SALZGITTER GROUP

PRESENTATION OF THE GROUP

SALZGITTER AG

People, Steel and Technology

AGENDA

01 Salzgitter Group

02 Market Situation

03 Business Units

04 Strategy

05 Guidance

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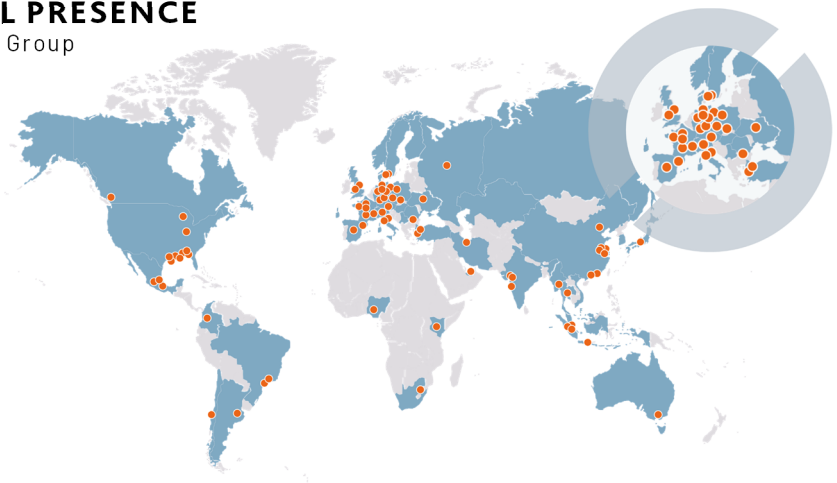
01 GLOBAL PRESENCE

Salzgitter Group



Crude steel production 2021: 6.7 million tons; trading volume: 3.6 million tons; Among the top 3 producers of beverage filling and packaging machinery

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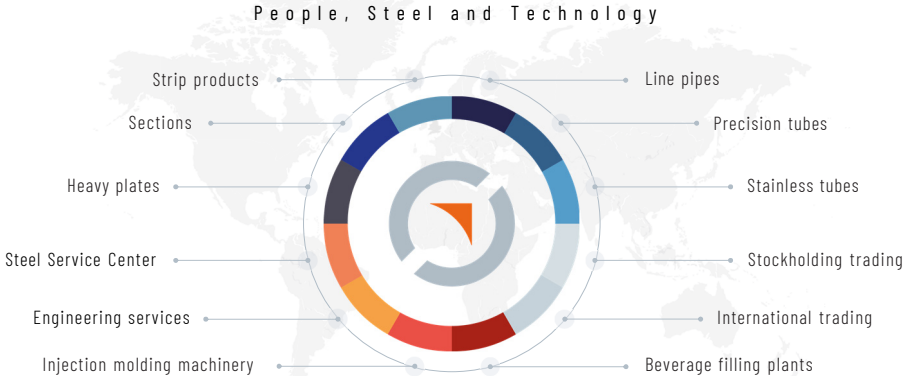
01 DIVERSIFIED PRODUCT PORTFOLIO

Salzgitter Group



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01 GROUP STRUCTURE AND KEY DATA FY 2021

Salzgitter Group

Salzgitter Group

External Sales cons.: € 9.8 billion / **EBT:** € 706 million / **Employees:** 22,356

Steel Production

/ **External Sales:** € 3.1 billion
/ **Employees:** 7,158
/ **EBT:** € 495 million

Steel Processing

/ **External Sales:** € 1.5 billion
/ **Employees:** 5,341
/ **EBT:** € -309 million

Trading

/ **External Sales:** € 3.6 billion
/ **Employees:** 1,934
/ **EBT:** € 353 million

Technology

/ **External Sales:** € 1.4 billion
/ **Employees:** 5,298
/ **EBT:** € 59 million

All data about employees as per 12/31

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01 GROUP STRUCTURE
Salzgitter Group

Salzgitter Group

Salzgitter Mannesmann / Salzgitter Klöckner-Werke

Steel Production Business Unit	Steel Processing Business Unit		Trading Business Unit	Technology Business Unit	Industrial Participations / Consolidation	
Salzgitter Flachstahl	Mannesmann Precision Tubes		Salzgitter Mannesmann Handel Gruppe	KHS	Verkehrsbetriebe Peine-Salzgitter	
Peiner Träger	Mannesmann Line Pipe		Universal Eisen und Stahl	Klöckner Desma Elastomertechnik	Salzgitter Digital Solutions	
DEUMU Deutsche Erz- und Metall-Union	Mannesmann Stainless Tubes			DESMA Schuhmaschinen	TELCAT MULTICOM	
Salzgitter Mannesmann Stahlservice	Mannesmann Grossrohr				Salzgitter Automotive Engineering	
Salzgitter Europlatinen	Ilsenburger Grobblech				Salzgitter Hydroforming	
	Salzgitter Mannesmann Grobblech				Salzgitter Business Service	
	Hüttenwerke Krupp Mannesmann	30%			Salzgitter Mannesmann Forschung	
	EUROPIPE	50%			Glückauf Immobilien	
	Borusan Mannesmann	23%			Aurubis	29.99%
					Hansaport	51%

As of January 2023, simplified display

SALZGITTERAG
People, Steel and Technology

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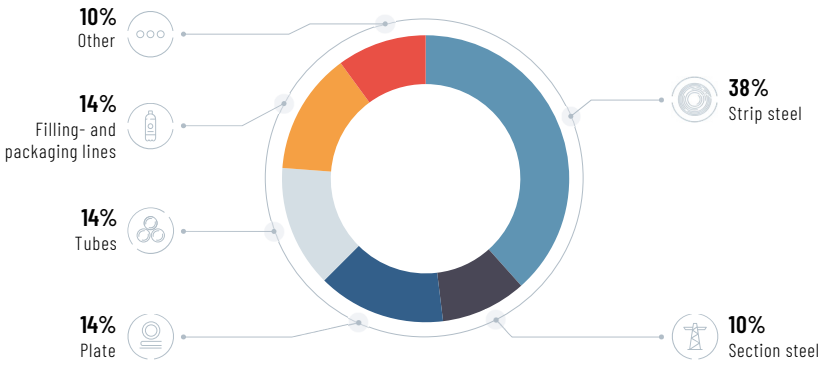
01 EXTERNAL SALES 2021 BY PRODUCT GROUP

Salzgitter Group



Only from entities within the group of consolidated companies of Salzgitter Group, excluding EUROPIPE Group

Broad product portfolio

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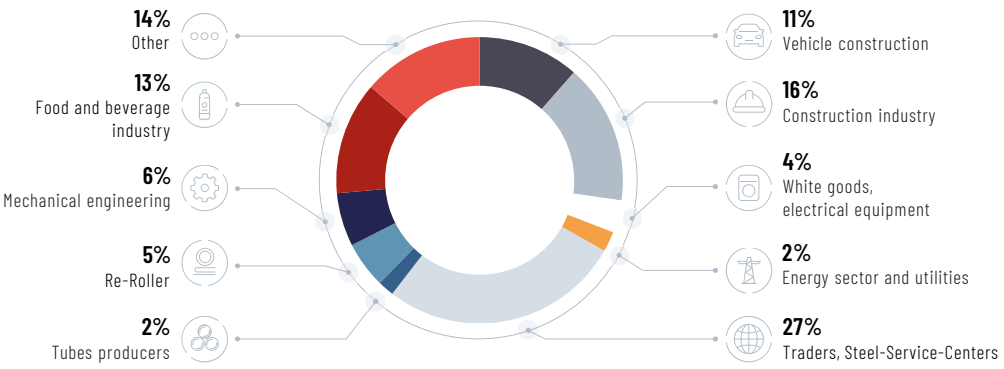
01 EXTERNAL SALES 2021 BY CUSTOMER INDUSTRIES

Salzgitter Group



Only from entities within the group of consolidated companies of Salzgitter Group, excluding EUROPIPE Group

Broad customer base

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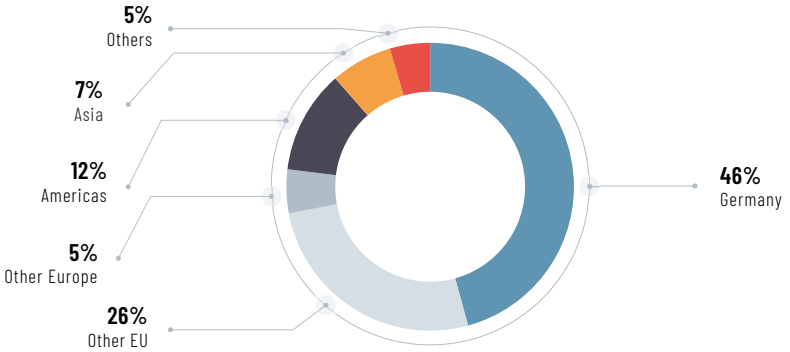
01 EXTERNAL SALES 2021 BY REGIONS

Salzgitter Group



Sales by consignee (only from entities within the group of consolidated companies of Salzgitter Group, excluding EUROPIPE Group)

Share of ex-Germany sales by consignee 54%

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01 KEY DATA PER 2021/12/31

Salzgitter Group

		FY 2021	FY 2020	Δ
Crude steel production	kt	**6,748.8**	6,033.0	715.8
External sales[1]	€ million	**9,767.4**	7,090.8	2,676.6
Earnings before tax	€ million	**705.7**	-196.4	902.1
Earnings after tax	€ million	**586.1**	-273.9	859,9
Earnings per share (undiluted)	€	**10.7**	-5.1	15.9
ROCE	%	**16.2**	-3.9	20.1
Core workforce[2]		**22,356**	22,785	-429

[1] only from entities within the Group of Consolidated Companies of Salzgitter Group

[2] per reporting date

Salzgitter Group records best pre-tax result in 13 years

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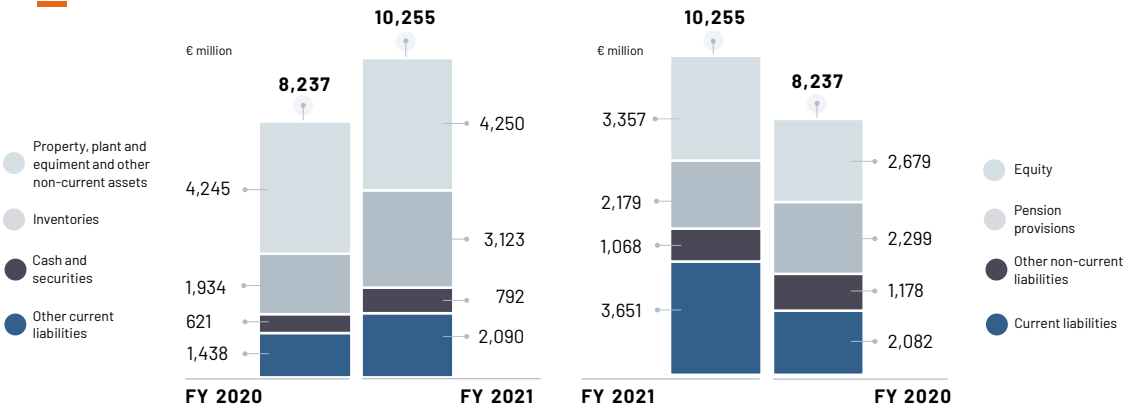
01 BALANCE SHEET

Salzgitter Group



Continuing sound financial basis

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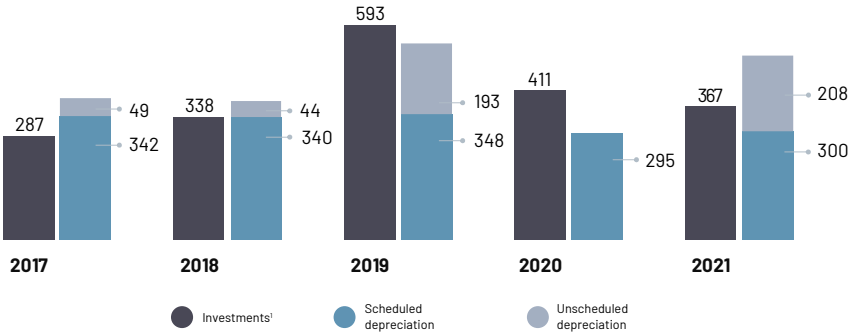
01 INVESTMENTS AND DEPRECIATION

Salzgitter Group



[1] Property, plant and equipment and intangible assets, excluding financial assets

Focus on expansion investments

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01 HISTORY
Salzgitter Group

First broad-flanged beam mill in Peine, 1914

Demonstrations to save the smelting works in Salzgitter, c. 1950

1989 privatization with the sale to Preussag AG

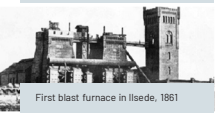
First blast furnace in Ilsede, 1861

Plate / Section Steel BU

Ilsenburg: est. **1595**, plate since **1948**

Mülheim an der Ruhr: plate since **1882**

Peine: Sections since **1876**

Strip Steel BU

1937 Construction Hüttenwerk Salzgitter (Part of Reichswerke)

1964 Salzgitter Hüttenwerk AG (since 1961 part of state-owned Salzgitter AG old)

1998 Salzgitter AG

1858 Foundation Ilseder Hütte AG

1880 Acquisition of Peiner Walzwerk, est. **1872**

1970 Merger to form Stahlwerke Peine-Salzgitter AG

1989 Name change to Preussag Stahl AG

Mannesmann BU

1886 First process for the rolling of seamless steel tubes

1897 Start of production welded steel tubes

1912 First attempts with stainless steel tubes

2000 Liquidation of Mannesmann Group, Integration Tubes into SZ

2017 Relaunch of the brand presence

Technology BU

1923 Foundation of steel group Klöckner-Werke AG

1977 First acquisition of stock in filling technology (H & K)

1992 – 1995 Insolvency, restructuring and end of steel production

2007 Integration into SZAG

Cross-rolling process sketch of Max Mannesmann, pre 1885

Bottle filling line Phönix c. 1936

Privatization and acquisition of the Ilsenburg rolling mill, 1992

Stock listing 1998

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02 RAW MATERIALS PRICES

Market Situation

IRON (62% Fe CFR China, US$/dmt)

COKING COAL (FOB Australia, US$/t)

After surge at the start of 2022 raw material price recently declined sharply, troughs apparently reached

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02 PRICE DEVELOPMENT CO_2 EMISSION ALLOWANCES

Market Situation

PRICE OF CO_2 EMISSION ALLOWANCES (€/t)

Price of CO_2 emission allowances on the increase since 2018; slump in early 2022 due to war in Ukraine

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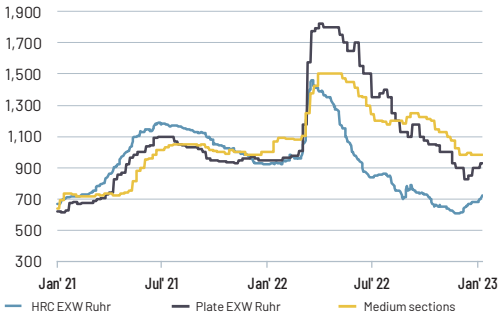
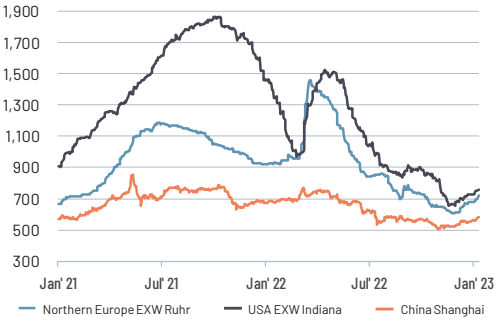
02 STEEL PRICES
Market Situation

SPOT PRICES NORTHERN EUROPE (€/t)



HOT-ROLLED COIL PRICES INTERNATIONAL (€/t)



Short-term surge of steel prices following the start of the war in Ukraine, recently with marked consolidation

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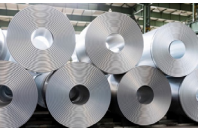
03 OVERVIEW
Steel Production Business Unit



Capabilities

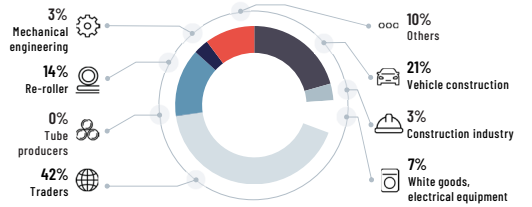
/ Integrated steel works with three blast furnaces
/ Top-modern mini mill with two electric arc furnaces
/ Approx. 5.7 mt/year crude steel capacity
/ Modern production plants
/ High processing competence (SSC)

Core competences and products

/ High-quality steel grades for sophisticated applications
/ Custom made solutions, e.g., hot-rolled and cold-rolled coil, galvanized and coated sheet, laser-welded tailored blanks and sections
/ Customer focus through local presence

[1] only from entities within the group of consolidated companies of Salzgitter Group

EXTERNAL SALES BY CUSTOMER INDUSTRY 2021[1]



KEY DATA FY 2021

Consolidated Sales	€m	3,127
Earnings before taxes	€m	495
Core workforce (12/31)		7,158

Broad range of high-quality steel products

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STRIP PRODUCTS

Steel Production Business Unit

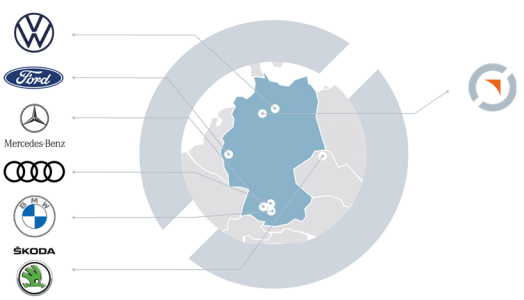
SALZGITTER FLACHSTAHL
A Member of the Salzgitter Group

SALZGITTER FLACHSTAHL GMBH

- Hot-rolled coil, cold-rolled coil, electrogalvanized, hot dip galvanized and organic coated sheet
- Integrated steel works with 3 blast furnaces
- Around 4.7 mt yearly crude steel capacity
- Top modern production plants
- High-tech downstream facilities
- 5% market share in the EU27

		2020	2021
Shipments	kt	**3,971**	**4,054**
Sales	€m	**2,371**	**3,219**
Employees	12/31	**5,501**	**5,480**

SUPPLIER OF PREMIUM OEMs



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PEINER TRÄGER
A Member of the Salzgitter Group

PEINER TRÄGER GMBH

/ Medium and heavy steel beams, Peine sections
/ Progressive and flexible mini mill
/ Two top-modern electric arc furnaces
/ Adjusted crude steel capacity 1.0 mt/year
/ 15% market share in the EU27
/ Two of the most efficient section mills worldwide with comprehensive range of products

		2020	2021
Shipments	kt	983	976
Sales	€m	507	747
Employees	12/31	787	787

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SALZGITTER EUROPLATINEN GMBH

/ Custom-made solutions: Laser-welded tailored blanks for lighter car bodies

		2020	2021
Sales	€m	**39**	**35**
Employees	12/31	**113**	**108**

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STEEL SERVICE CENTER

Steel Production Business Unit

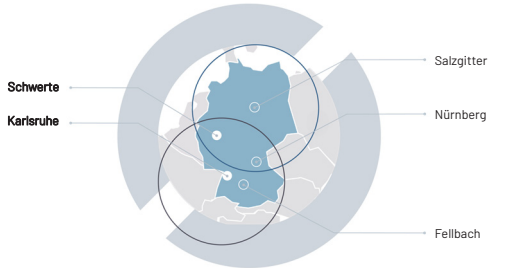
SALZGITTER MANNESMANN STAHLSERVICE
A Member of the Salzgitter Group

SALZGITTER MANNESMANN STAHLSERVICE GMBH

/ Two locations
/ Modern plants and processes
/ 600,000 t/year processing capacity

		2020	2021
Shipments	kt	487	490
Sales	€m	313	421
Employees	12/31	315	310

EXCELLENT POSITION IN THE HEART OF EUROPE



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METALS TRADING

Steel Production Business Unit

DEUMU
DEUTSCHE ERZ- UND METALL-UNION
A Member of the Salzgitter Group

DEUTSCHE ERZ- UND METALL-UNION-GRUPPE

/ Specialist trader for ferrous scrap, non-ferrous scrap, new metals and ferro alloys, as well as rolled steel products

		2020	2021
Sales	€m	**498**	**869**
Employees	12/31	**392**	**401**

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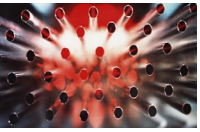
03 OVERVIEW
Steel Processing Business Unit



Capabilities

- Own crude steel supply via 30% participation in Hüttenwerke Krupp Mannesmann GmbH
- Two rolling mills for plate with 1.1 mt annual capacity
- Plate width up to 4,800 mm
- Plant for the production of semis for the seamless tubes business

Core competences and products

- Plate: High-strength, wear resistant and specialized steel grades including offshore and tube grades
- Mannesmann: Longitudinal and spiral welded large-diameter pipes, medium line pipes, seamless and welded precision tubes, seamless stainless tubes

[1] only from entities within the group of consolidated companies of Salzgitter Group, excluding EUROPIPE Group

EXTERNAL SALES BY CUSTOMER INDUSTRY 2021[1]

KEY DATA FY 2021

Consolidated Sales	€m	1,510
Earnings before taxes	€m	-309
Core workforce (12/31)		5,341

Broad range of high-quality plate products; global player in the high-quality segment of the global tubes market

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03 LINE PIPES

Steel Processing Business Unit

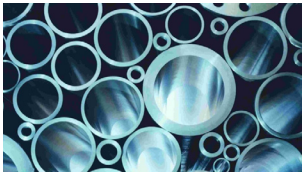
MANNESMANN LINE PIPE
A Member of the Salzgitter Group

MANNESMANN GROSSROHR
A Member of the Salzgitter Group

MANNESMANN LINE PIPE GMBH

/ HFI-welded medium line pipes incl. plastic- and cement coatings

		2020	2021
Sales	€m	160	207
Employees	12/31	325	320



MANNESMANN GROSSROHR GMBH

/ Spiral-welded large-diameter pipes made of hot-rolled coil

		2020	2021
Sales	€m	51	26
Employees	12/31	117	114

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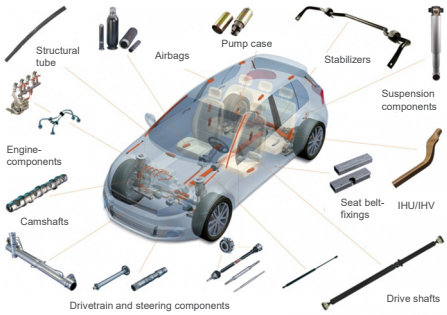
03 PRECISION TUBES
Steel Processing Business Unit

MANNESMANN PRECISION TUBES
A Member of the Salzgitter Group

MANNESMANN PRECISION TUBES GROUP

/ Seamless and welded cold drawn precision tubes for the automotive and engineering industries as well as the energy sector
/ State of the art push bench plant for the production of hollows
/ Market leader in the EU28 (24% market share)
/ 10 locations in D, F, NL and Mexico

		2020	2021
Shipments	kt	180	207
Sales	€m	324	415
Employees	12/31	2,063	2,048



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SEAMLESS STAINLESS TUBES

Steel Processing Business Unit

MANNESMANN STAINLESS TUBES
A Member of the Salzgitter Group

MANNESMANN STAINLESS TUBES GROUP

/ Seamless hot- and cold-finished stainless tubes for the chemical and engineering industries, as well as for the energy sector
/ 6% market share in the world
/ 5 locations in D, F, I, USA

		2020	2021
Shipments	kt	22	24
Sales	€m	260	275
Employees	12/31	996	970

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03 HEAVY PLATE

Steel Processing Business Unit

ILSENBURGER GROBBLECH
A Member of the Salzgitter Group

ILSENBURGER GROBBLECH GMBH

/ Broad diversified heavy plate steel grades
/ Construction plate, fine grained construction plate, alloyed and unalloyed boiler plate, offshore and tube grades
/ High-strength and wear resistant grades
/ 8% market share in the EU27
/ State of the art facilities, one of the most modern water quenching plants

		2020	2021
Shipments	kt	**610**	**620**
Sales	€m	**443**	**519**
Employees	12/31	**623**	**603**

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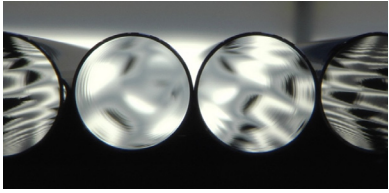
03 HEAVY PLATE

Steel Processing Business Unit

SALZGITTER MANNESMANN GROBBLECH
A Member of the Salzgitter Group

SALZGITTER MANNESMANN GROBBLECH GMBH

- Heavy plate mill specialized in plate for longitudinally welded line pipe and similar applications, especially for EUROPIPE GmbH
- Pipe bending plant for seamless and welded steel tubes in carbon, alloyed, and high-alloy steels
- Test center with a wide range of mechanical and technological tests



		2020	2021
Shipments	kt	**309**	**313**
Sales	€m	**204**	**266**
Employees	12/31	**470**	**431**

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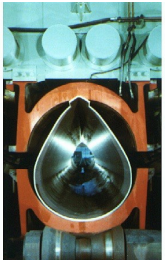
03 LINE PIPES

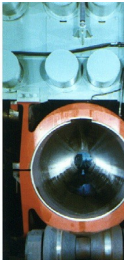
Steel Processing Business Unit

EUROPIPE

EUROPIPE-GROUP

/ Shareholder: SZAG 50%, Dillinger Hüttenwerke 50%
/ Longitudinal and spiral welded large-diameter pipes for transcontinental and underwater pipelines
/ In-house coating activities
/ World market leader (7% market share)
/ 3 locations in D, USA
/ Reported at equity





		2020	2021
Shipments	kt	**471**	**234**
Sales	€m	**629**	**249**
Employees	12/31	**976**	**798**

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03 SIGNIFICANT SHAREHOLDINGS
Steel Processing Business Unit

HÜTTENWERKE KRUPP MANNESMANN GMBH

/ Shareholder: ThyssenKrupp 50%, SZAG 30% + Vallourec 20% (Pool)
/ Steel works with two blast furnaces
/ Production of slabs and round steel bars
/ Up to 1,000 different steel grades
/ Yearly crude steel production of > 4 million tons

		2020	2021
Sales	€m	1,984	3,131
Employees	12/31	2,880	2,847

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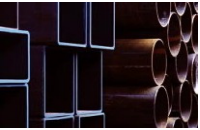
03 OVERVIEW
Trading Business Unit



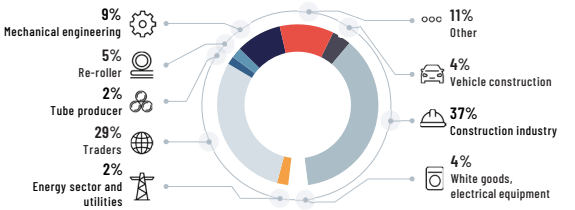
Capabilities

/ 68 sites in 27 countries
/ Own distribution network for steel products with warehousing sites in Europe
/ Processing group specialized in heavy plate products
/ International trading

Core competences and products

/ Global presence in all relevant regions with own representation
/ Distribution channel for Salzgitter Group products
/ Procurement channel for Salzgitter Group works
/ Value added services for customers

EXTERNAL SALES BY CUSTOMER INDUSTRY 2021[1]



KEY DATA FY 2021

Consolidated Sales	€m	3,603
Earnings before taxes	€m	353
Core workforce (12/31)		1,934

[1] only from entities within the group of consolidated companies of Salzgitter Group

High customer and market orientation through a global sales organization

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SALZGITTER MANNESMANN HANDEL GROUP

Trading Business Unit

SALZGITTER MANNESMANN HANDEL
A Member of the Salzgitter Group

Salzgitter Mannesmann Handel

/ Shipments 2021: 3.5 mt

/ Sales 2021: € 3.4 billion

Trading	Stockholding		Agencies
International 9 Companies 2 Rep. offices	Salzgitter Mannesmann Stahlhandel GmbH, Düsseldorf (SMSD)	**Europe** 7 Companies	**Europe** 4 Agencies
Salzgitter Mannesmann International GmbH, Düsseldorf (SMID)	15 Branches with warehouses and further processing (incl. 4 flame cutting plants)		
Salzgitter Mannesmann International (USA) Inc., Houston (SMIH)	Stahl-Center Baunatal GmbH, Baunatal (SCB)		
Salzgitter Mannesmann International (Canada) Inc., Vancouver (SMIV)			

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UNIVERSAL EISEN UND STAHL GROUP

Trading Business Unit

Universal

/ Shipments 2021: 0.2 mt

/ Sales 2021: € 0.3 billion

North America	Europe	
UNIVERSAL STEEL AMERICA, Inc., Houston, USA 2 Branches	Universal Eisen und Stahl GmbH, Neuss (UES) 4 Branches	Universal Aciers Sarl, Couzon au Mont d'Or, France
		UNIVERSAL STEEL HOLLAND B.V., SK Papendrecht, Netherlands
		UNIVERSAL-Stal Sp. z o.o, Gliwice, Poland
		UNIVERSAL OCEL spol. s.r.o., Prague, Czech Republic

10 locations in 6 countries with 365 employees

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AGENDA

01 Salzgitter Group

02 Market Situation

03 Business Units: Technology

04 Strategy

05 Guidance

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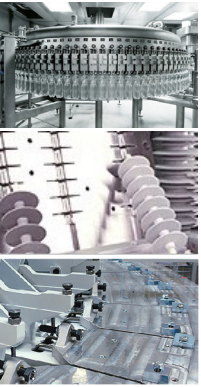
03 OVERVIEW
Technology Business Unit



Capabilities

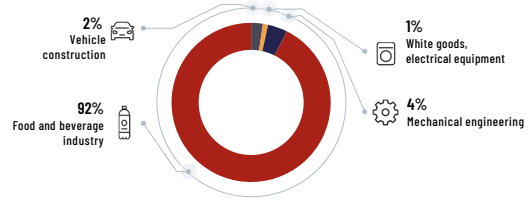
/ 16 Production plants worldwide
/ > 90% of sales outside of Germany

Core competences and products

/ KHS: Among the top 3 global suppliers for filling and packaging machines; technology and innovation leadership
/ DESMA Elastomertechnik: Global leader for rubber and silicon injection molding machines
/ DESMA Schuhmaschinen: World market leader for the production of machines for the production of shoes and shoe soles
/ Turn-key lines, single machines and service

[1] only from entities within the group of consolidated companies of Salzgitter Group

EXTERNAL SALES BY CUSTOMER INDUSTRY 2021[1]



KEY DATA FY 2021

Consolidated Sales	€m	1,361
Earnings before taxes	€m	59
Core workforce (12/31)		5,298

Top 3 producer for filling and packaging industry, world market leader for rubber and silicon injection molding as well as direct soling machines

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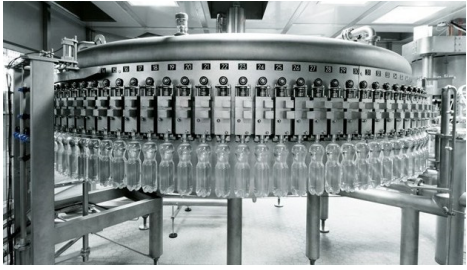
03 FILLING AND PACKAGING
Technology Business Unit

KHS
Filling and Packaging – Worldwide

KHS GROUP

/ A global leader and solution provider of first choice in the packaging industry
/ Among the top 3 producers
/ Focus on beverage applications
/ Supplier of single machines and turnkey solutions (one-stop-shop supplier)
/ Leadership in technology and innovation
/ 10 production sites: 5 in Germany, 1 in the US, and 1 each in Mexico, Brazil, China and India



		2020	2021
Sales	€m	**1,131**	**1,246**
Employees	12/31	**4,729**	**4,603**

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03 SPECIAL MACHINERY
Technology Business Unit

KLÖCKNER DESMA ELASTOMERTECHNIK GROUP

/ World market leader for rubber and silicone injection molding machinery

		2020	2021
Sales	€m	53	78
Employees	12/31	486	490

DESMA SCHUHMASCHINEN GMBH

/ World's largest producer of machines for the fabrication of shoes and shoe soles

		2020	2021
Sales	€m	24	38
Employees	12/31	218	205

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03 OVERVIEW
Industrial Participations

Comprises activities that are not directly allocated to a business unit

Core competences and participations

Services:

- / Research and development for the Group and external customers
- / Information technology
- / Engineering services
- / Real estate- and facility development as well as management
- / Freight traffic

Shareholdings:

- / Aurubis
- / Hansaport

KEY DATA FY 2021

Consolidated sales	€m	**167**
Earnings before taxes	€m	**108**
Core workforce (12/31)		**2,625**

Gratifying contribution from the service companies and the Aurubis investment

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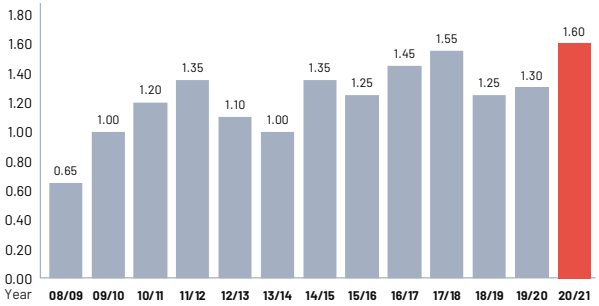
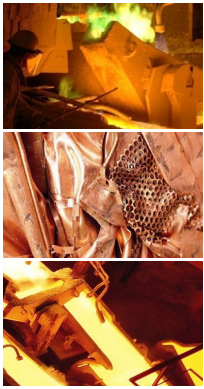
03 AURUBIS-PARTICIPATION

Industrial Participations

AURUBIS DIVIDEND (€/SHARE)



/ SZAG shareholding: 29.99% (per May 23, 2019)
/ Net dividend received since 2009: €147,7 million (per FY 20/21)



Since 2008 successful shareholding in the leading European copper producer

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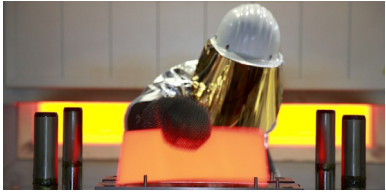
SALZGITTER MANNESMANN FORSCHUNG
A Member of the Salzgitter Group

SALZGITTER MANNESMANN FORSCHUNG GMBH

Research and development for the Group and external customers with a focus on:

/ Processes for the manufacture, processing and application of metallic materials and products made of them
/ Development of new materials
/ Development of application areas
/ Material and component characterization including testing techniques
/ Application and engineering technology from component design through forming and assembly to corrosion protection
/ Automation and testing techniques, as well as the construction of non-destructive testing facilities



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03 RAW MATERIALS AND LOGISTICS

Industrial Participations

GLÜCKAUF IMMOBILIEN
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HANSAPORT

VPS VERKEHRSBETRIEBE PEINE-SALZGITTER
A Member of the Salzgitter Group

GLÜCKAUF IMMOBILIEN, RSE

/ Companies specialized in real estate- and facility development as well as management

HANSAPORT[1]

/ Germany's largest seaport terminal for handling dry bulk goods (coal and ores), annual capacity of approximately 15 million tons

VERKEHRSBETRIEBE PEINE-SALZGITTER

/ Commercial transportation provider with an annual freight volume of approximately 43 million tons

[1] SZAG share: 51%

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DATA PROCESSING & COMMUNICATIONS

Industrial Participations

SALZGITTER DIGITAL SOLUTIONS

/ Integration of business processes into one uniform IT-solution that reflects the entire workflow, electronic data processing center capacities and the internet-based eService platform as a unified hub for order processing are offered for group companies and external clients

TELCAT MULTICOM

/ Germany-wide operating ICT system house with a focus on telecommunication, information technology and technical infrastructure security

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04 STRATEGIC DIRECTIONS

Strategy

CIRCULAR ECONOMY

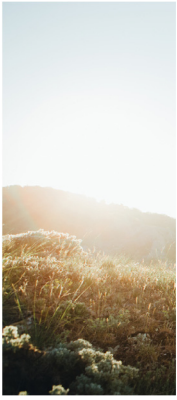
/ Expansion of business in closed-loop flows of materials (Circular Economy) and securing of control points
/ Complete transformation to SALCOS® by 2033 at the latest
/ Alignment of the product portfolio towards growing circular / sustainable market segments

PROFITABILITY

/ Differentiation and margin expansion through process technology and innovation
/ Significant improvement of productivity and cost-effectiveness, e.g. via digitalization and automation
/ Active management of product portfolio and margins, supported through the digitalization of distribution

GROWTH & CUSTOMER-ORIENTED SOLUTIONS

/ Development of customer-oriented solutions in growth segments of the market while maintaining the balance of internal complexity
/ Establishment of new digital business areas and services



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04 VISION AND MISSION
Strategy

PIONEERING FOR CIRCULAR SOLUTIONS

We are the market leader for circular economy solutions in global industrial value chains with our innovative products and processes.

PARTNERING FOR TRANSFORMATION

Together we will resolutely chart new courses, transform industry, and create sustainable value for the future.

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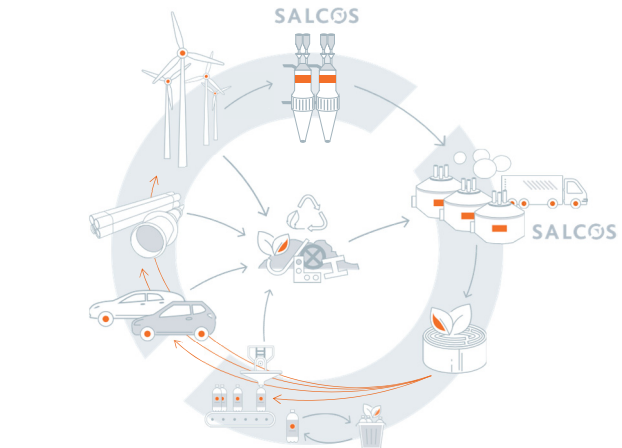
04 AMBITION: TO BECOME MARKET LEADER IN CIRCULAR ECONOMY

Strategy



KEY POINTS

/ Circularity for us means keeping resources in use for as long as possible, thereby minimizing the feeding of additional resources

/ We want to set the standards of circular economy in our industry together with our partners

/ Generally, it is about taking a holistic view of processes and product developments and combining them intelligently

/ When we design a new product, we take a good look upfront at the full lifecycle of the product in terms of its sustainability

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04 STRATEGY OF THE BUSINESS UNITS

Strategy

	Steel Production	Steel Processing
CIRCULAR ECONOMY	/ Complete implementation of SALCOS® by 2033 at the latest / Expand market position in scrap and scrap trading / Full utilization of EAFs in Peine / use in SALCOS®	/ Tubes: expand product portfolio in green markets e.g. hydrogen, CCS, etc. (with exception of large-diameter pipes)
	Expansion of closed loops with customers (recycling and reusables)	
PROFITABILITY	**Continuous profitability improvement driven by measures:** incl. implementing FitStructure 2.0, KHS Future 2.0 and Tubes Excellence, Digitalization of sales, production und administration, complemented by volatility management	
	/ Flachstahl: expansion of products with high added value ("Move boundaries")	/ ILG: service level and sales process corresponding to premium product
		/ Tubes: growth through optimization of product portfolio
		/ MPT: **Eastern Europe** Competitiveness of commoditized products
		/ MGB: strategy depending on EP
GROWTH & CUSTOMER-CENTRIC SOLUTIONS	/ Securing shipment volumes and margins of green steel	
		/ MLP: recovery of market share in the United States
		/ Growth in renewable energies sectors, incl. by offering complete solutions

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04 STRATEGY OF THE BUSINESS UNITS

Strategy

	Trading	Technology
CIRCULAR ECONOMY	/ Trading green steel	/ Growth in resource-saving and CO_2-reduced closed production chains
CIRCULAR ECONOMY	Expansion of closed loops with customers (recycling and reusables)	
PROFITABILITY	Continuous profitability improvement driven by measures: incl. implementing FitStructure 2.0, KHS Future 2.0 and Tubes Excellence, Digitalization of sales, production und administration, complemented by volatility management	
PROFITABILITY	/ Holistic digitalization of the processes of Trading BU: "e-commerce becomes e-business"	/ Development of profitable, innovative new products, such as, e.g., FreshSafePET
PROFITABILITY		/ Increase of after-sales and services business
GROWTH & CUSTOMER-CENTRIC SOLUTIONS	/ Expansion in Eastern Europe: non-organic growth / Increased value depth (value added) in stockholding steel trade	/ Organic expansion into related business segments, such as, e.g., non-food filling
GROWTH & CUSTOMER-CENTRIC SOLUTIONS	/ Growth in renewable energies sectors, incl. by offering complete solutions	/ Non-organic growth

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04 STRATEGIC SCORECARD
Strategy

Strategic direction	KPI	Unit	Target 2025	Target 2030
CIRCULAR ECONOMY	Expansion of scrap recycling	%	> 25	> 50
		mt p. a.	2.5	3
	CO_2 reduction (Scope 1 & 2)	% CO_2	> -30*	> -50
	Complete focus on low CO_2 steel production	-	SALCOS® Stage 1	SALCOS® Stage 1-3 (2033)
	Savings of 1 % of German emissions	mt p. a.	2.5	8 (2033)
	Electricity sourced exclusively from renewable sources	%	> 50	100
PROFITABILITY	ROCE	%	12	14
	EBITDA Margin	%	8-10	> 10
	Increase of additional profit improvement potential	€ million p. a.	>150 (2026)	-
GROWTH & CUSTOMER-ORIENTED SOLUTIONS	Growth in profitable business areas with a focus on circularity (gross sales)	€ billion	-	> 11
CAPITAL MARKET	Dividend yield	%	> 2	> 2
	ESG-Rating	-	Top third industry	Top quartile industry
EMPLOYEES	Accidents (LTIF)	% vs. 2021	-35	-50
	Proportion of women in new non-tariff/management positions	%	25	30

* Alignment of plant operation at -30 % CO_2 (comprises mainly SALCOS® Stage 1)

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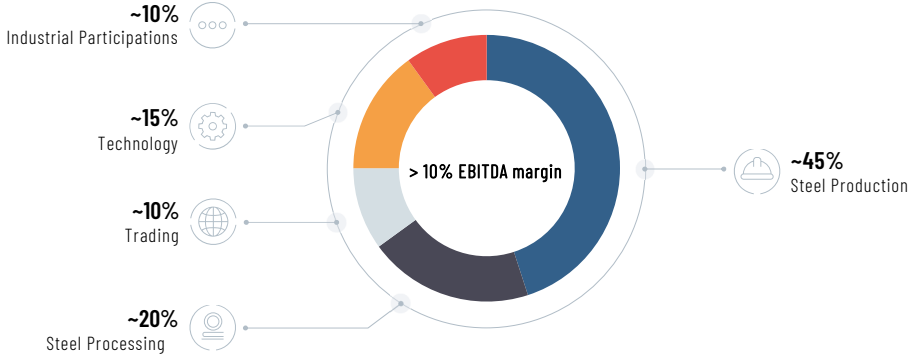
04 STRATEGY SCORECARD: RESULTS DISTRIBUTION

Strategy



Perpetuating the results of exceptional years envisaged

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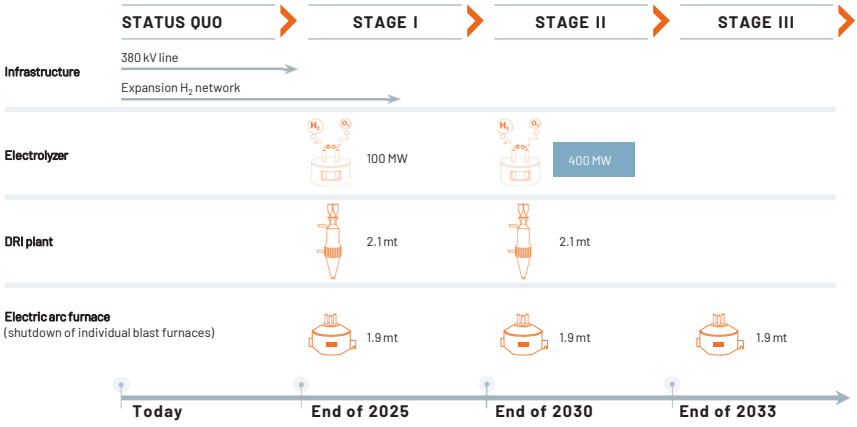
04 SALCOS®: COMPLETE REALIZATION PLANNED BY 2033

Strategy



KEY POINTS

- SALCOS®: investment eligibility achieved, own funds approved
- Green steel as core of our business model at the Salzgitter location
- From 2026 onward, 30% of production volume via SALCOS® route
- Implementation of the second stage by 2030
- We plan to implement the final transformation by 2033
- This is the course we will chart to reduce CO_2 emissions by more than 95%
- Funding requirements for Stage 1 around € 1.5-2.0 billion

"Make or Buy" decision pending

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04 SALCOS®: CONTROLLING CHOKE POINTS AT AN EARLY STAGE

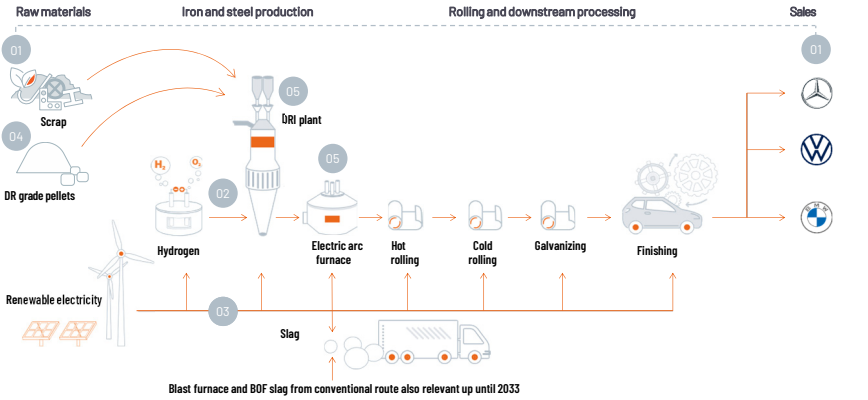
Strategy

CHOKE POINTS

(Critical choke points in the value chain of sustainable steel production)

1. **Access to sources for high-quality scrap**
2. **Green hydrogen**
3. **Renewable electricity**
4. **DR grade pellets/DRI**
5. **EAF/DRI plants**

SIMPLIFIED SALCOS® VALUE CHAIN



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04 SALCOS®: PARTNERING FOR TRANSFORMATION

Strategy

Additional strategic partnerships formed

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05 SALZGITTER GROUP
Guidance

We continue to anticipate the following for the Salzgitter Group in the financial year 2022:

/ sales in the region of € 13 billion,

/ EBITDA of between € 1.4 billion and 1.6 billion,

/ EBT of between € 1.0 billion and € 1.2 billion, and

/ a return on capital employed (ROCE) above the previous year's figure

Legal Note and other remarks

This guidance is based on the assumption of the ongoing, unlimited availability of natural gas as a prerequisite for maintaining production. We make explicit reference to virtually unquantifiable risks in connection with the war in Ukraine, the impact of which has already triggered a notable economic downturn and energy prices rising by leaps and bounds.

Moreover, we make reference to the fact that criteria of the annual financial statements and opportunities and risks, including changes in the cost of raw materials, precious metal prices and exchange rates, may still have a considerable impact on the end of the financial year 2022.

To the extent that this presentation contains statements oriented towards or related to the future, such statements are based on our current state of knowledge and the estimates based on such knowledge made by the management of Salzgitter AG.

However, as is the case with any forecasts or prognosis, such statements are also subject to uncertainties and risks. Notwithstanding prevailing statutory provisions and capital market law in particular, we are not obligated to update this data. In particular, we shall not assume liability of any kind for knowledge and statements, as well as any acts resulting on the basis of such knowledge or statements that emanate directly or indirectly from the analysis of the data, content and correlations of this document. The information and data made available do not represent an encouragement or invitation to buy, sell or conduct any other type of trade in securities. Salzgitter AG shall neither assume liability for direct nor indirect damages, including lost profits, arising as a result of the utilization of the information or data contained in this document.

For computational reasons, rounding-off differences of +/– one unit (€, % etc.) may occur in the tables. This document is also available in German language. In the event of any discrepancy, the German version shall prevail.

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BACKUP

01 Financials

02 Pensions

03 Investor Relations

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01 KEY DATA PER 2022/09/30

Financials

		9M 2022	9M 2021	Δ	Q3 2022	Q2 2022	Q1 2022
Crude steel production	kt	**4,762**	5,071	-309	1,423	1,626	1,713
External sales[1]	€ million	**9,765**	7,002	2,764	3,129	3,287	3,350
EBITDA	€ million	**1,397**	867	530		590	548
Earnings before tax	€ million	**1,145**	605	541	175	505	465
Earnings after tax	€ million	**946**	468	478	165	412	369
Earnings per share (undiluted)	€	**17.4**	8.6	8.8	3.0	7.6	6.8
ROCE	%	**22.9**	20.0	2.9	10.8	32.0	35.2
Core workforce[2]		**22,645**	22,411	234	22,645	22,545	22,492

[1] only from entities within the Group of Consolidated Companies of Salzgitter Group
[2] per reporting date

All business units generate positive results

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01 INCOME STATEMENT
Financials

Income Statement (€ million)	9M 2022	9M 2021	Δ
Sales	**9,765.3**	7,001.7	2,763.6
Increase/decrease in finished goods and work in process/other own work capitalized	**146.1**	287.5	-141.4
	9,911.4	7,289.2	2,622.2
Other operating income	**583.7**	262.7	321.0
Cost of materials	**6,653.0**	4,732.9	1,920.1
Personnel expenses	**1,374.8**	1,311.3	63.6
Amortization and depreciation of intangible assets and property, plant and equipment	**208.3**	220.3	-12.0
Other operating expenses	**1,173.6**	764.4	409.2
Result from impairment losses and reversal of impairment losses of financial assets	**-5.2**	3.6	-8.8
Income from shareholdings	**2.7**	0.6	2.1
Result from investments accounted for using the equity method	**105.5**	119.5	-14.0
Finance income	**6.8**	5.4	1.4
Finance expenses	**49.8**	47.6	2.2
Earnings before taxes (EBT)	**1,145.3**	604.4	540.9
Income tax	**199.5**	136.9	62.6
Consolidated result	**945.8**	467.7	478.1

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01 CONSOLIDATED BALANCE SHEET
Financials

Assets (€ million)	30.09.2022	31.12.2021	Δ
Non-current assets	**4,170.6**	4,250.2	-79.6
Intangible assets, property, plant and equipment	**2,364.3**	2,267.9	96.4
Investment property	**78.4**	79.5	-1.1
Financial assets	**39.9**	51.4	-11.5
Investments accounted for using the equity method	**1,444.4**	1,327.8	116.6
Trade receivables	**5.4**	8.3	-2.9
Other receivables and other assets	**11.2**	21.6	-10.4
Income tax assets	**–**	1.9	-1.9
Deferred income tax assets	**226.9**	491.8	-264.9
Current assets	**7,104.9**	6,004.7	1,100.2
Inventories	**3,593.4**	3,123.3	470.1
Trade receivables	**1,954.0**	1,452.8	501.2
Contract assets	**369.0**	323.0	46.0
Other receivables and other assets	**370.3**	296.7	73.6
Income tax assets	**24.7**	17.0	7.7
Securities	**0.0**	49.7	-49.7
Cash and cash equivalents	**793.5**	741.8	51.7
Assets available for sale	**–**	0.5	-0.5
Balance sheet total	**11,275.5**	10,254.9	1,020.6

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01 CONSOLIDATED BALANCE SHEET

Financials

Equity and liabilities (€ million)	30.09.2022	31.12.2021	Δ
Equity	**5,093.9**	3,357.0	1,737.0
Subscribed capital	**161.6**	161.6	0.0
Capital reserve	**257.0**	257.0	0.0
Retained earnings	**4,892.6**	3,170.3	1,722.3
Other reserves	**137.3**	82.0	55.3
Unappropriated retained earnings	**4.5**	45.1	-40.6
Treasury shares	**-369.7**	-369.7	0.0
Minority Interest	**10.7**	10.7	0.0
Non-current liabilities	**2,253.8**	3,247.0	-993.2
Provisions for pensions and similar obligations	**1,194.1**	2,178.6	-984.5
Deferred tax liabilities	**146.5**	147.1	-0.6
Income tax liabilities	**26.6**	25.7	0.9
Other provisions	**274.6**	267.5	7.1
Financial liabilities	**605.8**	621.5	-15.7
Other liabilities	**6.1**	6.6	-0.5
Current liabilities	**3,927.8**	3,650.7	277.1
Other provisions	**257.8**	263.1	-5.3
Financial liabilities	**1,150.1**	893.2	256.9
Trade payables	**1,656.2**	1,728.9	-72.7
Liability contracts	**363.9**	353.8	10.1
Income tax liabilities	**55.8**	36.1	19.7
Other liabilities	**443.9**	375.6	68.3
Balance sheet total	**11,275.5**	10,254.9	1,020.6

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01 CASH FLOW STATEMENT

Financials

(€ million)	9M 2022	9M 2021	Δ
Cash and cash equivalents at the start of the period	**741.8**	621.4	120.4
Cash flow from operating activities	**129.7**	123.0	6.6
Cash flow from investment activities	**-203.3**	-269.8	66.5
Cash flow from financial activities	**100.4**	-122.2	222.5
Changes in cash	**51.7**	-261.1	312.9
Cash and cash equivalents at the end of the period	**793.5**	360.2	433.3

Improved result offset by the notable increase in working capital

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01 STEEL PRODUCTION BUSINESS UNIT
Financials

		9M 2022	9M 2021	Δ	Q3 2022	Q2 2022	Q1 2022
External sales	€ million	**3,368**	2,284	1,084	1,041	1,123	1,204
Order bookings	kt	**3,644**	3,788	-144	1,077	980	1,587
Order backlog[1]	kt	**1,038**	1,052	-14	1,038	1,069	1,378
EBITDA	€ million	**781**	398	383	143	307	331
EBT	€ million	**667**	277	389	108	268	290
Core workforce[1]		**7,363**	7,178	185	7,363	7,342	7,271

[1] per reporting date

Record result of Salzgitter Flachstahl; the other companies of the business unit with the exception of DEUMU also generated significantly higher contributions to earnings than in the previous year

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01 STEEL PROCESSING BUSINESS UNIT
Financials

		9M 2022	9M 2021	Δ	Q3 2022	Q2 2022	Q1 2022
External sales	€ million	**1,557**	1,069	488	545	545	467
Order bookings	kt	**2,183**	1,562	621	631	764	789
Order backlog[1]	kt	**1,034**	832	202	1,034	1,096	1,045
EBITDA	€ million	**98**	-13	111	16	63	19
EBT	€ million	**52**	-67	119	0	47	4
Core workforce[1]		**5,377**	5,391	-14	5,377	5,328	5,340

[1] per reporting date

Turnaround is first and foremost attributable to the significantly improved results of the two heavy plate companies

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01 TRADING BUSINESS UNIT
Financials

		9M 2022	9M 2021	Δ	Q3 2022	Q2 2022	Q1 2022
External sales	Mio. €	**3,656**	2,547	1,109	1,114	1,239	1,303
Shipments	Tt	**2,861**	2,720	141	860	939	1,062
EBITDA	Mio. €	**289**	291	-1	31	156	102
EBT	Mio. €	**273**	282	-10	24	151	98
Core workforce[1]		**1,947**	1,949	-2	1,947	1,937	1,935

[1] Adjustment of the previous year's figure due to the new Group structure
[2] per reporting date

Very good result due to price uptrend during the first half year in conjunction with lower inventory prices in the stockholding business

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01 TECHNOLOGY BUSINESS UNIT
Financials

		9M 2022	9M 2021	Δ	Q3 2022	Q2 2022	Q1 2022
External sales	€ million	**1,053**	980	73	382	337	334
Order bookings	kt	**1,379**	1,159	219	453	407	519
Order backlog[1]	kt	**1,281**	886	395	1,281	1,151	1,075
EBITDA	€ million	**48**	60	-12	16	13	19
EBT	€ million	**31**	41	-10	11	6	13
Core workforce[1]		**5,316**	5,283	33	5,316	5,307	5,323

[1] per reporting date

Increase of operating results, previous year positively impacted by a one-off effect (+ € 18.8 million)

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01 INDUSTRIAL PARTICIPATIONS / CONSOLIDATION

Financials

		9M 2022	9M 2021	Δ	Q3 2022	Q2 2022	Q1 2022
External sales	€ million	**131**	122	9	47	42	42
EBITDA	€ million	**180**	130	50	52	51	77
EBT[1]	€ million	**124**	71	53	32	33	59
Core workforce[2]		**2,642**	2,610	32	2,642	2,631	2,623

[1] Adjustment of the previous year's figure due to the new Group structure
[2] per reporting date

Earnings include € 115.7 million contribution from the Aurubis participation

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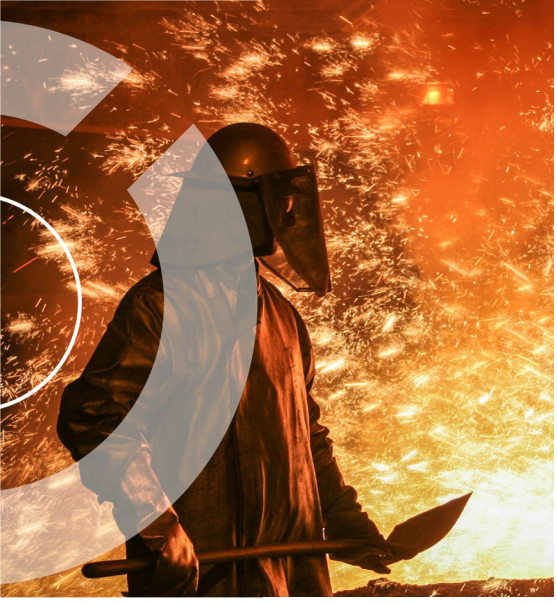

BACKUP

01 Financials

02 Pensions

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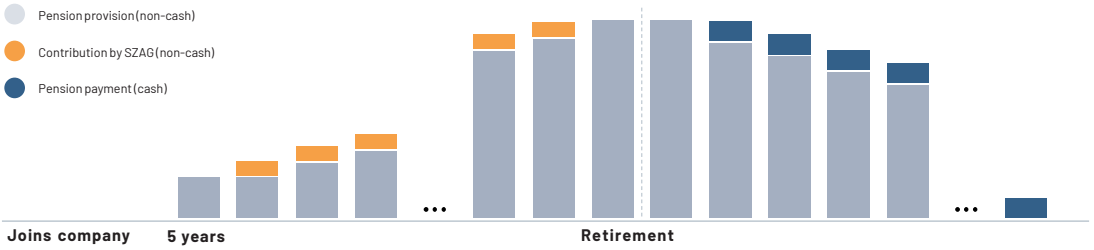
MECHANICS OF INTERNAL PENSION COMMITMENT FUNDING

Pensions

INTERNAL FUNDING OVER LIFETIME OF EMPLOYEE



- Provision is determined by development of individual salary, time in employment at SZAG, actuarial life expectancy and inflation
- Contribution as personnel expense and interest element (both non-cash)
- Monthly payout from operating cash flow

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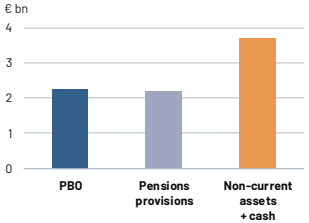
02 FUNDING OF PENSION COMMITMENTS

Pensions

(2021/12/31)

/ Projected Benefit Obligation (PBO): € 2,250 m[1]
/ According to IAS 19:
  / Discount rate of 4.10%[2]
    / in line with market average
/ Trend in salaries: 2.50% p.a.
/ Trend in pensions: 1.50% p.a.
/ Staff turnover: 1% p.a.
/ Valuation based on the actuarial principles



(2021/12/31)

/ Balance sheet: pension provisions € 2,179 m
/ Assets held by external funds: € 71.5 m
/ Non-current assets: € 4,250 m
/ Net position due to banks: € -544 m

[1] thereof € 71.5 million covered by assets held by external funds

[2] per September 30, 2022, before that 3.40% per June 30, 2022, previously 2.10% per March 31, 2022, before that 1.30%

Pension obligations completely covered by internal funds!

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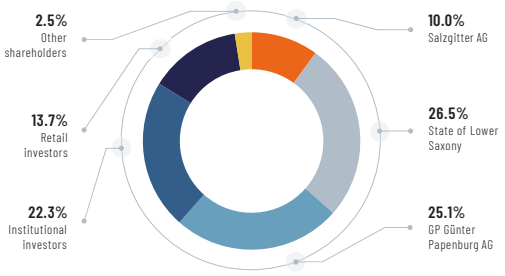
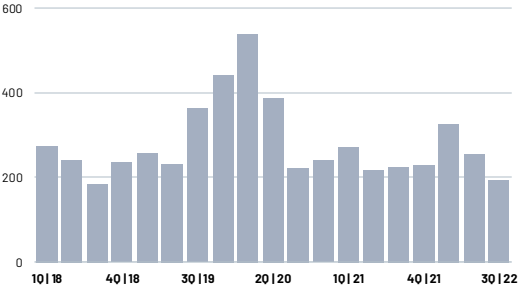
03 SHAREHOLDER STRUCTURE AND SHARE TURNOVER

Investor Relations

SHAREHOLDER STRUCTURE



DAILY TURNOVER IN THOUSEND SHARES



Treasury shares: as of July 8, 2010;
other information is based on the external shareholder identification as of December 2022

Strong core shareholders

High liquidity

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