



Press release

SIJ GROUP'S PERFORMANCE IN 2021

Ljubljana, 7 April 2022 – **Annual Report of SIJ Group and SIJ d.d. for 2021: Building on solid foundations and harnessing the favourable economic environment and strong demand in the steel markets in 2021, SIJ Group recorded its highest earnings to date in 2021.**

Today SIJ d.d. published the audited Annual Report of SIJ Group and SIJ d.d. for 2021. According to the audited financials for 2021, SIJ Group generated EUR 962.7 million in sales revenue, up 36.8 percent from the preceding year. It generated an EBITDA of EUR 100.8 million in 2021, 2.7 times higher than in 2020. The EBITDA margin stands at 10.5 percent, up 5.1 percentage points compared to the preceding year. The 2021 net profit stood at EUR 29.2 million. The NFD/EBITDA indicator decreased significantly compared to the year before and stood at 2.0 in 2021. The Supervisory Board of SIJ d.d. considered and adopted the audited Annual Report of SIJ Group and SIJ d.d. for 2021 at its meeting held on 30 March 2022.

“Our strategic focus on niche markets, efficiency and sustainable development has proven to be the right way forward. Harnessing favourable market conditions, we realized our potential and reached record revenues in 2021, further consolidating our position in key markets. Keeping our focus on the customer, producing higher value-added products and sustainable growth, flexibility and working closely with our customers and suppliers, we successfully faced the challenges of the second half of the year, which mainly involved increasing prices of energy and certain raw materials,” said **Andrey Zubitskiy, President of the Management Board of SIJ Group.**

Having established a market presence in over 70 countries worldwide, SIJ Group remains one of Slovenia's top exporters. SIJ Group generated 85.2 percent of its total sales revenues in foreign markets in 2021, with Germany and Italy remaining our most important markets. In October 2021, we launched a new ESR4 electroslag remelting device at SIJ Metal Ravne, which will allow us to increase the production capacity of the purest steels and increase sales of tool steels for the most demanding industries by 60 percent. We have made a strong and successful entry into the aerospace market and we are pleased to have secured new orders for delivery in 2022.

In 2021, in addition to the planned investments, SIJ Group also implemented some of the projects from 2020, spending EUR 56 million on investments last year. In February, the group signed a new seven-year syndicated agreement worth EUR 230 million with a syndicate of nine foreign and domestic banks to provide additional liquidity reserves for the long-term development of SIJ Group and financing of investments that, in accordance with the strategy until 2025, will be aimed at increasing production efficiency and sustainable development, environmental projects, circular economy and energy efficiency.

In September 2021, SIJ Group became a member of the international organisation ResponsibleSteel, the first global initiative for standardisation and certification of responsible and sustainable practices in the steel industry. Certification from this organisation is anticipated in 2024. SIJ Group's production processes already generate carbon emission levels that are significantly under the global average. We are continually working on reducing our carbon footprint. Our goal is to achieve a 44-percent reduction in greenhouse gas emissions by 2030, relative to the 2005 baseline.

At the end of 2021, SIJ Acroni launched a new line for magnetic separation of steel scrap to increase the purity of steel scrap, reduce the possibility of emergencies, and improve working conditions. In November, SIJ Metal Ravne introduced a new integrated system for dedusting and capturing diffuse emissions from the electric arc furnace in the steel plant.

For the time being, SIJ Group is not experiencing any specific consequences from the developments in Ukraine. We have enough raw material stocks and orders, so our production and business processes are running normally. The order situation in all steel programmes is favourable and the production capacities in all SIJ Group companies are fully utilised. However, we are facing the same challenges as the whole European and global economy. We mitigate energy and raw material price increases with alloy, scrap and energy surcharges to maintain profitability. The degree of uncertainty is high across the entire European economy; therefore we are unable to reliably assess all the consequences at this point. But once again we are proving to be a reliable and flexible business partner.

Find out more at:

SIJ – Slovenska industrija jekla, d.d.

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