

Income tax expense

In 2018, income tax expense increased by 17% to USD 843 million driven mostly by the increase of taxable profit, partly offset by Russian rouble depreciation against US Dollar in 2018.

The effective income tax rate in 2018 of 21.6% was above the Russian statutory tax rate of 20%, which was primarily driven by non-deductible social expenses.

Income tax expense (USD million)

Index	2017	2018	Change, %
Current income tax expense	686	812	18
Deferred tax expense	35	31	-11
TOTAL	721	843	17

The breakdown of the current income tax expense by tax jurisdictions (USD million)

Country of presence	2017	2018	Change, %
Russian Federation	672	789	17
Finland	8	11	38
Other countries	6	12	100
TOTAL	686	812	18

EBITDA (USD million)

Index	2017	2018	Change, %
Operating profit	3,123	5,416	73
Depreciation and amortisation	645	765	19
Impairment of non-financial assets	227	50	-78
EBITDA	3,995	6,231	56
EBITDA margin	44%	53%	9 p. p.

In 2018, EBITDA increased by 56% (or +USD 2,236 million) to USD 6,231 million with the EBITDA margin amounting to 53% (up from 44% in 2017) owing to higher metal revenue, decrease of one-off social expenses and Russian rouble depreciation.

Net profit before non-cash write-offs and foreign exchange differences (USD million)

Index	2017	2018	Change, %
Net profit	2,123	3,059	44
Impairment of non-financial assets	227	50	-78
Foreign exchange loss/(gain), net	-159	1,029	n. a.
Gain from disposal of subsidiaries	-20	-	100
Net profit before non-cash write offs and foreign exchange differences	2,171	4,138	91