

PRESS RELEASE

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voestalpine opens two new automotive plants in the booming Mexican market

The Metal Forming Division of the voestalpine Group supplies the automotive industry with ultra high-strength lightweight and safety components from its more than 30 locations around the world. With yesterday's opening of two new plants in the growing Mexican market, the division is consistently driving its global expansion in this customer segment. At the plant in Aguascalientes where construction started in 2016 after securing a major contract, production of highly complex body-in-white and structural parts has been recently ramped up to full capacity. Due to the high level of demand, capacity will be extended further by 2019. Production of sophisticated automotive tubular assemblies at the plant in Zacatecas began successfully at the end of 2017.

For many years now, Mexico has been one of the world's fastest growing automotive markets. Almost all the major brands are represented in this southernmost NAFTA country, with up to four million vehicles rolling off the production lines each year. "It was proximity to our customers and the impressive growth in demand in the country which were key factors in our decision to significantly expand our automotive activities in Mexico. At the same time, we are keeping a very close eye on trade developments across the entire NAFTA region, and the new locations enable us to react even more flexibly to the specific framework conditions," says Wolfgang Eder, Chairman of the Management Board of voestalpine AG. According to Eder, it is not yet possible to determine the potential impact on voestalpine activities of the new agreement between the USA and Mexico announced early this week.

Highly sophisticated automotive components made in Mexico

In August 2018 the serial production of body and structural components used in vehicle cross-members, roof frames, and rears began at the new site in Aguascalientes, which was established primarily in response to having secured a major contract for a premium automotive manufacturer worth USD 600 million. voestalpine Automotive Components Aguascalientes also has unique expertise in wheel housings, manufacturing the Group's most complex automotive component to date consisting of 20 individual parts. "With the state-of-the-art production in Aguascalientes, we once again highlight our leading competence in ready-to-install automotive components based on ultra high-strength yet simultaneously very light steels," says Peter Schwab, Member of the Management Board of voestalpine AG and Head of the Metal Forming Division. Since 2016 voestalpine has invested EUR 15 million in developing the new plant, and capacity will be expanded further by 2019 with a similar level of investment. Once complete, around 80 employees will operate ten assembly lines in the 10,000 m² plant.

Focus on customer service: start of tube component manufacturing in Zacatecas

Another Metal Forming Division automotive site has now been officially opened a further 120 kilometers to the north at Zacatecas. voestalpine Rotec Inc. has already been producing highly sophisticated tube components used in vehicle undercarriages, steering systems, and car bodies at the 3,000 m² plant here since November 2017. Forty employees work at the plant, operating five high-

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tech production lines. “Opening our own production facilities in Zacatecas allows us to serve local automotive manufacturers even better than before, also in the tube components product segment,” says Schwab.

voestalpine in Mexico

565 employees at a total of 13 voestalpine sites in Mexico generated overall revenue of EUR 274 million in the business year 2017/18. In addition to the automotive industry which accounts for the largest share of revenue at over 28 percent, the Group is also active in the country’s railway infrastructure, mechanical engineering, energy, construction, and consumer goods industries.

Metal Forming Division

The Metal Forming Division of the voestalpine Group achieved a total sales volume of EUR 2.7 billion and an operating result (EBITDA) of EUR 325 million in the business year 2017/18. The division has a workforce of around 12,000 employees and does business with almost all European car manufacturers. Within the Group, it constitutes the center of competence for highly refined sections, tubes and precision strip steel products and ready-to-install system components made of pressed, stamped and roll-formed parts. Its combination of material expertise and processing competence, which is unparalleled throughout the industry, and its global presence make the division the preferred partner to customers looking for innovation and quality.

The voestalpine Group

In its business segments, voestalpine is a globally leading technology and capital goods group with a unique combination of material and processing expertise. voestalpine, which operates globally, has around 500 Group companies and locations in more than 50 countries on all five continents. It has been listed on the Vienna Stock Exchange since 1995. With its top-quality products and system solutions using steel and other metals, it is one of the leading partners to the automotive and consumer goods industries in Europe as well as to the aerospace and oil & gas industries worldwide. voestalpine is also the world market leader in turnout technology, special rails, tool steel, and special sections. In the business year 2017/18, the Group generated revenue of around EUR 13 billion, with an operating result (EBITDA) of almost EUR 2 billion; it has around 51,600 employees worldwide.

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