



KME Group SpA

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Share Capital Euro 200,154,177.66 (fully paid up)

Tax Code and Milan Companies Register no. 00931330583

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PRESS RELEASE

- **THE HALF-YEARLY FINANCIAL REPORT AS AT 30 JUNE 2025 HAS BEEN APPROVED, CLOSING WITH GROUP EQUITY OF EURO 242.0 MILLION (EURO 270.3 MILLION AT THE END OF 2024).**
- **THE FIRST HALF OF 2025 WAS MARKED BY A SLIGHT RECOVERY IN DEMAND ACROSS THE VARIOUS TARGET SECTORS.**
- **REVENUES¹ OF EURO 1,022.9 MILLION (EURO 795.1 MILLION IN THE FIRST HALF OF 2024), ALSO BENEFITTING FROM THE ACQUISITION OF SUNDWIGER MESSINGWERK GMBH.**
- **EBITDA² OF EURO 53.3 MILLION (EURO 54.4 MILLION IN THE FIRST HALF OF 2024) AND A BREAKEVEN BUSINESS RESULT; NET RESULT NEGATIVELY IMPACTED BY NON-RECURRING CHARGES OF EURO 33.3 MILLION (EURO 5.4 MILLION IN THE FIRST HALF OF 2024), INCLUDING EURO 20.6 MILLION IN COSTS RELATED TO ONGOING BUSINESS RESTRUCTURING.**
- **THE CONSOLIDATED NET FINANCIAL POSITION, RECLASSIFIED BEFORE IFRS VALUATIONS, AMOUNTED TO EURO 324.4 MILLION (EURO 260.5 MILLION AT 31 DECEMBER 2024); THE NEGATIVE CHANGE IS LARGELY DUE TO THE ACQUISITION IN SUNDWIGER COMPLETED AT THE BEGINNING OF THE YEAR.**

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Milan, 17 September 2025 – The Board of Directors of KME Group SpA (hereinafter also the “Company” or the “Parent Company”) has today approved the half-yearly financial report as at 30 June 2025. The main events that have characterised the Company’s activities and those of its subsidiaries in the first half of 2025 are outlined below:

(i) KME SE – Copper sector

The KME SE Group continues its strategy of focusing on copper and copper-alloy rolled products, in which the group is the European leader and intends to focus and grow in the future, given the attractive growth rates expected in its main markets. In this context, actions were also taken in 2025 to further develop production know-how and the product portfolio, to produce operational efficiencies and provide the best possible service to customers:

- in early January 2025, KME SE completed the acquisition of 100% of the shares in Blackhawk Holding GmbH, a German holding company that owns 100% of Sundwiger Messingwerk GmbH, a European leader in semi-finished rolled bronze products and also a producer of semi-finished rolled brass products;
- at the beginning of February 2025, the Group announced the closure plan for the Stolberg production activities in order to further optimise its production structure. Production is expected to cease by the end of September 2025 and around 130 employees will leave.

(ii) KME Group SpA 2024-2029 Bond Loan

On 9 May 2025, the bond loan named “KME Group S.p.A. 2024–2029” with ISIN code IT0005597874 (the “Bonds”) was reopened for an amount of Euro 21.2 million, through the issue of

¹ The figures are taken from the reclassified income statement. For further details, see the table attached to this press release.

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21,195,959 bonds (the “Additional Bonds”), with regular entitlement, a fixed gross annual nominal rate of 5.75%, and a unit nominal value of Euro 1.00.

With the issue of the Additional Bonds (representing 15.3% of the 138,804,041 Bonds then in circulation), the total number of Bonds issued rose to 160,000,000, for an aggregate nominal value of Euro 160 million.

The placement price of the Additional Bonds was equal to 100% of nominal value and the settlement took place on 14 May 2025, including payment of accrued interest.

The Additional Bonds were subscribed by qualified investors and were automatically admitted to trading on the MOT, in line with the other Bonds, without the need to publish a public offering and/or listing prospectus, by virtue of the exemptions provided for under applicable regulations.

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Operating performance of the various sectors

KME SE (copper sector)

Europe is the main reference market of KME SE and, therefore, all macroeconomic, political and other developments affecting this market directly influence its business.

After two years of significant decline in demand in 2023 and 2024, mainly due to destocking, demand for semi-finished copper products was expected to increase by between 3% and 5% in 2025. The KME Group benefitted from this recovery, recording a positive trend in order intake in the first quarter of 2025, a trend that continued into the second quarter.

The KME Group managed to get close to its targeted volume, while remaining above the forecast average unit price in the first half of the year. This occurred despite the fact that the construction, machinery manufacturing and automotive sectors (particularly electric vehicles) showed no improvement in activity in the second quarter of 2025, continuing instead to record trends similar to those of the first quarter of 2025.

Consolidated revenues as at 30 June 2025, including those of the newly acquired Sundwiger, amounted to Euro 1,012.4 million, up 29.3% compared to the first half of 2024. Net of the value of raw materials, revenues rose from Euro 265.8 million to Euro 297.1 million (+11.8%).

Gross operating profit (EBITDA) as at 30 June 2025 stood at Euro 52.6 million, compared to Euro 55.6 million in the first half of 2024, down by 5.4%.

Net operating profit (EBIT) amounted to Euro 30.0 million, compared with Euro 32.1 million in the first half of 2024, a decrease of 6.5%.

Profit before non-recurring items amounted to Euro 10.7 million (Euro 4.5 million in the first half of 2024), an increase of 137.8%.

The valuation of inventories and forward contracts net of taxes had a positive impact of Euro 1.6 million, compared to a negative impact of Euro 13.7 million recorded in the first half of 2024.

The result for the first half of 2025 was negatively affected by non-recurring costs of Euro 29.7 million (Euro 4.4 million in the first half of 2024), of which around Euro 26 million related to ongoing restructuring measures, mainly in Germany at the Stolberg and Osnabrück plants, and Euro 1.5 million to consultancy costs.

The Consolidated Net Loss amounted to Euro 14.4 million (compared with a loss of Euro 14.3 million in the first half of 2024).

The Group recorded a Comprehensive Loss of Euro 11.6 million (compared with a loss of Euro 14.1 million in the first half of 2024).

The Reclassified Net Financial Position as at 30 June 2025, excluding lease liabilities and sale & leaseback transactions under IFRS 16 and the fair value measurement of financial instruments, was positive at Euro 3.4 million, compared with Euro 71.0 million at the end of December 2024. The consolidation of the newly acquired Sundwiger had a negative impact, including the purchase price, of

around Euro 55.8 million (including a preliminary price adjustment of Euro 13.8 million); while the sale & leaseback transaction of KME Netherlands' properties, completed in February 2025, had a positive impact of Euro 20.0 million.

Net Financial Debt amounted to around Euro 105.0 million, compared to a positive position of around Euro 27.2 million at the end of 2024. This change reflects, in addition to what already mentioned about the impact of the Sundwiger acquisition, Euro 21.0 million from the application of IFRS 16 to the activities of the newly acquired Sundwiger and Euro 20.2 million from the sale & leaseback transaction of the KME Netherlands properties.

Culti Milano SpA (fragrances and perfumes)

The first half of 2025 was marked by growth for the parent company CULTI Milano, with the other Group companies also performing well in spite of the global economic and social context. Naturally, issues related to US tariffs and the European geopolitical situation slowed some commercial developments in these areas; nevertheless, the Group companies were able to rely on a solid foundation for growth. In this regard, an effective policy of tactical and structural investments was adopted, aimed above all at consolidating and enhancing the Group's commercial performance, particularly in human resources and communication.

CULTI Milano and its subsidiaries will continue to pursue their long-term strategy of commercial and earnings growth, while seizing every opportunity to boost global brand awareness.

The main consolidated indicators (with comparative data shown net of the results of the then-subsidiary Bakel, for clearer comparison) can be summarised as follows:

- total sales: Euro 10.5 million (Euro 10.1 million in the first half of 2024), showing growth of 3.9%;
- domestic market sales: Euro 3.6 million, up 33% compared with the first half of 2024 (Euro 2.7 million);
- international market sales: Euro 6.9 million compared with Euro 7.4 million in the first half of 2024, a decrease of 7%;
- EBITDA of Euro 2.08 million (Euro 2.1 million in the first half of 2024), showing a slight decline of 1.6%;
- EBIT stood at Euro 1.8 million (Euro 1.85 million in the first half of 2024);
- net financial position: negative Euro 0.3 million (positive Euro 0.2 million at 31 December 2024).

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Statement of financial position and income statement of the Parent Company

As at 30 June 2025, the net investments held by the Company amounted to Euro 574.0 million (Euro 572.0 million at the end of 2024), of which roughly 94% in the copper sector and the remainder in the perfumes and cosmetics sector and in financial assets.

The Company maintains a sound capital structure: equity as at 30 June 2025 amounted to Euro 244.0 million compared to Euro 259.0 million as at 31 December 2024. The change is determined by the loss for the current period (Euro 15.4 million), deriving for the most part from financial components.

The financial highlights of the Company as at 30 June 2025, compared with those as at 31 December 2024, are summarised in the following table.

Condensed separate statement of financial position				
<i>(in Euro thousand)</i>	<i>30 Jun 2025</i>		<i>31 Dec 2024</i>	
<i>KME SE investment</i>	58,410		58,410	
<i>KMH investment</i>	480,000		480,000	
<i>Other</i>	2,434		2,965	
Total KME	540,844	94.15%	541,375	94.61%
Culti Milano	37,990	6.61%	37,981	6.64%
Intek Investimenti	-	0.00%	-	0.00%
Other investments	1,383	0.24%	1,574	0.28%
Other assets/liabilities	(5,795)	-1.01%	(8,705)	-1.52%
Net investments	574,422	100.00%	572,225	100.00%
Outstanding bonds (*)	230,170		257,852	
IPO financing	140,958		132,401	
Net cash	(40,920)		(77,367)	
Holding company net financial debt	330,208	57.49%	312,886	54.68%
Total equity	244,214	42.51%	259,339	45.32%

Notes:

- Investments are expressed net of any financial receivable/payable transactions outstanding with the Company.
- (*) Including accruing interest.

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Equity

The Company's equity amounted to Euro 244.0 million compared to Euro 259.0 million as at 31 December 2024; the change is determined primarily by the result for the period.

As at 30 June 2025, and as at today's date, the share capital amounts to Euro 200,154,177.66 and is represented by 284,442,812 shares, of which 270,231,550 are ordinary shares and 14,211,262 are savings shares; the 53,243,219 ordinary treasury shares held in the portfolio represent 19.70% of the ordinary share capital and 18.72% of the total share capital.

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Financial management

Net financial debt of the holding company (excluding intra-group loans and leasing liabilities) totalled Euro 330.2 million as at 30 June 2025. The balance as at 31 December 2024 was Euro 312.8 million.

The Parent Company's financial debt (*) as at 30 June 2025, compared to 31 December 2024, can instead be broken down as follows:

Financial debt			
	<i>(in Euro thousand)</i>	<i>30 Jun 2025</i>	<i>31 Dec 2024</i>
A	Cash	1,187	27,356
B	Cash equivalents	-	-
C	Other financial assets	43,061	53,821
D	Cash and cash equivalents (A + B + C)	44,248	81,177
E	Current financial debt	11,470	6,781
F	Current portion of non-current financial debt	1,010	53,704
G	Current financial debt (E + F)	12,480	60,485
H	Net current financial debt (G - D)	(31,768)	(20,692)
I	Non-current financial debt	147,549	139,495
J	Debt instruments	219,365	198,954
K	Trade payables and other non-current payables	-	-
L	Non-current financial debt (I + J + K)	366,914	338,449
M	Total financial debt (H + L)	335,146	317,757

(*) Determined in compliance with the provisions of [ESMA document ref. 32-382-1138 of 4 March 2021 – Guidelines on disclosure obligations under the prospectus regulation](#), as highlighted in CONSOB warning notice 5/21 of 29 April 2021.

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The reclassified income statement, in a format including sub-totals, shows the formation of net profit (loss) for the year by indicating the figures commonly used to provide a summary representation of business results.

Reclassified income statement			
	<i>(in Euro thousand)</i>	<i>1st half 2025</i>	<i>1st half 2024</i>
	Fair value changes and other gains/losses from investment management	349	1,381
	Investment management costs	(76)	(36)
	Gross profit/(loss) from investments	273	1,345
	Commission income on guarantees given (a)	418	433
	Net operating costs (b)	(2,431)	(2,691)
	<i>Overheads (a) - (b)</i>	<i>(2,013)</i>	<i>(2,258)</i>
	Reclassified operating profit (loss)	(1,740)	(913)
	Net financial expense	(12,872)	(11,325)
	Profit before tax and non-recurring items	(14,612)	(12,238)
	Non-recurring income/(expenses)	(1,209)	(827)
	Profit (loss) before tax	(15,821)	(13,065)
	Taxes for the year	627	635
	Net profit (loss) for the year	(15,194)	(12,430)

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Business outlook

The business outlook will be correlated to the demand trend in KME SE's reference sectors and therefore will also be intertwined with the wider macro-economic dynamics.

Currently, in the second half of the year, a further improvement in the market is expected, albeit with lower than initially forecast growth in demand.

There also remains a possibility for the Parent Company and the Group as a whole to benefit from the development of other equity investments or non-core activities in the copper sector, through disposal. If realised, these disposals could have a positive impact on the Group's debt.

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The Manager in charge of Financial Reporting, Giuseppe Mazza, hereby declares that, pursuant to Article 154-bis, paragraph 2 of the Consolidated Law on Finance (TUF, Italian Legislative Decree no. 58/1998), the accounting information contained in this press release corresponds to the company's documents, books, and accounting records.

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The press release is available on the website www.itkgroup.it, where it is possible to request information directly from the Company (phone: +39 02-806291; email: info@itk.it) and on the authorised "eMarket Storage" system at www.emarketstorage.it.

Annexes:

- 1) Consolidated statement of financial position
- 2) Consolidated income statement
- 3) Reclassified consolidated income statement

Annex 1) Consolidated statement of financial position

Assets

<i>(in Euro thousand)</i>	<i>30-Jun-25</i>	<i>31-Dec-24</i>
Property, plant and equipment	551,292	527,582
Investment property	68,706	67,182
Goodwill	405,558	394,445
Intangible assets	43,962	46,222
Investments in other companies	17,593	13,937
Equity-accounted investments	5,017	6,077
Other assets	6,479	6,413
Financial assets	76,097	76,589
Deferred tax assets	105,479	88,224
Total non-current assets	1,280,183	1,226,671
Inventories	452,999	400,583
Trade receivables	96,786	59,079
Financial assets	87,465	79,596
Current tax assets	825	1,167
Other assets	33,830	19,989
Cash and cash equivalents	105,961	181,242
Total current assets	777,866	741,656
Assets classified as held for sale	11,947	11,947
Total assets	2,069,996	1,980,274

Note: At present, the Independent Auditors have not yet completed their audit of the above figures.

Annex 1) Consolidated statement of financial position

Liabilities

<i>(in Euro thousand)</i>	<i>30-Jun-25</i>	<i>31-Dec-24</i>
Share capital	200,154	200,154
Share premium reserve	8,942	8,942
Reserves	56,532	79,126
Retained earnings (losses)	(45,894)	(6,066)
Profit/(loss) for the year	(28,868)	(64,882)
Equity attributable to shareholders of the parent company	190,866	217,274
Non-controlling interests	51,179	53,056
Total shareholders' equity	242,045	270,330
Employee benefits	122,222	116,674
Deferred tax liabilities	123,504	106,641
Financial liabilities	571,947	375,744
Other liabilities	2,872	2,099
Provision for risks and charges	3,510	5,177
Total non-current liabilities	824,055	606,335
Financial liabilities	138,680	252,332
Trade payables	715,553	717,452
Current tax liabilities	9,050	5,956
Other liabilities	118,829	116,517
Provision for risks and charges	21,784	11,352
Total current liabilities	1,003,896	1,103,609
Liabilities directly related to assets classified as held for sale	-	-
Total equity and liabilities	2,069,996	1,980,274

Note: At present, the Independent Auditors have not yet completed their audit of the above figures.

Annex 2) Consolidated Income Statement

<i>(in Euro thousand)</i>	<i>1st half 2025</i>	<i>1st half 2024</i>
Revenue	1,022,858	795,105
Change in inventories of finished and semi-finished products	1,818	4,157
Other income	15,317	8,461
Purchases and change in inventories of raw materials	(741,113)	(541,884)
Personnel expense	(132,899)	(120,009)
Amortisation, depreciation and impairment losses	(27,330)	(26,966)
Other costs	(140,609)	(115,367)
Operating profit/(loss)	(1,958)	3,497
Financial income	28,718	6,728
Financial expense	(61,101)	(46,706)
<i>Net financial expense</i>	<i>(32,383)</i>	<i>(39,978)</i>
Share of the result of equity-accounted investments	(1,060)	(3,258)
Profit/(loss) before taxes	(35,401)	(39,739)
Income taxes for the period	4,262	8,533
Net profit (loss) for the period from operating activities	(31,139)	(31,206)
Profit (loss) from discontinued operations	-	-
Net profit (loss) for the year	(31,139)	(31,206)
Other comprehensive income:		
<i>Measurement of employee defined benefits</i>	<i>4,351</i>	<i>1,352</i>
<i>Equity securities measured at FVOCI - Net change in fair value</i>	<i>-</i>	<i>-</i>
<i>Tax effect</i>	<i>(1,544)</i>	<i>(955)</i>
Items that cannot be reclassified to profit or loss for the period	2,807	397
<i>Exchange differences arising from the conversion of financial statements denominated in currencies other than the euro</i>	<i>(186)</i>	<i>133</i>
<i>Net change in cash flow hedge reserve</i>	<i>301</i>	<i>(346)</i>
<i>Other</i>	<i>-</i>	<i>-</i>
<i>Tax effect</i>	<i>(95)</i>	<i>40</i>
Items that may be reclassified to profit or loss for the period	20	(173)
Total other comprehensive income, net of tax effect	2,827	224
Total comprehensive income for the year	(28,312)	(30,982)
<i>Net profit (loss) for the period attributable to:</i>		
<i>- non-controlling interests</i>	<i>(2,271)</i>	<i>(2,390)</i>
<i>- the shareholders of the Parent Company</i>	<i>(28,868)</i>	<i>(28,816)</i>
Net profit (loss) for the year	(31,139)	(31,206)
<i>Total comprehensive income attributable to:</i>		
<i>- non-controlling interests</i>	<i>(1,842)</i>	<i>(2,357)</i>
<i>- the shareholders of the Parent Company</i>	<i>(26,470)</i>	<i>(28,625)</i>
Total comprehensive income for the year	(28,312)	(30,982)

Note: At present, the Independent Auditors have not yet completed their audit of the above figures.

Annex 3) Reclassified consolidated income statement

<i>(in Euro million)</i>	<i>1st half of 2025 Reclassified</i>	<i>1st half of 2024 Reclassified</i>
Sales revenues	1,022.90	795.10
Cost of raw materials	(715.30)	(517.30)
Revenues, net of raw material cost	307.60 100.0%	277.80 100.0%
Personnel expense	(115.10)	(116.90)
Other consumption and costs	(139.20)	(106.50)
Gross Operating Income (EBITDA) (*)	53.30 17.3%	54.40 19.6%
Depreciation/Amortisation	(23.50)	(27.00)
Net Operating Income (EBIT)	29.80 9.7%	27.40 9.9%
Net financial expense	(32.40)	(40.10)
Gross profit (loss) before non-recurring items	(2.60) -0.8%	(12.70) -4.6%
Non-recurring (expenses)/income	(33.30)	(5.40)
Current taxes	3.90	7.80
Deferred taxes	0.50	(4.10)
Result before IFRS valuation of inventories, forward contracts and equity-accounted investments	(31.50) -10.2%	(14.40) -5.2%
IFRS effect on the valuation of inventories and forward contracts	2.20	(18.50)
Tax effect of the IFRS valuation of inventories and forward contracts	(0.60)	4.80
Profit (loss) from equity-accounted investments	(1.10)	(3.30)
Consolidated net profit (loss)	(31.00) -10.1%	(31.40) -11.3%
Profit (loss) attributable to non-controlling interests	(2.30)	(2.40)
Net profit (loss) attributable to the shareholders of the Parent Company	(28.70) -9.3%	(29.00) -10.4%
Comprehensive income items	2.80	0.20
Comprehensive income	(28.20) -9.2%	(31.20) -11.2%
of which attributable to the shareholders of the Parent Company	(26.50)	(2.40)
of which attributable to non-controlling interests	(1.80)	(28.80)