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RHI Magnesita N.V.
13 November 2017

RHI Magnesita N.V.
("RHI Magnesita" or the "Company")

TRADING UPDATE

13 November 2017, London. RHI Magnesita N.V. (LSE: RHIM), a global leading supplier of refractory products, systems and services, today announces a trading update as a combined group for the nine months to September 2017.

OVERVIEW

RHI Magnesita's year-to-date trading performance has improved significantly since Q2, as underlying market conditions reflect a recovery of the activity levels seen in the first half. Revenue of the combined group for the nine months to September 2017 was €2,052.3m, 9.3% higher than the comparative period. Operating EBITA was €224.6m, an increase of 23.7% on 9M2016, with a 10.9% Operating EBITA margin.

Although global industrial production has been stable for many years, 2017 has been a year of synchronized growth in basic industries across the globe. Steel production is growing simultaneously in all regions where the Company has a relevant market position. In this context, RHI Magnesita's revenue for 2017 is expected to grow at high single digits, comfortably above volume growth seen in our customers' industries.

STEEL DIVISION

Regional steel production trends continue to be strong, with global volumes, as reported by the World Steel Association, 5.2% higher than last year's comparative period. Steel production growth in Brazil is up 9%, China and India are up 5% and 6%, respectively, with a 4% growth in North America and the European Union. RHI Magnesita's steel division's performance reflects these trends with trading activity being above last year's comparative period.

INDUSTRIAL DIVISION

The Industrial division is performing in line with management expectations. On a business unit level the Cement/Lime segment has been strong, especially in Brazil and Asia Pacific, whilst EEC (Environment, Energy & Chemicals) is below expectations mainly due to lower construction business in North America. We expect revenue for the industrial division to improve in the Q4, and to be in line with management expectations for the full year.

COMBINATION AND INTEGRATION

We continue to successfully implement our planned integration actions and remain very confident in achieving our synergy target of €70.0m p.a. by 2020.

FINANCIAL CONDITION

Our financial position continues to strengthen, with Net Debt/EBITDA below 2.5x upon listing (accounting for the cash consideration disbursements) and significantly below the level anticipated in the combination announcement one year ago. Our focus on working capital management and cash generation remains strong, and we continue to be well financed with high liquidity and a robust balance sheet and deleveraging profile.

In addition to the strong cash flows from the underlying business, we expect by year-end €40m of proceeds from the divestments of Magnesita's EU Mag-Carbon and RHI's EU Dolomite businesses and an additional €15m in working capital monetisation.

ANALYST PRESENTATION

The company will host a presentation to analysts today to provide an overview of the company, its end markets and business strategy. No material new information, forward looking financial information or update on trading will be provided. The presentation will be made available on the company's investor relations website from 0900 GMT.

About RHI Magnesita

RHI Magnesita is the result of the combination of RHI and Magnesita to form the global leading supplier of high-grade refractory products, systems and services which are indispensable for industrial high-temperature processes exceeding 1,200°C in a wide range of industries, including steel, cement, non-ferrous metals, and glass, among others. With a vertically integrated value chain, from raw materials to refractory products and full performance-based solutions, RHI Magnesita serves more than 10,000 customers in nearly all countries around the world.

The Company has unmatched geographic diversification with more than 14,000 employees in 35 main production sites and more than 70 sales offices. RHI Magnesita intends to use its global leadership position in terms of revenue, greater scale, complementary product portfolio and diversified geographic presence around the world to target opportunistically those countries and regions benefitting from more dynamic economic growth prospects.

For more information please visit: www.rhimagnesita.com

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