

# BUSINESS YEAR 2019/20

## 1<sup>ST</sup> - 3<sup>RD</sup> QUARTER

---

# voestalpine GROUP

## CORPORATE RESPONSIBILITY



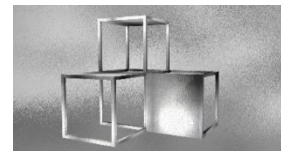
### ECONOMY

- » Ethical corporate management
- » Sustainable Supply Chain Management



### ENVIRONMENT

- » Decarbonisation of steel making
  - » H2Future
  - » SuSteel
- » Climate Protection
- » LCA management
- » Energy management
- » Water management
- » Recycling and waste management



### SOCIETY

- » Supporting local communities
- » Anti-corruption and compliance trainings
- » Occupational health & safety programs and certification
- » Fair working conditions
- » Training and apprentices
- » Equal treatment
- » Employee participation



### HUMAN RIGHTS

- » No child or forced labour
- » No discrimination
- » Freedom of association / collective bargaining



# voestalpine GROUP BUSINESS MODEL



voestalpine combines material and processing expertise in one group



Our products are high-tech materials as well as components and system solutions based on steel and other metals



We focus on markets with highest requirements on quality and innovative technological solutions



We are on the way to becoming a technology group



# voestalpine GROUP GLOBAL FOOTPRINT

One Group – 500 sites – 50 countries – 5 continents

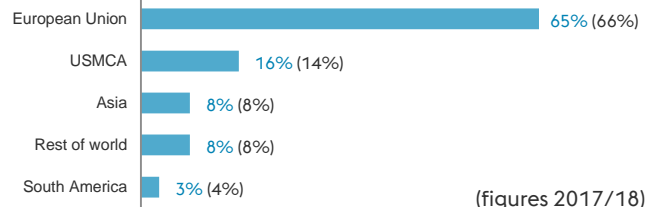


INCREASING NON-EU-BUSINESS, MOBILITY-SECTOR STABLE

voestalpine AG

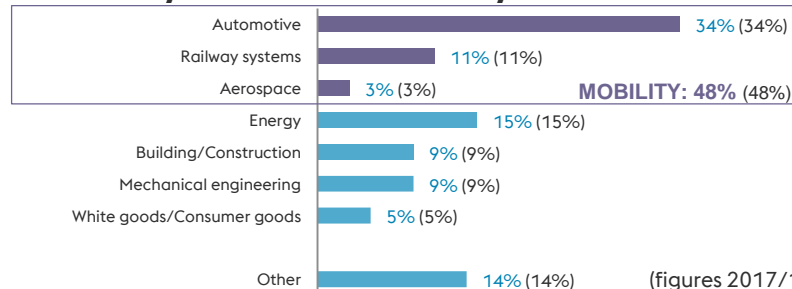
4 | March, 2020 | Investor Relations

## Revenue by regions - Business year 2018/19



(figures 2017/18)

## Revenue by industries - Business year 2018/19



(figures 2017/18)

voestalpine

ONE STEP AHEAD.

# voestalpine GROUP

## COMPANY STRUCTURE AND MARKET POSITION

voestalpine Group (Revenue in BY 2018/19)

35%

22%

22%

21%



### Steel Division

#### Worldwide quality leadership

Global quality leadership in **highest quality steel strip** and global market leader in **heavy plate** for the most sophisticated applications as well as **casings** for **large turbines**.



### High Performance Metals Division

#### Global leadership

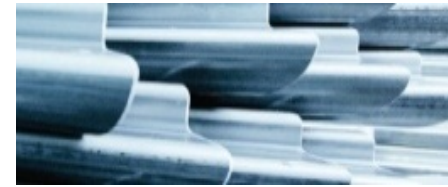
Worldwide leadership in **tool steel**, leading position in **high-speed steel** and **special forgings**.



### Metal Engineering Division

#### Global leadership

Worldwide market leader in **turnout technology**; European market leader in **rails** and **specially treated wire**; and leading position in **seamless tubes** for special applications and **high quality welding consumables**.



### Metal Forming Division

#### Global leadership

Global market leader in **defined niches** supplying **high quality metal processing solutions** with a **global network and service**.

# voestalpine GROUP

## BUSINESS DEVELOPMENT Q1-Q3 BY 2019/20

- » Slowdown of major customer segments across the globe
- » Particular business segments doing unchanged well (railways, aerospace, welding, high bay warehousing)
- » Non-recurring effects in Q3 2019/20
  - » Assets impairments of ~270m EUR
  - » Provisions for restructuring costs and other risks ~75m EUR
- » Reported EBIT of -311.9m EUR in Q3, adjusted EBIT slightly positive
- » Strong destocking across major industrial supply chains towards end of calendar year 2020
- » Q3 BY 2019/20 expected to mark the trough



# STEEL DIVISION

## BUSINESS DEVELOPMENT Q1-Q3 BY 2019/20

- » Slightly lower input costs and further decreasing steel prices in Q3
- » Already in Q2 extremely tough conditions
- » Margin pressure due to high import levels and shrinking demand
- » Heavy Plate: rare pipeline projects, competitors with low utilization rates
- » HBI-plant: slumping market conditions over summer
- » Outlook Q4: improving shipments due to restocking, HBI-plant benefiting from lower input cost and higher steel prices

€m	Q1 19/20	Q2 19/20	Q3 19/20	Q1-Q3 19/20	Q1-Q3 18/19	Delta in %
Revenue	1,182	1,139	1,098	3,419	3,590	-4.8
EBITDA	151	110	97	357	448	-20.3
EBITDA-%	12.7%	9.6%	8.8%	10.4%	12.5%	
EBIT	61	20	-193	-112	201	-155.8
EBIT-%	5.1%	1.8%	-17.6%	-3.3%	5.6%	

# HIGH PERFORMANCE METALS DIVISION

## BUSINESS DEVELOPMENT Q1-Q3 BY 2019/20

- » Similar trends in HPM Division in Q3 compared to H1 2019/20
  - » Tool steel demand impacted by low automotive investments
- » Tough market conditions in Europe: restructuring at Buderus plant in Germany
- » Slight recovery in China, but uncertainty due to coronavirus
- » Softening sentiment in tool steel in USA, dynamics in aerospace unchanged good in Q3
  - » But orders for Boeing 737 Max stopped for a few months
- » Outlook Q4: seasonal pick-up of shipments

€m	Q1 19/20	Q2 19/20	Q3 19/20	Q1-Q3 19/20	Q1-Q3 18/19	Delta in %
Revenue	778	723	676	2,176	2,297	-5.3
EBITDA	99	78	7	184	319	-42.3
EBITDA-%	12.8%	10.8%	1.0%	8.5%	13.9%	
EBIT	57	35	-48	44	208	-78.6
EBIT-%	7.3%	4.9%	-7.1%	2.0%	9.0%	



# METAL ENGINEERING DIVISION

## BUSINESS DEVELOPMENT Q1-Q3 BY 2019/20

- » Railway Systems unchanged positive
  - » Satisfactory development of Turnout Systems in most of its core regions
  - » Rails segment with good demand situation in Europe but also with rising raw material cost
- » Industrial Systems more challenging
  - » Tubulars impacted by softening oil & gas sector and US-tariffs
  - » Negative performance in Wire due to lower volumes in automotive and cost advantages of electric arc furnace producers
  - » Stable good development in Welding Consumables
- » Outlook Q4: similar trend versus Q3

€m	Q1 19/20	Q2 19/20	Q3 19/20	Q1-Q3 19/20	Q1-Q3 18/19	Delta in %
Revenue	779	759	708	2,245	2,319	-3.2
EBITDA	90	82	57	229	262	-12.7
EBITDA-%	11.6%	10.8%	8.0%	10.2%	11.3%	
EBIT	45	31	-3	73	137	-46.9
EBIT-%	5.8%	4.1%	-0.5%	3.2%	5.9%	

# METAL FORMING DIVISION

## BUSINESS DEVELOPMENT Q1-Q3 BY 2019/20

- » With exemption of Warehouse & Rack Solutions rather muted economic trends in Metal Forming
- » Declining order intake in Automotive Components
  - » Shift of capacities of OEMs to countries outside Europe
  - » Improving efficiency at Cartersville plant
- » Soft demand in Europe in Tubes & Sections, better situation in US
- » Stabilization in Precision Strip after weakening conditions in H1 2019/20
- » Outlook Q4: pick-up of volumes in automotive as result of restocking, further improvement at Cartersville plant

€m	Q1 19/20	Q2 19/20	Q3 19/20	Q1-Q3 19/20	Q1-Q3 18/19	Delta in %
Revenue	738	716	667	2,120	2,143	-1.1
EBITDA	58	49	32	139	154	-9.7
EBITDA-%	7.9%	6.8%	4.8%	6.6%	7.2%	
EBIT	24	14	-44	-6	66	-108.8
EBIT-%	3.3%	1.9%	-6.6%	-0.3%	3.1%	

# FINANCIAL OVERVIEW

## Q1-Q3 BY 2019/20

---

# voestalpine GROUP

## FINANCIAL OVERVIEW

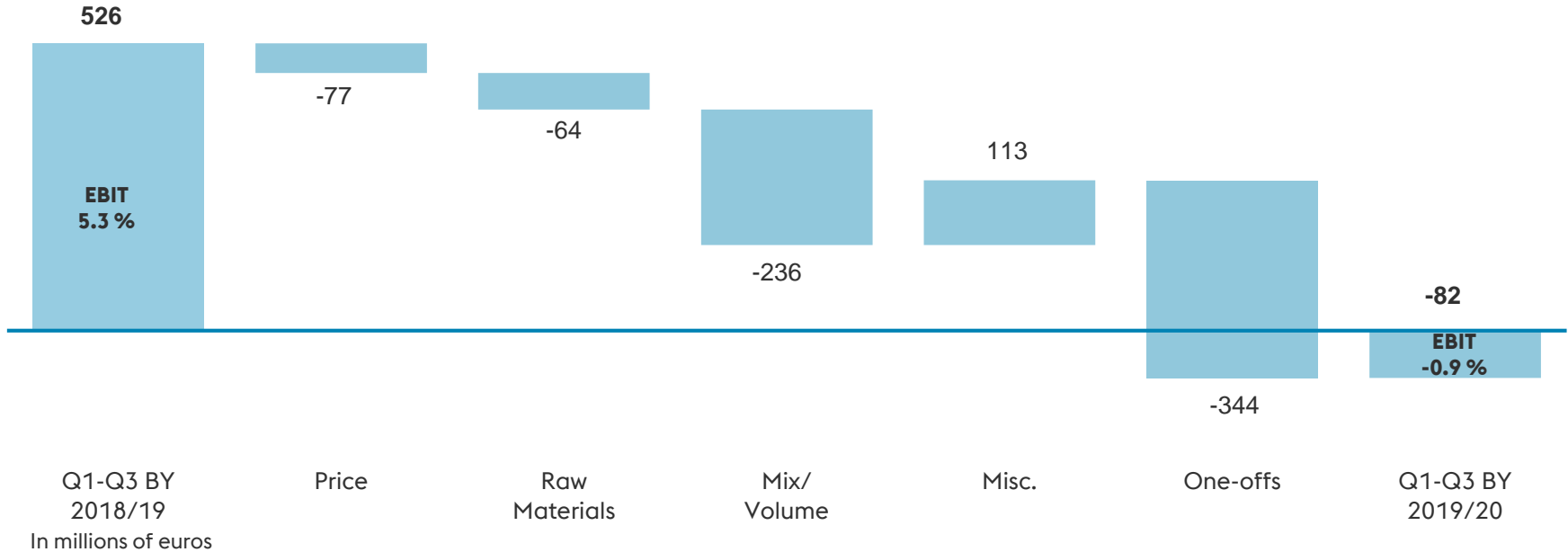
	<b>Q1-Q3 BY 2018/19</b> 2018/04/01-2018/12/31	<b>Q1-Q3 BY 2019/20</b> 2019/04/01-2019/12/31	<b>Delta</b> %
Revenue	9,949	<b>9,575</b>	<b>-3.8</b>
EBITDA	1,104	<b>837</b>	<b>-24.2</b>
EBITDA margin	11.1%	<b>8,7%</b>	
EBIT	526	<b>-82</b>	<b>-115.7</b>
EBIT margin	5.3%	<b>-0.9%</b>	
Profit before tax	431	<b>-185</b>	<b>-143.0</b>
Profit after tax*	281	<b>-160</b>	<b>-156.9</b>
EPS – earnings per share (euros)	1.40	<b>-0.97</b>	<b>-169.3</b>

In millions of euros

\* Before deduction of non-controlling interests and interest on hybrid capital

# voestalpine GROUP

## DEVELOPMENT EBIT Q1-Q3 BY 2019/20



# voestalpine GROUP

## DEVELOPMENT CASH FLOW

**Q1-Q3 BY 2018/19**

2018/04/01-2018/12/31

**Q1-Q3 BY 2019/20**

2019/04/01-2019/12/31

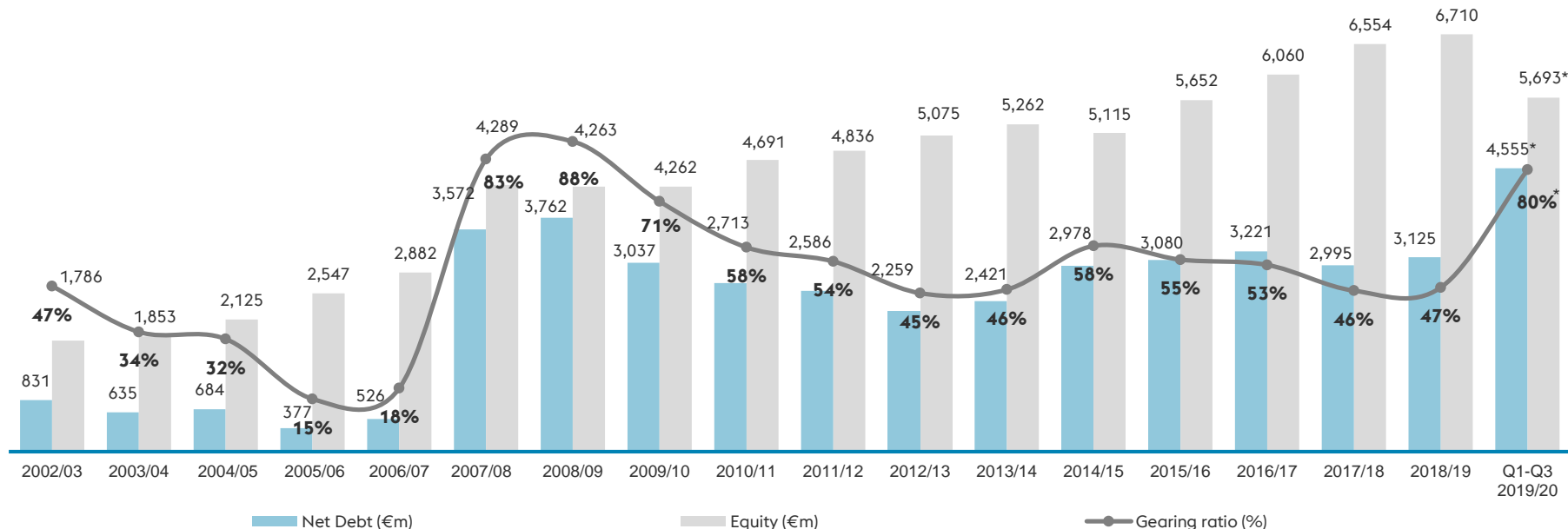
Cash flow from results	919	677
Changes in working capital	-607	-332
Cash flow from operating activities	312	345
Cash flow from investing activities	-774	-573
Free cash flow	-462	-228

In millions of euros

# voestalpine GROUP

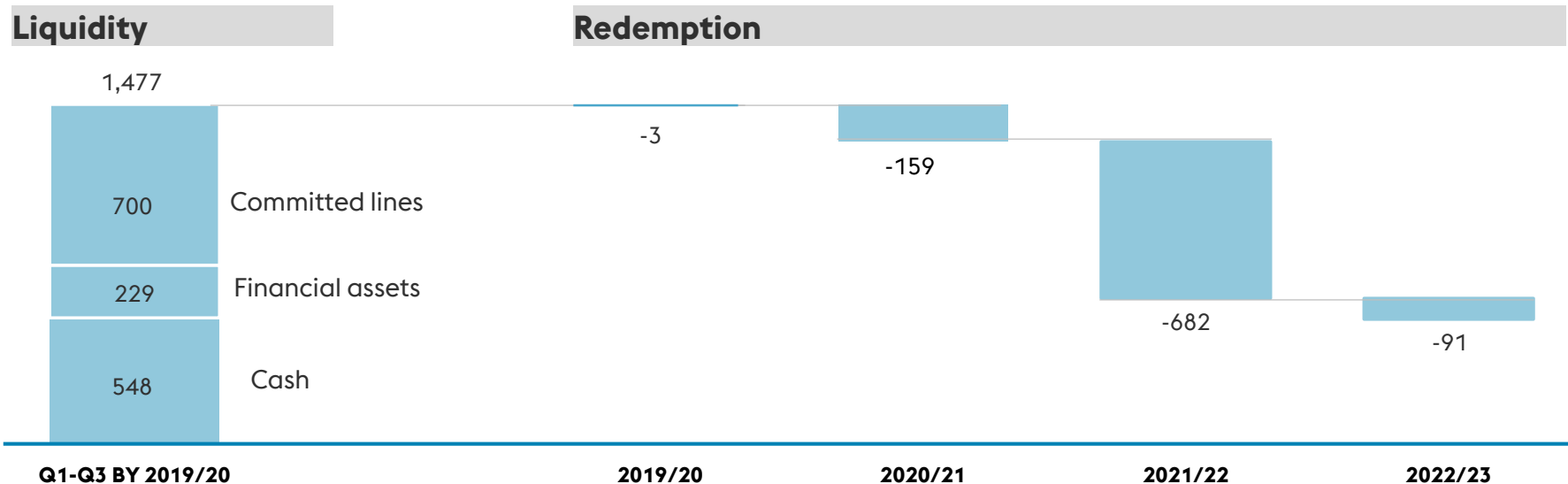
## DEVELOPEMENT GEARING RATIO

\*Structural changes in 2019/20 due to IFRS 16, call of hybrid bond and one-offs



# voestalpine GROUP

## LIQUIDITY AND REDEMPTION SCHEDULE



In millions of euros  
as of 2019/12/31



# voestalpine GROUP

## OUTLOOK FY 2019/20

- » Ad-hoc from Dec. 16<sup>th</sup>, 2019: revision of EBITDA guidance to 1.2bn EUR and of EBIT to just positive
- » Strong demand recovery after turn of the calendar year due to restocking effects
- » Substantial release in working capital, positive development of free cash flow & significant reduction of gearing ratio per end of BY 2019/20
- » Coronavirus adding new risk to economy
- » Focus in 2020/21: reduction of cost base, further restructuring at special steel plant in Wetzlar, Germany and automotive plant in Cartersville, USA



# INVESTOR RELATIONS

---

Peter Fleischer

T. +43/50304/15-9949

[peter.fleischer@voestalpine.com](mailto:peter.fleischer@voestalpine.com)

Gerald Resch

T. +43/50304/15-3152

[gerald.resch@voestalpine.com](mailto:gerald.resch@voestalpine.com)