

From strategy bottleneck to business transformation

RHI Magnesita's Digital Transformation Journey







1 ton of STEEL demands ~10-15 kg of refractories



1 ton of CEMENT demands ~1 kg of refractories



1 ton of GLASS demands ~4 kg of refractories

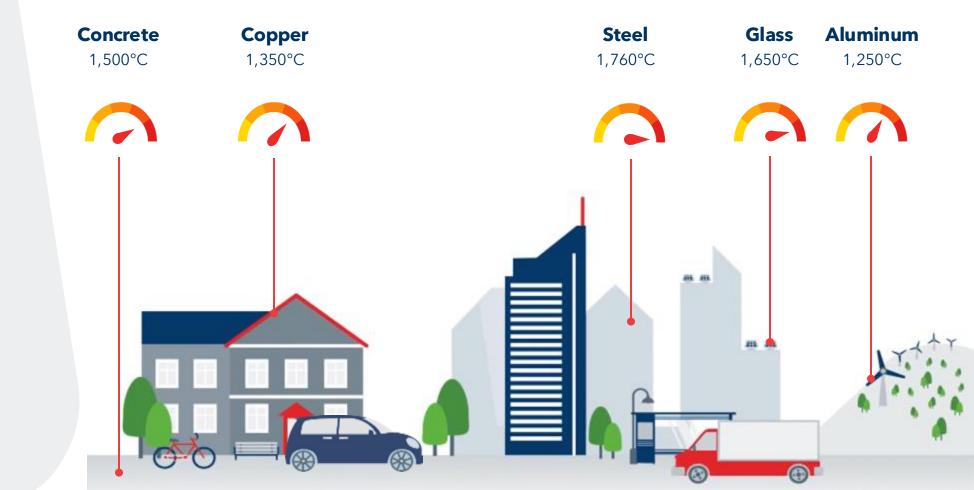


1 ton of ALUMINIUM demands ~6 kg of refractories

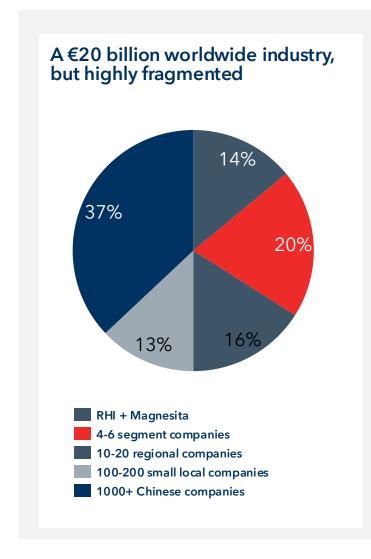


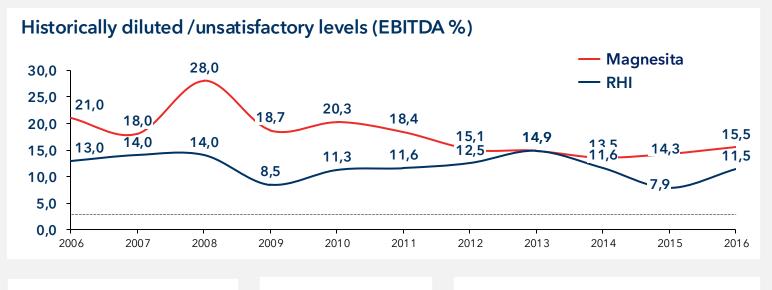
1 ton of COPPER demands ~3 kg of refractories

Refractories are the building blocks of modern life



2016: RHI & Magnesita as separate companies were a clear CASE FOR CHANGE





+5.2 Mio

Tons of CO₂ emitted With no path for improvement ~10%

- No diversity in management
- Plants on level of 1990s.
- No digitalization
- Zero growth industry globally
- Margins squeezed
- Slowly sliding against the wall

2018: embarked on a transformation journey to eventually change the industry

Drastic Cultural Change

Merger RHI + Magnesita

> No Cultural Change

Strategy 2025: The driving force of the industry

Drive the refractories industry

- Leveraging scale
- Growing profits
- Investing in Sustainability
- Digitalization value chain



Markets: fill regional, segments and product line white spots



Competitiveness - invest €350m into network footprint



Solutions Business Model Expansion



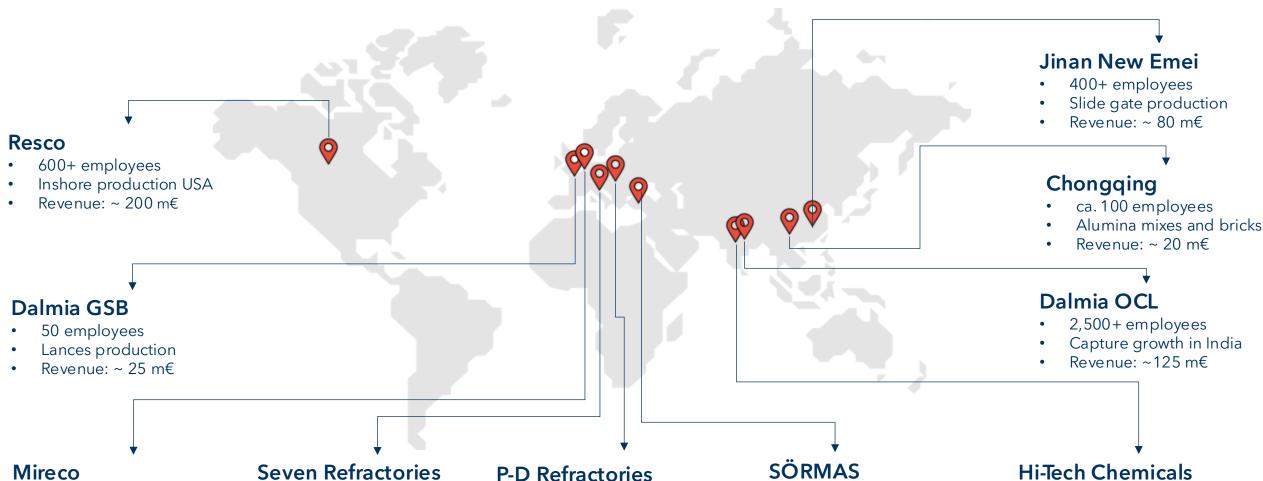
People diversification & culture change

Add 1bn€ enterprise value

Status quo as cash deliverer

- Western-centric
- Continue to serve customers with high-quality
- Miss-out to create additional value by new solutions

Consolidation adds value, brings knowledge, and a lot of work to integrate and deliver synergies



150 employees

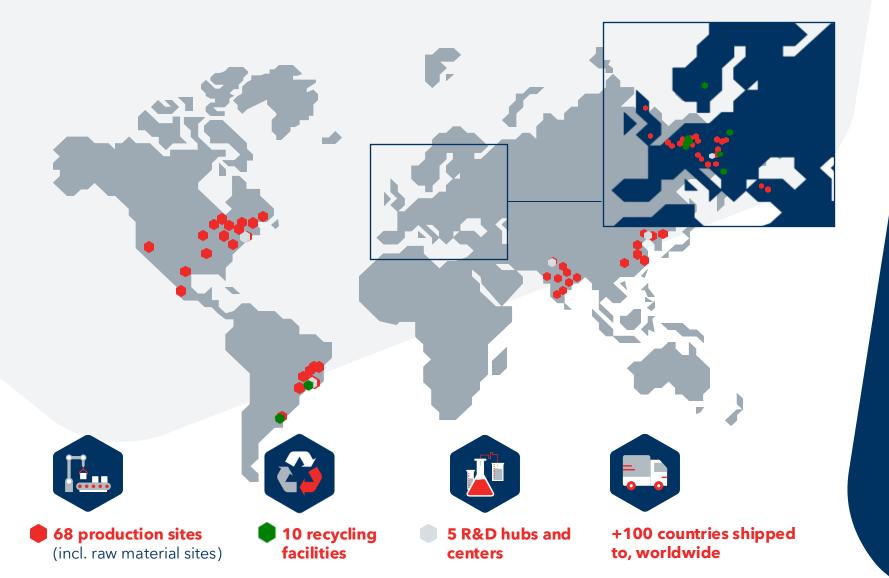
- Leading recycling platform Revenue: ~ 40 m€
- 200+ employees
- Alumina monolithic
- Revenue: ~ 100 m€.

- 1,000+ employees
- Glass, Aluminum, Ironmaking
- Revenue: ~ 180 m€

- 200+ employees
- **Expand footprint in Turkey**
- Revenue: ~ 40 m€

- 500+ employees
- Capture growth in India
- Revenue: ~ 40 m€.

RHIM is the global leader in refractories there for you, wherever you need us



20,000 Employees

€ 3.6bn 2023 revenue

+ 1,700Active patents

€ 80m per year
Investment in R&D
and Technical
Marketing

Performance step up at the bottom of the market cycle while reshaping production network and executing M&A



The future will be even more volatile, the enabler of the next step change is our digital transformation



Enhance local-for-local capabilities

Drive for industry value creation

Continue industry consolidation



Re-think raw material backward integration

Optimization of our production network

Digital transformation €100M investment

Decarbonization delivery

Search for expanded innovation



Strengthen RHIM Culture Investment in global supply chain management tools

Trying new business models



Reduce the complexity enabling further growth and unlocking full potential Al

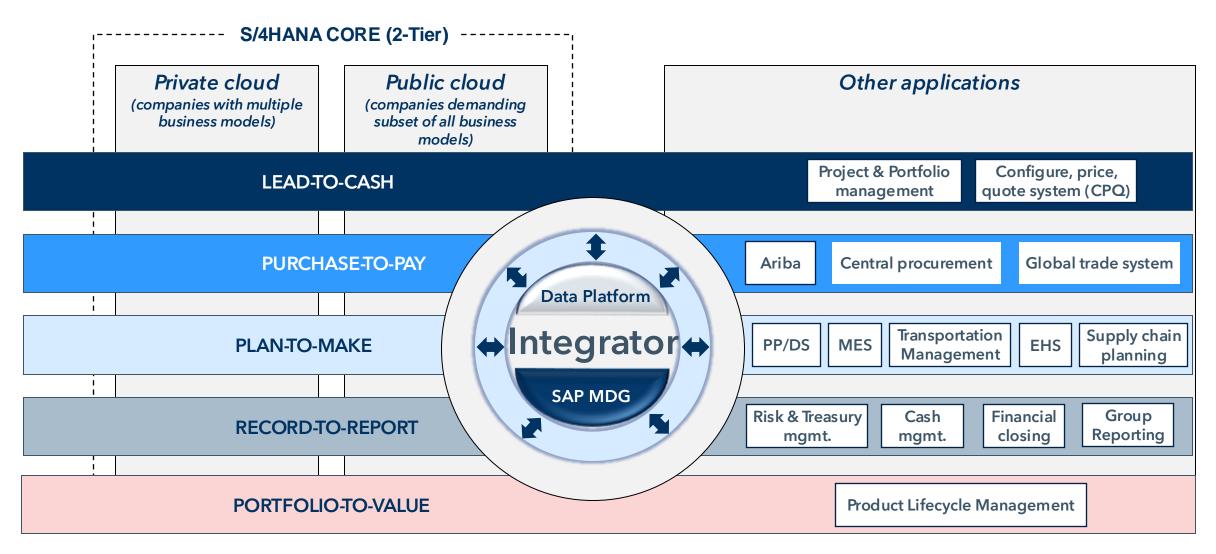
Shape RHIM into a **globally standardized company** that is digitally fortified, centered around customers, and steered by data

Achieve **streamlined processes** that allow us to adapt faster to changes in market conditions, customer demands, and regulatory requirements

Implement a **standardized two-tier S4/HANA system**, leveraging a **global template** that supports business processes, tailored to RHIM business needs

Enhance accuracy and reliability through automation, accelerating our internal processes, eliminating errors of manual processing

Envisioned digital ecosystem: data centric & integrated architecture structured along standardized processes



To summarize...

Standardized processes ensuring consistency and reliability

Customer value

Maximized automation and resilient processes

Greenfield
approach with
2-Tier landscape
built on clean core
concept

Life-time opportunity

to rebuild processes and applicationlandscape in parallel **Full digitalization**by implementing cloud technologies

Value-driven
enhancements to
improve overall
satisfaction and
experience



Q&A

