PCC

Quarterly Report 3/25

Local. Global. Integrated.

- **PCC Group reports nine-month sales for 2025 down 1.9 % on the previous year**
- **Group EBITDA up 24.9 % in the first nine months**
- **Third quarter sees EBITDA higher in all Group segments except Logistics**
- **Challenging environment characterized by cheap imports from Asia to Europe**
- **Operating loss reduced by 70.6 %**
- **Anniversary bond: Issuance of the 100th PCC bond**

Overall Business Development

In the first nine months of 2025, the PCC Group generated consolidated sales of € 708.8 million, a slight year-on-year decrease of 1.9 % due to a continuing challenging market environment. Gross profit for the first nine months also declined somewhat, falling 2.3 % year on year to € 215.1 million, although gross margin remained stable at 30.4 % compared to the prior-year period (30.5 %). This development was due in particular to continued strong competition from non-European manufacturers and the resulting pressure on prices. Compensation payments for CO_2 certificates for our environmentally friendly and energy-efficient chlor-alkali electrolysis operation at our site in Poland had a positive impact on earnings in the third quarter. On the other hand, rising fixed costs, interest expenses, and cumulative exchange rate losses had a negative impact on earnings.

In the third quarter, consolidated sales decreased by 5.5 % year on year to € 224.6 million. The decline in revenues was mainly due to lower selling prices in the Chlorine segment and lower volumes in the Silicon & Derivatives segment. In the latter segment, the previously announced temporary plant shutdown was duly implemented on July 20, 2025. The Surfactants & Derivatives and Logistics segments, on the other hand, continued their very good performance from the first half of 2025 into the third quarter.

Gross profit in the third quarter of 2025 decreased versus the prior-year quarter by 3.7 % to € 71.7 million. Gross margin rose slightly to 31.9 % from 31.3 % in the same quarter of the previous year.

At € 24.5 million, earnings before interest, taxes, depreciation, and amortization (EBITDA) in the third quarter were more than two-and-a-half times higher than the corresponding prior-year result and 22.8 % higher than in the previous second quarter. For the first nine months, EBITDA totaled € 57.9 million, up € 11.5 million or 24.9 % on the same period last year. The aforementioned compensation for CO_2 certificates for our chlorine production accounted for the largest share of the increase in earnings. At the same time, items such as higher costs for personnel and services, as well as the negative earnings contribution of joint ventures accounted for using the equity method, exerted a negative impact on earnings. With the exception of the Logistics segment, all segments increased their EBITDA in the third quarter compared to the previous year.

At the operating level, PCC achieved a positive EBIT result (earnings before interest and taxes) of € 3.9 million in the third quarter. This reduced the cumulative loss for the first nine months to € –4.8 million, an improvement of 70.6 % over the previous year. Due to the effects mentioned above, earnings before taxes (EBT) also rose in the third quarter, with the loss falling to € –9.3 million.

The US dollar and Polish złoty, which are key foreign currencies for the PCC Group, have been moving sideways since the beginning of the quarter, with non-cash valuation effects amounting to around € 1.0 million as of the reporting date. The cumulative currency translation effects from previous quarters had a particularly negative impact on the pre-tax performance of silicon production in Iceland, which is accounted for in US dollars.

Cash flow from operating activities rose in the third quarter compared to the previous year and now totals € 52.9 million for the first nine months.

Although business development in the third quarter was positive for some segments of the PCC Group, overall it remained exposed to the challenging global economic environment. Activities in the chemical-producing segments in particular developed steadily in line with general market trends. Overall, business development in the third quarter was in line with expectations. As in previous quarters, some of our activities in basic chemicals were negatively affected by competition, in part unfair, from cheap imports from China. There was also little relief on the cost side, and the European

Ethoxylation plant at PCC's Polish production site in Płock: Thanks to a capacity expansion at this site, we were able to increase sales volumes in the Surfactants segment in the third quarter, thus continuing the very positive development seen in the first half of the year.

economy has yet to recover in the manner anticipated for the second half of the year. The continuing weak investment environment and subdued consumption have meant that the European economy has grown only slightly. Germany in particular has remained in recession, while ongoing geopolitical uncertainties and the unclear tariffs policy of the USA have led to additional restraint.

Business Development by Individual Segment

Polyols & Derivatives

The Polyols & Derivatives segment increased sales and EBITDA in the third quarter of 2025 compared to the same quarter of the previous year.

This segment is dominated by our polyether and polyester polyol production units in Poland. Segment sales in the third quarter amounted to € 44.8 million, a slight increase of 0.6 % compared to the previous year. Cumulatively, sales in the first nine months of 2025 remained 1.2 % below the previous year's period at € 137.6 million. The business areas of polyester polyols, PU-based acoustic and thermal insulating materials, phenol derivatives, and silane-modified polyols maintained their positive development in the current quarter. However, we continue to see strong price competition from Asian suppliers for standard products. EBITDA rose by 38.3 % year on year to € 2.6 million in the third quarter. In the first nine months, cumulative EBITDA thus totaled € 9.2 million, representing a decline of 18.9 % compared to the same period of the previous year. This decline in earnings was mainly due to the difficult competitive situation for our major Polish production facilities for polyether polyols on the European market, with imports of downstream products on the rise. We are currently expanding and modernizing the polyol and surfactant production facilities at our Brzeg Dolny site in order to strengthen its competitive situation.

Business with spray foam for roof insulation, specialty foam blocks and polishing pads, as well as building materials for insulation, continued to show gratifying development and also benefited from seasonal effects in the third quarter. This led to improvements in earnings in these business areas. Our specialty chemicals business in Germany continued to significantly increase sales volume and revenue, achieving a comfortable cumulative earnings situation in the first nine months of the fiscal year and making positive contributions to cash flow. The current order situation underpins the positive trend for the rest of the year. The Polish activities in the phenols sector, which in addition to internal contract manufacturing also continue to include the original core business of alkylphenol production, achieved higher sales in the first nine months due to a significant increase in volumes, with the associated profit contribution rising substantially compared to the previous year.

Surfactants & Derivatives

Sales in the Surfactants & Derivatives segment rose significantly in the third quarter of 2025, up 14.6 % year on year, with further growth in EBITDA also ensuing.

Increased capacity at the segment's largest business area, our Polish operation producing ionic and non-ionic surfactants for personal care, cosmetics, and industrial cleaning agents, resulted in an increase in sales volumes compared to the same period last year. The newly built ethoxylation plant at the Polish site in Płock has a capacity of 35,000 to 40,000 metric tons. Having been gradually ramped up to full capacity in the current fiscal year, it also offers the opportunity to further diversify the product portfolio for greater differentiation with respect to the competition.

In individual applications, we were also able to implement slight price increases for surfactants, despite continued strong competition from China and India. The expansion into additional European markets initiated a few years ago has helped with the marketing of the additional volumes. As a result, segment sales in the third quarter rose by 14.6 % year on year to € 63.8 million. Sales over the nine-month period rose by 17.8 % to € 195.2 million. Despite the challenging market environment, the segment was able to improve its results at all levels. Thus, EBITDA for the first nine months increased to € 19.1 million (previous year: € 17.2 million). The US

Key financials by segment (IFRS)		Polyols & Derivatives			Surfactants & Derivatives			Chlorine & Derivatives			Silicon & Derivatives		
		Q3/2025	9M/2025[5]	9M/2024	Q3/2025	9M/2025	9M/2024	Q3/2025	9M/2025	9M/2024	Q3/2025	9M/2025	9M/2024
Sales[1]	€ million	**44.8**	137.6	139.2	**63.8**	195.2	165.8	**43.0**	146.2	157.2	**9.2**	36.6	66.9
EBITDA[2]	€ million	**2.6**	9.2	11.3	**6.4**	19.1	17.2	**15.8**	27.9	29.4	**– 8.4**	– 27.2	– 28.4
EBIT[3]	€ million	**0.9**	4.5	6.9	**5.1**	15.3	13.6	**10.9**	12.4	13.7	**– 12.5**	– 40.1	– 41.7
EBT[4]	€ million	**0.6**	3.3	5.8	**3.2**	10.0	9.1	**9.9**	8.5	9.9	**– 16.1**	– 88.7	– 56.5
Employees	(at Sept. 30)	**355**	355	354	**513**	513	509	**403**	403	430	**124**	124	225

Notes: Consolidation effects not separately shown. Rounding differences possible. Quarterly and cumulative figures unaudited. Subject to change without notice. | **1** The sales indicated relate exclusively to net external sales; consolidation procedures have already been taken into account. | **2 EBITDA** (earnings before interest, taxes, depreciation and amortization) | **3 EBIT** (earnings before interest and taxes) = Operating profit = EBITDA – depreciation and amortization | **4 EBT** (earnings before taxes) = Pre-tax profit = EBIT – interest | 5 "M" = months production and sales unit for specialty surfactants ended the third quarter with significant growth in both revenues and earnings. In the Consumer Products business area, which is also part of the segment, volume increases from new customers and higher sales volumes from existing customers led to revenue growth. However, higher raw material costs pushed earnings below the previous year's level.

Chlorine & Derivatives

The Chlorine & Derivatives segment suffered a price-related decline in sales in the third quarter of 2025, while earnings were stabilized by compensation payments for CO_2 price developments.

Although average selling prices for chlorine and chlorine by-products continue to decline, we were able to partially compensate for this in the first nine months through higher volumes. Volume growth was supported both by our own chlorine requirements in our value chain at the Brzeg Dolny site and by third-party demand. Third-quarter sales were down 15.2 % year on year at € 43.0 million. Cumulative sales for the first nine months totaled € 146.2 million, down 7.0 % on the same period last year. EBITDA rose by € 8.7 million year on year to € 15.8 million in the third quarter. This significant increase was mainly due to compensation for price increases for CO_2 certificates for production in Poland. In the first nine months, cumulative EBITDA thus totaled € 27.9 million, down 5.0 % on the previous year. Aimed at further optimizing our chlorine activities, the installation of two additional electrolyzers was completed in the third quarter of 2025. This investment enables us to respond better to electricity price developments and optimize plant operation to increase margins: Variable electrolyzer operation allows more volumes to be produced during times of day when there is plenty of energy from renewable sources – a further contribution to climate protection and energy efficiency.

The Phosphorus & Naphthalene Derivatives business unit increased sales and earnings in the first nine months compared to the previous year. This was due in particular to the positive decision by the EU Commission in anti-dumping proceedings against cheap Chinese imports which we initiated together with other European manufacturers of phosphorus-based flame retardants. Sales of our monochloroacetic acid (MCAA) production in Poland fell by 37.9 % in the third quarter compared to the previous year. In the first nine months, cumulative sales in this business unit totaled € 23.1 million, 17 % less than in the previous year. We were particularly pleased to see deliveries to customers in the USA continuing in the third quarter, with the expectation that volumes will increase further in the coming fiscal year. We achieved a slight increase in EBITDA and EBIT. The business unit, which had been further burdened in the previous year by unplanned maintenance expenses and force majeure-related shutdowns, has gradually ramped up production volumes again in the current fiscal year and continues to utilize the plant to full capacity.

Silicon & Derivatives

The Silicon & Derivatives segment temporarily suspended silicon metal production in the third quarter. Costs are currently being reduced to a minimum and collaborative talks are taking place at all levels to create an environment that will enable economic production to resume.

Until it was shut down, the Silicon Metal business unit was only operating at half its capacity. Due to the unclear US tariffs policy toward China and weak domestic demand there, more cheap imports flooded into Europe, which further depressed local prices. These disrupted market conditions made economic production impossible. PCC therefore decided in the second quarter to provisionally shut down silicon production, and the plant has been temporarily out of operation since July 20, 2025. Initially, around 80 employees were given notice of termination, with further staff cuts following in the third quarter. We are continuing to pursue our goal of creating market conditions and a cost situation that will allow the plant to be restarted. To this end, we are supporting efforts to introduce European Union safeguards for silicon metal in order to avert damage to regional industry from a possible end to silicon production in Europe. The review of import tariffs on silicon metal that we initiated in Iceland was launched in the third quarter. Decisions emanating from both processes are expected in the fourth quarter. In addition, developments in dollar parities resulted in negative exchange rate effects from the valuation of foreign currency positions, which in turn exerted a significant adverse effect on this segment's pre-tax profit. Without the negative impact of silicon metal production, the Group's earnings before taxes would have been around € 40.0 million higher.

By contrast, the Polish quartzite quarry, which is also part of the Silicon & Derivatives segment, increased both its revenues and its earnings at all levels thanks to higher volumes and higher prices.

Trading & Services

The Trading & Services segment saw sales decline in the third quarter of 2025, although earnings rose both in Q3 and significantly over the nine-month period.

At € 23.5 million, quarterly sales in this segment were down 7.0 % on the same quarter of the previous year due to price factors. Cumulative sales for the first nine months totaled € 71.9 million, around 6.7 % below the previous

Key financials by segment (IFRS)		Trading & Services			Logistics			Holding & Projects			PCC Group totals		
		Q3/2025	9M/2025[5]	9M/2024	Q3/2025	9M/2025	9M/2024	Q3/2025	9M/2025	9M/2024	Q3/2025	9M/2025	9M/2024
Sales[1]	€ million	**23.5**	71.9	77.1	**40.2**	119.6	114.6	**0.1**	1.8	1.8	**224.6**	708.8	722.6
EBITDA[2]	€ million	**4.5**	15.3	10.9	**6.0**	18.7	18.6	**– 3.7**	– 11.2	– 11.3	**24.5**	57.9	46.3
EBIT[3]	€ million	**1.4**	6.0	1.1	**1.2**	4.3	4.7	**– 4.5**	– 13.5	– 13.2	**3.9**	– 4.8	– 16.3
EBT[4]	€ million	**0.6**	15.4	7.9	**– 0.2**	1.4	1.8	**– 8.9**	– 6.3	4.9	**– 9.3**	– 63.1	– 56.8
Employees	(at Sept. 30)	**1,005**	1,005	1,049	**660**	660	643	**109**	109	109	**3,169**	3,169	3,319

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Logistics

Intermodal container logistics, the dominant business area in the Logistics segment, continued its positive business development in the third quarter of 2025 and saw revenue grow, albeit with cumulative EBITDA remaining at the prior-year level.

Sales rose to € 40.2 million in the third quarter, up 4.3 % year on year, while EBITDA declined by 6.3 % to € 6.0 million. In the first nine months, revenue rose by 4.4 % to a cumulative total of € 119.6 million. Demand for intermodal transport increased compared to the previous year and also once again versus the previous quarter, with the figure higher overall than in the previous year. Routes from the Polish seaports of Gdańsk and Gdynia were in particular demand. Overall, this led to a 6.2 % increase in transshipments in the first nine months compared to the previous year, with average prices remaining constant. Rising costs also meant that EBITDA held at the previous year's level. At the same time, road transport remains the biggest competitor to intermodal transport in Europe. The Road Haulage business unit, which includes tanker transportation services, was able to increase revenue and earnings contributions again in the current fiscal year thanks to the full resumption of operations at the cleaning facility following the fire in 2021.

Holding & Projects

The earnings performance of the Holding & Projects segment in the third quarter of 2025 was influenced by the upfront costs of current investment projects.

In addition to investment management, this segment is primarily responsible for the development of new business activities, products, and facilities. Where possible under accounting rules, the associated costs are capitalized, with some costs therefore remaining as expenses. The allocation of results from investments accounted for using the equity method did not play a significant role in the earnings performance in the third quarter of 2025, with the figure at Group level amounting to € 25 thousand and the cumulative total for PCC coming in at € –2.2 million for the first nine months. Capacity utilization at the oxyalkylates plant in Malaysia was further increased in the third quarter on the basis of changes in the product portfolio. However, this plant is currently operating at a loss due to intense competition in Asia.

The focus in the development of new business activities during the third quarter continued to be on the USA where PCC is investigating possibilities with regard to the development, construction, and operation of its own chlor-alkali plant. In December 2024, we signed a long-term purchase agreement with US chemical producer The Chemours Company for chlorine supplies. This offtake agreement forms the commercial core of the potential investment in the construction of a plant at Chemours' site in DeLisle, Mississippi, and significantly reduces potential market and sales risks. In the third quarter, the project was irrevocably granted an Air Construction Permit in the state of Mississippi. This means that no further significant permits are pending. Also in the third quarter, tenders were launched for around 80 % of the construction phase trades. The bids are now being evaluated and negotiated. The implementation of this project will officially begin with the final investment decision, which remains pending.

Issuance of the 100th PCC bond

On October 1, 2025, PCC SE issued the 100th bond in the company's history. Since the initial issuance in 1998, more than 20,000 investors have subscribed to PCC bonds with a total value of around € 1.7 billion – of which PCC has repaid over € 1.1 billion to date. The anniversary bond DE000A4DFWY7 carries a coupon of 5.50 % p.a. and has a term of around five years; it is scheduled to be redeemed on January 1, 2031.

Redemption of maturing bonds

On July 1, 2025, PCC SE redeemed the 4.00 % bond ISIN DE000A2YPFY1 issued in 2019 (repayment volume: € 23.8 million). And on October 1, the 4.00 % bond ISIN DE000A3H2VU4 issued in 2020 was redeemed on maturity. The repayment volume amounted to € 29.7 million.

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