

BUSINESS YEAR 2018/19

3rd QUARTER

Investor Relations
FEBRUARY 2018

voestalpine GROUP

OVERVIEW – BUSINESS MODEL

- » voestalpine is a **leading technology** and **capital goods group** with combined material and processing expertise
- » It is holding **global top positions** in its business units
- » The group focuses on most demanding **product** and **system solutions** based on **steel** and **other metals** in **technology-intensive** industries
- » Clear **focus** on strategically, in the long run most promising sectors like **mobility** and **energy**
- » **Long-term relationships** with customers, suppliers and R&D-institutions as **key drivers for innovation**



voestalpine GROUP GLOBAL FOOTPRINT

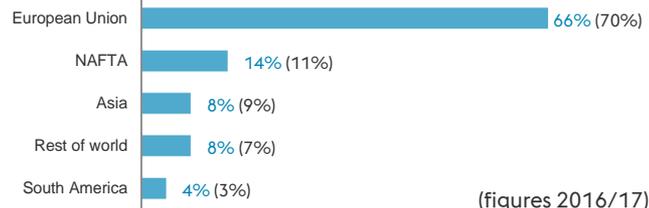
One Group – 500 sites – 50 countries – 5 continents



INCREASING NON-EU-BUSINESS, MOBILITY-SECTOR STABLE

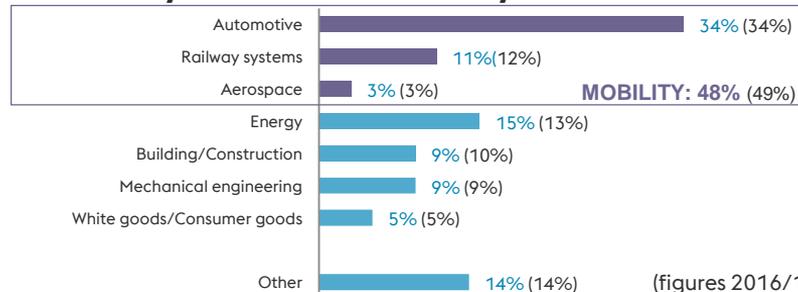
voestalpine AG

Revenue by regions - Business year 2017/18



(figures 2016/17)

Revenue by industries - Business year 2017/18



(figures 2016/17)

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ONE STEP AHEAD.

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BUSINESS YEAR Q1-Q3 BY 2018/19

- » Slowing momentum in Q3 2018/19 after strong start into business year 2018/19
 - » Global trade conflicts with first negative effects on economic climate in Europe & China
 - » European – in particular German – automotive industry with disturbances in production and demand after implementation of new exhaust emission test procedure (WLTP)
 - » Prolongation of economic growth in US but on slightly lower level recently
 - » Brazil back on moderate growth track
- » Earnings of voestalpine Group in Q3 2018/19 negatively affected by one-offs
 - » Minor impact from blast furnace repairs in Steel Division in Q3, considerably higher charges in Q2
 - » Provision in Heavy Plate business due to pending investigations by the German Federal Cartel Office
 - » Significantly higher than planned start-up costs at US automotive components plant and associated provisions related to external order shifts

STEEL DIVISION

BUSINESS DEVELOPMENT Q1-Q3 BY 2018/19

- » Increasingly challenging market conditions
 - » Soaring iron ore prices as consequence of dam breach in Brazil
 - » Automotive sector strongly impacted by WLTP in autumn 2018, recovery after Christmas break
 - » Moderating demand situation in consumer goods industry
- » Preliminary safeguard measures unable to prevent high import levels in Europe
 - » Stricter mechanism of final measures as of February 2nd, 2019
- » Blast furnace repair successfully completed by end of September
 - » Distinctive EBIT-impact in Q2, minor burden in Q1 & Q3
- » Heavy Plate negatively affected by provision due to ongoing investigations by the German Federal Cartel Office
- » Planned & unscheduled shutdowns of HBI-plant in Texas

€m	Q1 18/19	Q2 18/19	Q3 18/19	Q1-Q3 18/19	Q1-Q3 17/18	Delta in %
Revenue	1,276	1,139	1,175	3,590	3,475	3.3
EBITDA	224	119	106	448	652	-31.3
EBITDA-%	17.5%	10.4%	9.0%	12.5%	18.8%	
EBIT	145	37	19	201	419	-52.0
EBIT-%	11.4%	3.2%	1.6%	5.6%	12.1%	

HIGH PERFORMANCE METALS DIVISION

BUSINESS DEVELOPMENT Q1-Q3 BY 2018/19

- » Slowing momentum in particular regions & sectors
 - » Increasing protectionism negatively impacting tool steel demand
 - » Growing price competition in Europe
 - » China with receding dynamics in automotive & consumer goods
- » In contrast, sentiment in oil & gas on stable growth trajectory
- » Unchanged strong dynamics in aviation industry
- » Overall stable performance in the US
- » Prolongation of upward trend of Brazilian operations
- » Preparatory stages completed on new special steel plant in Kapfenberg

€m	Q1 18/19	Q2 18/19	Q3 18/19	Q1-Q3 18/19	Q1-Q3 17/18	Delta in %
Revenue	780	766	751	2,297	2,135	7.6
EBITDA	129	101	90	319	329	-2.9
EBITDA-%	16.6%	13.1%	11.9%	13.9%	15.4%	
EBIT	92	64	52	208	219	-5.2
EBIT-%	11.8%	8.3%	6.9%	9.0%	10.3%	

METAL ENGINEERING DIVISION

BUSINESS DEVELOPMENT Q1-Q3 BY 2018/19

- » Railway Systems bundling expertise in rails, turnouts & signaling
 - » Slightly enhanced activities in Europe but unchanged weak price level in rail business
 - » Pick up of railway infrastructure investments in China after project deferrals in Q1
 - » Implementation of 2nd production facility in China
 - » Satisfactory capacity utilization in US-turnout business
- » Industrial Systems somewhat behind expectations after solid start into BY 2018/19
 - » Wire business substantially affected by distortions in automotive industry in late summer
 - » Seamless tubes business facing positive OCTG market in North America, but US-duties constrain positive dynamics for importers
 - » Welding consumables with good demand situation but stiff price competition

€m	Q1 18/19	Q2 18/19	Q3 18/19	Q1-Q3 18/19	Q1-Q3 17/18	Delta in %
Revenue	800	748	771	2,319	2,239	3.6
EBITDA	99	85	78	262	262	0.2
EBITDA-%	12.3%	11.4%	10.2%	11.3%	11.7%	
EBIT	56	44	37	137	124	10.9
EBIT-%	7.0%	5.9%	4.8%	5.9%	5.5%	

METAL FORMING DIVISION

BUSINESS DEVELOPMENT Q1-Q3 BY 2018/19

- » After strong development of automotive markets over the last 3 years difficult situation after summer
 - » Volatile & short-term order activity due to WLTP
 - » Massive start-up cost overruns in US automotive component plant
- » Market environment in Tubes & Sections on average level
 - » Solid activities in continental Europe in mechanical engineering, construction as well as commercial vehicle industry
 - » Declining sentiment in UK due to increasing BREXIT-uncertainties
 - » Solid order intake in the US, improving demand in Brazil
- » Moderating trend in Precision Strip business
- » Ongoing strong performance in Warehouse & Rack Solutions

€m	Q1 18/19	Q2 18/19	Q3 18/19	Q1-Q3 18/19	Q1-Q3 17/18	Delta in %
Revenue	748	697	698	2,143	1,998	7.3
EBITDA	84	68	1	154	236	-34.9
EBITDA-%	11.3%	9.8%	0.2%	7.2%	11.8%	
EBIT	56	39	-29	66	153	-57.1
EBIT-%	7.5%	5.6%	-4.1%	3.1%	7.7%	

FINANCIAL OVERVIEW

Q1-Q3 BY 2018/19

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FINANCIAL OVERVIEW

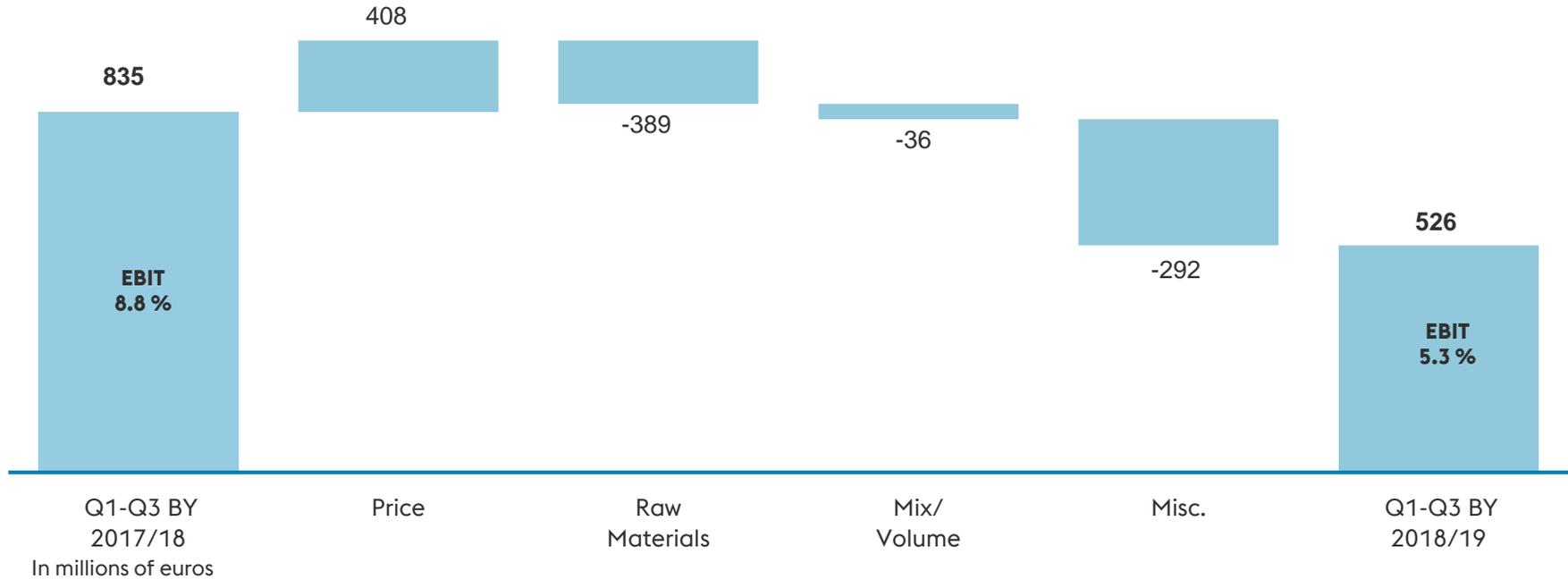
	Q1-Q3 BY 2017/18 2017/04/01-2017/12/31	Q1-Q3 BY 2018/19 2018/04/01-2018/12/31	Delta %
Revenue	9,460	9,949	5.2
EBITDA	1,406	1,104	-21.4
EBITDA margin	14.9%	11.1%	
EBIT	835	526	-37.0
EBIT margin	8.8%	5.3%	
Profit before tax	737	431	-41.6
Profit after tax ¹	556	276	-50.4
EPS – earnings per share (euros)	2.95	1.40	-52.5

In millions of euros

¹Before deduction of non-controlling interests and interest on hybrid capital.

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DEVELOPMENT EBIT Q1-Q3 BY 2018/19



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DEVELOPMENT CASH FLOW

Q1-Q3 BY 2017/18

2017/04/01-2017/12/31

Q1-Q3 BY 2018/19

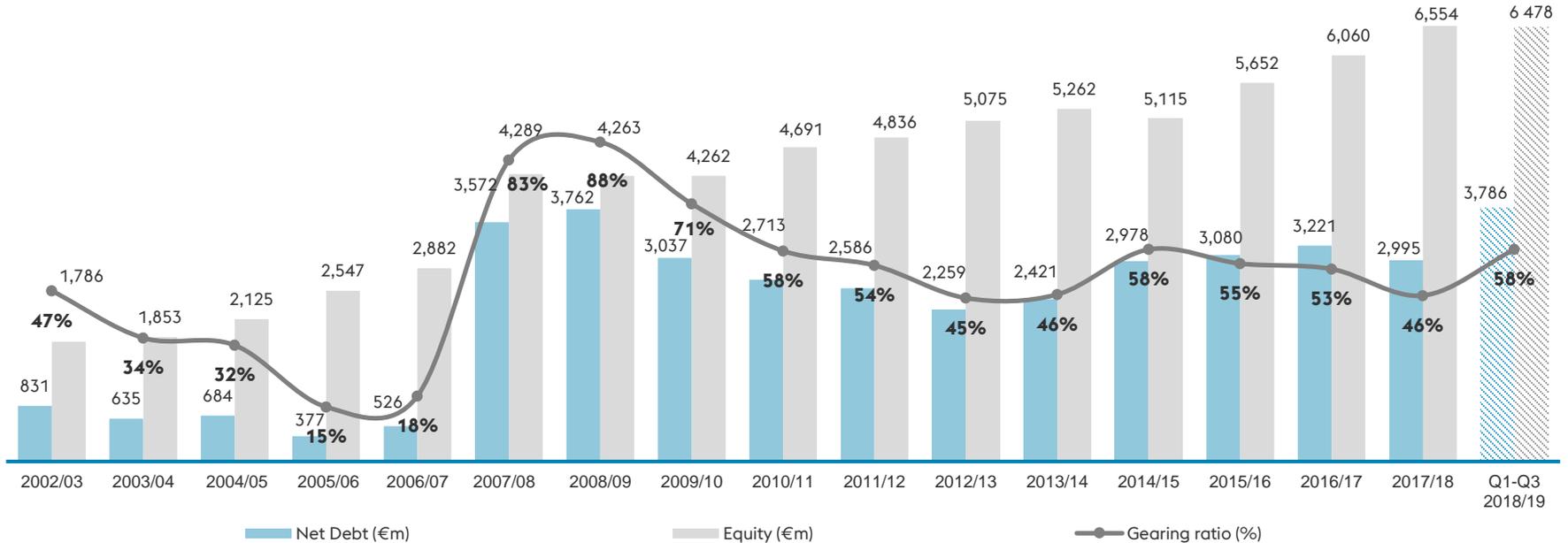
2018/04/01-2018/12/31

Cash flow from results	1,180	919
Changes in working capital	-618	-607
Cash flow from operating activities	562	312
Cash flow from investing activities	-556	-774
Free cash flow	6	-462

In millions of euros

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DEVELOPEMENT GEARING RATIO

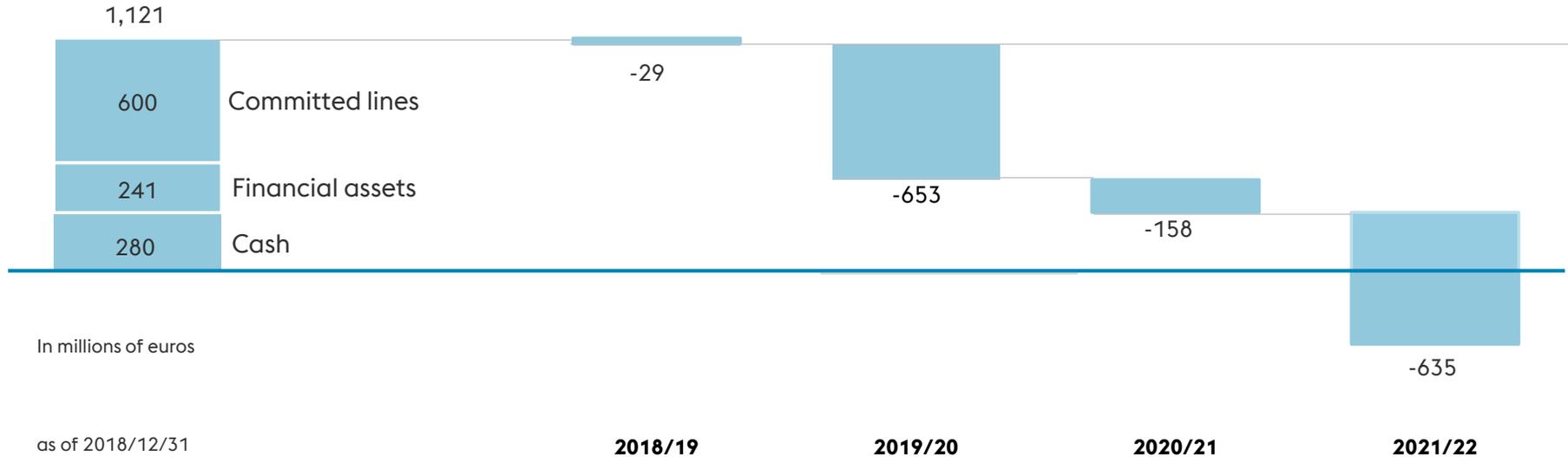


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LIQUIDITY AND REDEMPTION SCHEDULE

Liquidity

Redemption



In millions of euros

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OUTLOOK BY 2018/19

- » Earnings expectations for full business year 2018/19 revised to an EBITDA of around 1,550m EUR and an EBIT of around 750m EUR
 - » Dampening macroeconomic environment in Europe and China
 - » Negative effects on international trade flows because of increasing protectionist measures
 - » Distortions in automotive sector triggered by a new exhaust emission test procedure (WLTP) as of September 1, 2018
 - » Rising raw material prices, in particular iron ore
 - » Substantially higher ramp-up cost of automotive activities North America including a provision associated with transfer of orders
 - » Provision in Heavy Plate business due to on-going investigations of the German Federal Cartel Office



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