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EANS-Adhoc: ANDRITZ affiliate Schuler adjusts capacities to the weakness of the international automotive market

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Company Information

29.07.2019

Graz - JULY 29, 2019. Due to the weakness of the international automotive market and the resulting low investment activity by car manufacturers and their suppliers, international technology Group ANDRITZ will adjust its manufacturing capacities and cost structures in Germany in the Metals Forming segment (Schuler), as announced, in line with the difficult and strongly changing market conditions. A corresponding cost-cutting and action plan, implementation of which is now being discussed with the relevant employee representatives, has been adopted by the Schuler Executive Board.

In order to maintain competitiveness on the international market for presses and press lines in the long term, a further reduction of manufacturing capacities and of around 500 people in Germany - mainly in manufacturing - is necessary at the Schuler Group (member of the ANDRITZ GROUP). The reductions required are to be implemented with the greatest possible social compatibility.

The headcount at Schuler in Germany was already adjusted in recent years to the difficult market conditions. Schuler currently has around 6,500 employees worldwide, with just under 4,200 in Germany.

The total extraordinary expenses for these measures amount to approximately 85 million euros (MEUR), approximately 70% of which are cash-effective, while the remainder relates to depreciation of fixed assets (machinery and buildings) in connection with the reduction of manufacturing capacities. The provisions for these expenses will be booked in the 3rd quarter of 2019 and will thus have a negative impact on the earnings of the ANDRITZ GROUP in the 2019 business year.

In addition, an impairment of goodwill will be recorded in the amount of around 25 MEUR.

First savings resulting from these measures are expected as from the second half of 2020, and profitability at Schuler is expected to improve gradually as from 2021. In combination with the 2018 restructuring program that is already underway, cost savings of around 60 MEUR are expected compared to the current business year. These savings should become effective in the full amount as of the 2022 business year.

Wolfgang Leitner, President and CEO of ANDRITZ AG: "The planned measures are painful but necessary because, from today's perspective, there are no signs of a sustained recovery on the international automotive market and the automotive sector is undergoing a major transformational process. It is absolutely essential that we adjust our cost and manufacturing structures accordingly in order to ensure Schuler's competitiveness in the long term."

- End -

This insider information is available for download at [andritz.com/news](http://www.andritz.com/news) [http://www.andritz.com/news?utm_source=GR-press-release].

FOR FURTHER INFORMATION, PLEASE CONTACT

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Zwtl.: 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, over 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.

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