

voestalpine's profit before and after tax for the third quarter of 2017/18 already bests its results for all of 2016/17

- » Significant improvement in both revenue and earnings driven by Europe's economic momentum
- » Revenue for first nine months rises 16.8% from EUR 8.1 billion to EUR 9.5 billion
- » At EUR 1.41 billion (+32.5%), the operating result (EBITDA) for just three quarters comes close to the EUR 1.54 billion for the entire business year 2016/17
- » Profit from operations (EBIT) jumps 53.1% year over year from EUR 545 million to EUR 835 million
- » Both profit before and after tax skyrocket by about 60% year over year
- » Equity is EUR 6.3 billion and thus at an all-time high
- » Gearing ratio declines from 61.2% to 53.5% year over year
- » At 50,658 (+3.9%), the number of employees (FTE) reaches a new high too
- » Preparations for the construction of the world's most advanced special steel plant are under way

The voestalpine Group's performance in the first three quarters of the 2017/18 business year regarding both revenue and earnings is second to none against the backdrop of the strongest economic upturn in ten years. "In the business year 2017/18 to date, the Group has benefitted from extraordinarily high demand in its key customer segments, notably the European automotive industry. Combining continuous innovation and consistent quality optimization across our entire product portfolio enabled us to achieve an operating result as of the third quarter that comes close to the result for the entire prior year," says Wolfgang Eder, Chairman of the Management Board of voestalpine AG.

Benefitting the most from the outstanding order book and the resulting solid volume and price growth, just as in quarters past the Steel Division with its focus on high-quality flat steel products posted the highest revenue growth coupled with extraordinary profitability yet again. Product and process innovations in the processing divisions coupled with our consistent international expansion also contributed to the Group's excellent performance.

Peak performance in revenue and all earnings categories

Year over year, the voestalpine Group's revenue rose in the first three quarters of the business year 2017/18 by 16.8% from EUR 8.1 billion to EUR 9.5 billion. The increase in the individual earnings categories—together with the corresponding margin increases—was even more dramatic. Hence the operating result (EBITDA) rose by almost one third, from just under EUR 1.1 billion in the previous year to EUR 1.41 billion in the current year. The increase in the profit from operations (EBIT) was even more impressive: it jumped 53.1% from EUR 545 million to EUR 835 million.

While the profit before tax soared by 59.8% from EUR 461 million to EUR 737 million, the profit after tax was even higher, skyrocketing by 61.6% from EUR 344 million to EUR 556 million. As of the

third quarter of the business year 2017/18, both key performance indicators thus have already surpassed those for the entire business year 2016/17 (EUR 700 million and EUR 527 million, respectively).

At EUR 6.3 billion, equity as of December 31, 2017, reached a new all-time high. In addition, the gearing ratio (net financial debt as a percentage of equity) fell year over year from 61.2% as of the end of December 2016 to 53.5% as of the end of December 2017. The completion of numerous large-scale projects in the past 18 months lowered the Group's investment expenditure by 25.9% from EUR 711 million the previous year to EUR 527 million this year. At 50,658, the number of employees (FTE) as of December 31, 2017, denotes an increase of 3.9% that was driven not least by the expansion of the Group's automotive activities at its sites outside of Europe.

Outlook for the current business year

The first nine months of the business year 2017/18 produced extremely pleasing results in both revenue and earnings for the voestalpine Group—despite the concurrent implementation of a number of strategic large-scale projects. Among others, these include the launch of nine automotive component plants on three continents; the start-up of the world's most advanced wire rod mill in Donawitz, Austria; the preparations for the comprehensive overhaul of the large blast furnace in Linz, Austria; and the launch of the new special steel plant project in Kapfenberg, Austria. The fact that the operating result as of the third quarter just about equates to the figure for all of 2016/17—despite the costs and responsibilities associated with these projects, especially with regard to management capacities and organization—reinforces the positive expectations for the business year 2017/18 on the whole: “From today's perspective, both revenue and operating result (EBITDA) for the last quarter of 2017/18 should be more or less on par with the first-quarter results. This confirms the expectation of substantial year-over-year growth in revenue and earnings that was expressed as early as at the start of the business year,” says Wolfgang Eder, the Group's CEO.

COMPARISON OF THE QUARTERLY AND NINE-MONTH FIGURES OF THE voestalpine GROUP

In millions of euros

	Q 1 2017/18 04/01–06/30/2017	Q 2 2017/18 07/01–09/30/2017	Q 3 2017/18 10/01–12/31/2017	Q 1 – Q 3		Change in %
				2017/18 04/01–12/31/2017	2016/17 04/01–12/31/2016	
Revenue	3,251.5	3,050.8	3,158.1	9,460.4	8,101.2	16.8
EBITDA	513.8	455.1	436.6	1,405.5	1,061.1	32.5
EBITDA margin	15.8%	14.9%	13.8%	14.9%	13.1%	
EBIT	328.8	255.4	250.4	834.6	545.0	53.1
EBIT margin	10.1%	8.4%	7.9%	8.8%	6.7%	
Profit before tax	292.4	221.3	223.5	737.1	461.4	59.8
Profit after tax ¹	218.4	170.5	167.0	555.9	343.9	61.6
Employees (full-time equivalent)	50,047	50,638	50,658	50,658	48,765	3.9

¹ Before deduction of non-controlling interests and interest on hybrid capital.

The voestalpine Group

In its business segments, voestalpine is a globally leading technology and capital goods group with a unique combination of materials and processing expertise. This global Group comprises about 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, the voestalpine Group is one of the leading partners of the automotive and consumer goods industries in Europe as well as the aerospace and oil & natural gas industries worldwide. voestalpine is also the world market leader in turnout technology, special rails, tool steel, and special sections. In the business year 2016/17, the Group generated revenue of EUR 11.3 billion, with an operating result (EBITDA) of EUR 1.54 billion; it had about 50,000 employees worldwide.

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