

SALZGITTER GROUP

PRESENTATION OF THE GROUP



SALZGITTERAG
People, Steel and Technology

01 KEY DATA PER 2023/09/30

Financials

		9M 2023	9M 2022	Δ	Q3 2023	Q2 2023	Q1 2023
Crude steel production	kt	4,448	4,762	-314	1,312	1,551	1,585
External sales ¹	€ million	8,406	9,765	-1,360	2,570	2,853	2,983
EBITDA	€ million	576	1,397	-821	115	171	290
Earnings before tax	€ million	254	1,145	-891	12	59	184
Earnings after tax	€ million	194	946	-752	2	51	140
Earnings per share (undiluted)	€	3.5	17.4	-13.9	0.0	0.9	2.6
ROCE	%	6.5	22.9	-16.4	2.1	5.0	12.6
Core workforce ²		23,005	22,645	360	23,005	22,784	22,705

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

² per reporting date

Presentable result despite economic headwinds

01 INCOME STATEMENT

Financials

Income Statement (€ million)	9M 2023	9M 2022	Δ
Sales	8,405.7	9,765.3	-1,359.6
Increase/decrease in finished goods and work in process/other own work capitalized	-158.8	146.1	-304.9
	8,246.9	9,911.4	-1,664.5
Other operating income	462.2	583.7	-121.5
Cost of materials	5,583.2	6,653.0	-1,069.8
Personnel expenses	1,421.3	1,374.8	46.5
Amortization and depreciation of intangible assets and property, plant and equipment	234.0	208.3	25.7
Other operating expenses	1,189.4	1,173.6	15.8
Result from impairment losses and reversal of impairment losses of financial assets	0.5	-5.2	5.6
Income from shareholdings	1.2	2.7	-1.5
Result from investments accounted for using the equity method	58.6	105.5	-46.8
Finance income	28.2	6.8	21.5
Finance expenses	115.6	49.8	65.7
Earnings before taxes (EBT)	254.3	1,145.3	-891.0
Income tax	60.6	199.5	-138.9
Consolidated result	193.7	945.9	-752.2

01 CONSOLIDATED BALANCE SHEET

Financials

Assets (€ million)	30.09.2023	31.12.2022	Δ
Non-current assets	4,634.1	4,510.0	124.1
Intangible assets, property, plant and equipment	2,619.0	2,416.5	202.5
Investment property	77.0	78.1	-1.1
Financial assets	33.6	38.3	-4.7
Investments accounted for using the equity method	1,517.3	1,565.3	-48.0
Trade receivables	2.7	3.5	-0.8
Other receivables and other assets	21.6	15.7	5.9
Income tax assets	8.5	-	8.5
Deferred income tax assets	354.4	392.6	-38.2
Current assets	6,543.5	6,593.3	-49.8
Inventories	3,060.1	3,474.3	-414.2
Trade receivables	1,543.0	1,543.8	-0.8
Contract assets	375.5	318.3	57.2
Other receivables and other assets	341.3	217.9	123.4
Income tax assets	23.9	23.6	0.3
Securities	0.0	0.0	-
Cash and cash equivalents	1,147.0	988.4	158.6
Assets available for sale	52.80	27.1	25.7
Balance sheet total	11,177.6	11,103.3	74.3

01 CONSOLIDATED BALANCE SHEET

Financials

Equity and liabilities (€ million)

	30.09.2023	31.12.2022	Δ
Equity	5,021.6	4,850.4	171.2
Subscribed capital	161.6	161.6	0.0
Capital reserve	257.0	257.0	0.0
Retained earnings	4,837.4	4,585.7	251.7
Other reserves	118.6	145.5	-26.9
Unappropriated retained earnings	6.0	60.1	-54.1
Treasury shares	-369.7	-369.7	0.0
Minority Interest	10.7	10.2	0.5
Non-current liabilities	2,556.2	2,704.3	-148.1
Provisions for pensions and similar obligations	1,505.9	1,618.8	-112.9
Deferred tax liabilities	197.1	195.2	1.9
Income tax liabilities	18.3	33.5	-15.2
Other provisions	266.8	272.3	-5.5
Financial liabilities	565.1	579.3	-14.2
Other liabilities	3.0	5.2	-2.2
Current liabilities	3,599.9	3,548.7	51.2
Other provisions	260.8	246.2	14.6
Financial liabilities	1,128.9	1,119.1	9.8
Trade payables	1,366.9	1,331.8	35.1
Liability contracts	423.1	412.3	10.8
Income tax liabilities	39.7	51.2	-11.5
Other liabilities	380.5	380.9	-0.4
Liabilities associated with assets held for sale	-	7.2	-7.2
Balance sheet total	11,177.6	11,103.3	74.3

01 CASH FLOW STATEMENT

Financials

(€ million)	9M 2023	9M 2022	Δ
Cash and cash equivalents at the start of the period	988.4	741.8	246.6
Cash flow from operating activities	671.1	129.7	541.4
Cash flow from investment activities	-412.4	-203.3	-209.1
Cash flow from financial activities	-95.2	100.4	-195.5
Changes in cash	158.6	51.7	106.8
Cash and cash equivalents at the end of the period	1,147.0	793.5	353.4

Reduction in working capital strengthens operating cash flow

01 STEEL PRODUCTION BUSINESS UNIT

Financials

		9M 2023	9M 2022	Δ	Q3 2023	Q2 2023	Q1 2023
External sales	€ million	2,806	3,368	-562	842	926	1,039
Order bookings	kt	3,649	3,644	6	1,106	1,188	1,356
Order backlog ¹	kt	985	1,038	-52	985	1,005	1,072
EBITDA	€ million	268	781	-513	74	59	136
EBT	€ million	107	667	-560	23	4	80
Core workforce ¹		7,398	7,363	35	7,398	7,350	7,339

¹ per reporting date

Declining results due to lower selling prices as well as general cost increases

01 STEEL PROCESSING BUSINESS UNIT

Financials

		9M 2023	9M 2022	Δ	Q3 2023	Q2 2023	Q1 2023
External sales	€ million	1,684	1,557	127	497	625	562
Order bookings	€ million	1,737	2,183	-446	514	521	703
Order backlog ¹	€ million	817	1,034	-217	817	868	1,020
EBITDA	€ million	198	98	100	16	81	100
EBT	€ million	137	52	86	-2	57	82
Core workforce ¹		5,298	5,377	-79	5,298	5,332	5,358

¹ per reporting date

Pre-tax profit increased due to cost and revenues

01 TRADING BUSINESS UNIT

Financials

		9M 2023	9M 2022	Δ	Q3 2023	Q2 2023	Q1 2023
External sales	€ million	2,557	3,656	-1,099	797	842	918
Shipments	kt	2,360	2,861	-501	792	780	788
EBITDA	€ million	19	289	-270	7	9	3
EBT	€ million	-8	273	-281	-3	0	-5
Core workforce ¹		1,991	1,947	44	1,991	1,991	2,006

¹ per reporting date

Declining result due to lower revenues in stockholding steel trade, stable margins in international trading

01 TECHNOLOGY BUSINESS UNIT

Financials

		9M 2023	9M 2022	Δ	Q3 2023	Q2 2023	Q1 2023
External sales	€ million	1,231	1,053	179	395	416	420
Order bookings	€ million	1,587	1,379	208	436	567	584
Order backlog ¹	€ million	1,541	1,281	260	1,541	1,474	1,368
EBITDA	€ million	80	48	32	28	25	27
EBT	€ million	55	31	25	19	17	20
Core workforce ¹		5,631	5,316	315	5,631	5,443	5,380

¹ per reporting date

Significant improvement of order intake and orders on hand, increase of sales and earnings

01 INDUSTRIAL PARTICIPATIONS / CONSOLIDATION

Financials

		9M 2023	9M 2022	Δ	Q3 2023	Q2 2023	Q1 2023
External sales	€ million	126	131	-5	39	44	43
EBITDA	€ million	11	180	-169	-10	-3	24
EBT	€ million	-37	124	-161	-26	-19	8
Core workforce ¹		2,687	2,642	45	2,687	2,668	2,622

¹ per reporting date

Earnings include € 20.0 million contribution from the Aurubis participation

01 MANAGEMENT GUIDANCE

Guidance

Against the backdrop of the sustained weak development of the German economy and the extremely volatile political and economic environment we anticipate the following for the Salzgitter Group in the financial year 2023:

/ sales of around € 11 billion,

/ EBITDA of between € 650 million and € 700 million,

/ a pre-tax profit of between € 200 million and € 250 million, and

/ a return on capital employed (ROCE) notably below the previous year's level.

Legal Note and other remarks

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Salzgitter AG

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