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Russia's Metalloinvest Sees 94% Drop in Net Profits in 2014

By The Moscow Times

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Net profits for Metalloinvest fell 94 percent in 2014.

Net profits for Russia's biggest iron ore producer Metalloinvest fell 94 percent in 2014 as the ruble weakened, prompting a revaluation of the dollar-denominated portion of the company's debts, the company said Wednesday.

Metalloinvest posted net profits of $66 million for 2014, down 94 percent from the previous year, after the ruble fell 43 percent against the dollar due to weak oil prices and Western sanctions over Russia's role in the Ukraine crisis.

The company, owned by Russia's third-richest man Alisher Usmanov, said other key financial indicators fell because of a decline in global iron ore prices.

Benchmark spot iron ore prices at China's Tianjin port fell to $57.60 a ton on Tuesday. The commodity has lost 19 percent so far this year after sliding 47 percent in 2014.

Metalloinvest's earnings before interest, taxation, depreciation and amortization (EBITDA) fell by 14.4 percent year-on-year to $1.9 billion, the company said. Revenue slid 13.1 percent to $6.4 billion.

Metalloinvest's net debt fell 23 percent to $4.2 billion while the EBITDA margin was almost unchanged, at 30.8 percent.

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