

## **PRESS RELEASE**

November 13, 2024

### **voestalpine holds its own in the first half of 2024/25 in an overall challenging economic environment**

- » Focus on high-tech products, along with broad positioning by sector and region, supports Group earnings
- » Revenue down slightly year-on-year to EUR 8 billion (from EUR 8.5 billion)
- » EBITDA of EUR 718 million influenced by negative one-off effects (previous year: EUR 903 million)
- » Equity remains stable at EUR 7.4 billion compared to the reporting date (March 31, 2024), leverage at a solid level of 27.5% (March 31, 2024: 22.0%)
- » Numerous international growth projects are in progress
- » Successful placement of a green bond—the first by a European steel company
- » Number of employees (FTE) increased by 1% year-on-year to 51,700
- » EBITDA outlook at around EUR 1.4 billion

voestalpine performed well in the first half of the business year 2024/25 (April 1 – September 30, 2024) despite a challenging economic environment, especially for the European steel industry. The steel and technology Group's strategy of concentrating on high-tech steel products once again proved its strength. The railway infrastructure and aerospace sectors performed very well in the first half of the year. Demand remains particularly strong for voestalpine's state-of-the-art high bay warehousing systems, made from the most advanced steel profiles. The energy sector recorded a decline in demand and also the construction and mechanical engineering industries remained at a persistently low level. In the automotive sector, profit warnings from renowned European car manufacturers indicated no imminent improvement in sales figures for the European automotive industry, which also impacts the demand for voestalpine products. In contrast, the non-European Automotive Components locations continued to report good capacity utilization.

“In this extremely difficult environment for European steel companies, voestalpine once again demonstrates its flexibility and adaptability. In business segments facing structural changes, we responded immediately with specific measures, such as reorganizing our German Automotive Components locations. At the same time, we are implementing numerous international growth projects in railway infrastructure, storage systems, and high-tech special tubes and sections. Our broad positioning across industries and regions stabilizes the Group's results and validates the resilience of our corporate strategy,” says Herbert Eibensteiner, CEO of voestalpine AG.

### **Important future projects**

voestalpine has advanced numerous important future projects in the first half of 2024/25, including new long-term contracts with two global truck manufacturers for the North American market. To this end, voestalpine is expanding production capacity at its existing location in Indiana, USA. The investment for the expansion amounts to EUR 70 million (USD 78 million) and will create 110 new jobs. In the high bay warehousing sector, voestalpine is currently implementing projects for the Danish retail chain JYSK and the South Korean tire manufacturer Nexen Tire Corporation. For Nexen Tire Corporation, voestalpine is building the highest high bay warehouse in the Group's history, at 50 meters, in the Czech Republic by 2025. There is also positive news from a flagship project in the

railway infrastructure sector: voestalpine Railway Systems is supplying around 260 high-speed turnouts, including maintenance software, for Egypt's first high-speed line, the "Green Line." The first turnouts have left the factory in Cairo by now.

### First green bond

In June, voestalpine became the first European steel company to publish its "green financing framework." Based on this framework and amid high investor interest, the Group issued its first green bond at the end of September, with a volume of EUR 500 million (settlement date: October 3, 2024, and therefore not included in the 2024/25 half-year financial statements). The proceeds will be entirely used to finance sustainable voestalpine projects, such as greentec steel.

### Challenging economic environment influences key performance indicators

Revenue declined in the first half of 2024/25, reaching EUR 8.0 billion, which is 5.5% below the comparative period in the first half of 2023/24 (EUR 8.5 billion). The operating result EBITDA decreased by 20.5% year-on-year to EUR 718 million in the first half of 2024/25 (H1 2023/24: EUR 903.4 million). The operating result is also influenced by negative one-off effects: As reported, voestalpine has concluded negotiations for the sale of its German subsidiary Buderus Edelstahl with the signing of the contract with the German investment company Mutares SE & Co. KGaA. Required write-downs in the course of the sales process resulted in negative one-off effects totaling EUR 81 million in the first half of 2024/25. The transaction is expected to be completed by the end of the fourth calendar quarter of 2024.

Profit from operations (EBIT) fell by around a third year-on-year to EUR 338 million (H1 2023/24: EUR 519 million). At EUR 249 million, earnings before taxes were 41.9% below the previous year's figure of EUR 428 million. Profit after tax fell by 43.0% to EUR 183 million (H1 2023/24: EUR 321 million).

Net financial debt was reduced year-on-year by 1.7%, from EUR 2.1 billion to EUR 2.0 billion as of September 30, 2024, while it increased by 23.9% compared to the reporting date (March 31, 2024: EUR 1.7 billion). At EUR 7.4 billion as of September 30, 2024, equity fell by 3.9% compared to the previous year (EUR 7.7 billion) and decreased slightly by 1.0% compared to the reporting date of March 31, 2024 (EUR 7.5 billion). The gearing ratio (net financial debt in relation to equity) increased from 26.9% as of September 30, 2023, to 27.5% as of September 30, 2024, as well as compared to the reporting date (March 31, 2024: 22.0%).

As of September 30, 2024, the voestalpine Group employed around 51,700 people worldwide (full-time equivalent), 1% more than in the previous year (51,200).

### Outlook

At the start of the 2024/25 business year, the weak performance of the construction, mechanical engineering, and consumer goods industries was partly offset by very good demand from the railway infrastructure, aerospace, warehouse and rack solutions, and conventional energy sectors. The automotive industry also performed largely stable at a solid level.

The conventional energy sector already weakened noticeably over the course of the first quarter and the automotive industry also lost momentum significantly at the end of the second quarter following a series of profit warnings from renowned European OEMs. The economic mood in Europe changed over the course of the first half of 2024/25 after large corporations announced extensive plans to reduce their workforce.

As a result, the voestalpine Group had to withdraw its earnings forecast in an ad hoc announcement on October 14, 2024. Based on the results of the first half of 2024/25, the significantly deteriorated market developments in Europe, the non-recurring burdens on earnings totaling more than EUR 100 million from the sale of Buderus Edelstahl, and the reorganization of the Automotive Components business in Germany, the Management Board of voestalpine AG currently expects EBITDA for the business year 2024/25 to be in the region of EUR 1.4 billion.

This earnings outlook is based on the expectation of continued good global development in the Railway Infrastructure, Aerospace, and Warehouse Technology business segments. The assessment of the performance of voestalpine's non-European sites in the other business segments also remains positive for the second half of 2024/25. The Management Board of voestalpine AG is meeting the challenges in Europe, particularly in Germany, with active management and, where not otherwise possible, by reducing the Group's presence in this region.

From the very beginning, the voestalpine Group took into account the climate protection-related transformation requirements of its European blast furnace-based steel sites with a balanced strategy between expected market development, technically feasible solutions, and economic viability. The implementation of the greentec steel projects in the Steel Division and the Metal Engineering Division is proceeding according to plan, both in terms of time and money.

### The voestalpine Group

voestalpine is a globally leading steel and technology group with a unique combination of materials and processing expertise. voestalpine, which operates globally, has around 500 Group companies and locations in more than 50 countries on all five continents. The voestalpine Group has been listed on the Vienna Stock Exchange since 1995. With its premium products and system solutions, voestalpine is a leading partner to the automotive and white goods industries, as well as to the aerospace and energy industries. The company is also the global market leader in railway systems, tool steel, and special sections. voestalpine is committed to the global climate goals and has a clear plan for transforming steel production with its greentec steel program. In the business year 2023/24, the Group generated revenue of EUR 16.7 billion, with an operating result (EBITDA) of EUR 1.7 billion; it has around 51,600 employees worldwide.

**voestalpine AG**

**Please direct your inquiries to**

voestalpine AG  
Mag. Peter Felsbach, MAS  
Head of Group Communications | Spokesman

voestalpine-Strasse 1  
4020 Linz, Austria  
T. +43/50304/15-2090  
peter.felsbach@voestalpine.com  
[www.voestalpine.com](http://www.voestalpine.com)