

PRESS RELEASE

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voestalpine reorganizes Automotive Components business in Germany, creating future prospects for around 2,000 employees

The Metal Forming Division of the voestalpine Group is responding to structural changes and falling customer demand in the automotive sector by reorganizing its Automotive Components locations in Germany. In future, the plants in Dettingen, Schmöln, Schwäbisch Gmünd, and Böhmenkirch will form a joint production network, with each contributing their specialist technology and product knowledge. Operations in Birkenfeld will be discontinued subject to the outcome of negotiations with the Works Council and IG Metall. The aim of these measures is to secure the future of the automotive supply segment of the Metal Forming Division in the long term, and with it around 2,000 jobs in Germany. The expected financial impact of the reorganization has already been communicated and is included in our earnings forecast for the ongoing BY 2024/25 (EUR 1.4 billion EBITDA).

The new production network allows each location to focus on selected core technologies and develop them in a targeted manner. The reorganization and consolidation of competencies also involves a restructuring of corporate functions. "Despite the challenges, voestalpine remains clearly committed to the Automotive Components business unit and our chosen internationalization strategy. However, the planned reorganization measures, including the closure of the location in Birkenfeld, are necessary to secure the long-term prospects for the future of the remaining Automotive Components locations and for the largest possible number of employees in Europe, particularly in Germany. This ensures we can remain a strategic partner for local automotive manufacturers," explains Carola Richter, Member of the Management Board of voestalpine AG and Head of the Metal Forming Division.

Planned closure of the Birkenfeld location

At present, voestalpine Automotive Components Birkenfeld produces ready-to-install stamped and formed steel and aluminum parts for the automotive industry. In the business year 2023/24 the company generated revenue of around EUR 50 million, although earnings have been negative for several years. Despite ongoing investment and improvement measures, the long-term slowing in the macroeconomic environment and associated drop in orders from the automotive industry in the specific product segment mean that it is no longer financially feasible to continue operations at the location. Around 220 employees will be impacted by the planned closure of the Birkenfeld location. voestalpine is fully aware of its obligations to support these employees. Over the coming weeks extensive discussions will be held with IG Metall and Works Council representatives to find a socially acceptable solution for all employees.

Business unit reorganization program also impacts Dettingen location

As the reorganization program involves focusing on a specific technology at the voestalpine location in Dettingen, there are plans to adjust the number of personnel at the location. The Dettingen location, which develops and produces ready-to-install stamped and formed parts, complex assemblies as well as safety and impact protection components for renowned automotive manufacturers, will in future

increasingly focus on assembly. Around a third of the current workforce of 650 employees could be affected by this personnel adjustment. Over the coming weeks, a socially acceptable solution for these employees will be developed in cooperation with the Works Council. In the business year 2023/24 the company, which covers both production locations Dettingen and Schmöln, generated revenue of EUR 395 million.

Only minor changes are planned at the European locations outside Germany such as the Automotive Components plant in Linz, and the locations in Asia and South Africa. A program to reduce costs and raise efficiency is currently being implemented at the US location in Cartersville, Georgia, with around 650 employees. Against this backdrop, internal processes are being continuously improved and organizational changes are undertaken.

Metal Forming Division

The Metal Forming Division is voestalpine's center of competence for highly refined sections, tubes and precision strip steel products as well as for ready-to-install system components made of pressed, stamped and roll-formed parts. This combination of expertise in materials and processing, which is unique in the industry, and the division's global presence make it the first choice for customers who value innovation and quality across many industries including automotive, storage technology, road safety, renewable energy, construction, and mechanical engineering. The division employs almost 11,600 people and has set itself the goal of achieving climate-neutral manufacturing by 2035. In the business year 2023/24, the division generated revenue of EUR 3.4 billion, with an operating result (EBITDA) of EUR 301 million.

The voestalpine Group

voestalpine is a globally leading steel and technology group with a unique combination of materials and processing expertise. voestalpine, which operates globally, has around 500 Group companies and locations in more than 50 countries on all five continents. The voestalpine Group has been listed on the Vienna Stock Exchange since 1995. With its premium products and system solutions, voestalpine is a leading partner to the automotive and consumer goods industries, as well as to the aerospace and energy industries. The company is also the global market leader in railway systems, tool steel, and special sections. voestalpine is committed to the global climate goals and has a clear plan for transforming steel production with its greentec steel program. In the business year 2023/24, the Group generated revenue of EUR 16.7 billion, with an operating result (EBITDA) of EUR 1.7 billion; it has around 51,600 employees worldwide.

voestalpine AG

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