



ANDRITZ GROUP

RESULTS

Q3 / Q1-Q3 2023

NOVEMBER 2, 2023

ANDRITZ

ENGINEERED SUCCESS

AGENDA



1 | Q3 2023 AT A GLANCE

2 | PERFORMANCE Q3 / Q1-Q3 2023

3 | UPDATE OF BUSINESS AREAS

4 | OUTLOOK

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%)

DEDERT INTERNATIONAL ACQUISITION

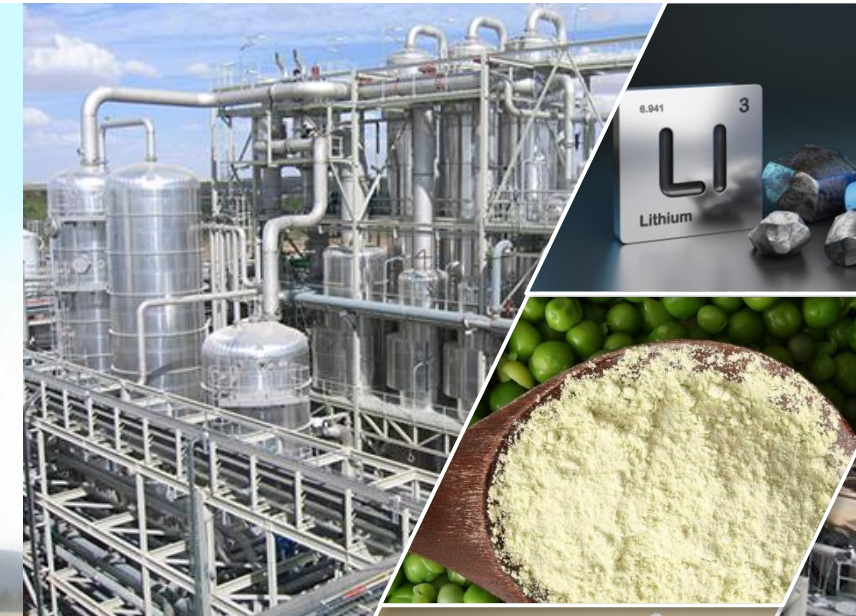


Strengthening our position with dryers and evaporators for the starch, proteins and biofuel industry

- 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

AGENDA



1 | Q3 2023 AT A GLANCE

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3 | UPDATE OF BUSINESS AREAS

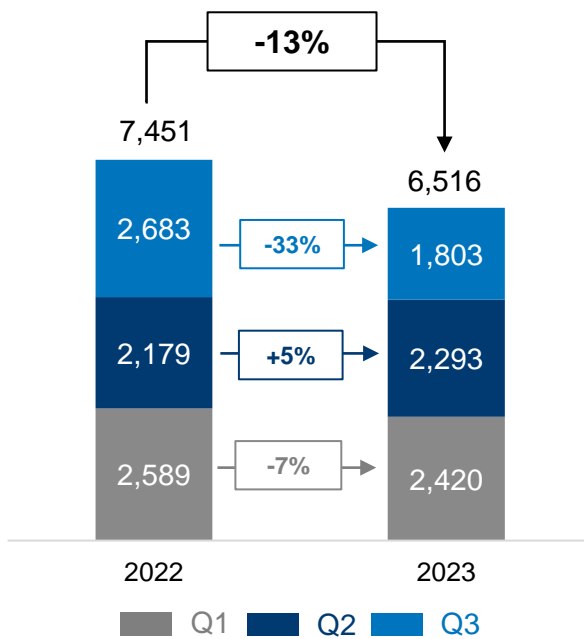
4 | OUTLOOK

SERVICE AND MID-SIZE-PROJECTS WELL ON TRACK, MISSING LARGE ORDERS IN PULP & PAPER



Q3 2022 included 1,000 MEUR Order intake (OI) from two large projects

ORDER INTAKE*



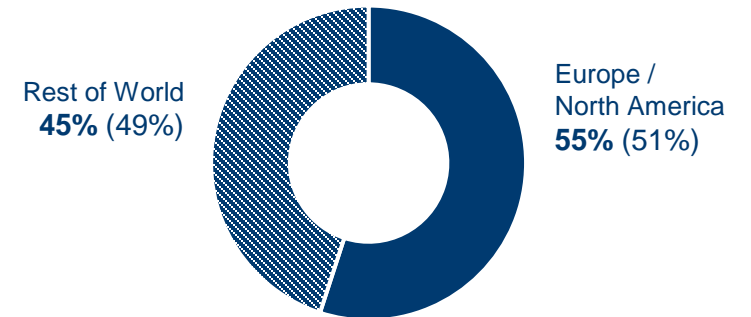
ORDER INTAKE BY BUSINESS AREA*

	Q3 2023	Q3 2022	+/-
Pulp & Paper	615	1,529	-60%
Metals	568	564	+1%
Hydro	324	304	+7%
Separation	296	286	+4%

	Q1-Q3 2023	Q1-Q3 2022	+/-
Pulp & Paper	2,451	3,561	-31%
Metals	1,745	1,555	+12%
Hydro	1,410	1,410	0%
Separation	909	925	-2%

ORDER INTAKE BY REGION

Q1-Q3 2023 VS. Q1-Q3 2022 (%)



*IN MEUR

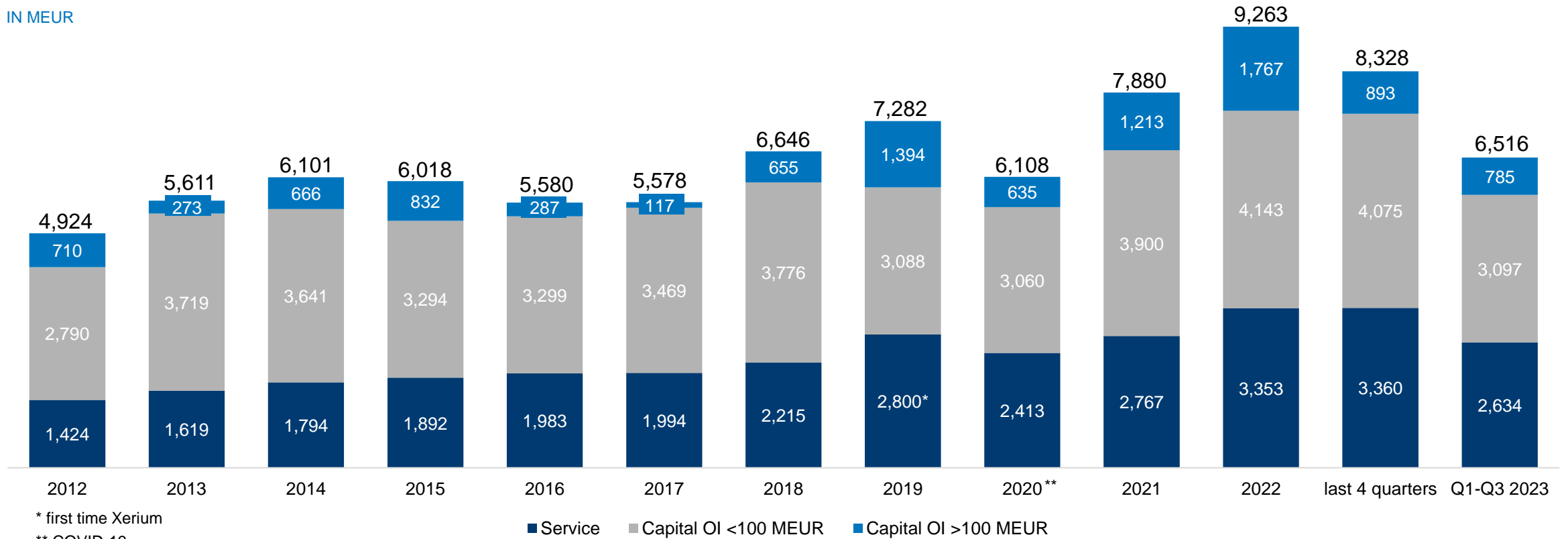
- **Pulp & Paper:** Capital OI significantly decreased compared to 2022 due to lack of OI from major projects
- **Metals:** slightly up q/q and significantly up y/y, driven by Metals Processing; Metals Forming y/y slightly down, but strong growth in Service
- **Hydro:** OI q/q up, and y/y stable; strong Q3 2023 in Service
- **Separation:** q/q up but y/y slightly down; Pumps y/y stable, Solid-liquid-Separation y/y slightly up with growth in Service

GROWING ORDER INTAKE FROM SERVICE AND MID-SIZE CAPITAL BUSINESS



Missing OI from large projects determines decrease in Q1-Q3 2023 Order intake

IN MEUR



* first time Xerium

** COVID-19

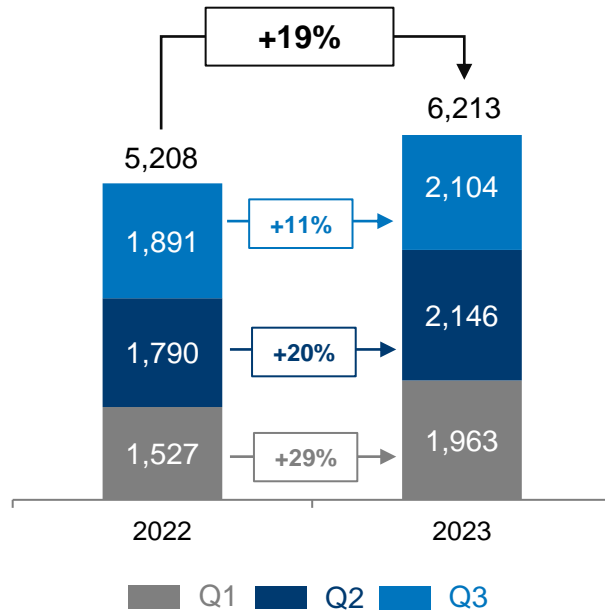
■ Service ■ Capital OI <100 MEUR ■ Capital OI >100 MEUR



SIGNIFICANT INCREASE OF REVENUE BASED ON EXECUTION OF HIGH ORDER BACKLOG

Significant increase in Q1-Q3 2023 in all four business areas mainly driven by large capital orders

REVENUE*

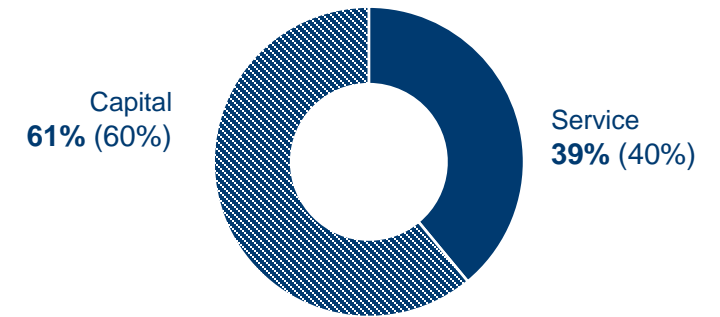


REVENUE BY BUSINESS AREA*

	Q3 2023	Q3 2022	+/-
Pulp & Paper	986	869	+13%
Metals	456	400	+14%
Hydro	363	343	+6%
Separation	299	279	+7%

	Q1-Q3 2023	Q1-Q3 2022	+/-
Pulp & Paper	2,936	2,411	+22%
Metals	1,348	1,134	+19%
Hydro	1,073	891	+21%
Separation	856	772	+11%

REVENUE SPLIT: CAPITAL / SERVICE
Q1-Q3 2023 VS. Q1-Q3 2022 (%)



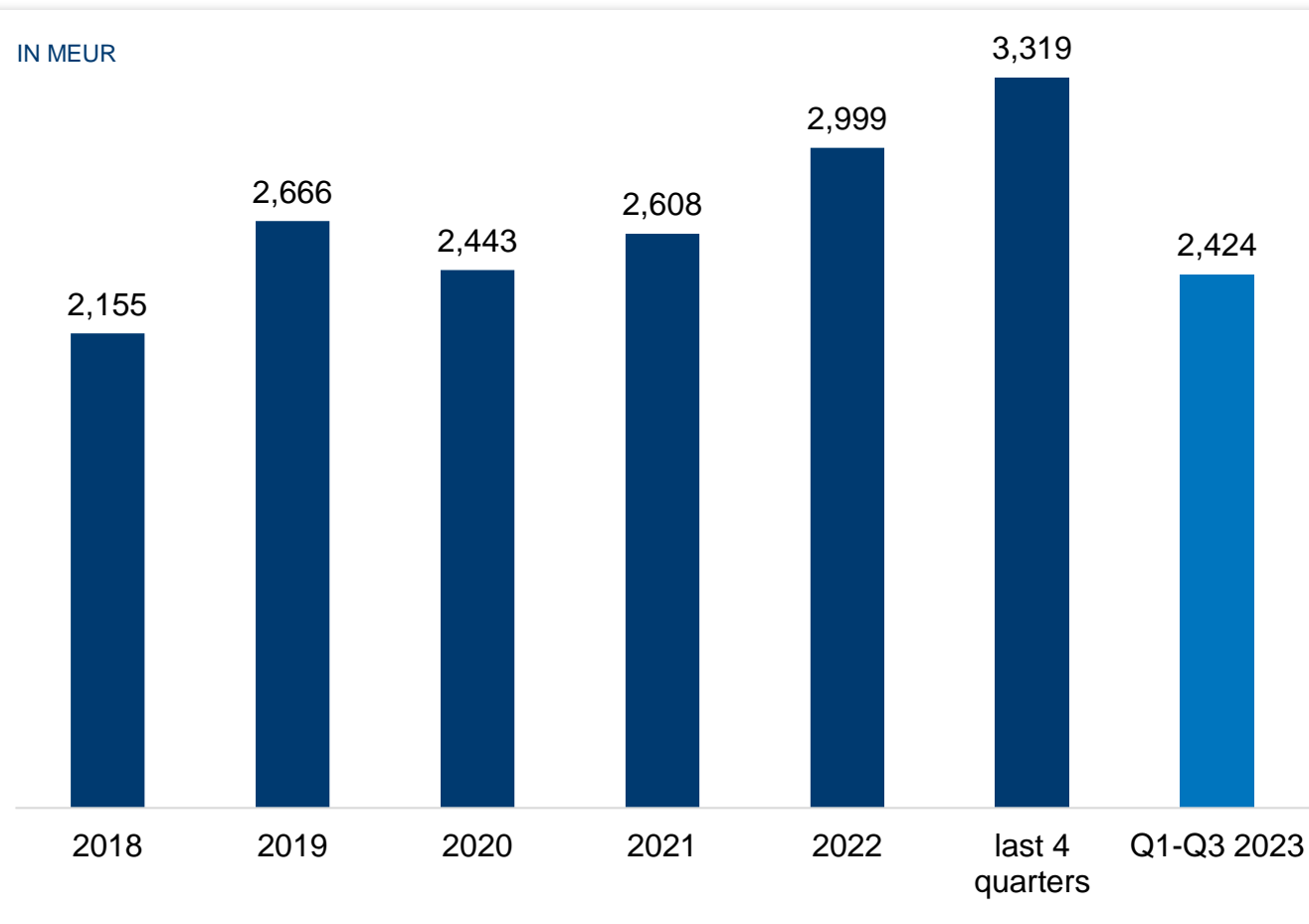
*IN MEUR

- **Pulp & Paper, Metals, and Hydro:** Revenue strongly up q/q and y/y due to diligent execution of capital orders in backlog
- **Separation:** Pumps and Feed slightly up, Separation Equipment significantly up q/q and y/y

STABLE GROWTH OF SERVICE REVENUE



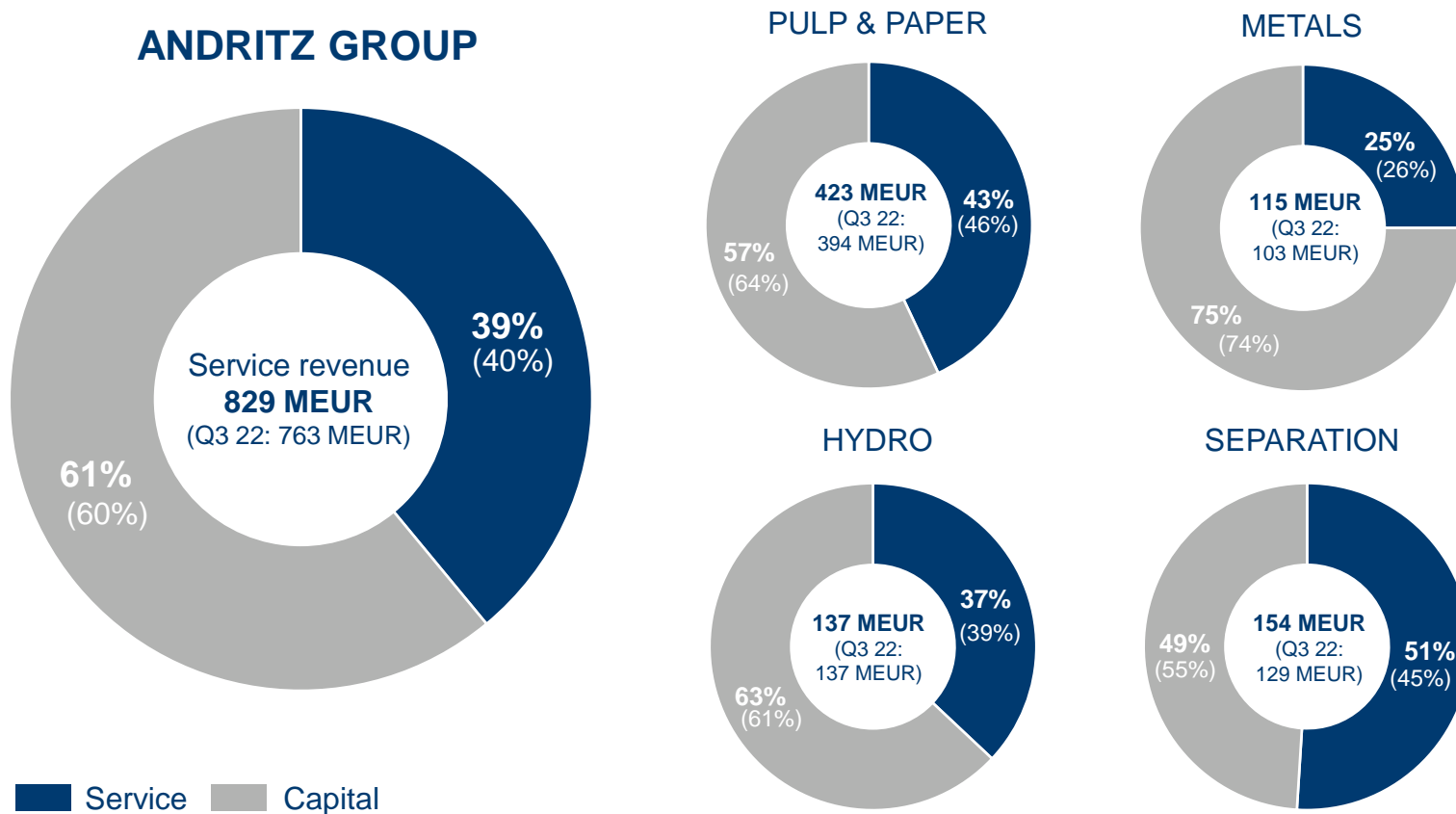
5-yr CAGR of 9.0% well above growth target for the group





STABLE GROWTH OF SERVICE BUSINESS CONTINUES TO SUPPORT PROFITABILITY

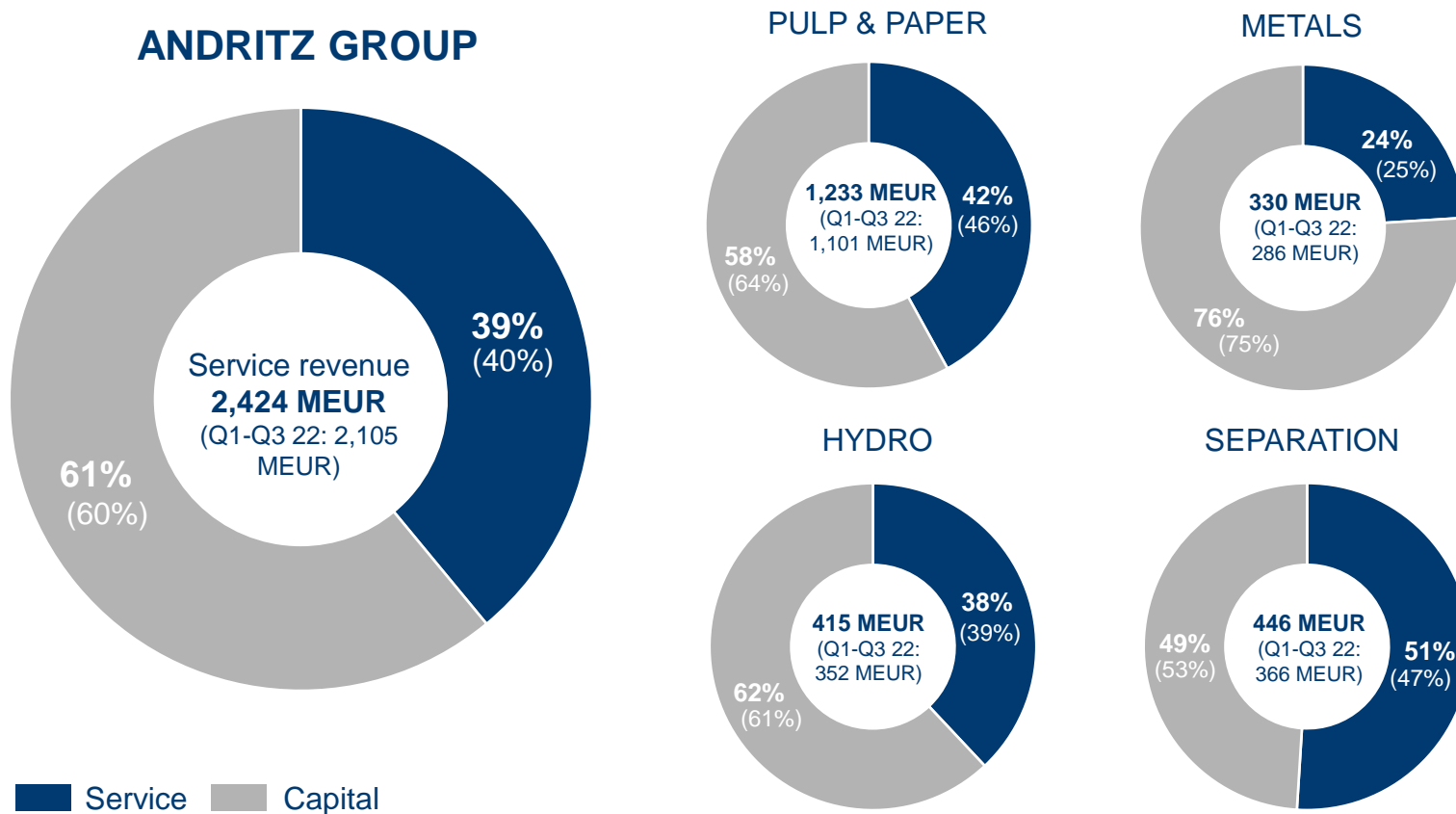
Q3 2023: Service revenue and share of total revenue





STABLE GROWTH OF SERVICE BUSINESS CONTINUES TO SUPPORT PROFITABILITY

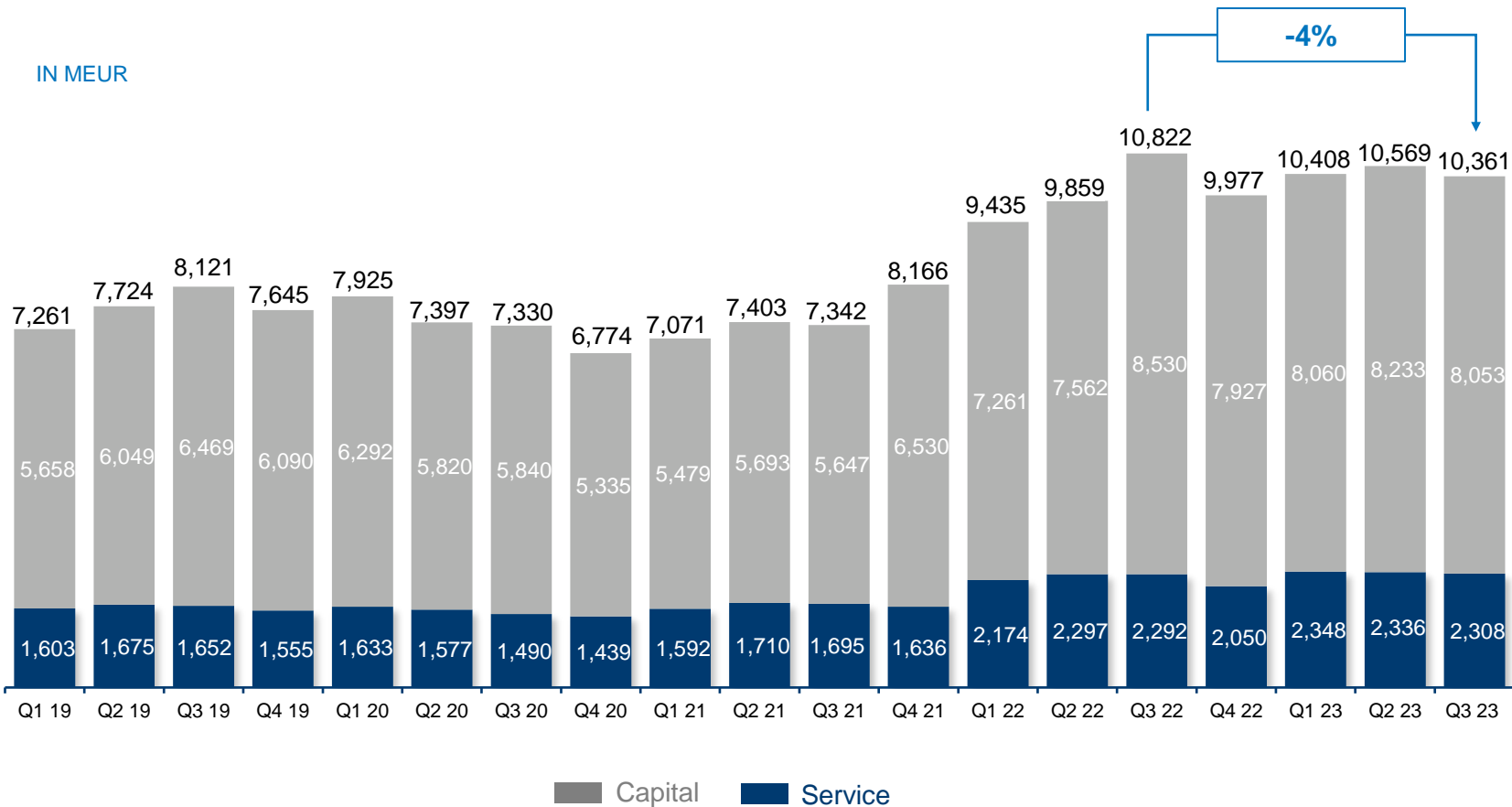
Q1-Q3 2023: Service revenue and share of total revenue



ORDER BACKLOG OF 10.4 BILLION EUR AT END OF Q3 2023 ENSURES SUFFICIENT WORKLOAD IN FUTURE QUARTERS

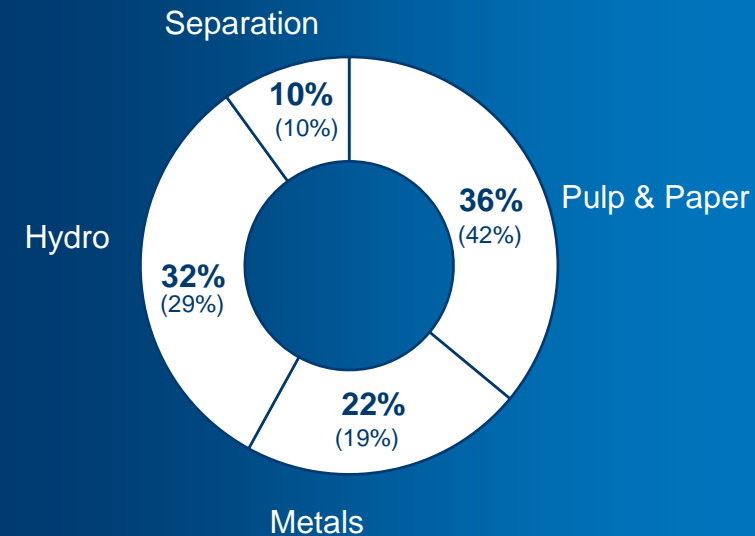


Order Backlog supports nearly 1 year secured capital revenue



ORDER BACKLOG BY BUSINESS AREA

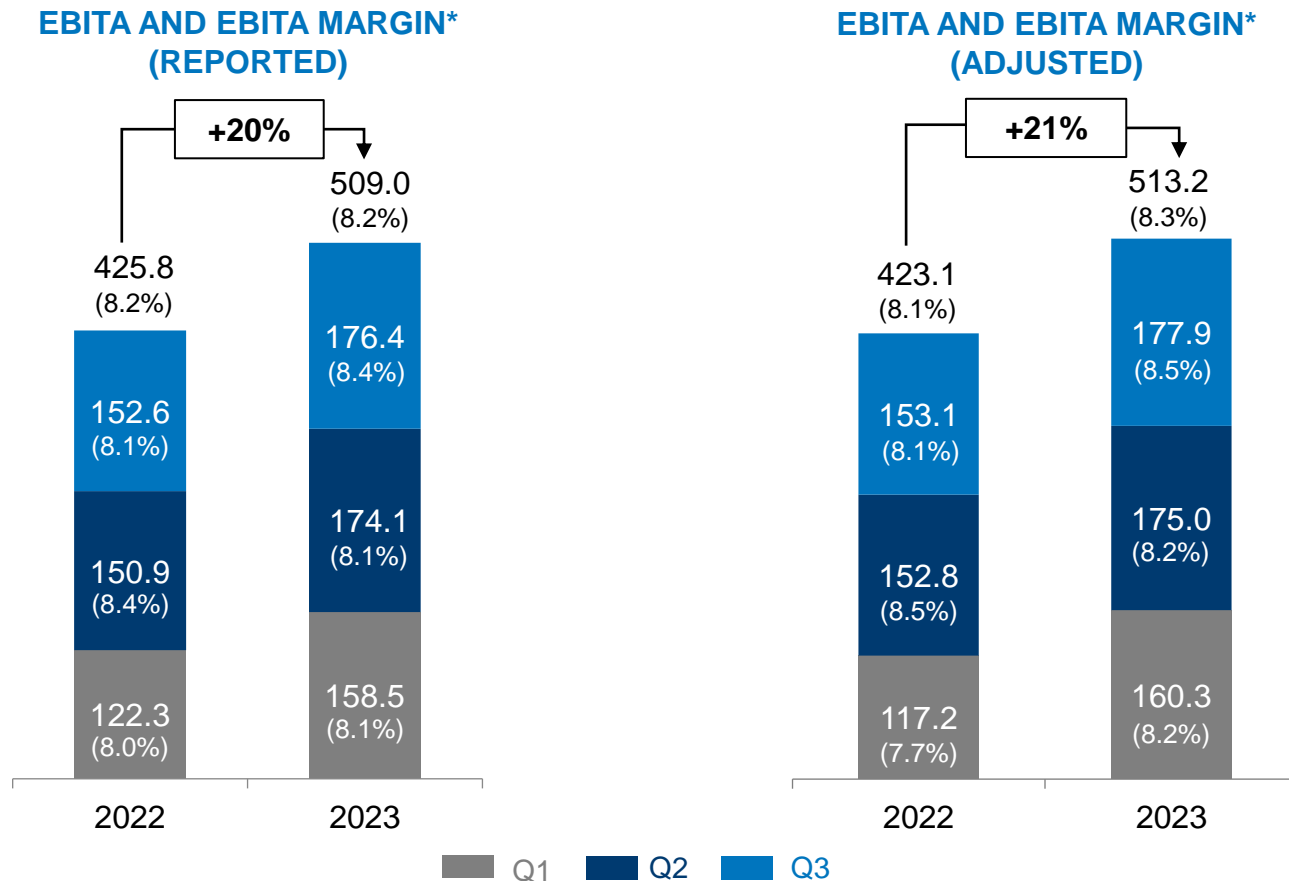
Q1-Q3 2023 VS. Q1-Q3 2022



EARNINGS SIGNIFICANTLY INCREASED DUE TO STRONG SALES GROWTH AND IMPROVED UNDERLYING PROFITABILITY



Profitability remains on a very solid level



EBITA (reported) significantly up q/q and y/y

EBITA margin (reported) up q/q and stable y/y

No significant adjustments from extraordinary effects (net) anymore

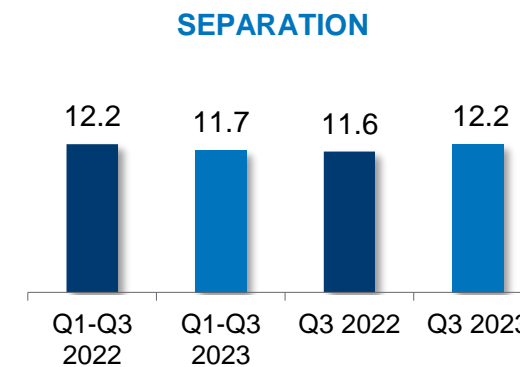
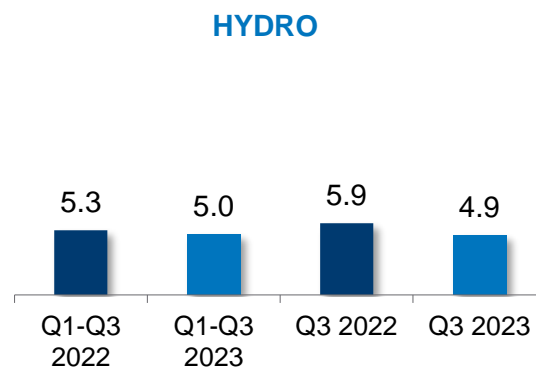
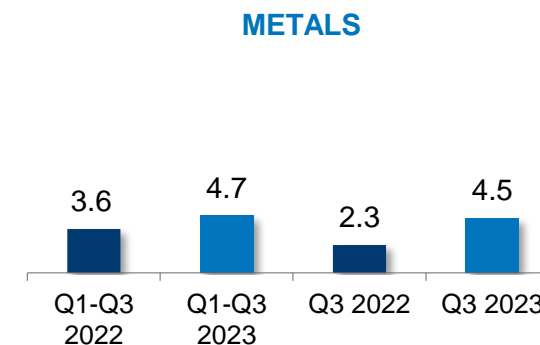
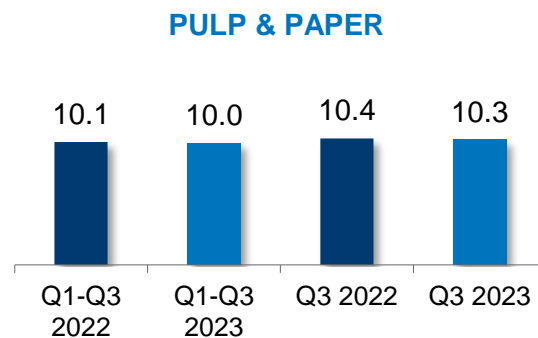
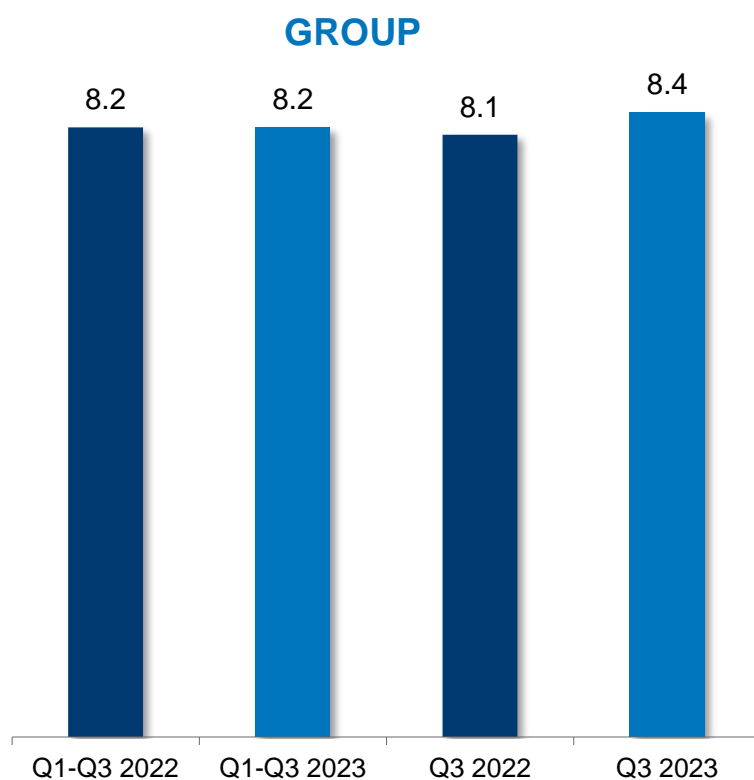
In total, **net extraordinary items** of around **-4 MEUR** (from smaller restructuring measures) in Q1-Q3 2023 vs. **+3 MEUR** (from sale of property) in Q1-Q3 2022

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

STABLE OPERATIONAL PROFITABILITY IN ALL BUSINESS AREAS, METALS FURTHER IMPROVING



Reported EBITA margin (in %)

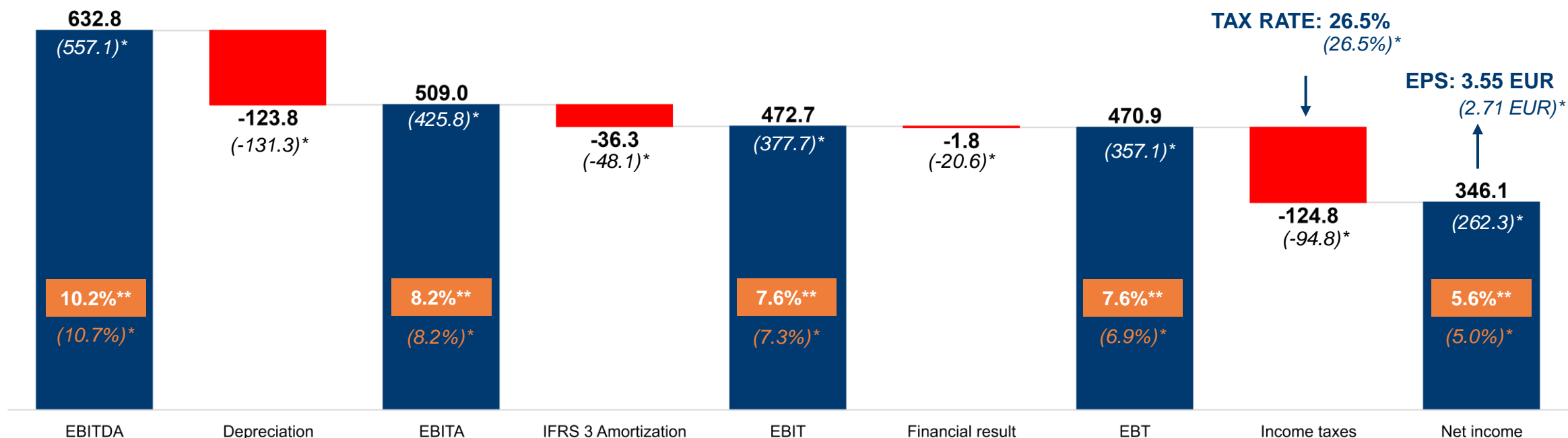


EBITDA TO NET INCOME BRIDGE Q1-Q3 2023



Favorable development of amortization and financial results support further increase in net income margin

IN MEUR

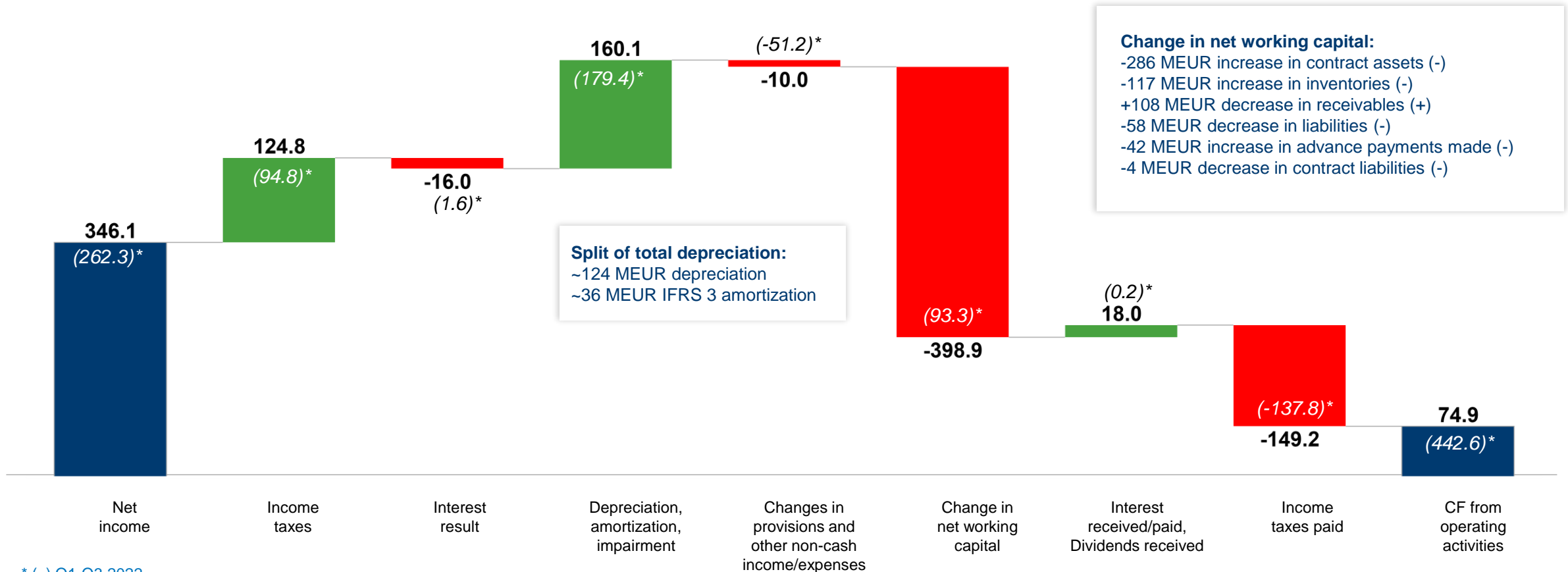


* () Q1-Q3 2022
 ** % of total revenue

CASH FLOW FROM OPERATING ACTIVITIES Q1-Q3 2023

Cash Flow Q1-Q3 turned positive due to strong Q3

IN MEUR

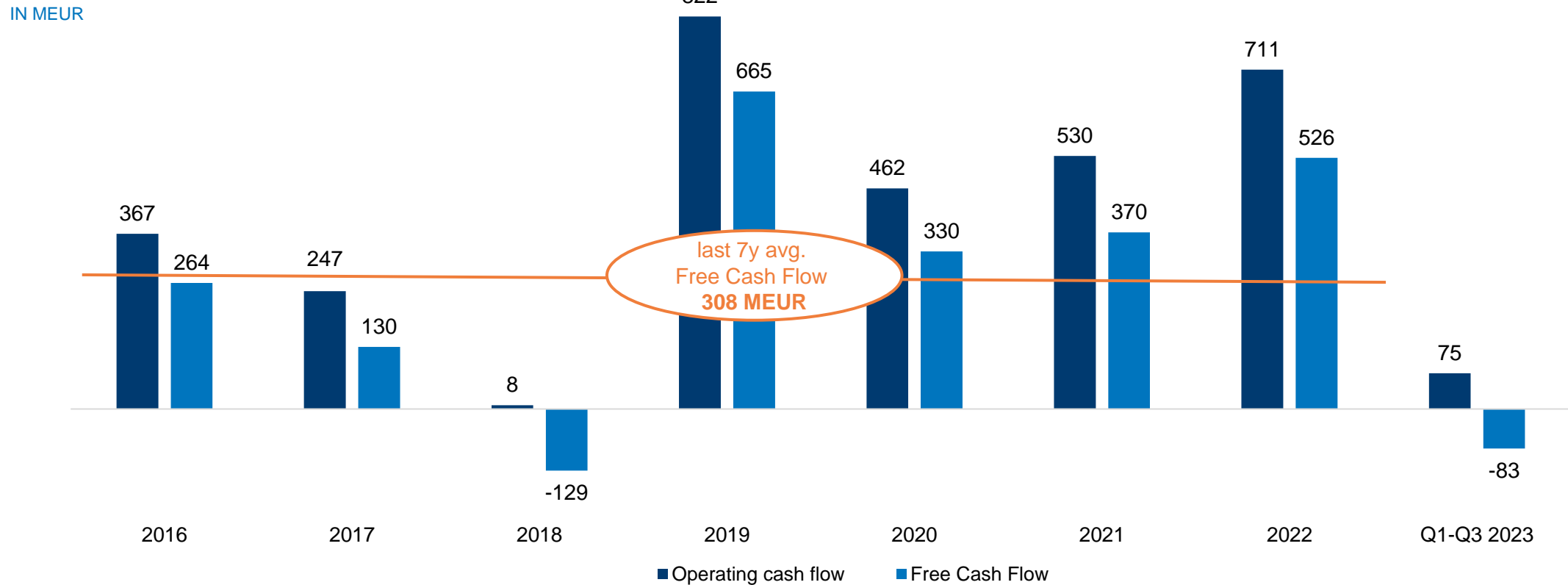


* () Q1-Q3 2022

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



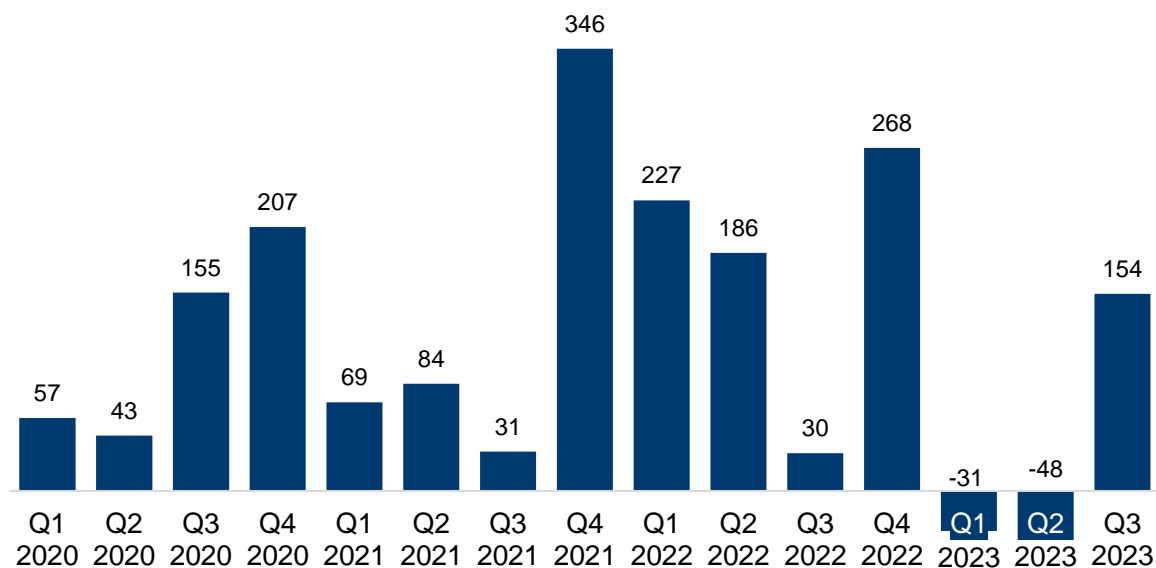
CASH FLOW DEVELOPMENT



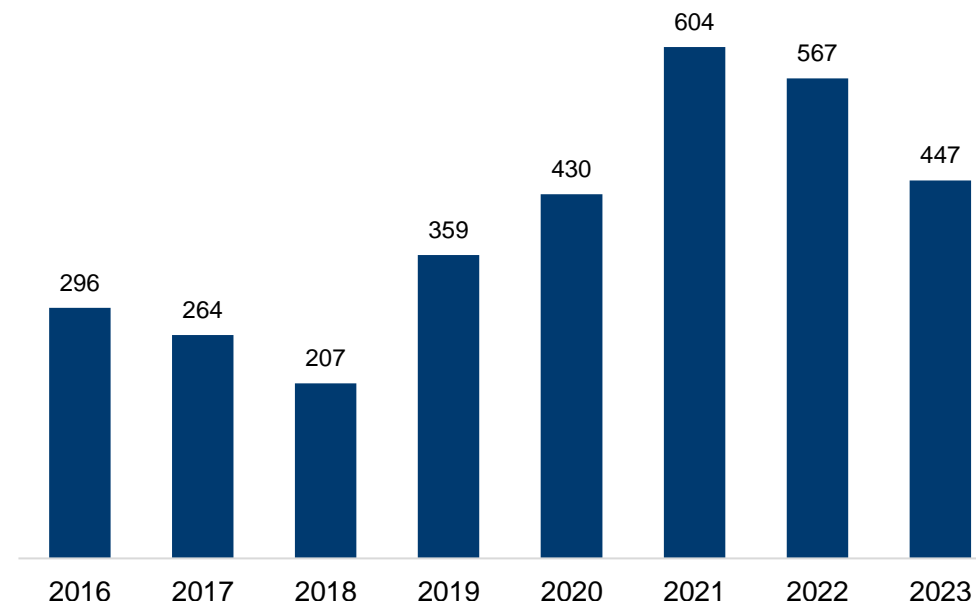
Cash Flow volatility is driven by working capital fluctuations during regular "order to cash cycle" in capital business

IN MEUR

OPERATING CASH FLOW



3-YEARS ROLLING AVERAGE OPERATING CASH FLOW



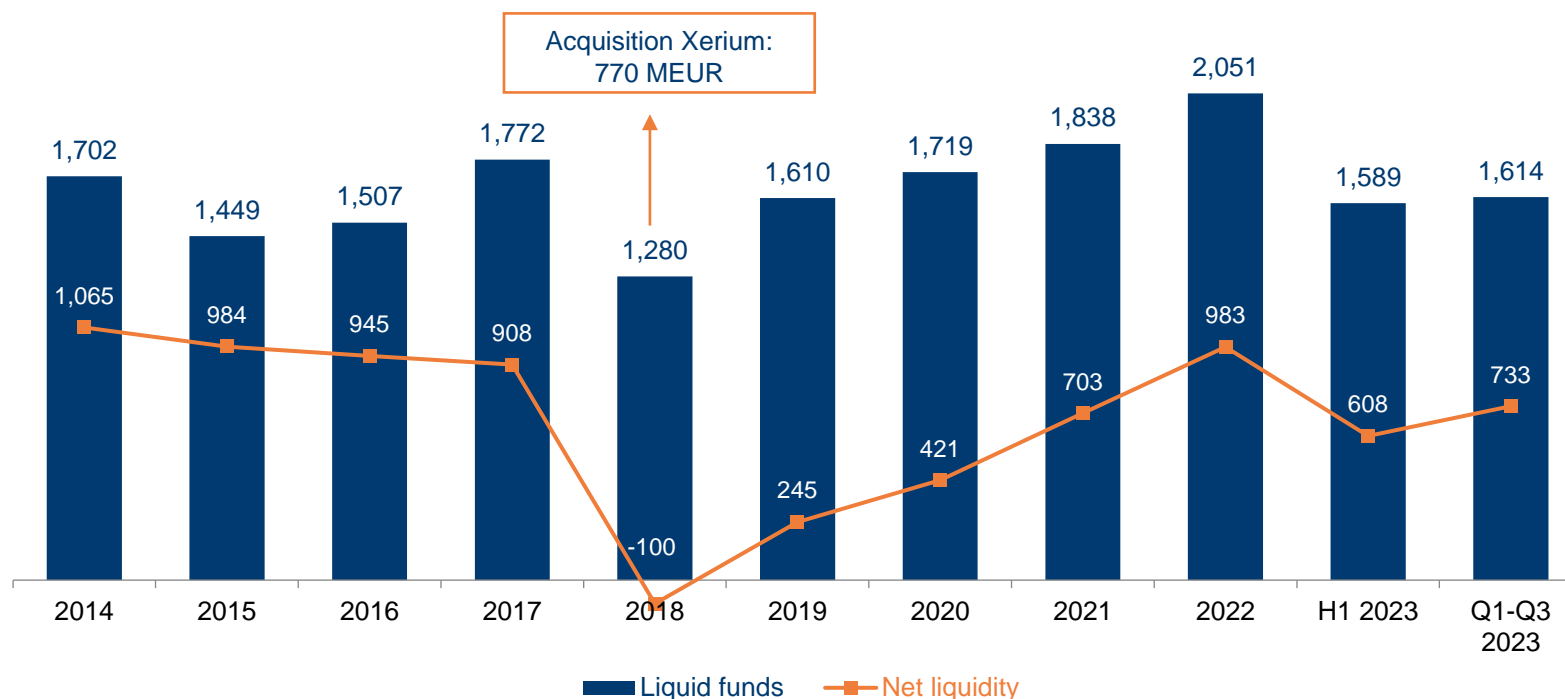
LIQUIDITY REMAINS STRONG



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 to ANDRITZ shareholders: 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)

KEY FIGURES Q3/Q1-Q3 2023 AT A GLANCE



Revenue and earnings significantly increased, order intake and cash flow less favorable

	UNIT	Q3 2023	Q3 2022	+/-	Q1-Q3 2023	Q1-Q3 2022	+/-	2022
Order intake	MEUR	1,804	2,683	-33%	6,516	7,451	-13%	9,263
Order backlog (as of end of period)	MEUR	10,361	10,822	-4%	10,361	10,822	-4%	9,977
Revenue	MEUR	2,104	1,891	+11%	6,213	5,208	+19%	7,543
EBITDA	MEUR	217.5	194.9	+12%	632.8	557.1	+14%	825.5
EBITDA margin	%	10.3	10.3	-	10.2	10.7	-	10.9
EBITA	MEUR	176.4	152.6	+16%	509.0	425.8	+20%	648.5
EBITA margin	%	8.4	8.1	-	8.2	8.2	-	8.6
Net income (including non-controlling interests)	MEUR	124.6	98.4	+27%	346.1	262.3	+32%	402.6
Cash flow from operating activities	MEUR	154.2	29.4	n.a.	74.9	442.6	n.a.	710.8
Capital expenditure	MEUR	64.4	39.4	+63%	157.7	119.9	+32%	184.4
Liquid funds	MEUR	1,614	1,941	-17%	1,614	1,941	-17%	2,051
Net liquidity	MEUR	733	882	-17%	733	882	-17%	983
Net working capital	MEUR	108	-322	n.a.	108	-322	n.a.	-324
Employees (as of end of period; without apprentices)	-	29,819	27,925	+7%	29,819	27,925	+7%	29,094

- **Order intake** reduced due to missing large orders mainly in PP
- **Revenue and Earnings** significantly increasing
- Decrease in **cash flow** mainly due to increase in net working capital, but increase in NWC has been almost stopped in Q3
- Increase in **net working capital** mainly due to increase of contract assets and decrease of contract liabilities during execution of large projects (PP, HY) and increase in inventories
- Increase in **employees** mainly due to acquisitions

AGENDA



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4 | OUTLOOK

PULP & PAPER: STRONG INCREASE IN REVENUE AND EARNINGS, BUT LESS OI FROM LARGE ORDERS



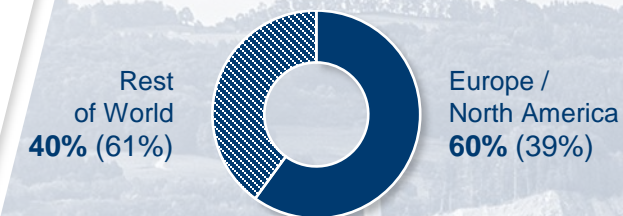
OI q/q: > 700 MEUR large order booked in Q3 2022, but no major order booked in Q3 2023

	UNIT	Q3 2023	Q3 2022	+/-	Q1-Q3 2023	Q1-Q3 2022	+/-	2022
Order intake	MEUR	615	1,529	-60%	2,451	3,561	-31%	4,296
Order backlog (as of end of period)	MEUR	3,747	4,595	-18%	3,747	4,595	-18%	4,208
Revenue	MEUR	986	869	+13%	2,936	2,411	+22%	3,514
EBITDA	MEUR	121.7	111.8	+9%	352.6	312.0	+13%	462.1
EBITDA margin	%	12.3	12.9	-	12.0	12.9	-	13.2
EBITA	MEUR	101.7	90.6	+12%	292.5	243.9	+20%	378.9
EBITA margin	%	10.3	10.4	-	10.0	10.1	-	10.8
Employees (as of end of period; without apprentices)	-	13,683	12,462	+10%	13,683	12,462	+10%	13,525

- **Order intake** significant reduction q/q and significant reduction y/y driven by the overall economic conditions and geopolitical uncertainties. Service stable y/y driven by refurbishment and modernization orders. Mid-size Capital business stable. OI for green products and solutions increasing.
- **Revenue and EBITA** significantly up q/q and y/y due to execution of high order backlog at stable margins.

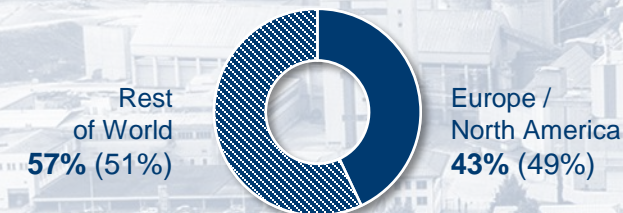
ORDER INTAKE BY REGION

Q1-Q3 2023 VS. Q1-Q3 2022 (%)



REVENUE BY REGION

Q1-Q3 2023 VS. Q1-Q3 2022 (%)



METALS: SIGNIFICANT GROWTH OF REVENUE AND STRONG INCREASE IN EARNINGS AND MARGINS



In Q3 2023 first major order for a complete green hydrogen plant booked in Metals Processing

	UNIT	Q3 2023	Q3 2022	+/-	Q1-Q3 2023	Q1-Q3 2022	+/-	2022
Order intake	MEUR	568	564	+1%	1,745	1,555	+12%	2,009
Order backlog (as of end of period)	MEUR	2,328	2,053	+13%	2,328	2,053	+13%	1,938
Revenue	MEUR	456	400	+14%	1,348	1,134	+19%	1,621
EBITDA	MEUR	29.2	18.6	+57%	89.6	68.6	+31%	100.9
EBITDA margin	%	6.4	4.7	-	6.6	6.1	-	6.2
EBITA	MEUR	20.3	9.3	+118%	62.8	40.9	+54%	62.3
EBITA margin	%	4.5	2.3	-	4.7	3.6	-	3.8
Employees (as of end of period; without apprentices)	-	6,208	5,934	+5%	6,208	5,934	+5%	6,085

- **Order intake** continued on a favorable level, mainly due to the Metals Processing sector – in Q3 a first major order of >100 MEUR for a complete green hydrogen plant has been booked. Metals Forming (Schuler) down q/q and y/y.
- **Earnings and profitability** significantly up due to increased volume executed with restructured and reduced capacities.

ORDER INTAKE BY REGION

Q1-Q3 2023 VS. Q1-Q3 2022 (%)



REVENUE BY REGION

Q1-Q3 2023 VS. Q1-Q3 2022 (%)

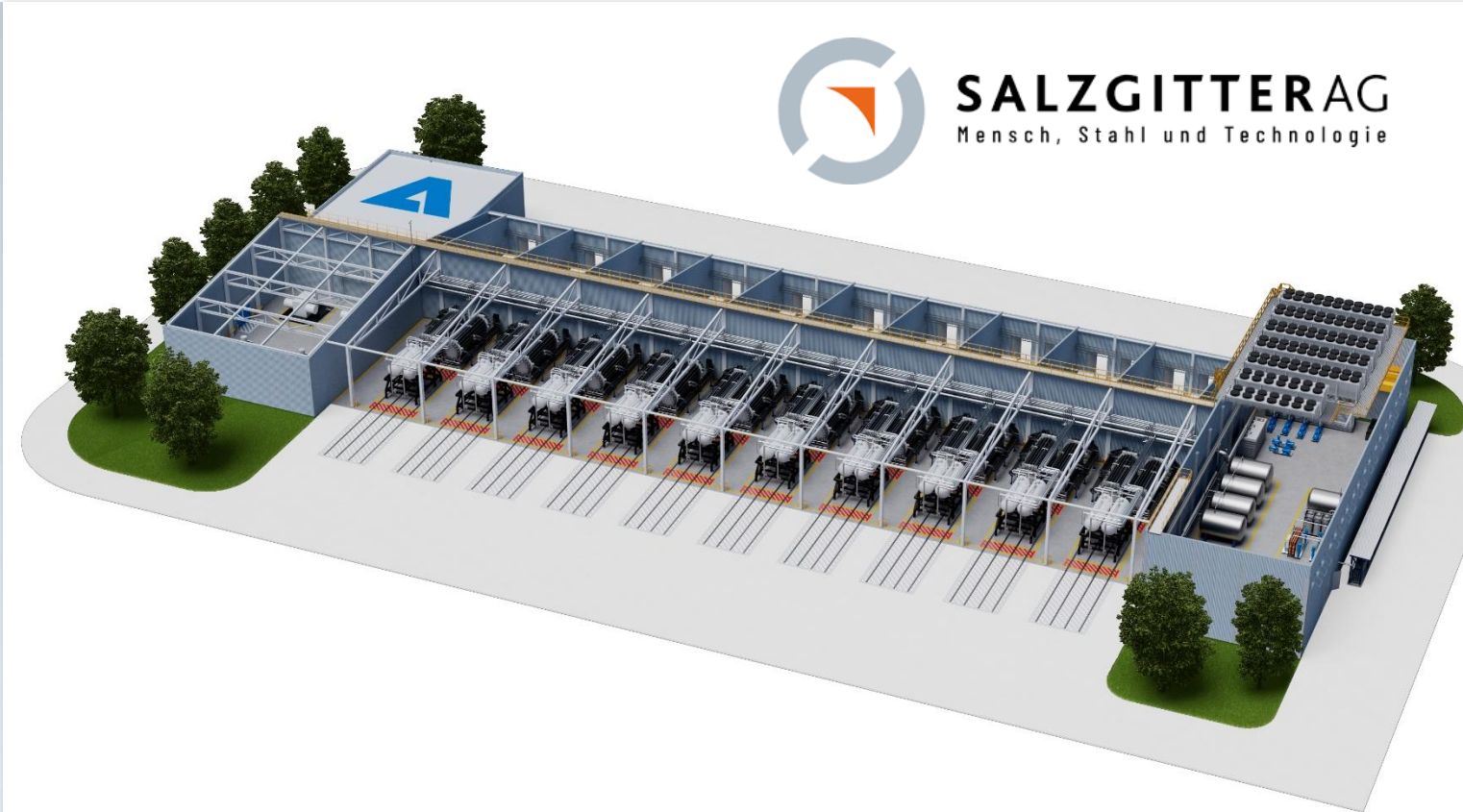


SALZGITTER ORDERS ONE OF EUROPE'S LARGEST GREEN HYDROGEN PLANTS



On track and determined: Our quest to become a leading solution provider for green hydrogen production

- Following the engineering order for Koppö Energia, Finland, we won an 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





HYDRO: STABLE ORDER INTAKE, INCREASED REVENUE AT SLIGHTLY REDUCED MARGINS

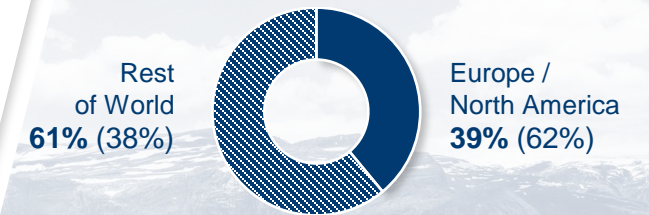
Q3 2023 margin influenced by a gross margin deterioration in one major capital project

	UNIT	Q3 2023	Q3 2022	+/-	Q1-Q3 2023	Q1-Q3 2022	+/-	2022
Order intake	MEUR	324	304	+7%	1,410	1,410	+0%	1,721
Order backlog (as of end of period)	MEUR	3,289	3,170	+4%	3,289	3,170	+4%	2,878
Revenue	MEUR	363	343	+6%	1,073	891	+21%	1,313
EBITDA	MEUR	24.3	27.1	-10%	73.0	67.8	+8%	107.7
EBITDA margin	%	6.7	7.9	-	6.8	7.6	-	8.2
EBITA	MEUR	17.9	20.2	-11%	53.2	46.9	+13%	72.3
EBITA margin	%	4.9	5.9	-	5.0	5.3	-	5.5
Employees (as of end of period; without apprentices)	-	5,930	6,172	-4%	5,930	6,172	-4%	6,102

- **Order intake** stable at elevated level compared to years before 2022.
- **Revenue** up q/q and significantly up y/y due to execution of high backlog.
- **Earnings** and **profitability** down q/q due to cost increase in a major capital project, y/y EBITA up due to higher volume at slightly reduced margin.

ORDER INTAKE BY REGION

Q1-Q3 2023 VS. Q1-Q3 2022 (%)



REVENUE BY REGION

Q1-Q3 2023 VS. Q1-Q3 2022 (%)



SEPARATION: STABLE ORDER INTAKE AND ONGOING GROWTH OF REVENUE AND EARNINGS



Order intake picked slightly up in Q3 2023 - strong Q3 earnings

	UNIT	Q3 2023	Q3 2022	+/-	Q1-Q3 2023	Q1-Q3 2022	+/-	2022
Order intake	MEUR	296	286	+4%	909	926	-2%	1,238
Order backlog (as of end of period)	MEUR	998	1,005	-1%	998	1,005	-1%	952
Revenue	MEUR	299	279	+7%	856	772	+11%	1,095
EBITDA	MEUR	42.3	37.4	+13%	117.6	108.7	+8%	154.8
EBITDA margin	%	14.1	13.4	-	13.7	14.1	-	14.1
EBITA	MEUR	36.5	32.5	+12%	100.5	94.1	+7%	135.0
EBITA margin	%	12.2	11.6	-	11.7	12.2	-	12.3
Employees (as of end of period; without apprentices)	-	3,998	3,357	+19%	3,998	3,357	+19%	3,382

- **Order intake** up q/q; increase in Solid/Liquid Separation sector and Feed & Biofuel sectors; order intake in the Pumps sector below last year's Q3,
- **Revenue** up q/q and y/y based on execution of backlog.
- **Earnings and profitability (reported)** strong Q3 especially in solid/liquid separation sector.

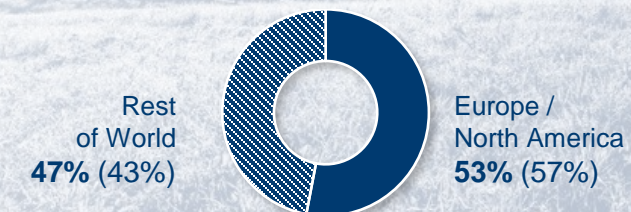
ORDER INTAKE BY REGION

Q1-Q3 2023 VS. Q1-Q3 2022 (%)



REVENUE BY REGION

Q1-Q3 2023 VS. Q1-Q3 2022 (%)



AGENDA



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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.





ANDRITZ GROUP

RESULTS

Q3 / Q1-Q3 2023

NOVEMBER 2, 2023

ANDRITZ

ENGINEERED SUCCESS

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