QUARTERLY STATEMENT
3 MONTHS 2025

3M

SALZGITTER AG
People, Steel and Technology

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SALZGITTER GROUP IN FIGURES

		Q1 2025	Q1 2024	+/-
Crude steel production	kt	1,552.6	1,678.6	-126.0
External sales	€ m	2,329.5	2,677.9	-348.4
Steel Production Business Unit	€ m	891.1	932.0	-41.0
Steel Processing Business Unit	€ m	308.7	436.0	-127.3
Trading Business Unit	€ m	663.8	836.3	-172.6
Technology Business Unit	€ m	422.7	425.4	-2.7
Industrial Participations / Consolidation	€ m	43.3	48.1	-4.8
EBIT before depreciation and amortization (EBITDA)	€ m	78.6	126.4	-47.8
Steel Production Business Unit	€ m	38.7	43.1	-4.4
Steel Processing Business Unit	€ m	-14.3	-0.8	-13.5
Trading Business Unit	€ m	5.7	12.1	-6.4
Technology Business Unit	€ m	36.0	38.2	-2.2
Industrial Participations / Consolidation	€ m	12.6	33.9	-21.3
Earnings before interest and taxes (EBIT)	€ m	-0.5	45.2	-45.7
Earnings before taxes (EBT)	€ m	-27.3	17.2	-44.5
Steel Production Business Unit	€ m	-22.9	-17.8	-5.1
Steel Processing Business Unit	€ m	-25.3	-18.1	-7.3
Trading Business Unit	€ m	-2.0	3.8	-5.8
Technology Business Unit	€ m	28.6	29.5	-1.0
Industrial Participations / Consolidation	€ m	-5.7	19.8	-25.4
Consolidated result	€ m	-34.6	15.0	-49.6
Earnings per share – basic	€	-0.66	0.24	-0.90
Return on capital employed (ROCE)[1]	%	-0.5	2.6	-3.1
Cash flow from operating activities	€ m	-44.8	-142.6	97.8
Investments[2]	€ m	-5.6	108.3	-113.9
Depreciation / amortization[2,3]	€ m	-79.1	-81.2	2.1
Total assets	€ m	10,254.5	10,607.4	-352.9
Non-current assets	€ m	4,949.4	4,594.2	355.2
Current assets	€ m	5,305.1	6,013.1	-708.1
Equity	€ m	4,452.7	4,835.3	-382.6
Liabilities	€ m	5,801.7	5,772.0	29.7
Non-current liabilities	€ m	2,529.6	2,333.7	195.9
Current liabilities	€ m	3,272.1	3,438.3	-166.2
of which due to banks[4]	€ m	572.9	633.1	-60.2
Net financial position on the reporting date[5]	€ m	-623.8	-450.8	-173.0
Employees				
Personnel expenses	€ m	-494.2	-501.0	6.8
Core workforce on the reporting date[6]	Empl.	22,483	23,396	-913
Total workforce on the reporting date[7]	Empl.	24,393	25,253	-860

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

		Q1 2025	Q1 2024
Crude steel production	kt	1,552.6	1,678.6
External sales	**€ m**	**2,329.5**	**2,677.9**
EBIT before depreciation and amortization (EBITDA)	**€ m**	**78.6**	**126.4**
Earnings before interest and taxes (EBIT)	€ m	–0.5	45.2
Earnings before taxes (EBT)	**€ m**	**–27.3**	**17.2**
Consolidated result	**€ m**	**–34.6**	**15.0**
Return on capital employed (ROCE)[1]	**%**	**–0.5**	**2.6**
Investments	€ m	–5.6	108.3
Depreciation / amortization	€ m	–79.1	–81.2
Cash flow from operating activities	€ m	–44.8	–142.6

Key figures 2024 including Mannesmann Stainless Tubes Group
[1] Annualized

The first quarter of the financial year 2025 was characterized by marked geopolitical and trade policy volatility and persistently weak economic momentum. Against the backdrop of a downturn in trading volumes and selling prices compared with the previous year and due to the deconsolidation of the stainless tubes group in October 2024, the Salzgitter Group's **external sales** declined to € 2.33 billion (Q1 2024: € 2.68 billion). Pressured by selling prices and lower volumes, **EBITDA** (€ 78.6 million; Q1 2024: € 126.4 million) and the **pre-tax result** (€ –27.3 million; Q1 2024: € –17.2 million) fell short of the figures posted in the year-earlier quarter. The result includes a contribution of € 48.0 million (Q1 2024: € 23.9 million) from Aurubis AG, a participating investment included at equity (IFRS accounting). In addition, the result includes € 23 million in charges from the reporting-date-related valuation of derivative positions and € 10 million in impairment risk from planned portfolio streamlining. The Technology Business Unit and Aurubis AG, a participating investment accounted for at equity, once again made notably positive contributions to earnings. The Trading Business Unit achieved breakeven, while the results of the Steel Production and Steel Processing business units reflected the very subdued economic development in Europe, above all in Germany. The **after-tax result** came in at € –34.6 million (Q1 2024: € +15.0 million), which brings **earnings per share** to € –0.66 (Q1 2024: € +0.24). The return on capital employed (**ROCE**) stood at –0.5 % (Q1 2024: 2.6 %). The **equity ratio** remained at a very sound 43.4 % (Q1 2024: 45.6 %).

SPECIAL ITEMS

	EBT		Restructuring		Impairment / reversal of impairment		Other		EBT excluding special items	
In € million	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024
Steel Production	**–22.9**	–17.8	**–**	–	**–**	–	**–**	–	**–22.9**	–17.8
Steel Processing	**–25.3**	–18.1	**–**	–		–	**–**	–	**–25.3**	–18.1
Trading	**–2.0**	3.8	**–**	–	**–**	–	**–**	–	**–2.0**	3.8
Technology	**28.6**	29.5	**–**	–	**–**	–	**–**	–	**28.6**	29.5
Industrial Participations / Consolidation	**–5.7**	19.8	**–**	–	**–**	–	**–10.0**	–	**4.3**	19.8
Group	**–27.3**	**17.2**	**–**	**–**	**–**	**–**	**–10.0**	**–**	**–17.3**	**17.2**

MEASURES AIMED AT IMPROVING PROFIT AND SECURING LIQUIDITY

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

With a view to future proofing the Salzgitter Group's position, we supplemented the former "Performance 2026" within the context of the new "P28" program and introduced measures aimed at generating additional, sustainable profit improvement of our business units. Together with the measures adopted from the previous program, we anticipate efficiency and process improvements in purchasing, logistics, and sales will have an overall effect of around € 500 million through to 2028. Compared with the year before, effects of € 14.3 million resulting above all from the ongoing measures from the original Performance 2026 program were achieved in the first quarter of 2025. Some measures were already having an impact in previous years, thereby generating an effect of around € 148 million since then.

BUSINESS UNIT PERFORMANCE

STEEL PRODUCTION BUSINESS UNIT

		Q1 2025	Q1 2024
Order intake[1]	kt	1,316.0	1,318.5
Order backlog on reporting date[1]	kt	1,183.7	1,127.2
Crude steel production	kt	1,255.0	1,364.5
Salzgitter Flachstahl	kt	996.5	1,104.2
Peiner Träger	kt	258.4	260.2
Rolled steel production	kt	1,128.4	1,184.2
Salzgitter Flachstahl	kt	891.0	957.0
Peiner Träger	kt	237.4	227.2
Shipments	kt	1,471.9	1,446.6
Segment sales[1]	€ m	1,211.2	1,271.5
External sales	€ m	891.1	932.0
EBIT before depreciation and amortization (EBITDA)	€ m	38.7	43.1
Earnings before interest and taxes (EBIT)	€ m	–10.0	–3.4
Earnings before taxes (EBT)	€ m	–22.9	–17.8

[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 CO_2 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 outlook for Europe's **strip steel market** brightened somewhat during the reporting period. Demand and price levels, especially for spot transactions that have seen price hikes of around 15 % over the course of the year to date, were extremely weak in the fourth quarter of the previous year. This development was driven more by stimulus emanating from supply rather than by demand. This scenario also includes the uncertainties prevailing in the market caused by significant change on a global scale in the domain of trading policies. European consumers were therefore somewhat more reticent than normal in terms of procuring steel imports, which is also explained by a more stringent overhaul of the EU safeguards and provisional anti-dumping measures against hot-rolled strip imports from Egypt, Vietnam and Japan. However, this situation needs to be seen in the context of the historically high level of the market share captured by imports in 2024. In the long term, surplus capacities of steel across the world, driven by China, are likely to up the pressure to export and cause redirection effects in Europe's steel market.

All in all, sentiment in Germany's steel industry improved slightly in the first three months of the current year. Along with risks emanating from partly disruptive change due to trading and economic policies, opportunities also arise, at least in the medium term – given the landmark signal of the EU Commission in the form of the "European Steel and Metals Action Plan", for instance, or due to the financial package worth billions ratified by the German Bundestag.

The **sections market** also saw the market situation ease slightly in the first quarter of 2025. The low inventory levels of many traders at year-end 2024 had been replenished by mid-February, with the result that the capacities of central European producers were generally well booked. The prices of producers and the stockholding steel traders developed in different directions: Thanks to the capacity utilization situation and the higher costs anticipated, particularly for scrap and energy, producers stabilized prices and were able to pass on price hikes for bookings at short notice. By contrast, traders' fierce competition for market shares, especially in the context of imports, led to discounted prices. The review of the EU safeguards provided an initial impetus against this trend by limiting the duty-free quantities from non-EU member states and should in particular have the effect of reducing the high volumes of Turkish imports.

PROCUREMENT

IRON ORE

At the end of 2024 the iron ore price for the IODEX 62 % Fe CFR China benchmark grade settled within a range of 100–105 USD/dmt. This development continued right through to the start of 2025 as well. The seasonal upturn in demand anticipated after Chinese New Year did not materialize. Prices continued to fluctuate around the 105 USD/dmt mark. While expectations of further economic and political measures from the Chinese government bolstered prices for the local economy, prices came under pressure from the US duties on Chinese products, both existing and potential. Expressed as an average for the quarter, the price stood at 103.64 USD/t, down 16 % compared with the year-earlier period.

COKING COAL

At year-end 2024 prices had settled at a level of 200 USD/t. At the start of 2025, higher inventories levels in preparation for the Chinese New Year initially stabilized the price level just below the USD 200/t mark. As the year progressed, however, prices entered a downtrend due to slower trading activities. By the end of January, prices had already declined to a level slightly below 190 USD/t. This trend persisted in the weeks thereafter as Indian and Chinese consumers in particular displayed little interest in seaward imports. Compared with recent years, Australia's rainy season passed without more major disruptions to the supply chain. Accordingly, there were no fears on the part of consumers about supply shortfalls. As a result, the benchmark price dropped below the 170 USD/t mark at the end of March, reaching its lowest level since June 2021. Compared with the year-earlier period, the price quoted dropped 40 % to an average of 185.08 USD/t.

Depending on the market situation, 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 scrap prices on Germany's scrap market beginning to rise again for the first time since mid-2024. Consequently, the low volumes of scrap coincided with moderately firm domestic demand for scrap. At the same time, an uptrend in the export business had the effect of driving prices. Compared with December 2024, scrap prices rose by between 23 €/t and 30 €/t in the first three months of the year, depending on the scrap grade. In the international arena, climbing prices on the US steel market as a consequence of US duties imposed on steel imports also translated into an increase in scrap prices.

BUSINESS DEVELOPMENT

The **order intake** of the Steel Production Business Unit remained at the year-earlier level as the significant growth in the sections segment compensated for the decline in strip steel. **Orders on hand** outperformed the year-earlier period essentially due to developments in the sections business. The **production of crude steel and rolled steel** dropped below the previous year's level owing to curtailed production in the strip steel segment, which is also attributable to the maintenance work on Blast Furnace C that began in the reporting period. Against the backdrop of stable **shipments**, the business unit's **segment** and **external sales** declined in a year-on-year comparison, reflecting another significant downturn in selling prices for strip steel products. In the sections business, however, sales rose on the back of higher shipments and improved selling prices compared with the year-earlier period. The Steel Production Business Unit generated EBITDA of € 38.7 million (Q1 2024: € 43.1 million) and € –22.9 million in **earnings before taxes** (Q1 2024: € –17.8 million). Although PTG and SZEP delivered somewhat higher results compared with the first quarter of 2024, the other member companies of the business unit did not match their earlier figures.

INVESTMENTS

SALCOS®

SALCOS® is aimed at fully converting the integrated steelworks into low carbon crude steel production over the period up until 2033. We plan to invest around € 2.3 billion during the first stage of transforming primary steel production. In this first stage, SALCOS® will be supported by public funds of around € 700 million from the German government and € 300 million from the federal state. Salzgitter AG approved funds of its own amounting to approximately € 1.3 billion.

Currently, we are in the process of building a 100 MW electrolysis plant, a direct reduction plant (DRI 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.

The official ceremony for laying the foundation stone for the 100 MW electrolysis plant took place in the first quarter of 2025. As from the fourth quarter of 2026, the plant is set to produce around 9 Tt of green hydrogen.

The DRI plant has a production capacity of some two million tons of direct reduced iron a year. The steel construction for the reactor tower made progress in the first quarter and had exceeded a height of 80 meters by the end of the first three months. Installing plant technology in several areas was carried out in parallel.

Progress was made in building the main and ancillary facilities for the electric arc furnace outside the building during the period under review. The blower house as a component of the filter system was built using the slip-form construction method. In addition, component parts for the steel construction of the building and storage facilities were also delivered. Structural steel work on the building commenced.

STEEL PROCESSING BUSINESS UNIT

		Q1 2025	Q1 2024
Order intake	€ m	428.1	462.5
Order backlog	€ m	542.4	767.4
Crude steel production	kt	297.6	314.1
Rolled steel production	kt	262.9	268.2
Shipments	kt	351.8	349.0
Segment sales[1]	**€ m**	**533.0**	**686.7**
External sales	**€ m**	**308.7**	**436.0**
EBIT before depreciation and amortization (EBITDA)	**€ m**	**−14.3**	**−0.8**
Earnings before interest and taxes (EBIT)	€ m	−22.3	−13.8
Earnings before taxes (EBT)	**€ m**	**−25.3**	**−18.1**

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, supplemented by precision steel tubes. Two heavy plate mills also belong to the business unit. Along with standard grades, the Ilsenburg mill produces high-strength and sour-gas resistant plate. 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, Mannesmann Stainless Tubes Group (MST Group) was sold and deconsolidated, effective October 31, 2024. The MST Group is therefore included in the figures for business unit in the year 2024.

MARKET DEVELOPMENT

QUARTO PLATE

In the first quarter of 2025, the heavy plate market continued to be impacted by the generally weak economic situation. Despite an uptick in market prices, there are so far no signs of an economic upswing. In the segments of onshore and steel construction, stable quantities were taken up in the reporting period, while the trading business reported an increase in volumes. The market for plate in the large-diameter pipes segment performed well in the period under review. Burdens nevertheless continued to emanate from squeezed margins and strong price pressure on the back of high costs and the availability of low-priced imported slab and heavy plate. In terms of imports, the situation with restrained demand remained tight. Despite the downtrend in overall volumes, levels nevertheless remained high, as before, against the backdrop of reduced market volumes. The principal supplier countries continued to be South Korea, India, Japan, Indonesia and Northern Macedonia. Measures recently taken to limit import volumes (safeguard tightening) can be viewed as a positive sign. However, weak EU sanctions against Russian slab ensured that competitive pressure continued to run at a high level due to the use of Russian slab in the EU.

STEEL TUBES AND PIPES

The large-diameter tubes segment presented a disparate market picture in the first quarter of 2025: While approval has meanwhile been given for Germany's hydrogen core network, tendering activity has so far kept to a low level, a situation that is likely to continue into the years ahead. Irrespective of the uncertainties resulting from current US trade policies, the US American market has come strongly to the fore. Numerous pipeline projects are currently being speedily expedited in order to set in place the preconditions for expanding LNG exports from the US.

This scenario also applies to the medium-diameter line pipe segment that is characterized by strong demand from the US, EU project business running at a normal level, and upbeat expectations regarding the expansion of the H2 core network. At the same time, uncertainty prevails in Germany's trading market, particularly with regard to future economic developments in view of the new German government and the impact of US tariff policies.

By comparison, the market for precision tubes is still displaying weakness pressured by the lack of economic momentum. Major customer sectors in Europe – automotive and mechanical engineering – are suffering from economic uncertainty due to macroeconomic stagnation and erratic US tariff policies.

BUSINESS DEVELOPMENT

Order intake of the Steel Processing Business Unit fell short of the year-earlier level in the first quarter of 2025, due to the deconsolidation of the stainless tubes group. This effect is reflected in the business unit's **orders on hand** as well that dropped significantly below the previous year's figure also due to the decline at the heavy plate companies and the precision tubes group. Against the backdrop of stable **shipments**, **segment** and **external sales** declined significantly year on year due to lower selling prices and the deconsolidation of the stainless tubes group. The business unit generated **EBITDA** of € –14.3 million (Q1 2024: € –0.8 million) and € –25.3 million in **earnings before taxes** (Q1 2024: € –18.1 million). In the heavy plate segment, higher shipment volumes and lower input material costs were unable to compensate for the downturn in selling prices. The companies in the line pipe segment, including the EUROPIPE Group accounted for using the equity method, achieved significantly improved results compared with the previous year. The precision tubes group reported a marked decline in performance due above all to lower volumes.

TRADING BUSINESS UNIT

		Q1 2025	Q1 2024
Shipments	kt	758.4	901.1
Segment sales[1]	€ m	688.5	845.7
External sales	€ m	663.8	836.3
EBIT before depreciation and amortization (EBITDA)	€ m	5.7	12.1
Earnings before interest and taxes (EBIT)	€ m	0.3	7.5
Earnings before taxes (EBT)	€ m	–2.0	3.8

[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.

MARKET DEVELOPMENT

Against the backdrop of the economic situation, the stockholding steel trade in Europe continued to report lackluster demand in the first quarter of 2025. This also applied to the international trading business that, due to the challenging trade policy environment, was unable to maintain the recovery staged in the previous year. US tariffs on steel products and the review of the EU safeguards, compounded by provisional anti-dumping measures against hot strip from Japan, Vietnam and Egypt, fueled uncertainty among European market players in terms of procuring imports.

BUSINESS DEVELOPMENT

Due to the downturn in shipment volumes across all areas, the Trading Business Unit's **shipments** declined substantially in the first three months of 2025 compared with the year-earlier period. International trading in particular was unable to match the strong previous year's quarter due to uncertainty among market participants regarding trade policies. Consequently, the business unit's **segment** and **external sales** decreased notably. With price levels remaining largely stable, key earnings figures also reflected the downtrend in volumes. **EBITDA** (€ 5.7 million; Q1 2024: € 12.1 million) and the **pre-tax result** (€ –2.0 million; Q1 2024: € +3.8 million) fell significantly short of the previous year's figures.

TECHNOLOGY BUSINESS UNIT

		Q1 2025	Q1 2024
Order intake	€ m	374.4	366.9
Order backlog on reporting date	€ m	1,123.5	1,350.2
Segment sales[1]	**€ m**	**422.8**	**425.7**
External sales	**€ m**	**422.7**	**425.4**
EBIT before depreciation and amortization (EBITDA)	**€ m**	**36.0**	**38.2**
Earnings before interest and taxes (EBIT)	€ m	28.1	30.0
Earnings before taxes (EBT)	**€ m**	**28.6**	**29.5**

[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, while DESMA Schuhmaschinen GmbH (KDS) sells special machinery for the shoe industry.

MARKET DEVELOPMENT

The German Engineering Federation (VDMA) reported a pleasing start to the year 2025. After the downtrend that dominated 2024, orders rose by 8 % year on year. International demand was developing particularly well at the last count. Global economic framework conditions nevertheless remain tense and harbor risks. The notable rebound in demand is not yet reflected in sales that dropped 8 % compared to the same period last year.

BUSINESS DEVELOPMENT

In the first quarter of 2025, **order intake** of the Technology Business Unit marginally exceeded the year-earlier figure. **Orders on hand** remained at a healthy level, albeit notably lower year on year. The business unit's **segment** and **external sales** almost matched the previous year's figures. The KHS Group continued to deliver positive results and was able to repeat the gratifying year-earlier level. The business unit's **EBITDA** (€ 36.0 million; Q1 2024: € 38.2 million) and **EBT** (€ 28.6 million; Q1 2024: € 29.5 million) nevertheless fell somewhat short of the year-earlier figures due to special machinery manufacturers' declining and negative contributions to earnings.

The Technology Business Unit's efficiency and growth program consistently interacts and meshes with the Salzgitter Group's strategy. Extensive measures have contributed to improvements to date in revenue and the result despite the fiercely competitive market environment, hallmarked by uncertainty. Along with continuously developing its production locations in Germany, the KHS Group's strategic focus is especially placed on expanding its international presence.

INVESTMENTS

During the period under review, the Technology Business Unit concentrated on expediting the replacement and rationalization measures already underway, most notably at the Dortmund production location. Furthermore, an extensive investment package was approved for this location. The package is aimed at expanding assembly capacities, on the one hand, and at enhancing the location's appeal by upgrading buildings and creating additional demonstration and training possibilities, on the other. In order to ensure the optimization of organizational workflows, IT projects were also implemented at the KHS Group in Germany as well as at the international companies.

Ramping up the production capacities in the north and south American market continued, while the facilities at the production location in India are being expanded.

INDUSTRIAL PARTICIPATIONS / CONSOLIDATION

		Q1 2025	Q1 2024
Sales[1]	**€ m**	**272.0**	**305.7**
External sales	**€ m**	**43.3**	**48.1**
EBIT before depreciation and amortization (EBITDA)	**€ m**	**12.6**	**33.9**
Earnings before interest and taxes (EBIT)	€ m	3.3	24.9
Earnings before taxes (EBT)	**€ m**	**–5.7**	**19.8**

[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 notably compared with the first three months of 2024. **External sales** were also lower than in the previous year's period. **EBITDA** (€ 12.6 million; Q1 2024: € 33.9 million) includes a contribution of € 48.0 million from the participating investment in Aurubis AG accounted for using the equity method (Q1 2024: € 23.9 million). At € –5.7 million (Q1 2024: € 19.8 million), **earnings before taxes** also remained considerably below the year-earlier figure. The results from the valuation of derivatives positions and net interest income from cash management of the consolidated group delivered a notably negative contribution on balance (€ –24.0 million; Q1 2024: € +14.2 million). Furthermore, the reporting period's result is impacted by negative non-recurrent effects (€ –10.0 million) to cover the impairment risk of planned portfolio streamlining. The result of this area of business also includes the negative operating result from holding services provided for the subsidiaries. The companies largely acting on behalf of the Group delivered a negative pre-tax result in the first three months of 2025 (€ –0.6 million; Q1 2024: € +2.2 million).

FINANCIAL POSITION AND NET ASSETS

NOTES TO THE BALANCE SHEET

The **total assets** of the Salzgitter Group declined by € 211 million in the first three months of 2025 compared with December 31, 2024.

Non-current assets remained roughly at the level of the year-earlier reporting date (€ –42 million). The investment subsidies, accounted for as a reduction of the costs of acquisition and disbursed depending on investments already made, exceeded capital expenditure on intangible assets and property, plant and equipment. Along with scheduled depreciation and amortization (€ –79 million), the resulting negative investments (€ –6 million) reduced the fixed assets. The share of companies accounted for using the equity method increased by the reporting date due to Aurubis AG's gratifying contribution of € 50 million. **Current assets** dropped marginally below the figure on the year-earlier reporting date (€ –169 million). Whereas trade receivables, including contract assets, increased (€ +181 million), inventories (€ –164 million) and cash and cash equivalents (€ –110 million) declined as did other receivables and assets (€ –70 million).

On the **liabilities side**, shareholders' equity remained virtually unchanged from the level seen on the previous year's reporting date (€ +4 million). Against the backdrop of a slight decline in total assets, the equity ratio reached a very sound 43.4 % (previous year: 42.5 %). **Non-current financial liabilities** remained approximately at the year-earlier level (€ +45 million). Given the slight increase in the actuarial rate, pension provisions dropped notably (€ –90 million) compared with the previous year's reporting date. This was offset, however, by a significant increase in non-current financial liabilities (€ +133 million). **Current liabilities** decreased by € 260 million. While current financial liabilities (€ –193 million) and trade payables, including contract liabilities (€ –168 million), declined, other liabilities exceeded the figure reported on the previous year's balance sheet date (€ +87 million).

The **net financial position** (€ –624 million) declined compared with the reporting date at year-end 2024 (€ –574 million). Cash investment (€ 894 million; previous year: € 1,005 million) was offset by liabilities of € 1,518 million (previous year: € 1,578 million), of which € 573 million were owed to banks (previous year: € 674 million). Along with these items, financial liabilities of € 945 million (previous year: € 904 million) existed 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 € 492 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, will impact the net financial position only when payment is made.

NOTES TO THE CASH FLOW STATEMENT

With a pre-tax result of € –27 million, a negative **cash flow from operating activities** of € –45 million was reported (previous year: € –143 million). The negative pre-tax result and an increase in working capital burdened the operating cash flow. Nevertheless, the increase in working capital was significantly lower than in the first three months of 2024.

The **cash outflow from investing activities** stood at € +3 million (previous year: € –83 million). Disbursements for capital expenditure on intangible assets and on property, plant and equipment (€ –142 million) were noticeably higher than in the year before and, along with scheduled replacement investments, also include payouts of € 72 million for SALCOS®. An amount of € 156 million in public funding has so far been received in the financial year 2025 for the SALCOS® program, with a commensurate cash effect. This funding is also to be seen in the context of the high capital expenditure payments for SALCOS® at the end of 2024. In addition, disbursements for the acquisition of a non-consolidated subsidiary in the Technology Business Unit were made.

Proceeds from borrowing and other financial liabilities (€ 173 million) are offset by significantly higher repayments of loans and other financial liabilities (€ –220 million) and interest payments (€ –13 million), resulting in an overall **cash outflow from financing activities** (€ –60 million; previous year: cash inflow of € 22 million).

As a result of the negative total cash flow in particular, and due to exchange rate changes, **cash and cash equivalents** (€ 892 million) decreased accordingly compared with December 31, 2024 (€ 1,002 million).

EMPLOYEES

	2025/03/31	2024/12/31	Change
Core workforce[1]	**22,483**	**22,381**	**102**
Steel Production Business Unit	**7,639**	7,578	61
Steel Processing Business Unit	**4,220**	4,233	–13
Trading Business Unit	**1,836**	1,850	–14
Technology Business Unit	**5,998**	5,957	41
Industrial Participations / Consolidation	**2,790**	2,763	27
Apprentices, students, trainees	**1,325**	1,486	–161
Non-active age-related part-time employment	**585**	605	–20
Total workforce	**24,393**	**24,473**	**–80**

Rounding differences may occur due to pro-rata shareholdings.
[1] Excluding executive body members.

As of March 31, 2025, the **core workforce** of the Salzgitter Group numbered 22,483 employees, which is 102 persons more than at the end of the financial year 2024.

The increase of 61 employees in the headcount of the Steel Production Business Unit in the first three months of 2025 is attributable in particular to hiring trainees at Salzgitter Flachstahl GmbH in January. The growth in employee numbers (+41) in the Technology Business Unit serves the purpose of realizing the expansion of business already planned. Higher employee numbers at Verkehrsbetriebe Peine-Salzgitter GmbH (+23) as part of the Industrial Participations / Consolidation segment is to be seen in connection with transport activities at the Mülheim location being taken over. A total of 142 trainees were hired during the reporting period, 80 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 going into immediate retirement.

The **total workforce** amounted to 24,393 employees. The number of **temporary staff** outsourced came in at 876 on March 31, 2025, which is 355 persons below the figure reported on previous year's reporting date. At the end of the reporting period, 91 employees were working **short time** (Q1 2024: 387) in the domestic Group companies, 76 of whom at Mannesmann Precision Tubes GmbH and 15 at Mannesmann Line Pipe GmbH in the Steel Processing Business Unit.

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 of the companies forming part of the **Steel Production Business Unit** are likely to derive benefit from moderately higher shipment volumes. Although a moderate recovery is anticipated for the second half, the persistently weak economic phase is likely, as before, to keep up the pressure on margins throughout 2025 as a whole. In view of curtailed demand stimulus, further endeavors regarding productivity and efficiency measures will be aimed at securing profitability. We anticipate that the market situation for steel sections will remain largely the same with a few scattered opportunities in Europe. Inasmuch, we anticipate that capacity utilization in the strip steel business will be covered by demand again. Crude steel production will partly take place based on dual furnace operation as interim repairs will be made on Blast Furnace C. In a challenging environment in terms of prices, and against the backdrop of improved shipment volumes, we anticipate stable sales (previous year: € 3,388.8 million), a slight downturn in EBITDA (previous year: € 186.2 million) and a notably lower pre-tax result (previous year: € –60.9 million).

There are signs of a general improvement in the target markets of the **Steel Processing Business Unit** in 2025. The market environment will remain tight, however: In terms of heavy plate, we anticipate that business will trend sideways in almost all target markets in the first six months of the year in comparison with the fourth quarter 2024. Market activity is finally expected to return to normal levels in the second half of the year. Pipe plate production is likely to benefit from projects awarded for large-diameter pipes that should gradually accelerate on the back of the approval granted in 2024 for the hydrogen core network. In addition, the large-diameter pipe business secured capacity utilization at the start of the year due to a number of bookings from the previous year. In the medium-diameter line pipe segment, we predict that volumes are set to stagnate, with demand overall in wait-and-see mode, nevertheless with opportunities in the US business. The precision tubes group continues to be exposed to a tight market environment. Customer sectors are not expected to recover. Impairment from the previous year nevertheless eases pressure from the cost front. All in all, we predict sales at a discernibly lower level for the business unit (previous year: € 1,576.3 million), which is due to the deconsolidation of the stainless tubes group in October 2024. Given improved capacity utilization and higher sales volumes, the absence of the negative contribution from the Mannesmann Stainless Tubes Group will also lead to EBITDA being clearly higher than in the same period of the previous year (previous year: € –78.6 million). The pre-tax result (previous year: € –391.4 million) is set to significantly exceed the year2024 that was burdened by non-recurrent effects while nevertheless remaining in negative territory.

As regards the **Trading Business Unit**, a significant increase in the result is anticipated in the stockholding steel trading segment, which is especially attributable to positive, sustainable effects from ongoing restructuring and also due to the negative non-recurrent effects associated with this restructuring in the previous year not repeating. The uncertain trading and geopolitical circumstances that continue to prevail are hampering business in international trading. In particular, marked uncertainty for market participants from the US's trade and tariff policies and the resulting redirection of trade flows are hampering business. For the year as a whole, international trading results are therefore expected to fall short of the year-earlier figures. By contrast, the UES Group views the year 2025 more optimistically and expects an improvement in its result, supported in particular by positive price effects in the US business. The following is anticipated for the Trading Business Unit: a notable reduction in sales due to lower volumes (previous year: € 3,056.7 million), nonetheless accompanied by clearly improved and therefore positive EBITDA (previous year: € –20.9 million) and earnings before taxes (previous year: € –81.2 million).

Following a record year in 2024, there are signs that business should develop well for the **Technology Business Unit** also in 2025. With regard to the KHS Group in particular, we anticipate that, based on the quality of the order backlog in the project business and ongoing, focused growth in the service business, business will continue to perform well, as in recent years. The two DESMA specialist mechanical engineering companies are counting on sustained market recovery, supported by cost-cutting programs. All in all, we predict a marginal increase in sales for the business unit (previous year: € 1,803.9 million), EBITDA that is slightly higher year on year (previous year: € 148.5 million) and a tangibly higher pre-tax result (previous year: € 93.5 million).

We continue to anticipate the following for the **Salzgitter Group** in the financial year 2025:

- sales of between € 9.5 billion and € 10.0 billion,
- EBITDA of between € 350 million and € 550 million,
- a pre-tax result of between € – 100 million and € + 100 million, as well as
- a return on capital employed (ROCE) slightly above the previous year's figure.

As in recent years, please note that opportunities and risks from currently unforeseeable trends in selling prices, input material prices and capacity level developments, as well as exchange rate fluctuations, may considerably affect business performance in the course of the 2025 financial year. The resulting impact on performance may be within a substantial range, either to the positive or to the negative.

FORECAST FOR THE BUSINESS UNITS AND THE GROUP

			Financial Year 2024	Forecast for the Financial Year 2025
Steel Production	Sales	€ m	3,388.8	Stable
	EBITDA	€ m	186.2	Slightly lower than in the previous year
	EBT	€ m	–60.9	Significantly lower than in the previous year
Steel Processing	Sales	€ m	1,576.3	Discernibly reduced
	EBITDA	€ m	–78.6	Clearly higher y / y
	EBT	€ m	–391.4	Significantly higher y / y
Trading	Sales	€ m	3,056.7	Significantly lower than in the previous year
	EBITDA	€ m	–20.9	Clearly higher y / y
	EBT	€ m	–81.2	Clearly higher y / y
Technology	Sales	€ m	1,803.9	Slightly higher than in the previous year
	EBITDA	€ m	148.5	Marginally higher y / y
	EBT	€ m	93.5	Tangibly higher y / y
Group	Sales	€ m	10,011.7	Between € 9.5 billion and € 10.0 billion
	EBITDA	€ m	445.2	Between € 350 million and € 550 million
	EBT	€ m	–296.2	Between € –100 million and € +100 million
	ROCE	%	–3.4	Slightly higher y / y

DENOMINATION	SALES, EBITDA AND EBT	DELTA ROCE
Stable, at year-earlier level:	Up to ± 2 %	± 1
Marginal, slight, somewhat:	± 2 % to < ± 5 %	1 to 5
Moderate, modest, more detailed description not available:	± 5 % to < ± 10	–
Tangible, considerable, notable, significant, visible:	Upward of 10 %	> ±5

RISK MANAGEMENT

At the time of reporting, we find ourselves still confronted by the impact of 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 reduced discernibility, 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.

GEOPOLITICAL RISKS

Salzgitter AG is a group with global operations and is therefore especially exposed to geopolitical impact. Geopolitical crises and political imponderables may have a negative impact, directly or indirectly, 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.

The geopolitical crises have escalated further in recent months despite initiatives for solutions to the wars in Ukraine, the Gaza strip, and the general situation in the Middle East. Depending on the conflicts potentially spreading, disruptions to trade flows, and consequently to supply chains, are possible. At the current point in time no direct effects on Salzgitter AG's business policy are discernible.

Concerning the Salzgitter Group, economic uncertainties result from the Russia / Ukraine war most especially in the form of price trends and supply reliability on the procurement markets for energy and commodities and future sales prospects. The Salzgitter Group is indirectly affected by insufficiently designed sanction provisions. Russian slab, for example, can be imported into the EU in considerable volumes at prices detrimental to the market over the period through to 2028 (see also explanations under Sectoral Risks).

The decline in sales in the war-affected regions plays a minor role for Salzgitter AG. As before, we do not anticipate any fundamental change and have therefore significantly scaled back our business activities in these regions.

Along with military conflicts, the introduction of tariffs by the US on practically all goods from the EU and from many other countries of the world is associated with great risks for global economic trends.

The tariffs enacted across the board on imports into the US hit the export-oriented European sectors hard. Imposing import duties of 25 % and 10 % respectively on EU goods indirectly impacts Salzgitter AG's business model as well. In view of the low direct steel exposure in the US, there is less of a focus on direct deliveries of individual Group companies. Indirect steel imports from Germany into the US can nevertheless cause directly negative consequences for Salzgitter AG's individual business units.

Potential counter-tariffs by the EU constitute a recent risk that, in turn, could trigger higher (retaliatory) tariffs in the US. For instance, discussions currently held about raising duties on steel and steel pipes imported into the US in response to EU tariffs are likely to put EU exports in an even more difficult position in the global competitive arena.

At the present point in time, we anticipate a decline of between two and three million tons in direct and indirect steel exports from Europe, which corresponds to around 2 % to 3 % of the demand in the EU. In the event of tariffs of 25 % and more levied permanently on all European goods, these figures can be expected to double, along with redirections of the relevant steel and finished steel products into the EU market.

In this context, the Salzgitter Group is affected through Mannesmann Line Pipe GmbH (MLP). MLP, however, continued to export in 2018 in spite of the tariffs, as the prices in the US had risen sharply. This is now becoming apparent again in view of the strong demand in the oil and gas sector.

The export-oriented KHS Group is affected by all restrictions on free trade. The US's tariff policy will therefore also impact business activity. When making an assessment, it should be noted, however, that customers place orders specifically for KHS products. The products in question are typical capital goods tailored to customer requirements and wishes. Accordingly, we currently assume that the KHS Group will be in a position to pass on a large part of these tariff burdens to its customers.

Furthermore, the unresolved conflict between China and Taiwan continues to simmer, with the risk of escalation, and the consequences of massive restrictions on global trade, supply chains and economic growth.

Geopolitical risks are also emerging on the European continent, however. The rise of populist parties in many European countries is fueling uncertainty about economic developments in the near-term concerning the direction of fiscal policy. Not only this – a further deterioration in the investment climate could also exacerbate the recessionary trends of Germany's economy and prolong the doldrums on the steel market.

ECONOMIC RISKS

The aforementioned risks may negatively impact the short-term development of the global economy, entailing further risks for the global economy. The drastic response of the international financial markets to so-called reciprocal US tariffs is evidence that US customs policy may be a factor largely determining economic development. Furthermore, US customs policy harbors further risks for the global economy, such as weak Chinese economic growth. Current economic forecasts show that the real economy is significantly impacted by US customs policy. The forecasts are nevertheless subject to greater uncertainty due to the dynamic and shifting situation.

At the start of the year, the International Monetary Fund (IMF) estimated **global economic growth** at around 3.3 % for 2025 and for 2026. The US has escalated its trade policy since then. In the most recent common diagnosis of leading German economic research institutes the forecast for the global economy nosedived to 2.4 % for 2025 and 2026 respectively. The IMF forecast is somewhat more optimistic, albeit having been significantly revised downward, with growth rates of 2.8 % anticipated for 2025 and 3.0 % for 2026.

As a result of developments in trade policies, a trend reversal has set in both in terms of growth and inflation in the **US**. Inflation is likely to rise, while growth will in all probability be lower than expected. At 1.8 % for 2025 and 1.7 % to 1.8 % for 2026, the GDP forecasts issued by the member institutes of the Joint Economic Forecast and by the IMF are at the upper end of the scale. Goldman Sachs expects 1.3 % for each year and Landesbank Baden-Württemberg (LBBW) assumes a mere 1 % respectively. These estimates show a negative trend, on the one hand, while demonstrating on the other that no other country is more strongly negatively impacted by the erratic US customs policy than the US itself.

Along with the US, **China's** economy is likely to suffer from the tariffs conflict escalating as the most important export country. The dip in the country's growth caused by the crisis in the real estate sector, also without the tariff conflict, is likely to turn southward even more steeply. The institutes participating in the Joint Economic Forecast anticipate economic growth for China of 4.7 % in 2025 and 4.4 % in 2026. In this case as well, these growth rates are likely to lie in the upper range. The IMF anticipates 4.0 % both for 2025 and 2026. Monetary and fiscal policy support measures launched by China's central government are likely to only partly cushion the loss in value added caused by the trade conflict.

Europe's economic development will also suffer from the vicissitudes of US trade policy. Growing competitive pressure on markets outside the US will likely also incur an additionally negative impact as China could redirect its trade flows here. The member institutes of the Joint Economic Forecast anticipate a slowdown in growth to 1.3 % in 2025 and 1.5 % in 2026. The IMF's forecasts affirm this analysis with 1.2 % in 2025 and 1.5 % in 2026. Economic stimulus such as from robust domestic demand prevents an even stronger downward correction of the forecasts.

Germany's economy continues to be caught in the field of tension between economic and structural challenges. The member institutes of the Joint Economic Forecast anticipate growth of a mere 0.1 % in 2025 and 1.3 % in 2026. In this case as well, the forecasts are likely to settle at the upper end. For instance, the LBBW expects a decline of 0.5 % in 2025 and growth of 1.0 % in 2026. Opportunities arise from the possibilities of increasing public spending created in the context of changes to the constitution. In this scenario, when and in which area the funds will be deployed is not yet foreseeable. ifo Institute calculations nevertheless show an anticipated positive effect.

Against the background of weak prospects for economic growth and considerable uncertainty about US trade policy, Salzgitter AG is confronted by the risk of slacker demand and significant price declines in its core markets.

The forecasts are subject to a great deal of uncertainty due to the dynamic and erratic US customs policy, unclear countermeasures and expected deals. The variances in the forecasts are therefore mainly attributable to factoring in and modeling the purported reciprocal tariffs announced by Donald Trump on April 2. The risk with the currently greatest negative impact on the European and German economy and therefore on Salzgitter AG's core markets is therefore likely to result from US trade policy. If the tariffs materialize in the long term, the demand for steel and its prices are likely to deteriorate significantly.

The development of inflation poses a further risk in the US and in the euro area. Measures under US trade policy will probably drive prices up. If the price uptrend accelerates and the Federal Reserve holds back on raising interest rates due to political intervention, this would impact the financial markets. The threat of conflicting goals in fiscal policy is also looming in the euro area. Higher, necessary defense expenditure and further fiscal easing could serve to fuel inflation again, and the ECB would then have to navigate toward a tighter monetary policy. Delayed or the lack of steps to lower the interest rate would be assessed negatively for the Salzgitter Group's core markets as this would produce less stimulus from the construction industry and make consumer spending more difficult to finance.

The current phase of stagnation in Germany is the longest in the post-war period and is proving to be a persistent and structural weakness. Rising wage levels in the country, accompanied by price hikes for imports, and for energy in particular, have caused a sustained deterioration in Germany's competitiveness. 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 an indirect risk. Ailing demand is presenting European exporters with challenges as China represents a key sales market. At the same time, considerable export pressure is building due to the massive subventions that have resulted in excess capacities in China in many parts of the country's industry. This would result in negative consequences for the steel industry's important European customer sectors such as conventional steel construction, vehicle manufacturing and heavy engineering, as well as wind turbine manufacturers that would be faced by even stronger competition on the global markets.

A further risk emanates from changes in Germany's financial and economic policies. On the one hand, a decision made on special funds and the concluding of a coalition agreement could create stimulus to counter the prevailing uncertainty about economic policy. On the other, the intransigent fronts of debate about redistribution, relief and the federal budget persist and the reforms necessary to promote investment have so far failed to materialize. Uncertainty about the economic and political framework is dominating investment behavior, thereby contributing to perpetuating a weak economy.

SECTORAL RISKS

A structural sector-specific risk for the global steel industry arises from continued growth in global surplus 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. What is more, these surplus capacities will probably increase in the coming three years. At the same time, however, the increase in the demand for steel is expected to be moderate, which will likely keep the pressure on import markets such as the EU at a high level. These import volumes will negatively impact steel prices in turn. Structural solutions such as in the framework of the "Global Sustainable Steel Arrangement" between the EU and the US have not yet been successful. In view of the current US customs policy and the replacement of the quota system for deliveries from the EU by a fresh slew of 25 % tariffs, the possibility of finding a multilateral agreement is slim for the foreseeable future. Along with another loss of its own export volumes, the US's unilateral introduction of tariffs is likely to have further redirection effects with regard to non-EU countries.

More than two thirds of the new capacities result from carbon-intensive blast furnaces, which undermines global efforts to decarbonize. These carbon-intensive capacities jeopardize transformation in Europe in the event that the requisite 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, carbon costs will be levied on imports, similar to EU producers. Risks arise from the form the new instrument will take as the mechanisms to relieve exports are lacking, the rules for circumventing CBAM are not stringent enough, and key processing stages in the steel value chain are not covered by CBAM, which could give rise to the threat of production relocating.

The lack of a stabilizing effect from safeguard measures on the EU steel market, particularly in a phase of demand downturn, prompted the EU Commission to conduct another review in the first quarter of 2025. The outcome of the investigation resulted in various adjustments to the safeguards that will enter into force on April 1 and on July 1 respectively. Risks are inherent in the possibility of changes to the safeguards not being sufficiently effective and therefore not enabling the EU steel market to stabilize in the coming five quarters.

The same applies to a possible successor instrument of the safeguards as from the summer of 2026. An instrument of this kind must be conceived in a way that takes better account of the challenges on the EU market with regard to surplus capacities growing on a global scale and greater restrictions on trade, such as in the US, that generate further redirection effects in the EU market. The expiry of the safeguard measures would have a notably negative impact on the development of steel prices and demand.

In 2022, the EU member states resolved to introduce import restrictions on Russian steel products. 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 in fact to remain in place until October 2024, was lifted in December 2023 and transitioned to a quota regime, allowing the respective products to be imported through to 2028. Consequently, Russian semi-finished products that have settled 20 % to 30 % below the otherwise customary price level due to the Russian war may still be used on the EU market. The greatest impact is reflected on the European heavy plate market as, here, volumes in a range of around 15 % to 20 % are still produced using Russian slabs.

INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

In € million	Q1 2025	Q1 2024
Sales	2,329.5	2,677.9
Increase / decrease in finished goods and work in process / other own work capitalized	−65.5	25.2
Total operating performance	2,264.0	2,703.1
Other operating income	142.3	130.1
Cost of materials	1,489.1	1,864.1
Personnel expenses	494.2	501.0
Amortization and depreciation of intangible assets and property, plant and equipment	79.1	81.2
Other operating expenses	395.0	365.7
Result from impairment losses and reversal of impairment losses of financial assets	−0.5	−0.2
Income from shareholdings	0.9	–
Result from investments accounted for using the equity method[1]	50.2	24.1
Finance income	7.1	8.7
Finance expenses	33.9	36.6
Earnings before taxes (EBT)	−27.3	17.2
Income tax	7.3	2.2
Consolidated result	−34.6	15.0
Amount due to Salzgitter AG shareholders	−35.8	12.9
Minority interest	1.2	2.1
Appropriation of profit		
Consolidated result	−34.6	15.0
Profit carried forward from the previous year	12.1	27.1
Minority interest in consolidated result	1.2	2.1
Transfer from (+)/ to (−) other retained earnings	35.8	−12.9
Unappropriated retained earnings of Salzgitter AG	12.1	27.1
Earnings per share (in €) – basic	−0.66	0.24
Earnings per share (in €) – diluted	–	–

STATEMENT OF COMPREHENSIVE INCOME

In € million	Q1 2025	Q1 2024
Consolidated result	–34.6	15.0
Recycling		
Changes in value from currency translation	–9.7	6.0
Changes in value from cash flow hedges	–20.4	–29.5
Fair value change	–19.2	–30.7
Recognition with effect on income	–1.2	1.2
Changes in the value of investments in companies accounted for using the equity method	0.2	–0.8
Fair value change	0.2	–
Recognition with effect on income	–	–0.8
Currency translation	–	–
Deferred taxes	–	–
Deferred taxes on other changes without effect on income	–0.0	–
Subtotal	–29.9	–24.3
Non-recycling		
Remeasurements	62.5	15.6
Remeasurement of pensions	82.8	20.7
Deferred taxes	–20.3	–5.1
Changes in the value of investments in companies accounted for using the equity method	–	–
Fair value change	–	–
Remeasurement of pensions	–	–
Deferred taxes	–	–
Subtotal	62.5	15.6
Other comprehensive income	32.5	–8.7
Total comprehensive income	–2.0	6.3
Total comprehensive income due to Salzgitter AG shareholders	–3.2	4.2
Total comprehensive income due to minority interest	1.2	2.1
	–2.0	6.3

CONSOLIDATED BALANCE SHEET

Assets in € million	2025/03/31	2024/12/31
Non-current assets		
Intangible assets	170.4	174.4
Property, plant and equipment	2,588.0	2,674.8
Investment property	65.2	65.5
Financial assets	27.9	26.2
Investments in companies accounted for using the equity method	1,705.4	1,655.0
Trade receivables	0.2	1.4
Other receivables and other assets	34.8	19.6
Income tax assets	9.8	9.8
Deferred income tax assets	347.6	364.9
	4,949.4	4,991.7
Current assets		
Inventories	2,576.5	2,740.9
Trade receivables	1,263.4	1,058.9
Contract assets	358.6	382.1
Other receivables and other assets	174.5	244.7
Income tax assets	40.0	44.8
Securities	0.0	0.0
Cash and cash equivalents	892.0	1,002.2
	5,305.1	5,473.6
	10,254.5	10,465.3

Equity and liabilities in € million	2025/03/31	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	51.8	75.8
Unappropriated retained earnings	12.1	12.1
	4,813.8	4,811.1
Treasury shares	−369.7	−369.7
	4,444.1	4,441.4
Minority interest	8.6	7.4
	4,452.7	4,448.8
Non-current liabilities		
Provisions for pensions and similar obligations	1,548.3	1,638.4
Deferred tax liabilities	155.8	154.8
Income tax liabilities	19.3	19.2
Other provisions	200.2	201.5
Financial liabilities	598.0	465.4
Other liabilities	8.0	5.5
	2,529.6	2,484.8
Current liabilities		
Other provisions	304.6	292.4
Financial liabilities	1,097.4	1,290.1
Trade payables	1,121.9	1,290.6
Contract liabilities	409.6	408.7
Income tax liabilities	6.4	4.4
Other liabilities	332.2	245.5
	3,272.2	3,531.7
	10,254.5	10,465.3

CASH FLOW STATEMENT

In € million	Q1 2025	Q1 2024
Earnings before taxes (EBT)	−27.3	17.2
Write-downs (+) / write-ups (−) of non-current assets	79.1	81.2
Income tax paid (−) / refunded (+)	4.0	−9.4
Other non-cash expenses (+)/ income (−)	11.8	23.0
Interest expenses	33.9	36.5
Gain (−) / loss (+) from the disposal of non-current assets	1.2	5.4
Increase (−) / decrease (+) in inventories	156.8	17.7
Increase (−) / decrease (+) in trade receivables and other assets not attributable to investment or financing activities	−140.8	−300.8
Use of provisions affecting payments, excluding income tax provisions	−61.4	−75.3
Increase (+) / decrease (−) in trade payables and other liabilities not attributable to investment or financing activities	−102.1	62.0
Cash outflow / inflow from operating activities	**−44.8**	**−142.6**
Cash inflow from the disposal of intangible assets, property, plant and equipment and investment property	0.3	0.8
Cash outflow for investments in intangible assets, property, plant and equipment and investment property	−141.5	−94.6
Cash inflow of subsidies for investments in intangible assets, property, plant and equipment	155.5	13.3
Payments for financial investments	–	−2.8
Payments for the acquisition of subsidiaries	−10.1	–
Cash inflow from the disposal of non-current assets	0.3	0.5
Cash outflow for investments in non-current assets	−1.9	−0.1
Cash outflow from investment activities	**2.6**	**−83.0**
Deposits from taking out loans and other financial debts	172.8	53.0
Repayment of loans and other financial liabilities	−219.6	−18.3
Interest paid	−12.7	−13.3
Cash outflow / inflow from financing activities	**−59.5**	**21.5**
Cash and cash equivalents at the start of the period	1,002.2	939.7
Gains and losses from changes in foreign exchange rates	−8.4	2.1
Payment-related changes in cash and cash equivalents	−101.7	−204.1
Cash and cash equivalents at the end of the period	**892.0**	**737.7**

NOTES

SEGMENT REPORTING

In € million	Steel Production		Steel Processing		Trading	
	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024
External sales	891.1	932.0	308.7	436.0	663.8	836.3
Sales to other segments	319.1	338.6	157.3	174.4	24.7	9.3
Sales to group companies that are not allocated to an operating segment	1.0	0.9	67.0	76.3	0.0	0.0
Segment sales	1,211.2	1,271.5	533.0	686.8	688.5	845.7
Segment cost of materials	830.2	960.7	410.0	534.9	619.0	764.4
Interest income (consolidated)	0.1	0.1	0.5	0.7	0.5	0.4
Interest income from other segments	–	–	–	–	–	–
Interest income from group companies that are not allocated to an operating segment	3.7	0.4	2.3	0.8	4.5	4.8
Segment interest income	3.8	0.4	2.8	1.5	4.9	5.2
Interest expenses (consolidated)	13.8	12.9	2.9	3.5	7.1	8.9
Interest expenses to other segments	–	–	–	–	–	–
Interest expenses to group companies that are not allocated to an operating segment	2.9	2.0	3.0	2.4	0.1	0.1
Segment interest expenses	16.7	14.9	5.9	5.8	7.2	9.0
of which interest portion of allocations to pension provisions	5.6	5.6	2.0	2.2	0.3	0.7
Depreciation of property, plant and equipment and amortization of intangible assets	48.6	46.4	8.0	12.9	5.5	4.6
of which scheduled depreciation of property, plant and equipment and amortization of intangible assets	48.6	46.4	8.0	12.9	5.5	4.6
EBIT before depreciation and amortization (EBITDA)	38.7	43.1	–14.3	–0.8	5.7	12.1
Earnings before interest and taxes (EBIT)	–10.0	–3.4	–22.3	–13.8	0.3	7.5
Segment earnings before taxes	–22.9	–17.8	–25.3	–18.1	–2.0	3.8
of which resulting from investments in companies accounted for using the equity method	–	–	2.2	0.2	–	–
Investments in property, plant and equipment and intangible assets	–44.0	49.8	19.4	16.9	4.8	5.6

Key figures 2024 including Mannesmann Stainless Tubes Group

Technology		Total segments		Industrial Participations / Consolidation		Group	
Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024
422.7	425.4	2,286.2	2,629.8	43.3	48.1	2,329.5	2,677.9
0.1	0.2	501.3	522.6	228.8	257.6	730.0	780.2
–	–	68.0	77.2	–	–	68.0	77.2
422.8	425.7	2,855.5	3,229.7	272.0	305.7	3,127.5	3,535.3
209.0	212.8	2,068.2	2,472.8	−579.1	−608.7	1,489.1	1,864.1
1.8	1.6	2.8	2.8	4.3	5.9	7.1	8.7
–	–	–	–	6.3	5.1	6.3	5.1
0.3	0.0	10.8	6.1	–	–	10.8	6.1
2.1	1.6	13.6	8.8	10.6	11.0	24.2	19.8
1.4	1.4	25.1	26.6	8.8	10.0	33.9	36.6
–	–	–	–	10.8	6.1	10.8	6.1
0.3	0.6	6.3	5.1	–	–	6.3	5.1
1.7	2.0	31.4	31.7	19.6	16.1	51.0	47.8
0.7	0.8	8.7	9.2	4.9	5.2	13.7	14.4
7.8	8.2	69.9	72.2	9.2	9.0	79.1	81.2
7.8	8.2	69.9	72.2	9.2	9.0	79.1	81.2
36.0	38.2	66.0	92.5	12.6	33.9	78.6	126.4
28.1	30.0	−3.9	20.3	3.3	24.9	−0.5	45.2
28.6	29.5	−21.7	−2.6	−5.7	19.8	−27.3	17.2
–	–	2.2	0.2	48.0	23.9	50.2	24.1
5.6	25.1	−14.2	97.3	8.6	11.0	−5.6	108.3

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 March 31, 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 March 31, 2025, notwithstanding the following exceptions.
3. In calculating the fair value of defined benefit obligations as of March 31, 2025, an actuarial rate of 3.9 % 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	2025/03/31	2024/12/31
Right of use of land, similar rights and buildings, including buildings on land owned by others	159.0	158.1
Right of use of plant equipment and machinery	87.7	82.1
Right of use of other equipment, plant and office equipment	39.2	39.7
Non-current assets	**285.9**	**279.9**
Right of use of land, similar rights and buildings, including buildings on land owned by others	77.5	74.8
Right of use of plant equipment and machinery	44.8	42.8
Right of use of other equipment, plant and office equipment	21.2	19.9
Depreciation / amortization	**143.5**	**137.5**
Lease liabilities	**177.3**	**176.9**

An amount of € 144.4 million is attributable to non-current lease liabilities. Moreover, depreciation and amortization stood at € 8.2 million, interest expenses at € 1.5 million, and cash outflow totaled € 9.4 million in the first three months of 2025.

5. With regard to the impact of the Russia-Ukraine war and the war in the Middle East on the Salzgitter Group, we refer to our explanations in the forecast, opportunities and risk report.
6. The impact of duties introduced on steel exports to the US are also elaborated on in the forecast, opportunities and risk report.

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 undiluted earnings per share, calculated from the weighted number of shares of Salzgitter AG, stood at € –0.66 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 consolidated fully, 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 Günter 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
	2025/01/01-03/31	2025/01/01-03/31	2025/03/31	2025/03/31
Non-consolidated Group companies	5.1	3.7	7.4	3.0
Joint ventures	30.0	3.1	15.7	0.7
Associated companies	0.0	2.4	0.0	0.6
Other related parties	0.4	20.6	0.3	9.0

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

Following a comprehensive review, Salzgitter AG's Executive Board has taken the decision, prompted by the pronounced discrepancy in ideas about the current and future value of Salzgitter AG, to terminate discussions with the bidder consortium consisting of GP Günter Papenburg AG and TSR Recycling GmbH & Co. KG on a possible takeover offer by the consortium. In accordance with reporting in the context of the 2024 consolidated financial statements, these circumstances do not therefore result in any changes in disclosures or measurement in the statement of financial position.

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.

Salzgitter AG
Eisenhüttenstraße 99
38239 Salzgitter
Germany

T +49 (0)5341 21-01
F +49 (0)5341 21-2727

Postal address
38223 Salzgitter
Germany

salzgitter-ag.com

SALZGITTER AG
People, Steel and Technology