

1st HALF 2018/19

Press Conference, November 7, 2018
Welcome!



1st HALF 2018/19 ENVIRONMENT AND HIGHLIGHTS

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ECONOMIC ENVIRONMENT



USA: domestic demand at stable high

Brazil: slowly recovering

Europe: slightly weakening momentum

China/Asia: growth recently slowed

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HIGHLIGHTS 1



** Each compared to 1st half 2017/18*

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- » Record revenue: EUR 6.7 billion (+5.9% over previous year)
- » EBITDA: EUR 860 million (-11.2%*)
- » EBIT: EUR 480 million (-17.9%*)
- » Employees: ~ 52,000 (FTE)

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HIGHLIGHTS 2

- » First negative effects from **global trade dispute** (China)
- » **New emissions test (WLTP)** leads to distortions in the EU automotive industry
- » **Major overhaul of the blast furnace** in Linz complete
- » **International expansion** on track—some increase in run-up costs (North America)
- » **HBI plant in Texas** impacted by flooding
- » **Construction of new steel plant in Kapfenberg** on schedule

REALIGNMENT OF RAILWAY SYSTEMS: MARKET LEADER IN COMPLETE DIGITAL SYSTEMS



- » Premium and long rails; high-tech turnouts; fastenings; and digital monitoring systems combined into an overarching approach for the first time
- » 70 production and sales sites worldwide
- » 7,000 employees (FTE)
- » EUR 1.4 billion revenue (BY 2017/18)
- » Annual growth: ~3%

ASIA – MARKET OF THE FUTURE

EXPANDING RAPIDLY



*Figures for the business year 2017/18; *incl. Hong Kong*

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- » 80 sites
- » 5,000 employees (China: 3,000)
- » Revenue > EUR 1 billion (China: EUR 570 million*)
- » 2nd Chinese automotive plant in Tianjin, China
- » 2nd joint venture for turnout production (focus on suburban traffic) in China
- » Expansion of services and additive manufacturing (Taiwan, Singapore)

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1st HALF 2018/19 KEY FINANCIAL INDICATORS

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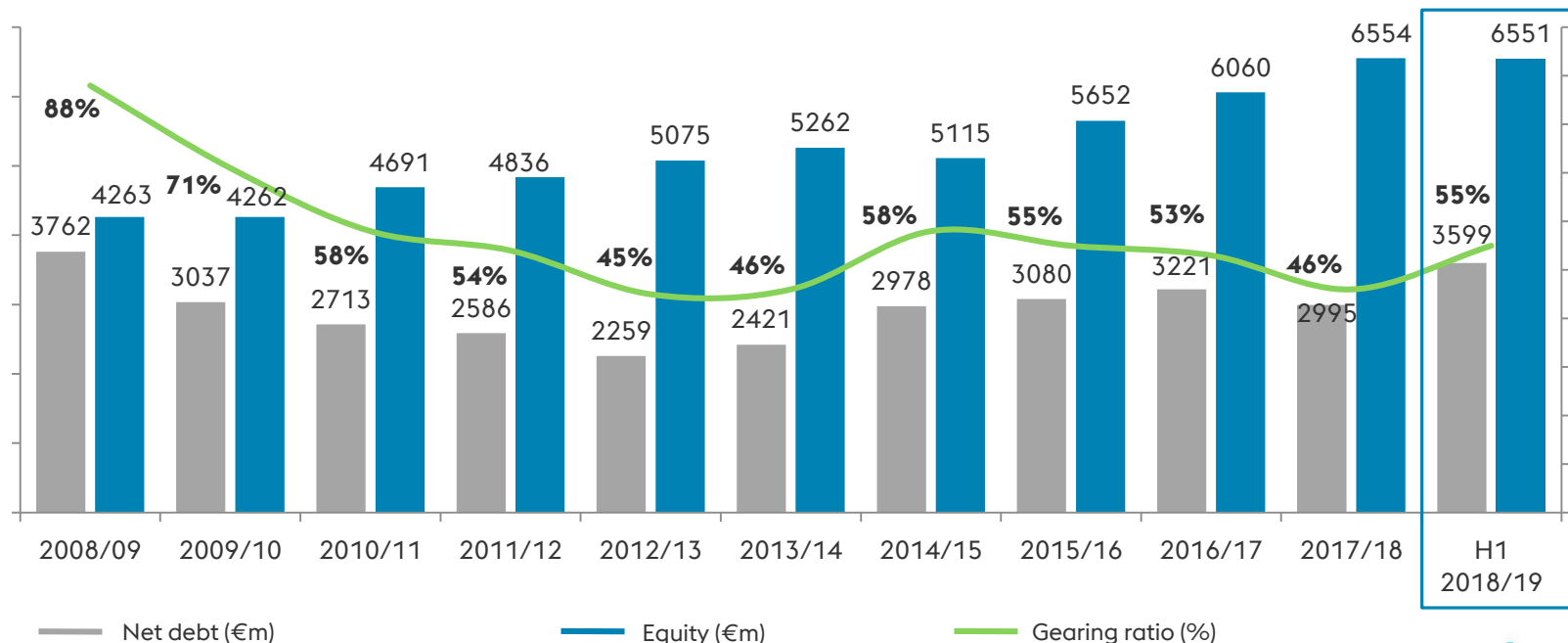
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OVERVIEW OF KEY FIGURES

In millions of euros	H1 2017/18	H1 2018/19	Change (in %)
Revenue	6,302	6,674	5.9
Operating result (EBITDA)	969	860	-11.2
EBITDA margin (%)	15.4	12.9	
Profit from operations (EBIT)	584	480	-17.9
EBIT margin (%)	9.3	7.2	
Profit before tax (EBT)	514	422	-17.9
Profit after tax	389	316	-18.7
Employees (full-time equivalent)	50,638	51,931	2.6
Investments	338	475	40.5

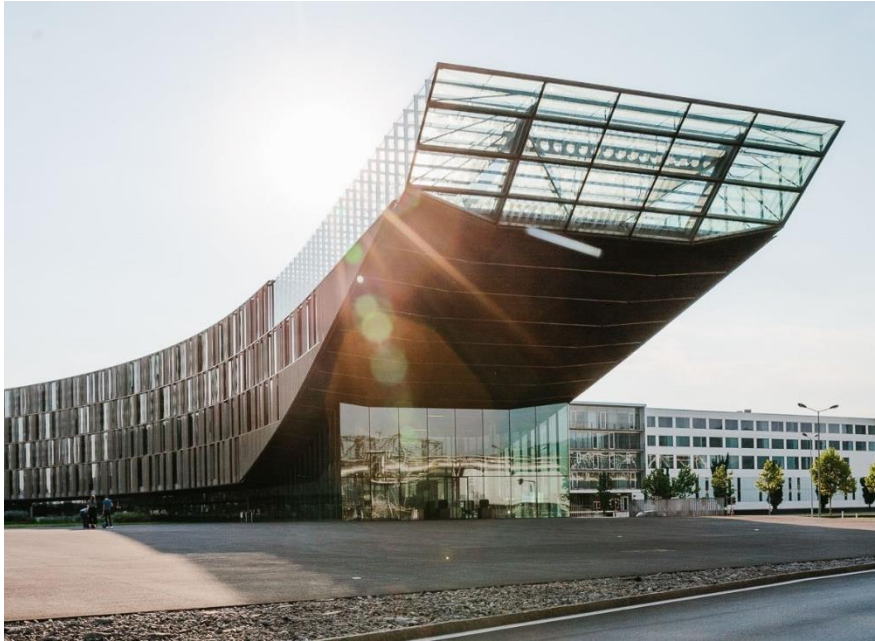
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DEVELOPMENT OF THE GEARING RATIO



BUSINESS YEAR 2018/19

OUTLOOK



- » Adjustment of the earnings forecast for the current business year due to
 - » Negative effects of distortions in international trade flows
 - » Cooling of the European automotive sector (WLTP)
 - » Repairs of Blast Furnace A, Linz
 - » Higher costs from run-up phases in North America and downtimes at the HBI plant
 - » Low water levels in Europe (logistics)

**Outlook: EBITDA of almost EUR 1.8 billion
EBIT slightly below EUR 1 billion**

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