

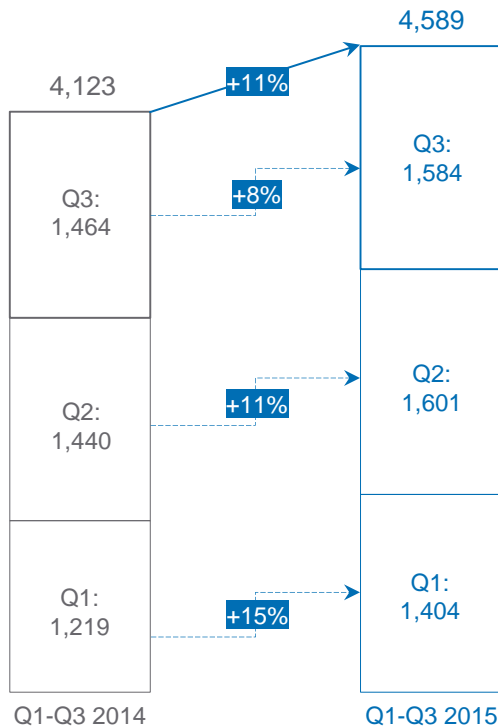


## **ANDRITZ GROUP: results for Q1-Q3 2015**

November 6, 2015

# Increase in Group sales with positive development in all business areas

Sales Q1-Q3 2015 vs. Q1-Q3 2014 (MEUR)



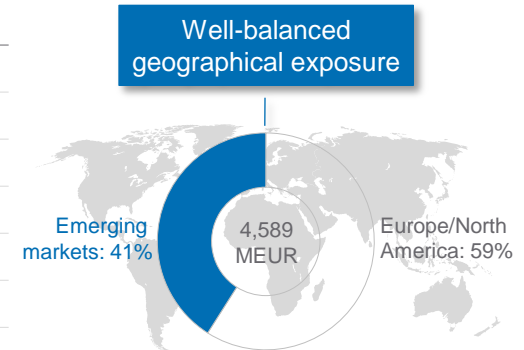
Sales by business area (MEUR)

	Q1-Q3 2015	Q1-Q3 2014	+/-	Q3 2015	Q3 2014	+/-
HYDRO	1,310	1,232	+6%	443	427	+4%
PULP & PAPER	1,586	1,370	+16%	543	501	+8%
METALS	1,240	1,112	+12%	444	390	+14%
SEPARATION	453	409	+11%	154	147	+5%

Sales by region (%)

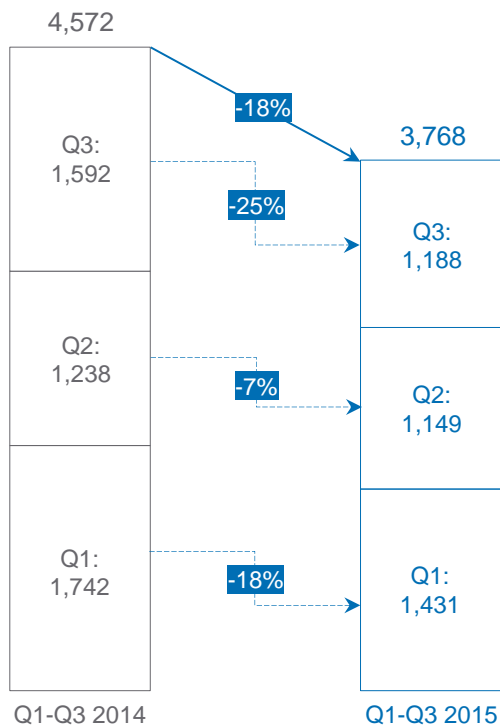
	Q1-Q3 2015	Q1-Q3 2014
Europe	41%	41%
North America	18%	17%
South America	14%	15%
China	12%	14%
Asia (ex China)	11%	10%
Others*	4%	3%

\* Africa and Australia



# Group order intake significantly below high levels in Q3/Q1-Q3 2014, mainly due to PULP & PAPER and METALS

Order intake Q1-Q3 2015 vs. Q1-Q3 2014 (MEUR)



Order intake by business area (MEUR)

	Q1-Q3 2015	Q1-Q3 2014	+/-	Q3 2015	Q3 2014	+/-
HYDRO	1,122	1,166	-4%	327	351	-7%
PULP & PAPER	1,256	1,630	-23%	347	572	-39%
METALS	954	1,328	-28%	358	530	-32%
SEPARATION	436	448	-3%	155	138	+13%

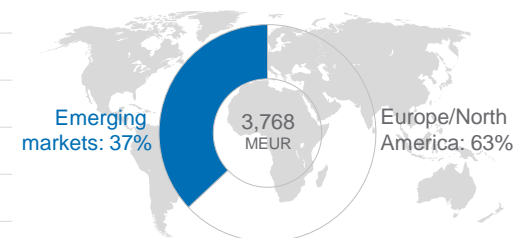
HYDRO: Swansea order (~ 250 MEUR) expected to be booked not before end of H1 2016

PULP & PAPER: Fibria order (~ 600 MEUR) booked in Q4 2015

Order intake by region (%)

	Q1-Q3 2015	Q1-Q3 2014
Europe	41%	38%
North America	22%	19%
China	12%	14%
Asia (ex China)	12%	9%
South America	10%	15%
Others*	3%	5%

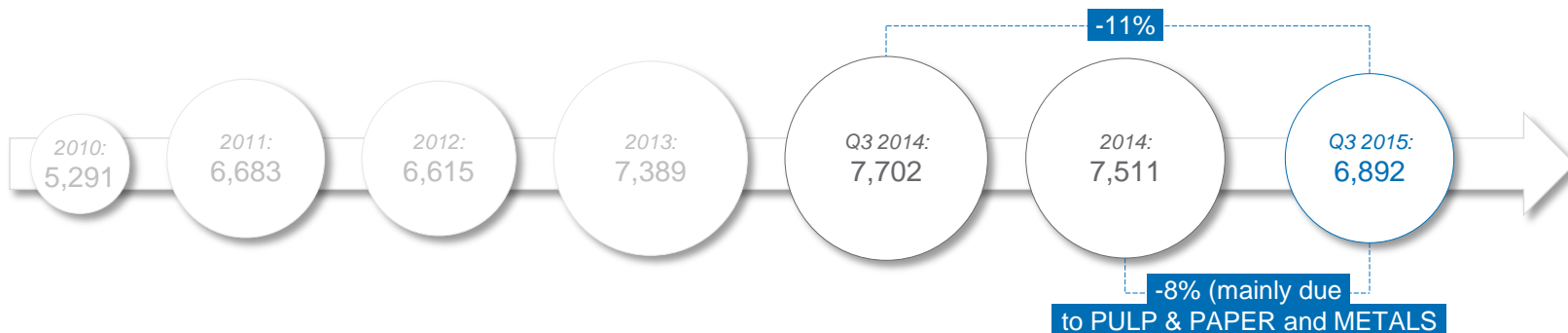
\* Africa and Australia



# Order backlog

Solid workload in all business areas

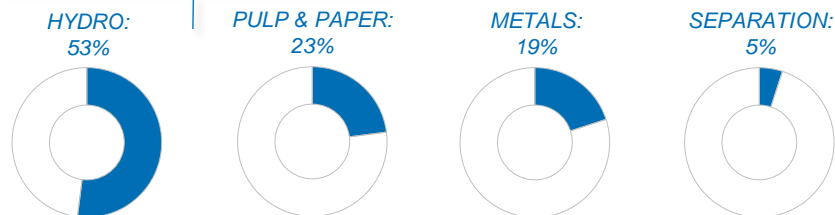
Order backlog (as of end of period in MEUR)



Order backlog by business area (as of end of period in MEUR)

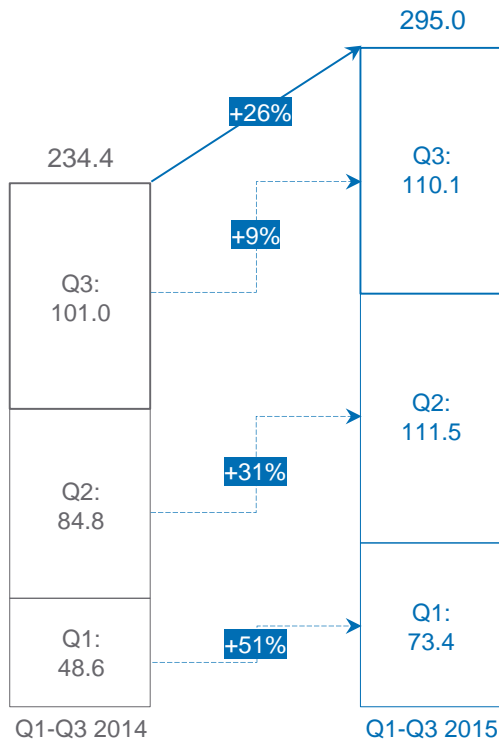
	Q1-Q3 2015	Q1-Q3 2014	+/-
HYDRO	3,586	3,576	+0%
PULP & PAPER	1,610	2,102	-23%
METALS	1,327	1,631	-19%
SEPARATION	370	394	-6%

HYDRO and PULP & PAPER account for 75% of total backlog



# Earnings and profitability strongly improved despite one-off effects

EBITA Q1-Q3 2015 vs. Q1-Q3 2014 (MEUR)



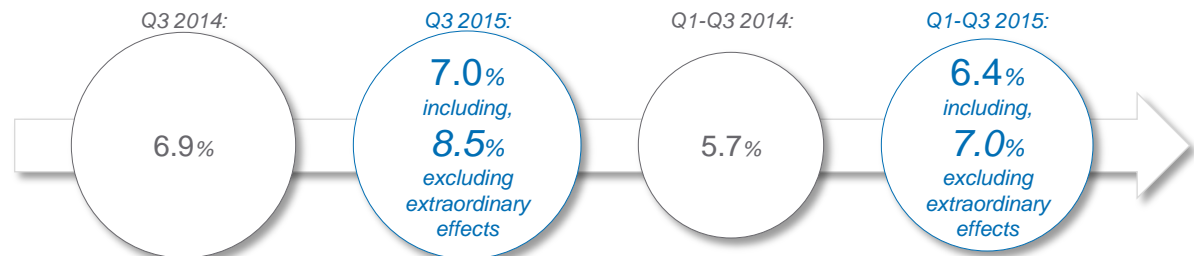
## Q3 2015:

- EBITA, at 110.1 MEUR, up by 9.0% versus Q3 2014 (101.0 MEUR); EBITA margin at 7.0% (Q3 2014: 6.9%)
- Provisions for Schuler (optimization of value chain) of ~ 55 MEUR booked in Q3 2015 and partly offset by project-related one-off improvements of ~ 30 MEUR in PULP & PAPER business area
- Excluding these extraordinary effects: EBITA at 135.1 MEUR and EBITA margin at 8.5%

## Q1-Q3 2015:

- EBITA significantly increased to 295.0 MEUR (+25.9% versus Q1-Q3 2014: 234.4 MEUR); EBITA margin at 6.4% (Q1-Q3 2014: 5.7%)
- Excluding extraordinary effects in Q3 2014: EBITA rose to 320.0 MEUR and the EBITA margin to 7.0%
- Earnings impact by temporary exchange rate differences resulting from negative market values in project-related currency hedges amounted to ~ -2 MEUR

## EBITA margin (%)



# Key figures Q3/Q1-Q3 2015 at a glance

	Unit	Q1-Q3 2015	Q1-Q3 2014	+/-	Q3 2015	Q3 2014	+/-	2014
Order intake	MEUR	3,767.6	4,571.6	-17.6%	1,187.6	1,591.5	-25.4%	6,101.0
Order backlog (as of end of period)	MEUR	6,891.8	7,702.2	-10.5%	6,891.8	7,702.2	-10.5%	7,510.6
Sales	MEUR	4,589.1	4,122.9	+11.3%	1,583.5	1,463.5	+8.2%	5,859.3
EBITDA	MEUR	364.1	298.9	+21.8%	133.2	123.2	+8.1%	472.0
EBITA	MEUR	295.0	234.4	+25.9%	110.1	101.0	+9.0%	379.5
EBIT	MEUR	259.1	176.0	+47.2%	99.5	81.6	+21.9%	295.7
EBT	MEUR	263.1	174.3	+50.9%	96.7	81.6	+18.5%	299.4
Financial result	MEUR	4.0	-1.7	+335.3%	-2.8	0.0	n. a.	3.7
Net income (including non-controlling interests)	MEUR	183.5	122.0	+50.4%	67.6	57.1	+18.4%	210.0
Cash flow from operating activities	MEUR	132.8	225.6	-41.1%	140.6	176.6	-20.4%	342.1
Capital expenditure	MEUR	59.7	61.9	-3.6%	23.4	27.4	-14.6%	106.5
Equity ratio	%	19.0	16.9	-	19.0	16.9	-	17.0
Liquid funds	MEUR	1,367.1	1,666.6	-18.0%	1,367.1	1,666.6	-18.0%	1,701.6
Net liquidity	MEUR	930.3	1,013.8	-8.2%	930.3	1,013.8	-8.2%	1,065.1
Net working capital	MEUR	-354.1	-607.0	+41.7%	-354.1	-607.0	+41.7%	-570.9
EBITDA margin	%	7.9	7.2	-	8.4	8.4	-	8.1
EBITA margin	%	6.4	5.7	-	7.0	6.9	-	6.5
EBIT margin	%	5.6	4.3	-	6.3	5.6	-	5.0
Employees (as of end of period; without apprentices)	-	24,769	24,468	+1.2%	24,769	24,468	+1.2%	24,853

Unchanged solid net liquidity

Increase due to lower customer advances and payments to sub-suppliers

# HYDRO (1)

## Continuing moderate project and investment activity

### Modernizations/rehabilitations

Many projects postponed until further notice due to unchanged low electricity and energy prices

### New hydropower plants

Some new planned projects expected to be awarded only in the medium term

### Small-scale hydropower and pumps

Satisfactory project activity



# HYDRO (2)

## Satisfactory business development



Reasonable order intake in view of unchanged difficult market environment

Sales in Q3 and Q1-Q3 2015 favorably up

Satisfactory development of earnings and margin

	Unit	Q1-Q3 2015	Q1-Q3 2014	+/-	Q3 2015	Q3 2014	+/-	2014
Order intake	MEUR	1,122.0	1,166.0	-3.8%	327.3	351.4	-6.9%	1,816.7
Order backlog (as of end of period)	MEUR	3,585.8	3,575.5	+0.3%	3,585.8	3,575.5	+0.3%	3,708.6
Sales	MEUR	1,309.6	1,232.2	+6.3%	443.3	426.8	+3.9%	1,752.3
EBITDA	MEUR	116.1	114.5	+1.4%	42.3	42.8	-1.2%	177.2
EBITDA margin	%	8.9	9.3	-	9.5	10.0	-	10.1
EBITA	MEUR	91.6	91.7	-0.1%	33.6	34.9	-3.7%	144.8
EBITA margin	%	7.0	7.4	-	7.6	8.2	-	8.3
Employees (as of end of period; without apprentices)	-	8,474	8,080	+4.9%	8,474	8,080	+4.9%	8,339

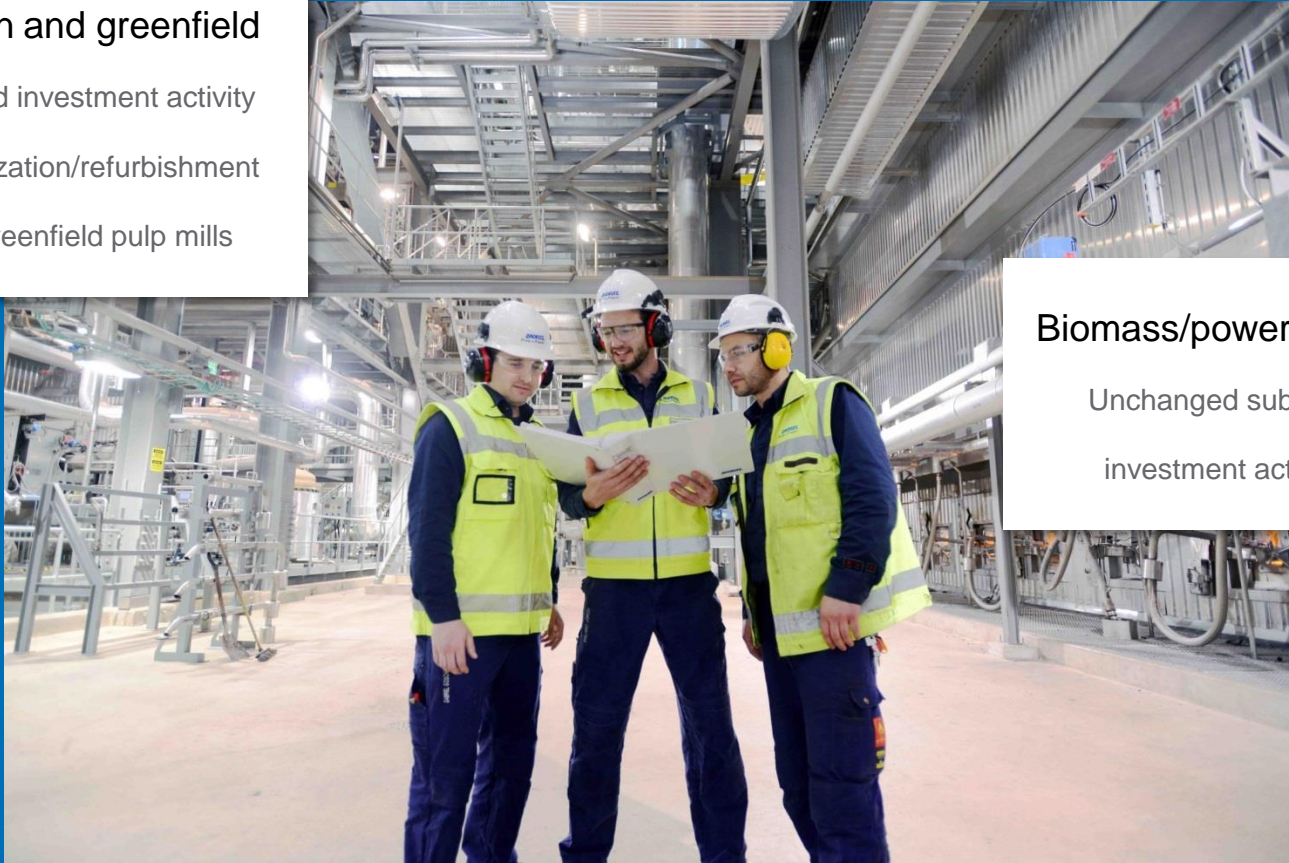


# PULP & PAPER (1)

## Good project and investment activity

### Modernization and greenfield

Good project and investment activity  
both for modernization/refurbishment  
projects and greenfield pulp mills



### Biomass/power boilers

Unchanged subdued  
investment activity

# PULP & PAPER (2)

## Significant improvement in earnings and profitability

Order intake in Q3 2015 declined compared to last year's reference period which included several large boiler orders

Project-related increase in sales

Earnings and margin significantly improved mainly due to project-related one-off improvements in the amount of ~ 30 MEUR booked in Q3 2015; EBITA margin excluding this extraordinary effect: 9.1% in Q3 2015 and 7.5% in Q1-Q3 2015

	<b>ANDRITZ</b> Pulp & Paper	Unit	Q1-Q3 2015	Q1-Q3 2014	+/-	Q3 2015	Q3 2014	+/-	2014
Order intake		MEUR	1,255.7	1,629.6	-22.9%	346.8	572.4	-39.4%	1,995.7
Order backlog (as of end of period)		MEUR	1,609.6	2,101.7	-23.4%	1,609.6	2,101.7	-23.4%	1,875.4
Sales		MEUR	1,586.4	1,369.9	+15.8%	542.5	500.6	+8.4%	1,969.3
EBITDA		MEUR	167.4	85.5	+95.8%	85.7	35.7	+140.1%	127.6
EBITDA margin		%	10.6	6.2	-	15.8	7.1	-	6.5
EBITA		MEUR	149.5	66.9	+123.5%	79.6	29.1	+173.5%	102.9
EBITA margin		%	9.4	4.9	-	14.7	5.8	-	5.2
Employees (as of end of period; without apprentices)		-	7,226	7,340	-1.6%	7,226	7,340	-1.6%	7,236

# METALS (1): continued low project and investment activity, especially in metalforming

## Metalforming

Especially in China, many projects postponed due to subdued automotive market; no larger order awards; satisfactory investment activity in all other metalforming areas, e.g. in forging technology

## Aluminum

Project activity below the favorable level of preceding quarters

## Stainless steel

Unchanged low project activity, only selective investments in emerging markets



# METALS (2): order intake and earnings/margin

significantly down, sales favorably up



Order intake down in both Schuler and rest of the business area

Sales favorably up

Earnings and margin significantly declined due to financial provisions for optimization of value chain at Schuler of ~ 55 MEUR booked in Q3 2015; EBITA margin excluding this extraordinary effect: 10.4% in Q3 2015 and 7.5% in Q1-Q3 2015

	Unit	Q1-Q3 2015	Q1-Q3 2014	+/-	Q3 2015	Q3 2014	+/-	2014
Order intake	MEUR	953.8	1,328.1	-28.2%	358.4	530.2	-32.4%	1,692.8
Order backlog (as of end of period)	MEUR	1,326.9	1,631.4	-18.7%	1,326.9	1,631.4	-18.7%	1,566.1
Sales	MEUR	1,239.8	1,111.8	+11.5%	443.7	389.5	+13.9%	1,550.4
EBITDA	MEUR	58.2	87.0	-33.1%	-2.2	36.8	-106.0%	134.0
EBITDA margin	%	4.7	7.8	-	-0.5	9.4	-	8.6
EBITA	MEUR	38.3	69.8	-45.1%	-8.9	31.1	-128.6%	110.2
EBITA margin	%	3.1	6.3	-	-2.0	8.0	-	7.1
Employees (as of end of period; without apprentices)	-	6,272	6,202	+1.1%	6,272	6,202	+1.1%	6,432

# SEPARATION (1)

## Mixed market development

Environment, food, and chemicals

Satisfactory investment activity

Feed and  
biomass pelleting

Unchanged good  
project activity

Mining and minerals

Low project activity



# SEPARATION (2)

## Solid order intake and sales, profitability below targets

Order intake rose in Q3 2015 and was practical unchanged in Q1-Q3 2015 compared to last year's reference periods

Sales favorably up

Earnings and margin at unsatisfactory levels

	<b>ANDRITZ Separation</b>	Unit	Q1-Q3 2015	Q1-Q3 2014	+/-	Q3 2015	Q3 2014	+/-	2014
Order intake		MEUR	436.1	447.9	-2.6%	155.1	137.5	+12.8%	595.8
Order backlog (as of end of period)		MEUR	369.5	393.6	-6.1%	369.5	393.6	-6.1%	360.5
Sales		MEUR	453.3	409.0	+10.8%	154.0	146.6	+5.0%	587.3
EBITDA		MEUR	22.4	11.9	+88.2%	7.4	7.9	-6.3%	33.2
EBITDA margin		%	4.9	2.9	-	4.8	5.4	-	5.7
EBITA		MEUR	15.6	6.0	+160.0%	5.8	5.9	-1.7%	21.6
EBITA margin		%	3.4	1.5	-	3.8	4.0	-	3.7
Employees (as of end of period; without apprentices)		-	2,797	2,846	-1.7%	2,797	2,846	-1.7%	2,846

# Outlook for remainder of 2015

## Investment activity to remain at current levels

### HYDRO

Project activity for modernizations and new hydropower stations to continue at current subdued level; satisfactory market activity for pumps to continue

stable -

### PULP & PAPER

Good project activity for modernizations and capacity increases expected; solid pipeline for greenfield pulp mill projects

stable +/-

### METALS

Low project and investment activity both in metalforming for automotive industry and steel/aluminum

stable -

### SEPARATION

Low project activity in mining to remain; solid project activity in environment, food, chemicals and feed/biomass pelleting

stable +/-

ANDRITZ GROUP 2015:  
Sales and earnings  
expected to increase  
compared to 2014