



# RHI Magnesita

## Investor Presentation

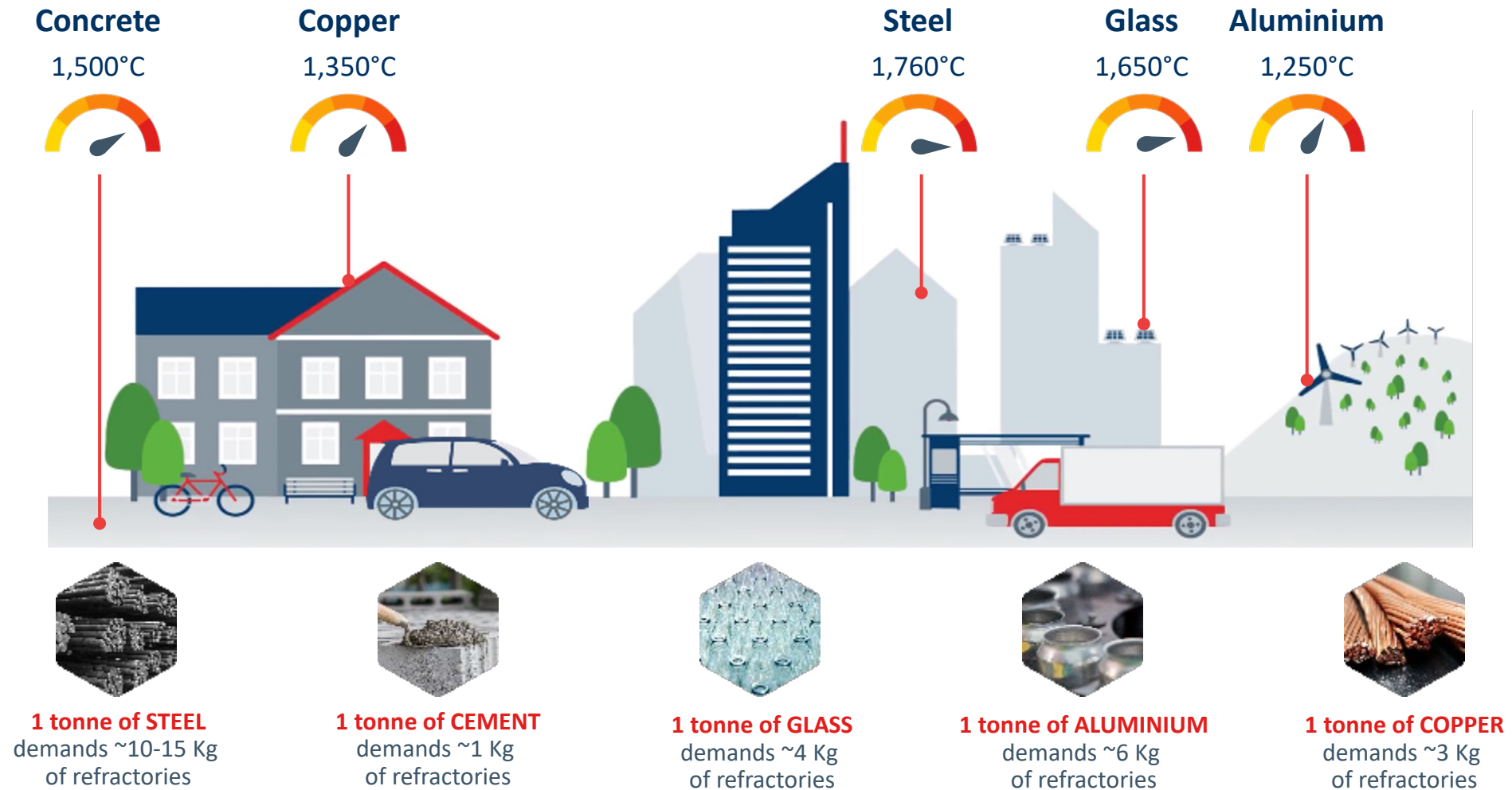
September 2023

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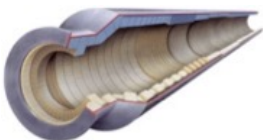
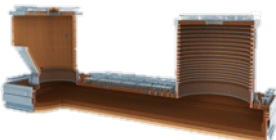
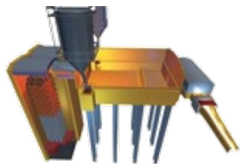
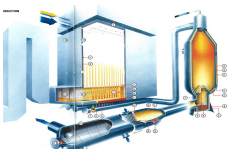
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# 1. Introduction

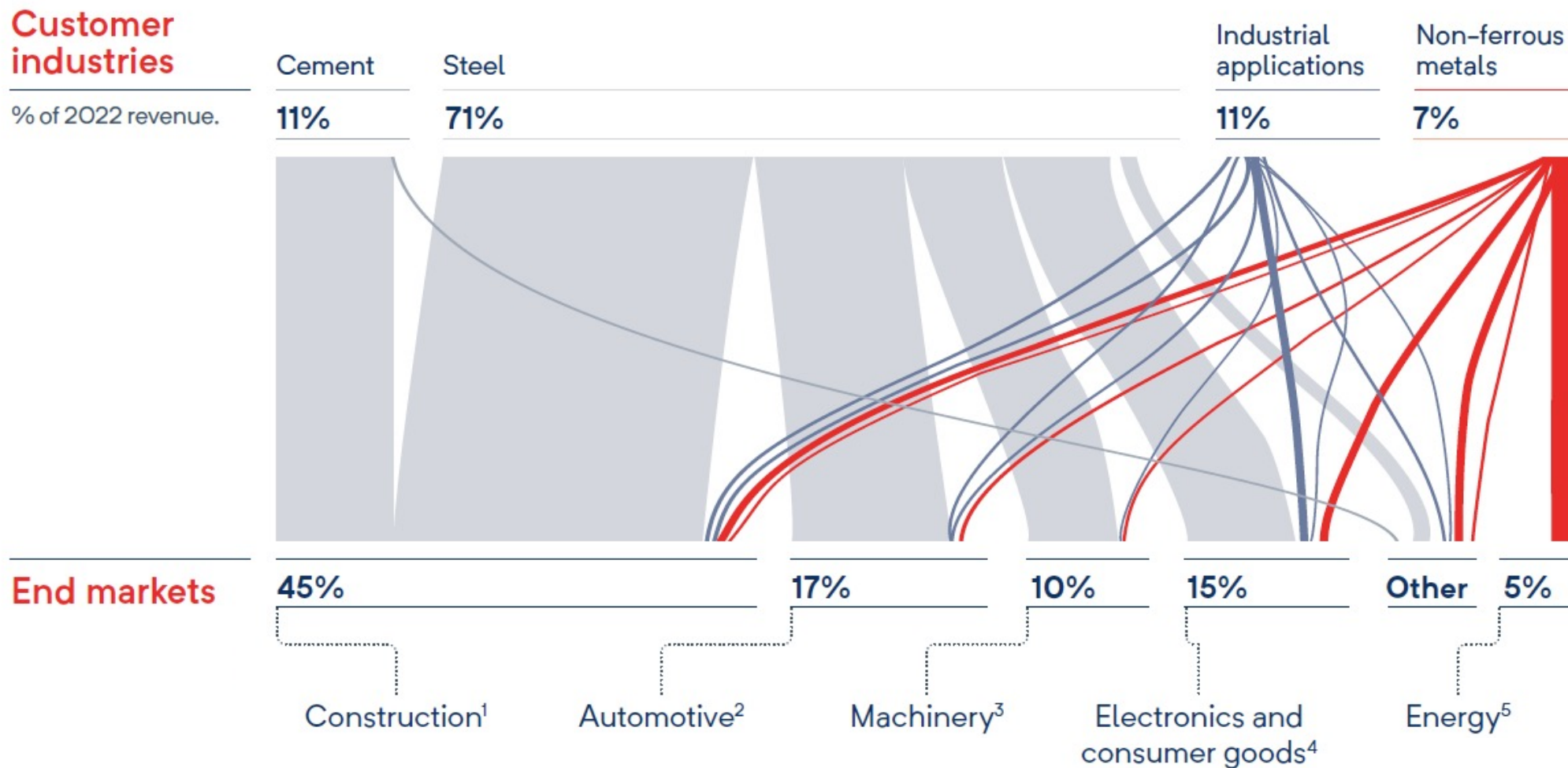
# Refractories are essential for our modern world



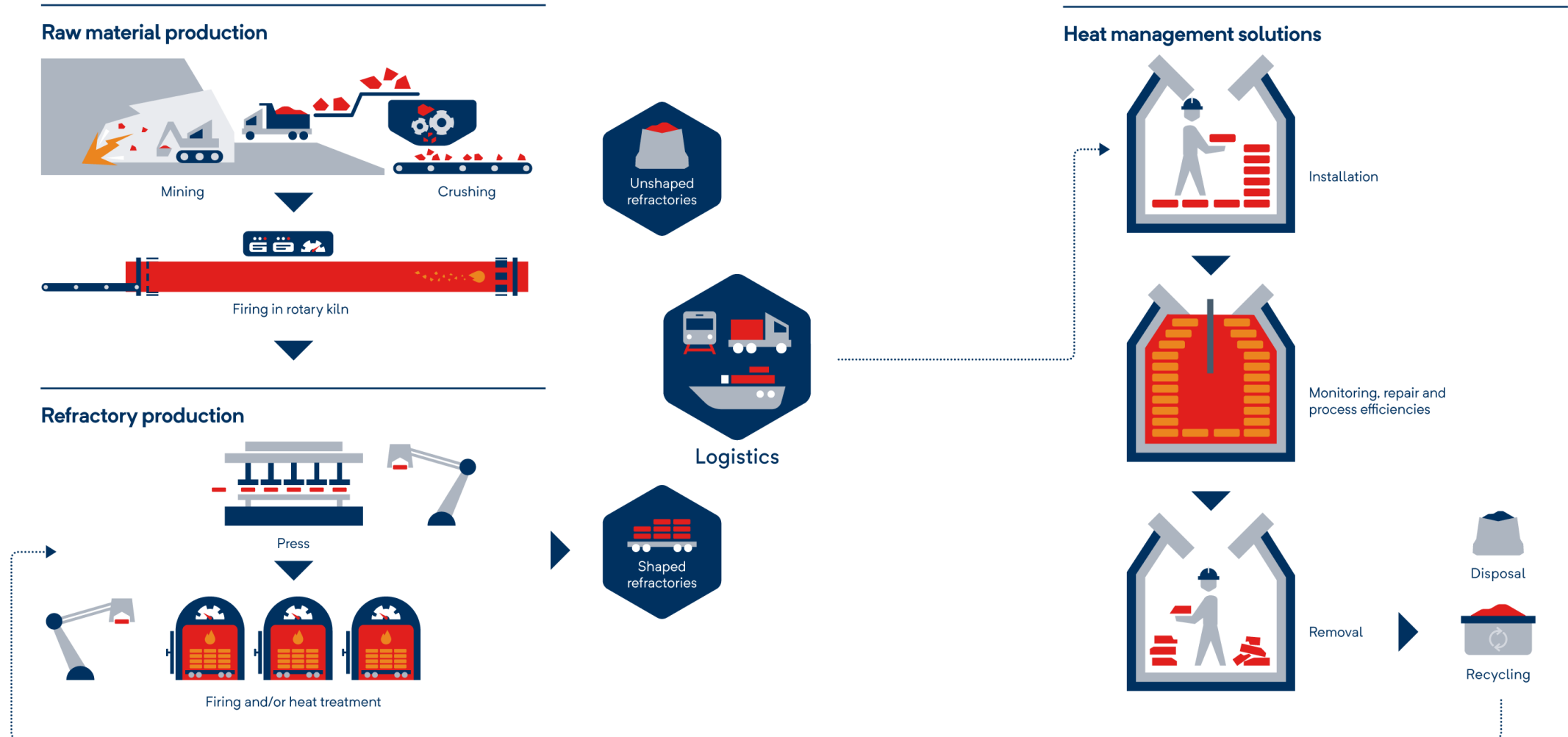
# Refractory applications

Industrial division Project businesses	Customer industries	Main application	Lifetime and costs	Refractory characteristics
	<b>Steel</b> <b>70%</b> of revenues	Basic oxygen furnace, Electric arc furnace, ladles, flow control 	<ul style="list-style-type: none"> <li>20 minutes to 2 months</li> <li>c.3% of customers' costs</li> </ul>	<ul style="list-style-type: none"> <li>Part of customers' operational expenditure</li> <li>Systems and solutions for complete refractory management</li> <li>Demand correlated to output</li> </ul>
	<b>Cement/Lime</b> <b>10%</b> of revenues	Rotary kiln 	<ul style="list-style-type: none"> <li>Annually</li> <li>c. 0.5% of customers' costs</li> </ul>	
	<b>Non-ferrous metals</b> <b>7%</b> of revenues	Copper flash smelter 	<ul style="list-style-type: none"> <li>1 to 10 years</li> <li>c. 0.2% of customers' costs</li> </ul>	<ul style="list-style-type: none"> <li>Part of customers' capital expenditure</li> <li>Longer replacement cycles based on project driven demand</li> <li>Complete lining concepts including refractory engineering</li> <li>Wide areas of application</li> </ul>
	<b>Glass<sup>1</sup></b> <b>7%</b> of revenues	Glass furnace 	<ul style="list-style-type: none"> <li>Up to 10 years</li> <li>c. 1% of customers' costs</li> </ul>	
	<b>Energy, Environmental, Chemicals<sup>1</sup></b> <b>6%</b> of revenues	Secondary reformer 	<ul style="list-style-type: none"> <li>5 to 10 years</li> <li>c. 1.5% of customers' costs</li> </ul>	

# End markets and customer industries



# Raw material and refractory process overview



# Solutions contracts

RHI Magnesita offers full heat management solutions to its customers

## Client benefit

- ✓ Reduced downtime
- ✓ Lower refractory consumption
- ✓ Lower energy and other raw materials consumption
- ✓ Higher productivity and cost savings

## RHI Magnesita benefit

- ✓ Market share gains
- ✓ Higher client retention
- ✓ Barriers to entry
- ✓ Longer contracts
- ✓ Higher margins as contract matures

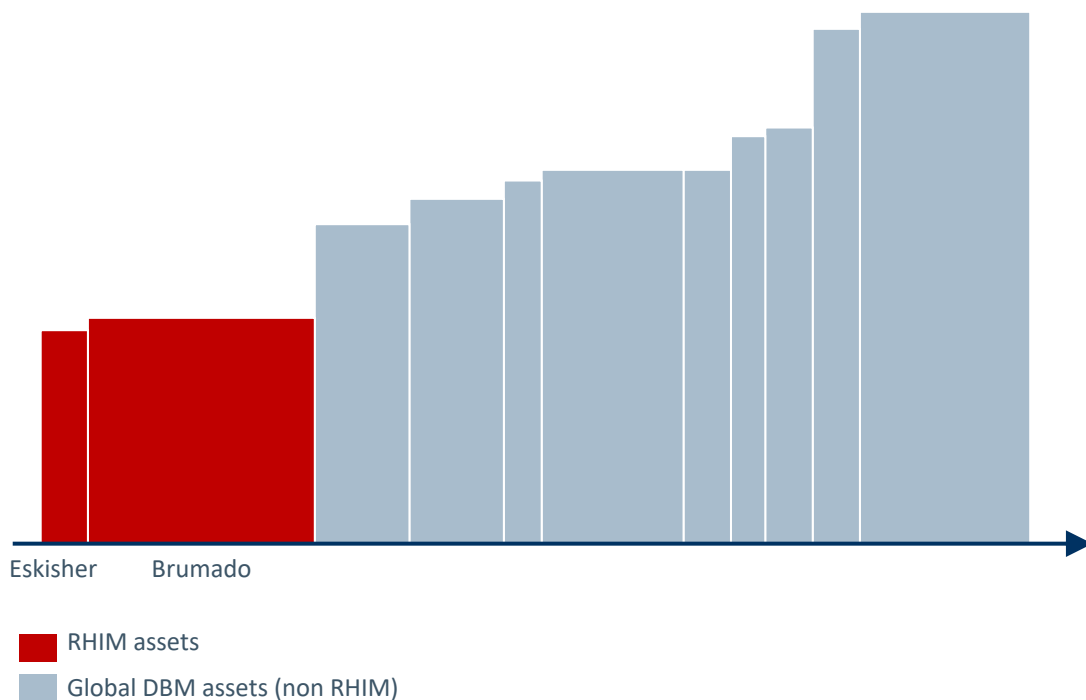


**409 solutions customers worldwide**

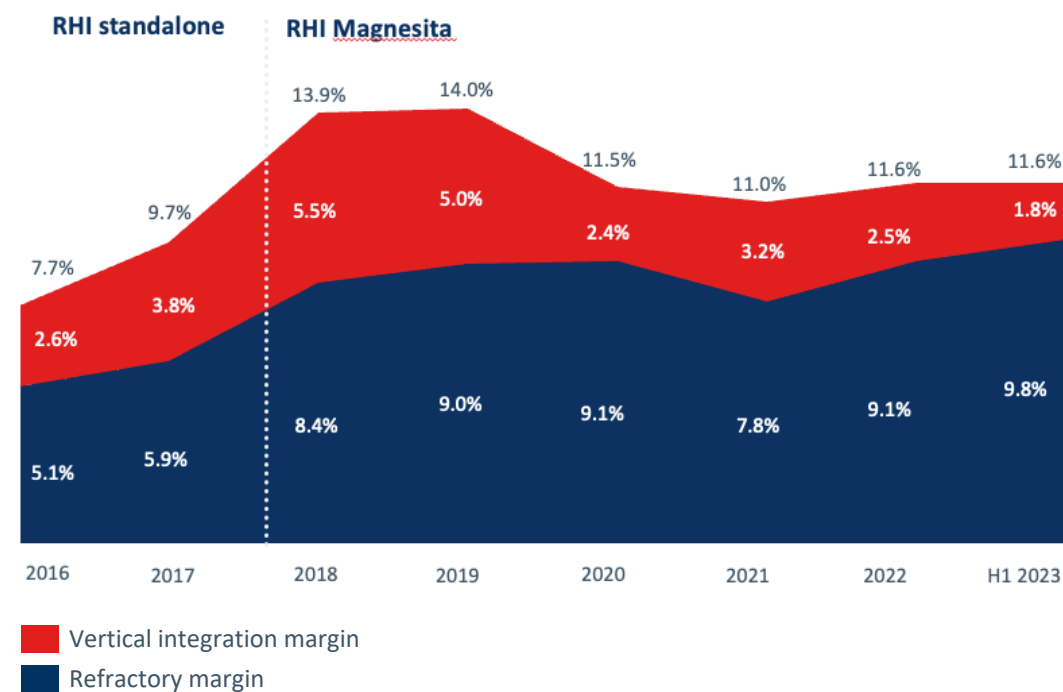
# Vertical integration benefits

Our magnesite raw material assets are amongst the lowest cost globally

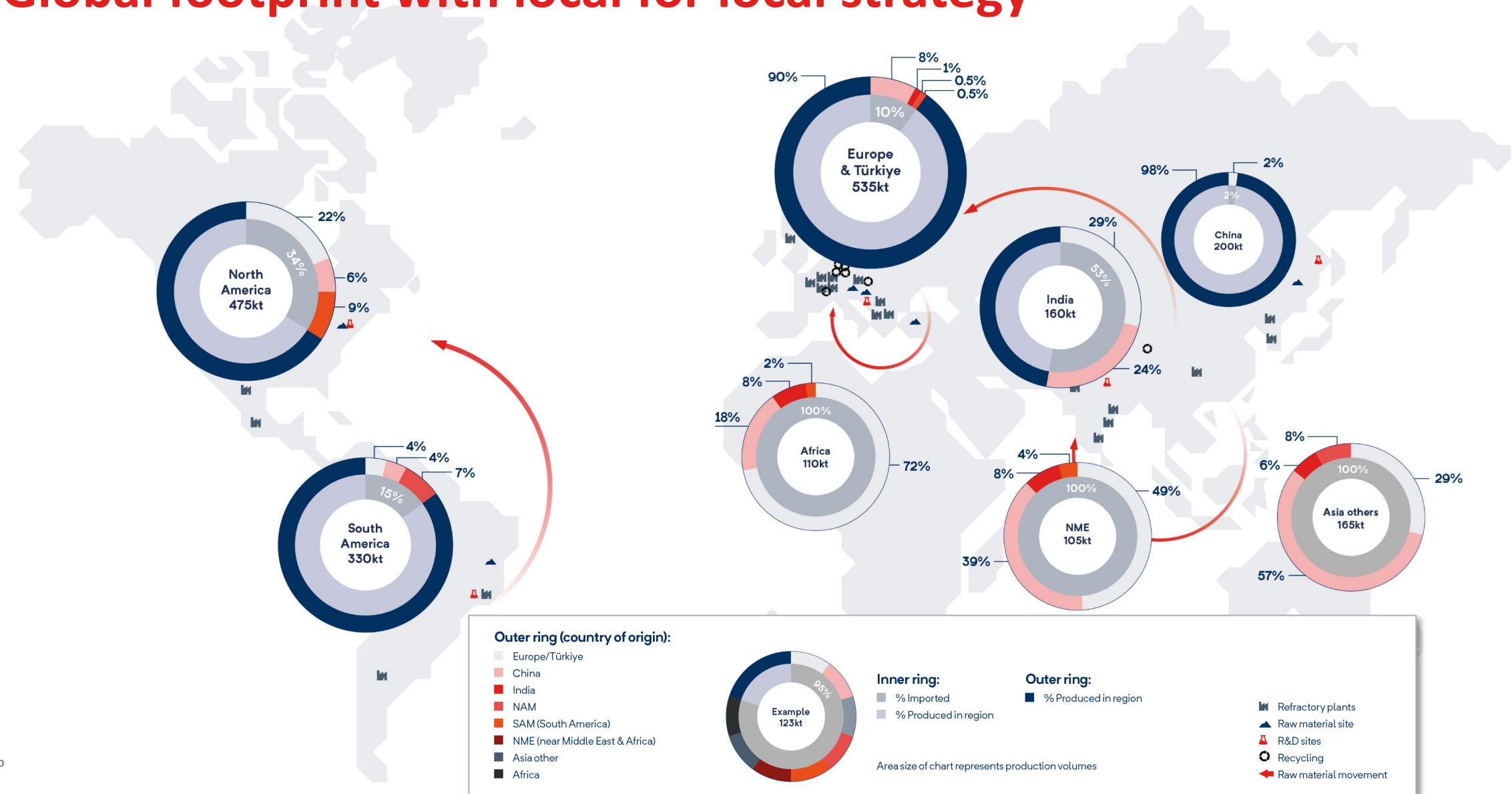
DBM 98: Indicative cost curve



EBITA margin contribution

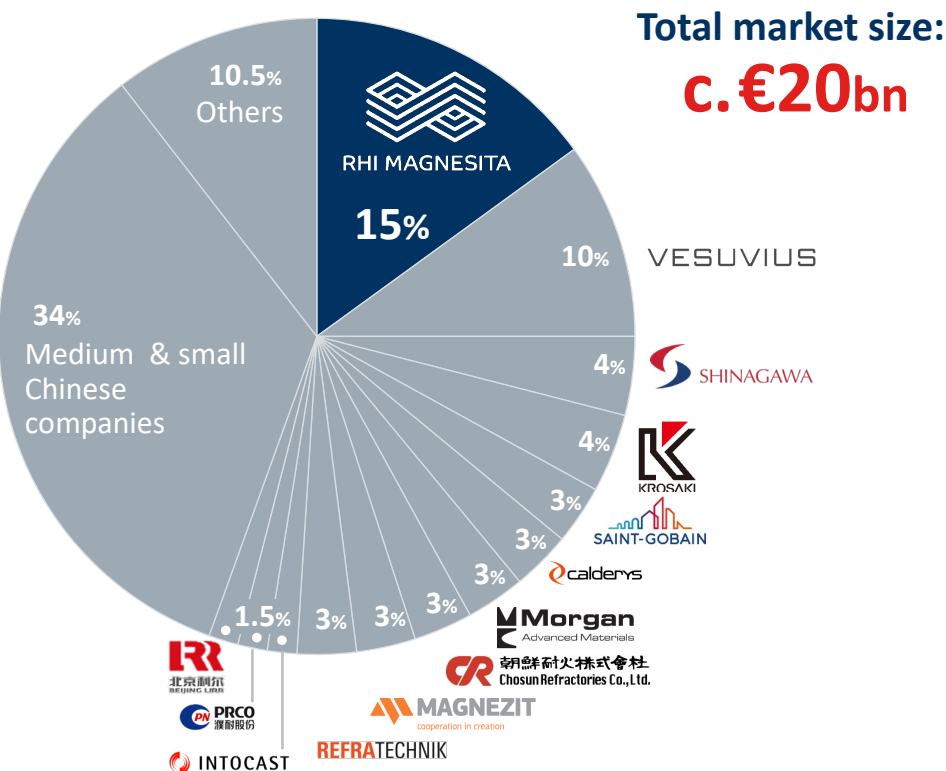


# Global footprint with local for local strategy

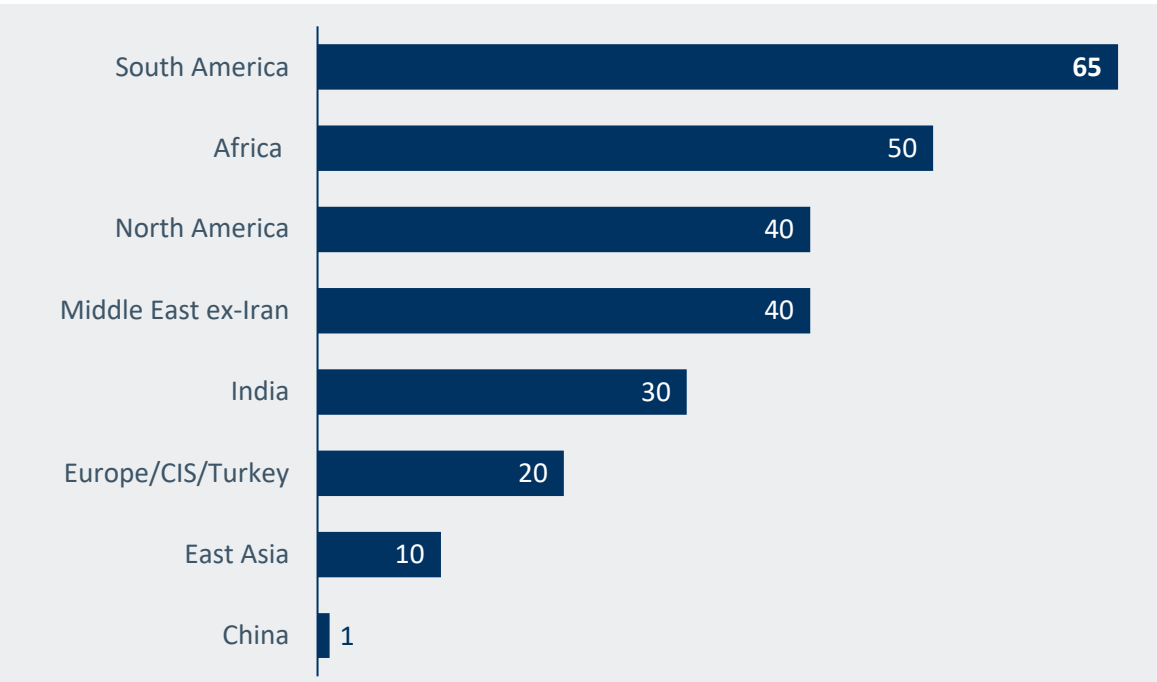


# Global leader in a highly fragmented market

Global market share

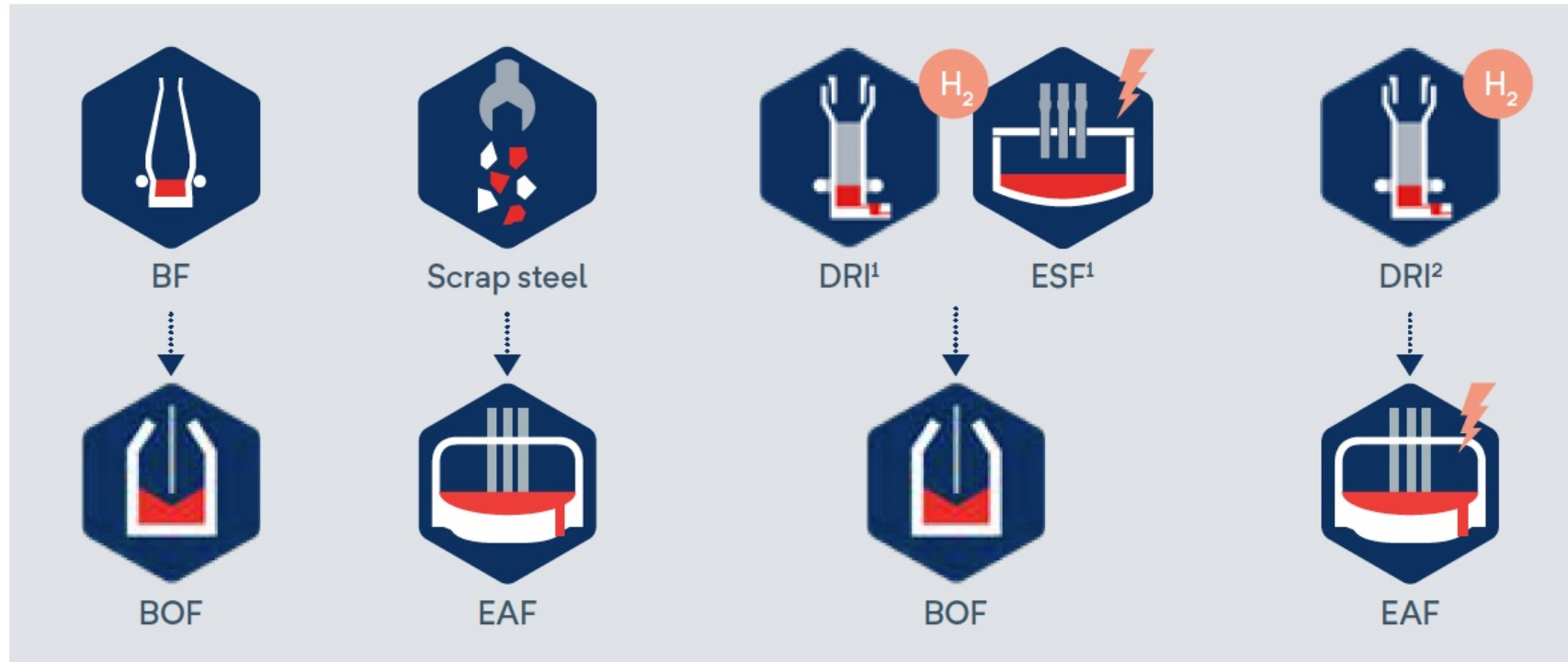


Regional market share %<sup>1</sup>



# Green steel technology development

Transition to EAF, DRI and ESF is a strong positive growth driver for RHI Magnesita



BF: Blast furnace  
BOF: Basic oxygen furnace  
DRI: Direct reduced iron  
EAF: Electric arc furnace

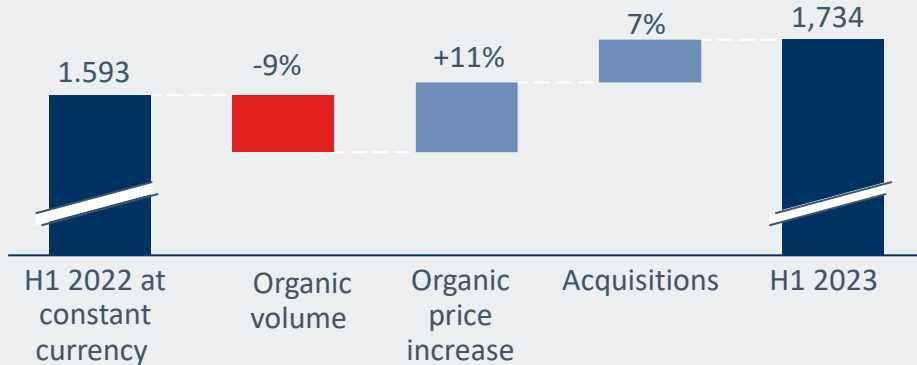
## 2. H1 2023 results

# M&A delivers revenue growth with support from pricing

Lower volumes offset by higher pricing and sales initiatives. Acquisitions add 7% to revenue

## Revenue growth driven by pricing and M&A

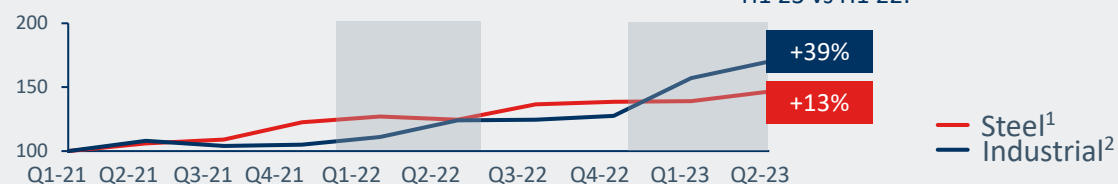
€ million



## Strong pricing dynamics in Industrial segment

Pricing index

Rebased to 100 at 1 Jan 2021



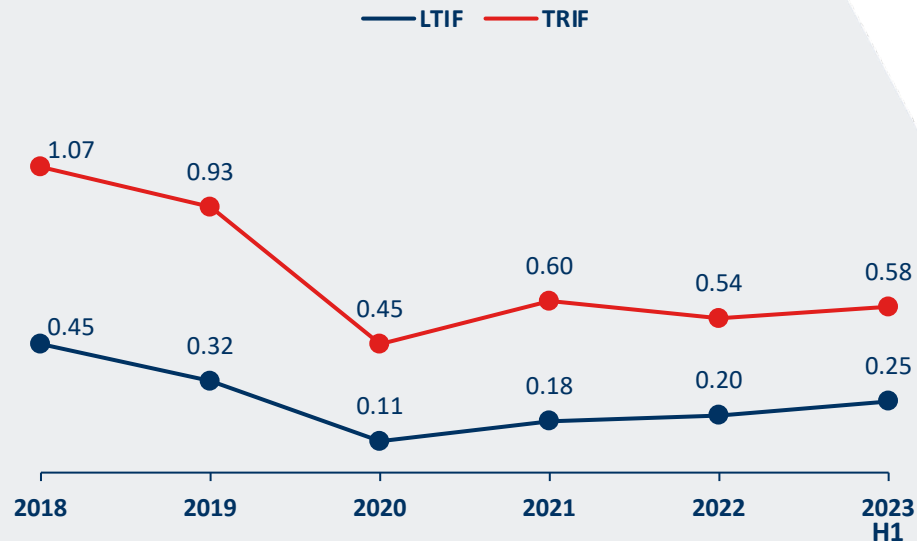
- Underlying organic revenue growth +2%, as market demand weakness globally was offset by higher pricing compared to H1 2022:
  - Steel pricing +13%
  - Industrial pricing +39%
- Customer service and reliability improvements demonstrated by record highs in delivery and satisfaction KPIs
- Plant capacity utilisation kept low at 76% (2022: 83%) to match demand and reduce inventory in base business
  - Lower fixed cost absorption increases unit costs
- Outlook for key end markets remains uncertain, with order books suggesting continued weakness in H2 2023

1.Excluding recycling  
2.Excluding mineral sales

# Health & Safety

A core value at RHI Magnesita

## Improvement in injury rates since 2018



1. Total recordable injury frequency rate per 200,000 hours
2. Lost time injury frequency rate per 200,000 hours

### ◆ Safety indicators remained at a low level:

- LTIF<sup>1</sup> 0.25 (H1 2022: 0.22)
- TRIF<sup>2</sup> 0.58 (H1 2022: 0.62)

### ◆ The rate of lost time injuries increased slightly, mainly due to hand and finger injuries in Q1

### ◆ Ongoing initiatives to improve performance:

- Workplace inductions and safety training for new hires
- “Safety Minutes” and further integration of safety-topics into shift-start meetings
- H&S initiatives launched on World Safety Day, 28 April to accelerate a “Zero harm, no injuries” culture

# Financial highlights

Revenue<sup>1</sup>

€1.7bn

↑ 9%

Adjusted EBITA<sup>1</sup>

€200m

↑ 7%

Adjusted EBITA margin

11.6%

↓ (20)bps

Cash invested in M&A<sup>2</sup>

€208m

↑ H1 2022: €18m

Adjusted operating cash flow<sup>3</sup>

€228m

↑ H1 2022: €(84)m

Cash conversion

114%

↑ H1 2022: (45%)

Working Capital  
intensity<sup>4</sup>

26.0%

↓ 3.3ppt

Pro forma Net debt to  
Adjusted EBITDA<sup>5</sup>

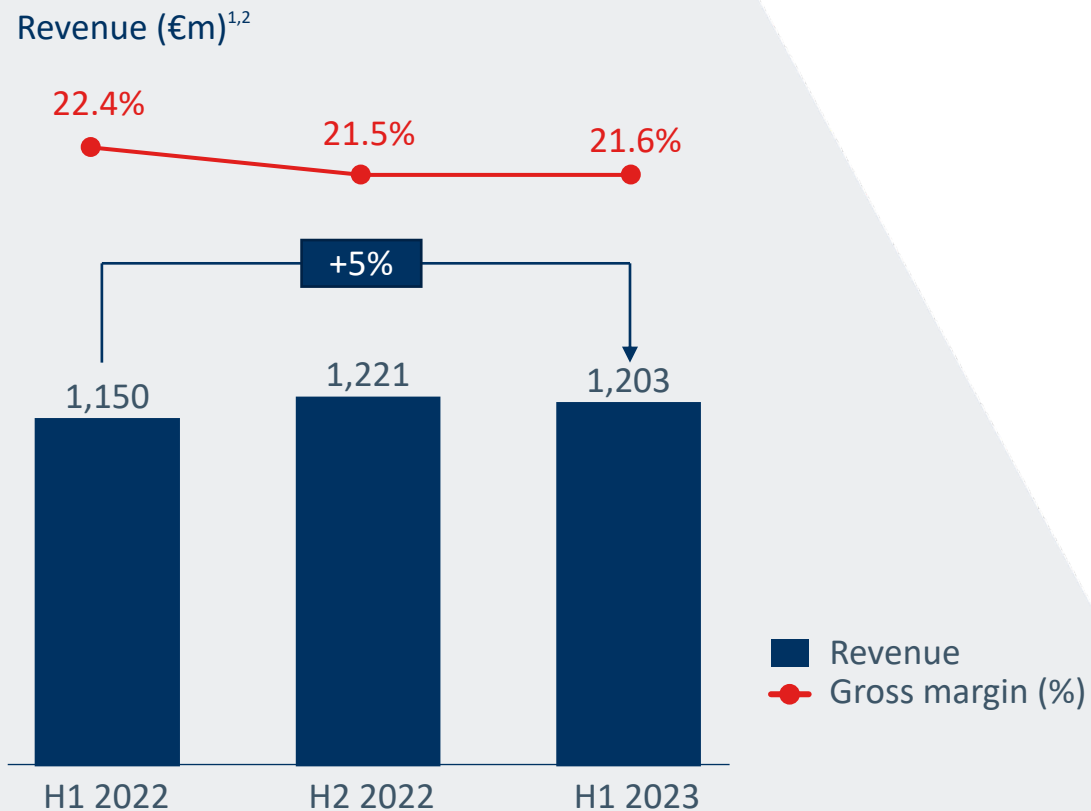
2.1x

↓ 0.6x

1. Denoted on a reported basis.
2. Includes cash consideration of €185 million and working capital investments in acquired businesses of €23 million.
3. Adjusted operating cash flow comprises Adjusted EBITDA, plus changes in working capital and other assets/liabilities less capex.
4. Working capital intensity is stated after working capital financing of €310m and is calculated using L3M annualised revenue of €3,622 million.
5. Includes IFRS 16 Leases of €70m and pro forma 12 month EBITDA contribution from recently acquired businesses prior to acquisition date.

# Steel business overview

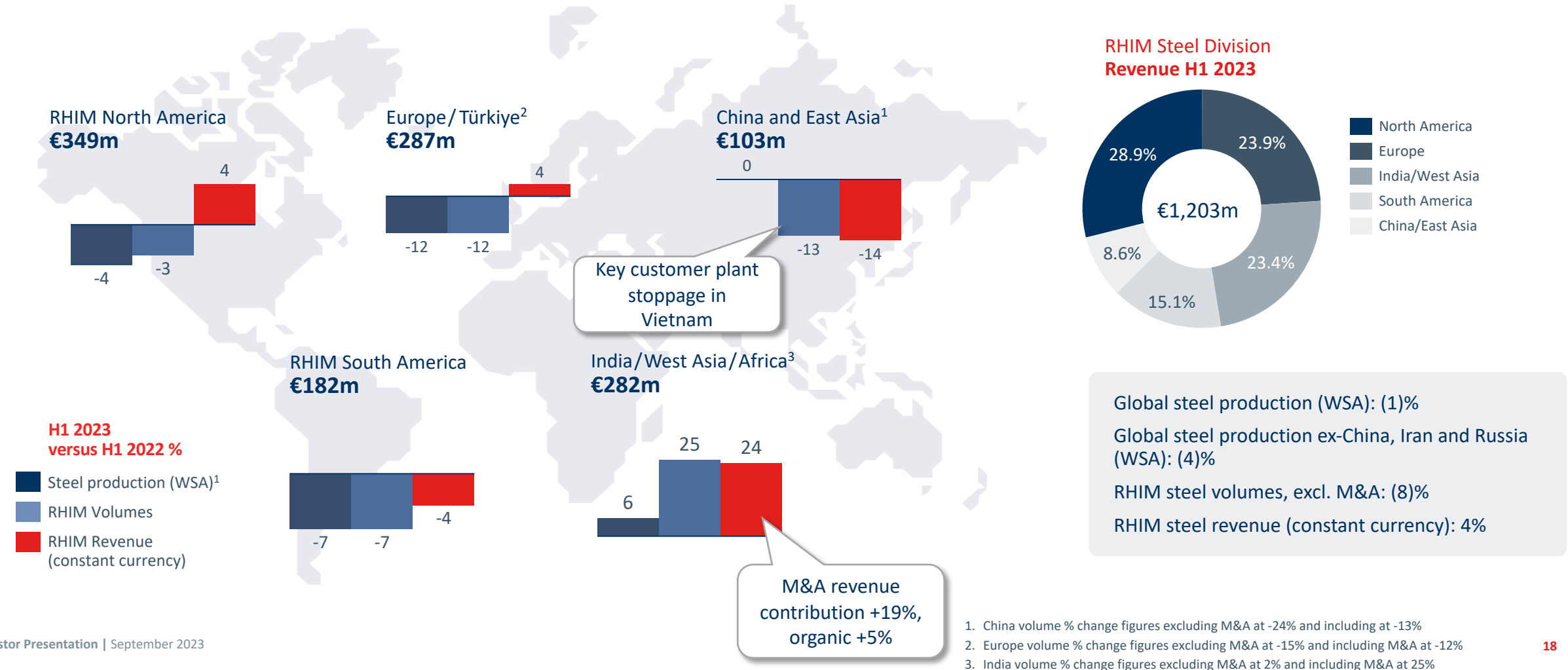
Resilient gross margin as price increase implementation balances out impact of higher unit costs



- Steel revenue increased by 5% to €1,203 million and by 5% in constant currency
- RHIM steel volume excluding recycling and M&A reduced by 8%, broadly in line with market demand
  - WSA global steel production excluding China, Iran and Russia reduced by c.4%
- Group steel gross margin 80bps lower compared to H1 2022 and flat on H2 2022
  - Prices 13% higher but offset by lower fixed cost absorption, due to reduced production volumes

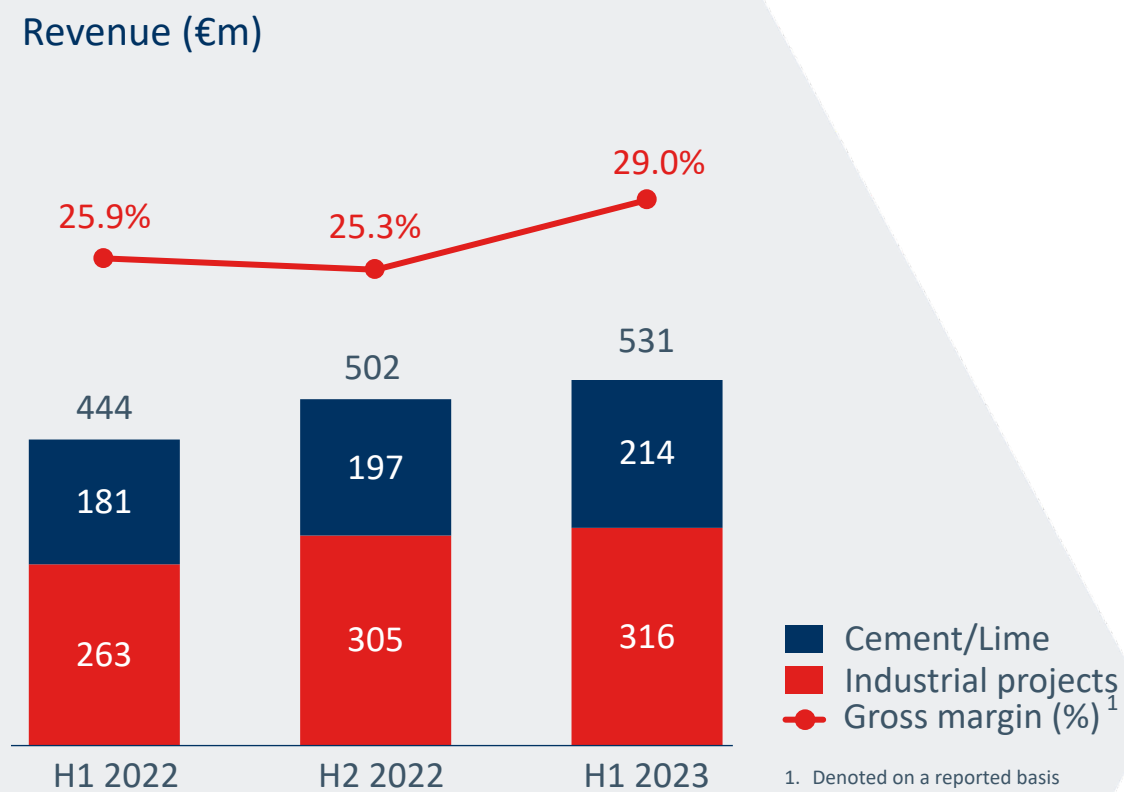
# Steel division performance by region

Volumes in line with market except in East Asia. Higher pricing and M&A drives revenue gains in Europe, US and India



# Industrial business overview

High gross margin of 29.0% due to pricing recovery

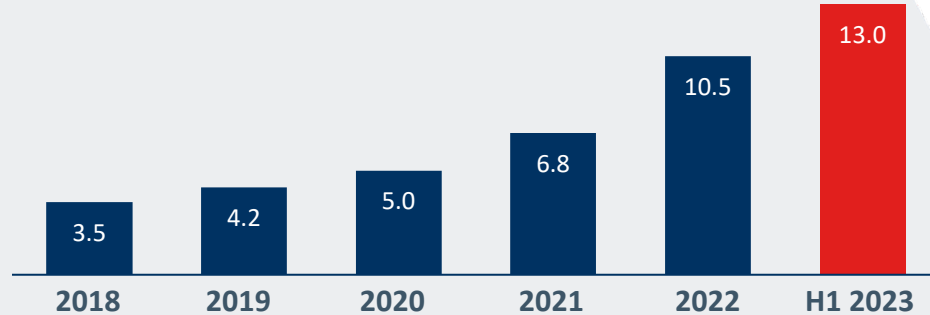


- ◆ Industrial division revenue including minerals sales increased by 20% to €531 million, +21% constant currency
  - Gross margin 310bps higher versus H1 2022
- ◆ Strong performance in Cement and Lime
  - Significant pricing recovery +32% offset weaker volumes
  - Volume decline was in line with lower market demand, driven by subdued end markets, particularly construction
- ◆ Strong performance in Industrial Projects, with higher prices offsetting slightly softer volumes
  - Material price recovery in NFM (+34%) and Process Industries (+37%)

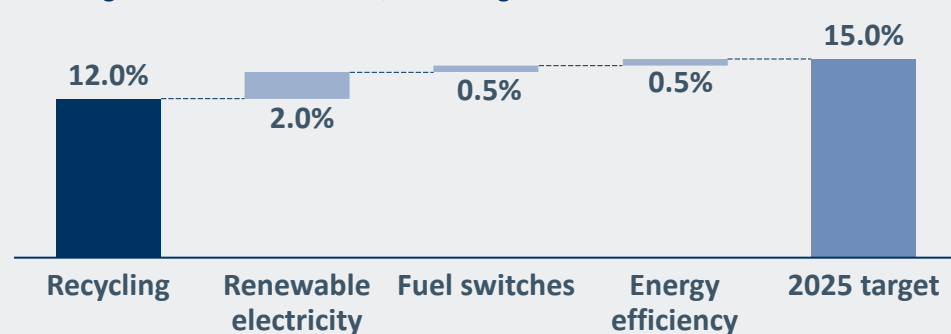
# Sustainability leadership

Recycling of reclaimed refractories is making a major contribution to reducing CO<sub>2</sub> emissions

**Use of secondary raw material**  
% of total raw material used



**CO<sub>2</sub> emissions intensity savings target**  
% savings versus 2019 baseline, 2025 target 15% reduction



- ◆ Proportion of secondary raw materials increased to 13.0% (FY 2022: 10.5%)
- ◆ Our recycling activities since 2018 have avoided the emission of 1.1 million tones of CO<sub>2</sub>
- ◆ Recycling has already delivered 12% of the 15% CO<sub>2</sub> intensity reduction targeted by 2025, with remainder to be achieved through further recycling, fuel switches, renewable electricity and energy efficiency
- ◆ ESG ratings recognise our progress
  - EcoVadis Gold, 72 (2022: Gold, 69)
  - CDP A- (2022: B)
  - MSCI AA (2022: AA)
  - Sustainalytics 25 (2022: 25)<sup>1</sup>

# M&A update



# M&A strategy gaining momentum

Eight acquisitions completed over 20 month period in key target geographies and product segments

## Europe/Türkiye



### Non-basic

Consideration: €90m  
Announced: Apr 23  
Closed: Jul 23



### Recycling

Consideration: €13m  
Announced: Mar 22  
Closed: May 23



### Industrial

Consideration: €46m  
Announced: Oct 21  
Closed: Sep 22



### Lances/pre-casts

Consideration: €13m  
Announced: Mar 23  
Closed: Apr 23

## China



### Non-basic

Consideration: €5m  
Announced: Feb 21  
Closed: Dec 21



### Flow Control

Consideration: €40m  
Announced: Jan 23  
Closed: May 23

## India



### Industrial

Consideration: 27m RHIM  
India shares  
and €55m<sup>1</sup>  
Announced: Nov 22  
Closed: Jan 2023



### Flow Control

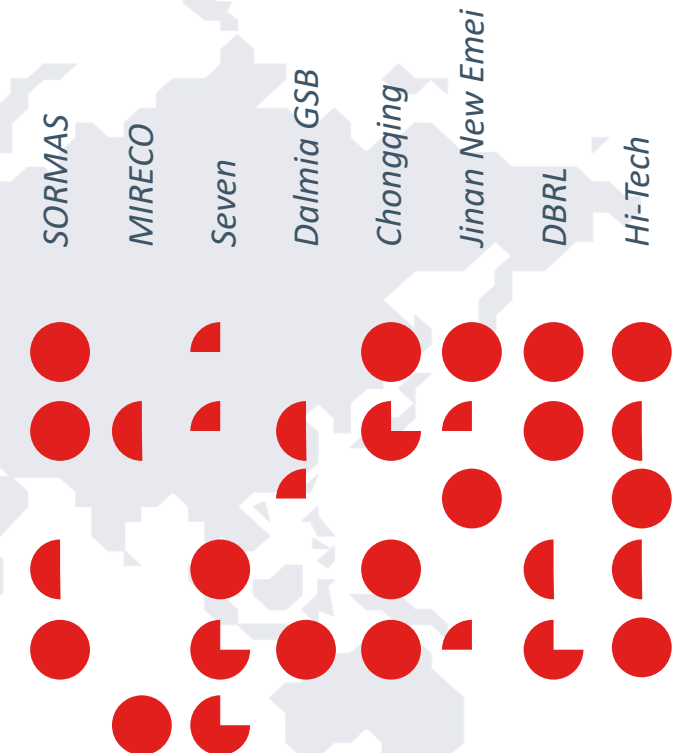
Consideration: €86m  
Announced: Oct 22  
Closed: Jan 23

# Industry consolidation opportunity

RHI Magnesita is building a clear global leadership position in the refractory industry

- M&A consolidation strategy is focused on geographic and product segments where the Group is under-represented
- Eight acquisitions completed since Dec 2021 and pipeline of future prospects
- Significant cost and revenue synergies, network optimisation and product range benefits identified
  - Major step forward in India, the world's fastest growing refractory market
  - Flow control growth in key target geographies of India and China
  - Potential to roll-out highly successful Seven Refractories business model globally
- Targeting synergies of 30-50% of pre-acquisition EBITDA

- ✓ **Growth in under-represented geographies**
- ✓ **Network or logistics synergies**
- ✓ **Flow control growth**
- ✓ **Alumina based refractories (non-basic)**
- ✓ **Complementary product offering**
- ✓ **Sustainability leadership**



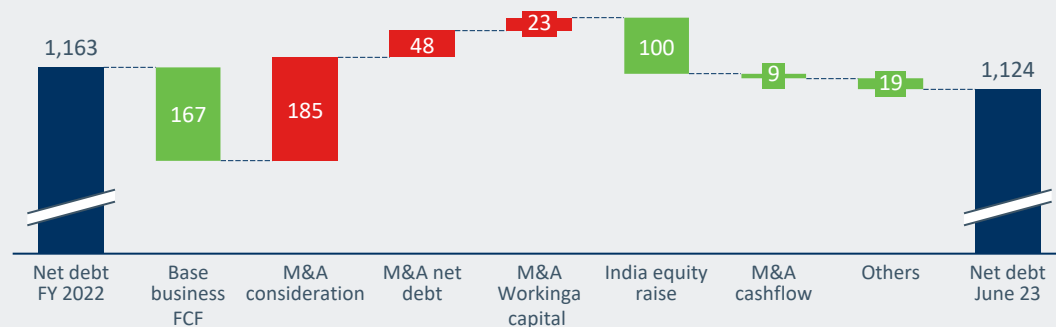
# M&A financials

Acquisitions fully funded by free cash flow and India equity raise

- €208 million of cash outflow on M&A in H1 2023:
  - €185 million cash consideration
  - €23 million working capital investments
- €48 million of net debt consolidated on acquisition
- €90 million further cash payable in H2
- Acquisitions<sup>1</sup> contributed €19 million EBITDA in H1 2023, full year guidance increased to c.€40 million

## Deleveraging whilst executing M&A strategy

Group net debt bridge 31 Dec 22 – 30 June 23, €m

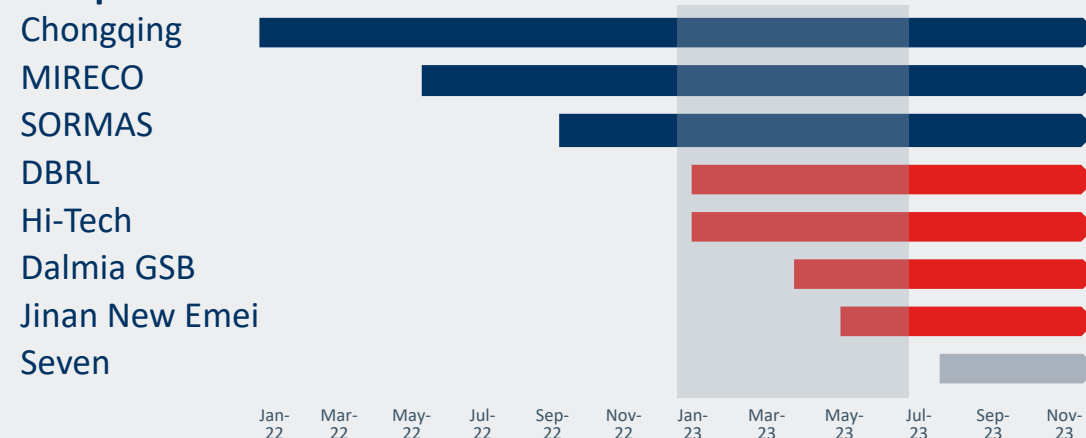


## 2023 EBITDA from M&A - guidance increased to €40m<sup>1</sup>

Previous guidance for full. year 2023 was €25-30 million



## Completion dates



# Financial Review



# Profit and loss summary

Higher revenue and EBITA offset at EPS level by increased finance charges, including FX

€m	H1 2023	H1 2022 <sup>1</sup>	Change
Revenue	1,734	1,594	9%
Gross profit	414	373	11%
Gross margin (%)	23.9%	23.4%	50bps
<b>Adjusted EBITA</b>	<b>200</b>	<b>188</b>	<b>7%</b>
Adjusted EBITA margin (%)	11.6%	11.8%	(20)bps
Adjusted finance charges <sup>2</sup>	(41)	(19)	116%
Adjusted Profit before tax	159	169	(6)%
Adjusted effective tax rate	23.8%	24.0%	(20)bps
Adjusted Tax	(38)	(41)	(7)%
Adjusted Profit after tax	121	129	(6)%
<b>Adjusted EPS (€)</b>	<b>2.53</b>	<b>2.58</b>	<b>(2)%</b>
<b>Dividend per share (€)<sup>3</sup></b>	<b>0.55</b>	<b>0.50</b>	<b>10%</b>

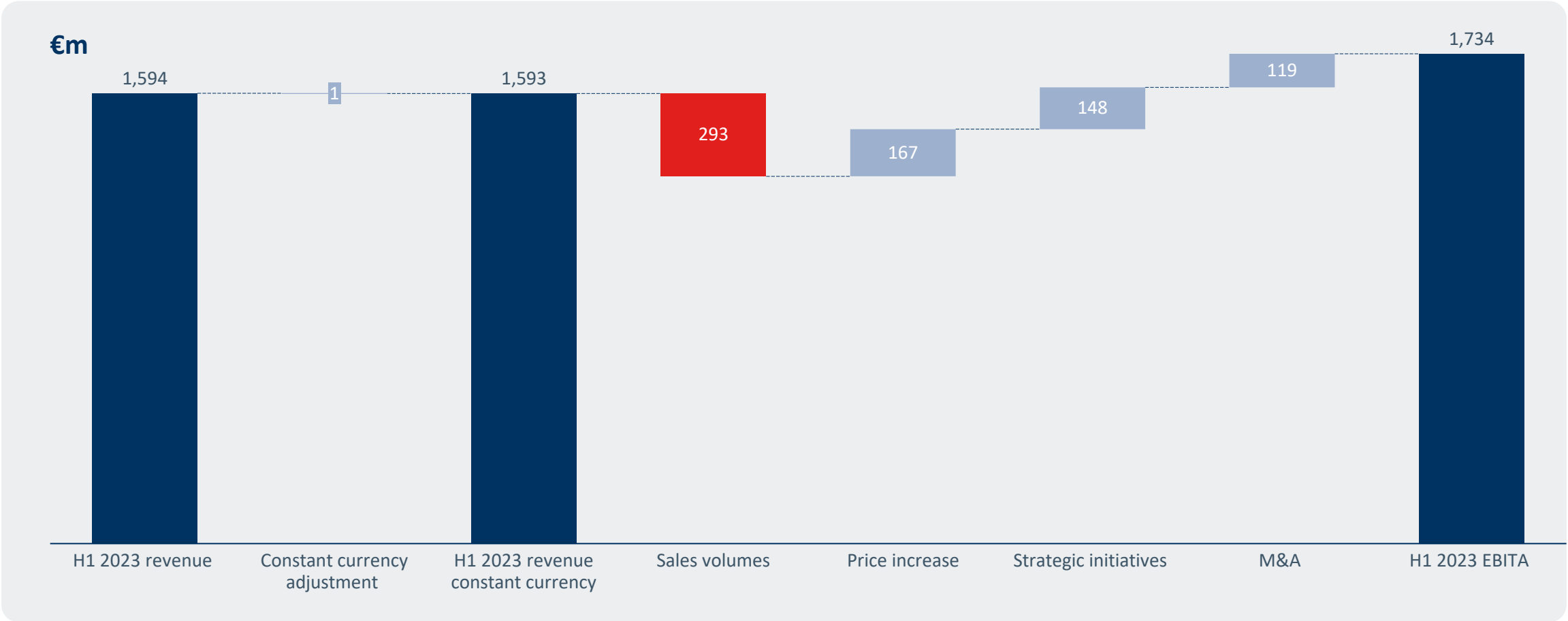
1. Denoted on a reported basis

2. Finance charges adjustment of €10 million

- Gross profit increased to €414 million (H1 2022: €373 million) as price increases and lower input costs were offset by reduced fixed cost absorption from lower volumes
- Adjusted EBITA +7% to €200 million, margin decreased slightly to 11.6% (H1 2022: 11.8%), but higher than original guidance for around 10% EBITA margin
- Adjusted profit after tax declined by 6% despite increase at EBITA level, due to foreign exchange movements and higher net interest costs, as guided
- Adjusted tax rate of 23.8% compared to 24.0% in H1 2022, in line with guidance
- Interim dividend of €0.55 per share declared in line with policy

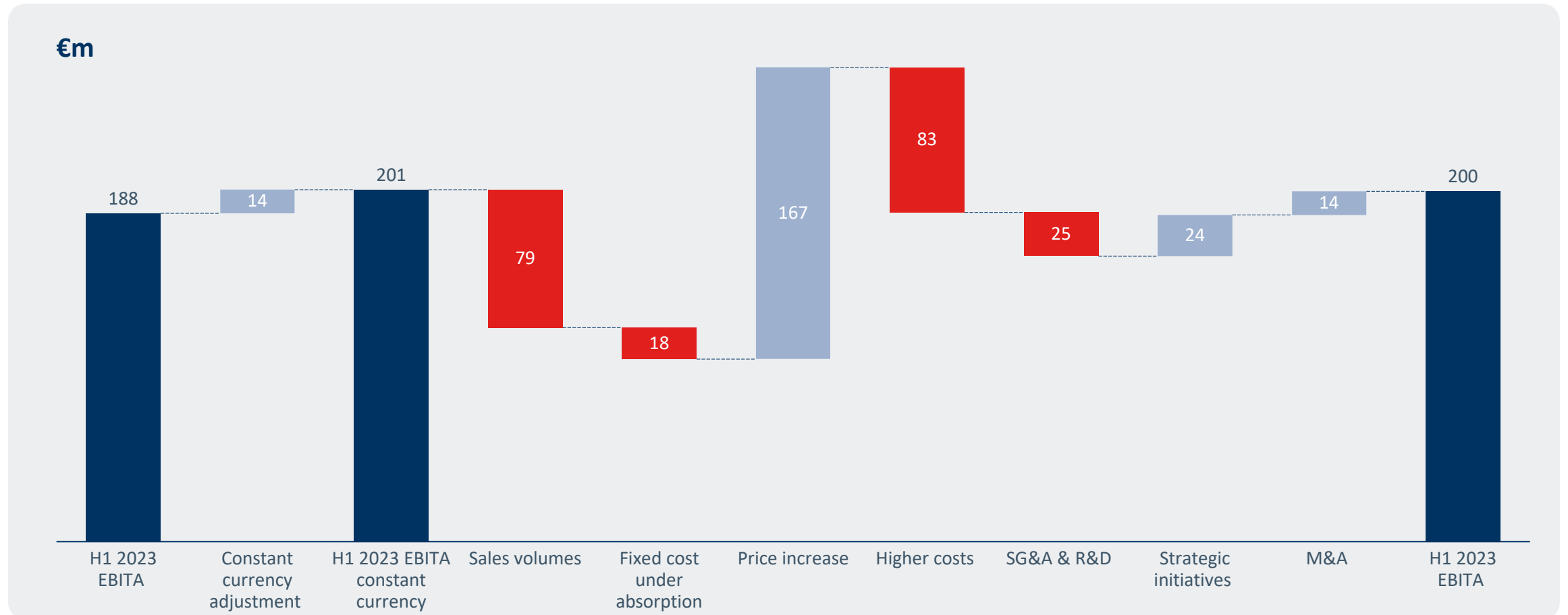
# H1 2023 revenue bridge

Revenue growth of 9% delivered as price increases, strategic initiatives and M&A contribution exceed sales volume reduction



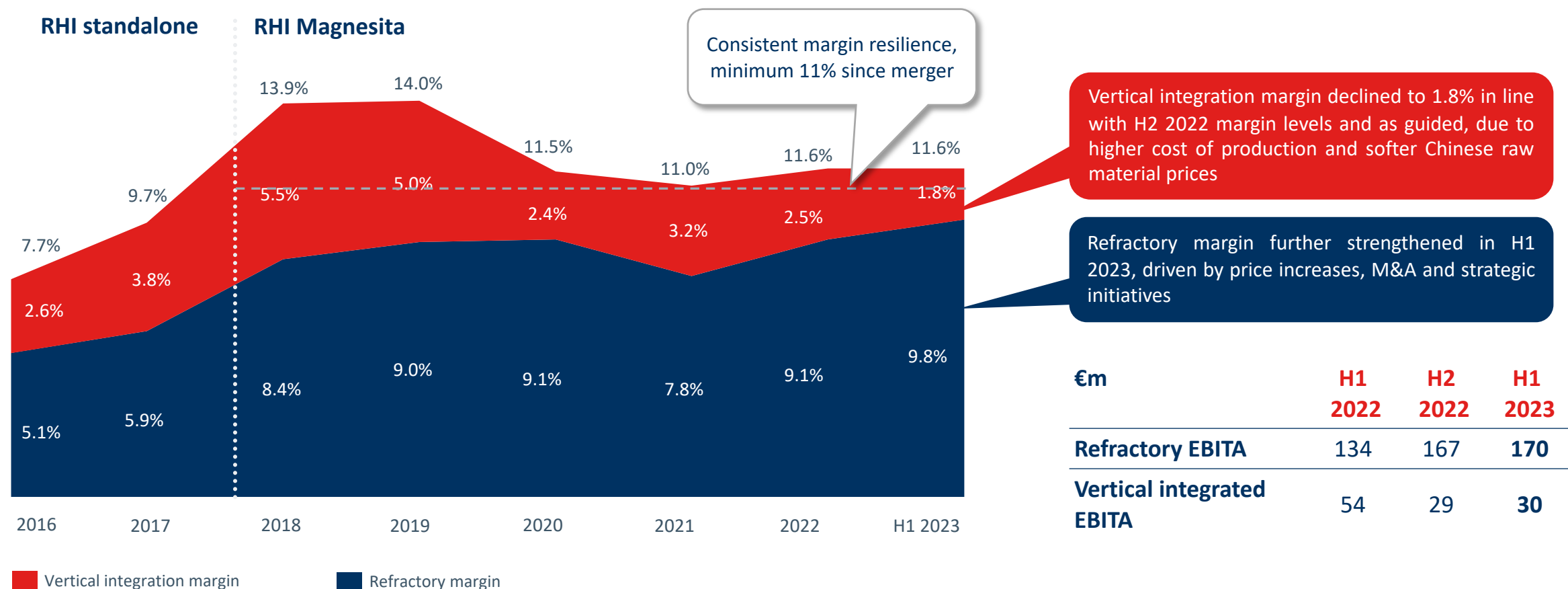
# H1 2023 EBITA bridge

EBITA broadly flat adjusted for currency as pricing, M&A and strategic initiatives offset lower volume and higher costs year on year



# Record refractory margin of 9.8%

Vertical integration margin contribution temporary lower at 1.8% due to lower global raw material prices and higher costs of production for RHIM sites

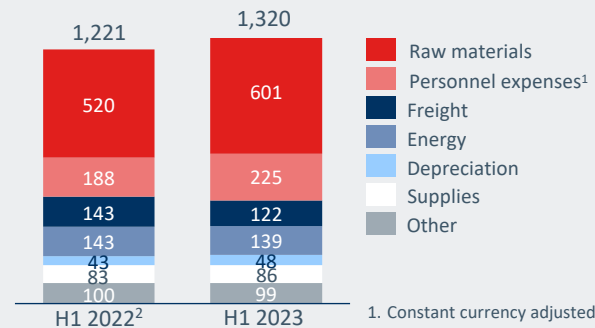


# Cost outlook

Input cost inflation easing but fixed cost absorption impacted by low production volumes

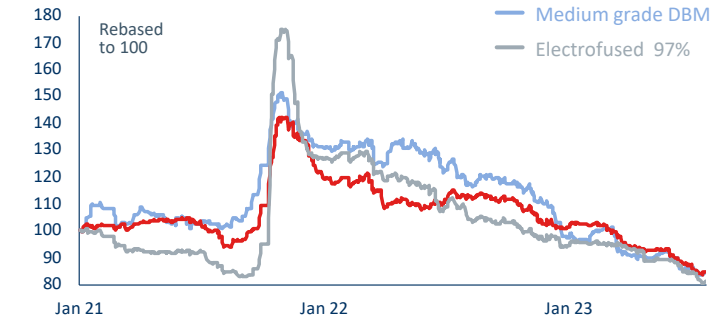
## Cost of goods sold

Absolute COGS +8%, shipped volumes -9%



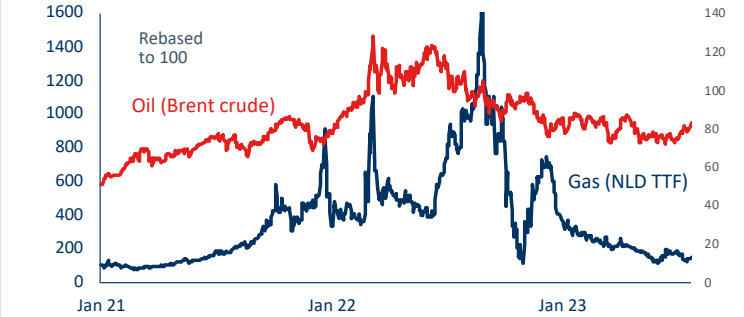
## Raw materials

DBM prices softening since Q1 22



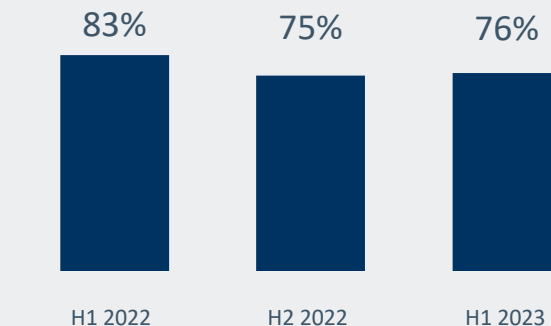
## Energy

Gas prices normalised, oil price remains elevated



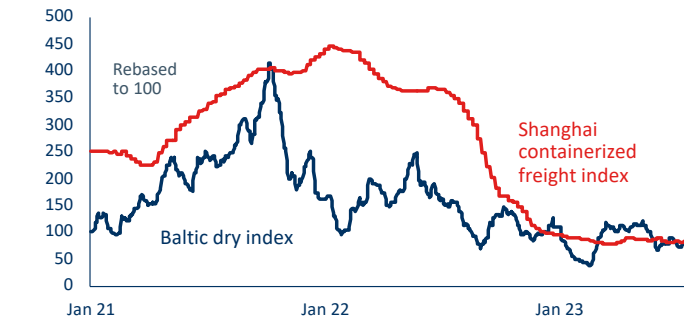
## Plant utilization rate

Low production volumes impact unit costs



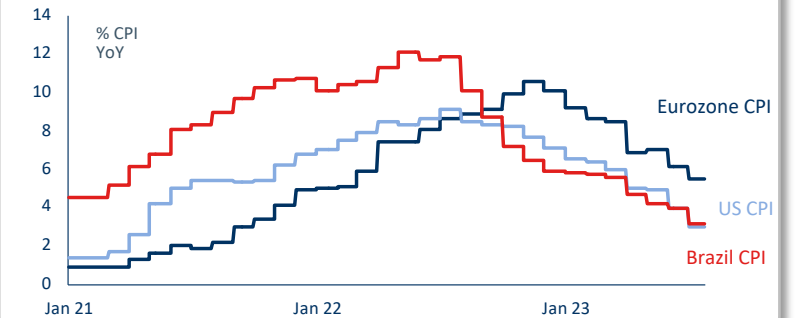
## Freight

Sea freight cost indices have reduced back to 2020 levels



## Wages

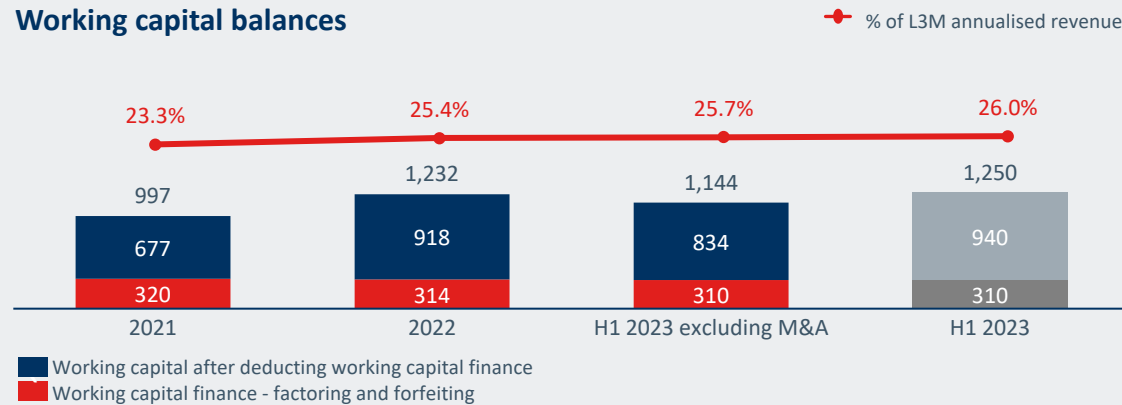
Consumer price inflation appears to have peaked in key regions



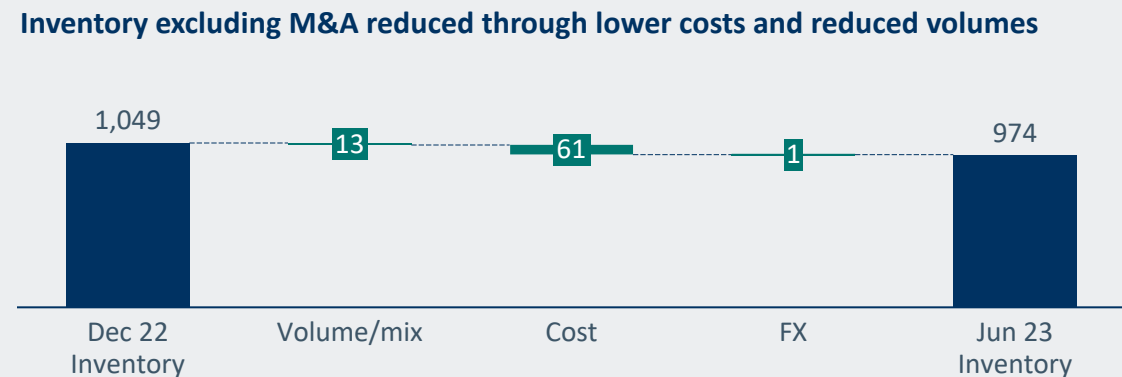
# Working capital

Disciplined reduction in inventory and receivables drives release of working capital in base business since FY 2022

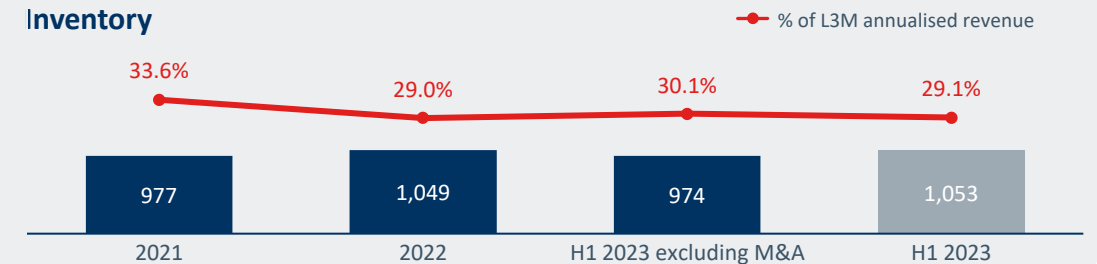
## Working capital balances



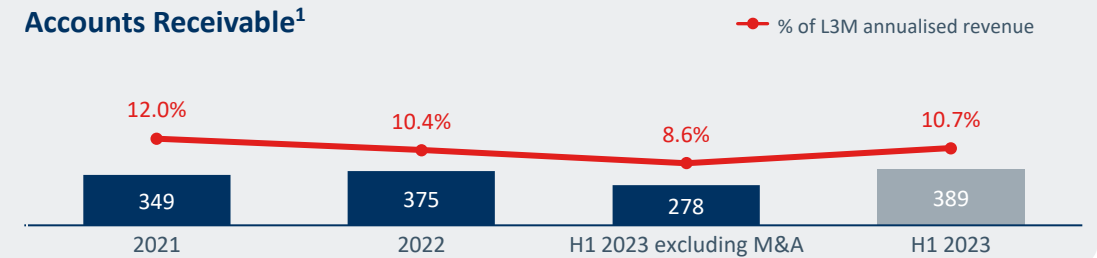
## Inventory excluding M&A reduced through lower costs and reduced volumes



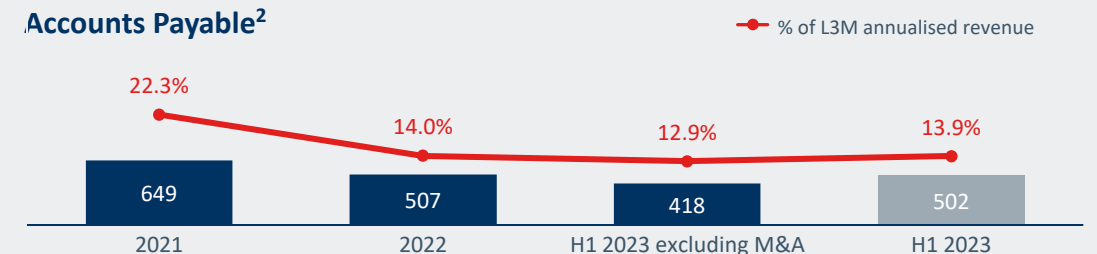
## Inventory



## Accounts Receivable<sup>1</sup>



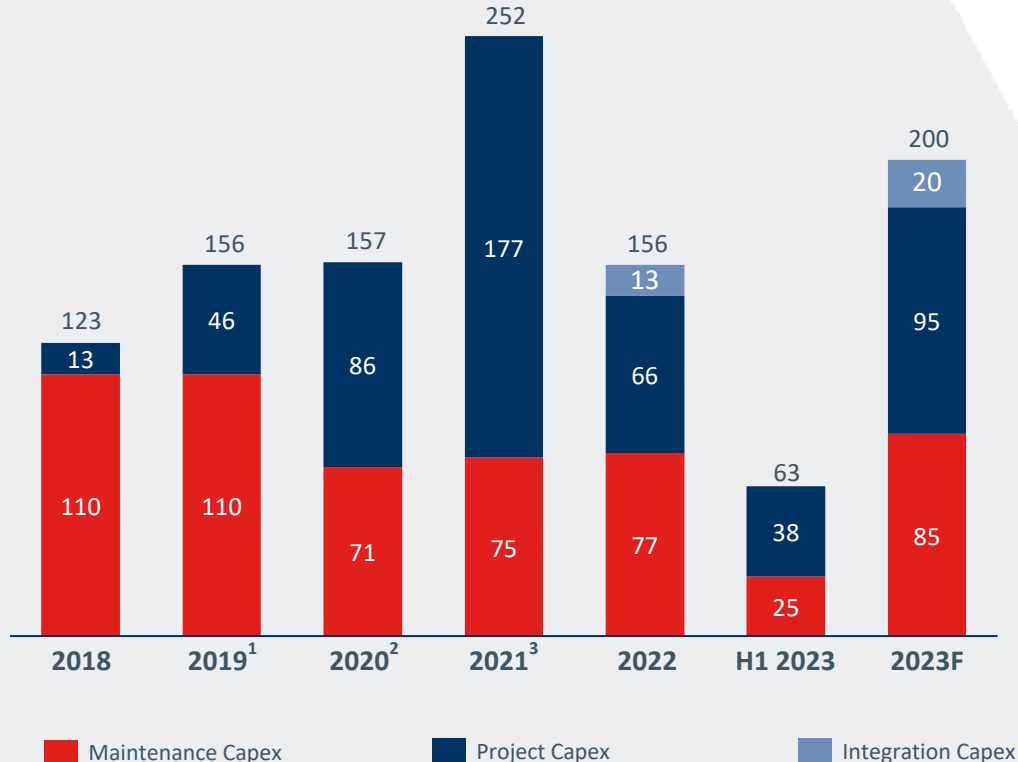
## Accounts Payable<sup>2</sup>



# Capital expenditure

2023 capex weighted towards H2 due to timing of payments and completion of Production Optimisation Plan

Capital expenditure (€m)



● 2023 capex of €200 million comprises:

- €85 million maintenance capex (prior guidance)
- €75 million expansionary capex (prior guidance)
- €20 million additional maintenance and integration capex on recent acquisitions
- €20 million of project capex moved into 2023, to complete:
  - Brumado, Brazil rotary kiln
  - Chongqing, China JV Alumina plant
  - Radenthein MES

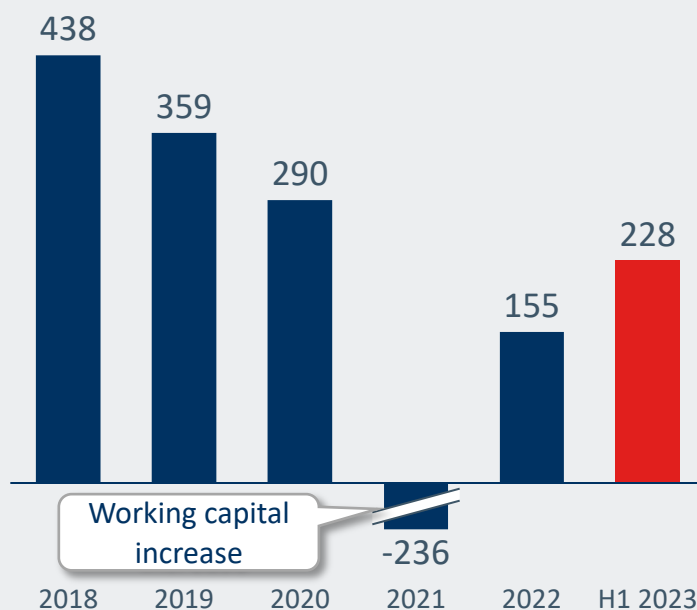
● 2024 capex to return to lower levels of c.€130 million plus €30 million of M&A related capex (total €160 million)

1. Excludes €5 million in severance costs (cash impact)
2. Excludes €40 million in severance costs (cash impact)
3. Excludes €29 million in severance costs (cash impact)

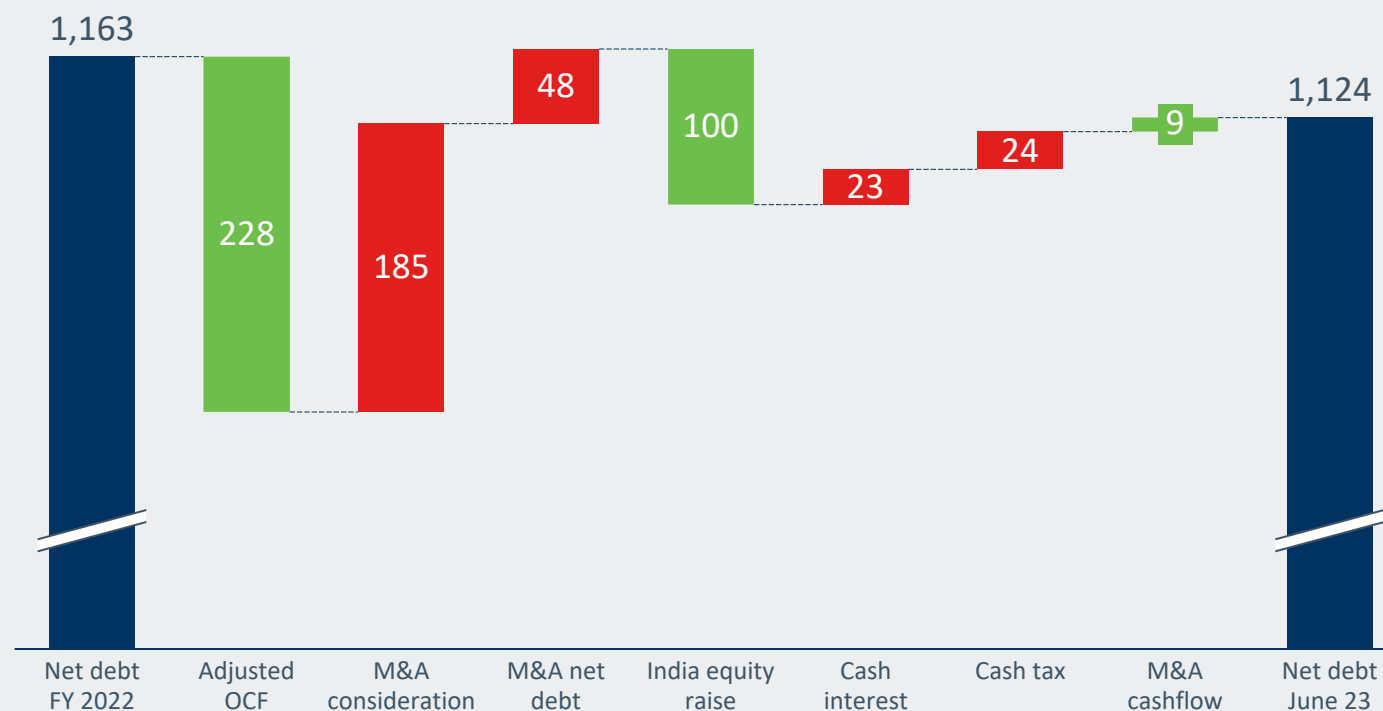
# Strong cash flow generation in H1 2023

H1 2023 adjusted operating cashflow of €228m exceeded full year 2022

Adjusted operating cash flow (€m)<sup>1</sup>



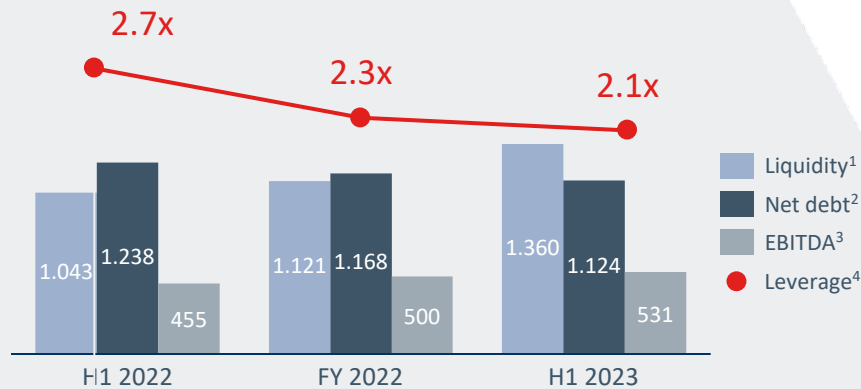
Notes: 1) 2018 through 2021 adjusted operating cashflow metric based on definition used in the year of reporting



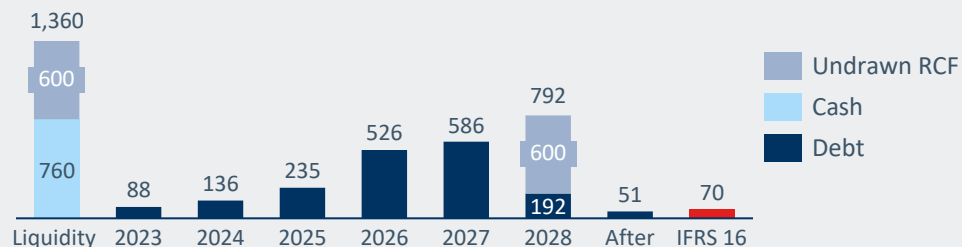
# Gearing reduced due to higher EBITDA and cash flow

Acquisitions funded by operating cash flow and India equity raise, Group retains €1.4 billion of liquidity

## Net debt and liquidity (€m)



## Debt amortisation profile (€m)<sup>5</sup>



- ◆ Pro forma leverage of 2.1x<sup>4</sup> significantly reduced from H1 2022 (2.7x) and is within new target gearing range
- ◆ Leverage is expected to remain above 2.0x during 2023
- ◆ Total cash spent on M&A in H1 2023 €208 million, including working capital investments
- ◆ The Group has significant available liquidity of €1,360 million (H1 2022: €1,043 million) and a long-dated amortisation profile, with average cost of debt of c.292bps including swaps and 66% fixed rates
- ◆ Acquisition of Seven Refractories completed in July, resulting in €90 million additional cash outflow on M&A in H2

1. Includes €600m undrawn RCF, matures in 2028.  
2. Includes IFRS 16 leases of €70m – net debt excluding leases is €1,054m for H1 2023.  
3. Adjusted L12M EBITDA of €531, which includes €12m pro forma M&A contribution  
4. Includes IFRS 16 Leases of €70m and pro forma 12 month EBITDA contribution from recently acquired businesses prior to acquisition date.  
5. €58m of 2023 maturities are rollable into 2024.

# Summary & outlook



# Trading outlook and 2023 guidance

## Pricing resilient but outlook uncertain

- Outlook for key end markets remains uncertain, with order books suggesting continued weakness into the second half
- Pricing currently resilient but competitive pressure expected in the remainder of the year
- Benefit of lower input costs expected to be offset by reduced fixed-cost absorption due to low production volumes
- Full year Adjusted EBITA margin now expected to be 10.5% to 11.5%, delivering full year Adjusted EBITA including M&A of at least €360 million
- Net debt to EBITDA expected to remain above 2.0x at FY 2023 as the Group further executes on its M&A pipeline

1. Includes c.€10m from M&A

2. Cumulative EBITA benefit from cost initiatives: €85 million (reduced from €110m) and cumulative EBITA benefit from sales initiatives: c.€40 - 60m

3. Guidance excludes any impact from FX e.g. balance sheet translation and derivatives

4. Comprises Net interest expense c.€(40)m and Other net interest expenses c.€(25)m (including pension expense, present value adjustments, factoring costs, non-controlling interest expense)

5. Capital expenditure comprises c.€85m maintenance capex, €95m project capex and c. €20m M&A

6. Defined as working capital as a percentage of L3M of annualised revenue and includes factoring and forfeiting

P&L guidance	2023F <i>new</i>	H1 2023 actual
<b>Revenues</b> (i) Volumes	Continued weak volumes	9% lower excl. M&A
<b>Revenues</b> (ii) Pricing	Pressure in H2	11% higher due to pricing
Depreciation	€130m <sup>1</sup>	€64m
Incremental EBITA from strategic initiatives <sup>2</sup>	c.€25m	€24m
EBITDA from recent M&A	€40m	€20m
Adjusted EBITA margin	c.10.5-11.5%	11.6%
Adjusted EBITA	At least €360m	€200m
Amortisation	€33m	€22m
Finance charges (excluding FX)	c.€65m <sup>3,4</sup>	€26m
Adjusted tax rate	23 – 25%	23.8%

Balance sheet and cash flow	2023F (New)	H1 2023 actual
Capital expenditure	€200m <sup>5</sup>	€63m
Working capital intensity <sup>6</sup>	c.25%	26.0%
Gearing	Above 2.0x	2.1x pro forma

# RHI Magnesita is executing on its strategy

Production Optimisation Plan substantially complete, M&A consolidation phase now underway

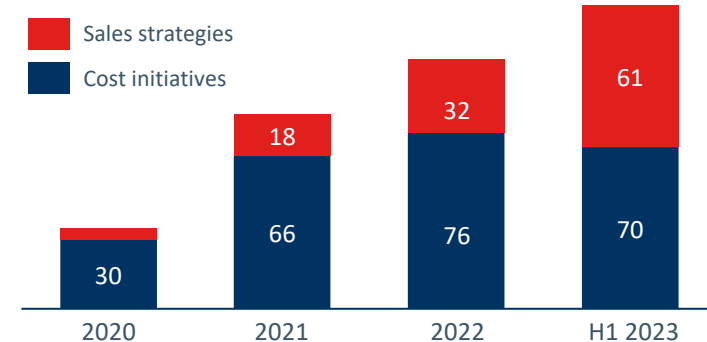
RHI Magnesita has:

- ✓ Transformed its cost base and production network, achieving the targeted cumulative contribution to EBITA set in 2019
- ✓ Delivered for its customers through periods of acute volatility
- ✓ Maintained stable margins and strong operating cash flow generation through major downturns
- ✓ Executed on its M&A ambitions
- ✓ Demonstrated sustainability leadership

We will continue to progress the transformation of our business and the delivery of our strategy

- Organic expansion in target geographies and product segments
- Further M&A in a still fragmented market
- Maintain our heat management and sustainability leadership position

## EBITA from strategic sales and cost initiatives



## 2022-23 M&A



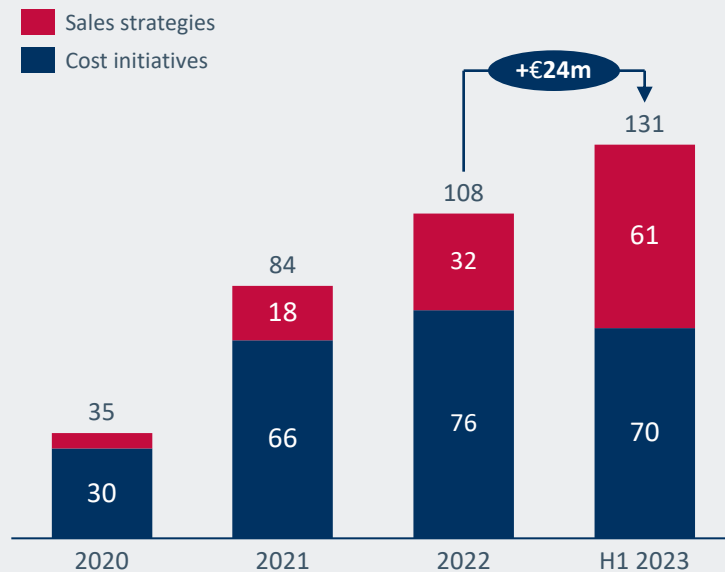
## 3. Appendix

# Strategic initiatives

Target cumulative run-rate EBITA savings of €125-145 million achieved in H1 2023

## Cumulative EBITA improvement

€ million<sup>1</sup>



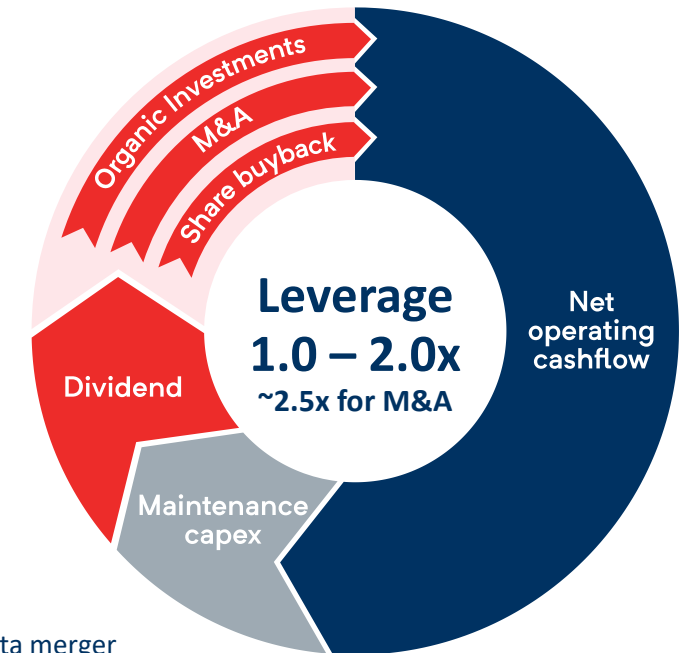
1. Cumulative improvement measured from 2019
2. 2020 benefited from the one off fixed-cost reduction of €50 million, taken as mitigating measures against the impact of COVID-19 and this has been excluded from the EBITA improvement shown in the chart, including €7 million to be maintained into 2021 in the form of lower depreciation.
3. Cost saving initiatives include the €15 million benefit from the Operational turnaround

- Production Optimisation Programme substantially complete outside Brazil
  - Final stages of Radenthein, Austria, Manufacturing Enterprise System installation
  - Modernisation and expansion of Urmitz, Germany complete
  - Hochfilzen expansion complete
  - York capacity increase and automation complete
  - Kruft, Germany and Sinterco JV, Belgium closed
- Cost savings target was reduced to €85 million in 2023 (from €110 million)
  - Previously communicated suspension of the Contagem project phase 2 and delays at Brumado
  - Mainzlar plant (Germany) to remain open
  - Lower plant loading in 2023 than expected when target defined
- Sales strategies benefits have now exceeded the targeted range of €40-60 million, supported by strong inflationary / pricing environment

# Capital allocation framework

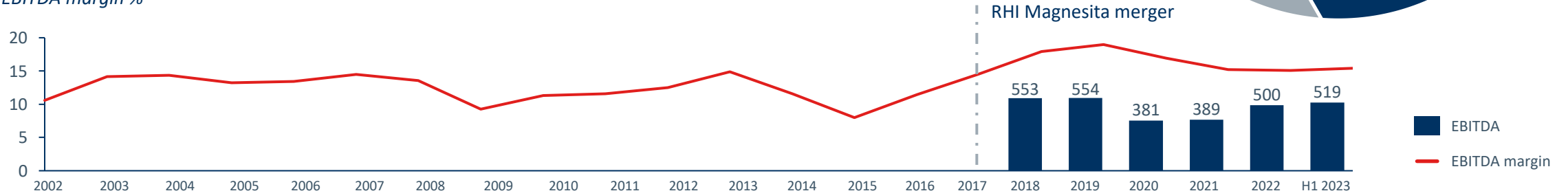
After maintenance capex and dividend, M&A, organic investments and buybacks compete for capital

- Leverage target 1.0– 2.0x and up to around 2.5x for compelling M&A opportunities
- Strong M&A pipeline presents opportunity to accelerate consolidation of the refractory industry
- Resilient margins and profitability through the cycle support higher gearing
- Maintaining higher levels of working capital improves supply reliability for customers and supports market share gains



## Resilient margins through the cycle

EBITDA margin %



# Cash flow reconciliation

€m	H1 2023	H1 2022
Adjusted EBITDA	265	245
Share based payments - gross non-cash	4	4
Working capital changes	41	(267)
Changes in other assets and liabilities	(18)	(9)
Investments in PPE	(63)	(58)
<b>Adjusted operating cash flow</b>	<b>228</b>	<b>(84)</b>
Income taxes paid	(24)	(36)
Cash effects of other income/expenses and restructuring	(14)	(12)
Net interest paid/received	(23)	(12)
Net derivative cash inflow/outflow	3	(4)
Investment in financial assets	(5)	-
Cash inflows from the sale of PPE, IA	2	-
<b>Free cash flow</b>	<b>167</b>	<b>(146)</b>

# Net financial expenses

€m	H1 2023	H1 2022
<b>Net financial expenses</b>	<b>(18)</b>	<b>(10)</b>
Interest income	9	3
Interest expenses	(27)	(13)
<b>FX effects</b>	<b>(15)</b>	<b>4</b>
Balance sheet translation	(23)	7
Derivatives	8	(3)
<b>Other net financial expenses</b>	<b>(19)</b>	<b>(16)</b>
Present value adjustment on provisions (incl. onerous contract)	(4)	(4)
Factoring costs	(5)	(3)
Pension charges	(5)	(3)
Non-controlling interest expenses	(3)	(3)
Other	(2)	(3)
<b>Total net financial expenses (reported)</b>	<b>(51)</b>	<b>(22)</b>
<b>Adjusted items</b>	<b>10</b>	<b>3</b>
<b>Total net financial expenses (adjusted)</b>	<b>(41)</b>	<b>(19)</b>

# Reconciliation of adjusted earnings

€m	H1 2023 reported	Items excluded from adjusted performance	H1 2023 adjusted	H1 2022 reported	Items excluded from adjusted performance	H1 2022 adjusted
<b>EBITA<sup>1</sup></b>	184	16	200	177	11	188
Amortisation	(22)	22	-	(13)	13	-
Net financial expenses	(51)	10	(41)	(22)	3	(19)
Profit before tax	111	48	159	142	27	169
Income tax	(28)	(10)	(38)	(38)	(2)	(40)
<b>Profit after tax</b>	83	38	121	104	25	129
Non-controlling interest	2	-	2	7	-	7
Profit attributable to shareholders	81	38	119	97	25	122
Shares outstanding <sup>2</sup>	47.0	-	47.0	47.0	-	47.0
<b>Earnings per share (€ per share)</b>	1.71	0.82	2.53	2.06	0.52	2.58

## ◆ Items excluded from adjusted EPS:

- €11 million non-recurring restructuring costs
- €5 million M&A integration costs

1. EBITA reconciled to revenue above.  
2. Total issued and outstanding share capital as at 30 June 2022 was 47,112,047. The Company held 2,365,658 ordinary shares in treasury. The weighted average number of shares used for calculating basic earnings per share in H1 2023 is 47,037,581.  
Numbers may not cast due to rounding.

# Impact of foreign currency movement

## EBITA sensitivity in H1 2023

Appreciation vs EUR			Depreciation vs EUR	
		Increase / (decrease)		Increase / (decrease)
	Unit	in EBITA (€m)	Unit	in EBITA (€m)
<b>USD</b>	-1 cent	2.32	+1 cent	(2.32)
<b>CNY</b>	-0.01 yuan	(0.04)	+0.01 yuan	0.04
<b>BRL</b>	-0.10 reais	(1.22)	+0.10 reais	1.22
<b>INR</b>	-1 rupee	0.68	+1 rupee	(0.68)
<b>TRY</b>	-0.1 lira	(0.01)	+0.1 lira	0.01

## H1 2023 exchange rates

	HY 2023	HY 2023	HY 2023	HY 2022
	Opening Rate	Closing Rate	Average Rate	Average Rate
<b>EUR:</b>				
<b>USD</b>	1.07	1.09	1.08	1.10
<b>CNY</b>	7.42	7.88	7.47	7.11
<b>BRL</b>	5.63	5.28	5.53	5.63
<b>INR</b>	88.26	89.86	88.82	83.37
<b>TRY</b>	20.01	28.31	20.80	15.86

# Return on invested capital

Group ROIC	H1 2023	H1 2022
Invested Capital (€m)	2,973	2,692
NOPAT (€m)	154	139
ROIC (%)	10.4%	10.3%
Vertical integration ROIC	H1 2023	H1 2022
Invested Capital (€m)	454	467
NOPAT (€m)	21	40
ROIC (%)	9.4%	16.9%
Refractory ROIC	H1 2023	H1 2022
Invested Capital (€m)	2,519	2,225
NOPAT (€m)	133	100
ROIC (%)	10.6%	9.0%

# 2023 guidance

P&L	2023 guidance (Previous)	2023 guidance (New)	H1 2023 (Actual)
Revenues (i) Volumes	Up to (5)% lower	Continued weak volumes	9% revenue decline from volumes
Revenues (ii) Pricing	Slight softening	Competitive pressure in H2	11% revenue growth from pricing
Depreciation	€130m <sup>1</sup>	€130m <sup>1</sup>	€64m
Incremental EBITA from strategic initiatives <sup>2</sup>	c.€25m	c.€25m	€24m
EBITDA from recent M&A	€25 – 30m	c.€40m	€20m
EBITA margin	c.10%	c.10.5%-11.5%	11.6%
EBITA	-	At least €360 million	€200m
Amortisation	€33m	€33m	€22m
Finance charges	c.€65m <sup>3,4</sup>	c.€65m <sup>3,4</sup>	€26m
Adjusted tax rate	23-25%	23-25%	23.8%
<b>Balance sheet and cash flow</b>			
Capital expenditure	€200m <sup>5</sup>	€200m	€63m
Working capital intensity <sup>6</sup>	c.25%	c.25%	26.0%
Gearing	Above 2.0x	Above 2.0x	2.1x pro forma

1. Includes c.€10m from M&A

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6. Defined as working capital as a percentage of last three months of annualised revenue and includes factoring and forfaiting

# Group history

## History of RHI Magnesita

- ◆ The history of RHI Magnesita dates back to 1834 and the founding of the Chamottefabrik fireclay factory in Poland (then Prussia)
- ◆ In 1881, the first magnesite deposit was discovered in Veitsch, Austria
- ◆ RHI was formed in 1908 (Austro-American Magnesite Company) following the discovery of a new magnesite deposit in Austria
- ◆ Magnesita was founded in 1939, after the discovery of magnesite deposits in Brumado, Brazil
- ◆ RHI and Magnesita merged in 2017, to form RHI Magnesita, the global leader in the refractory industry with a 15% market share (30% excluding China)

## Listing status and domicile

- ◆ RHI Magnesita maintains a Premium Listing on Main Market of the London Stock Exchange and is a constituent of the FTSE 250
- ◆ Strong commitment and full adherence to the UK corporate governance code
- ◆ The Company is incorporated in the Netherlands

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