

news release

ArcelorMittal South Africa Financial results for the year ended 31 December 2025

- International overcapacity continued during 2025, with China's steel output at a seven-year low while exports reached historic highs, placing sustained pressure on global steel prices
- The Long steel business was wound down and transitioned into care and maintenance by the end of 2025
- In the Flats Business, sales volumes declined by 4% to 1.4 million tonnes (2024: 1.45 million tonnes), while crude steel production increased by 8% to 1.8 million tonnes on improved reliability
- Realised steel prices declined by 5% in rand terms (down 3% in US dollar terms)
The raw material basket declined by 15% in rand terms (international RMB also down 15% in rand terms)
- EBITDA loss reduced by nearly two-thirds to R1 098 million (2024: R2.95 billion loss)
- Headline loss reduced to R3.4 billion (2024: R5.1 billion)
- Progress in discussions with the Industrial Development Corporation (IDC) continues
- Excluding the closure of the Longs Business, approximately R740 million of structural footprint adjustments are expected to support the 2026 business plan
- Trading conditions are expected to remain cautious in the first half of 2026, though improvement is anticipated later in the year subject to fair-trade protections being implemented by the Department of Trade, Industry and Competition
- Current rand strength against the US dollar represents a material risk to the first-half 2026 outlook

The analysis below relates to the year ended 31 December 2025 (current period) compared to the year ended 31 December 2024 (prior or comparable period), except where otherwise indicated. The immediately preceding six months refers to the first six months of 2025.

*Despite an exceptionally difficult year for the steel industry, ArcelorMittal South Africa has taken decisive steps to address structural challenges, materially reduce losses, and stabilise the core of the business,” said **Kobus Verster**, Chief Executive Officer of ArcelorMittal South Africa.*

Vanderbijlpark, 5 February 2026: ArcelorMittal South Africa today announced its financial results for the year ended 31 December 2025. *“The year reflects the challenging operating environment the steel industry faced during 2025. Profitability was impacted by, amongst other things, weak domestic economic activity, persistent global overcapacity, high import penetration, elevated administered input costs, and continued pressure on steel prices,”* commented Kobus Verster, Chief Executive Officer of ArcelorMittal South Africa.

Despite an exceptionally challenging steel market, ArcelorMittal South Africa delivered a material improvement in financial and operating performance during 2025. The Company reduced its EBITDA loss by nearly two-thirds to R1 098 million, from R2.95 billion in the prior year, reflecting disciplined cost control, a 15% reduction in the raw material basket, stabilised fixed costs of R6.8 billion, and improved operational reliability in the Flats Business.

The Value Plan delivered R1.1 billion in savings (2024: R910 million). *“To preserve these gains, particular focus is being placed on addressing operational inefficiencies and negative incidents, which impacted EBITDA by approximately R410 million during 2025,”* said Verster. Corrective actions were implemented to address negative operational incidents and preserve these gains.

Liquidity was strengthened through approximately R1.23 billion in incremental cash generation from the disposal of surplus metallics and by-products, supporting cash flow during a complex restructuring period. Improved reliability and capacity utilisation in the Flats Business have created a more stable operating platform and positioned the core business for further recovery as market conditions allow.

ArcelorMittal South Africa posted a headline loss of R3 355 million against a loss of R5 102 million in 2024. EBITDA loss of R1 098 million reduced by nearly two-thirds (2024: R2 947 million loss).

Revenue decreased by 16% to R32 298 million (2024: R38 598 million) due to a 12% decline in total steel sales volumes and a 5% fall in realised steel prices in rand terms, reflecting subdued domestic demand and lower pricing.

The Company’s raw material basket (iron ore, coking coal, and scrap), representing 39% of cash cost per tonne (2024: 46%), was 15% lower in rand terms, in line with the international basket.

Consumables and auxiliaries represented 40% of cash cost per tonne (2024: 36%). Electricity tariffs increased by 15%, while dollar-denominated commodity-indexed consumables declined, partially offsetting cost increases.

The Company’s average capacity utilisation increased from 64% in 2024 to 68% in 2025, driven by improved operational reliability in the Flats Business. Sales volumes declined by 12%, while crude steel production decreased by 12% against the comparable period.

ArcelorMittal South Africa’s realised average steel prices declined by 5% in rand terms. Its raw material basket declined by 15%, with coking coal and coke down 27%, scrap down 3%, and iron ore marginally higher. After accounting for conversion costs, total variable cash cost of steel decreased by 6% for the year. Fixed costs were stable at R6 801 million (2024: R6 783 million).

“The wind-down of the Longs Business, while difficult and painful for the Company and its people, was necessary to address a chronically loss-making operation and remove a major structural drag on earnings. The impact of the Longs Business on EBITDA was neutralised in 2025, compared to a loss of R1,7 billion in 2024,” explained Verster.

The Company continued to prioritise liquidity, generating approximately R1 230 million in incremental cash from the disposal of surplus metallics and other by-products, albeit at a R470 million negative impact on EBITDA, to support cash flow during the complex Longs Business wind-down.

Net finance charges decreased to R1 227 million (2024: R1 372 million), mainly due to lower average net borrowing levels for the year, and higher foreign exchange gains.

Free cash outflow amounted to R888 million (2024: R559 million), after capital expenditure of R794 million (2024: R902 million). Capital expenditure consisted of R690 million sustaining (including mill rolls, safety and structures), R61 million environmental, and R43 million strategic investments.

The challenging trading environment, combined with restructuring actions and the wind-down of the Longs Business, resulted in an increase in net borrowings to R6 448 million at 31 December 2025 (2024: R5 111 million).

Continued focus remains on balance sheet resilience, including through structural footprint adjustments of approximately R740 million, excluding the Longs closure, already affected for the 2026 business plan.

“Actions are underway to strengthen the balance sheet and restore the remaining business, particularly the Flats Business, to operating profitability in a difficult and volatile steel market,” said Verster.

Despite the global economy showing modest growth, international steel markets remained under pressure during 2025, with persistent overcapacity and elevated exports from China. Domestically, weak economic growth, logistics constraints, electricity reliability challenges, and high import penetration continued to constrain steel demand and pricing.

ArcelorMittal South Africa is positioned to navigate the immediate and near-term challenging market conditions while remaining focused on its medium- to longer-term objectives. Operational reliability improvements in the Flats Business, available capacity to replace imports, disciplined cost management, and progress in discussions with the Industrial Development Corporation are expected to shape the Company’s outlook for 2026 and beyond.

“We remain focused on delivering the Value Plan, generating cash, strengthening our balance sheet, and restoring the core business to sustainable performance,” concluded Verster.

-ends-

For media enquiries, please contact:

Tami Didiza

Head of Corporate Communications

ArcelorMittal South Africa