

In a direct quarterly comparison, the High Performance Metals Division recorded a slight decline in revenue while earnings remained very stable. Revenue declined by 1.8% from EUR 669.1 million in the second quarter of 2025/26 to EUR 657.1 million in the third quarter of 2025/26. Lower sales volumes were only partially offset by higher price levels. EBITDA remained virtually unchanged in the current reporting quarter at EUR 48.5 million (margin 7.4%) compared with the second quarter of 2025/26 (EUR 49.2 million, margin 7.4%). EBIT also remained stable over the same period, increasing from EUR 10.8 million (margin 1.6%) to EUR 11.5 million (margin 1.7%).

As a result of the sale of Buderus Edelstahl and reorganization measures in production and sales, the number of employees (FTE) in the High Performance Metals Division decreased by 14.0% to 11,214 as of December 31, 2025 (13,042 as of December 31, 2024).

METAL ENGINEERING DIVISION

QUARTERLY DEVELOPMENT OF THE METAL ENGINEERING DIVISION

In millions of euros

| | Q 1 2025/26 04/01- 06/30/2025 | Q 2 2025/26 07/01- 09/30/2025 | Q 3 2025/26 10/01- 12/31/2025 | 2025/26 04/01- 12/31/2025 | 2024/25 04/01- 12/31/2024 | Q 1 - Q 3 Change in % |
|---|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------|---------------------------------|-----------------------------|
| Revenue | 1,087.0 | 1,018.3 | 983.7 | 3,089.0 | 3,177.9 | -2.8 |
| EBITDA | 102.0 | 89.9 | 77.5 | 269.4 | 348.1 | -22.6 |
| EBITDA margin | 9.4% | 8.8% | 7.9% | 8.7% | 11.0% | |
| EBIT | 54.4 | 42.3 | 29.5 | 126.2 | 209.6 | -39.8 |
| EBIT margin | 5.0% | 4.2% | 3.0% | 4.1% | 6.6% | |
| Employees (full-time equivalent), end of period | 15,008 | 15,186 | 14,992 | 14,992 | 14,789 | 1.4 |

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The Metal Engineering Division continued its solid performance in the first nine months of the 2025/26 fiscal year. Seasonal effects were evident in the Railway Systems business unit during the winter months; overall, however, the segment remained positive. In the Industrial Systems business unit, the individual product segments showed mixed developments.

Demand for products from the Railway Systems business unit remained positive throughout the first three quarters of 2025/26, with the usual slowdown during the winter months.

The rails product segment continued its stable development at a high level in the reporting period. Europe was the main driver, with strong demand particularly in Southeast Europe and in the German-speaking regions of Europe (Austria, Germany, Switzerland). In the third quarter of 2025/26, in addition to the usual seasonal decline in demand, there was a noticeable drop in project awards from the CEE region. However, first-time orders from North America largely compensated for this.

In the turnout systems segment – a global player with regional production facilities in the world's most important railway markets – the positive trend continued in the third quarter of the 2025/26 fiscal year. Demand in Europe remained at a good level in the first nine months of the reporting period, with strong market momentum particularly in Central and Eastern Europe. The North American markets also performed well for the most part. However, from the middle of the fiscal year onward, the tariffs imposed by the US government led to higher procurement costs and to a noticeable slowdown in momentum in the North American railway market. Brazil recorded a significant upturn in demand during the reporting period after 2025/26 had begun with a somewhat weaker market phase. The Asian market showed positive overall market development during the reporting period, although the picture was mixed in detail. While there were project delays in Asia and India in the third quarter of 2025/26, demand remained at a good level, particularly in China, driven by high-speed rail projects. The African market also developed unevenly across regions but overall performed positively in the first nine months of 2025/26.

The signaling product segment (sensor and signaling technology) recorded positive developments in the first nine months of the 2025/26 fiscal year. Demand in Europe remained stable and was supplemented by additional deliveries to the Arab region. Toward the end of the reporting period, seasonally related declines in volume were noticeable.

In 2025/26 to date, the fixations product segment benefited from continued strong demand for sleepers in Central and Eastern Europe. In the third quarter of the reporting period, demand slowed seasonally, partially offset by increased export deliveries to the Arab region.

The performance of the Industrial Systems business unit in 2025/26 to date varied by product segment.

The welding product segment recorded stable overall development at a satisfactory level during the reporting period. From a regional perspective, demand in Europe remained subdued, with competition intensifying over the course of the reporting period. Chinese suppliers noticeably increased their market activity in certain product segments. While demand in North and South America gradually weakened, markets in the Middle East and Asia developed positively. In China in particular, the fossil energy, and specialized shipbuilding sectors showed good momentum.

In addition to declining demand from reduced activity in oil and gas exploration, the performance in the tubulars product segment in the first nine months of the 2025/26 fiscal year was primarily influenced by the US administration's tariff policy. The 50% import duties on steel products into the United States have had a significant impact on the segment since June 2025. As a result, production capacities will need to be gradually reduced and adjusted to the current sales situation by the end of the fiscal year.

The wire technology product segment faced subdued market sentiment in its core sectors – automotive, construction, and mechanical engineering – in 2025/26 to date. Only special applications such as ball bearing steels, prestressing wires for railroad sleepers, and special wires for wind tower construction showed positive development. The slight upturn in project business in the shaped wire segment toward the end of the reporting period suggests an improvement in the final quarter of 2025/26.

DEVELOPMENT OF THE KEY FIGURES

The Metal Engineering Division recorded a slight year-on-year decline in revenue of 2.8%, from EUR 3,177.9 million in the first three quarters of the 2024/25 fiscal year to EUR 3,089.0 million in the first three quarters of 2025/26. While the division increased shipment volumes for rail and wire products, sales prices – especially for wire and seamless tube products – were slightly below the previous year's level.

Operating profit (EBITDA) declined by 22.6% from EUR 348.1 million (margin 11.0%) in the first three quarters of 2024/25 to EUR 269.4 million (margin 8.7%). While the Railway Systems business unit posted solid earnings, the Industrial Systems business unit was confronted with a marked decline. In the wire product segment, the challenging market environment negatively affected performance. In the tubulars (seamless tubes) product segment, difficult economic conditions were compounded by high import duties in the important US market. As a result, profit from operations (EBIT) fell by 39.8% year-on-year, from EUR 209.6 million (margin 6.6%) to EUR 126.2 million (margin 4.1%).

In a direct quarterly comparison between the second and third quarters of 2025/26, the Metal Engineering Division's revenue declined by 3.4%, from EUR 1,018.3 million to EUR 983.7 million. The decline was primarily attributable to seasonally lower delivery volumes in the Railway Systems business unit. At EUR 77.5 million (margin 7.9%), EBITDA in the third quarter of 2025/26 was 13.8% below the second quarter (EUR 89.9 million, margin 8.8%). As with revenue, the usual winter seasonality in railway infrastructure was also evident in earnings during the third quarter. EBIT in the third quarter of 2025/26 amounted to EUR 29.5 million (margin 3.0%), compared with EUR 42.3 million (margin 4.2%) in the second quarter.

As of December 31, 2025, the number of employees (FTE) in the Metal Engineering Division was 14,992, up 1.4% compared with the previous year's figure of 14,789.