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Russian Steelmaker NLMK Expects Record Q1 Profits to Boost Q2 Earnings

By The Moscow Times

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NLMK, one of Russia's largest steelmakers, expects higher income in the second quarter of 2014, the company said Tuesday, after reporting a forecast-beating first-quarter net profit of $174 million.

"Demand in key markets remained weak at the beginning of 2014 on the back of the seasonal slowdown in consumer activity," Grigory Fedorishin, NLMK's chief financial officer, said in a statement. "By the end of the first quarter, market conditions improved."

The firm's second-quarter steel production is expected to remain flat, quarter-on-quarter. However, seasonal improvements in demand and costs optimization mean the company expects further growth in its profitability and income, it added.

NLMK, controlled by businessman Vladimir Lisin, reported first-quarter net income of $174 million after a $21 million loss in a previous quarter thanks to a higher profit from operations.

The income beat the forecast in Reuters poll of analysts, who had expected it at $103 million.

NLMK said its revenue was at $2.6 billion, up 5 percent quarter-on-quarter.

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