



ANDRITZ GROUP

# INNOVATIVE TECHNOLOGIES FOR THE PLANET

A GLOBAL PARTNER FOR KEY INDUSTRIES THAT SHAPE THE WORLD

ERSTE BANK – THE FINEST COLLECTION INVESTOR CONFERENCE, VIENNA – OCTOBER 10, 2023  
NORBERT NETTESHEIM – CFO

**ANDRITZ**

ENGINEERED SUCCESS

# AGENDA



1 | ANDRITZ AT A GLANCE

2 | FINANCIALS

3 | OUTLOOK

# CAPITAL GOODS TO LIFECYCLE SERVICES: SOLUTIONS FOR SUSTAINABILITY



WHAT WE DO:



Processes, solutions and life cycle services to various industries

WHAT WE ACHIEVE:



Sustainable transformation of energy production



Sustainable transformation of manufacturing



Empower the circular economy and drive the green transition

# WORLD MARKET LEADER WITH FOUR BUSINESS AREAS



## PULP & PAPER



47%\*

Pulp: #1  
Paper: #3

## METALS



22%\*

Forming: #1  
Processing: #1-2

## HYDRO



17%\*

#1-2

## SEPARATION



14%\*

#1-3 in sludge dewatering  
& drying

\* Share of total Group revenue 2022

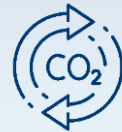
# Global market position, estimated by ANDRITZ

# STRONG COMPETITIVE POSITION IN LONG TERM GROWING MARKETS



## PULP & PAPER:

- Growing pulp demand for **cellulosic fibers for sustainable packaging, hygiene, textiles, and plastic replacements**
- **New investments, modernizations and efficiency improvements**



## HYDRO:

Hydropower as **largest source of renewable energy** to profit from **global megatrends**:

- **energy transition**
- **increase of renewables**
- **climate change**



## METALS:

- **E-mobility/battery:** Growing demand for fully electrically powered vehicles, and battery manufacturing
- **Green steel transition**



## SEPARATION:

Main market drivers:

- **Feeding the world sustainably**
- **Global demand for scarce material** (e.g. lithium, rare earth)
- **Environmental technology** (e.g. waste valorization)
- **Circular Economy**



# OUR STRATEGY: LONG-TERM PROFITABLE GROWTH



DECARBONIZATION



DIGITALIZATION



CUSTOMER SERVICE



**LONG-TERM  
PROFITABLE  
GROWTH**



- Grow revenue
- Grow profitability
- Grow service share

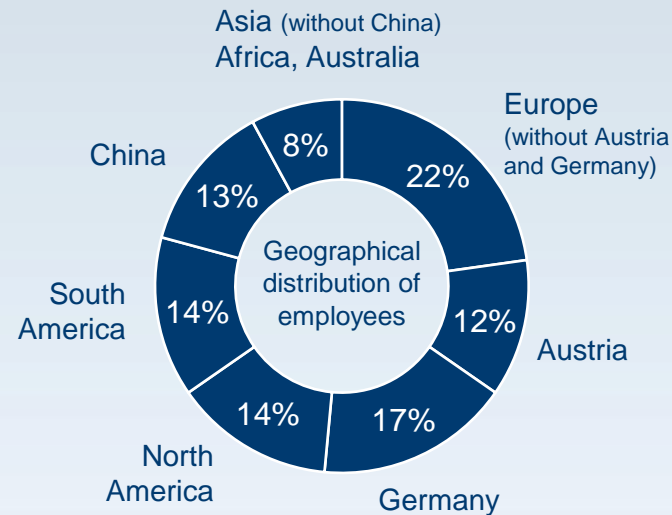
# COMPETENCE, COMMITMENT, PASSION – THE WHOLE TEAM STANDS FOR ANDRITZ SUCCESS



## 30,000

employees within the ANDRITZ GROUP

- Approx. 63% white-collar and 37% blue-collar
- **4,960** employees in Germany
- **3,630** employees in Austria

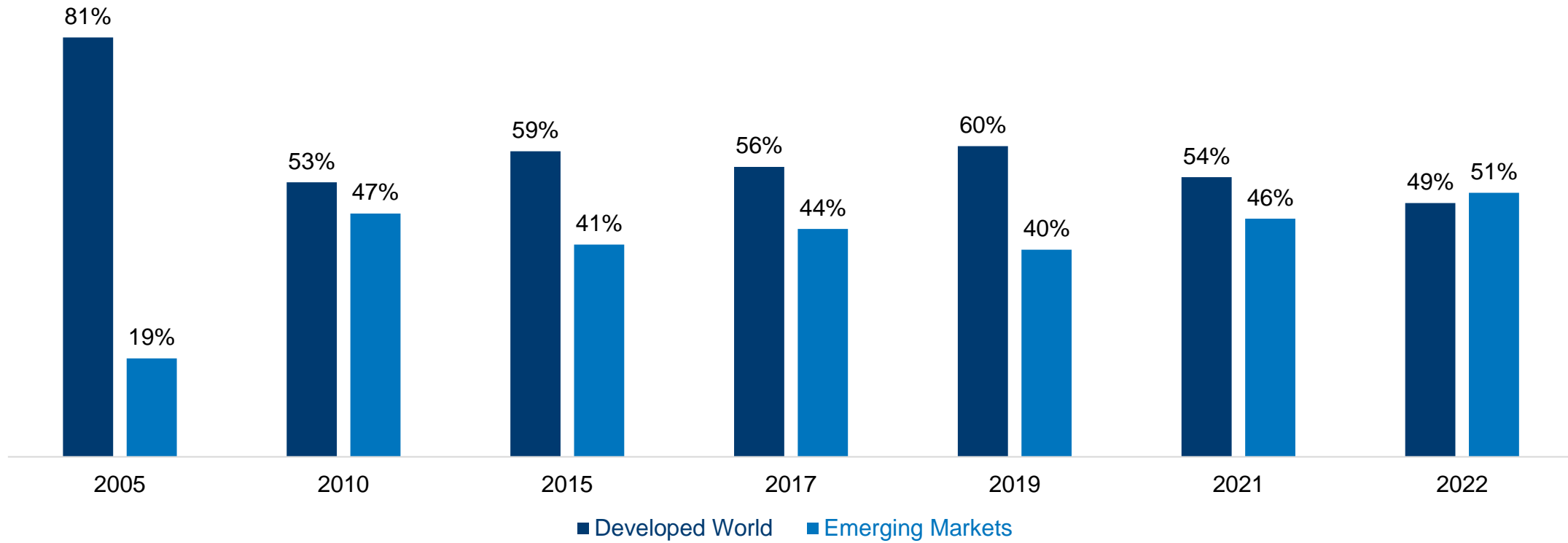




# MANUFACTURING FOOTPRINT SHIFTS TOWARDS EMERGING MARKETS

Over 50% of direct labour hours in emerging markets

## SPLIT OF DIRECT LABOUR HOURS BY REGION





# „WE CARE“ – OUR ESG PROGRAM



Sustainability is an integrated part of our corporate policy – we are committed to the SBTi to further reduce our greenhouse gas emissions by 2030


## OUR FOCUS


- E** – reduce our CO<sub>2</sub> footprint, save resources and develop sustainable technologies
- S** – ensure a safe and viable future for our employees
- G** – pursue fair and ethical business practices



# WELL ON TRACK TO REACH OUR ESG GOALS BY THE END OF 2025



 ENVIRONMENT
<p><b>50%</b> Share of revenue from sustainable solutions and products</p> <p><b>45%*</b></p>
<p><b>10%</b> Reduction in water consumption</p> <p><b>3%*</b></p>
<p><b>50%</b> Reduction in greenhouse gas emissions</p> <p><b>39%*</b></p>
<p><b>10%</b> Reduction in waste volume</p> <p><b>35%*</b></p>

 SOCIAL
<p><b>30%</b> Reduction in the annual accident frequency rate (&gt;1 day of absence) compared to the preceding year</p> <p><b>10%*</b></p>
<p><b>20%</b> Share of women in the workforce</p> <p><b>16.4%*</b></p>
<p><b>4.5%</b> Fluctuation rate as a result of voluntary resignations</p> <p><b>6.0%*</b></p>

 GOVERNANCE
<p><b>85%</b> Procurement volume covered by audited suppliers</p> <p><b>82%*</b></p>
<p><b>0</b> No compliance violation</p> <p><b>0*</b></p>
<p><b>0</b> No event-driven profit warning</p> <p><b>0*</b></p>

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# KEY FINANCIAL FIGURES FOR THE FIRST HALF 2023



ORDER INTAKE  
**4.7 billion EUR**

(H1 2022: 4.8 billion EUR / -1%)

REVENUE  
**4.1 billion EUR**

(H1 2022: 3.3 billion EUR / +24%)

ORDER BACKLOG  
**10.6 billion EUR**

(H1 2022: 9.9 billion EUR / +7%)

EBITA  
**333 MEUR**

(H1 2022: 273 MEUR / +22%)

EBITA MARGIN  
**8.1 %**

(H1 2022: 8.2%)

NET INCOME  
**227 MEUR**

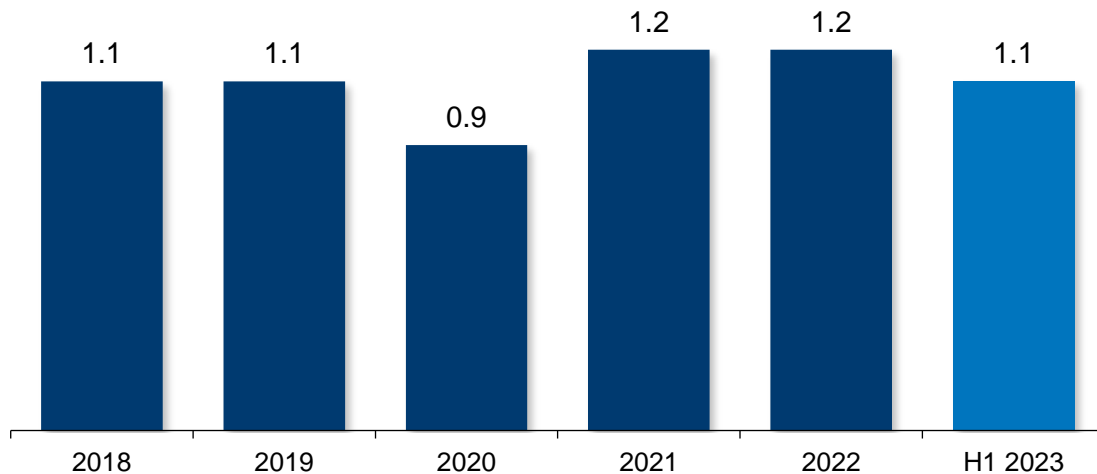
(H1 2022: 167 MEUR / +36%)



# DEVELOPMENT OF BOOK-TO-BILL RATIO AS KEY DRIVER FOR SUSTAINABLE GROWTH

Despite 2020 (Covid), book-to-bill ratio has been above 1

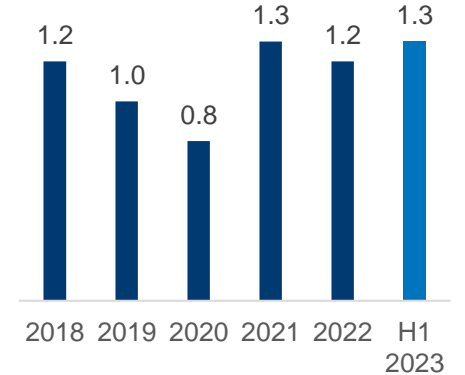
ANDRITZ GROUP – BOOK-TO-BILL RATIO 2018 - H1 2023



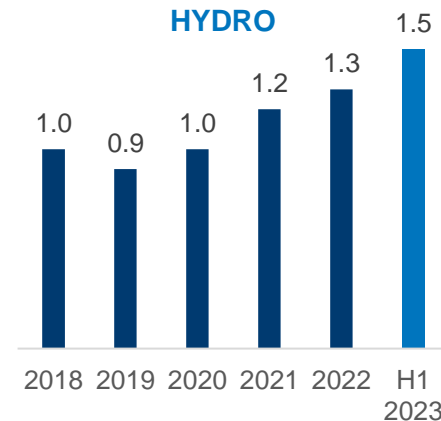
PULP & PAPER



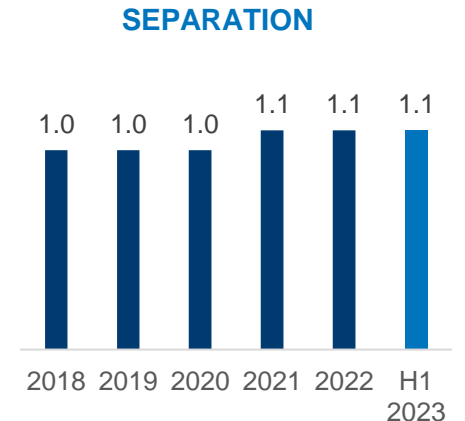
METALS



HYDRO



SEPARATION

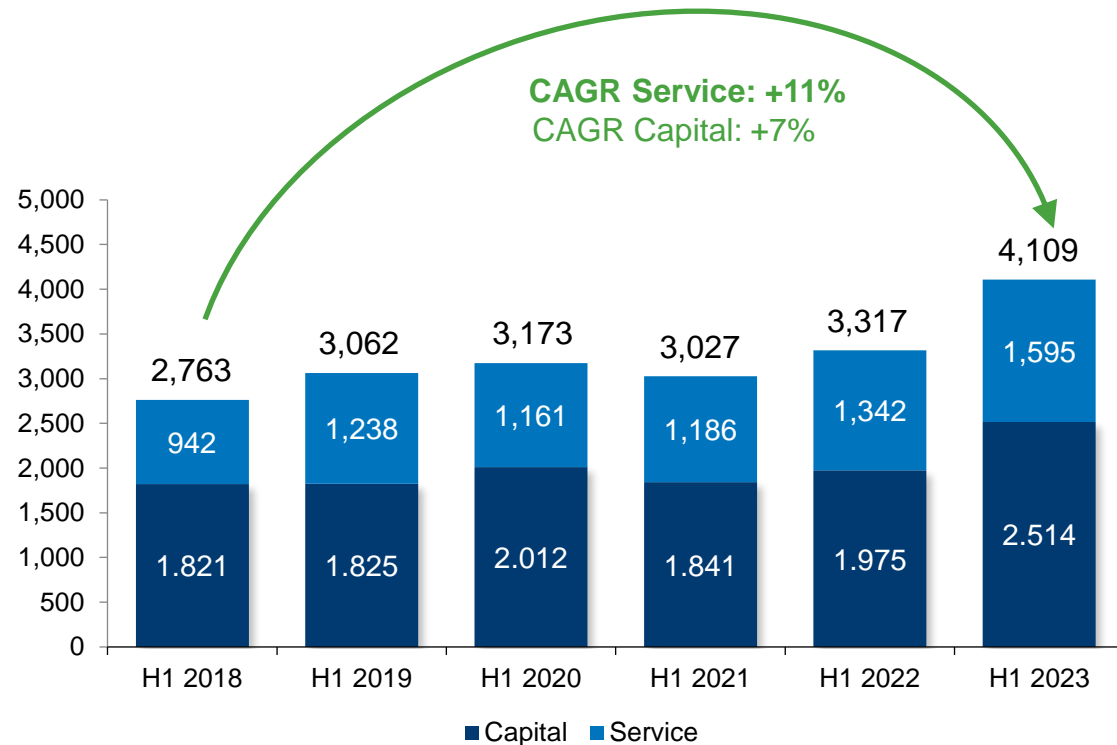


# STABLE SERVICE BUSINESS IS GROWING FASTER THAN CAPITAL BUSINESS

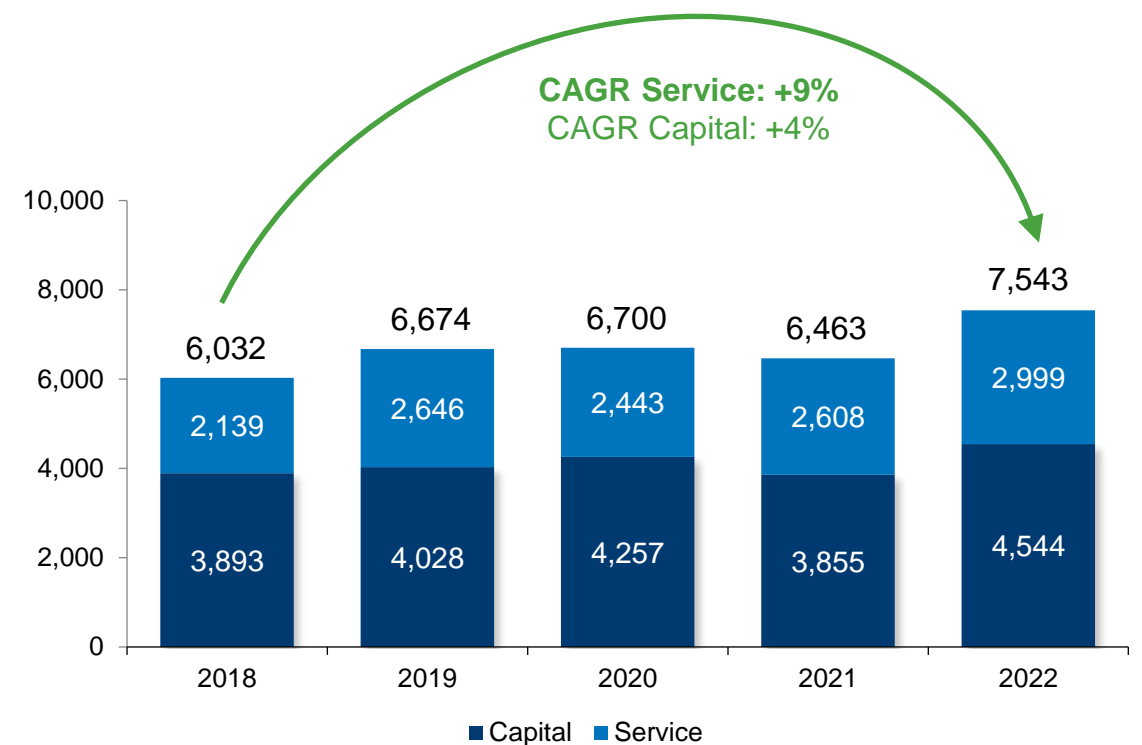


Supports profitability and reduces volatility

GROUP REVENUE H1 2018 - H1 2023 (MEUR)



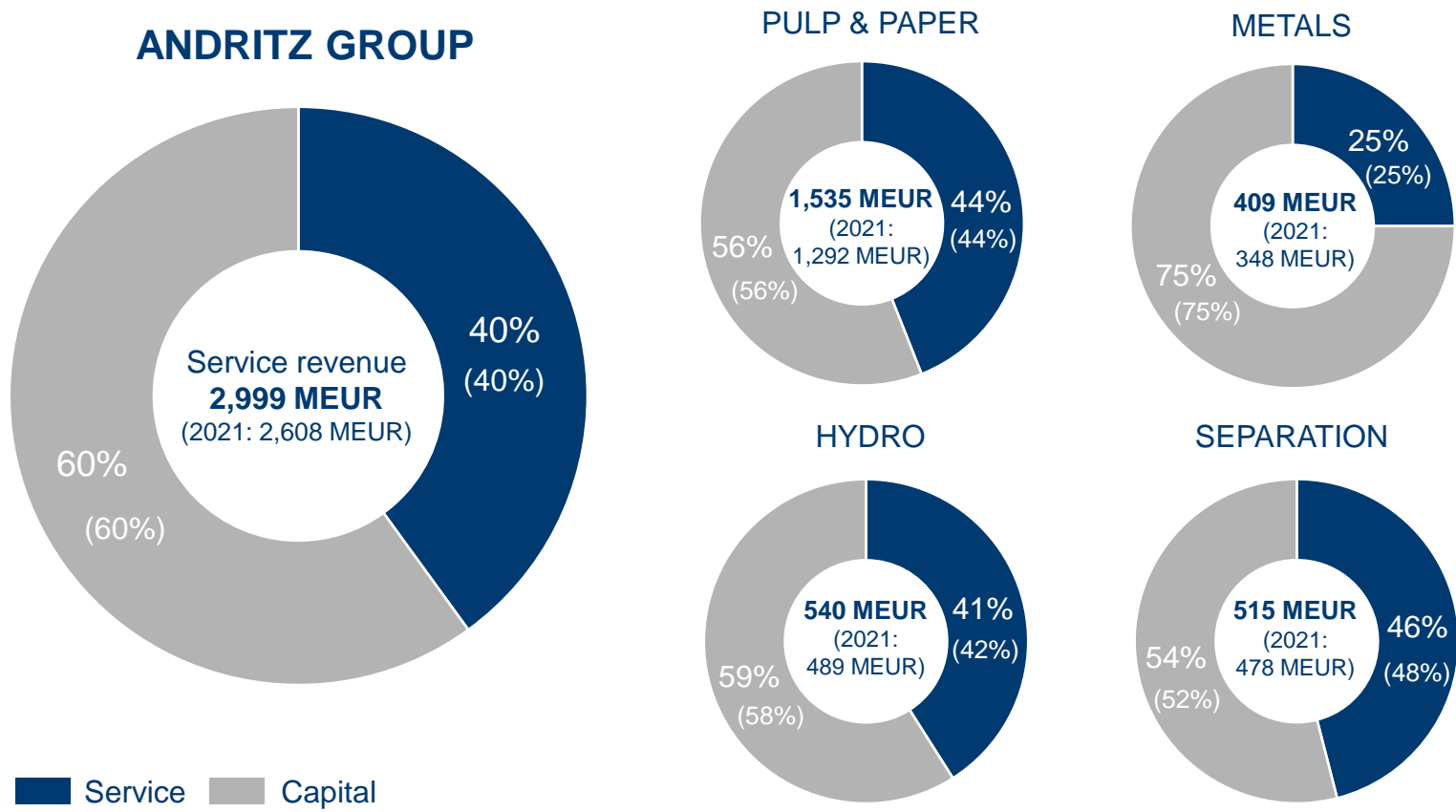
GROUP REVENUE 2018 - 2022 (MEUR)



# STABLE AND RECURRING SERVICE BUSINESS SUPPORTS PROFITABILITY



Service revenue in 2022 and share of total revenue

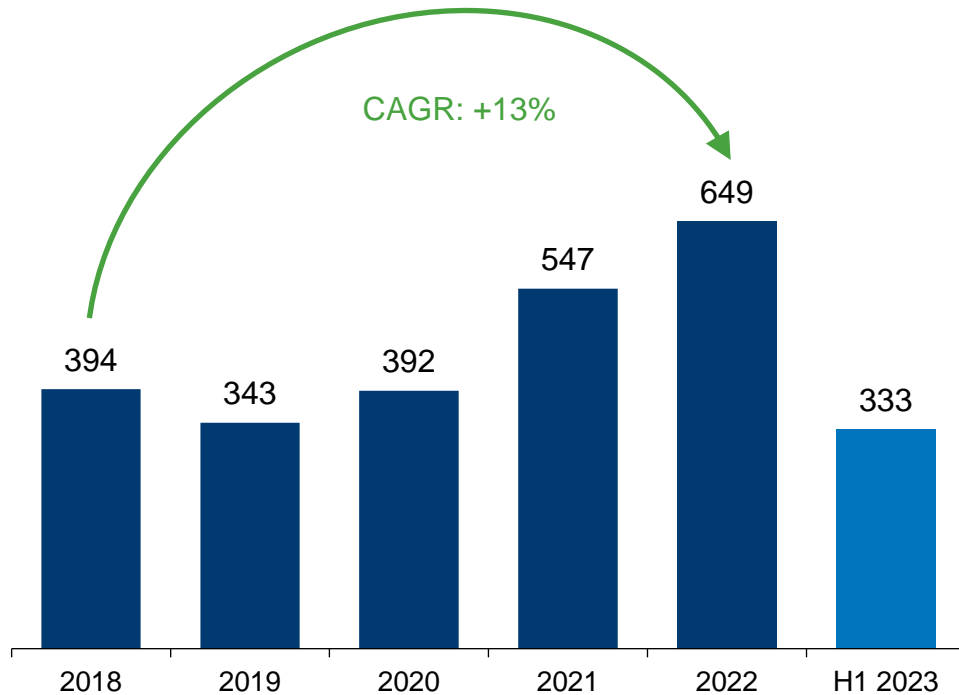




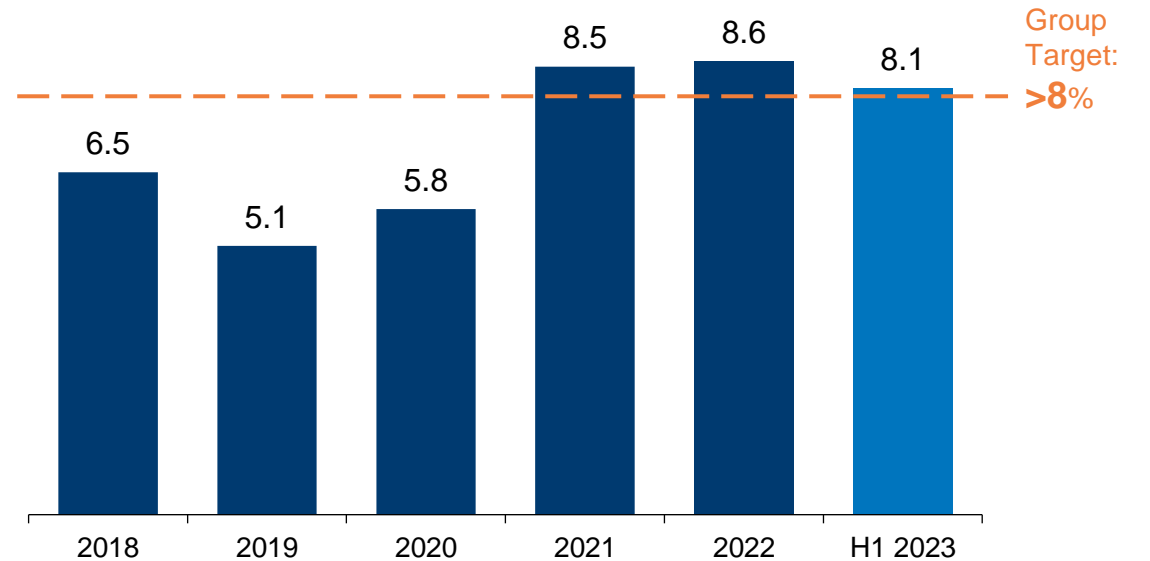
# EBITA MARGIN REPORTED THE THIRD CONSECUTIVE YEAR ABOVE THE GROUP TARGET

Despite economic and geopolitical challenges (Covid-19; Russian War)

EBITA REPORTED (IN MEUR)



EBITA MARGIN REPORTED (IN %)



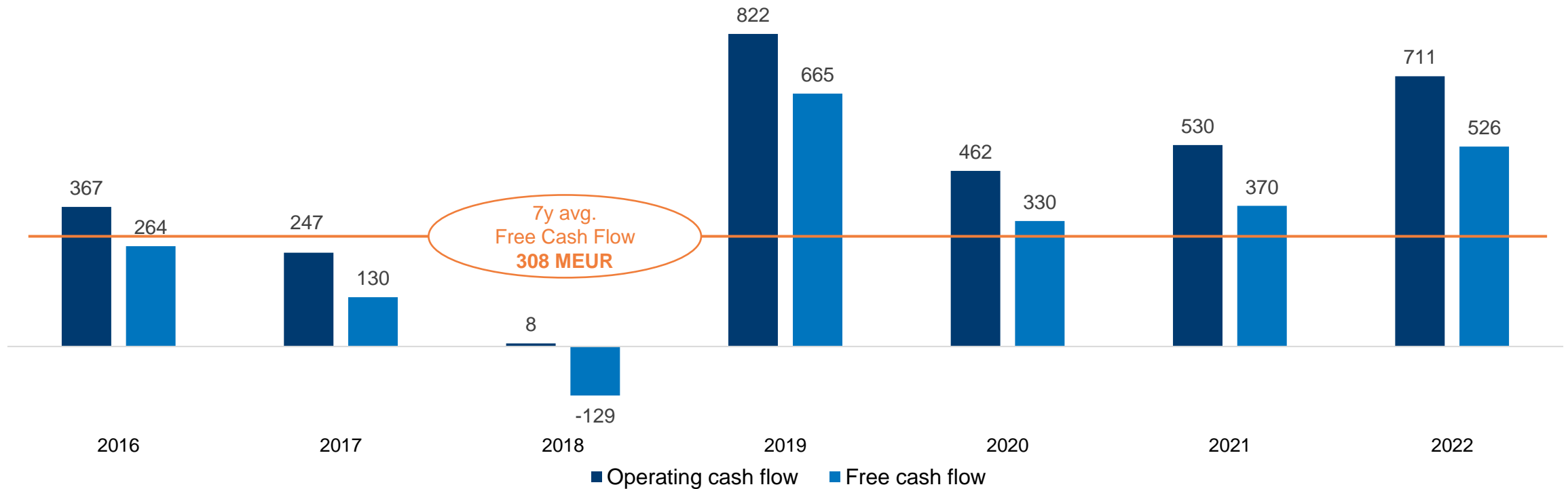


# CASH FLOW DEVELOPMENT



Intensive Working Capital Management and reasonable capex in fixed assets support Free cash flow

## OPERATING AND FREE CASHFLOW OF THE ANDRITZ GROUP (IN MEUR)

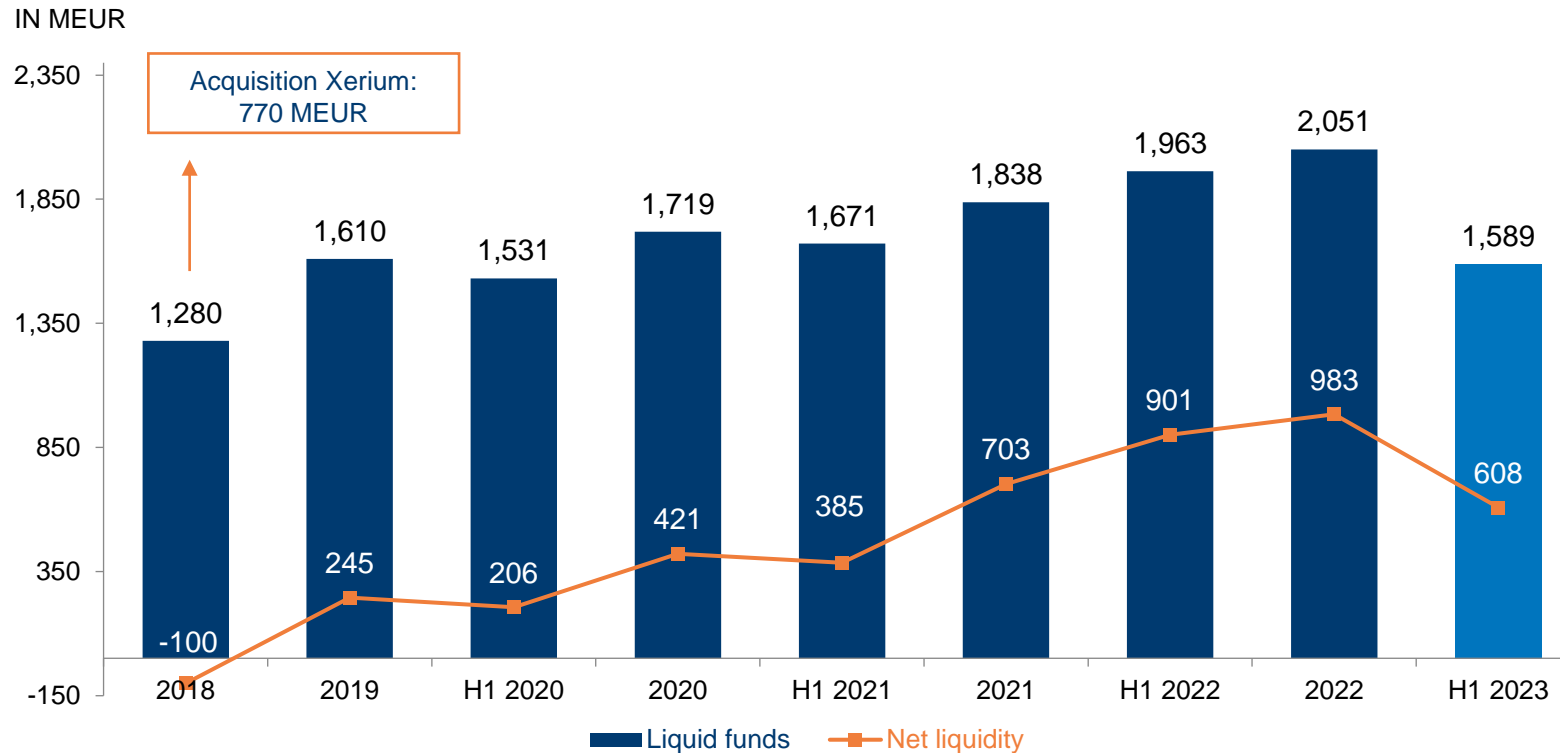


# FINANCIAL POSITION



Gross liquidity of ~1.6 billion euros, net liquidity at ~610 million euros

Note: Net liquidity includes financial investments plus Schuldscheindarlehen but excludes unutilised credit lines of ~124 MEUR (as of H1 2023).  
Since January 1, 2019, lease liabilities are excluded from the calculation of net liquidity; 2018 adjusted.



**Decline in net liquidity** since end of 2022, mainly due to:

- **dividend payments** to ANDRITZ shareholders: **208 MEUR**

- **increase in net working capital**: **364 MEUR**

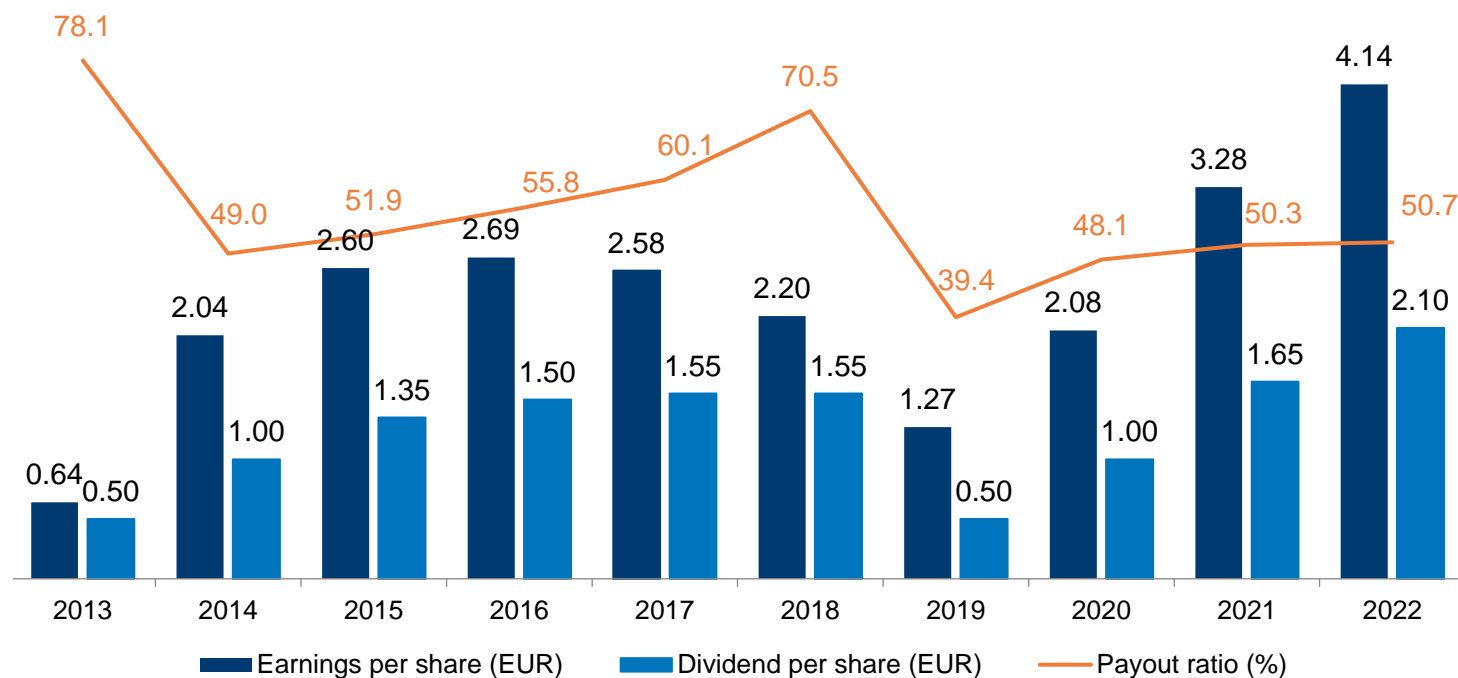
**Gross liquidity of ~1.6 bn EUR** invested at an **average interest rate of ~3%**

**Schuldscheindarlehen maturing in the next 12 months: 380 MEUR**

# ANDRITZ PURSUES A DIVIDEND POLICY TOWARDS CONTINUITY



Strong EPS growth since 2019



Goal to distribute an average of 50%-60% of EPS

Consistent dividend growth intended

Aggregated dividend payments 2018-2022: ~628 MEUR

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# GROUP ROADMAP 2022-2024 WELL ON TRACK



## GROUP TARGETS 2022-2024

## STATUS H1 2023

**Group business volume** well above 7 billion EUR, including M&A towards 8 billion EUR

**Order intake:** 4.7 billion EUR  
**Revenue:** 4.1 billion EUR



**EBITA margin** at solid 8%

8.1%



**Net income** to increase to >5%

5.4%



Continue **M&A strategy** within existing business areas

7 acquisitions closed since 2022



Reach **ESG targets**

Well on track



# MARKET OUTLOOK AND FINANCIAL GUIDANCE



Financial guidance 2023 confirmed

## MARKET OUTLOOK

- **General investment activity is declining** (high interest rate environment)
- **Demand for green products and service business remain stable**

## FINANCIAL GUIDANCE FOR 2023

- ANDRITZ expects to **continue on its profitable growth in 2023** and anticipates a **significant increase in both revenue and earnings** compared to 2022.





ANDRITZ GROUP

THANK YOU!

**ANDRITZ**

ENGINEERED SUCCESS

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