

PRESS RELEASE

Muehlhan AG publishes results for financial year 2017

- Muehlhan Group continues steady upward trend of the past few years
- €247.7 million of sales revenues and €8.5 million of EBIT at upper end of expectations
- Dividend of €0.08 per share proposed

Hamburg, 29 March 2018 – In 2017, Muehlhan AG (Open Market; ISIN DE000A0KDF7) successfully continued its upward trend of the past few years. As expected, sales revenues decreased slightly to €247.7 million while EBIT increased by 24 % to €8.5 million. Thus, the EBIT margin improved from 2.7 % to 3.4 %. Consolidated annual net income increased by 64 % to €4.6 million. After minority interests, the Group generated net income allocable to equity holders of €4.1 million in reporting year 2017, more than twice the prior-year figure. Cash flow from operating activities also showed a positive trend, increasing from €8.9 million in the previous year to €15.4 million.

A geographic review shows that sales revenues in **Europe** increased by 3 % to €192.5 million in the reporting year. Despite damage caused by a supplier in the Netherlands, EBIT increased disproportionately from €4.9 million in the previous year to €7.5 million in the reporting year.

In the **Middle East**, there was a steep €9.0 million drop in sales revenues to €20.8 million, mainly due to the fact that the Emirate of Qatar is being blockaded by neighboring countries. By contrast, this region's EBIT almost tripled to €1.3 million.

In **North America**, business lagged behind the previous year, with sales revenues declining by €5.8 million to €21.1 million. By contrast, EBIT rose by €0.8 million to €2.1 million.

In the **Rest of the World**, oil and gas projects generated €13.2 million of sales revenues and €1.4 million of EBIT.

In the **Ship** business segment, sales revenues decreased, as expected, by €7.3 million to €56.2 million. Due to more selective criteria for screening follow-up projects as part of the strict risk management approach, profitability increased, as demonstrated by the increase in EBIT to €5.7 million.

The **Oil & Gas** business segment managed to increase sales revenues from €63.2 million in 2016 to €73.3 million in 2017 thanks to a slightly improved market environment. High pressure on margins in the industry, the negative impact of the mentioned damage suffered in the Netherlands and negative foreign currency effects result in a significant €4.5 million decrease in EBIT to €2.0 million.

In the **Renewables** business segment, sales revenues decreased slightly by €1.4 million to €32.6 million. However, due to operating improvements – among other things – EBIT increased by €5.5 million to €3.0 million.

The **Industry/Infrastructure** business segment reported an €8.1 million decrease in sales revenues to €85.5 million. EBIT dropped from €3.3 million in the previous year to €2.3 million due to project-related reasons.

With the Supervisory Board's approval, the Executive Board will propose to the Annual General Meeting that for financial year 2017, a dividend of €0.08 per share (previous year: €0.06 per share) be distributed.

Muehlhan is confident that the Group's upward trend will continue and profitability can be improved further. The company expects sales revenues to remain constant at around €250 million, with EBIT increasing slightly to between €8.5 million and €9.5 million.

For additional information on the financial year 2017 and details on the outlook for 2018, please consult the Muehlhan Annual Report published on 29 March 2018.

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

in € million		Financial year 2017	Financial year 2016
Results			
Sales revenues		247.7	254.3
EBITDA ¹		16.0	14.2
EBIT ²		8.5	6.9
EBT ³		6.4	5.4
Consolidated earnings after non-controlling interests		4.1	2.0
Earnings per share from continuing operations	in €	0.22	0.09
Cash flow from operating activities		15.4	8.9
Investment for property, plant and equipment		13.2	9.2
Balance sheet		31/12/2017	31/12/2016
Total assets		145.5	146.5
Fixed assets ⁴		61.7	53.4
Equity		65.3	63.7*
Equity ratio	in %	44.9	43.5*
Employees		2017	2016
Employees (annual average)	number	2,929	2,881

* adjusted in accordance with IAS 8.41 et seq.

¹ EBITDA: Earnings before interest, taxes, depreciation and amortization

² EBIT: Profit from operations (Earnings before interest and taxes)

³ EBT: Earnings before taxes

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

About Muehlhan: Worldwide, **Muehlhan Group** is a reliable partner in industrial services and high-quality surface protection. As one of the few full-service providers, we offer our customers a broad range of services designed to meet the exacting quality standards expected in professional industrial services. Our customers benefit from our exceptional organizational skills, on-time delivery, the technical expertise that differentiates us from our competitors, and our more than 130 years of experience. We have an established market presence in the four business segments in which we operate: Ship, Renewables, Oil & Gas, and Industry/Infrastructure. **Muehlhan AG** is a listed company and is traded on the Open Market under ISIN DE000A0KD0F7.

For more information, visit www.muehlhan.com

Contact: Muehlhan AG; phone: +49-40-752-7115-0 e-mail: investorrelations@muehlhan.com