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Press release

30 April 2020

NLMK Group Q1 2020 IFRS Financial Results

NLMK Group (LSE, MOEX: NLMK) increased its revenue by 6% qoq to \$2,457 m, with its EBITDA margin growing to 24%. Free cash flow totalled \$331 m.¹

Key highlights

k t/\$ million	Q1 2020	Q4 2019	QoQ	Q1 2019	YoY
Sales volumes	4,507	4,172	8%	4,614	-2%
Revenue	2,457	2,312	6%	2,869	-14%
EBITDA ²	594	480	24%	695	-15%
EBITDA margin	24%	21%	+3 p.p.	24%	-
Profit for the period ³	289	200	45%	382	-24%
Free cash flow ⁴	331	338	-2%	678	-51%
Net debt ⁵	1,770	1,786	-1%	915	93%
Net debt/EBITDA ⁵	0.72x	0.70x		0.26x	

Q1 2020 key highlights

- **Revenue grew by 6% qoq to \$2.5 bn**, supported by growth of sales, despite the slowdown of demand for steel in the global markets due to the COVID-19 outbreak.
- **EBITDA increased to \$594 m (+24% qoq)** due to the expansion of spreads in the first half of the quarter and the devaluation of the ruble, as well as operational efficiency gains. EBITDA margin grew to 24% (+3 p.p. qoq; flat yoy).
- **Free cash flow totalled \$331 m**, almost flat qoq, thanks to active working capital management.
- **Net profit grew by 45% qoq to \$289 m**, due to growth of revenue and FX risk hedging, which enabled the Company to avoid significant losses related to the devaluation of the ruble.
- **NLMK Group's Strategy 2022 implementation is on course.** The impact of Strategy 2022 operational efficiency gains on Q1 2020 EBITDA was \$54 m (relative to Q1 2019 base).



Comment from NLMK Group CEO Grigory Fedorishin:

“I would like to begin by stressing that we are placing the utmost focus on the safety and welfare of our people. For more information on our countermeasures to minimize the risk of COVID-19 spreading at NLMK Group sites please visit our corporate website.

“Our key markets saw an uptick in demand and growing prices in the first half of Q1. However, the spread of the coronavirus pandemic resulted in slowing down business activities and increasing uncertainty in the second half of the quarter and in April. In Q2 2020, steel demand in EU and US could drop at double digit rates yoy, analysts predict. In Russia we also expect consumer activity to decline. On the whole, there is a high level of uncertainty in terms of the rate at which demand for steel is going to recover across different regions.

“In this context, we have taken a number of preventive measures to ensure our financial stability. Our 2020 capex guidance was reduced to \$0.9-0.95 bn from the previously announced \$1.2 bn. The volume of available liquidity on the Company’s balance sheet was increased to \$1.7 bn as of 31 March 2020 (+96% qoq); additional available credit lines are estimated at \$0.8 bn.

“NLMK shareholders decided not to approve the Q4 2019 dividend amount recommended earlier by the Board of Directors and proposed that it be halved. The Board of Directors gave NLMK shareholders an updated recommendation on the payment of Q4 2019 dividends in the amount of RUB 3.12 per share, and a recommendation on the payment of Q1 2020 dividends in the amount of RUB 3.21 per share, or 75% of the free cash flow for the relevant quarter.

“A weak market is a good time to carry out the second stage of our planned major repairs at NLMK Lipetsk BF and BOF operations that will enable us to grow our steel output by 1 million tonnes next year. Amid these repairs, NLMK Group’s steel output and sales will reduce qoq in Q2.

“All NLMK Group’s production sites currently continue operating.

“NLMK Group’s flexible business model and Strategy 2022 projects and programmes enabled us to post strong financial in the previous quarter. NLMK Group’s revenue grew by 6% qoq to \$2.5 bn, while EBITDA grew by 24% qoq to \$594 m. Net debt/EBITDA stood at 0.72x at the end of Q1. Free cash flow totalled \$331 m (flat qoq).”

¹ Consolidated financial results are prepared under IFRS. Reporting periods of the Company are 3M, 6M, 9M and 12M. Quarterly figures are obtained by calculation, including in the segment reporting. Figures for comparable periods may differ from figures posted earlier because of rounding off to integers.

² EBITDA is the operating profit before equity share in financial results of joint ventures, impairment of capital assets and losses from retirement of fixed assets, allowed for amortization and depreciation. EBITDA calculations and further details are presented in the Appendix.

³ Profit for the period attributable to NLMK shareholders.

⁴ Free cash flow is determined as net cash from operations plus interest received net of interest paid and capital investment. Free cash flow calculations are presented in the Appendix.

⁵ Net debt is calculated as the sum of long-term and short-term borrowings less cash and cash equivalents, as well as short-term deposits at period end. Net debt / EBITDA is represented by net debt as at the end of the reporting period and EBITDA as last 12 months EBITDA. Net debt calculations are presented in the Appendix.



TELECONFERENCE

NLMK is pleased to invite the investment community to a conference call with the Company management:

Thursday, 30 April 2020

- 10:00 a.m. – New York
- 3:00 p.m. – London
- 5:00 p.m. – Moscow

To join the conference call and web-cast, the participants are invited to dial:

U.S. number:

+1 929-477-0338 (local access) // 866-454-4207 (toll free)

UK number:

+44 (0) 330 336 9401 (local access) // 0800 279 4827 (toll free)

Russian number:

+7 495 705 9270 (local access) // 8 10 800 2796 5011 (toll free)

Conference code: 917182

To join the webcast, please follow the link: <https://webcasts.eqg.com/nlmk20200430>

** We recommend participants start dialling 5-10 minutes in advance to avoid waiting.*



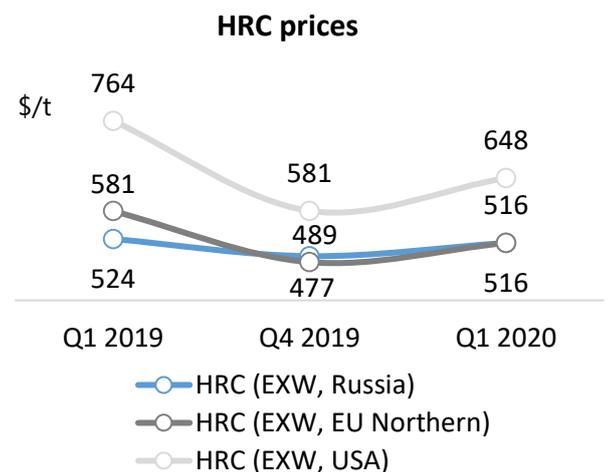
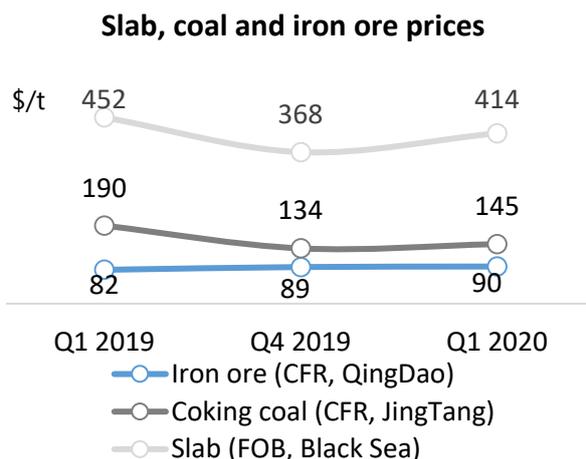
MANAGEMENT COMMENTS

Q1 2020 market review*

- Despite an uptick in demand in the first half of the quarter, the spread of the coronavirus had a negative impact on steel consumption in key markets. In Q2 2020, the drop in demand in the EU and US markets could reach double-digit rates year-on-year, according to analysts' forecasts. In Russia, consumer activity is also expected to decline.
- Manufacturers started to mothball their capacities worldwide amid declining demand, pressured by national constraints. Global steel output declined by 2% qoq to 442 m t.
- In Q1 2020, net steel exports from China decreased by 21% yoy to 11 m t due to logistics constraints during the lock-down period, which caused all-time-high stockpiling of inventory at ports and service centers. China's steel stocks peaked at the beginning of March and are currently declining, supported by a gradual recovery in domestic demand, due mainly to construction. Economic support measures actively implemented by the Chinese government in Q1-Q2 2020 will enable an increase in consumption from the infrastructure segment.

Q1 2020 prices

- **Raw material prices:** global coal prices increased by an average of 10% qoq; in Russia, dollar-denominated coal prices declined by 9% qoq (-29% yoy), due to the ruble devaluation, among other factors. Iron ore prices increased by 1.5% qoq (+10% yoy) amid bad weather conditions in Brazil and Australia, and the closure of some mines in China during the epidemic.
- **Market prices** for flat products** in the U.S. increased by 6-11% qoq (-7-15% yoy), supported by an uptick in demand from service centres, the automotive and construction sectors. Prices in Europe grew by 3-8% qoq on average (-18-24% yoy) due to consumer restocking.
- **Russian prices for steel products**, as denominated in dollars, decreased by 1-5% qoq due to the ruble devaluation, with the exception of HRC prices that increased by 5%, driven by the limited supply in the market during overhauls at large steelmaking companies.



*Data on steel consumption trends on regional markets are estimates.

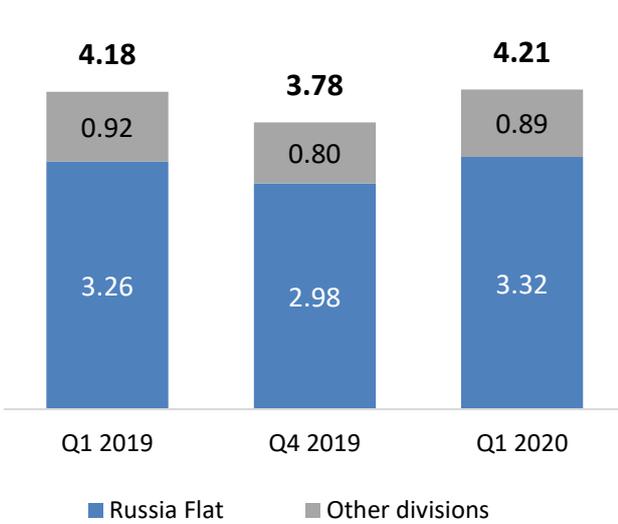
** Market prices reflect the level of prices for a given calendar period and differ from the average sales prices of the Company and its segments due to the time lag of the production & sales cycle.



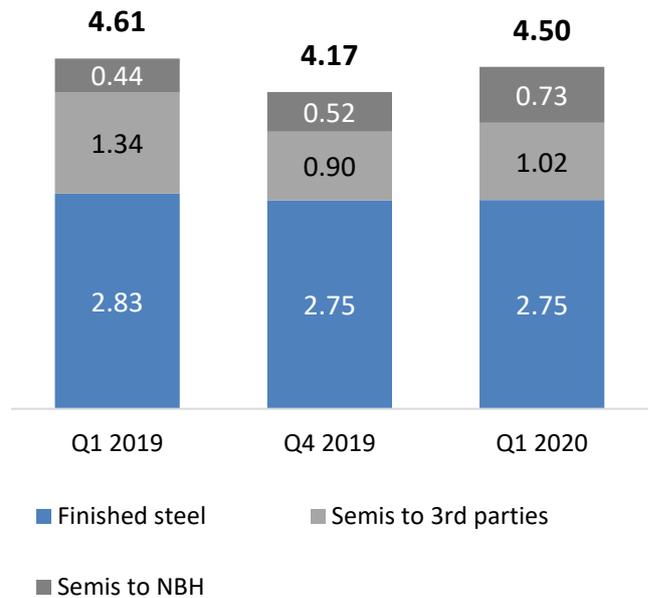
Q1 2020 output and sales breakdown

- **Steel output*** increased by 11% yoy to 4.2 m t, due mainly to higher output at NLMK Russia Flat following the completion of the first stage of overhauls at NLMK Lipetsk BF and BOF operations in Q4 2019.
- **Sales** increased by 8% qoq to 4.5 m t driven by higher slab sales, with the growth in steel output and increased demand for flat steel in Europe due to low inventories and an uptick in demand in the U.S. early in Q1.
- **Finished steel** sales totalled 2.7 m t (flat qoq). HVA sales grew by 10% to 1.4 m t.
- **Sales of semis** to 3rd parties grew by 13% qoq to 1 m t due to an increase in the sales of slabs for the production of oil and gas pipes and tubes and higher sales of billets and pig iron. Slab sales to NBH increased by 40% qoq to 0.7 m t against the backdrop of the Segment's restocking and increased sales in Q1 2020.
- **Sales on home markets (w/o NBH)** increased by 5% qoq to 3 m t, driven by higher slab sales. Sales in Russia reduced by 2% qoq to 1.8 m t due to a high base of long product sales in the previous quarter during a period of active destocking. In the U.S. and Europe, sales increased by 14% and 19% qoq, respectively.

Steel output up following completion of first stage of overhauls*:



Sales up driven by production growth



* Hereinafter NLMK Group steel output and sales in home markets include NBH. Consolidated sales are given without NBH. Sales to home markets mean sales of the Group's companies in the regions, where production capacities are located in Russia, Europe and the U.S.



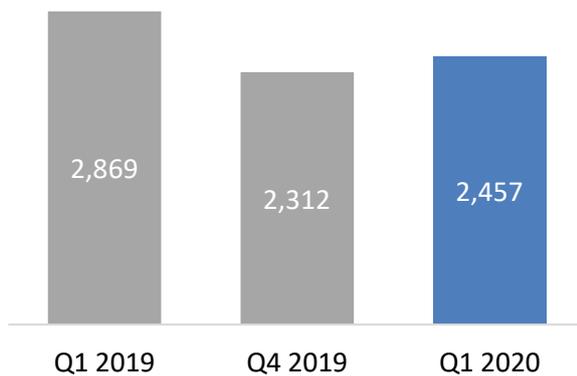
NLMK GROUP KEY FINANCIALS

Q1 2020 revenue

- Revenue totalled \$2.5 bn (+6% qoq). Higher sales and an increase in slab and pig iron prices by 2% and 6%, respectively, offset the increase in the share of semis and the decline in finished good prices.
- The share of semis in the revenue returned to the 2018 average of 30% (+6 p.p. qoq). The share of finished steel reduced to 66% (-4 p.p. qoq), the share of HVA product remained flat at 38%.
- The share of the Russian market in the Group's revenue declined by 5 p.p. qoq to 41% amid growing exports of semis, thus increasing the U.S. (20%) and Europe (21%) shares by 2 p.p. and 5 p.p. qoq, respectively.
- The share of the Group's revenue, including NBH JV sales, from sales on markets where products were manufactured (Russia, the US and the EU) totalled 73% (-1 p.p. qoq).

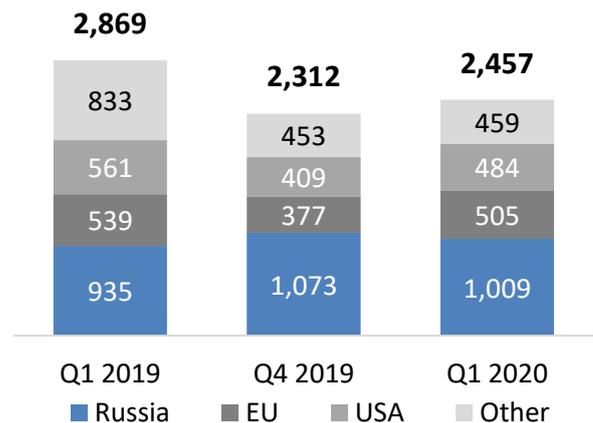
Revenue increased by 6% qoq following growing sales volume...

\$ m



...amid increasing exports after first stage of overhauls

\$ m



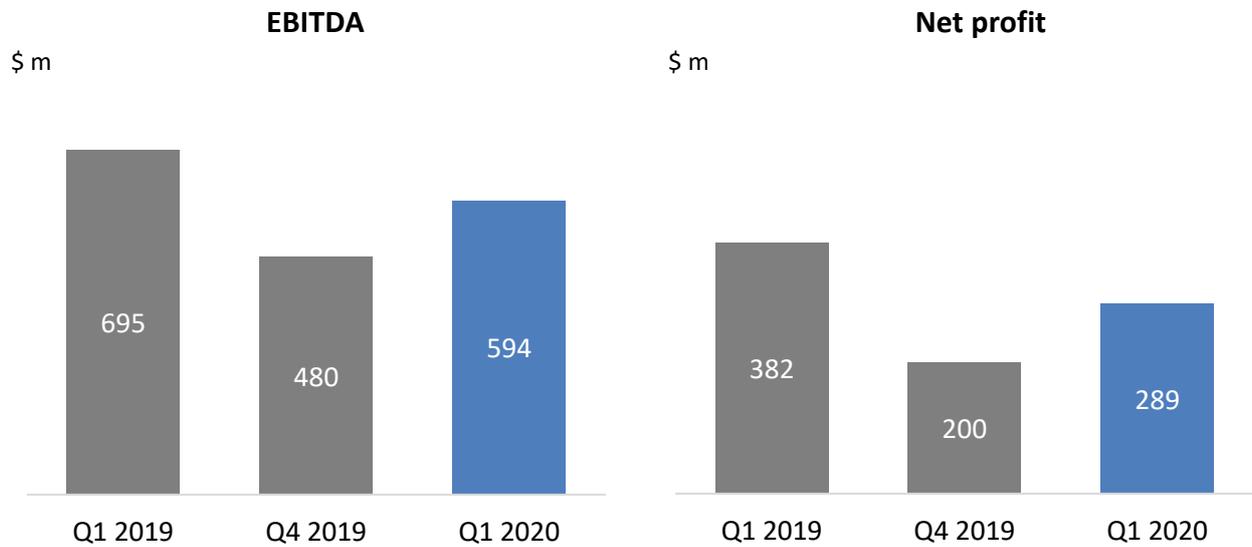


Q1 2020 EBITDA

- EBITDA* increased by 24% qoq to \$594 m due to the widening of steel/raw material price spreads and growing sales volumes, as well as operational efficiency gains.
- Commercial expenses remained flat qoq at \$212 million, despite an increase in export volumes, supported by a decrease in the average logistics costs for finished goods. The decrease in commercial expenses year-on-year was due to lower exports and lower average export logistics costs.
- G&A expenses decreased by 5% qoq.

Net profit**

- Net profit increased by 45% qoq, supported by growth of revenue. Net profit was also impacted by hedge accounting (please see the Methodology section of our financial statements for details).



* EBITDA used in NLMK's financial releases is calculated as operating profit before equity share in net losses of associates and other companies accounted for using the equity method of accounting, impairment and write-off of assets, adjusted to depreciation and amortization. EBITDA is not an indicator of operating profit, operating activity or liquidity under IFRS, and NLMK discloses it because equivalent indicators could be used by investors and analysts. That said, NLMK's EBITDA should not be viewed on a standalone basis, or in place of profit before tax, or cash flows from operations, as defined by IFRS, or as an indicator of operational efficiency, or as the sum of free cash funds that NLMK can invest into business development. NLMK's EBITDA margin and EBITDA might not be comparable to similar indicators disclosed by other companies as there are no commonly accepted rules for calculating them. For instance, NLMK's EBITDA is calculated similar to what is termed as 'Adjusted EBITDA' in other companies, as NLMK's EBITDA excludes other profit/loss items in addition to interest payments, income tax, depreciation and amortization.

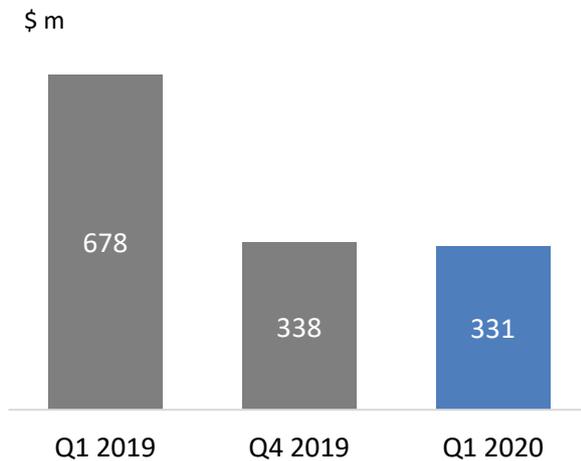
**Profit for the period, attributable to NLMK shareholders



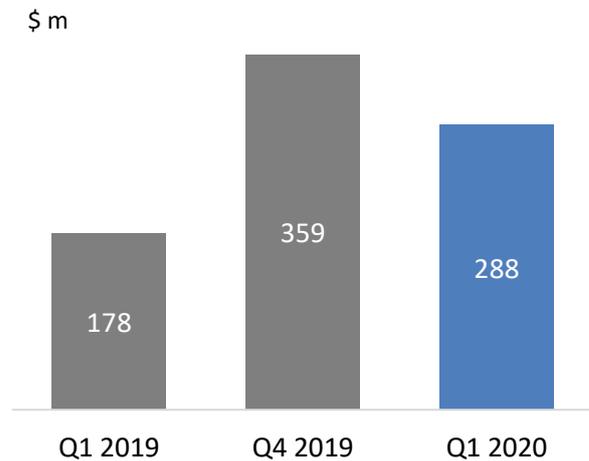
Free cash flow

- NLMK's free cash flow amounted to \$331 m (-2% qoq). Year-on-year, free cash flow decreased by 51% amid lower sales profitability and an increase in capital expenditures due to the active phase of Strategy 2022 investment project implementation.
- Operating cash flow decreased by 13% qoq to \$617 m, driven by lower release of cash from working capital than in the previous quarter.
- **Cash inflow from working capital** totalled \$85 m (-75% qoq) due to:
 - -\$44 m: an increase in receivables driven by higher steel product sales volumes to NBH and sales by international companies
 - +\$126 m: seasonal decrease in scrap inventory and accumulated stocks of raw materials during the first stage of overhauls, decrease in WIP and finished product inventory and changes in the ruble exchange rate.

Free cash flow remained flat qoq



Investment declined by 20% qoq in line with targets





Investment

- NLMK Group Q1 2020 investment reduced by 20% qoq to \$288 m following the completion of the first stage of overhauls at NLMK Lipetsk BF and BOF operations in Q4 2019.

Dividends

- In Q1 2020 cash outflow for dividend payments amounted to \$308 m.
- On 30 April 2020, NLMK Board of Directors recommended that shareholders approve the payment of Q1 2020 dividends in the amount of RUB 3.21 per share, which is equivalent to 75% of the free cash flow.

Debt management

- **Total debt** increased by 31% qoq to \$3.48 bn, which was associated with the increase in the Group's short-term debt as it drew down its revolving credit lines. These loans were taken to create an additional safety cushion amid high market volatility.
- **Net debt** decreased by 1% qoq to \$1.77 bn due to increased liquidity on the Company's balance sheet. Net debt/EBITDA stood at 0.72x.

Q2 2020 and FY2020 outlook

- We expect steel output at NLMK Lipetsk to reduce qoq due to the start of the second stage of overhauls at the site's BF and BOF operations.
- Due to the revision of the investment programme amid the coronavirus outbreak, total investment in 2020 will amount to close to \$0.9-0.95 bn, which is lower than the previously announced guidance of \$1.1–1.2 bn due to the shift in the execution of a part of the projects and the devaluation of the ruble.

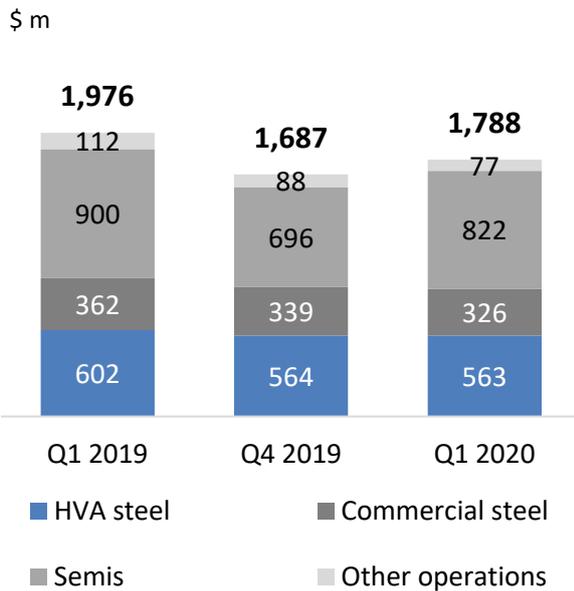


NLMK Russia Flat

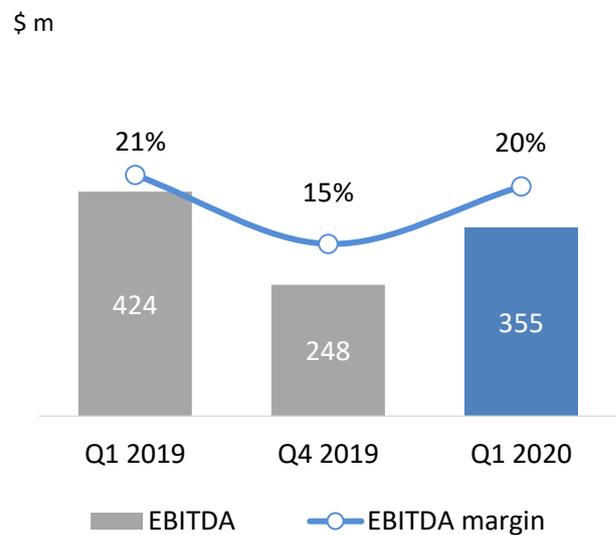
Q1 2020 highlights:

- **Sales** increased by 8% qoq, supported by an increase in steel production after the first stage of repairs at NLMK Lipetsk last quarter.
- **Revenue** of the Segment increased by 6% qoq to \$1.8 bn, supported by an increase in sales of semis and finished products. Compared to Q1 2019, revenue was 10% lower due to a reduction in steel prices.
- **EBITDA** increased by 43% qoq to \$355 m, supported by wider steel/raw material spreads, an increase in sales, a weaker ruble, as well as operational efficiency gains. Compared to last year, EBITDA was 16% lower yoq due to the narrowing of price spreads.

Revenue increased by 6% qoq amid higher sales



EBITDA grew by 43% qoq amid wider price spreads and a weaker ruble

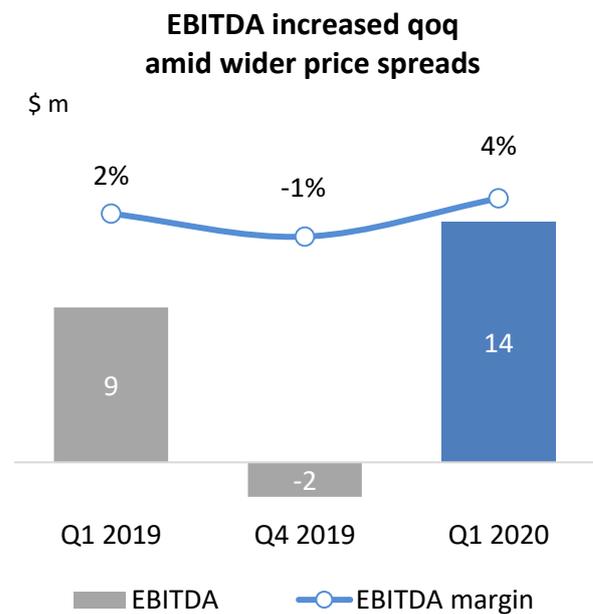
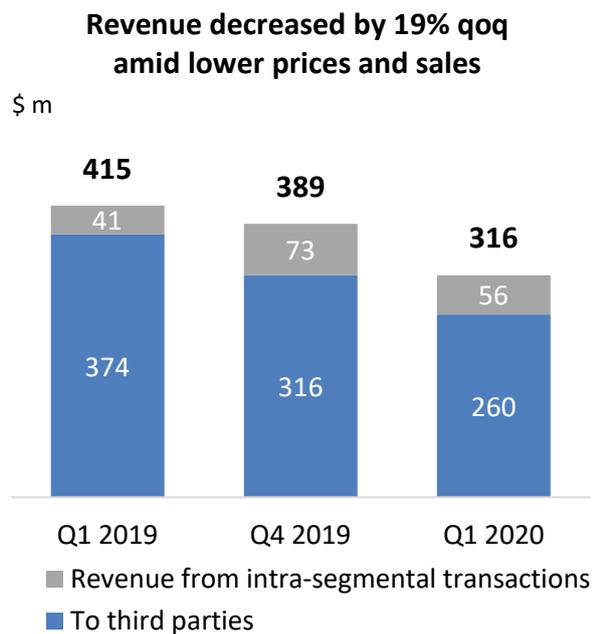




NLMK Russia Long

Q1 2020 highlights:

- **Sales** decreased by 16% qoq to 0.6 m t amid trade companies amassing high stocks of long products. Regional restrictions due to the coronavirus pandemic and the worldwide economic slowdown have prevented the effect of seasonal demand recovery from fully manifesting.
- **Revenue** in Q1 2020 totalled \$316 m (-19% qoq) due to a reduction in sales and long product prices. The 24% decrease in revenue yoy was driven by a 26% yoy reduction in sales.
- **EBITDA** of the Segment amounted to \$14 m versus -\$2 m last quarter. The qoq and yoy growth was due to an increase in the scrap/rebar price spread and operational efficiency programme gains.



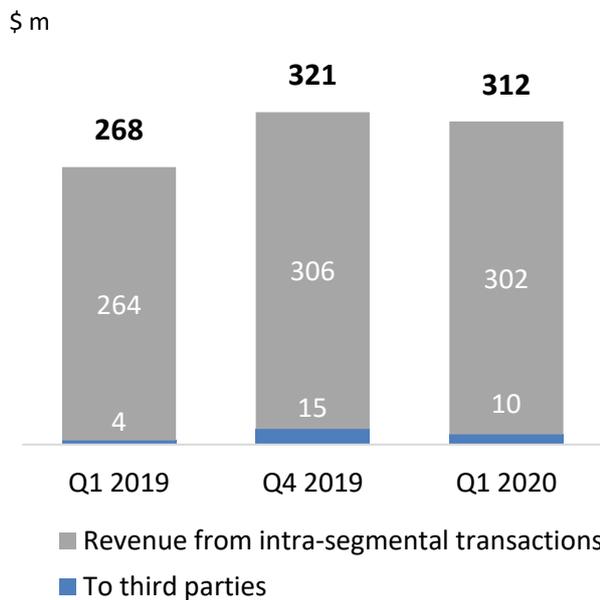


Mining Segment

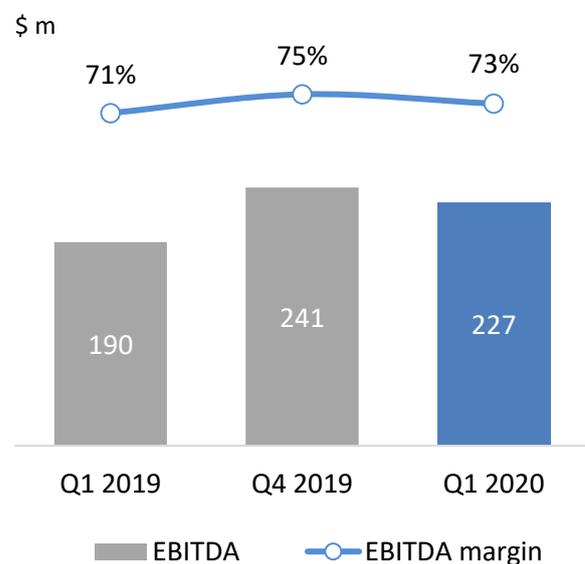
Q1 2020 highlights:

- **Sales** of iron ore remained flat qoq at 4.6 m t, with sales to third parties decreasing to 75,000 t (-38% qoq).
- **Revenue** decreased by 3% qoq to \$312 m due to lower dollar prices for concentrate and pellets (-3% and -2%, respectively), given the devaluation of the ruble. The 16% growth in revenue yoy was driven by growth in iron ore prices.
- **EBITDA** decreased by 6% qoq to \$227 m, following the decrease in revenue as well as an increase in spending on current repairs. Compared to Q1 2019, there has been a 19% increase in EBITDA yoy amid increasing product prices. Q1 2020 EBITDA margin stood at 73% (-2 p.p. qoq).

Revenue decreased by 3% qoq amid lower average prices



EBITDA decreased by 6% qoq following decrease in revenue

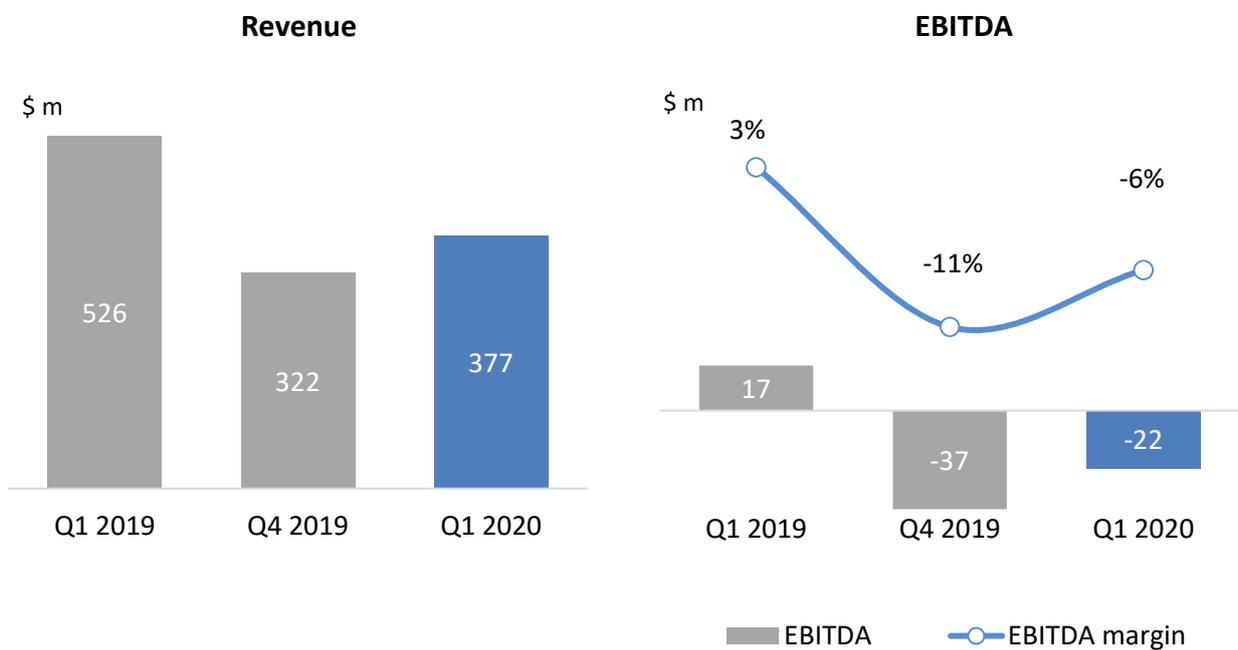




NLMK USA

Q1 2020 highlights:

- **Sales** increased by 14% qoq to 0.54 m t, supported by higher demand from service centres, the automotive industry, and the construction sector.
- **Revenue** increased by 17% qoq to \$377 m, as sales and steel prices grew on the U.S. market. Revenue was 28% lower yoy due to a normalisation in steel prices and a reduction in sales.
- **EBITDA** totalled -\$22 m. This financial result is determined predominantly by the impact of the non-monetary inventory revaluation reserve as at the end of March (-\$15 m), due to the deterioration in market conditions. This reserve is associated mainly with the stocks of slabs purchased in 2019. Without the reserve, Q1 2020 EBITDA would be - \$7 m.



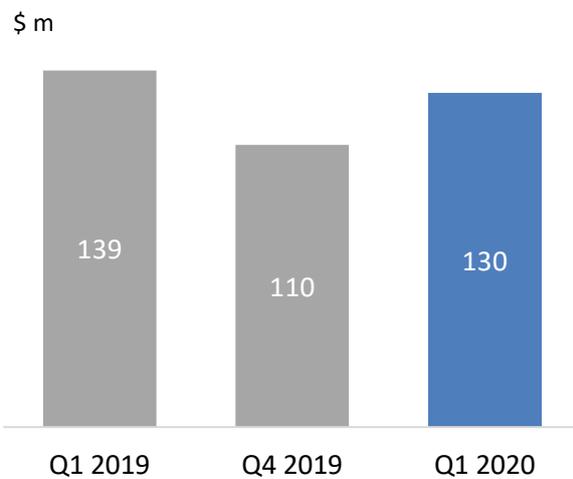


NLMK Dansteel*

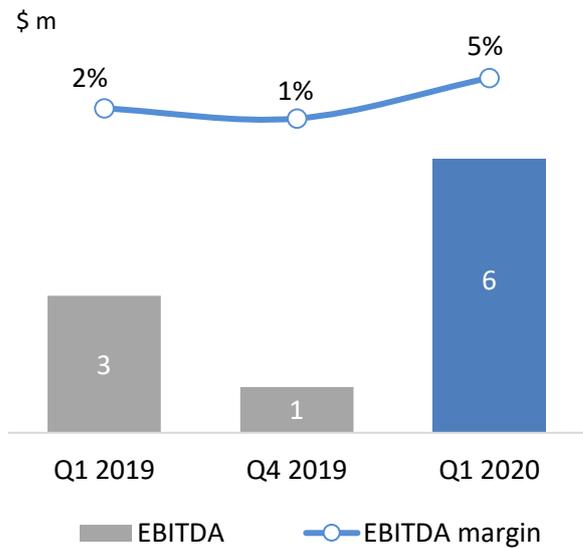
Q1 2020 highlights:

- **Sales** of plate increased by 28% qoq to 0.16 m t due to higher demand from wind power, shipbuilding, and infrastructure projects.
- **Revenue** grew by 18% qoq to \$130 m, following the increase in sales. The 6% decrease in revenue yoy was due to lower average sales prices.
- **EBITDA** increased to \$6 m, supported by sales growth and operational efficiency programme gains.

Revenue increased by 18% qoq amid higher demand



EBITDA increased qoq following sales growth



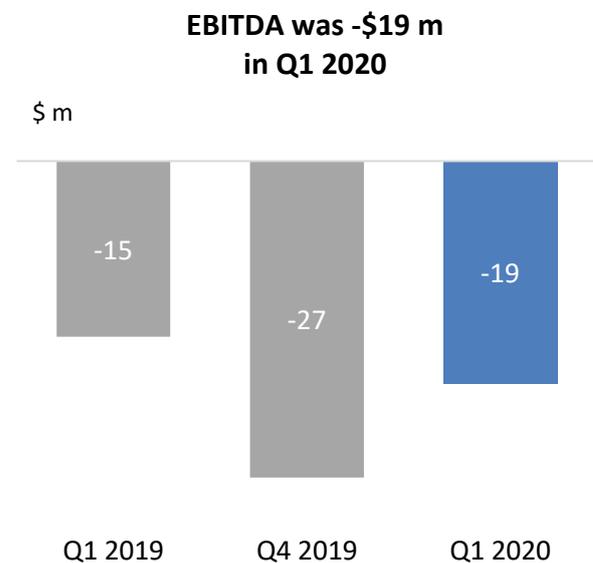
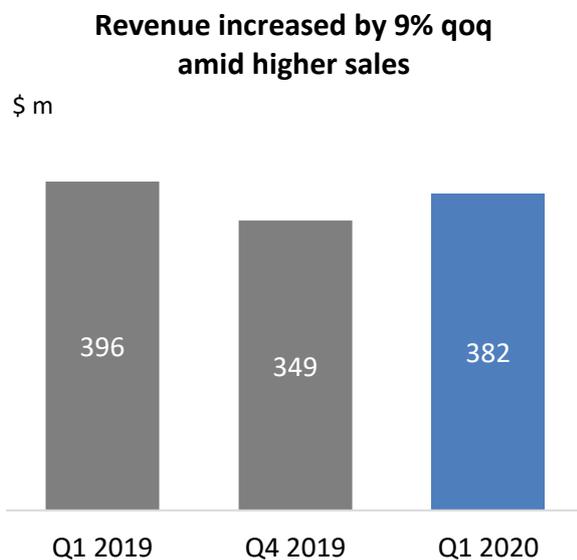
*NLMK Dansteel and plate distribution network.



JV performance (NBH)

Q1 2020 highlights:

- **NBH sales** increased by 17% qoq to 0.6 m t, supported by an uptick in demand on the EU market in January and February 2020.
- **Revenue** grew by 9% qoq to \$382 m, following the increase in sales. Compared to Q1 2019, revenue decreased 4% yoy due to low prices.
- **EBITDA** was -\$19 m vs. -\$27 m in Q4 2019. The increase in EBITDA was supported by wider rolled steel/slabs price spreads and an increase in sales volumes. Sales in March decreased by 9% vs. February levels, due mainly to the decrease in thick plate and billet sales resulting from a temporary stoppage of NLMK Verona operations (-20% mom). This partially offset the impact of wider price spreads.





Appendix No. 1 Operating and financial results

(1) Sales markets

k t	Total	Sales markets					
		Russia	EU	North America	Middle East and Turkey	C. and S. America	Other
NLMK Group (with NBH)	4,377	1,767	857	828	532	135	258
Division sales to third parties:							
NLMK Russia Flat	2,500	1,365	61	285	506	134	148
NLMK Russia Long	569	402	79	0	20	0	69
International subsidiaries and affiliates, incl.:	1,308	0	718	542	6	1	41
<i>NLMK USA</i>	539	0	0	539	0	0	0
<i>European rolling facilities (NLMK DanSteel and NBH)</i>	769	0	718	3	6	1	41

(2) NLMK Russia Flat

k t/\$ million	Q1 2020	Q4 2019	QoQ	Q1 2019	YoY
Steel product sales, incl.:	3,469	3,226	8%	3,403	2%
external customers	2,500	2,375	5%	2,658	-6%
semis to NBH	734	523	40%	441	66%
intersegmental sales	235	328	-28%	304	-23%
Revenue, incl.:	1,788	1,687	6%	1,976	-10%
external customers	1,376	1,347	2%	1,624	-15%
intersegmental operations	412	340	21%	352	17%
EBITDA	355	248	43%	424	-16%
EBITDA margin	20%	15%	+5 p.p.	21%	-1 p.p.

(3) NLMK Russia Long

k t/\$ million	Q1 2020	Q4 2019	QoQ	Q1 2019	YoY
Steel product sales	569	674	-16%	768	-26%
Revenue, incl.:	316	389	-19%	415	-24%
external customers	260	316	-18%	374	-30%
intersegmental operations	56	73	-23%	41	37%
EBITDA	14	(2)	7x	9	56%
EBITDA margin	4%	-1%	+5 p.p.	2%	+2 p.p.



(4) Mining Segment

k t/\$ million	Q1 2020	Q4 2019	QoQ	Q1 2019	YoY
Iron ore products sales, incl.:	4,604	4,560	1%	4,589	0%
sales to Lipetsk plant	4,529	4,440	2%	4,589	-1%
Revenue, incl.:	312	321	-3%	268	16%
external customers	10	15	-33%	4	2,5x
intersegmental operations	302	306	-1%	264	14%
EBITDA	227	241	-6%	190	19%
EBITDA margin	73%	75%	-2 p.p.	71%	+2 p.p.

(5) NLMK USA

k t/\$ million	Q1 2020	Q4 2019	QoQ	Q1 2019	YoY
Steel product sales	539	472	14%	601	-10%
Revenue, incl.:	377	322	17%	526	-28%
external customers	377	322	17%	526	-28%
intersegmental operations	-	-	0%	-	0%
EBITDA	(22)	(37)	-41%	17	-1,3x
EBITDA margin	-6%	-11%	+5 p.p.	3%	-9 p.p.

(6) NLMK DanSteel

k t/\$ million	Q1 2020	Q4 2019	QoQ	Q1 2019	YoY
Steel product sales	164	128	28%	146	13%
Revenue, incl.:	130	110	18%	139	-6%
external customers	130	110	18%	139	-6%
intersegmental operations	-	-	0%	-	0%
EBITDA	6	1	6x	3	100%
EBITDA margin	5%	1%	+4 p.p.	2%	+3 p.p.

(7) NBH

k t/\$ million	Q1 2020	Q4 2019	QoQ	Q1 2019	YoY
Steel product sales	605	518	17%	513	18%
Revenue, incl.:	382	349	9%	396	-4%
external customers	370	332	11%	385	-4%
intersegmental operations	12.0	17.0	-29%	11.0	9%
EBITDA	(19)	(27)	-30%	(15)	27%
EBITDA margin	-5%	-8%	+3 p.p.	-4%	-1 p.p.



(8) Sales by product

k t	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Pig iron	292	253	54	156	47
Slabs	1,432	1,172	1,173	1,288	1,559
Thick plates	164	128	118	137	146
Hot-rolled steel	921	912	852	901	1,016
Cold-rolled steel	528	473	533	498	509
Galvanized steel	362	331	338	331	348
Pre-painted steel	97	113	117	100	89
Transformer steel	70	66	63	74	71
Dynamo steel	72	50	75	68	61
Billet	30	1	60	78	173
Long products	474	596	568	570	526
Metalware	65	77	65	68	69
TOTAL	4,507	4,172	4,015	4,268	4,614

(9) Sales by region

k t	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Russia	1,767	1,805	1,682	1,704	1,451
European Union	1,026	787	674	1,130	987
Middle East, including Turkey	529	556	633	409	709
North America	826	727	606	748	654
Central and South America	134	73	164	24	246
CIS	91	91	114	106	122
Asia and Oceania	23	69	21	61	180
Rest of World	110	64	122	85	264
TOTAL	4,507	4,172	4,015	4,268	4,614

(10) Revenue by region

Region	Q1 2020		Q4 2019		Q3 2019	
	\$ million	share	\$ million	share	\$ million	share
Russia	1,009	41%	1,073	46%	1,170	45%
European Union	505	21%	377	16%	376	15%
Middle East, including Turkey	241	10%	246	11%	321	12%
North America	485	20%	408	18%	427	17%
Central and South America	70	3%	40	2%	94	4%
CIS	75	3%	88	4%	100	4%
Asia and Oceania	29	1%	54	2%	29	1%
Rest of World	43	2%	26	1%	58	2%
TOTAL	2,457	100%	2,312	100%	2,576	100%



(11) EBITDA*

\$ million	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Operating income**	439	338	512	593	559
minus:					
Depreciation and amortization	(155)	(142)	(142)	(142)	(136)
EBITDA	594	480	654	735	695

* EBITDA used in NLMK's financial releases is calculated as operating profit before equity share in net losses of associates and other companies accounted for using the equity method of accounting, impairment and write-off of assets, adjusted to depreciation and amortization. EBITDA is not an indicator of operating profit, operating activity or liquidity under IFRS, and NLMK discloses it because equivalent indicators could be used by investors and analysts. That said, NLMK's EBITDA should not be viewed on a standalone basis, or in place of profit before tax, or cash flows from operations, as defined by IFRS, or as an indicator of operational efficiency, or as the sum of free cash funds that NLMK can invest into business development. NLMK's EBITDA margin and EBITDA might not be comparable to similar indicators disclosed by other companies as there are no commonly accepted rules for calculating them. For instance, NLMK's EBITDA is calculated similar to what is termed as 'Adjusted EBITDA' in other companies, as NLMK's EBITDA excludes other profit/loss items in addition to interest payments, income tax, depreciation and amortization.

** Operating profit before equity share in net losses of associates and other companies accounted for using the equity method of accounting, impairment and write-off of assets

(12) Free cash flow

\$ million	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Net cash provided operating activities	617	710	568	494	851
Interest paid	(2)	(22)	(4)	(12)	(11)
Interest received	4	9	1	3	16
Advance VAT payments on imported equipment	-	-	-	-	-
Capex	(288)	(359)	(316)	(227)	(178)
Free Cash Flow	331	338	249	258	678

(13) Net debt

\$ million	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Short-term borrowings	1,678	468	389	544	224
Long-term borrowings	1,799	2,188	2,288	2,257	1,872
Cash and cash equivalents	(1,456)	(713)	(421)	(1,142)	(736)
Short-term deposits	(251)	(157)	(520)	(368)	(445)
Net debt	1,770	1,786	1,736	1,291	915



(14) Production of main products

k t	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Crude steel, incl.:	4,171	3,749	3,714	3,940	4,128
Steel Segment	3,325	2,977	2,818	2,952	3,264
Long products Segment, incl.:	659	603	719	802	693
NLMK-Kaluga	256	215	256	349	276
Foreign Rolled Products Segment	188	169	176	185	171
Finished products, incl.:	2,834	2,642	2,725	2,784	2,717
Flat steel	2,222	2,058	2,071	2,129	2,129
Long steel	612	584	653	655	588
Coke (6% moisture), incl.:	1,538	1,487	1,418	1,417	1,531
Novolipetsk	643	652	655	644	634
Altai-Koks	895	834	762	774	897

(15) Slab sales, including intra-group sales to NLMK Group companies

k t	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Sales to 3rd parties, incl.:	698	648	743	579	1,118
Export	406	473	532	314	950
Sales to subsidiaries & associates	970	851	550	933	735
Sales to NBH	734	523	430	709	441
TOTAL	1,667	1,499	1,292	1,512	1,853

(16) Export shipments of steel products from Russian assets of the Group to third party consumers

k t	Q1 2020	Q4 2019	QoQ	Q1 2019	YoY
Semi-finished products	728	726	0%	1,166	-38%
Pig iron	292	253	15%	47	6,2x
Slabs	406	473	-14%	950	-57%
Billets	30	-	0%	169	-82%
Flat products	438	381	15%	635	-31%
HRC	148	151	-2%	312	-53%
CRC	159	130	22%	186	-15%
HDG	17	12	40%	29	-42%
Coated	0	1	-32%	1	-68%
Dynamo	54	33	63%	45	20%
Transformer	60	54	11%	62	-3%
Long products	135	138	-2%	174	-22%
Total	1,302	1,245	5%	1,975	-34%



(17) Segmental information

Q1 2020										
\$ million	Russian Flat Steel	Russian Long Products	Mining	NLMK USA	NLMK DanSteel and Plates Distribution Network	Investments in NBH	Totals	Intersegmental operations and balances	NBH deconsolidation	Consolidated
Revenue from external customers	1,376	260	10	377	130	370	2,523	-	(66)	2,457
Intersegment revenue	412	56	302	-	-	12	782	(770)	(12)	-
Gross profit	492	36	219	(14)	20	14	767	15	(28)	754
Operating income/(loss)	258	2	199	(37)	3	(33)	392	28	19	439
Income / (loss) before minority interest	190	(5)	160	(38)	2	(34)	275	25	(11)	289
Segment assets including goodwill	6,808	865	1,576	828	391	1,376	11,844	(1,070)	(1,080)	9,694

Balance figures presented as of 31.03.2020

Q4 2019										
\$ million	Russian Flat Steel	Russian Long Products	Mining	NLMK USA	NLMK DanSteel and Plates Distribution Network	Investments in NBH	Totals	Intersegmental operations and balances	NBH deconsolidation	Consolidated
Revenue from external customers	1 347	316	15	322	110	332	2 442	-	(130)	2 312
Intersegment revenue	340	73	306	-	-	17	736	(719)	(17)	-
Gross profit	395	24	230	(33)	13	(7)	622	7	20	649
Operating income/(loss)	165	(15)	212	(51)	(2)	(47)	262	15	61	338
Income / (loss) before minority interest	462	(16)	172	(82)	(3)	(53)	480	(304)	24	200
Segment assets including goodwill	7 483	1 160	2 120	840	371	1 318	13 292	(1 752)	(1 056)	10 484

Balance figures presented as of 31.12.2019