

RHI Magnesita N.V.

("RHI Magnesita" or the "Company" or "Group")

Q1 2020 TRADING UPDATE

RHI Magnesita N.V. (LSE: RHIM), the leading global supplier of refractory products, systems and solutions, today provides an update on measures being taken in response to the COVID-19 pandemic and trading for the three months to 31 March 2020.

Q1 trading conditions similar to H2 2019

As outlined in the Company's 2019 full year results on 1 April 2020, the difficult market environment of the second half of 2019 continued into the first quarter of 2020, with limited impact from COVID-19. Trading activity in the Steel Division remained weak in Europe and South America, largely offset by a robust performance in North America. The Industrial Division continued to perform well, particularly in Cement. Overall, demand levels were similar to the final quarter of 2019 with EBITA slightly ahead, in line with management expectations. Raw material prices have fallen further in 2020, given the reduction in overall demand and uninterrupted supply from China, which has had a consequential impact on the pricing of some of the Group's products.

Increasingly challenging environment in Q2 2020

The trading environment has become increasingly challenging in Q2 as a result of COVID-19, with a significant slowdown in customer activity and fall in order book levels, as expected. In the Steel Division, customer production has reduced in response to the economic slowdown caused by the COVID-19 crisis. To date, the Industrial Division has remained more resilient, particularly in areas where maintenance work has been accelerated during shutdowns, although there have been some project postponements.

Primary focus on health and safety, as well as supporting our customers' operations

In response to the challenges of COVID-19, the business continues to focus on the health and safety of its employees, supporting our customers' operations, cash preservation and cost reduction measures.

In China, the Group's plants have remained open through the crisis. Our production also remains open in Europe and the Americas, but production slow-down will become necessary during May 2020. While there were short-term plant closures in India, as a result of rapidly introduced governmental restrictions, these facilities have now partially reopened.

Actions in response to COVID-19

The business has increased the focus on cost management which includes the temporary closure of three plants in Europe and one plant in Mexico; the introduction of short time working arrangements; the deferral of at least €45 million of capital expenditure in 2020; no final 2019 dividend proposal; and fixed cost reduction actions, such as a hiring freeze on all non-critical roles and restricting discretionary

expenditure. In recognition of these steps, the Board and the Executive Management Team have elected to reduce their fees and salary for at least the next three months.

The Group's previously announced Production Optimisation Programme remains on track, expecting to deliver benefits of €40 million improvement in EBITA by 2022, with an additional benefit of €15 million in 2020 from the turnaround of the previously identified operational issues.

Strong financial and liquidity position

The Group continues to have a strong focus on liquidity preservation, especially on managing inventories and collecting accounts receivable. Working capital increased modestly in the first quarter and may increase further in the second quarter. The Group has a strong liquidity position, which increased to €1.2 billion in Q1 2020, comprising cash and cash equivalents of €0.5 billion and fully committed undrawn facilities of €0.7 billion. It has a long-term debt maturity profile and is significantly beneath its net debt to EBITDA covenant.

Outlook

The overall impact of COVID-19 and, in particular, the extent and the duration of its effects on the global economy and our business, and the speed of economic recovery remain very uncertain. Whilst the impact will be material in the short term, the business is taking appropriate actions and has sufficient liquidity to withstand an extended period of uncertainty. Longer term, the Group is well positioned to take advantage of growth opportunities when markets improve and is focused on ensuring that it can exit this period of disruption with positive strategic momentum.

Conference call

The Company will host a conference call at 8.00am this morning to discuss the trading update. The conference call details are: +44 20 3936 2999, with an access code: 815161

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About RHI Magnesita

RHI Magnesita is the leading global supplier of high-grade refractory products, systems and solutions 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. With a vertically integrated value chain, from raw materials to refractory products and full performance-based solutions, RHI Magnesita serves customers in nearly all countries around the world. The Company has a high level of geographic

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

Its shares have a premium listing on the London Stock Exchange (symbol: RHIM) and are a constituent of the FTSE 250 index. For more information please visit: www.rhimagnesita.com