

Swiss Steel Group

Media and Investor Presentation
Half-Year 2024 Results

Emmenbrücke, August 14, 2024



Disclaimer

Forward-looking statements

This presentation contains forward-looking statements about developments, plans, intentions, assumptions, expectations, convictions, possible impacts or the description of future events, outlooks, revenues, results or situations, for example. These are based upon the company's current expectations, convictions and assumptions, but could materially differ from any future results, performance or achievements. We are providing this communication as of the date hereof and do not undertake to update any forward-looking statements contained herein as a result of new information, future events or otherwise.

Frank Koch and Thomas Löhrr welcome you to today's media and investor presentation



Frank Koch
Group CEO



Thomas Löhrr
Group CFO

Half Year Results 2024 – Swiss Steel Group achieves several strategic milestones in a continuing challenging environment

Sales volume

629

kilotons
-6.2% vs. H1 23¹⁾

Net revenue

1,379.2

million EUR
-19.9% vs. H1 23¹⁾

EBITDA

71.7

million EUR

Free Cash Flow

-112.3

million EUR

Net working capital

918.1

million EUR
-20.1% vs. H1 23

Net debt

630.8

million EUR
-33.0% vs. H1 23

Shareholders' equity

518.2

million EUR

Employees

7,565

Headcount
-10.5% vs. H1 23¹⁾



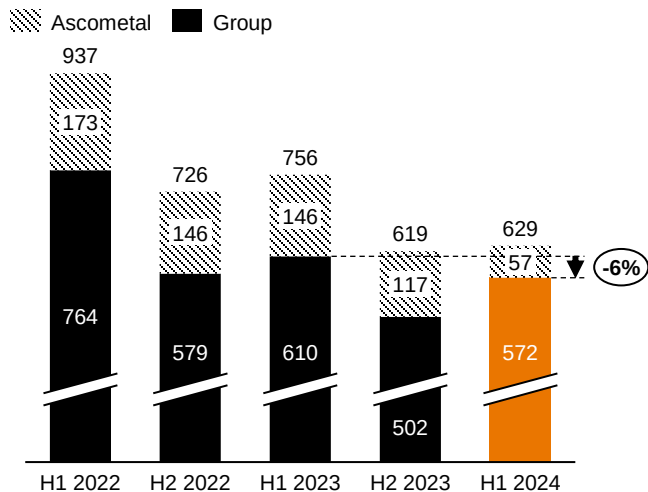
Market Environment and Sales Results Half-Year 2024

Frank Koch, CEO

Sales volume declines amid persistent weakness in key markets

Sales volume

in kilotons

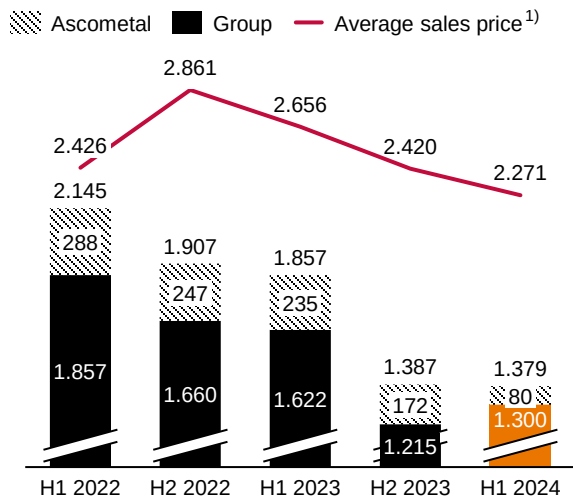


- Continued weakness in key markets, especially in the automotive and mechanical engineering sectors, with no signs of notable recovery
- The European automotive sector saw a decline in production volumes, staying significantly below pre-pandemic levels
- Flexible adjustments to production schedules resulted in a slight decrease in crude steel output compared to the previous year

Revenue impacted by price declines and market challenges

Revenue and average sales price

in EUR million / in EUR per ton



- Decline in raw material and electricity prices led to lower average sales prices
- Amplified price pressure in weak markets
- **Revenue, as the result of sales volume and price decline fell nearly 20% to EUR 1,300 million ¹⁾**



Group Performance Half-Year 2024

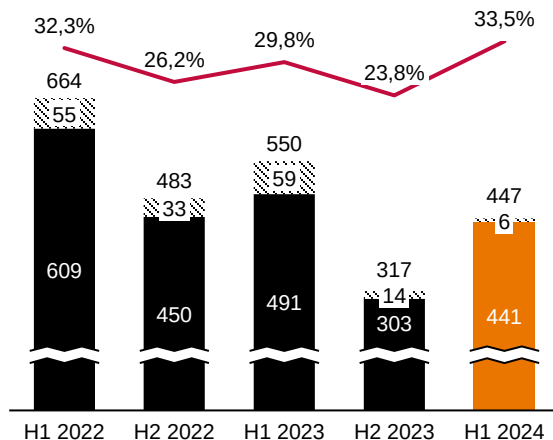
Thomas Löhr, CFO

Gross profit declined compared to H1 2023

Gross profit

in EUR million / %

Ascometal Group GP margin¹⁾

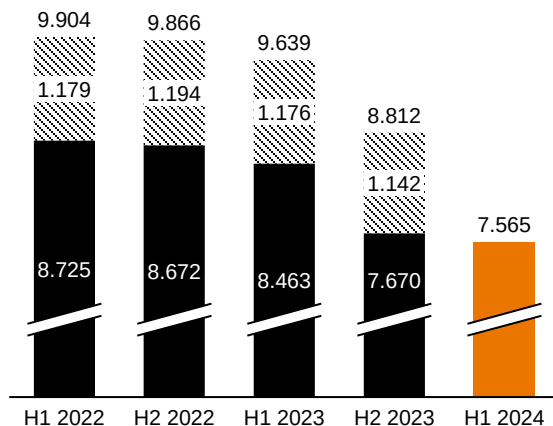


- Crude steel production increased by 3.5% to 765kt ¹⁾
- Major production sites remained underutilized
- Margin recovered from low levels observed in H2 2023, that had been characterized by significant one-time inventory valuation losses
- Competitive price pressure remains high

Significant headcount reduction achieved

Headcount

Ascometal Group



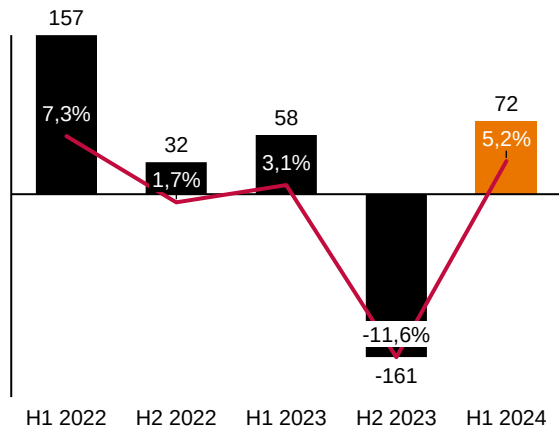
- Headcount reduced by 14% to 7,565 vs. H2 2023, thereof 1,155 employees related to changes in the Group's scope of consolidation
- On a comparable basis¹⁾ personnel expenses increased by 1.5% year over year

Financial performance characterized by very weak market demand yet supported by one-time effects

EBITDA / EBITDA margin

in EUR million / %

— EBITDA margin ■ EBITDA

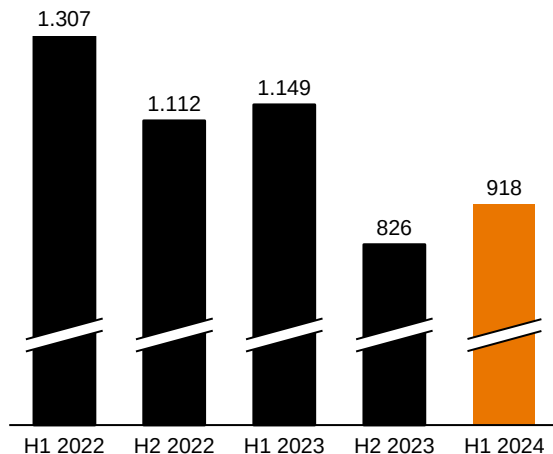


- Severe losses from very weak market demand, and hence underutilized production assets
- EBITDA supported by one-time effects amounting to EUR 93 million
 - Gain on divestment of former headquarter in Düsseldorf
 - Effects from the changes in the Group's scope of consolidation
 - Insurance claim settlement

NWC ramped up from very low level at year-end 2023

Net working capital

in EUR million

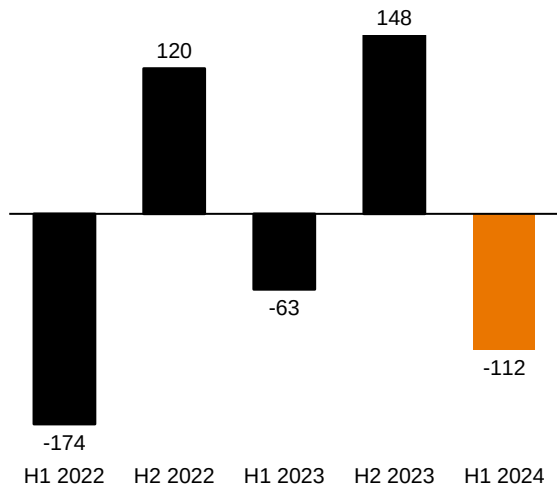


- Net working capital ramped up from very low level at the end of 2023
- Seasonal increase in the first half of the year
- Deliberate yet cautious increase in stock levels to better serve customer demand

Negative free cash flow as a result of NWC ramp-up

Free cash flow

in EUR million

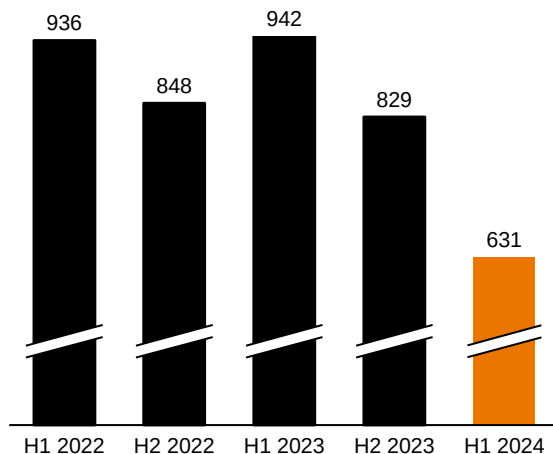


- Negative free cash flow of EUR 112 million due to increase in net working capital
- Cash generation supported by proceeds from the divestment of former headquarter in Düsseldorf

The Group significantly deleveraged its balance sheet

Net debt

in EUR million



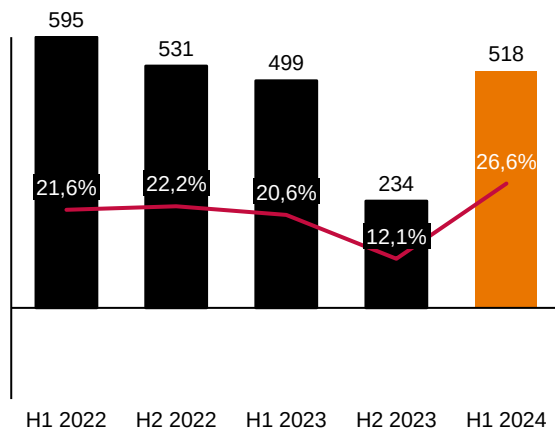
- Significantly deleveraged balance sheet in H1 2024. Main contributors:
 - Capital increase of EUR 286 million (net of transaction costs)
 - Proceeds from the divestment of former headquarter in Düsseldorf
 - Effects from the changes in the Group's scope of consolidation

Shareholders' equity strengthened after capital increase

Shareholders' equity

in EUR million / %

— Equity ratio ■ Shareholders' equity



- As a result of the capital increase, shareholders' equity increased by EUR 286 million (net of transaction costs)
- Equity ratio increased to 26.6%
- All material debt financings extended until Sep 2028



Strategy and Outlook

Frank Koch, CEO

Charting a course through our challenges: immediate priorities for Swiss Steel Group

Three major challenges that we must resolve:

1 Strengthen liquidity and balance sheet

2 Increase resilience against external factors

Focus H1 2024

3 Secure sustainable profitability

Challenge 2: Increase resilience against external factors by rightsizing our portfolio

Our assets

Ugitech

Steeltec

**Deutsche
Edelstahlwerke**

Finkl Steel

**Distribution
network**

Achievements in first half of 2024:

- Sale of former headquarters in Düsseldorf
- Divestment of the distribution entity in Portugal
- Separation from Ascometal

Continuation in 2024:

- Remove complexity from distribution network

Unlocking the future potential of Swiss Steel Group – major strengths for a sustainable profitability

Three major challenges that we must resolve:

- 1 Strengthen liquidity and balance sheet
- 2 Increase resilience against external factors
- 3 Secure sustainable profitability

Three major strengths that we will leverage:

- 1 Our business model and technology as competitive advantage
- 2 Our steel as key success factor for global decarbonization
- 3 Our dedicated and experienced employees as drivers of progress

Focus H1 2024

Strength 2: Swiss Steel Group products are part of nearly all value chains – we are a key success factor for global decarbonization



SCIENCE
BASED
TARGETS

First steel producer
to receive SBTi sectoral
validation for decarbonization
targets

~83%

lower CO2 emissions
compared to industry average



Outlook for 2024 – Strengthening Swiss Steel Group

1 Capture Green Steel potential and participate in markets

Capture Green Steel market potential
and readiness to participate in markets
once recovery becomes imminent

2 Continue the strategic path of SSG 2025

Implementation of revised sales
organization, production excellence,
structural improvement and cost control



**Thank you for your
attention.**