

Liberty Ostrava a.s.

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Economic results of ArcelorMittal Ostrava (now Liberty Ostrava) for year 2018

Ostrava August 21, 2019 – In 2018, Liberty Ostrava, which has had a new owner since 1 July 2019, achieved a net profit of CZK 4.1 billion. Compared to the previous period, this represents an increase of CZK 946 million, which was positively influenced mainly by the operating area. Operating profit amounted to CZK 726 million and financial result to 3.6 billion crowns as a result of the transfer of the share in TAMEH Holding to the sole shareholder ArcelorMittal S.A.

In 2018, operating profit amounted to CZK 726 million, which was CZK 3.3 billion more than in 2017 when an operating loss of CZK 2.6 billion was generated. Better operating result compared to 2017 was achieved mainly by higher production (2.2 million tonnes in 2018 vs. 1.8 million tonnes in 2017), which had not been affected by the necessary technological repairs and maintenance, and higher margins due to the favourable situation on the steel market in the first half of the year. In 2018, the company produced 2.2 million tonnes of liquid steel, 1.1 million tonnes of wet coke and 1.9 million tonnes of hot metal.

The financial result for 2018 was CZK 3.6 billion as a result of the transfer of the share in TAMEH Holding to the sole shareholder ArcelorMittal S.A. The financial result was CZK 1.7 billion lower than in 2017, when it was positively influenced by higher financial revenues from the sale of share in the subsidiaries ArcelorMittal Tubular Products Ostrava and ArcelorMittal Tubular Products Karviná.

Recently, Liberty Ostrava has announced a 20% reduction in production due to rising raw material prices combined with the unfavourable market situation caused by unfair imports of steel from third countries, which now account for a quarter of total EU steel consumption. This situation directly threatens the European steel industry, a traditional industry employing almost 18,000 people in the Czech Republic alone, the 6th highest number in the EU. Moreover, despite the already difficult market situation and the weakening EU economies, the EU has announced a further increase in steel import quotas after it increased the quotas by 5 % in February 2019.

Liberty Ostrava a.s. is an integrated steel company with a production capacity of 3.6 million tonnes of steel. Currently, it annually produces c. 2.2 million tonnes of steel, which is mainly used in construction, machinery and oil & gas industries. The company is a domestic leader in the manufacture of road barriers and tubes. In addition to the Czech market, it supplies its products to more than 40 countries around the world. Together with its subsidiaries in Ostrava, the company has 6300 employees. The 2018 average monthly income was CZK 39,180. As a result of the above-standard greening, the company manufactures its products with minimum possible environmental footprint. The company is part of Liberty, a global steel and mining business, employing approximately 28,000 people on 6 continents based across more than 200 sites, with raw steel capacity of more than 15 million tonnes a year, which is part of GFG Alliance.

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