

Metinvest completes building its repair business

Metinvest Group continues centralising the function to maintain and repair blast-furnace brickwork on the basis of Zaporozhneupor. Thus, the company is completing the establishment of repair business represented by Zaporozhneupor, Metinvest PromServis and Mariupol Repair and Mechanical Plant.

In February 2016, workers of Azovstal's furnace repair workshop were transferred to Zaporozhneupor, yet salaries, all social benefits and actual workplace of employees did not change as they continue to work in Mariupol. In March, Zaporozhneupor specialists replaced blast-furnace brickwork as part of overhauling Azovstal's converter. By using an internal contractor services the company saved about \$700,000. In the long term, Zaporozhneupor will be able to improve the quality of products and ensure higher resistance of blast-furnace brickwork by managing the entire technological chain from refractory processing to lining installation and service maintenance. Metinvest is looking at the possibility to reinforce its Zaporozhye-based plant by withdrawing refractory workshops from other steel assets.

In 2013, the company launched a pilot project to set up Repair and Mechanical Plant to produce components and assemblies for steel industry using the facilities of repair workshops of Azovstal and Ilyich Steel Plant. The first year of the initiative showed that by establishing a separate repair business, the company solves the problem of unbalanced HR load, significantly reduces costs and improves operational efficiency and quality.

In 2014, Metinvest established Metinvest PromService, the biggest Ukrainian repair and service maintenance company. Today it is a young fast-growing major business that employs more than 4,000 residents of Mariupol. The consolidation of disintegrated divisions enabled Metinvest Group to refuse from engaging third-party contractors to perform long-term overhauls and current repairs.

Yuriy Ryzhenkov, Metinvest Group CEO:

"Earlier, we engaged external contractors to conduct major repairs, and our non-diversified units at different assets made dozens of small repairs. We decided to employ our reserves, technical facilities and experts to launch a new efficient service. Today we have three powerful companies focused on such key areas as production of components and assemblies, repairs and maintenance, production and installation of refractory materials. The project helped us keep our intellectual and industrial potential. We didn't lay off our staff or give up on unprofitable repair shops. Instead, we used them to build a new business and boosted the quality and efficiency. Thus, we provided thousands of repairmen with steady jobs and social benefits."