

voestalpine with solid result in Q1 2023/24 after record year

- » Revenue for Q1 2023/24 down 4.3% year over year to EUR 4.4 billion (previous year: EUR 4.6 billion)
- » EBITDA down 42.6% to EUR 505 million (previous year: EUR 879 million)
- » EBIT drops 54.4% from EUR 693 million to EUR 316 million
- » Profit before tax at EUR 278 million (previous year: EUR 670 million) and profit after tax at EUR 218 million (previous year: EUR 615 million)
- » Equity rises further to EUR 7.9 billion (previous year: EUR 7.7 billion)
- » Net financial debt reduced by 15.2%, from EUR 2.3 billion to EUR 1.9 billion
- » Gearing ratio improves year over year from 29.8% to 24.5%
- » 51,164 employees as of June 30, 2023 (+2.5%)
- » A good first quarter in 2023/24 following the company's best operating result in its history in the same quarter of the previous year

voestalpine generated a solid result in the first quarter of the 2023/24 business year (April 1 to June 30). The individual industrial sectors experienced different developments in this respect. For instance, the momentum of the past business year in the traditional energy sector (oil & natural gas) continued unchanged. The solar industry also continued to see strong demand. voestalpine supplies solar projects worldwide; among its projects, the Group is equipping one of Brazil's largest solar projects with sophisticated steel sections. By contrast, there was a noticeable slowdown in demand in the mechanical engineering, consumer goods, and construction industry sectors. The automotive industry recorded satisfactory demand in the first quarter of the 2023/24 business year. The supply bottlenecks that the automotive industry had faced for over two years are increasingly dissipating. The rail infrastructure systems business continued to develop very strongly. The high demand for voestalpine's high-quality track grades led to full capacity utilization for rail production at the Austrian Donawitz site in the first quarter. The clearly positive trend in the aerospace industry also continued at the beginning of the 2023/24 business year. Demand in the storage technology segment is also as strong as ever.

"The first quarter of the current business year was a good one overall. When comparing the figures year over year, it is important to remember that we are measuring ourselves against the best quarter in the Group's history. Our unique selling proposition is diversification both by industry as well as by region. This puts us in a strong position for the future," says Herbert Eibensteiner, CEO of voestalpine AG.

Development of revenue and earnings

Compared with the first quarter of the previous year, revenue decreased slightly by 4.3% from EUR 4.6 billion to EUR 4.4 billion. Measured against the Group's best operating result in its history in the same quarter of the previous year, the decline in earnings was significant: EBITDA decreased by 42.6% to EUR 505 million with a margin of 11.3% (Q1 of the previous year: EUR 879 million; margin of 18.9%). In the same period, the operating result (EBIT) decreased by 54.4% to EUR 316 million with a margin

of 7.1% (first quarter of the previous year: EUR 693 million; margin of 14.9%). Profit before tax also fell by a similar amount, dropping by 58.5% from EUR 670 million to EUR 278 million. Profit after tax decreased by 64.5% from EUR 615 million to EUR 218 million. At EUR 7.9 billion, the equity base was further strengthened year over year (+3.2%). Equity increased by 1.8% compared with the reporting date of March 31, 2023. Net financial debt fell 15.2% to EUR 1.9 billion within one year. Financial debt increased by 16.5% (EUR 1.7 billion) compared with the reporting date due to an increase in working capital. The gearing ratio (net financial debt in relation to equity) improved year over year from 29.8% to 24.5%, but increased slightly compared with the reporting date (21.4%). The number of employees (FTEs) in the voestalpine Group rose 2.5% year over year, from 49,900 to 51,164.

Outlook

The first quarter of the business year 2023/24 was very satisfactory for the voestalpine Group overall, although the overall economic mood in some segments has already clouded over noticeably.

As expected, order intake from the construction, mechanical engineering, and consumer goods industry market segments weakened. The central banks' measures to fight inflation seem to have reached the manufacturing industry. Assuming no short-term policy reversal by the central banks, demand from these market segments can be expected to remain weak throughout the rest of the business year 2023/24. On the other hand, the automotive segment in voestalpine's customer portfolio is performing at least stably overall. This development should by and large continue for the rest of the business year 2023/24 from today's perspective. In the energy sector, a certain softening is expected for the conventional part (oil & natural gas) in the further course of the business year 2023/24, but demand should remain at an overall attractive level. For the renewable energy sector, a continuation of the currently very good performance is expected for the rest of the business year. The railway systems and aerospace industries will also continue their very good development.

From the perspective of the voestalpine portfolio, the strongest economic slowdown is expected in Europe from a regional point of view, while a rather moderately weaker economic development is anticipated for North America. South America (Brazil) should experience a largely stable development, whereas the Asian economic area (China) should grow slightly.

As this development essentially reflects the assessment of the Management Board at the beginning of the business year 2023/24, it remains unchanged: Assuming that the global economy will not be hit by massive economic distortions on account of the central banks' interest rate policies and that there will be no further escalation scenarios in the Ukraine war or additional geopolitical tensions, the Management Board of voestalpine AG expects the Group to generate EBITDA of between EUR 1.7 billion and EUR 1.9 billion in the business year 2023/24.

KEY FIGURES – voestalpine GROUP

	Q1 BY 2022/23 04/01/–06/30/2022	Q1 BY 2023/24 04/01/–06/30/2023	Change in %
Revenue	4,645.4	4,445.7	-4.3
EBITDA	879.1	504.5	-42.6
EBITDA margin in %	18.9%	11.3%	
EBIT	692.7	316.2	-54.4
EBIT margin in %	14.9%	7.1%	
Profit before tax	670.3	278.4	-58.5
Profit after tax from continuing operations	523.4	220.0	-58.0
Profit after tax from discontinued operations	91.1	-1.8	
Profit after tax *	614.5	218.2	-64.5
EPS – basic earnings per share from continuing operations (euros)	2.83	1.04	-63.3
EPS – basic earnings per share from discontinued operations (euros)	0.51	-0.01	
EPS – basic earnings per share (euros)	3.34	1.03	-69.2
EPS – diluted earnings per share from continuing operations (euros)	2.83	1.01	-64.3
EPS – diluted earnings per share from discontinued operations (euros)	0.51	-0.01	
EPS – diluted earnings per share (euros)	3.34	1.00	-70.1
Gearing ratio in % (06/30)	29.8%	24.5%	

In millions of euros

* Before deduction of non-controlling interests.

The Report of the first quarter of 2023/24 of voestalpine AG as of the June 30, 2023, may be accessed on the company's website at www.voestalpine.com under the 'Investors' tab.

In case of questions, please contact the company's Investor Relations team at +43/50304/15-9949.

Please direct any inquiries to:

voestalpine AG
 Peter Felsbach
 Head of Group Communications | Group Spokesperson
 voestalpine-Strasse 1
 4020 Linz, Austria
 T. +43/50304/15-2090
 peter.felsbach@voestalpine.com

voestalpine AG

Peter Fleischer
Head of Investor Relations
voestalpine-Strasse 1
4020 Linz, Austria
T. +43/50304/15-9949
peter.fleischer@voestalpine.com
www.voestalpine.com