

SALZGITTER AG

RESULTS OF THE FIRST QUARTER 2022



SALZGITTER AG
People, Steel and Technology

01 KEY DATA PER 2022/03/31

Financials

		Q1 2022	Q1 2021	Δ
Crude steel production	kt	1,712.6	1,644.5	68.1
External sales ¹	€ million	3,349.9	2,094.1	1,255.8
Earnings before tax	€ million	465.3	117.3	348.0
Earnings after tax	€ million	368.8	76.6	292.3
Earnings per share (undiluted)	€	6.8	1.4	5.4
ROCE	%	35.2	13.2	22.0
Core workforce ²		22,492	22,475	17

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

² per reporting date

Excellent start to the financial year 2022, earnings before taxes quadrupled

01 INCOME STATEMENT

Financials

Income Statement (€ million)	01 2022	01 2021	Δ
Sales	3,349.9	2,094.1	1,255.8
Increase/decrease in finished goods and work in process/other own work capitalized	-10.5	-18.2	7.6
	3,339.3	2,075.9	1,263.4
Other operating income	162.2	114.8	47.4
Cost of materials	2,193.8	1,333.1	860.7
Personnel expenses	447.2	424.3	22.9
Amortization and depreciation of intangible assets and property, plant and equipment	69	74	-5
Other operating expenses	366.8	265.2	101.6
Result from impairment losses and reversal of impairment losses of financial assets	-0.1	-1.4	1.3
Income from shareholdings	-	-	-
Result from investments accounted for using the equity method	54.7	36.1	18.5
Finance income	1.9	1.9	0.0
Finance expenses	16	13	2
Earnings before taxes (EBT)	465.3	117.3	348.0
Income tax	96.5	40.7	55.7
Consolidated result	368.8	76.6	292

01 CONSOLIDATED BALANCE SHEET

Financials

Assets (€ million)	31.03.2022	31.12.2021	Δ
Non-current assets	4,187.9	4,250.2	-62.3
Intangible assets, property, plant and equipment	2,263.2	2,267.9	-4.7
Investment property	79.2	79.5	-0.3
Financial assets	50.1	51.4	-1.3
Investments accounted for using the equity method	1,373.4	1,327.8	45.6
Trade receivables	7.2	8.3	-1.1
Other receivables and other assets	32.9	21.6	11.3
Income tax assets	0.0	1.9	-1.9
Deferred income tax assets	381.8	491.8	-110.0
Current assets	6,576.9	6,004.8	572.1
Inventories	3,093.1	3,123.3	-30.2
Trade receivables	1,964.4	1,452.8	511.6
Contract assets	398.1	323.0	75.1
Other receivables and other assets	375.0	296.7	78.3
Income tax assets	28.5	17.0	11.5
Securities	49.6	49.7	-0.1
Cash and cash equivalents	668.2	741.8	-73.6
Assets available for sale	0.0	0.5	-0.5
Balance sheet total	10,764.8	10,254.9	509.9

01 CONSOLIDATED BALANCE SHEET

Financials

Equity and liabilities (€ million)

	31.03.2022	31.12.2021	Δ
Equity	4,011.1	3,357.0	654.1
Subscribed capital	161.6	161.6	0.0
Capital reserve	257.0	257.0	0.0
Retained earnings	3,742.2	3,170.3	571.9
Other reserves	163.0	82.0	81.0
Unappropriated retained earnings	45.1	45.1	0.0
Treasury shares	-369.7	-369.7	0.0
Minority Interest	11.9	10.7	1.2
Non-current liabilities	2,972.1	3,247.0	-274.9
Provisions for pensions and similar obligations	1,901.5	2,178.6	-277.1
Deferred tax liabilities	146.8	147.1	-0.3
Income tax liabilities	24.4	25.7	-1.3
Other provisions	268.1	267.5	0.6
Financial liabilities	623.1	621.5	1.6
Other liabilities	8.1	6.6	1.5
Current liabilities	3,781.6	3,650.7	130.9
Other provisions	265.2	263.1	2.1
Financial liabilities	888.7	893.2	-4.5
Trade payables	1,642.5	1,728.9	-86.4
Liability contracts	382.1	353.8	28.3
Income tax liabilities	68.8	36.1	32.7
Other liabilities	534.3	375.6	158.7
Balance sheet total	10,764.8	10,254.9	509.9

01 CASH FLOW STATEMENT

Financials

(€ million)

	3M 2021	3M 2021	Δ
Cash and cash equivalents at the start of the period	741.8	621.4	120.4
Cash flow from operating activities	-15.2	108.8	-124.0
Cash flow from investment activities	-48.5	-122.7	74.2
Cash flow from financial activities	-14.8	-34.9	20.1
Changes in cash	-73.6	-42.9	-30.7
Cash and cash equivalents at the end of the period	668.2	578.4	89.8

Improved result offset by the notable increase in working capital

01 STEEL PRODUCTION BUSINESS UNIT

Financials

		Q1 2022	Q1 2021	Δ
External sales	€ million	1,204.4	743.2	461.2
Order bookings	kt	1,586.7	1,471.7	115.0
Order backlog ¹	kt	1,377.7	1,250.5	127.2
EBITDA	€ million	330.8	83.5	247.4
EBT	€ million	290.3	43.2	247.1
Core workforce ¹		7,271	7,192	79

¹ per reporting date

Substantial upturn in the selling prices of strip steel products and sections resulted in significantly increased sales and earnings figures

01 STEEL PROCESSING UNIT

Financials

		Q1 2022	Q1 2021	Δ
External sales	€ million	466.7	334.2	132.5
Order bookings	kt	788.5	476.1	312.4
Order backlog ¹	kt	1,045.1	612.0	433.1
EBITDA	€ million	19.4	-9.8	29.2
EBT	€ million	4.4	-28.4	32.8
Core workforce ¹		5,340	5,395	-55

¹ per reporting date

Turnaround is first and foremost attributable to the significantly improved results of the two heavy plate companies; a counter effect emanated from extremely high input material and energy costs

01 TRADING BUSINESS UNIT

Financials

		Q1 2022	Q1 2021	Δ
External sales	€ million	1,302.7	673.3	629.4
Shipments	kt	1,062.0	888.0	174.0
EBITDA	€ million	101.8	48.1	53.7
EBT	€ million	98.1	44.7	53.4
Core workforce ¹		1,935	1,931	4

¹ per reporting date

Marked price increases resulted in sales almost doubling; in conjunction with lower inventory prices this led to excellent earnings before taxes

01 TECHNOLOGY BUSINESS UNIT

Financials

		Q1 2022	Q1 2021	Δ
External sales	€ million	333.7	300.9	32.8
Order bookings	kt	518.6	358.0	160.6
Order backlog ¹	kt	1,074.8	734.3	340.4
EBITDA	€ million	19.0	31.8	-12.9
EBT	€ million	13.1	25.0	-11.9
Core workforce ¹		5,323	5,353	-30

¹ per reporting date

Especially the project business of KHS was bolstered by sustained strong demand; year-earlier result positively impacted by the sale of the KHS Group's pouch business

01 INDUSTRIAL PARTICIPATIONS / CONSOLIDATION

Financials

		Q1 2022	Q1 2021	Δ
External sales	€ million	42.3	42.5	-0.1
EBITDA	€ million	77.1	49.1	27.9
EBT	€ million	59.4	32.8	26.6
Core workforce ¹		2,623	2,604	19

¹ per reporting date

Gratifying increase in earnings; result includes € 61.9 million contribution of the Aurubis participation

01 SALZGITTER GROUP

Guidance

Thanks to the strong first-quarter we now anticipate the following for the Salzgitter Group in the financial year 2022:

/ an increase in sales to just under € 11 billion,

/ earnings before taxes of between € 750 million and € 900 million, and

/ a return on capital employed (ROCE) that is around the previous year's level

Legal Note and other remarks

We make reference to the fact that criteria of the annual financial statements and imponderables, including changes in the cost of raw materials, precious metal prices and exchange rates, may still have a considerable impact on the results of the financial year.

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