

voestalpine posts record revenue for the business year 2018/19 yet lower earnings due to non-recurring effects

Following its very good start into the business year 2018/19, the macroeconomic environment saw an increased dampening of sentiment over the remainder of the year. Economic sentiment deteriorated worldwide not least due to the escalating trade war between the United States and China, but also in other regions including Europe where, additionally, the endless Brexit negotiations led to economic uncertainty and the introduction of a new emissions test (the Worldwide Harmonized Light Vehicle Test Procedure – WLTP) in the fall of 2018 led to serious distortions in the automotive industry. It was foreseeable since the last calendar quarter of 2018 at the latest, therefore, that the economic expansion of the past three years was coming to an end, not least due to rising raw materials and CO₂ prices also.

Aside from the increasing difficulties in the economic environment, the earnings development of the voestalpine Group was crimped by a number of internal one-time effects too: in particular, the cost of the complete overhaul of the Group's largest blast furnace, provisions related to ongoing cartel proceedings in the Heavy Plate business segment, and sharply higher start-up costs for the Group's automotive component plant in Cartersville, Georgia, USA.

All of this put substantial pressure on earnings in the business year just ended despite a new all-time high in revenue.

The Management Board of voestalpine AG is working hard to put the operating result (EBITDA) for the 2019/20 business year on a stable footing—compared with the business year 2018/19—in the face of growing economic uncertainties. The biggest internal challenge in this connection is the work to fix operational issues at the Group's US plants so that the ambitious volume targets can be met.

What will be key to macroeconomic developments, however, is

- » the extent to which trade policies will continue to artificially affect the global trade flows in the next 12 months;
- » the extent to which the performance of the global raw materials sector will continue to be affected less by supply and demand and more by other criteria that are difficult to comprehend;
- » the extent to which the new emissions tests and the political debates about new visions for the future of automotive technology will affect consumers' spending patterns in Europe and beyond; and,
- » last but not least, the direction the European economy will take in connection with the question whether the Brexit will follow an orderly or disorderly process.

The company cannot influence or decide any of these factors, meaning that any guidance issued for the business year 2019/20 above and beyond the general direction expressed above would not have any basis in fact.

KEY FIGURES – voestalpine GROUP

(pursuant to IFRS)	BY 2017/18 04/01/2017– 03/31/2018	BY 2018/19 04/01/2018– 03/31/2019	Change in %
Revenue	12,897.8	13,560.7	+5.1
EBITDA	1,954.1	1,564.6	-19.9
EBITDA margin in %	15.2%	11.5%	
EBIT	1,180.0	779.4	-33.9
EBIT margin in %	9.1%	5.7%	
Profit before tax	1,042.5	645.7	-38.1
Profit after tax *	825.4**	458.6	-44.4
Earnings per share	4.40	2.31	-47.5
Gearing ratio in % (03/31)	45.7%	46.6%	

In millions of euros

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

**BY 2017/18, retroactively adjusted.

The Annual Report 2018/19 of voestalpine AG as of the March 31, 2019, reporting date may be accessed on the company's website at www.voestalpine.com under the "Investors" tab.

In case of questions, please contact the company's Investor Relations team at +43/50304/15-9949.

voestalpine AG

Please direct any inquiries to:

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