



## Disclosure of an inside information according to Article 17 MAR

thyssenkrupp

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### **Adjustment of Group forecast for fiscal year 2017/2018 after comprehensive review of project portfolio at Industrial Solutions**

In the context of the restructuring of Industrial Solutions, the industrial group thyssenkrupp has conducted a comprehensive project analysis and a review of the budgeted figures in its plant construction and shipbuilding segment. The result of this analysis is a correction of the expected earnings figures of Industrial Solutions for the third fiscal quarter and the current fiscal year and thus the forecast for the Group.

Industrial Solutions is expected to report a negative adjusted EBIT of around -220 million euros in the third quarter of 2017/2018. This is mainly due to additional expenses that have become necessary as part of the extensive project analysis and a reassessment of individual projects. The main negative factors were higher expected total costs, particularly for a marine project in Turkey, a cement plant in Saudi Arabia and a biofuel power plant in Australia.

Even before these effects, Industrial Solutions' adjusted EBIT in the third quarter will be negative at a low double-digit million amount due to lower than expected sales. The lower order intake and delayed milestone payments in connection with current projects mean that the contribution of the plant construction and shipbuilding segment to the Group's Free Cash Flow before M&A for the year as a whole is also below the previous year and will therefore be more negative than previously expected.

For the current 2017/2018 financial year, this will lead to an adjustment of the Group's forecast: Adjusted EBIT will now be around 1.8 billion euros (previous year: 1.722 billion euros) and thus at the lower end of the previously forecast range of 1.8 to 2 billion euros. Free Cash Flow before M&A will continue to be significantly better than in the previous year (previous year: -855 million euros), but will be negative due to the lower expectations in plant construction and shipbuilding (previously: 'positive again'). Despite these developments, the Group's net income will continue to be significantly better than in the previous year (previous year: 271 million euros).

The results for the third quarter of 2017/2018, combined with a medium-term outlook for the business segments, will be published as planned on August 9.

"Adjusted EBIT" as defined in the Annual Report 2016/2017, p. 38, "Free Cash Flow before M&A" as defined by "FCF before M&A" in the Annual Report 2016/2017, p. 39, available at <https://www.thyssenkrupp.com/en/publications/>.

**Contact:**

thyssenkrupp AG Investor Relations:

Dr. Claus Ehrenbeck  
Head of Investor Relations  
Phone: +49 201 844-536464  
mailto: [claus.ehrenbeck@thyssenkrupp.com](mailto:claus.ehrenbeck@thyssenkrupp.com)

thyssenkrupp AG Communications:

Peter Sauer  
Head of External Communications  
Phone: +49 (201) 844-536791  
mailto: [press@thyssenkrupp.com](mailto:press@thyssenkrupp.com)

[www.thyssenkrupp.com/en](http://www.thyssenkrupp.com/en)

Twitter: [@thyssenkrupp\\_en](https://twitter.com/thyssenkrupp_en)

Company blog: <https://engineered.thyssenkrupp.com>