



Welcome!

24th Annual General Meeting of voestalpine AG
Linz, July 6, 2016

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Agenda item 1

Presentation

- of the adopted Annual Financial Statements of voestalpine AG,
- of the Management Report, which has been combined with the Consolidated Management Report,
- of the recommendation for appropriation of net profit,
- of the Consolidated Annual Financial Statements,
- of the Corporate Governance Report, and
- of the Report of the Supervisory Board



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Results and highlights BY 2015/16

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Business year 2015/16 – Market environment

- **Global economic environment extremely 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 sector**
- **Weak energy sector**, oil & 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 profit for the period from EUR 595 million to EUR 602 million (+1.2%)
- Earnings strongly influenced by cost optimization and efficiency increases
- Record investment expenditure of EUR 1.3 billion – even so gearing ratio improved from 58.2% to 54.5%
- Direct reduction plant in Texas due to commence operations
- Preliminary planning for a new special steel plant

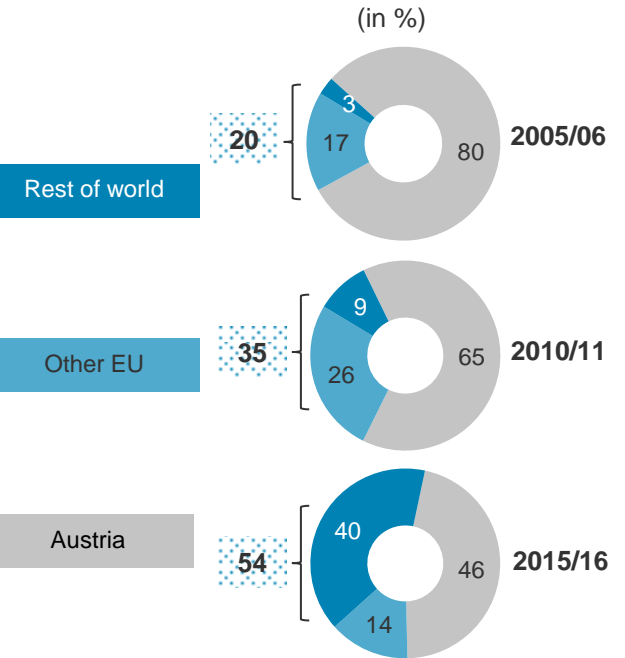
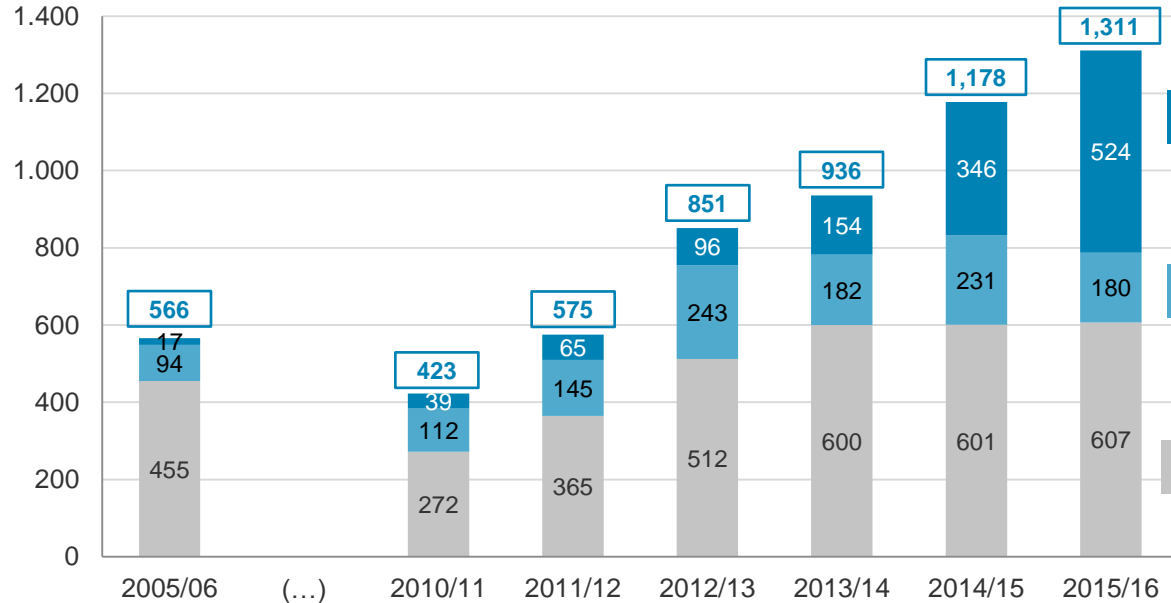


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Development of investments

In millions of euros

∑ of the past 11 years: EUR 12.2 billion





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Overview of financial key figures BY 2015/16

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Overview of key figures BY 2015/16 (1)

Adjusted figures

In millions of euros	BY 2014/15	BY 2015/16	Change (in %)	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
EBITDA margin	13.7	14.3		13.1	13.1	
Profit from operations (EBIT)	886	889	+0.3	841	814	-3.2
EBIT margin	7.9	8.0		7.5	7.4	
Profit before tax (EBT)	739	751	+1.7	694	677	-2.5
Profit for the period	595	602	+1.2	553	510	-7.7

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)

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Overview of key figures BY 2015/16 (2)

In millions of euros	BY 2014/15	BY 2015/16	Change (in %)	Adjusted figures		
				BY 2014/15 ¹⁾	BY 2015/16 ²⁾	Change (in %)
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			

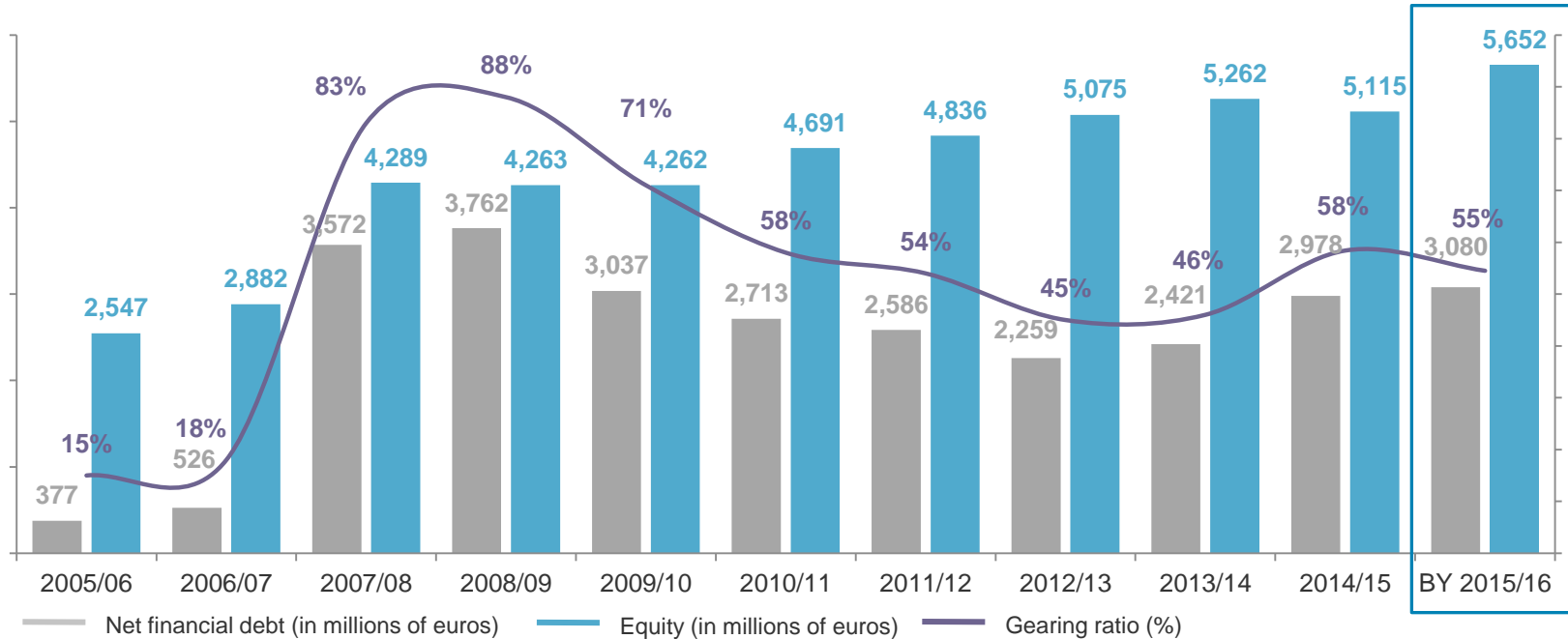
¹⁾ Adjusted for non-recurring effects due to divestments (Metal Forming Division)

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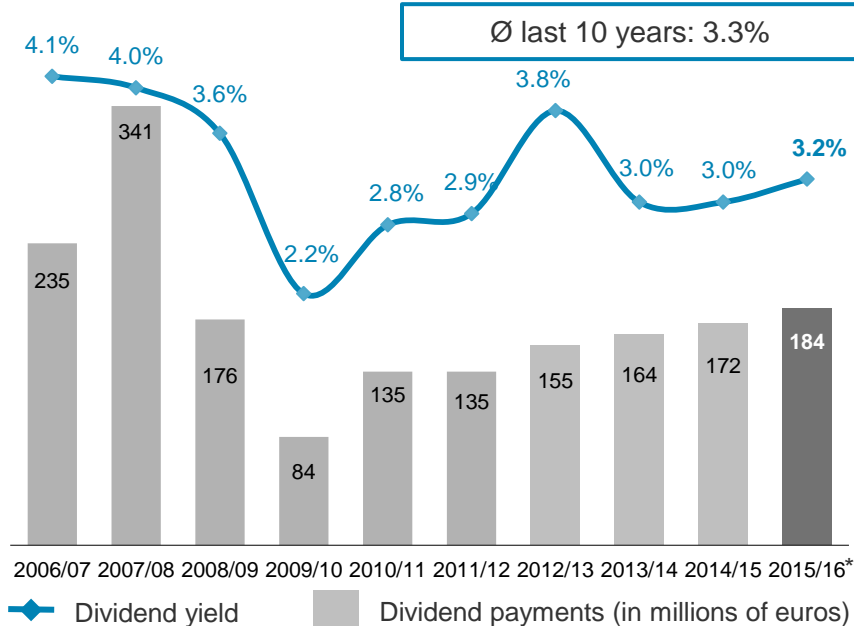
³⁾ Proposed to the Annual General Shareholders' Meeting

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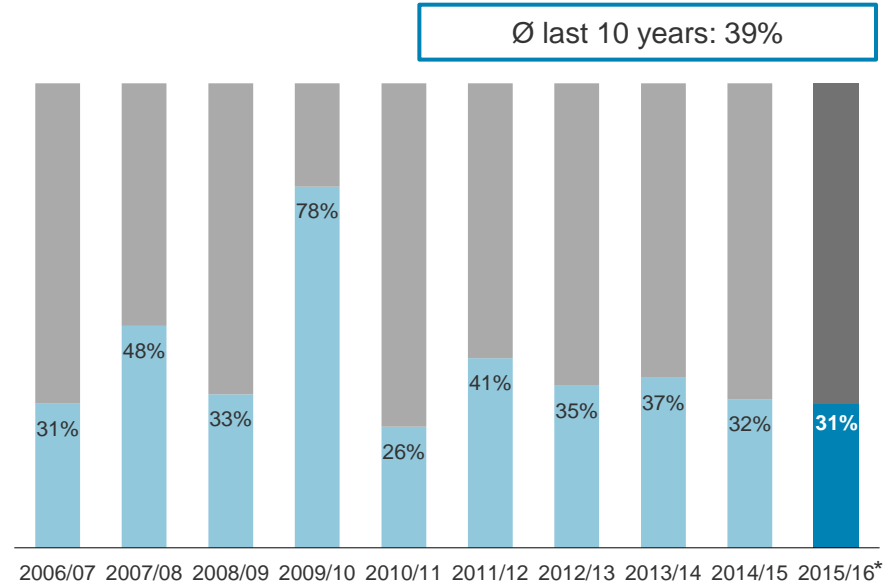
Development of the gearing ratio



Dividend yield



Distribution ratio



Continuous dividend payments since IPO in 1995 – total: EUR 2.2 billion

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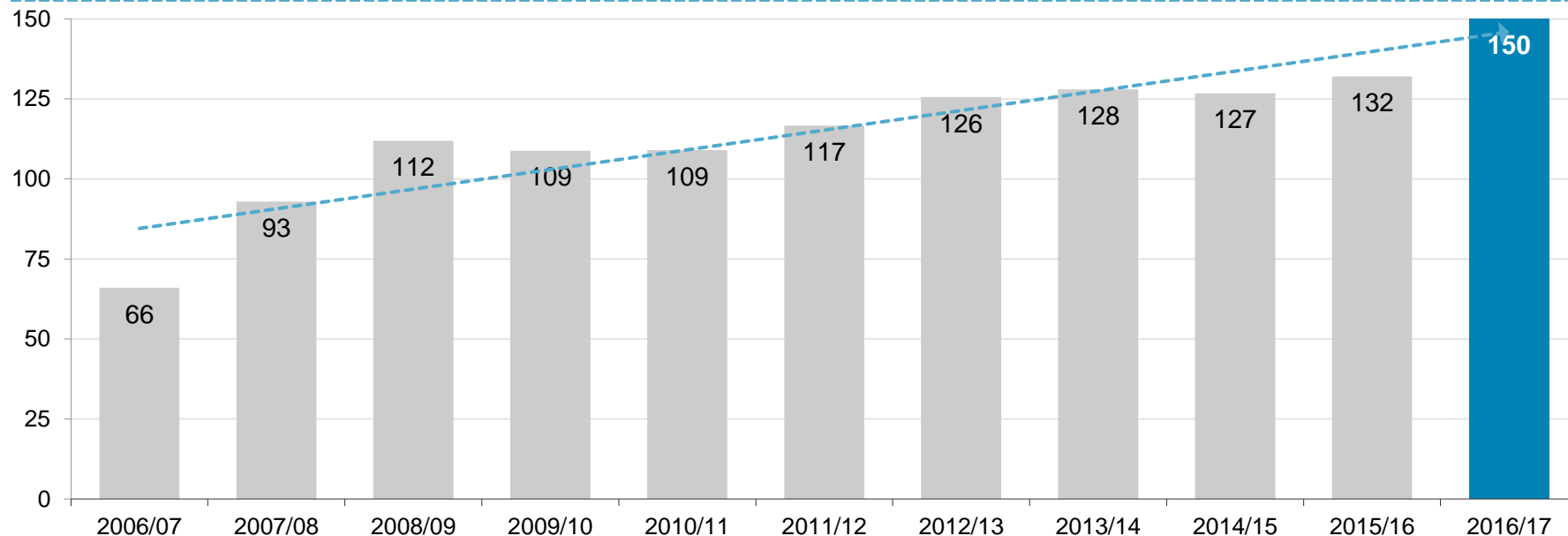
Development of the R&D expenses

(in millions of euros)

■ R&D expenses

■ R&D budget

Ø annual increase in the last 11 years: 8.5%

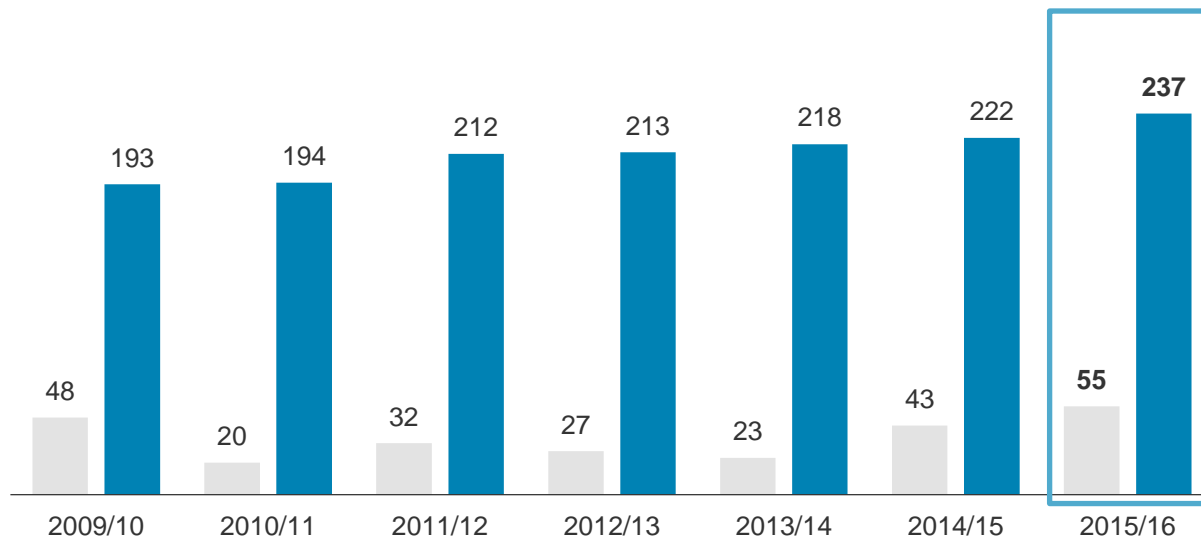


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Developement of environmental expenditures

Σ of ongoing operating expenses in the past 10 years: EUR 2.21 billion

In millions of euros ■ Environmental investments ■ Operating environmental expenses



For the first time, in addition to the Austrian sites, a series of other, primarily international, production companies has been included

Austrian sites: environment-related investments in the BY 2015/16 rose by EUR 5 million



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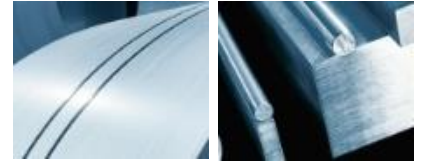
Divisions: Key figures and market environment

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Overview of key figures for the divisions

In millions of euros	Steel	Special Steel	Metal* Engineering	Metal Forming	Group
Revenue	3,754	2,651	2,850	2,225	11,069
Share of Group revenue (%)	33	23	25	19	
EBITDA (in millions of euros)	478	364	511	291	1,583
EBITDA margin (%)	12.7	13.7	17.9	13.1	14.3
EBIT (in millions of euros)	220	227	315	195	889
EBIT margin (%)	5.9	8.6	11	8.7	8.0
Employees (FTE)	10,891	13,470	12,675	10,470	48,367

* Positive adjustment for non-recurring effects due to changes in consolidation



Steel Division

- Competitive and market environment remains difficult
- Global structural overcapacities (above all China) and slump in raw material prices
- Strong demand (automotive industry!), yet price levels continue to fall

Special Steel Division

- Weak energy sector (oil & gas) cannot be fully compensated by strong automotive and aerospace business
- Growth stimuli primarily from North America & Asia, EU showing low momentum
- Driving expansion of value added services

Special Steel Division

Investment project special steel plant 2020

- **Expansion of global market leadership in tool and special steels**
 - Construction of the world's most modern special steel plant to replace existing plant in Kapfenberg
 - Industry 4.0 standard via fully integrated process technology
 - Benchmark in emissions reductions and energy efficiency
 - Largest single Special Steel Division investment
 - Implementation period: 2018 – 2020
 - Final location decision: 2017
 - Investment volume: EUR 250 to 300 million





Metal Engineering Division

- Strong earnings in the BY 2015/16 positively influenced by non-recurring effects
 - For the first time full consolidation in the Seamless Tubes and Turnout Systems business segments
 - Positive non-recurring effects: EBITDA: EUR 126.5 million, and EBIT: EUR 63.4 million
- Railway infrastructure and automotive industry strong, oil & gas sector hugely under pressure

Metal Forming Division

- Strong operational development of the past years again confirmed
- Automotive Body Parts business segment becomes global player with phs technology
- Tubes & Sections business segment profits from stronger position in the UK & USA

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Outlook BY 2016/17

- Short-term improvement in the global economic situation unlikely
- Gentle upwards trend in Europe – impact of Brexit?
- Loss of momentum in the USA
- First positive effects of the latest Chinese 5-year plan
- Continued recessionary trend in Brazil and Russia
- Core markets (automotive, railway systems, aerospace) remain strong
- Oil & gas industry remains under pressure

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





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