STEEL DIVISION

QUARTERLY DEVELOPMENT OF THE STEEL DIVISION

In millions of euros

				Q 1 – Q 3		
	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	Change in %
Revenue	1,493.8	1,383.0	1,323.5	4,200.3	4,254.6	–1.3
EBITDA	189.8	206.4	178.8	575.0	524.6	9.6
EBITDA margin	12.7%	14.9%	13.5%	13.7%	12.3%	
EBIT	126.1	143.4	117.6	387.1	326.9	18.4
EBIT margin	8.4%	10.4%	8.9%	9.2%	7.7%	
Employees (full-time equivalent), end of period	10,586	10,670	10,600	10,600	10,705	–1.0

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

Despite a European steel market characterized by subdued demand, high import volumes, and low capacity utilization in the 2025/26 fiscal year to date, the Steel Division continued its very good performance in the first three quarters of 2025/26.

The proposals for new post-safeguard measures intended to replace the safeguard rules expiring in mid-2026 were well received by the European steel market. The new provisions provide significantly more effective protective mechanisms and respond to the increasing isolation of many markets from the persistent global overcapacity, particularly in Asia. Formal entry into force is expected by summer 2026 at the latest, pending approval by the EU Parliament and the European Council.

The entry into force of the European CBAM (Carbon Border Adjustment Measures) on January 1, 2026 also represents a fundamentally positive development for the European steel industry. This system is intended to create a level playing field on the European market with regard to CO_2 costs between imported steel and steel produced in Europe. However, adjustments are still necessary to ensure the maximum effectiveness of CBAM, including anti-circumvention measures, export regulations, and the extension to downstream products such as components, parts, and machinery. The EU Commission has submitted corresponding proposals, but implementation is still pending.

As a result, sentiment improved toward the end of the reporting period, although actual demand remained low, reflecting the continued weakness of the overall European economy.

In this environment, the Steel Division continued its positive development. This was achieved through a clear focus on high-quality steel sheets for technologically demanding applications and targeted access to premium market segments that place particularly high demands on material quality and technical expertise.

In the **automotive industry**, demand for steel sheets "made by voestalpine" remained robust. Although European passenger car production declined compared with the previous year, the Steel Division maintained delivery volumes at a consistently good level due to high delivery reliability and active market development.

The **construction industry**, which is relevant for the Steel Division – particularly in building construction and industrial construction – remained cautious. Interest rates, which have now fallen to an economically neutral level, have not yet led to a revival in construction and investment activity.

Demand in the **white goods and consumer goods industry** remained subdued in the first nine months of the 2025/26 fiscal year.

In the current fiscal year to date, demand in the **mechanical engineering industry** has remained at a low level throughout. This development is primarily attributable to the cautious investment climate in European industry.

The **energy sector** remained an important pillar of the Steel Division's positive overall performance in the first three quarters of the 2025/26 fiscal year. The project landscape for international pipeline and offshore projects continued to develop positively. The complex requirements of these projects underscore the Steel Division's specialization in high-quality heavy plate and its role as a leading supplier in this segment.

With the introduction of flat tariffs of 50% on steel and aluminum imports, the US government has largely shielded the US market since June 2025. The direct impact on the Steel Division remains manageable, as exports to the United States account for only a very small share and are limited to special grades that must be imported due to the lack of local production.

Prices for raw materials relevant to steel production remained largely stable for extended periods and increased only toward the end of the reporting period. Iron ore – the most important raw material in steel production – remained largely stable at around USD 100 per ton, with an upward trend in the third quarter. The price trend for metallurgical coal was somewhat more dynamic, rising from around USD 180 to around USD 210 per ton by the end of the third quarter. Prices for steel scrap fluctuated around USD 350 per ton during the reporting period.

Implementation of the first stage of the greentec steel transformation project at the Linz site proceeded as planned during the reporting period.

DEVELOPMENT OF THE KEY FIGURES

The Steel Division's revenue declined slightly by 1.3% year-on-year from EUR 4,254.6 million in the first three quarters of the 2024/25 fiscal year to EUR 4,200.3 million in the first three quarters of 2025/26. Despite continued subdued demand for steel in Europe, the division expanded its shipping volumes. By contrast, price levels eased somewhat year-on-year. EBITDA nevertheless improved by 9.6% from EUR 524.6 million (margin 12.3%) in the previous year to EUR 575.0 million (margin 13.7%) in the current reporting period. Higher delivery volumes had a positive impact on operating earnings, while the decline in prices was partially offset by lower raw material costs. EBIT for the Steel Division increased by 18.4% from EUR 326.9 million in the first three quarters of the 2024/25 fiscal year to EUR 387.1 million in the first three quarters of 2025/26. As a result, the EBIT margin rose from 7.7% to 9.2%.

In a direct quarterly comparison, the Steel Division recorded a 4.3% decline in revenue from EUR 1,383.0 million in the second quarter of the 2025/26 fiscal year to EUR 1,323.5 million in the third quarter of 2025/26. This was mainly attributable to a slight decline in sales volumes and changes in the product mix. Against this backdrop, operating profit (EBITDA) decreased from the very good level of the second quarter of 2025/26 (EUR 206.4 million, margin 14.9%) by 13.4% to EUR 178.8 million (margin 13.5%) in the third quarter of 2025/26. Profit from operations (EBIT) declined by 18.0% over the same period, from EUR 143.4 million (margin 10.4%) to EUR 117.6 million (margin 8.9%).

The number of employees (FTE) in the Steel Division decreased by 1.0% to 10,600 as of December 31, 2025, compared with 10,705 employees as of December 31, 2024.

HIGH PERFORMANCE METALS DIVISION

QUARTERLY DEVELOPMENT OF THE HIGH PERFORMANCE METALS DIVISION

In millions of euros

				Q 1 – Q 3		
	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	Change in %
Revenue	678.5	669.1	657.1	2,004.7	2,385.2	–16.0
EBITDA	53.8	49.2	48.5	151.5	57.6	163.0
EBITDA margin	7.9%	7.4%	7.4%	7.6%	2.4%	
EBIT	14.9	10.8	11.5	37.2	–62.5	
EBIT margin	2.2%	1.6%	1.7%	1.9%	–2.6%	
Employees (full-time equivalent), end of period	11,587	11,506	11,214	11,214	13,042	–14.0

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

In the first nine months of the 2025/26 fiscal year, the globally active High Performance Metals Division faced a persistently uncertain market environment. In addition to the economic downturn in Europe, this was also attributable to the restrictive trade policy measures imposed by the US administration. Management responded with consistent cost management and a stronger market-oriented organizational focus in order to secure long-term profitability and competitiveness. The development of the individual market segments during the reporting period was as follows:

In the **Tooling** market segment – the High Performance Metals Division's largest business area in terms of volume and value and focused on tool steel deliveries – global competition and price pressure remained intense in 2025/26 to date. The segment is increasingly concentrating on the upper quality tiers of its product portfolio and is consistently expanding its range of value-added services, particularly heat and surface treatments for tool components. This strategic orientation is strengthening its position in attractive, high-margin customer segments.

In Europe, demand remained largely stable in the first three quarters of 2025/26, albeit at a very subdued level. In North America, customers were cautious following the introduction of US tariffs at the beginning of the fiscal year and reduced order volumes accordingly. As the reporting period progressed, the North American market environment became increasingly challenging for the High Performance Metals Division. Positive momentum was observed only in product segments with limited competition from local suppliers. In Brazil – voestalpine's most important market in South America – demand declined noticeably during the reporting period. Existing pressure from Chinese imports was further intensified by US tariff policy, and market momentum continued to weaken over the first nine months of the 2025/26 fiscal year. By contrast, demand in China remained robust at a very satisfactory level in the first nine months of 2025/26.