



ANDRITZ GROUP

RESULTS H1 / Q2 2023

JULY 27, 2023

ANDRITZ

ENGINEERED SUCCESS

AGENDA



1 | Q2 2023 AT A GLANCE

2 | PERFORMANCE H1 / Q2 2023

3 | UPDATE OF BUSINESS AREAS

4 | OUTLOOK

VERY FAVORABLE BUSINESS DEVELOPMENT CONTINUES



Financial highlights Q2 2023

ORDER INTAKE
2.3 billion EUR

(Q2 2022: 2.2 billion EUR / +5%)

REVENUE
2.1 billion EUR

(Q2 2022: 1.8 billion EUR / +20%)

ORDER BACKLOG
10.6 billion EUR

(Q2 2022: 9.9 billion EUR / +7%)

EBITA (reported)
174 MEUR

(Q2 2022: 151 MEUR / +15%)

EBITA MARGIN (reported)
8.1 %

(Q2 2022: 8.4%)

NET INCOME
119 MEUR

(Q2 2022: 94 MEUR / +27%)

ACQUISITION OF DAN-WEB STRENGTHENS SUSTAINABLE PULP BUSINESS



Dan-Web, based in Galten, Denmark, is a leading supplier of a wide range of technologies for the production of airlaid nonwovens.

Acquisition further extends and strengthens ANDRITZ's product and service portfolio in the field of nonwovens.

Technology used for:

- Baby, fem, and adult care products
- Biodegradable wipes,
- Dry molded pulp packaging and parts



AGENDA



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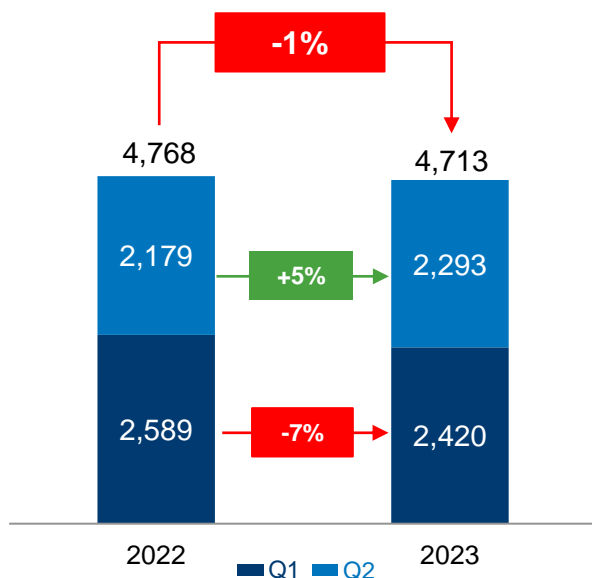
4 | OUTLOOK

VERY SATISFYING ORDER INTAKE IN Q2 2023



Hydro strongly up due to the receipt of a large order; Pulp & Paper and Separation down q/q

ORDER INTAKE*



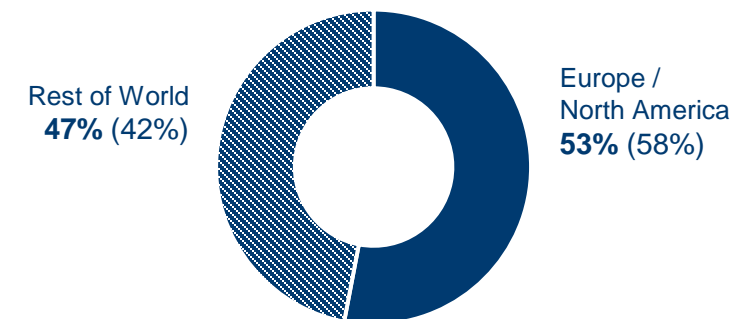
ORDER INTAKE BY BUSINESS AREA*

	Q2 2023	Q2 2022	+/-
Pulp & Paper	843	953	-12%
Metals	508	489	+4%
Hydro	657	402	+63%
Separation	285	335	-15%

	H1 2023	H1 2022	+/-
Pulp & Paper	1,836	2,032	-10%
Metals	1,177	991	+19%
Hydro	1,087	1,106	-2%
Separation	613	639	-4%

ORDER INTAKE BY REGION

H1 2023 VS. H1 2022 (%)



*IN MEUR

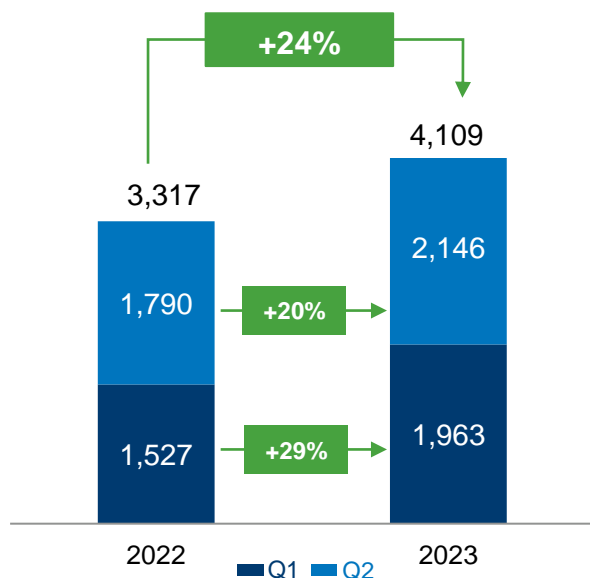
- **Pulp & Paper:** Service business increased order intake q/q; Capital business decreased compared to Q2 2022
- **Metals** slightly up q/q, driven by Metals Processing; Metals Forming below very high comparison level, which included a major order for a press line in China
- **Hydro** significantly up q/q due to the receipt of a major order for a new hydropower plant in Laos; **Separation** well below very high comparison quarter

SIGNIFICANT INCREASE OF REVENUE



Increase in all four business areas mainly driven by large capital orders

REVENUE*



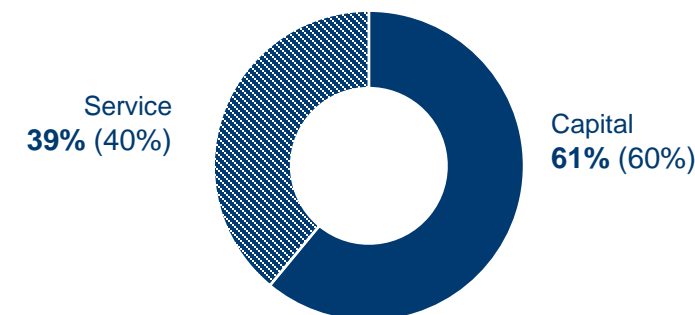
REVENUE BY BUSINESS AREA*

	Q2 2023	Q2 2022	+/-
Pulp & Paper	1,042	847	+23%
Metals	470	378	+25%
Hydro	355	300	+18%
Separation	279	265	+5%

	H1 2023	H1 2022	+/-
Pulp & Paper	1,950	1,543	+26%
Metals	892	734	+22%
Hydro	711	547	+30%
Separation	556	493	+13%

REVENUE SPLIT: CAPITAL / SERVICE

H1 2023 VS. H1 2022 (%)



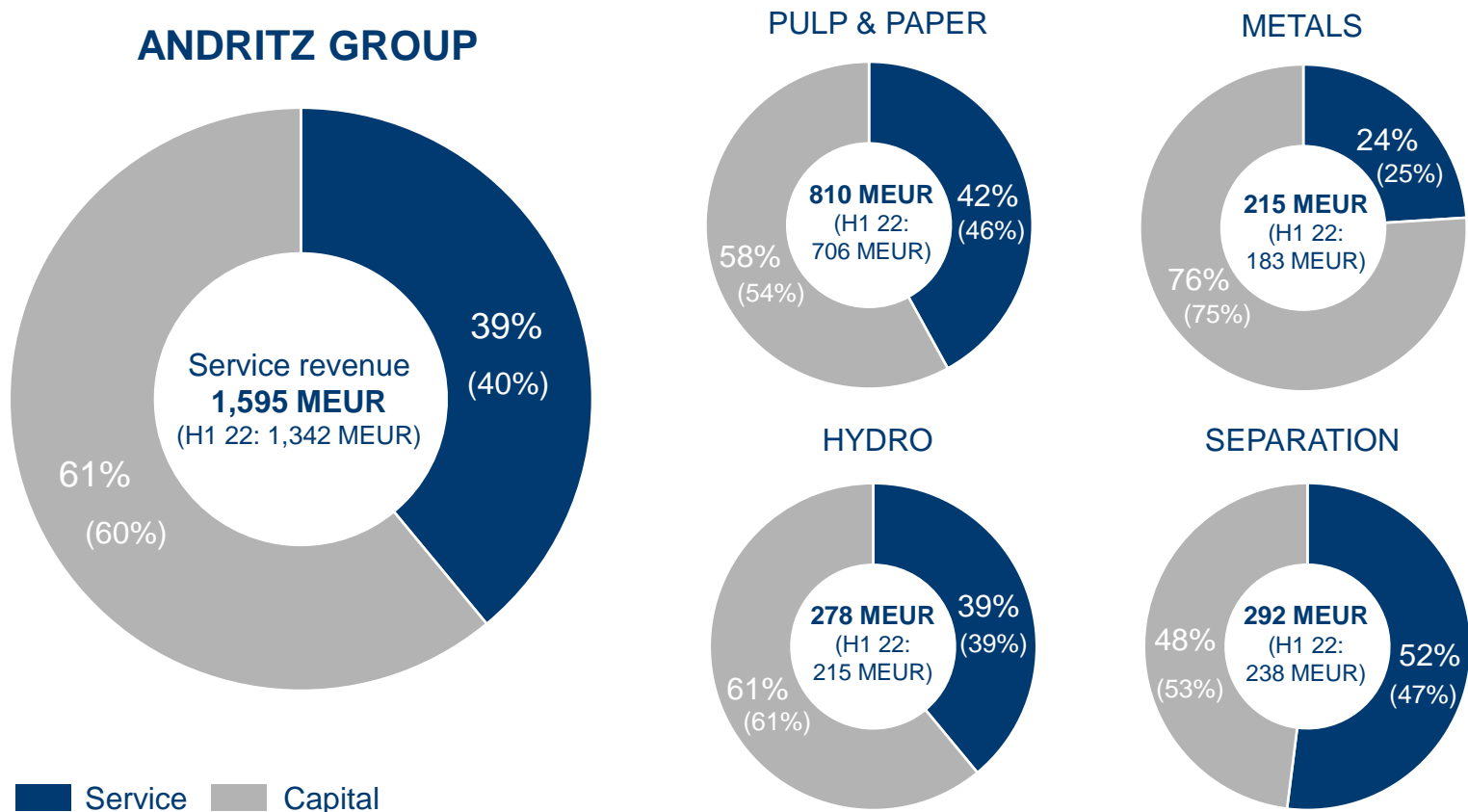
*IN MEUR

- **Pulp & Paper, Metals, and Hydro:** Revenue strongly up q/q
- **Separation:** Revenue slightly up compared with Q2 2022

STABLE AND RECURRING SERVICE BUSINESS SUPPORTS PROFITABILITY



Service revenue in H1 2023 and share of total revenue

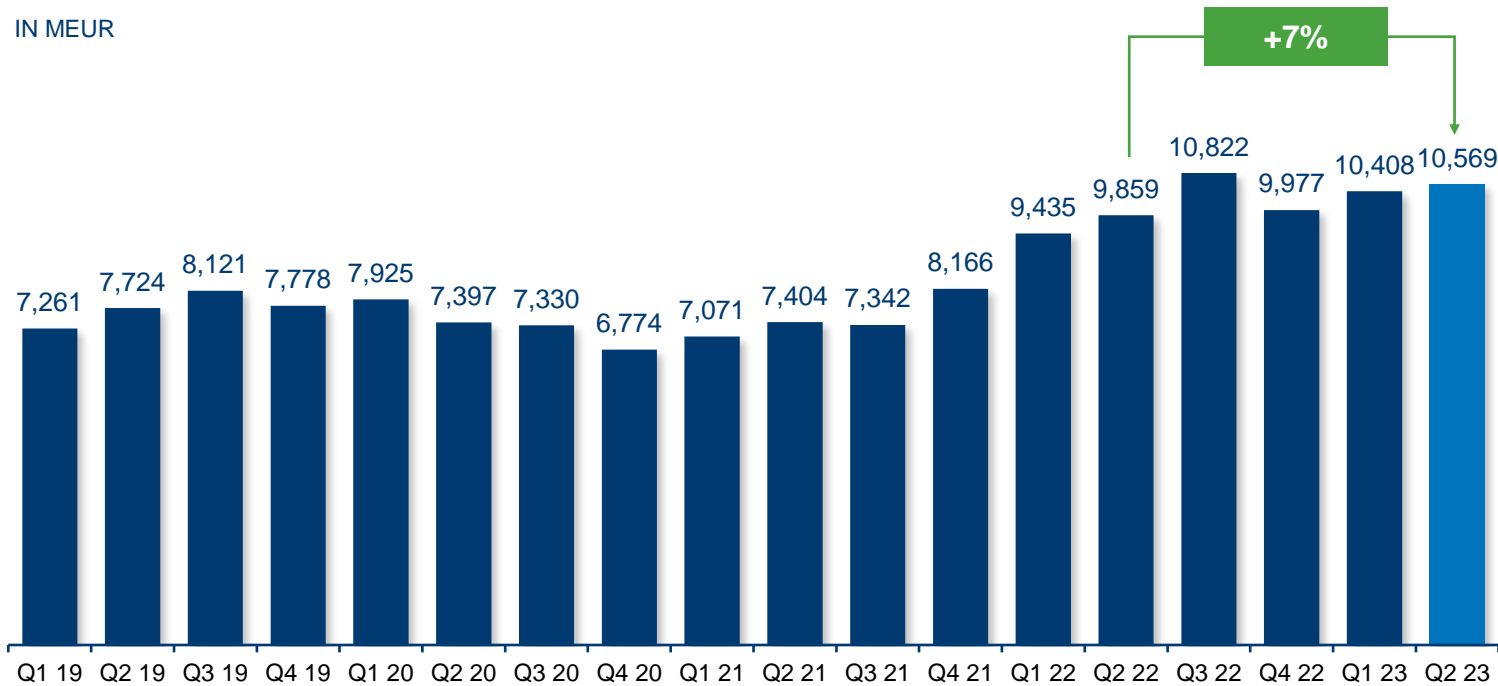


ORDER BACKLOG AT 10.6 BILLION EUROS AS OF END OF Q2 2023



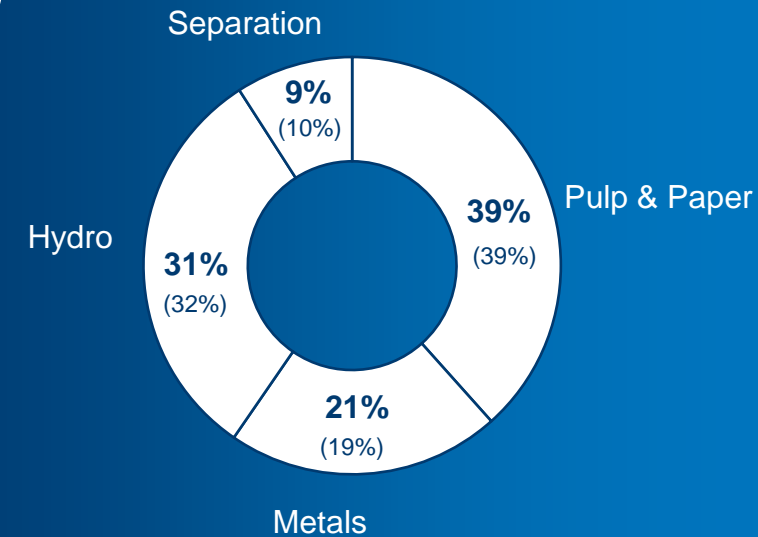
Pulp & Paper and Hydro account for ~70% of total order backlog

IN MEUR



ORDER BACKLOG BY BUSINESS AREA

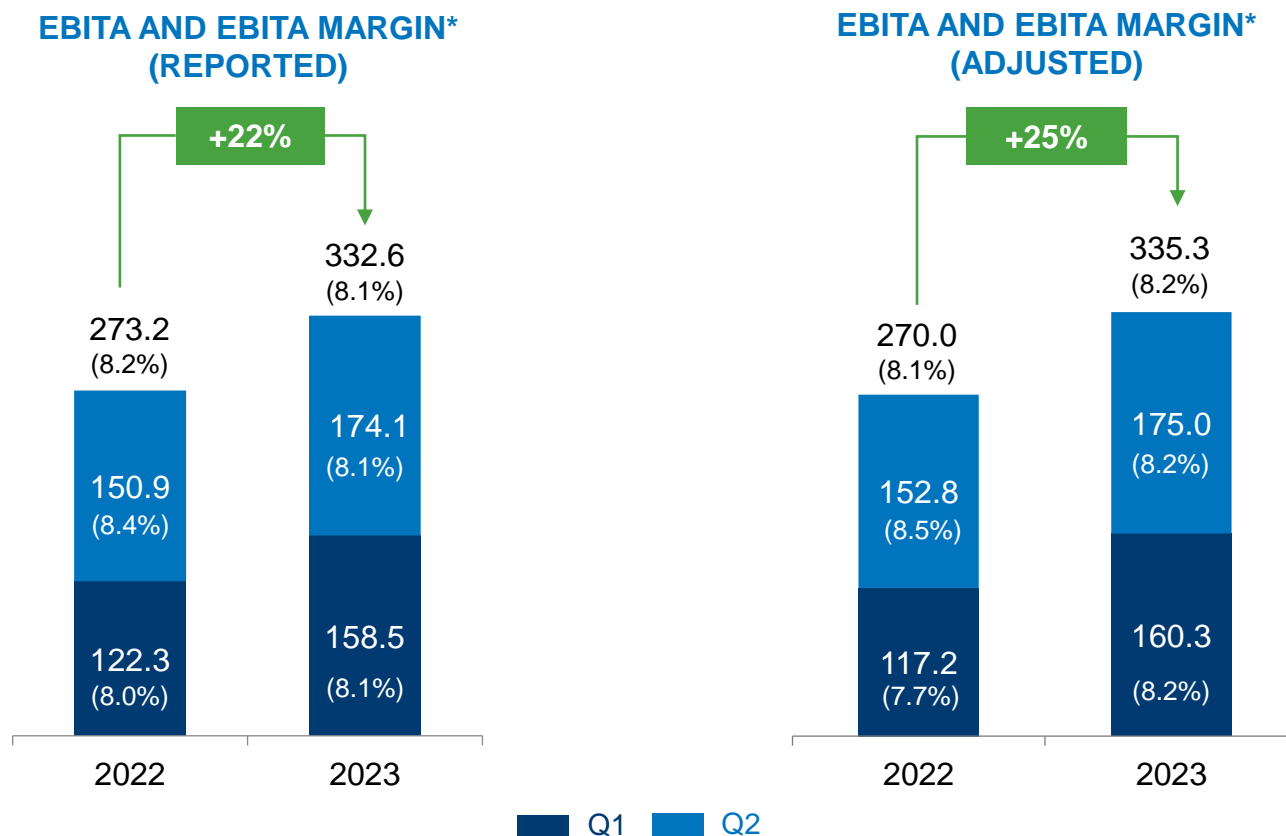
H1 2023 VS. H1 2022



EARNINGS SIGNIFICANTLY INCREASED



Profitability remains on a solid level



EBITA (reported) significantly up q/q.

Profitability in Q2 2023 at 8.1% (Q2 2022: 8.4%)

EBITA margin (adjusted) amounted to 8.2% (Q2 2022: 8.5%). Profitability in Metals continued its upward trend

In total, net extraordinary items of around +3 MEUR in H1 2023 (smaller restructuring measures).

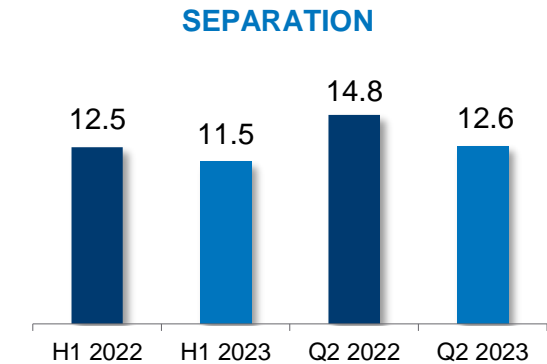
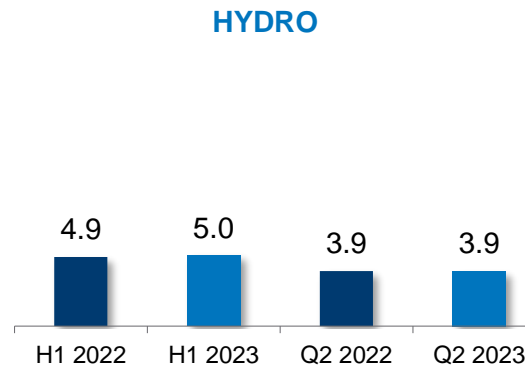
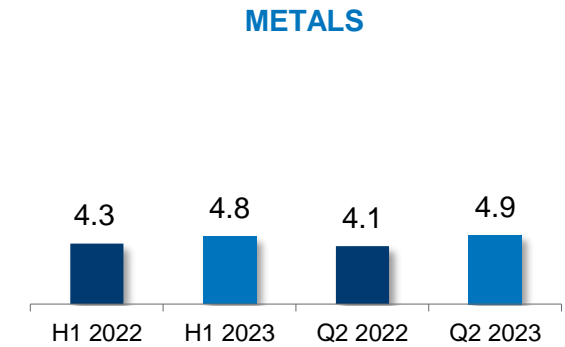
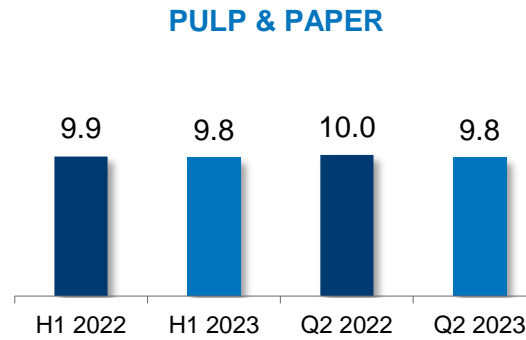
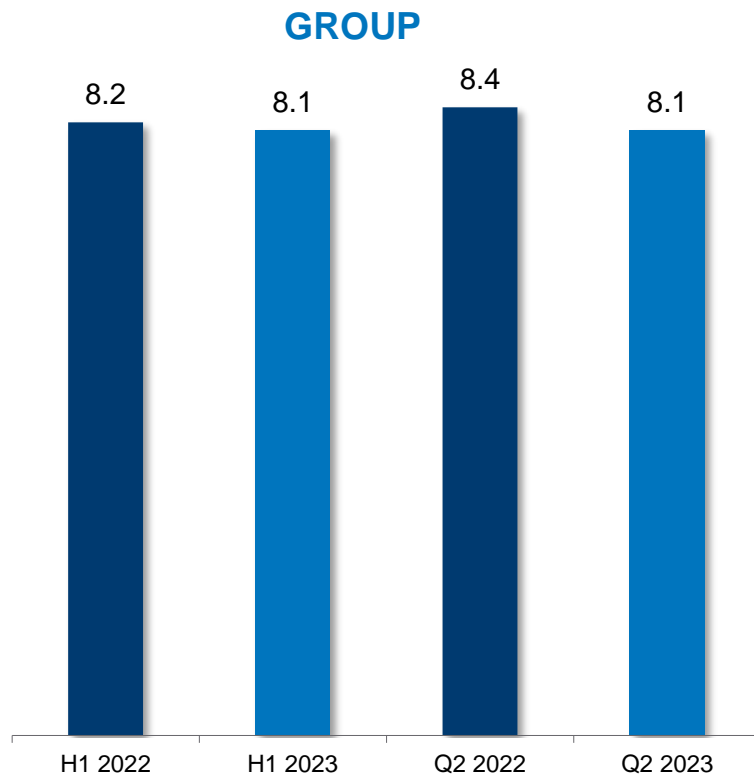
* EBITA (IN MEUR) / EBITA MARGIN (IN %)

STABLE OPERATIONAL PROFITABILITY

METALS IMPROVING



Reported EBITA margin (in %)

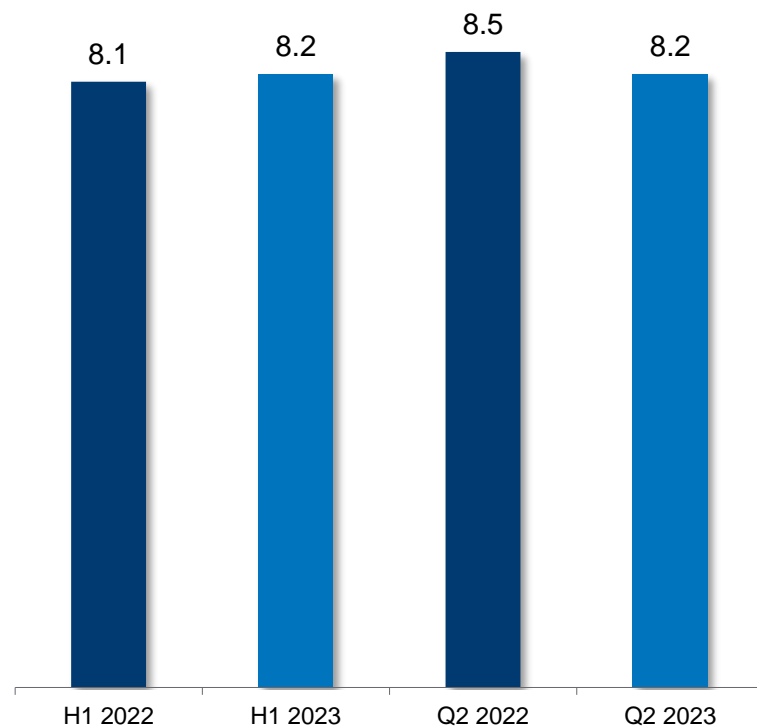


STABLE OPERATIONAL PROFITABILITY METALS AND SEPARATION IMPROVING

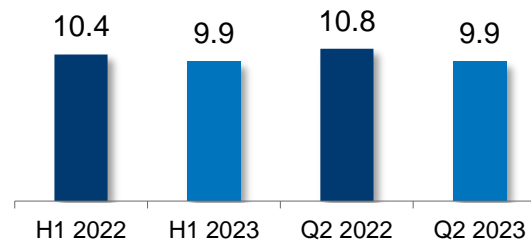


Adjusted EBITA margin (in %)

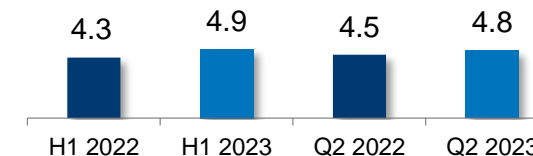
GROUP



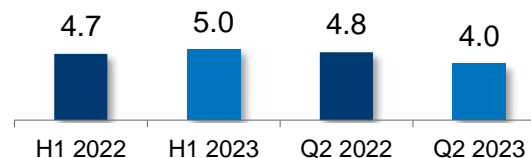
PULP & PAPER



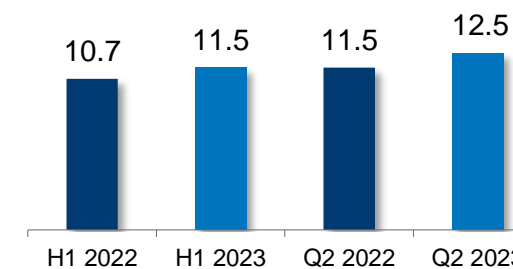
METALS



HYDRO



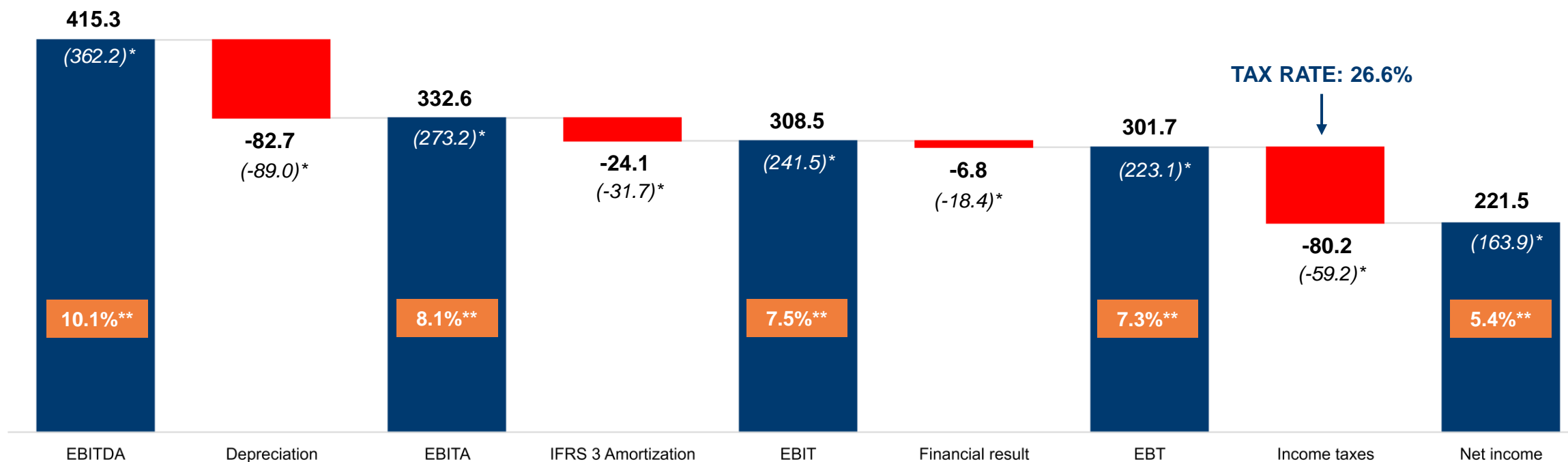
SEPARATION



EBITDA – NET INCOME BRIDGE H1 2023



IN MEUR

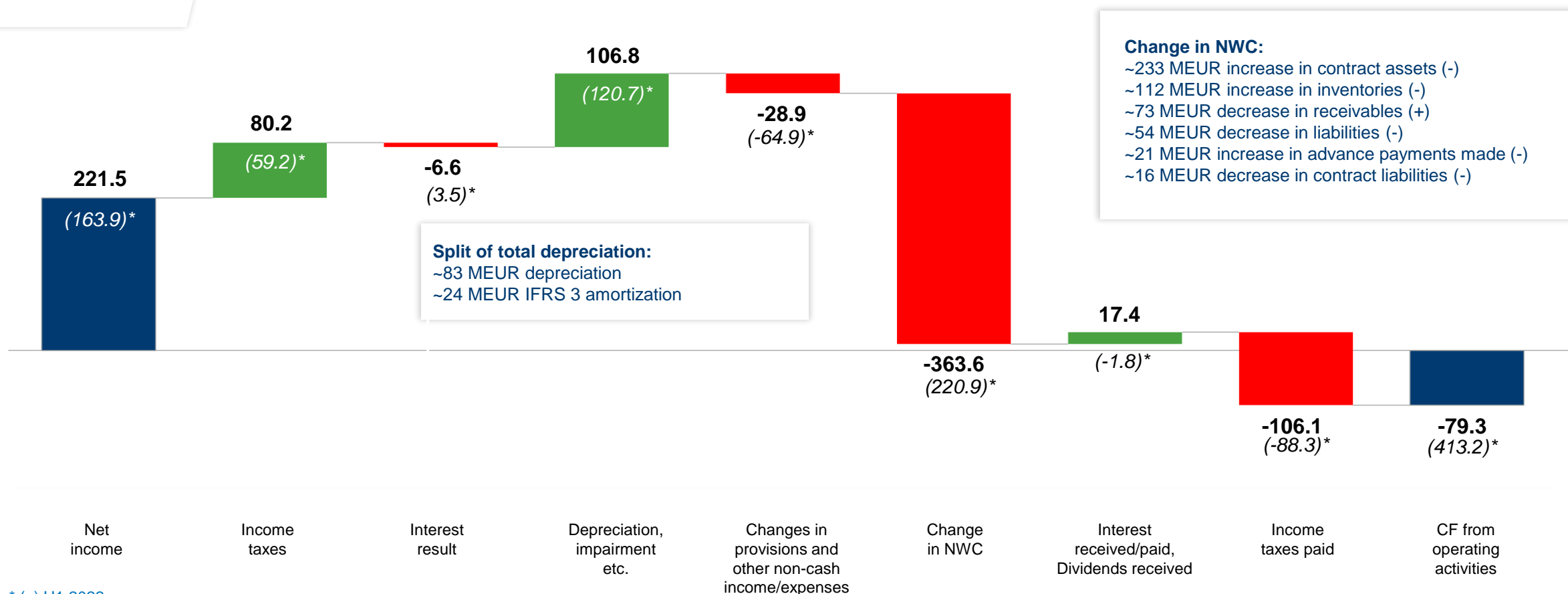


* () H1 2022
 ** % of total revenue

CASH FLOW FROM OPERATING ACTIVITIES H1 2023



IN MEUR



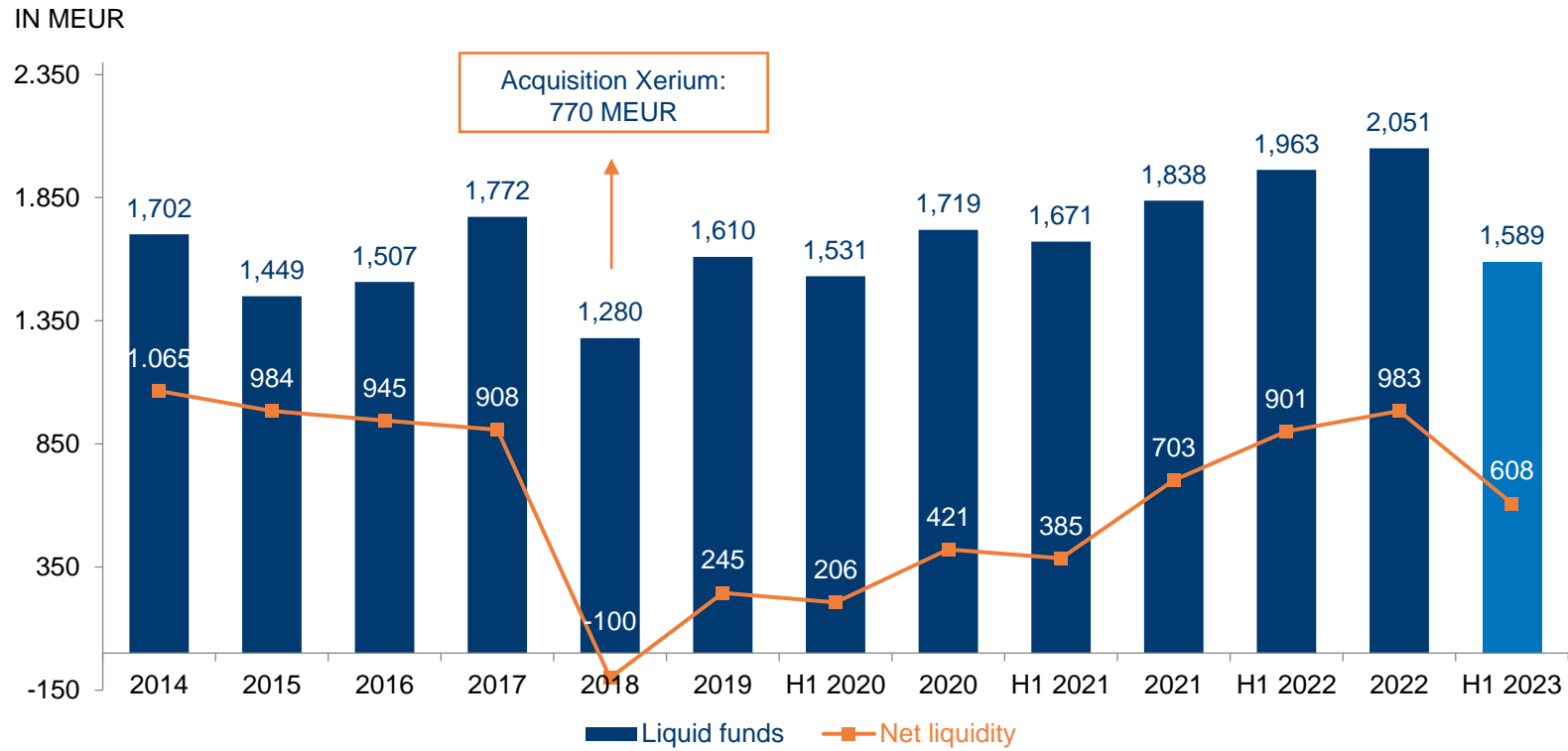
* () H1 2022

FINANCIAL POSITION



Gross liquidity of ~1.6 billion euros, net liquidity at ~610 million euros

Note: Since January 1, 2019, lease liabilities are excluded from the calculation of net liquidity; 2018 adjusted



Decline in net liquidity since end of 2022, mainly due to:

- **dividend payments** to ANDRITZ shareholders: **208 MEUR**
- **increase in net working capital**: **364 MEUR**

KEY FIGURES H1 / Q2 2023 AT A GLANCE



	UNIT	Q2 2023	Q2 2022	+/-	H1 2023	H1 2022	+/-	2022
Order intake	MEUR	2,292	2,179	+5%	4,713	4,768	-1%	9,263
Order backlog (as of end of period)	MEUR	10,569	9,859	+7%	10,569	9,859	+7%	9,977
Revenue	MEUR	2,146	1,790	+20%	4,109	3,317	+24%	7,543
EBITDA	MEUR	214.9	198.8	+8.1%	415.3	362.2	+14.7%	825.5
EBITDA margin	%	10.0	11.1	-	10.1	10.9	-	10.9
EBITA	MEUR	174.1	150.9	+15.4%	332.6	273.2	+21.7%	648.5
EBITA margin	%	8.1	8.4	-	8.1	8.2	-	8.6
Net income (including non-controlling interests)	MEUR	119.0	93.7	+27.0%	221.5	163.9	+35.1%	402.6
Cash flow from operating activities	MEUR	-47.9	186.1	n.a.	-79.3	413.2	n.a.	710.8
Capital expenditure	MEUR	44.9	41.4	+8.5%	93.3	80.5	+15.9%	184.4
Liquid funds	MEUR	1,589	1,963	-19%	1,589	1,963	-19%	2,051
Net liquidity	MEUR	608	901	-33%	608	901	-33%	983
Net working capital	MEUR	100	-351	n.a.	100	-351	n.a.	-324
Employees (as of end of period; without apprentices)	-	29,927	27,428	+9.1%	29,927	27,428	+9.1%	29,094

- **Decrease in cash flow** mainly due to **change in net working capital**



- **Increase in net working capital** mainly due to execution of large projects (PP, HY) and increase in inventory

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PULP & PAPER: STRONG INCREASE IN REVENUE AND EARNINGS



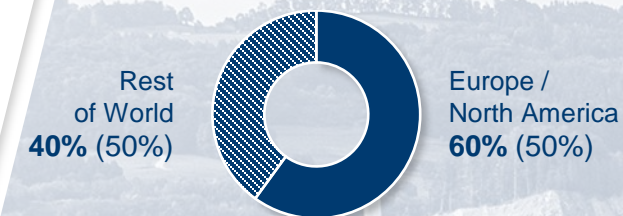
Order intake declined q/q, mainly due to capital business; profitability at solid level

	UNIT	Q2 2023	Q2 2022	+/-	H1 2023	H1 2022	+/-	2022
Order intake	MEUR	843	952	-12%	1,836	2,032	-10%	4,296
Order backlog (as of end of period)	MEUR	4,079	3,893	+5%	4,079	3,893	+5%	4,208
Revenue	MEUR	1,042	847	+23%	1,950	1,543	+26%	3,514
EBITDA	MEUR	121.2	111.4	+8.8%	230.9	200.2	+15.3%	462.1
EBITDA margin	%	11.6	13.1	-	11.8	13.0	-	13.2
EBITA	MEUR	102.1	84.6	+20.7%	190.8	153.3	+24.5%	378.9
EBITA margin	%	9.8	10.0	-	9.8	9.9	-	10.8
Employees (as of end of period; without apprentices)	-	13,541	12,112	+11.8%	13,541	12,112	+11.8%	13,525

- **Order intake** below level of Q2 2022; slight increase in service business, however, capital business down due to the overall difficult economic conditions
- **Revenue** significantly up q/q due to the good order intake development in the last years
- **Earnings** strongly up q/q in line with revenue; **profitability** stable due to high share of capital business

ORDER INTAKE BY REGION

H1 2023 VS. H1 2022 (%)



REVENUE BY REGION

H1 2023 VS. H1 2022 (%)



METALS: POSITIVE EARNINGS AND PROFITABILITY DEVELOPMENT CONTINUED



Order intake and revenue significantly higher compared to last year

	UNIT	Q2 2023	Q2 2022	+/-	H1 2023	H1 2022	+/-	2022
Order intake	MEUR	508	489	+4%	1,177	991	+19%	2,009
Order backlog (as of end of period)	MEUR	2,195	1,846	+19%	2,195	1,846	+19%	1,938
Revenue	MEUR	470	378	+25%	892	734	+22%	1,621
EBITDA	MEUR	31.7	25.1	+26.3%	60.4	50.0	+20.8%	100.9
EBITDA margin	%	6.7	6.6	-	6.8	6.8	-	6.2
EBITA	MEUR	23.0	15.3	+50.3%	42.5	31.6	+34.5%	62.3
EBITA margin	%	4.9	4.1	-	4.8	4.3	-	3.8
Employees (as of end of period; without apprentices)	-	6,163	5,960	+3.4%	6,163	5,960	+3.4%	6,085

- **Order intake** continued on a favorable level, mainly due to the Metals Processing sector, which significantly increased order intake q/q; Metals Forming (Schuler) down q/q, which included a large order for a press line in China
- Significant increase in **revenue** due to favorable development of order intake in preceding quarters
- **Earnings** and **profitability** significantly up

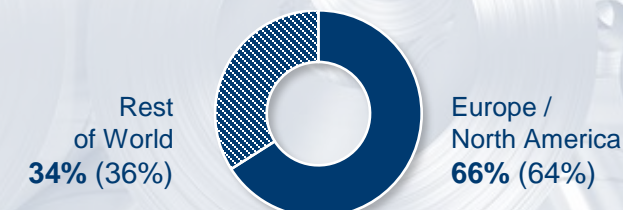
ORDER INTAKE BY REGION

H1 2023 VS. H1 2022 (%)



REVENUE BY REGION

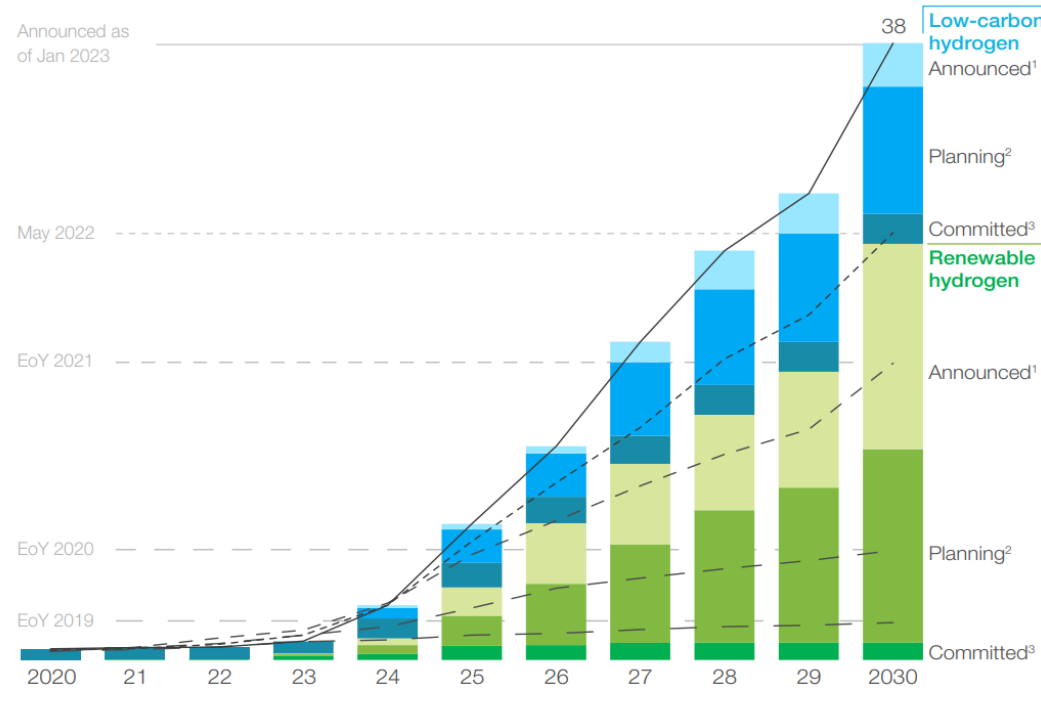
H1 2023 VS. H1 2022 (%)



GREEN HYDROGEN MARKET EXPECTED TO REACH ALMOST 40 MILLION TONS PER YEAR BY 2030



Cumulative production capacity announced, Mt p.a.



>70%

share of capacity in top 3 markets
(Europe, North America, Latin America)

+16 Mt

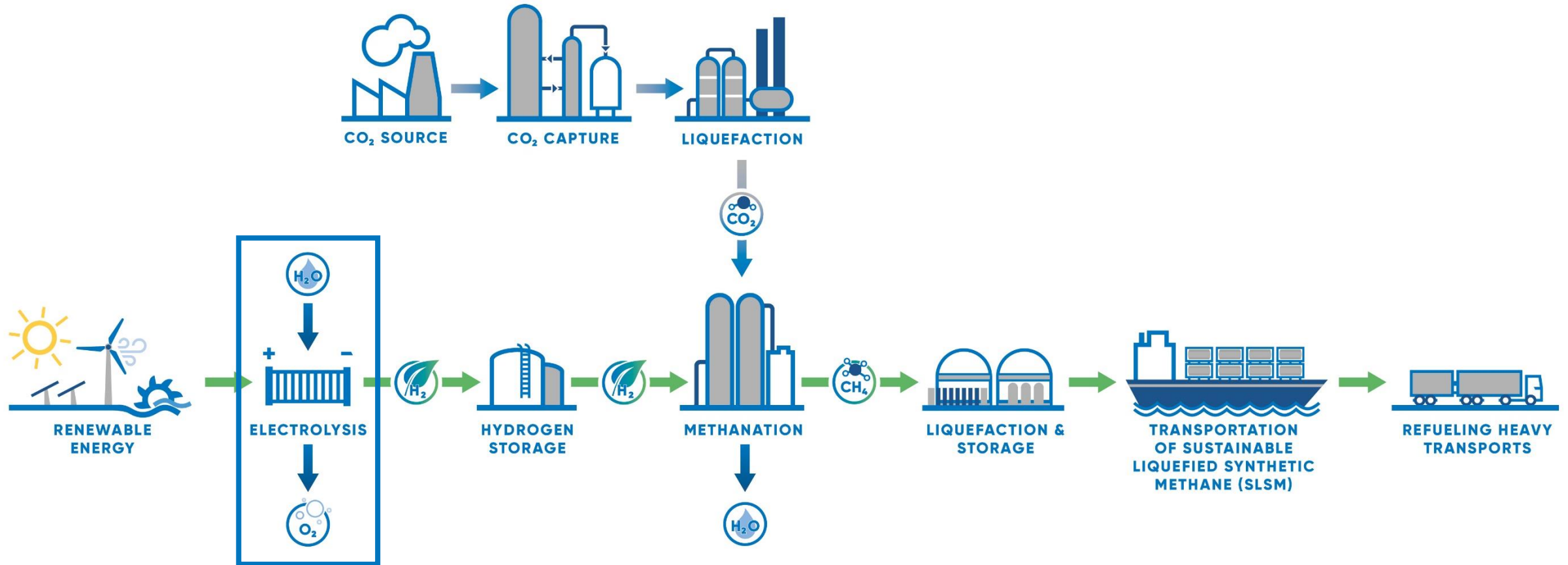
additional capacity (low-carbon and
renewable) announced for post-2030

Source: McKinsey study 2023

CONVERTING GREEN ELECTRICITY INTO HYDROGEN TO SUSTAINABLE LIQUEFIED SYNTHETIC METHANE



Koppö Energy, Finland

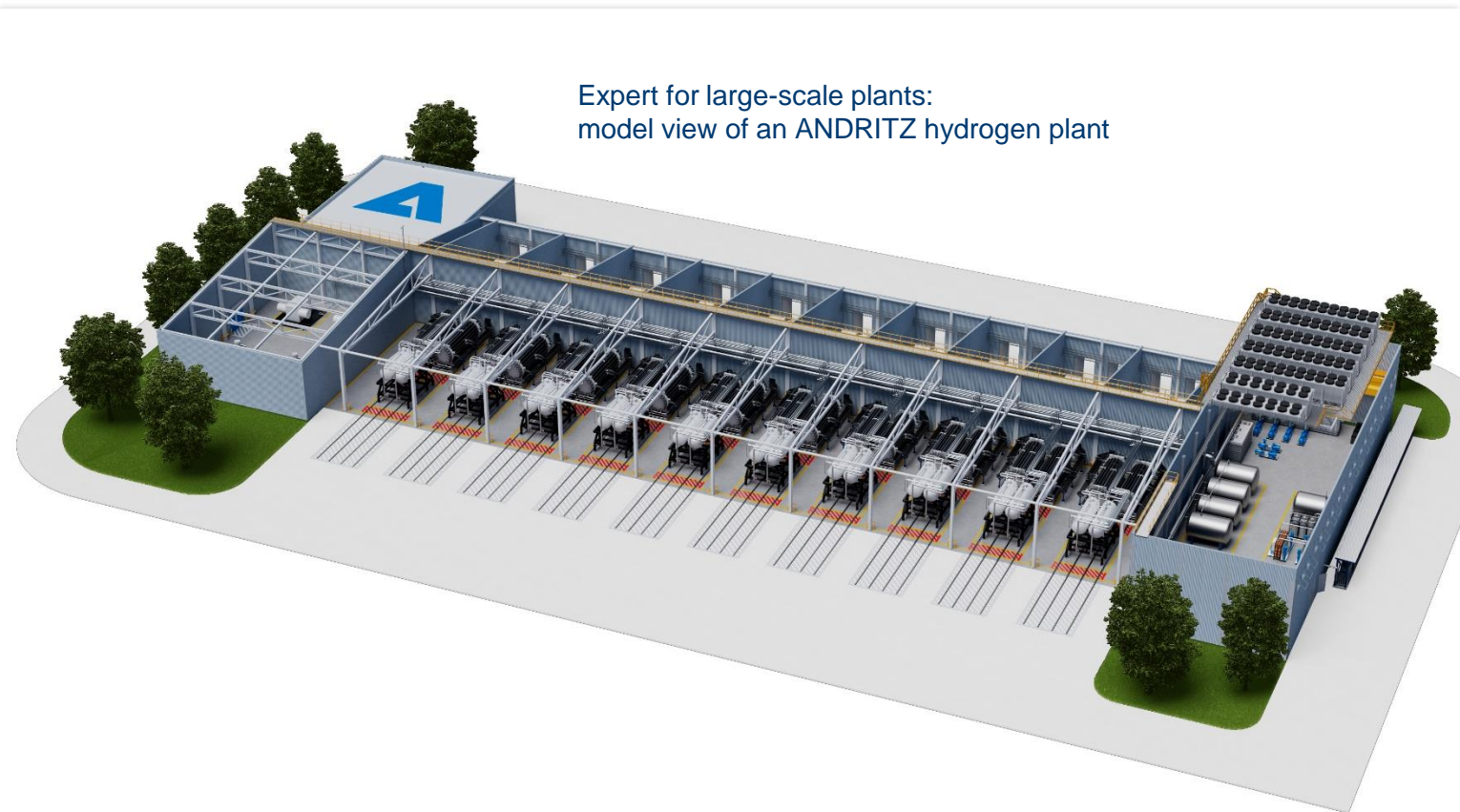


STRIVING TO BECOME THE LEADING GLOBAL GREEN HYDROGEN SOLUTION PROVIDER



Koppö Energia selected ANDRITZ to develop a large-scale hydrogen production plant in Finland

- ANDRITZ will perform the Front-End-Engineering-Design (FEED) for the 200 MW green hydrogen plant
- In early 2024, Koppö Energia plans to order the H₂ plant on EPC basis, including the lifetime services
- Koppö Energia is a joint venture of
 - Germany-based Prime Capital, a renowned asset manager specializing in alternative energy projects (75%)
 - CPC Finland, a subsidiary of project developer and green power producer CPC Germania (25%)



Expert for large-scale plants:
model view of an ANDRITZ hydrogen plant

HYDRO: STRONG INCREASE IN ORDER INTAKE AND REVENUE



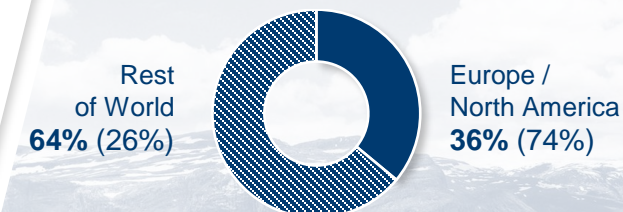
Earnings improved; solid profitability

	UNIT	Q2 2023	Q2 2022	+/-	H1 2023	H1 2022	+/-	2022
Order intake	MEUR	657	402	+63%	1,087	1,106	-2%	1,721
Order backlog (as of end of period)	MEUR	3,302	3,133	+5%	3,302	3,133	+5%	2,878
Revenue	MEUR	355	300	+18%	711	547	+30%	1,313
EBITDA	MEUR	20.6	18.2	+13.2%	48.7	40.7	+19.7%	107.7
EBITDA margin	%	5.8	6.1	-	6.9	7.4	-	8.2
EBITA	MEUR	14.0	11.8	+18.6%	35.3	26.7	+32.2%	72.3
EBITA margin	%	3.9	3.9	-	5.0	4.9	-	5.5
Employees (as of end of period; without apprentices)	-	6,285	6,064	+3.6%	6,285	6,064	+3.6%	6,102

- **Order intake** strongly up in Q2 2023: receipt of a large order to supply electromechanical equipment for a new hydropower station in Lao
- **Revenue** significantly up q/q due to high order intake in previous year
- **Earnings** improved; **profitability** stable

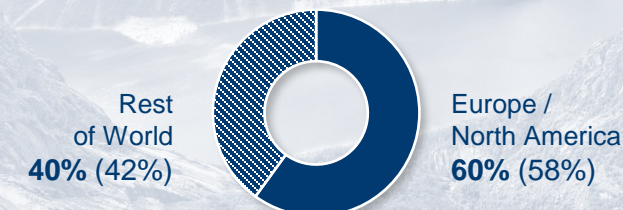
ORDER INTAKE BY REGION

H1 2023 VS. H1 2022 (%)



REVENUE BY REGION

H1 2023 VS. H1 2022 (%)



ANDRITZ TO SUPPLY SECOND LARGE HYDROPOWER PLANT IN LAOS



- Partner in Luang Prabang is Thai construction and power company CH. Karnchang
- With a capacity of 1,470 MW, Luang Prabang will be the largest hydropower plant in Laos and will supply electricity from renewable energies 24/7 starting in 2029
- Follow-up order from Xayaburi hydropower plant, Laos (1,285 MW)
- Generators are key components of a hydropower plant, which are manufactured in Weiz, Austria



SEPARATION: FAVORABLE BUSINESS DEVELOPMENT CONTINUED



Order intake below the very high level of last year

	UNIT	Q2 2023	Q2 2022	+/-	H1 2023	H1 2022	+/-	2022
Order intake	MEUR	285	335	-15%	613	640	-4%	1,238
Order backlog (as of end of period)	MEUR	993	987	+1%	993	987	+1%	952
Revenue	MEUR	279	266	+5%	556	493	+13%	1,095
EBITDA	MEUR	41.4	44.1	-6.1%	75.3	71.3	+5.6%	154.8
EBITDA margin	%	14.8	16.6	-	13.5	14.5	-	14.1
EBITA	MEUR	35.0	39.2	-10.7%	64.0	61.6	+3.9%	135.0
EBITA margin	%	12.6	14.8	-	11.5	12.5	-	12.3
Employees (as of end of period; without apprentices)	-	3,938	3,292	+19.6%	3,938	3,292	+19.6%	3,382

- **Order intake** down q/q; good development in the pumps sector; solid development was recorded in the solid/liquid separation sector; order intake in the feed & biofuel sector declined q/q
- **Revenue** slightly up q/q
- **Earnings and profitability (reported)** below very high level of Q2 2022 which included a positive extraordinary effect in the pumps sector; Significant increase in **EBITA margin adjusted**

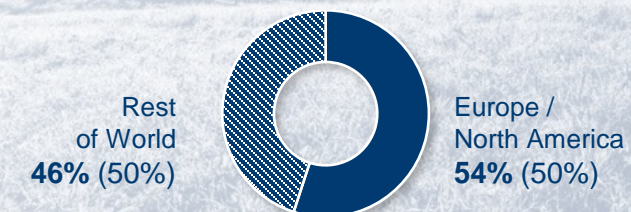
ORDER INTAKE BY REGION

H1 2023 VS. H1 2022 (%)



REVENUE BY REGION

H1 2023 VS. H1 2022 (%)



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GROUP ROADMAP 2022-2024 WELL ON TRACK



GROUP TARGETS 2022-2024

STATUS H1 2023

Group business volume well above 7 billion EUR, including M&A towards 8 billion EUR

Order intake: 4.7 billion EUR
Revenue: 4.1 billion EUR



EBITA margin at solid 8%

8.1%



Net income to increase to >5%

5.4%



Continue **M&A strategy** within existing business areas

7 acquisitions closed since 2022



Reach **ESG targets**

Well on track



MARKET OUTLOOK AND FINANCIAL GUIDANCE



Financial guidance 2023 confirmed

MARKET OUTLOOK

- High interest rates and slow economy will impact **project and investment decisions**. **Demand for green products remains stable**.
- Economic and geopolitical challenges are closely monitored.

FINANCIAL GUIDANCE FOR 2023

- ANDRITZ expects to **continue on its profitable growth in 2023** and anticipates a **significant increase in both revenue and earnings** compared to 2022.





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