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**EANS-News: ANDRITZ GROUP: Results for Q2 2020 and H1 2020**

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**Mid Year Results/Mid Year Financial Report/Quarterly Report**

Graz - July 31, 2020. International technology Group ANDRITZ showed largely solid business development in the second quarter of 2020 in view of the very challenging overall economic environment. While order intake fell sharply compared to the previous year's reference period - primarily due to the weak global economy, but also to structural weaknesses in the Hydro and Metals Forming markets (Schuler) - sales, earnings (EBITA) and profitability increased slightly.

Wolfgang Leitner, President and CEO of ANDRITZ AG: "All of our business areas have been and still are being affected by the weakness of the global economy - albeit to different extents. We introduced cost-saving measures at the right time and were able to largely cushion the negative effects of the crisis as a result. However, as investment activity will continue to be adversely affected in the markets we serve and the structural weakness in the Hydro and Metals Forming markets will probably persist, we will be taking further steps to adjust our cost structures in the coming months in order to safeguard our ability to compete in the long term."

The key financial figures developed as follows:

- \* In the second quarter of 2020, order intake at 1,183.8 MEUR was significantly lower than in the previous year's reference period (-42.2% versus Q2 2019 2,047.1 MEUR), which included several larger orders in the Pulp & Paper and Metals business areas. Considering the difficult general environment, Pulp & Paper saw solid development, but still showed a decline compared to the very high level of the previous year's reference period. Order intake fell sharply in the Metals business area in particular, which was affected by the very weak investment activity in both the automotive and steel industries. The Hydro business area also suffered from the unchanged difficult conditions on the global hydropower market. Order intake in the Separation business area saw positive development. Order intake of the ANDRITZ-GROUP in the first half of 2020 amounted to 3,036.7 MEUR (-18.0% vs. H1 2019: 3,705.2 MEUR).
- \* The order backlog as of June 30, 2020 amounted to 7,396.6 MEUR and fell by 4.9% compared to the end of 2019 (7,777.6 MEUR).
- \* Sales increased in the second quarter of 2020 by 5.7% compared to the previous year's reference period (Q2 2019: 1,573.2 MEUR) to reach 1,662.8 MEUR. This is attributable to the Pulp & Paper business area, which saw a sharp increase in sales due to processing of some larger orders and more than made up for the decline in sales of the other business areas. Sales of the ANDRITZ GROUP in the first half of 2020 amounted to 3,173.0 MEUR and increased by 3.6% compared to the previous year's reference period (first half of 2019: 3,062.4 MEUR).
- \* The EBITA amounted to 104.2 MEUR in the second quarter of 2020 and increased slightly more than sales. While the Pulp & Paper and Separation business areas showed very favorable earnings development, earnings in the Metals business area in particular continued to be very low due to processing of low-margin orders and the under-absorption of capacities in the Metals Forming (Schuler) segment. The Hydro business area also saw a decline in earnings and profitability compared to the previous year's reference period. The EBITA of the ANDRITZ GROUP amounted to 174.3 MEUR in the first half of 2020 and was slightly below the level of the previous year's reference period (-1.8% versus H1 2019 177.5 MEUR).

\* The financial result in the second quarter of 2020 amounted to -8.9 MEUR, improving significantly compared to the previous year's reference period (Q2 2019: -14.4 MEUR).

\* As a result, net income (without non-controlling interests) increased in the second quarter of 2020 to 53.4 MEUR (Q2 2019: 43.9 MEUR). In the first half of 2020, the net income (without non-controlling interests) amounted to 84.9 MEUR (H1 2019: 77.5 MEUR).

#### OUTLOOK FOR 2020: Slight decline in sales and stable profitability

The markets served by ANDRITZ have been and continue to be affected by the negative effects of the COVID-19 crisis. Many investment projects and order awards have been slowed down by the customers or postponed until further notice.

In the coming months, ANDRITZ will continue the measures to reduce costs in the short term that were implemented immediately after the COVID-19 crisis began and also make adjustments to optimize cost structures in the medium term. This concerns Hydro and Metals Forming in particular, both of which are affected by continuing weakness of their markets served, which has been intensified by the global economic slowdown. As a result, capacity adjustments are planned in both areas, for which total provisions in the mid-/upper two-digit million euros range are planned in the third quarter of 2020. These measures are aimed at adapting the capacities and cost structures to a slightly lower business volume in both business areas in the medium term.

Based on development of the order intake in the first half of 2020, the existing order backlog of the Group as of the end of June and market expectations for the current, second half of the year, ANDRITZ expects slightly lower sales from today's perspective for the 2020 business year compared to 2019 (6,674 MEUR).

Profitability (EBITA margin based on the operating result (EBITA) as reported) including the above mentioned provisions for capacity adjustment measures should remain roughly at the same level as in the previous year (EBITA margin 2019 reported: approx. 5%) in spite of the decline in sales.

However, if the situation deteriorates further as the year progresses, further financial provisions for additional capacity adjustments may be necessary in individual business areas and could have a negative effect on the ANDRITZ GROUP's earnings.

#### KEY FINANCIAL FIGURES AT A GLANCE

	Unit	H1 2020	H1 2019	+/-	Q2 2020	Q2 2019	+/-	2019
Sales	MEUR	3,173.0	3,062.4	+3.6%	1,662.8	1,573.2	+5.7%	6,673.9
- Pulp & Paper	MEUR	1,595.6	1,310.3	+21.8%	882.3	707.6	+24.7%	2,869.5
- Metals	MEUR	698.2	758.7	-8.0%	343.0	370.9	-7.5%	1,636.9
- Hydro	MEUR	587.6	675.6	-13.0%	289.4	337.2	-14.2%	1,470.7
- Separation	MEUR	291.6	317.8	-8.2%	148.1	157.6	-6.0%	696.8
Order intake	MEUR	3,036.7	3,705.2	-18.0%	1,183.8	2,047.1	-42.2%	7,282.0
- Pulp & Paper	MEUR	1,699.8	1,925.7	-11.7%	621.6	1,118.8	-44.4%	3,632.5
- Metals	MEUR	488.1	809.8	-39.7%	126.6	461.7	-72.6%	1,582.2
- Hydro	MEUR	492.4	601.8	-18.2%	246.9	287.9	-14.2%	1,350.2
- Separation	MEUR	356.4	367.9	-3.1%	188.7	178.7	+5.6%	717.1
Order backlog (as of end of period)	MEUR	7,396.6	7,724.2	-4.2%	7,396.6	7,724.2	-4.2%	7,777.6
EBITDA	MEUR	258.6	262.7	-1.6%	146.0	136.2	+7.2%	537.6
EBITDA margin	%	8.2	8.6	-	8.8	8.7	-	8.1
EBITA	MEUR	174.3	177.5	-1.8%	104.2	94.7	+10.0%	343.2
EBITA margin	%	5.5	5.8	-	6.3	6.0	-	5.1
Earnings Before Interest and Taxes (EBIT)	MEUR	137.4	128.9	+6.6%	83.6	76.0	+10.0%	237.9
Financial result	MEUR	-18.4	-20.8	+11.5%	-8.9	-14.4	+38.2%	-57.0
Earnings Before Taxes (EBT)	MEUR	119.0	108.1	+10.1%	74.7	61.6	+21.3%	180.9
Net income (without								

non-controlling interests)	MEUR	84.9	77.5	+9.5%	53.4	43.9	+21.6%	127.8
Cash flow from operating activities	MEUR	100.0	271.9	-63.2%	43.1	215.9	-80.0%	821.6
Capital expenditure	MEUR	59.9	62.0	-3.4%	30.0	36.6	-18.0%	157.1
Employees (as of end of period; without apprentices)	-	27,828	29,616	-6.0%	27,828	29,616	-6.0%	29,513

All figures according to IFRS. Due to the utilization of automatic calculation programs, differences can arise in the addition of rounded totals and percentages.

MEUR = million euros. EUR = euros.

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#### ANDRITZ GROUP

International technology group ANDRITZ offers a broad portfolio of innovative plants, equipment, systems and services for the pulp and paper industry, the hydropower sector, the metals processing and forming industry, solid/liquid separation in the municipal and industrial sectors, as well as animal feed and biomass pelleting. The global product and service portfolio is rounded off with plants for power generation, recycling, the production of nonwovens and panelboard, as well as automation and digital solutions offered under the brand name of Metris. The publicly listed group today has around 27,800 employees and more than 280 locations in over 40 countries.

#### ANNUAL AND FINANCIAL REPORTS

Annual and Financial reports are available for download at the ANDRITZ web site [andritz.com](http://andritz.com), and printed editions can be requested free of charge by e-mail to [investors@andritz.com](mailto:investors@andritz.com).

#### DISCLAIMER

Certain statements contained in this press release constitute "forward-looking statements". These statements, which contain the words "believe," "intend," "expect," and words of a similar meaning, reflect the Executive Board's beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law.

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