

People, Equipment and Assistance to the Ukrainian Armed Forces —Metinvest COO Oleksandr Myronenko with Forbes about Investment Priorities

Ukrainian business continues to invest in development despite the war. During the war, the country's 20 largest investors, as ranked by Forbes, invested UAH173 billion (,US\$5 billion) in business development. In 2023, they increased capital investments by an average of 33%, Forbes Ukraine reports about this in the article: "Minimum of US\$2.5 billion in investments for four companies. What OKKO, Metinvest, Terwin and Vodafone will build by 2026."



Oleksandr Myronenko, Chief Operating Officer (COO) of Metinvest Group, talked about the investments of the mining and metals industry leader during the panel discussion "The largest wartime investors: A look into the future," at the Forbes Ukraine Money for Victory forum.

The CEOs of OKKO, Terwin, Vodafone Ukraine and Pivdenny Bank also took part in the discussion. Below is an extended version of the article based on the panel discussion.

According to Myronenko, Metinvest invested UAH23 billion in the modernisation of the Kamet Steel and Zaporizhstal steel plants as well as the green transformation of its enterprises in 2022-23

He said that the Group's priority areas for investment in 2024-25 are employees, equipment and assistance to the Armed Forces of Ukraine.

Myronenko said: "We have three key priorities. The first is our teams. The second is equipment and production sites. And the third is to support the armed forces. Especially in the cities where our enterprises are located. These are Zaporizhzhia and Pokrovsk, located 40 kilometres from the front line. We must support the units that defend these cities."

He clarified that the Group's employees are paid an increased bonus of 20-50% of their salary. On 1 May, the salary was increased by up to 20% depending on the area of expertise.

Metinvest's COO said that in 2024, the Group plans to invest US\$320 million in capital and about US\$350 million in operating investments in equipment and work sites.

He added: "These are investments aimed at maintaining our equipment: repairs of blast furnaces and sintering machines, maintenance of equipment at mining and processing plants as well as the development of Pokrovske Coal."



Myronenko said that the Group is currently operating at 65%-70% of capacity. “And we clearly understand that when the hostilities end and the infrastructure is fully restored, we will need to accelerate with the help of people and equipment.”

According to Myronenko, the Group has already spent more than UAH6 billion on humanitarian and military support for Ukraine since the start of the full-scale war. Currently, Metinvest spends around UAH200 million a month to construct fortifications and support brigades from Dnipro to Donetsk.

Metinvest’s COO said: “We have a clear strategy for the development of our Ukrainian and foreign enterprises. Currently, it is very difficult to persuade banks to finance any projects in Ukraine. We estimate the full transition of Ukrainian enterprises to green metallurgy within 10 years after the end of the war at a cost of around US\$9 billion.”

He added that the Group would not be able to implement such a project on its own and would need to attract external funding. Since this option is currently not possible, Metinvest is considering a joint project with Danieli to build a steel plant in Italy, with an estimated investment of around US\$2 billion, which will consist mainly of loans, as well as contributions by the partners of their own funds.

Myronenko explained: “The Ukrainian economy will only benefit from the implementation of such a project. We will produce energy-efficient green steel at a very low cost because we have our own resources, the iron ore in Kryvyi Rih. From this point of view, we believe that Ukrainian-Italian joint production will be much more efficient than purely EU-based production and will be able to compete with European manufacturers.”

Metinvest’s COO also noted that the mobilisation of employees is currently having a negative impact on the Group’s operations, as every sixth employee is serving in the Ukrainian armed forces. He said: “This is a big challenge in government relations. And it has a bigger impact on our operations than any commercial disputes.”

In addition, Myronenko outlined what the Group is doing to help Ukraine win the war. First, Metinvest buys equipment, drones, electronic warfare devices and other items for the Ukrainian armed forces.

He said: “We have two of our own developments that have already been codified and certified by the Ministry of Defence and will now be officially supplied. These are corrugated steel shelters and mine trawls that are installed on tanks.”

The executive explained that the shelters produced by Metinvest are half of the price of those currently purchased by the country. And the situation with mine trawls is broadly similar.

Myronenko concluded: “The second thing we are doing is providing anti-drone shelters for equipment. For example, Abrams tanks that are currently fighting in the Donetsk sector will be completely covered with our anti-drone nets, which will enhance their protection. We are also developing and already installing such shelters on Soviet T-64 and T-72 tanks. And there are many other things we are doing to make our soldiers feel protected.”