



Business Year 2016/17

3rd Quarter

Investor Relations

March 2017

voestalpine AG
www.voestalpine.com

voestalpine
ONE STEP AHEAD.

voestalpine Group

Overview

voestalpine - a leading technology and capital goods group

- 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**



European or global top 3 player in all business units

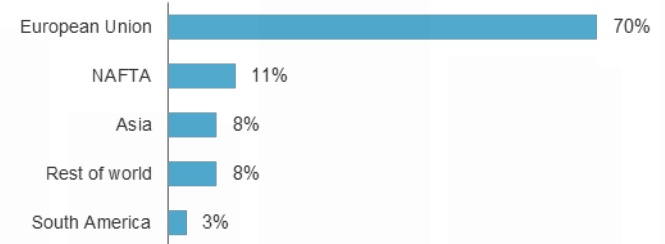
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Global footprint

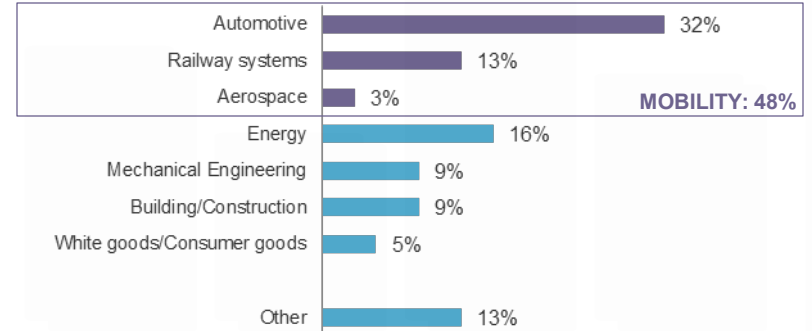
One Group – 500 sites – 50 countries – 5 continents



Revenue by **regions** (Business year 2015/16)



Revenue by **industries** (Business year 2015/16)



- **Automotive industry** unchanged strong
 - All divisions benefitting from strong automotive markets in Europe and China, but also North America (European transplants) unchanged on solid level
- **Railway systems** regionally mixed
 - Stagnating demand in **Europe, US** stabilizing after weak 2016, **China** strong
- **Aviation industry** less dynamic than last years, still solid
- **Oil & gas industry:** Restocking and increasing US rig-counts driving volume recovery for **seamless tubes** and **high performance metals**, modest signs of recovery in the (large diameter) pipeline business
- Stable order intake in **machine building** and **consumer goods industries**
- Significant upturn of carbon steel contract prices since beginning of 2017

Steel Division

Business development Q3 BY 2016/17



- Strong order intake for high quality steel in Europe
 - Steady steel production in Europe in H2 CY 2016 despite high imports
- Based on surging coking coal prices provision for energy project (Nord Stream II) impacting earnings in Q3 2016/17
- Preliminary import duties from October on hot-rolled steel and heavy plate from China supportive for new price settlements
 - Surging coking coal price as burden as well as additional trigger
 - More moderate rise of iron ore price
- Successful ramp-up of HBI-plant in Texas/USA

€m	Q1 16/17	Q2 16/17	Q3 16/17	Q1-3 16/17	Q1-3 15/16	Delta in %
Sales	909	867	928	2,704	2,835	-4.6
EBITDA	87	144	138	369	360	+2.5
EBITDA-%	9.6%	16.6%	14.9%	13.6%	12.7%	
EBIT	21	76	59	156	174	-10.5
EBIT-%	2.3%	8.8%	6.3%	5.8%	6.1%	

Special Steel Division

Business development Q3 BY 2016/17



- Stable development in automotive & consumer goods demand as basis for overall solid tool steel performance
- Positive performance in aerospace industry despite selective order postponements
- Oil & gas sector with uptick in order intake
- Uneven development of global markets
 - Restrained order behaviour in Europe
 - Unchanged positive momentum in Asia, in particular China & India
 - Economic climate in Brazil not yet substantially improving
 - Uncertain longer-term prospects for the US due to political changes
- Continuous extension of Value-Added Services
 - New coating sites in India & Mexico

€m	Q1 16/17	Q2 16/17	Q3 16/17	Q1-3 16/17	Q1-3 15/16	Delta in %
Sales	667	639	644	1,950	1,985	-1.8
EBITDA	99	94	91	285	260	+9.5
EBITDA-%	14.9%	14.8%	14.1%	14.6%	13.1%	
EBIT	63	58	57	179	158	+12.8
EBIT-%	9.5%	9.1%	8.8%	9.2%	8.0%	

Metal Engineering Division

Business development Q3 BY 2016/17

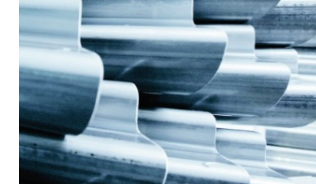


- Solid business environment in railway infrastructure
 - Receding investments in European railway market
 - Unchanged healthy demand situation in Asia, in particular China
 - Slowing dynamics in Gulf-states & mining regions
 - US: heavy haul business stabilizing on low level, positive order situation from local traffic
- Oil & gas sector (seamless tubes) bottomed out
 - Improving demand situation from US in Q3 BY 2016/17
 - Prices still weak
- Wire Technology unchanged strong thanks to ongoing dynamics in automotive sector
 - Ramp up of new wire rolling mill on schedule
- Welding Consumables successfully restructured
- 12 months comparison affected by positive one-offs from changes in consolidation last year (Q1 2015/16)

€m	Q1 16/17	Q2 16/17	Q3 16/17	Q1-3 16/17	Q1-3 15/16	Delta in %
Sales	680	652	662	1,995	2,213	-9.9
EBITDA	88	84	83	255	427	-40.3
<i>EBITDA Clean</i>	88	84	83	255	300	-15.1
EBITDA-%	12.9%	12.9%	12.5%	12.8%	19.3%	
<i>EBITDA-% Clean</i>	12.9%	12.9%	12.5%	12.8%	13.6%	
EBIT	50	46	45	140	310	-54.9
<i>EBIT Clean</i>	54	49	48	151	203	-25.4
EBIT-%	7.3%	7.0%	6.7%	7.0%	14.0%	
<i>EBIT-% Clean</i>	7.9%	7.6%	7.2%	7.6%	9.2%	

Metal Forming Division

Business development Q3 BY 2016/17



- Continuing positive development in Automotive Components business
 - Auto sales figures further rising in Europe
 - Solid demand of European transplants in North-America despite slowing dynamics of overall US car-market
 - Chinese auto market on solid growth path
- Tubes & Sections business showing only little dynamics
 - Weak demand in Europe and North-America
 - Slightly improving sentiment in Brazil
- Solid development of Precision Strip business
- Warehouse & Rack Solutions business with strong 1st half, order intake for H2 somewhat weaker

€m	Q1 16/17	Q2 16/17	Q3 16/17	Q1-3 16/17	Q1-3 15/16	Delta in %
Sales	616	572	566	1,754	1,650	+6.3
EBITDA	80	73	70	223	206	+8.7
EBITDA-%	13.0%	12.8%	12.3%	12.7%	12.5%	
EBIT	55	48	44	147	134	+9.3
EBIT-%	9.0%	8.4%	7.7%	8.4%	8.1%	



Financial overview

Q3 BY 2016/17

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Key Figures Q3 BY 2016/17

€m	REPORTED FIGURES			CLEAN FIGURES		
	Q1 – Q3	Q1 – Q3	Delta	Q1 – Q3*	Q1 – Q3*	Delta
	2015/16	2016/17	in %	2015/16	2016/17	in %
Sales	8,380	8,101	-3.3	8,380	8,101	-3.3
EBITDA	1,207	1,061	-12.1	1,070	1,061	-0.8
EBITDA-%	14.4%	13.1%		12.8%	13.1%	
EBIT	727	545	-25.0	608	556	-8.5
EBIT-%	8.7%	6.7%		7.3%	6.9%	

*) Excluding one-offs from changes of consolidation (Metal Engineering Division)

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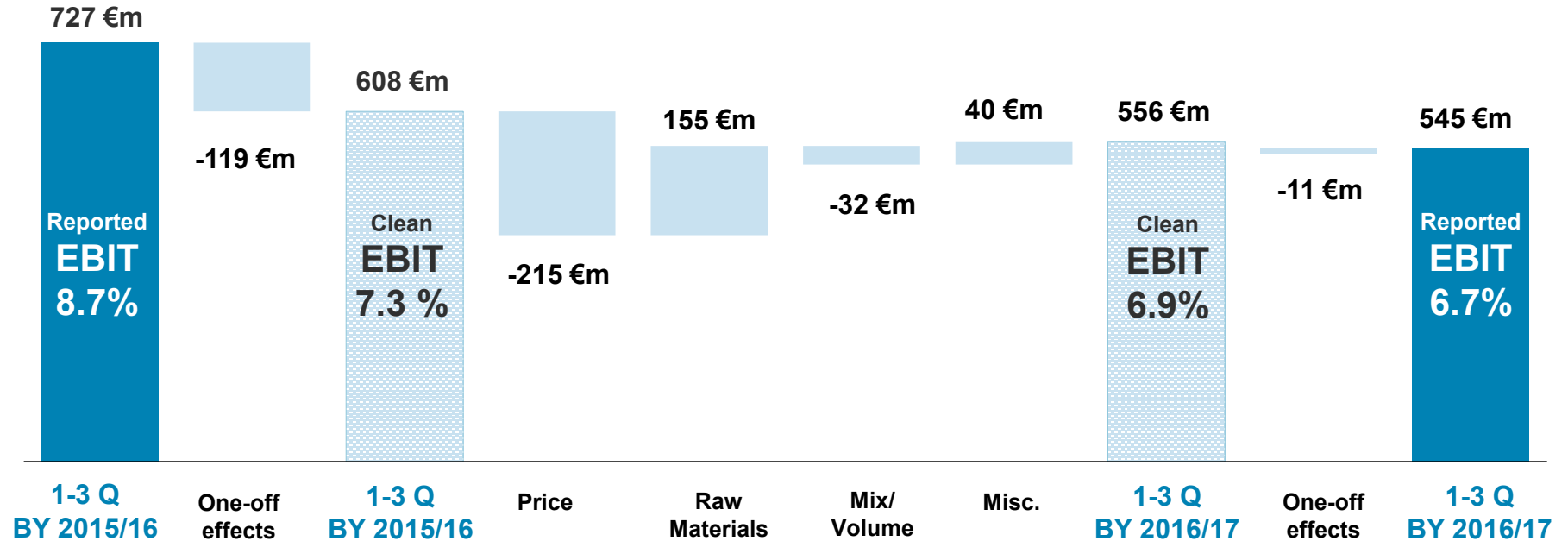
Financial overview

		Q1 - Q3 BY 2015/16 01.04.2015 – 31.12.2015	Q1 - Q3 BY 2016/17 01.04.2016 – 31.12.2016	Delta (%)	
CAPEX*	€m	937	711	-24.0	*) Fixed assets and acquisitions
Depreciation	€m	480	516	+7.4	
Equity	€m	5,606	5,798	+3.4	
Net Financial Debt	€m	3,195	3,546	+11.0	
Gearing	%	57.0%	61.2%		

Structure of statement of financial position impacted by special items resulting from exchange rate movements, and an actuarial revaluation of social capital

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Development EBIT



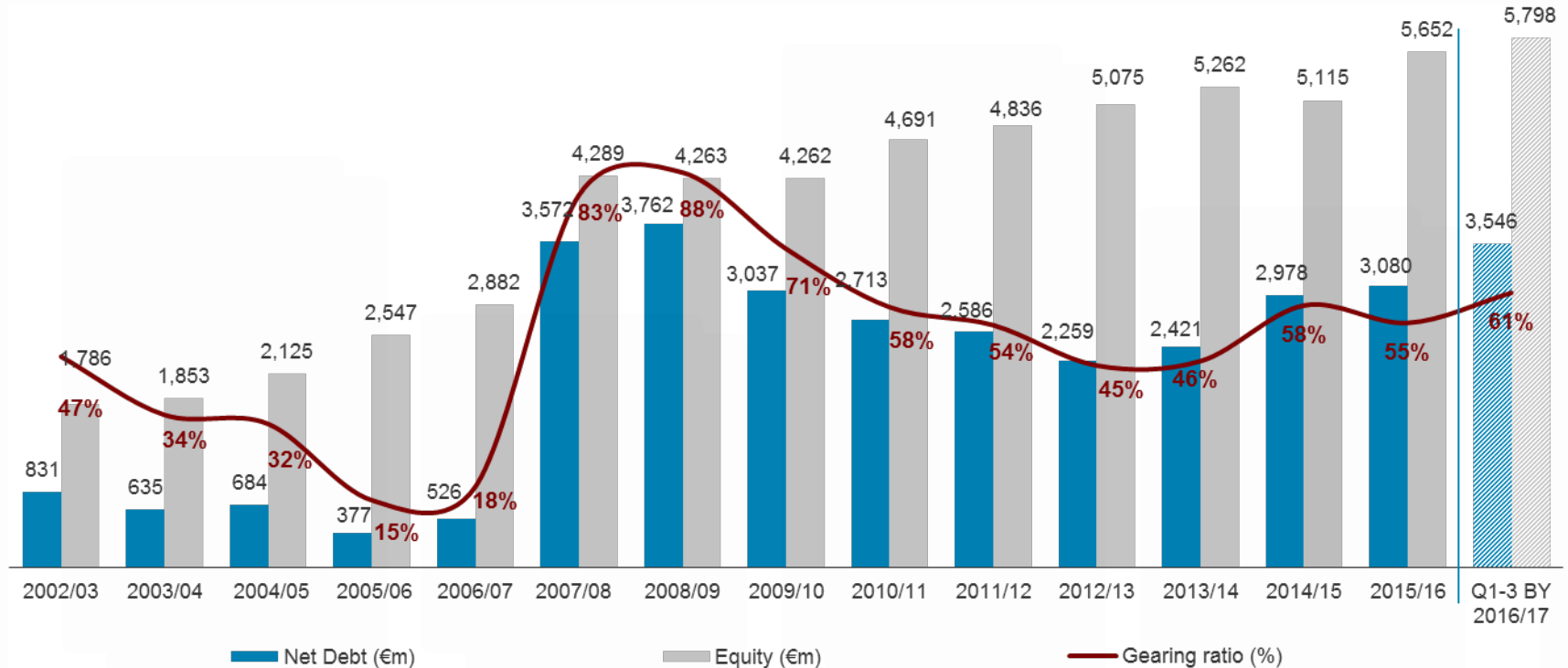
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Development cash flow

	Q1 – Q3 BY 2015/16 01.04.2015 – 31.12.2015	Q1 – Q3 BY 2016/17 01.04.2016 – 31.12.2016
	€m	€m
Cash flow from results	854	863
Changes in working capital	-16	-264
Cash flow from operating activities	838	599
Cash flow from investing activities	-956	-795
Free cash flow	-118	-196

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Development gearing ratio



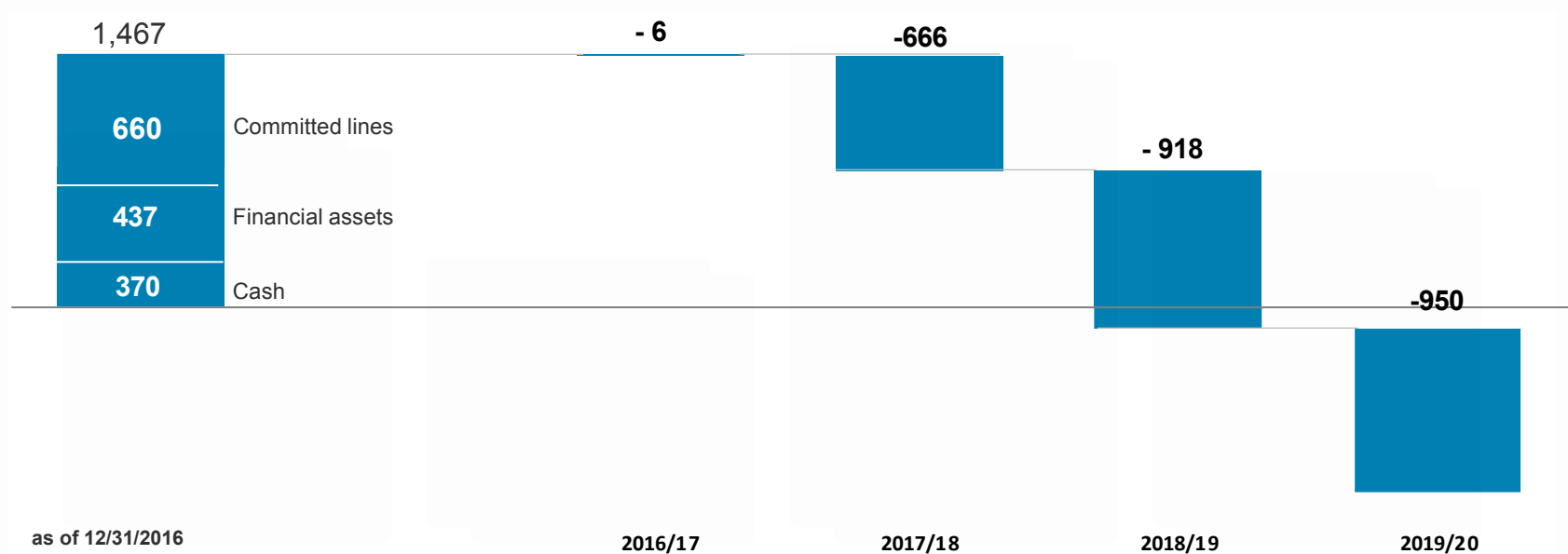
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Liquidity and redemption schedule per 31.12.2016

in €m

Liquidity

Redemption



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Outlook BY 2017/18 (indicative)

- Change in US foreign and economic policy might impact global trade flows!
- Europe expected to pursue growth track
- US economy as driving force for growth?
 - Import barriers vs. rising public spending for infrastructure projects?
- Brazilian economy currently passing the trough
- China on stable growth track
- No change in strong performance of automotive sector
- Globally mixed expectations in railway systems
- Aviation industry stays on growth track but at lower speed
- Oil & gas sector slowly improving step by step
- Rising free cash flow



OUTLOOK: EBIT 2016/17 close to, EBITDA on last year's (clean) level



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