

8 July 2024

Ferrexpo plc
("Ferrexpo" or the "Company" or the "Group")

Production Report for 2Q 2024 and 1H 2024

Ferrexpo plc (LSE: FXPO), a producer of premium iron ore pellets, is pleased to report production results for the second quarter to the end of June 2024 ("the quarter" or "2Q" or "2Q 2024") and six months to the end of June 2024 (1H 2024 or "first half").

Commenting on the Group's performance, Lucio Genovese, Interim Executive Chair, said:

"It is pleasing to report strong production results for the first six months of 2024, an 83% increase compared to the previous six months to December 2023 and a 75% increase compared to the first six months of 2023. This is our best performance since the start of the full-scale invasion of Ukraine in February 2022.

During the quarter access to the Black Sea maritime corridor enabled us to continue shipments from Ukrainian ports. Since the corridor was opened in late 2023, it is estimated that over 800 ships have safely passed through, including 90 with ferrous commodities. The increased number of owners prepared to charter vessels to Ukrainian ports, resulted in improved availability, however freight rates and insurance risk premiums remain high, not only for the passage to Ukraine, but also through the Red Sea.

Other cost pressures continue to rise during the second quarter, especially electricity prices. Attacks on energy generation and transmission infrastructure have greatly reduced Ukraine's domestic power supply. Ferrexpo moved early to source alternative power from Ukraine's European neighbours, which has so far resulted in minimal disruption to its production activities.

The war continues to challenge our business in many ways. I am saddened to report that four more of our colleagues have been killed while serving in the Ukrainian Armed Forces during the period, bringing the total to 39 since the full-scale invasion in February 2022. As of today, 693 members of our workforce are serving in the Armed Forces and 132 have been decommissioned. We have programmes in place to support our colleagues when they return as veterans, including specific support that they may require.

Despite the many challenges that we must manage, it is pleasing that we are able to report strong. As long as we believe the level of risk is acceptable, taking into account the ongoing war in Ukraine, we will continue to use all the export capacity available to ensure that we are supporting the interests of all stakeholders, while maintaining a workforce level for higher production levels, generating taxes and royalties for the government and continuing our humanitarian activities."

Highlights

- Ferrexpo remains committed to the safety and wellbeing of its workforce and the Group continues to take extensive measures to protect employees, their families, and local communities.
- At the end of May 2024, the Group reported a rolling 12-month LTIFR of 0.31, below the historic five-year trailing average of 0.52. Zero fatalities have been reported for over three years.
- The Group has successfully operated two, sometimes three pelletising lines (out of four) during the quarter, alternating product quality depending on demand from customers and expanded logistics capacity.
- With variable production from each of the pelletiser lines, total production for the quarter was 1,672,506 tonnes, comprising 1,483,468 tonnes of pellets and 189,038 tonnes of concentrate. Total production for the first half was 3,727,360 tonnes, an 83% increase compared to the previous six months and a 75% increase compared to the comparable period last year.
- Production of Ferrexpo DR pellets (FDP) resumed during the quarter. With the Group's nearly completed press filtration complex in operation, improvements in the physical strength and chemical quality of pellets have been observed.

Commenting on the Group's technical performance, Nikolay Kladiev, Group Chief Financial Officer said:

"The business rapidly brought back on line previously idled capacity during the first half of the year, which is testament to the flexibility that we have built in our operations and supported over the last few years. With the shorter rail times to Ukrainian sea ports and renewed access to MENA and Asian customers, this has resulted in an improvement in the cash conversion cycle.

Although we have taken the opportunity to produce, export and sell more, the higher iron ore prices which we benefited from in the first quarter have not extended into the second quarter. This, combined with higher electricity prices has seen margins reduce as we moved into the end of the second quarter. We have however maintained our cash position, even whilst investing in sustaining and efficiency capital expenditure projects. We will report on this and more in our upcoming interim results."

Summary production statistics

(tonnes, unless otherwise stated)	Fe Grade	2Q 2024	1Q 2024	Change	1H 2024	2H 2023	Change
Total commercial production		1,672,506	2,054,830	-19%	3,727,336	2,036,986	+83%
Total pellet production		1,483,468	1,813,973	-18%	3,297,441	1,878,392	+76%
DR pellets (FDP)	67%	162,645	-	-	162,645	-	-
Ferrexpo premium pellets	65%	1,104,904	1,731,427	-36%	2,836,331	1,828,481	+55%
Other pellets	65%	215,919	82,546	+162%	298,465	49,911	+498%
Concentrate production	67%	189,038	240,857	-22%	429,865	158,594	+171%

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About Ferrexpo:

Ferrexpo is a Swiss headquartered iron ore company with assets in Ukraine and a premium listing on the London Stock Exchange (ticker FXPO) and a constituent of the FTSE All Share index. The Group produces high grade iron ore pellets, which are a premium product for the global steel industry and enable reduced carbon emissions and increased productivity for steelmakers when converted into steel, compared to more commonly traded forms of iron ore. Ferrexpo's operations have been supplying the global steel industry for over 50 years. Before Russia's invasion of Ukraine in February 2022, the Group was the world's third largest exporter of pellets to the global steel industry. The Group has a global customer base comprising of premium steel mills around the world, which includes steel mills in Austria, Germany, Japan, South Korea, Taiwan, China, Slovakia, the Czech Republic, Turkey, Vietnam and America. For further information, please visit www.ferrexpo.com.

Please note that numbers may not add up due to rounding and all numbers contained herein may be subject to change.

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