



RHI MAGNESITA

From strategy bottleneck to business transformation

RHI Magnesita's Digital Transformation Journey





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Refractories are the building blocks of modern life



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

Concrete
1,500°C

Copper
1,350°C

Steel
1,760°C

Glass
1,650°C

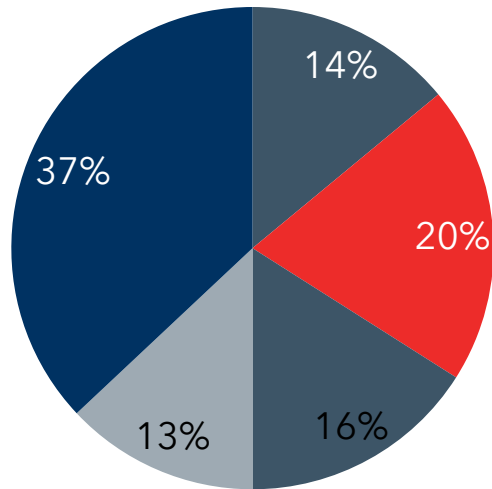
Aluminum
1,250°C



2016: RHI & Magnesita as separate companies

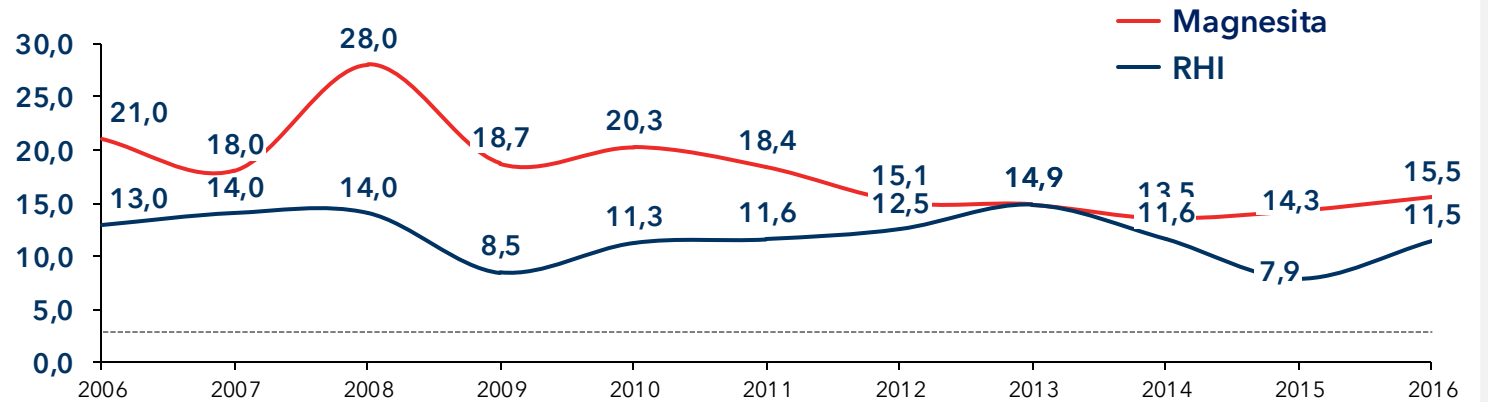
were a clear **CASE FOR CHANGE**

A €20 billion worldwide industry,
but highly fragmented



- RHI + Magnesita
- 4-6 segment companies
- 10-20 regional companies
- 100-200 small local companies
- 1000+ Chinese companies

Historically diluted /unsatisfactory levels (EBITDA %)



+5.2 Mio

Tons of CO₂ emitted
With no path for
improvement

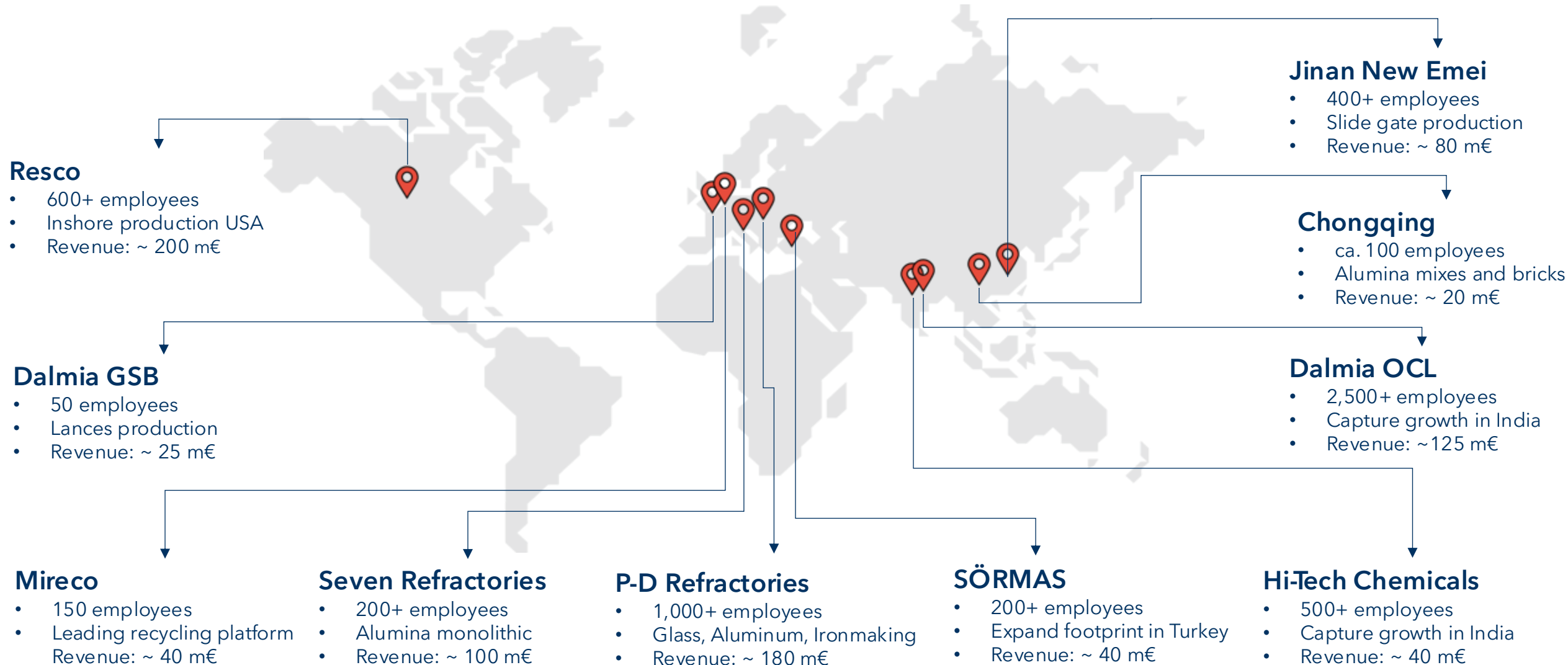
~10%
ROIC

- ◆ 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

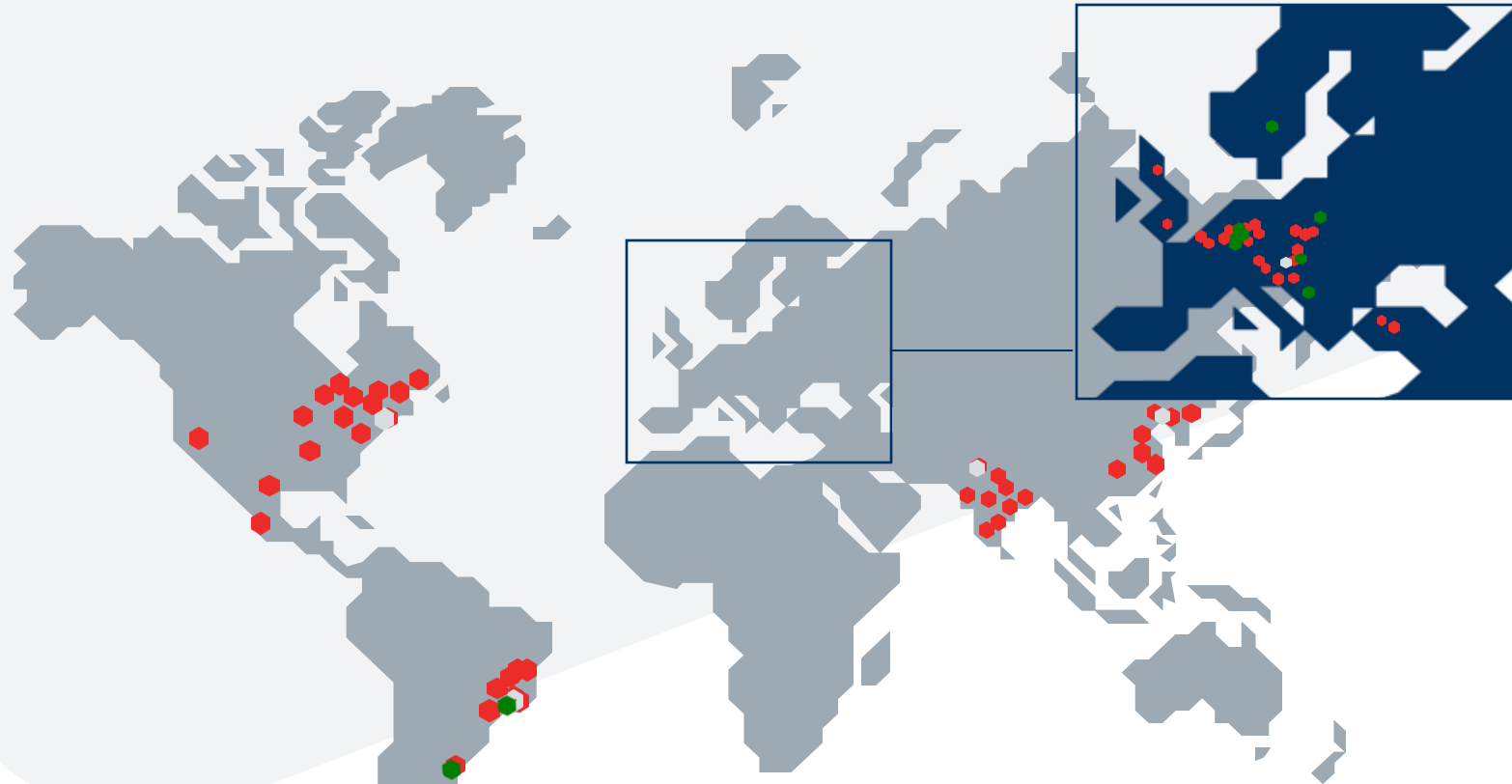


Consolidation adds value, brings knowledge, and a lot of work to integrate and deliver synergies



RHIM is the global leader in refractories

there for you, wherever you need us



68 production sites
(incl. raw material sites)



10 recycling facilities



5 R&D hubs and centers



+100 countries shipped to, worldwide

20,000

Employees

€ 3.6bn

2023 revenue

+ 1,700

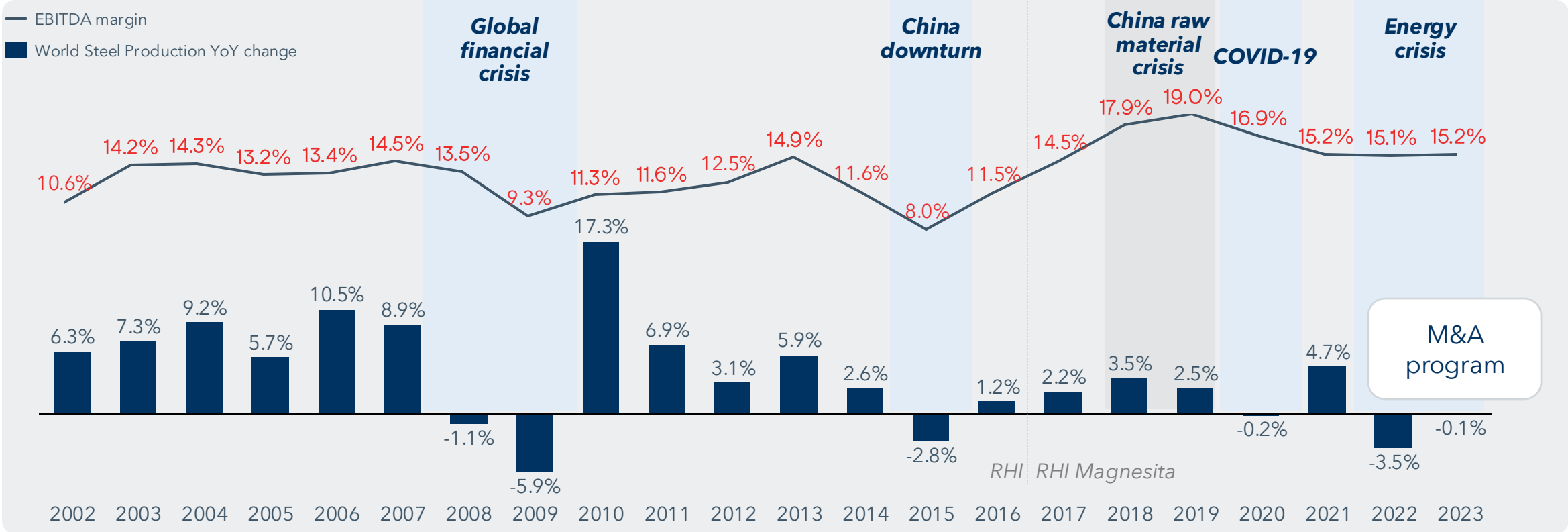
Active patents

€ 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



Source WSA and Company data

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



Reduce the complexity enabling

further growth and unlocking full potential AI



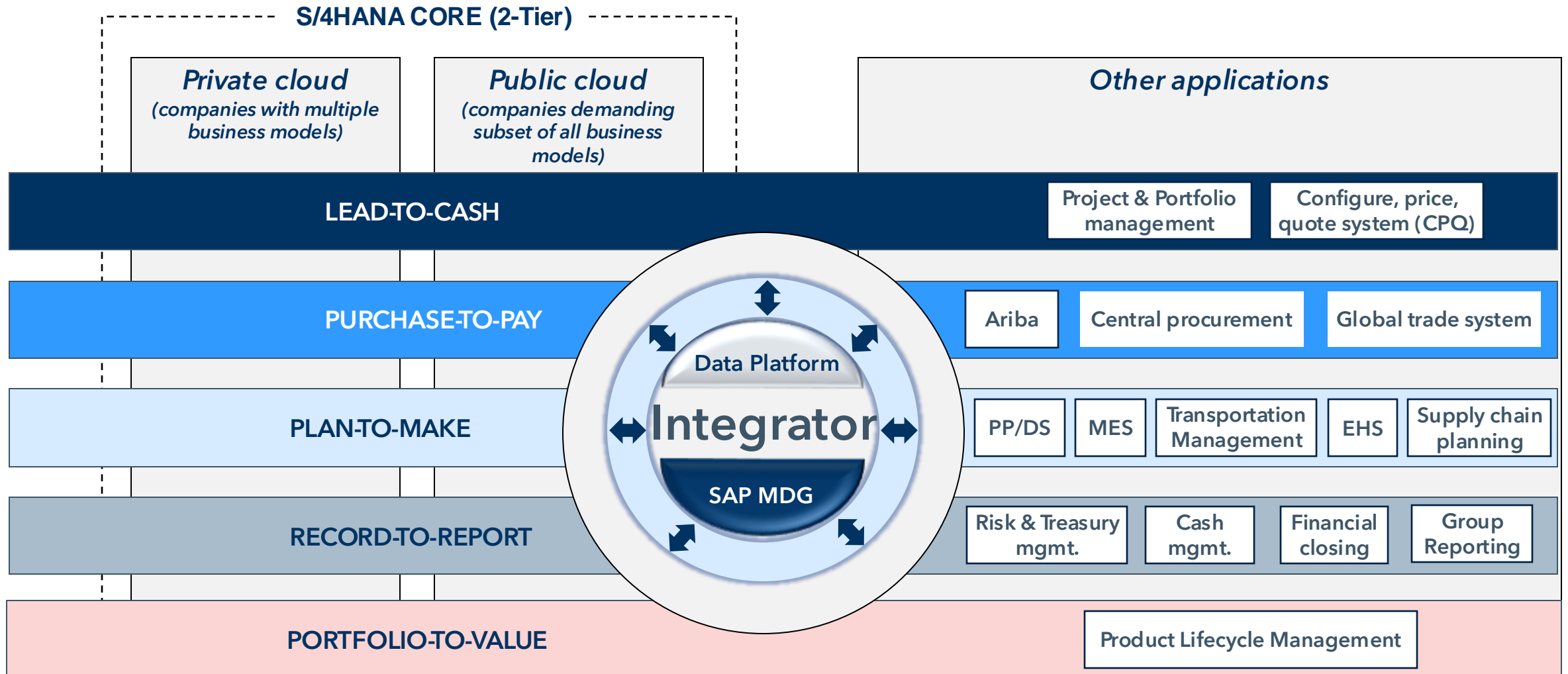
Shape RHIM into a **globally standardized company** that is digitally fortified, centered around customers, and steered by data

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

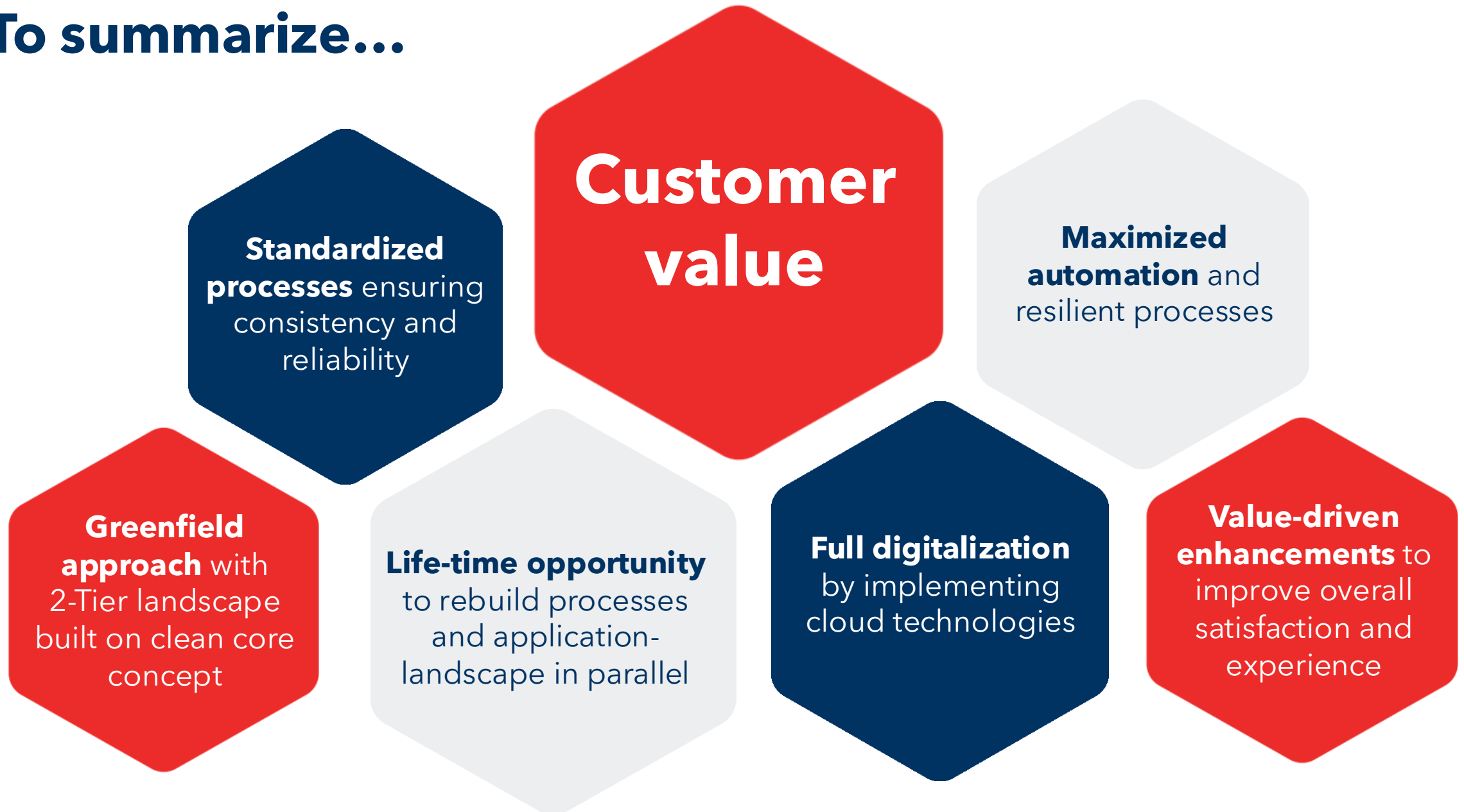
Implement a **standardized two-tier S4/HANA system**, leveraging a **global template** that supports business processes, tailored to RHIM business needs

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...





RHI MAGNESITA

Q&A