

Q & A voestalpine Group results H1 BY 2023/24

Q.) Were there any one-offs in the H1 2023/24?

A.) No, there were no effects from one-offs in the results in H1 2023/24.

Q.) Were there any one-offs in the comparative period of last year (H1 2022/23)?

A.) Yes, last year's first half (H1 2022/23) was impacted by impairments in the High Performance Metals Division in an amount of 173 million EUR.

Q.) How would a YoY comparison of the half year's figures on a "clean basis" (adjusted for the impairments in 1H 2022/23) look like?

	Clean		
	H1 2022/23	H1 2023/24	Change in %
EBITDA	1445.7	914.6	-36.7%
EBIT	1071.5	531.1	-50.4%

Q.) Why was the financial result in H1 quite high compared to the past? What do you expect for net financial result in BY 2023/24?

A.) Financial expenditure went up because of increasing interest rates which lifted interest payments for variable loans but also affected factoring and the discount rate for social capital.

Net financial result for BY 2023/24 is expected to be at around 180 million EUR.

Q.) What was the tax rate in H1 2023/24 and what tax rate do you expect for the full BY 2023/24?

A.) The tax rate in H1 amounted to 24%. For the full BY 2023/24 we forecast the tax rate of around 24%.

Q.) How did free cash flow develop in Q2 and H2?

After free cash flow was still clearly negative at -250 million EUR in Q1 2023/24, it turned positive to 163 million EUR in Q2 2023/24. For H1 2023/24, this means a free cash flow development of -87 million EUR.

Q.) What's the actual free cash flow guidance for BY 2023/24?

A.) Due to a somewhat more cautious economic outlook for Europe and the current expectation for EBITDA at the lower end of the previously stated range (1.7 billion EUR to 1.9 billion EUR), we are also slightly reducing our estimate for cash flow development for FY 2023/24. We now expect a free cash flow of around 300 million EUR for this business year. This would imply a relatively stable development of net debt and gearing ratio as of March 31st, 2024, in a yearly comparison.

Q.) How did working capital develop in Q2 und H1? What's the actual Working Capital guidance for BY 2023/24?

A.) There had been a reduction of working capital of 116 million EUR in Q2 2023/24. The reduction in receivables and inventories had a positive effect on working capital in Q2. In contrast, the decrease in liabilities negatively impacted working capital in Q2. In H1 2023/24 working capital increased by 279 million EUR. The build of working capital in H1 was due to a significant reduction in liabilities.

We expect a reduction of working capital in the magnitude of c. 200 million EUR in BY 2023/24.

Q.) Is the capex guidance of c. 1.2 billion EUR for BY 2023/24 still valid after the H1 capex figure was rather low?

A.) Capex guidance of 1.2 billion EUR for BY 2023/24 is unchanged, despite capex of "only" 485 million EUR in H1 2023/24. We expect that investments will accelerate in the second half. Traditionally the highest capex expenditures occur in Q4. Included in the capex guidance are expenditures for the 1st decarbonization step in Linz & Donawitz, Austria.

Q.) How much of this year's CAPEX of approx. 1.2 billion EUR is related to greentec steel?

A.) Around 200 million EUR of the investment budget of c. 1.2 billion EUR is earmarked for greentec steel.