

## Metinvest Among Ukraine's Top Ten Successful Investors According to dsnews.ua: Over US\$300 Million Made Annually and Plans for "Green" Transformation After the War

Leading Ukrainian businesses have already adapted to the realities of war and are actively planning for the future. According to dsnews.ua, large investment projects in many areas offer the best evidence for this. Metinvest Group is among the top investors.



As noted in the article entitled “

[Top 10 Successful Investor Companies in Ukraine](#)

”, even during the most difficult period of Ukraine's history, businesses cannot stop financing fixed assets. Employee development has always been a priority for successful companies. Usually, large players do not abandon the R&D sphere because investment in this area means moving forward. All companies that want to stay in the game must upgrade equipment, adopt and develop technologies, as well as retain and increase their human potential.

The most war-affected industries are making significant capital investments. For example, Zaporizhstal has spent more than UAH1.2 billion to upgrade its equipment, while Germany's Notus Energy is building a wind power plant with hundreds of megawatts of capacity in Odesa region.

Dsnews.ua shares the experience of the most successful companies that have chosen the most promising and important areas for investment, care about employee development and finance innovation. Based on these criteria, the publication identified ten companies, ranked them by name in alphabetical order, and prepared case studies about their investment projects.

Despite the immense losses caused by the occupation, destruction and obstacles to carrying out exports, Metinvest Group has continued to invest heavily since the full-scale Russian invasion, with this figure totalling over US\$300 million annually, including its joint ventures.

Some of last year's investment projects include the launch of a new longwall for coking coal at Pokrovske Coal, major overhauls at Kamet Steel and Zaporizhstal (from blast furnaces to rolling mill equipment) and the increase in the storage levels of tailings at Southern Iron Ore and Inhulets Iron Ore.

Metinvest is also investing in sustainability projects at Northern Iron Ore and Southern Iron Ore and overhauling facilities for employees.

The Group plans to make no fewer investments than last year. Primarily, these include critical repairs. Funding for strategic projects, such as the green and digital transformation of steel enterprises in Ukraine, will be discussed

after the war is over.

Learn more about investment projects and future plans in the case study entitled “

[How Metinvest is upgrading facilities and preparing for a green transformation.](#)

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Amid the current hot phase of the war, Metinvest Group has been significantly investing in repairs to its surviving Ukrainian facilities, while simultaneously preparing for strategic investments once peace returns.

Any business that plays the long game regularly makes investments. This is especially true for capital-intensive industries such as metallurgy. For this reason, despite the loss of its steel mills in Mariupol and several other strategic assets in the east of the country, Metinvest, as an international mining and metals group, has not stopped investing in its Ukrainian enterprises.

#### **Urgent investments**

Although major strategic projects have been put on hold, the Group responds quickly to changes in the business environment and adapts its investment programme to maintain efficient production volumes, primarily investing in existing facilities that require upgrades. Metinvest, together with its joint ventures, has invested over US\$300 million annually since the beginning of the full-scale war.

Last year, Zaporizhstal and Kamet Steel carried out major blast furnace overhauls. In addition, Zaporizhstal upgraded its equipment for its rolling mills and Kamet Steel overhauled its coke oven batteries. In total, the Group has invested UAH23 billion in the modernisation of these two enterprises over the past two years.

Metinvest has also been consistent in launching new longwalls for coking coal at Pokrovske Coal. At the beginning of the current year, they launched the 11th longwall for coking coal at Pokrovske Colliery’s Block 10. For the front line city of Pokrovske, the creation of new jobs in the real economy is a major event, a rare example of an industrial company expanding its facilities near the front line. Providing decent jobs is the best support for residents and internally displaced people. Overall, the increase in production volumes provides a boost to the local economy.

Targeted, but well-tailored investments that improve the Group's market position are gaining in importance. For example, the modernisation of the roasting machine in the pellet production shop at Northern Iron Ore enabled the launch of production of homogeneous pellets with an iron content of 65% last year. This enabled the entire enterprise to maintain its competitive positions on the European iron ore market.

This year, Metinvest plans to invest US\$320 million in equipment and work sites, and about US\$350 million in operating investments. Repairs of blast furnaces and sinter machines, maintenance of mining and processing plant’s equipment as well as the further development of Pokrovske Colliery are the main areas of focus.

#### **Grand strategy**

Notably, the postponement of strategic projects does not mean a lack of strategic thinking. The Group understands, once the hostilities end, it will need to increase production volumes (currently, the Group’s enterprises are operating at 65-70% capacity). This means that the equipment needs to be prepared for operation in advance, and this process is underway.

Strategic investments can be “switched on” at any time of the year, depending on the military and political situation, or, rather, on the reduction of risks associated with hostilities and the aggressive plans of the enemy. Therefore, it is worth talking about Metinvest's investment strategy.

The strategy remains the same: to create a global company with Ukrainian roots based on the green and digital transformation of its production facilities. This requires high-quality raw materials, semi-finished products and sufficient clean energy sources.

It is understandable why the large-scale green modernisation of enterprises in Ukraine has been put on hold — due to Russian shelling, we are experiencing an acute shortage of electricity from all sources. However, Metinvest is an international group, which means that it can still help develop its Ukrainian assets by investing in clean production. The construction of a green rolling mill in Italy, with an annual capacity of about 3 million tonnes, will increase, over the long run, the capacity of Metinvest's Ukrainian mining and processing plants, as these can no longer sell their products domestically following the occupation of Mariupol’s steel plants. Metinvest and its partners will build the plant in three to four years, utilising up to US\$2 billion in loans and partnership funds.

Regarding the production of high-quality raw materials, mining and processing plants with orders in place will be able to modernise their production to produce high-quality pellets. To recap, some of this work is already underway. For example, Northern Iron Ore is competing on the European market thanks to its upgraded pellet production with improved characteristics.

It is worth noting that Metinvest's strategy for transitioning to green steel production, which was developed long before the war, included plans for the conversion of blast furnaces at its steelmaking facilities to DRI (direct reduction of iron) technology. This process requires improved pellets as raw materials. At the beginning of the war, the Group's Central Iron Ore successfully tested the production of such DRI pellets.

The Group plans a large-scale green transformation of its Ukrainian assets — including mining and processing plants, Kamet Steel and Zaporizhstal — worth around US\$9 billion over a five-ten year timescale after the war ends. This will require external financing. And this will be a new page in the history of the steel industry.

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