

## PRESS RELEASE

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### LIBERTY Ostrava reports strong 2021 results

- **Strong 2021 results with a doubling of turnover and increase in EBITDA**
- **LIBERTY confirms its commitment to Ostrava's GREENSTEEL transformation plans**

LIBERTY Ostrava, the leading steel producer in the Czech Republic, has reported strong results for the year to 31 March 2022. The results highlight the success of the company's commercial, operational and financial progress over the last few years, which is expected to help the business successfully manage the current challenging economical and geopolitical conditions.

For the year to 31 March 2022 LIBERTY Ostrava reported net turnover of CZK 56.5 billion (EUR 2.3 billion), which represents a 109% increase compared to the annualised previous nine month period ended 31 March 2021 when the company reported a turnover of CZK 22.0 billion (EUR 842 million). The company achieved EBITDA of CZK 8.1 billion (EUR 332 million) and a net profit of CZK 6.1 billion (EUR 250 million).

Costs increased significantly to CZK 48.4 billion (EUR 1.98 billion) in 2021, up from CZK 21.5 billion (EUR 822 million) in the previous nine month period, due to increased raw material, distribution and energy costs, while the business has also invested in a range of modernisation projects, and team development, recruitment, and training.

In April LIBERTY Ostrava reported its strongest annual production levels since its acquisition in July 2019 with production levels of 2.28 million tonnes of liquid steel in 2021, up 33% on 2020 and the highest since 2016. The production increases and the strong results are due to over CZK 2 billion of support in operational and technical improvements implemented under LIBERTY's ownership as well as the significant efforts of Ostrava's employees, who helped maintain production throughout the COVID-19 pandemic.

The business has successfully mitigated any supply issues potentially raised by the situation in Ukraine and its strong performance in 2021, underpinned by improved commercial and operational structure, is expected to help the company navigate the challenges of 2022, which include higher working capital needs, increased costs of distribution and logistics as well as continuing high levels of imports from outside the EU.

Ajay Aggarwal, President LIBERTY Steel Group Europe and Chairman of the LIBERTY Ostrava Board of Directors stated: "These results highlight the turnaround progress at LIBERTY Ostrava, which has achieved the best financial, operational, and management results since the business was acquired in 2019. Last year we capitalized on the favourable market conditions by achieving the best production results since 2016, doubling turnover and increasing the quality of our products and services. I am grateful for the continued commitment and effort shown by our employees. Although, we are now

operating in a more challenging economic and geopolitical context, I remain confident that by focusing on effective costs management LIBERTY Ostrava is in a good position to overcome the current market challenges.”

Sandip Biswas, Chief Investment Officer for GFG Alliance and Interim CEO for LIBERTY Primary Steel and Mining, said: “We remain committed to building a sustainable future for LIBERTY Ostrava by transforming the plant into a GREENSTEEL producer by 2030. By investing our profits in decarbonisation technology and in upskilling and reskilling our workforce, we believe we can contribute to the sustainable development of the Czech economy for years to come.”

LIBERTY Steel Group plans to invest billions of Czech Korunas in the LIBERTY Ostrava GREENSTEEL transformation programme over the course of the next eight years so that is carbon neutral by 2030. The key element of the CN30 programme will be the replacement of the steelwork’s existing four tandem furnaces with two hybrid electric arc furnaces and the building of a new power line, allowing the use of a higher volume of steel scrap and a range of different charge materials, reducing reliance on imported coal and iron ore and significantly reducing CO2 emissions.

In addition to the modernisation of the steel shop, the transformation will also include an extensive modernisation of the steel rolling mills, which will improve the quality of steel and expand the product portfolio with high added value products. The investment programme will also see the creation of a renewable power plants for electricity production as well as the development of the GREENSTEEL Academy, which aims to upskill the plant’s current workforce and encourage new people into the industry.

**Note to editors:**

<b>Barbora Černá Dvořáková</b> Head of Communications LIBERTY Ostrava	+420 606 774 346	barbora.cerna-dvorakova@libertysteelgroup.com
<b>Paddy Toyne-Sewell</b> Head of Communications - Europe GFG Alliance	+44 (0) 7767 498 195	Patrick.toyne-sewell@gfgalliance.com

**LIBERTY Ostrava** is an integrated steel business with an annual production capacity of approximately 3.6 million tonnes per annum serving construction, machinery and oil & gas industries. The company is a domestic leader in the manufacture of road barriers and tubes. In addition to the Czech market, it supplies its products to more than 40 countries around the world. Together with its subsidiaries in Ostrava, the company has 6,000 employees. The company manufactures its products with a minimum possible environmental footprint. It is part of LIBERTY Steel Group. [www.libertysteelgroup.com/cz/](http://www.libertysteelgroup.com/cz/)

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