

RHI Magnesita N.V.

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

Q1 2021 TRADING UPDATE, DISPOSAL OF INTEREST IN MAGNIFIN AND SHARE BUYBACK

- **Full year guidance unchanged as recovery trends in end markets continue, with solid order book momentum**
- **Strategic investments in cost reduction and sales strategies on track to deliver the targeted EBITA contribution of €140-160 million from 2022**
- **Agreement to sell non-core stake in joint venture company, Magnifin, for €100 million**
- **Buyback programme to continue, with up to a further €50 million approved**

RHI Magnesita, the leading global supplier of refractory products, systems and solutions, today provides an update on trading for the three months to 31 March 2021 ('Q1') and progress of its strategic cost reduction and sales initiatives.

Q1 Trading

Revenue momentum continued to improve through Q1 2021 in both the Steel and Industrial Divisions as end markets strengthened. The Cement and Lime business, in particular, experienced a solid Q1 maintenance season. The Group continues to see steady month-on-month improvement in refractory demand and in its order book for the remainder of 2021. Demand visibility is returning to more normal levels, with customers' order books now full until the third quarter of 2021.

The Group has experienced challenges in rebuilding its supply chain during the quarter, ahead of rising customer demand. This has been aggravated by industry-wide delays in sea freight and higher sea freight costs. Together these have resulted in an increase in lead times to fulfil orders and additional costs being incurred in the quarter to ensure customer expectations are met. These supply chain challenges have started to ease in Q2.

Raw materials prices held higher levels during the quarter compared to Q4 2020, though the benefit to pricing of the Group's products is expected to be realised largely in the second half of the year.

The Group's strategic investments in its cost reduction and sales strategies are on track to deliver the guided €90 million EBITA contribution in 2021, with a target of €140-160 million from 2022.

Financial position

The Group's balance sheet and liquidity remain strong.

Working capital will increase during the first half of 2021 as market volumes recover and inventories are increased in order to satisfy customer demand. Working capital is expected to be within the targeted intensity range of 15-18% at year-end.

Outlook

RHI Magnesita continues to see improvement in demand across all of its end markets, with short term supply chain challenges starting to ease in the second quarter. The implementation of cost reduction and sales strategies is proceeding on schedule, leaving the Group well positioned to benefit as markets recover.

Management expectations for 2021 adjusted EBITA remain in line with market expectations¹ assuming current recovery trends are sustained, with earnings weighted towards the second half.

1. Current market expectation based on Company compiled consensus of €310 million, published on 8 March 2021.

Disposal of stake in Magnifin joint venture

RHI Magnesita has a 50% shareholding in Magnifin Magnesiaprodukte GmbH & Co KG ("Magnifin"), a private company based in St. Jakob, Austria, which produces high grade magnesium hydroxide for applications in flame retardancy. The Board has determined that this asset is not core to the Group's growth strategy and has signed a sale and purchase agreement to sell the Group's interest in Magnifin to its joint venture partner, J.M. Huber Corporation, for a cash consideration of €100 million. The disposal is subject to Foreign Investment Control approval in Austria and is expected to complete in the second half of 2021. The interest to be disposed is held as a financial investment by RHI Magnesita and is not consolidated into the Group's reported gross profit or EBITA. In the year to 31 December 2020, the Group's share of profit before tax from the Magnifin joint venture was €7.3 million (2019: €10.0 million).

Shareholder returns

On 13 April 2021 RHI Magnesita completed its €50 million share buyback programme which commenced on 16 December 2020. The shares repurchased represent 2.2% of the Company's issued share capital excluding treasury shares prior to the commencement of the buyback programme.

The Group's balance sheet remains strong and will benefit from the disposal of the Magnifin shareholding for €100 million. Following resilient trading in Q1 and after considering the positive outlook for the remainder of 2021 the Board has decided to extend the successful share buyback programme, by up to €50 million. Further details on the buyback programme are provided below.

The Board is confident that it will be able to maintain all other elements of capital deployment such as investment in the strategic initiatives, pursuing M&A opportunities and maintaining dividend payments as previously guided, whilst having a limited impact on Group leverage.

Conference call

A conference call will be hosted at 9:00am UK time to discuss the trading update:

Dial in	+44 203 936 2999 or 0800 640 6441 (UK only)
Access code	074181
Webcast and playback facility	Link to webcast

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About RHI Magnesita

RHI Magnesita is the leading global supplier of high-grade refractory products, systems and solutions which are critical for 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 around the world, with around 12,000 employees in 28 main production sites and more than 70 sales offices. RHI Magnesita intends to build on its leadership in revenue, scale, product portfolio and diversified geographic presence to expand further in high growth markets.

The Group maintains a premium listing on the Official list of the London Stock Exchange (symbol: RHIM) and is a constituent of the FTSE 250 index, with a secondary listing on the Vienna Stock Exchange (Wiener Börse). For more information please visit: www.rhimaghesita.com

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (596/2014/EU).

Details of the buyback programme

RHI Magnesita has, today, entered into a non-discretionary arrangement with Barclays Bank Ireland PLC ("Barclays") to purchase its ordinary shares, represented by depositary interests ("Shares"), on behalf of the Company (the "Arrangement").

The Arrangement allows Barclays to purchase up to 3,878,063 Shares of one Euro nominal value each, during the programme, up to the value of €50 million in aggregate (the "Programme").

The Programme will commence on 5 May 2021 and end no later than 5 May 2022. These Share purchases shall be made on the Company's behalf and independently of, and uninfluenced by, the Company. The purpose of the share buyback is to reduce the Company's share capital in order to return value to our shareholders. The Company intends to hold the purchased shares in treasury. The Company may elect to suspend the Programme and subsequently restart it, provided that when electing to suspend or restart the Programme, the Company is not in a closed period and is not in possession of inside information in relation to its securities.

Any purchases of Shares pursuant to the Arrangement will be subject to the terms of the Arrangement with Barclays and, in any case, will be effected in a manner consistent with the general authority vested in the Company to repurchase Shares (as granted by shareholders at the Company's most recent annual general meeting held on 18 June 2020 and to be granted, subject to shareholder approval, at the next annual general meeting on 10 June 2021), Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, and Chapter 12 of the Financial Conduct Authority's Listing Rules.