



MARCEGAGLIA: CLOSED WITH OUTOKUMPU PURCHASE OF LONG STAINLESS PRODUCTS ASSETS, INCLUDING A STEEL MILL

Gazoldo degli Ippoliti, January 3, 2023 – Today the Marcegaglia Group closed the acquisition of 100% of all the major companies in the stainless-steel long products division of Outokumpu, the Finnish multinational world leader in stainless steel production and among the recognized champions of sustainability.

The deal, announced in July last year, was waiting for the green light from the competition authorities: the approval to proceed came in mid-December 2022 from both the European Commission and the US Competition Authority.

The total consideration of the transaction on a debt and cash free basis was approximately EUR 228 million. The transaction includes five plants spread across Europe and the USA, including an electric furnace steel mill for specialty steels in Sheffield (UK), where the wire rod rolling plant and bar production plant are located. In addition, there is a bar production plant in Richburg (USA); a wire rod hot rolling plant and a drawn wire production plant in Fagersta (Sweden). These units ended 2022 with a total turnover of almost 1.3 billion euros and employ approximately 650 people.

The names of the new companies joining the Marcegaglia Group have been defined: Marcegaglia Stainless Sheffield Limited (controlled by Marcegaglia Steel); Marcegaglia Stainless Richburg LLC (controlled by Marcegaglia USA INC) and Fagersta Stainless AB (controlled by Marcegaglia Specialties).

«This is the greatest acquisition made so far in our history» **commented Antonio and Emma Marcegaglia, president and vice president, respectively, of the Group** «an operation that allows us to realize important industrial synergies and to move forward on the path of developing products ever more sustainable and competitive. With this acquisition we further strengthen our business in the flat market and reinforce our stainless-steel portfolio with long products, a market in which we had a small presence and in which we are now becoming a significant player in Europe. On top of that, we close a circle, fulfilling our father Steno's dream of investing in primary steel production».

The transaction, for the Marcegaglia Group, was followed as financial advisor by Intesa Sanpaolo (IMI Corporate & Investment Banking Division), for financial DD, fiscal DD and business advisory activities by PwC and as legal advisor by Studio Cappelli RCCD.