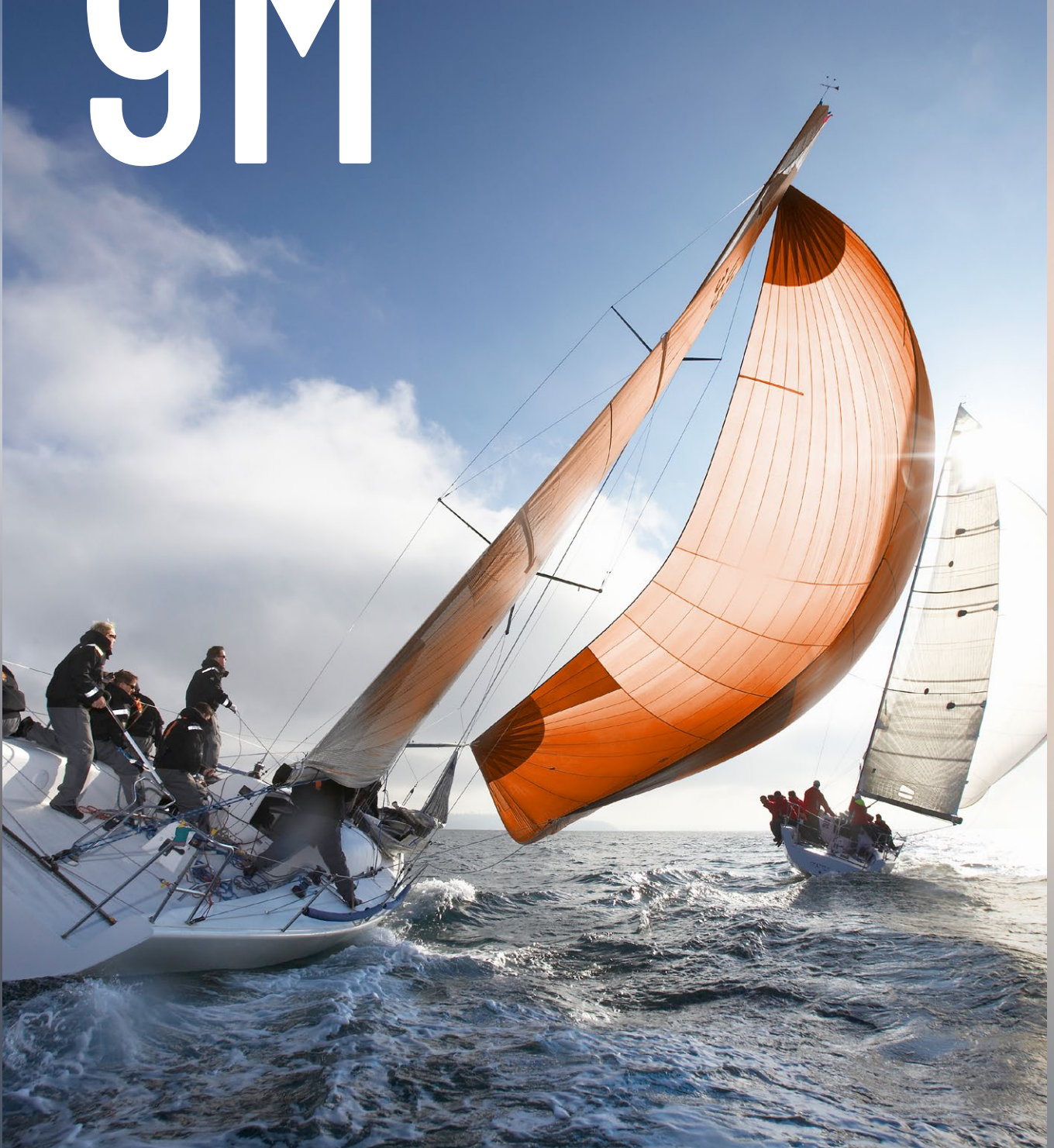


QUARTERLY STATEMENT
9 MONTHS 2025

9M



SALZGITTERAG
People, Steel and Technology

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THE SALZGITTER GROUP IN FIGURES

		9M 2025	9M 2024	+/-
Crude steel production	kt	4,403.2	4,857.6	-454.4
External sales	€ m	6,865.2	7,727.3	-862.1
Steel Production Business Unit	€ m	2,465.5	2,665.7	-200.2
Steel Processing Business Unit	€ m	915.1	1,268.7	-353.6
Trading Business Unit	€ m	2,062.0	2,349.6	-287.6
Technology Business Unit	€ m	1,286.7	1,305.0	-18.3
Industrial Participations/ Consolidation	€ m	135.9	138.3	-2.4
EBIT before depreciation and amortization (EBITDA)	€ m	224.0	320.6	-96.6
Steel Production Business Unit	€ m	121.4	157.7	-36.3
Steel Processing Business Unit	€ m	-53.1	-63.3	10.2
Trading Business Unit	€ m	40.8	16.8	24.1
Technology Business Unit	€ m	96.6	105.7	-9.1
Industrial Participations/ Consolidation	€ m	18.3	103.7	-85.4
Earnings before interest and taxes (EBIT)	€ m	-11.6	-54.6	43.0
Earnings before taxes (EBT)	€ m	-72.7	-141.2	68.6
Steel Production Business Unit	€ m	-56.3	-25.0	-31.3
Steel Processing Business Unit	€ m	-90.1	-246.7	156.6
Trading Business Unit	€ m	20.8	-9.3	30.1
Technology Business Unit	€ m	76.2	78.6	-2.4
Industrial Participations/ Consolidation	€ m	-23.3	61.2	-84.5
Consolidated result	€ m	-46.5	-197.7	151.2
Earnings per share - basic	€	-0.93	-3.74	2.81
Return on capital employed (ROCE) ¹	%	-0.4	-1.6	1.2
Cash flow from operating activities	€ m	314.6	-94.5	409.2
Investments ²	€ m	442.4	538.2	-95.8
Depreciation / amortization ^{2,3}	€ m	-235.6	-375.2	139.6
Total assets	€ m	10,580.2	10,533.4	46.8
Non-current assets	€ m	5,222.1	4,752.4	469.6
Current assets	€ m	5,358.1	5,781.0	-422.8
Equity	€ m	4,421.4	4,555.9	-134.5
Liabilities	€ m	6,158.9	5,977.5	181.3
Non-current liabilities	€ m	2,521.0	2,458.9	62.1
Current liabilities	€ m	3,637.8	3,518.6	119.3
of which due to banks ⁴	€ m	649.3	712.7	-63.4
Net financial position on the reporting date ⁵	€ m	-810.9	-889.4	78.4
Employees				
Personnel expenses	€ m	-1,481.0	-1,505.5	24.5
Core workforce on the reporting date ⁶	Empl.	22,352	23,444	-1,092
Total workforce on the reporting date ⁷	Empl.	24,470	25,671	-1,201

Disclosure of financial data in compliance with IFRS

Key figures 2024 including Mannesmann Stainless Tubes Group

¹ Annualized

² Excluding financial assets

³ Scheduled and unscheduled write-downs

⁴ Current and non-current bank liabilities

⁵ Including investments, e.g. securities and structured investments

⁶ Excl. trainee contracts and excl. non-active age-related part-time work

⁷ Incl. trainee contracts and incl. non-active age-related part-time work

PROFITABILITY, FINANCIAL POSITION AND NET ASSETS

PROFITABILITY OF THE GROUP

		Q3 2025	Q3 2024	9M 2025	9M 2024
Crude steel production	kt	1,477.0	1,528.9	4,403.2	4,857.6
External sales	€ m	2,200.5	2,484.1	6,865.2	7,727.3
EBIT before depreciation and amortization (EBITDA)	€ m	107.2	87.0	224.0	320.6
Earnings before interest and taxes (EBIT)	€ m	30.2	-124.3	-11.6	-54.6
Earnings before taxes (EBT)	€ m	11.1	-152.7	-72.7	-141.2
Consolidated result	€ m	42.4	-179.1	-46.5	-197.7
Return on capital employed (ROCE) ¹	%	1.8	-8.7	-0.4	-1.6
Investments	€ m	201.4	223.7	442.4	538.2
Depreciation / amortization	€ m	-77.1	-211.3	-235.6	-375.2
Cash flow from operating activities	€ m	233.6	42.8	314.6	-94.5

Key figures 2024 including Mannesmann Stainless Tubes Group

¹ Annualized

In a challenging market environment characterized by persistent geopolitical uncertainty and a stagnating economy in its domestic market, the Salzgitter Group recorded **external sales** of € 6.9 billion (9M 2024: € 7.7 billion), **EBITDA** of € 224.0 million (9M 2024: € 320.6 million) and a **pre-tax result** of € -72.7 million (9M 2024: € -141.2 million). The result includes an after-tax contribution of € 83.5 million from Aurubis AG, an investment (IFRS accounting) included at equity (9M 2024: € 107.6 million). The following is also included in the result: € -68.2 million in burdens from the reporting-date related valuation of derivative positions (9M 2024: € -19.1 million), as well as non-recurrent items of € -5.4 million for reducing the carrying amounts with effect on income of KDS's assets held for sale in accordance with current purchase price expectations. Along with Aurubis AG's contribution and the consistently good performance of the KHS Group, the effects of the profit improvement programs had a positive impact on earnings and were reflected in the marginally positive result for the third quarter. The Trading Business Unit maintained the turnaround initiated in the second quarter thanks to cost adjustments and restructuring measures, while the Steel Production Business Unit delivered a quarterly result at breakeven. Import volumes continuing to run at a high level, compounded by fierce pressure in the competitive arena due to the ongoing use of cut-rate, cheap Russian slab in the EU, burdened the heavy plate companies in the Steel Processing Business Unit. The **after-tax** result came in at € -46.5 million (9M 2024: € -197.7 million), bringing **earnings per share** to € -0.93 (9M 2024: € -3.74). The **return on capital employed** (ROCE) stood at -0.4 % (9M 2024: -1.6 %). The **equity ratio** remained at a very sound 41.8 % (9M 2024: 43.3 %).

SPECIAL ITEMS

In € million	EBT		Restructuring		Impairment / reversal of impairment		Other		EBT excluding special items	
	9M 2025	9M 2024	9M 2025	9M 2024	9M 2025	9M 2024	9M 2025	9M 2024	9M 2025	9M 2024
Steel Production	-56.3	-25.0	-	-	-	-	-	-	-56.3	-25.0
Steel Processing	-90.1	-246.7	-	-	-	-149.4	-	-	-90.1	-97.4
Trading	20.8	-9.3	-	-	-	-	-	-	20.8	-9.3
Technology	76.2	78.6	-	-	-	-	-5.4	-	81.6	78.6
Industrial Participations/ Consolidation	-23.3	61.2	-	-	-	-	-	-	-23.3	61.2
Group	-72.7	-141.3	-	-	-	-149.4	-5.4	-	-67.3	8.1

MEASURES AIMED AT IMPROVING PROFIT AND SECURING LIQUIDITY

We counteract the current challenges firstly through a rigorous profit improvement program and secondly through further short-term measures designed to stabilize earnings and secure liquidity.

In order to future proof the Salzgitter Group's position, we have extended the former "Performance 2026" profit improvement program under the new "P28" program that is designed to sustainably improve our business units' performance. By 2028, we expect an overall effect of a good € 515 million from efficiency and process improvements in procurement, logistics and sales, including the measures taken over from the former program. In the first nine months of 2025, effects amounting to € 89 million were already achieved compared to the previous year, meaning that our annual target of € 97 million has already been almost reached. Alongside the ongoing measures from the original Performance 2026 program, additional P28 measures are now also increasingly bearing fruit. Since the program was launched in 2022, an effect of around € 223 million has been generated.

BUSINESS UNIT PERFORMANCE

STEEL PRODUCTION BUSINESS UNIT

		Q3 2025	Q3 2024	9M 2025	9M 2024
Order intake ¹	kt	1,143.8	1,195.5	3,603.0	3,778.5
Order backlog on reporting date ¹	kt	1,036.2	1,071.1	1,036.2	1,071.1
Crude steel production	kt	1,186.1	1,233.8	3,605.5	3,926.2
Salzgitter Flachstahl	kt	1,020.1	1,037.9	2,937.3	3,228.6
Peiner Träger	kt	166.0	196.0	668.2	697.6
Rolled steel production	kt	1,059.1	1,128.4	3,350.9	3,375.6
Salzgitter Flachstahl	kt	912.1	928.4	2,741.5	2,725.3
Peiner Träger	kt	147.0	200.0	609.4	650.4
Shipments	kt	1,226.5	1,291.7	4,041.3	4,105.3
Segment sales ¹	€ m	1,002.3	1,121.9	3,323.6	3,595.6
External sales	€ m	760.8	850.2	2,465.5	2,665.7
EBIT before depreciation and amortization (EBITDA)	€ m	55.8	56.5	121.4	157.7
Earnings before interest and taxes (EBIT)	€ m	9.3	11.0	-21.4	18.3
Earnings before taxes (EBT)	€ m	-0.7	-3.0	-56.3	-25.0

¹ Including sales with other business units in the Group

Along with the two steel producing companies of Salzgitter Flachstahl GmbH (SZFG) and Peiner Träger GmbH (PTG), the **Steel Production Business Unit** also comprises DEUMU Deutsche Erz- und Metall-Union GmbH (DMU) as an important internal transformation partner for our **➤ SALCOS® – Salzgitter Low CO₂ Steelmaking** decarbonization program. Furthermore, the business unit includes the companies of Salzgitter Mannesmann Stahlservice GmbH (SMS) and Salzgitter Europlatinen GmbH (SZEP). The product range of the business unit comprises hot-rolled strip, galvanized and coated cold-rolled strip, sections and laser-welded tailored blanks, among other products.

MARKET DEVELOPMENT

The European steel industry continues to operate in a difficult market environment. In the initial months of the year, business expectations on the European **strip steel market** brightened temporarily thanks to supply driven stimulus. Momentum stemmed from a more stringent overhaul of the EU safeguards, provisional anti-dumping measures against hot strip imports from Egypt, Vietnam and Japan, flanked by the financial package extending into the billions approved by the German Bundestag. Running counter to this, US tariffs imposed on steel and steel derivatives imports in the spring proved a massive burden on the sector: The doubling of tariffs to 50 % in June significantly increased the direct and indirect impact on export activities. In addition to the noticeable decline in EU steel exports of almost 15 % in the first eight months of 2025, customer sectors are also impacted by the expansion to steel derivatives. As a result, further redirection effects on the European steel market can also be anticipated. This leads to increased supply and greater price pressure, both in the steel market and for our customers. The problem of global surplus capacities, fueled by China, is set to become more acute and put additional pricing pressure on producers. The demand in most customer industries has been lackluster to date, and the extensive market recovery still anticipated at the start of the year has so far not materialized, which is also reflected in the spot market price trend: Rising prices from January through to the end of April were subsequently followed by prices tumbling through to mid-year before stabilizing at a lower level as from August, which roughly corresponded to the year-earlier period.

A discrepancy in development was also evident on the **sections market** over the course of the year. The first quarter was characterized by good capacity utilization due to traders replenishing their inventories. Real demand slipped at the start of the second quarter, evidenced by customers exercising caution in ordering, which hampered capacity utilization at the rolling mills. Although overhauling the EU safeguard measures resulted in Turkish imports declining to a still high level, higher import volumes from China into the EU put more pressure on prices. Subdued market momentum persisted in the third quarter as well and was hallmarked by investment reticence in the building trade and reticence in the stockholding steel trade.

PROCUREMENT

IRON ORE

The seasonal recovery in demand following the Chinese New Year celebrations did not occur at the start of the year, which kept the iron ore price for the IODEX 62 % Fe CFR China benchmark grade at a level of around 105 USD/dmt. While expectations regarding additional economic measures in China bolstered prices, tariff discussions with the US proved burdensome. The iron ore price dropped partly below 100 USD/dmt in April and May in response to the tariff dispute, only to rise again moderately in the middle of the second quarter, supported by the provisional agreement between the two countries. High supply-side volumes at the end of the quarter pushed the price down to a six-month low of 92.75 USD/dmt. In the third quarter, the price rose, settling at just over 100 USD/dmt and boosted by a number of large construction projects in China, with further government measures anticipated for stimulating weak domestic demand. September brought the customary inventory replenishment for the public holidays at the start of October in China. Prices rose accordingly to a level of 105 USD/dmt. Prices averaged 102.03 USD/dmt in the third quarter, thereby exceeding the previous year's quarter by 2.3 %.

COKING COAL

After a brief recovery at the start of the year, the coking coal price had already fallen by the end of January to just under 190 USD/t due to a slowdown in trading activities. Slack demand from India and China and the rainy season in Australia that had virtually no impact on the supply chain caused the benchmark price to drop below the 170 USD/t threshold at the end of March, marking the lowest level since June 2021. The dwindling availability of premium coal from Australia at the start of the second quarter sent prices up to 190 USD/t. As Indian consumers had largely replenished their inventories and since China also showed comparatively little interest in high grade coking coal imports, the benchmark price dropped below the 175 USD/t mark again in June. At the end of July, the Chinese government's announcement of limiting excessive coal mining volumes prompted an increase in the benchmark price to more than 180 USD/t. In September, the mining companies BHP and Anglo American announced their intention of cutting jobs, declaring that the current price level was no longer profitable. The price averaged 183.51 USD/t in the third quarter, down 12.9 % compared with the year-earlier period.

Depending on the situation in the market, the Salzgitter Group hedges limited volumes of iron ore and coking coal in order to mitigate the procurement risks.

STEEL SCRAP

The first quarter of 2025 saw prices on Germany's scrap market rise for the first time since June 2024. This development was mainly attributable to moderately firm demand for scrap, accompanied by a low inflow of scrap and a growing export business. Blanket tariffs on imports into the US at the start of the second quarter triggered a significant decline in prices. This development intensified due to persistently weak demand for steel and the growing use of cheap billets from Asia and Russia instead of scrap as feedstock. Given the weak export business and seasonally induced production downtime in the steel industry, steel scrap prices declined in the third quarter compared with June. The reticence of many market participants and seasonally subdued demand, accompanied by sufficient materials supply, translated into generally lackluster market activity and greater price pressure.

BUSINESS DEVELOPMENT

Order intake and **orders on hand** of the Steel Production Business Unit settled slightly below the previous year's level. Order intake both in the strip steel segment and in the case of sections was weaker than a year ago. **Crude steel output** dropped significantly below the year-earlier figure given lower production in the strip steel segment that was partly due to maintenance work carried out on Blast Furnace C in Salzgitter. By contrast, the business unit's **rolled steel production** reached the previous year's level. With **shipments** remaining virtually stable, **segment** and **external sales** fell short of the levels posted in the previous year, largely attributable to the decline in the selling prices of strip steel products. In the sections business, sales remained below the previous year due to the respective volumes, as opposed to selling prices that improved compared with the first nine months of 2024. The Steel Production Business Unit generated **EBITDA** of € 121.4 million (9M 2024: € 157.7 million) and € -56.3 million **in earnings before taxes** (9M 2024: € -25.0 million). The downtrend in earnings resulted first and foremost from reduced selling prices for strip steel products, with a counter trend emanating from the decline in raw materials prices and the impact of the profit improvement program. The strip steel business delivered a positive result for the first time again in the third quarter. PTG's earnings before taxes were higher than in the previous year thanks to the lower cost of using scrap while, with the exception of SZEPP, the other companies belonging to the business unit did not match the year-earlier figures

INVESTMENTS

SALCOS®

By realizing the SALCOS® transformation program, we are aiming to fully convert the integrated steelworks in Salzgitter to low carbon crude steel production in stages through to the mid-2030's. Implementing the first stage of SALCOS® commenced back in 2022. We expect to be able to offer green steel from the new production route in the first half of 2027. In September 2025, in view of the deterioration in the economic, political and regulatory framework conditions, it was decided to defer the investment decisions on further development stages under the SALCOS® program until 2028/29.

At the present point in time, we are in the process of building a 100 MW electrolysis plant, a direct reduction plant (DR plant), and an electric arc furnace (EAF) at the Salzgitter location. The facilities are capable of producing around two million tons of low carbon crude steel a year, thereby replacing a blast furnace and a converter in the first stage.

In the third quarter of 2025, the construction area was remitted to plant engineering company Andritz, the fire barrier was completed, and work on the building to house the 100 MW electrolysis plant commenced. Upon completion, the plant is to produce around nine Tt of green hydrogen a year.

The DR plant has a production capacity of around two million tons of direct reduced iron a year. Building the structural steelwork for the reactor tower continued in the third quarter, with the assembly height having reached around 120 meters by the end of the quarter. Plant technology installations took place in several areas at the same time.

The construction of the main and auxiliary facilities for the electric arc furnace and the steel structure assembly of the building itself continued to progress during the reporting period. The furnace transformer was installed and lifted into place, and an important inspection acceptance was given for the No. 200 charging crane.

STEEL PROCESSING BUSINESS UNIT

		Q3 2025	Q3 2024	9M 2025	9M 2024
Order intake	€ m	353.0	453.8	1,226.3	1,365.0
Order backlog	€ m	555.6	720.2	555.6	720.2
Crude steel production	kt	290.9	295.1	797.7	931.4
Rolled steel production	kt	240.7	203.6	750.1	724.2
Shipments	kt	323.5	324.1	1,026.9	1,044.9
Segment sales ¹	€ m	528.0	611.1	1,571.2	1,986.3
External sales	€ m	317.5	409.4	915.1	1,268.7
EBIT before depreciation and amortization (EBITDA)	€ m	-13.3	-26.3	-53.1	-63.3
Earnings before interest and taxes (EBIT)	€ m	-23.0	-169.1	-79.9	-232.5
Earnings before taxes (EBT)	€ m	-26.7	-174.2	-90.1	-246.7

Key figures 2024 including Mannesmann Stainless Tubes Group

¹ Including sales with other business units in the Group

The companies producing steel tubes and pipes and the Salzgitter Group's heavy plate activities are combined under the **Steel Processing Business Unit**. The pipes and tubes portfolio covers a wide range of line pipe diameters, as well as precision steel tubes. Two heavy plate mills also belong to the business unit. Along with standard grades, the Ilsenburg mill produces high-strength and wear-resistant plate on the modern heat treatment line. The competence of the mill operating out of Mülheim an der Ruhr resides above all in the production of line pipe plate for onshore and offshore pipelines in medium to large batch sizes. The business unit has its own supply of input material through its participation in Hüttenwerke Krupp Mannesmann GmbH (HKM).

HKM is included at 30 % on a proportionate basis in the consolidated financial statements. The 50 % stake held in the EUROPIPE Group is accounted for using the equity method.

As part of active portfolio management, the Mannesmann Stainless Tubes Group (MST Group) was sold and deconsolidated as of October 31, 2024. The MST Group is therefore included in the business unit's figures for the financial year 2024.

MARKET DEVELOPMENT**QUARTO PLATE**

The **heavy plate markets** were largely determined by the weak macroeconomic environment over the course of 2025. While volume trends mainly held steady in the onshore wind and steel construction segments, as well as in trade and with medium-sized customers at a lower level, the upbeat development seen in the first quarter in the large-diameter pipes segment slowed notably as the year progressed. Heavy plate market prices dipped to a new low in the third quarter of 2025, thereby also falling short of the lowest point in the previous year's period. Given the high cost of slab in relation to sheet metal prices, strong pressure on margins and prices continued unabated. The market environment remained tight on the import front: Although overall import volumes are in decline, they nevertheless remain high compared with the drop in market volumes. Deliveries mainly originate from the countries of South Korea, Indonesia, India, Japan and North Macedonia and, since spring, are compounded by an additional significant increase in imports from Turkey. Furthermore, weak EU sanctions against Russian slab in particular are ensuring sustained high competitive pressure attributable to the ongoing use of cheap Russian slab in the EU. By contrast, the EU measures implemented in the spring and summer to limit import volumes in the context of more stringent safeguards send a positive signal.

STEEL TUBES AND PIPES

The **large-diameter pipes market** was especially determined by a delay in key projects. In the domain of Germany's hydrogen core network, transmission system operators have shown a great deal of caution over the course of the year to date due to the still unclear volume and delivery situation regarding the necessary green hydrogen and the costs incurred here, as well as in view of Germany's tense economic situation. An increase of more than 50 % in tariffs levied on steel exports to the US served to exacerbate the already difficult competitive situation in the large-diameter pipes segment. The US market plays an important role in numerous pipeline projects aimed at covering local energy requirements, as well for expanding LNG exports. US tariffs have nevertheless also resulted in key projects being delayed in North America. Following strong demand from the US in the first quarter, the export prospects for **medium-diameter line pipes** have been uncertain since steel import tariffs were raised to 50 %, which also applies to Germany's entire commercial market. By contrast, the first orders have been placed for the hydrogen core network. Demand from the line pipe and new energies business held steady in the first half of the year, but has recently slowed, braked by political uncertainty in Germany and in the EU regarding the future supply of energy. The **precision tubes** market remained weak. Following mildly positive signals from the key customer sectors of automotive and mechanical engineering in the first months of the year, orders dropped off significantly as a result of the various US tariffs. Consequently, uncertainty in the market prevailed at a high level on a global scale, causing investment restraint. The business climate index brightened somewhat recently only in the case of the automotive business, but has not yet discernibly fed into demand, however.

BUSINESS DEVELOPMENT

In the first nine months of 2025, the **order intake** and **orders on hand** of the Steel Processing Business Unit fell notably short of the year-earlier figures due above all to the deconsolidation of the stainless tubes group. The heavy plate companies as well as steel tubes and pipes producers recorded an increase in order intake compared with the weak year-earlier period. **Segment** and **external sales** remained considerably below the year-earlier figures during the reporting period. This situation was mainly attributable to lower selling prices in the heavy plate business, **shipments** in a slight downtrend, and the deconsolidation effect of the stainless tubes group. The business unit generated **EBITDA** of € -53.1 million (9M 2024: € -63.3 million) and **earnings before taxes** of € -90.1 million (9M 2024: € -246.7 million). The previous year's result was impacted by an adjustment to the assets of the Mannesmann Precision Tubes Group in an amount of € 129.4 million, along with impairment of € 20.0 million in the stainless tubes segment. Lower selling price levels in the heavy plate business led to a result that was lower year on year, as opposed to the companies in the line pipe business – with the exception of the EUROPIPE Group accounted for using the equity method – that improved their earnings contributions. The precision tubes group pared down its pre-tax loss significantly compared with the same period of the previous year, adjusted for impairment.

TRADING BUSINESS UNIT

		Q3 2025	Q3 2024	9M 2025	9M 2024
Shipments	kt	755.5	790.6	2,434.5	2,535.1
Segment sales ¹	€ m	651.0	762.9	2,119.3	2,384.5
External sales	€ m	631.9	745.8	2,062.0	2,349.6
EBIT before depreciation and amortization (EBITDA)	€ m	15.6	0.1	40.8	16.8
Earnings before interest and taxes (EBIT)	€ m	11.5	-4.5	25.7	2.7
Earnings before taxes (EBT)	€ m	9.9	-8.6	20.8	-9.3

¹ Including sales with other business units in the Group

The **Trading Business Unit** comprises a network of stockholding steel trading subsidiaries in Europe with a wide range of processing capabilities, various companies specialized in plate, as well as an international trading network spanning the globe. Along with selling rolled steel and tubes products of the Salzgitter Group and complementary products of other producers, feedstock is also procured on the international markets for Group companies and external customers.

As part of active portfolio management, Salzgitter Mannesmann Stahlhandel Austria GmbH was sold on May 31, 2025. Furthermore, in the same month the business of trading in precision and seamless tubes was sold to Hoberg & Driesch GmbH & Co. KG, a wholesaler specializing in steel tubes.

MARKET DEVELOPMENT

Following a phase of pronounced reticence on the part of market participants in the first quarter, demand in the international trading business picked up temporarily in the second quarter in North America and in Europe. The third quarter saw the demand for import products drop off considerably again. The US tariffs on steel products that were doubled to 50 % in June, along with the revision of EU safeguards and provisional antidumping measures against hot strip from Japan, Vietnam and Egypt, fueled the uncertainty of market players in procuring imports. The stockholding steel trade also recorded a renewed dip in demand in the third quarter, following on from ailing demand in the first half year of 2025 caused by the economic situation in Europe.

BUSINESS DEVELOPMENT

In the first nine months of 2025, the Trading Business Unit's **shipments** declined considerably year on year. Against the backdrop of weak demand, along with location-related and portfolio streamlining measures in the reporting period, sales of the stockholding steel trade fell notably short of the year-earlier figures. International trading and the UES Group also recorded volumes trending down. In conjunction with price levels dropping slightly, the business unit's **segment** and **external sales** declined notably. Thanks to the considerable and sustainable cost cutting measures, paired with positive non-recurrent effects in the context of restructuring measures, a significantly higher **EBITDA** (€ 40.8 million; 9M 2024: € 16.8 million) and **pre-tax result** (€ 20.8 million; 9M 2024: -9.3 million) were nevertheless achieved.

TECHNOLOGY BUSINESS UNIT

		Q3 2025	Q3 2024	9M 2025	9M 2024
Order intake	€ m	550.6	446.6	1,452.4	1,224.2
Order backlog on reporting date	€ m	1,363.9	1,263.0	1,363.9	1,263.0
Segment sales ¹	€ m	442.1	434.0	1,287.2	1,305.7
External sales	€ m	441.9	433.8	1,286.7	1,305.0
EBIT before depreciation and amortization (EBITDA)	€ m	27.1	34.8	96.6	105.7
Earnings before interest and taxes (EBIT)	€ m	19.7	26.5	73.6	80.8
Earnings before taxes (EBT)	€ m	21.5	25.9	76.2	78.6

¹ Including sales with other business units in the Group

Three manufacturers of special machinery steeped in tradition are grouped within the **Technology Business Unit**. More than 90 % of sales is generated by the KHS Group that, as a plant engineering specialist, holds a leading global position in filling and packaging technology. The KHS Group is a full-line supplier. The product range covers intralogistics and processing through to the filling and packaging of beverages. The Klöckner DESMA Elastomertechnik Group (KDE Group) manufactures injection molding machinery for rubber and silicon products.

The agreement on the sale of DESMA Schuhmaschinen GmbH (KDS), a company specialized in producing machinery for industrial shoe manufacturing, was signed in July 2025. KDS will be deconsolidated in the fourth quarter of the financial year.

MARKET DEVELOPMENT

According to the German Engineering Federation (VDMA) orders rose slightly during the reporting period compared with the previous year that was dominated by a downtrend. This growth is exclusively attributable to demand strengthening in the euro countries. Domestic business recorded a marginal downturn in orders, as opposed to international orders that increased somewhat. Global economic framework conditions nevertheless remain strained and harbor risks. The demand trend was also reflected in sales that increased by 3 % compared with the strong year-earlier period.

BUSINESS DEVELOPMENT

In the first nine months of 2025, the **order intake** of the Technology Business Unit considerably outperformed the previous year's figure. **Orders on hand** also developed well during the period under review and were higher year on year. The business unit's **segment** and **external sales** almost matched the strong level posted a year earlier. The positive earnings trend of the KHS Group held steady, improving by comparison with the previous year's period. The Technology Business Unit's **EBITDA** (€ 96.6 million; 9M 2024: € 105.7 million) fell somewhat short of the year-earlier figure due to the lower contributions made by the KDE Group and KDS, and **EBT** (€ 76.2 million; 9M 2024: 78.6 million) did not quite match the previous year's figure either. The result includes non-recurrent effects of € -5.4 million for reducing the carrying amounts, with effect on income, of KDS's assets held for sale in accordance with current purchase price expectations. The Technology Business Unit's efficiency and growth program consistently interacts and meshes with the Salzgitter Group's strategy. Despite the fiercely competitive market environment hallmarked by uncertainty, extensive measures have contributed to the improvement in sales and earnings achieved to date. Along with continuously developing its production locations in Germany, the KHS Group's strategic emphasis is placed on steadily expanding its international presence in particular.

INVESTMENTS

During the reporting period, the Technology Business Unit continued to expedite its ongoing replacement and streamlining measures, especially at its Dortmund production location. Furthermore, a comprehensive investment package was approved for the Dortmund location. This package comprises expanding the assembly capacities, on the one hand, while enhancing the appeal of the location through modernizing the buildings and creating additional demonstration and training possibilities, on the other. An extensive, multi-stage investment program for ramping up regional capacities was initiated for the North American region. In addition, IT projects in Germany and in the international companies were carried out within the KHS Group to further optimize workflows. Endeavors geared to raising production capacities in the North and South American market were ongoing. The expansion of facilities at the production location in India is under way.

INDUSTRIAL PARTICIPATIONS / CONSOLIDATION

		Q3 2025	Q3 2024	9M 2025	9M 2024
Sales ¹	€ m	259.4	285.5	786.5	884.0
External sales	€ m	48.5	45.0	135.9	138.3
EBIT before depreciation and amortization (EBITDA)	€ m	22.0	21.9	18.3	103.7
Earnings before interest and taxes (EBIT)	€ m	12.6	11.9	-9.6	76.1
Earnings before taxes (EBT)	€ m	7.0	7.1	-23.3	61.2

¹ Including sales with other business units in the Group

Industrial Participations / Consolidation comprises activities that are not directly allocated to a business unit. As a management holding company, Salzgitter AG (SZAG) does not have any operations of its own. Instead, it manages Salzgitter Mannesmann GmbH (SMG) and Salzgitter Klöckner Werke GmbH (SKWG) under which the major companies of the Salzgitter Group are held. Aside from this, the results of companies operating primarily within the Group, as well as those of Group companies that support the core activities of the business units with their products and services, are recorded here.

Sales in the Industrial Participations / Consolidation segment, which are based mainly on business in semi-finished products with subsidiaries and external parties, declined compared with the first nine months of 2024. **External sales** fell slightly below the year-earlier period. **EBITDA** (€ 18.3 million; 9M 2024: € 103.7 million) comprises a contribution of € 83.5 million from the participating investment in Aurubis AG accounted for using the (IFRS) equity method (9M 2024: € 107.6 million). **Earnings before taxes** came in at € -23.3 million (9M 2024: € +61.2 million). The results from the valuation of derivatives positions and net interest income from cash management of the consolidated group delivered a tangibly negative contribution on balance (€ -54.2 million; 9M 2024: € +6.0 million). The result of this area of business also includes the negative operating result from holding services provided for the subsidiaries. The companies largely operating on behalf of the Group recorded a pre-tax result of € -1.6 million in the first nine months of 2025 (9M 2024: € +4.4 million).

FINANCIAL POSITION AND NET ASSETS

NOTES TO THE BALANCE SHEET

The **total assets** of the Salzgitter Group rose by € 115 million in the first nine months of 2025 compared with December 31, 2024.

Non-current assets advanced slightly compared with the last reporting date (€ +230 million). Investments in intangible assets and property, plant and equipment (€ 442 million) significantly exceeded the depreciation and amortization of fixed assets (€ -236 million). In this context, investment subsidies remitted depending on the investments made in SALCOS® were accounted for as a reduction in acquisition costs. The share of companies accounted for using the equity method increased mainly due to Aurubis AG's contribution of € 54 million on the reporting date. **Current assets** dropped marginally below the figure on the year-earlier reporting date (€ -115 million). While trade receivables, including contract assets, increased (€ +170 million), inventories (€ -216 million) and cash and cash equivalents declined (€ -101 million). Due to the planned sale of a wholly owned subsidiary in the Technology Business Unit, an amount of € 40 million is disclosed under the assets held for sale item on the balance sheet date.

On the **liabilities side**, shareholders' equity remained virtually unchanged from the level seen on the previous year's reporting date (€ -27 million). Against the backdrop of virtually stable total assets, the equity ratio came in at a very sound 41.8 % (previous year: 42.5 %). **Non-current liabilities** increased slightly year on year (€ +36 million). Given the higher actuarial rate, pension provisions dropped notably (€ -127 million) compared with the previous year's reporting date. However, this was offset by a substantial increase in non-current financial liabilities (€ +164 million). **Current liabilities** rose by € 106 million. While current financial liabilities (€ -47 million) and trade payables including contract liabilities (€ -3 million) declined, other liabilities including tax liabilities (€ +122 million) exceeded the level posted on the last reporting date. Owing to the planned sale of a company in the Technology Business Unit, an amount of € 17 million was reported under the assets held for sale item.

The **net financial position** (€ -811 million) declined compared with the reporting date at year-end 2024 (€ -574 million). Cash investment (€ 903 million; previous year: € 1,005 million) was offset by liabilities of € 1,714 million (previous year: € 1,578 million), of which € 649 million were owed to banks (previous year: € 674 million). In addition, financial liabilities existed in an amount of € 1,065 million (previous year: € 904 million) mainly in connection with the short-term lending of emissions certificates to be surrendered in the future. The Federal Republic of Germany and the Federal State of Lower Saxony have committed to providing funds in the dimensions of € 1 billion for the SALCOS® transformation program that will be paid out depending on the investments implemented. An amount of € 607 million in total had been paid out from these funds since 2023 and by the reporting date. As before, assets and liabilities from leasing arrangements are not considered in the net financial position. Higher trade receivables including contract assets (€ +170 million) will impact the net financial position positively only when payment is made.

NOTES TO THE CASH FLOW STATEMENT

With a pre-tax result of € -73 million, a positive **cash flow from operating activities** of € 315 million was reported (previous year: € -95 million). Running counter to the development in the same year-earlier period, working capital remained virtually at the level of the reporting date at year-end 2024.

The **cash flow from investing activities** stood at € -418 million (previous year: € -490 million). The balance of disbursements for investments in intangible assets and fixed assets set off as against the subsidies received for the SALCOS® program (€ -425 million; previous year: € -490 million) was lower than a year ago. SALCOS® disbursements totaled € 445 million and, in this context, € 271 million in subsidies were received. Furthermore, funds were also disbursed for acquiring a subsidiary not consolidated to date in the Technology Business Unit, set against payments received for the sale of a subsidiary.

We paid dividend of € 11 million to our shareholders. Proceeds from borrowing and other financial liabilities (€ 343 million) are offset by repayments of loans and other financial liabilities (€ -259 million) and interest payments (€ -39 million), resulting in an overall **cash inflow from financing activities** (€ 34 million; previous year's period: € 239 million).

As a result of the negative total cash flow in particular, as well as due to exchange rate changes, **cash and cash equivalents** (€ 901 million) declined accordingly compared with December 31, 2024 (€ 1,002 million).

EMPLOYEES

	2025/09/30	2024/12/31	Change
Core workforce¹	22,352	22,381	-29
Steel Production Business Unit	7,649	7,578	71
Steel Processing Business Unit	4,174	4,233	-59
Trading Business Unit	1,648	1,850	-202
Technology Business Unit	6,082	5,957	125
Industrial Participations/ Consolidation	2,799	2,763	36
Apprentices, students, trainees	1,541	1,486	55
Non-active age-related part-time employment	578	605	-27
Total workforce	24,470	24,473	-3

Rounding differences may occur due to pro-rata shareholdings.

¹ Excluding executive body members.

As of September 30, 2025, the **core workforce** of the Salzgitter Group numbered 22,352 employees, which is 29 persons less than at the end of the financial year 2024. After an adjustment to account for the sale of Salzgitter Mannesmann Stahlhandel Austria GmbH (-83), effective at the start of June 2025, and the initial consolidation of KHS subsidiaries KHS Sales & Service Romania S.R.L and KHS North & West Africa S.A.R.L. (+28 employees as of September), the Group's core workforce had grown by 26 employees.

The increase of 71 employees in the Steel Production Business Unit's workforce in the first nine months of 2025 is attributable in particular to the hiring of trainees at Salzgitter Flachstahl GmbH in January and June and partly also to the substitution of temporary staff outsourced by core workforce employees for a functionally limited duration. More employees were hired in the Technology Business Unit (+125) for the purpose of expanding the business, as planned. Conversely, the number of employees in the Trading Business Unit declined by 202 persons, which was especially attributable to restructuring Salzgitter Mannesmann Handel GmbH and Salzgitter Mannesmann Stahlhandel GmbH (together -124 employees), along with the disposal of the steel trading business in Austria. Throughout the group, a total of 247 trainees were hired during the reporting period, 127 of whom were given temporary contracts. A counter trend emanated from employees reaching retirement through switching to the non-active age-related part-time or entering into immediate retirement.

As of 30 September, the **total workforce** stood at 24,470 persons. The number of **temporary staff** outsourced came in at 632, which is 471 persons below the number reported on previous year's reporting date. Along with less requirement for temporary staff outsourced due to the economic environment, around half of the decline in hiring these staff members is due to a statistical one-off effect at KHS India and at KDE India. At the end of the reporting period, 551 employees were working **short time** in the domestic Group companies (9M 2024: 326). Expressed as a monthly average, 123 employees (9M 2024: 376) were impacted by short-time work, especially at Peiner Träger GmbH.

In the night of October 1, 2025, a collective agreement was reached for the iron and steel industry in northwest Germany that was subsequently adopted by the federal states of eastern Germany. In respect of companies bound by collective agreements, this agreement provides for an increase in collective wages of 1.75 %, following three months of zero increase - applicable accordingly to just under 60 % of the domestic workforce - as well as a disproportionate increase in training allowances of € 75 per month, starting with January 2026. The collective agreement runs for a minimum term of 15 months through to December 31, 2026.

FORECAST, OPPORTUNITIES AND RISK REPORT

OUTLOOK

Compared with the previous year, the business units anticipate that business in the financial year 2025 will develop as follows:

The results delivered by the companies belonging to the **Steel Production Business Unit** are likely to benefit from slightly higher shipment volumes. Against the backdrop of sustained economic weakness, margins will remain under pressure in 2025 as a whole although a moderate price uptrend was recently anticipated. In view of curtailed demand stimulus, further endeavors regarding productivity and efficiency measures will be aimed at improving the earnings situation. We anticipate challenging competition in the sections segment that will burden volumes, selling prices and margins. As before, we expect that capacity utilization in the strip steel business will be covered by demand. Crude steel production will partly take place based on dual furnace operation, as interim repairs are being made on Blast Furnace C. In a challenging environment in terms of prices, and against the backdrop of improved shipment volumes, we generally anticipate lower sales (previous year: € 3,388.8 million), a notable deterioration in EBITDA (previous year: € 186.2 million) and a tangibly lower pre-tax result (previous year: € -60.9 million).

In the **Steel Processing Business Unit**, we expect heavy plate to trend sideways overall throughout the financial year in a market environment that will remain tight. With a view to the second half of the year, we nevertheless anticipate a marginal increase in volumes in the higher grade category. Pipe plate production is likely to stagnate due to the delays in awarding projects for large-diameter pipes. In the large-diameter pipes segment, orders on hand, partly still from the previous year, are sufficient for securing capacity utilization for the most part. Following a sound first half year in the medium-diameter line pipe segment, the introduction of US tariffs and the resulting drop in inquiries have resulted in a more difficult demand situation. The precision tubes group continues to deal with a tense market environment. Customer sectors are not expected to recover. Impairment from the previous year will nevertheless ease the cost front. Overall, we predict a notable downturn in sales that is mainly attributable to the deconsolidation of the stainless tubes group in October 2024 (previous year: € 1,576.3 million). The capacity utilization situation and the development of shipment volumes remain under pressure. Despite the elimination of the Mannesmann Stainless Tubes Group's negative contribution, EBITDA is set to drop marginally below the year-earlier figure (previous year: € -78.6 million). The pre-tax result (previous year: € -391.4 million) is likely to significantly exceed the year-earlier figure that was burdened by one-off items, but will nevertheless remain in clearly negative territory.

The **Trading Business Unit** can expect a considerable increase in the result of the stockholding steel trade due in particular to the sustainable, positive effects of ongoing restructuring and the elimination of the associated negative one-off items in the previous year. The uncertain foreign trade-related and geopolitical circumstances that continue to prevail are hampering business in international trading. Huge uncertainty for market players emanating especially from the US's trade and customs policy and the resulting redirections in the flow of goods are acting as a constraint on business. Backed by successfully diversifying business, upbeat margin developments in the case of major projects, and supported by non-recurrent earnings contributions, international trading is nevertheless expected to deliver a result matching the year-earlier level. An improvement is anticipated in the UES Group's earnings situation, bolstered by positive margin effects in the US business. Generally speaking, sales in the Trading Business Unit are likely to be notably lower (previous year: € 3,056.7 million) due to volumes, while a significant improvement and therefore positive EBITDA (previous year: € -20.9 million) and EBT (previous year: € -81.2 million) is expected.

The **Technology Business Unit** is on track for another record year in 2025. With regard to the KHS Group in particular, we anticipate that, based on the quality of the order backlog and successful bookings in the project business, along with ongoing, focused growth in the service business, the group will continue to perform well, as in recent years. KDE anticipates demand on a par with the previous year. All in all, we expect the following for the business unit: sales at the year-earlier level (previous year: € 1,803.9 million), EBITDA at the previous year's level (previous year: € 148.5 million), and a discernibly higher pre-tax result (previous year: € 93.5 million).

Given the persistently weak economic phase, margins are set to remain under pressure throughout 2025 as a whole. Although there were signs recently of prices trending up moderately, it is likely to be next year before the resulting positive effects are reflected in sales and earnings. Against this backdrop, we are specifying our guidance for the year. In accordance with analyst coverage, we anticipate the following for the **Salzgitter Group** in the financial year 2025:

- / sales slightly above € 9.0 billion (previously: between € 9.0 billion and € 9.5 billion),
- / EBITDA of between € 300 million and € 350 million (previously: between € 300 million and € 400 million),
- / a pre-tax result of between € -100 million and € -50 million (previously: between € -100 million and € 0 million), as well as
- / a return on capital employed (ROCE) that is slightly above the previous year's figure.

As in past years, we make reference to the fact that criteria of the annual financial statements and opportunities and risks, including changes in the cost of raw materials, precious metal prices and exchange rates, may still have a considerable impact on the end of the financial year 2025.

FORECAST FOR THE BUSINESS UNITS AND THE GROUP

			Financial Year 2024	Forecast for the Financial Year 2025
Steel Production	Sales	€ m	3,388.8	Lower y / y
	EBITDA	€ m	186.2	Discernibly lower y / y
	EBT	€ m	-60.9	Significantly lower y / y
Steel Processing	Sales	€ m	1,576.3	Discernibly reduced
	EBITDA	€ m	-78.6	Slightly lower y / y
	EBT	€ m	-391.4	Significantly higher y / y
Trading	Sales	€ m	3,056.7	Significantly lower y / y
	EBITDA	€ m	-20.9	Clearly higher y / y
	EBT	€ m	-81.2	Clearly higher y / y
Technology	Sales	€ m	1,803.9	At the previous year's level
	EBITDA	€ m	148.5	At the previous year's level
	EBT	€ m	93.5	Tangibly higher y / y
Group	Sales	€ m	10,011.7	Slightly above € 9.0 billion
	EBITDA	€ m	445.2	Between € 300 million and € 350 million
	EBT	€ m	-296.2	Between € -100 million and € -50 million
	ROCE	%	-3.4	Slightly higher y / y

DENOMINATION

Stable, at year-earlier level:
 Marginal, slight, somewhat:
 Moderate, modest, more detailed description not available:
 Tangible, considerable, notable, significant, visible:

SALES, EBITDA AND EBT

Up to ± 2 %
 ± 2 % to < ± 5 %
 ± 5 % to < ± 10
 Upward of 10 %

DELTA ROCE

± 1
 1 to 5
 -
 > ± 5

RISK MANAGEMENT

At the time of reporting, we find ourselves still confronted by the impact of corporate-strategy-related, geopolitical, economic and sectoral risks. At present, and to the extent foreseeable, we have factored in the effects on our companies' earnings into guidance for the current year, as far as can be estimated.

Despite heightened uncertainty, there were no risks that could endanger the Salzgitter Group as a going concern as of the reporting date. With regard to the individual **opportunities and risks**, we make reference to the Annual Report 2024.

CORPORATE STRATEGY RISKS

Risks arise from our SALCOS® decarbonization program in various permutations. Such risks include the complexities inherent in the overall project, changes to the planning horizon and with a view to allocating internal and external financing. Risk considerations from cost increases anticipated in plant engineering in particular are meticulously monitored as part of a project organization and measures developed, also involving external expertise. Reports on this are regularly made to Salzgitter AG's Executive Board and Supervisory Board. The comprehensive review and validation of the additional costs announced on the occasion of the Annual General Meeting of Shareholders in May have been concluded and submitted to the Supervisory Board. The total budget for the first phase of SALCOS® now amounts to around € 2.5 billion. The SALCOS® project management organization monitors the basic assumptions such as sales and earnings expectations underlying the investment decision, including willingness to pay and the amount of the green steel premium anticipated, the carbon allowance price trend, commodity and energy price estimates, including hydrogen and its availability and regulatory changes. Developments are compared on a running basis with the current situation and the progress of the project. In September 2025, in view of the deterioration in the economic and political-regulatory framework conditions, the decision was taken to defer the investment decisions on further development stages under the SALCOS® program until 2028/29.

"Imponderables regarding the transformation of primary steel production" constitute a transitory risk. This risk pertains to the technological progress made in transforming the facilities in their entirety beyond the first stage of SALCOS®. A range of different risk factors could lead to us losing our transformation lead when compared with the competition. In addition to the aforementioned basic assumptions, possible imponderables relate to the financial viability of the further transformation, especially as the project and budget planning for further SALCOS® stages has not yet been completed. The current conditions are leading to a postponement of the subsequent expansion stages at Salzgitter AG. Of major import here are the introduction and the effectiveness of regulatory instruments, such as "key green markets" or border adjustment systems. Ultimately, the competitive production of low CO₂e steel products is decisive for the success of our transformation. This, in turn, depends most particularly on the availability and the costs of renewable sources of energy

GEOPOLITICAL RISKS

Salzgitter AG is a group with global operations and, as such, is therefore especially exposed to geopolitical impact. Geopolitical crises and political imponderables may have direct or indirect negative impact on Salzgitter AG's business model. Effects may also manifest on the sales markets, the commodities markets, the energy markets and on the Group's transport routes.

Geopolitical crises have eased only slightly and, despite a number of initiatives aimed at ending the war in Ukraine, military actions have been stepped up. Regarding Hamas' agreement with Israel on the Gaza Strip, there is a glimmer of hope for a calmer situation in the Near East. Disruptions to goods traffic and consequently to supply chains remain possible depending on how the conflicts develop. At the current point in time no notable effects on Salzgitter AG's business activities are discernible, particularly as the energy markets swiftly returned to normal levels following the end of the conflict between Israel and Iran.

In relation to the Salzgitter Group, economic uncertainties arise from the Russia-Ukraine war. Such uncertainties pertain most especially to price trends and reliable supply on the procurement markets for energy and commodities, along with future sales prospects. The Salzgitter Group is indirectly affected by insufficiently structured sanctions. Slab from Russia can, for instance, be imported into the EU through to 2028 at prices that are detrimental to the market (see also the section on sectoral risks). The decline in sales in the war-affected regions is less relevant for

Salzgitter AG. Given the persistent lack of a positive outlook, we have significantly scaled back our business activities in these regions.

Along with armed conflicts, the US's implementation of tariffs on practically all goods from the EU and from many other countries in the world harbors great risks for economic development. The levying of flat rate tariffs on imports into the US has hit export-oriented European industrial sectors hard – albeit somewhat mitigated by way of agreement with the US and the introduction of flat rate tariffs of 15 %. Import duties on vehicles are therefore levied at 15 % instead of 27.5 %. This development will likely continue to hamper exports, while stabilizing the relative competitive position of European exporters on the US market. The situation remains unclear in the steel business. The agreement provides for retaining the 50 % tariffs, accompanied by massively expanding their application to include steel derivatives. Imposing tariffs on steel and aluminum imports, along with the new basic tariff of 15 %, also incurs an indirect impact on Salzgitter AG's business model. There is less emphasis on direct deliveries from individual Group companies owing to the low level of direct steel exposure in the US. However, indirect steel exports from Germany to the US may result in directly negative consequences for Salzgitter AG's individual business units. We are currently anticipating a decline of between three and six million tons in Europe's direct and indirect steel exports, which is equivalent to between 2.5 % and 5 % of the EU's demand.

In addition, the unresolved conflict between China and Taiwan is still smoldering, with the risk of an escalation that would engender massive constraints on global trade, supply chains and economic growth. Geopolitical risks are also emerging on the European continent, however. The strengthening of populist parties in a number of European countries, along with fragile governments in the EU15 not only fuel uncertainty about short-term economic development regarding the direction of fiscal policy and maintaining the intensity of carbon regulations. A further dampening of the investment climate could cause the German economy's recessionary tendencies to gain more traction again, which would spell persistent doldrums on the steel market.

ECONOMIC RISKS

The aforementioned risks may negatively impact the short-term development of the global economy. This is compounded by further risks for the global economy entailing repercussions on demand and prices. The economic situation remains volatile and harbors risks, with the US policy on tariffs as a key factor of influence on economic development. In this context, a decline in international trade could not only curb growth but also put the brakes on investments and exert inflationary pressure. Forecasts are, however, subject to considerable uncertainty due to the dynamic and changeable situation.

Consequently, according to the institutes issuing the Joint Economic Forecast, **global economic growth** is set to slow from 2.8 % in 2024 to 2.6 % this year and 2.3 % in 2026. The slowdown is attributable to the US's escalating tariff policy, with the large economic regions of the US and China bearing most of the brunt.

Europe's economic development will be burdened by US trade policy. Furthermore, growing competitive pressure on the markets outside the US may also have a negative impact as China might redirect its trade flows. The institutes issuing the Joint Economic Forecast estimate growth for Europe at 1.4 % in 2025 and 1.3 % in 2026. Economic impetus, such as robust domestic demand, prevents an even stronger downward revision of the forecasts.

The **German economy** continues to operate in the force field of economic and structural challenges. Defense expenditure and infrastructure investments will presumably increase sharply in the years ahead, and a recovery will be driven by domestic demand. The institutes issuing the Joint Economic Forecast anticipate growth of 0.3 % in 2025 and 1.0 % in 2026. The DIW presents a more optimistic estimate that puts growth at 1.7 % in the coming year. The economic research institutes advocate structural reforms in addition to the financial package for sustainably strengthening growth.

In view of the dynamic and volatile US tariff policy and lack of clarity about countermeasures and political agreements, projections are subject to considerable uncertainty. The current US trade policy harbors the most significant risk, impacting negatively on the economies of Europe and Germany and consequently on Salzgitter AG's core markets. There is still no binding agreement in place with China. Moreover, existing agreements are also considered fairly unreliable in the long term due to the erratic behavior of the US government and the tendency to use tariff policy measures to enforce interests that are removed from the economy.

A further risk emanates from the inflation rate trend in the US and in the euro area. Trade policy measures in the US could fuel price increases. If the inflation rate rises and the US Federal Reserve waives the option of hiking interest rate due to political influence, or even lowers interest rates as it recently did, this may have an impact on the financial markets. Conflicting goals from fiscal and monetary policies may arise in the Euro area. Higher spending on defense and additional fiscal incentives could influence inflation and cause the ECB to consider a more restrictive monetary policy. Delays to or the lack of interest rate cuts may incur potential consequences for the Salzgitter Group's core markets as this could result in weaker stimulus for the construction industry and consumer spending would be less easy to finance.

The current phase of stagnation in Germany, the longest in the post-war period, is proving to be a persistent, structural weakness. Germany's competitiveness has deteriorated significantly due to rising wage levels in the country, accompanied by price hikes for imports and for energy in particular. These circumstances could put a permanent damper on the demand for steel, not only due to weaker exports, but also from steel consumers relocating their production sites elsewhere, thereby exerting sustained pressure on demand and steel prices.

China's sluggish growth represents a further indirect risk. Slack demand is presenting European exporters with challenges given that China represents a key sales market. At the same time, considerable export pressure is building up due to the massive subventions that have resulted in excess capacities in China in many parts of the country's industry. This effect is augmented by the isolation of the US market and could result in redirection effects of Chinese goods. This scenario would give rise to negative consequences for the important European customer sectors of the steel industry such as conventional steel construction, automotive production and heavy mechanical engineering, as well as for wind turbine manufacturers that would be faced by even fiercer competition on the global markets.

Changes in Germany's financial and economic policies present a further risk. On the one hand, the German government's financial package could generate stimulus to counteract the ongoing economic and political uncertainty. On the other, the various parties debating redistribution, relief and the budget package remain intransigent, and the necessary reforms to stimulate investment are still slow to materialize. Uncertainty about economic policy conditions is shaping investment behavior, thereby contributing to perpetuating economic weakness.

SECTORAL RISKS

A structural, sector-specific risk for the global steel industry arises from the ongoing increase in surplus global capacities, which the OECD estimates at more than 700 million tons in 2025. By comparison: The EU produces around 150 million tons of crude steel a year. Moreover, these surplus capacities are likely to continue to grow in the coming three years. At the same time, the increase in the demand for steel is expected to be moderate, however, which will continue to exert strong pressure on import markets such as the EU. These import volumes will negatively impact steel prices in turn. Structural solutions such as in those presented in the framework of the "Global Sustainable Steel Arrangement" between the EU and the US have not yet been successful. More than two thirds of the new capacities originate from carbon-intensive blast furnaces, which undermines global decarbonization endeavors. In addition, these carbon-intensive capacities jeopardize transformation in Europe if the requisite high carbon costs cannot be levied on imports into the EU in the future. In December 2022, the EU member states agreed on the introduction of a Carbon Border Adjustment Mechanism (CBAM) as a future Carbon Leakage Safeguard Instrument and as a replacement for free allowances. A transition phase commenced as from October 1, 2023, and, as from January 1, 2026, imports will be subject to the cost of carbon similar to EU producers. Risks also arise from the form the new instrument will take as there is still no mechanism to ease the burden on exports, while the regulations for circumventing CBAM are not stringent enough, and key processing stages in the steel value chain are not covered by CBAM, resulting in the threat of production relocation.

Prompted by the lack of a stabilizing effect from safeguard measures on the EU steel market, particularly in a phase of demand trending down, the EU Commission conducted another review in the first quarter of 2025. The findings of the investigation resulted in various adjustments to the safeguard that entered into force on April 1 and July 1 respectively. Against the backdrop of declining demand, changes to the safeguard have failed to be effective enough and will therefore be unable to contribute to stabilizing the EU steel market through to the summer of 2026.

On October 7, the EU Commission presented its successor instrument for the EU safeguards in the context of the Steel and Metals Action Plan. This instrument comprises significant improvements in safeguarding against the effects of global surplus capacities, a considerable reduction in the duty-free import quotas, an "out-of-quota" tariff of 50 %, as well as universal applicability to all countries, thereby preventing loopholes. Risks are entailed in the political processes within the EU, as well as in negotiations with key WTO trading partners. Both EU member states, the EU Parliament and lobbying by non-EU countries could weaken the measures or considerably delay their implementation.

In 2022, the EU member states resolved to introduce import restrictions on Russian steel products in the form of several sanctions. The sanctions that took effect from October 2023 have been softened insofar as obligations to provide evidence are concerned. Furthermore, the import prohibition on Russian semi-finished products, due to remain in place until October 2024, was lifted in December 2023 and transitioned to a quota regime, allowing the import of the respective products through to 2028. Consequently, Russian semi-finished products, the prices of which have settled 30 % to 50 % below the otherwise customary level, may still be used on the EU market. The greatest negative impact is evident on the European heavy plate market where around 15 % to 20 % of production involves using Russian slabs.

INTERIM REPORT

CONSOLIDATED INCOME STATEMENT

In € million	Q3 2025	Q3 2024	9M 2025	9M 2024
Sales	2,200.5	2,484.1	6,865.2	7,727.3
Increase / decrease in finished goods and work in process / other own work capitalized	36.4	-3.0	-129.0	86.8
Total operating performance	2,236.9	2,481.1	6,736.2	7,814.1
Other operating income	107.8	96.8	420.6	312.8
Cost of materials	1,436.0	1,672.3	4,373.2	5,323.7
Personnel expenses	487.9	498.1	1,481.0	1,505.5
Amortization and depreciation of intangible assets and property, plant and equipment	77.1	211.3	235.6	375.2
Other operating expenses	319.7	359.6	1,159.8	1,089.1
Result from impairment losses and reversal of impairment losses of financial assets	-3.8	0.1	-3.1	1.7
Income from shareholdings	0.6	1.0	1.9	1.3
Result from investments accounted for using the equity method	9.3	38.0	82.4	109.0
Finance income	12.2	8.0	35.0	23.8
Finance expenses	31.3	36.4	96.1	110.4
Earnings before taxes (EBT)	11.1	-152.7	-72.7	-141.2
Income tax	-31.3	26.4	-26.2	56.4
Consolidated result	42.4	-179.1	-46.5	-197.6
Amount due to Salzgitter AG shareholders	40.7	-180.3	-50.2	-202.2
Minority interest	1.7	1.2	3.7	4.5
Earnings per share (in €) – basic	0.75	-3.34	-0.93	-3.74
Earnings per share (in €) – diluted	0.75	-	-0.93	-

STATEMENT OF COMPREHENSIVE INCOME

In € million	Q3 2025	9M 2025	Q3 2024	9M 2024
Consolidated result	42.4	-46.5	-179.1	-197.7
Recycling				
Changes in value from currency translation	-3.4	-35.3	-15.2	-10.3
Changes in value from cash flow hedges	21.4	-10.4	2.0	-18.5
Fair value change	21.7	-8.9	3.1	-18.3
Recognition with effect on income	-0.3	-1.5	-1.1	-0.3
Changes in the value of investments in companies accounted for using the equity method	-9.1	-11.3	0.3	1.3
Fair value change	4.8	9.7	-0.1	-3.4
Recognition with effect on income	-	-	-	-
Currency translation	-12.7	-19.2	1.6	4.6
Deferred taxes	-1.2	-1.9	-1.2	-
Subtotal	8.9	-57.0	-12.9	-27.6
Non-recycling				
Remeasurements	16.2	78.7	-66.0	-17.8
Remeasurement of pensions	21.3	104.2	-87.1	-23.4
Deferred taxes	-5.1	-25.5	21.1	5.7
Changes in the value of investments in companies accounted for using the equity method	-	3.1	1.3	-7.1
Fair value change	-	-	-	-
Remeasurement of pensions	-0.0	4.6	4.1	-8.3
Currency translation	-	-	-	-
Deferred taxes	0.0	-1.5	-2.8	1.2
Subtotal	16.2	81.8	-64.7	-24.9
Other comprehensive income	25.1	24.8	-77.6	-52.4
Total comprehensive income	67.5	-21.7	-256.7	-250.1
Total comprehensive income due to Salzgitter AG shareholders	65.8	-25.4	-257.9	-254.6
Total comprehensive income due to minority interest	1.7	3.7	1.2	4.5
	67.5	-21.7	-256.7	-250.1

CONSOLIDATED BALANCE SHEET

Assets in € million	2025/09/30	2024/12/31
Non-current assets		
Intangible assets	164.3	174.4
Property, plant and equipment	2,856.9	2,674.8
Investment property	63.5	65.5
Financial assets	28.4	26.2
Investments in companies accounted for using the equity method	1,708.9	1,655.0
Trade receivables	0.3	1.4
Other receivables and other assets	29.9	19.6
Income tax assets	8.6	9.8
Deferred income tax assets	361.3	364.9
	5,222.1	4,991.7
Current assets		
Inventories	2,524.8	2,740.9
Trade receivables	1,248.4	1,058.9
Contract assets	362.4	382.1
Other receivables and other assets	240.5	244.7
Income tax assets	40.9	44.8
Securities	0.0	0.0
Cash and cash equivalents	900.7	1,002.2
Assets held for sale	40.4	-
	5,358.1	5,473.6
Total assets	10,580.2	10,465.3

Equity and liabilities in € million	2025/09/30	2024/12/31
Equity		
Subscribed capital	161.6	161.6
Capital reserve	257.0	257.0
Retained earnings	4,331.4	4,304.7
Other reserves	33.3	75.8
Unappropriated retained earnings	1.3	12.1
	4,784.6	4,811.1
Treasury shares	-369.7	-369.7
	4,414.9	4,441.4
Minority interest	6.5	7.4
	4,421.4	4,448.8
Non-current liabilities		
Provisions for pensions and similar obligations	1,511.3	1,638.4
Deferred tax liabilities	154.8	154.8
Income tax liabilities	19.3	19.2
Other provisions	184.7	201.5
Financial liabilities	629.5	465.4
Other liabilities	21.4	5.5
	2,521.0	2,484.8
Current liabilities		
Other provisions	298.8	292.4
Financial liabilities	1,243.1	1,290.1
Trade payables	1,276.5	1,290.6
Contract liabilities	420.1	408.7
Income tax liabilities	14.2	4.4
Other liabilities	367.5	245.5
Liabilities associated with assets held for sale	17.7	-
	3,637.8	3,531.7
Total assets	10,580.2	10,465.3

CASH FLOW STATEMENT

In € million	9M 2025	9M 2024
Earnings before taxes (EBT)	-72.7	-141.2
Write-downs (+) / write-ups (-) of non-current assets	235.6	374.4
Income tax paid (-) / refunded (+)	37.4	-32.2
Other non-cash expenses (+) / income (-)	102.6	61.7
Interest expenses	96.1	109.9
Gain (-) / loss (+) from the disposal of non-current assets	7.5	-1.4
Increase (-) / decrease (+) in inventories	170.9	23.7
Increase (-) / decrease (+) in trade receivables and other assets not attributable to investment or financing activities	-241.6	-271.0
Use of provisions affecting payments, excluding income tax provisions	-169.6	-174.9
Increase (+) / decrease (-) in trade payables and other liabilities not attributable to investment or financing activities	148.5	-43.4
Cash outflow / inflow from operating activities	314.6	-94.5
Cash inflow from the disposal of intangible assets, property, plant and equipment and investment property	2.2	9.1
Cash outflow for investments in intangible assets, property, plant and equipment and investment property	-698.6	-561.0
Cash inflow of subsidies for investments in intangible assets, property, plant and equipment	271.1	61.3
Cash inflow from investments of funds	4.4	-
Payments for financial investments	-4.7	-0.0
Cash inflow from the sale of subsidiaries	22.7	-
Payments for the acquisition of subsidiaries	-10.5	-
Cash inflow from the disposal of non-current assets	0.3	0.5
Cash outflow for investments in non-current assets	-4.6	-0.1
Cash outflow from investment activities	-417.7	-490.2
Payouts to company owners	-10.8	-24.3
Deposits from taking out loans and other financial debts	342.5	577.0
Repayment of loans and other financial liabilities	-258.8	-262.1
Interest paid	-39.0	-51.7
Cash outflow / inflow from financing activities	33.8	238.8
Cash and cash equivalents at the start of the period	1,002.2	939.7
Cash and cash equivalents relating to changes in the consolidated group	-0.0	0.0
Gains and losses from changes in foreign exchange rates	-32.2	-12.2
Payment-related changes in cash and cash equivalents	-69.3	-345.9
Cash and cash equivalents at the end of the period	900.7	581.6

NOTES

SEGMENT REPORTING

In € million	Steel Production		Steel Processing		Trading	
	9M 2025	9M 2024	9M 2025	9M 2024	9M 2025	9M 2024
External sales	2,465.5	2,665.7	915.1	1,268.7	2,062.0	2,349.6
Sales to other segments	855.7	927.5	460.2	476.8	57.3	34.9
Sales to group companies that are not allocated to an operating segment	2.4	2.4	195.9	240.8	0.0	0.0
Segment sales	3,323.6	3,595.6	1,571.2	1,986.3	2,119.3	2,384.5
Segment cost of materials	2,274.8	2,691.5	1,152.6	1,485.1	1,894.8	2,167.9
Interest income (consolidated)	0.2	0.2	1.2	2.6	1.4	1.7
Interest income from other segments	-	-	-	-	-	-
Interest income from group companies that are not allocated to an operating segment	20.9	1.2	7.3	2.2	12.7	14.6
Segment interest income	21.1	1.5	8.5	4.8	14.1	16.2
Interest expenses (consolidated)	40.8	38.4	8.9	10.6	18.5	27.8
Interest expenses to other segments	-0.0	-	-0.0	-	-0.0	-
Interest expenses to group companies that are not allocated to an operating segment	15.3	6.4	9.8	8.5	0.5	0.5
Segment interest expenses	56.0	44.8	18.7	19.1	19.0	28.3
of which interest portion of allocations to pension provisions	16.9	16.7	6.0	6.5	1.4	2.2
Depreciation of property, plant and equipment and amortization of intangible assets	142.8	139.4	26.8	169.2	15.1	14.1
of which scheduled depreciation of property, plant and equipment and amortization of intangible assets	142.8	139.4	26.8	39.8	15.1	14.1
Reversal of impairment of tangible and intangible assets (according to IAS 36)	-	-	-	0.8	-	-
EBIT before depreciation and amortization (EBITDA)	121.4	157.7	-53.2	-63.3	40.8	16.8
Earnings before interest and taxes (EBIT)	-21.4	18.3	-79.9	-232.5	25.7	2.7
Segment earnings before taxes	-56.3	-25.0	-90.1	-246.7	20.8	-9.3
of which resulting from investments in companies accounted for using the equity method	-	-	-1.1	1.4	-	-
Investments in property, plant and equipment and intangible assets	332.8	386.1	63.7	60.4	10.8	18.8

Key figures 2024 including Mannesmann Stainless Tubes Group

Technology		Total segments		Industrial Participations / Consolidation		Group	
9M 2025	9M 2024	9M 2025	9M 2024	9M 2025	9M 2024	9M 2025	9M 2024
1,286.7	1,305.0	6,729.3	7,589.0	135.9	138.3	6,865.2	7,727.3
0.4	0.6	1,373.6	1,439.9	650.5	745.8	2,024.1	2,185.7
-	-	198.3	243.2	-	-	198.3	243.2
1,287.2	1,305.7	8,301.2	9,272.1	786.5	884.1	9,087.7	10,156.2
636.5	670.8	5,958.7	7,015.3	-1,585.5	-1,691.6	4,373.2	5,323.7
6.8	4.1	9.6	8.6	25.4	15.1	35.0	23.8
-	-	-	-	26.6	17.5	26.6	17.5
1.7	0.1	42.5	18.1	-	-	42.5	18.1
8.5	4.2	52.2	26.7	52.0	32.7	104.1	59.4
4.8	4.2	73.0	80.9	23.0	29.4	96.1	110.4
-0.0	-	-0.0	-	42.5	18.1	42.5	18.1
1.0	2.2	26.6	17.5	-	-	26.6	17.5
5.8	6.4	99.6	98.5	65.6	47.5	165.2	146.0
2.2	2.3	26.6	27.6	14.8	15.7	41.4	43.3
23.0	24.9	207.7	347.6	27.9	27.6	235.6	375.2
23.0	24.9	207.7	218.2	27.9	26.6	235.6	244.7
-	0.0	-	0.8	-	-	-	0.8
96.6	105.7	205.7	216.9	18.3	103.7	224.0	320.6
73.6	80.8	-2.0	-130.7	-9.6	76.1	-11.6	-54.6
76.2	78.6	-49.4	-202.5	-23.3	61.2	-72.7	-141.3
-	-	-1.1	1.4	83.5	107.6	82.4	109.0
16.0	41.8	423.3	507.0	19.1	31.2	442.4	538.2

PRINCIPLES OF ACCOUNTING AND CONSOLIDATION, BALANCE SHEET REPORTING AND VALUATION METHODS

1. The consolidated financial report of Salzgitter AG, Salzgitter, for the reporting period from January 1 to September 30, 2025, has been prepared as a condensed report with selected notes. The report has been drawn up, as before, in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) in consideration of the requirements set out under IAS 34 for condensed interim reports.
2. In comparison with the annual financial statements as at December 31, 2024, no changes have been made in the accounting, valuation, calculation and consolidation methods applied to the quarterly financial statements for the period ended September 30, 2025, notwithstanding the following exceptions.
3. In calculating the fair value of defined benefit obligations as of September 30, 2025, an actuarial rate of 4.0 % was applied (December 31, 2024: 3.5 %). The resulting reduction in provisions for pensions and similar obligations is reported in other comprehensive income (pension remeasurement) and incurs a corresponding increase in equity.
4. The recognition of the lease liabilities assigned to financial liabilities is calculated as the present value of the lease payments to be made. In subsequent measurement, the carrying amounts of the lease liability are compounded and reduced by the lease payments remitted with no effect on income. The usage rights reported in property, plant and equipment are recognized at the cost of acquisition less accumulated depreciation and amortization and, if appropriate, any necessary impairment.

In accordance with the accounting rules for leases (IFRS 16), the historical cost of acquisition of the usage rights and leasing liabilities is shown in the following:

In € million	2025/09/30	2024/12/31
Right of use of land, similar rights and buildings, including buildings on land owned by others	147.5	158.1
Right of use of plant equipment and machinery	89.6	82.1
Right of use of other equipment, plant and office equipment	39.9	39.7
Non-current assets	277.0	279.9
Right of use of land, similar rights and buildings, including buildings on land owned by others	71.9	74.8
Right of use of plant equipment and machinery	49.8	42.8
Right of use of other equipment, plant and office equipment	24.2	19.9
Depreciation / amortization	145.9	137.5
Lease liabilities	157.7	176.9

An amount of € 129.4 million is attributable to non-current lease liabilities. Moreover, there were amounts of € 24.5 million in depreciation and amortization, € 4.3 million in interest expenses, as well as cash outflow totaling € 28.5 million in the first nine months of 2025.

5. Salzgitter Mannesmann Stahlhandel GmbH (SMSD), a member company of the Trading Business Unit, sold its wholly-owned subsidiary Salzgitter Mannesmann Stahlhandel Austria GmbH, Austria, (SMSA) to the ECCO Group. The company was deconsolidated from SZAG's group of consolidated companies effective June 1, 2025.
6. Achim-based wholly-owned subsidiary DESMA Schuhmaschinen GmbH (KDS) was sold to NAME & MAWI Partners S.A.S., France. As of the reporting date, KDS's assets and liabilities are disclosed under the "assets held for sale" item, and deconsolidation will take place in the fourth quarter of the financial year. The book value of KDS's assets held for sale have been reduced in line with current purchase price expectations with effect on income.

7. In May 2025, Salzgitter AG paid the proposed dividend of € 0.20 per share on the basis of a resolution passed at the Annual General Meeting. Taking account of treasury shares not eligible for dividend, the payout amount totaled € 10.8 million.

SELECTED EXPLANATORY NOTES TO THE INCOME STATEMENT

1. Sales by business segment are shown in the segment report.
2. Earnings per share are calculated in accordance with IAS 33. Basic earnings per share, calculated from the weighted number of shares of Salzgitter AG, came to € -0.93 in the period under review. Dilution would occur if earnings per share were reduced through the issuance of potential shares from option and conversion rights. Such rights did not exist as of the balance sheet date.

RELATED PARTY DISCLOSURES

In addition to business relationships with companies that are fully consolidated, relationships also exist with companies that must be designated as related companies in accordance with IAS 24. The category of other associated companies essentially comprises the majority interests of the Federal State of Lower Saxony as well as of Hanover-based GP Papenburg AG.

The sale of goods and services essentially comprise deliveries of input material for the manufacture of large-diameter pipes. Their volumes are shown in the table below:

In € million	Sale of goods and services	Purchase of goods and services	Receivables	Liabilities
	01/01-09/30/2025	01/01-09/30/2025	2025/09/30	2025/09/30
Non-consolidated Group companies	9.5	9.3	4.5	2.5
Joint ventures	113.4	16.2	17.1	8.7
Associated companies	0.1	6.2	0.0	0.6
Other related parties	1.7	110.7	0.3	30.5

INFORMATION PURSUANT TO SECTION 37W PARAGRAPH 5 OF THE GERMAN SECURITIES TRADING ACT (WPHG)

This set of interim financial statements and the interim report have not been the subject of an auditor's review.

EVENTS AFTER THE BALANCE SHEET DATE

In October 2025, Salzgitter AG placed an **exchangeable bond** with the right to convert into shares of Aurubis AG in a total nominal amount of € 500 million. The bonds run for a term of seven years, but can nevertheless be returned by investors after five years. They bear a fixed interest rate of 3.375 %.

LEGAL DISCLAIMER

Some of the statements made in this report possess the character of forecasts or may be interpreted as such. They are made upon the best of information and belief and by their nature are subject to the proviso that no unforeseeable deterioration occurs in the economy or in the specific market situation pertaining to the business units, but rather that the underlying bases of plans and outlooks prove to be accurate as expected in terms of their scope and timing. Notwithstanding prevailing statutory provisions and capital market law in particular, the company undertakes no obligation to continuously update any forward-looking statements.

For computational reasons, rounding-off difference of +/- one unit (€, % etc.) may occur in the tables.

The Quarterly Statement of Salzgitter AG is also available in German. In the event of any discrepancy, the German version shall prevail.



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