



Financial Year 2015/16

2nd Quarter, 1st Half

Investor Relations
November 2015

voestalpine AG
www.voestalpine.com

voestalpine
ONE STEP AHEAD.

voestalpine Group

Overview

From steel to technology and industrial goods

- High-tech steel is the base of voestalpine, but 15 years of downstream strategy have converted the group from a steelmaker to a technology and industrial goods corporation
- The combination of leading steel making know-how and top processing expertise creates innovative technical solutions and new products
- Long-term relationships with customers, suppliers and R&D-institutions are key drivers for innovation
- voestalpine has been holding over years a leading position versus its peers with regards to quality, technology and financial performance



European or global top 3 player in all business units

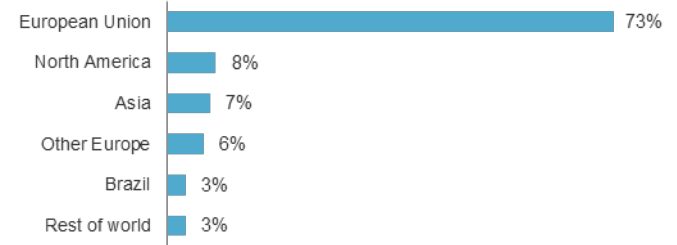
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Global footprint

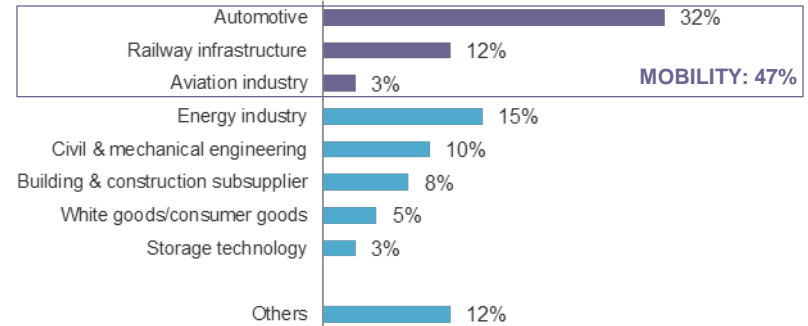
One Group – 500 sites – 50 countries – 5 continents



Revenue by **regions** (Business year 2014/15)



Revenue by **industries** (Business year 2014/15)





- Solid performance in H1 2015/16 despite challenging environment in energy industry and steel
 - Significant (clean) EBIT improvement in year-on-year comparison
 - Steel Division with strongest upturn within all 4 divisions
 - Low oil price puts pressure on oil & gas investments, unchanged subdued conditions for power plant business
- Positive catalysts for advanced earnings
 - Continuous strong automotive demand globally
 - Increasing number of railway infrastructure projects, above all in Europe
 - Incoming orders in aviation sector exceeding prior levels
 - Cost savings & efficiency gains filtering through P&L
- Europe with only moderate dynamics, North America unchanged strong
- Growing economic fears in China, India with improving GDP-growth



REPORTED FIGURES

€m	H1	H1	Delta
	2014/15	2015/16	in %
Sales	5,561	5,787	+4.1
EBITDA	757	892	+17.9
EBITDA-%	13.6%	15.4%	
EBIT	445	575	+29.4
EBIT-%	8.0%	9.9%	

CLEAN FIGURES

H1*	H1**	Delta
	2014/15	2015/16
5,561	5,787	+4.1
690	755	+9.3
12.4%	13.0%	
400	450	+12.7
7.2%	7.8%	

*) Excluding one-offs from divestments (Metal Forming Division)

voestalpine AG **) Excluding one-offs from changes of consolidation (Metal Engineering Division)

Steel Division

Business development H1 BY 2015/16

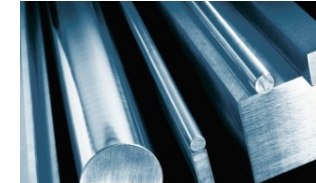


- European steel spot market facing severe import pressure
 - Nevertheless ongoing strong order intake from automotive industry and stable demand in consumer goods (contract based business!)
 - Volatile development in machine building sector prolonged
 - Building & construction sector unchanged weak
 - New line-pipe project triggering solid utilization in Heavy Plate for H2 2015/16
 - Permanently increasing imports from China, Russia & others
- Extremely challenging pricing environment
 - Eroding steel prices on spot market; difficult contract negotiations
- 320 €m-cost- and efficiency improvement-program with positive impact on profitability

€m	Q1 15/16	Q2 15/16	H1 15/16	H1 14/15	Delta in %
Sales	1,061	930	1,991	1,904	+4.6
EBITDA	134	119	253	211	+20.0
EBITDA-%	12.6%	12.8%	12.7%	11.1%	
EBIT	75	58	133	95	+39.5
EBIT-%	7.0%	6.2%	6.7%	5.0%	

Special Steel Division

Business development H1 BY 2015/16



- Inconsistent global development in H1 2015/16
 - Increasingly volatile market sentiment in Europe
 - China downturn not weighing on order intake for the time being
 - Exchange rate development bolstering competitive position in the US
 - Lean management measures cushioning massive downturn in Brazil
- Significant decline of incoming orders from oil & gas sector in Q2
- Automotive and consumer goods demand supporting overall solid performance of tool steel business
- Excellent order intake and backlog in aircraft components
- Ongoing weak demand in European power plant business
- Mix of high-end products and premium services increasingly a global USP

€m	Q1 15/16	Q2 15/16	H1 15/16	H1 14/15	Delta in %
Sales	709	660	1,369	1,350	+1.4
EBITDA	100	86	186	183	+1.6
EBITDA-%	14.1%	13.1%	13.6%	13.6%	
EBIT	65	53	118	114	+3.1
EBIT-%	9.2%	8.0%	8.6%	8.5%	

Metal Engineering Division

Business development H1 BY 2015/16

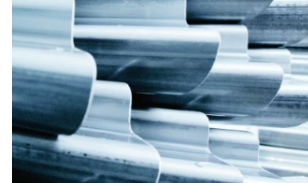


- Earnings affected by positive one-offs in H1 2015/16
 - Changes of consolidation in Seamless Tubes and Turnout System units
 - Impact of 126.5 €m on EBITDA and 114.1 €m on EBIT
- Excellent project landscape in railway infrastructure
 - Record rail production in BY 2015/16 expected
 - Capacity expansion in Turnout Systems due to excellent order situation
- Investments in oil & gas sector further deteriorating
 - Low drilling activities in US impacting performance of Seamless Tubes
 - Oil business in Middle East holding up but with increasing competition
- Healthy demand in automotive industry bolstering Wire Technology
- Globally tightening market conditions in Welding Technology

€m	Q1 15/16	Q2 15/16	H1 15/16	H1 14/15	Delta in %
Sales	774	751	1,525	1,330	+14.7
EBITDA	236	100	336	204	+65.0
<i>EBITDA Clean</i>	110	100	210	204	+2.9
EBITDA-%	30.5%	13.3%	22.0%	15.3%	
<i>EBITDA-% Clean</i>	14.2%	13.3%	13.7%	15.3	
EBIT	197	61	258	149	+73.4
<i>EBIT Clean</i>	77	68	144	149	-3.2
EBIT-%	25.5%	8.1%	16.9%	11.2%	
<i>EBIT-% Clean</i>	9.9%	9.0%	9.5%	11.2%	

Metal Forming Division

Business development H1 BY 2015/16



- Excellent performance of Automotive Body Parts business
 - Improving car sales in Europe, ongoing strong US auto market
 - Growing uncertainty in China
- Overall stable development of Tubes & Sections segment, but regional disparities
 - Moderate order intake in European core markets Germany & France
 - Outstanding demand situation in Great Britain & US
 - Further deterioration in Brazil, easing sentiment in China
- Despite unfavourable market conditions Precision Strip business with solid development
- Unchanged strong order intake in Warehouse & Rack Solutions business

€m	Q1 15/16	Q2 15/16	H1 15/16	H1 14/15	Delta in %
Sales	566	541	1,106	1,181	-6.3
EBITDA	69	69	138	199	-30.4
<i>EBITDA Clean</i>	69	69	138	132	+4.5
EBITDA-%	12.3%	12.8%	12.5%	16.8%	
<i>EBITDA-% Clean</i>	12.3%	12.8%	12.5%	11.2%	
EBIT	46	45	92	130	-29.7
<i>EBIT Clean</i>	46	45	92	85	+7.8
EBIT-%	8.1%	8.4%	8.3%	11.0%	
<i>EBIT-% Clean</i>	8.1%	8.4%	8.3%	7.2%	



Financial overview

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Financial overview

REPORTED FIGURES

H1 BY 2014/15
01.04.2014 – 30.09.2014

H1 BY 2015/16
01.04.2015 – 30.09.2015

Delta (%)

CLEAN FIGURES

H1 BY 2014/15*
01.04.2014 – 30.09.2014

H1 BY 2015/16**
01.04.2015 – 30.09.2015

Delta (%)

		H1 BY 2014/15 01.04.2014 – 30.09.2014	H1 BY 2015/16 01.04.2015 – 30.09.2015	Delta (%)	H1 BY 2014/15* 01.04.2014 – 30.09.2014	H1 BY 2015/16** 01.04.2015 – 30.09.2015	Delta (%)
Sales	€m	5,561	5,787	+4.1	5,561	5,787	+4.1
EBITDA	€m	757	892	+17.9	690	755	+9.3
EBITDA-margin	%	13.6%	15.4%		12.4%	13.0%	
EBIT	€m	445	575	+29.4	400	450	+12.7
EBIT-margin	%	8.0%	9.9%		7.2%	7.8%	
EBT	€m	392	506	+29.1	347	381	+9.8
Net profit	€m	316	421	+33.3	272	290	+6.6
EPS***	€/ Share	1.65	2.29	+38.8	1.40	1.48	+5.7

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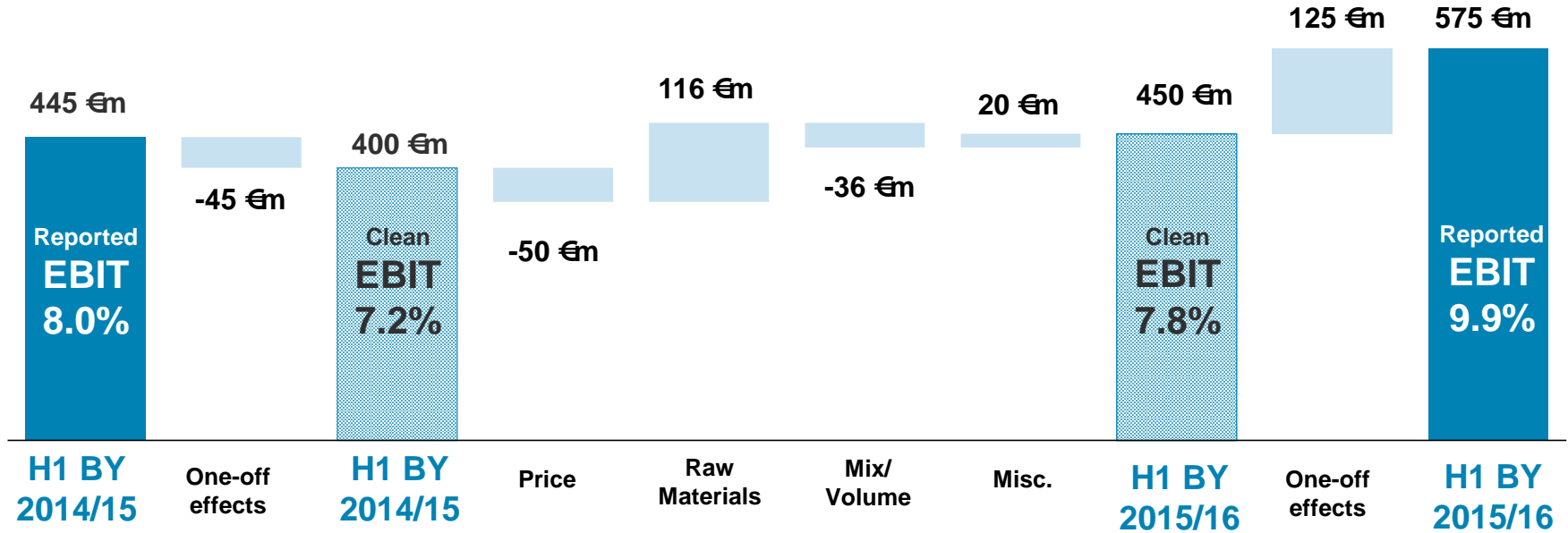
Financial overview

		H1 BY 2014/15 01.04.2014 – 30.09.2014	H1 BY 2015/16 01.04.2015 – 30.09.2015	Delta (%)	
CAPEX*	€m	427	647	+51.6	* Fixed assets and acquisitions
Depreciation	€m	312	317	+1.5	
Equity	€m	4,932	5,509	+11.7	
Net Financial Debt	€m	2,899	3,153	+8.8	
Gearing	%	58.8%	57.2%		

Structure of statement of financial position impacted by special items resulting from repayment of hybrid capital, exchange rate movements, and an actuarial revaluation of social capital

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Development EBIT



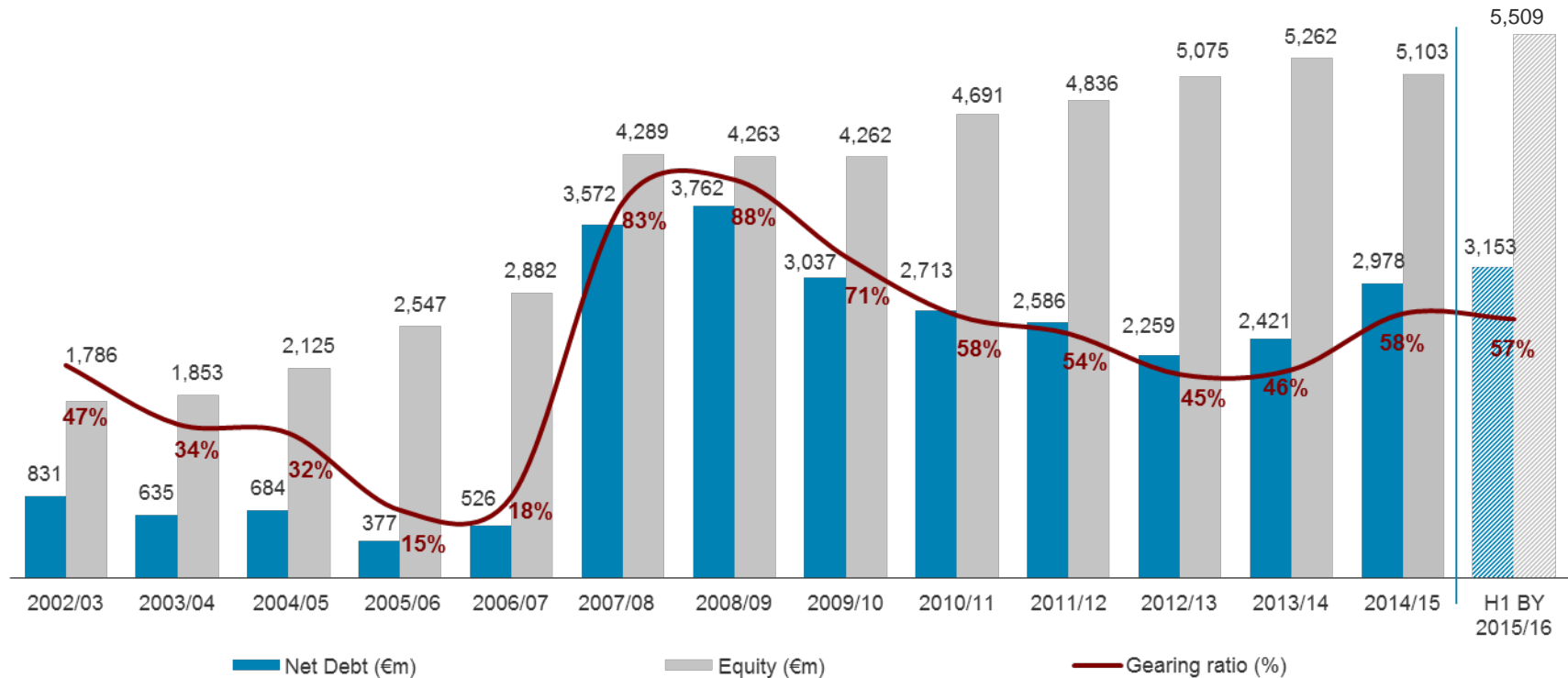
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Development cash flow

	H1 BY 2014/15 01.04. – 30.09.2014	H1 BY 2015/16 01.04. – 30.09.2015
	€m	€m
Cash flow from results	596	590
Changes in working capital	-63	-42
Cash flow from operating activities	533	548
Cash flow from investing activities	-334	-665
Free cash flow	199	-117

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Development gearing ratio

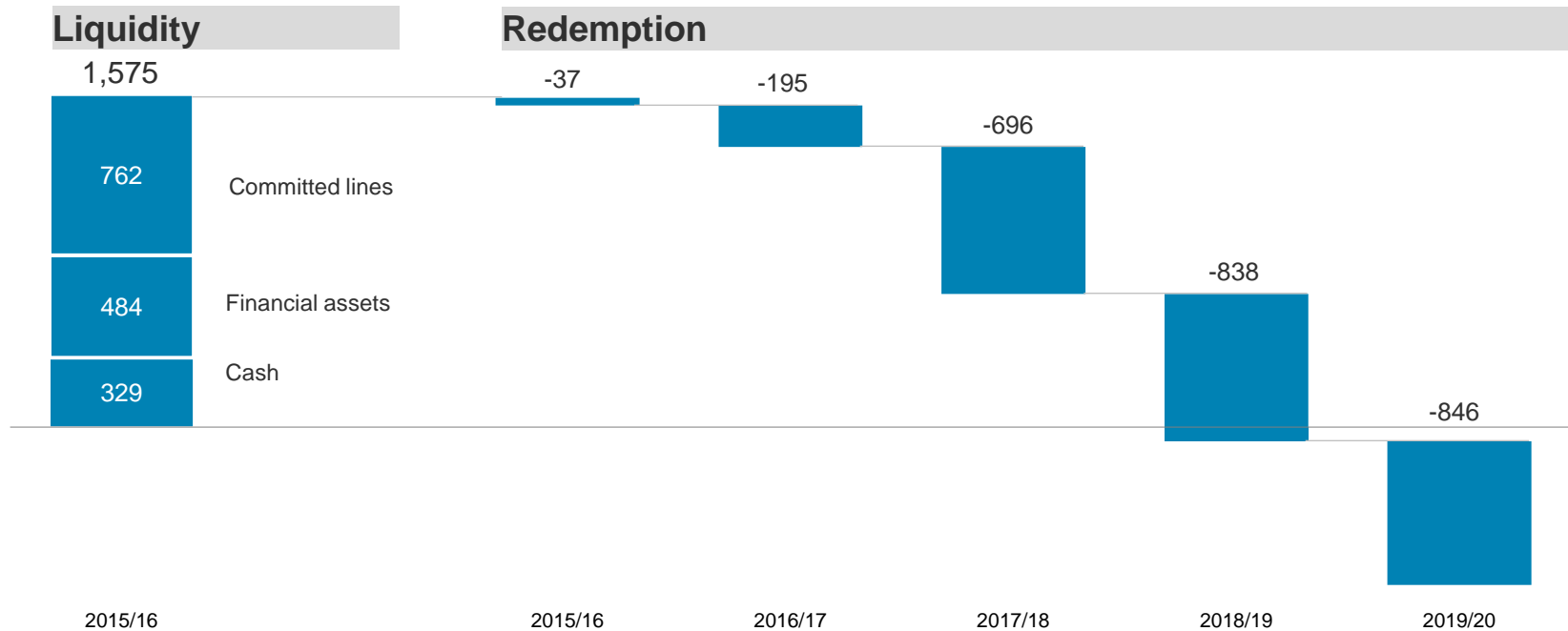


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Development liquidity

Liquidity and redemption schedule per 30.09.2015

in €m



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Outlook 2015/16

- Economic recovery in **Europe** increasingly affected by political developments in Near and Mid East as well as refugee situation, **North America** with stable perspective
 - **China** facing more negative economic effects from transition process to consumption-driven economy, no signs of improvement in **Brazil** and **Russia**
 - Further stable development of core customer segments, **automotive** industry, **railway** infrastructure and **aviation** expected
 - Weakness in **oil/gas**, **energy** and **building/construction** to be prolonged
 - Global – especially Chinese – overcapacities putting enormous pressure on **steel-spot market prices** – indirect effects also on contract-based business
- Economic environment in the next at least 6 months overshadowed by ongoing weak or even further deteriorating market conditions in several regions as well as industrial segments. **Improvement of voestalpine's 2014/15 EBITDA and EBIT in 2015/16 still realistic but only if including one-offs**





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