

# 2022

Interim report 2<sup>nd</sup> quarter

Swiss  
Steel  
Group

Steel is our backbone, our DNA.  
It's what we do best to contribute in  
shaping a sustainable future. And so we  
are teaming up – with each other, with  
customers and suppliers. Together we  
are designing ever better steel solutions  
with highest quality and profound  
passion. Our expertise makes us an  
experienced ally. In consulting,  
development, production and services.

**Together.**  
**For a future that matters.**

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## Key figures

Swiss Steel Group	Unit	H1 2022	H1 2021	Δ in %	Q2 2022	Q2 2021	Δ in %
Order backlog	kilotons	590	650	-9.2	590	650	-9.2
Sales volume	kilotons	937	1,028	-8.9	457	518	-11.8
Revenue	million EUR	2,144.6	1,590.6	34.8	1,115.8	839.1	33.0
Average sales price	EUR/t	2,290	1,549	47.8	2,442	1,621	50.7
Adjusted EBITDA	million EUR	171.0	109.9	55.6	96.0	65.4	46.8
EBITDA	million EUR	157.1	105.4	49.1	89.5	63.5	40.9
Adjusted EBITDA margin	%	8.0	6.9	-	8.6	7.8	-
EBITDA margin	%	7.3	6.6	-	8.0	7.6	-
EBIT	million EUR	113.2	62.8	80.3	66.9	42.5	57.4
Earnings before taxes	million EUR	89.5	41.3	-	54.7	31.7	72.6
Group result	million EUR	74.0	35.2	-	46.9	30.4	54.3
Investments	million EUR	42.3	34.7	21.9	20.5	20.8	-1.4
Free cash flow	million EUR	-174.1	-151.7	-14.8	-66.0	-66.6	0.9
	Unit	30.6.2022	31.12.2021	Δ in %			
Net debt	million EUR	936.3	720.5	30.0			
Shareholders' equity	million EUR	594.7	448.7	32.5			
Gearing	%	157.4	160.6	-			
Net debt/adj. EBITDA LTM (leverage)	x	3.7	3.8	-2.6			
Balance sheet total	million EUR	2,758.6	2,227.1	23.9			
Equity ratio	%	21.6	20.1	-			
Employees as of closing date	Positions	9,904	9,914	-0.1			
Capital employed	million EUR	1,845.0	1,588.6	16.1			
	Unit	H1 2022	H1 2021	Δ in %	Q2 2022	Q2 2021	Δ in %
Earnings/share <sup>1)</sup>	EUR/CHF	0.02/0.02	0.01/0.01	-	0.02/0.02	0.01/0.01	-
Shareholders' equity/share <sup>2)</sup>	EUR/CHF	0.19/0.19	0.15/0.16	-	0.19/0.19	0.15/0.16	-
Share price high/low	CHF	0.348/0.210	0.478/0.234	-	0.291/0.210	0.478/0.268	-

<sup>1)</sup> Earnings per share are based on the result of the Group after deduction of the portions attributable to non-controlling interests

<sup>2)</sup> As of June 30, 2022 and as of December 31, 2021

## Five-quarter overview

	Unit	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
<b>Key operational figures</b>						
Production volume	kilotons	606	439	454	518	534
Sales volume	kilotons	518	410	425	480	457
Order backlog	kilotons	650	716	691	726	590
<b>Income statement</b>						
Revenue	million EUR	839.1	765.0	837.1	1,028.8	1,115.8
Average sales price	EUR/t	1,621	1,868	1,972	2,145	2,442
Gross profit	million EUR	304.2	256.7	272.1	310.7	353.0
Adjusted EBITDA	million EUR	65.4	41.8	39.9	75.0	96.0
EBITDA	million EUR	63.5	41.5	53.1	67.6	89.5
EBIT	million EUR	42.5	18.0	27.9	46.3	66.9
Earnings before taxes	million EUR	31.7	6.6	16.2	34.8	54.7
Group result	million EUR	30.4	3.6	11.5	27.1	46.9
<b>Cash flow/investments/depreciation/amortization</b>						
Cash flow before changes in net working capital	million EUR	66.7	33.0	47.9	50.8	60.8
Cash flow from operating activities	million EUR	-48.9	4.1	-15.8	-93.5	-47.7
Cash flow from investing activities	million EUR	-17.7	-22.3	-38.0	-14.6	-18.3
Free cash flow	million EUR	-66.6	-18.2	-53.8	-108.1	-66.0
Investments	million EUR	20.8	28.5	43.9	21.8	20.5
Depreciation, amortization and impairments	million EUR	21.0	23.5	25.1	21.3	22.6
<b>Net assets and financial structure</b>						
Non-current assets	million EUR	574.3	585.5	575.6	581.1	561.7
Current assets	million EUR	1,529.6	1,601.4	1,651.5	1,894.8	2,196.9
Net working capital	million EUR	943.1	974.6	1,040.7	1,191.8	1,307.3
Balance sheet total	million EUR	2,103.9	2,186.9	2,227.1	2,475.9	2,758.6
Shareholders' equity	million EUR	460.4	470.0	448.7	510.6	594.7
Non-current liabilities	million EUR	780.5	839.4	894.8	945.4	1,006.0
Current liabilities	million EUR	863.0	877.5	883.6	1,019.9	1,157.9
Net debt	million EUR	605.4	644.9	720.5	849.6	936.3
<b>Employees</b>						
Employees as of closing date	Positions	9,847	9,864	9,914	9,937	9,904
<b>Value management</b>						
Capital employed	million EUR	1,456.2	1,496.5	1,588.6	1,745.9	1,845.0
<b>Key figures on profit/net assets and financial structure</b>						
Gross profit margin	%	36.3	33.6	32.5	30.2	31.6
Adjusted EBITDA margin	%	7.8	5.5	4.8	7.3	8.6
EBITDA margin	%	7.6	5.4	6.3	6.6	8.0
Equity ratio	%	21.9	21.5	20.1	20.6	21.6
Net debt/adj. EBITDA LTM (leverage)	x	6.5	4.1	3.8	3.8	3.7
Net working capital/revenue (L3M annualized)	%	28.1	31.8	31.1	29.0	29.3

Dear shareholders,

**I have been in charge of Swiss Steel Group for almost a year now. Together with my management team, I have conducted an in-depth analysis of the Group, questioned it, tested it and held some excellent discussions. My initial expectations have been confirmed: Swiss Steel Group holds enormous potential for the future. We operate the most eco-friendly production route with our electric arc furnaces. Our product portfolio addresses the wide range of customer needs. And we foster a high level of innovation driven by our talented, motivated and dedicated employees. Backed by an overall supporting market, the results in the past quarters have proven we are on track to transform the Group. Yet we face considerable challenges, especially from rising volatilities on the raw materials and energy markets.**

We recorded a significant increase in earnings in the second quarter of 2022, leading to a strong quarterly result (adjusted EBITDA) of EUR 96.0 million. Compared with the prior-year quarter, the sales volume decreased by –11.8% to 457 kilotons (Q2 2021: 518 kilotons). In contrast to the lower sales volume, the average sales price increased to EUR 2,442 per ton compared to the same quarter of the previous year (Q2 2021: EUR 1,621 per ton), leading to revenue of EUR 1,115.8 million, a gain of 33.0% on the prior-year quarter (Q2 2021: EUR 839.1 million). However, the solid results are dampened by the strain of exceptionally high raw materials and energy prices, resulting in higher net working capital and net debt.

Several milestones, achieved in the first half of 2022, have proven that we are well on the way to reshaping our Group. With the three Executive Board Members for Stainless Steel, Engineering Steel and Tool Steel, we are refocusing our sales organization. This new organization, which will go into operation in September 2022, allows a more holistic market approach and more effective and tailored customer service. Furthermore, we have continued to expand our position as one of the most sustainable special steel producers and have committed to a significant carbon emission reduction of around 42% over the next ten years in accordance with the Science Based Targets initiative (SBTi). Following the devastating accident at our Ugine plant in January, steel melting at this mill – which specializes exclusively in stainless steel – came to a standstill. While the rolling mill already resumed operations back in March 2022, supported to a large extent by semi-finished materials from other group companies, melting has also been ramping up again since June. This is all attributable to the tremendous effort by the Swiss Steel team.

Going forward, foresighted and flexible production planning will be key in order to mitigate persistently skyrocketing energy prices and sustained volatilities. With our global presence and capability of shifting production, Swiss Steel Group has an advantage here, should energy supplies fall short.

Based on our reported earnings in the first half of 2022, we are raising our guidance for adjusted EBITDA. As we look to the second half of 2022, volatilities and uncertainties have increased. The geopolitical situation remains unstable, supply chains continue to face manifold challenges, inflation is on the rise and a potential economic slowdown has become imminent. We cannot conclusively assess the material uncertainties facing the energy sector at this time, neither in terms of price developments nor availability. In consequence, we expect lower market demand and a resulting decline in margins, amplifying the usual seasonal slow-down in activity in the second half-year. Assuming only immaterial additional disruptions, we expect an adjusted EBITDA in a range between EUR 220 and 260 million.

On behalf of the Board of Directors and Executive Board, I would like to thank our team members for their continuing efforts to ensure a successful future for our Group. I would also like to thank our customers and shareholders for the confidence they have shown in our Company. Finally, I would like to express my gratitude to the team members of our UGINE plant for their commitment and tireless work to facilitate the restart of production after the devastating accident at the beginning of the year.

Frank Koch  
CEO

# Management report

## Business environment

**In the first half of 2022, Swiss Steel Group's business environment was shaped by numerous factors, including in particular a distortion in the recovery of the global economy due to impacts from the war in Ukraine, ongoing supply chain issues resulting from lockdowns in China in response to rising infection rates, as well as an increase in energy prices in Europe.**

### Economic situation

Manufacturing purchasing managers' indices in the US and the Eurozone trended downward, signaling expansion at slower rates. Consumer and producer prices rose sharply. In June 2022, the OECD and the World Bank both downgraded their growth forecasts for global gross domestic product (GDP) for 2022. The World Bank's latest forecast puts growth at 2.9% (compared with 4.1% in January 2022), while the OECD expects growth of 3%, compared to its forecast of 4.5% as of December 2021.

### Consumer industries

For one of our largest customer industries, the automotive sector, the war in Ukraine added another layer of disruption to production, compounding existing shortages of semi-conductor chips. According to estimates by LMC Automotive (as of July 2022), light vehicle production in Europe (17 European countries: Germany, France, Spain, the United Kingdom, Italy, Austria, Belgium, Finland, the Netherlands, Portugal, Sweden, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia) during the first half of 2022 declined by 7% compared to the first half of 2021. On a quarterly basis, European light vehicle production in Q1 2022 was down 16%, while in Q2 2022 it was 3% higher, both compared to the respective prior-year levels. In the US, passenger car production in the first six months of 2022 increased by 2% compared to the same period in 2021. Chinese passenger car production was impacted by the lockdowns in China. Overall, however, Chinese passenger car production increased by 6% in the first six months of 2022 versus the first half of 2021.

After slight year-on-year increases in production in the German mechanical and plant engineering sector in January and February 2022, the sector was impacted by ongoing supply chain problems, in particular due to the lockdowns in China, as well as the outbreak of war in Ukraine. At the end of May, the German Engineering Federation (VDMA) reduced its 2022 growth forecast for production in the German mechanical and plant engineering sector to 1%, down sharply on the 7% growth forecast back in December 2021. Overall, in the first six months of 2022, production of the German mechanical and plant engineering sector declined by 2% compared to the same period in 2021. Order intake, by contrast, increased by 2% year on year during the same period. In Q1 2022, German mechanical and plant engineering production declined 1% year-on-year while order intake increased 4% year-on-year. In Q2 2022, production and order intake declined 4% and 1%, respectively, compared to Q2 2021.

In the global oil and gas industry, the crude oil price for West Texas Intermediate (WTI) followed an overall upward trend in the first half of 2022 before starting to trend lower from mid-June 2022, as price volatility continued to be exacerbated by the war in Ukraine. The average crude oil price closed the first half of 2022 up 64 % year on year at USD 102 per barrel, compared to USD 62 per barrel in the first half of 2021. During the same period, the North American rotary rig count followed a similar upward trend, interrupted from March to May 2022 due to a seasonal decline of the Canadian rotary rig count. The average rig count for the first half of 2022 increased by 58 % to 829, compared to 525 active rigs in the first half of 2021. On a quarterly basis, the average rig count in Q1 and Q2 2022 was also 58 % and 57 % above prior-year levels, with the average rig count in Q2 2022 only slightly lower than in Q1 2022.

### Commodity prices

Among the raw materials important to Swiss Steel Group, monthly average prices for German scrap type 2/8 continued to trend upward until April, followed by declines in May and June on the back of weaker demand from Turkey. On a quarterly basis, following higher year-on-year average price growth in the first quarter (+48 % year-on-year), the quarterly average price increased by 28 % year on year in Q2 2022. Overall, the average price in the first half of 2022 amounted to EUR 486 per ton, an increase of 37 % compared to the prior year level.

Prices for nickel at the London Metal Exchange (LME) continued to trend upward in January and February 2022, followed by an overall downtrend after strong increases to more than USD 100,000 per ton in early March, which resulted in a disruption to trading at the LME. In June, concerns about a global economic slowdown as well as the strong USD dollar weighed on the industrial metal markets, giving way to a bearish sentiment. Despite the overall downward price trajectory, the first half of 2022 saw prices average USD 27,636 per ton, a 58 % increase year on year. On a quarterly basis, average prices for nickel increased by 50 % in Q1 2022 and by 67 % in Q2 2022 compared to the corresponding quarterly average prices in 2021.

European prices for high carbon ferrochrome also exhibited an overall upward trend until mid-June 2022, followed by a general drop-off in prices. The average price for the first half of 2022 amounted to USD 6,009 per ton, up 117 % compared to the average price in the first half of 2021. On a quarterly basis, average prices in Q1 and Q2 2022 were 85 % and 141 % higher than their respective prior-year levels.

### Consumables

As a producer of special long steel in electric arc furnaces, Swiss Steel Group relies on a constant supply of energy, graphite electrodes, refractory materials and other consumables. After cost for materials and personnel expenses, energy is the third-largest expenditure item. Here, electricity and natural gas are the primary energy sources for the production process. Electricity is mainly required for operating electric arc furnaces and thus for the melting of scrap, while natural gas is primarily used to operate the ladle furnaces during subsequent steps in the production process.

The Group attempts to mitigate the effect of the volatility in electricity and natural gas prices through a combination of a certain level of long-term supply contracts with short-term purchases at spot prices. These supply contracts with different terms are concluded by the Group companies at the local level.

In the first half of 2022, European energy prices continued to increase, albeit subject to ongoing volatility exacerbated by uncertainties about energy supply, mainly in view of the war in Ukraine. Quarterly average prices and average prices for the first half of 2022 increased two-to-four fold compared to the corresponding average prices in 2021.

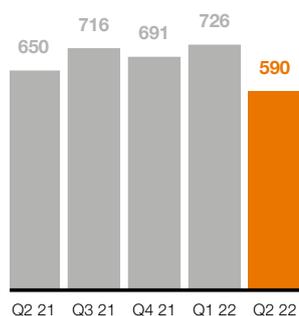
In the first half of 2022, average spot prices (wholesale prices) for electricity at the European Energy Exchange in Germany and France increased to EUR 187 per MWh and EUR 230 per MWh, respectively, compared to EUR 55 per MWh and EUR 59 per MWh in the first half of 2021. The average spot price for gas (Trading Hub Europe - THE) at the European Energy Exchange averaged EUR 99 per MWh, up from EUR 22 per MWh in the first half of 2021. In Q1 2022, electricity prices averaged EUR 185 per MWh in Germany and EUR 235 per MWh in France, while the average price for gas (THE) was EUR 100 per MWh. In Q2 2022, average electricity prices were EUR 189 per MWh in Germany and EUR 226 per MWh in France, while gas prices (THE) averaged EUR 99 per MWh.

## Business development of the Group

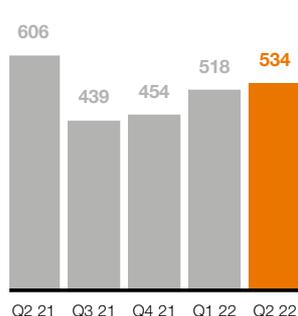
**Swiss Steel Group continued the positive trend of the first quarter into the second quarter of 2022 and recorded a significant increase in earnings. The internationally stable market environment provided a solid basis for these earnings despite high volatilities and rising prices for energy and raw materials. Price increases were largely passed on to our customers, and the margins of all products improved. Despite a lower sales volume overall, particularly due to the halt in production at the steel mill in Ugine, the Group achieved a strong adjusted EBITDA of EUR 96.0 million in the second quarter. Free cash flow, on the other hand, was negative at EUR – 66.0 million, mainly due to additional investment in net working capital.**

### Production, sales and order situation

**Order backlog at quarter/year-end**  
in kilotons



**Production volume in the quarter**  
in kilotons



Following a strong increase in the first quarter, the order backlog declined considerably in the second quarter of 2022. This is due to the generally lower market demand resulting from current geopolitical uncertainties as well as the seasonally based hesitancy on the part of customers to place new orders before the summer break. Moreover, some of our units have temporarily suspended the acceptance of new orders due to current price volatilities and prolonged summer maintenance programs.

The order backlog in the second quarter of 2022 was 590 kilotons and thus below the prior year (Q2 2021: 650 kilotons). The backlog in the prior-year quarter was positively impacted by the post-COVID-19 recovery with strong demand in our two main customer segments, the automotive industry and mechanical and plant engineering.

At 534 kilotons, significantly less crude steel was produced than in the prior-year quarter (Q2 2021: 606 kilotons). This is due not only to additional production shutdowns to adapt to market demand and high energy prices, but also to missing production volumes from the Business Unit Ugitech owing to the stoppage of the steel mill in Ugine following the severe accident in early January.

Sales volume by product group in kilotons	H1 2022	H1 2021	Δ in %	Q2 2022	Q2 2021	Δ in %
Quality & engineering steel	736	783	-6.0	362	393	-7.9
Stainless steel	128	172	-25.6	59	88	-33.0
Tool steel	71	71	0.0	35	36	-2.8
Others	2	2	0.0	1	1	0.0
<b>Total</b>	<b>937</b>	<b>1,028</b>	<b>-8.9</b>	<b>457</b>	<b>518</b>	<b>-11.8</b>

At 457 kilotons, 11.8 % less steel was sold in the second quarter of 2022 than in the same quarter of the previous year (Q2 2021: 518 kilotons). The sales volume decreased in all of our product groups with strongest decrease in stainless steel (-33.0 %), mainly driven by missing volumes from the Business Unit Ugitech due to the stoppage of the steel mill in Ugine. The sales volumes of quality and engineering steel was also considerably below the prior-year quarter (-7.9 %) on the back of the lower sales volume in the automotive industry.

## Key figures on the income statement

in million EUR	H1 2022	H1 2021	Δ in %	Q2 2022	Q2 2021	Δ in %
Revenue	2,144.6	1,590.6	34.8	1,115.8	839.1	33.0
Gross profit	663.7	584.2	13.6	353.0	304.2	16.0
Adjusted EBITDA	171.0	109.9	55.6	96.0	65.4	46.8
EBITDA	157.1	105.4	49.1	89.5	63.5	40.9
Adjusted EBITDA margin (%)	8.0	6.9	-	8.6	7.8	-
EBITDA margin (%)	7.3	6.6	-	8.0	7.6	-
EBIT	113.2	62.8	80.3	66.9	42.5	57.4
Earnings before taxes	89.5	41.3	-	54.7	31.7	72.6
Group result	74.0	35.2	-	46.9	30.4	54.3

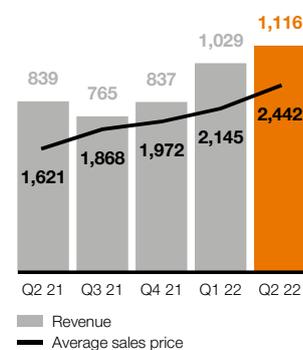
Revenue by product group in million EUR	H1 2022	H1 2021	Δ in %	Q2 2022	Q2 2021	Δ in %
Quality & engineering steel	1,176.7	791.0	48.8	617.4	419.3	47.2
Stainless steel	624.7	569.6	9.7	315.8	300.6	5.1
Tool steel	278.9	191.9	45.3	148.3	99.3	49.3
Others	64.3	38.1	68.8	34.3	19.9	72.4
<b>Total</b>	<b>2,144.6</b>	<b>1,590.6</b>	<b>34.8</b>	<b>1,115.8</b>	<b>839.1</b>	<b>33.0</b>

Revenue by region in million EUR	H1 2022	H1 2021	Δ in %	Q2 2022	Q2 2021	Δ in %
Germany	736.3	567.7	29.7	378.9	299.5	26.5
Italy	320.1	223.1	43.5	161.2	119.0	35.5
France	226.3	176.8	28.0	120.1	91.8	30.8
Switzerland	34.4	22.6	52.2	17.9	12.3	45.5
Other Europe	457.7	319.5	43.3	243.6	170.3	43.0
<b>Europe</b>	<b>1,774.8</b>	<b>1,309.7</b>	<b>35.5</b>	<b>921.7</b>	<b>692.9</b>	<b>33.0</b>
USA	173.2	108.9	59.0	92.7	56.7	63.5
Canada	46.7	36.3	28.7	26.0	18.9	37.6
Other Americas	25.8	18.4	40.2	14.0	9.2	52.2
<b>America</b>	<b>245.7</b>	<b>163.6</b>	<b>50.2</b>	<b>132.7</b>	<b>84.8</b>	<b>56.5</b>
China	55.3	54.1	2.2	24.1	27.9	-13.6
India	23.1	18.1	27.6	13.1	8.9	47.2
Asia Pacific/Africa	45.7	45.1	1.3	24.2	24.6	-1.6
<b>Africa/Asia</b>	<b>124.1</b>	<b>117.3</b>	<b>5.8</b>	<b>61.4</b>	<b>61.4</b>	<b>0.0</b>
<b>Total</b>	<b>2,144.6</b>	<b>1,590.6</b>	<b>34.8</b>	<b>1,115.8</b>	<b>839.1</b>	<b>33.0</b>

The average sales price per ton of steel continued to rise in the second quarter of 2022 and, at EUR 2,442, was considerably higher than the average price achieved in the same quarter of the previous year (Q2 2021: EUR 1,621 per ton). This is due to increased base prices as well as higher surcharges. Besides a surcharge for scrap and alloys, an energy surcharge was also implemented in our pricing mechanisms in 2022 in order to pass on the price inflation to customers. As both raw materials and energy prices rose significantly, higher surcharges were realized as well.

Despite the lower sales volume, the positive price development led to revenue of EUR 1,115.8 million, an increase of 33.0% on the prior-year quarter (Q2 2021: EUR 839.1 million). The increase in revenue was spread across all product groups, with the strongest growth in the tool steel product group. By region, revenue increased in all our sales markets, except China and Asia Pacific/Africa where revenue was negatively impacted by the COVID-19 lockdowns in China. Driven by the strong demand from the Oil & Gas industry, revenue made the strongest gains in our American market (56.5%).

**Revenue and average sales prices**  
in EUR million / in EUR/t



**Expenses**

in million EUR	H1 2022	H1 2021	Δ in %	Q2 2022	Q2 2021	Δ in %
Cost of materials (incl. change in semi-finished and finished goods)	1,480.9	1,006.4	47.1	762.8	534.9	42.6
Personnel expenses	352.6	348.3	1.2	179.8	175.8	2.3
Other operating expenses	187.6	156.6	19.8	94.1	76.3	23.3
Depreciation, amortization and impairments	43.9	42.6	3.1	22.6	21.0	7.6

**Cost of materials and gross profit**

Cost of materials – adjusted for the change in semi-finished and finished goods – rose in the second quarter by 42.6% to EUR 762.8 million (Q2 2021: EUR 534.9 million). This was mainly due to significantly higher raw materials and energy prices.

Gross profit – revenue less cost of materials – was up by 16.0% in the second quarter to EUR 353.0 million (Q2 2021: EUR 304.2 million). The gross profit margin, on the other hand was down at 31.6% (Q2 2021: 36.3%), as significantly higher raw materials and energy prices diluted the realized margin despite being passed on to customers.

**Personnel expenses**

Personnel expenses increased by 2.3% in the second quarter to EUR 179.8 million (Q2 2021: EUR 175.8 million). This is mainly due to the higher headcount. At 9,904, 57 more people were employed by Swiss Steel Group in the second quarter of 2022 compared to the prior-year quarter.

**Other operating income and expenses**

At EUR 10.4 million, other operating income in the second quarter was slightly below the same quarter of the previous year (Q2 2021: EUR 11.4 million).

Other operating expenses increased by 23.3% to EUR 94.1 million in the second quarter compared with the same quarter the year before (Q2 2021: EUR 76.3 million). The increase is mainly due to higher freight expenses, maintenance and repair costs as well as higher expenses for consulting services.

**Earnings before interest, taxes, depreciation and amortization (EBITDA)**

At EUR 96.0 million in the second quarter of 2022, adjusted EBITDA was higher than in the prior-year quarter (Q2 2021: EUR 65.4 million). One-time effects amounted to EUR 6.5 million and included, among other things, costs for the reorganization program and expenses related to rebuilding the Hagen plant after the flooding, the insurance payment for which was received in 2021. Including these one-time effects, EBITDA amounted to EUR 89.5 million (Q2 2021: EUR 63.5 million).

In the second quarter, the adjusted EBITDA margin rose to 8.6% (Q2 2021: 7.8%), while the EBITDA margin increased to 8.0% (Q2 2021: 7.6%).

### One-time effects

in million EUR	H1 2022	H1 2021	Δ in %	Q2 2022	Q2 2021	Δ in %
<b>EBITDA (IFRS)</b>	<b>157.1</b>	<b>105.4</b>	<b>49.1</b>	<b>89.5</b>	<b>63.5</b>	<b>40.9</b>
Performance improvement program, others	7.5	3.0	–	3.2	1.7	88.2
Reorganization and transformation processes	5.6	0.2	–	3.3	0.1	–
Restructuring and other personnel measures	0.8	1.3	–38.5	0.0	0.1	–
<b>Adjusted EBITDA</b>	<b>171.0</b>	<b>109.9</b>	<b>55.6</b>	<b>96.0</b>	<b>65.4</b>	<b>46.8</b>

### Depreciation, amortization and impairments

Depreciation, amortization and impairments came to EUR 22.6 million in the second quarter, slightly above the figure for the same quarter in the previous year (Q2 2021: EUR 21.0 million). This includes impairments of the Business Unit Ascometal of EUR 3.4 million (Q2 2021: EUR 3.7 million).

### Financial result

At EUR –12.2 million, the financial result in the second quarter was lower than in the same quarter of the previous year (Q2 2021: EUR –10.8 million). This was mainly driven by the higher utilization of the syndicated loan, which resulted in higher interest expenses.

### Tax expense (income)

Earnings before taxes (EBT) for the second quarter were EUR 54.7 million (Q2 2021: EUR 31.7 million). The tax expense in the second quarter was EUR –7.8 million (Q2 2021: EUR –1.3 million).

The current taxes include a positive effect of EUR 4.4 million from an internal reorganization between the Swiss entities.

### Group result

A positive Group result of EUR 46.9 million was recorded in the second quarter (Q2 2021: EUR 30.4 million).

### Key figures on the balance sheet

	Unit	30.6.2022	31.12.2021	Δ in %
Shareholders' equity	million EUR	594.7	448.7	32.5
Equity ratio	%	21.6	20.1	–
Net debt	million EUR	936.3	720.5	30.0
Gearing	%	157.4	160.6	–
Net working capital (NWC)	million EUR	1,307.3	1,040.7	25.6
Balance sheet total	million EUR	2,758.6	2,227.1	23.9

### Non-current assets

Non-current assets decreased by EUR 13.9 million to EUR 561.7 million compared to December 31, 2021. The decrease is mainly attributable to the item "property, plant and equipment", where assets in the amount of EUR 21.3 million have been reclassified to assets held for sale as it is highly probable that the assets will be sold within the next twelve months. The share of non-current assets in the balance sheet total decreased to 20.4% (31.12.2021: 25.8%).

### Net working capital

Net working capital increased compared with December 31, 2021 from EUR 1,040.7 million to EUR 1,307.3 million. This development is mainly the result of the significant increase in raw materials and energy prices. Trade accounts receivable increased by EUR 216.3 million and inventories by EUR 222.5 million. These two effects outweighed the increase in trade accounts payable by EUR 172.1 million. Due to the uptick in revenue the ratio of net working capital to revenue (L3M annualized) as of June 30, 2022 improved to 29.3% compared with year-end 2021 (31.12.2021: 31.1%).

### Shareholders' equity and equity ratio

At the end of June 2022, shareholders' equity had increased by EUR 146.0 million compared with December 31, 2021. This is attributable to the group result of EUR 74.0 million as well as to other comprehensive income of EUR 72.5 million in the first half-year 2022. The other comprehensive result was positively impacted by actuarial gains from pensions and similar obligations in the amount of EUR 59.9 million resulting from increased discount rates as well as currency translation differences in the amount of EUR 12.9 million. The equity ratio of 21.6% was therefore higher than it was at the end of the year (31.12.2021: 20.1%).

### Liabilities

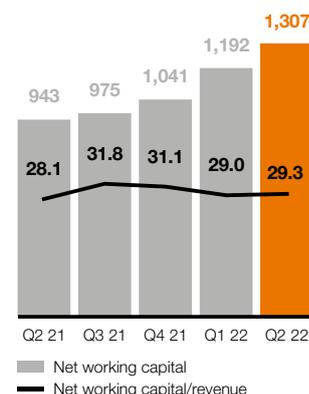
Non-current liabilities amounted to EUR 1,006.0 million as of the reporting date and were thus EUR 111.2 million higher than on December 31, 2021, primarily as a result of the EUR 171.8 million increase in non-current financial liabilities. This position rose due to the higher utilization of the syndicated loan as well as the increase in shareholder loans by EUR 100.0 million. Pension liabilities, on the other hand, were reduced by EUR 66.0 million, primarily on the back of actuarial gains resulting from higher discount rates. The share of non-current liabilities in the balance sheet total decreased from 40.2% to 36.4%.

Current liabilities were EUR 1,157.9 million, up by EUR 274.3 million compared with the end of 2021. This is primarily attributable to the rise in trade accounts payable of EUR 172.1 million. In addition, the ABS financing program was utilized to a greater extent in line with the increase in revenue, resulting in an increase in current financial liabilities of EUR 66.9 million. The share of current liabilities in the balance sheet total increased to 42.0% (31.12.2021: 39.7%).

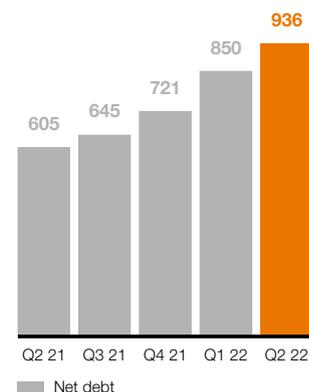
### Net debt

Net debt, comprising current and non-current financial liabilities less cash and cash equivalents, came to EUR 936.3 million, a significant increase compared to December 31, 2021 (EUR 720.5 million). This is mainly due to the ongoing high raw materials and energy prices, requiring significantly higher net working capital.

**Net working capital**  
in EUR million/in relation to revenue  
(L3M annualized) in %



**Net debt in million EUR**



## Key figures on the cash flow statement

in million EUR	H1 2022	H1 2021	Δ in %	Q2 2022	Q2 2021	Δ in %
Cash flow before changes in net working capital	111.6	118.1	-5.5	60.8	66.7	-8.8
Cash flow from operating activities	-141.2	-124.1	-13.8	-47.7	-48.9	2.5
Cash flow from investing activities	-32.9	-27.6	-19.2	-18.3	-17.7	-3.4
Free cash flow	-174.1	-151.7	-14.8	-66.0	-66.6	0.9
Cash flow from financing activities	192.4	146.9	31.0	118.7	-27.4	-

### Cash flow from operating activities

Despite the higher group result, operating cash flow before changes in net working capital in the second quarter of 2022 was down on the same quarter of the previous year at EUR 60.8 million (Q2 2021: EUR 66.7 million). This is due to the negative cash impact from other assets and liabilities. In spite of the good operating result, free cash flow from operating activities was negative at -47.7 million, slightly above the prior-year quarter (Q2 2021: EUR -48.9 million). This is attributable to the increase in net working capital, especially to the increased valuation of inventories.

### Cash flow from investing activities

At EUR -18.3 million, cash flow from investing activities in the second quarter of 2022 was slightly lower than in the same quarter of the previous year (Q2 2021: EUR -17.7).

Free cash flow (cash flow from operating activities less cash flow from investing activities) in the second quarter of 2022 was EUR -66.0 million, slightly above the same quarter in the previous year (Q2 2021: EUR -66.6 million).

### Cash flow from financing activities

The inflow from financing activities in the second quarter of 2022 was EUR 118.7 million (Q2 2021: outflow of EUR -27.4 million). This mainly includes additional financing from the syndicated loan as well as proceeds from the shareholder loan in the amount of EUR 50 million.

### Change in cash and cash equivalents

The overall change in cash and cash equivalents in the second quarter of 2022 was therefore EUR 56.3 million (Q2 2021: EUR -94.0 million).

## Business development of the divisions

Key figures divisions in million EUR	H1 2022	H1 2021	Δ in %	Q2 2022	Q2 2021	Δ in %
<b>Production</b>						
Revenue	1,960.7	1,468.9	33.5	1,016.8	778.1	30.7
Adjusted EBITDA	137.0	90.7	51.0	74.5	53.9	38.2
EBITDA	127.3	88.8	43.4	69.3	52.7	31.5
Adjusted EBITDA margin (%)	7.0	6.2	–	7.3	6.9	–
EBITDA margin (%)	6.5	6.0	–	6.8	6.8	–
Investments	32.7	31.1	5.1	18.5	19.2	–3.6
Operating free cash flow	–114.4	–174.6	34.5	–33.0	–68.1	51.5
Employees as of closing date	8,430	8,377	0.6	8,430	8,377	0.6
<b>Sales &amp; Services</b>						
Revenue	361.6	282.7	27.9	187.9	143.5	30.9
Adjusted EBITDA	41.0	25.0	64.0	22.2	13.3	66.9
EBITDA	40.6	25.0	62.4	21.8	13.3	63.9
Adjusted EBITDA margin (%)	11.3	8.8	–	11.8	9.3	–
EBITDA margin (%)	11.2	8.8	–	11.6	9.3	–
Investments	8.8	3.1	–	1.5	1.2	25.0
Operating free cash flow	–3.5	15.5	–	11.8	3.8	–
Employees as of closing date	1,342	1,346	–0.3	1,342	1,346	–0.3

### Production

The *Production* division recorded growth in revenue of 30.7% in the second quarter. The main driver of this positive result were higher sales prices, offsetting the decline in the sales volume of 13.8% versus the prior-year quarter due to the lost volume from the Business Unit Ugitech and lower automotive sales. Average sales prices were 51.2% higher than in the prior-year quarter. At EUR 74.5 million, adjusted EBITDA outperformed the same quarter in the previous year (Q2 2021: EUR 53.9 million), largely attributable to improved margins. One-time effects amounted to EUR 5.2 million, primarily comprising costs for the reorganization program as well as expenses related to rebuilding the Hagen plant after the flooding, the insurance payment for which was received in 2021.

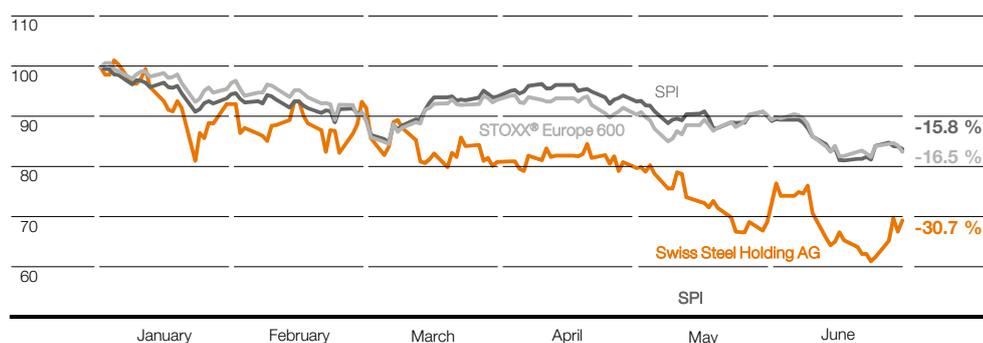
### Sales & Services

A significant growth in revenue was also evident in the *Sales & Services* division. Overall, revenue increased by 30.9% to EUR 187.9 million. Like in the *Production* division, this was also driven by higher sales prices, with the sales volume down 4.3% on the prior-year quarter.

Adjusted EBITDA was significantly higher than in the prior-year quarter at EUR 22.2 million (Q2 2021: EUR 13.3 million). Only minimal one-time effects were recorded in the *Sales & Services* division.

## Capital market

### Development share price since 01/01/2022 Indexed



Despite Swiss Steel Group's strong operating performance in the first half of 2022, the share price came under pressure due to overarching global geopolitical tensions, leading to extreme volatility and price hikes for input costs such as energy and raw materials. The macro business environment, plagued by concerns about inflation and a potential recession, depressed sentiment and dragged on share prices. Our share price at the end of the first half of 2022 stood at CHF 0.238, which is 30.7% below the price at the end of last year.

Over the same period, the Stoxx® Europe 600 Index fell by 16.5%, while the Swiss Performance Index (SPI), which includes Swiss Steel Holding AG share, slid by 15.8%.

In the second quarter of 2022, the average daily trading volume of shares of Swiss Steel Holding AG on the Swiss stock market was 0.5 million, compared with 0.8 million in the first quarter of 2022.

### Financing

Swiss Steel Group's financing structure consists of a syndicated loan of EUR 465.0 million, an ABS financing program to the value of EUR 301.6 million and shareholder loans in the amount of EUR 195.0 million. State-guaranteed bank loans amounting to EUR 101.1 million have also been taken out since 2020.

Unused financing lines and liquid funds came to EUR 195.8 million as of June 30, 2022, ensuring sufficient financial resources are available.

in million EUR	Credit line	Status as of 30.6.2022	Unused lines and cash
Syndicated loan (excl. transaction costs)	465.0	423.7	41.3
ABS financing (excl. transaction costs)	301.6	273.0	28.6
Loans from shareholder (excl. transaction costs)	195.0	195.0	0.0
State-guaranteed loans (excl. transaction costs)	110.8	96.7	14.1
Cash and cash equivalents		111.8	111.8
<b>Total</b>			<b>195.8</b>

## Outlook

In the second half of 2022, the focus will be on implementing the new sales organization to enable a more holistic market approach and a more effective and tailored customer service, and to continue to form one fully integrated Swiss Steel Group. Operationally, the focus will be to ensure a strong performance of the restarted steel mill in Ugine to regain the Group's strength in Stainless Steel products. Further, Swiss Steel Group will continue to adapt to market developments, specifically regarding prices for energy and its availability, and focus on further operational measures to secure the Group's liquidity.

Based on our reported earnings in the first half of 2022, we are raising our guidance for adjusted EBITDA. As we look to the second half of 2022, volatilities and uncertainties have increased. The geopolitical situation remains unstable, supply chains continue to face manifold challenges, inflation is on the rise and a potential economic slowdown has become imminent. We cannot conclusively assess the material uncertainties facing the energy sector at this time, neither in terms of price developments nor availability. In consequence, we expect lower market demand and a resulting decline in margins, amplifying the usual seasonal slow-down in activity in the second half-year. Assuming only immaterial additional disruptions, we expect an adjusted EBITDA in a range between EUR 220 and 260 million.

# Additional information

Please refer to the Annual Report 2021 for further information, particularly in relation to the topics below:

**Strategy and corporate management** (pages 24–25), **Business model** (pages 6–11), **Capital market** (pages 59–62), **Financing** (page 63), **Executive Board** (pages 92–93) and **Glossary** (page 209)

The definitions and reconciliation of the **alternative performance indicators** contained in the Management Report can be found in the following documents:

**Glossary, Annual Report 2021** (page 209) ([www.swisssteel-group.com/investor-relations](http://www.swisssteel-group.com/investor-relations)): adjusted EBITDA margin, free cash flow, net working capital, net debt, capital employed, gross profit margin, EBITDA margin, equity ratio, gearing, net debt/adjusted EBITDA LTM (leverage), net working capital/revenue (L3M annualized), operating free cash flow, **earnings before interest, taxes, depreciation, and amortization** (EBITDA), page 14 of this report: reconciliation from adjusted EBITDA to EBITDA, **segment reporting** (note 17) in financial reporting: investments

## Composition of the Board of Directors

On April 26, 2022, the Annual General Meeting of the Company newly elected the Board of Directors. It is now composed as follows:

### Swiss Steel Holding AG Board of Directors

<b>Jens Alder (CH)</b> Year of birth 1957 Chairman Compensation Committee (Member) Member since 2021 Elected until 2023	<b>Dr. Svein Richard Brandtzæg (NO)</b> Year of birth 1957 Compensation Committee (Chairman) Member since 2020 Elected until 2023	<b>Barend Fruithof (CH)</b> Year of birth 1967 Audit Committee (Member) Member since 2022 Elected until 2023
<b>David Metzger (CH/FR)</b> Year of birth 1969 Audit Committee (Member) Member since 2020 Elected until 2023	<b>Mario Rossi (CH)</b> Year of birth 1960 Audit Committee (Chairman) Member since 2021 Elected until 2023	<b>Dr. Michael Schwarzkopf (AT)</b> Year of birth 1961 Compensation Committee (Member) Member since 2020 Elected until 2023
<b>Oliver Streuli (CH)</b> Year of birth 1988 Compensation Committee (Member) Member since 2022 Elected until 2023	<b>Emese Weissenbacher (DE)</b> Year of birth 1964 Audit Committee (Member) Member since 2021 Elected until 2023	

# Financial reporting

## Consolidated income statement

in million EUR	Note	H1 2022	H1 2021
Revenue	7	2,144.6	1,590.6
Changes in inventories of semi-finished and finished goods		107.0	127.4
Cost of materials		-1,587.9	-1,133.8
<b>Gross profit</b>		<b>663.7</b>	<b>584.2</b>
Other operating income	8	33.6	26.1
Personnel expenses	9	-352.6	-348.3
Other operating expenses	8	-187.6	-156.6
<b>Operating result before depreciation, amortization and impairments (EBITDA)</b>		<b>157.1</b>	<b>105.4</b>
Depreciation, amortization and impairments	12	-43.9	-42.6
<b>Operating profit (EBIT)</b>		<b>113.2</b>	<b>62.8</b>
Financial income	10	0.4	0.5
Financial expenses	10	-24.1	-22.0
<b>Financial result</b>		<b>-23.7</b>	<b>-21.5</b>
<b>Earnings before taxes (EBT)</b>		<b>89.5</b>	<b>41.3</b>
Income taxes	11	-15.5	-6.1
<b>Group result</b>		<b>74.0</b>	<b>35.2</b>
of which attributable to			
- shareholders of Swiss Steel Holding AG		73.2	34.4
- non-controlling interests		0.8	0.8
<b>Earnings per share in EUR (undiluted)</b>		<b>0.02</b>	<b>0.01</b>

# Consolidated statement of comprehensive income

in million EUR	Note	H1 2022	H1 2021
<b>Group result</b>		<b>74.0</b>	<b>35.2</b>
Exchange differences on translation of foreign operations		12.9	- 1.1
Change in unrealized result from cash flow hedges		- 0.4	0.4
Tax effect on change in unrealized result from cash flow hedges		0.1	- 0.1
<b>Items that may be reclassified subsequently to income statement</b>		<b>12.6</b>	<b>- 0.8</b>
Actuarial result from pensions and similar obligations	14	63.4	50.3
Tax effect on actuarial result from pensions and similar obligations		- 3.5	- 5.1
<b>Items that will not be reclassified subsequently to income statement</b>		<b>59.9</b>	<b>45.2</b>
<b>Other comprehensive result</b>		<b>72.5</b>	<b>44.4</b>
<b>Total comprehensive result</b>		<b>146.5</b>	<b>79.6</b>
of which attributable to			
- shareholders of Swiss Steel Holding AG		145.7	78.8
- non-controlling interests		0.8	0.8

## Consolidated statement of financial position

	Note	30.6.2022		31.12.2021	
		in million EUR	% share	in million EUR	% share
<b>Assets</b>					
Intangible assets		15.8		16.7	
Property, plant and equipment	12	486.3		500.0	
Right-of-use assets		35.9		31.6	
Non-current income tax receivables		0.5		2.6	
Non-current financial assets		1.3		1.4	
Deferred tax assets	11	16.0		16.4	
Pension assets	14	2.5		3.3	
Other non-current assets		3.4		3.6	
<b>Total non-current assets</b>		<b>561.7</b>	<b>20.4</b>	<b>575.6</b>	<b>25.8</b>
Inventories	13	1,222.1		999.6	
Trade accounts receivable		695.6		479.3	
Current financial assets		3.5		3.5	
Current income tax receivables		11.3		6.1	
Other current assets		131.3		74.0	
Cash and cash equivalents		111.8		89.0	
Assets held for sale	12	21.3		0.0	
<b>Total current assets</b>		<b>2,196.9</b>	<b>79.6</b>	<b>1,651.5</b>	<b>74.2</b>
<b>Total assets</b>		<b>2,758.6</b>	<b>100.0</b>	<b>2,227.1</b>	<b>100.0</b>
<b>Equity and liabilities</b>					
Share capital		361.4		361.4	
Capital reserves		1,024.5		1,024.5	
Accumulated losses		-862.4		-995.1	
Accumulated income and expenses recognized in other comprehensive income (loss)		63.6		51.0	
Treasury shares		-0.1		0.0	
<b>Equity attributable to shareholders of Swiss Steel Holding AG</b>		<b>587.0</b>		<b>441.8</b>	
Non-controlling interests		7.7		6.9	
<b>Total equity</b>		<b>594.7</b>	<b>21.6</b>	<b>448.7</b>	<b>20.1</b>
Pension liabilities	14	203.0		269.0	
Non-current provisions		39.6		39.3	
Deferred tax liabilities	11	8.0		3.9	
Non-current financial liabilities	15	742.8		571.0	
Other non-current liabilities		12.6		11.6	
<b>Total non-current liabilities</b>		<b>1,006.0</b>	<b>36.4</b>	<b>894.8</b>	<b>40.2</b>
Current provisions		36.6		40.0	
Trade accounts payable		610.3		438.2	
Current financial liabilities	15	305.4		238.5	
Current income tax payables		18.6		7.0	
Other current liabilities		187.0		159.9	
<b>Total current liabilities</b>		<b>1,157.9</b>	<b>42.0</b>	<b>883.6</b>	<b>39.7</b>
<b>Total liabilities</b>		<b>2,163.9</b>	<b>78.4</b>	<b>1,778.4</b>	<b>79.9</b>
<b>Total equity and liabilities</b>		<b>2,758.6</b>	<b>100.0</b>	<b>2,227.1</b>	<b>100.0</b>

# Consolidated statement of cash flows

in million EUR	Calculation	H1 2022	H1 2021
Earnings before taxes		89.5	41.3
Depreciation, amortization and impairments		43.9	42.6
Result from disposal of intangible assets, property, plant and equipment		-0.3	-0.5
Inflows/outflows of other assets and liabilities and other non-cash items		-39.1	19.6
Financial income		-0.4	-0.5
Financial expenses		24.1	22.0
Cash-settled share base payment		-0.5	-2.2
Interest received		0.3	0.3
Income taxes received/paid (net)		-5.9	-4.5
<b>Cash flow before changes in net working capital</b>		<b>111.6</b>	<b>118.1</b>
Change in inventories		-207.6	-180.9
Change in trade accounts receivable		-207.7	-183.3
Change in trade accounts payable		162.5	122.0
<b>Cash flow from operating activities</b>	<b>A</b>	<b>-141.2</b>	<b>-124.1</b>
Investments in property, plant and equipment		-32.2	-27.2
Proceeds from disposal of property, plant and equipment		0.4	1.5
Investments in intangible assets		-1.1	-1.9
<b>Cash flow from investing activities</b>	<b>B</b>	<b>-32.9</b>	<b>-27.6</b>
Inflows/outflows of other financial liabilities		109.4	-39.9
Proceeds from loans from shareholder		100.0	0.0
Inflows/outflows of other bank loans		-0.1	-2.6
Inflows/outflows of state-guaranteed loans		9.6	3.2
Transaction costs on refinancing		0.0	-4.7
Proceeds from capital increase		0.0	223.5
Transaction costs on capital increase		0.0	-6.5
Payment of principal portion of lease liabilities		-5.4	-4.7
Purchase of treasury shares		-0.7	-0.8
Dividends to non-controlling interests		-0.1	0.0
Interest paid		-20.3	-20.6
<b>Cash flow from financing activities</b>	<b>C</b>	<b>192.4</b>	<b>146.9</b>
<b>Net change in cash and cash equivalents</b>	<b>A+B+C</b>	<b>18.3</b>	<b>-4.8</b>
Foreign currency effects on cash and cash equivalents		4.5	0.7
<b>Change in cash and cash equivalents</b>		<b>22.8</b>	<b>-4.1</b>
Cash and cash equivalents at the beginning of the period		89.0	74.7
Cash and cash equivalents at the end of the period		111.8	70.6
<b>Change in cash and cash equivalents</b>		<b>22.8</b>	<b>-4.1</b>
<b>Free cash flow</b>	<b>A+B</b>	<b>-174.1</b>	<b>-151.7</b>

# Consolidated statement of changes in shareholders' equity

in million EUR	Share capital	Capital reserves	Retained earnings	Accumulated income and expenses recognized in other comprehensive result	Treasury shares	Equity attributable to shareholders of Swiss Steel Holding AG	Non-controlling interests	Total equity
<b>As of 1.1.2021</b>	<b>221.7</b>	<b>1,118.2</b>	<b>-1,225.1</b>	<b>44.7</b>	<b>-0.5</b>	<b>159.0</b>	<b>6.9</b>	<b>165.9</b>
Capital increase	139.7	77.3	0.0	0.0	0.0	217.0	0.0	217.0
Capital decrease	0.0	-171.0	171.0	0.0	0.0	0.0	0.0	0.0
Purchase of treasury shares	0.0	0.0	0.0	0.0	-0.8	-0.8	0.0	-0.8
Expenses from share-based payments	0.0	0.0	0.6	0.0	0.0	0.6	0.0	0.6
Definitive allocation of share-based payments for the prior year	0.0	0.0	-3.5	0.0	1.3	-2.2	0.0	-2.2
<b>Capital transactions with shareholders</b>	<b>139.7</b>	<b>-93.7</b>	<b>168.1</b>	<b>0.0</b>	<b>0.5</b>	<b>214.6</b>	<b>0.0</b>	<b>214.6</b>
Group result	0.0	0.0	34.4	0.0	0.0	34.4	0.8	35.2
Other comprehensive result	0.0	0.0	45.2	-0.8	0.0	44.4	0.0	44.4
<b>Total comprehensive result</b>	<b>0.0</b>	<b>0.0</b>	<b>79.6</b>	<b>-0.8</b>	<b>0.0</b>	<b>78.8</b>	<b>0.8</b>	<b>79.6</b>
<b>As of 30.6.2021</b>	<b>361.4</b>	<b>1,024.5</b>	<b>-977.4</b>	<b>44.0</b>	<b>0.0</b>	<b>452.5</b>	<b>7.7</b>	<b>460.2</b>
<b>As of 1.1.2022</b>	<b>361.4</b>	<b>1,024.5</b>	<b>-995.1</b>	<b>51.0</b>	<b>0.0</b>	<b>441.8</b>	<b>6.9</b>	<b>448.7</b>
Purchase of treasury shares	0.0	0.0	0.0	0.0	-0.7	-0.7	0.0	-0.7
Expenses from share-based payments	0.0	0.0	0.7	0.0	0.0	0.7	0.0	0.7
Definitive allocation of share-based payments for the prior year	0.0	0.0	-1.1	0.0	0.6	-0.5	0.0	-0.5
<b>Capital transactions with shareholders</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.4</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.5</b>	<b>0.0</b>	<b>-0.5</b>
Group result	0.0	0.0	73.2	0.0	0.0	73.2	0.8	74.0
Other comprehensive result	0.0	0.0	59.9	12.6	0.0	72.5	0.0	72.5
<b>Total comprehensive result</b>	<b>0.0</b>	<b>0.0</b>	<b>133.1</b>	<b>12.6</b>	<b>0.0</b>	<b>145.7</b>	<b>0.8</b>	<b>146.5</b>
<b>As of 30.6.2022</b>	<b>361.4</b>	<b>1,024.5</b>	<b>-862.4</b>	<b>63.6</b>	<b>-0.1</b>	<b>587.0</b>	<b>7.7</b>	<b>594.7</b>

# Notes to the consolidated financial statements

## About the company

Swiss Steel Holding AG is a Swiss company limited by shares, which is listed on the SIX Swiss Exchange (SIX) and has its registered office at Landenbergstrasse 11 in Lucerne. Swiss Steel Group is a global steel company operating in the special long steel business. Its activities are divided into two divisions: *Production* and *Sales & Services*.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on August 15, 2022.

## 1 Accounting policies

The Group prepared these interim condensed consolidated financial statements of Swiss Steel Group in accordance with IAS 34 “Interim Financial Reporting”. They contain all the information required of interim condensed consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS). More detailed disclosures on accounting policies can be found in the consolidated financial statements as of December 31, 2021. This interim report is presented in Euro. Unless otherwise stated, monetary amounts are denominated in millions of Euro.

Due to rounding differences some figures may not exactly match the total, and the percentage figures may not reflect the underlying absolute figures.

## 2 Significant estimation uncertainties and judgments

### Estimates and assumptions

In preparing these interim condensed consolidated financial statements in accordance with IAS 34, assumptions and estimates were made which affect the carrying amounts and disclosure of the recognized assets and liabilities, income and expenses, and contingent liabilities. Actual amounts may differ from the estimates.

### Russia's military aggression against Ukraine

The Russian invasion of Ukraine on February 24 further amplified the substantial price increases for electricity and natural gas that have been seen since the second half of 2021, propelling these to historic highs in the first half of 2022, particularly in Europe. The Group has a limited exposure to price risk as energy costs are mostly passed on to our customers through energy surcharges. However, the Group is exposed to a marked increase in working capital requirements resulting from these price increases.

The following table describes the operating activities of Swiss Steel Russia OOO by presenting selected key figures as of June 30, 2022:

in million EUR	H1 2022
Revenue	5.4
EBITDA	0.2
Cash flow from operating activities	0.2
Cash and cash equivalents	2.6

There are no significant intercompany assets and liabilities within the Group. Deliveries to the Russian entity are executed against cash in advance. Possible future effects on the measurement of individual assets and liabilities are being analyzed on an ongoing basis.

In this context of strong geopolitical tensions, the Company has outlined clear principles of conduct and updated the Foreign Trade Policy for managing its Russian and Belarus activities, extending beyond ensuring strict compliance with current and future international regulations regarding sanctions and embargoes. The company has made the decision not to provide any further capital for the development of projects in Russia and Belarus and has initiated the gradual suspension of its activities.

### 3 Going concern

Beginning in 2021 and intensifying in the first half-year of 2022, Swiss Steel Group benefited from the strong post COVID-19 market recovery throughout its main customer industries, leading to high margin realization and strong profitability. The market recovery in combination with the ongoing transformation efforts enabled Swiss Steel Group to record a significant improvement in EBITDA, and post a positive group result.

However, the continued global semiconductor shortage and additional automotive supply chain disruptions triggered by the Russia/Ukraine conflict, coupled with logistical capacity constraints in Europe, have negatively affected and continue to negatively affect both the demand for and the ability to produce and ship the Group's products. Furthermore, the sales volume and profitability have been adversely impacted by the stoppage of the steel mill in Ugine following the crane collapse in early January 2022. The steel mill production in Ugine started with approximately 65 % of capacity in June and is expected to reach full capacity again by the end of 2022.

On top of this, raw materials and energy prices have increased to unprecedented levels, and energy prices for electricity and natural gas are expected to increase further due to ongoing significant doubts regarding the Russian natural gas supply to Central Europe and risks relating to the overall availability of energy in Europe, especially through the winter of 2022 into 2023. While Swiss Steel Group has managed to pass on these significant cost increases to customers by establishing an energy price surcharge, it has led to a marked increase in working capital requirements, resulting in a significantly negative free cash flow in both 2021 and in the first half-year of 2022.

Although Swiss Steel Group generated a positive result in the first six months of 2022, it is expected that there will be a slight decline in margins and a somewhat lower market demand in the second half of the year. The current material uncertainties with regard to price developments and the availability of energy are placing significant pressure on the liquidity situation of Swiss Steel Group. As a countermeasure and in anticipation of the expected slower market ramp-up following the summer break, Swiss Steel Group has adapted its production plans significantly. By entering the summer maintenance period early, particularly for the European steel mills, the Group is able to start

relieving pressure on the current liquidity situation and proactively address inventory levels. In addition to the action plans already in place to secure the Group's liquidity, further operational measures have been initiated to counter the above-mentioned negative effects.

The Group's ability to continue as a going concern is mainly dependent on the availability of sufficient liquidity. The estimates regarding the potential negative impact on the Group's future operating and financial performance resulting from concerns about future market developments, coupled with material uncertainty concerning price trends and the availability of energy supplies may cast significant doubts upon the Group's ability to retain sufficient liquidity and continue as a going concern.

When preparing the interim condensed consolidated interim financial statements, the continuation of Swiss Steel Group as a going concern was assessed as positive by the Board of Directors and by the Executive Board. It is expected that the availability of energy supplies can be secured and that the associated costs can continuously be passed on to customers. It is also assumed that the market environment is not deteriorating to a significant degree and that the planned operational improvements can be realized, such that the Group can continue its business activities over the next twelve months. Therefore, these interim condensed consolidated financial statements have been prepared on a going concern basis.

#### **4 Standards and interpretations applied**

The relevant accounting policies applied in the interim condensed consolidated financial statements are consistent with those used for the most recent consolidated financial statements prepared as of the end of the fiscal year 2021. The changes to IFRS standards, effective January 1, 2022, have not had any material impact on the interim condensed consolidated interim statements of Swiss Steel Group. Detailed information about significant estimation uncertainties and judgments are presented in Note 2 in the consolidated financial statements as of 31 December 2021.

#### **5 Seasonal effects**

There are seasonal effects on sales and revenue in both divisions of the Group. These effects are attributable to the number of working days in the second half of the year, which is lower due to vacation periods in July and August, as well as in the second half of December. These periods are associated with plant downtime in some cases. The effects are particularly pronounced in the third quarter, which is affected by the summer vacation period. However, fixed costs are distributed fairly equally over all four quarters. Furthermore, the majority of general overhaul work on production and processing plants is carried out over the summer during plant downtime. As a result, expenses for servicing and maintenance as well as capital expenditures are usually at their highest in the third quarter. Consequently, due to this seasonal pattern and excluding cyclical effects, unit sales, revenue and operating profit before depreciation and amortization (EBITDA) are usually higher in the first half of the year than in the second half.

Inventories of semi-finished and finished goods are usually increased over the summer months. This safeguards our customers' supply after the end of the vacation period and has the effect that net working capital usually peaks around this time.

By contrast, trade accounts receivable and payable and also net working capital tend to reach their lowest level at year-end due to the reduction in inventories typically seen at the end of the year. Furthermore, the amount of net working capital is significantly affected by commodity prices. However, the cyclical nature of the economy has a much more pronounced impact than seasonal effects on the development of the Group's sales, revenue and results.

## 6 Scope of consolidation and company acquisitions

In the first half of 2022, Ugitech S.A. (FR) founded Ugi'ring S.A (FR) and holds 91 %. Ugi'ring's main activity is the recovery of alloys through pyro-metallurgical recycling processes. Furthermore, Swiss Steel Acciai Speciali S.r.l. (IT) was merged into Swiss Steel Italia S.r.l. (IT). As Swiss Steel Group held 100 % of the shares in both entities, this merger has had no effect on these interim financial statements.

## 7 Revenue

Swiss Steel Group's revenue can be broken down by product group and region as follows, whereby the revenue information is based on the location of the customer:

in million EUR	Production		Sales & Services	
	H1 2022	H1 2021	H1 2022	H1 2021
Quality & engineering steel	1,070.5	724.8	106.2	66.2
Stainless steel	502.0	465.2	122.7	104.4
Tool steel	175.9	109.2	103.0	82.7
Others	56.3	31.6	8.0	6.5
<b>Total</b>	<b>1,804.7</b>	<b>1,330.8</b>	<b>339.9</b>	<b>259.8</b>

in million EUR	Production		Sales & Services	
	H1 2022	H1 2021	H1 2022	H1 2021
Germany	735.4	566.8	0.9	0.9
Italy	294.2	204.4	25.9	18.7
France	199.0	155.3	27.3	21.5
Switzerland	34.4	22.6	0.0	0.0
Other Europe	330.0	228.7	127.7	90.8
<b>Europe</b>	<b>1,593.0</b>	<b>1,177.8</b>	<b>181.8</b>	<b>131.9</b>
USA	99.3	50.9	73.9	58.0
Canada	24.1	20.7	22.6	15.6
Other Americas	4.2	3.2	21.6	15.2
<b>America</b>	<b>127.6</b>	<b>74.8</b>	<b>118.1</b>	<b>88.8</b>
China	32.2	29.4	23.1	24.7
India	15.1	11.9	8.0	6.2
Asia Pacific/Africa	36.8	36.9	8.9	8.2
<b>Africa/Asia</b>	<b>84.1</b>	<b>78.2</b>	<b>40.0</b>	<b>39.1</b>
<b>Total</b>	<b>1,804.7</b>	<b>1,330.8</b>	<b>339.9</b>	<b>259.8</b>

## 8 Other operating income and expenses

Other operating income of EUR 33.6 million (H1 2021: EUR 26.1 million) includes various items such as lease income, income from maintenance and repair services, government grants, own work capitalized, etc.

Other operating expenses can be broken down as follows:

in million EUR	H1 2022	H1 2021
Freight, commission	57.3	47.4
Allowances on trade accounts receivable	0.8	-0.2
Maintenance, repairs	48.3	41.7
Holding and administration expenses	18.9	13.8
Fees and charges	14.6	13.9
Expenses for leases (short-term, low value, variable leases)	4.2	4.2
Consultancy and audit services	12.6	7.4
IT expenses	16.1	13.0
Losses on disposal of intangible assets and property, plant and equipment	0.1	0.5
Non-income taxes	7.4	6.3
Foreign exchange loss (net)	0.0	1.7
Miscellaneous expenses	7.3	6.9
<b>Total</b>	<b>187.6</b>	<b>156.6</b>

All exchange gains and losses on receivables and liabilities or derivative currency contracts concluded to hedge these are reported under other operating expenses or income.

## 9 Personnel expenses

in million EUR	H1 2022	H1 2021
Wages and salaries	283.1	277.3
Social security contributions	61.0	63.5
Other personnel costs	8.5	7.5
<b>Total</b>	<b>352.6</b>	<b>348.3</b>

In the first half of 2022, Swiss Steel Group received EUR 3.1 million in compensation for short-time work, which is mainly related to the COVID-19 crisis (H1 2021: EUR 2.9 million).

## 10 Financial result

in million EUR	H1 2022	H1 2021
Interest income	0.4	0.4
Other financial income	0.0	0.1
<b>Financial income</b>	<b>0.4</b>	<b>0.5</b>
Interest expenses on financial liabilities	-18.3	-17.3
Interest expenses on lease liabilities	-2.0	-1.7
Net interest expense on pension provisions and plan assets	-1.2	-0.8
Capitalized borrowing costs	0.2	0.5
Other financial expenses	-2.8	-2.7
<b>Financial expenses</b>	<b>-24.1</b>	<b>-22.0</b>
<b>Financial result</b>	<b>-23.7</b>	<b>-21.5</b>

## 11 Income taxes

in million EUR	H1 2022	H1 2021
Current taxes	14.5	9.1
Deferred taxes	1.0	-3.0
<b>Income tax effect (income (-) / expenses (+))</b>	<b>15.5</b>	<b>6.1</b>

The local tax rates used to determine current and deferred taxes have not changed materially. The effective Group tax rate for the first half of 2022 was 17.3% (H1 2021: 14.8%). The variation in the effective Group tax rate is attributable to a positive one-time effect of EUR 13 million in the first half of 2021, which we have described in the 2021 annual financial statements. This rate derives from the tax rates of the individual countries in which the Group operates, weighted for earnings before taxes.

Current taxes include tax effects from an internal reorganization between the Swiss group companies, leading to a positive effect of EUR 4.4 million.

The following table presents the net change in deferred tax assets and liabilities.

in million EUR	H1 2022	2021	H1 2021
Opening balance at the beginning of the period	12.5	14.1	14.1
Changes recognized in profit and loss	-1.0	-0.9	3.0
Changes recognized in other comprehensive income	-3.4	-0.5	-5.2
Foreign currency effects	-0.1	-0.2	-0.2
<b>Closing balance at the end of the period</b>	<b>8.0</b>	<b>12.5</b>	<b>11.7</b>
- of which deferred tax assets	16.0	16.4	17.2
- of which deferred tax liabilities	8.0	3.9	5.5

## 12 Property, plant and equipment

The breakdown of property, plant and equipment into their subcategories can be seen in the table below. Most of the additions are attributable to the *Production* division.

in million EUR	Land and buildings	Plant and equipment	Prepayments for property and plants under construction	Total
<b>Cost value as of 1.1.2022</b>	<b>757.7</b>	<b>2,699.2</b>	<b>70.6</b>	<b>3,527.6</b>
Reclassification to assets held for sale	-31.0	0.0	-0.4	-31.4
Additions	0.4	9.5	22.4	32.3
Disposals	0.0	-6.3	0.0	-6.3
Reclassifications	0.9	11.5	-12.4	0.0
Foreign currency effects	17.9	50.4	1.2	69.4
<b>Cost value as of 30.6.2022</b>	<b>745.9</b>	<b>2,764.3</b>	<b>81.4</b>	<b>3,591.6</b>
<b>Accumulated depreciation and impairments as of 1.1.2022</b>	<b>-582.2</b>	<b>-2,426.9</b>	<b>-18.4</b>	<b>-3,027.6</b>
Reclassification to assets held for sale	10.1	0.0	0.0	10.1
Depreciation	-4.9	-25.8	0.0	-30.7
Impairment	0.0	0.0	-5.6	-5.6
Disposals	0.0	6.1	0.0	6.1
Reclassifications	-0.1	-2.6	2.7	0.0
Foreign currency effects	-13.9	-43.5	-0.3	-57.6
<b>Accumulated depreciation and impairments as of 30.6.2022</b>	<b>-591.0</b>	<b>-2,492.7</b>	<b>-21.6</b>	<b>-3,105.3</b>
<b>Net carrying amount as of 31.12.2021</b>	<b>175.5</b>	<b>272.3</b>	<b>52.2</b>	<b>500.0</b>
<b>Net carrying amount as of 30.6.2022</b>	<b>154.9</b>	<b>271.6</b>	<b>59.8</b>	<b>486.3</b>

Indications of impairment in the first half of the year were identified in the Business Unit Ascometal. Based on this, Swiss Steel Group performed an impairment test as of June 30, 2022, which resulted in an impairment. The impairment in the Business Unit Ascometal still has its roots in the pronounced weakness in the automotive market in 2019, which triggered a sharp decline in the sales volume and had a negative impact on profitability. When the COVID-19 crisis started to escalate in March 2020, this compounded an already challenging situation, dragging on the operating result through 2020 and into 2021. The ongoing supply chain issues in the automotive industry continue to adversely affect the operating result in 2022, resulting in a further impairment. Consequently, at the Business Unit Ascometal (Production division), impairment losses of EUR 6.0 million were recognized in the first half of 2022 (of which EUR 5.6 million on property, plant and equipment and EUR 0.4 million on capitalized right-of-use assets).

Land and buildings totaling EUR 21.3 million have been reclassified to assets held for sale as of June 30, 2022. The assets are no longer depreciated. The sales process has been initiated as of June 30, 2022. It is highly probable that the sale will be completed within the next twelve months.

### 13 Inventories

Inventories as of June 30, 2022 and as of December 31, 2021 break down as follows:

in million EUR	30.6.2022	31.12.2021
Raw materials, consumables and supplies	267.5	196.8
Semi-finished goods and work in progress	508.1	416.3
Finished products and merchandise	446.5	386.5
<b>Total</b>	<b>1,222.1</b>	<b>999.6</b>

### 14 Pensions

The Group has both defined benefit plans and defined contribution plans, where contractually defined amounts are transferred to an external pension institution. Most of the plans are defined benefit plans, in which the employer undertakes to deliver the agreed pension benefits to its employees.

#### Defined benefit obligations and plan assets

Changes in the present value of the defined benefit obligations and in the fair value of plan assets are as follows:

in million EUR	Defined benefit obligation		Fair value of plan assets		Effect of asset ceiling		Net liability	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021
<b>Present value of defined benefit obligations/fair value of plan assets at the beginning of the period</b>	<b>614.6</b>	<b>646.9</b>	<b>395.3</b>	<b>367.5</b>	<b>45.3</b>	<b>0.0</b>	<b>264.6</b>	<b>279.4</b>
Current service cost	4.6	10.2	0.0	0.0	0.0	0.0	4.6	10.2
Administration expenses	0.0	0.0	-0.4	-0.6	0.0	0.0	0.4	0.6
Interest expense/income	2.4	2.9	1.2	1.2	0.0	0.0	1.2	1.7
Past service costs	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	-0.6
<b>Net pension result</b>	<b>7.0</b>	<b>12.5</b>	<b>0.8</b>	<b>0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>6.2</b>	<b>11.9</b>
Return on plan assets less interest income	0.0	0.0	-28.1	20.8	0.0	0.0	28.1	-20.8
Changes in unrecognized assets due to asset ceiling	0.0	0.0	0.0	0.0	10.2	43.6	10.2	43.6
Actuarial result from changes in demographic assumptions	0.0	-11.9	0.0	0.0	0.0	0.0	0.0	-11.9
Actuarial result from changes in financial assumptions	-114.6	-22.3	0.0	0.0	0.0	0.0	-114.6	-22.3
Actuarial result from experience assumptions	12.9	0.0	0.0	0.0	0.0	0.0	12.9	0.0
<b>Remeasurement effects included in other comprehensive income</b>	<b>-101.7</b>	<b>-34.2</b>	<b>-28.1</b>	<b>20.8</b>	<b>10.2</b>	<b>43.6</b>	<b>-63.4</b>	<b>-11.4</b>
Employer contributions	0.0	0.0	3.5	6.9	0.0	0.0	-3.5	-6.9
Employee contributions	2.3	4.4	2.3	4.4	0.0	0.0	0.0	0.0
Benefits paid	-15.3	-30.3	-11.2	-21.9	0.0	0.0	-4.1	-8.4
Foreign currency effects	13.0	15.3	15.2	17.0	1.9	1.7	-0.3	0.0
<b>Present value of defined benefit obligations/fair value of plan assets at the end of the period</b>	<b>519.9</b>	<b>614.6</b>	<b>377.8</b>	<b>395.3</b>	<b>57.4</b>	<b>45.3</b>	<b>199.5</b>	<b>264.6</b>
Provisions from obligations similar to pensions	1.0	1.1	0.0	0.0	0.0	0.0	1.0	1.1
<b>Total provisions for pensions and obligations similar to pensions</b>	<b>520.9</b>	<b>615.7</b>	<b>377.8</b>	<b>395.3</b>	<b>57.4</b>	<b>45.3</b>	<b>200.5</b>	<b>265.7</b>
- of which in pension liabilities							203.0	269.0
- of which in pension assets							2.5	3.3

### Valuation assumptions for pensions

As of the reporting date, the main driver of measurement of the pension liabilities – the discount rates – was evaluated and adjusted if not within the appropriate range. The following valuation assumptions were used:

in %	Switzerland		Euro area		USA		Canada	
	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021	30.6.2022	31.12.2021
Discount rate	2.0	0.4	3.1	0.9-1.0	4.4	2.6	4.7	3.2

## 15 Financial liabilities

As of June 30, 2022, financial liabilities were as follows:

in million EUR	30.6.2022	31.12.2021
Syndicated loan	415.0	355.6
State-guaranteed loans	66.8	58.3
Lease liabilities	62.2	58.5
Loans from shareholder	194.8	94.8
Negative market values of derivative financial instruments	0.1	0.0
Other financial liabilities	3.9	3.8
<b>Total non-current</b>	<b>742.8</b>	<b>571.0</b>
Other bank loans	0.1	0.2
State-guaranteed loans	13.0	14.3
ABS financing program	273.0	208.1
Lease liabilities	10.0	9.5
Negative market values of derivative financial instruments	6.1	3.2
Other financial liabilities	3.2	3.2
<b>Total current</b>	<b>305.4</b>	<b>238.5</b>

The Group secured additional liquidity (shareholder loan) to finance its high working capital needs through a revolving facility agreement of EUR 100 million with Big Point Holding AG at the beginning of the year. The loan granted in 2022 has a final maturity of September 30, 2023.

The syndicated loan drawing increased to EUR 415.0 million (31.12.2021: EUR 355.6 million). In addition, the ABS financing program was utilized to a greater extent and could be increased to EUR 273.0 million (31.12.2021: EUR 208.1 million) due to higher billing activity and selectively extended customer credit lines.

## 16 Fair value measurement considerations

As of the reporting date, there were currency derivatives with a positive market value of EUR 1.5 million (31.12.2021: EUR 1.1 million), and a negative market value of EUR 6.2 million (31.12.2021: EUR 3.2 million). These are recognized in financial assets and financial liabilities respectively and are allocated to Level 2 in the measurement of fair values. These currency derivatives are used exclusively for hedging purposes. Their valuation depends on the maturity, the change in the underlying exchange rate and the spread in the refinancing rate of the currencies involved.

Swiss Steel Group regularly reviews the procedures for measuring items at fair value. If the material input parameters change, the Group assesses whether an item needs to be transferred between the levels.

## 17 Segment reporting

The Group is presented in accordance with its internal reporting and organizational structure, comprising the two divisions *Production* and *Sales & Services*.

The table below shows the segment reporting as of June 30, 2022.

in million EUR	Production		Sales & Services	
	H1 2022	H1 2021	H1 2022	H1 2021
Third-party revenue	1,804.7	1,330.8	339.9	259.8
Internal revenue	156.0	138.1	21.7	22.9
<b>Total revenue</b>	<b>1,960.7</b>	<b>1,468.9</b>	<b>361.6</b>	<b>282.7</b>
<b>Segment result (= adjusted EBITDA)</b>	<b>137.0</b>	<b>90.7</b>	<b>41.0</b>	<b>25.0</b>
Adjustments <sup>1)</sup>	-9.7	-1.9	-0.4	0.0
<b>Operating profit before depreciation and amortization (EBITDA)</b>	<b>127.3</b>	<b>88.8</b>	<b>40.6</b>	<b>25.0</b>
Depreciation and amortization of intangible assets and property, plant and equipment	-31.5	-29.7	-5.0	-4.2
Impairment of intangible assets, property, plant and equipment, and right-of-use assets	-7.5	-7.6	0.0	0.0
<b>Operating profit (EBIT)</b>	<b>88.3</b>	<b>51.5</b>	<b>35.6</b>	<b>20.8</b>
Financial income	0.8	1.3	1.6	2.0
Financial expenses	-22.7	-23.2	-3.7	-4.9
<b>Earnings before taxes (EBT)</b>	<b>66.4</b>	<b>29.6</b>	<b>33.5</b>	<b>17.9</b>
Segment investments <sup>2)</sup>	32.7	31.1	8.8	3.1
Segment operating free cash flow <sup>3)</sup>	-114.4	-174.6	-3.5	15.5
<b>in million EUR</b>	<b>30.6.2022</b>	<b>31.12.2021</b>	<b>30.6.2022</b>	<b>31.12.2021</b>
Segment assets <sup>4)</sup>	2,217.1	1,823.8	350.8	288.3
Segment liabilities <sup>5)</sup>	632.2	463.5	155.8	134.6
<b>Segment assets less segment liabilities (capital employed)</b>	<b>1,584.9</b>	<b>1,360.3</b>	<b>195.0</b>	<b>153.7</b>
Employees as of closing date (full time equivalents)	8,430	8,437	1,342	1,346

<sup>1)</sup> Adjustments: Performance improvement program, others (EUR 7.5 million); Reorganization and transformation processes (EUR 5.6 million); Restructuring and other personnel measures (EUR 0.8 million)

<sup>2)</sup> Segment investments: Additions to intangible assets (excluding goodwill) + additions to property, plant and equipment without acquisitions + additions to right-of-use assets

<sup>3)</sup> Segment operating free cash flow: Adjusted EBITDA +/- change in net working capital (inventories, trade accounts receivable and payable valued at spot rate) - segment investments - capitalized borrowing costs

<sup>4)</sup> Segment assets: Intangible assets (excluding goodwill) + property, plant and equipment + right-of-use of leased assets + inventories + trade accounts receivable (total matches total assets in the statement of financial position)

<sup>5)</sup> Segment liabilities: Trade accounts payable (total matches total liabilities in the statement of financial position)

Reconciliation								
Total operating segments		Corporate activities		Eliminations/adjustments		Total		
H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021	H1 2022	H1 2021	
2,144.6	1,590.6	0.0	0.0	0.0	0.0	2,144.6	1,590.6	
177.7	161.0	0.0	0.0	-177.7	-161.0	0.0	0.0	
<b>2,322.3</b>	<b>1,751.6</b>	<b>0.0</b>	<b>0.0</b>	<b>-177.7</b>	<b>-161.0</b>	<b>2,144.6</b>	<b>1,590.6</b>	
<b>178.0</b>	<b>115.7</b>	<b>-7.4</b>	<b>-3.6</b>	<b>0.4</b>	<b>-2.2</b>	<b>171.0</b>	<b>109.9</b>	
-10.1	-1.9	-5.3	-2.6	1.5	0.0	-13.9	-4.5	
<b>167.9</b>	<b>113.8</b>	<b>-12.7</b>	<b>-6.2</b>	<b>1.9</b>	<b>-2.2</b>	<b>157.1</b>	<b>105.4</b>	
-36.5	-33.9	-1.8	-1.7	0.4	0.6	-37.9	-35.0	
-7.5	-7.6	0.0	0.0	1.5	0.0	-6.0	-7.6	
<b>123.9</b>	<b>72.3</b>	<b>-14.5</b>	<b>-7.9</b>	<b>3.8</b>	<b>-1.6</b>	<b>113.2</b>	<b>62.8</b>	
2.4	3.3	22.1	24.8	-24.1	-27.6	0.4	0.5	
-26.4	-28.1	-21.9	-21.5	24.2	27.6	-24.1	-22.0	
<b>99.9</b>	<b>47.5</b>	<b>-14.3</b>	<b>-4.6</b>	<b>3.9</b>	<b>-1.6</b>	<b>89.5</b>	<b>41.3</b>	
41.5	34.2	0.8	0.5	0.0	0.0	42.3	34.7	
-117.9	-159.1	-18.0	-10.0	-2.1	-0.8	-138.0	-169.9	
<b>30.6.2022</b>	<b>31.12.2021</b>	<b>30.6.2022</b>	<b>31.12.2021</b>	<b>30.6.2022</b>	<b>31.12.2021</b>	<b>30.6.2022</b>	<b>31.12.2021</b>	
2,567.9	2,112.1	72.6	90.0	118.1	25.0	2,758.6	2,227.1	
788.0	598.1	3.7	8.3	1,372.2	1,172.0	2,163.9	1,778.4	
<b>1,779.9</b>	<b>1,514.0</b>							
9,772	9,783	132	131	0	0	9,904	9,914	

# Legal notice

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The equal treatment of men and women is very important to Swiss Steel Group. Every care has been taken to ensure that we do not exclude either gender in the wording of this report.

This interim report contains forward-looking statements, including presentations of developments, plans, intentions, assumptions, expectations, beliefs and potential impacts, as well as descriptions of future events, income, results, situations or outlooks. These are based on the Company's current expectations, beliefs and assumptions, which are subject to uncertainty and may differ materially from the current facts, situation, impact or developments.

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