

Press Release

RHI Magnesita to acquire Indian refractory business of Dalmia

Acquisition strengthens RHI Magnesita's presence and offer in key growth market

Gurugram, Nov 19: RHI Magnesita, the leading global supplier of refractory products, today announces the acquisition of the Indian refractory business of Dalmia Bharat Refractories Limited ("DBRL"). DBRL is one of India's leading refractory players and a long-term trusted partner to customers in the region.

DBRL will transfer its Indian refractory business to Dalmia OCL (DOCL). Under the terms of a Share Swap Agreement, RHI Magnesita will acquire all outstanding shares in Dalmia OCL (DOCL) in exchange for 27 million new shares in RHI Magnesita India Limited. Based on the issuance price of RHI Magnesita India Limited at ₹632.5029 per share, the Share Consideration had a value of approximately ₹1,708 Crores (€208 million). RHI Magnesita will consolidate DOCL's earnings and approximately INR 443 Crores (€54 million) of net debt held by DOCL.

The acquisition will significantly increase RHI Magnesita's presence in the fast-growing Indian refractory market, with forecast steel production growth in India of 12% in 2022 and a 7-8% compound annual growth rate until 2030. Through the consolidation of DBRL's production into RHI Magnesita's existing operations, significant network optimisation synergies will be captured. The company employs approximately 1,200 people in India and has production capacity of more than 300,000 tons of refractory annually, from five refractory plants and raw material sites. The acquisition will add production capacities in important industrial regions in the south and west of India where RHI Magnesita currently has no assets.

Stefan Borgas, CEO of RHI Magnesita, said: "I am very pleased to announce this highly value creating acquisition which will accelerate our development in the fast-growing Indian refractory market. It is another step in the execution of our Group strategy. We see material financial and operational benefits from the addition of the Dalmia Bharat Refractories business to our existing network, which will enable us to increasingly serve our customers with a 'local for local' approach in India and offer a broader range of products, in particular in the Industrial segment, in which RHI Magnesita is currently under-represented. This transaction demonstrates our ability to continue to grow our business in India where the outlook for the refractory industry is strong, at a time when demand in other geographies is weakening."

Parmod Sagar, CEO of RHI Magnesita India, said: "As a trusted and reliable business partner, the integration of the Dalmia Bharat Refractories business into our network will underline our position as the leading player in the Indian refractory market. This transaction represents a strong commitment from the senior management to continue strengthening the company's operations in India and to further expand our footprint in the region."

Commenting on the transaction, **Sameer Nagpal, Managing Director & CEO of DBRL** said: "We were able to scale up the business over the last few years on the back of product breadth and service capabilities, establishing ourselves as a reliable Indian player. For the next phase of growth of this business it is imperative to have access to technology which RHI Magnesita, being a global leader, brings to the table. We believe our business can be optimally utilised to serve Indian customers by becoming a part of RHI Magnesita's network."

About RHI Magnesita

RHI Magnesita is the leading global supplier of high-grade refractory products, systems and solutions which are critical for high-temperature processes exceeding 1,200°C in a wide range of industries, including steel, cement, non-ferrous metals and glass. With a vertically integrated value chain, from raw materials to refractory products and full performance-based solutions, RHI Magnesita serves customers around the world, with around 12,000 employees in 28 main production sites and more than 70 sales offices. RHI Magnesita intends to leverage its leadership in terms of revenue, scale, product portfolio and diversified geographic presence to target strategically those countries and regions benefitting from more dynamic economic growth prospects.

The Group maintains a premium listing on the Official list of the London Stock Exchange (symbol: RHIM) and is a constituent of the FTSE 250 index, with a secondary listing on the Vienna Stock Exchange (Wiener Börse). For more information please visit: www.rhimagnesita.com

About RHI Magnesita India Limited

RHI Magnesita India Limited is a leading India-based supplier of high-grade refractory products, systems and solutions to the India and West Asia region, which are indispensable for industrial high-temperature processes exceeding 1,200°C in a wide range of industries including steel, cement, non-ferrous metals and glass. RHI Magnesita India Limited is listed on the Bombay Stock Exchange (stock code: 534076) and National Stock Exchange of India (symbol: RHIM NS) with ISIN INE743M01012. For more information please visit: www.rhimagnesitaindia.com

About Dalmia Bharat Refractories Limited

Established in 1954, Dalmia Bharat Refractories Limited (previously Shri Nataraj Ceramics and Chemical Industries Ltd.) is a leading India-based producer of high alumina refractory bricks for the Indian cement industry. DBRL provides a complete line of services including refractory design and layout for greenfield projects, refractory application and maintenance. DBRL offers end-to-end refractory products, solutions and services to customers in over 40 countries and is one of the oldest and leading suppliers of refractories to cement plants in India and the Middle East and North Africa region.

For further enquiries, please contact:

Patrizia Pappacena
Head of Global Corporate Communications & Public Affairs
patrizia.pappacena@rhimagnesita.com
+43 699 1870 6443

Abhijit Borah
Head of Communications
RHI Magnesita India Ltd.
+91-8527123837
Abhijit.Borah@RHIMagnesita.com