

SALZGITTER GROUP

RESULTS OF THE FIRST NINE MONTHS 2022



SALZGITTERAG
People, Steel and Technology

01 KEY DATA PER 2022/09/30

Financials

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

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

² per reporting date

All business units generate positive results

01 INCOME STATEMENT

Financials

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

01 CONSOLIDATED BALANCE SHEET

Financials

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

01 CONSOLIDATED BALANCE SHEET

Financials

Equity and liabilities (€ million)

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

01 CASH FLOW STATEMENT

Financials

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

Improved result offset by the notable increase in working capital

01 STEEL PRODUCTION BUSINESS UNIT

Financials

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

¹ per reporting date

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

01 STEEL PROCESSING BUSINESS UNIT

Financials

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

¹ per reporting date

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

01 TRADING BUSINESS UNIT

Financials

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

¹ Adjustment of the previous year's figure due to the new Group structure

² per reporting date

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

01 TECHNOLOGY BUSINESS UNIT

Financials

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

¹ per reporting date

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

01 INDUSTRIAL PARTICIPATIONS / CONSOLIDATION

Financials

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

¹ Adjustment of the previous year's figure due to the new Group structure

² per reporting date

Earnings include € 115.7 million contribution from the Aurubis participation

01 SALZGITTER GROUP

Guidance

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

/ sales in the region of € 13 billion,

/ EBITDA of between € 1.4 billion and 1.6 billion,

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

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

Legal Note and other remarks

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

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

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

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

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



SALZGITTERAG
People, Steel and Technology