



Results of the first nine months 2021

Salzgitter, November 12, 2021

Key data per 2021/09/30

		9M 2021	9M 2020	Δ	Q3 2021	Q2 2021	Q1 2021
Crude steel production	kt	5,071.2	4,334.2	737.0	1,693.7	1,733.1	1,644.5
External sales ¹	€ million	7,001.7	5,264.3	1,737.4	2,566.2	2,341.4	2,094.1
Earnings before tax	€ million	604.5	-224.4	828.9	298.8	188.4	117.3
Earnings after tax	€ million	467.7	-243.0	710.6	237.0	154.1	76.6
Earnings per share (undiluted)	€	8.56	-4.54	13.09	4.35	2.82	1.38
ROCE	%	20.0	-8.1	28.1	29.7	20.1	13.2
Core workforce ²		22,411	22,785	-374	22,411	22,414	22,475

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

Salzgitter Group sustains strong earnings trend

Income Statement (€ million)	H1 2021	H1 2020	Δ
Sales	7,001.7	5,264.3	1,737.4
Increase/decrease in finished goods and work in process/other own work capitalized	287.5	-154.8	442.2
	7,289.2	5,109.6	2,179.6
Other operating income	263.9	186.7	77.2
Cost of materials	4,732.9	3,358.5	1,374.4
Personnel expenses	1,311.3	1,248.5	62.8
Amortization and depreciation of intangible assets and property, plant and equipment	220.3	219.2	1.0
Other operating expenses	765.6	694.5	71.1
Result from impairment losses and reversal of impairment losses of financial assets	3.6	-11.1	14.7
Income from shareholdings	0.6	2.1	-1.5
Result from investments accounted for using the equity method	119.5	50.7	68.7
Finance income	5.4	5.7	-0.3
Finance expenses	47.6	47.5	0.2
Earnings before taxes (EBT)	604.5	-224.4	828.9
Income tax	136.9	18.6	118.3
Consolidated result	467.7	-243.0	710.7

Consolidated balance sheet

Assets (€ million)	30.09.2021	31.12.2020	Δ
Non-current assets	4,280.0	4,244.5	35.5
Intangible assets, property, plant and equipment	2,450.8	2,423.6	27.2
Investment property	80.4	81.5	-1.1
Financial assets	51.2	54.6	-3.4
Investments accounted for using the equity method	1,274.6	1,169.1	105.5
Trade receivables	6.4	11.0	-4.6
Other receivables and other assets	23.2	22.3	0.9
Income tax assets	2.1	0.5	1.6
Deferred income tax assets	391.2	481.9	-90.7
Current assets	5,262.2	3,992.9	1,269.3
Inventories	2,696.8	1,933.7	763.1
Trade receivables	1,486.9	923.9	563.0
Contract assets	311.7	300.2	11.5
Other receivables and other assets	337.9	188.3	149.6
Income tax assets	18.8	23.7	-4.9
Securities	49.8	0.0	49.8
Cash and cash equivalents	360.2	621.4	-261.2
Assets available for sale	0.0	1.7	-1.7
Balance sheet total	9,542.2	8,237.4	1,304.8

Consolidated balance sheet

Equity and liabilities (€ million)	30.09.2021	31.12.2020	Δ
Equity	3,293.8	2,678.9	615.0
Subscribed capital	161.6	161.6	0.0
Capital reserve	257.0	257.0	0.0
Retained earnings	3,140.7	2,594.5	546.2
Other reserves	93.7	26.4	67.3
Unappropriated retained earnings	0.0	0.0	0.0
Treasury shares	-369.7	-369.7	0.0
Minority Interest	10.6	9.1	1.5
Non-current liabilities	3,258.8	3,476.4	-217.6
Provisions for pensions and similar obligations	2,159.1	2,298.6	-139.5
Deferred tax liabilities	73.8	73.9	-0.1
Income tax liabilities	32.2	30.4	1.8
Other provisions	260.3	267.1	-6.8
Financial liabilities	727.3	749.4	-22.1
Other liabilities	6.2	57.1	-50.9
Current liabilities	2,989.6	2,082.1	907.5
Other provisions	257.2	210.4	46.8
Financial liabilities	471.6	488.3	-16.7
Trade payables	1,440.3	802.4	637.9
Liability contracts	332.6	272.8	59.8
Income tax liabilities	23.6	5.5	18.1
Other liabilities	464.3	302.8	161.5
Balance sheet total	9,542.2	8,237.4	1,304.8

Cash flow statement

(€ million)	9M 2021	9M 2020	Δ
Cash and cash equivalents at the start of the period	621.4	700.5	-79.1
Cash flow from operating activities	123.0	-96.5	219.6
Cash flow from investment activities	-269.8	-228.8	-41.0
Cash flow from financial activities	-122.2	-27.7	-94.5
Changes in cash	-261.1	-361.5	100.4
Cash and cash equivalents at the end of the period	360.2	339.0	21.2

Improved result had a positive influence on the operating cash flow;
notable increase in working capital

Strip Steel Business Unit

		9M 2021	9M 2020	Δ	Q3 2021	Q2 2021	Q1 2021
External sales	€ million	1,852.0	1,384.9	467.1	653.9	591.7	606.4
Order bookings	kt	3,075.9	3,010.9	65.0	840.6	1,047.7	1,187.6
Order backlog ¹	kt	953.2	889.6	63.6	953.2	1,061.5	1,078.4
EBITDA	€ million	342.3	23.0	319.4	167.8	96.6	78.0
EBT	€ million	237.6	-94.9	332.5	133.1	61.4	43.1
Core workforce ¹		5,982	6,029	-47	5,982	5,980	6,010

Declining order activity in the third quarter of 2021 caused by the semiconductor shortage; positive price dynamic of the first nine months 2021 reflected in sales and earnings increases

Plate / Section Steel Business Unit

		9M 2021	9M 2020	Δ	Q3 2021	Q2 2021	Q1 2021
External sales	€ million	689.1	530.3	158.7	243.5	231.1	214.4
Order bookings	kt	1,385.7	1,399.8	-14.2	284.4	576.1	525.1
Order backlog ¹	kt	319.6	287.3	32.3	319.6	485.1	408.1
EBITDA	€ million	16.5	-42.8	59.2	24.9	3.9	-12.4
EBT	€ million	-8.0	-64.7	56.7	19.0	-5.9	-21.0
Core workforce ¹		2,241	2,313	-72	2,241	2,245	2,260

**All companies exceeded the earnings figures posted in the previous year's period;
Peiner Träger and DEUMU Group recorded very gratifying pre-tax results**

		9M 2021	9M 2020	Δ	Q3 2021	Q2 2021	Q1 2021
External sales	€ million	812.2	723.3	88.9	281.8	273.8	256.6
Order bookings	€ million	1,328.8	762.9	565.9	447.9	468.2	412.7
Order backlog ¹	€ million	614.7	357.7	257.0	614.7	555.3	448.3
EBITDA	€ million	26.8	-2.0	28.7	10.7	8.0	8.1
EBT	€ million	-20.1	-48.3	28.1	-4.6	-8.0	-7.5
Core workforce ¹		4,346	4,416	-70	4,346	4,325	4,317

Price-induced increase of sales, considerable profit improvement of the precision tubes group and positive pre-tax result of the medium-diameter line pipe segment

Trading Business Unit

		9M 2021	9M 2020	Δ	Q3 2021	Q2 2021	Q1 2021
External sales	€ million	2,546.8	1,667.9	878.9	1,008.7	864.8	673.3
Shipments	kt	2,719.6	2,361.1	358.5	910.0	921.7	888.0
EBITDA	€ million	290.7	-8.4	299.1	135.1	107.5	48.1
EBT	€ million	282.4	-22.9	305.3	133.1	104.6	44.7
Core workforce ¹		1,949	1,962	-13	1,949	1,936	1,931

**Volume growth and higher prices caused marked increase in sales;
highest quarterly and nine-month result in the history of the business unit**

		9M 2021	9M 2020	Δ	Q3 2021	Q2 2021	Q1 2021
External sales	€ million	979.5	853.6	125.9	340.3	338.4	300.9
Order bookings	kt	1,159.3	841.9	317.4	410.6	390.7	358.0
Order backlog ¹	kt	886.1	626.4	259.7	886.1	819.6	734.3
EBITDA	€ million	59.9	8.4	51.5	14.2	13.8	31.8
EBT	€ million	40.9	-13.8	54.7	8.5	7.4	25.0
Core workforce ¹		5,283	5,457	-174	5,283	5,328	5,353

KHS Group's pre-tax result supported by the accounting profit achieved from selling the pouch business, KDS continued the uptrend of the second quarter

Industrial Participations / Consolidation

		9M 2021	9M 2020	Δ	Q3 2021	Q2 2021	Q1 2021
External sales	€ million	122.1	104.2	17.9	38.0	41.6	42.5
EBITDA	€ million	130.6	57.2	73.4	35.5	45.9	49.2
EBT	€ million	71.6	20.2	51.4	9.8	28.8	33.0
Core workforce ¹		2,610	2,608	2	2,610	2,600	2,604

Earnings before taxes include € 133.5 million contribution from the participating investment in Aurubis AG accounted for using the equity method

Business Units – Forecast

Strip Steel

- Through to year-end 2021 and beyond, impact of disruptions to global supply and logistics chains
- still good utilization level
- significantly higher operating costs for iron ore and coking coal

Plate / Section Steel

- plate: stable demand at the level last observed accompanied by rising imports
- First signs of recovery of the tubes business visible
- section steel: volatile market environment that will fundamentally continue to focus on the short-term

Mannesmann

- large-diameter pipes: demand remains insufficient
- medium line pipes: significant increase in volumes
- precision tubes: chip shortage in the automotive industry reflected in the bookings
- stainless tubes: growing demand

Trading

- exceptionally good earnings situation of the nine months cannot be expected to repeat in these dimensions in the last quarter
- selling prices rates stabilize at a high level

Technology

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

Business Unit

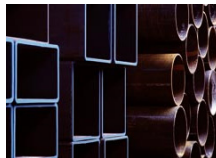
- significant increase in sales
- very gratifying pre-tax profit of more than € 300 million

- notable increase in sales
- return to the profit zone

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

- considerably 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 by non-recurrent effects



Supply chain disruptions and their repercussions have also been impacting some of our Group companies since the end of the summer quarter. We nevertheless reaffirm our guidance and continue to anticipate the following for the Salzgitter Group in the financial year 2021:

- **an increase in sales to more than € 9 billion,**
- **a pre-tax profit of between € 600 million and € 700 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 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 end of the financial year 2021.

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.

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