



COMPANY PRESENTATION

ANDRITZ GROUP

NOVEMBER 2020

ANDRITZ

ENGINEERED SUCCESS

CHAPTER OVERVIEW



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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

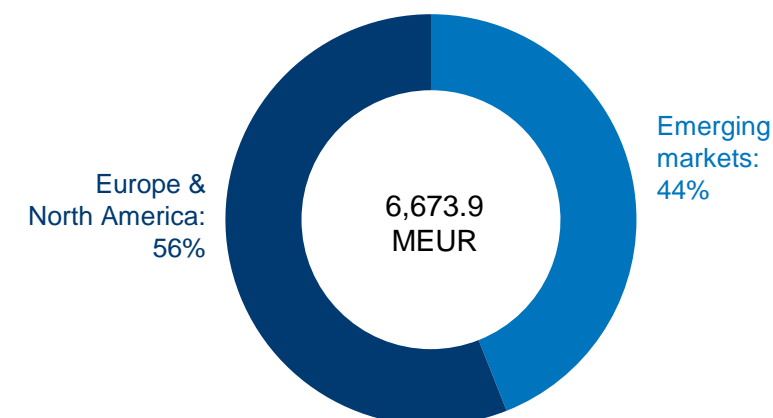
Global presence

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

KEY FINANCIAL FIGURES:

| | UNIT | Q1-Q3 2020 | 2019 |
|--|------|------------|---------|
| Order intake | MEUR | 4,744.7 | 7,282.0 |
| Order backlog (as of end of period) | MEUR | 7,330.1 | 7,777.6 |
| Revenue | MEUR | 4,842.7 | 6,673.9 |
| Net income (including non-controlling interests) | MEUR | 134,7 | 122.8 |
| Employees (as of end of period; without apprentices) | - | 27,786 | 29,513 |

REVENUE 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

* Share of total Group order intake 2019

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*

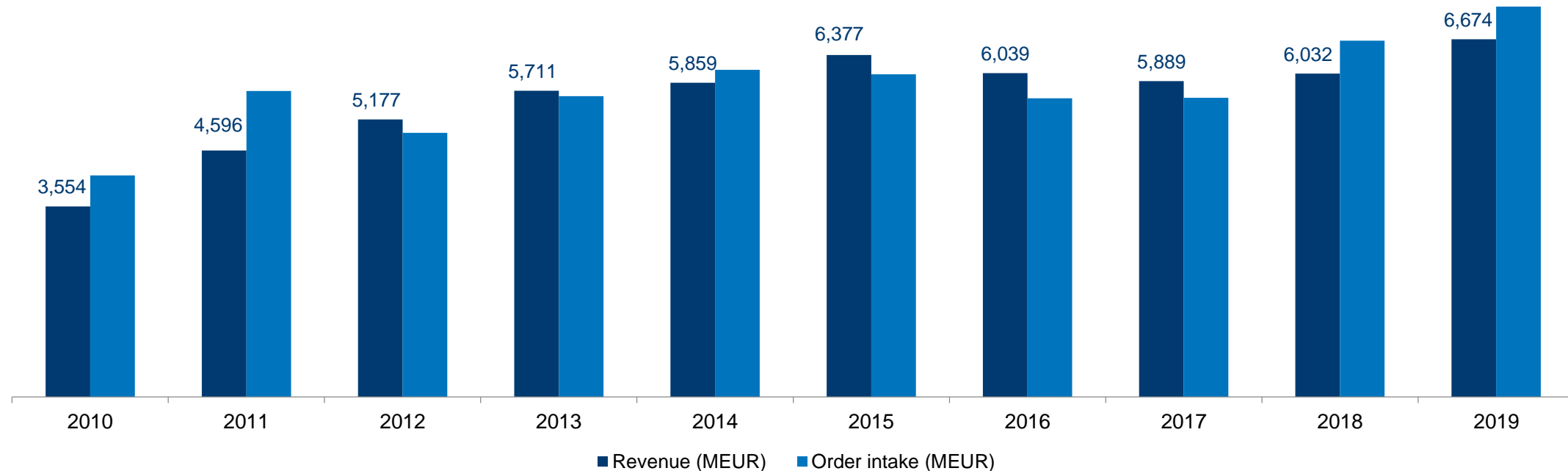
PRODUCT OFFERING

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

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 | Küstern | 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 | 2020 | Enviroburners | | | | | | |
| 2009 | Rollteck | | | | | | | | |

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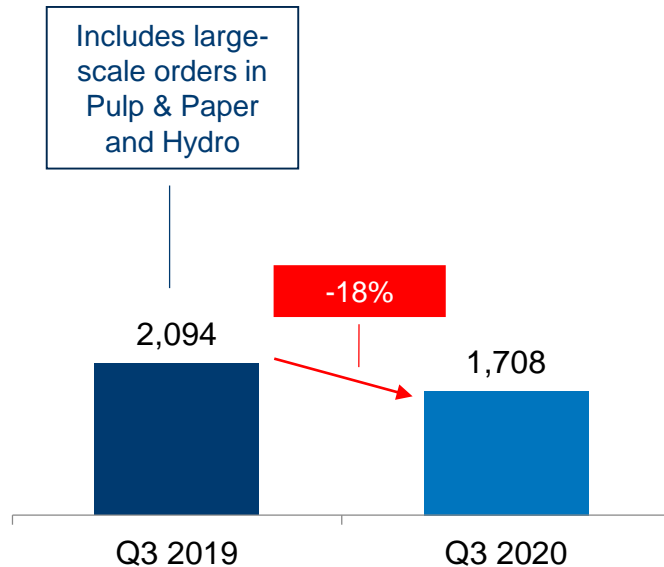
04 OUTLOOK



GOOD ORDER INTAKE IN Q3 2020, ALTHOUGH BELOW VERY HIGH LEVEL OF PREVIOUS YEAR

Metals down due to Metals Processing; Hydro driven by large-scale orders from India and Canada

ORDER INTAKE Q3 2020 (IN MEUR)

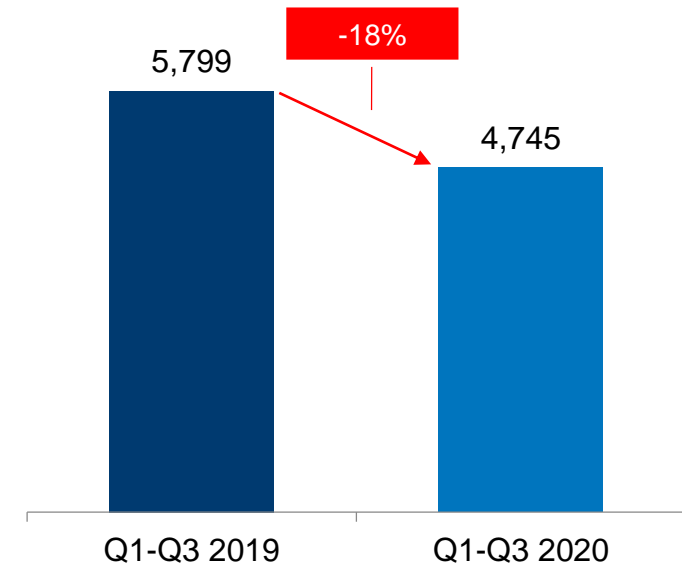


ORDER INTAKE BY BUSINESS AREA (IN MEUR)

| | Q3 2020 | Q3 2019 | +/- |
|--------------|---------|---------|------|
| Pulp & Paper | 717 | 1,163 | -38% |
| Metals | 355 | 429 | -17% |
| Hydro | 469 | 343 | +37% |
| Separation | 168 | 159 | +6% |

| | Q1-Q3 2020 | Q1-Q3 2019 | +/- |
|--------------|------------|------------|------|
| Pulp & Paper | 2,416 | 3,089 | -22% |
| Metals | 843 | 1,239 | -32% |
| Hydro | 961 | 945 | +2% |
| Separation | 524 | 527 | -1% |

ORDER INTAKE Q1-Q3 2020 (IN MEUR)

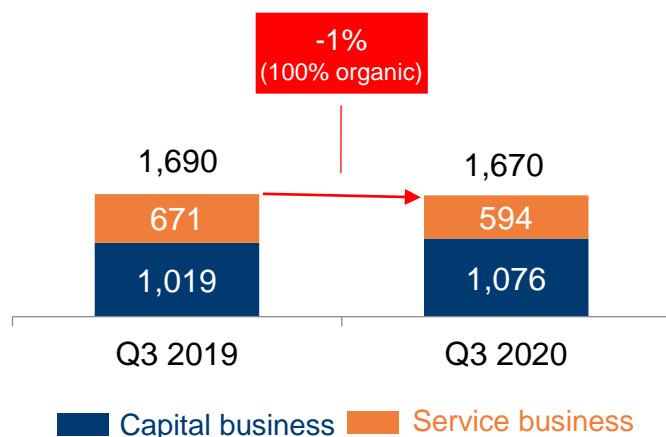


GROUP REVENUE REACHES SOLID LEVEL



Driven by capital, decline of service revenue due to Corona restrictions

REVENUE Q3 2020 (IN MEUR)

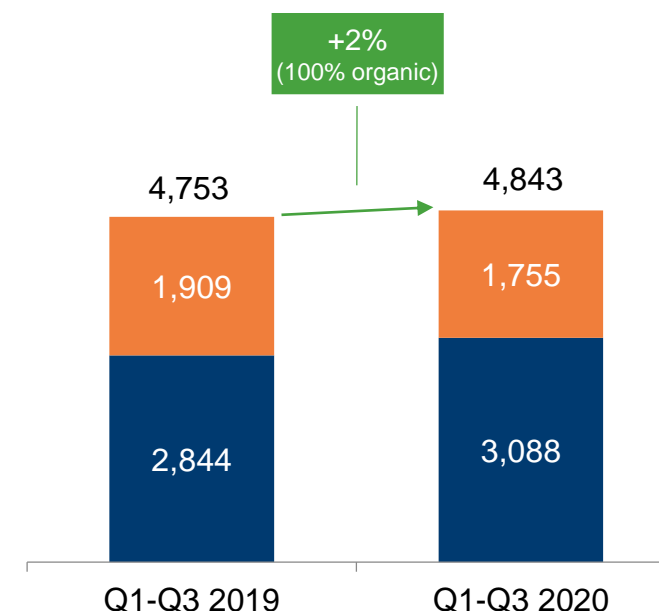


REVENUE BY BUSINESS AREA (IN MEUR)

| | Q3 2020 | Q3 2019 | +/- |
|--------------|---------|---------|------|
| Pulp & Paper | 852 | 751 | +13% |
| Metals | 351 | 423 | -17% |
| Hydro | 305 | 351 | -13% |
| Separation | 162 | 166 | -2% |

| | Q1-Q3 2020 | Q1-Q3 2019 | +/- |
|--------------|------------|------------|------|
| Pulp & Paper | 2,447 | 2,061 | +19% |
| Metals | 1,049 | 1,181 | -11% |
| Hydro | 893 | 1,027 | -13% |
| Separation | 454 | 484 | -6% |

REVENUE Q1-Q3 2020 (IN MEUR)

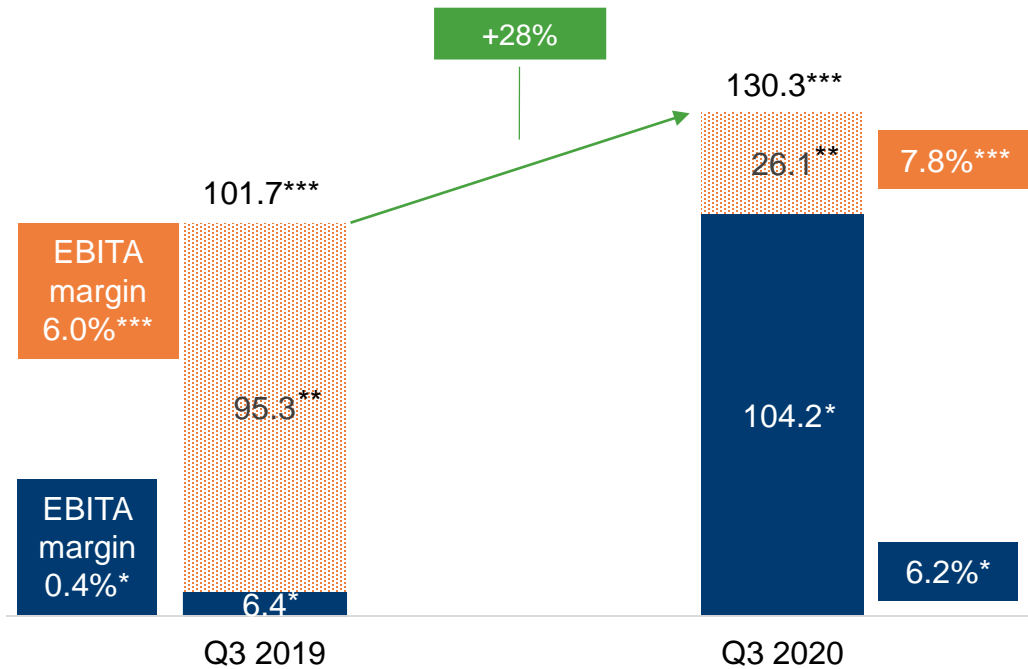




EARNINGS AND PROFITABILITY UP DUE TO CONTINUED COST CONTAINMENT AND HIGH SALES

Provisions for capacity and restructuring measures to ensure long-term competitiveness

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



- Q3 2020: ~26 MEUR restructuring measures and capacity adjustments
 - Metals: ~-16 MEUR
 - Hydro: ~-6 MEUR
 - Pulp & Paper: ~-2 MEUR
 - Separation: ~-1 MEUR

* EBITA and EBITA margin reported

** Provisions for restructuring

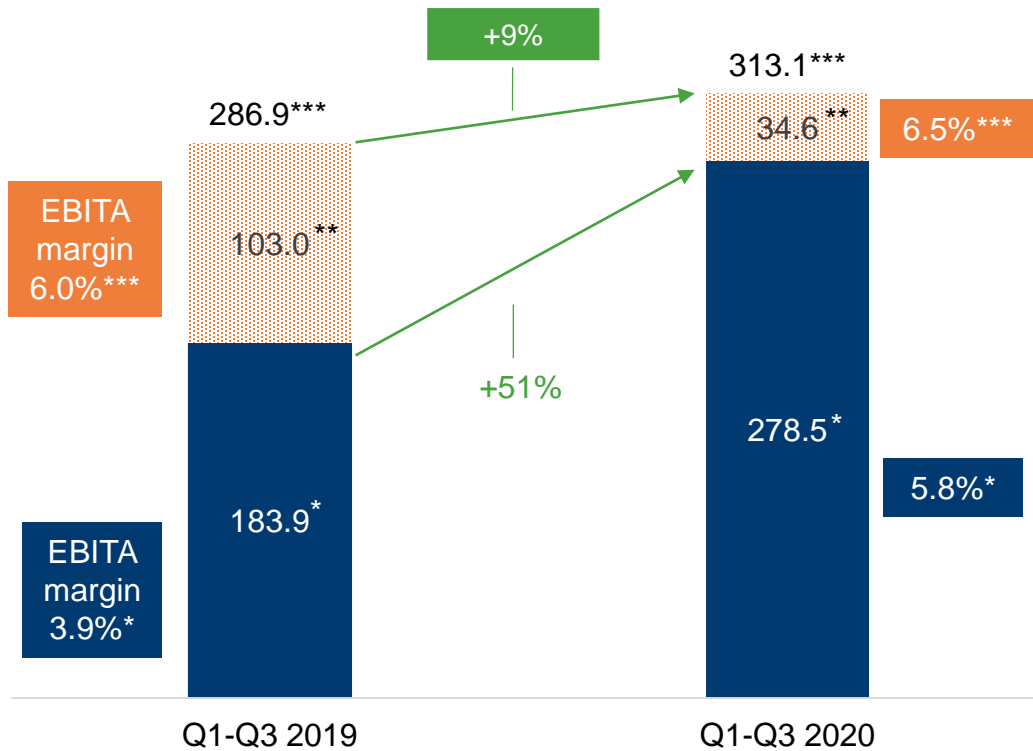
*** EBITA and EBITA margin adjusted by extraordinary items

SOLID EARNINGS AND PROFITABILITY DEVELOPMENT IN Q1-Q3 2020



EBITA margin up y/y

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



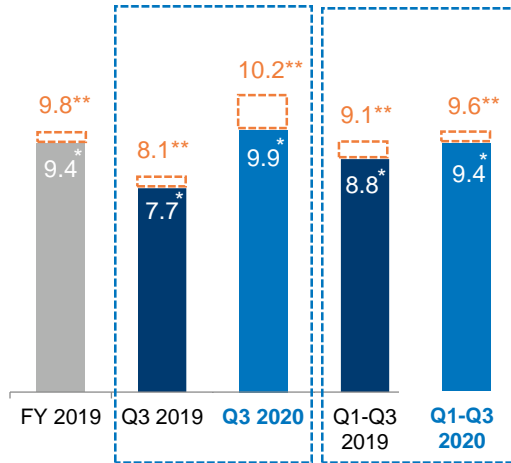
- Q1-Q3 2020: ~35 MEUR restructuring measures and capacity adjustments
 - Focus on Metals Forming and Hydro
 - Further restructuring provisions planned for Q4 2020

PROFITABILITY BY BUSINESS AREA

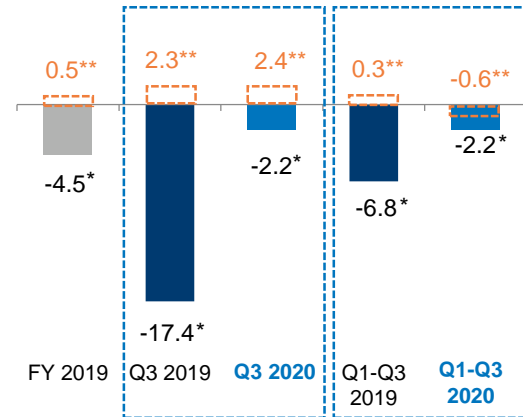


EBITA margin (%)

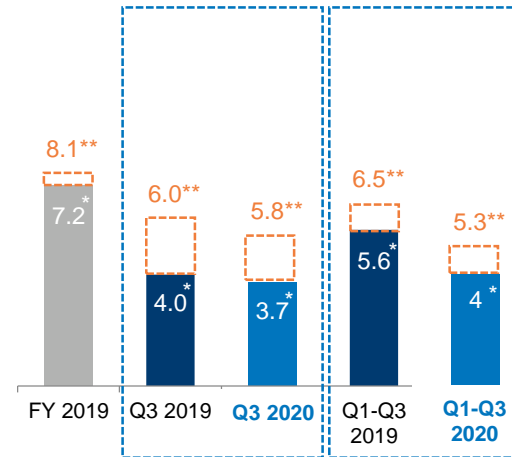
PULP & PAPER



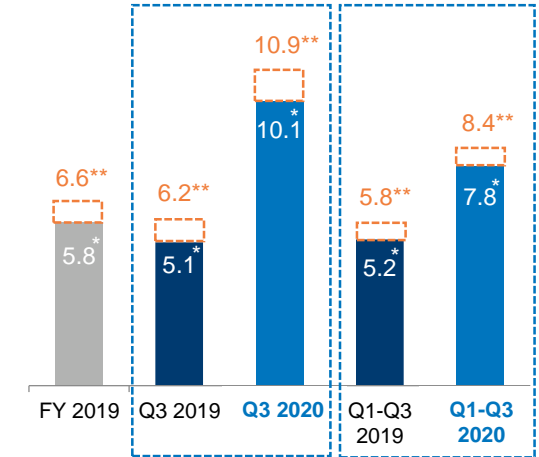
METALS



HYDRO



SEPARATION



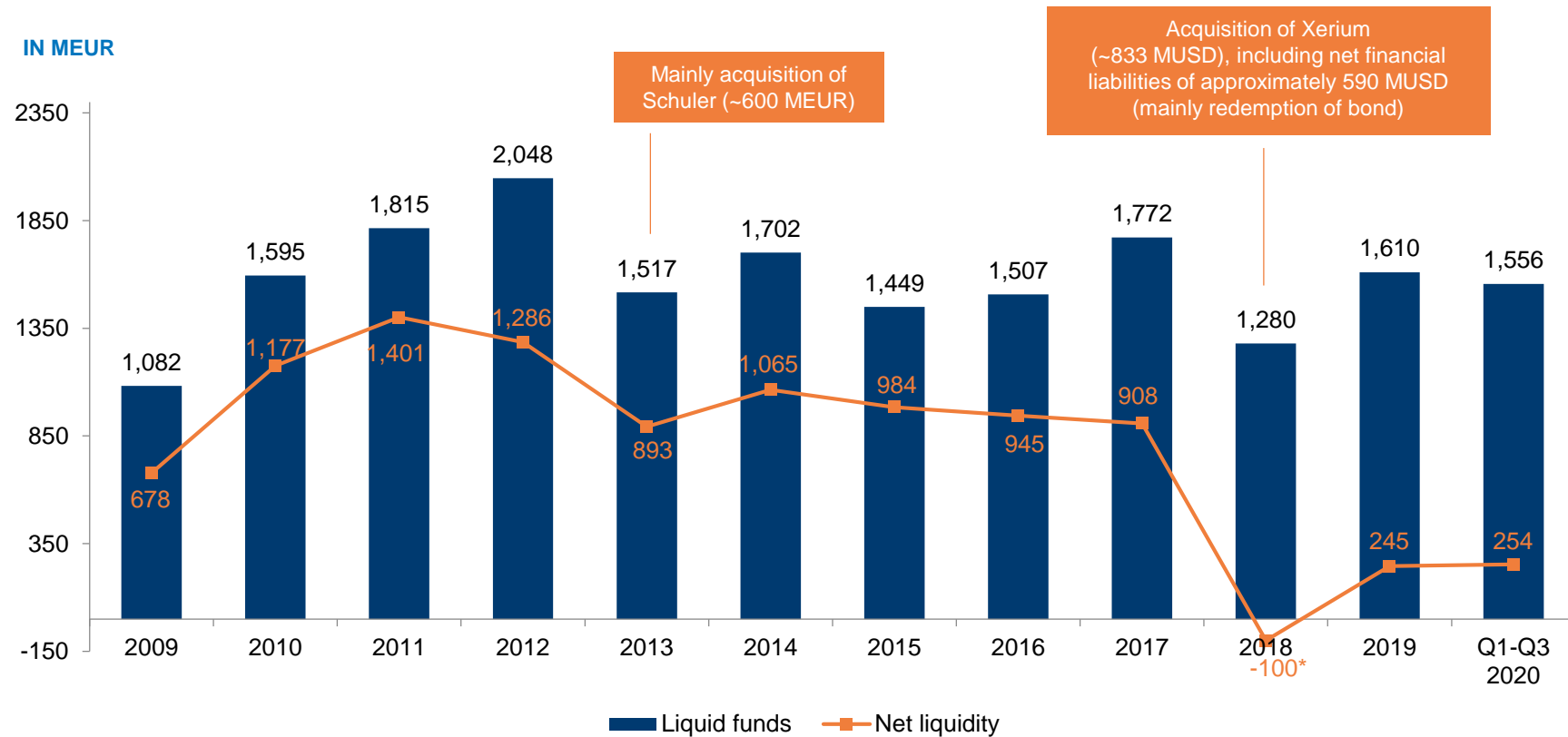
* EBITA margin reported

** EBITA margin adjusted by extraordinary items

SOLID FINANCIAL POSITION



Liquid funds of 1.6 billion euros



- In addition to the high amount of disposable cash, ANDRITZ has surety lines of 5.7 bn EUR and credit lines of 0.3 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 liquidity

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PULP & PAPER: CONTINUED VERY FAVORABLE BUSINESS DEVELOPMENT



Strong increase in revenue and continued favorable profitability

Order intake in Q3 2020 down compared to Q3 2019 which included a large-scale order from South America

Strong increase in **revenue** due to processing of large-scale capital orders

Earnings and profitability at unchanged very favorable level

| | UNIT | Q3 2020 | Q3 2019 | +/- | Q1-Q3 2020 | Q1-Q3 2019 | +/- | 2019 |
|--|------|---------|---------|--------|------------|------------|--------|---------|
| Order intake | MEUR | 716.5 | 1,163.3 | -38.4% | 2,416.3 | 3,089.0 | -21.8% | 3,632.5 |
| Order backlog (as of end of period) | MEUR | 2,938.3 | 3,468.3 | -15.3% | 2,938.3 | 3,468.3 | -15.3% | 3,164.3 |
| Revenue | MEUR | 851.7 | 750.6 | +13.5% | 2,447.3 | 2,060.9 | +18.7% | 2,869.5 |
| EBITDA | MEUR | 103.3 | 77.5 | +33.3% | 288.1 | 240.5 | +19.8% | 351.4 |
| EBITDA margin | % | 12.1 | 10.3 | - | 11.8 | 11.7 | - | 12.2 |
| EBITA (adj. by extraordinary items) | MEUR | 86.5 | 60.6 | +42.7% | 234.7 | 188.0 | +24.8% | 281.5 |
| EBITA margin (adj. by extraordinary items) | % | 10.2 | 8.1 | - | 9.6 | 9.1 | - | 9.8 |
| EBITA | MEUR | 84.1 | 57.6 | +46.0% | 230.4 | 181.2 | +27.2% | 271.0 |
| EBITA margin | % | 9.9 | 7.7 | - | 9.4 | 8.8 | - | 9.4 |
| Employees (as of end of period; without apprentices) | - | 11,169 | 11,925 | -6.3% | 11,169 | 11,925 | -6.3% | 11,984 |

ORDER INTAKE BY REGION Q1-Q3 2020 VS. Q1-Q3 2019 (%)



REVENUE BY REGION Q1-Q3 2020 VS. Q1-Q3 2019 (%)



METALS: CONTINUED WEAK BUSINESS DEVELOPMENT



Restructuring measures in Metals Forming to cope with structural market weakness and underabsorption

Order intake in Q3 2020 significantly down y/y due to Metals Processing; Metals Forming up due to some larger orders → E-mobility related orders account for roughly 35% of order intake in Q1-Q3 2020

Decrease in revenue due to sharp decline in order intake in the past few quarters and years

Earnings and profitability (excl. extraordinary effects) at unchanged low levels, however stabilizing

| | UNIT | Q3 2020 | Q3 2019 | +/- | Q1-Q3 2020 | Q1-Q3 2019 | +/- | 2019 |
|--|------|---------|---------|---------|------------|------------|---------|---------|
| Order intake | MEUR | 354.6 | 429.0 | -17.3% | 842.7 | 1,238.8 | -32.0% | 1,582.2 |
| Order backlog (as of end of period) | MEUR | 1,286.6 | 1,655.0 | -22.3% | 1,286.6 | 1,655.0 | -22.3% | 1,532.7 |
| Revenue | MEUR | 350.8 | 422.7 | -17.0% | 1,049.0 | 1,181.4 | -11.2% | 1,636.9 |
| EBITDA | MEUR | 3.3 | -51.3 | +106.4% | 9.1 | -35.5 | +125.6% | -1.5 |
| EBITDA margin | % | 0.9 | -12.1 | - | 0.9 | -3.0 | - | -0.1 |
| EBITA (adj. by extraordinary items) | MEUR | 8.4 | 9.9 | -15.2% | -6.7 | 3.7 | -281.1% | 8.6 |
| EBITA margin (adj. by extraordinary items) | % | 2.4 | 2.3 | - | -0.6 | 0.3 | - | 0.5 |
| EBITA | MEUR | -7.6 | -73.6 | +89.7% | -22.6 | -80.5 | +71.9% | -73.8 |
| EBITA margin | % | -2.2 | -17.4 | - | -2.2 | -6.8 | - | -4.5 |
| Employees (as of end of period; without apprentices) | - | 6,737 | 7,562 | -10.9% | 6,737 | 7,562 | -10.9% | 7,485 |

ORDER INTAKE BY REGION Q1-Q3 2020 VS. Q1-Q3 2019 (%)



REVENUE BY REGION Q1-Q3 2020 VS. Q1-Q3 2019 (%)



HYDRO: INCREASE OF ORDER INTAKE IN Q3 2020



Decline in revenue, earnings and profitability at low levels

Order intake significantly up due to some larger order awards in North America and Asia

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

Earnings and margin (excl. extraordinary effects) down due to processing of low-margin orders and under-absorption

| | UNIT | Q3 2020 | Q3 2019 | +/- | Q1-Q3 2020 | Q1-Q3 2019 | +/- | 2019 |
|--|------|---------|---------|--------|------------|------------|--------|---------|
| Order intake | MEUR | 469.0 | 343.0 | +36.7% | 961.4 | 944.8 | +1.8% | 1,350.2 |
| Order backlog (as of end of period) | MEUR | 2,639.3 | 2,556.0 | +3.3% | 2,639.3 | 2,556.0 | +3.3% | 2,661.0 |
| Revenue | MEUR | 305.0 | 351.2 | -13.2% | 892.6 | 1,026.8 | -13.1% | 1,470.7 |
| EBITDA | MEUR | 19.7 | 29.2 | -32.5% | 61.8 | 89.4 | -30.9% | 134.1 |
| EBITDA margin | % | 6.5 | 8.3 | - | 6.9 | 8.7 | - | 9.1 |
| EBITA (adj. by extraordinary items) | MEUR | 17.7 | 20.9 | -15.3% | 47.0 | 67.1 | -30.0% | 119.9 |
| EBITA margin (adj. by extraordinary items) | % | 5.8 | 6.0 | - | 5.3 | 6.5 | - | 8.2 |
| EBITA | MEUR | 11.3 | 13.9 | -18.7% | 35.3 | 58.0 | -39.1% | 105.9 |
| EBITA margin | % | 3.7 | 4.0 | - | 4.0 | 5.6 | - | 7.2 |
| Employees (as of end of period; without apprentices) | - | 7,205 | 7,370 | -2.2% | 7,205 | 7,370 | -2.2% | 7,202 |

ORDER INTAKE BY REGION Q1-Q3 2020 VS. Q1-Q3 2019 (%)



REVENUE BY REGION Q1-Q3 2020 VS. Q1-Q3 2019 (%)



SEPARATION: FURTHER IMPROVEMENT OF EARNINGS AND PROFITABILITY



Earnings and profitability significantly up

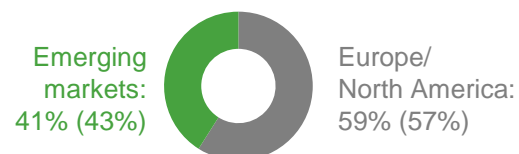
Order intake slightly higher than in Q3 2019

Revenue declined slightly compared to last year

Favorable development of earnings and profitability continued

| | UNIT | Q3 2020 | Q3 2019 | +/- | Q1-Q3 2020 | Q1-Q3 2019 | +/- | 2019 |
|--|------|---------|---------|--------|------------|------------|--------|-------|
| Order intake | MEUR | 167.9 | 158.6 | +5.9% | 524.3 | 526.5 | -0.4% | 717.1 |
| Order backlog (as of end of period) | MEUR | 465.9 | 441.4 | +5.6% | 465.9 | 441.4 | +5.6% | 419.6 |
| Revenue | MEUR | 162.2 | 165.7 | -2.1% | 453.8 | 483.5 | -6.1% | 696.8 |
| EBITDA | MEUR | 19.9 | 11.8 | +68.6% | 45.8 | 35.5 | +29.0% | 53.6 |
| EBITDA margin | % | 12.3 | 7.1 | - | 10.1 | 7.3 | - | 7.7 |
| EBITA (adj. by extraordinary items) | MEUR | 17.7 | 10.2 | +73.5% | 38.2 | 28.1 | +35.9% | 46.0 |
| EBITA margin (adj. by extraordinary items) | % | 10.9 | 6.2 | - | 8.4 | 5.8 | - | 6.6 |
| EBITA | MEUR | 16.4 | 8.5 | +92.9% | 35.4 | 25.2 | +40.5% | 40.1 |
| EBITA margin | % | 10.1 | 5.1 | - | 7.8 | 5.2 | - | 5.8 |
| Employees (as of end of period; without apprentices) | - | 2,675 | 2,833 | -5.6% | 2,675 | 2,833 | -5.6% | 2,842 |

ORDER INTAKE BY REGION Q1-Q3 2020 VS. Q1-Q3 2019 (%)



REVENUE BY REGION Q1-Q3 2020 VS. Q1-Q3 2019 (%)



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MARKET UPDATE AND OUTLOOK BY BUSINESS AREA (I)

Unchanged satisfactory market environment for Pulp and Paper, weak conditions in Metals

PULP & PAPER



- Ongoing 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 impacted due to partially limited access to individual customer and project locations

METALS



Metals Forming:

- Slightly improved project activity for metal forming equipment from very low levels
- Weak global automotive markets put pressure on OEMs and suppliers

Metals Processing:

- Ongoing weak demand in the global steel and stainless steel industry
- Very low project activity and high price pressure

MARKET UPDATE AND OUTLOOK BY BUSINESS AREA (II)



Challenging market environment for hydropower equipment to continue, Separation satisfactory

HYDRO



- Unchanged challenging market environment globally
- Some larger orders secured; more to come during next quarters?
- Continuing low investment activity by utilities with many modernization and rehabilitation projects, particularly in Europe

SEPARATION



- Overall good project and investment activity
- Satisfactory demand from municipalities (sewage sludge dewatering and drying) and in various industries
- Solid investment activity for feed technologies

OUTLOOK



ANDRITZ topics for the remainder of 2020:

- Secure appropriate cost structure for 2021
- Concentrate on Metals Forming and Hydro

Margin guidance for 2020 slightly increased, unchanged revenue guidance:

- **Adjusted EBITA margin 2020** roughly **unchanged** compared to adjusted EBITA margin 2019 (6.8%)
- **Reported EBITA margin 2020** (after extraordinary provisions) expected to be **stable or slightly higher** compared to 2019 (reported EBITA margin: **5.1%**)
- **Group revenue** expected to be **slightly lower** compared to 2019 (6.674 MEUR)

Prior financial guidance (given at the announcement of the Q2 2020 results):

- *Slightly lower revenue*
- *Stable EBITA margin (reported) compared to 2019*

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