



RHI Magnesita

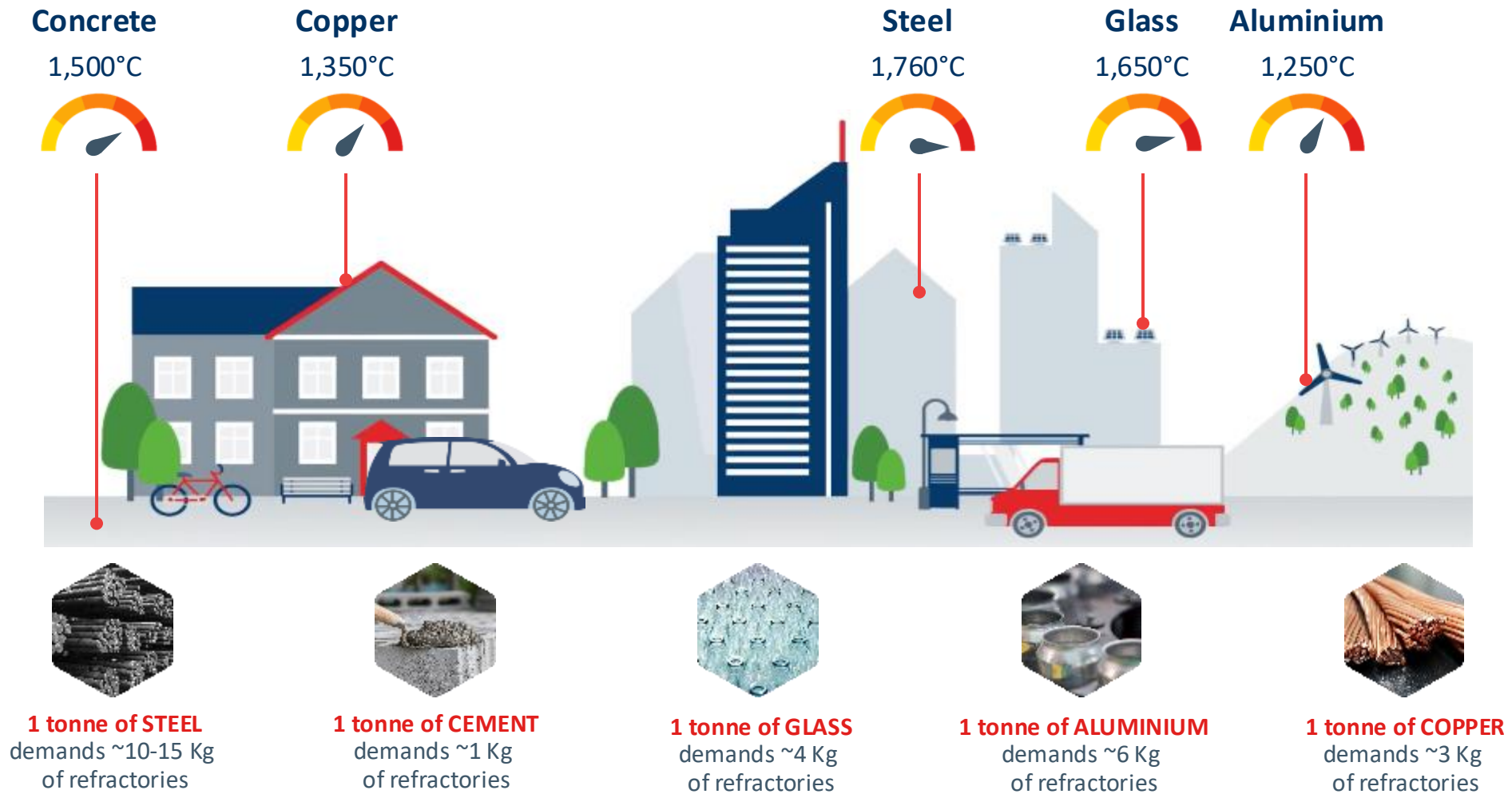
Investor Presentation

November 2024


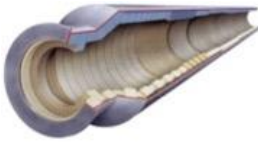
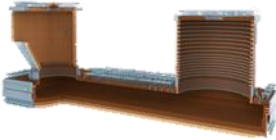
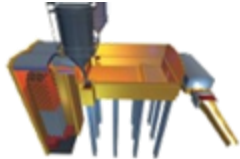
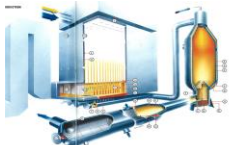
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Refractories are essential for our modern world

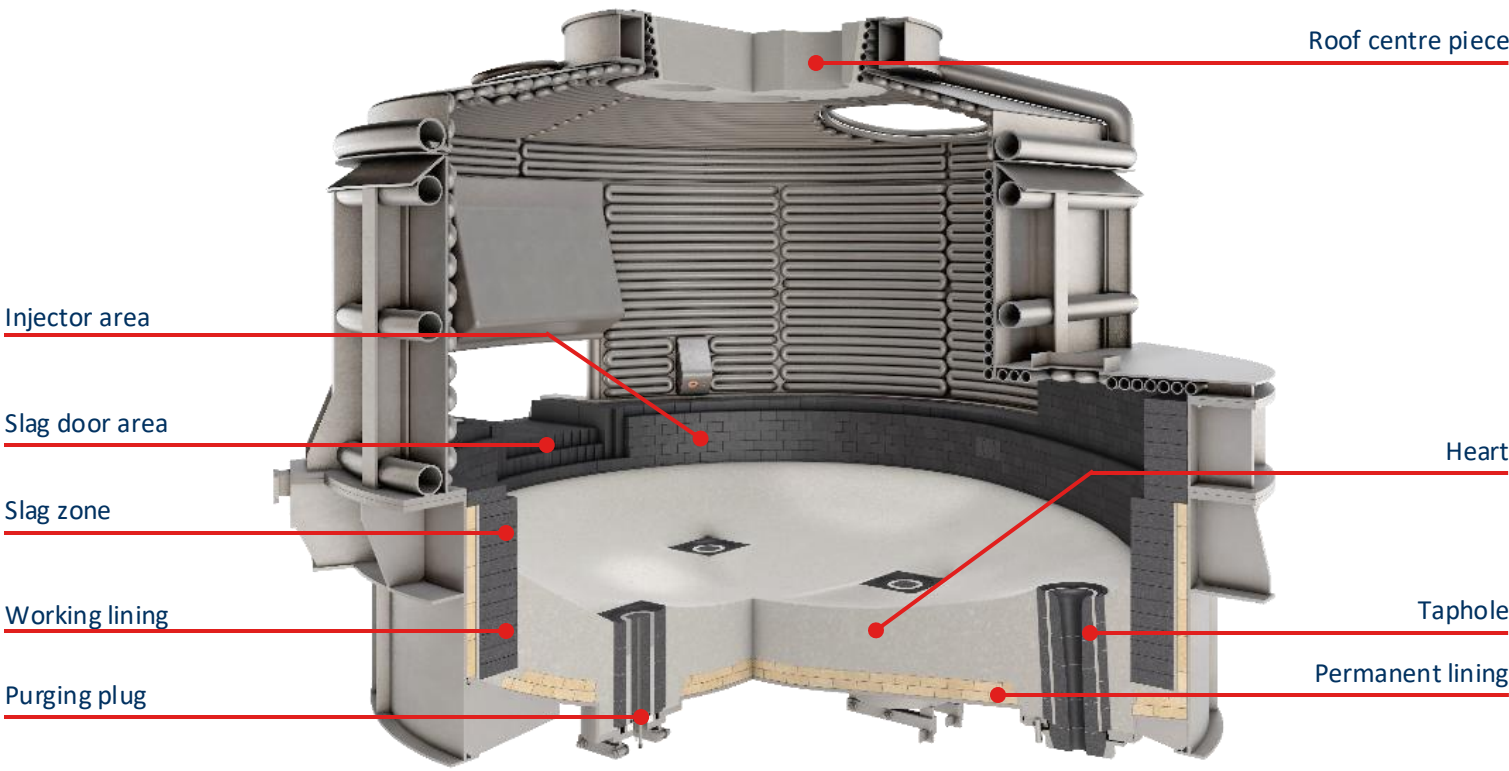


Refractory applications





		Customer industries ¹	Main application	Lifetime and costs	Refractory characteristics
Industrial division Project businesses		Steel 69% of revenues	Basic oxygen furnace, Electric arc furnace, ladles, flow control 	<ul style="list-style-type: none"> 20 minutes to 2 months c.3% of customers' costs 	<ul style="list-style-type: none"> Part of customers' operational expenditure Systems and solutions for complete refractory management Demand correlated to output
		Cement/Lime 12% of revenues	Rotary kiln 	<ul style="list-style-type: none"> Annually c. 0.5% of customers' costs 	
		Non-ferrous metals 8% of revenues	Copper flash smelter 	<ul style="list-style-type: none"> 1 to 10 years c. 0.2% of customers' costs 	<ul style="list-style-type: none"> Part of customers' capital expenditure Longer replacement cycles based on project driven demand Complete lining concepts including refractory engineering Wide areas of application
		Glass² & Energy, Environmental, Chemicals² 9% of revenues	Glass furnace  Secondary reformer 	<ul style="list-style-type: none"> Up to 10 years c. 1% of customers' costs 5 to 10 years c. 1.5% of customers' costs 	

Leading global supplier of refractories

Example - Electric Arc Furnace (“EAF”) refractories



Key product ranges

<p>Bricks</p> <p>63% of product revenue</p> <p>Average selling price c.€1,500 per tonne</p> 	<p>Mixes</p> <p>25% of product revenue</p> <p>Average selling price c.€900 per tonne</p> 
<p>Flow control</p> <p>12% of product revenue</p> <p>Average selling price c.€2,000 per tonne</p> 	<p>Services and solutions</p> <p>27% of Group revenues are via solutions contracts</p> 

Financial highlights FY 2023

Cash generative, stable margins, M&A growth and c.3x covered dividend

Revenue 2023

€3.6bn

↑ 8%

Adjusted EBITA 2023

€409m

↑ 7%

Adjusted EBITA
margin 2023

11.4%

↓ (20)bps

Adjusted operating
cash flow 2023

€413m

↑ 166%

Adjusted EPS
2023

€4.98

↑ 3.4%

Market capitalisation
29 Oct 24

€1.8bn

Net Debt
30 Jun 24

€1.3bn

Dividend
FY 2023 interim & final

€1.80ps

↑ €0.20

Net debt to Pro forma
Adjusted EBITDA²

2.4x

↑ 0.1x

ROIC 2023

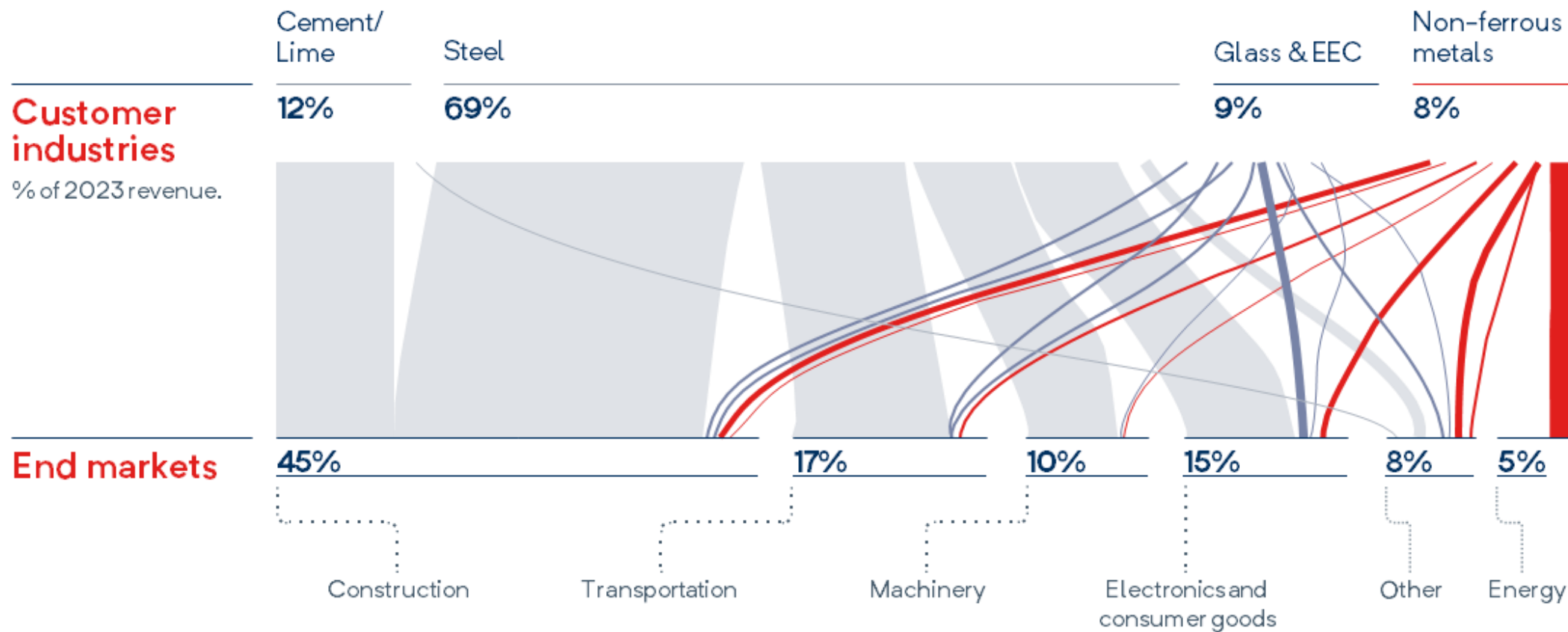
10.7%

↓ (160)bps

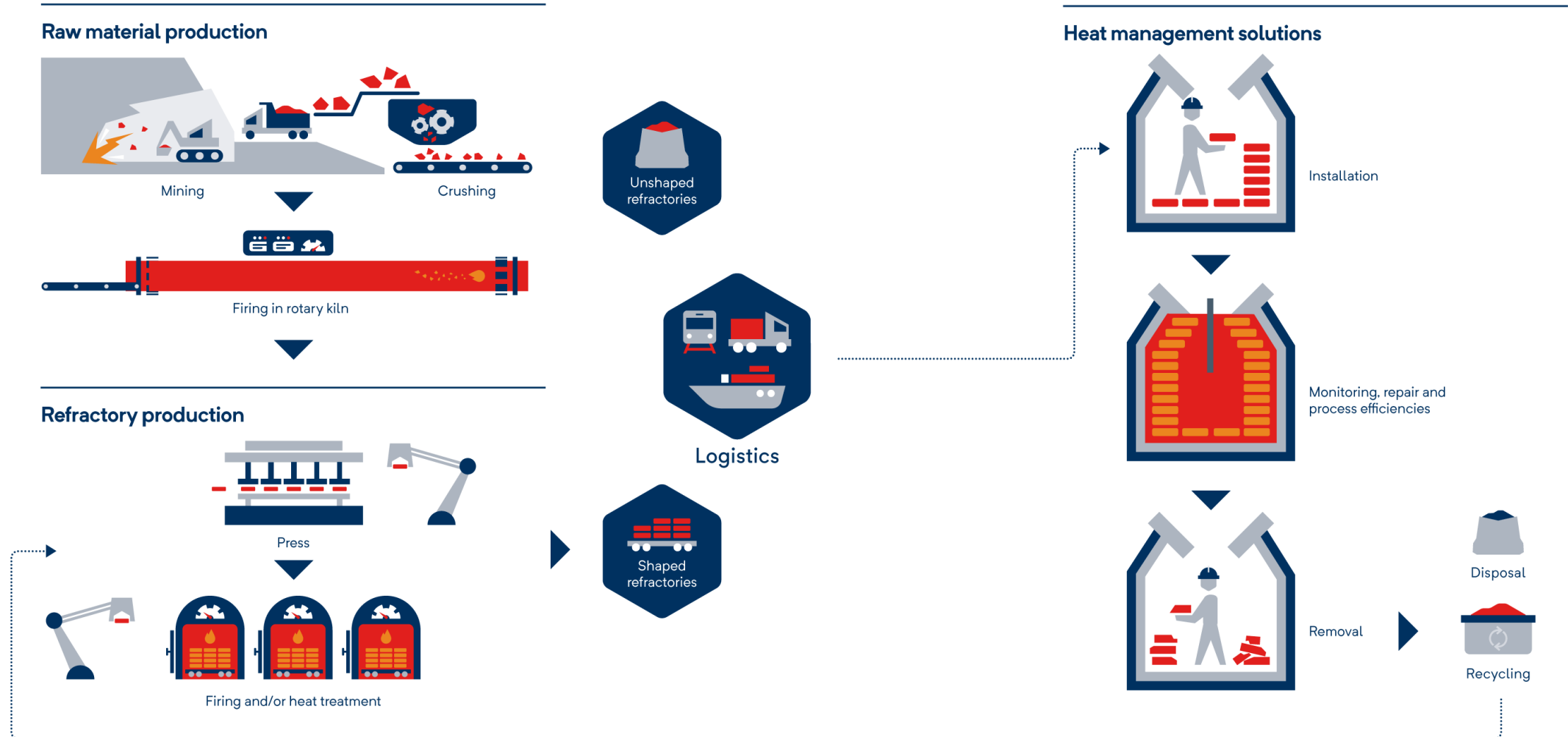
1. Working capital intensity is stated after working capital financing of €298m and is calculated using L3M annualised revenue of €4,020 million.

2. As at 30 June 2024, includes IFRS 16 Leases of €70m and pro forma 12-month EBITDA contribution from recently acquired businesses prior to acquisition date.

End markets and customer industries



Raw material and refractory process overview



Global refractory production network

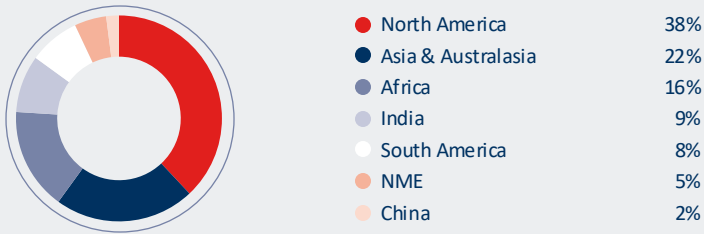
Regional finished goods production - local versus imports

● % imported ○ % produced in region



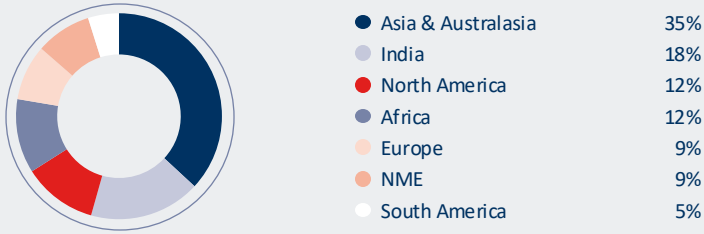
Europe finished goods exports

% value by destination region, 2023



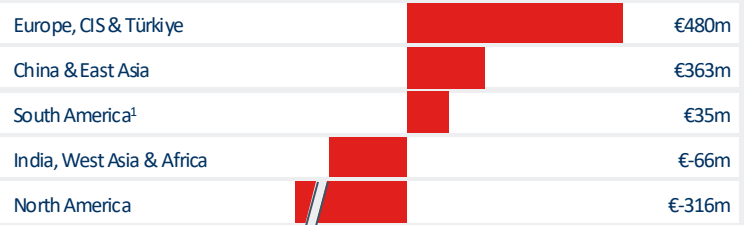
China finished goods exports

% value by destination region, 2023



Net finished goods exports/(imports)

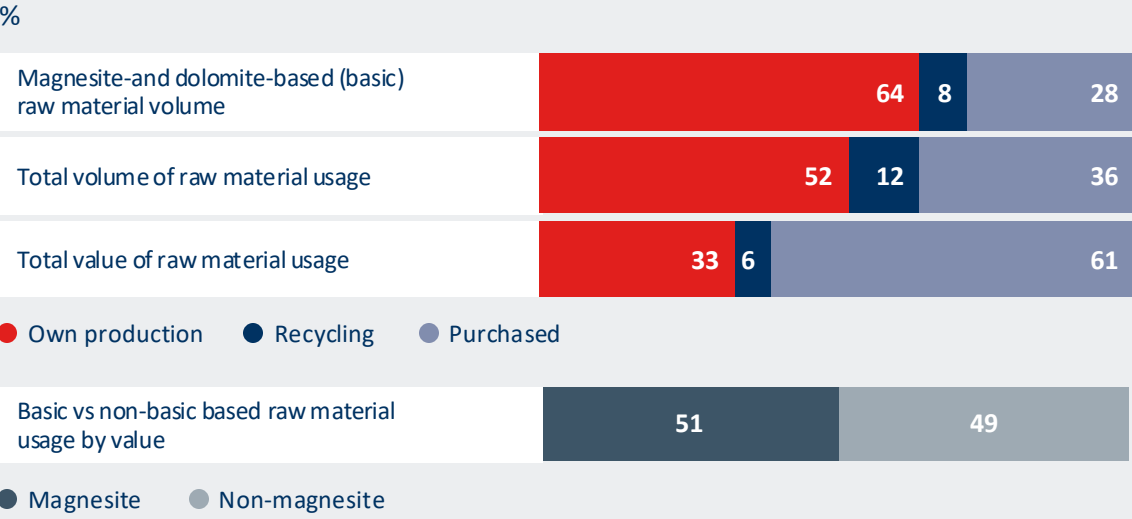
€ millions, 2023



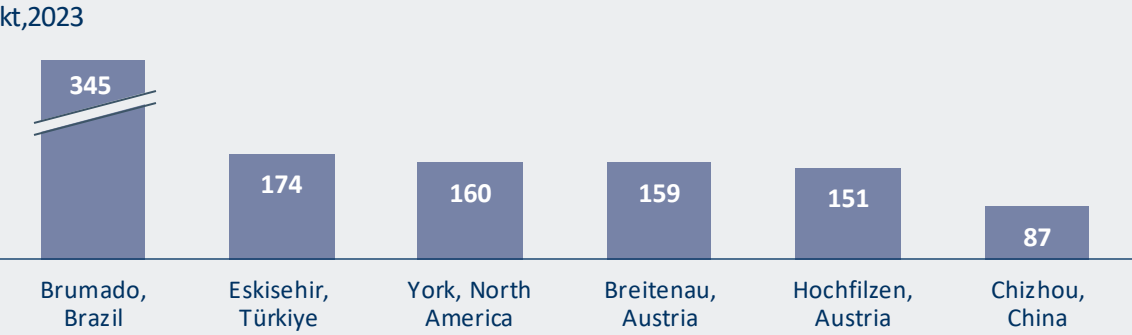
1. South America finished goods are balanced between €122 million exports and €86 million imports.

Raw material vertical integration

Extent of vertical integration



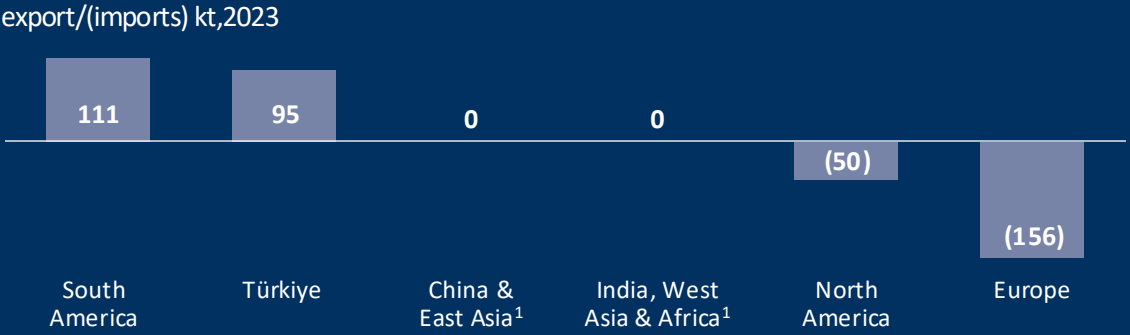
Annual production



Key raw materials sites and shipment routes 2023



New raw materials flows from internal sources





Brumado, Brazil

Magnesite raw materials



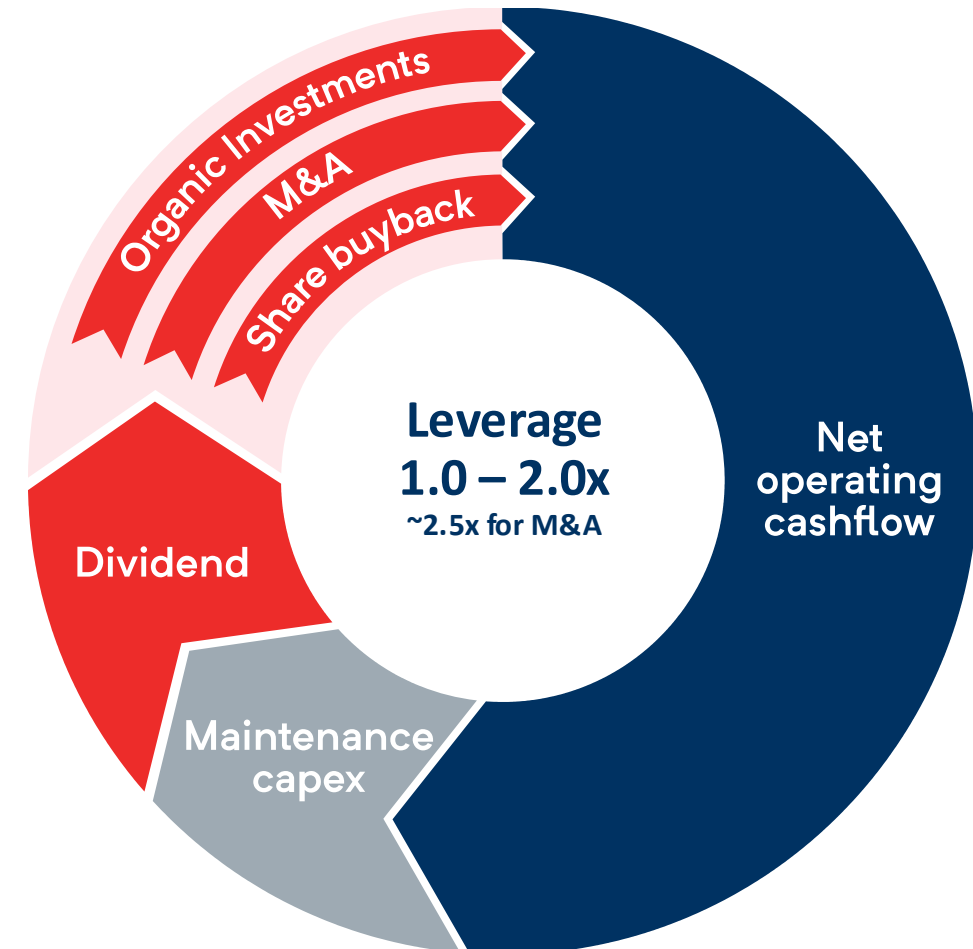
Hochfilzen, Austria

Magnesite and dolomite raw materials

Capital allocation framework

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

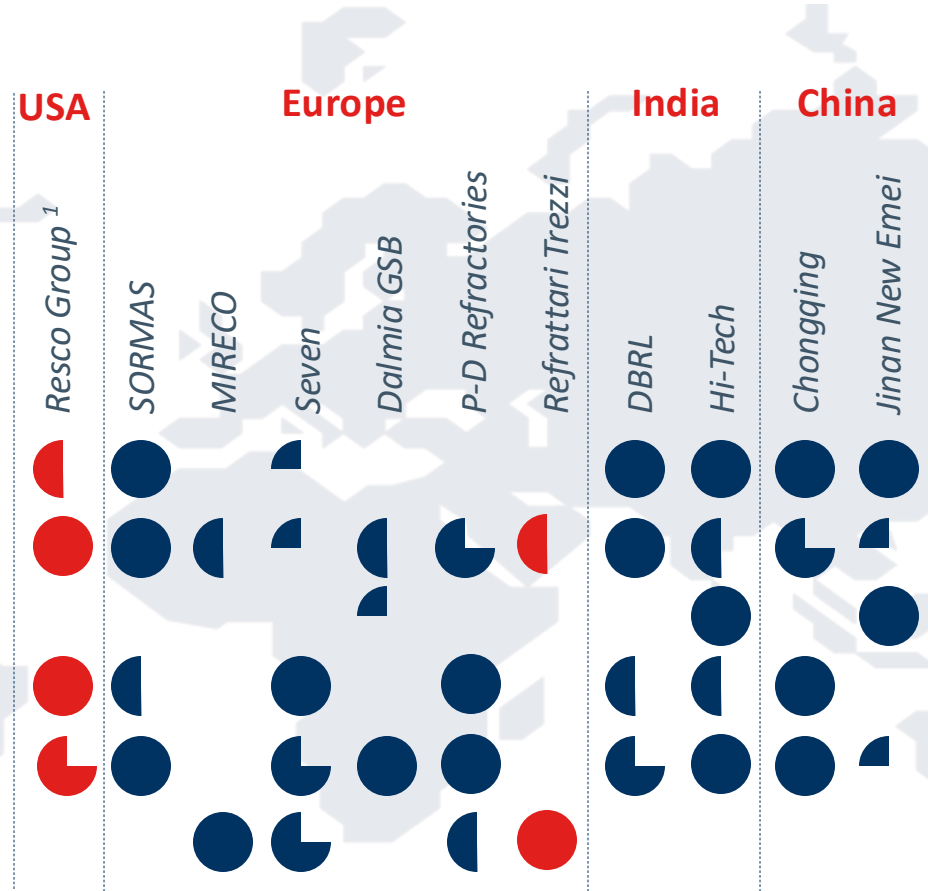
- Leverage target 1.0 - 2.0x and up to c.2.5x for compelling M&A opportunities
- M&A pipeline presents opportunity to continue consolidation of the refractory industry
- Resilient margins and profitability through the cycle support higher gearing
- Maintaining higher levels of working capital improves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



M&A growth opportunity

Strengthening a global leadership position in the refractory industry

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



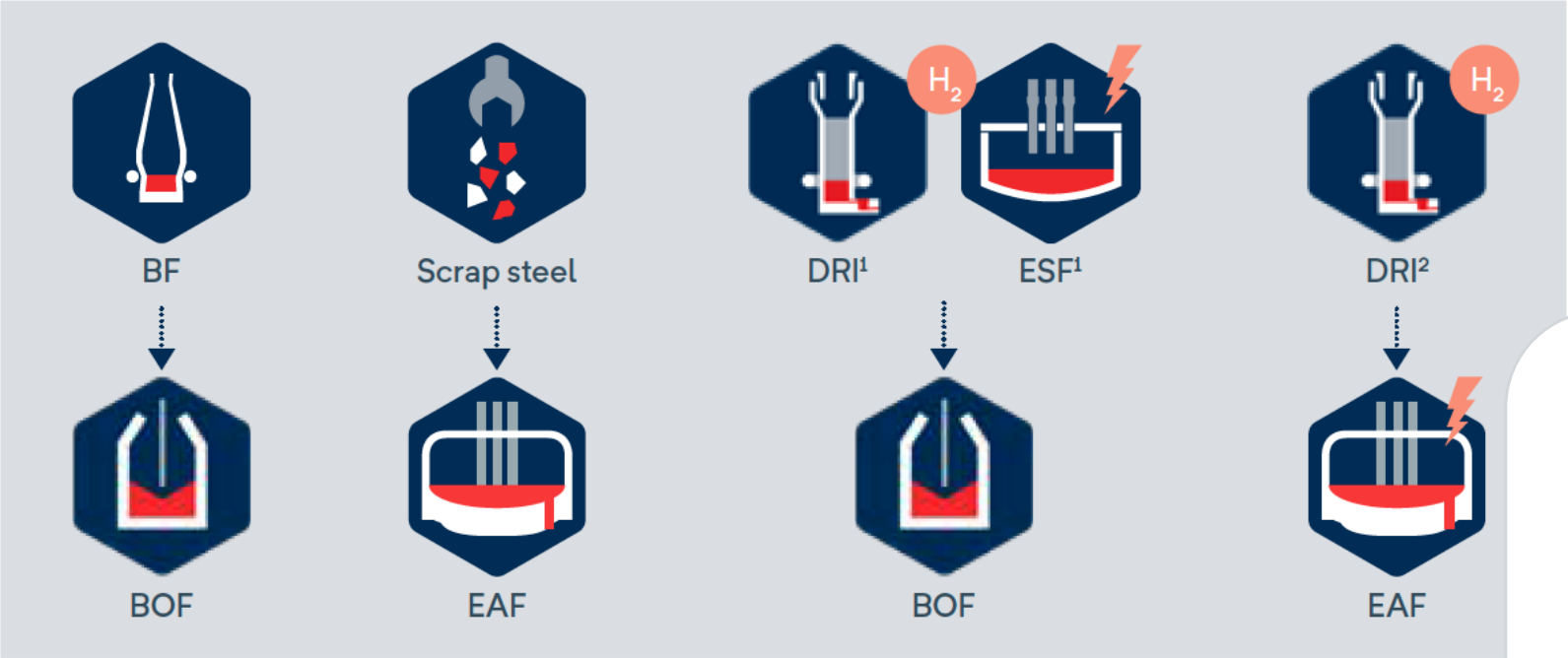
Areas of focus for future M&A

- ✓ East Asia
- ✓ Middle East
- ✓ Alumina based (non-basic) refractories

 Acquisitions completed or announced in 2024 YTD

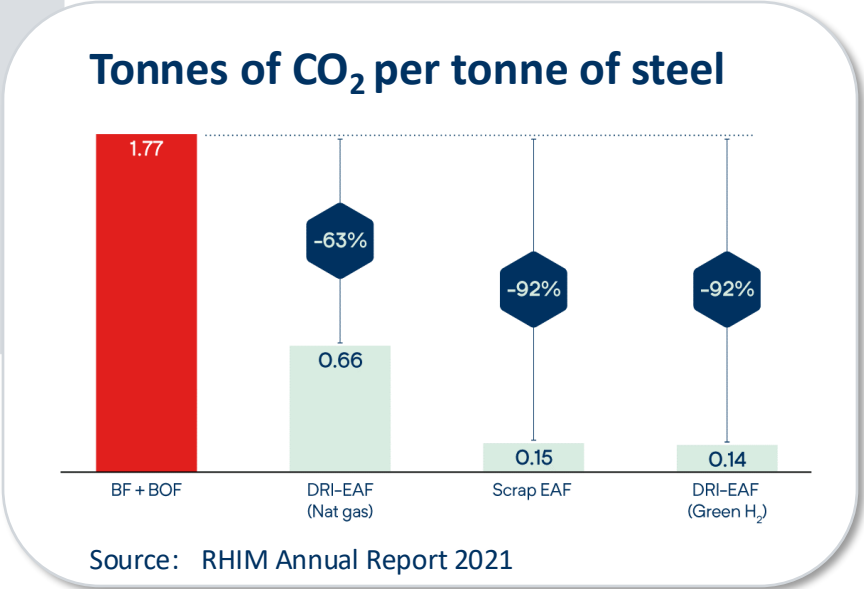
Low carbon steel opportunity

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



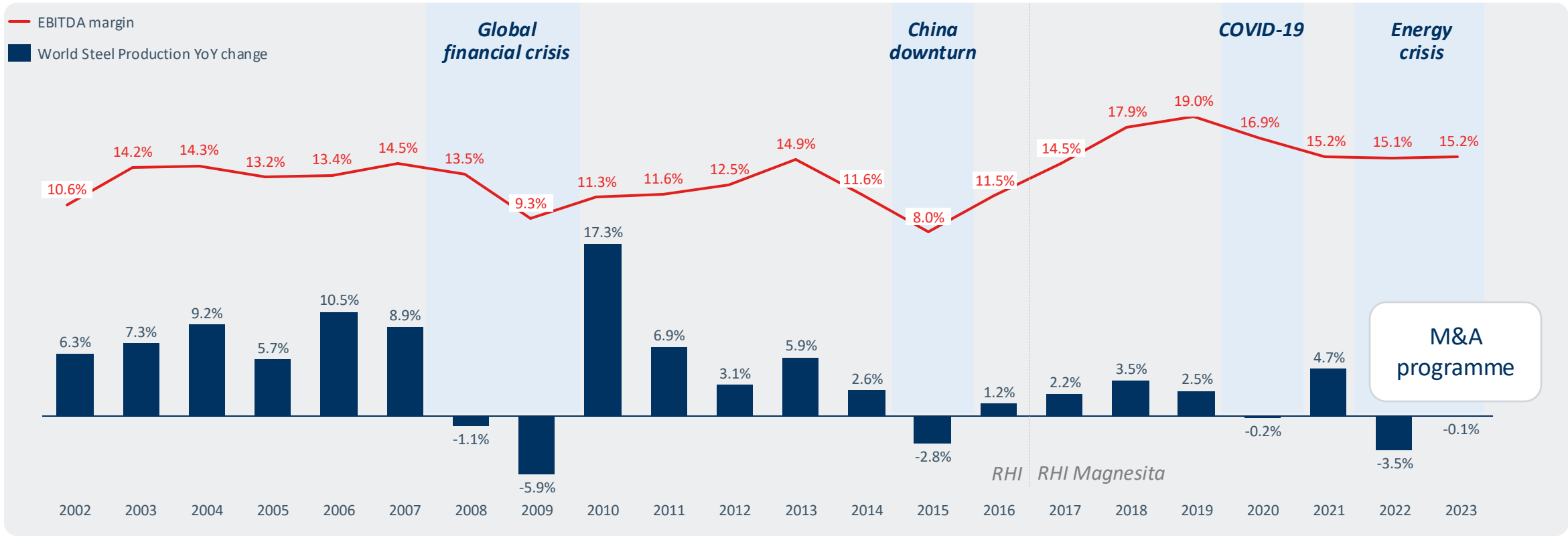
BF: Blast furnace
BOF: Basic oxygen furnace
DRI: Direct reduced iron
EAF: Electric arc furnace

1. Electric smelting furnace (“ESF”) is required to be paired with a Direct Reduced Iron (“DRI”) furnace for 97% of global iron ore supply that does not meet high quality threshold for DRI-EAF route. ESF also melts sponge iron pellets which therefore makes use of a BOF possible for the refining stage
2. DRI-EAF route for sponge iron pellets is being developed but will be limited to using the highest 3% of iron ore grades



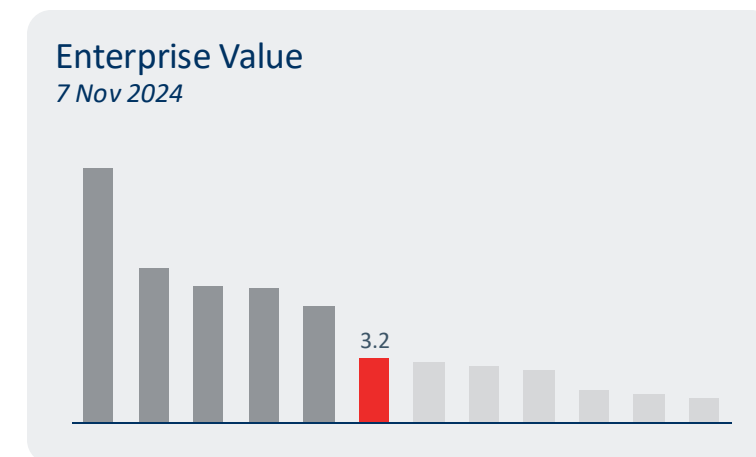
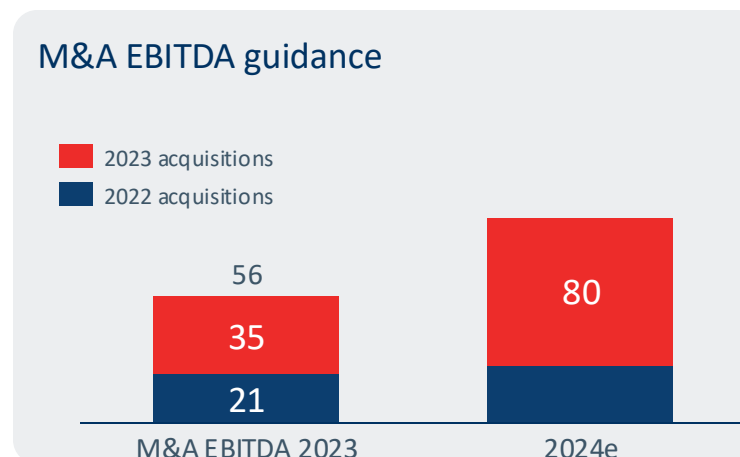
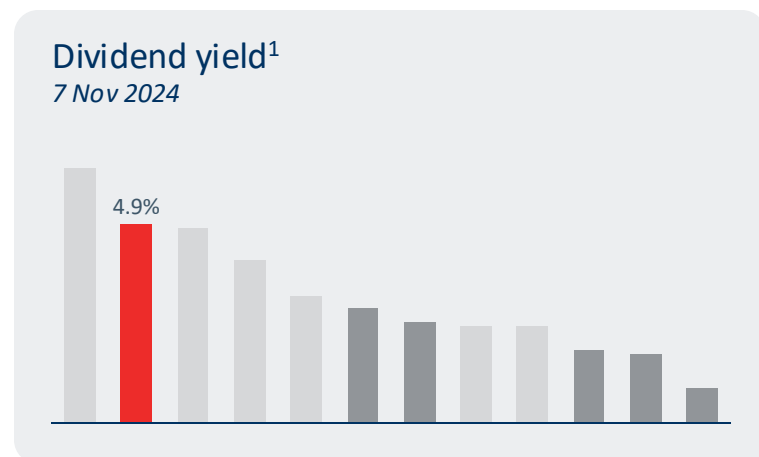
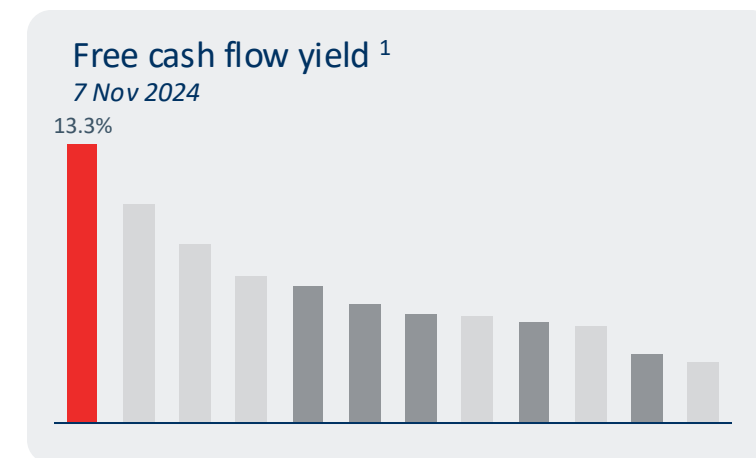
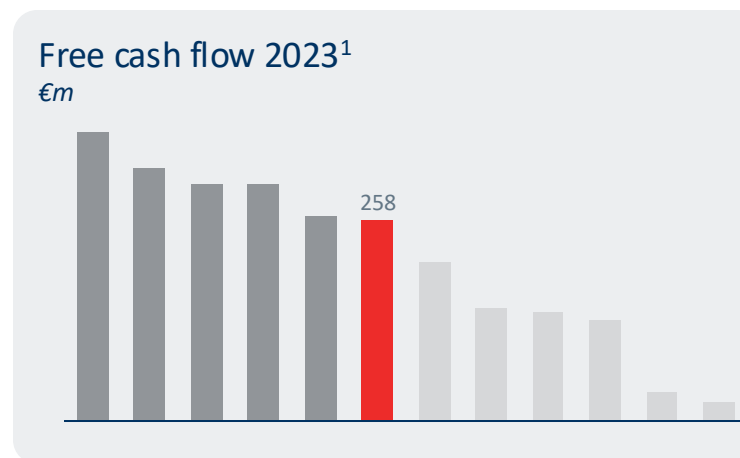
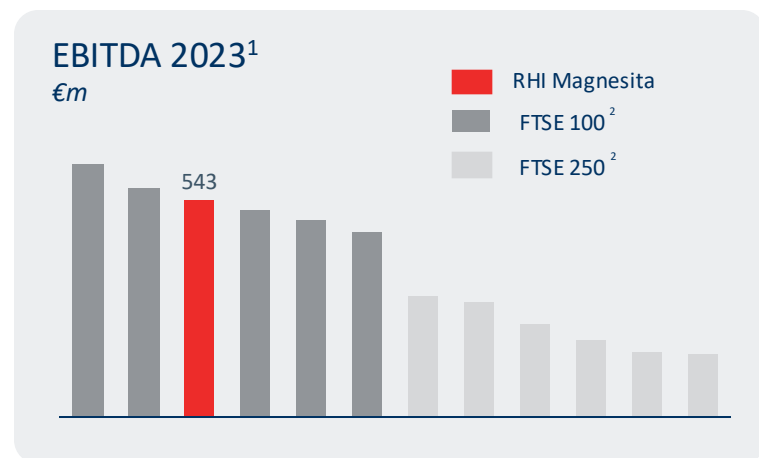
Our performance in context

RHIM has navigated the recent downturn in steel production without margin decline, whilst executing significant M&A at the bottom of the refractory market



Investment case

(i) EBITDA and free cash flow comparable to FTSE 100 peers; (ii) highest free cash flow yield in the sector;
 (iii) compelling M&A growth story; (iv) high operational gearing to market recovery





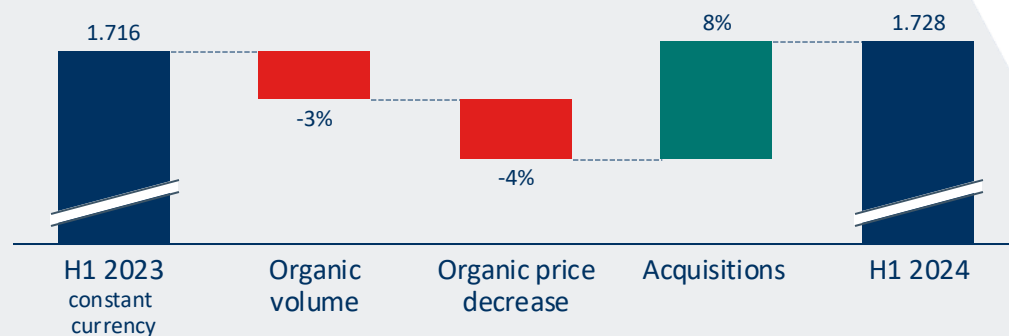
2. HY 2024 financial results

M&A offsets lower volumes and pricing

Resilient margins, strong cash conversion and M&A offset weaker demand

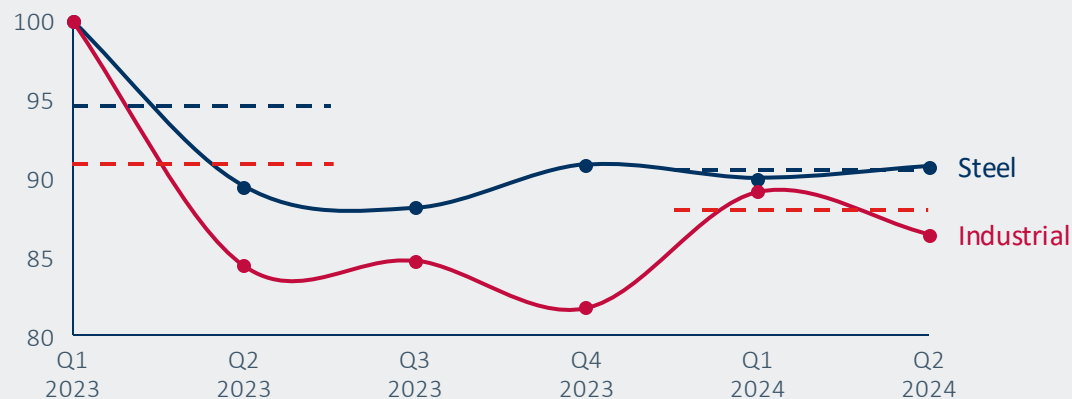
M&A revenue offsets price and volume decline

Revenues, € million



Prices reduced as guided due to lower industry input costs

Price index rebased to 100 at 1 Jan 2023



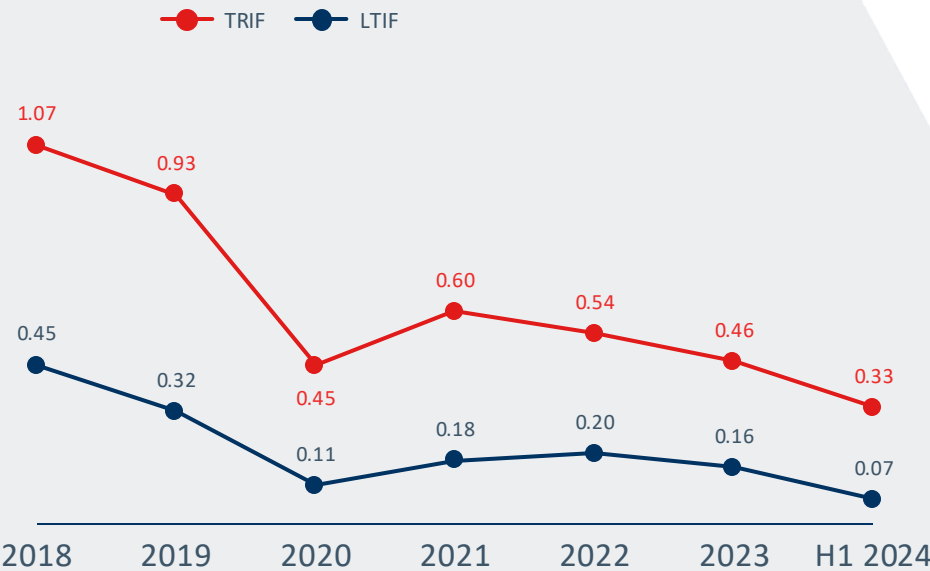
2024 Half Year Results | August 2024

- Revenue increased 1% to €1,728 million as 8% M&A contribution offsets 3% lower sales volumes and 4% lower pricing in the base business
- Steel division organic sales volumes (1%) and Industrial division (10%) due to weaker than forecast steel output and delay of some industrial project deliveries
 - Refractory demand remains subdued in all key geographies except India
- On track for FY24 EBITA guidance of at least €410 million:
 - Cement market seasonality
 - Industrial deliveries shifted to H2
 - Higher steel sales volumes
 - Cost improvements from better fixed cost absorption and efficiency measures

Health & Safety

A core value at RHI Magnesita

Improvement in injury rates since 2018



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

- A tragic fatal incident occurred at one of the Group’s plants in China in June
 - The Group has commenced a wide-ranging global review of safety procedures, risks, preventive measures and safety culture, with external support from DSS+, a leading safety consultant
 - Board and management are fully committed to eliminating fatalities and serious injuries and to zero harm
- LTIF decreased to record low of 0.07 (H1 2023: 0.25)
- TRIF also at record low of 0.33 (H1 2023: 0.58)

H1 2023 financial highlights

EBITA margin impacted by lower raw material contribution. Strong cash conversion at 123%

Revenue

€1.7bn

↑ 1% constant currency

Adjusted EBITA

€190m

↓ (5)%

Adjusted EBITA
margin

11.0%

↓ (60)bps

Adjusted operating
cash flow

€233m

↑ 2%

Cash Conversion

123%

↑ 9.1ppt

M&A Adjusted EBITDA
contribution¹

€34m

↑ 221%

Dividend

€0.60ps

↑ 9%

Working Capital
intensity²

25.3%

↓ 1.8ppt

Net debt to Pro forma
Adjusted EBITDA³

2.4x

↑ 0.1x

Adjusted EPS

€2.59

↑ 2%

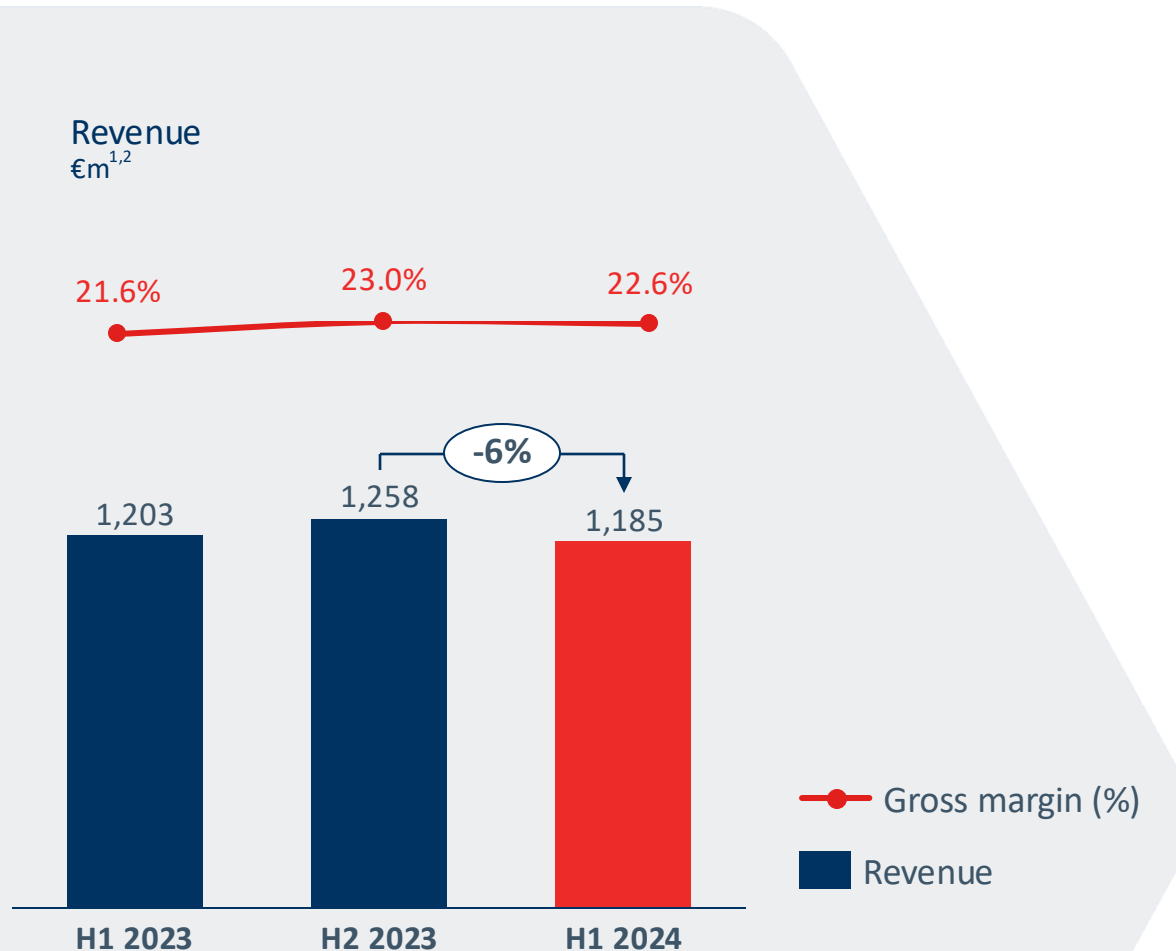
1. Adjusted EBITA equivalent €27 million

2. Working capital intensity is stated after working capital financing of €289m and is calculated using L3M annualised revenue of €3,530 million.

3. Includes IFRS 16 Leases of €66m and pro forma 12-month EBITDA contribution from recently acquired businesses prior to acquisition date.

Steel business overview

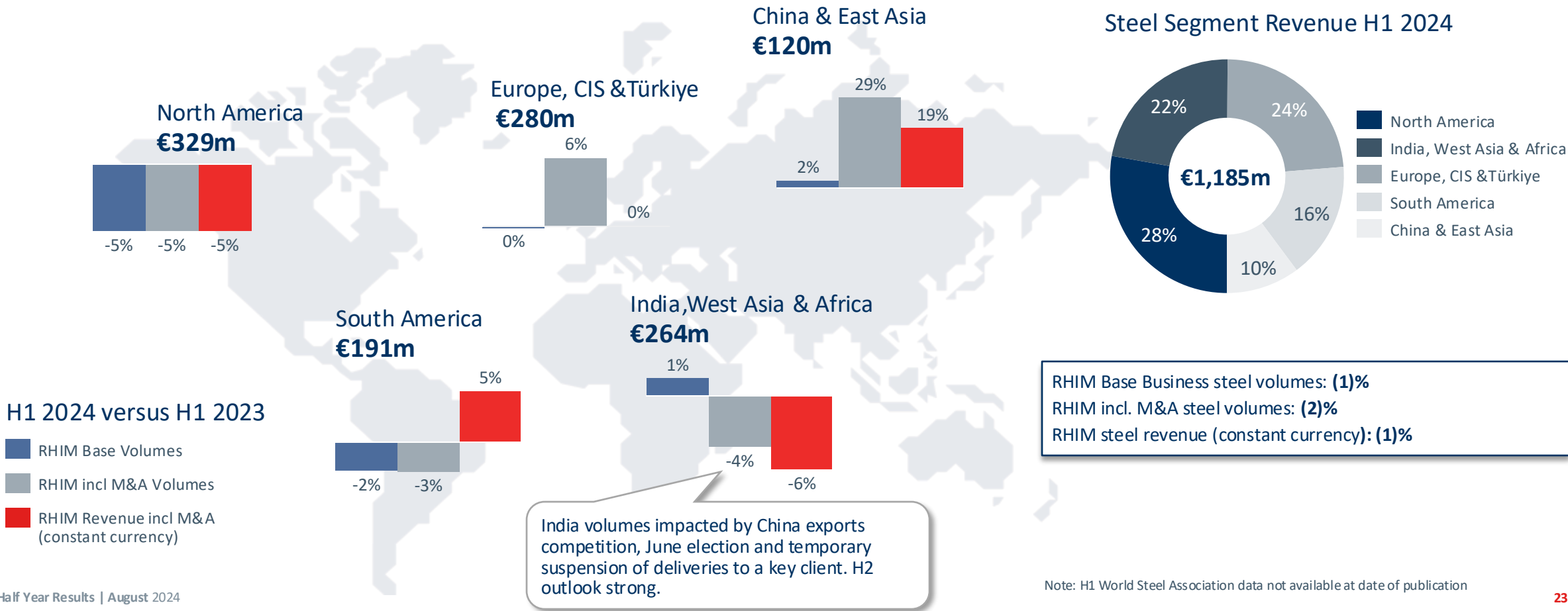
Gross margin improved vs H1 2023, pricing prioritised over market share



- Steel revenues decreased by 1% compared to H1 2023 and by 6% compared to H2 2023
- Global steel demand in all regions excluding India declined in H1 2024 due to weakness in the key end markets
 - High inflation and interest rates continue to impact consumer demand and construction and automotive end markets
- Shipped volumes pre-M&A decreased by 2% as steel exports from China reduced domestic production volumes in Europe, Southeast Asia and the Americas
- Gross margin improved to 22.6% (H1 2023: 21.6%), pricing and margin prioritized
- Higher steel sales volumes in H2 as China steel exports reduce

Steel segment performance by region

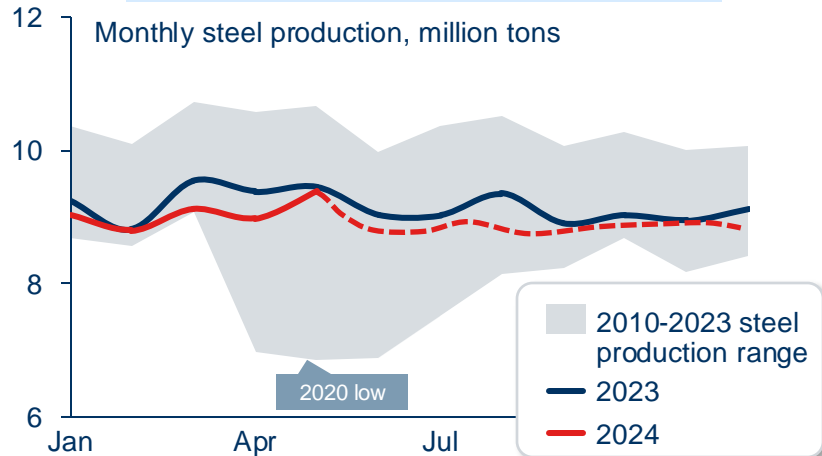
M&A drives strong volume growth in Europe and China/East Asia, India temporarily lower



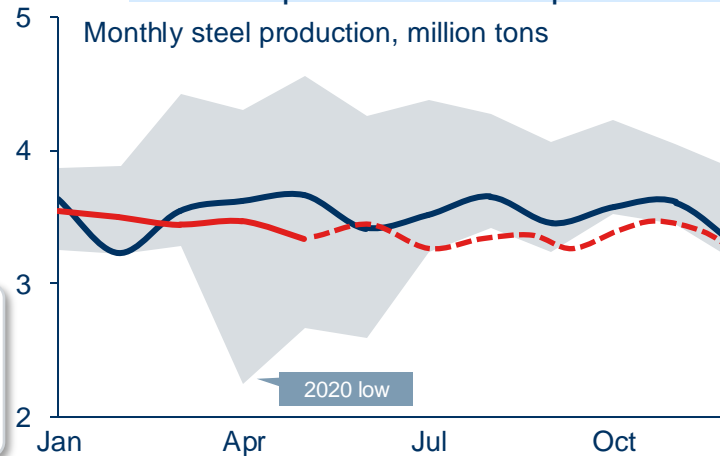
Regional steel production trends

Continued downturn in developed markets as China exports surplus production

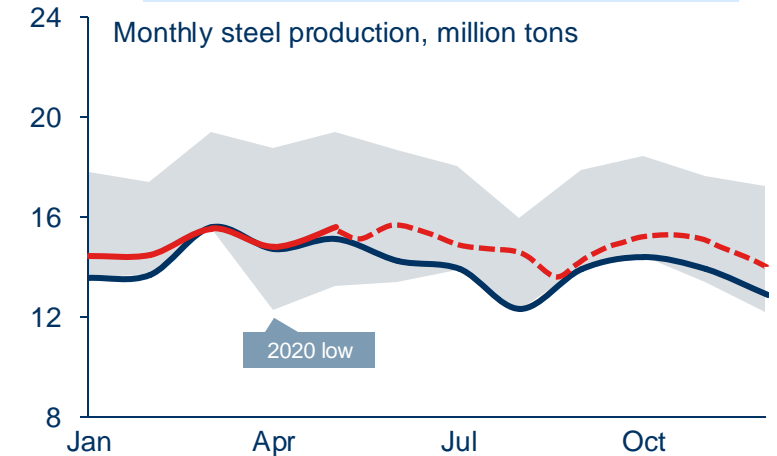
NAM: stable situation with weak outlook YoY



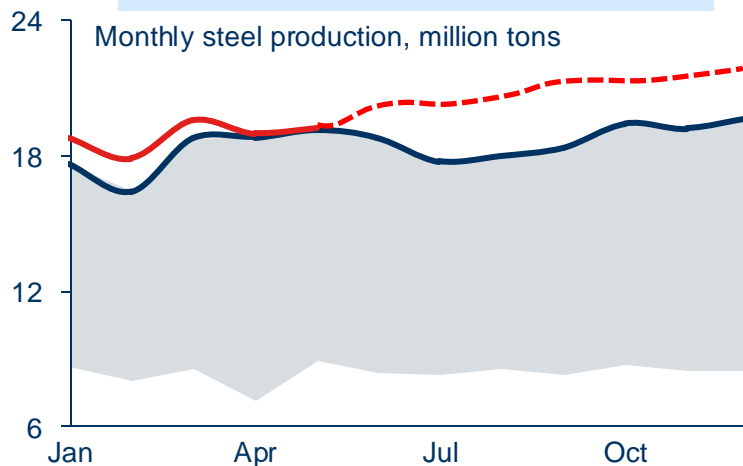
SAM: stable domestic output despite increased imports



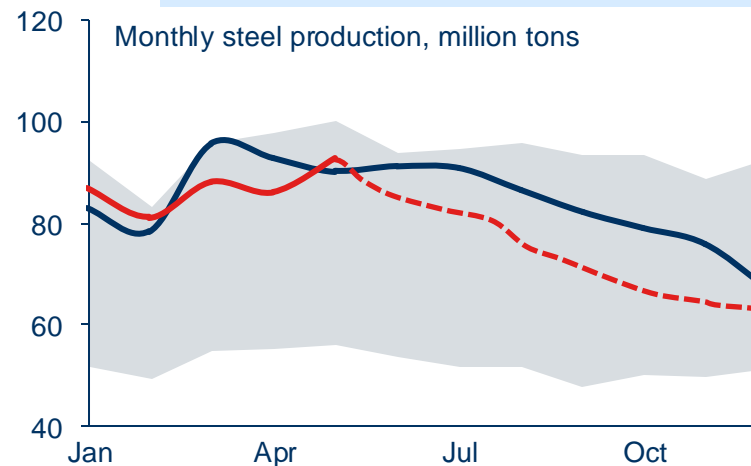
Europe & Türkiye: no recovery forecast in 2024



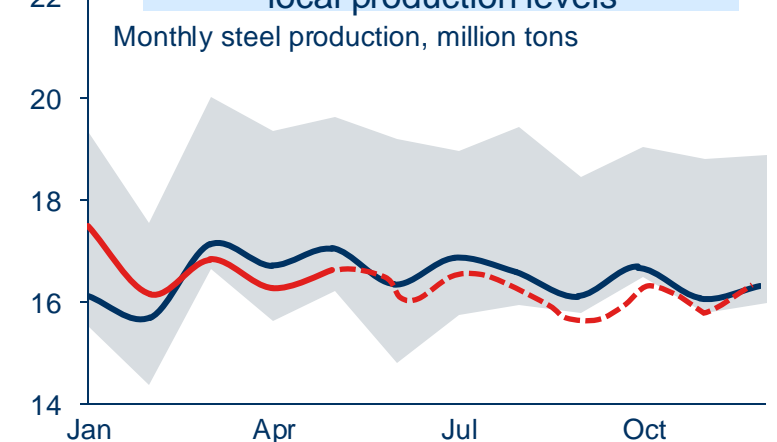
India, ME & Africa: Strong growth



China: output high, exports high

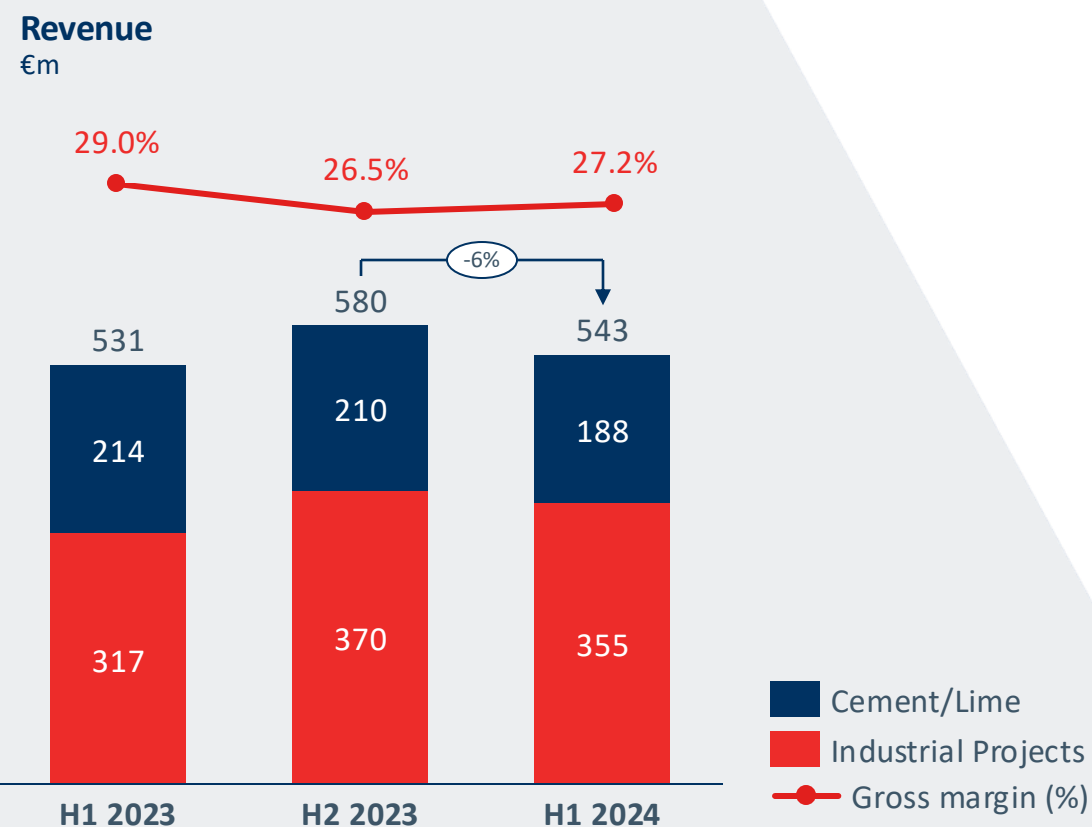


East Asia: Chinese exports depress local production levels



Industrial business overview

Sequentially lower revenues, gross margin declined to 27.2% from strong H1 2023



- ◆ Revenues increase 2% to €543 million compared to H1 2023, but declined 6% from H2 2023
 - Strong performance in Europe +33% and India +16%, driven by M&A
- ◆ Excluding M&A, volumes decreased by 10% YoY and revenues decreased by 14% YoY:
 - Cement & lime revenues decreased by 12%, maintenance season weaker than prior year
 - Non-ferrous metals revenues 8% lower due to decrease in volumes on flat pricing
 - Glass volumes increased by 13% and revenues by 26% due to European M&A. Excluding M&A, glass revenues decreased by 24%
- ◆ Certain project deliveries shifted to H2 and cement seasonality leads to H2 weighting for volume

H1 strategic update

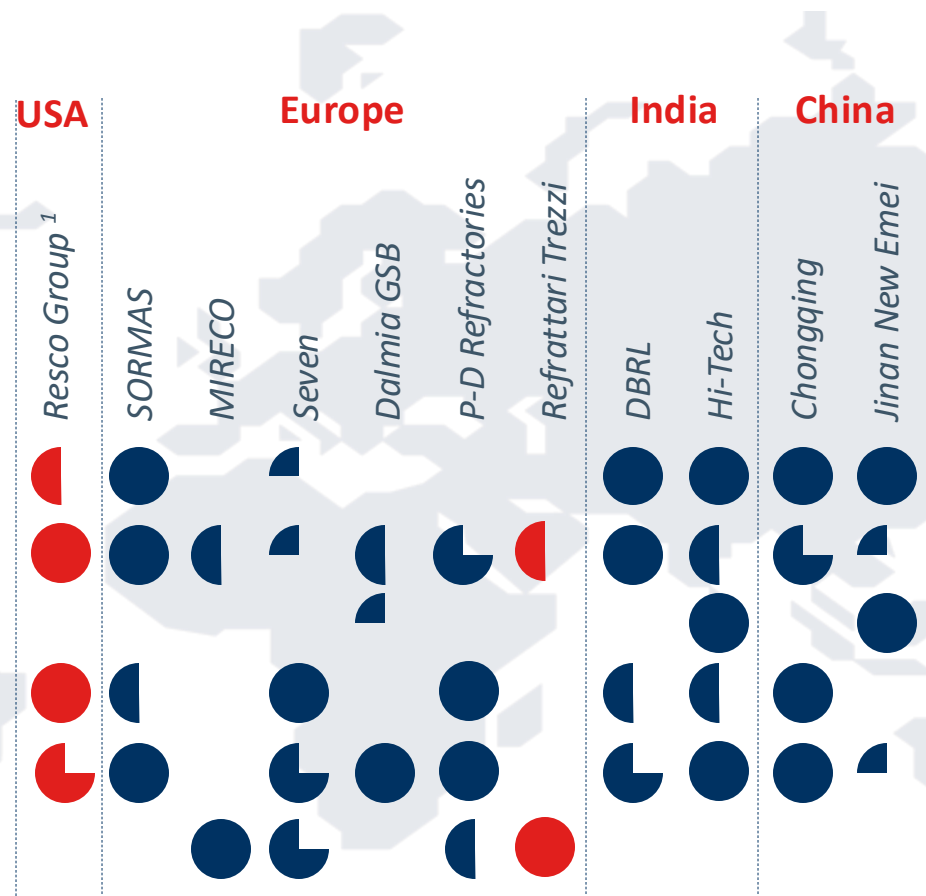
Stefan Borgas, CEO



Ongoing expansion opportunity


Strengthening a global leadership position in the refractory industry

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



Areas of focus for future M&A

- ✓ East Asia
- ✓ Middle East
- ✓ Alumina based (non-basic) refractories

 Acquisitions completed or announced in 2024 YTD

Local for local strategy

Resco acquisition seeks to reduce imports by growing NAM local manufacturing presence

● % imported ● % produced in region (FY 2023)

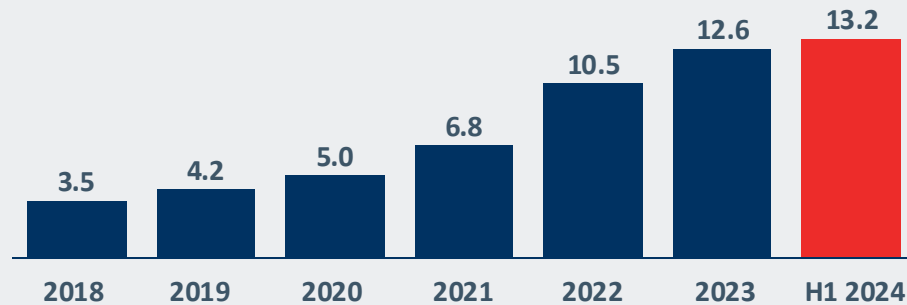


- Resco acquisition now subject to phase 2 antitrust review¹, completion expected end H2 2024 or early 2025
 - Will increase local production in US and Canada
 - Onshoring of supply chain provides flexibility to meet competitive responses to customer feedback
 - Synergy benefits include logistics, network efficiencies, working capital, procurement, technology transfer and recycling

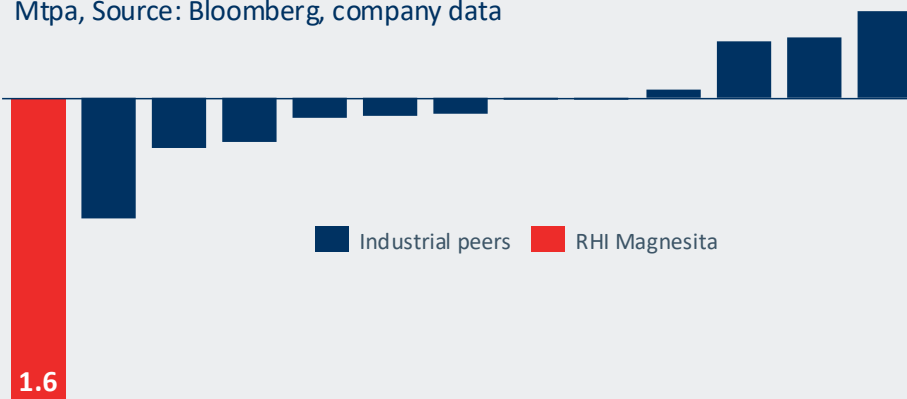
Sustainability leadership

Continued increase in recycling rate delivers significant CO₂ savings

Use of secondary raw material
% of total raw material used



Change in annual CO₂ emissions 2018 - 2023
Mtpa, Source: Bloomberg, company data



- ◆ Recycling now 13.2% despite dilution from new M&A, 15% target for 2025 maintained
 - New business unit established to pursue external sales of recycled raw materials
- ◆ Ongoing R&D investments in CO₂ emissions avoidance and Carbon Capture, Utilisation and Storage
 - 1.6 Mt CO₂ emissions savings 2018 - 2023
- ◆ ESG ratings recognise our progress:
 - EcoVadis 76 (2023: 72) – margin reduction on debt triggered
 - MSCI AA (2023: AA)
 - CDP A- (2023: A-)
 - Sustainalytics 21 (2023: 23)¹

MCi Carbon

Promising technology to create saleable materials through CO₂ remineralisation

- MCi technology creates saleable products through the remineralisation of CO₂ emissions
- Ore samples for remineralisation testing obtained from RHI Magnesita sites and nearby external sources
- Demonstration plant under construction in Newcastle, Australia
 - Trial production scheduled to commence in 2025
- RHI Magnesita invested €3 million (2023: €5 million) in most recent equity funding round in H1 2024



Hochfilzen

Serpentinite samples for remineralisation trials

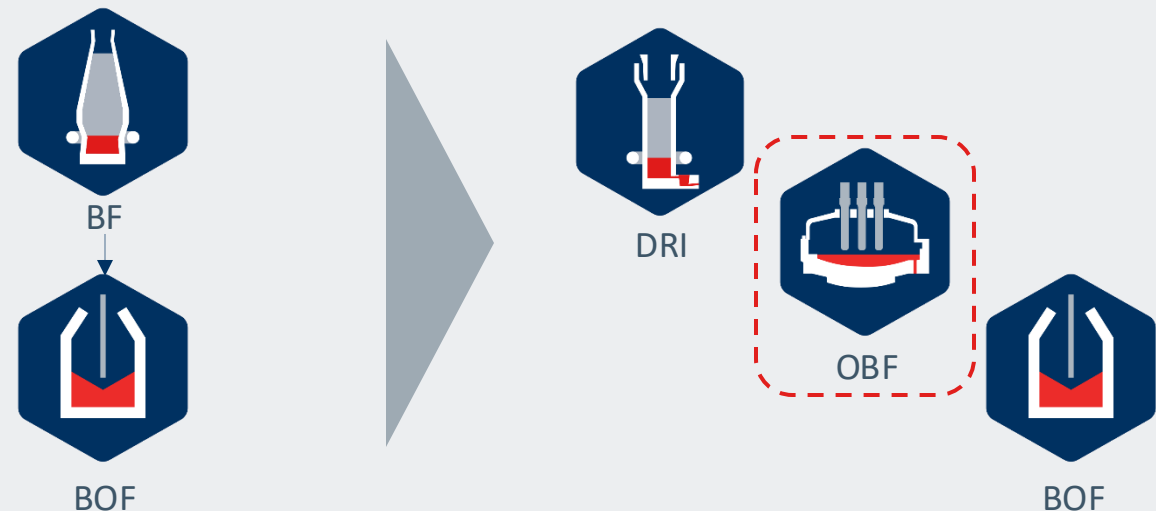
Green steel opportunity

RHI Magnesita has the capability to develop new technologies for decarbonisation

- Over 20 green steel projects are in various stages of development worldwide
- Multiple technologies are being deployed to reduce or eliminate CO₂ from steel production, which accounts for 8% of global CO₂ emissions
- Steel producers are working in partnership with RHI Magnesita to develop technical refractory solutions for entirely new production processes
- Our leading R&D capabilities, EAF product line, full service offering and vertical integration position the Group well to build market share in this new business
- SMS contract validates RHI Magnesita's strategy to lead the market for OBF, Electric Smelting Furnaces and Electric Arc furnaces

SMS contract award

Open Bath Furnaces ("OBF") are to be installed by SMS group as the original equipment manufacturer for Thyssenkrupp's €2 billion, 2.3 Mtpa green steel project at Duisburg, North Rhine-Westphalia, Germany. RHI Magnesita will develop and supply refractory linings for the OBFs.



H1 financial review

Ian Botha, CFO



Profit and loss summary

Adjusted EPS growth of 2.2% as lower net finance charges offset reduced Adjusted EBITA margin

€m	H1 2024	H1 2023 ¹	Change
Revenue	1,728	1,734	-0.3%
Gross profit	416	414	0.5%
Gross margin (%)	24.1%	23.9%	20bps
Adjusted EBITDA	258	265	-2.6%
EBITDA Margin (%)	14.9%	15.3%	-40bps
Adjusted EBITA	190	200	-5.0%
Adjusted EBITA margin (%)	11.0%	11.6%	-60bps
Adjusted finance charges ²	-17	-41	-58.8%
Adjusted Profit before tax	173	159	8.6%
Adjusted effective tax rate	24.2%	23.8%	1.6%
Tax	42	38	10.3%
Adjusted Profit after tax	131	121	8.1%
Adjusted EPS (€)	2.59	2.53	2.2%
Dividend per share (€)	0.60	0.55	9.1%

- Reported revenue and Gross profit broadly flat as M&A contribution balanced out lower volumes and pricing
- Adjusted EBITA margin declined slightly to 11.0% (H1 2023: 11.6%), in line with guidance
- Adjusted PBT increased by 9% to €173 million (H1 2023: €159 million) as Adjusted finance charges improved to €17m (H1 2023: €41 million):
 - FX gain of €14 million (H1 2023: loss of €15 million)
 - Increased income on cash deposits of €14 million (H1 2023: €9 million)
- EPS increased to €2.59 per share (H1 2023: 2.53 per share) despite lower EBITA, due to FX movements
- Dividend increased to €0.60 per share (H1 2023: €0.55) in line with dividend policy to pay 1/3 of prior year full dividend

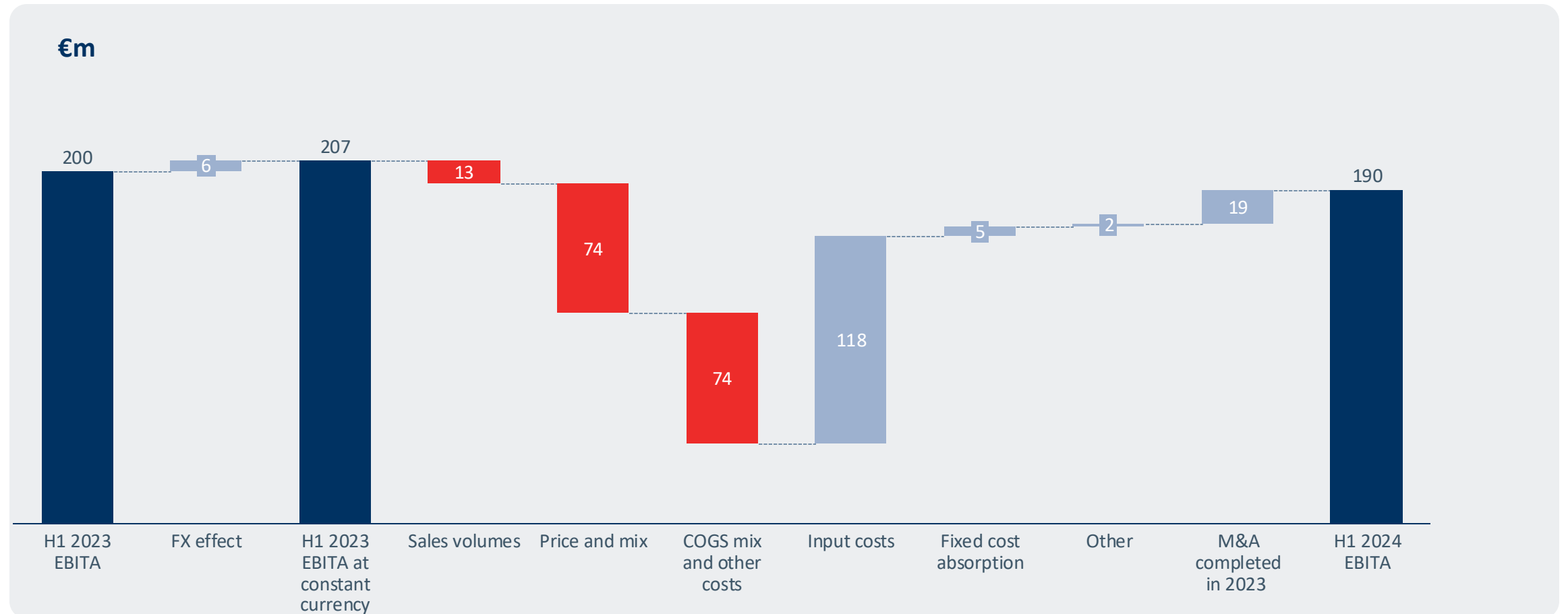
H1 2024 revenue bridge

M&A contribution offsets volume and price driven decline in base business revenues



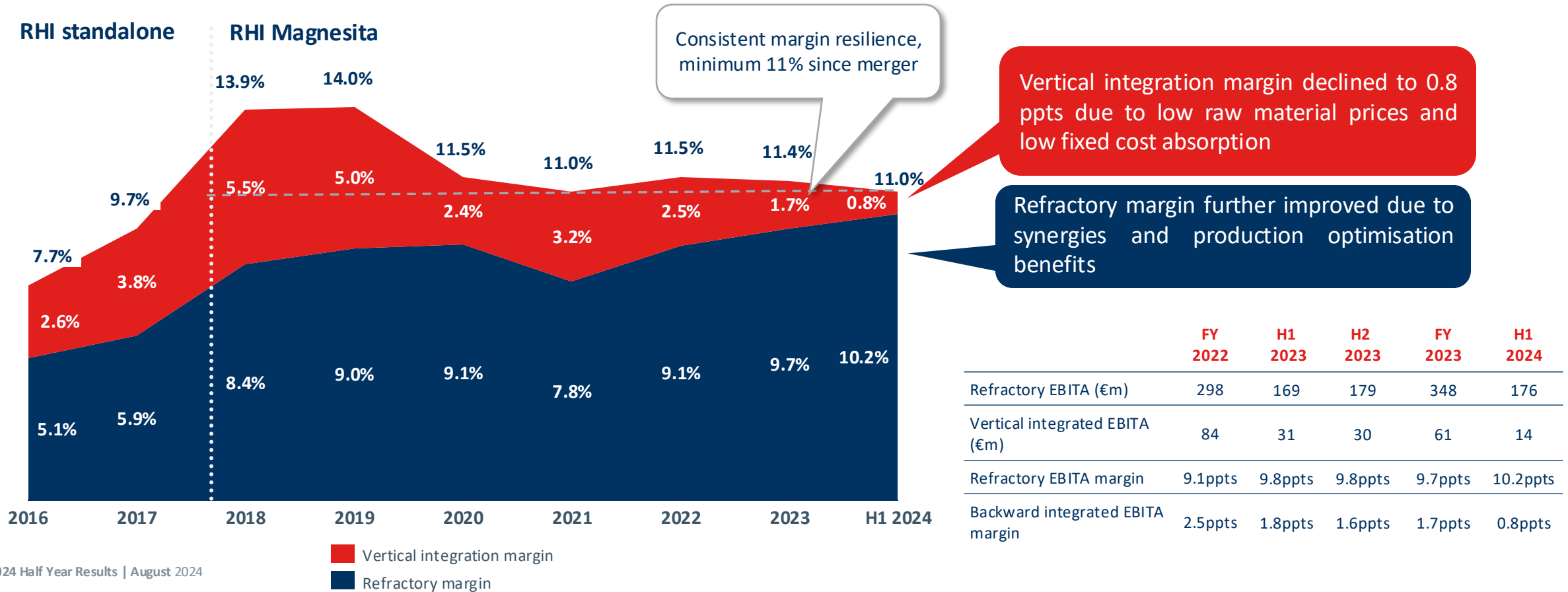
H1 2024 EBITA bridge

Volume, price and mix impacts exceeded benefits from reduced input costs and M&A



Record refractory margin of 10.2ppts

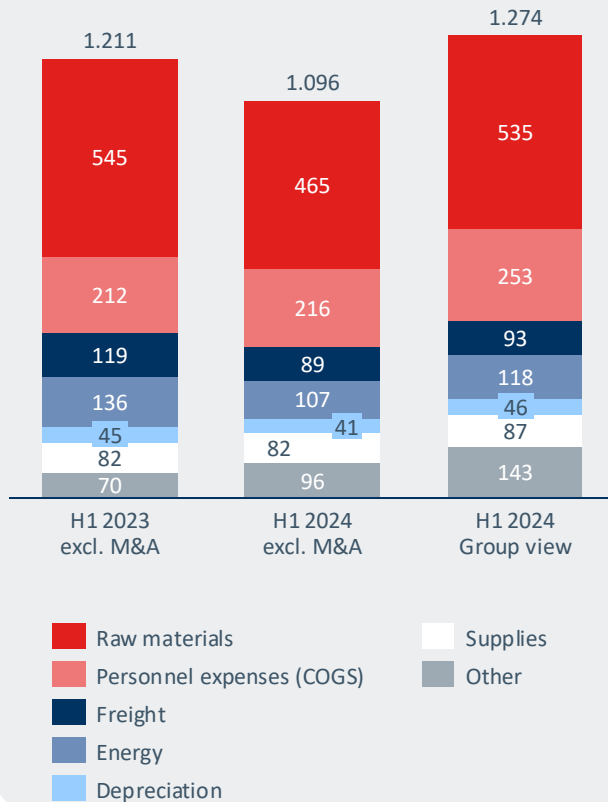
Low raw material prices persist, vertical integration margin 0.8ppts



Cost detail

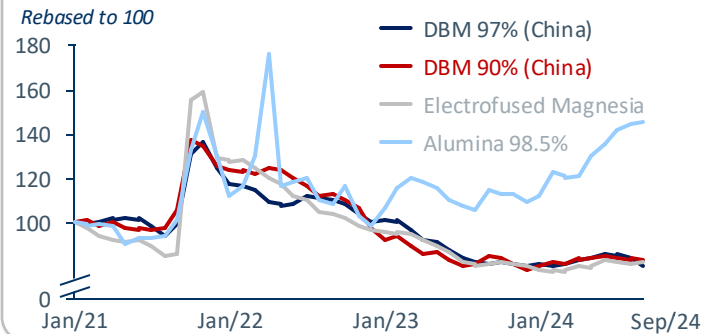
Lower input costs for refractory producers, but freight and some raw materials increasing

Cost of goods sold
€m



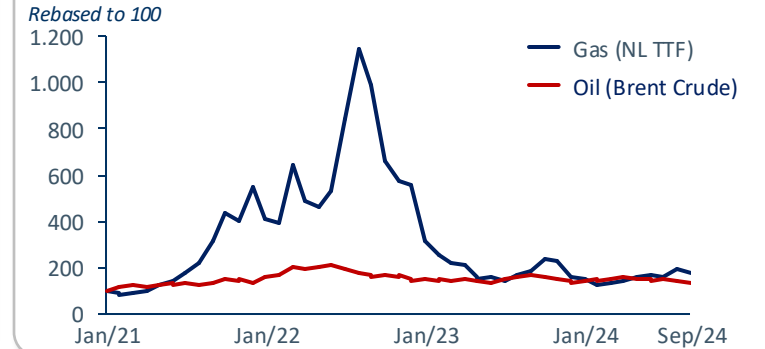
Raw materials

DBM prices low compared to 2022 but up off low base in H1 24



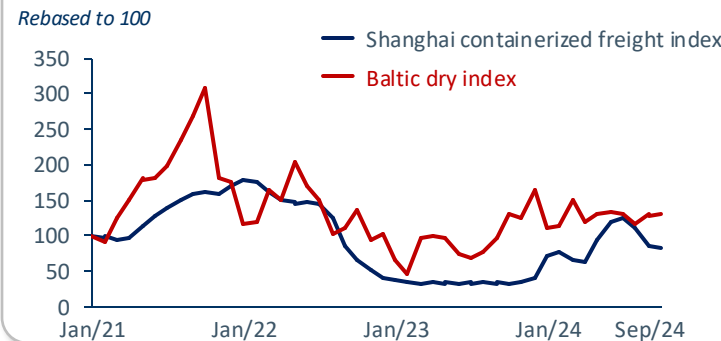
Energy

Gas prices normalized, oil price stable



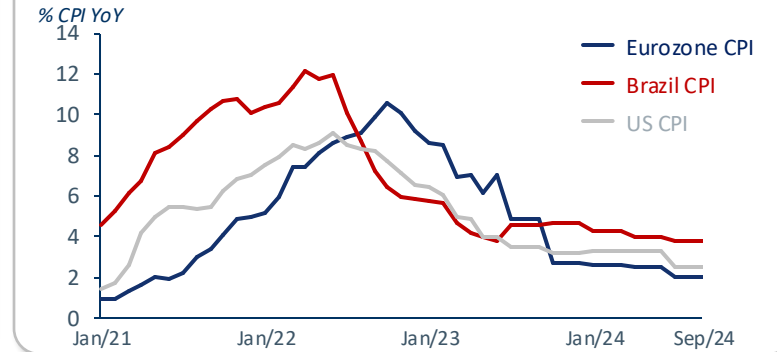
Freight

Sea freight costs jumped in H1 24 due to red sea disruption



Wages

Consumer price inflation on downward trend in key geographies

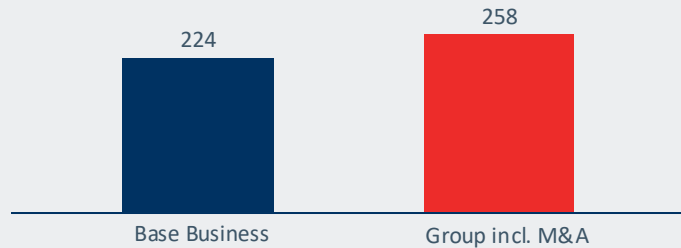


M&A financials H1 2024

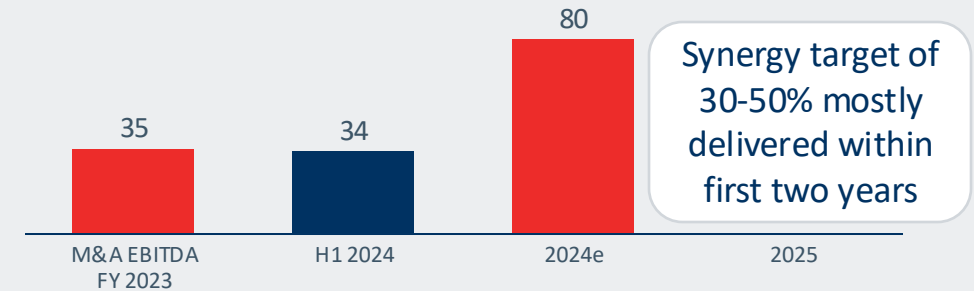
M&A EBITDA in first half of €34 million, on track for full year guidance €80 million

Base business vs Group EBITDA

H1 2024, €m

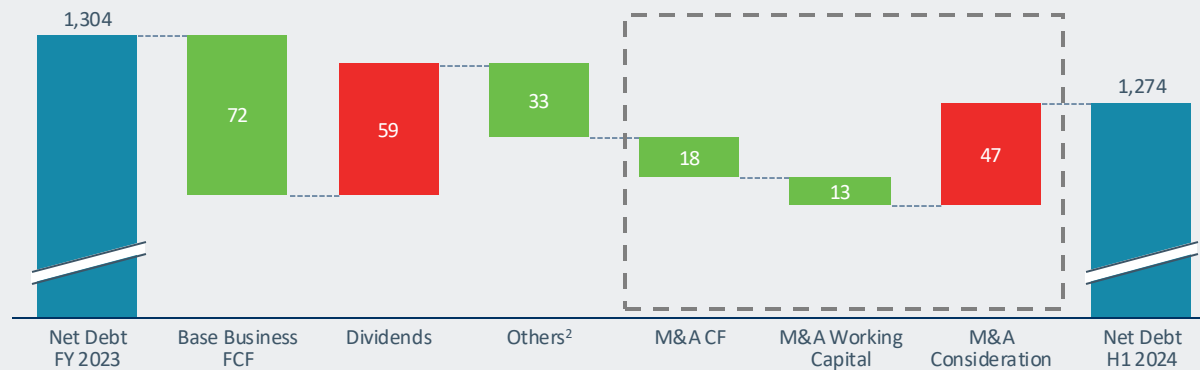


2024 EBITDA from M&A guidance €80m¹

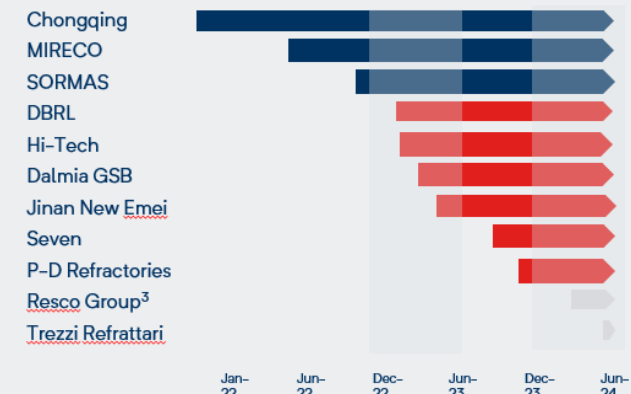


M&A cash flow

Group net debt bridge, 31 Dec 23 – 30 Jun 24, €m



Completion dates

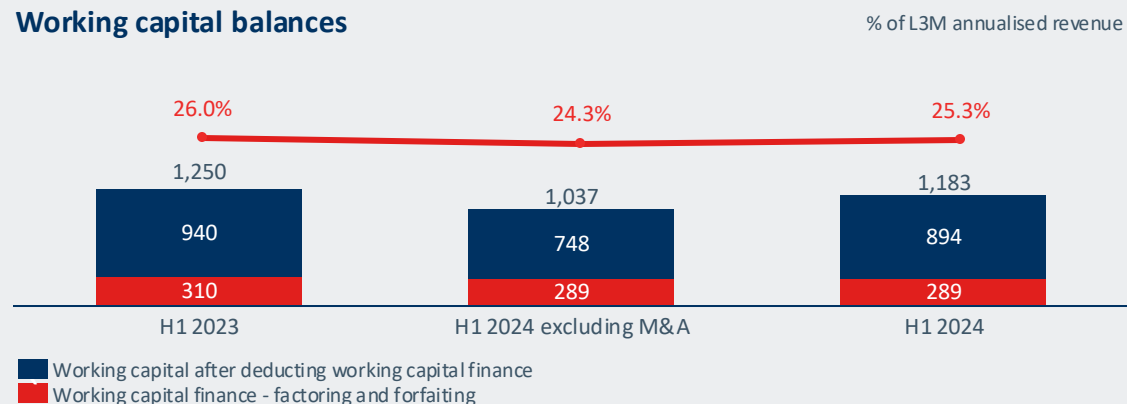


Full year annualization effect of 2023 M&A in 2024, synergies weighted to H2

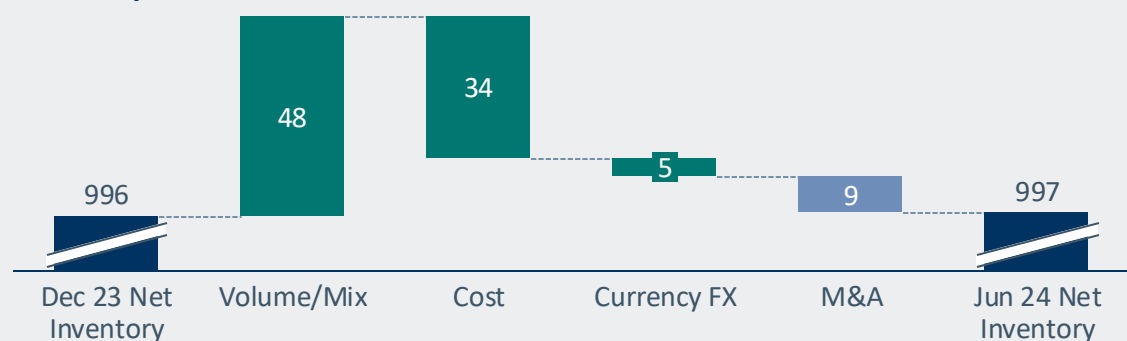
Working capital

Reduced by €46m YoY to €894m, reflecting inventory reduction over L12M and higher AP

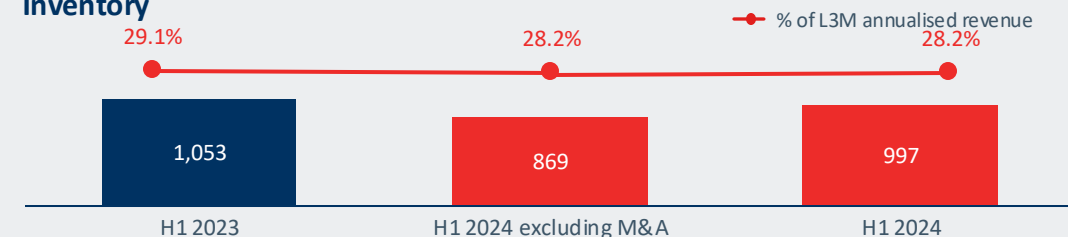
Working capital balances



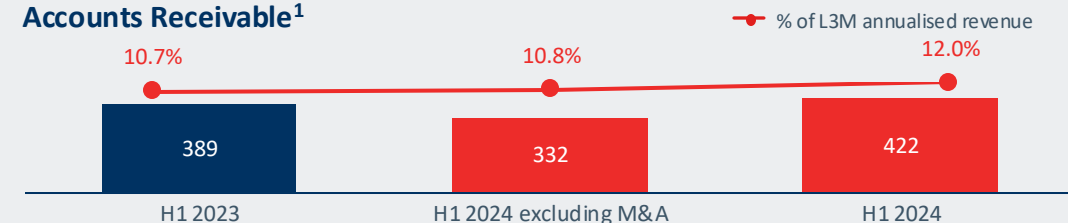
Inventory stable in H1 2024



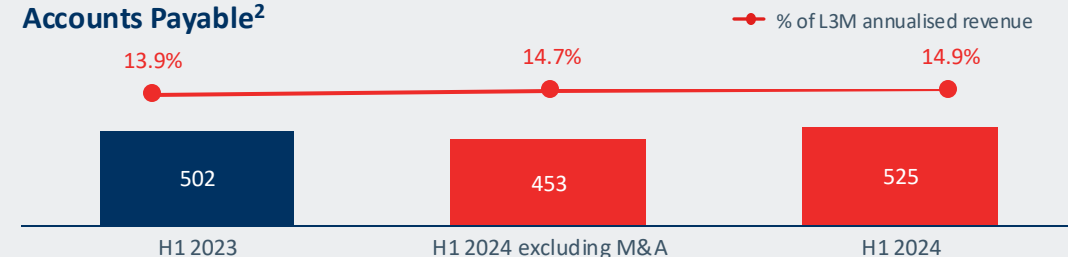
Inventory



Accounts Receivable¹

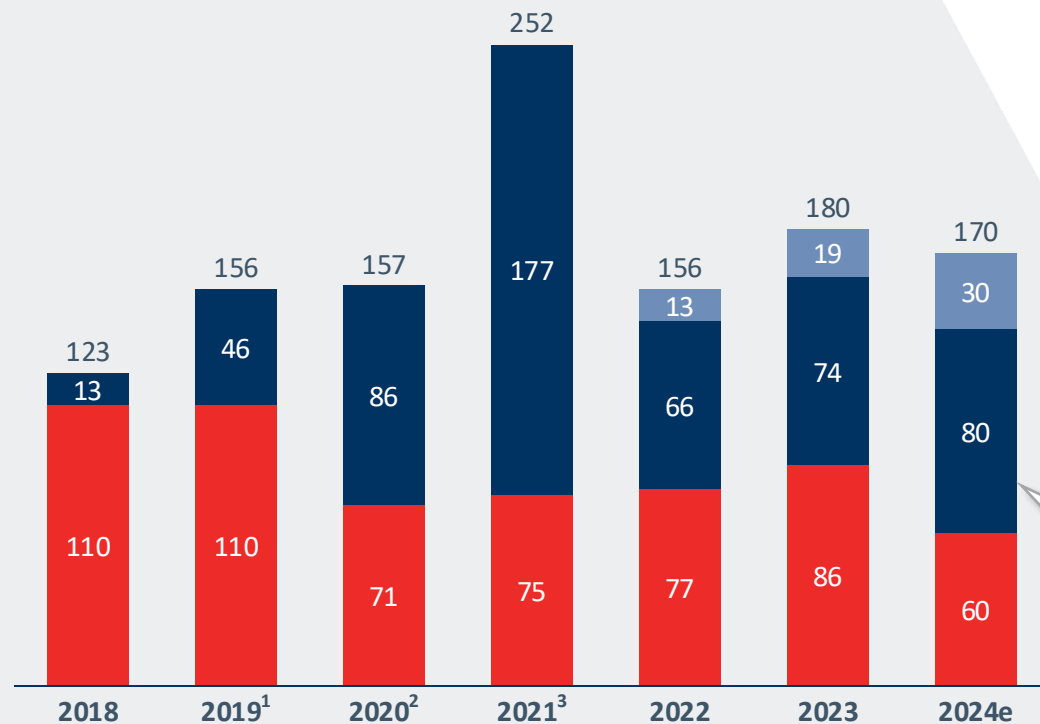


Accounts Payable²



Capital expenditure

Guidance unchanged, digital upgrade investment to be classified as Other Expenses



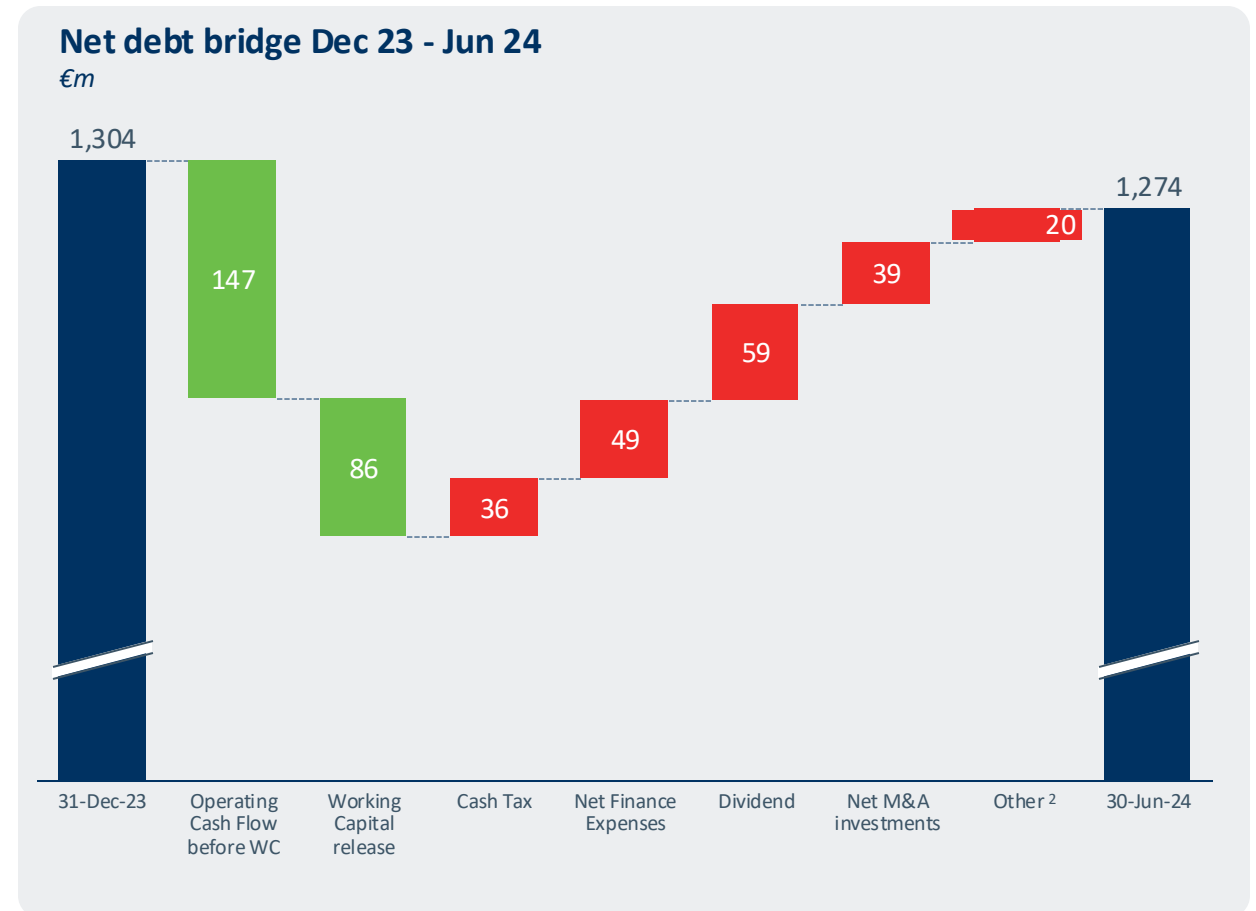
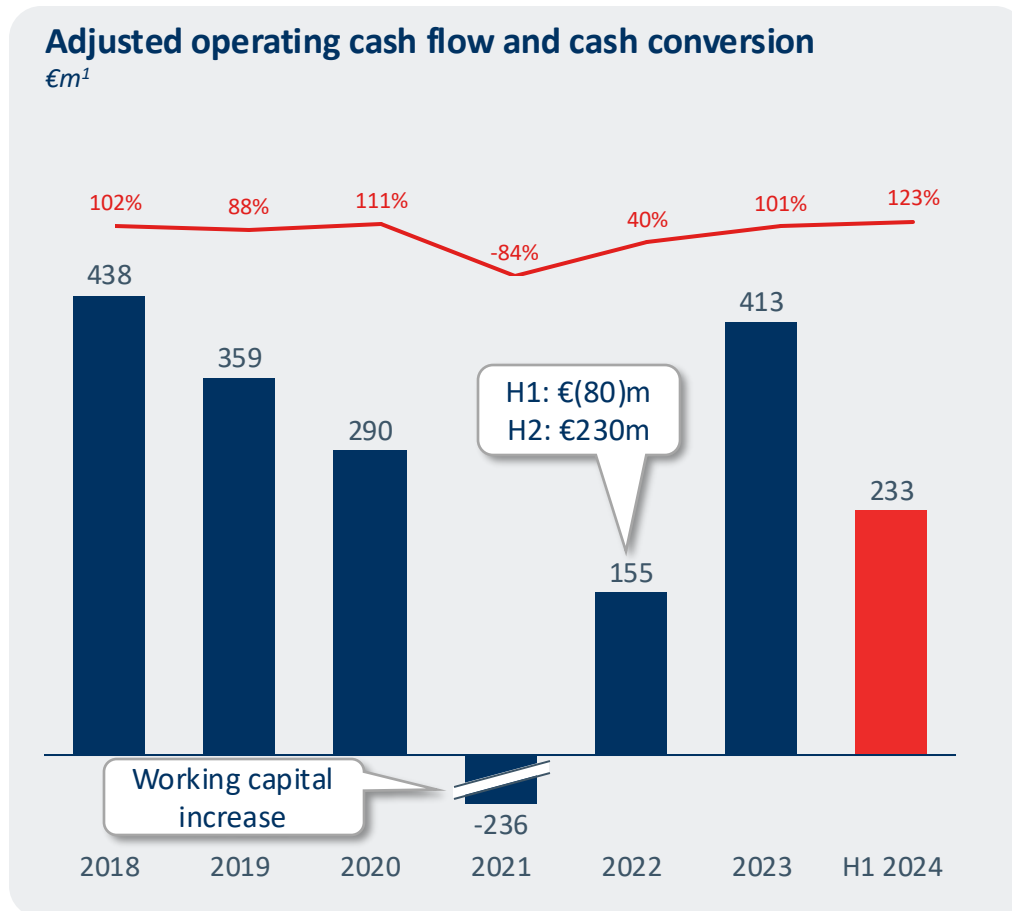
€35m reclassified to Other Expenses in P&L

- H1 2024 capex was €68 million, H2 weighting expected
- Brumado project now completed and in ramp up
- Of the €30 million guided for M&A capex, €10 million is recurring maintenance capex in new acquisitions
- €35 million of project capex on digital upgrades will now be classified as Other Expenses, charged to P&L and not capitalized in line with relevant IFRS for SaaS (Software as a Service)

■ M&A Capex
 ■ Maintenance Capex
 ■ Project Capex

Cash flow

Record half year operating cash flow in H1 2024, supported by working capital release

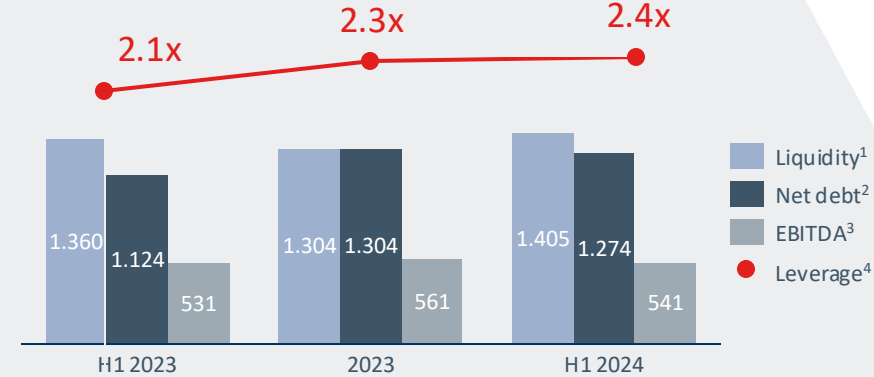


Net debt and gearing

Pro forma leverage maintained within guided range for M&A; significant available liquidity

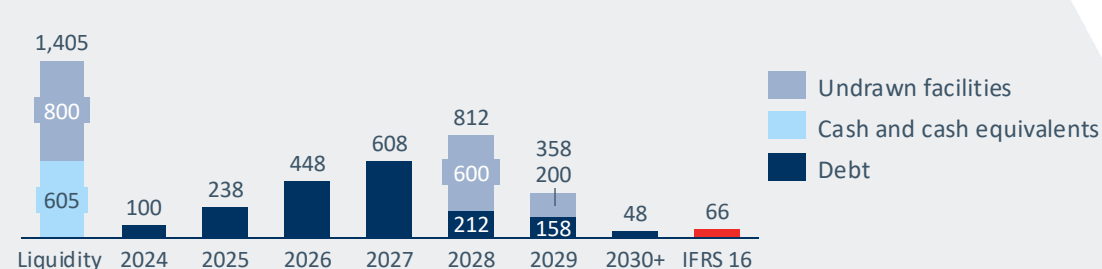
Net debt and liquidity

€m



Debt amortisation profile

€m⁵



- Pro forma leverage of 2.4x⁴ (H1 2023: 2.1x), within target gearing range
- Leverage expected to be controlled within 2.0-c.2.5x range in 2024
- Significant available liquidity of €1,405 million (H1 2023: €1,360 million) and a long-dated amortisation profile
- Average cost of debt c.307bps (30 June 2023: 292 bps, 31 December 2023: 334 bps) including swaps and 71% at fixed interest rates
 - Increase in Ecovadis rating to 76 reduces interest charges by €0.5 million p.a. from June 2024

- Includes €600m undrawn RCF, matures in 2028 and a €200 million syndicated term loan to be utilized for the intended acquisition of the Resco Group.
- Includes IFRS 16 leases of €66m – net debt excluding leases is €1,208m for HY 2024.
- Adjusted L12M EBITDA of €541m which includes €5m pro forma M&A contribution
- Includes IFRS 16 Leases of €66m and pro forma 12 month EBITDA contribution from recently acquired businesses prior to acquisition date.
- €39m of 2024 maturities are rollable into 2025

Q3 trading update and 2024 guidance updates

Strong execution in exceedingly challenging demand environment

- 9M revenues in line with the prior year
 - Contribution from M&A offsetting expected softness in pricing and lower sales volumes
- Customer demand remains subdued in all markets except India
- Adjusted EBITA in Q3 in line with levels reported in Q1 and Q2
 - Cost saving initiatives and operational efficiencies offset lower refractory prices and fixed cost under-absorption
- EBITA margin contribution from vertical integration remained at a record low of 0.8% whilst refractory margins remained at record highs
- Completion of the announced Resco Group transaction expected to occur in Q1 2025

P&L		HY 2024 guidance ¹	Q3 updates
Revenues	(i) Volumes	Base business flat volumes, M&A full year effect adds up to 10%	Base business slight decline in volumes, M&A full year effect adds up to 5%
Revenues	(ii) Pricing	Pricing pressure to offset benefit of M&A	-
EBITDA from 2023 M&A		€80m	-
Adjusted EBITA margin		c.11%	-
Adjusted EBITA		At least €410m	€400-410m
Net financial expenses		€75m	-
Non-controlling interests		€20m	-
Balance sheet and cash flow			
Capital expenditure		€135m ^{2,3}	-
Working capital intensity ⁴		c.24%	-
Gearing		2.0-2.5x	-

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

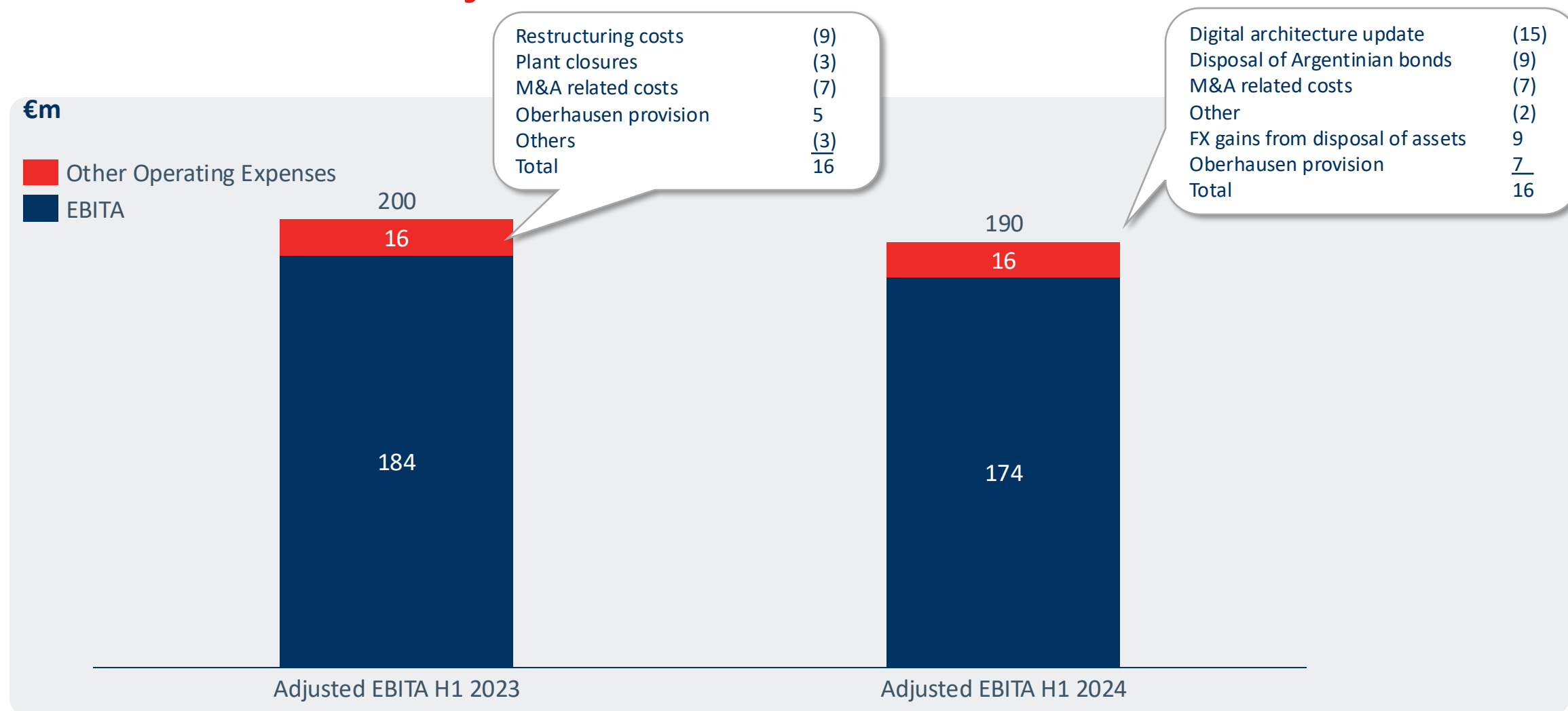
2. Capital expenditure now comprises c.€60m maintenance capex, €45m project capex and c. €30m M&A

3. €35m of €170m guidance to be expensed and reported in OIE

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

Appendix

H1 2024 EBITA - Adjusted items



Cash flow reconciliation

€m	H1 2024	H1 2023
Adjusted EBITDA	258	265
Share based payments - gross non-cash	5	4
Working capital changes	86	41
Changes in other assets and liabilities	(47)	(18)
Investments in PPE, IA	(68)	(63)
Adjusted operating cash flow	233	228
Income taxes paid	(36)	(24)
Cash effects of other income/expenses and restructuring	(17)	(14)
Investments in financial assets	(22)	(5)
Cash inflows from the sale of PPE, IA	8	2
Cash inflows from the sale of financial assets	26	(0)
Investment subsidies received	2	0
Cash inflow from joint ventures and associates	-	-
Net interest paid/received	(36)	(23)
Net derivative cash inflow/outflow	(13)	3
Dividend payments to NCI	(1)	0
Other investing activities	(33)	0
Free cash flow	103	167

Net financial expenses

€m	H1 2024	H1 2023
Net interest expenses	(19)	(18)
Interest income	14	9
Interest expenses	(32)	(27)
FX effects	14	(15)
Balance sheet translation	23	(23)
Derivatives	(9)	8
Other net financial expenses	(8)	(19)
Present value adjustment	(4)	(4)
Factoring costs	(5)	(5)
Pension charges	(4)	(5)
Non-controlling interest expenses	(3)	(3)
Capitalization of borrowing costs	2	1
Interest expense - Transaction costs	-	(1)
Other	7	(2)
Total net finance expenses	(12)	(51)

Reconciliation of adjusted earnings

(€m)	H1 2024	Items excluded from adjusted performance	H1 2024 adjusted	H1 2023 reported	Items excluded from adjusted performance	H1 2023 adjusted
EBITA¹	174	16	190	184	16	200
Amortisation	(19)	19	-	(22)	22	-
Net financial expenses	(12)	(5)	(17)	(51)	10	(41)
Profit before tax	143	30	173	111	48	159
Income tax	(32)	(10)	(42)	(28)	(10)	(38)
Profit after tax	111	20	131	83	38	121
Non-controlling interest	9	-	9	3	-	3
Profit attributable to shareholders	102	20	122	81	38	119
Shares outstanding ²	47	-	47	47	-	47
Earnings per share	2.15	0.43	2.59	1.71	0.81	2.53

◆ Items excluded from adjusted EPS:

- €(15)million of expenses relating to digital architecture update and ERP system upgrade
- €(9) million of losses on disposal of Argentinian bonds
- €(7) million of expenses related to M&A activities
- €(2) million of other expenses
- €9 million historical FX gains from disposal of assets (non-cash effect)
- €7 million of amortisation of onerous contracts imposed by EU as part of the merger with Magnesita

1. EBITA reconciled to revenue above.

2. Total issued and outstanding share capital as at 31 May 2024 was 47,188,759. The Company held 2,228,946 ordinary shares in treasury. Numbers may not cast due to rounding.

Impact of foreign currency movement

EBITA sensitivity in H1 2024

Appreciation vs EUR		Depreciation vs EUR	
	Increase / (decrease)		Increase / (decrease)
Unit	in EBITA (€m)	Unit	in EBITA (€m)
USD	-1 cent 2.80	+1 cent	-2.80
CNY	-0.01 yuan -0.09	+0.01 yuan	0.09
BRL	-0.10 reais -1.04	+0.10 reais	1.04
INR	-1 rupee 1.41	+1 rupee	-1.41
TRY	-0.1 lira -0.03	+0.1 lira	0.03

2023 add H1 2024 exchange rates

	H1 2023	H1 2023	H1 2023	H1 2024
	Opening Rate	Closing Rate	Average Rate	Average Rate
EUR:				
USD	1.07	1.07	1.08	1.09
CNY	7.42	7.59	7.47	7.81
BRL	5.63	5.41	5.53	5.44
INR	88.26	88.66	88.82	90.26
TRY	20.01	21.97	20.80	34.06

Return on invested capital

Group ROIC ¹	H1 2024	H1 2023
Average Invested Capital (€m)	3,056	2,780
NOPAT (€m)	136	154
ROIC (%)	8.8%	11.1%
Vertical integration ROIC	H1 2024	H1 2023
Average Invested Capital (€m)	495	466
NOPAT (€m)	6	17
ROIC (%)	2.6%	7.3%
Refractory ROIC	H1 2024	H1 2023
Average Invested Capital (€m)	2,594	2,314
NOPAT (€m)	129	137
ROIC (%)	10.0%	11.9%

Guidance detail

P&L	Q3 2024 update	HY 2024 guidance	2023 actual
Revenues (i) Volumes	Base business slight decline in volumes, M&A full year effect adds up to 5%	Base business flat volumes, M&A full year effect adds 10%	3% revenue decline from volumes
Revenues (ii) Pricing	-	Pricing pressure to offset benefit of M&A	13% revenue growth from pricing and M&A
Depreciation	-	c.€140m	€134m
EBITDA from 2023 M&A	-	€80m	€35m
Adjusted EBITA margin	-	c.11.0%	11.4%
Adjusted EBITA	€400-410m	At least €410m	€409m
Digital upgrade OIE	-	c.€35m	-
Amortisation	-	c.€40m	€44m
Finance charges	-	c.€75m ^{1,2}	€61m
Adjusted tax rate	-	23-25%	24%
Non-controlling interests	-	c.€20m	€7m
Balance sheet and cash flow			
Capital expenditure	-	c.€135m ³	€180m
Working capital intensity ⁴	-	c.24%	24.2%
Gearing	-	2.0-2.5x	2.3x pro forma

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

2. Comprises Net interest expense c.€45m and other adjusted net financial expenses c.€30m including pension expense, present value adjustments, factoring costs, non-controlling interest expense

3. Capital expenditure comprises c.€60m maintenance capex, €45m project capex and c. €30m M&A

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

M&A strategy in progress

10 acquisitions completed since December 2021 in key target geographies and product segments

Europe/Türkiye



Industrial

Consideration: €46m
Revenue: €41m



Recycling

Consideration: €13m
Revenue: €43m



Lances, pre-casts

Consideration: €13m
Pro forma Revenue: €23m



Non-basic

Consideration: €84m
Pro forma Revenue: €96m



Non-basic, Industrial

Consideration: €45m
Pro forma Revenue: €175m



Recycling

Consideration: €5m
Pro forma Revenue: €6m

China



Non-basic

Consideration: €5m
Revenue: €9m



Flow Control

Consideration: €40m for 65%
Pro forma Revenue: €76m

India



Industrial

Consideration: 27m RHIM India shares
Revenue: €132m



Flow Control

Consideration: €87m
Pro forma Revenue: €25m

- All acquisitions have been focused in a priority product segment or target geography
- Each transaction has potential to deliver target EBITDA synergies of 30-50%:
 - Cross selling
 - Logistics and network benefits
 - Procurement synergies
 - Raw material integration benefits
 - Shortening of supply chains, reduced frictional costs
 - Product range expansion
 - Technology transfer
 - Sustainability or recycling opportunities

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