



ANDRITZ GROUP

# RESULTS Q4 / FY2023

FEBRUARY 29, 2024

**ANDRITZ**

ENGINEERED SUCCESS



# REPORTING LOGIC: ALL NUMBERS ARE ACCORDING TO THE 2023 ORGANIZATIONAL STRUCTURE



- All **Q4 and full year numbers** are reported in the **structure, which was effective during 2023** (in line with Q1, Q2 and Q3 reporting)
- The **new 2024 structure** (as announced in the CMD) will be considered for **the first time in Q1-2024**
- Further Information regarding the effects of the changes on Business Area numbers will be provided on our Investor Relations website with Q1-2024 reporting





# AGENDA



**1** | Q4 / FY 2023 AT A GLANCE

**2** | PERFORMANCE Q4 / FY 2023

**3** | UPDATE OF BUSINESS AREAS

**4** | OUTLOOK





# Q4-2023 WITH YEAR ON YEAR GROWTH IN ORDER INTAKE, REVENUE AND EARNINGS

Major financial KPIs Q4 2023

**ORDER INTAKE**  
**2.0 billion EUR**

(Q4 2022: 1.8 billion EUR / +12%)

**REVENUE**  
**2.4 billion EUR**

(Q4 2022: 2.3 billion EUR / +5%)

**ORDER BACKLOG**  
**9.9 billion EUR**

(Q4 2022: 10.0 billion EUR / -1%)

**EBITA (reported)**  
**233 MEUR**

(Q4 2022: 223 MEUR / +5%)

**EBITA Margin (reported)**  
**9.5% MEUR**

(Q4 2022: 9.5%)

**NET INCOME**  
(incl. non-controlling interests)  
**158 MEUR (6.5%)**

(Q4 2022: 140 MEUR (6.0%) / +13%)

# FULL-YEAR 2023 WITH SATISFYING ORDER INTAKE AND SIGNIFICANT GROWTH IN REVENUE AND RESULTS



Major financial KPIs FY 2023

**ORDER INTAKE**  
**8.6 billion EUR**

(2022: 9.3 billion EUR / -8%)

**GROUP REVENUE**  
**8.7 billion EUR**

(2022: 7.5 billion EUR / +15%)

**EBITA (reported)**  
**742 MEUR (8.6%)**

(2022: 649 MEUR (8.6%) / +14%)

**NET INCOME**  
(incl. non-controlling interests)  
**504 MEUR (5.8%)**

(2022: 403 MEUR (5.3%) / +25%)

**NET LIQUIDITY**  
**913 MEUR**

(2022: 983 MEUR / -7%)

**DIVIDEND PER SHARE\***  
**2.50 EUR**

(2022: 2.10 EUR / +19%)

# WELL ON TRACK TO REACH OUR ESG GOALS STATUS AT THE END OF 2023



## ENVIRONMENT

	<b>45%</b>	Share of <b>revenue from sustainable solutions and products</b>	2025 target: 50%
	<b>18%</b>	Reduction in <b>water consumption</b>	2025 target: 10%*
	<b>36%</b>	Reduction in <b>greenhouse gas emissions</b> (Scope1+2)	2025 target: 50%*
	<b>19%</b>	Reduction in <b>waste volume</b>	2025 target: 10%*

## SOCIAL

	<b>7%</b>	Reduction in the annual <b>accident frequency rate</b> (>1 day of absence) y/y	y/y target: 30%
	<b>17%</b>	<b>Share of women</b> in the workforce	2025 target: 20%
	<b>5%</b>	Yearly <b>fluctuation rate</b> as a result of voluntary resignations	2025 target: <4.5%

## GOVERNANCE

	<b>90%</b>	Procurement volume covered by <b>assessed suppliers</b>	2025 target: 85%
	<b>0</b>	No <b>infringements</b> , achieved by implementing the highest corporate compliance standards	y/y target: 0%
	<b>0</b>	No event-driven <b>profit warnings</b> , achieved by detecting company risks at an early stage	y/y target: 0%



# ANDRITZ CONTINUED ITS SUCCESSFUL ACQUISITION STRATEGY

Major acquisitions in 2023

## DECARBONIZATION

### Dan-Web Machinery, Denmark

Dry molded fiber technology applications in packaging and disposable tableware

### Scitech-Service, Finland

Development and engineering hub for advanced biorefinery and fiber technology



## DIGITALIZATION

### Imagine That, USA

Software platform for digital twins



## CUSTOMER SERVICE

### NAF, Sweden

Leading process control brand in pulp and paper with a 125-year heritage



## GROWTH

### Dedert-Group, USA

Expanding our product portfolio for dryers and evaporators





# AGENDA



1 | Q4 / FY 2023 AT A GLANCE

2 | PERFORMANCE Q4 / FY 2023

3 | UPDATE OF BUSINESS AREAS

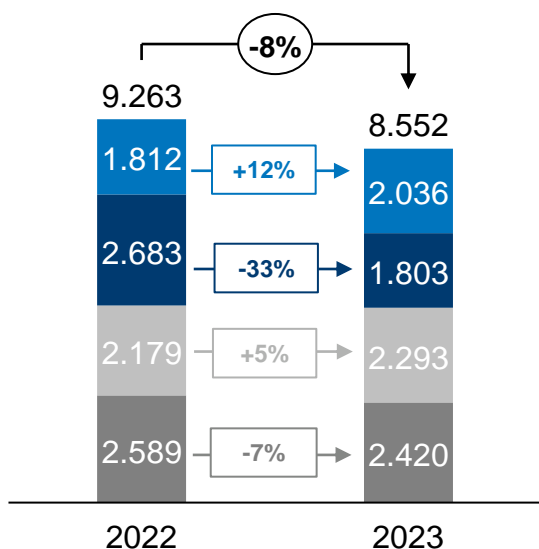
4 | OUTLOOK



# ORDER INTAKE SATISFACTORY



## ORDER INTAKE\*

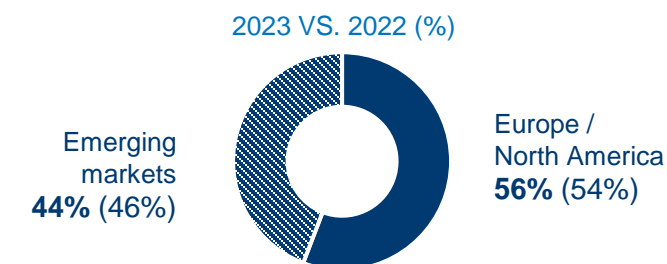


## ORDER INTAKE BY BUSINESS AREA\*

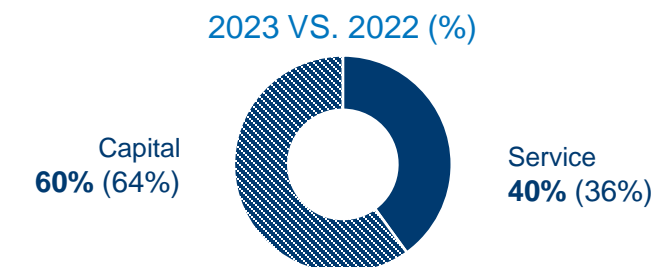
	2023	2022	+/-
Pulp & Paper	3,119	4,296	-27%
Metals	2,125	2,009	+6%
Hydro	2,021	1,720	+17%
Separation	1,287	1,238	+4%

	Q4 2023	Q4 2022	+/-
Pulp & Paper	668	735	-9%
Metals	379	454	-16%
Hydro	611	311	+96%
Separation	378	312	+21%

## ORDER INTAKE BY REGION



## ORDER INTAKE SPLIT: CAPITAL / SERVICE



\*IN MEUR Q1 Q2 Q3 Q4

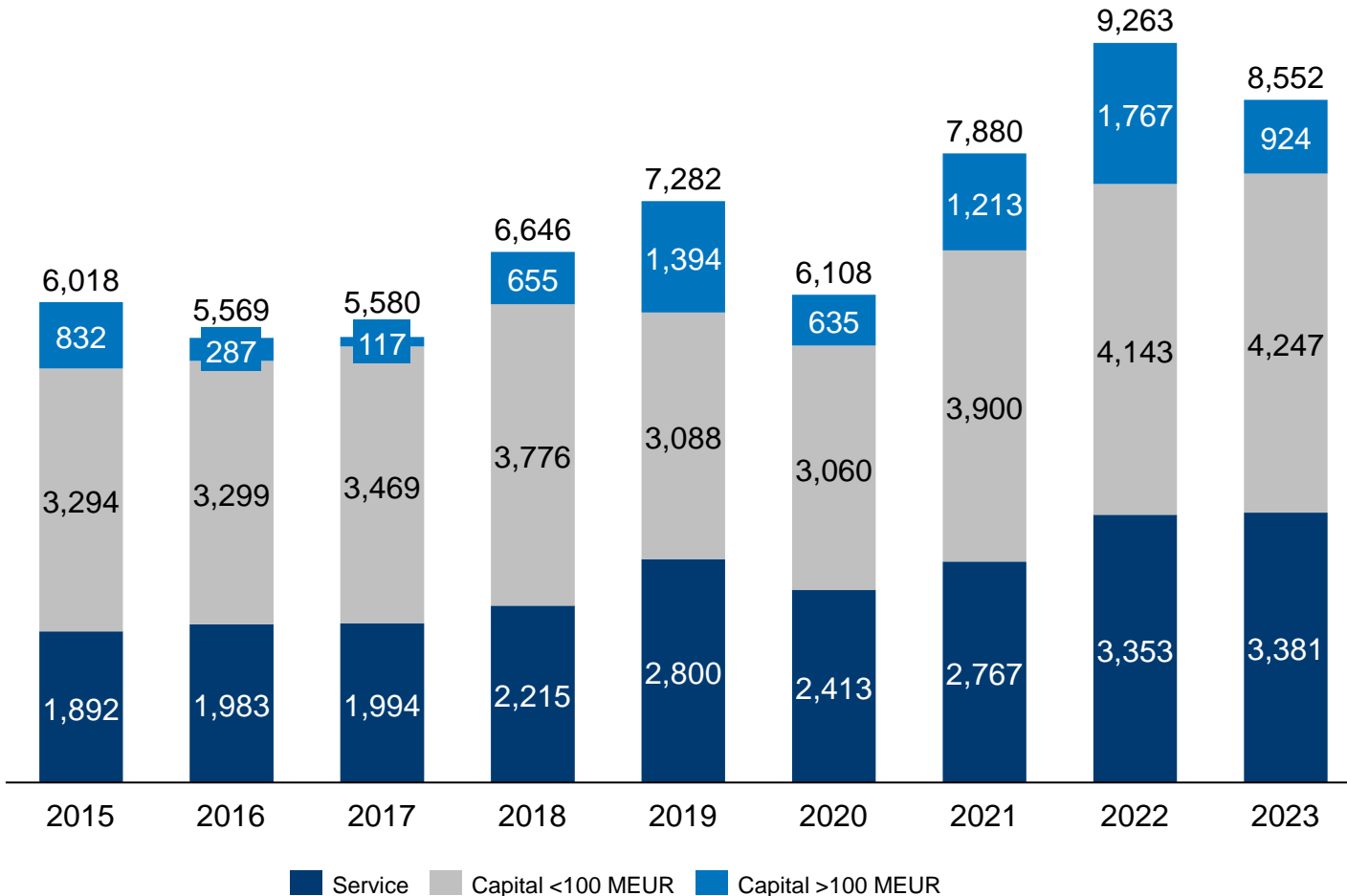
- **Pulp & Paper:** OI below the record level of the previous year due to missing major pulp mill projects, stable development of Service business
- **Metals:** stable development in Metals Forming, record high OI within Metals Processing includes electrolysis plant for Salzgitter
- **Hydro:** significantly up y/y due to market recovery
- **Separation:** ongoing strong growth in the Service business



# STABLE DEVELOPMENT IN SERVICE AND BASE BUSINESS, LARGE PROJECTS DROPPED BY MORE THAN 800 MEUR



Order intake in MEUR



**Projects with >100 MEUR order volume** have a limited share in the total order intake

**Mid-size capital order intake** stable and growing with an average growth rate of 3%

**Service order intake** has consistently grown with an average growth rate above 8%

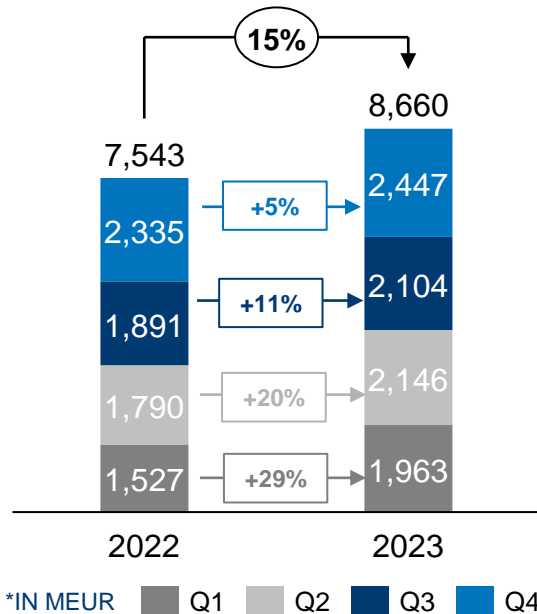


# VERY FAVORABLY REVENUE DEVELOPMENT



Considerable increase in all four business areas leads to a new record level

REVENUE\*



REVENUE BY BUSINESS AREA\*

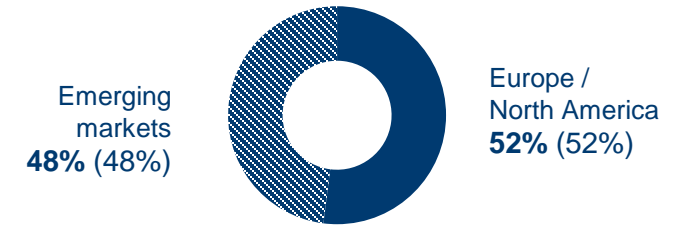
	2023	2022	+/-
Pulp & Paper	4,096	3,514	+17%
Metals	1,841	1,621	+14%
Hydro	1,522	1,313	+16%
Separation	1,201	1,095	+10%

	Q4 2023	Q4 2022	+/-
Pulp & Paper	1,161	1,103	+5%
Metals	492	487	+1%
Hydro	448	422	+6%
Separation	346	323	+7%

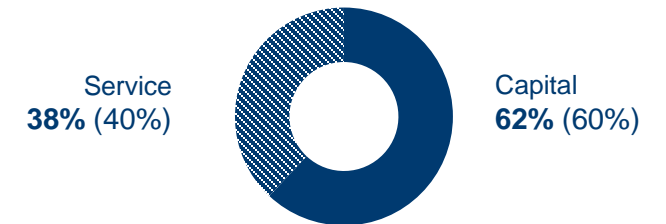
REVENUE BY REGION

2023 VS. 2022 (%)



REVENUE SPLIT: CAPITAL / SERVICE

2023 VS. 2022 (%)



- **Pulp & Paper, Metals, Hydro and Separation:** high revenue growth supported by the execution of the record high backlog from previous year



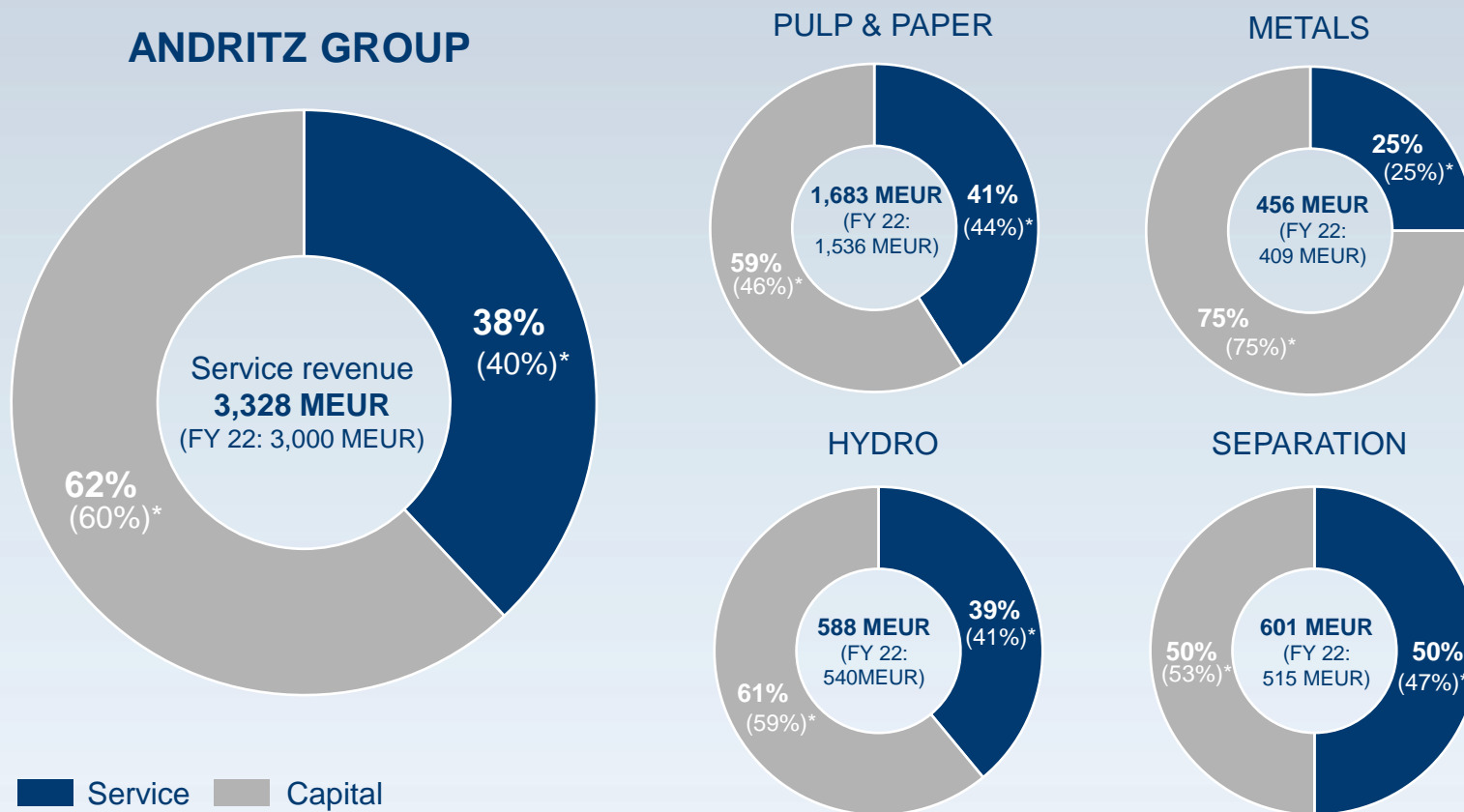
# SERVICE CONTINUOUSLY GROWING WITH HIGHER GROWTH RATES IN RECENT YEARS



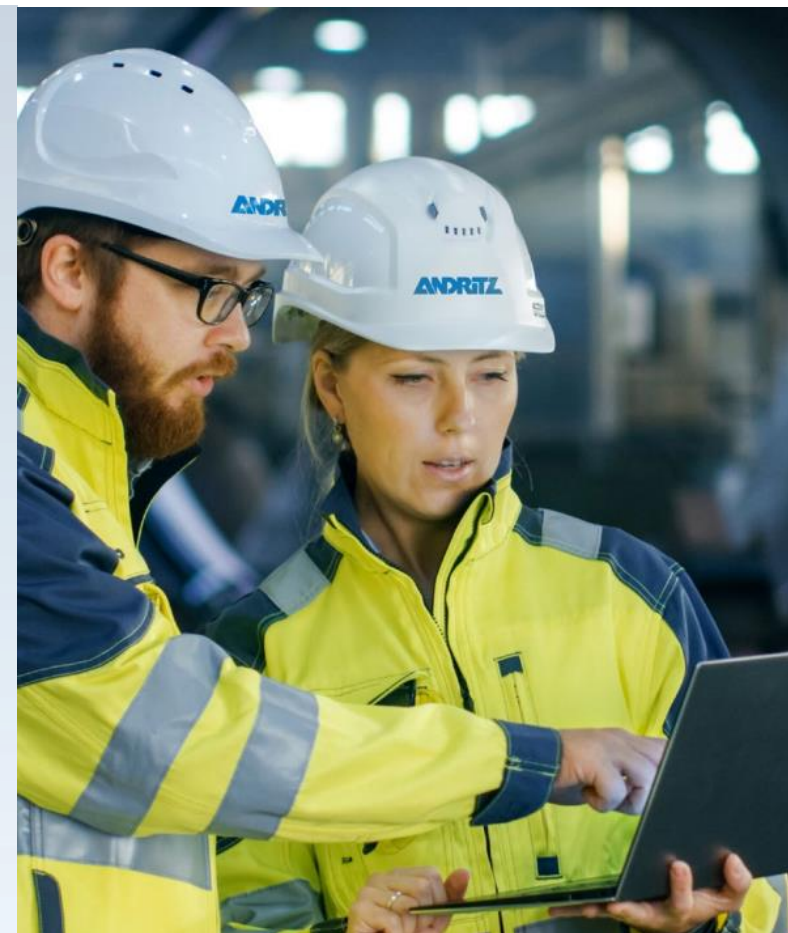
# STABLE SERVICE BUSINESS CONTINUES TO SUPPORT PROFITABILITY



FY 2023: Lower share in Service due to execution of large pulp mill projects



\*FY 2022



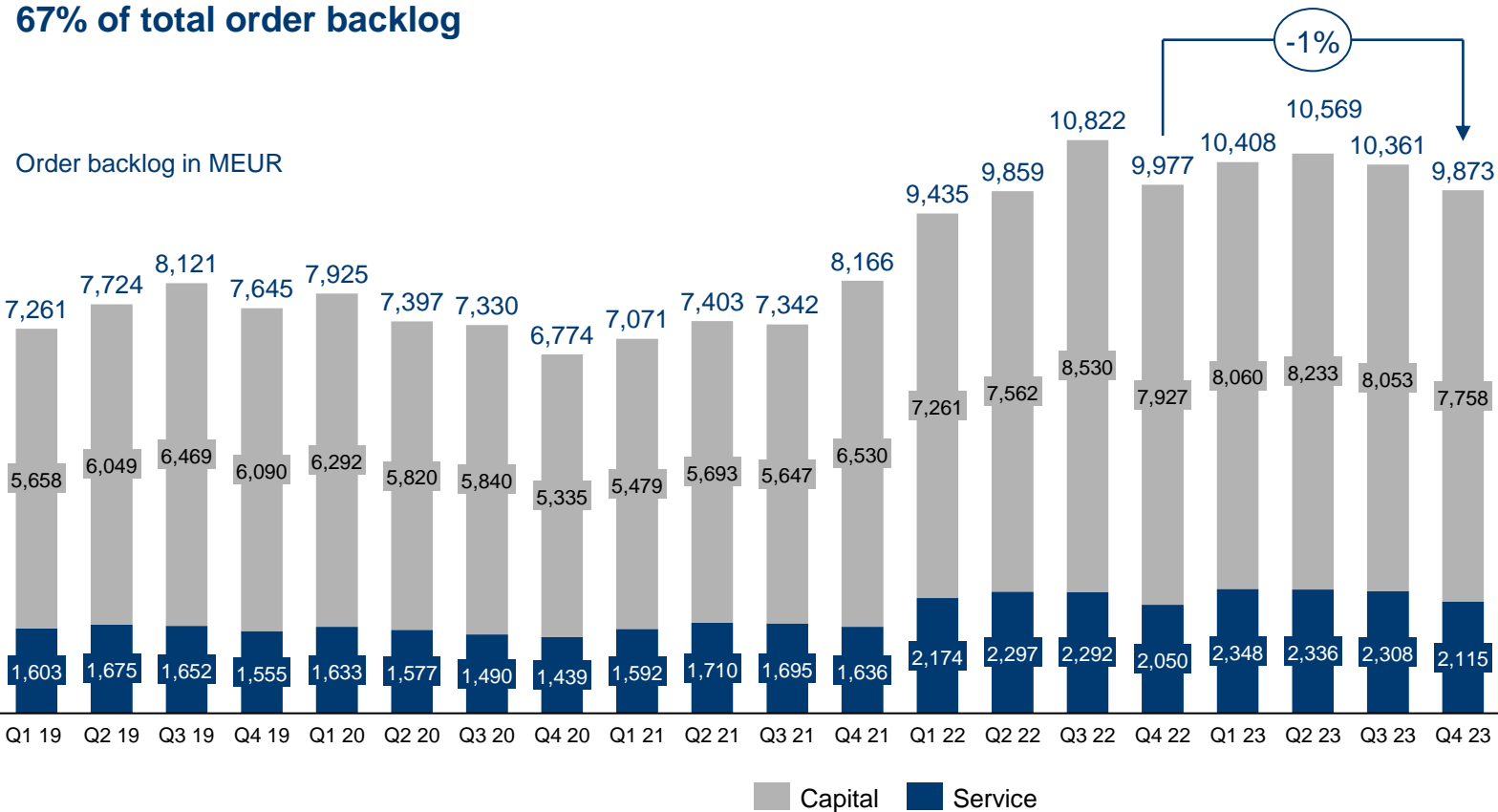


# ORDER BACKLOG



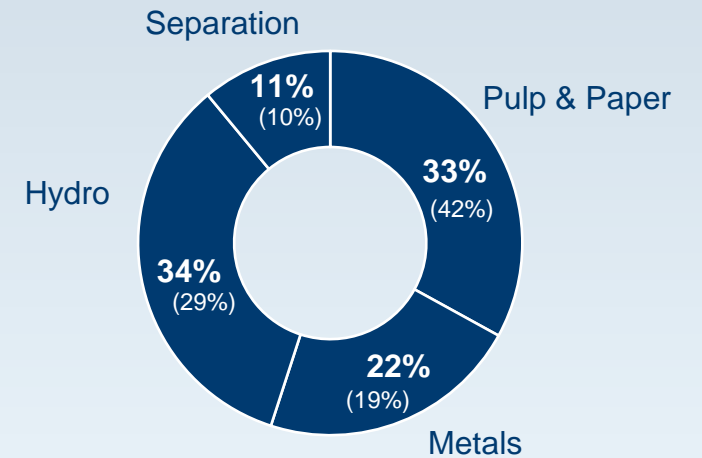
Backlog maintained on the high level of 2022

Pulp & Paper and Hydro account for 67% of total order backlog



## ORDER BACKLOG BY BUSINESS AREA

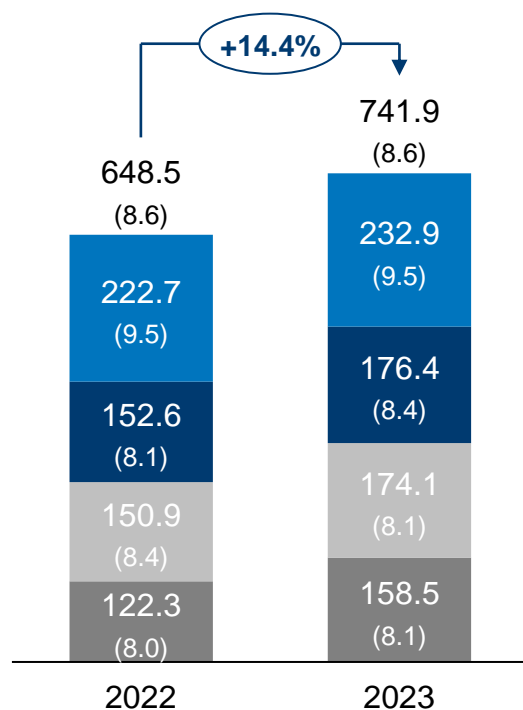
AS OF END OF DECEMBER 2023  
(DECEMBER 2022)



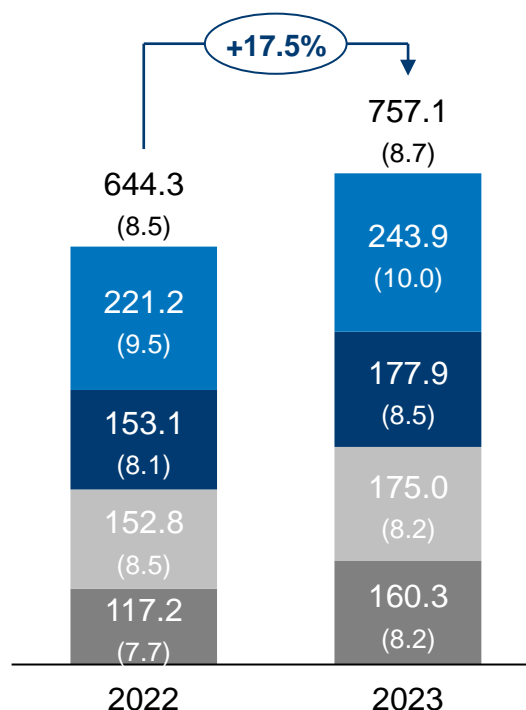
# RECORD EARNINGS PROFITABILITY REMAINS STABLE



EBITA AND EBITA MARGIN\*  
(REPORTED)



EBITA AND EBITA MARGIN\*  
(COMPARABLE)



\* EBITA (IN MEUR) / EBITA MARGIN (IN %)    ■ Q1   ■ Q2   ■ Q3   ■ Q4

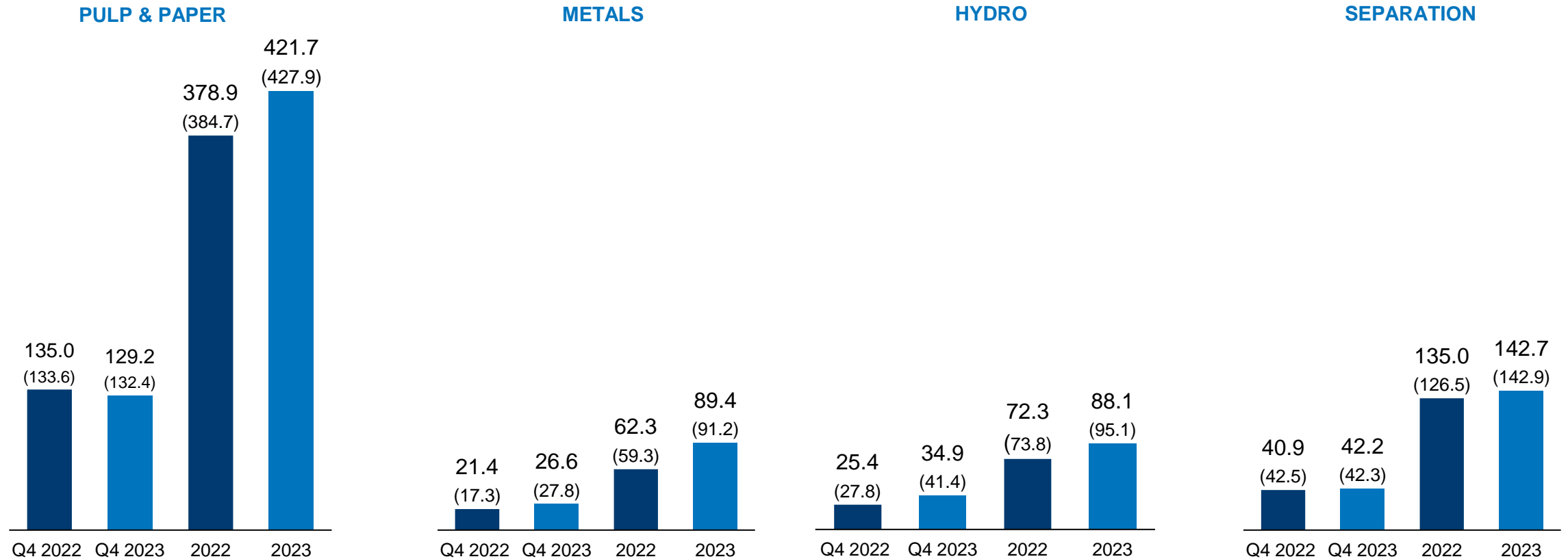
- **Operating result (EBITA)** increased and reached a record level. **Profitability (EBITA margin)** remained stable at 8.6%.
- **Comparable EBITA margin increased** from 8.5% to 8.7%.
- In total, **net extraordinary items** of ~15 MEUR in 2023 (restructuring expenses in several divisions, partly offset by extraordinary income from sale of unused property)





# INCREASED FULL YEAR EBITA IN ALL FOUR BUSINESS AREAS

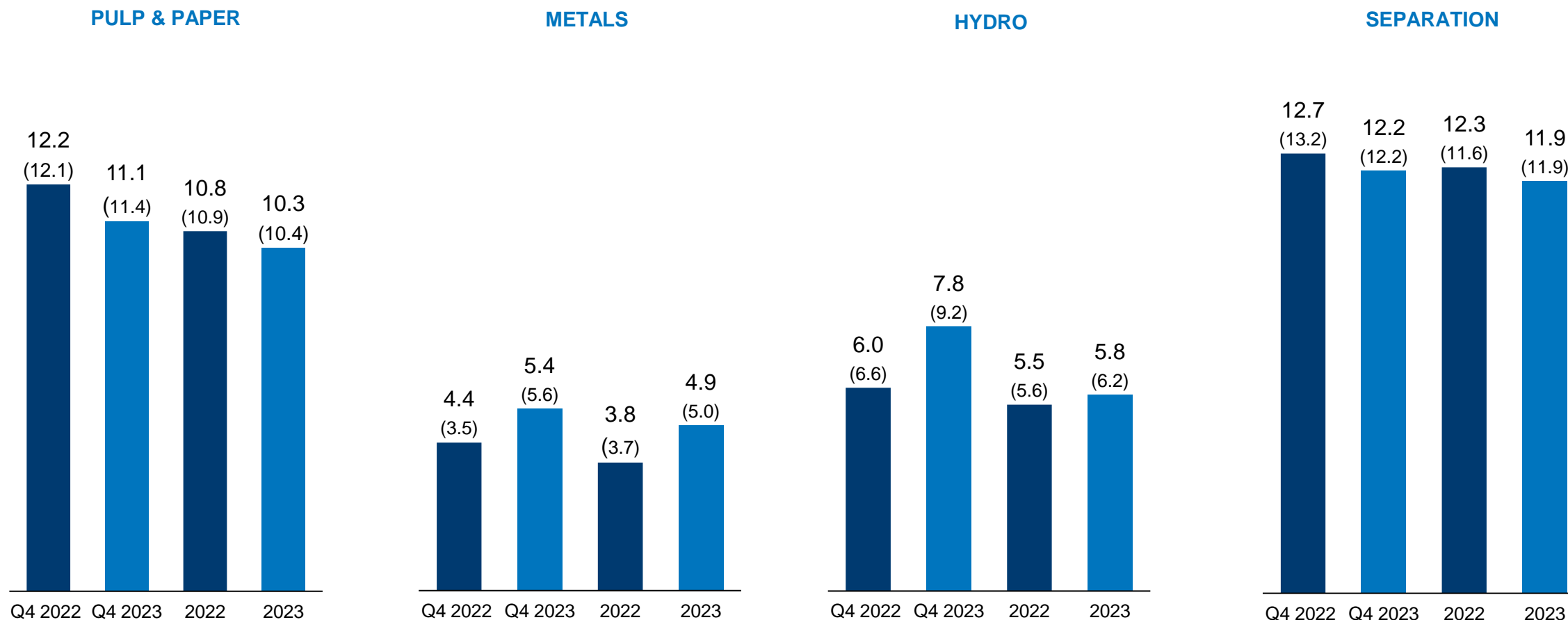
EBITA reported (Comparable EBITA) in MEUR



# INCREASED PROFITABILITY IN METALS AND HYDRO, SOLID PROFITABILITY IN OTHER BUSINESS AREAS



EBITA margin (Comparable EBITA margin) in %



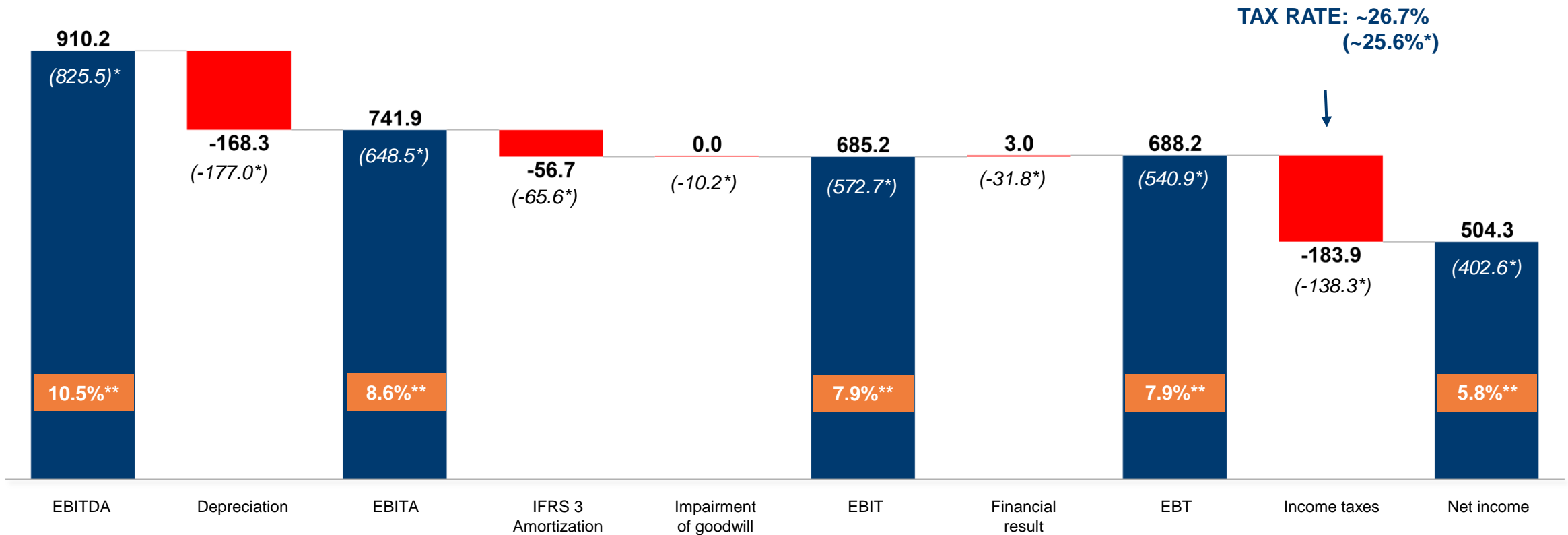


# EBITDA – NET INCOME BRIDGE



Net income achieved Group Target >5.0%

IN MEUR

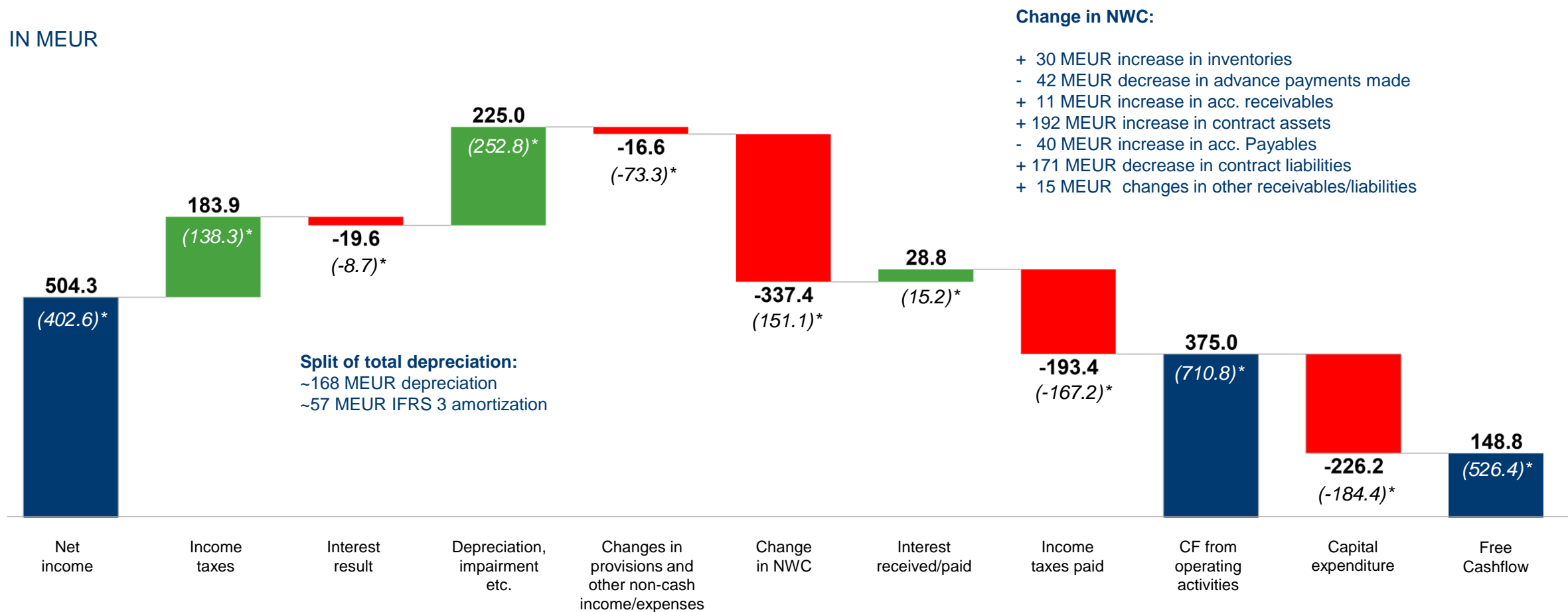


\* ( ) 2022  
 \*\* % OF TOTAL REVENUE

# CASH FLOW FROM OPERATING ACTIVITIES AND FREE CASH FLOW



IN MEUR



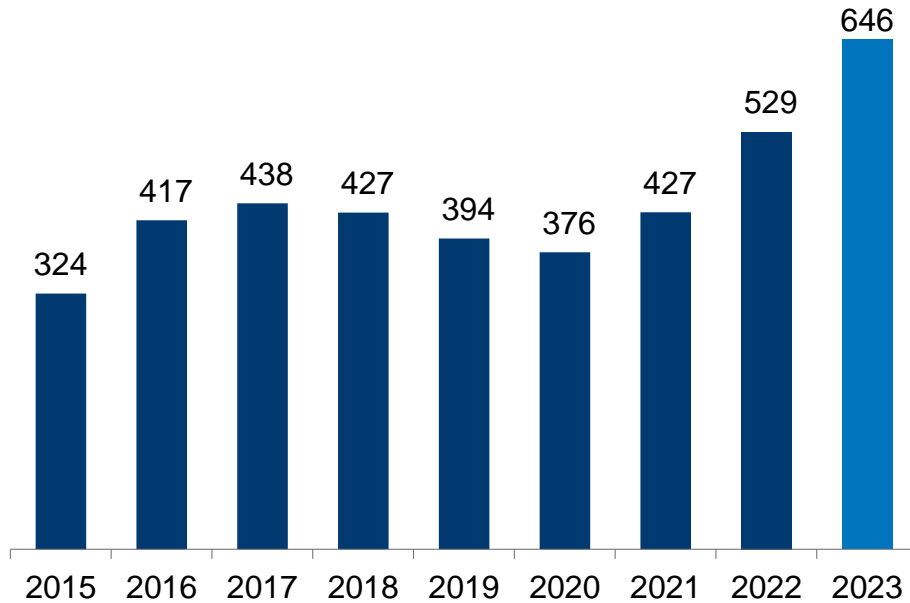
\* ( ) 2022



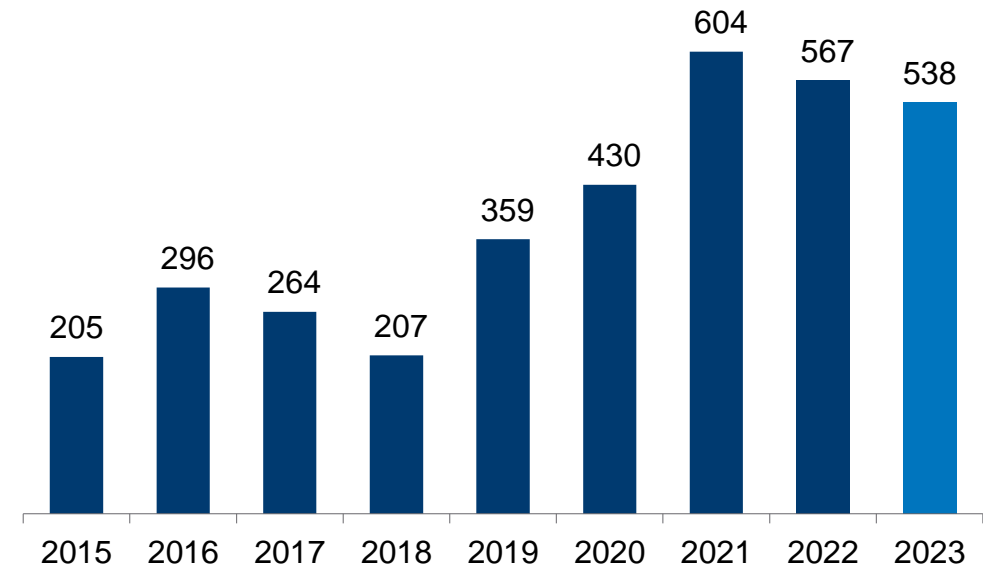
# ON A 3-YEAR AVERAGE VIEW EARNINGS ARE TURNED RELIABLY INTO CASH IN RECENT YEARS

EBITA and operating cash flow 3-year rolling average in MEUR

EBITA 3-YEAR ROLLING AVERAGE



OPERATING CASH FLOW 3-YEAR ROLLING AVERAGE



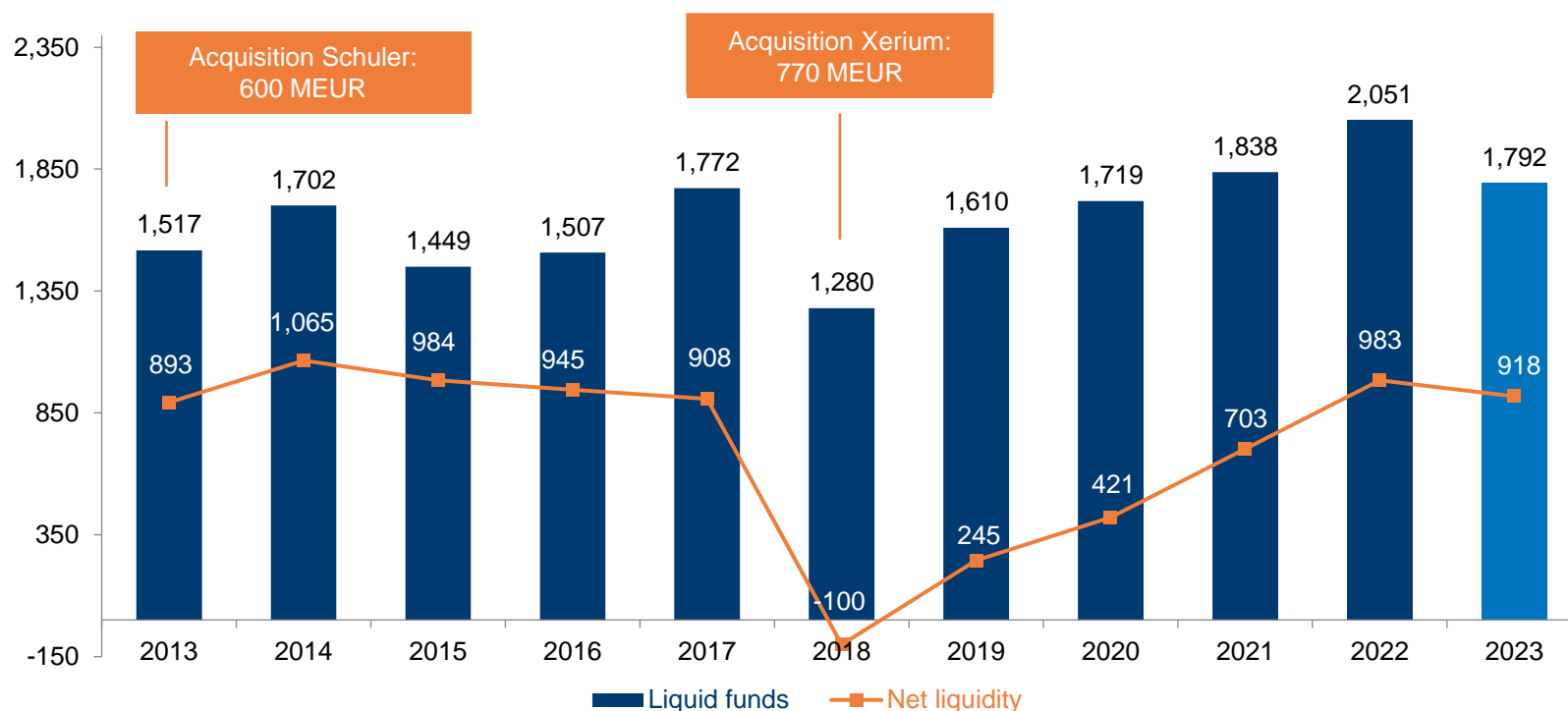


# SOLID FINANCIAL POSITION



2021/22: Net-liquidity increase target exceeded significantly, aided by favorable ONWC development  
 2023: Stagnation due to cash consumption from increased ONWC within the regular order cycles

Liquid funds and Net liquidity in MEUR



- **Aggregated dividend payments**  
2018-2023: 836 MEUR
- **Aggregated capex**  
2018-2023: 997 MEUR
- **Re-payment of loans (SSD)**  
2018-2023: 180.5 MEUR  
2023: 165.5 MEUR

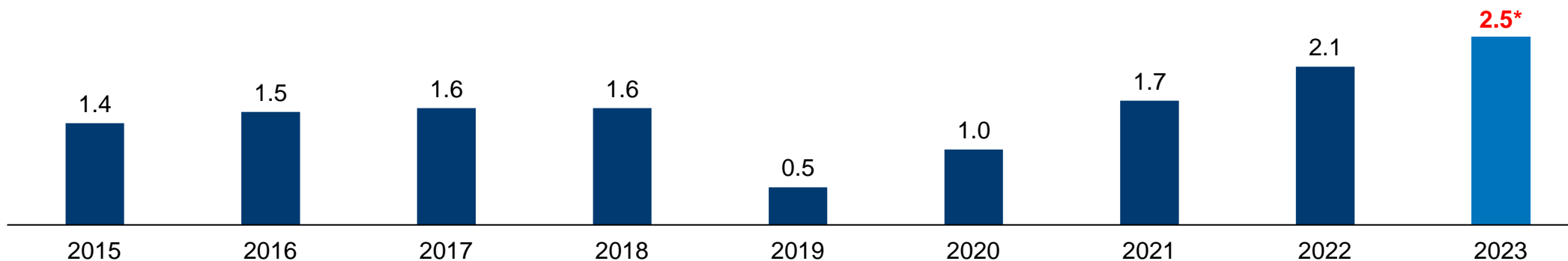
Note: Since January 1, 2019, lease liabilities are excluded from the calculation of net liquidity; 2018 adjusted

# PROPOSED DIVIDEND OF 2.50 EUR/SHARE



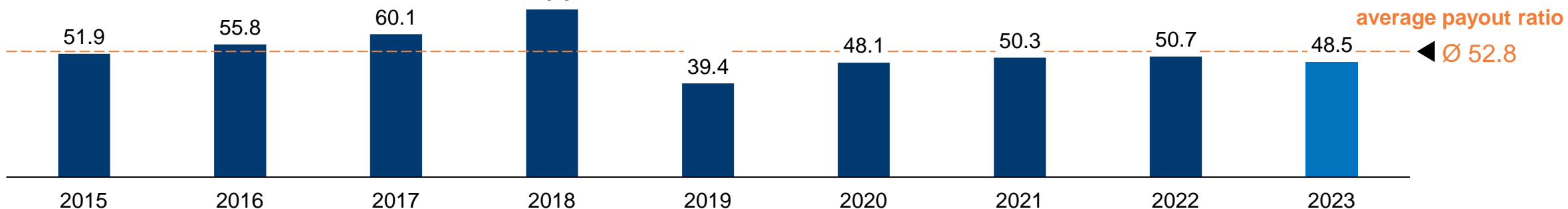
Stable and increasing dividends with average pay-out ratio above 50%

DIVIDEND PER SHARE (EUR)



\* Proposal to the Annual General Meeting

PAYOUT RATIO (%)



# KEY FIGURES Q4 / FY 2023 AT A GLANCE



	UNIT	Q4 2023	Q4 2022	+/-	2023	2022	+/-
Order intake	MEUR	<b>2,035.9</b>	1,812.4	+12%	<b>8,551.9</b>	9,263.4	-8%
Order backlog (as of end of period)	MEUR	<b>9,872.6</b>	9,976.5	-1%	<b>9,872.6</b>	9,976.5	-1%
Revenue	MEUR	<b>2,446.9</b>	2,335.1	+5%	<b>8,660.0</b>	7,542.9	+15%
EBITDA	MEUR	<b>277.4</b>	268.4	+3%	<b>910.2</b>	825.5	+10%
EBITDA margin	%	<b>11.3</b>	11.5	-	<b>10.5</b>	10.9	-
EBITA	MEUR	<b>232.9</b>	222.7	+5%	<b>741.9</b>	648.5	+14%
EBITA margin	%	<b>9.5</b>	9.5	-	<b>8.6</b>	8.6	-
Comparable EBITA	MEUR	<b>243.9</b>	221.2	+10%	<b>757.1</b>	644.3	+18%
Comparable EBITA margin	%	<b>10.0</b>	9.5	-	<b>8.7</b>	8.5	-
Net income (including non-controlling interests)	MEUR	<b>158.2</b>	141.6	+12%	<b>504.3</b>	402.6	+25%
Net income margin	%	<b>6.5</b>	6.0	-	<b>5.8</b>	5.3	-
Earnings per share	EUR	<b>n.a.</b>	n.a.	n.a.	<b>5.2</b>	4.1	+27%
Cash flow from operating activities	MEUR	<b>300.1</b>	268.2	+12%	<b>375.0</b>	710.8	-47%
Capital expenditure	MEUR	<b>68.5</b>	64.5	+6%	<b>226.2</b>	184.4	+23%
Liquid funds	MEUR	<b>1,787.2</b>	2,051.1	-13%	<b>1,787.2</b>	2,051.1	-13%
Net liquidity	MEUR	<b>912.7</b>	983.0	-7%	<b>912.7</b>	983.0	-7%
Net working capital	MEUR	<b>72.0</b>	-324.4	+78%	<b>72.0</b>	-324.4	+78%
Employees (as of end of period; without apprentices)	-	<b>29,717</b>	29,094	+2%	<b>29,717</b>	29,094	+2%

- **Order intake** reduced due to missing large orders mainly in P&P
- Record high **Earnings** based on strong growth of **revenue**
- Decrease in **cash flow** mainly due changes in net working capital (in advance and partial payments, lower OI)
- Significant increase in **net working capital** as part of the scheduled processing of large orders



# GROUP ROADMAP 2021-2023

## ALL TARGETS ACHIEVED



### GROUP TARGETS 2021-2023

### STATUS 2023

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

**Order intake:** 8.6 billion EUR  
**Revenue:** 8.7 billion EUR



**EBITA margin** at solid 8%

8.6%



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

5.8%



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

11 acquisitions from 2021 to 2023, new technologies for further growth



Reach **ESG targets**

Well on track





# AGENDA



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# PULP & PAPER: SOLID BUSINESS DEVELOPMENT



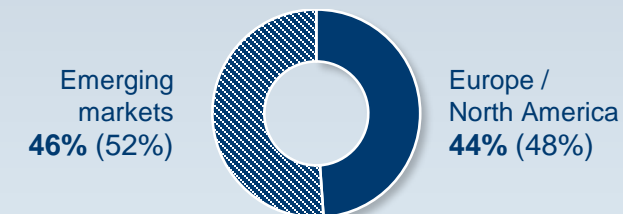
Revenue, and EBITA reached new record levels y/y

	UNIT	Q4 2023	Q4 2022	+/-	2023	2022	+/-
Order intake	MEUR	668.1	735.6	-9%	3,119.4	4,296.4	-27%
Order backlog (as of end of period)	MEUR	3,229.5	4,207.8	-23%	3,229.5	4,207.8	-23%
Revenue	MEUR	1,160.4	1,102.8	+5%	4,096.3	3,513.8	+17%
EBITDA	MEUR	152.4	150.1	+2%	505.0	462.1	+9%
EBITDA margin	%	13.1	13.6	-	12.3	13.2	-
EBITA	MEUR	129.2	135.0	-4%	421.7	378.9	+11%
EBITA margin	%	11.1	12.2	-	10.3	10.8	-
Employees (as of end of period; without apprentices)	-	13,615	13,525	+1%	13,615	13,525	+1%

- **Order intake:** huge drop in OI due to weak market for capital business and Service business with a solid development
- **Revenue** significantly up y/y due to the execution of major pulp mill projects received in 2021 and 2022
- **Profitability** slightly down due to high share of large capital orders

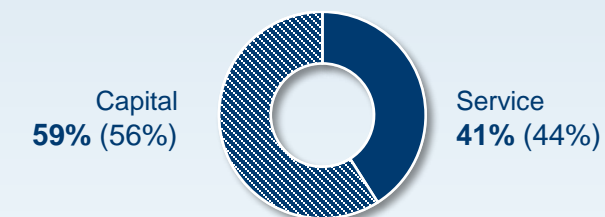
## REVENUE BY REGION

2023 VS. 2022 (%)



## REVENUE SPLIT: CAPITAL / SERVICE

2023 VS. 2022 (%)







# METALS: EARNINGS AND PROFITABILITY CONTINUED UPWARD TREND

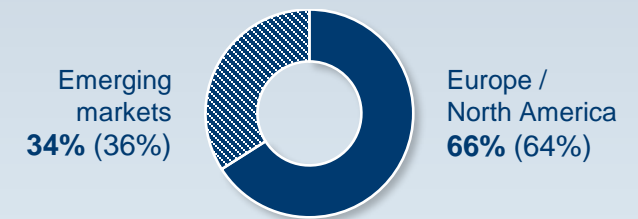
Highest order intake in company history

	UNIT	Q4 2023	Q4 2022	+/-	2023	2022	+/-
Order intake	MEUR	379.4	453.8	-16%	2,124.5	2,008.60	+6%
Order backlog (as of end of period)	MEUR	2,183.1	1,938.1	+13%	2,183.1	1,938.1	+13%
Revenue	MEUR	492.2	487.4	+1%	1,840.5	1,621.2	+14%
EBITDA	MEUR	35.7	32.3	+11%	125.3	100.9	+24%
EBITDA margin	%	7.3	6.6	-	6.8	6.2	-
EBITA	MEUR	26.6	21.4	+24%	89.4	62.3	+44%
EBITA margin	%	5.4	4.4	-	4.9	3.8	-
Employees (as of end of period; without apprentices)	-	6,199	6,085	+2%	6,199	6,085	+2%

- **Order intake** growth driven by important orders for green hydrogen and battery plants
- **Revenue** growth in line with the strong Order intake in the last couple of quarters
- **Earnings and profitability** continued its positive development as a result of an improved project execution and favorable capacity utilization

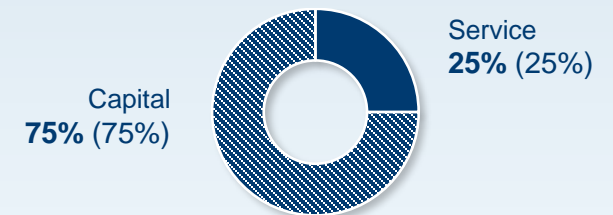
## REVENUE BY REGION

2023 VS. 2022 (%)



## REVENUE SPLIT: CAPITAL / SERVICE

2023 VS. 2022 (%)



# HYDRO: STRONG INCREASE IN ORDER INTAKE AND REVENUE



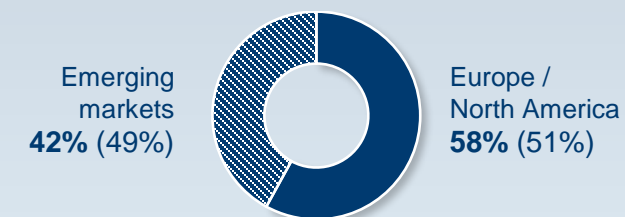
Order intake reached again a very favorable level y/y

	UNIT	Q4 2023	Q4 2022	+/-	2023	2022	+/-
Order intake	MEUR	610.5	310.8	+96%	2,020.9	1,720.5	+17%
Order backlog (as of end of period)	MEUR	3,398.8	2,878.4	+18%	3,398.8	2,878.4	+18%
Revenue	MEUR	448.3	422.3	+6%	1,521.7	1,313.0	+16%
EBITDA	MEUR	40.9	39.9	+3%	113.9	107.7	+6%
EBITDA margin	MEUR	9.1	9.4	-	7.5	8.2	-
EBITA	MEUR	34.9	25.4	+37%	88.1	72.3	+22%
EBITA margin	MEUR	7.8	6.0	-	5.8	5.5	-
Employees (as of end of period; without apprentices)	-	5,782	6,102	-5%	5,782	6,102	-5%

- **Order intake** strongly up in a growing market. New plants, modernisations and pump storage plants contributed to the growth
- **Revenue** significantly up y/y due to high order intake in previous year
- **Earnings and profitability up** y/y and q/q

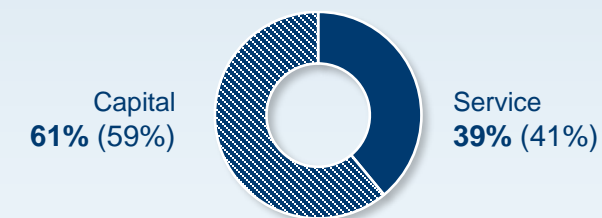
## REVENUE BY REGION

2023 VS. 2022 (%)



## REVENUE SPLIT: CAPITAL / SERVICE

2023 VS. 2022 (%)



# SEPARATION: GOOD BUSINESS DEVELOPMENT



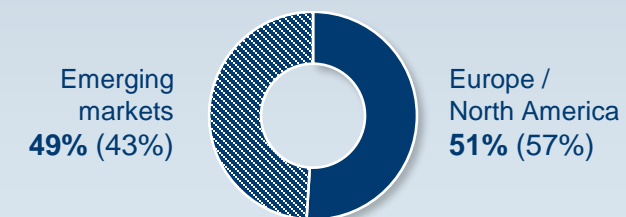
## Excellent development of Service business

	UNIT	Q4 2023	Q4 2022	+/-	2023	2022	+/-
Order intake	MEUR	377.9	312.2	+21%	1,287.1	1,237.9	+4%
Order backlog (as of end of period)	MEUR	1,061.2	952.2	+11%	1,061.2	952.2	+11%
Revenue	MEUR	346.0	322.6	+7%	1,201.5	1,094.9	+10%
EBITDA	MEUR	48.4	46.1	+5%	166.0	154.8	+7%
EBITDA margin	%	14.0	14.3	-	13.8	14.1	-
EBITA	MEUR	42.2	40.9	+3%	142.7	135.0	+6%
EBITA margin	%	12.2	12.7	-	11.9	12.3	-
Employees (as of end of period; without apprentices)	-	4,121	3,382	+22%	4,121	3,382	+22%

- **Order intake** stable development of Capital business and ongoing strong growth in Service
- **Revenue** significantly up y/y
- **Earnings and profitability:** Strong growth in earnings due to higher revenue volume and profitability on a comparable level

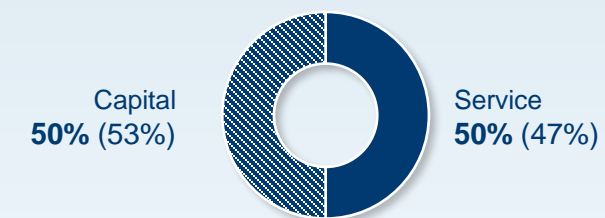
### REVENUE BY REGION

2023 VS. 2022 (%)



### REVENUE SPLIT: CAPITAL / SERVICE

2023 VS. 2022 (%)





# AGENDA



1 | Q4 / FY 2023 AT A GLANCE

2 | PERFORMANCE Q4 / FY 2023

3 | UPDATE OF BUSINESS AREAS

4 | OUTLOOK



# 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**



# MARKET OUTLOOK AND FINANCIAL GUIDANCE



Continued good market expectations for all four business areas

## MARKET OUTLOOK

- Generally satisfactory market activities
- Good markets for Hydro and other Green Products as well as in North America
- Economic and geopolitical challenges are closely monitored

## FINANCIAL GUIDANCE FOR 2024

- ANDRITZ expects for the business year **2024** a **slight increase of revenue and earnings**







ANDRITZ GROUP

# RESULTS Q4 / FY2023

FEBRUARY 29, 2024

**ANDRITZ**

ENGINEERED SUCCESS



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