RESULTS FOR Q1 2020

ANDRITZ GROUP

APRIL 30, 2020

ENGINEERED SUCCESS
CHAPTER OVERVIEW

01 Q1 2020 AT A GLANCE

02 PERFORMANCE Q1 2020

03 UPDATE OF BUSINESS AREAS

04 OUTLOOK
Q1 2020 AT A GLANCE

Solid development of order intake, earnings down mainly due to Metals and Hydro

- **Group order intake, at almost 1.9 billion euros**, reaches satisfactory level, mainly driven by Pulp & Paper (booking of large order from UPM); Metals solid, Hydro weak

- **Order Backlog**, at favorable level of **7.9 billion euros**

- **Sales, at 1.5 billion euros**, basically unchanged compared to Q1 2019, no major sales impact from Covid-19 crisis

- **EBITA significantly down due to Metals** (mainly Schuler); **Pulp & Paper** continues solid earnings and profitability performance

- **Profitability (EBITA margin) down to 4.6%** (Q1 2019: 5.6%)
CHAPTER OVERVIEW

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04 OUTLOOK
Satisfactory development of order intake due to pulp & paper

Solid order intake also in Metals Forming, weak in Hydro

Order intake (in MEUR)

Order intake by business area (in MEUR)

<table>
<thead>
<tr>
<th>Business Area</th>
<th>Q1 2020</th>
<th>Q1 2019</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pulp &amp; Paper</td>
<td>1,078</td>
<td>807</td>
<td>+34%</td>
</tr>
<tr>
<td>Metals</td>
<td>362</td>
<td>348</td>
<td>+4%</td>
</tr>
<tr>
<td>Hydro</td>
<td>246</td>
<td>314</td>
<td>-22%</td>
</tr>
<tr>
<td>Separation</td>
<td>168</td>
<td>189</td>
<td>-11%</td>
</tr>
</tbody>
</table>
Emerging markets account for 57% of total order intake

- Major orders received in Q1 2020:
  - **Pulp & Paper**: greenfield pulp mill order from UPM, power boilers for energy production from biomass (Japan)
  - **Metals Forming**: order from renowned international electric vehicle manufacturer
GROUP SALES BASICALLY UNCHANGED COMPARED TO Q1 2019

Strong increase in Pulp & Paper offsets decline in the other business areas

SALES BY BUSINESS AREA (IN MEUR)

<table>
<thead>
<tr>
<th>Business Area</th>
<th>Q1 2020</th>
<th>Q1 2019</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pulp &amp; Paper</td>
<td>713</td>
<td>603</td>
<td>+18%</td>
</tr>
<tr>
<td>Metals</td>
<td>355</td>
<td>388</td>
<td>-8%</td>
</tr>
<tr>
<td>Hydro</td>
<td>298</td>
<td>339</td>
<td>-12%</td>
</tr>
<tr>
<td>Separation</td>
<td>144</td>
<td>160</td>
<td>-10%</td>
</tr>
</tbody>
</table>

SALES (IN MEUR)

Q1 2019: 1,489
Q1 2020: 1,510

+1% (100% organic)
Quarterly development of service sales (in MEUR)

Service business continues solid performance

Service business in absolute and relative terms:

CAGR: +10%
% of total business area sales

**PULP & PAPER**

- 2014: 35%
- 2015: 37%
- 2016: 41%
- 2017: 42%
- 2018: 48%
- 2019: 51%
- Q1 2020: 45%

**HYDRO**

- 2014: 26%
- 2015: 25%
- 2016: 26%
- 2017: 29%
- 2018: 28%
- 2019: 32%
- Q1 2020: 33%

**METALS**

- 2014: 18%
- 2015: 20%
- 2016: 22%
- 2017: 24%
- 2018: 23%
- 2019: 27%
- Q1 2020: 23%

**SEPARATION**

- 2014: 43%
- 2015: 44%
- 2016: 46%
- 2017: 47%
- 2018: 45%
- 2019: 45%
- Q1 2020: 52%
Order backlog increased by ~150 MEUR compared to end of 2019 due to Pulp & Paper.

Hydro and Pulp & Paper account for 75% of total order backlog.
Continued solid performance of Pulp & Paper

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

- **PULP & PAPER**
  - Q1 2019: 8.7 EBITA
  - Q1 2020: 8.7 EBITA
  - EBITA Margin: 4.6%*

- **METALS**
  - Q1 2019: 0.4 EBITA
  - Q1 2020: -3.7 EBITA

- **HYDRO**
  - Q1 2019: 6.1 EBITA
  - Q1 2020: 5.0 EBITA

- **SEPARATION**
  - Q1 2019: 5.2 EBITA
  - Q1 2020: 4.5 EBITA

* EBITA and EBITA margin reported
• Net interest result improved to -6.7 MEUR (Q1 2019: -7.8 MEUR)
• Decrease in other financial result to -2.9 MEUR (Q1 2019: +1.5 MEUR) due to valuation of securities and accounts on balance sheet date (-1.3 MEUR)

Tax rate: ~31%

IN MEUR; *: % OF TOTAL SALES
STABLE DEVELOPMENT OF CASH FLOW FROM OPERATING ACTIVITIES

Split of total depreciation:
- ~43 MEUR depreciation
- ~16 MEUR IFRS 3 Amortization

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount 2019</th>
<th>Amount 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBT</td>
<td>44.3</td>
<td></td>
</tr>
<tr>
<td>Interest result</td>
<td></td>
<td>6.7</td>
</tr>
<tr>
<td>Depreciation, impairment</td>
<td>2.3</td>
<td></td>
</tr>
<tr>
<td>Changes in provisions</td>
<td></td>
<td>(-24.0)</td>
</tr>
<tr>
<td>Other changes</td>
<td>(-5.0)*</td>
<td></td>
</tr>
<tr>
<td>Gross cash flow</td>
<td>88.1</td>
<td>(-3.4)*</td>
</tr>
<tr>
<td>Change in NWC</td>
<td></td>
<td>(-5.4)</td>
</tr>
<tr>
<td>Interest received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest paid</td>
<td></td>
<td>(-5.9)*</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td></td>
<td>(-31.6)*</td>
</tr>
<tr>
<td>CF from operating activities</td>
<td></td>
<td>56.9</td>
</tr>
</tbody>
</table>

* Q1 2019
SOLID FINANCIAL POSITION

Gross cash of 1.5 billion euros

- In addition to the high amount of disposable cash, ANDRITZ has surety lines of 5.9 bn and credit lines of 0.4 bn
- 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
KEY FIGURES Q1 2020 AT A GLANCE

<table>
<thead>
<tr>
<th>UNIT</th>
<th>Q1 2020</th>
<th>Q1 2019</th>
<th>+/- 2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>MEUR</td>
<td>1,852.9</td>
<td>1,658.1</td>
<td>+11.7%</td>
</tr>
<tr>
<td>Order backlog (as of end of period)</td>
<td>MEUR</td>
<td>7,924.6</td>
<td>7,260.9</td>
<td>+9.1%</td>
</tr>
<tr>
<td>Sales</td>
<td>MEUR</td>
<td>1,510.2</td>
<td>1,489.2</td>
<td>+1.4%</td>
</tr>
<tr>
<td>EBITA</td>
<td>MEUR</td>
<td>70.1</td>
<td>82.8</td>
<td>-15.3%</td>
</tr>
<tr>
<td>Net income (including non-controlling interests)</td>
<td>MEUR</td>
<td>30.5</td>
<td>32.6</td>
<td>-6.4%</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>MEUR</td>
<td>56.9</td>
<td>56.0</td>
<td>+1.6%</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>MEUR</td>
<td>29.9</td>
<td>25.4</td>
<td>+17.7%</td>
</tr>
<tr>
<td>Liquid funds</td>
<td>MEUR</td>
<td>1,543.1</td>
<td>1,474.8</td>
<td>+4.6%</td>
</tr>
<tr>
<td>Net liquidity</td>
<td>MEUR</td>
<td>208.4</td>
<td>-71.5</td>
<td>+391.5%</td>
</tr>
<tr>
<td>Net working capital</td>
<td>MEUR</td>
<td>-122.9</td>
<td>183.4</td>
<td>-167.0%</td>
</tr>
</tbody>
</table>

- Solid financial position with stable cash flow
- Net working capital basically unchanged compared to end of 2019, no major changes by business area
PULP & PAPER: STRONG INCREASE OF SALES AND CONTINUED SOLID PROFITABILITY

Favorable development of order intake

Order intake increased due to
- booking of large greenfield pulp mill order and
- continued favorable development of the service business

Significant increase in sales due processing of large orders

Earnings and margin at favorable levels

<table>
<thead>
<tr>
<th>UNIT</th>
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<th>Q1 2019</th>
<th>+/- 2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>MEUR</td>
<td>1,078.2</td>
<td>806.9</td>
<td>+33.6%</td>
</tr>
<tr>
<td>Order backlog (as of end of period)</td>
<td>MEUR</td>
<td>3,406.3</td>
<td>2,647.0</td>
<td>+28.7%</td>
</tr>
<tr>
<td>Sales</td>
<td>MEUR</td>
<td>713.3</td>
<td>602.7</td>
<td>+18.4%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>MEUR</td>
<td>81.2</td>
<td>71.9</td>
<td>+12.9%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>%</td>
<td>11.4</td>
<td>11.9</td>
<td>-</td>
</tr>
<tr>
<td>EBITA</td>
<td>MEUR</td>
<td>61.8</td>
<td>52.4</td>
<td>+17.9%</td>
</tr>
<tr>
<td>EBITA margin</td>
<td>%</td>
<td>8.7</td>
<td>8.7</td>
<td>-</td>
</tr>
<tr>
<td>Employees (as of end of period; without apprentices)</td>
<td>-</td>
<td>11,274</td>
<td>11,649</td>
<td>-3.2%</td>
</tr>
</tbody>
</table>

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

Emerging markets: 69% (38%)
Europe/ North America: 31% (62%)

SALES BY REGION Q1 2020 VS. Q1 2019 (%)

Emerging markets: 50% (42%)
Europe/ North America: 50% (58%)
ANDRITZ D-TECH face masks by ANDRITZ Diatec

**ANDRITZ Diatec**, acquired in July 2018, developed a state-of-the-art, fully automated, high-speed converting line for production of **surgical and other disposable face masks with highest quality and hygiene standards**

- Up to 600 face masks per minute / 750,000 face masks a day
- Laminates three layers of fabric (spunbond, meltblown, and thermally bonded nonwovens)
- Full support from ANDRITZ Nonwoven experts with their engineering depth and process knowledge
FULL RANGE IN NONWOVENS PRODUCTION

Value chain from raw materials to end customer (blue = ANDRITZ Nonwoven business territory)

**Raw Materials**
Man made fibers, man made filaments, natural fibers etc.

**Nonwoven Fabrication**
Processes, lines and components for the production of roll goods. These raw materials are used for hygiene and medical applications.

**Converting**
Lines and processes for converting. Applications: hygiene and medical disposable products, e.g. face masks.

**Retail & Distribution**

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*EDANA: World’s leading nonwovens organisation*
METALS: EARNINGS AND PROFITABILITY SIGNIFICANTLY DOWN

Underabsorption and processing of low-margin orders impact earnings

Order intake up due to Metals Forming; Metals Processing down due to weak market conditions

Earnings and profitability impacted by:
- underabsorption in Metals Forming
- processing of lower-margin orders in both segments as a result of unchanged strong competition

<table>
<thead>
<tr>
<th></th>
<th>UNIT</th>
<th>Q1 2020</th>
<th>Q1 2019</th>
<th>+/- 2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>MEUR</td>
<td>361.5</td>
<td>348.1</td>
<td>+3.8%</td>
<td>1,582.2</td>
</tr>
<tr>
<td>Order backlog (as of end of period)</td>
<td>MEUR</td>
<td>1,531.3</td>
<td>1,564.1</td>
<td>-2.1%</td>
<td>1,532.7</td>
</tr>
<tr>
<td>Sales</td>
<td>MEUR</td>
<td>355.2</td>
<td>387.8</td>
<td>-8.4%</td>
<td>1,636.9</td>
</tr>
<tr>
<td>EBITDA</td>
<td>MEUR</td>
<td>-2.4</td>
<td>12.8</td>
<td>-118.8%</td>
<td>-1.5</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>%</td>
<td>-0.7</td>
<td>3.3</td>
<td>-</td>
<td>-0.1</td>
</tr>
<tr>
<td>EBITA</td>
<td>MEUR</td>
<td>-13.0</td>
<td>1.5</td>
<td>-966.7%</td>
<td>-73.8</td>
</tr>
<tr>
<td>EBITA margin</td>
<td>%</td>
<td>-3.7</td>
<td>0.4</td>
<td>-</td>
<td>-4.5</td>
</tr>
<tr>
<td>Employees (as of end of period; without apprentices)</td>
<td>-</td>
<td>7,134</td>
<td>7,753</td>
<td>-8.0%</td>
<td>7,485</td>
</tr>
</tbody>
</table>

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

SALES BY REGION Q1 2020 VS. Q1 2019 (%)
HYDRO: CONTINUED WEAK MARKET CONDITIONS

Low order intake due to timing of large order awards

Order intake down y/y due to moderate global hydropower market; no award of larger projects

Decrease in sales due to the decline in order intake in the past few years

Earnings and profitability impacted by lower sales and processing of some lower-margin orders

<table>
<thead>
<tr>
<th>UNIT</th>
<th>Q1 2020</th>
<th>Q1 2019</th>
<th>+/- 2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>MEUR</td>
<td>245.5</td>
<td>313.9</td>
<td>-21.8%</td>
</tr>
<tr>
<td>Order backlog (as of end of period)</td>
<td>MEUR</td>
<td>2,551.4</td>
<td>2,615.0</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Sales</td>
<td>MEUR</td>
<td>298.2</td>
<td>338.5</td>
<td>-11.9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>MEUR</td>
<td>23.8</td>
<td>30.1</td>
<td>-20.9%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>%</td>
<td>8.0</td>
<td>8.9</td>
<td>-</td>
</tr>
<tr>
<td>EBITA</td>
<td>MEUR</td>
<td>14.8</td>
<td>20.6</td>
<td>-28.2%</td>
</tr>
<tr>
<td>EBITA margin</td>
<td>%</td>
<td>5.0</td>
<td>6.1</td>
<td>-</td>
</tr>
<tr>
<td>Employees (as of end of period; without apprentices)</td>
<td>-</td>
<td>7,217</td>
<td>7,186</td>
<td>+0.4%</td>
</tr>
</tbody>
</table>

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

Emerging markets: 55% (57%)
Europe/ North America: 45% (43%)

SALES BY REGION Q1 2020 VS. Q1 2019 (%)

Emerging markets: 45% (46%)
Europe/ North America: 55% (54%)
Solid development of order intake in feed technologies

<table>
<thead>
<tr>
<th></th>
<th>UNIT</th>
<th>Q1 2020</th>
<th>Q1 2019</th>
<th>+/- 2019</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>MEUR</td>
<td>167.7</td>
<td>189.2</td>
<td>-11.4%</td>
<td>717.1</td>
</tr>
<tr>
<td>Order backlog (as of end of period)</td>
<td>MEUR</td>
<td>435.6</td>
<td>434.8</td>
<td>+0.2%</td>
<td>419.6</td>
</tr>
<tr>
<td>Sales</td>
<td>MEUR</td>
<td>143.5</td>
<td>160.2</td>
<td>-10.4%</td>
<td>696.8</td>
</tr>
<tr>
<td>EBITDA</td>
<td>MEUR</td>
<td>10.0</td>
<td>11.7</td>
<td>-14.5%</td>
<td>53.6</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>%</td>
<td>7.0</td>
<td>7.3</td>
<td>-</td>
<td>7.7</td>
</tr>
<tr>
<td>EBITA</td>
<td>MEUR</td>
<td>6.5</td>
<td>8.3</td>
<td>-21.7%</td>
<td>40.1</td>
</tr>
<tr>
<td>EBITA margin</td>
<td>%</td>
<td>4.5</td>
<td>5.2</td>
<td>-</td>
<td>5.8</td>
</tr>
<tr>
<td>Employees (as of end of period; without apprentices)</td>
<td>-</td>
<td>2,786</td>
<td>2,810</td>
<td>-0.9%</td>
<td>2,842</td>
</tr>
</tbody>
</table>

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

- Emerging markets: 35% (45%)
- Europe/ North America: 65% (55%)

**SALES BY REGION Q1 2020 VS. Q1 2019 (%)**

- Emerging markets: 35% (38%)
- Europe/ North America: 65% (62%)
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FINANCIAL GUIDANCE 2020 REMAINS SUSPENDED

Negative COVID-19 impact on sales expected due to
- temporary shutdown of production facilities due to governmental requirements
- severe global travel restrictions
- lower order intake expected for coming quarters

Immediate actions taken to achieve short-term cost reduction
- Implementation of short working weeks where possible while retaining staff
- Reduction of unconsumed vacation days and time credits of employees
- Pay cut of management group
- Hiring freeze
- Reduction of other expenses, especially for contracted personnel

Actions to adjust cost structure mid-term
- Adjust number of personnel
- Evaluate manufacturing capacity needs and optimize existing manufacturing setup
- Analyze supply chain with regard to geographical diversification and cost-attractiveness

GUIDANCE FOR 2020 REMAINS SUSPENDED DUE TO
- lack of visibility with regard to further development of the crisis and
- its impact on ANDRITZ’s markets and customers:
  - Progress of existing projects (shutdown of construction sites, access to these sites, etc.)?
  - Impact on order awards (delay, cancel, re-size)?
  - Availability of supply chain?
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