



Business Year 2015/16

Investor Relations

June 2016

voestalpine AG
www.voestalpine.com

voestalpine
ONE STEP AHEAD.

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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

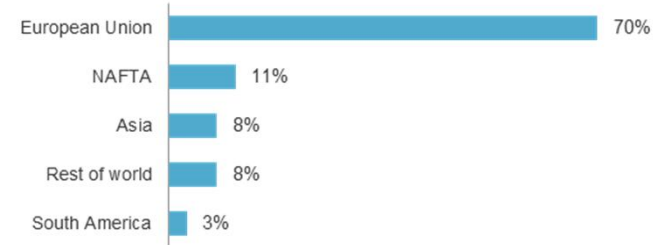
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Global footprint

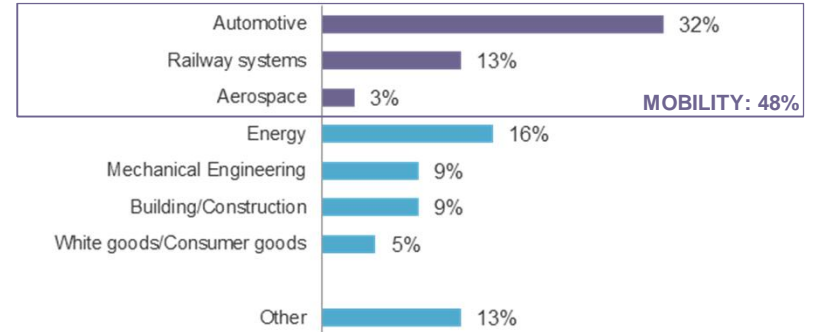
One Group – 500 sites – 50 countries – 5 continents



Revenue by regions (Business year 2015/16)



Revenue by industries (Business year 2015/16)



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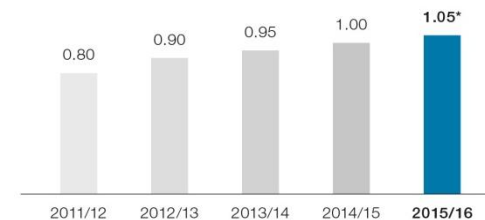
Investing in voestalpine share

Strong focus on creation of sustainable shareholder value

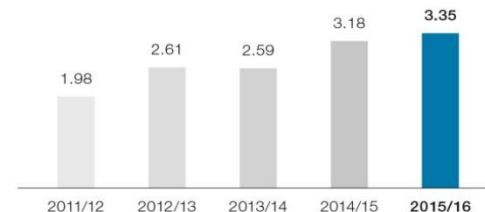
- voestalpine, a listed company for more than 20 years – total shareholder return since IPO 732 % (per March 31, 2016)
- Proven solid business model - leading market positions in major business segments based on innovate product solutions
- Limitation of dependence on “classic” steel cycle because of consistent focus on high-quality “downstream” niche products
- No negative net profit since IPO – not even during financial crisis
- Reduced volatility of earnings due to sound business model with broad diversification of products to both, regions and industries
- Long-term growth perspectives in downstream businesses
- Leading European position in efficiency & profitability

Dividend per share (in €)

* As proposed to the Annual General Shareholders' Meeting.



EPS – earnings per share (in €)



Continuous dividend payment since IPO in 1995 – average dividend yield 3.8%

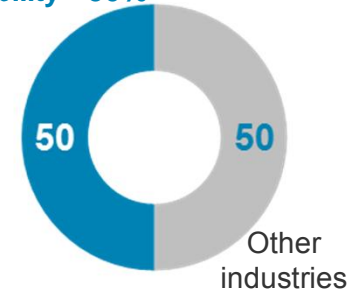
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Strategic principles of voestalpine

- Steel as **sole material** base, additional use of **alternative materials** in processing activities
- Portfolio expansion only in **core businesses** or in core-business-related areas
- **Downstream activities** as drivers of further expansion
 - Consistent extension of the value chain towards attractive end customer segments
- Growth focus in markets **outside Europe** (NAFTA, Asia)
- Industry segments with **highest technology** and **quality** demand as preferred partners
- **Technology** and **quality leadership** in products and services
- Strong **customer orientation** – permanent cost and efficiency management – continuous process optimization
- Minimum **top-3 position** as clear objective in each business unit

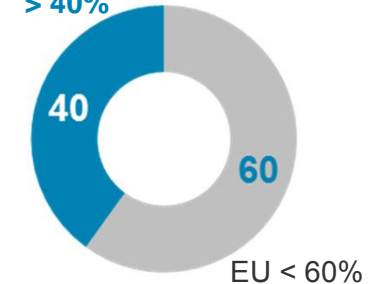
2020-Targets

Mobility ~50%



Other Regions

> 40%



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Business development 2015/16

- Economic & geopolitical challenges weighing on business sentiment in 2015/16
 - Steel price deterioration in Europe triggered by falling raw material prices & import pressure
 - Rising consumer spending driving economic development in Europe, weak public & private investments
 - Former promising markets Russia & Brazil in massive recession
 - After years of growth first indications of slowdown in the US in the course of 2015/16
 - voestalpine's activities hardly affected by economic uncertainties in China
 - Extremely tough conditions in oil & gas sector due to oil price slump
- Despite challenging environment clean EBIT of voestalpine Group only slightly below last year's level
- Positive Free Cash Flow despite CAPEX on peak levels, Gearing Ratio consequently further down
- Most comprehensive current investment project - HBI plant in Texas - in final stage

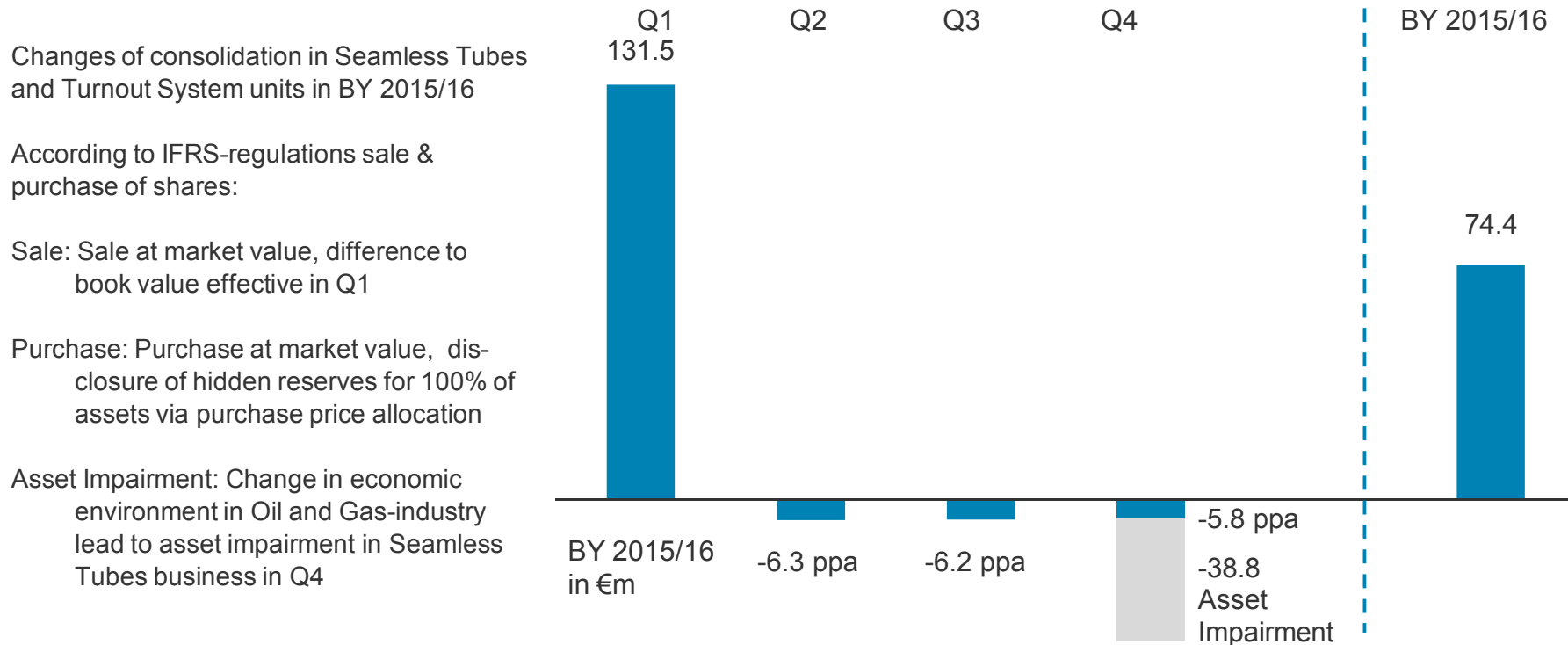
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Quarterly figures BY 2015/16 - reported

€m	Q1 15/16	Q2 15/16	Q3 15/16	Q4 15/16	BY 15/16	BY 14/15	Delta in %
Sales	3,002	2,785	2,594	2,688	11,069	11,190	-1.1
EBITDA	527	366	315	376	1,583	1,530	+3.5
EBITDA-%	17.5%	13.1%	12.2%	14.0%	14.3%	13.7%	
EBIT	368	207	152	162	889	886	+0.3
EBIT-%	12.3%	7.4%	5.9%	6.0%	8.0%	7.9%	

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one-off-effects on EBIT-level



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Quarterly figures BY 2015/16 - clean (excl. one-offs)

€m	Q1 15/16	Q2 15/16	Q3 15/16	Q4 15/16	BY 15/16	BY 14/15	Delta in %
Sales	3,002	2,785	2,594	2,688	11,069	11,190	-1.1
EBITDA	389	366	315	376	1,446	1,468	-1.5
EBITDA-%	13.0%	13.1%	12.2%	14.0%	13.1%	13.1%	
EBIT	237	213	158	206	814	841	-3.2
EBIT-%	7.9%	7.6%	6.1%	7.7%	7.4%	7.5%	

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Further expansion of competitive advantages

Steel Division

- **European quality leadership** in combination with **highest flexibility**
- **Longstanding customer partnerships**
- Broadest product range of **innovative highest-strength hot-dip galvanized steel**
- **Combination of material and most innovative processing know-how** (HBI, steel base, SSC, phs, alform welding system, alphas,...)

Special Steel Division

- **Global benchmark** in the tooling industry as **supplier of materials as well as services**
- **Unique value chain** through local service integration (Value Added Services)
- **Trust and customer proximity** supported by world-leading brands
- **Outstanding materials technology and production know-how**

Metal Engineering Division

- **Combination of leading metallurgical and processing know-how**
- **High flexibility** to meet demanding customer requirements in premium segments (delivery times, logistics, customer solutions, lot sizes)
- **Global sales structures** including **logistics**
- **Worldwide leadership** in advanced railway infrastructure

Metal Forming Division

- **Follows key customers globally** (automotive, special tubes & sections)
- **Most innovative processing techniques**, highly specialized; focus on complex product solutions
- Competence center for various **forming processes for metals**
- **Combination of material and processing know-how** supported by a wide range of Group synergies
- **Global top supplier** of lightweight sections

Steel Division

Business development BY 2015/16



- Structural change of Chinese economic policy, overcapacities & falling raw material prices weighing heavily on global steel sentiment
 - Trade barriers as response to soaring Chinese (and other) steel imports
 - Anti-dumping investigations in Europe lagging behind other regions
- Steel Division with excellent demand situation, however impacted by declining price level over the year 2015/16
 - Automotive industry as backbone for solid capacity utilization
 - Volatile order intake in mechanical engineering
 - Restrained demand of building & construction sector prolonged
 - Stable performance of Heavy Plate in difficult environment – record order from Nord Stream 2 safeguarding basic load in 2016/17
 - Cost- and efficiency program as driver for earnings improvement in 2015/16

€m	Q1 15/16	Q2 15/16	Q3 15/16	Q4 15/16	BY 15/16	BY 14/15	Delta in %
Sales	1,061	930	844	919	3,754	3,874	-3.1
EBITDA	134	119	107	119	478	450	+6.2
EBITDA- %	12.6%	12.8%	12.6%	12.9%	12.7%	11.6%	
EBIT	75	58	41	46	220	208	+5.8
EBIT-%	7.0%	6.2%	4.9%	5.0%	5.9%	5.4%	

Special Steel Division

Business development BY 2015/16



- Dampened business environment in 2015/16
 - Decreasing alloy & scrap prices with negative effect on general price level
 - Enhancing competition based on broad destocking and sluggish demand from energy sector (oil & gas!)
 - Fading momentum in mechanical engineering
 - In contrast, stable order intake from automotive & consumer goods industries
 - Ongoing positive development in aviation sector
- Market situation in North America & Asia ahead of Europe
 - Mexico as hot spot for new car plants driving NAFTA-demand for tool steel
 - Continuous positive sentiment for special steel products in China and India
 - Sluggish European market
 - Brazil in ongoing recession
- Greenfield investments & acquisitions expanding distribution network

	Q1	Q2	Q3	Q4	BY	BY	Delta
€m	15/16	15/16	15/16	15/16	15/16	14/15	in %
Sales	709	660	616	666	2,651	2,777	-4.6
EBITDA	100	86	74	104	364	407	-10.5
EBITDA-%	14.1%	13.1%	12.0%	15.6%	13.7%	14.6%	
EBIT	65	53	41	69	227	254	-10.4
EBIT-%	9.2%	8.0%	6.6%	10.4%	8.6%	9.1%	

Metal Engineering Division

Business development BY 2015/16

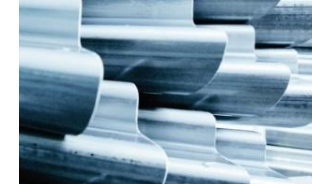


- Earnings affected by positive one-offs in 2015/16
 - Changes of consolidation in Seamless Tubes and Turnout System units
 - Impact of 126.5 €m on EBITDA and 63.4 €m on EBIT
- Favorable business environment in railway infrastructure
 - European market bolstering record output for premium rails
 - Solid demand in China and Europe in Turnout Systems business – after strong start weakening order intake in Q4 2015/16 in US & Mid-East
- Massive deterioration in oil & gas sector
 - Historically low level of US-rig counts driving earnings of Seamless Tubes down
 - Weak energy industry and restructuring costs affecting profitability of Welding Technology business
- Tailwind from automotive sector supporting Wire Technology business
 - New wire rolling mill further pushing product quality from 2016/17 on

€m	Q1 15/16	Q2 15/16	Q3 15/16	Q4 15/16	BY 15/16	BY 14/15	Delta in %
Sales	774	751	688	637	2,850	2,593	+9.9
EBITDA	236	100	90	84	511	420	+21.7
<i>EBITDA Clean</i>	110	100	90	84	384	420	-8.4
EBITDA-%	30.5%	13.3%	13.1%	13.2%	17.9%	16.2%	
<i>EBITDA-% Clean</i>	14.2%	13.3%	13.1%	13.2%	13.5%	16.2%	
EBIT	197	61	52	5	315	292	+7.8
<i>EBIT Clean</i>	77	68	58	49	252	292	-13.9
EBIT-%	25.5%	8.1%	7.6%	0.7%	11.0%	11.3%	
<i>EBIT-% Clean</i>	9.9%	9.0%	8.5%	7.7%	8.8%	11.3%	

Metal Forming Division

Business development BY 2015/16



- Overall very solid development in 2015/16
 - Earnings in 2015/16 above last year's adjusted level
- Unchanged positive sentiment in Automotive Body Parts business
 - Increasing car registrations in Europe, demand in US still strong
 - Tax incentives stimulating temporarily weakening Chinese car market
 - Global roll-out of “phs”-facilities on schedule
- Demand in Tubes & Sections business with regional disparities
 - Weak dynamics in European core markets
 - Healthy order intake in UK & US
 - Russia and Brazil with extremely challenging market environment
- Sound development of Precision Strip business
 - Expansion of US-market presence due to acquisition of Wickeder Steel
- Strong order intake in Warehouse & Rack Solutions business

€m	Q1 15/16	Q2 15/16	Q3 15/16	Q4 15/16	BY 15/16	BY 14/15	Delta in %
Sales	566	541	543	575	2,225	2,335	-4.7
EBITDA	69	69	67	85	291	331	-12.3
<i>EBITDA Clean</i>						269	+7.8
EBITDA-%	12.3%	12.8%	12.4%	14.8%	13.1%	14.2%	
<i>EBITDA-% Clean</i>						11.5%	
EBIT	46	45	43	60	195	221	-11.9
<i>EBIT Clean</i>						176	+10.8
EBIT-%	8.1%	8.4%	7.9%	10.5%	8.7%	9.5%	
<i>EBIT-% Clean</i>						7.5%	



Financial overview

BY 2015/16

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Financial overview

REPORTED FIGURES

BY 2014/15
01.04.2014 – 31.03.2015

BY 2015/16
01.04.2015 – 31.03.2016

Delta (%)

CLEAN FIGURES

BY 2014/15*
01.04.2014 – 31.03.2015

BY 2015/16**
01.04.2015 – 31.03.2016

Delta (%)

		BY 2014/15 01.04.2014 – 31.03.2015	BY 2015/16 01.04.2015 – 31.03.2016	Delta (%)	BY 2014/15* 01.04.2014 – 31.03.2015	BY 2015/16** 01.04.2015 – 31.03.2016	Delta (%)
Sales	€m	11,190	11,069	-1.1	11,190	11,069	-1.1
EBITDA	€m	1,530	1,583	+3.5	1,468	1,446	-1.5
EBITDA-margin	%	13.7	14.3		13.1	13.1	
EBIT	€m	886	889	+0.3	841	814	-3.2
EBIT-margin	%	7.9	8.0		7.5	7.4	
EBT	€m	739	751	+1.7	694	677	-2.5
Net profit	€m	595	602	+1.2	553	510	-7.7
EPS***	€ / Share	3.18	3.35	+5.3	2.94	2.64	-10.2

*) Excluding one-offs from divestments (Metal Forming Division)

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

***) Based on average number of shares

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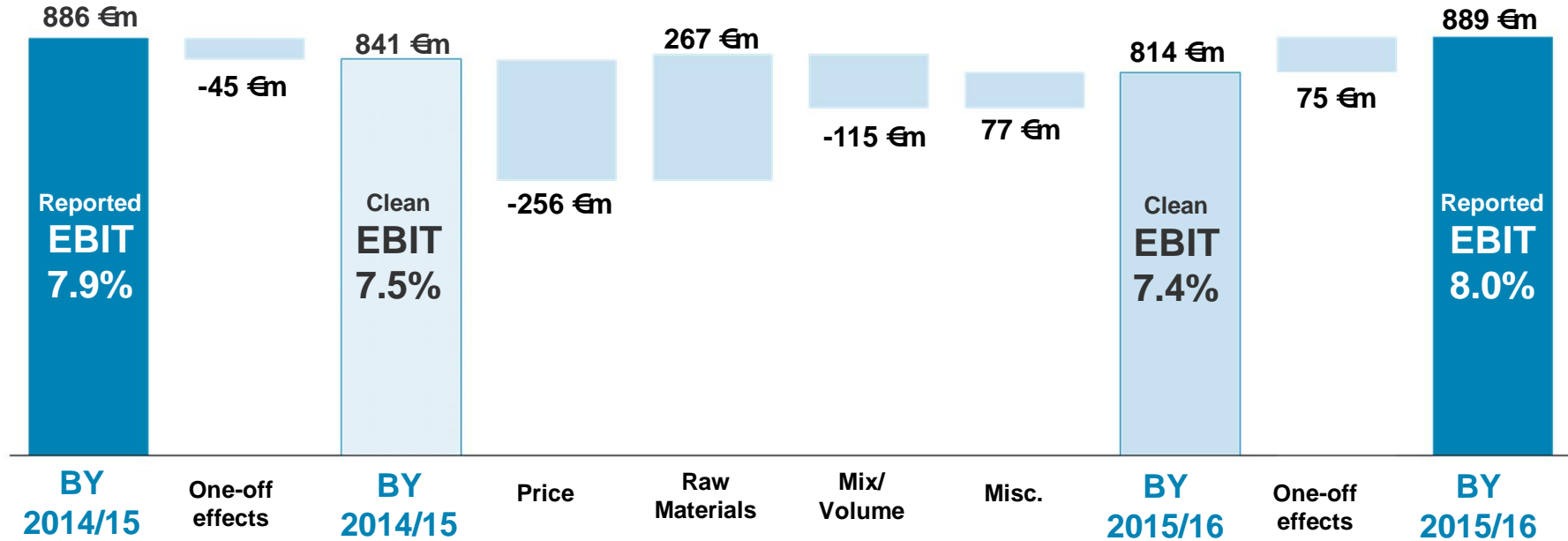
Financial overview

		BY 2014/15 01.04.2014 – 31.03.2015	BY 2015/16 01.04.2015 – 31.03.2016	Delta (%)	
CAPEX*	€m	1,178	1,311	+11.3	* Fixed assets and acquisitions
Depreciation	€m	644	695	+7.9	
Equity	€m	5,115	5,652	+10.5	
Net Financial Debt	€m	2,978	3,080	+3.4	
Gearing	%	58.2%	54.5%		

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

	BY 2014/15 01.04.2014 – 31.03.2015	BY 2015/16 01.04.2015 – 31.03.2016
	€m	€m
Cash flow from results	1,176	1,168
Changes in working capital	-56	114
Cash flow from operating activities	1,120	1,282
Cash flow from investing activities	-955	-1,280
Free cash flow	165	2

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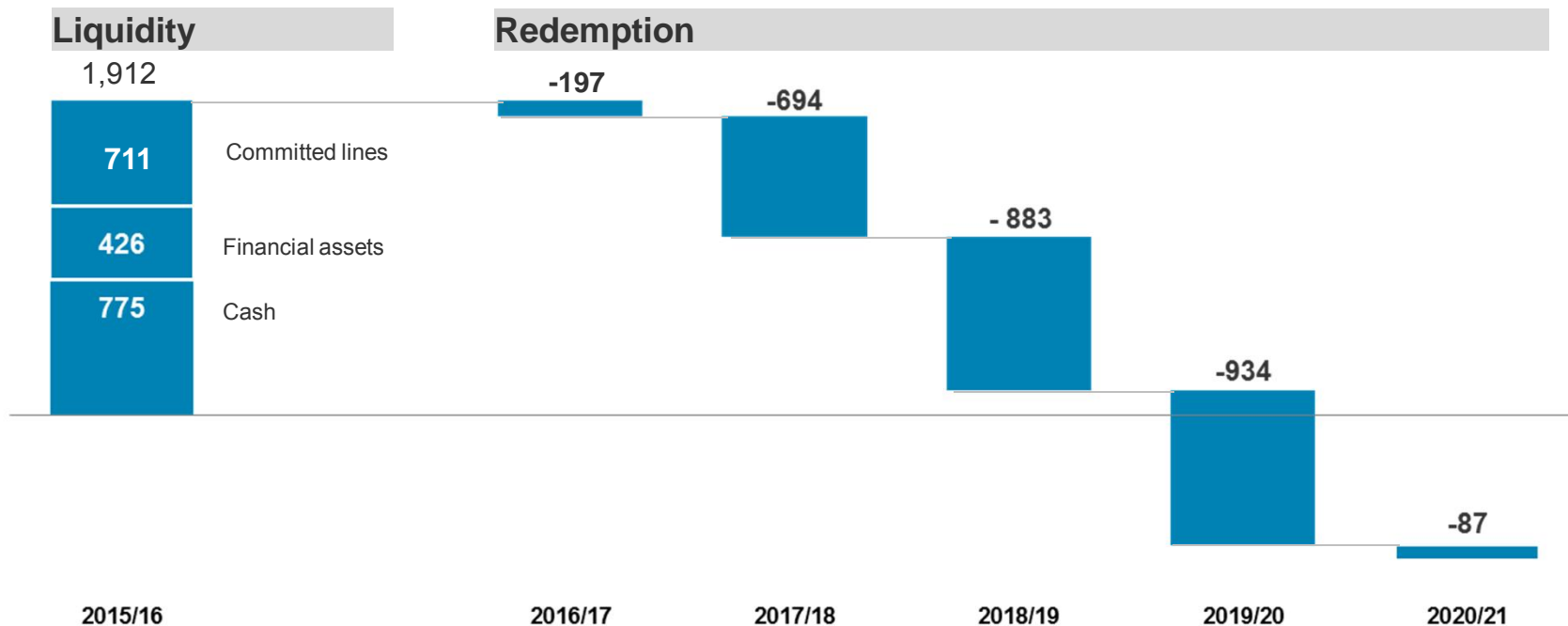
Development gearing ratio



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Liquidity and redemption schedule per 31.03.2016

in €m



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Outlook CY 2016

- Based on most recent **economic data**, short term recovery of **global economy** unlikely
- **Stabilization** of **raw material prices** in spring after strong downturn in 2015/16 easing disinflationary pressure
- Weakening momentum of **US economy**
- **Europe** with (slightly) improving growth dynamics
- New 5-years plan with positive impact on **Chinese demand situation**
- No signs of recovery in **Brazil** and **Russia**
- Customer segments in **mobility** (automotive, railways, aircraft) with ongoing stable performance in 2016/17 on high level
- First (cautious) signs of demand/supply-consolidation in **oil & gas** – positive effects on order behavior - when?

OUTLOOK: EBIT & EBITDA for 2016/17 close to last year's (clean) level





IR Contact

Reuters
VOES.VI

Peter Fleischer

Head of Investor Relations

E-Mail peter.fleischer@voestalpine.com

Phone +43/50304/15-9949

Bloomberg
VOE AV

Gerald Resch

Investor Relations Manager

E-Mail gerald.resch@voestalpine.com

Phone +43/50304/15-3152