REPORT FOR THE FIRST QUARTER OF 2019/20

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ONE STEP AHEAD.

voestalpine GROUP
KEY FIGURES

Q1 2018/19 VS. Q1 2019/20

In millions of euros	Q1 2018/19 04/01–06/30/2018	Q1 2019/20 04/01–06/30/2019	Change in %
Income statement			
Revenue	3,469.0	3,336.1	–3.8
EBITDA	513.0	370.9	–27.7
Depreciation	189.2	214.3	13.3
EBIT	323.8	156.7	–51.6
Profit before tax	294.3	124.4	–57.7
Profit after tax[1]	226.3	90.4	–60.1
Statement of financial position			
Investments in tangible and intangible assets and interests	207.7	170.9	–17.7
Equity	6,763.3	6,712.1	–0.8
Net financial debt	3,314.4	3,896.5	17.6
Net financial debt in % of equity (gearing)	49.0%	58.1%	
Financial key figures			
EBITDA margin	14.8%	11.1%	
EBIT margin	9.3%	4.7%	
Cash flows from operating activities	–3.0	–86.3	
Share information			
Share price, end of period (euros)	39.45	27.17	–31.1
Market capitalization, end of period	6,955.8	4,850.4	–30.3
Number of outstanding shares, end of period	176,320,566	178,520,566	1.2
EPS – earnings per share (euros)	1.21	0.44	–63.6
Personnel			
Employees (full-time equivalent), end of period	51,827	51,670	–0.3

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

INTERIM REPORT FIRST QUARTER OF 2019/20

This report is a translation of the original report in German, which is solely valid.

ECONOMIC ENVIRONMENT AND COURSE OF BUSINESS

While the overall economy in Europe slowed in the first quarter of the business year 2019/20, the differences between individual sectors continued to intensify. For example, growth in the service sector remained robust, whereas the manufacturing industry was wracked by substantial weaknesses. This is due primarily to the overall weakening of the global economy, which affects above all Europe's export-oriented industries, and the slumping automotive industry in particular. Given that the voestalpine Group generates about two-thirds of its revenue in Europe, the economic climate in which it operates thus has obviously clouded over. All of the Group's divisions are affected especially by developments in the automotive industry, but so far to very different degrees.

In North America, the longest uninterrupted economic expansion to date remained unbroken in the first three months of the current business year also, even though here too the positive signals are increasingly coming from the service industry, whereas the momentum of the manufacturing industry has dipped somewhat. By and large, this was rooted in export reductions due to trade policies as well as the downturn in the oil and natural gas industry, which also had negative effects on voestalpine. These factors notwithstanding, the voestalpine Group generates about 16% of its revenue in North America, thus profiting from its generally positive economic environment.

In South America, particularly in Brazil, the voestalpine Group generates about 3% of its revenue. The fact that revenue from this continent has been stagnating in recent years stems from the weakness of its economy. It displayed little momentum even in the first quarter of the current business year, although voestalpine's local entities delivered solid performance. Brazil's economic output since the start of the business year has been buffeted especially by declining raw materials exports, which still account for a significant portion of the country's gross domestic product (GDP). Government agencies closed several mining operations following a fatal incident in a large iron ore mine. As one of the largest producers of iron ore worldwide, this affected not just Brazil itself but the global iron ore market on the whole, which saw a sharp decrease in the supply of certain ores.

In China, newly launched economic stimulus programs with a focus on the country's infrastructure catapulted the domestic steel industry to new all-time highs. The resulting increase in demand for iron ore, together with the decrease in the supply of iron ore on the world market, triggered a sharp increase in iron ore prices, which continues to adversely affect the earnings particularly of the Steel Division and the Metal Engineering Division. But the voestalpine Group did profit in China from the economic stimulus programs in the railway infrastructure segment, which saw keen demand in the first business quarter for turnout systems "made by voestalpine." As regards tool steel, however, the current trade conflicts have led to substantially weaker demand.

In sum, therefore, the voestalpine Group faced an overall weaker economic environment in the first quarter of the business year 2019/20. The positive momentum in North America was unable to offset the weakness of the economy in Europe, because the former is much more difficult to access owing to the Section 232 trade barriers. The developments in China had a greater impact on the voestalpine Group's European production facilities than it had on voestalpine's business in China itself. In a weakening market with declining volumes and prices for steel products, the unexpected increase in iron ore prices led to pressure on profit margins.

Yet the voestalpine Group's broad portfolio also includes areas of business that delivered excellent performance in this challenging environment. This largely concerns both capital and investment goods such as

» Special materials for the aerospace industry;
» Complete systems for railway infrastructure projects;
» High-bay warehouse systems, where voestalpine provides the entire engineering above and beyond the steel structure itself as well as
» Welding systems, in regards to which voestalpine succeeded in the current business year to position itself as an integrated provider of both welding consumables and welding equipment.

DEVELOPMENT OF THE KEY FIGURES

At EUR 3,336.1 million, the revenue of the voestalpine Group in the first quarter of the business year 2019/20 was 3.8% lower than the EUR 3,469.0 million recorded in the first quarter of the business year 2018/19. All four of the Group's divisions were confronted with a slight decline in revenue resulting mainly from lower delivery volumes. Slightly lower prices in the Steel Division were another negative factor. In earnings terms, the reductions in the sales volume stemming from macroeconomic factors as well as higher costs resulting from rising prices for iron ore and CO_2 emission certificates were decisive to the Group's weaker performance in the reporting quarter. The start-up costs at the Group's Automotive Components plant in Cartersville, Georgia, USA, further depressed the earnings of the Metal Forming Division in the reporting period. By contrast, the first-time recognition of leases as per IFRS 16 had a positive effect on EBITDA. On the whole, however, the EBITDA of the voestalpine Group for the first quarter of the business year 2019/20 dropped year over year by 27.7%, from EUR 513.0 million to EUR 370.9 million, with a corresponding decline in the EBITDA margin from 14.8% to 11.1%. By contrast, depreciation, amortization, and impairment losses in the voestalpine Group for the first quarter of the business year 2019/20 rose from EUR 189.2 million to EUR 214.3 million due to the Group's investment activities as well as the accounting treatment of leases pursuant to IFRS 16 and the resulting need for write-downs. Hence EBIT plunged year over year by more than one half, from EUR 323.8 million (EBIT margin of 9.3%) to EUR 156.7 million (EBIT margin of 4.7%). At net financial income of EUR –32.3 million in the reporting period (previous year: EUR –29.5 million), the profit before tax dropped by 57.7%, from EUR 294.3 million to EUR 124.4 million. Based on a tax rate of 27.3%, the profit after tax for the first quarter of the business year 2019/20 thus is EUR 90.4 million (previous year: EUR 226.3 million).

The gearing ratio (net financial debt as a percentage of equity) climbed from 49.0% as of June 30, 2018 (and 46.6% as of the March 31, 2019, annual reporting date) to 58.1% as of June 30, 2019. This increase is due to the growth in net financial debt from EUR 3,314.4 million as of June 30, 2018 (or EUR 3,125.4 million as of the March 31, 2019, annual reporting date) to EUR 3,896.5 million as of June 30, 2019. For the most part, the increase relative to March 31, 2019, stems from the recognition of leases pursuant to IFRS 16, which raised the interest-bearing liabilities by about EUR 437 million compared with the annual reporting date. Moreover, the change in the working capital in the first quarter of the business year 2019/20 (EUR –403.2 million) had a negative effect on net debt also, causing negative free cash flow in the reporting quarter. At EUR 6,712.1 million as of June 30, 2019, equity—the second element of the gearing ratio—was stable overall, both year over year (EUR 6,763.3 million as of June 30, 2018) and relative to the March 31, 2019, annual reporting date, when it was EUR 6,709.8 million.

COMPARISON OF THE QUARTERLY FIGURES OF THE voestalpine GROUP

In millions of euros	Q1 2018/19 04/01–06/30/2018	Q2 2018/19 07/01–09/30/2018	Q3 2018/19 10/01–12/31/2018	Q4 2018/19 01/01–03/31/2019	Q1 2019/20 04/01–06/30/2019
Revenue	3,469.0	3,205.0	3,274.6	3,612.1	3,336.1
EBITDA	513.0	347.1	244.0	460.5	370.9
EBITDA margin	14.8%	10.8%	7.4%	12.7%	11.1%
EBIT	323.8	155.7	46.0	253.9	156.7
EBIT margin	9.3%	4.9%	1.4%	7.0%	4.7%
Profit before tax	294.3	127.2	9.1	215.1	124.4
Profit after tax[1]	226.3	93.6	–38.6	177.3	90.4
Employees (full-time equivalent), end of period	51,827	51,931	51,472	51,907	51,670

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

Net financial debt can be broken down as follows:

NET FINANCIAL DEBT

In millions of euros	06/30/2018	06/30/2019
Financial liabilities, non-current	2,564.5	3,502.1
Financial liabilities, current	1,426.5	1,281.3
Cash and cash equivalents	–298.0	–339.8
Other financial assets	–366.8	–533.3
Loans and other receivables from financing	–11.8	–13.8
Net financial debt	**3,314.4**	**3,896.5**

STEEL DIVISION

QUARTERLY DEVELOPMENT OF THE STEEL DIVISION

In millions of euros	Q1 2018/19 04/01–06/30/2018	Q1 2019/20 04/01–06/30/2019	Change in %
Revenue	1,276.4	1,182.1	–7.4
EBITDA	223.9	150.6	–32.7
EBITDA margin	17.5%	12.7%	
EBIT	145.0	60.8	–58.1
EBIT margin	11.4%	5.1%	
Employees (full-time equivalent)	11,111	10,730	–3.4

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The good economic environment for the steel industry in Europe weakened toward the end of the past year already. The first quarter of the business year 2019/20 saw demand cooling off dramatically combined with sharply rising production costs stemming from the previously mentioned massive increases in iron ore prices.

Additionally, the situation in the European steel market was aggravated by large imports of both steel and steel products which, in tandem with declining demand, inevitably pushed down European steel prices. The so-called “Safeguard Measures” that the European Union adopted as protective measures in light of the global trade war did not have much impact and were not very effective.

As far as the customer segments of the Steel Division are concerned, orders from its most important segment, the automotive industry, were down slightly, thus reflecting the year-over-year reduction in Europe’s automotive production. Besides the slowing momentum in the white goods and consumer goods industry, most recently the division’s activities in the export-heavy mechanical engineering segment were restrained on account of both the globally growing protectionism and the cooling of the economy worldwide. Only the construction industry is as robust as before. Growth in the project environment for oil and natural gas pipelines, for which the Heavy Plate business segment produces high-quality pipeline plates, was weak too. Solely the momentum in the specialty segment involving the most sophisticated clad plates is satisfactory.

Against this backdrop, sales of strip steel and heavy plate dropped slightly year over year in the first quarter of the business year 2019/20. The start of the new business year at the direct reduction plant in Corpus Christi, Texas, USA, saw stable production processes and satisfactory market developments, especially in North America. Most recently, however, there have been growing signs that the high iron prices will adversely affect this market too.

DEVELOPMENT OF THE KEY FIGURES

The key performance indicators of the Steel Division reflect the increasingly challenging conditions in the European steel sector. As a result, revenue fell in the first quarter of the business year 2019/20 by 7.4%, from EUR 1,276.4 million in the same quarter of the previous year to EUR 1,182.1 million in the current reporting period. Besides slightly declining prices, the lower sales volume accounts for about 5% of the weakening of revenue. In addition, the product mix in the Heavy Plate business segment has shrunk somewhat due to unusually strong demand for clad special steel plates.

Decreasing revenue combined with significantly increasing production costs that stem from the sharp rise in iron ore prices have led, in sum, to lower earnings. Accordingly, EBITDA fell by almost one third year over year, from EUR 223.9 million in the first quarter of the business year 2018/19 to EUR 150.6 million in the reporting quarter. In keeping with this outcome, the EBITDA margin dropped from 17.5% to 12.7%.

HIGH PERFORMANCE METALS DIVISION

QUARTERLY DEVELOPMENT OF THE HIGH PERFORMANCE METALS DIVISION

In millions of euros	Q1 2018/19 04/01–06/30/2018	Q1 2019/20 04/01–06/30/2019	Change in %
Revenue	780.3	777.6	–0.3
EBITDA	129.2	99.2	–23.2
EBITDA margin	16.6%	12.8%	
EBIT	91.9	57.1	–37.9
EBIT margin	11.8%	7.3%	
Employees (full-time equivalent)	14,344	14,302	–0.3

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

For the High Performance Metals Division, the first quarter of the business year 2019/20 was characterized by the slowing momentum, which continued unabated, along with intensifying competition in most markets worldwide.

The declining momentum in both the automotive industry and the consumer goods industry affected the entire division worldwide—but particularly with respect to tool steel. By contrast, the special materials product segment continued to develop along a solid trajectory in Europe and in North America thanks to good demand from the oil and natural gas sector as well as the aerospace industry.

Rising uncertainty in the automotive sector, especially in Europe, led to declining demand from the toolmaking industry. This development affected both Italy and Spain besides Germany. In Great Britain, by contrast, the uncertainty surrounding the imminent Brexit dampened demand. Furthermore, the trade barriers set up by the world's major economies led to the diversion of materials to Europe—the only major market that remains accessible to special steel imports—in turn further aggravating the situation in the European tool steel market.

But the division did succeed in delivering pleasing growth in Europe, specifically, in the aerospace industry. Thanks to a contract with a renowned jet engine manufacturer, the Group's production facility in Kapfenberg, Austria, will for the first time ever also supply high-tech material for highly stress-resistant jet engine discs.

Tool steel sales for the automotive industry in North America were similarly restrained as those in Europe. The oil and natural gas sector, which is critical to the special materials product segment, by contrast, was stable at a good level. Likewise, deliveries of the division's special materials to the US aerospace industry were stable too, despite Boeing's production cutbacks.

In South America, the sentiment improved somewhat compared with the previous year although market developments fell far short of expectations.

In Asia—China, in particular—the High Performance Metals Division was confronted with significant declines in tool steel orders. This was due to the weakness of both the automotive and the consumer goods industry which, in turn, stemmed not least from rising uncertainty among Chinese consumers in the wake of the trade war with the United States.

Production sites of the High Performance Metals Division whose product portfolio largely focuses on tool steel faced lower capacity utilization due to these developments, whereas capacity utilization at sites focused on special materials was much better.

The decline in the activities of the Value Added Services business segment, the division's international sales organization, also results from the downturn in demand for tool steel. Given the need to boost efficiency, the division pushes its individual marketing organizations to collaborate with each other and develops best practice solutions with the aim of rolling them out across the entire Value Added Services business segment.

DEVELOPMENT OF THE KEY FIGURES

While the revenue of the High Performance Metals Division in the first quarter of the business year 2019/20 was stable year over year, the division had to contend with lower earnings. The volume losses were offset by higher prices for special steel products stemming, in turn, from higher alloy costs. Therefore, at EUR 777.6 million revenue in the first quarter of the business year 2019/20 was largely consonant with the previous year's figure of EUR 780.3 million. Both lower delivery volumes and lower capacity utilization rates in the division's production facilities were key to the drop in EBITDA by 23.2%, from EUR 129.2 million in the first quarter of the business year 2018/19 to EUR 99.2 million in the current reporting period. The EBITDA margin fell accordingly from 16.6% to 12.8%.

METAL ENGINEERING DIVISION

QUARTERLY DEVELOPMENT OF THE METAL ENGINEERING DIVISION

In millions of euros	Q1 2018/19 04/01–06/30/2018	Q1 2019/20 04/01–06/30/2019	Change in %
Revenue	799.8	778.8	–2.6
EBITDA	98.5	90.0	–8.6
EBITDA margin	12.3%	11.6%	
EBIT	56.3	44.9	–20.2
EBIT margin	7.0%	5.8%	
Employees (full-time equivalent)	13,577	13,371	–1.5

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

As regards railway infrastructure, developments worldwide in the turnout systems product segment were positive throughout all major economies. As mentioned earlier, China's economic stimulus programs, in particular, which are aimed primarily at the country's infrastructure, lead to strong demand for high-speed turnout systems. Both Europe (mixed transportation segment) and North America (heavy haul and mass transit segment) delivered solid demand growth throughout.

As regards premium rail technology, the Metal Engineering Division focuses much more on the European market. Here, demand in the business quarter just ended was satisfactory in volume terms, yet not even slightly improving prices were able to fully offset the rapid increase in the cost of raw materials.

In the first quarter of the business year 2019/20, the Industrial Systems business segment saw considerably declining momentum, especially in the automotive supplier industry. The wire technology product segment, which is largely aligned with this sector, was confronted not only with declining demand in the automotive segment but, increasingly, with competitive pressures as well. Against this backdrop, operations related to premium wire production at the Group's Donawitz site in Austria were reduced in April 2019 from four shifts to three.

The tubulars product segment (seamless tubes for oil and natural gas exploration) also faced declining market momentum at the start of the business year 2019/20. Besides the trade barriers ("Section 232") against imports of steel products into the United States, most recently the demand in North America for oil and gas field pipes temporarily fell a bit yet again. On the cost side, this product segment too is exposed to the enormous increase in iron ore prices. Aside from steps serving to reduce costs and boost efficiency, additional innovations in threaded connections, especially for shale oil and shale gas drilling, are aimed at lowering the pressure on earnings and from competitors.

Given a structural weakness in demand, the welding consumables product segment, which focuses on the energy sector, has implemented a broad range of internal restructuring measures in recent years. Despite the fact that economic growth remains moderate, the successful cost improvements have yielded positive effects so far, in that this segment has turned out to be relatively stable thanks also to product portfolio differentiation measures as well as the segment's continuous development towards becoming a provider of comprehensive solutions (integrated offerings of welding consumables and welding equipment).

DEVELOPMENT OF THE KEY FIGURES

The Metal Engineering Division's key performance indicators for the first quarter of the business year 2019/20 are slightly weaker than those for the first quarter of the business year 2018/19. In revenue terms, the division posted a decline of 2.6%, from EUR 799.8 million to EUR 778.8 million. While the Railway Systems business segment succeeded in expanding the scope of its deliveries and services, the external revenue of the Industrial Systems business segment fell year over year. In this regard, there was a substantial decline in deliveries of both wire products for the automotive industry and seamless tubes for the oil and natural gas sector. By contrast, prices in the wire technology product segment remained largely stable, whereas prices in the tubulars product segment even rose a bit combined with the simultaneous increase in pre-material costs. The earnings performance shows a trajectory comparable to that on the revenue side. Compared with the first quarter of the business year 2018/19, the Railway Systems business segment managed to boost earnings a bit, whereas the Industrial Systems business segment was confronted with the opposite trend. Due to the declining sales volume mainly in the wire technology and tubulars product segments, EBITDA fell by 8.6% from EUR 98.5 million in the first quarter of the business year 2018/19 to EUR 90.0 million in the first quarter of the business year 2019/20; the EBITDA margin fell from 12.3% to 11.6%.

METAL FORMING DIVISION

QUARTERLY DEVELOPMENT OF THE METAL FORMING DIVISION

In millions of euros	Q1 2018/19 04/01–06/30/2018	Q1 2019/20 04/01–06/30/2019	Change in %
Revenue	748.0	737.6	–1.4
EBITDA	84.4	58.4	–30.8
EBITDA margin	11.3%	7.9%	
EBIT	55.7	24.3	–56.4
EBIT margin	7.5%	3.3%	
Employees (full-time equivalent)	11,938	12,374	3.7

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The weakening momentum in the key customer segments of the Metal Forming Division, which began in the fall of 2018, continued at the start of the business year 2019/20. While demand in the automotive sector has recovered a little bit from the problems that arose when the new WLTP emissions testing procedure was introduced in September of last year, in Europe both new vehicle registrations and manufacturers' production figures are lower than a year ago. Developments in China's automotive market during the same period were much more dramatic: There, sales figures have plunged by double digit percentages. The performance of the German premium producers, who are key to voestalpine in this market, was all the more remarkable in that they continued to generate stable sales on the whole.

In North America too, automotive sales peaked in the previous year and now are in a slight downward trajectory. Yet this market development barely affects the launch of voestalpine's automotive component plant in Cartersville, Georgia, USA—its biggest outside of Europe. The facility is still in the start-up phase. Some of the measures that were put in place due to substantially higher start-up costs are still in the process of being implemented. The processes have already been improved, but the negative impact on earnings will continue through the current business year.

Demand in the Tubes & Sections business segment—specifically, the construction as well as the construction & agricultural machinery segments—has remained stable. By contrast, specialty tubes and sections for the automotive industry that are used for passive safety—such as components for airbag and safety belt tensioner systems—were affected by the automotive market's generally slowing momentum.
Following the boom in recent years, the Precision Strip business segment, which produces ultrathin and precise strip steel for cutting tools and saws, for example, had to contend with the dampening of demand in both Europe and North America during the first quarter of the current business year. While demand in China followed a somewhat stable trajectory, the competitive pressure from Chinese manufacturers in this market has clearly intensified.
The Warehouse & Rack Solutions business segment, which specializes in engineering and manufacturing high-bay warehouses, continues to deliver solid performance. The unbroken trend toward online purchases continues to drive demand for efficient storage systems, thus assuring good capacity utilization in this segment until the close of the calendar year.

DEVELOPMENT OF THE KEY FIGURES

The Metal Forming Division had to contend with dramatic declines in key earnings figures despite the largely stable development of revenue. At EUR 737.6 million, therefore, the revenue for the first quarter of the business year 2019/20 was just 1.4% under the revenue of EUR 748.0 million recorded for the first quarter of the business year 2018/19. Just as the division on the whole, the individual business segments did not post any significant year-over-year deviations in external sales either. As far as earnings are concerned, the minus is due mainly to the Automotive Components business segment. The impact of the high start-up costs at the Cartersville plant has been compounded by the weakening of the automotive market, with correspondingly negative effects on capacity utilization. The Precision Strip business segment also posted a slight decline in profitability, whereas Tubes & Sections as well as Warehouse & Rack Solutions were stable. On the whole, the EBITDA of the Metal Forming Division plunged year over year by 30.8%, from EUR 84.4 million to EUR 58.4 million, and the EBITDA margin dropped from 11.3% to 7.9%.

OUTLOOK

At the start of the business year 2019/20, the Management Board of voestalpine AG came to the conclusion that the previous year's EBITDA would likely be achievable in the current business year too, provided certain assumptions come to pass.

The key influencing variables in market and cost terms on which this assumption was based were as follows at the time:

» A cooling of the economy in the markets that are key to voestalpine, but no recessionary or crises scenarios;
» A cooling of the momentum in the automotive industry, but no new dramatic distortions in the automotive market on account of the new emissions test to be introduced in Europe in September 2019;
» No negative effects from the global trade conflicts and/or the Brexit above and beyond the anticipated cooling of the economy;
» A normalizing of iron ore prices over the course of the business year; and
» Positive dispositions of challenges internal to the company.

WHERE ARE WE THREE MONTHS LATER?

Generally speaking, it can be said that the economic uncertainty has grown since the start of the business year and that negative effects from the global trade conflicts and/or the Brexit are likely to increase further.

The assumption that iron ore prices would fall has not materialized to date. So far, a situation where rising ore prices occur in tandem with falling steel prices has held sway for short periods only. This is why we expect that, this time too, the present unfavorable constellation will be resolved during the second half of the business year.
The momentum in the automotive industry is undoubtedly cooling off. This has affected the four divisions of the voestalpine Group differently in the first quarter of the business year 2019/20, with moderate to material impacts on earnings. Customers of voestalpine in the automotive industry are confident that they will be able to handle the new emissions test in September.
The intracorporate challenges are being dealt with. Hence this particular set of topics should

have less of an impact on the current business year's second half than it did on the first.
Management is counteracting the current developments through intensified programs aimed at boosting efficiency and cutting costs. First positive results of these programs should also take effect as early as in the second half of the current business year.

The Management Board of voestalpine AG continues to work in a difficult environment, particularly with respect to the development of iron ore and steel prices, on achieving EBITDA for the current business year that is comparable to that of the previous business year even though the uncertainties have mounted since the start of the current business year.

voestalpine AG

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF 06/30/2019

The report for the first quarter of 2019/20 was prepared in accordance with the International Financial Reporting Standards (IFRS). This report has not been audited nor reviewed, nor does it constitute a consolidated interim report pursuant to IAS 34.

This report is a translation of the original report in German, which is solely valid.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

	03/31/2019	06/30/2019[1]
A. Non-current assets		
Property, plant and equipment	6,580.2	6,952.9
Goodwill	1,548.3	1,547.8
Other intangible assets	395.1	389.4
Investments in entities consolidated according to the equity method	124.3	122.8
Other financial assets and other shares in companies	50.6	51.4
Deferred tax assets	197.3	211.2
	8,895.8	**9,275.5**
B. Current assets		
Inventories	4,053.0	4,251.5
Trade and other receivables	2,021.3	1,973.9
Other financial assets	182.3	533.3
Cash and cash equivalents	485.9	339.8
Assets – held for sale	13.3	13.3
	6,755.8	**7,111.8**
Total assets	**15,651.6**	**16,387.3**

[1] The first-time adoption of IFRS 16 Leases as of April 1, 2019, using the modified retrospective method led to the recognition of right of use assets in the amount of approx. EUR 437 million in property, plant and equipment.

In millions of euros

EQUITY AND LIABILITIES

	03/31/2019	06/30/2019[1]
A. Equity		
Share capital	324.3	324.3
Capital reserves	667.0	665.9
Hybrid capital	497.9	497.9
Retained earnings and other reserves	5,054.8	5,059.4
Equity attributable to equity holders of the parent	**6,544.0**	**6,547.5**
Non-controlling interests	165.8	164.6
	6,709.8	**6,712.1**
B. Non-current liabilities		
Pensions and other employee obligations	1,276.9	1,354.7
Provisions	167.3	165.8
Deferred tax liabilities	110.5	111.5
Financial liabilities	2,661.8	3,502.1
	4,216.5	**5,134.1**
C. Current liabilities		
Provisions	642.9	567.6
Tax liabilities	101.6	94.9
Financial liabilities	1,142.3	1,281.3
Trade and other payables	2,838.5	2,597.3
	4,725.3	**4,541.1**
Total equity and liabilities	**15,651.6**	**16,387.3**

[1] The first-time adoption of IFRS 16 Leases as of April 1, 2019, using the modified retrospective method led to the recognition of lease liabilities in the amount of approx. EUR 437 million in the financial liabilities (current and non-current).

In millions of euros

CONSOLIDATED STATEMENT OF CASH FLOWS

	04/01–06/30/2018	04/01–06/30/2019
Operating activities		
Profit after tax	226.3	90.4
Non-cash expenses and income	142.8	226.5
Change in inventories	–87.7	–213.6
Change in receivables and liabilities	–281.8	–109.0
Change in provisions	–2.6	–80.6
Changes in working capital	**–372.1**	**–403.2**
Cash flows from operating activities	**–3.0**	**–86.3**
Investing activities		
Additions to other intangible assets, property, plant and equipment	–299.4	–249.2
Income from disposals of assets	2.1	1.5
Cash flows from the acquisition of control of subsidiaries	5.9	–
Additions to/divestments of other financial assets	20.8	–352.5
Cash flows from investing activities	**–270.6**	**–600.2**
Financing activities		
Dividends paid non-controlling interests	–5.9	–8.9
Acquisition of non-controlling interests	–	–3.2
Increase in non-current financial liabilities	2.5	503.3
Repayment of non-current financial liabilities	–299.8	–102.0
Repayment of lease liabilities	–1.1	–19.0
Change in current financial liabilities and other financial liabilities	171.3	172.8
Cash flows from financing activities	**–133.0**	**543.0**
Net decrease/increase in cash and cash equivalents	**–406.6**	**–143.5**
Cash and cash equivalents, beginning of year	705.8	485.9
Net exchange differences	–1.2	–2.6
Cash and cash equivalents, end of year	**298.0**	**339.8**

In millions of euros

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

	04/01–06/30/2018	04/01–06/30/2019
Revenue	**3,469.0**	**3,336.1**
Cost of sales	–2,676.7	–2,681.7
Gross profit	**792.3**	**654.4**
Other operating income	139.8	89.9
Distribution costs	–301.9	–302.2
Administrative expenses	–170.8	–185.5
Other operating expenses	–143.2	–103.3
Share of profit of entities consolidated according to the equity method	7.6	3.4
EBIT	**323.8**	**156.7**
Finance income	13.3	9.4
Finance costs	–42.8	–41.7
Profit before tax	**294.3**	**124.4**
Tax expense	–68.0	–34.0
Profit after tax	**226.3**	**90.4**
Attributable to:		
Equity holders of the parent	213.9	77.6
Non-controlling interests	4.9	5.3
Share planned for hybrid capital owners	7.5	7.5
Basic and diluted earnings per share (euros)	**1.21**	**0.44**

In millions of euros

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED OTHER COMPREHENSIVE INCOME

	04/01–06/30/2018	04/01–06/30/2019
Profit after tax	**226.3**	**90.4**
Items of other comprehensive income that will be reclassified subsequently to profit or loss		
Cash flow hedges	–2.0	–3.7
Currency translation	4.1	–15.6
Share of result of entities consolidated according to the equity method	0.1	–1.3
Subtotal of items of other comprehensive income that will be reclassified subsequently to profit or loss	**2.2**	**–20.6**
Items of other comprehensive income that will not be reclassified subsequently to profit or loss		
Actuarial gains/losses	–2.3	–54.7[1]
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	**–2.3**	**–54.7**
Other comprehensive income for the period, net of income tax	**–0.1**	**–75.3**
Total comprehensive income for the period	**226.2**	**15.1**
Attributable to:		
Equity holders of the parent	214.5	3.5
Non-controlling interests	4.2	4.0
Share planned for hybrid capital owners	7.5	7.5
Total comprehensive income for the period	**226.2**	**15.1**

[1] The valuation of the social capital was based on an interest rate of 1.1% as of June 30, 2019 (March 31, 2019: 1.5%).

In millions of euros

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Q1 2018/19			Q1 2019/20		
	Group	Non-controlling interests	Total	Group	Non-controlling interests	Total
Equity as of March 31	**6,385.7**	**168.6**	**6,554.3**	**6,544.0**	**165.8**	**6,709.8**
Adjustment – initial application IFRS 15	**–7.4**	**–**	**–7.4**			
Equity as of April 1, adjusted	**6,378.3**	**168.6**	**6,546.9**			
Total comprehensive income for the period	222.0	4.2	226.2	11.1	4.0	15.1
Dividends to shareholders	–	–5.9	–5.9	–	–7.3	–7.3
Share-based payment	–3.9	–	–3.9	–1.1	–	–1.1
Other changes	–2.1	2.1	–	–6.5	2.1	–4.4
Equity as of June 30	**6,594.3**	**169.0**	**6,763.3**	**6,547.5**	**164.6**	**6,712.1**

In millions of euros

Disclaimer
This report contains forward-looking statements that reflect the current views of voestalpine AG regarding future events. Forward-looking statements naturally are subject to risks and uncertainties, which is why actual events and hence results may differ substantially from such statements. The company is under no obligation to publish updates of the forward-looking statements contained herein unless so required under applicable law.

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