

# 1<sup>st</sup> QUARTER BY 2023/24

# CURRENT SITUATION

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Investor Relations  
September 2023

# voestalpine GROUP

## SUMMARY CURRENT SITUATION

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- » Economic downturn in Europe has arrived in major customer segments
  - » Financial tightening affects construction and manufacturing sectors in particular
  - » Weak demand in construction, mechanical engineering, white goods and consumer goods industries
  - » Good demand situation in automotive industry
  - » Unchanged strong demand from railway infrastructure and aerospace industries
  - » Overall good performance in the oil and gas sector
- » North American economy proves resilient
  - » Railway infrastructure and energy sector support good development of voestalpine's sites
- » Brazil has passed peak of inflation and interest rate cycle
  - » Good performance of voestalpine's sites thanks to ongoing boom in solar industry and global demand from conventional energy sector
- » “Reopening” effects of Chinese economy lost momentum after spring
  - » Largely stable development of voestalpine's sites

# DEVELOPMENT OF DIVISIONS

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# STEEL DIVISION

## BUSINESS DEVELOPMENT

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- » Current situation
  - » Diverging trends in major voestalpine market segments
  - » Demand from the automotive sector stable at good level
  - » Good project landscape in conventional energy (oil and gas) sector
  - » Unchanged weak demand situation in white goods industry
  - » Decline in demand in construction and mechanical engineering industries
- » Current assessment of further development
  - » Automotive demand expected to stay on good level
  - » Pipeline project awards in the oil and gas sector will take effect in the second half of BY 2023/24
  - » Weakness in building and construction, mechanical engineering and whitegoods industries is expected to continue

# STEEL DIVISION

## FINANCIAL FIGURES Q1 BY 2023/24

€m	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24	Delta in %
Revenue	1,826	1,611	1,504	1,709	<b>1,644</b>	-10.0
EBITDA	527	270	140	184	<b>174</b>	-66.9
EBITDA-%	28.8%	16.7%	9.3%	10.7%	<b>10.6%</b>	
EBIT	462	204	77	120	<b>110</b>	-76.2
EBIT-%	25.3%	12.7%	5.1%	7.0%	<b>6.7%</b>	

# HIGH PERFORMANCE METALS DIVISION

## BUSINESS DEVELOPMENT

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- » Current situation
  - » Good demand for special materials for the aerospace and oil & gas businesses
  - » Declining demand for tool steel
    - » Weak situation in Europe, in particular in Germany
    - » Muted demand in North- and South America, but overall better than Europe
    - » Asian markets lost momentum after strong rebound in spring 2023
- » Current assessment of further development
  - » Continuation of positive trends in aerospace and oil & gas sectors expected
  - » Improvement of demand for tool steel after summer, but business environment overall expected to stay challenging
- » Ramp-up of new special steel plant in Kapfenberg, Austria

# HIGH PERFORMANCE METALS DIVISION

## FINANCIAL FIGURES Q1 BY 2023/24

€m	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24	Delta in %
Revenue	959	921	904	1,006	<b>934</b>	<b>-2.5</b>
EBITDA	146	101	78	237	<b>96</b>	<b>-34.0</b>
EBITDA-%	15.2%	10.9%	8.6%	23.6%	<b>10.3%</b>	
EBIT	108	-111	39	203	<b>55</b>	<b>-48.8</b>
EBIT-%	11.2%	-12.1%	4.3%	20.2%	<b>5.9%</b>	

# METAL ENGINEERING DIVISION

## BUSINESS DEVELOPMENT

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- » Current situation
  - » Excellent performance in Railway Systems business
  - » Demand for Seamless Tubes (OCTG) is intact, but price levels have normalized after overheated market phase
  - » Wire business weakened due to slowdown in construction and mechanical engineering industries
  - » Welding business developing overall positive
- » Current assessment of further development
  - » Ongoing strong development of Railway Systems business expected
  - » Demand for Seamless Tubes expected to continue on good levels, but margins expected to return to normal levels
  - » Wire business expected to stay challenging
  - » Welding business expected to stay solid



# METAL ENGINEERING DIVISION

## FINANCIAL FIGURES Q1 BY 2023/24

€m	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24	Delta in %
Revenue	1,042	1,076	1,077	1,094	<b>1,144</b>	+9.8
EBITDA	121	121	168	176	<b>182</b>	+50.4
EBITDA-%	11.6%	11.2%	15.6%	16.1%	<b>15.9%</b>	
EBIT	77	77	117	133	<b>138</b>	+79.2
EBIT-%	7.4%	7.1%	10.9%	12.2%	<b>12.1%</b>	

# METAL FORMING DIVISION

## BUSINESS DEVELOPMENT

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- » Current situation
  - » Automotive Components business improved recently
  - » Mixed development in Tubes & Sections business
    - » Weak demand from construction industry
    - » Order level in solar and storage technology unchanged on good level
  - » Decline in demand in Precision Strip business in Europe and North America
  - » Continuation of positive market environment in Warehouse & Rack Solutions business
- » Current assessment of further development
  - » Automotive Components at least stable
  - » Continuation of existing trends in Tubes & Sections
  - » Weakness in Precision Strip expected until end of Calendar Year 2023
  - » Ongoing positive development in Warehouse and Rack solutions

# METAL FORMING DIVISION

## FINANCIAL FIGURES Q1 BY 2023/24

€m	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24	Delta in %
Revenue	1,039	971	911	940	<b>884</b>	-14.9
EBITDA	114	85	79	97	<b>81</b>	-28.6
EBITDA-%	11.0%	8.8%	8.7%	10.3%	<b>9.2%</b>	
EBIT	78	48	44	60	<b>46</b>	-41.1
EBIT-%	7.5%	5.0%	4.9%	6.4%	<b>5.2%</b>	

# FINANCIAL OVERVIEW

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## Q1 BY 2023/24

# voestalpine GROUP

## FINANCIAL OVERVIEW

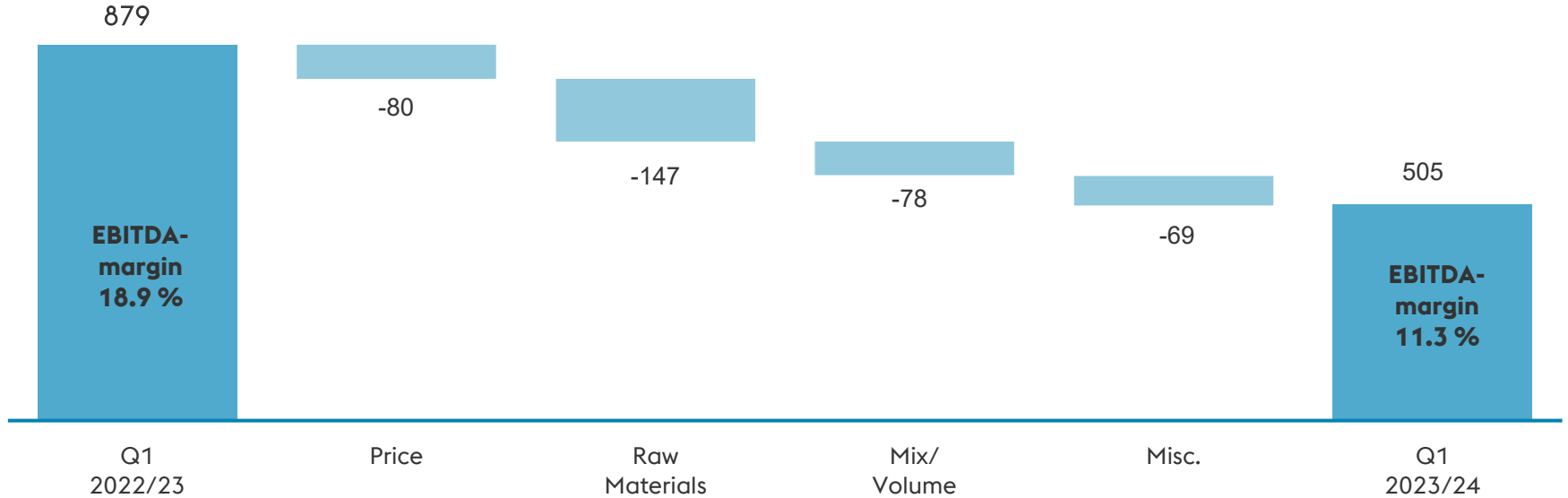
	Q1 BY 2022/23 2022/04/01-2022/06/30	Q1 BY 2023/24 2023/04/01-2023/06/30	Delta %
Revenue	4,645	4,446	-4.3
EBITDA	879	505	-42.6
EBITDA margin	18.9 %	11.3 %	
EBIT	693	316	-54.4
EBIT margin	14.9 %	7.1 %	
Profit before tax	670	278	-58.5
Profit after tax from continuing operations	523	220	-58.0
Profit after tax from discontinued operations	91	-2	
Profit after tax*	615	218	-64.5
EPS – basic earnings per share (euros)	3.34	1.03	-69.2

In millions of euros

\* Before deduction of non-controlling interests.

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## YoY DEVELOPMENT EBITDA Q1 BY 2023/24



In millions of euros

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## DEVELOPMENT CASH FLOW

**Q1 BY 2022/23**  
2022/04/01-2022/06/30

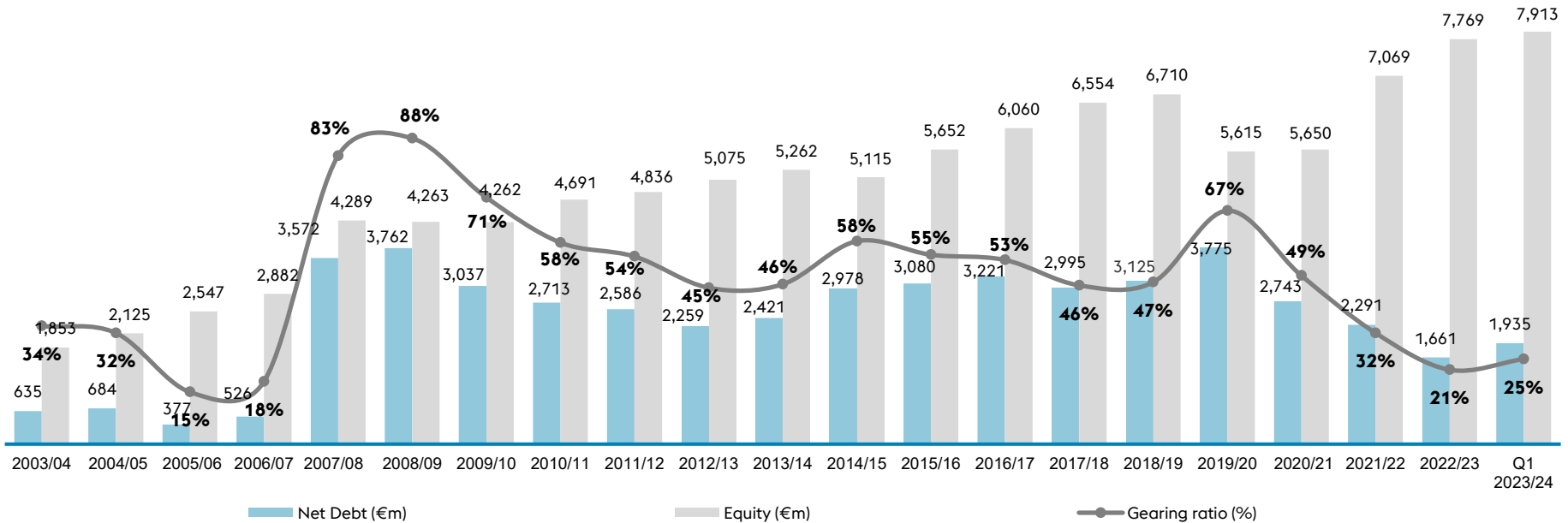
**Q1 BY 2023/24**  
2023/04/01-2023/06/30

Cash flow from results	755	406
Changes in working capital	-1,306	-396
Cash flow from operating activities	-551	10
Cash flow from investing activities	585	-260
Free cash flow	34	-250

In millions of euros

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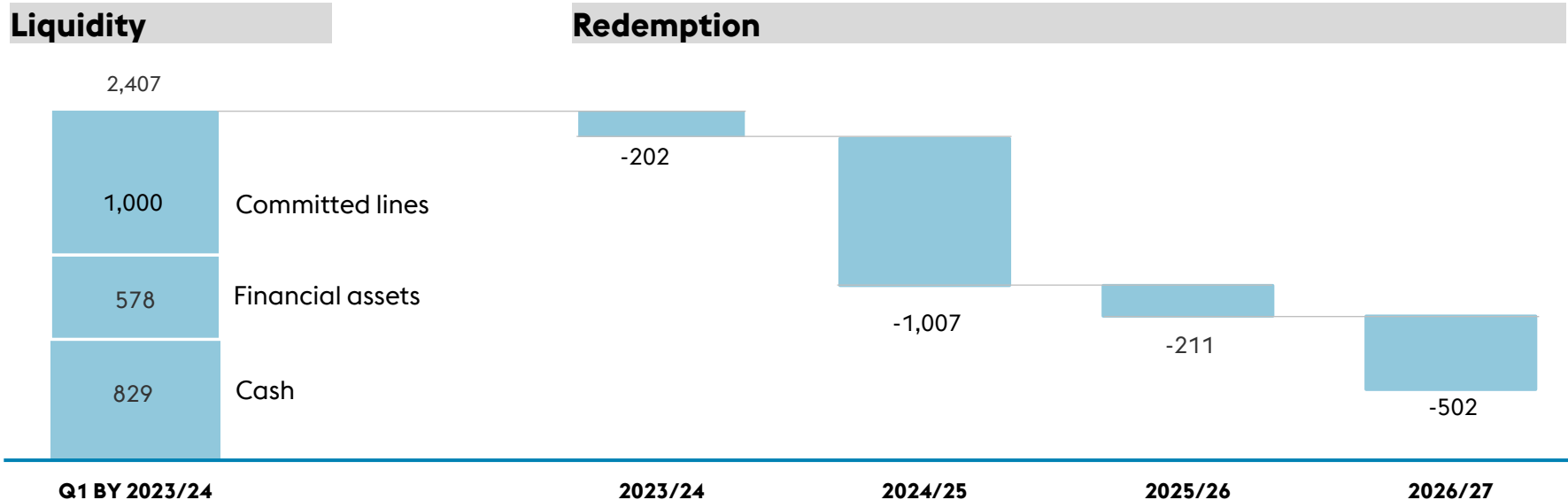
## DEVELOPEMENT GEARING RATIO





# voestalpine GROUP

## LIQUIDITY AND REDEMPTION SCHEDULE



In millions of euros

# voestalpine GROUP

## OUTLOOK BY 2023/24

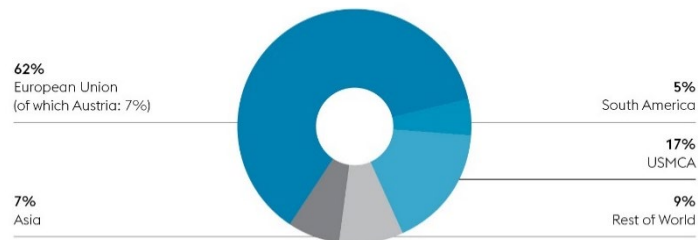
- » Ongoing weak development of construction, mechanical engineering and consumer goods industries expected for the rest of BY 2023/24
- » Forecast for demand from the automotive sector at least stable on current level
- » Still attractive demand situation in the energy segment for the remaining business year anticipated, despite some softening of momentum
- » Railways and aerospace industries will continue their very good development
  
- » In summary, the latest developments and assumptions for the coming quarters are in line with the expectation at the beginning of BY 2023/24. The earnings-outlook therefore remains unchanged:
- » EBITDA for BY 2023/24 is expected between 1.7 and 1.9 billion EUR

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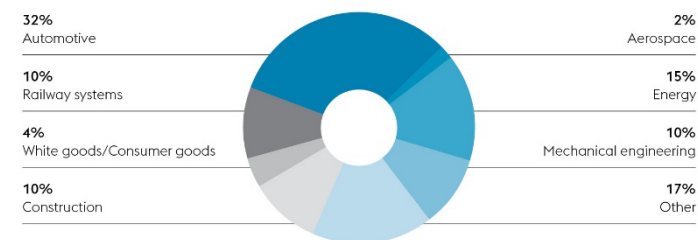
### REVENUE BY REGIONS

As percentage of Group revenue, business year 2022/23



### REVENUE BY INDUSTRIES

As percentage of Group revenue, business year 2022/23



voestalpine

ONE STEP AHEAD.

# DECARBONIZATION

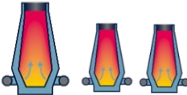
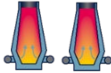

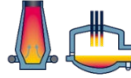




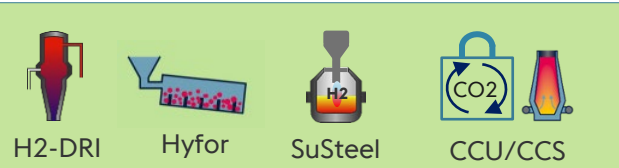
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# UPDATE

# DECARBONIZATION STRATEGY

## STEP-BY-STEP APPROACH

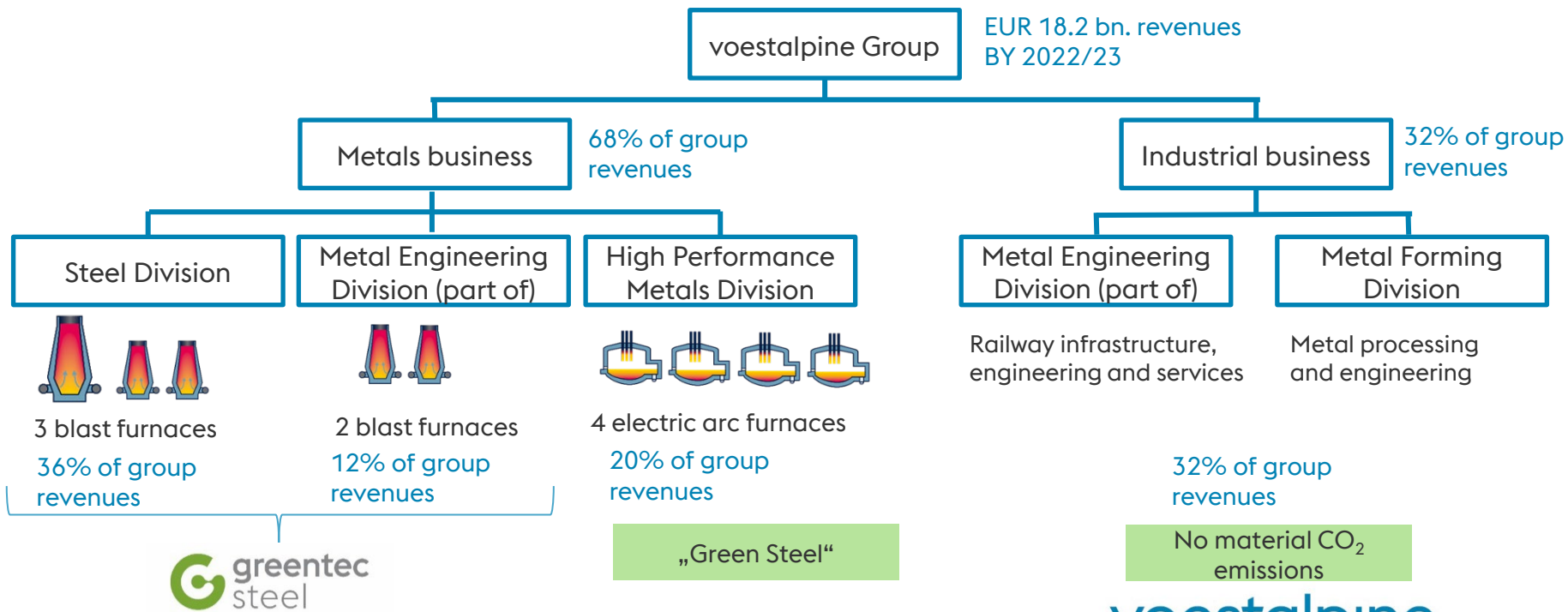


Timeline	Steel Division	Metal Engineering Division	voestalpine Group		Comment
Status Quo			5 blast furnaces 20% Stake DRI facility		„Synthetic“ green steel via banking model to develop market
Phase 1 2027-2030			3 blast furnaces, 2 EAFs 20% Stake DRI facility	2.5 mt green steel (up to) -30% CO <sub>2</sub> emissions*	CAPEX: approx. EUR 1.5 bn. contains investments for Phase 2
Phase 2 2030 -2035			1 blast furnace, 3 EAFs 20% Stake DRI facility	4 mt green steel -50% CO <sub>2</sub> emissions*	CAPEX: act. estimation EUR 0.5 bn.** parts already invested in Phase 1 Make or buy decision additional HBI
Phase 3 2035 - 2050			3 EAFs + 1 EAF / Smelter 20% Stake DRI facility	7 mt green steel -100% CO <sub>2</sub> emissions* = net zero	The final phase of decarbonization requires decisions on technology and location, which are economically decisive.
<div style="background-color: #e0f2f1; padding: 10px; border: 1px solid #c8e6c9;">  </div>			+ various options: → H <sub>2</sub> -DRI-process → Hyfor → SuSteel → CCU/CCS/sector coupling → ...		Those decisions are made according to the development of technologies as well as legal and economic framework conditions.

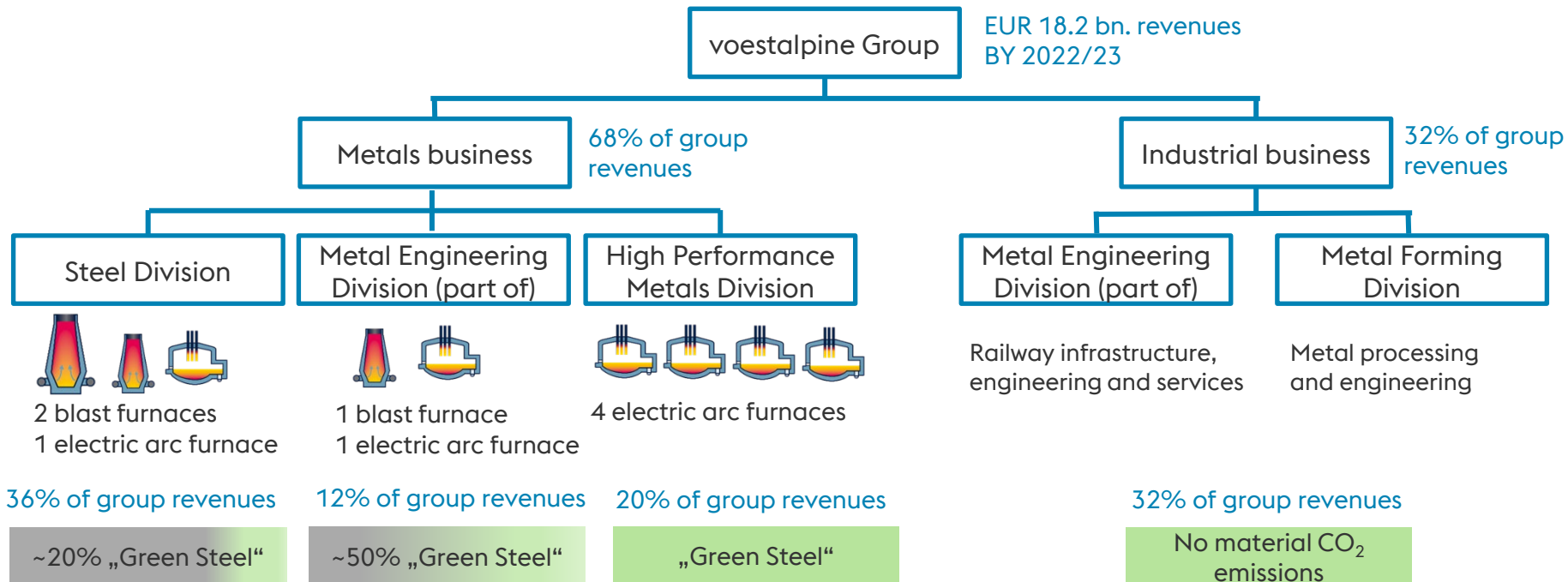
\*) relative to status quo

\*\*) depending on final technical setup

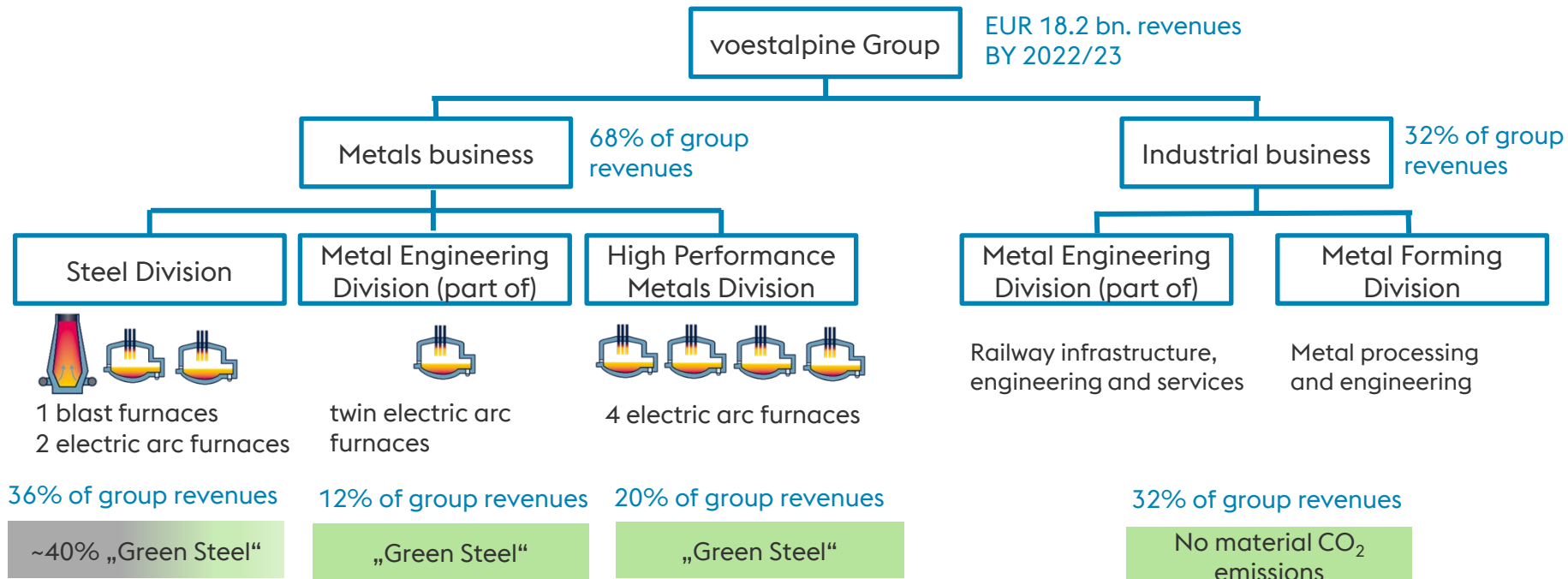
## PRODUCTION PROCESSES – STATUS QUO



## PRODUCTION PROCESSES in PHASE 1: 2027 - 2030



## PRODUCTION PROCESSES in PHASE 2: 2030 - 2035



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## DECARBONIZATION UPDATE

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### » Actual development

- » Order for electric arc furnace for Metal Engineering Division placed in July 2023
  - » Twin-EAF, technical capacity already covering phase 2
  - » Only technical modification for phase 2 necessary (no additional EAF)
- » Order placement for electric arc furnace for Steel Division planned for second half of BY 2023/24
- » All activities according to plan and budget

### » Strategy and timeline of decarbonization

- » Present day: **52%** of voestalpine's business\* with no material Scope 1 carbon emissions
- » Phase 1: 2027-2030: **65%** of voestalpine's business\* with no material Scope 1 carbon emissions resp. transformed production
- » Phase 2: 2030-2035: **80%** of voestalpine's business\* with no material Scope 1 carbon emissions resp. transformed production
- » Phase 3: after 2035: Transformation of remaining blast furnace operations (accounting for 20% of voestalpine's business\*) by best available technology at optimal location



# INVESTOR RELATIONS

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