

Business Year 2015/16

Press Conference, June 2, 2016

Welcome!



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Earnings and highlights BY 2015/16

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Business year 2015/16 – Market environment

- **Global economic environment very challenging**
 - **Europe:** moderate upward trend with major regional differences
 - **North America:** dwindling momentum
 - **China:** lower growth due to structural changes
 - impact on voestalpine minimal
 - **India:** begins economic catch-up process
 - **Brazil and Russia:** in deep recession
- Strong growth in **automotive, railway systems and aerospace**
- **Weak energy sector**, oil and gas hugely under pressure
- **Steel spot price** (commodities) at all-time low due to global overcapacity



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Business year 2015/16 – Highlights

- Increases in all reporting categories (also due to positive non-recurring effects)
- Revenue at EUR 11.1 billion largely stable compared to EUR 11.2 billion in the previous year
- EBITDA: EUR 1.6 billion (+3.5%), EBIT: EUR 889 million (+0.3 %)
- Profit before tax increased from EUR 739 million to EUR 751 million (+1.7%) and after tax from EUR 595 million to EUR 602 million (+1.2%)
- Record investment expenditure of EUR 1.3 billion – even so gearing ratio improved from 58.2% to 54.5%
- Increase in dividend per share from EUR 1.00 to EUR 1.05*
- Direct reduction plant in Texas due to commence operations
- Preliminary planning for a new special steel plant in Kapfenberg



* Proposed to the Annual General Shareholders' Meeting.

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ONE STEP AHEAD.

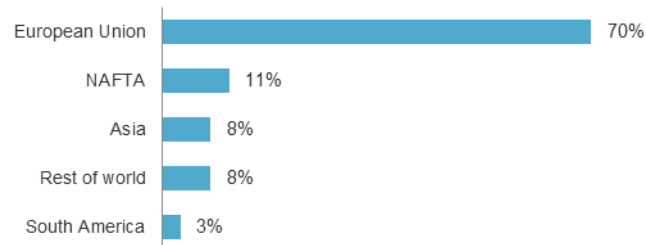
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Global footprint

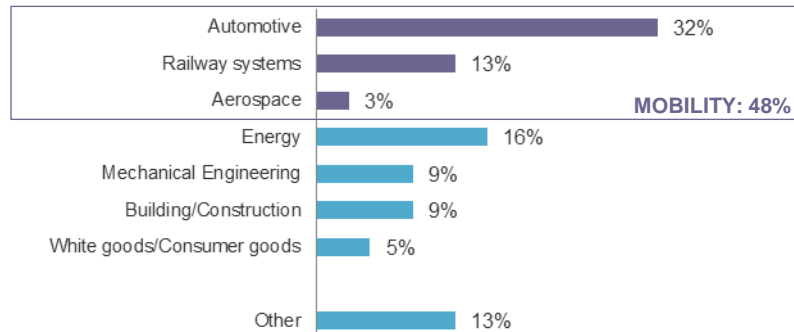
1 Group – 500 locations – 50 countries – 5 continents



Revenue by regions (Business year 2015/16)



Revenue by industries (Business year 2015/16)



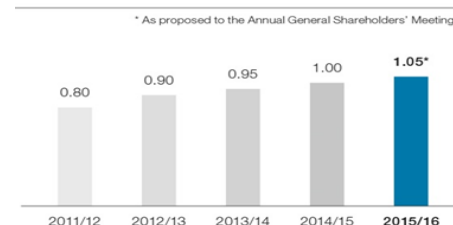
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“The story”

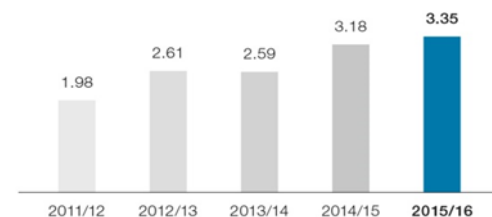
Key claim is sustained increase in value

- 732% growth during 20 years on the stock exchange
- Convincing business model – leading market position in all business units the result of innovative product solutions
- Only minimal dependence on the “steel cycle” due to high-tech/high-quality niche products close to the end customer
- Unique track record – not a single year with incurred losses since stock exchange listing, even after Lehman
- Broad product diversification in terms of regions and industrial sectors brings highly stable earnings
- Sustained growth through focus on downstream business
- European leader in terms of efficiency & profitability

Dividend per share (euros)



Earnings per share (euros)



Continuous dividend since IPO in 1995 – average annual dividend yield 3.8%



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Overview financial key figures BY 2015/16

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Overview of key figures BY 2015/16

In millions of euros	BY 2014/15	BY 2015/16	Change (in %)	Adjusted figures		
				BY 2014/15 ¹⁾	BY 2015/16 ²⁾	Change (in %)
Revenue	11,190	11,069	-1.1	11,190	11,069	-1.1
Operating result (EBITDA)	1,530	1,583	+3.5	1,468	1,446	-1.5
Profit from operations (EBIT)	886	889	+0.3	841	814	-3.2
Profit before tax (EBT)	739	751	+1.7	694	677	-2.5
Profit after tax	595	602	+1.2	553	510	-7.7
Earnings per share	3.18	3.35	+5.3	2.94	2.64	-10.2
Dividend per share	1.00	1.05 ³⁾				
Employees (full-time equivalent)	47,418	48,367	+2.0			

¹⁾ Adjusted for non-recurring effects due to divestments (Metal Forming Division) ²⁾ Adjusted for non-recurring effects due to changes in consolidation (Metal Engineering Division)

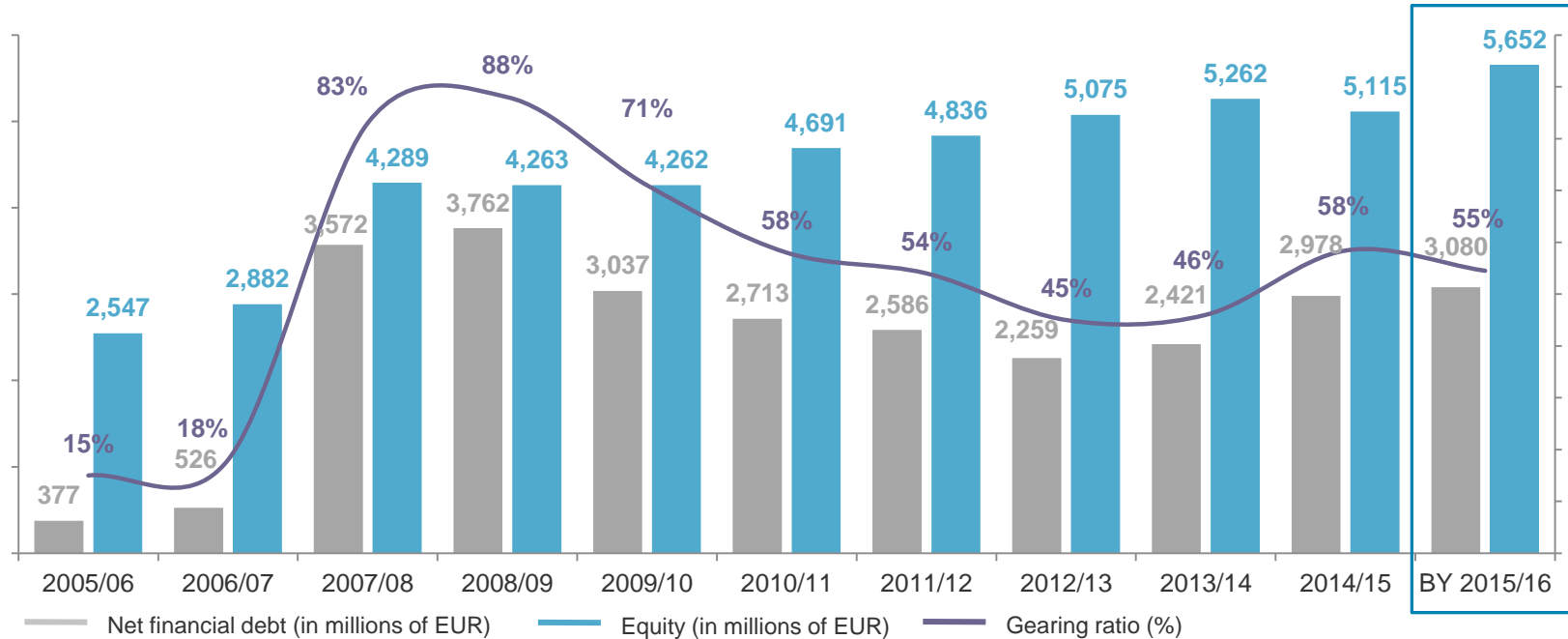
³⁾ Proposed to the Annual General Shareholders' Meeting

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Development of the gearing ratio





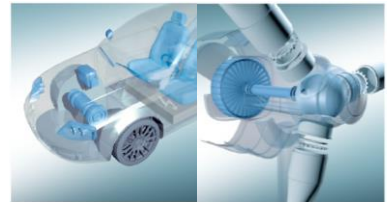
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Highlights from the divisions

Steel Division

Major orders and increased innovation

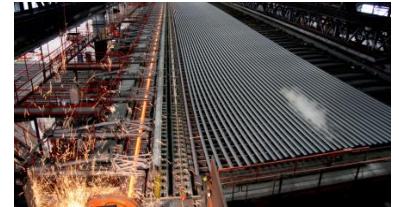
- **Pipeline contract and expansion in the heavy plate sector**
 - Major contract for several hundred thousand tons of high-strength linepipe plates for the Nord Stream 2 pipeline project
 - The world's most modern heavy plate mill goes into operation in Linz
Investment volume: EUR 65 million
- **Groundbreaking ceremony for new continuous caster for high-quality steels in Linz**
 - Investment volume: EUR 100 million
 - From mid-2017: production of 1.2 million tons of high-quality steel slabs → including prematerials for automotive components
- **Future e-mobility market**
 - World's most modern plant for the production of electrical steel in Linz fully operational → used in generators, electric motors, transformers, etc.



Metal Engineering Division

Global railway orders and focus on quality wire

- **Highest order levels in the history of railway infrastructure contracts**
 - Turnouts: expansion of the Chinese high-speed rail network, Kuala Lumpur light railway, Ho Chi Min City and Doha metros
 - Rails: Metro Riyadh (largest metro project under construction in the world), Delhi, heavy-haul railway lines in Brazil, tram projects in Algeria
- **Extending leading position in the quality wire sector**
 - Construction of Europe's most modern wire rolling mill in Leoben-Donawitz
 - Investment: > EUR 100 million
 - Production capacity: > 550,000 tons of quality wire per annum
 - Technology standard Industry 4.0
 - Fürstenfeld: the new production site for special wires
 - Production of ultra-high-strength fine wire (to 0.07 mm Ø)
 - Applications in the semi-conductor and photovoltaics industry



Metal Forming Division

Expansion in the automotive sector

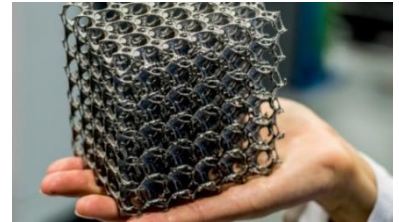
- **2nd plant for laser-welded blanks in Linz**
 - Groundbreaking ceremony July 2015; investment volume: EUR 25 million
 - Currently in testing, opens in autumn
 - Increase in revenue from EUR 100 million to around EUR 160 million by 2020
- **Plant for ultra-high-strength automotive body parts in Shenyang, China**
 - Opening October 2015; investment volume: EUR 25 million
 - Target revenue 2020 incl. 2nd expansion phase: EUR 60 million
- **2nd expansion phase at the automotive plant in Cartersville, USA**
 - Investment volume for 1st and 2nd expansion phase: EUR 60 million
 - 1st production site for ultra-high-strength lightweight body parts in the NAFTA region; testing of the 1st phs-ultraform® plant
 - Target revenue 2020 incl. 3rd expansion phase > EUR 160 million
- **Opening of 1st phs-directform plant in Schwäbisch Gmünd (July 2016)**
 - 1st production of ultra-high-strength lightweight body parts in a direct process



Special Steel Division

Expansion of global service and technology

- **Expanding sites worldwide and acquisitions**
 - Site opening at Queretaro, Mexico: focus automotive
 - Acquisitions ATT (China) and Sermetal Group (Spain) – plastic mold steel for the automotive industry
 - New Bohler Pacific site in Singapore
- **Metal additive manufacturing**
 - Opening in-house 3D printing research center in Düsseldorf
 - Metal powder development by Böhler Edelstahl (AT) & Uddeholm (SE)
 - Potential applications: aviation and aerospace, automotive, toolmaking, etc.
- **Strategic growth field aerospace**
 - Contributes EUR 300 million in revenue (BY 2015/16)
 - Ongoing capacity and portfolio expansion (nickel-based and titanium plates)
 - Expansion of warehousing capacity in North America
- **Special steel plant project Kapfenberg 2020**



Special Steel Division

Investment project Kapfenberg 2020

- **Expansion of global market leadership in tool and special steels**
 - Construction of the world's most modern special steel plant
 - Technological innovation in special steel production (replaces existing special steel plant)
 - Industry 4.0 standard achieved via fully-integrated process technology
 - Benchmark in emissions reductions and energy efficiency
 - Largest single Special Steel Division investment
 - Implementation period: to around 2020
 - Final project decision in next 12 to 18 months



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Outlook BY 2016/17

- Improvement of the global economic situation **unlikely in the short term**
- Certain **indications** that economic situation will ease (stabilization of raw materials prices)
- Gentle upward trend in Europe
- Loss of momentum in the USA
- First positive effects of the latest **Chinese 5-year plan**
- No growth expected in Brazil and Russia
- Core markets (**automotive, railway systems, aerospace**) remain strong
- Investments in the **oil & gas market** not yet evident

BY 2016/17: (adjusted) EBIT & EBITDA similar to level of the previous business year



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