



RESULTS FOR 2020

ANDRITZ GROUP

MARCH 3, 2021

ANDRITZ

ENGINEERED SUCCESS

CHAPTER OVERVIEW



01 FY 2020 AT A GLANCE

02 PERFORMANCE FY 2020 AND
MARKET UPDATE

03 UPDATE OF BUSINESS AREAS

04 OUTLOOK

FY 2020 AT A GLANCE



Revenue reached record level, earnings and profitability up, order intake below last year's record

- **Revenue** increased to record high of **6.7 billion euros**, driven by execution of large pulp orders
- **EBITA up to over 390 MEUR** due to solid revenue generation combined with cost containment
- **Capacity adjustment measures** in the amount of **79 MEUR**, mainly for Schuler and Hydro
- **Profitability (EBITA margin) up to 5.8%; adjusted** by extraordinary items it reached **7.0%**.
- **Group order intake, at 6.1 billion euros**, down vs. 2019 which included two large orders
- **Order Backlog, at 6.8 billion euros**, provides solid workload for 2021



CHAPTER OVERVIEW



01 FY 2020 AT A GLANCE

02 PERFORMANCE FY 2020 AND
MARKET UPDATE

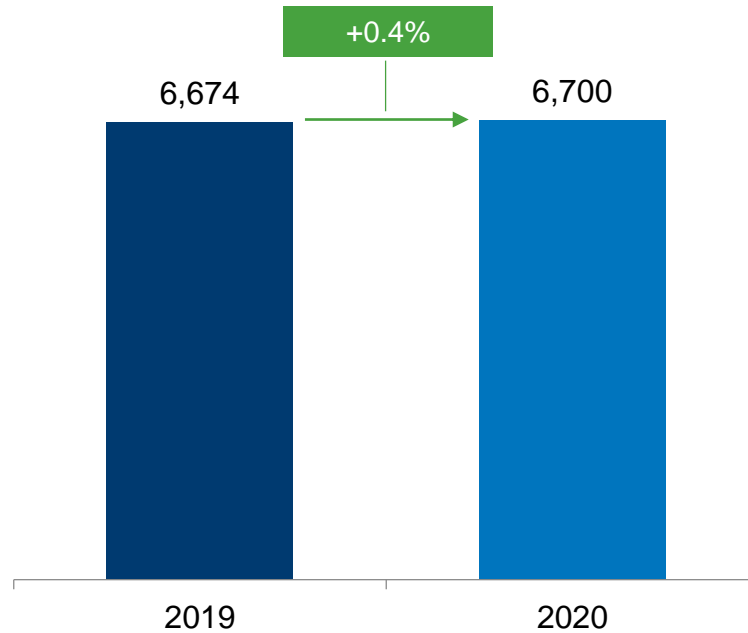
03 UPDATE OF BUSINESS AREAS

04 OUTLOOK

GROUP REVENUE REACHES NEW RECORD HIGH



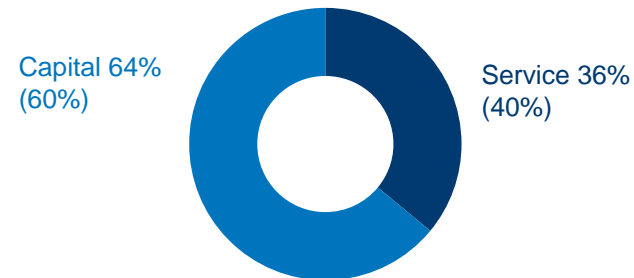
REVENUE (IN MEUR)



REVENUE BY BUSINESS AREA (IN MEUR)

	2020	2019	+/-
Pulp & Paper	3,339	2,869	+16%
Metals	1,421	1,637	-13%
Hydro	1,296	1,471	-12%
Separation	644	697	-8%

REVENUE SPLIT CAPITAL / SERVICE 2020 (2019) IN %

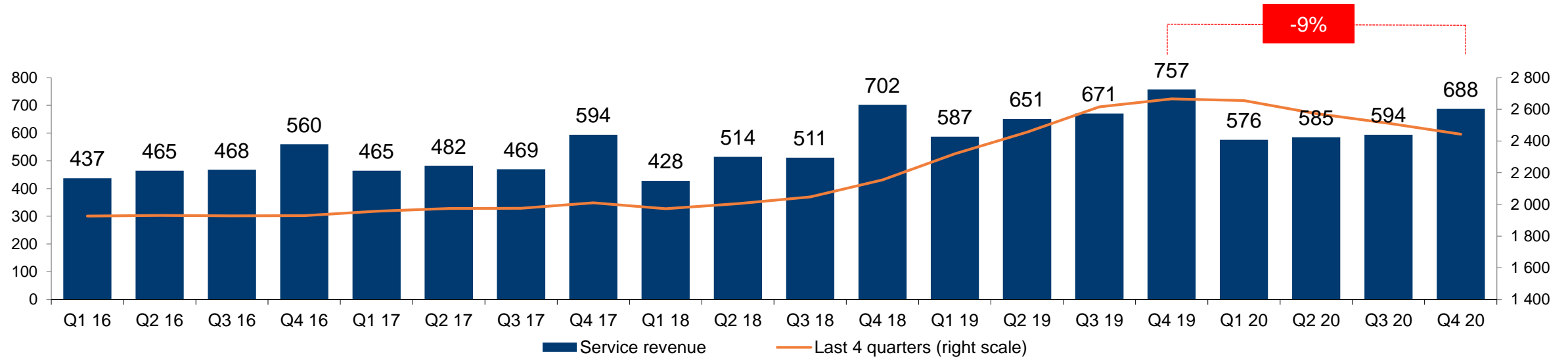


- Strong revenue increase in Pulp & Paper driven by processing of three large pulp mill orders
- Revenue decline in the other business areas due to low order intake in previous quarters
- Service revenue down, impacted by international travel restrictions and partial production constraints at customers

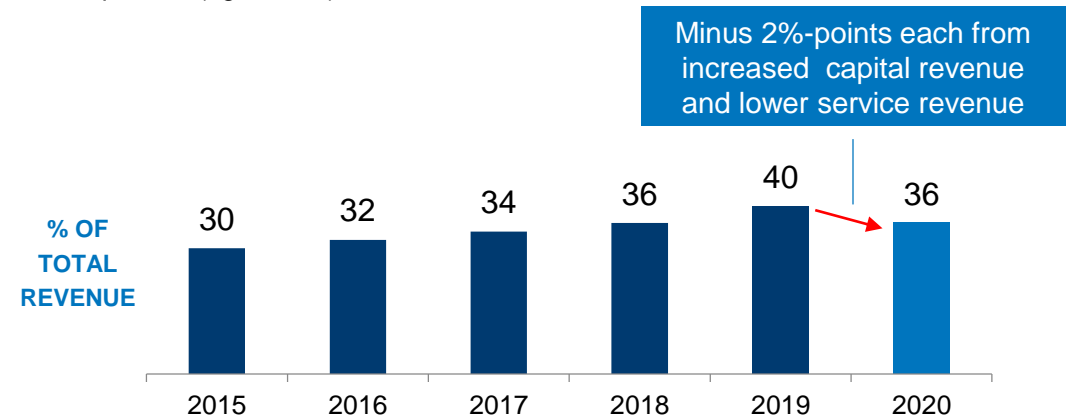
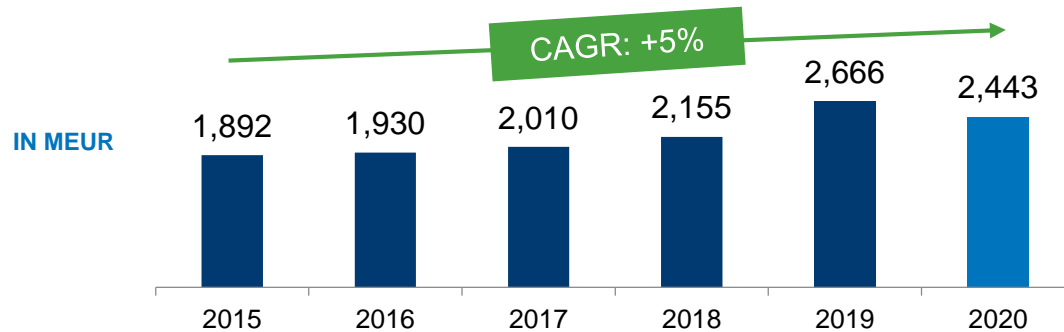
SERVICE BUSINESS IMPACTED BY TRAVEL AND CUSTOMER PRODUCTION RESTRICTIONS



Quarterly development of service revenue (in MEUR)



Service business in absolute and relative terms:

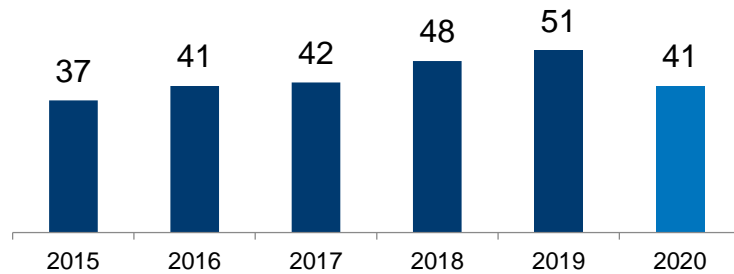


SERVICE BUSINESS BY BUSINESS AREA

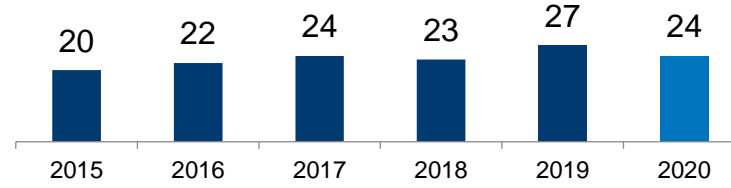


% of total business area revenue

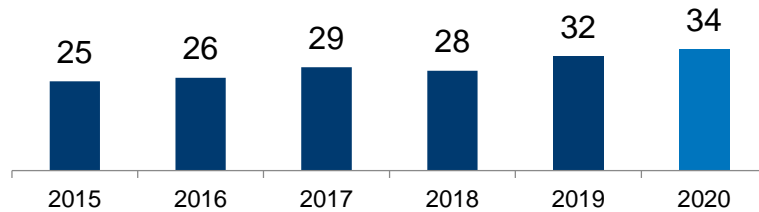
PULP & PAPER



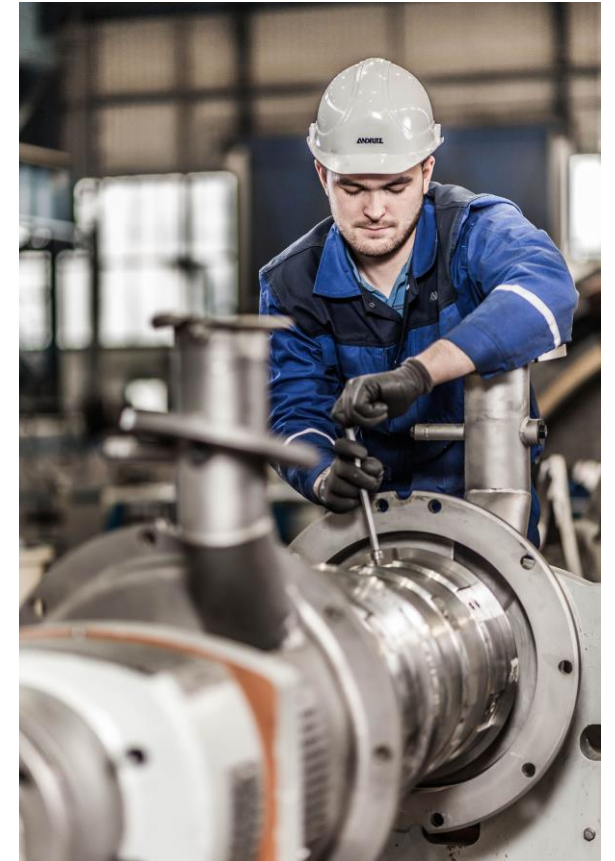
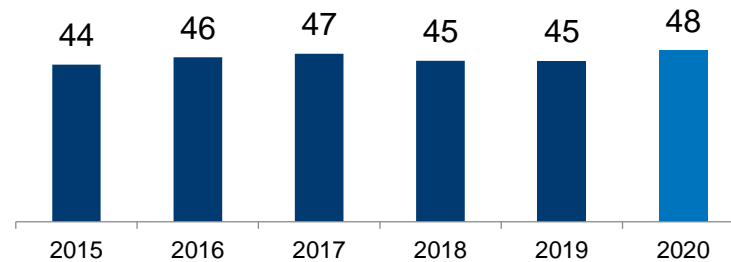
METALS



HYDRO



SEPARATION

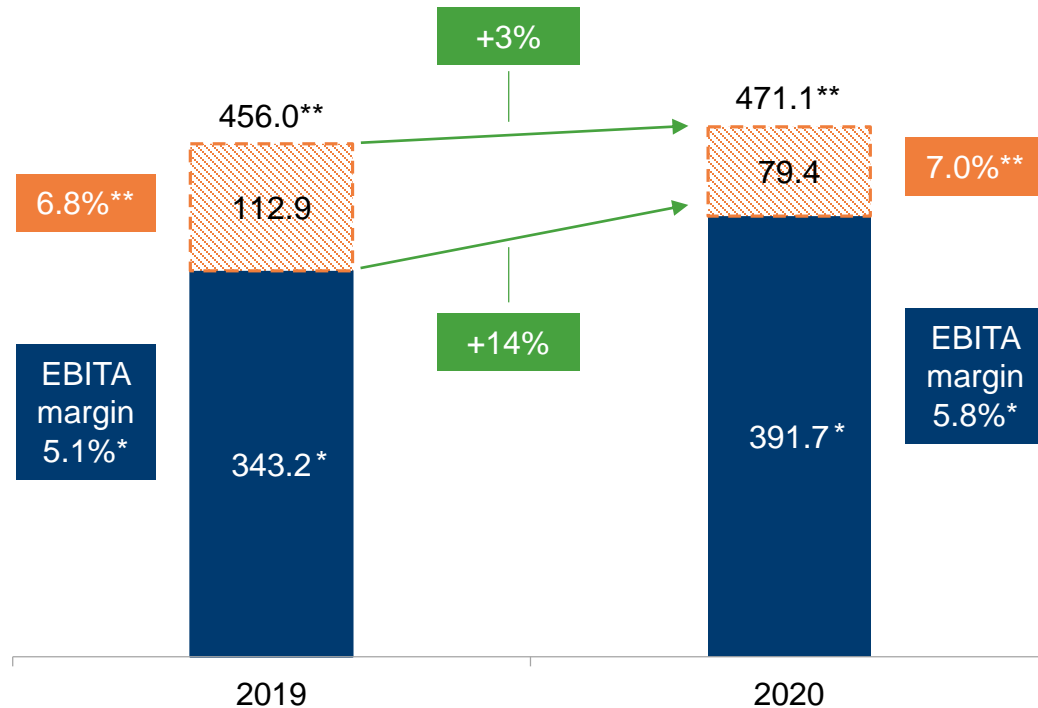


INCREASE IN EBITA AND PROFITABILITY



Extraordinary measures for capacity adjustments

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



Split of restructuring measures:
 Total: ~79 MEUR in 2020, thereof

- Metals: ~ -35 MEUR
- Hydro: ~ -29 MEUR
- Pulp & Paper: ~ -9 MEUR
- Separation: ~ -6 MEUR

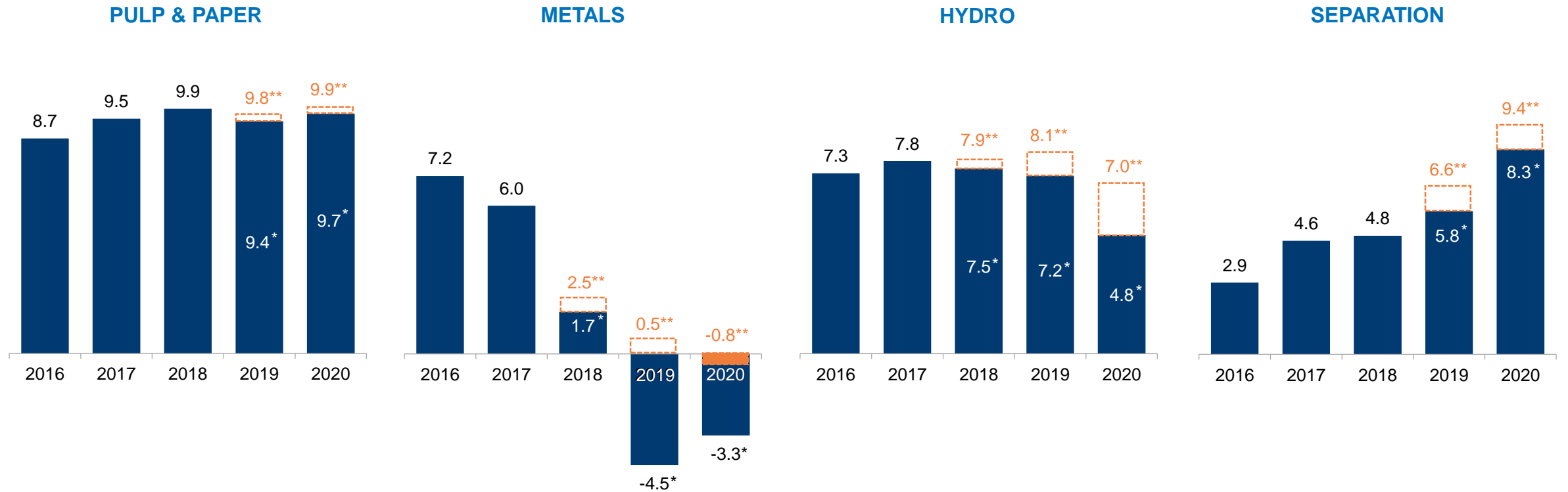
* EBITA and EBITA margin reported

** EBITA and EBITA margin adjusted by extraordinary items

PROFITABILITY BY BUSINESS AREA



EBITA margin (in %)



* EBITA margin reported

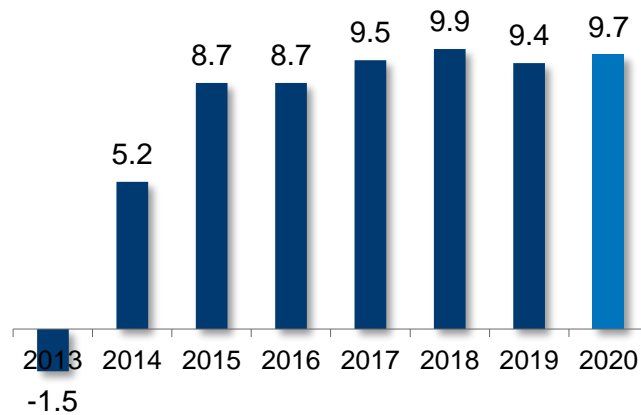
** EBITA margin adjusted by extraordinary items



HIGHER MARGIN GOALS FOR PULP & PAPER AND SEPARATION

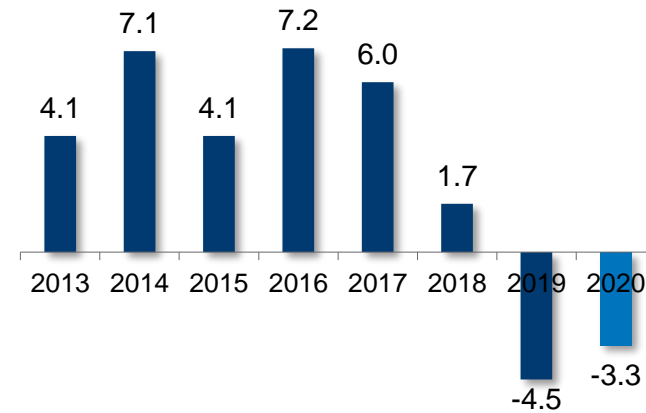
EBITA margin by business area (in %)

PULP & PAPER



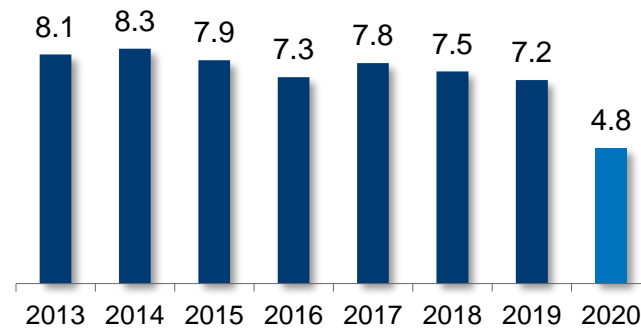
Long-term goal:
9.0-10.0%
NEW
10.0-11.0%

METALS



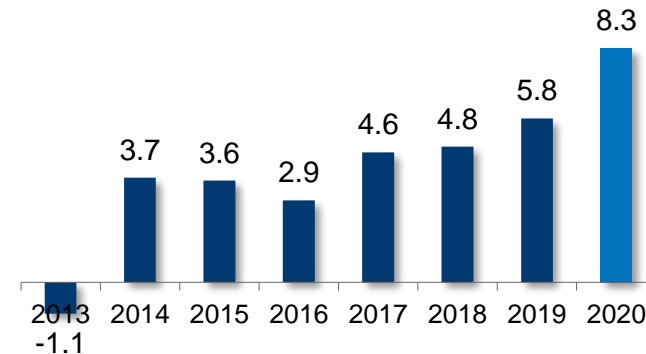
Long-term goal:
6.0-7.0%
CONFIRMED

HYDRO



Long-term goal:
7.0-8.5%
CONFIRMED

SEPARATION



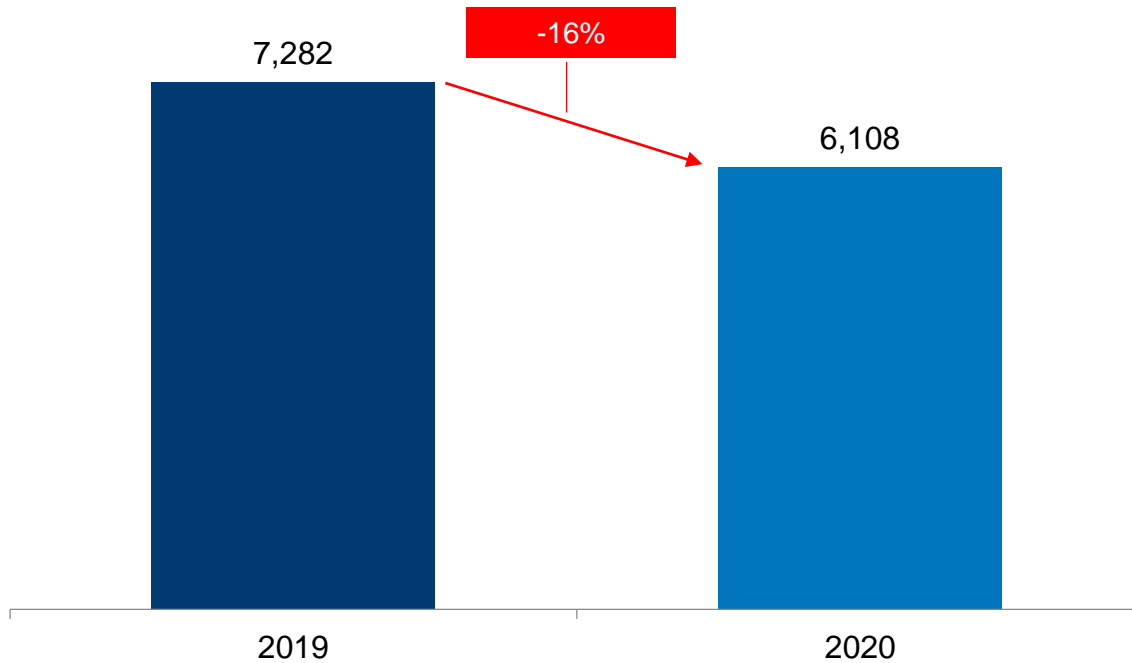
Long-term goal:
7.0-8.0%
NEW
8.0-9.0%

ORDER INTAKE DOWN COMPARED TO 2019 RECORD



Strong decline in Pulp & Paper and Metals, Hydro bottoming out

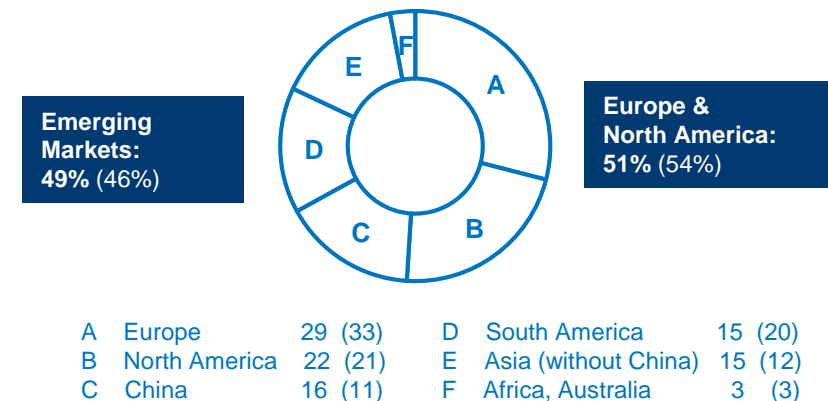
ORDER INTAKE (IN MEUR)



ORDER INTAKE BY BUSINESS AREA (IN MEUR)

	2020	2019	+/-
Pulp & Paper	2,961	3,633	-18%
Metals	1,144	1,582	-28%
Hydro	1,335	1,350	-1%
Separation	668	717	-7%

ORDER INTAKE BY REGION 2020 (2019) IN %

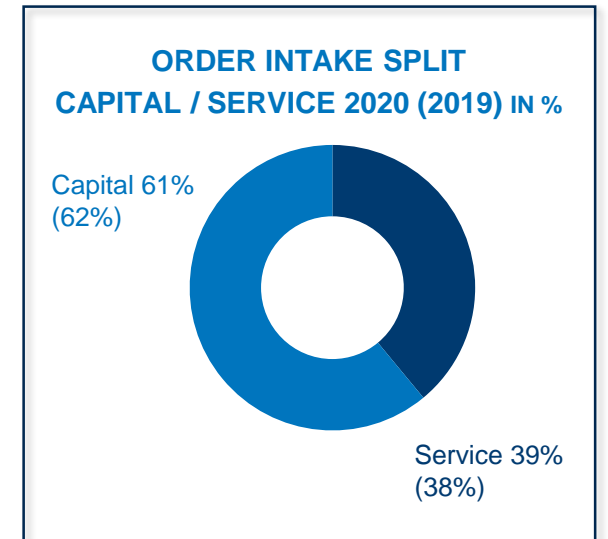
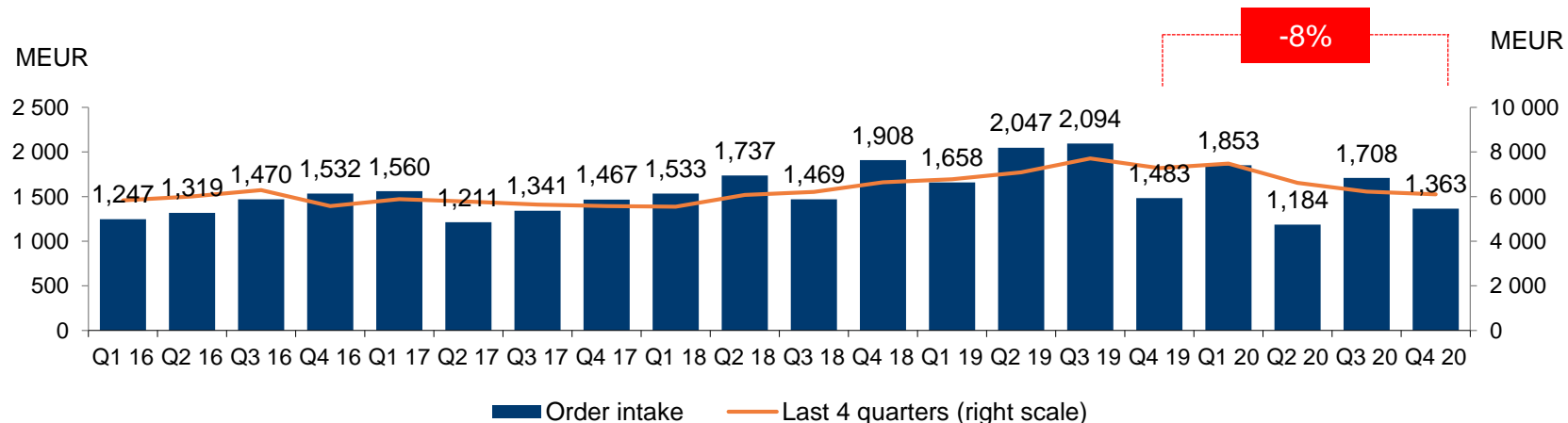


QUARTERLY DEVELOPMENT OF ORDER INTAKE



Order intake of last 4 quarters amounted to ~6.1 billion euros

- Decline in capital compared to very high level in 2019, which included two large-scale orders
- Service impacted by travel restrictions and partial production restraints at customers

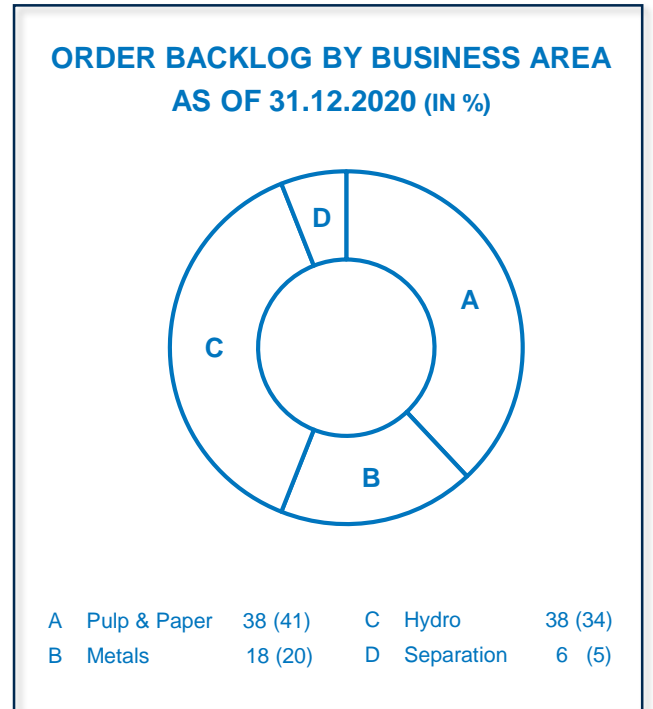
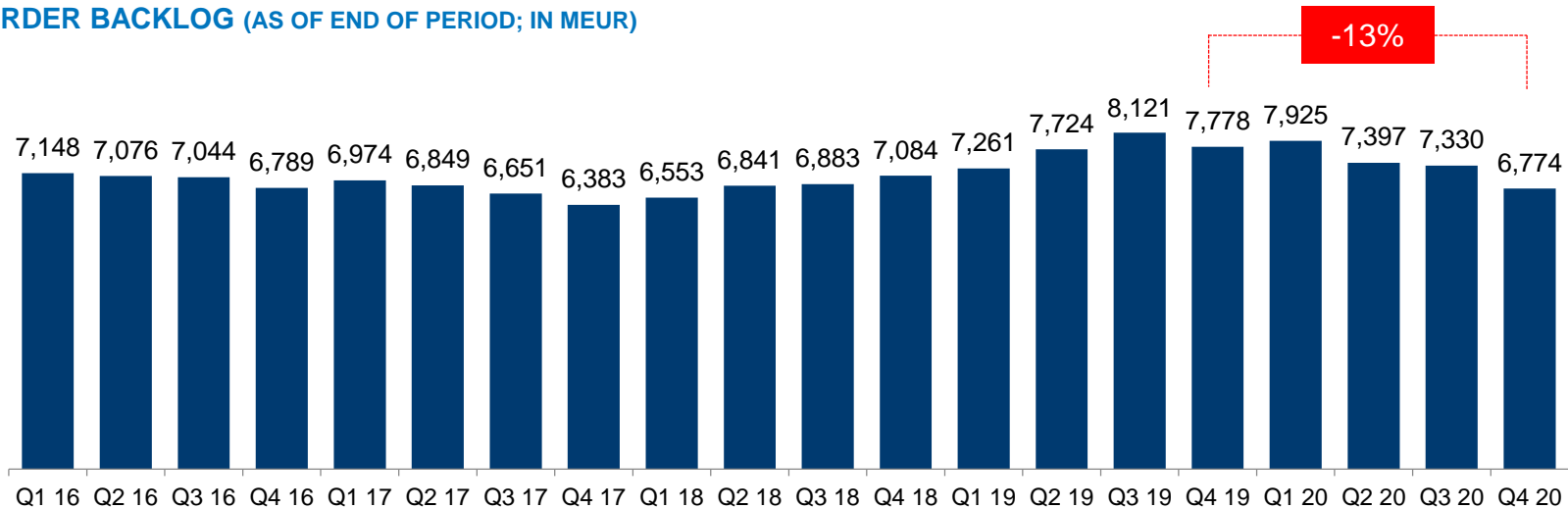


SOLID ORDER BACKLOG



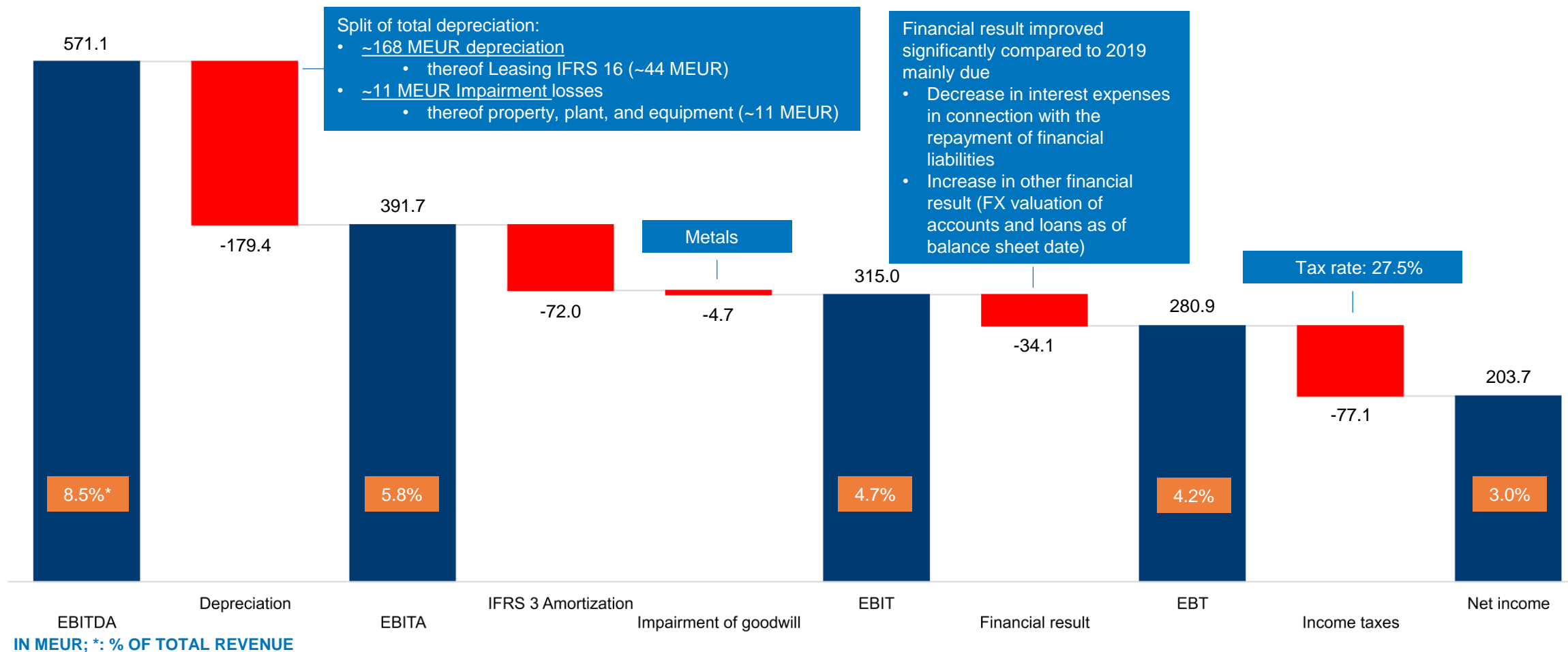
Order backlog at 6.8 billion euros as of end of Q4 2020

ORDER BACKLOG (AS OF END OF PERIOD; IN MEUR)



- Pulp & Paper and Hydro **account for 76% of total order backlog**
- Approximately **two thirds of backlog** will be converted into revenue in 2021

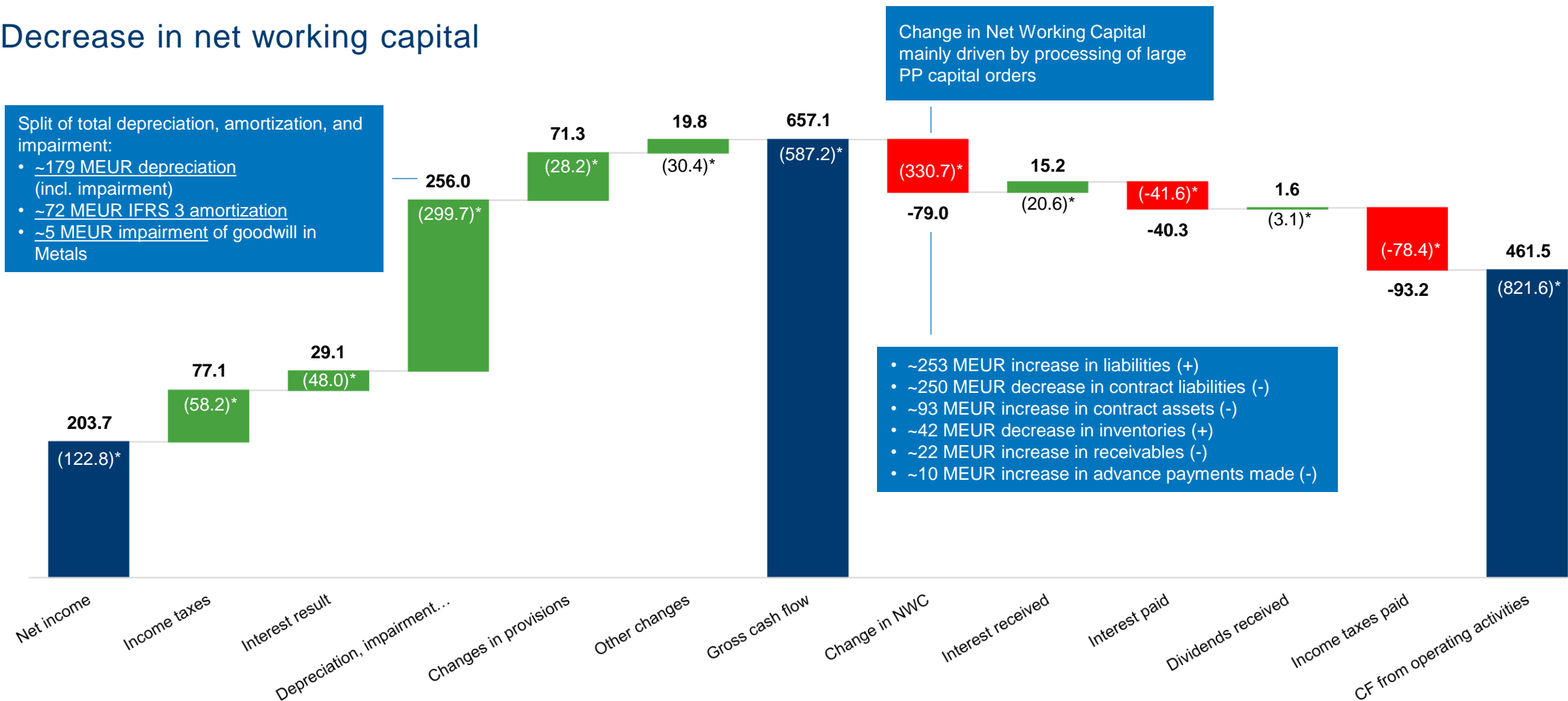
EBITDA – NET INCOME BRIDGE



DEVELOPMENT OF CASH FLOW FROM OPERATING ACTIVITIES



Decrease in net working capital

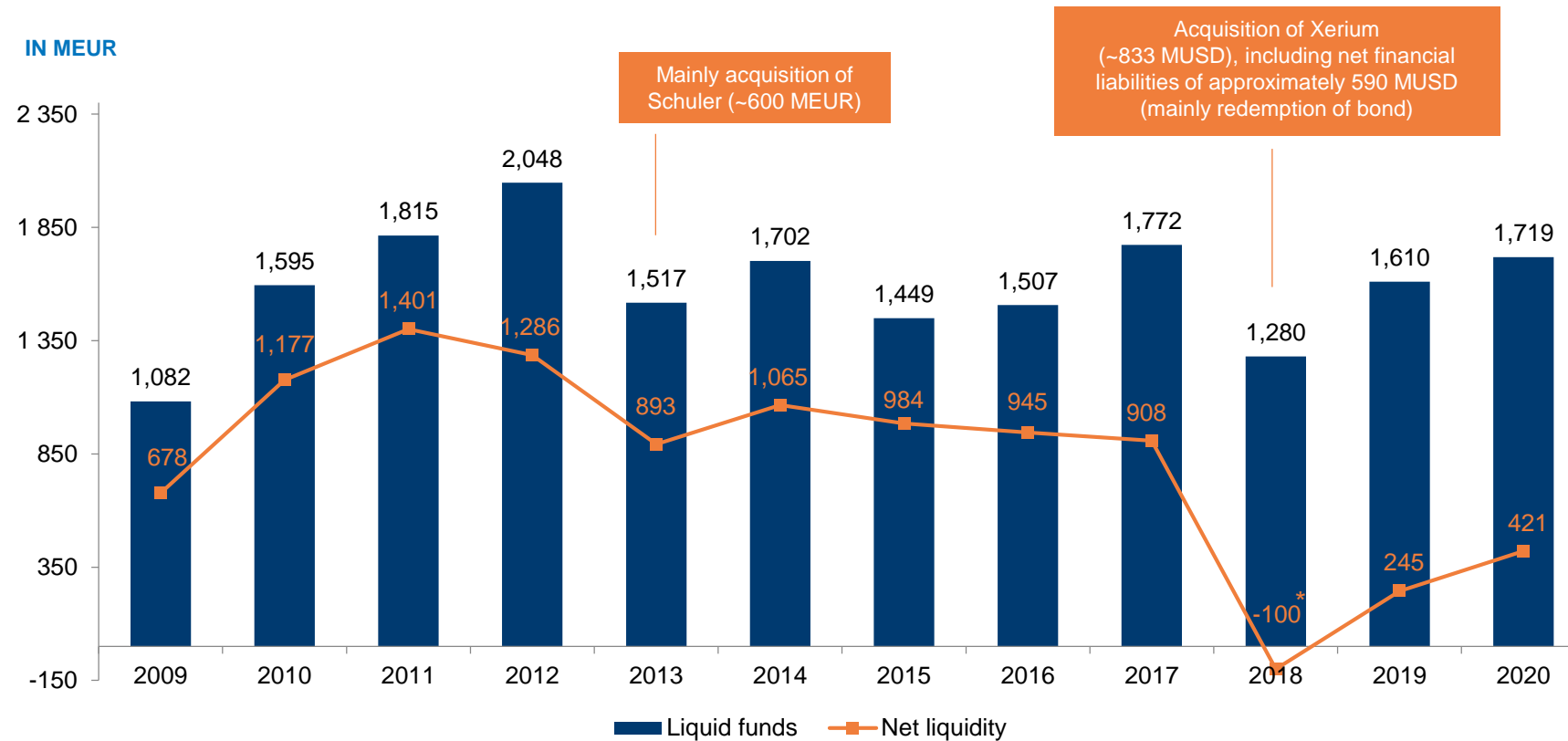


* (2019)

SOLID FINANCIAL POSITION



Gross cash of 1.7 billion euros



- In addition to the high amount of disposable cash, ANDRITZ has surety lines of 5.7 bn EUR and credit lines of 0.3 bn EUR
- 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 FY 2020 AT A GLANCE



	UNIT	2020	2019	+/-
Order intake	MEUR	6,108.0	7,282.0	-16.1%
Order backlog (as of end of period)	MEUR	6,774.0	7,777.6	-12.9%
Revenue	MEUR	6,699.6	6,673.9	+0.4%
EBITA	MEUR	391.7	343.2	+14.1%
EBITA (adj. by extraordinary items)	MEUR	471.1	456.0	+3.3%
Net income (including non-controlling interests)	MEUR	203.7	122.8	+65.9%
Cash flow from operating activities	MEUR	461.5	821.6	-43.8%
Capital expenditure	MEUR	131.8	157.1	-16.1%
Liquid funds	MEUR	1,719.3	1,609.8	+6.8%
Net liquidity	MEUR	420.9	244.9	+71.9%
Net working capital	MEUR	-48.8	-134.0	+63.6%

Proposal of dividend of 1.00 EUR per share (~50% payout ratio)

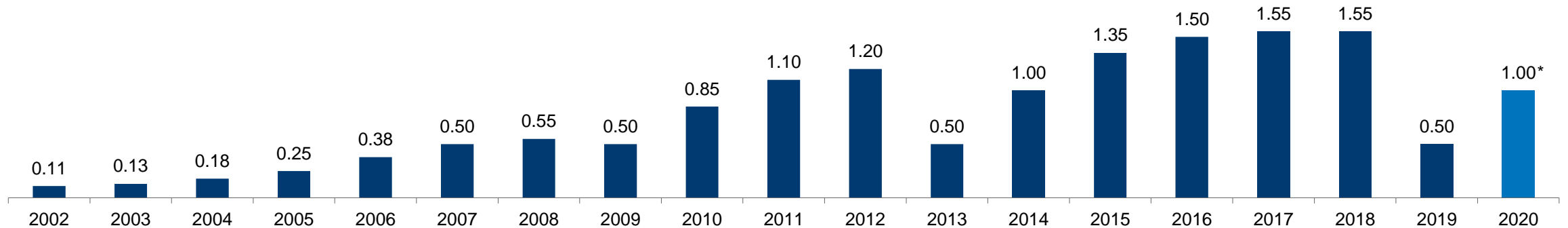
Strong Free Cash flow (before dividends) of ~330 MEUR

PROPOSED DIVIDEND OF 1.00 EUR/SHARE



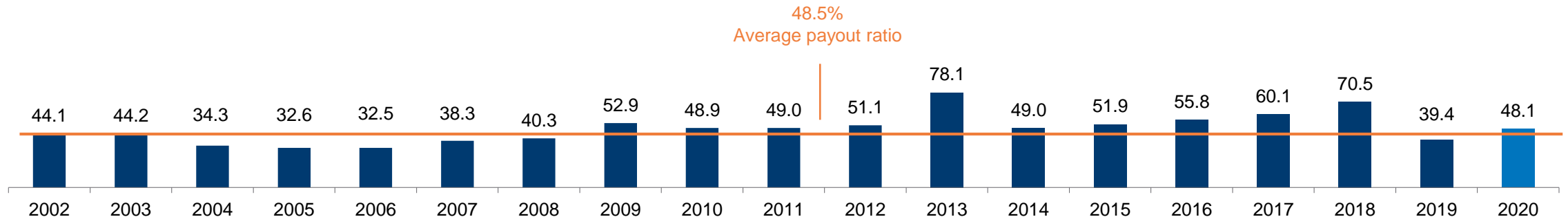
2020 payout ratio: ~50% - in line with dividend policy

DIVIDEND PER SHARE (EUR)



* Proposal to the Annual General Meeting

PAYOUT RATIO (%)



CHAPTER OVERVIEW



01 FY 2020 AT A GLANCE

02 PERFORMANCE FY 2020
AND MARKET UPDATE

03 UPDATE OF BUSINESS AREAS

04 OUTLOOK

PULP & PAPER: STRONG REVENUE INCREASE, DECLINE OF ORDER INTAKE



Profitability at very favorable level

Order intake below record level of 2019, which included two large-scale pulp mill orders from South America. Decline in service business as a result of the Covid-19 pandemic (travel restrictions, production constraints at customers)

Strong increase in **revenue** due to processing of large-scale pulp mill orders

Earnings and profitability at unchanged favorable level, with very positive development in both capital and service business

	UNIT	2020	2019	+/-
Order intake	MEUR	2,961.1	3,632.5	-18.5%
Order backlog (as of end of period)	MEUR	2,591.0	3,164.3	-18.1%
Revenue	MEUR	3,339.0	2,869.5	+16.4%
EBITDA	MEUR	399.6	351.4	+13.7%
EBITDA margin	%	12.0	12.2	-
EBITA (adj. by extraordinary items)	MEUR	331.3	281.5	+17.7%
EBITA margin (adj. by extraordinary items)	%	9.9	9.8	-
EBITA	MEUR	322.7	271.0	+19.1%
EBITA margin	%	9.7	9.4	-
Employees (as of end of period; without apprentices)	-	11,127	11,984	-7.2%

ORDER INTAKE BY REGION 2020 VS. 2019 (%)



SALES BY REGION 2020 VS. 2019 (%)



METALS: CONTINUED WEAK BUSINESS DEVELOPMENT



Restructuring measures in Metals Forming

Order intake significantly down y/y:

- very low investment activity by traditional automobile producers not fully compensated by orders for equipment to produce EV battery cases and EV motor cores
- Subdued investment by steel producers as a result of the global economic crisis and low capacity utilization

Decrease in **revenue** due to sharp decline in order intake in the past few quarters and years

Earnings and profitability

- remained negative, mainly due to
- Restructuring measures as well as partial under-absorption in Metals Forming
 - Processing of low-margin orders as a result of the unchanged, strong competition

	UNIT	2020	2019	+/-
Order intake	MEUR	1,143.6	1,582.2	-27.7%
Order backlog (as of end of period)	MEUR	1,181.6	1,532.7	-22.9%
Revenue	MEUR	1,420.5	1,636.9	-13.2%
EBITDA	MEUR	5.5	-1.5	+466.7%
EBITDA margin	%	0.4	-0.1	-
EBITA (adj. by extraordinary items)	MEUR	-11.5	8.6	-233.7%
EBITA margin (adj. by extraordinary items)	%	-0.8	0.5	-
EBITA	MEUR	-46.7	-73.8	+36.7%
EBITA margin	%	-3.3	-4.5	-
Employees (as of end of period; without apprentices)	-	6,513	7,485	-13.0%

ORDER INTAKE BY REGION 2020 VS. 2019 (%)



SALES BY REGION 2020 VS. 2019 (%)





HYDRO: ORDER INTAKE BOTTOMING OUT, EARNINGS TARGET NOT REACHED YET

Decline in revenue, lower earnings and profitability

Order intake bottoming out

Decrease in revenue as a result of lower order intake during last years

Earnings and profitability down due to

- capacity adjustment measures and
- processing of low-margin orders

	UNIT	2020	2019	+/-
Order intake	MEUR	1,335.4	1,350.2	-1.1%
Order backlog (as of end of period)	MEUR	2,587.9	2,661.0	-2.7%
Revenue	MEUR	1,296.0	1,470.7	-11.9%
EBITDA	MEUR	98.5	134.1	-26.5%
EBITDA margin	%	7.6	9.1	-
EBITA (adj. by extraordinary items)	MEUR	91.0	119.8	-24.0%
EBITA margin (adj. by extraordinary items)	%	7.0	8.1	-
EBITA	MEUR	62.0	105.9	-41.5%
EBITA margin	%	4.8	7.2	-
Employees (as of end of period; without apprentices)	-	6,941	7,202	-3.6%

ORDER INTAKE BY REGION 2020 VS. 2019 (%)



SALES BY REGION 2020 VS. 2019 (%)



SEPARATION: FURTHER IMPROVEMENT OF EARNINGS AND PROFITABILITY



Decline in order intake and revenue

	UNIT	2020	2019	+/-
Order intake below level of last year	Order intake	MEUR 667.9	717.1	-6.9%
	Order backlog (as of end of period)	MEUR 413.5	419.6	-1.5%
Revenue declined y/y	Revenue	MEUR 644.1	696.8	-7.6%
	EBITDA	MEUR 67.5	53.6	+25.9%
	EBITDA margin	% 10.5	7.7	-
Favorable development of earnings and profitability	EBITA (adj. by extraordinary items)	MEUR 60.3	46.1	+30.8%
	EBITA margin (adj. by extraordinary items)	% 9.4	6.6	-
	EBITA	MEUR 53.7	40.1	+33.9%
	EBITA margin	% 8.3	5.8	-
	Employees (as of end of period; without apprentices)	- 2,651	2,842	-6.7%

ORDER INTAKE BY REGION 2020 VS. 2019 (%)



SALES BY REGION 2020 VS. 2019 (%)



CHAPTER OVERVIEW



01 FY 2020 AT A GLANCE

02 PERFORMANCE FY 2020
AND MARKET UPDATE

03 UPDATE OF BUSINESS AREAS

04 OUTLOOK

TOPICS AND MARKET EXPECTATIONS 2021



ANDRITZ topics:

- Proper execution of backlog with special focus on large contracts
- Secure appropriate cost structure for 2021
- Concentrate on Metals Forming and Hydro
- Expansion of digital channels/tools in Marketing, Sales and Order Execution

Market outlook:

- **No substantial change of markets** served by ANDRITZ **at least** during **H1 2021**
- Post Covid-19:
 - Service to partially make good some of the 2020 short-fall?
 - Selective award of larger projects in Pulp & Paper and Hydro
 - Slight market improvement in both Metals Forming and Metals Processing due to increasing capex by OEMs



OUTLOOK AND GUIDANCE



Financial guidance for 2021:

- Due to decline of order intake in 2020, **Group revenue** expected to be slightly lower vs. 2020 (2020: 6.700 MEUR)
- **Increase in reported EBITA compared to 2020 (2020: 392 MEUR)**
- Depending on revenue development, **adjusted EBITA approximately stable y/y** (adjusted EBITA 2020: 471 MEUR)
- Currently, no further significant capacity adjustment measures planned, however depending on development of global economy



LEGAL DISCLAIMER



© ANDRITZ AG 2021

This presentation contains valuable, proprietary property belonging to ANDRITZ AG or its affiliates (“the ANDRITZ GROUP”), and no licenses or other intellectual property rights are granted herein, nor shall the contents of this presentation form part of any sales contracts which may be concluded between the ANDRITZ GROUP companies and purchasers of any equipment and/or systems referenced herein. Please be aware that the ANDRITZ GROUP actively and aggressively enforces its intellectual property rights to the fullest extent of applicable law. Any information contained herein (other than publically available information) shall not be disclosed or reproduced, in whole or in part, electronically or in hard copy, to third parties. No information contained herein shall be used in any way either commercially or for any purpose other than internal viewing, reading, or evaluation of its contents by recipient and the ANDRITZ GROUP disclaims all liability arising from recipient’s use or reliance upon such information. Title in and to all intellectual property rights embodied in this presentation, and all information contained therein, is and shall remain with the ANDRITZ GROUP. None of the information contained herein shall be construed as legal, tax, or investment advice, and private counsel, accountants, or other professional advisers should be consulted and relied upon for any such advice.

All copyrightable text and graphics, the selection, arrangement, and presentation of all materials, and the overall design of this presentation are © ANDRITZ GROUP 2021. All rights reserved. No part of this information or materials may be reproduced, retransmitted, displayed, distributed, or modified without the prior written approval of Owner. All trademarks and other names, logos, and icons identifying Owner’s goods and services are proprietary marks belonging to the ANDRITZ GROUP. If recipient is in doubt whether permission is needed for any type of use of the contents of this presentation, please contact the ANDRITZ GROUP at welcome@andritz.com.