

news release

ArcelorMittal South Africa Announces Deferral of Long Steel Business Wind Down

Johannesburg, 31 March 2025

ArcelorMittal South Africa today announced that the previously communicated wind down of its Long Steel Business will be deferred for an initial period of at least 6 months, up to 31 August 2025.

This deferral has been made possible through a R1 683 million facility provided by the Industrial Development Corporation of South Africa SOC Limited (IDC). The facility is repayable subject to agreement between the parties and contingent on the financial performance, solvency and liquidity of the Long Steel Business.

As part of the agreement, ArcelorMittal South Africa has committed to the continued operation of the Long Steel Business and retention of jobs during the deferral period. The company has also received a Temporary Employee Relief Scheme (TERS) grant to assist in funding employee costs, which will reduce the draw down required against the IDC facility.

As announced in the SENS announcement of 19 March, the Company will continue to consider various strategic alternatives, and as such the agreement reached with the IDC includes ArcelorMittal South Africa confirming that the IDC may conduct a due diligence exercise, which will be conducted by the IDC during the six-month period. Further announcements regarding these matters will be made as appropriate.

The Section 189(3) Labour Relations Act consultation process will be suspended, although certain areas outside the Long Steel Business may still undergo restructuring due to operational reasons. The Newcastle works blast furnace will continue operating, ensuring customer needs are met during this period.

The South African Government will utilise the deferral period to expeditiously address structural problems for the industry, including the scrap Preferential Pricing System, scrap export tax, and tariff measures including safeguards. During this time, ArcelorMittal South Africa will focus on implementing further improvements to optimise operations, enhance product offerings and supply chain reliability for customers, and advance its commitment to localisation through continued industry collaboration.

Based on engagements between the Company and Government, ArcelorMittal South Africa understands that a more market-related and less punitive Preferential Pricing System and export tax on scrap dispensation will be implemented soon, with safeguards imminent. These measures will help level the playing field in the steel industry to the benefit of the country.

ArcelorMittal South Africa expresses appreciation to the Government, particularly Minister Parks Tau for his leadership during the engagement, as well as the Department of Trade, Industry and Competition, the IDC, and all stakeholders including customers, suppliers, and organised labour for their support in continuing this critical industrial capacity.

The Company is encouraged by emerging signs of demand growth in the South African economy, with potential for the steel market due to recent opportunities in sectors such as energy. Should this materialise, it will have a positive effect on the high-quality products manufactured and supplied by the ArcelorMittal South Africa Long Steel Business.

Kobus Verster, CEO of ArcelorMittal South Africa, commented: *"We are pleased to have reached agreement to enable the deferral of the wind down of our Longs Steel Business and an in-principle understanding on other issues that require resolution to hopefully avert closure entirely. This provides a*

critical pathway for the operations, our employees, and the broader steel industry in South Africa. This period will allow all stakeholders time to collaboratively address the negative policies that have led to structural challenges in the regulatory framework for steel, including input material pricing and trade mechanisms, that have significantly impacted the viability of the only integrated Long Products operation in South Africa. We remain committed to working with the government to create an enabling environment where steel manufacturing can now thrive sustainably. The IDC facility, combined with the Government's commitment to address structural challenges in the industry, offers a pathway to potential long-term sustainability for the business."

He added: *"During this deferral period, we will work intensively with all stakeholders to enhance operational efficiency, strengthen our supply chain relationships, and contribute to the growth of the South African economy. We remain cautiously optimistic about the emerging opportunities in various sectors, particularly energy, which could drive increased demand for our high-quality steel products."*

While this arrangement represents a positive development, Verster emphasised that sustainable profitability remains the ultimate objective: *"The next six months will be crucial in determining whether the Long Steel Business can achieve the financial stability required for long-term viability. We are dedicated to this process and appreciate the support of all our partners in this endeavour."*

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Media are invited to a Media roundtable on Tuesday, 01 April 2025 at 12:00. Link to the media roundtable can be accessed [here](#). RSVP's can be sent to tami.didiza@arcelormittal.com.

For further information please contact:

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