



# Financial Year 2012/13

Investor Relations  
June 2013

# voestalpine Group

## Business concept

### From a steel producer to a technology and industrial goods corporation

- High-Tech Steel is the base of voestalpine, but 12 years of downstream strategy have converted the group from a steelmaker to a technology and industrial goods corporation
- Combination of metallurgical know how in steel making and processing expertise leading to innovative technical solutions and new products
- Focus on strategic markets with utmost technological and quality requirements - mobility and energy
- Long term relationships with customers, suppliers and R&D-institutions as key drivers for innovation and perfect service
- Earnings accretion as pre condition for any investment decision

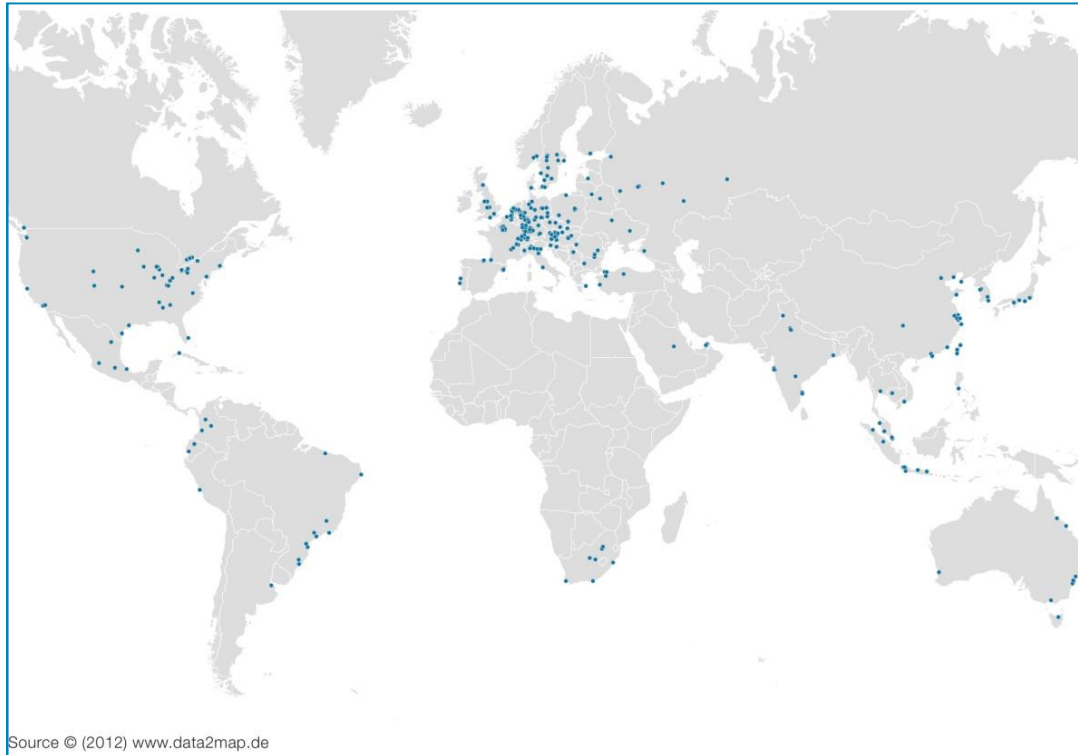


### Number 3 in Europe by revenues & market cap

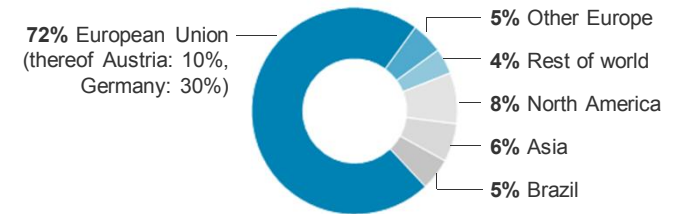
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## Global footprint

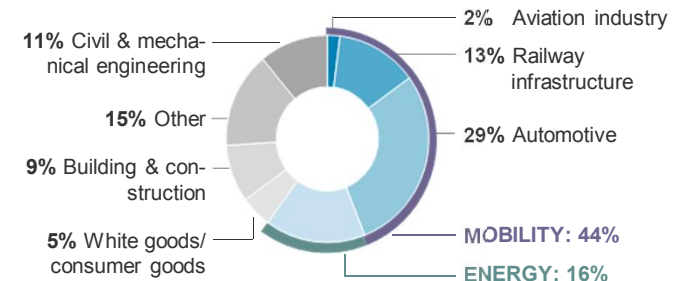
**One Group - 500 sites - 50 countries - 5 continents**



**Revenue by regions** (Business year 2012/13)



**Revenue by industries** (Business year 2012/13)



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## Company structure and market position

voestalpine Group (FY 2012/13)

33%

23%

25%

19%



### Steel Division

### Special Steel Division

### Metal Engineering Division

### Metal Forming Division

#### Top European player

Top European supplier of highest quality steel sheet and global top position in heavy plate for the most sophisticated applications as well as casings for large turbines.

#### Global leadership

Worldwide leadership in tool steel. Leading position in high-speed steel and special forgings.

#### Global leadership

Worldwide market leader in turnout technology; European market leader in rails and specially treated wire; and leading position in seamless tubes for special applications and high quality welding consumables.

#### Global leadership

Leading global provider of high-quality metal processing solutions in the segments of special sections, precision steel strip and special components for automotive and aviation industries.

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## Long term strategy, cornerstones 2020

### voestalpine 2020 – Technology & Industrial Goods group with High-Tech Steel Base

- Areas of growth
  - Downstream in steel and other materials
  - Focus on mobility and energy (70% of sales)
- Regional focus of growth: North- and South America, Asia
- Further strengthening of market, quality, technology and earnings leadership
- Broadening of global footprint → > 40% outside Europe
- Solid balance sheet and earnings accretive investments groundwork for strategy implementation



€ 20 bn. Sales    Ø 14% EBITDA-margin    Ø 9% EBIT-margin    Ø 15% ROCE

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## Current situation



€m	Q1 2012/13 01.04. – 30.06.2012		Q2 2012/13 01.07. – 30.09.2012		Q3 2012/13 01.10. – 31.12.2012		Q4 2012/13 01.01. – 31.03.2013		FY 2012/13 01.04.12 – 31.03.13		FY 2011/12 01.04.11 – 31.03.12	
	Sales	3,051		2,882		2,720		2,872		11,524		12,058
EBITDA / EBITDA-margin	375	12.3 %	355	12.3 %	322	11.8 %	390	13.6 %	1,442	12.5 %	1,302	10.8 %
EBIT / EBIT-margin	231	7.6 %	210	7.3 %	174	6.4 %	239	8.3 %	854	7.4 %	704	5.8 %

- Global economic slowdown over most of FY 2012/13 – but inhomogeneous trend
  - Austerity programs put brakes on overall growth in EU, southern Europe unchanged weak
  - Asia with fading momentum since autumn 2012, sustainability of Chinese recovery questioned
  - US with positive trend over most of FY 2012/13, Brazil doing better since end of 2012
- voestalpine Group withstanding strong economic headwinds
  - Metal Engineering Division with further improving profitability → resilient business model
  - Special Steel Division partly affected by slowdown → weaker demand but stable prices
  - Metal Forming Division despite European automotive weakness with nearly flat year-on-year performance → phs as driving force
  - Steel Division in very tough environment with stable earnings → benchmark position



# Steel Division

## Business development



€m	Q1 2012/13 01.04. – 30.06.2012		Q2 2012/13 01.07. – 30.09.2012		Q3 2012/13 01.10. – 31.12.2012		Q4 2012/13 01.01. – 31.03.2013		FY 2012/13 01.04.12 – 31.03.13		FY 2011/12 01.04.11 – 31.03.12	
	Sales	1,000		980		926		1,016		3,922		4,130
EBITDA / EBITDA-margin	109	10.9 %	130	13.2 %	101	10.9 %	111	10.9 %	450	11.5 %	457	11.1 %
EBIT / EBIT-margin	52	5.2 %	73	7.4 %	43	4.6 %	51	5.0 %	218	5.6 %	227	5.5 %

- **EBITDA and EBIT nearly unchanged, margins improved**
  - due to more stable pricing environment for high end products and high utilization rate
  - despite extreme volatility of raw materials and tough demand/supply conditions
- **Overall challenging business environment in FY 2012/13**
  - Further declining production figures in European automotive industry
  - Premium car segment affected as well but to lower extent
  - Consumer related industries (white goods, electrical industry) holding up
  - Machine building industry benefiting from export activities
  - Energy sector hit by postponement of large pipeline projects
- **Structural overcapacity in Europe weighs heavily on the industry**
- **Sustainable recovery of demand in FY 2013/14 unlikely**

# Special Steel Division

## Business development



€m	Q1 2012/13 01.04. – 30.06.2012		Q2 2012/13 01.07. – 30.09.2012		Q3 2012/13 01.10. – 31.12.2012		Q4 2012/13 01.01. – 31.03.2013		FY 2012/13 01.04.12 – 31.03.13		FY 2011/12 01.04.11 – 31.03.12	
	Sales	736		686		643		684		2,748		2,945
EBITDA / EBITDA-margin	105	14.3 %	91	13.2 %	80	12.4 %	94	13.7%	369	13.4 %	430	14.6 %
EBIT / EBIT-margin	69	9.3 %	54	7.9 %	44	6.8 %	57	8.3 %	224	8.1 %	273	9.3 %

- Weaker economy and destocking weighing on demand
  - Overall shorter and more cautious order behaviour
  - Falling demand but stable prices in H2 2012/13
  - Strongest setbacks in Europe, particularly southern Europe
- Inconsistent development in key sectors
  - Drop in orders from automotive & machine building industries
  - Subdued sales also in consumer goods industry
  - Demand from oil & gas exploration still on solid level
  - On-going strong development in aviation industry
- Nevertheless still solid earnings figures based on excellent global market position
- Incremental improvement in FY 2013/14 expected (US, China)



# Metal Engineering Division

## Business development

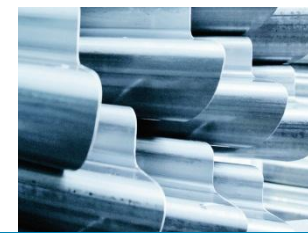


€m	Q1 2012/13 01.04. – 30.06.2012		Q2 2012/13 01.07. – 30.09.2012		Q3 2012/13 01.10. – 31.12.2012		Q4 2012/13 01.01. – 31.03.2013		FY 2012/13 01.04.12 – 31.03.13		FY 2011/12 01.04.11 – 31.03.12	
	Sales	806		740		693		674		2,914		2,956
EBITDA / EBITDA-margin	111	13.8 %	95	12.8 %	104	15.0 %	124	18.4 %	435	14.9 %	210	7.1 %
EBIT / EBIT-margin	84	10.4 %	67	9.1 %	75	10.7 %	94	14.0 %	320	11.0 %	97	3.3 %

- Enhanced global footprint in railway infrastructure compensating weakness in Europe
  - Outstanding international demand for premium rails, Europe lagging behind
  - Closure of standard rail production in Duisburg well on track
  - Solid market conditions in turnout technology, above all in U.S., Brazil, South Africa, Australia and China, rising demand in Near/Middle East and Turkey
- On-going strong momentum in seamless tubes business (OCTG-goods)
- Wire sales partly affected by lower car production in Europe, upturn in Q4 2012/13
- Market conditions for welding consumables on overall solid level
- Unchanged solid performance in FY 2013/14 expected

# Metal Forming Division

## Business development



€m	Q1 2012/13 01.04. – 30.06.2012		Q2 2012/13 01.07. – 30.09.2012		Q3 2012/13 01.10. – 31.12.2012		Q4 2012/13 01.01. – 31.03.2013		FY 2012/13 01.04.12 – 31.03.13		FY 2011/12 01.04.11 – 31.03.12	
	Sales	611		567		548		584		2,310		2,475
EBITDA / EBITDA-margin	69	11.2 %	58	10.2 %	54	9.9 %	77	13.2 %	258	11.1 %	276	11.2 %
EBIT / EBIT-margin	46	7.5 %	35	6.2 %	32	5.9 %	54	9.2 %	168	7.3 %	185	7.5 %

- Successful merger of former Profilform and Automotive Divisions strengthening international position
  - Overseas greenfield automotive investments well on track
  - New Chinese special sections plant under construction
- Automotive body parts business holding up well
  - Customer focus on export-oriented manufacturers (mainly premium segment) limiting negative effects of European market weakness
- Overall solid performance of tubes & sections in challenging environment
- Positive impact of 10 €m from revaluation of pension obligations in Q4 2012/13
- Broadly stable development expected for FY 2013/14



# Financial overview

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## Consolidated overview

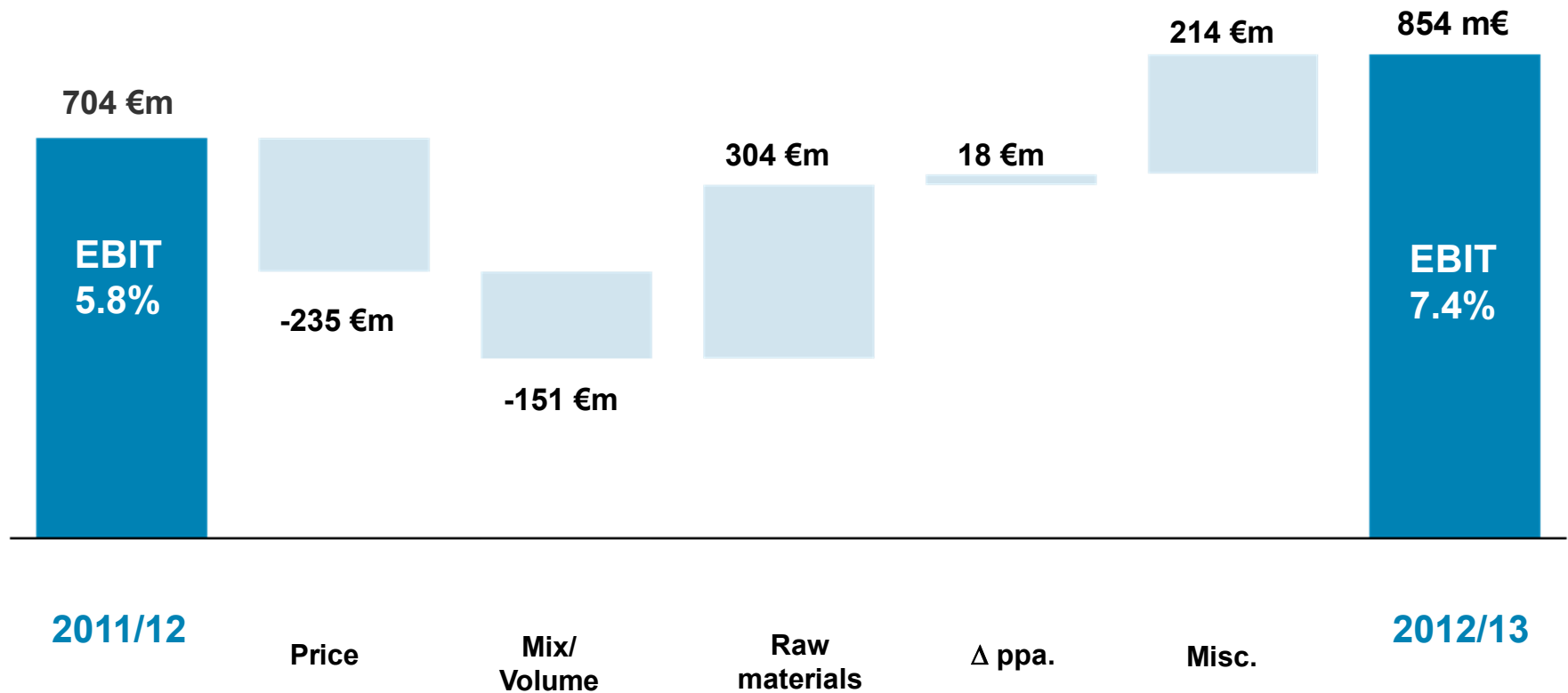
		<b>FY 2012/13</b> 01.04.12 - 31.03.13	<b>FY 2011/12</b> 01.04.11 - 31.03.12	<b>Delta in %</b>
<b>Sales</b>	€m	<b>11,524</b>	<b>12,058</b>	- 4.4
<b>EBITDA</b>	€m	<b>1,442</b>	<b>1,302</b>	10.7
<b>% of Sales</b>	%	<b>12.5</b>	<b>10.8</b>	
<b>EBIT</b>	€m	<b>854</b>	<b>704</b>	21.2
<b>% of Sales</b>	%	<b>7.4</b>	<b>5.8</b>	
<b>EBT</b>	€m	<b>655</b>	<b>504</b>	29.8
<b>Net Profit</b>	€m	<b>522</b>	<b>413</b>	26.3
<b>EPS*</b>	€	<b>2.61</b>	<b>1.98</b>	
<b>Investments**</b>	€m	<b>851</b>	<b>575</b>	48
<b>Depreciation</b>	€m	<b>588</b>	<b>598</b>	- 1.7

\* Based on average number of shares

\*\* Fixed assets and acquisitions

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## Development EBIT



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## Development cash flow

		FY 2012/13	FY 2011/12
<b>Cash flow from result</b>	€m	1,097	994
<b>Changes in working capital</b>	€m	225	-137
<b>Cash flow from operating activities</b>	€m	1,322	857
<b>Cash flow from investing activities</b>	€m	-814	-516
<b>Free cash flow</b>	€m	508	341



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## Dividends

### Continuous dividend payments since IPO 1995

		FY 2012/13	FY 2011/12
<b>Dividend payments</b>	€m	155.1	135.0
<b>Dividend per share</b>	€	0,90*	0,80
<b>Payout ratio</b>	%	35	41
<b>Dividend yield</b>	%	3.8	2.9

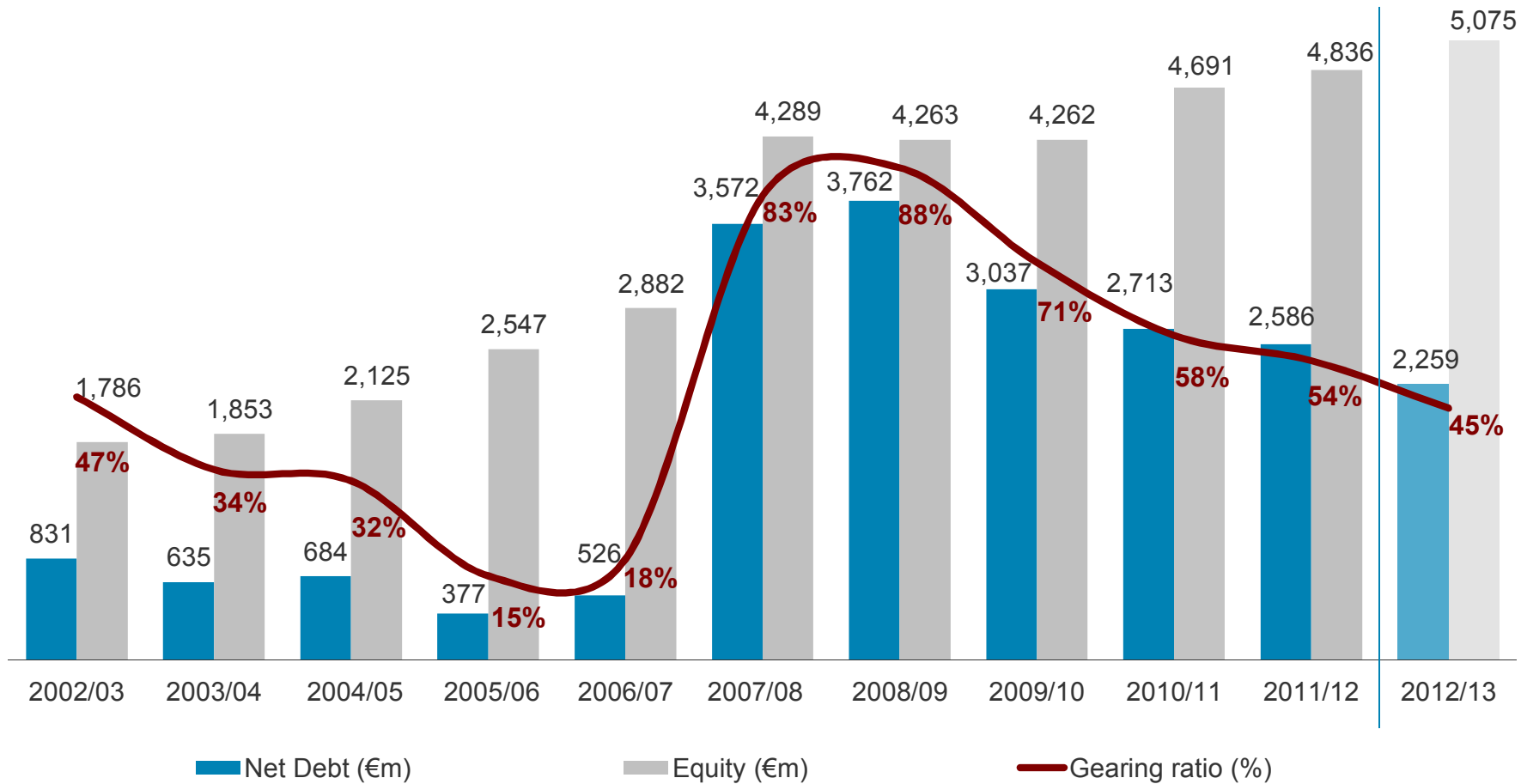
\*) Proposal to AGM

**Average dividend yield since IPO 3.9 %**

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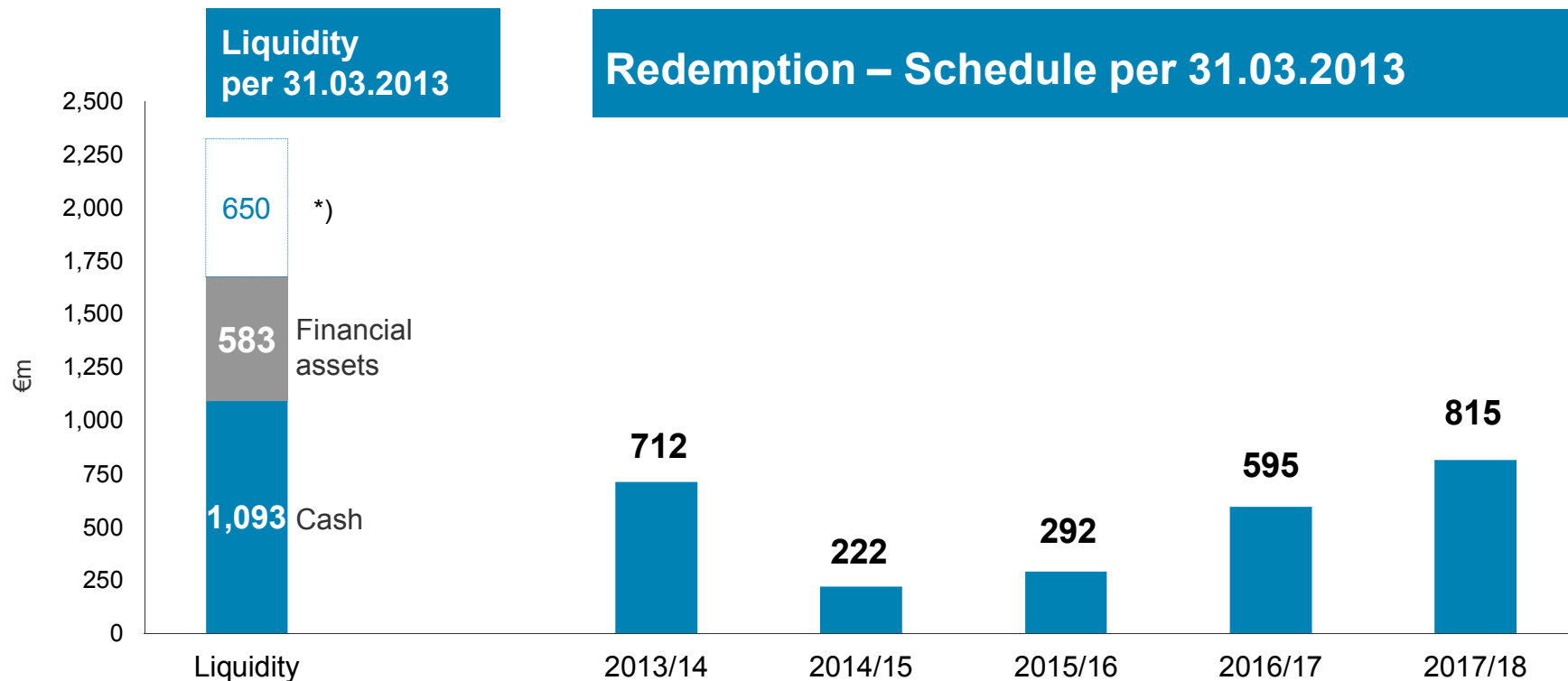
## Development gearing ratio

Equity 1<sup>st</sup> time  
above 5 bn EUR



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## Development liquidity



**Comfortable liquidity position and balanced maturity profile**

\*) Committed lines: 400 €m, closed on November 23, 2011

EIB loan agreement: 250 €m, closed on November 30, 2012

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## Outlook FY 2013/14

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- Debt crisis weighs further heavily on Europe
  - China upturn lacks stability, Japanese monetary policy risky, US-recovery sustainable?
  - Building/construction and automotive businesses further under pressure in Europe; rest of the world doing better, but no broad upturn
  - Some recovery in energy business (production/transportation of oil, gas, electricity) in H2 2013/14
  - Downward trend of raw materials prices
- ➔ Global economic environment stays challenging in 2013, only few positive exemptions:
- Booming aircraft industry
  - Agricultural machines with solid demand
  - Railway infrastructure on stable level
  - Positive outlook for Brazil

### 2013/14 Earnings expectations for voestalpine:

**Flat vs. 2012/13 as a global economic recovery is unlikely in 2013**



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