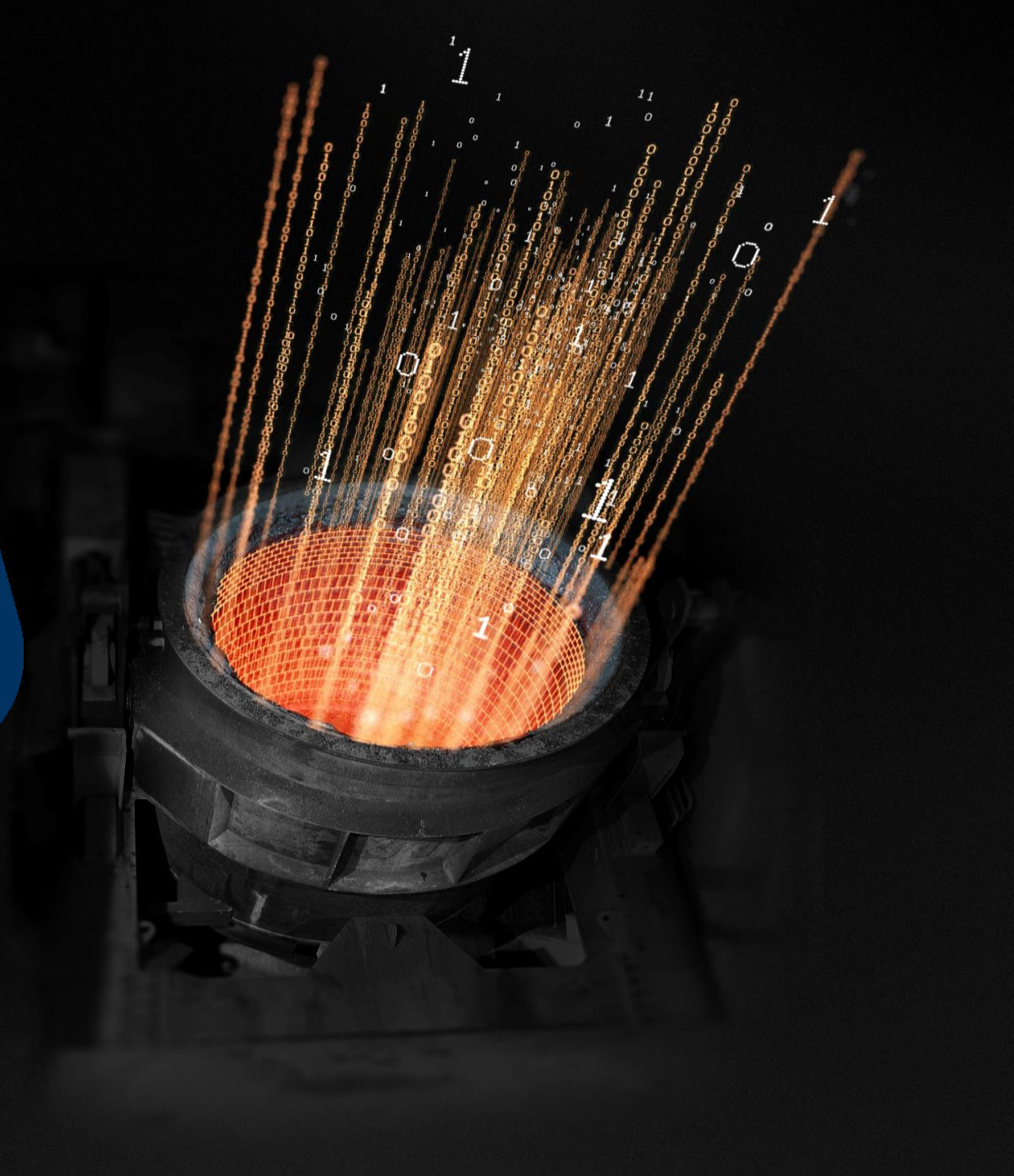


Full Year 2020 results

Demonstrating resilience and
accelerating strategic delivery

8 March 2021



Agenda

- 1** Operational review
- 2** Finance review
- 3** Summary and outlook
- 4** Q&A
- 5** Appendix

Operational review



2020 – Operational highlights

Demonstrating resilience and accelerating strategic delivery

- **Resilient financial performance delivered against a challenging market environment**

- Responded swiftly and effectively to COVID-19, maintaining production and safe operations
- Gross profit margin of 24.4%, adjusted EBITA margin of 11.5%
- Positive adjusted operating free cash flow of €290 million, supported by strong working capital management, leading to a reduction in net debt to €582 million
- Final dividend of €1.00 per share recommended (total dividend FY20 €1.50)

- **Accelerating strategic delivery and sustained focus on shareholder returns**

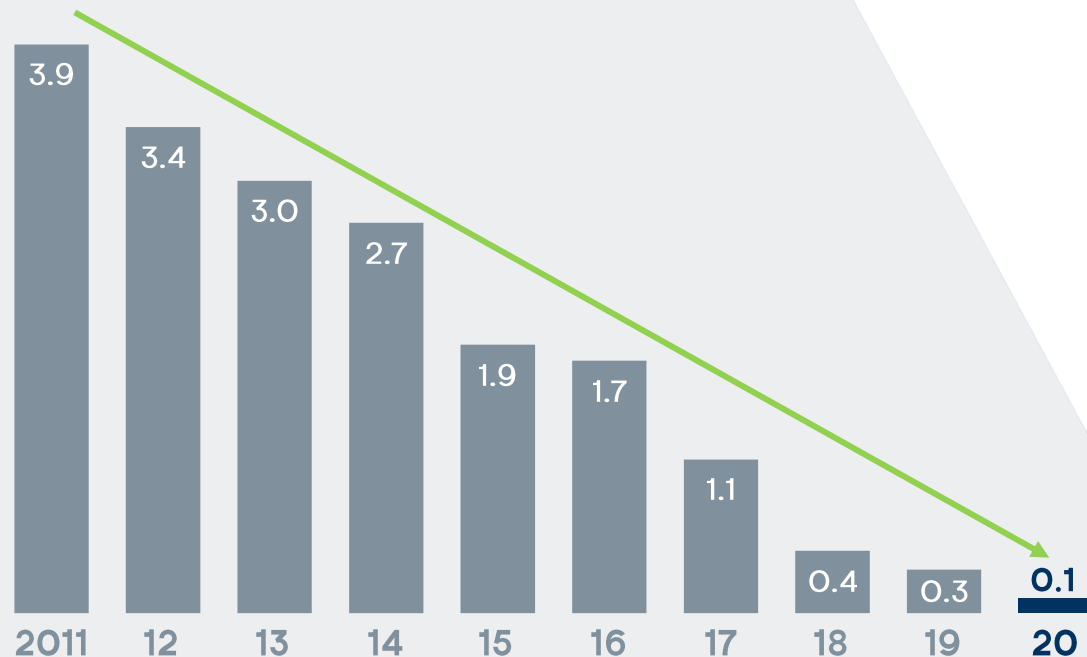
- Cost initiatives accelerated, on track to deliver €100m by 2022, with peak capex in 2021
- Sales strategies targeting €40–60m of annualised EBITA benefit by 2022
- Sustainability leadership accelerated with €50m R&D programme to support move towards CO2 neutrality
- Deployed capital into €50m share buy-back programme

- **Well positioned to benefit from the recovery in our key markets**

- Short term cost measures taken in H1 2020 have been converted into long term measures in H2, increasing our medium-term cost savings

Increased focus on Health and Safety

Sustained improvement in Lost Time Injury Frequency Rate (LTIF)



- **Health and safety is our first priority during the pandemic**
 - Strict precautions remain in place at all production and customer sites and the Group is well equipped to navigate further disruption
- **Broader Health and Safety initiatives have continued**
 - KPIs continue to improve
 - 6 calendar months in 2020 with Zero LTIs
 - LTIF down 73%¹ compared to 2019
- Focused on Total Recordable Injuries (TRI) and leading indicators in 2021

1. Partly given lower production levels during 2020

FY 2020 – Financial highlights

Resilient margin and strong operating cash flow generation

Revenue

€2.3bn

↓ (23)%¹

Adjusted EBITA margin

11.5%

↓ (250)bps¹

Adjusted EBITA

€260m

↓ (36)%¹

Operating Cash flow²

€290m

112% cash conversion

Net debt to adjusted EBITDA

1.5x

↑ 0.3x³

Liquidity⁴

€1.2bn

↑ €0.1bn

Return on invested capital

11.5%

↓ 360ppts⁵

Adjusted EPS

€3.28 per share

↓ 41%¹

1. Denoted on a reported basis

2. Operating cash flow comprises Adjusted EBITA, plus changes in working capital and other assets/liabilities, plus depreciation and minus capex

3. Compared with 2019 including IFRS 16 Leases of €57m

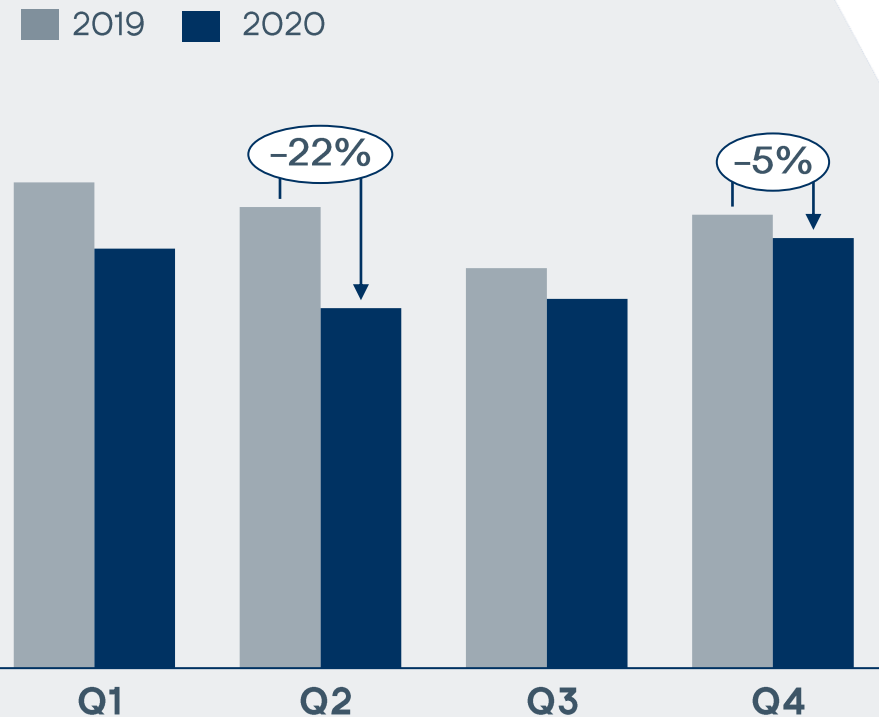
4. Available liquidity comprises cash, cash equivalents of €589m, including €2 million cash for assets held for sale, and €600m of undrawn committed facilities

5. Return on invested capital is calculated as net operating profit after tax (NOPAT), divided by total invested capital for the year. Invested capital is calculated as a sum of equity, borrowings, non-current & current financial liabilities, pensions and other long term personnel provisions, non-current provisions less cash and cash equivalents and non-current and current financial assets

COVID-19 impact

Customer demand weakness was greatest in H1

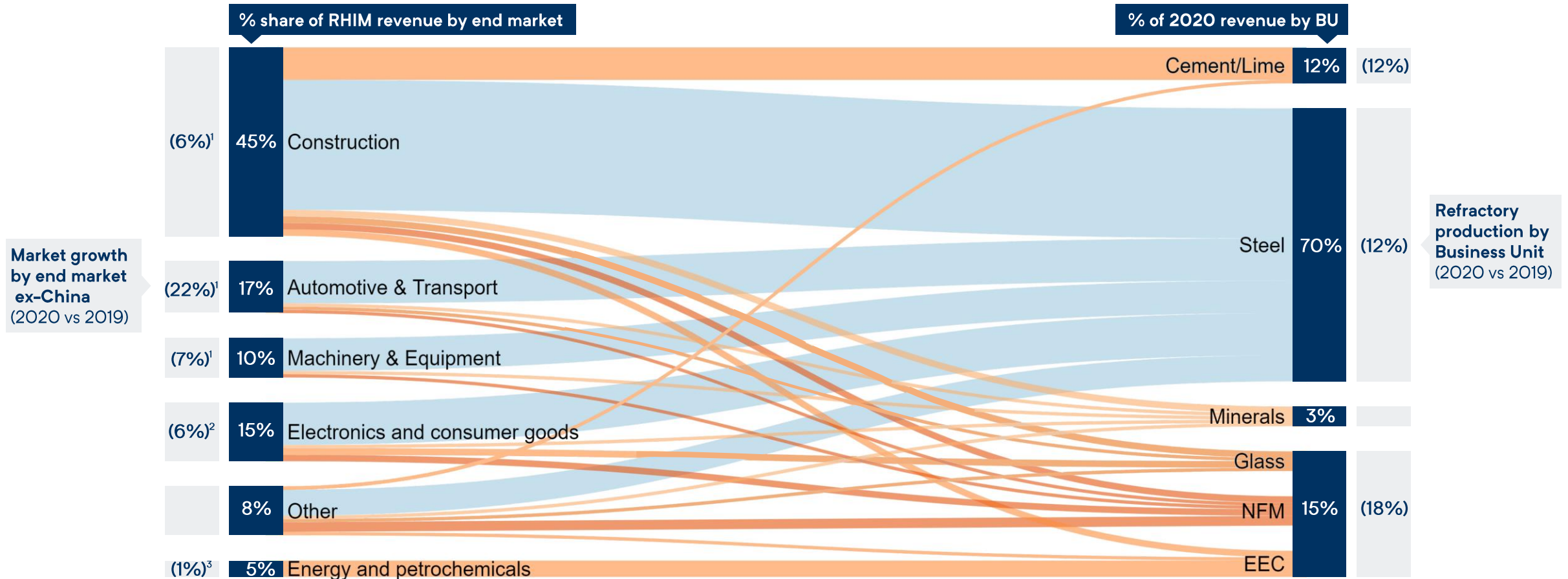
2019 vs 2020 refractory sales volume by quarter



- Volume (12)% – COVID related demand impact
- Revenue (23)% – reflects lower raw material prices
- Normal seasonal pattern evident
- Demand recovered in Q4, with the Group recording 5% lower volumes versus Q4 2019

Lower volumes across end markets during 2020

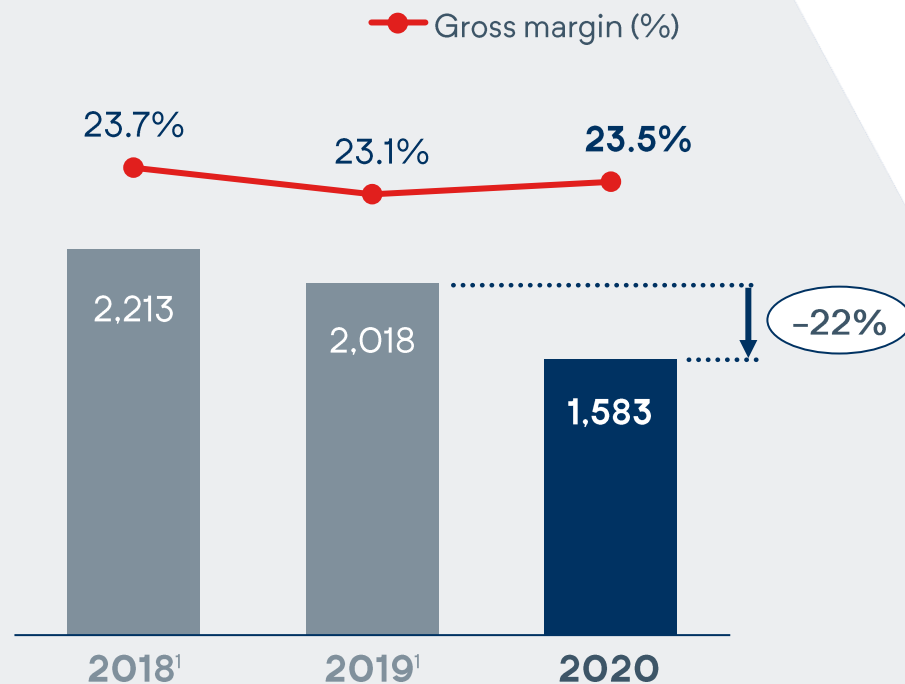
Temporary deferral of new project capital expenditure by customers, construction demand recovering in 2021



Steel performance

Reduced sales with stable margin

Revenue (€m)



Steel Division revenue was impacted by COVID-19 and lower raw material prices; however gross margin improved slightly given increased efficiencies lowering the cost of sales margin

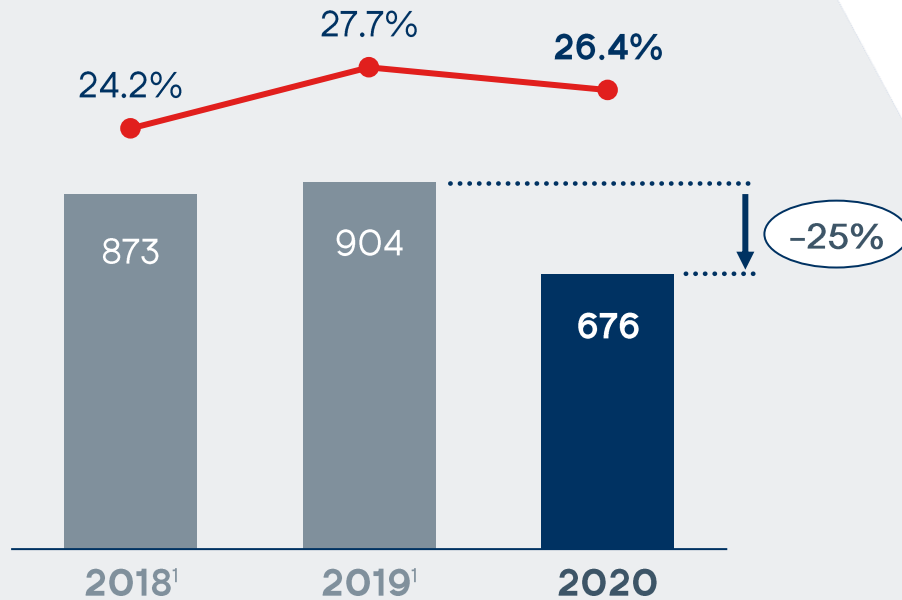
- Strong Q1, followed by a weak Q2 and Q3 globally
- Increased demand in Q4 across all regions, especially in the Americas. The improvement in end markets and order book has continued into Q1 2021
- Gross margin improved by 40 bps to 23.5%, as lower fixed cost absorption was more than offset by natural margin resilience and cost improvement programmes

1. Denoted on a reported basis

Industrial performance

Reduced sales with stable margin

Revenue (€m)



Volume impact of COVID-19 was greater on the Industrial Division than the Steel Division, impacting gross margin by 130bps

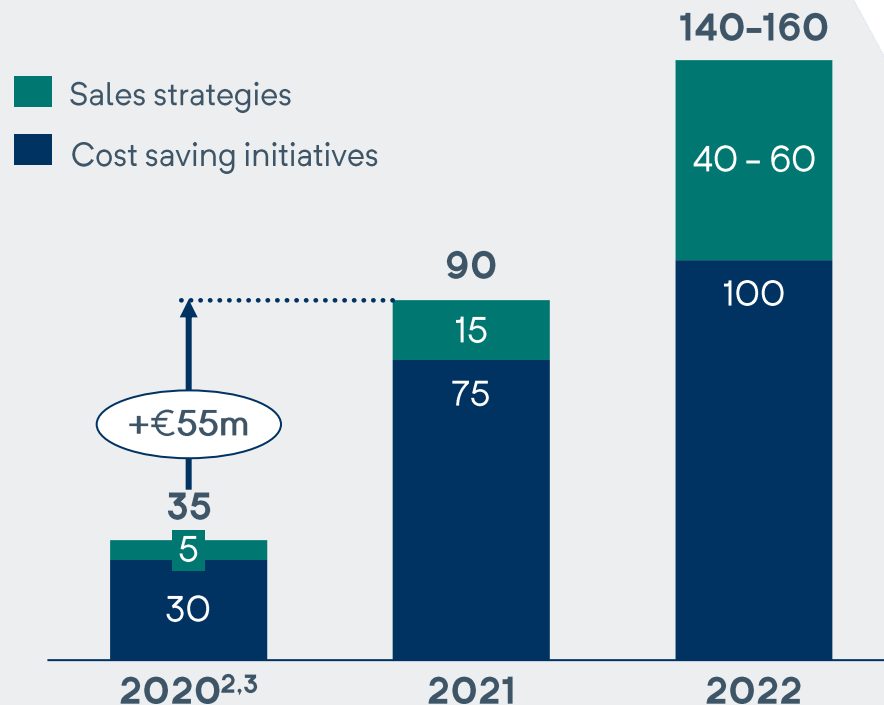
- Cement/Lime had a very strong Q1, reflecting high seasonal demand during the annual repair cycle, followed by a quiet Q2 and Q3
- Industrial Projects experienced significant project postponements in Q2 and Q3 due to COVID-19, as customers delayed capital expenditure investment projects, most notably in the Nonferrous metals business
- Industrial Division benefited from a gradual improvement in demand in its end markets and its order book towards the end of 2020, including in the Industrial Projects segment. This has continued into Q1 2021

1. Denoted on a reported basis

Accelerated progress on strategic initiatives

Targeting €140 – 160m of incremental EBITA in 2022

Annual EBITA improvement (€m)¹



- Cost savings initiatives include the Production Optimisation Plan and SG&A initiatives:
 - Closure of three small plants and investments in two large plants
 - 20% management headcount reduction
- Sales strategies implementation ongoing:
 - Solutions business model — now 27% of revenue
 - Digitalisation — Award winning APO⁴ and ARO⁵ product
 - New markets — Increased Steel China sales by 41%
 - Flow control - INTERSTOP[®] slide gate automation

1. Improvement measured from 2019
 2. The Cost Savings Initiatives excludes the 2020 one off fixed-cost reduction of €50 million, taken as mitigating measures against the impact of COVID-19. €10 million of these will be maintained into 2021 in the form of lower depreciation.
 3. Cost saving initiatives in 2020 include the €15 million benefit from the Operational turnaround
 4. APO is Automated Process Optimisation
 5. ARO is Automated Refractory Optimisation

Sustainability leadership

Creating the path to de-carbonisation

€50 million R&D investment in CO₂ reduction technologies

- Capture of geogenic CO₂ emissions (>50% of our emissions)
- Utilisation of captured CO₂ through external partnerships
- R&D supporting switch away from fossil fuels in own operations



We aim to have the technology solution by 2025 which will create the path for a full de-carbonization of the Company

Significant further opportunity to develop customer solutions to minimise energy consumption and emissions

1. Includes Scope 1, 2 and 3 (e.g. own sites, customers and suppliers)

Financial review

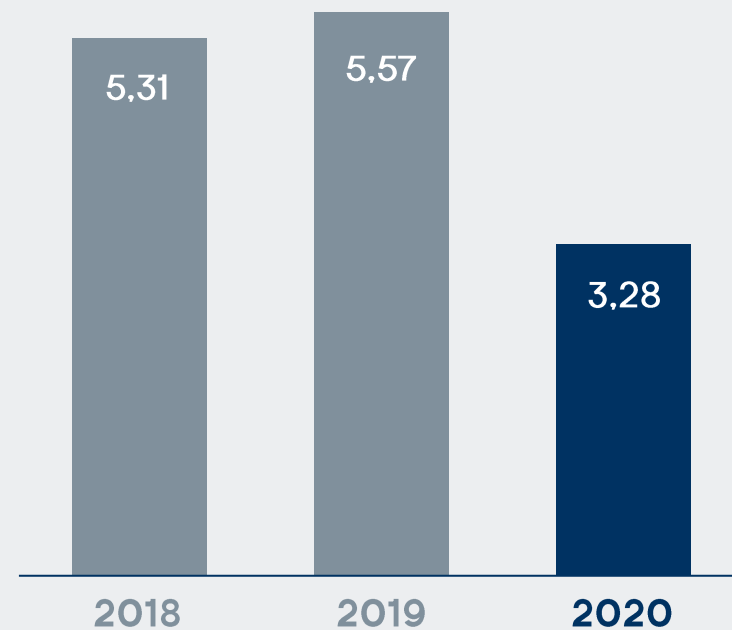


Profit and loss summary

Resilient margin and strong cash flow generation

€m	2020	2019 ¹	Change
Revenue	2,259	2,922	(23)%
Gross profit	550	717	(23)%
Gross margin (%)	24.4%	24.5%	(10)bps
Adjusted EBITA	260	408	(36)%
Adjusted EBITA margin (%)	11.5%	14.0%	(250)bps
Adjusted Profit before tax	197	358	(45)%
Adjusted effective tax rate	17%	21%	(4)ppts
Adjusted Profit after tax	164	284	(43)%
Adjusted EPS (€)	3.28	5.57	(41)%
Dividend per share (€)²	1.50	0.50	200%

Adjusted Earnings per share (€)



1. Denoted on a reported basis

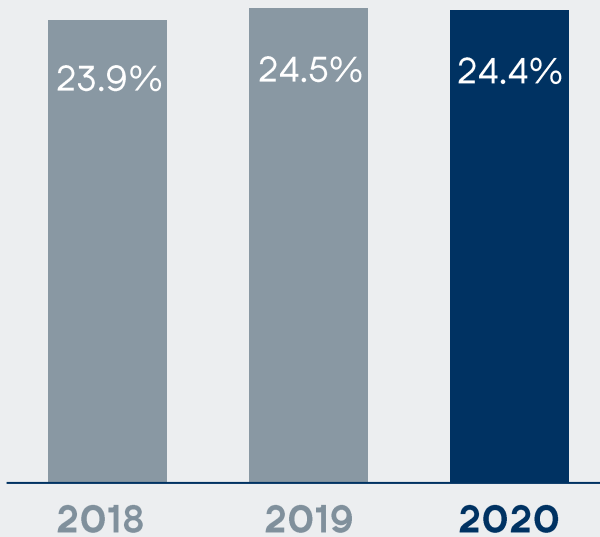
2. An interim dividend of €0.50 per share was declared in October 2020 and a final dividend of €1.00 was recommended on 8 March 2021

Stable margin and improving momentum in H2

Measures taken leave Group well positioned for recovery

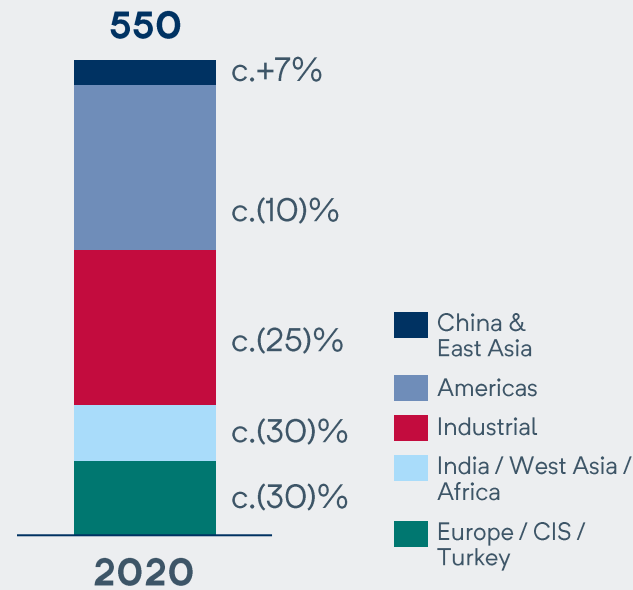
Stable gross profit margin - supported by cost reduction

Gross margin %²



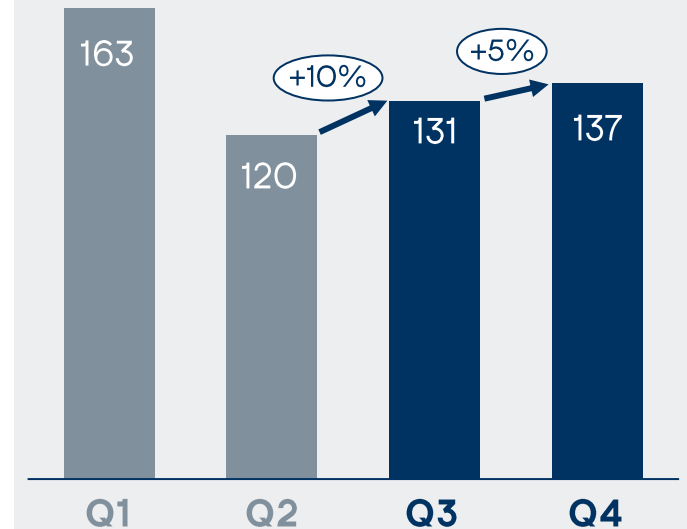
Mixed regional gross profit performance¹

(€m) 2020 vs. 2019²



Improving momentum in H2 2020

Gross profit per quarter (€m)

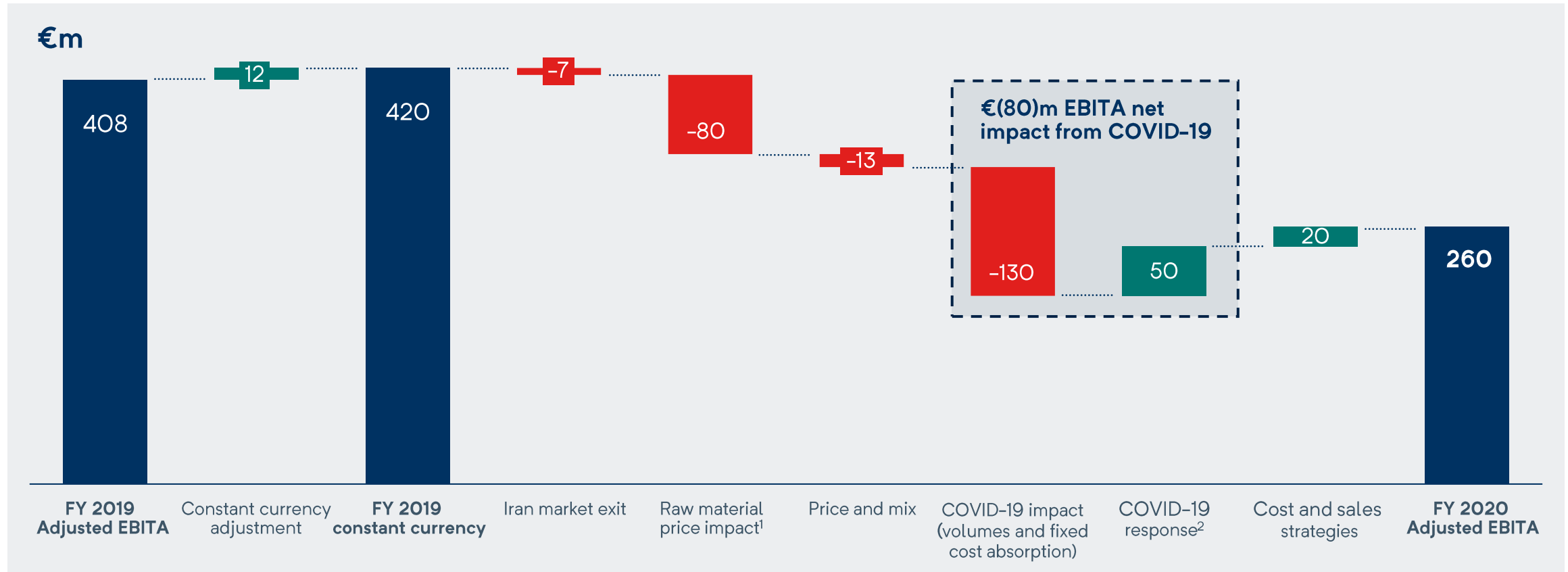


1. Size of block represents 2020 gross profit by business unit

2. Denoted on a reported basis

FY20 Profit bridge

Swift management measures limited COVID-19 impact to €(80)m

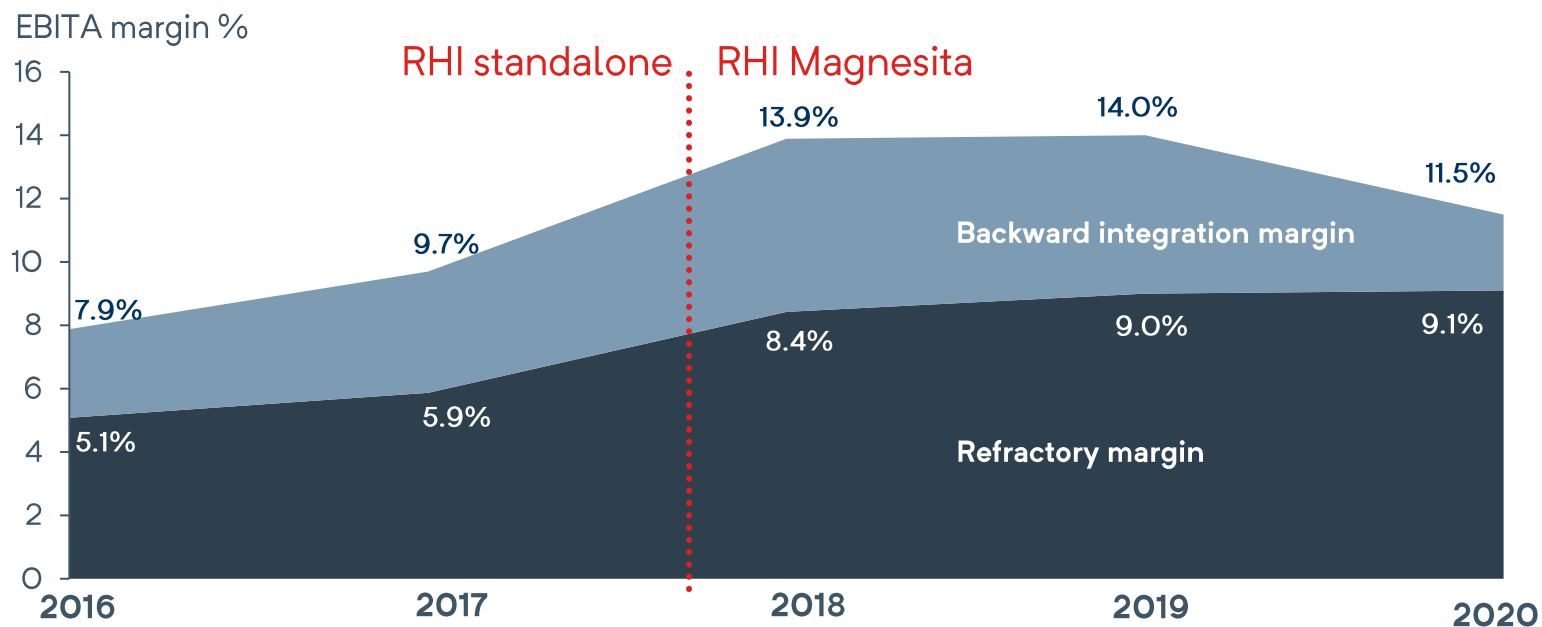


1. Includes €104 million in reduced product price revenue from lower raw materials, less €24 million of raw material cost savings

2. One-off fixed cost savings as COVID-19 business response mitigating measures. €10 million will be recurring in the form of lower depreciation

Refractory margin maintained

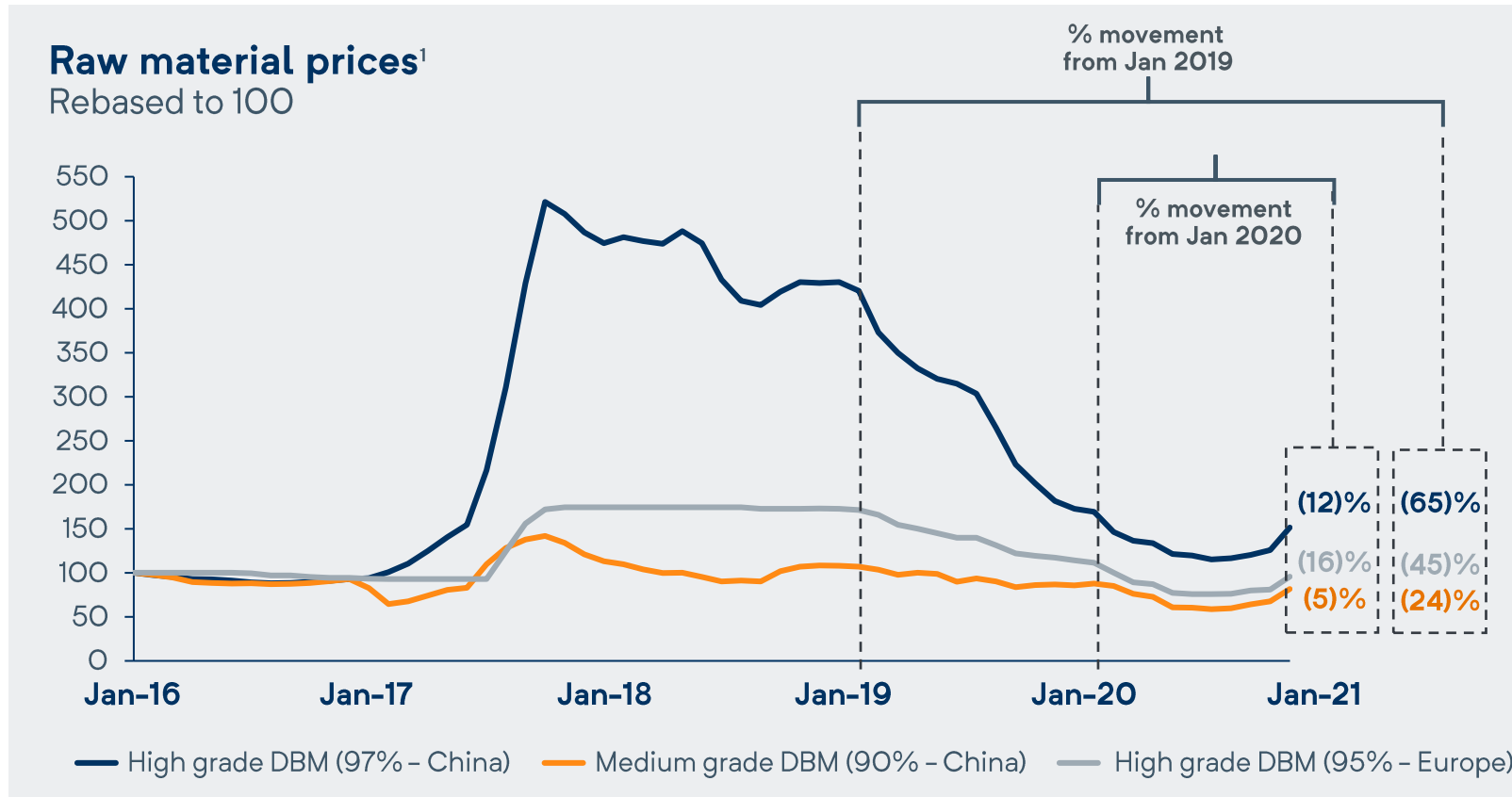
Strategic initiatives will drive further growth in refractory and backward integration margins



	2020
Refractory EBITA (€m)	205
Backward integrated EBITA (€m)	55

Raw material prices

Prices oscillating around historic averages

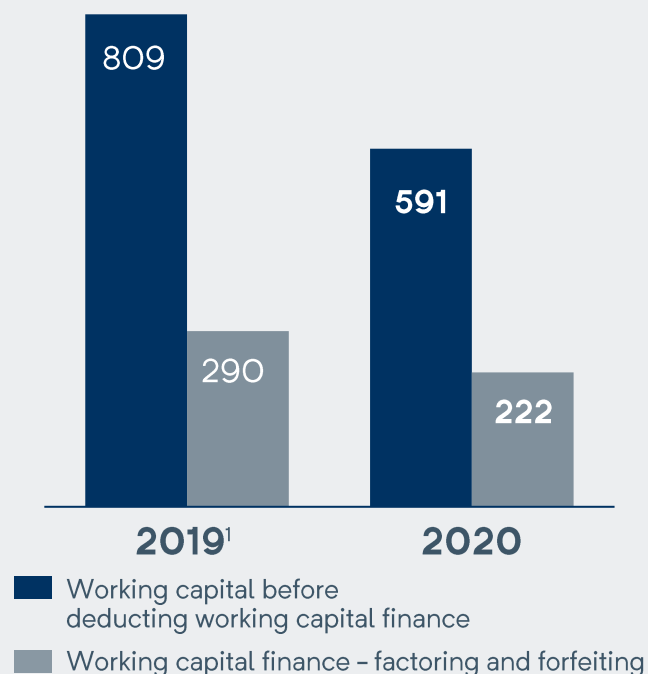


- After closure and sale of EFM facilities, Group raw material plants are now in the lowest cost quartile of the industry
- Investment in Hochfilzen and Brumado will further reduce costs and are due to complete in early 2022

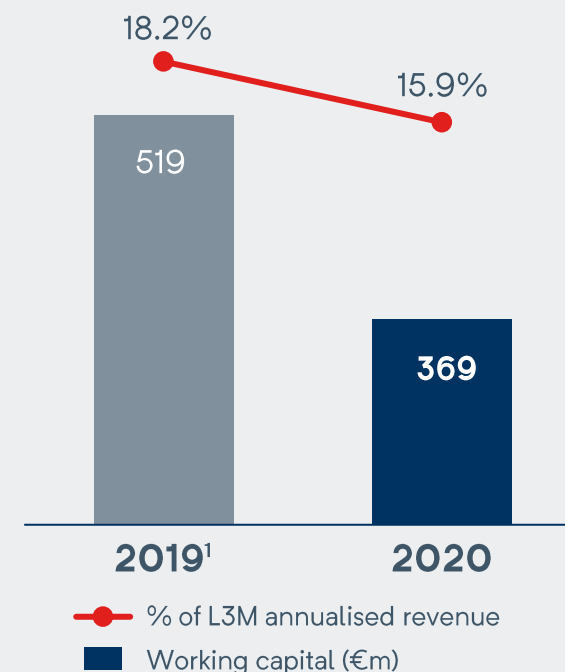
1. Asian metal

Disciplined working capital management

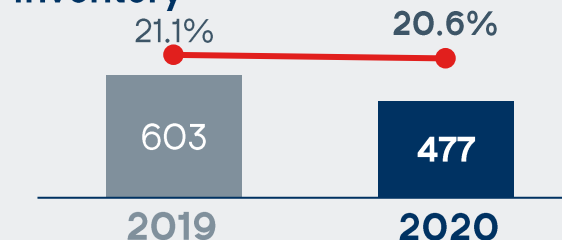
Working capital balances



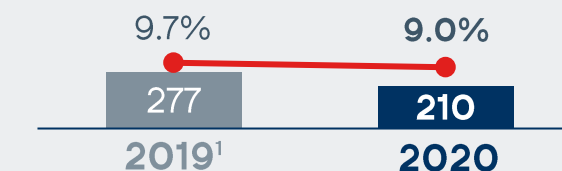
Working capital intensity (after Working Capital Finance)



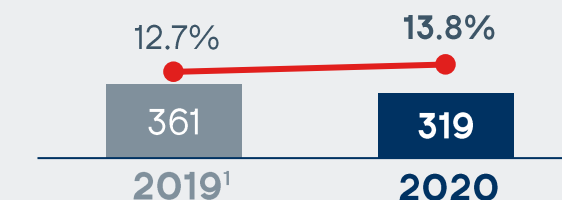
Inventory



Accounts Receivable²



Accounts Payable³



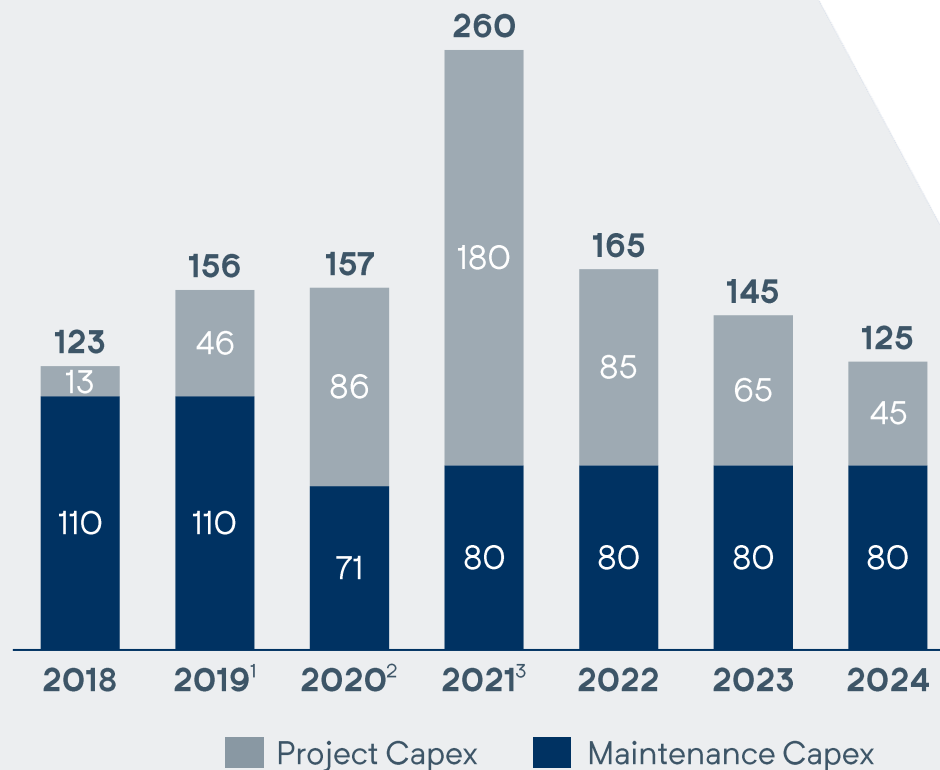
1. 2019 restated to reflect an accounting adjustment denoted within note 4 of the financial statements

2. Accounts receivable calculated as trade receivables plus contract assets less contract liabilities, as per financial statements

3. Accounts payable refers to trade payables, as per financial statements

Deploying capital in 2021 to advance strategic projects

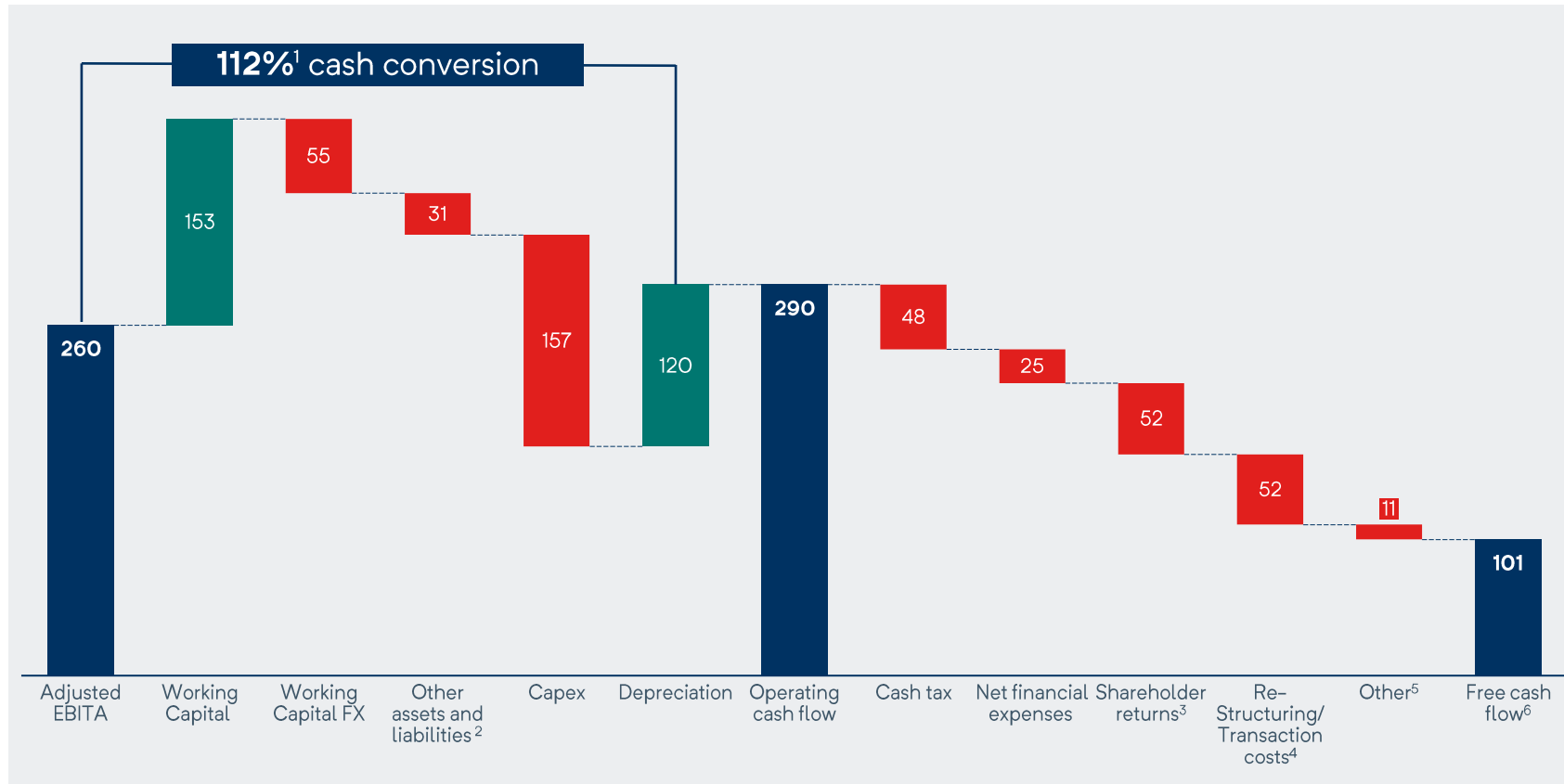
Capital expenditure (€m)



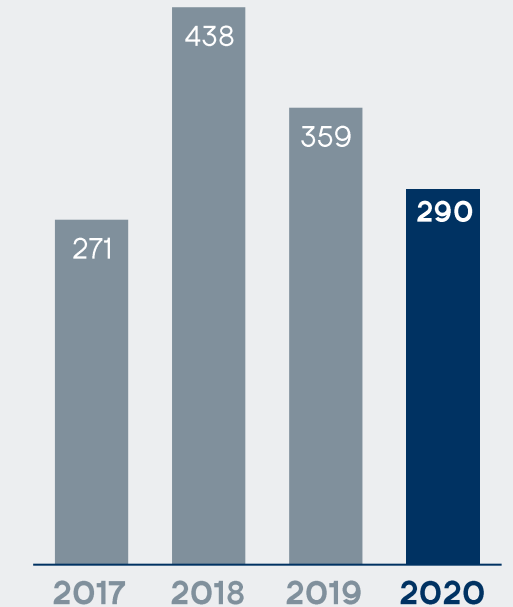
- Peak capital expenditure in 2021 as we invest to deliver cost reduction and sales initiatives
- Projects are proceeding on budget and largely on-time, despite COVID-19:
 - Plant closures
 - Refractory plant specialization and cost reduction
 - Raw material plant cost reduction
 - Sales strategies
- Capex is expected to return to €120 – €130 million in 2024

1. Excludes €5 million in severance costs (cash impact)
2. Excludes €40 million in severance costs (cash impact)
3. Excludes €55 million in severance costs (cash impact)

Strong and sustainable cash generation



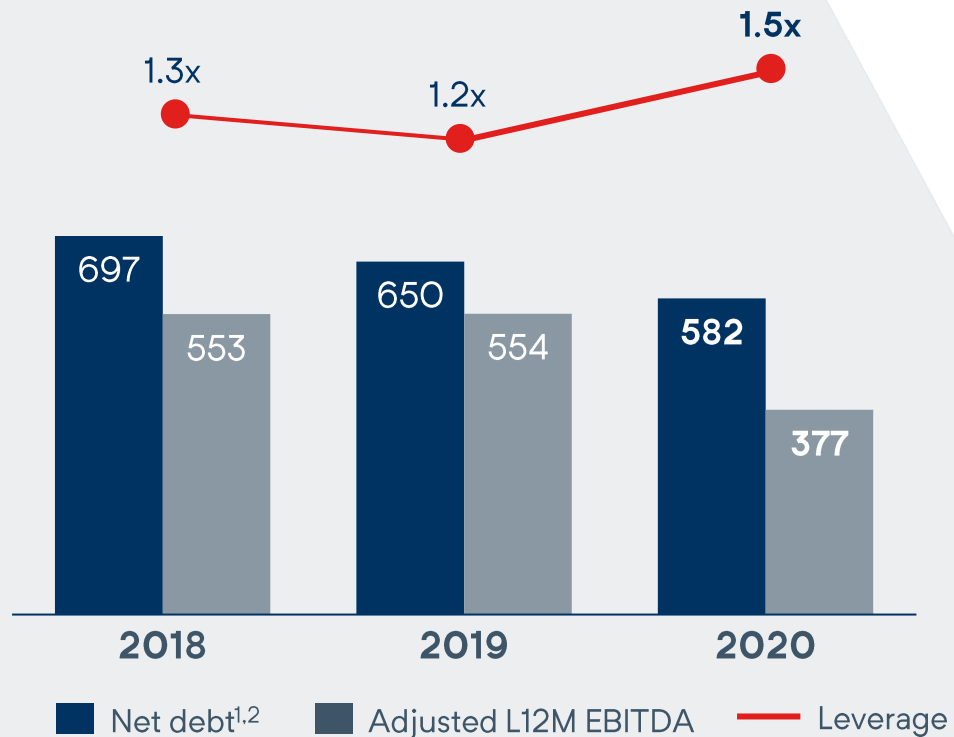
More than €1.3bn of operating cashflow generated since 2017 (€m)



1. Cash conversion calculated as operating cash flow divided by adjusted EBITA of €260m
2. €(31)m Other assets and liabilities includes €3 million tax liabilities relating to working capital, €8 million in pension provisions and excludes €21m in restructuring and transaction costs
3. Includes €3m from the €50m share buyback programme
4. Restructuring cash costs include €8m Norway power contract, €7m related to strategic projects, €40m relating to cost savings initiatives, including 2020 severance pay and also relating to the plant closures of Hagen, Trieben and Burlington
5. Others include €11 million from Magnefin dividends, €(25) million from right of use assets, €11 million from the sale of PPE, €(9) million MORCO acquisition
6. Free cash flow €101m less €19m FX impact, less €27m non-cash FX translation on debt and cash in hand and plus €11m of other; recorded total net debt movement of €68m in 2020

Net debt position improved

Net debt (€m as at 31 December 2020)



- Net debt includes €57m from IFRS 16 leases
- Strong liquidity of €1.2bn, with RCF extended to 2026
 - No material debt repayment until 2023
- Leverage of 1.5x net debt to EBITDA, within target range of 0.5–1.5x

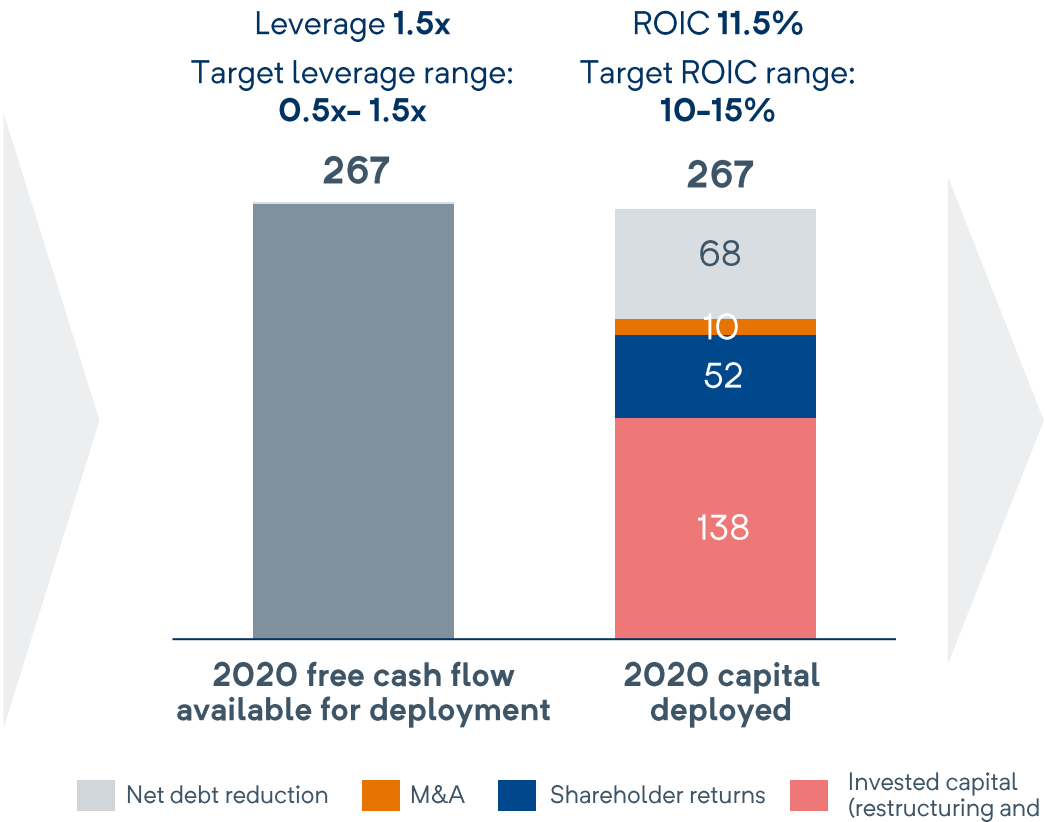
1. Includes IFRS 16 lease

2. Includes cash of €2m part of the assets held-for-sale

Resilient value creation; positioned to accelerate recovery as our markets improve

Leveraged our strengths

- Largest global footprint
15% market share
- Deep customer relationships
- Technology leadership
& innovation
- Backwards integration
- Operational excellence
Lowest cost operator
- Relentless focus on reducing carbon



To drive value creation

- Cost reduction
- Margin accretive sales strategies
- Value creating M&A
- Shareholder returns
- Net debt reduction

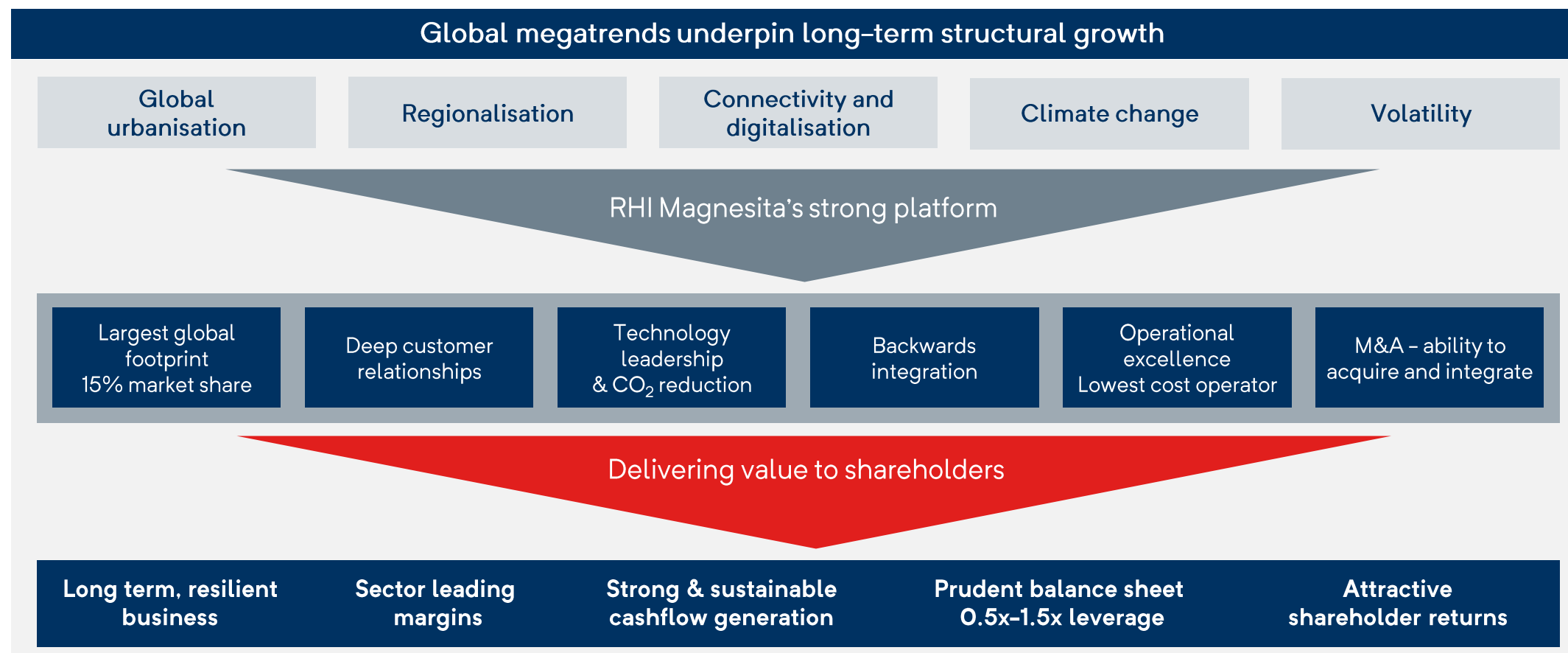
1. Operating free cashflow of €290m, add back Project Capex of €86m, less cash tax of €48m less net financial expenses of €25m less €19m FX impact, less €27m non-cash FX translation and plus Morco acquisition of €10m

Summary and outlook



The leader in heat management solutions

A clear and compelling strategy to drive long term growth and shareholder returns



Summary and outlook

- ◆ Sequential improvement in end markets and order book
- ◆ Whilst volatility and uncertainty likely to remain elevated in the short term, we expect overall recovery trends to continue in both the Steel and Industrial divisions during 2021, with earnings likely to be weighted towards the second half
- ◆ Margin accretion through the execution of the Group's strategic initiatives, adding €140 – 160m in 2022
- ◆ CO₂ technology leadership
- ◆ We are actively managing the business to accelerate our strategic progress
- ◆ Well positioned to benefit from recovery in end markets

Q&A



Appendix



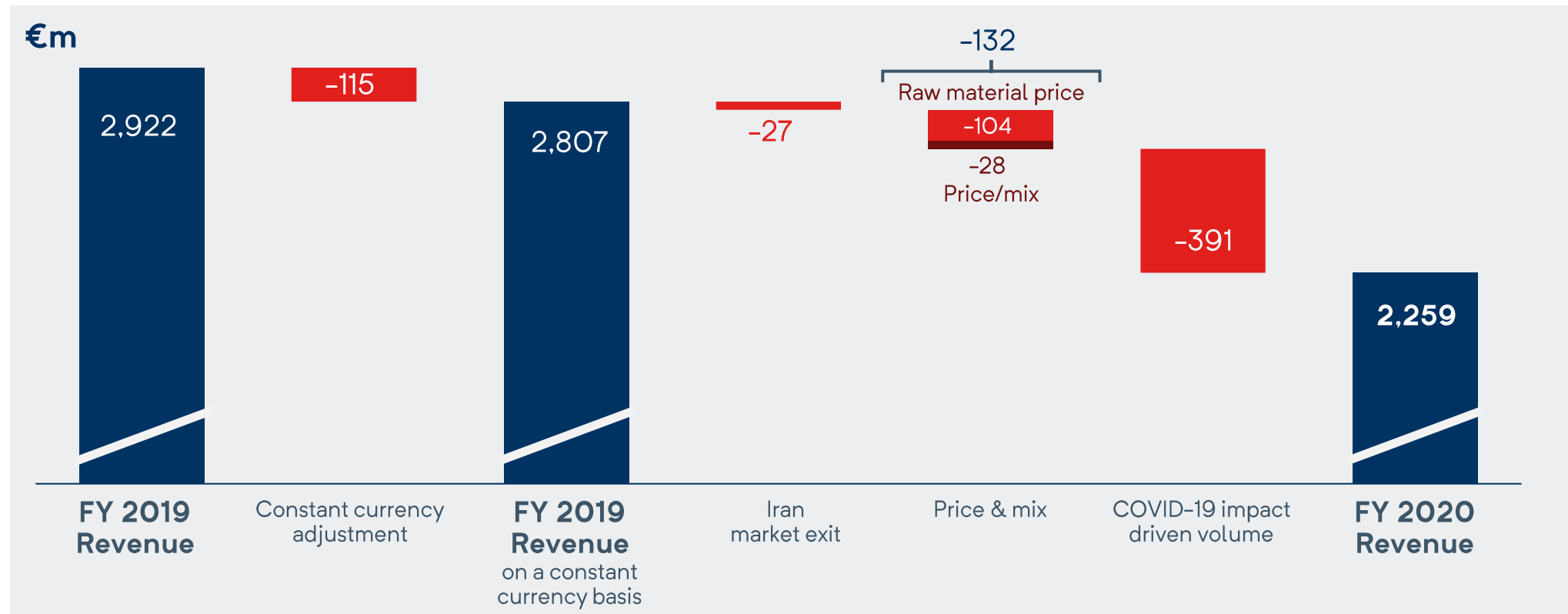
Guidance for 2021

- Total capital expenditure: €260m
 - Maintenance capex: €80m
 - Project capex: €180m
- Depreciation: €115m^{1,2} (reduced by currency changes and smaller production network)
- Amortisation: €18m¹ (reduced by currency changes)
- Net interest expense: €20m (excluding pensions of €6m)
- Adjusted effective tax rate: 20 – 22%

1. Denominated in local currency and therefore FX impacted

2. Depreciation reduced by €10 m in 2021 from the COVID-19 mitigation measures implemented in 2020

FY 2020 revenue bridge



Strategic initiatives

Presented in €m	2019	2020	2021	2022	Cumulative amount	Commentary
Cost savings initiatives EBITA improvement	15	30	75	100	100	All cost-saving initiatives on track in 2020, and on track to deliver €100m of EBITA savings per annum by 2022
▪ Production Optimisation Plan (POP)	-	5	30	55	55	<ul style="list-style-type: none"> • Rationalisation of global production footprint. Closure of 2 high cost European plant in 2020 • Increased plant specialisation • Reducing raw material costs, including €45m investment in Hochfilzen (Austria) creating a European Dolomite hub • Reducing refractory costs with €50m investment in Radenthein (Austria) and €40m at Contagem (Brazil)
▪ SG&A	-	10	30	30	30	• Headcount reduction, regionalisation and digitalisation
▪ Operational turnaround	15	15	15	15	15	• Resolution of Q4 2019 operational issues at 4 plants and in supply chain
<i>Implementation costs</i>						
▪ Capital Expenditure (cash flow)	-	45	95	20	160	
▪ Restructuring costs (cash flow)	5	40	55	-	100	
▪ Impairments	52	36	12	-	100	
Sales strategies EBITA improvement	-	5	10-20	40-60	40-60	Some delays in 2020 accessing customer sites due to COVID-19 restrictions
▪ Sales strategies					40-60	
<i>Implementation costs</i>						
▪ Capital Expenditure	-	5	15	10	30	

Impact of foreign currency movement

EBITA sensitivity in FY 2020

vs €	Unit	Δ in EBITA (€m)
USD	+1 cent	2.02
CNY	+0.01 yuan	-0.04
BRL	+0.10 reais	-0.71
INR	+1 rupee	0.57
TRY	+0.1 lira	-0.16

FY 2020 exchange rates

1 € +	FY 20 Opening Rate	FY 20 Closing Rate	FY 20 Average Rate	FY 19 Average Rate
USD	1.11	1.22	1.14	1.12
CNY	7.67	7.97	7.87	7.73
BRL	4.61	6.26	5.89	4.41
INR	79.1	89.7	84.6	78.9
TRY	6.57	9.35	8.05	6.37

Reconciliation of adjusted earnings

€m	FY 2020 Reported	Adjustment items	FY Adjusted
EBITA	140	120	260
Amortisation	(19)	19	-
Net finance costs	(87)	16	(71)
Share of profit of joint ventures	8	-	8
Profit before tax	42	155	197
Income tax¹	(14)	(19)	(33)
Profit after tax	28	136	164
Effective tax rate	33%		17%
Non controlling interest	3		3
Profit attributable to shareholders	25	136	162
EPS²	0.51	2.77	3.28

EBITA adjustments:

- €114 million attributed to Restructuring on Cost Savings Initiative
- €(13) million adjustment for the valuation of the unfavourable contract required to satisfy EU remedies
- €16 million 'Other' including the Normag power supply contract €(7) million and strategic projects €(7) million

Net finance costs:

- €8 million non-cash present value adjustment of the provision for the unfavourable contract required to satisfy EU remedies
- €7 million FX loss on a non-recurring intercompany loan

Income tax:

- €19 million tax adjustment, being one-time net benefits from the recognition of certain deferred tax assets

1. Effective tax rate for adjusted EPS is calculated by applying the effective tax rate normalised for restructuring expenses and impairments

2. Total issued and outstanding share capital as at 31 December 2020 was 49,008,955. The Company held 468,750 ordinary shares in Treasury.
Weighted average number of shares used for basic earnings per share 49,075,426.

Cash flow reconciliation

€m	
Adjusted EBITA	260
Working capital	97
Changes in other assets and liabilities	(31)
Capex	(157)
Depreciation	120
Operating cash flow	290
Cash tax	(48)
Net interest expense	(26)
Restructuring and transaction costs	(52)
Dividends	(50)
Share buyback	(3)
Dividends from associates	11
MORCO acquisition	(9)
Burlington disposal	8
Other (PPE)	3
Right of use assets acquisition	(25)
Free cash flow	106
Legacy debt change	64
Others	(7)
Total cash flow	163

Legacy debt change:

- €(24)m cash outflow towards pre-payment of legacy debt
- €98m cash inflow from proceeds of new facilities

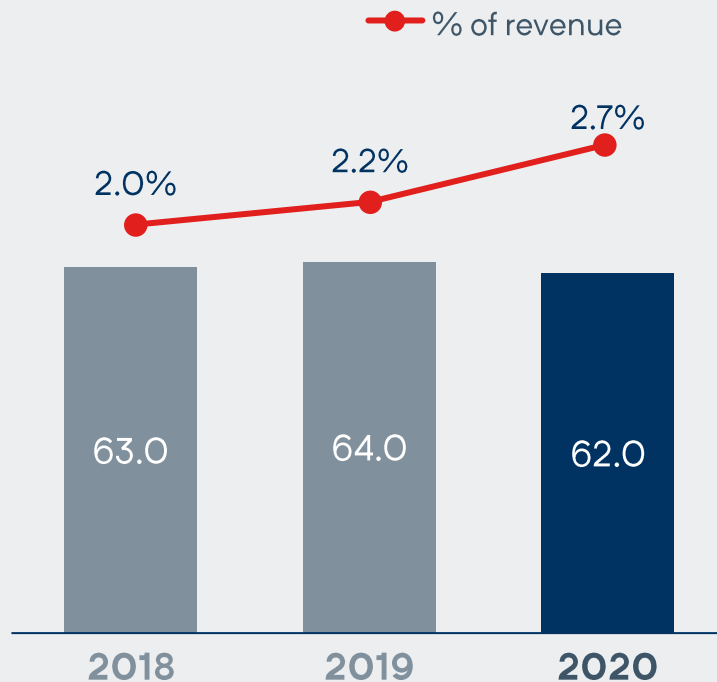
Others

- €2m cash inflow from derivative gains
- €(17)m cash outflow repayment and interest of lease obligations
- €(1)m cash outflow from investments in subsidiaries and securities

Research and development

Increase in R&D spending demonstrates commitment to technology

R&D and technical marketing spend (€m)



- R&D is essential to maintaining our position as the leading heat management solutions provider

- Target investment of 2.2% per annum of revenue

1. We develop new products for customers

- Automated Process Optimisation – artificial intelligence to predict refractory product service life
- Quick Check – smart measurement solution using 3D scans to monitor lining wear measurements

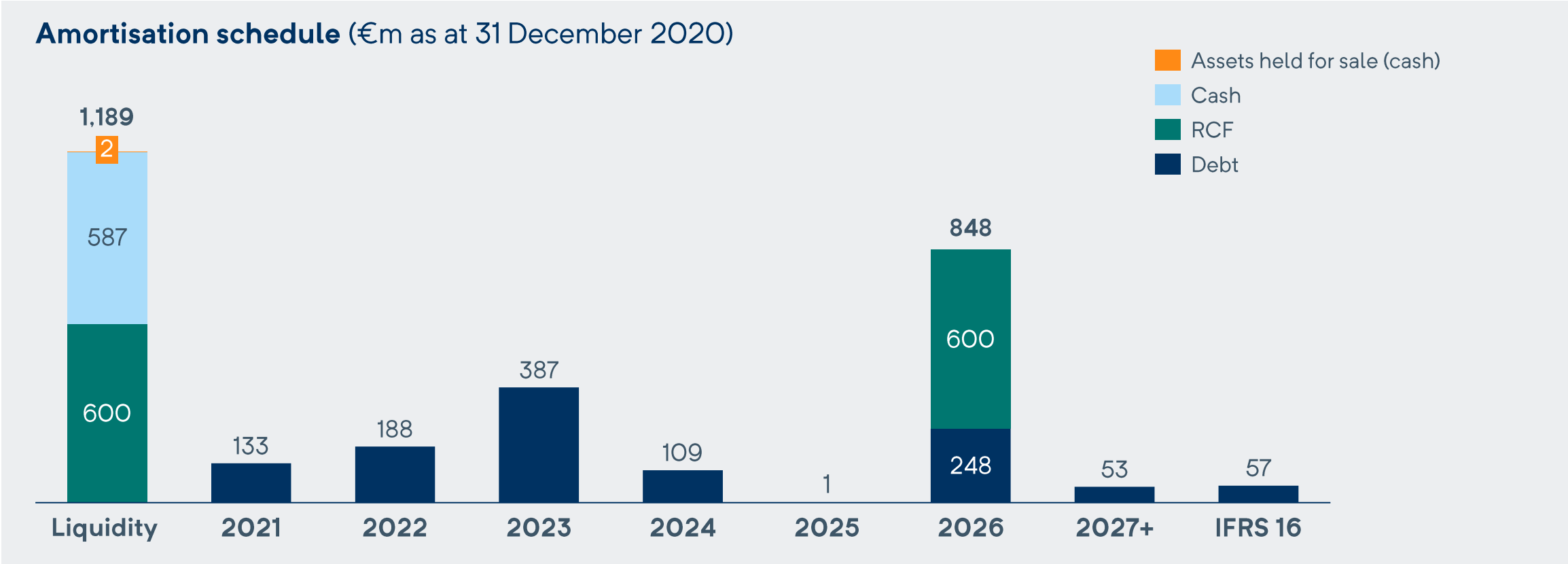
2. We deploy innovative technology in our own operations

- €30m kiln upgrade, Brumado, Brazil

3. We are successful at commercializing our intellectual property

- ANKRAL LC (20% recycled refractory content) now in use at 11 sites, growing customer demand

Strong debt maturity profile



We remain committed to our ESG 2025 targets

		2020 ¹	2018 Base year
CO₂ emissions	Reduce by 15% CO ₂ per tonne of product ¹ by 2025 and aim for carbon neutrality in the long term	1.8	1.8
Energy efficiency	Reduce by 5% per tonne of product by 2025	1.9	1.9
NO_x and SO_x	Reduce by 30% by 2027 (vs 2018), starting with China by 2021	✓ China target achieved early	
Recycling	Increase use of secondary raw materials to 10% by 2025	▲ 5.0%	3.8%
Diversity	Increase women on our Board and in senior leadership to 33% by 2025	▲ 25%	12%

1. Further details can be found on page 67 and 68 of the 2020 Annual Report

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