



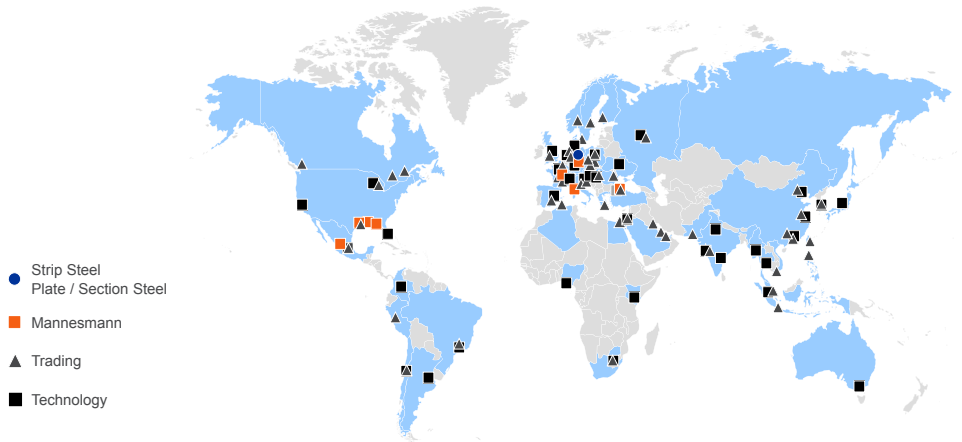
18th German Corporate Conference

Prof. Dr.-Ing. Heinz Jörg Fuhrmann, Chairman of the Executive Board

Frankfurt, January 21, 2019

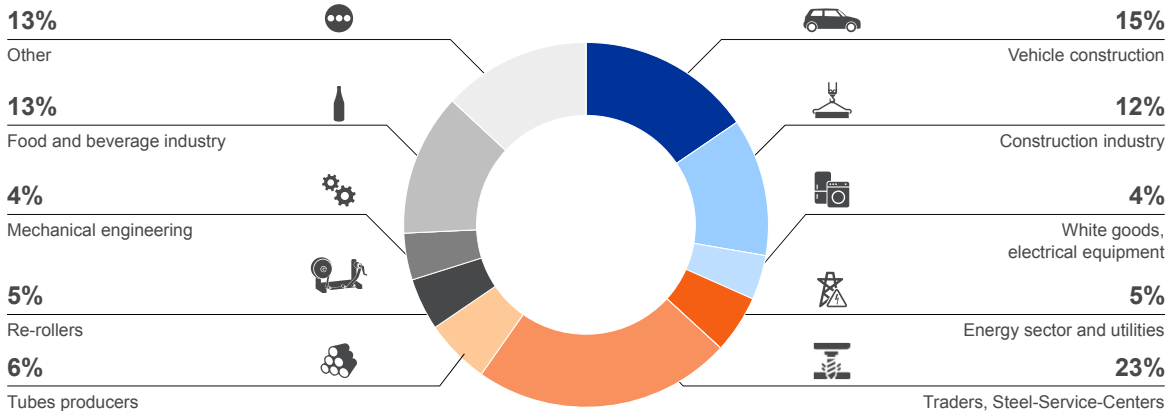


- 1 Salzgitter Group
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**Crude steel production 2018: 7.0 million tons; trading volume: 4.8 million tons;
Among the top 3 producers of beverage filling and packaging machinery**

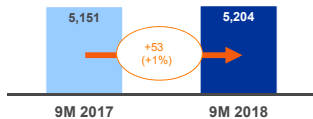
External sales 2017 by customer industries



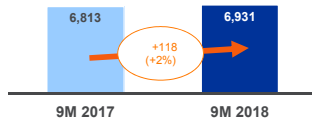
Broad customer base

Key data per 2018/09/30

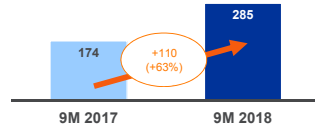
Crude steel production [kt]



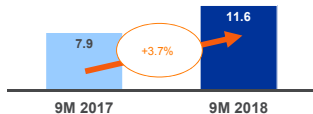
Consolidated sales [€ million]



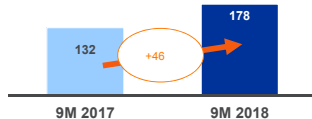
EBT [€ million]



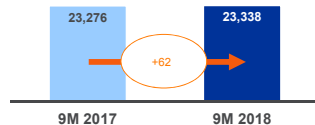
ROCE [%]



Net financial position [€ million]



Core workforce [per 09/30]



Earnings development of business units

		9M 2018	9M 2017	
Earnings before taxes	€ million	284.6	174.5	↑
Strip Steel	€ million	171.2	159.2	↑
Plate / Section Steel	€ million	14.5	-18.7	↑
Mannesmann	€ million	20.7	1.4	↑
Trading	€ million	35.2	44.8	↓
Technology	€ million	30.5	17.8	↑
Industrial Participation / Consolidation	€ million	12.6	-30.0	↑
thereof Aurubis investment*	€ million	29.2	-8.7	↑

All business units except trading (due to market influence and windfall effects in 2017) with upward earnings trend – to a large extent due to the impact of implemented measures!

*) 9M 2017 including € -80.0 million in valuation effects from the exchangeable bond

Guidance from September 19, 2018 affirmed

We continue to anticipate:

- a marginal increase in sales to above € 9 billion,
- a pre-tax profit of between € 300 million and € 350 million and
- a marginally higher return on capital employed of between 9% and 11% compared with the previous year.

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 2018.

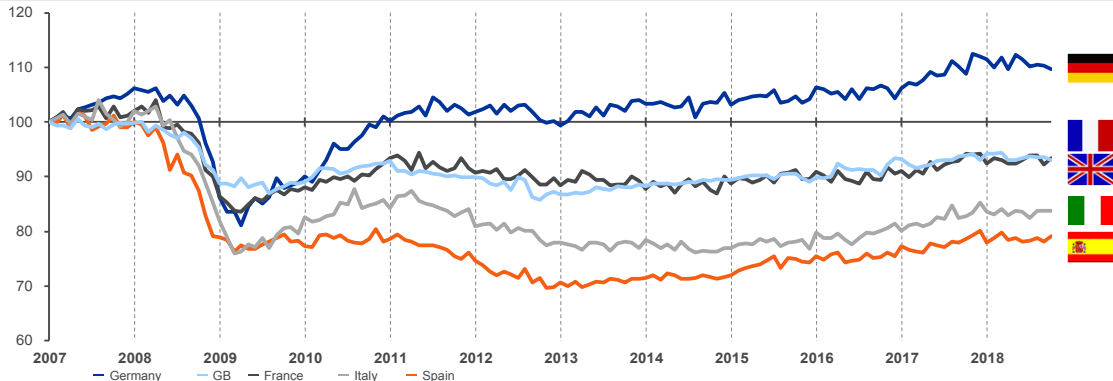
To the extent that this presentation contains statements oriented towards or related to the future, such statements are based on our current state of knowledge and the estimates based on such knowledge made by the management of Salzgitter AG. However, as is the case with any forecasts or prognosis, such 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.

For computational reasons, rounding-off differences of +/- one unit (€, % etc.) may occur in the tables. This document is also available in German language. In the event of any discrepancy, the German version shall prevail.



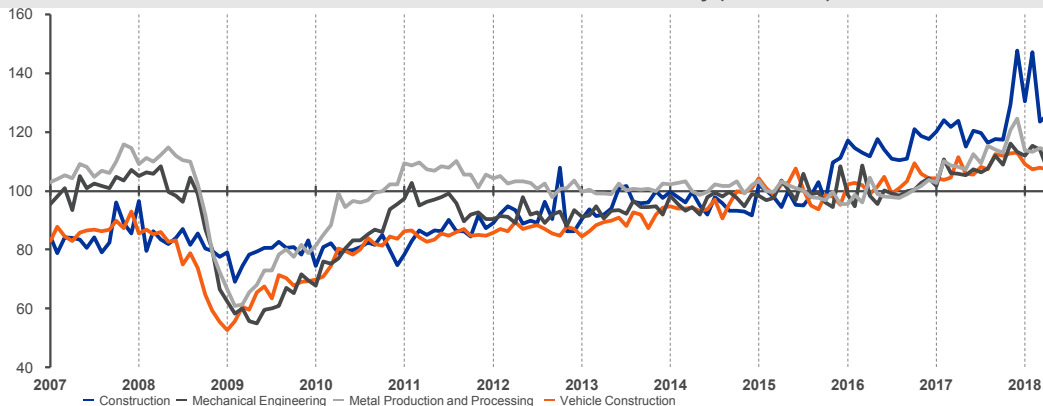
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Industrial production in selected countries of the EU (Jan. 2007 = 100)



The trend of the previous years continues: Slightly improving EU industrial production, Germany remains strong

Order intake of selected industries in Germany (2015 = 100)

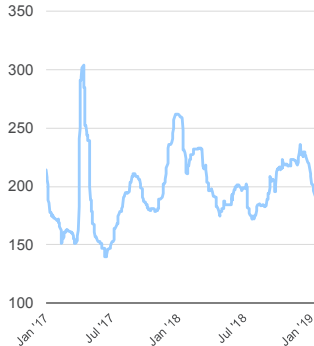


Current sentiment seems to be worse than the actual situation

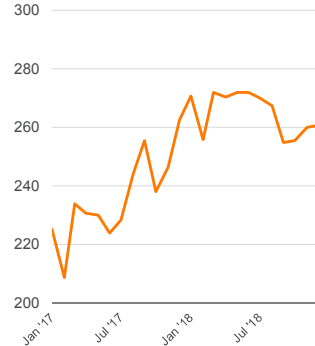
Iron ore
(62% Fe CFR China, US\$/dmt)



Coking coal
(FOB Australia, US\$/t)



Steel scrap
(grade 2/8, €/t)



Raw materials markets marked by high volatility

International measures affecting the European Union

- USA: Protective tariffs against numerous states cover almost all product groups
- March 26, 2018: Introduction of protective tariffs under the guise of national security (Section 232) in the U.S., since June 1, 2018 these also apply to imports from the EU
- September 20, 2018 Turkey: Safeguard measures for broad steel and tubes portfolio introduced

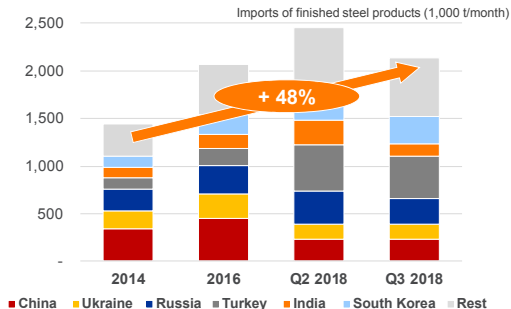


Donald J. Trump
@realDonaldTrump

We must protect our country and our workers. Our steel industry is in bad shape. IF YOU DON'T HAVE STEEL, YOU DON'T HAVE A COUNTRY!








Reaction of the European Union

- June 1, 2018: WTO complaint filed against the Section 232 tariffs of the United States
- July 19, 2018: Preliminary safeguard measures for a broad steel and tubes portfolio implemented
- February 2, 2019: Implementation of final safeguard measures



Safeguard measures

Final safeguard measures of the EU as adopted on January 16, 2019

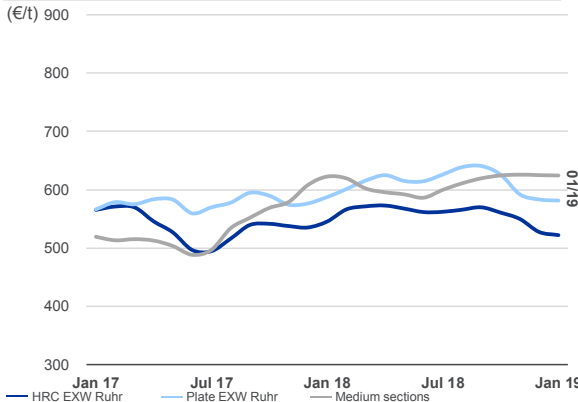
-  The EU Commission recognizes the ongoing threat of significant injury for the EU steel industry even in light of the temporary recovery
-  Country-specific quotas
-  Quarterly quotas (to prevent strategic inventory buildup)
-  Products affected now include seamless tubes
-  Quotas set to increase by 5% in February, additional quota increases subject to product specific reviews based on steel demand development
-  No country-specific quota for hot-rolled flat steel
-  Countries with an own quota are allowed to make use of the remaining residual quota in the last quarter of a period, once they have filled their country-quota



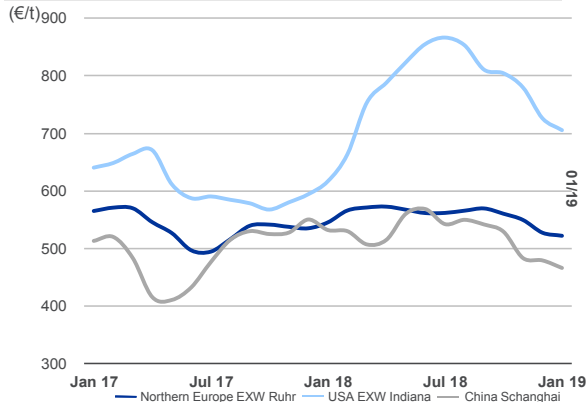
“The glass is 60% full”

Final safeguard measures are an important step forward!

Spot prices Northern Europe



Hot-rolled coil prices international



Following a period of recent rises, steel prices are consolidating at the moment; different trading policies result in regional price variations



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Structural measures 2012-2018

SZAG 2015

Other programs
(since end of 2016 combined
under FitStructure SZAG)

2012 – 2016

€ 260 million p.a.

€ 340 million p.a.

€ 600 million € p.a. earnings improvement potential



2012-2018

Initial Emphasis inevitably on restructuring and cost reduction measures

What we intend in the coming years

Restructuring – 2019-2021 additional € 80 million p.a. earnings improvement potential

FitStructure

- Focus on Mannesmann and Technology business units

Growth – around € 240 million p.a. additive earnings contribution

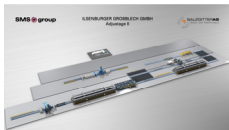
Strip Steel

- Growth in target segments by shifting steel grade portfolio towards hot-dip galvanized material



Plate / Section Steel

- Volume increase of higher quality grade such as wear-resistant and high-strength plate



Mannesmann

- Internationalization and extension of the value chain



Trading

- Expansion of the digitalization and pre-processing activities



Focus on innovation and growth – the dynamism started in 2012 will be maintained

Activities in 2019

Aurubis

- Increase of the shareholding back to 25%

**SOTEP**

- Internationalization and expansion of the value chain of Mannesmann Business Unit through the acquisition of the French stainless steel tubes specialist SOTEP



Le tube en formes
The tube in its many forms

Hydroforming joint venture

- Strengthening of the market position in China, cooperation with a leading Chinese manufacturer of components for the automotive industry



Additional M&A transactions are realizable

“Only when the tide goes out do you discover who's been swimming naked.” Warren Buffett





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