

voestalpine Group revenue and earnings at an all-time-high

By consistently implementing its international growth strategy and concentrating simultaneously on innovation, technology, and efficiency in an economic environment characterized by a broad upswing, in the business year 2017/18 the voestalpine Group achieved new records with respect to both revenue and all earnings categories. In doing so, the Group even posted an earnings level above that of the boom prior to the financial crisis, although momentum in individual strategic core markets such as the oil and natural gas sector or railway infrastructure is not comparable to the levels of that period.

All in all, however, the global economic trend during the past business year was one of growth on a broad front. The momentum in Europe, and partly also in North America, accelerated over the course of the year, while China was able to retain its high growth rates of the past years despite restructuring measures in some industry segments. Even Brazil succeeded in getting back on an expansive track in 2017, after four years of recession.

Towards the end of the business year, the increasingly protectionist trade policies of the US administration seriously dampened global economic sentiment, but they failed to have any effect on the real economy during the business year 2017/18.

Thus, the automotive industry remained strong, and the consumer goods and aerospace industries were stable at a high level. While there was an upward trend in the mechanical engineering industry, especially in Europe, and the oil and natural gas sector continued its

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recovery, particularly in North America, it was the railway infrastructure sector in Europe which was confronted by slowing demand even though it remained strong in China.

In this environment, the voestalpine Group was able to significantly boost its revenue and earnings across all categories, achieving all-time-highs unmatched in the Group's history. All the divisions contributed to this performance through growth in revenue and operating results (EBITDA), with the greatest improvement recorded by the Steel Division.

At the start of the Group's new business year 2018/19, potential political risks still do not seem to have any palpable effect on at least the fundamentals of the global economy. Demand remains positive in almost all sectors of the economy and customer segments.

The excellent economic environment in the first quarter of 2018/19 gives us reason to expect that the strong development of key markets will continue unabated at minimum until the fall of 2018. But one must take into account with respect to the earnings performance of voestalpine AG that the results for 2018/19—particularly those of the second quarter—will be massively affected by the long-planned repairs and resulting downtime of the Group's largest blast furnace. Excluding this non-recurring effect, the operating result for the first six months of the current business year should more or less equal that for the first half of the business year 2017/18.

It is much more difficult, however, to provide a forecast for the second half of the business year 2018/19, because material adverse effects from the trade policies of at least some countries will likely make themselves felt by this time. Moreover, the question as to the sustainability of the current economic boom, whose roots reach back to 2016, will also crop up by then.

The uncertainties in the second half of the business year 2018/19 notwithstanding, both EBITDA and EBIT for the year on the whole should correspond more or less to the previous year's level.

This is based on the assumption that the negative effects of the blast furnace repairs can be

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offset largely by positive effects from the recovery of individual sectors (railway infrastructure, oil and natural gas sector) and that the fallout from international trade policies will be limited. The successful ramp up of major facilities in the past 12 months (wire rolling mill in Austria; automotive components plants in the United States, Mexico, and China; HBI-plant in the US; etc.) should have a stabilizing effect on the results as well.

Key figures of voestalpine Group

(acc. IFRS)	BY 2016/17 04/01/2016- 03/31/2017	BY 2017/18 04/01/2017- 03/31/2018	Delta %
Revenue	11,294.5	12,897.8	+14.2
EBITDA	1,540.7	1,954.1	+26.8
EBITDA margin in %	13.6%	15.2%	
EBIT	823.3	1,180.0	+43.3
EBIT margin in %	7.3%	9.1%	
Profit before tax	699.9	1,042.5	+48.9
Profit before the period *	527.0	817.9	+55.2
EPS (euros)	2.84	4.40	+54.9
Gearing-ratio in % (03/31)	53.2%	45.7%	

In millions of euros

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

voestalpine AG's Annual Report 2017/18 as of March 31, 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.

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