



PRESS RELEASE

FERALPI GROUP

2022 AN EXCEPTIONAL YEAR - REVENUE OF 2.39 BN€ (+24.4% YoY)

**EXTRA INVESTMENT OF MORE THAN €500M IN THE 2023-2027
INDUSTRIAL PLAN**

**THE COMMITMENT TO INCREASINGLY DECARBONISED STEEL CONTINUES
AND STRENGTHENS WITH AN ACCELERATION IN THE PRODUCTION OF
RENEWABLE ENERGY**

- **STEEL PRODUCTION at 2.45 m/t (-6.4%)**
 - **TOTAL NET RESULT of €334.2m**
 - **TOTAL NET WORTH of €1bn**

Lonato del Garda (Brescia), 26 July 2023

Strengthening the core business, internationalisation, sustainability and innovation - these strategic pillars define the Feralpi Group's vision and ESG approach for the coming years.

Feralpi closed 2022 on an exceptional note and planned investments of more than 500 m€ for the 2023-2027 period, including new major projects in the industrial plan. These aim to generate value for stakeholders by increasing production and commercial activities thanks to a comprehensive product portfolio, a more efficient cost base, increased production and commercial flexibility with more verticalisation and fewer CO₂ emissions, as a result of new technologies and a share of self-produced energy from renewable sources.

"2022 will be remembered as an exceptional year which probably can't be repeated. It was a year in which our financial structure was strengthened, enabling us to consistently progress our ambitious growth and sustainability targets, at an environmental and business level. The increasing demand for green products, especially in certain markets, and investments resulting from the National Recovery & Resilience Plan in infrastructure in Italy, are strengths that let us look to the future with ambitious, long-term projects. We chose the hardest route with a concrete commitment to decarbonised steel, thanks to the approval of solid investment in the diversification of energy sources with the establishment of Feralpi Power On and the electrification of our production facilities" states **Giuseppe Pasini, Feralpi Group CEO**.

FINANCIAL STATEMENTS (CONSOLIDATED, FERALPI HOLDING SPA)

Highlights (K€)	2022		2021		2020	
Consolidated turnover	2,398,071		1,928,446		1,238,398	
Other financials						
A) Production values	2,535,795	+	2,064,296	+	1,222,458	+
B) Production costs	2,094,412	-	1,850,909	-	1,203,902	-
C) Financial income and expenses	2,068	-	3,309	-	3,866	-
Pre-tax result for the year	436,756	+	209,948	+	12,642	+
Taxes	102,546	-	57,818	-	7,192	-
Total net result for the year	334,210	+	152,130	+	5,450	+
Amortisation, depreciation and write-downs.	60,320	-	58,315	-	55,196	-
CASH FLOW	394,530	+	210,445	+	60,646	+
EBITDA	501,702	+	271,702	+	73,751	+
Net Financial Assets (NFA)	3,482		-125,189		-145,918	
EBIT	441,382	+	213,387	+	18,555	+
Balance sheet and financial figures	2022		2021		2020	
Capex in the period	116,909		55,996		55,597	
Net Technical Assets	465,604		402,621		405,052	
Total net worth	1,002,154		673,792		520,849	
Additional information						
No. of FTE employees at year end	1,856		1,749		1,710	
Italy	931		937		923	
Abroad	925		812		787	

Feralpi Holding's 2022 consolidated financial statements show exceptional results with **revenue equivalent to €2,398m** against 1,928 m€ on 2021, with an increase of **+24.4%** on 2021 and **+93.6%** on 2020. In particular, volumes produced declined by around 6% in the year, especially in the second half of the year, while selling prices increased as a result of fluctuations in raw material and energy prices. Production value reached **€2,535m**.

The strong propensity towards markets outside Italy was confirmed. **Revenues generated abroad** accounted for **63.57%**, up on the previous year (58.98%). In general, sales revenues are **greater in the Group's core markets** (Italy, Germany, France, Switzerland and Austria).

Financial performance reached the greatest levels ever in the Group's history. **EBITDA** amounted to **€501,702m** compared with €273,862m in 2021. The percentage margin on production value reached **19.8%** and was driven by the reduction in the percentage impact of raw materials on revenues. After deducting €60.3m amortisation, depreciation and write-downs, the total net result rose to **€334,210m**, which is more than double the 2021 figure of €152,130m.



On the equity and financial side, the Feralpi Group is growing in strength and flexibility. **Consolidated net worth** rose to just over **€1bn in 2022**, compared with €673.8m in the previous financial year.

The 2022 consolidated financial statements show improvement from a debt position of 125.2 m€ with assets totalling **€3.5m**.

A TANGIBLE COMMITMENT TO INCREASINGLY DECARBONISED STEEL

Feralpi is committed to reducing greenhouse gas emissions through investment aimed at cutting direct (Scope 1) and indirect (Scope 2 and 3) emissions.

The solutions defined include the self-production of electricity from photovoltaic installations, the electrification of industrial processes and the use of technologies that can eliminate or significantly reduce greenhouse gas emissions generated by the Group's production processes (such as biomethane and hydrogen).

With regard to the **self-production of renewable energy, Feralpi will be investing over €200m between 2023 and 2027**.

Over the five-year period, the industrial plan for Italy is earmarking €131m for the business units handling construction steels and special steels.

In Germany, where a strategic rolling mill and other operations are currently being implemented, the extra investment amounts to €233m.

Overall, extra investment in the 2023-2027 period will exceed €500m.

EMPLOYEES

In terms of human resources, at the end of the 2022 financial year the Group had **1,856 FTE employees** (931 in Italy and 925 abroad), 94% on a permanent basis, compared with 1,749 employees in 2021. 30% of new hires were under 30 years old.

Feralpi is committed to projects aimed at valuing the individual's uniqueness as an intrinsic asset, implementing the values expressed in the Group's Code of Ethics, by complying with the United Nations Universal Declaration of Human Rights, and following the principles of Global Compact to which it is committed.

THE VOLUNTARY CONSOLIDATED NON-FINANCIAL DECLARATION

Along with the Group's 2022 consolidated financial statements, Feralpi will be releasing its **fourth Consolidated Voluntary Non-Financial Declaration (NFD)**, giving continuity to a social reporting process that began in 2004.

Though not formally required to draw up an NFD, the Group has deemed it necessary to continue to bring forward compliance with the legislative decree, in order to provide its



stakeholders with comparable elements and encourage increasing transparency on social, environmental and economic matters.

In 2022 the Feralpi Group generated **global gross added value of €624m (up by 61.2% on 2021 and 254.4% on 2020)**. The **net value for stakeholders** amounts to **€336m**. The breakdown of the overall net added value shows a higher concentration in capital strengthening (59%), followed by public administration (23%) and staff remuneration (17%). €3.2m was allocated to lenders. Feralpi's support for local communities amounted to **€3.6m** in charitable donations and sponsorship. In 2022, **hours of training increased by 77%** with respect to the previous year, exceeding 43 thousand hours.

In the environmental field, 96% of production came from recycled steel, an increase as compared to 93% in the previous financial year. Waste sent to recovery, recycling and reuse out of the total waste produced by steel mills accounted for 88%.

MARKET OVERVIEW AND OUTLOOK FOR 2023

The steel industry is currently characterised by uncertainty due to high inflation, a significant increase in interest rates and the consequences of Russia's invasion of Ukraine. These factors have a negative impact on the residential construction market, while the infrastructure business remains strong in many markets, thanks to the focus of governments on infrastructure projects.

As a result, forecasts for 2023 suggest a reduction in revenue and profit with respect to 2022, a year in which the company registered results that constitute a record in its history. These forecasts are based on the absence of significant changes in the crisis regarding the war in Ukraine and a scenario of ongoing consolidation.

Despite the short-term challenges, the Group can see long-term drivers of growth, mainly linked to the infrastructure sector. The company also benefits from a solid presence in its target markets, a diverse, comprehensive product portfolio, efficient production capability and a widespread ESG culture within the organisation, not to mention a solid financial structure. These factors will make it possible to seize the opportunities for growth offered by the markets.

The Feralpi Group

The Feralpi Group is one of the leading steel producers in Europe (€2.4bn 2022 turnover, with over 1800 direct employees in 2022) and specializes in the production of steels for both building construction and special applications. From the parent company Feralpi Siderurgica, founded in 1968 in Lonato del Garda (Brescia), a path of growth has given rise to an international, diversified and verticalized Group upstream and downstream of the production and marketing chain. The Feralpi Group is one of the leaders on the national and European markets in the production of reinforcing steel in bars and coils, smooth and ribbed wire rod, rebar, drawn wire and welded mesh.

Feralpi's mission is not only to produce the best construction steels, but to do so in the most sustainable way possible, while respecting people and their diversity and the environment, by reducing energy consumption and emissions using the best available techniques, through investments in technology combined with intensive innovation and research activities.

www.feralpigroup.com



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