

Russian Steelmaker Evraz to Return \$374 Million to Shareholders as Core Earnings Grow

By [The Moscow Times](#)

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Russia's Evraz, one of the country's largest steelmakers, will return up to \$375 million to its shareholders as part of a tender offer, it said Wednesday, after its 2014 core earnings rose on a weaker ruble.

Margins at Evraz and other Russian steel exporters have been supported by a 40-percent decline in the ruble against the dollar since mid-2014 as their costs fell in dollar terms.

Evraz, partly controlled by Chelsea soccer club owner Roman Abramovich, said core earnings — earnings before interest, taxation, depreciation and amortization (EBITDA) — rose 28 percent year-on-year to \$2.3 billion.

However, the company's bottom line was hit by the ruble decline. Evraz made a net loss of \$1.3 billion last year compared to a loss of \$551 million in 2013 due to a foreign exchange loss of

\$1.0 billion and a \$540-million assets impairment.

"In light of the strong financial performance in 2014, the directors would like to make a return of capital to shareholders of up to \$375 million by way of a tender offer," Evraz said in a statement.

Its tender offer represents a maximum of 8 percent of issued share capital and a 10 percent premium to the closing price on March 31, Evraz said. Shareholders are expected to approve the offer on April 17 and to receive the proceeds by April 23.

Evraz added that its net debt to EBITDA ratio was at 2.5 at the end of 2014 and that the company could consider returning cash to shareholders should the ratio remain below 3. q

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