



MARCEGAGLIA: AGREEMENT WITH OUTOKUMPU TO TAKE OVER LONG STAINLESS PRODUCTS ASSETS

An electric steel mill in Sheffield, among the plants to be acquired

Gazoldo degli Ippoliti, 13rd July 2022 - The Marcegaglia Group signed an agreement to acquire 100 percent of all the major companies in the stainless-steel long products division of Outokumpu, a Finnish multinational world leader in stainless steel production and among the recognized champions of sustainability.

The transaction includes an electric furnace steel mill for specialty steels; a wire rod rolling plant and a bar production plant in Sheffield (UK); a bar production plant in Richburg (USA); and a wire rod hot rolling plant and a drawn wire production plant in Fagersta (Sweden).

The division achieved revenues of 810 million euro in 2021 with an Ebitda of 47 million euro, employing about 700 people. The total value of the transaction (enterprise value) comes to 228 million euro.

The parties expect to complete the transaction by the end of this year, after the go-ahead from the Competition Authorities.

For the first time in its history, the Marcegaglia group is investing in a primary steel production. A strategic operation with a strong symbolic value: in 1913 it was actually in Sheffield that stainless steel was born and developed.

"Thanks to this important transformational investment, our group further strengthens its special steels business", **commented Antonio and Emma Marcegaglia, president and vice president, respectively, of the Group**, "through two strategic lines. The first concerns stainless steel flat products, where a partial upstream integration of the value chain is achieved with a view to shortening and stabilising supply chains and developing an increasingly sustainable and competitive products offering. The second one, significantly expanding the production of long stainless-steel products and further enriching the range of products and types of steels. The operation is further aimed at consolidating our position in international markets by acquiring additional market share in both Europe and North America".

Through this transaction, thanks to innovation, deployment of low-carbon technologies and resource efficiency, the Marcegaglia group is accelerating on its significant path to reduce energy consumption and GHG emissions.

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.