

13 January 2023

RHI Magnesita N.V.

("RHI Magnesita" or "the Group")

Acquisition of Jinan New Emei

RHI Magnesita announces that it has agreed to acquire a 65% shareholding in Jinan New Emei for a Cash Consideration of ¥293 million (€40 million).

Jinan New Emei

Jinan New Emei Industries Co. Ltd. is a leading producer of refractory slide gate plates and systems, nozzles and mixes for use in steel flow control, employing over 1,300 people and headquartered in Shandong province, China. Jinan New Emei's main asset is a recently commissioned, modern facility in Laiwu, Shandong province with a highly automated production capacity of up to 80 ktpa.

Jinan New Emei recorded profit before tax of ¥33 million (€5 million) in the year to 31 December 2021 and had Gross Assets of ¥829 million (€114 million) at 31 December 2021. The business performed well in 2022, delivering growth in both revenues and profits.

Benefits of the Acquisition

The Acquisition will enable the Group to expand its product range in steel flow control refractories and its solutions contract offering in the Chinese domestic market, both of which are key strategic priorities. The Acquisition will also give access to substantial new customer relationships in China and deliver additional production capacity for increasing supply of refractories in both China and the wider East Asia region.

The Acquisition is expected to be accretive to Group earnings per share, with substantial opportunities to realise synergies from the combination of Jinan New Emei with the Group's existing refractory business in China.

Acquisition details

Under the terms of the Acquisition, RHI Magnesita will acquire an initial 65% shareholding for a cash consideration of ¥293 million (€40 million). 80% of the initial consideration is payable on completion of the Acquisition, which is subject to competition authority clearance and is expected to occur in the first half of 2023. The remaining 20% of the initial consideration is payable on the first anniversary of completion of the Acquisition.

The Group has also committed to acquiring the remaining 35% of Jinan New Emei shares in exchange for a Deferred Consideration, payable in 2026, to be calculated at an agreed multiple of the average annual EBITDA delivered by Jinan New Emei over the three year period from 2023 to 2025.

The Acquisition will be funded from RHI Magnesita's existing committed and undrawn debt facilities and cash.

Commenting on the Acquisition, Stefan Borgas, Chief Executive, said: "This transaction represents an important step in the development of our flow control refractory business in China and is directly aligned with our stated strategy to grow through consolidation in fragmented new markets where we are currently under-represented. China is the largest steel market in the world, accounting for over 50% of global production, and the addition of Jinan New Emei to our existing Chinese operations will broaden our product and solutions contract offering for our steel customers, enabling us to better serve our domestic customers in China and in the wider East Asia region."

For further enquiries, please contact:

Chris Bucknall, Head of Investor Relations

Tel +43 699 1870 6490

E-mail: chris.bucknall@rhimagnesita.com

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

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 build on its leadership in revenue, scale, product portfolio and diversified geographic presence to expand further in high growth markets.

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

Definitions

"¥" and "€"	Chinese Yuan and Euro. All currency conversions in this announcement have been made at an exchange rate of 7.2840
"Acquisition"	The acquisition by RHI Magnesita of Jinan New Emei in exchange for Cash Consideration of ¥293 million (€40 million) and Deferred Consideration
"Cash Consideration"	Cash consideration of ¥293 million (€40 million), of which 80% is payable on completion of the Acquisition and 20% is payable on the first anniversary of completion of the Acquisition
"Deferred Consideration"	Deferred cash consideration due by the end of 2026, to be calculated at a fixed valuation multiple of the average annual EBITDA delivered by Jinan New Emei over the three year period from 2023 to 2025
"Jinan New Emei"	Jinan New Emei Industries Co. Ltd., a refractory business based in the People's Republic of China, currently owned by Mr. Li, Qinling and connected persons
"ktpa"	Kilotonnes per annum
"RHI Magnesita" or "the Company" or "the Group"	RHI Magnesita N.V. and its subsidiary companies

Forward looking statements

This announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan", "estimate", "expect" and words of similar meaning, reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. Statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this announcement is subject to change without notice and, except as required by applicable law, the Company does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward looking statements, which apply only as of the date of this announcement. No statement in this announcement is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the

historical or published earnings of the Company. As a result of these risks, uncertainties and assumptions, the recipient should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise. The Company has no obligation or undertaking to update or revise the forward-looking statements contained in this announcement to reflect any change in its expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable regulations.

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