



Presentation of the Group

- 1** Salzgitter Group
- 2** Key Data / Market Situation
- 3** Business Units
- 4** Strategy
- 5** Financials

Steel and Technology

Strip Steel Business Unit

Strip products
Steel Service Center

Modern integrated steel mill;
Producer of high-quality steel grades

Plate / Section Steel Business Unit

Heavy plates
Sections

Three traditional and
innovative producers of
high-quality steel products

Mannesmann Business Unit

Line pipes
Precision tubes
Stainless tubes

Top or leading
market positions

Trading Business Unit

Stockholding trading
International trading

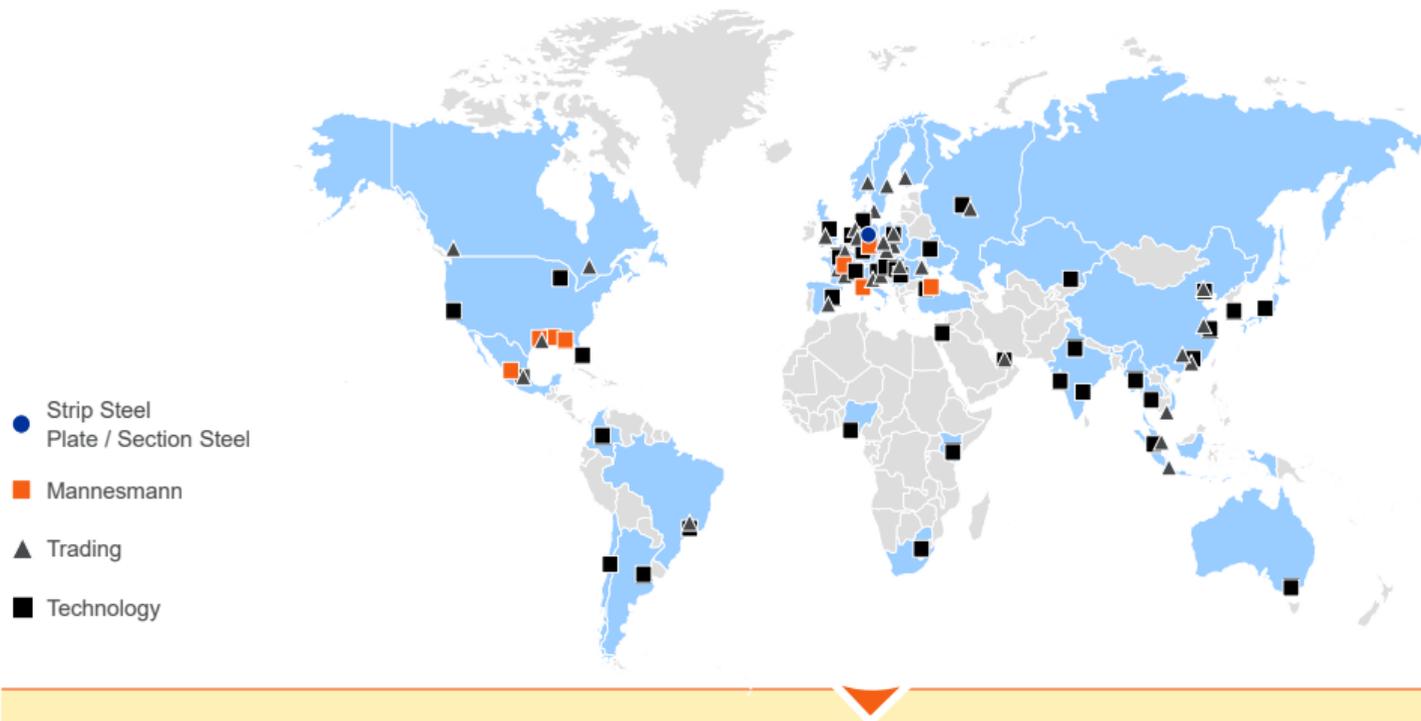
69 sites
in 27 countries

Technology Business Unit

Beverage filling and packaging systems
Special machinery

Among the top 3 producers
of beverage filling and
packaging machinery





**Crude steel production 2020: 6.0 million tons; trading volume: 3.2 million tons;
Among the top 3 producers of beverage filling and packaging machinery**



First broad-flanged beam mill in Peine, 1914



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



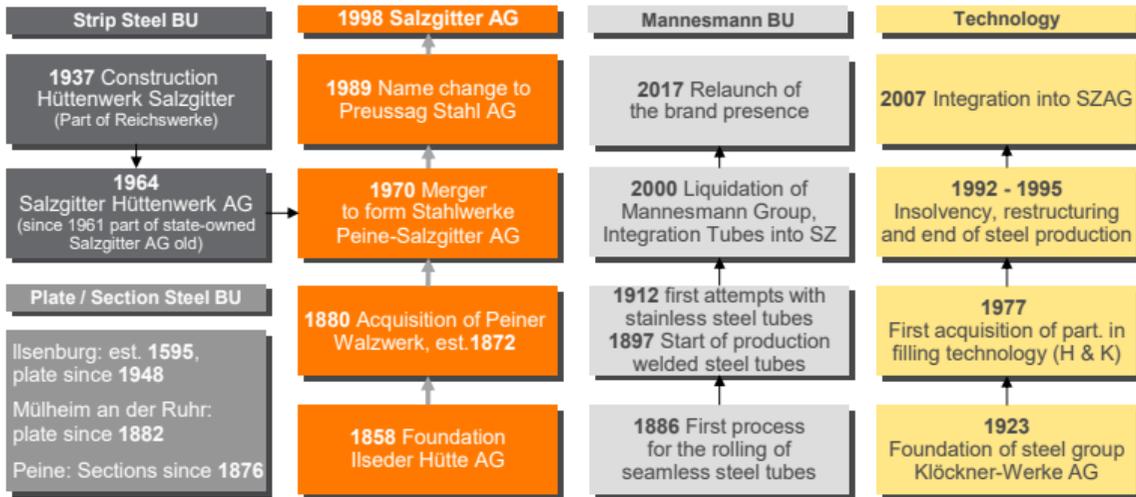
1989 privatization with the sale to Preussag AG



First blast furnace in Ilsede, 1861



Stock listing 1998



Cross-rolling process sketch of Max Mannesmann, pre 1885



Bottle filling line Phoenix c. 1936



Privatization and acquisition of the Ilsenburg rolling mill, 1992

Group structure and key data FY 2020

Salzgitter AG Group



External Sales cons.: € 7.1 billion
EBT: € -196 million

Employees: 22,604

Strip Steel

- **External Sales:**
€ 1.9 billion
- **EBT:**
€ -86.8 million
- **Employees:**
5,999

Plate / Section Steel

- **External Sales:**
€ 0.7 billion
- **EBT:**
€ -94.4 million
- **Employees:**
2,272

Mannesmann

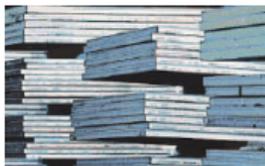
- **External Sales:**
€ 0.9 billion
- **EBT:**
€ -62.0 million
- **Employees:**
4,366

Trading

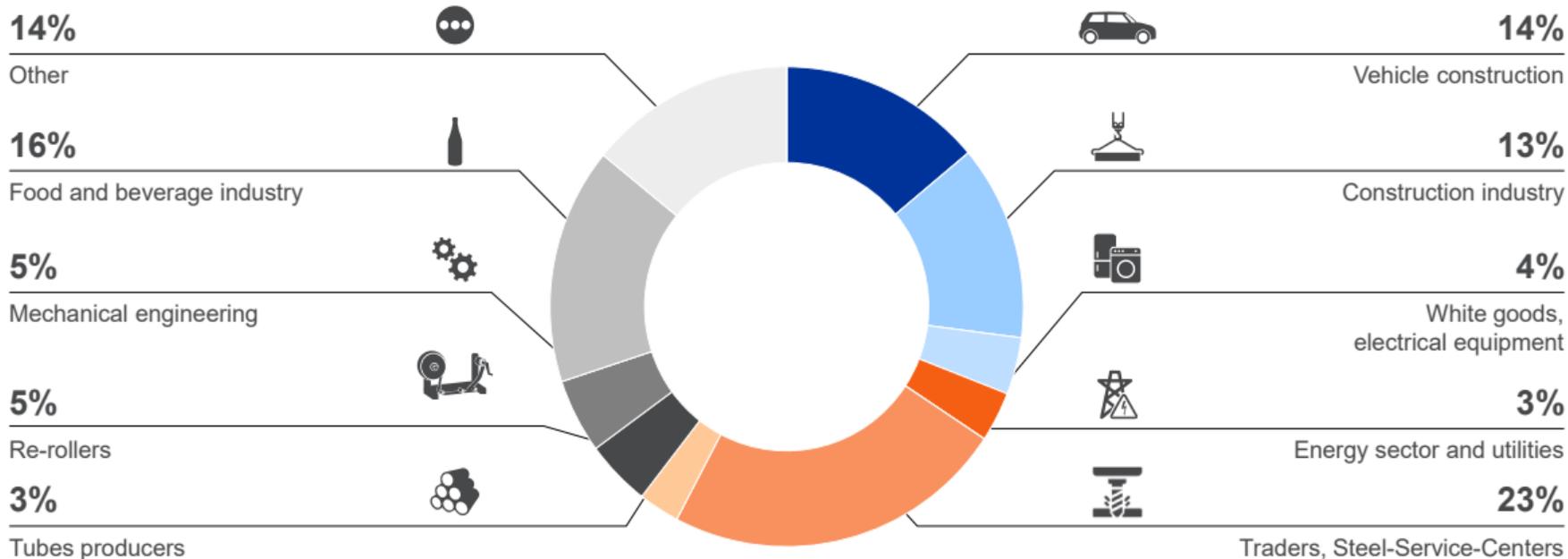
- **External Sales:**
€ 2.2 billion
- **EBT:**
€ 25.1million
- **Employees:**
1,946

Technology

- **External Sales:**
€ 1.2 billion
- **EBT:**
€ 0.9 million
- **Employees:**
5,433

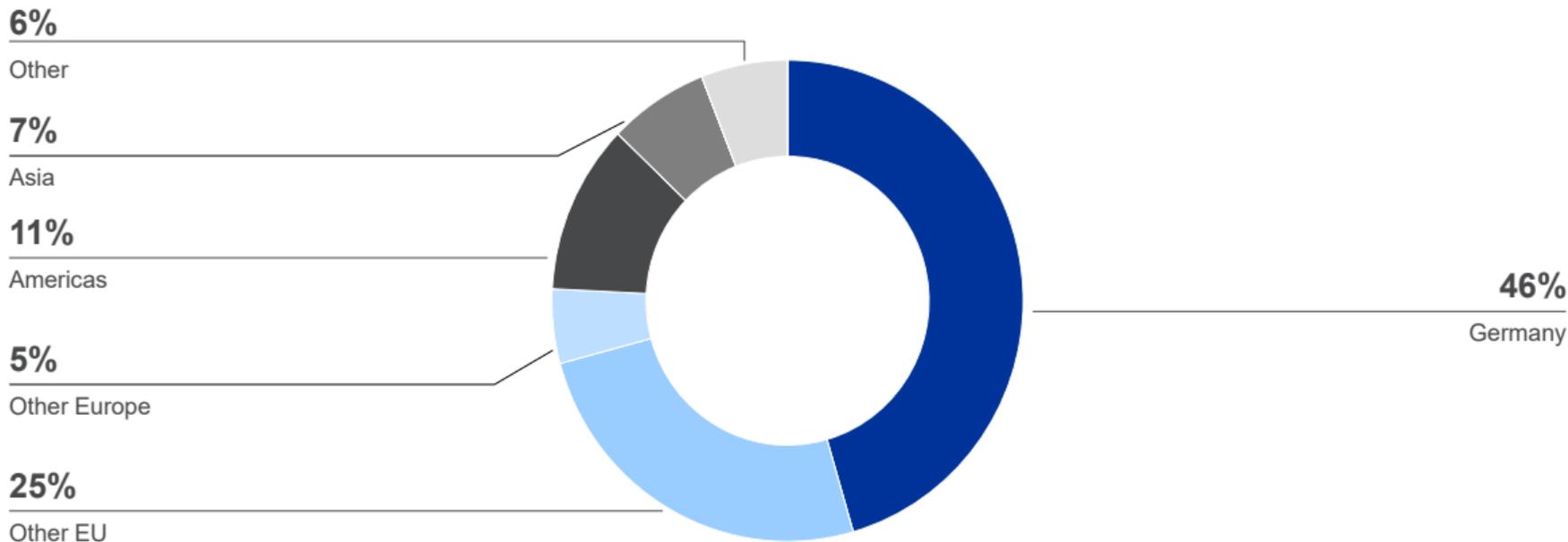


External sales 2020 by customer industries

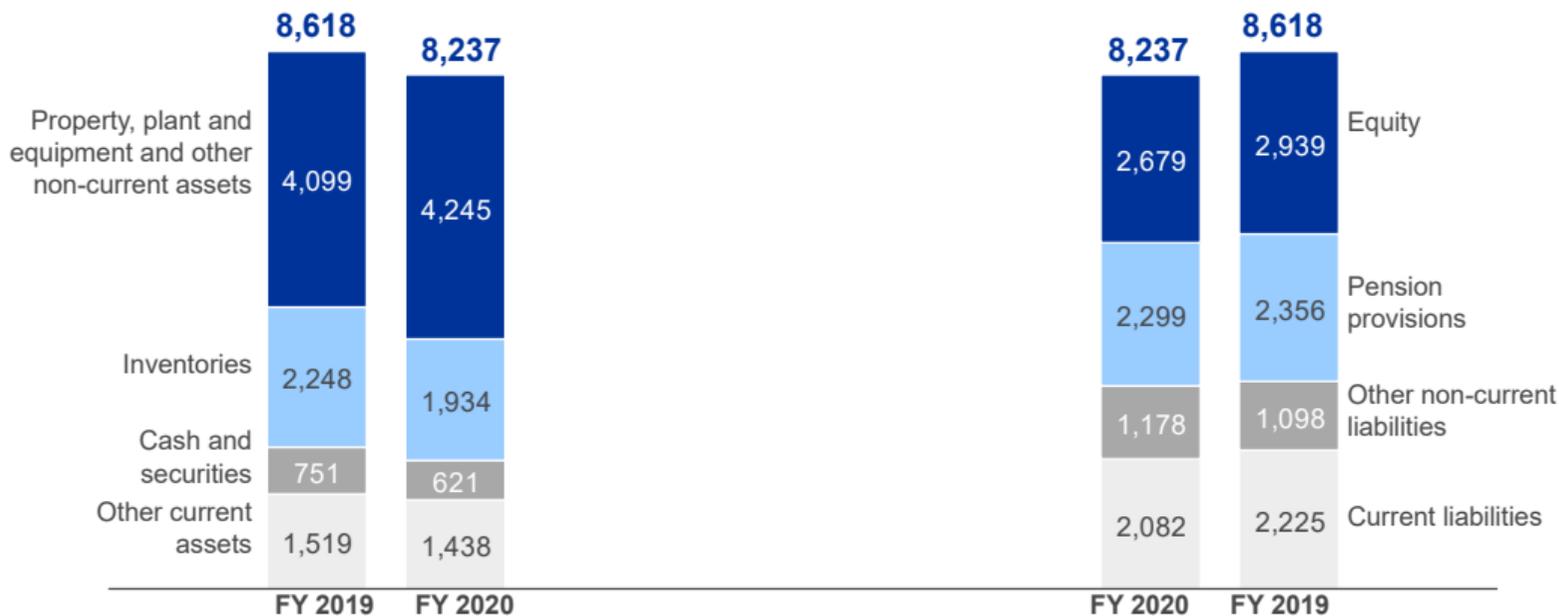


Broad customer base

External sales 2020 by regions

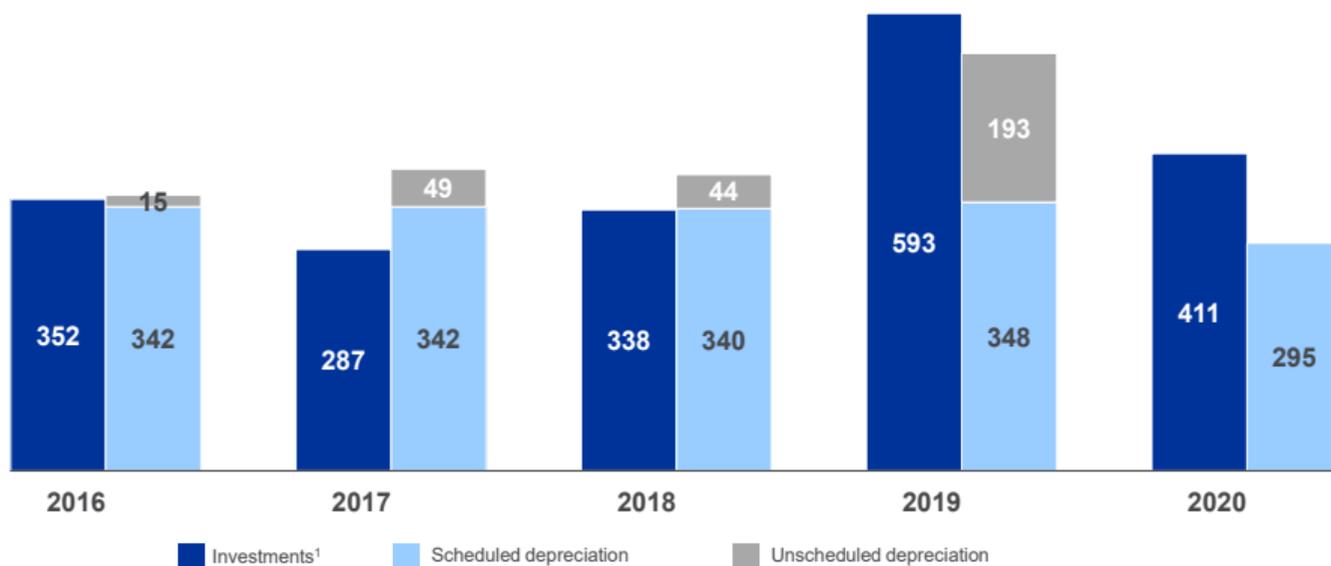


€ million



Continuing sound financial basis

Salzgitter Group Investments and Depreciation / Amortization

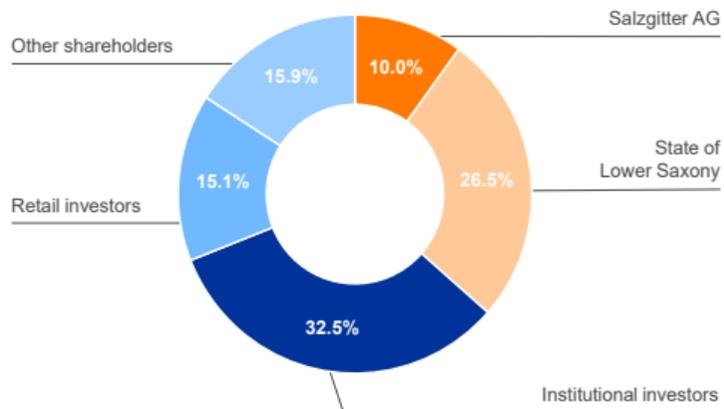


Focus on expansion investments

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

Shareholder structure and share turnover

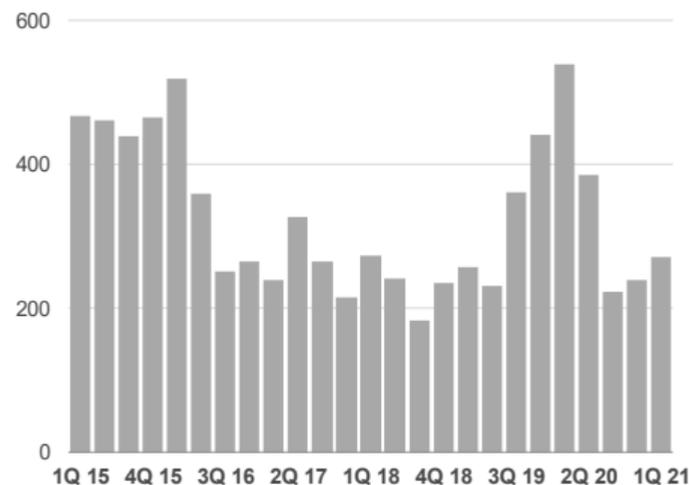
Shareholder structure



Free float: 63.5%

Treasury shares: as of July 8, 2010; other information is based on the external shareholder identification as of January 2021

Daily turnover in thousand shares



Balanced shareholder structure



High liquidity



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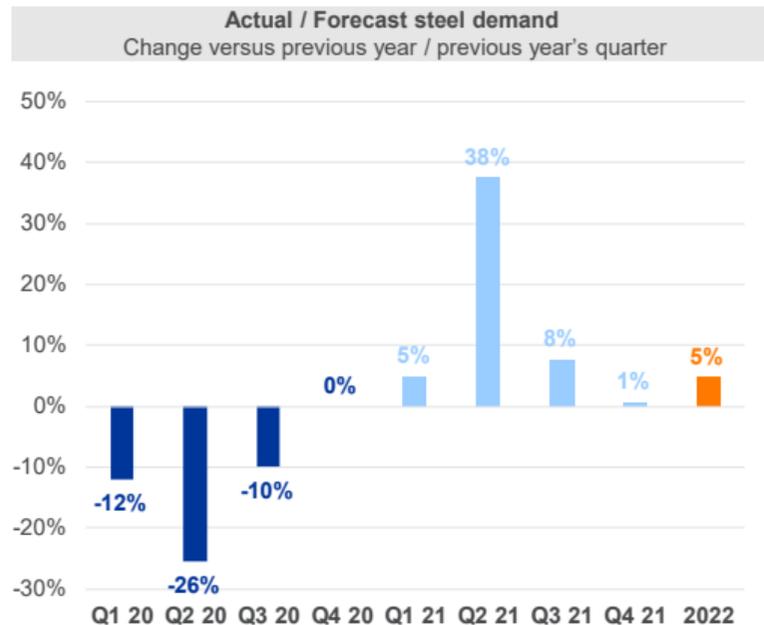
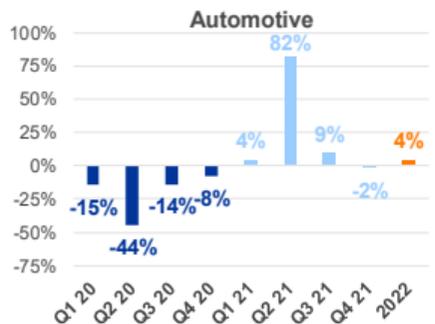
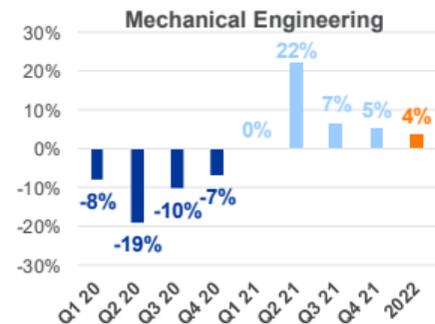
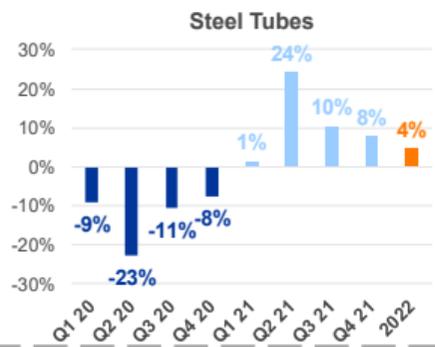
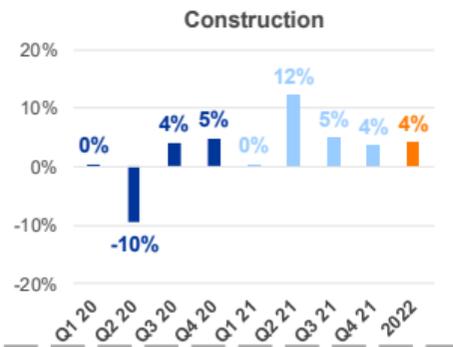
Key data per 2021/03/31

		Q1 2021	Q1 2020	Δ
Crude steel production	kt	1,644.5	1,681.5	-37.0
External sales ¹	€ million	2,094.1	2,108.3	-14.2
Earnings before tax	€ million	117.3	-31.4	148.7
Earnings after tax	€ million	76.6	-43.7	120.3
Earnings per share (undiluted)	€	1.38	-0.83	2.21
ROCE	%	13.2	-2.4	15.6
Core workforce ²		22,475	23,308	-833

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

Encouraging start to the year

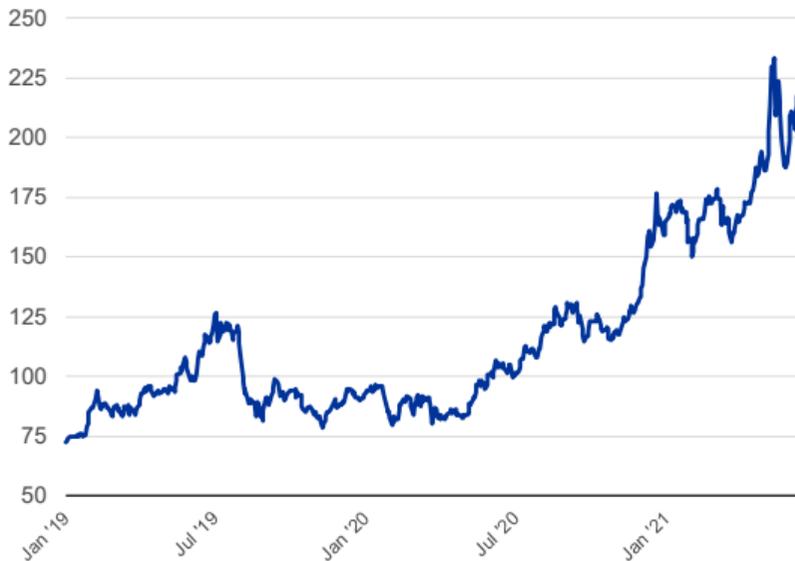
Development of steel demand in customer segments and the EU



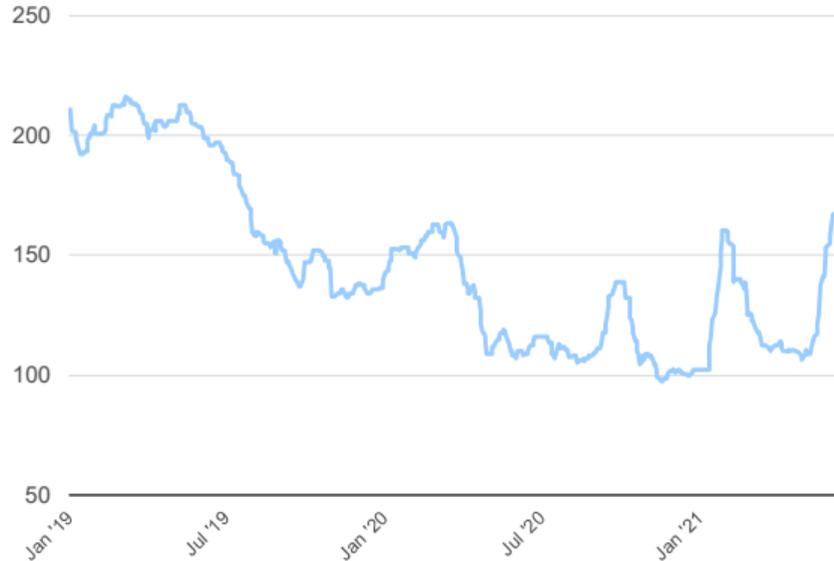
Steel processing sectors with dramatic slump of demand in the second quarter of 2020, recovery starting in the fall of 2020

Raw materials prices

Iron ore
(62% Fe CFR China, US\$/dmt)



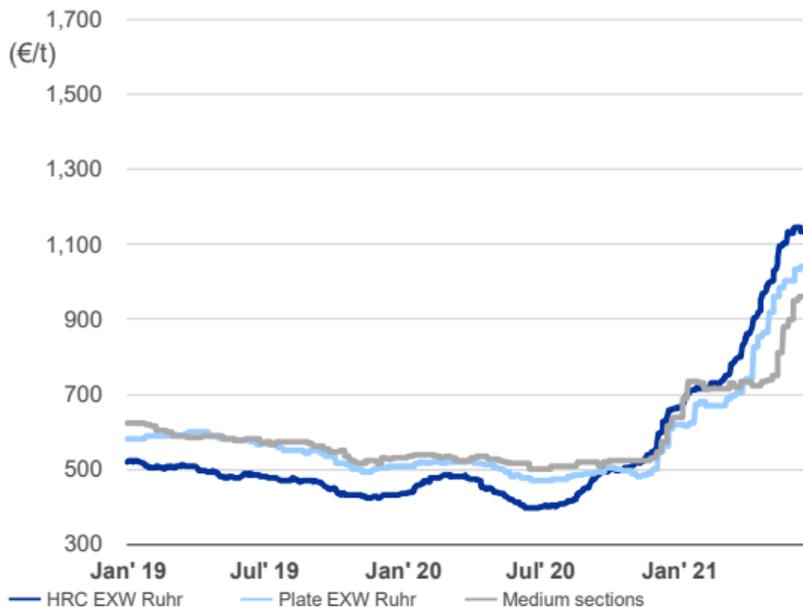
Coking coal
(FOB Australia, US\$/t)



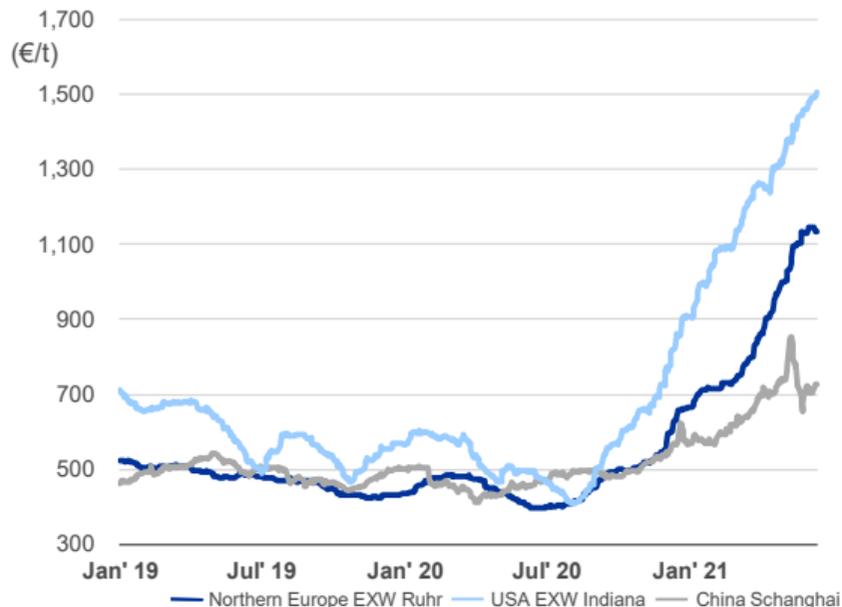
Diverging price development of the major raw materials

Steel prices

Spot prices Northern Europe

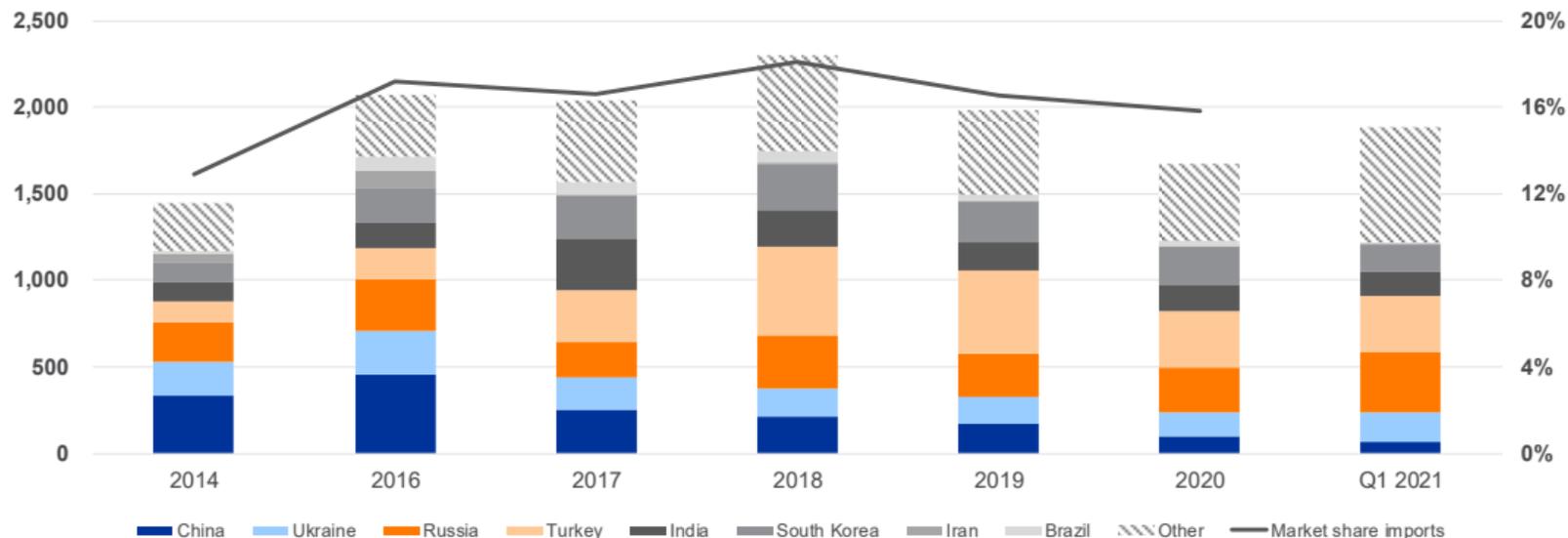


Hot-rolled coil prices international



Following a period of inadequate steel prices, selling prices rose steadily starting in late summer of 2020

Rolled steel imports into the EU-28 (in Tt/month)



High level of imports also in 2020 despite slump of demand

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Strip Steel Business Unit



Capabilities

- Integrated steel works with three blast furnaces
- Approx. 4.7 mt/year crude steel capacity
- Modern production plants
- High processing competence (SSC)

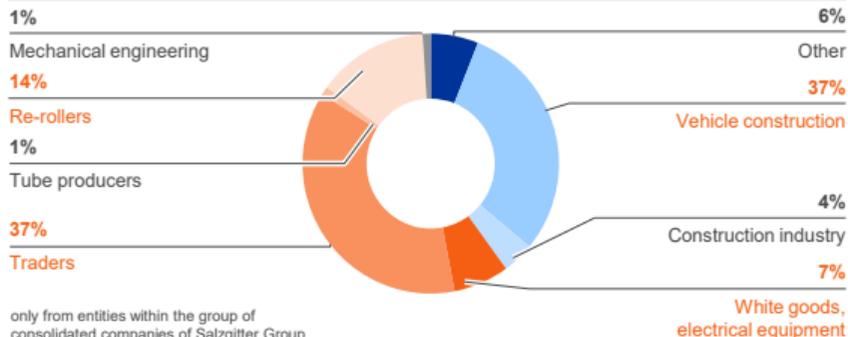


Core competences and products

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



External sales by customer industry 2020



Key data FY 2020

Consolidated Sales	€m	1,880
Earnings before taxes	€m	-87
Core workforce (12/31)		5,999

Established supplier of the demanding German automotive industry

		Q1 2021	Q1 2020	Δ
External sales	€ million	606.4	566.2	40.2
Order bookings	kt	1,187.6	1,193.1	-5.4
Order backlog ¹	kt	1,078.4	917.8	160.6
EBITDA	€ million	78.0	34.6	43.3
EBT	€ million	43.1	-6.8	49.9
Core workforce ¹		6,010	6,113	-103

External sales and earnings before taxes exceeded the year-earlier figure first and foremost due to the improved price level

Plate / Section Steel Business Unit



Capabilities

- Section steel:
 - Top-modern mini mill with two electric arc furnaces
 - Annual crude steel capacity 1 mt
 - Two rolling mills for medium and heavy sections



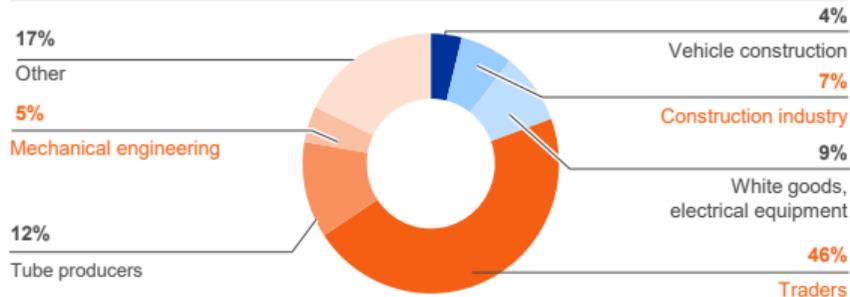
- Plate:
 - Two rolling mills for plate with 1.1 mt annual capacity
 - Plate width up to 4,800 mm

Core competences and products

- High-strength, wear resistant and specialized steel grades
- Medium and heavy sections, heavy plate incl. offshore and tube grades



External sales by customer industry 2020



only from entities within the group of consolidated companies of Salzgitter Group

Key data FY 2020

Consolidated sales	€m	684
Earnings before taxes	€m	-94
Core workforce (12/31)		2,272

Plate: Broad range of high-quality plate products
Section Steel: Efficient production

Plate / Section Steel Business Unit

		Q1 2021	Q1 2020	Δ
External sales	€ million	214.4	194.5	19.9
Order bookings	kt	525.1	583.8	-58.7
Order backlog ¹	kt	408.1	369.4	38.7
EBITDA	€ million	-12.4	2.2	-14.6
EBT	€ million	-21.0	-4.2	-16.9
Core workforce ¹		2,260	2,353	-93

Sales growth is attributable to the development of Peiner Träger and DEUMU and DEUMU, erosion of earnings mainly due to lower selling prices realized by the heavy plate companies

Mannesmann Business Unit

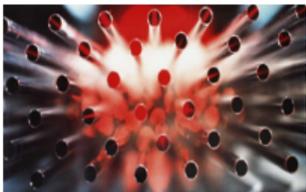


Capabilities

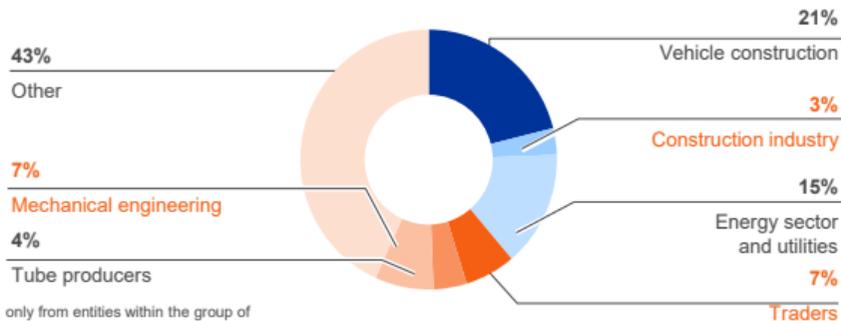
- Own crude steel supply via 30% participation in Hüttenwerke Krupp Mannesmann GmbH
- Plant for the production of semis for the seamless tubes business

Core competences and products

- Line Pipe: participation (50%) in the world market leader EUROPIPE; international presence
- Precision Tubes: European market leader
- Seamless Stainless Tubes: top player in the world market
- Longitudinal and spiral welded large-diameter pipes, medium line pipes, seamless and welded precision tubes, stainless tubes



External sales by customer industry 2020



Key Data FY 2020

Consolidated Sales	€m	948
Earnings before taxes	€m	-62
Core workforce (12/31)		4.366

Global player in the high-quality segment of the global tubes market

		Q1 2021	Q1 2020	Δ
External sales	€ million	256.6	295.9	-39.3
Order bookings	€ million	412.7	319.5	93.1
Order backlog ¹	€ million	448.3	402.3	45.9
EBITDA	€ million	8.1	10.5	-2.4
EBT	€ million	-7.5	-4.6	-2.9
Core workforce ¹		4,317	4,609	-292

Positive earnings contribution of the precision tubes group cannot fully compensate losses incurred by the other product segments

Trading Business Unit



Capabilities

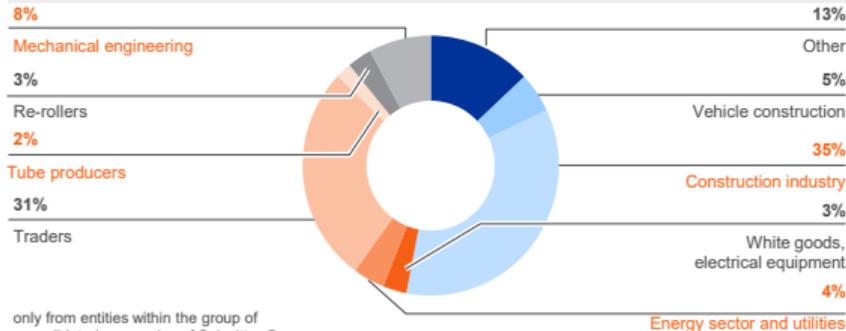
- 69 sites in 27 countries
- Own distribution network for steel products with warehousing sites in Europe
- Processing group specialized on heavy plate products
- International trading

Core competences and products

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



External sales by customer industry 2020



Key Data FY 2020

Consolidated Sales	€m	2,225
Earnings before taxes	€m	25
Core workforce (12/31)		1,946

High customer and market orientation through a global sales organization

Trading Business Unit

		Q1 2021	Q1 2020	Δ
External sales	€ million	673.3	703.4	-30.1
Shipments	kt	888.0	977.5	-89.5
EBITDA	€ million	48.1	5.8	42.3
EBT	€ million	44.7	0.3	44.4
Core workforce ¹		1,931	2,036	-105

Price increases combined with favorable procurement prices in the stockholding business and at the UES Group drive earnings improvement

¹ per reporting date



Capabilities

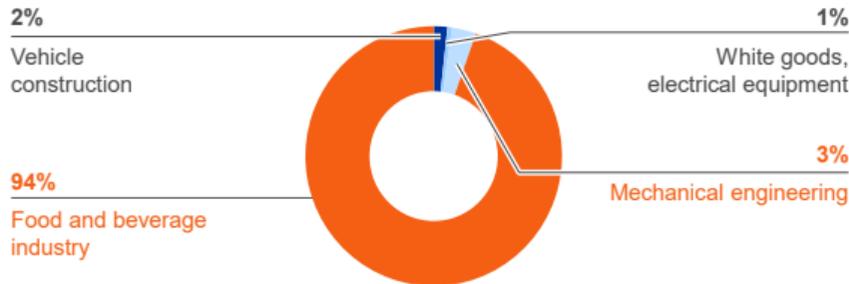
- 17 Production plants worldwide
- 60 Service sites
- > 90% of sales outside of Germany

Core competences and products

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



External sales by customer industry 2020



only from entities within the group of consolidated companies of Salzgitter Group

Key data FY 2020

Consolidated Sales	€m	1,207
Earnings before taxes	€m	1
Core workforce (12/31)		5,433

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

		Q1 2021	Q1 2020	Δ
External sales	€ million	300.9	310.3	-9.4
Order bookings	kt	358.0	337.3	20.7
Order backlog ¹	kt	734.3	739.3	-5.0
EBITDA	€ million	31.8	12.6	19.3
EBT	€ million	25.0	5.2	19.8
Core workforce ¹		5,353	5,568	-215

KHS Group exceeded the year-earlier result, deriving strong support from the accounting profit achieved by selling the US-pouch business, DESMA companies stabilized their results

Industrial Participations / Consolidation



Comprises activities that are not directly allocated to a business unit

Core competences and participations

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

- Shareholdings:
 - Aurubis
 - Hansaport



Key data FY 2020

Consolidated sales	€m	148
Earnings before taxes	€m	21
Core workforce (12/31)		2.588

Gratifying contribution from the service companies and the Aurubis investment

Industrial Participations / Consolidation

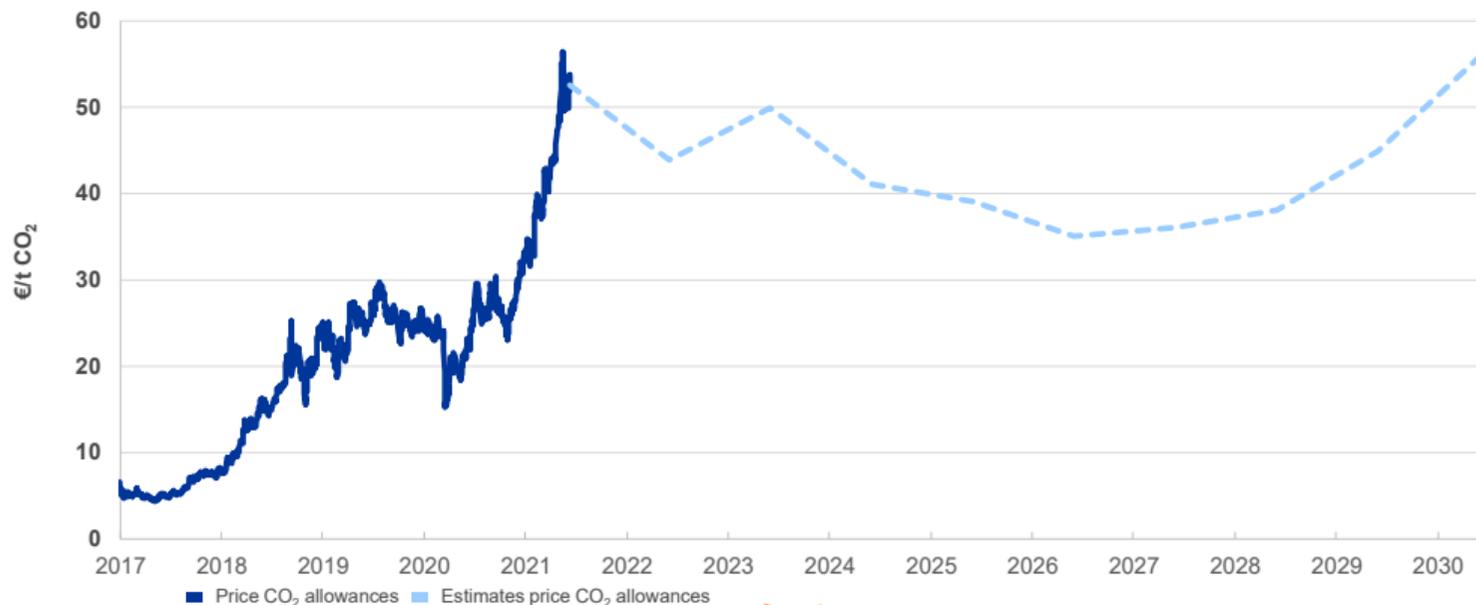
		Q1 2021	Q1 2020	Δ
External sales	€ million	42.5	38.0	4.5
EBITDA	€ million	49.2	-8.5	57.7
EBT	€ million	33.0	-21.3	54.4
Core workforce ¹		2,604	2,629	-25

Pre-tax profit includes a contribution of € 42.5 million from the participating investment in Aurubis AG accounted for using the equity method

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Challenge: CO₂ emission allowances are continuously cut back

Price forecast CO₂ allowances



Price for CO₂ emission allowances has surged since 2018 – further increase is highly likely!

Our path towards a low-CO₂, hydrogen-based steel production

We are in control...

CO₂- emission allowances acquired as a precaution

- Shortfall in CO₂ allowances has been compensated for the most part until 2030
- Current market value of the CO₂ allowances acquired for this purpose exceeds the figure accounted for in the balance sheet by more than € 700 million*

...and pioneer at the same time

SALCOS

Steelmaking. Reinvented.

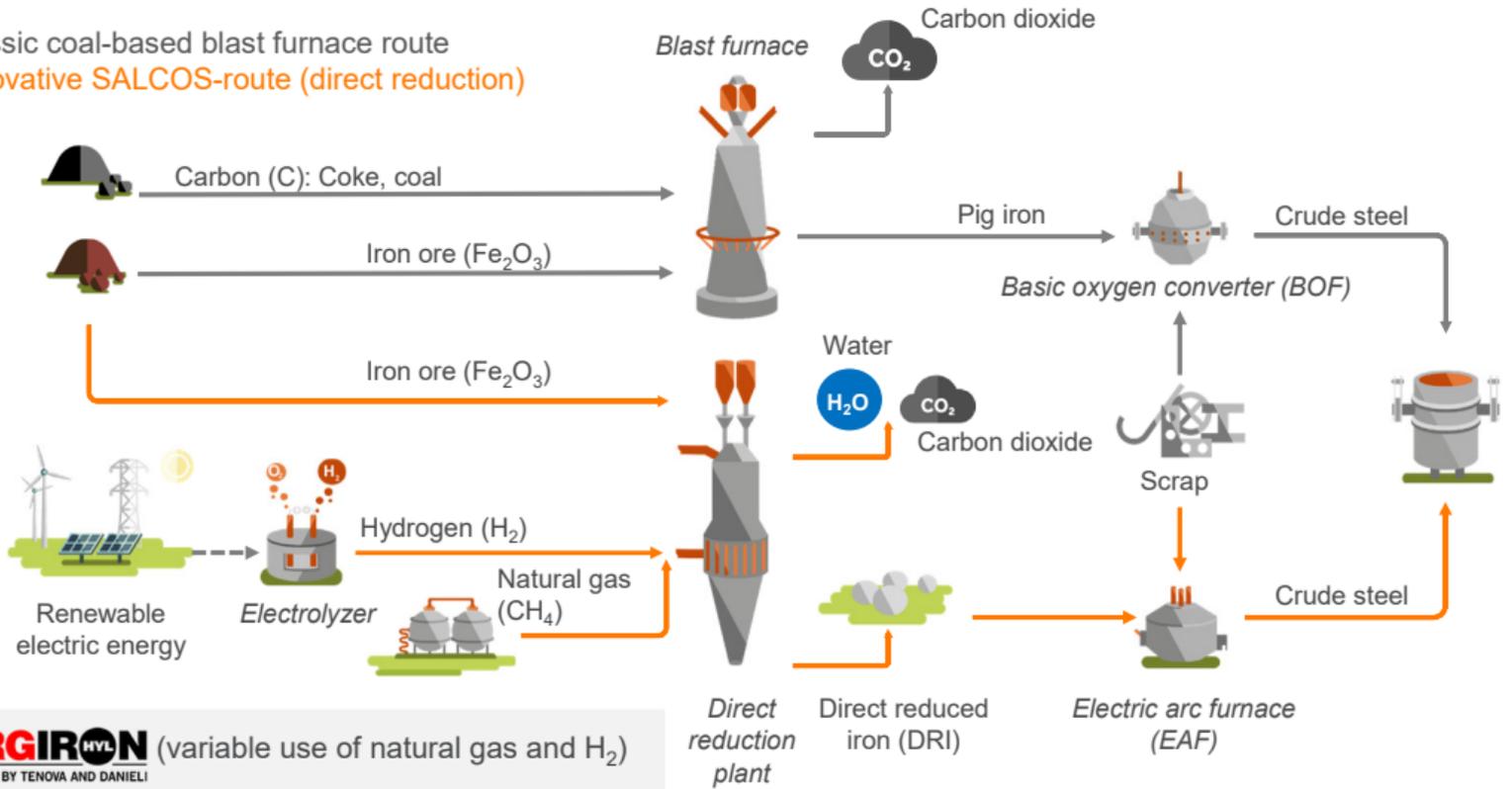
- Significant, gradual reduction of the CO₂ emissions of Salzgitter AG
- Target: Reduction of more than 95 % of the CO₂ emissions of Salzgitter Flachstahl until 2050

The Salzgitter Group acts decisively!

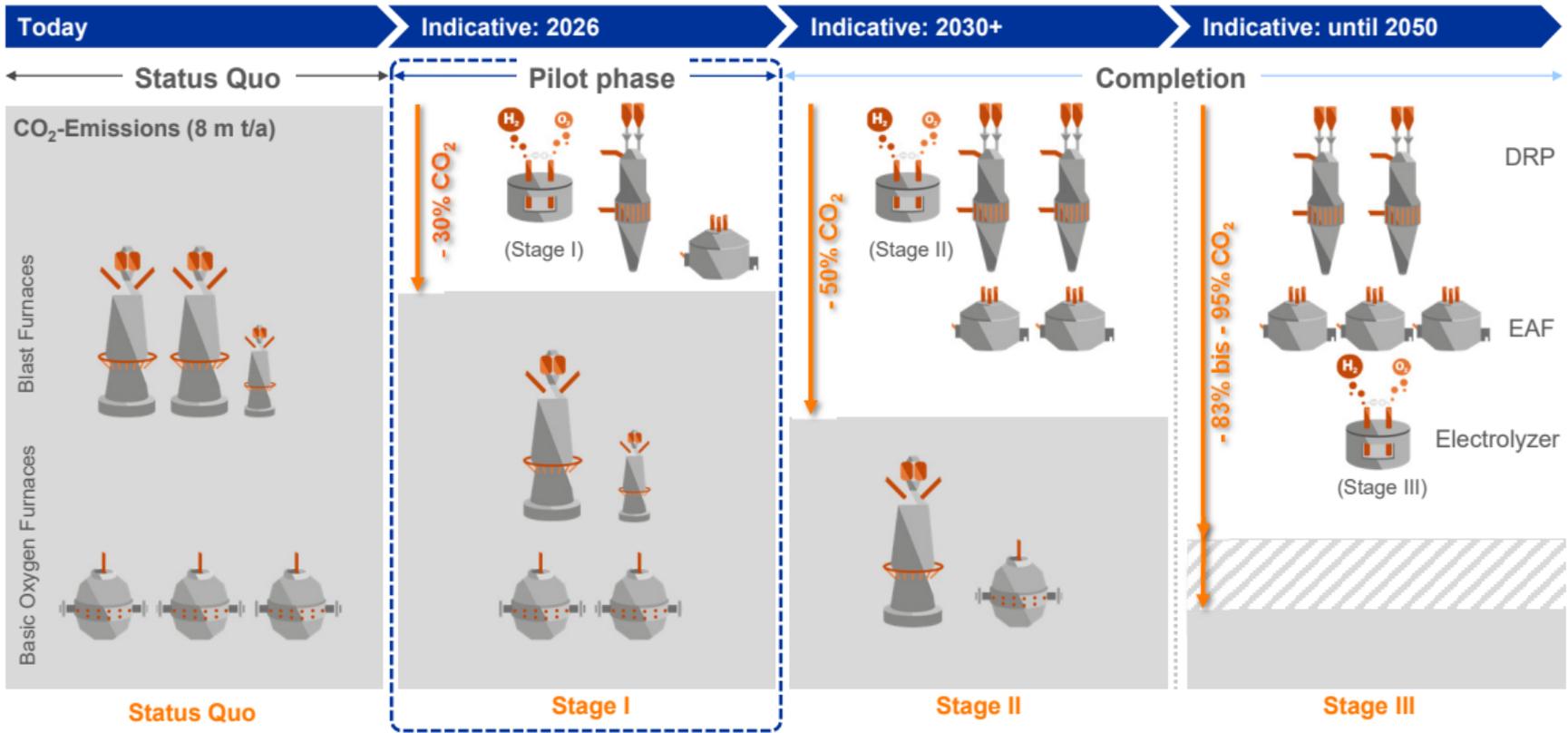
- ✓ Purchase of CO₂ emission allowances for the Fourth Trading Period as a precaution carries us to 2030
- ✓ SALCOS® – our technological concept for the medium and long-term CO₂-reduced steel production

SALCOS® – Flexible hydrogen-based direct reduction

→ classic coal-based blast furnace route
→ innovative SALCOS-route (direct reduction)



SALCOS® – Gradual conversion to a H₂-based steel production



Our path towards a low-CO₂, hydrogen-based steel production



First steam electrolysis on MW scale at Salzgitter Flachstahl as from 2020



2017

2018

2019

2020

2021



Wind-H2: **First** industrial sector coupling of “renewable power – hydrogen production – industrial consumption” at one location in Germany!

Feasibility study

Iron ore direct reduction plant in Wilhelmshaven



World's largest high-temperature electrolyzer commences trial operation in Salzgitter

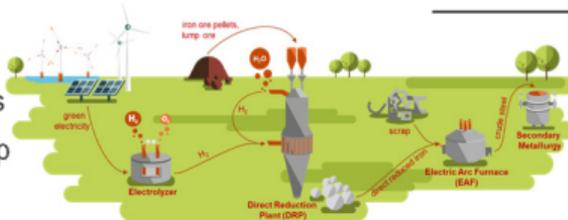
µDRAL – Mikro-Direkt-Reduktionsanlage

Construction of a demonstration plant for direct reduction in Salzgitter



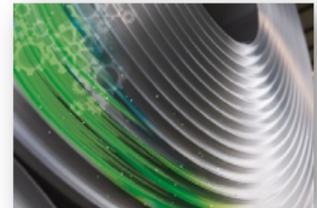
MACOR: SALCOS-feasibility study

- Analysis of framework conditions
- Numerical modelling of melt shop and direct reduction plant



Wasserstoff Campus Salzgitter

Bundling of regional H₂ expertise



First slab successfully produced for **green strip steel**

“Salzgitter Wind Hydrogen”

Important building block on the way towards climate-friendly steel production

- Production of electricity via wind power and electrolytic hydrogen at the plant site
- Erection of seven wind turbines with an overall output of 30 megawatt
- Hydrogen production with two 1.25 MW PEM electrolysis plants
- Supported by the State of Lower Saxony and KfW (Kreditanstalt für Wiederaufbau)
- **Start March 11, 2021**



avacon

Making our world
more productive



First industrial sector coupling of “renewable power – hydrogen production – industrial consumption” at one location in Germany!

μDRAL – Construction of a direct reduction plant in demonstration scale

- First iron ore direct reduction plant that can be flexibly operated with hydrogen and natural gas
- Testing of iron ore reduction with natural gas and/or hydrogen in variable proportions
- The direct reduced iron will initially be used in the Salzgitter plant as well as the electric arc furnace of the Peine site
- Groundbreaking on May 17, 2021
- **Start of production in the first half of 2022**

Presentation of the funding approval by Federal Minister for the Environment Ms. Svenja Schulze on December 4, 2020 in Salzgitter



Plant completes the hydrogen-based value chain in crude steel production

Green strip steel – these days already...

- Since the end of 2020, Salzgitter Flachstahl GmbH is offering green strip steel products a defined range of various dimensions and grades
- The carbon footprint of these products is markedly below that of conventional products
- TÜV SÜD has confirmed this in February of 2021:

“A reduction in the CO₂ footprint of more than 75 % of a steel slab and more than 66 % of a hot-dip galvanized coil can be achieved by changing the steel production method from the conventional blast furnace route to the electric route.”



...renowned steel processors demonstrate keen interest for this low CO₂ product!

Update investment projects

Ilseburger Grobblech: New heat treatment line

- Optimization of the product portfolio
- Expansion of the market position and volume expansion for higher value grade segments such as high strength and wear resistant, water tempered steel
- Commissioning: 2021
- *Current status: Trial operation*



Salzgitter Flachstahl: Hot-Dip Galvanizing Line 3

- Qualitative growth in the strip steel business
- Reinforcement of the market position in the automotive segment
- Strengthening of the premium segment for auto customers
- Commissioning: 2022
- *Current status: Construction of the building*



Sustainable strategy:
Realization of major investment projects also in less comfortable phases!

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Income statement

Income Statement (€ million)	Q1 2021	Q1 2020
Sales	2,094.1	2,108.3
Increase/decrease in finished goods and work in process/other own work capitalized	-18.2	-36.5
	2,075.9	2,071.8
Other operating income	114.8	90.1
Cost of materials	1,333.1	1,378.8
Personnel expenses	424.3	439.0
Amortization and depreciation of intangible assets and property, plant and equipment	74.2	74.1
Other operating expenses	265.2	260.8
Result from impairment losses and reversal of impairment losses of financial assets	-1.4	-2.5
Income from shareholdings	0.0	0.0
Result from investments accounted for using the equity method	36.1	-18.3
Finance income	1.9	2.4
Finance expenses	13.2	22.2
Earnings before taxes (EBT)	117.3	-31.4
Income tax	40.7	12.3
Consolidated result	76.6	-43.8

Consolidated balance sheet

Assets (€ million)	31.03.2021	31.12.2020	Δ
Non-current assets	4,205.8	4,244.5	-38.7
Intangible assets, property, plant and equipment	2,423.5	2,423.6	-0.1
Investment property	81.1	81.5	-0.4
Financial assets	55.1	54.6	0.5
Investments accounted for using the equity method	1,192.0	1,169.1	22.9
Trade receivables	10.3	11.0	-0.7
Other receivables and other assets	16.1	22.3	-6.2
Income tax assets	1.6	0.5	1.1
Deferred income tax assets	426.1	481.9	-55.8
Current assets	4,393.7	3,992.9	400.8
Inventories	1,892.5	1,933.7	-41.2
Trade receivables	1,312.8	923.9	388.9
Contract assets	295.1	300.2	-5.1
Other receivables and other assets	236.8	188.3	48.5
Income tax assets	26.5	23.7	2.8
Securities	50.0	0.0	50.0
Cash and cash equivalents	578.4	621.4	-43.0
Assets available for sale	1.7	1.7	0.0
Balance sheet total	8,599.5	8,237.4	362.1

Consolidated balance sheet

Equity and liabilities (€ million)	31.03.2021	31.12.2020	Δ
Equity	2,834.6	2,678.9	155.8
Subscribed capital	161.6	161.6	0.0
Capital reserve	257.0	257.0	0.0
Retained earnings	2,750.4	2,594.5	155.9
Other reserves	24.5	26.4	-1.9
Unappropriated retained earnings	0.0	0.0	0.0
Treasury shares	-369.7	-369.7	0.0
Minority Interest	10.8	9.1	1.7
Non-current liabilities	3,342.1	3,476.4	-134.3
Provisions for pensions and similar obligations	2,179.9	2,298.6	-118.7
Deferred tax liabilities	73.6	73.9	-0.3
Income tax liabilities	30.4	30.4	0.0
Other provisions	265.0	267.1	-2.1
Financial liabilities	739.2	749.4	-10.2
Other liabilities	54.0	57.1	-3.1
Current liabilities	2,422.7	2,082.1	340.6
Other provisions	213.1	210.4	2.7
Financial liabilities	516.4	488.3	28.1
Trade payables	1,020.2	802.4	217.8
Liability contracts	319.8	272.8	47.0
Income tax liabilities	10.3	5.5	4.8
Other liabilities	342.9	302.8	40.1
Balance sheet total	8,599.5	8,237.4	362.1

Cash flow statement

(€ million)	Q1 2021	Q1 2020	Δ
Cash and cash equivalents at the start of the period	621.4	700.5	-79.1
Cash flow from operating activities	108.8	-142.8	251.6
Cash flow from investment activities	-122.7	-94.7	-27.9
Cash flow from financial activities	-34.9	3.6	-38.5
Changes in cash	-43.0	-236.1	193.1
Cash and cash equivalents at the end of the period	578.4	464.5	113.9

Cash flow from operating activities of € 109 million

Business Units – Forecast

Strip Steel

- fully utilized capacity
- considerably improved price levels compared with the previous year
- positive trend is also expected to continue in the second half of the year

Plate / Section Steel

- plate: general trend reversal currently not foreseeable
- section steel: volatile market environment that will continue to focus on the short term

Mannesmann

- large-diameter pipes: demand remains insufficient
- medium line pipes: uptrend in volumes to resume
- precision tubes: demand rebounding especially in the automotive industry
- stainless tubes: growing demand

Trading

- exceptionally good earnings situation of the first quarter cannot be anticipated in these dimensions in the months ahead
- selling price growth rates will slow
- prices will remain at a high level

Technology

- KHS Group: sustained good order situation
- specialist mechanical engineering companies of the DESMA Group: notable rebound of the market

Business Unit

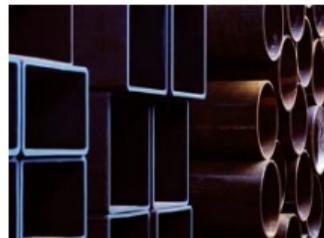
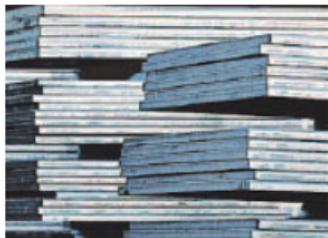
- significant increase in sales
- very gratifying pre-tax profit of more than € 200 million

- notable increase in sales
- discernibly reduced pre-tax loss compared with the previous year

- higher sales level
- pre-tax result will tangibly improve while nevertheless remain in negative territory

- higher sales
- earnings before taxes notably higher than in the previous year

- higher sales compared with the previous-year period
- significant increase in pre-tax profit, positively influenced from non-recurrent effects



Salzgitter Group – Guidance per June 15, 2021

Given the better-than-recently-expected earnings situation, above all in the Trading Business Unit, we are raising our earnings forecast for the financial year 2021 once more – conditionally on the assumption of a stable market development in spite of the latent coronavirus crisis – and now anticipate the following for the Salzgitter Group in the financial year 2021:

- an increase in sales to more than € 8.5 billion,
- a pre-tax profit of between € 400 million and € 600 million, as well as
- a return on capital employed (ROCE) that is tangibly above the previous year's figure.

Legal Note and other remarks

We make explicit reference to the fact that imponderables, including changes in the cost of raw materials, precious metal prices and exchange rates, along with global trade policy measures and their possible impact may still exert a considerable influence over the course of the financial year.

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