REPORT FOR
Q1 – Q3 2023/24

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voestalpine GROUP
KEY FIGURES

Q 1 – Q 3 2022/23 VS. Q 1 – Q 3 2023/24

In millions of euros

	Q 1 – Q 3 2022/23 04/01–12/31/2022	Q 1 – Q 3 2023/24 04/01–12/31/2023	Change in %
Income statement			
Revenue	13,585.2	12,387.6	–8.8
EBITDA	1,879.0	1,282.9	–31.7
Depreciation	739.0	569.6	–22.9
EBIT	1,140.0	713.2	–37.4
Profit before tax	1,052.6	574.8	–45.4
Profit after tax from continuing operations	770.4	436.1	–43.4
Profit after tax from discontinued operations	93.8	–4.9	
Profit after tax[1]	864.2	431.2	–50.1
Statement of financial position			
Investments in tangible and intangible assets and interests	514.5	727.0	41.3
Equity	7,596.8	7,783.5	2.5
Net financial debt	2,667.2	2,011.6	–24.6
Net financial debt in % of equity (gearing)	35.1%	25.8%	
Financial key performance indicators (KPIs)			
EBITDA margin	13.8%	10.4%	
EBIT margin	8.4%	5.8%	
Cash flows from operating activities	–355.9	673.2	
Share information			
Share price, end of period (euros)	24.78	28.56	15.3
Market capitalization, end of period	4,387.5	4,896.9	11.6
Number of outstanding shares, end of period	177,057,445	171,450,616	–3.2
Basic earnings per share (euros) from continuing operations	3.93	2.06	–47.6
Basic earnings per share (euros) from discontinued operations	0.53	–0.03	
Basic earnings per share (euros)	4.46	2.03	–54.5
Diluted earnings per share (euros) from continuing operations	3.93	1.99	–49.4
Diluted earnings per share (euros) from discontinued operations	0.53	–0.03	
Diluted earnings per share (euros)	4.46	1.96	–56.1
Personnel			
Employees (full-time equivalent), end of period	50,018	50,712	1.4

[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.

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INTERIM REPORT FOR Q1 – Q3 2023/24

ECONOMIC ENVIRONMENT AND COURSE OF BUSINESS

EUROPE

The European economy performed weakly in the first three quarters of the business year 2023/24. The sharp interest rate hikes by the European Central Bank (ECB) to combat inflation had an increasingly dampening effect on the economy. This primarily affected the manufacturing industry, the capital goods sector and the construction industry. Industrial production has now been in decline for five quarters. Although consumption was still rising at the beginning of the business year, momentum slowed towards the end of the reporting period. At the end of the third quarter, the high inflation finally declined somewhat, which led to the ECB temporarily ending its cycle of interest rate hikes.

For voestalpine, this economic environment meant a decline in demand from the construction, mechanical engineering, white goods and consumer goods industries as well as in the capital goods sector. The tooling industry in particular, which is supplied with tool steel by the High Performance Metals Division, recorded very weak demand in the second and third quarters of the business year 2023/24. At the same time, imports of material from Asia and China were high.

There was positive news from the energy industry, railway systems and the aerospace industry, which bucked the trend in the economy as a whole and performed very dynamically. In the European automotive industry, the supply chain situation has eased considerably, which voestalpine felt in the form of increased demand.

USA/NORTH AMERICA

At the beginning of the business year 2023/24, the US Federal Reserve (Fed) raised interest rates very sharply, which quickly had a dampening effect on inflation. The economic downturn predicted at the same time did not materialize and the US economy grew more strongly than expected in the first three quarters of the business year 2023/24. The main pillar was consumption, which was driven by a very strong labor market with low unemployment figures and high wage growth. Interest-intensive sectors such as the construction industry declined, but not as much as feared.

Demand for voestalpine products was satisfactory in the first nine months of the business year 2023/24. The energy industry and railway systems in particular contributed significantly to this. The aerospace industry also provided positive impetus again in the reporting period. The capital goods sector was comparatively subdued.

BRAZIL/SOUTH AMERICA

Brazil was confronted with high inflation and interest rate hikes much earlier than Europe and North America and also overcame the peak of inflation more quickly. The Brazilian National Bank began to cut interest rates as early as the second quarter of the business year 2023/24. The Brazilian economy performed surprisingly well in the first nine months, growing by around 3% in this period. This upward trend was primarily driven by a record harvest and relatively good consumer spending. The industrial sectors were unable to keep pace with this development and became increasingly weaker towards the end of the reporting period.

The voestalpine sites in Brazil performed well in the first three quarters of the business year 2023/24. The boom in the photovoltaic sector had a positive effect on orders for special sections. The production of special steels benefited from the high international demand for products for the oil and natural gas industry. In the third quarter of 2023/24, the voestalpine sites in Brazil also felt the slowdown in economic momentum.

CHINA/ASIA

The Chinese economy remained in growth mode in the first three quarters of the business year 2023/24 and defied the negative developments in the real estate sector. However, growth rates were significantly lower than expected and below the high levels of the past. The extremely low inflation and at times deflation is a reflection of the weak momentum in Chinese domestic demand. The manufacturing industry sector, and in particular the high-tech sector, stands out positively with a resurgence in exports.

The Chinese steel industry is characterized by a special situation: although the construction sector is weak and demand for steel is correspondingly lower, Chinese steel manufacturers are producing at record levels. Exports are putting pressure on the international steel markets — a situation that has already occurred several times in the past.

The Chinese voestalpine sites reported a good performance for the first three quarters of the business year 2023/24. However, exports of Chinese tool steel had negative effects for the European voestalpine sites, especially for the High Performance Metals Division.

DEVELOPMENT OF THE KEY FIGURES OF THE voestalpine GROUP

In the first three quarters of the business year 2022/23, voestalpine reported record levels of revenue and earnings. Over the course of the current business year, the voestalpine Group's financial key figures have weakened, triggered by the deterioration in the global economic climate and in individual customer segments.

Revenue decreased by 8.8% to EUR 12,387.6 million in the first three quarters of the business year 2023/24 (Q1 – Q3 2022/23: EUR 13,585.2 million). The only one of the four divisions to see a slight increase in revenue was the Metal Engineering Division. This was due to the good performance in the Railway Systems and Tubulars segments. The other three divisions recorded declines in revenue. Although the Steel Division was able to increase delivery volumes, the price level fell at the same time. The High Performance Metals Division developed in exactly the opposite direction. Here, sales prices rose, but the volume level fell.

EBITDA fell by 31.7% in the first three quarters of 2023/24, from EUR 1,879.0 million (margin of 13.8%) to EUR 1,282.9 million (margin of 10.4%). As with revenue, the Metal Engineering Division also reported an improvement in earnings figures. This is based on the excellent performance of the Railway Systems business segment. The other three divisions reported declining results. Positive effects from government compensation payments, which are used to cushion the high energy costs, are included in the current business year.

EBIT fell by 37.4% from EUR 1,140.0 million (margin of 8.4%) to EUR 713.2 million (margin of 5.8%) in the first three quarters of 2023/24. It should be noted here that there were negative one-off effects of EUR 173 million in the same period of the previous year. These were due to impairment losses in the High Performance Metals Division.

Profit before tax was down 45.4% year-on-year, falling from EUR 1,052.6 million to EUR 574.8 million in the reporting period. The net financial result (finance income reduced by finance costs) fell from EUR -87.4 million to EUR -138.4 million. Profit after tax thus halved from EUR 864.2 million in the previous year to EUR 431.2 million in the first three quarters of the business year 2023/24.

In a year-on-year comparison, the voestalpine Group was able to reduce net financial debt by 24.6% from EUR 2,667.2 million as of December 31, 2022, to EUR 2,011.6 million as of December 31, 2023. However, due to the increase in working capital and increased investments, net financial debt increased by 21.1% compared to the reporting date of March 31, 2023 (EUR 1,661.0 million).

Equity rose from EUR 7,596.8 million as of December 31, 2022 to EUR 7,783.5 million as of December 31, 2023, an increase of 2.5%. With a view to the reporting date of March 31, 2023 (EUR 7,769.4 million), this is a stable development.

The gearing ratio—net financial debt as a percentage of equity—fell year-on-year from 35.1% to 25.8% (as of December 31 in each case). However, the gearing ratio increased slightly compared to the reporting date of March 31, 2023 (21.4%).

The number of employees (FTE) rose by 1.4% year-on-year from 50,018 as of December 31, 2022 to 50,712 as of December 31, 2023. There are more employees in the Steel Division and the Metal Engineering Division. The number of employees in the High Performance Metals Division and the Metal Forming Division decreased. Compared to the reporting date of March 31, 2023 (51,202), the voestalpine Group's workforce decreased slightly by 1.0%.

QUARTERLY DEVELOPMENT AND NINE-MONTH FIGURES OF THE voestalpine GROUP

In millions of euros

	Q 1 2023/24	Q 2 2023/24	Q 3 2023/24	Q 1 – Q 3		
				2023/24	2022/23	Change in %
	04/01–06/30/2023	07/01–09/30/2023	10/01–12/31/2023	04/01–12/31/2023	04/01–12/31/2022	
Revenue	4,445.7	4,067.1	3,874.8	12,387.6	13,585.2	–8.8
EBITDA	504.5	410.1	368.3	1,282.9	1,879.0	–31.7
EBITDA margin	11.3%	10.1%	9.5%	10.4%	13.8%	
EBIT	316.2	214.9	182.1	713.2	1,140.0	–37.4
EBIT margin	7.1%	5.3%	4.7%	5.8%	8.4%	
Profit before tax	278.4	161.2	135.2	574.8	1,052.6	–45.4
Profit after tax[1]	218.2	114.3	98.7	431.2	864.2	–50.1
Employees (full-time equivalent), end of period	51,164	51,212	50,712	50,712	50,018	1.4

[1] Before deduction of non-controlling interests.

Net financial debt can be broken down as follows:

NET FINANCIAL DEBT

In millions of euros

	12/31/2022	12/31/2023
Financial liabilities, non-current	2,228.3	1,439.4
Financial liabilities, current	950.7	1,775.1
Cash and cash equivalents	–423.9	–953.9
Other financial assets	–70.5	–228.1
Loans and other receivables from financing	–17.4	–20.9
Net financial debt	**2,667.2**	**2,011.6**

STEEL DIVISION

QUARTERLY DEVELOPMENT OF THE STEEL DIVISION

In millions of euros

				Q 1 – Q 3		
	Q 1 2023/24 04/01– 06/30/2023	Q 2 2023/24 07/01– 09/30/2023	Q 3 2023/24 10/01– 12/31/2023	2023/24 04/01– 12/31/2023	2022/23 04/01– 12/31/2022	Change in %
Revenue	1,643.6	1,484.7	1,374.6	4,502.9	4,941.2	–8.9
EBITDA	174.2	181.1	156.9	512.2	936.7	–45.3
EBITDA margin	10.6%	12.2%	11.4%	11.4%	19.0%	
EBIT	110.0	116.7	93.3	320.0	742.7	–56.9
EBIT margin	6.7%	7.9%	6.8%	7.1%	15.0%	
Employees (full-time equivalent), end of period	10,657	10,748	10,617	10,617	10,401	2.1

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The Steel Division performed very solidly in the first three quarters of the business year 2023/24 against the backdrop of a weak European steel market overall. Good demand from the automotive and energy sectors, which are particularly important for the Steel Division, contributed to this. Demand from the construction, mechanical engineering, white goods and consumer goods industries remained subdued. This development was also reflected in relatively low delivery volumes at the end of the reporting period.

Demand from the **automotive industry**, the largest market segment in the Steel Division's portfolio, was good in the first nine months of the business year 2023/24. This was also due to the fact that automotive manufacturers worked off the high order backlogs resulting from the supply chain problems during and after the COVID-19 pandemic. However, these order backlogs have now been reduced to a large extent. Thanks to active acquisitions and the resulting increase in market share, the automotive segment has seen above-average growth for the Steel Division.

Demand in the **white goods and consumer goods industry** remained weak in the first three quarters of the year. The boom during the COVID-19 lockdown and the currently weak construction industry meant that there is little demand for new white goods at the moment. The trend towards the end of the reporting period was largely stable, but at a low level.

Demand in the **mechanical engineering industry** has cooled off since the beginning of the business year. Momentum has become increasingly weaker over the course of the reporting period. This trend continued in the third quarter of 2023/24.

Although the **construction industry** is generally one of the most important customers for steel products, it is a relatively manageable market segment for the Steel Division. The construction industry began to suffer from rising interest rates very early on and has continued to weaken over the course of the business year 2023/24. In the third quarter of the current business year, the construction industry stabilized at a low level.

The **energy sector**, which is served by the Heavy Plate and Foundry business segments, was characterized by a good project landscape for pipelines, among other things. This led to a positive performance in this segment.

Raw material and steel prices were volatile in the first three quarters of the business year 2023/24. Prices for iron ore and metallurgical coal fell at the beginning of the business year. After a stable phase in the first two quarters, raw material prices rose again in the third quarter of 2023/24.

The falling commodity prices also had a dampening effect on steel prices on the European spot market at the beginning of the business year and essentially trended sideways until the end of the summer. In the Northern fall, the European steel industry was able to push through price increases on the spot market, which were driven in particular by higher raw material prices.

The Steel Division sells its steel products exclusively via the contract business and not on the spot market. Accordingly, the price trend was more stable overall.

DEVELOPMENT OF THE KEY FIGURES

The Steel Division reports declines in the financial key performance indicators (KPIs) for the reporting period. Revenue in the Steel Division fell by 8.9% to EUR 4,502.9 million in the first three quarters of 2023/24 (Q1 – Q3 of the previous year: EUR 4,941.2 million). This development reflects the decline in steel prices, which first became apparent on the spot markets and, after a delay, in the contract business. There was a slight improvement in the quantities sold. This is mainly due to the fact that the Steel Division's most important market segment, the automotive sector, showed signs of catching up and increased demand. The fact that the price level weakened more than raw material and energy costs is reflected in EBITDA, which fell by 45.3% from EUR 936.7 million (margin of 19.0%) to EUR 512.2 million (margin of 11.4%) in the first three quarters of the business year 2023/24. The government programs to cushion the high energy costs had a positive effect in the third quarter of 2023/24. EBIT decreased by 56.9% from EUR 742.7 million (margin of 15.0%) to EUR 320.0 million (margin of 7.1%) in the reporting period.

In a comparison of the second quarter of 2023/24 with the third quarter of 2023/24, revenue fell by 7.4% from EUR 1,484.7 million to EUR 1,374.6 million. One of the reasons for this was that product prices for shorter-term contracts fell slightly. In addition, delivery volumes in the third quarter were slightly below the level of the second quarter. EBITDA fell by 13.4% in the third quarter of 2023/24, dropping from EUR 181.1 million (margin of 12.2%) to EUR 156.9 million (margin of 11.4%). The decline in sales volumes proved to be the main driver of the fall in earnings in a direct quarter-on-quarter comparison. Government subsidy programs for energy costs had a positive effect on earnings in the third quarter. EBIT fell by 20.1% from the second to the third quarter of 2023/24: specifically, from EUR 116.7 million (margin of 7.9%) to EUR 93.3 million (margin of 6.8%).

The number of employees (FTE) rose by 2.1% to 10,617 as of December 31, 2023, compared to 10,401 employees as of December 31, 2022.

HIGH PERFORMANCE METALS DIVISION

QUARTERLY DEVELOPMENT OF THE HIGH PERFORMANCE METALS DIVISION

In millions of euros

				Q 1 – Q 3		
	Q 1 2023/24 04/01– 06/30/2023	Q 2 2023/24 07/01– 09/30/2023	Q 3 2023/24 10/01– 12/31/2023	2023/24 04/01– 12/31/2023	2022/23 04/01– 12/31/2022	Change in %
Revenue	934.4	853.3	827.1	2,614.8	2,783.8	–6.1
EBITDA	96.4	46.8	56.2	199.4	324.3	–38.5
EBITDA margin	10.3%	5.5%	6.8%	7.6%	11.6%	
EBIT	55.1	3.9	13.6	72.6	35.8	102.8
EBIT margin	5.9%	0.5%	1.6%	2.8%	1.3%	
Employees (full-time equivalent), end of period	13,560	13,492	13,308	13,308	13,390	–0.6

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The first three quarters of the business year 2023/24 were characterized by two very contrasting developments in the High Performance Metals Division. There were encouraging trends in the special materials product segment thanks to positive incoming orders from the oil and natural gas sector and the aerospace industry. The tool steel product segment faced a difficult market environment—primarily due to weak demand from the automotive and consumer goods industries.

Tool Steel

Incoming orders from the European core markets—particularly Germany and France—were subdued in the first three quarters. Demand from the automotive industry in particular weakened due to model shifts. The standard grade area was confronted with strong price pressure due to the high import ratio. New business in the North American market also declined in the first three quarters of the business year 2023/24. In Brazil/South America, the general economic slowdown was felt, resulting in slightly weaker demand towards the end of the reporting period. China and Southeast Asia were characterized by low momentum. There was a continued reluctance to build new homes, which slowed down the consumer goods sector in particular.

Special Materials

The positive trend in the aerospace industry continued in the reporting period. In some cases, demand from aircraft manufacturers still exceeded capacity in the global supply chains. The global oil and natural gas industry also continued to invest. Orders from the commercial vehicle industry stabilized at a good level.

High Performance Metals Production

The units for the production of special materials in the upper quality segment were fully utilized in the first three quarters of the business year. By contrast, the production sites with a strong focus on tool steel reported lower capacity utilization rates. One milestone was the start of the ramp-up phase of the new stainless steel plant in Kapfenberg (Austria) in the first quarter of 2023/24. The old steel plant at the Kapfenberg site was decommissioned towards the end of the 2023 calendar year.

Value Added Services

In the first three quarters of the business year 2023/24, the division's global sales network recorded a significant decline in volumes in the European core markets as a result of the weak market for tool steel. This development was particularly pronounced in Germany. Conditions were slightly better in North America and Asia, where sales volumes fell less sharply. The sales and service area performed positively worldwide in the aerospace sector and the oil and natural gas industry.

DEVELOPMENT OF THE KEY FIGURES

Revenue in the High Performance Metals Division fell by 6.1% to EUR 2,614.8 million in the first three quarters of the business year 2023/24 (Q1 – Q3 2022/23: EUR 2,783.8 million). The main reason for this was the subdued sales of tool steel products. The price level was even slightly better than in the previous year. The product mix was also more favorable in the current reporting period. The High Performance Metals Division recorded a decline in EBITDA, which fell by 38.5% from EUR 324.3 million (margin of 11.6%) in Q1 – Q3 2022/23 to EUR 199.4 million (margin of 7.6%) in the reporting period. This was mainly due to lower production and sales volumes. The high energy costs were at least partially cushioned by government support programs. EBIT almost doubled: from EUR 35.8 million (margin of 1.3 %) to EUR 72.6 million (margin of 2.8 %). However, EBIT for the first three quarters of 2022/23 included impairment losses of EUR 173 million.

The High Performance Metals Division also recorded a drop in revenue in a quarter-on-quarter comparison—triggered by a slight decline in sales volumes. Specifically, revenue decreased by 3.1% to EUR 827.1 million in the third quarter of 2023/24 (Q2 2023/24: EUR 853.3 million). EBITDA increased by 20.1% in the third quarter of 2023/24 from EUR 46.8 million (margin of 5.5%) in the immediately previous quarter to EUR 56.2 million (margin of 6.8%). Declining delivery volumes were offset by a slight improvement in the gross margin. The government energy cost subsidies also had a positive effect in the current reporting quarter. EBIT improved in the third quarter by 248.7% from EUR 3.9 million (margin of 0.5%) to EUR 13.6 million (margin of 1.6%).

The number of employees (FTE) in the High Performance Metals Division fell to 13,308 as of December 31, 2023, a decrease of 0.6% (previous year: 13,390).

METAL ENGINEERING DIVISION

QUARTERLY DEVELOPMENT OF THE METAL ENGINEERING DIVISION

In millions of euros

				Q 1 – Q 3		
	Q 1 2023/24 04/01– 06/30/2023	Q 2 2023/24 07/01– 09/30/2023	Q 3 2023/24 10/01– 12/31/2023	2023/24 04/01– 12/31/2023	2022/23 04/01– 12/31/2022	Change in %
Revenue	1,144.4	1,070.3	1,026.3	3,241.0	3,195.2	1.4
EBITDA	182.3	133.0	128.1	443.4	409.8	8.2
EBITDA margin	15.9%	12.4%	12.5%	13.7%	12.8%	
EBIT	138.0	85.0	86.9	309.9	270.8	14.4
EBIT margin	12.1%	7.9%	8.5%	9.6%	8.5%	
Employees (full-time equivalent), end of period	14,145	14,247	14,287	14,287	13,815	3.4

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The performance of the Metal Engineering Division varied in some of its business segments: A good economic environment prevailed in the Railway Systems business segment in the first three quarters of the business year 2023/24. The situation in the Industrial Systems business segment was somewhat more varied. While there were still signs of overheating in the tubulars product segment, which is primarily active in the oil and natural gas sector, at the beginning of the business year, the situation has now normalized. In the welding product segment the decline in demand in Europe in the first three quarters was more than compensated for by positive developments outside Europe and in the project business. By contrast, conditions in the wire technology product segment deteriorated increasingly over the course of the business year.

The **Railway Systems** business segment reported positive demand for the first three quarters of the business year. The high demand for rails, particularly from the "D-A-CH" region (which comprises Germany, Austria, and Switzerland), ensured full capacity utilization of the production units at the Donawitz site (Austria). The turnout systems product segment also benefited from a pleasing level of demand in the European core markets. Positive impetus was also provided by the positive sentiment in the North American transit sector. Heavy goods traffic in Brazil and Australia showed stable development. Project activities in the high-speed sector in China weakened somewhat in the reporting period. For the first time in quite a while, a recovery in demand is noticeable in South Africa.

The **Industrial Systems** business segment presented a varied picture in the first three quarters of the business year 2023/24. The tubulars product segment faced very high demand in the first quarter of 2023/24, while inventories in the supply chain were reduced in the second quarter. From the Northern summer of 2023, the number of rig counts in the United States decreased slightly. In global terms, however, drilling activity for oil and natural gas remained at a satisfactory level. The escalation of the Middle East conflict led to a short-term rise in the oil price, but this has since stabilized at a more moderate level.

The wire technology product segment was confronted with increasingly challenging conditions for wire deliveries; countermeasures were taken in good time in the third quarter by adjusting production capacities in line with the market. Towards the end of the calendar year 2023, demand stabilized at a low level—this applied to the construction sector as well as the mechanical engineering and consumer goods industries. Orders from the automotive supply industry were also subdued. The market environment in the commercial vehicle industry was somewhat better.

Despite the slowdown in the global economy, the welding product segment closed the first three quarters of the business year 2023/24 on a satisfactory note. Among other things, the measures to increase efficiency had an impact. From a regional perspective, demand in Europe in particular cooled over the course of the business year. North America developed according to plan and at a solid level. The energy industry in South East Asia and China was characterized by a good level of demand.

DEVELOPMENT OF THE KEY FIGURES

In the first three quarters of the business year 2023/24, the Metal Engineering Division was able to increase all key financial figures compared to the same period of the previous year, although the business units within the division developed differently.

In contrast to the other three voestalpine divisions, revenue in the Q1 – Q3 2023/24 increased slightly, specifically by 1.4% from EUR 3,195.2 million to EUR 3,241.0 million. Sales volumes fell slightly in all product segments. The price trend was heterogeneous: While the rails and tubulars product segments benefited from rising prices, the price level in the wire technology product segment declined. EBITDA improved by 8.2% in the first three quarters of 2023/24, from EUR 409.8 million (margin of 12.8%) to EUR 443.4 million (margin of 13.7%). This increase is primarily due to a stronger performance in the Railway Systems business segment. In the Industrial Systems business segment, the tubulars and welding product segments were stable. The wire technology product segment was confronted with a significant decline in earnings. Government compensation payments to mitigate high energy costs had a supporting effect in the third quarter of 2023/24. EBIT increased by 14.4% from EUR 270.8 million (margin of 8.5%) to EUR 309.9 million (margin of 9.6%) in the reporting period.

In a comparison of the second quarter of 2023/24 with the third quarter of 2023/24, revenue fell by 4.1% from EUR 1,070.3 million to EUR 1,026.3 million. This was due to a slight decline in sales volumes across all product segments. In the wire technology product segment, this was primarily due to economic factors. Seasonal effects were noticeable in the Railway Systems business segment. At EUR 128.1 million (margin of 12.5%), EBITDA in Q3 2023/24 remained slightly below the level of the previous quarter (Q2 2023/24: EUR 133.0 million with a margin of 12.4%). By contrast, the Metal Engineering Division reported a moderate increase in EBIT, which rose by 2.2% from EUR 85.0 million (margin of 7.9%) in the second quarter to EUR 86.9 million (margin of 8.5%) in the third quarter.

As of December 31, 2023, the Metal Engineering Division had 14,287 employees (FTE). Compared to December 31, 2022 (13,815 employees), this represents an increase of 3.4%.

METAL FORMING DIVISION

QUARTERLY DEVELOPMENT OF THE METAL FORMING DIVISION

In millions of euros

				Q 1 – Q 3		
	Q 1 2023/24 04/01– 06/30/2023	Q 2 2023/24 07/01– 09/30/2023	Q 3 2023/24 10/01– 12/31/2023	2023/24 04/01– 12/31/2023	2022/23 04/01– 12/31/2022	Change in %
Revenue	884.0	816.1	790.3	2,490.4	2,921.2	–14.7
EBITDA	81.4	79.9	58.2	219.5	278.6	–21.2
EBITDA margin	9.2%	9.8%	7.4%	8.8%	9.5%	
EBIT	45.9	43.0	23.0	111.9	170.3	–34.3
EBIT margin	5.2%	5.3%	2.9%	4.5%	5.8%	
Employees (full-time equivalent), end of period	11,782	11,668	11,315	11,315	11,454	–1.2

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The development of the Metal Forming Division was characterized by different trends in the first three quarters of the business year 2023/24. Demand from the automotive sector improved somewhat in the reporting period, albeit from a weak level. The Warehouse & Rack Solutions business segment continued to operate in a solid economic environment. In contrast, the Tubes & Sections and Precision Strip business segments reported declining trends. The economic slowdown made itself felt here.

The **Automotive Components** business segment achieved an overall improvement in capacity utilization at its European sites in the first three quarters of the business year. The OEMs (Original Equipment Manufacturers) were able to increase production levels against the backdrop of the extensive elimination of bottlenecks in the procurement of primary materials. This was also due to the fact that the high order backlog was continuously reduced. However, the development of car production figures in Europe varied significantly depending on the car model. Overall, sales of new vehicles increased slightly in the calendar year 2023 compared to the previous year, but the level was well below the figures before the outbreak of the COVID-19 pandemic. The division's Chinese and North American locations performed with solid sales. The sale of voestalpine Automotive Components Nagold took place in the third quarter of the business year 2023/24.

The **Tubes & Sections** business segment was confronted with varying regional conditions. The construction industry and the trading business in Europe were already showing signs of decline at the start of the business year 2023/24. As a result, orders from these sectors stabilized at a lower level. The same applied to the agricultural and construction machinery sectors. Orders in the commercial vehicle industry normalized at a pleasing level following the highs of the previous year.

In Brazil, economic growth weakened over the course of the 2023 calendar year. Nevertheless, voestalpine's Brazilian sites remained robust. The satisfactory booking situation was largely supported by the solar industry there. Inflation and interest rates remained high in the United States, but the economy in North America was resilient and growth was surprisingly solid. Building on this, the Tubes & Sections business segment in the United States reported positive incoming orders from the storage technology and aerospace sectors. The voestalpine site in China benefited from very satisfactory incoming orders from the automotive supply industry, while conditions in the construction industry remained very challenging.

The **Precision Strip** business segment recorded a significant downward trend in the first three quarters of 2023/24. Orders fell significantly on the back of a general economic downturn—largely intensified by destocking within the value chain. The long delivery times of the previous year have returned to normal levels. From a regional perspective, demand in Europe was very subdued. Band saw steel and cutting lines for the packaging industry were particularly affected. Demand for band saw steel was also subdued in the United States. The market environment in China was somewhat better. Due to the high energy prices, however, the European voestalpine sites were at a disadvantage in terms of exports.

The **Warehouse & Rack Solutions** business segment was largely able to continue the positive development of previous years. The high level of interest rates in Europe and the USA had a dampening effect on project awards. The new production capacities in the United States were gradually ramped up from the Northern fall of 2023. The acquisition of Torri S.P.A., a manufacturer of shelving systems and storage platforms, enabled the company to expand its market position in Southern Europe.

DEVELOPMENT OF THE KEY FIGURES

The Metal Forming Division's revenue fell in the first three quarters of 2023/24, dropping by 14.7% from EUR 2,921.2 million to EUR 2,490.4 million. The decline in revenue affected all four business segments. While Automotive Components was only affected by a moderate reduction, there was a significant downturn in the other segments. EBITDA fell from EUR 278.6 million (margin of 9.5%) in the first three quarters of 2022/23 to EUR 219.5 million (margin of 8.8%) in the current reporting period. This is a decrease of 21.2%. The Warehouse & Rack Solutions business segment recorded stable development. All other business segments recorded declines, which were particularly pronounced in the Precision Strip business segment. EBIT fell by a third in the first three quarters of 2023/24, from EUR 170.3 million (margin of 5.8%) to EUR 111.9 million (margin of 4.5%).

Looking at the current business year, revenue fell by 3.2% from EUR 816.1 million to EUR 790.3 million from Q2 to Q3 2023/24. The Tubes & Sections business segment was primarily responsible for the decline, while the Warehouse & Rack Solutions business segment was able to generate an increase in revenue. EBITDA fell by 27.2% from EUR 79.9 million (margin of 9.8%) to EUR 58.2 million (margin of 7.4%) in the same period. The Precision Strip and Warehouse & Rack Solutions business segments recorded a largely stable trend on the earnings side. By contrast, earnings declined in the Tubes & Sections and Automotive Components business segments. EBIT fell by 46.5% from EUR 43.0 million (margin of 5.3%) to EUR 23.0 million (margin of 2.9%) in a comparison of the two quarters.

The number of employees (FTE) in the Metal Forming Division decreased by 1.2% from 11,454 (as of December 31, 2022) to 11,315 as of December 31, 2023.

OUTLOOK

Although the voestalpine Group's performance is solid overall, the expected economic downturn is clearly noticeable in some areas.

The interest rate-sensitive segments like construction, mechanical engineering and consumer goods industries as well as investments in industrial production facilities in general have weakened significantly and, from today's perspective, will not show any signs of recovery for the remainder of the business year 2023/24.

The automotive industry segment will remain stable at the current level in the final quarter of 2023/24.

The energy segment will continue its good momentum. The railway systems business is also expected to continue its positive development. The same applies to the aerospace industry, which has seen a dynamic recovery following the massive slump in the wake of the COVID-19 pandemic.

From a regional perspective, Europe is also expected to see the weakest economic trend worldwide for the remainder of the 2023/24 business year. The eurozone has been teetering on the brink of recession in the last two quarters and no positive impetus is expected for the final quarter of the current business year, either. Developments in North America are still expected to be relatively robust. In South America, where Brazil is particularly relevant for the voestalpine Group, the economy appears to be cooling off somewhat in the last quarter of the business year. China's overall economy is growing, although the individual sectors are developing quite differently. Most probably, the problems in the real estate sector will not be resolved in the short term and will subsequently have a negative impact on related sectors such as the construction industry. However, the manufacturing industry, particularly in the high-tech sector, will continue to develop positively.

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

voestalpine AG

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF 12/31/2023

The report for the first through third quarters of 2023/24 was prepared in accordance with the International Financial Reporting Standards (IFRS). This report has not been audited or reviewed, nor does it constitute a complete consolidated interim report pursuant to IAS 34.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

	03/31/2023	12/31/2023
A. Non-current assets		
Property, plant and equipment	5,664.8	5,781.2
Goodwill	1,331.3	1,330.4
Other intangible assets	297.7	308.0
Investments in entities consolidated according to the equity method	270.0	272.7
Other financial assets and other equity investments	72.7	75.9
Deferred tax assets	178.3	178.9
	7,814.8	**7,947.1**
B. Current assets		
Inventories	5,724.6	5,602.1
Trade and other receivables	2,156.3	1,875.5
Other financial assets	341.3	228.1
Cash and cash equivalents	1,055.8	953.9
Current assets	**9,278.0**	**8,659.6**
Assets from discontinued operations	0.0	0.0
Current assets incl. assets from discontinued operations	**9,278.0**	**8,659.6**
Total assets	**17,092.8**	**16,606.7**

In millions of euros

EQUITY AND LIABILITIES

	03/31/2023	12/31/2023
A. Equity		
Share capital	324.3	324.3
Capital reserves	664.8	676.2
Retained earnings and other reserves	6,539.8	6,492.9
Equity attributable to equity holders of the parent	**7,528.9**	**7,493.4**
Non-controlling interests	240.5	290.1
	7,769.4	**7,783.5**
B. Non-current liabilities		
Pensions and other employee obligations	938.9	1,070.2
Provisions	93.6	88.9
Deferred tax liabilities	86.2	89.2
Financial liabilities	2,242.2	1,439.4
	3,360.9	**2,687.7**
C. Current liabilities		
Provisions	1,055.1	884.6
Tax liabilities	238.3	235.6
Financial liabilities	836.6	1,775.1
Trade and other payables	2,797.3	2,340.5
Trade payables from bills of exchange and trade payables from reverse factoring agreements	1,023.1	885.5
Current liabilities	**5,950.4**	**6,121.3**
Liabilities from discontinued operations	12.1	14.2
Current liabilities incl. liabilities from discontinued operations	**5,962.5**	**6,135.5**
Total equity and liabilities	**17,092.8**	**16,606.7**

In millions of euros

CONSOLIDATED STATEMENT OF CASH FLOWS

	04/01–12/31/2022	04/01–12/31/2023
Operating activities		
Profit after tax	864.2	431.2
Non-cash expenses and income, deposits and disbursements not recognized in income statement	637.7	552.9
Change in inventories	–1,165.7	118.9
Change in receivables and liabilities	–628.9	–260.3
Change in provisions	–63.2	–169.5
Changes in working capital	**–1,857.8**	**–310.9**
Cash flows from operating activities[1]	**–355.9**	**673.2**
Thereof from discontinued operations	**48.1**	**0.0**
Investing activities		
Additions to other intangible assets, property, plant and equipment	–485.5	–716.4
Income from disposals of assets	6.9	26.2
Cash flows from the acquisition of control of subsidiaries	–2.8	–19.7
Cash flows from the loss of control of subsidiaries	748.8	18.8
Additions to/divestments of other financial assets	82.1	128.5
Cash flows from investing activities	**349.5**	**–562.6**
Thereof from discontinued operations	**744.4**	**–2.7**
Financing activities		
Dividends paid	–214.2	–257.2
Dividends paid, non-controlling interests	–23.8	–32.2
Capital increase, non-controlling interests	0.0	0.6
Acquisition of non-controlling interests	0.0	–0.7
Acquisitions/disposals of own shares	–36.9	–37.3
Increase in non-current financial liabilities	5.2	251.3
Repayment of non-current financial liabilities	–298.0	–229.6
Repayment of lease liabilities	–38.6	–50.1
Change in current financial liabilities and other financial liabilities	201.2	145.0
Cash flows from financing activities	**–405.1**	**–210.2**
Thereof from discontinued operations	**0.0**	**0.0**
Net decrease/increase in cash and cash equivalents	**–411.5**	**–99.6**
Cash and cash equivalents, beginning of reporting period	842.8	1,055.8
Net exchange differences	–7.4	–2.3
Cash and cash equivalents, end of reporting period	**423.9**	**953.9**

[1] Cash flows from operating activities include:		
interest received of	**5.5**	**23.7**
interest paid of	**–81.8**	**–146.9**
taxes paid of	**–307.0**	**–136.7**
and dividend income of	**19.8**	**17.1**
in continuing operations.		

In millions of euros

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

	04/01–12/31/2022	04/01–12/31/2023	10/01–12/31/2022	10/01–12/31/2023
Revenue	**13,585.2**	**12,387.6**	**4,290.0**	**3,874.8**
Cost of sales	–10,733.7	–10,287.9	–3,535.9	–3,283.6
Gross profit	**2,851.5**	**2,099.7**	**754.1**	**591.2**
Other operating income	450.4	534.0	80.3	213.4
Distribution costs	–995.6	–994.5	–328.9	–323.4
Administrative expenses	–587.8	–626.7	–206.7	–220.8
Other operating expenses	–594.1	–318.5	–52.0	–79.0
Share of profit of entities consolidated according to the equity method	15.6	19.2	–4.9	0.7
EBIT	**1,140.0**	**713.2**	**241.9**	**182.1**
Finance income	33.4	68.6	10.2	26.0
Finance costs	–120.8	–207.0	–45.8	–72.9
Profit before tax	**1,052.6**	**574.8**	**206.3**	**135.2**
Tax expense	–282.2	–138.7	–62.8	–33.6
Profit after tax from continuing operations	**770.4**	**436.1**	**143.5**	**101.6**
Profit after tax from discontinued operations	93.8	–4.9	5.6	–2.9
Profit after tax	**864.2**	**431.2**	**149.1**	**98.7**
Attributable to:				
Equity holders of the parent	787.8	347.6	110.3	75.9
Non-controlling interests	76.4	83.6	38.8	22.8
Basic earnings per share (euros) from continuing operations	**3.93**	**2.06**	**0.62**	**0.47**
Basic earnings per share (euros) from discontinued operations	0.53	–0.03	**0.03**	**–0.02**
Basic earnings per share (euros)	**4.46**	**2.03**	**0.66**	**0.45**
Diluted earnings per share (euros) from continuing operations	**3.93**	**1.99**	**0.62**	**0.43**
Diluted earnings per share (euros) from discontinued operations	0.53	–0.03	**0.03**	**–0.02**
Diluted earnings per share (euros)	**4.46**	**1.96**	**0.66**	**0.41**

In millions of euros

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED OTHER COMPREHENSIVE INCOME

	04/01–12/31/2022	04/01–12/31/2023	10/01–12/31/2022	10/01–12/31/2023
Profit after tax	**864.2**	**431.2**	**149.1**	**98.7**
Items of other comprehensive income that will be reclassified subsequently to profit or loss				
Cash flow hedges	–53.0	13.1	33.5	2.5
Currency translation	–100.9	–8.0	–53.5	–2.7
Share of result of entities consolidated according to the equity method	–1.7	–3.8	–11.5	–5.4
Subtotal of items of other comprehensive income that will be reclassified subsequently to profit or loss	**–155.6**	**1.3**	**–31.5**	**–5.6**
Items of other comprehensive income that will not be reclassified subsequently to profit or loss				
Actuarial gains/losses[1]	97.3	–105.0	–17.3	–131.0
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	**97.3**	**–105.0**	**–17.3**	**–131.0**
Other comprehensive income for the period, net of income tax	**–58.3**	**–103.7**	**–48.8**	**–136.6**
Total comprehensive income for the period	**805.9**	**327.5**	**100.3**	**–37.9**
Attributable to:				
Equity holders of the parent	733.4	247.1	66.6	–59.2
Non-controlling interests	72.5	80.4	33.7	21.3
Total comprehensive income for the period	**805.9**	**327.5**	**100.3**	**–37.9**

[1] The valuation of the social capital was based on an interest rate of 3.2% as of December 31, 2023 (3.8% as of March 31, 2023) and 3.8% as of December 31, 2022 (1.9% as of March 31, 2022).

In millions of euros

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Q 1 – Q 3 2022/23			Q 1 – Q 3 2023/24		
	Group	Non-controlling interests	Total equity	Group	Non-controlling interests	Total equity
Equity as of April 1	**6,914.7**	**154.6**	**7,069.3**	**7,528.9**	**240.5**	**7,769.4**
Total comprehensive income for the period	733.4	72.5	805.9	247.1	80.4	327.5
Dividends to shareholders	−214.2	−23.5	−237.7	−257.2	−32.5	−289.7
Convertible bonds	–	–	–	18.8	–	18.8
Acquisition of control of subsidiaries	–	0.7	0.7	–	–	–
Share-based payment	−4.7	–	−4.7	−4.5	–	−4.5
Acquisitions of own shares	−36.9	–	−36.9	−37.3	–	−37.3
Other changes	–	0.2	0.2	−2.4	1.7	−0.7
Equity as of December 31	**7,392.3**	**204.5**	**7,596.9**	**7,493.4**	**290.1**	**7,783.5**

In millions of euros

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