

10th November 2025

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

TRADING UPDATE
Delivering in a challenging backdrop

RHI Magnesita, the leading global supplier of high-quality refractory products, systems and solutions, today provides an update on trading for the ten months ended 31 October 2025 (the "Period"). Given the strong second-half weighting of earnings, this update covers the four months from July to October 2025.

Trading

The Group delivered the expected improvement in performance over the four months from July to October, in line with full-year guidance.

Adjusted EBITA for the four months was **€136 million, representing a 12.7% margin**, significantly ahead of the run-rate in H1 2025 (six months ended 30 June 2025 of €141 million, 8.4% margin), despite the third quarter typically being a seasonally weaker period due to northern hemisphere summer breaks.

Steel volumes for the period remained weak and broadly consistent with full-year guidance, reflecting subdued but stable overall demand, with only modest improvement compared to the first half. Demand for high-quality steel for the automotive sector was particularly soft in western markets. The Group saw growth in the Period in India, META (Middle East, Africa and Türkiye), with European demand contracting further. Market share in India was re-established during the Period, as expected.

The Industrial project order book has improved throughout the last months, in line with guidance provided at the H1 2025 results, with clear visibility for the remainder of 2025. High-margin industrial projects are however still at a low point, with order volumes around 40% below recent years. The concentration of industrial order delivery in H2 is caused by seasonality and customers shifting orders.

The pricing environment remains highly competitive, particularly in markets with overcapacity, such as China, and in regions heavily supplied by Chinese exports, including India, East Asia and the Middle East. Small price increases were nevertheless achieved as our customers continue to value our local-for-local supply, the value-creating 4PRO contracts and innovation pipeline.

The Group's cost efficiency programmes remain solidly on track, with expected SG&A reductions and fixed cost savings from two plant closures in Germany in line with previous full-year guidance. These measures account for the vast majority of the margin improvement in the Period.

Earnings growth from the former Resco plants is progressing well, with integration advancing smoothly and synergies being delivered in line with expectations. The integration is enabling the Group to generate enhanced benefits from its North American footprint. US local-for-local production has increased from **50% to 65% in 2025** and is expected to exceed 75% in H2 2026. While increased US local production has mitigated the Group's overall tariff exposure, more recent headwinds have emerged with tariffs on raw materials and finished goods exported from Brazil to the US.

Backward integration margins remain near historical lows, at 1.1% year-to-date, as a result of very low raw material pricing across most categories. Further action around cost reduction and portfolio optimisation are being implemented in the raw materials plants and mines to improve earnings from backward integration stepwise over the next two years.

Financial Position

Working capital increased temporarily in the Period, to support delivery of the stronger Q4 order book. The booked project deliveries in the remainder of the year, together with the seasonal peak sales in the cement industry, will enable the Group to de-lever during Q4 to approximately 3.0x by year-end.

Outlook

The Group remains on track to deliver the **full-year Adjusted EBITA of €370-390 million**, supported by market share recovery in India and META, executed management initiatives in cost reduction and the seasonal recovery expected in China. The weak US Dollar and Indian Rupee continue to weigh on reported financial performance.

The current industrial order book, in particular, underpins expectations that the improved performance achieved in H2 2025 will continue into H1 2026, with the modest pricing benefits retained. Nevertheless, end-markets demand especially in the steel industry remains at a cyclical low, and a rapid normalisation is not anticipated.

Global trade update

Global trade update:

- The European Commission proposes cutting by almost half its tariff-free steel import quota to support onshoring steel production volumes. While the exact timing in 2026 is still uncertain, resultant higher steel production in-region could stabilise refractory demand in Europe.
- Brazil has officially launched an investigation into potential duty protection for refractory materials. The outcome and timing is uncertain at this point.

With strong market positions in both regions and a well-invested local network, this could become a positive development for RHI Magnesita in late 2026 or 2027.

Stefan Borgas, Chief Executive Officer of RHI Magnesita, said:

"RHI Magnesita has delivered the expected step-up improvement through the second half of 2025 by systematically implementing its self-help actions. This is despite subdued demand conditions. The Group has successfully executed cost reduction initiatives in all cost categories, progressed plant closures, and captured synergies from the Resco acquisition. Market share in India has been re-established, and modest pricing discipline has supported results despite intense competition. I would like to thank the RHI Magnesita-team globally for this outstanding operational performance. Looking ahead, our self-help actions and innovation projects underpin confidence that the momentum from the second half of 2025 will carry into the first half of 2026."

Conference Call

A conference call will be hosted at 8:15am UK time to discuss the trading update:

Dial in	+44 20 3936 2999
	+44 808 189 0158 (UK toll-free)
Access code	488947
Webcast and playback facility	https://www.investis-live.com/rhimagnesita/68f9e645127f1e000e40ce22/ypkk

For further enquiries, please contact:

Alexander Ordosch, Head of Investor Relations

Tel +43 699 1870 6162

E - mail: Alexander.Ordosch@rhimagnesita.com

Media:

Hudson Sandler

Tel +44 020 7796 4133

E-mail: rhimagnesita@hudsonsandler.com

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.

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

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