Agenda

8.00am  Registration & coffee

8.30am  Introduction and strategy update
        Stefan Borgas, CEO
        followed by Q&A

9.00am  Developing the business model
        Gustavo Franco, CSO
        followed by Q&A

9.45am  Optimising production
        Gerd Schubert, COO
        followed by Q&A

10.30am Coffee break (30 minutes)

11.00am  Leading the industry through innovation
        Luis Bittencourt, CTO
        followed by Q&A

11.45am  Delivering value
        Ian Botha, CFO
        followed by Q&A

12.30pm  Closing remarks
        Stefan Borgas, CEO

1.00pm  Lunch
Introducing the team

Stefan Borgas
Chief Executive Officer

Ian Botha
Chief Financial Officer

Gustavo Franco
Chief Sales Officer

Gerd Schubert
Chief Operating Officer

Luis Bittencourt
Chief Technology Officer
Strategy update

Stefan Borgas, CEO
Overview
Merger of RHI and Magnesita in 2017 created the world’s leading refractory business

**Highlights**
- 14,000 employees
- 32 production sites in 15 countries
- 10 raw material sites across 4 continents
- 10,000 customers
- €80m of synergies to date and on track to deliver €110m by 2020

**Diversified end markets**
- 70% STEEL
- 13% PROCESS INDUSTRIES
- 10% CEMENT/LIME
- 7% NON-FERROUS METALS

**Strong delivery track record**

**Broad based business**

*Note: (i) Process industries includes revenue from the following segments: Glass, Energy, Environmental and Chemicals, and mineral sales.*
Global leader in a highly fragmented market
Growth opportunity through consolidation

Global market share

Total market size: c. €20bn

Regional market share

- South America: 70%
- Europe: 30%
- North America: 30%
- Middle East/Africa: 30%
- India: 20%
- CIS: 10%
- China: 2%

Note: Approximate market shares based on company estimates, split by revenue
Serving a blue chip client base

**STEEL**
- ArcelorMittal
- Tata Steel
- Nucor
- ThyssenKrupp
- Outokumpu
- Severstal
- JSW
- Erdemir
- Steel Dynamics, Inc.
- Chifeng

**CEMENT**
- LafargeHolcim
- HeidelbergCement
- Votorantim
- Sinoma
- CNBM

**GLASS**
- Schott
- Araglass
- VITRO

**METALS**
- Vale
- BHP Billiton
- Glencore
- Rio Tinto

---

*Note:* Approximate number of plants worldwide, excluding China, based on Company estimates.
Mega trends underpin long-term market growth

- Mega trends
  - Urbanisation
  - Globalisation
  - Motorisation
  - Industrialisation
- Emerging trends reshaping the future of the steel industry
  - Global climate and sustainability action
  - Fourth industrial revolution
- Estimated population growth of 2 billion by 2050 (9-10bn)
- Estimated increase in middle class of 3-4 billion people by 2050

New cities, roads, railways, houses, offices, cars

Steel, Cement, Energy, Glass, Aluminum, Copper

Refractories
Refactories are essential for our modern world

Concrete
1,500°C

Copper
1,350°C

Steel
1,760°C

Glass
1,650°C

Aluminium
1,250°C

1 tonne of STEEL demands ~10-15 Kg of refractories
1 tonne of CEMENT demands ~1 Kg of refractories
1 tonne of GLASS demands ~4 Kg of refractories
1 tonne of ALUMINIUM demands ~6 Kg of refractories
1 tonne of COPPER demands ~3 Kg of refractories
Our strategic difference

**Largest global footprint**
Benefiting from scale and proximity to customers

**Backward integration**
Technical and financial advantage

**Technical leadership**
480 experts across 90 countries

**Full suite of products & services**
Delivering more than refractory materials to address customers’ needs

**Low cost operator**
Underpinning profitable growth

**Solutions offerings**
Long-term client partnerships to drive efficiencies

Underpinned by the strength of our people and culture and our commitment to a sustainable business model
Largest Global Footprint
% 2018 revenues

North America 22%
Europe 29%
APAC 20%
MEA-CIS 14%
South America 15%

+ More than 70 sales offices worldwide

Production facilities
Raw material sites
Backwards integration is a strategic advantage

- Certainty of supply
- High quality raw materials
- Low cost
- Global footprint
- Unique solutions for the market
- Simple mining and geology

70% backwards integrated in basic raw materials / 50% in total raw materials
Technological leadership

Aim:
to be the leading solution provider in the refractory industry based on innovative technologies and digitalisation

- 2 R&D Hubs
- 3 R&D Centers
- 480 Experts\(^1\)
- 110 PhD’s / Masters\(^1\)
- 2.2% R&D as a % of revenues\(^1\)
- 12% New product revenue as % of revenues\(^2\)

Notes:
1) R&D + Technical Marketing and Product management
2) Defined as products and brands less than 5 years old
Group’s strategy builds on strengths, to benefit from the market opportunities

- Execute cost reduction
- Expand business model
- Grow new markets

Increase EBITA per annum by €70–€80m
One time cost of €220m, of which 1/3 is financed by net working capital reduction
Full suite of products complemented by knowledge and services

Example: Steel customer
Expanding our solutions offering
Innovation to further enhance business model

Current solutions offering

**Refractory products**
- Functional refractory products
- Tailor made refractory products (shapes/grade)

**Technical services**
- On-site consulting & supervision
- Installation and design
- On-site commissioning & heat-up
- Post mortem analysis, simulations & customer training

**Supply chain services**
- Warehousing
- “Track & Trace”, just in time delivery
- E-commerce
- Insourced processes (purchasing, planning)

**Future innovation**
- Recycling of waste
- Advanced services
- Digitalisation (APO, thickness measurement, temperature measurement)
- Automation

Drive solutions from 22% to 40% of sales and improve Group margin
Consistent focus on cost

Adjusted EBITA margin (%)

2016: 9.1%
2017: 9.7%
2018: 13.9%
H1 2019: 15.2%

610bps increase

Consistent gross margin (%)

2016: 24.4%
2017: 25.3%
2018: 23.9%
H1 2019: 25.9%

Fixed cost discipline (SG&A in €m and %)

2016: 15.9%
2017: 14.4%
2018: 10.3%
H1 2019: c. 10%

2016: 382
2017: 385
2018: 317
2019E: 300

Note: 1) SG&A calculated as a percentage of revenues. Figures for 2017, 2018 and 2019 exclude R&D expenses.
Significant further cost improvement opportunities

**Ongoing operational excellence**
- Implementation of processes and systems
- Culture and behaviour change

**Production Optimisation Plan**
- Plant consolidation
- Plant specialisation and cost reduction
- Raw material re-organisation
- Implement state of the art technologies

**Future opportunity**
- Benefits from automation/digitisation
- Further supply chain improvements
- Ongoing lean management benefits

- Keep conversion costs flat — offsetting price inflation
- Increase productivity by 2% per year

- Cost savings of €40m by 2022

- Further cost benefits to be defined
Weak volume backdrop for Steel division in 2019
Driven by customer destocking, selective market exit and some direct market volume loss

- Destocking at customer sites
- Exit from Iran market due to sanctions
- Dolomite supply constraints
- Tactical volume reduction due to pricing
- Internal inventory reduction
Our 2025 Sustainability targets: Scope 1

**CO₂ emissions**
Reduce by 15% per tonne by 2025¹

**Energy**
Reduce by 5% per tonne 2025

**NOₓ and SOₓ emissions**
Reduce by 30%, starting with China by 2021

**Recycling**
Increase use of secondary raw materials to 10% by 2025

**Safety**
Strong safety culture with zero accidents

**Diversity**
Improve gender diversity on Board and in senior leadership by 33% by 2025

**Community**
Develop strategic, impact-focused community investment partnerships and invest 1% of net profits

**Scope 2 & 3:** Significant further opportunity to develop customer solutions to minimise energy consumption and emissions

*Note: Targets are compared to 2018 baseline; 1) Includes Scope 2 and 3*
Culture
Critical to success of the merger and future growth

- Customer-focused and innovative
- Performance driven and accountable
- Open decision making in a respectful environment
- Cross-functional, collaborative and pragmatic across the global organization
Our people
Performance driven and accountable

Strengthening the team
- New international graduate programme – 15 new planned hires globally
- Employer branding launch with more than 70,000 followers on LinkedIn

Incentivisation
- Creation of one global bonus scheme and a new role profiling framework

Developing our culture
- Culture implementation
  - 60 champions / 3,000 employees trained
- Diversity, a focus area – workforce currently represented by 11% women across 38 nationalities. Senior management represented by 5 nationalities

Training and development critical
- Roll out of new leadership programme (Fit To Lead) with 150 senior leaders aligned around a new RHI Magnesita capability framework
- Full talent management and succession planning process implemented
Key messages

- Merger of RHI and Magnesita created global refractories leader with clear strategic differentiators
- Integration significantly complete
- Resilient business model
- Strong balance sheet provides opportunities for continued investment and consolidation
- Compelling opportunities in new markets, especially India and China

Priorities 2020 – 2022:
1. Maximising value from commercial strategy
2. Production optimisation with cost reduction
3. Development of business model towards solutions
4. Measured consolidation opportunities
5. Improve operational cash conversion and grow cash flow
Developing the business model
Gustavo Franco, Chief Sales Officer
Key messages

- Expansion of business model to increase value in core markets
- Significant opportunity in selected growth markets
- Price management programme demonstrates “value-based approach” strategy
- Business model to be complemented by digital solutions
## Our business at a glance

<table>
<thead>
<tr>
<th>Customer industries</th>
<th>Main application</th>
<th>Lifetime and costs</th>
<th>Refractory characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Steel</strong></td>
<td>Basic oxygen furnace, Electric arc furnace, ladles, flow control</td>
<td>20 minutes to 2 months, c.3% of customers’ costs</td>
<td>Part of customers’ operational expenditure, Systems and solutions for complete refractory management, Demand correlated to output</td>
</tr>
<tr>
<td><strong>Cement/Lime</strong></td>
<td>Rotary kiln</td>
<td>Annually, c. 0.5% of customers’ costs</td>
<td>Part of customers’ capital expenditure, Longer replacement cycles based on project driven demand, Complete lining concepts including refractory engineering, Wide areas of application</td>
</tr>
<tr>
<td><strong>Non-ferrous metals</strong></td>
<td>Copper flash smelter</td>
<td>1 to 10 years, c. 0.2% of customers’ costs</td>
<td></td>
</tr>
<tr>
<td><strong>Glass</strong></td>
<td>Glass furnace</td>
<td>Up to 10 years, c. 1% of customers’ costs</td>
<td></td>
</tr>
<tr>
<td><strong>Energy, Environmental, Chemicals</strong></td>
<td>Secondary reformer</td>
<td>5 to 10 years, c. 1.5% of customers’ costs</td>
<td></td>
</tr>
</tbody>
</table>

---

**Note:** 1) Includes revenue from mineral sales
How do we create value for RHI Magnesita

Value creation

- Digitalising the refractory world
- Meeting customer demands
- Disconnecting from raw material prices
- Flexible business model
- Increasing market share in growth markets
- Maintaining market share in core markets
The focus on a value-based approach, disconnecting from raw material prices

Value-based approach

- Highly tactical
- Regional pricing concept
- Global player in all product offerings
- Price discipline

Value offering

- Broad product portfolio covering full performance spectrum
- Leveraging expertise for cost-optimised offering
- Continuously driving value at customer sites through systematic performance evaluation

Notes:
1) Source: Bloomberg – Raw material index for magnesia grade 97
2) 2016 and 2017 are adjusted pro-forma figures including the purchase price allocation
Deep dive: steel
Significant potential in growth markets

Cluster: Core Markets
Steel Prod. — 388mt (21%)
Group revenue — €1,694m (77%)

Cluster: Long-term prospects
Steel Prod. — 312mt (17%)
Group revenue — €272m (12%)

Cluster: Focus growth Markets
Steel Prod. — 1,034mt (57%)
Group revenue — €246m (11%)

Notes: 1) Market shares based on company estimates, split by revenue;
# Cluster: core markets

## Maintaining market share in Core Markets

<table>
<thead>
<tr>
<th>Market trajectory</th>
<th>Impact</th>
<th>Strategic orientation</th>
</tr>
</thead>
</table>
| **North America** | • Mature market  
• Larger players including RHI Magnesita taking market share | • Increasing trade barriers  
• High share of EAF production at 70% | Focus on driving value, leveraging strong market offering to gain market share |
| **Europe** | • Tightening environmental restrictions  
• Mature market with heavy exposure to automotive | • High cost production base  
• Some trade barriers driving retaliatory protectionism | Focus on preserving value and market share |
| **South America** | • Dynamic market with growing domestic demand  
• Strong steel exports | • Political uncertainty subduing domestic GDP growth  
• Balanced share between EAF and BOF | Retain market share and grow with the market, capitalize on breadth of offering |
| **MEA** | • Political uncertainty remains in the MEA region | • Exit from Iran in 2019 following sanctions | Focus on preserving value and maintain market leadership, opportunities in new solutions |
Cluster: core markets
Maintaining market share through solutions business model

Client cost structure

- Energy
- Raw material
- Gases
- Scrap
- Alloys
- Tar

Client benefit
- Reduced downtime
- Lower refractory consumption
- Lower energy and other raw materials consumption
- Higher productivity

RHI Magnesita benefit
- Higher market share
- Higher client retention
- Lower competition
- Longer contracts

Current solutions portfolio
127 solutions contracts worldwide
## Strategy for selling solutions

### Customer benefits

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Productivity</strong></td>
<td>Reducing consumption of refractories and higher output of finished products</td>
</tr>
<tr>
<td><strong>Working Capital</strong></td>
<td>Optimising customer inventory levels</td>
</tr>
<tr>
<td><strong>Health &amp; Safety</strong></td>
<td>Health and Safety focus on accident free production</td>
</tr>
<tr>
<td><strong>Product Quality</strong></td>
<td>Opportunity costs in lower scrap rates</td>
</tr>
<tr>
<td><strong>Supply Flexibility</strong></td>
<td>Flexibility of supply to meet fluctuating customer demand</td>
</tr>
<tr>
<td><strong>Capex Savings</strong></td>
<td>More efficient usage of and spend on fixed assets</td>
</tr>
<tr>
<td><strong>Environmental Impact Reduction</strong></td>
<td>Emission reduction, thermal efficiency drive and recycling</td>
</tr>
<tr>
<td><strong>Direct Cost Reduction</strong></td>
<td></td>
</tr>
</tbody>
</table>
# Cluster: focus growth markets

Local for local strategy to pursue profitable growth in China & India

## China

- Implementing “local for local” strategy
  - Further ramp-up of sales force
  - Develop localised product portfolio
  - Improve local technical support
  - Execute Chizhou Dolomite business plan
- Small complementary M&A to complement local portfolio and facilitate penetration of solutions business in China
- Pursue new business through local market insights and tailored product portfolios
- First FLS contract secured in H1 2019

## India

- India merger to consolidate Indian entities, operations and sales teams
- Implementing local for local strategy
  - Local MGU production to penetrate Indian market
  - Sales expansion in Industrials
  - Ramp-up Non-basic Products for Cement/Lime
  - Expand local R&D to further localise product portfolio and increase time-to-market

---

**Targeting India and China c.20% of Groups revenue by 2022**
## Industrial division
Continued strong momentum in the short term

<table>
<thead>
<tr>
<th>Market trajectory</th>
<th>Impact</th>
<th>Strategic orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cement</strong></td>
<td>- Steady growth in line with GDP and regional construction activity</td>
<td>Focus on capturing local market growth and driving value through digital solution services</td>
</tr>
<tr>
<td></td>
<td>- Local for local – Cement typically locally produced and supplied</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Growing environmental pressure, as one of the biggest CO₂ emitting industries globally</td>
<td></td>
</tr>
<tr>
<td><strong>Glass</strong></td>
<td>- Steady long term growth of glass demand: construction, automotive and consumables</td>
<td>Drive value generation on basis of strong second market position &amp; backward integration</td>
</tr>
<tr>
<td></td>
<td>- Refractory technology not likely to shift between Basic vs. Alumina</td>
<td></td>
</tr>
<tr>
<td><strong>Non-ferrous metals</strong></td>
<td>- Positive long-term growth dynamics driven by megatrends such as electrification, energy storage solutions and stainless demand</td>
<td>Focus on preserving value through expanding customer offering</td>
</tr>
<tr>
<td></td>
<td>- Aluminium has different dynamics, being highly commoditized</td>
<td></td>
</tr>
<tr>
<td><strong>Energy, Environmental, Chemicals</strong></td>
<td>- Driven by underlying trends in oil &amp; gas and petro-chemical industry, in close correlation with oil price development</td>
<td>Focus on driving value through expanding customer offering</td>
</tr>
<tr>
<td></td>
<td>- Demand characterised mainly by installation &amp; engineering services</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Local business, with a fragmented supplier base</td>
<td></td>
</tr>
</tbody>
</table>
Cement market focus

- RHI Magnesita is the global leader
- Consolidated market
- Competitive advantage coming from vertical integration (high quality, low cost raw material)
- Consistent business model (product and supply chain) bringing reliability and just in time delivery to our core markets
- Strong regional presence, including China

Rotary kiln

- One main application (rotary kiln)
- Few brands and shapes
- Relining once a year
Expanding our solutions offering
Innovation to further enhance business model

Current solutions offering

- **Refractory products**
  - Functional refractory products
  - Tailor made refractory products (shapes/grade)

- **Technical services**
  - On-site consulting & supervision
  - Installation and design
  - On-site commissioning & heat-up
  - Post mortem analysis, simulations & customer training

- **Supply chain services**
  - Warehousing
  - “Track & Trace”, just in time delivery
  - E-commerce
  - Insourced processes (purchasing, planning)

- **Future innovation**
  - Recycling of waste
  - Advanced services
  - Digitalisation (APO, thickness measurement, temperature measurement)
  - Automation

Drive solutions from 22% to 40% of sales and improve Group margin
Digitalisation offers exciting new solutions

Current solutions offerings:
- Product
- Application
- Supply Chain
- Service

Expanded solutions offerings:
- Smart Product
- Smart Application
- Smart Supply Chain
- Smart Plant
Digitalisation offers exciting new solutions
Dramatically improving today’s practices

**Today's reality in steel plants:**
Experience-based decision making

**Virtual reality in steel plant maintenance:**
Data-driven decision making
Key messages

- Expansion of business model to increase value in core markets
- Significant opportunity in selected growth markets
- Price management programme demonstrates “value-based approach” strategy
- Business model to be complemented by digital solutions
Q&A
Optimising production

Gerd Schubert,
Chief Operating Officer
Operations strategy

Environmental, health & safety
- Continuously improve working environment
- Lead industry safety standards
- Reduce impact of operations on the environment

Operational excellence
- Extract day-to-day cost savings
- Offset cost inflation
- Enable increased capacity
- Application of Automation/Digitalisation

Raw material re-organisation
- Backward integration as an enabler of lowest cost production
- Security of supply and quality
- Further use of recycled materials

Production Optimisation Plan
- Plant consolidation
- Plant specialisation and cost reduction
- Raw material re-organisation
- Implement state of the art technologies

Be the lowest cost producer of technically advanced refractory materials

Deliver €40 million of annual cost savings by 2022
Safety – first priority

Continuous improvement in Lost Time Injury Frequency (LTIF)

Key focus areas identified to further improve and reach our goal of zero-accidents

- Increased focus on safety at customer sites
  - Safety Review completed — reporting updated
  - Roll-out of global campaign ongoing
  - Critical to the solutions business model

- Increased focus on contractor safety

- Besides LTIF, stronger focus and increased management attention on Severity Rate and Total Recordable Accidents
Operational excellence

Key initiatives

- Implementation of processes and systems
  - Focus on minimising machine downtime, manufacturing cost reductions and increased productivity
    - Process mapping and bottleneck improvement resulting in lead time reduction
    - Total Productive Maintenance (TPM)
    - Single Minute Exchange of Die (SMED)
    - Reliability Centered Maintenance

- Culture and behaviour change initiatives
  - Ongoing Lean training programme for operators and leaders
  - Transformation to Excellence in strategic plants
  - Development of visual management techniques and war rooms with focus on business metrics for daily continuous improvement

Key achievements in 2019

- York productivity increase of 18% (e.g. mould change time from 60 to 27 minutes)
- Marktredwitz Lead time reduction of 20%
- Corporate scrap rate reduction of 14% on September 2019
- 440 ongoing and completed projects
- 120 Lean facilitators trained
- 15 war rooms

Yearly target

- Keep conversion costs flat — offsetting price inflation
- Increase productivity by 2% per year
Raw material integration

- Backward integration is a key enabler of lower cost production
  - Local raw material supply, minimising transport costs
  - Supply security
  - Internal control of technical specifications and quality
  - Ensure competitive production costs

- Use of recycled materials increasingly important
Current global production footprint

Global footprint — a strategic advantage

- Ability to serve a global customer base
  - Only global full-service refractory player
  - Productions in all major regions
  - Customer proximity
  - Minimising transport/logistics costs

Current challenges

- Overcapacity in high cost locations - ie Europe
- Opportunity to upgrade and automate plants
- Increasingly regional rather than global, trade flows
- Ensure production close to raw materials

<table>
<thead>
<tr>
<th>Region</th>
<th>Raw material site</th>
<th>Finished goods site</th>
<th>Combined site 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>3</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>North America</td>
<td>0</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>South America</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Asia</td>
<td>1</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>5</td>
<td>19</td>
<td>8</td>
</tr>
</tbody>
</table>

Note: 1) Combined sites incorporate the production of both raw materials and finished goods

Total sites: 32
Production Optimisation Plan

Concept

Plant consolidation
- Reduce higher cost production
- Focus on growth markets
- Focus on flexible production

Plant specialisation and cost reduction
- Invest in automation
- Create centres of excellence
- Develop capacity for growth markets
- Build regional supply chains

Raw material re-organisation
- Regional footprint, close to production
- Support centres of excellence and growth markets

Implement state of the art technologies
- Best in class supply chain
- Disciplined lean management
- Digitalisation and automation

Target cost savings of €40m
# Production Optimisation Plan

## Europe

### Plant consolidation
- **Hagen** (Germany) - Closure, 180 FTE reduction - 2020
- **Trieben** (Austria) - Closure, 230 FTE reduction - 2020
- **Mainzlar** (Germany) - Closure, 130 FTE reduction - 2022

### Plant specialisation and cost reduction
- **Radenthein** (Austria) - Automation and modernisation (100 k tonnes capacity MGG from 60k tonnes) - 2022
- **Valenciennes /Flaumont** (France) - Create European Dolomite hub - 2020

### Raw materials
- **Hochfilzen** (Austria) - Dolomite mining to replace Sinter JV - 2021

---

Note: 1) Includes SintercoJV

---

*Upgraded facility (3)  Continuing facility (10)  Planned closure (4)*
## Production Optimisation Plan

### Americas

| Plant                  | Plan                                                                 | Completion |
|------------------------|                                                                     |------------|
| **Plant consolidation**|                                                                       |            |
| Burlington (Canada)    | Closure, 40 FTE reduction                                           | 2020       |
| **Plant specialisation and cost reduction** |                                                                     |            |
| York (USA)             | Dolomite centre of excellence Expand capacity (16 k tonnes)         | 2020       |
| Contagem (Brazil)      | Reduce plant complexity and increase MGx productivity by 45% Magnesite centre of excellence | 2021       |
| Ramos and Tlalnepantla (Mexico) | Non-basic products centre of excellence                               | 2020       |
| **Raw materials**      |                                                                       |            |
| York (USA)             | Increase capacity by 13%                                            | 2020       |
| Brumado (Brazil)       | Installing new Magnesite production technology Life of mine extension | 2021       |
Production Optimisation Plan

China and India

<table>
<thead>
<tr>
<th>Plant</th>
<th>Plan and Plan Details</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chizhou (China)</td>
<td>Plant ramp-up (local-for-local)</td>
<td>2019</td>
</tr>
<tr>
<td>Cuttack (India)</td>
<td>New plant acquisition</td>
<td>2019</td>
</tr>
<tr>
<td>Vizag (India)</td>
<td>Capacity expansion to support sales growth</td>
<td>2021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plant</th>
<th>Plan and Plan Details</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chizhou (China)</td>
<td>Revival of mine and new rotary kiln to support Dolomite expansion</td>
<td>2019</td>
</tr>
</tbody>
</table>
# Production Optimisation Plan

## Financial benefits

<table>
<thead>
<tr>
<th>Production sites</th>
<th>Current</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Europe</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td>South America</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Asia</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>China</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>India</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>32</strong></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs to achieve</td>
<td>80</td>
<td>70</td>
<td>40</td>
</tr>
<tr>
<td>Run rate benefit</td>
<td>5</td>
<td>15 - 30</td>
<td>40</td>
</tr>
</tbody>
</table>
**Key messages**

To be the lowest cost producer of technically advanced, refractory materials

1. **Continue to improve Health & Safety**

2. **Operational Excellence programmes will continue to deliver**
   - conversion costs reducing year-on-year

3. **Raw materials integration a critical advantage**
   - supports global production
   - enables lowest cost production

4. **Production Optimisation Plan will deliver additional benefits**
   - €40m of run rate savings by 2022
Coffee break
Leading the industry through innovation

Luis Bittencourt, Chief Technology Officer
R&D — From raw materials to refractories

480 technical experts across 90 countries to consult, develop and deliver innovative solutions directly to clients.

2 R&D Hubs (Austria and Brazil)
3 R&D Centers (USA, China, India)
480 Experts

+110 PhD’s / Masters
2.2% R&D expenditure as a % of revenues
12% New product revenue as a % of total revenue

Notes:
1) R&D + Technical Marketing and product management; 2) Defined as products and brands less than 5 years old
Industry trends

Environmental and social pressures
- Solutions for enhancing safety and ergonomics
- Increasing usage of recycled materials
- CO$_2$ and energy saving refractories
- Solutions for cleaner steel processes

Cost efficiency
- Substitution of low-availability/higher cost raw materials
- Growing utilisation of unshaped products

Evolving customer demands
- Increasing polarisation (commodity vs speciality)
- Usage of new binders and microwave treatment
- 3D printing, digitalisation and automation
R&D strategy
Maintaining technology leadership

Raw materials advantage:
Enhancing our raw material competitive advantage and developing new raw material concepts

Applied R&D:
Developing customer-specific applications and solutions

Innovation:
Leading the industry to find the next generation of technologies

Aim:
to be the leading solution provider in the refractory industry based on innovative technologies and digitalisation
Backwards integration is a strategic advantage

- Certainty of supply
- High quality raw materials
- Low cost
- Global footprint
- Unique solutions for the market
- Simple mining and geology

Unrivalled offering for customers

Leading industry returns
High quality sites, globally, supporting unique solutions to the market

<table>
<thead>
<tr>
<th>Raw material</th>
<th>Production sites</th>
<th>Annual production</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Standard DBM 90%-97%</strong></td>
<td>Brumado (Brazil)</td>
<td>~720 k tonnes</td>
</tr>
<tr>
<td></td>
<td>Eskisehir (Turkey)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Hochfilzen (Austria)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Breitenau (Austria)</td>
<td></td>
</tr>
<tr>
<td><strong>High purity DBM 97%+</strong></td>
<td>Brumado (Brazil)</td>
<td>~340 k tonnes</td>
</tr>
<tr>
<td></td>
<td>Dashiqiao (China)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Drogueda (Ireland)</td>
<td></td>
</tr>
<tr>
<td><strong>Fused Magnesia</strong></td>
<td>Dashiqiao (China)</td>
<td>~115 k tonnes</td>
</tr>
<tr>
<td></td>
<td>Radenthein (Austria)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Porsgrunn (Norway)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contagem (Brazil)</td>
<td></td>
</tr>
<tr>
<td><strong>Other sintered or fused materials</strong></td>
<td>Radenthein (Austria)</td>
<td>~70 k tonnes</td>
</tr>
<tr>
<td></td>
<td>Contagem (Brazil)</td>
<td></td>
</tr>
<tr>
<td><strong>DBD</strong></td>
<td>York (USA)</td>
<td>~300 k tonnes</td>
</tr>
<tr>
<td></td>
<td>Chizhou (China)</td>
<td></td>
</tr>
</tbody>
</table>

1.6 million tonnes of raw materials produced per year

70% vertical integration in basic raw materials and 50% for all raw materials/products ingredients

Notes:
1) DBM, Dead burned magnesia  
2) DBD, Dead burned dolomite  
3) Joint ventures
Consistently low-cost raw material production

Market prices versus internal production (€/mt)

- Market price of DBM 97
- RHIM produced DBM 96
- RHIM produced DBM 98

126% average premium
(63% average premium pre 2017)

Notes:
1) Company estimates
2) Source: Asia Metals, October 2019
3) Average premium since 2011

Capital Markets Day | November 2019
Applied R&D
Significantly improved financial discipline since merger

- Focus on high-return and fast-payback projects
  - Typical payback time <1 year
- Improved response time
  - Aiming to reduce time to market by 50% by 2020
- Maximising the NPV of each R&D project
  - Disciplined approach with a minimum NPV threshold
  - Average project NPV has doubled compared to 2018
- Improving efficiency of applied R&D
  - Enabling resources to be redirected to Innovation projects
Applied R&D
New rotary kiln solution

Problem:
- Spinels are used in rotary kiln bricks to increase thermal shock resistance and flexibility, however they are also associated with weakening hot strength and clinker melt resistance

How we solved it:
- Introduced spinosphere technology which adds flexibility to the rotary kiln bricks without any substantial impairment to the other important properties

Project outcomes:
- Better technical performance with cost efficiency
- First trials in operation successfully since Q1 2019
- Potential for other applications
Applied R&D
How we help our customers to be more sustainable and efficient

Energy saving and clean steel solutions

**Problem:**
- Poor thermal insulation properties of refractory products containing carbon

**How we solved it:**
- New technologies involving low thermal conductivity products (low/no carbon), whilst maintaining performance levels
- Enables clean production for ultra low carbon steel and other special steels with low carbon pickup

**Project outcomes:**
- Market roll-out ongoing, and further new technologies being tested
- Supports solutions business model (solutions for energy efficiency)

Zero emission products

**Problem:**
- Product binding agents can potentially cause emissions in usage at customers’ sites

**How we solved it:**
- Innovative new furnace technology installed in RHI Magnesita to release and treat the emissions in house
- Alternative harmful emission free binding systems in development

**Project outcomes:**
- Zero emission products, keeping performance levels
- Already established as standard business with several customers, with further demand expected
# Innovation — The 2025 targets

Our ambition is to lead the industry with the next generation of breakthrough technologies

<table>
<thead>
<tr>
<th>Priority development themes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling</td>
<td>10% Recycled raw materials</td>
</tr>
<tr>
<td>CO₂ and energy reduction</td>
<td>15% CO₂ reduction per tonne of product</td>
</tr>
<tr>
<td>Coating Technologies</td>
<td>10% Energy saving at customers</td>
</tr>
<tr>
<td>Pioneering new production techniques</td>
<td>5% reduction of Energy per tonne of product in our plants</td>
</tr>
<tr>
<td>Solution technologies</td>
<td>Further opportunities from automation and digitalisation</td>
</tr>
</tbody>
</table>
## Recycling process
Targeting 10% recycled materials by 2025

<table>
<thead>
<tr>
<th>2019</th>
<th>2020 - 2021</th>
<th>2022+</th>
<th>Recycling benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Development</strong></td>
<td><strong>Establishment of own operations</strong></td>
<td><strong>Business Consolidation</strong></td>
<td><strong>10% recycling rate means</strong></td>
</tr>
<tr>
<td>● Contracts</td>
<td>● Facilities ready</td>
<td>● New products</td>
<td>c.300,000 tonnes</td>
</tr>
<tr>
<td>● Trading</td>
<td>● Growth to full capacity</td>
<td>● New technologies</td>
<td>of CO₂ emissions saved</td>
</tr>
<tr>
<td>● Outsourcing</td>
<td>● Focus on products</td>
<td>● New markets</td>
<td>c.150,000 tonnes of material not going to landfill</td>
</tr>
<tr>
<td>● Construction</td>
<td>● R&amp;D projects</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CO₂ reduction
15% reduction by 2025

Production of dead burned magnesia and dead burned doloma emit CO₂ and it is our priority to reduce these emissions and our carbon footprint.

1. Initiatives to reduce CO₂ emissions in existing facilities
   - Recycling
   - Energy efficiency
   - Fuel switch
   - Renewable energy

2. New technologies on CO₂ capture and usage
   - CO₂ capture technologies
   - CO₂ usage and value chain
   - Clean production processes
Coating Technologies
10% energy saving in Steel by 2025

Enhancing properties and abilities of refractories through a chemically altered surface either within the refractories itself or through their outer layer

- Our technologies are adapting to demanding environments, modifying refractory properties through depositing layers on grains or products
- Improving the properties’ mechanical strength and wear resistance
- Achieving energy savings through lower carbon levels
- Contributing to environmental and technical challenges

CO₂ reduction
Energy saving
Recycling
Pioneering new production techniques
5% reduction of Energy per tonne of product in our plants by 2025

Develop new processes for refractory and raw material production with significant cost reduction

3D printing
Degradable molds for unique shapes in production e.g. Isostatic products

Microwave drying
Precast shapes
Fast drying and energy savings
Conventional drying time: 1-5 days
Microwave time: 2.5 hours

No firing
Carbon free products for ladle that don’t require firing
Avoiding firing at +1500°C, and instead tempering at 200°C
Digital Fingerprint and big data integration

Problem:
- If undesirable properties in the refractory brick formed, it was difficult to pin-point where in the lifecycle the properties were compromised
- A high number of variables are involved in the lifecycle e.g. raw material composition and production process conditions

How we solved it:
- A unique digital fingerprint is assigned to each brick, which means that the brick is traceable throughout the lifecycle
- Bricks are inspected using sensors, measuring properties such as size and density. The fingerprint can provide information around the conditions of the lifecycle, and also its position within the kiln

Project outcome:
- Optimal raw material composition of the brick is matched to its lifecycle
- Customisable bricks with better properties
Next generation innovation
Identify and implement new technologies in partnership

<table>
<thead>
<tr>
<th>Technical Advisory Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bi-annual meeting with senior management presence</td>
</tr>
<tr>
<td>• Participants: Senior external experts, R&amp;D and Technical Marketing leaders, consultants in case of requiring external expertise</td>
</tr>
<tr>
<td>• Focus:</td>
</tr>
<tr>
<td>✓ identify new and advise on existing technologies</td>
</tr>
<tr>
<td>✓ support and challenge R&amp;D team</td>
</tr>
<tr>
<td>✓ expand the Company’s technology network into the external world</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>External partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Consolidated partnerships with Universities for fundamental studies and innovative developments</td>
</tr>
<tr>
<td>• New initiatives with external partners such as Accelerators, Start ups, Open innovation platforms, companies and institutes, in order to identify and implement new technologies</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Innovation funnel management</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ideation process to identify and test ideas linked to strategic themes</td>
</tr>
<tr>
<td>• Systematic approach to kill or accelerate ideas in a fast moving way</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agile methodologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Design thinking, technology roadmaps, “test, validate and pivot”</td>
</tr>
</tbody>
</table>
Key messages

**Raw materials advantage:**
Maintaining our raw material competitive advantage and developing new raw material concepts

**Applied R&D:**
Developing customer-specific applications and solutions

**Innovation:**
Leading the industry with the next generation of breakthrough technologies

**Aim:**
to be the leading solution provider in the refractory industry based on innovative technologies and digitalisation
Delivering value

Ian Botha, CFO
Key messages

- Significant financial progress since merger
- On track to deliver remaining merger synergies, turnaround of 2018 operational issues and price management programme
- Additional EBITA benefit of €70m–€80m by 2022 from key initiatives:
  - Production Optimisation Plan to deliver further cost reduction – €40m cost savings
  - Sales strategies to provide additional future revenues – €30–40m additional EBITA
- Business model underpins resilience through the cycle
- Clear financial benefit from backwards integration
- Robust and flexible balance sheet
- Balanced and disciplined capital allocation
### Significant financial progress since merger

<table>
<thead>
<tr>
<th>Revenue growth</th>
<th>Adjusted EBITA growth</th>
<th>Material margin improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>€3.1bn</td>
<td>€428m</td>
<td>15.2%</td>
</tr>
<tr>
<td>2018 revenues</td>
<td>2018 Adjusted EBITA</td>
<td>H1 2019 adjusted EBITA margin</td>
</tr>
<tr>
<td>▲13% CAGR¹</td>
<td>▲40% CAGR¹</td>
<td>▲610bps²</td>
</tr>
</tbody>
</table>

#### Synergy delivery on track
- €80m to date and on track to deliver €110m by 2020

#### Strengthened balance sheet
- 1.1x ▼1.5x² net debt to adjusted EBITDA

#### Dividend policy established
- €1.50 ▲100%³ per share in 2018

**Notes:**
1) 2018 compared against 2016; 2) Compared against 2016 proforma figures; 3) Against 2017 dividend per share
Material margin improvement

Adjusted EBITA margin (%)

- **A**: Ongoing benefit of backward integration
- **B**: Improved operating margins in both Steel and Industrial divisions
- **C**: Progress in growth markets
- **D**: Development from cost plus pricing to value based pricing
- **E**: €80m synergies achieved to date, on track for €90m in 2019 and €110m in 2020

Notes:
1) 2016 and 2017 are adjusted pro-forma figures including the purchase price allocation
2) Includes FX movements that amounts to -20bps

Capital Markets Day | November 2019
Strengthened balance sheet

- Meaningful deleveraging since merger
- Within capital allocation strategy target range, with further deleveraging expected
- €920m of cash and undrawn committed facilities\(^1\)
- Financial flexibility for investment to pursue market opportunities

Note:
1) Total liquidity increased to €920m following the SSD issuance of €300m which took place in July and September 2019
2) Following the introduction of IFRS 16 effective 1 January 2019, H1 2019 net debt includes leases amounting to €58m
Business model
Through the cycle refractory margin, enhanced by Backward Integration

At current raw material prices, backward integration contributes 4% to 2020 forecast EBITA margin
Strategy supports continued profitability

Adjusted EBITA (€m)

2019E

400 – 410

<table>
<thead>
<tr>
<th>Potential annual EBITA upside (€m)</th>
<th>2020</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Remaining merger synergies</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>✓ Turnaround of operational issues</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>✓ Price management programme</td>
<td>10</td>
<td>10–20</td>
</tr>
<tr>
<td>✓ Production Optimisation Plan</td>
<td>5</td>
<td>40</td>
</tr>
<tr>
<td>✓ Sales Strategies</td>
<td>10</td>
<td>30–40</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>115–135</td>
</tr>
</tbody>
</table>

- Growth through consolidation
- Deteriorating volume environment
- Lower fixed cost absorption
- Raw material price deflation
- Exit from Iranian market

Focused on growth markets opportunities

Significant offset to upside likely in current market environment

Capital Markets Day | November 2019
Financial benefit of the Production Optimisation Plan

- Plant consolidation
- Plant specialisation and cost reduction
- Raw material re-organisation
- Implement state of the art technologies

**Investment phasing**

<table>
<thead>
<tr>
<th>€m</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs to achieve</td>
<td>80</td>
<td>70</td>
<td>40</td>
</tr>
<tr>
<td>Run-rate cost benefit¹</td>
<td>5</td>
<td>15–30</td>
<td>40</td>
</tr>
</tbody>
</table>

- Cost to achieve of €190m
  - €135m capital expenditure
  - €55m restructuring costs (treated as an exceptional)
- €100m impairments (treated as non-cash exceptional)

Note:
1) EBITA excluding Operational Excellence benefits
Financial benefit of Sales Strategies

Target potential by 2022

<table>
<thead>
<tr>
<th></th>
<th>€m</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex to achieve</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Net EBITA benefit</td>
<td>10</td>
<td>20-30</td>
<td>30-40</td>
<td></td>
</tr>
</tbody>
</table>

- Price optimisation
- Expansion in growth markets
- Solutions offerings
- Digitalisation
Rigorous capital allocation criteria for all investments

**Qualitative criteria**
- Aligned with strategy
- Execution risk
- Environmental and social impact

**Quantitative criteria**

<table>
<thead>
<tr>
<th></th>
<th>Organic growth</th>
<th>Inorganic growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Payback period</strong></td>
<td>&lt;5 years</td>
<td>&lt;8 years</td>
</tr>
<tr>
<td><strong>EBITA margin</strong></td>
<td>&gt;15% (if appropriate)</td>
<td>&gt;15% (including synergies)</td>
</tr>
<tr>
<td><strong>IRR</strong></td>
<td>&gt;15%</td>
<td>&gt;15%</td>
</tr>
<tr>
<td><strong>NPV/ Investment</strong></td>
<td>Low capital intensity projects prioritised</td>
<td>Low capital intensity projects prioritised</td>
</tr>
<tr>
<td><strong>Return on invested capital (after tax)</strong></td>
<td>&gt;20%</td>
<td>&gt;15%</td>
</tr>
</tbody>
</table>
Capital expenditure to support strategy

- Maintenance capex to reduce to €100m
  - Further efficiencies from smaller production footprint

- Additional capex supports
  - Production Optimisation Plan
  - Sales strategies
  - R&D
  - Small, fast payback projects eg lean initiatives
Business model
Diversified and resilient through the cycle

Diversified across industry and geography

- **Business unit**
  - Industrial: 30%
  - Steel: 70%

- **Geography**
  - China: 5%
  - India: 8%
  - Other Asia: 7%
  - MEA-CIS: 14%
  - South America: 15%
  - North America: 22%
  - Europe: 29%

Steel revenues are not correlated to commodity prices\(^1\)

- Industrial revenue cycle is more project driven
  - Longer visibility of revenues
  - More stable revenue stream
  - Cement projects linked to Construction demand

Note:
1) Source: World Steel Association; Bloomberg
Funding source
Sustainably improving working capital efficiency

Improvement plans

Inventory
- Tactical Network Optimisation process
  - Analytics platform to optimise cost and inventory levels across global network
  - Transport and warehousing visibility tool to improve customer delivery and service levels
- Integrated Business Planning process
  - Improving internal information and decision making flows
  - Improving demand planning across decentralized global customers and suppliers

Accounts receivable
- Focus on reduction of overdues and increasing collection

Accounts payable
- Extension of credit terms

Targeting to move towards 15 — 18% over the medium-term, to fund one third of the costs associated with the Production Optimisation Plan and Sales Strategies

Note:
1) Working capital intensity calculated as a percentage of last three months’ annualised revenues
2) As at December 2018, source: Company’s Annual Report
Financial strategy
Working capital financing providing low cost liquidity

- Low cost liquidity
- Diversification of liquidity
- Reduces cost of Term Loan and RCF
-Strengthens relationship with customers
-X Sizing aligned with cycle, eg reduces during downturn

(€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Accounts Payable (Forfeiting)</th>
<th>Accounts Receivable (Factoring)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>316</td>
<td>230</td>
<td>546</td>
</tr>
<tr>
<td>H1 2019</td>
<td>362</td>
<td>249</td>
<td>611</td>
</tr>
<tr>
<td>Forward looking limit</td>
<td>320</td>
<td></td>
<td>320</td>
</tr>
</tbody>
</table>

*Capital Markets Day | November 2019*
Financial strategy
Liquidity and treasury policy

Developments in 2019

- Issuance of €300m Schuldcheindarlehen (SSD) with 7+ years tenor
- Issuance of €100m OeKB Term loan with 5 year tenor
- Further repayment of high interest legacy debt

- Low leverage profile has enabled revision of Treasury strategy
  - Changing to a predominantly euro based debt portfolio to reduce funding costs
  - Reducing translation effects of non-euro denominated debt and derivatives
  - Reducing hedging costs
  - Increasing exposure to floating interest rates

Amortisation Schedule¹ (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>475</td>
<td>528</td>
<td>526</td>
<td>546</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2019</td>
<td>722</td>
<td>196</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 2019 inc. SSD</td>
<td>920</td>
<td>374</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Undrawn facilities

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>H1 2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>211</td>
<td>165</td>
<td>196</td>
<td>374</td>
</tr>
<tr>
<td>SSD</td>
<td>686</td>
<td>693</td>
<td>722</td>
<td>920</td>
</tr>
</tbody>
</table>

Note:
1) As at 30 June 2019
Capital allocation strategy
Balanced and dynamic capital allocation enabling long term growth & shareholder returns

**Net operating cash**
- Strong cash flow generation from operating business
- Supported by low costs and culture

**Maintenance investment**
- €100m investment per year in maintenance capex
- Ongoing R&D and Technical Marketing investment (2.2% of revenues)

**Leverage**
- Maintain robust financial position
- Commitment, through cycle, to leverage range of 0.5–1.5x

**Shareholder Returns**
- Progressive dividend policy established
- Targeting 3.0x dividend cover over medium-term
- Share buybacks when appropriate

**Organic investment**
- Commitment to capital deployment for growth and cost savings
- Significant opportunities to develop strategy organically
- Technology, digitalisation, data, backwards integration

**M&A**
- Disciplined screening process and risk evaluation
- Deployment to accelerate growth in line with strategy
- Balance sheet strength provides flexibility
Key messages

• Significant financial progress since merger
• On track to deliver remaining merger synergies, turnaround of 2018 operational issues and price management programme
• Additional EBITA benefit of €70m–€80m by 2022 from key initiatives:
  - Production Optimisation Plan to deliver further cost reduction – €40m cost savings
  - Sales strategies to provide additional future revenues – €30–40m additional EBITA
• Business model underpins resilience through the cycle
• Clear financial benefit from backwards integration
• Robust and flexible balance sheet
• Balanced and disciplined capital allocation
Q&A
Disclaimer

Financial information contained herein, as well as other operational information, were not audited by independent auditors and may include forward-looking statements and reflects the current views and perspectives of the management on the evolution of macro-economic environment, conditions of the mining and refractories industries, company performance and financial results. Any statements, projections, expectations, estimates and plans contained in this document that do not describe historical facts, and the factors or trends affecting financial condition, liquidity or results of operations, are forward-looking statements and involve several risks and uncertainties.

This presentation should not be construed as legal, tax, investment or other advice. This presentation does not constitute an offer, or invitation, or solicitation of an offer, to subscribe for or purchase any securities, and neither any part of this presentation nor any information or statement contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. Under no circumstances, neither the Company nor its subsidiaries, directors, officers, agents or employees be liable to third parties (including investors) for any investment decision based on information and statements in this presentation, or for any damages resulting therefrom, corresponding or specific.

The information presented or contained in this presentation is current as of the date hereof and is subject to change without notice. RHI Magnesita has no obligation to update it or revise it in light of new information and / or in face of future events, safeguard the current regulations which we are submitted to. This presentation and its contents are proprietary information of the Company and may not be reproduced or circulated, partially or completely, without the prior written consent of the Company.