

PRESS RELEASE

Muehlhan AG publishes results for the first half of 2017

- Business performance within expectations
- €118.9 million of sales revenues; €4.2 million of EBIT

Hamburg, 31 July 2017 – In the first half year of 2017, Muehlhan AG (Open Market; ISIN DE000A0KD0F7) records a decrease of sales revenues by 7% to €118.9 million, as expected. On the other hand, there was a €0.4 million improvement in EBIT to €4.2 million, indicating that the company has achieved the improvement in profitability it had targeted and forecast. Consolidated profit increased by €0.2 million to €2.4 million. Cash flow from operating activities is positive with €1.4 million (previous year: €-0.1 million).

A geographic overview shows that the company successfully increased its profitability especially in the **Europe** region. Sales revenue decreased by €3.8 million to €90.8 million compared to last year. However, EBIT increased from €4.8 million to €5.7 million. Sales revenues for the **Middle East** region decreased during the reporting period, from €13.7 million to €10.8 million. EBIT decreased in the same extent, so the EBIT margin remained stable. In particular, earnings were adversely affected by the current political developments in Qatar. In the first half of 2017, sales revenues from the Muehlhan Group's **North American** businesses decreased by €3.1 million year on year to €10.2 million. EBIT decreased from €0.8 million in the previous year to €0.6 million. In the **Rest of the World**, sales revenues for the first half of 2017 totaled €6.9 million, €1.2 million higher than in the prior-year period. EBIT increased by €0.1 million to €0.9 million.

A breakdown by business segment shows that in the **Ship** segment, sales revenues dropped from €32.5 million to €28.8 million, with EBIT decreasing in an equal proportion to €2.2 million. In the area of **Oil & Gas**, by contrast, the modest recovery in the market made it possible to increase sales revenues by €1.1 million to €35.0 million. However, higher cost pressure caused EBIT to drop from €4.2 million to €1.6 million. In the **Renewables** segment, sales revenues decreased by €2.5 million to €15.9 million. At the same time, however, EBIT increased by €2.8 million, from €-0.8 million to €2.0 million, thanks to increases in efficiency and the avoidance of loss-making projects. The **Industry/Infrastructure** business posted €39.2 million of sales revenues for the period from the beginning of January to the end of June 2017, compared with €43.1 million for the same period of 2016. By contrast, EBIT increased by €0.3 million to €1.1 million.

In July 2017, the existing syndicated loan agreement for Group financing was replaced by a new syndicated loan agreement. The new agreement for €65.0 million, which matures in 2022, contains improved terms and conditions for Muehlhan compared to the loan agreement it replaces.

In 2015, Muehlhan acquired 60% of the shares in the MSI Group. In July 2017, it acquired the remaining 40% of the shares; as a result, the MSI Group is now a wholly owned subsidiary of Muehlhan AG. The purchase price of the shares totaled €4.5 million.

The Executive Board is standing by its published 2017 forecast that Group sales revenues will remain constant at around €250 million and that earnings before interest and taxes (EBIT) will improve slightly to between €6.5 million and €8.5 million.

The company's key performance indicators are shown in the following table.

in € million	1 st half of 2017	1 st half of 2016
Result		
Sales revenues	118.9	127.4
EBITDA ¹	7.9	7.7
EBIT ²	4.2	3.8
EBT ³	3.5	3.0
Consolidated earnings after non-controlling interests	1.5	1.3
Earnings per share from continuing operations (EUR)	0.08	0.05
Cash flow from operating activities	1.4	-0.1
Investment for fixed assets	5.5	4.8

	30.06.2017	31.12.2016
Balance sheet		
Balance sheet total	150.3	146.5
Fixed assets ⁴	55.2	53.7
Equity	67.6	68.1
Equity ratio in %	45.0	46.5

Employees	1 st half of 2017	1 st half of 2016
Average headcount people (number)	2,864	2,931

¹ EBITDA: Operating income before interest, taxes, depreciation and amortization

² EBIT: Operating income (Earnings before interest and taxes)

³ EBT: Earnings before taxes

⁴ Fixed assets: Total of non-current assets less deferred tax assets

Muehlhan



About Muehlhan: As one of the few full-service providers in its industry, the Muehlhan Group offers its customers a broad spectrum of industrial services and high-quality surface protection. Our very strong organizational skills, in-depth technical expertise and more than 130 years of experience enable us to satisfy our customers' exacting quality requirements.

Our Ship, Oil & Gas, Renewables and Industry/Infrastructure business segments offer first-class solutions for surface protection, insulation, passive fire protection, access technology, as well as scaffolding and steel construction. With more than 2,800 employees at over 30 locations worldwide, we generated €254 million of sales revenues in 2016.

We will continue to focus our efforts on steadily improving our technologies and services while actively developing new markets in order to continue expanding our business going forward.

For more information, visit www.muehlhan.com.

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