

ANDRITZ CAPITAL MARKET DAY 2021

ANDRITZ GROUP

WOLFGANG LEITNER

SEPTEMBER 15, 2021

ANDRITZ

ENGINEERED SUCCESS

CHAPTER OVERVIEW




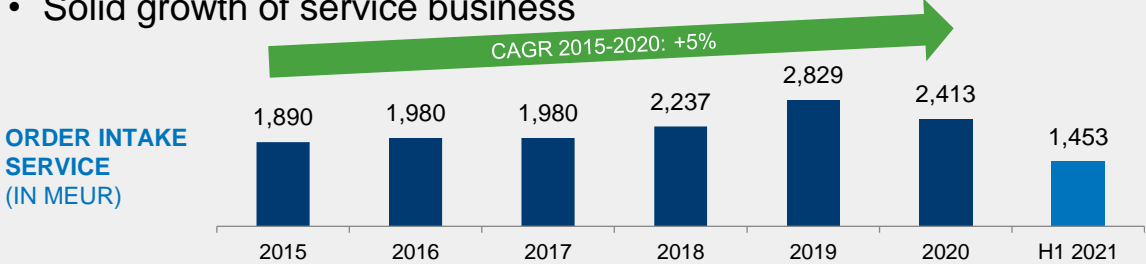


01 REVIEW ON CMD 2019

02 MAJOR DEVELOPMENTS
SINCE CMD 2019

03 ROADMAP 2022-2024



REVIEW CMD 2019: ROADMAP 2020-2022 (I)



TARGET	STATUS																
<p>Promote organic growth</p> <ul style="list-style-type: none"> Continue to develop intelligent mill services (Metris OPP, etc.) Further expand O&M business 	<ul style="list-style-type: none"> Successful launch of Metris UX – the ANDRITZ all-in-one digital platform Hydro O&M business: projects in >20 countries worldwide and >100 projects in total <p style="text-align: right;">  Achieved </p>																
<p>Promote external growth</p> <ul style="list-style-type: none"> Continue with complementary M&A Continued focus on existing four business areas High potential in service 	<ul style="list-style-type: none"> Acquisition of Kempulp, Enviroburners, Laroche, GE Steam Power Solid growth of service business <div style="text-align: center;">  <p>ORDER INTAKE SERVICE (IN MEUR)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Order Intake Service (MEUR)</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>1,890</td> </tr> <tr> <td>2016</td> <td>1,980</td> </tr> <tr> <td>2017</td> <td>1,980</td> </tr> <tr> <td>2018</td> <td>2,237</td> </tr> <tr> <td>2019</td> <td>2,829</td> </tr> <tr> <td>2020</td> <td>2,413</td> </tr> <tr> <td>H1 2021</td> <td>1,453</td> </tr> </tbody> </table> <p>CAGR 2015-2020: +5%</p> </div> <p style="text-align: right;">  Achieved </p>	Year	Order Intake Service (MEUR)	2015	1,890	2016	1,980	2017	1,980	2018	2,237	2019	2,829	2020	2,413	H1 2021	1,453
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<p>Improve Group profitability</p> <ul style="list-style-type: none"> Turnaround Metals Processing and Forming Keep high profitability in Pulp & Paper Retain solid profitability in Hydro despite stagnant market Further Increase profitability in Separation 	<ul style="list-style-type: none"> Turnaround in Metals Processing and Forming achieved in Q1 2021 PP: Long-term EBITA margin target increased to 10-11% HY: EBITA margin 2020 adjusted: 7.0%, H1 2021: 6.6% SE: EBITA margin 2020 adjusted: 9.4%, H1 2021: 9.7%, LT margin goal increased to 8-9% <p style="text-align: right;">  Achieved </p>																

REVIEW CMD 2019: ROADMAP 2020-2022 (II)



TARGET	STATUS
Reduce negative cost deviations	Some improvements in individual business areas/divisions achieved, however still some more work to do  Achieved
Full integration and exploitation of revenue and cost synergies <ul style="list-style-type: none">Streamline organization, focus on underperforming affiliates	<ul style="list-style-type: none">Schuler Squeeze-OutRe-organization of Metals Processing corporate structure in order to increase overall efficiency and better fulfill customer's needsStreamlining corporate structure GermanyIntegration of Xerium business to form ANDRITZ Fabrics and RollsAdjustment of Group company structure in Separation and Hydro  Achieved

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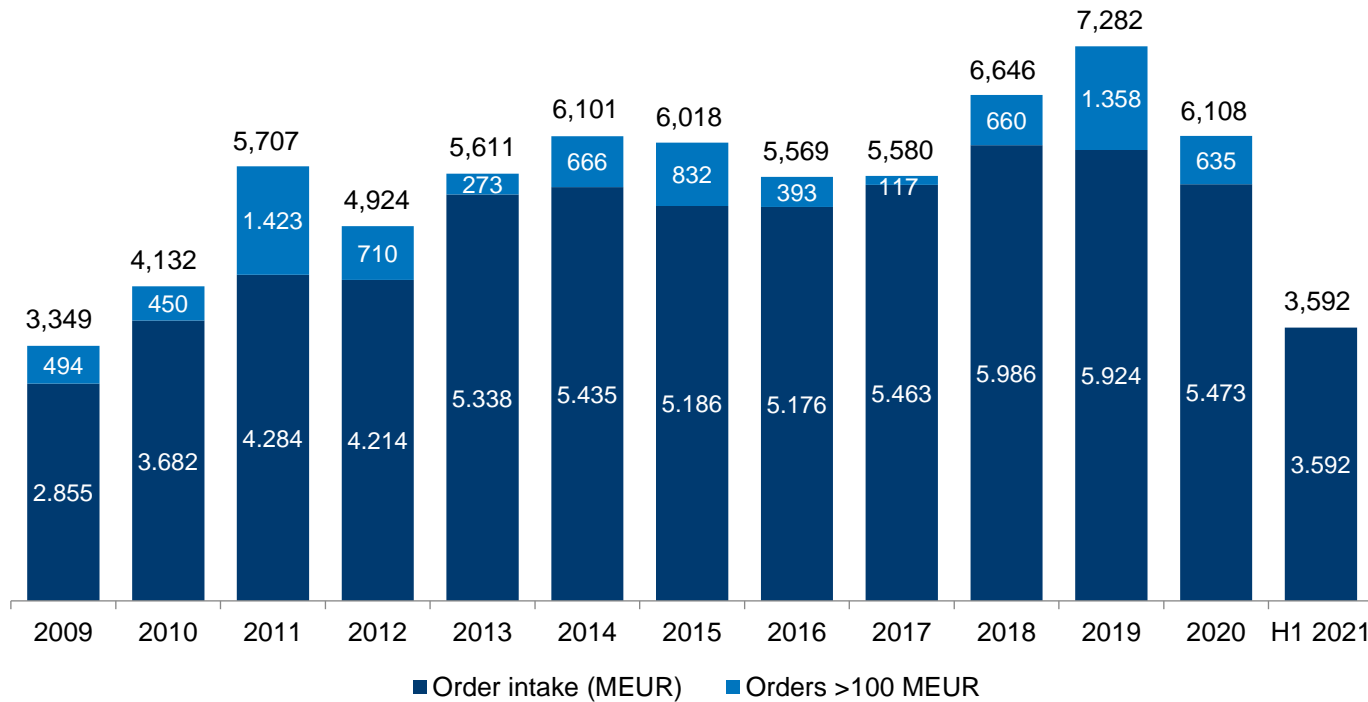
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ORDER INTAKE: PEAK IN 2019, DRIVEN BY LARGE PULP MILL ORDERS



Share of large orders >100 MEUR accounts for 10-20% of total order intake per year



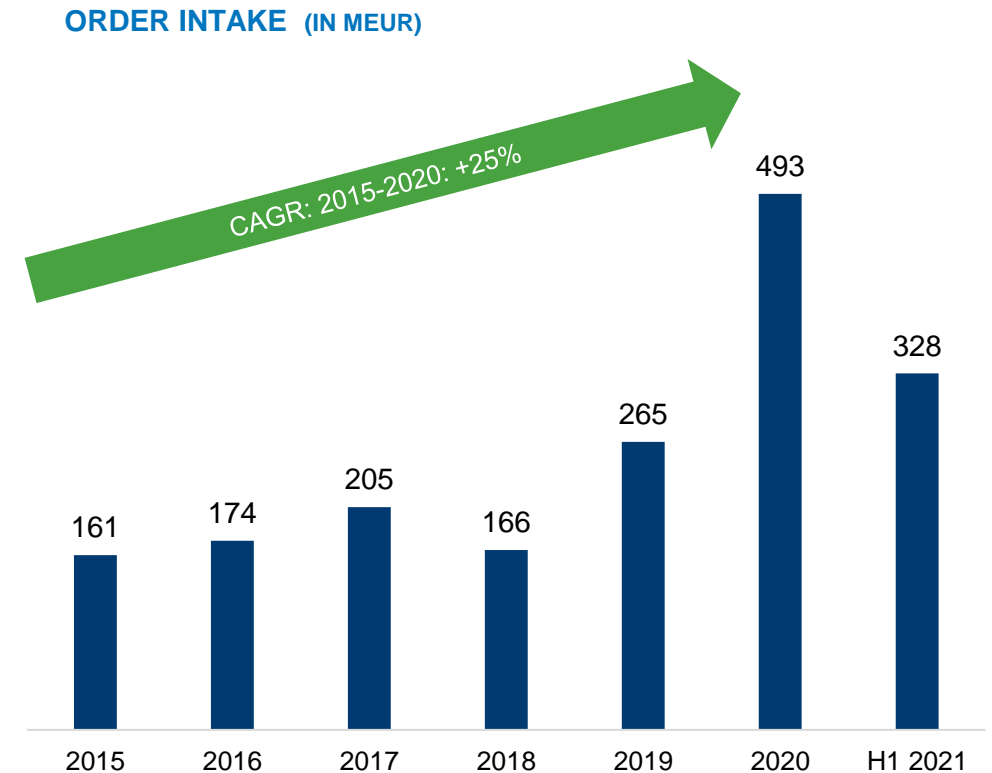
- Record order intake in 2019 due to large order awards in Pulp & Paper (Bracell and Klabin)
- Order intake in 2020 impacted by Covid-19 pandemic, decline in PP and ME
- Favorable development in H1 2021 despite no large orders

ANDRITZ NONWOVEN



Record order intake in 2020, good development continued in H1 2021

- **Comprehensive product portfolio:** from fiber opening/blending, web forming, bonding to finishing and further processing for a wide range of nonwoven end products
- **Record order intake in 2020 of ~500 MEUR,** almost doubled compared to 2019, continued **favorable development in H1 2021**
- **ANDRITZ Diatec developed a fully automated high-speed face mask processing line** for the production of disposable masks in March 2020
- **Acquisition of Laroche** further complements ANDRITZ's Nonwoven product portfolio



SOLID FINANCIAL PERFORMANCE DESPITE CHALLENGING MARKET CONDITIONS



2019-H1 2021

in MEUR

	2019	2020	H1 2021
Order intake	7,282.0	6,108.0	3,591.8
Revenue	6,673.9	6,699.6	3,027.0
EBITA (EBITA margin / before NOI)	343.2 (5.1% / 6.8%)	391.7 (5.8% / 7.0%)	237.7 (7.9% / 8.1%)
Net income (incl. non-controlling interests)	122.8	203.7	134.8
Dividends (paid for the preceding year)	156.5	49.7	99.3
Liquid funds	1,609.8	1,719.3	1,670.7
Net liquidity	244.9	420.9	384.5



COST REDUCTION MEASURES IMPLEMENTED AT VERY EARLY STAGE OF PANDEMIC

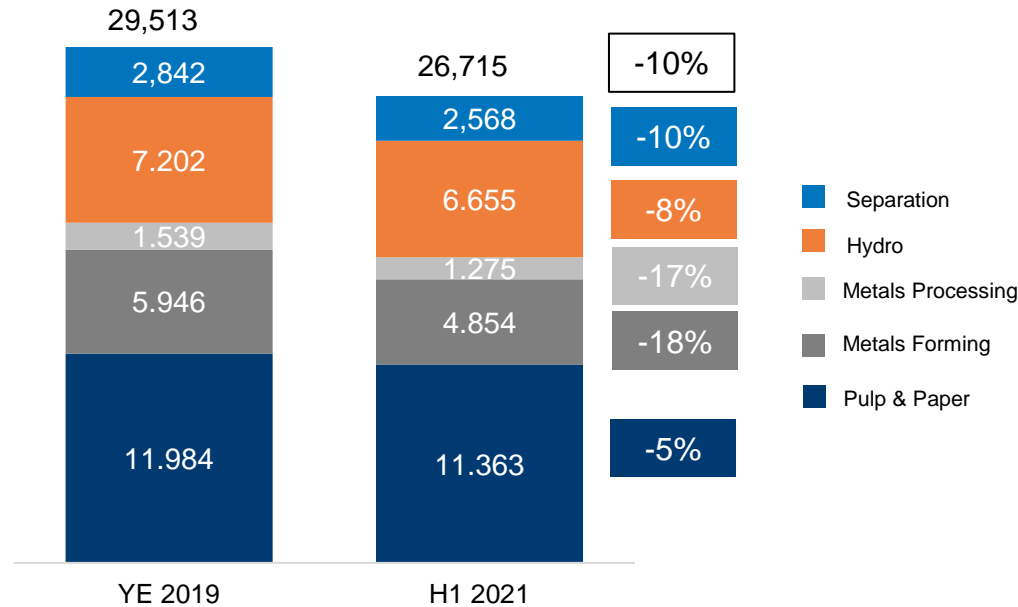


Turn temporary cost savings into permanent ones

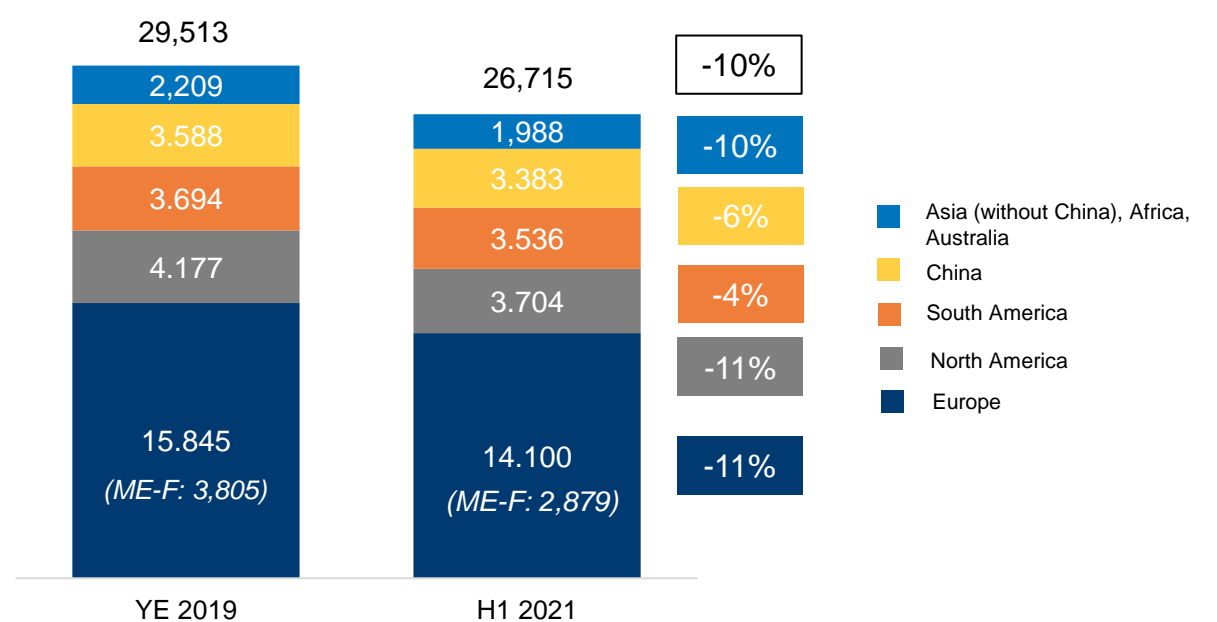
- Introduction of **short working weeks** in many locations (Austria, Germany, France)
- **Reduction of staff** by ~10% compared to 2019, resulting in major decline of personnel costs
- Significant reduction of travel costs achieved in 2020

GOAL: continue cost containment and keep low cost base

EMPLOYEES BY BUSINESS AREA



EMPLOYEES BY REGION

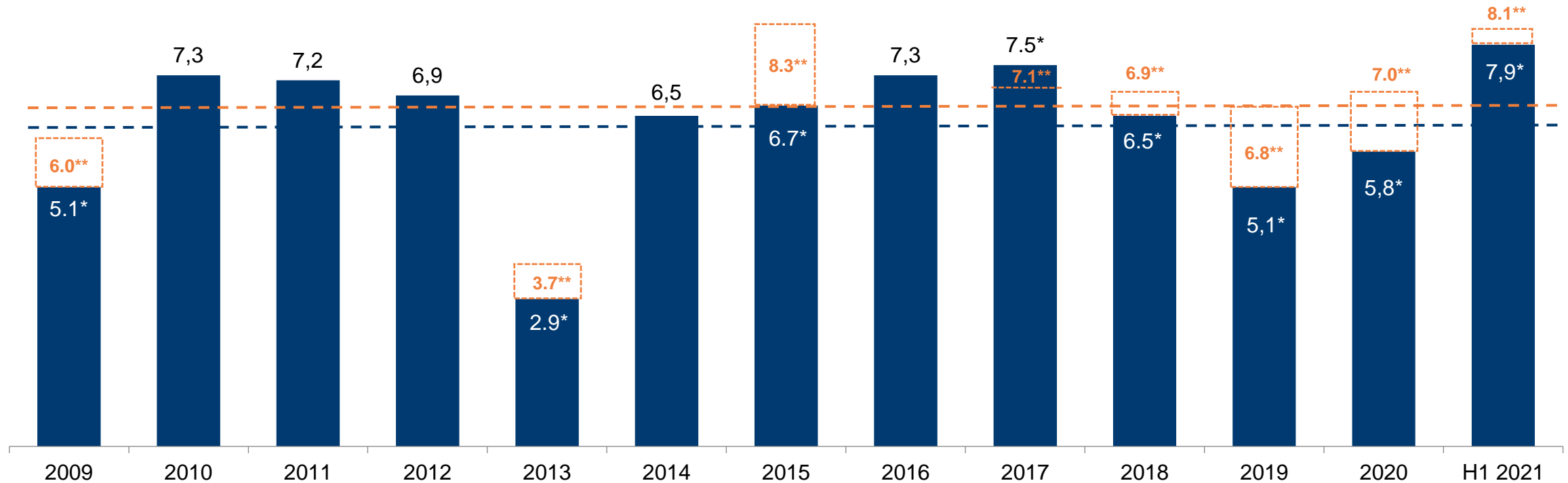


EBITA MARGIN: GOOD STABILITY OVER THE LONG-TERM



2009-H1 2021 (in %)

Average EBITA margin adjusted 2009-H1 2021: 6.9%
Average EBITA margin reported 2009-H1 2021: 6.4%



* EBITA margin reported

** EBITA margin adjusted by extraordinary items

IMPORTANT ORDERS SINCE 2019



Pulp & Paper

- Greenfield pulp mill orders from **Bracell**, **Klabin**, and **UPM**
- Long-term maintenance and service contract for Arauco's MAPA project in Chile → largest maintenance contract ANDRITZ has ever been awarded
- Strong order intake for power boilers
- World's first sulfuric acid plant in a pulp mill, producing commercial-grade, concentrated sulfuric acid for Klabin



Hydro

- Two pump turbines for the Hatta Pumped Storage Power Plant in Dubai
- Electro-mechanical equipment for the largest pumped storage plant in India
- Electro-mechanical equipment and maintenance service for one of the world's first co-located solar pumped storage plants in Australia
- ANDRITZ and Mercedes-Benz Energy sign cooperation agreement to supply large battery energy storage systems for hydropower plants



Metals

- Press line for Volkswagen for the production of exterior parts for the new ID.3 electric car at the Zwickau plant
- Delivery of press lines for battery housings and electrical sheets for international EV manufacturer
- Three Tailor-Welded Blank laser welding systems to Toyota North America
- New direct rolling, annealing and pickling line for Jindal Stainless, India
- China's largest melting furnaces for Weiqiao Aluminum Group





ANDRITZ – WE CARE: OUR APPROACH TO SUSTAINABILITY

Multi dimensional, comprehensive and practice-oriented



ESG GOALS AT A GLANCE



Reduce GHG emissions
by **50%** until 2025

Reduce waste volume
by **10%** until 2025



Reduce lost time
accident frequency rate
(>1 day absence)
by **30%** every year



Reduce water consumption
by **10%** until 2025

50% of revenue from
sustainable solutions and
products



Cover **85%** of supply
volume with audited
suppliers by 2025*



* using ANDRITZ standardized SRM tools for accumulated external PVO - direct spend / supplier >250,000 € within past 2 years

SUSTAINABLE SOLUTIONS AND PRODUCTS



ANDRITZ already generates around 45% of its revenue from sustainable solutions and products

ANDRITZ's green products help to protect the environment and contribute towards decarbonization or carbon neutrality.

PULP & PAPER

- Recovery boilers
- Steam generating plants
- Biomass boilers
- Drying and pelleting of biomass
- Energy generation from waste of papermaking processes
- Recycling technologies
- Flue gas cleaning plants
- Exhaust gas cleaning for vessels
- (Pulp production - sustainable raw material can be recycled, net electricity producing)

METALS

- Schuler presses / press lines for battery cases and battery powered cars
- Lightweight material for automotive applications to reduce CO₂ emission
- Technologies to recycle rinse water, reduce NO_x and CO₂ emissions, and avoid toxic substances

HYDRO

- Electromechanical equipment and services for hydropower plants
- Operation & maintenance

SEPARATION

- Municipal and industrial wastewater treatment
- Thermal sludge treatment
- Production of biomass pellets
- Non-animal protein

AUTOMATION

- With Metris - ANDRITZ Digital Solutions customers are able to reduce the consumption of any raw materials and energy, as well as to reduce greenhouse gases



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PULP & PAPER CAPITAL: MAJOR ACHIEVEMENTS AND ROAD AHEAD



MAJOR ACHIEVEMENTS SINCE 2019

- Three 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
- Doubling business volume in Nonwoven organically
- Profitability further improved



THE ROAD AHEAD:

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

PULP & PAPER SERVICE: MAJOR ACHIEVEMENTS AND ROAD AHEAD



MAJOR ACHIEVEMENTS SINCE 2019

- Successful integration of Xerium into ANDRITZ Fabrics & Rolls
- Maintained high profitability despite global economic crisis caused by the pandemic
- Successful development of digital solutions and products (e.g. autonomous crane, intelligent woodyard)



THE ROAD AHEAD:

- Continue to **grow faster** than the market
- Maintain **high profitability**
- Organic expansion through **new products**
- Expand **rolls business** and strengthen **service presence in emerging markets**
- **M&A**

METALS FORMING: MAJOR ACHIEVEMENTS AND ROAD AHEAD



MAJOR ACHIEVEMENTS SINCE 2019

- Full restructuring and capacity reductions to adjust cost base to lower market volume
→ Turnaround achieved in Q1 2021
- Successful development of “B-segment”
- Receipt of several reference orders in E-mobility
- Good progress in expanding digital products and services



THE ROAD AHEAD:

- Continue **implementation of restructuring measures** to reach competitive cost base
- Expansion of **E-mobility business**
- Expansion of **non-automotive business**
- Increase **share of service**

METALS PROCESSING: MAJOR ACHIEVEMENTS AND ROAD AHEAD



MAJOR ACHIEVEMENTS SINCE 2019

- Market leadership in Advanced high-strength steel (AHSS) and tailor welded blanks
- Adjustment of organizational structure and cost base to improve competitiveness
- Further development of “green” products



THE ROAD AHEAD:

- Continue to **adjust cost base** to bring down break-even level and **create basis for favorable long-term profitability**
- **Improve project execution**
- Increase **share of service**
- **Green hydrogen**

HYDRO: MAJOR ACHIEVEMENTS AND ROAD AHEAD



MAJOR ACHIEVEMENTS SINCE 2019

- Resizing corporate structure and capacities to market volume
- Maintain satisfactory profitability despite decline in revenue
- Receipt of several reference orders (e.g. Hatta/Dubai, Kidston/Australia)
- Expansion of O&M business



THE ROAD AHEAD:

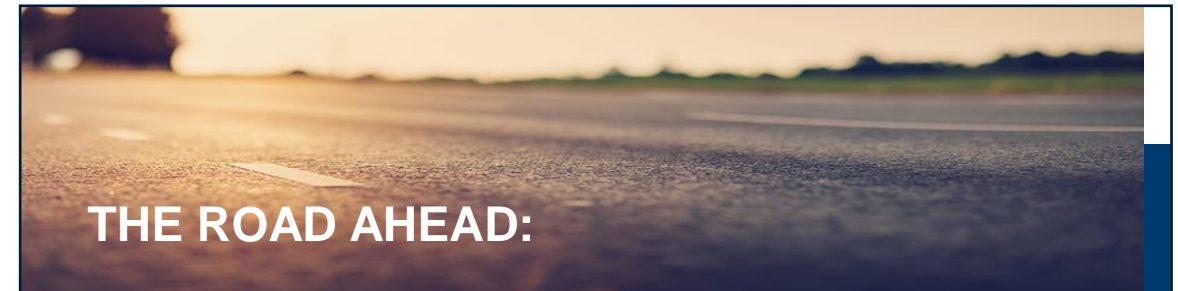
- **Maintain/improve profitability**
- Further expand business in **renewable integrated plants** (combine pumped storage with other renewable energy sources)
- **Green hydrogen**
- Increase **service share**

SEPARATION: MAJOR ACHIEVEMENTS AND ROAD AHEAD



MAJOR ACHIEVEMENTS SINCE 2019

- 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:

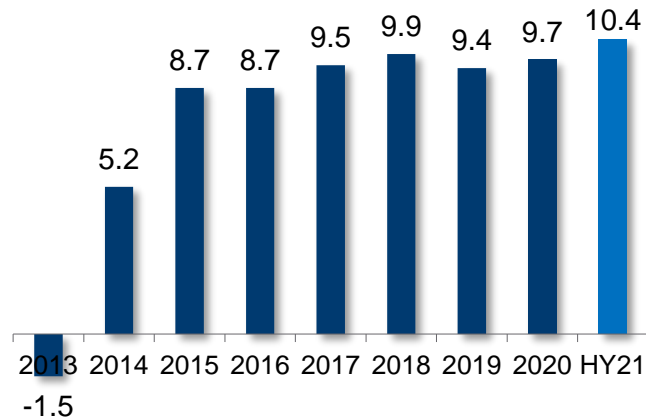
- Enter new **fast growing markets**, e.g. non-animal protein, E-mobility
- Continue transformation from pure machine supplier to **process solution provider**
- Organic expansion through **new products**
- Further develop **service presence**
- **M&A**

EBITA MARGIN GOALS FOR BUSINESS AREAS



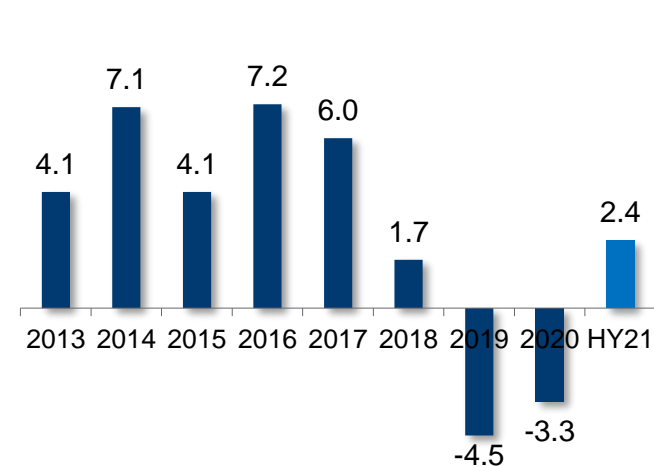
EBITA margin by business area (in %)

PULP & PAPER



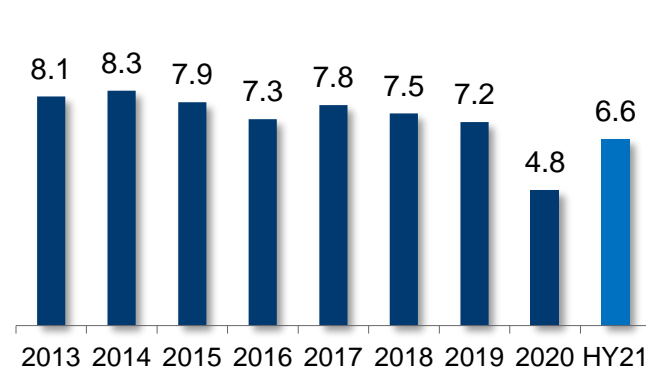
Long-term goal:
10.0-11.0%
CONFIRMED
✓

METALS



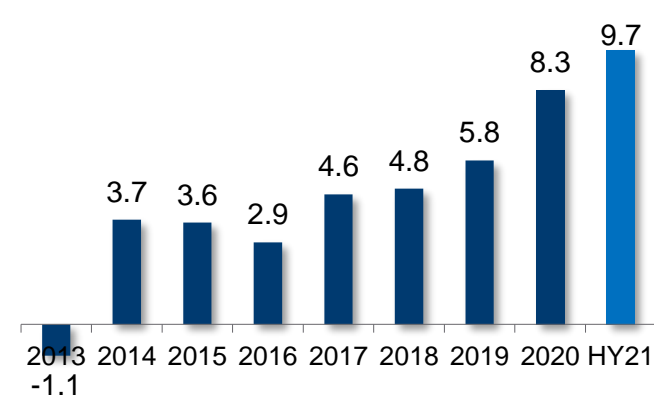
Long-term goal:
6.0-7.0%
CONFIRMED
✓

HYDRO



Long-term goal:
7.0-8.5%
CONFIRMED
✓

SEPARATION



Long-term goal:
8.0-9.0%
NEW
9.0-11.0%

GROUP ROADMAP 2022-2024



- **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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MANY THANKS!

SEPTEMBER 15, 2021

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