

21 April 2023

RHI Magnesita N.V.

("RHI Magnesita" or "the Group")

Acquisition of Seven Refractories

RHI Magnesita announces the acquisition of the Europe, India and US operations of Seven Refractories for cash consideration of approximately €93 million.

Seven Refractories

Seven Refractories is a specialist supplier of non-basic monolithic refractory mixes with broad applications across all of the Group's customer segments including iron and steel, cement, aluminium and non-ferrous metals. Seven Refractories has customer relationships in 45 countries and a strong track record of innovation, including the development of a range of environmentally sustainable products and flexible manufacturing technologies. Seven Refractories employs around 240 staff at its production sites in Slovenia, India and the US and at its sales offices and service centres in Cyprus, Germany, Italy and the United Kingdom.

Non-basic refractory mixes are expected to become increasingly important with the development of new low CO₂ emitting manufacturing technologies within the Group's key customer industries. Products offered by Seven Refractories range from low temperature fireclay to ultra-high temperature zircon mixes, high-grade alumina mixes and sustainable taphole clay with a low CO₂ footprint.

Benefits of the Acquisition

The Acquisition will enable RHI Magnesita to offer a broader range of non-basic refractory mixes and is expected to be highly complementary to the Group's existing non-basic portfolio. Attractive potential synergies are targeted through cross selling opportunities, logistics improvements, increased recycling usage, procurement efficiencies and low capital intensity brownfield expansion projects. The senior management of Seven Refractories, including Chief Executive Officer Erik Zobec, will join the RHI Magnesita Group to drive initiatives focused on non-basic monolithics following completion of the Acquisition.

Acquisition details

The businesses to be purchased in the Acquisition recorded revenues of €105 million and Profit Before Tax of €11.4 million in the year to 31 December 2022 and had Gross Assets of €86.7 million at 31 December 2022. The shareholders of the parent company of Seven Refractories, Seven Refractories GmbH, are Hephaistos International B.V. (48.5%), a Dutch investment company focused on founder-led and operated businesses, PE Holding GmbH (14.8%), Vaalon Capital No 3 L.P. (6.5%) and the senior management of Seven Refractories (30.2%).

The India based business of Seven Refractories consists of a 49% stake in RHI Magnesita Seven Refractories Limited, formerly Dalmia Seven Refractories Limited. RHI Magnesita already owns 51% of RHI Magnesita Seven Refractories Limited following its acquisition of Dalmia OCL Limited in January 2023 and will own 100% of this business following completion of the Acquisition.

The Acquisition is subject to standard closing conditions and is expected to complete in the second half of 2023. The Acquisition will be funded from RHI Magnesita's existing committed and undrawn facilities and cash.

Commenting on the Acquisition, Stefan Borgas, Chief Executive Officer of RHI Magnesita, said:

“This transaction represents a significant step forward for RHI Magnesita in non-basic refractory mixes, which is additive to our existing presence in this market and highly complementary to our overall customer offering. We see compelling opportunities to realise synergies through the integration of Seven Refractories into our existing network and there is a strong alignment in seeking to offer our customers more sustainable products with a low carbon footprint. I am pleased to welcome this entrepreneurial team to our Group. RHI Magnesita's network will enable them to continue to build the business even more successfully on a truly global basis. Together we will continue to execute our strategy to grow through consolidation.”

Erik Zobec, Chief Executive Officer of Seven Refractories, said:

“The Seven Refractories team is delighted to be joining the RHI Magnesita Group at this exciting stage in its development as the global leader in refractories. Our specialist presence in the non-basic monolithics market will be supported and driven forwards through this combination. We will continue to serve our customers with the innovative products, technology leadership and proven flexibility they have come to expect from us, whilst the additional capabilities and global presence of RHI Magnesita will deliver a step change in the breadth of products and services that we can offer to them.”

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About RHI Magnesita

RHI Magnesita is the leading global supplier of high-grade refractory products, systems and solutions which are critical for high-temperature processes exceeding 1,200°C in a wide range of industries, including steel, cement, non-ferrous metals and glass. With a vertically integrated value chain, from raw materials to refractory products and full performance-based solutions, RHI Magnesita serves customers around the world, with around 13,500 employees in 33 main production sites and more than 70 sales offices. RHI Magnesita intends to leverage

its leadership in terms of revenue, scale, product portfolio and diversified geographic presence to target strategically those countries and regions benefitting from more dynamic economic growth prospects.

The Group maintains a premium listing on the Official list of the London Stock Exchange (symbol: RHIM) and is a constituent of the FTSE 250 index, with a secondary listing on the prime segment of the Vienna Stock Exchange (Wiener Börse). For more information please visit: www.rhimagnesita.com

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

Definitions

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| “Acquisition” | The acquisition by RHI Magnesita of Europe, India and US based refractory businesses of Seven Refractories in exchange for cash consideration of €93 million. The entities to be transferred to RHI Magnesita are Seven Refractories d.o.o. (100% stake), including certain subsidiaries of Seven Refractories d.o.o. based in Europe and the US; Seven Refractories Deutschland GmbH (75.5% stake with call option over minority stake); and the 49% stake in RHI Magnesita Seven Refractories Limited (formerly Dalmia Seven Refractories Limited) that is not already owned by RHI Magnesita following the acquisition of Dalmia OCL Limited on 5 January 2023. |
| “Profit Before Tax” | Profit before tax attributable to the businesses and assets that are the subject of the Acquisition, including a 49% share of the profit before tax generated by RHI Magnesita Seven Refractories Limited, in which the Group already holds a 51% controlling stake. Earnings from RHI Magnesita Seven Refractories Limited are fully consolidated into the Group’s financial statements following the acquisition of Dalmia OCL Limited on 5 January 2023. |
| “RHI Magnesita” or “the Company” or “the Group” | RHI Magnesita N.V. and its subsidiary companies |
| “Seven Refractories” | A group of companies currently owned and controlled by Seven Refractories GmbH carrying out refractory business under the trading name of Seven Refractories. |
| “US” | United States of America |