



INVESTOR PRESENTATION

# ANDRITZ GROUP: A GLOBAL TECHNOLOGY LEADER

SEPTEMBER 2022

**ANDRITZ**

ENGINEERED SUCCESS



# AGENDA



1 | ANDRITZ AT A GLANCE

2 | GROUP ROADMAP

PrimeLine™  
SPECIALTY

# THE ANDRITZ GROUP



**ANDRITZ is a globally leading supplier** of plants, equipment, systems, and services for the pulp and paper industry, the metalworking and steel industries, hydropower stations, pumps, solid/liquid separation in the municipal and industrial sectors as well as for animal feed and biomass pelleting

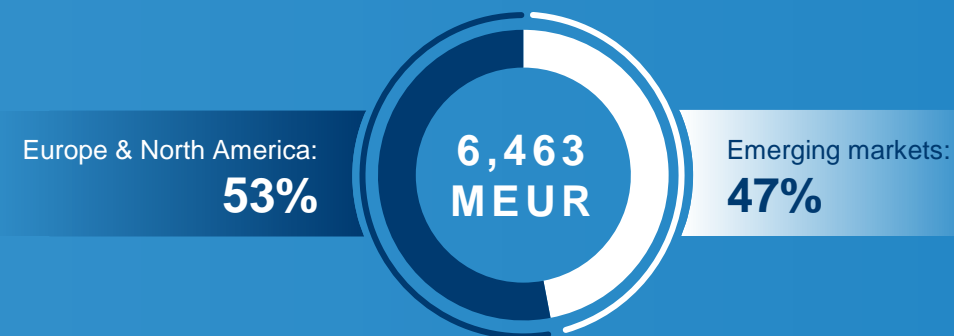


## GLOBAL PRESENCE

Headquarter  
**GRAZ,  
AUSTRIA**

Production sites and service/  
sales companies worldwide:  
**OVER 280**

## REVENUE BY REGION 2021



## KEY FINANCIAL FIGURES

	UNIT	H1 2022	2021
Order intake	MEUR	4.767.6	7,879.7
Order backlog (as of end of period)	MEUR	9.859.1	8,165.8
Revenue	MEUR	3,317.0	6,463.0
Net income (including non-controlling interests)	MEUR	163.9	321.7
Employees (as of end of period; without apprentices)	-	27,428	26,804

# GROUP STRATEGY AND LONG-TERM GOALS



## SAFETY, TECHNOLOGICAL & COST LEADERSHIP

- Become preferred supplier
- Development of innovative and sustainable technologies
- Focus on digitalization to support our customers in reaching their individual goals
- Offer best ROI for our customers

## EXTEND MARKET POSITION

- Serving markets with long-term growth potential
- Extending existing position in Europe and North America
- Making use of the growth opportunities in the emerging markets

## GLOBAL AND LOCAL PRESENCE

- Expand worldwide presence
- Offer best service close to our customers
- Further relocate manufacturing capacities to emerging markets

## LONG-TERM PROFITABLE GROWTH

- Focus on markets with high growth
- Expansion of product portfolio
- Achieve annual revenue growth averaging 5-8%

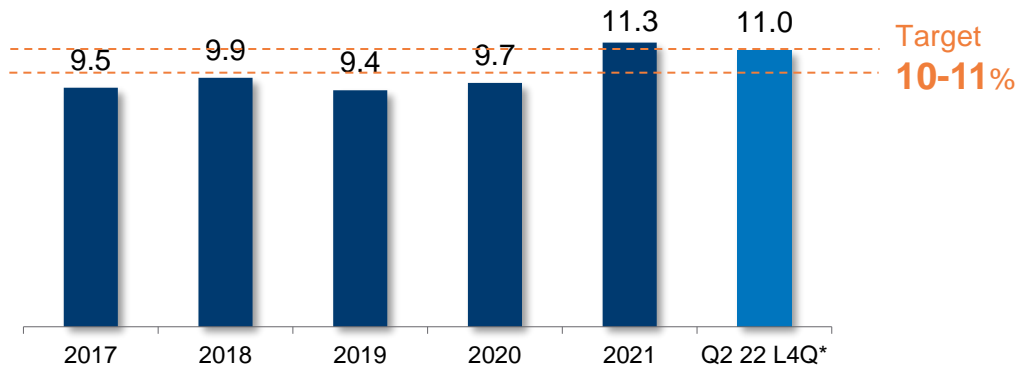


# EBITA MARGIN TARGET: GROUP AT SOLID 8%

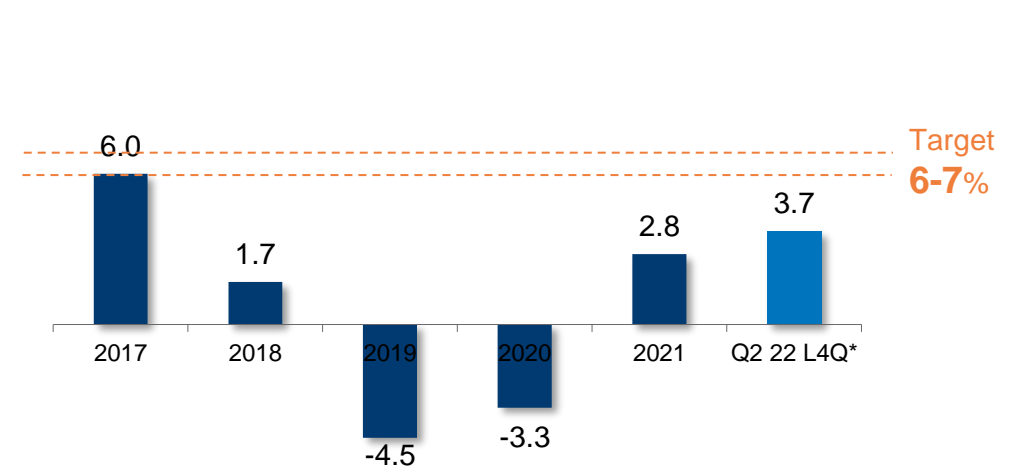


## EBITA margin by business area (in %)

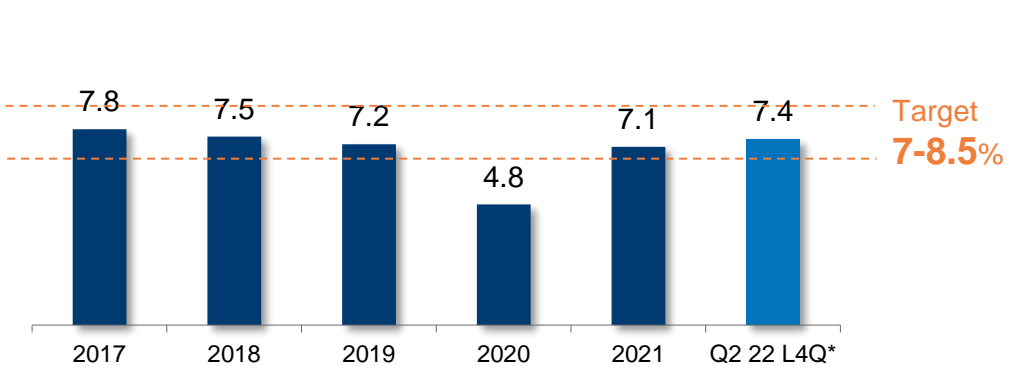
### PULP & PAPER



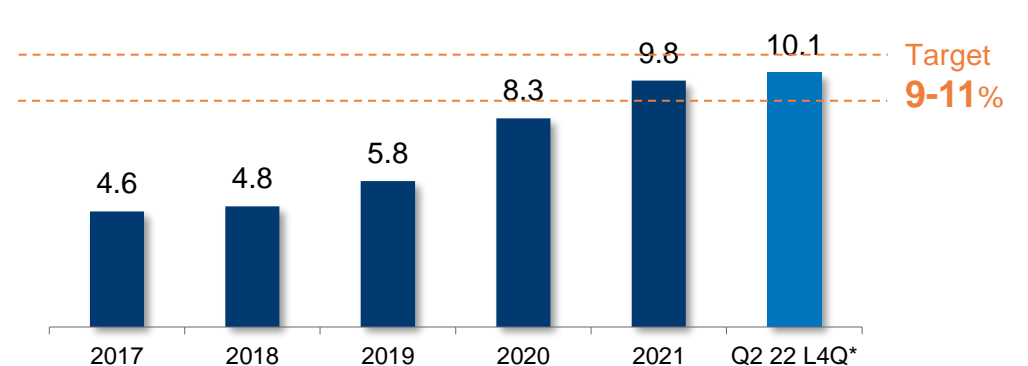
### METALS



### HYDRO



### SEPARATION

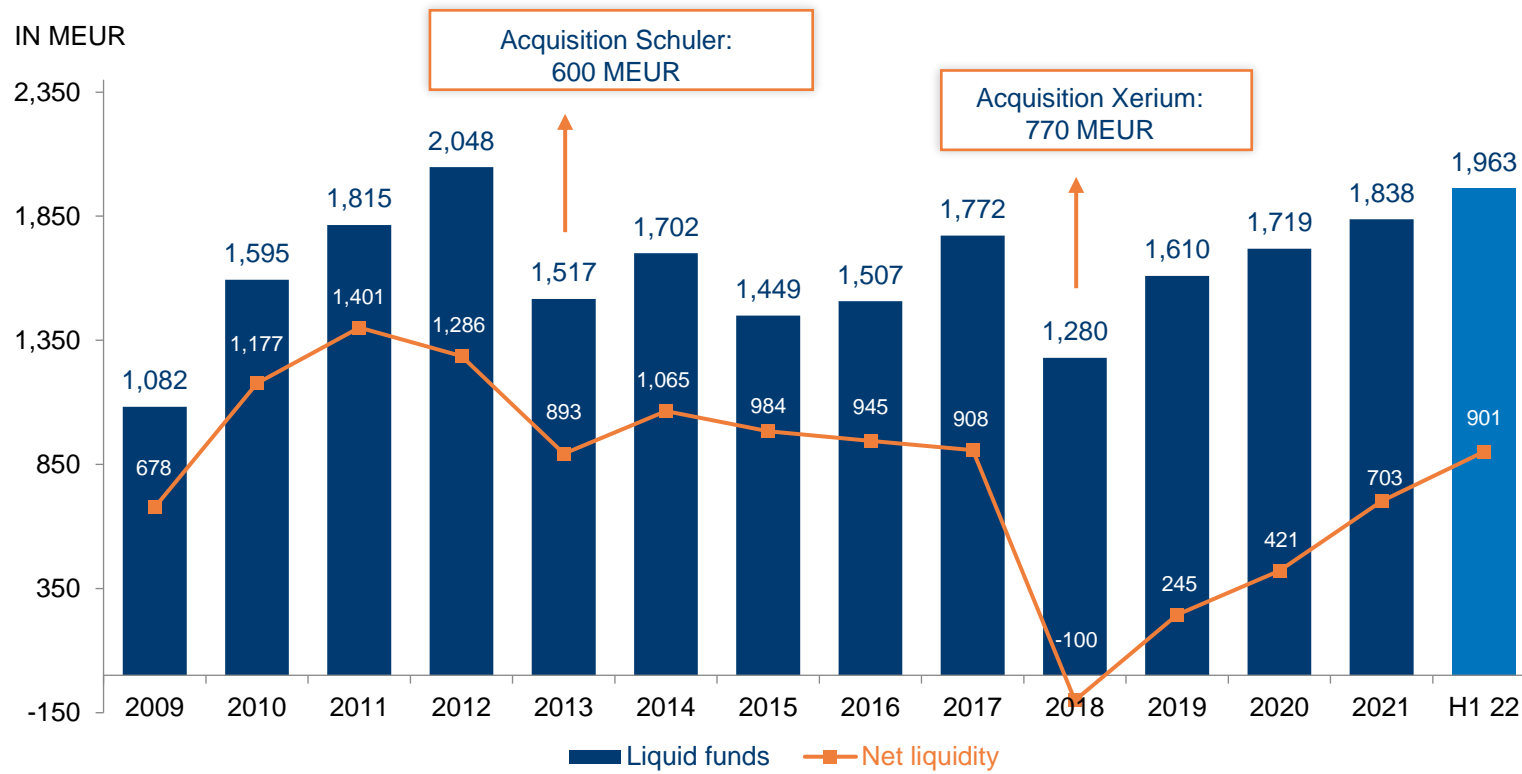


# SOLID FINANCIAL POSITION



Gross liquidity of ~2.0 billion euros, net liquidity at ~900 million euros

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



**Strong increase in net liquidity of ~1 bn EUR since 2018**

In addition to the high amount of disposable cash, ANDRITZ has surety lines of 6.5 bn EUR and credit lines of 0.3 bn EUR.

# VERY FAVORABLE BUSINESS DEVELOPMENT IN Q2 2022



ANDRITZ GROUP key figures at a glance

## VERY HIGH GROUP ORDER INTAKE AT 2.2 BN EUROS

Very favorable development with increases across all four business areas

Pulp & Paper with solid development of both capital and service

Metals up, driven by Schuler: booking of major press line order

Hydro continuing upward trend: award of pumped storage plant order in India

Record order backlog at 9.9 bn euros

## GROUP REVENUE INCREASED TO 1.8 BILLION EUROS

Group revenue in Q2 2022 strongly (+17%) up versus Q2 2021

All four business areas with significant q/q increases

## EBITA AT 151 MEUR AND MARGIN AT 8.4%

All four business areas achieved increases in earnings

Profitability in Pulp & Paper continued at favorable level

Hydro and Separation with margin increases q/q

Metals continues upward trend in earnings and margin



# „WE CARE“ - THE ANDRITZ ESG PROGRAM



Sustainability has always been an integral part of ANDRITZ's corporate policy

It is a decisive factor in order to be successful in the long-term and is an important element of the company's corporate policy and strategy

## OUR ESG VISION

We are amongst the best in class regarding sustainability in the markets we serve and we create maximum value added for all our stakeholders.

As a leader in sustainability, we focus on responsible corporate governance and on ensuring a safe and viable future for society, our employees, and all other stakeholders as well as on creating sustainable and durable products that contribute towards conserving natural resources and protecting the environment and climate.





# SUSTAINABLE SOLUTIONS AND PRODUCTS

Goal to increase share to >50% of Group revenues



## PULP & PAPER

29%\*

- **CircleToZero technologies**
  - Biomethanol plants
  - Sulfuric acid plants
- **Recovery boilers**
- **Biomass boilers**
- **Recycling technologies** for textiles, electronic waste, etc.
- **Carbon capture** plants
- **Flue gas cleaning** plants
- **Exhaust gas cleaning** for vessels

## METALS

32%\*

- **Presses / press lines for production of electric vehicle components** (car body parts, metal housing for batteries, etc.)
- **Plants & systems for lightweight vehicle construction** (laser welding systems, high-strength steel)
- **Technologies to recycle** rinse water, reduce NOx and CO<sub>2</sub> emissions
- **Electrolyzers** for green hydrogen

## HYDRO

81%\*

- **Electromechanical equipment** and services for **hydropower** plants
- Operation & maintenance
- Pumps for irrigation and flood control

## SEPARATION

29%\*

- **Pellet mills and biomass processing equipment** for production of biomass pellets
- **Sewage sludge dewatering and drying**
- **Waste recycling** (batteries: recovery of lithium, cobalt; PET recycling)
- **Tailings treatment** in mining
- **Solid/liquid separation solutions for Zero Liquid Discharge (ZLD)**-processes (eliminate wastewater discharge, recycle water and recover valuable solids and chemicals)

ANDRITZ's sustainable solutions and products help to protect the environment, contribute towards decarbonization or carbon neutrality and foster a circular economy.

\* share of green products as % of business area



# BIOMETHANOL PROCESSING PLANT FOR METSÄ FIBRE, FINLAND



ANDRITZ technology contributes to CO<sub>2</sub> reduction

- **Supply of the world's largest biomethanol processing plant** for Metsä Fibre's bioproducts plant in Finland
- **Production of 17.5 million liters of biomethanol per year**, from a waste stream of the pulp production
- Biomethanol is an attractive, climate-neutral alternative for energy-intensive mobility (aviation and shipping)
- The biomethanol purification process is part of the **ANDRITZ CircleToZero initiative**, which focuses on **using all by-products and waste streams from the pulp production**



Biomethanol processing plant  
Södra Cellin in Mönsterås, Sweden

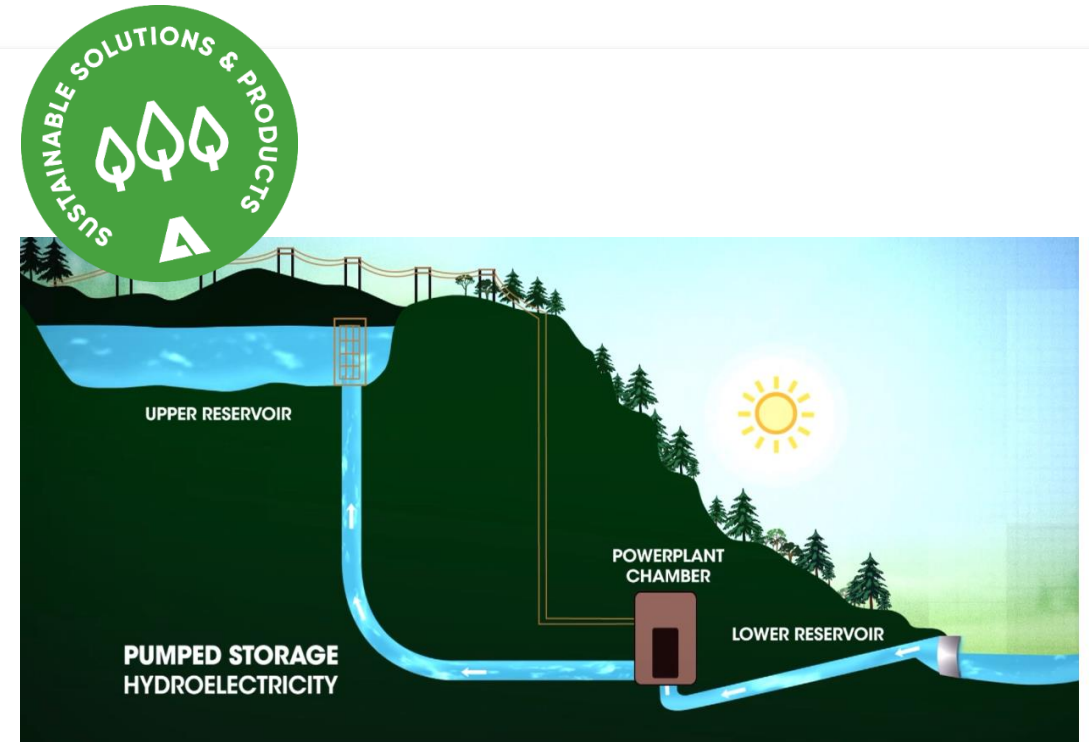


# EQUIPMENT FOR LARGE PUMPED-STORAGE POWER PLANT IN INDIA



Integrated solution from solar power and hydropower

- Delivery of the electromechanical equipment for the new **1,680 MW Gandhi Sagar pumped storage power plant in India, Madhya Pradesh**
- Customer is the private company **Greenko** → **largest Indian producer of electricity from exclusively renewable energy sources**
- **Greenko has a total capacity of 7.5 GW of power generation and supplies over 6 million households in India**
- This is a **follow-up order** from the same customer who ordered equipment for the **Pinnapuram pumped storage power plant, India**; Commissioning mid-2023



Gandhi Sagar pumped storage power plant: electricity from solar power is used to pump water up into the upper basin; at peak times, the water is released again to generate electricity from hydropower



# STRONG COMPETITIVE POSITION IN LONGTERM GROWING MARKETS



- **PULP & PAPER:** market growth driven by **demand for cellulosic fibers for packaging, hygiene and also textiles**; sustainability goals of the pulp & paper industry urge **investments in green solutions**
- **METALS:** trends towards **carbon-neutral production** of steel, light-weight vehicles and e-mobility, **green hydrogen**
- **HYDRO:** hydropower as the largest renewable energy source gains increasing relevance for **providing grid stability** and **storing large amounts of energy**
- **SEPARATION:** **e-mobility, waste valorization, biofuel and healthy nutrition** (e.g. non-animal proteins) as long-term drivers



# AGENDA



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# MAJOR DEVELOPMENTS AND ACHIEVEMENTS DURING THE LAST YEARS



## Pulp & Paper

- Several greenfield pulp mill orders received confirm strong competitive position
- Market leader in high-capacity fiberlines
- Market leader in viscose pulp
- High order intake for biomass power boilers
- Strong growth of Nonwoven business
- Profitability further improved
- Strong growth of service business



### THE ROAD AHEAD:

- Continue to **grow business volume and profitability**
- Increase **share of sustainable products** to support customers in their sustainability initiatives
- Expand **textile recycling business**
- Focus on expanding technologies and offerings in **autonomous pulping and service**



# MAJOR DEVELOPMENTS AND ACHIEVEMENTS DURING THE LAST YEARS



## Metals

### Forming

- Full restructuring and capacity reductions: cost base adjusted to lower market volume → Turnaround achieved
- Successful development of “B-segment”
- Receipt of several reference orders in E-mobility

### Processing

- Market leadership in Advanced high-strength steel (AHSS) and tailor welded blanks
- Further development of sustainable products



### THE ROAD AHEAD:

- Keep competitive cost base
- Expansion of **E-mobility business**
- Expansion of **non-automotive business**
- Increase **share of service**
- Green hydrogen, green steel

# MAJOR DEVELOPMENTS AND ACHIEVEMENTS DURING THE LAST YEARS



## Hydro

- Resized corporate structure and capacities to market volume
- Satisfactory profitability despite decline in revenue
- Receipt of several reference orders
- Expansion of O&M business



### THE ROAD AHEAD:

- **Maintain/improve profitability**
- Further expand business in **renewable integrated plants** (combine pumped storage with other renewable energy sources)
- **Green hydrogen**
- Increase **service share**

# MAJOR DEVELOPMENTS AND ACHIEVEMENTS DURING THE LAST YEARS



## Separation

- Establishment as major global player in growing markets (starch, lithium, sludge separation/drying)
- Strong expansion of digital product portfolio and offerings (IIOT solutions) → e.g. Metris RheoScan, Metris addiQ
- Strongly improved profitability



### THE ROAD AHEAD:

- Enter new **fast growing markets**, e.g. non-animal protein
- Continue transformation from pure machine supplier to **process solution provider**
- Organic expansion through **new products**
- Further develop **service presence**
- **M&A**



# GROUP ROADMAP 2024



- **Group business volume** well above 7 billion EUR, including M&A towards 8 billion EUR
- **EBITA margin** at solid 8%
- **Net income** to increase to >5%
- Continue **M&A strategy** within existing business areas
- Reach **ESG targets**



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