



PRESS RELEASE

ANDRITZ GROUP: Results for Q2 and H1 2019

GRAZ; AUGUST 2, 2019: International technology Group ANDRITZ saw satisfactory business development overall in the second quarter of 2019, however development by business area differed considerably. The order intake – at just over two billion euros – reached the second highest quarterly figure in the company’s history. While sales increased slightly, the EBITA remained stable compared to the previous year. The key financial figures developed as follows:

- In the second quarter of 2019, **order intake** was well above the previous year’s reference figure at 2,047.1 (+17.9% versus Q2 2018: 1,736.5 MEUR). This is mainly due to the Pulp & Paper business area, which was able to increase its order intake significantly in the capital equipment segment as well as in the service segment. In the other business areas however, order intake declined. Order intake in the first half of 2019 saw very favorable development and increased to 3,705.2 MEUR (+13.3% compared to H1 2018: 3,269.3 MEUR).
- The **order backlog** as of June 30, 2019 amounted to 7,724.2 MEUR and increased by 9.0% compared to the end of 2018 (7,084.3 MEUR) as a result of the good order intake development in the preceding quarters.
- **Sales** rose in the second quarter of 2019 by 6.9% compared to the previous year’s reference period (Q2 2018: 1,472.1 MEUR) and reached 1,573.2 MEUR. The Pulp & Paper business area noted a sharp increase in sales that more than compensated for declining sales in the other business areas. Sales in the first half of 2019 amounted to 3,062.4 MEUR and increased by 10.8% compared to the previous year’s reference period (first half of 2018: 2,763.1 MEUR).
- The **EBITA** in the second quarter of 2019 amounted to 94.7 MEUR and was thus practically unchanged compared to the figure for the previous year’s reference period (Q2 2018: 94.6 MEUR) in spite of the rise in sales. This was due to the Metals business area, which saw a significant drop in earnings due to processing of low-margin orders and under-utilization of capacities in the Metals Forming division (Schuler). In contrast, the other business areas saw solid development and were able to increase their earnings compared to the previous year. The EBITA in the first half of 2019 amounted to 177.5 MEUR and was 6.7% higher than the previous year’s reference figure (H1 2018: 166.3 MEUR).





- The **financial result** decreased to -14.4 MEUR due to the significantly lower average net liquidity compared to the previous year as well as interest expenses for the Schuldscheindarlehen issued in the third quarter of 2018 (Q1 2018: -8.6 MEUR).
- As a result, **net income** (without non-controlling interests) dropped to 43.9 MEUR (Q2 2018: 56.6 MEUR). In the first half of 2019, the net income (without non-controlling interests) amounted to 77.5 MEUR (H1 2018: 100.6 MEUR).

OUTLOOK

With regard to the expectations for the full year 2019, ANDRITZ confirms its guidance given at the publication of the Q1 2019 results and expects a significant rise in sales compared to the previous year. In terms of profitability, the company expects the operating EBITA margin without extraordinary effects to remain unchanged at 6.9% (EBITA margin 2018 without extraordinary effects: 6.9%).

Wolfgang Leitner, President & CEO of ANDRITZ AG: *“We are very pleased with the development of order intake and expect continuing good project activity in the coming months, especially in the Pulp & Paper business area. As far as weak earnings development in the Metals Forming division (Schuler) as a result of the market environment is concerned, we are confident that we can achieve a competitive cost structure and solid profitability once again in the medium term with the adjustment measures now implemented.”*



KEY FINANCIAL FIGURES AT A GLANCE

	Unit	H1 2019	H1 2018	+/-	Q2 2019	Q2 2018	+/-	2018
Sales	MEUR	3,062.4	2,763.1	+10.8%	1,573.2	1,472.1	+6.9%	6,031.5
Hydro	MEUR	675.6	724.3	-6.7%	337.2	374.5	-10.0%	1,517.5
Pulp & Paper	MEUR	1,310.3	1,009.5	+29.8%	707.6	550.6	+28.5%	2,233.2
Metals	MEUR	758.7	742.4	+2.2%	370.9	394.9	-6.1%	1,635.1
Separation	MEUR	317.8	286.9	+10.8%	157.6	152.1	+3.6%	645.7
Order intake	MEUR	3,705.2	3,269.3	+13.3%	2,047.1	1,736.5	+17.9%	6,646.2
Hydro	MEUR	601.8	753.1	-20.1%	287.9	318.2	-9.5%	1,445.8
Pulp & Paper	MEUR	1,925.7	1,180.9	+63.1%	1,118.8	723.5	+54.6%	2,571.9
Metals	MEUR	809.8	946.7	-14.5%	461.7	478.9	-3.6%	1,931.8
Separation	MEUR	367.9	388.6	-5.3%	178.7	215.9	-17.2%	696.7
Order backlog (as of end of period)	MEUR	7,724.2	6,841.1	+12.9%	7,724.2	6,841.1	+12.9%	7,084.3
EBITDA	MEUR	262.7	211.7	+24.1%	136.2	117.9	+15.5%	498.0
EBITDA margin	%	8.6	7.7	-	8.7	8.0	-	8.3
EBITA	MEUR	177.5	166.3	+6.7%	94.7	94.6	+0.1%	394.3
EBITA margin	%	5.8	6.0	-	6.0	6.4	-	6.5
Earnings Before Interest and Taxes (EBIT)	MEUR	128.9	152.9	-15.7%	76.0	88.5	-14.1%	321.6
Financial result	MEUR	-20.8	-10.0	-108.0%	-14.4	-8.6	-67.4%	-17.4
Earnings Before Taxes (EBT)	MEUR	108.1	142.9	-24.4%	61.6	79.9	-22.9%	304.2
Net income (without non- controlling interests)	MEUR	77.5	100.6	-23.0%	43.9	56.6	-22.4%	222
Cash flow from operating activities	MEUR	271.9	-101.2	+368.7%	215.9	-77.8	+377.5%	7.8
Capital expenditure	MEUR	62.0	47.2	+31.4%	36.6	24.7	+48.2%	137
Employees (as of end of period; without apprentices)	-	29,616	26,023	+13.8%	29,616	26,023	+13.8%	29,096

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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ANDRITZ GROUP

ANDRITZ is an international technology group providing plants, systems, equipment, and services for various industries. The company is one of the technology and global market leaders in the hydropower business, the pulp and paper industry, the metal working and steel industries, and in 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 company is active in power generation (steam boiler plants, biomass power plants, recovery boilers, and gasification plants) and environmental technology (flue gas and exhaust gas cleaning plants) and offers equipment for the production of nonwovens, dissolving pulp, and panelboard, as well as recycling plants.

ANDRITZ stands for passion, partnership, perspectives and versatility – core values to which the company is committed. The listed Group is headquartered in Graz, Austria. With almost 170 years of experience, 29,600 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](https://www.andritz.com), and printed editions can be requested free of charge by e-mail to investors@andritz.com.

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