

Q & A voestalpine Group results Q3 BY 2022/23

Q.) Are there any one-offs in the results?

A.) There are no one-offs in the Q3 results.

In the first nine months of the BY 2022/23 a total of 173 million EUR in impairment losses (booked in Q2) had a negative impact on the High-Performance Metals Division.

Q.) Why was the Free Cash Flow negative in Q3 BY 2022/23?

A.) The major reason is a (renewed) working capital buildup in Q3 BY 2022/23 of around 359 million EUR, mainly because of a significant reduction of accounts payable and current provisions.

Q.) What are the reasons behind the working capital buildup in Q3 BY 2022/23?

A.) The main reason is the significant reduction of the accounts payable per 31st of Dec. 2022. After the planned buildup of stocks in response to the war in the Ukraine, we installed a group-wide program to reduce the working capital. We reduced purchases significantly to draw down stock levels. The first positive effects can be seen in the reduction of stocks in Q3 BY 2022/23. But this measure also drove the accounts payable down. At the same time, raw material and energy prices dropped, what additionally reduced the accounts payable.

In Q3 BY 2022/23, we reduced accounts receivable due to the working capital program but also due to somewhat lower revenues.

Q.) How do you expect working capital to develop going forward?

A.) We expect a significant cash release from working capital in the last quarter of the business year 2022/23.

Q.) Why have you increased the guidance for BY 2022/23?

A.) Although we have seen demand from some markets declining, the general business environment is not as bad as forecast a few months ago. In addition, the Energy segment is showing excellent development.

Q.) Why have you made an additional remark about administrative approvals on the land sale in your outlook statement? Is the transaction less likely today?

A.) The transaction is very likely to be closed in the 4th quarter of BY 2022/23. We only wanted to flag, that there is still administrative approval necessary, which is expected to take place end of February / beginning of March 2023.