

RHI Magnesita N.V.

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

TRADING UPDATE

RHI Magnesita, the leading global supplier of high-grade refractory products, systems and solutions, today provides an update on trading for the five months ended 31 May 2023 (the "Period").

Trading update for the five months ended 31 May 2023

The momentum of improving profitability and margins delivered in Q1 2023 continued in April and May, as refractory pricing was largely maintained against a background of reducing costs.

Refractory sales volumes in the Period excluding M&A were 7% lower year on year, in line with overall market demand. Steel, cement and glass demand outside of India remains soft due to a slowdown in construction activity, with some glass project postponements now evident. Demand in the non-ferrous metals segment continues to be resilient. As anticipated due to the subdued demand backdrop and reducing input costs, the Group is beginning to experience sales price deflation in a number of its markets which is expected to continue and possibly accelerate through the remainder of the year.

Refractory EBITA margin contribution for the Period, which excludes vertical integration benefits, was better than expected, supported by cost deflation in April and May, as the cost of freight and purchased raw material reduced, partially offset by weaker fixed cost absorption due to lower production volumes.

The continued lower pricing environment for magnesite-based raw materials means that the Group's vertical integration EBITA margin contribution remains subdued and in line with the 1.8% of Group margin delivered in the second half of 2022.

As a result, the overall Adjusted EBITA margin for the Period was 12.1% (2022: 11.6%), delivering Unaudited Adjusted EBITA of €174 million (2022: €155 million).

Financial position

Net debt to EBITDA remains at a similar level to the 2.1x reported at 31 March 2023, including a 12 month historic contribution from businesses acquired during the period.

Absolute net debt at 31 May 2023 was largely unchanged from 31 December 2022, supported by strong operating cashflow. The Group continues to retain significant liquidity of €1.2 billion.

Net Working capital (before consolidation of M&A) was down slightly from its 31 December 2022 level, as reductions in inventory and accounts receivable were largely offset by lower accounts payable. The Group continues to prioritise security of supply for its customers in order to support recent market share gains.

Total capital expenditure in the five months to 31 May 2023 was €42 million, out of overall guidance of €200 million for 2023, with spending weighted towards the second half.

M&A increased net debt by €268 million in the first five months of the year, which was partially offset by the Qualified Institutional Placement (“QIP”) by RHI Magnesita India Ltd, which raised approximately €101 million in April 2023. The QIP is to be followed by an equity investment of €22 million by the Group in RHI Magnesita India Ltd via a Preferential Issue which is expected to complete in June 2023. In the second half of the year the previously announced acquisition of Seven Refractories for a cash consideration of €95 million is expected to be completed.

Outlook

The outlook for the Group’s key end markets and consequently customer volumes remains uncertain, with the order book currently suggesting only a moderate volume increase in H2, if at all, resulting in ongoing under-absorption of fixed costs. Pricing pressure is expected to continue and possibly accelerate through the remainder of the year.

Supported by the stronger than expected performance in the first five months of the year, the Board now expects a modest outperformance on its earlier 2023 EBITA and EBITA margin guidance.

Leverage, measured as a ratio of net debt to EBITDA, is expected to remain above 2.0x as the Group further executes on its M&A pipeline.

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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 13,500 employees in 33 main production sites and more than 70 sales offices. RHI Magnesita intends to leverage its 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.

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

prime segment of the Vienna Stock Exchange (Wiener Börse). For more information please visit: www.rhimagnesita.com

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