

Stronger Ruble Boosts Russian Severstal's Q2 Net Profit

By [The Moscow Times](#)

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An employee works at the Severstal steel plant.

Severstal, one of Russia's largest steel producers, saw its second-quarter net profit increase by 39 percent quarter-on-quarter because of a stronger ruble, it said on Thursday.

Severstal's net profit of \$469 million was boosted by an FX translation profit of \$130 million, the company, controlled by billionaire Alexei Mordashov, said in a statement.

Adjusting for this non-cash item, the company would have posted an underlying net profit of \$339 million, missing an estimate by analysts of \$358 million.

Its revenue increased 18 percent quarter-on-quarter to \$1.8 billion, while earnings before interest, taxation, depreciation and amortization (EBITDA) rose 0.9 percent to \$588 million.

The ruble strengthened by around 5 percent against the U.S. dollar in the second quarter and led to higher dollar-denominated selling prices. Revenue was also supported by a seasonal

rebound in sales on domestic and export markets.

However, it said it expected global steel prices to remain under pressure because of a weaker Chinese economy, with steel demand falling 5.1 percent since the start of 2015 and growing Chinese steel products exports.

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