

BUSINESS YEAR 2016/17

DEBT INVESTOR RELATIONS
JUNE 2017

voestalpine GROUP

OVERVIEW

- » 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**



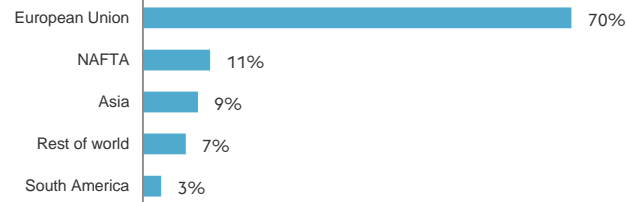
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GLOBAL FOOTPRINT

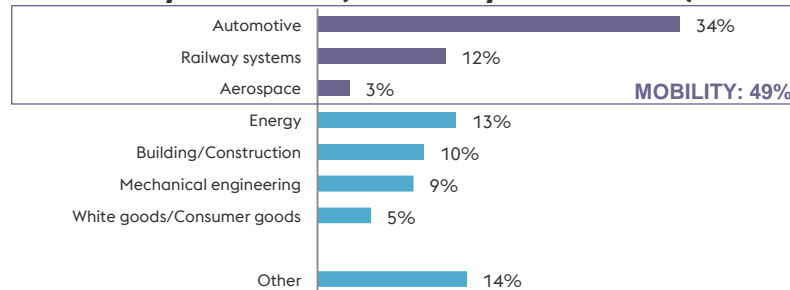
One Group – 500 sites – 50 countries – 5 continents



Revenue by **regions** (Business year 2016/17)



Revenue by **industries** (Business year 2016/17)

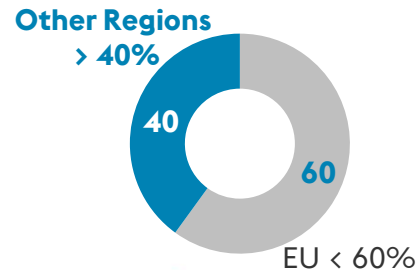
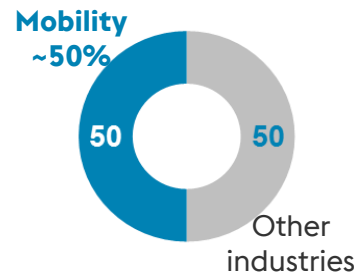


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STRATEGIC PRINCIPLES OF VOESTALPINE

- » 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



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COMPANY STRUCTURE AND MARKET POSITION

voestalpine Group (Revenue in BY 2016/17)

33%

23%

23%

21%



Steel Division

Worldwide quality leadership

Global quality leadership in **highest quality steel strip** and global market leader in **heavy plate** for the most sophisticated applications as well as **casings** for **large turbines**.



High Performance Metals Division

Global leadership

Worldwide leadership in **tool steel**, leading position in **high-speed steel** and **special forgings**.



Metal Engineering Division

Global leadership

Worldwide market leader in **turnout technology**; European market leader in **rails** and **specially treated wire**; and leading position in **seamless tubes** for special applications and **high quality welding consumables**.



Metal Forming Division

Global leadership

Global market leader in **defined niches** supplying **high quality metal processing solutions** with a **global network and service**.

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More information about voestalpine's business models and facts is available online:
<http://www.voestalpine.com/group/static/sites/group/.downloads/de/aktie/presentation/2015-16-business-model-and-facts-voestalpine-group.pdf>

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ONE STEP AHEAD.

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MANAGEMENT BOARD

	Wolfgang Eder Chairman of the Board (CEO) Joined voestalpine in 1978, member of the Board since 1995
	Robert Ottel Member of the Board, Chief Financial Officer (CFO) Joined voestalpine in 1997, member of the Board since 2004
	Herbert Eibensteiner Member of the Board, Head of Steel Division Joined voestalpine in 1989, member of the Board since 2012
	Franz Rotter Member of the Board, Head of High Performance Metals Division Joined voestalpine in 1981, member of the Board since 2011
	Franz Kainersdorfer Member of the Board, Head of Metal Engineering Division Joined voestalpine in 1996, member of the Board since 2011
	Peter Schwab Member of the Board, Head of Metal Forming Division Joined voestalpine in 1993, member of the Board since 2014

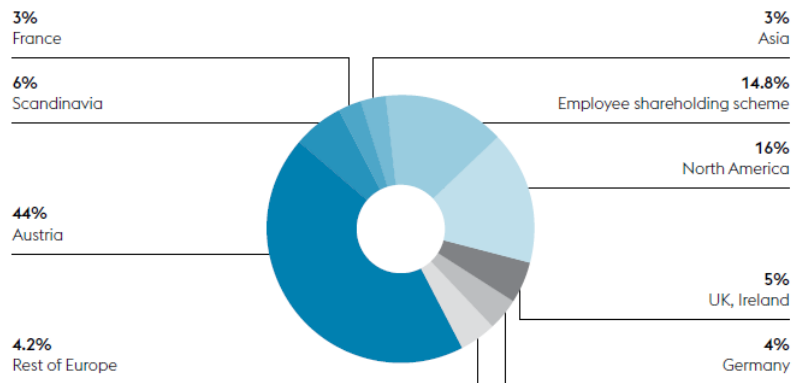
All members of the Board have **long-term engagement and experience** in voestalpine Group!

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SHAREHOLDER STRUCTURE

Ownership structure according to **regions** *(Figures as of March 31, 2017)*

SHAREHOLDER STRUCTURE



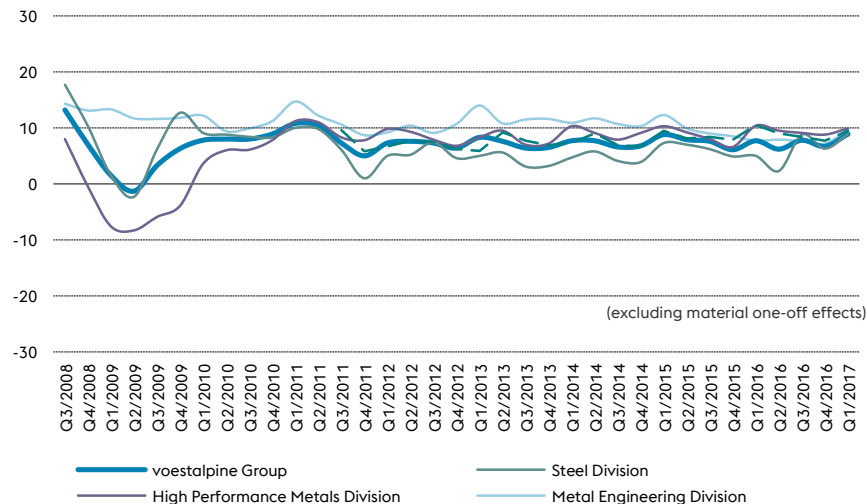
Major individual shareholders (as of March 31, 2017)

Raiffeisenlandesbank Oberösterreich Invest GmbH & Co KG	< 15 %
voestalpine employee shareholding scheme	14.8 %
Oberbank AG	7.6 %

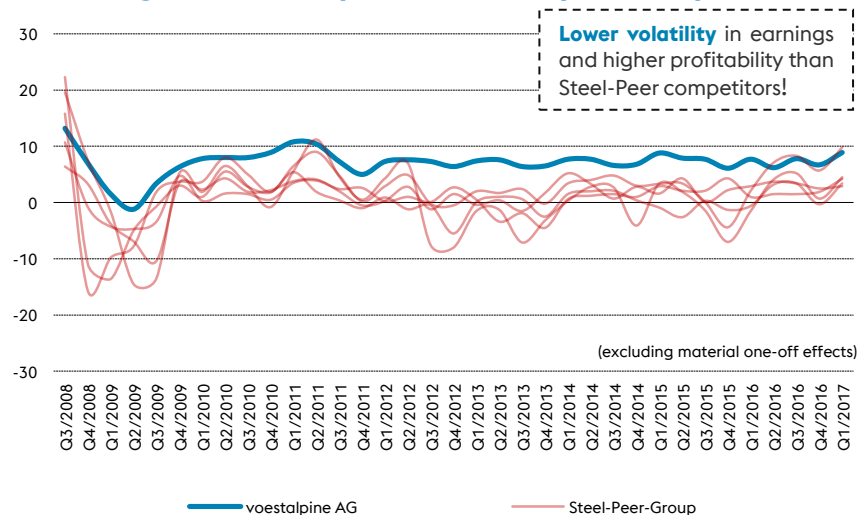
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SOLID EARNINGS IN A CYCLICAL BUSINESS

EBIT margin (%) by divisions



EBIT margin (%) voestalpine AG vs. European competitors



Solid earnings – only one quarter with negative EBIT since IPO 1995 – due to...

... a diversified portfolio

... positioning in various market segments

... a long value chain

... focus on innovation, service and cost efficiency

... partial backward integration

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BUSINESS DEVELOPMENT BY 2016/17 – SUMMARY

- » Europe with accelerated economic growth in the course of BY 2016/17
- » Strong impulses in voestalpine-relevant market segments in China
- » US growth rate weakening in H2 2016/17
- » Recession in Brazil slowing down, however doubts on a broader recovery
- » Unchanged strong automotive markets in Europe & China, US with fading momentum in H2 2016/17
- » Slowdown of European railway sector in H2 2016/17, stabilization on low level in the US, China strong
- » Beginning recovery of oil & gas sector in H2 2016/17
- » Ongoing solid order intake in consumer goods and aviation industry, mechanical engineering improving
- » Adjusted earnings (EBITDA & EBIT) in 2016/17 above previous year – excellent performance in Q4
 - » Best quarterly EBITDA (480 €m) since 2010/11 as well as strong free cash flow generation (267 €m in Q4)
 - » Massive reduction of Gearing-ratio to 53.2 % end of March 2017 (from 61.2 % end of Dec. 2016)

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QUARTERLY FIGURES BY 2016/17 – REPORTED

	1 st quarter 2016/17	2 nd quarter 2016/17	3 rd quarter 2016/17	4 th quarter 2016/17	Business Year 2016/17	Business Year 2015/16	Delta in %
Sales	2,772	2,635	2,693	3,193	11,295	11,069	2.0
EBITDA	334	371	356	480	1,541	1,583	-2.7
EBITDA-margin	12.0%	14.1%	13.2%	15.0%	13.6%	14.3%	
EBIT	168	201	176	278	823	889	-7.4
EBIT-margin	6.0%	7.6%	6.5%	8.7%	7.3%	8.0%	

In millions of euros

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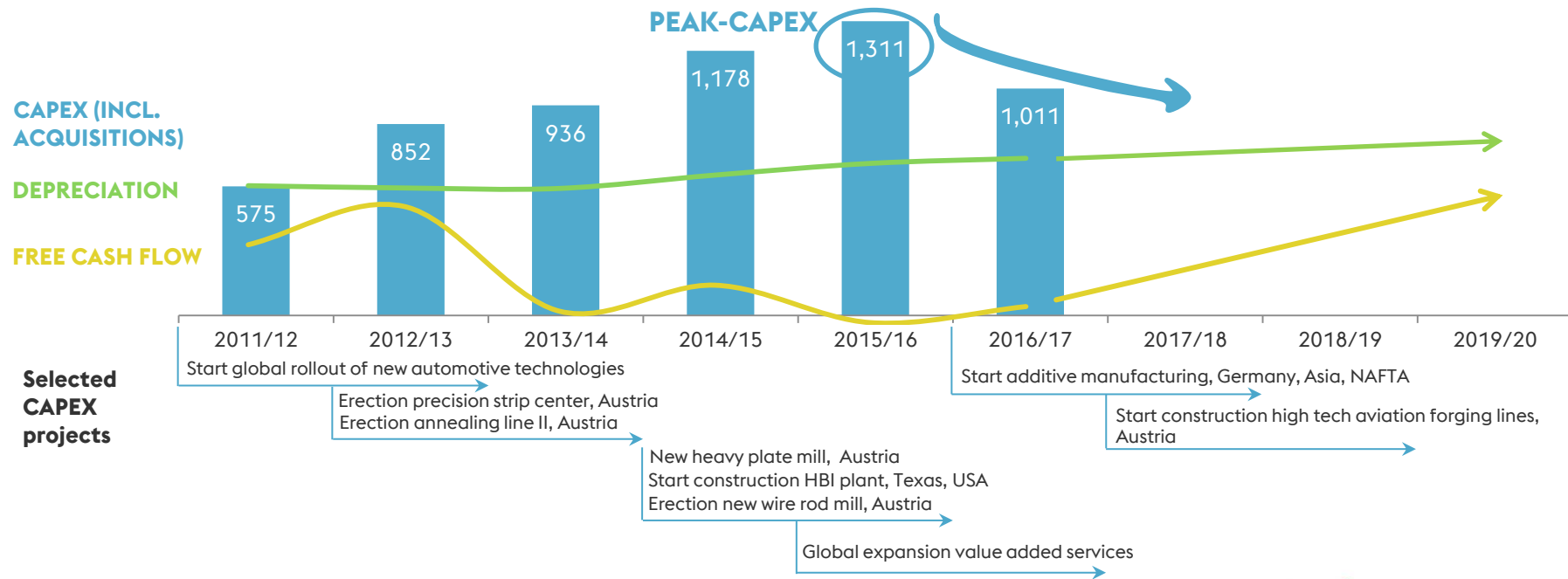
QUARTERLY FIGURES BY 2016/17 – CLEAN

	1 st quarter 2016/17	2 nd quarter 2016/17	3 rd quarter 2016/17	4 th quarter 2016/17	Business Year 2016/17	Business Year 2015/16	Delta in %
Sales	2,772	2,635	2,693	3,193	11,295	11,069	2.0
EBITDA	334	371	356	480	1,541	1,446	6.6
EBITDA-%	12.0%	14.1%	13.2%	15.0%	13.6%	13.1%	
EBIT	172	205	180	284	840	814	3.1
EBIT-%	6.2%	7.8%	6.7%	8.9%	7.4%	7.4%	

In millions of euros

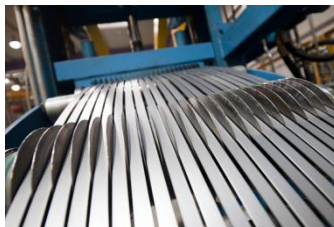
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INVESTMENTS AND CASH FLOW DEVELOPMENT



STEEL DIVISION

BUSINESS SEGMENTS AND PRODUCTS



Sheet	Heavy Plate	Steel & Service Center	Hot Briquetted Iron (HBI)	Foundry
European TOP player	Global TOP player	European TOP player	GlobalTOP player	Global LEADERSHIP
<ul style="list-style-type: none"> ➤ Highest quality sheet for automotive, white goods, electrical, construction and mechanical engineering industries ➤ Processed, coated and galvanized sheet 	<ul style="list-style-type: none"> ➤ High-quality heavy plate for the energy market (pipelines, oil & gas platforms) ➤ High-strength and wear-resistant steel grades for steel and vehicle engineering sectors and chemical industries 	<ul style="list-style-type: none"> ➤ Individual preprocessing of flat products and cut heavy plates ➤ 3-dimensional processing ➤ Production of finished parts & components ➤ Individual logistic solutions 	<ul style="list-style-type: none"> ➤ Production of premium Hot Briquetted Iron (HBI) ➤ Superior feedstock for high-quality steel production ➤ Partly used at voestalpine production sites ➤ Partly sold to high-quality steel producers 	<ul style="list-style-type: none"> ➤ Casting components for the energy industry such as turbines

STEEL DIVISION

BUSINESS DEVELOPMENT BY 2016/17

» Steel industry with significant volatility in 2016/17

- » Highly fluctuating raw material prices, in particular coking coal
- » Soaring Chinese exports causing increasing protectionism and trade barriers globally
- » Anti-dumping actions of European Commission – steel imports from China & Russia scaling down

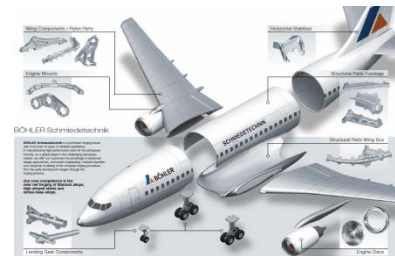
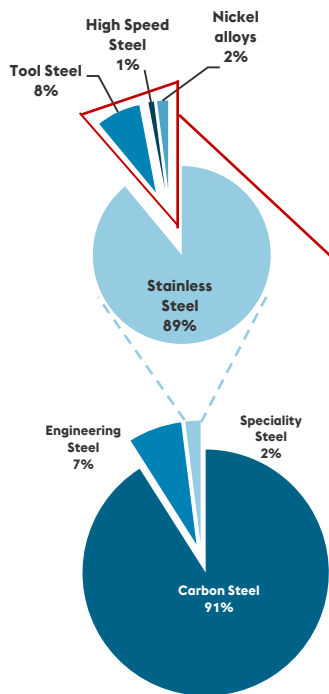
» European steel sector with increased momentum in H2 2016/17

- » Automotive, consumer goods & mechanical engineering as drivers for strong demand
- » Improved order intake in energy (heavy plate) in Q4 2016/17
- » Substantially increased contract prices since turn of CY 2017 on back of strong demand and raw materials tailwind
- » Strong prices and shipments driving revenues and earnings in Q4 2016/17

€m	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	BY 16/17	BY 15/16	Delta in %
Sales	909	867	928	1,209	3,912	3,754	4.2
EBITDA	87	144	138	195	564	478	17.9
EBITDA-%	9.6%	16.6%	14.9%	16.1%	14.4%	12.7%	
EBIT	21	76	59	107	263	220	19.6
EBIT-%	2.3%	8.8%	6.3%	8.9%	6.7%	5.9%	

HIGH PERFORMANCE METALS DIVISION (former Special Steel Division)

BUSINESS SEGMENTS AND PRODUCTS



High Performance Metals *Production*

Global LEADERSHIP

- Production of tool steels, high-speed steel, valve steel, powder-metallurgical steel, high alloyed steels for sophisticated metallurgical areas in oil and gas, energy equipment, aerospace and automotive industries
- Eight production sites in Austria, Germany, Sweden, USA and Brazil

High Performance Metals *Distribution & Value Added Service*

Global LEADERSHIP

- Global distribution and service network with 150 warehouse and service sites in 50 countries
- Very well established brands creating strong customer loyalty
- Providing of Value Added Services like local warehousing, machining, heat treatment, coating, application consulting etc.

Special Forgings

European TOP player

- Closed-die forged components with focus on aerospace, commercial vehicles and energy equipment

HIGH PERFORMANCE METALS DIVISION (former Special Steel Division)

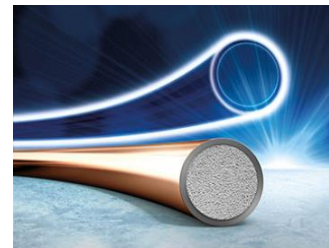
BUSINESS DEVELOPMENT BY 2016/17

- » Continuous growth in innovation & service network paving way for earnings extension
- » Improving business environment in the course of BY 2016/17
 - » Tool steel benefitting from overall solid sentiment of automotive & consumer goods industries
 - » Order intake from oil & gas slightly up in H2 2016/17
 - » Ongoing strong momentum in aviation industry
- » Upward trend with regional disparities
 - » Asia, in particular China as driver of growth
 - » Sentiment in Europe with upward trend in CY 2017
 - » Dynamics in US still below expectations
- » Strong order intake in Q4 2016/17

€m	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	BY 16/17	BY 15/16	Delta in %
Sales	667	639	644	748	2,698	2,651	1.8
EBITDA	99	94	91	111	395	364	8.5
EBITDA-%	14.9%	14.8%	14.1%	14.8%	14.6%	13.7%	
EBIT	63	58	57	74	253	227	11.2
EBIT-%	9.5%	9.1%	8.8%	9.9%	9.4%	8.6%	

METAL ENGINEERING DIVISION

BUSINESS SEGMENTS AND PRODUCTS



Rail Technology

European TOP player

- Innovative rail manufacturer of highest quality products (120m head-hardened rails)

Turnout Technology

Global LEADERSHIP

- “Plug and Play” turnout systems for high-speed railways, mass transit and heavy-haul railways

Wire

European TOP player

- High tech drawn wire for automotive and construction industry
- Fastening and material handling technology

Seamless Tubes

Global TOP player

- High-tech seamless tubes for oil and gas industries
- Special tubes for various industrial applications

Welding Technology

Global TOP player

- Specialist for medium- and high-grade alloy welding filler materials

METAL ENGINEERING DIVISION

BUSINESS DEVELOPMENT BY 2016/17

- » Business year comparison influenced by **positive one-offs** 2015/16 from consolidation changes
- » **Divergence in main customer segments** in H2 2016/17
 - » **European rails market** with **fading momentum**
 - » **Pick up of volumes in US oil & gas sector** (Seamless Tubes) since autumn 2016, prices following only slowly
- » Overall **strong performance of Turnout Systems** despite partly softer markets
 - » Asia (above all China) as backbone of strong development
 - » Increasing investments into mining infrastructure (Brazil) since Q4 2016/17
 - » Weakness in US-heavy haul business
- » Dynamics in **automotive industry unchanged strong** (Wire Technology)
 - » Successful ramp-up of new high-tech wire rod mill
- » **Welding Consumables successfully restructured**

€m	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	BY 16/17	BY 15/16	Delta in %
Sales	680	652	662	690	2,685	2,850	-5.8
EBITDA	88	84	83	106	361	511	-29.4
EBITDA-%	12.9%	12.9%	12.5%	15.4%	13.4%	17.9%	
EBITDA Clean	88	84	83	106	361	384	-6.1
EBITDA-% Clean	12.9%	12.9%	12.5%	15.4%	13.4%	13.5%	
EBIT	50	46	45	61	201	315	-36.2
EBIT-%	7.3%	7.0%	6.7%	8.8%	7.5%	11.0%	
EBIT Clean	54	49	48	66	217	252	-13.6
EBIT-% Clean	7.9%	7.6%	7.2%	9.6%	8.1%	8.8%	

METAL FORMING DIVISION

BUSINESS SEGMENTS AND PRODUCTS



Tubes & Sections

Global LEADERSHIP

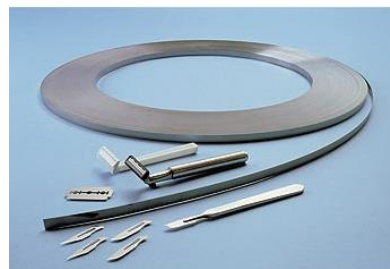
- Innovative and high-quality tubes, sections, and precision steel tube products



Automotive Components

European TOP player

- Innovative and high-quality automotive components for the automobile industry
- Cold stamping, hot forming, body panels and tailored blanks



Precision Strip

Technology & market LEADERSHIP

- Cold rolled stainless steel strips with a high degree of precision and excellent surface quality



Material Handling

European TOP player

- High-sophisticated solutions in the areas of high-bay warehouses and racking systems

METAL FORMING DIVISION

BUSINESS DEVELOPMENT BY 2016/17

- » **Upward trend in Automotive Components** business prolonged
 - » Car registrations in Europe & China unchanged growing in Q4 2016/17, softening sales figures in the US
 - » European car producers still on growth track
 - » Ongoing global rollout of key automotive technologies
- » **Tubes & Sections** business with **strong Q4 2016/17**
 - » Upturn in commercial vehicles, gradual recovery in agricultural machinery
 - » Stabilizing order intake from aviation sector in Q4
 - » Very solid market situation for car safety components
- » Improving demand in China & strong global market position bolstering **excellent earnings of Precision Strip business**
- » Ongoing **growth of Warehouse & Rack Solutions business**

€m	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	BY 16/17	BY 15/16	Delta in %
Sales	616	572	566	672	2,426	2,225	9.0
EBITDA	80	73	70	94	317	291	9.1
EBITDA-%	13.0%	12.8%	12.3%	13.9%	13.1%	13.1%	
EBIT	55	48	44	64	211	195	8.3
EBIT-%	9.0%	8.4%	7.7%	9.5%	8.7%	8.7%	

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OUTLOOK

- » Worldwide growth gaining momentum, but political threats rising
- » Impact of US economic policy on global trade flows hard to predict
- » Growth driven by Asia – foremost China, enhanced support from Europe
- » After long-lasting recession in Brazil & Russia first cautious signs of (possible) trend reversals
- » Increasing growth contribution from US in the course of the year
- » Further step-by-step recovery of oil & gas sector, European building/ construction industry with positive trend, railway infrastructure showing mixed signals
- » Unchanged solid development of automotive, consumer goods, machine building and aviation industries expected



Outlook 2017/18: Clearly positive development of revenue & earnings

KEY FINANCIALS BY 2016/17

voestalpine GROUP

FINANCIAL OVERVIEW (I)

	REPORTED FIGURES			CLEAN FIGURES		
	BY 2015/16 2015/04/01 -2016/03/31	BY 2016/17 2016/04/01 -2017/03/31	Delta (%)	BY 2015/16 2015/04/01 -2016/03/31	BY 2016/17 2016/04/01 -2017/03/31	Delta (%)
Sales	11,069	11,295	2.0	11,069	11,295	2.0
EBITDA	1,583	1,541	-2.7	1,446	1,541	6.6
EBITDA-margin	14.3%	13.6%		13.1%	13.6%	
EBIT	889	823	-7.4	814	840	3.1
EBIT-margin	8.0%	7.3%		7.4%	7.4%	
EBT	751	700	-6.8	677	717	5.9
Net profit	602	527	-12.5	510	539	5.8
EPS	3.35	2.84	-15.2	2.64	2.87	8.7

In millions of euros

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FINANCIAL OVERVIEW (II)

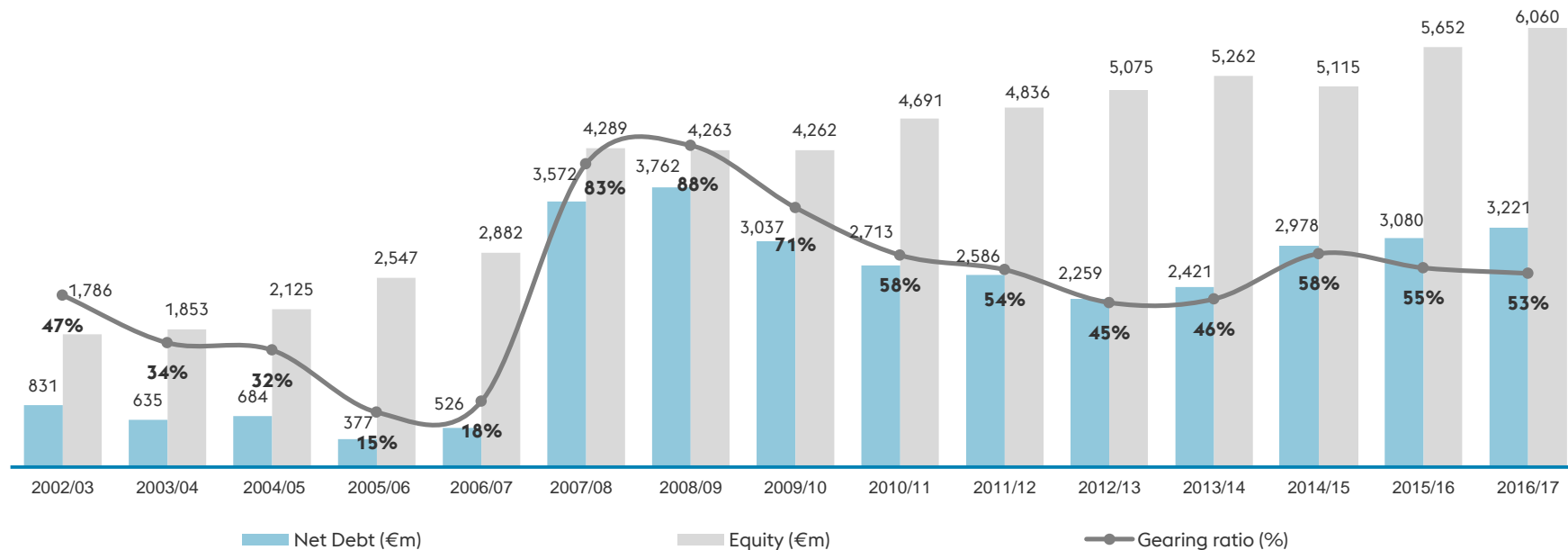
	BY 2015/16 2015/04/01 -2016/03/31	BY 2016/17 2016/04/01 -2017/03/31	Delta in %
CAPEX*	1,311	1,011	-22.9
Depreciation	695	717	3.2
Net Financial Debt	3,080	3,221	4.6
Gearing	54.5%	53.2%	

*) Fixed asset and acquisitions

In millions of euros

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DEVELOPEMENT GEARING RATIO



Figures in millions of euros

voestalpine AG

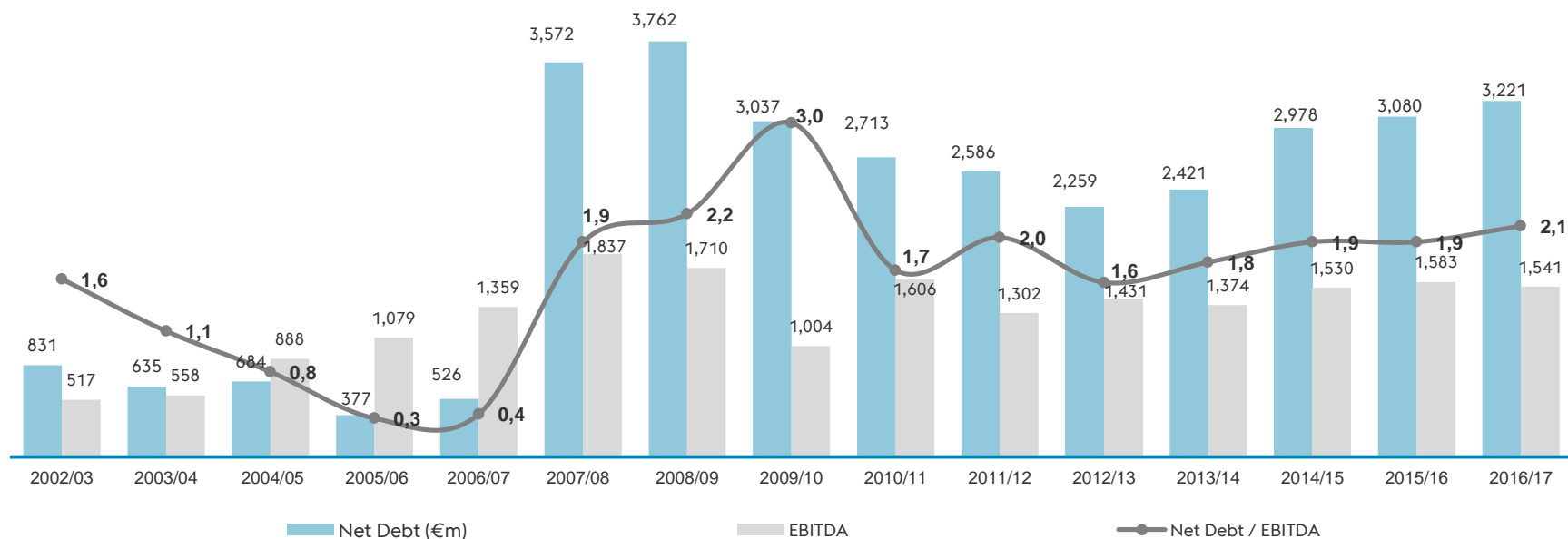
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ONE STEP AHEAD.

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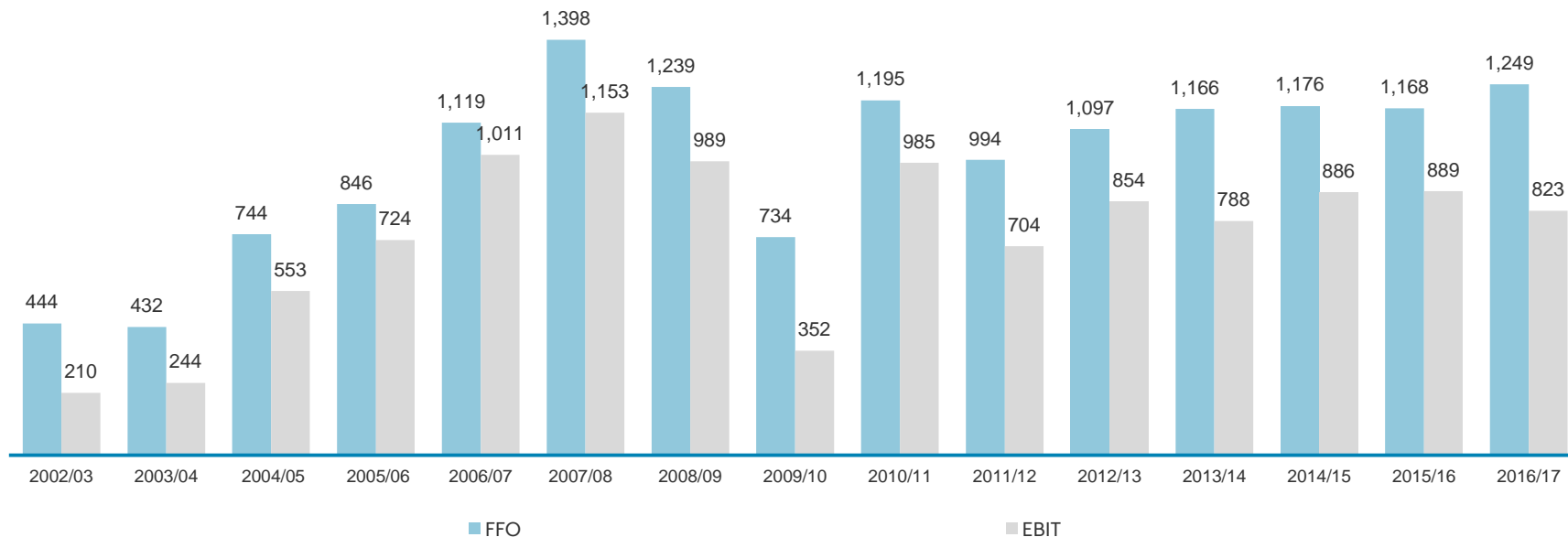
DEVELOPEMENT NET DEBT / EBITDA



Figures in millions of euros

voestalpine GROUP

DEVELOPEMENT FFO and EBIT

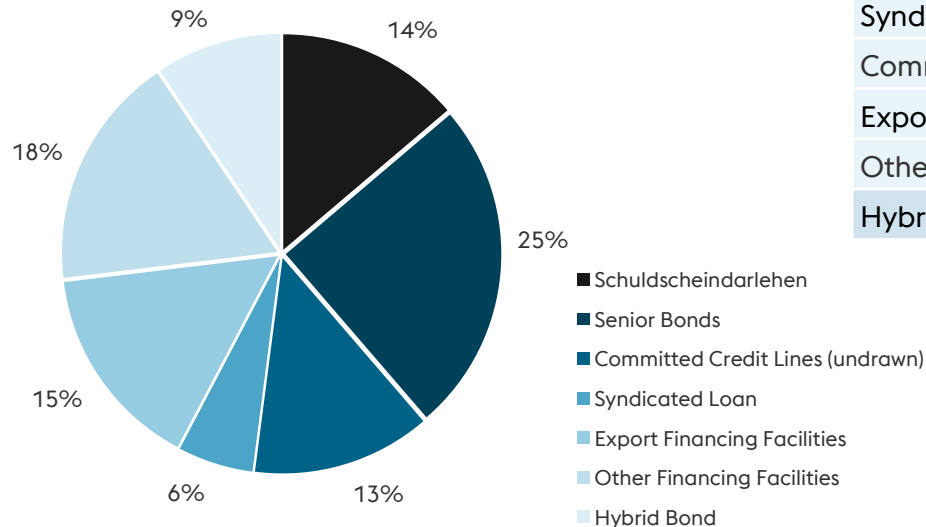


Figures in millions of euros

voestalpine GROUP

FINANCING PORTFOLIO

The financing strategy of voestalpine focuses on a well balanced financial structure using a **broad range of financing instruments!**



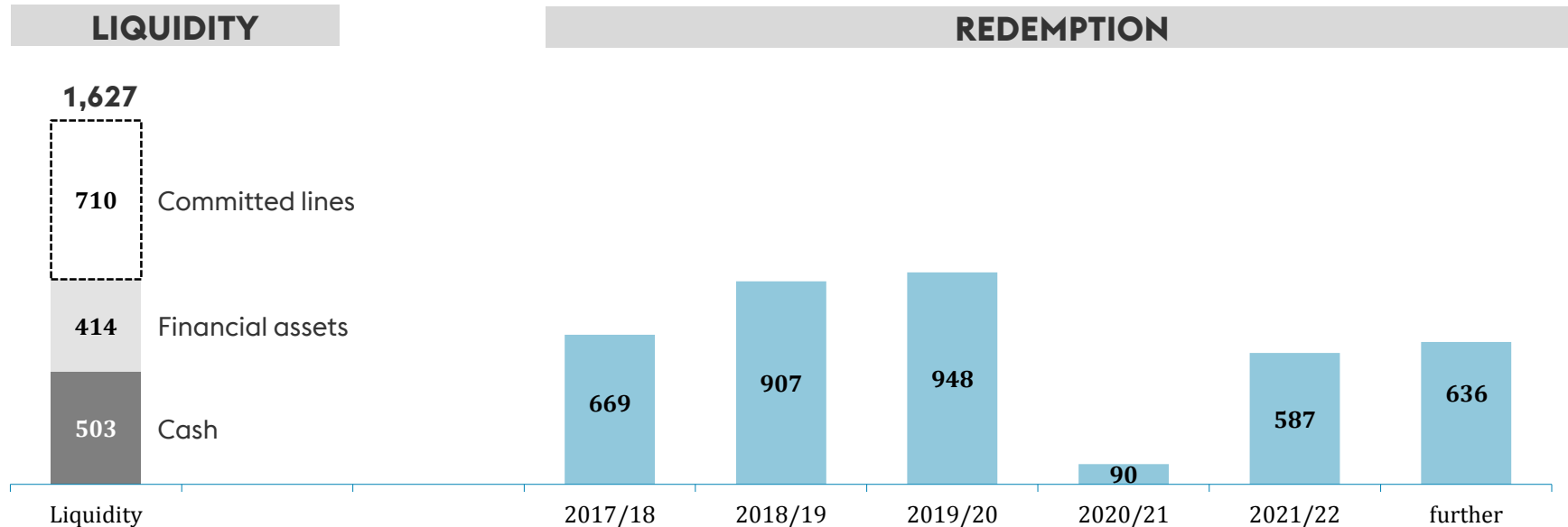
Instrument	Volume €m	Maturity
Schuldscheindarlehen	732	various
Senior Bonds	1,321	2018 & 2021
Syndicated Loan	300	2020
Committed credit lines (undrawn)	710	mainly 2022
Export financing facilities	816	various
Other financing facilities	929	various
Hybrid Bond 2013	500	perpetual

Figures in millions of euros as of 2017/03/31

voestalpine's financing policy is **long term** and **risk-averse** seeking **sustainable, long term** and **diversified funding sources!**

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LIQUIDITY AND REDEMPTION SCHEDULE



Figures in millions of euros as of 2017/03/31

DEBT INVESTOR RELATIONS

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voestalpine GROUP

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