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EANS-News: ANDRITZ GROUP: Results for the first quarter of 2018

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Quarterly Report

Graz -

May 3, 2018. International technology Group ANDRITZ saw mixed business development in the first quarter of 2018. While the order intake of over 1.5 billion euros was very favorable and almost reached the very high level of last year's reference period, sales and earnings were significantly lower than the reference figures for the previous year.

The key financial figures developed as follows:

- * Order intake at 1,532.8 million euros (MEUR) reached a very favorable level and was thus only slightly below the high level of the previous year's reference period (-1.7% versus Q1 2017: 1,560.0 MEUR). The Hydro, Metals, and Separation business areas saw very positive development and were able to achieve - partially significant - increases in order intake compared to the previous year.
- * Sales decreased to 1,291.0 MEUR and were thus 6.9% below the level of the previous year's reference period (Q1 2017: 1,386.2 MEUR). This is largely due to a decline in sales in Pulp & Paper (a large pulp mill project still had a significant impact on sales in the previous year's reference period) and Metals (decline in sales due to the low order intake in the second and third quarter of last year). However, as a result of the Group's increasing order intake since the second quarter of 2017 (Q2 2017: 1,211.3 MEUR, Q3 2017: 1,341.2 MEUR; Q4 2017: 1,467.0 MEUR; Q1 2018: 1,532.8 MEUR), sales in the coming months should, from today's perspective, make up for the lower sales figure in the first quarter.
- * The order backlog as of March 31, 2018, amounted to 6,553.2 MEUR and has thus increased slightly compared to the end of 2017 (December 31, 2017: 6,383.0 MEUR).
- * The EBITA amounted to 71.7 MEUR (-26.4% compared to Q1 2017: 97.4 MEUR) and was thus significantly lower than the figure for the previous year's reference period. The main reason for this is, above all, the lower sales figure. Furthermore, cost overruns on individual projects in the Metals business area had an impact on earnings. As a result, the Group's profitability (EBITA margin) declined to 5.6% (Q1 2017: 7.0%).
- * Net income (without non-controlling interests) dropped to 44.0 MEUR (Q1 2017: 63.0 MEUR).

OUTLOOK

In spite of the decline in sales and earnings during the reporting period, ANDRITZ expects unchanged an overall satisfactory business development from today's perspective for the 2018 business year. In the coming months, the rising order intake since the second quarter of 2017 is expected to make up for the lower sales in the present reporting period and the related lower earnings.

Wolfgang Leitner, President and CEO of ANDRITZ AG: "In spite of the moderate development of sales and earnings in the first quarter, we expect solid business

development for the 2018 business year as a whole. The development of order intake in the past few quarters as well as the good project and investment activities overall in the markets we serve give us good grounds for optimism."

Key financial figures at a glance

	Unit	Q1_2018	Q1_2017	+/-	2017
Sales (total)	MEUR	1,291.0	1,386.2	-6.9%	5,889.1
Hydro	MEUR	349.8	355.9	-1.7%	1,583.1
Pulp & Paper	MEUR	458.9	508.7	-9.8%	2,059.7
Metals	MEUR	347.5	397.5	-12.6%	1,643.5
Separation	MEUR	134.8	124.1	+8.6%	602.8
Order intake (total)	MEUR	1,532.8	1,560.0	-1.7%	5,579.5
Hydro	MEUR	434.8	309.5	+40.5%	1,317.2
Pulp & Paper	MEUR	457.4	653.3	-30.0%	2,033.4
Metals	MEUR	467.8	442.7	+5.7%	1,606.5
Separation	MEUR	172.8	154.5	+11.8%	622.4
Order backlog (as of end of period)	MEUR	6,553.2	6,974.2	-6.0%	6,383.0
EBITDA	MEUR	93.8	120.7	-22.3%	541.7
EBITDA margin	%	7.3	8.7	-	9.2
EBITA	MEUR	71.7	97.4	-26.4%	444.0
EBITA margin	%	5.6	7.0	-	7.5
Earnings Before Interest and Taxes (EBIT)	MEUR	64.4	86.9	-25.9%	399.3
Financial result	MEUR	-1.4	3.4	-141.2%	1.3
Earnings Before Taxes (EBT)	MEUR	63.0	90.3	-30.2%	400.6
Net income (without non-controlling interests)	MEUR	44.0	63.0	-30.2%	263.0
Cash flow from operating activities	MEUR	-23.4	147.7	-115.8%	246.5
Capital expenditure	MEUR	22.5	29.0	-22.4%	116.8
Employees (as of end of period; without apprentices)		25,822	25,247	+2.3%	25,566

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.

- End -

ANDRITZ GROUP

ANDRITZ is a globally leading supplier of plants, equipment, and services for hydropower stations, the pulp and paper industry, the metal working and steel industries, and for solid/liquid separation in the municipal and industrial segments. Other important fields of business are animal feed and biomass pelleting, as well as automation, where ANDRITZ offers a wide range of innovative products and services in the IIoT (Industrial Internet of Things) sector under the brand name of Metris. In addition, the international technology Group is active in power generation (steam boiler plants, biomass power plants, recovery boilers, and gasification plants) and environmental technology (flue gas cleaning plants) and offers equipment for the production of nonwovens, dissolving pulp, and panelboard, as well as recycling plants.

A passion for innovative technology, absolute customer focus, reliability, and integrity are the central values to which ANDRITZ commits. The listed Group is headquartered in Graz, Austria. With over 160 years of experience, 25,800 employees, and more than 250 locations in over 40 countries worldwide, ANDRITZ is a reliable and competent partner and helps its customers to achieve their corporate and sustainability goals.

Annual and financial reports

Annual and Financial reports are available for download at the ANDRITZ web site [andritz.com \[http://www.andritz.com/\]](http://www.andritz.com/), and printed editions can be requested free of charge by e-mail to [investors@andritz.com \[investors@andritz.com\]](mailto:investors@andritz.com).

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"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.

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