



# Business Year 2016/17

## 2<sup>nd</sup> Quarter, 1<sup>st</sup> Half

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Investor Relations  
November 2016

voestalpine AG  
[www.voestalpine.com](http://www.voestalpine.com)

**voestalpine**  
ONE STEP AHEAD.

# voestalpine Group

## Overview

### voestalpine - a leading technology and capital goods group

- 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**



### European or global top 3 player in all business units

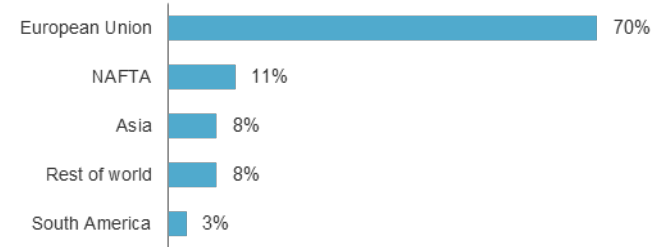
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## Global footprint

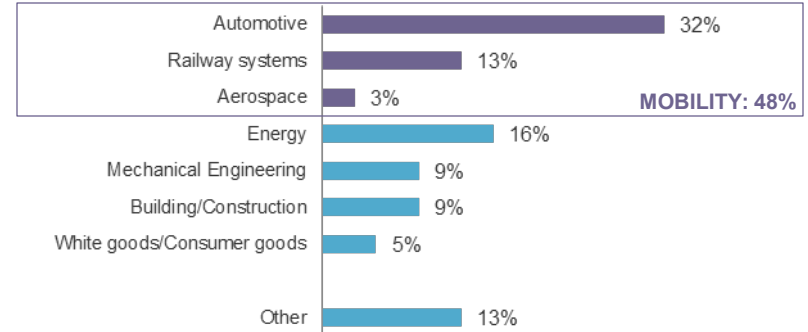
One Group – 500 sites – 50 countries – 5 continents



### Revenue by **regions** (Business year 2015/16)



### Revenue by **industries** (Business year 2015/16)



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## Business development H1 BY 2016/17

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- **Significant upturn** in Q2 2016/17 after restrained earnings development in Q1
- Despite uncertainty of “**BREXIT**” and further **political threats** continuation of moderate **growth path in Europe**
  - Private consumption supporting economic development, unchanged weak investing activities
  - Excellent order intake from **automotive, aviation** and **consumer goods** industries, solid demand in railway systems
- Fading dynamics in **North America**, especially USA
  - **Industry** and **public sector** cautious, private consumption still strong
  - **Strong currency** and **weak oil & gas sector** limiting growth
- Ongoing recessive trend in **Brazil**, improving outlook after **political change**
- Public spending and accelerated **exports** as drivers of economic consolidation in **China**
  - Vast number of countries reacting with **trade barriers** not only in steel business

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## Key Figures H1 BY 2016/17

€m	REPORTED FIGURES			CLEAN FIGURES		
	H1 2015/16	H1 2016/17	Delta in %	H1* 2015/16	H1* 2016/17	Delta in %
Sales	5,787	5,408	-6.5	5,787	5,408	-6.5
EBITDA	892	705	-21.0	755	705	-6.6
EBITDA-%	15.4%	13.0%		13.0%	13.0%	
EBIT	575	369	-35.9	450	376	-16.3
EBIT-%	9.9%	6.8%		7.8%	7.0%	

\*) Excluding one-offs from changes of consolidation (Metal Engineering Division)

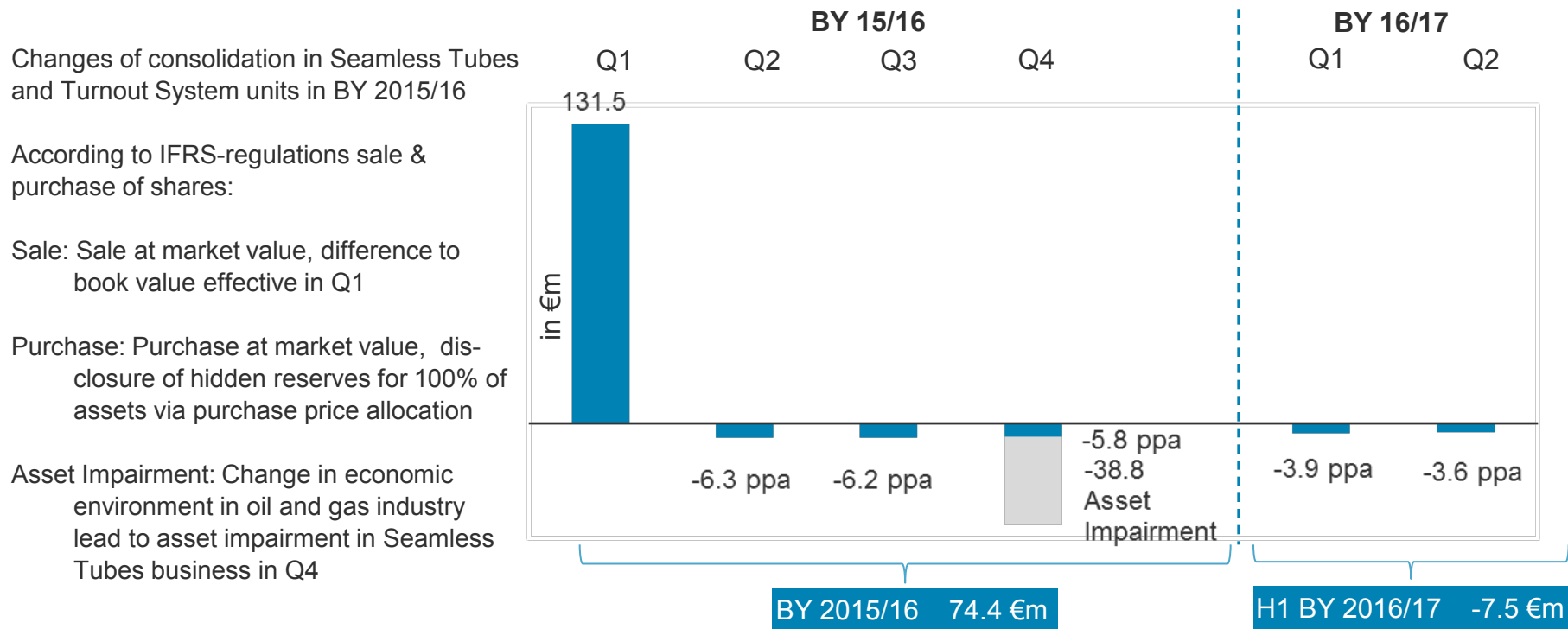
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## voestalpine Group Q1 vs. Q2 BY 2016/17 on clean basis

voestalpine Group	€m	Q1	Q2		Q1	Q2	Delta
		2015/16	2015/16		2016/17	2016/17	in %
	Sales	3,002	2,785		2,772	2,635	-4.9
	EBITDA	389	366		334	371	+11.1
	EBITDA-%	13.0%	13.1%		12.0%	14.1%	
	EBIT	237	213		172	205	+19.5
	EBIT-%	7.9%	7.6%		6.2%	7.8%	

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## One-off-effects on EBIT-level



# Steel Division

## Business development H1 BY 2016/17



- Strong order intake for high quality steel in Europe
  - Nevertheless abating European crude steel production due to strong imports
- Significant upturn of earnings in Q2 2016/17 after subdued performance in Q1
  - Substantial price increases in Q2 for new contracts, time-lag of one quarter to spot-market movements
  - Negative one-offs in Q1
- Preliminary import duties from October on hot-rolled steel and heavy plate from China supportive for new price settlements
  - Surging coking coal price as burden as well as additional trigger
- Successful ramp-up of HBI-plant in Texas/USA in Q2 2016/17

€m	Q1 16/17	Q2 16/17	Delta in %	H1 15/16	H1 16/17	Delta in %
Sales	909	867	-4.6	1,991	1,776	-10.8
EBITDA	87	144	+64.7	253	231	-8.8
EBITDA-%	9.6%	16.6%		12.7%	13.0%	
EBIT	21	76	+260.2	133	97	-26.8
EBIT-%	2.3%	8.8%		6.7%	5.5%	



# Special Steel Division

## Business development H1 BY 2016/17



- Stable development in automotive & consumer goods demand as basis for overall solid tool steel performance
- Strong impulses from aviation industry
- Ongoing weakness in oil & gas sector, modest progress in power plant industry
- Uneven development of global markets
  - Restrained order behaviour in Europe
  - Unchanged positive momentum in Asia, in particular China & India
  - Stronger Brazilian Real putting pressure on exports
  - Weakening market in North America
- Continuous extension of Value-Added Services
  - New coating sites in India & Mexico

€m	Q1 16/17	Q2 16/17	Delta in %	H1 15/16	H1 16/17	Delta in %
Sales	667	639	-4.2	1,369	1,306	-4.6
EBITDA	99	94	-4.9	186	194	+4.0
EBITDA-%	14.9%	14.8%		13.6%	14.8%	
EBIT	63	58	-8.2	118	122	+3.3
EBIT-%	9.5%	9.1%		8.6%	9.3%	

# Metal Engineering Division

## Business development H1 BY 2016/17

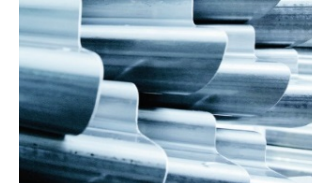


- Solid business environment in railway infrastructure
  - Investments in European railway market stable on high level
  - Unchanged healthy demand situation in Asia, in particular China
  - Slowing dynamics in North-America & Mid-East
- Oil & gas sector (seamless tubes) through trough
  - First positive demand indications from US in Q3 BY 2016/17
  - Production back to 3-shift operation
- Wire Technology unchanged strong thanks to ongoing dynamics in automotive sector
  - Ramp up of new wire rolling mill on schedule
- Welding Consumables successfully restructured
- 12 months comparison affected by positive one-offs from changes in consolidation last year (Q1 2015/16)

€m	Q1 16/17	Q2 16/17	Delta in %	H1 15/16	H1 16/17	Delta in %
Sales	680	652	-4.2	1,525	1,333	-12.6
EBITDA	88	84	-3.7	336	172	-48.8
<i>EBITDA Clean</i>	88	84	-3.7	210	172	-17.9
EBITDA-%	12.9%	12.9%		22.0%	12.9%	
<i>EBITDA-% Clean</i>	12.9%	12.9%		13.7%	12.9%	
EBIT	50	46	-7.8	258	96	-63.0
<i>EBIT Clean</i>	54	49	-7.8	144	103	-28.6
EBIT-%	7.3%	7.0%		16.9%	7.2%	
<i>EBIT-% Clean</i>	7.9%	7.6%		9.5%	7.7%	

# Metal Forming Division

## Business development H1 BY 2016/17



- Continuing positive development in Automotive Components business
  - Auto sales figures further rising in Europe
  - Solid demand of European transplants in North-America despite slowing dynamics of overall US car-market
  - Chinese auto market on solid growth path
  - Focus of capex and acquisitions on North-America
- Tubes & Sections business showing only little dynamics
  - Weak demand in Europe and North-America
  - Still extremely challenging market environment in Brazil
- Solid development of Precision Strip business
- Warehouse & Rack Solutions business with strong 1<sup>st</sup> half, order intake for H2 behind schedule

€m	Q1 16/17	Q2 16/17	Delta in %	H1 15/16	H1 16/17	Delta in %
Sales	616	572	-7.1	1,106	1,188	+7.4
EBITDA	80	73	-8.3	138	153	+10.9
EBITDA-%	13.0%	12.8%		12.5%	12.9%	
EBIT	55	48	-12.9	92	103	+12.9
EBIT-%	9.0%	8.4%		8.3%	8.7%	



# Financial overview

## H1 BY 2016/17

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## Financial overview

### REPORTED FIGURES

H1 BY 2015/16  
01.04.2015 – 30.09.2015

H1 BY 2016/17  
01.04.2016 – 30.09.2016

Delta (%)

### CLEAN FIGURES

H1 BY 2015/16\*  
01.04.2015 – 30.09.2015

H1 BY 2016/17\*  
01.04.2016 – 30.09.2016

Delta (%)

		H1 BY 2015/16 01.04.2015 – 30.09.2015	H1 BY 2016/17 01.04.2016 – 30.09.2016	Delta (%)	H1 BY 2015/16* 01.04.2015 – 30.09.2015	H1 BY 2016/17* 01.04.2016 – 30.09.2016	Delta (%)
Sales	€m	5,787	5,408	-6.5	5,787	5,408	-6.5
EBITDA	€m	892	705	-21.0	755	705	-6.6
EBITDA-margin	%	15.4	13.0		13.0	13.0	
EBIT	€m	575	369	-35.9	450	376	-16.3
EBIT-margin	%	9.9	6.8		7.8	7.0	
EBT	€m	505	311	-38.3	379	319	-15.9
Net profit	€m	421	234	-44.5	290	239	-17.6
EPS**	€ / Share	2.29	1.28	-44.1	1.48	1.30	-12.2

\*) Excluding one-offs from changes of consolidation (Metal Engineering Division)

\*\*\*) Based on average number of shares

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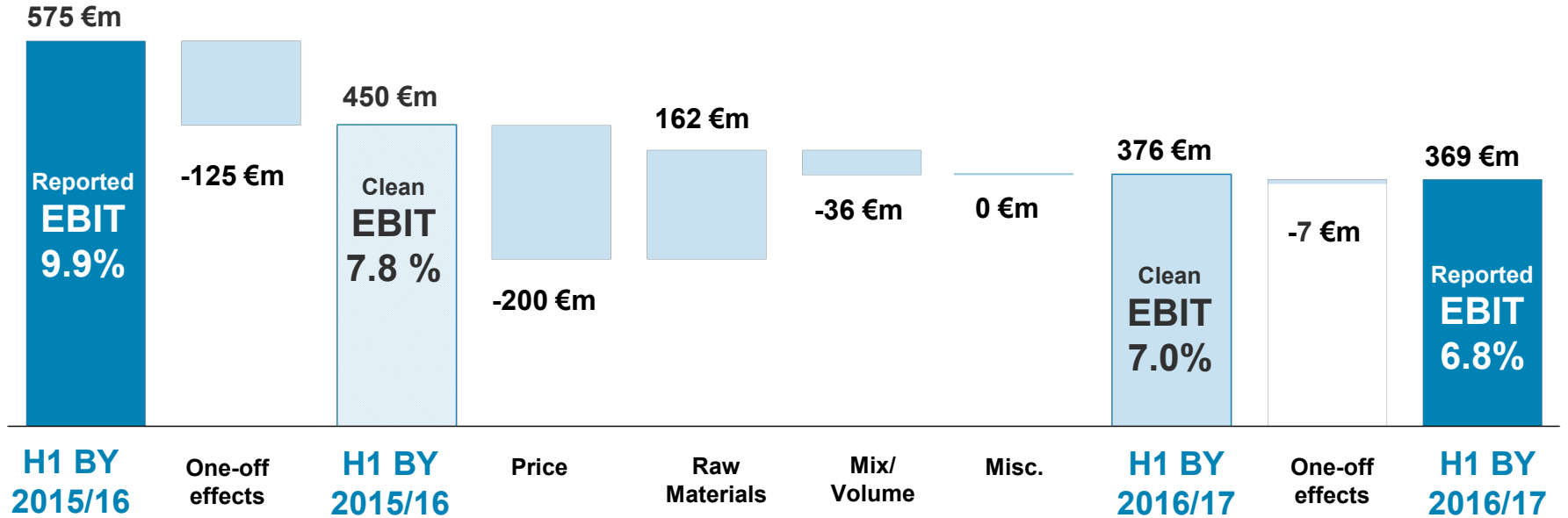
## Financial overview

		H1 BY 2015/16 01.04.2015 – 30.09.2015	H1 BY 2016/17 01.04.2016 – 30.09.2016	Delta (%)	
CAPEX*	€m	647	471	-27.3	*) Fixed assets and acquisitions
Depreciation	€m	317	336	+6.0	
Equity	€m	5,524	5,611	+1.6	
Net Financial Debt	€m	3,153	3,370	+6.9	
Gearing	%	57.1	60.1		

Structure of statement of financial position impacted by special items resulting from exchange rate movements, and an actuarial revaluation of social capital

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## Development EBIT



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## Development cash flow

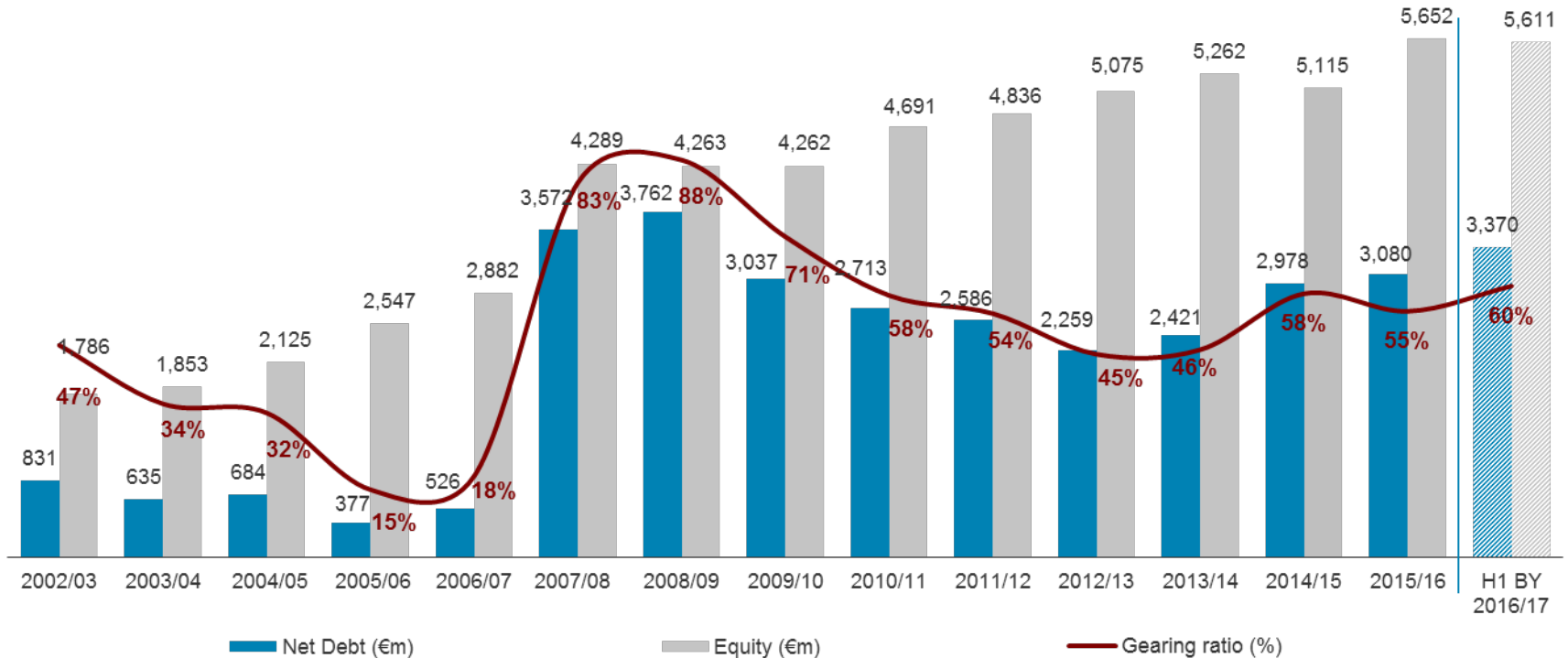
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	<b>H1 BY 2015/16</b> 01.04.2015 – 30.09.2015	<b>H1 BY 2016/17</b> 01.04.2016 – 30.09.2016
	€m	€m
Cash flow from results	590	566
Changes in working capital	-42	-116
Cash flow from operating activities	548	450
Cash flow from investing activities	-665	-535
Free cash flow	-117	-85



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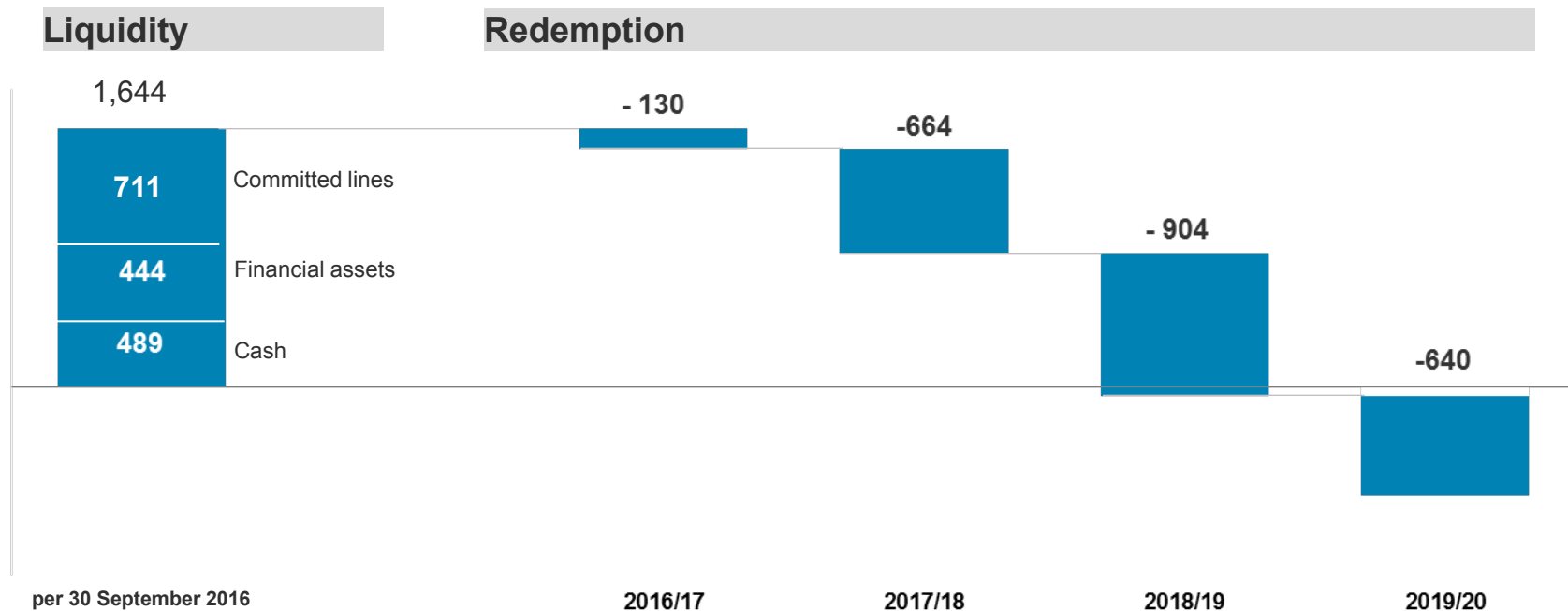
## Development gearing ratio



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## Liquidity and redemption schedule per 30.09.2016

in €m



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## Outlook CY 2016

- Near-term global recovery unlikely
  - „Brexit“ & crisis in Turkey/Near-/Mid-East putting brakes on broader economic upturn
  - Nevertheless continuation of moderate upward trend in EU
  - Receding momentum in the US
  - Recovery in Brazil after change in political leadership?
  - China back on solid growth track around 6.5 %
- Core business segments, in particular automotive, aviation, consumer goods unchanged strong
- Oil & gas industry through trough, but no broad short term upturn

**OUTLOOK: EBIT 2016/17 close to, EBITDA on last year's (clean) level**





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