Annual Report Guide

ANKLESARIA GROUP
30 Years Of Excellence

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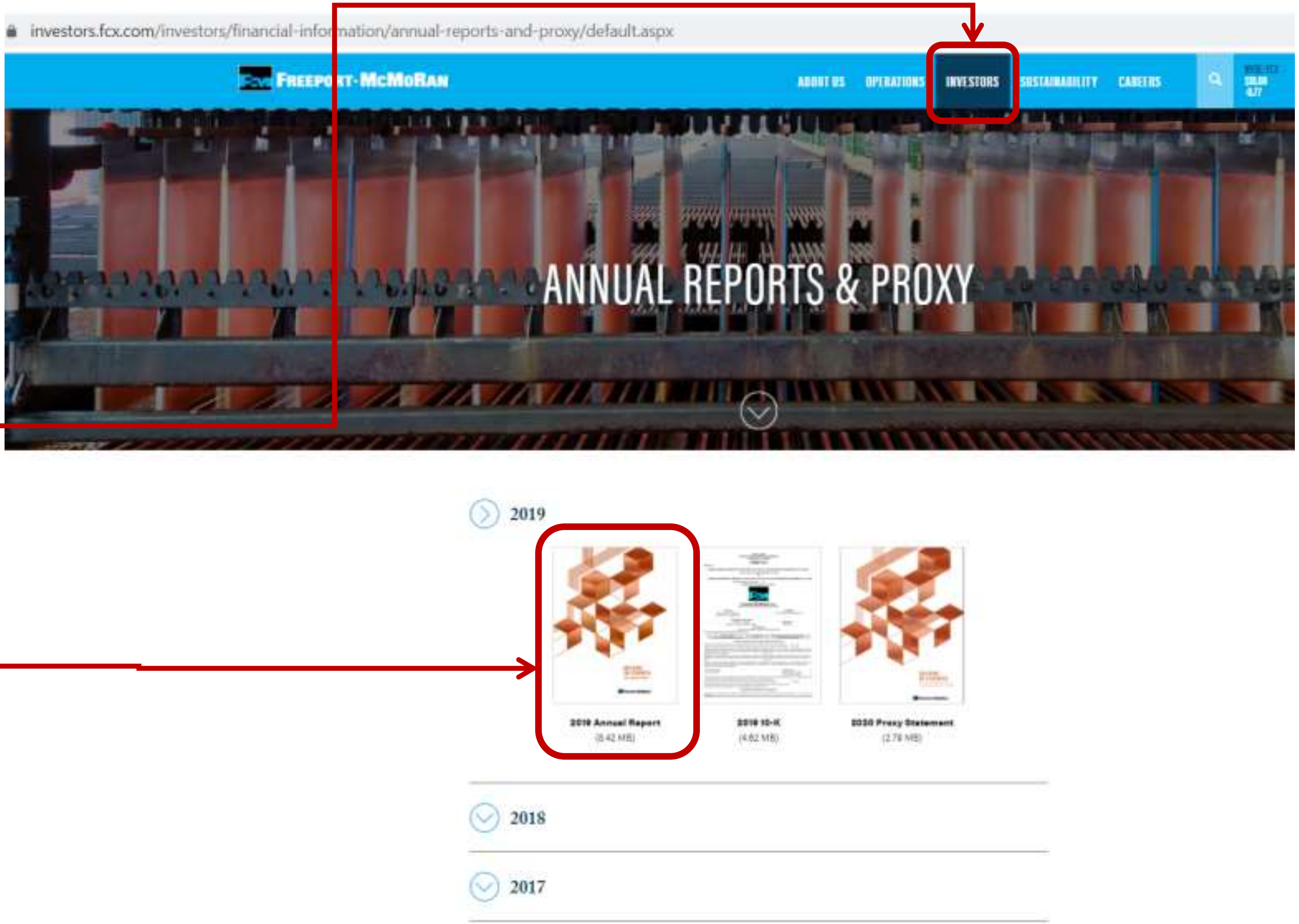

Market Analysis, SWOT & Price Drivers

ANKLESARIA GROUP
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Search for and extract data that can help with Market Analysis, Price Drivers and SWOT

Sample 1- Arcelor Mittal

Once downloaded, open the pdf file and go to the 'Table of Contents'

Follow the Table of Contents to find data on Company Overview, Business Overview, Market Risks and Organisational structure

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Search for and extract data that can help with Market Analysis, Price Drivers and SWOT

Sample 2- Nucor Corporation

Once downloaded, open the pdf file and go to the 'Table of Contents'

Follow the Table of Contents to find data on Company Overview, Business Overview, Market Risks and organisational structure

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Nucor Corporation
Annual Report on Form 10-K
For the Fiscal Year Ended December 31, 2019

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Search for and extract data that can help with Market Analysis, Price Drivers and SWOT

Arcelor Mittal Annual Report

Under the ‘Company Overview’ section you can find valuable information on the following:

Number of Business Units, Functions of each Business units, Geographical distribution of Company units, Products manufactured, Business sectors catered, Number of employees

Company overview

History and development of the Company

ArcelorMittal is the world’s leading integrated steel and mining company. It results from the merger in 2007 of its predecessor companies Mittal Steel Company N.V. and Arcelor, each of which had grown through acquisitions over many years. Since its creation ArcelorMittal has experienced periods of external growth as well consolidation and deleveraging (including through divestments), the latter in particular during the years following the global financial and economic crises of 2008-2010. In recent years ArcelorMittal has punctuated its overall deleveraging focus with targeted acquisitions. These have included the acquisition through a joint venture of the Calvert plant in the United States in 2014 and, in 2018 the acquisition of AMSF in Brazil and ArcelorMittal Italia in Italy, Europe’s largest single steel site. In 2019, the Company completed its acquisition of AMNS India through a joint venture with NSC. For more information on the key transactions carried out in 2019, see “—Key transactions and events in 2019” below.

ArcelorMittal’s success is built on its core values of sustainability, quality and leadership and the entrepreneurial boldness that has empowered its emergence as the first truly global steel and mining company. Acknowledging that a combination of structural issues and macroeconomic conditions will continue to challenge returns in its sector, the Company has adapted its footprint to the new demand realities, redoubled its efforts to control costs and repositioned its operations with a view toward outperforming its competitors. ArcelorMittal’s research and development capability is strong and includes several major research centers as well as strong academic partnerships with universities and other scientific bodies.

Against this backdrop, ArcelorMittal’s strategy is to leverage four distinctive attributes that will enable it to capture leading positions in the most attractive areas of the steel industry’s value chain, from mining at one end to distribution and first-stage processing at the other: global scale and scope; superior technical capabilities; a diverse portfolio of steel and related businesses, one of which is mining; and financial capabilities.

Geography: ArcelorMittal is the largest steel producer in the Americas, Africa and Europe and is the fifth largest steel producer in the CIS region. ArcelorMittal has steel-making operations in 18 countries on four continents, including 46 integrated and mini-mill steel-making facilities. As of December 31, 2019, ArcelorMittal had approximately 191,000 employees.

ArcelorMittal’s steel-making operations have a high degree of geographic diversification. Approximately 37% of its crude steel is produced in the Americas, approximately 49% is produced in Europe and approximately 14% is produced in other countries, such as Kazakhstan, South Africa and Ukraine. In addition, ArcelorMittal’s sales of steel products are spread over both developed and developing markets, which have different consumption characteristics. ArcelorMittal’s mining operations, present in North and South America, Africa, Europe and the CIS region, are integrated with its global steel-making facilities and are important producers of iron ore and coal in their own right.

Products: ArcelorMittal produces a broad range of high-quality finished and semi-finished steel products (“semis”). Specifically, ArcelorMittal produces flat steel products, including sheet and plate, and long steel products, including bars, rods and structural shapes. In addition, ArcelorMittal produces pipes and tubes for various applications. ArcelorMittal sells its steel products primarily in local markets and through its centralized marketing organization to a diverse range of customers in approximately 160 countries including the automotive, appliance, engineering, construction and machinery industries. The Company also produces various types of mining products including iron ore lump, fines, concentrate and sinter feed, as well as coking, PCI and thermal coal.

As a global steel producer, the Company is able to meet the needs of different markets. Steel consumption and product requirements clearly differ between developed markets and developing markets. Steel consumption in developed economies is weighted towards flat products and a higher value-added mix, while developing markets utilize a higher proportion of long products and commodity grades. To meet these diverse needs, the Company maintains a high degree of product diversification and seeks opportunities to increase the proportion of higher value-added products in its product mix.

Automotive focus: ArcelorMittal has a leading market share in its core markets in the automotive steel business and is a leader in the fast-growing advanced high strength steels segment. ArcelorMittal is the first steel company in the world to embed its own engineers within an automotive customer to provide engineering support. The Company begins working with original equipment manufacturers (“OEMs”) as early as five years before a vehicle reaches the showroom, to provide generic steel solutions, co-engineering and help with the industrialization of the project. In November 2016, ArcelorMittal introduced a new generation of advanced high strength steels, including new press hardenable steels and martensitic steels. Together, these new steel grades aim to help automakers further reduce body-in-white weight to improve fuel economy without compromising vehicle safety or performance. In November 2017, ArcelorMittal launched the second generation of its iCARe® electrical steels. iCARe® steel grades play a central role in the construction of electric motors.

Mining Value Chain: ArcelorMittal has a significant portfolio of raw material and mining assets. In 2019, approximately

Search for and extract data that can help with Market Analysis, Price Drivers and SWOT

Arcelor Mittal Annual Report

Under the 'Business Overview and Risks' section you can find valuable information on the following:

Supply Market Overview Data (can be used in determining Price drivers) and Business Risks (can be used in the company SWOT)

Key factors affecting results of operations

The steel industry, and the iron ore and coal mining industries, which provide its principal raw materials, have historically been highly cyclical. They are significantly affected by general economic conditions, consumption trends as well as by worldwide production capacity and fluctuations in international steel trade and tariffs. This is due to the cyclical nature of the automotive, construction, machinery and equipment and transportation industries that are the principal consumers of steel. A telling example of the industry cyclicality was the sharp downturn in 2008/2009 after several strong years, which was a result of the global economic crisis. Such cyclicality, though to a lesser degree than in 2008/2009, was seen again in the downturns experienced in 2015 and 2019.

Weakness in North American and European markets have a significant impact on ArcelorMittal's results, with these markets together accounting for over 60% of ArcelorMittal's deliveries in 2019, despite demand declining in both markets. In the European Union ("EU"), 2019 was the first year to show a decline in demand since 2012, when the onset of the eurozone crisis caused European apparent steel demand to decline over 10%. Since then, EU steel demand rebounded by 18% until 2018, returning to the average demand levels seen during the period between 2000 to 2005 but remaining almost 20% below 2007 peak levels. During this same period, import competition also increased, with imports more than doubling since 2012 to over 31 million tonnes in 2018, meaning domestic European deliveries have lost market share, impacting the ability of ArcelorMittal to serve its largest market. Steel demand fell by around 4% in the EU in 2019 as underlying real demand declined by approximately 2.5%, driven by macroeconomic headwinds including declining automobile production, coupled with significant destocking, which negatively impacted apparent steel demand by a further 2%. Underlying steel demand in the United States increased strongly following the 2008/2009 financial crisis, but apparent demand has been affected by inventory movements, since demand peaked in 2014. Although the decline in apparent demand for flat products in 2019 at around -4.7% was less severe than the decline in 2015 (-8.6%) and both of these declines were exacerbated by significant destocking. This was due to underlying real steel demand weakening more than was anticipated at the start of the year, coupled by steel prices falling from high levels, resulting in stockists and later end-users, reducing inventory levels, which negatively impacted the Company's deliveries and profitability. Although the Company does not anticipate an economic recession in the United States over the next twelve months, as the country is in the longest economic expansion on record and given the frailty of the current global economic outlook, any new economic downturn could significantly impact ArcelorMittal's deliveries and profitability.

See "Risks related to the global economy and the mining and steel industry."

Demand dynamics in China have also substantially affected the global steel business. Historically, after growing strongly since 2000, Chinese steel demand started to decline in 2015 because of weaker real estate sector construction and machinery production. This decline in domestic demand led to a surge in Chinese steel exports, which more than doubled between 2012 and 2015, increasing by over 56 million tonnes to 112 million tonnes in 2015. This increase in Chinese exports was greater than the growth in world ex-China steel demand over the same period, and had the effect of curtailing domestic production in countries outside of China. A rebound in domestic demand and the beginning of a capacity reduction plan in China in the second half of 2016 led to a decline in exports, by 14% year-on-year in the second half of 2016 and by 3% for the year as whole. While most exports were directed to Asia, and exports to the U.S. were limited due to the impact of anti-dumping trade cases, a declining but still significant proportion were directed toward ArcelorMittal's core European markets in 2016. Indeed, Chinese exports in 2015 were being sold at prices below cost (China Iron and Steel Association (CISA) reported CISA mills losing an accumulated RMB 65 billion ($10 billion) in 2015), negatively impacting prices and therefore margins in many regions. Chinese producers continued to accumulate losses until April 2016 when domestic and export prices rose sharply as domestic demand surprised producers on the upside, increasing capacity utilization. Between mid 2016 and early 2018, significant capacity had been closed, consisting of over 150 million tonnes of legal blast furnace capacity and an estimated 120 million tonnes of illegal induction furnaces. This led to a significantly higher capacity utilization rate, despite a 40 million tonnes reduction in exports over the past few years, translating into an improved domestic spread of steel prices over raw material costs, and therefore higher export prices. Starting in October 2017, this situation, combined with environmental policies which led to temporary capacity restrictions over the winter period, caused even higher utilization rates in China and an even higher spread of steel prices over raw materials. Prices have since fallen back as these temporary capacity restrictions have been less strictly enforced and the risk of continued capacity increases remains. The Company expects Chinese steel demand to grow in 2020 within a range of +0.0% to +1.0% (versus estimated growth of +3.2% in 2019) driven by robust real estate activity and given the Company's current view on the Coronavirus. This may be revised downward due to the impact of the Coronavirus on Chinese demand and the knock-on impact elsewhere. However, demand is eventually expected to decline as infrastructure spending has been front-loaded and real estate demand structurally weakens due to lower levels of rural-urban migration. If this does not coincide with renewed capacity closures, this is expected to have a

Financial Health Tool

ANKLESARIA GROUP
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Search for and extract data required to conduct a financial health analysis

Once downloaded, open the pdf file and go to the ‘Table of Contents’

Follow the Table of Contents to find data on selected financial statements


The Lone Star mine is FCX's newest copper asset in eastern Arizona.

BUILDING ON STRENGTH

During 2019, Freeport-McMoRan advanced three key operating initiatives to build a strong foundation for long-term profitable growth. As the leading responsible copper producer, our core values — safety, respect, integrity, excellence and commitment — underpin the success of these initiatives, which build on the strength of our high-quality portfolio of long-lived copper reserves. Notwithstanding current global economic uncertainties, copper remains an essential metal for global growth and for a future with a lower carbon footprint. Our proven track record for navigating volatile market conditions provides confidence in our ability to maintain strength during uncertain economic times. We remain focused on executing our plans to provide long-term value and further advance Freeport as foremost in copper.

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Step 2: Search for and extract data required to conduct a financial health analysis

Navigate to the selected financial statements section with the help of the page number mentioned in the table of contents

Look for 'Consolidated Statement of Income', 'Consolidated Statement of Cash Flow' and 'Consolidated Balance Sheet'


BUILDING
ON STRENGTH
Financial and Operating Information

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Step 2: Search for and extract data required to conduct a financial health analysis

Under 'Consolidated Statement of Income' note down the following values

1) Revenue/Sales

2) Cost of Sales

3) Operating Income

4) Net Interest Expense

5) Net Profit after Taxes

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended December 31,	2019	2018	2017
(In millions, except per share amounts)			
Revenues	$14,402	$18,628	$16,403
Cost of sales:			
Production and delivery	11,514	11,687	10,258
Depreciation, depletion and amortization	1,412	1,754	1,714
Metals inventory adjustments	179	4	8
Total cost of sales	13,105	13,445	11,980
Selling, general and administrative expenses	414	443	477
Mining exploration and research expenses	104	105	93
Environmental obligations and shutdown costs	105	89	244
Net gain on sales of assets	(417)	(208)	(81)
Total costs and expenses	13,311	13,874	12,713
Operating income	1,091	4,754	3,690
Interest expense, net	(620)	(945)	(801)
Net (loss) gain on early extinguishment of debt	(27)	7	21
Other (expense) income, net	(138)	76	(8)
Income from continuing operations before income taxes and equity in affiliated companies' net earnings	306	3,892	2,902
Provision for income taxes	(510)	(991)	(883)
Equity in affiliated companies' net earnings	12	8	10
Net (loss) income from continuing operations	(192)	2,909	2,029
Net income (loss) from discontinued operations	3	(15)	66
Net (loss) income	(189)	2,894	2,095
Net income attributable to noncontrolling interests:			
Continuing operations	(50)	(292)	(274)
Discontinued operations	—	—	(4)
Net (loss) income attributable to common stockholders	$ (239)	$ 2,602	$ 1,817
Basic net (loss) income per share attributable to common stockholders:			
Continuing operations	$ (0.17)	$ 1.80	$ 1.21
Discontinued operations	—	(0.01)	0.04
	$ (0.17)	$ 1.79	$ 1.25
Diluted net (loss) income per share attributable to common stockholders:			
Continuing operations	$ (0.17)	$ 1.79	$ 1.21
Discontinued operations	—	(0.01)	0.04
	$ (0.17)	$ 1.78	$ 1.25
Weighted-average common shares outstanding:			
Basic	1,451	1,449	1,447
Diluted	1,451	1,458	1,454
Dividends declared per share of common stock	$ 0.20	$ 0.20	$ —

The accompanying Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements.

Step 2: Search for and extract data required to conduct a financial health analysis

Under 'Consolidated Statement of Cash Flow' note down the following values

1) Net cash from Operating activities

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31,	2019	2018	2017
(In millions)			
Cash flow from operating activities:			
Net (loss) income	$ (189)	$ 2,894	$ 2,095
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation, depletion and amortization	1,412	1,754	1,714
Metals inventory adjustments	179	4	8
Net gain on sales of assets	(417)	(208)	(81)
Stock-based compensation	63	76	71
Net charges for environmental and asset retirement obligations, including accretion	221	262	383
Payments for environmental and asset retirement obligations	(244)	(239)	(131)
Net charges for defined pension and postretirement plans	108	81	120
Pension plan contributions	(75)	(75)	(174)
Net loss (gain) on early extinguishment of debt	27	(7)	(21)
Deferred income taxes	29	100	76
(Income) loss on disposal of discontinued operations	(3)	15	(57)
Dividends received from PT Smelting, an equity method investee	40	—	—
Charges for PT Freeport Indonesia (PT-FI) surface water tax, withholding tax and environmental matters	30	162	—
Payments for PT-FI surface water and withholding tax matters	(67)	—	—
Charges for Cerro Verde royalty dispute	65	371	355
Payments for Cerro Verde royalty dispute	(187)	(56)	(53)
U.S. tax reform benefit	—	(123)	(393)
Change in PT-FI statutory tax rate	—	(504)	—
Other, net	141	12	(43)
Changes in working capital and other, excluding disposition amounts:			
Accounts receivable	119	649	427
Inventories	259	(537)	(169)
Other current assets	60	(28)	(28)
Accounts payable and accrued liabilities	(60)	(106)	110
Accrued income taxes and timing of other tax payments	(29)	(634)	457
Net cash provided by operating activities	1,482	3,863	4,666
Cash flow from investing activities:			
Capital expenditures:			
North America copper mines	(877)	(601)	(167)
South America	(256)	(237)	(115)
Indonesia	(1,369)	(1,001)	(875)
Molybdenum mines	(19)	(9)	(5)
Other	(131)	(123)	(248)
Acquisition of PT Rio Tinto Indonesia	—	(3,500)	—
Proceeds from sales of:			
Timok exploration project and a portion of Freeport Cobalt	452	—	—
PT Indonesia Papua Metal Dan Mineral	—	457	—
Other assets	109	93	72
Other, net	(12)	(97)	17
Net cash used in investing activities	(2,103)	(5,018)	(1,321)
Cash flow from financing activities:			
[illegible]	[illegible]	[illegible]	[illegible]
Repayments of debt	(3,197)	(2,717)	(3,812)
Proceeds from sale of PT-FI shares	—	3,500	—

Step 2: Search for and extract data required to conduct a financial health analysis

Under 'Consolidated Balance Sheet' note down the following values

1) Current Assets

2) Account Receivables

3) Inventory

4) Total Assets

CONSOLIDATED BALANCE SHEETS

December 31,	2019	2018
(In millions, except par value)		
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,020	$ 4,217
Trade accounts receivable	741	829
Income and other tax receivables	426	493
Inventories:		
Materials and supplies, net	1,649	1,528
Mill and leach stockpiles	1,143	1,197
Product	1,281	1,778
Other current assets	655	422
Total current assets	7,915	10,464
Property, plant, equipment and mine development costs, net	29,584	28,010
Long-term mill and leach stockpiles	1,425	1,570
Other assets	1,885	2,172
Total assets	$40,809	$42,216
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,576	$ 2,625
Current portion of environmental and asset retirement obligations	436	449
Accrued income taxes	119	165
Dividends payable	73	73
Current portion of debt	5	17
Total current liabilities	3,209	3,329
Long-term debt, less current portion	9,821	11,124
Deferred income taxes	4,210	4,032
Environmental and asset retirement obligations, less current portion	3,630	3,609
Other liabilities	2,491	2,230
Total liabilities	23,361	24,324
Equity:		
Stockholders' equity:		
Common stock, par value $0.10, 1,582 shares and 1,579 shares issued, respectively	158	158
Capital in excess of par value	25,830	26,013
Accumulated deficit	(12,280)	(12,041)
Accumulated other comprehensive loss	(676)	(605)
Common stock held in treasury - 131 shares and 130 shares, respectively, at cost	(3,734)	(3,727)
Total stockholders' equity	9,298	9,798
Noncontrolling interests	8,150	8,094
Total equity	17,448	17,892
Total liabilities and equity	$40,809	$42,216

The accompanying Notes to Consolidated Financial Statements are an integral part of these consolidated financial statements.

Step 2: Search for and extract data required to conduct a financial health analysis

Under ‘Consolidated Balance Sheet’ note down the following values

5) Current Liabilities

6) Total Liabilities

7) Total Shareholder’s Equity

CONSOLIDATED BALANCE SHEETS

December 31, (In millions, except par value)	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,020	$ 4,217
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Notes to Financial Statements

Notes to Financial Statements

Sometimes the details provided in the Income Statement or Balance sheet are not enough to obtain the data required for the Financial Health Tool. In such cases, one can refer to the Notes to Financial Statements to get further details on the cost element of interest. Kindly refer the example shared below from Broad Spectrums Annual Report.

In this example, the Net Interest Expense is not directly displayed on the Income statement. To find the Net Interest Expense, kindly refer to the cost element titled 'Financial Result on financing'

Follow the number highlighted here to navigate the notes to financial statements. In this example, refer to Note number 1

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Period ended 31 December 2016

$'millions	Note	31 Dec 2016	Restated 30 Jun 2016
Revenue		1,782.4	3,692.3
Other operating income		-	-
Total operating income		1,782.4	3,692.3
Materials consumed [1]		(182.7)	(319.1)
Other operating expenses [1]		(249.4)	(792.5)
Employee Benefit expenses [1]		(1,260.5)	(2,576.2)
Total operating expenses		(1,692.6)	(3,687.8)
GROSS PROFIT FROM OPERATIONS		89.8	4.5
Depreciation and amortisation	1	(40.5)	(86.3)
PROFIT / (LOSS) BEFORE ASSET DISPOSALS		49.3	(81.8)
Gain on sale of joint ventures		13.9	-
PROFIT / (LOSS) FROM OPERATIONS		63.2	(81.8)
Financial result on financing	1	(46.1)	(80.4)
Interest on derivatives and other financial assets	1	12.1	7.4
Net finance costs		(34.0)	(73.0)
Share of profits of companies accounted for using the equity method	11	3.8	10.8
CONSOLIDATED PROFIT / (LOSS) BEFORE TAX		33.0	(144.0)
Income tax expense	15	(34.9)	(17.7)
CONSOLIDATED LOSS FROM CONTINUING OPERATIONS		(1.9)	(161.7)

Notes to Financial Statements

Navigate to Note Number 1

Find the value for Interest expense and note down the same.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 December 2016

GROUP PERFORMANCE

1. INCOME AND EXPENSES

Consolidated profit before income tax includes the following specific income and expenses:

$'millions	31 Dec 2016	30 Jun 2016
Depreciation of property, plant and equipment [1]	**22.2**	49.9
Amortisation of intangible assets [1]	**18.3**	36.4
Total depreciation and amortisation	**40.5**	86.3
Impairment of assets recognised in other operating expenses	**3.9**	153.3
Interest income from financial assets that are held for cash management purposes	**(2.2)**	(4.8)
Interest received on derivatives	**(9.9)**	(2.6)
Interest on derivatives and other financial assets	**(12.1)**	(7.4)
Interest expense	**43.7**	75.1
Unrealised loss on revaluation of US denominated High Yield Bonds	**13.6**	14.5
Unrealised gain on fair value portion of cross currency interest rate swaps	**(13.6)**	(14.5)
Amortisation of borrowing costs	**2.4**	5.3
Financial result on financing	**46.1**	80.4
NET FINANCE COSTS	**34.0**	73.0

THANK YOU