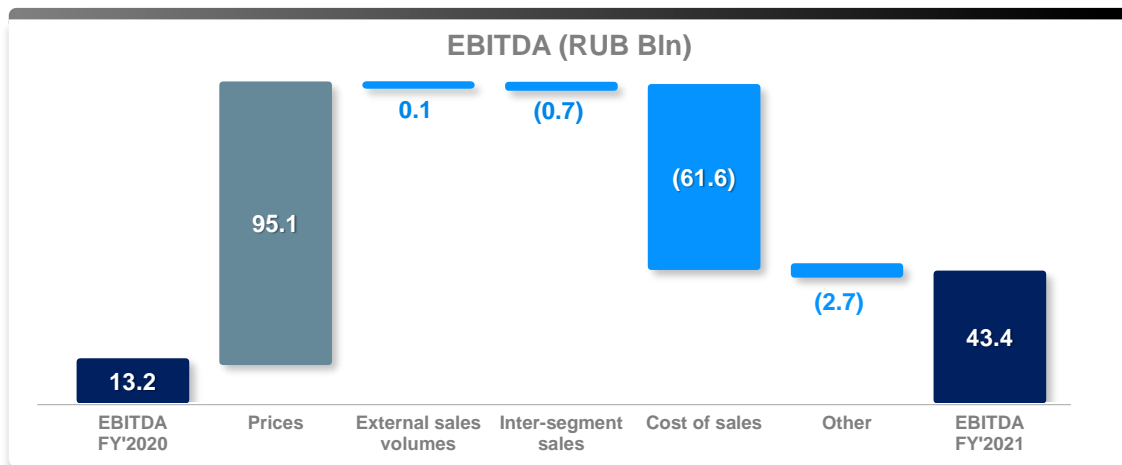


Steel segment Revenue to 3rd parties in FY'2021 increased by **57%** compared to FY'2020 due to higher steel prices. Segment's EBITDA margin doubled Y-on-Y from **8%** to **16%**.



Share of sales to Russia decreased from **69%** to **63%** Y-on-Y. At the same time share of CIS sales increased from **13%** to **15%** and share of Europe sale grew from **16%** to **18%** compared to FY'2020.

Steel segment EBITDA in FY'2021 went up by **230%** compared to FY'2020 on high prices but was affected by cost growth.





# CONSOLIDATED REVENUE AND SEGMENT EBITDA DYNAMICS



Mining segment Revenue to 3rd parties in FY'2021 increased by **56%** compared to FY'2020 due to significant growth in prices for all types of mining products. As deterrent factor was a decrease in sales volumes.

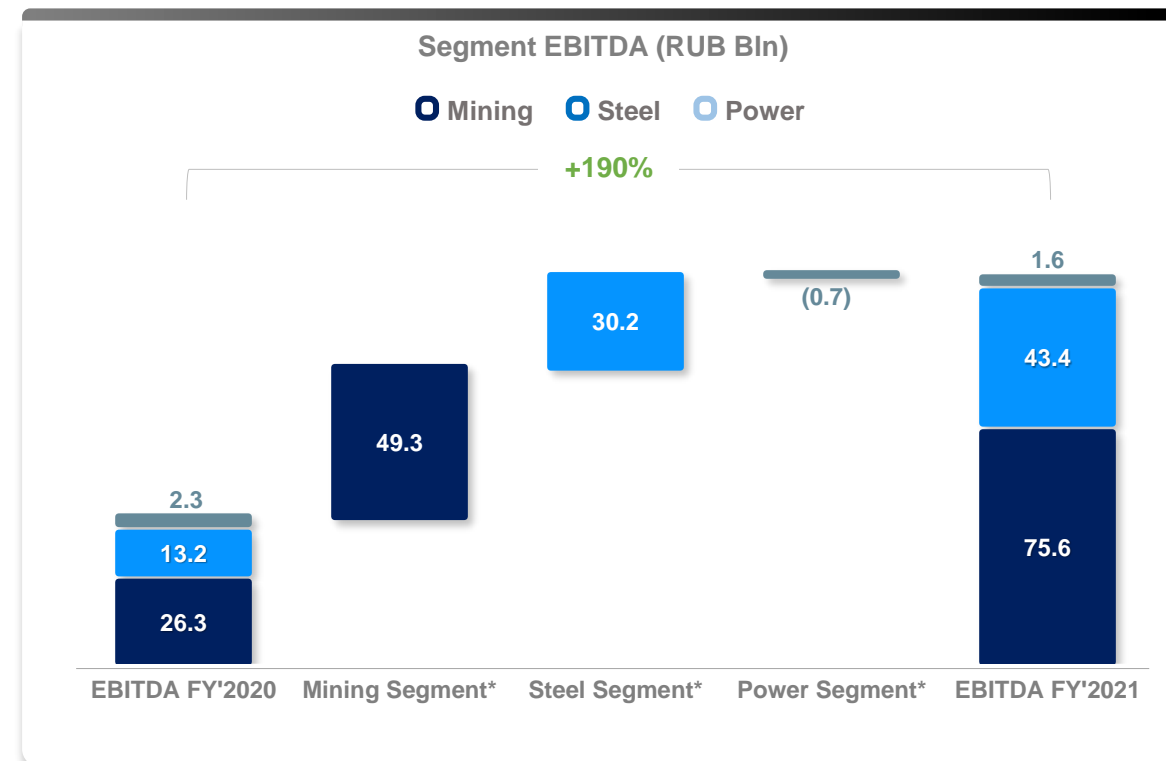
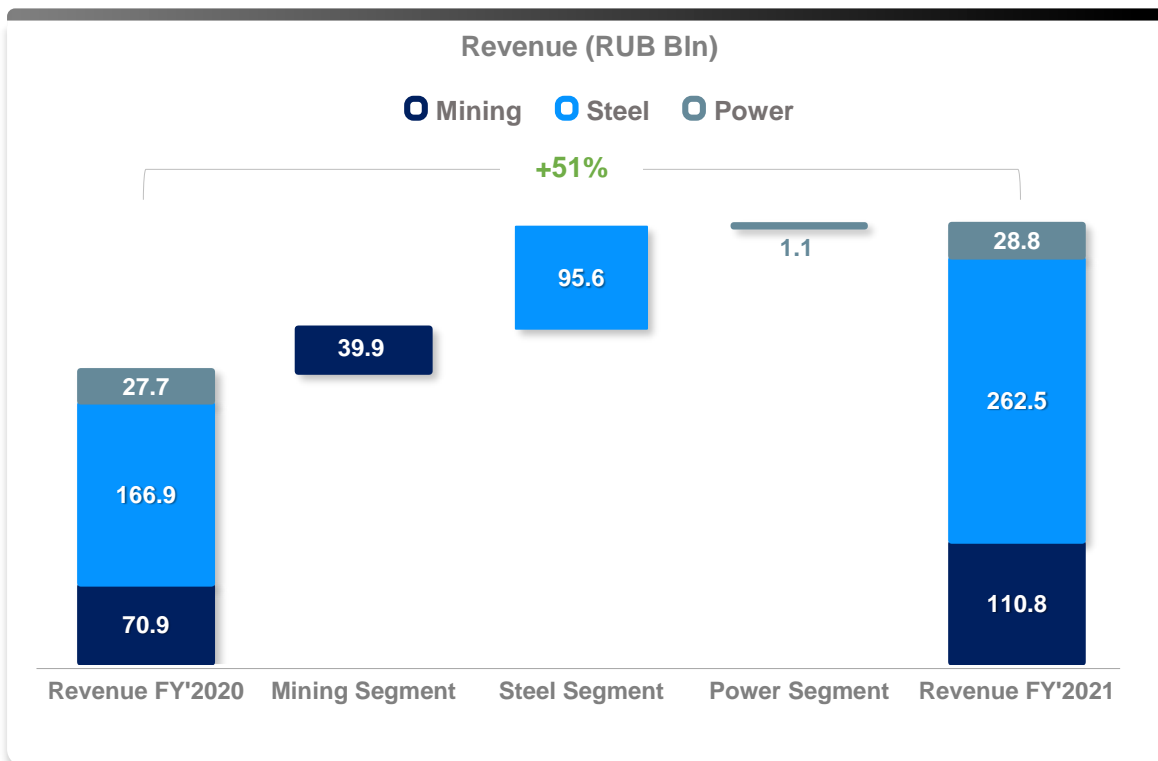
Steel segment Revenue to 3rd parties in FY'2021 increased by **57%** compared to FY'2020 due to higher steel prices.

Power segment Revenue to 3rd parties increased by **4%** in FY'2021 compared to FY'2020 due to higher prices.

Mining segment EBITDA increased by **188%** Y-on-Y as a result of significant growth in coal prices.

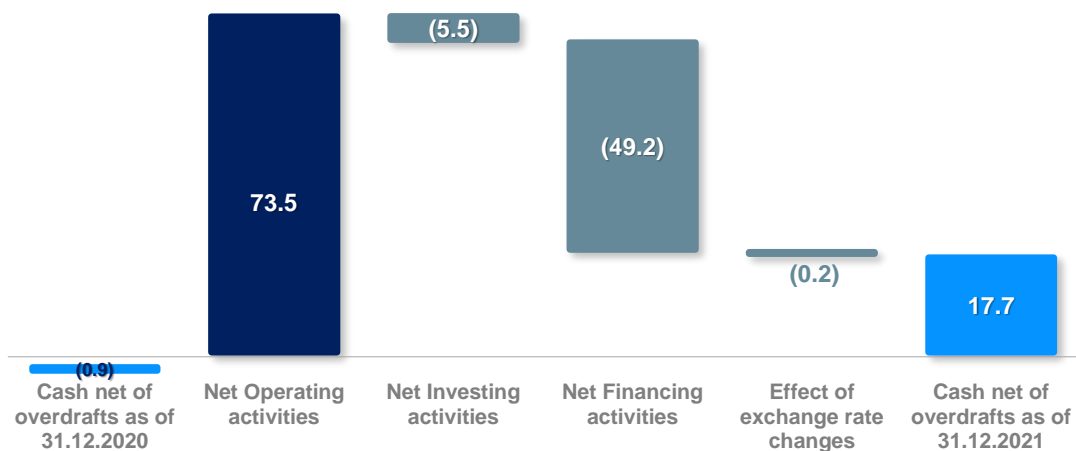
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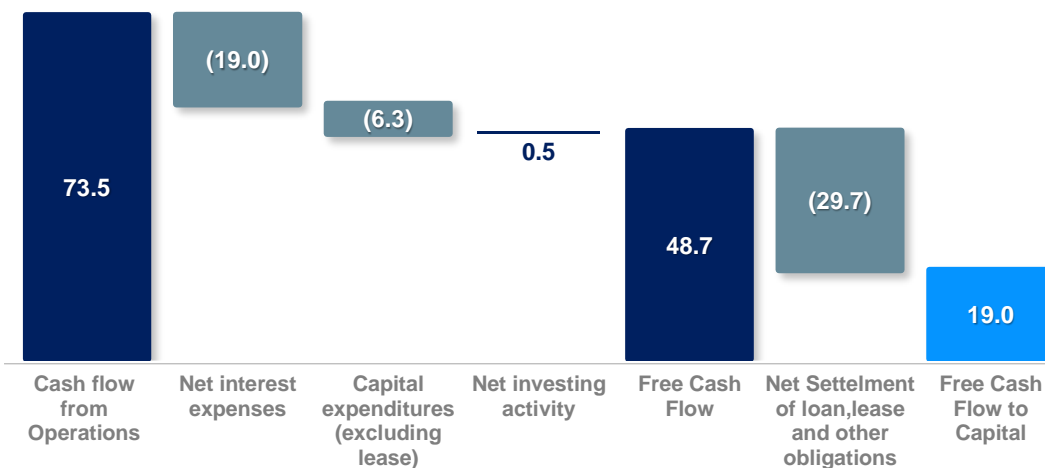


*\*including inter-segment operation.  
Income tax, deferred tax related to the consolidated group of taxpayers are not allocated to segments as they are managed on the group basis*

### CASH FLOW (RUB Bln)

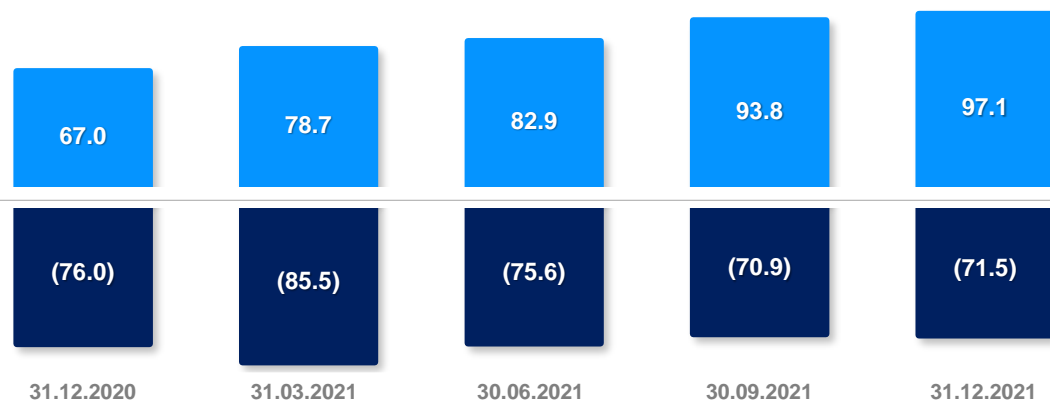


### FREE CASH FLOW for FY'2021 (RUB Bln)



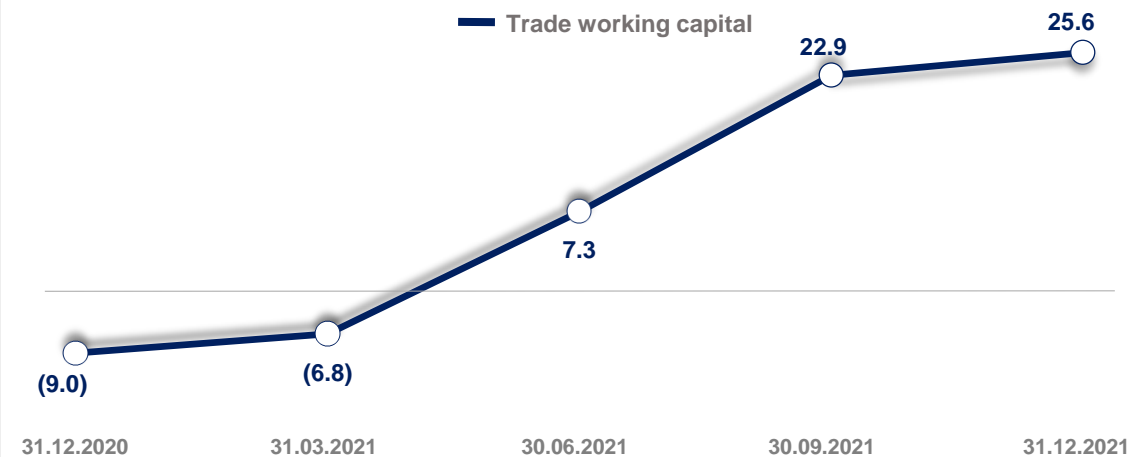
### TRADE WORKING CAPITAL MANAGEMENT (RUB Bln)

Trade current liabilities Trade current assets



### TRADE WORKING CAPITAL MANAGEMENT (RUB Bln)

Trade working capital

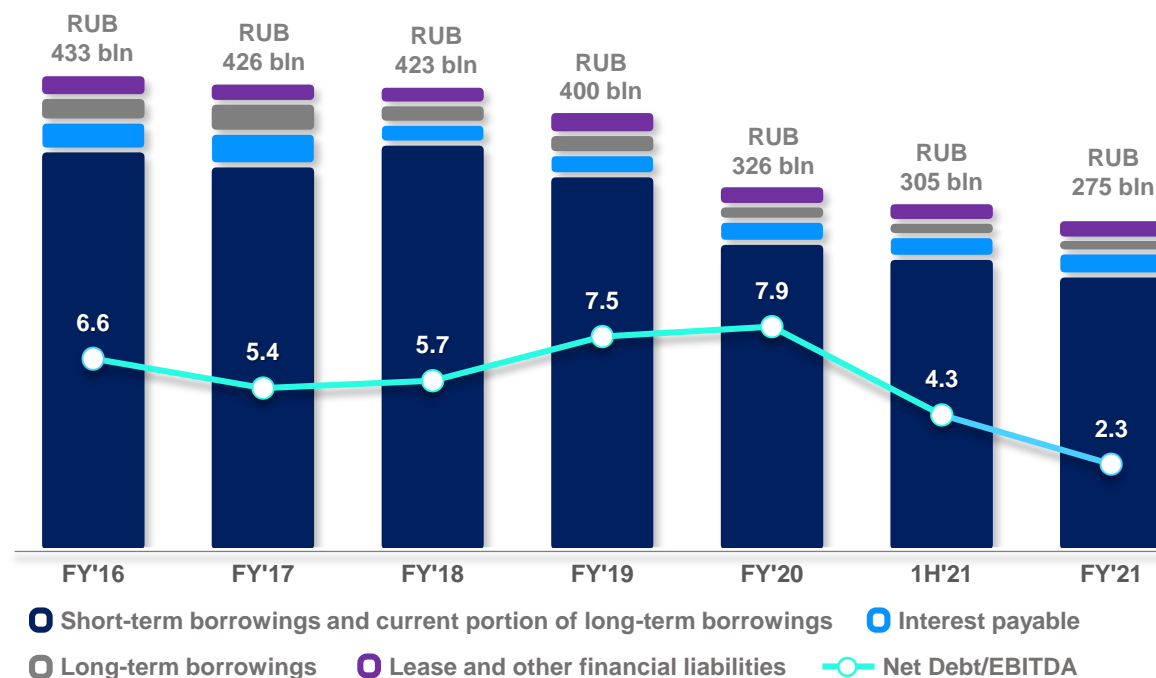


# NET DEBT / EBITDA RATIO DYNAMICS



Net leverage substantially decreased to **2.3** as of December 31, 2021, compared to **7.9** as of December 31, 2020, due to significant EBITDA growth.

The Group's net debt excluding fines and penalties on overdue amounts went down by **51** billion rubles as compared to December 31, 2020, and amounted to **275** billion rubles. This was due to net loan settlement as well as the ruble's strengthening against the euro in 2021.

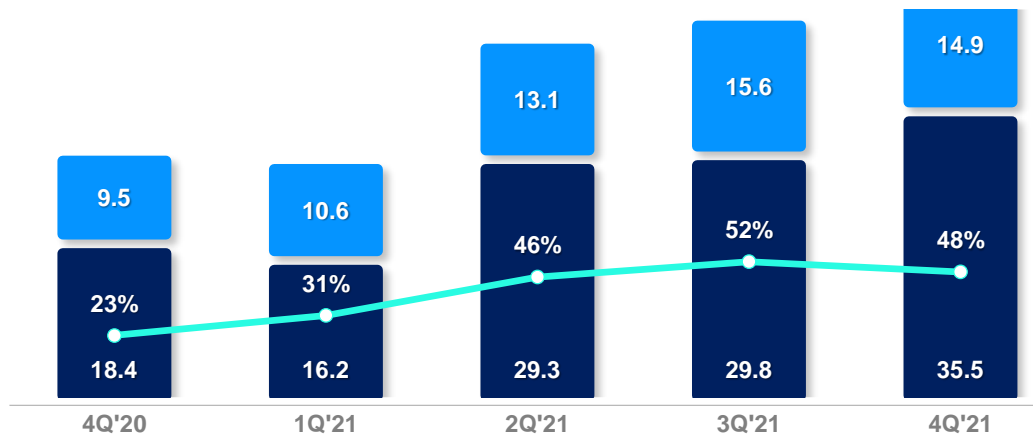


A white rounded rectangular box with a thin blue border, containing the word "APPENDIX" in a bold, dark blue, sans-serif font.

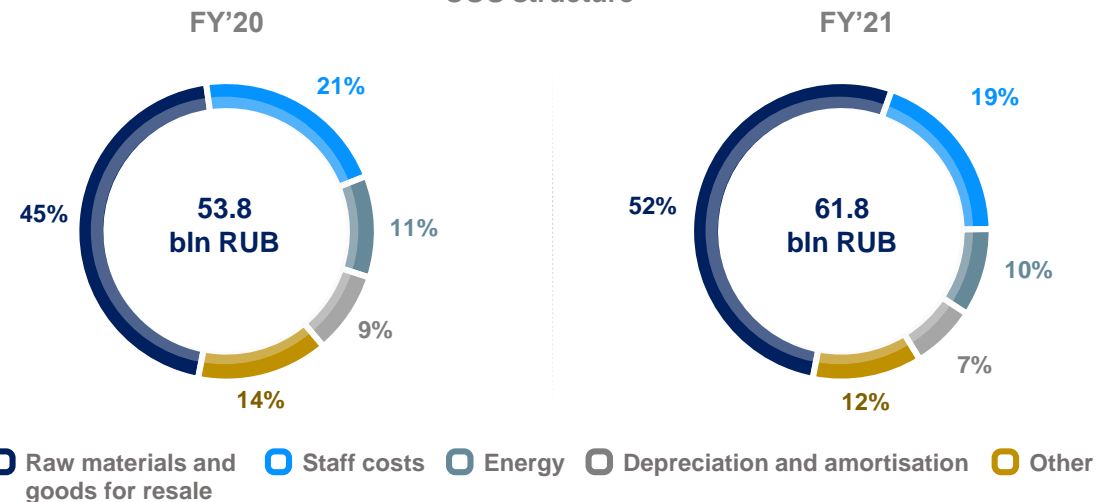
# APPENDIX

### Revenue, EBITDA margin (RUB Bln)

■ Revenue 
 ■ Inter-segment revenue 
 —●— EBITDA margin

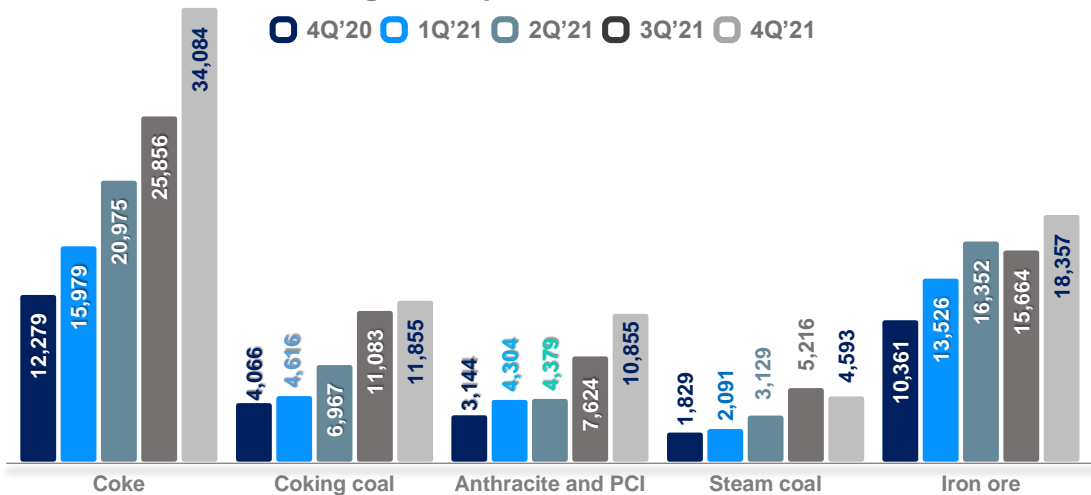


### COS structure



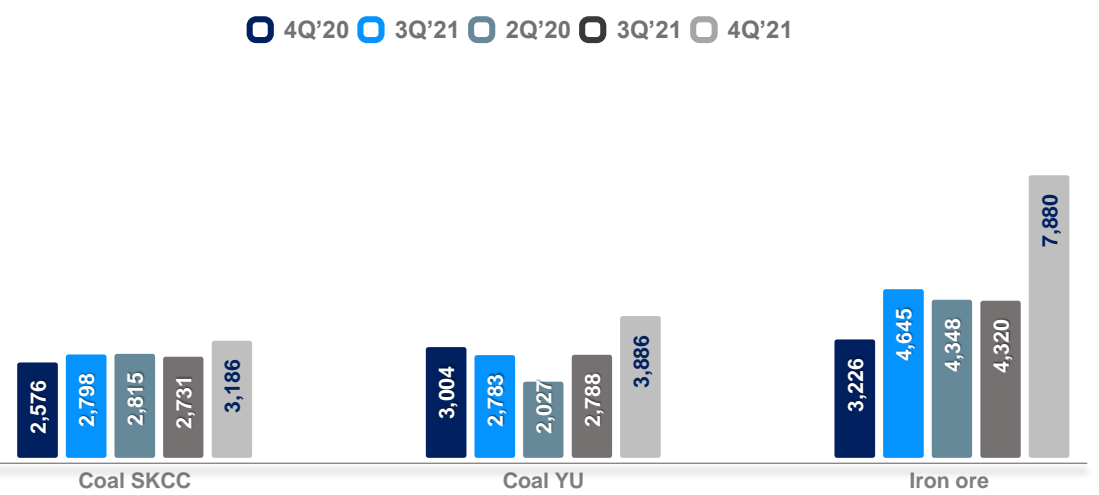
### Average sales prices FCA, RUB/tonne

■ 4Q'20 
 ■ 1Q'21 
 ■ 2Q'21 
 ■ 3Q'21 
 ■ 4Q'21

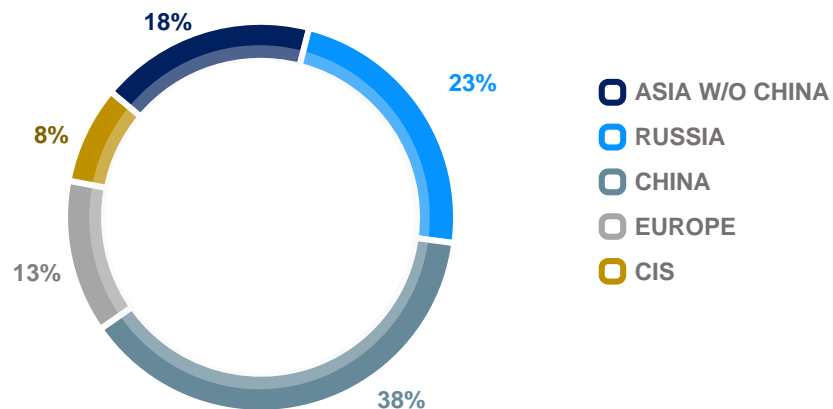


### Cash costs, RUB/tonne

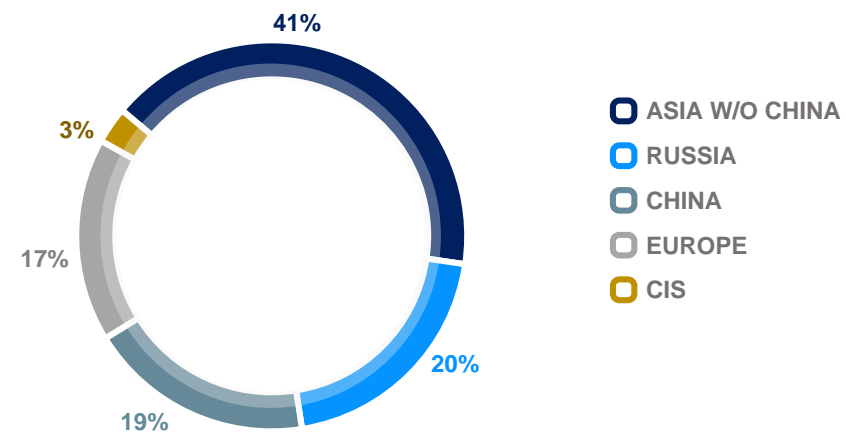
■ 4Q'20 
 ■ 3Q'21 
 ■ 2Q'20 
 ■ 3Q'21 
 ■ 4Q'21



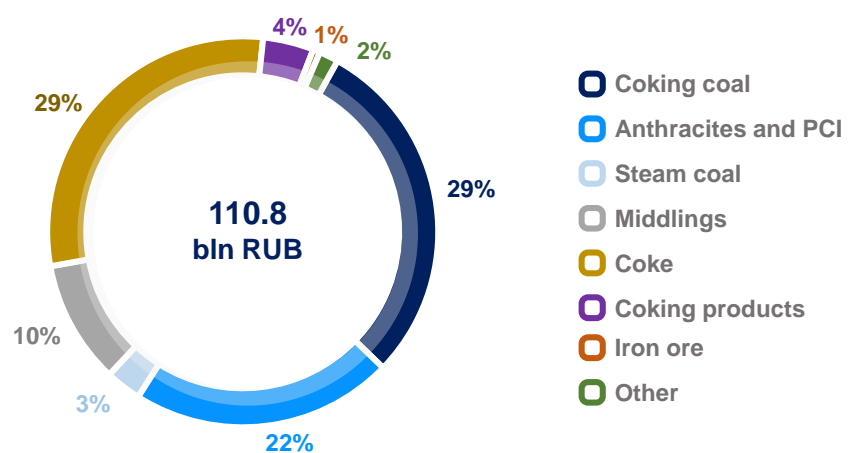
Revenue breakdown by regions FY'21



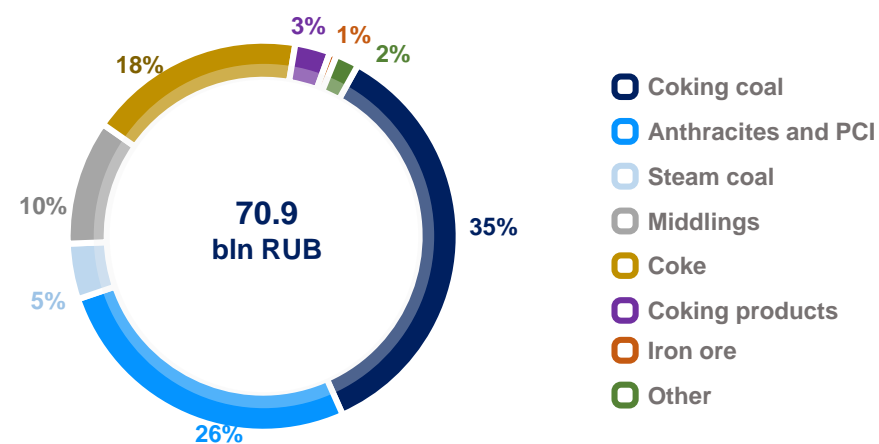
Revenue breakdown by regions FY'20



Revenue breakdown by products FY'21

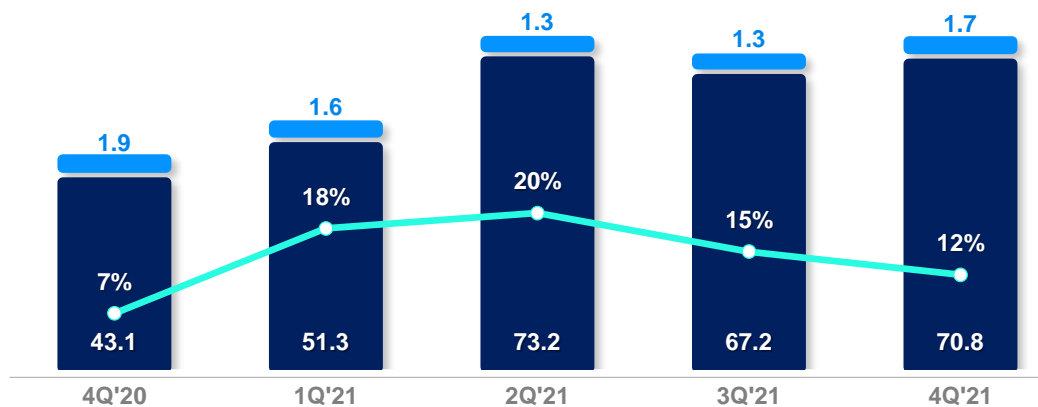


Revenue breakdown by products FY'20

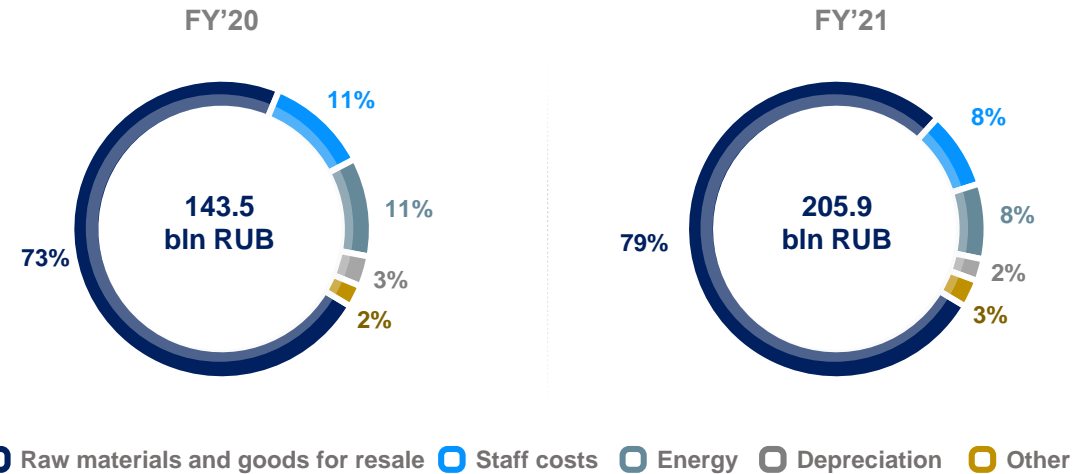


### Revenue, EBITDA margin (RUB Bln)

■ Revenue 
 ■ Inter-segment revenue 
 —○— EBITDA margin

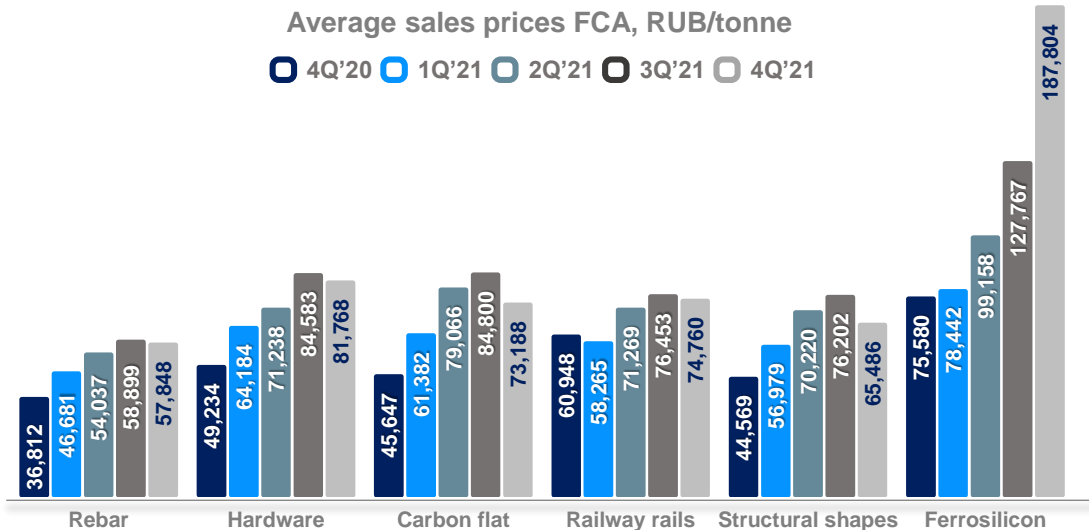


### COS structure



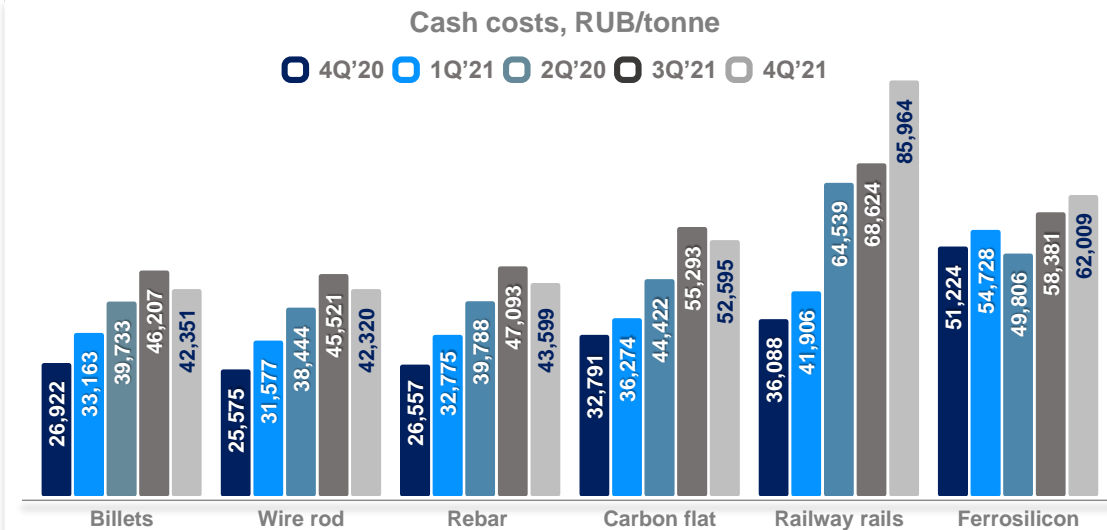
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 ■ 3Q'21 
 ■ 4Q'21

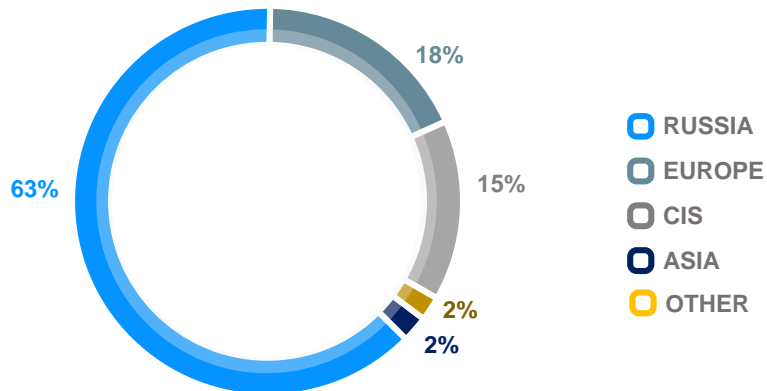


### Cash costs, RUB/tonne

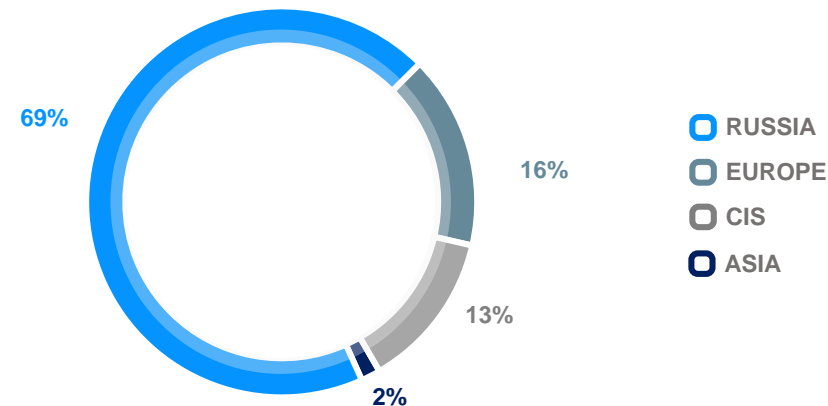
■ 4Q'20 
 ■ 1Q'21 
 ■ 2Q'20 
 ■ 3Q'21 
 ■ 4Q'21



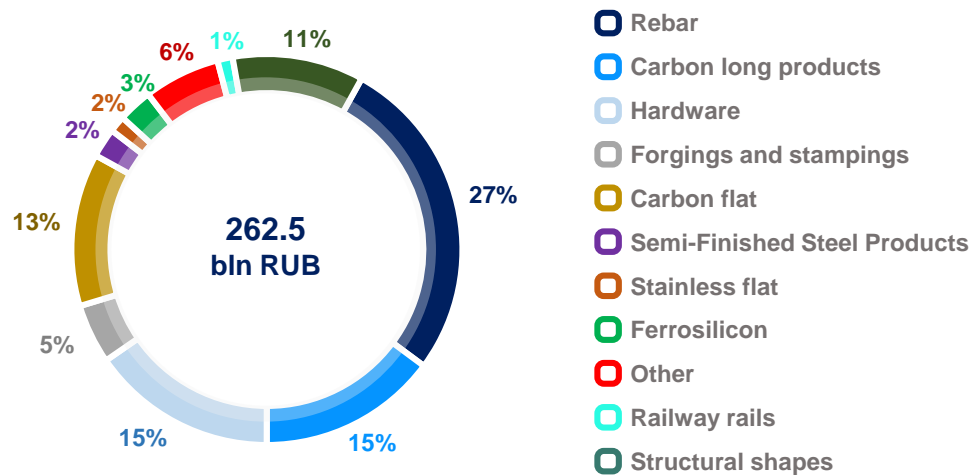
Revenue breakdown by regions FY'21



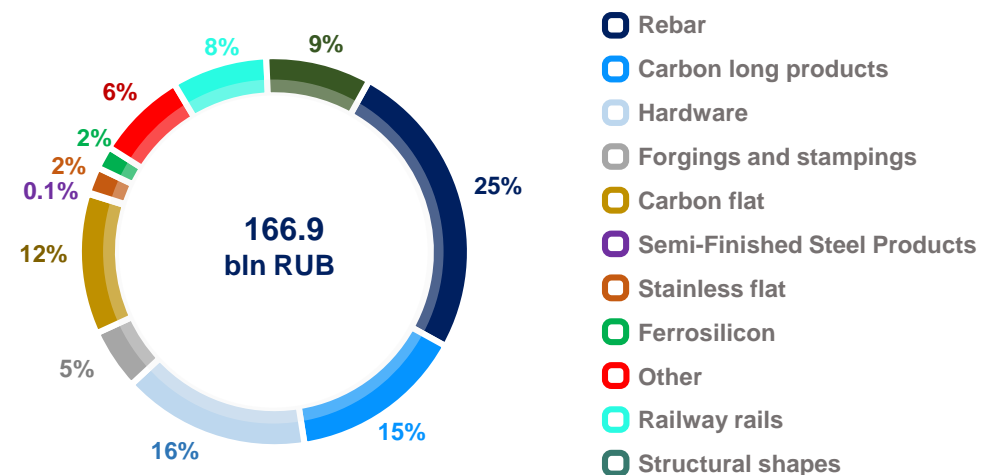
Revenue breakdown by regions FY'20



Revenue breakdown by products FY'21



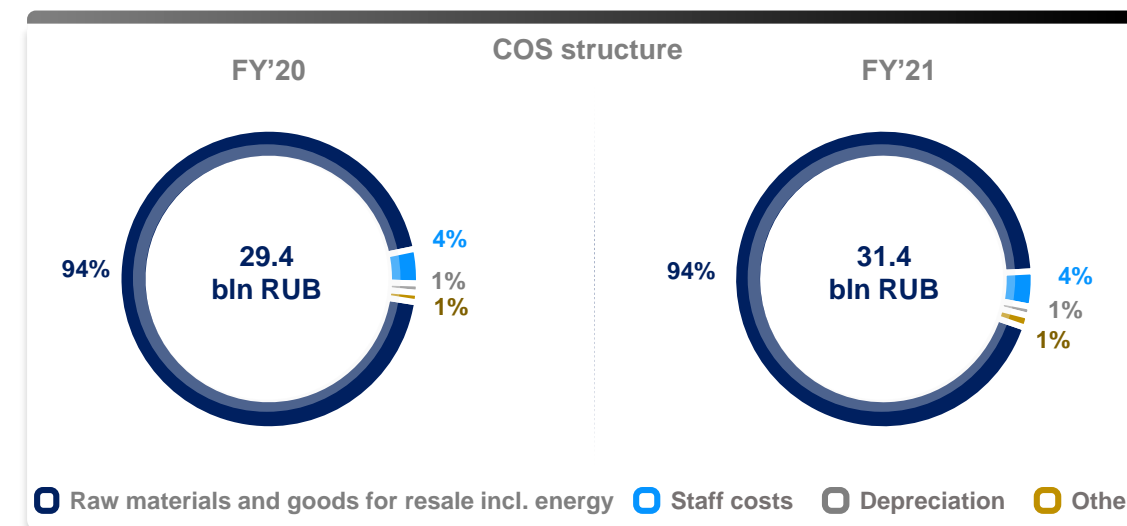
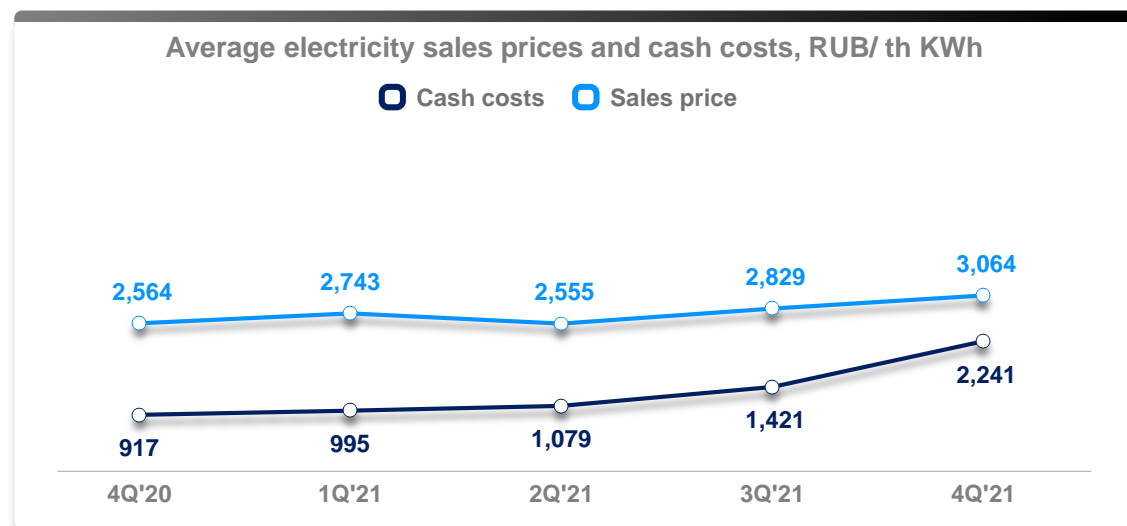
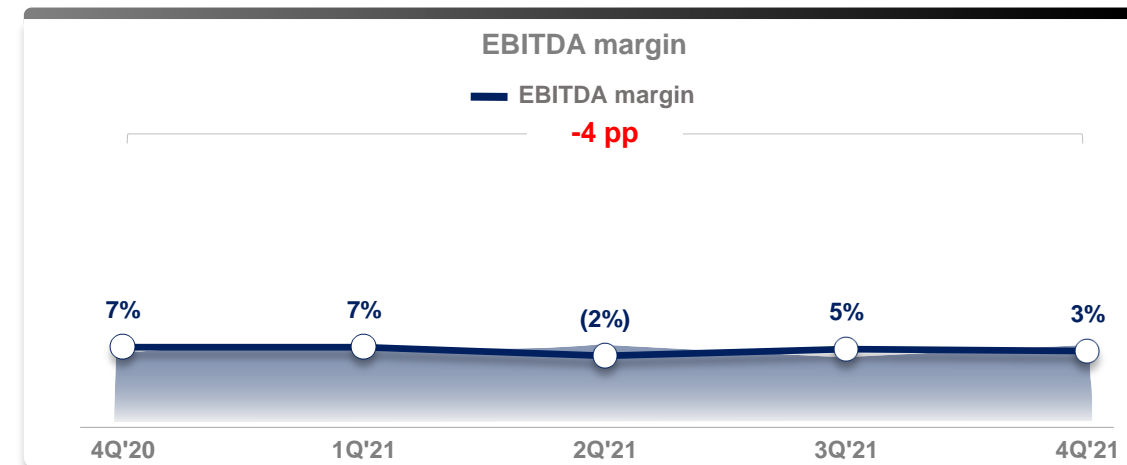
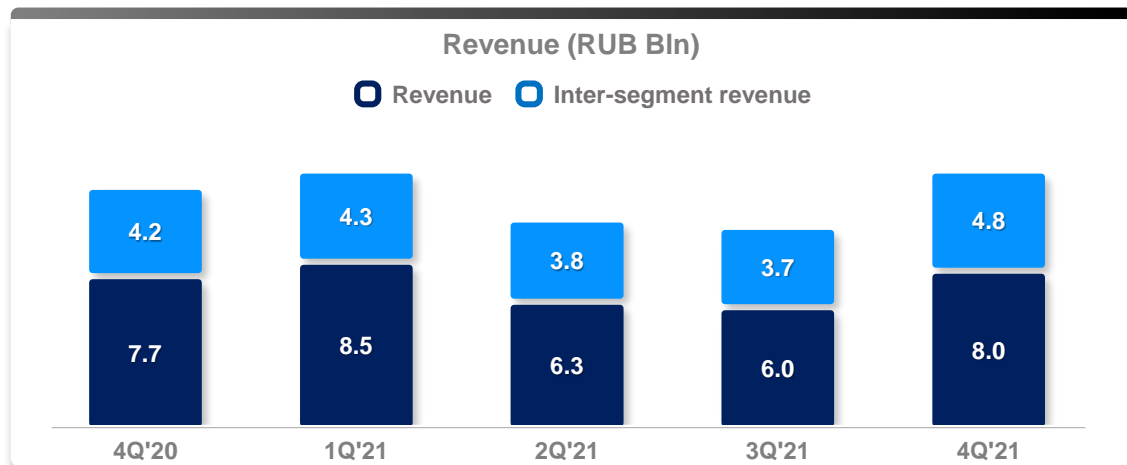
Revenue breakdown by products FY'20





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Power segment EBITDA declined **30%** in FY'2021 compared to FY'2020 and amounted to **1.6 bln RUB** on cost of sales and selling and distribution expenses growth.



# INVESTOR RELATIONS



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