

BUSINESS YEAR 2019/20

Press Conference: June 3, 2020

Welcome!



BUSINESS YEAR 2019/20 ENVIRONMENT & HIGHLIGHTS

BUSINESS YEAR 2019/2020

ECONOMIC ENVIRONMENT

USMCA: Economic downturn during the business year



Europe: Weak performance of manufacturing industry



China/Asia: Steep downturn in growth due to trade wars



Brazil: Solid development



BUSINESS YEAR 2019/20

CHALLENGING ECONOMIC ENVIRONMENT

External Factors	Consequences/Measures
<ul style="list-style-type: none">» Global economic downturn / global trade wars (incl. U.S. Section 232 tariffs)» Decrease in automotive production» Rising raw material prices in the face of low steel prices» Covid-19 pandemic	<ul style="list-style-type: none">» Impairment losses» Programs to cut costs and boost efficiency» Reduction in investments» Cash flow optimization and inventory reductions

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KEY FIGURES

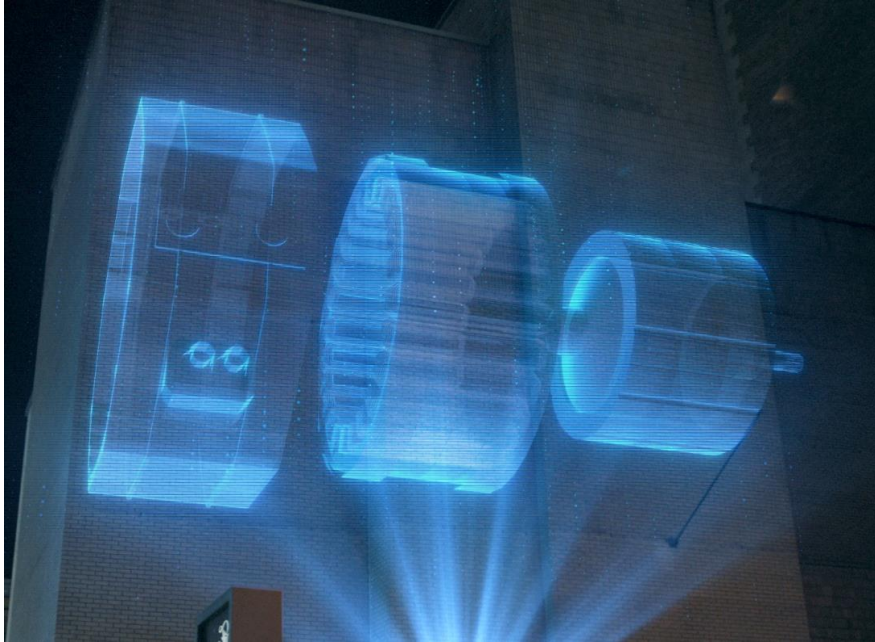


- » **Revenue:** EUR 12.7 billion (–6.2%)
- » **EBITDA:** EUR 1.2 billion (–24.5%)
- » **EBIT:** EUR –89 million (–111.4%)
- » **Total number of employees:**
49,700 (–4.3%)
- » **Dividend:** EUR 0.20* (–81.8%)

*) As proposed to the Annual General Meeting

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STEPS TAKEN SHOW RESULTS



- » At EUR 1.2 billion, **operating result** (EBITDA) is clearly positive
- » **Cash flows from operating activities** rise to EUR 1.3 billion (+11.8%)
- » **Free cash flow:** EUR 588 million
- » **Successful reduction in working capital** by EUR 434 million
- » **Available liquidity:** EUR 1.7 billion



BUSINESS YEAR 2019/20 FINANCIAL KEY FIGURES

voestalpine AG

7 | 06/03/2020 | Press Conference: Business Year 2019/20

voestalpine

ONE STEP AHEAD.

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OVERVIEW OF KEY FIGURES

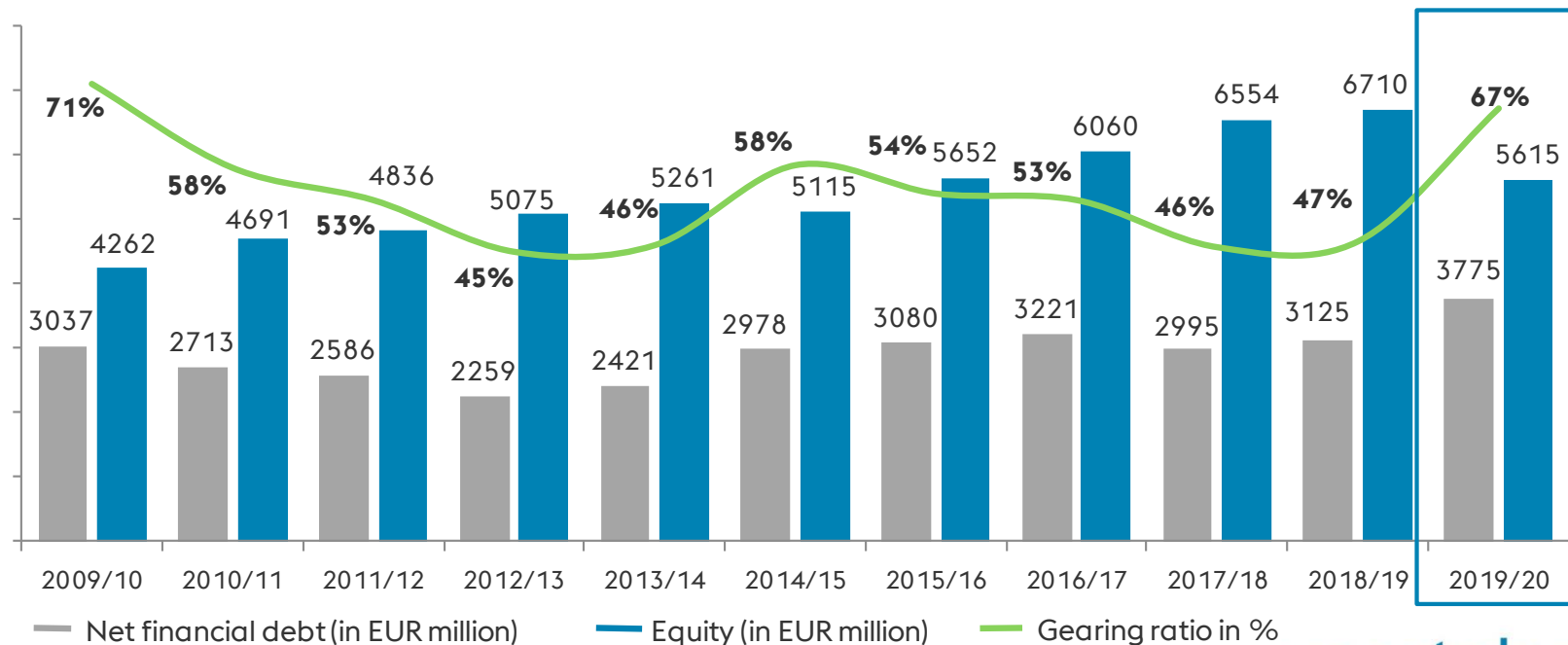
In millions of euros	BY 2018/19	BY 2019/20	Change (in %)
Revenue	13,561	12,717	-6.2
Operating result (EBITDA)	1,565	1,182	-24.5
Profit from operations (EBIT)	779	-89	-111.4
Profit before tax (EBT)	646	-230	-135.7
Profit after tax (surplus/loss for the year) ^{*)}	459	-216	-147.2
Earnings per share	2.31	-1.24	-153.7
Dividend per share	1.10	0.20^{**)}	-81.8
Employees (full-time equivalents)	51,907	49,682	-4.3

^{*)} Before deduction of non-controlling interests and interest on hybrid capital

^{**)} As proposed to the Annual General Meeting

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DEVELOPMENT OF THE GEARING RATIO



HIGHLIGHTS FROM THE DIVISIONS

STEEL DIVISION

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- » Decline in steel prices, simultaneous increase in raw materials prices
- » Price/cost ratio offset in part through long-term customer relationships and countermeasures
- » **Currently:** Action package for overcoming Covid-19 crisis economically
- » **New technology:** “Smart” steel strips
 - » Steel with integrated conductive paths
- » Start-up of world’s largest pilot plant for “green” hydrogen

HIGH PERFORMANCE METALS DIVISION

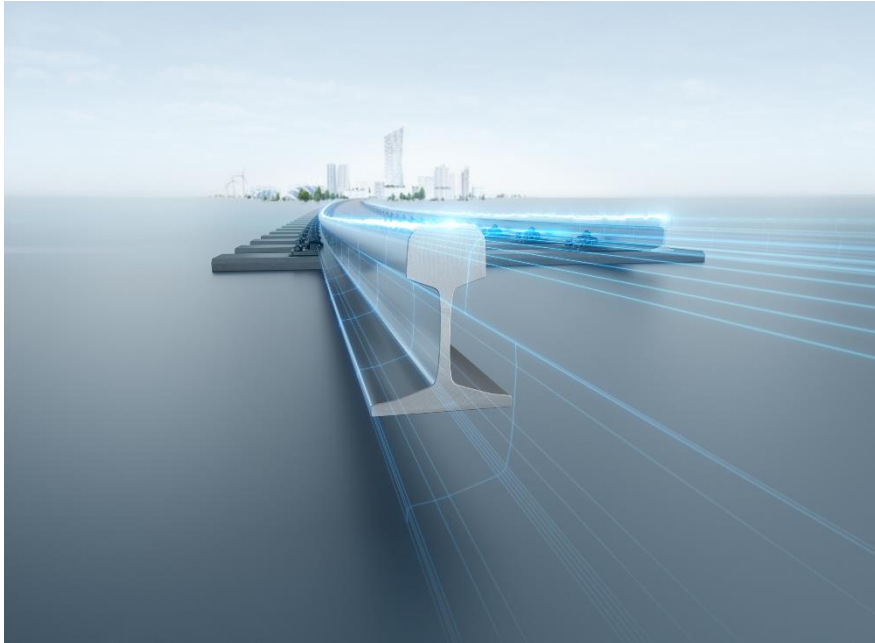
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- » Oil & natural gas / aerospace: positive performance through Q3; decline from Q4
- » Decline in demand for tool steel
- » Visible stabilizing of market in China
- » Metal additive manufacturing expands globally
- » Construction of new special steel plant in Kapfenberg, Austria, to continue until 2021

METAL ENGINEERING DIVISION

BUSINESS YEAR 2019/20



- » **Railway Systems**
 - » **Solid order levels** (esp. in Europe, China as well as Australia, India)
 - » **Second turnout system joint venture in China** (entry into mass transit sector)
 - » Successful localization in **France** also
 - » Novelty worldwide: **low-maintenance tracks**
- » **Industrial Systems**
 - » Decline in **wire** and **seamless tube** market
 - » **Welding technology** stabilizes (full-service provider through acquisition of welding machine manufacturer)

METAL FORMING DIVISION

BUSINESS YEAR 2019/20



- » Weak economy leads to lower revenue particularly in automotive sector
- » Continued robust demand for automated storage technology/ e-commerce
- » Example of innovation: Laser-welded multi-material special strip products for use in electronic components

OUTLOOK

BUSINESS YEAR 2020/21

voestalpine GROUP

COVID-19 ECONOMIC CRISIS

- » **Employees' health** has highest priority
 - » Strict Group-wide **hygiene and distancing rules**
 - » Incremental return to “**normal operations**”
- » **Meltdown in demand** in key customer segments
 - » Rapid recovery in China
 - » Railway systems and storage systems are stable segments
- » **Capacity reductions** and **temporary production shutdowns**
- » **Short time work:** 10,400 employees in Austria, about 3,000 in Germany
 - » Internationally, 2,400 employees subject to schemes similar to short time work

OUTLOOK BUSINESS YEAR 2020/21

KEY EARNINGS FACTORS

Market environment

- » Economic meltdown/lockdown in Q1 of business year 2020/21
- » Improvement likely in 2nd half of business year 2020/21
- » Economic environment remains volatile

Measures to stabilize earnings

- » Cost and working capital management
- » Cash flow generation
- » Investments less than depreciation (about EUR 600 million)

2020/21 Outlook: EBITDA between EUR 600 million and EUR 1 billion

QUESTIONS WELCOMED FROM JOURNALISTS VIA THE FOLLOWING CHANNELS

PHONE PATCH FOR JOURNALISTS

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