

STEEL DIVISION

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The Steel Division delivered a very strong performance in the 2025/26 business year, even though the European steel market was characterized by subdued demand, high import volumes, and low utilization of European production capacity for much of the reporting period.

The blanket tariffs of 50% on all steel imports into the United States imposed by the U.S. at the beginning of the 2025/26 business year had no direct financial impact on the voestalpine Steel Division, but they did place additional pressure on the European market due to diversion effects on global steel supply flows. Trade policy protection measures in the European Union, such as the planned post-safeguard regulations and the Carbon Border Adjustment Mechanism (CBAM), subsequently increasingly came into focus.

The post-safeguard measures, which are intended to replace the current regulations set to expire on June 30, 2026, were well received by the market. The new provisions now create a significantly more effective regulatory framework to protect the EU steel sector from global overproduction and trade diversion. Formal entry into force is expected by June 2026 at the latest.

The entry into force of the European CBAM system on January 1, 2026, also marked an important step forward for the European steel industry. This system ensures equal treatment of steel imported into Europe and steel produced in Europe with regard to the costs of CO₂ emissions. Although this system still requires further adjustments regarding anti-circumvention measures and export regulations, it led to an improvement in the market situation for European steel producers in the last quarter of the 2025/26 business year.

This resulted in increased demand and price increases toward the end of the 2025/26 business year.

In this challenging environment, which persisted for much of the reporting period, the Steel Division benefited from its consistent focus on high-quality steel sheets for technologically demanding applications, as well as its targeted access to premium market segments that place particularly high demands on material quality, and was able to continue its very strong performance.

In detail, the market segments developed as follows:

Throughout the 2025/26 business year, demand from the **automotive industry** for high-quality steel sheets remained stable. Although European passenger car production figures were down, the Steel Division was able to maintain its delivery volumes at a consistently high level thanks to high delivery reliability and active market development.

The **construction industry**, particularly building construction and industrial construction, remained subdued throughout the reporting year. Despite interest rates reaching a level neutral for the economy, a revival in investment and construction activity was still some way off. No significant changes resulted from this throughout the 2025/26 business year.

In the **household appliance and consumer goods industry**, demand remained subdued throughout the 2025/26 business year. No turnaround was in sight by the end of the reporting period.

Demand in the **mechanical engineering industry** initially remained at a low level throughout the 2025/26 business year, characterized by cautious investment activity in Europe.

The **energy sector** was a key pillar of the division's positive overall performance throughout the 2025/26 business year. The project landscape for international pipeline projects and the offshore industry continued to develop in a stable and positive manner. The high and complex requirements of these projects underscore the Steel Division's specialization in high-quality heavy plate as well as its position as a leading supplier in this segment.

The implementation of the first phase of the greentec steel transformation project at the Linz site in Austria proceeded according to plan in the 2025/26 business year. The project is a central component of the long-term decarbonization strategy and strengthens the Steel Division's strategic position as a quality leader in climate-friendly steel products.

FINANCIAL KEY PERFORMANCE INDICATORS

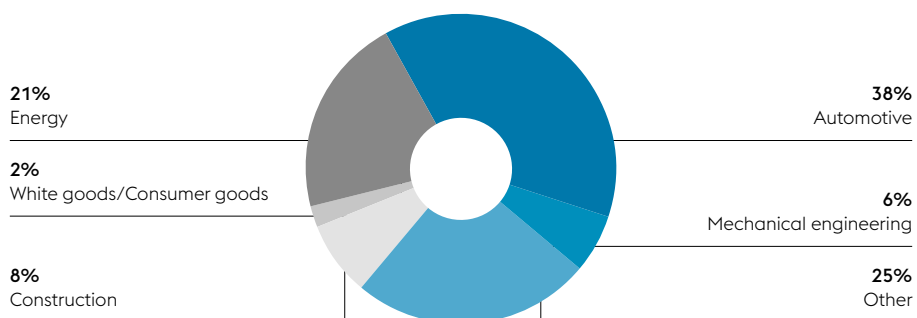
The 2025/26 business year in the Steel Division was characterized by strong capacity utilization with high production and shipment volumes. As raw material prices fell, revenues also declined slightly on average compared to the previous year. Accordingly, the division's revenue decreased slightly by 1.2% from EUR 5,799.1 million in the 2024/25 business year to EUR 5,730.6 million in the 2025/26 business year. In contrast, the Steel Division increased its operating profit (EBITDA) by 9.0% from EUR 743.8 million (margin 12.8%) to EUR 810.5 million (margin 14.1%). While lower raw material costs largely offset the decline in selling prices, the increase in production and shipment volumes had a significantly positive impact on earnings performance. In terms of operating profit (EBIT), the Steel Division grew by 16.8% from EUR 478.8 million in the 2024/25 business year to EUR 559.1 million in the 2025/26 business year. The EBIT margin thus improved year-over-year from 8.3% to 9.8%.

Comparing the third and fourth quarters of 2025/26, the Steel Division achieved significant growth in both revenue and earnings. Specifically, the division increased revenue by 15.6% from EUR 1,323.5 million to EUR 1,530.3 million. The increase in sales volumes, in particular, but also a slight improvement in price levels, had a positive impact on revenue development. At EUR 235.5 million (margin 15.4%) in the fourth quarter, EBITDA was up 31.7% and significantly higher than the level of the immediately preceding quarter (EUR 178.8 million, margin 13.5%). The main reasons for this were the expansion of delivery volumes in the fourth quarter of 2025/26. EBIT improved by 46.3% in a direct quarter-on-quarter comparison, rising from EUR 117.6 million (margin 8.9%) to EUR 172.0 million (margin 11.2%).

The Steel Division employed 10,791 full-time equivalents (FTEs) as of March 31, 2026, representing an increase of 1.1% compared to the previous year's figure of 10,675.

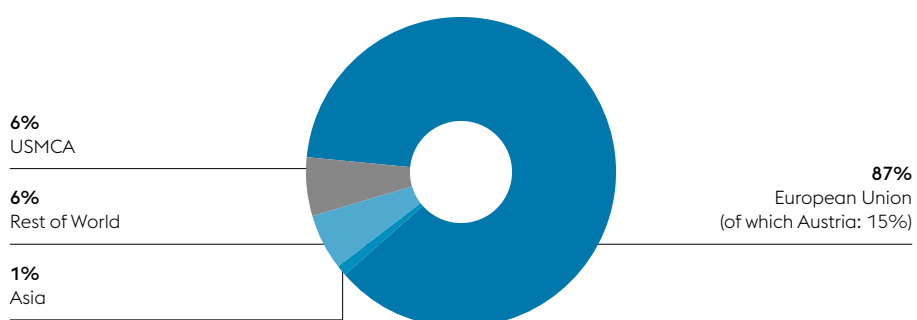
CUSTOMERS OF THE STEEL DIVISION

As percentage of divisional revenue, business year 2025/26



MARKETS OF THE STEEL DIVISION

As percentage of divisional revenue, business year 2025/26



QUARTERLY DEVELOPMENT OF THE STEEL DIVISION

In millions of euros

	1 st quarter 2025/26	2 nd quarter 2025/26	3 rd quarter 2025/26	4 th quarter 2025/26	BY		Change in %
					2025/26	2024/25	
Revenue	1,493.8	1,383.0	1,323.5	1,530.3	5,730.6	5,799.1	-1.2
EBITDA	189.8	206.4	178.8	235.5	810.5	743.8	9.0
EBITDA margin	12.7%	14.9%	13.5%	15.4%	14.1%	12.8%	
EBIT	126.1	143.4	117.6	172.0	559.1	478.8	16.8
EBIT margin	8.4%	10.4%	8.9%	11.2%	9.8%	8.3%	
Employees (full-time equivalent)	10,586	10,670	10,600	10,791	10,791	10,675	1.1