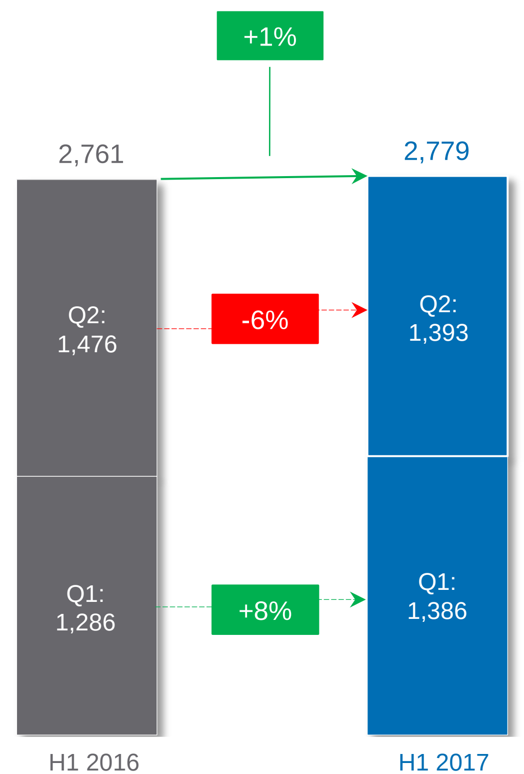
ANDRITZ GROUP: results for H1 2017

August 4, 2017

Stable Group sales in H1 2017, however
decrease in Q2 due to HYDRO and PULP & PAPER

SALES (MEUR)

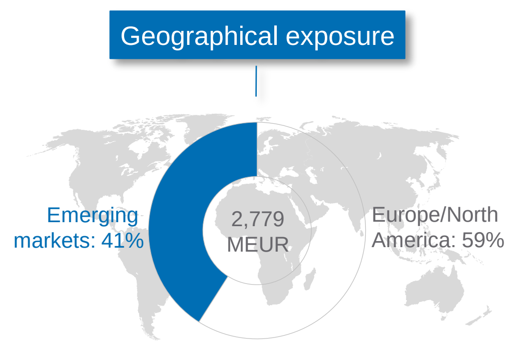


SALES by business area (MEUR)

	H1 2017	H1 2016	+/-	Q2 2017	Q2 2016	+/-
HYDRO	725	807	-10%	369	439	-16%
PULP & PAPER	991	980	+1%	482	523	-8%
METALS	792	704	+13%	395	371	+7%
SEPARATION	271	270	0%	147	143	+3%

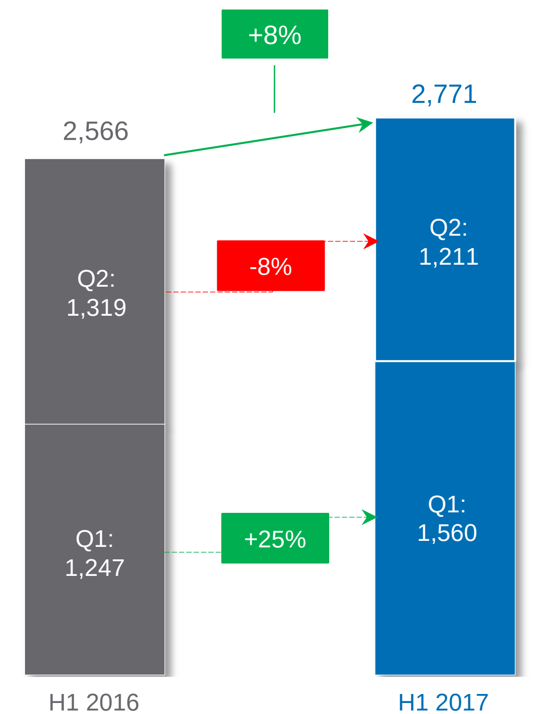
SALES by region (%)

	H1 2017	H1 2016
Europe	38%	38%
North America	21%	21%
China	15%	11%
Asia (without China)	12%	11%
South America	10%	14%
Africa, Australia	4%	5%



Group order intake in H1 2017 up due to good Q1, however decline in Q2 due to HYDRO and METALS

ORDER INTAKE (MEUR)

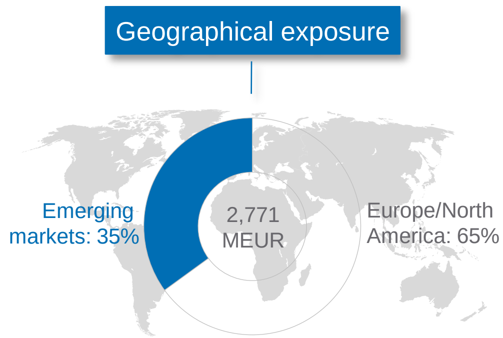


ORDER INTAKE by business area (MEUR)

	H1 2017	H1 2016	+/-	Q2 2017	Q2 2016	+/-
HYDRO	514	591	-13%	205	339	-40%
PULP & PAPER	1,125	916	+23%	472	370	+27%
METALS	814	769	+6%	372	469	-21%
SEPARATION	318	290	+10%	164	140	+17%

ORDER INTAKE by region (%)

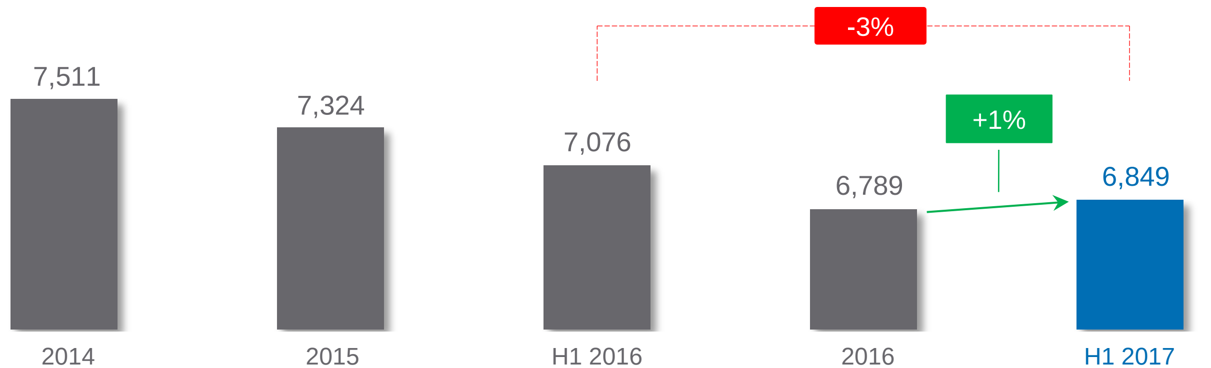
	H1 2017	H1 2016
Europe	42%	42%
North America	23%	19%
China	15%	19%
Asia (without China)	10%	10%
South America	6%	7%
Africa, Australia	4%	3%



ANDRITZ

Group order backlog remains at solid level

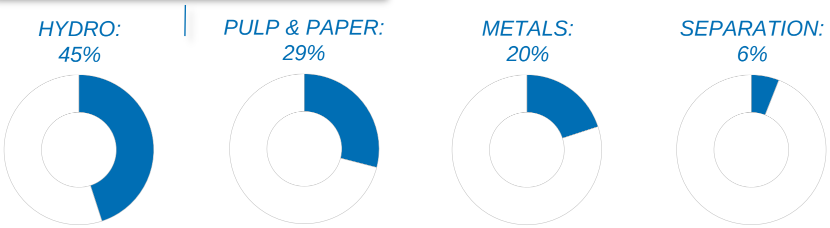
ORDER BACKLOG (as of end of period in MEUR)



ORDER BACKLOG by business area (as of end of period in MEUR)

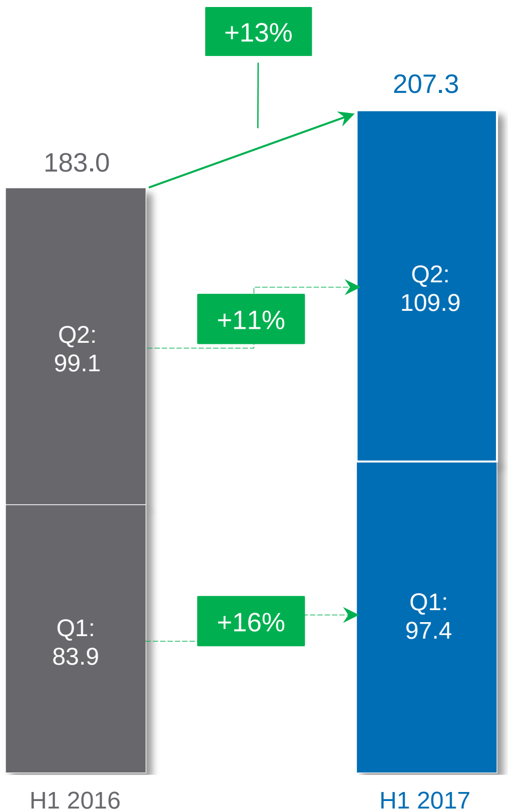
	H1 2017	H1 2016	+/-
HYDRO	3,090	3,325	-7%
PULP & PAPER	1,972	1,898	+4%
METALS	1,389	1,488	-7%
SEPARATION	399	366	+9%

HYDRO and PULP & PAPER account for 74% of total backlog



Earnings and profitability impacted positively by one-off effect in METALS

EBITA (MEUR)



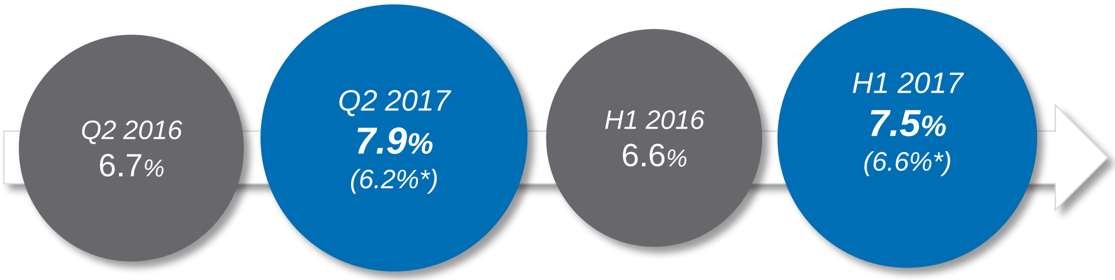
Q2 2017:

- Positive one-off effect of around 25 MEUR, mainly due to sale of the Schuler Technical Center in Tianjin, China.
- Thus, EBITA in Q2 2017 increased to 109.9 MEUR (Q2 2016: 99.1 MEUR), profitability (EBITA margin) went up to 7.9% (Q2 2016: 6.7%). Excluding this extraordinary effect, the EBITA would have been 86.5 MEUR and the EBITA margin 6.2%.

H1 2017:

- EBITA amounted to 207.3 MEUR and was thus well above the figure for the previous year's reference period (H1 2016: 183.0 MEUR). EBITA margin increased to 7.5% (H1 2016: 6.6%). Excluding this extraordinary effect, EBITA would have been 182.3 MEUR and the EBITA margin 6.6%.

EBITA margin (%)



* Excluding extraordinary effect (mainly due to sale of the Schuler Technical Center in Tianjin)

Key figures Q2/H1 2017 at a glance

	Unit	H1 2017	H1 2016	+/-	Q2 2017	Q2 2016	+/-	2016
Order intake	MEUR	2,771.3	2,566.4	+8.0%	1,211.3	1,319.0	-8.2%	5,568.8
Order backlog (as of end of period)	MEUR	6,849.1	7,076.3	-3.2%	6,849.1	7,076.3	-3.2%	6,789.2
Sales	MEUR	2,779.0	2,761.2	+0.6%	1,392.8	1,475.6	-5.6%	6,039.0
EBITDA	MEUR	253.5	229.6	+10.4%	132.8	122.9	+8.1%	542.4
EBITA	MEUR	207.3	183.0	+13.3%	109.9	99.1	+10.9%	442.1
EBIT	MEUR	185.4	163.0	+13.7%	98.5	88.8	+10.9%	385.8
EBT	MEUR	188.9	171.8	+10.0%	98.6	96.9	+1.8%	398.4
Financial result	MEUR	3.5	8.8	-60.2%	0.1	8.1	-98.8%	12.6
Net income (including non-controlling interests)	MEUR	131.8	120.3	+9.6%	68.7	67.7	+1.5%	274.8
Cash flow from operating activities	MEUR	81.5	200.6	-59.4%	-66.2	33.1	-300.0%	366.6
Capital expenditure	MEUR	55.9	44.8	+24.8%	26.9	28.3	-4.9%	119.5
Equity ratio	%	20.2	19.8	-	20.2	19.8	-	21.7
Liquid funds	MEUR	1,758.6	1,358.2	+29.5%	1,758.6	1,358.2	+29.5%	1,507.1
Net liquidity	MEUR	817.6	863.0	-5.3%	817.6	863.0	-5.3%	945.3
Net working capital	MEUR	-121.4	-232.2	+47.7%	-121.4	-232.2	+47.7%	-215.8
EBITDA margin	%	9.1	8.3	-	9.5	8.3	-	9.0
EBITA margin	%	7.5	6.6	-	7.9	6.7	-	7.3
EBIT margin	%	6.7	5.9	-	7.1	6.0	-	6.4
Employees (as of end of period; without apprentices)	-	25,390	25,737	-1.3%	25,390	25,737	-1.3%	25,162

Issuance of a Schuldschein-darlehen of 400 MEUR in June 2017 to secure long-term funding at low fixed interest rates

Increase in net working capital mainly due lack of larger orders and increase of the Group's service business

HYDRO (1): continued weak project and investment activity

No large orders awarded

Modernizations/rehabilitations

Unchanged, difficult market conditions impacted by low electricity and energy prices, mostly in Europe

New hydropower plants

Some new projects in emerging markets, particularly in Asia, Africa and South America, are currently in the planning phase

Competition

Stable competition at challenging level

Pumps

Satisfactory project activity

▲ Commercial operation of the new pumped storage power plant Reisseck II in Austria started in October 2016. ANDRITZ HYDRO also installed two identical generator units in the cavern.

HYDRO (2)

Subdued business development

Order intake significantly down due to unchanged weak market conditions

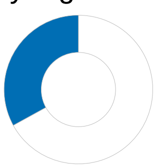
Significant decrease in sales

Decline in profitability, mainly due to lower sales

ANDRITZ Hydro	Unit	H1 2017	H1 2016	+/-	Q2 2017	Q2 2016	+/-	2016
Order intake	MEUR	514.0	591.4	-13.1%	204.5	339.4	-39.7%	1,500.3
Order backlog (as of end of period)	MEUR	3,089.5	3,324.8	-7.1%	3,089.5	3,324.8	-7.1%	3,269.6
Sales	MEUR	724.6	807.3	-10.2%	368.7	439.4	-16.1%	1,752.4
EBITDA	MEUR	57.2	71.8	-20.3%	28.1	40.3	-30.3%	167.2
EBITDA margin	%	7.9	8.9	-	7.6	9.2	-	9.5
EBITA	MEUR	43.2	56.0	-22.9%	21.1	32.3	-34.7%	127.6
EBITA margin	%	6.0	6.9	-	5.7	7.4	-	7.3
Employees (as of end of period; without apprentices)	-	7,215	7,683	-6.1%	7,215	7,683	-6.1%	7,260

ORDER INTAKE by region H1 2017 vs. H1 2016 (%)

Emerging markets: 33% (57%)



Europe/ North America: 67% (43%)

SALES by region H1 2017 vs. H1 2016 (%)

Emerging markets: 53% (45%)

Europe/ North America: 47% (55%)

PULP & PAPER (1)

Unchanged solid market environment

Pulp

Satisfactory project and investment activity, particularly for modernization of existing pulp mills. No order awards for new pulp mills in Q2 2017.

Paper

Satisfactory market development for tissue and packaging equipment continued.

Competition

Stable competitive environment

▲ *ANDRITZ supplied the latest technology for the digester and chip feeding system at Celbi, Portugal.*

PULP & PAPER (2)

Favorable business development

Favorable development of order intake, with growth in both the capital and the service business

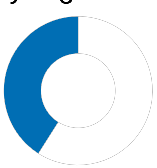
Project related decline of sales in Q2 2017

Despite decrease in sales, profitability up due to improvement in the capital business

ANDRITZ Pulp & Paper	Unit	H1 2017	H1 2016	+/-	Q2 2017	Q2 2016	+/-	2016
Order intake	MEUR	1,124.9	916.0	+22.8%	471.6	370.4	+27.3%	1,919.5
Order backlog (as of end of period)	MEUR	1,971.5	1,898.4	+3.9%	1,971.5	1,898.4	+3.9%	1,803.3
Sales	MEUR	990.9	980.4	+1.1%	482.2	522.8	-7.8%	2,094.4
EBITDA	MEUR	97.4	90.4	+7.7%	44.8	44.0	+1.8%	207.7
EBITDA margin	%	9.8	9.2	-	9.3	8.4	-	9.9
EBITA	MEUR	84.7	78.2	+8.3%	38.4	38.0	+1.1%	182.2
EBITA margin	%	8.5	8.0	-	8.0	7.3	-	8.7
Employees (as of end of period; without apprentices)	-	7,926	7,638	+3.8%	7,926	7,638	+3.8%	7,522

ORDER INTAKE by region H1 2017 vs. H1 2016 (%)

Emerging markets: 41% (45%)



Europe/ North America: 59% (55%)

SALES by region H1 2017 vs. H1 2016 (%)

Emerging markets: 42% (45%)

Europe/ North America: 58% (55%)

METALS (1): Satisfactory metal forming market, however very low investment activity in the automotive industry

Metal forming

Reasonable project activity, however very low investment activity by global car manufacturers; positive development of Yadon continued.

Successful launch of servo press line supplied to Tesla for production of parts for its new Model 3.

▲ With the newly-developed MSE 2000, a much higher number of parts can be produced in the same amount of time compared to conventional forging presses.

Competition

Stable competition at challenging level

Carbon steel / Stainless steel

Further uptick of investment activity in Q2 2017, mainly driven by increasing steel and commodity prices

METALS (2): Excluding positive one-off effect profitability
at unsatisfactory level

Order intake in Q2 2017 below the very high level in Q2 2016, which included larger orders in the metalforming; increase in METALS processing;

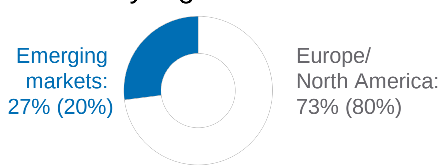
Order intake H1 2017 excluding Yadon and AWEBA: -3.6% vs. H1 2016

Sales H1 2017 excluding Yadon and AWEBA: +3.8% vs. H1 2016

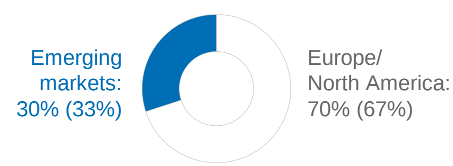
Sale of Schuler Technical Center in Tianjin leads to strong rise of earnings and profitability; excluding this extraordinary effect, profitability reaches an unsatisfactory level

ANDRITZ Metals	Unit	H1 2017	H1 2016	+/-	Q2 2017	Q2 2016	+/-	2016
Order intake	MEUR	814.2	768.7	+5.9%	371.5	469.4	-20.9%	1,551.5
Order backlog (as of end of period)	MEUR	1,389.3	1,487.5	-6.6%	1,389.3	1,487.5	-6.6%	1,369.0
Sales	MEUR	792.3	703.6	+12.6%	394.8	370.6	+6.5%	1,598.4
EBITDA	MEUR	82.4	53.1	+55.2%	51.4	29.2	+76.0%	141.7
EBITDA margin	%	10.4	7.5	-	13.0	7.9	-	8.9
EBITA	MEUR	67.3	38.8	+73.5%	44.1	21.5	+105.1%	115.2
EBITA margin	%	8.5	5.5	-	11.2	5.8	-	7.2
Employees (as of end of period; without apprentices)	-	7,454	7,647	-2.5%	7,454	7,647	-2.5%	7,608

ORDER INTAKE by region H1 2017 vs. H1 2016 (%)



SALES by region H1 2017 vs. H1 2016 (%)



SEPARATION (1): Improved project and investment activity

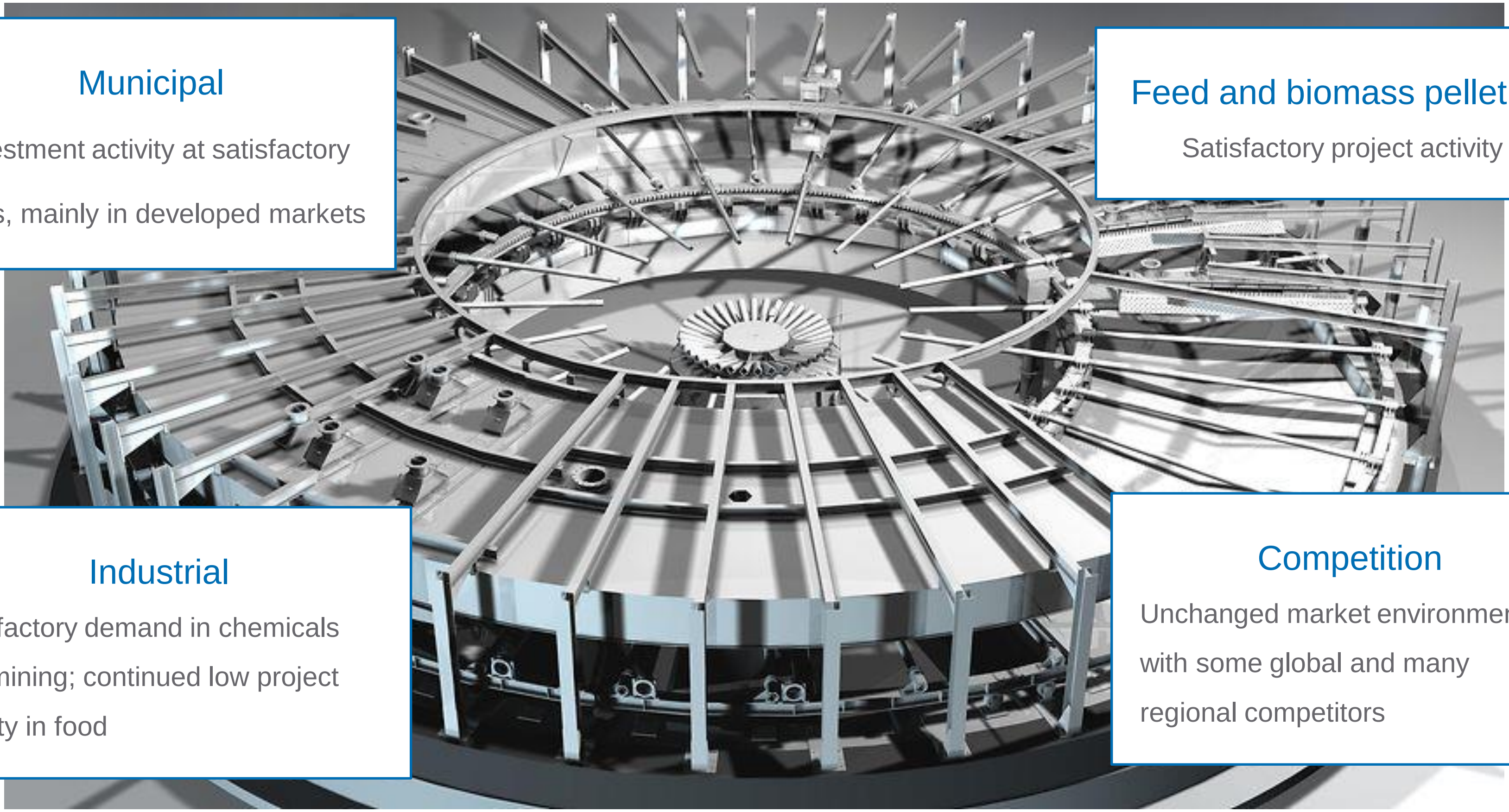
for solid/liquid separation equipment

Municipal

Investment activity at satisfactory levels, mainly in developed markets

Feed and biomass pelleting

Satisfactory project activity



Industrial

Satisfactory demand in chemicals and mining; continued low project activity in food

Competition

Unchanged market environment with some global and many regional competitors

▲ *ANDRITZ tilting pan filter*

SEPARATION (2): Increase in order intake

Profitability stabilized

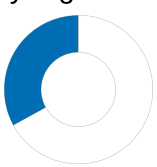
Increased order intake in solid/liquid separation; feed & biofuel stable

Earnings still at low levels, however profitability stabilized

ANDRITZ Separation	Unit	H1 2017	H1 2016	+/-	Q2 2017	Q2 2016	+/-	2016
Order intake	MEUR	318.2	290.3	+9.6%	163.7	139.8	+17.1%	597.5
Order backlog (as of end of period)	MEUR	398.8	365.6	+9.1%	398.8	365.6	+9.1%	347.3
Sales	MEUR	271.2	269.9	+0.5%	147.1	142.8	+3.0%	593.8
EBITDA	MEUR	16.5	14.3	+15.4%	8.5	9.4	-9.6%	25.8
EBITDA margin	%	6.1	5.3	-	5.8	6.6	-	4.3
EBITA	MEUR	12.1	10.0	+21.0%	6.3	7.3	-13.7%	17.1
EBITA margin	%	4.5	3.7	-	4.3	5.1	-	2.9
Employees (as of end of period; without apprentices)	-	2,795	2,769	+0.9%	2,795	2,769	+0.9%	2,772

ORDER INTAKE by region H1 2017 vs. H1 2016 (%)

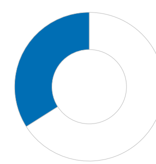
Emerging markets: 33% (32%)



Europe/ North America: 67% (68%)

SALES by region H1 2017 vs. H1 2016 (%)

Emerging markets: 34% (28%)



Europe/ North America: 66% (72%)

Outlook for the full year 2017

Slight decrease in sales, but at least same profitability as in 2016

ANDRITZ Hydro

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

stable +/-

ANDRITZ Pulp & Paper

Continued solid market environment in pulp, especially for modernization of existing plants; no greenfield order award expected until year-end; solid investment activity for tissue and packaging

stable +

ANDRITZ Metals

Satisfactory project activity in metal forming to continue; some order awards from the automotive industry expected for end of 2017/beginning of 2018; investment activity in METALS processing to remain at reasonable level

stable +

ANDRITZ Separation

Reasonable market activity in environment, mining and chemicals; low investment activity in food; slowly improving profitability

stable +

ANDRITZ GROUP 2017 E vs. 2016:

- Slight decrease in sales
- At least the same profitability (EBITA margin) as in 2016