



Presentation of the Group

- 1** Salzgitter Group
- 2** Key Data / Market Situation
- 3** Business Units
- 4** Strategy
- 5** Financials

Management of the COVID-19 impacts

Protecting employee health

- Comprehensive risk-minimizing precautions and guidelines
- Creation of transparency regarding occurrences of infection in the whole Group and detailed continuous monitoring
- Assumption of social responsibility also at our foreign locations

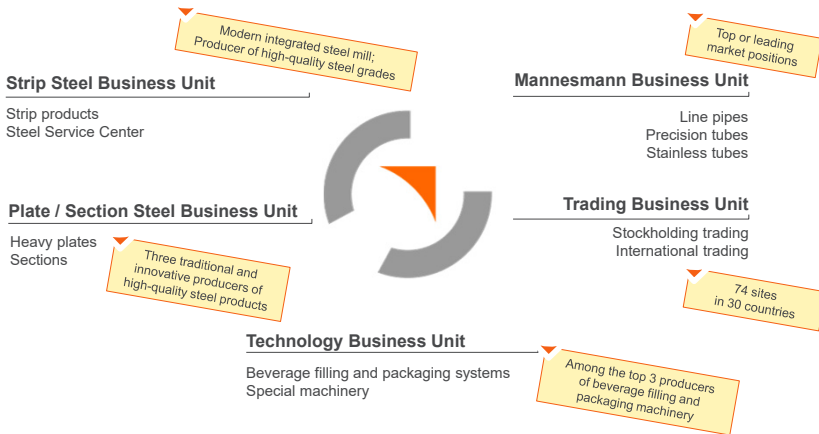


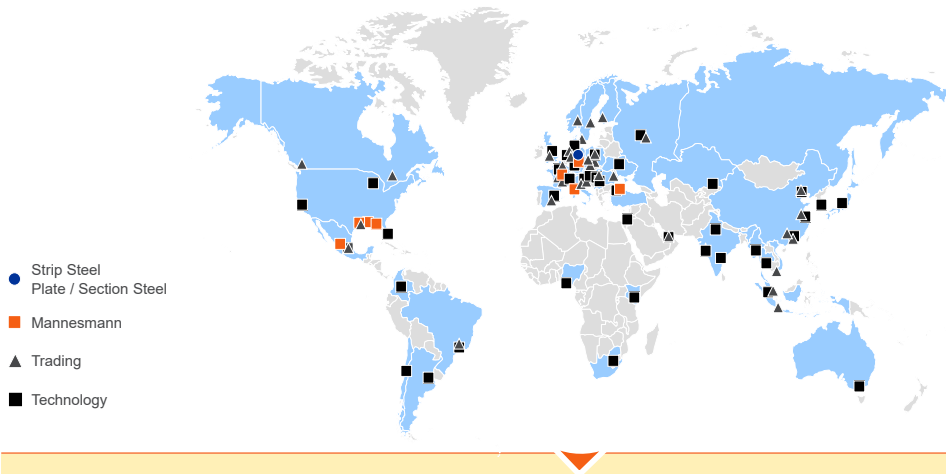
Ensuring operating ability

- Highest priority for liquidity management
- Temporary reduction of production
- Short-term work in many parts of the Group
- Saving without endangering the future: restrictive handling of new investments, but continuation of strategic investment projects

Through the crisis with consistency, transparency and stringent liquidity management!

Steel and Technology





**Crude steel production 2019: 6.6 million tons; trading volume: 3.8 million tons;
Among the top 3 producers of beverage filling and packaging machinery**



First broad-flanged beam mill in Peine, 1914



Demonstrations to save the smelting works in Salzgitter, c. 1950



1989 privatization with the sale to Preussag AG

Strip Steel BU

1937 Construction Hüttenwerk Salzgitter (Part of Reichswerke)

1964 Salzgitter Hüttenwerk AG (since 1961 part of state-owned Salzgitter AG old)

Plate / Section Steel BU

Ilseburg: est. 1595, plate since 1948

Mülheim an der Ruhr: plate since 1882

Peine: Sections since 1876

1998 Salzgitter AG

1989 Name change to Preussag Stahl AG

1970 Merger to form Stahlwerke Peine-Salzgitter AG

1880 Acquisition of Peiner Walzwerk, est. 1872

1858 Foundation Ilseder Hütte AG



First blast furnace in Ilse, 1861

Mannesmann BU

2017 Relaunch of the brand presence

2000 Liquidation of Mannesmann Group, Integration Tubes into SZ

1912 first attempts with stainless steel tubes
1897 Start of production welded steel tubes

1886 First process for the rolling of seamless steel tubes



Stock listing 1998

Technology

2007 Integration into SZAG

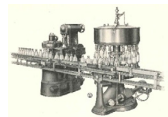
1992 - 1995 Insolvency, restructuring and end of steel production

1977 First acquisition of part. in filling technology (H & K)

1923 Foundation of steel group Klöckner-Werke AG



Cross-rolling process sketch of Max Mannesmann, pre 1885



Bottle filling line Phönix c. 1936



Privatization and acquisition of the Ilseburg rolling mill, 1992

Group structure and key data FY 2019

Salzgitter AG Group



External Sales cons.: € 8.5 billion
EBT: € -253 million

Employees: 23,354

Strip Steel

- **External Sales:**
€ 2.2 billion
- **EBT:**
€ -42.8 million
- **Employees:**
6,090

Plate / Section Steel

- **External Sales:**
€ 0.8 billion
- **EBT:**
€ -124.0 million
- **Employees:**
2,352

Mannesmann

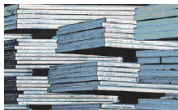
- **External Sales:**
€ 1.1 billion
- **EBT:**
€ -41.5 million
- **Employees:**
4,643

Trading

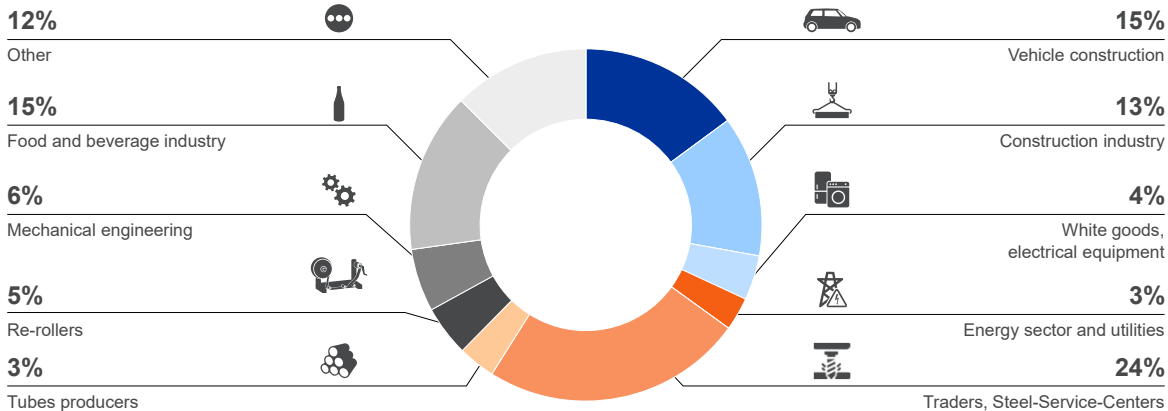
- **External Sales:**
€ 2.8 billion
- **EBT:**
€ -31.0 million
- **Employees:**
2,066

Technology

- **External Sales:**
€ 1.4 billion
- **EBT:**
€ 32.7 million
- **Employees:**
5,557

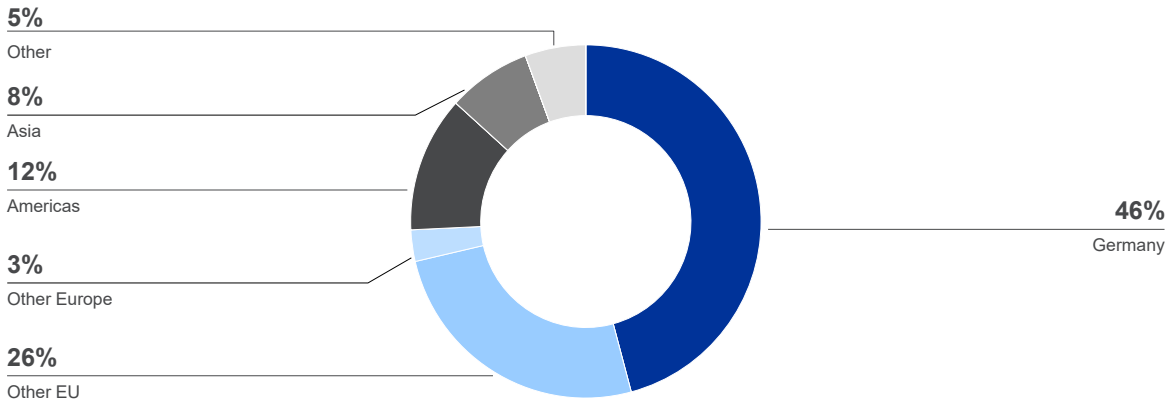


External sales 2019 by customer industries



Broad customer base

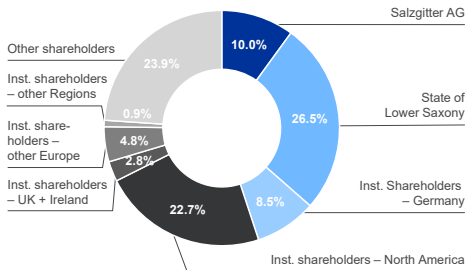
External sales 2019 by regions



Share of ex-Germany sales by consignee 54%

Shareholder structure and share turnover

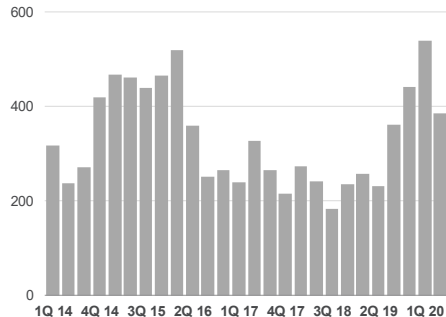
Shareholder structure



Free float: 63.5%

Treasury shares: as of July 8, 2010; other information is based on the external shareholder identification as of January 2020

Daily turnover in thousand shares



Balanced shareholder structure



High liquidity

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Key data per 2020/06/30

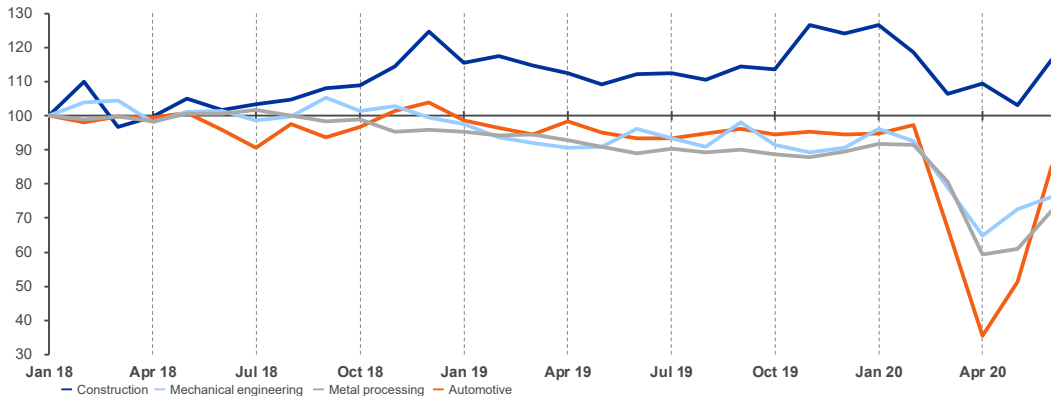
		H1 2020	H1 2019	Δ	Q2 2020	Q1 2020
Crude steel production	kt	2,952.7	3,412.1	-459.4	1,271.2	1,681.5
External sales ¹	€ million	3,631.0	4,526.2	-895.2	1,522.7	2,108.3
Earnings before tax	€ million	-127.8	145.3	-273.1	-96.4	-31.4
Earnings after tax	€ million	-144.7	96.4	-241.1	-101.0	-43.7
Earnings per share (undiluted)	€	-2.70	1.73	-4.43	-1.88	-0.83
ROCE	%	-6.3	7.9	-14.2	-10.0	-2.4
Core workforce ²		23,009	23,639	-630	23,009	23,308

¹ only from entities within the Group of Consolidated Companies of Salzgitter Group ² per reporting date

Salzgitter Group with decline of sales and earnings due to lower demand as a result of the corona pandemic

Order intake of steel consumers

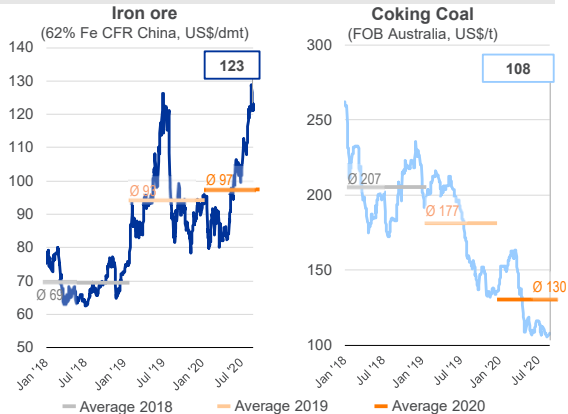
Order intake of selected branches of the German industrial sector (Jan. 2018 = 100)



After dramatic slump of order intake first stabilization tendencies

Raw materials and steel prices

Raw Materials



Hot rolled coil & Heavy Plate



Diverging raw material price development – iron ore with recent surge while coking coal remained stagnant; the current steel price setting is only conclusive to a limited extent due to the ongoing special situation

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Capabilities

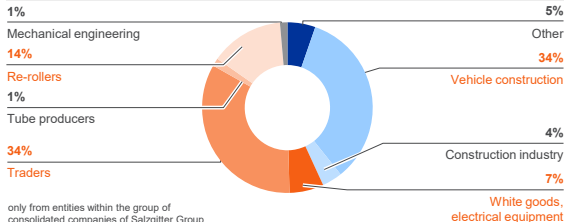
- Integrated steel works with three blast furnaces
- Approx. 4.7 mt/year crude steel capacity
- Modern production plants
- High processing competence (SSC)

Core competences and products

- High-quality steel grades for sophisticated applications
- Custom made solutions, e.g., hot-rolled and cold-rolled coil, galvanized and coated sheet, laser-welded tailored blanks, corrugated sheets, coffers, sandwich and acoustic elements
- Customer focus through local presence



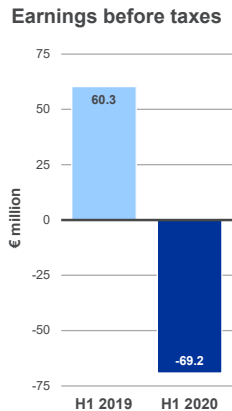
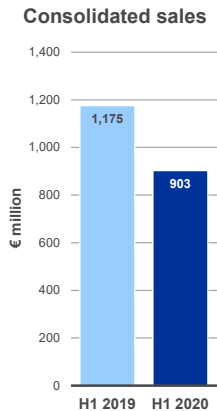
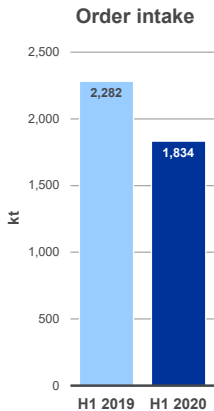
External sales by customer industry 2019



Key data FY 2019

Consolidated Sales	€m	2,209
Earnings before taxes	€m	-43
Core workforce (12/31)		6,090

Established supplier of the demanding German automotive industry



**Slump of order intake in the second half of March;
noticeably lower shipments drive decline in sales and pre-tax loss**

Plate / Section Steel



Capabilities

- Section steel:
 - Top-modern mini mill with two electric arc furnaces
 - Annual crude steel capacity 1 mt
 - Two rolling mills for medium and heavy sections



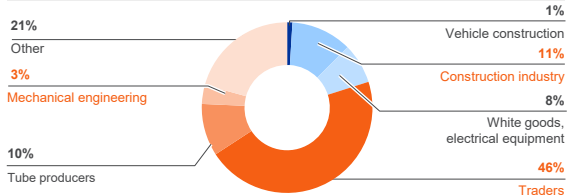
- Plate:
 - Two rolling mills for plate with 1.1 mt annual capacity
 - Plate width up to 4,800 mm

Core competences and products

- High-strength, wear resistant and specialized steel grades
- Medium and heavy sections, heavy plate incl. offshore and tube grades



External sales by customer industry 2019

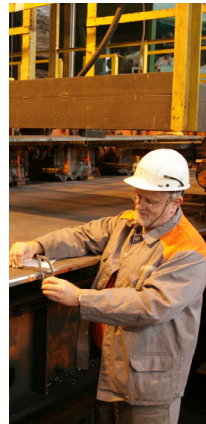
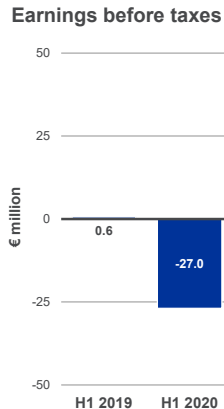
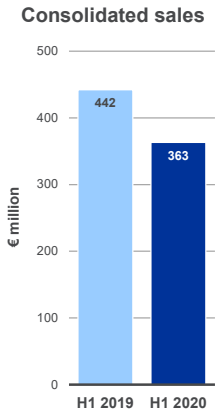
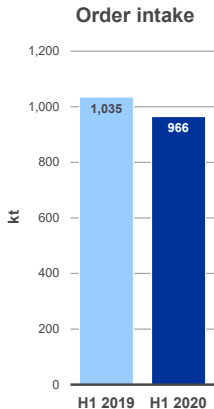


only from entities within the group of consolidated companies of Salzgitter Group

Key data FY 2019

Consolidated sales	€m	805
Earnings before taxes	€m	-124
Core workforce (12/31)		2,352

Plate: Broad range of high quality plate products
Section Steel: Efficient production



External sales below previous year's figures due to volumes and prices; insufficient earnings of the heavy plate companies caused the negative result of the business unit

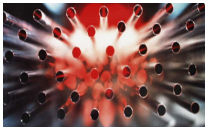


Capabilities

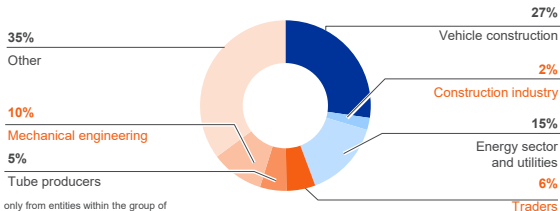
- Own crude steel supply via 30% participation in Hüttenwerke Krupp Mannesmann GmbH
- Plant for the production of semis for the seamless tubes business

Core competences and products

- Line Pipe: participation (50%) in the world market leader EUROPIPE; international presence
- Precision Tubes: European market leader
- Seamless Stainless Tubes: top player in the world market
- Longitudinal and spiral welded large-diameter pipes, medium line pipes, seamless and welded precision tubes, stainless tubes



External sales by customer industry 2019

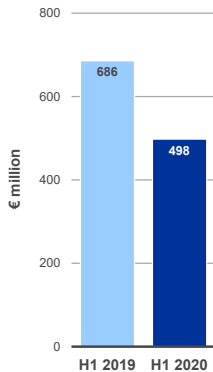


Key Data FY 2019

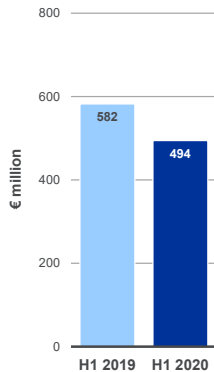
Consolidated Sales	€m	1,120
Earnings before taxes	€m	-42
Core workforce (12/31)		4,643

Global player in the high quality segment of the global tubes market

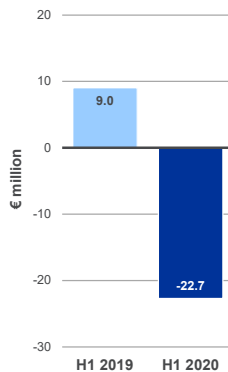
Order intake*



Consolidated sales*



Earnings before taxes



* excluding EUROPIPE-Group



**Dramatic decline of the demand for steel tubes from the oil, gas and automotive sectors;
 loss of the precision tubes segment defines the earnings of the business unit**



Capabilities

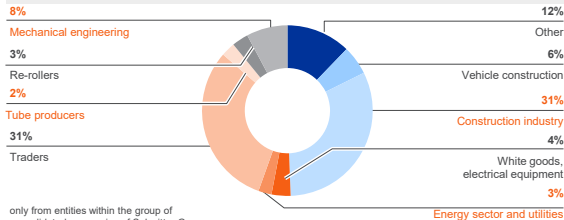
- 74 sites in 30 countries
- Own distribution network for steel products with warehousing sites in Europe
- Processing group specialized on heavy plate products
- International trading

Core competences and products

- Global presence in all relevant regions with own representation
- Distribution channel for Salzgitter Group products
- Procurement channel for Salzgitter Group works
- Value add services for customers



External sales by customer industry 2019

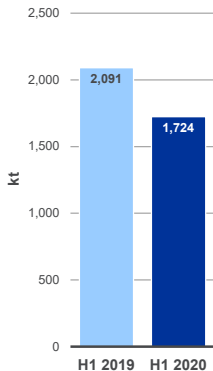


Key Data FY 2019

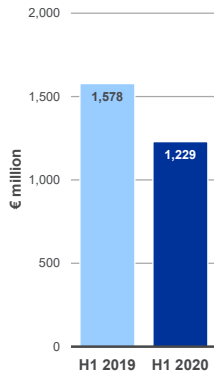
Consolidated Sales	€m	2,846
Earnings before taxes	€m	-31
Core workforce (12/31)		2,066

High customer and market orientation through a global sales organization

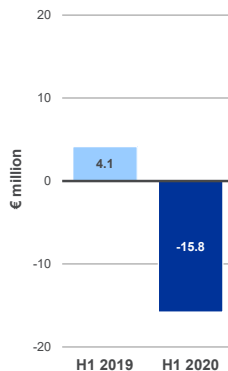
Shipments



Consolidated sales



Earnings before taxes



**Lower volumes especially in international trading;
decreased shipments and unsatisfactory pricing situation cause decline in external sales and loss before taxes**



Capabilities

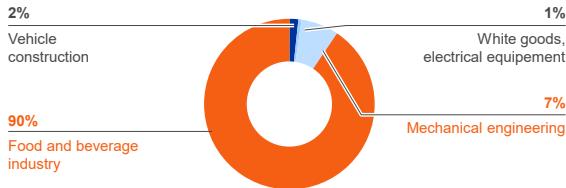
- 17 Production plants worldwide
- 60 Service sites
- > 90% of sales outside of Germany

Core competences and products

- KHS: among the top 3 global suppliers for filling and packaging machines; technology and innovation leadership
- DESMA Elastomertechnik: Global leader for rubber and silicon injection molding machines
- DESMA Schuhmaschinen: World market leader for the production of machines for the production of shoes and shoe soles
- Turn-key lines, single machines and service



External sales by customer industry 2018



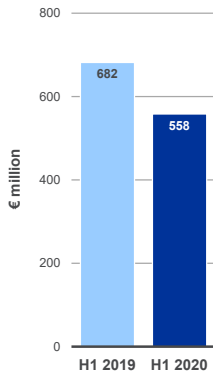
only from entities within the group of consolidated companies of Salzgitter Group

Key data FY 2018

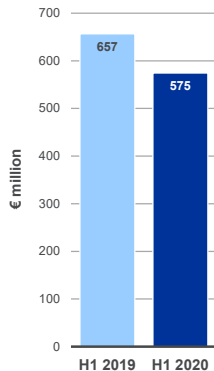
Consolidated Sales	€m	1.390
Earnings before taxes	€m	33
Core workforce (12/31)		5.557

Top 3 producer for filling and packing industry, world market leader for rubber and silicon injection molding as well as direct soling machines

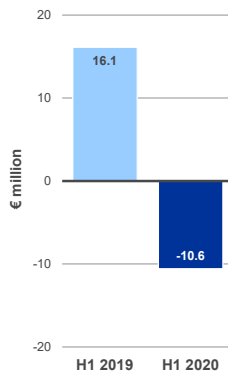
Order intake



Consolidated sales



Earnings before taxes



**Sharp decline in demand from customers as a result of the COVID-19 pandemic;
Pre-tax profit of KHS Group is unable to compensate the losses of the plastics machinery producers**

Industrial Participations / Consolidation



Comprises activities that are not directly allocated to a business unit

Core competences and participations

- Services:
 - Research and development for the Group and external customers
 - Information technology
 - Engineering services
 - Real estate- and facility development as well as management
 - Freight traffic

- Shareholdings:
 - Aurubis
 - Hansaport



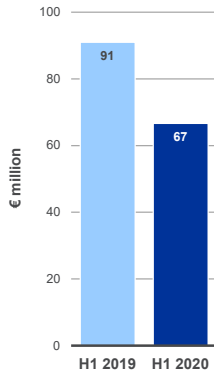
Key data FY 2019

Consolidated sales	€m	178
Earnings before taxes	€m	-47
Core workforce (12/31)		2,646

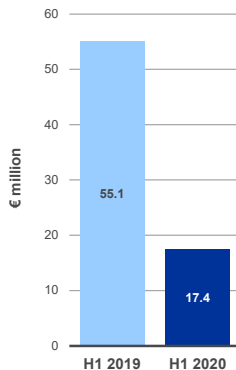
Gratifying contribution from the service companies and the Aurubis investment

Industrial Participations / Consolidation

Consolidated sales

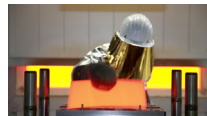


Earnings before taxes



- Contribution Aurubis investment:
 H1 2019: € 56.4 m*
 H1 2020: € 34.0 m

* thereof € 27.8 million income from an accounting adjustment through profit and loss in connection with Aurubis AG shares acquired in the first six months of 2019 at an average price below the market value of the pro rata equity of the shares

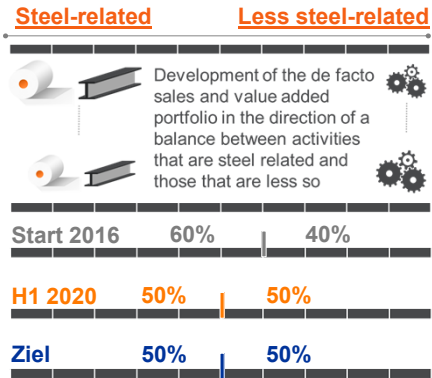


Profit before taxes includes € 34.0 million contribution from the participating investment in Aurubis AG accounted for using the equity method

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“Salzgitter AG 2021” growth strategy – goals and stipulations

Goals



Stipulations

1. Qualitative Growth

Rolled steel production and **parts of the tubes production** can only **grow qualitatively**, not quantitatively.

2. Quantitative Growth

Quantitative growth is possible **exclusively in activities apart from steel** – especially in the **Technology Business Unit**.

3. External Growth

External growth on a larger scale is **not mandatorily necessary** for the development of the business units – can, **however**, be desirable.

Diversification strategy proves to be right especially now!

“Salzgitter AG 2021” growth strategy – implementation

1. Qualitative growth in steel-related areas

Ilseburger Grobblech GmbH: New heat treatment line

- Optimization of the product portfolio
- Commissioning: 2021



Salzgitter Flachstahl GmbH: Hot-Dip Galvanizing Line 3

- Strengthening of the premium segment for automotive customers
- Commissioning: 2022



2. Quantitative growth in less steel-related activities

DESMA Schuhmaschinen GmbH: “Factory of the Future”

- Capacity expansion
- Inauguration in July 2020



Mannesmann Precision Tubes: Expansion of the plant in Mexico

- Precision steel tubes for the USMCA area
- Commissioning: Q3 2019



3. External growth

Aurubis AG

- Increase of the participation to 29.99 %



KHS GmbH

- Cooperation with Ferrum AG for can seaming



Mannesmann Stainless Tubes

- Acquisition of the stainless steel tube producer SOTEP



Salzgitter Hydroforming GmbH

- Joint Venture with Baolong for the production of hydroformed components



Our path towards a low-CO₂, hydrogen-based steel production

We are in control...

CO₂- emission allowances acquired as a precaution

- Shortfall in CO₂ allowances has been compensated for the most part until 2030
- Current market value of the CO₂ allowances acquired for this purpose exceeds the figure accounted for in the balance sheet by around € 300 million*

...and pioneer at the same time

SALCOS

Steelmaking. Reinvented.

- Significant, gradual reduction of the CO₂ emissions of Salzgitter AG
- Target: Reduction of up to 95 % of the CO₂ emissions of Salzgitter Flachstahl until 2050

The Salzgitter Group acts decisively!

- ✓ CO₂ emission allowances for the Fourth Trading Period purchased as a precaution
- ✓ SALCOS® – technological concept for CO₂-reduced steel production

*) Per ad-hoc release from June 14, 2019; the difference between recorded value and market value per August 6, 2020 is higher than € 300 million

Important building block on the way towards climate-friendly steel production

- Production of electricity via wind power and electrolytic hydrogen at the plant site
- Erection of seven wind turbines with an overall output of 30 megawatt on the grounds of Salzgitter Group
- Completion of all seven turbines is scheduled for the third quarter of 2020
- Construction of a 2.5 MW PEM electrolysis plant until end of 2020



First industrial sector coupling of “renewable power – hydrogen production – industrial consumption” at one location in Germany!

Feasibility study for the direct reduction of iron ore at Wilhelmshaven agreed upon

Study

- Construction of a direct reduction plant with an upstream hydrogen electrolyzer as well as
- Developing necessary infrastructure for supplying it with raw materials, natural gas and hydrogen at the deepwater port of Wilhelmshaven
- Results to be available by March 31, 2021 at the latest

Goal

- Production of 2 mt p.a. directly reduced iron for the processing into high-grade, environmentally compatible strip steel products in Salzgitter Flachstahl GmbH's integrated steelworks

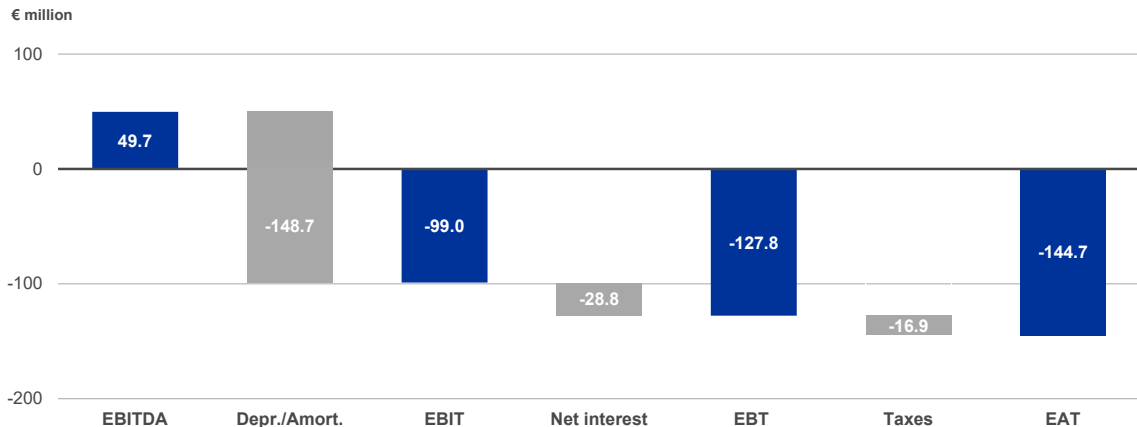
Project partners

**Lower Saxony****uni
per****RHENUS
LOGISTICS**

Another tangible step towards a low-CO₂ hydrogen-based steel production on the basis of SALCOS®



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Depreciation and net interest below previous year,
 Decline of operating volume is reflected in decreased earnings figures

Income statement

Income Statement (€ million)	H1 2020	H1 2019	Δ
Sales	3,631.0	4,526.2	-895.2
Increase/decrease in finished goods and work in process/other own work capitalized	-57.2	1.7	-58.9
	3,573.8	4,527.9	-954.1
Other operating income	132.9	91.4	41.5
Cost of materials	2,373.3	2,938.1	-564.8
Personnel expenses	846.0	890.7	-44.7
Amortization and depreciation of intangible assets and property, plant and equipment	148.7	176.4	-27.7
Other operating expenses	462.1	496.6	-34.5
Result from impairment losses and reversal of impairment losses of financial assets	-8.9	0.6	-9.6
Income from shareholdings	2.1	1.4	0.8
Result from investments accounted for using the equity method	33.3	55.1	-21.8
Finance income	3.9	10.0	-6.0
Finance expenses	34.8	39.2	-4.4
Earnings before taxes (EBT)	-127.8	145.3	-273.1
Income tax	16.9	48.9	-32.0
Consolidated result	-144.7	96.4	-241.1

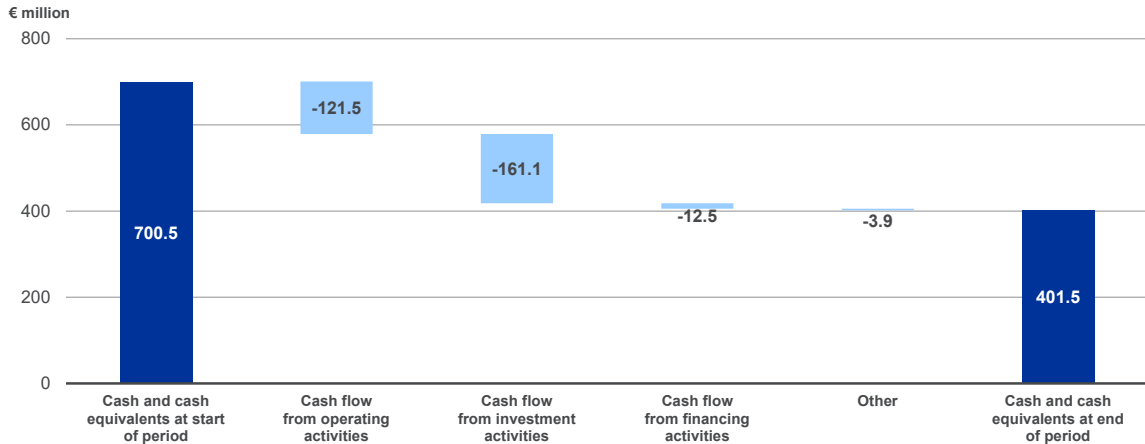
Consolidated balance sheet

Assets (€ million)	30.06.2020	31.12.2019	Δ
Non-current assets	4,128.0	4,099.0	29.0
Intangible assets, property, plant and equipment	2,385.5	2,343.0	42.5
Investment property	81.3	82.0	-0.7
Financial assets	59.5	64.7	-5.2
Investments accounted for using the equity method	1,097.1	1,072.9	24.1
Trade receivables	8.3	18.4	-10.1
Other receivables and other assets	23.2	25.6	-2.4
Income tax assets	0.1	0.0	0.1
Deferred income tax assets	473.0	492.3	-19.3
Current assets	3,996.3	4,518.6	-522.2
Inventories	2,047.0	2,248.1	-201.1
Trade receivables	1,019.1	1,118.4	-99.3
Contract assets	257.2	186.3	70.9
Other receivables and other assets	204.5	191.8	12.7
Income tax assets	24.4	22.6	1.9
Securities	38.9	50.9	-12.0
Cash and cash equivalents	401.5	700.5	-299.0
Assets available for sale	3.7	0.0	3.7
Balance sheet total	8,124.4	8,617.5	-493.2

Consolidated balance sheet

Equity and liabilities (€ million)	30.06.2020	31.12.2019	Δ
Equity	2,795.5	2,938.7	-143.2
Subscribed capital	161.6	161.6	0.0
Capital reserve	257.0	257.0	0.0
Retained earnings	2,726.6	2,845.2	-118.5
Other reserves	0.8	23.0	-22.2
Unappropriated retained earnings	12.1	12.1	0.0
Treasury shares	-369.7	-369.7	0.0
Minority Interest	7.1	9.6	-2.4
Non-current liabilities	3,564.2	3,453.6	110.6
Provisions for pensions and similar obligations	2,298.5	2,356.1	-57.6
Deferred tax liabilities	72.5	72.0	0.5
Income tax liabilities	36.5	36.6	-0.1
Other provisions	328.8	334.9	-6.1
Financial liabilities	808.5	637.1	171.4
Other liabilities	19.4	16.8	2.6
Current liabilities	1,764.7	2,225.3	-460.7
Other provisions	198.7	224.6	-25.9
Financial liabilities	287.0	430.1	-143.2
Trade payables	785.0	915.2	-130.3
Liability contracts	186.4	200.7	-14.2
Income tax liabilities	6.7	8.6	-1.9
Other liabilities	300.8	446.0	-145.2
Balance sheet total	8,124.4	8,617.5	-493.2

Cash flow statement



**Negative cash flow from operating activities characterized by the pre-tax loss;
Cash flow from investment activities reflects the progress of the two large strategic projects**

Salzgitter Group – Guidance

We anticipate that the second and third quarter will likely mark the bottoming out of the current crisis. At the same time, the strength and the timescale of a feasible macroeconomic recovery in the second half of the year are subject to great uncertainty. Against this backdrop, we anticipate the following for the Salzgitter Group in the current financial year 2020:

- a notable reduction in sales,
- a negative pre-tax result in the low to mid-triple digit million euro range and
- a return on capital employed (ROCE) that is tangibly below the previous year's figure.

Legal Note and other remarks

We make explicit reference to the fact that imponderables, including changes in the cost of raw materials, precious metal prices and exchange rates, along with global trade policy measures and their possible impact may still exert a considerable influence over the course of the financial year.

To the extent that this presentation contains statements oriented towards or related to the future, such statements are based on our current state of knowledge and the estimates based on such knowledge made by the management of Salzgitter AG. However, as is the case with any forecasts or prognosis, such statements are also subject to uncertainties and risks. Notwithstanding prevailing statutory provisions and capital market law in particular, we are not obligated to update this data. In particular, we shall not assume liability of any kind for knowledge and statements, as well as any acts resulting on the basis of such knowledge or statements that emanate directly or indirectly from the analysis of the data, content and correlations of this document. The information and data made available do not represent an encouragement or invitation to buy, sell or conduct any other type of trade in securities. Salzgitter AG shall neither assume liability for direct nor indirect damages, including lost profits, arising as a result of the utilization of the information or data contained in this document.

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