



PRESS RELEASE

## ANDRITZ GROUP: Results for the third quarter and first three quarters of 2018

*GRAZ, NOVEMBER 6, 2018.* International technology Group ANDRITZ showed solid business development overall – although mixed by business area – in the third quarter of 2018. Order intake and sales increased compared to the previous year's reference figure, however earnings were below the figure for last year's reference period. The Group's key financial figures developed as follows:

- **Order intake** at 1,468.7 MEUR was 9.5% higher than the previous year's reference period (Q3 2017: 1,341.2 MEUR) in the third quarter of 2018 and thus continued the favorable development of the preceding quarters. As a result, order intake in the first three quarters of 2018 developed very favorably, rising to 4,738.0 MEUR. This is an increase of 15.2% compared to the previous year's reference period (Q1-Q3 2017: 4,112.5 MEUR); all four business areas were able to increase their order intake compared to the previous year.
- The **order backlog** as of September 30, 2018 amounted to 6,882.8 MEUR and increased by 7.8% compared to the end of 2017 (6,383.0 MEUR) as a result of the higher order intake in the preceding quarters.
- **Sales** rose in the third quarter of 2018 by 5.4% compared to the previous year's reference period (Q3 2017: 1,364.6 MEUR) to reach 1,437.7 MEUR. This more than compensated for the slight decline in sales in the first half year, with the result that sales in the first three quarters of 2018, at 4,200.8 MEUR, were slightly higher than the level of the previous year's reference period (+1.4% compared to Q1-Q3 2017: 4,143.6 MEUR).
- The **EBITA** in the third quarter amounted to 85.9 MEUR and was 13.1% lower than the figure for the previous year's reference period (98.9 MEUR) despite the increase in sales. The reasons for the decline in earnings are largely cost overruns and processing of some orders with lower margins in the Metals business area. In the first three quarters of 2018, the EBITA amounted to 252.2 MEUR and was thus 17.6% below the previous year's reference figure, which included a positive extraordinary effect in the amount of approximately 25 MEUR, resulting largely from sale of the Schuler Technical Center in China. Compared to the earnings adjusted for this extraordinary effect (282.6 MEUR), the EBITA declined by 10.8% in the first three quarters of 2018.

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- The **net income** (without non-controlling interests) fell in the third quarter of 2018 to 56.4 MEUR (Q3 2017: 59.0 MEUR). In the first three quarters of 2018, the net income (without non-controlling interests) amounted to 157.0 MEUR (Q1-Q3 2017: 189.8 MEUR).

## OUTLOOK

The ANDRITZ GROUP expects unchanged stable development of sales in the 2018 business year as compared to the previous year. In the fourth quarter, provisions amounting to well above 20 million euros will be made for necessary cost adjustment measures, particularly in the Metals business area.

Nevertheless, profitability (EBITA margin) for 2018 should almost reach the previous year's level adjusted for this positive extraordinary effect (EBITA margin adjusted: 7.1%, EBITA margin reported: 7.5%).

Wolfgang Leitner, President & CEO of ANDRITZ AG: *"We succeeded in booking an aggregated order intake of over 6.2 billion euros in the past four quarters and thus have a solid order backlog for the coming business year. Integration of the companies we acquired this year – in particular, Xerium Technologies – and selective cost adjustment measures in some business areas will be the main focus in the coming months."*



## KEY FINANCIAL FIGURES AT A GLANCE

	Unit	Q1-Q3 2018	Q1-Q3 2017	+/-	Q3 2018	Q3 2017	+/-	2017
<b>Sales</b>	MEUR	<b>4,200.8</b>	<b>4,143.6</b>	<b>+1.4%</b>	<b>1,437.7</b>	<b>1,364.6</b>	<b>+5.4%</b>	<b>5,889.1</b>
Hydro	MEUR	1,085.8	1,071.5	+1.3%	361.5	346.9	+4.2%	1,583.1
Pulp & Paper	MEUR	1,523.2	1,474.3	+3.3%	513.7	483.4	+6.3%	2,059.7
Metals	MEUR	1,142.7	1,185.0	-3.6%	400.3	392.7	+1.9%	1,643.5
Separation	MEUR	449.1	412.8	+8.8%	162.2	141.6	+14.5%	602.8
<b>Order intake</b>	MEUR	<b>4,738.0</b>	<b>4,112.5</b>	<b>+15.2%</b>	<b>1,468.7</b>	<b>1,341.2</b>	<b>+9.5%</b>	<b>5,579.5</b>
Hydro	MEUR	1,056.2	939.0	+12.5%	303.1	425.0	-28.7%	1,317.2
Pulp & Paper	MEUR	1,726.4	1,552.0	+11.2%	545.5	427.1	+27.7%	2,033.4
Metals	MEUR	1,403.3	1,143.6	+22.7%	456.6	329.4	+38.6%	1,606.5
Separation	MEUR	552.1	477.9	+15.5%	163.5	159.7	+2.4%	622.4
Order backlog (as of end of period)	MEUR	6,882.8	6,650.8	+3.5%	6,882.8	6,650.8	+3.5%	6,383.0
EBITDA	MEUR	321.2	375.2	-14.4%	109.5	121.7	-10.0%	541.7
EBITDA margin	%	7.6	9.1	-	7.6	8.9	-	9.2
EBITA	MEUR	252.2	306.2	-17.6%	85.9	98.9	-13.1%	444.0
EBITA margin	%	6.0	7.4	-	6.0	7.2	-	7.5
Earnings Before Interest and Taxes (EBIT)	MEUR	229.3	275.9	-16.9%	76.4	90.5	-15.6%	399.3
Financial result	MEUR	-5.8	-0.8	-625.0%	4.2	-4.3	+197.7%	1.3
Earnings Before Taxes (EBT)	MEUR	223.5	275.1	-18.8%	80.6	86.2	-6.5%	400.6
Net income (without non- controlling interests)	MEUR	157.0	189.8	-17.3%	56.4	59.0	-4.4%	263
Cash flow from operating activities	MEUR	-85.0	129.2	-165.8%	16.2	47.7	-66.0%	246.5
Capital expenditure	MEUR	69.3	81.5	-15.0%	22.1	25.6	-13.7%	116.8
Employees (as of end of period; without apprentices)	-	26,397	25,686	+2.8%	26,397	25,686	+2.8%	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.

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## **FOR FURTHER INFORMATION, PLEASE CONTACT**

Dr. Michael Buchbauer  
Head of Corporate Communications  
[michael.buchbauer@andritz.com](mailto:michael.buchbauer@andritz.com)  
[andritz.com](http://andritz.com)

## **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, 29,000 employees, and more than 280 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://andritz.com), and printed editions can be requested free of charge by e-mail to [investors@andritz.com](mailto:investors@andritz.com).

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