



The ANDRITZ GROUP

Company presentation November 2017

The ANDRITZ GROUP

Overview

ANDRITZ is a globally leading supplier of plants, equipment, and services for hydropower stations, the pulp and paper industry, the metal-working and steel industries, and solid/liquid separation in the municipal and industrial sectors.

Headquarters: Graz, Austria

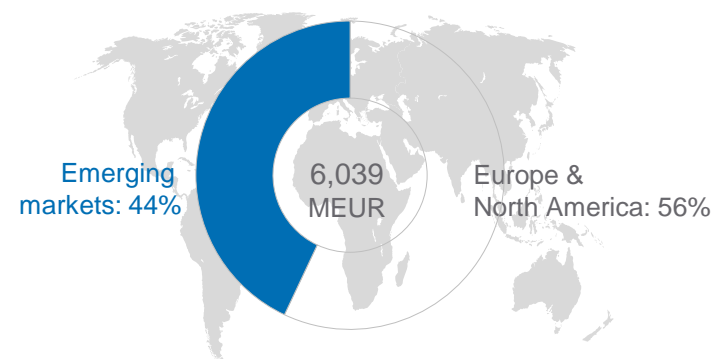
Global presence: over 250 production sites and service/sales companies worldwide

KEY FINANCIAL FIGURES Q1-Q3 2017 AND 2016

	Unit*	Q1-Q3 2017	2016
Order intake	MEUR	4,112.5	5,568.8
Order backlog (as of end of period)	MEUR	6,650.8	6,789.2
Sales	MEUR	4,143.6	6,039.0
EBITA	MEUR	306.2	442.1
Net income (including non-controlling interests)	MEUR	191.4	274.8
Employees (as of end of period; without apprentices)	-	25,686	25,162

* MEUR = million euros

Sales by region 2016 (%)



	Q1-Q3 2017	2016
Europe	37%	35%
North America	22%	21%
China	15%	12%
Asia (without China)	12%	12%
South America	10%	15%
Africa, Australia	4%	5%

Company profile (I)

A global market leader with four business areas

ANDRITZ

ANDRITZ
Hydro



Product offerings:
electromechanical equipment for hydropower plants (turbines, generators); pumps; turbo generators

ANDRITZ
Pulp & Paper



Product offerings:
equipment for production of all types of pulp, paper, tissue, and board; energy boilers

ANDRITZ
Metals



Product offerings:
presses for metal forming (Schuler); systems for production of stainless steel, carbon steel, and non-ferrous metal strip; industrial furnace plants

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Separation



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

Company profile (II)

Key financial figures per business area

ANDRITZ Hydro

	Unit	2016
Order intake	MEUR	1,500.3
Sales	MEUR	1,752.4
EBITA	MEUR	127.6
EBITA margin	%	7.3
Employees ¹⁾	-	7,260

ANDRITZ Metals

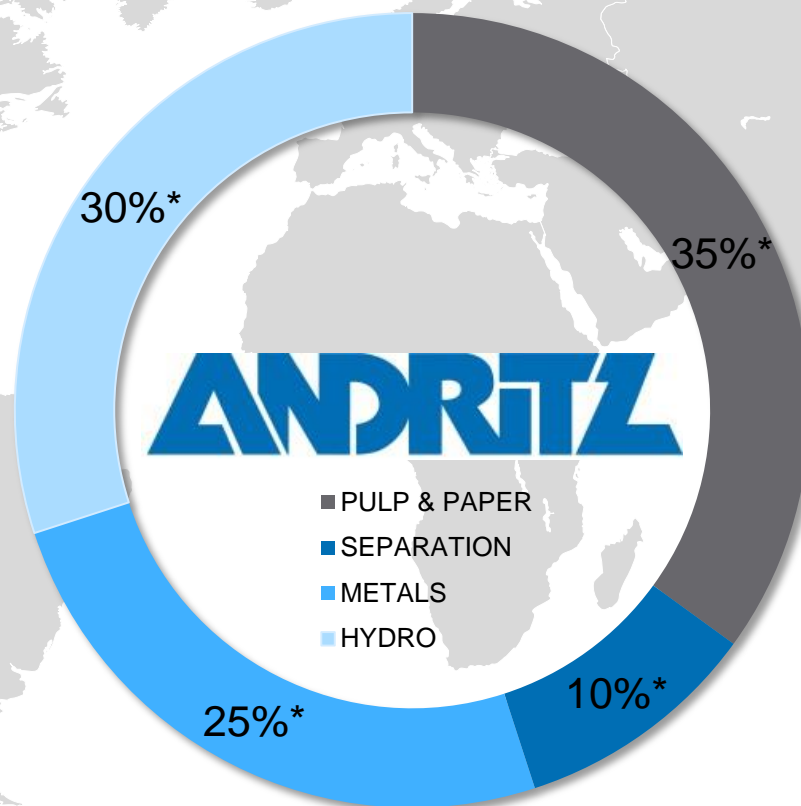
	Unit	2016
Order intake	MEUR	1,551.5
Sales	MEUR	1,598.4
EBITA	MEUR	115.2
EBITA margin	%	7.2
Employees ¹⁾	-	7,608

ANDRITZ Pulp & Paper

	Unit	2016
Order intake	MEUR	1,919.5
Sales	MEUR	2,094.4
EBITA	MEUR	182.2
EBITA margin	%	8.7
Employees ¹⁾	-	7,522

ANDRITZ Separation

	Unit	2016
Order intake	MEUR	597.5
Sales	MEUR	593.8
EBITA	MEUR	17.1
EBITA margin	%	2.9
Employees ¹⁾	-	2,772



¹⁾ As of end of period; without apprentices

* Average share of ANDRITZ GROUP's total order intake

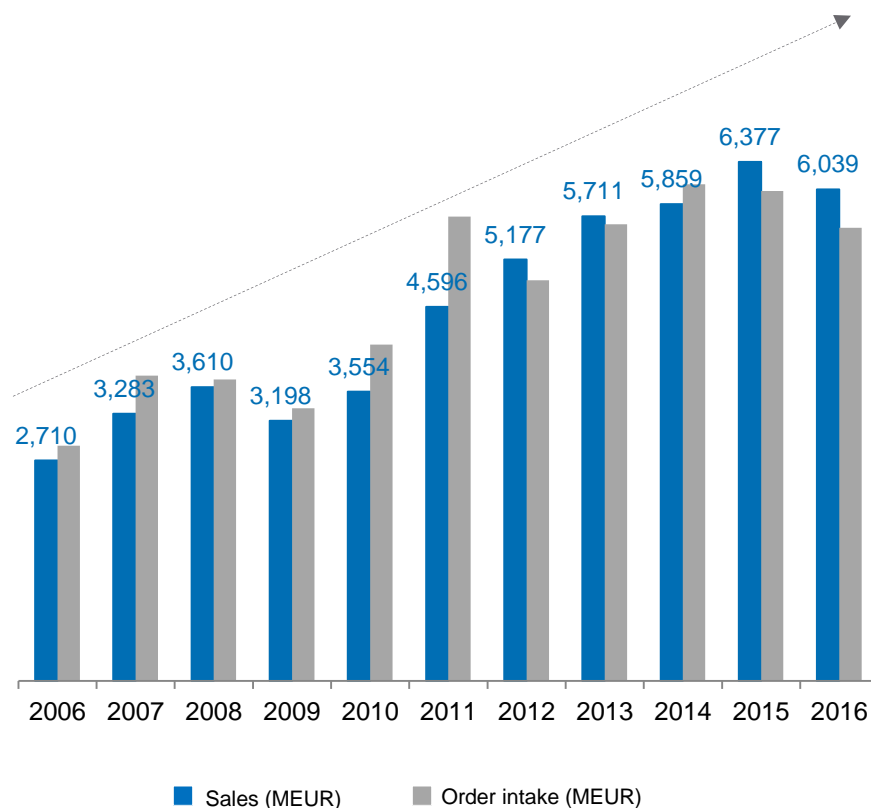
Strengthening of market position

Growth through organic expansion and acquisitions

Acquisitions by business area since 1990

HYDRO	
2006	VA TECH HYDRO
2007	Tigép
2008	GE Hydro business
2008	GEHI (JV)
2010	Precision Machine
2010	Hammerfest Strøm (59%)
2010	Ritz
2011	Hemicycle Controls
2012	AES
2013	MeWa
2015	Euroslot
2016	SHW Casting Technologies
2017	Paperchine
METALS	
1997	Sundwig
1998	Thermtec
2000	Kohler
2002	SELAS SAS Furnace Div.
2004	Kaiser
2005	Lynson
2008	Maerz
2012	Bricmont
2012	Soutec
2013	Schuler (> 95%)
2013	FBB Engineering
2014	Herr-Voss Stamco
2016	Yadon
2016	AWEBA
2017	Powerlase (51%)
PULP & PAPER	
1990	Sprout-Bauer
1992	Durametal
1994	Kone Wood
1998	Kvaerner Hymac
1999	Winberg
2000	Ahlstrom Machinery
2000	Lamb Baling Line
2000	Voith Andritz Tissue LLC (JV)
2002	ABB Drying
2003	IDEAS Simulation
2003	Acutest Oy
2003	Fiedler
2004	EMS (JV)
2005	Cybermetrics
2005	Universal Dynamics Group
2006	Küsterson
2006	Carbona
2006	Pilão
2007	Bachofen + Meier
2007	Sindus
2008	Kufferath
2009	Rollteck
2010	Rieter Perfojet
2010	DMT/Biax
2011	AE&E Austria
2011	Iggesund Tools
2011	Tristar Industries
2011	Asselin-Thibeau
SEPARATION	
1992	TCW Engineering
1995	Jesma-Matador
1996	Guinard
2000	UMT
2002	3SYS
2004	Bird Machine
2004	NETZSCH Filtration
2004	Fluid Bed Systems
2005	Lenser Filtration
2006	CONTEC Decanter
2009	Delkor Capital Equipment
2009	Frautech
2010	KMPT
2012	Gouda
2013	Shende Machinery
2016	ANBO

Compound Annual Growth Rate (CAGR) of Group sales 2006-2016: +8% p. a. (thereof approximately half organic growth)



Key figures Q1-Q3/Q3 2017 at a glance

Significant decrease due to lower average liquidity and substantially lower interest rates in Brazil, as well as interest expense for both SSD issued in June 2017 and the call option for Yadon

Increase in net working capital mainly due to lack of larger orders

	Unit	Q1-Q3 2017	Q1-Q3 2016	+/-	Q3 2017	Q3 2016	+/-	2016
Order intake	MEUR	4,112.5	4,036.5	+1.9%	1,341.2	1,470.1	-8.8%	5,568.8
Order backlog (as of end of period)	MEUR	6,650.8	7,043.6	-5.6%	6,650.8	7,043.6	-5.6%	6,789.2
Sales	MEUR	4,143.6	4,239.3	-2.3%	1,364.6	1,478.1	-7.7%	6,039.0
EBITDA	MEUR	375.2	363.5	+3.2%	121.7	133.9	-9.1%	542.4
EBITA	MEUR	306.2	292.1	+4.8%	98.9	109.1	-9.3%	442.1
EBIT	MEUR	275.9	261.8	+5.4%	90.5	98.8	-8.4%	385.8
EBT	MEUR	275.1	277.5	-0.9%	86.2	105.6	-18.4%	398.4
Financial result	MEUR	-0.8	15.7	-105.1%	-4.3	6.8	-163.2%	12.6
Net income (including non-controlling interests)	MEUR	191.4	194.3	-1.5%	59.6	73.9	-19.4%	274.8
Cash flow from operating activities	MEUR	129.2	345.7	-62.6%	47.7	145.1	-67.1%	366.6
Capital expenditure	MEUR	81.5	76.3	+6.8%	25.6	31.5	-18.7%	119.5
Equity ratio	%	20.6	20.4	-	20.6	20.4	-	21.7
Liquid funds	MEUR	1,768.8	1,494.9	+18.3%	1,768.8	1,494.9	+18.3%	1,507.1
Net liquidity	MEUR	878.2	974.0	-9.8%	878.2	974.0	-9.8%	945.3
Net working capital	MEUR	-112.3	-261.0	+57.0%	-112.3	-261.0	+57.0%	-215.8
EBITDA margin	%	9.1	8.6	-	8.9	9.1	-	9.0
EBITA margin	%	7.4	6.9	-	7.2	7.4	-	7.3
EBIT margin	%	6.7	6.2	-	6.6	6.7	-	6.4
Employees (as of end of period; without apprentices)	-	25,686	25,547	+0.5%	25,686	25,547	+0.5%	25,162

ANDRITZ share

Performance since IPO

(June 2001):

- ANDRITZ: +1,760%
- ATX: +168%

Performance

Q1-Q3 2017:

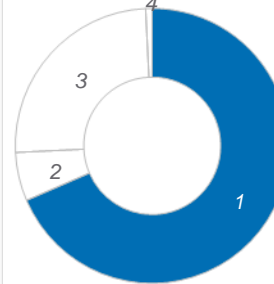
- ANDRITZ: +2.5%
- ATX: +26.6%

Market capitalization

(as of September 30, 2017):

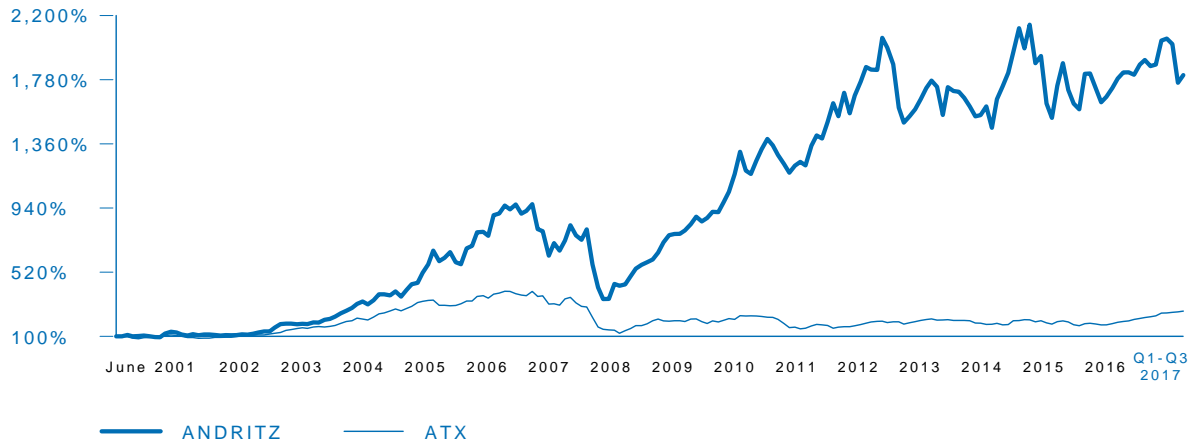
5.1 billion euros

Shareholder structure (as of September 30, 2017)



- 1: Free float (~68.5%), thereof
Fidelity Management & Research (5.76%)
The Capital Group Companies (3.96%)
BlackRock, Inc.* (3.90%)
 - 2: Certus (5.72%)
 - 3: Custos (25% + 1 share)
 - 4: Cerberus (0.77%)
- } CEO
Wolfgang Leitner

Relative price performance of the ANDRITZ share compared to the ATX since IPO (source: Vienna Stock Exchange)



* Note: As of October 20, 2017 BlackRock, Inc. held 3.99%

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