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EANS-News: ANDRITZ GROUP: Results for Q2 and H1 2018

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Mid Year Results

Graz -

AUGUST 2, 2018: International technology Group ANDRITZ saw favorable business development in the second quarter of 2018. Order intake increased significantly compared to the reference figure of the previous year, sales and earnings also showed solid development. The key financial figures developed as follows:

- * In the second quarter of 2018, order intake, at 1,736.5 MEUR, was well above the previous year's reference figure (+43.4% versus Q2 2017: 1,211.3 MEUR). All business areas were able to increase their order intake compared to the previous year's reference period. Thus, the positive trend in order intake in the preceding quarters continued (Q3 2017: 1,341.2 MEUR, Q4 2017: 1,467.0 MEUR, Q1 2018: 1,532.8 MEUR). As a result, order intake in the first half of 2018 developed very favorably, rising to 3,269.3 MEUR. This is an increase of 18.0% compared to the previous year's reference period (H1 2017: 2,771.3 MEUR).
- * The order backlog as of June 30, 2018 amounted to 6,841.1 MEUR and increased by 7.2% compared to the end of 2017 (6,383.0 MEUR) as a result of the increase in order intake in the preceding quarters.
- * Sales rose in the second quarter of 2018 by 5.7% compared to the previous year's reference period (Q2 2017: 1,392.8 MEUR) and reached 1,472.1 MEUR. This almost entirely made up for the decline in sales in the first quarter, with the result that sales in the first half of 2018, at 2,763.1 MEUR, were only slightly below the level of the previous year's reference period (-0.6% versus H1 2017: 2,779.0 MEUR).
- * Due to the increase in sales and favorable development of the Pulp & Paper business area, the EBITA in the second quarter increased to 94.6 MEUR and thus was up by 9.4% compared to the previous year's reference figure (86.5 MEUR) adjusted by the extraordinary positive effect of approximately 25 MEUR (mainly attributable to sale of the Schuler Technical Center in Tianjin, China). Compared to the EBITA for Q2 2017 including this extraordinary positive effect, the EBITA in the second quarter of 2018 decreased by 13.9%. In the first half of 2018, the EBITA amounted to 166.3 MEUR and was 8.8% below the previous year's reference figure (182.3 MEUR) adjusted for the positive extraordinary effect. This is due to the drop in earnings in the first quarter of 2018, which was marked by declining sales and cost overruns in the Metals business area. Compared to the EBITA for H1 2017 including the extraordinary effect, the EBITA for the first half of 2018 fell by 19.8%.
- * The net income (without non-controlling interests) fell in the second quarter of 2018 to 56.6 MEUR (Q2 2017: 67.8 MEUR). In the first half of 2018, the net income (without non-controlling interests) amounted to 100.6 MEUR (H1 2017: 130.8 MEUR).

OUTLOOK

The ANDRITZ GROUP expects unchanged stable development of sales in the 2018 business year as compared to the previous year. Profitability (EBITA margin) should also continue to develop positively and reach roughly the level of the

previous year, taking account of the positive special effect recorded last year.

Wolfgang Leitner, President & CEO of ANDRITZ AG: "We are satisfied overall with business development in the first half of this year. In particular, the positive development in order intake, which has now been increasing for four consecutive quarters, gives us grounds for optimism. We also envisage good project and investment activity for the remaining months of the year in the markets we serve."

KEY FINANCIAL FIGURES AT A GLANCE

	Unit	H1 2018	H1 2017	+/-	Q2 2018	Q2 2017	+/-	2017
Sales	MEUR	2,763.1	2,779.0	-0.6%	1,472.1	1,392.8	+5.7%	5,889.1
- Hydro	MEUR	724.3	724.6	-0.0%	374.6	368.7	+1.6%	1,583.1
- Pulp & Paper	MEUR	1,009.5	990.9	+1.9%	550.5	482.2	+14.2%	2,059.7
- Metals	MEUR	742.4	792.3	-6.3%	394.9	394.8	+0.0%	1,643.5
- Separation	MEUR	286.9	271.2	+5.8%	152.1	147.1	+3.4%	602.8
Order intake	MEUR	3,269.3	2,771.3	+18.0%	1,736.5	1,211.3	+43.4%	5,579.5
- Hydro	MEUR	753.1	514.0	+46.5%	318.3	204.5	+55.6%	1,317.2
- Pulp & Paper	MEUR	1,180.9	1,124.9	+5.0%	723.4	471.6	+53.4%	2,033.4
- Metals	MEUR	946.7	814.2	+16.3%	478.9	371.5	+28.9%	1,606.5
- Separation	MEUR	388.6	318.2	+22.1%	215.9	163.7	+31.9%	622.4
Order backlog (as of end of period)	MEUR	6,841.1	6,849.1	-0.1%	6,841.1	6,849.1	-0.1%	6,383.0
EBITDA	MEUR	211.7	253.5	-16.5%	117.9	132.8	-11.2%	541.7
EBITDA margin	%	7.7	9.1	-	8.0	9.5	-	9.2
EBITA	MEUR	166.3	207.3	-19.8%	94.6	109.9	-13.9%	444.0
EBITA margin	%	6.0	7.5	-	6.4	7.9	-	7.5
Earnings Before Interest and Taxes (EBIT)	MEUR	152.9	185.4	-17.5%	88.5	98.5	-10.2%	399.3
Financial result	MEUR	-10.0	3.5	-385.7%	-8.6	0.1	n/a	1.3
Earnings Before Taxes (EBT)	MEUR	142.9	188.9	-24.4%	79.9	98.6	-19.0%	400.6
Net income (without non-controlling interests)	MEUR	100.6	130.8	-23.1%	56.6	67.8	-16.5%	263
Cash flow from operating activities	MEUR	-101.2	81.5	-224.2%	-77.8	-66.2	-17.5%	246.5
Capital expenditure	MEUR	47.2	55.9	-15.6%	24.7	26.9	-8.2%	116.8
Employees (as of end of period; without apprentices)	-	26,023	25,390	+2.5%	26,023	25,390	+2.5%	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 -

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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, 26,000 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].

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