

# BUSINESS YEAR 2017/18

## 2<sup>nd</sup> QUARTER, 1<sup>st</sup> HALF

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Investor Relations  
November 2017

# voestalpine GROUP

## OVERVIEW – BUSINESS MODEL

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- » voestalpine is a **leading technology** and **capital goods group** with combined material and processing expertise
- » It is holding **global top positions** in its business units
- » The group focuses on most demanding **product** and **system solutions** based on **steel** and **other metals** in **technology-intensive** industries and niches
- » Clear **focus** on strategically in the long run most promising sectors like **mobility** and **energy**
- » **Long-term relationships** with customers, suppliers and R&D-institutions as **key drivers for innovation**

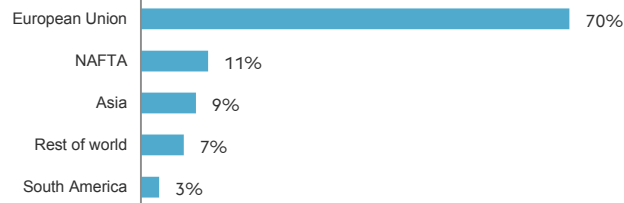


# voestalpine GROUP GLOBAL FOOTPRINT

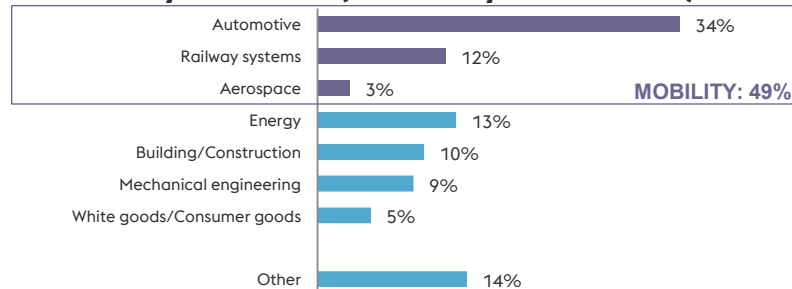
One Group – 500 sites – 50 countries – 5 continents



## Revenue by regions (Business year 2016/17)



## Revenue by industries (Business year 2016/17)



# voestalpine GROUP

## BUSINESS DEVELOPMENT H1 BY 2017/18 – SUMMARY

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- » Significant boost of earnings compared to H1 2016/17
  - » Dynamic development in Steel Division driving profitability → high-tech steel-strategy paying off
  - » Processing divisions with continuous improvement of earnings → “downstream”-strategy as solid basis
- » Advancing investments on broad base supporting economic growth in Europe
  - » Pick-up of mechanical engineering and building industry, on-going strong development of automotive industry as well as consumer goods segments
- » Overall business climate in the US with upward trend, temporarily negative effects of recent hurricanes
- » Growth rates in China on solid level despite (managed) decline of industrial activities due to change in environmental policy
  - » Strong performance of voestalpine relevant sectors (railway systems, automotive, consumer goods)
- » Brazil gradually emerging from recession, but economy still lacking momentum

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## QUARTERLY FIGURES H1 BY 2017/18

	1 <sup>st</sup> quarter 2016/17	2 <sup>nd</sup> quarter 2016/17	1 <sup>st</sup> quarter 2017/18	2 <sup>nd</sup> quarter 2017/18	1 <sup>st</sup> half 2016/17	1 <sup>st</sup> half 2017/18	Delta in %
Sales	2,772	2,635	3,252	3,051	5,408	6,302	16.5
EBITDA	334	371	514	455	705	969	37.5
EBITDA-margin	12.0%	14.1%	15.8%	14.9%	13.0%	15.4%	
EBIT	168	201	329	255	369	584	58.4
EBIT-margin	6.0%	7.6%	10.1%	8.4%	6.8%	9.3%	

In millions of euros

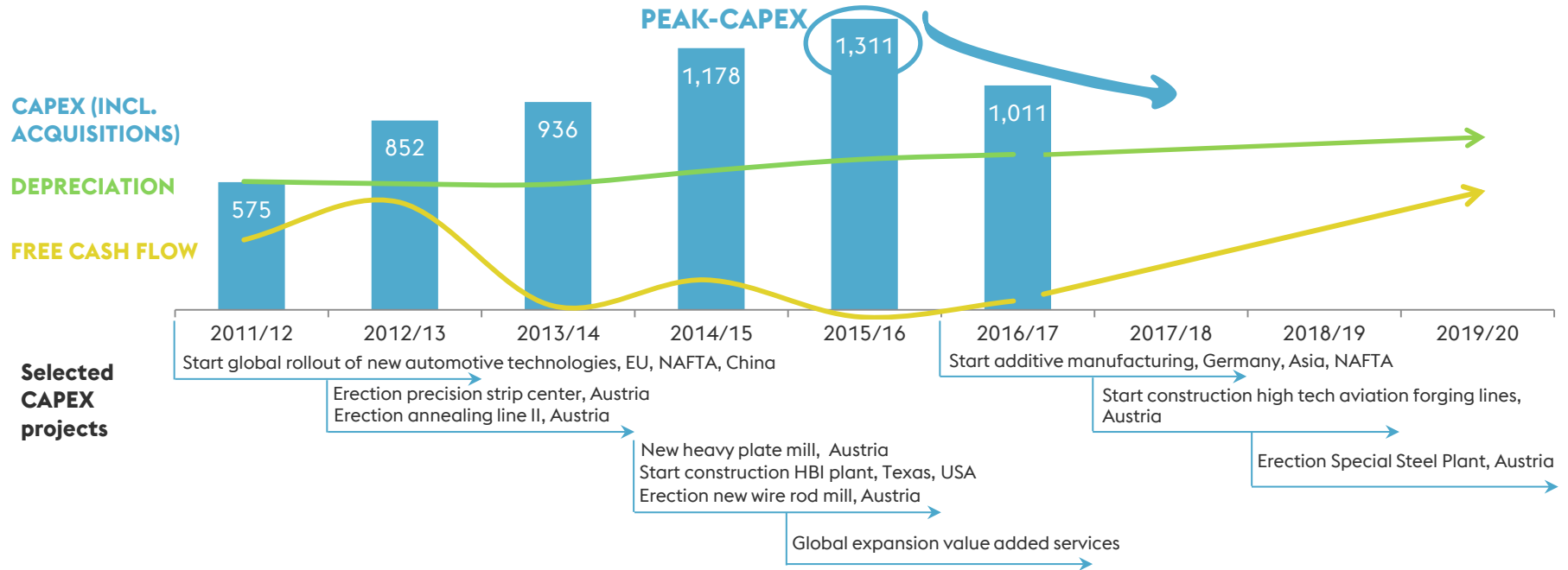
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**voestalpine**

ONE STEP AHEAD.

# voestalpine GROUP INVESTMENTS & CASH FLOW DEVELOPMENT



# STEEL DIVISION

## BUSINESS DEVELOPMENT H1 BY 2017/18

- » Tailwind from economic growth drives EU steel industry
- » Steel imports still on high level but shift of trade flows
  - » Easing price pressure from Chinese steel imports due to trade barriers as well as improving domestic market and first plant closures
  - » Overall imports still on high level
- » Core segments of Steel Division with overall excellent performance
  - » Automotive, consumer goods & mechanical engineering as drivers for strong demand situation
  - » Improving sentiment in oil & gas as well as building & construction
- » Hurricane “Harvey” causes temporary production stop at HBI plant in Texas but only limited damages

€m	Q1 17/18	Q2 17/18	H1 16/17	H2 17/18	Delta in %
Sales	1,213	1,086	1,776	2,299	29.4
EBITDA	228	215	231	443	91.8
EBITDA-%	18.8%	19.8%	13.0%	19.3%	
EBIT	150	138	97	288	196.5
EBIT-%	12.4%	12.7%	5.5%	12.5%	

# HIGH PERFORMANCE METALS DIVISION

## BUSINESS DEVELOPMENT H1 BY 2017/18

(Former:  
Special Steel Division)

- » Broadly positive market sentiment
  - » Strong tool steel market, improving product mix
  - » On-going — moderate — recovery in oil & gas sector
  - » Continuous growth in aviation industry
- » Upward trend with regional disparities
  - » Economic recovery bolstering demand in Europe
  - » Strong order intake in China
  - » Volatile market, but upward tendency in the US
  - » First positive signals in Brazil after long recession

€m	Q1 17/18	Q2 17/18	H1 16/17	H1 17/18	Delta in %
Sales	739	692	1,306	1,431	9.6
EBITDA	127	99	194	227	17.1
EBITDA-%	17.2%	14.3%	14.8%	15.8%	
EBIT	90	63	122	152	25.2
EBIT-%	12.1%	9.0%	9.3%	10.6%	



# METAL ENGINEERING DIVISION

## BUSINESS DEVELOPMENT H1 BY 2017/18

- » Restrained demand situation in core segments
  - » Still weak European rail market as well as only minor impulses from mining regions, project deferrals in Mid-East
  - » Volume-driven recovery in tubulars, price upturn following slowly
- » Turnout Systems compensating regional weaknesses by strong market position and excellent performance in China
- » Automotive industry driving wire market
  - » Most modern wire rod mill in full operation since end of Q2
  - » -15m EUR EBIT-effect in H1 2017/18 from impairment in ultra-high strength fine wire segment due to on-going market weakness
- » Market conditions in Welding Consumables still challenging

€m	Q1 17/18	Q2 17/18	H1 16/17	H1 17/18	Delta in %
Sales	770	741	1,333	1,511	13.4
EBITDA	87	91	172	178	3.3
EBITDA-%	11.3%	12.2%	12.9%	11.8%	
EBIT	47	34	96	81	-14.8
EBIT-%	6.1%	4.6%	7.2%	5.4%	

# METAL FORMING DIVISION

## BUSINESS DEVELOPMENT H1 BY 2017/18

- » Automotive Components with on-going solid performance
  - » Further increasing car sales in Europe in CY 2017
  - » Premium-class with strong performance in Europe and China and stable market conditions in the US
  - » Global rollout of advanced automotive technologies on schedule
- » Mixed market conditions in Tubes & Sections
  - » Improving sentiment in Europe based on upturn of commercial vehicles and agricultural machinery industries
  - » US lagging behind, China improving, slight recovery in Brazil
- » Excellent performance of Precision Strip
  - » Outstanding market position & solid business environment bolstering strong earnings
- » Intense project activities in Warehouse & Rack Solutions

€m	Q1 17/18	Q2 17/18	H1 16/17	H1 17/18	Delta in %
Sales	673	649	1,188	1,322	11.2
EBITDA	89	75	153	164	6.7
EBITDA-%	13.2%	11.6%	12.9%	12.4%	
EBIT	61	47	103	109	5.2
EBIT-%	9.1%	7.3%	8.7%	8.2%	

# FINANCIAL OVERVIEW

## H1 BY 2017/18

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# voestalpine GROUP

## FINANCIAL OVERVIEW

	<b>H1 BY 2016/17</b> 2016/04/01-2016/09/30	<b>H1 BY 2017/18</b> 2017/04/01-2017/09/30	<b>Delta in %</b>
Sales	5,408	6,302	16.5
EBITDA	705	969	37.5
EBITDA-margin	13.0%	15.4%	
EBIT	369	584	58.4
EBIT-margin	6.8%	9.3%	
EBT	311	514	64.9
Net profit	234	389	66.4
EPS	1.28	2.09	63.3

In millions of euros

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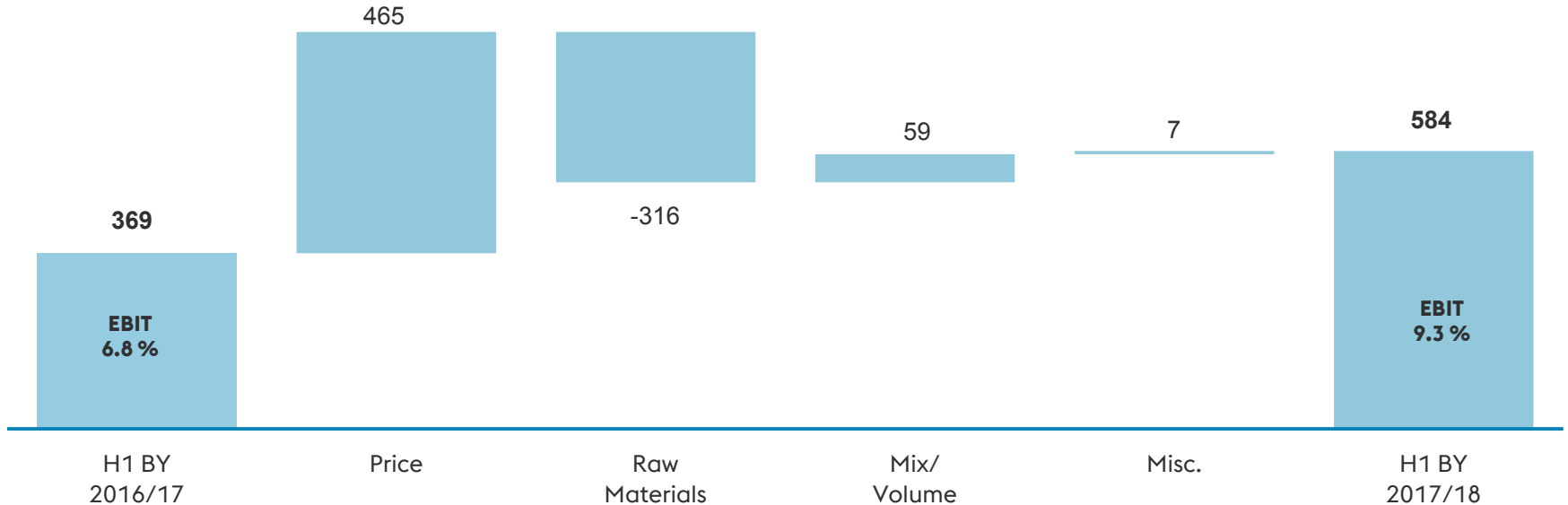
## FINANCIAL OVERVIEW

	<b>H1 BY 2016/17</b> 2016/04/01-2016/09/30	<b>H1 BY 2017/18</b> 2017/04/01-2017/09/30	<b>Delta in %</b>	
CAPEX*	471	338	-28.2	*) Fixed assets and acquisitions
Depreciation	336	385	14.5	
Equity	5,611	6,184	10.2	
Net Financial Debt	3,370	3,310	-1.8	
Gearing	60.1%	53.5%		

In millions of euros

# voestalpine GROUP

## DEVELOPMENT EBIT H1 2016/17 vs. H1 2017/18



In millions of euros

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## DEVELOPMENT CASH FLOW

**H1 BY 2016/17**  
2016/04/01-2016/09/30

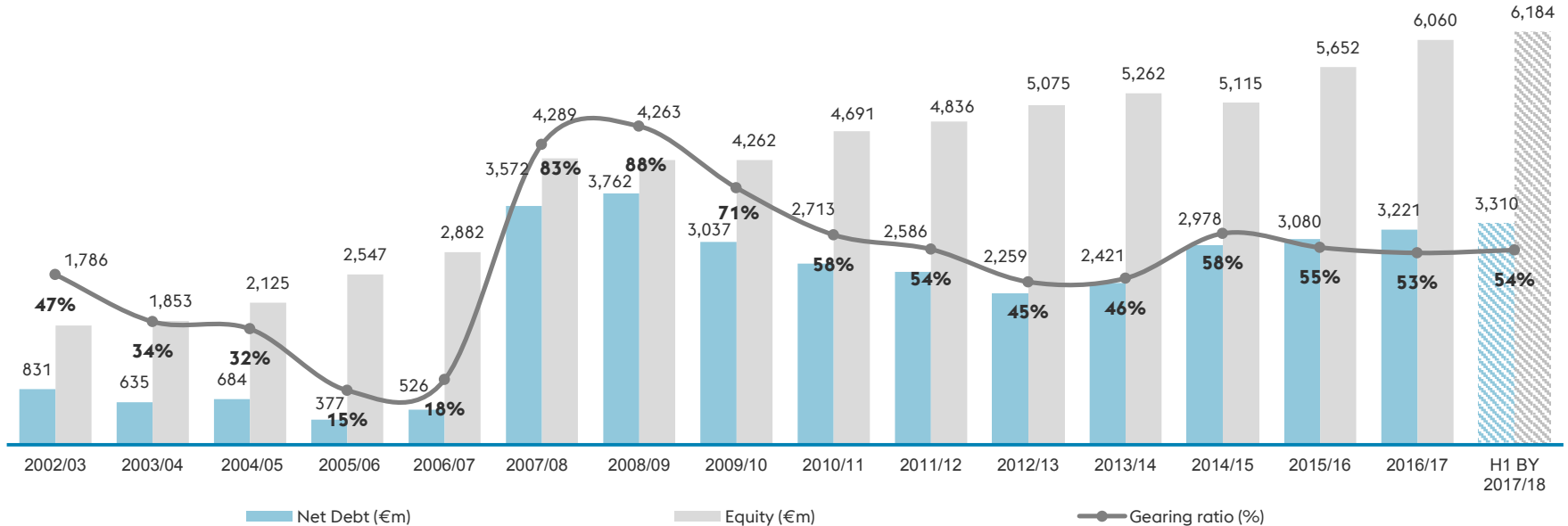
**H1 BY 2017/18**  
2017/04/01-2017/09/30

Cash flow from results	566	755
Changes in working capital	-116	-373
Cash flow from operating activities	450	382
Cash flow from investing activities	-535	-380
Free cash flow	-85	2

In millions of euros

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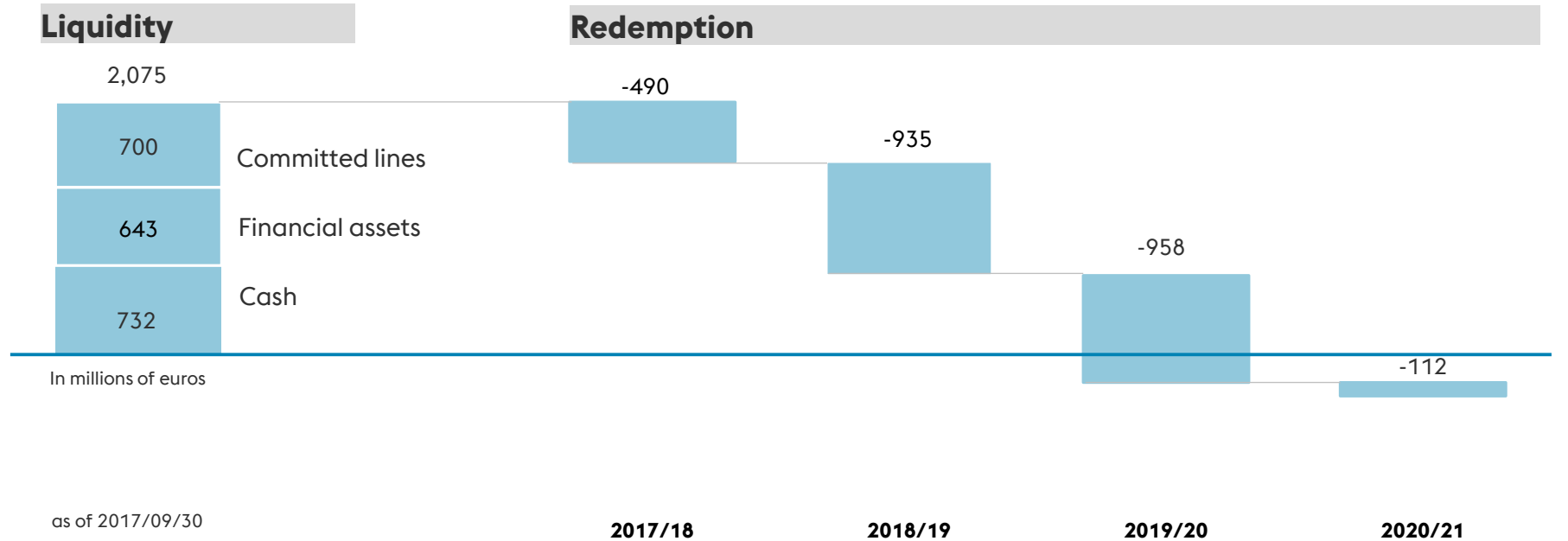
## DEVELOPEMENT GEARING RATIO





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## LIQUIDITY AND REDEMPTION SCHEDULE



# voestalpine GROUP

## OUTLOOK

- » Unchanged strong demand in most Business Units in H2 2017/18
  - » European economy further growing
  - » Tax reform a likely positive trigger for the US economy
  - » Despite managed slowdown of industrial output in China due to environmental issues on-going solid economic conditions expected
- » Unchanged strong development of automotive, consumer goods, machine building, and aviation industries expected
- » After substantial pick-up of volumes further price upturn in oil & gas sector likely
- » Recovery in railway systems in Europe not before FY 2018/19

**UNCHANGED OUTLOOK 2017/18: SUBSTANTIALLY POSITIVE DEVELOPMENT OF REVENUE & EARNINGS**

**voestalpine AG**

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**voestalpine**

ONE STEP AHEAD.

# INVESTOR RELATIONS

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