Press release

Annual report 2017: good results provide a sound basis for tomorrow’s investments

- €7.856 bn: highest revenues in the company’s history
- EBIT up from €191.2 m to €206.8 m
- Corporate strategy delivering results
- 2017 earnings prepare ground for future investments

Salzburg, March 16, 2018. The 2017 financial year saw BENTELER generate the highest level of revenues in the company’s more than 140-year history: the BENTELER Group generated revenues of €7.856 bn, representing an increase of €433 m or 5.8 % compared to 2016. Profit from operating activities (EBIT) amounted to €206.8 m, a rise of 8.2 % on the previous year’s level (€191.2 m). Consolidated profit, at €100.8 m, was slightly below the 2016 level (€110.9 m). This was due in particular to the higher tax rate, non-recurring effects during the previous year and higher interest payments in 2017. The steady growth of the BENTELER Group is also reflected in other metrics: cash and cash equivalents remain high and the financing structure is sound. In short, during the past financial year BENTELER laid the foundations for continued investment in the markets and technologies of the future and active market engagement.

“The figures for the past financial year show that we are even successful in a competitive environment with high market volatility,” said Ralf Göttel, Chief Executive Officer of BENTELER International AG. All three Divisions delivered substantial revenue growth in 2017, “outpacing the market,” he emphasized. That lays the foundation for the company’s future development: “With our products and solutions we will continue to shape the transformation in mobility, working with and for our customers,” he added.

Results of the Divisions

The Automotive Division, that generates 78.4 % of the Group’s revenues, saw revenues advance by 7.1 % on the previous year to €6.296 bn. It achieved this particularly through its activity in the growth markets of Asia, Eastern Europe and Brazil, where it leveraged market opportunities through customer proximity. That was also reflected in earnings, which improved for the fourth year in succession.

The revenues of the Steel/Tube Division were sharply higher compared to 2016, up 24 % to €1.023 bn. This was due on the one hand to increased demand for Oil Country Tubular Goods (OCTG) and on the other hand to the efficiency-boosting measures in the Welded Operating Unit. The level of earnings was also gratifying: despite the budgeted start-up costs at the hot rolling mill at Shreveport in the USA, EBIT was higher than expected, reaching the previous year’s level. The Division contributed 12.7 % of Group revenues during the past financial year.

The Distribution Division, accounting for 8.9 % of Group revenues, is benefiting from the improved market situation and higher prices. Revenues from classic tube trading rose to €716 m. The Division’s
expanded sales expertise and logistics optimization – for example the central warehouse facility in Duisburg – had a positive impact on earnings before interest and tax, resulting in a slight increase compared to the previous year.

**Strategy 2022**

“We are on a profitable growth trajectory and intend to remain so in the future. We will therefore consistently implement the strategy developed in the previous year,” said CEO Ralf Göttel. Strategy 2022 is based on three pillars:

**Consistent development of the core business**

The BENTELER Group will focus on its core business. In the Automotive segment, for example, that means focusing on the production of thermoformed steel and aluminum components. During the reporting year the entire interest in the fiber composite components manufacturer BENTELER-SGL was therefore sold and an agreement was signed to sell the foundry at Farsund in Norway.

**Targeted growth**

BENTELER invests in innovative technologies and growth markets. The electromobility segment offers opportunities for the Automotive Division, particularly in China. BENTELER unveiled a world first during the year, showcasing the BENTELER Electric Drive System – a system solution for electric vehicles – in Asia. In just a few years’ time half of the world’s electric cars will be produced in that region. In saturated markets such as Germany, the main drive will be towards increased profitability, with a consequent focus on productivity and minimizing costs. “But here too we are investing in innovative technologies to unlock new earnings potential,” said CEO Ralf Göttel. “Good examples are the new thermomangement and e-chassis product lines at Paderborn, as well as battery tray production at Schwandorf.”

For the Steel/Tube Division the growth potential lies in oil and gas extraction in the USA, as demonstrated by the tonnage of the hot rolling mill at Shreveport in the US state of Louisiana, which more than tripled during the reporting period.

The Distribution Division is benefiting from the strong growth in automobile production in Eastern Europe thanks to its central processing center in Slovakia.

**Performance-based corporate culture**

“BENTELER has always been successful when it has acted with courage, ambition and respect,” said Executive Board member Isabel Diaz Rohr. Our corporate values – courage, ambition and respect – therefore make up the third pillar of the strategy. Our employees, who bring these values to life every day, make BENTELER a dependable and yet responsive market participant – qualities that will also be important in the future in order to succeed in the market.”

**Outlook for 2018**

The BENTELER Group’s extensive materials expertise, comprehensive product portfolio, geographic presence and strategic focus will enable it to exploit market opportunities in the future. Market fore-
casts for vehicle production point to further growth in the global market, from which the Automotive Division will benefit.

The Steel/Tube Division will continue to concentrate on internationalization to open up new sales markets. Another key success factor for 2018 is the increase in production volumes for the hot rolling mill at Shreveport, USA.

The Distribution Division aims to improve earnings through better differentiation: the value-added share will be increased through individual logistics solutions, higher-value first-stage processing and the expansion of the automotive supplies business, particularly in Eastern Europe.

“We are well positioned and our order book is very promising. We are therefore confident of achieving our targets for 2018 – a further improvement in operating results across all three Divisions,” said CEO Ralf Göttel.

Long-term forecast

The increase in profitability, greater competitiveness and the preservation of financial independence remain the basis for the five-year plans of all Divisions within BENTELER. By 2022 revenues should exceed €11.3 bn. This growth will be financed entirely from our own resources in order to preserve the Group’s sound financing structure, because it enables the BENTELER Group to seize market opportunities flexibly – in the near but also the more distant future.

Press contact:

BENTELER International AG
Birgit Held
Vice President Corporate Communications/Marketing
Salzburg, Austria
Phone: +43 662 2283-101040
E-Mail: public.relations@benteler.com

About BENTELER

BENTELER is a leading global company that develops, produces and sells products, systems and services for the automotive, energy and engineering sectors. We are a family-owned firm now in the fourth generation. Our 30,000 employees at 144 locations in 39 countries are passionate about excellence in manufacturing and distribution - in close proximity and collaboration with our customers. Sales in 2017 amounted to 7,856 Million Euros.

The three Business Divisions BENTELER Automotive, BENTELER Steel/Tube and BENTELER Distribution are organized under the strategic management holding company BENTELER International AG in Salzburg, Austria. With our technological expertise and strong focus on successful implementation, we develop solutions that make the difference – for customers, employees and society. And we make them happen.

BENTELER. The family of driven professionals. Since 1876.

www.benteler.com  Facebook  LinkedIn