

Economic slowdown impacts voestalpine earnings for Q3 2023/24

- » **At EUR 12.4 billion, revenue for Q1 to Q3 2023/24 is 8.8% lower than in the previous year (EUR 13.6 billion)**
- » **EBITDA fell by 31.7% to EUR 1.3 billion (previous year: EUR 1.9 billion)**
- » **EBIT decreases year-over-year from EUR 1.1 billion to EUR 713 million (-37.4%)**
- » **Profit before tax at EUR 575 million (previous year: EUR 1.1 billion) and profit after tax at EUR 431 million (previous year: EUR 864 million)**
- » **Equity rises by 2.5% from EUR 7.6 billion to EUR 7.8 billion**
- » **Net financial debt fell year-over-year, from EUR 2.7 billion to EUR 2 billion (-24.6%)**
- » **Gearing ratio improved significantly year-over-year from 35.1% to 25.8%**
- » **Number of employees stands at 50,712 FTEs (+1.4%)**
- » **EBITDA outlook unchanged at EUR 1.7 billion**

Weak economic development, particularly in Europe, put pressure on voestalpine's earnings in the first three quarters of the 2023/24 business year (April 1 to December 31). The international steel and technology group did, however, benefit overall from its global positioning and industry diversification. The energy sector performed well in the first nine months of the current business year. The Railway Systems business segment experienced good demand for the first three quarters of the business year; as a global market leader in rail infrastructure systems, voestalpine benefited from the high global demand for rails, turnouts, and systems for fully digital monitoring of rail tracks. Positive trends in the aerospace segment continued in the first three quarters. By contrast, demand remained weak in the consumer goods, construction and mechanical engineering industries. The tool manufacturing segment in particular saw a decline in demand in the second and third quarters of 2023/24. Demand from the automotive industry was stable in the first three quarters with previous supply chain problems largely being eliminated. The storage technology segment continued to show good capacity utilization in the first nine months of the business year.

"The expected economic downturn was clearly noticeable in the first nine months of the current business year. However, voestalpine is in a strong position overall due to its broad focus in various market segments and economic regions. Ensuring the competitiveness of the location as an industrial base will nevertheless be crucial. The key points here are expansion of the renewable energy supply and the grids as well as the extension of electricity price compensation until 2030," highlights Herbert Eibensteiner, CEO of voestalpine AG.

New special steel plant in Kapfenberg in exclusive operation

The new special steel plant in Kapfenberg has been in exclusive operation since the start of the 2024 calendar year, with the old special steel plant shut down as planned at the end of 2023. voestalpine will produce up to 205,000 tons of high-performance materials for the automotive, aerospace and energy industries each year at the new plant, securing around 3,500 jobs in Kapfenberg and Mürzzuschlag.

Revenue and earnings performance

The voestalpine Group's revenue fell by 8.8% in the first nine months of the 2023/24 business year, from EUR 13.6 billion to EUR 12.4 billion. EBITDA was down by 31.7% from EUR 1.9 billion to EUR 1.3 billion year-over-year (margin of 10.4%). EBIT fell by 37.4% year-over-year from EUR 1.1 billion to EUR 713 million (margin of 5.8%). Profit before tax fell by 45.4% over the first three quarters of 2023/24, dropping from EUR 1.1 billion to EUR 575 million in the reporting period. Profit after tax halved to EUR 431 million (previous year's figure: EUR 864 million). Equity as of December 31, 2023 is EUR 7.8 billion (+2.5%). Net financial debt was reduced by 24.6% year-over-year to EUR 2 billion. The gearing ratio (net financial debt as a percentage of equity) improved year-over-year, from 35.1% to 25.8%. The number of employees (FTEs) in the voestalpine Group rose 1.4% year-over-year, from 50,018 to 50,712.

Outlook

Although the voestalpine Group's performance is solid overall, the expected economic downturn is clearly noticeable in some areas. The interest rate-sensitive segments like construction, mechanical engineering and consumer goods industries as well as investments in industrial production facilities in general have weakened significantly and, from today's perspective, will not show any signs of recovery for the remainder of the business year 2023/24. The automotive industry segment will remain stable at the current level in the final quarter of 2023/24. The energy segment will continue its good momentum. The railway systems business is also expected to continue its positive development. The same applies to the aerospace industry, which has seen a dynamic recovery following the massive slump in the wake of the COVID-19 pandemic. From a regional perspective, Europe is also expected to see the weakest economic trend worldwide for the remainder of the 2023/24 business year. The eurozone has been teetering on the brink of recession in the last two quarters and no positive impetus is expected for the final quarter of the current business year, either. Developments in North America are still expected to be relatively robust. In South America, where Brazil is particularly relevant for the voestalpine Group, the economy appears to be cooling off somewhat in the last quarter of the business year. China's overall economy is growing, although the individual sectors are developing quite differently. Most probably, the problems in the real estate sector will not be resolved in the short term and will subsequently have a negative impact on related sectors such as the construction industry. However, the manufacturing industry, particularly in the high-tech sector, will continue to develop positively.

Against this backdrop and assuming no unexpected economic upheavals, the Management Board of voestalpine AG continues to expect EBITDA in the range of EUR 1.7 billion for the business year 2023/24.

KEY FIGURES – voestalpine GROUP

	Q1-Q3 2022/23	Q1-Q3 2023/24	Change
	04/01-12/31/2022	04/01-12/31/2023	in %
Revenue	13,585.2	12,387.6	-8.8
EBITDA	1,879.0	1,282.9	-31.7
EBITDA margin in %	13.8%	10.4%	
EBIT	1,140.0	713.2	-37.4
EBIT margin in %	8.4%	5.8%	
Profit before tax	1,052.6	574.8	-45.4
Profit after tax from continuing operations	770.4	436.1	-43.4
Profit after tax from discontinued operations	93.8	-4.9	
Profit after tax *	864.2	431.2	-50.1
EPS – basic earnings per share from continuing operations (euros)	3.93	2.06	-47.6
EPS – basic earnings per share from discontinued operations (euros)	0.53	-0.03	
EPS – basic earnings per share (euros)	4.46	2.03	-54.5
EPS – diluted earnings per share from continuing operations (euros)	3.93	1.99	-49.4
EPS – diluted earnings per share from discontinued operations (euros)	0.53	-0.03	
EPS – diluted earnings per share (euros)	4.46	1.96	-56.1
Gearing Ratio in % (12/31)	35.1%	25.8%	

In millions of euros

* Before deduction of non-controlling interests.

The Report of the first three quarters of the BY 2023/24 of voestalpine AG as of the December 31, 2023, may be accessed on the company's website at www.voestalpine.com under the 'Investors' tab. In case of questions, please contact the company's Investor Relations team at +43/50304/15-9949.

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