STEEL DIVISION

QUARTERLY DEVELOPMENT OF THE STEEL DIVISION

In millions of euros	Q 1		Q 2		H 1		
	2024/25 04/01–06/30/2024	2025/26 04/01–06/30/2025	2024/25 07/01–09/30/2024	2025/26 07/01–09/30/2025	2024/25 04/01–09/30/2024	2025/26 04/01–09/30/2025	Change in %
Revenue	1,566.1	1,493.8	1,352.0	1,383.0	2,918.1	2,876.8	–1.4
EBITDA	229.7	189.8	165.5	206.4	395.2	396.2	0.3
EBITDA margin	14.7%	12.7%	12.2%	14.9%	13.5%	13.8%	
EBIT	164.2	126.1	100.1	143.4	264.3	269.5	2.0
EBIT margin	10.5%	8.4%	7.4%	10.4%	9.1%	9.4%	
Employees (full-time equivalent), end of period	10,816	10,586	10,924	10,670	10,924	10,670	–2.3

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

In a European steel market characterized by low overall demand, high imports, and low capacity utilization at European plants in the first half of 2025/26, the Steel Division was still able to continue its good performance to date.

Market sentiment improved following announcements of stronger measures to protect the European market from excessive imports, replacing the previous safeguard regulations. Real demand in the first half of the 2025/26 business year did not recover significantly due to continued stagnant economic growth in Europe.

In contrast, the Steel Division was able to further improve its good performance in the first half of 2025/26. This was achieved through the strategic focus on high-quality steel sheets for technologically demanding applications and the long-term access to specialized market segments for special steel grades.

Demand for steel sheets for the **automotive industry** remained stable and at a good level for the Steel Division. Although car production figures in Europe continued to decline compared with the previous year, the Steel Division was able to maintain delivery volumes at a good level thanks to its excellent delivery performance and active market development.

The **construction industry** (building construction, industrial construction), which is relevant for the Steel Division, continued to stagnate at a low level. Interest rates, which have now fallen to an economically neutral level, have not yet triggered any significant investment momentum.

The **household appliance and consumer goods industry** continued to be characterized by weak demand. In addition to the generally gloomy economic mood, this market is suffering above all from the low number of new construction projects.

In **the mechanical engineering sector**, too, demand remained very subdued in the first half of 2025/26 due to low investment by the European manufacturing industry.

In **the energy sector**, however, demand remained strong in the first half of 2025/26. The project landscape for international pipeline projects and the offshore industry remained positive. The Steel Division manufactures high-tech heavy plates for this market. The increasing complexity of the technological requirements for the materials used confirms the Steel Division's strategy and makes it a preferred supplier in this segment.

On June 4, 2025, which is referred to as Liberation Day, the US administration announced flat tariffs of 50 % on all steel and aluminum imports into the United States. In doing so, the US government largely sealed off its domestic market to imports. The Steel Division exports only very small quantities of steel products to the US. These are exclusively grades that are not produced in the United States and for which demand must therefore be met by imports.

Despite certain fluctuations, the prices of raw materials relevant to steel production remained largely stable in the first half of the 2025/26 business year. Iron ore, the most important raw material in steel production, remained largely stable at around USD 100 per ton. The price trend for metallurgical coal was somewhat more dynamic, fluctuating between USD 170 and USD 200 per ton during the reporting period. Prices for steel scrap hovered around USD 350 per ton during the reporting period.

The implementation of the first stage of the greentec steel project to transform steel production at the Linz site remained on schedule in the first half of 2025/26.

FINANCIAL KEY PERFORMANCE INDICATORS

The Steel Division recorded stable development in its key figures in the first half of 2025/26 compared with the first half of 2024/25, thus confirming the very good level of the previous year. At EUR 2,876.8 million, revenue in the current reporting period was only slightly down by 1.4% on the previous year's figure of EUR 2,918.1 million. While the division was able to increase its shipping volumes year-on-year, prices weakened somewhat.

In terms of earnings, the Steel Division achieved EBITDA of EUR 396.2 million in the first half of 2025/26, matching the level of the first half of 2024/25 (EUR 395.2 million). The EBITDA margin thus rose slightly from 13.5% to 13.8%. Lower input costs for raw materials and energy as well as improved production and delivery volumes compensated for the decline in prices. EBIT rose slightly by 2.0% over the course of the year, from EUR 264.3 million (margin 9.1%) in the previous year to EUR 269.5 million (margin 9.4%).

In a direct quarterly comparison from the first to the second quarter of 2025/26, revenue fell by 7.4% from EUR 1,493.8 million to EUR 1,383.0 million. This was due to seasonally lower sales volumes, whereas prices remained largely stable. Despite the seasonally lower volumes, the Steel Division managed to increase EBITDA from EUR 189.8 million (margin 12.7%) in the first quarter to EUR 206.4 million (margin 14.9%) in the second quarter. Lower raw material costs compared with the previous quarter led to an increase in the gross margin. EBIT improved from EUR 126.1 million (margin 8.4%) to EUR 143.4 million (margin 10.4%) in the same period.

The number of employees (FTE) in the Steel Division decreased by 2.3% to 10,670 as of September 30, 2025. As of September 30, 2024, the division had 10,924 employees.