

# news release

## **High energy prices: ArcelorMittal shuts down two assets in Germany**

Berlin, 2 September 2022 -The exorbitant rise in energy prices is having a massive impact on the competitiveness of steel production. This is compounded by weak market demand and a negative economic outlook, as well as continued high CO2 costs in steel production which makes the EU safeguarding measures ineffective.

ArcelorMittal is taking the consequences in Germany, as not all assets can be operated economically anymore.

From the end of September, the group will shut down one of the two blast furnaces at the Bremen flat steel site until further notice. At the Hamburg long steel plant, where ArcelorMittal produces quality wire rod, the direct reduction plant will also be taken out of operation from the fourth quarter due to the current situation and the negative outlook. There is already short-time work at both plants, which will have to be extended as a result of the upcoming measures.

Short-time work is also already being applied at the production sites in Duisburg and Eisenhüttenstadt due to the tense situation.

"The high costs for gas and electricity are putting a heavy strain on our competitiveness. On top of that, from October onwards, there will be the German government's planned gas levy, which will further burden us," explains Reiner Blaschek, CEO of ArcelorMittal Germany and also responsible for the plant in Bremen. "As an energy-intensive industry, we are extremely affected by this. With a tenfold increase in gas and electricity prices, which we had to accept within a few months, we are no longer competitive in a market that is 25% supplied by imports. We see an urgent need for political action to get energy prices under control immediately," adds Blaschek.

Dr Uwe Braun, CEO of ArcelorMittal Hamburg, adds: "We have already reduced the consumption of gas very significantly. Among other things, we have purchased the precursor sponge iron externally from America, for which we would otherwise have used natural gas on site. The plant has already reduced operations by about 80 per cent. The extreme price increase for gas and electricity makes it impossible for us to continue to operate profitably -

which is why we now have to import sponge iron completely with a higher carbon footprint in order to at least continue producing."

ArcelorMittal Germany is calling for comparable relief rules in Europe, which is possible with a European industrial electricity price. A first step is to adjust the electricity market design so that the price of natural gas is not the only decisive factor for electricity pricing. Moreover, the planned gas levy must not be applied additionally to the already very high spot market prices. These measures must be driven forward with the highest priority in order to achieve an improvement in the situation as quickly as possible.

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## **About ArcelorMittal**

### **Germany**

*With a production volume of around 8 million tons of crude steel, ArcelorMittal is one of the largest steel producers in Germany. Automotive, construction and packaging industries belong to the customer base as much as the household appliances sector. The group operates four large production sites in Germany. These include two integrated flat carbon production sites in Bremen and Eisenhüttenstadt as well as two long carbon production sites in Hamburg and Duisburg. In addition, the group maintains ArcelorMittal Construction in Sandersdorf / Brehna, a production site for sandwich panels and profiling systems for cassette, trapezoidal, supporting, design and corrugated profiles. The group also runs a strong distribution network in Germany with four steel service centers and ten distribution centers. ArcelorMittal runs a production site for tubular products in Altensteig. The group employs around 8,500 people in Germany.*

For more information visit <https://germany.arcelormittal.com>

### **Worldwide**

*ArcelorMittal is the world's leading steel and mining company, with a presence in 60 countries and primary steelmaking facilities in 16 countries. In 2021, ArcelorMittal had revenues of \$76.6 billion and crude steel production of 69.1 million metric tonnes, while iron ore production reached 50.9 million metric tonnes. Our purpose is to produce ever smarter steels that have a positive benefit for people and planet. Steels made using innovative processes which use less energy, emit significantly less carbon and reduce costs. Steels that are cleaner, stronger and reusable. Steels for electric vehicles and renewable energy infrastructure that will support societies as they transform through this century. With steel at our core, our inventive people and an entrepreneurial culture at heart, we will support the world in making that change. This is what we believe it takes to be the steel company of the future. ArcelorMittal is listed on the stock exchanges of New York (MT), Amsterdam (MT), Paris (MT), Luxembourg (MT) and on the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia (MTS).*

For more information about ArcelorMittal please visit: <https://corporate.arcelormittal.com>