

30.04.2020 – 07:30 Uhr

EANS-News: ANDRITZ GROUP: Results for the first quarter of 2020

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Quarterly Report

Graz - April 30, 2020.

International technology group ANDRITZ saw mixed business development overall in the first quarter of 2020. While order intake at over 1.8 billion euros was higher than in the previous year's reference period, the operating result (EBITA) fell despite a slight increase in sales.

The key financial figures developed as follows:

- * At 1,852.9 million euros (MEUR), order intake reached a favorable level and was 11.7% higher than the figure for the previous year's reference period (Q1 2019: 1,658.1 MEUR). This is largely attributable to the Pulp & Paper business area, which succeeded in booking a large order for a new pulp mill in South America during the reporting period. Order intake also increased in the Metals business area due to favorable development in the Metals Forming (Schuler) sector. Order intake declined in the Hydro business area, which faced continuing difficult market conditions.
- * Order backlog as of March 31, 2020, amounted to 7,924.6 MEUR and has thus increased compared to the end of 2019 (December 31, 2019: 7,777.6 MEUR).
- * Sales at 1,510.2 MEUR increased by 1.4% and were slightly higher than the previous year's reference period (Q1 2019: 1,489.2 MEUR). This is attributable to the Pulp & Paper business area, which was able to increase sales substantially compared to the previous year and thus overcompensated the decline in sales in the other business areas.
- * Despite the small increase in sales, EBITA fell significantly compared to the previous year and amounted to 70.1 MEUR (-15.3% versus Q1 2019: 82.8 MEUR). As a result, the Group's profitability (EBITA margin) decreased to 4.6% (Q1 2019: 5.6%). While earnings in the Pulp & Paper business area increased compared to the previous year's reference period and profitability remained at an unchanged favorable level, EBITA declined considerably in the Metals and Hydro business areas. The Metals business area faced very difficult market conditions, both in Metals Forming and Metals Processing, during the reporting period. Metals Forming (Schuler), in particular, saw a significant decline in earnings as a result of the crisis in the international automotive industry and the related underutilization of capacities there. The reduction in capacity initiated in Germany at the end of last year will not be effective until the second half of 2020, with more impact to come in 2021.
- * Due to lower planned depreciation of intangible assets, the EBIT increased slightly to 53.8 MEUR (Q1 2019: 52.9 MEUR).
- * The financial result decreased to -9.5 MEUR (Q1 2019: -6.4 MEUR), mainly due to the valuation of securities and accounts in foreign currencies (FX) in the other financial result as of the reporting date.
- * As a result, net income (without non-controlling interests) declined to 31.5 MEUR (Q1 2019: 33.6 MEUR).
- * The gross liquid funds amounted to 1,543.1 MEUR at the end of March 2020. In addition, the ANDRITZ GROUP has surety lines totaling 5,902 MEUR at its disposal, of which around 2,977 MEUR are utilized. Thus, the ANDRITZ GROUP has a solid liquidity position.

OUTLOOK FOR 2020: GUIDANCE REMAINS SUSPENDED

In view of the continuing difficult general economic conditions globally due to the Covid-19 pandemic and the lack of visibility concerning its further development, it is still not possible from today's perspective to provide reliable information on the expected development of the ANDRITZ GROUP's sales and earnings in 2020.

In reaction to the negative economic impact of the coronavirus crisis, ANDRITZ has launched immediate adjustment measures focusing on achieving cost savings in the short term and optimizing cost structures in the medium term.

Wolfgang Leitner, President and CEO of ANDRITZ AG: "Project visibility in the markets we serve is currently still very low. We are monitoring the situation closely and will take further steps in line with developments to keep the financial impact as low as possible and safeguard ANDRITZ's ability to compete."

KEY FINANCIAL FIGURES AT A GLANCE

	Unit	Q1_2020	Q1_2019	+/-	2019
Sales	MEUR	1,510.2	1,489.2	+1.4%	6,673.9
- Pulp & Paper	MEUR	713.3	602.7	+18.4%	2,869.5
- Metals	MEUR	355.2	387.8	-8.4%	1,636.9
- Hydro	MEUR	298.2	338.5	-11.9%	1,470.7
- Separation	MEUR	143.5	160.2	-10.4%	696.8
Order intake	MEUR	1,852.9	1,658.1	+11.7%	7,282.0
- Pulp & Paper	MEUR	1,078.2	806.9	+33.6%	3,632.5
- Metals	MEUR	361.5	348.1	+3.8%	1,582.2
- Hydro	MEUR	245.5	313.9	-21.8%	1,350.2
- Separation	MEUR	167.7	189.2	-11.4%	717.1
Order backlog (as of end of period)	MEUR	7,924.6	7,260.9	+9.1%	7,777.6
EBITDA	MEUR	112.6	126.5	-11.0%	537.6
EBITDA margin	%	7.5	8.5	-	8.1
EBITA	MEUR	70.1	82.8	-15.3%	343.2
EBITA margin	%	4.6	5.6	-	5.1
Earnings Before Interest and Taxes (EBIT)	MEUR	53.8	52.9	+1.7%	237.9
Financial result	MEUR	-9.5	-6.4	-48.4%	-57.0
Earnings Before Taxes (EBT)	MEUR	44.3	46.5	-4.7%	180.9
Net income	MEUR	31.5	33.6	-6.3%	127.8
(without non-controlling interests)					
Cash flow from	MEUR	56.9	56.0	+1.6%	821.6
operating activities					
Capital expenditure	MEUR	29.9	25.4	+17.7%	157.1
Employees (as of end of period; without		28,411	29,398	-3.4%	29,513
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.

- End -

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ANDRITZ GROUP

International technology group ANDRITZ offers a broad portfolio of innovative plants, equipment, systems and services for the pulp and paper industry, the hydropower sector, the metals processing and forming industry, solid/liquid separation in the municipal and industrial sectors, as well as animal feed and biomass pelleting. The global product and service portfolio is rounded off with plants for power generation, recycling, the production of nonwovens and panelboard, as well as automation and digital solutions offered under the brand name of Metris. The publicly listed group today has around 28,400 employees and more than 280 locations in over 40 countries.

ANNUAL AND FINANCIAL REPORTS

Annual and Financial reports are available for download at the ANDRITZ web site andritz.com, and printed editions can be requested free of charge 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.

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