

# REPORT FOR THE FIRST QUARTER OF 2022/23

# voestalpine GROUP

## KEY FIGURES

### Q 1 2021/22 VS. Q 1 2022/23

In millions of euros	Q 1 2021/22 04/01–06/30/2021	Q 1 2022/23 04/01–06/30/2022	Change in %
<b>Income statement<sup>1</sup></b>			
Revenue	3,373.9	4,645.4	37.7
EBITDA	521.7	879.1	68.5
Depreciation	190.2	186.4	-2.0
EBIT	331.5	692.7	109.0
Profit before tax	310.9	670.3	115.6
Profit after tax from continuing operations	251.3	523.4	108.3
Profit after tax from discontinued operations	7.9	91.1	1,053.2
Profit after tax <sup>2</sup>	259.2	614.5	137.1
<b>Statement of financial position</b>			
Investments in tangible and intangible assets and interests	118.3	144.7	22.3
Equity	5,970.8	7,669.5	28.5
Net financial debt	2,617.4	2,282.2	-12.8
Net financial debt in % of equity (gearing)	43.8%	29.8%	
<b>Financial key performance indicators (KPIs)</b>			
EBITDA margin <sup>1</sup>	15.5%	18.9%	
EBIT margin <sup>1</sup>	9.8%	14.9%	
Cash flows from operating activities	272.1	-551.2	
<b>Share information</b>			
Share price, end of period (euros)	34.34	20.28	-40.9
Market capitalization, end of period	6,130.4	3,620.4	-40.9
Number of outstanding shares, end of period	178,520,616	178,520,616	0.0
EPS – earnings per share from continuing operations (euros) <sup>1</sup>	1.37	2.83	106.6
EPS – earnings per share from discontinued operations (euros)	0.05	0.51	920.0
EPS – earnings per share (euros)	1.42	3.34	135.2
<b>Personnel</b>			
Employees (full-time equivalent), end of period	48,880 <sup>3</sup>	49,900	2.1

<sup>1</sup> Q 1 2021/22 retroactively adjusted. For further details see Annual Report 2021/22.

<sup>2</sup> Before deduction of non-controlling interests.

<sup>3</sup> Including employees (full-time equivalent) from discontinued operations.

# INTERIM REPORT

## FIRST QUARTER OF 2022/23

This report is a translation of the original report in German, which is solely valid.

### ECONOMIC ENVIRONMENT AND COURSE OF BUSINESS

#### EUROPE

The dampening of the economic climate toward the end of the previous business year continued in the first quarter of the current business year (2022/23). Particularly Russia's war of aggression against Ukraine depressed expectations. Following the dramatic increases in energy prices in Europe during the Northern fall of 2021, the Ukraine war along with the European sanctions against Russia (coal, crude oil) triggered a further massive rise in the cost of energy. They turned out to be the major driver of the sharp increase in inflation across Europe, which is palpably dampening consumer confidence.

Moreover, the supply chain problems that continued unabated throughout the business year 2021/22 were not solved during the current business year's first quarter. In fact, supply chain bottlenecks are now also affecting other sectors besides the automotive industry. What's missing in the supply chain over and above components are means of conveyance, in turn leading to logistics bottlenecks.

COVID-19 also remained virulent, periodically triggering new waves of infection. While they no longer led to any official lockdowns in Europe, individual sectors—particularly in logistics—had to limit their business activities owing to large numbers of employees calling in sick.

Yet the demand for products of the voestalpine Group continued unabated despite these

unfavorable parameters. High order levels as well as replenishments of inventories by some customers led to very good performance for the Group on the whole during the first quarter of the business year 2022/23.

Declining orders in specific business units were the first sign of a darkening economic climate. The project business, in particular, saw delays during the first quarter. However, the automotive industry benefited from a slight upward trend during the reporting period. The photovoltaics segment, which voestalpine supplies with substructures, even saw its business boom.

#### USA/NORTH AMERICA

North America, too, had to contend with high inflation during the first quarter of 2022/23. In contrast to the situation in Europe, however, inflation is not largely imported, so to speak, but instead arises from the very strong domestic economy and a labor market that has mostly been swept clean. Although the economic indicators already cooled off toward the end of the business year 2021/22, the economy in North America remained solid on the whole. Declines in housing construction were offset at least in part by private consumption.

In contrast to the European Central Bank (ECB), the U.S. Federal Reserve (Fed) has reacted to rising inflation by reversing its expansionary monetary policy and raising interest rates. Especially the latter is weighing on consumer sentiment.

In this ambivalent economic environment, voestalpine's facilities in the United States

delivered highly positive performance. Two segments—storage technology as well as oil and natural gas—reported very good demand in the first business quarter. The oil and natural gas market is also being supplied by the voestalpine Group's European facilities. The conversion of the Section 232 tariffs into a quota system as of January 1, 2022, considerably facilitated steel imports into the U.S.

#### **BRAZIL/SOUTH AMERICA**

The Brazilian economy has already been exposed to both high inflation and high interest rates for quite some time. While the country's economic momentum started to slow down toward the end of the previous business year against this backdrop, the economic environment stayed largely the same during the first quarter of 2022/23. As a major exporter of raw materials, Brazil's economy benefited from raw materials prices that remained relatively high.

voestalpine's facilities in Brazil delivered very good performance in the reporting period. There was strong demand for voestalpine's products not just from the oil and natural gas sector, but also from the solar industry.

#### **CHINA/ASIA**

In contrast to the rest of the world, China reacted to the newly occurring waves of COVID-19 infections by pursuing a consistent zero-COVID policy. Hard lockdowns substantially curbed economic activity in the country's important economic regions. As the first quarter of the business year 2022/23 wore on, however, government agencies eased their restrictions and the economy began to rebound. Moreover, the central government announced toward the end of the reporting period that it would enact economic stimulus measures.

The lockdowns affected particularly voestalpine's Chinese facilities located in the Shanghai area. But they were able to resume working during the first business quarter and, on the whole, delivered highly pleasing performance.

## **DEVELOPMENT OF THE KEY FIGURES OF THE voestalpine GROUP**

The key performance indicators (KPIs) of the voestalpine Group show a very good performance in the first quarter of the business year 2022/23. Especially revenue and earnings saw significant year-over-year improvements. Revenue rose by 37.7%, from EUR 3,373.9 million to EUR 4,645.4 million. All divisions kept deliveries largely stable at the previous business year's level. Substantially higher prices thus accounted for the revenue increase resulting from the considerable rise in the cost of pre-materials, raw materials, and energy. Irrespective of sharply rising costs, the Group on the whole succeeded in lifting earnings figures to a markedly higher level by raising its sale prices. While all divisions posted improved earnings, it is thanks to the Steel Division, in particular, that the operating result for the reporting period is the voestalpine Group's best quarterly performance ever. EBITDA of EUR 879.1 million (margin of 18.9%) for the first quarter of the business year 2022/23 is up by 68.5% from EBITDA of EUR 521.7 million (margin of 15.5%) for the same period of the previous business year. The increase in EBIT for the first quarter of 2022/23 is even more pronounced: at EUR 692.7 million, it more than doubled (Q1 2021/22: EUR 331.5 million), generating a commensurate increase in the EBIT margin for the same period to 14.9%, up from 9.8%. The profit before tax of EUR 670.3 million (Q1 2021/22: EUR 310.9 million) as well as the profit after tax of EUR 614.5 million (Q1 2021/22: EUR 259.2 million) for the first quarter of the current business year are also all-time highs.

The voestalpine Group greatly strengthened its equity, both year over year and compared with the reporting date for the business year 2021/22. Equity was EUR 7,669.5 million as of June 30, 2022, and thus 28.5% higher than the equity of EUR 5,970.8 million as of June 30, 2021. Compared with the amount as of the 2021/22 annual reporting date (EUR 7,069.3 million), however, equity rose by 8.5%. While net financial debt decreased as of June 30, 2022, (i.e., within a single year) by 12.8% to EUR 2,282.2 million (June 30, 2021: EUR 2,617.4

million), compared with the annual reporting date (March 31, 2022: EUR 2,291.2 million), it basically remained stable. In this connection, both the strong earnings performance as well as the proceeds from the sale of 80% of the Group's stake in voestalpine Texas offset the significant increase in working capital over the reporting period. For one, the growth in working capital stems from substantially larger safety inventories of raw materials that were put in place in light of the logistically challenging environment as well as from the Group's first-ever storage of natural gas. For another, the

increases in the cost of raw materials, energy, and other input materials adversely affected working capital.

As of June 30, 2022, the number of employees (full-time equivalents, FTEs) of the voestalpine Group rose by 2.1% to 49,900 (June 30, 2021: 48,800). Compared with the number as of the March 31, 2022, reporting date (50,225), the number of employees declined by 0.6%.

#### COMPARISON OF THE QUARTERLY FIGURES OF THE voestalpine GROUP

In millions of euros	Q 1 2021/22 <sup>1</sup> 04/01/- 06/30/2021	Q 2 2021/22 <sup>1</sup> 07/01/- 09/30/2021	Q 3 2021/22 <sup>1</sup> 10/01/- 12/31/2021	Q 4 2021/22 01/01/- 03/31/2022	Q 1 2022/23 04/01/- 06/30/2022
Revenue	3,373.9	3,432.5	3,697.1	4,419.7	4,645.4
EBITDA	521.7	496.4	505.2	768.0	879.1
EBITDA margin	15.5%	14.5%	13.7%	17.4%	18.9%
EBIT	331.5	306.9	316.2	499.7	692.7
EBIT margin	9.8%	8.9%	8.6%	11.3%	14.9%
Profit before tax	310.9	288.4	301.3	481.9	670.3
Profit after tax <sup>2</sup>	259.2	226.5	211.9	632.7	614.5
Employees (full-time equivalent), end of period	48,880	49,068	49,157	50,225	49,900

<sup>1</sup> Q 1 to Q 3 2021/22, retroactively adjusted. For further details see Annual Report 2021/22.

<sup>2</sup> Before deduction of non-controlling interests.

Net financial debt can be broken down as follows:

In millions of euros	06/30/2021	06/30/2022
Financial liabilities, non-current	2,723.6	2,441.6
Financial liabilities, current	1,101.7	987.9
Cash and cash equivalents	-941.7	-1,057.3
Other financial assets	-245.6	-69.4
Loans and other receivables from financing	-20.6	-20.6
<b>Net financial debt</b>	<b>2,617.4</b>	<b>2,282.2</b>

## STEEL DIVISION

### QUARTERLY DEVELOPMENT OF THE STEEL DIVISION

In millions of euros	Q 1 2021/22 <sup>1</sup> 04/01– 06/30/2021	Q 1 2022/23 04/01– 06/30/2022	Change in %
Revenue	1,205.9	1,826.2	51.4
EBITDA	245.1	526.8	114.9
EBITDA margin	20.3%	28.8%	
EBIT	178.8	461.8	158.3
EBIT margin	14.8%	25.3%	
Employees (full-time equivalent), end of period	10,429	10,366	-0.6

<sup>1</sup> Q 1 2021/22 retroactively adjusted. For further details see Annual Report 2021/22.

Mio. EUR

#### MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The war in Ukraine triggered substantial distortions in the European steel market toward the end of the business year 2021/22. Following initial uncertainties, demand turned positive at the start of the business year 2022/23 thanks to both lower steel imports and the rebound in the market. During the first business quarter, however, market conditions turned negative yet again, with the result that customers were much more cautious and pushed inventory reductions.

Demand for the steel products of voestalpine's Steel Division during the reporting period remained good and developments in prices were pleasing, too.

Despite high order levels, the **automotive industry** still had to contend with supply chain bottlenecks and thus was unable even in the first quarter of 2022/23 to ramp up production. However, there has been a positive trend in order call-ups from original equipment manufacturers (OEMs) since the middle of the reporting period.

The **consumer goods and white goods industries** enjoyed a boom in the past few years that was triggered by the COVID-19 lockdowns: Many consumers invested in new household appliances and consumer goods. This phase of extraordinarily high demand has largely passed, yet order levels in the first business quarter remained good.

The positive performance of the **mechanical engineering** industry in the last quarter of

2021/22 continued unabated in the first quarter of 2022/23.

There was good demand for the Steel Division's steel products from the **construction industry** during the reporting period, but some areas were seeing a slackening of momentum.

The **energy segment**—the heavy plate segment's most important market—continued along its positive trajectory in the reporting period. This was due mainly to brisk demand in the wake of high crude oil and natural gas prices.

Raw materials prices followed a downward trajectory in the first quarter of 2022/23. The price of metallurgical coal, in particular, dropped considerably after hitting historic highs in the previous business year. The prices of iron ore and scrap also followed a declining trend. By contrast, substantial increases in the cost of energy such as electricity and natural gas as well as the impact of the war in Ukraine on the availability of raw materials posed major challenges.

#### DEVELOPMENT OF THE KEY FIGURES

Compared with the previous business year, the Steel Division delivered clearly positive results with respect to its financial key performance indicators. In the first quarter of the business year 2022/23, revenue jumped by 51.4% to EUR 1,826.2 million (Q1 2021/22: EUR 1,205.9 million). While delivery volumes were stable year over year, prices improved significantly due to the sharp increases in the cost of raw materials and energy as well as solid demand overall. By

raising the prices of its products, the division not only offset the marked increase in its input costs but also substantially boosted its gross margin. Consequently, in the first quarter of 2022/23, EBITDA more than doubled to EUR 526.8 million year over year (Q1 2021/22: EUR 245.1 million). This raised the EBITDA margin from 20.3% to 28.8%. The increase in EBIT was even more pronounced: It skyrocketed in the reporting

period by 158.3% to EUR 461.8 million with a margin of 25.3% (Q1 2021/22: EUR 178.8 million, margin of 14.8%).

The number of employees (FTE) in the Steel Division as of June 30, 2022, fell slightly by 0.6% to 10,366. The number of employees as of June 30, 2021, was 10,429.

## HIGH PERFORMANCE METALS DIVISION

### QUARTERLY DEVELOPMENT OF THE HIGH PERFORMANCE METALS DIVISION

In millions of euros	Q 1 2021/22 04/01– 06/30/2021	Q 1 2022/23 04/01– 06/30/2022	Change in %
Revenue	704.2	958.8	36.2
EBITDA	101.2	146.0	44.3
EBITDA margin	14.4%	15.2%	
EBIT	61.4	107.7	75.4
EBIT margin	8.7%	11.2%	
Employees (full-time equivalent), end of period	12,802	13,344	4.2

### MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The economic environment of the High Performance Metals Division was robust throughout the first quarter of 2022/23. In Europe, the division largely managed to pass on the rising costs of both raw materials and energy to its customers. In its overseas markets, however, where competitors were not exposed to similar increases in the cost of natural gas and electricity, this was only possible to a very limited extent.

#### Tool Steel

Orders from the European automotive industry remained good at the start of the business year 2022/23 despite manufacturers' current low capacity utilization. This scenario was driven by the greater range in car model variants resulting from new models engineered for electromobility. In both North and South America, the tool steel product segment benefited from investments in new car models. The momentum in the consumer goods industry—the second key driver of demand for tool steel besides the automotive industry—weakens a bit in China owing to the COVID-19 lockdowns.

#### Special Materials

The substantially positive upward trend in the aerospace industry continued to solidify in the current business year's first quarter. Passenger numbers in regional air traffic are already approaching the level prior to the outbreak of COVID-19. In turn, this is boosting demand for single aisle aircraft. The rebound in demand for wide-body aircraft, by contrast, is much weaker. In the oil and natural gas sector, for its part, demand has grown substantially year over year. Rising energy prices are creating incentives to invest in oil and natural gas projects. Regionally, developments in this market segment were mainly shaped by good order levels in Europe as well as in North and South America.

#### High Performance Metals Production

Given the brisk demand, capacity utilization in the production plants was very good during the first quarter of the business year 2022/23. Against the backdrop of disrupted international value chains, some customers have responded to the uncertain supply situation by building up inventories. Regionally, the costs of electricity and natural gas followed very different trajectories; the division's production plants particularly in Austria and Germany had to

contend with yet more price increases. The new special steel plant in Kapfenberg, Austria, was completed by the end of the first quarter of 2022/23. The facilities at this plant are state of the art throughout and will be started up in phases beginning in the Northern summer of 2022.

### Value Added Services

Over and above the high demand for tool steel and special materials, the division's business that is generated through services such as heat treatment and coating has also developed very well. Accordingly, the performance of the Value Added Services business segment continued to improve in the first business quarter. Progress in the global implementation of digital marketing and sales processes was instrumental to this development.

### DEVELOPMENT OF THE KEY FIGURES

The development of the key performance indicators of the High Performance Metals Division reflects the year-over-year improve-

ment in the market environment of individual customer segments. Compared with the previous business year, revenue for the first quarter of 2022/23 rose by 36.2% to EUR 958.9 million (Q1 2021/22: EUR 704.2 million). In addition to a marked increase in product prices against the backdrop of sharp increases in the cost of raw materials and energy, this is also due to the higher-value product mix in special materials. Delivery volumes fell slightly compared with the same period in the previous year. On the whole, improved gross margins boosted earnings. EBITDA jumped in the first quarter of 2022/23 by 44.3% to EUR 146.0 million with a margin of 15.2% (Q1 2021/22: EUR 101.2 million, margin of 14.4%). EBIT for the reporting period soared by 75.4% to EUR 107.7 million with a margin of 11.2% (Q1 2021/22: EUR 61.4 million, margin of 8.7%).

As of June 30, 2022, the number of employees (FTE) in the High Performance Metals Division increased by 4.2% to 13,344 (previous business year: 12,802).

## METAL ENGINEERING DIVISION

### QUARTERLY DEVELOPMENT OF THE METAL ENGINEERING DIVISION

In millions of euros	Q 1 2021/22 04/01- 06/30/2021	Q 1 2022/23 04/01- 06/30/2022	Change in %
Revenue	800.9	1,042.2	30.1
EBITDA	96.2	121.2	26.0
EBITDA margin	12.0%	11.6%	
EBIT	51.9	77.0	48.4
EBIT margin	6.5%	7.4%	
Employees (full-time equivalent), end of period	13,063	13,504	3.4

### MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The Metal Engineering Division's solid upward trend during the previous business year continued unabated in the first quarter of the business year 2022/23. The robust performance of the division's Railway Systems business segment turned out to be key to the highly satisfactory utilization of capacity at its production plants.

Stable, good demand in its European core markets characterized the performance of **Railway Systems** at the start of the current business year. Delivery volumes in the rails product segment were good in spite of logistical challenges. Overseas, however, the sales volume fell slightly short of expectations. In Europe, the Turnout Systems business segment benefited from positive momentum in Austria and Switzerland as well as Central and Eastern Europe. Satisfactory demand in North America, China, and India had an advantageous effect



on the business unit's performance as well. Projects in South America saw delays.

Advantageous market conditions also prevailed in the **Industrial Systems** business segment during the first quarter of 2022/23. Orders from the automotive industry—the most important customer segment of the wire technology product segment—remained high at the start of the reporting period, but demand returned to slightly more normal levels toward its end. The upward trend in the tubulars product segment continued unabated at the start of the current business year. In addition to continually improving market conditions in the oil and natural gas sector, as of January 1, 2022, the quota system applicable to U.S. tariffs also helped to boost segment earnings. This has resulted in a substantial reduction in the cost of European steel exports to the United States. The welding product segment (welding technology) also posted altogether good performance during the first business quarter. Both Europe and South America provided a positive market environment. The same applies to Asia with the exception of China, where the lockdowns have lowered incoming orders. Demand in the U.S. fell slightly short of expectations.

## DEVELOPMENT OF THE KEY FIGURES

Compared with the previous business year, the development of the key financial indicators of the Metal Engineering Division in the first quarter of the business year 2022/23 followed a clearly positive trend. Revenue rose 30.1% to EUR 1,042.2 million (Q1 2021/22: EUR 800.9 million). Primarily, this reflects the sharp increases in product prices against the backdrop of marked increases in the cost of key raw materials and energy. Delivery volumes were largely unchanged year over year. The increase in the prices of seamless tubes and wire products exceeded that of the input costs, leading to pleasing earnings performance. Lower import tariffs in the United States also had a positive impact in the tubulars product segment. Against this backdrop, EBITDA rose in the first quarter of 2022/23 by 26.0% to EUR 121.2 million with a margin of 11.6% (Q1 2021/22: EUR 96.2 million, margin of 12.0%). EBIT jumped 48.4% in the reporting period to EUR 77.0 million, pushing the margin to 7.4% (Q1 2021/22: EUR 51.9 million, margin of 6.5%).

As of June 30, 2022, the Metal Engineering Division had 13,504 employees (FTE). This represents a year-over-year increase of 3.4% (June 30, 2021: 13,063).

## METAL FORMING DIVISION

### QUARTERLY DEVELOPMENT OF THE METAL FORMING DIVISION

In millions of euros	Q 1 2021/22 04/01– 06/30/2021	Q 1 2022/23 04/01– 06/30/2022	Change in %
Revenue	825.5	1,038.5	25.8
EBITDA	104.5	114.0	9.1
EBITDA margin	12.7%	11.0%	
EBIT	68.0	77.9	14.6
EBIT margin	8.2%	7.5%	
Employees (full-time equivalent), end of period	11,629	11,750	1.0

### MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The Metal Forming Division successfully carried the previous business year's momentum over into the first quarter of the business year 2022/23. The automotive industry was the only sector that still had to contend with altogether

restrained component order call-ups in tandem with high volatility.

In Europe, the automotive production units of the original equipment manufacturers (OEMs) continued to struggle with supply chain bottlenecks, particularly in relation to semiconduc-

tors and wire harnesses. Manufacturing capacity utilization thus was moderate, even though demand in the market was solid. Accordingly, the conditions facing the division's **Automotive Components** business segment in Europe were just as challenging. Demand from key customers engaged in automotive production at voestalpine's facilities beyond Europe was better, relatively speaking. Yet component orders from OEMs trended downward year over year, even in the United States. Developments in China were largely positive. This was so despite a comprehensive lockdown in the Chinese city of Shenyang, which also affected one of voestalpine's facilities at the start of the current business year.

During the first quarter of 2022/23, the **Tubes & Sections** business segment benefited from dynamic market conditions over longer periods of time. In particular, this applies to demand from the solar industry, the commercial vehicle sector as well as from the storage technology sector. Orders from the automotive supplier sector as well as from the agricultural and construction machinery industry were more limited owing to the lack of semiconductors in the value chains. Toward the end of the reporting period, orders from the construction industry declined a bit due to project postponements. From a regional perspective, the segment's performance in the business year's first quarter was satisfactory—not only in its European core markets but also in both South and North America.

The **Precision Strip** business segment seamlessly carried its excellent performance from the previous business year over into the current business year. In Europe, demand during the first quarter of 2022/23 was extremely robust. Now and then, container availability shortages limited exports. Favorable conditions prevailed in the U.S. market, especially in the band saw steel product segment. The economic environment in China was positive also: Demand continued on an upward trend despite regional COVID-19 lockdowns.

The strong performance of the **Warehouse & Rack Solutions** business segment continued unabated in the first business quarter 2022/23. More recently, however, orders for new projects in Europe started to dry up a bit whereas demand in the North American market remained high.

#### DEVELOPMENT OF THE KEY FIGURES

As regards both revenue and earnings, the Metal Forming Division followed a positive trajectory year over year. In the first quarter of 2022/23, revenue rose by 25.8% to EUR 1,038.5 million (Q1 2021/22: EUR 825.5 million). This was chiefly due to the division's success in distributing significant increases in the cost of pre-materials and the associated expansion of the business volume across all four of its business segments. As far as its operating performance is concerned, there was a slight improvement in the earnings of both the Automotive Components and the Precision Strip business segment year over year, whereas both Tubes & Sections and Warehouse & Rack Solutions fell slightly short of their very good performance in the previous business year. On the whole, the division succeeded in raising EBITDA in the first quarter of 2022/23 by 9.1% to EUR 114.0 million with a margin of 11.0% (Q1 2021/22: EUR 104.5 million, margin of 12.7%). EBIT followed a similar track, rising in the reporting period by 14.6% to EUR 77.9 million with a margin of 7.5% (Q1 2021/22: EUR 68.0 million, margin of 8.2%).

As of June 30, 2022, the number of employees (FTE) in the Metal Forming Division (11,750) was 1.0% higher than in the previous business year (11,629).

## OUTLOOK

Economic forecasts became increasingly pessimistic over the course of the first quarter of the business year 2022/23. Due to the dampening sentiment, the voestalpine Group cannot assume a continuation of its earning performance for the remainder of the business year 2022/23 on the record level posted for the first business quarter despite the high amount of order backlogs at the moment. The Management Board of voestalpine AG expects a significant cooling of the economy in the second half of 2022/23, with the corresponding impact on the company's earnings.

It is to be expected that this will affect especially the cyclical business segments of the voestalpine Group. Besides the flat steel business, this includes in particular voestalpine products that are delivered to the construction, me-chemical engineering as well as consumer and white goods market segments.

On the other hand, the prevailing positive momentum in the rail technology, energy, and aerospace sectors is expected to continue throughout the business year 2022/23.

While the production output of the European automotive industry still falls substantially short of pre-crisis levels, developments in the reporting period indicate a moderate improvement. Strong order books of the car producers (OEMs) lead us to expect that demand will at least be stable during the remainder of the current business year. By contrast, if the supply chain bottlenecks are resolved, we may expect a marked improvement in demand from this segment.

Based on its current estimates, therefore, the Management Board of voestalpine AG expects EBITDA of about EUR 2 billion for the entire business year 2022/23.

The threat scenario of insufficient supplies of natural gas to Europe as a result of the political tensions arising from the Russian war of aggression on Ukraine has intensified over the past few months. At the time of preparation of this report, sufficient supplies of natural gas are available in Europe. However, the continuation of adequate supplies is the precondition for the outlook presented here regarding the business year 2022/23. Significant disruptions of supply chains are to be expected in many industrial sectors if gas supply in Europe comes to a standstill, if emergency plans go into effect, or if prices force producers to curtail production.

Hence this outlook presupposes that Europe will continue to receive sufficient supplies of natural gas and that other risks, such as the general economic development, supply chain disruptions, developments regarding customer needs, raw materials, and energy prices, that can barely be quantified at this time, remain manageable.

# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF 06/30/2022

The report for the first quarter of 2022/23 was prepared in accordance with the International Financial Reporting Standards (IFRS). This report has not been audited nor reviewed, nor does it constitute a complete consolidated interim report pursuant to IAS 34.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### ASSETS

	03/31/2022	06/30/2022
<b>A. Non-current assets</b>		
Property, plant and equipment	5,635.9	5,599.3
Goodwill	1,448.6	1,448.0
Other intangible assets	289.9	286.2
Investments in entities consolidated according to the equity method	162.7	299.0
Other financial assets and other equity investments	70.2	69.7
Deferred tax assets	279.3	231.9
	<b>7,886.6</b>	<b>7,934.1</b>
<b>B. Current assets</b>		
Inventories	4,935.1	5,933.5
Trade and other receivables	2,293.1	2,521.2
Other financial assets	145.6	69.4
Cash and cash equivalents	842.8	1,057.3
<b>Current assets</b>	<b>8,216.6</b>	<b>9,581.4</b>
Assets from discontinued operations	921.5	3.3
<b>Current assets incl. assets from discontinued operations</b>	<b>9,138.1</b>	<b>9,584.7</b>
<b>Total assets</b>	<b>17,024.7</b>	<b>17,518.8</b>

In millions of euros

## EQUITY AND LIABILITIES

	03/31/2022	06/30/2022
<b>A. Equity</b>		
Share capital	324.3	324.3
Capital reserves	664.9	660.2
Retained earnings and other reserves	5,925.5	6,526.9
<b>Equity attributable to equity holders of the parent</b>	<b>6,914.7</b>	<b>7,511.4</b>
Non-controlling interests	154.6	158.1
	<b>7,069.3</b>	<b>7,669.5</b>
<b>B. Non-current liabilities</b>		
Pensions and other employee obligations	1,082.4	888.5
Provisions	117.3	116.7
Deferred tax liabilities	74.9	77.9
Financial liabilities	2,646.2	2,441.6
	<b>3,920.8</b>	<b>3,524.7</b>
<b>C. Current liabilities</b>		
Provisions	1,035.9	873.0
Tax liabilities	263.9	353.2
Financial liabilities	623.9	987.9
Trade and other payables	2,862.4	2,731.9
Trade payables from bills of exchange and trade payables from reverse factoring agreements	1,153.4	1,321.6
<b>Current liabilities</b>	<b>5,939.5</b>	<b>6,267.6</b>
Liabilities from discontinued operations	95.1	57.0
<b>Current liabilities incl. liabilities from discontinued operations</b>	<b>6,034.6</b>	<b>6,324.6</b>
<b>Total equity and liabilities</b>	<b>17,024.7</b>	<b>17,518.8</b>

In millions of euros

## CONSOLIDATED STATEMENT OF CASH FLOWS

	04/01– 06/30/2021 <sup>1</sup>	04/01– 06/30/2022
<b>Operating activities</b>		
Profit after tax	259.2	614.5
Non-cash expenses and income, deposits and disbursements not recognized in income statement	220.5	139.8
Change in inventories	-488.7	-957.9
Change in receivables and liabilities	266.1	-271.1
Change in provisions	15.0	-76.5
<b>Changes in working capital</b>	<b>-207.6</b>	<b>-1,305.5</b>
<b>Cash flows from operating activities<sup>2</sup></b>	<b>272.1</b>	<b>-551.2</b>
Thereof from discontinued operations	-12.1	61.1
<b>Investing activities</b>		
Additions to other intangible assets, property, plant and equipment	-146.5	-173.3
Income from disposals of assets	1.1	1.7
Cash flows from the loss of control of subsidiaries	0.0	756.9
Additions to/divestments of other financial assets	-100.9	78.3
<b>Cash flows from investing activities</b>	<b>-246.3</b>	<b>663.6</b>
Thereof from discontinued operations	-5.5	752.5
<b>Financing activities</b>		
Dividends paid, non-controlling interests	-12.3	-14.7
Acquisition of non-controlling interests	-0.9	0.0
Increase in non-current financial liabilities	0.4	0.6
Repayment of non-current financial liabilities	-201.1	-10.1
Repayment of lease liabilities	-10.8	-11.1
Change in current financial liabilities and other financial liabilities	-23.9	133.9
<b>Cash flows from financing activities</b>	<b>-248.6</b>	<b>98.6</b>
Thereof from discontinued operations	0.0	0.0
<b>Net decrease/increase in cash and cash equivalents</b>	<b>-222.8</b>	<b>211.0</b>
Cash and cash equivalents, beginning of reporting period	1,159.7	842.8
Net exchange differences	4.8	3.5
<b>Cash and cash equivalents, end of reporting period</b>	<b>941.7</b>	<b>1,057.3</b>

<sup>1</sup> Thereof from discontinued operations in Q 1 2021/22, retroactively added.

<sup>2</sup> Cash flows from operating activities include

interest received of	0.6	1.4
interest paid of	-18.7	-19.4
taxes paid of	7.3	-34.8
and dividend income of	7.6	11.9
in continuing operations.		

In millions of euros

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### CONSOLIDATED INCOME STATEMENT

	04/01– 06/30/2021 <sup>1</sup>	04/01– 06/30/2022
<b>Revenue</b>	<b>3,373.9</b>	<b>4,645.4</b>
Cost of sales	-2,594.7	-3,408.8
<b>Gross profit</b>	<b>779.2</b>	<b>1,236.6</b>
Other operating income	93.5	172.6
Distribution costs	-285.1	-333.7
Administrative expenses	-170.5	-193.4
Other operating expenses	-89.3	-197.9
Share of profit of entities consolidated according to the equity method	3.7	8.5
<b>EBIT</b>	<b>331.5</b>	<b>692.7</b>
Finance income	5.3	13.1
Finance costs	-25.9	-35.5
<b>Profit before tax</b>	<b>310.9</b>	<b>670.3</b>
Tax expense	-59.6	-146.9
<b>Profit after tax from continuing operations</b>	<b>251.3</b>	<b>523.4</b>
Profit after tax from discontinued operations	7.9	91.1
<b>Profit after tax</b>	<b>259.2</b>	<b>614.5</b>
Attributable to:		
Equity holders of the parent	252.7	596.4
Non-controlling interests	6.5	18.1
<b>Diluted and basic earnings per share (euros) from continuing operations</b>	<b>1.37</b>	<b>2.83</b>
<b>Diluted and basic earnings per share (euros) from discontinued operations</b>	<b>0.05</b>	<b>0.51</b>
<b>Diluted and basic earnings per share (euros)</b>	<b>1.42</b>	<b>3.34</b>

<sup>1</sup> Q 1 2021/22 retroactively adjusted. For further details see Annual Report 2021/22.

In millions of euros

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### CONSOLIDATED OTHER COMPREHENSIVE INCOME

	04/01– 06/30/2021 <sup>1</sup>	04/01– 06/30/2022
<b>Profit after tax</b>	<b>259.2</b>	<b>614.5</b>
<b>Items of other comprehensive income that will be reclassified subsequently to profit or loss</b>		
Cash flow hedges	19.2	-68.5
Currency translation	16.0	-53.3
Share of result of entities consolidated according to the equity method	-0.1	0.4
<b>Subtotal of items of other comprehensive income that will be reclassified subsequently to profit or loss</b>	<b>35.1</b>	<b>-121.4</b>
<b>Items of other comprehensive income that will not be reclassified subsequently to profit or loss</b>		
Actuarial gains/losses <sup>2</sup>	34.2	127.8
<b>Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss</b>	<b>34.2</b>	<b>127.8</b>
<b>Other comprehensive income for the period, net of income tax</b>	<b>69.3</b>	<b>6.4</b>
<b>Total comprehensive income for the period</b>	<b>328.5</b>	<b>620.9</b>
Attributable to:		
Equity holders of the parent	321.8	602.3
Non-controlling interests	6.7	18.6
<b>Total comprehensive income for the period</b>	<b>328.5</b>	<b>620.9</b>

<sup>1</sup> Q 1 2021/22, retroactively adjusted. For further details see Annual Report 2021/22.

<sup>2</sup> The valuation of the social capital was based on an interest rate of 3.3% as of June 30, 2022 (1.9% as of March 31, 2022) and 1.0% as of June 30, 2021 (0.8% as of March 31, 2021).

In millions of euros



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Q 1 2021/22			Q 1 2022/23		
	Group	Non-controlling interests	Total equity	Group	Non-controlling interests	Total equity
<b>Equity as of April 1</b>	<b>5,524.6</b>	<b>125.3</b>	<b>5,649.9</b>	<b>6,914.7</b>	<b>154.6</b>	<b>7,069.3</b>
Total comprehensive income for the period	321.8	6.7	328.5	602.3	18.6	620.9
Dividends to shareholders	-	-5.9	-5.9	-	-15.1	-15.1
Share-based payment	-1.0	-	-1.0	-4.7	-	-4.7
Other changes	-0.7	-	-0.7	-0.9	-	-0.9
<b>Equity as of June 30</b>	<b>5,844.7</b>	<b>126.1</b>	<b>5,970.8</b>	<b>7,511.4</b>	<b>158.1</b>	<b>7,669.5</b>

In millions of euros

### Disclaimer

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