

CORPORATE NEWS

8 August 2018

voestalpine reports record revenues and stable earnings performance, first quarter of business year 2018/19 affected by blast furnace relining

In a macroeconomic environment, which is characterized by protectionist trading policies by more and more countries, the most important economies have still developed on stable high level in the first quarter of the business year 2018/19. While the boom continued in North-America, first economic effects from the “BREXIT”-vote became visible in Europe in the first half of 2018 while the general economic trend continued to show solid growth. China however was able to prolong its economic momentum. The recently announced stimulus measures obviously shall ensure a continuation also in the second half of 2018.

Against this backdrop the most important markets of voestalpine-Group developed on ongoing attractive levels. The demand from the automotive market increased once again and also market-dynamics in the oil and gas-segment improved. Similarly the demand situation in the building and the mechanical engineering segment continued on the solid levels, already seen in the previous quarters. For the first time in a while, the railway infrastructure market showed a positive tendency in the first quarter of 2018/19, although primarily from a volume-perspective, whereas the pricing environment was little changed.

The financial performance of the various divisions in the first quarter 2018/19 was not solely depending on market conditions but was moreover influenced by specific internal developments.

voestalpine AG

The blast furnace relining showed some first effects in the Steel Division as planned. In particular the reduced production volume due to the furnace outage in combination with the planned maintenance shutdown of the HBI plant in Texas, did not allow to fully reflect the positive market environment in the financial figures. Besides the excellent automotive demand, the earnings figures of the Metal Forming Division were affected by the ramp up of new facilities, especially in North America, which by the way led to the strongest gain in revenues on a year-on-year comparison.

The recovery in the oil and gas-segment had some direct positive effects in the High Performance Metals Division, whereas the Metal Engineering Division only showed a stable development in this segment due to the protective tariffs of the United States. However the Metal Engineering Division reached overall the highest increases in earnings on an annual base, mainly because of the solid development of the wire technology business.

Apart from the usual seasonal effects over summer, no changes of the first quarter's strong economic environment in almost all industrial segments as well as economic regions are expected for the second quarter. Instead, considered from our current position, the growth momentum looks so stable in terms of both breadth and intensity that it seems realistic to assume that the favourable economic climate will continue across the board in the fall, i.e. up until the end of the calendar year 2018. At this time, the protectionist global trade measures of the United States and/or the corresponding retaliatory actions of other countries pose the greatest potential threat to this development.

Besides possible negative effects of these increasing political uncertainties that are still difficult to quantify, both EBITDA and EBIT of the voestalpine Group for the business year 2018/19 on the whole should equate more or less to the previous year's levels. This again on the assumption

voestalpine AG

that all such effects and impact on results due to the current general overhaul of major facilities can be offset by and large through positive effects resulting from improvements in the economic climate of individual sectors (railway infrastructure, oil and natural gas sector) as well as the successful start-up of new major facilities.

Key figures of voestalpine Group

(acc. IFRS)	Q1 BY 2017/18 04/01/2017- 06/30/2017	Q1 BY 2018/19 04/01/2018- 06/30/2018	Delta %
Revenue	3,251.5	3,469.0	+6.7
EBITDA	513.8	513.0	-0.2
EBITDA margin in %	15.8 %	14.8 %	
EBIT	328.8	323.8	-1.5
EBIT margin in %	10.1 %	9.3 %	
Profit before tax	292.4	294.3	+0.6
Profit before the period *	218.4	224.4	+2.7
EPS (euros)	1.18	1.21	+2.5
Gearing-ratio in % (06/30)	53.8 %	49.0 %	

In millions of euros

*Before deduction of non-controlling interests and interest on hybrid capital.

voestalpine AG's 1st quarter results BY 2018/19 as of June 30, 2018, may be viewed on the Company's website, www.voestalpine.com, under the "Investors" tab.

If you have any questions, please contact the Investor Relations Team at +43/50304/15-9949.

Further inquiry note:

voestalpine AG
Peter Fleischer
Head of Investor Relations

voestalpine-Strasse 1
4020 Linz, Austria
T. +43/50304/15-9949
peter.fleischer@voestalpine.com
www.voestalpine.com