



Marketing, sales, services and logistics →



Operations and facilities

Trading Company EvrazHolding | Trading Company EvrazHolding is the largest Russian supplier of rolled steel and sells EVRAZ products in Russia and the CIS. In 2015, its sales totalled 5.8 million tonnes of steel products. It focuses on long and rolled products for use in construction and engineering, rolled products for the transportation segment (rails, wheels and specialist products) and products for the mining (balls and pitprops) and pipe-making (slabs and tubes) sectors.

EVRAZ East Metals | EVRAZ East Metals is a Swiss-based EVRAZ trading company that exports steel products supplied from EVRAZ steel mills in Russia (EVRAZ ZSMK, EVRAZ NTMK) and Ukraine (EVRAZ DMZ), as well as iron ore mines (EVRAZ KGOK in Russia and EVRAZ Sukha Balka in Ukraine). EVRAZ East Metals also sells ferrovanadium internationally on behalf of EVRAZ. A wide network of agency and representative offices (including in China, Hong Kong, Indonesia, Japan, Philippines, South Korea, Taiwan, Thailand, Turkey and the UAE) ensures proximity to clients in key markets. In 2015, EVRAZ East Metals sold 4.8 million tonnes of steel products, primarily slabs and billets (84% of the total).

EVRAZ Metall Inprom | EVRAZ Metall Inprom is one of the largest steel trading companies in Russia, with sales of 1.6 million tonnes in 2015. It distributes steel products from EVRAZ and some third parties from a network of regional warehouses. Its main customers are in the construction, steel structures and engineering segments. In 2015, for the third year in a row, EVRAZ Metall Inprom won an award for having the best national sales network from the Russian Union of Metal Product Suppliers.



Customer focus strategy

Customer focus initiatives, 2015 results | By concentrating on the customer focus strategy, maintaining client loyalty and working closely with key buyers in Russia and abroad, EVRAZ succeeded in sustaining demand for many of its products, despite intensive market competition.

As part of its export strategy, the Group began selling rails on new overseas markets, including countries in the Middle East, South East Asia and Latin America. Overall, it exported around 24 thousand tonnes (excluding CIS) of rails in the year. Notably, EVRAZ signed a contract to deliver 15 thousand tonnes of rails for a high-speed rail link in Uzbekistan and remains the main supplier to Russian Railways.

Working closely with overseas clients, EVRAZ launched new types of rail wheels and certified them for use in Europe and South America. As a result, the Group boosted its export sales several times, to around 20 thousand tonnes.

Through a programme to develop special types of steel for the pipe industry, EVRAZ increased domestic sales of high-quality premium slabs to 80 thousand tonnes. The Group also expanded its international client base to include buyers of specialist slabs for use in LDP and, in the longer term, engineering.

Working with clients' engineers, EVRAZ developed and launched new special types of steel for engineering (spring steel) and shipbuilding, sales of which totalled 50 thousand tonnes in 2015.

By launching new steel sections profiles (including the 40 channel, the largest in Russia), EVRAZ retained its share on the domestic market for rolled products, despite greater competition. In addition, by launching new beams and streamlining the production process, the Group boosted beam export sales by 30% year-on-year.

Through securing long-term contracts with key buyers of grinding balls, EVRAZ increased its share of that market to 68%, a record for recent years, and maintained maximum output for that product.

CUSTOMER FOCUS TARGETS/OUTLOOK

In 2016, Trading Company EvrazHolding plans to roll out a "My Account" area for clients in its CRM system and begin integrating its ERP system with those of key clients, which will make placing orders more efficient. In addition, together with specialists from NTMK, it intends to continue the construction of a new ball-rolling mill, designed to meet the highest standards on the market.

In 2016, EVRAZ East Metals intends to develop sales of high-value-added billets at NTMK, which will open more value-added segments and improve profitability of billet sales. Another initiative is the development of new rebar standards and certifications (DIN, BS, ASTM, SI). This will create access to new markets and customers, thus generating better margins than from billets.

In 2016, EVRAZ Metall Inprom plans to introduce online services for clients, including a "My Account" area, a centralised call centre and a CRM block in the 1C ERP system.



KEY DEVELOPMENTS

Trading Company EvrazHolding

- Introduced an electronic signature with EVRAZ NTMK and ZSMK and began switching to the system with clients.
- Reduced the number of orders fulfilled behind schedule by 50%.

EVRAZ East Metals

- Launched a strategy to increase export sales of beams and high-grade slabs.
- Implementing a programme to reduce freight costs.

EVRAZ Metall Inprom

- Completed a project to implement the 1C ERP programme throughout its divisions.

EVRAZ increased its share of grinding balls market to

68%

MARKETING STRATEGY

EVRAZ marketing strategy for 2016 has numerous priorities. The Group intends to retain its leadership position in the transport, construction and mining segments in Russia and the CIS by implementing its new product development programme (beams, rolled products and rails) and further improving customer service (by integrating clients' ERP systems and reducing order processing times). EVRAZ plans to launch a project to increase the use of metal products in residential buildings. There are objectives for export sales of rails (double the 2015 figure), rebar (enter the European market) and beams (up 50% year-on-year). The Group also intends to boost its share of the high-grade semi-finished product market both in Russia and overseas.