

BUSINESS YEAR 2016/17

INVESTOR RELATIONS
JUNE 2017

voestalpine GROUP

OVERVIEW

- » 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 and niches
- » 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**

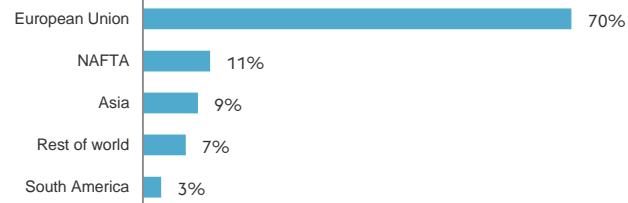


voestalpine GROUP GLOBAL FOOTPRINT

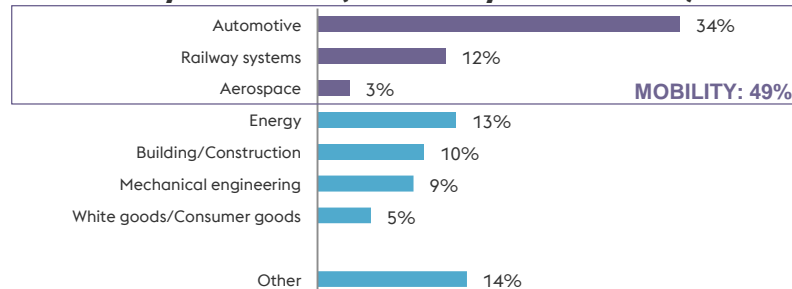
One Group – 500 sites – 50 countries – 5 continents



Revenue by regions (Business year 2016/17)



Revenue by industries (Business year 2016/17)



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BUSINESS DEVELOPMENT BY 2016/17 – SUMMARY

- » Europe with accelerated economic growth in the course of BY 2016/17
- » Strong impulses in voestalpine-relevant market segments in China
- » US growth rate weakening in H2 2016/17
- » Recession in Brazil slowing down, however doubts on a broader recovery
- » Unchanged strong automotive markets in Europe & China, US with fading momentum in H2 2016/17
- » Slowdown of European railway sector in H2 2016/17, stabilization on low level in the US, China strong
- » Beginning recovery of oil & gas sector in H2 2016/17
- » Ongoing solid order intake in consumer goods and aviation industry, mechanical engineering improving
- » Adjusted earnings (EBITDA & EBIT) in 2016/17 above previous year – excellent performance in Q4
 - » Best quarterly EBITDA (480 €m) since 2010/11 as well as strong free cash flow generation (267 €m in Q4)
 - » Massive reduction of Gearing-ratio to 53.2 % end of March 2017 (from 61.2 % end of Dec. 2016)

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QUARTERLY FIGURES BY 2016/17 – REPORTED

	1 st quarter 2016/17	2 nd quarter 2016/17	3 rd quarter 2016/17	4 th quarter 2016/17	Business Year 2016/17	Business Year 2015/16	Delta in %
Sales	2,772	2,635	2,693	3,193	11,295	11,069	2.0
EBITDA	334	371	356	480	1,541	1,583	-2.7
EBITDA-margin	12.0%	14.1%	13.2%	15.0%	13.6%	14.3%	
EBIT	168	201	176	278	823	889	-7.4
EBIT-margin	6.0%	7.6%	6.5%	8.7%	7.3%	8.0%	

In millions of euros

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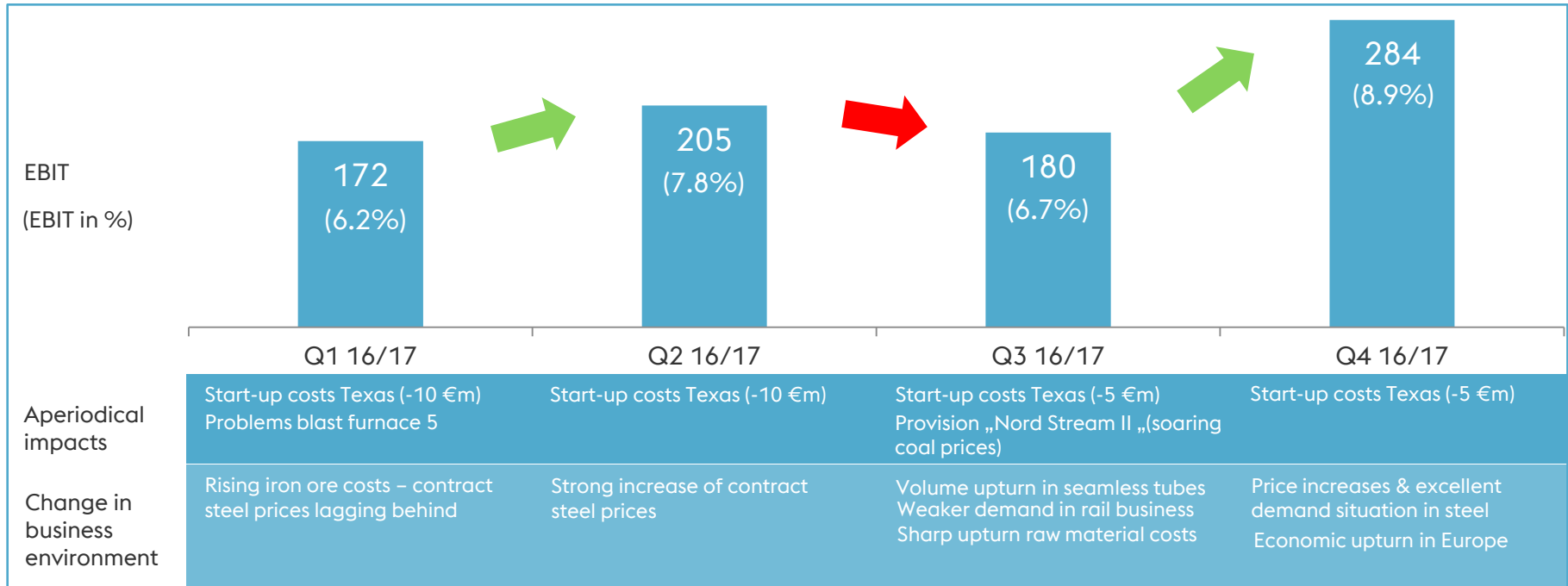
QUARTERLY FIGURES BY 2016/17 – CLEAN

	1 st quarter 2016/17	2 nd quarter 2016/17	3 rd quarter 2016/17	4 th quarter 2016/17	Business Year 2016/17	Business Year 2015/16	Delta in %
Sales	2,772	2,635	2,693	3,193	11,295	11,069	2.0
EBITDA	334	371	356	480	1,541	1,446	6.6
EBITDA-%	12.0%	14.1%	13.2%	15.0%	13.6%	13.1%	
EBIT	172	205	180	284	840	814	3.1
EBIT-%	6.2%	7.8%	6.7%	8.9%	7.4%	7.4%	

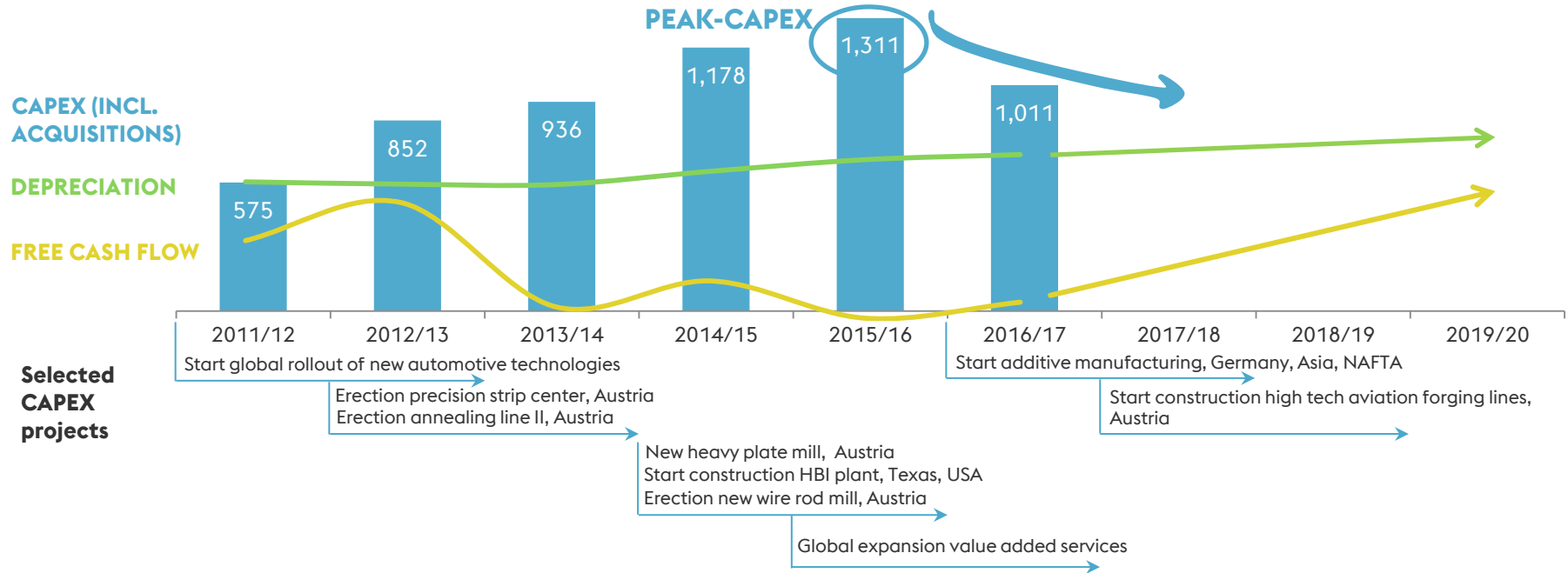
In millions of euros

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DEVELOPMENT OF CLEAN-EBIT FIGURES 2016/17



voestalpine GROUP INVESTMENTS & CASH FLOW DEVELOPMENT



STEEL DIVISION

BUSINESS DEVELOPMENT BY 2016/17

- » Steel industry with significant volatility in 2016/17
 - » Highly fluctuating raw material prices, in particular coking coal
 - » Soaring Chinese exports causing increasing protectionism and trade barriers globally
 - » Anti-dumping actions of European Commission – steel imports from China & Russia scaling down
- » European steel sector with increased momentum in H2 2016/17
 - » Automotive, consumer goods & mechanical engineering as drivers for strong demand
 - » Improved order intake in energy (heavy plate) in Q4 2016/17
 - » Substantially increased contract prices since turn of CY 2017 on back of strong demand and raw materials tailwind
 - » Strong prices and shipments driving revenues and earnings in Q4 2016/17

€m	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	BY 16/17	BY 15/16	Delta in %
Sales	909	867	928	1,209	3,912	3,754	4.2
EBITDA	87	144	138	195	564	478	17.9
EBITDA-%	9.6%	16.6%	14.9%	16.1%	14.4%	12.7%	
EBIT	21	76	59	107	263	220	19.6
EBIT-%	2.3%	8.8%	6.3%	8.9%	6.7%	5.9%	

HIGH PERFORMANCE METALS DIVISION

BUSINESS DEVELOPMENT BY 2016/17

(Former:
Special Steel Division)

- » Continuous growth in innovation & service network paving way for earnings extension
- » Improving business environment in the course of BY 2016/17
 - » Tool steel benefitting from overall solid sentiment of automotive & consumer goods industries
 - » Order intake from oil & gas slightly up in H2 2016/17
 - » Ongoing strong momentum in aviation industry
- » Upward trend with regional disparities
 - » Asia, in particular China as driver of growth
 - » Sentiment in Europe with upward trend in CY 2017
 - » Dynamics in US still below expectations
- » Strong order intake in Q4 2016/17

€m	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	BY 16/17	BY 15/16	Delta in %
Sales	667	639	644	748	2,698	2,651	1.8
EBITDA	99	94	91	111	395	364	8.5
EBITDA-%	14.9%	14.8%	14.1%	14.8%	14.6%	13.7%	
EBIT	63	58	57	74	253	227	11.2
EBIT-%	9.5%	9.1%	8.8%	9.9%	9.4%	8.6%	

METAL ENGINEERING DIVISION

BUSINESS DEVELOPMENT BY 2016/17

- » Business year comparison influenced by positive one-offs 2015/16 from consolidation changes
- » Divergence in main customer segments in H2 2016/17
 - » European rails market with fading momentum
 - » Pick up of volumes in US oil & gas sector (Seamless Tubes) since autumn 2016, prices following only slowly
- » Overall strong performance of Turnout Systems despite partly softer markets
 - » Asia (above all China) as backbone of strong development
 - » Increasing investments into mining infrastructure (Brazil) since Q4 2016/17
 - » Weakness in US-heavy haul business
- » Dynamics in automotive industry unchanged strong (Wire Technology)
 - » Successful ramp-up of new high-tech wire rod mill
- » Welding Consumables successfully restructured

€m	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	BY 16/17	BY 15/16	Delta in %
Sales	680	652	662	690	2,685	2,850	-5.8
EBITDA	88	84	83	106	361	511	-29.4
EBITDA-%	12.9%	12.9%	12.5%	15.4%	13.4%	17.9%	
EBITDA Clean	88	84	83	106	361	384	-6.1
EBITDA-% Clean	12.9%	12.9%	12.5%	15.4%	13.4%	13.5%	
EBIT	50	46	45	61	201	315	-36.2
EBIT-%	7.3%	7.0%	6.7%	8.8%	7.5%	11.0%	
EBIT Clean	54	49	48	66	217	252	-13.6
EBIT-% Clean	7.9%	7.6%	7.2%	9.6%	8.1%	8.8%	

METAL FORMING DIVISION

BUSINESS DEVELOPMENT BY 2016/17

- » Upward trend in Automotive Components business prolonged
 - » Car registrations in Europe & China unchanged growing in Q4 2016/17, softening sales figures in the US
 - » European car producers still on growth track
 - » Ongoing global rollout of key automotive technologies
- » Tubes & Sections business with strong Q4 2016/17
 - » Upturn in commercial vehicles, gradual recovery in agricultural machinery
 - » Stabilizing order intake from aviation sector in Q4
 - » Very solid market situation for car safety components
- » Improving demand in China & strong global market position bolstering excellent earnings of Precision Strip business
- » Ongoing growth of Warehouse & Rack Solutions business

€m	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17	BY 16/17	BY 15/16	Delta in %
Sales	616	572	566	672	2,426	2,225	9.0
EBITDA	80	73	70	94	317	291	9.1
EBITDA-%	13.0%	12.8%	12.3%	13.9%	13.1%	13.1%	
EBIT	55	48	44	64	211	195	8.3
EBIT-%	9.0%	8.4%	7.7%	9.5%	8.7%	8.7%	

FINANCIAL OVERVIEW BY 2016/17

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FINANCIAL OVERVIEW

	REPORTED FIGURES			CLEAN FIGURES		
	BY 2015/16 2015/04/01 -2016/03/31	BY 2016/17 2016/04/01 -2017/03/31	Delta (%)	BY 2015/16 2015/04/01 -2016/03/31	BY 2016/17 2016/04/01 -2017/03/31	Delta (%)
Sales	11,069	11,295	2.0	11,069	11,295	2.0
EBITDA	1,583	1,541	-2.7	1,446	1,541	6.6
EBITDA-margin	14.3%	13.6%		13.1%	13.6%	
EBIT	889	823	-7.4	814	840	3.1
EBIT-margin	8.0%	7.3%		7.4%	7.4%	
EBT	751	700	-6.8	677	717	5.9
Net profit	602	527	-12.5	510	539	5.8
EPS	3.35	2.84	-15.2	2.64	2.87	8.7

In millions of euros

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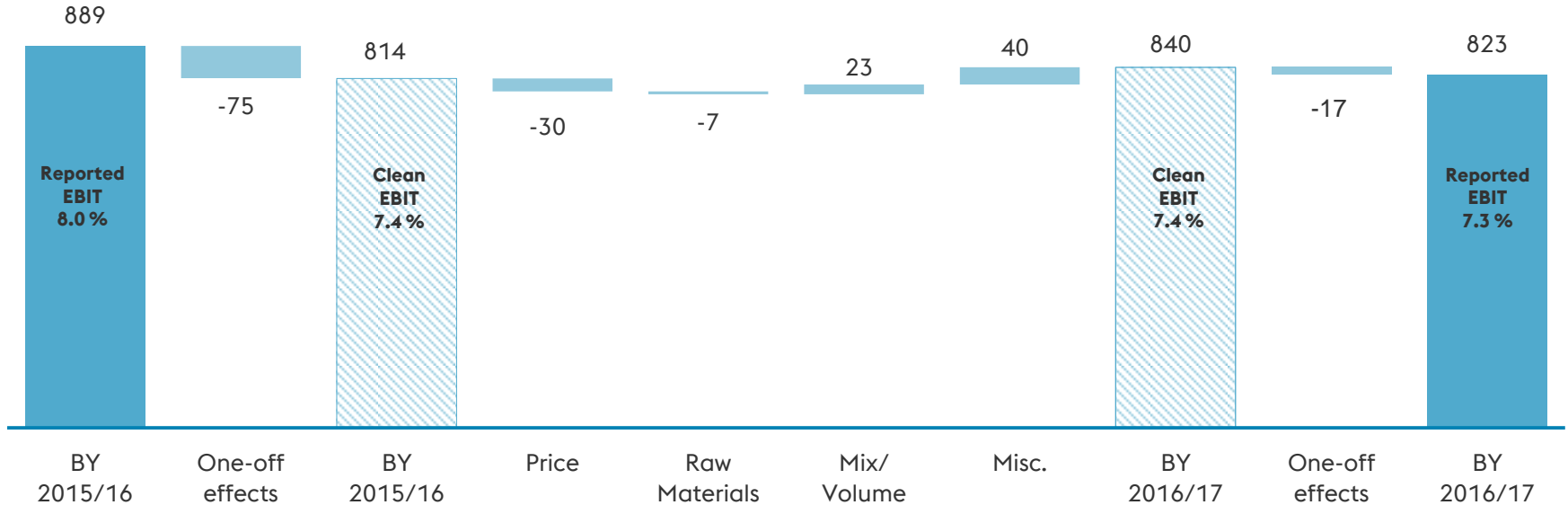
FINANCIAL OVERVIEW

	BY 2015/16 2015/04/01 -2016/03/31	BY 2016/17 2016/04/01 -2017/03/31	Delta in %
CAPEX*	1,311	1,011	-22.9
Depreciation	695	717	3.2
Net Financial Debt	3,080	3,221	4.6
Gearing	54.5%	53.2%	

*) Fixed asset and acquisitions

In millions of euros

voestalpine GROUP DEVELOPMENT EBIT



In millions of euros

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DEVELOPMENT CASH FLOW

BY 2015/16
2015/04/01-2016/03/31

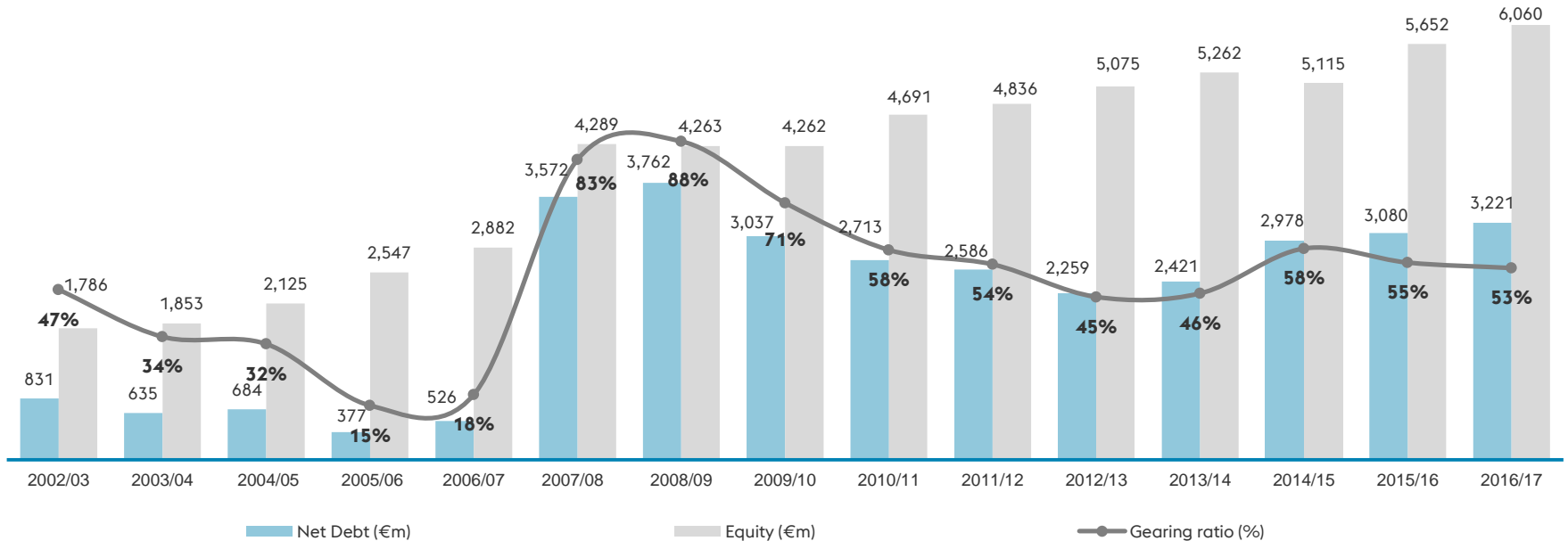
BY 2016/17
2016/04/01-2017/03/31

Cash flow from results	1,168	1,249
Changes in working capital	114	-99
Cash flow from operating activities	1,282	1,150
Cash flow from investing activities	-1,280	-1,078
Free cash flow	2	72

In millions of euros

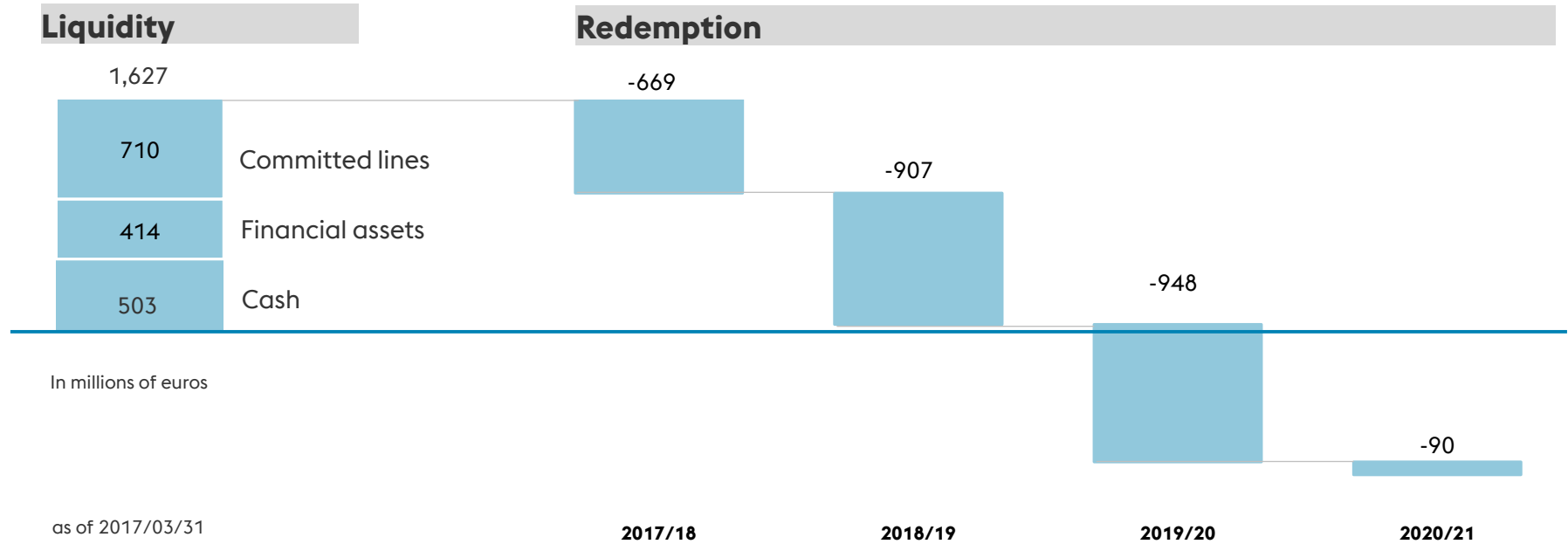
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DEVELOPEMENT GEARING RATIO



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LIQUIDITY AND REDEMPTION SCHEDULE



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OUTLOOK

- » Worldwide growth gaining momentum, but political threats rising
- » Impact of US economic policy on global trade flows hard to predict
- » Growth driven by Asia – foremost China, enhanced support from Europe
- » After long-lasting recession in Brazil & Russia first cautious signs of (possible) trend reversals
- » Increasing growth contribution from US in the course of the year
- » Further step-by-step recovery of oil & gas sector, European building/ construction industry with positive trend, railway infrastructure showing mixed signals
- » Unchanged solid development of automotive, consumer goods, machine building and aviation industries expected

Outlook 2017/18: Clearly positive development of revenue & earnings



INVESTOR RELATIONS

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