RNS Number : 0825T
RHI Magnesita N.V.
30 July 2025

30 July 2025

RHI Magnesita N.V.
("RHI Magnesita" or the "Company" or "Group")

2025 Half Year Results

Steel demand stable, Industrial project deferrals weigh on H1 profitability

RHI Magnesita, the leading global supplier of high-grade refractory products, systems and solutions, today announces its unaudited results for the six months ended 30 June 2025 ("H1 2025" or the "Period").

Financial results (Adjusted, €m unless stated otherwise)[1]	**H1 2025**	H1 2024	Change	H1 2024 (constant currency)	Change (constant currency)
Revenue	**1,677**	1,728	(3)%	1,710	(2)%
Adjusted EBITDA	**211**	258	(18)%	262	(20)%
Adjusted EBITA	**141**	190	(26)%	197	(28)%
Adjusted EBITA margin	**8.4%**	11.0%	(260)bps	11.5%	(310)bps
Adjusted EPS (€/per share)	**1.37**	2.59	(47)%		
Adjusted Operating Cash Flow	**175**	221	(21)%		
Net debt[2]	**1,583**	1,274	24%		
Net debt to Pro Forma Adjusted EBITDA[3]	**3.1**	2.4			

(Reported, €m unless stated otherwise)	**H1 2025**	H1 2024
Revenue	**1,677**	1,728
Gross profit	**348**	416
EBITA	**87**	174
Profit before income tax	**14**	143
Profit after income tax	**11**	111
EPS (€/per share)	**0.15**	2.15
Dividend (€/per share)	**0.60**	0.60

1. Adjusted figures are alternative performance measures "APMs" excluding impairments, amortisation of intangibles and exceptional items to enable an understanding of the underlying performance of the business. Full details are shown in the APM section.
2. H1 2025 Net debt includes IFRS16 lease liabilities of €69 million. For further details see Note 11.
3. Pro Forma Adjusted EBITDA is used to assess financial gearing and includes a full year of Adjusted EBITDA contribution from businesses acquired during the year.

Overview of H1 2025 performance and management action

- Adjusted EBITA decreased by 26% to €141 million (H1 2024: €190 million), driven by:
  - Significant fall in Industrial project demand with Glass and Non-ferrous metals project revenue reduced by 40% and 22%, respectively
  - Product mix in Industrial business also weighted towards lower margin Cement segment and repair rather than project business in Non-ferrous metals
  - Steel demand is low but stable, with regional differentiation. Growth outlook in India and North America contrasts with Europe, where steel production is in structural decline. Market share gains expected in India in H2
  - Highly competitive pricing environment requires price leadership in H2, with pressure from China exporters and local players fighting for market share in India, China, East Asia and META regions in lower value, commoditised segments. Customers favouring lower performance product ranges during period of low capacity utilisation
  - 5% decline in average prices on fixed cost base and unfavourable product mix in Industrial, largely due to Non-ferrous metals project business deferral into H2
  - Cost pressure from low capacity utilisation, wage inflation, high prices for alumina based raw materials and higher natural gas prices

- Gross margin reduced to 20.8% from 24.1% in H1 2024

- Management action supports up to €120 million of uplift in H2 Adjusted EBITA, net of FX:
  - €50 million Non-ferrous metals project order book phasing, including projects deferred from H1
  - €30 million price increase programme primarily in Steel business
  - €20 million from higher Steel volumes, reflecting order book and normal H2 weighting for customers. Dependent on expected growth in META, India, China and East Asia
  - €10 million incremental SG&A savings, or €20 million annualised
  - €10 million cost saving from plant closures in Germany, already executed in H1 to address structural overcapacity
  - €10 million from Resco synergy ramp up and full six month contribution
  - €(10) million negative impact from FX compared to guidance, if current exchange rates for US dollar and Indian rupee and other key currencies are maintained
  - Plant efficiency, freight and fixed cost reduction initiatives offset impact of low fixed cost utilisation
  - Capital expenditure reduced and renewed focus on working capital efficiency

Outlook and guidance updates

- Taking into account the likely outcome of management action, full year Adjusted EBITA is now guided to be between €370 and €390 million:
  - Constant currency equivalent €380 to €400 million
  - Average margin of approximately 10.5 - 11.0% with raw material contribution of approximately 1.0 ppt
- Capital expenditure guidance for FY 2025 reduced from €145 million to €130 million
- Working capital intensity expectation of c.24% remains unchanged
- Gearing to reduce from expected peak of 3.1x at 30 June 2025 to approximately 2.8x by the 2025 year end

Operational and strategic highlights

- Steel division sales volumes increased by 1% including M&A, supported by the acquisition of Resco. Excluding M&A, base business volumes declined by 1%
- Industrial sales volumes increased by 3% including M&A but base business declined by 4%. Growth in India, the US and China was offset by sharply falling demand from Glass customers globally and deferral of Non-ferrous metal projects to H2
- RHI Magnesita's M&A led strategy showing progress in higher growth geographies of India, Türkiye and North America
- €390 million acquisition of Resco completed in Q1 and new US recycling joint venture with BPI, Inc. agreed in June
- Network optimisation programme underway with Wetro and Mainzlar plant closures in Germany, further closures under consideration
- Total recordable injury rate increased to 0.45 (H1 2024: 0.33) following initiatives to improve reporting

Financial highlights

- Revenue reduced by 3% to €1,677 million (H1 2024: €1,728 million) due to a 2% decline in sales volumes excluding M&A and 5% lower pricing
- Adjusted EBITA of €141 million (H1 2024: €190 million) at a margin of 8.4% (H1 2024: 11.0%) represents 35% of Company compiled full year analyst consensus of €406 million prior to this announcement, in line with the guidance range of 35-40% given in the Q1 2025 Trading Update
- 90% of H1 Adjusted EBITA was generated by North America and Latin America regions
- Refractory margin decline was mainly driven by sharply lower pricing, unfavourable product mix and weaker fixed cost absorption. Raw material contribution remains near record lows at 1.1 ppts (H1 2024: 0.8 ppts)
- Adjusted EPS of €1.37 (H1 2024: €2.59) reflecting 26% lower Adjusted EBITA and FX translation losses
- Resilient cash generation with adjusted operating cash flow of €175 million (H1 2024: €221 million), representing 124% cash conversion from Adjusted EBITA, despite build-up of inventory ahead of stronger H2 2025 demand
- Net debt to Pro Forma EBITDA increased to 3.1x (31 December 2024: 2.3x) due to Resco consideration payment
- Interim dividend of €0.60 per share declared, in line with dividend policy

Stefan Borgas, Chief Executive Officer, said: "RHI Magnesita continues to navigate an extremely challenging external market environment with cyclically lower industrial project business, uncertainty caused by tariff negotiations, FX headwinds, aggressive competition and continued weak end market demand all contributing to sharply lower margins in the first half of 2025. Notwithstanding these external factors, we are disappointed with our financial performance and we are determined to take the urgent and necessary steps to deliver improvements. In the second half we expect market share gains in certain jurisdictions and improved margins based on actions we have already taken to secure Industrial project business, increase prices and reduce costs, including two European have already taken to secure industrial project business, increase prices and reduce costs, including two European plant closures already executed. We reduce our outlook for full year Adjusted EBITA to be between €370 and €390 million, to account for the weaker than expected H1 2025 performance and FX. Our active M&A programme has resulted in an elevated gearing level of 3.1x EBITDA but we expect this to reduce over the course of the second half and 2026. We remain confident that our strategy to grow through M&A in the fragmented global refractory market is by far the best route to generate value for shareholders in a low growth environment, building on our existing strengths as an industry leader."

For further enquiries, please contact:

Investors: Chris Bucknall, Head of Investor Relations, +43 699 1870 6490, chris.bucknall@rhimagnesita.com
Media: Hudson Sandler, +44 020 7796 4133, rhimagnesita@hudsonsandler.com

Conference call

A presentation for investors and analysts will be held on 30 July 2025 starting at 8:15am UK time (9:15am CEST). The presentation will be webcast live and details can be found on: https://ir.rhimagnesita.com/. Alternatively, the webcast can be accessed using the following link: https://www.investis-live.com/rhimagnesita/6870f0dca9602700176c785d/ethe

A replay will be available on the same link shortly after event.

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 over 20,000 employees in 65 main production sites (including raw material sites), 12 recycling facilities 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 benefiting from more dynamic economic growth prospects.

RHI Magnesita offers investors EBITDA and free cash flow comparable to FTSE 100 peers, the highest free cash flow yield in the UK industrials sector, a compelling M&A growth story and high operational gearing to market recovery. The Group seeks to allocate capital to maximise value generation for shareholders. After maintenance capex and dividend, M&A, organic investments and buybacks compete for capital. The global refractory industry remains fragmented and the M&A pipeline presents an opportunity to continue a value-accretive consolidation strategy. RHI Magnesita's resilient margins and profitability support the use of debt financing to fund acquisitions, anchored by a leverage target of 1.0 - 2.0x EBITDA through the cycle and up to c.2.5x for compelling M&A opportunities.

The Group is listed within the Equity Shares (Commercial Companies) category ("ESCC") of 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 Vienna Stock Exchange (Wiener Börse). For more information please visit: www.rhimagnesita.com

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. The numbers presented throughout this announcement may not sum precisely to the totals provided and percentages may not precisely reflect the absolute figures, due to rounding.

OVERVIEW

Health & safety

Ensuring a safe working environment for employees and contractors is a core value at RHI Magnesita. During the first half of 2025, the lost time injury frequency rate increased to 0.18 per 200,000 hours (H1 2024: 0.07) and total recordable injury frequency increased to 0.50 per 200,000 hours (H1 2024: 0.33). A major review of health and safety culture is underway, supported by dss+, with site-level inspections and recommendations carried out during the first half of 2025. As improvements to reporting culture are initiated, it is in line with expectations that reported accident rates may rise due to greater consistency of reporting. A migration of the reporting system to a new platform commencing in H2 2025 will focus on the reporting of risks or near misses for incidents with the potential to cause serious injury or a fatality.

Financial overview

Revenue declined by 2% on a constant currency basis to €1,677 million (H1 2024: €1,710 million), as a €90 million contribution from the acquisition of Resco was offset by lower sales volumes in the base business and a 5% decline in average price per tonne compared to H1 2024. Unit pricing declined primarily due to a change in product mix during the Period, with a lower proportion of high value products sold during the Period.

Sales volumes increased by 2% including the contribution from Resco but reduced by 2% in the base business, mainly due to weaker customer demand in the META region and in Europe.

Cost of Goods Sold, excluding M&A, reduced by 2% in constant currency terms to €1,261 million (H1 2024: €1,291) driven by lower sales volumes, lower prices for externally purchased raw materials and operational efficiency savings, offset by operational variances and lower fixed cost absorption as plants continued to operate at low levels of capacity utilisation. The reduction in input costs was not sufficient to offset lower average pricing and reported Group gross margin declined by 330 basis points to 20.8% from 24.1% in H1 2024.

SG&A excluding R&D costs was successfully reduced by €10 million to €212 million (H1 2024: €222 million) supported by favourable foreign exchange movements and cost saving measures focused on headcount, external services, business travel expenses and the outsourcing arrangement with CapGemini announced in December 2024.

Due to the lower gross margin, Adjusted EBITA reduced by 26% to €141 million (H1 2024: €190 million) at a margin of 8.4% (H1 2024: 11.0%). This represents 35% of Company compiled full year analyst consensus for Adjusted EBITA of €406 million, in line with the bottom of the guidance range for first half EBITA to be 35-40% of full year expectations given in the Q1 2025 trading update. Refractory margin contribution reduced to 7.3 ppts (H1 2024: 10.2 ppts) and raw material margin contribution remained close to record lows at 1.1 ppts (H1 2024: 0.8 ppts), as market prices for the raw materials produced by the Group remained at low levels in a weak demand environment. Adjusted EBITA excludes other income and expenses as well as restructuring expenses of €54 million, including €25 million in plant closure costs and €23 million of costs associated with the digital upgrade programme, which are expensed as incurred and not classified as capital expenditure.

Adjusted EPS reduced to €1.37 per share (H1 2024: €2.59 per share), reflecting the lower Adjusted EBITA and net FX translation losses of €13 million (H1 2024: €14 million gain) driven by weakness in the US dollar, Indian rupee and South American currencies against the Euro.

M&A

RHI Magnesita completed the planned €390 million acquisition of Resco in January 2025, a significant strategic milestone in strengthening RHI Magnesita's presence in the North American market. The integration of Resco is progressing well and trading in the US domestic market has been resilient, with revenue of €90 million and Adjusted EBITA of €11 million contributed during the half year period, from five months of consolidated trading.

In June 2025 the Group agreed a recycling joint venture in the US with BPI, Inc.. RHI Magnesita will take a 51% stake in BPI's recycling plant network of seven locations across the US. Significant cost and sustainability synergies are anticipated, based on the existing proven business model in Europe. Recycling of raw materials within US borders is expected to have increased relevance in a high tariff environment whilst using reclaimed refractory raw materials is also the fastest route for the Group to reduce its CO_2 emissions, when compared to the use of newly mined raw materials. The joint venture agreement is expected to be completed in H2 2025.

During the remainder of 2025 the focus will primarily be on network optimisation, the integration of recent acquisitions and reducing net debt.

Plant network optimisation

The Group announced its intention to implement a plant network optimisation initiative in its 2024 full year results. The optimisation is expected to incur restructuring costs of approximately €60 million and capital expenditure of €40 million over the period 2025-27 and deliver €10 million of EBITA benefit in 2025, €20 million in 2026 and €30 million per annum thereafter.

The first steps in this network optimisation were taken during H1 2025 with the closure of the Wetro and Mainzlar plants in Germany. Together these plant closures account for €25 million of restructuring costs in H1 2025. The anticipated €10 million EBITA benefit is expected to materialise in the second half of 2025.

Plant network optimisations are a natural consequence of M&A and a material component of synergies as the Group expands through acquisition and then seeks to realise efficiency gains through the transfer of production to lower cost sites. Low levels of plant utilisation due to weak customer demand, in particular in Europe, have accelerated the need for permanent capacity reduction as a response to market conditions.

Raw materials

Magnesite and dolomite based raw material prices remained at low levels in H1 2025, contributing to a raw material margin contribution of 1.1 ppts to Adjusted EBITA, close to record lows. Prices of alumina and alumina based refractory raw materials saw a significant upward spike in Q4 2024 but quickly returned to prior levels over the course of H1 2025, resulting in high cost inventory manufactured with purchased alumina based raw materials being sold in the Period. Securing price increases on alumina based products was challenging due to the high volatility in the alumina price and its return to lower levels within a short period of time, impacting margins in H1 2025.

Weak end market demand resulted in surplus availability of refractory raw materials at low prices in global markets, enabling both China-based exporters and local peers to compete aggressively on price during the Period in response to their own declining sales volumes. RHI Magnesita faced significant price-based competition in META, India and East Asia markets during the Period, impacting both refractory and raw material margin contribution.

Sustainability

As required by CSRD, the Group is approaching the 2025 deadline for sustainability targets that were adopted in 2018 and is on track to achieve or has already achieved the targeted outcomes for health and safety, CO_2 emissions intensity, energy consumption and recycling. Further progress is required in the second half of the year to achieve the sustainable supply chain monitoring target and the gender diversity target at EMT -1 level and at Board level, which stood at 30% and 31% respectively at 30 June 2025, versus the 2025 target level of 33%.

As required by CSRD, the Group has established new targets for 2030 to further reduce CO_2 emissions and energy consumption, improve safety performance, increase recycling rates and extend monitoring of its supply chain for sustainability performance.

The Group's Ecovadis rating increased to 79 in 2025 (2024: 76), placing RHI Magnesita in the top 3% of companies rated by Ecovadis globally. The sustained high sustainability rating from Ecovadis is independent recognition of the Group's commitment to transparency and tangible performance improvements in sustainability and results in an annual interest cost saving of approximately €480,000 on the Group's sustainability-linked debt facilities.

RHI Magnesita continues to be a leading technology partner for customers developing 'green steel' technologies, which have the potential to make a significant contribution to the reduction of CO_2 emissions globally due to the high emissions intensity of steel production.

Outlook and guidance updates

Market conditions remain challenging with end market demand weakness expected to continue into H2 2025. Steel refractory demand therefore remains low but a modest improvement is assumed in the second half based on the order book and normal seasonality. The highly competitive pricing environment is expected to continue but the Group is targeting price increases for H2 on a selective basis.

In the industrial business, the Group now has greater confidence in project deliveries in H2, primarily for Non-ferrous metals customers.

H2 2025 Adjusted EBITA is expected to benefit from management action on price increases and cost reductions including plant closures, SG&A savings and fixed cost initiatives.

Foreign exchange rate fluctuations were a significant factor in Q2 and may impact financial performance in the remainder of 2025 if current rates are maintained. Weaker US dollar and Indian rupee impacted Adjusted EBITA by €6 million in H1 2025 and could further impact H2 earnings by €10 million, when compared against prevailing exchange rates when full year guidance was first issued in February 2025.

Taking into account the expected headwind from foreign exchange, performance in the first half and current customer demand levels, full year Adjusted EBITA is now expected to be between €370 and €390 million at an average margin for the full year of approximately 10.5 - 11.0% with raw material contribution of 1.0 ppt.

Following a review of internal projects, capital expenditure guidance for FY 2025 is reduced from €145 million to €130 million. The working capital intensity expectation of c.24% remains unchanged.

Based on full year expectations for Adjusted EBITDA and normal levels of cash conversion, gearing is now expected to reduce from its expected peak of 3.1x at 30 June to approximately 2.8x by the 2025 year end.

Capital allocation and shareholder returns

The Board's capital allocation policy remains to support the long-term Group strategy, providing flexibility for both organic and inorganic investment opportunities and delivering attractive shareholder returns over the midterm. These opportunities will be considered against a framework of strategic fit, risk profile, rates of return, synergy potential and balance sheet strength.

The Group incurred €27 million of project capital expenditure in the first half (H1 2024: €35 million). Maintenance capital expenditure in the Period was €18 million (H1 2024: €26 million). Total capital expenditure was therefore €45 million (H1 2024: €68 million), against revised full year 2025 guidance of €130 million. The first steps in this network optimisation were taken during H1 2025 with the closure of the Wetro and Mainzlar plants in Germany, which together accounted for €25 million in restructuring costs during the same Period.

The Group allocated €346 million to M&A during the first half of 2025, comprising the remaining cash outflow payable upon completion of the Resco transaction. That cash outflow was partially offset by a gain of €13 million on the settlement of a deal contingent forward exchange contract used to hedge the foreign exchange exposure of the Euro equivalent of the total cash outflow for this transaction.

Consistent with the Company's dividend policy to pay an interim dividend equal to one third of the previous final dividend, the Board has declared an interim dividend of €0.60 per share representing €28 million in aggregate. The interim dividend will be paid on 25 September 2025 to shareholders on the register on 29 August 2025.

OPERATIONAL REVIEW

Steel overview

Steel	**H1 2025**	H1 2024 reported	H1 2024 (constant currency)	Change	Change (constant currency)
Revenue (€m)	**1,146**	1,185	1,166	(3)%	(2)%
Gross profit (€m)	**233**	268	267	(13)%	(13)%
Gross margin	**20.3%**	22.6%	22.9%	(230)bps	(260)bps

Supplying refractory products and services to the steel industry accounted for 68% of RHI Magnesita's revenues in H1 2025 (H1 2024: 69%). Refractory products are required to protect steel making equipment from extremely high temperatures of up to 1,800°C, chemical corrosion and abrasion. Refractory product applications include iron making (blast furnace or direct reduction), primary steel-making (basic oxygen furnace or electric arc furnace) as well as ingot and continuous casting. RHI Magnesita offers a complete range of products and solutions for the steel making process. The lifespan of refractory products in the steel making process can range from hours to months depending on the application, for example a slide gate is a consumable item that may need to be replaced every four hours whilst the lining of a primary steel making furnace could require re-lining at six month intervals. Refractory consumption in steel making is therefore classified as an operating expense by steel producers and usually accounts for around 2-3% of operating costs, on average.

Steel segment revenues decreased by 3% to €1,146 million (H1 2024: €1,185 million, constant currency €1,166 million). Average pricing declined by 5% in the base business, excluding M&A. Global steel demand in all regions excluding North America and India declined in H1 2025 due to continued weakness in the key end markets of construction, transportation, machinery and consumer goods. Producers in locations outside of China suffered from competition from Chinese exports. A number of geographies elected to impose tariffs on steel imports to protect domestic producers.

Shipped volumes of steel refractories decreased by 1% excluding M&A and increased by 1% including the acquisition of Resco, as sales growth in China and India was offset by weakness in Europe & CIS and the META region.

Industrial overview

Industrial	**H1 2025**	H1 2024 reported	H1 2024 (constant currency)	Change	Change (constant currency)
Revenue (€m)	**531**	543	544	(2)%	(2)%
Gross profit (€m)	**115**	148	152	(22)%	(24)%
Gross margin	**21.7%**	27.3%	27.9%	(560)bps	(620)bps

RHI Magnesita is a leading supplier of refractory products and services to customers in the Cement & Lime, Non-ferrous metals, Glass, Energy, Environmental, Industrial applications and Chemicals industries. These Industrial customers accounted for 32% of Group revenues in H1 2025 and have longer replacement cycles compared to Steel customers, ranging from one to 20 years. Refractories are classified as capital expenditure by Industrial customers and represent between 0.2% and 1.5% of total costs over the life cycle of a facility.

Revenues in the Industrial division including M&A decreased by 2% to €531 million (H1 2024: €543 million), with a 3% increase in shipped volumes offset by lower pricing. Average pricing declined by 11% in the base business, excluding M&A. Industrial revenues in the base business excluding M&A declined by 15% to €441 million (H1 2024: €519 million) and shipped volumes reduced by 4%, reflecting weak demand in the Glass, Non-ferrous metal and Industrial applications segments.

Cement & Lime

Cement & Lime revenues totalled €197 million in H1 2025, representing 12% of Group revenues (H1 2024: €188 million), an increase of 5% year-on-year, primarily driven by higher volumes. Over the past two years, maintenance and repairs on cement kilns were postponed due to subdued business activity, with relining work deferred to the first half of 2025. Despite this uptick in maintenance-related demand, the broader cement market remains weak, due to continued softness in construction activity worldwide.

Non-ferrous metals

Non-ferrous metals refractory revenues accounted for 6% of the Group's total revenues in H1 2025 and declined by 22% to €99 million (H1 2024: €127 million). The decrease was primarily driven by weaker demand across key industrial sectors and the postponement of investment decisions by customers amid global trade tensions. The broader Non-ferrous metals market remained subdued in the first half of the year, impacted by elevated inventory levels, price volatility, and softer activity in construction, electronics, and manufacturing. Based on the Group's order book, the second half of 2025 is anticipated to be stronger, as previously postponed projects are executed.

Process Industries

Process Industries, which includes business in the Glass and Industrial applications sectors, recorded revenues of €191 million (H1 2024: €198 million). The year-on-year decline was primarily driven by subdued demand in the global glass market, reflecting ongoing macroeconomic headwinds and a sector-specific cyclical downturn. These include a slowdown in construction activity and continued weakness in automotive and solar, which are key end-include a slowdown in construction activity and continued weakness in automotive and solar, which are key end-markets for glass.

Minerals

Raw materials not utilised internally by the Group are sold in the open market and reported under Minerals generating revenues of €44 million in H1 2025 (H1 2024: €30 million). The increase in revenues resulted from higher sales volumes.

Regional business units

Revenue	H1 2025	H1 2024 reported	H1 2024 (constant currency)	% change (reported)	% change (constant currency)
North America	**427**	**363**	**361**	**18%**	**18%**
Steel	322	287	286	12%	13%
Industrial	105	75	75	39%	39%
Europe & CIS	**375**	**417**	**419**	**(10)%**	**(11)%**
Steel	242	250	250	(3)%	(3)%
Industrial	133	167	169	(21)%	(22)%
Latin America	**282**	**329**	**318**	**(14)%**	**(11)%**
Steel	205	235	225	(12)%	(9)%
Industrial	77	94	93	(19)%	(18)%
India	**218**	**220**	**216**	**(1)%**	**1%**
Steel	173	180	175	(4)%	(2)%
Industrial	45	40	40	12%	13%
China & East Asia	**182**	**192**	**191**	**(5)%**	**(5)%**
Steel	117	121	120	(3)%	(2)%
Industrial	65	71	71	(9)%	(9)%
Middle East, Türkiye & Africa	**149**	**177**	**176**	**(15)%**	**(15)%**
Steel	86	111	110	(23)%	(22)%
Industrial	63	65	66	(3)%	(5)%
Minerals	44	30	29	46%	51%
Total	**1,677**	**1,728**	**1,710**	**(3)%**	**(2)%**

New definitions of regional business units

In 2025 the Group has re-organised its regional business units as follows:

i. created a new 'Middle East, Türkiye and Africa' ("META") region, with Middle East and Africa business having previously been included within 'India, West Asia and Africa' and Türkiye previously included in 'Europe, CIS and Türkiye';

ii. re-named 'India, West Asia and Africa' region to 'India', now focused solely on business activity in India;

iii. re-named 'South America' region to 'Latin America'; and

iv. moved Mexico out of the 'North America' region into 'Latin America'.

The regional financial information presented in this section for H1 2025 including the comparative data for H1 2024 has been prepared according to the new regional structure adopted in 2025.

North America

Revenues in North America increased by 18% to €427 million (H1 2024: €363 million) or by 18% in constant currency terms, driven by M&A due to the addition of Resco from 28 January 2025. Resco contributed €90 million of incremental revenue whilst the base business reduced by €13 million, a decline of 4%.

Gross profit increased to €116 million (H1 2024: €99 million) at a margin of 27.1% (H1 2024: 27.2%), with margins reducing slightly due to higher production costs. The increase in Gross profit was driven by the acquisition of Resco which supported an 18% increase in shipped volumes, whilst average revenue per tonne was stable versus the prior year.

Steel revenues increased by 12% to €322 million (H1 2024: €287 million) whilst industrial revenues increased by 39% to €105 million (H1 2024: €75 million), reflecting the higher weighting of Resco towards the industrial business compared to the higher proportion of steel prior to the acquisition.

Steel production in North America remained stable versus H1 2024. One major producer has announced the planned idling of three plants in H2 2025, balanced by new startups from ArcelorMittal and Nucor. The takeover of US Steel by Nippon includes €11 billion of investment in new or upgraded capacity by 2028, which is expected to displace existing production from legacy integrated mills. During H1 RHI Magnesita increased sales of 'fast to cast' tundish mixes, gained new market share in thin slab casting and completed a slide gate conversion at a major customer.

In the industrial business, which is largely dependent on the timing of capital investments by the Group's customers, uncertainty over the impact of evolving trade policy led to a number of projects being delayed into H2 2025, impacting sales in the Non-ferrous metals and Glass product segments.

The integration of Resco is progressing on schedule, with initial synergy targets already realised in SG&A, procurement and supply chain management. Safety and environmental upgrades are in process, as well as preparation for onshoring of certain products currently imported to the US.

The recycling rate in North America increased to 14.8% (H1 2024: 14.4%) and is expected to increase significantly in future following the agreement of the joint venture with BPI, Inc. in June 2025 which is expected to be completed in H2 2025.

The announcement of new tariffs in April 2025 and ongoing negotiations between the US government and its global trading partners has a number of implications for the Group's activities in the region. Tariffs applied to raw materials and other supplies currently imported into the US result in an increase in the cost of production, which the Group has largely been successful in passing onto its customers through price increases. In the longer term, tariff protection for the Group's US based customers is expected to result in increased volumes of domestic production of key raw materials such as steel, and in the short term allows the Group's customers to benefit from higher pricing in the US market.

Downside impacts from increased tariffs for RHI Magnesita are mainly associated with finished goods currently exported by RHI Magnesita from Europe and finished goods from Brazil to the US. The US and Europe recently agreed a 15% tariff would apply to goods from Europe. A potential 50% tariff on imports from Brazil was announced, to take effect from 1 August. This would apply to finished goods only as raw materials are classified as a critical mineral and are exempt. Alternative sources for these finished goods would need to be evaluated, for example on-shore production in the US or European plants at a 15% tariff. Management continue to monitor developments closely and will take all necessary steps to mitigate such impacts where possible.

Ongoing trade tensions have affected foreign exchange markets and the US dollar weakened significantly against the Euro during H1 2025, ending the Period at a rate of 1.18 compared to 1.03 on 31 December 2024, a decline of 15%. Each 0.01 depreciation of the US dollar against the euro is calculated to impact Group EBITA negatively by approximately €4 million on an annualised basis.

Europe & CIS

Europe & CIS revenues decreased by 10% to €375 million (H1 2024: €417 million) due to a 10% reduction in shipped volumes with stable pricing.

Gross profit reduced by 28% to €66 million (H1 2024: €92 million) as a change in mix heavily skewed towards lower margin product categories reduced gross margin to 17.5% from 21.9% in the prior year.

The change in mix was largely caused by a temporary decline in the Industrial business, with sales volumes decreasing by 17% compared to a decline of 6% for Steel. Several customers delayed Non-ferrous metals projects into the second half of 2025 and there was ongoing weakness in Glass.

Steel revenues were relatively stable, reducing by 3% to €242 million (H1 2024: €250 million) as the decline in volumes was partially offset by price increases. Steel production in the EU reduced by 3.3% with the largest drop in Germany where steel output fell 11.6%. The outlook for steel production in Europe has weakened, with customers increasingly focused on cost efficiency initiatives, divestments and a shift towards premium steel grades.

Green steel projects are in some cases being reviewed in light of lower energy prices and challenging market conditions. However, new ancillary equipment contracts related to green steel expansions continue to be awarded.

Industrial revenues fell by 21% to €133 million (H1 2024: €167 million) reflecting the 17% reduction in shipped volumes and the mix effect of higher value projects moving into H2. The Cement segment showed relative strength, supported by volume growth and disciplined pricing behaviour. However, the Glass market remained under pressure, in particular in construction and packaging end markets, with customers electing to delay maintenance projects as a result. Non-ferrous metals experienced weak demand and pricing but the Group successfully defended its market share and in some cases increased share, such as in cement refractory mixes and ceramic flue liners.

The most impacted end market was automotive, where production in Europe in 2025 is expected to be as low as levels last seen in 2009 and 2020-22 downturns. The US reintroduced tariffs of 25% on EU steel and aluminium exports in March, followed by broader measures in April and in June a 50% tariff on all EU exports, harming the competitiveness of European producers exporting into US markets. Retaliatory action from the EU disrupted supply chains, further dampening refractory demand. In the Group's own supply chain, sourcing of alumina and graphite was shifted away from overseas to EU based suppliers, as supply certainty was prioritised over cost for certain critical materials.

In order to address low capacity utilisation and align the production footprint with longer term expectations for refractory demand in Europe, the Group announced the closure of two of its plants in Germany in H1 2025.

Mainzlar and Wetro. Further network optimisation in the region and globally remains under consideration.

Europe achieved a recycling rate of over 22.5% in H1 2025 (H1 2024: 19.7%) as the MIRECO business model delivered growth in both use of recycled raw materials and onward sale of secondary raw materials to third parties. New laser sorting technologies 'Maestro' and 'Raptor' contributed to improved efficiency and material recovery rates.

Latin America

Revenues in Latin America decreased by 14% to €282 million (H1 2024: €329 million) or by 11% in constant currency as sales volumes were stable but average value per tonne declined by 13% due to a combination of falling prices and unfavourable product mix, with a lower weighting of high value segments.

Gross profit also reduced by 14% to €81 million (H1 2024: €95 million), in line with the decline in revenues with a resilient gross margin of 28.8% (H1 2024: 28.9%).

Steel sales volumes increased by 1%, however average price per tonne reduced by 14% reflecting a changing mix towards lower value product ranges. Gross margin increased slightly despite the lower pricing due to reduced input costs.

In H2 2024, Huachipato, the largest steel mill in Chile operated by CAP closed, demonstrating the impact of increasing quantities of imported steel on domestic producers in the region. Steel refractory markets in the region are also increasingly supplied by imports from Asia, driving domestic prices downwards.

High value Industrial sales volumes declined by 6%, reflecting customer decisions to delay capital projects into H2, in particular in the case of greenfield Non-ferrous metals projects, amidst rising uncertainty over trade policy. Lower value Cement sales increased in weighting whilst sales of Non-ferrous metals and Glass refractories reduced, leading to a 14% decline in revenue per tonne sold. Industrial gross margin declined slightly but remained higher than in Steel.

The new rotary kiln at Brumado continued its ramp up and conducted new product trials, seeking to maximise the benefit of increased flexibility in product specifications that the rotary kiln offers.

The recycling rate in Latin America reached 11.2% (H1 2024: 11.7%), with over 20 kt of circular raw materials processed. The Group expanded partnerships with public sector entities to reduce the quantity of waste send to landfill.

India

Revenues in India were broadly in line with the prior year at €218 million (H1 2024: €220 million) and increased by 1% in constant currency, as the Indian rupee weakened against the euro. Shipped volumes increased by 7%, reflecting continued structural growth in end market demand for refractories. However, average price per tonne decreased by 7% reflecting pricing pressure from both imports and domestic competitors.

Lower pricing with no accompanying reduction in unit costs impacted margins significantly and Gross profit reduced by 40% to €28 million (H1 2024: €46 million) at a gross margin of 12.7% (H1 2024: 21.0%).

Price competition is the main issue in the regional steel refractory market, with significant pricing pressure arising from Chinese producers selling into the India market and increased output from India based competitors who are looking to take advantage of strong growth fundamentals but contributing to over-supply in the short term. Steel producers are increasingly focused on reducing operating costs, including refractory spend, in response to their own experience of negative impacts from China steel exports. Increased raw material costs for alumina and fused magnesia were difficult to pass on to customers in this context, reducing margins.

The Indian government introduced a 12% 'safeguard' tariff on flat steel imports to protect domestic producers from 21 April 2025, which is expected to be beneficial to RHI Magnesita due to its higher market share with these customers. Steel customers have also responded favourably to RHI Magnesita's growth strategy in iron-making and DRI refractories resulting in new orders.

Industrial sales volumes increased by 7%, in line with steel and saw an 12% increase in revenues driven by improved revenue per tonne, as product mix changes offset similar trends for Cement, Glass and Non-ferrous metal customers to seek lower priced and lower-performing alternatives. Gross margin declined significantly in line with reginal gross margin.

China & East Asia

Revenues in China & East Asia reduced by 5% to €182 million (H1 2024: €192 million) as a 5% increase in shipped volumes was more than offset by a 10% decrease in average revenue per tonne.

Gross profit decreased by 21% to €29 million (H1 2024: €37 million) as lower pricing reduced gross margin to 16.1% (H1 2024: 19.4%) with the majority of margin weakness occurring in the Steel business.

Steel sales volumes increased by 2% but steel revenue declined by 3% due to lower pricing, reducing gross margins by approximately 4 ppts. China experienced strong growth in steel exports in H1 2025 due to weak domestic demand and ongoing uncertainty in the real estate sector. Steel producers in other countries in the region including in Japan, South Korea, Taiwan and Vietnam suffered from oversupply caused by China exports, exacerbated by weak demand in each of these markets except Vietnam, which reported growth. In the refractory market, low demand and pricing globally led some Chinese steelmakers to seek mid-contract price renegotiations. East Asia refractory markets encountered over-supply from refractory producers exporting surplus output from China into nearby markets, pushing prices downwards. US import tariffs placed on Chinese, Japanese, Vietnamese and South Korean steel producers increased costs for exporters to the US, forcing a pivot towards selling volumes into Southeast Asia and the Middle East. Despite the weak market backdrop, RHI Magnesita secured new customer wins for ladle, ISO and 4PRO contracts in China, Japan, Indonesia and Vietnam, contributing to the increase in volumes.

volumes.

Industrial sales volumes increased by 11%, however, revenue decreased due to a sharp fall in pricing that was broadly offset by lower input costs, resulting in resilient gross margins. Most end markets in the Industrial business saw reducing demand and customer output, notably in Glass with major oversupply following a severe contraction in solar project pipelines, 90% below 2024 levels. Cement production in China reduced by 5%, in line with the lowered outlook for construction activity. Low demand resulted in an increase in price competition amongst refractory producers, with some competitors offering unsustainably low pricing in order to keep or win new business. Customers, also under financial pressure, prioritised short term savings on refractory spend above quality, performance and long term performance benefits. RHI Magnesita entered into a new collaboration in the Environment, Energy and Chemicals product category and sought to develop a 4PRO contract arrangement with a Glass customer in Thailand.

Middle East, Türkiye & Africa

Revenues in the Middle East, Türkiye and Africa reduced by 15% to €149 million (H1 2024: €177 million) due to declines in both shipped volumes of 7% and average revenue per tonne of 9%. Gross profit fell by 50% to €24 million (H1 2024: €48 million) and gross margin reduced to 16.1% from 27.2% in H1 2024.

Steel refractory pricing and volumes in the region came under pressure as customers de-stocked existing inventories of refractories, reduced demand for high specification products and sought to increase price competition in tender processes. Steel sales volumes declined by 9% and average revenue per tonne by 15%. Gross margin in steel declined by over 8 ppts due to increasing input costs, for example natural gas prices in Türkiye have increased by over 27% since the start of 2025. Product market gaps exist in the region and are being targeted, for example RHI Magnesita is under-represented in non-basic refractories and dolomite mixes despite having a compelling product offering globally.

The Industrial business in the region was broadly stable, with revenues 3% lower as volumes declined only slightly by 2% and pricing remained in line with the prior year. However, gross margin reduced significantly due to product mix effects. Weakness in demand was most evident in the Glass sector, in particular in Türkiye. Following the acquisition of Resco, RHI Magnesita is heavily marketing Resco's leading product range for petrochemical applications in the Middle East and expects increased sales from H2 2025. Progress is also expected in building 4PRO relationships with Non-ferrous metals producers in Africa.

In raw material operations, the Eskisehir mine in Türkiye developed new lower specification DBM grades to compete on a like for like basis with lower quality materials sourced from China.

M&A integration work continues at PD Refractories and Seven Refractories, both of which were well-known names in the region prior to their acquisition by RHI Magnesita.

FINANCIAL REVIEW

Reporting approach

The Company uses a number of alternative performance measures (APMs) in addition to measures reported in accordance with IFRS Accounting Standards as adopted by the European Union ("IFRS"), which reflect the way in which the Board and the Executive Management Team assesses the underlying performance of the business. The Group's results are presented on an "adjusted" basis, using APMs that are not defined or specified under the requirements of IFRS, but are derived from the IFRS financial statements. The APMs are used to improve the comparability of information between reporting periods and to address investors' requirements for clarity and transparency of the Group's underlying financial performance. The APMs are used internally in the management of our business performance, budgeting and forecasting. A reconciliation of key metrics to the reported financials is presented in the section titled APMs.

All references to comparative 2024 numbers in this review are on a reported basis, unless stated otherwise. All reported volume changes year-on-year are excluding mineral sales.

Revenue

The Group recorded revenues of €1,677 million, representing a 2% decrease on a constant currency basis (H1 2024: €1,710 million). On a reported basis, revenues declined by 3% (H1 2024: €1,728 million), primarily due to the depreciation of several key currencies against the Euro, including the Chinese yuan, Brazilian real, and Indian rupee. Foreign exchange movements negatively impacted revenues in Euro terms by €18 million.

	H1 2025	H1 2024 reported	H1 2024 (constant currency)	Change	Change (constant currency)
Steel					
Revenue (€m)	**1,146**	1,185	1,166	(3)%	(2)%
Gross profit (€m)	**233**	268	267	(13)%	(13)%
Gross margin	**20.3%**	22.6%	22.9%	(230)bps	(260)bps
Adjusted EBITA (€m)	**94**	117	120	(19)%	(22)%
Adjusted EBITA margin	**8.2%**	9.9%	10.3%	(170)bps	(210)bps

Industrial					
Revenue (€m)	**531**	543	544	(2)%	(2)%
Gross profit (€m)	**115**	148	152	(22)%	(24)%
Gross margin	**21.7%**	27.3%	27.9%	(560)bps	(620)bps
Adjusted EBITA (€m)	**47**	73	76	(36)%	(39)%
Adjusted EBITA margin	**8.8%**	13.4%	14.0%	(460)bps	(520)bps

Steel revenues decreased to €1,146 million, down 3% on a reported basis (H1 2024: €1,185 million) and 2% on a constant currency basis (H1 2024: €1,166 million), accounting for 68% of Group revenue in the first six months of 2025. The decrease was primarily driven by a subdued steel market, characterised by weak demand in the regions Europe & CIS, China & East Asia and Middle East, Türkiye & Africa and continued pricing pressure. Sales volumes in the Steel segment increased by 1% including M&A. Excluding M&A Seel volumes decreased by 1%.

Industrial revenues decreased by 2% to €531 million (H1 2024: €543 million) and by 2% in constant currency terms (H1 2024: €544 million). Cement & Lime revenues increased by 5% to €197 million (H1 2024: €188 million) primarily driven by higher volume, including in the China & East Asia region, where stronger repair activity followed deferred maintenance cycles over the past two years. Non-ferrous metals revenues declined to €99 million (H1 2024: €127 million), reflecting weaker demand from key industries and the postponement of investment decisions by customers amid ongoing trade tensions. Revenues in the Process industries business decreased to €191 million compared to €198 million in the previous reporting Period due to weak demand the Glass sector in all regions resulting from a combination of cyclical and structural drivers such as a weak construction and automotive sector. Industrial revenues include revenues from mineral sales of €44 million, which were 47% higher than the prior year (H1 2024: €30 million), due to higher sales volumes and comparatively weak market environment in 2024.

Cost of Goods Sold

Cost of Goods Sold increased by 1% to €1,329 million, up from €1,312 million in H1 2024, and by 3% on a constant currency basis.

Excluding Resco, the cost of purchased raw materials declined by 8% to €633 million (H1 2024: €686 million). Plant-related labour costs were up by 5% in the first six months of 2025, increasing from €258 million to €270 million, mainly due to salary adjustments to offset inflation. Freight costs decreased by 1%, while energy costs remained flat in H1 2025. Since the beginning of the year, freight costs have increased significantly due to geopolitical, economical and operational factors such as port congestion and operational bottlenecks.

Unit costs in H1 2025 were negatively impacted by low production capacity utilisation, resulting in under-absorption of fixed costs. Excluding Resco, expenditure on general supplies, including pallets, packaging, and spare parts, decreased to €125 million, compared to €133 million in H1 2024.

Raw material prices

Average raw material prices were lower in H1 2025 compared with H1 2024, with the price of high-grade dead burned magnesia (DBM) from China declining by 4%. This decrease was primarily driven by oversupply and reduced global demand for refractories. Lower raw material prices typically lead to reduced finished goods pricing for refractories worldwide, as production costs fall for non-vertically integrated competitors.

In contrast, fused alumina, another key raw material used in refractory production, recorded a 32% price increase in 2024, with a notable spike towards the end of 2024. This was driven by tight bauxite supply in China and elevated alumina demand from the aluminium industry. The combination of higher fused alumina prices and increased freight costs towards the end of 2024 contributed to a rise in the Group's Cost of Goods Sold in the first quarter of 2025, which in turn impacted the Group's margin in the reporting Period. Since peaking in December 2024, prices for fused magnesia have declined by 18%, returning to levels last seen in mid-2024.

Gross profit

Gross profit decreased to €348 million (H1 2024: €416 million), primarily due to pricing, fewer Industrial projects in the mix, lower plant capacity utilisation resulting in reduced fixed cost absorption, and higher raw material prices for inputs not covered by the Group's vertical integration, such as fused alumina, particularly in the first quarter of 2025. As a result, gross margin declined to 20.8% from 24.1% in H1 2024.

In the Steel segment, Gross profit declined to €233 million (H1 2024: €268 million). The primary driver of this reduction was competitive pricing pressure in India and the Middle East, Türkiye & Africa regions, which were affected by elevated levels of imports from China. The Industrial division also recorded a decline, with Gross profit down to €115 million (H1 2024: €148 million) and a margin of 21.8% compared to 27.3% in the prior-year Period. This was mainly due to an unfavourable product mix, with fewer sales of high margin products.

(€m)	**H1 2025**	H1 2024 reported	H1 2024 (constant currency)	Change	Change (constant currency)
Revenue	**1,677**	1,728	1,710	(3)%	(2)%
Cost of goods sold	**(1,329)**	(1,312)	(1,291)	1%	3%
Gross profit	**348**	416	419	(16)%	(17)%
SG&A	**(212)**	(222)	(218)	(4)%	(3)%
R&D expenses	**(21)**	(23)	(22)	(9)%	(7)%
OIE	**(54)**	(16)	(17)	230%	211%

EBIT	**61**	155	161	(60)%	(62)%
Amortisation	**(26)**	(19)	(18)	36%	39%
EBITA	**87**	174	180	(50)%	(52)%
Adjusted items	**54**	16	17	232%	212%
Adjusted EBITA	**141**	190	197	(26)%	(28)%
Refractory EBITA	**122**	176	-	(31)%	-
Vertical integration EBITA	**19**	14	-	36%	-

Selling, general and administrative expenses ("SG&A"), excluding R&D-related costs, totalled €212 million in H1 2025, a 4% decrease compared to the previous reporting Period (H1 2024: €222 million) despite inflationary pressure on labour costs across all regions. The cost reduction reflects lower bonus provisions and management cost mitigation actions with additional savings weighted to the second half of the year. The reduction in SG&A costs was partially offset by increased expenses associated with the Resco acquisition.

Other income and expenses amounted to €54 million in H1 2025 (H1 2024: €16 million), including restructuring, M&A, digital upgrade and network optimisation expenses.

Depreciation increased by 3% to €70 million (H1 2024: €68 million). Full year depreciation for 2025 is expected to be approximately €140 million.

Adjusted EBITDA

The Group recorded Adjusted EBITDA of €211 million, an 18% decrease compared to the previous reporting Period (H1 2024: €258 million). The Adjusted EBITDA margin declined to 12.6% (H1 2024: 14.9%), a reduction of 230 basis points. This reflects lower Gross profit, which could not be fully offset by reduced SG&A and R&D expenses during the reporting Period. On a constant currency basis, the Adjusted EBITDA margin decreased by 270 basis points.

Adjusted EBITA

Adjusted EBITA decreased to € 141 million, down from €190 million in H1 2024, in line with the decline in Adjusted EBITDA. Resco contributed €11 million in the first half of 2025. The Groups Adjusted EBITA margin reduced to 8.4% (H1 2024: 11.0%), reflecting a weaker sales mix, lower pricing, and a record-low vertical integration margin.

Vertical integration contributed 1.1 ppts of the total Adjusted EBITA margin of 8.4%, comparable to the 0.8ppts contribution from vertical integration in H1 2024 and still close to record lows due to persistently low prices for refractory raw materials. Lower raw material prices negatively impact the calculation of the contribution from the Group's raw material assets, which is based on the theoretical cost of acquiring those raw materials in the open market. The Group continues to expect a contribution of 2.5 ppts to 3.5 ppts from its vertical integration over the longer term due to the competitive cost position of its raw material assets.

The Group's refractory business contributed a historic low of 7.3 ppts towards the total Adjusted EBITA margin of 8.4%, as realised prices fell significantly on a fixed cost base and due to an unfavourable product mix as higher value industrial business was deferred into H2 2025.

Adjusted EBITA and Adjusted EBITDA both exclude € 54 million in items classified as "Items excluded from adjusted performance" (H1 2024: €16 million). These include restructuring costs, M&A-related expenses, digital upgrade expenses and other non-recurring items, as detailed in the section "Items excluded from adjusted performance" below.

Adjusted EBITA in 2025 is now expected to be between €370 and €390 million at an average margin for the full year of approximately 10.5 - 11.0% with raw material contribution of 1.0 ppt.

Net finance expenses

Net finance expenses increased to €47 million (H1 2024: €12 million). Net financial expenses includes interest payable on borrowings, net of interest income on cash balances, as well as foreign exchange gains and losses, pension-related expenses, present value adjustments, factoring costs, and non-controlling interest expenses.

Net interest expenses increased to €22 million (H1 2024: €19 million), primarily due to a decline in interest income on cash balances, which decreased to €7 million (H1 2024: €14 million).

Foreign exchange losses of €13 million were recorded in the first six months of 2025, compared to foreign exchange gains of €14 million in H1 2024. This shift was primarily driven by the depreciation of key currencies, including the US dollar and Indian rupee.

Other net financial expenses totalled €12 million (H1 2024: €8 million), comprising factoring costs of €5 million (H1 2024: €5 million), pension charges of €5 million (H1 2024: €4 million), and present value adjustments of €(1) million (H1 2024: €0 million).

(€m)	H1 2025	H1 2024
Net interest expenses	**(22)**	**(19)**
Interest income	7	14
Interest expenses	(29)	(32)
FX effects	**(13)**	**14**
Balance sheet translation	(27)	23
Derivatives	14	(9)
Other net financial expenses	**(12)**	**(8)**

Present value adjustment	(1)	-
Factoring costs	(5)	(5)
Pension charges	(5)	(4)
Non-controlling interest expenses	(2)	(3)
Capitalization of borrowing costs	-	2
Other	1	4
Total net finance expenses	**(47)**	**(12)**

Items excluded from adjusted performance

In order to accurately assess the underlying performance of the business, the Group excludes certain items from Adjusted EBITA related to other income and expenses of € 54 million, including:

- €(25) million in restructuring expenses related to plant closures in Mainzlar and Wetro
- €(23) million in expenses for the digital architecture update and ERP system upgrade
- €(8) million in restructuring and project costs for the Group's shared service centre network
- €(7) million in expenses related to M&A activities
- €(2) million in other expenses
- €11 million other income resulting from property sales and successful litigation outcome in Brazil

Taxation

Total tax for H1 2025 in the income statement amounted to €3 million (H1 2024: €32 million), representing a 23% reported effective tax rate (H1 2024: 22%).

Reported profit before tax amounted to €14 million (H1 2024: €143 million). Adjusted profit before tax amounted to €90 million (H1 2024: €173 million), with an adjusted effective tax rate of 23% (H1 2024: 24%). Adjusted items include non-taxable IFRS income related to put option valuation, non-capitalisable losses due to restructuring projects, and non-deductible M&A-related expenses.

Profit after tax

On a reported basis the Group recorded profit after tax of €11 million (H1 2024: €111 million), profit attributable to shareholders of RHIM N.V. of €7 million (H1 2024: €102 million) and earnings per share of €0.15 (H1 2024: €2.15).

Adjusted profit after tax decreased to €69 million (H1 2024: €131 million) and Adjusted earnings per share was €1.37 (H1 2024: €2.59). A full reconciliation of EBITA to EPS and Adjusted EBITA to Adjusted EPS can be found in the table in the APMs section.

Profit attributable to shareholders is stated after non-controlling interests of €4 million (H1 2024: €9 million). The Group, holding a majority stake of 56% in RHI Magnesita India Ltd., attributes most of its non-controlling interests to the earnings consolidated from this subsidiary.

Guidance for non-controlling interest expense in 2025 is maintained at approximately €15 million.

(€m)	H1 2025 reported	Items excluded from adjusted performance	H1 2025 adjusted	H1 2024 reported	Items excluded from adjusted performance	H1 2024 adjusted
EBITA	87	54	141	174	16	190
Amortisation	(26)	26	-	(19)	19	-
Net financial expenses	(47)	(4)	(51)	(12)	(5)	(17)
Profit before tax	**14**	**76**	**90**	**143**	**30**	**173**
Income tax	(3)	(18)	(21)	(32)	(10)	(42)
Profit after tax	**11**	**58**	**69**	**111**	**20**	**131**
Non-controlling interest	4	-	4	9	-	9
Profit attributable to shareholders	7	58	65	102	-	122
Shares outstanding (in million)	47	-	47	47	-	47
Earnings per share	**0.15**	**1.23**	**1.37**	**2.15**	**0.43**	**2.59**

Working capital

Working capital excluding Resco decreased to €765 million (30 June 2024: €894 million) despite inventory build-up in preparation to meet higher customer demand for the second half of the year. Including additional working capital resulting from M&A completed in 2025, total working capital amounted to €800 million.

Working capital intensity excluding M&A, measured as a percentage of annualised revenue over the last three months, decreased to 23.9% (30 June 2024 excluding M&A: 24.3%). Excluding M&A, accounts receivable intensity increased to 12.0% (30 June 2024 excluding M&A: 10.8%), accounts payable intensity increased to 17.6% (30 June 2024 excluding M&A: 14.7%) and inventory intensity increased to 29.5% (30 June 2024 excluding M&A: 28.2%). Including the impact of M&A, overall working capital intensity decreased to 23.4% (30 June 2024: 25.3%).

Inventories excluding M&A increased to €944 million (30 June 2024 excluding M&A: €869 million) primarily due to inventory build-up in preparation for a stronger second-half business weighting. Including M&A, inventories stood at €987 million (30 June 2024: €997 million) with demand coverage ratios at targeted levels.

Accounts receivable excluding M&A increased to €385 million (30 June 2024 excluding M&A: €332 million). Accounts receivable is calculated as trade receivables excluding factoring plus contract assets less contract liabilities and downpayments received. A full reconciliation is provided in the APMs section. Including M&A, accounts receivable decreased to €399 million (30 June 2024: €422 million).

Accounts payable excluding M&A increased to €564 million (30 June 2024 excluding M&A: €453 million) due to extended payment terms. Including M&A, accounts payable increased to €586 million (30 June 2024: €525 million).

Working capital financing, used to provide low-cost liquidity and support the Group's commercial offering to customers, amounted to €302 million on 30 June 2025 (30 June 2024: €289 million). This comprised €254 million of accounts receivable financing (factoring) (30 June 2024: € 244 million) and €48 million of accounts payable financing (forfaiting) (30 June 2024: € 44 million). Working capital financing levels vary according to business activity, and the Board has set an internal limit of €320 million on its use.

Working capital intensity is targeted to be approximately 24% in 2025.

Acquisitions

RHI Magnesita completed the planned €390 million acquisition of Resco in January 2025, a significant strategic milestone in strengthening RHI Magnesita's presence in the North American market. Cash consideration paid for Resco amounted to 283 million (€271 million) after adjusting for assumed borrowings and liabilities and other related adjustments. For further details of cash consideration paid and other cash outflows see Note 18 to the Financial Statements. The integration of Resco is progressing well and trading in the US domestic market has been resilient, with revenue of €90 million and Adjusted EBITA of € 11 million contributed during the half year Period, from five months of consolidated trading.

In June 2025 the Group agreed a recycling joint venture in the US with BPI, Inc.. RHI Magnesita will take a 51% stake in BPI's recycling plant network of seven locations across North America. The joint venture agreement is expected to be completed in H2 2025.

Cash flow

Adjusted operating cash flow decreased to €175 million (H1 2024: €221 million), representing a cash flow conversion from Adjusted EBITA of 124% (H1 2024: 116%). This decline primarily reflects a € 47 million reduction in Adjusted EBITDA compared to the prior-year Period (H1 2024: € 258 million), partially offset by lower capital expenditure of €45 million (H1 2024: €68 million). Free cash flow decreased to €70 million (H1 2024: €136 million).

Cash income tax payments decreased to €33 million (H1 2024: €36 million), while net interest paid comprises interest paid on borrowings and leases as well as interest received decreased to €39 million (H1 2024: €46 million). Cash dividends paid during the first six months of 2025 totalled to €57 million, slightly down from €59 million in the prior-year Period.

Cash flow €m	H1 2025	H1 2024
Adjusted EBITDA	211	258
Share based payments - gross non-cash	1	5
Working capital changes	57	86
Changes in other assets and liabilities	(49)	(60)
Investments in PPE, IA	(45)	(68)
Adjusted operating cash flow	**175**	**221**
Income taxes paid	(33)	(36)
Cash effects of other income/expenses and restructuring	(41)	(17)
Investments in financial assets	-	(21)
Cash inflows from the sale of PPE, IA	4	8
Cash inflows from the sale of financial assets	-	16
Investment subsidies received	-	2
Net interest paid	(39)	(46)
Interest rate derivative cash inflow/(outflow)	4	10
Dividend payments to NCI	-	(1)
Free cash flow	**70**	**136**
Investments in subsidiaries net of cash acquired	(346)	(41)
Cash inflow from matured derivative financial instruments	13	
Investments in NCI	(2)	(3)
Dividend payments	(57)	(59)
Cash change in net debt	**(322)**	**33**
Debt from acquisitions	(4)	-
New lease obligations	(3)	(7)
Exchange effects	(2)	4
Actual change in net debt	**(332)**	**31**

Financial position

Net debt increased to €1,583 million (31 December 2024: €1,251 million), comprising total debt of €1,841 million, leases of €69 million and cash, cash equivalents and marketable securities of €327 million.

Total leases of €69 million (31 December 2024: €77 million) are included in the Group's Net debt position as required by IFRS 16.

The Group's leverage ratio stood at 3.1x Net debt to Pro Forma Adjusted EBITDA, compared to 2.3x as at 31 December 2024.

Available liquidity at 30 June 2025 was €927 million (31 December 2024: €1,376 million), comprising undrawn committed, facilities of €600 million and cash and cash equivalents of €327 million.

Out of the total gross debt of €1,841million (31 December 2024: €1,750 million), 96% is denominated in euro. The floating to fixed ratio of the gross debt is 31% floating to 69% fixed and the weighted average cost of debt as of 30 June 2025 was 3.09%, including swaps.

In April and May 2025, the Group successfully refinanced a €150 million bilateral term loan maturing in May 2025 and a €50 million bilateral term loan maturing in 2026. These were replaced with a €100 million bilateral term loan maturing in 2029 and a 50 million bilateral term loan maturing in 2030, respectively. An additional €50 million was repaid using excess cash to optimise the Group's capital structure and liquidity position. These transactions strengthen the Group's funding structure and maturity profile ahead of upcoming maturities from 2026 onwards.

The Group seeks to maintain the ratio of Net debt to Pro Forma Adjusted EBITDA within a guided range of 2.0-2.5x or above for periods of compelling M&A. Gearing is expected to reduce to around 2.8x by the end of 2025.

Return on invested capital

ROIC is used to assess the Group's efficiency in executing its capital allocation strategy, which is aimed at enabling organic growth, disciplined M&A and shareholder returns. ROIC is an APM, see the APM section for full details of how ROIC reconciles to IFRS metrics.

Under the APM definition, ROIC was 5.5% in H1 2025 (H1 2024: 8.8%) based on average invested capital of €3,077 million (H1 2024: €3,089 million) and NOPAT of €82 million (H1 2024: €136 million). ROIC generated by the Group's raw material assets was 4.2% (H1 2024: 2.6%) and ROIC from the refractory business was 5.7% (H1 2024: 10.0%). The main drivers of the decrease in ROIC were the significant fall in NOPAT due to temporarily lower margins.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group has an established risk management process based on a formally approved framework including standardised risk assessments aimed at systematically identifying and assessing risks and uncertainties amongst the functional and operational areas of RHI Magnesita Regions and Group.

Material and high risks with potentially significant impacts on the Group, its results or its ability to achieve its strategic objectives are discussed with Senior Leaders, the Executive Management Team and reviewed regularly by the Board. The risks considered by the Board to be the principal risks were presented in the 2024 Annual Report, which is available on the Group's website at www.rhimagnesita.com.

As part of the Group's risk monitoring processes, the Board has assessed the broader internal and external risk environment and updated the principal risks and uncertainties and have determined that those ten risks reported in the 2024 Annual Report remain relevant for the remaining half of the 2025 financial year. In addition to the principal risks, emerging risks were considered and evaluated.

The risk scoring of five of the principal risks have changed compared to H2 2024 as highlighted in the summary table below.

Compared to H2 2024, the overall risk landscape of RHI Magnesita has become increasingly more challenging, primarily due to macroeconomic factors impacted by the weakness and volatility of the external market environment. Further impacts have been experienced in the ability to increase prices to offset margin erosion. The risk to "Ability to strategically price and deliver price increases" was added as a principal risk.

The risks may occur independently from each other or in combination. If they occur in combination, their impact may be reinforced. The Group might be facing other risks than the ones mentioned here, some of them being currently unknown or not considered to be material. The updated, comprehensive analysis of the principal risks and emerging risks faced by RHI Magnesita will be included in the 2025 Annual Report.

Principal risk	Change in risk level	Change description
1 - Macroeconomic environment and geopolitical risk	Increased	The risk has increased due to the high volatility in the market driven by trade compliance policies and geopolitical instability. This has led to material changes in currency risk exposure and an adverse financial impact for RHI Magnesita. The risk has further increased due to low-cost externally sourced raw

		materials compared to own sourced raw materials.
2 - Inability to execute key strategic initiatives	Increased	While key strategic initiatives remain on track to deliver long-term benefits, the risk level of constrained capital allocation has increased due to the deteriorating leverage ratios. This development is primarily driven by increased debt due to the acquisition of Resco, and weaker earnings. Management have implemented corrective plans to address this risk.
3 - Significant changes in the competitive environment or speed of disruptive innovation	Increased	China's evolving export strategy of finished goods at low cost is increasing competitive pressure on key RHI Magnesita markets, particularly in India and Latin America.
4 - Reliability of the end-to-end value chain	Unchanged	
5 - Sustainability - Environmental and climate risks	Decreased	The risk remains a high focus area for RHI Magnesita mainly driven by the targets and aims for decarbonisation. The current risk score has decreased due to the effective short to mid-term delivery of Sustainability improvements and the assessment of RHI Magnesita readiness for longer term challenges regarding this risk.
6 - Sustainability Health and safety risks	Unchanged	
7 - Regulatory and compliance risks (excluding Trade Compliance)	Unchanged	
8 - Cyber and information security risk	Unchanged	
9 - Trade Compliance	Unchanged	
10 - Organizational capacity to execute strategy, incl. company cultural values	Increased	The risk has increased due to the highly dynamic and volatile external market environment, and number of simultaneous operational priorities. As a result, the risk of limited capacity levels potentially constraining the Company's ability to execute strategic priorities is observed.
11 - Ability to strategically price and deliver price increases	New	The Company has observed a risk in the ability to react to demand volatility and balance customer price levels. Therefore, this risk has been identified as a distinct principal risk and given increased focus by management.

GOING CONCERN

In considering the appropriateness of adopting the going concern basis in preparing the Interim Financial Statements, the Directors have assessed the potential cash generation of the Group and considered downside scenarios that model different degrees of potential economic downturn, using the same model performed for the scenarios that model different degrees of potential economic downturn, using the same model performed for the viability assessment disclosed in the latest Annual Report. This assessment covers at least 12 months from the date of approval of the Interim Financial Statements.

The scenarios considered by the Directors include a severe but plausible downside and a reverse stress test which determines the level of EBITDA that could breach the debt covenant of the Group's principal borrowing facilities. At present management is increasing prices, reducing fixed costs and SG&A, as well as reducing working capital and capital expenditure to mitigate this risk. Further mitigating actions within management control which would be undertaken in such scenarios, include but are not limited to: deeper focus on the current reduction drivers, seeking a debt covenant waiver and reducing or cancelling the dividend, but these were not incorporated in the downside modelling.

The Directors have also considered the Group's current liquidity, available facilities and debt covenant coverage. As of 30 June 2025, the Condensed Consolidated Statement of Financial Position reflects cash and cash equivalents of €317 million (31.12.2024: €576 million). In addition, the Group has access to a €600 million (31.12.2024: €600 million) Revolving Credit Facility (RCF), which is currently undrawn. In the first half of 2025 and in 2024, the Group complied with the debt covenant of the Group's principal borrowing facilities (refer to Note (11)).

Based on the scenarios assessed and taking into account liquidity, available resources and before the inclusion of all mitigating actions, the Directors consider it is appropriate to continue to adopt the going concern basis in preparing the Interim Financial Statements for the period ended 30 June 2025.

ALTERNATIVE PERFORMANCE MEASURES (APMs)

Definitions of APMs used by the Group are set out below. The purpose and usefulness of each APM and a reconciliation to the nearest IFRS equivalent measure, or a reference to a reconciliation appearing elsewhere in this document. In general, APMs are presented externally to meet investor and analyst requirements for clarity and transparency of the Group's underlying financial performance. APMs are also used internally in the management of the Group's business performance, budgeting and forecasting. APMs are non-IFRS measures which enable investors and other readers to review alternative measurements of financial performance, but they should not be used in isolation from the main financial statements. Commentary within the Annual Report, including the Financial Review, the Consolidated Financial Statements and the accompanying notes, should be referred to in order to fully appreciate all the factors and context affecting the Group's financial performance. Readers are strongly encouraged not to rely on any single financial measure and to carefully review the Group's reporting in its entirety.

Performance APMs

Adjusted EBITDA

Adjusted EBITDA is a key non-IFRS measure that the Executive Management Team (EMT) and Directors use internally to assess the underlying financial performance of the Group and is viewed as relevant to capital intensive industries. The ratio of Net Debt to Adjusted EBITDA is used as a measure of financial gearing.

Adjusted EBITDA is defined as EBIT, as presented in the Condensed Consolidated Statement of Profit or Loss, before amortisation, depreciation, and Excluded Items (see definition below).

Pro Forma Adjusted EBITDA

Pro Forma Adjusted EBITDA is used to assess financial gearing and includes a full year of Adjusted EBITDA contribution from businesses acquired during the year.

Adjusted EBITA

Adjusted EBITA is a key non-IFRS measure that the EMT and Directors use internally to assess the underlying performance of the Group.

Adjusted EBITA is determined consistently with Adjusted EBITDA, but includes depreciation expense of property, plant and equipment to reflect the wear and tear cost and future replacement of productive assets.

Adjusted EPS

Adjusted EPS is a key non-IFRS measure and one of the Group's KPIs. Adjusted EPS is used to assess the Group's underlying operational performance, post tax and non-controlling interests on a per share basis.

This measure is based on Adjusted EBITA after finance income and expenses, taxes, share of profit or loss from associates and joint ventures and non-controlling interest. Share of profit or loss from associates and joint ventures is adjusted to exclude impairments and gains or losses recognised on disposals.

Adjusted EPS excludes finance income and expenses and certain foreign exchange effects, that are not directly related to operational performance. This includes the non-cash present value adjustments for the Oberhausen provision.

Taxes are calculated by applying the effective tax rate normalised for restructuring expenses and impairments.

Excluded items

Items that are excluded (Excluded Items) in arriving at the Group's Adjusted measures of Adjusted EBITA, EBITDA and EPS include:

Other income, other expenses and restructuring expenses as reflected on the Consolidated Statement of Profit or Loss as well as gains and losses within interest income, interest expenses and other net financial expenses that are non-recurring in nature and not reflective of the underlying operational performance of the business. Excluded items include restructuring related provisions, costs in relation to corporate transactions and other non-recurring costs. The tax impacts of the above Excluded Items are also adjusted for.

Cash flow performance measures

Adjusted operating cash flow and Free cash flow

Adjusted operating cash flow is a key non-IFRS measure used by the EMT and the Directors to reflect the operational cash generation capacity of the Group before the cash impacts of Excluded Items (see definition operational cash generation capacity of the Group before the cash impacts of Excluded Items (see definition above).

Adjusted operating cash flow is defined as Adjusted EBITDA adjusted for working capital items, changes in other assets and liabilities and capital expenditure and other non-cash items, such as share based payments. This APM is reconciled to Net Cash flow from operating activities as follows:

€m	H1 2025	H1 2024
Adjusted operating cash flow (APM)	**175**	**221**
Capital expenditure[1]	45	68
Income Taxes paid[1]	(33)	(36)
Other income/expenses and restructuring items[2]	(41)	(17)
Net cash flow from operating activities[1]	**146**	**236**

1. As reflected in the Condensed Consolidated Statement of Cash Flows
2. Net cash impact of adjusting Other income, Other expenses and Restructuring

Free cash flow is determined from the IFRS measures of Net cash flow from operating activities, net cash used in investing activities and net cash (used in)/provided by financing activities and excludes the cash impacts of purchases and disposals of business and subsidiaries, dividends paid to equity shareholders of the Group, share capital transactions with shareholders, proceeds and repayment of borrowings and current borrowings and repayment of leases.

Free cash flow is reconciled to Cash changes in Net debt in the table in the Cash flow and working capital section. Cash changes in Net debt is reconciled to Change in cash and cash equivalents in the Net Debt APM reconciliation.

Balance sheet

Liquidity

Liquidity comprises cash and cash equivalents, short term marketable securities and undrawn committed credit facilities.

€m	H1 2025	H1 2024
Cash and cash equivalents[1]	327	605
Revolving credit facility	600	600
Syndicated term loan		200
Liquidity	**927**	**1,405**

1. As reflected in the Condensed Consolidated Statement of Financial Position including €10 million of short term marketable securities.

Net Debt

Net Debt is the excess of current and non-current borrowings, associated debt derivatives for which hedge accounting is applied and lease liabilities over cash and cash equivalents and short-term marketable securities. The Board uses this measure for the purpose of capital management. A reconciliation of Net Debt is included in Note 11 to the Condensed Consolidated Interim Financial Statements.

€m	H1 2025	H1 2024
Cash changes in Net debt	**(322)**	**33**
Proceeds from borrowings[1]	346	13
Repayment of borrowings[1]	(240)	(109)
Change in current borrowings[1]	(12)	(42)
Repayment of lease obligations[1]	(9)	(10)
Cash outflow/inflow from financial assets[1]	(10)	12
Change in cash and cash equivalents[1]	**(247)**	**(103)**

1. As reflected in the Condensed Consolidated Statement of Cash Flows

Working capital

Working capital consists of inventories plus trade receivables and other receivables minus trade payables and other payables. Working capital intensity provides a measure of how efficient the Company is in managing operating cash conversion cycles. It is measured as Working capital divided by trailing three-month revenues (annualised) and is expressed as a percentage.

€m	H1 2025	H1 2024
Inventories (Note 9)	**986**	**997**
Trade receivables (Note 10)	449	475
Contract assets (Note 10)	4	2
Contract liabilities (Note 14)	(53)	(55)
Accounts receivable	**400**	**422**

Trade payables (Note 14)	**(586)**	**(525)**
Total working capital	**800**	**894**

1. As reflected in the Condensed Consolidated Statement of Financial Position

Return on invested capital (ROIC)

ROIC reflects the annualised return on invested capital of the Group. The Group has amended its definition of ROIC to use Average Invested Capital, being the average of the level of Invested Capital at the beginning and end of the financial year. ROIC is calculated as NOPAT (net operating profit after tax) divided by average invested capital of the year.

€m	H1 2025	H1 2024
Revenue[1]	**1,677**	**1,728**
Cost of sales[1]	(1,329)	(1,312)
Selling and marketing expenses[1]	(78)	(65)
General and administrative expenses[1]	(134)	(180)
Income taxes paid[2]	(33)	(36)
NOPAT	**82**	**136**

€m	H12025	H12024
Goodwill[3]	427	348
Other intangible assets[3]	550	443
Property, plant and equipment[3]	1,250	1,322
Investments in joint ventures and associates[3]	6	6
Other non-current assets[3]	30	66
Deferred tax assets[3]	172	148
Inventories[3]	986	997
Trade and other receivables[3]	592	611
Income tax receivables[3]	42	39
Deferred tax liabilities[3]	(90)	(61)
Trade and other current liabilities[3]	(803)	(788)
Income tax liabilities[3]	(29)	(44)
Current provisions[3]	(59)	(30)
Invested capital	**3,075**	**3,056**
Average invested capital	3,020	3,089
Return on invested capital[4]	**5.5%**	**8.8%**

1. As reflected in the Condensed Consolidated Statement of Profit and Loss
2. As reflected in the Condensed Consolidated Statement of Cash Flows
3. As reflected in the Condensed Consolidated Statement of Financial Position
4. NOPAT divided by average invested capital of the year.

GLOSSARY

BPI	Recycling joint venture in the US
CIS	Commonwealth Of Independent States
CO2	Carbon dioxide
CoGS	Cost of Goods Sold
CSRD	Corporate Sustainability Reporting Directive
DBM	Dead Burned Magnesia
DRI	Direct Reduced Iron
EBIT	Earnings Before Interest and Taxes
EBITA	Earnings Before Interest, Taxes and Amortisation
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EMT	Executive Management Team
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
EU	European Union
FX	Foreign Exchange
IAS	International Accounting Standards

IASB	International Accounting Standards Board
IFRS	IFRS Accounting Standards
LATAM	Latin America
LTIF	Lost Time Injury Frequency
LTIP	Long-Term Incentive Plan
M&A	Mergers & Acquisitions
META	Middle East, Türkiye and Africa
N.V.	Naamloze Vennootschap (public limited liability company)
NAM	North America
NFM	Non-ferrous metals
NOPAT	Net Operating Profit After Tax
OCF	Operating Cash Flow
OIE	Other Income and Expenses
PPE	Property, Plants & Equipment / Personal Protective Equipment
ppts	Percentage points
Resco	A group of companies carrying out the manufacturing and sale of refractory products in the US, UK and Canada, previously owned by Balmoral Refractories Holdings, Inc.
RFC	Revolving Credit Facility
ROIC	Return On Invested Capital
SAM	South America
SG&A	Selling, General and Administrative Expenses
TRIF	Total Recordable Injury Frequency
UK	United Kingdom
US	United States

Condensed Consolidated Interim Financial Statements as at 30.06.2025

Condensed Consolidated Statement of Profit or Loss

for the six months ended 30 June 2025

in € million for the six months ended 30 June	Note	2025	2024
Revenue	(3)	1,677	1,728
Cost of sales		(1,329)	(1,312)
Gross profit		348	416

Selling and marketing expenses		(78)	(64)
General and administrative expenses		(155)	(180)
Restructuring		(30)	1
Other income		17	18
Other expenses		(41)	(36)
EBIT		61	155
Interest income		7	14
Interest expenses on borrowings		(29)	(32)
Net (expense)/income on foreign exchange effects	(4)	(13)	14
Other net financial expenses	(5)	(12)	(8)
Net finance costs		(47)	(12)
Profit before income tax		14	143
Income tax	(6)	(3)	(32)
Profit after income tax		11	111
RHI Magnesita N.V. shareholders		7	102
Non-controlling interests		4	9
in €			
Earnings per share - basic		0.15	2.15
Earnings per share - diluted		0.14	2.10

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 30 June 2025

in € million for the six months ended 30 June	Note	2025	2024
Profit after income tax		11	111
Currency translation differences			
Unrealised results from currency translation		(162)	(37)
Deferred taxes thereon		(1)	10
Reclassification to profit or loss		0	(8)
Cash flow hedges and costs of hedging			
Unrealised fair value changes		(21)	24
Reclassification to profit or loss		(4)	(10)
Deferred taxes thereon		6	(4)
Remeasurement of investments in debt instruments			
Unrealised fair value changes		0	(6)
Reclassification to profit or loss		0	6
Items that may be reclassified to profit or loss in later periods		(182)	(25)
Remeasurement of defined benefit plans			
Remeasurement of defined benefit plans		0	16
Deferred taxes thereon		0	(4)
Items that are not reclassified to profit or loss in later periods		0	12
Other comprehensive (loss) after income tax		(182)	(13)
Total comprehensive (loss)/income		(171)	98
RHI Magnesita N.V. shareholders		(155)	82
Non-controlling interests		(16)	16

Condensed Consolidated Statement of Financial Position

as at 30 June 2025

in € million	Note	30.06.2025	31.12.2024
ASSETS			
Non-current assets			
Goodwill		427	342
Other intangible assets		550	417
Property, plant and equipment	(8)	1,250	1,285
Investments in joint ventures and associates		6	7
Other financial assets		35	42
Other assets		30	76
Deferred tax assets		172	152
		2,470	2,321
Current assets			
Inventories	(9)	986	962
Trade and other receivables	(10)	592	660
Income tax receivables		42	40
Other financial assets		11	17
Cash and cash equivalents		317	576
		1,948	2,255
		4,418	4,576

EQUITY AND LIABILITIES			
Equity			
Share capital		50	50
Group reserves		941	1,152
Equity attributable to shareholders of RHI Magnesita N.V.		991	1,202
Non-controlling interests		152	170
		1,143	1,372
Non-current liabilities			
Borrowings	(11)	1,670	1,474
Other financial liabilities		101	112
Deferred tax liabilities		90	64
Net employee defined benefit liabilities	(12)	250	257
Provisions		66	71
Other liabilities		7	8
		2,184	1,986
Current liabilities			
Borrowings	(11)	171	276
Other financial liabilities		29	27
Trade payables and other liabilities	(14)	803	843
Income tax liabilities		29	29
Provisions	(13)	59	43
		1,091	1,218
		4,418	4,576

Condensed Consolidated Statement of Cash Flows

for the six months ended 30 June 2025

in € million for the six months ended 30 June	Note	2025	2024
Cash generated from operations	(15)	179	272
Income tax paid less refunds		(33)	(36)
Net cash flow from operating activities		146	236
Investments in property, plant and equipment and intangible assets		(45)	(68)
Investments in subsidiaries net of cash acquired		(346)	(8)
Cash inflow from matured derivative financial instruments		13	0
Cash inflows from the sale of property, plant and equipment		4	8
Cash outflows from investments in financial assets		(10)	(22)
Cash inflows from the sale of financial assets		0	26
Dividends received from non-consolidated entities		0	1
Investment subsidies received		0	2
Prepayments related to the acquisition of Resco Group		0	(33)
Interest received		6	13
Net cash used in investing activities		(378)	(81)
Acquisition of non-controlling interests		(2)	(3)
Dividends paid to RHI Magnesita N.V. shareholders		(57)	(59)
Dividend paid to non-controlling interests		0	(1)
Proceeds from long-term financing		346	13
Repayments of long-term financing		(240)	(109)
Changes in current borrowings and financial liabilities to associates		(12)	(41)
Interest payments		(43)	(57)
Repayment of lease obligations		(9)	(10)
Interest payments from lease obligations		(2)	(1)
Cash inflow from matured derivative financial instruments		4	10
Net cash used in financing activities		(15)	(258)
Change in cash and cash equivalents		(247)	(103)
Cash and cash equivalents at beginning of period		576	704
Foreign exchange impact		(12)	4
Cash and cash equivalents at end of period		317	605

Condensed Consolidated Statement of Changes in Equity

for the six months ended 30 June 2025

in € million	Share capital	Treasury shares	Additional paid-in capital	Mandatory reserve	Retained earnings	Accumulated other co… Cash flow hedges and costs of hedging	Defined benefit plans	Curre… transla…
Note								
31.12.2024	50	(108)	361	289	938	12	(86)	(
Profit after income tax	-	-	-	-	7	-	-	
Currency translation differences	-	-	-	-	-	-	-	(
Cash flow hedges and costs of hedging	-	-	-	-	-	(19)	-	
Other comprehensive income after income tax	-	-	-	-	-	(19)	-	(
Total comprehensive income	-	-	-	-	7	(19)	-	(
Dividends	-	-	-	-	(57)	-	-	
Share transfer/vested LTIP	-	5	-	-	(5)	-	-	
Other changes	-	-	-	-	1	-	-	
Share-based payment expenses	-	-	-	-	1	-	-	
Hedging gains and losses included in the initial cost of inventory purchased in the reporting period	-	-	-	-	-	(1)	-	
	-	5	-	-	(60)	(1)	-	
30.06.2025	50	(103)	361	289	885	(8)	(86)	(

in € million	Share capital	Treasury shares	Additional paid-in capital	Mandatory reserve	Retained earnings	Accumulated other co… Cash flow hedges and costs of hedging	Defined benefit plans	Curre… transla…
Note								
31.12.2023	50	(111)	361	289	872	6	(102)	(
Profit after income tax	-	-	-	-	102	-	-	
Currency translation differences	-	-	-	-	-	-	-	
Cash flow hedges and costs of hedging	-	-	-	-	-	11	-	
Defined benefit plans	-	-	-	-	-	-	12	
Other comprehensive income after income tax	-	-	-	-	-	11	12	
Total comprehensive income	-	-	-	-	102	11	12	
Dividends	-	-	-	-	(59)	-	-	
Share transfer/vested LTIP	-	3	-	-	(3)	-	-	
Other changes[1)]	-	-	-	-	(1)	-	-	
Share-based payment expenses	-	-	-	-	5	-	-	
Hedging gains and losses included in the initial cost of inventory purchased in the reporting period	-	-	-	-	-	(1)	-	
	-	3	-	-	(58)	(1)	-	
30.06.2024	50	(108)	361	289	916	16	(90)	(

1) This mainly comprises the effects of the acquisition of non-controlling interests of Seven Refractories' Group as well as the final adjustments from the purchase price allocation of Seven Refractories' Group and the update of the purchase price allocation of P-D Refractories, both completed in 2023.

Notes to the Condensed Consolidated Interim Financial Statements as at 30.06.2025

Basis of preparation

1. General

RHI Magnesita N.V. (the "Company"), is a public limited company incorporated under the laws of the Netherlands (naamloze vennootschap), having its official seat (statutaire zetel) in Arnhem, the Netherlands, and its office at Kranichberggasse 6, 1120 Vienna, Austria. It is registered with the Dutch Trade Register under number 68991665 and listed on the London Stock Exchange, with a secondary listing on the Vienna Stock Exchange (Wiener Börse).

The Condensed Consolidated Interim Financial Statements ("Interim Financial Statements") of RHI Magnesita N.V. ("the

The Condensed Consolidated Interim Financial Statements ("Interim Financial Statements") of RHI Magnesita N.V. ("the Company") and its subsidiaries (collectively referred to as "RHI Magnesita" or "the Group") for the six months ended 30 June 2025 have been prepared in accordance with the International Accounting Standard 34, 'Interim financial reporting' as adopted by the European Union, applying the same accounting principles as those used in the Consolidated Financial Statements for the year ended 31 December 2024.

The Interim Financial Statements do not include all information and disclosures required in the Consolidated Financial Statements and should therefore be read in conjunction with RHI Magnesita's Consolidated Financial Statements as of 31 December 2024. The Interim Financial Statements are presented in Euros, and all values are rounded to the nearest € million, except where otherwise indicated.

The Interim Financial Statements as of 30 June 2025 were not audited but reviewed by PricewaterhouseCoopers Accountants N.V.

Going concern

In considering the appropriateness of adopting the going concern basis in preparing the Interim Financial Statements, the Directors have assessed the potential cash generation of the Group and considered downside scenarios that model different degrees of potential economic downturn, using the same model performed for the viability assessment disclosed in the latest Annual Report. This assessment covers at least 12 months from the date of approval of the Interim Financial Statements.

The scenarios considered by the Directors include a severe but plausible downside and a reverse stress test which determines the level of EBITDA that could breach the debt covenant of the Group's principal borrowing facilities. At present management is increasing prices, reducing fixed costs and SG&A, as well as reducing working capital and capital expenditure to mitigate this risk. Further mitigating actions within management control which would be undertaken in such scenarios, include but are not limited to: deeper focus on the current reduction drivers, seeking a debt covenant waiver and reducing or cancelling the dividend, but these were not incorporated in the downside modelling.

The Directors have also considered the Group's current liquidity, available facilities and debt covenant coverage. As of 30 June 2025, the Condensed Consolidated Statement of Financial Position reflects cash and cash equivalents of €317 million (31.12.2024: €576 million). In addition, the Group has access to a €600 million (31.12.2024: €600 million) Revolving Credit Facility (RCF), which is currently undrawn. In the first half of 2025 and in 2024, the Group complied with the debt covenant of the Group's principal borrowing facilities (refer to Note (11)).

Based on the scenarios assessed and taking into account liquidity, available resources and before the inclusion of all mitigating actions, the Directors consider it is appropriate to continue to adopt the going concern basis in preparing the Interim Financial Statements for the period ended 30 June 2025.

2. Significant accounting policies, judgements and estimates

Principles of accounting and measurement

There were no changes regarding principles of accounting and measurement compared to the Consolidated Financial Statements as of 31 December 2024 except for the following change in presentation. From 2025 realised gains or losses from interest rate derivatives are presented separately in the financing category of the Condensed Consolidated Statement of Cash Flows. Previously, these were presented in the line item 'Interest payments'. The comparative figures were revised accordingly.

Moreover, certain comparative figures in the Interim Financial Statements and accompanying Notes have been revised to conform to changes in presentation that were reflected in the Consolidated Financial Statements for the year ended 2024, where they are described.

We performed an impact analysis related to the amendments on the existing and new accounting standards effective in 2025 and concluded that no material impacts are expected from these.

Significant accounting judgements and estimates

The Interim Financial Statements require the use of estimates and assumptions that affect the reported amounts in the Interim Financial Statements. The key assumptions and estimation uncertainties are unchanged from those described in last year's Consolidated Financial Statements. Actual results may differ from these estimates.

Significant estimate: Measurement of assets acquired and liabilities assumed in business combinations

Estimates relating to the calculation of fair values of acquired assets, liabilities and contingent liabilities are required within the context of business combinations disclosed in Note (18). Where intangible assets are identified, estimates are necessary for the determination of fair values by means of discounted cash flows, including the duration, amount of future cash flows, and discount rate. Fair values of physical assets are estimated with reference to comparable assets in the market. When making estimates in the context of purchase price allocations on major acquisitions, the Group consults with independent experts who accompany the execution of the discretionary decisions and record this in appraisal documents. The Group has a period of one year from the date of control of the acquired businesses to update initial fair value estimates.

3. Segment reporting

The following tables show the key financial information for the reportable segments for the first half of 2025 and the first half of 2024:

in € million for the six months ended 30 June	Steel	Industrial: Cement & Lime	Industrial: Non-Ferrous Metals	Industrial: Process Industries	Minerals	Group 2025
Revenue	1,146	197	99	191	44	1,677
Gross profit	233	38	34	38	5	348
EBIT						52
Net finance costs						(47)
Profit before income tax						5

in € million for the six months ended 30 June	Steel	Industrial: Cement & Lime	Industrial: Non-Ferrous Metals	Industrial: Process Industries	Minerals	Group 2024
Revenue	1,185	188	127	198	30	1,728
Gross profit	268	44	53	50	1	416
EBIT						155
Net finance costs						(12)
Profit before income tax						143

Revenue in the first half of 2025 and in the first half of 2024 is classified by product groups as follows:

in € million for the six months ended 30 June	Steel	Industrial			Minerals	Group 2025
		Cement & Lime	Non-Ferrous Metals	Process Industries		
Shaped refractory products	520	159	81	133	0	893
Unshaped refractory products	289	29	13	46	0	377
Flow control refractory products	271	0	0	0	0	271
Other refractory products	18	2	1	4	0	25
Systems, sensors, machinery and digital products	9	2	2	1	0	14
Services	34	4	1	6	0	45
Raw materials	5	1	1	1	44	52
Revenue	1,146	197	99	191	44	1,677

in € million for the six months ended 30 June	Steel	Industrial			Minerals	Group 2024
		Cement & Lime	Non-Ferrous Metals	Process Industries		
Shaped refractory products	542	160	105	139	0	946
Unshaped refractory products	285	21	12	35	0	353
Flow control refractory products	279	0	0	0	0	279
Other refractory products	14	2	1	9	0	26
Systems, sensors, machinery and digital products	11	2	5	2	0	20
Services	49	3	3	13	0	68
Raw materials	5	0	1	0	30	36
Revenue	1,185	188	127	198	30	1,728

Revenue in the first half of 2025 and in the first half of 2024 is classified by customer sites as follows:

in € million for the six months ended 30 June	2025	2024
The Netherlands	5	6
USA	372	295
India	217	222
Brazil	175	191
China	117	116
Other countries	791	898
Revenue	1,677	1,728

4. Net (expense)/income on foreign exchange effects

The net expense comprises the foreign exchange effects from translating foreign currency balances into the functional currency, the results from derivative financial instruments, such as forward exchange contracts and derivatives in open orders, as well as the gain on the net monetary position related to hyperinflation accounting and can be detailed as follows:

in € million for the six months ended 30 June	2025	2024
Foreign exchange (losses)/gains	(29)	20
Gains/(losses) on forward exchange contracts and derivatives in open orders	14	(9)
Gain on net monetary position	2	3
Net (expense)/income on foreign exchange effects	(13)	14

The foreign exchange losses in the current reporting period mainly result from the appreciation of the functional currencies of subsidiaries with a net asset foreign currency exposure against USD and the depreciation of the functional currencies of subsidiaries with a net liability foreign currency exposure against USD.

5. Other net financial expenses

Other net financial expenses consist of the following items:

in € million for the six months ended 30 June	2025	2024
Net interest expense relating to personnel provisions	(5)	(4)
Unwinding of discount of provisions and payables	(3)	(4)
Interest expense on non-controlling interest liabilities	(2)	(3)
Interest expense on lease liabilities	(2)	(1)
Remeasurement gains on liabilities to fixed-term or puttable non-controlling interests	7	11
Other interest and similar expenses and income [1)]	(7)	(7)
Other net financial expenses	(12)	(8)

1) Includes mainly costs associated with the trade receivables factoring programme of €5 million (30.06.2024 €5 million).

6. Income tax

The tax charge for the period has been calculated by applying the effective corporate tax rate (ETR) which is expected to apply to the Group for the year ending 31 December 2025, using rates substantively enacted by 30 June 2025. The ETR is 22.7% (30.06.2024: 22.3%).

Total tax charge for the first half of 2025 in the Condensed Consolidated Statement of Profit or Loss amounted to €3 million (30.06.2024: €32 million), which includes tax income for prior years of €1 million (30.06.2024: tax income for prior years of €3 million).

The Group is subject to Pillar Two legislation (i.e., OECD Global Minimum Tax). The temporary exception issued by the IASB in

The Group is subject to Pillar Two legislation (i.e., OECD Global Minimum Tax). The temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12 was applied and accordingly there were no deferred tax assets and liabilities recognised or disclosed. The Group has performed preliminary calculations for Pillar Two purposes based on financial data for the first half of 2025. Based on these calculations, most of the jurisdictions where the Group operates would fall under the "Transitional CbCR Safe Harbours" (i.e., top-up tax deemed to be zero). In the few instances where that was not the case, the reason was that either there was no top-up to be considered, or it was immaterial. The Group will continue to monitor those few instances as they might still fall under the Safe Harbours by year-end.

7. Dividend payments and proposed dividend

Based on a resolution adopted by the Annual General Meeting of RHI Magnesita N.V. in May 2025, the final dividend for 2024 amounted to €1.20 per share for the shareholders of RHI Magnesita N.V. The dividend was paid out in June 2025, amounting to €57 million.

In line with the Group's dividend policy, the Board declared an interim dividend of €0.60 per share for the first half of 2025 to be paid out in September 2025.

8. Property, plant and equipment

In the first half of 2025 additions to property, plant and equipment amounted to €78 million (30.06.2024: €62 million) comprising additions from business combinations of €42 million disclosed in Note (18) and production capacity maintenance investment projects of the Group amounting to €36 million.

As of 30 June 2025, the Group has commitments for the purchase of property, plant and equipment in the amount of €21 million (31.12.2024: €6 million).

9. Inventories

Inventories as presented in the Condensed Consolidated Statement of Financial Position consist of the following items:

in € million	30.06.2025	31.12.2024
Raw materials and supplies	264	264
Work in progress	235	215
Finished products and goods	474	464
Prepayments made	12	14
Emission rights	1	5
Inventories	986	962

Net write-down expenses on inventories amount to €1 million in the first half of 2025 (30.06.2024: €4 million).

10. Trade and other current receivables

Trade and other current receivables as presented in the Condensed Consolidated Statement of Financial Position are classified as follows:

in € million	30.06.2025	31.12.2024
Trade receivables	449	530
Contract assets	4	3
Other tax receivables	88	87
Prepaid expenses	10	9
Other current receivables	41	31
Trade and other current receivables	592	660
thereof financial assets	452	533
thereof non-financial assets	140	127

The Group enters into factoring agreements and sells trade receivables to financial institutions. Trade receivables sold as of 30 June 2025 was €254 million (31.12.2024: €237 million). These have been derecognised from the balance sheet as substantially all risks and rewards, as well as control, have been transferred. Payments received from customers following the sale are recognised in current borrowings until repaid to the factorer.

Other tax receivables mainly include VAT receivables.

Other current receivables mainly relate to prepayments for insurance, IT services, and customs and import-related services and costs.

11. Borrowings

Borrowings include all interest-bearing liabilities due to financial institutions and other lenders.

In March 2024, the Group successfully raised a €200 million syndicated term loan with a tenor of five years. This syndicated term loan was fully utilised in January 2025 to fund the acquisition of the Resco Group.

In April and May 2025, the Group successfully completed the refinancing of a €150 million bilateral term loan maturing in May 2025 and a €50 million bilateral term loan maturing in 2026 with a €100 million bilateral term loan maturing in 2029 and a 50 million bilateral term loan maturing in 2030 respectively, with €50 million being repaid with excess cash to optimise the Group's capital structure and liquidity levels. These transactions strengthen the Group's funding structure and maturity profile ahead of upcoming maturities in 2026 and onwards.

RHI Magnesita continues to align parts of its funding structure with sustainability objectives, including the use of ESG-linked loan instruments. As of June 2025, the Group's EcoVadis sustainability rating was updated, achieving an overall score of 79 out of 100, placing the Group in the 97th percentile of all companies rated globally. At the reporting date, the Group's ESG-linked drawn and undrawn borrowing facilities amounted to €1,746 million (31.12.2024: €1,983 million).

The principal borrowing facilities, including the Syndicated & Term Loan as well as the Bonded Loans ("Schuldscheindarlehen"), are subject to a debt covenant, being the leverage ratio of net debt excluding lease liabilities to Pro Forma Adjusted EBITDA of a maximum of 3.5 times. Compliance with the debt covenant is measured on a semi-annual basis. If the debt covenant of the Syndicated & Term Loans is breached, the lenders have the right to immediate loan repayment. If repayment of the Syndicated & Term Loans is demanded, the Bonded Loans will also become due. If the Syndicated & Term Loans' debt covenant is breached but the full repayment is waived, the Bonded Loans interest margin payable will increase.

The Group complied with the debt covenant in the first half of 2025 and in 2024.

The calculation of the leverage ratios is presented in the following table.

in € million	30.06.2025	30.06.2024
EBIT	149	326
Amortisation	46	41
Depreciation	138	137
Restructuring expenses	56	7

Restructuring expenses	[illegible]	7
Other income and expenses	107	25
Adjusted EBITDA	496	536
Contributions from business combinations	21	5
Pro Forma Adjusted EBITDA	517	541
Total debt	1,841	1,812
Lease liabilities	69	66
Less: Cash and cash equivalents	317	605
Less: Marketable securities	10	0
Net debt	1,583	1,273
Net debt excluding IFRS 16 lease liabilities	1,514	1,207
Net debt excluding lease liabilities to Pro Forma Adjusted EBITDA	2.93x	2.23x
Net debt to Pro Forma Adjusted EBITDA	3.06x	2.35x

The disclosures in this section include certain Alternative Performance Measures (APMs). Alternative Performance Measures (APMs) are non-IFRS measures which enable investors and other readers to review alternative measurements of financial performance, but they should not be used in isolation from the main financial statements. Adjusted EBITDA is a key non-IFRS measure that the Executive Management Team and Directors use internally to assess the underlying performance of the Group. Adjusted EBITDA is defined as EBIT, as presented in the Condensed Consolidated Statement of Profit or Loss, before amortisation, depreciation, and excluded items. Excluded items are other income, other expenses and restructuring expenses as reflected in the Condensed Consolidated Statement of Profit or Loss, which are non-recurring in nature and not reflective of the underlying operational performance of the business. Adjusted EBITDA is based on the reported financials and is calculated on a trailing twelve-month basis, considering the last six months of 2024 and the first six months of 2025. Pro Forma Adjusted EBITDA is determined consistently with Adjusted EBITDA but includes the contribution to Adjusted EBITDA of businesses acquired in the twelve months period ended 30.06.2025 and 30.06.2024 before they were controlled by the Group. This contribution represents the part that completes the Adjusted EBITDA of the acquired business over twelve months.

12. Net employee defined benefit liabilities

For interim periods, provisions for pensions are determined based on a forecast for the entire year prepared by an actuary. If there are significant changes in the actuarial assumptions during the year, a remeasurement of the post-employment defined benefit liabilities is recognised.

As of 30 June 2025, there are no significant changes in actuarial assumptions compared to 31 December 2024. The actuarial interest rates are: 11.9% (31.12.2024: 12.2 %) in Brazil, 9.8% (31.12.2024: 10.9 %) in Mexico, 5.4% (31.12.2024: 5.5 %) in the US and 3.7 % (31.12.2024: 3.4 %) in the Euro zone.

13. Current provisions

Provisions for restructuring costs amounting to €41 million as of 30 June 2025 (31.12.2024: €20 million) primarily consist of estimated benefit obligations to employees due to termination of employment and dismantling costs. €27 million (31.12.2024: €0 million) relate to the plant closure in Wetro, Germany; €4 million (31.12.2024: €15 million) relate to the remaining restructuring costs at Mainzlar, Germany; and €3 million (31.12.2024: €3 million) relate to the plant closure in Trieben, Austria.

Provisions for contract obligations of €11 million as of 30 June 2025 (31.12.2024: €12 million) mainly include the current portion of the Oberhausen contract obligation amounting to €9 million as of 30 June 2025 (31.12.2024: €9 million).

Other provisions consist mainly of provisions for demolition and disposal costs and environmental damages, provisions for claims arising from warranties and other similar obligations from the sale of refractory products.

14. Trade payables and other current liabilities

Trade payables and other current liabilities included in the Condensed Consolidated Statement of Financial Position consist of the following items:

in € million	30.06.2025	31.12.2024
Trade payables	485	455
Trade payables subject to supplier finance arrangements	101	117
Contract liabilities	53	59
Liabilities to employees	76	111
Taxes other than income tax	33	31
Capital expenditure payable	9	22
Payables from commissions	9	10
Other current liabilities	37	38
Trade payables and other current liabilities	803	843
thereof financial liabilities	619	619
thereof non-financial liabilities	184	224

Other current liabilities include liabilities from accrued interest amounting to €12 million (31.12.2024: €13 million) as well as deferred income amounting to €11 million (31.12.2024: €8 million).

15. Cash generated from operations

in € million for the six months ended 30 June	2025	2024
Profit after income tax	11	111
Adjustments for		
income tax	3	32
depreciation	70	68
amortisation	25	19
expense from financial assets excluding trade and other receivables	0	3
losses from the disposal of property, plant and equipment	0	5
gains (losses) from the disposal of operations in subsidiaries	2	(9)
net interest expense, interest rate derivatives and remeasurement of liabilities to the fixed-term or puttable non-controlling interest	29	22
other non-cash changes	27	(16)
Changes in working capital		
inventories	(29)	2
trade receivables	74	62
trade payables	18	31

contract liabilities	(6)	(9)
Changes in other assets and liabilities		
other receivables and assets	(11)	(1)
provisions	(3)	(21)
other liabilities	(31)	(27)
Cash generated from operations	179	272
Income tax paid less refunds	(33)	(36)
Net cashflow from operating activities	146	236

16. Additional disclosures on financial instruments

The following tables show the carrying amounts and fair values per class of financial assets and liabilities as well as the allocation of the carrying amounts to the relevant measurement category.

in € million	Cash flow hedge	At fair value through profit or loss	At fair value through OCI	At amortised cost	Not a financial instrument	Book value as of 30.06.2025	Fair value as of 30.06.2025
Financial assets							
Trade and other receivables	0	0	45	407	140	592	592
Cash and cash equivalents	0	0	0	317	0	317	317
Other financial assets	6	25	7	8	0	46	46
	6	25	52	732	140	955	955
Financial liabilities							
Trade payables and other liabilities	0	0	0	619	184	803	803
Borrowings	0	0	0	1,841	0	1,841	1,834
Lease liabilities	0	0	0	69	0	69	69
Other financial liabilities (excl. lease liabilities)	16	30	0	15	0	61	61
	16	30	0	2,544	184	2,774	2,767

in € million	Cash flow hedge	At fair value through profit or loss	At fair value through OCI	At amortised cost	Not a financial instrument	Book value as of 31.12.2024	Fair value as of 31.12.2024
Financial assets							
Trade and other receivables	0	0	46	487	127	660	660
Cash and cash equivalents	0	0	0	576	0	576	576
Other financial assets	25	19	7	8	0	59	59
	25	19	53	1,071	127	1,295	1,295
Financial liabilities							
Trade payables and other liabilities	0	0	0	619	224	843	843
Borrowings	0	0	0	1,750	0	1,750	1,737
Lease liabilities	0	0	0	77	0	77	77
Other financial liabilities (excl. lease liabilities)	9	38	0	15	0	62	62
	9	38	0	2,461	224	2,732	2,719

Other financial assets comprise marketable securities, derivative financial assets, shares and other interests. Marketable securities, derivative financial assets and shares are recognised at fair value.

Borrowings and lease liabilities are carried at amortised cost. Other financial liabilities (excl. lease liabilities) comprise derivative financial liabilities and liabilities to fixed-term or puttable non-controlling interests. Derivative financial liabilities are recognised at fair value. Liabilities to fixed-term or puttable non-controlling interests based on a fixed consideration are recognised at amortised cost whereas those liabilities based on a variable consideration are recognised at fair value.

The carrying amount of lease liabilities and other financial liabilities (excl. lease liabilities) recognised at amortised cost approximate their fair value at the reporting date. Trade and other receivables, trade payables and other liabilities as well as cash and cash equivalents are predominantly short-term. Therefore, the carrying amounts of these items approximate their fair value at the reporting date.

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between market participants in an arm's length transaction on the day of measurement. When the fair value is determined it is assumed that the transaction in which the asset is sold or the liability is transferred takes place either in the main market for the asset or liability, or in the most favourable market if there is no main market. RHI Magnesita considers the characteristics of the asset or liability to be measured which a market participant would consider in pricing. It is assumed that market participants act in their best economic interest.

The Group takes into account the availability of observable market prices in an active market and uses the following hierarchy to determine fair value:

Level 1:	Prices quoted in active markets for identical financial instruments.
Level 2:	Measurement techniques in which all important data used are based on observable market data.
Level 3:	Measurement techniques in which at least one significant parameter is based on non-observable market data.

The table below analyses the fair value of financial instruments held by the Group by measurement technique:

				30.06.2025				31.12.2024
in € million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Other financial assets	22	7	0	29	12	28	0	40
Financial liabilities								
Borrowings	0	1,834	0	1,834	0	1,737	0	1,737
Other financial liabilities (excl. lease liabilities)	0	19	42	61	0	10	52	62

The fair value of marketable securities and shares is based on price quotations at the reporting date (Level 1), where such quotations exist. In other cases, a valuation model (Level 3) would be used for such instruments, with the exception being where such instruments are immaterial to the Group, in which case cost serves as an approximation of fair value.

The fair value of interest rate derivatives is determined by calculating the present value of future cash flows based on current yield curves, taking into account the corresponding terms (Level 2).

The fair value of foreign currency derivatives corresponds to the market value of the forward exchange contracts and the embedded derivatives in open orders denominated in a currency other than the functional currency. These derivatives are measured using quoted forward rates that are currently observable (Level 2).

The fair value of commodity swaps for natural gas reflects the difference between the fixed contract price and the closing quotation of the natural gas price (EEX Base) as of the respective due date of the transaction. The closing price on the stock exchange is used as the input (Level 2).

The fair value of liabilities to fixed-term or puttable non-controlling interests based on a variable consideration is measured at the present value of the expected redemption amount based on the relevant profit measure and the current business plan of the respective company which is not observable (Level 3). The fair value of borrowings is only disclosed and corresponds to the present value of the discounted future cash flows using yield curves that are currently observable (Level 2).

No contractual netting agreement of financial assets and liabilities were in place as at 30 June 2025 and 31 December 2024.

The following table shows the reconciliation from the opening balances to the closing balances of the liabilities to fixed-term or puttable non-controlling interests:

in € million	30.06.2025	31.12.2024
Liabilities at beginning of the year	52	87
Currency translation[1)]	(4)	2
Interest accrued[2)]	1	(1)
Remeasurement gains[2)]	(7)	(21)
Dividends paid	0	(6)
Additions	1	1
Derecognition related to Liaoning RHI Jinding Magnesia Co., Ltd.	0	(10)
Settlement	(2)	0
Liabilities at period-end	41	52

1) Recognised in OCI.

2) Recognised in profit or loss as other net financial expenses.

Sensitivities in respect of the significant non-observable inputs used to measure the fair value of the financial liabilities related to fixed-term or puttable non-controlling interests are presented below. These sensitivities show the hypothetical impact of a change in each of the listed inputs in isolation.

in € million	Financial liabilities increase by	Financial liabilities decrease by
Profit measure increases by 15%	6	
Profit measure decreases by 15%		6

17. Contingent liabilities

Contingent liabilities from warranties, performance guarantees and other guarantees amounted to €72 million as of 30 June 2025 (31.12.2024: €78 million) and have a remaining term of between one and five years.

Uncertain tax treatments

The calculation of income taxes is based on the tax laws applicable in the individual countries in which the Group operates. Due to their complexity, the local finance authorities may interpret tax cases differently than management. Different interpretations may affect the expected timing and amount of the tax related contingent liabilities disclosed below.

The Group is continually adapting its global presence to improve customer service and maintain its competitive advantage; accordingly, it leads open discussions with tax authorities about, e.g., transfer of functions and related profit between related parties and exit taxation. In this regard, disputes may arise, in cases where management's understanding differs from the positions of the local authorities. In such cases, when an appeal is available, management's judgements are based on a likely outcome approach, taking into consideration advice from professional firms and previous experience when assessing the risks.

The Group is party to several tax proceedings in Brazil which involve estimated contingent liabilities amounting to €124 million (31.12.2024: €117 million) with a remaining term of at least five years. These tax proceedings are as follows:

Income tax relating to historical corporate transactions

There are three proceedings in which Brazilian Federal Tax Authorities issued tax assessments which rejected the deduction of goodwill generated in two corporate transactions that were undertaken 2007 and 2008, for Corporate Income Taxes. The tax authorities issued assessments arguing that such transactions cannot generate deductions as they do not fulfil the requirements provided by law. Those three proceedings ended in the administrative courts in 2024. The Group is currently challenging the remaining amounts at the judicial courts level. The proceedings are expected to last at least five years. The tax cash exposure as of 30 June 2025 is €35 million (31.12.2024: €33 million). Such exposure is limited to the fiscal tax years ended 2018, at which stage all available goodwill tax deductions had been made.

Corporate income and other taxes

There are several tax assessments in Brazil mainly relating to: offsetting federal tax payables and receivables, social security contributions, and offsetting certain federal tax debts with corporate income tax credits. The potential risks of these tax assessments amount to €60 million (31.12.2024: €57 million).

Royalties

The Group is party to 38 proceedings where the Brazilian Mining Authorities ("ANM") challenged the criteria used for calculating and paying the Financial Compensation for Exploration of Mineral Resources ("CFEM"), which are mining royalties payable by every mining company. The authorities have mainly disputed the basis of production costs estimates used in the determination of the royalties that are payable. The claims relate to fiscal years up to 2017, following which the legislation for royalties was changed. The Group, together with its technical and legal advisors continues to challenge ANM assessments. Most of the procedures are ongoing within the ANM administrative courts. Final decisions of the first cases are expected within four to five years. As of 30 June 2025, the potential risk amounts to €29 million, including interest and penalties (31.12.2024: €28 million).

18. Business combination and goodwill

In March 2024, the Group signed a share purchase agreement to acquire 100% of the shares of Balmoral Refractories Holdings, Inc., USA, and its six wholly owned subsidiaries, together "the Resco Group". The acquisition was closed on 28 January 2025, which is the acquisition date.

The Resco Group is a producer of shaped and unshaped refractories, including products for use in the petrochemical, cement, aluminium, and steel making industries. It operates seven plants and two raw material sites in the US and two plants in the United Kingdom and Canada.

The acquisition of the Resco Group aims to increase RHI Magnesita's local production in the US and Canada by transferring significant production volumes from non-US plants to the Resco Group's production facilities in the US, thereby improving supply chain security, reducing production lead times and stabilising working capital. In addition, this acquisition continues RHI Magnesita's strategic growth trajectory in alumina-based refractories by providing US customers with an enhanced product offering. Moreover, synergies are expected to be generated through supply chain improvements, production network optimisation, working capital reduction, logistics efficiencies, supply integration, technology transfer, increased recycling opportunities and procurement savings. The Resco Group forms part of all reportable segments.

The cash consideration amounts to 283 million (€271 million). Additionally, RHI Magnesita repaid borrowings and liabilities for acquisition-related costs totalling 129 million (€122 million) on behalf of the Resco Group and acquired cash amounting to 3 million (€3 million) on closing of the acquisition. Thus, the net cash outflow related to the acquisition amounts to 409 million (€390 million). Of this amount, 48 million (€44 million) was paid in 2024, and the remainder was paid in the first half of 2025.

At the time of signing the share purchase agreement, RHI Magnesita entered into a deal contingent forward exchange contract ('deal contingent forward') with a nominal value of 360 million to hedge the EUR equivalent of the USD cash outflow related to this acquisition against potential variability due to changes in the USD/EUR exchange rate. The related hedge was accounted for as a cash flow hedge. The settlement of the deal contingent forward exchange contract at the acquisition date resulted in a realised gain of €13 million which reduces goodwill, in accordance with the cash flow hedge accounting requirements.

The transaction costs incurred for this acquisition amounted to €16 million. Of this amount, €14 million were expensed in 2024 whereas the remainder was expensed in the first half of 2025.

At the time the Interim Financial Statements were authorised for issue, the initial consolidation was incomplete because the purchase price allocation and the measurement of assets and liabilities has not been finalised. The outstanding measurement considerations mainly relate to property, plant and equipment, provisions, as well as the identified intangible assets, being customer relationships, trade names, technology and mining rights.

The fair value adjustments of assets and liabilities based on the preliminary purchase price allocation as a result of the acquisition are the following:

in € million	book value	fair value adjustments	(adjusted) value
Property, plant and equipment	64	(23)	41
Goodwill from previous acquisition	14	(14)	0
Intangible Assets: customer relationships	0	167	167
Intangible Assets: trade names	5	19	24
Intangible Assets: technology	1	6	7
Intangible Assets: mining rights	13	3	16
Inventories	48	(2)	46
Trade and other receivables	33	(1)	32
Cash and cash equivalents	3	0	3
Total assets acquired	181	155	336
Deferred tax liabilities	3	42	45
Borrowings	90	0	90
Other financial liabilities	4	(3)	1
Trade and other liabilities	64	0	64
Total liabilities assumed	161	39	200
Net identifiable assets acquired	20	116	136
Goodwill			122
Net consideration			258
Consideration transferred to seller			271
less: gain on deal contingent hedge			(13)
Net consideration			258

The amounts recognised for the acquired assets and liabilities on the closing date and the resulting goodwill are preliminary and subject to adjustment for a period of one year from the closing date as allowed under the accounting standards. On finalisation of the purchase price allocation, adjustments, including tax impacts, if any, will be reflected against goodwill. The initial accounting for this acquisition including the purchase price allocation is expected to be finalised in 2025.

The customer relationships were measured using the multi-period excess earnings method. Under this method, the fair value of the customer relationships is calculated by determining the present value of earnings after tax attributable to the acquired companies' existing customers. The customer relationships attributable to the reportable segment Steel are amortised over the estimated useful life of 12 years, while the customer relationships attributable to the reportable segments Cement & Lime, Non-Ferrous Metals and Process Industries are amortised over the estimated useful life of 10 years. The trade names were measured using the relief-from-royalty method. Under this method, the fair value of the trade names corresponds to the present value of the hypothetical royalty payments that a company would have to pay if it did not own the trade names. The trade names are amortised over the estimated average useful life of 18 years.

The negative fair value adjustment to property, plant and equipment shown in the table above includes a loss of €7 million incurred by RHI Magnesita on the sale of a plant of the Resco Group to a third-party at fair value shortly after the acquisition date. The loss represents the difference between the book value of the net assets attributable to this sold plant and the lower sale proceeds. This loss, net of tax, effectively increased goodwill and therefore did not affect profit after income tax for the first half of 2025.

The preliminary goodwill recognised as a result of this acquisition is attributable to the synergies mentioned above and is not expected to be deductible for tax purposes.

From the acquisition date to 30 June 2025, the Resco Group contributed €90 million of revenue, €11 million of Adjusted EBITA and €0.2 million of profit after income tax.

A reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period is presented below:

in € million	30.06.2025	31.12.2024
Carrying amount at beginning of year	342	339
Business combinations and PPA finalisation	123	3
Currency translation	(39)	(3)
Hyperinflation adjustment	1	3

Carrying amount at period end	427	342

19. Disclosures on related parties

The nature of related party transactions as of 30 June 2025 is in line with the transactions disclosed in Note (41) of the Consolidated Financial Statements as of 31 December 2024. All transactions with related parties are conducted on an arm's length basis and in accordance with normal business terms.

No material transactions took place between the Group and related parties.

20. Material events after the reporting date 30.06.2025

After the reporting date on 30 June 2025, there were no events of significance which may have a material impact on the financial position and performance of the Group.

Statement of the Board of Directors

Statement pursuant to Article 5:25d, paragraph 2, subsection c. of the Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

The Interim Financial Statements for the six months period ended 30 June 2025, have been prepared in accordance with the International Accounting Standard 34, 'Interim financial reporting' as adopted by the European Union.

To our knowledge,

- The Interim Financial Statements referred to above give a true and fair view of the assets, liabilities, financial position, and profit of RHI Magnesita N.V. and the undertakings included in the consolidation as a whole; and

- The management report for the six months period ended 30 June 2025 as presented in the half-year report includes a fair view of the information required pursuant to article 5:25d paragraphs 8 and 9 of the Dutch Financial Markets Supervision Act ("Wet op het financieel toezicht").

Vienna, 29 July 2025

Executive Directors

Stefan Borgas

Ian Botha

Non-Executive Directors

Herbert Cordt

John Ramsay

Janet Ashdown

David Schlaff

Stanislaus Prinz zu Sayn-Wittgenstein Berleburg

Franz-Ferdinand Buerstedde

Janice "Jann" Brown

Karl Sevelda

Marie-Hélène Ametsreiter

Wolfgang Ruttenstorfer

A. Katarina Lindström

Employee Representative Directors

Karin Garcia

Martin Kowatsch

Michael Schwarz

Independent auditor's review report

To: the board of directors of RHI Magnesita N.V.

Our conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of RHI Magnesita N.V. for the six-month period ended 30 June 2025 are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim financial reporting' as adopted by the European Union.

What we have reviewed

We have reviewed the accompanying condensed consolidated interim financial statements for the six-month period ended 30 June 2025 of RHI Magnesita N.V., Arnhem, which comprise the condensed consolidated statement of financial position as at 30 June 2025, the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows for the period then ended and the related selected explanatory notes comprising material accounting policy information and other explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410 'Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit' (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the condensed consolidated interim financial statements' section of our report.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence

We are independent of RHI Magnesita N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

Responsibilities with respect to the condensed consolidated interim financial statements and the review

Responsibilities of the board of directors for the condensed consolidated interim financial statements

The board of directors of the company is responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard 34, 'Interim financial reporting' as adopted by the European Union. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibilities for the review of the condensed consolidated interim financial statements

Our responsibility is to express a conclusion on the accompanying condensed consolidated interim financial statements. This requires that we plan and perform the review in a manner that allows us to obtain sufficient appropriate assurance evidence for our conclusion.

A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. The procedures performed consisted primarily of making inquiries of the board of directors and others within the company, as appropriate, applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- Updating our understanding in the company and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed consolidated interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion.
- Obtaining an understanding of internal control, as it relates to the preparation of the condensed consolidated interim financial statements.
- Making inquiries of the board of directors and others within the company.
- Applying analytical procedures with respect to information included in the condensed consolidated interim financial statements.
- Obtaining assurance evidence that the condensed consolidated interim financial statements agree with or reconcile to the company's underlying accounting records.
- Evaluating the assurance evidence obtained.
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle.
- Considering whether the board of directors has identified all events that may require adjustment to or disclosure in the condensed consolidated interim financial statements.
- Considering whether the condensed consolidated interim financial statements have been prepared in accordance with the applicable financial reporting framework and represent the underlying transactions free from material misstatement.

Rotterdam, 29 July 2025
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A. F. Westerman RA

END

IR RLMLTMTITBMA