REPORT FOR THE FIRST HALF OF 2021/22

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voestalpine GROUP
KEY FIGURES

Q 1 2021/22 VS. Q 2 2021/22

In millions of euros	Q 1 2021/22 04/01–06/30/2021	Q 2 2021/22 07/01–09/30/2021	Change in %
Income statement			
Revenue	3,490.0	3,552.9	1.8
EBITDA	539.6	510.2	–5.4
Depreciation	200.0	199.2	–0.4
EBIT	339.6	311.0	–8.4
Profit before tax	318.8	292.3	–8.3
Profit after tax[1]	259.2	226.5	–12.6
Statement of financial position			
Investments in tangible and intangible assets and interests	118.3	120.9	2.2
Equity	5,970.8	6,077.5	1.8
Net financial debt	2,617.4	2,743.5	4.8
Net financial debt in % of equity (gearing)	43.8%	45.1%	
Financial key performance indicators (KPIs)			
EBITDA margin	15.5%	14.4%	
EBIT margin	9.7%	8.8%	
Cash flows from operating activities	272.1	100.1	–63.2
Share information			
Share price, end of period (euros)	34.34	32.04	–6.7
Market capitalization, end of period	6,130.4	5,719.80	–6.7
Number of outstanding shares, end of period	178,520,616	178,520,616	0.0
EPS – earnings per share (euros)	1.42	1.23	–13.4
Personnel			
Employees (full-time equivalent), end of period	48,880	49,068	0.4

[1] Before deduction of non-controlling interests.

H 1 2020/21 VS. H 1 2021/22

In millions of euros	H 1 2020/21 04/01 – 09/30/2020	H 1 2021/22 04/01 – 09/30/2021	Change in %
Income statement			
Revenue	5,110.1	7,042.9	37.8
EBITDA	395.0	1,049.8	165.8
Depreciation	610.0	399.2	–34.6
EBIT	–215.0	650.6	
Profit before tax	–267.5	611.1	
Profit after tax[1]	–275.8	485.7	
Statement of financial position			
Investments in tangible and intangible assets and interests	244.9	239.2	–2.3
Equity	5,270.6	6,077.5	15.3
Net financial debt	3,491.0	2,743.5	–21.4
Net financial debt in % of equity (gearing)	66.2%	45.1%	
Financial key performance indicators (KPIs)			
EBITDA margin	7.7%	14.9%	
EBIT margin	–4.2%	9.2%	
Cash flows from operating activities	562.8	372.2	–33.9
Share information			
Share price, end of period (euros)	22.50	32.04	42.4
Market capitalization, end of period	4,016.7	5,719.8	42.4
Number of outstanding shares, end of period	178,520,616	178,520,616	0.0
EPS – earnings per share (euros)	–1.53	2.65	
Personnel			
Employees (full-time equivalent), end of period	47,917	49,068	2.4

[1] Before deduction of non-controlling interests.

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

INTERIM MANAGEMENT REPORT

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INTERIM MANAGEMENT REPORT

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

ECONOMIC ENVIRONMENT AND COURSE OF BUSINESS

While strong catch-up effects associated with the recovery from the COVID-19 pandemic still predominated at the start of the first half of the business year 2021/22, the macroeconomic climate stabilized at a high level over the remainder of the reporting period. Despite good economic growth that continued unabated, the regional differences in vaccination rates as well as the appearance during the Northern summer of ever new variants and mutations of the novel coronavirus triggered yet more uncertainty. Supply chain distortions, which continue to impact particularly the European automotive industry, have delayed deliveries of new cars. To top it off, energy prices rose worldwide toward the end of the business year's first half.

EUROPE

Two sectors, in particular—personal consumption and the service industry—benefited from the easing of COVID-19 restrictions in numerous European Union member states at the start of the current business year. The momentum in industrial sectors continued unabated although the shortages of pre-material, especially of semiconductors for electronic components, substantially undermined the performance of the automotive industry. The anticipated improvement in conditions during the Northern summer failed to materialize, with the result that conditions toward the end of the reporting period were as critical as before. Hence the European automotive industry was unable to fully satisfy the strong demand for automobiles.

In this environment, the voestalpine Group succeeded in continuing the upward trajectory that had already begun in the previous business year. Moreover, orders from the aerospace industry started to come in again for the first time since the outbreak of the COVID-19 pandemic. The automotive industry was the only one whose performance remained subdued on account of the component supply chain difficulties.

NORTH AMERICA

In North America, the strong upturn at the end of the previous business year continued unabated in the first half of the business year 2021/22. But the strong momentum at the start of the business year began to wane over the Northern summer. The appearance of new variants of the novel coronavirus dampened economic activity in some areas of the service sector. On the whole, however, developments in manufacturing, personal consumption, and the labor market remained positive. In contrast to the European Central Bank (ECB), the Federal Reserve (Fed) has indicated in the light of rising inflation that it will slow down ("taper") its expansive monetary policy ("quantitative easing") and begin to raise interest rates.

The voestalpine Group benefited in many areas from the positive market momentum in North America. This was helped along by the fact that, up to the end of the business year's second quarter, voestalpine's North American facilities were affected to a significantly lesser degree by the lack of semiconductors than their European counterparts. Rising energy prices fueled the demand from the oil & natural gas industry for both materials and equipment. In turn, this also benefited the company's European production plants even though high protectionist Section 232 tariffs continue to impact the market.

SOUTH AMERICA / BRAZIL

Brazil, the most important economic region for voestalpine on the South American continent, succeeded in maintaining its economic momentum overall throughout the first half of the business year 2021/22. Besides good domestic demand, changes in the country's currency exchange rate also support the country's economy.

The Brazilian facilities of the voestalpine Group continued to deliver positive performance in this environment.

ASIA / CHINA

China already overcame the first wave of the COVID-19 pandemic to a significant degree in calendar year 2020. The Chinese authorities imposed strict lockdowns in response to new, yet locally limited outbreaks during the current business year. These measures constrained consumer spending, especially in the leisure and service sectors. The fact that China started, in the first half of the business year 2020/21, to cut back the economic stimulus measures that it had put in place during the first COVID-19 wave also had a pronounced effect on its economic momentum. Problems in the Chinese real estate industry came to the fore in the reporting period's second half. They affected not just the construction industry, but also sectors such as the Chinese steel industry associated with it. Steel production in the country reached new highs despite announcements of production curbs for environmental reasons. Subsequently, however, the authorities did begin to enforce such curtailments. Toward the end of the reporting period, Chinese statistics showed declining crude steel production rates for the first time in a long while. This should support the global steel market in the medium term. It is to be expected that these developments will have a greater impact on the performance of voestalpine's European steel facilities than on its processing plants in China itself.

Energy shortages as well as the resulting temporary and locally limited power cuts had an impact on China's economy toward the end of the reporting period. In turn, this temporarily affected customers as well as some of voestalpine's automotive and welding facilities.

Yet China recorded positive economic growth even for the first half of the business year 2021/22 despite the slowing economic momentum. In turn, this enabled the voestalpine Group's Chinese facilities to deliver satisfactory performance as well.

REPORT ON THE FINANCIAL KEY PERFORMANCE INDICATORS OF THE voestalpine GROUP

In the first half of the business year 2021/22, the voestalpine Group saw a marked year-over-year increase in its key performance indicators (KPIs). While the KPIs for the first half of the business year 2020/21 were affected by the fallout from the COVID-19 lockdowns, in the reporting period the Group benefited from the very solid development of demand in its key customer segments. Solely the volatile order call-ups of the automotive industry had a potentially dampening effect on the delivery volumes of both the Steel Division and the Metal Forming Division. Prices developed dynamically across all product groups, also on account of the sharp increases in the cost of raw materials. On this basis, the revenue of the voestalpine Group jumped by 37.8% to EUR 7,042.9 million in the first half of the business year 2021/22, up from EUR 5,110.1 million in the first half of the business year 2020/21.

The results for the reporting period shed light not only on the positive economic environment but also on voestalpine's clear focus on actions aimed at both lowering costs and boosting efficiency.

Consequently, EBITDA skyrocketed by 165.8%, from EUR 395.0 million a year earlier to EUR 1,049.8 million in the reporting period. The jump in earnings was particularly pronounced in the Steel Division, which benefited from the positive economic environment in the steel sector. Consolidated EBIT, which at EUR –215.0 million was still substantially negative in the previous business year, soared to EUR 650.6 million in the first half of the business year 2021/22. Note, however, that the prior-year figure includes EUR –198.5 million in non-recurring effects (i.e., impairment losses) at voestalpine Texas, voestalpine Tubulars as well as voestalpine Special Wire. Given highly satisfactory financial results, which came in at EUR –39.5 million (previous year: EUR –52.5 million) thanks to the Group's push to extinguish liabilities, the profit before tax for the first half of the business year 2021/22 is EUR 611.1 million (previous year: EUR –267.5 million). Based on a tax rate of 20.5%, the profit after tax is EUR 485.7 million (previous year: EUR –275.8 million).

Highly positive cash flow generation in the previous business year's second half, had a particularly strong impact on net financial debt. While it was still EUR 3,491.0 million as of September 30, 2020, it fell within 12 months to EUR 2,743.5 million as of September 30, 2021. This is more or less unchanged from the level (EUR 2,742.8 million) shown as of the March 31, 2021, annual reporting date. By contrast, the voestalpine Group substantially boosted its equity base year over year: Equity increased from EUR 5,270.6 million as of September 30, 2020, to EUR 6,077.5 million as of September 30, 2021. As of March 31, 2021, equity was EUR 5,649.9 million. The gearing ratio (net financial debt as a percentage of equity) fell accordingly from 66.2% as of September 30, 2020 (or 48.5% as of March 31, 2021) to 45.1% as of September 30, 2021.

The number of employees (FTE, full-time equivalents) in the voestalpine Group rose by 2.4%, from 47,917 as of September 30, 2020, to 49,068 as of September 30, 2021. This increase is due to the dramatic improvement in the capacity utilization of the company's key production plants. Compared with the March 31, 2021, reporting date (48,654), this equates to a 0.9% increase in the number of employees.

COMPARISON OF THE QUARTERLY AND SIX-MONTH FIGURES OF THE voestalpine GROUP

In millions of euros	Q 1		Q 2		H 1		
	2020/21 04/01–06/30/2020	2021/22 04/01–06/30/2021	2020/21 07/01–09/30/2020	2021/22 07/01–09/30/2021	2020/21 04/01–09/30/2020	2021/22 04/01–09/30/2021	Change in %
Revenue	2,397.3	3,490.0	2,712.8	3,552.9	5,110.1	7,042.9	37.8
EBITDA	157.8	539.6	237.2	510.2	395.0	1,049.8	165.8
EBITDA margin	6.6%	15.5%	8.7%	14.4%	7.7%	14.9%	
EBIT	–48.7	339.6	–166.3	311.0	–215.0	650.6	
EBIT margin	–2.0%	9.7%	–6.1%	8.8%	–4.2%	9.2%	
Profit before tax	–74.4	318.8	–193.1	292.3	–267.5	611.1	
Profit after tax[1]	–69.7	259.2	–206.1	226.5	–275.8	485.7	
Employees (full-time equivalent), end of period	47,894	48,880	47,917	49,068	47,917	49,068	2.4

[1] Before deduction of non-controlling interests.

Net financial debt can be broken down as follows:

NET FINANCIAL DEBT

In millions of euros	09/30/2020	09/30/2021
Financial liabilities, non-current	3,810.2	2,724.9
Financial liabilities, current	824.2	1,010.0
Cash and cash equivalents	–1,060.0	–563.8
Other financial assets	–62.6	–408.0
Loans and other receivables from financing	–20.8	–19.6
Net financial debt	**3,491.0**	**2,743.5**

STEEL DIVISION

QUARTERLY DEVELOPMENT OF THE STEEL DIVISION

In millions of euros	Q 1		Q 2		H 1		
	2020/21 04/01–06/30/2020	2021/22 04/01–06/30/2021	2020/21 07/01–09/30/2020	2021/22 07/01–09/30/2021	2020/21 04/01–09/30/2020	2021/22 04/01–09/30/2021	Change in %
Revenue	834.9	1,322.0	995.6	1,395.4	1,830.5	2,717.4	48.5
EBITDA	68.2	263.0	93.4	258.2	161.6	521.2	222.5
EBITDA margin	8.2%	19.9%	9.4%	18.5%	8.8%	19.2%	
EBIT	–13.5	186.9	–155.2	183.3	–168.7	370.2	
EBIT margin	–1.6%	14.1%	–15.6%	13.1%	–9.2%	13.6%	
Employees (full-time equivalent), end of period	10,181	10,429	10,321	10,581	10,321	10,581	2.5

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The unusual dynamics in the European steel market at the start of the business year 2021/22 that were marked by both shortages in materials and delivery bottlenecks largely returned to normal toward the end of the reporting period.
Besides rising imports, this was mainly due to the decline in demand from the automotive industry which, in turn, cannot fully satisfy high demand for cars owing to the lack of semiconductors ("chip crisis"). Demand in the Steel Division's other market segments remained high throughout the current business year's first half.
The construction industry, in particular, managed to maintain the pronounced momentum throughout the reporting period.

While the consumer **goods and white goods industries** also benefited from stable, high demand during the business year's first six months, customers in this segment, too, are affected by difficulties in the supply of electronic components. So far, however, this issue has not triggered a decline in the demand for the Steel Division's steel products.

The **mechanical engineering industry** succeeded in maintaining the strong momentum in demand, especially for high-quality steel grades, from the start of the business year through the Northern summer.

In contrast to what the **automotive industry** has been expecting and has even communicated, the semiconductor supply chain disruptions did not get resolved over the Northern summer months. Given the lack of components, many automotive manufacturers had to repeatedly suspend production for short periods even after the summer had ended. In a few cases, production lines were even stopped completely for extended periods of time. The unexpected continuation of this known problem further depressed order call-ups after the seasonally weak Northern summer, particularly toward the end of the reporting period (i.e., the second business quarter). Because it was not possible to fully divert capacities in terms of materials and production to other market segments on such short notice, delivery volumes in the Steel Division decreased while inventories of finished products increased.

The **energy sector,** which is a key market for the division's heavy plate product segment, delivered positive performance throughout the first half of the business year 2021/22. This was due primarily to growing demand thanks to rising prices for crude oil and natural gas.

While the steel markets in Europe and North America largely maintained their overall momentum, toward the end of the business year's first half China saw a decline in steel production for the very first time in its recent history. Aside from the expiration of economic stimulus measures, this was also due to the declining momentum in the real property sector. Add to that governmentally prescribed production cutbacks for environmental reasons. These developments had a direct impact on the global commodities markets, because China has by far the greatest steel production capacities worldwide. After a years-long upward trajectory, therefore, the price of iron ore fell by almost half from its record levels starting in the Northern summer through to the end of the reporting period. By contrast, the energy shortages in China caused the price of metallurgical coal to explode. Ultimately, however, these effects largely cancel each other out. Given the Steel Division's specific procurement structure as well as the delays stemming from logistical issues, all of this resulted in rising raw materials costs across the board throughout the first half of the business year 2021/22. Rising steel prices managed at least to offset these effects. They reached their temporary high in the European spot market during the Northern summer, only to fall again slightly toward the end of the reporting period. The fact that the division's steel prices rose through to the end of the reporting period is due to its specific contracting structure.
Given the steel boom in North America that continues unabated, the direct reduction plant in Texas, USA, also developed along a positive trajectory.

FINANCIAL KEY PERFORMANCE INDICATORS

While the key performance indicators (KPIs) of the Steel Division in the previous business year were impacted by the economic consequences of the COVID-19 pandemic, its KPIs for the reporting period show the complete opposite. In the first half of the business year 2021/22, revenue climbed by 48.5% to EUR 2,717.4 million (H 1 2020/21: EUR 1,830.5 million). The price effect had an even greater impact on this number than the increase in delivery volumes. The contract prices for flat steel products rose dramatically in the past few quarters due to the massive increase in the cost of raw materials and the excellent momentum in the steel industry.
The Steel Division boosted EBITDA many times over, from EUR 161.6 million (margin of 8.8%) in the first half of 2020/21 to EUR 521.2 million (margin of 19.2%) in the first half of 2021/22. The Texas-based direct reduction plant made a material contribution to the significant increase in the operating result. The Steel Division's EBIT for the reporting period jumped to EUR 370.2 million (margin of 13.6%), up from EUR –168.7 million (margin of –9.2%) a year earlier. Non-recurring effects (impairment losses) of EUR 167.6 million at the Texas plant had put a damper on EBIT in the previous year.

Quarter on quarter (QoQ), the division's revenue rose in Q 2 2021/22 by 5.6% to EUR 1,395.4 million (Q 1 2021/22: EUR 1,322.0 million). While prices improved substantially, the sales volume lost steam for seasonal reasons as well as due to automotive customers' volatile order call-ups. The Steel Division delivered stable and good QoQ earnings performance. EBITDA decreased but marginally by 1.8%, from EUR 263.0 million to EUR 258.2 million, with the EBITDA margin sliding from 19.9% to 18.5%. EBIT declined by 1.9%, from EUR 186.9 million (margin of 14.1%) to EUR 183.3 million (margin of 13.1%).

HIGH PERFORMANCE METALS DIVISION

QUARTERLY DEVELOPMENT OF THE HIGH PERFORMANCE METALS DIVISION

In millions of euros	Q1		Q2		H1		
	2020/21 04/01–06/30/2020	2021/22 04/01–06/30/2021	2020/21 07/01–09/30/2020	2021/22 07/01–09/30/2021	2020/21 04/01–09/30/2020	2021/22 04/01–09/30/2021	Change in %
Revenue	527.3	704.2	534.4	721.3	1,061.7	1,425.5	34.3
EBITDA	40.4	101.2	36.4	90.4	76.8	191.6	149.5
EBITDA margin	7.7%	14.4%	6.8%	12.5%	7.2%	13.4%	
EBIT	–1.5	61.4	–4.7	50.6	–6.2	112.0	
EBIT margin	–0.3%	8.7%	–0.9%	7.0%	–0.6%	7.9%	
Employees (full-time equivalent), end of period	12,902	12,802	12,381	12,891	12,381	12,891	4.1

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The upward trend in the market environment of the High Performance Metals Division continued unabated during the first half of the business year 2021/22.

Tool Steel

Demand in the tool steel product segment also continued to rebound in the business year's first six months. This was due chiefly to the consumer goods industry and the automotive industry, with the latter managing to implement new projects despite the semiconductor supply chain problems.

Special Materials

In part, regional air travel returned to pre-crisis levels, in turn also boosting demand for short-haul jets. Hence the major aircraft manufacturers' construction rates have recovered to the same degree as the entire supply chain. Consequently, this also led to rising orders for the division's special materials and components. But long-haul air travel still lags behind this development. According to experts, it will not reach pre-crisis levels until 2024/2025.

Higher investment activity in the oil & natural gas industry resulted in growing orders for the division's special materials, especially toward the end of the reporting period. This trend is expected to continue throughout the business year 2021/22. While crude oil prices have returned numerous projects to economic viability, the sector is still gripped by uncertainty. The pressure from the political sphere as well as investors on the need to transform this CO_2 intensive industry causes the oil majors to adopt a cautious approach despite their high investment needs.

The **HPM Production** segment, which comprises the division's production plants, benefited from the positive market trends. Orders rose sharply but not evenly across all plants, boosting capacity utilization. The heavy-duty truck segment, however, was the only one where the semi-conductor chip shortage caused production orders for die-forging parts to be postponed.

The start-up of the new special steel plant in Kapfenberg, Austria, is slated for mid-2022. As reported previously, in this connection the COVID-19 pandemic had led to late component deliveries and thus to production delays.

The expansion of the division's strategic, cutting-edge **Additive Manufacturing** (3D printing) capacities continued apace in the first half of the business year 2021/22. Currently, the division operates two research facilities and two production facilities for manufacturing the powder in Austria and Sweden. It also runs seven Value Added Services facilities in Europe, North America, and Asia for assembling components that are manufactured using additive processes.

The **Value Added Services** segment (an international sales organization) benefited not only from the rising demand for tool steel but also from demand for services such as coating and heat treating. As a result, this segment succeeded in returning to pre-COVID-19 revenue levels.

Regional Development

» Europe

Demand for tool steel rebounded substantially in Europe thanks, in particular, to the automotive industry. Demand from certain areas of the oil & natural gas industry edged up as well.

» North America

In North America, sales of tools to the automotive industry improved during the first six months of the business year. Orders from the oil & natural gas industry accelerated toward the end of the reporting period, as did those from the aerospace industry, albeit to a lesser extent. However, the tariffs of 25% that the United States imposed on all steel products a few years ago continue to feed market uncertainty.

» South America

Conditions in South America have also improved substantially year over year. In addition to growing demand from the oil & natural gas sector, there is strong momentum in both the mechanical engineering and the automotive industries.

» Asia

In China, the market environment remained favorable throughout the first half of the business year 2021/22. The division generated strong growth in India, whereas the markets in Southeast Asia were still very subdued owing to the COVID-19 pandemic.

FINANCIAL KEY PERFORMANCE INDICATORS

The year-over-year comparison of the key performance indicators (KPIs) of the High Performance Metals Division clearly shows its upward trend during the past two quarters. As a result, revenue for the first half of 2021/22 climbed by more than one third to EUR 1,425.5 million (H 1 2020/21: EUR 1,061.7 million). Aside from improvements in pricing, this revenue increase was driven primarily by the more than 25% increase in delivery volumes.
Consequently, this also led to significant earnings growth. EBITDA soared by 149.5% year over year, from EUR 76.8 million to EUR 191.6 million. The EBITDA margin shot up accordingly from 7.2% to 13.4%. EBIT for the current business year's first half is EUR 112.0 million (margin of 7.9%), after EUR –6.2 million (margin of –0.6%) a year earlier on account of the COVID-19 lockdowns.

The quarter-on-quarter (QoQ) comparison of Q 1 and Q 2 2021/22 shows that revenue rose slightly, while earnings weakened a bit owing to seasonally lower demand. The revenue increase in the current business year's second quarter by 2.4% to EUR 721.3 million (Q 1 2021/22: EUR 704.2 million), which occurred in tandem with a roughly 5% decline in the sales volume, thus was due chiefly to improved pricing during the Northern summer quarter. Hence the second-quarter decline in EBITDA by 10.7% to EUR 90.4 million (Q 1 2021/22: EUR 101.2 million) was driven mainly by the decline in the sales volume. The higher sale prices were offset by higher raw material costs, thus causing the EBITDA margin to decrease from 14.4% to 12.5%. EBIT fell during the same period by 17.6%, from EUR 61.4 million (margin of 8.7%) to EUR 50.6 million (margin of 7.0%).

METAL ENGINEERING DIVISION

QUARTERLY DEVELOPMENT OF THE METAL ENGINEERING DIVISION

In millions of euros	Q 1		Q 2		H 1		
	2020/21 04/01–06/30/2020	2021/22 04/01–06/30/2021	2020/21 07/01–09/30/2020	2021/22 07/01–09/30/2021	2020/21 04/01–09/30/2020	2021/22 04/01–09/30/2021	Change in %
Revenue	669.2	800.9	666.7	814.0	1,335.9	1,614.9	20.9
EBITDA	54.6	96.2	55.7	103.5	110.3	199.7	81.1
EBITDA margin	8.2%	12.0%	8.3%	12.7%	8.3%	12.4%	
EBIT	10.3	51.9	–19.9	59.2	–9.6	111.1	
EBIT margin	1.5%	6.5%	–3.0%	7.3%	–0.7%	6.9%	
Employees (full-time equivalent), end of period	13,061	13,063	12,878	13,276	12,878	13,276	3.1

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The stable, good market environment of Railway Systems, the Metal Engineering Division's main business segment, was key to the division's performance in the first half of the business year 2021/22. This segment benefited especially from robust demand in its European core markets. The Industrial Systems business segment, for its part, succeeded in pursuing the upward trajectory that had started in the second half of the business year 2020/21 and thus in boosting capacity utilization yet further at its most important facilities. Steel production in Donawitz, Austria, which is responsible for supplying downstream processing segments with high-quality pre-material, had to contend with volatile raw materials and energy costs.

As usual, **Railway Systems** delivered solid performance in the current business year's first half also. Delivery volumes in its rails product segment (largely for European railway operators) were good. The project volume in Eastern Europe, which had weakened slightly in the previous business year, followed a satisfactory trend.
Thanks to its global facilities, the turnout systems product segment benefited from largely good demand, which was more or less as robust as that in the rails segment, especially in key European markets. Investments in the heavy-haul transport sector in both Australia and Brazil and thus the demand for rail technology components and systems also developed along a positive trajectory. Demand in North America improved slightly. By contrast, order call-ups for turnout systems used in China's high-speed network remained volatile. Both India and Thailand saw some project postponement due to COVID-19.

Year over year, **Industrial Systems** succeeded in expanding its business volume, which is strongly reflected in the wire technology product segment among others. The order situation was good despite the semiconductor supply chain difficulties among original equipment manufacturers (OEMs). In a satisfactory market environment, the segment succeeded in passing on most of its higher raw materials costs, albeit after a slight delay. Exploration activity in the oil & natural gas sector has rebounded in part owing to continually rising crude oil prices. Increases in both orders and capacity utilization subsequently made it possible to once again return to three shifts at the Kindberg, Austria, facility. But the protectionist Section 232 tariffs of 25% on steel imports into the important U.S. market continue to weigh on earnings. Good demand and a favorable market environment in key sales regions determined the performance of the welding product segment (welding technology) in the first half of the business year 2021/22. Improved conditions in the oil & natural gas industry contributed to this segment's upward trend. The energy shortage in China, which led to temporary production stoppages at voestalpine's facility in the Chinese city, Suzhou, posed a challenge toward the end of the reporting period.

FINANCIAL KEY PERFORMANCE INDICATORS

The Metal Engineering Division's year-over-year upward trend is manifested in the development of its key performance indicators (KPIs). While the Railway Systems business segment succeeded in maintaining its stable, good performance (just as it did during the COVID-19 lockdowns), the Industrial Systems business segment turned out to be key to the significant improvement in the KPIs. On the whole, the division's revenue rose by 20.9% to EUR 1,614.9 million in the first half of the business year 2021/22, up from EUR 1,335.9 million in the first half of the business year 2020/21. The wire technology and tubulars product segments, which were hit particularly hard a year earlier by the fallout from the COVID-19 pandemic, succeeded in almost doubling revenue.

Along with the welding product segment, both wire technology and tubulars thus also made key contributions to the increase in EBITDA by 81.1% to EUR 199.7 million in the first half of 2021/22, up from EUR 110.3 million in the first half of 2020/21. The EBITDA margin also improved substantially, from 8.3% to 12.4%. At EUR –9.6 million (margin of –0.7%), EBIT had been slightly negative in H 1 2020/21, but it soared to EUR 111.1 million (margin of 6.9%) in H 1 2021/22.

The quarter-on-quarter (QoQ) comparison also shows that the KPIs of the Metal Engineering Division developed along a positive trajectory. On the whole, the seasonal weakening during the Northern summer is not as pronounced in this division as it is in the voestalpine Group's other three divisions. Thanks to its solid business volume in Railway Systems, the Division boosted its revenue by 1.6% to EUR 814.0 million in Q 2 2021/22, up from EUR 800.9 million in Q 1 2021/22. Industrial Systems saw but a slight weakening in revenue due to seasonal declines in delivery volumes that went hand in hand with higher prices. However, this business segment's earnings improved because increases in sale prices for wire and seamless tube products outpaced those in raw materials. As a result, Industrial Systems contributed in Q 2 2021/22 to the 7.6% increase in the Metal Engineering Division's EBITDA to EUR 103.5 million with a margin of 12.7% (Q 1 2021/22: EUR 96.2 million, margin of 12.0%). Its EBIT rose during the same period by 14.1%, from EUR 51.9 million (margin of 6.5%) to EUR 59.2 million (margin of 7.3%).

METAL FORMING DIVISION

QUARTERLY DEVELOPMENT OF THE METAL FORMING DIVISION

In millions of euros	Q 1		Q 2		H 1		
	2020/21 04/01–06/30/2020	2021/22 04/01–06/30/2021	2020/21 07/01–09/30/2020	2021/22 07/01–09/30/2021	2020/21 04/01–09/30/2020	2021/22 04/01–09/30/2021	Change in %
Revenue	456.0	825.5	636.5	791.6	1,092.5	1,617.1	48.0
EBITDA	14.6	104.5	65.5	86.6	80.1	191.1	138.6
EBITDA margin	3.2%	12.7%	10.3%	10.9%	7.3%	11.8%	
EBIT	–20.7	68.0	30.6	50.0	9.9	118.0	
EBIT margin	–4.5%	8.2%	4.8%	6.3%	0.9%	7.3%	
Employees (full-time equivalent), end of period	10,854	11,629	11,443	11,386	11,443	11,386	–0.5

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The economic environment of the Metal Forming Division presented a bifurcated picture in the first half of the business year 2021/22. While its Automotive Components business segment was faced with short-notice and volatile order call-ups from the automotive industry, the division's other business segments did very well.

Worldwide, the automotive industry was confronted with intensifying semiconductor supply chain problems that had already made themselves felt at the start of calendar year 2021. Consequently, automakers repeatedly had to cut or even temporarily suspend production altogether on short notice—with direct ramifications for the upstream value chains. The order call-ups' high volatility subsequently compelled even **Automotive Components** to carry out short-term adjustments of its production processes. During the current business year, so far production stoppages have affected the division's facilities in Europe to a much greater extent than those in North America and China. The energy shortages in China that intensified toward the end of the reporting period led to a governmentally-ordered power shutoff for a few days at one of voestalpine's plants. But the facility largely managed to mitigate the situation by renting emergency generators.

The performance of the division's **Tubes & Sections** business segment in the first half of the business year 2021/22 was highly positive. Strong demand for the tubes and sections of this global unit was driven by the robust trajectory of three of its customer segments: the construction industry, storage technology, and the solar industry. Deliveries for cabins used in agricultural and construction machinery were strong as well. During the reporting period, semiconductor supply chain bottlenecks dampened demand only for safety components used in the automotive industry; since the end of the reporting period, however, they have also affected special sections used in the truck and trailer industry. At the regional level, all key sales regions saw robust demand. This applies to the single European market as well as to Great Britain, which was exposed in the previous year not only to COVID-19 but also to the negative effects of Brexit. The Brazilian facilities of the Metal Forming Division benefited particularly from strong demand in the solar industry. In the United States, the booming storage technology sector offset weak orders from the aerospace industry.

The **Precision Strip** business segment also delivered highly satisfactory results during the reporting period. Demand from European customers has improved substantially year over year. In the U.S., orders for band saw steel are at record highs, and the situation in China was marked by strong domestic demand.

During the business year 2021/22 to date, the division's **Warehouse & Rack Solutions** business segment has continued to benefit from the e-commerce boom, which manifests itself in remarkable demand for customer-specific storage systems. Given that orders were at record highs, the segment accepted only select new projects during the business year's first half. Warehouse & Rack Solutions has been able to absorb the substantial increases in the cost of both prematerials and freight thanks to its highly satisfactory performance during the reporting period.

FINANCIAL KEY PERFORMANCE INDICATORS

The Metal Forming Division closed the first half of the business year 2021/22 with greatly improved key performance indicators (KPIs) year over year. This outcome also stems from the fact that the effects of the COVID-19 lockdowns substantially impacted the numbers for the first half of the previous business year. With the exception of Automotive Components, which is increasingly affected by volatile order call-ups from original equipment manufacturers (OEMs), all of the division's other business segments delivered markedly dynamic results. Overall, the division's revenue jumped by 48.0% to EUR 1,617.1 million in the first half of the business year 2021/22, up from EUR 1,092.5 million in the first half of the business year 2020/21.

EBITDA soared during the same period by 138.6% to EUR 191.1 million, margin of 11.8% (previous year: EUR 80.1 million, margin of 7.3%). Compared with marginally positive EBIT of EUR 9.9 million for Q 1 2020/21, EBIT of EUR 118.0 million for the reporting period improved many times over, causing the EBIT margin to rise to 7.3% (previous year: 0.9%).

The quarter-on-quarter (QoQ) comparison of revenue for Q 1 and Q 2 2021/22 underscores the reduction in the business volume of Automotive Components due to automakers' extended shutdowns during the Northern summer. While the revenue performance of Tubes & Sections and Precision Strip indicates a seasonally weaker trend, Warehouse & Rack Solutions further boosted its revenue in the business year's second quarter. On the whole, the revenue of the Metal Forming Division weakened by 4.1%, from EUR 825.5 million in Q 1 2021/22 to EUR 791.6 million in Q 2 2021/22. Earnings present a similar picture. The high volatility of order call-ups and the associated lower capacity utilization of the automotive components plants impacted the earnings of the Automotive Components business segment during the summer quarter. Consequently, the QoQ comparison shows that EBITDA fell in Q 2 2021/22 by 17.1% to EUR 86.6 million with a margin of 10.9% (Q 1 2021/22: EUR 104.5 million, margin of 12.7%). EBIT dropped by 26.5%, from EUR 68.0 million to EUR 50.0 million, and the EBIT margin from 8.2% to 6.3%.

INVESTMENTS

Against the backdrop of the COVID-19 pandemic, the investment volume of the voestalpine Group in the previous business year fell substantially short of depreciation for the first time in roughly a decade. Investing activity in the first half of the business year 2021/22 was moderate. On the whole, capitalization of tangible and intangible assets and interests even fell slightly in the reporting period by 2.3% year over year, from EUR 244.9 million to EUR 239.2 million.

The **Steel Division** entered a consolidation phase in recent years after implementing a number of major projects. During the current business year, however, the division will once again trend toward expanding its investment volume. Accordingly, its investments grew by 28.4%, from EUR 59.5 million in the first half of the business year 2020/21 to EUR 76.4 million in the business year 2021/22. The groundbreaking ceremony for the construction of a new pickling line (BETA3) at the production plant in Linz, Austria, already took place in early October 2021. Once it has been integrated into the existing cold rolling mill, BETA3 (investment budget: EUR 188 million) will enable further quality enhancements in the production of high and highest tensile steels for the automotive, consumer goods, and construction industries as well as of electrical steel strip for e-mobility applications. This investment establishes new sustainability standards, moreover: Instead of using sulfuric acid for pickling, in the future these operations will be accomplished using hydrochloric acid.

At EUR 76.8 million, investments in the **High Performance Metals** Division during the first half of the business year 2021/22 were lower year over year (EUR 97.9 million). The voestalpine Group continues to push its currently single largest construction project, specifically, the new special steel plant in Kapfenberg, Austria. For example, the cold tests in the smelting area were launched at the start of the current business year. The detail engineering for the supply of media and power to the casting facility was also carried out during the reporting period. The scheduled plant function tests are planned for the end of calendar year 2021, so that the first smelting tests can be effected in the Northern spring of calendar year 2022. The start-up of the new special steel plant, finally, is slated for the Northern summer of 2022. During the reporting period, Villares Metals in Sumaré, Brazil, commissioned an electroslag remelting (ESR) unit. This investment was made in response to rising demand for high quality tool steel grades and nickel-base alloys. Villares Metals also invested in the expansion of service centers at several of its facilities in Brazil.

At EUR 37.7 million, the investment volume of the **Metal Engineering Division** in the first half of the business year 2021/22 was moderate (H 1 2020/21: EUR 42.1 million). The start-up in the previous business year of the continuous casting facility (CC4) at the plant in Donawitz, Austria, successfully completed the series of larger projects that the division undertook in recent years. In the current business year, the focus is on modest replacement investments and/or projects serving to boost efficiency and productivity.

At EUR 42.7 million, the investment expenditure of the **Metal Forming Division** in the first half of the business year 2021/22 more or less matched the previous year's level (EUR 42.0 million). The investments of the Automotive Components business segment in the current business year are lower and are focused on optimizing existing plant, but they do constitute necessary and forward-looking investments. This year, the fifteenth phs unit will be started up in Shenyang, China, based on the company's global, patented steel innovation—phs-ultraform®—that establishes new benchmarks for the lightweight construction of autobody parts.

RELATED PARTY DISCLOSURES

Information regarding related party disclosures is available in the Notes.

RISK MANAGEMENT

Proactive risk management—as it has been understood by and regularly practiced in the voestalpine Group for many years—serves to ensure the Group's existence as a going concern in the long term and to boost its value; it is thus key to the success of the voestalpine Group on the whole. Material risks are systematically recorded, analyzed, assessed, and subjected to permanent monitoring early on as part of the systematic risk management process, which is undertaken Group-wide in uniform fashion several times a year, and as part of internal control systems (ICS), which are also integral elements of the Group's structural and workflow organization; appropriate measures to minimize risks are taken as necessary.

The global COVID-19 crisis and its ramifications continued to dominate the first half of the business year 2021/22. The crisis teams—which voestalpine established as part of its crisis management and which have been active since the onset of the pandemic on three decision-making levels (Group, divisions, companies)—continue to ensure rapid and coordinated action at all voestalpine Group facilities during these still difficult times, thus contributing to the organization's stability. The voestalpine Group successfully adapted to the completely new environment in the past one and a half years. Emergency and crisis plans as well as the measures that have been put into practice are evaluated at regular intervals and are adjusted as necessary in the light of new information.

The **operating risk environment** of the voestalpine Group in the first six months of the current business year as well as compared with previous years has remained largely unchanged. Material fields of risk—such as the availability of raw materials and energy supplies; the loss of critical production facilities; the loss of critical IT systems; the CO_2 issue; knowledge management; or financial risks—and the respective precautionary measures thus have remained largely the same. These fields of risk and the associated measures to minimize risk, which were presented and described in detail in the Annual Report 2020/21 of the voestalpine Group (Annual Report 2020/21, "Report on the Company's Risk Exposure"), thus remain valid for this semi-annual management report.

Based on the insights gained from **economic and financial crises** in the past and their effects on the voestalpine Group, particularly those gained from the COVID-19 crisis, additional steps primarily of a corporate nature were taken to minimize the Group's risk exposure. These measures, too, are described in detail in the Annual Report 2020/21, and they have been and are being consistently pursued in the current business year. Any fallout from global trade disputes such as (punitive) tariffs is monitored on a continual basis. The disruptions in the semiconductor supply chain that started at the turn of the year and their potential impact on the voestalpine Group are also subject to continuous monitoring in close coordination with our customers. The COVID-19 pandemic and/or its future course may cause individual jurisdictions to take a variety of statutory steps that may affect production parameters and the respective Group companies' economic capacity to act.

Specific measures to hedge the risks previously identified within the voestalpine Group have been developed and implemented. These steps are aimed at reducing potential losses and/or minimizing the likelihood of losses occurring. It must be stated that, even as of the present semi-annual management report, voestalpine believes that its operating risks over and above global crises and their ramifications are limited and manageable. As regards the COVID-19 crisis and its associated global ramifications, the voestalpine Group will continue to do everything in its power to deal with the situation—which is very difficult for each and every individual and for the company on the whole—to the best of its ability.

OUTLOOK

The economic recovery from the COVID-19 crisis, which at the beginning was partially accompanied by overheating tendencies, continued overall in the first half of 2021/22.
However, given the recent developments that have come into focus, the further positive growth expectations appear somewhat more uncertain. Toward the end of the reporting period, the continued high volatility on the raw materials side was accompanied by sharp increases in energy costs. From today's perspective, no change in this situation on the purchasing side can be expected at least until the end of the current business year.

As far as sales are concerned, our expectations going forward differ depending on the market and region.
The automotive industry continues to suffer from semiconductor supply chain difficulties. This situation is unlikely to ease before the middle of the next business year. It is important to note in this regard that the decrease in automotive production does not stem from a weakness in demand. Absent microchips, end consumers' high demand, which continues unabated, cannot be fully satisfied. It is to expected, therefore, that some areas will see a time lag in order call-ups for voestalpine's products.
Demand from the construction, mechanical engineering, and consumer goods industries for the voestalpine Group's products remains high. At this point in time, we expect the railways segment—a stabilizing earnings factor—to continue delivering good performance despite the usual seasonal weakening. The energy sector (oil & natural gas) has rebounded substantially of late, and this trend should continue throughout the second half of the business year 2021/22.
Aerospace, too, is showing signs of a recovery. Recently, the major aircraft manufacturers issued more optimistic forecasts for short and medium-haul jets, a trend that is already reflected in rising order levels.

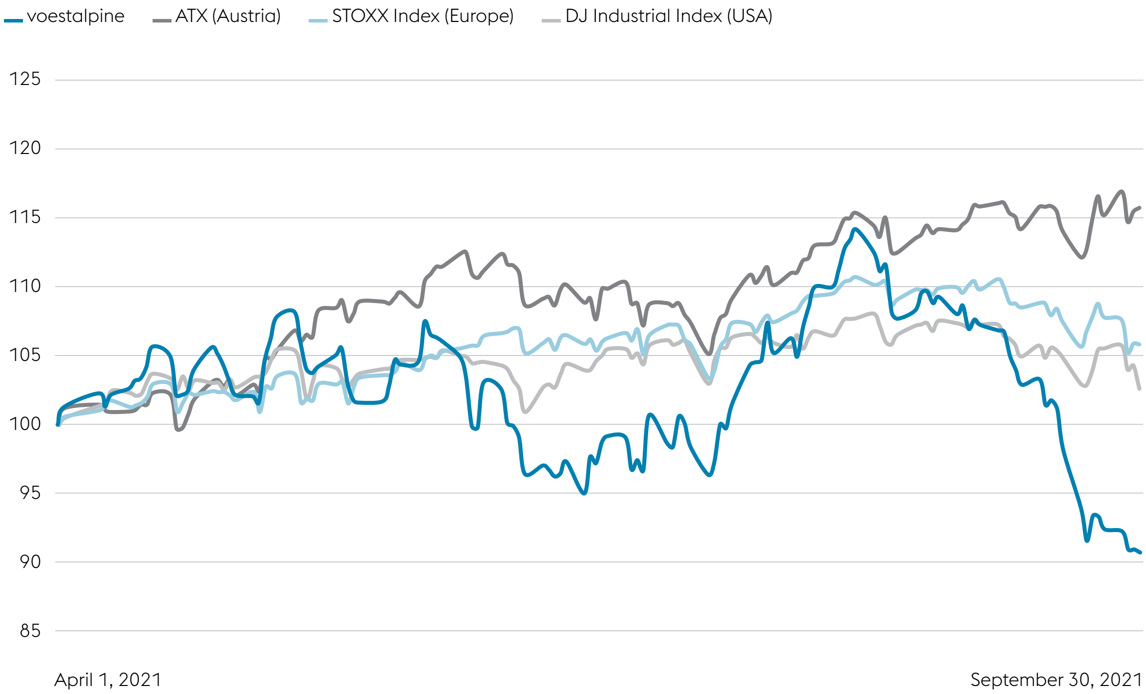
Regionally speaking, the positive development of the U.S. economy continues unabated, whereas some economic indicators for China point to a slowing down of that country's momentum. Nonetheless, the economic forecasts for China on the whole remain substantially positive. The current forecasts for Europe also point to positive economic growth, both for the current calendar year and the next one.

Based on the Group's results for the first half of the business year 2021/22 and the assumption that there will be no unexpected economic distortions, at this time the Management Board of voestalpine AG thus continues to expect EBITDA of between EUR 1,900 million and EUR 2,200 million for the business year 2021/22.

INVESTOR RELATIONS

voestalpine AG VS. THE ATX AND INTERNATIONAL INDICES

Changes compared to March 31, 2021, in %



DEVELOPMENT OF THE voestalpine SHARE

While the voestalpine share experienced a strong rally over the course of the business year 2020/21, it moved laterally during the first few months of the current business year. Economies the world over rapidly returned to a growth trajectory thanks to the economic stimulus packages that were put in place worldwide as well as the breakthrough in COVID-19 vaccinations. The fact that the stock markets did not continue their upward trajectory in the spring of calendar year 2021 despite robust economic growth is rooted in growing fears of inflation. Supply chain bottlenecks in pre-materials, high freight costs, unstable value chains as well as sharp increases in prices for raw materials and energy have been driving up prices for consumer goods. This, in turn, diverted investors' attention to the central banks yet again. The European Central Bank (ECB) has indicated that it will not adjust its expansive monetary policies. The Federal Reserve (Fed), by contrast, announced that it will abandon its crisis mode and thus will taper its purchases of securities in order to prevent the economy from overheating. As soon as voestalpine presented its solid earnings figures for the first quarter of its business year 2021/22 and published its guidance in early August on its projected earnings for the current business year, the voestalpine share started to generate strong gains, briefly even surpassing the EUR 40 threshold.

Developments in September, however, were shaped by sharper share price declines. The global capital markets were not rattled by the rising numbers of COVID-19 infections. Instead, what initially affected the voestalpine share was the weakening of the automotive industry, which struggled due to the limited availability of semiconductor chips. Add to that the payment difficulties of the second-largest Chinese real estate conglomerate, which represents a material threat to the global economy. Issues specific to the steel industry were yet another negative factor impacting voestalpine's share price. After rising to record highs in the spot markets through the Northern summer, steel prices retreated for the first time in September 2021, triggering the fear that the rally in the steel market might be nearing its end.

As of the close of September 2021, the price of the voestalpine share was EUR 32.04, which means that it lost about 10% of its value in the first half of the business year 2021/22. During the same period, the two benchmark indices, STOXX Index Europe and Dow Jones Industrial, improved a bit, whereas the ATX recorded stronger growth thanks to the strong weighting of financial securities. In contrast to cyclical industrials, bank and insurance stocks benefited from the potential tapering of the Fed's extremely loose monetary policy and an associated increase in the interest rate.

BONDS

Type of bond	ISIN number	Issuing volume	Interest rate	Share price (09/30/2021)
Corporate bond 2014–2021	AT0000A19S18	EUR 400 million	2.250%	100.16
Corporate bond 2017–2024	AT0000A1Y3P7	EUR 500 million	1.375%	103.39
Corporate bond 2019–2026	AT0000A27LQ1	EUR 500 million	1.750%	104.42

voestalpine AG is currently being analyzed by the following investment banks/financial institutions:

» Alpha Value, Paris
» Baader Bank AG, Munich
» Bank of America/Merrill Lynch, London
» Barclays, London
» Citigroup, London
» Commerzbank, Frankfurt
» Credit Suisse, London
» Deutsche Bank, London
» Erste Bank, Vienna
» Exane BNP Paribas, Paris
» Goldman Sachs, London
» Jefferies, London
» J.P. Morgan, London
» Kepler Cheuvreux, Frankfurt
» Morgan Stanley, London
» Oddo BHF, Paris
» Raiffeisen Bank International, Vienna
» Société Générale, Paris
» Wiener Privatbank, Vienna

SHARE INFORMATION

Share capital	EUR 324,391,840.99, divided into 178,549,163 no-par value shares
Treasury shares as of September 30, 2021	28,547 shares
Class of shares	Ordinary bearer shares
Stock identification number	93750 (Vienna Stock Exchange)
ISIN	AT0000937503
Reuters	VOES.VI
Bloomberg	VOE AV

PRICES (AS OF END OF DAY)

Share price high, April 2021 to September 2021	EUR 40.36
Share price low, April 2021 to September 2021	EUR 32.04
Share price as of September 30, 2021	EUR 32.04
Initial offering price (IPO), October 1995	EUR 5.18
All-time high price (July 12, 2007)	EUR 66.11
Market capitalization as of September 30, 2021[1]	EUR 5,719,800,536.64

[1] Basis: Total number of shares minus repurchased shares.

BUSINESS YEAR 2020/21

Earnings per share	EUR 0.24
Dividend per share	EUR 0.50
Carrying amount per share as of March 31, 2021	EUR 30.95

FINANCIAL CALENDAR

Publication Q 3 2021/22	February 9, 2022
Publication Annual Report 2021/22	June 8, 2022
Record date for attendance at the AGM	June 26, 2022
Annual General Meeting	July 6, 2022
Ex-dividend date	July 14, 2022
Record date for dividend payment	July 15, 2022
Dividend payment date	July 18, 2022
Publication Q 1 2022/23	August 4, 2022
Publication Q 2 2022/23	November 9, 2022

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

voestalpine AG

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF 09/30/2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

	03/31/2021	09/30/2021
A. Non-current assets		
Property, plant and equipment	6,120.0	5,984.0
Goodwill	1,469.2	1,469.6
Other intangible assets	307.2	296.1
Investments in entities consolidated according to the equity method	135.7	140.1
Other financial assets and other equity investments	66.2	66.5
Deferred tax assets	345.9	263.1
	8,444.2	**8,219.4**
B. Current assets		
Inventories	3,438.8	4,416.1
Trade and other receivables	1,722.2	1,829.0
Other financial assets	145.3	408.0
Cash and cash equivalents	1,159.7	563.8
	6,466.0	**7,216.9**
Total assets	**14,910.2**	**15,436.3**

In millions of euros

EQUITY AND LIABILITIES

	03/31/2021	09/30/2021
A. Equity		
Share capital	324.3	324.3
Capital reserves	661.2	660.2
Retained earnings and other reserves	4,539.1	4,966.4
Equity attributable to equity holders of the parent	**5,524.6**	**5,950.9**
Non-controlling interests	125.3	126.6
	5,649.9	**6,077.5**
B. Non-current liabilities		
Pensions and other employee obligations	1,257.2	1,182.8
Provisions	119.3	122.3
Deferred tax liabilities	93.8	75.2
Financial liabilities	2,846.2	2,724.9
	4,316.5	**4,105.2**
C. Current liabilities		
Provisions	700.6	749.3
Tax liabilities	51.6	82.6
Financial liabilities	1,220.7	1,010.0
Trade and other payables	2,188.8	2,430.1
Trade payables from bills of exchange and trade payables from reverse factoring agreements	782.1	981.6
	4,943.8	**5,253.6**
Total equity and liabilities	**14,910.2**	**15,436.3**

In millions of euros

CONSOLIDATED STATEMENT OF CASH FLOWS

	04/01–09/30/2020	04/01–09/30/2021
Operating activities		
Profit after tax	–275.8	485.7
Non-cash expenses and income, deposits and disbursements not recognized in income statement	638.1	409.4
Change in inventories	226.0	–958.7
Change in receivables and liabilities	–0.6	359.5
Change in provisions	–24.9	76.3
Changes in working capital	**200.5**	**–522.9**
Cash flows from operating activities[1]	**562.8**	**372.2**
Investing activities		
Additions to other intangible assets, property, plant and equipment	–290.3	–260.5
Income from disposals of assets	8.3	7.6
Cash flows from the loss of control of subsidiaries	0.2	0.0
Additions to/divestments of other financial assets	–5.5	–259.8
Cash flows from investing activities	**–287.3**	**–512.7**
Financing activities		
Dividends paid	–35.7	–89.3
Dividends paid, non-controlling interests	–14.3	–18.5
Capital increase, non-controlling interests	0.8	0.0
Acquisition of non-controlling interests	0.0	–0.9
Increase in non-current financial liabilities	156.9	0.9
Repayment of non-current financial liabilities	–52.3	–311.1
Repayment of lease liabilities	–23.3	–22.7
Change in current financial liabilities and other financial liabilities	–32.8	–18.0
Cash flows from financing activities	**–0.7**	**–459.6**
Net decrease/increase in cash and cash equivalents	**274.8**	**–600.1**
Cash and cash equivalents, beginning of reporting period	794.7	1,159.7
Net exchange differences	–9.5	4.2
Cash and cash equivalents, end of reporting period	**1,060.0**	**563.8**

[1] Cash flows from operating activities include interest received of EUR 1.2 million (04/01–09/30/2020: EUR 6.3 million); interest paid of EUR 42.3 million (04/01–09/30/2020: EUR 52.9 million); taxes paid of EUR 21.9 million (04/01–09/30/2020: EUR 22.6 million); and dividend income of EUR 9.2 million (04/01–09/30/2020: EUR 4.9 million).

In millions of euros

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

	04/01–09/30/2020	04/01–09/30/2021	07/01–09/30/2020	07/01–09/30/2021
Revenue	**5,110.1**	**7,042.9**	**2,712.8**	**3,552.9**
Cost of sales	–4,425.6	–5,480.6	–2,320.7	–2,791.4
Gross profit	**684.5**	**1,562.3**	**392.1**	**761.5**
Other operating income	274.0	166.1	134.5	72.3
Distribution costs	–485.3	–586.2	–245.7	–293.1
Administrative expenses	–312.5	–339.7	–150.9	–167.3
Other operating expenses	–383.4	–161.8	–301.5	–68.6
Share of profit of entities consolidated according to the equity method	7.7	9.9	5.2	6.2
EBIT	**–215.0**	**650.6**	**–166.3**	**311.0**
Finance income	15.2	12.7	5.1	7.4
Finance costs	–67.7	–52.2	–31.9	–26.1
Profit before tax	**–267.5**	**611.1**	**–193.1**	**292.3**
Tax expense	–8.3	–125.4	–13.0	–65.8
Profit after tax	**–275.8**	**485.7**	**–206.1**	**226.5**
Attributable to:				
Equity holders of the parent	–272.5	473.9	–202.0	221.2
Non-controlling interests	–3.3	11.8	–4.1	5.3
Diluted and basic earnings per share (euros)	**–1.53**	**2.65**	**–1.13**	**1.23**

In millions of euros

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED OTHER COMPREHENSIVE INCOME

	04/01–09/30/2020	04/01–09/30/2021	07/01–09/30/2020	07/01–09/30/2021
Profit after tax	**–275.8**	**485.7**	**–206.1**	**226.5**
Items of other comprehensive income that will be reclassified subsequently to profit or loss				
Cash flow hedges	40.0	–1.5	21.5	–20.7
Currency translation	–6.7	10.9	–6.1	–5.1
Share of result of entities consolidated according to the equity method	–0.8	0.8	–0.2	0.9
Subtotal of items of other comprehensive income that will be reclassified subsequently to profit or loss	**32.5**	**10.2**	**15.2**	**–24.9**
Items of other comprehensive income that will not be reclassified subsequently to profit or loss				
Actuarial gains/losses[1]	–63.0	33.9	–12.7	–0.3
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	**–63.0**	**33.9**	**–12.7**	**–0.3**
Other comprehensive income for the period, net of income tax	**–30.5**	**44.1**	**2.5**	**–25.2**
Total comprehensive income for the period	**–306.3**	**529.8**	**–203.6**	**201.3**
Attributable to:				
Equity holders of the parent	–301.7	516.5	–199.0	194.7
Non-controlling interests	–4.6	13.3	–4.6	6.6
Total comprehensive income for the period	**–306.3**	**529.8**	**–203.6**	**201.3**

[1] The valuation of the social capital was based on an interest rate of 1.0% as of September 30, 2021 (0.8% as of March 31, 2021) and 0.8% as of September 30, 2020 (1.5% as of March 31, 2020).

In millions of euros

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	H 1 2020/21			H 1 2021/22		
	Group	Non-controlling interests	Total equity	Group	Non-controlling interests	Total equity
Equity as of April 1	**5,478.2**	**136.7**	**5,614.9**	**5,524.6**	**125.3**	**5,649.9**
Total comprehensive income for the period	−301.7	−4.6	−306.3	516.5	13.3	529.8
Dividends to shareholders	−35.7	−9.3	−45.0	−89.3	−12.0	−101.3
Share-based payment	–	–	–	−1.0	–	−1.0
Other changes	−0.5	7.5	7.0	0.1	–	0.1
Equity as of September 30	**5,140.3**	**130.3**	**5,270.6**	**5,950.9**	**126.6**	**6,077.5**

In millions of euros

GENERAL INFORMATION / ACCOUNTING POLICIES

These Interim Consolidated Financial Statements of voestalpine AG as of September 30, 2021, for the first half of the business year 2021/22 were prepared in accordance with the International Financial Reporting Standards (IFRS)—as adopted by the European Union—pursuant to IAS 34, Interim Financial Reporting, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRS-IC), which require application in 2021. The accounting policies are unchanged from the Consolidated Financial Statements for the business year 2020/21, with the exception of the changes below.

The following new and revised Standards and Interpretations were adopted for the first time in the business year 2021/22:

Standard	Content	Effective date[1]
IFRS 4, amendments	Insurance Contracts – Deferral of IFRS 9	January 1, 2021
IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16, amendments	Interest Rate Benchmark Reform – Phase 2	January 1, 2021
IFRS 16, amendments	COVID-19-Related Rent Concessions	April 1, 2021

[1] In accordance with EU endorsements, these Standards are applicable to reporting periods beginning on or after the effective date.

The amendments and new versions of Standards and Interpretations did not have any material effect on the voestalpine Group's net assets, financial position, and results of operations.

Further information on the other principles of preparation is provided in the Consolidated Financial Statements as of March 31, 2021, on which these Interim Consolidated Financial Statements are based.

The Interim Consolidated Financial Statements are presented in millions of euros (the functional currency of the parent company). The use of automated calculation systems may result in rounding differences that affect amounts and percentages.

Unless otherwise stated, comparative information relates to the first half of the business year 2020/21 (reporting date: September 30, 2020).

The present Interim Consolidated Financial Statements have not been audited or reviewed by auditors.

EFFECTS OF THE COVID-19 PANDEMIC

EFFECTS ON THE GROUP'S SEMI-ANNUAL PERFORMANCE AND LIQUIDITY

Worldwide and macroeconomically, catch-up effects related to the rebound from the COVID-19 pandemic characterized the first half of the business year 2021/22. The economic climate stabilized at a high level over the course of the reporting period. In this environment, the voestalpine Group harnessed the positive upward trend to its advantage, with the result that almost all of its business segments show signs of a noticeable recovery. The Automotive Components segment is the only one whose performance was a bit restrained, especially due to supply chain distortions affecting semiconductors for electronic components. The liquidity position as of September 30, 2021, was highly positive, with the result that in October 2021 voestalpine redeemed the corporate bond 2014–2021 using own funds.

As of September 30, 2021, short time work was still in effect on a small scale at a few facilities in Germany. Deferrals of social security contributions, non-wage costs, and taxes that both domestic and foreign subsidiaries utilized in the business year 2020/21 were already settled in large part as of March 31, 2021.

EFFECTS ON UNCERTAINTIES IN ACCOUNTING ESTIMATES AND ASSUMPTIONS

The potential effects of the COVID-19 pandemic discussed in the Consolidated Financial Statements as of March 31, 2021, on uncertainties in accounting estimates and assumptions were repeatedly reviewed during the preparation of the present Interim Consolidated Financial Statements; they remain valid.

CHANGES IN THE SCOPE OF CONSOLIDATION

The changes made in the scope of consolidation during the first half of the business year 2021/22 were as follows:

	Full consolidation	Equity method
As of April 1, 2021	**280**	**11**
Additions from acquisitions		
Change in the consolidation method and incorporation		
Additions	7	1
Disposals		
Reorganizations		
Divestments or disposals		
As of September 30, 2021	**287**	**12**
Of which foreign companies	229	4

The following entities are being included in the Interim Consolidated Financial Statements for the first time in the first half of the business year 2021/22:

Name of entity	Equity interest in %
Full consolidation	
voestalpine High Performance Metals DIGITAL SOLUTIONS GmbH	100.000%
voestalpine High Performance Metals SCM GmbH	100.000%
voestalpine High Performance Metals SCM GmbH & Co KG	100.000%
voestalpine Giesserei Traisen Verwaltung GmbH	100.000%
voestalpine US Holding GmbH	100.000%
voestalpine High Performance Metals LLC	100.000%
voestalpine Steel US Holding LLC	100.000%
At-equity consolidation	
voestalpine Digital Track Management GmbH	50.000%

The additions of fully consolidated entities to the scope of consolidation include seven newly established entities.

SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Name of the subsidiary	Domicile	09/30/2020	09/30/2021
voestalpine Tubulars GmbH & Co KG	Kindberg, Austria		
Proportion of ownership		49.8875%	49.8875%
Proportion of ownership interests held by non-controlling interests		50.1125%	50.1125%
CNTT Chinese New Turnout Technologies Co., Ltd.	Qinhuangdao, China		
Proportion of ownership		50.0000%	50.0000%
Proportion of ownership interests held by non-controlling interests		50.0000%	50.0000%

As of September 30, 2021, the total of all non-controlling interests is EUR 126.6 million (September 30, 2020: EUR 130.3 million), of which EUR 36.4 million (September 30, 2020: EUR 48.6 million) is attributable to voestalpine Tubulars GmbH & Co KG and EUR 31.5 million (September 30, 2020: EUR 32.0 million) is attributable to CNTT Chinese New Turnout Technologies Co., Ltd. The remaining non-controlling interests, considered individually, can be deemed immaterial to the Group.

Summarized financial information for each subsidiary with non-controlling interests that are material to the Group is depicted in the following chart. The figures correspond to the amounts prior to the elimination of intra-Group transactions.

SUMMARIZED STATEMENT OF FINANCIAL POSITION

	voestalpine Tubulars GmbH & Co KG		CNTT Chinese New Turnout Technologies Co., Ltd.	
	09/30/2020	09/30/2021	09/30/2020	09/30/2021
Non-current assets	114.4	106.3	13.7	16.2
Current assets	88.9	156.0	97.9	97.2
Non-current provisions and liabilities	28.4	24.6	1.8	1.9
Current provisions and liabilities	94.1	178.8	45.7	48.3
Net assets (100%)	**80.8**	**58.9**	**64.1**	**63.2**

In millions of euros

SUMMARIZED INCOME STATEMENT

	voestalpine Tubulars GmbH & Co KG		CNTT Chinese New Turnout Technologies Co., Ltd.	
	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021
Revenue	101.9	193.7	52.6	40.1
EBIT	–28.2	1.3	13.8	13.0
Profit after tax	–28.2	0.0	12.0	11.5
Attributable to:				
Equity holders of the parent	–14.1	0.0	6.0	5.7
Non-controlling interests	–14.1	0.0	6.0	5.7
Dividends paid to non-controlling interests	0.0	0.0	3.1	2.6

In millions of euros

SUMMARIZED STATEMENT OF CASH FLOWS

	voestalpine Tubulars GmbH & Co KG		CNTT Chinese New Turnout Technologies Co., Ltd.	
	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021
Cash flows from operating activities	22.1	–17.3	16.7	2.6
Cash flows from investing activities	–3.7	–5.4	0.1	–0.3
Thereof additions to/divestments of other financial assets	0.0	0.0	0.0	0.0
Cash flows from financing activities	–18.3	22.7	–16.0	–17.8
Net decrease/increase in cash and cash equivalents	**0.1**	**0.0**	**0.8**	**–15.5**

In millions of euros

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

SHARES IN IMMATERIAL JOINT VENTURES

Profits from the joint ventures, which are individually immaterial to voestalpine's Interim Consolidated Financial Statements, are included using the equity method. This information relates to the interests of the voestalpine Group in the immaterial joint ventures and is broken down as follows:

	04/01–09/30/2020	04/01–09/30/2021
Group share of		
Profit after tax	0.1	–0.5
Other comprehensive income	–0.1	0.1
Comprehensive income	**0.0**	**–0.4**
Carrying amount, immaterial joint ventures	**3.8**	**4.9**

In millions of euros

SHARES IN IMMATERIAL ASSOCIATES

The profit from associates that are individually immaterial to voestalpine's Interim Consolidated Financial Statements are included using the equity method. This information relates to the interests of the voestalpine Group in associates and is broken down as follows:

	04/01–09/30/2020	04/01–09/30/2021
Group share of		
Profit after tax	7.6	10.4
Other comprehensive income	–1.1	0.9
Comprehensive income	**6.5**	**11.3**
Carrying amount, immaterial associates	**126.1**	**135.1**

In millions of euros

IMPAIRMENT LOSSES AND REVERSAL OF IMPAIRMENT LOSSES

The general descriptions of plans and models—as specified in Note 11., Impairment losses and reversal of impairment losses, of the Annual Report 2020/21—still apply.

Impairment tests of cash generating units or groups of cash generating units containing goodwill

Impairment losses
In the business year 2020/21, an impairment loss of EUR 25.0 million on the goodwill of the Metal Engineering Division's **Tubulars** unit to which goodwill had been allocated was recognized in other operating expenses as of September 30, 2020; this unit engages in the production of high quality seamless tubes. Negative developments in the selling environment, particularly the sharp drop in both crude oil prices and production rates that continued to intensify on account of the COVID-19 crisis, led to substantially lower forecasts of revenue and earnings. The expected future cash flows underlying the impairment test as of September 30, 2020—especially those related to the detailed planning period—thus were lower than those underlying the impairment test as of March 31, 2020. The recoverable amount (value in use) for this unit was EUR 249.7 million as of September 30, 2020.

The fifth plan year was used to calculate the perpetual annuity based on a growth rate of 1.33%. The after-tax WACC was 6.21%; the pre-tax WACC was 7.58%.

In the second half of 2020/21, a recovery in sales has already started again resulting in a significant excess of the carrying amount as of March 31, 2021.

Impairment test of cash generating units that have no goodwill and of other assets

In the business year 2020/21, a total of USD 190.5 million (EUR 167.6 million as of September 30, 2020) in impairment losses on "Land, land rights, and buildings" as well as "Plant and equipment" were recognized in other operating expenses for the **Texas** cash generating unit of the Steel Division, which consists of a single facility and produces hot briquetted iron (HBI). Economic developments owing to the COVID-19 crisis led to an adjustment of the short-term earnings forecasts that is greater than the adjustment taken as of March 31, 2020. The HBI spot market price disintegrated to a much greater degree than anticipated due to the deteriorating scrap/iron ore price ratio. The strong price sensitivity of the HBI spot market prices as well as the expectation that volatilities in the raw materials markets would continue unabated also led to the reversal particularly of the medium-term earnings forecasts and the cash flows for the Texas unit. The recoverable amount (value in use) for this unit was EUR 447.8 million as of September 30, 2020. An after-tax discount rate of 6.79% was applied; the pre-tax WACC was 7.98%.

In the business year 2020/21, a total of EUR 8.6 million in impairment losses on “Land, land rights, and buildings” and “Plant and equipment” were recognized in other operating expenses (of which EUR 5.9 million had already been recognized as of September 30, 2020) for the **Special Wire** cash generating unit of the Metal Engineering Division, which comprises a single facility and focuses on the production of special wire (fine wire). This impairment loss initially stemmed from the reduction in quantities purchased by the unit’s main customer, partly due to COVID-19; in turn, this triggered both lower capacity utilization and higher price pressures, in turn further lowering sales and thus also future earnings and cash flow forecasts. The recoverable amount (value in use) for this unit was EUR 18.0 million as of March 31, 2021; it was determined on the basis of estimated net sales proceeds. These comprised the current individual sales proceeds of the assets and the carrying amount of working capital.

Hot Forming is a cash generating unit of the Metal Forming Division’s Automotive Components business unit. It comprises two plants in Germany and the United States and uses hot forming to develop metal pressed parts for the automotive industry.

The current sensitivities for the Hot Forming unit, whose performance is affected by the current challenges in the automotive industry—particularly the shortage of semiconductors for electronic components—are shown.

The discount rate and the cash flows are the most important forward-looking assumptions. There is the risk that any change in these assumptions will necessitate a material adjustment of the carrying amounts in the future. An increase in the after-tax discount rate by one percentage point and/or a decrease in the cash flows by 10% would trigger the following reductions in the carrying amounts:

	Excess of carrying amount over recoverable amount	Increase in discount rate by 1% point	Decrease in cash flows by 10%
09/30/2021			
Hot Forming	0.0	–24.6	–18.0

In millions of euros

As of September 30, 2021, no impairment losses were recognized for cash generating units that have no goodwill and other assets. For all other disclosures related to cash generating units that have no goodwill, see the Consolidated Financial Statements as of March 31, 2021.

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In the first half of the business year 2021/22, depreciation totaling EUR 399.2 million exceeded actual investments of EUR 238.8 million. This essentially led to a decline in non-current assets from EUR 8,444.2 million to EUR 8,219.4 million. This is contrasted by positive currency translation effects of EUR 22.5 million. Due to the operational increase in inventories (see the consolidated statement of cash flows), compared with March 31, 2021, the carrying amount of the inventories as of the reporting date rose by EUR 977.3 million.

As of September 30, 2021, voestalpine AG's share capital was EUR 324,391,840.99 (March 31, 2021: EUR 324,391,840.99) and was divided into 178,549,163 shares (March 31, 2021: 178,549,163). The company held 28,547 of its treasury shares as of the reporting date.

Due primarily to changes in the actuarial result (positive) and the currency translations (positive), the profit after tax of EUR 485.7 million rose to total comprehensive income of EUR 529.8 million. The Annual General Meeting on July 7, 2021, resolved a dividend per share of EUR 0.50 for the business year 2020/21. Therefore, voestalpine AG has distributed dividends of EUR 89.3 million to its shareholders in the current business year. Equity increased to EUR 6,077.5 million, mainly as a result of the positive total comprehensive income.

In the current business year, particularly the adjustment of the discount rate from 0.8% as of March 31, 2021, to 1.0% as of September 30, 2021, resulted in a decrease in the provisions for pension and severance obligations and consequently in an actuarial gain of EUR 33.9 million (after deferred taxes) that is recognized in other comprehensive income. The adjustment in the discount rate led to a decrease (recognized in income) of EUR 3.5 million (or EUR 2.6 million after deferred taxes) in the provisions for long-service bonuses.

NOTES ON THE CONSOLIDATED INCOME STATEMENT

At EUR 7,042.9 million, revenue for the period from April 1, 2021, to September 30, 2021, increased by 37.8% compared with EUR 5,110.1 million in the same period of the previous year. In the first half of the business year 2021/22, EBIT is EUR 650.6 million compared with EUR –215.0 million for the same period of the previous year. EBIT is EUR 311.0 million for the second quarter of 2021/22, compared with EUR –166.3 million for the second quarter of 2020/21. After consideration of the financial result and taxes, the profit after tax is EUR 485.7 million compared with EUR –275.8 million for the same period of the previous year.

Despite the profit before tax of EUR –267.5 million for the first half of the previous year, the tax expense of EUR 8.3 million is due primarily to the non-recognition of tax losses.

Diluted and basic earnings per share are calculated as follows:

	04/01–09/30/2020	04/01–09/30/2021
Profit attributable to equity holders of the parent (in millions of euros)	–272.5	473.9
Weighted average number of outstanding ordinary shares (millions)	178.5	178.5
Diluted and basic earnings per share (euros)	**–1.53**	**2.65**

CLASSIFICATION OF REVENUES

The following table contains information on the classification of external revenues by region and industry of the voestalpine Group for the first half of the business years 2021/22 and 2020/21, respectively:

REVENUE BY REGION

	Steel Division		High Performance Metals Division	
	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021
European Union (without Austria)	1,009.6	1,568.6	430.7	579.6
Austria	197.7	295.4	30.8	76.5
USMCA	145.8	338.2	144.0	189.2
Asia	180.6	45.5	230.7	278.6
South America	4.8	16.0	74.3	127.4
Rest of world	132.8	177.0	132.6	151.7
Total revenue by region	**1,671.3**	**2,440.7**	**1,043.1**	**1,403.0**

REVENUE BY INDUSTRY

	Steel Division		High Performance Metals Division	
	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021
Automotive	490.8	752.9	261.0	379.5
Energy	277.1	264.9	149.9	232.1
Railway systems	4.1	2.9	5.0	8.2
Building/Construction	183.7	281.1	42.2	51.4
Mechanical engineering	80.1	159.3	247.2	303.2
White goods/Consumer goods	60.7	86.6	152.9	192.1
Aerospace	0.0	0.0	81.4	103.3
Other	574.8	893.0	103.5	133.2
Total revenue by industry	**1,671.3**	**2,440.7**	**1,043.1**	**1,403.0**

	Metal Engineering Division		Metal Forming Division		Other		Total Group	
	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021
	611.8	736.0	618.5	847.9	3.8	5.2	2,674.4	3,737.3
	109.9	147.9	45.5	58.9	0.8	0.8	384.7	579.5
	189.2	275.2	236.2	403.3	0.0	0.0	715.2	1,205.9
	178.1	178.6	66.0	80.9	0.2	0.3	655.6	583.9
	22.6	33.5	30.3	74.0	0.0	0.0	132.0	250.9
	200.3	223.7	82.5	133.0	0.0	0.0	548.2	685.4
	1,311.9	**1,594.9**	**1,079.0**	**1,598.0**	**4.8**	**6.3**	**5,110.1**	**7,042.9**

In millions of euros

	Metal Engineering Division		Metal Forming Division		Other		Total Group	
	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021
	127.3	242.0	547.0	730.1	0.0	0.0	1,426.1	2,104.5
	203.0	279.9	20.0	25.9	0.0	0.0	650.0	802.8
	788.4	786.9	0.2	0.3	0.0	0.0	797.7	798.3
	32.8	46.8	298.2	493.1	0.0	0.0	556.9	872.4
	55.1	74.8	89.2	145.9	0.0	0.0	471.6	683.2
	14.1	25.9	45.7	62.6	0.0	0.0	273.4	367.2
	0.0	0.0	7.8	4.0	0.0	0.0	89.2	107.3
	91.2	138.6	70.9	136.1	4.8	6.3	845.2	1,307.2
	1,311.9	**1,594.9**	**1,079.0**	**1,598.0**	**4.8**	**6.3**	**5,110.1**	**7,042.9**

In millions of euros

OPERATING SEGMENTS

The following table contains information on the operating segments of the voestalpine Group for the first half of the business years 2021/22 and 2020/21, respectively:

OPERATING SEGMENTS

	Steel Division		High Performance Metals Division	
	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021
Segment revenue	1,830.5	2,717.4	1,061.7	1,425.5
Of which revenue with third parties	1,671.3	2,440.7	1,043.1	1,403.0
Of which revenue with other segments	159.2	276.7	18.6	22.5
EBITDA	161.6	521.2	76.8	191.6
EBIT	–168.7	370.2	–6.2	112.0
EBIT margin	–9.2%	13.6%	–0.6%	7.9%
Segment assets	4,340.9	4,877.0	4,086.9	4,352.6
Employees (full-time equivalent)	10,321	10,581	12,381	12,891

The reconciliation of the key ratios, EBITDA and EBIT, is shown in the following tables:

EBITDA

	04/01–09/30/2020	04/01–09/30/2021
Net exchange differences and result from valuation of derivatives	–2.9	–5.0
Consolidation	1.4	–9.5
EBITDA – Total reconciliation	**–1.5**	**–14.5**

In millions of euros

	Metal Engineering Division		Metal Forming Division		Other		Reconciliation		Total Group	
	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021	04/01–09/30/2020	04/01–09/30/2021
	1,335.9	1,614.9	1,092.5	1,617.1	451.9	1,038.5	–662.4	–1,370.5	5,110.1	7,042.9
	1,311.9	1,594.9	1,079.0	1,598.0	4.8	6.3	0.0	0.0	5,110.1	7,042.9
	24.0	20.0	13.5	19.1	447.1	1,032.2	–662.4	–1,370.5	0.0	0.0
	110.3	199.7	80.1	191.1	–32.3	–39.2	–1.5	–14.6	395.0	1,049.8
	–9.6	111.1	9.9	118.0	–38.9	–46.2	–1.5	–14.5	–215.0	650.6
	–0.7%	6.9%	0.9%	7.3%					–4.2%	9.2%
	3,265.5	3,472.4	2,496.4	2,737.6	10,523.0	9,902.4	–10,302.0	–9,905.7	14,410.7	15,436.3
	12,878	13,276	11,443	11,386	894	934	0	0	47,917	49,068

In millions of euros

EBIT

	04/01–09/30/2020	04/01–09/30/2021
Net exchange differences and result from valuation of derivatives	–2.9	–5.0
Consolidation	1.4	–9.5
EBIT – Total reconciliation	**–1.5**	**–14.5**

In millions of euros

All other key performance indicators contain solely the effects of consolidation.

NOTES ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

Non-cash expenses and income include EUR 395.8 million in depreciation/revaluation (also of financial assets). Taking the change in working capital into account, the cash flows from operating activities in the reporting period are EUR 372.2 million, compared with EUR 562.8 million in the first half of the previous year. This decrease of –33.9% arises from the significant increase in working capital (particularly inventories). A total of EUR –512.7 million in cash flows from investing activities (which include EUR –259.8 million in investments in other financial assets) and EUR –459.6 million in cash flows from financing activities (largely repayments of non-current financial liabilities and dividend payments) lead to a change in cash and cash equivalents (excluding net exchange differences) of EUR –600.1 million. The investments in other financial assets include repo transactions entailing CO_2 repos (purchases of CO_2 allowances subject to simultaneous repurchase agreements) in the amount of EUR 259.9 million.

NOTES ON FINANCIAL INSTRUMENTS

Categories of financial instruments

Categories	Financial assets measured at AC[1]	Hedge accounting	Financial assets measured at FVTPL	Total
Assets 03/31/2021				
Other financial assets, non-current	2.1	–	50.6	52.7
Trade and other receivables	888.8	18.3	215.5	1,122.6
Other financial assets, current[2]	84.2	–	61.1	145.3
Cash and cash equivalents	1,159.7	–	–	1,159.7
Carrying amount	**2,134.8**	**18.3**	**327.2**	**2,480.3**

[1] The carrying amount of the financial assets measured at AC represents an adequate approximation of the fair value.
[2] The "other financial assets, current" of EUR 145.3 million reported as of March 31, 2021, which were classified FVTPL, were adjusted by EUR 84.2 million.

In millions of euros

Categories	Financial assets measured at AC[1]	Hedge accounting	Financial assets measured at FVTPL	Total
Assets 09/30/2021				
Other financial assets, non-current	2.1	–	50.9	53.0
Trade and other receivables	960.3	30.8	241.7	1,232.8
Other financial assets, current	344.1	–	63.9	408.0
Cash and cash equivalents	563.8	–	–	563.8
Carrying amount	**1,870.3**	**30.8**	**356.5**	**2,257.6**

[1] The carrying amount of the financial assets measured at AC represents an adequate approximation of the fair value.

In millions of euros

Categories	Financial liabilities measured at AC		Hedge accounting	Financial liabilities measured at FVTPL	Total	
	Carrying amount	Fair value	Carrying amount (= fair value)	Carrying amount (= fair value)	Carrying amount	Fair value
Liabilities 03/31/2021						
Financial liabilities, non-current	2,846.2	2,883.2	–	–	2,846.2	2,883.2
Financial liabilities, current	1,220.7	1,225.1	–	–	1,220.7	1,225.1
Trade and other payables[1]	1,597.4	1,597.4	9.4	8.2	1,615.0	1,615.0
Trade payables from bills of exchange and trade payables from reverse factoring agreements	782.1	782.1	–	–	782.1	782.1
Total	**6,446.4**	**6,487.8**	**9.4**	**8.2**	**6,464.0**	**6,505.4**

[1] The carrying amount of the trade and other payables, the trade payables from bills of exchange, and the payables from reverse factoring agreements represents an adequate approximation of the fair value.

In millions of euros

Categories	Financial liabilities measured at AC		Hedge accounting	Financial liabilities measured at FVTPL	Total	
	Carrying amount	Fair value	Carrying amount (= fair value)	Carrying amount (= fair value)	Carrying amount	Fair value
Liabilities 09/30/2021						
Financial liabilities, non-current	2,724.9	2,774.8	–	–	2,724.9	2,774.8
Financial liabilities, current	1,010.0	1,010.1	–	–	1,010.0	1,010.1
Trade and other payables[1]	1,769.2	1,769.2	23.9	9.3	1,802.4	1,802.4
Trade payables from bills of exchange and trade payables from reverse factoring agreements	981.6	981.6	–	–	981.6	981.6
Total	**6,485.7**	**6,535.7**	**23.9**	**9.3**	**6,518.9**	**6,568.9**

[1] The carrying amount of the trade and other payables, the trade payables from bills of exchange, and the payables from reverse factoring agreements represents an adequate approximation of the fair value.

In millions of euros

The financial liabilities measured at amortized cost, excluding bonds issued, fall under Level 2. Valuation is performed according to the discounted cash flow method, whereby the input parameters for the calculation of the fair values are the foreign exchange rates, interest rates, and credit spreads observable on the market. Using the input parameters, the fair values are calculated by discounting estimated future cash flows at market interest rates.

Bonds issued are measured using Level 1 inputs based on the quoted price as of the reporting date.

The table below analyzes regular fair value measurements of financial assets and financial liabilities. These measurements are based on a fair value hierarchy that categorizes the inputs included in the valuation methods used to measure fair value into three levels. The three levels are defined as follows:

INPUTS

Level 1	Comprises quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Comprises inputs other than the quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Comprises unobservable inputs for the asset or liability.

FAIR VALUE HIERARCHY LEVELS USED FOR RECURRING FAIR VALUE MEASUREMENTS

	Level 1	Level 2	Level 3	Total
03/31/2021				
Financial assets				
Other financial assets, non-current	14.2	–	36.4	50.6
Receivables from derivatives – hedge accounting	–	18.3	–	18.3
Trade and other receivables	–	23.1	192.4	215.5
Other financial assets, current	61.1	–	–	61.1
	75.3	**41.4**	**228.8**	**345.5**
Financial liabilities				
Liabilities from derivatives – hedge accounting	–	9.4	–	9.4
Trade and other payables	–	8.2	–	8.2
	0.0	**17.6**	**0.0**	**17.6**
09/30/2021				
Financial assets				
Other financial assets, non-current	14.5	–	36.4	50.9
Receivables from derivatives – hedge accounting	–	30.8	–	30.8
Trade and other receivables	–	21.4	220.3	241.7
Other financial assets, current	63.9	–	–	63.9
	78.4	**52.2**	**256.7**	**387.3**
Financial liabilities				
Liabilities from derivatives – hedge accounting	–	23.9	–	23.9
Trade and other payables	–	9.3	–	9.3
	0.0	**33.2**	**0.0**	**33.2**

In millions of euros

The derivative transactions (Level 2) are measured using the discounted cash flow method by determining the value that would be realized if the hedging position were closed out (liquidation method). The observable currency exchange rates and raw materials prices as well as interest rates are the input for the calculation of fair values. Fair values are calculated based on the inputs by discounting expected future cash flows at market interest rates.

The voestalpine Group recognizes reclassifications between different levels of the fair value hierarchy as of the end of the reporting period in which the change occurred. There were no reclassifications in the business year 2020/21, nor from April 1, 2021, through September 30, 2021.

The table below presents the reconciliation of Level 3 financial assets measured at fair value between the opening balance and the closing balance, as follows:

LEVEL 3 – FVTPL – OTHER FINANCIAL ASSETS – NON-CURRENT

	04/01–09/30/2020	04/01–09/30/2021
Opening balance	**36.4**	**36.4**
Total of gains/losses recognized in the income statement:		
Finance costs/Finance income	0.0	0.0
Closing balance	**36.4**	**36.4**

In millions of euros

Level 3 includes the equity investment in Energie AG Oberösterreich that is measured at fair value. The fair value of this entity can be reliably determined based on the valuation report that is prepared once a year for Energie AG Oberösterreich as a whole, taking into account all relevant information.

Significant sensitivities in the determination of the fair values may result from changes in the underlying market data of comparable entities and the input factors used to determine the net present value (particularly discount rates, non-current forecasts, plan data, etc.).

LEVEL 3 – FVTPL – TRADE RECEIVABLES (SALE BUSINESS MODEL)

	04/01–09/30/2020	04/01–09/30/2021
Opening balance	**111.7**	**192.4**
Disposals	–111.7	–192.4
Additions	151.1	220.3
Closing balance	**151.1**	**220.3**

In millions of euros

The receivables in this portfolio are sold monthly on a rolling basis as part of the Group's factoring programs. The measurement gains or losses allocable to this portfolio are of secondary significance.

The credit risk associated with a particular debtor is the most important factor in the fair value determination of the portfolio entitled, "Trade and other receivables held for factoring." Any increase/decrease by 1% in the established default rates thus would change the fair value of this portfolio at most in the same amount; as a rule, however, the fair value change is disproportionately low, because credit insurance has been purchased for significant portions of the portfolio.

SEASONALITY AND CYCLICALITY

Regardless of economic trends, the second and third business quarters are generally expected to see seasonally slightly weaker revenue, especially due to vacations or shutdowns of key customer segments.

RELATED PARTY DISCLOSURES

Business transactions in the form of deliveries and services are carried out with non-consolidated subsidiaries, joint ventures, and associated Group companies as part of operational activities. These business transactions are carried out exclusively based on normal market terms.

The volume of business transactions with associated companies and parties was similar to that reported in the Consolidated Financial Statements 2020/21. Neither the financial position nor the earnings of the voestalpine Group were materially affected during the first six months of the current business year.

Receivables are sold to core shareholders at arm's length in connection with the first type of factoring agreement (see Note 28 of the Consolidated Financial Statements 2020/21, Disclosures of transactions not recorded in the statement of financial position, for a description). As of September 30, 2021, these receivables totaled EUR 241.2 million (March 31, 2021: EUR 204.2 million).

ANTITRUST PROCEEDINGS

Provisions were recognized as of the interim reporting date for potential negative effects of the cartel proceedings described on page 168 in Note 19., Provisions, of the Consolidated Financial Statements 2020/21 (Notes to the Consolidated Financial Statements – G. Explanations and Other Disclosures).

PROVISIONS AND CONTINGENT LIABILITIES

Note that we are invoking the safeguard clause in accordance with IAS 37.92, pursuant to which detailed information on provisions and contingent liabilities is not disclosed if doing so could seriously and adversely impact the company's interests.

EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after the reporting period.

MANAGEMENT BOARD STATEMENT
IN ACCORDANCE WITH SECTION 125 (1) AUSTRIAN STOCK EXCHANGE ACT 2018 *(BÖRSEGESETZ 2018 – BÖRSEG 2018)*

The Management Board of voestalpine AG confirms to the best of its knowledge that the Condensed Interim Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group as required by the applicable accounting standards and that the Group Management Report gives a true and fair view of important events that have occurred during the first six months of the business year and their impact on the Condensed Interim Financial Statements, of the principal risks and uncertainties for the remaining six months of the business year, and of the major related party transactions to be disclosed.

Linz, November 4, 2021

The Management Board

Herbert Eibensteiner
Chairman of the Management Board

Franz Kainersdorfer
Member of the Management Board

Robert Ottel
Member of the Management Board

Franz Rotter
Member of the Management Board

Peter Schwab
Member of the Management Board

Hubert Zajicek
Member of the Management Board

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

Disclaimer
This report contains forward-looking statements that reflect the current views of voestalpine AG regarding future events. Forward-looking statements naturally are subject to risks and uncertainties, which is why actual events and hence results may differ substantially from such statements. The company is under no obligation to publish updates of the forward-looking statements contained herein unless so required under applicable law.

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The use of automated calculation systems may result in rounding differences.

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