REPORT FOR THE
FIRST HALF OF 2020/21

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KEY FIGURES

Q 1 2020/21 VS. Q 2 2020/21

In millions of euros	Q 1 2020/21 04/01 – 06/30/2020	Q 2 2020/21 07/01 – 09/30/2020	Change in %
Income statement			
Revenue	2,397.3	2,712.8	13.2
EBITDA	157.8	237.2	50.3
Depreciation	206.5	403.5	95.4
EBIT	–48.7	–166.3	
Profit before tax	–74.4	–193.1	
Profit after tax[1]	–69.7	–206.1	
Statement of financial position			
Investments in tangible and intangible assets and interests	135.4	109.5	–19.1
Equity	5,517.1	5,270.6	–4.5
Net financial debt	3,956.1	3,491.0	–11.8
Net financial debt in % of equity (gearing)	71.7%	66.2%	
Financial key performance indicators (KPIs)			
EBITDA margin	6.6%	8.7%	
EBIT margin	–2.0%	–6.1%	
Cash flows from operating activities	–33.6	596.4	
Share information			
Share price, end of period (euros)	19.15	22.50	17.5
Market capitalization, end of period	3,417.8	4,016.7	17.5
Number of outstanding shares, end of period	178,520,566	178,520,616	0.0
EPS – earnings per share (euros)	–0.40	–1.13	182.5
Personnel			
Employees (full-time equivalent), end of period	47,894	47,917	0.0

[1] Before deduction of non-controlling interests.

H 1 2019/20 VS. H 1 2020/21

In millions of euros	H 1 2019/20 04/01 – 09/30/2019	H 1 2020/21 04/01 – 09/30/2020	Change in %
Income statement			
Revenue	6,541.6	5,110.1	–21.9
EBITDA	665.5	395.0	–40.6
Depreciation	436.0	610.0	39.9
EBIT	229.6	–215.0	–193.6
Profit before tax	162.5	–267.5	–264.6
Profit after tax[1]	115.2	–275.8	–339.4
Statement of financial position			
Investments in tangible and intangible assets and interests	337.5	244.9	–27.4
Equity	5,994.7	5,270.6	–12.1
Net financial debt	4,503.1	3,491.0	–22.5
Net financial debt in % of equity (gearing)	75.1%	66.2%	
Financial key performance indicators (KPIs)			
EBITDA margin	10.2%	7.7%	
EBIT margin	3.5%	–4.2%	
Cash flows from operating activities	202.0	562.8	178.6
Share information			
Share price, end of period (euros)	21.08	22.50	6.7
Market capitalization, end of period	3,763.2	4,016.7	6.7
Number of outstanding shares, end of period	178,520,566	178,520,616	0.0
EPS – earnings per share (euros)	0.54	–1.53	–383.3
Personnel			
Employees (full-time equivalent), end of period	51,275	47,917	–6.5

[1] Before deduction of interest on hybrid capital (where relevant) and 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

Worldwide, the COVID-19 pandemic dominated the economy during the first half of the business year 2020/21. While its first quarter saw sharp economic downturns in the most important countries, the second saw rapid recoveries. But there were marked differences the world over.

EUROPE

The business year's first quarter delivered an economic shock that affected large swaths of Europe. Almost all countries imposed state-mandated lockdowns in reaction to COVID-19, restricting public life in order to contain the pandemic. Given the quasi "imposed" nature of this economic crisis, most governments acted quickly to put in place support programs aimed at preventing a widespread wave of bankruptcy.

Personal consumption bounced back once the lockdowns were lifted toward the end of the first business quarter. Industrial production, for its part, saw a strong recovery during the subsequent quarter, albeit after a delay.

The service sector was the one that was hit hardest by the lockdowns. Here, both governmental restrictions along with the fear of contracting COVID-19 allowed only a moderate rebound even after the lockdowns were lifted.

Investment activity was restrained throughout the first six months of the business year 2020/21 owing to the uncertainties as to sustained damage and the shape of the economy down the road. In the medium term, however, the European Union's EUR 750 billion Recovery Fund should boost the propensity to invest.

The European Central Bank (ECB) responded rapidly. Among other things, it set up a Pandemic Asset Purchase Program (PEPP) that gives European states financial leeway despite growing sovereign debt.

The lockdowns led to cuts or—as in the European automotive industry—even to weeks-long production shutdowns. In this environment, the voestalpine Group had to contend with massive business losses because it generates approximately two-thirds of its revenue in Europe. It availed itself of governmental support programs; one of the most effective of these was the short time work program.

European economies consolidated at the start of the Northern summer. With the exception of the aerospace industry and the oil and natural gas sector, practically all of the voestalpine Group's markets recovered during the business year's second quarter. The automotive industry, which is most relevant to the Group, saw an unexpectedly strong rebound.

NORTH AMERICA / USA

In North America, specifically, the United States, the COVID-19 pandemic triggered an unprecedented economic recession in the first quarter of the business year 2020/21. In contrast to Europe, however, no nationwide lockdown was put in place. In turn, this kept economic sentiment and momentum a bit more afloat than in Europe.

Toward the end of the business year's first quarter, consumer spending recovered quickly and emphatically, relatively speaking, and the labor market

also signaled a turn toward the better. Capital spending, by contrast, showed only slight signs of improving, and industrial production remained fairly weak at first.
The rebound clearly picked up momentum over the course of the business year's second quarter. Supported by the rapidly recovering labor market, personal consumption, in particular, continued to develop dynamically. Both the construction industry and investments also rapidly rebounded from the lows they had recorded back in April 2020.
Compared with the European crisis intervention programs, state support for the economy in North America remained modest. But the Federal Reserve (Fed) responded by easing its monetary policy yet further, putting in place emergency loans, and presenting the new cornerstones of its strategy. Aside from inflation and stability targets, these new cornerstones are now more strongly aligned with developments in the labor market also.
The ramifications of this environment for the voestalpine Group's North American companies were different depending on the market segment.
Just as in Europe, the U.S. automotive industry shut down production completely for several weeks during the first quarter of the business year 2020/21, but rapidly regained its footing in the second. Aerospace as well as the oil and natural gas industry did not display any signs of recovering during the reporting period. On the whole, voestalpine Group companies and sites that focus on consumer goods were less affected by the economic turbulence during the current business year's entire first half.

SOUTH AMERICA / BRAZIL

The COVID-19 pandemic hit Brazil—the most relevant country on the South American continent for the voestalpine Group—a bit later than elsewhere. As a result, the country's economic development on the whole and capacity utilization at voestalpine's sites in Brazil were still good at the start of the reporting period. But the downturn did hit in the course of the first business quarter, even though the Brazilian government made an effort in connection with its management of the pandemic to avoid placing far-reaching governmental restrictions on the economy. Support measures that it enacted for the benefit of the country's population, however, helped to mitigate the recession and to rekindle the economy during the business year's second quarter.
The Brazilian sites of the voestalpine Group were differently affected by the pandemic's ramifications and had to adjust their production rates to the weakened demand. Increases in orders during the second quarter of the business year did not make themselves felt until the end of the reporting period.

ASIA / CHINA

In Asia, China was the first country to be affected by COVID-19 during the company's business year 2019/20. The country's political culture made it possible to bring the pandemic under control quite quickly using a rigorous approach, including massive restrictions on people's individual liberties. Following a complete lockdown in vast regions that lasted a few weeks, China already started to rekindle its economy in coordinated fashion even before voestalpine's business year 2019/20 was out.
Moreover, the Chinese government intensified state-sponsored capital spending programs in both infrastructure and real estate; this succeeded soon in returning the country to a growth trajectory. China's industry and consumers alike embraced it immediately.
Given these parameters, voestalpine's sites in China achieved production levels in the first quarter of the business year 2020/21 that were equivalent to those prior to the outbreak of the COVID-19 pandemic and succeeded in generating further growth in the remainder of the business year's first half.
The fact that the Chinese steel industry produced record levels of crude steel was a knock-on effect of the comprehensive construction and infrastructure program. Demand for iron ore in the world market thus remained high, in turn pushing the price of iron ore ever higher despite the deep

recession worldwide. The fear that the pandemic would also lead to delivery shortfalls in the regions that produce iron ore (such as Brazil) further fueled this dynamic, but this did not come to pass over the reporting period. Accordingly, the global iron ore market saw a slight easing toward the close of the first half of the business year 2020/21.

In sum, global developments at the macroeconomic level resulted in an extremely difficult first business quarter that saw revenue meltdowns in almost all regions and segments. The second business quarter was marked decisively by a rebound that already enabled some of the voestalpine Group's divisions to return to almost normal production levels.
The Group's broad positioning with a focus on technological niche markets turned out to be an advantage yet again. For example, the Metal Engineering Division's railway infrastructure segment turned out to be downright resilient. Railway operators used the cutbacks in railway services during the lockdowns to carry out maintenance work.
The lockdowns also delivered a massive boost to e-commerce. The Warehouse & Rack Solutions segment, which had already benefited previously from the growing trend toward e-commerce, posted new highs in orders received and achieved maximum capacity utilization.

REPORT ON THE FINANCIAL KEY PERFORMANCE INDICATORS OF THE voestalpine GROUP

The financial key performance indicators (KPIs) for the first half of the business year 2020/21 were shaped entirely by the COVID-19 pandemic. There were massive meltdowns in both revenue and earnings, especially at the start of the reporting period. Although the economy recovered quickly and forcefully in the business year's second quarter, the numbers for both revenue and earnings fell far short of those for the same period the previous year.

In sum, revenue in the first half of the business year 2020/21 fell to EUR 5,110.1 million, down 21.9% from EUR 6,541.6 million in the same period the previous year.
All four divisions of the voestalpine Group were affected by the decline in revenue, albeit to different degrees. In this connection, a number of operating segments were not only confronted with declining delivery volumes but had to contend also with falling prices.
Despite the extremely unfavorable developments in the sales markets, the voestalpine Group succeeded nonetheless in generating substantially positive EBITDA of EUR 395.0 million for the first half of the business year 2020/21 thanks to the consistent measures it took with respect to both cost management and earnings optimization. To the extent available and suitable, the Group also availed itself of governmental support programs such as short time work. This approach made it possible to achieve effective flexibility of costs in those production units where lower capacity utilization over a limited time was foreseeable.
Against the backdrop of the difficult market conditions, EBITDA dropped 40.6% year over year from EUR 665.5 million in the same period the previous year. In turn, this pushed the EBITDA margin from 10.2% in the previous year's reporting period to 7.7% in the current reporting period.
The decline in EBIT was much more pronounced than that of EBITDA which, apart from the pure operating performance, was due also to EUR 198.5 million in impairment losses on assets. These are allocable to the following companies: voestalpine Texas (EUR 167.6 million), voestalpine Tubulars (EUR 25.0 million), and voestalpine Special Wire (EUR 5.9 million). Given the expected earnings as of the close of the current business year, they arise mainly from global disparities triggered by the COVID-19 pandemic as well as from necessary adjustments of expected earnings in the medium term. See the Notes on page 31 for additional details on these non-recurring effects.
In sum, EBIT turned negative, plunging from EUR 229.6 million in the previous year to EUR –215.0 million in the current business year.

The profit before tax dropped from EUR 162.5 million a year earlier to EUR −267.5 million in the current reporting period.
Accordingly, the profit after tax fell from EUR 115.2 million for the first six months of the business year 2019/20 to EUR −275.8 million for the first six months of the business year 2020/21.
The intensification of efforts to optimize both costs and earnings as well as lower investments resulted in substantially positive cash flows.
The gearing ratio (net financial debt as a percentage of equity) as of September 30, 2020, was 66.2%, an improvement of 8.9 percentage points compared with 75.1% as of September 30, 2019. Equity declined year over year from EUR 5,994.7 million as of September 30, 2019, to EUR 5,270.6 million as of September 30, 2020, due to the company's operating performance but especially on account of the impairment losses. However, thanks to the positive cash flow the net financial debt fell from EUR 4,503.1 million as of September 30, 2019, to EUR 3,491.0 million as of September 30, 2020.
Compared with the March 31, 2020, reporting date, the gearing ratio improved slightly from 67.2% to currently 66.2%.
As of September 30, 2020, the number of employees (full-time equivalents, FTE) in the voestalpine Group fell year over year by 6.5% to 47,917 (September 30, 2019: 51,275).

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

In millions of euros	Q 1		Q 2		H 1		
	2019/20 04/01– 06/30/2019	2020/21 04/01– 06/30/2020	2019/20 07/01– 09/30/2019	2020/21 07/01– 09/30/2020	2019/20 04/01– 09/30/2019	2020/21 04/01– 09/30/2020	Change in %
Revenue	3,336.1	2,397.3	3,205.5	2,712.8	6,541.6	5,110.1	−21.9
EBITDA	370.9	157.8	294.6	237.2	665.5	395.0	−40.6
EBITDA margin	11.1%	6.6%	9.2%	8.7%	10.2%	7.7%	
EBIT	156.7	−48.7	72.9	−166.3	229.6	−215.0	−193.6
EBIT margin	4.7%	−2.0%	2.3%	−6.1%	3.5%	−4.2%	
Profit before tax	124.4	−74.4	38.1	−193.1	162.5	−267.5	−264.6
Profit after tax[1]	90.4	−69.7	24.8	−206.1	115.2	−275.8	−339.4
Employees (full-time equivalent), end of period	51,670	47,894	51,275	47,917	51,275	47,917	−6.5

[1] Before deduction of interest on hybrid capital (where relevant) and non-controlling interests.

Net financial debt can be broken down as follows:

NET FINANCIAL DEBT

In millions of euros	09/30/2019	09/30/2020
Financial liabilities, non-current	3,584.6	3,810.2
Financial liabilities, current	1,689.1	824.2
Cash and cash equivalents	−312.5	−1,060.0
Other financial assets	−442.5	−62.6
Loans and other receivables from financing	−15.6	−20.8
Net financial debt	**4,503.1**	**3,491.0**

STEEL DIVISION

QUARTERLY DEVELOPMENT OF THE STEEL DIVISION

In millions of euros	Q1		Q2		H1		
	2019/20 04/01–06/30/2019	**2020/21** 04/01–06/30/2020	**2019/20** 07/01–09/30/2019	**2020/21** 07/01–09/30/2020	**2019/20** 04/01–09/30/2019	**2020/21** 04/01–09/30/2020	**Change in %**
Revenue	1,182.1	834.9	1,139.0	995.6	2,321.1	1,830.5	–21.1
EBITDA	150.6	68.2	109.9	93.4	260.5	161.6	–38.0
EBITDA margin	12.7%	8.2%	9.6%	9.4%	11.2%	8.8%	
EBIT	60.8	–13.5	20.2	–155.2	81.0	–168.7	–308.3
EBIT margin	5.1%	–1.6%	1.8%	–15.6%	3.5%	–9.2%	
Employees (full-time equivalent), end of period	10,730	10,181	10,682	10,321	10,682	10,321	–3.4

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

To a significant degree, the start of the business year 2020/21 was characterized by the COVID-19 pandemic. It determined events especially in the first quarter, causing meltdowns in almost all customer segments. But demand recovered over the remainder of the business year's first half once the lockdowns in many European countries ended.

Considering the circumstances, the **consumer goods and white goods industries** did well even during the difficult first business quarter, and they returned to stable demand levels quite soon after the end of the European lockdowns. Likewise, the construction industry, which had to contend with construction site closures during these lockdowns, rapidly returned to the position it had occupied prior to the spread of COVID-19.

The **automotive industry** in Europe largely shut down all production in April 2020, gradually starting it up again in May and June. The initially slow rebound gathered speed over the Northern summer. By the end of the first half of the business year 2020/21, demand in the automotive segment had returned more or less to the levels recorded before the outbreak of the COVID-19 pandemic. Aside from the general upswing, however, this surprisingly strong rebound is also due to the replenishing of the supply chain. Supply chain inventories were greatly reduced during both the lockdowns in Europe and the shutdowns during the Northern summer.

Aside from plummeting demand in Europe, the **mechanical engineering industry** was hammered as well by the limitations on travel to its traditional export markets, with the result that demand dropped dramatically during the current business year's first six months. The momentum improved a little toward the end of this period.

The **energy sector** on the whole—a key market for the heavy plate product segment—came under extreme pressure. Aside from the weakening of demand on account of COVID-19, this was due mainly to the overproduction of both crude oil and natural gas. Moreover, commodity market contracts for future deliveries of crude oil (so-called "futures") even pushed oil prices into negative territory. While the heavy plate product segment can escape this development only in part, it performed fairly well anyway even during this period because it focused on special applications.

Owing to the sharp decline in demand, production capacities at the plant in Linz, Austria, had to be adjusted early on in the first half of the business year 2020/21, and a small blast furnace was shut down completely. The latter was restarted in September 2020 once demand rebounded over the reporting period and was back in full operation by its end.

The prices for iron ore continued to rise during the business year's first half and did not ease until its end despite the deep, global market distortions resulting from the COVID-19 pandemic. This is rooted in the fact that China has developed into the world's biggest consumer of iron ore. China succeeded in containing the pandemic within a fairly short time and drove the country's production of crude steel to new highs through state-sponsored investment projects. The prices of all other raw materials required for the production of steel—particularly coal and energy—dropped in reaction to the production curtailments outside of China, making it more or less possible to offset the iron ore price increases.

While steel prices in the European spot market declined at the start of the current business year due to shrinking demand, they stabilized after the European lockdowns ended and already began to climb again toward the end of the Northern summer. The Steel Division had to contend with price declines in its short and medium-term business also. Thanks to the contracts' structure, however, these were not as dramatic as those in the spot markets. On the whole, the structure of the contracts leads to a situation where price increases do not take hold until after a minor delay.

Given the steel production cutbacks in both North America and Europe, the Group's direct reduction plant in Texas, USA, was confronted with sharply lower demand from its existing customer base during most of the business year's first half. Its success in acquiring new customers in the Far East helped to offset this weakness only in part.

FINANCIAL KEY PERFORMANCE INDICATORS

The financial key performance indicators (KPIs) of the Steel Division for the first half of the business year 2020/21 were marked by the economic fallout from the COVID-19 pandemic. On the whole, revenue fell substantially by 21.1% to EUR 1,830.5 million year over year, down from EUR 2,321.1 million in the same period the previous year. Fewer deliveries of flat steel products account for about two-thirds of this outcome. Additionally, these products saw a marked decline in prices during the reporting period. It goes without saying that these effects also weighed on earnings. Countervailing measures such as instruments designed to decrease costs and increase efficiency had as much of a stabilizing effect on earnings as did state aid entailing short time work programs. The direct reduction plant in Texas, USA, delivered a substantially lower operating performance during the current business year's first half. Here, earnings were impacted by high input costs relative to fairly moderate revenue. As a result, the division's EBITDA dropped by 38.0%, from EUR 260.5 million in the first half of the business year 2019/20 to EUR 161.6 million in the reporting period, causing the EBITDA margin in turn to decline from 11.2% to 8.8%. At EUR –168.7 million (margin of –9.2%), the division's EBIT for the business year's six months is in negative territory. However, this includes EUR 167.6 million in negative non-recurring effects resulting from impairment losses at the Texas direct reduction plant. The division had generated EBIT of EUR 81.0 million (margin of 3.5%) in the same period the previous year.

The quarter-on-quarter comparison (QoQ) between the business year's first and second quarters reflects the economic meltdown at the beginning of the business year and the subsequent signs of a rebound. After slumping to a very low level of EUR 834.9 million in the first business quarter, revenue rose by 19.2% to EUR 995.6 million in the second. While prices in the short-term contract business declined slightly, the Steel Division succeeded in substantially boosting deliveries of flat steel products. This increase in quantities thus also drove the improvement in the operating result (EBITDA) by more than one third to EUR 93.4 million, up from EUR 68.2 million in the business year's first quarter, in turn raising the EBITDA margin from 8.2% to 9.4%. By contrast, negative EBIT jumped from EUR –13.5 million (margin of –1.6%) to EUR –155.2 million (margin of –15.6%). The EBIT for the second quarter of the business year 2020/21 was adversely affected by the aforementioned impairment losses of EUR 167.6 million.

As of September 30, 2020, the Steel Division had 10,321 employees (FTE), which means that the number of employees declined by 3.4% compared with the same reporting period the previous year (10,682 employees) and by 0.9% relative to the number as of the March 31, 2020, reporting date (10,419 employees). This reduction in human resources arises from the adjustments that were made owing to the exceptionally difficult market environment.

HIGH PERFORMANCE METALS DIVISION

QUARTERLY DEVELOPMENT OF THE HIGH PERFORMANCE METALS DIVISION

In millions of euros	Q1		Q2		H1		
	2019/20 04/01–06/30/2019	2020/21 04/01–06/30/2020	2019/20 07/01–09/30/2019	2020/21 07/01–09/30/2020	2019/20 04/01–09/30/2019	2020/21 04/01–09/30/2020	Change in %
Revenue	777.6	527.3	723.3	534.4	1,500.9	1,061.7	–29.3
EBITDA	99.2	40.4	78.2	36.4	177.4	76.8	–56.7
EBITDA margin	12.8%	7.7%	10.8%	6.8%	11.8%	7.2%	
EBIT	57.1	–1.5	35.3	–4.7	92.4	–6.2	–106.7
EBIT margin	7.3%	–0.3%	4.9%	–0.9%	6.2%	–0.6%	
Employees (full-time equivalent), end of period	14,302	12,902	13,837	12,381	13,837	12,381	–10.5

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The first half of the business year 2020/21 was defined by the COVID-19 pandemic. Its ramifications sharply curtailed demand for tool steel and special materials across all regions and industries. In addition to plummeting orders, intracompany measures to protect employees' health as well as state-mandated lockdowns affected capacity utilization at the production sites of the High Performance Metals Division during the first business quarter. Nonetheless, customer orders were fulfilled in timely fashion despite the difficult environment. The second business quarter also saw typical seasonal effects above and beyond the continued challenging market environment. Intensifying competitive pressures exacerbated price pressures at the same time.

The **tool steel** product segment was affected by the ongoing loss of momentum in the automotive industry that accelerated in the current business year. Demand declined because customers delayed new projects and models. The second business quarter saw a slight rebound, especially in China, compared with the preceding quarter.

Demand from the Asian consumer goods industry, a source of heavy order activity, also recovered during this quarter.

Developments regarding **special materials** were different, however. The massive cutbacks in the aerospace industry had significant consequences for the production rates of leading international aircraft manufacturers. Sharp declines in both the number of passengers and air travel dramatically affected the carriers' financial position as well as the need for new aircraft. In turn, this led to inventory reductions within the supply chains and thus to meltdowns in short-term orders as well as to postponements of long-term orders. Demand in this sector is expected to pick up only in the medium term.

The High Performance Metals Division was confronted with highly challenging conditions in the **oil and natural gas sector** also. While new exploration projects, especially in the U.S. fracking market, were hammered by the decline, complex, ongoing projects in Brazil, for example, continued. On the whole and thanks to its focus on high quality materials such as nickel-based alloys, the division succeeded in maintaining its competitive position internationally even in this difficult environment.

Activities in the segment comprising components and parts based on **additive manufacturing processes** (3D printing) expanded despite unfavorable market conditions. By now, the division encompasses a global network of 3D printing facilities as well as two fully equipped powder atomization centers in Austria and Sweden.

At the regional level, the division's performance in the first half of the business year 2020/21 was uneven. In **Europe,** the plant shutdowns across the automotive industry triggered a dramatic downturn in demand for tool steel. The second quarter saw only slight signs of a rebound, and the loss of momentum in the region's aerospace industry was even more pronounced.

In **North America,** the High Performance Metals Division was hit particularly hard by the negative economic effects of the COVID-19 pandemic because its product mix is focused on the aerospace as well as the oil and natural gas industries. The barriers to trade in the United States (protectionist Section 232 tariffs) as well as the anti-dumping sanctions the country levies on imports of steel products made matters worse. In **South America,** too, the division was confronted with the spread of COVID-19 and its ramifications.
Relatively speaking, order levels in **China** were positive during the first six months of the business year 2020/21. While demand in other Asian countries was substantially lower year over year, the situation in China improved rapidly. The rebound in the business year's second quarter was particularly pronounced.
The division's most important production sites in the country managed to maintain operations throughout the reporting period, albeit in part at substantially reduced levels of capacity utilization. Companies whose production is strongly aligned with the needs of the aerospace as well as the oil and natural gas industries suffered the most serious setbacks. Comprehensive cost reductions to stabilize earnings were implemented at these sites, and investment projects were delayed to shore up their financial position.

While shrinking demand substantially affected the **Value Added Services** business segment in Europe (especially Germany), sales in China continued to recover. Besides lowering costs, this segment reacted to the unfavorable business climate by reducing inventories also. Virtual meetings allowed this segment to maintain its focus on proactive customer service despite the limitations on travel during the first six months of the business year 2020/21.

FINANCIAL KEY PERFORMANCE INDICATORS

At EUR 1,061.7 million, the revenue of the High Performance Metals Division in the first half of the business year 2020/21 was 29.3% lower than the previous year's figure of EUR 1,500.9 million. This was due primarily to the year-over-year decrease in deliveries by more than 20%. Moreover, the decline in revenue was also due to slightly lower prices and a less favorable product mix. As a result, the economic downturn triggered by the COVID-19 pandemic disproportionately affected higher-priced special materials and forged products for the aerospace industry as well as for the oil and natural gas sector. The sharp drop in both production and delivery volumes in conjunction with the negative trends in both prices and product mix also shaped developments on the earnings side. Fundamental cuts on the cost side helped to limit the decline in the operating result (EBITDA). This includes structural adjustments in personnel capacities at those sites that are and will be affected in the long term by plummeting demand. Nevertheless, at EUR 76.8 million EBITDA for the first half of the business year 2020/21 falls short of the figure for the same period the previous year (EUR 177.4 million) by 56.7%. The EBITDA margin fell accordingly from 11.8% to 7.2%. At EUR –6.2 million (margin of –0.6%), the profit from operations (EBIT) for the reporting period is negative, compared with EUR 92.4 million for the first half of the business year 2019/20 (margin of 6.2%).

Revenue stabilized as per the quarter-on-quarter (QoQ) comparison between the first and second quarters of the business year 2020/21. While the revenue for the first business quarter was EUR 527.3 million, that for the subsequent quarter rose a little to EUR 534.4 million. A slightly rising trend in deliveries offset slightly lower prices. However, the expenses for the traditionally more extensive maintenance work on the equipment during the Northern summer caused EBITDA to decline by 9.9% to EUR 36.4 million in the second quarter of the current business year (Q1 2020/21: EUR 40.4 million). The EBITDA margin decreased accordingly from 7.7% to 6.8%. During the same period, the division's EBIT fell from EUR –1.5 million (margin of –0.3%) to EUR –4.7 million (margin of –0.9%). As of September 30, 2020, the number of employees (FTE) in the High Performance Metals Division was 12,381. This represents a significant reduction by 10.5% compared with the figure (13,837 employees) as of the same period the previous business year and a reduction by 7.6% relative to the March 31, 2020, reporting date (13,404 employees). The decline in the number of employees is rooted in the need to adjust the number of employees due to the changes in the structural parameters of key customer segments.

METAL ENGINEERING DIVISION

QUARTERLY DEVELOPMENT OF THE METAL ENGINEERING DIVISION

In millions of euros	Q 1		Q 2		H 1		
	2019/20 04/01–06/30/2019	2020/21 04/01–06/30/2020	2019/20 07/01–09/30/2019	2020/21 07/01–09/30/2020	2019/20 04/01–09/30/2019	2020/21 04/01–09/30/2020	Change in %
Revenue	778.8	669.2	758.7	666.7	1,537.5	1,335.9	–13.1
EBITDA	90.0	54.6	82.3	55.7	172.3	110.3	–36.0
EBITDA margin	11.6%	8.2%	10.8%	8.3%	11.2%	8.3%	
EBIT	44.9	10.3	31.4	–19.9	76.3	–9.6	–112.6
EBIT margin	5.8%	1.5%	4.1%	–3.0%	5.0%	–0.7%	
Employees (full-time equivalent), end of period	13,371	13,061	13,369	12,878	13,369	12,878	–3.7

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

Just as in the past two business years, the Metal Engineering Division's performance during the current business year to date has been bifurcated. The global Railway Systems business segment succeeded in continuing along the positive trajectory that has characterized its business in recent years and was affected but temporarily or regionally by the spread of the COVID-19 pandemic. The Industrial Systems business segment, by contrast, was confronted with substantially more difficult conditions in the same period. Both the automotive and the oil and natural gas customer segments already had to contend with declining momentum over the course of the past business year, but COVID-19 depressed demand yet further. In the wake of these developments, the planned maintenance work on one of the division's two blast furnaces at the Donawitz steel plant in Austria was moved forward by several weeks.

The performance of the turnout systems product segment, which is part of the **Railway Systems** business segment, was most satisfactory. Its project activities in Europe, Asia, Australia, and South America remained solid even though they were unable to fully escape the effects of COVID-19. In China, for example, activities related to the construction and maintenance of high-speed rail lines continued apace once the project stoppages triggered by the pandemic back in February 2020 were lifted. North America was the only region where maintenance projects in the rail technology segment were cut back owing to the substantial decline in the transportation of goods. Because the North American freight transportation business is private, maintenance work is predicated on macroeconomic developments. Activities in the rails product segment associated with the delivery of premium rails, which are focused mainly on Europe, were stable year over year. This translated into good capacity utilization in Donawitz, the Group's rail technology plant.

As mentioned above, the economic environment of the **Industrial Systems** business segment in the first half of the business year 2020/21 was particularly challenging. Governmental short time work programs, which the Group utilized, helped to somewhat alleviate the negative development. Cost-cutting measures were intensified, as were comprehensive programs aimed at boosting efficiency. Wire technology was one of the product segments that was hit particularly hard by the COVID-19 pandemic. This segment had to contend with low capacity utilization rates at its production facilities during the reporting period. The weeks-long production shutdowns at the original equipment manufacturers (OEMs) had a powerful effect, given its strong focus on the automotive supplier industry. Wire technology did not benefit from the incremental easing of conditions in the automotive industry until later on because its customers reduced inventories from within their value chains first.

The tubulars product segment was exposed to an equally difficult market environment. Declines in exploration activity worldwide due to low crude oil prices triggered sharp declines in demand for high quality seamless tubes. In the United States, the segment's main market, the administration's protectionist Section 232 tariffs weighed on its competitiveness, as did the weakening market momentum. While oil prices have rebounded somewhat in recent months after collapsing in March 2020, the global oil giants will continue to curtail their drilling activities during the remainder of the current business year. Against this backdrop, voestalpine's Metal Engineering Division utilized short time work programs and carried out necessary, structural cuts on the cost side.

Capacity utilization at the production sites of the welding product segment (welding technology) did shrink a bit during the first six months of the business year 2020/21, but the dampening of economic sentiment in this segment was not as pronounced as it was in the wire technology and tubulars segments. In contrast to China, where demand was very good overall, the momentum in North America remained very weak. The economic environment in South America was somewhat satisfactory despite high COVID-19 infection rates in Brazil, the division's most important market on that continent.

FINANCIAL KEY PERFORMANCE INDICATORS

Relatively speaking, the Metal Engineering Division was the division of the voestalpine Group that was least affected by declines in revenue during the reporting period—thanks to the very stable development of its Railway Systems business segment, which generates approximately one half of its revenue stream. Year over year, the division's revenue fell nonetheless by 13.1%, from EUR 1,537.5 million in the first half of the business year 2019/20 to EUR 1,335.9 million in the first half of the business year 2020/21, owing to the exceedingly unfavorable environment in Industrial Systems, the division's other business segment. Those product segments of Industrial Systems that are strongly aligned with the automotive industry as well as the oil and natural gas sector were hammered by huge declines in delivery volumes. The tubulars product segment already saw a significant decline in capacity utilization the previous business year. Plummeting drilling activities in the oil and natural gas industries further intensified the situation this business year. By contrast, the wire technology product segment, which is highly dependent on the automotive supplier industry, has seen an expanding rebound after demand evaporated early on in the business year.

The cost structure adjustments made in light of diminished demand acted as a break on the decline in the earnings of Industrial Systems, as did state-sponsored support and stimulus programs aimed at mitigating the fallout from the COVID-19 pandemic. Owing to the very robust performance of Railway Systems, as indicated by the following key performance indicators (KPIs), the division's EBITDA for the business year's first half dropped by only about one third to EUR 110.3 million, down from EUR 172.3 million for the same period the previous year. The EBITDA margin fell accordingly from 11.2% to 8.3%. The EBIT of the Metal Engineering Division for the reporting period is negative EUR 9.6 million (margin of –0.7%). Aside from plummeting demand, the Industrial Systems business segment was affected also by non-recurring effects. The segment took a total of EUR 30.9 million in impairments, most of which are attributable to the tubulars product segment. In the same period of the previous year, the division had still generated EBIT of EUR 76.3 million (margin of 5.0%).

The quarter-on-quarter comparison (QoQ) between the business year's first and second quarters shows that its trends with respect to both revenue and earnings were stable throughout. Solely Industrial Systems exhibited diametrically opposed trends. While conditions in the tubulars product segment continued to deteriorate in the second business quarter, the environment of the wire technology product segment gradually brightened. Against this backdrop, the revenue of EUR 666.7 million in the second quarter of the business year 2020/21 was more or less equivalent to the revenue of EUR 669.2 million in the preceding quarter. The numbers for the Metal Engineering Division's earnings also held steady. EBITDA for the second business quarter is EUR 55.7 million (margin of 8.3%) and thus almost exactly the same as for the first (EUR 54.6 million, margin of 8.2%). But EBIT entered negative territory on account of the aforementioned non-recurring effects. After EUR 10.3 million (margin of 1.5%) in the first business quarter, the division posted EBIT of EUR –19.9 million (margin of –3.0%) in the subsequent quarter.

At 12,878, the number of employees (FTE) in the Metal Engineering Division as of September 30, 2020, is 3.7% less than the previous year's figure of 13,369. This is 3.2% lower than the number as of the March 31, 2020, reporting date (13,310 employees). The reduction in personnel is due to the challenging conditions in the Industrial Systems business segment.

METAL FORMING DIVISION

QUARTERLY DEVELOPMENT OF THE METAL FORMING DIVISION

In millions of euros	Q 1		Q 2		H 1		
	2019/20 04/01– 06/30/2019	2020/21 04/01– 06/30/2020	2019/20 07/01– 09/30/2019	2020/21 07/01– 09/30/2020	2019/20 04/01– 09/30/2019	2020/21 04/01– 09/30/2020	Change in %
Revenue	737.6	456.0	715.7	636.5	1,453.3	1,092.5	–24.8
EBITDA	58.4	14.6	48.7	65.5	107.1	80.1	–25.2
EBITDA margin	7.9%	3.2%	6.8%	10.3%	7.4%	7.3%	
EBIT	24.3	–20.7	13.8	30.6	38.1	9.9	–74.0
EBIT margin	3.3%	–4.5%	1.9%	4.8%	2.6%	0.9%	
Employees (full-time equivalent), end of period	12,374	10,854	12,486	11,443	12,486	11,443	–8.4

MARKET ENVIRONMENT AND BUSINESS DEVELOPMENT

The Metal Forming Division was confronted with a volatile market environment in the first half of the business year 2020/21. Following extremely difficult conditions at the start of the current business year owing to the spread of the COVID-19 pandemic, demand gradually improved in the division's major customer segments. Employees at many of its European sites were registered for short time work in response to the meltdown in demand. In light of the unfavorable economic parameters, the division focused on measures to decrease costs and increase efficiency.

The comprehensive lockdowns in connection with the COVID-19 pandemic triggered revenue meltdowns in the **Automotive Components** business

segment. From the middle of March 2020, auto manufacturers in Europe shut down production for several weeks. From the end of April through mid-May, the production plants were started up again and capacities were raised on a continuous basis. Excepting the seasonal shutdowns over the Northern summer, the production rates in European automotive plants and thus those of the automotive supplier industry continued to rise in the business year's second quarter. By focusing on the premium segment, the production facilities of the Automotive Components business segment profited from a quicker recovery.
voestalpine's automotive component plants in North America were exposed to developments mirroring those in Europe. Here, too, the original equipment manufacturers (OEMs) shut down production across the board at roughly the same time. The stoppages at the Metal Forming Division's automotive customers lasted a while longer, but some of the ramp-up curves were steeper. Supply chain difficulties were a key reason for the extended shutdowns among OEMs. In China, the COVID-19 pandemic had spread several weeks earlier than elsewhere. Hence the meltdown in demand had already affected the Automotive Components business segment in the fourth quarter of the business year 2019/20. Demand for passenger cars, however, recovered much sooner than other areas. Capacity utilization at voestalpine's plants in China thus had returned to a good level by the start of the current business year.

While the **Tubes & Sections** business segment was confronted with an equally challenging market environment at the start of the business year 2020/21, it too recovered steadily over the course of the reporting period. The rebound curve for deliveries of security-related tube components used in the automotive industry was a bit flatter compared to that for Automotive Components. This is mainly due to the fact that these products are shipped to the global automotive supplier industry and that this sector's recovery was delayed somewhat on account of inventory levels. Orders for components from the commercial vehicle industry improved as well during the business year's first half. The production facilities of Tubes & Sections benefited from the solar industry's growing orders among others. Orders related to sections for storage systems remained positive throughout the reporting period. In regional terms, Great Britain was confronted with a dramatic decline in orders at the start of the current business year, but the economic environment improved over time. Conditions in Brazil, the largest country in South America, were similar but brightened incrementally despite high infection rates. The boom in storage technology chiefly drove the good capacity utilization at the Metal Forming Division's plants in the United States, in effect offsetting the dramatic decline in component orders from the aerospace industry.

While the performance of the **Precision Strip** business segment in the first half of the business year 2020/21 followed a flatter trend compared with previous years, it was satisfactory on the whole. Order levels were good during the reporting period; orders particularly from the packaging industry also improved toward its end. Component orders in North America were positive over all, despite the highly volatile environment. China saw a slight rebound as early as in the first business quarter, whereas the economic climate in Europe brightened a little bit only in the subsequent quarter.

The **Warehouse & Rack Solutions** business segment not only continued to rack up excellent numbers just as it had in the previous years, it actually booked record orders in the business year's first quarter. This ensures good capacity utilization at the division's sites through the end of the business year. Additional projects are nearing completion. While Europe is its main market, the segment is increasingly expanding into the North American market also. The global spread of COVID-19 has continued to accelerate the trend toward online shopping and hence the need for efficient storage systems.

FINANCIAL KEY PERFORMANCE INDICATORS

The financial key performance indicators (KPIs) of the Metal Forming Division show that the numbers for the reporting period are substantially lower due to the dampening of economic sentiment in connection with the COVID-19 pandemic. Over all, revenue fell by 24.8% to EUR 1,092.5 million in the first half of the business year 2020/21, down from EUR 1,453.3 million in the first half of the business year 2019/20. The Automotive Components business segment recorded the largest minus owing to automakers' weeks-long production shutdowns in both Europe and the United States. Dramatic drops in revenue also hammered two other business segments, Tubes & Sections and Precision Strip. The earnings performance of the division's individual business segments was similar. But substantial cost measures as well as public support in connection with the state-sponsored short time work programs stabilized the situation in the extremely challenging environment. While the business segments' operating results (EBITDA) shrank as a result, the declines remained modest. Warehouse & Rack Solutions, which delivered stable EBITDA performance in an environment marked by downturns, was the exception. Against this backdrop and at negative 25.2%, the reduction in EBITDA for the first half of the business year 2020/21 to EUR 80.1 million was moderate (first half of the business year 2019/20: EUR 107.1 million). Because the declines in both revenue and EBITDA are almost identical, the EBITDA margin of 7.3% for the reporting period is more or less the same as in the previous year (7.4%). The profit from operations (EBIT) plunged by 74.0% to EUR 9.9 million (margin of 0.9%) year over year, down from EUR 38.1 million (margin of 2.6%) in the same period the previous year.

However, the quarter-on-quarter comparison (QoQ) between the first and second quarters of the business year 2020/21 shows that the Metal Forming Division achieved massive increases in its KPIs. The comparison clearly highlights the rebound of the division's two larger business segments (Tubes & Sections and Automotive Components) in major customer segments, as manifested in the 39.6% revenue jump, from EUR 456.0 million in the current business year's first quarter to EUR 636.5 million in the second. EBITDA climbed from a low level during the same period, from EUR 14.6 million (margin of 3.2%) to EUR 65.5 million (margin of 10.3%). While EBIT at EUR –20.7 million (margin of –4.5%) was still negative for the first quarter, it turned around substantially in the subsequent quarter, reaching EUR 30.6 million (margin of 4.8%).

The change in the number of the Metal Forming Division's employees reflects the steps that had to be taken with respect to personnel in this challenging environment. As of September 30, 2020, the number of employees (FTE) fell to 11,443 and thus was 8.4% lower than the previous year's figure of 12,486. This is 1.6% lower than the number as of the March 31, 2020, reporting date (11,633 employees).

INVESTMENTS

The voestalpine Group successfully carried out a number of strategically relevant investments in recent years. They include laying the groundwork to strengthen voestalpine's leadership in quality and technology, investments required for replacement purposes and, last but not least, select projects aimed at expansion. These approaches to growth in technologically advanced customer segments went hand in hand with a greater emphasis on regional diversification, both of which enabled the Group to create a bigger footprint globally. The business year 2019/20 ushered in a consolidation phase. For one, consolidation serves to optimize existent facilities' daily operations; for another, it shifted the Group's focus to generating cash flows in a challenging environment. While the stated goal is to substantially reduce investments during the business year 2020/21 compared with the previous year yet again, the voestalpine Group will not deviate, now or in the future, from its core strategy of protecting its position as a technological pioneer. It will continue to implement far-reaching and cutting-edge programs in the near future. Against this backdrop, the Group's investment volume in the first half of the business year 2020/21 was EUR 244.9 million. This means that investments in property, plant, and equipment; intangible assets; and equity investments declined by 27.4% compared with the previous year (EUR 337.5 million).

Investments of the Steel Division declined year over year by 17.6%, from EUR 72.2 million in the first half of the business year 2019/20 to EUR 59.5 million in the reporting period. The fact that numerous important plants were upgraded in recent business years—thus also setting new technological standards—is the reason for the low investment volume relative to current depreciation. These next-generation facilities make it possible to produce a wide range of high quality steel grades. Projects with a more manageable scope predominated during the current business year's first six months. Among other things, the Steel Division is investing in a testing center that will be used to determine the mechanical properties of cold-rolled strip steel. The heavy plate product segment saw the launch of a new straightening machine, and a slitting line is nearing its launch at the division's Steel Service Center in Linz, Austria.

At EUR 97.9 million, the investment volume of the High Performance Metals Division in the first half of the business year 2020/21 (previous year: EUR 114.3 million) was moderately higher than that of the Group's other three divisions. While this division continued to push the construction of its new special steel plant in Kapfenberg, Austria, despite the COVID-19 pandemic, the latter did trigger a number of delays. Construction of the steel mill production floor was completed in the business year 2019/20. Project management is now focused on the assembly of units for mechanical components; on connecting the mill to water, gas, and other utilities; as well as on the electrics.

At EUR 42.1 million, the investment volume of the Metal Engineering Division in the first six months of the business year 2020/21 was 31.3% less than the previous year's volume of EUR 61.3 million. Due to lower demand from downstream operations owing to the COVID-19 pandemic, planned maintenance work at one of the two blast furnaces in Donawitz, Austria, was initiated a few weeks earlier than planned. The work was completed in due course over the summer. On September 22, 2020, this division started up the world's most advanced continuous casting facility (CC4) at its Donawitz plant. The launch of this fully automated facility will enable further quality improvements in the production of steel grades for the Metal Engineering Division's downstream processing units.

At EUR 42.0 million, the Metal Forming Division also significantly lowered its investments in the reporting period compared with the previous year (EUR 81.0 million). This division had already scaled back its Automotive Components internationalization projects during the previous business year in order to focus instead on optimizing existent plants. Its most important project in the business year 2020/21 concerns the construction of what is already the fourth phs-ultraform® line in China, which will cover the additional needs of well-known automotive customers. The start-up phase of the third unit for producing press-hardening steel in China was not launched until the fall of the calendar year 2019.

BUSINESS TRANSACTIONS WITH ASSOCIATED COMPANIES OR PARTIES

Information regarding business transactions with associated companies and parties is available in the Notes.

RISK MANAGEMENT

Proactive risk management, as it has been understood by and practiced in the voestalpine Group for many years, serves both to ensure the existence of the Group as a going concern in the long term and to boost its value and thus is key to the success of the Group over all. 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 the resulting state of emergency continued to dominate the first half of the business year 2020/21. As part of Group-wide crisis management, crisis teams were established on three decision-making levels (Group, divisions, companies) at the onset of the pandemic; they are tasked with ensuring rapid and coordinated approaches at all of the Group's sites even during these difficult times. Rapidly instituted measures—such as hygienic and protective measures to ensure employees' safety; short time work; reduction of time credits; safeguarding liquidity; early annual plant/office closings; adjustment and limitation of production activities in keeping with existent supply chains as well as regular exchanges of information with our key customers and suppliers—helped us during the first half of the current business year to maintain operations as best as possible and ensure the organization's stability. All of this enabled the voestalpine Group to adapt well to the completely new environment. 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. Further developments in the pandemic and the actions that individual countries take to fight the disease and stimulate their economies will continue to have a massive impact on the economic development of the world's different regions.

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. The material fields of risk and the respective measures to minimize risk, which were presented and described in detail in the Annual Report 2019/20 of the voestalpine Group (Annual Report 2019/20, "Report on the Company's Risk Exposure") thus remain valid for this interim management report.

It must be noted with respect to the **Austrian energy tax rebate** that the Austrian Federal Finance Court *(Bundesfinanzgericht)* directed a request for a preliminary ruling to the European Court of Justice (ECJ) (BFG 10/31/2014, RE/5100001/2014).

The amendment of the Austrian Energy Tax Rebate Act *(Energieabgabenvergütungsgesetz)* by means of the 2011 Austrian Budget Accompanying Act *(Budgetbegleitgesetz, BBG 2011),* which applies to periods after December 31, 2010, limited the energy tax rebate to manufacturing companies. Subsequently, the question of whether this restriction, which may be deemed state aid, violated EU law was submitted to the ECJ for a preliminary ruling; the Court responded in the affirmative (ECJ 7/21/2016, docket no. C-493/14, Dilly's Wellnesshotel GmbH). As a result, the restrictions pursued by the BBG 2011 did not enter into force with legal effect. Service providers, in particular, thus can retroactively claim the energy tax rebate for periods after February 1, 2011. In its subsequent ruling, the Austrian Federal Finance Court declared that the restriction to manufacturing companies did not take effect. The Appeals Division of the Tax Office appealed this decision to the Austrian Higher Administrative Court, which in September 2017 (decision dated 9/14/2017, EU 2017/0005 and 0006-1) again sought recourse with the ECJ. The decision of the ECJ dated November 14, 2019 (ECJ 11/14/2019, docket no. C-585/17, Dilly's Wellnesshotel II) confirms that the limitation to manufacturing companies imposed by the BBG 2011 was put in place in ways consonant with European Union law. In its subsequent ruling dated December 18, 2019 (docket no. Ro 2016/15/0041), the Higher Administrative Court followed the ECJ's holding. No adverse effects are anticipated for the voestalpine Group from the Higher Administrative Court's ruling, which concludes the case.

The pandemic may cause individual jurisdictions to take a variety of statutory steps that will affect production parameters and the respective Group companies' ability to act in economic terms.

Based on the insights gained from **economic and financial crises** in the recent past and their effects on the voestalpine Group, additional steps—primarily of a corporate nature—were taken in recent years to minimize the Group's risk exposure; these measures are also described in detail in the Annual Report 2019/20, and they have been and are being consistently pursued further in the current business year. Consequences arising from (punitive) tariffs and global trade wars are subject to continuous monitoring as well in this challenging economic environment.
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, as of the present interim reporting date, the operating risks facing the voestalpine Group above and beyond global crises and their ramifications are limited and manageable. As regards the COVID-19 crisis and its associated global ramifications, which cannot be predicted in their entirety from today's vantage point, going forward the voestalpine Group will continue to do everything in its power to overcome this situation—which is very difficult for each and every individual and for the company on the whole—to the best of its ability.

OUTLOOK

There has been a dramatic increase in the number of COVID-19 infections in many areas of the world since the end of the reporting period. In Europe, many EU member states have reacted by imposing lockdowns of varying severity yet again. The impact of these measures on economic growth going forward cannot be prognosticated in detail at the time this report is published. What is certain, however, is that the uncertainty regarding forecasts of future developments is much greater now.

Against this backdrop, the voestalpine Group will continue to focus on cost management and earnings stabilization. At the same time, our efforts to manage working capital will remain high and investments will remain low in order to strengthen the Group's cash flow as well as its asset and capital structure.

It is to be expected in any case even though the situation regarding COVID-19 has intensified that the gradual improvement in the economic environment at the end of the first half of the business year 2020/21 will continue as the business year progresses. With the exception of the oil and natural gas sector as well as the aerospace industry, the positive trend in demand for products of the voestalpine Group in all major market segments should continue unabated in the business year's second half.

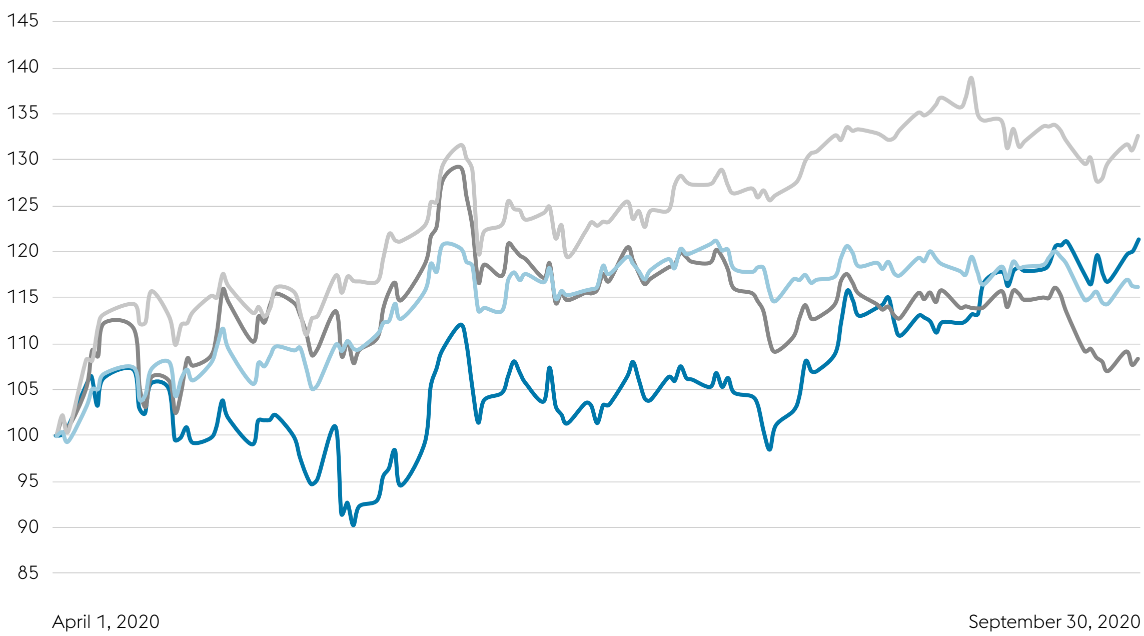
Assuming that there will be no other material constraints on economic activity owing to the COVID-19 pandemic, such as additional governmental restrictions, the Management Board currently forecasts EBITDA of between EUR 800 million and EUR 1 billion for the entire business year 2020/21.

INVESTOR RELATIONS

voestalpine AG VS. THE ATX AND INTERNATIONAL INDICES

Changes compared to March 31, 2020, in %

voestalpine — ATX (Austria) — STOXX Index (Europe) — DJ Industrial Index (USA)



DEVELOPMENT OF THE voestalpine SHARE

On the international capital markets, the fourth quarter of the Group's previous business year (which equates to the first quarter of the 2020 calendar year) was dominated by the fallout from the COVID-19 pandemic. Shares plunged dramatically in direct response to the rise in the number of infections globally. The market rebound that began at the end of March 2020 continued into the start of the Group's business year 2020/21 (which equates to the second calendar quarter). This development was driven first and foremost by national governments' announcements of wide-ranging support measures designed to limit increases in both corporate bankruptcies and unemployment and thus to boost consumer confidence. But share prices continued to fluctuate widely, given the ongoing spread of COVID-19 worldwide. In contrast to the general trend, however, the voestalpine share shed some of its value in the first few weeks of the business year 2020/21. The voestalpine Group's strong orientation toward the automotive customer segment had a negative effect owing to comprehensive production shutdowns at original equipment manufacturers (OEMs). On May 21, 2020, the voestalpine share dropped to EUR 16.74, its lowest in the current business year to date. An upward trajectory followed once European governments managed somewhat to get a grip on the spread of COVID-19. Economists' forecasts became more optimistic as a result. Orders from the automotive industry picked up again, in turn boosting capacity utilization rates as well as prices in the European steel industry. In sum, these factors led to more positive assessments by investors.

Against this backdrop, the voestalpine share rose by 21.4% in the first six months of the current business year, from EUR 18.54 as of April 1, 2020, to EUR 22.50 as of September 30, 2020. The two benchmark indices, ATX and STOXX (Europe), rose by a mere 8.4% and 16.2%, respectively, during the same period. By contrast, the Dow Jones Industrial delivered much better performance, rising by almost one third between early April 2020 and the end of September 2020.

BONDS

Type of bond	ISIN number	Issuing volume	Interest rate	Share price (09/30/2020)
Corporate bond 2014–2021	AT0000A19S18	EUR 400 million	2.250%	100.29
Corporate bond 2017–2024	AT0000A1Y3P7	EUR 500 million	1.375%	100.59
Corporate bond 2019–2026	AT0000A27LQ1	EUR 500 million	1.750%	101.30

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

» Baader Bank AG, Munich
» Bank of America/Merrill Lynch, London
» Citigroup, London
» Commerzbank, Frankfurt
» Credit Suisse, London
» Deutsche Bank, London
» Erste Bank, Vienna
» Exane BNP Paribas, Paris
» Jefferies, London
» J.P. Morgan, London
» Kepler Cheuvreux, Frankfurt
» Morgan Stanley, London
» Oddo BHF, Paris
» Raiffeisen Centrobank, Vienna
» Société Génerale, Paris

SHARE INFORMATION

Share capital	EUR 324,391,840.99 divided into 178,549,163 no-par value shares
Treasury shares as of September 30, 2020	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 2020 to September 2020	EUR 22.50
Share price low, April 2020 to September 2020	EUR 16.74
Share price as of September 30, 2020	EUR 22.50
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, 2020[1]	EUR 4,016,713,860.00

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

BUSINESS YEAR 2019/20

Earnings per share	EUR –1.24
Dividend per share	EUR 0.20
Carrying amount per share as of March 31, 2020	EUR 30.69

FINANCIAL CALENDAR

Q 3 2020/21 Report	February 9, 2021
Annual Report 2020/21	June 9, 2021
Record date for attendance at the AGM	June 27, 2021
Annual General Meeting (AGM)	July 7, 2021
Ex-dividend date	July 15, 2021
Record date for dividend payment	July 16, 2021
Dividend payment date	July 19, 2021
Q 1 2021/22 Report	August 4, 2021
Q 2 2021/22 Report	November 10, 2021

voestalpine AG

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF 09/30/2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

	03/31/2020	09/30/2020
A. Non-current assets		
Property, plant and equipment	6,558.8	6,154.2
Goodwill	1,494.9	1,468.1
Other intangible assets	338.6	318.6
Investments in entities consolidated according to the equity method	127.6	129.9
Other financial assets and other equity investments	65.9	73.6
Deferred tax assets	283.9	293.9
	8,869.7	**8,438.3**
B. Current assets		
Inventories	3,598.2	3,327.5
Trade and other receivables	1,650.1	1,522.3
Other financial assets	55.4	62.6
Cash and cash equivalents	794.7	1,060.0
	6,098.4	**5,972.4**
Total assets	**14,968.1**	**14,410.7**

In millions of euros

EQUITY AND LIABILITIES

	03/31/2020	09/30/2020
A. Equity		
Share capital	324.3	324.3
Capital reserves	660.3	660.3
Retained earnings and other reserves	4,493.6	4,155.7
Equity attributable to equity holders of the parent	**5,478.2**	**5,140.3**
Non-controlling interests	136.7	130.3
	5,614.9	**5,270.6**
B. Non-current liabilities		
Pensions and other employee obligations	1,277.9	1,349.4
Provisions	92.4	88.5
Deferred tax liabilities	92.5	92.2
Financial liabilities	3,889.7	3,810.2
	5,352.5	**5,340.3**
C. Current liabilities		
Provisions	646.9	608.5
Tax liabilities	38.8	47.5
Financial liabilities	754.1	824.2
Trade and other payables	2,560.9	2,319.6
	4,000.7	**3,799.8**
Total equity and liabilities	**14,968.1**	**14,410.7**

In millions of euros

CONSOLIDATED STATEMENT OF CASH FLOWS

	04/01–09/30/2019	04/01–09/30/2020
Operating activities		
Profit after tax	115.2	–275.8
Non-cash expenses and income	422.8	638.1
Change in inventories	–146.4	226.0
Change in receivables and liabilities	–83.8	–0.6
Change in provisions	–105.8	–24.9
Changes in working capital	**–336.0**	**200.5**
Cash flows from operating activities[1]	**202.0**	**562.8**
Investing activities		
Additions to other intangible assets, property, plant and equipment	–387.0	–290.3
Income from disposals of assets	2.1	8.3
Cash flows from the loss of control of subsidiaries	0.0	0.2
Additions to/divestments of other financial assets	–264.6	–5.5
Cash flows from investing activities	**–649.5**	**–287.3**
Financing activities		
Dividends paid	–196.3	–35.7
Dividends paid, non-controlling interests	–18.5	–14.3
Capital increase, non-controlling interests	0.0	0.8
Acquisition of non-controlling interests	–3.2	0.0
Increase in non-current financial liabilities	555.2	156.9
Repayment of non-current financial liabilities	–487.5	–52.3
Repayment of lease liabilities	–34.4	–23.3
Change in current financial liabilities and other financial liabilities	460.8	–32.8
Cash flows from financing activities	**276.1**	**–0.7**
Net decrease/increase in cash and cash equivalents	**–171.4**	**274.8**
Cash and cash equivalents, beginning of reporting period	485.9	794.7
Net exchange differences	–2.0	–9.5
Cash and cash equivalents, end of reporting period	**312.5**	**1,060.0**

[1] Cash flows from operating activities include interest received of EUR 6.3 million (04/01–09/30/2019: EUR 4.1 million), interest paid of EUR 52.9 million (04/01–09/30/2019: EUR 46.4 million), taxes paid of EUR 22.6 million (04/01–09/30/2019: EUR 78.4 million), and dividend income of EUR 4.9 million (04/01–09/30/2019: EUR 5.9 million).

In millions of euros

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

	04/01–09/30/2019	04/01–09/30/2020	07/01–09/30/2019	07/01–09/30/2020
Revenue	**6,541.6**	**5,110.1**	**3,205.5**	**2,712.8**
Cost of sales	–5,356.9	–4,425.6	–2,675.2	–2,320.7
Gross profit	**1,184.7**	**684.5**	**530.3**	**392.1**
Other operating income	222.2	274.0	132.3	134.5
Distribution costs	–600.1	–485.3	–297.9	–245.7
Administrative expenses	–356.4	–312.5	–170.9	–150.9
Other operating expenses	–226.9	–383.4	–123.6	–301.5
Share of profit of entities consolidated according to the equity method	6.1	7.7	2.7	5.2
EBIT	**229.6**	**–215.0**	**72.9**	**–166.3**
Finance income	23.1	15.2	13.7	5.1
Finance costs	–90.2	–67.7	–48.5	–31.9
Profit before tax	**162.5**	**–267.5**	**38.1**	**–193.1**
Tax expense	–47.3	–8.3	–13.3	–13.0
Profit after tax	**115.2**	**–275.8**	**24.8**	**–206.1**
Attributable to:				
Equity holders of the parent	97.2	–272.5	19.6	–202.0
Non-controlling interests	4.8	–3.3	–0.5	–4.1
Share (planned) for hybrid capital owners	13.2	0.0	5.7	0.0
Diluted and basic earnings per share (euros)	**0.54**	**–1.53**	**0.10**	**–1.13**

In millions of euros

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED OTHER COMPREHENSIVE INCOME

	04/01–09/30/2019	04/01–09/30/2020	07/01–09/30/2019	07/01–09/30/2020
Profit after tax	**115.2**	**–275.8**	**24.8**	**–206.1**
Items of other comprehensive income that will be reclassified subsequently to profit or loss				
Cash flow hedges	–11.1	40.0	–7.4	21.5
Currency translation	–6.5	–6.7	9.1	–6.1
Share of result of entities consolidated according to the equity method	–1.1	–0.8	0.2	–0.2
Subtotal of items of other comprehensive income that will be reclassified subsequently to profit or loss	**–18.7**	**32.5**	**1.9**	**15.2**
Items of other comprehensive income that will not be reclassified subsequently to profit or loss				
Actuarial gains/losses[1]	–95.7	–63.0	–41.0	–12.7
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	**–95.7**	**–63.0**	**–41.0**	**–12.7**
Other comprehensive income for the period, net of income tax	**–114.4**	**–30.5**	**–39.1**	**2.5**
Total comprehensive income for the period	**0.8**	**–306.3**	**–14.3**	**–203.6**
Attributable to:				
Equity holders of the parent	–16.1	–301.7	–19.7	–199.0
Non-controlling interests	3.7	–4.6	–0.3	–4.6
Share (planned) for hybrid capital owners	13.2	0.0	5.7	0.0
Total comprehensive income for the period	**0.8**	**–306.3**	**–14.3**	**–203.6**

[1] The valuation of the social capital was based on an interest rate of 0.8% as of September 30, 2020 (1.5% as of March 31, 2020) and 0.8% as of September 30, 2019 (1.5% as of March 31, 2019).

In millions of euros

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	H 1 2019/20			H 1 2020/21		
	Group	Non-controlling interests	Total equity	Group	Non-controlling interests	Total equity
Equity as of April 1	**6,544.0**	**165.8**	**6,709.8**	**5,478.2**	**136.7**	**5,614.9**
Total comprehensive income for the period	–2.9	3.7	0.8	–301.7	–4.6	–306.3
Dividends to shareholders	–196.3	–14.0	–210.3	–35.7	–9.3	–45.0
Hybrid capital	–500.0	–	–500.0	–	–	–
Share-based payment	–1.1	–	–1.1	–	–	–
Other changes	–6.6	2.1	–4.5	–0.5	7.5	7.0
Equity as of September 30	**5,837.1**	**157.6**	**5,994.7**	**5,140.3**	**130.3**	**5,270.6**

In millions of euros

GENERAL INFORMATION / ACCOUNTING POLICIES

These Interim Consolidated Financial Statements of voestalpine AG as of September 30, 2020, for the first half of the business year 2020/21 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 2020. The accounting policies are unchanged from the Consolidated Financial Statements for the business year 2019/20, 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 2020/21:

Standard	Content	Effective date[1]
Framework, amendments	Amendments to References to the Conceptual Framework	January 1, 2020
IFRS 3, amendments	Definition of a Business	January 1, 2020
IAS 1 and IAS 8, amendments	Definition of Material	January 1, 2020
IFRS 9, IAS 39 and IFRS 7, amendments	Interest Rate Benchmark Reform	January 1, 2020

[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, 2020, 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 2019/20 (reporting date: September 30, 2019).

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

The COVID-19 pandemic had a massive impact—worldwide and at the macroeconomic level—on the first half of the business year 2020/21. Due to the restrictions on air travel, the globally declining demand for energy, and the production stoppages of automotive manufacturers during the lockdown, the aerospace, oil and natural gas as well as automotive industries were hit hard by the fallout of the COVID-19 pandemic. The automotive segment is already seeing a substantial rebound, whereas aerospace as well as oil and natural gas are still feeling the brunt of the COVID-19 pandemic. Revenue declined compared with the same period of the previous year due to the production stoppages and capacity reductions, particularly in the aforementioned segments. Above and beyond the consistent application of cost optimization programs, investments not absolutely necessary at this time were postponed. These postponements do not have a negative effect on the voestalpine Group's current business. The measures described above led to a highly positive liquidity position as of September 30, 2020 (see the Notes on the consolidated statement of cash flows).

The Group availed itself of various support measures during the first half of the business year 2020/21 on account of the worldwide COVID-19 crisis. In Austria, many Group companies implemented a short time work model, and foreign subsidiaries at a number of sites utilized programs similar to the Austrian short time work program for some of their employees. Resulting refunds were recognized as income in the consolidated income statement as of September 30, 2020 (see the Notes on the consolidated income statement). The number of employees subject to short time work has gradually decreased since the end of the lockdown. In addition, domestic and foreign subsidiaries utilized deferrals of social security contributions, non-wage costs, and taxes as of September 30, 2020, which are likely to be paid in full during the business year 2020/21. See the Notes on the consolidated statement of cash flows for further information.

Redundancy plans were put in place in connection with personnel reductions at the Group's facilities in Kapfenberg and Kindberg (both Austria) as well as in a few German companies. For details, see the Notes on the consolidated statement of financial position.

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, 2020, on uncertainties in accounting estimates and assumptions were repeatedly reviewed during the preparation of the present Interim Consolidated Financial Statements. They remain valid with the exception of the changes mentioned below.

» Impairment tests were conducted for all cash generating units and all units to which goodwill is allocated where an indication of impairment was identified. See the Note, Impairment losses and reversal of impairment losses.
» The aerospace segment's customers did not encounter any financial difficulties up to the reporting date (September 30, 2020) despite the challenging environment. However, while aircraft manufacturers did postpone some of the orders previously placed, this did not affect any revenue previously recognized as per IFRS 15.

CHANGES IN THE SCOPE OF CONSOLIDATION

The changes made in the scope of consolidation during the first half of the business year 2020/21 were as follows:

	Full consolidation	Equity method
As of April 1, 2020	**279**	**10**
Additions from acquisitions		
Change in the consolidation method and incorporation		
Additions	2	
Disposals		
Reorganizations	–2	
Divestments or disposals		
As of September 30, 2020	**279**	**10**
Of which foreign companies	225	4

The following entities were deconsolidated in the Interim Consolidated Financial Statements in the first half of the business year 2020/21:

Name of entity	Date of deconsolidation
Reorganizations	
Sturdell Industries Inc., CAN	April 1, 2020
Sturdell Industries, Inc., USA	April 1, 2020

The following entities are being included in the Interim Consolidated Financial Statements for the first time in the first half of the business year 2020/21:

Name of entity	Equity interest in %
Full consolidation	
VALIDA Railway Systems Investment Co. Ltd.	50.000%
voestalpine Signaling China Co. Ltd.	100.000%

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

SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Name of the subsidiary	Domicile	09/30/2019	09/30/2020
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%

In the reporting period, the total of all non-controlling interests is EUR 130.3 million (September 30, 2019: EUR 157.6 million), of which EUR 48.6 million (September 30, 2019: EUR 81.3 million) is attributable to voestalpine Tubulars GmbH & Co KG and EUR 32.0 million (September 30, 2019: EUR 30.6 million) is attributable to CNTT Chinese New Turnout Technologies Co., Ltd. The remaining non-controlling interests, considered individually, can be deemed immaterial for the Group.

Summarized financial information for each subsidiary with non-controlling interests that are material for the Group is depicted in the following chart. The figures correspond to 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.	
	09/30/2019	09/30/2020	09/30/2019	09/30/2020
Non-current assets	124.1	114.4	14.3	13.7
Current assets	147.9	88.9	90.8	97.9
Non-current provisions and liabilities	32.1	28.4	4.3	1.8
Current provisions and liabilities	118.6	94.1	39.9	45.7
Net assets (100%)	**121.3**	**80.8**	**60.9**	**64.1**

In millions of euros

SUMMARIZED INCOME STATEMENT

	voestalpine Tubulars GmbH & Co KG		CNTT Chinese New Turnout Technologies Co., Ltd.	
	04/01 – 09/30/2019	04/01 – 09/30/2020	04/01 – 09/30/2019	04/01 – 09/30/2020
Revenue	212.5	101.9	23.3	52.6
EBIT	–0.3	–28.2	6.9	13.8
Profit after tax	–1.6	–28.2	6.0	12.0
Attributable to:				
Equity holders of the parent	–0.8	–14.1	3.0	6.0
Non-controlling interests	–0.8	–14.1	3.0	6.0
Dividends paid to non-controlling interests	1.7	0.0	3.9	3.1

In millions of euros

SUMMARIZED STATEMENT OF CASH FLOWS

	voestalpine Tubulars GmbH & Co KG		CNTT Chinese New Turnout Technologies Co., Ltd.	
	04/01 – 09/30/2019	04/01 – 09/30/2020	04/01 – 09/30/2019	04/01 – 09/30/2020
Cash flows from operating activities	15.0	22.1	18.9	16.7
Cash flows from investing activities	–8.8	–3.7	–0.6	0.1
Thereof additions to/divestments of other financial assets	0.0	0.0	0.0	0.0
Cash flows from financing activities	–6.3	–18.3	–16.4	–16.0
Net decrease/increase in cash and cash equivalents	**–0.1**	**0.1**	**1.9**	**0.8**

In millions of euros

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

SHARES IN IMMATERIAL JOINT VENTURES

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

	04/01 – 09/30/2019	04/01 – 09/30/2020
Group share of		
Profit after tax	0.4	0.1
Other comprehensive income	–0.1	–0.1
Comprehensive income	**0.3**	**0.0**
Carrying amount, immaterial joint ventures	**4.7**	**3.8**

In millions of euros

SHARES IN IMMATERIAL ASSOCIATES

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

	04/01 – 09/30/2019	04/01 – 09/30/2020
Group share of		
Profit after tax	5.7	7.6
Other comprehensive income	–1.0	–1.1
Comprehensive income	**4.7**	**6.5**
Carrying amount, immaterial associates	**120.4**	**126.1**

In millions of euros

IMPAIRMENT LOSSES AND REVERSAL OF IMPAIRMENT LOSSES

The planning for the budget year was already adjusted to the economic uncertainties arising from the COVID-19 crisis at the time the Consolidated Financial Statements 2019/20 were prepared. In addition, the period covered by the medium-term business plan was re-evaluated as of September 30, 2020, for those units where an indication of impairment was identified.

The general descriptions of plans and models—as specified in Note 11. Impairment losses and reversal of impairment losses, of the Annual Report 2019/20—still apply.

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

Impairment losses

In the first half of the business year 2020/21, an impairment loss of EUR 25.0 million (March 31, 2020: EUR 16.8 million) on the goodwill of the Metal Engineering Division's **Tubulars** unit to which goodwill had been allocated was recognized in other operating expenses; the 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—especially in the detailed planning period—thus will be lower than those underlying the impairment test as of March 31, 2020. The recoverable amount (value in use) for the entire unit is EUR 249.7 million (March 31, 2020: EUR 341.1 million).

The fifth plan year was used to calculate the perpetual annuity based on a growth rate of 1.33% (March 31, 2020: 1.36%). The after-tax WACC is 6.21% (March 31, 2020: 6.19%); the pre-tax WACC is 7.58% (March 31, 2020: 7.68%).

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. Any increase in the after-tax discount rate by one percentage point or any 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%
09/30/2020			
Tubulars	0.0	–31.6	–12.5
03/31/2020			
Tubulars	0.0	–32.8	–17.0

In millions of euros

HPM Production comprises seven production sites around the world where a highly complex and highly demanding range of manufacturing activities take place. The products manufactured range from smelting all the way to heat treatment and processing. The downstream companies produce plate, sections, and special steel parts made of titanium alloys, nickel-based alloys as well as high, medium, and low-grade alloyed steels.

The sensitivities for HPM Production, which accounts for the largest portion of the voestalpine Group's total goodwill, are presented in accordance with the most recent Consolidated Financial Statements. See the Consolidated Financial Statements 2019/20 for all other disclosures related to cash generating units containing goodwill.

The final plan year was used to calculate the perpetual annuity based on a growth rate of 1.50% (March 31, 2020: 1.61%). The after-tax WACC is 7.03% (March 31, 2020: 6.97%); the pre-tax WACC is 8.99% (March 31, 2020: 9.10%).

The following table shows the excess of the carrying amount over the recoverable amount and the amount by which both major assumptions would have to change for the estimated recoverable amount to be equal to the carrying amount; it also shows the reduction in the carrying amount resulting from any increase in the after-tax discount rate by one percentage point or any decrease in the cash flows by 10%:

	Break-even analysis			General sensitivity analysis	
	Excess of carrying amount over recoverable amount	Discount rate in percentage points	Cash flow in %	Increase in discount rate by 1% point	Decrease in cash flows by 10%
09/30/2020					
HPM Production	138.1	0.3	–6.5	–228.5	–75.5
03/31/2020					
HPM Production	58.6	0.1	–2.8	–302.1	–154.3

In millions of euros

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

In the first half of the business year 2020/21, a total of EUR 167.6 million (March 31, 2020: EUR 209.1 million) 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). Current 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 is EUR 447.8 million (March 31, 2020: EUR 666.2 million). An after-tax discount rate of 6.79% (March 31, 2020: 6.34%) was applied; the pre-tax WACC is 7.98% (March 31, 2020: 7.85%).

In the first half of the business year 2020/21, a total of EUR 5.9 million in impairment losses on "Land, land rights, and buildings" and "Plant and equipment" were recognized in other operating expenses 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 stems from the reduction in quantities purchased by the unit's main customer—in part due to COVID-19—which made itself felt starting in the spring of 2020 and also triggered both lower capacity utilization and higher price pressures. These facts led to the reversal of the earnings forecasts for the Special Wire unit. The recoverable amount (value in use) for this unit is EUR 20.3 million. An after-tax discount rate of 6.11% was applied; the pre-tax WACC is 7.00%.

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. Any increase in the after-tax discount rate by one percentage point or any 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%
09/30/2020			
Texas	0.0	–62.8	–46.1
Special Wire	0.0	–2.4	–2.0
03/31/2020			
Texas	0.0	–85.1	–65.7

In millions of euros

NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In the first half of the business year 2020/21, depreciation totaling EUR 610.0 million exceeded actual investments of EUR 238.0 million. This, along with negative currency translation effects of EUR 77.6 million, essentially led to a decline in non-current assets from EUR 8,869.7 million to EUR 8,438.3 million. Due primarily to an operational decrease in inventories (see the consolidated statement of cash flows), compared to March 31, 2020, the carrying amount of the inventories as of the reporting date fell by EUR 270.7 million.

As of September 30, 2020, voestalpine AG's share capital was EUR 324,391,840.99 (March 31, 2020: EUR 324,391,840.99) and was divided into 178,549,163 shares (March 31, 2020: 178,549,163). The company held 28,547 of its treasury shares as of the reporting date. In the first half of the business year 2020/21, 50 shares were withdrawn from the company's treasury shares for a sweepstake.

Due primarily to changes in the actuarial result (negative) and the cash flow hedges (positive), the profit after tax of EUR –275.8 million was reduced to total comprehensive income of EUR –306.3 million. The Annual General Meeting on July 1, 2020, resolved a dividend per share of EUR 0.20 for the business year 2019/20. Therefore, voestalpine AG has distributed dividends of EUR 35.7 million to its shareholders in the current business year. This reduced equity to EUR 5,270.6 million.

In the current business year, the adjustment of the discount rate from 1.5% as of March 31, 2020, to 0.8% as of September 30, 2020, resulted in an increase over all in the provisions for pension and severance obligations and consequently in an actuarial loss of EUR –63.0 million (after deferred taxes) recognized in other comprehensive income. Despite the increase (recognized in income) in the fluctuation discount based on an analysis conducted by an external actuary, over all the reduction in the discount rate led to an increase (recognized in expenses) of EUR 1.9 million (or EUR 1.4 million after deferred taxes) in the provisions for long-service bonuses.

A total of EUR 13.6 million were recognized in the reporting period as expenses associated with redundancy agreements. In particular, these redundancy agreements concern approximately 600 employees particularly at the Group's facilities in Kindberg and Kapfenberg (both Austria) as well as at a few German entities.

NOTES ON THE CONSOLIDATED INCOME STATEMENT

At EUR 5,110.1 million, revenue for the period from April 1, 2020, to September 30, 2020, fell by 21.9% compared with EUR 6,541.6 million in the same period of the previous year. The other operating income includes EUR 79.4 million in income from short-time work grants and other government grants for personnel expenses. In the first half of the business year 2020/21, EBIT is EUR –215.0 million compared with EUR 229.6 million for the same period of the previous year. EBIT is EUR –166.3 million for the second quarter of 2020/21, compared with EUR 72.9 million for the second quarter of 2019/20. After consideration of the financial result and taxes, the profit after tax is EUR –275.8 million compared with EUR 115.2 million for the same period of the previous year.

Despite the profit before tax for the reporting period of EUR –267.5 million (same period the previous year: EUR 162.5 million), the tax expense for the reporting period of EUR 8.3 million (same period the previous year: EUR 47.3 million) is due primarily to the non-recognition of tax losses.

Diluted and basic earnings per share are calculated as follows:

	04/01 – 09/30/2019	04/01 – 09/30/2020
Profit attributable to equity holders of the parent (in millions of euros)	97.2	–272.5
Weighted average number of outstanding ordinary shares (millions)	178.5	178.5
Diluted and basic earnings per share (euros)	**0.54**	**–1.53**

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 2020/21 and 2019/20, respectively:

REVENUE BY REGION

	Steel Division		High Performance Metals Division	
	04/01–09/30/2019	04/01–09/30/2020	04/01–09/30/2019	04/01–09/30/2020
European Union (without Austria)	1,396.4	1,009.6	622.4	430.7
Austria	243.1	197.7	57.0	30.8
USMCA	261.4	145.8	250.3	144.0
Asia	50.3	180.6	269.4	230.7
South America	19.5	4.8	116.4	74.3
Rest of world	131.1	132.8	166.7	132.6
Total revenue by region	**2,101.8**	**1,671.3**	**1,482.2**	**1,043.1**

REVENUE BY INDUSTRY

	Steel Division		High Performance Metals Division	
	04/01–09/30/2019	04/01–09/30/2020	04/01–09/30/2019	04/01–09/30/2020
Automotive	797.5	490.8	382.1	261.0
Energy	303.5	277.1	226.3	149.9
Railway systems	4.4	4.1	6.8	5.0
Building/Construction	199.6	183.7	50.7	42.2
Mechanical engineering	118.0	80.1	300.7	247.2
White goods/Consumer goods	66.9	60.7	167.6	152.9
Aerospace	0.0	0.0	204.5	81.4
Other	611.9	574.8	143.5	103.5
Total revenue by industry	**2,101.8**	**1,671.3**	**1,482.2**	**1,043.1**

Metal Engineering Division		Metal Forming Division		Other		Total Group	
04/01–09/30/2019	04/01–09/30/2020	04/01–09/30/2019	04/01–09/30/2020	04/01–09/30/2019	04/01–09/30/2020	04/01–09/30/2019	04/01–09/30/2020
733.5	611.8	876.1	618.5	1.7	3.8	3,630.1	2,674.4
108.6	109.9	54.9	45.5	1.5	0.8	465.1	384.7
265.9	189.2	273.0	236.2	0.1	0.0	1,050.7	715.2
155.9	178.1	66.5	66.0	0.1	0.2	542.2	655.6
25.6	22.6	40.7	30.3	0.0	0.0	202.2	132.0
228.0	200.3	125.5	82.5	0.0	0.0	651.3	548.2
1,517.5	**1,311.9**	**1,436.7**	**1,079.0**	**3.4**	**4.8**	**6,541.6**	**5,110.1**

In millions of euros

Metal Engineering Division		Metal Forming Division		Other		Total Group	
04/01–09/30/2019	04/01–09/30/2020	04/01–09/30/2019	04/01–09/30/2020	04/01–09/30/2019	04/01–09/30/2020	04/01–09/30/2019	04/01–09/30/2020
198.2	127.3	816.2	547.0	0.0	0.0	2,194.0	1,426.1
313.1	203.0	23.2	20.0	0.0	0.0	866.1	650.0
771.9	788.4	1.3	0.2	0.0	0.0	784.4	797.7
40.4	32.8	316.0	298.2	0.0	0.0	606.7	556.9
73.0	55.1	118.5	89.2	0.0	0.0	610.2	471.6
19.1	14.1	57.6	45.7	0.0	0.0	311.2	273.4
0.0	0.0	13.2	7.8	0.0	0.0	217.7	89.2
101.8	91.2	90.7	70.9	3.4	4.8	951.3	845.2
1,517.5	**1,311.9**	**1,436.7**	**1,079.0**	**3.4**	**4.8**	**6,541.6**	**5,110.1**

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 2020/21 and 2019/20, respectively:

OPERATING SEGMENTS

	Steel Division		High Performance Metals Division	
	04/01–09/30/2019	04/01–09/30/2020	04/01–09/30/2019	04/01–09/30/2020
Segment revenue	2,321.1	1,830.5	1,500.9	1,061.7
Of which revenue with third parties	2,101.8	1,671.3	1,482.2	1,043.1
Of which revenue with other segments	219.3	159.2	18.7	18.6
EBITDA	260.5	161.6	177.4	76.8
EBIT	81.0	–168.7	92.4	–6.2
EBIT margin	3.5%	–9.2%	6.2%	–0.6%
Segment assets	5,451.7	4,340.9	4,414.9	4,086.9
Employees (full-time equivalent)	10,682	10,321	13,837	12,381

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

EBITDA

	04/01–09/30/2019	04/01–09/30/2020
Net exchange differences and result from valuation of derivatives	–4.6	–2.9
Consolidation	0.2	1.4
EBITDA – Total reconciliation	**–4.4**	**–1.5**

In millions of euros

	Metal Engineering Division		Metal Forming Division		Other		Reconciliation		Total Group	
	04/01–09/30/2019	04/01–09/30/2020	04/01–09/30/2019	04/01–09/30/2020	04/01–09/30/2019	04/01–09/30/2020	04/01–09/30/2019	04/01–09/30/2020	04/01–09/30/2019	04/01–09/30/2020
	1,537.5	1,335.9	1,453.3	1,092.5	960.8	451.9	–1,232.0	–662.4	6,541.6	5,110.1
	1,517.5	1,311.9	1,436.7	1,079.0	3.4	4.8	0.0	0.0	6,541.6	5,110.1
	20.0	24.0	16.6	13.5	957.4	447.1	–1,232.0	–662.4	0.0	0.0
	172.3	110.3	107.1	80.1	–47.4	–32.3	–4.4	–1.5	665.5	395.0
	76.3	–9.6	38.1	9.9	–53.8	–38.9	–4.4	–1.5	229.6	–215.0
	5.0%	–0.7%	2.6%	0.9%					3.5%	–4.2%
	3,561.4	3,265.5	2,691.2	2,496.4	11,732.2	10,523.0	–11,733.5	–10,302.0	16,117.9	14,410.7
	13,369	12,878	12,486	11,443	901	894	0	0	51,275	47,917

In millions of euros

EBIT

	04/01–09/30/2019	04/01–09/30/2020
Net exchange differences and result from valuation of derivatives	–4.6	–2.9
Consolidation	0.2	1.4
EBIT – Total reconciliation	**–4.4**	**–1.5**

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 depreciation/revaluation (including financial assets) of EUR 604.3 million. Taking the change in working capital into consideration, the cash flows from operating activities are EUR 562.8 million compared with EUR 202.0 million in the first half of the previous year; this represents an increase of 178.6%. A total of EUR –287.3 million in cash flows from investing activities (which include EUR –5.5 million in investments in other financial assets) and EUR –0.7 million in cash flows from financing activities lead to a change in cash and cash equivalents (excluding net exchange differences) of EUR 274.8 million. The cash flows from financing activities include the renewed utilization of a EUR 150 million refinancing facility made available by Oesterreichische Kontrollbank, OeKB.

A total of EUR 188.4 million in funds from deferrals of social security contributions, non-wage costs, and taxes had a positive impact on the cash flows from operating activities. But the reduction in the factoring volume on account of lower revenue had a slightly higher countervailing effect.

Because investments were postponed to preserve liquidity, the cash flows of EUR –290.3 million from additions to other intangible assets, property, plant and equipment are substantially lower than they were in the same period the previous year (EUR –387.0 million).

Thanks to the excellent cash flows, net financial debt of EUR 3,775.0 million as of March 31, 2020, fell substantially to EUR 3,491.0 million as of September 30, 2020.

NOTES ON FINANCIAL INSTRUMENTS

Categories of financial instruments

Categories	Financial assets measured at AC[1]	Hedge accounting	Financial assets measured at FVTPL	Total
Assets 03/31/2020				
Other financial assets, non-current	4.1	–	48.4	52.5
Trade and other receivables	901.4	1.5	162.6	1,065.5
Other financial assets, current	–	–	55.5	55.5
Cash and cash equivalents	794.7	–	–	794.7
Carrying amount	**1,700.2**	**1.5**	**266.5**	**1,968.2**

[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 assets measured at AC[1]	Hedge accounting	Financial assets measured at FVTPL	Total
Assets 09/30/2020				
Other financial assets, non-current	4.0	–	49.4	53.4
Trade and other receivables	803.9	18.5	188.2	1,010.6
Other financial assets, current	–	–	62.6	62.6
Cash and cash equivalents	1,060.0	–	–	1,060.0
Carrying amount	**1,867.9**	**18.5**	**300.2**	**2,186.6**

[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 03/31/2020						
Financial liabilities, non-current	3,889.6	3,707.1	–	–	3,889.6	3,707.1
Financial liabilities, current	754.1	752.2	–	–	754.1	752.2
Trade and other payables[1]	2,026.8	2,026.8	44.3	11.7	2,082.8	2,082.8
Total	**6,670.5**	**6,486.1**	**44.3**	**11.7**	**6,726.5**	**6,542.1**

[1] The carrying amount of the trade and other payables 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 09/30/2020						
Financial liabilities, non-current	3,810.2	3,792.4	–	–	3,810.2	3,792.4
Financial liabilities, current	824.2	824.6	–	–	824.2	824.6
Trade and other payables[1]	1,604.7	1,604.7	8.0	7.3	1,620.0	1,620.0
Total	**6,239.1**	**6,221.7**	**8.0**	**7.3**	**6,254.4**	**6,237.0**

[1] The carrying amount of the trade and other payables 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
03/31/2020				
Financial assets				
Other financial assets, non-current	12.0	–	36.4	48.4
Receivables from derivatives – hedge accounting	–	1.5	–	1.5
Trade and other receivables	–	50.9	111.7	162.6
Other financial assets, current	55.5	–	–	55.5
	67.5	**52.4**	**148.1**	**268.0**
Financial liabilities				
Liabilities from derivatives – hedge accounting	–	44.3	–	44.3
Trade and other payables	–	11.7	–	11.7
	0.0	**56.0**	**0.0**	**56.0**
09/30/2020				
Financial assets				
Other financial assets, non-current	13.1	–	36.3	49.4
Receivables from derivatives – hedge accounting	–	18.5	–	18.5
Trade and other receivables	–	37.1	151.1	188.2
Other financial assets, current	62.6	–	–	62.6
	75.7	**55.6**	**187.4**	**318.7**
Financial liabilities				
Liabilities from derivatives – hedge accounting	–	8.0	–	8.0
Trade and other payables	–	7.3	–	7.3
	0.0	**15.3**	**0.0**	**15.3**

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 2019/20, nor from April 1, 2020, through September 30, 2020.

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 – OTHER FINANCIAL ASSETS – NON-CURRENT

	04/01–09/30/2019	04/01–09/30/2020
Opening balance	**32.1**	**36.4**
Total of gains/losses recognized in the income statement:		
Finance costs/Finance income	0.0	0.0
Closing balance	**32.1**	**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)

	04/01–09/30/2019	04/01–09/30/2020
Opening balance	**143.3**	**111.7**
Disposals	–143.3	–111.7
Additions	136.7	151.1
Closing balance	**136.7**	**151.1**

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.

BUSINESS TRANSACTIONS WITH ASSOCIATED COMPANIES OR PARTIES

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 2019/20. 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 2019/20, Disclosures of transactions not recorded in the statement of financial position, for a description). As of September 30, 2020, these receivables amounted to a total of EUR 184.6 million (March 31, 2020: EUR 244.1 million).

ANTITRUST PROCEEDINGS

Provisions were recognized as of the interim reporting date for potential negative effects of the cartel proceedings described in Note 19. Provisions, of the Consolidated Financial Statements 2019/20.

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 2, 2020

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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