COMPANY PRESENTATION

ANDRITZ GROUP

OCTOBER 2020

ANDRITZ

ENGINEERED SUCCESS

CHAPTER OVERVIEW

THE ANDRITZ GROUP

ANDRITZ is a globally leading supplier of plants, equipment, systems and services for the pulp and paper industry, the metalworking and steel industries, hydropower stations, pumps, and solid/liquid separation in the municipal and industrial sectors as well as for animal feed and biomass pelleting

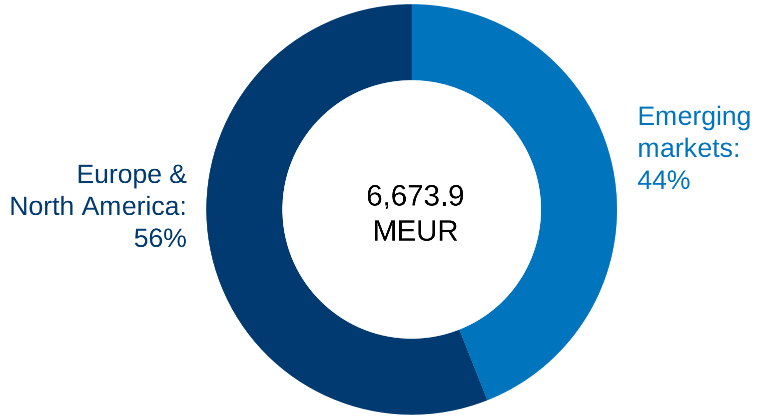
Global presence

Headquarters in Graz, Austria; over 280 production sites and service/sales companies worldwide

KEY FINANCIAL FIGURES:

	UNIT	H1 2020	2019
Order intake	MEUR	3,036.7	7,282.0
Order backlog (as of end of period)	MEUR	7,396.6	7,777.6
Sales	MEUR	3,173.0	6,673.9
Net income (including non-controlling interests)	MEUR	83.3	122.8
Employees (as of end of period; without apprentices)	-	27,828	29,513

SALES BY REGION 2019 (%)



A WORLD MARKET LEADER WITH FOUR BUSINESS AREAS

ANDRITZ

PULP & PAPER

50

% order intake*

PRODUCT OFFERING

Equipment for production of all types of pulp, paper, tissue, and board; energy boilers

METALS

22

% order intake*

PRODUCT OFFERING

Presses/press lines for metal forming (Schuler); systems for production of stainless steel, carbon steel, and non-ferrous metal strip; industrial furnace plants

HYDRO

18

% order intake*

PRODUCT OFFERING

Electromechanical equipment for hydropower plants (turbines, generators); pumps; turbo generators

SEPARATION

10

% order intake*

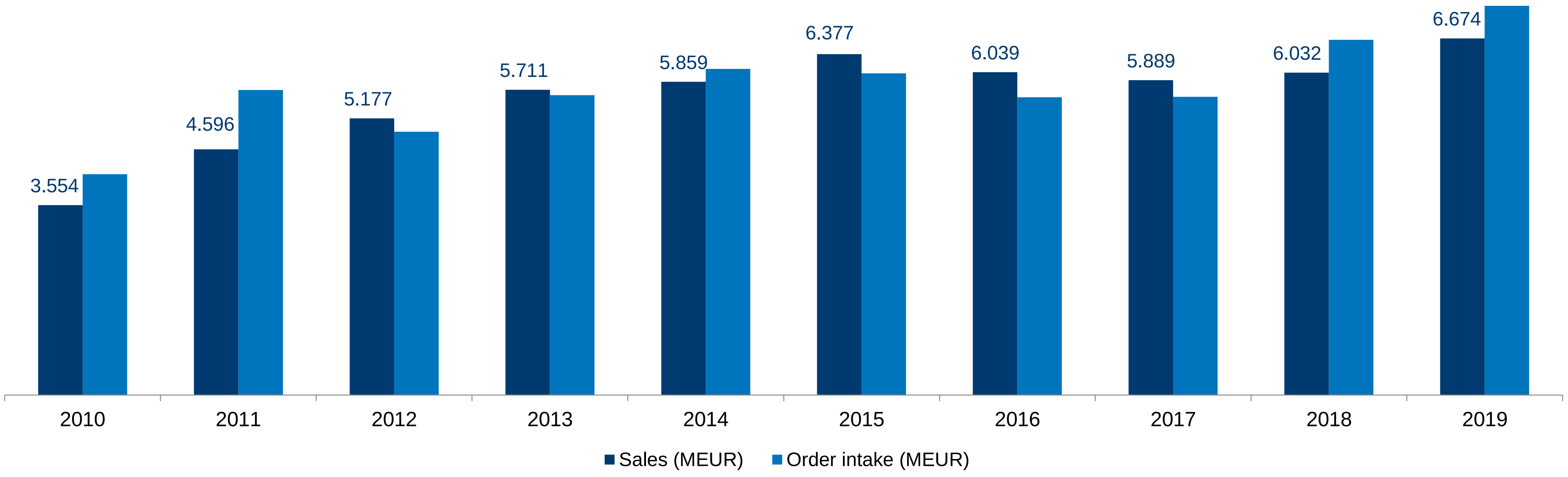
PRODUCT OFFERING

Equipment for solid/liquid separation for municipalities and various industries; equipment for production of animal feed and biomass pellets

* Share of total Group order intake 2019

LONG-TERM GROWTH BASED ON ACQUISITIONS AND ORGANIC EXPANSION

Compound Annual Growth Rate (CAGR) of Group sales 2010-2019:
+7% p.a. (thereof approximately half from organic growth)



STRENGTHENING OF MARKET POSITION BY ACQUISITIONS

Acquisitions by business area since 2000

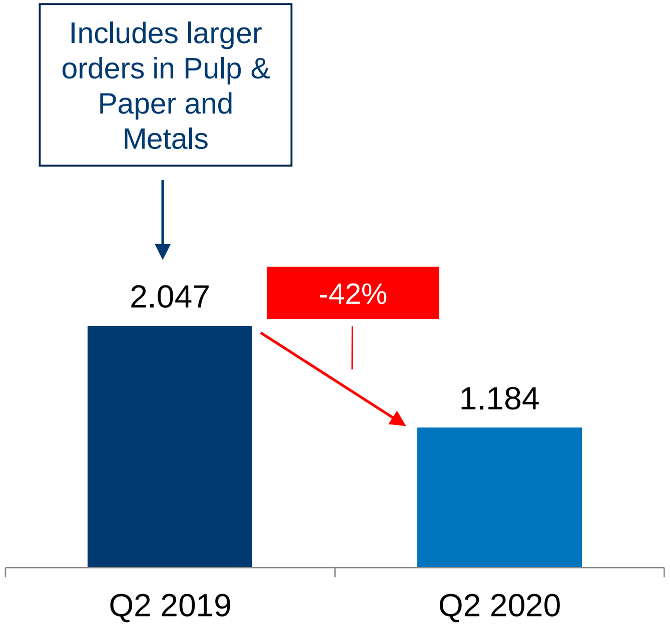
PULP & PAPER				METALS		HYDRO		SEPARATION	
2000	Ahlstrom Machinery	2010	Rieter Perfojet	2000	Kohler	2006	VA TECH HYDRO	2000	UMT
2000	Lamb Baling Line	2010	DMT/Biax	2002	SELAS SAS Furnace Div.	2007	Tigép	2002	3SYS
2000	Voith Andritz Tissue	2011	AE&E Austria	2004	Kaiser	2008	GE Hydro business	2004	Bird Machine
2002	ABB Drying	2011	Iggesund Tools	2005	Lynson	2010	GEHI (JV)	2004	NETZSCH Filtration
2003	IDEAS Simulation	2011	Tristar Industries	2008	Maerz	2010	Precision Machine	2004	Fluid Bed Systems
2003	Acutest Oy	2011	Asselin-Thibeau	2012	Bricmont	2010	Hammerfest Strøm	2005	Lenser Filtration
2003	Fiedler	2012	AES	2012	Soutec	2010	Ritz	2006	CONTEC Decanter
2004	EMS (JV)	2013	MeWa	2013	Schuler (> 95%)	2011	Hemicycle Controls	2009	Delkor Capital Equipment
2005	Cybermetrics	2015	Euroslot	2013	FBB Engineering	2018	HMI	2009	Frautech
2005	Universal Dynamics Group	2016	SHW CastingTechnologies	2014	Herr-Voss Stamco			2010	KMPT
2006	Küsters	2017	Paperchine	2016	Yadon			2012	Gouda
2006	Carbona	2018	Novimpianti	2016	AWEBA			2013	Shende Machinery
2006	Pilão	2018	Diatec (70%)	2017	Powerlase (80%)			2016	ANBO
2007	Bachofen + Meier	2018	Xerium	2018	Farina Presse				
2007	Sindus	2019	Kempulp	2018	ASKO				
2008	Kufferath								
2009	Rollteck								

CHAPTER OVERVIEW

SIGNIFICANT DECREASE OF ORDER INTAKE IN Q2 2020

Pulp & Paper, Metals and Hydro substantially down; Separation slightly up y/y

ORDER INTAKE Q2 2020 (IN MEUR)

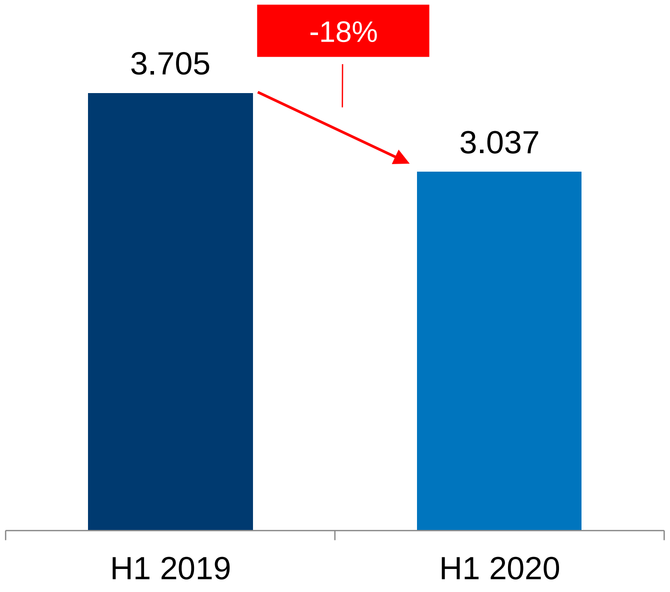


ORDER INTAKE BY BUSINESS AREA (IN MEUR)

	Q2 2020	Q2 2019	+/-
Pulp & Paper	622	1,119	-44%
Metals	127	462	-73%
Hydro	247	288	-14%
Separation	189	179	+6%

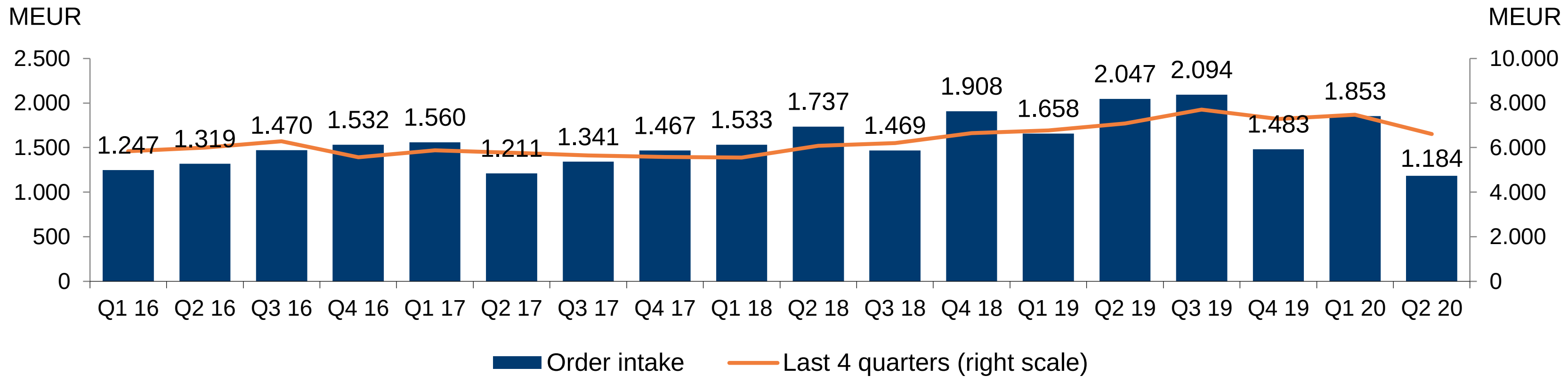
	H1 2020	H1 2019	+/-
Pulp & Paper	1,700	1,926	-12%
Metals	488	810	-40%
Hydro	492	602	-18%
Separation	356	368	-3%

ORDER INTAKE H1 2020 (IN MEUR)

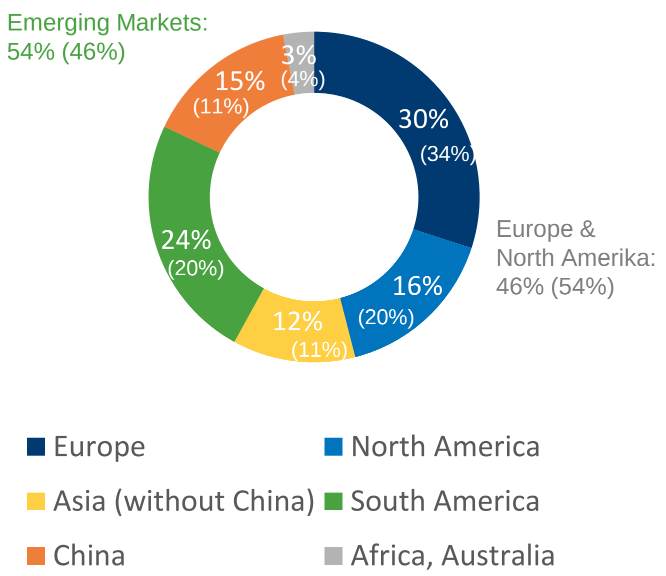


QUARTERLY DEVELOPMENT OF ORDER INTAKE

Order intake of last 4 quarters amounted to ~6.6 bn euros



ORDER INTAKE BY REGION
H1 2020 (H1 2019) IN %



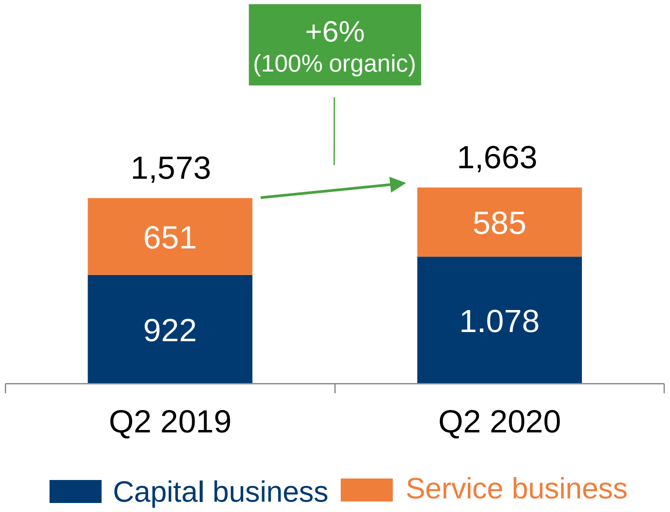
Well balanced geographical exposure

- Europe and North America: 46%
- Emerging Markets: 54%

GROUP SALES SLIGHTLY UP, MAINLY DRIVEN BY CAPITAL BUSINESS

Very favorable development in Pulp & Paper; Hydro, Metals, and Separation down q/q

SALES Q2 2020 (IN MEUR)

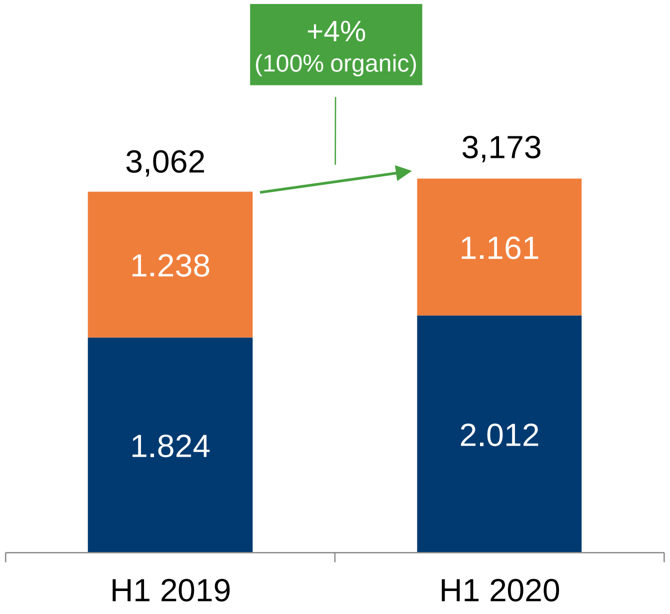


SALES BY BUSINESS AREA (IN MEUR)

	Q2 2020	Q2 2019	+/-
Pulp & Paper	882	708	+25%
Metals	343	371	-8%
Hydro	289	337	-14%
Separation	148	158	-6%

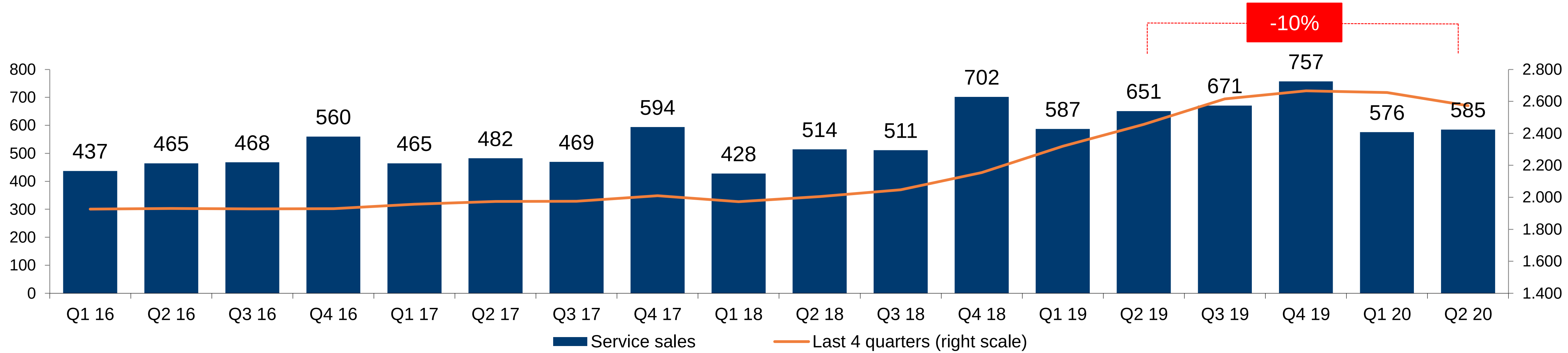
	H1 2020	H1 2019	+/-
Pulp & Paper	1,596	1,310	+22%
Metals	698	759	-8%
Hydro	588	676	-13%
Separation	292	318	-8%

SALES H1 2020 (IN MEUR)



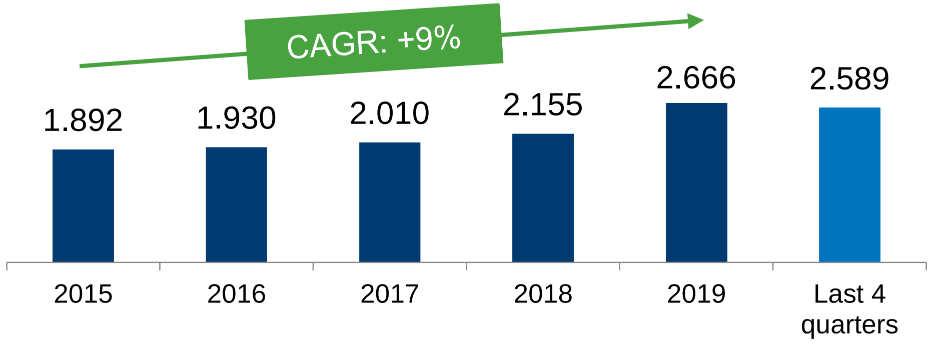
SERVICE BUSINESS ONLY PARTIALLY IMPACTED BY COVID-19

Quarterly development of service sales (in MEUR)

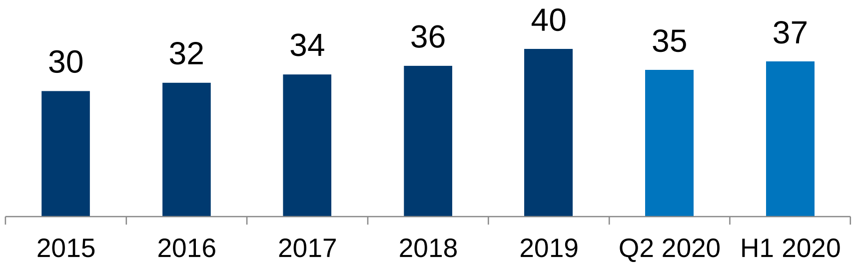


Service business in absolute and relative terms:

IN MEUR



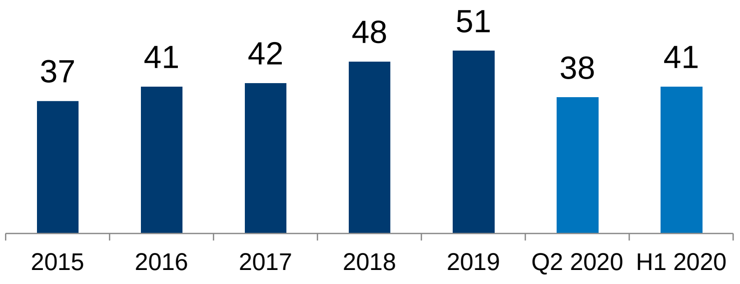
% OF TOTAL SALES



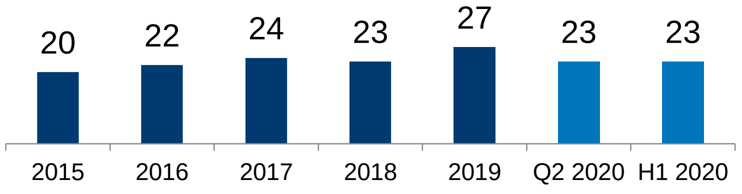
SERVICE BUSINESS BY BUSINESS AREA

% of total business area sales

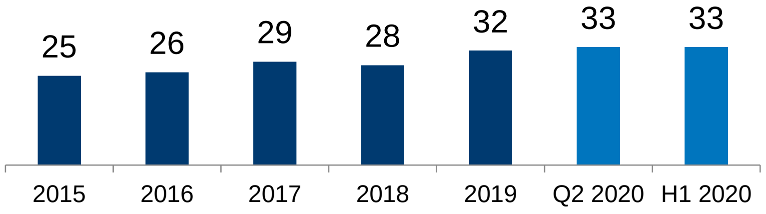
PULP & PAPER



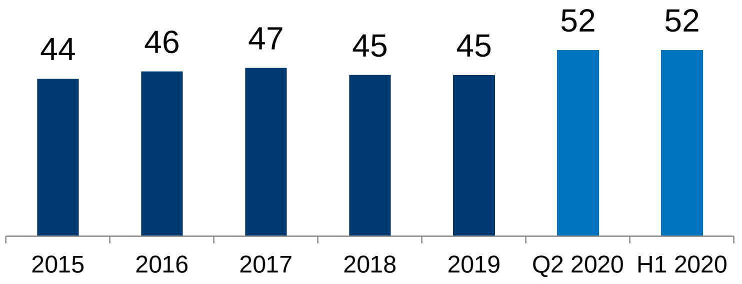
METALS

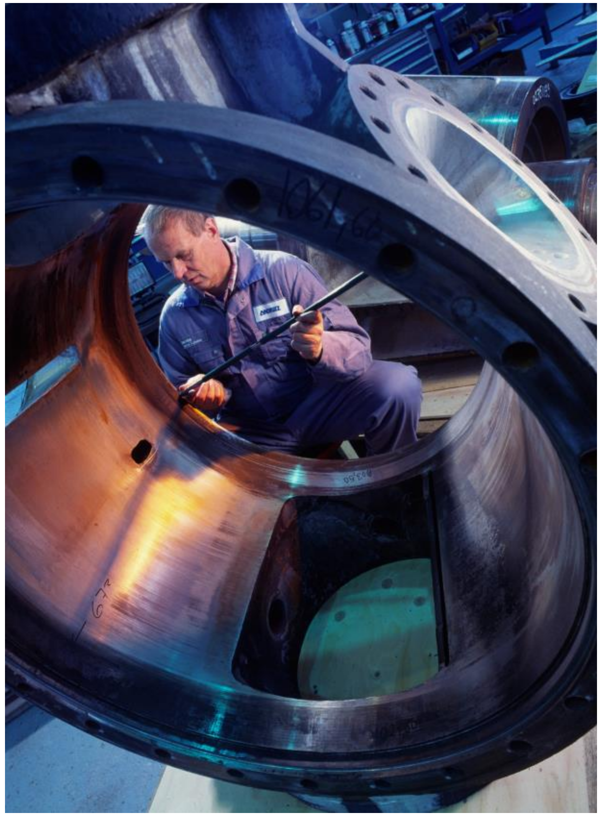


HYDRO



SEPARATION

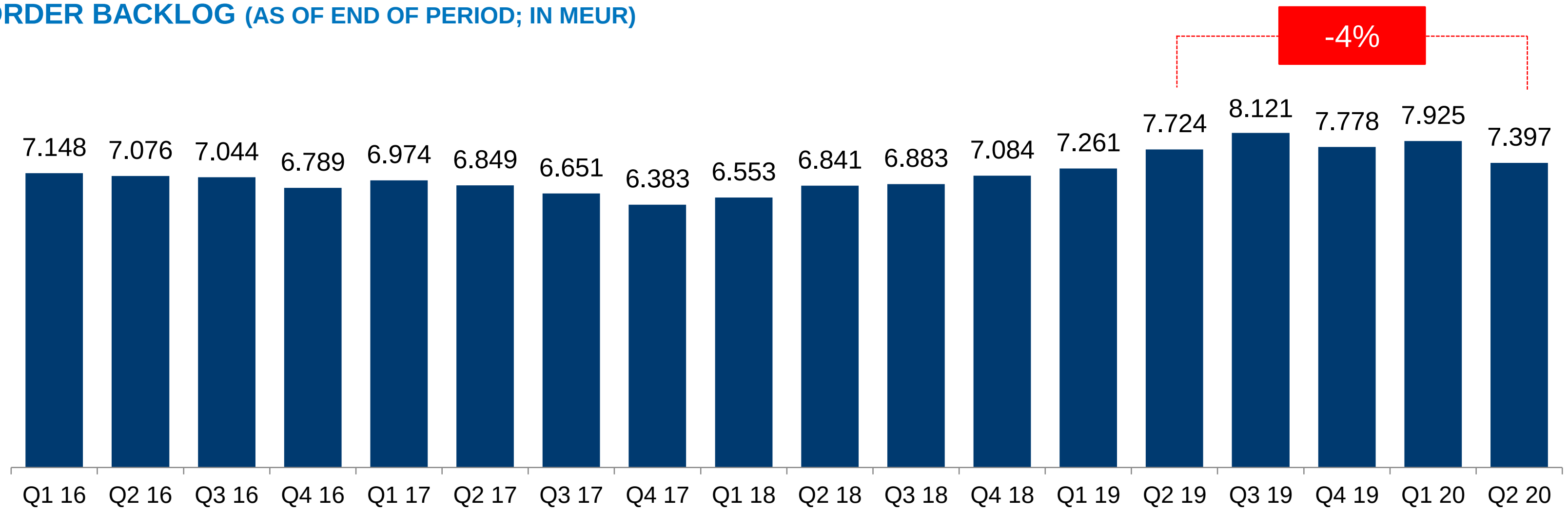




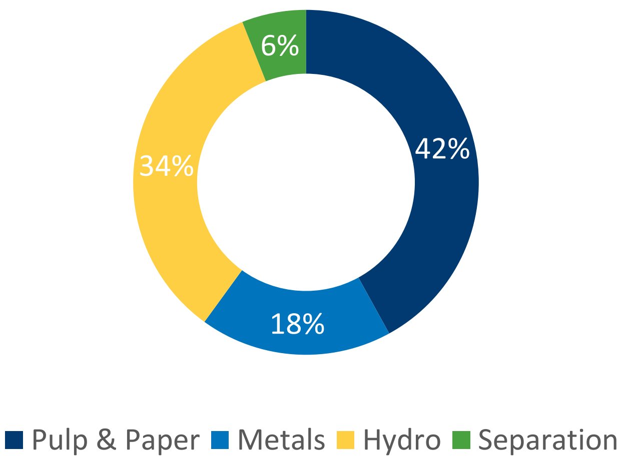
SOLID ORDER BACKLOG – ESPECIALLY IN PULP & PAPER

Order backlog at 7.4 billion as of end of Q2 2020

ORDER BACKLOG (AS OF END OF PERIOD; IN MEUR)



ORDER BACKLOG AS OF END OF Q2 2020 BY BUSINESS AREA
(IN %)

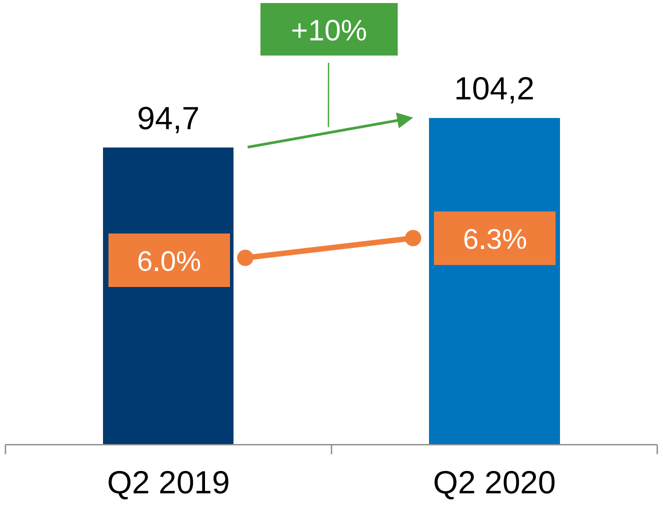


- Pulp & Paper and Hydro **account for 76% of total order backlog**

EARNINGS AND PROFITABILITY UP DUE TO PULP & PAPER AND SEPARATION

Successful short-term cost containment measures

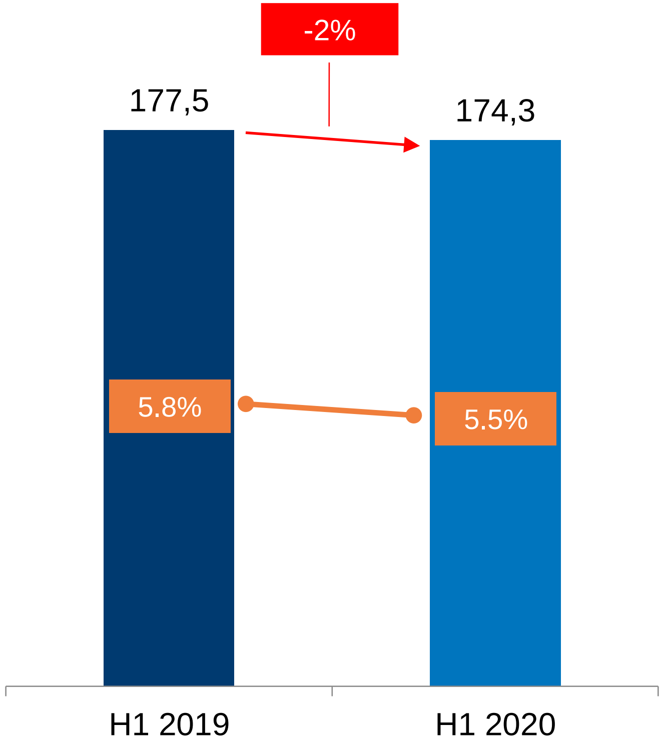
EBITA (IN MEUR) AND EBITA MARGIN Q2 2020 (IN %)



Q2 2020:

- Unchanged solid earnings and profitability of **Pulp & Paper** with **favorable development in Capital and Service**
- **Metals** continued to be unsatisfactory, mainly related to Metals Forming (Schuler) due to processing of low-margin orders as well as under-absorption of capacities, however improved compared to Q1 2020
- **Hydro profitability dropped**, mainly due to under-absorption and processing of low margin orders
- **Separation** continues positive earnings trend

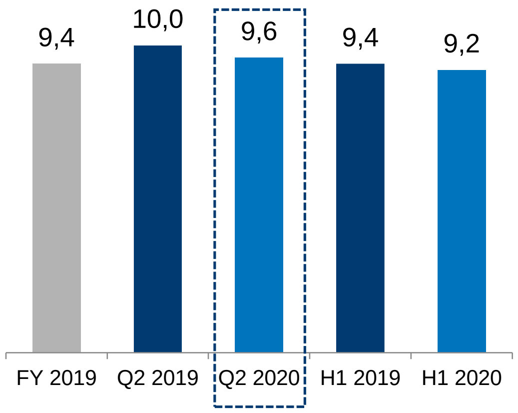
EBITA (IN MEUR) AND EBITA MARGIN H1 2020 (IN %)



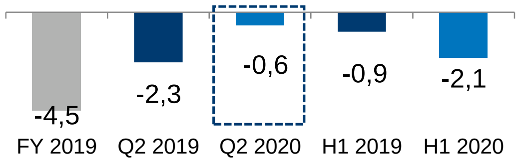
PROFITABILITY BY BUSINESS AREA

EBITA margin (%)

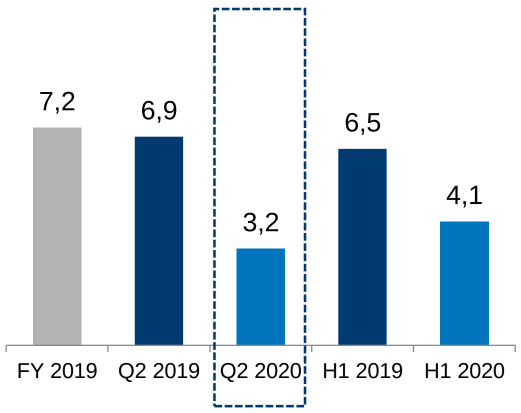
PULP & PAPER



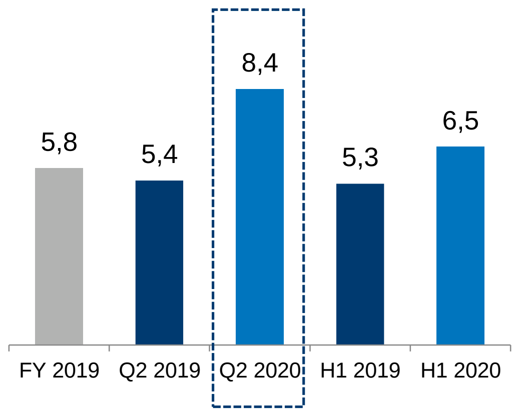
METALS



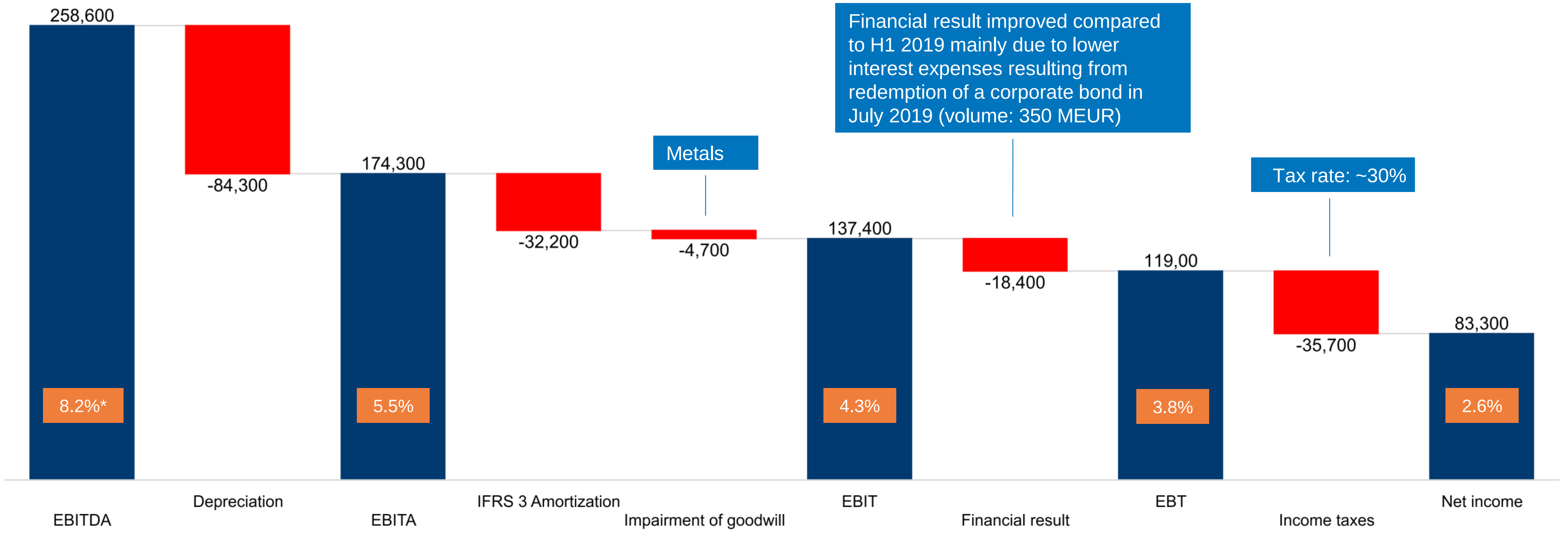
HYDRO



SEPARATION



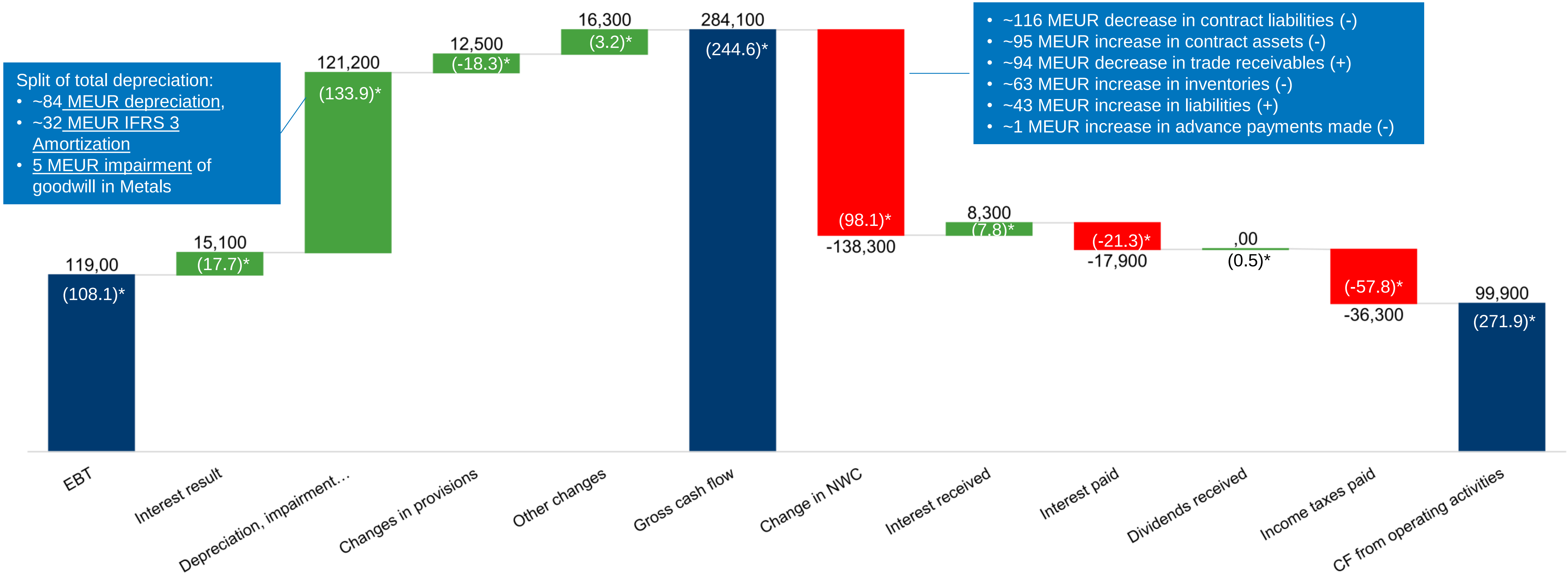
EBITDA – NET INCOME BRIDGE



IN MEUR; *: % OF TOTAL SALES

DEVELOPMENT OF CASH FLOW FROM OPERATING ACTIVITIES

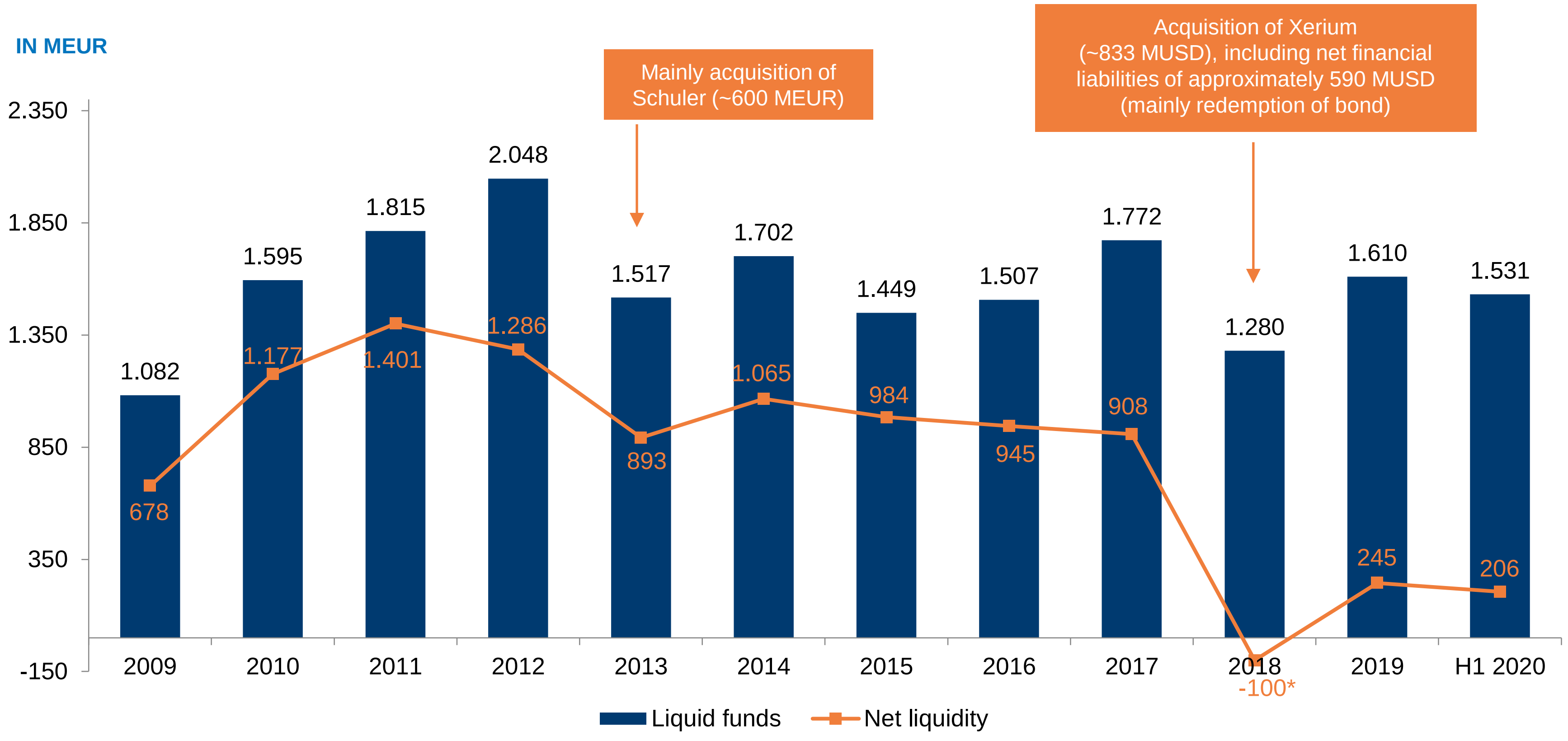
Decrease in net working capital



* H1 2019

SOLID FINANCIAL POSITION

Liquid funds of 1.5 billion euros



- In addition to the high amount of disposable cash, ANDRITZ has surety lines of 5.9 bn EUR and credit lines of 0.4 bn EUR
- Financial liabilities mainly relate to SSDs and some loans with preferential interest rates
- Next redemption tranche for SSDs not before 2023

*Since January 1, 2019, lease liabilities are excluded from the calculation of net liqudity

CHAPTER OVERVIEW

PULP & PAPER: STRONG INCREASE IN SALES AND CONTINUED FAVORABLE PROFITABILITY

Solid development in Capital and Service

Order intake in Q2 2020 down compared to Q2 2019 which included some larger orders for supply of equipment for greenfield pulp mills and some biomass boilers

Strong increase in **sales** due to processing of large orders

Earnings and **profitability** at favorable levels in both Capital and Service

	UNIT	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-	2019
Order intake	MEUR	621.6	1,118.8	-44.4%	1,699.8	1,925.7	-11.7%	3,632.5
Order backlog (as of end of period)	MEUR	3,118.4	3,054.0	+2.1%	3,118.4	3,054.0	+2.1%	3,164.3
Sales	MEUR	882.3	707.6	+24.7%	1,595.6	1,310.3	+21.8%	2,869.5
EBITDA	MEUR	103.6	91.1	+13.7%	184.8	163.0	+13.4%	351.4
EBITDA margin	%	11.7	12.9	-	11.6	12.4	-	12.2
EBITA	MEUR	84.5	71.1	+18.8%	146.3	123.6	+18.4%	271.0
EBITA margin	%	9.6	10.0	-	9.2	9.4	-	9.4
Employees (as of end of period; without apprentices)	-	11,204	11,772	-4.8%	11,204	11,772	-4.8%	11,984

ORDER INTAKE BY REGION H1 2020 VS. H1 2019 (%)

SALES BY REGION H1 2020 VS. H1 2019 (%)

METALS: UNSATISFACTORY BUSINESS DEVELOPMENT

Significant decline in order intake as a result of the global economic downturn and structural market weakness (Schuler)

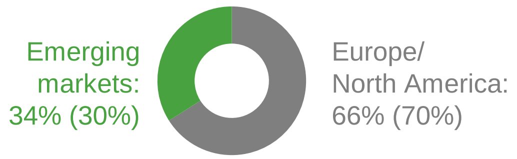
Order intake in Q2 2020 significantly down y/y in both Metals segments

Decrease in sales in Q2 2020, mainly due to Metals Forming

Earnings and **profitability** impacted by
- execution of lower-margin orders and
- under-absorption in Metals Forming (Schuler)

	UNIT	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-	2019
Order intake	MEUR	126.6	461.7	-72.6%	488.1	809.8	-39.7%	1,582.2
Order backlog (as of end of period)	MEUR	1,302.1	1,654.2	-21.3%	1,302.1	1,654.2	-21.3%	1,532.7
Sales	MEUR	343.0	370.9	-7.5%	698.2	758.7	-8.0%	1,636.9
EBITDA	MEUR	8.2	3.0	+173.3%	5.8	15.8	-63.3%	-1.5
EBITDA margin	%	2.4	0.8	-	0.8	2.1	-	-0.1
EBITA	MEUR	-2.0	-8.4	+76.2%	-15.0	-6.9	-117.4%	-73.8
EBITA margin	%	-0.6	-2.3	-	-2.1	-0.9	-	-4.5
Employees (as of end of period; without apprentices)	-	6,903	7,680	-10.1%	6,903	7,680	-10.1%	7,485

ORDER INTAKE BY REGION H1 2020 VS. H1 2019 (%)



SALES BY REGION H1 2020 VS. H1 2019 (%)

HYDRO: CONTINUED WEAK GLOBAL HYDROPOWER MARKET

Low order intake, profitability down due to processing of low-margin orders and under-absorption

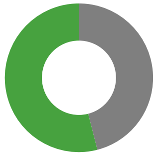
Order intake at low level due to unchanged low investment activity worldwide

Decrease in **sales** as a result of lower order intake during last years

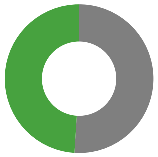
Earnings and **margin** down due to processing of low-margin orders and under-absorption

	UNIT	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-	2019
Order intake	MEUR	246.9	287.9	-14.2%	492.4	601.8	-18.2%	1,350.2
Order backlog (as of end of period)	MEUR	2,505.9	2,563.3	-2.2%	2,505.9	2,563.3	-2.2%	2,661.0
Sales	MEUR	289.4	337.2	-14.2%	587.6	675.6	-13.0%	1,470.7
EBITDA	MEUR	18.3	30.0	-39.0%	42.1	60.2	-30.1%	134.1
EBITDA margin	%	6.3	8.9	-	7.2	8.9	-	9.1
EBITA	MEUR	9.2	23.4	-60.7%	24.0	44.0	-45.5%	105.9
EBITA margin	%	3.2	6.9	-	4.1	6.5	-	7.2
Employees (as of end of period; without apprentices)	-	6,987	7,332	-4.7%	6,987	7,332	-4.7%	7,202

ORDER INTAKE BY REGION H1 2020 VS. H1 2019 (%)



SALES BY REGION H1 2020 VS. H1 2019 (%)



SEPARATION: FURTHER IMPROVEMENT IN PROFITABILITY

Good development of order intake for solid-liquid separation equipment

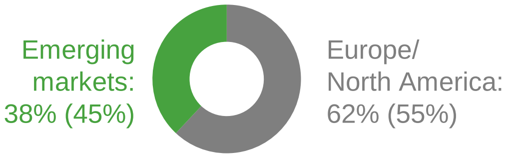
Order intake slightly higher than in Q2 2019, driven by solid-liquid separation

Sales declined slightly compared to last year

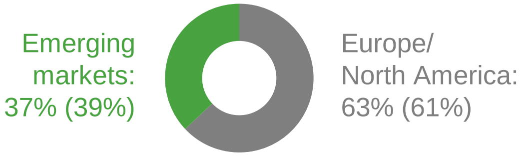
Favorable development of **earnings** and **profitability**

	UNIT	Q2 2020	Q2 2019	+/-	H1 2020	H1 2019	+/-	2019
Order intake	MEUR	188.7	178.7	+5.6%	356.4	367.9	-3.1%	717.1
Order backlog (as of end of period)	MEUR	470.2	452.7	+3.9%	470.2	452.7	+3.9%	419.6
Sales	MEUR	148.1	157.6	-6.0%	291.6	317.8	-8.2%	696.8
EBITDA	MEUR	15.9	12.0	+32.5%	25.9	23.7	+9.3%	53.6
EBITDA margin	%	10.7	7.6	-	8.9	7.5	-	7.7
EBITA	MEUR	12.5	8.5	+47.1%	19.0	16.8	+13.1%	40.1
EBITA margin	%	8.4	5.4	-	6.5	5.3	-	5.8
Employees (as of end of period; without apprentices)	-	2,734	2,832	-3.5%	2,734	2,832	-3.5%	2,842

ORDER INTAKE BY REGION H1 2020 VS. H1 2019 (%)



SALES BY REGION H1 2020 VS. H1 2019 (%)



CHAPTER OVERVIEW

MARKET UPDATE AND OUTLOOK BY BUSINESS AREA (I)

Satisfactory market environment for Pulp and Paper, very weak in Metals

PULP & PAPER

- Strong decline of **pulp prices, now bottoming out at low levels**; **increase in global inventories** due to demand going back to „normal“ (after high demand during initial phase of Covid-19) and increased production
- However, satisfactory project activity in pulp and tissue/cartonboard and for biomass power boilers (Japan, China)
- Continued **high investment activity in Nonwoven** (plants for production of masks and nonwoven fabrics)
- Service business somewhat impacted due to partially limited access to project sites

METALS

Metals Forming:

- Very weak global automotive markets put pressure on OEMs and suppliers
- Very low project activity for metal forming equipment

Metals Processing:

- Challenging financial situation at most steel producers globally
- Very low project activity and high price pressure

MARKET UPDATE AND OUTLOOK BY BUSINESS AREA (II)

Unchanged challenging market environment for hydropower equipment, Separation good

HYDRO

- Unchanged challenging market environment globally
- Sharp decline of electricity spot prices in Europe during first half 2020
- Weak demand for small hydropower (Compact Hydro)
- Some order awards for large projects expected in Q3/Q4 2020

SEPARATION

- Overall reasonable project activity
- Solid demand from municipalities and from the food processing industry
- Satisfactory investment activity for feed technologies

OUTLOOK: FINANCIAL GUIDANCE FOR 2020

ANDRITZ topics for the remainder of 2020:

- **Implementation of restructuring measures in Metals Forming and Hydro** to cope with structural market weaknesses (intensified by global economic downturn):
  - Adjust cost base in both areas to expected lower mid-term business volume
  - For these measures, **provisions in the mid-/upper-double-digit million euro range** will be built in Q3 2020
- Continued cost containment measures in all areas
- Continuation/acceleration of developing new products

GUIDANCE FOR 2020: slight decline in sales, stable profitability

- **Group sales** expected to be **slightly lower** compared to 2019 (6.674 MEUR)
- EBITA margin 2020 (after extraordinary provisions) expected to be **roughly stable** compared to 2019 (EBITA margin: **~5%**)

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