



NS Final Results



2024 FULL YEAR RESULTS

[RHI MAGNESITA N.V.](#)

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

2024 Full Year Results

Resilient margin and cash flow performance in very weak market conditions

RHI Magnesita, the leading global supplier of high-grade refractory products, systems and solutions, today announces its final results for the year ended 31 December 2024 ("2024" or the "Year").

Financial results (Adjusted, €m unless stated otherwise) ¹	2024	2023	Change	2023 (constant currency)	Change (constant currency)
Revenue	3,487	3,572	(2)%	3,529	(1)%
Adjusted EBITDA	543	543	0%	571	(5)%
Adjusted EBITA	407	409	0%	439	(7)%
Adjusted EBITA margin	11.7%	11.4%	30bps	12.5%	(80)bps
Adjusted EPS (€/per share)	5.32	4.98	7%		
Adjusted Operating Cash Flow	419	418	0%		
Net debt ²	1,251	1,304	(4)%		
Net debt to Pro Forma Adjusted EBITDA ³	2.3	2.3			

(Reported, €m unless stated otherwise)	2024	2023
Revenue	3,487	3,572
Gross profit	848	857
EBITA	281	378
Profit before income tax	200	233
Profit after income tax	154	171

EPS (€/per share)	3.01	3.50
Dividend ⁴ (€/per share)	1.80	1.80

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. 2024 Net debt includes leases of €77 million (2023: €70 million), as required by IFRS 16. For further details see Note 37 of the consolidated financial statements.

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

4. Recommended final dividend of €1.20 per share, subject to AGM approval on 7 May 2025. Full year dividend of €1.80 per share includes the interim dividend of €0.60 per share paid to shareholders on 26 September 2024.

Operational and strategic highlights

- Operational efficiency and cost discipline delivered robust margin performance despite historically weak end markets
- Acquisition of Resco for enterprise value of €391 million completed on 28 January 2025 brings total deal value of M&A completed since December 2021 to €1.2 billion
- M&A closed in 2023 contributed €77 million to 2024 Adjusted EBITDA, in line with guidance of c.€80 million
- Customer service KPIs including net promoter score and PIFOT ("Process In Full and On Time") reached record highs
- Sustainability commitment demonstrated by record recycling rate of 14.2% (2023: 12.6 %), driving annual CO₂ emission savings of 1.8 Mt compared to 2018 levels
- Outsourcing agreement with Capgemini from December 2024 to deliver shared service centre efficiency gains

Financial highlights

- Sales volumes 1% lower in the base business, excluding contribution from M&A, with continuing softness in end market demand especially in industrial markets
- 6% lower pricing matched a 6% reduction in cost of goods sold per tonne as pricing was reduced to protect market share
- Adjusted EBITA of €407 million (2023: €409 million) within guided range of €400-€410 million, supported by strong trading in Q4 and margin of 11.7% (2023: 11.4%), comprising record high refractory margin of 10.9% and continued weak raw material contribution of 0.8%
- Total net adjustments to EBITA of €125 million (2023: €31 million) driven by costs of Group wide programmes aimed at improving operating efficiency and future profitability through (i) €52 million expenses relating to digital transformation and business process improvements, and (ii) plant network optimisation, including €29 million impairment of Brazil assets in connection with Resco and €25 million closure costs at Mainzlar
- 103% cash conversion supported by €115 million release of working capital, due to efficient management of inventory and receivables as well as deflationary cost development

- Net debt reduced by €53 million to €1,251 million (2023: €1,304 million) after €58 million of M&A, including prepayments of €44 million for Resco acquisition and €5 million acquisition of Refrattari Trezzi

Outlook and guidance

Refractory demand remains weak, with no recovery in end market demand visible. Falling domestic demand of customer industries in China results in exports of steel and other materials from China, reducing customer output in most world markets and therewith reducing refractory usage. 2024 was a relatively strong year for higher margin non-ferrous metals and glass projects due to the timing of customer investment projects. However, markedly lower capex investments by these industrial customers will reduce demand in 2025, offsetting forecasted growth in steel refractory demand in India, West Asia & Africa. Revenue performance in 2025 year to date and the outlook for H1 is weak, driven by low volumes in steel and pricing pressure in particular in cement and non-ferrous metals.

The Adjusted EBITA performance in 2025 is therefore expected to be modestly above 2024 levels including the acquisition of Resco. Adjusted EBITA is expected to be weighted approximately 45% in the first half and 55% in the second half of the year.

Stefan Borgas, CEO said: "RHI Magnesita has delivered another resilient financial performance despite very weak market demand in most markets around the world. At €407 million, Adjusted EBITA was within our guidance range of €400-€410 million, reflecting the expected strong performance in the fourth quarter for which I offer my congratulations to the team. We continue to prioritise safety above all - this is a core value for us.

We have now completed the Resco transaction, the largest single acquisition we have undertaken since the combination of RHI and Magnesita in 2017. In our US business we can finally fulfil our customers' requests for significantly higher local production. Investments into the enlarged production network are being prepared in detail by our merged team in the USA.

We expect to incur network optimisation expenses in Europe and Brazil as a result of plant footprint adjustments following the Resco acquisition and other M&A transactions completed in 2022 and 2023. Total restructuring costs of €60 million and capital expenditure of €40 million are planned over the period 2025-27. This will deliver €10 million of EBITA benefit in 2025, €20 million in 2026 and €30 million per annum thereafter. Our strategy to grow through acquisition in the fragmented refractory industry, building on our strengths as a technology and sustainability leader, is proving to be a solid approach to generating value for shareholders. We will continue to manage the business conservatively throughout the ongoing downturn in demand whilst delivering on our strategic objectives to generate long term value."

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@hudsongsandler.com

Conference call

A presentation for investors and analysts will be held on 27 February 2025 starting at 8:15am UK time (9:15am CET). 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/67adc364242e93000e3ae4ae/hapetf>

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 and contractors 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.

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.

CEO REVIEW

Safety, resilience and progress

Weak end markets continued to impact the business in 2024. The contribution from M&A, operational excellence and network efficiencies supported relatively stable revenues, margins and profitability. We continue to execute on our three strategic pillars of reducing costs, expanding our business model and growing in markets where we are underrepresented.

Health & Safety

Health and safety is our absolute priority and I am saddened to report that two fatal incidents occurred at our production sites in H1 2024. Health and safety improvements have been prioritised at all levels of management; together we are undertaking a complete review of our safety standards, culture, leadership and key serious injury and fatality risks.

During the year we established the RHI Magnesita HELP fund, a registered association in Austria focused on providing immediate financial assistance to individuals and families affected by workplace safety incidents across our global network. I am proud to say that the HELP fund has been funded primarily through voluntary contributions from RHI Magnesita staff, with a matching contribution from the Company. From these sources the HELP fund raised over €800,000 in its first year and payments to qualifying recipients have already commenced.

Operational excellence

Operational excellence underpins our customer offering, our industrial operations and financial performance. The work to drive improvements is translating into tangible benefits in both of these areas. Our main KPIs in 2024 were PIFOT ("Process In Full On Time") and net promoter scores in customer surveys. Both of these achieved record highs in 2024. Other operational indicators and inventory management metrics also showed improvements, contributing to a reduction in working capital and strong cash flow conversion this year.

Our digital transformation is well underway, consisting of a group-wide replacement of the core operating systems (including ERP) alongside a redesign of our core business processes, all focused on improving customer experience. In Q4 we entered into a business process outsourcing agreement with Capgemini which will result in broader career opportunities for our shared service centre colleagues, deliver cost savings and, most importantly, lead to sharper execution of the critical processes which are the foundation of our ability to deliver for our customers more reliably. We will be investing over €100 million into this platform to deliver greater value to customers and more effective integration of acquisitions.

4PRO

R&D and the new '4PRO' service offering are critical to deliver improvements to our customers. Constantly improving world-leading refractory performance is reliant upon continuous adaptation of existing solutions according to customer needs and the development of new technologies that will deliver the next iteration of product performance improvements, and efficiency gains in our own manufacturing processes. I am pleased to report strong growth in sales of robotics solutions for automated lining repairs in 2024 and exciting new developments in production techniques with

high potential for sustainability, cost and performance improvements. Our offering in this area has been consolidated under a central function offering Advanced Technologies to ensure that we can move our customers up the margin curve to higher value added products and services.

During 2024 we expanded our solutions contract offering under the 4PRO brand. 4PRO represents a holistic approach to high-performance refractory applications, based on closer collaboration with customers seeking continuous improvement in production techniques as well as the pursuit of sustainability objectives and circular economy initiatives.

Strategy update

Our M&A-led growth strategy delivered strong results despite headwinds from weak market conditions. The six acquisitions completed in 2023 contributed Adjusted EBITDA of €77 million, in line with guidance of c.€80 million. During 2024 we completed the acquisition of Refrattari Trezzi, expanding our recycling activities in Europe.

In the US, we reached agreement on the acquisition of Resco Group in April 2024 and successfully completed the transaction on 28 January 2025, for a final deal value of €391 million. This acquisition is a major step forward for our North American business. Resco's strengths in the petrochemical, cement and aluminium industries are complementary to our existing business and will provide opportunities in these market segment worldwide by leveraging RHI Magnesita's global footprint. The much larger US plant footprint will allow us to accelerate our 'local for local' production strategy, onshoring significant manufacturing activity into the US and shortening supply chains. Resco is the largest acquisition we have undertaken since the combination of RHI and Magnesita in 2017 and I am excited about the prospects for our future growth in this dynamic and valuable refractory market. The new team is fired-up!

We remain committed to our strategy to allocate capital to growth via M&A. We note that there have been other transactions in the sector in 2024, with Shinagawa's acquisition of Gouda Refractories Group and Vesuvius PLC's purchase of Piromet in Türkiye. During 2025 our focus will be primarily on network optimisation, the integration of recent acquisitions and reducing net debt, with any additional M&A likely to be limited in scope.

We expect to incur network optimisation expenses in Europe and Brazil as a result of plant footprint adjustments following the Resco acquisition and other M&A transactions completed in 2022 and 2023. Total restructuring costs in the base business of €60 million and associated capital expenditure of €40 million are planned over the period 2025-27, to deliver €10 million of EBITA benefit in 2025, €20 million in 2026 and €30 million per annum thereafter.

Our people

Our greatest strength lies in our people. Every contribution matters and strengthens our collective success, increasingly also from colleagues joining RHI Magnesita as a result of M&A. We continue to learn more about our industry, identifying new opportunities and benefitting from the expertise of talented teams and individuals as we integrate acquired businesses.

Sustainability

Sustainability means the protection and preservation of resources for future generations. Our Company traces its origins back to 1834. Today, as the leading global supplier of refractories, which are essential for the creation of basic building materials for modern life, we can be certain that our industry will remain essential for many years to come. Refractory production is CO₂ intensive and RHI Magnesita has pioneered new technologies for reducing CO₂ emissions. Our journey to recycle secondary raw materials increasingly requires the development of cutting edge technologies, which are now in

industrial testing. In 2025 we will be piloting a CO₂ re-mineralisation technology together with MCi Carbon. Further progress requires engagement with suppliers to adopt low-carbon energy sources.

Our customers are amongst the highest emitters of CO₂ globally and are undergoing their own transformation to decarbonise. When developing new production technologies they are increasingly turning to RHI Magnesita as their preferred partner for refractory solutions. We have now won five major contract awards for green steel projects; this will be an important source of high value-add business going forwards.

RHI Magnesita has produced sustainability statements according to ESRS for the 2024 financial year. Having completed a lengthy double materiality assessment and complied in full with the disclosure requirements, the Group is of the view that the outcome of the ESRS process is not beneficial to stakeholders. ESRS places an unreasonable burden in terms of financial cost and other corporate resources which cannot be deployed to actual sustainability improvements. RHI Magnesita urges relevant regulators and legislators to look again at the way that ESRS has been implemented in practice to allow companies to redirect resources from reporting to action. We note that the European Commission has proposed a revision to ESRS through its Omnibus Directive and we hope for improvement.

Financial performance

Our financial performance was resilient considering the challenging end market conditions, which saw a decrease in sales volumes of 1% in the base business and 6% lower pricing. The contribution from M&A and operational efficiency delivered stable revenues and Adjusted EBITA of €407 million (2023: €409 million) with margin increasing to 11.7% (2023: 11.4%). It is a sign of our strong operational performance that we were able to maintain margin in a falling price environment, despite lower vertical integration contribution and the additional burden from high fixed cost under-absorption due to shrinking volumes.

Adjusted EPS increased to €5.32 (2023: €4.98) and cash generation was strong at 103%, contributing to a reduction in net debt of €53 million to €1,251 million and gearing of 2.3x (2023: 2.3x), in line with our target range.

Outlook

The short-term outlook for our industry remains weak and we must be ready to respond with fast decision making. China's necessary and clearly communicated economic transition is the most significant factor affecting industrial markets worldwide including refractory markets. The long term outlook for future-oriented commodities and materials such as copper, aluminium and glass remains strong. However, project demand in the industrial segment is expected to decline in the near term.

Should any recovery in refractory demand occur, RHI Magnesita is well positioned to benefit due to its high levels of operational gearing and vertical integration capability. During this extended downturn, we have greatly increased our customer base through the acquisition of 12 businesses with a total deal value of €1.2 billion and we are seeing real benefits from synergies as these acquisitions are integrated into our network. Against this backdrop, we continue to believe that adaptability, discipline and innovation will deliver long-term success.

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 2023 numbers in this review are on a reported basis, unless stated otherwise. Figures presented at constant currency represent 2023 translated numbers against average 2024 exchange rates as disclosed in Note 3 to the Consolidated Financial Statements. All reported volume changes year-on-year are excluding mineral sales.

Revenue

The Group recorded revenues of €3,487 million, a 1% decrease from 2023 revenues of €3,529 million on a constant currency basis. This was primarily driven by 6% lower average pricing and a 1% decline in base business sales volumes, offset by 6% growth in revenues from acquisitions completed in 2023.

On a reported basis, the decrease in revenue was 2% (2023: €3,572 million), reflecting the depreciation of certain currencies against the euro (Chinese yuan, Indian rupee, Brazilian real, Turkish lira, Canadian dollar) which reduced revenue generated from those geographies in euro terms. The foreign exchange impact on revenues was €43 million.

	2024	2023 reported	2023 (constant currency)	Change	Change (constant currency)
Steel					
Revenue (€m)	2,373	2,461	2,434	(4)%	(3)%
Gross profit (€m)	551	550	576	0%	(4)%
Gross margin	23.2%	22.3%	23.7%	90bps	(50)bps
Adjusted EBITA (€m)	255	240	270	6%	(6)%
Adjusted EBITA margin	10.8%	9.7%	11.1%	110bps	(30)bps
Industrial					
Revenue (€m)	1,114	1,111	1,094	0%	2%
Gross profit (€m)	297	307	305	(3)%	(3)%
Gross margin	26.6%	27.7%	27.9%	(110)bps	(130)bps
Adjusted EBITA (€m)	151	169	169	(11)%	11%
Adjusted EBITA margin	13.6%	15.2%	15.4%	(160)bps	(180)bps

Against a backdrop of weakness in the key end markets of construction and automotive, steel revenues decreased to €2,373 million, representing a 4% decline on a reported basis (2023: €2,461 million) and a 3% decline in constant currency terms (2023: €2,434 million), accounting for 68% of Group revenue in 2024. The primary driver behind the decrease in steel revenues for the financial year 2024 was pricing. Soft end market demand also impacted sales volumes in North and South America. Exports of surplus steel from China negatively affected pricing and refractory demand from domestic steel producers in most geographies, in particular in India.

Industrial revenues were stable at €1,114 million (2023: €1,111 million) and increased by 2% in constant currency terms (2023: €1,094 million), outperforming steel revenue growth, supported by M&A. Cement & Lime revenues decreased by 12% to €376 million (2023: €424 million), while Non-ferrous metal revenues declined by 12% to €247 million (2023: €281 million). The primary factors contributing to the decline in cement, lime, and non-ferrous metals were weaker end markets in China and South America. Revenues in the glass business increased by 19% to €217 million (2023: €182 million), mainly driven by a strong contribution from 2023 M&A. Revenues from industrial applications increased by 46% to €210 million (2023: €143 million), also due to M&A.

During 2024 the Group re-assessed its criteria for the timing of revenue recognition for shipments delivered by sea freight with third-party carriers. From 2024, control of refractory products is determined to transfer when the carrier issues shipping documents that allows the customer to redirect or otherwise control the shipped refractory products. Group revenue in 2024 increased by €42 million (and gross profit by €10 million) as a result of this revised accounting policy. For further details refer to Note 3 of the Financial Statements, 'Significant Accounting Policies, Judgements and Estimates'.

Cost of goods sold

Cost of goods sold decreased by 3% to €2,639 million from €2,715 million in 2023, primarily due to a reduction in raw material costs. The cost of purchased raw materials fell by 7% to €1,058 million (2023: €1,139 million). Plant-related labour costs increased by 16% in 2024, rising from €452 million to €523 million, mainly due to acquisitions and salary increases to offset inflation. After a period of disruption and high inflation in 2023, freight and energy costs decreased by 11% and 10%, respectively, in 2024 as both markets stabilised. Spending on general supplies, including pallets, packaging, and spare parts were broadly flat at €169 million (2023: €170 million).

During 2024 the Group re-assessed its criteria for inventory provisioning in light of sustained improvements in its inventory management. Re-valuation of stock previously written off, which is now deemed to be saleable at market price, resulted in an €11 million reduction in cost of goods sold. For further details refer to Note 3 of the Financial Statements, 'Significant Accounting Policies, Judgements and Estimates'.

Raw material prices

Refractory raw material prices decreased in 2024 compared to 2023, with the price of high-grade dead burned magnesia ("DBM") from China decreasing by 6% and by 1% on average for medium-grade DBM from China. Lower raw material prices usually result in lower finished goods pricing for refractories worldwide, as production costs for non-vertically integrated competitors are reduced. The main driver for the decrease in DBM pricing was oversupply, combined with lower customer demand for refractories globally. Fused alumina, a raw material that the Group does not produce and

which constitutes only a small portion of the Group's overall raw material requirements, experienced a significant price increase towards the end of 2024, in line with the increase in alumina prices in the fourth quarter.

Gross profit

The Group recorded gross profit of €848 million (2023: €857 million), a decrease of 1% on a reported basis and 4% in constant currency terms. Gross margins increased by 30bps to 24.3% (2023: 24.0%). Although refractory pricing in the base business reduced by 8%, input costs reduced further, primarily due to lower prices for externally purchased raw materials as well as lower energy and freight costs.

(€m)	2024	2023 reported	2023 (constant currency)	Change	Change (constant currency)
Revenue	3,487	3,572	3,529	(2)%	(1)%
Cost of goods sold	(2,639)	(2,715)	(2,647)	(3)%	0%
Gross profit	848	857	881	(1)%	(4)%
SG&A	(435)	(449)	(443)	(3)%	(2)%
R&D expenses	(45)	(43)	(42)	5%	7%
OIE	(125)	(31)	(32)	303%	291%
EBIT	242	333	364	(27)%	(34)%
Amortisation	(39)	(44)	(43)	(11)%	(9)%
EBITA	281	378	408	(26)%	(31)%
Adjusted items	125	31	32	303%	291%
Adjusted EBITA	407	409	439	(1)%	(7)%
Refractory EBITA	379	348	-	9%	-
Vertical integration EBITA	28	61	-	(54)%	-

Selling, general and administrative expenses ("SG&A"), were €435 million, a 3% decrease compared to the previous reporting period (2023: €449 million), attributable to stringent cost management, lower personnel expenses and reduced hiring levels.

Depreciation increased by 2% to €136 million (2023: €134 million) and in 2025 is expected to be around €150 million including Resco.

Amortisation of intangible assets amounted to €39 million in 2024 (2023: €44 million) and is expected to be approximately €35 million in 2025, subject to the purchase price allocation exercise relating to the acquisition of Resco Group.

Adjusted EBITDA

The Group recorded Adjusted EBITDA of €543 million, flat compared to the prior year (2023: €543 million). Adjusted EBITDA margin increased to 15.6% (2023: 15.2%) an increase of 40bps, reflecting higher gross margins and a decrease in

SG&A expenses. Adjusted EBITDA margin decreased by 60bps on a constant currency basis.

Adjusted EBITA

Adjusted EBITA remained broadly flat at €407 million, compared to €409 million in 2023 on a reported basis, as the contribution from M&A and lower input costs offset weaker pricing and mix effects. Adjusted EBITA from businesses acquired in 2023 was €65 million (or €77 million of Adjusted EBITDA), broadly in line with guidance.

Adjusted EBITA margin increased to 11.7% (2023: 11.4%) as M&A contributions, supported by lower input costs and SG&A reduction.

Vertical integration contributed a record low 0.8ppts of the Group's overall Adjusted EBITA margin of 11.7%. Whilst this contribution is lower than the 1.7ppts contribution in 2023, primarily due to the decline in the market prices for refractory raw materials, the contribution was still positive meaning that the Group is able to source its own raw materials more cheaply than buying in the market. 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's refractory business contributed a historic high of 10.9 ppts towards the total Adjusted EBITA margin of 11.7%, an increase of 120 bps compared to the 9.7 ppts contribution in 2023. Refractory margin was supported by lower input costs, the benefits of M&A synergies and structural cost reductions resulting from the Group's strategic cost-saving initiatives.

Adjusted EBITA and Adjusted EBITDA both exclude €125 million of net expenses from adjusted performance (2023: €31 million), including Software as a Service costs (largely on new SAP ERP), Mainzlar Plant closure costs and impairment of Hexa Contagem Project, consequent on Resco acquisition as set out in 'Items excluded from adjusted performance' below.

The Adjusted EBITA performance in 2025 is expected to be modestly above 2024 levels including the acquisition of Resco.

Items excluded from adjusted performance

In order to accurately assess the underlying performance of the business, the Group excludes certain items from Adjusted EBITA. Sizeable charges in the year have been driven by Group wide programmes aimed at improving operating efficiency and future profitability through business process improvements and plant network optimisation.

In 2024 the total net adjustments to EBITA amount to €125 million, including:

- €14 million of amortisation of onerous contracts imposed by EU as part of the merger with Magnesita.
- €9 million related to the disposal of the Dashiquiao plant in China.
- €6 million related to receivables previously written down to zero.
- €3 million of other miscellaneous income.
- €(52) million of expenditure on digital architecture, previously guided as capital expenditure. Spending on Software as a Service is classified as an expense in IFRS and cannot be capitalised as would normally be the case with capital expenditure. The Group incurred charges of €39 million on the ERP upgrade in 2024 and €7 million reclassified from

2023 and €6 million on logistics and supply chain planning software upgrades. Investments in digital architecture are expected to deliver value through cost savings and margin improvement, planning and operating efficiencies and improved working capital management.

- €(39) million amortisation in intangible assets arising at the time of the merger with Magnesita.
- €(29) million non-cash impairment of fixed assets in Brazil, where the second stage of the Hexa Contagem expansion project will not be advanced following the acquisition of Resco and intended transfer of production capacity to the US. The impact of this impairment was considered as part of the business case for the acquisition of Resco.
- €(25) million provision for restructuring expenses at the Mainzlar, Germany plant, to be paid in 2025 following the announced closure of the plant in line with the Group's original Production Optimisation Plan and after an assessment of surplus production capacity in Europe.
- €(12) million of expenses related to investments in and losses from the disposal of special Argentinian government bonds.

Net finance expenses

Net finance expenses, which includes interest payable on borrowings net of interest income on cash balances, gains and losses relating to foreign exchange, pension expenses, present value adjustments, factoring costs and non-controlling interest expenses, decreased to €42 million (2023: €100 million).

Net interest expenses remained stable at €39 million (2023: €38 million) comprising interest expenses on borrowings of €61 million (2023: €58 million) and €22 million of interest income on cash balances on deposit (2023: €20 million).

Foreign exchange gains of €11 million were recorded in 2024 compared to foreign exchange related losses of €30 million in 2023, mainly driven by US dollar strength in Q4, weakness in the Brazilian Real and Mexican Peso and a €(1) million hyperinflation adjustment related to Argentina (2023: €3 million).

Other net financial expenses amounted to €14 million (2023: €32 million) including factoring costs of €10 million (2023: €12 million), pension charges of €12 million (2023: €12 million) and present value adjustments of €7 million (2023: €8 million). Net financial expenses in 2024 also benefitted from a non-cash gain of €22 million due to the revaluation of the Group's obligation to purchase the remaining stakes it does not already own in Jinan New Emei and Chongqing.

Guidance for net interest expenses including Resco in 2025 is €60 million. Guidance for other adjusted net financial expenses is €30 million, resulting in €90 million of adjusted net finance expenses guided for 2025.

(€m)	2024	2023
Net interest expenses	(39)	(38)
Interest income	22	20
Interest expenses	(61)	(58)
FX effects	11	(30)
Balance sheet translation	29	(41)
Derivatives	(18)	11
Other net financial expenses	(14)	(32)

Present value adjustment	(7)	(8)
Factoring costs	(10)	(12)
Pension charges	(12)	(12)
Capitalisation of borrowing costs	3	8
Interest expense - Transaction costs	(1)	(1)
Other	13	(7)
Total net finance expenses	(42)	(100)

Taxation

Total tax for 2024 in the income statement amounted to €46 million (2023: €62 million), representing a 23% reported effective tax rate (2023: 27%).

Reported profit before tax amounted to €200 million (2023: €233 million). Adjusted profit before tax amounted to €347 million (2023: €317 million), with an adjusted effective tax rate of 24% (2023: 24%). Adjusted items include non-taxable IFRS revenues related to put option valuation and sale of fixed assets in China, as well as non-deductible legal restructuring costs.

The adjusted effective tax rate guidance is between 23-25% for 2025.

Profit after tax

On a reported basis the Group recorded profit after tax of €154 million (2023: €171 million), profit attributable to shareholders of €142 million (2023: €165 million) and earnings per share of €3.01 (2023: €3.50).

Adjusted profit after tax increased to €263 million (2023: €241 million) and Adjusted earnings per share was €5.32 (2023: €4.98). A full reconciliation of EBITA to EPS and Adjusted EBITA to Adjusted EPS can be found in the table below. Items excluded from Adjusted Profit after tax included €17 million of net financial expenses mainly arising from the revaluation of the Group's obligation to purchase the remaining stakes it does not already own in Jinan New Emei and Chongqing.

Profit attributable to shareholders is stated after deducting non-controlling interests of €12 million (2023: €6 million) mainly arising from RHI Magnesita India Ltd., in which the Group holds a stake of 56%.

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

(\$m)	2024 reported	Items excluded from adjusted performance	2024 adjusted	2023 reported	Items excluded from adjusted performance	2023 adjusted
EBITA	282	125	407	378	31	409
Amortisation	(39)	39	-	(44)	44	-
Net financial expenses	(42)	(17)	(60)	(100)	9	(92)
Profit before tax	200	147	347	233	84	317
Income tax	(46)	(38)	(84)	(62)	(14)	(76)
Profit after tax	154	109	263	171	70	241
Non-controlling interest	12	-	12	6	-	6

Profit attributable to shareholders	142	109	251	165	-	235
Shares outstanding	47	-	47	47	-	47
Earnings per share	3.01	2.31	5.32	3.50	1.49	4.98

Financial guidance and outlook

Refractory demand remains weak, with no recovery in end market demand visible. Falling domestic demand of customer industries in China results in exports of steel and other materials from China, reducing customer output in most world markets and therewith reducing refractory usage. 2024 was a relatively strong year for higher margin non-ferrous metals and glass projects due to the timing of customer investment projects. However, markedly lower capex investments by these industrial customers will reduce demand in 2025, offsetting forecasted growth in steel refractory demand in India, West Asia & Africa. Revenue performance in 2025 year to date and the outlook for H1 is weak, driven by low volumes in steel and pricing pressure in particular in cement and non-ferrous metals.

The Adjusted EBITA performance in 2025 is therefore expected to be modestly above 2024 levels including the acquisition of Resco. Adjusted EBITA is expected to be weighted approximately 45% in the first half and 55% in the second half of the year.

An increasing trade tariff environment may protect customers in certain jurisdictions and benefit refractory producers with local for local production in the short term but risks a medium-term negative impact on global trade.

Sales volumes in the base business are expected to remain flat. Adjusted EBITA margin is guided to be stable at approximately 11.5%.

Gearing will rise in the short term due to the completion of the Resco transaction but is expected to reduce back within the targeted range of c. 2.0-2.5x Pro Forma Adjusted EBITDA by the end of 2025. Capital expenditure on fixed assets will be reduced to €145 million (below depreciation of approximately €150 million), in favour of continuing to invest in our digital transformation, which will incur costs of approximately €35 million per year over the three-year period 2024-26. Capex associated with the integration of Resco is expected to be €30 million, spread over the next two financial years.

The Group expects to incur network optimisation expenses in Europe and Brazil as a result of plant footprint adjustments following the Resco acquisition and other M&A transactions completed in 2022 and 2023. Total restructuring costs in the base business of €60 million and associated capital expenditure of €40 million are planned over the period 2025-27, to deliver €10 million of EBITA benefit in 2025, €20 million in 2026 and €30 million per annum thereafter.

Working capital

Working capital decreased to €865 million (31 December 2023: €980 million) driven by inventory reduction, lower accounts receivable and higher payables.

Working capital intensity, measured as a percentage of the last three months' annualised revenue, decreased to 23.4% (31 December 2023: 24.4%). Accounts receivable intensity was 12.9% (31 December 2023: 11.9%), accounts payable

intensity was 15.5% (31 December 2023: 12.4%) and inventory intensity increased to 26.1% (31 December 2023: 24.9%).

Inventories decreased to €962 million (31 December 2023: €1001 million), due to lower input costs, reduced inventory volumes and inventory improvement measure implemented at plants acquired in 2023.

Accounts receivable decreased slightly to €474 million (31 December 2023: €477 million), reflecting lower pricing. Accounts receivable is calculated as trade receivables excluding factoring plus contract assets less contract liabilities and downpayments received, and a full reconciliation can be found in the APMs section.

Accounts payable increased to €572 million (31 December 2023: €498 million) due to extended payment terms and higher value raw material purchases in the second half.

Working capital financing, used to provide low-cost liquidity and support the Group's commercial offering to customers, was €289 million on 31 December 2024 (31 December 2023: €298 million), comprising €237 million of accounts receivable financing (factoring) and €53 million of accounts payable financing (forfaiting). 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.

Other assets and liabilities

Cash flows from other assets and liabilities amounted to €(93) million (2023: €(12) million) comprising, indirect and other tax rebates of €4 million (2023: € 14 million), employee pension pay outs and pension provision movements of €(22) million (2023: €(19) million), employee variable remuneration and employee-related provisions of €(24) million (2023: €29 million) and other cash flows of €(51) million (2023: € (36) million). The €53 million difference in variable remuneration and employee related provisions is due to a relatively high staff bonus payout in 2024 relating to 2023 performance, compared to a lower bonus payout in 2023.

Capital expenditure

The Group incurred €145 million of capital expenditure (2023: €180 million), of which €65 million was maintenance related (2023: €86million), €68 million was expansionary capital expenditure (2023: €74 million) and €12 million of maintenance and integration capital expenditure was incurred at newly acquired businesses (2023: €19 million).

Capital expenditure in 2025 is expected to be around €145 million. Maintenance capital expenditure in the base business is expected to be approximately €75 million, with expansionary capital expenditure of €55 million and maintenance and integration capital expenditure in newly acquired businesses of €15 million. Spending of approximately €35 million on digital infrastructure projects will be expensed in accordance with IFRS and will not be capitalised.

Acquisitions

In April 2024 the Group announced its intention to acquire Resco Group, a US based producer of alumina monolithics and wide range of basic and non-basic refractories, for an enterprise value of up to \$430 million. The transaction completed on 28 January 2025 for an enterprise value of \$410 million, or c.€391 million.

In June 2024 the Group announced the €5 million acquisition of Refrattari Trezzi, a recycling specialist in Italy, expanding its recycling footprint in Europe. Refrattari Trezzi has been combined into the Group's existing MIRECO joint venture, increasing the Group's share in MIRECO to 55% (2023: 51%).

The Group incurred €58 million of cash outflow relating to acquisitions in 2024, including €44 million of prepayments for the intended acquisition of Resco, €5 million for the acquisition of Refrattari Trezzi, €3 million for the purchase of the remaining 49% stake in Seven Refractories Cyprus not already owned by the Group, a €3 million deferred payment for Jinan New Emei and €3 million purchase of additional stake in P-D Refractories.

Cash flow

Adjusted operating cash flow increased to €419 million (2023: €418 million) representing cash flow conversion from Adjusted EBITDA 103% (2023: 102%), supported by the €115 million release of working capital.

Free cash flow decreased to €225 million (2023: €258 million), mainly due to higher interest and restructuring expenses.

Cash income tax payments increased to €69 million (2023: €60 million) and net interest paid also increased to €71 million (2023: €56 million), as a result of higher average interest rates and borrowings.

Cash dividends paid in 2024 amounted to €87 million (2023: €77 million) and the cash change in Net debt was an increase of €80 million compared to a decrease of €41 million in 2023.

Cash flow €m	2024	2023
Adjusted EBITDA	543	543
Shared-based payments - gross non-cash	9	9
Working capital changes	105	53
Changes in other assets and liabilities	(93)	(7)
Investments in PPE, IA	(145)	(180)
Adjusted operating cash flow	419	418
Income taxes paid	(69)	(60)
Cash effects of other income/expenses and restructuring	(62)	(32)
Investments in financial assets	(19)	(14)
Cash inflows from the sale of PPE, IA	16	4
Cash inflows from the sale of financial assets	11	0
Investment subsidies received	2	0
Net interest paid/received	(71)	(56)
Dividend payments to NCI	(3)	(3)
Other investing activities	1	1
Free cash flow	225	258
Investment in subsidiaries net of cash	(7)	(313)
Proceeds from share issue in subsidiaries	0	100
Resco prepayment	(44)	0
Investments in NCI	(6)	(8)
Payment for share issue costs	0	(3)
Dividend payments	(87)	(77)

Change financial receivables from joint ventures & associates	(1)	2
Cash change in net debt	80	(41)
Debt from acquisitions	0	(87)
New lease obligations	(29)	(15)
Exchange effects	2	(1)
Others	1	(2)
Actual change in net debt	54	(146)

Financial position

Net debt decreased to €1,251 million, comprising total debt of €1,750 million, leases of €77 million and cash and cash equivalents of €576 million.

Total leases of €77 million (2023: €70 million) are included in the Group's Net debt position as required by IFRS 16.

The Group's gearing at the year-end was 2.3x Net debt to Pro Forma Adjusted EBITDA (31 December 2023: 2.3x).

Available liquidity at 31 December 2024 was €1,376 million, comprising undrawn committed facilities of €800 million and cash and cash equivalents of €576 million.

Out of the total gross debt of €1,750 million, 98% is denominated in euro. The floating to fixed ratio of the gross debt is 27% floating to 73% fixed and the weighted average cost of debt as of 31 December 2024 was 2.96%, including swaps.

The Group will seek to maintain the ratio of Net debt to Pro Forma Adjusted EBITDA within the guided range of 2.0-2.5x or above for periods of compelling M&A.

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 9.8% in 2024 (2023: 10.7%) based on Average Invested Capital of €3,043 million (2023: €2,854 million) and NOPAT of €298 million (2023: €305 million). ROIC generated by the Group's raw material assets was 3.5% (2023: 8.9%) and ROIC from the refractory business was 11.0% (2023: 11.0%). The main drivers of the decrease in ROIC were the increase in Average Invested Capital to €3,043 million (2023: €2,854 million) as a result of M&A transactions completed in 2023 and the reduction in contribution from the Raw material assets, due to low market prices for refractory raw materials. The Group intends to carry out a network optimisation over the period 2025-27 following M&A completed in the previous three years, reducing invested capital.

Returns to shareholders

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 medium term. These

opportunities are assessed against a framework of strategic fit, risk profile, rates of return, synergy potential and balance sheet strength.

In 2024, the Group invested €68 million in expansionary capital expenditure in the base business and €12 million in the integration of newly acquired businesses. Maintenance capital expenditure was €65 million. A further €391 million was agreed to be allocated to the acquisition of Resco.

Following the strong profitability, cash generation and strategic progress delivered in 2024, the Board has recommended a final dividend of €1.20 per share for the full financial year, and €85 million in aggregate. This represents a dividend cover of 3.0x Adjusted earnings per share. Subject to approval at the AGM scheduled for 7 May 2025, the final dividend will be payable on 12 June 2025 to shareholders on the register at the close of trading on 23 May 2025. The ex-dividend date will be 22 May 2025. Together with the interim dividend of €0.60 per share paid on 26 September 2024, the recommended final dividend represents a full year dividend of €1.80 per share in respect of the 2024 financial year.

The Board's dividend policy remains to target a dividend cover of below 3.0x adjusted earnings over the medium term. Dividends will be paid on a semi-annual basis with one third of the prior year's full year dividend being paid at the interim.

OPERATIONAL REVIEW

Steel overview

Steel	2024	2023 reported	2023 (constant currency)	Change	Change (constant currency)
Revenue (€m)	2,373	2,461	2,434	(4)%	(3)%
Gross profit (€m)	551	550	576	0%	(4)%
Gross margin	23.2%	22.3%	23.7%	90bps	(50)bps

Supplying refractory products and services to the steel industry accounted for 68% of RHI Magnesita's revenues in 2024 and the Group retained its leading position globally with a c.13% market share, or c.20% excluding China and East Asia. 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. New applications are under development for production of green steel and the Group was awarded five contracts for such projects in 2024. 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 4% to €2,373 million (2023: €2,461 million) and by 3% in constant currency terms (2023: €2,434 million) as a 3% increase in sales volumes supported by M&A was offset by 6% lower pricing. Excluding M&A, the base business increased shipped volumes by 1%, a strong performance compared to World Steel Association data which indicates a decrease of 0.9% in global steel output in 2024.

Global steel demand decreased in the key markets of China and North America in 2024 but grew in India, West Asia & Africa, Europe and South America. Domestic production in some markets was displaced by exports from China where domestic consumption of steel reduced by approximately 6% and production by approximately 3%. The approximate 3% gap represents the increase in exports, which increased from approximately 90 million tons in 2023 to approximately 120 million tons in 2024.

Industrial overview

Industrial	2024	2023 reported	2023 (constant currency)	Change	Change (constant currency)
Revenue (€m)	1,114	1,111	1,094	0%	2%
Gross profit (€m)	297	307	305	(3)%	(3)%
Gross margin	26.6%	27.7%	27.9%	(110)bps	(130)bps

RHI Magnesita is a leading supplier of refractory products and services to customers in the cement and lime, non-ferrous metals, glass, energy, environmental and chemicals industries. These Industrial customers accounted for 32% of Group revenues in 2024 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. RHI Magnesita has a c.25% market share globally in cement refractories, c.20% market share in non-ferrous metals applications, c.19% in the glass industry and c.5% in other industrial applications such as energy, environment, chemicals and foundry.

Industrial revenues were stable at €1,114 million (2023: €1,111 million) and increased by 2% in constant currency terms, with shipped volumes increasing by 11%, supported by M&A, whilst average pricing reduced by 9%.

Cement & Lime revenues reduced by 12% to €376 million (2023: €424 million), representing 11% of Group revenues in 2024 as pricing reduced by 7% and sales volumes reduced by 4%. Strong growth in sales volumes in Process Industries of 101% and Glass of 19%, mainly resulting from M&A, were offset by the 4% decline in the larger Cement & Lime segment and 9% lower Non-ferrous metals sales. The Non-ferrous metal business remained the highest margin segment for the Group, with a gross margin of 44% in 2024 (2023: 42%).

Minerals

The Group sourced 42% of its raw material needs by value, in line with its vertical integration strategy. Raw materials not utilised internally are sold in the open market and reported under Minerals within the Industrial segment, generating

revenues of €65 million in 2024 (2023: €80 million). Mineral sales volumes declined by 11%, coupled with lower market prices for raw materials, leading to a reduction in revenue.

Regional business units

In 2023 RHI Magnesita established an operational governance structure consisting of five regional business units, which continued in 2024. Managing the business through a regional structure enables the Group to serve its customers better through faster local decision making and improved accountability, supporting our local for local production strategy.

Revenue	2024	2023 reported	2023 (constant currency)	% change (reported)	% change (constant currency)
Europe, CIS & Türkiye	926	894	884	3%	5%
Steel	558	574	564	(3)%	(1)%
Industrial	368	320	319	15%	15%
North America	852	894	889	(5)%	(4)%
Steel	648	673	670	(4)%	(3)%
Industrial	204	221	220	(8)%	(7)%
India, West Asia & Africa	744	762	757	(2)%	(2)%
Steel	541	582	577	(7)%	(6)%
Industrial	203	180	180	13%	13%
South America	473	522	504	(9)%	(6)%
Steel	362	393	386	(8)%	(6)%
Industrial	112	129	118	(13)%	(6)%
China & East Asia	426	418	416	2%	3%
Steel	264	239	237	10%	11%
Industrial	163	179	178	(9)%	(9)%
Minerals	65	80	78	(19)%	(17)%
Total	3,487	3,572	3,529	(2)%	(1)%

Europe, CIS & Türkiye

Europe, CIS & Türkiye revenues increased by 3% to €926 million (2023: €894 million), or by 5% in constant currency terms. Average price per tonne declined by 11% due to end market weakness in construction and automotive and a changing

product mix, but this was more than offset by a 17% increase in shipped volumes due to the full year contribution from M&A completed in 2023. Excluding M&A, base business sales volumes reduced by 2% and price per tonne was 14% lower, with revenues reducing by 15%.

Gross profit increased by 10% to €195 million (2023: €177 million), as higher gross margins of 21.1% (2023: 19.8%) were supported by the contribution from higher margin businesses acquired in 2023 and a reduction in the key input costs of energy and purchased raw materials. In the second half of the year, a significant increase in alumina prices drove up costs for acquiring alumina based refractory raw materials and disruption in the global graphite supply chain also resulted in cost increases.

Steel revenues decreased by 1% in constant currency terms on 7% higher shipped volumes, as M&A delivered volume growth despite subdued customer demand. Steel production in the European Union increased by 2.6% and in Türkiye by 9.4% according to WSA data, reflecting recovery from a low base in Europe and strong growth and relative stability in Türkiye compared to the surrounding region. Whilst steel output in the European Union increased year on year, producers continue to face a combination of deteriorating prices, rising costs and low demand relative to historic levels. These factors led some customers to reduce capital expenditure in favour of running repairs and to increase sourcing of cheaper imported refractories. The challenging market conditions for steel customers also resulted in the delay of some green steel projects, but these were temporary postponements and not cancellations.

Industrial segment sales volumes increased by 40% and revenues by 15% in constant currency terms, supported by a full year contribution from process industries focused P-D Refractories. Whilst volumes in Cement & Lime and Non-ferrous metals reduced by 15% and 23% respectively, this was more than offset by a 49% increase in Glass sales volumes and 216% increase in Industrial applications, mainly due to M&A. Waste to energy is a strategic growth focus within Industrial applications where the Group was able to increase market share in both maintenance and greenfield project support. Sales of digital products increased, including laser technologies for refractory evaluation at customer sites. Such products are already widely in use in the Cement & Lime segment and are now gaining traction with Non-ferrous metals and Industrial applications customers.

The Europe and Türkiye region has benefited from significant inorganic growth in recent years with the addition of MIRECO, Sörmas, Dalmia GSB, Seven Refractories and PD Refractories in 2022 and 2023. Regional leadership have been focused on the integration of each of these businesses and the achievement of synergy targets. MIRECO delivered strong growth in recycling rates, Sörmas prepared for the initial adoption of the Group's new ERP system and the Bochum plant previously owned by Dalmia GSB completed necessary legal, financial and operational integration processes during the year. Certain Seven Refractories businesses now form RHI Magnesita's new Alumina Monolithics business unit and synergy realisation is on track, despite low demand conditions. Network optimisation in Europe is expected to be required to fully realise the synergy benefits of M&A completed in the last three years.

The Mainzlar plant in Germany will be closed in 2025 and the Group may consider further plant footprint optimisation in Europe following recent M&A.

North America

Revenues in North America decreased by 5% to €852 million (2023: €894 million) or by 4% in constant currency terms, due to a 1% reduction in sales volumes and 3% lower average pricing.

Despite lower revenues, the region grew Gross profit by 5% to €263million (2023: €250 million) as margins were successfully increased to 30.9% (2023: 27.9%) due to effective cost management and resilient pricing in Cement & Lime and Non-ferrous metals.

Steel volumes reduced 2% and pricing by 3% resulting in 4% lower revenues, whilst gross margin expanded to 30.7% (2023: 28.3%). Utilisation rates in US steel mills remained low, at approximately 76% in 2024 and reducing below this level at the end of the year following the US election in November. North America steel output according to WSA data declined by 4.2% in 2024 whilst RHI Magnesita estimates that output from its customers in the region reduced by 6%, compared to the 2% decline in sales volumes. The Group continues to build out its product offering and secured agreements with three additional tap hole clay customers during the year. In the electric arc furnace segment, a contract for refractory supply including an automated robotic solution for gunning repair was awarded in Canada, by a large customer converting to EAF from BOF steel production. Other robotics contracts were awarded in the US, including multiple new tundish cage solutions.

Industrial sales volumes saw greater variation across segments with a weak Cement & Lime result more than offset by strong trading in Glass and Industrial applications, resulting in an overall increase in sales volumes of 1%. Higher pricing in Non-ferrous metals and reduced input costs were the key drivers of the increase in Industrial Gross margin to 31.7% (2023: 27.0%). Cement and concrete production in the US reduced by 8% and was the main driver of a 13% reduction in Cement & Lime refractory sales volumes. The Group continued to expand its offering to a broader range of customers and was awarded a contract for aluminium furnace design and refractory supply, the first of its kind in the region.

Inventory management was a key focus to minimise working capital and finished goods inventories were successfully reduced despite falling customer demand over the year. PIFOT and net promoter scores in customer surveys remained close to all-time highs.

The integration of Seven Refractories' US sites is largely complete, with a new tap hole clay line now commissioned at Plant Huron. RHI Magnesita agreed to acquire US based Resco in April 2024 and the acquisition completed in January 2025. The integration of Resco into the Group's North American business and the realisation of planned synergies will now be the primary focus for regional leadership.

The US increased its recycling rate to a new high of 14.2% (2023: 8.3%). New health and safety reporting structures and a 'stop work' system were implemented at the Pevely and York plants.

India, West Asia & Africa

Revenues in the India, West Asia & Africa region decreased by 2% to €744 million (2023: €762 million) or by 2% in constant currency, as a 4% increase in sales volumes was offset by a 6% decline in average pricing due to increased competition and product mix changes. Base business sales volumes, excluding the full year contribution from 2023 M&A, increased by 2% with similar pricing pressure and mix impacts.

Gross profit reduced by 17% to €155 million (2023: €187 million) as gross margins reduced to 20.8% (2023: 24.5%), caused by the 6% reduction in average pricing on relatively stable unit costs.

Steel revenues decreased by 7% to €541 million (2023: €582 million) with a 1% increase in sales volumes offset by an 8% decrease in prices, as the full effect of pricing pressure fell on the Steel segment whilst Industrial pricing was stable. The

main cause of pricing pressure in Steel was the impact of surplus low-priced imports from China entering the Indian market due to weakening demand in China. Steel gross margins compressed to 19.2% from 22.8% in 2023, mostly as a result of competitive pricing pressure, which outweighed the benefit of a 4% improvement in unit costs.

Domestic steel production in India grew by 6% in 2024 according to WSA data, however imports from China and Vietnam increased to partially satisfy growth in local demand. In India the Group remains well positioned to benefit from new DRI, blast furnace and coke oven projects under construction and customers have reacted positively to the growth strategy in iron making, DRI furnace refractories and pellet production. In the Middle East some new steel projects were postponed due to current unfavourable market conditions but this was offset by new business growth in induction and reheating furnaces in Iraq, Saudi Arabia, Libya and Africa. The Group secured three new solutions contracts in India and three in the Middle East, alongside two contract renewals outside India.

Industrial revenues increased by 13% to €203 million (2023: €180 million) reflecting a 13% increase in sales volumes on stable pricing. The main driver of the increase in revenues was the Cement & Lime segment, where sales volumes increased by 15% and revenue by 17%, with new demand coming from greenfield and brownfield cement projects in India and North Africa. Non-ferrous metals, the second largest segment in the region by revenue and gross profits, saw a 22% decrease in sales volumes offset by 18% higher pricing, translating to an overall 9% decrease in revenues.

Industrial gross margin decreased to 24.9% (2023: 30.3%) as costs increased by 7%, mainly due to high prices for alumina-based raw materials and a change in product mix towards alumina-based refractory sales. Margins improved in Non-ferrous metals and Glass but declined in Cement & Lime and Industrial Applications.

Capacity utilisation remained at a low level, with space to grow in line with forecast customer demand increases. One plant at Bhilai was closed and production transferred to Rajgangpur, in line with the M&A integration strategy. Supply chain reliability and efficiency was good throughout the year.

South America

Revenues in South America decreased by 9% to €473 million (2023: €522 million) or by 6% in constant currency terms, as shipped volumes reduced by 3% and pricing declined by 7%. Gross profit reduced by 3% to €142 million (2023: €146 million) supported by an increase in Gross margin to 30.0% (2023: 28.0%), driven by lower input costs.

Steel revenues decreased by 8% to €362 million (2023: €393 million) driven by a 1% decline in shipped volumes and 7% lower average pricing. The decline in sales volumes was slightly below the movement in steel production for the region, which increased by 0.6% in 2024 according to WSA data. Steel gross margin increased to 28.5% (2023: 24.5%) as the impact from lower pricing was more than offset by an 11% improvement in unit costs. New long-term contracts were signed with key customers and revenue derived from long-term contracts increased to 70% of the total for the region in 2024.

Industrial revenues decreased by 13% to €112 million, with a 6% decline in sales volumes and 7% lower average price per tonne. Volume decline was most pronounced in the Non-ferrous metals segment, with no new greenfield projects occurring during 2024 against a strong comparative in 2023. Pricing weakness was most evident in Cement & Lime.

Industrial segment Gross margins reduced to 35.2% (2023: 38.7%) as the 7% decline in average pricing was only partially offset by 2% lower costs.

During the year the Brumado rotary kiln project was completed and ramped up production. The project will reduce costs and increase operational flexibility considerably at this strategically important and globally significant raw material site.

A write down of assets in Brazil of €29 million connected to the completion of the Resco transaction has been recognised in the 2024 financial results, reflecting the network optimisation which will result in transfer of production capacity into the US.

China & East Asia

Revenues in China & East Asia increased by 2% to €426 million (2023: €418 million) as strong sales volumes in Steel offset volume decline and lower pricing in the Industrial segment. Excluding the contribution from M&A, revenues in the base business declined by 8%, mainly due to lower pricing and 2% lower shipped volumes. Gross margins were stable at 21.0% (2023: 21.0%) as pricing pressure was matched by reduced input costs. Gross profit increased slightly to €89 million (2023: €88 million) reflecting the revenue increase and stable margins.

Steel refractory sales volumes excluding M&A increased by 5%, representing a strong relative performance compared to WSA data for China which indicates a 1.7% decline in steel output in 2024. Shipped volumes of refractories in East Asia excluding M&A increased by 6%, also outpacing overall steel output growth in the region although this was largely due to the restart of a key customer site that had been suspended in 2023.

Industrial sales volumes decreased by 5% driven by weaker demand in construction and reduced consumption of glass refractories, partially offset by robust Non-ferrous metal demand in China. Lower pricing resulted in Industrial revenue decline of 9%, as weak Cement & Lime results were offset by strong demand for Non-ferrous metals refractories in China. Industrial gross margin in the region reduced to 27.3% (2023: 28.0%) as price weakness outpaced the reduction in input costs.

The Group's priority in its China & East Asia business continues to be a sustainable increase in margins to levels that are closer to the average for the Group worldwide. The Group's strategy is to focus on higher value-added products and services to differentiate against lower quality competing suppliers.

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 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 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	2024	2023
Adjusted operating cash flow (APM)	419	418
Capital expenditure ¹	145	180
Income Taxes paid ¹	(69)	(60)
Other income/expenses and restructuring items ¹	(62)	(33)
Net cash flow from operating activities¹	433	505

1. As reflected in the Consolidated Statement of Cash Flows

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	2024	2023
Cash and cash equivalents ¹	576	704
Revolving credit facility	600	600
Syndicated term loan	200	0
Liquidity	1,376	1,304

1. As reflected in the Consolidated Statement of Financial Position

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 33 to the Consolidated Financial Statements.

€m	2024	2023
Cash changes in Net debt	80	(41)
Proceeds from borrowings ¹	14	336
Repayment of borrowings ¹	(174)	(16)
Change in current borrowings ¹	(41)	(63)
Repayment of lease obligations ¹	(20)	(20)
Cash inflow from financial assets ¹	11	0
Change in cash and cash equivalents¹	(130)	196

1. As reflected in the 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	2024	2023
Inventories (Note 21)	962	1,001
Trade receivables (Note 22)	530	538
Contract assets (Note 22)	3	4
Contract liabilities (Note 31)	(59)	(65)
Accounts receivable	474	477
 Trade payables (Note 31)	 (572)	 (498)
 Total working capital	 864	 980

Return on invested capital ("ROIC")

ROIC reflects the annualised return on invested capital of the Group. ROIC is calculated as NOPAT (net operating profit after tax) divided by average invested capital of the year.

€m	2024	2023
Revenue¹	3,487	3,572
Cost of sales ¹	(2,639)	(2,715)
Selling and marketing expenses ¹	(131)	(153)
General and administrative expenses ¹	(350)	(339)
Income taxes paid ²	(69)	(60)
NOPAT	298	305
€m	2024	2023
Goodwill ³	342	339
Other intangible assets ³	417	470
Property, plant and equipment ³	1,285	1,360
Investments in joint ventures and associates ³	7	6
Other non-current assets ³	76	37
Deferred tax assets ³	152	152
Inventories ³	962	1,001
Trade and other receivables ³	660	681
Income tax receivables ³	40	43
Deferred tax liabilities ³	(64)	(62)
Trade and other current liabilities ³	(843)	(820)
Income tax liabilities ³	(29)	(51)
Current provisions ³	(43)	(34)
Invested capital	2,962	3,122
Average invested capital	3,043	2,854
Return on invested capital⁴	9.8%	10.7%

1. As reflected in the Consolidated Statement of Profit and Loss

2. As reflected in the Consolidated Statement of Cash Flows

3. As reflected in the Consolidated Statement of Financial Position

GLOSSARY

CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIS	Commonwealth of Independent States
CO₂	Carbon dioxide
CoGS	Cost of Goods Sold
DBM	Dead Burned Magnesia
EAF	Electric Arc Furnace
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
EU	European Union
dss+	A leading provider of operations management consulting services with the purpose of saving lives and creating a sustainable future
FX	Foreign Exchange
IFRS	International Financial Reporting Standards
Jinan New Emei	Jinan New Emei Industries Co. Ltd
Mt	Metric Tons
M&A	Mergers and Acquisitions
NOPAT	Net Operating Profit After Tax
OCF	Operating Cash Flow
Oberhausen provision	Unfavourable contract required to satisfy EU remedies at the time of the combination of RHI and Magnesita to form RHI Magnesita

OIE	Other Income and Expenses
P-D Refractories	P-D Refractories CZ a.s.
PIFOT	Process In Full On Time
Process Industries	Customers operating in the Glass, Environment, Energy, Chemicals, Foundry and Aluminium Industries
Refrattari Trezzi	Refrattari Trezzi S.r.l.,
Resco	Resco Group
ROIC	Return On Invested Capital
Seven Refractories	Seven Refractories d.o.o.
SG&A	Selling, General and Administrative Expenses
SÖRMAŞ	Sögüt Refrakter Malzemeleri Anonim Şirketi
UK	United Kingdom
US	United States of America
WSA	World Steel Association

Consolidated Financial Statements 2024

Consolidated Statement of Profit or Loss

for the year ended 31 December 2024

in € million	Note	2024	2023
Revenue	(5)	3,487	3,572
Cost of sales	(5)	(2,639)	(2,715)
Gross profit		848	857
Selling and marketing expenses		(131)	(153)
General and administrative expenses		(350)	(339)
Restructuring	(6)	(24)	(20)
Other income	(7)	38	27

Other expenses	(8)	(139)	(39)
EBIT		242	333
Interest income	(11)	22	20
Interest expenses on borrowings		(61)	(58)
Net income/(expense) on foreign exchange effects	(12)	11	(30)
Other net financial expenses	(13)	(14)	(32)
Net finance costs		(42)	(100)
Profit before income tax		200	233
Income tax	(14)	(46)	(62)
Profit after income tax		154	171
RHI Magnesita N.V. shareholders		142	165
Non-controlling interests	(26)	12	6
in €			
Earnings per share - basic	(15)	3.01	3.50
Earnings per share - diluted	(15)	2.94	3.42

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

in € million	Note	2024	2023
Profit after income tax		154	171
Currency translation differences			
Unrealised results from currency translation		(94)	(33)
Deferred taxes thereon	(14)	17	0
Reclassification to profit or loss		(8)	0
Cash flow hedges and costs of hedging			
Unrealised fair value changes	(35)	27	(25)
Reclassification to profit or loss		(18)	(10)
Deferred taxes thereon	(14)	(2)	8
Remeasurement of investments in debt instruments			
Unrealised fair value changes		(5)	0
Reclassification to profit or loss		5	0
Items that may be reclassified to profit or loss in later periods		(78)	(60)
Remeasurement of defined benefit plans			
Remeasurement of defined benefit plans	(29)	24	(22)
Deferred taxes thereon	(14)	(8)	6
Items that are not reclassified to profit or loss in later periods		16	(16)

Other comprehensive (loss)/income after income tax	(62)	(76)
Total comprehensive income	92	95
RHI Magnesita N.V. shareholders	74	98
Non-controlling interests	(26)	18
		(3)

Consolidated Statement of Financial Position

as at 31 December 2024

in € million	Note	31.12.2024	31.12.2023
ASSETS			
Non-current assets			
Goodwill	(17)	342	339
Other intangible assets	(18)	417	470
Property, plant and equipment	(19)	1,285	1,360
Investments in joint ventures and associates		7	6
Other financial assets	(34)	42	43
Other assets	(20)	76	37
Deferred tax assets	(14)	152	152
		2,321	2,407
Current assets			
Inventories	(21)	962	1,001
Trade and other receivables	(22)	660	681
Income tax receivables	(14)	40	43
Other financial assets	(34)	17	14
Cash and cash equivalents	(23)	576	704
		2,255	2,443
		4,576	4,850
EQUITY AND LIABILITIES			
Equity			
Share capital	(24)	50	50
Group reserves	(25)	1,152	1,152
Equity attributable to shareholders of RHI Magnesita N.V.		1,202	1,202

Non-controlling interests	(26)	170	162
		1,372	1,364
Non-current liabilities			
Borrowings	(27)	1,474	1,800
Other financial liabilities	(28)	112	133
Deferred tax liabilities	(14)	64	62
Net employee defined benefit liabilities	(29)	257	297
Provisions	(30)	71	92
Other liabilities		8	7
		1,986	2,391
Current liabilities			
Borrowings	(27)	276	149
Other financial liabilities	(28)	27	41
Trade payables and other liabilities	(31)	843	820
Income tax liabilities	(14)	29	51
Provisions	(30)	43	34
		1,218	1,095
		4,576	4,850

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

in € million	Note	2024	2023
Cash generated from operations	(32)	502	565
Income tax paid less refunds		(69)	(60)
Net cash flow from operating activities		433	505
Investments in property, plant and equipment and intangible assets	(145)	(180)	
Investments in subsidiaries net of cash acquired	(7)	(313)	
Cash inflows from the sale of property, plant and equipment	16	4	
(Cash outflows) from investments in financial assets	(27)	(14)	
Cash inflows from the sale of financial assets	30	0	
Dividends received from non-consolidated entities	1	0	
Investment subsidies received	2	2	
Prepayments related to the acquisition of Resco Group	(44)	0	
Interest received	20	19	
Net cash used in investing activities	(154)	(482)	
Payment for share issue costs in subsidiary	0	(3)	
Proceeds from share issue in subsidiary	0	100	
Acquisition of non-controlling interests	(6)	(8)	

Dividends paid to RHI Magnesita N.V. shareholders	(87)	(77)
Dividend paid to non-controlling interests	(3)	(3)
Proceeds from long-term financing	14	336
Repayments of long-term financing	(174)	(16)
Changes in current borrowings and financial liabilities to associates	(41)	(61)
Interest payments	(89)	(73)
Repayment of lease obligations	(20)	(20)
Interest payments from lease obligations	(3)	(2)
<u>Net cash (used in)/provided by financing activities</u>	<u>(33)</u>	<u>(409)</u>
<u>Change in cash and cash equivalents</u>	<u>(130)</u>	<u>196</u>
Cash and cash equivalents at beginning of period	704	521
Reclassification of Cash and Cash equivalents	(23)	0
Foreign exchange impact		2
<u>Cash and cash equivalents at end of period</u>	<u>(23)</u>	<u>576</u>
		704

Consolidated Statement of Changes in Equity
for the year ended 31 December 2024

Accumulated other con

in € million	Share capital	Treasury shares	Additional paid-in capital	Mandatory reserve	Retained earnings	Cash flow hedges and costs of hedging	Defined benefit plans	Curr transl
Note	(24)	(25)	(25)	(25)	(25)	(25)	(25)	(25)
31.12.2023	50	(111)	361	289	872	6	(102)	1
Profit after income tax	-	-	-	-	142	-	-	-
Currency translation differences	-	-	-	-	-	-	-	-
Cash flow hedges and costs of hedging	-	-	-	-	-	7	-	-
Defined benefit plans	-	-	-	-	-	-	16	-
Other comprehensive income after income tax	-	-	-	-	-	7	16	-
Total comprehensive income	-	-	-	-	142	7	16	-
Dividends	-	-	-	-	(87)	-	-	-
Share transfer/vested LTIP	-	3	-	-	(3)	-	-	-
Other changes ¹⁾	-	-	-	-	5	-	-	-
Share-based payment expenses	-	-	-	-	9	-	-	-
Hedging gains and losses included in the initial cost of inventory purchased in the reporting period	-	-	-	-	-	(1)	-	-
	-	3	-	-	(76)	(1)	-	-
31.12.2024	50	(108)	361	289	938	12	(86)	1

1) This mainly comprises the effects of the acquisition of non-controlling interests of Seven Refractories' Group and P-D-Refractories as well as the final adjustments to the purchase price allocations of Seven Refractories' Group and P-D Refractories, both completed in 2024.

in € million	Group reserves										
	Share capital	Treasury shares	Additional paid-in capital	Mandatory reserve	Retained earnings	Cash flow hedges	Defined benefit plans	Currency translation	Equity attributable to shareholders of RHI Magnesita N.V.	Non-controlling interests	To equ
Note	(24)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(26)	(26)	
31.12.2022	50	(116)	361	289	620	32	(86)	(148)	1,002	47	1,002
Profit after income tax	-	-	-	-	165	-	-	-	165	6	161
Currency translation	-	-	-	-	-	-	-	(24)	(24)	(9)	(9)

differences											
Cash flow hedges	-	-	-	-	-	(27)	-	-	(27)	-	(27)
Defined benefit plans	-	-	-	-	-	-	(16)	-	(16)	-	(16)
Other comprehensive income after income tax	-	-	-	-	-	(27)	(16)	(24)	(67)	(9)	(10)
Total comprehensive income	-	-	-	-	165	(27)	(16)	(24)	98	(3)	(10)
Hedging gains and losses and costs of hedging transferred to the carrying value of inventory purchased during the year	-	-	-	-	-	1	-	-	1	-	-
Dividends	-	-	-	-	(78)	-	-	-	(78)	(3)	(8)
Share transfer/vested LTIP	-	5	-	-	(5)	-	-	-	-	-	-
Additions to consolidated companies and change of non-controlling interests without a change of control	-	-	-	-	148	-	-	-	148	54	2
Change of non-controlling interests without a change of control	-	-	-	-	36	-	-	-	36	64	1
Change of non-controlling interests without a change of control	-	-	-	-	3	-	-	-	3	(3)	(3)
Change of non-controlling interests without a	-	-	-	-	(3)	-	-	-	(3)	(4)	(4)

change of control									9	9	-
Hyperinflation adjustment	-	-	-	-	-	-	-	-	9	9	-
Other changes ¹⁾	-	-	-	-	(23)	-	-	-	(23)	10	(1)
Share-based payment expenses	-	-	-	-	9	-	-	-	9	-	-
	-	5	-	-	87	1	-	9	102	118	2
31.12.2023	50	(111)	361	289	872	6	(102)	(163)	1,202	162	1,3

- 1) Mainly relating to the recognition of the financial liability and derecognition of the non-controlling interests related to the acquisition of Jinan New Emei, the recognition of the non-controlling interests related to the acquisition of Seven Refractories Group as well as P-D Group and the impacts of the fair value changes resulting from the completion of purchase price allocation related to the acquisition of Sörماş.

Notes to the Consolidated Financial Statements 2024

¹⁾ Authorisation of Consolidated Financial Statements and Statement of Compliance with the IFRS Accounting Standards

The Consolidated Financial Statements of RHI Magnesita N.V. and its subsidiaries (collectively referred to as "RHI Magnesita" or "the Group") for the year ended 31 December 2024 were approved and authorised for issue by the Board of Directors on 26 February 2025 and will be submitted for adoption to the Annual General Meeting ("AGM") in May 2025. RHI Magnesita 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 Group is a global industrial group whose core activities include the development and production, sale, installation and maintenance of high-grade refractory products and systems used in industrial high-temperature processes exceeding 1,200°C.

Basis for preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union. The Consolidated Financial Statements also comply with the financial reporting requirements included in Title 9 of Book 2 of the Dutch Civil Code.

The accounting policies that follow have been consistently applied to all years presented, except where otherwise indicated. With the exception of specific items such as derivative financial instruments, plan assets for defined benefit obligations, financial assets measured at Fair Value through Profit or Loss (FVPL) or Other Comprehensive Income (FVOCI) and financial liabilities measured at FVPL, the Consolidated Financial Statements are prepared on a historical cost basis.

Certain comparative figures in the Consolidated Financial Statements and accompanying Notes have been revised to conform to the current year presentation as a result of certain improvements in presentation. These improvements include:

- Presentation of defined employee benefit liabilities in the Consolidated Statement of Financial Position in a single line item labelled 'net employee defined benefit liabilities'. Previously, these were presented in separate line items, namely 'provisions for pensions' and 'other personnel provisions'.
- Presentation of the effects of translating the financial statements of foreign operations and subsidiaries with a functional currency other than the Euro into the Group's presentation currency in the Consolidated Statement of Comprehensive Income in a single line item. Previously, these were presented in separate line items, namely 'unrealised results from currency translation' and 'unrealised results from net investment hedge and foreign operations'.
- Purchased emission rights which represent the permission to emit specified tons of carbon dioxide (CO₂) in a specified time period have been reclassified to Inventories in the Consolidated Statement of Financial Position. Previously, these were presented as trade and other current receivables. Due to this reclassification the comparative figure for inventories increased by €5 million and the comparative figure for trade and other current receivables decreased by the same amount.
- Realised gains and losses from settled foreign currency forward contracts have been reclassified to the cash flow from operating activities in the Consolidated Statement of Cash Flows. Previously, these were presented as part of the cash flow from financing activities. Due to this reclassification, the comparative figure for cash flow from financing activities decreased by €5 million and the comparative figure for cash flow from operating activities increased by the same amount.
- The number of reportable segments increased from two to five and the disclosures were extended to match the new segment reporting structure. Refer to Note (5) for further details.

The financial year of RHI Magnesita N.V. and the Group corresponds to the calendar year. Subsidiaries with a financial year different to the Group, due to local legal requirements, provide financial information to allow consolidation consistent with the Group's financial year. The Consolidated Financial Statements are presented in Euros, and all values are rounded to the nearest € million, except where otherwise indicated. The Group has availed of the exemption provided by section 264 paragraph 3 HGB of the German Commercial Code for the following entities: RHI Urmitz AG & Co. KG (Mülheim-Kärlich), RHI Magnesita Sales Germany GmbH (Wiesbaden), RHI Refractories Site Services GmbH (Wiesbaden), RHI Magnesita Deutschland AG (Wiesbaden), RHI Magnesita Wetro GmbH (Puschwitz) and RHI Magnesita Bochum GmbH (Bochum). According to this provision, the mentioned companies are exempt from preparing statutory financial statements, where required by the German Commercial Code, since they are included in the Consolidated Financial Statements of the Group.

Basis of consolidation

The Consolidated Financial Statements consolidate the Financial Statements of RHI Magnesita N.V. and its subsidiaries. Subsidiaries are consolidated from the date on which the Group obtains control, including when control is obtained via potential voting rights, and

continue to be consolidated until the date that control ceases.

The financial information of subsidiaries is prepared for the same reporting year as the parent company, using consistent accounting policies. When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the Statement of Profit or Loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income (OCI) in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This treatment may mean that amounts previously recognised in OCI are recycled through the Statement of Profit or Loss. Intercompany balances and transactions, including unrealised profits arising from intragroup transactions, are eliminated in full. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to the Group's shareholders.

Please refer to the Company Financial Statements of RHI Magnesita N.V. for a list of the Company's subsidiaries, joint ventures and associates in which it holds more than 20%. Please refer to page 304 for more detail.

Going concern

In considering the appropriateness of adopting the going concern basis in preparing the Consolidated Financial Statements, the Directors have assessed the potential cash generation of the Group and considered a range of downside scenarios that model different degrees of potential economic downturn, using the same model performed for the viability assessment. This assessment covers at least 12 months from the date of approval of the Consolidated 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 financial debt covenant of the Group's principal borrowing facilities. Further mitigating actions within management control would be undertaken in such scenarios, including but not limited to: working capital and SG&A reduction, deferring capital expenditure, or reducing or cancelling the dividend, but these were not incorporated in the downside modelling.

The Directors have also considered the Group's current liquidity and available facilities. As of 31 December 2024, the Consolidated Statement of Financial Position reflects cash and cash equivalents of €576 million (2023: €704 million). In addition, the Group has access to a €600 million (2023: €600 million) Revolving Credit Facility (RCF), which is currently undrawn and not relied upon for the purpose of the going concern assessment. In 2024 and the previous reporting period, the Group complied with the financial covenant of the Group's principal borrowing facilities (refer to Note (27)).

In 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 Consolidated Financial Statements for the period ended 31 December 2024.

2. Impact of new financial reporting standards and interpretations

Management has assessed the impact of new or amended IFRS Accounting Standards as adopted by the European Union effective on or after 1 January 2024. Except for the amendments to IAS 7 and IFRS 7 including new disclosure requirements for the Group's existing liabilities related to supplier finance arrangements and their effects on the Group's liabilities, cash flows and exposure to liquidity risk, management assessed that the application of these has not had a material impact on the Consolidated Financial Statements for 2024. Refer to Note (31) for the new disclosures on the Group's existing supplier finance arrangements.

Furthermore, management has assessed the impact of new or amended IFRS Accounting Standards issued by the IASB that have not yet become effective. No new or amended IFRS Accounting Standards have been adopted early. Except for newly issued IFRS 18, the potential impact of which is currently being assessed, management does not anticipate any significant impact on the Consolidated Financial Statements in the period of initial application after the adoption of these amendments.

IFRS 18 'Presentation and Disclosure of Financial Statements' was published in April 2024 with the aim to enhance comparability of financial statements. The key changes introduced by IFRS 18 relate to the structure of the Consolidated Statement of Profit or Loss, disclosures related to management-defined performance measures (MPMs), aggregation and disaggregation of information disclosed in

the Notes and minor changes in the Consolidated Statement of Cash Flows. IFRS 18 will replace existing guidance in IAS 1 'Presentation of Financial Statements' and some of the guidance in IAS 7 'Statement of Cash Flows'. IFRS 18 becomes effective for financial years beginning on or after January 1, 2027. European Union endorsement is still pending.

IFRS 18 introduces a defined structure for the Consolidated Statement of Profit or Loss including five categories, namely operating, investing, financing, income tax and discontinued operations. Entities are required to classify their expenses and income to these categories mainly based on the main business activities and additional guidance provided by IFRS 18. In addition, according to IFRS 18 two subtotals must be presented on the face of the Consolidated Statement of Profit or Loss after the first two categories (i.e. operating profit or loss and profit or loss before financing and income tax).

IFRS 18 stipulates new disclosure requirements related to alternative performance measures that meet the definition of MPMs according to IFRS 18. According to the new guidance, disclosures related to MPMs include, but are not limited to, a reconciliation from the MPMs to the most directly comparable IFRS 18 specific subtotal or total presented in the Consolidated Statement of Profit or Loss need to be disclosed in a single note within the Notes.

A review of the impact of IFRS 18 is being undertaken, and the impact of adopting the standard will be determined once this review has been completed. In particular the classification of expenses and income to the five P&L categories and the introduction of (new) subtotals will require an assessment at general ledger account level per legal entity. In addition, the impact of the MPM related disclosures requires an assessment of which of the Group's alternative performance measures meet the definition of MPMs according to IFRS 18 and how they can be reconciled to the most comparable IFRS 18 specific total or subtotal. Therefore, the impact of adopting IFRS 18 cannot be reliably estimated until this work is substantially complete.

3. Significant Accounting Policies, Judgements and Estimates

Business combinations

Business combinations are accounted for using the acquisition method. The identifiable assets acquired, and liabilities assumed, including any contingent consideration, are recognised at their fair values at the acquisition date. The amount of the purchase consideration and value of non-controlling interest on acquisition, if any, above the fair value of assets and liabilities is recognised as goodwill. A bargain purchase gain, if any, is recognised within other income immediately. Transaction costs related to a business combination are expensed as incurred. The acquisition of a non-controlling interest in a subsidiary and the sale of an interest are accounted for as transactions within equity unless they result in the loss of control. Sales of interests accounted for as equity transactions also include share issues in subsidiaries which dilute RHI Magnesita N.V.'s share in the subsidiary's net assets and where the dilution does not result in the loss of control. The difference between the purchase consideration or sale proceeds after tax and the relevant proportion of the non-controlling interest, measured by reference to the carrying amount of the interest's net assets at the date of acquisition or sale, is recognised in retained earnings as a movement in equity attributable to the shareholders of RHI Magnesita N.V.

Where the Group acquires less than 100% of shares in a business combination, there is an accounting policy choice whereby non-controlling interest is either reflected at the proportionate share of the acquired identifiable net assets (excluding goodwill) or at fair value. This accounting policy choice can be exercised individually for each acquisition. If a non-wholly owned subsidiary of RHI Magnesita N.V. is the deemed acquirer in a business combination, goodwill is measured either as the excess of the full consideration transferred plus non-controlling interests, if any, over the acquired identifiable net assets or as the excess of RHI Magnesita N.V.'s share in the consideration transferred plus non-controlling interests, if any, over the acquired identifiable net assets. This accounting policy choice can be exercised individually for each acquisition too. For business combinations achieved in stages, the Group's previously held equity interest is remeasured to fair value at the acquisition date. Any gains and losses arising from such remeasurement are recognised in profit or loss.

Net assets of subsidiaries not attributable to the shareholders of RHI Magnesita N.V. are shown separately in equity as non-controlling interests.

As part of a business acquisition or subsequently, the Group may enter into agreements with non-controlling interests in the form of a call option, a put option or a forward contract to acquire the outstanding shares. A call option provides the Group with the right to acquire the outstanding shares not already owned, while a written put option allows the non-controlling interest to sell their shares to the Group. A forward contract creates a commitment for the Group to purchase and for the non-controlling interest to sell the outstanding shares at a later date. The option or forward price may be based on an earnings multiple such as EBITDA subject to contractual limits, if any, or may be fixed and exercisable at a future date. A financial liability is recognised on the written put option or forward contract at the present

value of the estimated redemption amount. Where the option is assessed to result in the non-controlling interest transferring the risks and rewards of ownership to the Group, on acquisition, the financial liability forms part of the purchase consideration with no value assigned to non-controlling interests. For fixed price call and put options or fixed price forward contracts, the risks and rewards of ownership relating to the outstanding shares are assumed to have transferred to the Group.

Where the risks and rewards of ownership under the option or forward contract are not transferred to the Group, the financial liability is not considered as part of the purchase consideration and a non-controlling interest is recognised on acquisition. The financial liability is initially recognised against equity attributable to shareholders of RHI Magnesita N.V. Subsequently, the Group derecognises the non-controlling interest to the extent that it is equal or less than the financial liability, against equity attributable to shareholders of RHI Magnesita N.V.

The subsequent measurement of the financial liability is conditional on the nature of the underlying cash consideration. If the option or forward contract will be settled at a fixed cash consideration, the financial liability is subsequently measured at amortised cost. If the option or forward contract will be settled at a variable cash consideration (e.g. EBITDA multiple or similar profit or loss measures) the financial liability is subsequently measured at FVPL. Fair value changes resulting from the remeasurement of the financial liability are reflected within other net financial expenses.

If a financial liability is recognised for an option or a forward contract over outstanding shares, dividends paid to non-controlling interest are reflected as an expense within other net financial expenses unless there is a contractual right to reduce the financial liability. Dividend payments to non-controlling interest without such a financial liability reduce the non-controlling interests presented in equity without impacting the Consolidated Statement of Profit or Loss.

Goodwill may also arise upon investments in joint ventures and associates, being the surplus of the cost of investment over the Group's share of the net fair value of the identifiable net assets. Any such goodwill is recorded within the corresponding investment in joint ventures and associates.

Significant judgement: Control over Horn & Co Minerals Recovery

At the end of the reporting period, the Group holds a 55.0% interest in Horn & Co Minerals Recovery ("Mireco"). The Group assessed its respective shareholding rights and power to control in terms of the purchase agreements, founding documents of Mireco and relevant corporate laws. Based on this assessment, the Group determined that it controls Mireco and consolidated it from the date of control. The Group exercises control over Mireco as it has the power to steer the relevant activities of the business and can use this power to affect the variable returns that it is exposed to. In determining that the Group controls Mireco, judgement is applied which takes into account the Group's voting rights, management representation and the governance structure of Mireco. Control is achieved above all through the Group's voting rights and the resulting influence on directing the relevant activities of the business.

Goodwill and Other intangible assets

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill recognised as an asset is reviewed for impairment at least annually.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets

Mining rights

Mining rights were recognised in the course of the purchase price allocation for former Magnesita Group and are amortised based on the depletion of the related mines. Depletion is calculated based on the volume mined in the period in proportion to the total estimated economically viable volume.

Customer relationships

Customer relationships arise from the acquisition of business and are measured at assigned fair values on acquisition, less accumulated amortisation and impairments. These intangibles are amortised on a straight-line basis over their expected useful lives.

Development costs

Research costs are expensed in the year incurred and included in general and administrative expenses. Development costs, including internally developed software controlled by the Group, are only capitalised as internally generated intangible assets if the costs can be measured reliably and are expected to result in future economic benefits either through use or sale. Capitalisation will also only arise when the product or process development can be clearly defined and is feasible in technical, economic and capacity terms. For internally developed software controlled by the Group, costs are capitalised when these can be directly and conclusively allocated to individual programmes and represent a significant extension or improvement on existing software. All other internally developed software costs are expensed. Development costs are amortised on a straight-line basis over their expected useful lives of up to ten years, with internally developed software amortised over a period of up to four years. Amortisation is recognised in cost of sales.

Other intangible assets

These mainly represent purchased third-party software controlled by the Group, land-use rights and patent fees and are recognised when future associated economic benefits are expected to accrue to the Group. These intangibles are initially measured at their acquisition cost and amortised over their expected useful lives.

Where the Group does not have control of cloud-based third-party software, the configuration and customisation costs as well as the recurring service subscription fee are typically expensed in the reporting period the services are received.

The useful lives of the Group's main classes of intangible assets are:

Customer relationships	6 to 20 years
Internally generated intangible assets	4 to 18 years
Other intangible assets	4 to 65 years

The useful economic lives of intangible assets are reviewed regularly and adjusted if necessary.

The carrying values of other intangible assets are assessed at each reporting period for indicators of impairments. See below for the accounting policy relating to impairment of non-current assets other than goodwill and intangible assets with indefinite useful life.

Property, plant and equipment

Property, plant and equipment is measured at acquisition or construction cost, less accumulated depreciation and accumulated impairment losses. These assets are depreciated on a straight-line basis over their expected useful life to their estimated residual values, if any, and from when they are available for use in the manner intended by management.

Construction costs of assets comprise direct costs as well as a proportionate share of capitalisable overhead costs and borrowing costs. If borrowed funds are directly attributable to an investment, borrowing costs are capitalised as a cost of the assets. If no direct connection between an investment and borrowed funds can be demonstrated, the weighted average rate on borrowed capital of the Group amounting to 2.95% (2023: 3.07%) is used as the capitalisation rate due to the central funding of the Group.

Expected demolition and disposal costs at the end of an asset's useful life are capitalised as part of its acquisition cost and recorded as a provision. The recognition criteria are: (i) a legal or constructive obligation towards a third-party and (ii) the ability to reliably estimate future cost.

Land and plant under construction are not depreciated. Depreciation of property, plant and equipment is based on the following useful lives:

Real estate, land and buildings	8 to 60 years
Technical equipment and machinery	8 to 50 years
Other plant, office equipment, furniture and fixtures	3 to 35 years

The carrying value of property, plant and equipment is assessed at each reporting period for indicators of impairments. See below for accounting policy relating to impairment of non-current assets other than goodwill and intangible assets with indefinite useful life.

The residual values and economic useful lives of property, plant and equipment, are reviewed regularly and adjusted if necessary.

When components of plant or equipment have to be replaced at regular intervals, the relevant replacement costs are capitalised when economic benefits are expected to arise for the Group. The carrying amount of the replaced components is derecognised. Regular maintenance and repair costs are expensed as incurred.

Gains or losses from the disposal of property, plant and equipment, which result from the difference between the net realisable value and the carrying amount, are recognised as income or expense in the Consolidated Statement of Profit or Loss.

Significant estimate: Useful lives of property, plant and equipment and intangible assets

Management uses its experience to estimate the remaining useful life of an asset. The actual useful life of an asset may be impacted by an unexpected event that may result in an adjustment to the carrying amount of the asset. No such events are expected to arise which would have a material impact on carrying values within 12 months from the reporting date.

Leases

A contract, or part of a contract, which conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) is accounted for as a lease. Contracts are assessed to determine whether it is or contains, a lease at inception or when the terms and conditions of a contract are significantly changed. The lease term is the non-cancellable period of a lease, together with contractual options to extend or to terminate the lease early, where it is reasonably certain that an extension option will be exercised, or a termination option will not be exercised. At the commencement of a lease contract, a right-of-use asset and a corresponding lease liability are recognised, except for low-value items or for lease terms of less than 12 months. The commencement date of a lease is the date on which the underlying asset is made available for use. The lease liability is measured at an amount equal to the present value of the lease payments during the lease term that are not paid at that date. The lease liability includes contingent rentals and variable lease payments that depend on an index, rate, or where they are fixed payments in substance.

The lease liability is remeasured when the contractual cash flows of variable lease payments change due to a change in an index or rate when the lease term changes following a reassessment. Lease payments are discounted using the interest rate implicit in the lease. If that rate is not readily available, the incremental borrowing rate is applied. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow over a similar term and similar security, the funds necessary to obtain an asset of a similar nature and value to the right-of-use asset in a similar economic environment.

In general, a corresponding right-of-use asset is recognised for an amount equal to each lease liability, adjusted by the amount of any pre-paid lease payment relating to the specific lease contract, less any lease incentives, and for any estimated restoration and removal costs.

Right of use assets are depreciated on a straight-line basis over the useful life of the leased asset or, if this is shorter, over the lease term. The depreciation on right-of-use assets is recognised in the Consolidated Statement of Profit or Loss. Right-of-use assets are assessed for impairment indicators (see accounting policy on impairment of non-current assets).

Impairment of goodwill, property, plant and equipment and other intangible assets

Goodwill

Goodwill is reviewed at least annually for impairment. Any impairment loss is recognised as an expense immediately. For the purpose of impairment testing, goodwill is allocated to the individual Cash-Generating Units (CGUs) expected to benefit from the business combination. If the recoverable amount of the CGU is less than the carrying amount of the CGU (including goodwill) allocated to it, the resulting impairment loss is applied first to the allocated goodwill and then to the other assets on a pro-rata basis of the carrying amount of each asset. Reversals of impairment losses on goodwill are not permitted.

Significant estimate: Determination of recoverable amounts of CGUs which include goodwill

Management makes use of various estimates and assumptions in determining the cash flow forecasts used to determine the recoverable amounts of CGUs to which goodwill is allocated for the annual impairment test. Key assumptions include discount rates used to discount cash flows, the perpetual annuity growth rate, projected revenue and projected EBIT margin of the associated CGU. For further details on impairment tests for CGUs which include goodwill, refer to Note (17).

Property, plant and equipment and other intangibles

Property, plant and equipment, including right-of-use assets and intangible assets are tested for impairment if there is any indication that the value of these items may be impaired. An asset is considered to be impaired if its recoverable amount is less than its carrying amount. In the Group, individual assets do not generate cash inflows independent of one another and assets are combined in CGUs, which largely generate independent cash inflows. These CGUs, which are combined in two strategic business units, Steel and Industrial, reflect the market presence and appearance and drive cash inflows. The organisational structures of the Group reflect these units. In addition to the joint management and control of the business activities in each unit, the sales know-how, the knowledge of the long-standing customer relationships or knowledge of the customer's production facilities and processes further support these units. Product knowledge is manifested in the application-oriented knowledge of chemical, physical and thermal properties of RHI Magnesita products. The services offered extend over the life cycle of products at the customer's plant, from the appropriate installation and support of optimal operations to environmentally sound disposal with the customer or sustainable reuse in the Group's production process. These factors determine cash inflow to a significant extent and consequently form the basis for the CGU structures.

The CGUs of the Steel business correspond to the operating segments Linings and Flow Control. These two CGUs are determined according to the production stages in the process of steel production. Each operating segment included in the Industrial business unit (Cement & Lime, Non-Ferrous Metals, Glass and Industrial Applications) corresponds to a separate CGU. All raw material producing facilities are combined in one CGU named Minerals. The new segment reporting structure, which is disclosed in Note (5), has not changed the composition or number of the Group's CGUs.

The recoverable amount of a CGU is defined as the higher of its fair value less costs of disposal and its value in use (present value of future cash flows). For the purpose of testing CGUs for impairment the Group determines the recoverable amount of the CGUs solely on the basis of value in use. In assessing value in use, the estimated future cash flows of the CGU in its present condition are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks, including country, specific to the CGU.

The cash flows projections used for impairment testing are based on the strategic business and financial planning model of the Group including the 2025 budget, as approved by the Board, and the Long-Term Plan covering a subsequently following four-year period. The terminal value is based on a growth rate derived from the difference of the current and the possible degree of utilisation of the assets. To forecast the CGUs' cash flows, management predicts the growth rate using external sources for the development of the customers' industries and expert assumptions, including forecasts about the regional growth of steel production and the output of the non-steel clients. Growth rates are also influenced by the development of the specific refractory consumption patterns, including technological improvements.

If the carrying amount is higher than the recoverable amount, an impairment loss equivalent to the resulting difference is recognised in the Consolidated Statement of Profit or Loss. If the reason for an impairment loss recognised in the past for property, plant and equipment or for other intangible assets ceases to exist, a reversal of the impairment is recognised in profit or loss. An impairment loss is reversed only to the extent that the CGUs' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

Significant judgement: Identification of impairment indicators related to individual assets and CGUs without goodwill

Management reviewed individual assets and CGUs without goodwill for indicators of impairment. These indicators included both external factors affecting the recoverable amounts, such as laws and regulations in specific countries and global and local economic conditions and internal factors, including but not limited to, useful lives of assets, major breakdowns or decisions to divest from certain businesses or abandon investment projects. Based on the impairment indicator review, certain impairment indicators were identified in the reporting period that led to impairment losses at the level of individual assets totalling € 42 million. Refer to Notes (6), (8), (18) and (19) for details.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In general, financial instruments can be classified to be measured subsequently at amortised cost, fair value through profit or loss or fair value through other comprehensive income. Classification of financial assets depends on the contractual terms of the cash flows as well as on the entity's business model for managing the financial assets. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are classified as amortised cost, if the contractual cash flows include solely payments of principal and interest and which are held in order to collect the contractual cash flows. If the contractual cash flows include solely payments of principal and interest, but are held to collect both the contractual cash flows and sell the financial asset, then they are classified as fair value through other comprehensive income. If the contractual cash flows do not solely include payments of principal and interest, then they are classified as fair value through profit or loss.

The Group initially recognises securities on the trading date when it becomes a party to the contractual provisions of the instruments. All other financial assets and financial liabilities are initially recognised on the date when they are originated. Financial instruments, except for trade receivables, are initially recognised at fair value. Financial assets are derecognised if the entity transfers substantially all the risks and rewards or if the entity neither transfers nor retains substantially all the risks and rewards and has not retained control. Financial liabilities are derecognised when the contractual obligations are settled, withdrawn or have expired.

Investments in debt securities are subsequently measured at fair value through profit and loss if the contractual terms of cash flows do not solely include payments of principal and interest. Otherwise, they are subsequently carried at amortised cost.

Investments in equity securities, including non-consolidated subsidiaries, are of minor importance and recognised and measured either at fair value through profit or loss, or at fair value through OCI, if the latter option was exercised.

Financial assets at amortised costs are measured by applying the effective interest method.

Significant judgement: Presentation of cash flows related to investments in and divestments of special national government bonds

The Group maintains business operations in Argentina. In 2019, the Argentinian Central Bank imposed several foreign exchange restrictions on import payments, essentially preventing the Argentinian subsidiary's ability to honour its payment obligations to suppliers outside of Argentina in the usual manner. Given a change in legislation in December 2023, Argentinian companies are now allowed to settle their previously restricted import payment obligations by purchasing U.S. dollar-denominated securities issued by the Central Bank of Argentina, also called BOPREAL bonds, which can be held to maturity, transferred or sold in the secondary market. In 2024 the Group has invested €19 million in these BOPREAL bonds all of which have been sold or transferred before the reporting date. The cash proceeds realised from the sales, amounting to €13 million, were used to settle intercompany and third-party trade

liabilities. The cash flows arising from the investment in and divestment of the BOPREAL bonds are presented within the investing category in the Consolidated Statement of Cash Flows. Judgement is applied in determining that this presentation is appropriate, by taking into account the IFRS Accounting Standard requirements to classify cash flows and the fact that each of the above transactions is a separate unit of account.

Trade and other current receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value and, depending on the business model, subsequently carried either at amortised cost minus any valuation allowances or at fair value through other comprehensive income minus any valuation allowances for expected or incurred credit losses. Irrespective of the measurement category, any impairment losses are recognised in the Consolidated Statement of Profit or Loss. Valuation allowances for expected credit losses are calculated in accordance with the simplified approach of the impairment model for financial instruments (see accounting policy on impairment of financial assets below).

The Group sells trade receivables to financial institutions in the scope of factoring arrangements on a recurring basis based on its liquidity needs. Prospectively, the extent and the specific trade receivables impacted by future sales cannot be identified. Therefore, trade receivables which qualify for a future sale under the terms of existing factoring agreements are allocated to a portfolio whose objective is collecting the contractual cash flows and selling them. These trade receivables are carried at fair value through other comprehensive income minus any valuation allowances. Whereas trade receivables which do not qualify for a future sale under the terms of existing factoring agreements are allocated to a portfolio whose only objective is to collect the contractual cash flows and are therefore carried at amortised cost minus any valuation allowances.

In factoring arrangements, trade receivables are derecognised where the Group transfers substantially all the risks and rewards associated with the financial assets. Payments received from customers following the sale are recognised in current borrowings until repaid to the factor.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, cheques received, cash at banks and short-term cash deposits with an original term of up to three months. Moreover, investments in money market funds exposed to insignificant value fluctuations due to their high credit rating and investments in short-term money market instruments that can be converted to defined cash amounts within a few days at any time, are also reflected as cash equivalents.

Borrowings

Financial liabilities include liabilities to financial institutions and other lenders and are measured at fair value less directly attributable transaction costs at initial recognition. In subsequent periods, these liabilities are measured at amortised cost applying the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged (by payment or legal release), cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. The difference in the respective carrying amounts is subsequently recognised in the Consolidated Statement of Profit or Loss, including any costs or fees.

Trade payables and other current liabilities

These liabilities are initially recognised at fair value and subsequently measured at amortised cost. The Group enables selected suppliers to participate in a variety of supplier finance arrangements which include forfaiting and other supplier finance arrangements. Supplier finance arrangements give suppliers the option to receive early payment by selling their receivables to a financial institution at a discount. The Group settles the invoice by paying the financial institution in line with the payment terms according to the supplier finance arrangements. These settlements are presented in the operating category within the Consolidated Statement of Cash Flows. Liabilities subject to supplier chain finance arrangements continue to be classified as trade payables since they represent liabilities to pay for goods

or services, are invoiced or formally agreed with the supplier and are part of the working capital used in the Group's normal operating cycle.

Derivative financial instruments and hedging activities

Derivative financial instruments not designated as hedges

Derivative contracts are used in the management of interest rate risk, commodity price risk and foreign currency risk. These derivative financial instruments, which are not designated in an effective hedging relationship, are recognised initially at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value with changes in fair value reflected in the Consolidated Statement of Profit or Loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Derivative financial instruments include forward exchange contracts and embedded derivatives in open orders denominated in a currency other than the functional currency of either contracting party, with the assessment made on a case-by-case basis at the respective forward rate on the reporting date. These forward rates are based on spot rates, including forward premiums and discounts. Unrealised valuation gains or losses and results from the realisation are recognised in the Consolidated Statement of Profit or Loss in net expense on foreign currency effects.

Forward purchase or sale arrangements for the physical delivery of non-financial assets that are entered into in line with the Group's expected purchase, sale or usage requirements ('own use') and are normally entered into to hedge the associated price risk are not recognised or measured at fair value. These forward contracts are assessed to be off-balance-sheet executory contracts due to their own use features. If the own use exemption is not met, the forward contracts will be recognised at fair value, with fair value remeasurement recorded in the Consolidated Statement of Profit or Loss.

Significant Judgement: Own use exemption on gas and power forward purchase and physical delivery CO₂-certificate forward contracts

Due to the reduction of free CO₂ emission certificates and the expected increase in CO₂ market prices, the Group hedges the associated price risk by use of physical delivery forward purchases for own use. The Group also enters into fixed price and quantity forward gas and power contracts to secure supply for its production process and reduce price volatility. The own use exemption does not require fair value recognition and measurement of the forward purchases and thus volatility in the Consolidated Statement of Profit or Loss can be avoided. The own use exemption requires contracts to be entered into and continued to be held for delivery and usage requirements of the Group. The Group settles most of these forward contracts through physical delivery and does not expect to sell any (unexpected) surplus quantities of either gas, power or CO₂ emission certificates. Management have judged that these forward purchases based on current and expected future requirements satisfy the own use exemption and have not applied fair value recognition and measurement. However, if surplus quantities of either gas, electricity or CO₂ emission certificates are expected to be sold, the corresponding forward contracts are accounted for as derivative financial instruments whose changes in fair value are recognised in the Consolidated Statement of Profit and Loss.

Derivative financial instruments designated as cash flow hedges

For derivative financial instruments which are designated as an effective cash flow hedge, hedge accounting is applied. The hedging instruments, used to hedge the underlying items, are measured at fair value with the effective part of the fair value changes recorded in OCI as an unrealised gain or loss. At the time of the realisation of the underlying transaction, the fair value changes of the hedging instrument recognised in OCI is recycled to the Consolidated Statement of Profit or Loss. Ineffective parts of the cash flow hedges are recognised immediately in the Consolidated Statement of Profit or Loss. Where the hedged item is a non-financial asset or liability, the amount accumulated in OCI is transferred to the initial carrying amount of the asset or liability. If the hedged transaction is no longer expected to take place, the accumulated amount recorded in OCI is reclassified to the Consolidated Statement of Profit or Loss. All relationships between hedging instruments and hedged items are documented, as well as risk management objectives and strategies for undertaking hedge transactions. The effectiveness of hedges is also continually assessed, and hedge accounting is discontinued when there is a change in the risk management strategy.

Impairment of financial assets

Impairment of certain financial assets is based on expected credit losses (ECL). ECL is defined as the difference between all contractual cash flows the entity is entitled under the contract and the cash flows expected to be received. The measurement of expected credit losses is generally a function of the probability of default, loss given default and the exposure at default.

Loss allowance is measured for expected credit losses on debt instruments, trade receivables and contract assets measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables and contract assets by applying the simplified approach. The ECL on these financial assets are generally estimated using a provision matrix based on the Group's historical credit loss experience for customer groups located in different geographic regions. Forward-looking information is incorporated in the determination of the applicable loss rates for trade receivables. For the Group, the general economic development of the countries in which it sells its goods and services is relevant in determining if the adjustment of the historical loss rates is necessary.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group makes use of the practical expedient for financial instruments with an 'investment grade' rating which are assumed to be of low credit risk and have no significant increase in the credit risk. Under the practical expedient, the expected credit loss is calculated using the 12-month ECL. Among other factors, the Group considers a significant increase in credit risk to have taken place when contractual payments are more than 30 days past due.

The Group assumes that a default event has occurred when trade receivables are 180 days past due unless reasonable and supportable information confirms otherwise. For those financial instruments where objective evidence of default is present, an individual assessment of ECL takes place.

Generally, financial instruments are written off when there is no reasonable expectation of recovering amounts due.

Inventories including purchased emission rights

Inventories are stated at the lower of cost or net realisable value as of the reporting date. The determination of acquisition cost of purchased materials is based on the average cost. Finished goods and work in progress are valued at fixed and variable production cost. The net realisable value is the estimated selling price in the ordinary course of business minus any estimated cost to complete and to sell the goods. Impairments due to reduced recoverability are reflected in the calculation of the net realisable value.

In 2024, some of the inputs and assumptions used in the net realisable value calculation in relation to reduced recoverability were revised resulting in lower impairments on inventories. This constitutes a change in an accounting estimate that led to a reduction in the cost of sales of €11 million and a corresponding increase in inventories in 2024 compared to the previous calculation. The impact of this change on future periods cannot be estimated reliably.

Purchased emission allowances are presented as inventory and are initially recognised at cost and subsequently measured at the lower of cost and net realisable value. The consumption of the purchased emission allowances based on the tons of CO₂ emitted is recorded as expense in the cost of sales.

Those allowances that the Group received free of charge under the respective EU trading schemes are not recognised in the Consolidated Financial Statements.

To the extent that the CO₂ emissions emitted exceed the emission cap under the free of charge and purchased emission allowances, the Group recognises a provision calculated based on the deficit of emission allowances and measured at the market price of emission

allowances prevailing at the reporting date.

Provisions

Provisions are recognised when the Group incurs a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to meet this obligation, and the amount of the obligation can be reliably estimated.

Provisions for warranties are created for individual contracts at the time of the sale of goods or after the service has been provided. The amounts of the provisions are based on the expected or actual warranty claims.

Provisions for restructuring are recognised once a detailed formal restructuring plan has been developed and announced prior to the reporting date or whose implementation was commenced prior to the reporting date.

The Group recognises provisions for demolition and disposal costs and environmental damages. The Group's facilities and its refractory, exploration and mining operations are subject to environmental and governmental laws and regulations in each of the jurisdictions in which it operates. These laws govern, among other things, reclamation or restoration of the environment in mined areas and the clean-up of contaminated properties. These provisions include the estimated demolition and disposal costs of plants and buildings as well as environmental restoration costs arising from mining activities, based on the present value of estimated cash flows of the expected costs. The estimated future costs of asset retirements are reviewed annually and adjusted, if appropriate.

A provision for an onerous or unfavourable contract is recognised when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract. Provisions are measured at the present value of the unavoidable costs of meeting the obligation under the contract which exceed the economic benefits expected to arise from that contract.

Provisions for labour and civil contingencies are recognised for all risks relating to legal proceedings that represent a probable loss. Assessment of the likelihood of loss includes an analysis of available evidence, including the opinion of internal and external legal advisors of the Group.

Provisions are measured at their discounted settlement value as of the reporting date if the discounting effect is material.

If maturities cannot be estimated, they are shown within current provisions.

Significant estimate: Measurement of other provisions

The recognition and measurement of other provisions disclosed in Note (30) are based on best estimates using the information available at the reporting date. The estimates take into account the underlying legal or constructive obligation and are performed by internal experts or, when appropriate, also by external experts. Despite the best possible assumptions and estimates, cash outflows expected at the reporting date may deviate from actual cash outflows. As soon as additional information is available, the estimates made are reviewed and provisions are also adjusted. The majority of other provisions refers to an unfavourable contract which was recognised in the course of acquiring the former Magnesita Group and is mainly based on an estimate of foregone profit margins compared to market conditions. Moreover, restructuring provisions and provisions related to the rehabilitation and restoration of the mining sites or for environmental damages are recorded within other provisions. These are subject to measurement uncertainties in terms of the estimated costs to settle the obligation, estimated term until rehabilitation and restoration, discount rate and inflation rate. Changes in these parameters may result in higher or lower provisions.

Net employee defined benefit liabilities

Provisions for post-employment benefits

Pension plans

With respect to post-employment benefits relating to pensions, a differentiation is made between defined contribution and defined benefit plans.

Defined contribution plans limit the Group's obligation to the agreed contributions to earmarked pension schemes. The contributions are expensed as incurred.

Defined benefit plans require the Group to provide agreed benefits to active and former employees and their dependents.

Pension obligations are measured using the projected unit credit method and is netted against the fair value of the plan assets, if any. If the plan assets are not sufficient to cover the obligation, the net obligation is recognised as a liability. However, if the plan assets exceed the obligations, the net surplus recognised is limited to reductions of future contribution payments to the plan and is presented as other non-current assets in the Consolidated Statement of Financial Position. The Group restricts recognition of the net surplus by applying an asset recognition ceiling where the Group does not have an unconditional right to a refund, assuming full settlement of the liabilities. Changes in the asset ceiling are recorded in OCI.

The present value of defined benefit obligations is determined separately for each plan, annually, by independent qualified actuaries. The present value of future benefits is based on the length of service, expected wage/salary developments and pension adjustments.

The expense to be recognised in a period includes current and past service costs, settlement gains and losses, interest expenses from the interest accrued on obligations, interest income from plan assets and administration costs paid from plan assets. The net interest expense is shown separately in net finance costs. All other expenses related to defined benefit plans are allocated to the costs of the relevant functional areas.

Actuarial assumptions required to calculate these obligations include the discount rate, increases in wages/salaries and pensions, retirement starting age and probability of employee turnover and actual claims. The calculation is based on local demographic parameters.

Interest rates, which are based on high-quality corporate bonds issued with comparable maturities and currencies, are applied to determine the present value of pension obligations. In countries where there is not a sufficiently liquid market for high-quality corporate bonds, the returns on government bonds are used as a basis.

The rates of increase for wages/salaries are based on an average of past years, which is also considered to be realistic for the future, while the retirement age is based on the respective statutory provisions of the country concerned.

Remeasurement gains and losses are recorded net of deferred taxes under OCI in the period incurred.

Other post-employment benefits

Other post-employment benefits include provisions for termination benefits primarily related to obligations to employees whose employment is subject to Austrian law.

Employees who joined an Austrian company before 31 December 2002 receive a one-off lump-sum termination benefit as defined by the Austrian labour legislation if the employer terminates the employment or when the employee retires. It is regarded as a post-employment benefit and classified as a defined benefit plan. The termination payment depends on the relevant salary at the time of the termination as well as the number of years of service and ranges between two and 12 monthly salaries. These defined benefit obligations are measured using the projected unit credit method applying an accumulation period of 25 years. Remeasurement gains and losses are recorded directly in OCI after considering tax effects.

For employees who joined an Austrian company after 31 December 2002, employers are required to make regular contributions equal to 1.53% of the monthly wage/salary to a statutory termination benefit scheme. The Company has no further obligations. Claims by employees to termination benefits are filed with the statutory termination benefit scheme, while the continuous contributions are treated as defined contribution plans and included in the personnel expenses of the functional areas.

Significant estimate: Pension plans and other post-employment benefits classified as defined benefit plans

The measurement of defined benefit obligation and plan assets requires use of estimates such as discount rates, mortality rates, salary increases and inflation. These estimates are reviewed and updated when a valuation is performed by third-party experts.

Further details of the estimates and assumptions together with sensitivities on changes to assumptions is reflected in Note (29). Changes in these assumptions may result in differences between cash outflows expected at the reporting date and actual cash outflows.

Other employee benefits

This includes service anniversary bonuses, payments to semi-retirees and lump-sum settlements.

Service anniversary bonuses are one-time special payments that are dependent on the employee's wage/salary and length of service. The employer is required by collective bargaining agreements or company agreements to make these payments after an employee has reached a certain number of years of uninterrupted service with the same company. Obligations are mainly related to service anniversary bonuses in Austrian and German group companies. Provisions for service anniversary bonuses are calculated based on the projected unit credit method. Remeasurement gains or losses are recorded in the personnel costs of the functional areas.

Local labour laws and other similar regulations require individual group companies to create provisions for semi-retirement obligations. The obligations are partially covered by qualified plan assets and are reported on a net basis in the Consolidated Statement of Financial Position.

Contingent liabilities

A contingent liability is disclosed, where material, if the existence of the obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. A contingent liability is not disclosed if the likelihood of a material cash outflow is considered remote. The Group's contingent liabilities are reviewed on a regular basis.

Income taxes

Income tax expense represents the sum of current tax and deferred tax.

Income tax is recognised in the Consolidated Statement of Profit or Loss, except to the extent that it relates to items recognised in OCI or directly in equity, including tax-related impacts.

Current tax is based on the taxable profit for the period and is determined in accordance with the rules applicable in the relevant jurisdictions and includes taxes relating to prior periods. The liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred tax liability arises on initial recognition of goodwill
- Where the deferred tax liability arises on the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither accounting profit nor taxable profit or loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences
- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interest in joint arrangements, where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future
- For financial instruments which were issued by subsidiaries to non-controlling interests, and which are classified as a financial liability in accordance with IFRS Accounting Standards

Deferred tax assets are recognised for deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which these can be utilised, except where the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit and loss and, at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable or increased to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred taxes of the Group's Austrian subsidiaries are determined at the corporation tax rate which is expected to be applicable when the temporary differences reverse (23.0% if the temporary difference reverses in 2025 or later). Deferred tax assets and liabilities of the Group's Brazilian subsidiaries are measured at 34.0%.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current tax assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously.

Where tax legislation may not be clear or result in uncertainty, the Group will determine its tax obligations and resulting income tax expense using an approach which it believes has a probable chance of being accepted by the tax authorities based on historical experience, legal advice and communication with the tax authorities, as appropriate. Where the Group adopts an approach to an uncertain tax position that it regards as having a less than probable chance of being accepted by the tax authorities, the income tax expense and resulting income and deferred tax balances are adjusted to reflect this uncertainty using either the most likely outcome method or the expected value method.

The global minimum top-up tax payable under the Pillar Two legislation is recognised as a current income tax expense when it is incurred. In accordance with the temporary exception, the Group does not recognise deferred taxes in respect of the top-up tax under the Pillar Two legislation.

Significant judgement: Uncertain tax treatments and recognition of deferred tax assets

Management makes judgements in relation to the recognition of current and deferred income taxes. In making judgements, management believes that the tax positions the Group adopts are in line with the applicable legislation and reflect the probable outcome. The tax obligations and receivables, upon audit by the tax authorities at a future date, may differ as a result of differing interpretations. These interpretations may impact the expected timing and quantum of taxes payable and recoverable.

Significant estimates: Recognition of deferred tax assets

Income tax expense is based on the tax laws applicable in the individual countries. Due to their complexity, the tax items presented may be subject to different interpretations by local tax authorities. When determining the amount of the deferred tax assets to be recognised, mainly relating to tax losses, an estimate is required of future taxable income which is influenced by factors such as prices, gross profit margins and interest rates. A 10% change in the future taxable profit from the assumption made on the reporting date within the planning period defined for the accounting and measurement of deferred taxes would not result in a significant change in

the carrying amount of deferred tax assets on recognised tax losses, over a 12-month period from the date of these Consolidated Financial Statements. Refer to Note (14) for details on recognised deferred tax assets.

Revenue, income and expenses

Revenue from contracts with customers

Revenue from the sale of goods and services is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised to the extent that it is highly probable that there will not be a significant reversal of revenue in future periods. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled at inception and limits the recognition of revenue subject to the variability, until it is highly probable that a significant reversal of cumulative revenue recognised will not occur. The Group does not recognise the impact of financing for payment terms as the average credit terms is currently 60 days. At contract inception, the Group identifies the goods or services promised in the contract and assesses which of the promised goods or services shall be identified as separate performance obligation. Promised goods or services give rise to separate performance obligations if they are capable of being distinct. Revenue is recognised as control is transferred, either over time or at a point of time. Control is defined as the ability to direct the use of and obtain substantially all of the economic benefits from an asset.

Unless refractory products are delivered under specific customer contracts, whose transaction price depends on the customer's production output, revenue from the delivery of refractory products is recognised at a point in time, i.e. at the time of transfer of control. Control of the refractory products is typically passed to the customer when physical possession has been transferred. Consistent with this principle, in previous reporting periods, control of refractory products subject to a CFR ('Cost and Freight') or CIF ('Cost, Insurance and Freight') shipping agreement was determined to transfer upon arrival of the cargo at the port of destination. A thorough analysis conducted by management in 2024 due to the Red Sea crisis led to a reassessment of the timing of transfer of control for shipments delivered by sea freight with third party carriers. Accordingly, from 2024, control is determined to transfer as soon as the third-party carrier has issued the shipping document, if any, that allows the customer to redirect or otherwise control the shipped refractory products. As a result of this revised accounting policy, which is applied prospectively due to the immaterial impact on the comparative figures, the Group's revenue and gross profit increased by €42 million and €10 million respectively in 2024.

The transport service does not give rise to a separate performance obligation to which a part of revenue would have to be allocated, as this service is usually performed before control of the products is transferred to the customer.

In consignment arrangements, the Group retains control of the goods generally until a withdrawal of the products from the consignment occurs. Most of the products within consignment arrangements have a high stock turnover rate.

The Group provides services (e.g. supervision, installation) that are either sold separately or bundled together with the sale of products to a customer. Contracts for bundled sales of products and installation services usually comprise of two performance obligations being (i) the promise to transfer products and (ii) provide services which are capable of being distinct and separately identifiable in the context of the contract. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the product and service. Revenue from services is recognised over time using an input method to measure progress towards completion of the service as the customer simultaneously receives and consumes the benefits provided by the Group.

Contracts for bundled sales of refractory products and non-refractory products (e.g. machines) provided to the customer free of charge comprise two performance obligations that are separately identifiable. Consequently, the Group allocates the transaction price based on the relative stand-alone selling prices of these performance obligations and allocates revenue to the non-refractory product which is delivered free of charge.

Expected penalty fees from guaranteed durabilities on refractory products are considered as a variable consideration in the form of a contract or a refund liability. However, the estimation of the variable consideration is not subject to a constraint as the Group has significant experience with promising durabilities and as a consequence does not expect significant reversal of revenue recognised in prior periods. All other product warranties issued by the Group guarantee that the transferred products correspond to the contractually agreed specifications and are classified as assurance type warranties. Consequently, no separate distinct performance obligation to the customer exists.

If transfer of goods or services to a customer is performed before the customer pays consideration or before payment is due and is conditional on something other than the passage of time, a contract asset, excluding any amounts presented as a receivable, is recognised.

If a customer pays consideration before the entity transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made.

Contract costs, which are defined as the incremental costs of obtaining a contract, are recognised as an asset where the Group expects to recover those costs, except for those costs which are expected to be recovered within 12 months.

As the term of customer contracts is less than one year, the Group adopted the practical expedient not to disclose performance obligations for contracts with original expected duration of less than one year.

Significant Judgement: Revenue recognition

For specific customer contracts in the reportable segment Steel with variable payment arrangements where the transaction price depends on the customer's production output, (e.g. quantity of steel produced) management has determined that the commitment to transfer each of the products and services to the customer is not separately identifiable from the other commitments in the context of such contracts. The customer expects complete refractory management for the agreed product areas in the steel plant in order to enable steel production. Thus, only one performance obligation, being the performance of a management refractory service, exists. Revenue from the delivery of management refractory services is recognised over time and, by applying the practical expedient, corresponds to the amounts that the Group is entitled to invoice to the customer on a regular basis according to the contract terms.

Cost of sales

Cost of sales comprises the production cost of goods sold as well as the purchase price of merchandise sold. In addition to direct material and production costs, it also includes overheads including depreciation charges on production equipment, amortisation charges of intangible assets as well as impairment losses and reversals of impairment losses of inventories. Moreover, cost of sales also includes the costs of services provided by the Group or services received.

Selling and marketing expenses

This item includes personnel expenses for the sales staff as well as depreciation charges and other operating expenses related to the market and sales processes.

General and administrative expenses

General and administrative expenses primarily consist of personnel expenses for the administrative functions, legal and other consulting costs, expenses for research and non-capitalisable development costs.

Interest income and expenses

Interest income and expenses are recognised in accordance with the effective interest method.

Foreign currency translation and hyperinflation accounting

Functional currency and presentation currency

The Consolidated Financial Statements are presented in Euro, which represents the functional and presentation currency of RHI Magnesita N.V.

Consolidated subsidiary financial information is based on the currency of the primary economic environment in which it operates (functional currency).

Hyperinflation accounting

Financial Statements of subsidiaries which operate in a country whose functional currency is considered hyperinflationary are restated for the changes in the general purchasing power before translation to the reporting currency of the Group and before consolidation in order

to reflect the same value of money for all items. Currently only the Financial Statements of the subsidiary operating in Argentina, Refractarios Argentinos S.A, Industrial Comercial Y Minera (I.C.M.), are restated for hyperinflation effects.

The closing balances of the non-monetary items as well as all items of the Statement of Profit or Loss are restated for the changes in the general purchasing power of its functional currency in 2024 as follows. All non-monetary items recognised in the Statement of Financial Position which are not measured at the measuring unit applicable on the reporting date are restated for the changes in the general price index from the later of the transaction date or the first-time application date to the reporting date. Non-monetary items include property, plant and equipment, intangible assets, inventories, and allocated goodwill. Monetary items are not restated. All items of the Statement of Profit or Loss are restated for the changes in the general price index from the date of initial recognition to the reporting date. Gains or losses resulting from the net monetary position are reported in the Consolidated Statement of Profit or Loss in net expense on foreign currency effects. The Financial Statements of Refractarios Argentinos S.A, Industrial Comercial Y Minera (I.C.M.) are therefore reported at the applicable measuring unit on the reporting date.

The price index, IPIM (Internal Index Wholesale Prices), published by the Argentinian National Institute of Statistics and Censuses is applied to determine the changes in the general purchasing power. The following table provides the level and changes of the price index for the current and the previous reporting period:

	31.12.2024	31.12.2023
Price level	7,694.01	3,533.19
Index movement (in %)	118	211

Foreign currency transactions and balances

In individual subsidiaries, joint ventures and associates, transactions in foreign currency are translated into the functional currency at the rate of exchange prevailing on the dates of the transaction. Gains and losses resulting from the settlement of such transactions and the translation of monetary assets and liabilities denominated in foreign currencies into the respective functional currency at the closing rate are recognised in the Consolidated Statement of Profit or Loss as net expense on foreign currency effects. In deviation from this, the Group designates certain intragroup monetary assets and liabilities denominated in foreign currencies such as non-current receivables or loans as part of a net investment in a foreign operation if the corresponding balances are not expected to be settled. In accordance with IFRS Accounting Standards, gains or losses from the translation of these intragroup monetary assets and liabilities into the respective functional currency are recognised in OCI. Non-monetary items, other than those measured at fair value, are carried at historical rates and not retranslated subsequent to initial recognition.

Group companies

Financial information of foreign subsidiaries with a functional currency different to the Euro are translated as follows:

Assets and liabilities of foreign subsidiaries outside the scope of hyperinflation accounting are translated at the closing rate on the reporting date, while monthly income and expenses as presented in the Statement of Profit or Loss are translated at the respective closing rates of the previous month. Differences resulting from this translation process and differences resulting from the translation of amounts carried forward from the prior year are recorded in OCI without impact on profit or loss. Monthly cash flows are translated at the respective closing rates of the previous month. Goodwill and adjustments to the fair value of assets and liabilities related to the purchase price allocations of a subsidiary outside the European currency area are treated as assets and liabilities of the respective subsidiary and translated at the closing rate.

Following the restatements in accordance with hyperinflation accounting, the assets and liabilities of foreign subsidiaries in the scope of hyperinflation accounting, as well as their income and expenses, are translated at the respective closing rate on the reporting date.

On disposal of a non-Euro functional currency subsidiary, joint venture or associate, the related accumulated foreign currency gains and losses recognised in equity are reclassified to the Consolidated Statement of Profit or Loss. In addition, when monetary items cease to form part of a net investment in a foreign operation or when in case of a net investment hedge the foreign operation is disposed, the currency translation differences previously recognised in OCI are reclassified to the Consolidated Statement of Profit or Loss.

The Euro exchange rates of the currencies of the Group's significant operations are shown in the following table:

Currencies	1 € =	Closing rate		Average rate ¹⁾	
		31.12.2024	31.12.2023	2024	2023
Brazilian Real	BRL	6.46	5.37	5.79	5.42
Canadian Dollar	CAD	1.50	1.46	1.48	1.46
Chinese Renminbi Yuan	CNY	7.61	7.87	7.79	7.65
Indian Rupee	INR	89.11	92.58	90.68	89.20
US Dollar	USD	1.04	1.11	1.09	1.08

1) Arithmetic mean of the monthly closing rates.

4. Climate change and energy transition

In 2019 the Group announced its commitment to reduce Scope 1, 2 and 3 (raw materials) CO₂ emissions intensity by 15% by 2025, compared to a 2018 baseline. The Group has adopted a theoretical decarbonisation pathway that is not aligned with a 1.5-degree scenario as set out in the Paris agreement. The below describes how the Group has considered climate related impacts in key areas of the Consolidated Financial Statements and how this translates into the valuation of its assets and measurement of liabilities.

Note (3) includes the significant accounting estimates, judgements and key sources of estimation uncertainties and how those uncertainties have the potential to have a material effect on the Consolidated Statement of Financial Position in the next 12 months. This note describes the key areas of climate impacts that may have longer-term effects on amounts recognised at 31 December 2024.

Financial planning assumptions

As disclosed in the Sustainability Statement, climate-related risks faced by the Group include physical and transitional risks. The most material transitional risk impact is expected to be higher operating costs due to an increase in the level or scope of carbon pricing. This risk is most prominent in Europe where the existing system of allowances is to be replaced by the Carbon Border Adjustment Mechanism ('CBAM'), with all free CO₂ emission allowances currently expected to be progressively phased out by 2034.

The Group is currently already subject to the first phase ('Transitional Period') of the CBAM. Currently, the Group fully complies with the CBAM regulation on imported consumables made from steel. Management is pursuing a number of strategies to accommodate the additional impact of CBAM to its EU assets, such as considering carbon pricing in our financial planning, actively managing a hedging program to fix future prices related to the forward purchase of emission rights, increasing the use of secondary raw materials, investing in fuel switching, renewable energy and focusing on energy efficiency.

The Group has also identified climate-related opportunities, such as increased demand for its products arising from the transition by its customers to lower-carbon emitting industrial processes and increased demand for refractory products that are produced with a lower-carbon footprint.

The Consolidated Financial Statements are based on reasonable and supportable assumptions that represent management's current best estimate of the range of economic conditions that may exist in the foreseeable future. The Group has decided to use Paris-aligned Mitigation and Hot House World Limited mitigation scenarios to assess the potential impact of climate change on its Consolidated Financial Statements. The largest impact from higher carbon prices as contained in these scenarios is from 2026 onwards. The negative impacts are concentrated within the Group's assets located in Europe whilst opportunities are expected to be global in nature.

The Group is investing in the research and development of new technologies for the manufacturing of refractories which may enable it over the long term to avoid or capture its CO₂ emissions and thereby mitigate the impact of higher carbon prices.

Impairment of CGUs and goodwill

The nominal growth rate used in the value in use determination is equal to the long-term rate of growth in steel/cement and/or inflation (depending on the country and business involved) and in any case no higher than the average long-term growth rate of the reference market. The Group has also taken account of the long-term impact of climate change, in particular by considering in the estimation of the terminal value a long-term growth rate in line with the change in steel/cement demand in 2030-2050 based on the specific characteristics of the businesses involved.

The expected CO₂ emission costs are considered in the 2025 budget and in the Long-Term Plan, insofar as CO₂ emissions are taxed in the respective jurisdictions, and at fixed prices, insofar as fixed price forward contracts to purchase emission rights have been contracted. In the terminal value, these CO₂ emission costs are recognised at the same level as assumed in the last year of the Long-Term Plan. Due to planning uncertainty inherent in the Group's climate transition phase which includes the extent to which CBAM will be relevant to the Group's operations, no additional carbon emission costs have been included in the terminal value; that is to say, the phasing out of the free CO₂ emission allowances is not included.

In absence of any mitigating action by management, the gross profit could reduce by 31% from 2030, on average across the EU assets, of which 24% would be offset in regions outside the EU in a scenario where the impact of a production shift from Europe to regions outside Europe due to additional carbon tax is analysed in isolation. This scenario would not cause impairment losses for the respective CGUs in their current state due to sufficient headroom.

The Sustainability Statement outlines the theoretical path to complete decarbonisation of the Group's business activities. To achieve this, the Group would need to make significant investments in property, plant and equipment that go far beyond the investments already considered in relation to the committed reduction in Scope 1, 2 and 3 emissions by 2025. At present, neither the investments needed to achieve complete decarbonisation, nor their potential positive effects have been included in the value in use determination since the Group has not committed to complete decarbonisation and alternatives to complete decarbonisation exist.

Useful lives of property, plant and equipment

Additionally, management has assessed the useful lives of property, plant and equipment and these continue to be appropriate due to the limited refractory and other product alternatives available and considering that the customer industries that the Group serves, continue to play a significant part in the transition towards sustainable output and the transition to a green economy.

Restoration provisions

Management recognises liabilities that are expected to be incurred in relation to rehabilitation and restoration of the mining sites. As of the reporting date, the Group's mines have an expected life between eight and 100 years. The introduction of more stringent legislation could result in our mining operations becoming uneconomical earlier than anticipated, thus affecting the timing of our restoration liabilities. The discount rate used to measure asset restoration provisions is between 8-37 years term, in line with available government bond rates.

Management does not expect any reasonably possible change in the expected timing of restoration of our mines to have a material effect on the Group total provisions, assuming cash flows remain unchanged.

Deferred tax assets

In jurisdictions where new or additional climate change related legislation is enacted, our taxable profits could be affected thereby impacting the recoverability of deferred tax assets. It is expected that sufficient deferred tax liabilities and forecasted taxable profits are available for recovery of the deferred tax assets recognised at 31 December 2024. The assessment of deferred taxes is described in Note (14). For certain deferred tax assets recognised in Brazil, the period extends beyond five years. Currently, no legislation is in place in Brazil that could limit the timing and /, or the extent of the recognised deferred tax assets.

ESG-linked loans

The Group has taken out loans from financial institutions based on terms which are linked to the Group's EcoVadis ESG rating performance. On the reporting date the carrying amount of such ESG-linked financial liabilities amounts to €1,383 million (31.12.2023: €1,512 million). The financing costs may increase or decrease depending on future changes in the Group's ESG rating. The ESG rating is determined by multiple criteria covering not only the climate-related aspects but also sustainability and governance related aspects. A

downdgrading of the Group's ESG rating below a certain target ESG rating would lead to higher financing costs. Such a downgrade is currently not foreseeable due to sufficient headroom.

5. Segment reporting

The Group's business activities are organised according to the customer industries it serves and by region based on the Group's sales markets. Customer industries are defined as Steel, Cement & Lime, Non-Ferrous Metals, and Process Industries which comprises several customer industries addressing industrial applications. The regions comprise EU & CIS and Türkiye, North America, South America, China & East Asia and India, West Asia & Africa. The management structure including the internal reporting to the Executive Management Team follows this two-dimensional organisation and provides for distinct responsibilities for the customer industry related functions and regional functions.

The customer industry forms the basis for determining the Group's operating and reportable segments. Each customer industry is assigned to one reportable segment. In addition, the business activities subsumed into the organisational unit Minerals are designated as a further reportable segment. The Group therefore has five reportable segments.

The Steel reportable segment aggregates two operating segments, namely Steel Linings and Steel Flow Control, which are named after the two most important product lines. In determining that aggregation is appropriate, judgement is applied which considers the economic characteristics of these operating segments which include a similar nature of products, customers, production processes and long-term average gross margins. The Steel reportable segment provides refractory products with a lifetime ranging from hours to several months, services and technologies that are essential for steel production and the steel-processing industry. The Steel Linings product line comprises refractory bricks in various shapes and chemical compositions, as well as mixes and castables lining the customers' furnaces, ladles, and converters. The Steel Flow Control refractory products are used primarily in the final stages of the steel production process and include specialised refractory products and systems including slide gate systems, plates and submerged entry nozzles. In addition to refractory products, the Steel reportable segment delivers services such as refractory engineering solutions (drawings or design of a Linings concept), installation, supervision, maintenance and recycling. Beyond traditional refractory solutions, a growing portfolio of advanced technologies is offered to customers, including systems, sensors, machinery and digital products.

The Cement & Lime reportable operating segment provides refractory products with a lifetime of one year, services and technologies that are essential to produce cement and lime.

The Non-Ferrous Metals reportable operating segment provides refractory products with a lifetime ranging from one year to ten years, services and technologies that are essential to produce base metals and ferroalloys for the production from primary (ores, concentrates) or secondary (recycling) raw materials.

The Process Industries reportable segment, with its two operating segments Glass and Industrial Applications, provides refractory products with a lifetime ranging from one to twenty years, services and technologies for customers operating in the Glass, Environment, Energy, Chemicals, Foundry and Aluminium Industries.

The refractory products offered to customers in the Cement & Lime, Non-Ferrous Metals and Process Industries reportable segments include refractory bricks in various shapes and chemical compositions, as well as mixes, mortars and castables and other specialised refractory products lining customer industry specific furnace types and aggregates. In addition to refractory products, services such as refractory engineering solutions (drawings or design of a Linings concept), installation, supervision, maintenance and recycling are delivered. Beyond traditional refractory solutions, a growing portfolio of advanced technologies is offered to customers, including systems, sensors, machinery and digital products.

In addition, the Group engages in the sale of internally produced raw materials such as magnesite ore, dead-burned magnesia and fused magnesia within the Group and to external customers to the extent that these are not utilised internally. These business activities are subsumed into the organisational unit Minerals, which is designated as a reportable segment.

The Chief Executive Officer has the responsibility over allocation of resources and evaluates the performance of each operating segment and is therefore the Chief Operating Decision Maker ("CODM") at Group level. Revenue and Gross Profit are the key internal performance measures provided to and used by the CODM to evaluate performance on operating segment level and allocate resources. These are

prepared using the same accounting policies as the Consolidated Financial Statements and reported after elimination of any inter-segment transactions.

Each reporting period the appropriateness and decision usefulness of the Group's segment reporting structure is reassessed. This reassessment has resulted in a change of the Group's segment reporting structure which aims to provide a more detailed insight into the financial performance of the Cement & Lime, Non-Ferrous Metals and Process Industries reportable segments, which had formed part of the former Industrial reportable segments until the previous reporting period. The comparative figures have been restated in accordance with IFRS 8 to reflect the new segment reporting structure.

The following tables show the financial information for the reportable segments for the year 2024 and the previous year:

	Steel	Industrial			Minerals	
2024 in € million		Cement & Lime	Non-Ferrous Metals	Process Industries	Group 2024	
Revenue	2,373	376	247	426	65	3,487
Gross profit	551	83	110	101	3	848
EBIT						242
Net finance costs						(42)
Profit before income tax						200

	Steel	Industrial			Minerals	
2023 in € million		Cement & Lime	Non-Ferrous Metals	Process Industries	Group 2023	
Revenue	2,461	424	281	326	80	3,572
Gross profit	550	105	119	74	9	857
EBIT						333
Net finance costs						(100)
Profit before income tax						233

No single customer contributed 10% or more to consolidated revenue in 2024 and in 2023. Companies that are known to be part of a group are treated as one customer.

In the below breakdown of revenue by type of product or service, a distinction is made in refractory products between shaped (e.g. hydraulically pressed bricks, fused cast bricks, isostatically pressed products), unshaped (e.g. repair mixes, building mixes and casting mixes), flow control (e.g. distributors, ladle slides, ladles) and other refractory products.

In the reporting year, revenue is classified by type of product or service as follows:

in € million	Steel	Industrial			Minerals	
		Cement & Lime	Non-Ferrous Metals	Process Industries	Group 2024	
Shaped refractory products	1,097	311	204	314	0	1,926
Unshaped refractory products	579	51	21	57	0	708
Flow control refractory products	553	0	0	0	0	553
Other refractory products	27	5	3	18	0	53
Systems, sensors, machinery and digital products	19	3	8	5	0	35
Services	88	6	9	32	0	135
Raw materials	10	0	2	0	65	77
Revenue	2,373	376	247	426	65	3,487

In 2023, revenue was classified by type of product or service as follows:

in € million	Steel	Industrial			Minerals	
		Cement & Lime	Non-Ferrous Metals	Process Industries	Group 2023	
Shaped refractory products	1,177	340	231	233	0	1,981
Unshaped refractory products	591	63	32	45	0	731
Flow control refractory products	555	0	0	0	0	555
Other refractory products	32	6	3	15	0	56
Systems, sensors, machinery and digital products	21	4	7	3	0	35
Services	71	10	6	30	0	117
Raw materials	14	1	2	0	80	97
Revenue	2,461	424	281	326	80	3,572

The revenue is based on the locations of the customers.

in € million	2024	2023
Netherlands	15	14
USA	584	612
India	445	477
Brazil	353	371
China	260	260

Other countries	1,830	1,838
Revenue	3,487	3,572

The carrying amounts of goodwill, other intangible assets and property, plant and equipment are classified based on the location of the Group companies:

in € million	31.12.2024	31.12.2023
Brazil	407	503
India	392	383
Austria	343	368
USA	235	225
Germany	205	212
China	188	201
Other countries	274	277
Goodwill, intangible assets and property, plant and equipment	2,044	2,169

6. Restructuring

Summary of restructuring and write-down expenses/income recognised as follows:

in € million	2024	2023
Restructuring (expenses)	(32)	(20)
Restructuring income	8	0
Restructuring (expenses) - net	(24)	(20)

2024

Restructuring expenses mainly relate to the €25 million provision associated with the closure of the Mainzlar plant in Germany. This includes the provision of impairment losses on property, plant and equipment in the amount of €5 million. The impaired assets mainly formed part of the Non-Ferrous Metals and Process Industries reportable segments. The recoverable amount of zero was based on fair value less costs of disposal.

The €8 million gains were recognised from the sale of property, plant and equipment, as well as other intangible assets, resulted from the plant closures in Kruft, Germany and Dashiqiao, China, which were announced in the previous years.

2023

Restructuring includes €12 million of termination costs following the transfer of certain global functions to the regions. In addition, it includes €5 million of plant closure costs, which mainly reflect €2 million of costs in Dashiqiao plant, China.

In Brazil, an impairment loss was recognised on fixed assets of €1 million which was partially caused by a flood at the Contagem plant.

7. Other income

in € million	2024	2023
Net amortisation of Oberhausen provision	14	11
Gains from the disposal of non-current assets	6	3
Bargain purchase gain	0	8

Miscellaneous income	18	5
Other income	38	27

The net amortisation of the Oberhausen provision includes a utilisation of €10 million (2023: €10 million) for the performance against the onerous contract, and €4 million (2023: €1 million) arising from updated estimates. In 2024, miscellaneous income mainly includes €9 million related to the disposal of the Dashiqiao plant in China and a cash inflow of €6 million related to receivables previously written down to zero.

8. Other expenses

in € million	2024	2023
Expenses for strategic projects	(75)	(16)
Impairment of property, plant and equipment and intangible assets	(37)	0
Losses from the disposal of non-current assets	(3)	(7)
Miscellaneous expenses	(24)	(16)
Other expenses	(139)	(39)

Expenses for strategic projects amounting to €24 million (2023: €16 million) mainly include legal and consulting fees related to M&A activities and integration costs for newly acquired businesses. Additionally, the Group incurred Software as a Service costs, which are expensed as incurred, amounting to €45 million and costs amounting to €6 million to develop an integrated supply chain planning solution.

An impairment loss of €29 million corresponds to a full write-down of property, plant and equipment under construction of a project in Brazil which was abandoned in 2024 consequent of the Resco Group acquisition. The impaired assets formed part of the Steel and Cement & Lime reportable segments. The recoverable amount of zero was based on fair value less costs of disposal. In addition, the Group recorded an impairment loss of €8 million for capitalised development costs recognised as intangible assets. This impairment loss is due to the reduction of the project scope. The impaired intangible assets formed part of all reportable segments except Minerals. The recoverable amount of €14 million was based on value in use.

Miscellaneous expenses mainly consist of €12 million of expenses related to investments in and losses from the disposal of special Argentinian government bonds (refer to Note (3)) and €4 million from pre-merger related litigation costs.

9. Expense categories

The presentation of the Consolidated Statement of Profit or Loss is based on the function of expenses. The following table shows a classification by expense category for 2024 and the previous year:

in € million	2024	2023
Cost of materials	(1,352)	(1,375)
Personnel costs	(806)	(747)
Energy costs	(225)	(257)
Freight expenses	(201)	(229)
Depreciation and amortisation charges	(175)	(178)
External services	(173)	(164)
Changes in inventories, own work capitalised	(11)	(54)
Write-down expenses	(42)	(1)
Other income and expenses	(260)	(234)
Total expenses	(3,245)	(3,239)

Cost of materials includes expenses for raw materials and supplies and purchased goods of €1,307 million (2023: €1,311 million) and expenses for services received amounting to €45 million (2023: €64 million). Research and development costs amounted to €51 million (2023: €51 million), of which €5 million (2023: €8 million) in development costs were capitalised. Amortisation and impairment of development costs recognised within cost of sales was €10 million (2023: €3 million).

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised as an expense in the Consolidated Statement of Profit or Loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment, office furniture and other small items. Expenses for short-term, low-value and variable lease payments in 2024 amount to €7 million (2023: €5 million).

Please refer to Note (8) for details on write-down expenses.

Other income of €53 million (2023: €36 million) mainly comprises gains on disposal of non-current assets, income from research grants which amounted to €4 million (2023: €4 million), insurance reimbursements and amortisation of grants related to assets; also included are €9 million related to the disposal of Dashiqiao plant in China and €6 million related to receivables previously written-down. Other expenses mainly consist of external consulting fees, IT costs, travel expenses and repairs and maintenance expenditure.

10. Personnel costs

Personnel costs consist of the following components:

in € million	2024	2023
Wages and salaries	(634)	(579)
Social security contribution	(121)	(113)
Fringe benefits	(32)	(33)
Pension and other post-employment benefits		
Defined contribution plans	(12)	(11)
Defined benefit plans	(4)	(4)
Other expenses termination benefits	(3)	(7)
Personnel expenses (without interest expenses)	(806)	(747)

Average employee numbers

The average number of employees of the Group based on full time equivalents amounts to:

	2024	2023
Salaried employees	7,426	7,063
Waged workers	8,626	7,953
Number of employees on annual average	16,052	15,016

108 full time equivalents of salaried employees work in the Netherlands (2023: 120 employees).

11. Interest income

Includes interest income on cash at banks and similar income amounting to €22 million (2023: €19 million).

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

The net income 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 loss on the net monetary position related to hyperinflation accounting (IAS 29) and can be detailed as follows:

in € million	2024	2023
Foreign exchange gains/(losses)	30	(44)
(Losses)/gains on forward exchange contracts and derivatives in open orders	(18)	11
(Loss)/gain on net monetary position	(1)	3
Net income/(expense) on foreign exchange effects	11	(30)

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

13. Other net financial expenses

Other net financial expenses consist of the following items:

in € million	2024	2023
Net interest expense relating to personnel provisions	(12)	(12)
Unwinding of discount of provisions and payables	(7)	(8)
Interest income/(expense) on non-controlling interest liabilities	1	(7)
Interest expense on lease liabilities	(3)	(2)
Income from the revaluation of NCI put options	21	7
Other interest and similar income and expenses ¹⁾	(14)	(10)
Other net financial expenses	(14)	(32)

1) Mainly includes costs associated with the trade receivables factoring programme of €10 million (2023: €12 million).

14. Taxation

Income tax

Income tax consists of the following items:

in € million	2024	2023
Current tax expense	(51)	(67)
Deferred tax (expense)/income relating to temporary differences	(4)	9
tax loss carryforwards	9	(4)
	5	5
Income tax	(46)	(62)

The current tax expense includes tax income for prior periods of €5 million (2023: €5 million net expense).

In recognising deferred tax assets, the Group has considered (i) the impacts of the global economic environment in which it operates, (ii) uncertainties and potential adverse effects of economic volatility and (iii) the Group's latest forecasts and assumptions used for goodwill impairment testing and viability statement assessment. The Group's forecast period is four years with the fifth year being the final year,

consistent with goodwill impairment testing. In Brazil, a longer time frame is used due to the annual limitation for use of losses (30% of the taxable profits of the relevant year) which requires a longer-term prediction. Information on tax contingencies is provided under Note (38).

In addition to the income taxes recognised in the Consolidated Statement of Profit or Loss, a tax income of €7 million (2023: €15 million tax), was recognised in OCI mainly relating to currency translation cash flow hedges and measurement gains and losses on post-employment employee benefits.

A reconciliation of the difference between the income tax expense, which would result from the application of the Austrian corporate tax rate of 23% on the profit before income tax (the Austrian tax rate being used as holding company RHI Magnesita N.V. is tax resident in Austria), and the income tax reported is shown below:

in € million	2024	2023
Profit before income tax	200	233
Income tax expense calculated at 23% (2023: 24%)	46	56
Different foreign tax rates	8	2
Expenses not deductible and additions to tax base, non-creditable taxes	22	28
Non-taxable income and tax benefits	(30)	(28)
Tax losses and temporary differences of the financial year not recognised	5	1
Utilisation of previously unrecognised loss carryforwards and temporary differences	(5)	(1)
Deferred tax expense due to tax rate changes	1	2
Deferred income tax relating to previous periods	4	(7)
Income tax relating to foreign currency translation of local currency to functional currency	0	4
Current income tax relating to prior periods	(5)	5
Recognised tax expense	46	62
Effective tax rate (in %)	23.0%	26.7%

Below is the summary of major effects on the effective tax rate reconciliation:

In 2024, expenses not deductible and additions to the tax base include: transfer pricing adjustments mainly related to Argentina of €4 million (2023: transfer pricing adjustments and inventory revaluation in Brazil of €5 million); share-based payments and other employee costs and write-up of treasury shares in Austria of €3 million (2023: €5 million); non-creditable withholding taxes in Austria of €2 million (2023: €2 million) and non-deductible subsidiary related expenses of €3 million (2023: €1 million).

In 2024, non-taxable income and tax benefits mainly include: tax incentives in Brazil of €2 million (2023: €8 million); additional tax depreciation in Austria of €7 million (€2023: €7 million) relating to historical acquisitions; inflationary adjustments in South America and Türkiye of €6 million (2023: €4 million); gains on the measurement of liabilities related to the fixed term or puttable non-controlling interests of €6 million; income of €2 million related to receivables previously written down to zero and gains from the disposal of foreign operations of €2 million.

Tax losses and temporary differences of the financial year for which no deferred tax assets have been recognised because sufficient taxable profits are not expected in the near future include a tax loss realised in China of €4 million (2023: €1 million) and the utilisation of previously unrecognised temporary differences in China of €5 million (2023: €1 million).

In the United States a change in the tax rate from 24.19% to 24.57% led to a deferred tax expense of €1 million (2023: deferred tax income due to a tax rate change from 25.65% to 24.19% amounting to €1 million). The tax rate change in Slovenia from 19% to 22% led to a deferred tax expense of €1 million (2023: no tax rate change in Slovenia).

Deferred taxes expense relating to prior periods based on information obtained in the reporting period arises mainly from Mexico amounting to a deferred tax expense of €2 million (2023: deferred tax expense of €1 million) and from India amounting to a deferred tax expense of €3 million.

The current tax income relating to prior periods of €5 million mainly relates to Peru (€3 million) and Chile (€2 million) where, respectively, there was a reversal of a tax risk provision due to a court case judgement, and return-to-provision reconciliations.

Deferred taxes

Deferred taxes are related to the following significant balance sheet items and tax loss carryforwards:

in € million	31.12.2024		2024	31.12.2023		2023
	Deferred tax assets	Deferred tax liabilities (Expense)/Income		Deferred tax assets	Deferred tax liabilities (Expense)/Income	
Property, plant and equipment, intangible assets	28	107	8	29	121	3
Inventories	26	10	4	24	10	0
Trade receivables, other assets	14	22	(10)	12	9	12
Pensions and other personnel provisions	35	0	(1)	45	0	(5)
Other provisions	23	0	(2)	30	0	2
Trade payables, other liabilities	39	5	(3)	28	6	(3)
Tax loss carried forward	67	0	9	67	0	(4)
Offsetting	(80)	(80)	0	(83)	(83)	0
Deferred taxes	152	64	5	152	63	5

For temporary differences and tax loss carryforwards of subsidiaries which have generated tax losses either in the current or previous reporting period deferred tax assets amounting to €101 million (2023: €5 million) have been recognised in the Consolidated Statement of Financial Position, as sufficient taxable income is expected to be generated in the future.

The total tax loss carryforwards of the Group amount to €347 million at 31 December 2024 (2023: €402 million). For tax loss carryforwards of €235 million (2023: €221 million) deferred tax assets are recognised while no deferred tax assets are recognised for the remaining amount of €112 million (2023: €181 million).

The following table shows the origin of tax loss carryforwards per country for which no deferred tax assets are recognised:

in € million	31.12.2024	31.12.2023
Country		
Brazil	51	61
Luxembourg	0	61
China	37	24
UK	6	18
Dubai	4	4
Germany	6	6

France	5	4
Others	3	3
Total	112	181

The following table shows the tax loss carryforwards by year of expiry:

in € million	31.12.2024	31.12.2023
Year of expiry		
2024	0	6
2025	1	2
2026	2	2
2027	10	8
2028	6	6
2029	19	0
2030 or later	0	1
Not subject to expiration	74	156
Total unrecognised tax losses	112	181

No deferred tax assets were recognised on temporary differences totalling €123 million (2023: €176 million), which are expected to reverse by 2034. These temporary differences mainly relate to Austria: €120 million (2023: €151 million).

Taxable temporary differences of €1,477 million (2023: €1,241 million) and temporary deductible differences of €96 million (2023: €50 million) were not recognised on shares in subsidiaries as the distributions of profit or the sale of the investments are controlled by the Group.

The Group is subject to global minimum tax rules (i.e., OECD Pillar Two). The calculation following the OECD Pillar Two rules as well as the newly enacted local legislation of Austria (where the ultimate parent entity is resident) has not led to inclusion of additional tax expense for the countries the Group operates in.

Income tax receivables

Income tax receivables amounting to €40 million (2023: €44 million) are mainly related to tax prepayments and deductible withholding taxes.

Income tax liabilities

Income tax liabilities amounting to €29 million (2023: €51 million) primarily include income taxes for the current year and previous years.

15. Earnings per share

Earnings per share is calculated by dividing the profit or loss attributable to the shareholders of the Group by the weighted average number of shares outstanding during the financial year.

2024	2023
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Profit after income tax attributable to RHI Magnesita N.V. shareholders (in € million)	142	165
Weighted average number of shares for basic EPS	47,170,570	47,078,254
Effects of dilution from share options	1,154,648	1,014,964
Weighted average number of shares for dilutive EPS	48,325,218	48,093,218
Earnings per share basic (in €)	3.01	3.50
Earnings per share diluted (in €)	2.94	3.42

The weighted average number of shares for basic and dilutive EPS considers the effect of changes in treasury shares during the reporting period.

16. Dividend payments and proposed dividend

The final proposed dividend is subject to the approval of the AGM in May 2025 and was not recognised as a liability in these Consolidated Financial Statements. The final proposed dividend for 2024 will amount to €1.20 per share (2023: €1.25 per share).

In line with the Group's dividend policy, the Board paid out an interim dividend in the second half of 2024 of €0.60 per share for the first half of 2024 amounting to €28 million. The total dividend for 2024, which includes the proposed final dividend, yet to be approved by shareholders, amounts to €1.80 per share (2023: €1.80 per share).

Based on a resolution adopted by the AGM in May 2024, the final dividend for 2023 amounted to €1.25 per share and was paid out in June 2024, amounting to €59 million. The total dividend for 2023 amounted to €1.80 per share.

17. Goodwill

in € million	2024	2023
Carrying amount at beginning of year	339	137
Business combinations and PPA finalisation	3	197
Currency translation	(3)	(2)
Hyperinflation adjustment	3	7
Carrying amount at year-end	342	339

Impairment of CGUs with significant goodwill

Goodwill is tested for impairment at least annually based on the CGU to which it is allocated. The Group's significant goodwill is assigned to the Steel CGUs and to the Industrial Cement & Lime CGU as shown in the table below.

The impairment test is based on the value in use; the recoverable amount is determined using the discounted cash flow method and incorporates the terminal value. The Group is subject to environmental and other laws and regulations and has established environmental policies and procedures aimed at compliance with these laws. Impairment testing incorporated considerations for increased energy and raw material prices in its budget and the Long-Term Plan and estimates the total increase in investments in research and development costs at approximately €48 million. Current technology used by the customer industries requiring advanced heat-resistant materials for their production depend on refractory materials and in our view will remain in use in the observable future.

The cash flows projections used for impairment testing are based on the strategic business and financial planning model of the Group including the 2025 budget, as approved by the Board, and the Long-Term Plan, covering a four-year period. The cash flows are geared to a steady-state business development, which balances out possible economic or other non-sustainable fluctuations in the detailed planning period and forms the basis for the calculation of the terminal value.

The key assumptions used in determining the value in use are:

- Revenue: projected sales were built up with reference to markets and product categories incorporating projections of developments in key markets.
- EBIT margin: projected margins reflect historical performance, our expectations for future cost inflation and the impact of all completed projects to improve operational efficiency.
- Discount rate before tax: a discount rate that is calculated taking into account the weighted average cost of capital of comparable companies; the corresponding parameters are derived from capital market information. In addition, country-specific risk premiums are considered in the weighted average cost of capital.
- Perpetual annuity growth rate: for the purposes of the Group's value in use calculations, a long-term growth rate into perpetuity was applied immediately at the end of the fifth-year detailed planning period comprising the 2025 budget and the subsequent four-year period covered by the Long-Term Plan. As in the previous year, the terminal value is based on a growth rate derived from the difference between the current and possible degree of asset capacity and utilisation.

Forecast EBIT has been projected using:

- Expected future sales are based on the strategic plan, which was constructed at a market level with input from regional commercial managers. An assessment of the market using external sources for the development of the customer's industries; regional growth rates of the steel production and output of the non-steel clients in combination with the development of the specific refractory consumption including technological improvements.
- Current cost structure and production capacity, which include our expectations for future cost inflation. The assumptions were updated considering the latest economic developments, including energy, freight, and raw material prices. The forecasts include cash flows from future investments related to capacity maintenance while expansion investments are excluded.

Working capital is included in the carrying amount of the CGUs; therefore, the recoverable amount only takes into account changes in working capital.

The following table shows the perpetual annuity growth rates and discount rates before tax applied in the value in use determination for CGUs to which significant goodwill is allocated:

	2024			2023		
	Discount rate before Tax	Perpetual annuity growth rate	Goodwill in € million	Discount rate before Tax	Perpetual annuity growth rate	Goodwill in € million
Steel - Linings	9.7%	0.9%	218	9.9%	0.9%	213
Steel - Flow Control	10.3%	0.9%	67	10.0%	0.9%	67
Industrial - Cement & Lime	10.7%	0.9%	56	10.5%	0.9%	55

As a sensitivity, the effect of the following downside scenarios to the key assumptions would, in isolation, not result in an impairment of the above CGUs to which significant goodwill is allocated:

- increase of the estimated discount rate by 10%
- decrease of the perpetual annuity growth rate by 50%

- decrease of EBIT margin by 10%
- decrease of revenue by 2.5%

18. Other intangible assets

in € million	Mining rights	Customer relationship	Internally generated intangible assets	Other intangible assets	Prepayments made and intangible assets under construction	Total
Cost at 31.12.2023	152	284	87	170	22	715
Currency translation	(10)	3	(1)	0	0	(8)
Additions	0	0	5	1	0	6
Initial consolidation and PPA finalisation	0	(2)	0	0	0	(2)
Retirements and disposals	0	0	(1)	(16)	0	(17)
Reclassifications	3	0	0	3	(6)	0
Cost at 31.12.2024	145	285	90	158	16	694
Accumulated amortisation 31.12.2023	17	64	53	111	0	245
Currency translation	(1)	0	0	(1)	0	(2)
Amortisation charges	2	20	3	14	0	39
Impairment charges	0	0	7	0	0	7
Retirements and disposals	0	0	0	(12)	0	(12)
Accumulated amortisation 31.12.2024	18	84	63	112	0	277
Carrying amounts at 31.12.2024	127	201	27	46	16	417

in € million	Mining rights	Customer relationship	Internally generated intangible assets	Other intangible assets	Prepayments made and intangible assets under construction	Total
Cost at 31.12.2022	152	132	79	157	0	520
Currency translation	1	(5)	0	(2)	0	(6)
Additions	0	0	8	2	0	10
Additions initial consolidation	0	159	0	6	8	173

Retirements and disposals	(1)	0	0	(1)	0	(2)
Reclassifications	0	(2)	0	8	14	20
Cost at 31.12.2023	152	284	87	170	22	715
Accumulated amortisation 31.12.2022	15	45	49	94	0	203
Currency translation	(1)	(1)	0	1	0	(1)
Amortisation charges	3	20	4	17	0	44
Reclassifications	0	0	0	(1)	0	(1)
Accumulated amortisation 31.12.2023	17	64	53	111	0	245
Carrying amounts at 31.12.2023	135	220	34	59	22	470

Internally generated intangible assets comprise capitalised software and product development costs. Other intangible assets include in particular acquired patents, trademark rights, software, and land-use rights.

The following table shows the individually material intangible assets acquired and their remaining useful lives:

in € million	Remaining useful life in years	31.12.2024 Net book value	31.12.2023 Net book value
Mining rights			
Brazil	49	63	77
US	46	61	58
Customer relationships			
RHI Magnesita India Refractories Ltd and RHI Magnesita Seven Refractories Ltd	8-18	91	95
Former Magnesita Group	4-8	48	55
Seven Refractories Group	14	21	26
RHI Magnesita India / Hi-Tech Chemicals Ltd	4	21	22
Land use rights	13-53	20	24

There are no restrictions on the sale of intangible assets.

19. Property, plant and equipment

in € million	Real estate, land and buildings	Technical equipment, machinery	Other plant, furniture and fixtures	Prepayments made and plant under construction	Right-of-use assets	Total
Cost at 31.12.2023	758	1,231	417	267	134	2,807
Currency translation	(13)	(10)	(9)	(25)	(3)	(60)
Additions ¹⁾	6	49	9	68	29	161
Initial consolidation and PPA finalisation	5	(2)	0	(1)	0	2

Retirements and disposals	(31)	(97)	(42)	(6)	(13)	(189)
Reclassifications	26	106	32	(167)	0	(3)
Cost at 31.12.2024	751	1,277	407	136	147	2,718
Accumulated depreciation 31.12.2023	304	814	271	1	57	1,447
Currency translation	(1)	(2)	(3)	(1)	(3)	(10)
Depreciation charges	21	61	32	0	22	136
Impairment charges	0	9	0	26	0	35
Retirements and disposals	(29)	(93)	(41)	0	(12)	(175)
Accumulated depreciation 31.12.2024	295	789	259	26	64	1,433
Carrying amounts at 31.12.2024	456	488	148	110	83	1,285

1) Including €3 million capitalised borrowing costs.

in € million	Real estate, land and buildings	Technical equipment, machinery	Other plant, furniture and fixtures	Prepayments made and plant under construction	Right-of-use assets	Total
Cost at 31.12.2022	712	1,143	393	232	112	2,592
Currency translation	(1)	(2)	1	3	0	1
Additions ¹⁾	14	19	11	127	14	185
Additions initial consolidation	52	51	6	6	22	137
Retirements and disposals	(35)	(24)	(15)	0	(14)	(88)
Reclassifications	16	44	21	(101)	0	(20)
Cost at 31.12.2023	758	1,231	417	267	134	2,807
Accumulated depreciation 31.12.2022	317	768	252	1	50	1,388
Currency translation	0	0	0	0	1	1
Depreciation charges	17	67	30	0	20	134
Impairment charges	0	0	1	0	0	1
Retirements and disposals	(30)	(21)	(13)	0	(14)	(78)
Reclassifications	0	0	1	0	0	1
Accumulated depreciation 31.12.2023	304	814	271	1	57	1,447
Carrying amounts at 31.12.2023	454	417	146	266	77	1,360

1) Including €8 million capitalised borrowing costs.

Prepayments made and plant under construction includes €106 million (2023: €259 million) mainly relating to the expansion and production optimisation of the plants in Brazil during 2024. The spend in 2023 mainly related to the expansion of a production plant in Austria and a magnesite plant in Brazil.

Please refer to Note (27) for the restrictions on the sale of property, plant and equipment. Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities amounts to €6 million (2023: €9 million).

Please refer to Note (8) for details regarding the impairment charges.

The Right-of-use assets per category developed as follows as of 31 December 2024:

in € million	Right-of-use assets land and buildings	Right-of-use assets technical equipment and machinery	Right-of-use assets other equipment, furniture and fixtures	Total
Cost at 31.12.2023	91	30	13	134
Currency translation	(1)	(2)	0	(3)
Additions	17	3	9	29
Retirements and disposals	(5)	(5)	(3)	(13)
Cost at 31.12.2024	102	26	19	147
Accumulated depreciation 31.12.2023	30	20	7	57
Currency translation	0	(2)	(1)	(3)
Depreciation charges	12	5	5	22
Retirements and disposals	(5)	(5)	(2)	(12)
Accumulated depreciation 31.12.2024	37	18	9	64
Carrying amounts at 31.12.2024	65	8	10	83

The Right-of-use assets per category developed as follows as of 31 December 2023:

in € million	Right-of-use assets land and buildings	Right-of-use assets technical equipment and machinery	Right-of-use assets other equipment, furniture and fixtures	Total
Cost at 31.12.2022	69	33	10	112
Additions	9	1	4	14
Additions initial consolidation	21	1	0	22
Retirements and disposals	(8)	(5)	(1)	(14)
Cost at 31.12.2023	91	30	13	134
Accumulated depreciation 31.12.2022	25	19	6	50
Currency translation	0	1	0	1
Depreciation charges	12	5	3	20
Retirements and disposals	(7)	(5)	(2)	(14)
Accumulated depreciation 31.12.2023	30	20	7	57

Carrying amounts at 31.12.2023	61	10	6	77
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The average lease term is 10 years for land and buildings, five years for technical equipment and machinery and four years for other equipment, furniture and fixtures. Impacts resulting from extension and termination options, as well as residual value guarantees are immaterial. Detail on lease liabilities is in Note (28).

20. Other assets

in € million	31.12.2024	31.12.2023
Prepayments related to the acquisition of Resco Group	46	0
Deferred mine stripping costs	13	12
Tax receivables	11	14
Other non-current assets	6	11
Other non-current assets	76	37

21. Inventories

in € million	31.12.2024	31.12.2023
Raw materials and supplies	264	274
Work in progress	215	220
Finished products and goods	464	489
Prepayments made	14	13
Emission rights ¹⁾	5	5
Inventories	962	1,001

1) With effect from 1 January 2024 "Other current receivables" excludes "Emission rights" which are now presented in "Inventories". Prior period comparatives have been revised to conform with current year presentation.

Net write-down expenses amount to €0 million (2023: €12 million). Please refer to Note (3) for details on the change in an accounting estimate related to the calculation of net realisable value in relation to reduced recoverability.

22. Trade and other receivables

in € million	31.12.2024	31.12.2023
Trade receivables	530	538
Contract assets	3	4
Other tax receivables	87	95
Prepaid expenses	9	8
Other current receivables ¹⁾	31	36
Trade and other current receivables	660	681
thereof financial assets	533	542
thereof non-financial assets	127	139

1) With effect from 1 January 2024 "Other current receivables" excludes "Emission rights" which are now presented in "Inventories". Prior period comparatives have been revised to conform with current year presentation.

The Group enters into factoring agreements and sells trade receivables to financial institutions. Trade receivables sold at the end of the year was €237 million (2023: €259 million). These have been derecognised 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 include primarily VAT, as well as receivables from energy tax refunds, and tax research subsidies.

Other current receivables mainly relate to advances for insurance, IT services as well as custom and import-related services and costs.

23. Cash and cash equivalents

in € million	31.12.2024	31.12.2023
Cash at banks and in hand	530	644
Money market funds	46	60
Cash and cash equivalents	576	704

Cash and cash equivalents include amounts not available for use by the Group totalling €3 million at 31 December 2024 (2023: €10 million). Cash not available for use by the Group is mainly comprised of deposits for credit lines and bank guarantees.

24. Share capital

At 31 December 2024, the authorised share capital of RHI Magnesita N.V. amounts to €100,000,000 divided into 100,000,000 ordinary shares and remained unchanged compared to prior year. Thereof 47,195,936 (2023: 47,130,338) fully paid-in ordinary shares are issued. In addition, there are 2,281,769 (2023: 2,347,367) treasury shares held by the Company. All issued RHI Magnesita shares grant the same rights. The shareholders are entitled to dividends and have one voting right per share at the AGM. There are no shares with special control rights.

25. Group reserves

Treasury shares

At 31 December 2024, RHI Magnesita treasury shares amount to 2,281,769 (2023: 2,347,367).

Additional paid-in capital

At 31 December 2024, as well as at 31 December 2023, additional paid-in capital comprised premiums on the issue of shares less issue costs by RHI Magnesita N.V.

Mandatory reserve

The Articles of Association stipulate a mandatory reserve of €288,699,231 which was created in connection with the merger between former RHI Group and former Magnesita Group in 2017. No distributions, allocations or additions may be made, and no losses of the Company may be allocated to the mandatory reserve.

Retained earnings

Retained earnings includes the result of the financial year and results that were earned by consolidated companies during prior periods but not distributed. The difference between the purchase consideration or sale proceeds after tax and the relevant proportion of the non-controlling interest, measured by reference to the carrying amount of the interest's net assets at the date of acquisition or sale, is recognised in retained earnings too.

Accumulated other comprehensive income

Cash flow hedge reserves include gains and losses from the effective part of cash flow hedges less tax effects. The accumulated gain or loss from the hedge allocated to reserves is only reclassified to the Statement of Profit or Loss if the hedged transaction also influences the result or is terminated.

Reserves for defined benefit plans include the gains and losses from the remeasurement of defined benefit pension and termination benefit plans taking into account tax effects. No reclassification of these amounts to the Statement of Profit or Loss will be made in future periods.

Currency translation includes the accumulated currency translation differences from translating the Financial Statements of foreign subsidiaries, unrealised currency translation differences from monetary items which are part of a net investment in a foreign operation, net of related income taxes, as well as the effective portion of foreign exchange gains or losses when a financial instrument is designated as the hedging instrument in net investment hedge in a foreign operation.

26. Non-controlling interests

Subsidiaries with material non-controlling interests

RHI Magnesita India Ltd., based in New Delhi, India, is a listed company on the BSE Limited and NSE Limited. RHI Magnesita India Ltd. is the (direct or ultimate) parent company of RHI Magnesita India Refractories Ltd., RHI Magnesita Seven Refractories Ltd. and Intermel Engineers (India) Private Ltd which together form the Subgroup India. The Subgroup India is included in all reportable segments of the Group and the share of the non-controlling interests amounts to 43.9% (2023: 43.9%). Aggregated financial information of the Subgroup India as of 31 December 2024 is provided below:

in € million	31.12.2024	31.12.2023
Non-current assets	432	420
Current assets	260	258
Non-current liabilities	(24)	(18)
Current liabilities	(123)	(152)
Net assets before intragroup eliminations	545	508
Intragroup eliminations	(1)	(2)
Net assets	544	506
Carrying amount of non-controlling interests	162	149

The aggregated Statement of Profit or Loss and Statement of Comprehensive Income of the Subgroup India for financial year 2024 are shown below:

in € million	2024	2023
Revenue	430	427
Operating expenses, net finance costs and income tax	(406)	(410)
Profit after income tax before intragroup eliminations	24	17
Intragroup eliminations	1	(2)
Profit after income tax	25	15
thereof attributable to non-controlling interests	11	6

in € million	2024	2023
Profit after income tax	24	15
Other comprehensive income/(expense)	26	(33)

Total comprehensive income	50	(18)
thereof attributable to non-controlling interests	22	(8)

The following table shows the summarised Statement of Cash Flows of the Subgroup India for financial year 2024:

in € million	2024	2023
Net cash flow from operating activities	38	38
Net cash flow from investing activities	(13)	(123)
Net cash flow from financing activities	(26)	75
Total cash flow	(1)	(10)

Net cash flow from financing activities includes dividend payments to non-controlling interests amounting to €2 million (2023: €3 million).

Change of non-controlling interests without a change of control

In April 2024, the Group acquired non-controlling interests of Seven Refractories' Group for a cash consideration of €3 million with the difference between the carrying amount of the non-controlling interests' portion of equity acquired and the consideration paid recorded in retained earnings within equity.

In July 2024, the Group acquired non-controlling interests of P-D Group for a cash consideration of €3 million with the difference between the carrying amount of the non-controlling interests' portion of equity acquired and the consideration paid recorded in retained earnings within equity.

27. 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. Loan proceeds were used for the acquisition of the Resco Group (refer to Note (42) for details). The term loan remained fully undrawn per 31 December 2024.

In April 2024, the Group prepaid €100 million from a €150 million bilateral term loan, which matures in April 2026, to optimise the Group's capital structure, maturity profile, and reduce excess cash.

Resulting from the Group's strong EcoVadis ESG rating upgrade in June 2024, with an improvement by four points to a total score of 76, the margin payable on the Group's ESG-linked financings amounting to €1,983 million (including the fully undrawn €600 million RCF) was reduced by 3bps,

The principal borrowing facilities, including the Syndicated & Term Loan as well as the Bonded Loans, are subject to a financial covenant, being the ratio of net debt excluding lease liabilities to Adjusted EBITDA of a maximum of 3.5 times. Compliance with the financial covenant is measured on a semi-annual basis and its calculation is shown in Note (37). If the financial covenant of the Syndicated & Term Loans is breached, the lenders have the right for immediate loan repayment. If repayment of the Syndicated & Term Loans is demanded, the Bonded Loans will also become due. If the Syndicated & Term loans' financial covenant is breached but the full repayment is waived, the Bonded Loans interest margin payable will increase.

The Group complied with the financial covenant in 2024 and 2023. There are no indications that the Group will have difficulties complying with the financial covenant in the 12 months following the reporting date. The breakdown of borrowings is presented in the following table:

Total

in € million	31.12.2024	Current	Non-current
Syndicated & Term Loan	976	233	743
Bonded loans ("Schuldscheindarlehen")	720	0	720
Other credit lines and other loans	44	42	2
Total liabilities to financial institutions	1,740	275	1,465
Other financial liabilities	11	1	10
Capitalised transaction costs	(1)	0	(1)
Borrowings	1,750	276	1,474

in € million	Total		
	31.12.2023	Current	Non-current
Syndicated & Term Loan	1,114	45	1,069
Bonded loans ("Schuldscheindarlehen")	755	35	720
Other credit lines and other loans	63	60	3
Total liabilities to financial institutions	1,932	140	1,792
Other financial liabilities	18	9	9
Capitalised transaction costs	(1)	0	(1)
Borrowings	1,949	149	1,800

Including interest swaps, 73% (2023: 69%) of the liabilities to financial institutions carry fixed interest and 27% (2023: 31%) carry variable interest.

The following table shows the fixed interest terms and conditions, including interest rate swaps, without liabilities from deferred interest:

Interest terms fixed until	Effective annual interest rate	Currency	31.12.2024		Interest terms fixed until	Effective annual interest rate	31.12.2023	
			Carrying amount in € million	Interest terms fixed until			Currency	Carrying amount in € million
2025	EURIBOR + margin 0.50%	EUR	444	2024	2024	EURIBOR + margin 3.10%	EUR	573
		EUR	150				EUR	35
2026	Various - Variable rate 3.61%	Various	35	2025	Various - Variable rate 0.50%	Various	Various	34
		EUR	264			0.50%	EUR	150
2027	2.41%	EUR	715	2026	2026	3.63%	EUR	264
2028	1.87%	EUR	119	2027	2027	2.44%	EUR	744
2029	1.52%	EUR	8	2028	2028	1.90%	EUR	119
2031	1.25%	EUR	5	2029	2029	1.52%	EUR	8
				2031	2031	1.28%	EUR	5
			1,740				1,932	

The table above shows how long the interest rates are fixed for, rather than the maturity of the underlying instruments.

Shares of Jinan New Emei Industries Co Ltd. in the amount of €13 million have been pledged as security for a local loan in China.

28. Other financial liabilities

Other financial liabilities include the negative fair value of derivative financial instruments as well as lease liabilities and fixed-term and puttable non-controlling interests payable in Group companies. Additional explanation on derivative financial instruments is provided under Note (35).

in € million	31.12.2024			31.12.2023		
	Current	Non-current	Total	Current	Non-current	Total
Forward exchange contracts	1	0	1	1	0	1
Interest rate derivatives	0	4	4	0	2	2
Commodity swaps	2	3	5	1	10	11
Derivatives in open orders	0	0	0	3	0	3
Derivative financial liabilities	3	7	10	5	12	17
Lease liabilities	17	60	77	18	52	70
Fixed-term or puttable non-controlling interests	7	45	52	18	69	87
Other financial liabilities	27	112	139	41	133	174

In line with the Group's accounting policy, the carrying amount of non-controlling interest is reduced to nil and replaced with a financial liability where the Group has provided a written put option (usually together with a call option) or has entered into a forward contract to acquire the shares not controlled by the Group. The carrying amount of the financial liabilities represents the discounted value of the expected settlement for the following non-controlling interest:

in € million	Ownership interest held by NCI	31.12.2024	31.12.2023
		31.12.2024	31.12.2023
Horn & Co. Minerals Recovery GmbH & Co.KG	45.00%	4	8
RHI Magnesita Czech Republic a.s.	3.13%	1	0
RHI Magnesita (Chongqing) Refractory Materials Co., Ltd.	49.00%	11	15
Jinan New Emei Industries Co. Ltd.	35.00%	21	30
Liaoning RHI Jinding Magnesia Co., Ltd.	16.67%	4	23
RHI Refractories Liaoning Co., Ltd.	34.00%	11	11
Liabilities to fixed-term or puttable non-controlling interests		52	87

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

in € million	31.12.2024	31.12.2023
Liabilities at beginning of the year	87	68
Currency translation ¹⁾	2	(5)

Interest accrued ²⁾	(1)	7
Remeasurement gains ²⁾	(21)	(7)
Dividends paid	(6)	(8)
Additions	1	0
Additions from initial consolidation	0	32
Derecognition related to Liaoning RHI Jinding Magnesia Co., Ltd.	(10)	0
Liabilities at year-end	52	87

1) Recognised in OCI.

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

In 2024 the termination of the Joint Venture Agreement related to Liaoning RHI Jinding Magnesia Co., Ltd was confirmed in an arbitration procedure that was initiated by the Group in the previous reporting period. Due to this confirmation the termination has become legally effective and allows derecognition of the portion of the financial liability towards the minority shareholder that is no longer payable as a result of the confirmed termination. The derecognised amounts include accrued dividend payments related to previous periods, the value of the outstanding shares held by the minority shareholder subject to an expired call option and a liability related to land-use-rights.

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

29. Net employee benefit liabilities

Pension provisions

The net liability from pension obligations in the Consolidated Statement of Financial Position is as follows:

in € million	31.12.2024	31.12.2023
Present value of pension obligations	377	421
Fair value of plan assets	(182)	(186)
Deficit of funded plans	195	235
Asset ceiling	5	5
Net liability from pension obligations	200	240
Overfunded pension plans	(1)	(2)
Other pension plans	201	242

The present value of pension obligations by beneficiary groups is as follows:

in € million	31.12.2024	31.12.2023
Active beneficiaries	62	62
Vested terminated beneficiaries	41	44

Retirees	274	315
Present value of pension obligations	377	421

The pension obligations are measured using the following actuarial assumptions for the key countries in which the Group operates:

in %	31.12.2024	31.12.2023
Interest rate		
Austria and Germany	3.4%	3.3%
Brazil	12.2%	10.1%
United Kingdom	5.5%	4.5%
USA	5.5%	4.8%
Future salary increase		
Austria	2.7%	3.9%
Germany	2.5%	2.5%
Brazil	5.8%	4.5%
United Kingdom ¹⁾	n/a	n/a
USA	3.3%	3.3%
Future pension increase		
Austria	3.3%	5.3%
Germany	2.0%	2.2%
Brazil	4.3%	4.5%
United Kingdom	3.1%	3.0%
USA	2.0%	2.0%

1) No active plan members.

These are average values which were weighted with the present value of the respective pension obligation.

The calculation of the actuarial interest rate for the Eurozone countries is based on a yield curve for returns of high-quality corporate bonds denominated in EUR with an average rating of AA, which is derived from pooled index values. The calculation of the actuarial interest rate for the USD and GBP currency area is based on a yield curve for returns of high-quality corporate bonds denominated in USD and GBP with an average rating of AA, which is derived from pooled index values. Where there are very long-term maturities, the yield curve follows the performance of bonds without credit default risk. The interest rate is calculated annually at 31 December, taking into account the expected future cash flows which were determined based on the current personal and commitment data.

The calculation in Austria was based on the AVÖ 2018-P demographic calculation principles for salaried employees from the Actuarial Association of Austria. In Germany, the Heubeck Richttaffeln 2018 G actuarial tables were used as a basis. In the other countries, country-specific mortality tables were applied.

The main pension regulations are described below:

The Austrian group companies account for €68 million (2023: €80 million) of the present value of pension obligations and for €8 million (2023: €9 million) of the plan assets. The agreed benefits include pensions, invalidity benefits and benefits for surviving dependents. Commitments in the form of company or individual agreements depend on the length of service and the salary at the time of retirement. For the majority of commitments, the amount of the pension subsidy is limited to 75% of the final remuneration including a pension pursuant to the General Social Insurance Act (ASVG). The Group has concluded pension reinsurance policies for part of the commitments. The pension claims of the beneficiaries are limited to the coverage capital required for these commitments. Pensions are predominantly paid in the form of annuities and are partially indexed. For employees joining the company after 1 January 1984, no defined benefits were granted. Rather, a defined contribution pension model is in place. In addition, there are commitments based on the deferred compensation principle, which are fully covered by pension reinsurance policies and commitments for preretirement benefits for employees in mining operations.

The pension plans of the German group companies account for €113 million (2023: €119 million) of the present value of pension obligations and for €1 million (2023: €1 million) of the plan assets. The benefits included in company agreements comprise pensions, invalidity benefits and benefits for surviving dependents. The amount of the pension depends on the length of service for the majority of the commitments and is calculated as a percentage of the average monthly wage/salary of the last 12 months prior to retirement. In some cases, commitments to fixed benefits per year of service have been made. The pensions are predominantly paid in the form of annuities and are adjusted in accordance with the development of the consumer price index for Germany. The pension plans are closed for new entrants, except one contribution-based plan. There is no defined contribution model on a voluntary basis. Individual commitments have been made, with major part of them being retired beneficiaries.

The pension plan of the US group company Magnesita Refractories Company, York, USA, accounts for €71 million (2023: €71 million) of the present value of pension obligations and for €69 million (2023: €63 million) of the plan assets. The pension plan is a non-contributory defined benefit plan covering a portion of the employees of the company. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Effective 21 June 1999, the company offered the participants the opportunity to elect to participate in a single enhanced defined contribution plan. Participants who made this election are no longer eligible for future accruals under this plan. All benefits accrued as of the date of transfer will be retained. Employees hired after 21 June 1999 and employees that did not meet the plan's eligibility requirements as of 21 June 1999 are not eligible for this plan. The pensions are predominantly paid in the form of annuities and are adjusted annually based on the US consumer price index.

The pension plan of the UK group company Magnesita Refractories Ltd., Dinnington, United Kingdom, accounts for €37 million (2023: €42 million) of the present value of pension obligations and holds €42 million (2023: €46 million) of assets, although no plan assets are reflected on the balance sheet due to the application of International Financial Reporting Interpretations Committee 14 (IFRIC 14) (asset ceiling). The company sponsors a funded defined benefit pension plan for qualifying UK employees. The plan is administered by a separate Board of Trustees which is legally separate from the company. The trustees are composed of representatives of both the employer and employees, plus an independent professional trustee. The trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets plus the day-to-day administration of the benefits. Under the plan, employees are entitled to annual pensions on retirement at age 65. During 2022, the Board of Trustees agreed to a buy-in of the defined benefit obligation with a third-party insurer in the United Kingdom. In terms of the buy-in, the insurer assumed the obligations relating to the plan from July 2022 while the plan assets were liquidated and transferred to the insurer at a value of around €62 million. Until the defined benefit scheme is wound up (the buy-out), the Group will continue to recognise the pension obligation and the value of the insurance policy as a plan asset equal to the pension obligation. The surplus plan assets of €5 million, at 31 December 2024 are not recognised due to the application of IFRIC 14 and the asset ceiling requirements. It is expected that the remaining surplus, net of adjustments, tax payments and other minor expenses will be refunded to the Group once the plan will be wound up.

The pension liabilities of the Brazilian group company Magnesita Refratários S.A. account for €35 million (2023: €55 million) of the present value of pension obligations and for €25 million (2023: €31 million) of the plan assets. These liabilities relate to a Defined Benefit (DB) plan, which was frozen in 2009. The obligations correspond to the accrued rights of the remaining plan participants. The agreed benefits include lifetime retirement pensions, disability benefits, and benefits for surviving dependents. Currently, the Brazilian group companies offer their employees a defined contribution plan as an optional benefit. Under this plan, employees contribute a percentage of their salary, and the company matches these contributions at a rate of 1.5 times the employee's contribution. Employees who leave the plan before retirement may be entitled to receive up to 75% of the company's final contribution, depending on their length of service. Upon retirement, employees can choose to receive a portion of the total contribution amount as a lump sum or in proportional monthly instalments, with various payout options available. The defined contribution plan is structured on a fully funded basis, ensuring that

payouts are exclusively derived from accumulated contributions and their respective investment returns. This structure effectively eliminates the risk of deficits or the creation of long-term financial obligations.

The following table shows the development of net liability from pension obligations:

in € million	2024	2023
Net liability from pension obligations at beginning of year	240	213
Currency translation	(5)	2
Additions initial consolidation	0	11
Pension cost	12	12
Remeasurement (gains)/losses	(25)	23
Benefits paid	(19)	(17)
Employers' contributions to external funds	(3)	(4)
Net liability from pension obligations at year-end	200	240

The present value of pension obligations developed as follows:

in € million	2024	2023
Present value of pension obligations at beginning of year	421	396
Currency translation	(5)	4
Additions initial consolidation	0	11
Current service cost	2	2
Interest cost	18	19
Remeasurement losses/(gains)		
from changes in demographic assumptions	0	(1)
from changes in financial assumptions	(25)	28
due to experience adjustments	(3)	(3)
Benefits paid	(32)	(35)
Employee contributions to external funds	1	1
Plan amendments	0	(1)
Present value of pension obligations at year-end	377	421

The movement in plan assets is shown in the table below:

in € million	2024	2023
Fair value of plan assets at beginning of year	186	187
Currency translation	0	1
Interest income	9	9

(Losses)/gains on plan assets less interest income	(3)	3
Benefits paid	(14)	(19)
Employers' contributions to external funds	3	4
Employee contributions to external funds	1	1
Fair value of plan assets at year-end	182	186

The changes in the asset ceiling are shown below:

in € million	2024	2023
Asset ceiling at beginning of year	5	4
Losses from changes in asset ceiling less interest expense	0	1
Asset ceiling at year-end	5	5

At 31 December 2024, the weighted average duration of pension obligations amounts to 10.3 years (2023: 10.5 years).

The following amounts were recorded in the Consolidated Statement of Profit or Loss:

in € million	2024	2023
Current service cost	2	2
Interest cost	19	19
Interest income	(9)	(9)
Pension expense recognised in profit or loss	12	12

The remeasurement results recognised in OCI are shown in the table below:

in € million	2024	2023
Accumulated remeasurement losses at beginning of year	118	95
Remeasurement (gains)/losses on present value of pension obligations	(28)	24
Losses/(gains) on plan assets less interest income	3	(2)
Losses from changes in asset ceiling less interest expense	0	1
Accumulated remeasurement losses at year-end	93	118

The present value of plan assets is distributed to the following classes of investments:

31.12.2024	31.12.2023
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in € million	Active market	No active market	Total	Active market	No active market	Total
Insurances	0	73	73	22	55	77
Equity instruments	46	0	46	40	0	40
Debt instruments	41	1	42	44	0	44
Cash and cash equivalents	12	0	12	9	1	10
Other assets	9	0	9	15	0	15
Fair value of plan assets	108	74	182	130	56	186

The present value of the insurances to cover the Austrian pension plans corresponds to the coverage capital. Insurance companies predominantly invest in debt instruments and to a low extent in equity instruments and properties.

Plan assets do not include own financial instruments or assets utilised by the Group.

The Group works with professional fund managers for the investment of plan assets. They act on the basis of specific investment guidelines adopted by the pension fund committee of the respective pension plans. The committees consist of management staff of the finance department and other qualified executives. They meet regularly in order to approve the target portfolio with the support of independent actuarial experts and to review the risks and the performance of the investments. In addition, they approve the selection or the extension of contracts of external fund managers.

The largest part of the other assets is invested in pension reinsurance, which creates a low counterparty risk towards insurance companies. In addition, the Group is exposed to interest risks and longevity risks resulting from defined benefit commitments.

The Group generally endows the pension funds with the amount necessary to meet the legal minimum allocation requirements of the country in which the fund is based. Moreover, the Group makes additional allocations at its discretion from time to time. In the financial year 2025, the Group expects employer contributions to external plan assets to amount to €4 million and direct payments to entitled beneficiaries to €18 million. Employer contributions of €5 million and direct pension payments of €17 million had been expected for the financial year 2024.

The following sensitivity analysis shows the change in present value of the pension and termination benefit obligations if one key parameter changes, while the other influences are maintained constant. In reality, it is rather unlikely that these influences do not correlate. The present value of the pension obligations for the sensitivities shown was calculated using the same method as for the actual present value of the pension obligations (projected unit credit method).

in € million	Change of assumption in percentage points or years	31.12.2024		31.12.2023	
		Pension plans	Termination benefits	Pension plans	Termination benefits
Present value of the obligations		377	39	421	36
Interest rate	+0.25	(9)	(1)	(10)	(1)
	(0.25)	10	1	10	1
Salary increase	+0.25	1	1	1	1
	(0.25)	(1)	(1)	0	(1)
Pension increase	+0.25	6	8		
	(0.25)	(7)	(7)		

Life expectancy	+ 1 year (1) year	6 (5)	3 (2)
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These changes would have no immediate effect on the result of the period as remeasurement gains and losses are recorded in OCI without impact on profit or loss. The assumptions regarding the interest rate are reviewed semi-annually; all other assumptions are reviewed at the end of the year.

Other personnel provisions in € million	31.12.2024	31.12.2023
Termination benefits	35	34
Service anniversary bonuses	20	19
Semi-retirements	4	2
Other personnel provisions	59	55

Provisions for termination benefits

The provision for termination benefits relates mainly to employees that joined an Austrian company before 1 January 2003 and are subject to a one-off lump-sum termination benefit under Austrian legislation. This is regarded as a post-employment benefit and accounted for consistently with pensions benefits described above.

Provisions for the Austrian termination benefits, which account for over 83.0% of the balance (2023: 81.0%) were based on the following measurement assumptions:

in %	31.12.2024	31.12.2023
Interest rate	3.4%	3.3%
Future salary increase	3.4%	3.3%

The interest rate for the measurement of termination benefit obligations in the Eurozone was determined taking into account the Company specific duration of the portfolio.

Provisions for termination benefits developed as follows:

in € million	2024	2023
Provisions for termination benefits at beginning of year	34	32
Additions initial consolidation	0	2
Current service cost	1	2
Interest cost	1	1
Remeasurement losses	1	0
Benefits paid	(2)	(3)
Provisions for termination benefits at year-end	35	34

Payments for termination benefits are expected to amount to €2 million in the year 2025. In the previous year, the payments for termination benefits expected for 2024 amounted to €2 million.

The following remeasurement gains and losses were recognised in OCI:

in € million	2024	2023
Accumulated remeasurement losses at beginning of year	18	18
Remeasurement losses	1	0
Accumulated remeasurement losses at year-end	19	18

At 31 December 2024 the average duration of termination benefit obligations amounted to 10.5 years (2023: 10.6 years).

Provisions for service anniversary bonuses

The measurement of provisions for service anniversary bonuses relating to employees in Austria and Germany is based on an interest rate of 3.4% (2023: 3.3%) in Austria and 3.4% (2023: 4.2%) in Germany and considers salary increases of 5.1% (2023: 5.2%) in Austria and 2.5% in Germany (2023: 2.5%).

Provisions for semi-retirement

The funded status of provisions for obligations to employees with semi-retirement contracts is shown in the table below:

in € million	31.12.2024	31.12.2023
Present value of semi-retirement obligations	5	4
Fair value of plan assets	(1)	(1)
Provisions for semi-retirement obligations	4	3

External plan assets are ring-fenced from all creditors and exclusively serve to meet semi-retirement obligations.

30. Provisions

The development of provisions is shown in the tables below for 2024 and 2023:

in € million	Onerous/unfavourable contracts	Labour and civil contingencies	Demolition/disposal costs, environmental damages	Restructuring costs	Other	Total
31.12.2023	67	11	30	9	9	126
Currency translation	(9)	(2)	(1)	0	0	(12)
Reversals	(6)	(3)	(2)	0	(3)	(14)
Additions	2	3	6	16	3	30
Additions interest	5	1	1	0	0	7
Use	(13)	(2)	(1)	(5)	(3)	(24)
Reclassifications	0	0	0	0	1	1
31.12.2024	46	8	33	20	7	114
non-current	35	8	28	0	0	71
current	11	0	5	20	7	43

in € million	Onerous/unfavourable contracts	Labour and civil contingencies	Demolition/disposal costs, environmental damages	Restructuring costs	Other	Total
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31.12.2022	62	9	23	12	4	110
Currency translation	3	0	0	0	0	3
Reversals	(2)	(3)	(1)	(1)	(1)	(8)
Additions	11	6	8	3	7	35
Additions interest	6	1	1	0	0	8
Use	(13)	(2)	(1)	(5)	(1)	(22)
Reclassifications	0	0	0	0	0	0
31.12.2023	67	11	30	9	9	126
non-current	52	11	28	0	0	91
current	15	0	2	9	9	35

In November 2017, the Group sold a plant located in Oberhausen, Germany, in order to satisfy the conditions imposed by the European Commission in their approval of the merger of RHI Refractories and Magnesita. Under the terms, the Group remains obligated to provide raw materials at cost and recognised a provision for unfavourable contracts as part of the purchase price allocation to reflect the foregone profit margin. The non-current portion of this contract obligation amounts to €32 million as of 31 December 2024 (2023: €48 million) and the current portion to €9 million (2023: €11 million). In addition, provisions for other unfavourable contracts amount to €5 million (2023: €8 million), mainly in Türkiye and Europe.

The provision for labour and civil contingencies primarily comprises labour and civil litigation amounting to €8 million (2023: €8 million) arising mainly in Brazil.

The provision for demolition and disposal costs and environmental damages primarily includes provisions for the estimated costs of mining site restoration of several mines in Brazil amounting to €7 million (2023: €9 million), various sites in Europe amounting to €15 million (2023: €10 million) and in the USA amounting to €7 million (2023: €6 million).

Provisions for restructuring costs amounting to €20 million at 31 December 2024 (2023: €9 million) primarily consist of estimated benefit obligations to employees due to termination of employment and dismantling costs. €15 million (2023: €3 million) relates to the remaining redundancy costs at Mainzlar, Germany, €3 million (2023: €3 million) relates to the plant closure in Trieben, Austria and €1 million (2023: €2 million) pertains to the termination of employment as a result of the Group's reorganisation of certain global functions to regional ones.

Other consists mainly of provisions for claims arising from warranties and other similar obligations from the sale of refractory products.

31. Trade payables and other liabilities

in € million	31.12.2024	31.12.2023
Trade payables	455	414
Trade payables subject to supplier finance arrangements	117	84
Contract liabilities	59	65
Liabilities to employees	111	136
Taxes other than income tax	31	33
Capital expenditure payable	22	33
Payables from commissions	10	9
Other current liabilities	38	46
Trade payables and other current liabilities	843	820
thereof financial liabilities	619	561

The payment terms of trade payables subject to supplier finance arrangements other than forfaiting lie within a range of 60 to 150 days compared to the range of payment terms of 30 to 120 days for trade payables not subject to supplier finance arrangements. The payment terms of trade payables subject to forfaiting extend up to 360 days. The carrying amount of trade payables subject to supplier finance arrangements of which suppliers have received payment from financial institutions amounts to €98 million. The Group provides corporate parental guarantees, disclosed as part of the Group's contingent liabilities, to the financial institutions as security for supplier finance arrangements.

Contract liabilities mainly consist of prepayments received on orders. In 2024 €65 million (2023: €62 million) revenue was recognised that was included in the contract liability balance at the beginning of the period.

The item liabilities to employees primarily consists of obligations for wages and salaries, payroll taxes and employee-related duties, performance bonuses, unused vacation and flextime credits. The increase in liabilities to employees is primarily driven by the newly acquired entities, higher bonus accruals and underlying inflationary effects in wages and salaries.

32. Cash generated from operations

in € million	2024	2023
Profit after income tax	154	171
Adjustments for		
income tax	46	62
depreciation	136	134
amortisation	39	44
impairment of property, plant and equipment and intangible assets	42	1
(income) / expense from financial assets excluding trade and other receivables	3	(23)
(gains)/losses from the disposal of property, plant and equipment	(5)	4
(gains)/losses from the disposal of foreign operations	(8)	1
net interest expense, interest rate derivatives and remeasurement of liabilities to the fixed-term or puttable non-controlling interest	43	63
other non-cash changes	(10)	42
Changes in working capital		
inventories	25	183
trade receivables	2	2
trade payables	83	(118)
contract liabilities	(5)	(14)
Changes in other assets and liabilities		
other receivables and assets	7	13
provisions	(28)	(25)
other liabilities	(22)	25
Cash generated from operations	502	565

Other non-cash changes include share-based payments of €9 million (2023: €9 million), net interest expenses for defined benefit obligations amounting to €12 million (2023: €12 million) and the unrealised portion of the net income on foreign exchange effects

amounting to €31 million (2023: the unrealised portion of the net expense on foreign exchange effects of €36 million). Refer to Note (12) for details on the compositions of the net income or expense on foreign exchange effects.

33. Net cash flow from financing activities

The reconciliation of movements of financial liabilities and assets to cash flows arising from financing activities for the current and the prior year is shown in the tables below:

in € million	31.12.2023	Cash changes		Non-cash changes					31.12.2024
		Changes in foreign exchange rates	Interest and other fair value changes	Reclassifications	Additions from initial consolidation	Additions and modifications of leases (IFRS 16)			
Borrowings	(1,949)	201	(1)	(1)	0	0	0	(1,750)	
Lease liabilities	(70)	20	2	0	0	0	(29)	(77)	
Cash and cash equivalents	704	(130)	2	0	0	0	0	576	
Marketable securities	11	(10)	(1)	0	0	0	0	0	
Net debt	(1,304)	81	2	(1)	0	0	(29)	(1,251)	
Liabilities to fixed-term or puttable non-controlling interests ¹⁾	(87)	6	(2)	22	9	0	0	(52)	

1) Refer to Note (28) for details.

in € million	31.12.2022	Cash changes		Non-cash changes					31.12.2023
		Changes in foreign exchange rates	Interest and other fair value changes	Reclassifications	Additions from initial consolidation	Additions and modifications of leases (IFRS 16)			
Borrowings	(1,620)	(257)	1	1	0	(74)	0	(1,949)	
Lease liabilities	(64)	23	1	(3)	0	(12)	(15)	(70)	
Cash and cash equivalents	521	196	(4)	0	(9)	0	0	704	
Marketable securities	0	11	0	0	0	0	0	11	

Net debt	(1,163)	(27)	(2)	(2)	(9)	(86)	(15)	(1,304)
Liabilities to fixed- term or puttable non- controlling interests ¹⁾	(68)	8	5	0	0	(32)	0	(87)

1) Refer to Note (28) for details.

34. Additional disclosures on financial instruments

The following tables show the carrying amounts and fair values of financial assets and liabilities by measurement category and the allocation to the measurement category. In addition, carrying amounts are shown aggregated according to 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 31.12.2024	Fair value as of 31.12.2024
Financial assets							
Non-current financial assets	12	15	7	8	0	42	42
Trade and other receivables	0	0	46	487	127	660	660
Current financial assets	13	4	0	0	0	17	17
Cash and cash equivalents	0	0	0	576	0	576	576
	25	19	53	1,071	127	1,295	1,295
Financial liabilities							
Borrowings	0	0	0	1,750	0	1,750	1,737
Other financial liabilities	9	38	0	92	0	139	139
Trade payables and other liabilities	0	0	0	619	224	843	843
	9	38	0	2,461	224	2,732	2,719

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 31.12.2023	Fair value as of 31.12.2023
Financial assets							
Non-current financial assets	21	14	5	3	0	43	43
Trade and other receivables	0	0	31	510	139	681	681
Current financial assets	0	12	0	2	0	14	14
Cash and cash equivalents	0	0	0	704	0	704	704
	21	26	36	1,219	139	1,441	1,441
Financial liabilities							
Borrowings	0	0	0	1,949	0	1,949	1,937
Other financial liabilities	13	58	0	103	0	174	174

Trade payables and other liabilities	0	0	0	561	259	820	820
	13	58	0	2,613	259	2,943	2,931

Non-current financial assets as well as current financial assets comprise marketable securities, derivative financial instruments, shares and other interests. Marketable securities, derivative financial instruments and shares are measured at fair value.

Borrowings and other financial liabilities excluding liabilities related to fixed-term or puttable non-controlling interests are carried at amortised cost in the Consolidated Statement of Financial Position. Liabilities related 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 other financial liabilities approximate their fair value at the reporting date.

Trade and other current 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 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. The Group 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:

in € million	31.12.2024				31.12.2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Non-current financial assets	12	12	8	32	12	20	5	37
Current financial assets	0	16	0	16	11	1	0	12
Liabilities								
Borrowings	0	1,727	0	1,727	0	1,920	0	1,920
Other financial liabilities	0	10	52	62	0	17	87	104

The fair value of 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 an exception if such instruments are immaterial to the Group, in which case cost serves as an approximation of fair value.

The fair value of interest derivatives in a hedging relationship (interest rate swaps) 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 derivative contracts 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 related 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 earnings 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 31 December 2024 and 31 December 2023.

Net results by measurement category in accordance with IFRS 9

The effect of financial instruments on the income and expenses recognised in 2024 and 2023 is shown in the following table, classified according to the measurement categories defined in IFRS 9:

in € million	2024	2023
Net gain from financial assets and liabilities measured at fair value through profit or loss	5	18
Net (loss) from financial assets and liabilities measured at amortised cost	(1)	(4)

The net gain from financial assets and liabilities measured at fair value through profit or loss includes income from securities and shares, income from the disposal of securities and shares, impairment losses and income from reversals of impairment losses, fair value gains and losses on the measurement of liabilities to fixed-term or puttable non-controlling interests, fair value gains and losses and realised results of derivative financial instruments outside the scope of hedge accounting.

The net loss from financial assets and liabilities measured at amortised cost includes changes in valuation allowances and losses on derecognitions. Net finance costs include interest income amounting to €22 million (2023: €20 million) and interest expenses of €76 million (2023: €75 million), which result from financial assets and liabilities measured at amortised cost.

Other financial assets

Other financial assets consist of the following items:

in € million	31.12.2024			31.12.2023		
	Current	Non-current	Total	Current	Non-current	Total
Marketable securities and shares	0	20	20	11	17	28
Interest rate derivatives and commodity swaps	0	12	12	0	21	21
Restricted cash	0	8	8	0	3	3
Other interests	0	2	2	0	2	2
Loans	0	0	0	2	0	2
Derivatives in open orders and forward exchange contracts	17	0	17	1	0	1
Other financial assets	17	42	59	14	43	57

The marketable securities and shares include €7 million (2023: €5 million) investment representing a minority stake in MCi Carbon Pty Ltd..

35. Derivative financial instruments

Interest rate derivatives

The Group has concluded interest rate swaps and one interest rate collar to hedge the cash flow risk associated with financial liabilities carrying variable interest rates. The combination of the interest rate swaps, and the underlying variable interest debt instruments creates synthetic fixed interest debt instruments without exposure to variability in cash flows due to changes of interest rates. The combination of the interest rate collar and the underlying variable interest debt instruments limits the variability of the debt instruments' cash flows due to changes of interest rates to a predetermined range. The Group has designated all interest rate swaps and the interest rate collar as hedging instruments with the variable interest cash flows of the underlying debt instruments as hedged items in individual hedging relationships recognised as cash flow hedges. The economic relationship between the hedging instrument and the hedged item is determined by comparing the critical terms (nominal value, currency, interest payment date, interest reset dates, etc.) of both items. If the critical terms of the hedging instrument and the hedged item are either the same or closely aligned an economic relationship is assumed to exist. The Group has established a hedge ratio of 1:1 and the cash flow changes of the underlying hedged items are balanced out by the cash flow changes of the hedging instruments. Potential hedge ineffectiveness could arise out of differences in critical terms between the hedging instruments and hedged items. Credit risk may affect hedge effectiveness. However, this risk is assessed to be very low as only international banks with high credit ratings are the counterparties to the hedging instruments.

The fair value of all interest rate derivatives was €6 million at the reporting date (2023: €18 million) and is shown in other non-current financial assets in the Consolidated Statement of Financial Position. For the reporting period of 2024, €6 million gain (2023: €15 million loss) has been recognised in OCI as fair value movements of the hedging instrument and €18 million (2023: €10 million) has been reclassified from OCI to profit or loss and recognised within other net financial expenses reflecting the settlement of the hedging instrument when interest on the underlying debt instrument is paid. No ineffectiveness has been recognised in the Consolidated Statement of Profit or Loss.

The financial effect of the hedged item and the hedging instrument for the year 2024 and 2023 is shown as follows:

in € million	Carrying amount	Statement of Financial Position	Change in fair value recognised in Other Comprehensive Income	Nominal amount
2024	6	Other non-current financial assets (liabilities)	6	EUR 1,052 million
2023	18	Other non-current financial assets (liabilities)	(15)	EUR 1,081 million

in € million	Cash flow hedge reserve within Equity	Balance net of deferred tax
2024	6	5
2023	18	14

Commodity swaps

In order to hedge the cash flow risk associated with commodity price of gas and oil, the Group has entered into financial commodity swaps. The Group has designated all commodity swaps as hedging instruments with expected purchases of commodities used in

production as hedged items in individual hedging relationships recognised as cash flow hedges. The economic relationship between the hedged item and the hedging instrument is deemed upfront based on the expectations that the values of the hedged item and the hedging instrument will typically move in opposite directions in response to the hedged risk determined by comparing the critical terms (nominal value, currency, commodity purchase date, commodity swaps settlement dates, etc.) of both items. If the critical terms of the hedging instrument and the hedged item are either the same or closely aligned an economic relationship is assumed to exist. The Group has established a hedge ratio of 1:1 and the cash flow changes of the underlying hedged items are balanced out by the cash flow changes of the hedging instruments. Potential hedge ineffectiveness could arise out of differences in critical terms between the hedging instruments and the hedged items. For oil hedges a source of potential ineffectiveness is different but similar underlying (crude oil vs fuel oil). Credit risk may affect hedge effectiveness. However, this risk is assessed to be very low as only international banks with high credit ratings are the counterparties to the hedging instruments.

The fair value of all commodity swaps was negative €3 million at the reporting date and is shown in other non-current and current financial liabilities in the Consolidated Statement of Financial Position. For the reporting period of 2024, a €8 million gain has been recognised in OCI as fair value movements of the hedging instrument and €1 million has been removed from cash flow hedge reserve and included directly in the carrying amount of the inventory reflecting the net settlement of the hedging instrument when the underlying inventory is purchased. No ineffectiveness has been recognised in the Consolidated Statement of Profit or Loss.

The financial effect of the hedged items and the hedging instruments for the year 2024 is shown as follows:

in € million	Carrying amount	Statement of Financial Position	Change in fair value recognised in Other Comprehensive Income	Nominal amount
2024	(3)	Other current and non-current financial assets (liabilities)	8	Gas 1,536 GWh Oil 624,033 bbl Power 117 GWh
2023	(11)	Other current and non-current financial assets (liabilities)	(11)	Gas 1,141 GWh Oil 700,297 bbl Power 30 GWh

in € million	Cash flow hedge reserve within Equity	Balance net of deferred tax
2024	(3)	(2)
2023	(11)	(8)

The average commodity prices hedged by the commodity swaps derivatives are as follows:

Hedging instrument		31.12.2024	
		up to 1 year	1 to 5 years
Commodity swaps - gas	Notional amount (Gwh)	214	1,322
	Average hedged price per MWh	53.15	34.93
Commodity swaps - oil	Notional amount (bbl)	346,342	277,691
	Average hedged price per bbl	75.14	73.47
Commodity swaps - power	Notional amount (Gwh)		117
	Average hedged price per MWh		72.10

Hedging instrument		31.12.2023	
		up to 1 year	1 to 5 years
Commodity swaps - gas	Notional amount (Gwh)	20	1,121
	Average hedged price per MWh	58.40	40.17
Commodity swaps - oil	Notional amount (bbl)	406,324	293,973
	Average hedged price per bbl	76.67	75.28
Commodity swaps - power	Notional amount (Gwh)		30
	Average hedged price per MWh		89.45

Forward exchange contracts

Foreign exchange forward contracts are entered into to reduce the Group's cash flow exposure to currency movements based on the internal risk assessment and analysis conducted. Hedge accounting is not applied to these economic hedges.

The nominal value and fair value of forward exchange contracts as of 31 December 2024 are shown in the table below:

Purchase	Sale	Nominal in	Nominal value in million	Fair value in € million	31.12.2024
MXN	USD	MXN	420	0	
EUR	USD	USD	75	0	
USD	INR	USD	15	0	
EUR	ZAR	ZAR	175	0	
USD	BRL	USD	7	0	
CLP	USD	USD	17	0	
EUR	INR	EUR	26	0	
CZK	EUR	EUR	11	(1)	
Forward exchange contracts				(1)	

The nominal value and fair value of forward exchange contracts as of 31 December 2023 are shown in the table below:

Purchase	Sale	Nominal in	Nominal value in million	Fair value in € million	31.12.2023
EUR	ZAR	ZAR	175	0	
MXN	USD	MXN	670	0	
USD	INR	USD	20	0	
EUR	USD	USD	150	(1)	
BRL	USD	USD	30	0	
CLP	USD	USD	19	0	

EUR	INR	EUR	33	0
CZK	EUR	EUR	16	0
Forward exchange contracts			(1)	

In 2024, the Group signed a share purchase agreement with the intention to acquire the Resco Group. The acquisition was closed after the reporting date (refer to Note (42) for details). The cash outflow related to the acquisition is payable in USD but is funded in EUR. This exposes the Group to foreign currency risk in the form of potential variability in the EUR equivalent of the USD cash outflow due to changes in the USD/EUR exchange rate between the signing date and the closing date of this acquisition. To hedge this foreign currency exposure, the Group entered a deal contingent forward exchange contract ('deal contingent forward') with a nominal value of USD 360 million at the time of signing the share purchase agreement. The Group has designated the deal contingent forward as hedging instrument with the EUR equivalent of the USD cash outflow stemming from the intended acquisition as hedged item in a hedging relationship recognised as cash flow hedge.

In terms of its structure, the deal contingent forward is a 'plain vanilla' forward exchange contract buying USD and selling EUR at a fixed exchange rate, whose settlement is conditional on the successful closing of the acquisition, providing protection against USD/EUR exchange rate movements until the acquisition closed. When the business combination was closed, the forward exchange contract was settled as it would usually be on the closing date of the acquisition, by applying an off market forward exchange rate at the closing date. However, had closing failed, the rights and obligations associated with the forward exchange contract would have disappeared at no cost and there would have been no obligation for the Group and the counterparty to settle it, which would have allowed the Group to exit the forward contract at zero cost. The disappearance of the forward exchange contract's rights and obligations in a scenario where closing would have failed is referred to as a 'knock-out' feature. The forward exchange rate considering the knock-out feature amounted to USD/EUR 1.0834 on the reporting date.

The method for assessing hedge effectiveness applied for commodity hedges is applied analogously to this hedging relationship. The main source of hedge ineffectiveness is the 'knock-out' feature embedded in the deal contingent forward, which does not exist in the hedged item.

The fair value of the deal contingent forward amounts to €13 million at the reporting date and is shown in other current financial assets in the Consolidated Statement of Financial Position. For the reporting period of 2024, a hedging gain of €13 million has been recognised in OCI as fair value movement of the hedging instrument. The corresponding balance of the cash flow hedge reserve, net of tax, amounts to €10 million at the reporting date.

36. Financial risk management

Financial risks are incorporated in the Group's corporate risk management framework and are centrally controlled by Corporate Treasury.

None of the following risks have a significant influence on the going concern premise of the Group.

Credit risks

The maximum credit risk from recognised financial assets amounts to €1,168 million (2023: €1,302 million) and is primarily related to investments with banks and receivables due from customers.

The credit risk with banks related to investments (especially cash and cash equivalents) is reduced as business transactions are only carried out with prime financial institutions with a good credit rating. Individual counterpart exposures limits are assigned to each financial institution based on a matrix composed of the credit rating (S&P or Moody's) and balance sheet assets.

Trade receivables are hedged as far as possible through credit insurance and collateral arranged through banks (guarantees, letters of credit) in order to mitigate credit and default risk. Credit and default risks are monitored continuously, and valuation allowance are recognised for risks that have occurred and are identifiable.

The credit exposure from trade receivables and contract assets, which is partially hedged by existing credit insurance and letters of credit, is shown in the following table:

in € million	31.12.2024	31.12.2023
Trade receivables and contract assets - gross	533	542
Credit insurance and letters of credit	(258)	(235)
Trade receivables and contract assets - net	275	307

The movement in the valuation allowance in respect of trade receivables and contract assets during the year and the previous year was as follows:

in € million	2024		2023	
	Individually assessed - credit impaired	Collectively assessed - not credit impaired	Individually assessed - credit impaired	Collectively assessed - not credit impaired
Accumulated valuation allowance at beginning of year	52	1	29	1
Currency translation	(2)	0	0	0
Additions initial consolidation	0	0	9	0
Addition	3	0	19	0
Use	(2)	0	(4)	0
Reversal	(4)	0	(1)	0
Accumulated valuation allowance at year-end	47	1	52	1

For trade receivables and contract assets, for which no objective evidence of impairment exists, lifetime expected credit losses have been calculated using a provision matrix as shown below. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

in € million	Trade receivables and contract assets						
	31.12.2024	not past due	less than 30 days	more than 31 days	Collectively assessed - not credit impaired	Individually assessed - credit impaired	Total
Expected credit loss rate in %	0.03 - 0.54%	0.09-1.24%	0.77 - 85.52%				
Gross carrying amount invoiced	371	25	19	416	122	538	
Lifetime expected credit loss	(1)	0	0	(1)		(1)	
Valuation allowance - credit impaired					(47)	(47)	
Carrying amount with either expected credit loss or incurred loss allowance						490	
Carrying amount without expected credit loss or incurred loss allowance						43	
Total trade receivables and contract assets						533	

in € million

	31.12.2023	Trade receivables and contract assets				
		not past due	less than 30 days	more than 31 days	Collectively assessed - not credit impaired	Individually assessed - credit impaired
Expected credit loss rate in %	0.01 - 0.57%	0.05-1.22%	0.30 - 59.13%			
Gross carrying amount invoiced	414	28	17	459	90	549
Lifetime expected credit loss	(1)	0	0	(1)		(1)
Valuation allowance - credit impaired				(52)	(52)	
Carrying amount with either expected credit loss or incurred loss allowance						496
Carrying amount without expected credit loss or incurred loss allowance						46
Total trade receivables and contract assets						542

Liquidity risk

Liquidity risk refers to the risk that financial obligations cannot be met when due. The Group's financial policy is based on long-term financial planning and is centrally controlled and monitored continuously at the Group. The liquidity requirements resulting from budget and medium-term planning are secured by concluding appropriate financing agreements. As of 31 December 2024, the Group has a committed RCF of €600 million, which was unutilised (2023: committed RCF was €600 million and was also unutilised). The RCF is a syndicated facility with multiple international banks and matures in 2028. The liquidity of the Group's subsidiaries is managed regionally but with central steering. Access to liquidity and optimised cash levels is ensured by Corporate Treasury, which supports business needs and lowers borrowing costs. Refer to Note (27) for a description of the consequences if financial covenants embedded in loan agreements are breached. Refer to Note (4) for a description of the potential impacts on the finance costs of ESG-linked loans if the Group's ESG rating gets downgraded.

Non-derivative financial liabilities

An analysis of the terms of non-derivative financial liabilities based on undiscounted cash flows including the related interest payments shows the following expected cash outflows:

in € million	Carrying amount 31.12.2024	Cash outflows	Remaining term		
			up to 1 year	1 to 5 years	over 5 years
Borrowings					
fixed interest	403	417	157	252	8
variable interest	1,337	1,466	167	1,269	30
Other financial liabilities	10	10	1	9	0
Lease liabilities	77	87	19	41	27

Liabilities to fixed-term or puttable non-controlling interests	52	84	7	27	50
Trade payables and other current liabilities	619	619	619	0	0
Non-derivative financial liabilities	2,498	2,683	970	1,598	115

in € million	Carrying amount 31.12.2023	Cash outflows	Remaining term		
			up to 1 year	1 to 5 years	over 5 years
Borrowings					
fixed interest	433	455	49	391	15
variable interest	1,499	1,736	154	1,364	218
Other financial liabilities	17	23	14	9	0
Lease liabilities	70	77	18	34	25
Liabilities to fixed-term or puttable non-controlling interests	87	181	18	13	150
Trade payables and other current liabilities	561	561	561	0	0
Non-derivative financial liabilities	2,667	3,033	814	1,811	408

Derivative financial instruments

The remaining terms of derivative financial instruments as of 31 December 2024 and 31 December 2023 are shown in the table below:

in € million	Carrying amount 31.12.2024	Cash flows	Remaining term		
			up to 1 year	1 to 5 years	over 5 years
Receivables from derivatives with net settlement					
Interest rate swaps	10	10	0	10	0
Commodity swaps	2	2	0	2	0
Forward exchange contracts	14	14	14	0	0
Derivatives in open orders	3	3	3	0	0
Liabilities from derivatives with net settlement					
Commodity swaps	5	5	2	3	0
Interest rate derivatives	4	4	0	4	0
Forward exchange contracts	1	1	1	0	0

in € million	Carrying amount 31.12.2023	Cash flows	Remaining term		
			up to 1 year	1 to 5 years	over 5 years

Receivables from derivatives with net settlement					
Interest rate derivatives	20	20	0	20	0
Commodity swaps	1	1	1	0	0
Forward exchange contracts	0	0	0	0	0
Liabilities from derivatives with net settlement					
Commodity swaps	11	11	1	10	0
Derivatives in open orders	3	3	3	0	0
Interest rate derivatives	2	2	0	1	1
Forward exchange contracts	1	1	1	0	0

Foreign currency risks

Foreign currency risks arise where business transactions (operating activities, investments, financing) are conducted in a currency other than the functional currency of a company. They are monitored at Group level and analysed with respect to hedging options. Usually, the net position of the Group in the respective currency serves as the basis for decisions regarding the use of hedging instruments.

Foreign currency risks arise in financial instruments which are denominated in a currency other than the functional currency and are monetary in nature. These include trade receivables and payables, cash and cash equivalents as well as financial liabilities as shown in the Consolidated Statement of Financial Position. Investments in equity instruments are not of a monetary nature, and therefore not linked to a foreign currency risk in accordance with IFRS 7 'Financial Instruments: Disclosures'.

The majority of foreign currency financial instruments in the Group result from operating activities and intragroup financing transactions. Significant provisions denominated in foreign currencies are also included in the analysis of risk.

The following table shows the foreign currency positions in the Group's major currencies as of 31 December 2024 and 31 December 2023:

31.12.2024 in € million	USD	EUR	ZAR	TRY	Other	Total
Financial assets	579	82	11	22	15	709
Financial liabilities, provisions	(426)	(44)	0	(6)	(20)	(496)
Net foreign currency position	153	38	11	16	(5)	213

31.12.2023 in € million	USD	EUR	GBP	INR	Other	Total
Financial assets	729	60	8	3	48	848
Financial liabilities, provisions	(470)	(95)	(15)	(1)	(22)	(603)
Net foreign currency position	259	(35)	(7)	2	26	245

The disclosures required by IFRS 7 for foreign exchange risks include a sensitivity analysis that shows the effects of hypothetical changes in the relevant risk variables on profit or loss and equity. The relevant risk variables are the financial assets and financial liabilities recognised on the reporting date that are denominated in a currency other than the functional currency of the respective reporting entity. The effects on a particular reporting period are determined by applying the hypothetical changes in these risk variables to the financial instruments held by the Group as of the reporting date. It is assumed that the positions on the reporting date are representative for the entire year. The sensitivity analysis does not include the foreign exchange differences that result from translating the net asset positions of the group companies with a functional currency other than Euro into the Group's reporting currency, the Euro.

A 10% appreciation or devaluation of the relevant functional currency against the following major currencies as of 31 December 2024 would have had the following effect on profit or loss and equity (both excluding income tax):

31.12.2024 in € million	Appreciation of 10%		Devaluation of 10%	
	(Loss)/gain	Equity	Gain/(loss)	Equity
USD	(14)	(14)	17	17
EUR	(3)	1	4	(1)
ZAR	(1)	(1)	1	1
TRY	(1)	(1)	2	2
Other currencies	0	0	(1)	(1)

A 10% appreciation or devaluation of the relevant functional currency against the following major currencies as of 31 December 2023 would have had the following effect on profit or loss and equity (both excluding income tax):

31.12.2023 in € million	Appreciation of 10%		Devaluation of 10%	
	(Loss)/gain	Equity	Gain/(loss)	Equity
USD	(22)	(20)	27	25
EUR	2	6	(2)	(7)
Other currencies	(2)	(2)	2	2

The effect in equity also includes the foreign exchange effects related to certain intragroup monetary assets and liabilities recorded directly in OCI (refer to Note (3) for details).

Interest rate risks

The interest rate risk in the Group is primarily related to debt instruments carrying variable interest rates, which may lead to fluctuations in results and cash flows. At 31 December 2024, one interest rate collar with a nominal value of €180 million (2023: €180 million) and interest rate swaps with a nominal value of €872 million (2023: €901 million) existed with the interest rate swaps converting the variable interest rate of the hedged debt instrument into a fixed interest rate. Further information is provided in Note (35).

The exposure to interest rate risks is presented through sensitivity analysis in accordance with IFRS 7. This analysis shows the effects of changes in market interest rates on interest payments, interest income and interest expense and on equity.

The Group measures fixed interest financial assets and financial liabilities at amortised cost and did not use the fair value option - a hypothetical change in the market interest rates for these financial instruments at the reporting date would have had no effect on profit and loss or equity.

Changes in market interest rates on debt instruments designated as cash flow hedges to protect against interest rate-related payment fluctuations within the scope of hedge accounting have an effect on equity and are therefore included in the equity-related sensitivity analysis. If the market interest rate as of 31 December 2024 had been 25 basis points higher or lower, equity would have been €2 million (2023: €2 million) higher or lower considering tax effects.

Changes in market interest rates have an effect on the interest result of primary variable interest debt instruments whose interest payments are not designated as hedged items as a part of cash flow hedge relationships against interest rate risks and are therefore included in the calculation of the result-related sensitivities. If the market interest rate as of 31 December 2024 had been 25 basis points higher or lower, the interest result would have been €0 million (2023: €0 million) lower or higher.

Commodity price risk

The Group manages its exposure to commodity prices, namely gas and electricity purchases in Europe, by entering into forward fixed price take or pay contracts with various suppliers to mitigate and reduce the impact of price volatility and secure the energy supply for its production process. These contracts are mainly accounted for as executory contracts as the commodities purchases are for own use purposes. The Group's Energy Risk policy sets out thresholds for fixing quantities based on the expected usage which is usually over a five-year period with lower levels of forward purchases in the outer years.

In line with the above strategy, the Group may also enter into financial commodity swap contracts to fix prices for expected purchases not covered by the fixed price take or pay contracts within the overall defined thresholds. Further information is provided under Note (35).

Other market price risk

The Group holds certificates in an investment fund amounting to €12 million (2023: €12 million) in order to provide the legally required coverage of personnel provisions of its Austrian subsidiaries. The market value of these certificates is influenced by fluctuations of the worldwide volatile stock and bond markets.

37. Capital management

The objectives of the capital management strategy of the Group are to continue as a going concern and to provide a capital base from which to finance growth and investments, to service debt, and to increase shareholders value, including the payment of dividends to shareholders.

The Group manages its capital structure through careful monitoring and assessment of the overall economic framework conditions, credit, interest rate and foreign exchange risks and the requirements and risks related to operations and strategic projects.

	31.12.2024	31.12.2023
Net debt (in € million) ¹⁾	1,251	1,304
Net gearing ratio (in %)	91.2%	95.6%
Net debt to Adjusted EBITDA	2.30x	2.40x

1) Further information is provided under Note (33).

Net debt, which reflects borrowings and lease liabilities net of cash and cash equivalents, and short-term marketable securities held for trading, is managed by Corporate Treasury. The main task of the Corporate Treasury department is to execute the capital management strategy, secure liquidity to support business operations on a sustainable basis, use banking and financial services efficiently and limit financial risks while at the same time optimising earnings and costs.

The net gearing ratio is the ratio of net debt to total equity.

Net debt excluding lease liabilities/Adjusted EBITDA is the main financial covenant of loan agreements. The key performance indicator for net debt in the Group is the group leverage, which reflects the ratio of Net debt to Adjusted EBITDA, including lease liabilities. It is calculated as follows:

in € million	31.12.2024	31.12.2023
EBIT	242	333
Amortisation	40	44
Restructuring and write-down expenses	24	20

Other operating income and expenses	101	12
Adjusted EBITA	407	409
Depreciation	136	134
Adjusted EBITDA	543	543
Total debt	1,750	1,949
Lease liabilities	77	70
Less: Cash and cash equivalents	576	704
Less: Marketable securities	0	11
Net debt	1,251	1,304
Net debt excluding IFRS 16 lease liabilities	1,174	1,234
Net debt to Adjusted EBITDA	2.30x	2.40x
Net debt to Adjusted EBITDA excluding IFRS 16 lease liabilities	2.16x	2.27x

In both 2024 and the previous reporting period, the Group complied with the financial covenant of the Group's principal borrowing facilities (refer to Note (27)). The Group has sufficient liquidity headroom within its committed debt facilities.

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 EBITA and adjusted EBITDA are key non-IFRS measures 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. 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 on the Group. Excluded items are other income, other expenses and restructuring expenses as reflected on the Statement of Consolidated Profit or Loss, which are non-recurring in nature and not reflective of the underlying operational performance of the business. The excluded items presented as other income, and other expenses are explained and broken down in Notes (7) and (8).

38. Contingent liabilities

Contingent liabilities have a remaining term of between one and five years. Based on historical experience, the future probability that contingent liabilities are realised is considered to be low.

At 31 December 2024, warranties, performance guarantees and other guarantees amount to €78 million (2023: €71 million). The Group is subject to lawsuits and disputes in the normal course of the business; the Group has assessed these positions and recorded provisions where necessary.

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 tax items presented in the Consolidated Financial Statements may be subject to different interpretations by local finance authorities. In this context it should be noted that a tax provision is generally recognised when the Group has a present obligation as a result of a past event, and when it is considered probable that there will be a future outflow of funds.

The Group is continually adapting its global presence to improve customer service and maintain its competitive advantage, and leads open discussions with tax authorities about, for example, transfer of functions and related profit between related parties and exit taxation. In this regard, disputes may arise, where the Group management's understanding differs from the positions of the local tax

authorities. In such cases, where an appeal is available, management's judgements are based on a likely outcome approach, taking into consideration previous experience and advice from professional firms when assessing the risks.

The Group is party to several tax proceedings in Brazil which involve estimated contingent liabilities amounting to €117 million (2023: €272 million). These tax proceedings are as follows:

Income Tax relating to historical corporate transactions

There were 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 in 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 administrative courts in 2024, reducing the cash exposure to €33 million (2023: €177 million). Such exposure is limited to the fiscal tax years up to 2018 at which stage all available goodwill tax deductions had been made, and the Group is currently disputing the remaining amounts in the judicial courts. The proceedings are expected to last for at least five years.

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, 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 three to four years. At 31 December 2024, the potential risk amounts to €28 million (2023: €32 million), including interest and penalties.

Corporate income and other taxes

There are several tax audits ongoing in Brazil mainly relating to: offsetting federal tax payables and receivables, social security contributions, as well as offsetting certain federal tax debts with corporate income tax credits. The potential cash outflow resulting from the outcome of these tax audits amount to €57 million (2023: €63 million).

39. Independent Auditor's remuneration

in € million	2024	2023
Fees in respect of the audit of the Consolidated and Parent Company Financial Statements ¹⁾	(1)	(1)
Other audit fees, in respect of subsidiaries' audit, to PwC network firms	(2)	(2)
Total audit fees	(3)	(3)
Other non-audit services ¹⁾²⁾	(1)	(1)
Total fees	(4)	(4)

1) Total fees to PricewaterhouseCoopers Accountants N.V. totalled €1 million (2023: €1 million).

2) Other non-audit services mainly include Interim review fees of €0.3 million (2023: €0.2 million) and fees for limited assurance on Sustainability Statement of €0.3 million (2023: €0.0 million).

40. Business Combinations

Acquisitions completed in 2023

In July 2023 the Group completed the acquisition of Seven Refractories Group. The purchase price allocation is final. Compared to the preliminary amounts recognised for the acquired assets and liabilities in last year's Consolidated Financial Statements, the intangible asset related to identified customer relationships decreased by €3 million accompanied by a reduction in deferred tax liabilities of €1 million. These adjustments were reflected against goodwill and non-controlling interests, in line with IFRS 3, and mainly result from the reassessment of valuation parameters used in the measurement of the intangible asset.

In October 2023 the Group completed the acquisition of P-D Refractories. The purchase price allocation is final and does not materially differ from the purchase price allocation disclosed in the last year's Consolidated Financial Statements.

Acquisitions completed in 2024

In June 2024 the Group, through its non-wholly owned subsidiary Horn & Co. RHIM Minerals Recovery GmbH, completed the acquisition of 100% of the equity shares of Refrattari Trezzi S.r.l., a company engaged in the refractory recycling business. The acquisition means that a strategic production facility has been added to the Group's existing plant network. The strengthened presence in Italy will enable an increased supply of high-value secondary raw materials and customised services to extend the Group's full-line services portfolio for the customers. The consideration paid in cash amounts to €5 million.

41. Transactions with related parties

Related companies include joint ventures, associates and MSP Stiftung, Liechtenstein, as a shareholder of RHI Magnesita N.V., since it exercises significant influence based on its shareholding of more than 25%. The personnel welfare foundation of Stopinc AG, Switzerland, as well as Chestnut Beteiligungs GmbH, Germany and FEWI Beteiligungs GmbH, Germany (shareholders of the Group, which are related to a director) are considered related companies.

Related persons are persons having authority and responsibility for planning, directing and controlling the activities of the Group (key management personnel) and their close family members. Key management personnel comprise members of the Board of Directors of RHI Magnesita N.V. and the Executive Management Team (EMT).

Related companies

In 2024 and 2023, the Group conducted the following transaction with its related companies:

in € million	Joint ventures	
	2024	2023
Revenue from the sale of goods and services	2	2
Purchase of raw materials	6	6
Trade liabilities	0	1

In 2024 and 2023, no transactions were carried out between the Group and MSP Stiftung, FEWI Beteiligungs GmbH or Chestnut Beteiligungs GmbH, with the exception of the dividend paid.

A service relationship with respect to the company pension scheme of the employees of Stopinc AG exists between the personnel welfare foundation of Stopinc AG and the fully consolidated subsidiary Stopinc AG. Stopinc AG makes contribution payments to the plan assets of the foundation to cover pension obligations. The pension plan is recognised as a defined benefit plan and is included in Note (29). In the past reporting period, employer contributions amounting to €1 million (2023: €1 million) were made to the personnel welfare foundation. At 31 December 2024, a net asset from overfunded pension plans of €1 million (2023: €2 million) is recognised.

Related persons

Remuneration of key management personnel of the Group comprises the remuneration of the Board of Directors and the EMT.

in € million	2024	2023
Executive Directors and EMT		
Short-term employee benefits	9	10
Share-based payments	4	6
Total	13	16
Non-Executive Directors ¹⁾	2	1

1) Compensation paid to Non-Executive Directors reflects fees for services as Directors.

Employee representatives acting as Non-Executive Directors do not receive additional compensation for these services and are not included in the above table.

Share dealing reports of persons discharging managerial responsibilities are published on the website of RHI Magnesita N.V. and announced via regulatory news services. The Group maintains Directors' & Officers' liability insurance for the Board of Directors and Company officers.

There is a non-remunerated consultancy agreement in place between RHI Magnesita and a close relative of a Non-Executive Director to advise the Group in respect of political and/or strategic analysis in countries outside the European Union and Brazil.

42. Material events after the reporting date

In March 2024, the Group signed a share purchase agreement stipulating its acquisition of 100% of the shares of Balmoral Refractories Holdings, Inc., USA, and its six wholly owned subsidiaries, together referred to as 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 the Group'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. Following the integration, the Resco Group will form part of all reportable segments.

The preliminary cash consideration amounts to USD315 million (€300 million) and is subject to post-closing adjustments in relation to Resco Group's working capital and net debt. Additionally, the Group repaid borrowings and liabilities for acquisition-related costs totalling USD100 million (€96 million) on behalf of the Resco Group and acquired cash amounting to USD6 million (€6 million) on closing of the acquisition resulting in a preliminary net cash outflow related to the acquisition totalling USD409 million (€390 million). Of this amount, USD48 million (€44 million) was paid before the reporting date, and the remainder was paid after the reporting date.

The settlement of the deal contingent forward exchange contract disclosed in Note (36) to hedge against the potential variability in the cash outflow due to changes in the USD/EUR exchange rate resulted in a realised gain of €13 million. This gain reduces the EUR equivalent of the net preliminary cash outflow related to the acquisition and goodwill, in accordance with the cash flow hedge accounting requirements.

At the time the Consolidated Financial Statements were authorised for issue, the purchase price was not allocated to the assets acquired and liabilities assumed since the Financial Statements of the Resco Group as of the acquisition date were not available. Therefore, the amounts recognised for each major class of assets acquired and liabilities assumed, the determination of preliminary goodwill as well as information on the income tax deductibility of goodwill and the composition of goodwill are not disclosed.

Company Financial Statements of RHI Magnesita N.V.
 Company Balance Sheet as at 31 December
 2024
 (before appropriation of result)

in € million	Note	31.12.2024	31.12.2023
ASSETS			
Non-current assets			
Non-current financial assets	(A)	1,193	1,196
Securities		1	1
Deferred tax assets		11	7
Total non-current assets		1,205	1,204
Current assets			
Receivables from group companies		1	9
Other current receivables		4	1
Cash and cash equivalents	(B)	0	1
Total current assets		5	11
Total assets		1,210	1,215
EQUITY AND LIABILITIES			
Equity			
Share capital	(C)	50	50
Treasury shares	(D)	(108)	(111)
Additional paid-in capital	(E)	361	361
Legal and mandatory reserves	(F)	86	86
Other reserves		671	651
Result for the period	(J)	142	165
Shareholders' Equity		1,202	1,202
Current liabilities			
Current liabilities	(G)	8	13
Total liabilities		8	13
Total equity and liabilities		1,210	1,215

Company Statement of Profit or Loss for the period 1 January 2024 to 31 December 2024

in € million	Note	2024	2023
General and administrative expenses	(H)	(25)	(30)
Result before taxation		(25)	(30)
Loss before income tax		(25)	(30)
Income tax		3	(3)
Net result from investments	(I)	164	198
Net result for the period	(J)	142	165

Movements in Shareholders' Equity

in € million	Share capital	Treasury shares	Additional paid-in capital	Legal and mandatory reserves			Other reserves	Retained earnings	Net result	Equity attributable to shareholders
				Cash flow hedges	Currency translation	Mandatory reserve				
31.12.2023	50	(111)	361	6	(163)	289	605	165	1,202	
Appropriation of prior year result	-	-	-	-	-	-	165	(165)	-	
Net result	-	-	-	-	-	-	-	142	142	
Share transfer / Vested LTIP	-	3	-	-	-	-	(3)	-	-	
Share-based expenses	-	-	-	-	-	-	9	-	9	
Dividends	-	-	-	-	-	-	(87)	-	(87)	
Net income / (expense) recognised directly in equity	-	-	-	6	(91)	-	21	-	(64)	
31.12.2024	50	(108)	361	12	(254)	289	710	142	1,202	

in € million	Share capital	Treasury shares	Additional paid-in capital	Legal and mandatory reserves			Other reserves		Equity attributable to shareholders
				Cash flow hedges	Currency translation	Mandatory reserve	Retained earnings	Net result	
31.12.2022	50	(116)	361	32	(148)	289	378	156	1,002
Appropriation of prior year result									
	-	-	-	-	-	-	156	(156)	-
Net result	-	-	-	-	-	-	-	165	165
Share transfer / Vested LTIP	-	5	-	-	-	-	(5)	-	-
Share-based expenses	-	-	-	-	-	-	9	-	9
Dividends	-	-	-	-	-	-	(78)	-	(78)
Net income / (expense) recognised directly in equity	-	-	-	(26)	(15)	-	145	-	104
31.12.2023	50	(111)	361	6	(163)	289	605	165	1,202

Notes to the Company Financial Statements 2024

General

The Financial Statements of RHI Magnesita N.V. for the year ended 31 December 2024 were approved and authorised for issue by the Board of Directors on 26 February 2025. 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, registered with the Dutch Trade Register under number 68991665.

The shares of RHI Magnesita N.V. (ISIN code NL0012650360) are listed within the Equity Shares (Commercial Companies) category of the Official List of the London Stock Exchange (symbol: RHIM) and is a constituent of the FTSE 250 index. The Company holds a secondary

listing on the Vienna Stock Exchange (Wiener Börse).

Basis of preparation

The Company Financial Statements have been prepared in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code. The Company uses the option of Section 362, subsection 8 of Part 9, Book 2, of the Dutch Civil Code to prepare the Company Financial Statements on the basis of the same accounting principles as those applied for the Consolidated Financial Statements. Valuation is based on recognition and measurement requirements of IFRS Accounting Standards as adopted by the EU and as explained further in the Notes to the Consolidated Financial Statements.

Fiscal Unity

For corporate income tax purposes, RHI Magnesita N.V., Vienna Branch, acts as the head of a corporate tax group in Austria with the following companies:

- Lokalbahn Mixnitz-St. Erhard GmbH
- Radex Vertriebsgesellschaft m.b.H
- Refractory Intellectual Property GmbH
- RHI Refractories Raw Material GmbH
- Veitsch-Radex GmbH
- Veitsch-Radex Vertriebsgesellschaft m.b.H
- Veitscher Vertriebsgesellschaft m.b.H

According to the Group and tax compensation agreement, which forms a legal requirement for the Austrian corporate tax group, tax compensation payments within the corporate tax group are calculated based on the stand-alone method, without charging negative tax compensations. In case of a taxable profit, the respective tax group member has to pay a tax compensation to RHI Magnesita N.V. as the head of the corporate tax group amounting to the legally applicable corporate tax rate (23.0% for 2024). In case of a taxable loss, the respective tax group member does not receive a negative tax compensation by RHI Magnesita N.V., but rather the taxable loss is carried forward internally and reduces the calculation base for any future tax compensation payment by the respective tax group member to RHI Magnesita N.V. (group internal carry forward of losses). Any tax compensation payment by tax group members to RHI Magnesita N.V. is reduced by withholding taxes paid by the respective group member, which RHI Magnesita N.V. could credit against any corporate income tax due in Austria. For cases of termination of the corporate tax group or cases in which a tax group member leaves the corporate tax group, the group and tax compensation agreement foresees a final tax compensation true-up.

The corporate income tax rate for the Company is 23.0% (2023: 24.0%). The effective tax rate is negative 1.9% (2023: 1.9%) with an income tax income of €3 million (2023: €3 million expense) on a profit before income tax of €139 million (2023: €168 million). Overall, a taxable income of €5 million deriving from movement in deferred tax positions is offset by a tax expense of €2 million which stems from the consolidation of the results of subsidiaries which are part of the fiscal unity; RHI Magnesita N.V. is the head of this fiscal unity. The low effective income tax rate is mainly attributable to a substantial non-taxable income derived from investments in subsidiaries (€164 million).

All income and expenses are settled through their intercompany (current) accounts.

Significant accounting policies

Non-current financial assets

In the Company Financial Statements, investments in Group companies are stated at net asset value, in accordance with the equity method, if the Company effectively exercises influence of significance over the operational and financial activities of these investments. The net asset value is determined on the basis of the accounting principles applied by the Company. In case the net asset value of an

investment in a Group company is negative, any existing loans to Group companies considered as net investment are impaired. A provision for any remaining equity deficit is recognised when an outflow of resources is probable and can be reliably estimated.

Receivables from Group companies

Accounts receivables are measured at fair value and are subsequently measured at amortised cost, less allowance for credit losses. The carrying amount of the accounts receivable approximates the fair value.

Net result from investments

The share in the result of investments comprises the share of the Company in the result of these investments.

Non-current financial assets

(A) Non-current financial assets

The financial fixed assets comprise investments in:

Name and country of incorporation of the company	Country of core activity	31.12.2024	31.12.2023
		Share in %	Share in %
RHI Magnesita Deutschland AG, Wiesbaden, Germany	Germany	12.5	12.5
RHI Refractories Raw Material GmbH, Vienna, Austria	Austria	25.0	25.0
RHI Magnesita GmbH, Vienna, Austria	Austria	100.0	100.0

The investments have developed as follows:

in € million	2024	2023
At beginning of year	1,196	943
Transactions with non-controlling interests without change of control	5	161
Changes from currency translation and cash flow hedges	(84)	(40)
Changes from defined benefit plans	16	(16)
Dividend distribution	(104)	(50)
Net result from investments	164	198
Balance at year-end	1,193	1,196

The following list, prepared in accordance with the relevant legal requirements (Dutch Civil Code, Book 2, Sections 379), shows all companies in which RHI Magnesita N.V. holds a direct or indirect share of at least 20%:

Ser. no.	Name and country of incorporation of the company	Share- holder	Share in %	Share- holder	Share in %
1.	RHI Magnesita N.V., Arnhem, Netherlands				
2.	Agellis Group AB, Lund, Sweden	32.	100.0	32.	100.0
3.	Baker Refractories Holding Company, Delaware, USA	22.	100.0	22.	100.0

4.	Baker Refractories I.C., Inc., Delaware, USA	3.	100.0	3.	100.0
5.	Didier Société Industrielle de Production et de Construction - "D.S.I.P.C.", Valenciennes, France	47.	100.0	47.	100.0
6.	Dutch Brasil Holding B.V., Arnhem, Netherlands	90.	100.0	90.	100.0
7.	Dutch MAS B.V., Arnhem, Netherlands	47.	100.0	47.	100.0
8.	Dutch US Holding B.V., Arnhem, Netherlands	90.	100.0	90.	100.0
9.	Foreign Enterprise "VERA", Dnepropetrovsk, Ukraine	32.	100.0	32.	100.0
10.	GIX International Limited, Dinnington, United Kingdom	94.	100.0	94.	100.0
11.	Horn & Co. RHIM Minerals Recovery GmbH, Siegen, Germany	48.	55.0	48.	51.0
12.	Intermetal Engineers (India) Private Limited, Mumbai, India	49.	100.0	49.	100.0
13.	Jinan New Emei Industries Co. Ltd., Jinan, China	43.	65.0	43.	65.0
14.	Liaoning RHI Jinding Magnesia Co., Ltd, Dashiqiao, China1)	32.	100.0	32.	100.0
15.	Lokalbahn Mixnitz-St. Erhard GmbH, Vienna, Austria	69.	100.0	69.	100.0
16.	LWB Refractories Holding France S.A.S., Valenciennes, France 3)	33.	100.0	n/a	100.0
17.	Magnesita Asia Refractory Holding, Limited, Hong Kong, Hong Kong	16.	100.0	16.	100.0
18.	Magnesita Malta Finance Ltd., St. Julians, Malta 3)	19.	100.0	n/a	100.0
19.	Magnesita Malta Holding Ltd., St. Julians, Malta 3)	48.	100.0	n/a	100.0
20.	Magnesita Mineração S.A., Brumado, Brazil	28.	100.0	28.	100.0
21.	Magnesita Refractories (Dalian) Co., Ltd., Dalian, China 3)	43.	100.0	n/a	100.0
22.	Magnesita Refractories Company, York, USA	33.	100.0	33.	100.0
23.	Magnesita Refractories Limited, Dinnington, United Kingdom	3.	100.0	3.	100.0
24.	Magnesita Refractories México, S.A. de C.V., Monterrey, Mexico	3.,4.	100.0	3.,4.	100.0
25.	Magnesita Refractories Middle East Free Zone Establishment, Dubai, United Arab Emirates 3)	6.	100.0	n/a	100.0
26.	Magnesita Refractories S.C.S., Valenciennes, France 3)	16.,33.	100.0	n/a	100.0
27.	Magnesita Refractories S.R.L., Milano, Italy 3)	33.	100.0	n/a	100.0
28.	Magnesita Refratários S.A., Contagem, Brazil	6.	100.0	6.	100.0
29.	Magnesita Resource (Anhui) Company Ltd., Chizhou, China	43.	100.0	43.	100.0
30.	P-D Refractories CZ a.s., Velké Opatovice, Czech Republic	48.	96.9	48.	86.8
31.	Producción RHI México, S. de R.L. de C.V., Ramos Arizpe, Mexico	64.,94.	100.0	64.,94.	100.0
32.	Radex Vertriebsgesellschaft m.b.H., Leoben, Austria	92.	100.0	92.	100.0
33.	Rearden G Holdings Eins GmbH, Wiesbaden, Germany 3)	6.	100.0	n/a	100.0
34.	Refractarios Argentinos S.A, Industrial Comercial Y Minera (I.C.M.), San Nicolás, Argentina	6.,8.,94.	100.0	6.,8.,94.	100.0
35.	Refractarios Magnesita Colombia S.A.S., Sogamoso, Colombia	6.	100.0	6.	100.0
36.	Refractarios Magnesita Perú S.A.C., Lima, Peru	6.	100.0	6.	100.0
37.	Refractory Intellectual Property GmbH, Vienna, Austria	48.	100.0	48.	100.0
38.	Refractory Intellectual Property GmbH & Co KG, Vienna, Austria	37.	100.0	37.	100.0
39.	Refrattari Trezzi S.r.l., Merlino, Italy	11.	100.0	-	0.0
40.	RHI Canada Inc., Burlington, Canada	94.	100.0	94.	100.0

31.12.2024

31.12.2023

Ser. no.	Name and country of incorporation of the company	Share- holder	Share in %	Share- holder	Share in %
41.	RHI Chile S.A., Santiago, Chile	10.,34.,94.	100.0	10.,34.,94.	100.0
42.	RHI Italia S.R.L., Brescia, Italy	48.	100.0	48.	100.0
43.	RHI Magnesita (China) Co., Ltd., Shanghai, China	32.	100.0	32.	100.0
44.	RHI Magnesita (Chongqing) Refractory Materials Co., Ltd., Chongqing, China	43.	51.0	43.	51.0
48.	RHI Magnesita GmbH, Vienna, Austria	1.	100.0	1.	100.0
49.	RHI Magnesita India Limited, New Delhi, India	6.,8.,94.	56.1	6.,8.,94.	56.1
50.	RHI Magnesita India Refractories Limited, Rajgangpur, India	49.	100.0	49.	100.0
51.	RHI Magnesita RE Limited, Guernsey, United Kingdom	32.	100.0	32.	100.0
52.	RHI Magnesita Sales Germany GmbH, Wiesbaden, Germany	75.	100.0	75.	100.0
53.	RHI Magnesita Seven Refractories Limited, Dseven, India	50.	100.0	50.	100.0
54.	RHI Magnesita Switzerland AG, Hünenberg, Switzerland	32.,47.	100.0	32.,47.	100.0
55.	RHI Magnesita Trading B.V., Rotterdam, Netherlands	48.	100.0	48.	100.0
56.	RHI Magnesita Turkey Refrakter Ticaret Anonim Sirketi, Eskisehir, Türkiye ²⁾	15.,32.,90.	100.0	15.,32.,90.	100.0
57.	RHI Magnesita Vietnam Company Limited, Ho Chi Minh City, Vietnam	63.	100.0	63.	100.0
58.	RHI Magnesita Wetro GmbH, Puschwitz, Germany	48.	100.0	48.	100.0
59.	RHI Marvo S.R.L., Bucharest, Romania	32.,90.	100.0	32.,90.	100.0
60.	RHI Refractories (Dalian) Co., Ltd., Dalian, China	43.	100.0	43.	100.0
61.	RHI Refractories Africa (PTY) LTD, Sandton, South Africa	32.	100.0	32.	100.0
62.	RHI Refractories Andino, C.A., Puerto Ordaz, Venezuela	94.	100.0	94.	100.0
63.	RHI Refractories Asia Pacific Pte. Ltd, Singapore, Singapore	48.	100.0	48.	100.0
64.	RHI Refractories España, S.L., Lugones, Spain	7.,47.	100.0	7.,47.	100.0
65.	RHI Refractories France SA, Valenciennes, France	47.,52.,81.	100.0	47.,52.,81.	100.0
66.	RHI Refractories Ibérica, S.L., Oviedo, Spain	81.	100.0	81.	100.0
67.	RHI Refractories Liaoning Co., Ltd., Bayuquan, China ¹⁾	43.	100.0	43.	100.0
68.	RHI Refractories Nord AB, Stockholm, Sweden	81.	100.0	81.	100.0
69.	RHI Refractories Raw Material GmbH, Vienna, Austria	1.,32.,48.	100.0	1.,32.,48.	100.0
70.	RHI Refractories Site Services GmbH, Wiesbaden, Germany	47.	100.0	47.	100.0
71.	RHI Refractories UK Limited, Bonnybridge, United Kingdom	47.	100.0	47.	100.0
72.	RHI Refratários Brasil Ltda., Contagem, Brazil	6.,28.	100.0	6.,28.	100.0
73.	RHI Trading (Dalian) Co., Ltd, Dalian, China	43.	100.0	43.	100.0
74.	RHI Ukraina LLC, Dnepropetrovsk, Ukraine	32.,90.	100.0	32.,90.	100.0
75.	RHI Urmitz AG & Co. KG, Mülheim-Kärlich, Germany	47.,70.	100.0	47.,70.	100.0
76.	RHI US Ltd., Delaware, USA	8.	100.0	8.	100.0
77.	RHI Wostok Limited Liability Company, Moscow, Russia	32.,48.	100.0	32.,48.	100.0
78.	RHI Wostok Service Limited Liability Company, Moscow, Russia	32.,48.	100.0	32.,48.	100.0
79.	RHIM Mireco Mitterdorf GmbH, St.Barbara im Mürztal, Austria	11.	100.0	11.	100.0
80.	RHI-Refmex, S.A. de C.V., Ramos Arizpe, Mexico	55.,64.,94.	100.0	64.,94.	100.0

81.	Sapref AG für feuerfestes Material, Basel, Switzerland	94.	100.0	94.	100.0
82.	Seven Refractories (UK) Ltd, Rotherham, United Kingdom	83.	100.0	83.	76.0
83.	Seven Refractories d.o.o, Divača, Slovenia	48.	100.0	48.	100.0
84.	Seven Refractories Deutschland GmbH, Düsseldorf, Germany	48.	100.0	48.	100.0
85.	Seven Refractories Holding, Inc., Huron, USA	83.	100.0	83.	100.0

Ser. no.	Name and country of incorporation of the company	31.12.2024		31.12.2023	
		Share- holder	Share in %	Share- holder	Share in %
86.	Seven Refractories Limited, Nicosia, Cyprus	83.	100.0	83.	51.0
87.	Seven Refractories S.r.l., Castellazzo Bormida, Italy	83.	100.0	83.	100.0
88.	Sipra S.p.A., Bergamo, Italy	83.	52.0	83.	52.0
89.	Sörماş Söğüt Refrakter Malzemeleri Anonim Şirketi, Söğüt / Bilecik, Türkiye	32.	91.3	32.	91.0
90.	Veitscher Vertriebsgesellschaft m.b.H., Vienna, Austria	48.	100.0	48.	100.0
91.	Veitsch-Radex GmbH, Vienna, Austria	48.	100.0	48.	100.0
92.	Veitsch-Radex GmbH & Co OG, Vienna, Austria	48.	100.0	48.	100.0
93.	Veitsch-Radex Vertriebsgesellschaft m.b.H., Vienna, Austria	48.	100.0	48.	100.0
94.	VRD Americas B.V., Arnhem, Netherlands	32,48.	100.0	32,48.	100.0
95.	Zimmermann & Jansen GmbH, Wiesbaden, Germany	47.	100.0	47.	100.0
96.	Dr.-Ing. Petri & Co. Unterstützungs-Gesellschaft m.b.H., Wiesbaden, Germany	47.	100.0	47.	100.0
97.	Horn & Co Polska sp. z o.o., Chorzów, Poland	11.	100.0	11.	100.0
98.	Magnesita Refractories Private Limited, Mumbai, India ³⁾	33.	100.0	n/a	100.0
99.	Minerals and Metals Recovering - Mireco Aktiebolag, Fagersta, Sweden	11.	100.0	11.	100.0
100.	Mireco SARL, Entzheim, France	11.	100.0	11.	100.0
101.	Mireco SH.P.K, Lebushe, Kosovo	11.	100.0	11.	100.0
102.	Rudgruvans Industrier Aktiebolag, Fagersta, Sweden	11.	100.0	11.	100.0
Equity-accounted joint ventures and associated companies					
103.	Chongqing Boliang Refractory Materials Co., Ltd., Chongqing, China	43.	51.0	43.	51.0
104.	Magnesita-Envoy Asia Ltd., Kaohsiung, Taiwan	3.	50.0	3.	50.0
105.	P-D Kremen d.o.o., Šentjernej, Slovenia	30.	50.0	30.	50.0

1) In accordance with IAS 32, fixed-term or puttable non-controlling interests are shown under liabilities.

2) Further shareholder is VRD Americas B.V., Arnhem, Netherlands.

3) 2023 Shareholder(s) have been merged and are consequently no longer part of this list.

Current assets

(B) Cash and cash equivalents

Cash and cash equivalents are at RHI Magnesita N.V.'s free disposal.

Equity

(C) Share capital

The Company's authorised share capital amounts to €100,000,000, comprising 100,000,000 ordinary shares, each of €1 nominal value. As at 31 December 2024, RHI Magnesita N.V.'s issued and fully paid-in share capital consists of 47,195,936 ordinary shares (2023: 47,130,338 ordinary shares). For additional information on treasury shares see (D).

(D) Treasury shares

As at 31 December 2024, RHI Magnesita treasury shares amount to 2,281,769 (2023: 2,347,367).

(E) Additional paid-in capital

Additional paid-in capital comprises premiums on the issue of shares less issue costs by RHI Magnesita N.V.

(F) Legal, mandatory and other reserves

Cash flow hedges

The item cash flow hedges include gains and losses from the effective part of cash flow hedges less tax effects. Further information on hedge accounting is included in Note (35) and Note (36) of the Consolidated Financial Statements.

Currency translation

Currency translation includes the accumulated currency translation differences from translating the Financial Statements of foreign subsidiaries as well as unrealised currency translation differences from monetary items which are part of a net investment in a foreign operation, net of related income taxes. If foreign companies are deconsolidated, the currency translation differences are recognised in the Statement of Profit or Loss as part of the gain or loss from the sale of shares in subsidiaries. In addition, when monetary items cease to form part of a net investment in a foreign operation, the currency translation differences of these monetary items previously recognised in OCI are reclassified to profit or loss.

The cash flow hedge reserve and the currency translation reserve are legal reserves and are restricted for distribution.

Legal and mandatory reserve

The Articles of Association stipulate a mandatory reserve of €288,699,231 which was created in connection with the merger of RHI Refractories and Magnesita in 2017.

No distributions, allocations or additions may be made, and no losses of the Company may be allocated to the mandatory reserve.

Legal and mandatory reserves represent legal and statutory reserves in line with Chapter 7 'Decree on financial statements formats' of the Dutch Civil Code.

Retained earnings

Retained earnings includes the result of the financial year and results that were earned by consolidated companies during prior periods but not distributed. The difference between the purchase consideration or sale proceeds after tax and the relevant proportion of the non-controlling interest, measured by reference to the carrying amount of the interest's net assets at the date of acquisition or sale, is recognised in retained earnings too.

Net income recognised directly in equity represents the change of non-controlling interests without a change of control through the year (€5 million) and the defined benefit plans (€16 million).

Current liabilities

(G) Current liabilities

in € million	31.12.2024	31.12.2023
Trade payables	0	1
Payables to group companies	3	5
Accrued liabilities	5	7
Total current liabilities	8	13

The current liabilities are due in less than one year. The fair value of other current liabilities approximates the book value, due to their short-term character.

(H) General and administrative expenses

in € million	2024	2023
External services/consulting expenses	(2)	(6)
Personnel expenses	(21)	(21)
Other expenses	(2)	(3)
Total general and administrative expenses	(25)	(30)

in € million	2024	2023
Wages and salaries	(18)	(18)
Social security charges	(1)	(1)
Pension contributions	(1)	(1)
Other employee costs	(1)	(1)
Total wages and salaries	(21)	(21)

(I) Net results from investments

In 2024, the full year results of the investments amount to a profit of €164 million (2023: €198 million) and are recognised in the Company Statement of Profit or Loss.

(J) Net result for the period

In 2024, there are no differences in the result between the Company Financial Statements and the Consolidated Financial Statements.

Proposed appropriation of result

It is proposed that, pursuant to Article 27 clause 1 of the Articles of Association of the Company, as approved in the AGM 2023, the result shown in RHI Magnesita N.V. income statement is appropriated as follows:

in € million	2024
Profit attributable to shareholders	142
In accordance with Article 27 clause 1 to be transferred to reserves	0
At the disposal of the General Meeting of Shareholders	142

For 2024, the Board of Directors will propose a final dividend of €1.80 per share for the shareholders of RHI Magnesita N.V. The proposed dividend is subject to approval by the AGM in May 2025.

Other notes

Number of employees

The average number of employees of RHI Magnesita N.V. during 2024 amounts to 9 (2023: 9); all employees are working outside the Netherlands.

Off balance sheet commitments

RHI Magnesita N.V., as an ultimate parent company, provided a corporate guarantee of €1,783 million (2023: €2,008 million) for the borrowings of the Group. The Borrowings are as disclosed in Note (27) of the Consolidated Financial Statements. Additionally, €44 million (2023: €20 million) of corporate guarantees are issued in favour of customers and suppliers of the Group.

The Company has issued a declaration of joint and several liability as referred to in section 403, Book 2 of the Dutch Civil Code in respect of one of its consolidated participations, namely RHI Magnesita Trading B.V., meaning that the company is liable in case of default.

Other information

Information regarding independent auditor's fees, the number of employees of RHI Magnesita Group and the remuneration of the Board of Directors is included in Note (39), (10) and (41) of the Consolidated Financial Statements.

The Company opened a branch (RHI Magnesita N.V.) in Vienna, Austria and, as of February 2020, started to employ staff in the branch office and undertake services.

The following branches are part of subsidiaries which are directly or indirectly controlled by RHI Magnesita N.V.: "Magnesita Asia Refractory Holding Limited Company (Korea branch)", Gyeongsangbuk-do (Jidok-dong), Republic of Korea; Sipra S.p.a. Branch office nr. BG-2, Filago, Italy; Magnesita Resource (Anhui) Company Ltd., ChangLong Gang Dolomite Quarry, Chizhou, China; RHI Refractories Asia Pacific Ptd Ltd Taiwan Branch, Kaohsiung, Taiwan; RHI Refractories Asia Pacific Pte Ltd Korea Branch, Gyeongsangbuk-do, Republic of Korea; RHI Refractories Site Services GmbH-Niederlassung Unterwellenborn, Unterwellenborn, Germany; Veitsch-Radex Vertriebsgesellschaft m.b.H. (Spółka z ograniczoną odpowiedzialnością) Oddział w Polsce, Zabrze, Poland; Veitsch-Radex Vertriebsgesellschaft m.b.H. Podružnica Jesenice, Jesenice, Slovenia; Veitsch-Radex Vertriebsgesellschaft mbH - Oman Operations, Vienna, Austria; Veitsch-Radex VertriebsgmbH - branch Morocco, Casablanca, Morocco.

Material events after the reporting date

There were no material events after the reporting date other than those disclosed in Note (42) of the Consolidated Financial Statements.

Vienna, 26 February 2025

Board of Directors

Executive Directors

Stefan Borgas

Ian Botha

Non-Executive Directors

Herbert Cordt

John Ramsay

Janet Ashdown

David Schlaff

Stanislaus Prinz zu Sayn-Wittgenstein Berleburg

Janice "Jann" Brown

Karl Sevelda

Marie-Hélène Ametsreiter

Wolfgang Ruttenstorfer

A. Katarina Lindström

Employee Representative Directors

Karin Garcia

Martin Kowatsch

Michael Schwarz

Other information The stipulations of Article 27 and 28 of the Articles of Association concerning profit and distributions are:

27 Profit and distributions

27.1 The Board may resolve that the profits realised during a financial year will fully or partially be appropriated to increase and/or form reserves. With due regard to Article 26.2, a deficit may only be offset against the reserves prescribed by law to the extent this is permitted by law.

27.2 The allocation of profits remaining after application of Article 27.1 shall be determined by the General Meeting. The Board shall make a proposal for that purpose. A proposal to make a distribution of profits shall be dealt with as a separate agenda item at the General Meeting.

27.3 Distribution of profits shall be made after adoption of the annual accounts if permitted under the law given the contents of the annual accounts.

27.4 The Board may resolve to make interim distributions and/or to make distributions at the expense of any reserve of the Company, other than the Mandatory Reserve.

27.5 Distributions on shares may be made only up to an amount which does not exceed the amount of the Distributable Equity. If it concerns an interim distribution, the compliance with this requirement must be evidenced by an interim statement of assets and liabilities as referred to in Section 2:105 paragraph 4 of the Dutch Civil Code. The Company shall deposit the statement of assets and liabilities at the Dutch Trade Register within eight days after the day on which the resolution to make the distribution is published.

27.6 Distributions on shares payable in cash shall be paid in Euro, unless the Board determines that payment shall be made in another currency.

27.7 The Board is authorised to determine that a distribution on shares will not be made in cash but in kind or in the form of shares, or to determine that shareholders may choose to accept the distribution in cash and/or in the form of shares, all this out of the profits and/or at the expense of reserves, other than the Mandatory Reserve, and all this if and in so far the Board has been designated by the General Meeting in accordance with Article 6.1. The Board shall set the conditions under which such a choice may be made.

28 Release for payment

Distributions of profits and other distributions shall be made payable four weeks after adoption of the relevant resolution, unless the Board or the General Meeting at the proposal of the Board determine another date.

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