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EANS-News: ANDRITZ GROUP: Results for the third quarter of 2017

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Quarterly Report

Graz -

November 3, 2017. International technology Group ANDRITZ recorded business development in line with its own expectations in the third quarter of 2017.

The key financial figures developed as follows:

- * Order intake in the third quarter of 2017 amounted to 1,341.2 MEUR, decreasing by 8.8% compared to the previous year's reference period (Q3 2016: 1,470.1 MEUR). This decline is attributable primarily to the HYDRO and the METALS business areas, whose order intake decreased by 9.5% and 19.8%, respectively, compared to the previous year's reference period. In the first three quarters of 2017, the Group's order intake at 4,112.5 MEUR was slightly higher than the level of the previous year's reference period (+1.9% versus Q1-Q3 2016: 4,036.5 MEUR). This increase is particularly attributable to the PULP & PAPER business area, which achieved increases in both capital and service business. The SEPARATION business area also saw favorable development in the reporting period and was able to continue the rising trend in order intake that began in the previous quarters.
- * The order backlog as of September 30, 2017, amounted to 6,650.8 MEUR and was thus down slightly compared to the figure at the end of 2016 (-2.0% compared to December 31, 2016: 6,789.2 MEUR).
- * In the third quarter of 2017, sales decreased by 7.7% compared to the previous year's reference period, reaching 1,364.6 MEUR (Q3 2016: 1,478.1 MEUR), with all four business areas showing a decline. The PULP & PAPER business area, in particular, saw a significant decline in sales compared to the previous year's reference period, which had very high sales due to processing of a large order. Group sales in the first three quarters of 2017 amounted to 4,143.6 MEUR, decreasing slightly compared to the previous year's reference figure (-2.3% compared to Q1-Q3 2016: 4,239.3 MEUR). The EBITA also decreased at practically the same rate as sales; at 98.9 MEUR it was 9.3% below the figure for last year's reference period (Q3 2016: 109.1 MEUR). Profitability (EBITA margin) declined slightly to 7.2% (Q3 2016: 7.4%).
- * The EBITA amounted to 306.2 MEUR in the first three quarters of 2017 and thus increased compared to the previous year's reference period (+4.8% compared to Q1-Q3 2016: 292.1 MEUR). Profitability increased to 7.4% (Q1-Q3 2016: 6.9%), although it is important to note that the second quarter of 2017 - as already disclosed - was impacted positively by an extraordinary effect mainly from sale of the Schuler Technical Center in Tianjin, China. Excluding this extraordinary effect, the Group's EBITA would have been 283.3 MEUR and the profitability 6.8%.
- * The net income (without non-controlling interests) decreased to 189.8 MEUR (Q1-Q3 2016: 194.2 MEUR) in the first three quarters of 2017.

Wolfgang Leitner, President & CEO of ANDRITZ AG: "For the coming months, we do not anticipate any major changes in the markets we serve. In PULP & PAPER, we expect unchanged good project and investment activity and also assume that the positive development in the SEPARATION business area will continue. The Group's service business, which currently accounts for around one third of sales, is also expected to continue its positive development."

ANDRITZ continues to expect a slight decline in Group sales for the 2017 business year compared to 2016, but also expects profitability (EBITA margin) to achieve the solid level of the previous year in spite of the decline in sales.

- End -

Press release for download

The press release is available for download at the ANDRITZ web site:
www.andritz.com/news [<http://www.andritz.com/news>].

The ANDRITZ GROUP

ANDRITZ is a globally leading supplier of plants, equipment, and services for hydropower stations, the pulp and paper industry, the metalworking and steel industries, and for solid/liquid separation in the municipal and industrial sectors. The publicly listed technology Group is headquartered in Graz, Austria, and has a staff of approximately 25,700 employees. ANDRITZ operates over 250 sites worldwide.

Annual and financial reports

The annual reports and financial reports of the ANDRITZ GROUP are available as PDF for download at www.andritz.com. Printed copies can be requested by e-mail to investors@andritz.com.

Disclaimer

Certain statements contained in this press release constitute "forward-looking statements". These statements, which contain the words "believe", "intend", "expect", and words of a similar meaning, reflect the Executive Board's beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law.

Key financial figures of the ANDRITZ GROUP at a glance

	Unit	Q1-Q3 2017	Q1-Q3 2016	+/-	Q3 2017	Q3 2016	+/-	2016
Sales Group	MEUR	4,143.6	4,239.3	-2.3%	1,364.6	1,478.1	-7.7%	6,039.0
HYDRO	MEUR	1,071.5	1,179.7	-9.2%	346.9	372.4	-6.8%	1,752.4
PULP & PAPER	MEUR	1,474.3	1,534.0	-3.9%	483.4	553.6	-12.7%	2,094.4
METALS	MEUR	1,185.0	1,110.3	+6.7%	392.7	406.7	-3.4%	1,598.4
SEPARATION	MEUR	412.8	415.3	-0.6%	141.6	145.4	-2.6%	593.8
Order intake	MEUR	4,112.5	4,036.5	+1.9%	1,341.2	1,470.1	-8.8%	5,568.8
Group								
HYDRO	MEUR	939.0	1,060.9	-11.5%	425.0	469.5	-9.5%	1,500.3
PULP & PAPER	MEUR	1,552.0	1,351.0	+14.9%	427.1	435.0	-1.8%	1,919.5
METALS	MEUR	1,143.6	1,179.5	-3.0%	329.4	410.8	-19.8%	1,551.5
SEPARATION	MEUR	477.9	445.1	+7.4%	159.7	154.8	+3.2%	597.5
Order backlog (as of end of period)	MEUR	6,650.8	7,043.6	-5.6%	6,650.8	7,043.6	-5.6%	6,789.2
EBITDA	MEUR	375.2	363.5	+3.2%	121.7	133.9	-9.1%	542.4
EBITDA margin	%	9.1	8.6	-	8.9	9.1	-	9.0
EBITA	MEUR	306.2	292.1	+4.8%	98.9	109.1	-9.3%	442.1
EBITA margin	%	7.4	6.9	-	7.2	7.4	-	7.3
Earnings Before Interest and Taxes (EBIT)	MEUR	275.9	261.8	+5.4%	90.5	98.8	-8.4%	385.8
Financial result	MEUR	-0.8	15.7	-105.1%	-4.3	6.8	-163.2%	12.6
Earnings Before Taxes (EBT)	MEUR	275.1	277.5	-0.9%	86.2	105.6	-18.4%	398.4

Net income							
(without							
non-	MEUR 189.8	194.2	-2.3%	59.0	73.9	-20.2%	274.6
controlling							
interests)							
Cash flow							
from	MEUR 129.2	345.7	-62.6%	47.7	145.1	-67.1%	366.6
operating							
activities							
Capital	MEUR 81.5	76.3	+6.8%	25.6	31.5	-18.7%	119.5
expenditure							
Employees							
(as of end							
of period; -	25,686	25,547	+0.5%	25,686	25,547	+0.5%	25,162
without							
apprentices)							

All figures according to IFRS. Due to the utilization of automatic calculation programs, differences can arise in the addition of rounded totals and percentages. MEUR = million euros. EUR = euros.

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