

A stylized, white, wireframe globe graphic is positioned on the left side of the slide. It features a complex network of intersecting lines that form a spherical shape, with some lines radiating from a central point on the left. The globe is set against a dark blue background that transitions to a lighter blue towards the right.

VESUVIUS PLC

Half Year 2024 Results

1 August 2024

Think beyond. Shape the future.

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Performance update



Results in line with our expectations despite weaker markets



Revenue

£936.5m

(2.0%)
Underlying change

Trading profit

£97.2m

(0.9%)
Underlying change

Return on sales

10.4%

+10bps
Underlying change

Working capital intensity

23.2%

(90bps)
Versus June 2023

Net debt / EBITDA

1.2x

June 2023: 1.0x

Headline EPS

21.8p

(2.9%)
Underlying change

Proposed interim dividend 7.1p, +4.4% versus H12023

Net debt / EBITDA ratios are post IFRS-16.

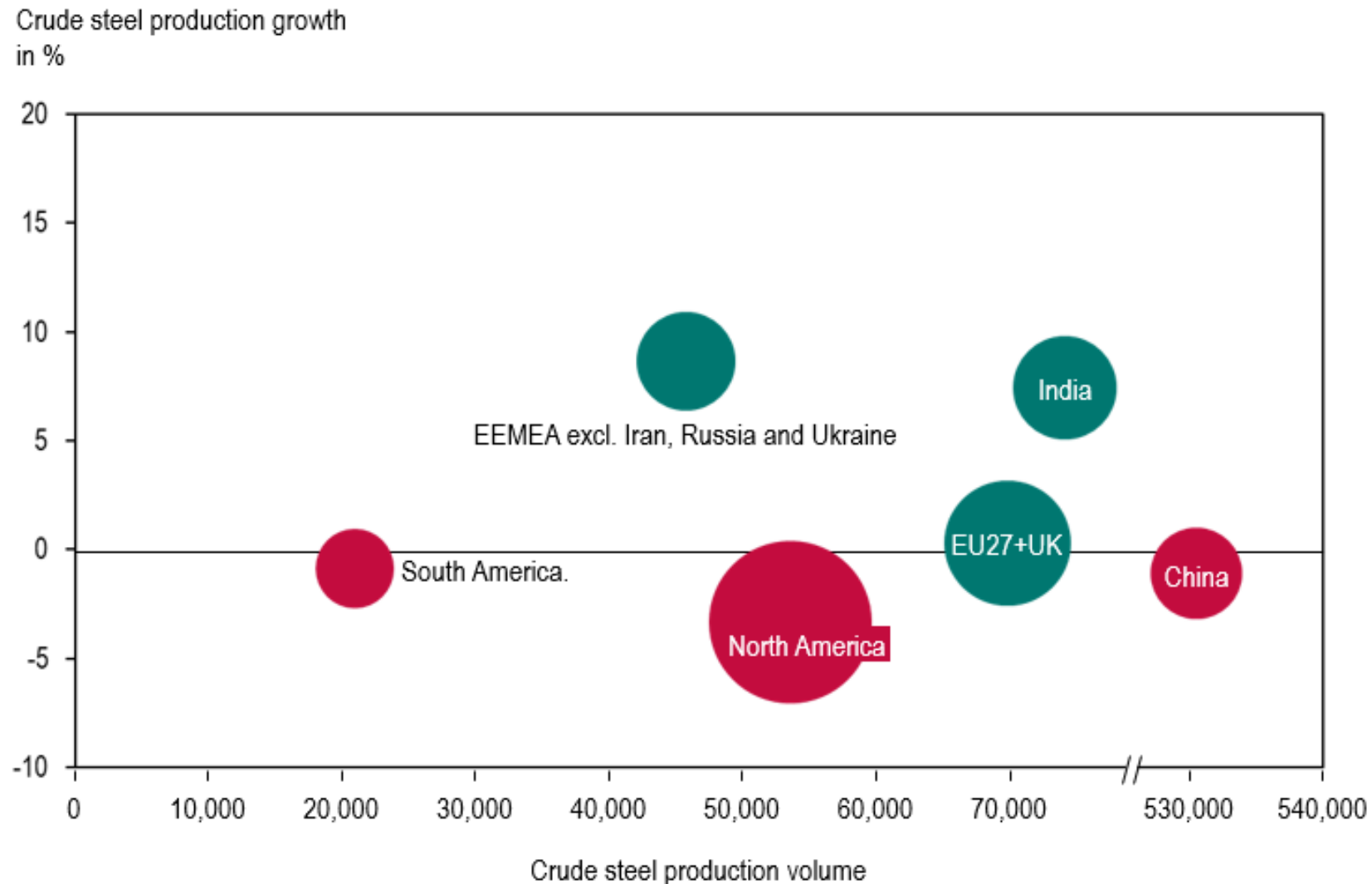


Delivering against our strategic objectives

- **Market share gains in both Steel and Foundry divisions**
 - > Market share gains in Flow Control and Foundry
 - > Advanced Refractories market share progressing in Asia
- **Positive net pricing performance in both divisions**
- **Accelerated progress on cost-saving programme**
 - > Increasing in year benefit to £6m with exit rate of £10-15m confirmed
 - > CMD target of £30m by 2026 fully underpinned with detailed plans
- **Continued progress in R&D with 18 new products launched during the first half**
 - > New Product sales ratio up to 17.9% for the Group and Flow Control achieving >20%
- **Expansion capex plans on track and concluding this year (2024 capex expected to be >1.6x depreciation)**
- **Strong safety performance in H1 confirming the structural improvement over the past years**
- **Continued progress in sustainability with our first carbon neutral manufacturing plant in Brazil**
- **Confirm objectives of 12.5% RoS by 2026 and £400m FCF generation in the period 2024 - 2026**



Steel production in H1 2024 remained weak

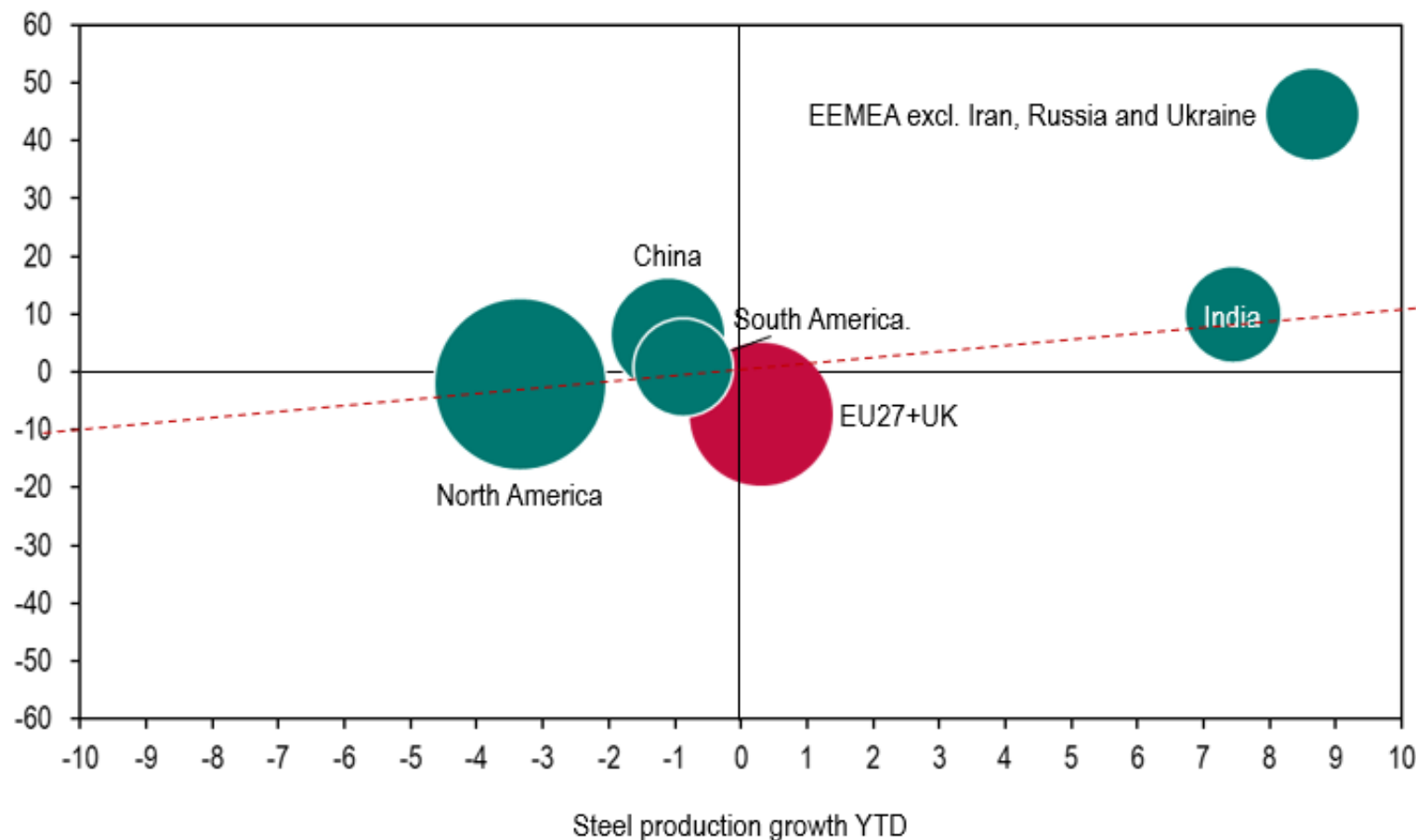


- India and EEMEA consistently strong
- Americas and China weak
- EU+UK stable at a very low level
- EU27+UK, North and South America remain, for the time being, well below their normal levels of activity

Size of bubble represents relative revenue of Vesuvius' steel division sales in H1 2024.

Flow Control has continued to gain market share in most major regions

Vesuvius FC sales growth YTD



- Continued market share gains globally and in most major regions
- Positive impact of technological leadership with new product sales ratio now exceeding 20%
- Only exception to market share gains is the EU27+UK where we very carefully manage customer credit risk

Size of bubble represents relative revenue of Vesuvius' Flow Control Division sales in H1 2024

Good performance of the Steel Division despite subdued market

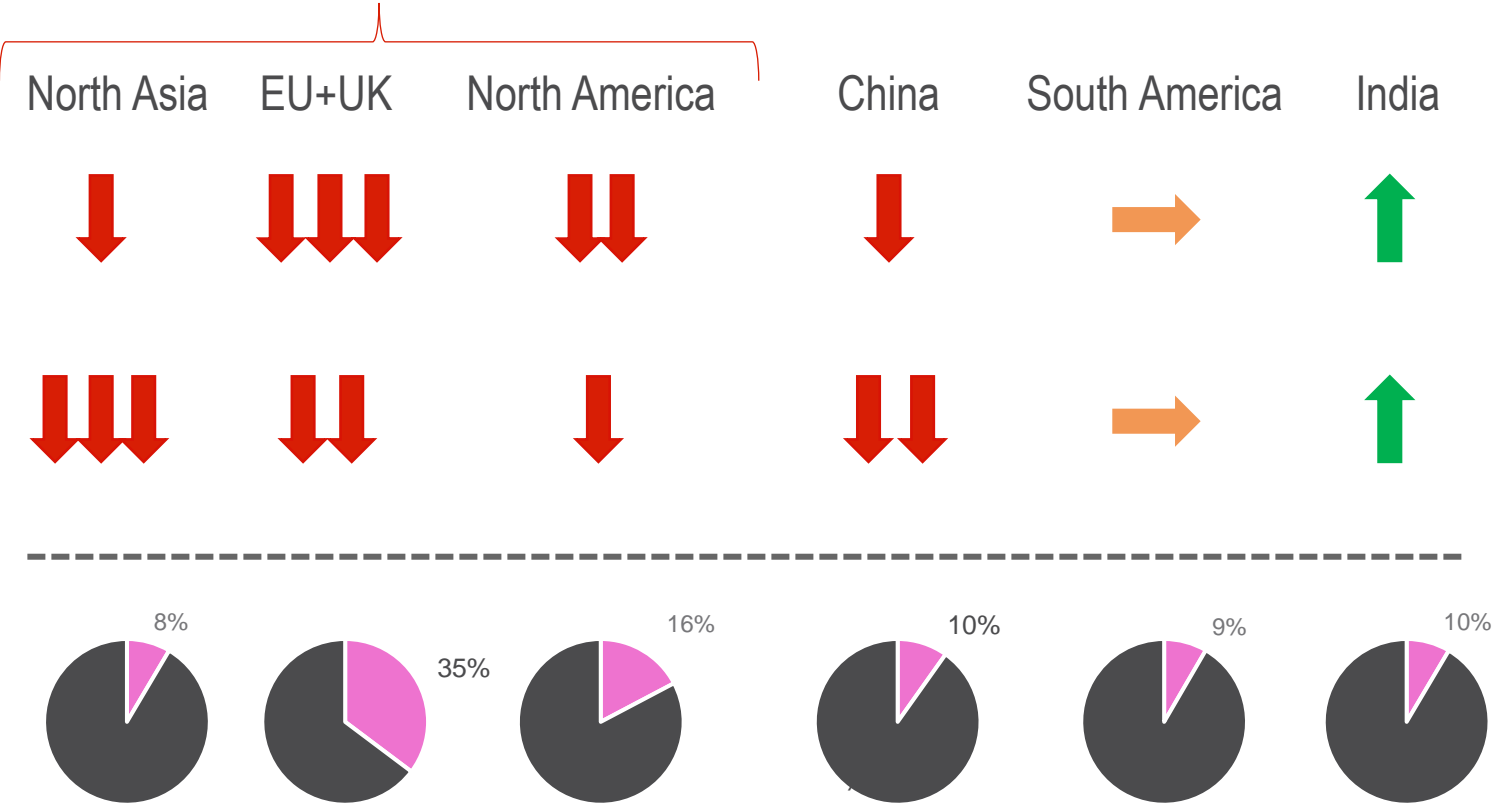
H1 2024 performance

- Revenue growth in the Steel Division driven by Flow Control
 - Market share gains in Flow Control
 - Progression of Advanced Refractories market share in Asia with 17% of revenue now coming from India (RoS > Group average)
- RoS increased by 100 bps to 11.2% and Trading Profit increased by 9.7%, reflecting:
 - Positive net pricing performance overall in the division
 - Cost savings delivered across all Steel business units

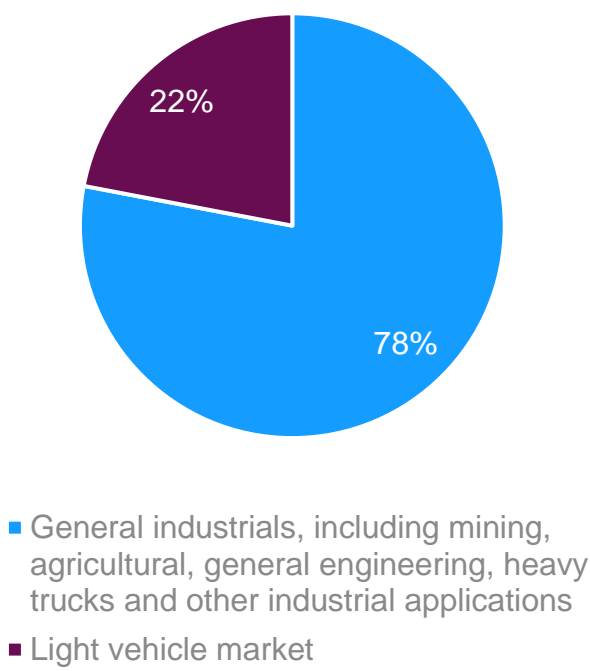
Steel Division £m	H1 2024 (£m)	H1 2023 (£m) underlying	Change % underlying
Revenue			
Flow Control	393.7	383.6	2.6%
Advanced Refractories	270.3	279.3	(3.2%)
Sensors & Probes	21.7	19.6	10.9%
Total Steel	685.7	682.5	0.5%
Trading profit	76.5	69.7	9.7%
RoS	11.2%	10.2%	+100bps

Foundry markets weaker than anticipated

c. 60% Foundry division revenue



Vesuvius end-market exposure



Lower results of the Foundry division due to severe market weakness

H1 2024 foundry: market downturn tougher than expected

- End markets, now including automotive, very weak with India the only exception
- Double-digit percentage market declines in our largest regions, EU+UK and North America and high single-digit decline in North Asia, another key region for the division

Foundry division £m Sequential half-years, constant currency	H1 2024	H1 2023	H1 24 v H1 23 Change % underlying
Revenue	250.8	272.8	(8.0%)
Trading Profit	20.7	28.4	(27.1%)
Return on sales	8.2%	10.4%	(220bps)

Strong internal performance of the division in H1

- Market share gains in all regions
- Positive net pricing performance
- Strong cost reduction plan implemented



But results significantly lower than H1 2023 as internal performance could not fully compensate short-term the extent of market downturn



Ongoing innovation pipeline of value-adding products

Flow control



Our new high performance ladle slide gate plate, DuraPlate L-Tech, is designed for a range of end markets, including long steel production, stainless steel and thin-slabs

- Efficiency: Long life product
- Safety: less operator handling
- Sustainability: lower refractory consumption per kilogram of steel produced

Advanced Refractories



Fully automated gunning robot for furnace maintenance significantly improves operational efficiency and safety

- Cuts gunning time in half
- Operates at higher temperatures, reducing downtime
- Optimized monolithic for high-speed application

Foundry



Solosil is an environmentally-friendly inorganic binder

- H&S and environmental benefits as it eliminates hazardous emissions and is completely odourless
- Inorganic binders poised to replace organic binders due to positive environmental credentials

Growing customer interest in our robotics solutions



Flow Control robotics contracts

2017-2022

~3

Average # contracts signed per year



2023

5

contracts signed in period



2024 H1

5

contracts signed in period



New contracts will support increased sales of Flow Control products in the coming years

Strategic expansion programme on track to conclude around the end of 2024



Expansion capex completed:

- Flow Control VISO expansion (Poland and India)
- Advanced Refractories – pre-cast capacity in India
- Foundry fluxes in China

Remaining projects on track for completion in H2 2024:

- Flow Control slide gate expansion in Poland
- Flow Control flux expansion in India
- Advanced Refractories AlSi and Basic monolithics expansion in India

Reduction in capex expected as from 2025



Space available for further expansion in India when needed



Flux, Alsi mono
and Basic mono
manufacturing



Space for further
expansion

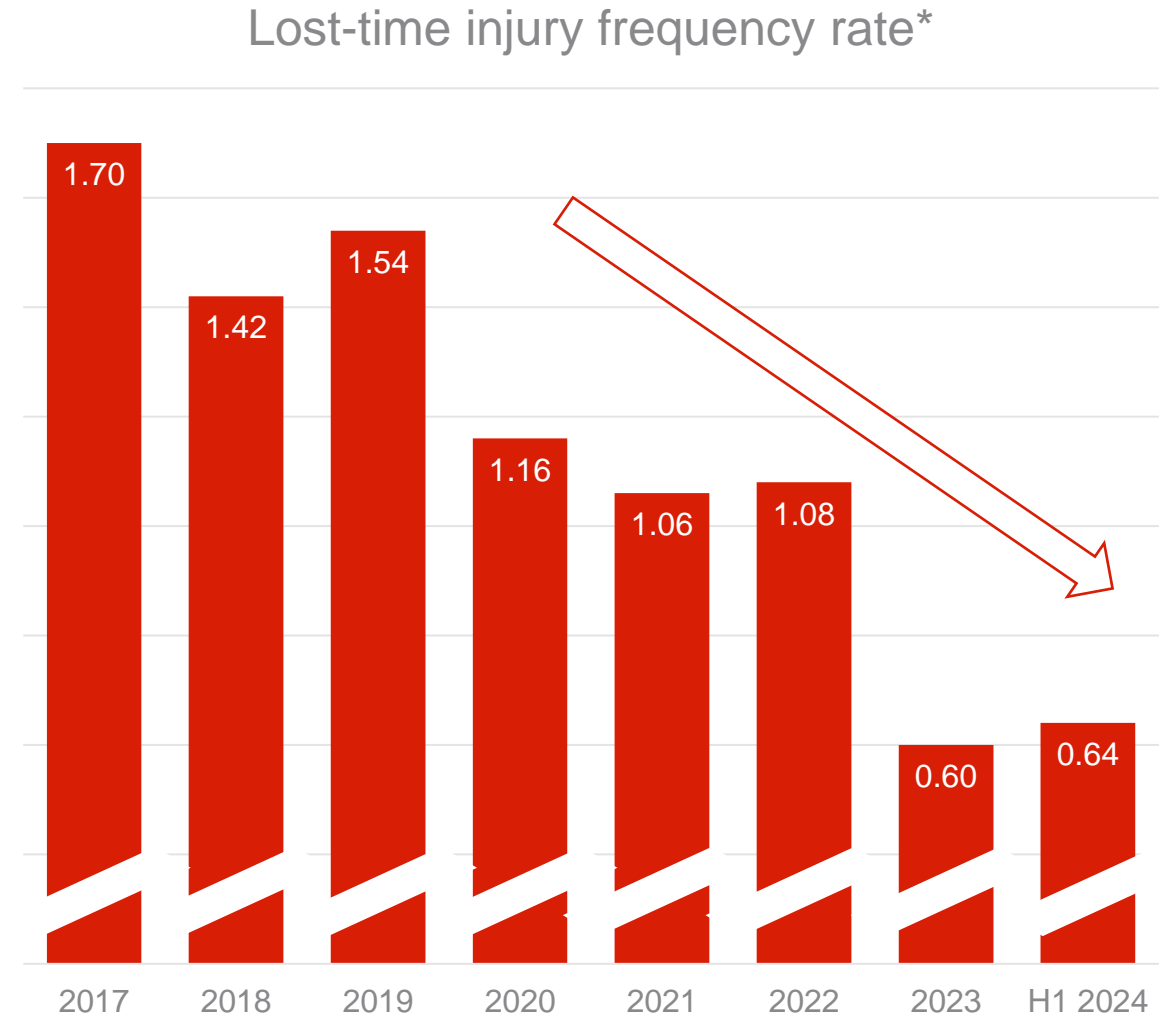
Vizag site



Continued progress in safety performance

Sustainable safety improvement

- Maintained our injury frequency rate at around the record low level achieved last year
- Driven by management focus
 - Frequent safety audits by employees and contractors
 - Targeted safety training programmes
 - Safety day celebrations



*Number injuries resulting in lost time, per million hours worked

First carbon-free manufacturing plant for Flow Control and Advanced Refractories products, in Brazil



Production facility of Gás Verde, Brazil's largest biomethane producer



Vesuvius Rio de Janeiro plant

Our Rio de Janeiro site is now net zero for Scope 1 and 2 CO₂e emissions

- Green electricity
- Green gas through use of biomethane produced from municipal waste



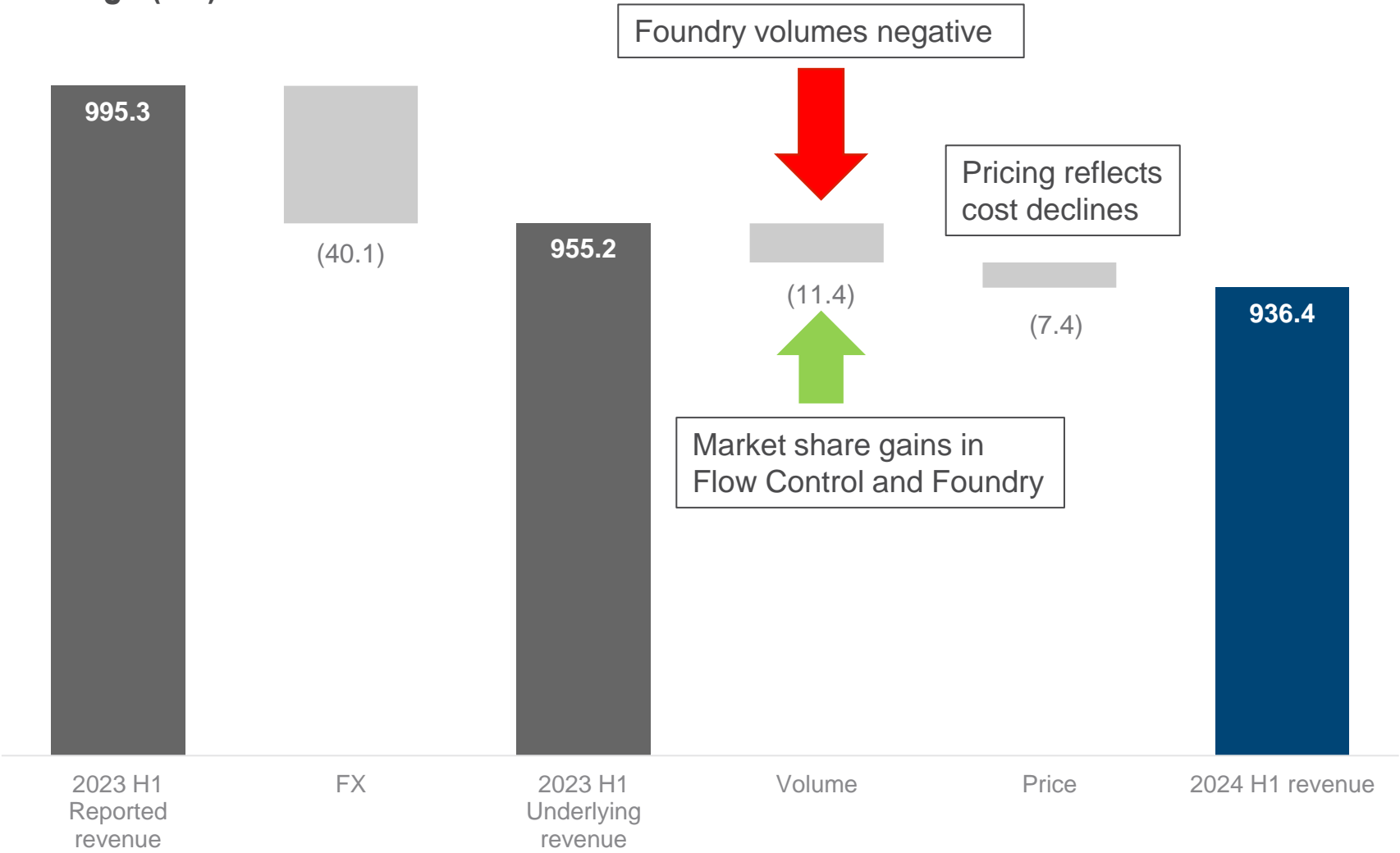
A photograph of an industrial setting where molten metal is being poured from a large ladle into several smaller containers. Two workers in silver heat-reflective suits and helmets are visible. One worker is in the foreground, leaning over, while the other is in the background, holding the ladle. The scene is dimly lit, with the primary light source being the intense orange and yellow glow of the molten metal.

Financial review

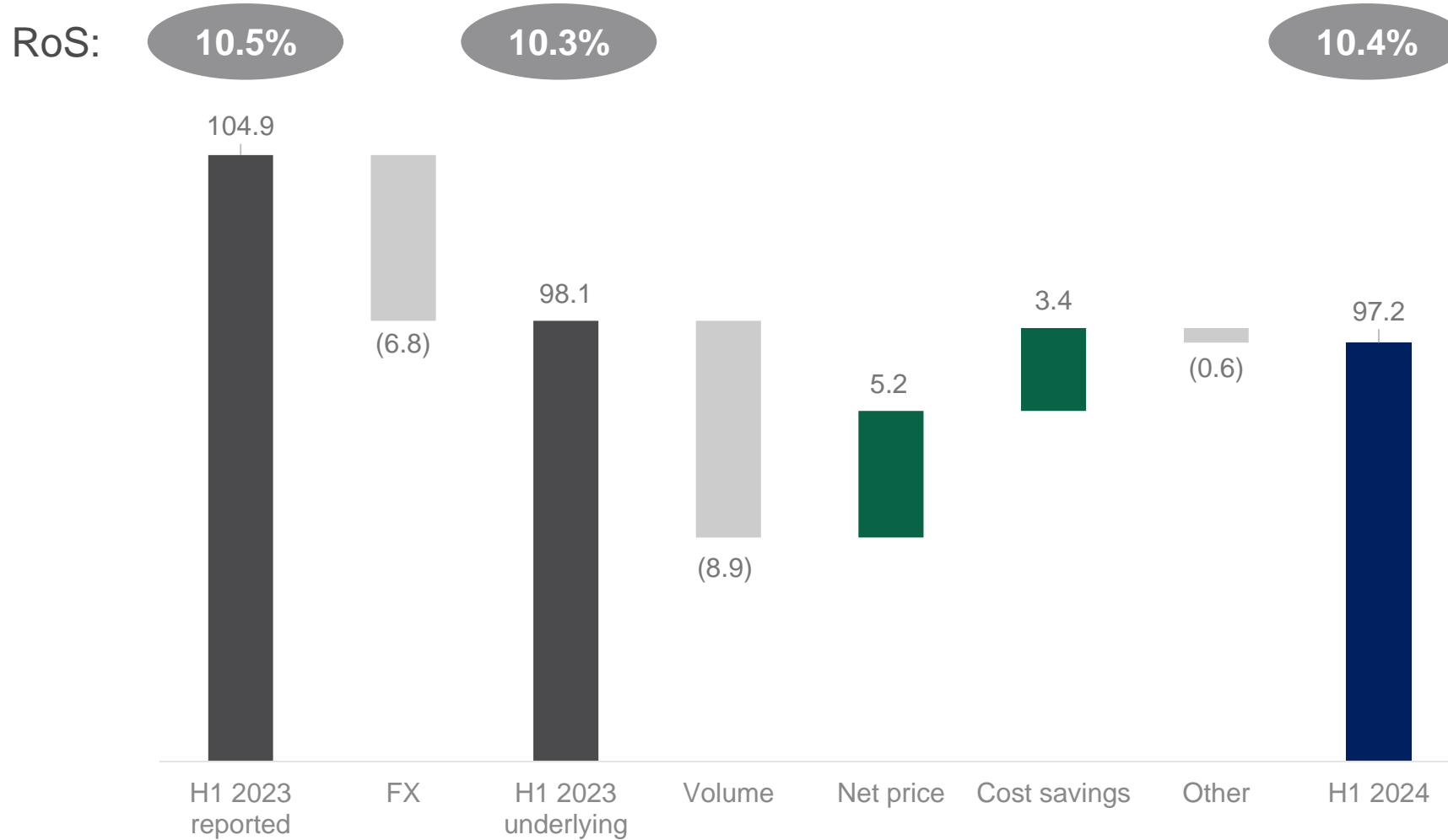


Market share gains offsetting weaker Foundry end markets

Group revenue bridge (£m)



RoS improvement despite lower volumes

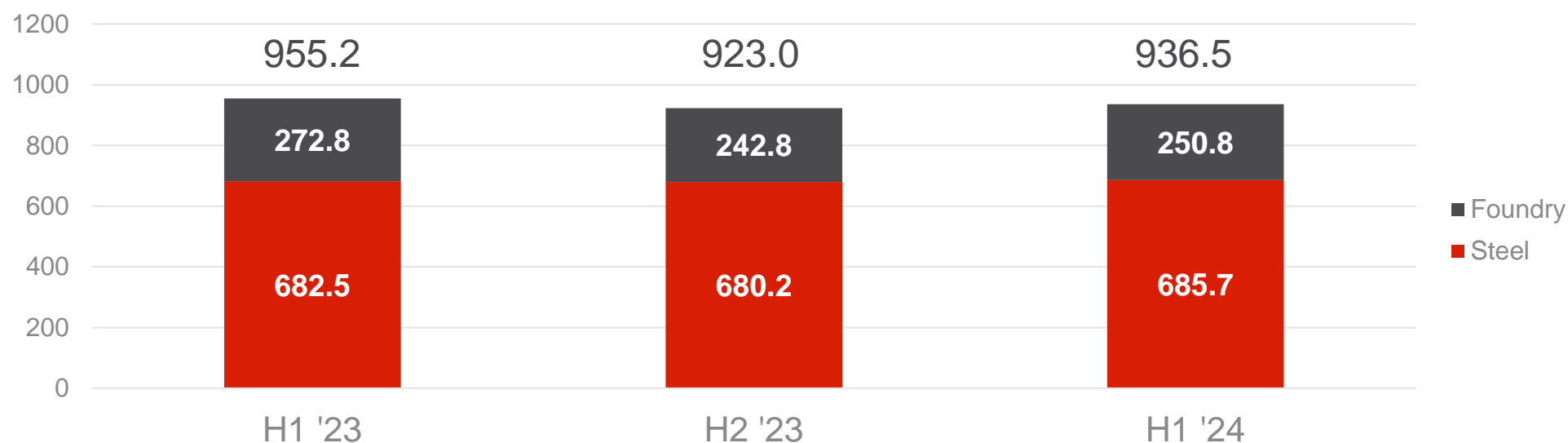


Volume impact H1 '24 vs H1 '23	Steel	Foundry	Total
Revenue	+£6.9m	(£18.3m)	(£11.4m)
Trading profit	+£1.7m	(£10.6m)	(£8.9m)
Drop-through	24%	57%	NA



Business broadly stable

Revenue £m



Trading profit £98.1 £94.1 £97.2

RoS 10.3% 10.2% 10.4%

All figures shown on a constant currency basis



Income statement

	H1 2024	H1 2023	Change (%)	
(£m unless indicated)	Actual	Actual	Underlying ¹	As reported
Revenue	936.5	995.3	(2.0%)	(5.9%)
Trading Profit	97.2	104.9	(0.9%)	(7.4%)
Return on Sales (ROS %)	10.4%	10.5%	+10 bps	(20 bps)
Post tax Share of JV Results	0.6	0.5		
Net Finance Costs	(8.0)	(5.5)		
Headline Profit Before Tax	89.8	99.9	(2.1%)	(10.1%)
Effective Tax Rate ²	27.5%	27.5%		
Headline Tax	(24.5)	(27.3)		
Non-Controlling Interest	(7.6)	(6.6)		
Headline Earnings attributable to the parent	57.7	66.0	(4.4%)	(12.6%)
Headline EPS (pence)	21.8	24.5	(2.9%)	(11.2%)
Dividend per share	7.1	6.8		+4.4%

Notes: 1. Underlying basis is at constant currency and excludes separately reported items and the impact of acquisitions and disposals.

2. Income tax associated with headline performance, divided by the headline profit before tax and before the Group's share of post-tax profit of joint ventures.

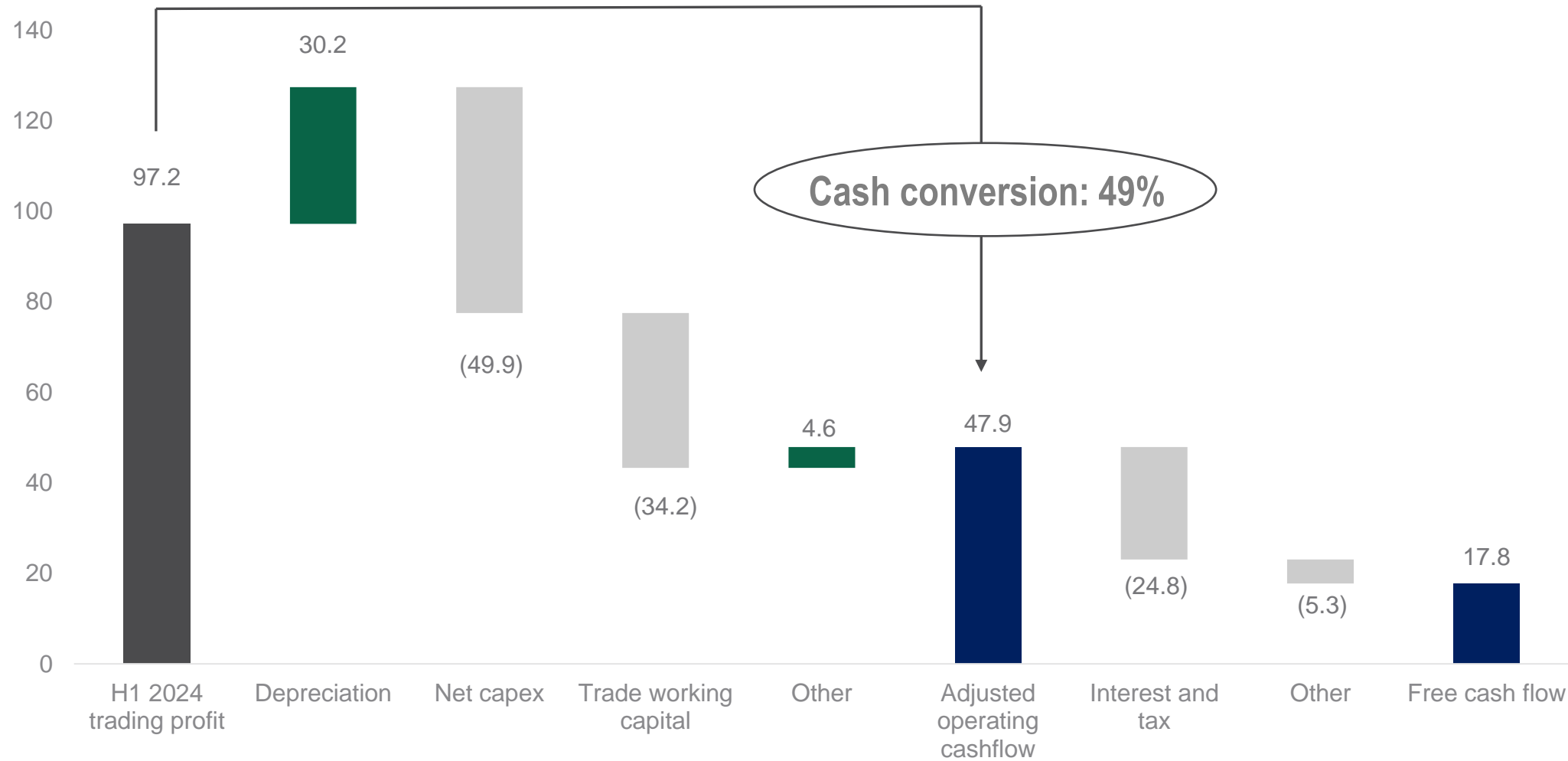
Progressing towards our working capital intensity target of 21%

Improving trend in working capital intensity ratio

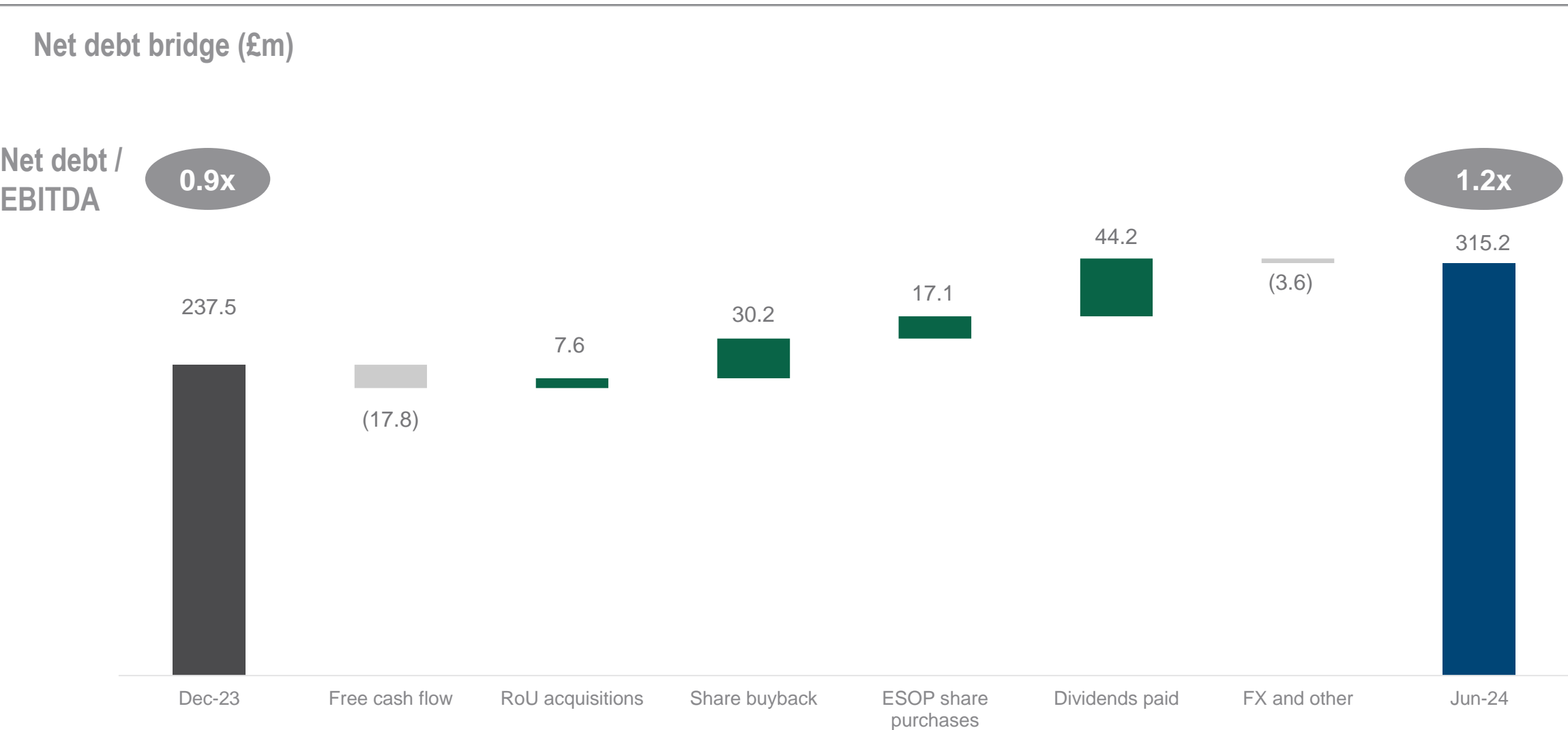


Trade working capital (TWC) values on a constant currency basis

Cashflow impacted by growth capex and seasonal working capital



Increasing net debt reflecting expansion programme and shareholder returns



Note 1: Net debt / EBITDA ratios are post IFRS-16.



Strong start to our cost savings programme



Cost savings programme fully on track

- Expect c. £6m in-year savings in 2024 (upgrade from £3m)
- 2024 exit run-rate remains £10 – 15m
- Total £30m target by 2026 confirmed

Actions planned include:

- Further headcount reduction
- LEAN processes
- Plant automation
- Plant footprint consolidation
- Warehouse rationalisation
- Simplification of support function processes
- Continued transfer of support headcount to lower cost countries
- Support function efficiency through ERP implementation



Outlook



Outlook

- The Group achieved resilient results in H1 despite difficult market conditions, particularly in Foundry
- We no longer expect a significant improvement in our end markets in the second half, with recovery most likely only in 2025
- Accordingly, we now expect our full year headline trading profit to be only slightly ahead of last year on a constant currency basis
- Beyond 2024, we remain confident in the growth potential of our steel and foundry markets and are very well positioned to benefit from the recovery in these markets once it materialises. Irrespective of the timing of market recovery, we continue to anticipate progress in our results supported by the growing benefits of our cost reduction programme, our continued investment in innovation and our capacity investments in India
- We remain confident in the achievement of our 2026 objectives as communicated during our Capital Market Day last November





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Appendix

Think beyond. Shape the future.

Technical notes and guidance for 2024, HY update

- Based on average H1 FX rates, FY23 revenue of £1,929.8m and trading profit of £200.4m would translate to c. £1,878m and £192m respectively
- Depreciation c. £65m - £70m
- Interest cost c. £14 - 16m (income statement)
- Tax - P&L effective rate c. 27.5%; cash tax broadly similar to P&L charge
- Cash capex c. £100m - 120m
- Non-controlling interest principally comprises the India business of the Steel division. NCI 2023: £12.1m
- Share buy-back: of the £50m programme, £33m executed to date with £17m to go



IFRS16 line items

	<u>H1 2024</u>	<u>H1 2023</u>	<u>FY 2023</u>
Lease liabilities	47.6	41.6	48.2
Interest on lease liabilities	1.5	1.0	2.4
Cash payments for leases	(8.4)	(8.5)	(24.2)
NBV of right-of-use assets	56.4	45.6	57.6
Depreciation on right-of-use assets	7.5	6.5	14.2

FX impact on trading profit by currency unit and by % change

Currency	Unit	Change in trading profit (£m) (approx.)	% change	Change in trading profit (£m) (approx.)	Average rate FY23	Average rate HY24	30 June 2024 rate
USD	1 Cent	0.72	1.0%	0.92	1.24	1.27	1.26
EUR	1 Cent	0.01	1.0%	0.01	1.15	1.17	1.18
INR	1 Rupee	0.44	10.0%	4.65	102.68	105.27	105.38
RMB	0.1 RMB	0.32	1.0%	0.30	8.82	9.14	9.23
JPY	1 Yen	0.03	10.0%	0.56	174.87	192.54	203.32
BRL	0.1 Real	0.46	1.0%	0.30	6.21	6.43	7.07
ZAR	1 Rand	0.002	1.0%	0.05	22.95	23.68	22.99
EGP	1 piastres	0.000	1.0%	0.02	38.12	52.66	60.66
ARP	1 pesos	0.000	10.0%	0.07	368.77	1087.81	1151.69
TRL	1 lira	0.04	10.0%	0.28	29.62	40.02	41.27
PLN	1 groszy	0.02	1.0%	0.21	5.22	5.05	5.08



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