



ANDRITZ CAPITAL MARKETS DAY

# ANDRITZ GROUP

JOACHIM SCHÖNBECK  
PRESIDENT & CEO

JANUARY 24, 2024

**ANDRITZ**

ENGINEERED SUCCESS

# AGENDA



1 | WHO WE ARE

2 | MARKET

3 | STRATEGY

# PROVIDING TECHNOLOGIES AND SERVING OUR CUSTOMERS



## WHAT WE DO:

Large-scale, state-of-the-art engineering solutions



Elevating customer operations with advanced technologies



Supporting our customers' operations with life-cycle services



Empowering our customers to drive the green transition

# WORLD MARKET LEADER WITHIN OUR FOUR STRONG BUSINESS AREAS



ANDRITZ GROUP last 4 quarters (Q4 22 – Q3 23)

Order Intake **8,328** MEUR

Backlog **10,361** MEUR

Revenue **8,548** MEUR

EBITA **732** MEUR

## PULP & PAPER



46%\*

Revenue 3,952 MEUR



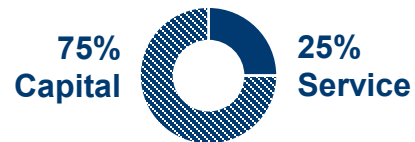
Pulp: **#1**  
Paper: **#3**

## METALS



21%

Revenue 1,836 MEUR



Forming: **#1**  
Processing: **#1-2**

## HYDROPOWER



18%

Revenue 1,496 MEUR



**#1-2**

## ENVIRONMENT & ENERGY



15%

Revenue 1,265 MEUR



**#1-3**

# NEW BUSINESS AREA ENVIRONMENT & ENERGY AS OF JANUARY 1, 2024



ANDRITZ has re-organized its businesses providing various technologies for Environmental applications and Energy transformation across multiple industries in one new Business Area **Environment & Energy**.

The Environment & Energy business area consists of five divisions:

- Separation
- Feed & Biofuel
- Pumps
- Clean Air Technologies\* (incl. Carbon Capture)
- Green Hydrogen\*\* (incl. Renewable Fuels and P2X)

\*formerly part of the Pulp & Paper business area

\*\*formerly part of the Metals business area



# CHANGE IN REPORTING STRUCTURE



Continued adjustment of ANDRITZ product portfolio according to markets and business model

- The **Green Hydrogen Division** and **Clean Air Technologies Division** will be reported in the Environment & Energy Business Area as of January 1, 2024.
- All reference figures of the Capital Markets Day have been adjusted to match the new reporting structure
- Reporting changes by business area (based on rounded FY 2022 results):

Business area / Division	Order intake Last 4Q	Revenue Last 4Q	EBITA Last 4Q
Pulp & Paper / Clean Air Technologies	83 MEUR	86 MEUR	7.6 MEUR
Metals / Green Hydrogen	127 MEUR	0.1 MEUR	-2.1 MEUR
<b>Moved to Environment &amp; Energy</b>	<b>+210 MEUR</b>	<b>+86 MEUR</b>	<b>+5.5 MEUR</b>



# SERVING SEVERAL INDUSTRIES WITH ONE BUSINESS MODEL ENABLED BY A STRONG BALANCE SHEET



- **Engineering business** based on own technologies combined with strong **life-cycle services**
- **Large and complex capital projects** require a strong balance sheet
- **Different industry cycles** contain risks and improve adaptability
- **Synergies** across our business areas materialize in
  - Metris platform and digital services
  - Project management excellence
  - Regional expertise and proximities
  - Global sourcing and logistics
  - 1st level services



# CLOSE TO OUR CUSTOMERS, IN MORE THAN 80 COUNTRIES



AROUND

**30,000**

EMPLOYEES  
WORLDWIDE



OVER

**280**

LOCATIONS



OVER

**80**

COUNTRIES





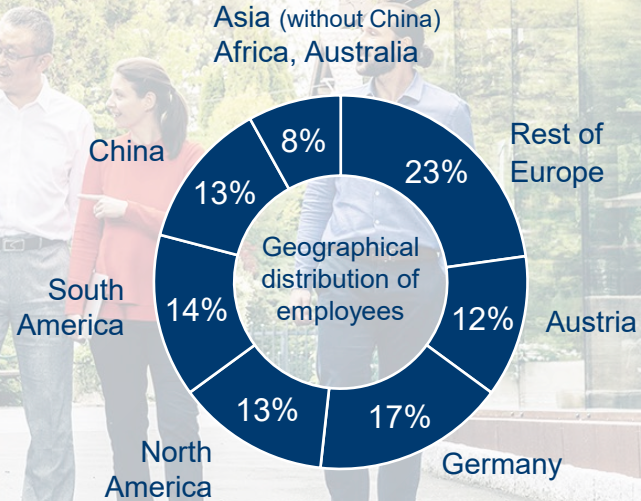
# THE DIVERSE ANDRITZ TEAM SERVICES CUSTOMERS AROUND THE GLOBE



Around **30,000** employees within the ANDRITZ GROUP

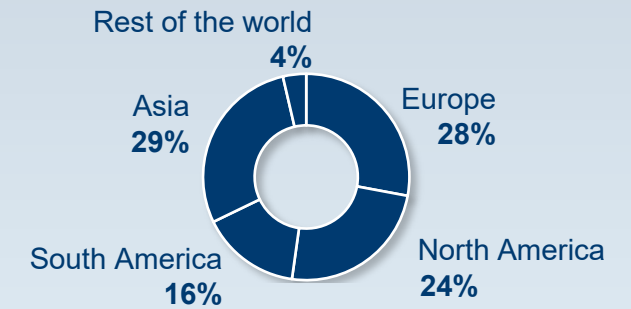
Approx. 64% white-collar and 36% blue-collar

**>33% are working in engineering, technology or project management**



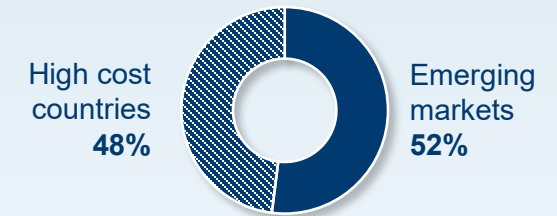
## REVENUE BY REGION

LAST 4Q



## MANUFACTURING FOOTPRINT

2023



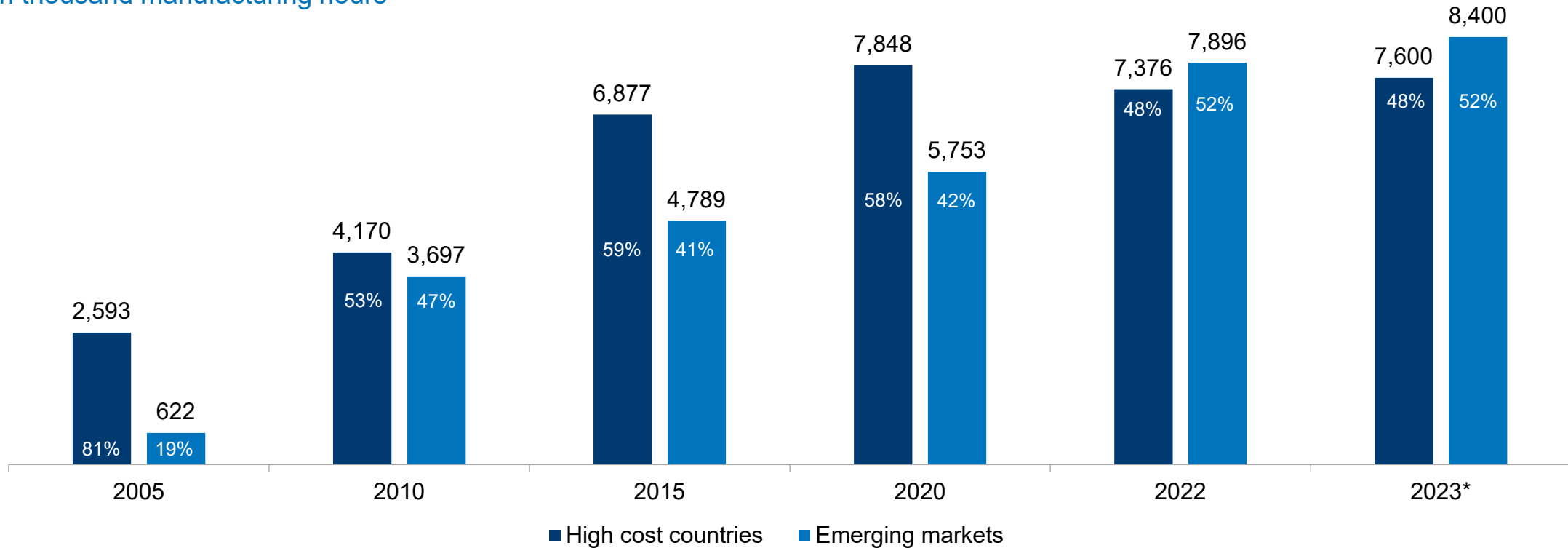


# STRONG MANUFACTURING STRATEGY: GROWTH IN EMERGING MARKETS ONLY

Over 50% of direct labour hours in emerging markets

## SPLIT OF MANUFACTURING HOURS BY REGION

In thousand manufacturing hours



\* Forecast 2023

# "WE CARE" – OUR ESG PROGRAM



Sustainability is an integrated part of our corporate policy – we are committed to the SBTi (science based targets initiative) to further reduce our greenhouse gas emissions by 2030

# E

**ENVIRONMENT**

Reduce our CO<sub>2</sub> footprint, save resources and develop sustainable technologies

# S

**SOCIAL**

Ensure a safe and viable future for our employees

# G


**GOVERNANCE**


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>20%</b> Share of women in the workforce</p> <p><b>16.4%*</b></p>
<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>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 infringements, achieved by implementing the highest corporate compliance standards</p> <p><b>0*</b></p>
<p><b>0</b> No event-driven profit warnings, achieved by detecting company risks at an early stage</p> <p><b>0*</b></p>

# WE EXPAND OUR PORTFOLIO IN ALL BUSINESS AREAS



## Acquisitions by business area since 2002

PULP & PAPER		METALS		HYDRO		ENVIRONMENT & ENERGY			
2002	ABB Drying	2002	AES	2002	SELAS SAS Furnace Div.	2006	VA TECH HYDRO	2002	3SYS
2003	IDEAS Simulation	2013	MeWa	2004	Kaiser	2007	Tigép	2003	Fiedler
2003	Acutest Oy	2016	SHW CastingTech	2005	Lynson	2008	GE Hydro business	2004	Bird Machine
2004	EMS (JV)	2017	Paperchine	2008	Maerz	2010	GEHI (JV)	2004	NETZSCH Filtration
2005	Cybermetrics	2018	Novimpianti	2012	Bricmont	2010	Precision Machine	2004	Fluid Bed Systems
2005	Universal Dynamics Group	2018	Diatec	2012	Soutec	2010	Hammerfest Strøm	2005	Lenser Filtration
2006	Küstern	2018	Xerium	2013	Schuler	2011	Hemicycle Controls	2006	CONTEC Decanter
2006	Carbona	2019	Kempulp	2013	FBB Engineering	2018	HMI	2009	Delkor Capital Equipment
2006	Pilão	2020	Enviroburners	2014	Herr-Voss Stamco			2009	Frautech
2007	Bachofen + Meier	2021	Laroche	2016	Yadon			2010	KMPT
2007	Sindus	2021	GE Steam Power	2016	AWEBA			2010	Ritz
2008	Kufferath	2022	Bonetti Group	2017	Powerlase (80%)			2012	Gouda
2009	Rollteck	2022	J. Parpala	2018	Farina Presse			2013	Shende Machinery
2010	Rieter Perfojet	2022	ĐURO ĐAKOVIĆ TEP	2018	ASKO			2015	Euroslot
2010	DMT/Biax	2023	Dan-Web	2022	Sovema Group			2016	ANBO
2011	AE&E Austria	2023	SciTech Service					2023	Dedert
2011	Iggesund Tools	2023	Imagine That Inc.						
2011	Tristar Industries	2024	NAF (closing pending)						
2011	Asselin-Thibeau								

# PROVEN VALUE CREATION THROUGH STRATEGIC ACQUISITIONS



## Clear acquisition strategy

- Complimentary business in our industries
- Retain the management
- No acquisitions of competitors

**76** Successful acquisitions since 2002

**2.1 BEUR** Invested in acquisitions

**3.6 BEUR** Total earnings (EBITA) since 2002

**4.8 BEUR** Total value creation\*

\* today's stand-alone EV of acquired business minus investment plus accum. EBITA minus tax



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# EXCEPTIONAL GROWTH OPPORTUNITIES IN ALL BUSINESS AREAS



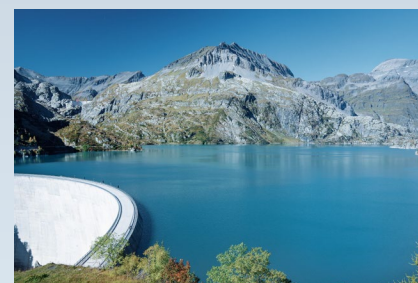
## PULP & PAPER



## METALS



## HYDROPOWER



## ENVIRONMENT & ENERGY



<b>Underlying mid-term market growth</b>	2-3%	2-3%	2-3%	4-5%
<b>Current strong regional markets</b>	South America and Asia	Asia and North America	Asia, Australia, North America, Europe, Middle East	Europe and North America
<b>Special growth opportunities</b>	Paper machines Molded fiber Cellulosic textile Textile recycling	E-mobility Battery Silicon steel Light weight vehicles	Grid services like: Pumped storage Synchronous condensers Hybrid solutions	Green hydrogen Carbon capture Power-to-X Alternative proteins



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# OUR STRATEGY: LONG-TERM PROFITABLE GROWTH



DECARBONIZATION



DIGITALIZATION



CUSTOMER SERVICE



**LONG-TERM  
PROFITABLE  
GROWTH**



- Grow revenue
- Grow profitability
- Grow service share

# REDEFINING THE FUTURE: UNLEASHING OUR INNOVATION ENGINE



**138** MEUR

in 2023\* for R&D



**370**

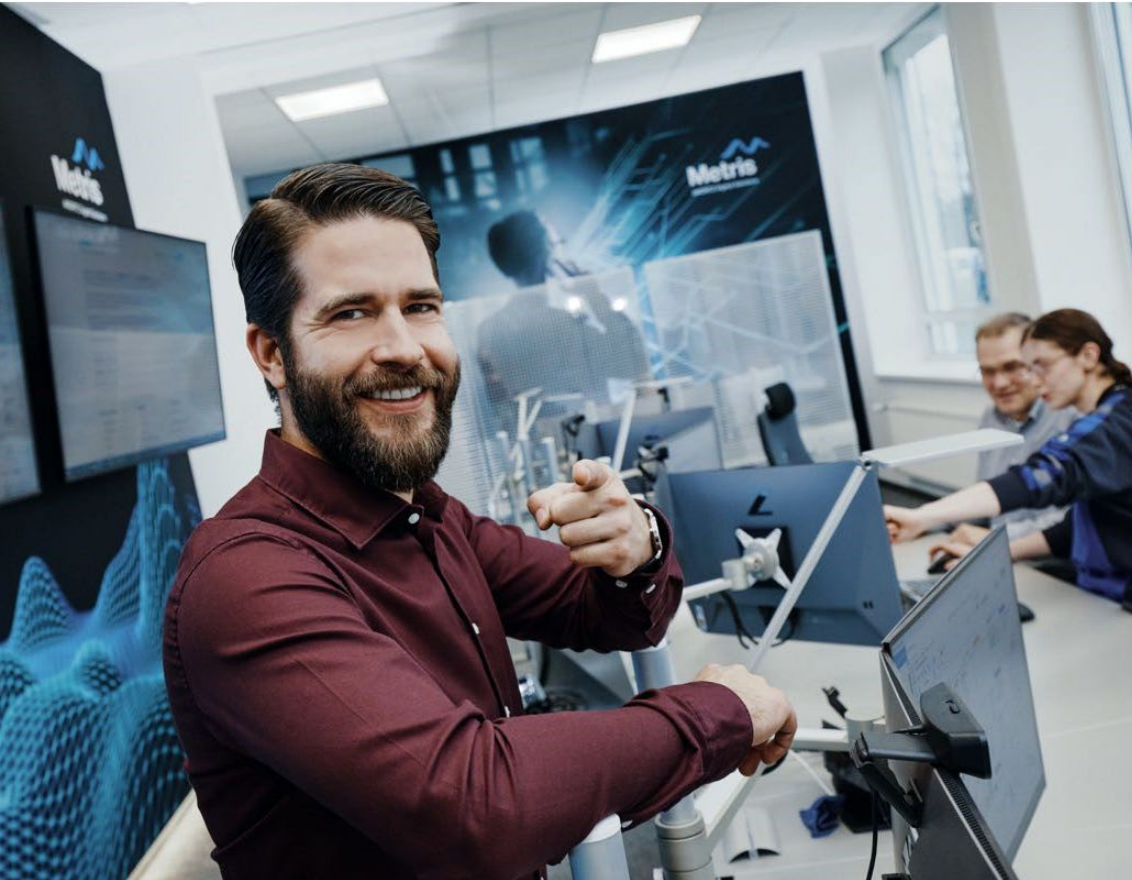
New patent applications in 2023



**6,510**

Patent protection rights

# ENABLING FAST TRACK INNOVATION THROUGH STRUCTURED VENTURE PROGRAM SINCE 2018



**Move fast and create innovations**



**Explore new opportunities close to ANDRITZ  
strategic core business**











**Create successful new business**



**Inspire intrapreneurs and develop employees**

# WE ARE CAPABLE TO COMMERCIALISE INNOVATIVE INHOUSE DEVELOPMENTS



	 QUOTATION	 CONSTRUCTION	 OPERATION
<b>Green Hydrogen</b>			
	Alkaline	●	●
	PEM	●	
<b>Carbon Capture</b>			
	Amin	●	●
	Membrane	●	
<b>Textile recycling</b>			
	Mechanical	●	●
	Chemical	●	
<b>Battery</b>			
	Lab and pilot lines	●	●
	Giga-factories	●	
<b>Bio-Methanol</b>			
	Kraftanol purification	●	●
	Synthesis	●	
	<b>SulfoLoop</b>	●	●



# METRIS - THE OPEN AND SCALABLE DIGITAL PLATFORM

The foundation for autonomous operation

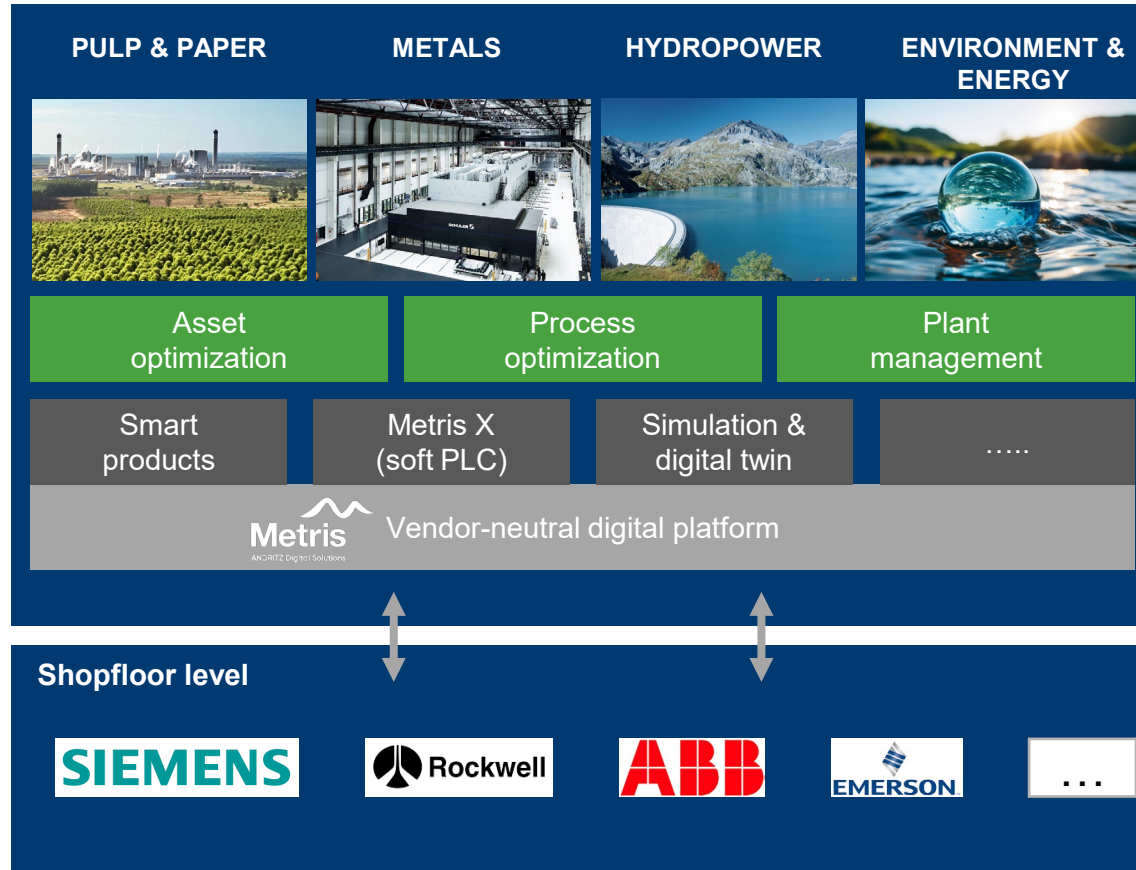


Cyber Security  
built in

Latest Gen.AI  
models leveraged

Best in-class  
3rd party technology  
integration

- Human enabled
- Tailored to customer's vision
- Continuously improving

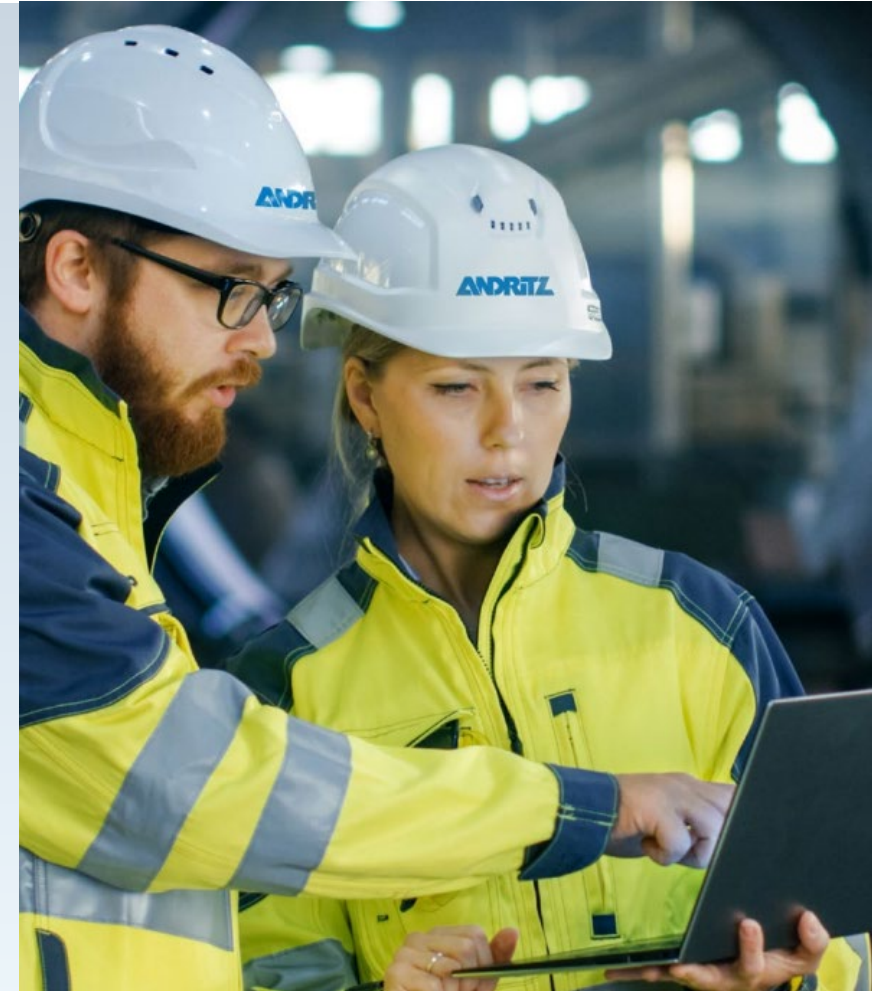
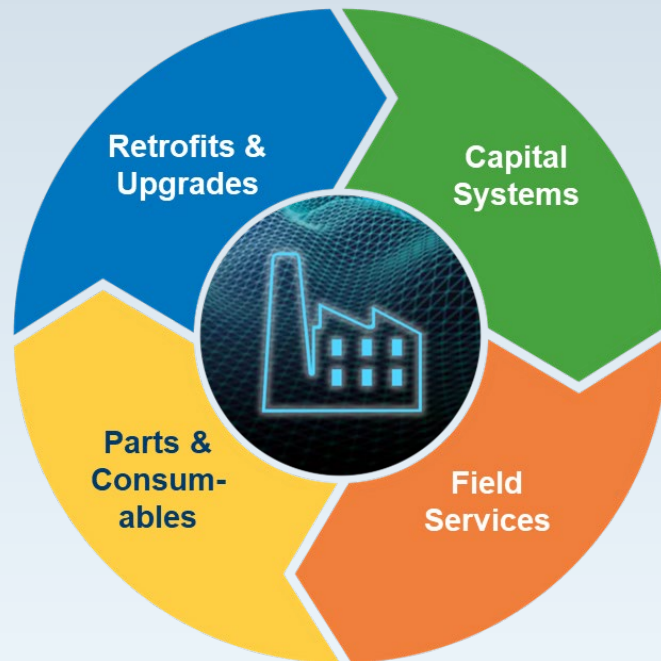


200+ customer references



# CUSTOMER SERVICE: SUCCESS THROUGH OUR LIFECYCLE SOLUTIONS

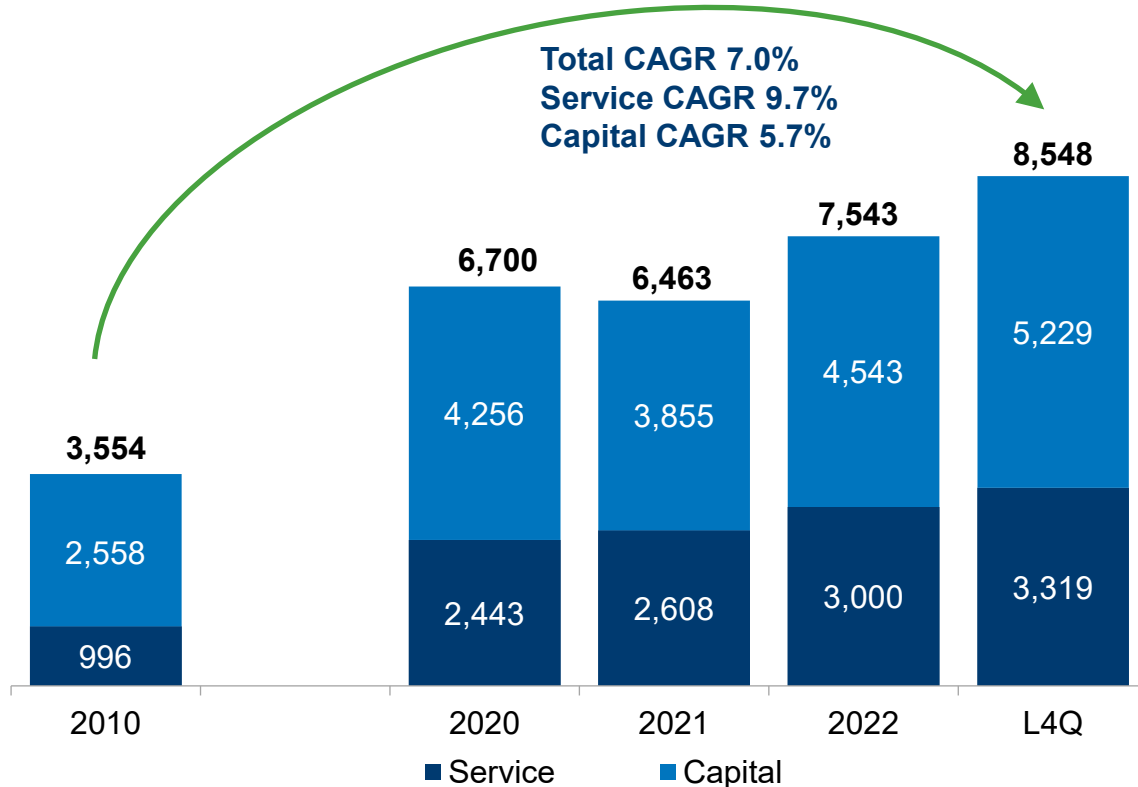
We service our customers at every step, ensuring them high product quality, output and uptime through quick response time and cost-competitive efficient life cycle solutions.



# ON GROWTH PATH WITH A SOLID AND HIGH CASH GENERATING SERVICE FOUNDATION



Revenue in MEUR



## Service-share:

28%                      36%                      40%                      40%                      39%

## Stable capital business on group level

- Investment cycles stabilized on group level
- Green transition enables growth with new technologies

## Recurring and fast-growing service business

- Significantly increases stability of earnings and cash flow
- High service level and customer proximity secures stable and recurring revenues



# GROUP TARGETS 2024-2026



- **Continue Growth** to >10bn revenues
- **EBITA margin** to increase to >9%
- **Net income** to increase to >6%
- Continue successful **M&A strategy** with focus on **service and digitalization**
- Overachieve **ESG targets**



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