

Press Release

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Salzgitter AG acquiring 100 Percent of HKM

- Shareholders Salzgitter, thyssenkrupp Steel, and Vallourec reach final agreement
- Hüttenwerke Krupp Mannesmann becomes a wholly owned subsidiary of Salzgitter AG
- Steel production continues at the location rooted in tradition – with a clear focus on the green transition and a reduced workforce

Salzgitter. Steel production continues at the southern Duisburg location that is steeped in tradition. Hüttenwerke Krupp Mannesmann will become a wholly owned subsidiary of Salzgitter AG in the future, after the two co-shareholders, thyssenkrupp Steel Europe and Vallourec, announced their intention to withdraw from the joint venture. With this step, the Salzgitter Group is assuming full responsibility for HKM and aims to prepare the integrated steelworks for the challenges ahead with a clearly defined plan and a total commitment to the green transition.

In early February, Salzgitter AG and thyssenkrupp Steel had agreed on a key issues paper regarding the complete acquisition of HKM. In the course of intensive and meticulous negotiations, the parties have now reached a final agreement that serves the interests of all existing shareholders. Following the signing of the contracts on July 8, the integration of HKM into the Salzgitter Group is set to commence. The closing of the agreement and transfer of the company shares are scheduled to take place later today.

Salzgitter AG plans to invest in an electric arc furnace in Duisburg to transform the site, make it future-proof, and reduce CO₂ emissions from steel production by 90 percent over the long term. Due to economic challenges, this transition will be accompanied by a significant reduction in the number of employees. The plan is to reduce the number of people employed by HKM from the current approximately 3,000 to about 1,000 in the long term. Without these painful job cuts, Salzgitter AG would not have been able to complete the acquisition on its own. The alternative would have been to completely shut down the integrated steel mill in Duisburg. Only through this rigorous repositioning does HKM have a chance of a successful future in the long term.

"We took the time needed to negotiate with the co-shareholders to date regarding the continuation of HKM under our sole responsibility. Given the complexity of these discussions and the great significance of the outcome for the employees in Duisburg, exacting thoroughness clearly took precedence over speed in this process. "We are pleased that we have now found a satisfactory solution for all parties involved," as Gunnar Groebler, CEO of Salzgitter AG stated.

"With the acquisition of the shares held by our former co-shareholders, we are now in full responsibility at a historic steel industry site, which we aim to guide toward a sustainable future through a consistent focus on the green transition. "We would like to thank thyssenkrupp Steel and Vallourec for the constructive negotiations and the good cooperation at HKM over the past years," says Gunnar Groebler.

Marie Jaroni, CEO of thyssenkrupp Steel Europe AG: "The solution developed for HKM represents an important milestone for everyone involved. For us, it creates the conditions necessary to consistently implement our strategic realignment: By concentrating production in northern Duisburg, we are sustainably raising capacity utilization, efficiency, and profitability. At the same time, we look back with great appreciation on our shared history with HKM. "We would like to extend our special thanks to our employees for decades of partnership, as well as to our co-shareholders for their constructive contributions." HKM's supply contract with thyssenkrupp Steel will expire at the end of 2028, rather than at the end of 2032 as previously planned.

Philippe Guillemont, Chairman of the Board of Directors and CEO of Vallourec S.A., comments: "Vallourec had previously announced its intention to sell its minority stake in HKM in order to pursue a strategy focused on Vallourec's core business and key markets. We therefore welcome the agreement announced today by Salzgitter, which fully supports this goal, while at the same time, opening up new opportunities for HKM in the production of low-emission steel."

The coming months will now be used to complete the integration of HKM into the Salzgitter Group's structures. This will be accompanied by a restructuring process – expected to be completed by the end of 2028 – that will reduce the workforce from approximately 3,000 to about 1,000, as well as a reduction in crude steel production to two million metric tons per year. "This is a difficult but necessary step. The imminent changes will be implemented in a responsible manner and, as a matter of principle, in a way that is socially compatible. The transformation can only succeed if employees and managers work together. "Dialogue with employee representatives and communication with the workforce remain a central part of the ongoing process," explains Birgit Dietze, Chief Human Resources Officer at Salzgitter AG.

Salzgitter AG will fully support the transformation of the site. Andreas Betzler, Managing Director of Mannesmann Precision Tubes GmbH, Mannesmann Grossrohr GmbH, and Mannesmann Line Pipe GmbH, is set to join the management team at HKM and report directly to the Executive Board of Salzgitter AG. Salzgitter AG will quantify the impact of the HKM acquisition on its revenue and earnings forecast for financial year 2026 when it publishes its half-year financial report on August 11, 2026.

The parties to the agreement have agreed to non-disclosure concerning the details of the agreement.

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Salzgitter AG ranks as one of Germany's leading steel and technology groups.

As a pioneer in the circular economy, we focus on sustainable innovation and on transforming products and processes in the business units of Steel Production, Steel Processing, Trading and Technology.

Under our "Salzgitter AG 2030" strategy and anchored in the principle of "Pioneering for Circular Solutions", we are setting new benchmarks in the industry. Our aspirations are realized through strong initiatives and programs such as SALCOS® - Salzgitter Low CO₂ Steelmaking. Through partnerships and in networks, we are actively driving the process of development towards a circular economy.

With more than 24,000 employees worldwide at over 130 national and international subsidiaries and associate companies, we live up to our global aims for growth, profitability and our pioneering position. In the financial year 2025, we generated external sales of € 9 billion, with a crude steel production of some 5,9 million tons.

More information is available at: [People, Steel and Technology | Salzgitter AG \(salzgitter-ag.com\)](https://www.salzgitter-ag.com)

thyssenkrupp Steel is one of the leading manufacturers of high-quality flat steel and is known for innovation in steel and high-quality products for state-of-the-art and demanding applications. Steel employs approximately 26,000 people (as of September 30, 2025) and, with an annual production volume of about 11 million metric tons of crude steel, is the largest flat steel manufacturer in Germany. The range of services extends from customer-specific material solutions to services related to materials. As a pioneer in the climate transition, thyssenkrupp Steel is driving the shift toward lower-carbon steel production consistently forward, with the goal of making steel manufacturing more climate-friendly over the long term.
<https://www.thyssenkrupp-steel.com/>

About Vallourec: Vallourec is a world leader in premium tubular solutions for the energy markets and for demanding industrial applications such as oil & gas wells in harsh environments, new generation power plants, challenging architectural projects, and high-performance mechanical equipment. Vallourec's pioneering spirit and cutting edge R&D open new technological frontiers. With close to 13,000 dedicated and passionate employees in more than 20 countries, Vallourec works hand-in-hand with its customers to offer more than just tubes: Vallourec delivers innovative, safe, competitive and smart tubular solutions, to make every project possible.

Listed on Euronext in Paris (ISIN code: FR0013506730, Ticker VK), Vallourec is part of the CAC Mid 60, SBF 120 and Next 150 indices and is eligible for Deferred Settlement Service.

In the United States, Vallourec has established a sponsored Level 1 American Depositary Receipt (ADR) program (ISIN code: US92023R4074, Ticker: VLOWY). Parity between ADR and a Vallourec ordinary share has been set at 5:1.