BUSINESS YEAR 2018/19
2nd QUARTER, 1st HALF

Investor Relations
NOVEMBER 2018

voestalpine AG
www.voestalpine.com

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OVERVIEW – BUSINESS MODEL

- 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
- 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

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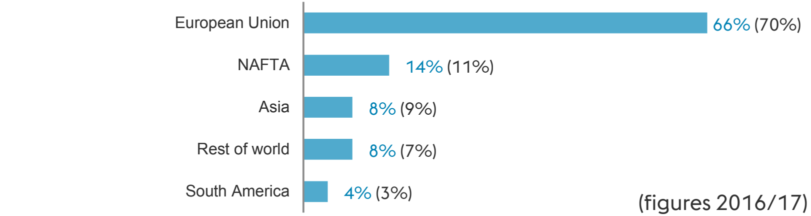
GLOBAL FOOTPRINT

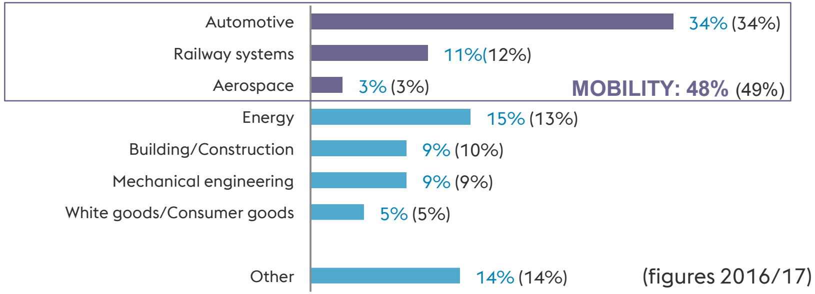
One Group – 500 sites – 50 countries – 5 continents

INCREASING NON-EU-BUSINESS, MOBILITY-SECTOR STABLE

Revenue by regions - Business year 2017/18



Revenue by industries - Business year 2017/18



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BUSINESS YEAR H1 BY 2018/19

- Strong start into business year 2018/19 but dynamics in Q2 2018/19 moderating
  - Overall solid development in Europe but recent sentiment indicators signaling growth-slowdown in H2
  - European – in particular German – automotive industry with disturbances in production and demand after implementation of new exhaust emission test procedure (WLTP)
  - Prolongation of strong economic growth in US based mostly on unchanged high consumer spending after tax reform
  - First negative impacts from protectionist trade policies in China, fragile upturn in Brazil
- Earnings of voestalpine Group in Q2 2018/19 subdued because of
  - distortions in the European automotive industry (WLTP) affecting voestalpine Group after summer
  - significant negative earnings impact from blast furnace repairs in Steel Division
  - increased costs from automotive ramp-up activities in North America
  - unscheduled shutdown of HBI-plant in Texas in September due to heavy rain
  - first negative effects from trade tensions in tool steel markets after summer (China, EU)

STEEL DIVISION
BUSINESS DEVELOPMENT H1 BY 2018/19

- Blast furnace repair successfully completed by end of September
  - Significant EBIT-impact primarily in Q2
- Largely solid business conditions in H1 2018/19
  - Positive sentiment in building & mechanical engineering sectors bolstering high utilization rates in European steel industry
  - Moderating order intake from consumer goods industry
  - After strong development for most of H1 2018/19, automotive sector impacted by new emission test procedure WLTP in September, currently unclear picture about further development
- Heavy Plate business benefiting from processing of highly sophisticated specifications in deep-sea pipeline business
- Heavy rain caused production stops of HBI-plant in Texas

€m	Q1 18/19	Q2 18/19	H1 18/19	H1 17/18	Delta in %
Revenue	1,276	1,139	**2,416**	2,299	**5.1**
EBITDA	224	119	**342**	443	**-22.7**
EBITDA-%	17.5%	10.4%	**14.2%**	19.3%	
EBIT	145	37	**182**	288	**-36.9**
EBIT-%	11.4%	3.2%	**7.5%**	12.5%	

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HIGH PERFORMANCE METALS DIVISION
BUSINESS DEVELOPMENT H1 BY 2018/19

- Slowing momentum in particular regions & sectors
  - China with receding dynamics in automotive & consumer goods
  - Increasing protectionism negatively impacting tool steel demand
- In contrast, further improving sentiment in oil & gas
- Stable growth in aviation industry
- Solid order intake in Europe in building and mechanical engineering business, however sentiment in some areas of tool steel business moderating
- Overall stable performance in the US
- Prolongation of upward trend of Brazilian operations

€m	Q1 18/19	Q2 18/19	H1 18/19	H1 17/18	Delta in %
Revenue	780	766	**1,546**	1,431	**8.0**
EBITDA	129	101	**230**	227	**1.5**
EBITDA-%	16.6%	13.1%	**14.9%**	15.8%	
EBIT	92	64	**156**	152	**2.3**
EBIT-%	11.8%	8.3%	**10.1%**	10.6%	

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METAL ENGINEERING DIVISION
BUSINESS DEVELOPMENT H1 BY 2018/19

- Railway Systems bundling expertise in rails, turnouts & signaling
  - Slightly enhanced activities in Europe after two challenging years
  - Pick up of railway infrastructure investments in China in Q2 after project deferrals in Q1
  - Upturn in the US, improving dynamics in the mining regions of Australia & Brazil
- Industrial Systems somewhat behind expectations after solid start into BY 2018/19
  - Wire business with strong start, but distortions in European automotive industry in late summer
  - Seamless tubes business facing strong OCTG market in North America, but US-duties constrain positive dynamics for importers
  - Welding consumables with stable development

€m	Q1 18/19	Q2 18/19	H1 18/19	H1 17/18	Delta in %
Revenue	800	748	**1,547**	1,511	**2.4**
EBITDA	99	85	**184**	178	**3.4**
EBITDA-%	12.3%	11.4%	**11.9%**	11.8%	
EBIT	56	44	**101**	81	**23.7**
EBIT-%	7.0%	5.9%	**6.5%**	5.4%	

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METAL FORMING DIVISION
BUSINESS DEVELOPMENT H1 BY 2018/19

- After strong development of automotive markets over the last 3 years difficult situation in late summer because of
  - temporary production stops at European OEMs due to new emission test WLTP with negative effects on the whole automotive supply chain
  - higher than expected ramp-up costs of US automotive components plants
- Market environment in Tubes & Sections on average level
  - Solid activities in continental Europe in mechanical engineering, construction as well as commercial vehicle industry
  - Declining sentiment in UK due to increasing BREXIT-uncertainties
  - Solid order intake in the US, improving demand in Brazil
- Ongoing strong performance in business units Warehouse & Rack Solutions as well as Precision Strip

€m	Q1 18/19	Q2 18/19	H1 18/19	H1 17/18	Delta in %
Revenue	748	697	**1,445**	1,322	9.3
EBITDA	84	68	**153**	164	-6.8
EBITDA-%	11.3%	9.8%	**10.6%**	12.4%	
EBIT	56	39	**94**	109	-13.2
EBIT-%	7.5%	5.6%	**6.5%**	8.2%	

FINANCIAL OVERVIEW H1 BY 2018/19

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FINANCIAL OVERVIEW

	H1 BY 2017/18 2017/04/01-2017/09/30	H1 BY 2018/19 2018/04/01-2018/09/30	Delta %
Revenue	6,302	6,674	5.9
EBITDA	969	860	-11.2
EBITDA margin	15.4%	12.9%	
EBIT	584	480	-17.9
EBIT margin	9.3%	7.2%	
Profit before tax	514	422	-17.9
Profit after tax[1]	389	316	-18.7
EPS – earnings per share (euros)	2.09	1.69	-19.1

In millions of euros

[1]Before deduction of non-controlling interests and interest on hybrid capital.

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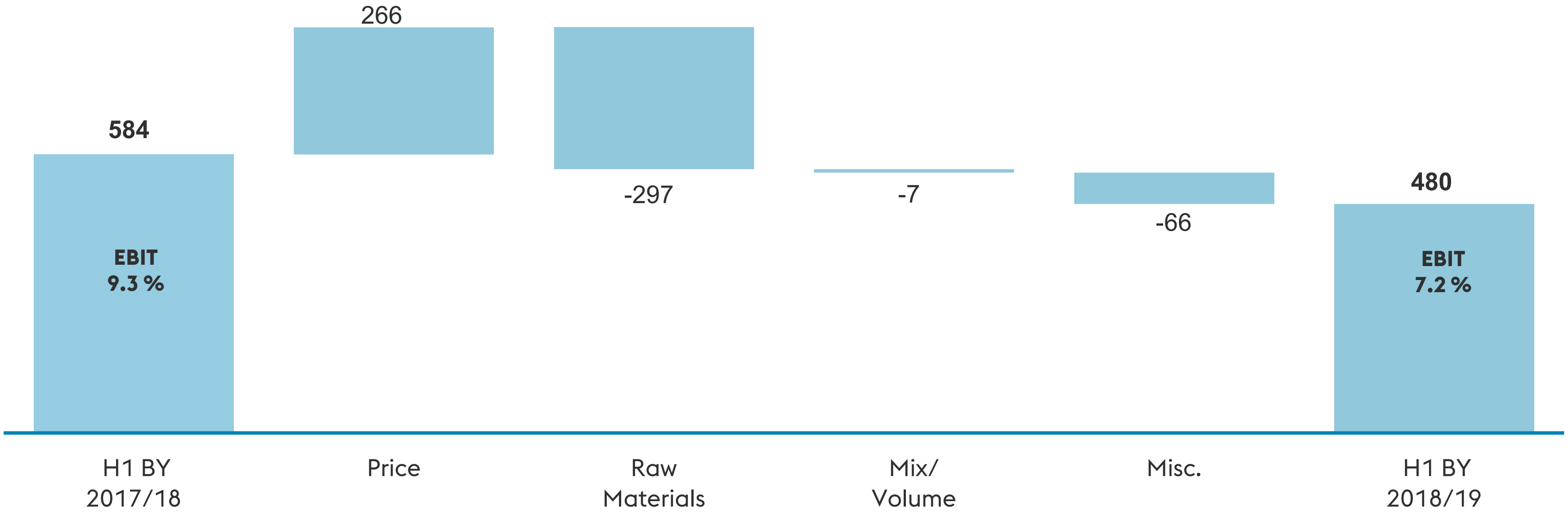
DEVELOPMENT EBIT H1 BY 2018/19



In millions of euros

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DEVELOPMENT CASH FLOW

	H1 BY 2017/18 2017/04/01-2017/09/30	H1 BY 2018/19 2018/04/01-2018/09/30
Cash flow from results	755	657
Changes in working capital	-373	-492
Cash flow from operating activities	382	165
Cash flow from investing activities	-380	-487
Free cash flow	2	-322

In millions of euros

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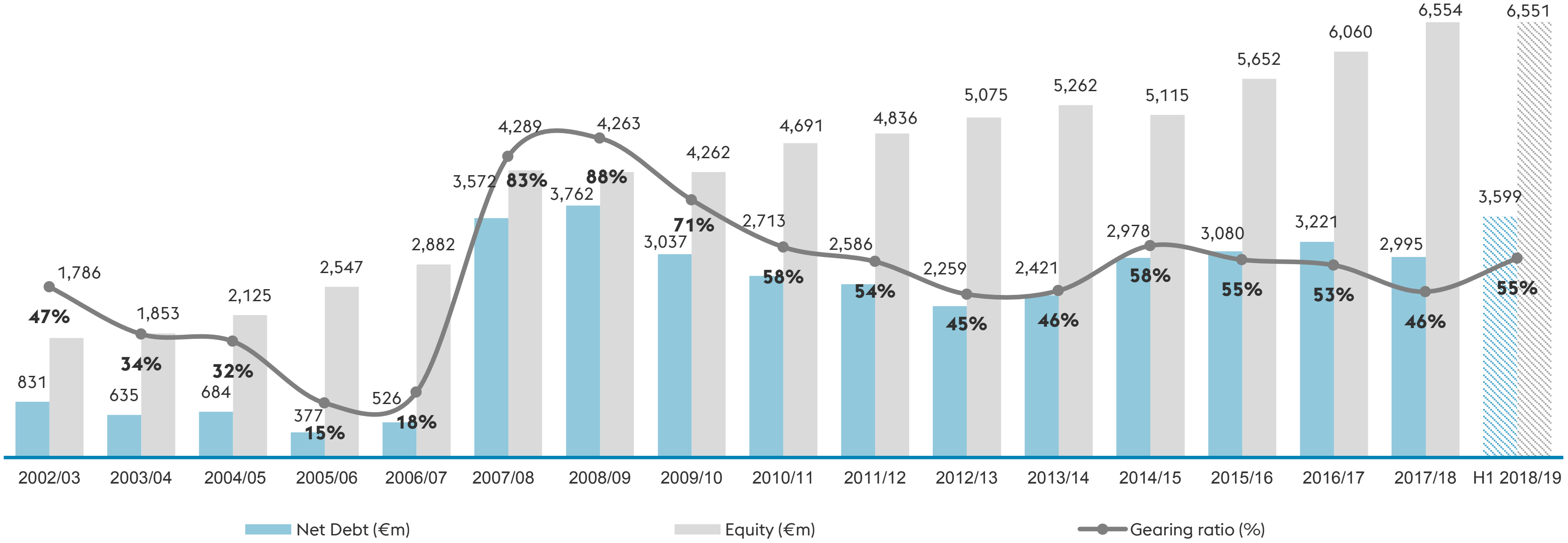
DEVELOPEMENT GEARING RATIO



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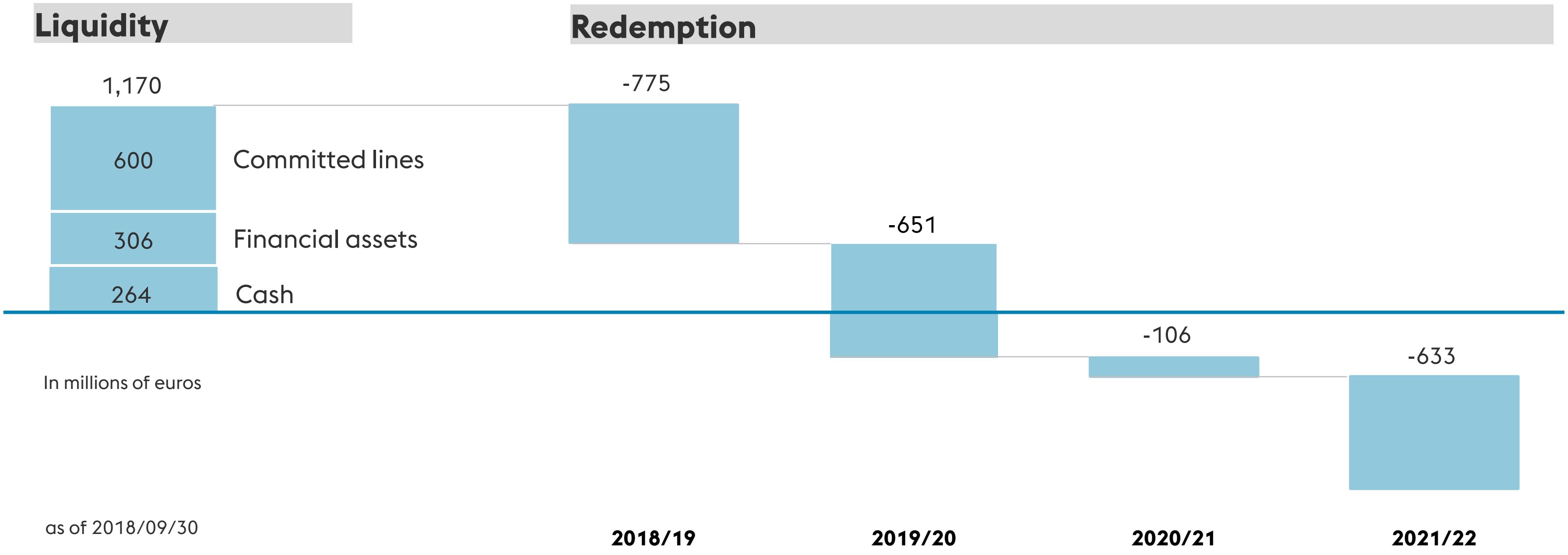
LIQUIDITY AND REDEMPTION SCHEDULE



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OUTLOOK BY 2018/19

- The earnings expectations for the full business year 2018/19 are revised to an EBITDA close to EUR 1.8 billion and an EBIT of just below EUR 1 billion due to:
  - negative effects on international trade flows because of increasing protectionist measures by more and more countries
  - distortions in the automotive sector triggered by a new exhaust emission test procedure (WLTP) as of September 1, 2018
  - increased costs from the ramp-up of automotive activities in North America in the 2nd half 2018/19
  - a lower earnings contribution from the HBI plant in Texas for the full business year 2018/19
  - increasing logistical challenges triggered by low water levels on European waterways

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INVESTOR RELATIONS

Peter Fleischer
T. +43/50304/15-9949
peter.fleischer@voestalpine.com

Gerald Resch
T. +43/50304/15-3152
gerald.resch@voestalpine.com