



Full Year Results 2024

**Safety, resilience and
progress**

27 February 2025

Agenda

- 1 FY overview
- 2 Strategy update
- 3 Financial review
- 4 Summary and outlook
- 5 Q&A
- 6 Appendix

Safety Moment

At RHI Magnesita, at the start of every meeting, we allocate **one minute** to discuss crucial and recent safety matters



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

Step change in safety culture fully underway

- Health and safety improvements prioritised at all levels of management
- Complete review of safety standards, culture, leadership and key serious injury and fatality risks
- RHI Magnesita HELP fund established, funded by staff with matching Company contribution

Injury indicators:

- LTIF¹ 0.011 (2023: 0.16), lowest since pandemic year
- TRIF² 0.41 (2023: 0.41)

Financial highlights FY 2024

Significant cash generation driven by resilient profitability and working capital release



1. Working capital intensity is stated after working capital financing of €289m and is calculated using L3M annualised revenue of €4,020 million.

2. Includes IFRS 16 Leases of €77m and pro forma 12-month EBITDA contribution from recently acquired businesses prior to acquisition date.

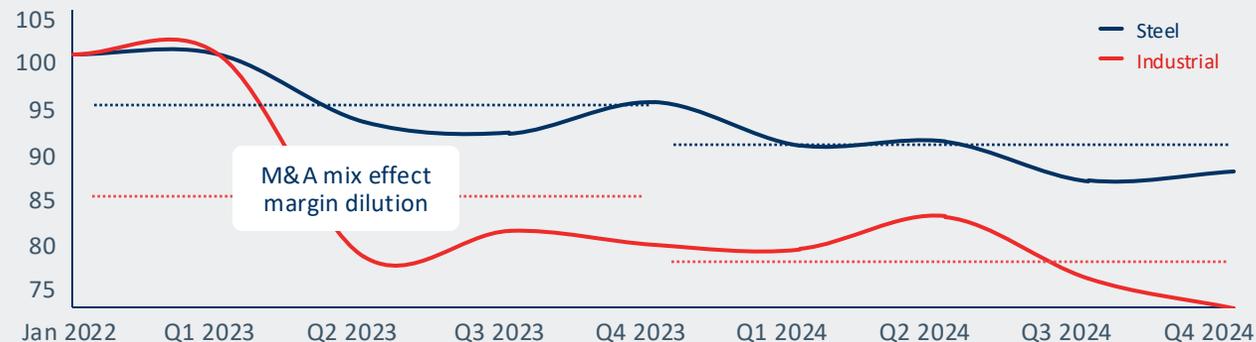
M&A contribution offsets lower pricing

M&A contribution delivered stable performance, despite 6% weaker pricing and 1% lower volumes

Revenue growth driven by pricing and M&A € million

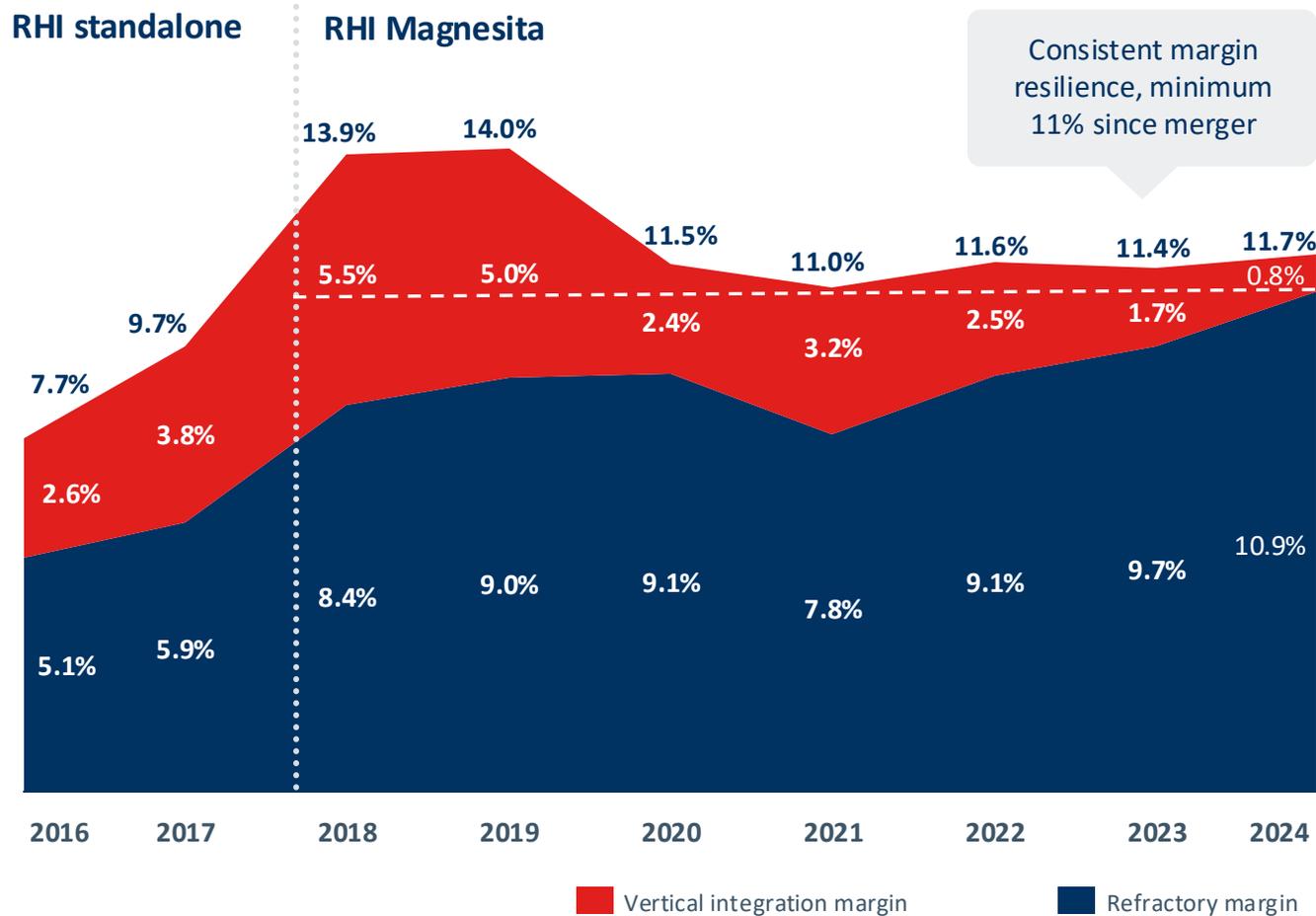


Pricing pressure in steel and industrial Price index rebased to 100 at 1 Jan 2023



- 1% revenue decline from sales volumes vs 2023 in the base business, excluding contribution from M&A
 - Continuing softness in end market demand
- M&A contribution added 6% resulting in broadly flat revenues year on year
- 6% reduction in revenues in the base business due to pricing and product mix
 - 2023 M&A increased sales volumes in lower margin segments

Continued decline in vertical integration contribution counterbalances efficiency and M&A gains



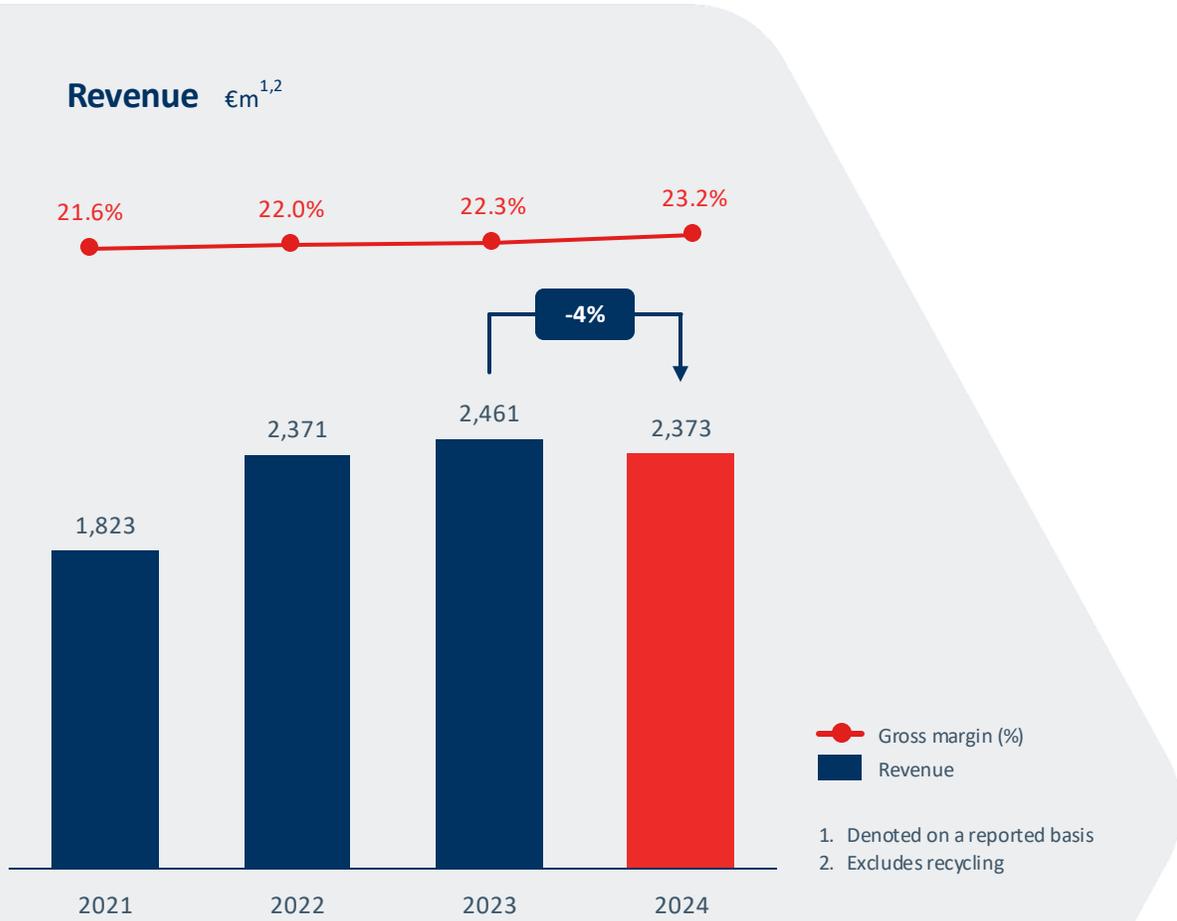
Vertical integration margin declined to 0.8ppts due to low raw material prices and fixed cost under-absorption at RHIM raw material sites.

Refractory margin further strengthened in 2024, supported by lower input costs, benefits of M&A synergies and structural cost reductions resulting from the Group's strategic cost-saving initiatives.

	2022	2023	2024
Refractory EBITA (€m)	298	348	379
Vertical integrated EBITA (€m)	84	61	28
Refractory EBITA margin	9.1ppts	9.7ppts	10.9ppts
Vertical integrated EBITA margin	2.5ppts	1.7ppts	0.8ppts

Steel business overview

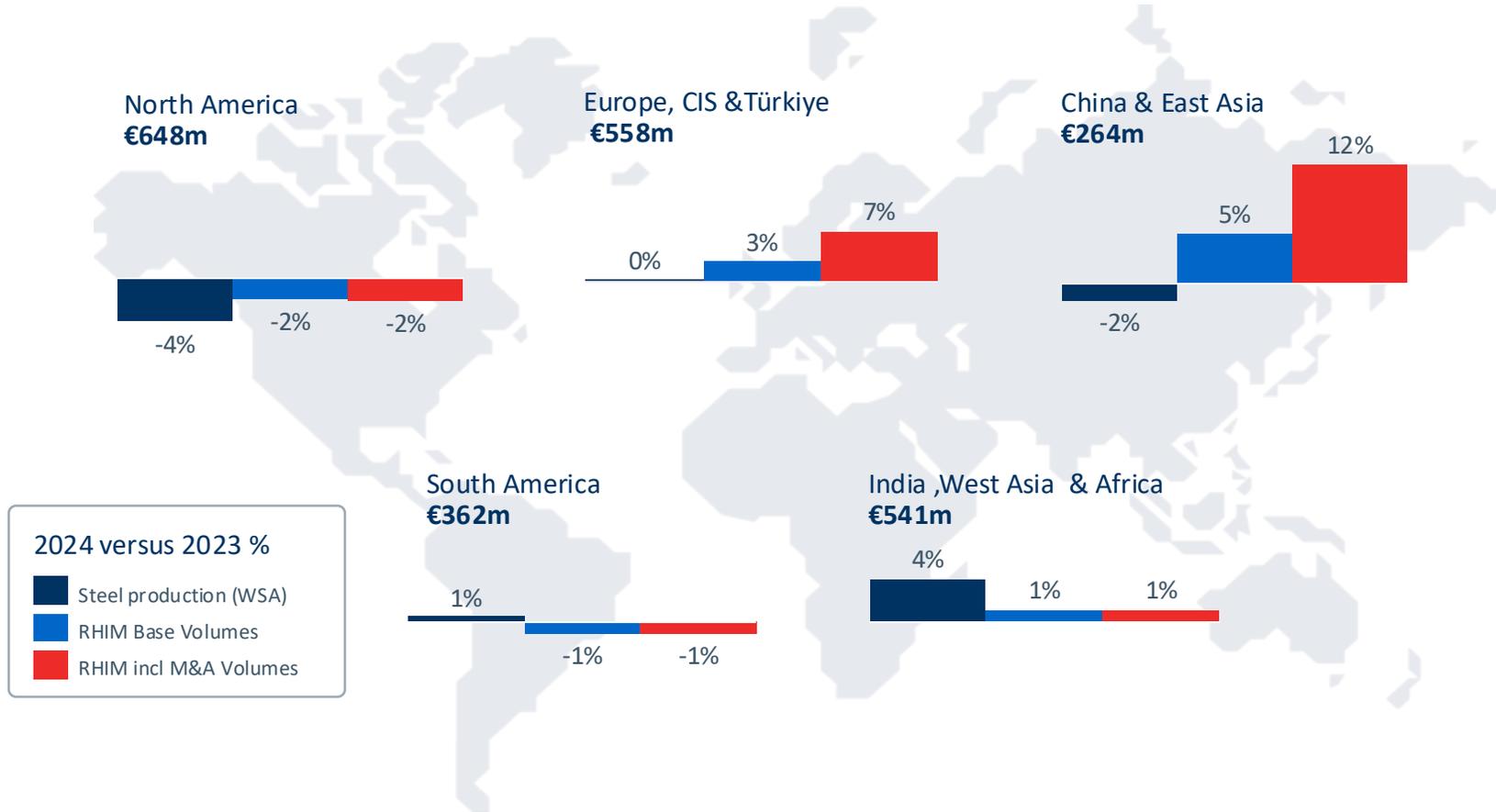
Gross margin improved vs 2023 due to efficient cost management



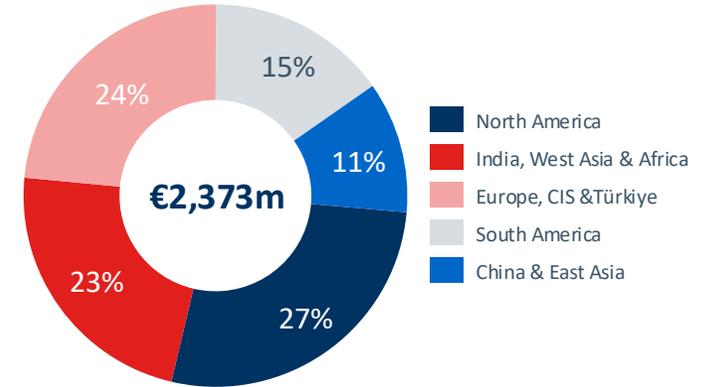
- Steel revenues decreased by 4% compared to 2023 as a 3% increase in sales volumes supported by M&A was offset by 6% lower pricing
- Global steel demand decreased in the key markets of China and North America but grew in India, West Asia & Africa, Europe and South America
 - Domestic production in some markets displaced by exports from China
- Shipped volumes increased by 1% excluding M&A compared to World Steel Association data which indicates a decrease of 0.9% in global steel output in 2024
- Gross margin improved to 23.2% (2023: 22.3%) due to careful pricing management and reduced input costs

Steel segment performance by region

M&A drives strong volume growth in Europe and China & East Asia



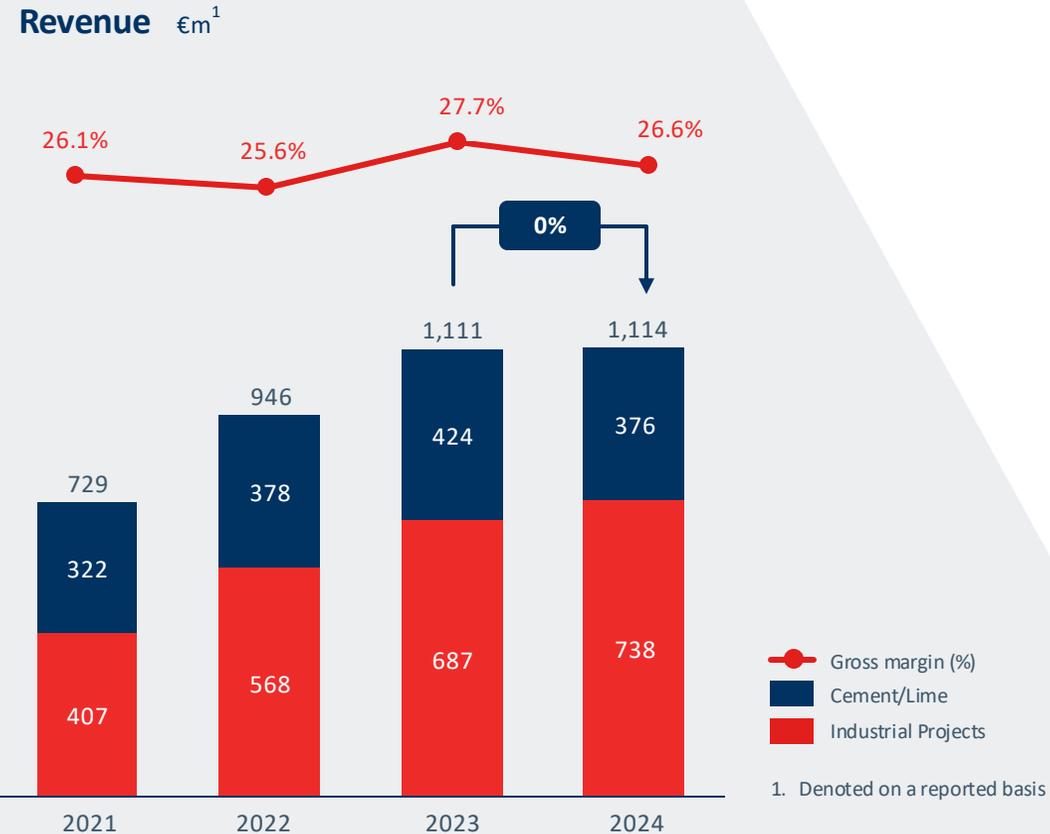
Steel Segment Revenue 2024



Global steel production (WSA): (0.9)%

Industrial business overview

Flat revenues, gross margin declined to 26.6% from 27.7%



- Revenues flat compared to 2023
 - Strong performance in Europe +15% and India +13%, driven by M&A
- Shipped volumes increased by 11% YoY, supported by M&A, whilst average pricing reduced by 9% due to product mix effects
 - Cement & Lime very weak, revenues decreased by 12%
 - Industrial Projects revenues increase by 7%, supported by M&A
- Gross margin decreased to 26.6% (2023: 27.7%) due to product mix effect with higher proportion of lower-margin products sold, post M&A
- 2024 was a strong year for high margin non-ferrous metals and glass projects due to customer investment timing
 - Lower capex investments by these industrial customers will reduce demand in 2025

Strategy update

Stefan Borgas, CEO



Acquisition of Resco

Transaction completed on 28 January 2025 is a major step forward for RHI Magnesita’s US business

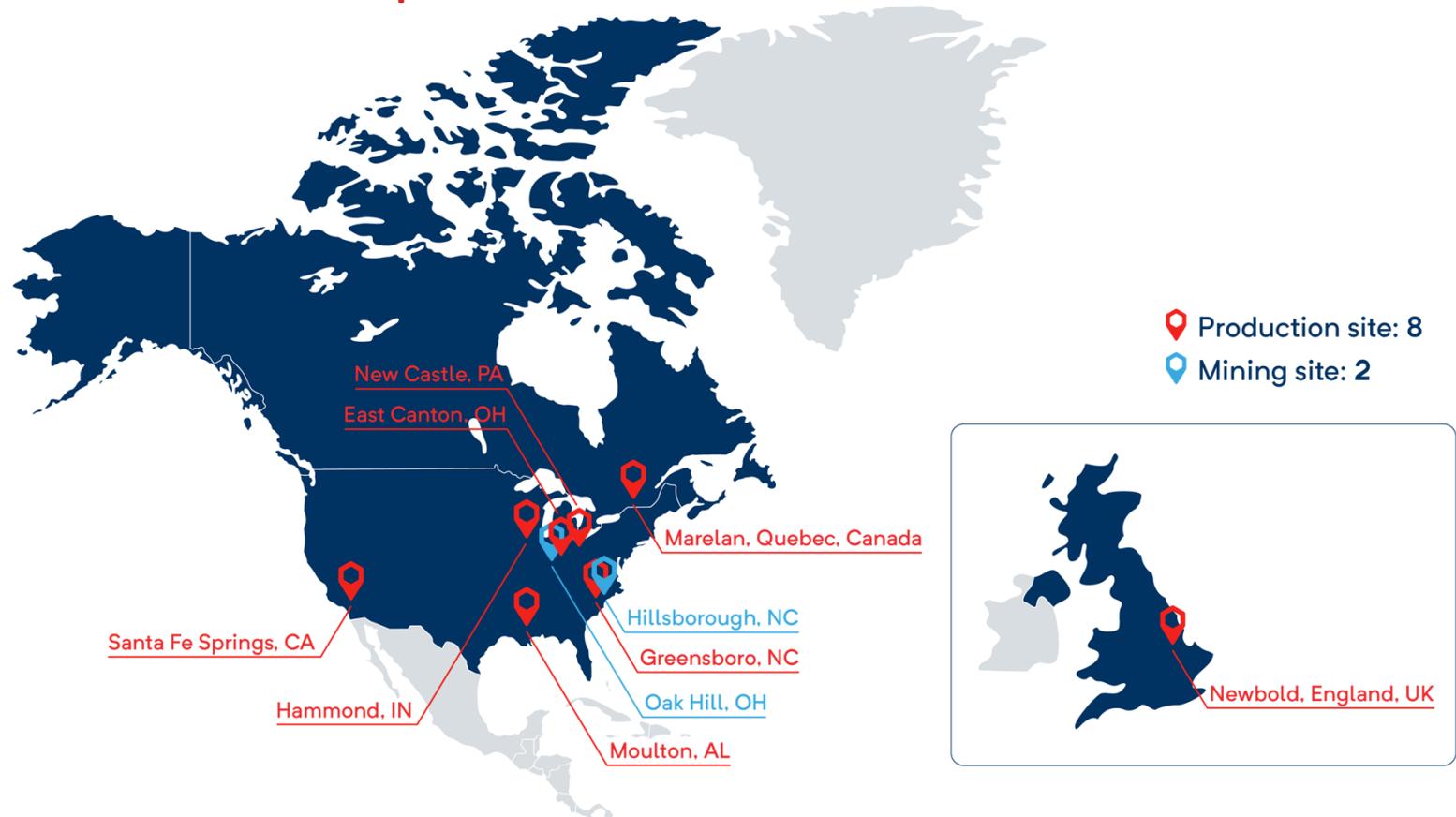
Strategic rationale

- ✓ Complementary product offering
- ✓ More than doubles USA industrial business
- ✓ Network and logistics synergies
- ✓ Alumina based refractories (‘non-basic’)
- ✓ Local production strategy

Customer Industries

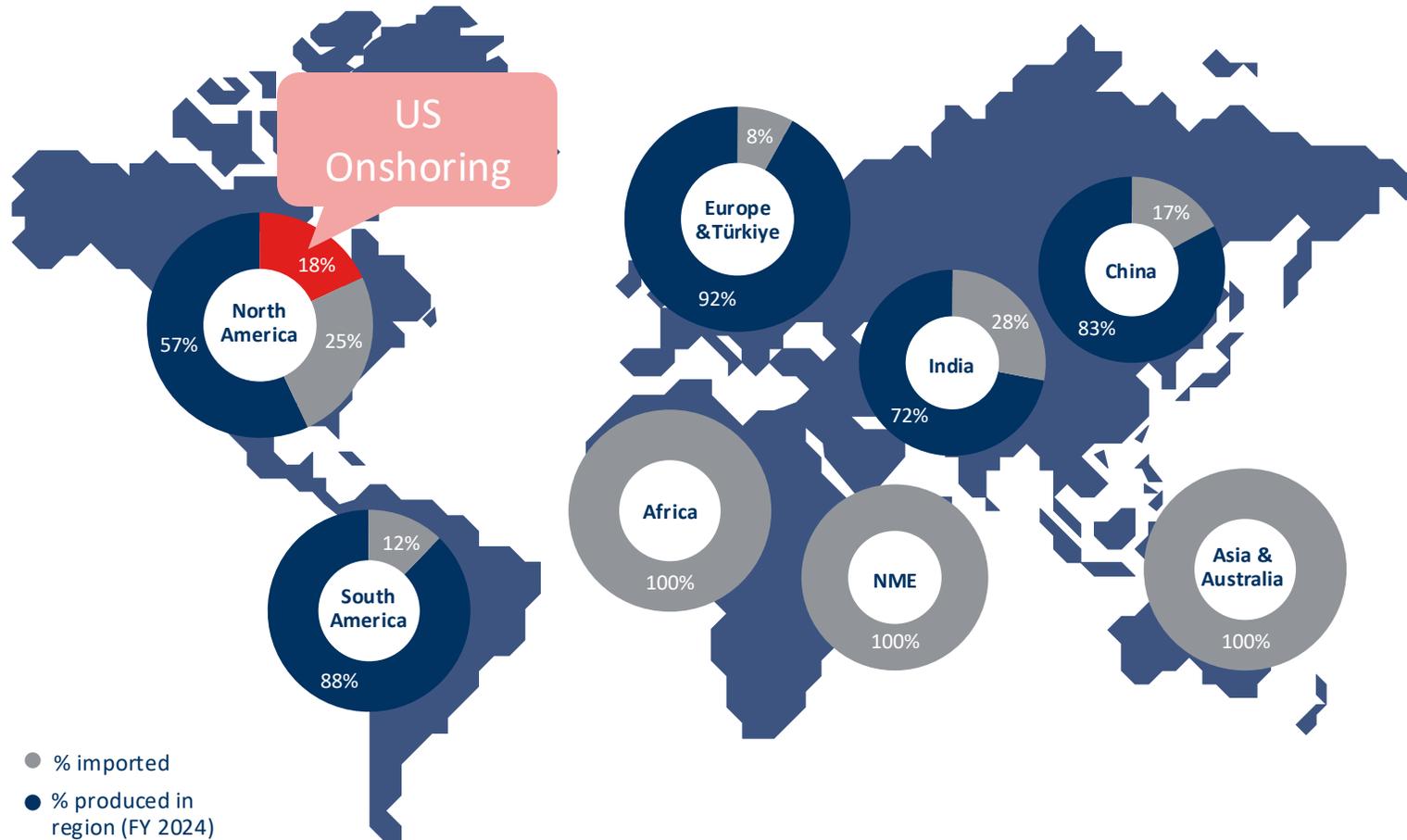
- ✓ **Petrochemical**
- ✓ Cement
- ✓ Aluminium
- ✓ Steel and iron making

Plant footprint



Local production strategy

Resco acquisition seeks to reduce imports by growing NAM local manufacturing

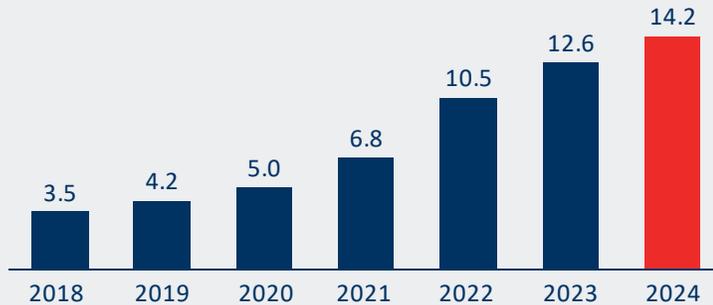


- ◆ Resco acquisition will increase local production in North America to c.75%
- ◆ Onshoring of supply chain is a response to clear customer feedback
- ◆ Synergy benefits include:
 - Logistics benefits
 - Network efficiencies
 - Working capital reduction due to shorter supply chain
 - Procurement
 - Technology transfer
 - Recycling opportunity
 - SG&A reduction

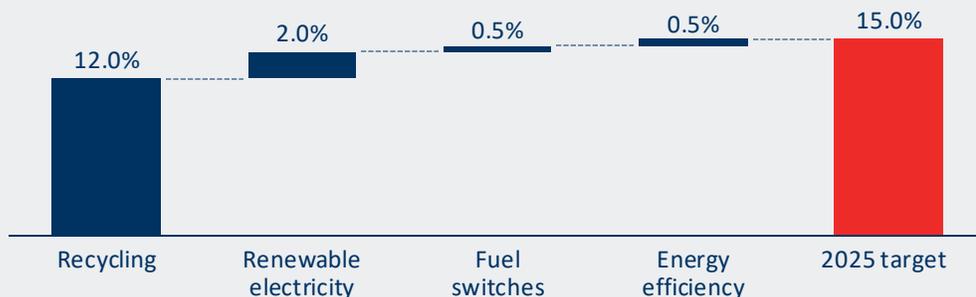
Sustainability leadership

Recycling of reclaimed refractories continues to deliver significant CO₂ savings

Use of secondary raw material
% of total raw material used



CO₂ emissions intensity savings target
Route to achieving 2025 target (2024: 14%)



- Recycling now 14.2% despite dilution from new M&A
 - 15% target for 2025 maintained and 20% target set for 2030
 - New business unit established for external sales of recycled raw materials
- Ongoing R&D investments in CO₂ emissions avoidance and Carbon Capture, Utilisation and Storage
 - 13.7% reduction in CO₂ emissions intensity against 2018 baseline
 - 1.6 Mt CO₂ emissions savings 2018 - 2024
- ESG ratings recognise our progress:
 - EcoVadis 76 (2023: 72)
 - MSCI AA (2023: AA)
 - CDP A- (2023: A-)
 - Sustainalytics 21 (2023: 23)¹
- ESRS Sustainability Statement produced in accordance with new regulations
 - Board believes that high cost in time and financial resources is not justified by corresponding improvement in usability of sustainability disclosures



Raptor

Cutting edge automated sorting equipment for recycling, successfully installed in November 2024

Mitterdorf, Austria

Next level of RHIM solutions business:

4PRO

- 1. Refractory Material
- 2. Automation Robotics
- 3. Connectivity Sensors
- 4. Digital Solutions
- 5. On site services & Supply Chain Manag.
- 6. Supervision
- 7. Process Consulting



- 8. Long Term Agreements
- 9. Connectivity
- 10. Data Access
- 11. Joint Development
- 12. CO₂ Footprint
- 13. Circular Economy
- 14. Local for Local
- 15. Social Responsibility

Financial Review

Ian Botha, CFO



Profit and loss summary

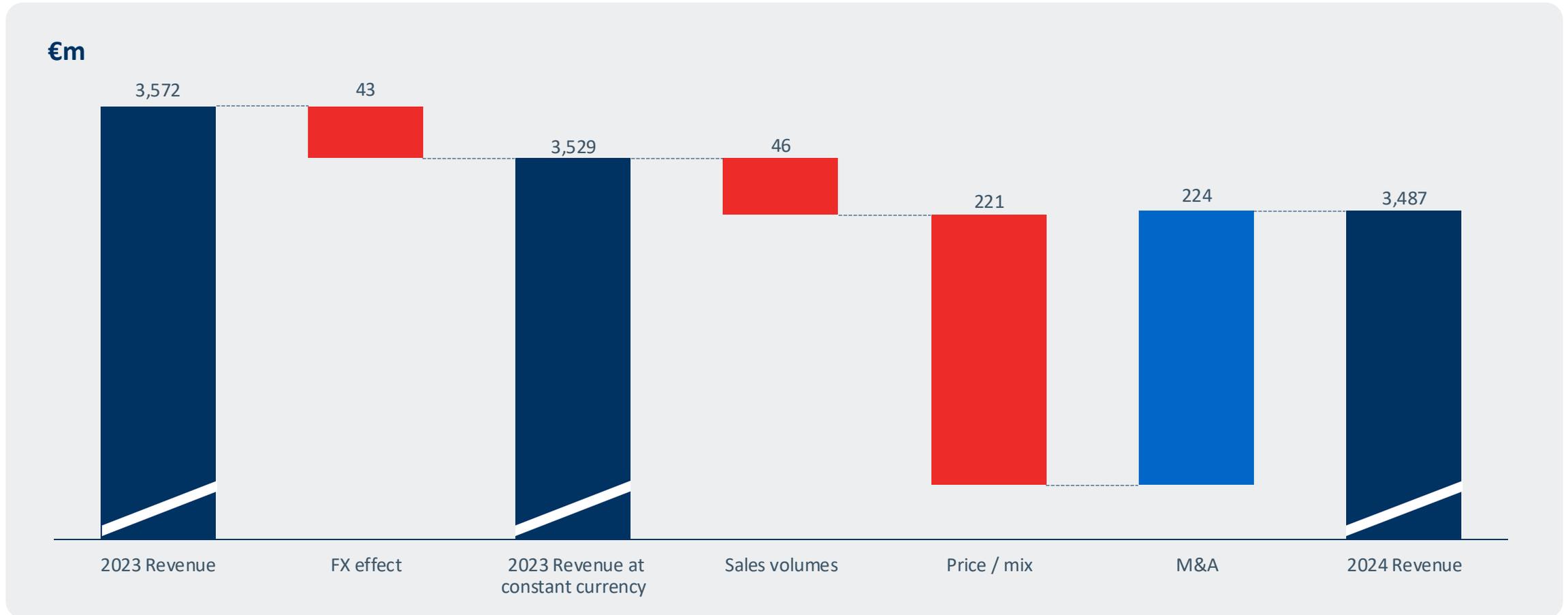
Adjusted EPS growth of 7% driven by favourable foreign exchange movements reducing finance charges

€m	2024	2023 ¹	Change
Revenue	3,487	3,572	-2%
Gross profit	848	857	-1%
Gross margin (%)	24.3%	24.0%	30bps
Adjusted EBITDA	543	543	0%
EBITDA Margin (%)	15.6%	15.2%	40bps
Adjusted EBITA	407	409	0%
Adjusted EBITA margin (%)	11.7%	11.4%	30bps
Finance charges ²	-60	-92	-35%
Adjusted Profit before tax	347	317	9%
Adjusted effective tax rate	24.2%	24.0%	1%
Tax	-84	-76	11%
Adjusted Profit after tax	263	241	9%
Adjusted EPS (€)	5.32	4.98	7%
Dividend per share (€)	1.80	1.80	0%

- Reported revenue and Gross profit decreased by 2% and 1% due to weak market environment impacting pricing, and product mix
- Adjusted EBITA margin up to 11.7% (2023: 11.4%) supported by reduced input costs and SG&A reduction
- Adjusted PBT increased by 9% to €347 million (2023: €317 million) as Adjusted finance charges improved to €60 million (2023: €92 million)
 - Net interest expenses of €38 million (2023: €35 million)
 - Foreign exchange related benefits of €11 million (2023: €(30) million)
 - Other financial expenses €33 million (2023: €27 million)
- Adjusted EPS increased to €5.32 per share (2023: €4.98 per share), supported by FX
- Full year dividend €1.80 (2023: €1.80), with final dividend of €1.20 (2023: €1.25)

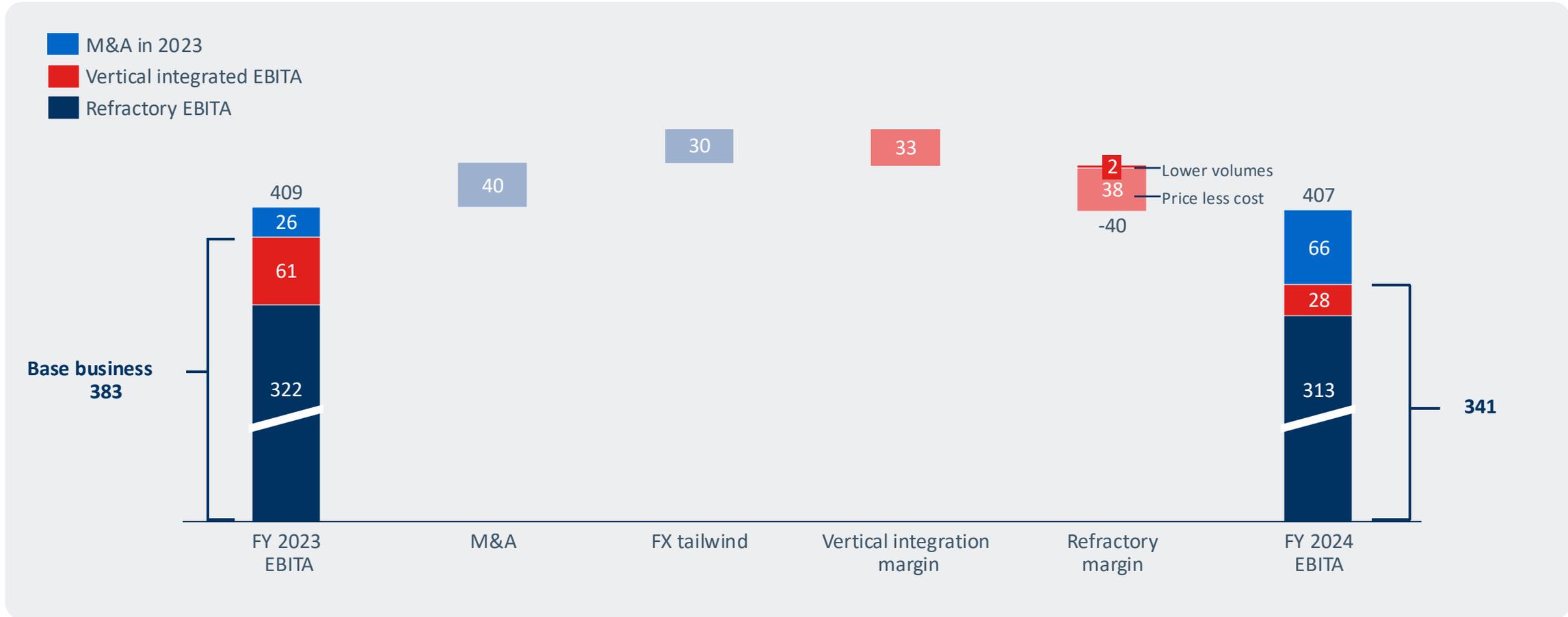
2024 revenue bridge

Weaker organic pricing and sales mix, partially offset by M&A

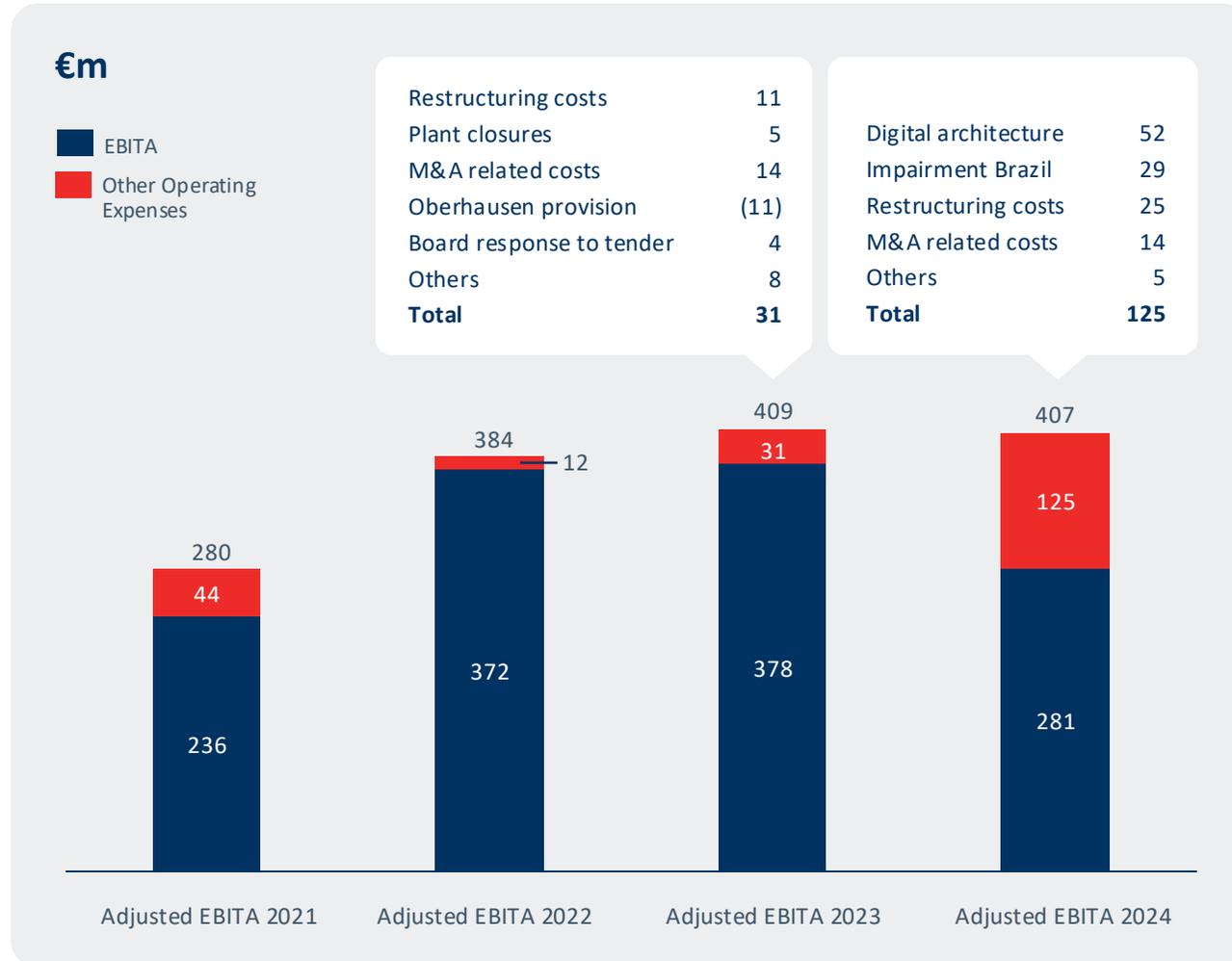


2024 EBITA bridge

EBITA driven by record low vertical integration margin and weaker prices/sales mix, offset by M&A and lower costs



2024 EBITA adjusted items



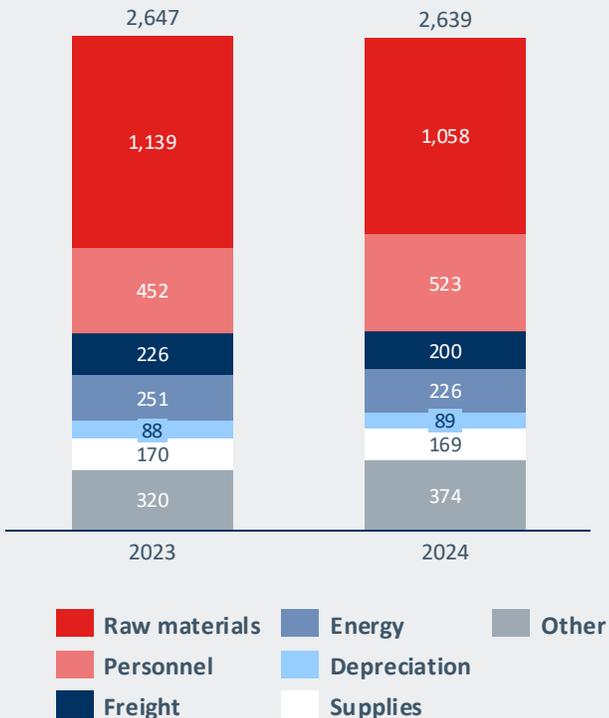
- €125 million adjusted items mainly spending to improve operating efficiency and future profitability:
 - €52 million on digital architecture, previously guided as capex, software as a service is an expense in IFRS. Includes amounts previously capitalised in 2023. Avoids future depreciation of c.€10 million
 - €29 million non-cash pre-tax impairment in Brazil due to intended transfer of capacity to the US. Included in business case for Resco acquisition
 - €25 million provision for closure costs at Mainzlar, Germany due to surplus capacity in Europe. Originally part of 2019 Production Optimisation Plan

Cost detail

Significant spike in purchased alumina raw material cost weighs on H1 profitability

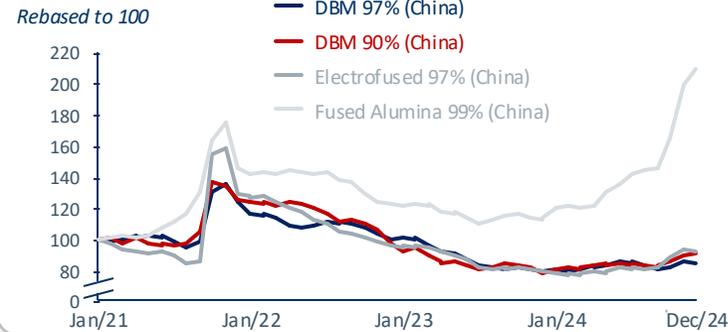
Cost of goods sold

Absolute COGS flat YoY on a constant currency basis, -3% on reported basis



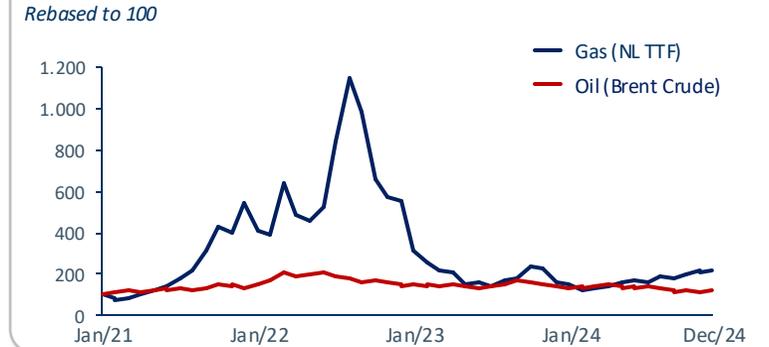
Raw materials

DBM prices softening since Q1 22



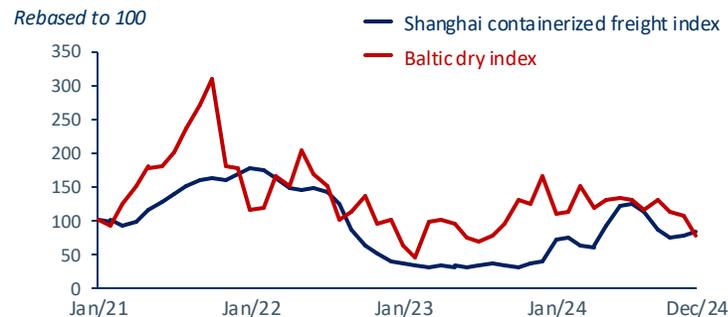
Energy

Gas prices have normalized; oil prices remain flat



Freight

Sea freight cost indices reduced back to 2020 levels



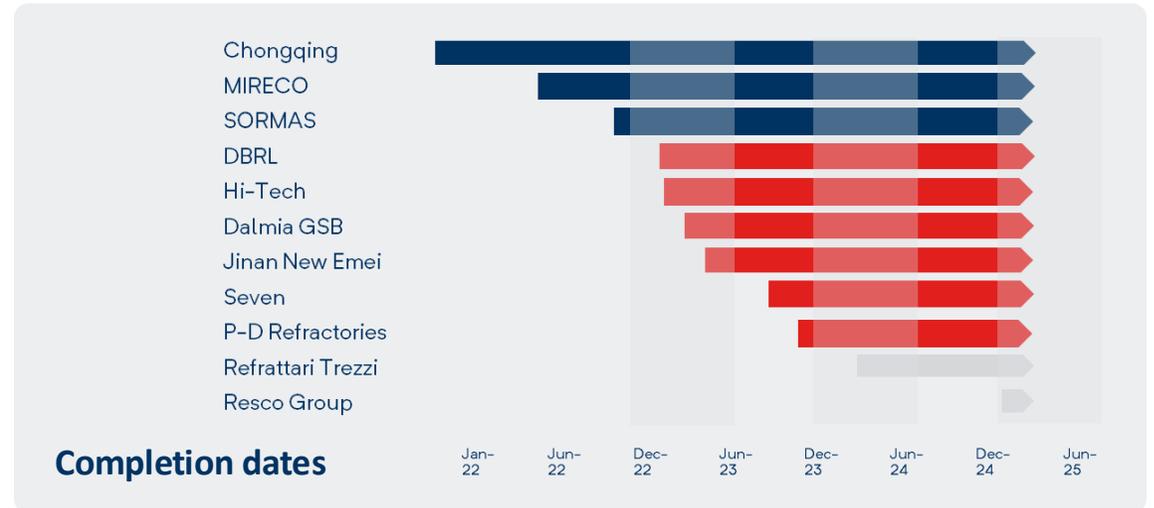
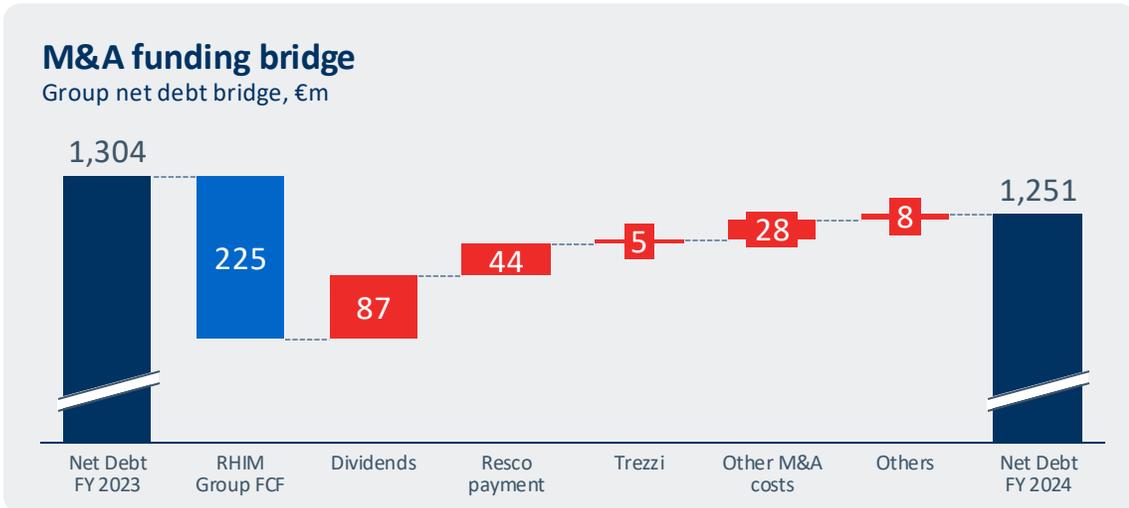
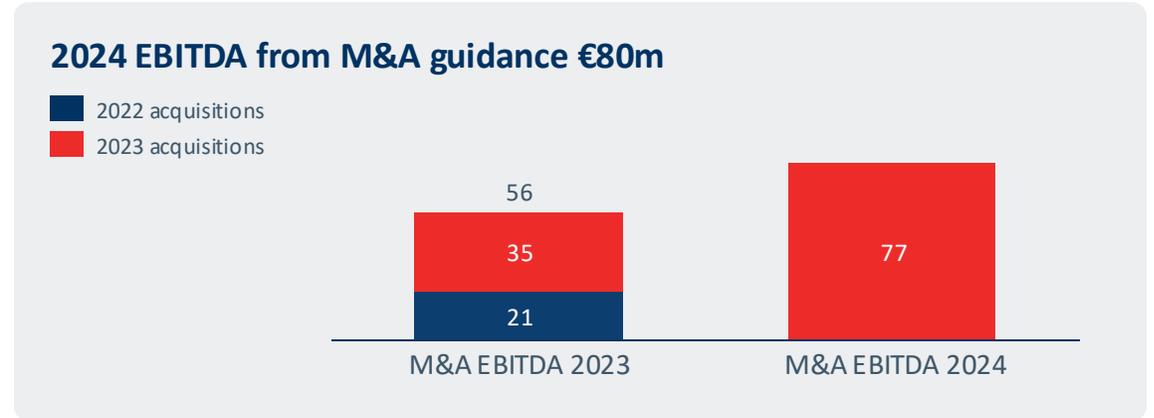
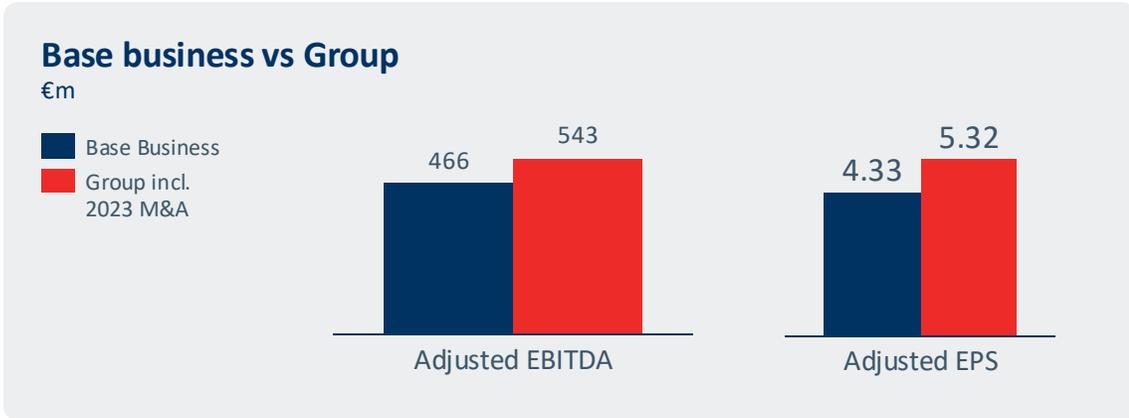
Wages

Consumer price inflation appears to have peaked in key regions



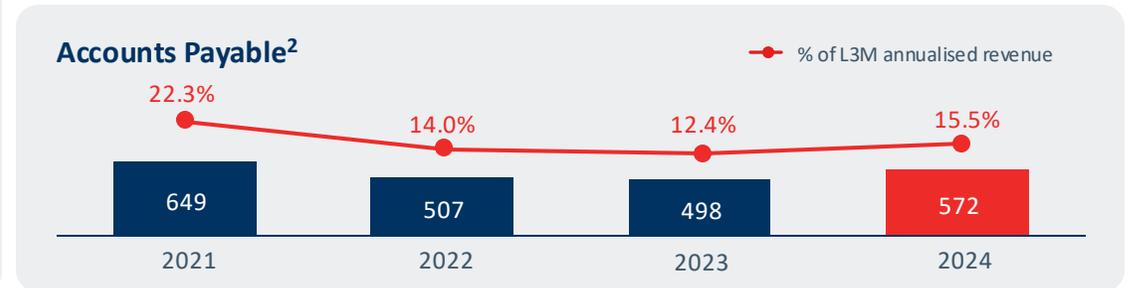
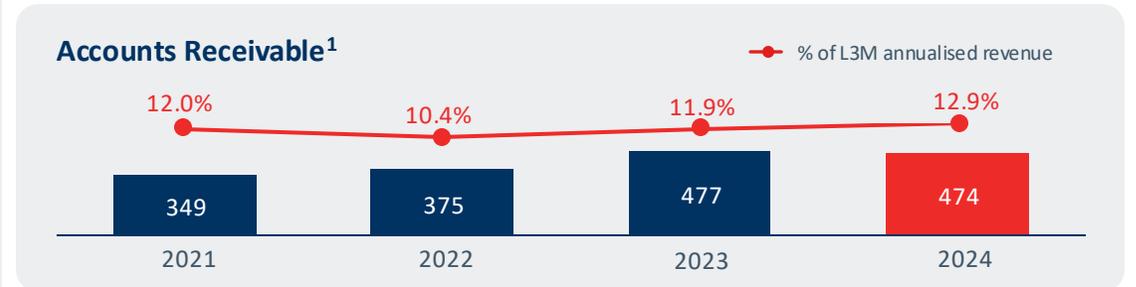
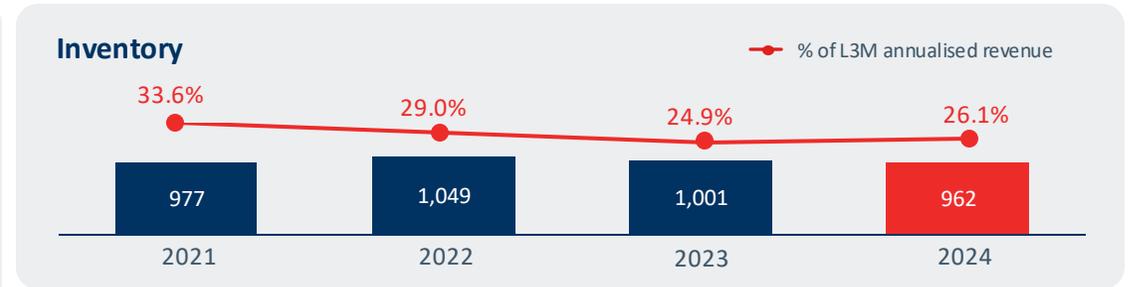
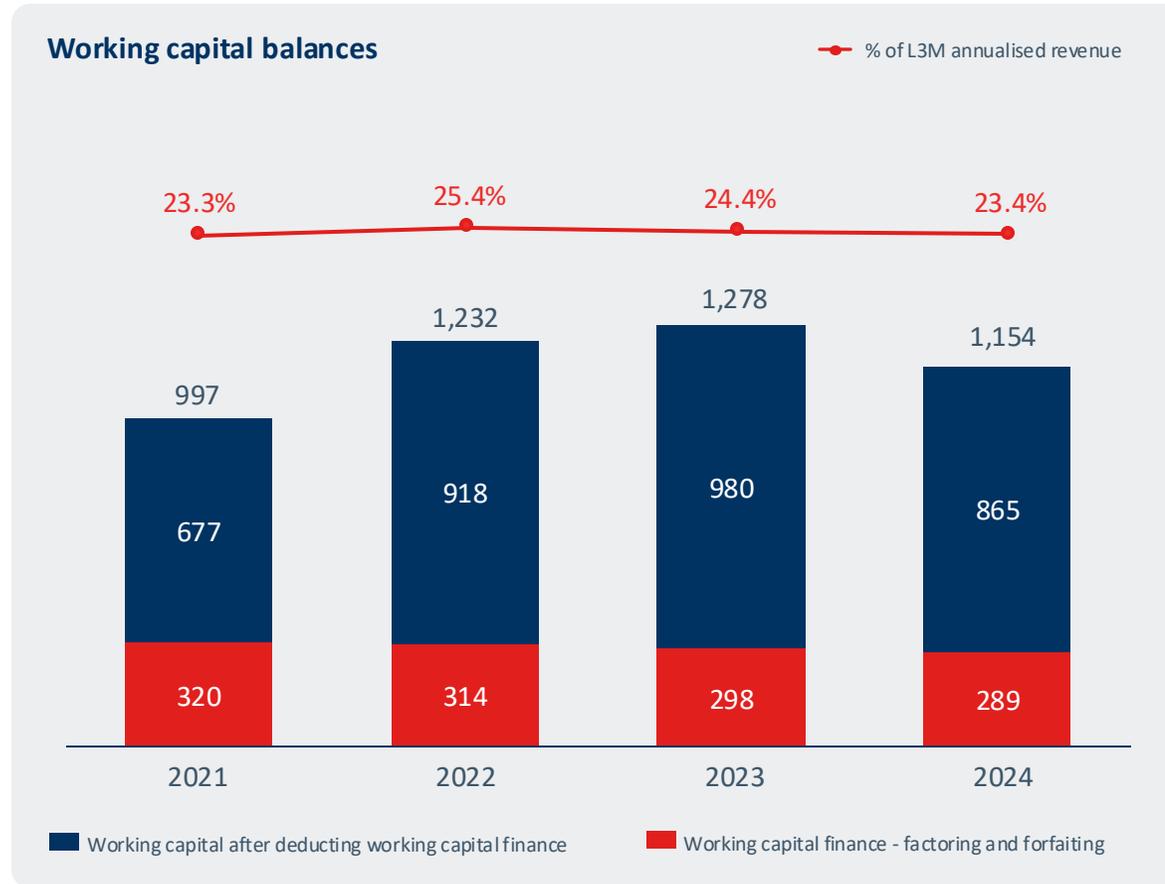
M&A financials

2023 M&A contributed €77 million to Adjusted EBITDA versus guidance of c.€80 million



Working capital

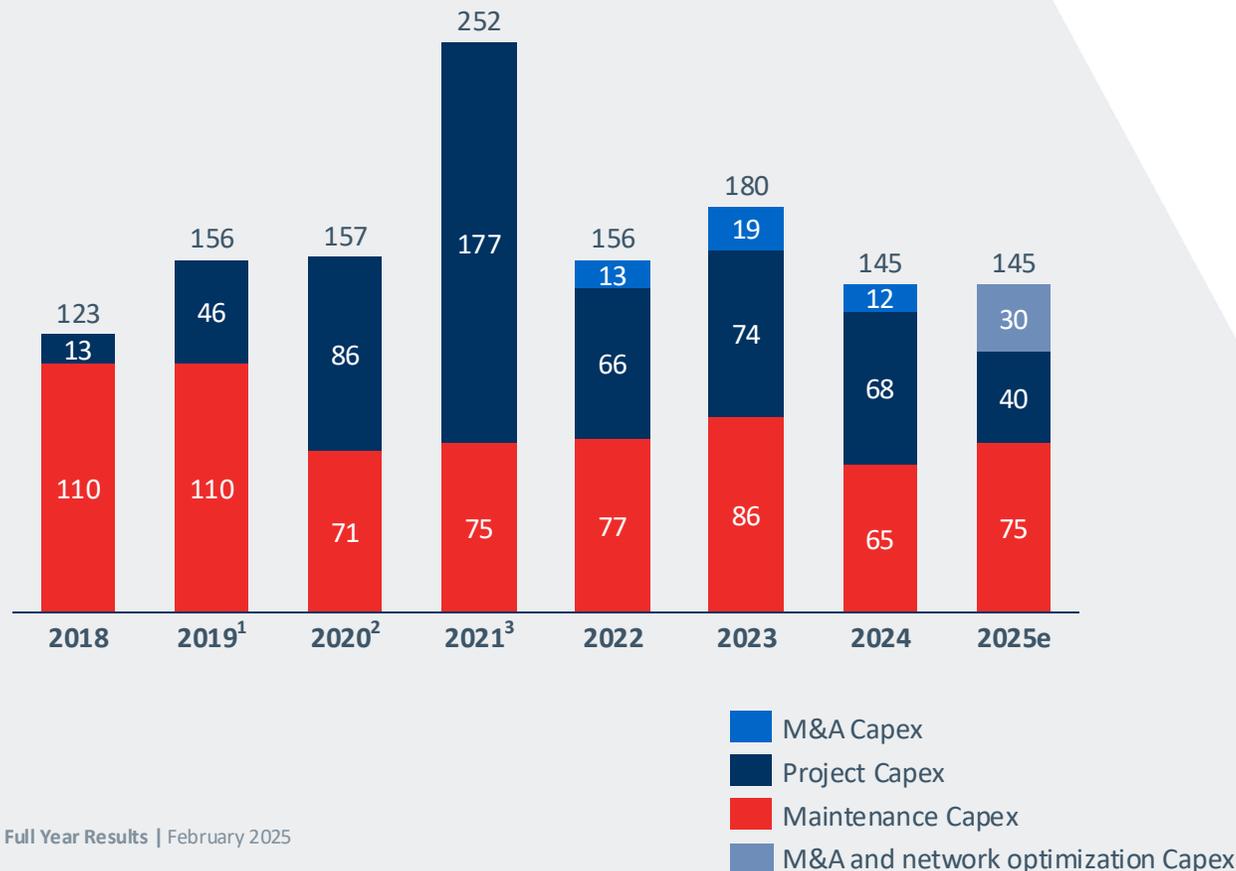
€115m working capital release driven by improved inventory management and lower input costs



1. Accounts receivable calculated as trade receivables plus contract assets less contract liabilities, as per financial statements
 2. Accounts payable refers to trade payables, as per financial statements

Capital expenditure

Capex broadly in line with depreciation. Excludes digital upgrade investment as required by IFRS

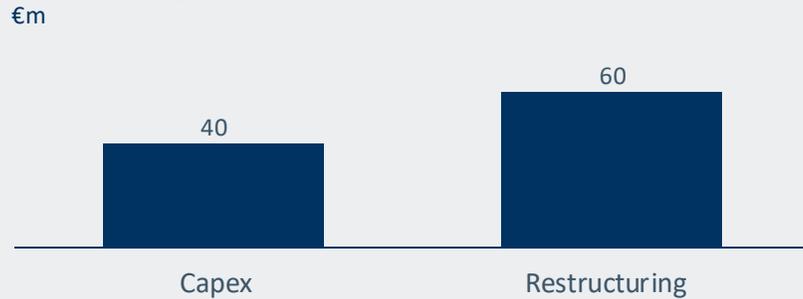


- 2024 capex of €145 million (close to depreciation of €136 million):
 - €65 million maintenance capex
 - €68 million project capex
 - €12 million M&A related capex
- 2025 capex to remain at similar level of c.€145 million, including Resco integration and maintenance capex
 - 2025 depreciation guidance c.€150 million
- c.€35 million annual spend over 2024-26 for digital architecture is accounted for as Other Expenses and charged to P&L

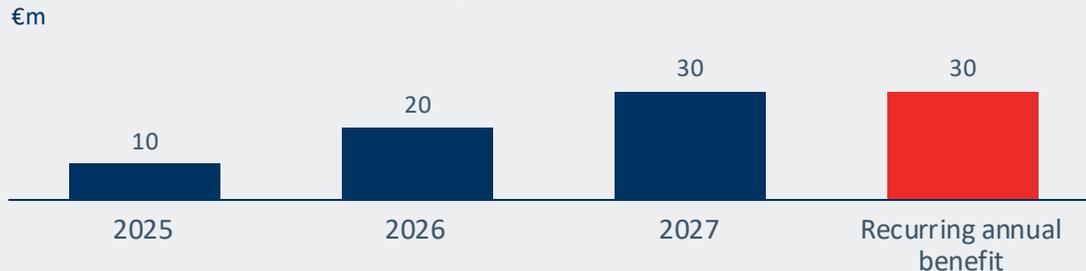
Network optimisation investments

Planned restructuring and capital expenditure to realise benefits of 2022-23 M&A and Resco

Network optimisation investment 2025-27



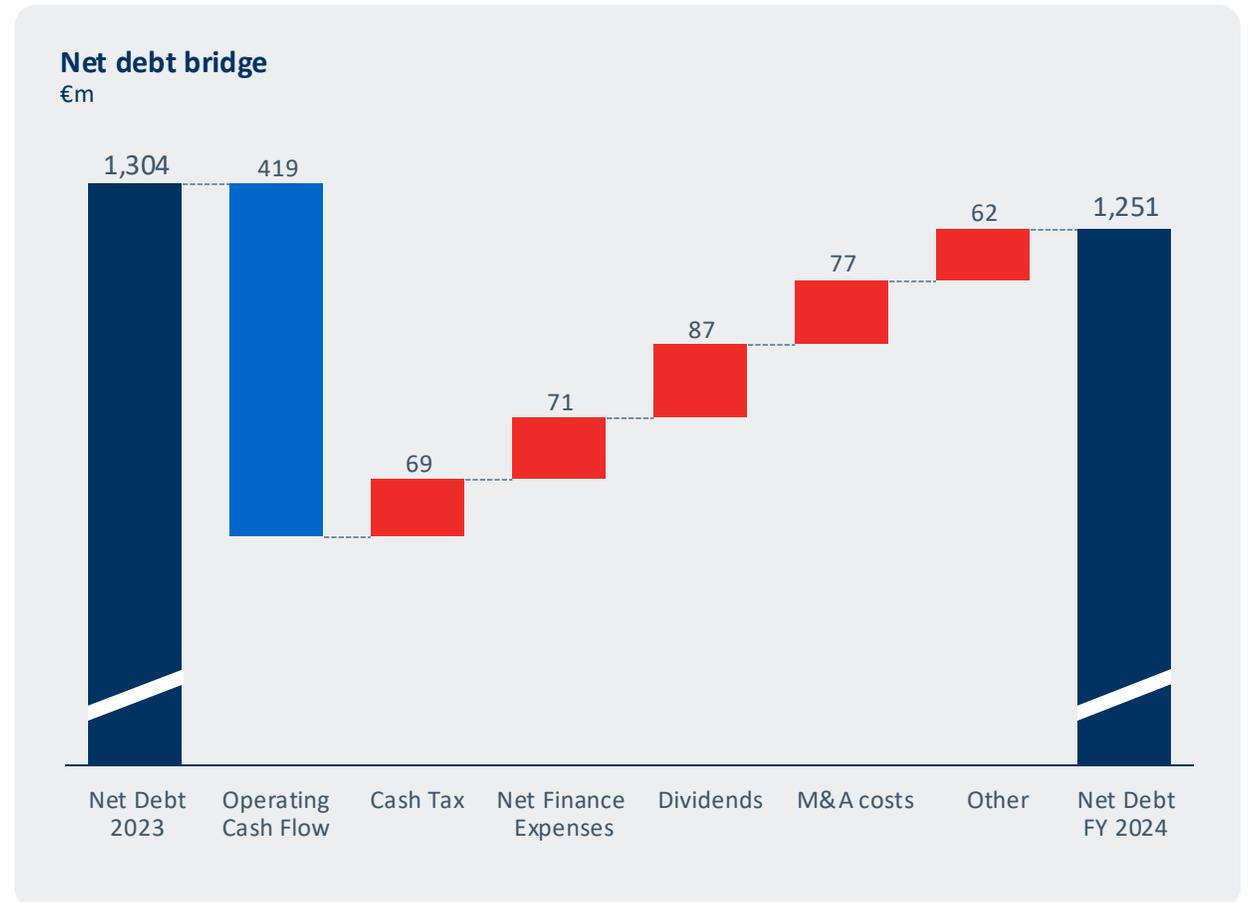
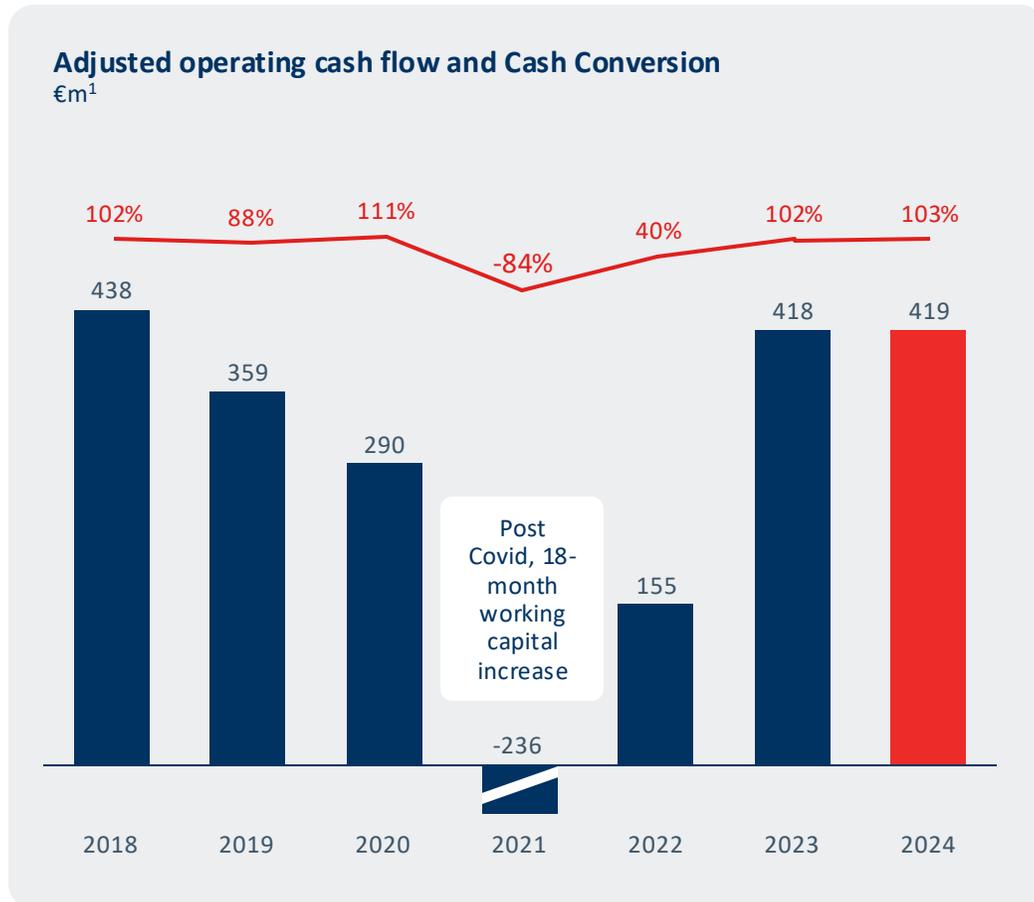
Network optimisation EBITA payback



- Planned network optimisation expenses in Europe, South America and USA plant footprint adjustments, following Resco acquisition and other M&A in 2022 and 2023:
 - Restructuring costs in base business of €60 million
 - Capital expenditure of €40 million
 - 2025 capex spend is included within €145 million guidance
- Optimisation to deliver EBITA payback of €10 million in 2025, €20 million in 2026 and €30 million per annum thereafter
 - 2025 benefit is included in Adjusted EBITA guidance

Strong cash flow generation in 2024

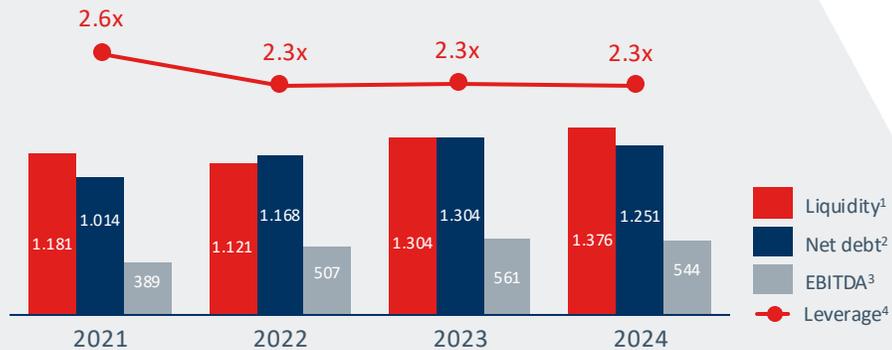
Adjusted operating cash flow of €419 million driven by strong profitability and working capital release



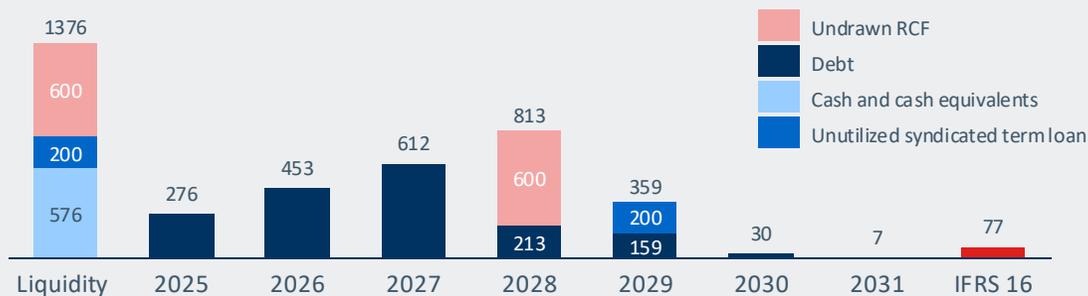
Stable gearing supports M&A strategy

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 2.3x⁴ (2023: 2.3x), within target gearing range
 - Leverage expected to be controlled within 2.0-2.5x range in 2025
- Total capital allocated to M&A in 2024 of €396 million, based on agreed enterprise values before working capital and M&A capex
- Significant available liquidity at year end of €1,376¹ million (2023: €1,304 million) partly to fund Resco acquisition
 - €352 million of Resco completion payments due in 2025, €44 million pre-payments made in 2024
- Long-dated amortisation profile
- Average cost of debt of c.296bps, 73% at fixed interest rates

1. Includes €600m undrawn RCF, matures in 2028 and unutilized €200m syndicated term loan.
2. Includes IFRS 16 leases of €77m – net debt excluding leases is €1,174m for 2024.
3. Adjusted L12M EBITDA of €544m which includes €0,9m pro forma M&A contribution
4. Includes IFRS 16 Leases of €77m and pro forma 12 month EBITDA contribution from recently acquired businesses prior to acquisition date.
5. €42m of 2024 maturities are rollable into 2025

Summary & outlook



Outlook and guidance summary

Refractory demand remains weak

- No recovery in end market demand is visible
- Falling domestic demand in China results in exports, reducing customer output in most world markets
- Lower capex investments by NFM and glass customers expected in 2025
- Revenue performance in 2025 year to date and the outlook for H1 is weak with low volumes in steel and pricing pressure in cement and NFM
- Adjusted EBITA performance in 2025 is therefore expected to be modestly above 2024 levels including the acquisition of Resco
 - Weighted approximately 45% in the first half and 55% in the second half of the year.

P&L	2025 guidance	2024 actual
Revenue	Weak demand, no recovery visible	1% lower sales volumes in base business and 6% lower price / mix
Adjusted EBITA margin	c.11.5%	11.7%
Adjusted EBITA	Modestly above 2024, 45% weighting in H1, 55% in H2	€407m
Balance sheet and cash flow		
Capital expenditure	€145m	€145m
Working capital intensity	c.24%	24.2%
Gearing	c.2.0-2.5x	2.3x pro forma

Safety, resilience and progress

Executing our strategy to grow through acquisition in the fragmented refractory industry

- 2024 results were a strong performance in a very difficult market environment
 - Weaker pricing and mix offset by M&A contribution
 - Adjusted EBITA increased to 11.7% with refractory margin of 10.9%
 - Cash conversion remains high at 103%
- Acquisition of Resco is a major step forward in North America
 - Opportunity to increase local production to 75%
- RHI Magnesita continues its sustainability leadership in the refractory industry
 - Safety transformation well underway
 - On track to achieve 2025 sustainability targets





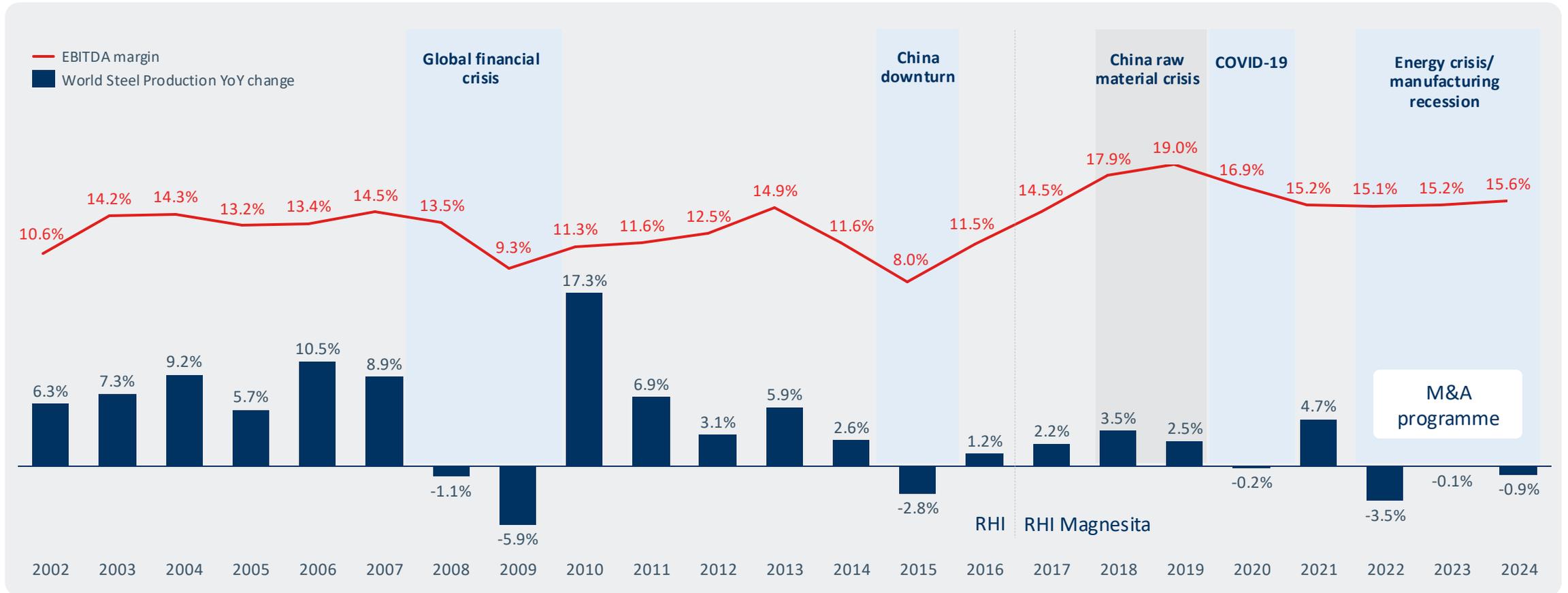
Q&A



Appendix

Our performance in context

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

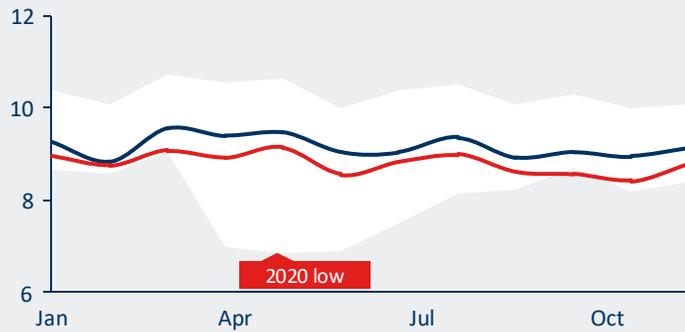


Regional steel production trends

Continued downturn in developed markets as China exports surplus production

NAM: 2024 weaker versus 2023, close to lows

Monthly steel production, million tons



SAM: weak domestic output due to increased imports

Monthly steel production, million tons



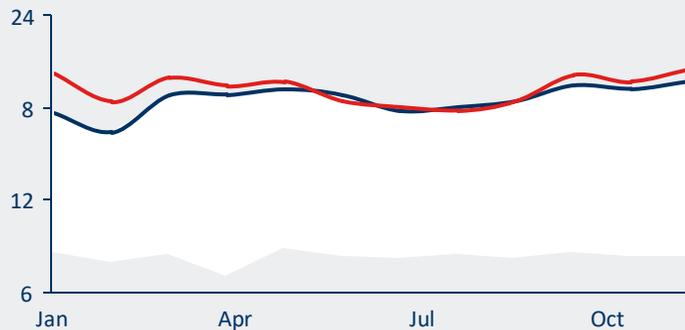
Europe & Türkiye: no recovery forecast in 2025

Monthly steel production, million tons



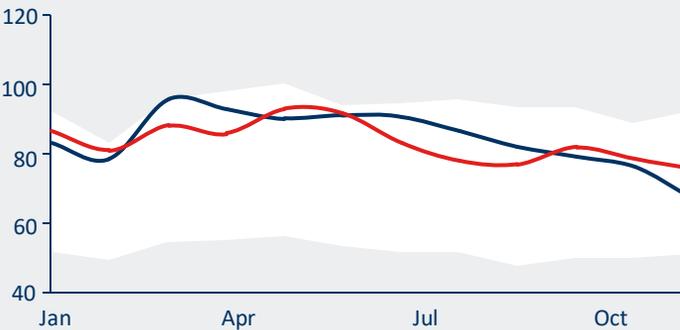
India, ME & Africa: Strong growth

Monthly steel production, million tons



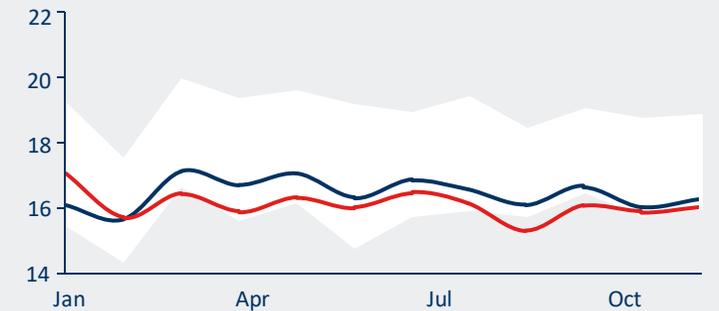
China: output high, exports high

Monthly steel production, million tons



East Asia: Chinese exports depress local production levels

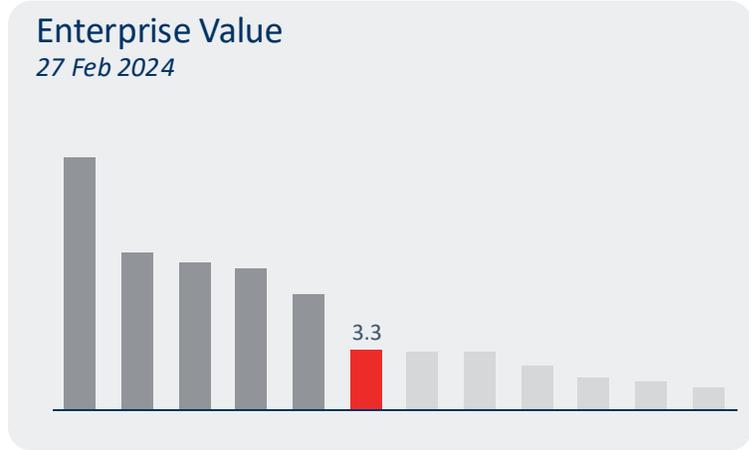
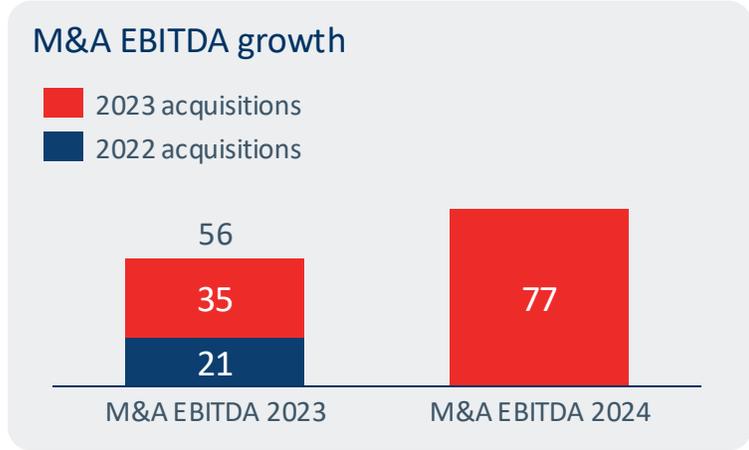
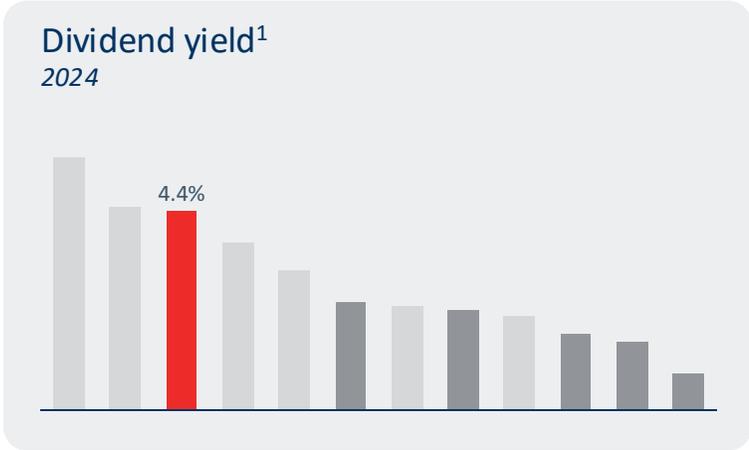
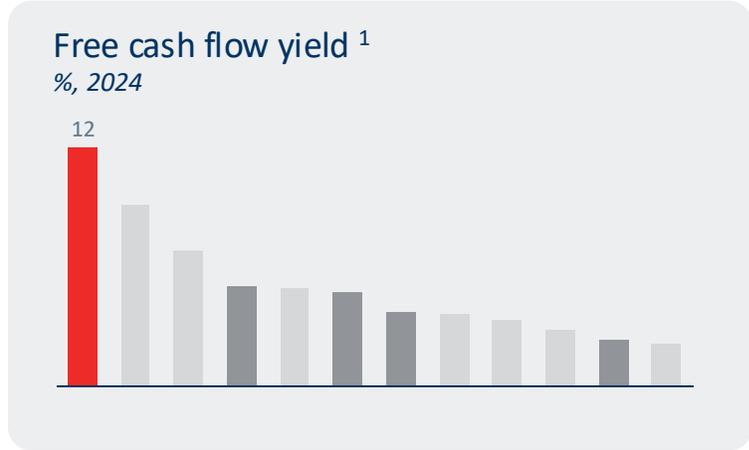
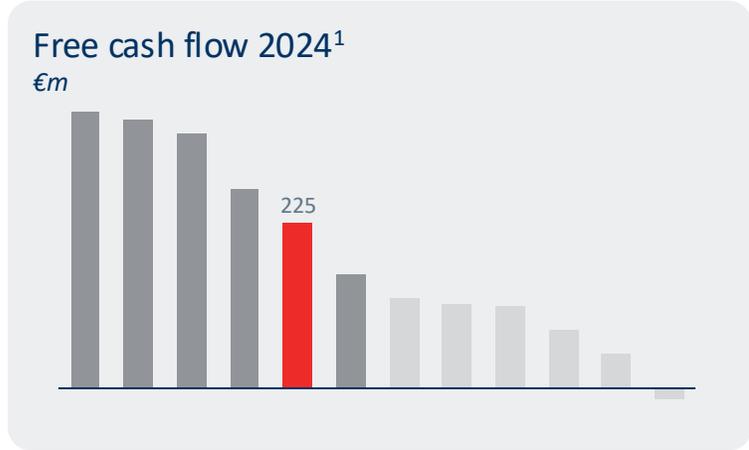
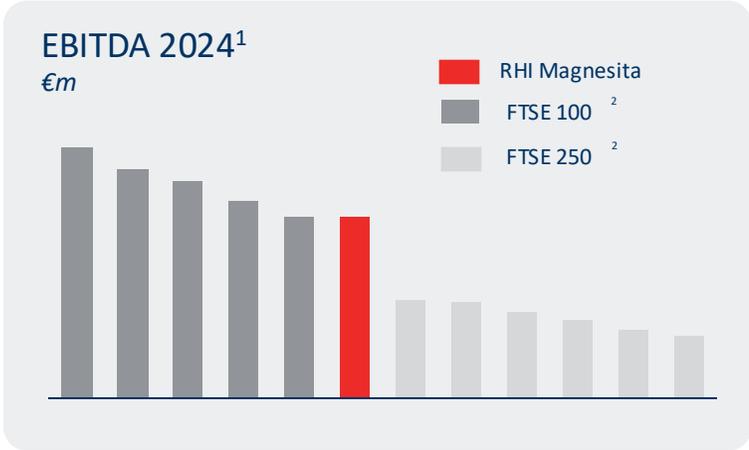
Monthly steel production, million tons



2010-2023 steel production range
 2023
 2024

Investment case

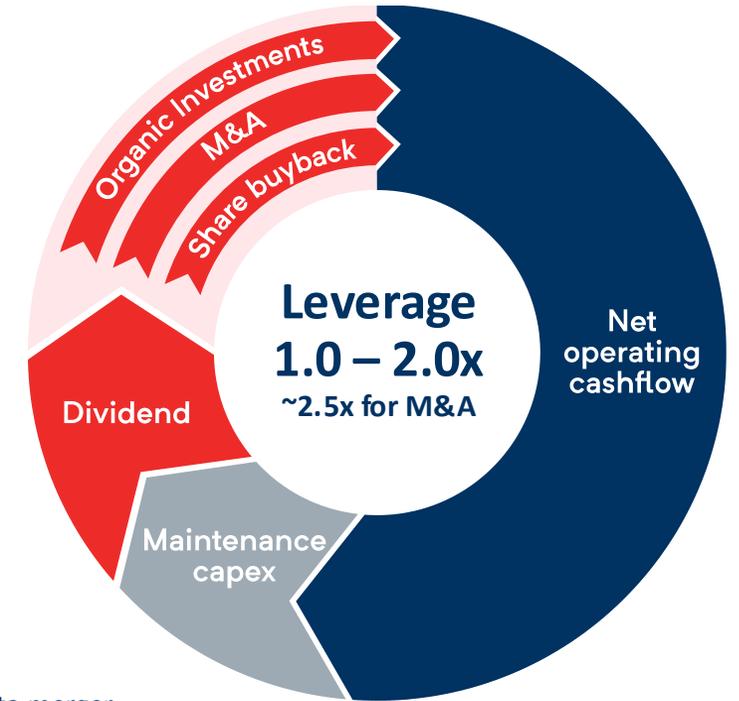
(i) EBITDA and free cash flow comparable to FTSE 100 peers; (ii) highest free cash flow yield in the sector; (iii) compelling M&A growth story; (iv) high operational gearing to market recovery



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



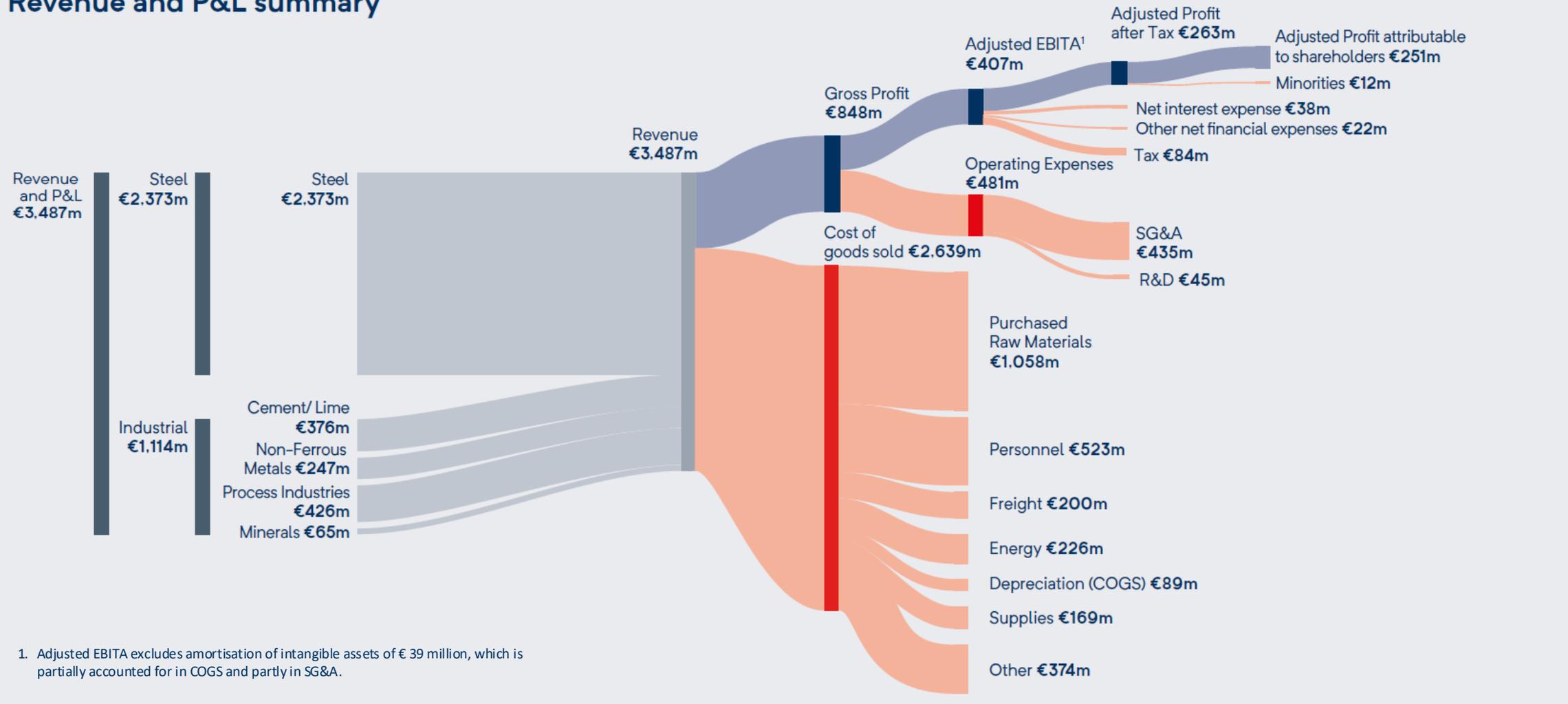
Resilient margins through the cycle

EBITDA margin %

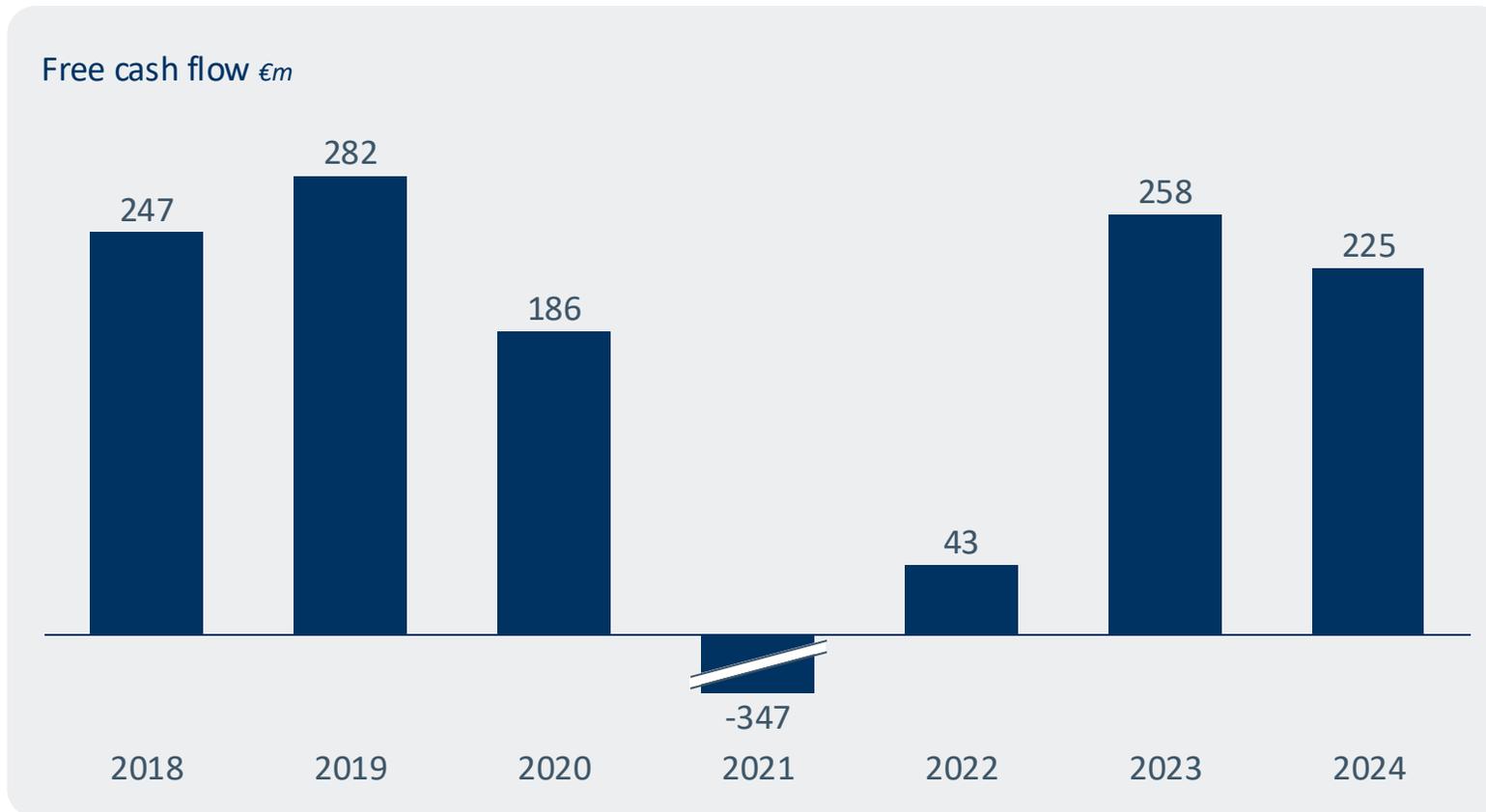


2024 P&L overview

Revenue and P&L summary



Free cash flow history



- ◆ 2023 free cash flow yield 21%
 - Based on average market capitalisation during 2023
- ◆ 2024 free cash flow yield 14%
 - Based on average market capitalisation during 2024

Cash flow reconciliation

€m	2024	2023
Adjusted EBITDA	543	543
Share based payments - gross non-cash	9	9
Working capital changes	105	53
Changes in other assets and liabilities	(93)	(7)
Investments in Property, Plant & Equipment and Intangible assets	(145)	(180)
Adjusted operating cash flow	419	418
Income taxes paid	(69)	(60)
Cash effects of other income/expenses and restructuring	(62)	(32)
Investments in financial assets	(19)	(14)
Cash inflows from the sale of PPE and IA	16	4
Cash inflows from the sale of financial assets	11	0
Investment subsidies received	2	0
Net interest paid	(71)	(56)
Dividend payments to Non-controlling Interests	(3)	(3)
Other investing activities	1	1
Free cash flow	225	258

Net financial expenses

€m	2024	2023
Net financial expenses	(39)	(38)
Interest income	22	20
Interest expenses	(61)	(58)
FX effects	11	(30)
Balance sheet translation	29	(41)
Derivatives	(18)	11
Other net financial expenses	(14)	(32)
Present value adjustment on provisions (inc. Oberhausen onerous contract)	(7)	(8)
Factoring costs	(10)	(12)
Pension charges	(12)	(12)
Capitalization of borrowing costs	3	8
Interest expense - Transaction costs	(1)	(1)
Other	13	(7)
Total net financial expenses (reported)	(42)	(100)
Adjusted items	(17)	9
Total net financial expenses (adjusted)	(60)	(92)

Reconciliation of adjusted earnings

€m ¹	2024 reported	Items excluded from adjusted performance	2024 adjusted	2023 reported	Items excluded from adjusted performance	2023 adjusted
EBITA²	282	125	407	378	31	409
Amortisation	(39)	39	0	(44)	44	0
Net financial expenses	(42)	(17)	(60)	(100)	9	(92)
Profit before tax	200	147	347	233	84	317
Income tax	(46)	(38)	(84)	(62)	(14)	(76)
Profit after tax	154	109	263	171	70	241
Non-controlling interest	12	0	12	6	0	6
Profit attributable to shareholders	142	109	251	165	0	235
Shares outstanding ³	47	0	47	47	0	47
Earnings per share (€ per share)	3.01	2.31	5.32	3.50	1.49	4.98

1. Numbers may not cast due to rounding.

2. EBITA reconciled to revenue above.

3. Total issued and outstanding share capital as at 31 December 2024 was 47,195,936. The Company held 2,281,769 ordinary shares in treasury. The weighted average number of shares used for calculating basic earnings per share in FY 2024 is 47,195,936.

- ◆ Items excluded from adjusted EPS:
 - €52 million digital architecture
 - €29 million impairment
 - €25 million restructuring costs
 - €14 million M&A related costs
 - €7 million integration costs
 - €16 other costs
 - €(19) other incomes
 - €39 million amortisation of intangible assets
 - €(18) million non-cash other net financial expenses

Impact of foreign currency movement

EBITA sensitivity in 2024

	Appreciation vs EUR		Depreciation vs EUR	
	Unit	Increase / (decrease) in EBITA (€m)	Unit	Increase / (decrease) in EBITA (€m)
USD	-1 cent	3.69	+1 cent	-3.69
CNY	-0.01 yuan	-0.16	+0.01 yuan	0.16
BRL	-0.10 reais	-0.80	+0.10 reais	0.80
INR	-1 rupee	2.56	+1 rupee	-2.56
TRY	-0.1 lira	-0.05	+0.1 lira	0.05

2024 exchange rates

	FY 2024	FY 2024	FY 2024	FY 2023
EUR:	Opening Rate	Closing Rate	Average Rate	Average Rate
USD	1.11	1.06	1.09	1.08
CNY	7.87	7.65	7.79	7.65
BRL	5.37	6.35	5.79	5.42
INR	92.58	89.00	90.68	89.20
TRY	32.69	36.61	35.43	25.23

Return on invested capital

Group ROIC¹	2024	2023
Average Invested Capital (€m)	3,043	2,854
NOPAT (€m)	298	305
ROIC (%)	9.8%	10.7%
Vertical integration ROIC	2024	2023
Average Invested Capital (€m)	471	483
NOPAT (€m)	16	43
ROIC (%)	3.5%	8.9%
Refractory ROIC	2024	2023
Average Invested Capital (€m)	2,572	2,371
NOPAT (€m)	282	262
ROIC (%)	11.0%	11.0%

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