

Voestalpine

Steel

04 Jan 2014

Austria

COMPANY DESCRIPTION

The voestalpine Group is a steel-based technology and capital goods group focusing on the manufacture, processing, and development of sophisticated steel products. The Company supplies technology-intensive sectors, such as the automotive, railway, aviation, and energy industries. The Company is based in Linz, Austria and employs over 45,000 people. The Linz hot strip mill is a "fully integrated steel works" operated by voestalpine Stahl GmbH, a part of the steel division of voestalpine AG. In addition to Linz the most important plants are in Leoben in Styria and in Krems in Lower Austria. The Company operates in four divisions: Steel, Special Steel, Metal Engineering and Metal Forming Division. Voestalpine's history dates back to 1881, when the Alpine Montangesellschaft was founded as a vehicle of consolidating Austrian iron and steel assets.

Main Shareholders: Raiffeisen Oberösterreich Invest (>15%)
Employees (14.0%)

INCOME STATEMENT

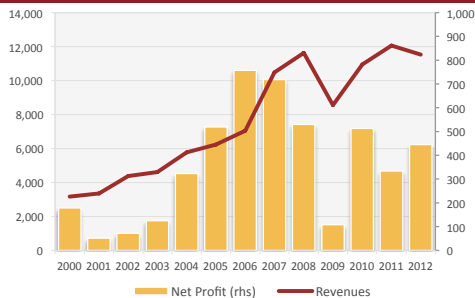
EUR mil	2008	2009	2010	2011	2012
Sales	11,625	8,550	10,954	12,058	11,524
Cost of Goods & Services	6,970	4,881	6,287	7,203	6,745
Gross Profit	4,655	3,669	4,667	4,855	4,780
Staff Cost	2,174	1,999	2,233	2,411	2,472
Other Cost	757	666	828	1,142	866
EBITDA	1,724	1,004	1,606	1,302	1,442
Depreciation	708	652	621	598	588
EBIT	1,016	352	985	704	854
Financing Cost	312	189	234	220	214
Extraordinary Cost	-24.4	-20.4	-30.1	-20.1	-15.4
Pre-Tax Profit	728	183	781	504	655
Tax	92.2	-3.5	168	91.1	133
Minorities	9.7	6.4	9.8	7.8	4.4
Net Profit	530	108	513	334	445
Dividends	175	84	135	135	155

EBITDA Margin	14.8%	11.7%	14.7%	10.8%	12.5%
EBIT Margin	8.7%	4.1%	9.0%	5.8%	7.4%
Net Margin	4.6%	1.3%	4.7%	2.8%	3.9%

CASH FLOW

EUR mil	2008	2009	2010	2011	2012
Net Profit	530	108	513	334	445
Depreciation	708	652	621	598	588
Non-Cash Items	-181	-19.9	231	207	62.4
Change in Working Capital	301	865	-407	-282	226
Total Cash From Operations	1,358	1,606	958	857	1,322
Capital Expenditures	-979	-615	-467	-553	-740
Other	-270	-299	100	74.3	-89.5
Total Cash From Investing	-1,249	-914	-367	-479	-830
Dividends Paid	-413	-247	-156	-206	-220
Issuance Of Shares	72.2	4.1	5.2	0.0	78.8
Issuance Of Debt	754	-297	-240	-727	66.5
Total Cash From Financing	413	-540	-390	-934	-74.7
NET CHANGE IN CASH	522	152	200	-556	418

REVENUES & PROFITS (EUR mil)



BALANCE SHEET

EUR mil	2008	2009	2010	2011	2012
Non-Current Assets	7,076	7,072	6,856	6,801	6,981
Property, Plant & Equipment	4,378	4,484	4,371	4,378	4,581
Current Assets	5,771	5,222	6,221	5,811	6,098
Inventories	2,910	2,198	2,824	2,953	2,877
Receivables	1,786	1,458	1,710	1,774	1,656
Cash & Cash Equivalents	858	1,029	1,233	677	1,093
Total Assets	12,847	12,294	13,076	12,612	13,079
Shareholders' Equity	4,263	4,262	4,691	4,836	5,075
Liabilities	8,584	8,032	8,385	7,776	8,004
Non-Current Liabilities	4,725	4,425	4,224	3,159	3,867
Long-Term Debt	3,501	3,268	3,071	1,971	2,559
Current Liabilities	3,859	3,607	4,161	4,617	4,137
Short-Term Debt	1,445	1,448	1,428	1,799	1,325
Trade Payables	1,899	1,726	2,197	2,108	2,140

ROE	12.9%	2.6%	11.6%	7.1%	9.1%
ROCE	5.4%	1.1%	5.6%	3.6%	4.7%
Net Debt/Equity	95.9%	86.5%	69.6%	63.9%	55.0%

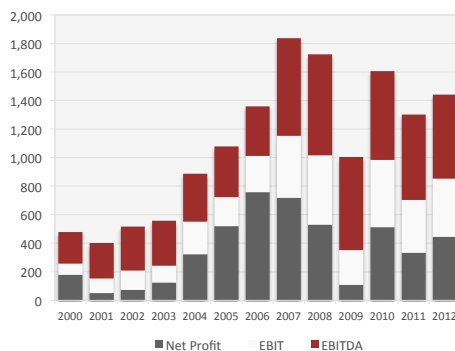
RATIOS & OTHER

	2008	2009	2010	2011	2012
Gross Margin	40.0%	42.9%	42.6%	40.3%	41.5%
Net Debt/EBITDA	2.4	3.7	2.0	2.4	1.9
Cost of Financing	6.8%	3.9%	5.1%	5.3%	5.6%
Payout Ratio	33%	78%	26%	40%	35%
FX TO USD (Average)	0.68	0.72	0.76	0.72	0.78
FX TO USD (Year-End)	0.72	0.70	0.75	0.77	0.76
Shares Outstanding (Average)	164.8	167.5	168.5	169.0	170.7
Share Price, Year-End	9.9	30.0	33.1	25.2	24.0
Market Capitalisation (USD mil)	2,229	7,189	7,409	5,515	5,394
Enterprise Value (USD mil)	7,919	12,474	11,741	9,524	9,076
EV/EBITDA	3.1	8.9	5.5	5.3	4.9
P/E	2.9	46.1	10.9	12.7	9.2
P/BV	0.4	1.2	1.2	0.9	0.8

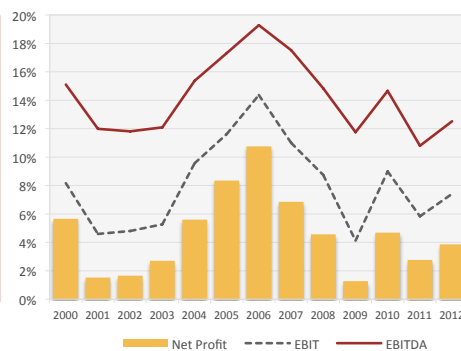
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

Financials

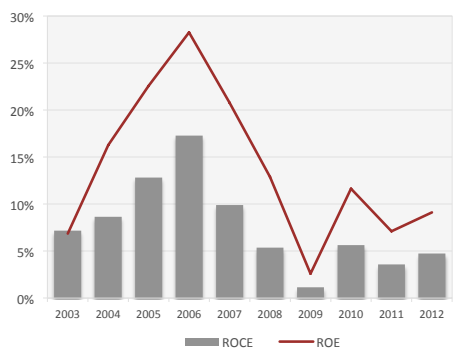
FROM EBITDA TO NET PROFIT (EUR mil)



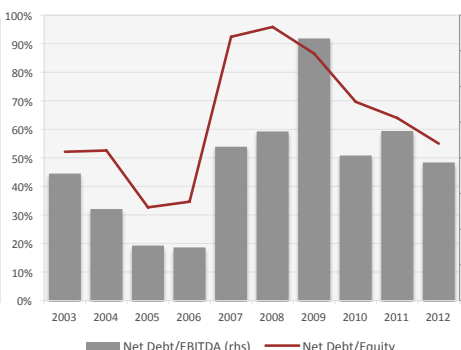
PROFIT MARGIN



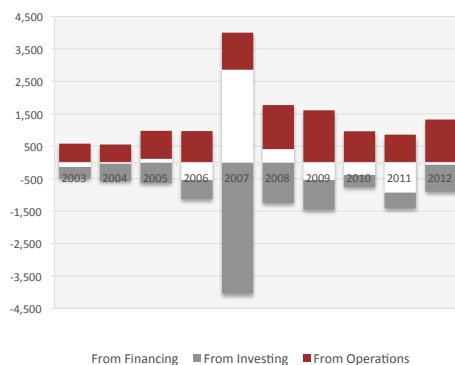
ROE & ROCE



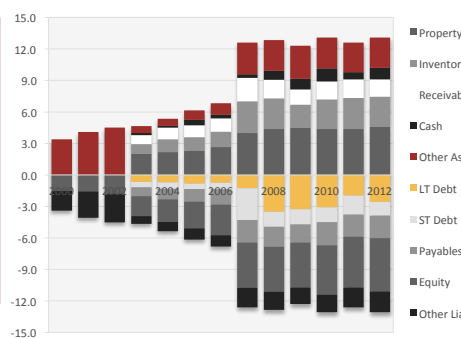
INDEBTEDNESS



CASH FLOW SUMMARY (EUR mil)



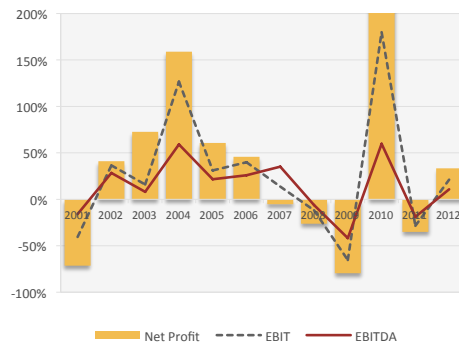
BALANCE SHEET STRUCTURE (EUR bil)



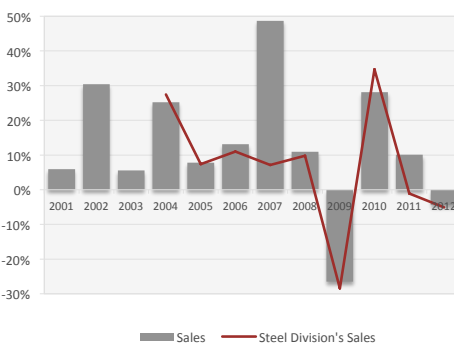
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

Momentum

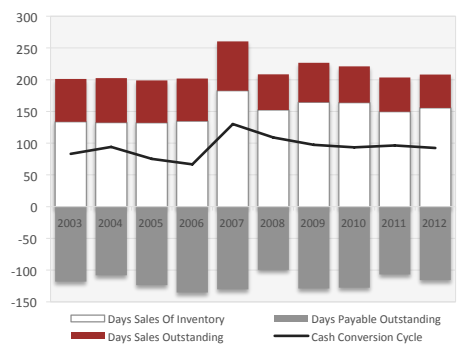
PROFIT GROWTH



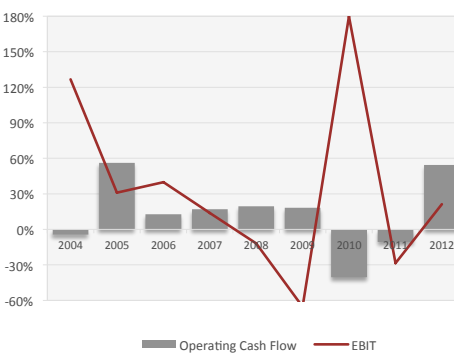
SALES & PRODUCTION GROWTH



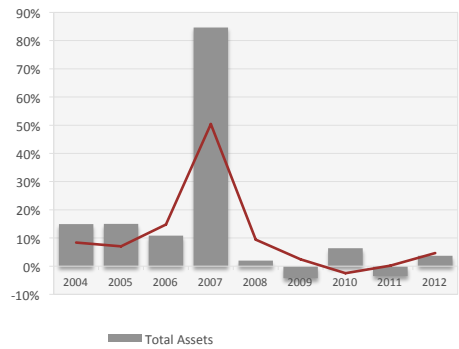
CASH CONVERSION CYCLE (days)



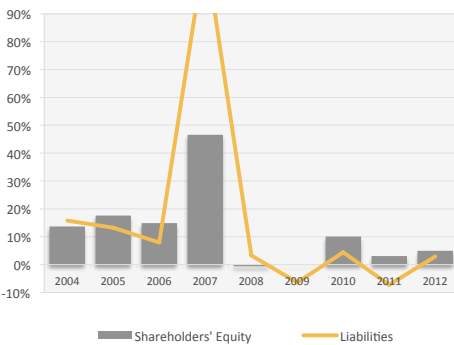
OPERATING CASH FLOW



ASSET GROWTH



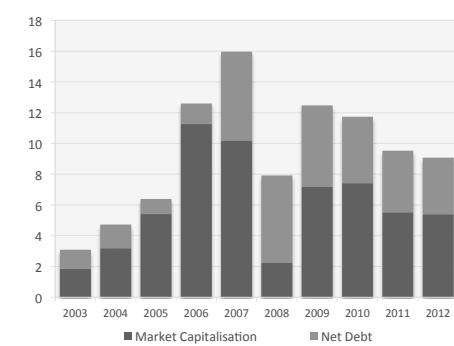
EQUITY AND LIABILITIES GROWTH



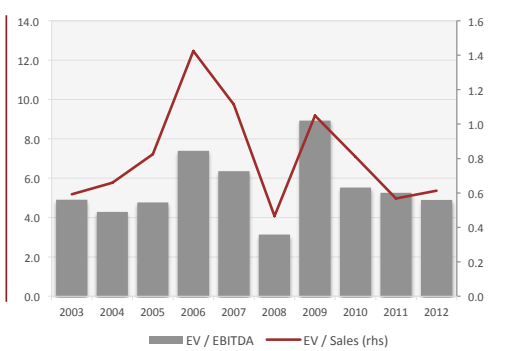
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

Valuation

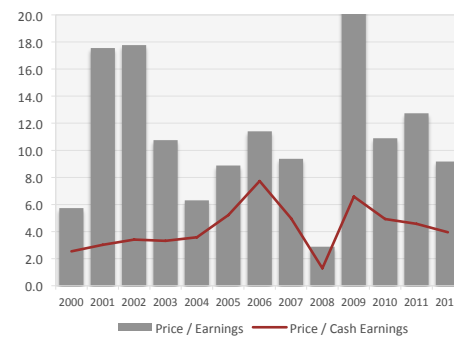
MARKET CAPITALISATION & NET DEBT (USD bil)



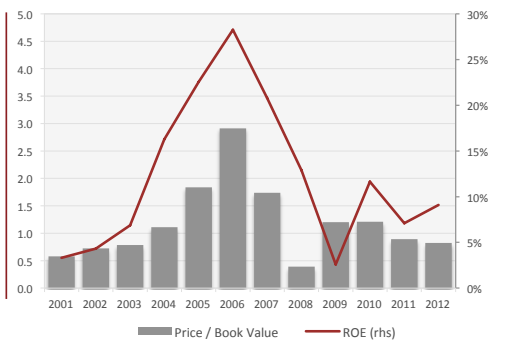
ENTERPRICE VALUE (EV)



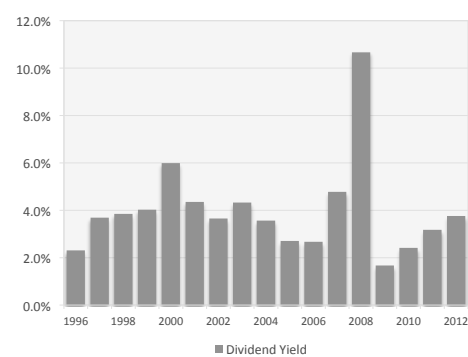
PRICE TO EARNINGS & CASH EARNINGS



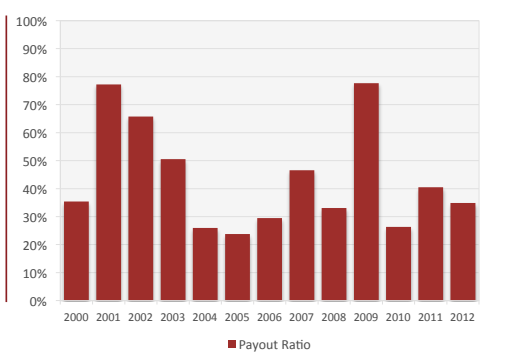
PRICE TO BOOK VALUE



DIVIDEND YIELD



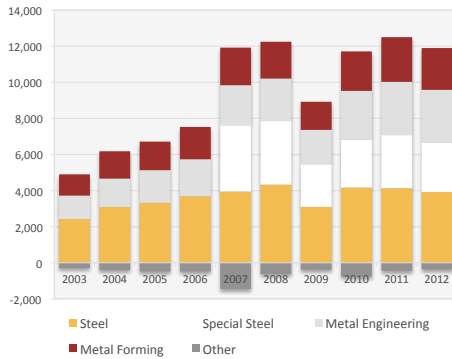
DIVIDEND PAYOUT



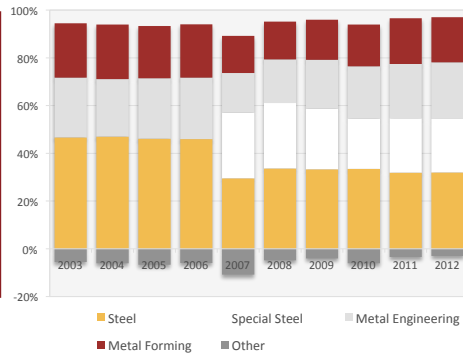
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

Business Specifics

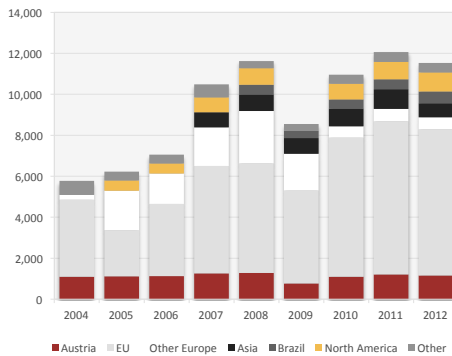
SALES BY SEGMENT (EUR mil)



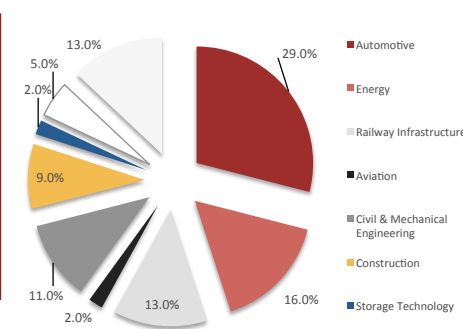
SALES BREAKDOWN



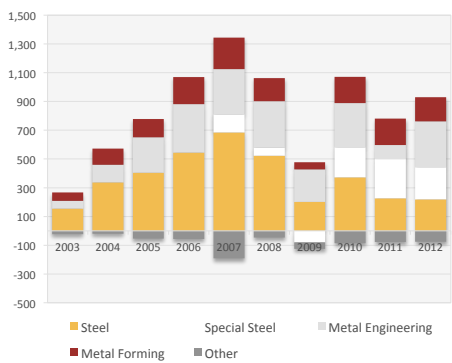
SALES BY REGIONS (EUR mil)



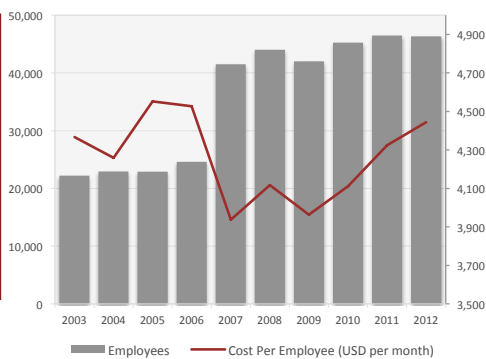
SALES BY CLIENTS, 2012



EBIT BY SEGMENT (EUR mil)



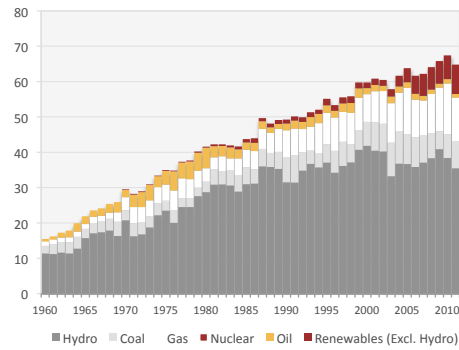
VOESTALPINE'S WORKFORCE



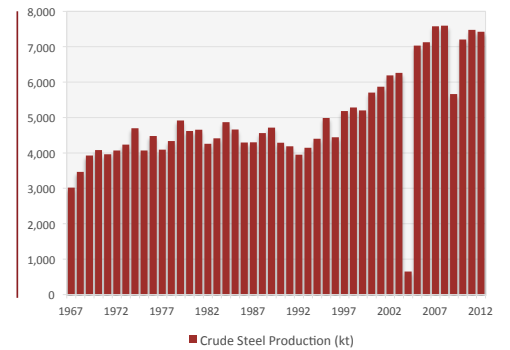
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Market Specifics

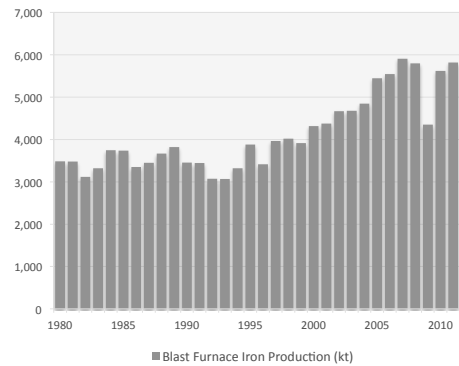
AUSTRIA'S ELECTRICITY POWER PRODUCTION (TWh)



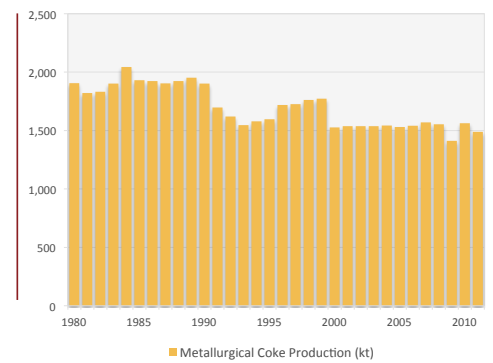
CRUDE STEEL PRODUCTION IN AUSTRIA



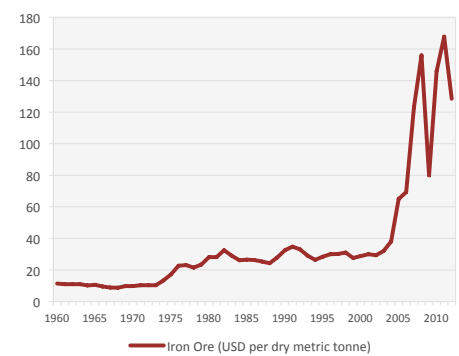
BLAST FURNACE IRON PRODUCTION IN AUSTRIA



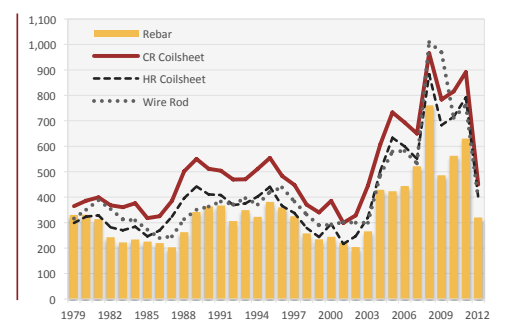
METALLURGICAL COKE PRODUCTION IN AUSTRIA



IRON ORE PRICE



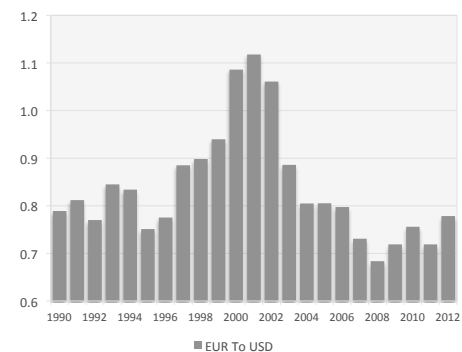
STEEL PRICE (USD per tonne)



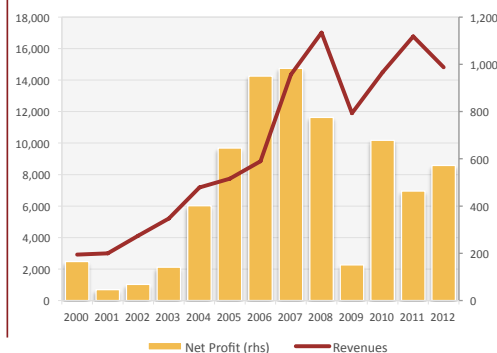
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

Financials (USD)

FX TO USD



REVENUES & PROFIT (USD mil)



INCOME STATEMENT

USD mil	2008	2009	2010	2011	2012
Sales	17,008	11,892	14,491	16,770	14,811
Cost of Goods & Services	10,198	6,790	8,317	10,017	8,668
Gross Profit	6,811	5,102	6,174	6,753	6,143
Staff Cost	3,181	2,780	2,954	3,354	3,177
Other Cost	1,108	926	1,096	1,589	1,113
EBITDA	2,523	1,397	2,124	1,811	1,853
Depreciation	1,036	907	821	831	756
EBIT	1,486	490	1,303	979	1,097
Financing Cost	456	263	310	306	275
Extraordinary Cost	-35.6	-28.3	-39.8	-27.9	-19.8
Pre-Tax Profit	1,066	255	1,033	701	841
Tax	135	-4.8	223	127	171
Minorities	14.2	8.9	13.0	10.8	5.7
Net Profit	775	151	678	464	572
Dividends	257	117	178	188	199

EBITDA Margin	14.8%	11.7%	14.7%	10.8%	12.5%
EBIT Margin	8.7%	4.1%	9.0%	5.8%	7.4%
Net Margin	4.6%	1.3%	4.7%	2.8%	3.9%

BALANCE SHEET

USD mil	2008	2009	2010	2011	2012
Non-Current Assets	9,848	10,136	9,097	8,816	9,212
Property, Plant & Equipment	6,094	6,427	5,800	5,675	6,045
Current Assets	8,033	7,484	8,255	7,532	8,048
Inventories	4,050	3,151	3,747	3,827	3,796
Receivables	2,485	2,090	2,269	2,300	2,185
Cash & Cash Equivalents	1,194	1,474	1,637	878	1,442
Total Assets	17,881	17,620	17,351	16,348	17,260
Shareholders' Equity	5,933	6,109	6,225	6,269	6,697
Liabilities	11,948	11,511	11,126	10,079	10,562
Non-Current Liabilities	6,577	6,342	5,605	4,094	5,103
Long-Term Debt	4,872	4,684	4,074	2,554	3,377
Current Liabilities	5,371	5,169	5,522	5,984	5,460
Short-Term Debt	2,011	2,075	1,895	2,332	1,748
Trade Payables	2,644	2,474	2,915	2,732	2,824

ROE	12.9%	2.6%	11.6%	7.1%	9.1%
ROCE	5.4%	1.1%	5.6%	3.6%	4.7%
Net Debt/Equity	95.9%	86.5%	69.6%	63.9%	55.0%

CASH FLOW

USD mil	2008	2009	2010	2011	2012
Net Profit	775	151	678	464	572
Depreciation	1,036	907	821	831	756
Non-Cash Items	-265	-27.7	305	288	80.2
Change in Working Capital	441	1,204	-538	-392	291
Total Cash From Operations	1,987	2,234	1,267	1,191	1,699
Capital Expenditures	-1,433	-856	-618	-769	-951
Other	-395	-416	133	103	-115
Total Cash From Investing	-1,828	-1,272	-485	-666	-1,066
Dividends Paid	-604	-343	-206	-287	-283
Issuance Of Shares	106	5.7	6.8	0.0	101
Issuance Of Debt	1,103	-413	-318	-1,012	85
Total Cash From Financing	605	-750	-517	-1,299	-96
NET CHANGE IN CASH	764	212	265	-773	537

RATIOS & OTHER

	2008	2009	2010	2011	2012
Gross Margin	40.0%	42.9%	42.6%	40.3%	41.5%
Net Debt/EBITDA	2.4	3.7	2.0	2.4	1.9
Cost of Financing	6.8%	3.9%	5.1%	5.3%	5.6%
Payout Ratio	33%	78%	26%	40%	35%
FX TO USD (Average)	0.68	0.72	0.76	0.72	0.78
FX TO USD (Year-End)	0.72	0.70	0.75	0.77	0.76
Shares Outstanding (Average)	165	167	169	169	171
Share Price, Year-End EUR	9.9	30.0	33.1	25.2	24.0
Market Capitalisation (USD mil)	2,229	7,189	7,409	5,515	5,394
Enterprise Value (USD mil)	7,919	12,474	11,741	9,524	9,076
EV/EBITDA	3.1	8.9	5.5	5.3	4.9
P/E	2.9	46.1	10.9	12.7	9.2
P/BV	0.39	1.20	1.21	0.89	0.82

Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end



www.HelgiAnalytics.com

ABOUT HELGI ANALYTICS

Helgi Analytics is a consulting company based in the Czech Republic. The company mainly provides consultancy in the area of financial services and real estate and focuses primarily on the region of Central and Eastern Europe.

Helgi Analytics also runs a web application called Helgi Library, which is a database/library offering data and analyses on more than 95% of the world's economy and population. The Library aims to bring interesting statistical data and analyses to a wide audience under affordable conditions. If you wish to get more details, please visit www.helgilibrary.com or contact us at info@helgianalytics.com.

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