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voestalpine AG: voestalpine plans to sell Buderus Edelstahl and reorganizes Automotive Components business in Germany resulting in one-off write-downs of around EUR 410 million

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The Management Board of voestalpine AG is reacting to the changed economic conditions for industrial manufacturing companies and is reorganizing production sites in Germany. This step is a consistent implementation of voestalpine Group's strategy of focusing the materials business on the highest quality spectrum and expanding the downstream business in promising global segments.

Buderus Edelstahl in Germany (High Performance Metals Division)

Following the restructuring steps already taken in the past, the Management Board of voestalpine AG has decided to transfer the strategic process initiated to reposition Buderus Edelstahl into a sales process. According to this, the division is concentrating its product portfolio on the high-tech segment of special materials and reducing the production share of tool steel and engineering steel in the standard grade area.

This sale and impairment losses in the High Performance Metals Division will result in negative one-off effects on earnings (EBIT) of about EUR 340 million. Around EUR 90 million of this will also affect EBITDA.

The resulting optimization of the product portfolio strengthens the High Performance Metals division's competitive position.

Business segment Automotive Components in Germany (Metal Forming Division)

In Automotive Components, the management is maintaining its internationalization strategy, but is making targeted adjustments in response to the structural underutilization of capacity in the automotive supply industry in Germany. The management has already responded by consolidating the production network, including the sale of the production site in Nagold, Germany.

Against this backdrop, the Metal Forming Division is reorganizing its Automotive Components business in Germany and has adjusted its planning assumptions accordingly. This resulted in impairment losses of around EUR 70 million.

Earnings outlook BY 2023/24

The above-mentioned measures result in negative one-off effects on the voestalpine Group's EBITDA of about EUR 90 million and on EBIT of about EUR 410 million. This leads to an adjustment of the EBITDA expectation for the Business Year 2023/24 from around EUR 1.7 billion to around EUR 1.6 billion. The measures and the non-recurring burden on earnings strengthen the voestalpine Group's future earnings potential in a markedly changing economic and regulatory restrictive environment.

The structural optimization and adjustment of the product portfolio is a meaningful step in implementing the strategy of focusing the materials business (steel production) on the highest quality segment and growing globally in the downstream business. In the current Business Year 2023/24 significant progress was made for example in the area of automated warehouse technology via the establishment of a new production site in North America and an acquisition in Europe. The promising railway infrastructure segment is also continuously expanding through strategic investments.

End of Inside Information

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