



PRESS RELEASE

ANDRITZ GROUP: Results for the third quarter and first three quarters of 2020

GRAZ, NOVEMBER 5, 2020. International technology Group ANDRITZ showed solid business development in the third quarter of 2020 in spite of the unchanged, difficult overall economic environment. Order intake reached a high level at slightly more than 1.7 billion euros, with several important reference orders secured in all business areas. Although sales declined slightly compared to the previous year's reference period, the operating result (EBITA) excluding extraordinary effects (provisions for capacity adjustments) and profitability increased significantly compared to 2019.

Wolfgang Leitner, CEO of ANDRITZ AG: *"We are very pleased with business development in the first three quarters. Thanks to the great commitment by our employees around the world in conjunction with cost discipline, we have been able to master the many challenges caused by the COVID-19 crisis very well so far. We will also continue our endeavors to cushion the effects of the global economic crisis as best possible and ensure our long-term competitive position".*

The Group's financial key figures:

- **Order intake** at 1,708.0 MEUR reached a solid level in the third quarter of 2020, although it was 18.4% below the level of the previous year's reference period (Q3 2019: 2,093.9 MEUR), which included a large order in the Pulp & Paper business area. Order intake developed favorably in the Hydro business area, which succeeded in booking two large orders from North America and Asia. Metals Forming (Schuler) was also able to secure some important orders to supply presses and press lines for electromobility. Although order intake at 4,744.7 MEUR was 18.2% lower than in the previous year's reference period (Q1-Q3 2019: 5,799.1 MEUR) in the first three quarters of 2020, it reached the second-highest level ever for the first three quarters of a year.
- The **order backlog** as of September 30, 2020 amounted to 7,330.1 MEUR, thus declining slightly compared to December 31, 2019 (-5.8% compared to the end of 2019: 7,777.6 MEUR).





- **Revenue** declined only slightly in the third quarter of 2020, reaching 1,669.7 MEUR (Q3 2019: 1,690.2 MEUR). The Pulp & Paper business area recorded a substantial increase in revenue due to the processing of several large orders and thus substantially contributed to Group revenue. Revenue at 4,842.7 MEUR was higher than the previous year's reference figure (+1.9% versus Q1-Q3 2019: 4,752.6 MEUR) in the first three quarters of 2020.
- At 104.2 MEUR, the **EBITA** in the third quarter of 2020 was much higher than the figure for the previous year's reference period (Q3 2019: 6.4 MEUR), which included provisions of around 95 MEUR for restructuring measures in Metals Forming (Schuler) as well as for smaller capacity adjustments in the other business areas. Provisions were also booked during the reporting period for smaller capacity adjustments, primarily for Metals Forming and the Hydro business area and, to a lesser extent, for the other business areas as well. Excluding these extraordinary effects of around 26 MEUR, the EBITA in the third quarter was 130.3 MEUR, and profitability (EBITA margin) reached a very favorable level at 7.8% (adjusted EBITA margin Q3 2019: 6.0%). The EBITA in the first three quarters of 2020 amounted to 278.5 MEUR (+51.4% compared to Q1-Q3 2019: 183.9 MEUR).
- **Net income** (without non-controlling interests) increased significantly to 52.4 MEUR (Q3 2019: -31.0 MEUR). In the first three quarters of 2020, the net income (without non-controlling interests) amounted to 137.3 MEUR (Q1-Q3 2019: 46.5 MEUR).

OUTLOOK

In view of the favorable earnings development in the first three quarters and on the basis of the current order backlog, ANDRITZ now expects approximately the same level of profitability (EBITA margin) excluding extraordinary effects (provisions for capacity adjustments) for the entire year 2020 from today's perspective (EBITA margin 2019 excluding extraordinary effects: 6.8%). Profitability including extraordinary effects (EBITA margin reported for 2020) is expected to remain stable or increase slightly from today's perspective compared to the previous year (EBITA margin reported for 2019: 5.1%).

The guidance provided for revenue development published with the results for the second quarter of 2020 remains unchanged. From today's perspective, ANDRITZ expects slightly lower revenue for the 2020 business year compared to 2019 (6,674 MEUR).

However, if the infection rates continue to rise worldwide in the coming weeks and months and additional countries or regions impose lockdowns, this could have negative effects on the processing of orders and on order intake and hence, a negative effect on ANDRITZ's financial development. In addition to the provisions for capacity adjustments considered in the fourth quarter of 2020 and in the above guidance, this could create a need for further financial provisions for additional adjustments in individual business areas that could have a negative effect on the earnings of the ANDRITZ GROUP.



KEY FINANCIAL FIGURES AT A GLANCE

	Unit	Q1-Q3 2020	Q1-Q3 2019	+/-	Q3 2020	Q3 2019	+/-	2019
Revenue	MEUR	4,842.7	4,752.6	+1.9%	1,669.7	1,690.2	-1.2%	6,673.9
Pulp & Paper	MEUR	2,447.3	2,060.9	+18.7%	851.7	750.6	+13.5%	2,869.5
Metals	MEUR	1,049.0	1,181.4	-11.2%	350.8	422.7	-17.0%	1,636.9
Hydro	MEUR	892.6	1,026.8	-13.1%	305.0	351.2	-13.2%	1,470.7
Separation	MEUR	453.8	483.5	-6.1%	162.2	165.7	-2.1%	696.8
Order intake	MEUR	4,744.7	5,799.1	-18.2%	1,708.0	2,093.9	-18.4%	7,282.0
Pulp & Paper	MEUR	2,416.3	3,089.0	-21.8%	716.5	1,163.3	-38.4%	3,632.5
Metals	MEUR	842.7	1,238.8	-32.0%	354.6	429.0	-17.3%	1,582.2
Hydro	MEUR	961.4	944.8	+1.8%	469.0	343.0	+36.7%	1,350.2
Separation	MEUR	524.3	526.5	-0.4%	167.9	158.6	+5.9%	717.1
Order backlog (as of end of period)	MEUR	7,330.1	8,120.7	-9.7%	7,330.1	8,120.7	-9.7%	7,777.6
EBITDA	MEUR	404.8	329.9	+22.7%	146.2	67.2	+117.6%	537.6
EBITDA margin	%	8.4	6.9	-	8.8	4.0	-	8.1
EBITA	MEUR	278.5	183.9	+51.4%	104.2	6.4	+1,528.1%	343.2
EBITA margin	%	5.8	3.9	-	6.2	0.4	-	5.1
Earnings Before Interest and Taxes (EBIT)	MEUR	218.2	93.8	+132.6%	80.8	-35.1	+330.2%	237.9
Financial result	MEUR	-26.0	-35.7	+27.2%	-7.6	-14.9	+49.0%	-57.0
Earnings Before Taxes (EBT)	MEUR	192.2	58.1	+230.8%	73.2	-50.0	+246.4%	180.9
Net income (without non- controlling interests)	MEUR	137.3	46.5	+195.3%	52.4	-31.0	+269.0%	127.8
Cash flow from operating activities	MEUR	255.1	439.2	-41.9%	155.1	167.3	-7.3%	821.6
Capital expenditure	MEUR	87.6	96.9	-9.6%	27.7	34.9	-20.6%	157.1
Employees (as of end of period; without apprentices)	-	27,786	29,690	-6.4%	27,786	29,690	-6.4%	29,513

All figures according to IFRS. Due to the utilization of automatic calculation programs, differences can arise in the addition of rounded totals and percentages.

MEUR = million euros. EUR = euros.

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ANDRITZ GROUP

International technology group ANDRITZ offers a broad portfolio of innovative plants, equipment, systems and services for the pulp and paper industry, the hydropower sector, the metals processing and forming industry, pumps, solid/liquid separation in the municipal and industrial sectors, as well as animal feed and biomass pelleting. The global product and service portfolio is rounded off with plants for power generation, recycling, the production of nonwovens and panelboard, as well as automation and digital solutions offered under the brand name of Metris. The publicly listed group today has around 27,800 employees and more than 280 locations in over 40 countries.

ANNUAL AND FINANCIAL REPORTS

Annual and Financial reports are available for download at the ANDRITZ web site andritz.com, and printed editions can be requested free of charge by e-mail to investors@andritz.com.

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