

Media release

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Voith shows sound developments over the first half of the fiscal year

06/19/2018

- **Significant increase in net income on an adjusted basis**
- **Orders received stable, sales higher**
- **Voith Paper's positive development continues**
- **Negative impact from currency effects and weaker development at Voith Hydro**
- **Developments at Voith Digital Solutions as planned**
- **Voith's new CEO Stephan Schaller: in the upcoming months, we will continue to improve the underlying conditions for future profitable growth**

Heidenheim. The first half of the Voith Group's current 2017/18 fiscal year came to a conclusion with sound figures. Even better performance was limited mainly by negative currency effects; in addition the Voith Hydro Group proved to be weaker than expected. In contrast, the other Group Divisions constituting the core business, Voith Paper and Voith Turbo, developed according to plan, and Voith Paper, in particular, seamlessly followed up on the previous year's successes, returning to its position as the strongest pillar of the Group.

Overall, over the first six months of its current fiscal year, from October 1, 2017 to March 31, 2018, the Voith Group recorded an order volume totaling €2.29 billion; this means that orders received stood almost exactly at the high previous-year level (€2.32 billion). Adjusted for negative currency effects, orders received rose by 3 percent. On the March 31 reporting date, the current orders stood at €5.32 billion, in other words slightly up on the level seen at the end of the past fiscal year (€5.19 billion).

As anticipated, the sales of the Voith Group increased in the first half of the fiscal year and stood at €2.05 billion, an increase of 4 percent from the previous-year period. Adjusted for currency effects, the increase in sales

was as much as 10 percent. The profit from operations came to €75 million, after €91 million in the first half of the previous year. As anticipated, the operating result continued to be impacted by considerable build-up costs from Voith Digital Solutions. In total, the three long-standing Group Divisions generated a profit from operations that had improved slightly to €119 million (previous-year period: €117 million). The return on sales in the core business stood at 5.8 percent, roughly at the same respectable level seen in the previous year (6.0 percent). The net result of the Voith Group came to €29 million. In the first half of the previous year, this figure had reached an all-time record high of €566 million that almost completely came from the sale of the KUKA shares. Adjusted for this non-recurring effect, the net result increased significantly in comparison to the previous year and reached a four-year high.

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Page 2 of 3

The Group's financial position still remains very sound after the end of the first half of the fiscal year. As of March 31, the equity ratio stood at 27.2 percent, virtually unchanged at the end of the previous fiscal year. On the same date, the Group's net liquidity came to €574 million, after €648 million as of September 30, 2017.

“In terms of its operating business, the Voith Group continues to demonstrate its robust condition. Over the coming months, we will concentrate most of all on building on this foundation to improve the underlying conditions for future profitable growth. In this respect, we are benefiting from the fact that we have considerable financial headroom for organic growth and acquisitions, which we will make use of over the coming years”, explained Stephan Schaller, the new President & CEO of the Corporate Board of Management who took office on April 1, 2018.

Outlook: forecasts for the full 2017/18 fiscal year adjusted slightly

At the end of the first half of the fiscal year, the Voith Group generally remains confident in being able to continue its positive development. It will most likely be difficult, however, to make up for the weaker development on the part of Voith Hydro in the second half of the year. In addition, considerable negative currency effects are anticipated over the rest of the year as Voith does not presume that the euro exchange rate will weaken significantly. In light of this, the Group forecasts for the year are being slightly adjusted. Regarding orders received as well as Group sales, Voith is now expecting a stable development for the full year. There will be higher build-up costs for Voith Digital Solutions than originally planned. Considering this, the profit from operations in the Group is likely to fall

below the previous-year figure. Adjusted for currency effects, Voith expects a stable operating result.

About Voith

Voith is a global technology group. With its broad portfolio of systems, products, services and digital applications, Voith sets standards in the markets of energy, oil & gas, paper, raw materials and transport & automotive. Founded in 1867, Voith today has more than 19,000 employees, sales of €4.2 billion and locations in over 60 countries worldwide and is thus one of the largest family-owned companies in Europe.

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Page 3 of 3

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