



RHI MAGNESITA

# The driving force of the refractory industry

Company presentation

# The global leader in refractories

There for you, wherever you need us



**65 production sites**  
(incl. raw material sites)

**12 recycling facilities**

**+100 countries shipped to worldwide**

**5 R&D hubs and centres**

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**20,000**

Employees

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**€ 3.5bn**

2024 revenue

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**+ 1,700**

Active patents

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**€ 83m**

Investment in R&D and Technical Marketing

# Refractories: the building blocks of modern life



**1 tonne of STEEL**  
demands ~10-15 kg  
of refractories



**1 tonne of CEMENT**  
demands ~1 kg  
of refractories



**1 tonne of GLASS**  
demands ~4 kg  
of refractories



**1 tonne of ALUMINIUM**  
demands ~6 kg  
of refractories



**1 tonne of COPPER**  
demands ~3 kg  
of refractories

**Concrete**  
1,500°C

**Copper**  
1,350°C

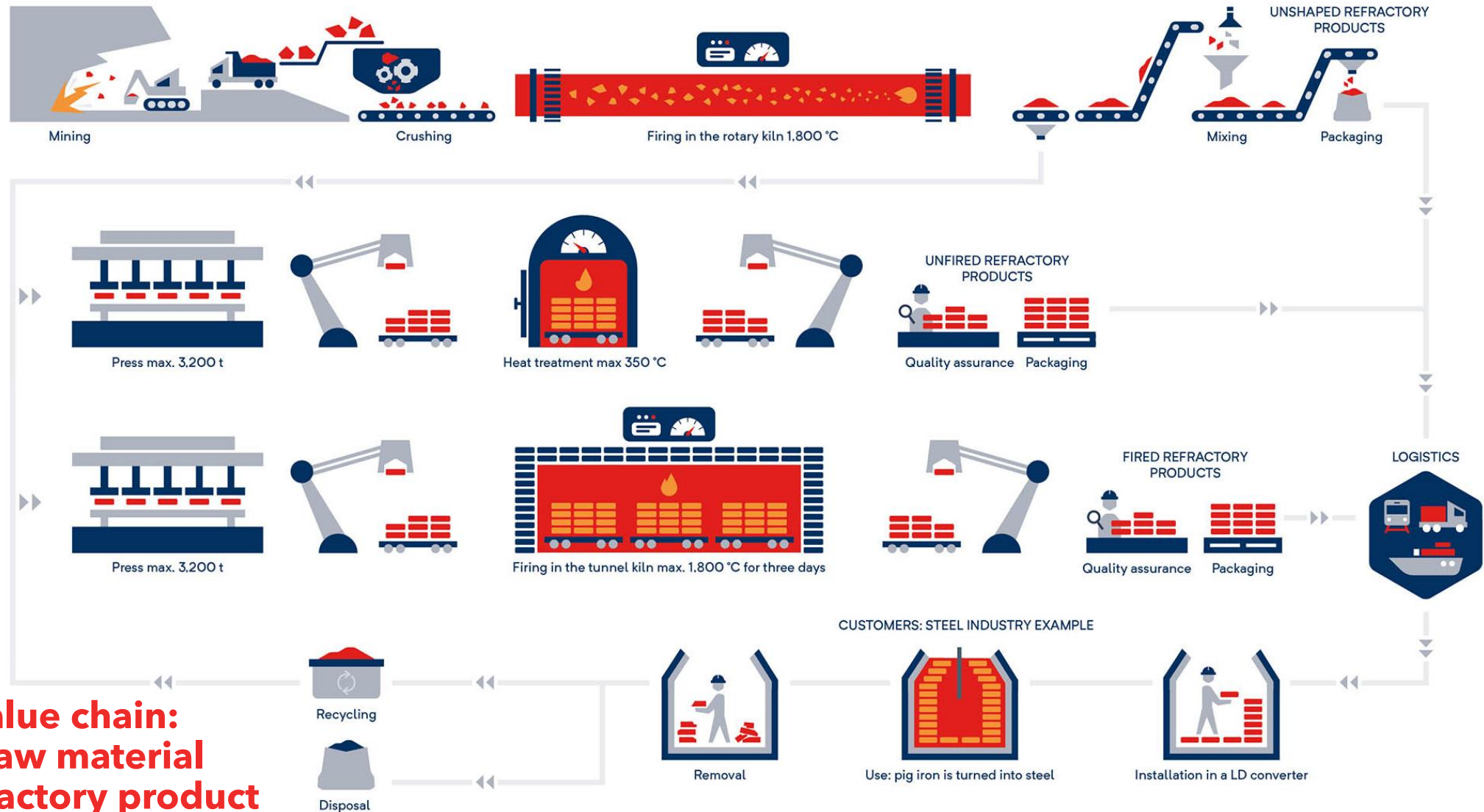
**Steel**  
1,760°C

**Glass**  
1,650°C

**Aluminium**  
1,250°C



# The refractory world of RHI Magnesita



**Our value chain:  
from raw material  
to refractory product**

# Covering a wide area of applications

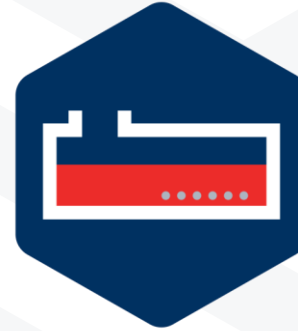
## Refractories as investment goods

- Longer replacement cycles
- Customised solutions based on the specific requirements of various industrial production processes
- Complete lining concepts including refractory engineering
- Wide areas of application
- Project driven demand cycles

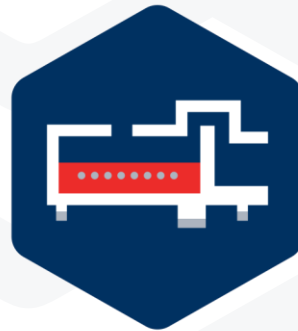
## Applications



Rotary Kiln



Copper-converter



Secondary reformer



Basic oxygen-, electric arc furnace casting ladles



Multiple Waste Incinerator



Glass furnace



# A complex range of tailored refractory products and solutions

## Bricks



1 Permanent lining

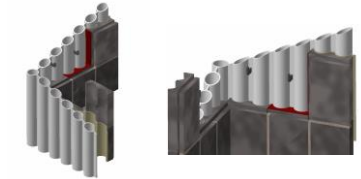


2 Non-basic, ex. Alumina



3 Basic, ex. Mag-Carbon

## Tile system - Didothem Fix



## Monolithics & pre cast



4 Mixes



5 Pre Castables

## Digital Solutions



## Functional products



6 Slide Gates



7 Nozzles



8 Purge Plugs



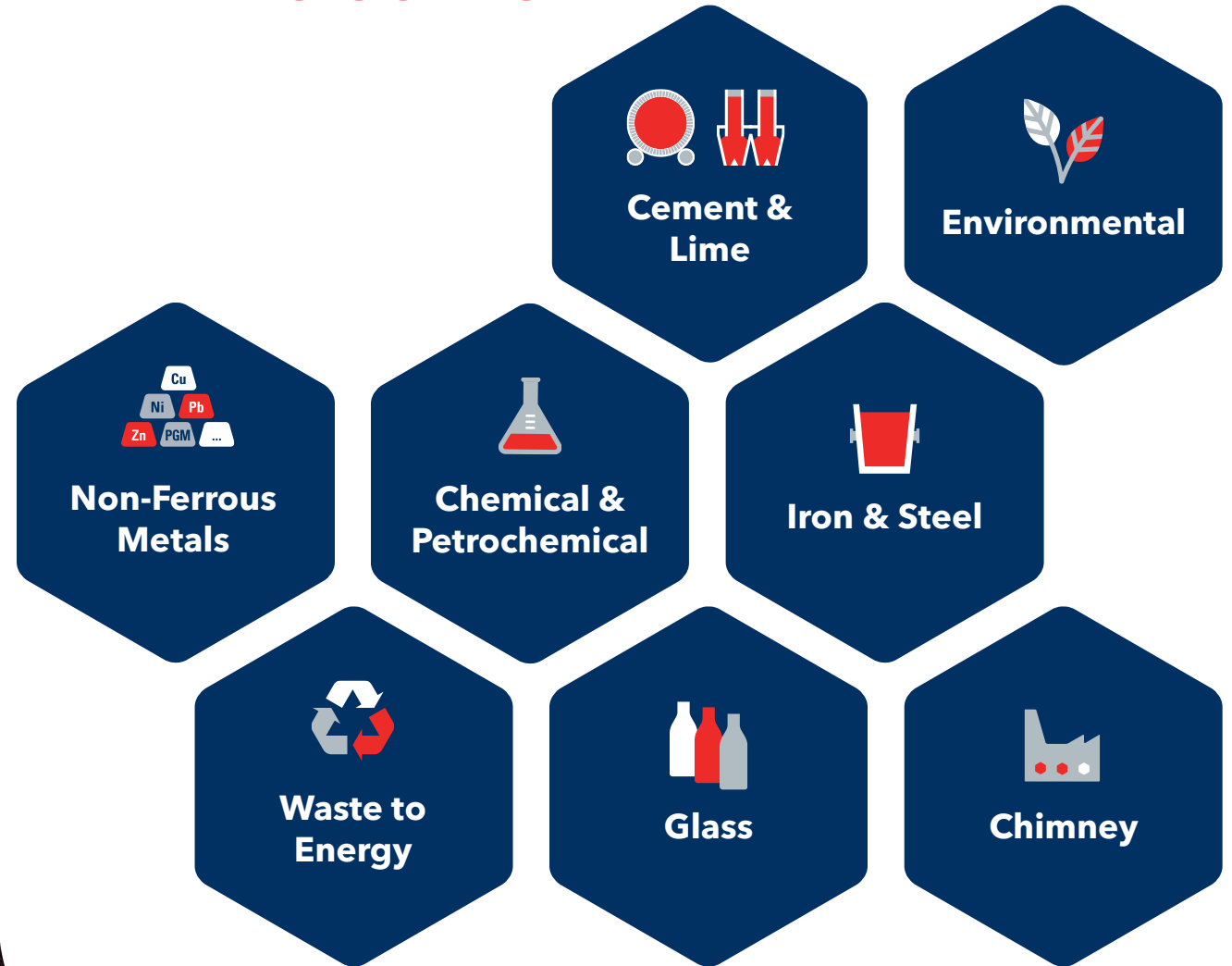
9 ISO

## Systems & Machinery





# The industries we serve



# Financial highlights 2024

Revenue

**€3.5bn**

↓ 2%

Adjusted EBITA

**€407m**

→ 0%

Adjusted EBITA  
margin

**11.7%**

↑ 30 bps

Adjusted operating  
cash flow

**€419m**

→ 0%

Cash Conversion

**103%**

↑ 0.9 ppt

M&A Adjusted  
EBITDA contribution

**€77m**

↑ 38%

Dividend

**€1.80ps**

→ 0%

Working Capital  
intensity<sup>1</sup>

**23.4%**

↓ 1 ppt

Net debt to Pro forma  
Adjusted EBITDA<sup>2</sup>

**2.3x**

→ 0.0x

Adjusted EPS

**€5.32**

↑ 7%

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.



# Our strategic priorities



## Competitiveness | Reduce operating costs

Cost-saving initiatives include reducing SG&A, plant footprint optimisation, automation and digitalisation, supply chain management and selected capital expenditure projects to reduce raw material and conversion costs.



## Markets | Drive market leadership

We aim to grow our market share of the global high-temperature refractories market via a consolidation strategy targeting businesses in high-growth markets or market segments where we are currently under-represented.



## Business Model | Expand business model

We seek to maximise value for our customers and increase margins through the offering of a broad range of products and services, growing the proportion of revenue derived from solutions contracts and expanding our recycling activities.



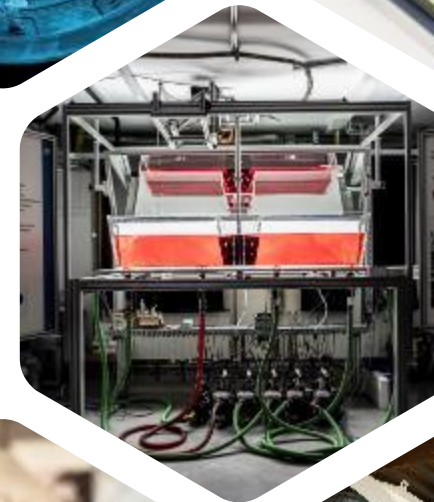
## People and Culture | Enablers of our strategy

RHI Magnesita fosters a culture of innovation, openness, pragmatism and high performance to support the delivery of its strategy. Hiring and maintaining talented teams and individuals is essential for us to grow and maintain our leadership position.



## Sustainability | The driving force of our strategy

We seek to maintain our leadership position in sustainability in our industry and are committed to reducing emissions from our activities and to assisting our customers with their own transitions.





# Decarbonisation pathway

## Our commitment:

- Leading the industry by decarbonising our operations as fast as sustainably possible.
- Invest in the development of new technologies to avoid CO<sub>2</sub> emissions.
- Offer our customers enabling technologies with full carbon footprint transparency.
- Work with industry partners sector to develop new renewable energy solutions and hydrogen energy networks.

# Our 2025 Sustainability targets



## CO<sub>2</sub> emissions

Reduce by 15% per tonne<sub>1</sub> of product



## Energy

Reduce by 5% per tonne of product



## Recycling

Increase use of secondary raw materials to 15%



## Diversity

Increase women on our Board and in senior leadership to 33%



## Safety

Strong safety culture with goal of zero accidents



## NO<sub>x</sub> and SO<sub>x</sub> emissions

Reduce by 30%<sup>2</sup> (achieved in China already)



**Note:** Targets are compared to 2018 baseline

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

2) Target by 2027

# Technological leadership



**5**

R&D Hubs & Centers (Austria, Brazil, USA, China, India)



**+1,700**

Active patents



**2.2%**

Annual R&D and Technical Marketing expenditure as % of revenue



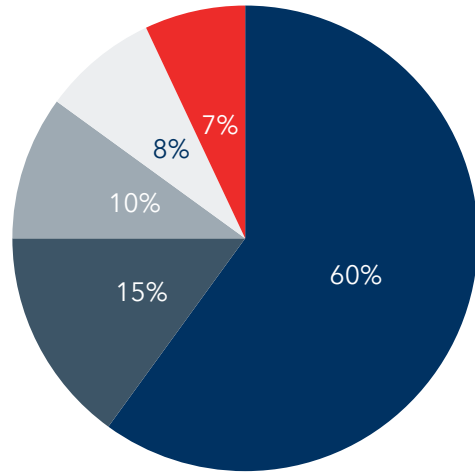
**20%**

Revenue from new products<sup>1</sup> as % of total revenue

1) Defined as products and brands less than 5 years old

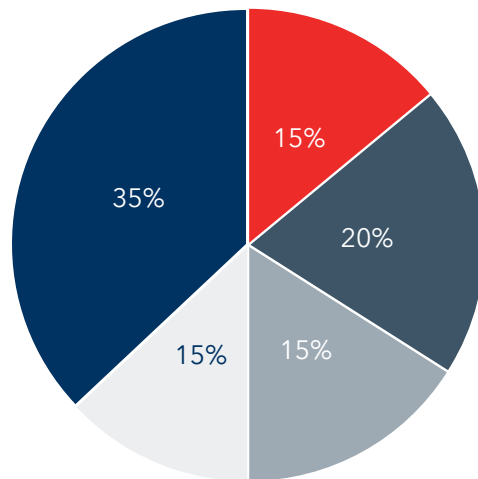


# Refractories are critical to all high-temperature industrial processes



**Main end markets**  
€20 billion worldwide industry

- Steel
- Energy, chemicals
- Nonferrous metals
- Cement
- Glass



**Global refractory industry**


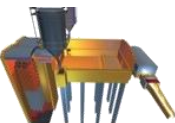
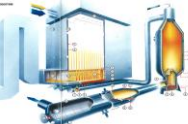
- RHI Magnesita
- 4-6 segment companies
- 10-20 regional companies
- 100-200 small local companies
- 1000+ Chinese companies

Refractories are critical consumable or investment goods for high-temperature manufacturing processes

Fireproof materials consumed whilst protecting clients' production processes, retaining physical and chemical characteristics when exposed to extreme conditions

Critical, yet represent less than 3% of COGS in steel manufacturing and less than 1% in other applications

# Refractories are continuously consumed during finished goods production

| Key industries                     | Applications  | Replacement            | Costs | Refractory characteristics  |
|------------------------------------|---|------------------------|-------|---|
| Steel                              | Basic oxygen-, electric arc furnace casting ladles  | 20 minutes to 2 months | ~3.0% | <p><b>Consumable product</b></p> <p>Systems and solutions for complete refractory management</p> <p>Demand correlated to output</p> <p><b>Investment goods</b></p> <p>Longer replacement cycles</p> <p>Customized solutions based on the specific requirements of various industrial production processes</p> <p>Complete lining concepts including refractory engineering</p> <p>Wide areas of application</p> <p>Project driven demand cycles</p> |
| Cement/Lime                        | Rotary Kiln   | annually               | ~0.5% |   |
| Nonferrous metals                  | Copper-converter                                    | 1 – 10 years           | ~0.2% |   |
| Glass                              | Glass furnace                                    | up to 10 years         | ~1.0% |   |
| Energy / Environmental / Chemicals | Secondary reformer                                | 5 – 10 years           | ~1.5% |   |

# RHI Magnesita's global raw material sites

## Supporting unique solutions to the market

| Raw material                         | Production sites  | Annual production |
|--------------------------------------|---|-------------------|
| Standard DBM <sup>1</sup><br>90%-97% | Brumado (Brazil)<br>Eskisehir (Turkey)<br>Hochfilzen (Austria)<br>Breitenau (Austria) | ~590k tonnes      |
| High purity DBM <sup>1</sup><br>97%+ | Brumado (Brazil)  | ~220k tonnes      |
| Fused Magnesia                       | Contagem (Brazil)   | ~17k tonnes       |
| Other sintered or fused materials    | Radentheim (Austria)<br>Contagem (Brazil)   | ~35k tonnes       |
| DBD <sup>2</sup>                     | York (USA)<br>Chizhou (China)<br>Hochfilzen (Austria)                                 | ~280k tonnes      |



**1.3 million**  
tonnes of raw materials  
produced per year



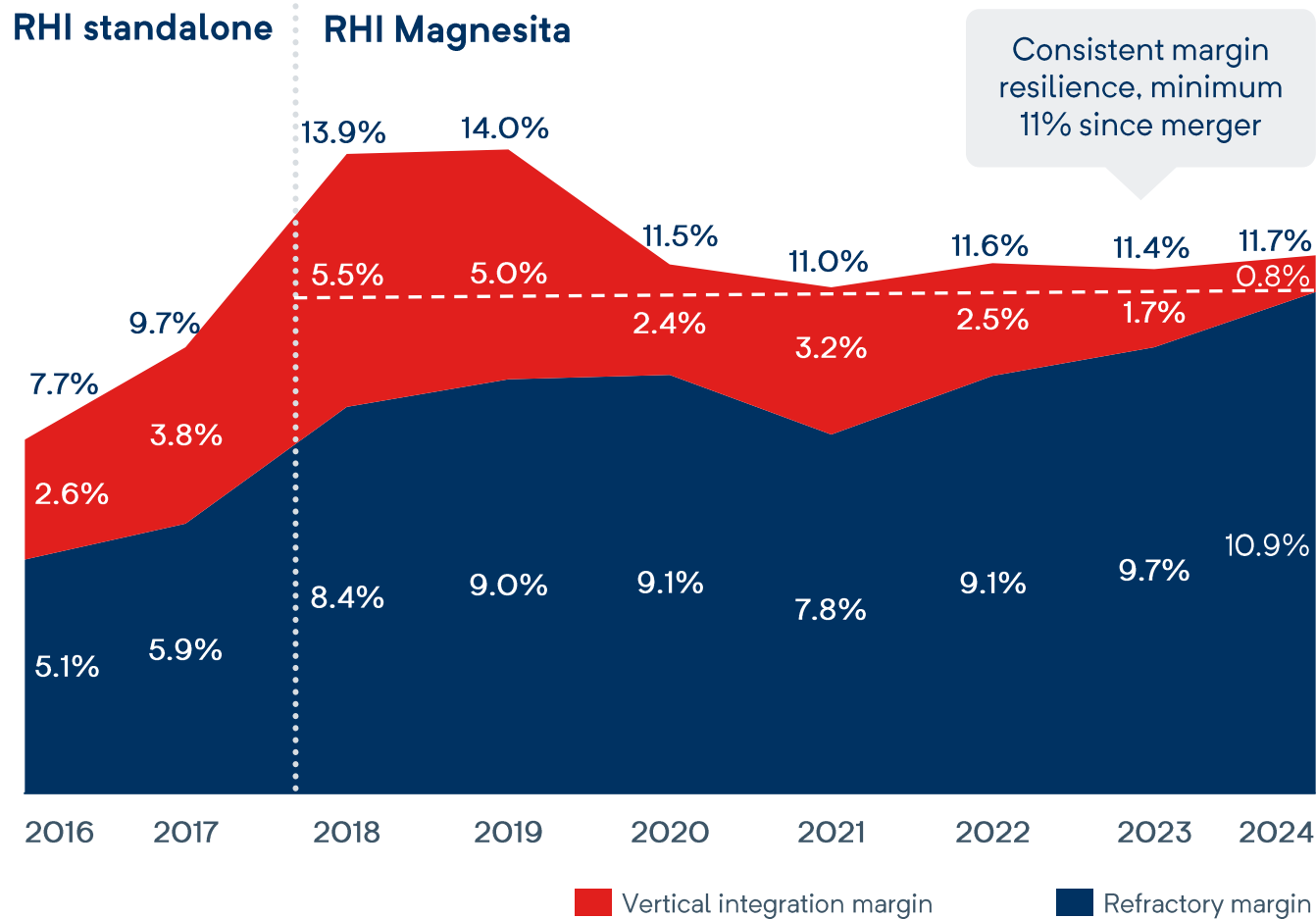
backward integration:  
**77%**  
in basic raw materials  
**19%**  
in non-basic raw materials



**Notes:** 1) DBM, Dead burned magnesia; 2) DBD, Dead burned dolomite

# Refractory margin

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



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  |



# We serve a blue-chip client base

## Steel



TATA STEEL



POSCO



OUTO KUMPU



JSW



Steel Dynamics, Inc.

Serving 1,070  
of 1,300 plants<sup>1</sup>

## Cement



LafargeHolcim

HEIDELBERGCEMENT



Votorantim

Sinoma  
中国中材



CNBM

Serving 1,350  
of 1,500 plants<sup>1</sup>

## Glass

SCHOTT

ArdaghGlass

Vitro



Serving 800  
of 900 plants<sup>1</sup>

## Metals



bhpbilliton

GLENCORE

RioTinto

Serving 650  
of 2,000 plants<sup>1</sup>

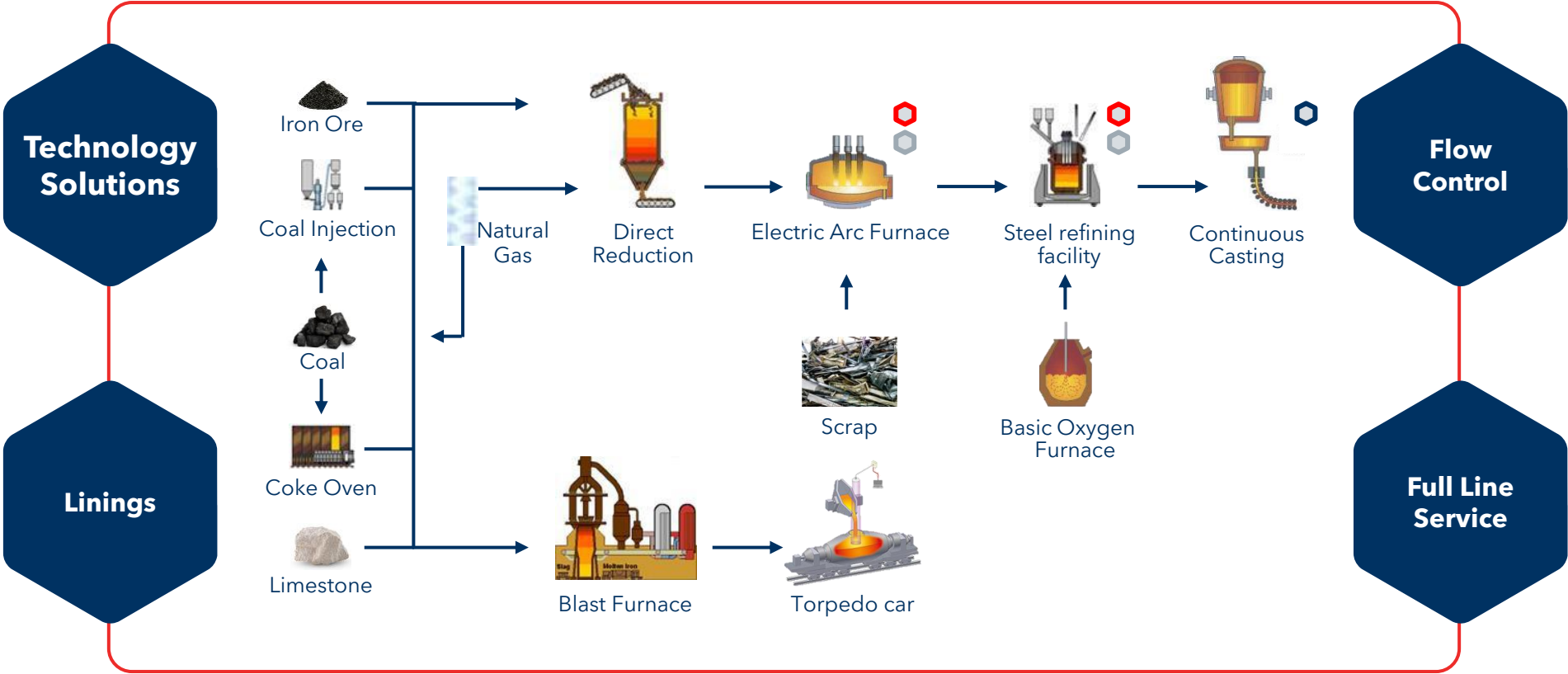
Note: 1) Approximate number of plants worldwide, excluding China, based on Company estimates

# Executive Management Team

| EMT member  | Appointed | Background   |
|---|-----------|--|
| <b>Stefan Borgas</b><br>Chief Executive Officer           | 2016      | <ul style="list-style-type: none"> <li>Former CEO of Israel Chemicals Ltd and Lonza Group</li> <li>Several management positions at BASF</li> </ul>   |
| <b>Ian Botha</b><br>Chief Financial Officer               | 2019      | <ul style="list-style-type: none"> <li>Former Finance Director of Anglo American Platinum</li> <li>Several management positions at Anglo American plc, including CFO Ferrous Metals, CFO Coal and Group Financial Controller</li> </ul>                        |
| <b>Rajah Jayendran</b><br>Chief Technology Officer        | 2021      | <ul style="list-style-type: none"> <li>Former Senior Vice President Performance Management at Linde Group</li> <li>Holds an engineering degree from the Ruhr University Bochum</li> </ul>  |
| <b>Gustavo Franco</b><br>Chief Customer Officer           | 2019      | <ul style="list-style-type: none"> <li>Former Global Sales &amp; Marketing VP at RHI Magnesita</li> <li>18 years of experience in Sales for the Refractory Industry, being based in South America, North America and Europe</li> </ul>                         |
| <b>Simone Oremovic</b><br>People, Projects & Integrations | 2017      | <ul style="list-style-type: none"> <li>19 years of experience in leadership positions in HR, among other fields at GE, Telekom Austria, IBM and Shire/Baxter</li> </ul>  |
| <b>Ticiana Kobel</b><br>Legal & Digital Transformation    | 2019      | <ul style="list-style-type: none"> <li>More than 20 years of experience in management positions in a wide range of global business branches such as the aviation industry, the technology industry, the service sector and the engineering industry</li> </ul> |

# Full suite products complemented by knowledge and services

## Example: Steel customer



- Online thickness measurement
- Online metal temperature measurement
- Automated data capture and optimisation

# Our strategic difference

## **Largest global footprint**

Benefiting from scale and proximity to customers

## **Backward integration**

Technical and financial advantage

## **Technology leadership**

+540 experts  
across 90 countries



## **Full suite of products & services**

Delivering more than refractory materials to address customers' needs

## **Low-cost operator**

Underpinning profitable growth

## **Solutions offerings**

Long-term client partnerships to drive efficiencies

Underpinned by the strength of our people and culture and our commitment to a sustainable business model

# Resilient business model with a clear strategy

1

## Resilient margins with further potential in refractories

Stable refractory margin at 10.9% in 2024

Adjusted EBITA margin contribution from backward integration in 2024 at 0.8%

2

## Strong cash conversion and robust balance sheet

Strong cash flow generation and significant liquidity

Capital flexibility to pursue both growth and shareholder returns

3

## Strong competitive position

Market leader with a global footprint and a “local for local” strategy - 15% global market share (30% ex-China). Clear market leadership in Americas, Europe and Middle East

Innovation leadership, with opportunity to develop technology and digital solutions across regions and portfolio

Low cost, high quality vertical integration providing security of supply and unique solutions for the market, alongside high return on assets

4

## Growth opportunity from new markets, solutions offering and M&A

Opportunity to grow materially in under-represented markets such as India and China

Greater penetration of value-added solutions offering to customers, improving refractory margins and retention

Opportunity for further consolidation through M&A



RHI MAGNESITA

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