

Severstal Q2 Net Triples

By [The Moscow Times](#)

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Leading steelmaker Severstal reported that second-quarter net profit had more than tripled to \$602 million, outpacing domestic rivals thanks to its strong mining assets and recent divestments.

The company, controlled by billionaire chief executive Alexei Mordashov, reaped the rewards of a vertically integrated structure, with its mining assets cashing in on higher coking coal and iron ore prices.

"[The mining unit] was once again at its best, posting a 47 percent EBITDA margin ... due to raw material price growth outpacing steel prices in Q2," VTB analysts said Friday.

Russian steelmakers are benefiting from their position as leading low-cost producers, but vertically integrated companies with sizable mining assets are showing the greatest year-on-year improvement.

Magnitogorsk Iron & Steel Works, the country's third-largest producer, also on Friday

reported a second-quarter net profit of \$13 million, down from \$53 million last year.

(Reuters)

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