



Press Release

SIJ GROUP CLOSED THE YEAR 2022 WITH RECORD RESULT

Ljubljana, 21 April 2023 – Today, SIJ d.d. released the audited Annual and Sustainability Report of SIJ Group and SIJ d.d. for the year 2022.

SIJ Group marked its best financial result to date. In the first half-year period of last year, they harnessed high market demand, albeit overshadowed by an exceptionally challenging business environment – surging prices of energy, energy market volatility, supply chain disruptions, rising prices of raw materials, and effects of geopolitical events. It was therefore necessary for SIJ Group to prove its ability to adapt. A strategic focus on niche markets, constant investments in improvements of efficiency and new, solid steps made towards sustainable development have all proved to be the correct way forward.

According to the audited consolidated financials, SIJ Group generated EUR 1,302.9 million in sales revenue in 2022, which is a 35.3 percent increase from the preceding year and the highest result to date. With an EBITDA of EUR 180.2 million and an EBITDA margin of 13.8%, they generated a net profit of EUR 92.6 million. In accordance with their business model, they passed the highest energy prices on to the buyers. Even though production volumes were lower compared to 2021, they were still able to generate higher sales revenue and improve other financial indicators, as well.

SIJ Group also closed the year as a financially stable entity with high liquidity, resilient enough to counter the constantly changing circumstances, particularly in terms of energy and financial markets. At the beginning of 2022, the banks showed confidence towards the Group's business strategy. An international syndicate of nine international and domestic banks with NLB as the principal underwriter, signed a EUR 230 million seven-year syndicated loan agreement with SIJ Group's two largest steel companies. The purpose of the loan is to provide adequate liquidity and reserves for future years, as well as funding for investments to improve production efficiency, develop environmental projects, promote sustainable development and follow the principles of a circular economy. SIJ Group's net financial debt in 2022 increased by EUR 34.6 million, driven by EUR 61.4 million worth of investments and liquidity financing. The NFD/EBITDA ratio improved from 2.0 to 1.3.

SIJ Group is traditionally ranked among Slovenia's largest exporters. Its share of exports remained high, reaching as high as 84.6 percent. The percentage of exports is even higher than that, since the figure does not factor in indirect exports through Slovenian customers. Germany and Italy remain SIJ Group's largest export markets. Last year, the business environment required Slovenia's steel group to exercise particular care due to Russia-Ukraine conflict-related geopolitical developments. SIJ Group was not affected by any direct consequences. The impact of economic sanctions on SIJ Group's business operations was no different from their impact on the entire European and global economy.

“Thanks to our flexible approaches and swift decision-making processes, we have proved once again that we are able to manage risks and continue implementing our business strategy, which has been set out until the year 2025. We continued pursuing our goals, strengthening our financial stability, reinforcing our position as a leader in niche markets, and building our reputation as an employer of choice. We added commitments toward sustainability to our business objectives. In the first half-year period of 2023, we will also be expanding our Sustainable Development up to the Year 2030 by adding a decarbonisation plan, supported with an investment plan,” said **Andrey Zubitskiy, President of the Management Board of SIJ Group**, as the Report was released.

For the first time this year, the Annual and Sustainability Report of SIJ Group and SIJ d.d. for 2022 was prepared in accordance with the internationally recognised Global Reporting Initiative (GRI) standard. From now on, SIJ Group will also be including sustainable development indicators in its reports, and by improving said indicators, they will be implementing their strategic objectives. The accuracy of reported data has been confirmed by authorised third-party verifiers.

At the end of 2023, SIJ Group also has plans to become certified under the strict ResponsibleSteel standard, which will rank them among the world’s most responsible and sustainability-oriented steel producers.

SIJ Group is a leading European producer of stainless and specialty steels. We are committed to achieving climate goals on a global and EU level, and operate according to the principles of circular economy. Our steels and our products establish us as a partner for Europe’s green transition. At the end of 2023, SIJ Group plans to become certified under the strict ResponsibleSteel standard, which will rank us among the world’s most responsible and sustainable steel producers. Our largest companies are modern recycling steel mills, and our steel is recycled, as it is produced from steel scrap. With a headcount of over 3,800, we are one of Slovenia’s largest employers and are a cornerstone of Slovenia’s steel sector. We rank among Slovenia’s leading exporters, as we generate approximately 85 percent of our total revenue on foreign markets.

Find out more at:

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