



ANDRITZ GROUP

INNOVATIVE TECHNOLOGIES FOR THE PLANET

A GLOBAL PARTNER FOR KEY INDUSTRIES THAT SHAPE THE WORLD

AUSTRIAN DAY IN WARSAW, - NOVEMBER 30, 2023
NORBERT NETTESHEIM – CFO

ANDRITZ

ENGINEERED SUCCESS

AGENDA



1 | ANDRITZ AT A GLANCE

2 | FINANCIALS

3 | OUTLOOK

CAPITAL GOODS TO LIFECYCLE SERVICES: SOLUTIONS FOR SUSTAINABILITY



WHAT WE DO:



Processes, solutions and
life cycle services to various
industries

WHAT WE ACHIEVE:



Sustainable
transformation of
energy production



Sustainable
transformation of
manufacturing



Empower the
circular economy
and drive the green
transition

STRONG GROWTH OF REVENUE AND EARNINGS, BACKLOG REMAINS ELEVATED DESPITE WEAK LARGE ORDER BOOKINGS IN Q3



Major financial KPIs Q3 2023

ORDER INTAKE
1.8 billion EUR

(Q3 2022: 2.7 billion EUR / -33%)

REVENUE
2.1 billion EUR

(Q3 2022: 1.9 billion EUR / +11%)

ORDER BACKLOG
10.4 billion EUR

(Q3 2022: 10.8 billion EUR / -4%)

EBITA (reported)
176 MEUR

(Q3 2022: 153 MEUR / +16%)

EBITA MARGIN (reported)
8.4%

(Q3 2022: 8.1%)

NET INCOME
(incl. non-controlling interests)
125 MEUR

(Q3 2022: 98 MEUR / +27%)

YEAR-TO-DATE BOOK-TO-BILL-RATIO ABOVE 1 WITH STRONG CONVERSION OF BACKLOG INTO REVENUE AND EARNINGS



Major financial KPIs Q1-Q3 2023

ORDER INTAKE
6.5 billion EUR

(Q1-Q3 2022: 7.5 billion EUR / -13%)

REVENUE
6.2 billion EUR

(Q1-Q3 2022: 5.2 billion EUR / +19%)

ORDER BACKLOG
10.4 billion EUR

(Q1-Q3 2022: 10.8 billion EUR / -4%)

EBITA (reported)
509 MEUR

(Q1-Q3 2022: 426 MEUR / +20%)

EBITA MARGIN (reported)
8.2%

(Q1-Q3 2022: 8.2%)

NET INCOME
(incl. non-controlling interests)
346 MEUR

(Q1-Q3 2022: 262 MEUR / +32%)

WORLD MARKET LEADER WITH FOUR BUSINESS AREAS



PULP & PAPER



Pulp: #1
Paper: #3

Service revenue: **44%****

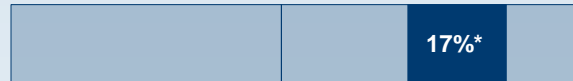
METALS



Forming: #1
Processing: #1-2

Service revenue: **25%****

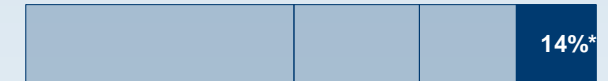
HYDRO



#1-2

Service revenue: **41%****

SEPARATION



#1-3 in sludge dewatering & drying

Service revenue: **46%****

* Share of total Group revenue 2022

** Share of Service revenue 2022

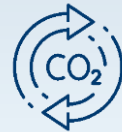
Global market position, estimated by ANDRITZ

STRONG COMPETITIVE POSITION IN LONG TERM GROWING MARKETS



PULP & PAPER:

- Growing pulp demand for **cellulosic fibers for sustainable packaging, hygiene, textiles, and plastic replacements**
- **New investments, modernizations and efficiency improvements**
- **Bioenergy power**



HYDRO:

Hydropower as **largest source of renewable energy** to profit from **global megatrends**:

- **energy transition**
- **increase of renewables**
- **climate change**



METALS:

- **E-mobility/battery:** Growing demand for fully electrically powered vehicles, and battery manufacturing
- **Green steel transition**



SEPARATION:

Main market drivers:

- **Feeding the world sustainably**
- **Global demand for scarce material** (e.g. lithium, rare earth)
- **Environmental technology** (e.g. waste valorization)
- **Circular Economy**

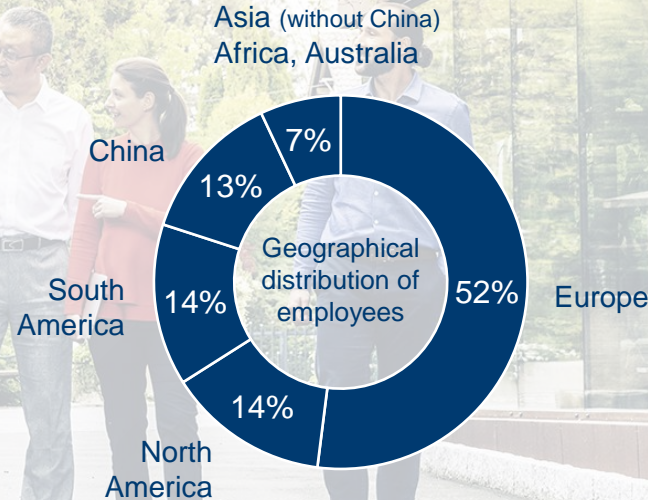


COMPETENCE, COMMITMENT, PASSION – THE WHOLE TEAM STANDS FOR ANDRITZ SUCCESS



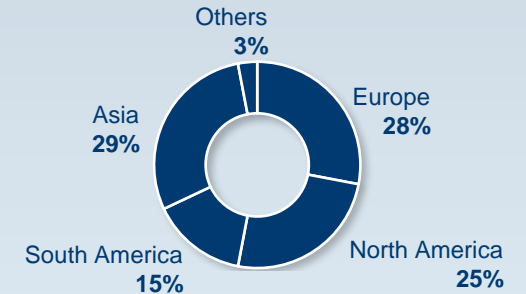
Around **30,000** employees within the ANDRITZ GROUP

- Approx. 62% white-collar and 38% blue-collar
- **4,960** employees in Germany
- **3,667** employees in Austria



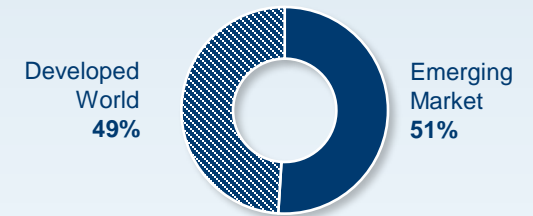
REVENUE BY REGION

Q1-Q3 2023



MANUFACTURING FOOTPRINT

2022



OUR STRATEGY: LONG-TERM PROFITABLE GROWTH



DECARBONIZATION



DIGITALIZATION



CUSTOMER SERVICE



- Grow revenue
- Grow profitability
- Grow service share



COMPREHENSIVE OFFERINGS TO REALIZE OUR STRATEGIC TARGETS



DECARBONIZATION



Renewable energy



E-Mobility



Recycling



Carbon capture



Green hydrogen

DIGITALIZATION



Asset Performance



Cyber Security



Autonomous Operation

CUSTOMER SERVICE



On-site services



Parts services



Remote services

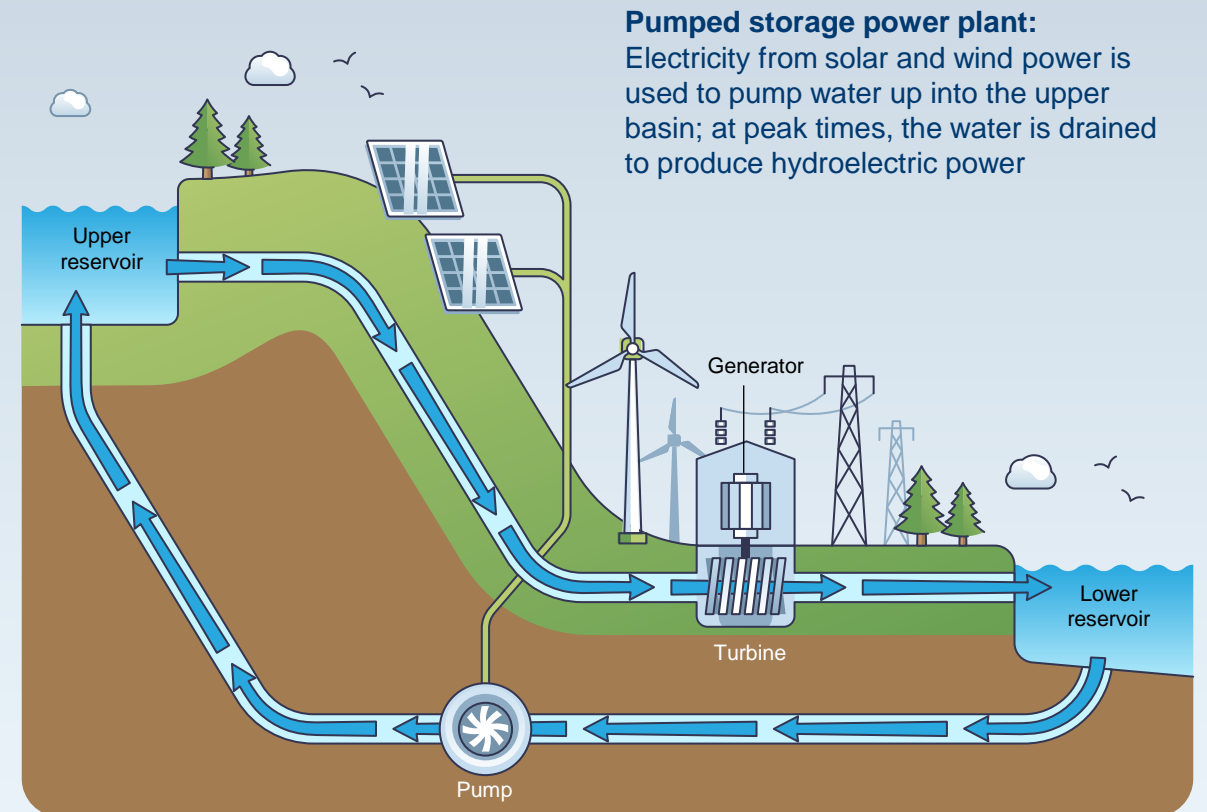


Performance services

RENEWABLE ENERGY INTELLIGENT 24/7 GREEN ENERGY SUPPLY



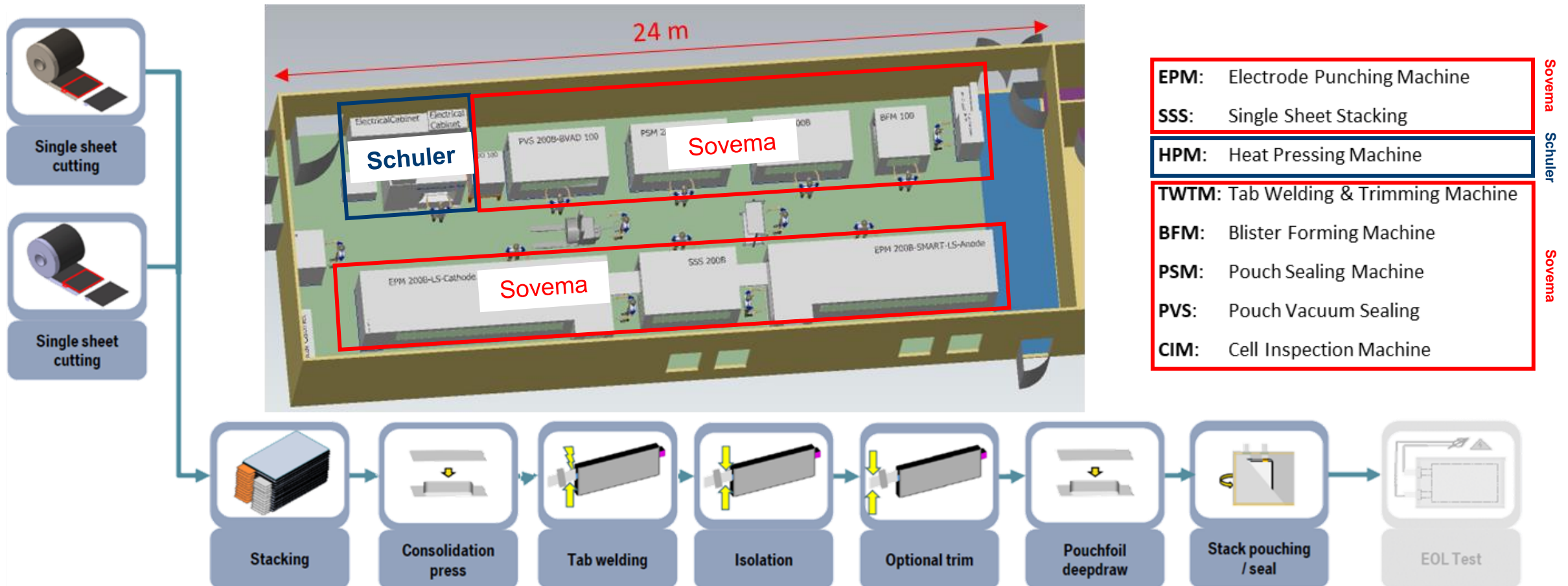
- Combines electrical energy production from solar, wind, and pumped storage
- Guaranteed renewable energy supply 24/7
- Ongoing projects:
 - Greenko Pinnapuram, India, 1,680 MW
 - Greenko Gandhi Sagar, India, 1,440 MW



E-MOBILITY: TARGET TO BE A SOLUTION PROVIDER FOR GIGA FACTORIES



Pilot line for all Solid-State-Batteries (ASSB) - Joint project by Schuler and Sovema



CIRCULAR ECONOMY: WE EMPOWER THE TACKLING OF THE 92 MILLION TONS TEXTILE RECYCLING CHALLENGE

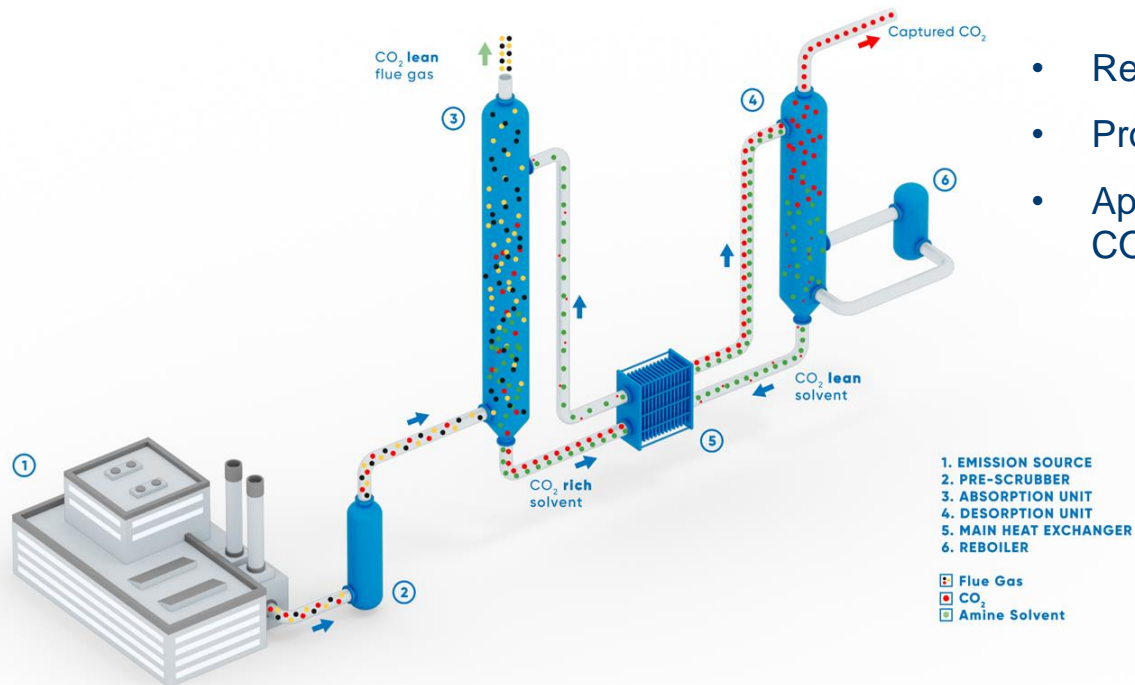


- **Leader in machinery** for mechanical recycling of textiles since 1926
- **Customized processes** for textile fiber preparation and recycling of diverse textile waste types
- **Global network of pilot plants and technology centers** facilitating customer trials and driving R&D initiatives



DECARBONIZATION: CAPTURING CARBON ACROSS INDUSTRIES

Full-scale turnkey solutions



- Removal efficiency up to 98%
- Produces food grade CO₂ quality
- Applicable for all sources of CO₂ emission



© Rohrdorfer

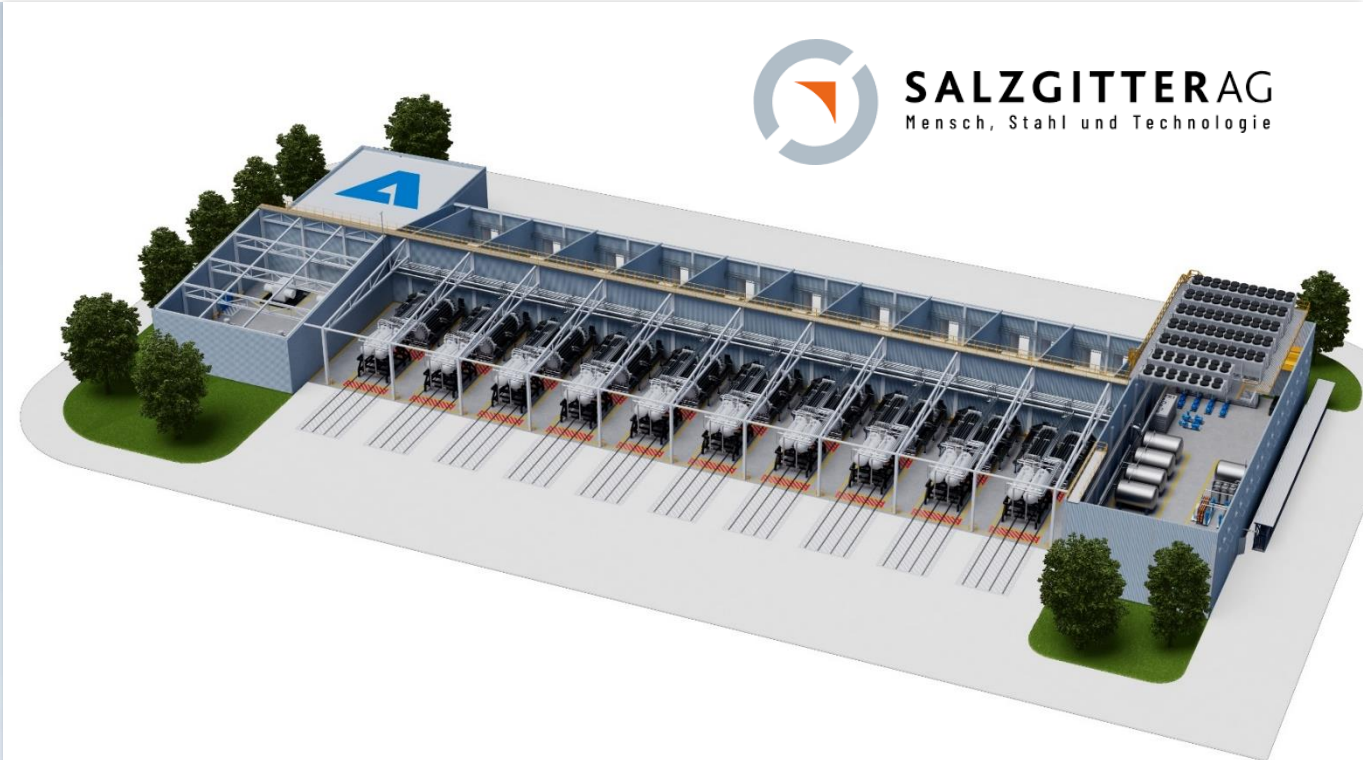
Germany's first CO₂ capture plant at Rohrdorfer Cement

TARGET TO BECOME A LEADING SOLUTION PROVIDER FOR GREEN HYDROGEN PRODUCTION



On track and determined: Salzgitter orders one of Europe's largest green hydrogen plants

- EPC contract for a 100 MW green hydrogen plant from Salzgitter, Germany
 - Pressurized alkaline electrolyzer technology from HydrogenPro
- Starting in 2026, the plant will produce 9,000 tons of green hydrogen annually, supporting green steel production
- We deliver the plant and process engineering, equipment and piping, automation, assembly of the electrolyzer stacks, installation and the building



„WE CARE“ – OUR ESG PROGRAM



Sustainability is an integrated part of our corporate strategy – we are committed to the SBTi to further reduce our greenhouse gas emissions by 2030


OUR FOCUS


- E** – reduce our CO₂ footprint, save resources and develop sustainable technologies
- S** – ensure a safe and viable future for our employees
- G** – pursue fair and ethical business practices



WELL ON TRACK TO REACH OUR ESG GOALS BY THE END OF 2025



 ENVIRONMENT
<p>50% Share of revenue from sustainable solutions and products</p> <p>45%*</p>
<p>10% Reduction in water consumption</p> <p>3%*</p>
<p>50% Reduction in greenhouse gas emissions</p> <p>39%*</p>
<p>10% Reduction in waste volume</p> <p>35%*</p>

 SOCIAL
<p>30% Reduction in the annual accident frequency rate (>1 day of absence) compared to the preceding year</p> <p>10%*</p>
<p>20% Share of women in the workforce</p> <p>16.4%*</p>
<p>4.5% Fluctuation rate as a result of voluntary resignations</p> <p>6.0%*</p>

 GOVERNANCE
<p>85% Procurement volume covered by audited suppliers</p> <p>82%*</p>
<p>0 No compliance violation</p> <p>0*</p>
<p>0 No event-driven profit warning</p> <p>0*</p>

DEDERT INTERNATIONAL ACQUISITION



Strengthening our position with dryers and evaporators for the starch, proteins and biofuel industry

- A leading engineering company offering complementary technologies in growing markets with a good regional fit
- Combined portfolio enables complete solutions from dewatering to drying for the starch, biofuel, and food industry
- Founded in 1968, Dedert has a significant installed base sustaining a stable service business
- Improves our readiness for growing markets such as plant-based proteins and lithium processing
- Will be reported in the business area Separation



Spray Dryer



Evaporator

90 MEUR in revenue
> 100 employees

NAF ACQUISITION



Strengthening our automation solutions with a complementary key player in the valve segment of the pulp and paper industry

- NAF manufactures manual, automated, and control valves for safe process control in Pulp & Paper mills
 - Development of integrated process and automation solutions
 - Significant installed base providing opportunities for enhanced service
- Acquiring NAF strengthens our automation solutions with a globally recognized brand, and we plan to expand the business by
 - quickly extending service capabilities around the globe by leveraging our service locations
 - implement integrated process and digital solutions
- NAF control valves integrated with Metris Asset Management improve efficiency by automating monitoring, optimizing plant uptime, and ensuring process stability



15 MEUR in revenue
50 employees
Linköping, Sweden
> 100 years in P&P valves

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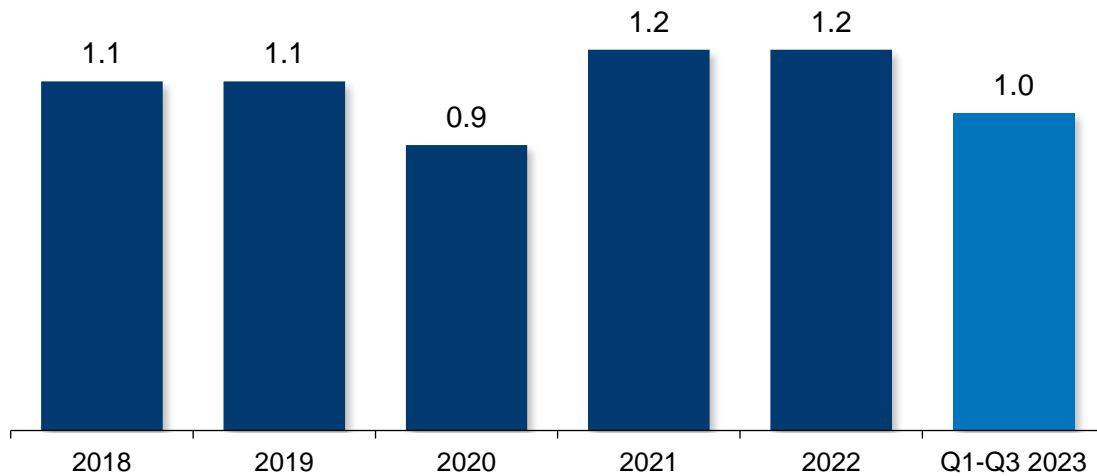
3 | OUTLOOK



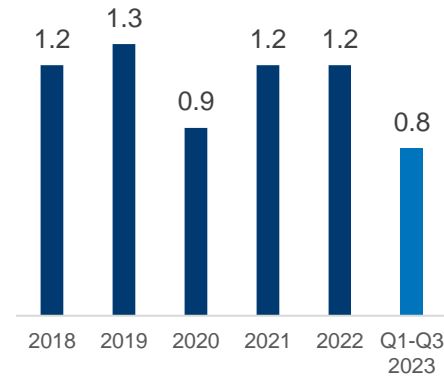
DEVELOPMENT OF BOOK-TO-BILL RATIO AS KEY DRIVER FOR SUSTAINABLE GROWTH

Except for 2020 (Covid), book-to-bill ratio has been around 1

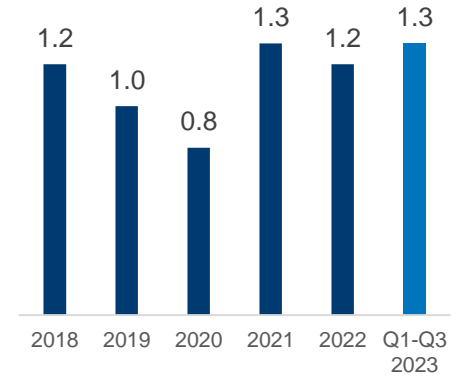
ANDRITZ GROUP – BOOK-TO-BILL RATIO 2018 – Q1-Q3 2023



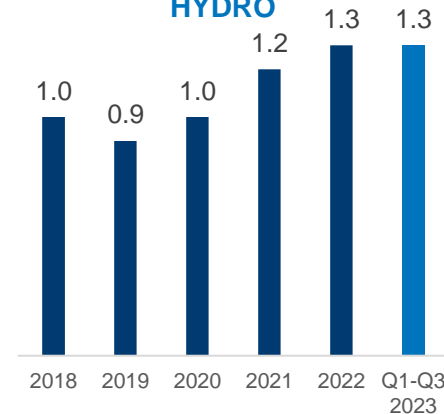
PULP & PAPER



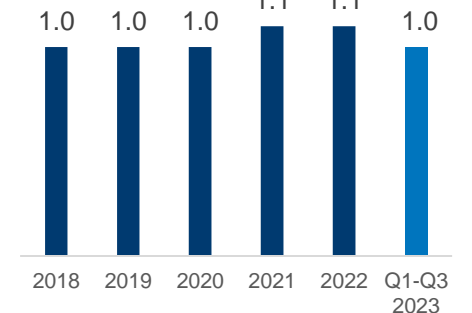
METALS



HYDRO



SEPARATION

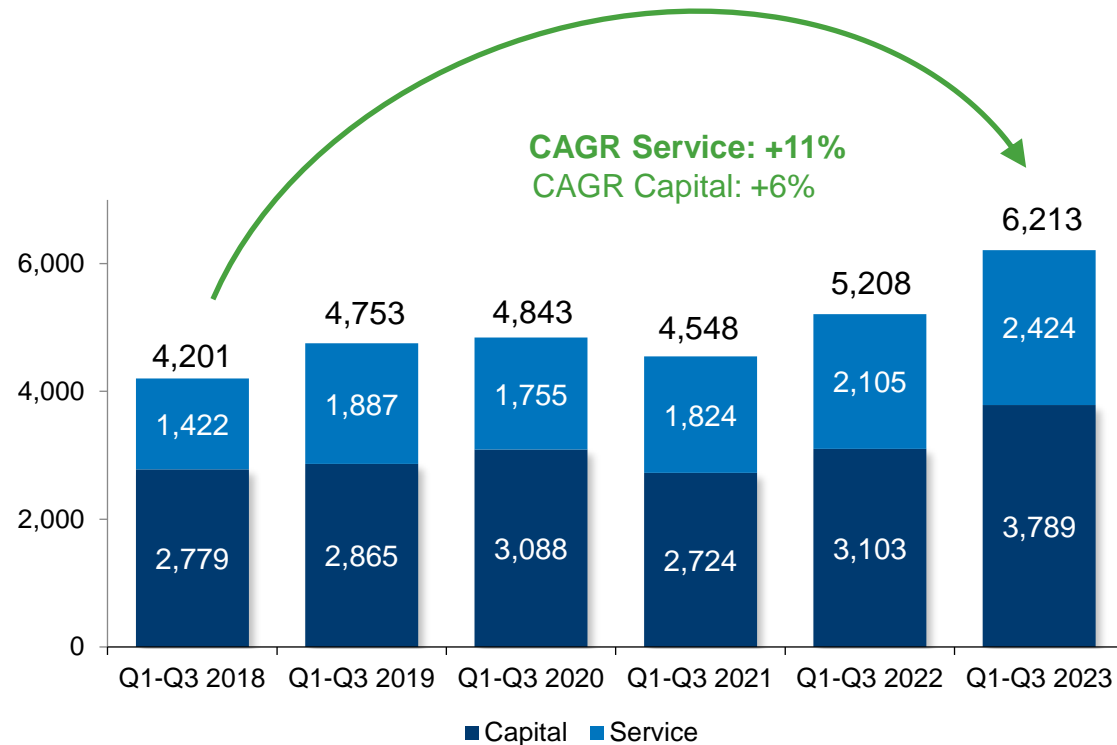


STABLE SERVICE BUSINESS IS GROWING FASTER THAN CAPITAL BUSINESS

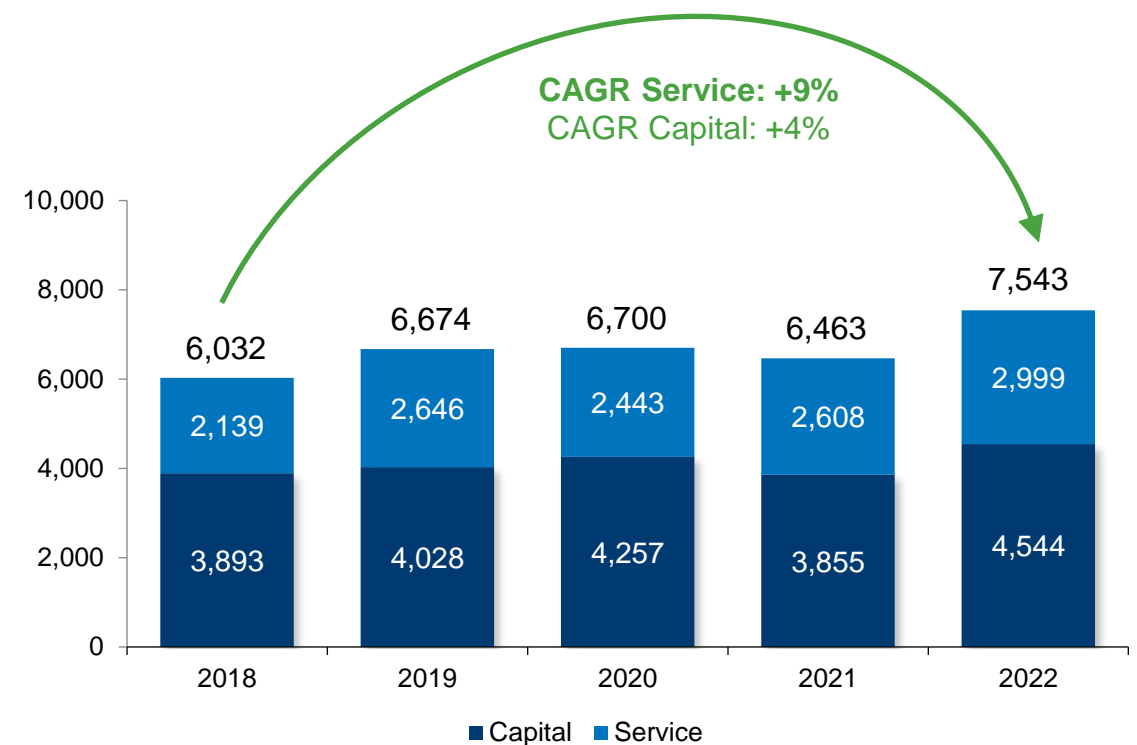


Supports profitability and reduces volatility

GROUP REVENUE Q1-Q3 2018 - Q1-Q3 2023 (MEUR)



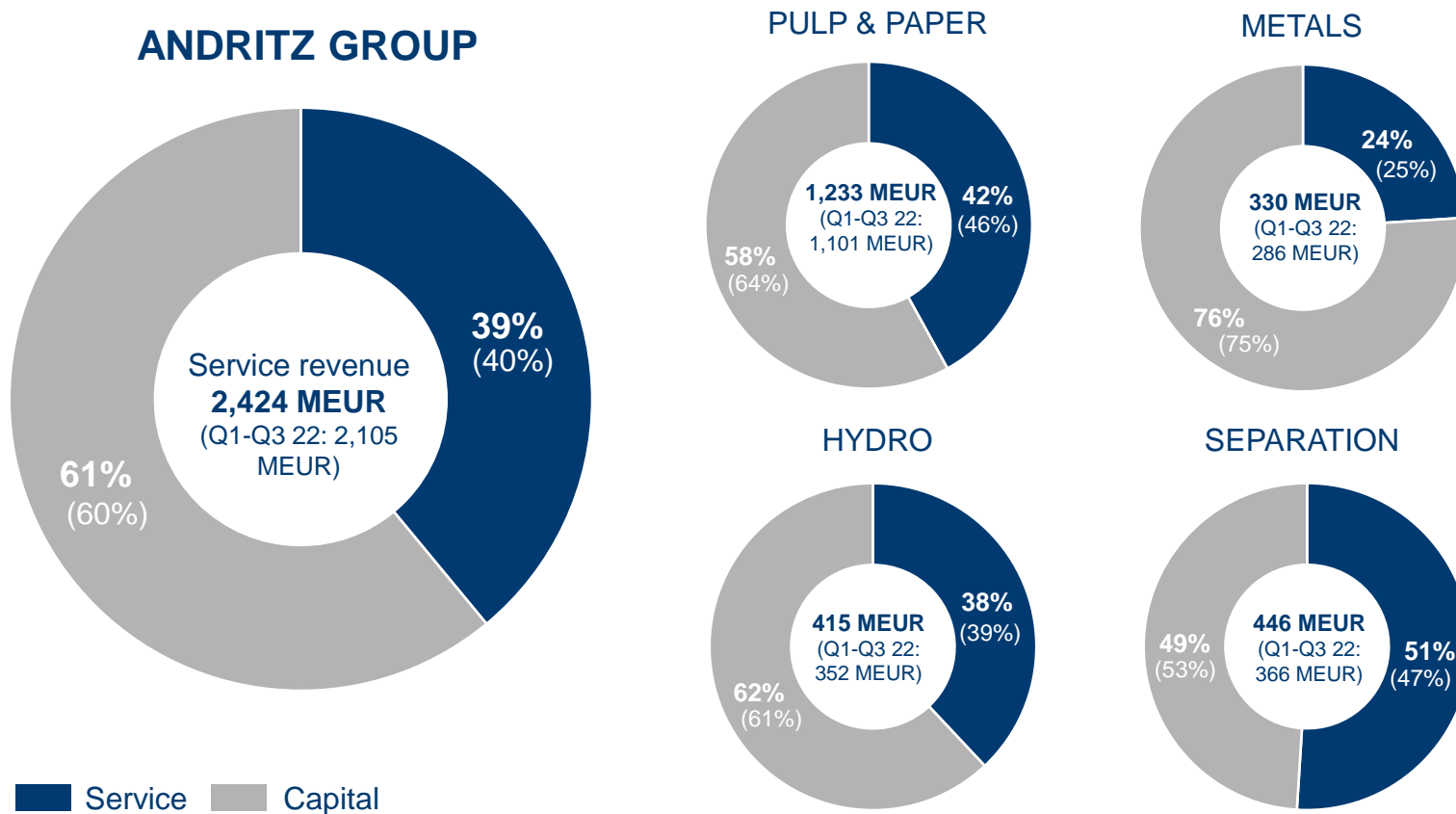
GROUP REVENUE 2018 - 2022 (MEUR)





STABLE GROWTH OF SERVICE BUSINESS CONTINUES TO SUPPORT PROFITABILITY

Q1-Q3 2023: Service revenue and share of total revenue

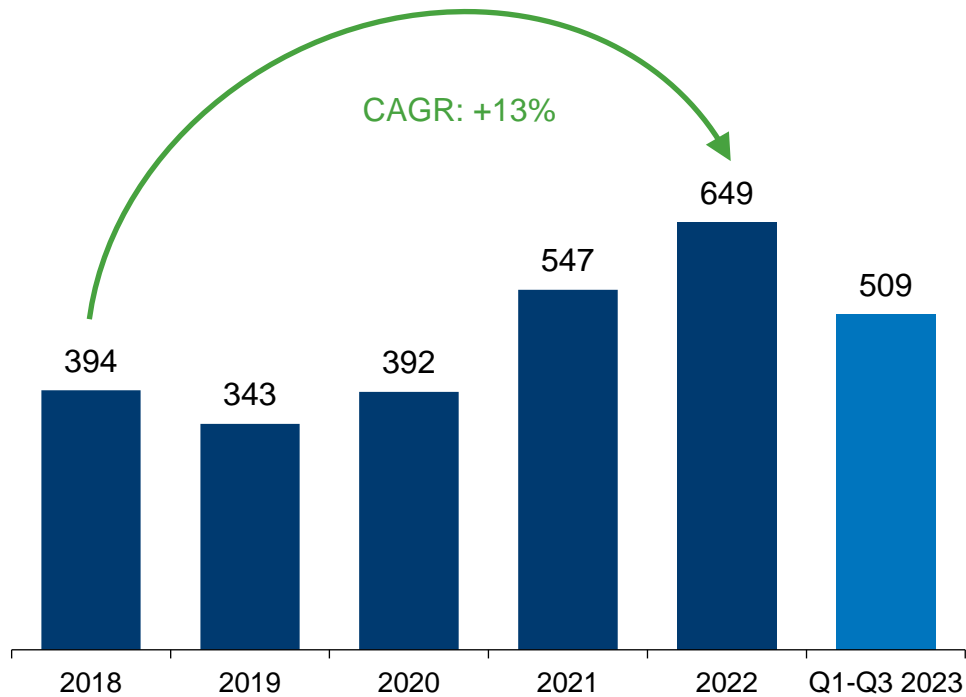




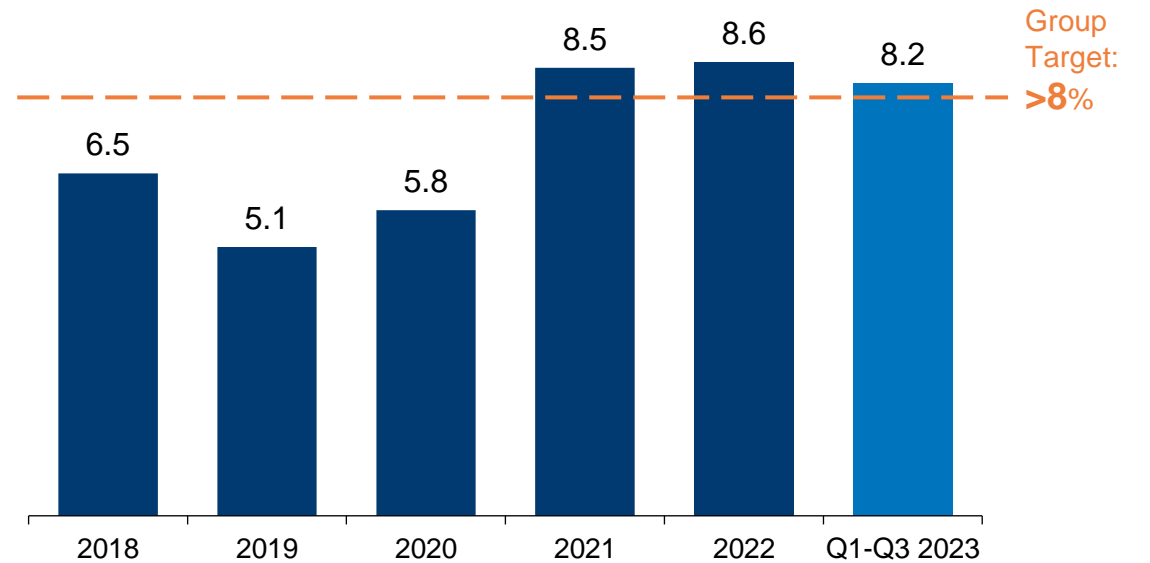
EBITA MARGIN REPORTED THE THIRD CONSECUTIVE YEAR ABOVE THE GROUP TARGET

Despite economic and geopolitical challenges (Covid-19; Russian War)

EBITA REPORTED (IN MEUR)



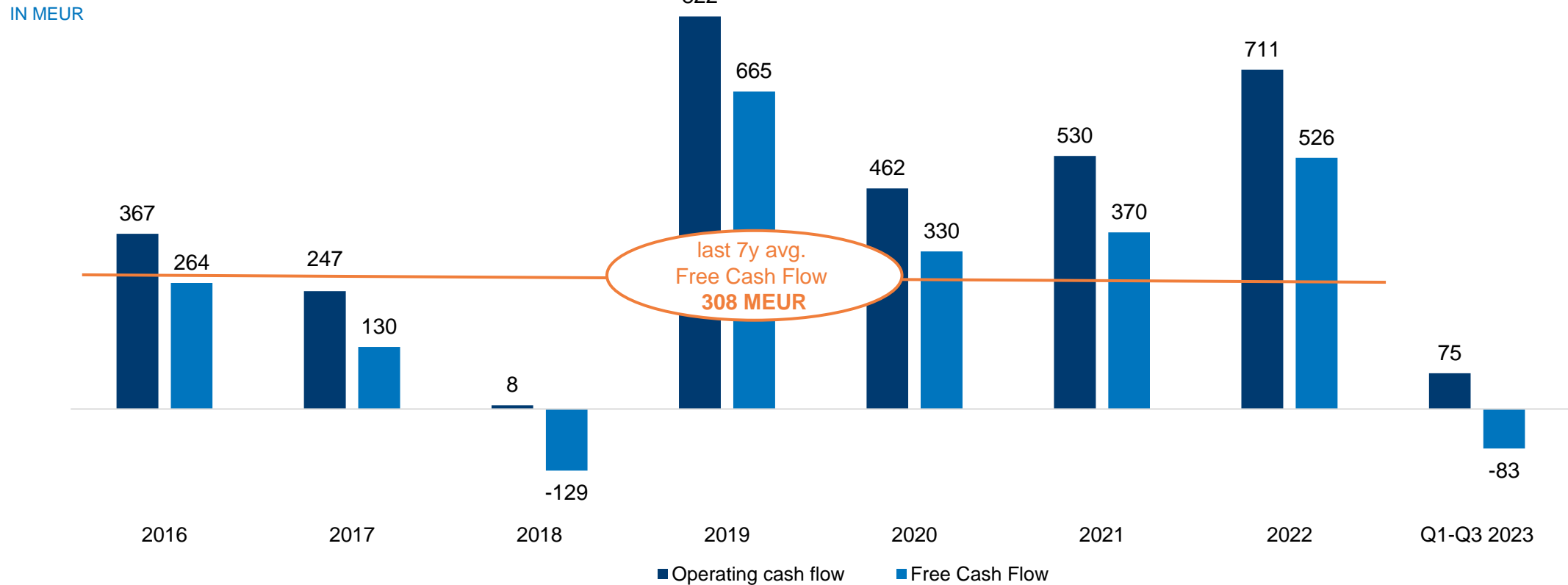
EBITA MARGIN REPORTED (IN %)



CASH FLOW DEVELOPMENT



Cash Flow volatility is driven by working capital fluctuations during regular "order to cash cycle" in capital business – average Free Cash Flow 2016-2022 at 308 MEUR



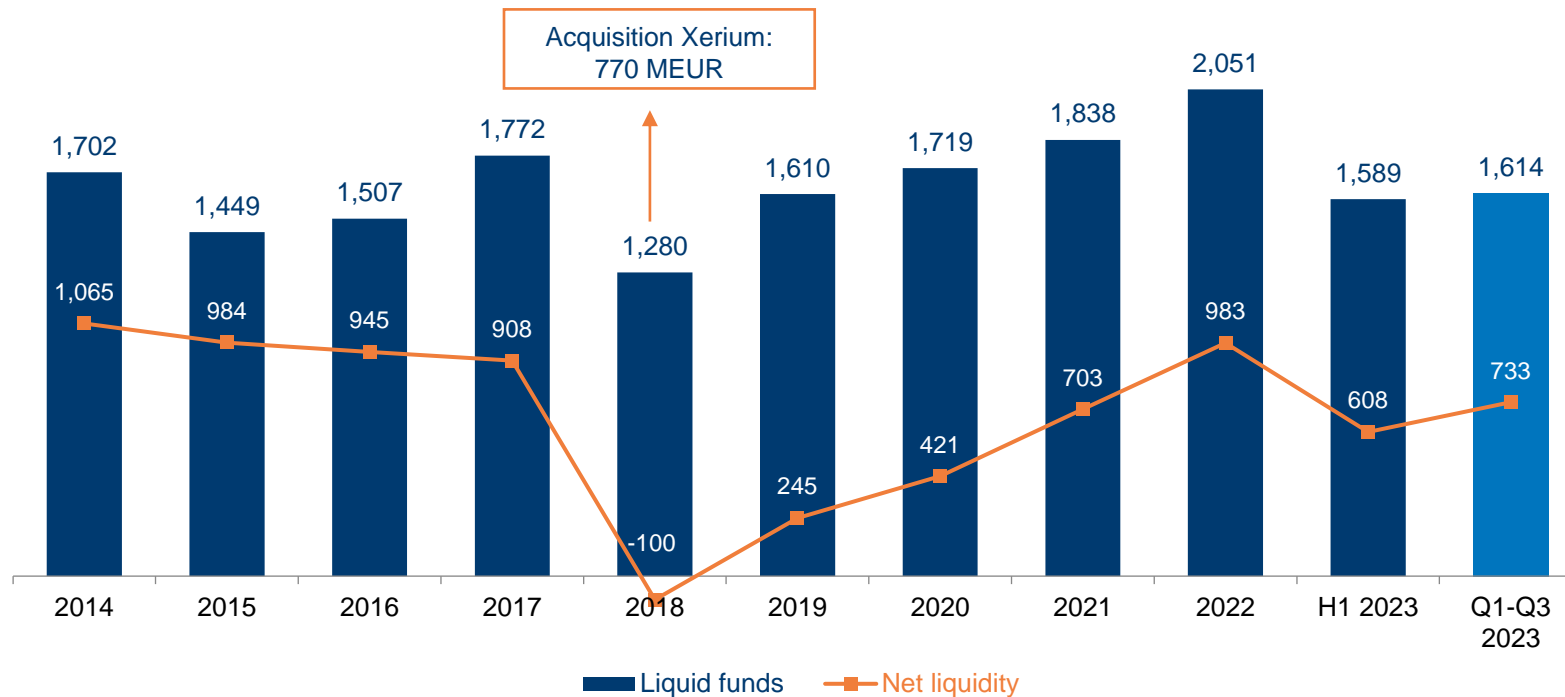
LIQUIDITY REMAINS STRONG



Net Liquidity increased in Q3 2023 by 125 MEUR with liquid funds stable at ~1.6 billion EUR
Optimization of balance sheet by 100 MEUR Schuldscheindarlehen repayment in Q3 2023

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

IN MEUR



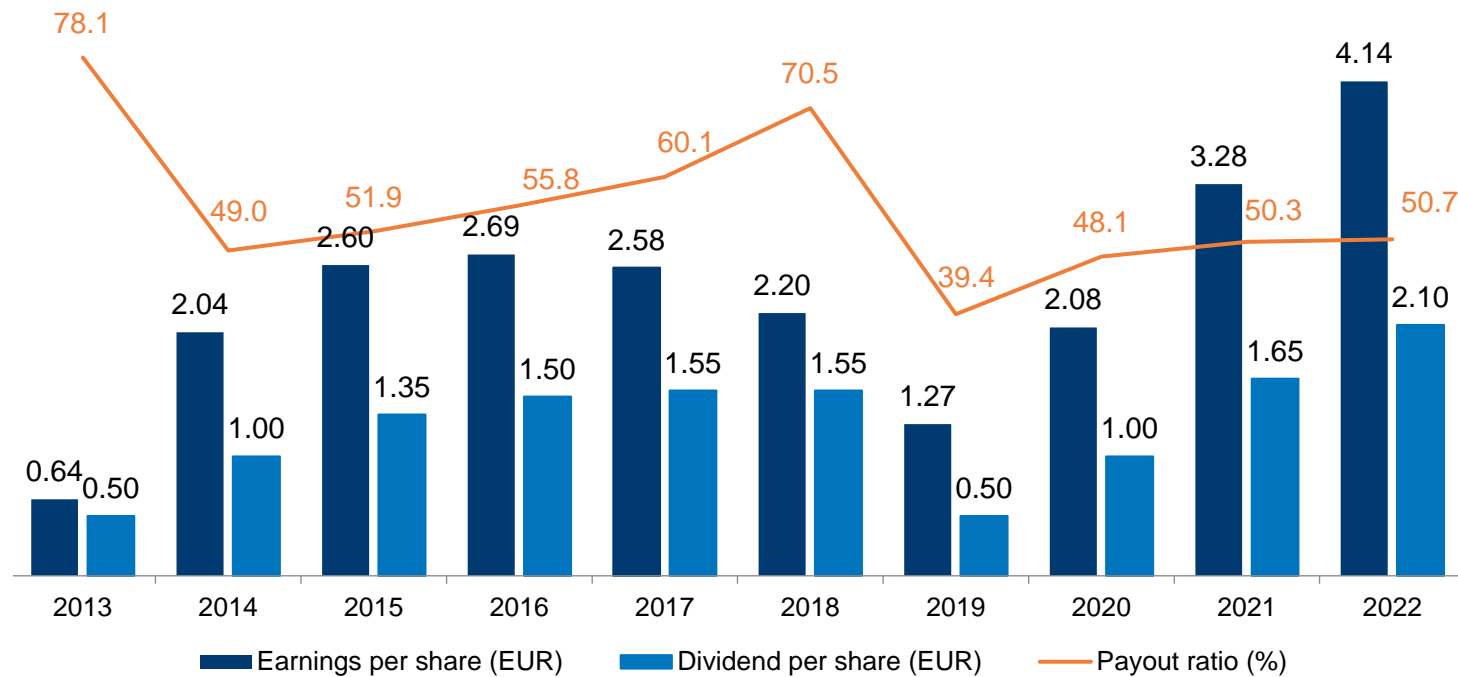
Decline in net liquidity since end of 2022, mainly due to:

- dividend payments: 208 MEUR
- cash relevant increase in net working capital by 399 MEUR
- but increase in net working capital significantly slowed down in Q3 (35 MEUR) compared to increase in H1 (364 MEUR)

ANDRITZ PURSUES A DIVIDEND POLICY TOWARDS CONTINUITY



Strong EPS growth since 2019



Target to distribute an average of 50%-60% of EPS

Consistent dividend growth intended

Aggregated dividend payments 2018-2022: ~628 MEUR

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GROUP ROADMAP 2022-2024 WELL ON TRACK



GROUP TARGETS 2022-2024

STATUS Q1-Q3 2023

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

Order intake: 6.5 billion EUR
Revenue: 6.2 billion EUR



EBITA margin at solid 8%

8.2%



Net income to increase to >5%

5.6%



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

8 acquisitions closed since 2022



Reach **ESG targets**

Well on track



MARKET OUTLOOK AND FINANCIAL GUIDANCE



Market outlook not changed and financial guidance 2023 confirmed

MARKET OUTLOOK

- High interest rates and slow economy will impact **project and investment decisions**.
- **Demand for green products and service 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** with stable profitability (EBITA-margin) compared to 2022.





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THANK YOU!

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