HIGH PERFORMANCE METALS DIVISION

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The 2024/25 financial year was characterized by mixed trends in the High Performance Metals Division. Demand remained challenging, particularly in the tool steel segment, while the special materials segment was impacted by weakening activity in the oil and gas sector. In contrast, the aerospace industry maintained its upward trajectory.

Subdued economic development in Europe led to significantly reduced industrial investment in the **tool steel** product segment and thus to low demand for tool steels. The automotive sector offered no positive momentum; sales and production figures remained weak, and new vehicle models and facelifts were postponed. In this generally declining market, Chinese imports of tool steel increased significantly, further intensifying the competitive situation. Demand in North America was largely satisfactory at the beginning of the 2024/25 financial year but declined noticeably as the year progressed. The presidential election campaign prompted many companies to delay investments, a cautious stance that persisted through year-end. In Brazil, South America, market development was mixed: The first half of the business year saw solid demand for tool steels, but this dropped off in the second half. Rising interest rates slowed investment activity in Brazil, while high Chinese tool steel imports further pressured the market. In contrast, the Chinese market developed positively throughout the year. Strong demand from the local automotive and consumer goods industries supported increased interest in voestalpine's high-quality tool steels.

The **special materials product segment** performed satisfactorily overall in the 2024/25 financial year. The aerospace industry continued the positive trend of the previous year, with demand increasing steadily. By contrast, after a good start, the oil and gas industry weakened over the course of the year. Some positive momentum came from the energy machinery segment in the area of power plant turbines.

Value Added Services, the division's global sales and service network, was affected by weak European demand for tool steel in the 2024/25 reporting year. In addition to the declining market trend for tool steel, North American locations also experienced a slowdown in demand for special materials from the oil and gas sector. By contrast, the Asian Value Added Services sites benefited from robust market situation in China.

Demand for services for tools and tool parts varied. While the weakness of the European automotive industry had a negative impact on the texturing sector, coating services remained stable. Globally, demand for heat treatment services for hardening and finishing tools increased in all markets.

Capacity utilization across the division's steel plants, which are combined in **High Performance Metals Production**, varied according to geographical location and product focus.

The newly constructed special steel plant in Kapfenberg, Austria, spent most of the year in ramp-up and commenced regular operation at the end of the reporting period. Weak European demand for tool steel and declining oil and gas sector activity required adjustments to initial plans.

In Sweden, the Uddeholm special steel plant benefited from good demand from Asia and reported satisfactory capacity utilization over the entire reporting period.

The Brazilian Villares special steel plant had solid bookings in the first half of 2024/25 but saw a slight decline in capacity utilization in the second half due to the market slowdown in South America.

The German Buderus Edelstahl plant was sold with the transaction closing on January 31, 2025. This step aligns with the division's strategy to focus the product portfolio on the high-tech segment of tool steels and special materials while reducing its share of standard products. An additional part of this strategic realignment is a comprehensive reorganization program which already has been started.

FINANCIAL KEY PERFORMANCE INDICATORS

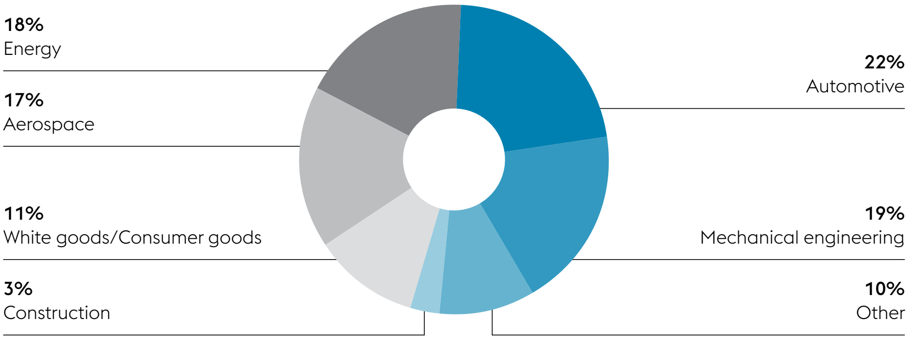
Revenue for the High Performance Metals Division declined by 10.2% year-on-year, falling from EUR 3,541.7 million in the 2023/24 business year to EUR 3,182.2 million in 2024/25. The downward trend in revenue is due not only to a weakening price and shipping environment, but also to the sale of Buderus Edelstahl at the end of January 2025. In terms of earnings, both the previous year's figures and those of the current reporting period were impacted by significant one-time expenses. In the previous business year (2023/24), results were affected by impairment losses stemming from the sale process of Buderus Edelstahl that had been initiated in the previous year (EUR 178 million), as well as goodwill impairments for the cash-generating unit High Performance Metals Production (EUR 182 million). Of these negative one-off effects totaling EUR 360 million, EUR 92 million impacted EBITDA. In the 2024/25 business year, EBIT was negatively impacted by several one-off expenses: EUR 83 million in expenses related to the sale of Buderus Edelstahl, EUR 78 million in goodwill impairments at the cash-generating unit High Performance Metals Production, and EUR 16 million in reorganization expenses for sales locations. Of these total negative one-off effects amounting to EUR 176 million in 2024/25, EUR 92 million impacted EBITDA. Based on IFRS reporting figures, EBITDA declined by 55.2%, from EUR 185.3 million (margin of 5.2%) in 2023/24 to EUR 83.0 million (margin of 2.6%) in 2024/25. EBIT improved in the same period from EUR –248.2 million (margin of –7.0%) to EUR –156.8 million (margin of –4.9%).

In a quarter-on-quarter comparison between Q3 and Q4 of the 2024/25 business year, revenue in the High Performance Metals Division increased by 4.1%, rising from EUR 765.5 million to EUR 797.0 million. A slightly improved price level more than offset the loss of business volume caused by the sale of Buderus Edelstahl in Q4. With regard to earnings performance, Q4 2024/25 included negative one-off effects totaling EUR 94 million at EBIT level, of which EUR 16 million impacted EBITDA. Against this backdrop, EBITDA declined by 39.2%, from EUR 41.8 million (margin of 5.5%) to EUR 25.4 million (margin of 3.2%). Including these one-off effects, the division posted an EBIT of EUR –94.3 million in Q4 (margin of –11.8%), compared to a break-even EBIT (EUR 0.0 million) in the previous quarter.

The number of employees (FTE) in the High Performance Metals Division declined significantly year-on-year by 12.2%, from 13,308 as of March 31, 2024 to 11,679 as of March 31, 2025. This decrease was largely due to the sale of Buderus Edelstahl in Q4 2024/25.

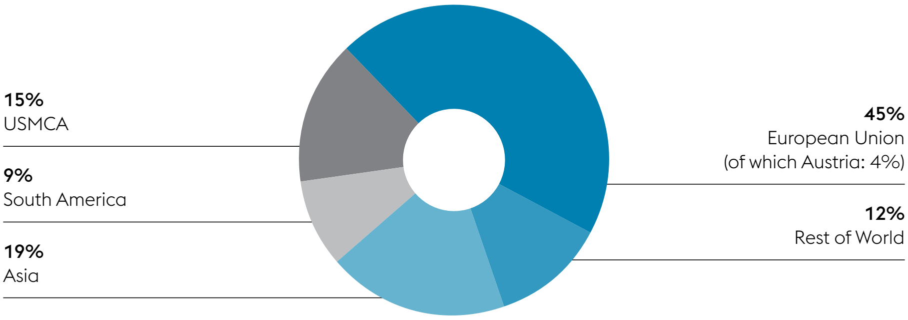
CUSTOMERS OF THE HIGH PERFORMANCE METALS DIVISION

As percentage of divisional revenue, business year 2024/25



MARKETS OF THE HIGH PERFORMANCE METALS DIVISION

As percentage of divisional revenue, business year 2024/25



QUARTERLY DEVELOPMENT OF THE HIGH PERFORMANCE METALS DIVISION

In millions of euros	1st quarter 2024/25	2nd quarter 2024/25	3rd quarter 2024/25	4th quarter 2024/25	BY 2024/25	BY 2023/24	Change in %
Revenue	825.2	794.5	765.5	797.0	3,182.2	3,541.7	–10.2
EBITDA	28.6	–12.8	41.8	25.4	83.0	185.3	–55.2
EBITDA margin	3.5%	–1.6%	5.5%	3.2%	2.6%	5.2%	
EBIT	–10.6	–51.9	0.0	–94.3	–156.8	–248.2	–36.8
EBIT margin	–1.3%	–6.5%	0.0%	–11.8%	–4.9%	–7.0%	
Employees (full-time equivalent)	13,212	13,202	13,042	11,679	11,679	13,308	–12.2