

INTERIM REPORT
FIRST HALF 2025

H1



SALZGITTERAG
People, Steel and Technology

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THE SALZGITTER GROUP IN FIGURES

		H1 2025	H1 2024	+/-
Crude steel production	kt	2,926.1	3,328.7	-402.5
External sales	€ m	4,664.7	5,243.2	-578.5
Steel Production Business Unit	€ m	1,704.7	1,815.5	-110.8
Steel Processing Business Unit	€ m	597.6	859.3	-261.6
Trading Business Unit	€ m	1,430.1	1,603.8	-173.7
Technology Business Unit	€ m	844.8	871.3	-26.5
Industrial Participations / Consolidation	€ m	87.4	93.3	-5.9
EBIT before depreciation and amortization (EBITDA)	€ m	116.8	233.6	-116.8
Steel Production Business Unit	€ m	65.6	101.2	-35.6
Steel Processing Business Unit	€ m	-39.8	-37.0	-2.9
Trading Business Unit	€ m	25.2	16.6	8.6
Technology Business Unit	€ m	69.5	70.9	-1.4
Industrial Participations / Consolidation	€ m	-3.7	81.8	-85.5
Earnings before interest and taxes (EBIT)	€ m	-41.8	69.7	-111.5
Earnings before taxes (EBT)	€ m	-83.8	11.5	-95.3
Steel Production Business Unit	€ m	-55.6	-22.0	-33.6
Steel Processing Business Unit	€ m	-63.4	-72.5	9.1
Trading Business Unit	€ m	10.9	-0.8	11.7
Technology Business Unit	€ m	54.7	52.7	2.0
Industrial Participations / Consolidation	€ m	-30.3	54.1	-84.4
Consolidated result	€ m	-88.9	-18.6	-70.3
Earnings per share - basic	€	-1.68	-0.40	-1.28
Return on capital employed (ROCE) ¹	%	-1.6	1.9	-3.4
Cash flow from operating activities	€ m	81.0	-137.3	218.3
Investments ²	€ m	241.0	314.5	-73.5
Depreciation / amortization ^{2,3}	€ m	-158.6	-163.9	5.3
Total assets	€ m	10,309.2	10,546.2	-236.9
Non-current assets	€ m	5,107.2	4,713.8	393.3
Current assets	€ m	5,202.1	5,832.3	-630.3
Equity	€ m	4,351.6	4,806.9	-455.3
Liabilities	€ m	5,957.6	5,739.3	218.3
Non-current liabilities	€ m	2,575.6	2,358.7	216.9
Current liabilities	€ m	3,382.0	3,380.6	1.4
of which due to banks ⁴	€ m	603.3	696.6	-93.4
Net financial position on the reporting date ⁵	€ m	-788.2	-681.4	-106.7
Employees				
Personnel expenses	€ m	-993.1	-1,007.5	14.4
Core workforce on the reporting date ⁶	Empl.	22,376	23,511	-1,135
Total workforce on the reporting date ⁷	Empl.	24,195	25,399	-1,204

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

		Q2 2025	Q2 2024	H1 2025	H1 2024
Crude steel production	kt	1,373.5	1,650.0	2,926.1	3,328.7
External sales	€ m	2,335.2	2,565.3	4,664.7	5,243.2
EBIT before depreciation and amortization (EBITDA)	€ m	38.2	107.3	116.8	233.6
Earnings before interest and taxes (EBIT)	€ m	-41.3	24.5	-41.8	69.7
Earnings before taxes (EBT)	€ m	-56.5	-5.7	-83.8	11.5
Consolidated result	€ m	-54.3	-33.5	-88.9	-18.6
Return on capital employed (ROCE) ¹	%	-2.7	1.1	-1.6	1.9
Investments	€ m	246.6	206.2	241.0	314.5
Depreciation / amortization	€ m	-79.5	-82.7	-158.6	-163.9
Cash flow from operating activities	€ m	125.9	5.3	81.0	-137.3

Key figures 2024 including Mannesmann Stainless Tubes Group

¹ Annualized

In the first half of 2025 that was characterized by geopolitical tensions and trade policy conflicts, along with weak economic momentum, the Salzgitter Group recorded **external sales** of € 4.7 billion (H1 2024: € 5.2 billion), **EBITDA** of € 116.8 million (H1 2024: € 233.6 million) and € -83.8 million in **earnings before taxes** (H1 2024: € +11.5 million). The Technology Business Unit and the participating investment in Aurubis AG (€71.5 million; H1 2025: €70.6 million) accounted for at equity (IFRS accounting) once again delivered markedly positive earnings contributions. Thanks to cost adjustments and restructuring measures, the Trading Business Unit achieved a turnaround with a marginally positive result. By contrast, the results of the Steel Production and Steel Processing business units reflected the extremely challenging political and economic framework conditions. The result includes an amount of € -79.9 million in charges from the reporting-date-related valuation of derivative positions (H1 2024: € +10.8 million) along with non-recurrent effects of € -10.0 million earmarked to cover impairment risks from planned portfolio streamlining (H1 2024: € -20.0 million). The **after-tax result** came in at € -88.9 million (H1 2024: € -18.6 million), which brings **earnings per share** to € -1.68 (H1 2024: € -0.40). **Return on capital employed (ROCE)** stood at € -1.6 % (H1 2024: 1.9 %). The **equity ratio** remained at a very sound 42.2 % (H1 2024: 45.6 %).

SPECIAL ITEMS

	EBT		Restructuring		Impairment / reversal of impairment		Other		EBT excluding special items	
In € million	H1 2025	H1 2024	H1 2025	H1 2024	H1 2025	H1 2024	H1 2025	H1 2024	H1 2025	H1 2024
Steel Production	-55.6	-22.0	-	-	-	-	-	-	-55.6	-22.0
Steel Processing	-63.4	-72.5	-	-	-	-20.0	-	-	-63.4	-52.5
Trading	10.9	-0.8	-	-	-	-	-	-	10.9	-0.8
Technology	54.7	52.7	-	-	-	-	-	-	54.7	52.7
Industrial Participations / Consolidation	-30.3	54.1	-	-	-	-	-10.0	-	-20.3	54.1
Group	-83.8	11.5	-	-	-	-20.0	-10.0	-	-73.8	31.5

RETURN ON CAPITAL EMPLOYED (ROCE)

In € million	H1 2025	H1 2024
EBT	-83.8	11.5
+ Interest expenses	64.8	74.0
- Interest expenses for pension provisions	27.3	28.8
= EBIT I	-46.3	56.7
Total assets	10,309.2	10,546.2
- Pension provisions	1,538.3	1,590.0
- Other provisions excluding provision for income taxes	487.9	427.6
- Trade payables, contract liabilities, other liabilities excluding notes payable, liabilities in connection with assets held for sale ¹	2,016.1	2,149.6
- Deferred tax claims	366.6	302.6
= Capital employed	5,900.4	6,076.3
in %		
ROCE	-1.6	1.9

¹ Notes payable amounting to € 0 million (2024: € 0.2 million).

ROCE is an important financial performance indicator and an integral part of the internal system of management and control. ROCE posted -1.6 % in the first half of 2025 (H1 2024: 1.9 %). The lower ROCE is attributable to a considerable decline in EBIT, while interest-bearing equity and debt have decreased slightly compared with the previous year's reporting date.

More detailed explanations on the derivation of ROCE are provided in the section on "Financial Control System" of the 2024 Annual Report.

EARNINGS BEFORE INTEREST AND TAXES (EBIT)/ EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

In € million	H1 2025	H1 2024
EBT	-83.8	11.5
+ Interest expenses	64.8	74.0
- Interest income	22.8	15.8
= EBIT	-41.8	69.7
+ Depreciation / amortization ¹	158.6	163.9
= EBITDA	116.8	233.6

¹ Depreciation / amortization of tangible and intangible fixed assets and non-current financial assets

The EBIT and EBITDA earnings ratios merely indicate the operating strength of a company set apart from its capital structure. These ratios allow an additional analysis and assessment of a company's results, as well as facilitating approximate comparability with its peers at an operating level. Differences in taxation specific to the respective country, as well as special features concerning the structure of financing and property, plant and equipment of the individual company, can therefore be disregarded. The significant year-on-year decline in EBIT essentially results from the sales downturn, combined with material costs and change in inventories that, in total, declined to a lesser extent.

MEASURES AIMED AT IMPROVING PROFIT AND SECURING LIQUIDITY

We counteract the current challenges firstly with 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 € 500 million from efficiency and process improvements in procurement, logistics and sales, including the measures taken over from the former program. Measured against the previous year, effects worth € 48 million had already been achieved by the end of first half of 2025. Alongside the ongoing measures from the original Performance 2026 program, additional P28 measures are now also increasingly bearing fruit. Numerous measures were already having an impact in previous years, with an effect of around € 182 million having been generated since the program was launched in 2022.

BUSINESS UNIT PERFORMANCE

STEEL PRODUCTION BUSINESS UNIT

		Q2 2025	Q2 2024	H1 2025	H1 2024
Order intake ¹	kt	1,143.3	1,264.5	2,459.2	2,583.1
Order backlog on reporting date ¹	kt	1,059.3	1,092.1	1,059.3	1,092.1
Crude steel production	kt	1,164.4	1,327.9	2,419.4	2,692.4
Salzgitter Flachstahl	kt	920.6	1,086.5	1,917.2	2,190.8
Peiner Träger	kt	243.8	241.4	502.2	501.6
Rolled steel production	kt	1,163.5	1,063.0	2,291.8	2,247.2
Salzgitter Flachstahl	kt	938.5	839.9	1,829.5	1,796.9
Peiner Träger	kt	225.0	223.1	462.4	450.3
Shipments	kt	1,342.9	1,367.0	2,814.8	2,813.6
Segment sales ¹	€ m	1,110.1	1,202.1	2,321.3	2,473.7
External sales	€ m	813.7	883.5	1,704.7	1,815.5
EBIT before depreciation and amortization (EBITDA)	€ m	27.0	58.2	65.6	101.2
Earnings before interest and taxes (EBIT)	€ m	-20.7	10.6	-30.7	7.3
Earnings before taxes (EBT)	€ m	-32.7	-4.2	-55.6	-22.0

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 covers hot-rolled strip, galvanized and coated cold-rolled strip, sections and laser-welded tailored blanks, among other products.

MARKET DEVELOPMENT

During the first quarter, sentiment on Europe's **strip steel market** initially brightened on the back of supply side stimulus, which also included a more stringent revision of the EU safeguards and provisional anti-dumping measures against hot strip imported from Egypt, Vietnam and Japan. Last but not least, the steel sector's business expectations improved given the direction signalized by the EU Commission through the "European Steel and Metals Action Plan" and the German government's decision on a financial package going into the billions. By contrast, the doubling of US tariffs on EU steel products and derivatives that came into force in June imposed a massive burden on the sector, the impact of which is manifold. Accordingly, direct exports are not the only items to be impacted by the price premium. An indirect effect can also be expected from the redirection effects of other countries delivering into the European steel market. This situation will exacerbate the problem of already huge global surplus capacities, driven by China, and will place massive price pressure on the steelworks. Consequently, the European steel industry continues to operate in a difficult market environment. Over the course of the year to date, demand in most customer sectors continued to exhibit low levels, which is reflected in the development of spot market prices: Starting from a very low level, the price uptrend that had set in since the start of the year had virtually fully reversed itself within a few weeks by the end of the reporting period.

The **sections market** also developed in two different directions in the first half of 2025: While, at the beginning of the year, traders stocking up on inventory led to good capacity utilization, real demand was already showing signs of decline at the start of the second quarter. Customers were more cautious in placing orders, and consequently keeping capacity levels up at the rolling mills became increasingly difficult. While overhauling the safeguards reduced Turkish imports at a high level, the increase in imports from China into the EU impacted negatively on prices.

PROCUREMENT

IRON ORE

At the start of the year 2025, the anticipated seasonal recovery in demand after the Chinese New Year celebrations did not materialize, with the result that the iron ore price for the IODEX 62 % Fe CFR China benchmark continued to range around the level of 105 USD/dmt. Expectations regarding additional economic measures for the domestic economy initiated by the Chinese government bolstered prices as the year progressed, as opposed to tariff discussions with the US that weighed on prices. As a consequence of the escalating tariff dispute between China and the US, the iron ore price largely settled below the 100 USD/dmt mark in April and May until a provisional agreement between the two countries triggered a renewed price uptrend in the middle of the second quarter in line with expectations. Given the economic situation, price increases were merely moderate, however. As the financial year of most mining enterprises ends on June 30, attempts were made at a late stage in the second quarter to sell as much tonnage as possible. Prices came under pressure as a result, dropping to a six-month low of 92.75 USD/dmt. At 97.76 USD/dmt, prices in the second quarter averaged 13 % below the year-earlier period.

COKING COAL

Upon replenishing inventories in preparation for Chinese New Year, the coking coal price initially stabilized slightly below the 200 USD/t mark. By the end of January, however, prices had already slipped to a level of just under 190 USD/t due to lackluster trading activities. Given the slack demand of Indian and Chinese customers for seaward imports, and a rainy season in Australia that did not disrupt supply chains to any great extent, the benchmark price dropped below the 170 USD/t mark at the end of March, thereby reaching its lowest level since June 2021. The declining availability of premium coal from Australia lifted spot market prices at the start of the second quarter. Within two weeks, the price rose by 25 USD/t and had settled at 190 USD/t by the start of May. After Indian customers had replenished their inventories for the most part and seeing that China was also showing comparatively little interest in high-grade coking coal imports, the benchmark price dipped again to a level of just under 175 USD/t in June. Expressed as an average, the price came in at 184.22 USD/t in the second quarter, which is just under 25 % below the year-earlier period.

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

Prices on the Germany scrap market rose again in the first quarter of 2025 for the first time since June 2024, which was mainly attributable to moderately firm demand for scrap, with scrap supplies at a low level and rising export business. In April, the blanket imposition of tariffs on imports into the US halted the trend of the first quarter and sent prices down sharply on the German scrap market compared with the previous month. This development intensified against the backdrop of ongoing weak demand for steel and greater use of cheap billets from Asia and Russia instead of scrap as feedstock.

BUSINESS DEVELOPMENT

Order intake and **orders on hand** of the Steel Production Business Unit fell slightly below the level of the previous year. In this context, order intake in the strip steel segment underperformed due to demand compared with the previous year, while remaining virtually stable in the sections segment. **Crude steel output** dropped considerably below the year-earlier figure because of lower production in the strip steel segment. This development was also attributable to maintenance work carried out on Blast Furnace C in Salzgitter during the period under review. The business unit's **rolled steel production** nevertheless remained at the year-earlier level. With **shipments** remaining stable, the business unit's **segment** and **external sales** were lower than the previous year's figures, pressured by the considerable decline in the price of strip steel products. In the sections segment, sales were up year on year supported by somewhat higher shipments and higher prices. The Steel Production Business Unit generated **EBITDA** of € 65.6 million (H1 2024: € 101.2 million) and **earnings before taxes** of € -55.6 million (H1 2024: € -22.0 million). PTG and SZEP delivered significantly improved results compared with the other companies of the business unit that fell notably short of the figures posted in the previous year's period.

INVESTMENTS

SALCOS®

Our SALCOS® transformation program is aimed at fully converting the integrated steelworks in Salzgitter into low carbon crude steel production in stages over the period up until 2033. Implementing the first SALCOS® stage commenced back in 2022 and comprises investments planned in a range of around €2.3 billion, of which approximately €1 billion originates from public and federal state funds. As announced at Salzgitter AG's Annual General Meeting of shareholders in May 2025, due to delays in the progress made with construction we now anticipate operating on the market with green steel from the new production route in the first half of 2027. The investment costs originally planned are currently under comprehensive review and validation, also taking account of the additional costs incurred by the delays.

We are currently 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.

The base plate for the 100 MW electrolysis plan was manufactured in the second quarter of 2025. Upon completion, the plant should generate approximately 9 Tt of green hydrogen a year.

The DR plant has a production capacity of around two million tons of direct reduced iron a year. The structural steelwork for the reactor tower made progress in the second quarter, with the assembly height having reached around 90 meters by the end of the quarter. At the same time, the assembly of the plant was carried out in several areas.

The construction work on the main and ancillary facilities for the electric arc furnace outside the building and the steel construction of the building itself advanced during the reporting period, and work commenced on assembling the indoor crane.

STEEL PROCESSING BUSINESS UNIT

		Q2 2025	Q2 2024	H1 2025	H1 2024
Order intake	€ m	445.1	448.7	873.3	911.2
Order backlog	€ m	595.9	700.1	595.9	700.1
Crude steel production	kt	209.1	322.2	506.7	636.3
Rolled steel production	kt	246.5	252.3	509.4	520.5
Shipments	kt	351.6	371.7	703.4	720.8
Segment sales ¹	€ m	510.2	688.5	1,043.2	1,375.2
External sales	€ m	288.9	423.2	597.6	859.3
EBIT before depreciation and amortization (EBITDA)	€ m	-25.5	-36.1	-39.8	-37.0
Earnings before interest and taxes (EBIT)	€ m	-34.6	-49.6	-56.9	-63.4
Earnings before taxes (EBT)	€ m	-38.1	-54.5	-63.4	-72.5

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. In addition to standard grades, the Ilsenburg plant specializes in the production of high-strength and wear-resistant plate on its 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. Through its participation in Hüttenwerke Krupp Mannesmann GmbH (HKM) the business unit has its own supply of input material.

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) was sold and deconsolidated, effective October 31, 2024. The MST Group is included in the business unit's 2024 figures accordingly.

After a process lasting more than two years, Ilsenburger Grobblech GmbH as a producer of security steels received the first partial approval from the Bundeswehr (German Armed Forces) at the end of June 2025. Hence, the SECURE 500® steel grade in a thickness range of 6 to 16 millimeters has been approved for use by the military, in vehicles and protective systems for instance. We are in the approval process for other steel grades with the aim of obtaining a final assessment from the Bundeswehr that will enable us to offer the full SECURE product family for military applications.

MARKET DEVELOPMENT**QUARTO PLATE**

The heavy plate markets remained under the influence of the weak economic environment in the first half of 2025. The development of volumes held steady in the areas of onshore wind and steel construction, as well as at a lower level in trade and with mid-sized customers. The positive trend displayed by plate in the large-diameter segment in the first quarter slowed markedly as the year progressed. Following a temporary, slight increase in market prices at the start of the year, a downtrend set in at mid-year. The strong pressure on margins and prices did not let up, due in particular to persistently high slab costs compared with plate price levels. Slab prices continued to fluctuate around a considerably lower level on an international scale. The situation regarding imports in relation to reticent demand remained tense – overall volumes are trending down but seen in the context of the decline in market volumes remain relatively high. The primary supplier countries include South Korea, India, Japan, Indonesia and northern Macedonia, with high levels of imports from Turkey since the spring, however. The first EU measures on limiting import volumes as part of tightening safeguards send a positive signal. Nevertheless, weak EU sanctions, especially against Russian slab, kept pressure from competition high due to the ongoing use of Russian slab in the EU.

STEEL TUBES AND PIPES

The large-diameter pipes segment presented a disparate market picture: Germany's hydrogen core network has been approved, but there are only few specific invitations to tender for line pipe projects. Owing to lack of clarity as yet about the volume- and delivery-related situation of the requisite green hydrogen and the associated costs, accompanied by Germany's tight economic situation, transmission system operators are extremely hesitant. The already difficult competitive situation in the large-diameter pipe business has been further aggravated by the 50 % increase in tariffs levied on steel exports into the US. The US market with numerous pipeline projects to cover local energy requirements and the expansion of LNG exports nevertheless continues to play an important role. After strong demand from the US for medium-diameter line pipes was recorded in the first quarter, export prospects, similar to the entire trading market in Germany, are subject to uncertainty ever since import duties on steel were raised. Demand from the line pipe segment and from the domain of new energies continues to run at a stable level, as opposed to the market for precision tubes where demand remained weak. Following the positive signals from the key customer sectors of automotive and mechanical engineering in the first months of the year, orders dropped off as the year progressed in response to various US tariffs. Consequently, market uncertainty remained at a high level all over the world, with the resulting investment restraint.

BUSINESS DEVELOPMENT

In the first six months of 2025, the Steel Processing Business Unit's **order intake** fell short of the year-earlier figure, which was principally attributable to the deconsolidation of the stainless tubes group. A moderate decline of the order intake in the heavy plate segment was recorded, as opposed to the companies producing steel tubes and pipes that significantly outperformed the previous year's figures. The deconsolidation effect is also clearly reflected in the business unit's **orders on hand** that dropped considerably below the figures posted in the first six months of 2024. With **shipments** down somewhat and lower selling prices, **segment** and **external sales** fell markedly short of the year-earlier figures, with the loss of the stainless tubes group's contribution compounding the downturn. The business unit generated **EBITDA** of € -39.8 million (H1 2024: -37.0 € million) and € -63.4 million in **earnings before taxes** (H1 2024: -72.5€ million). The business unit's weaker year-on-year result is attributable to a reduction in shipment volumes, along with lower selling price levels. The companies in the line pipe segment, including the EUROPIPE Group accounted for using the equity method, significantly improved their contributions to earnings compared with the year-earlier period. The precision tubes group reported a lower loss than in the first half of 2024.

TRADING BUSINESS UNIT

		Q2 2025	Q2 2024	H1 2025	H1 2024
Shipments	kt	920.6	843.3	1,679.0	1,744.5
Segment sales ¹	€ m	779.8	775.9	1,468.3	1,621.5
External sales	€ m	766.3	767.4	1,430.1	1,603.8
EBIT before depreciation and amortization (EBITDA)	€ m	19.5	4.5	25.2	16.6
Earnings before interest and taxes (EBIT)	€ m	14.0	-0.3	14.2	7.2
Earnings before taxes (EBT)	€ m	12.9	-4.5	10.9	-0.8

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.

In connection with active portfolio management, Salzgitter Mannesmann Stahlhandel Austria GmbH was sold as of May 31, 2025. The same month saw the sale of the precision and seamless tubes trading business to steel tubes specialist wholesaler Hoberg & Driesch GmbH & Co. KG.

MARKET DEVELOPMENT

In the first half of 2025, the stockholding steel trade in Europe continued to register lackluster demand due to the economic situation. Demand in international trading picked up again in the second quarter, following the first quarter when US tariffs on steel products, the EU safeguard revision, and provisional anti-dumping measures against hot strip from Japan, Vietnam and Egypt caused uncertainty among European market players in terms of procuring imports.

BUSINESS DEVELOPMENT

Compared with the year-earlier period, the Trading Business Unit's **shipments** declined marginally in the first six months of 2025. Sales of the stockholding steel trade in particular dropped considerably below the year-earlier figures, which was caused by weak demand and location- and product-related portfolio streamlining in the period under review. International trading and the UES Group also reported a downturn in volumes. Consequently, the business unit's **segment** and **external sales** also declined considerably. Against the backdrop of largely stable price levels, significant, ongoing cost savings combined with positive one-off effects associated with restructuring measures nevertheless delivered a significant improvement in **EBITDA** (€ 25.2 million; H1 2024: € 16.6 million) and in the **pre-tax result** (€ 10.9 million; H1 2024: € -0.8 million).

TECHNOLOGY BUSINESS UNIT

		Q2 2025	Q2 2024	H1 2025	H1 2024
Order intake	€ m	527.3	410.8	901.8	777.6
Order backlog on reporting date	€ m	1,258.9	1,291.8	1,258.9	1,291.8
Segment sales ¹	€ m	422.3	446.0	845.1	871.7
External sales	€ m	422.1	445.8	844.8	871.3
EBIT before depreciation and amortization (EBITDA)	€ m	33.6	32.7	69.5	70.9
Earnings before interest and taxes (EBIT)	€ m	25.7	24.4	53.9	54.4
Earnings before taxes (EBT)	€ m	26.1	23.2	54.7	52.7

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 offering a product range that 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

According to the German Engineering Federation (VDMA), orders rose by 1 % year on year in the first half of 2025 following the previous year that was determined by a downtrend. The slight increase is exclusively attributable to rising demand in the eurozone countries. Domestic orders fell by 1 %, while foreign orders rose by 2 %. Global economic framework conditions nevertheless remained tense and risky. The slight upturn in demand has not yet been reflected in sales that decreased by 3 % compared to the strong previous year's period.

BUSINESS DEVELOPMENT

In the first half of 2025, the Technology Business Unit's **order intake** was significantly higher year on year. In the period under review, **orders on hand** were developing positively recently, falling only marginally short of the previous year's figure. By contrast, the business unit's **segment** and **external sales** failed to match the strong levels achieved in the first six months of 2024. The KHS Group maintained its positive earnings trend, delivering an improvement compared with the previous year. Despite the special machinery manufacturers' negative contributions to earnings, the Technology Business Unit's **EBITDA** (€ 69.5 million; H1 2024: € 70.9 million) almost repeated the level seen in the first half of 2024. **EBT** (€ 54.7 million; H1 2024: € 52.7 million) increased slightly compared with the year-earlier figure.

The Technology Business Unit's efficiency and growth program consistently interacts and meshes with the Salzgitter Group's strategy. Extensive measures have contributed to the improvement in sales and profits achieved so far despite the fiercely competitive market environment, hallmarked by uncertainty. Along with continuously developing its production locations in Germany, the KHS Group's strategic focus centers around expanding its international presence in particular.

INVESTMENTS

In the reporting period, the Technology Business Unit focused on expediting its ongoing replacement and streamlining measures especially at its Dortmund production site. In addition, an extensive investment package was approved for this location. This package covers the expansion of assembly capacities, on the one hand, as well as making the location more attractive by modernizing buildings and creating additional demonstration and training facilities, on the other. Moreover, a comprehensive, multi-level investment program was initiated for the North American region with the aim of increasing regional capacities. IT projects in Germany and in the international companies were also carried out within the KHS Group to further optimize organizational workflows.

The production capacities in the North and South American market continued to be ramped up. Expanding facilities at the production location in India is currently under way.

INDUSTRIAL PARTICIPATIONS / CONSOLIDATION

		Q2 2025	Q2 2024	H1 2025	H1 2024
Sales ¹	€ m	255.0	292.8	527.0	598.4
External sales	€ m	44.2	45.3	87.4	93.3
EBIT before depreciation and amortization (EBITDA)	€ m	-16.3	48.0	-3.7	81.8
Earnings before interest and taxes (EBIT)	€ m	-25.6	39.4	-22.3	64.2
Earnings before taxes (EBT)	€ m	-24.6	34.3	-30.3	54.1

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 six months of 2024. **External sales** were also lower than in the previous year's period. **EBITDA** (€ -3.7 million; H1 2024: € 81.8 million) includes a contribution of € 71.5 million from the participating investment in Aurubis AG accounted for using the equity method (H1 2024: € 70.6 million). At € -30.3 million (H1 2024: € +54.1 million), **earnings before taxes** fell considerably short of 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 (€ -56.6 million; H1 2024: € +19.5 million). Moreover, the result of the reporting period was impacted by non-recurrent effects (€ -10.0 million) to cover the impairment risk of planned portfolio streamlining. The result of this segment also includes the negative operating result from holding services provided for the subsidiaries. The companies largely operating on the Group's behalf recorded a pre-tax result of € -3.5 million in the first six months of 2025 (H1 2024: € +3.8 million).

FINANCIAL POSITION AND NET ASSETS

NOTES TO THE BALANCE SHEET

The **total assets** of the Salzgitter Group decreased by € 156 million in the first six months of 2025 compared with December 31, 2024.

Non-current assets grew slightly compared with the last balance sheet date (€ +116 million). Investments in intangible assets and property, plant and equipment (€ 241 million) came in above the scheduled depreciation and amortization of fixed assets (€ -159 million). In this context, the investment subsidies that depend on the investments already made were accounted for as a reduction in acquisition costs. The share of companies accounted for using the equity method increased due to Aurubis AG's gratifying contribution of € 54 million on the reporting date. **Current assets** dropped tangibly below the figure on the year-earlier reporting date (€ -272 million). While trade receivables, including contract assets (€ +143 million), increased, inventories (€ -224 million) and cash and cash equivalents (€ -237 million) declined. Within the context of the planned disposal of a wholly-owned subsidiary in the Technology Business Unit, an amount of € 48 million was disclosed under the assets held for sale item.

On the **liabilities side**, equity capital dropped slightly compared with the previous year's reporting date (€ -97 million). Against the backdrop of virtually stable total assets, the equity ratio came in at a very sound 42.2 % (previous year: 42.5 %). **Non-current liabilities** increased slightly year on year (€ +91 million). Given the higher actuarial rate compared with the last balance sheet date, pension provisions had declined notably (€ -100 million). A substantial increase in non-current financial liabilities (€ +169 million) constituted a counter trend. Non-current other liabilities exceeded the last balance sheet date by € 21 million. **Current liabilities** decreased by € 150 million. While current financial liabilities (€ -202 million) and trade payables, including contract liabilities (€ -87 million), declined, other liabilities (€ +113 million) were higher than on the last balance sheet date. A sum of € 20 million was reported as a liability in connection with assets held for sale due to the planned disposal of a company in the Technology Business Unit.

The **net financial position** (€ -788 million) declined compared with the reporting date at year-end 2024 (€ -574 million). Cash investment (€ 768 million; previous year: € 1,005 million) was offset by liabilities of € 1,557 million (previous year: € 1,578 million), of which € 603 million were owed to banks (previous year: € 674 million). Apart from these liabilities, financial liabilities of € 953 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 € 513 million in total has been disbursed 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.

NET FINANCIAL POSITION

Net financial position = cash investments – financial liabilities of the net financial position

In € million	2025/06/30	2024/12/31
Cash and cash equivalents acc. to balance sheet	765.2	1,002.2
+ Other investments of funds ¹	3.1	2.3
= Investments of funds	768.3	1,004.5
Financial liabilities acc. to balance sheet	1,722.4	1,755.5
- Liabilities from leasing agreements, from financing / financial transactions and other	165.9	177.1
= Financial liabilities of net financial position	1,556.5	1,578.4
Net financial position	-788.2	-573.9

¹ Securities, loans excl. valuation allowances (€ 1.4 million; 2024/12/31: € 1.7 million) and incl. other cash investments reported under other receivables and other assets (€ 1.7 million; 2024/12/31: € 0.6 million).

NOTES TO THE CASH FLOW STATEMENT

With a pre-tax result of € -84 million, a positive **cash flow from operating activities** of € 81 million was reported (previous year: € -137 million). Working capital remained at the level of the balance sheet date at the end of 2024.

The **cash outflow from investing activities** stood at € -243 million (previous year: € -264 million). Disbursements for capital expenditure on intangible assets and on property, plant and equipment (€ -406 million) were considerably higher than in the year before and, along with scheduled replacement investments, also include payouts of € 249 million for SALCOS®. An amount of € 176 million in public funding has so far been received in the financial year 2025 for the SALCOS® program, with a commensurate cash effect. Funds for the acquisition of a non-consolidated subsidiary in the Technology Business Unit were also disbursed.

We paid dividend of € 11 million to our shareholders. Proceeds from borrowing and other financial liabilities (€ 229 million) were offset by repayments of loans and other financial liabilities (€ -238 million) and interest payments (€ -27 million), resulting in an overall **cash outflow from financing activities** (€ -47 million; previous year: cash inflow of € 45 million).

As a result of the negative total cash flow in particular, and also due to exchange rates changes, **cash and cash equivalents** (€ 765 million) declined accordingly compared with December 31, 2024 (€ 1,002 million).

EMPLOYEES

	2025/06/30	2024/12/31	Change
Core workforce¹	22,376	22,381	-5
Steel Production Business Unit	7,673	7,578	95
Steel Processing Business Unit	4,212	4,233	-21
Trading Business Unit	1,689	1,850	-161
Technology Business Unit	5,995	5,957	38
Industrial Participations/ Consolidation	2,807	2,763	44
Apprentices, students, trainees	1,231	1,486	-255
Non-active age-related part-time employment	588	605	-17
Total workforce	24,195	24,473	-278

Rounding differences may occur due to pro-rata shareholdings.

¹ Excluding executive body members.

As of June 30, 2025, the **core workforce** of the Salzgitter Group numbered 22,376 employees, which is five persons less than at the end of the financial year 2024. Upon the adjustment taking the disposal of Salzgitter Mannesmann Stahlhandel Austria GmbH (-83) into account, effective as from the start of June 2025, the Group's core workforce rose by 78 employees in the first half of 2025.

The increase of 95 employees in the workforce of the Steel Production Business Unit over the first six months of 2025 is attributable in particular to hiring trainees at Salzgitter Flachstahl GmbH in January and in June. The increase in personnel numbers in the Technology Business Unit (+38) serves the purpose of implementing business expansion plans. The higher workforce numbers at Verkehrsbetriebe Peine-Salzgitter GmbH (+24) in the Industrial Participations/ Consolidation segment is to be seen in connection with assuming haulage operations for own account at the Mülheim location. Running counter to this trend, employee numbers in the Trading Business Unit decreased by 161 persons, which was principally attributable to selling the steel trading operations in Austria, along with restructuring at Salzgitter Mannesmann Handel GmbH and Salzgitter Mannesmann Stahlhandel GmbH (together -84 employees). A total of 231 trainees were hired during the reporting period, 119 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 immediate retirement.

The **total workforce** amounted to 24,195 employees. On June 30, 2025, the number of **temporary staff** outsourced came in at 896, which is 220 persons below the number reported on previous year's reporting date. At the end of the reporting period, no more employees were working **short time** in the domestic Group companies (H1 2024: 448). Expressed as monthly average, 80 employees were affected by short-time work in the first half of 2025 (H1 2024: average of 375), especially in the companies of the Mannesmann Precision Tubes Group.

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 of the **Steel Production Business Unit** should benefit from moderately higher sales volumes. Given the persistently weak economic phase, margins are set to remain under pressure, although a moderate recovery is anticipated in the second half of the year. In view of curtailed demand stimulus, further endeavors regarding productivity and efficiency measures will be aimed at securing profitability. As before, we expect fierce competition in the steel sections business that will weigh on earnings and squeeze margins. In the strip steel business, we assume that capacity utilization will continue to be covered by demand. 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 selling prices, and against the backdrop of improved shipment volumes, we anticipate slightly lower sales (previous year: € 3,388.8 million), a moderate decline in EBITDA (previous year: € 186.2 million) and a tangibly lower pre-tax result (previous year: € -60.9 million).

There are signs of a generally improved development in 2025 in the target markets of the **Steel Processing Business Unit**. The market environment will remain tight, however: We anticipate that heavy plate will trend sideways in the financial year. That said, we nevertheless expect higher quality grades to show recovery tendencies in the second half of the year. Pipe plate production is likely to benefit from the projects awarded for large-diameter pipes. In the large-diameter pipes segment, a number of bookings from the previous year and the first six months of 2025 will ensure capacity utilization. Following a sound first half year, we believe that demand in the medium-diameter line pipe product segment will be problematic due to uncertainty in connection with US tariffs. The precision tubes group continues to be confronted by a tight market environment. Customer sectors are not expected to recover. Impairment from the previous year nevertheless serves to ease the cost front. Following the deconsolidation of the stainless tubes group in October 2024, we predict sales at a notably lower level overall for the business unit (previous year: € 1,576.3 million). Given generally improved capacity utilization and higher sales volumes, the absence of the negative contribution from the Mannesmann Stainless Tubes Group will also lift EBITDA considerably year on year (previous year: € -78.6 million). The pre-tax result (previous year: € -391.4 million) is set to significantly outperform the year-earlier figure that was burdened by one-off items but will nevertheless remain in visibly negative territory.

A tangible increase in the result is anticipated for the **Trading Business Unit** in the segment of stockholding steel trade, attributable in particular to positive, sustainable effects from ongoing restructuring and the elimination of the associated negative non-recurrent effects in the year before. The uncertain foreign trade policies and geopolitical circumstances that continue to prevail are hampering business in international trading. The high level of uncertainty for market participants caused especially by the US' trade and tariff policies and the resulting changes in the flow of goods is acting as a constraint on business. The result anticipated for the full year in international trading is expected to fall significantly short of the year-earlier level. The UES Group is likely looking at a significant improvement in the earning situation, with positive price effects in the US business providing special support. All in all, the following is anticipated for the Trading Business Unit: a volume-induced notable decline in sales (previous year: € 3,056.7 million), nevertheless accompanied by a significant improvement in, and therefore positive, EBITDA (previous year: € -20.9 million) and earnings before taxes (previous year: € -81.2 million).

The **Technology Business Unit** is heading 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 orders successfully booked in the project business, paired with ongoing, focused growth in the service business, the positive trend seen in recent years is set to continue. The two DESMA specialist mechanical engineering companies now anticipate that the market recovery will be slower and delayed. Cost reduction programs are only able to cushion this scenario to a limited extent. All in all, we expect the following for the business unit: a slight upturn in sales (previous year: € 1,803.9 million), with EBITDA at the year-earlier level (previous year: € 148.5 million) and a notably higher pre-tax result (previous year: € 93.5 million).

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

- / sales of between € 9.0 billion and € 9.5 billion,
- / EBITDA of between € 300 million and € 400 million,
- / a pre-tax result of between € – 100 million and € 0 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	Slightly lower y/y
	EBITDA	€ m	186.2	Moderately lower y/y
	EBT	€ m	–60.9	Significantly lower y/y
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 y/y
	EBITDA	€ m	–20.9	Clearly higher y/y
	EBT	€ m	–81.2	Clearly higher y/y
Technology	Sales	€ m	1,803.9	Slightly higher y/y
	EBITDA	€ m	148.5	At the previous year's level
	EBT	€ m	93.5	Tangibly higher y/y
Group	Sales	€ m	10,011.7	Between € 9.0 billion and € 9.5 billion
	EBITDA	€ m	445.2	Between € 300 million and € 400 million
	EBT	€ m	–296.2	Between € – 100 million and € 0 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 risks, along with 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 in various permutations from our SALCOS® decarbonization program that will run for a number of years and includes planned investments in a volume of around € 2.3 billion (€ 1 billion of which is publicly funded). Although experienced plant engineering companies are deployed for numerous subprojects, the construction of an electric arc furnace or a DRI plant, for instance, risks cannot be excluded due to the complex nature of the overall project, changes in scheduling, and in the context of internal and external fund allocation. Risk considerations from cost increases anticipated in plant engineering in particular are meticulously monitored as part of a project organization and the measures developed, also involving external expertise. Reports on this are regularly made to Salzgitter AG's Executive Board and Supervisory Board. The investment costs originally planned for the first stage of SALCOS®, also including the additional costs due to delays announced at the Annual General Meeting in May 2025, are currently undergoing comprehensive review and validation. Similarly, the SALCOS® project management organization set in place monitors the underlying basic assumptions such as sales and earnings expectations, including green steel premiums, the price trend of carbon allowances, raw materials and energy price assumptions, also of hydrogen, and availability, along with regulatory changes (see the sections on geopolitical and economic risks). Developments are compared on a running basis with the current situation and the progress of the project. Future decisions on implementing the next stage(s) of the decarbonization program are also mapped using these standardized processes right through to full transformation.

"Imponderables in the transformation of primary steel production" constitute a transitory risk. This risk pertains to the technological progress in the transformation of our plant beyond the first stage of SALCOS®. A range of risk factors could result in us losing our transformation lead in the competitive arena. Along with the aforementioned basic assumptions, potential imponderables reside in the financial feasibility of transformation going forward, particularly as the project and budget planning for further SALCOS® stages have not yet been completed. The introduction and effectiveness of regulatory instruments such as the "key green markets" and effective Carbon Border Adjustment Mechanisms (CBAMs) are the main decisive factors. The success of our transformation ultimately hinges on the competitive production of low CO₂e steel products that, in turn, depends on the availability and the cost of renewable sources of energy.

GEOPOLITICAL RISKS

Salzgitter AG is a group with global operations and is therefore especially exposed to geopolitical impact. Geopolitical crises and political uncertainties may have a direct or indirect impact on Salzgitter AG's business model. The 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 to resolve the wars in Ukraine, the Gaza Strip, and to ease the general situation in the Middle East. Depending on the potential for conflicts to spread, disruptions in the movement of goods and thus to supply chains are also possible. At the present point in time no notable effects on Salzgitter AG's business activities are discernible, especially as the energy markets were quick to return to normal levels following an end to the conflict between Israel and Iran.

With regard to the Salzgitter Group, economic uncertainty arises from the Russia/Ukraine war, manifesting in particular in price trends and supply reliability in the procurement markets for energy and raw materials as well regarding future sales prospects. The Salzgitter Group is indirectly impacted insofar as sanctions are insufficiently crafted. Slab from Russia, for instance, can still be imported into the EU through to 2028 in considerable volumes and at prices detrimental to the market (see also the section on 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, positive change in the medium term. We have therefore significantly scaled back our business activities in these regions.

Along with the military conflicts, the introduction of tariffs by the US on practically all goods from the EU and from many other countries in the world entails huge risks for the development of the global economy.

The introduction of flat-rate tariffs on imports into the US delivers a heavy hit to export-oriented European industrial sectors but has been mitigated by the agreement with the US and the introduction of flat-rate tariffs of 15 %. Thus, import duties on cars are now no longer 27.5 %, but only 15 %. This is likely to continue to impair exports but should stabilize the relative competitive position of European exporters in the US market. The situation in the steel sector remains unclear. The agreement provides for the 50 % tariffs to be maintained, but also the introduction of a tariff quota system. As long as no details are known, we continue to assume the negative scenario.

Imposing tariffs on steel and aluminum imports, as well as the new base rate of 15 %, also has a direct impact on Salzgitter AG's business model. Owing to the low direct steel exposure in the US, the direct delivery of individual Group companies is less of a focus. Nevertheless, Germany's indirect steel exports to the US may incur negative consequences for Salzgitter AG's individual business units.

At the present point in time, we anticipate a decline of three to five million tons in direct and indirect steel exports from Europe, equivalent to demand of between 2.5 % and 4 % in the EU.

In addition, the unresolved conflict between China and Taiwan continues to smolder, with the risk of escalation and the resulting massive constraints 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 and maintaining the intensity of the CO₂ regulatory requirements. Not only this – a further deterioration in the investment climate could also exacerbate the recessionary trends of Germany's overall 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. This is compounded by further risks for the global economy that could weigh on demand and prices. The economic situation remains volatile and harbors risks – first and foremost the US tariff policy influences economic development. In this context, a decline in international goods trading could not only hamper growth but also investments, while exerting inflationary pressure. Forecasts however are subject to significant uncertainty in the face of the dynamic and changeable situation.

According to OECD forecasts, the **global economy** is set to slow from 3.3 % in 2024 to 2.9 % in this year and in 2026. At the start of the year, growth was still assumed at 3.3 % in 2025 and 3.2 % in 2026. The correction is attributable to the US' escalation of its tariff policy, resulting in the strongest negative impact on the large economic regions of the US and China.

These trade policy developments have resulted in sharp corrections to forecasts for growth and inflation in the **US**. Inflation is likely to rise as opposed to growth that will be lower than anticipated. The OECD GDP forecast stands at 1.6 % for 2025 and at 1.5 % for 2026. At the start of the year, 1.9 % was expected for each year. IfW Kiel expects growth in the US to be somewhat lower at 1.5 % this year and 1.4 % next year. Some market assessments are even more pessimistic due to erratic US tariff policies and a high level of uncertainty. Landesbank Baden-Württemberg (LBBW) puts growth at a mere 1 % for both years. These assessments highlight the negative trend on the one hand, while indicating, on the other, that no other country is harder hit than the US itself.

Together with the US as its most important target for exports, **China's** economy is likely to suffer from the escalating tariff conflict. The dent in growth observed even without the tariff conflict and that originates from the crisis in the real estate sector is likely to point to an even steeper downtrend. The OECD expects growth of 4.7 % in 2025 and 4.3 % in 2026. The IfW anticipates somewhat weaker growth of 4.5 % in 2025 and 4.2 % in the year thereafter. The Chinese government's supporting measures under its monetary and fiscal policies are likely to only partly cushion the losses in value added caused by the trade conflict.

Europe's economic development is also set to suffer from US trade policies. A negative impact is also probable from growing competitive pressure on markets outside the US, as China could redirect its trade flows here. The Leibniz Institute for Economic Research (RWI) expects Europe to generate growth of 1.5 % in 2025 as well as in 2026. The IfW forecasts somewhat lower growth of 1.3 % this year and 1.4 % next year. Economic impetus such as robust domestic demand prevents an even stronger downward correction of the forecast.

The **German economy** remains caught between the conflicting priorities of economic and structural challenges. Defense spending and investments in the infrastructure are likely to rise sharply in the coming years, and recovery will be driven by domestic demand. In 2025, the OECD estimates growth at 0.4 % and at 1.2 % in 2026. The IfW and ifo present a more optimistic estimation, predicting growth of 1.6 % respectively 1.5 % in the coming year. In order to sustainably strengthen growth, economic research institutes advocate structural reforms that will complement the finance package.

In view of dynamic and volatile US trade policies, the lack of clarity about countermeasures, and the deals that can be expected, forecasts are subject to huge uncertainty. The risk currently exerting the greatest negative impact on the economies of Europe and Germany, and consequently Salzgitter AG's core markets, is therefore likely to originate from US trade policies. If the tariffs announced materialize on a permanent basis, the demand for steel and prices will deteriorate significantly.

Inflation poses a further risk in the US and the euro area. Trade policy measures in the US will probably drive prices up. If the price uptrend accelerates and the FED waives the option of interest rate hikes due to political intervention, this would impact the financial markets. Conflicting goals under fiscal policy also pose a threat to the euro area. The necessity of higher defense spending and further fiscal easing could serve to drive inflation up, and the ECB would then have to move toward a more stringent monetary policy again. Delays in cutting interest rates would be considered negative for the Salzgitter Group's core markets as stimulus from construction activities would therefore continue to hug a low level and consumer spending would be more difficult to finance.

Germany's current phase of stagnation is the longest in the post-war period and is proving to be a persistent, structural weakness. Rising wage levels in the country, accompanied by price hikes for various imports, and for energy in particular, could cause 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 producers 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 up due to the massive subventions that have resulted in excess capacities in China in many parts of the country's industry. This would have negative consequences for important European customer sectors of the steel industry, such as conventional steel construction, vehicle manufacturing and heavy mechanical engineering, as well as for wind turbine manufacturers that would have to deal with fiercer competition on the global markets.

A further risk arises from changes to Germany's financial and economic policy. On the one hand, the German government's financial package could generate stimulus counteracting the persistent uncertainty regarding economic policies. On the other, intransigent lines of debate still prevail in terms of distribution, relief and the federal budget, and the necessary reforms encouraging investment will take their time. Uncertainty about framework conditions under economic policies is determining investment behavior, thereby contributing to perpetuating economic weakness.

SECTORAL RISKS

A structural sector-specific risk for the global steel industry arises from the steady increase 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. Moreover, these surplus capacities are likely to grow further in the coming three years. At the same time, however, the increase in the demand for steel is expected to be moderate, which will ratchet up the pressure on import markets such as the EU. 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. More than two thirds of the new capacities are produced in carbon-intensive blast furnaces, which undermines worldwide decarbonization endeavors. These carbon-intensive capacities jeopardize transformation in Europe if high carbon costs cannot be levied accordingly 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 those of EU producers. Risks arise from the form the new instrument will take, as there is still no mechanism yet to relieve the burden on exports, the regulations for circumventing CBAM are not stringent enough, and the key processing stages of the steel value chain are not covered by CBAM, engendering the threat of production relocation.

In view of the lack of safeguard measures that will have a sustainably stabilizing effect on the EU steel market, particularly in a phase of demand tailing off, the EU Commission conducted another review in the first quarter of 2025. The results of the investigation led to various adjustments to the safeguard that will come into force on April 1 and July 1. Risks are inherent in the possibility of changes to the safeguard not being effective enough and stabilization on the EU steel market not being achieved in the coming four quarters.

The same applies to a possible successor instrument for the safeguards as from the summer 2026. The successor instrument must be conceived so as to better take account of rising global surplus capacities and the growing constraints on trade such as those in the US that will lead to further redirection effects into the EU market. If the safeguard measures are allowed to expire, this would have considerably negative consequences for the development of steel prices as well as demand.

In 2022, the EU member states adopted several packages of sanctions imposing 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 import of the respective products 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 of aggression, 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 produced using Russian slabs.

INTERIM REPORT

CONSOLIDATED INCOME STATEMENT

In € million	Q2 2025	Q2 2024	H1 2025	H1 2024
Sales	2,335.2	2,565.3	4,664.7	5,243.2
Increase / decrease in finished goods and work in process / other own work capitalized	-99.9	64.6	-165.4	89.8
Total operating performance	2,235.3	2,629.9	4,499.2	5,333.0
Other operating income	170.5	86.0	312.8	216.1
Cost of materials	1,448.0	1,787.3	2,937.1	3,651.4
Personnel expenses	498.9	506.5	993.1	1,007.5
Amortization and depreciation of intangible assets and property, plant and equipment	79.5	82.7	158.6	163.9
Other operating expenses	445.1	363.8	840.0	729.4
Result from impairment losses and reversal of impairment losses of financial assets	1.2	1.7	0.7	1.6
Income from shareholdings	0.3	0.3	1.2	0.3
Result from investments accounted for using the equity method	22.8	46.8	73.0	71.0
Finance income	15.7	7.1	22.8	15.8
Finance expenses	30.9	37.4	64.8	74.0
Earnings before taxes (EBT)	-56.5	-5.7	-83.8	11.5
Income tax	-2.2	27.8	5.1	30.1
Consolidated result	-54.3	-33.5	-88.9	-18.6
Amount due to Salzgitter AG shareholders	-55.1	-34.8	-90.9	-21.9
Minority interest	0.8	1.2	2.0	3.3
Appropriation of profit				
Consolidated result	-54.3	-33.5	-88.9	-18.6
Profit carried forward from the previous year	-	-	12.1	27.1
Minority interest in consolidated result	0.8	1.2	2.0	3.3
Dividend payment	-10.8	-24.3	-10.8	-24.3
Transfer from (+) / to (-) other retained earnings	55.1	34.7	90.9	21.8
Unappropriated retained earnings of Salzgitter AG	-10.8	-24.4	1.3	2.7
Earnings per share (in €) - basic	-1.02	-0.64	-1.68	-0.40
Earnings per share (in €) - diluted	-1.02	-0.64	-1.68	-0.40

STATEMENT OF COMPREHENSIVE INCOME

In € million	Q2 2025	H1 2025	Q2 2024	H1 2024
Consolidated result	-54.3	-88.9	-33.5	-18.6
Recycling				
Changes in value from currency translation	-22.1	-31.8	-1.0	4.9
Changes in value from cash flow hedges	-11.3	-31.8	8.9	-20.5
Fair value change	-11.3	-30.6	9.3	-21.4
Recognition with effect on income	-	-1.2	-0.4	0.9
Changes in the value of investments in companies accounted for using the equity method	-2.5	-2.3	1.7	0.9
Fair value change	4.6	4.8	-3.3	-3.3
Recognition with effect on income	-	-	0.8	
Currency translation	-6.5	-6.5	3.1	3.1
Deferred taxes	-0.6	-0.6	1.2	1.2
Subtotal	-36.0	-65.9	9.6	-14.6
Non-recycling				
Remeasurements	-0.0	62.5	32.6	48.2
Remeasurement of pensions	0.1	82.9	43.0	63.7
Deferred taxes	-0.1	-20.4	-10.4	-15.4
Changes in the value of investments in companies accounted for using the equity method	3.1	3.1	-8.4	-8.4
Fair value change	-	-	-	-
Remeasurement of pensions	4.6	4.6	-12.4	-12.4
Currency translation	-	-	-	-
Deferred taxes	-1.5	-1.5	4.0	4.0
Subtotal	3.1	65.6	24.2	39.8
Other comprehensive income	-32.9	-0.3	16.5	25.2
Total comprehensive income	-87.2	-89.2	0.3	6.6
Total comprehensive income due to Salzgitter AG shareholders	-88.0	-91.2	-0.9	3.3
Total comprehensive income due to minority interest	0.8	2.0	1.2	3.3
	-87.2	-89.2	0.3	6.6

CONSOLIDATED BALANCE SHEET

Assets in € million	2025/06/30	2024/12/31
Non-current assets		
Intangible assets	167.1	174.4
Property, plant and equipment	2,733.2	2,674.8
Investment property	63.8	65.5
Financial assets	28.4	26.2
Investments in companies accounted for using the equity method	1,708.6	1,655.0
Trade receivables	0.2	1.4
Other receivables and other assets	30.8	19.6
Income tax assets	8.6	9.8
Deferred income tax assets	366.6	364.9
	5,107.2	4,991.7
Current assets		
Inventories	2,517.0	2,740.9
Trade receivables	1,237.2	1,058.9
Contract assets	346.7	382.1
Other receivables and other assets	249.8	244.7
Income tax assets	38.5	44.8
Securities	0.0	0.0
Cash and cash equivalents	765.2	1,002.2
Assets held for sale	47.7	-
	5,202.1	5,473.6
Total assets	10,309.2	10,465.3

Equity and liabilities in € million	2025/06/30	2024/12/31
Equity		
Subscribed capital	161.6	161.6
Capital reserve	257.0	257.0
Retained earnings	4,274.0	4,304.7
Other reserves	22.6	75.8
Unappropriated retained earnings	1.3	12.1
	4,716.5	4,811.1
Treasury shares	-369.7	-369.7
	4,346.8	4,441.4
Minority interest	4.8	7.4
	4,351.6	4,448.8
Non-current liabilities		
Provisions for pensions and similar obligations	1,538.3	1,638.4
Deferred tax liabilities	159.5	154.8
Income tax liabilities	19.3	19.2
Other provisions	198.5	201.5
Financial liabilities	634.1	465.4
Other liabilities	25.9	5.5
	2,575.6	2,484.8
Current liabilities		
Other provisions	289.3	292.4
Financial liabilities	1,088.2	1,290.1
Trade payables	1,167.8	1,290.6
Contract liabilities	444.1	408.7
Income tax liabilities	14.3	4.4
Other liabilities	358.3	245.5
Liabilities associated with assets held for sale	20.0	-
	3,382.0	3,531.7
Total assets	10,309.2	10,465.3

CASH FLOW STATEMENT

In € million	H1 2025	H1 2024
Earnings before taxes (EBT)	-83.8	11.5
Write-downs (+) / write-ups (-) of non-current assets	158.6	163.1
Income tax paid (-) / refunded (+)	4.6	-25.1
Other non-cash expenses (+) / income (-)	81.2	41.1
Interest expenses	64.8	73.7
Gain (-) / loss (+) from the disposal of non-current assets	6.2	1.8
Increase (-) / decrease (+) in inventories	178.4	-3.2
Increase (-) / decrease (+) in trade receivables and other assets not attributable to investment or financing activities	-225.6	-263.7
Use of provisions affecting payments, excluding income tax provisions	-119.1	-130.8
Increase (+) / decrease (-) in trade payables and other liabilities not attributable to investment or financing activities	15.8	-5.6
Cash outflow / inflow from operating activities	81.0	-137.3
Cash inflow from the disposal of intangible assets, property, plant and equipment and investment property	0.7	1.1
Cash outflow for investments in intangible assets, property, plant and equipment and investment property	-406.3	-284.9
Cash inflow of subsidies for investments in intangible assets, property, plant and equipment	176.0	19.0
Cash inflow from investments of funds	1.8	-
Payments for financial investments	-2.9	-
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	-2.5	-0.1
Cash outflow from investment activities	-243.5	-264.4
Payouts to company owners	-10.8	-24.3
Deposits from taking out loans and other financial debts	228.5	336.2
Repayment of loans and other financial liabilities	-238.3	-228.6
Interest paid	-26.7	-37.9
Cash outflow / inflow from financing activities	-47.3	45.3
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	-0.3	-
Gains and losses from changes in foreign exchange rates	-26.8	-2.4
Payment-related changes in cash and cash equivalents	-209.7	-356.4
Cash and cash equivalents at the end of the period	765.2	580.8

STATEMENT OF CHANGES IN EQUITY

In € million	Subscribed capital	Capital reserve	Treasury shares	Retained earnings	
					Currency translation
As of 2023/12/31	161.6	257.0	-369.7	4,660.4	-14.8
Total comprehensive income	-	-	-	48.2	4.9
Basis adjustments	-	-	-	-	-
Dividend	-	-	-	-	-
Group transfers to(+)/ from(-) retained earnings	-	-	-	-21.8	-
Other	-	-	-	0.1	-
As of 2024/06/30	161.6	257.0	-369.7	4,686.9	-9.9
As of 2024/12/31	161.6	257.0	-369.7	4,304.7	-8.2
Total comprehensive income	-	-	-	62.5	-31.8
Basis adjustments	-	-	-	-	-
Dividend	-	-	-	-	-
Group transfers to(+)/ from(-) retained earnings	-	-	-	-90.9	-
Other	-	-	-	-2.2	-
As of 2025/06/30	161.6	257.0	-369.7	4,274.0	-40.1

Other reserves from:			Unappropriated retained earnings	Amount due to Salzgitter AG shareholders	Minority interest	Equity
Cash flow hedges	Available for sale financial assets	Investments accounted for using the equity method				
23.1	14.8	67.4	27.1	4,826.9	7.6	4,834.5
-20.5	-	-7.5	-21.9	3.3	3.3	6.6
-5.4	-	-	-	-5.4	-	-5.4
-	-	-	-24.3	-24.3	-4.5	-28.9
-	-	-	21.8	-	-	-
-	-	-	-	0.1	-	0.1
-2.8	14.8	60.0	2.7	4,800.5	6.4	4,806.9
3.9	13.0	67.1	12.1	4,441.5	7.4	4,448.8
-31.8	-	0.8	-90.9	-91.2	2.0	-89.2
9.6	-	-	-	9.6	-	9.6
-	-	-	-10.8	-10.8	-4.6	-15.4
-	-	-	90.9	-	-	-
-	-	-	-	-2.2	-	-2.2
-18.2	13.0	67.9	1.3	4,346.8	4.8	4,351.6

NOTES

SEGMENT REPORTING

In € million	Steel Production		Steel Processing		Trading	
	H1 2025	H1 2024	H1 2025	H1 2024	H1 2025	H1 2024
External sales	1,704.7	1,815.5	597.6	859.3	1,430.1	1,603.8
Sales to other segments	614.9	656.5	332.9	346.3	38.2	17.7
Sales to group companies that are not allocated to an operating segment	1.7	1.7	112.6	169.7	0.0	-
Segment sales	2,321.3	2,473.7	1,043.2	1,375.2	1,468.3	1,621.5
Segment cost of materials	1,564.1	1,865.9	779.2	1,045.1	1,310.6	1,470.7
Interest income (consolidated)	0.1	0.1	0.9	1.5	0.9	0.9
Interest income from other segments	-	-	-	-	-	-
Interest income from group companies that are not allocated to an operating segment	11.7	0.5	4.8	1.5	8.7	10.1
Segment interest income	11.8	0.6	5.7	3.1	9.6	11.0
Interest expenses (consolidated)	27.7	25.4	5.8	7.1	12.6	18.7
Interest expenses to other segments	-0.0	-	-0.0	-	-	-
Interest expenses to group companies that are not allocated to an operating segment	9.0	4.4	6.4	5.2	0.3	0.3
Segment interest expenses	36.7	29.9	12.2	12.2	12.9	19.0
of which interest portion of allocations to pension provisions	11.3	11.1	4.0	4.3	0.7	1.5
Depreciation of property, plant and equipment and amortization of intangible assets	96.3	94.0	17.1	26.4	10.9	9.4
of which scheduled depreciation of property, plant and equipment and amortization of intangible assets	96.3	94.0	17.1	26.4	10.9	9.4
Reversal of impairment of tangible and intangible assets (according to IAS 36)	-	-	-	0.8	-	-
EBIT before depreciation and amortization (EBITDA)	65.6	101.2	-39.8	-37.0	25.2	16.6
Earnings before interest and taxes (EBIT)	-30.7	7.3	-56.9	-63.4	14.2	7.2
Segment earnings before taxes	-55.6	-22.0	-63.4	-72.5	10.9	-0.8
of which resulting from investments in companies accounted for using the equity method	-	-	1.5	0.4	-	-
Investments in property, plant and equipment and intangible assets	165.5	217.6	40.5	33.3	8.9	11.1

Key figures 2024 including Mannesmann Stainless Tubes Group

Technology		Total segments		Industrial Participations / Consolidation		Group	
H1 2025	H1 2024	H1 2025	H1 2024	H1 2025	H1 2024	H1 2025	H1 2024
844.8	871.3	4,577.2	5,149.9	87.4	93.3	4,664.7	5,243.2
0.3	0.4	986.3	1,020.9	439.6	505.1	1,425.9	1,526.0
-	-	114.4	171.4	-	-	114.4	171.4
845.1	871.7	5,677.9	6,342.1	527.0	598.4	6,204.9	6,940.5
409.3	458.3	4,063.2	4,839.9	-1,126.1	-1,188.5	2,937.1	3,651.4
3.3	2.4	5.2	4.9	17.6	10.8	22.8	15.8
-	-	-	-	16.4	11.3	16.4	11.3
0.8	0.1	26.0	12.2	-	-	26.0	12.2
4.1	2.5	31.2	17.1	34.0	22.1	65.2	39.2
2.6	2.7	48.8	53.9	16.0	20.1	64.8	74.0
-0.0	-	-0.0	-	26.0	12.2	26.0	12.2
0.7	1.4	16.4	11.3	-	-	16.4	11.3
3.3	4.1	65.2	65.2	42.0	32.3	107.2	97.4
1.5	1.5	17.5	18.4	9.9	10.4	27.3	28.8
15.7	16.6	140.0	146.3	18.6	17.6	158.6	163.9
15.7	16.6	140.0	146.3	18.6	17.6	158.6	163.9
-	0.0	-	0.8	-	-	-	0.8
69.5	70.9	120.5	151.8	-3.7	81.8	116.8	233.6
53.9	54.4	-19.5	5.5	-22.3	64.2	-41.8	69.7
54.7	52.7	-53.5	-42.6	-30.3	54.1	-83.8	11.5
-	-	1.5	0.4	71.5	70.6	73.0	71.0
10.5	34.4	225.3	296.5	15.6	18.0	241.0	314.5

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 June 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 June 30, 2025, notwithstanding the following exceptions.
3. In calculating the fair value of defined benefit obligations as of June 30, 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	2025/06/30	2024/12/31
Right of use of land, similar rights and buildings, including buildings on land owned by others	146.9	158.1
Right of use of plant equipment and machinery	89.9	82.1
Right of use of other equipment, plant and office equipment	39.3	39.7
Non-current assets	276.1	279.9
Right of use of land, similar rights and buildings, including buildings on land owned by others	69.1	74.8
Right of use of plant equipment and machinery	47.0	42.8
Right of use of other equipment, plant and office equipment	22.8	19.9
Depreciation / amortization	138.9	137.5
Lease liabilities	164.9	176.9

An amount of € 134.6 million is attributable to non-current lease liabilities. Moreover, depreciation and amortization stood at € 16.7 million, interest expenses at € 2.8 million, and cash outflow totaled € 18.0 million in the first six 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 tariff policy on steel exports to the US is also elaborated on in the Forecast, Opportunities and Risk Report.
7. Salzgitter Mannesmann Stahlhandel GmbH, a member company of the Trading Business Unit, has sold a wholly-owned subsidiary, namely Salzgitter Mannesmann Stahlhandel Austria GmbH, Austria, to the ECCO Group. The company was deconsolidated from SZAG's consolidated financial statements, effective June 1, 2025.

8. As of the reporting date, there were plans to sell the wholly-owned, Achim-based subsidiary DESMA Schuhmaschinen GmbH (KDS). Negotiations with parties interested in acquiring the company had reached an advanced stage by this time. KDS' assets and liabilities therefore are disclosed under the "assets held for sale" item. The agreement on the sale was signed at the end of July, and deconsolidation is expected to be completed by the end of the financial year.
9. Based on a resolution passed by the regular Annual Meeting of Shareholders held this year in May 2025, Salzgitter AG distributed the dividend proposed at a prior point in time of € 0.20 per share. 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 € -1.68 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 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
	01/01/-06/30/2025	01/01/-06/30/2025	2025/06/30	2025/06/30
Non-consolidated Group companies	6.8	7.2	3.9	3.3
Joint ventures	61.9	6.7	15.5	2.0
Associated companies	0.0	4.4	0.0	0.6
Other related parties	1.4	61.1	0.3	19.7

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.

ASSURANCE FROM THE LEGAL REPRESENTATIVES

"We give our assurance that, to the best of our knowledge and in accordance with the accounting principles applicable to interim reporting, the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and that the course of business, including the business result and the position of the Group, are portrayed in such a way in the interim Group Management Report that a true and accurate picture is conveyed and that the significant opportunities and risks of the Group's future development over the remainder of the financial year are fairly described."

Salzgitter, August 2025

The Executive Board of Salzgitter AG



Gunnar Groebler



Birgit Dietze



Birgit Potrafki

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 that are made solely in connection with circumstances prevailing on the day of their publication.

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

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



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