Interim Financial Report H1 2024

ANDRITZ

ENGINEERED SUCCESS

KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

	Unit	H1 2024	H1 2023	+/-	Q2 2024	Q2 2023	+/-	2023
Order intake	MEUR	3,845.4	4,712.5	-18.4%	1,895.1	2,292.3	-17.3%	8,551.9
Order backlog (as of end of period)	MEUR	9,709.1	10,569.0	-8.1%	9,709.1	10,569.0	-8.1%	9,872.6
Revenue	MEUR	3,986.6	4,109.0	-3.0%	2,100.2	2,146.4	-2.2%	8,660.0
EBITDA	MEUR	423.4	415.3	+2.0%	229.4	214.9	+6.7%	910.2
EBITA[1)]	MEUR	333.0	332.6	+0.1%	180.6	174.1	+3.7%	741.9
EBITA margin	%	8.4	8.1	-	8.6	8.1	-	8.6
Comparable EBITA	MEUR	328.6	335.3	-2.0%	175.1	175.0	+0.1%	757.1
Comparable EBITA margin	%	8.2	8.2	-	8.3	8.2	-	8.7
Earnings Before Interest and Taxes (EBIT)	MEUR	309.2	308.5	+0.2%	169.3	162.5	+4.2%	685.2
Earnings Before Taxes (EBT)	MEUR	300.6	301.7	-0.4%	160.9	164.0	-1.9%	688.2
Net income (including non-controlling interests)	MEUR	223.8	221.5	+1.0%	119.7	119.0	+0.6%	504.3
Net income (without non-controlling interests)	MEUR	224.1	226.8	-1.2%	119.7	122.3	-2.1%	510.2
Cash flow from operating activities	MEUR	308.5	-79.3	-	23.2	-47.9	-	375.0
Capital expenditure	MEUR	107.0	93.3	+14.7%	67.3	44.9	+49.9%	226.2
Employees (as of end of period; without apprentices)	-	30,115	29,927	+0.6%	30,115	29,927	+0.6%	29,717
Total assets	MEUR	8,114.1	8,269.1	-1.9%	8,114.1	8,269.1	-1.9%	8,497.3
Equity ratio	%	26.5	22.6	-	26.5	22.6	-	25.4
Liquid funds	MEUR	1,397.6	1,588.8	-12.0%	1,397.6	1,588.8	-12.0%	1,787.2
Net liquidity	MEUR	831.0	614.2	+35.3%	831.0	614.2	+35.3%	920.5
Net working capital	MEUR	27.6	57.2	-51.7%	27.6	57.2	-51.7%	43.5

1) Amortization of identifiable assets acquired in a business combination and recognized separately from goodwill amounts to 23.8 MEUR (H1 2023: 24.1 MEUR; 2023: 56.7 MEUR); impairment of goodwill amounts to 0.0 MEUR (H1 2023: 0.0 MEUR; 2023: 0.0 MEUR).

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

KEY FINANCIAL FIGURES OF THE BUSINESS AREAS

Pulp & Paper

	Unit	H1 2024	H1 2023	+/-	Q2 2024	Q2 2023	+/-	2023
Order intake	MEUR	1,485.3	1,789.0	-17.0%	842.8	820.6	+2.7%	3,036.0
Order backlog (as of end of period)	MEUR	2,889.5	3,954.2	-26.9%	2,889.5	3,954.2	-26.9%	3,135.8
Revenue	MEUR	1,738.0	1,909.2	-9.0%	905.7	1,021.9	-11.4%	3,987.4
EBITDA	MEUR	221.0	227.7	-2.9%	117.8	118.6	-0.7%	494.7
EBITDA margin	%	12.7	11.9	-	13.0	14.5	-	16.3
EBITA	MEUR	176.9	188.2	-6.0%	93.6	99.9	-6.3%	412.5
EBITA margin	%	10.2	9.9	-	10.3	9.8	-	10.3
Comparable EBITA	MEUR	173.7	189.6	-8.4%	89.7	100.8	-11.0%	418.7
Comparable EBITA margin	%	10.0	9.9	-	9.9	9.9	-	10.5
Employees (as of end of period; without apprentices)	-	13,399	13,253	+1.1%	13,399	13,253	+1.1%	13,310

Metals

	Unit	H1 2024	H1 2023	+/-	Q2 2024	Q2 2023	+/-	2023
Order intake	MEUR	670.1	1,177.0	-43.1%	321.0	507.7	-36.8%	1,997.7
Order backlog (as of end of period)	MEUR	1,842.4	2,195.1	-16.1%	1,842.4	2,195.1	-16.1%	2,057.1
Revenue	MEUR	894.0	892.2	+0.2%	454.5	470.4	-3.4%	1,839.6
EBITDA	MEUR	61.6	60.3	+2.2%	31.6	31.9	-0.9%	127.4
EBITDA margin	%	6.9	6.8	-	7.0	6.8	-	6.9
EBITA	MEUR	40.1	42.4	-5.4%	19.2	23.2	-17.2%	91.4
EBITA margin	%	4.5	4.8	-	4.2	4.9	-	5.0
Comparable EBITA	MEUR	47.1	43.3	+8.8%	24.6	22.9	+7.4%	93.3
Comparable EBITA margin	%	5.3	4.9	-	5.4	4.9	-	5.1
Employees (as of end of period; without apprentices)	-	6,091	6,163	-1.2%	6,091	6,163	-1.2%	6,199

Hydropower

	Unit	H1 2024	H1 2023	+/-	Q2 2024	Q2 2023	+/-	2023
Order intake	MEUR	781.7	1,086.6	-28.1%	284.1	657.3	-56.8%	2,020.9
Order backlog (as of end of period)	MEUR	3,473.2	3,302.3	+5.2%	3,473.2	3,302.3	+5.2%	3,398.8
Revenue	MEUR	663.7	710.5	-6.6%	361.4	354.9	+1.8%	1,521.7
EBITDA	MEUR	52.2	48.7	+7.2%	29.6	20.6	+43.7%	113.9
EBITDA margin	%	7.9	6.9	-	8.2	5.8	-	7.5
EBITA	MEUR	39.8	35.3	+12.7%	23.2	14.0	+65.7%	88.1
EBITA margin	%	6.0	5.0	-	6.4	3.9	-	5.8
Comparable EBITA	MEUR	35.6	35.6	0.0%	20.2	14.2	+42.3%	95.1
Comparable EBITA margin	%	5.4	5.0	-	5.6	4.0	-	6.2
Employees (as of end of period; without apprentices)	-	5,958	6,285	-5.2%	5,958	6,285	-5.2%	5,782

Environment & Energy

	Unit	H1 2024	H1 2023	+/-	Q2 2024	Q2 2023	+/-	2023
Order intake	MEUR	908.3	659.9	+37.6%	447.2	306.7	+45.8%	1,497.3
Order backlog (as of end of period)	MEUR	1,504.0	1,117.4	+34.6%	1,504.0	1,117.4	+34.6%	1,280.9
Revenue	MEUR	690.9	597.1	+15.7%	378.6	299.2	+26.5%	1,311.3
EBITDA	MEUR	88.6	78.6	+12.7%	50.4	43.8	+15.1%	174.2
EBITDA margin	%	12.8	13.2	-	13.3	14.6	-	13.3
EBITA	MEUR	76.2	66.7	+14.2%	44.6	37.0	+20.5%	149.9
EBITA margin	%	11.0	11.2	-	11.8	12.4	-	11.4
Comparable EBITA	MEUR	72.2	66.8	+8.1%	40.6	37.1	+9.4%	150.0
Comparable EBITA margin	%	10.5	11.2	-	10.7	12.4	-	11.4
Employees (as of end of period; without apprentices)	-	4,667	4,226	+10.4%	4,667	4,226	+10.4%	4,426

As of January 1, 2024 the Hydro business area was renamed to Hydropower and the Separation business area to Environment & Energy. The Clean Air Technologies division (formerly part of the Pulp & Paper business area) and the Green Hydrogen division (formerly part of the Metals business area) are reported in the Environment & Energy business area as of January 1, 2024. The reference figures of the previous year have been adjusted to match the new reporting structure.

MANAGEMENT REPORT

GENERAL ECONOMIC CONDITIONS

Economic growth across major continents continued to develop moderately, based on major central banks' significant increases in interest rates to combat high inflation, and hindered by war and geopolitical tensions which also had a negative impact on the global economy.

In Europe, seasonally adjusted GDP increased by 0.4% year-on-year (yoy) in the euro area and by 0.5% yoy in the EU (European Union) in the first quarter of 2024 (+0.3% quarter-on-quarter (qoq) in both the Euro area and the EU), after +0.2% yoy in the euro area and +0.3% yoy in the EU in the fourth quarter 2023. Euro area industrial production for capital goods has been recorded -1.2% month-over-month (mom) in May 2024, following +0.9% and +0.7% mom in March and April, respectively. Capital goods production in the Euro area has been recorded at -5.2% yoy in April and -6.5% yoy in May 2024, following +1.7% yoy in March. Euro area annual inflation came in to be 2.5% in June 2024, down from 2.6% in May according to a flash estimate from Eurostat, the statistical office of the EU. Against the background of its goal of reducing inflation to a medium-term target of 2.0%, the ECB (European Central Bank) has cut its benchmark interest rate to 3.75% in June, from a record of 4.0% before.

US real GDP expanded at a seasonally adjusted annual rate (SAAR) of +1.4% in the first quarter of 2024, following real GDP growth of +3.4% in the fourth quarter of 2023, according to the U.S. Bureau of Economic Analysis. According to the Atlanta Fed's GDPNow model, the estimate for real GDP (SAAR) in the second quarter of 2024 is +2.7% on July 17, up from +2.5% on July 16. With inflation easing from its highs, the US Federal Reserve (FED) kept its key interest rate in a range of 5.25% to 5.5% for the time being in the reporting period, the highest level in more than 20 years. It has raised the key interest rate several times since March 2022 and maintained current levels since July last year, aimed at combatting high inflation and achieving a return to the central bank's 2%-target. In fact, according to the U.S. Bureau of Labor Statistics, the US inflation rate came in at 3.0% for the twelve months ending June 2024, following 3.3% in May and 3.4% in April.

China's economy grew by 5.3% in the first quarter in 2024, making a stronger than expected start to the year despite the ongoing weakness in the property sector and implying a slight acceleration compared to 5.2% in the fourth quarter of 2023. In the second quarter of 2024, the Chinese economy expanded by +4.7% yoy, implying a slowing growth rate compared to the first quarter this year. The Chinese government is aiming at 5.0% economic growth for 2024 overall.

Source: EC, ECB, Eurostat, FED, Reuters, US BLS, US BEA

BUSINESS DEVELOPMENT

Changes in the reporting structure

As of January 1, 2024, the Hydro business area was renamed to Hydropower and the Separation business area to Environment & Energy. The Clean Air Technologies division (formerly part of the Pulp & Paper business area) and the Green Hydrogen division (formerly part of the Metals business area) are reported in the Environment & Energy business area as of January 1, 2024. The reference figures of the previous year have been adjusted to match the new reporting structure.

Order intake

The business areas' order intake development at a glance:

	Unit	H1 2024	H1 2023	+/-
Pulp & Paper	MEUR	1,485.3	1,789.0	-17.0%
Metals	MEUR	670.1	1,177.0	-43.1%
Hydropower	MEUR	781.7	1,086.6	-28.1%
Environment & Energy	MEUR	908.3	659.9	+37.6%

The order intake of the ANDRITZ GROUP **in the first half of 2024** amounted to 3,845.4 MEUR (-18.4% versus H1 2023: 4,712.5 MEUR). Order intake dropped considerably from the high level of the first half of 2023, due to the continued absence of major capital investments by customers in the pulp & paper and metals industries. But order intake for services and green products continued to grow. In particular, the Environment & Energy business area (+37.6%) increased its order intake significantly compared to the previous year. This substantial increase is primarily attributable to the Clean Air division, which succeeded in booking its largest ever retrofit order for a customer in Germany. Order intake in the business areas Pulp & Paper (-17.0%), Metals (-43.1%), and Hydropower (-28.1%) was well below the reference figure of the previous year.

In the **second quarter of 2024** the order intake of the Group with 1,895.1 MEUR was lower than the very high figure of the previous year's reference quarter (-17.3% versus Q2 2023: 2,292.3 MEUR). The decline is mainly due to the absence of large capital orders in the business area Metals as well as a large order in the business area Hydropower, which was booked in the comparable quarter of the previous year.

The business areas' development in detail:

- Pulp & Paper: Order intake amounted to 842.8 MEUR and was thus slightly higher than in the previous year's reference period (+2.7% versus Q2 2023: 820.6 MEUR). While order intake in the service business remained stable, the capital business recorded a slight increase of order intake. The positive development in the capital business was mainly driven by Pulp & Power that compensated for the decline in Paper & Textile.

- Metals: At 321.0 MEUR, the order intake was significantly below the high level of the previous year's reference period (-36.8% versus Q2 2023: 507.7 MEUR). Both, Metals Processing and Metals Forming (Schuler), were confronted by low investment activity by automotive and steel producers.

- Hydropower: Order intake amounted to 284.1 MEUR and thus recorded a sharp decline compared to the high level of the previous year's reference figure (-56.8% versus Q2 2023: 657.3 MEUR), which included a large order to supply electromechanical equipment for the new hydropower station Luang Prabang in the Lao People's Democratic Republic.

- Environment & Energy: Order intake amounted to 447.2 MEUR and was thus significantly higher than the previous year's reference period (+45.8% versus Q2 2023: 306.7 MEUR). While the Pumps business suffered a decline compared to the previous year's reference period, Clean Air, Separation and Feed & Biofuel showed a strong increase in order intake.

Revenue

The business areas' revenue development at a glance:

	Unit	H1 2024	H1 2023	+/-
Pulp & Paper	MEUR	1,738.0	1,909.2	-9.0%
Metals	MEUR	894.0	892.2	+0.2%
Hydropower	MEUR	663.7	710.5	-6.6%
Environment & Energy	MEUR	690.9	597.1	+15.7%

The Group's revenue **in the first half of 2024** amounted to 3,986.6 MEUR and was thus 3.0% lower than the previous year's reference figure (H1 2023: 4,109.0 MEUR), which is very favourable considering the challenging macroeconomic and geopolitical environment. The business area Environment & Energy (+15.7%) was able to significantly increase its revenue compared to the previous year's reference figure, as the demand for green products continues to grow. While the business area Metals (+0.2%) showed a stable development, revenue in the business areas Pulp & Paper (-9.0%) and Hydropower (-6.6%) declined compared to the previous year's reference period. The revenue in the business area Pulp & Paper decreased as a result of the decline in order intake in the past few quarters, whereas the decrease of revenue in the business area Hydropower resulted mainly from a temporarily lower project-related revenue generation.

Revenue of the ANDRITZ GROUP amounted to 2,100.2 MEUR in the **second quarter of 2024** and was thus slightly below the high level of the reference figure for the previous year (-2.2% versus Q2 2023: 2,146.4 MEUR). The business area Environment & Energy (+26.5%) recorded a strong increase in revenue compared to the previous year's reference quarter. Revenue in the business areas Metals (-3.4%) and Hydropower (+1.8%) was in line with the previous year's reference quarter. The revenue in the business area Pulp & Paper (-11.4%) declined significantly due to a decrease in order intake in recent quarters resulting from the continued weak market in the pulp & paper industry.

Share of **service revenue** for the Group and by business area in %:

	H1 2024	H1 2023	Q2 2024	Q2 2023
ANDRITZ GROUP	40	39	41	39
Pulp & Paper	49	42	51	42
Metals	25	24	25	24
Hydropower	37	39	38	38
Environment & Energy	38	52	37	54

Order backlog

The ANDRITZ GROUP’s order backlog as of June 30, 2024 amounted to 9,709.1 MEUR (-1.7% versus December 31, 2023: 9,872.6 MEUR). The Environment & Energy business area recorded a significant increase in order backlog compared to December 31, 2023. While the order backlog in the Hydropower business area increased slightly, the order backlog in the Pulp & Paper and Metals business areas decreased in the course of the scheduled execution of large orders contained in the backlog.

Earnings

The **operating result (EBITA)** of the Group amounted to 333.0 MEUR **in the first half of 2024**, which was at the level of the reference figure for the previous period (+0.1% versus H1 2023: 332.6 MEUR). Profitability (EBITA margin) increased to 8.4% (H1 2023: 8.1%).

Profitability development in the first half of 2024 by business area:

- Pulp & Paper: The profitability reached a very favourable level at 10.2% (H1 2023: 9.9%), despite lower revenue compared to last year’s reference period. Both, the Capital and Service business, showed a favorable development. The slightly higher profitability is mainly due to a different project mix.

- Metals: The EBITA margin reduced to 4.5% (H1 2023: 4.8%). The increase in profitability of Metals Processing could not fully compensate for the decline of Metals Forming (Schuler), among other things, due to to provisions for capacity adjustments.

- Hydropower: Profitability increased to 6.0% (H1 2023: 5.0%).

- Environment & Energy: Profitability was maintained at a high evel at 10.5% (H1 2023: 11.2%).

The **EBITA** of the Group **in the second quarter of 2024** amounted to 180.6 MEUR and slightly increased compared to last year’s reference period (+3.7% versus Q2 2023: 174.1 MEUR). Profitability increased to to 8.6% (Q2 2023: 8.1%).

The **financial result** in the first half of 2024 amounted to -8.6 MEUR (H1 2023: -6.8 MEUR). The net interest result increased compared to the previous year's reference figure as the cash and cash equivalents could be invested with a better interest rate due to the very positive interest rate environment. In the context of the deconsolidation of a company, the other financial result of 2024 includes a one-time effect from the write-off of a loan granted to this company and the result from companies accounted for using the equity method includes a one-time effect from the measurement of the remaining shares at fair value.

Net income (including non-controlling interests) with 223.8 MEUR was on the level of the comparable period (+1.0% versus H1 2023: 221.5 MEUR), whereof 224.1 MEUR (H1 2023: 226.8 MEUR) are attributable to the shareholders of the parent company and -0.3 MEUR (H1 2023: -5.3 MEUR) to non-controlling interests.

Financial position

Total assets as of June 30, 2024 amounted to 8,114.1 MEUR (December 31, 2023: 8,497.3 MEUR). The equity ratio increased to 26.5% (December 31, 2023: 25.4%).

Liquid funds as of June 30, 2024 decreased mainly due to the dividend payment and the scheduled repayment of Schuldscheindarlehen to 1,397.6 MEUR (as of end of 2023: 1,787.2 MEUR), while net liquidity decreased to 831.0 MEUR (as of end of 2023: 920.5 MEUR).

In addition to the reported liquidity, the ANDRITZ GROUP also had the following credit and surety lines for performance of contracts, down payments, guarantees, and so on, at its disposal as of June 30, 2024:

- Credit lines: 114 MEUR, thereof 1 MEUR utilized
- Surety lines: 6,721 MEUR, thereof 3,021 MEUR utilized

Employees

As of June 30, 2024, ANDRITZ GROUP employed 30,115 employees (December 31, 2023: 29,717 employees).

Major risks during the remaining months of the financial year

The war in Ukraine led to significant price increases and price volatility for energy, many raw materials, and industrial semi-finished products, resulting in a significant rise in inflation in many countries. In view of the persistently high inflation rate, central banks of many industrialized countries raised their key interest rates significantly and at a historically rapid pace. Rapid interest rate hikes imply the risk of a global recession given their dampening effect on global economic growth. If prices for raw materials, energy, sub-supplies, and consequently overall inflation, were to increase again, this could have a negative impact on order intake and the financial development of the ANDRITZ GROUP. Increasing geopolitical conflicts, including the war in Israel, could again have a negative impact on the availability of raw materials and lead to supply-chain constraints. This in turn could lead to delays in the processing of orders on the one hand and new price increases for many raw materials and industrial semi-finished products on the other hand.

In view of the significant increases in key interest rates by central banks as a result of high inflation, banking clients such as the commercial real estate sector are currently under increased pressure. The risk of a possible default (insolvency) of one or more banks is minimized at ANDRITZ by an internal investment limit system. However, insolvencies in the banking sector could have a negative impact on the financial development of the ANDRITZ GROUP.

Current dynamics in the European and North American automotive sector are characterized by a slowing sales momentum for electric vehicles (EV). As inflation has remained high, government incentives for EVs have selectively been reduced or even discontinued. Purchase decisions are still driven by considerations around the availability of reliable and fast charging networks and sales prices (lack of incentives). Whereas a slowing sales momentum could prove to be temporary, a sustained demand weakness in the sector could have negative implications on investment activity. In addition to the current risks mentioned above, there are numerous other risks that could have a negative effect on the overall economic development in case they materialize. These include the tightening of trade barriers between major economies as well as increasing domestic instability in various countries. High national debt levels of many countries also pose risks in the medium to long term.

A detailed description of the strategic and operational risks as well as information on the internal control and risk management system are available in the ANDRITZ Annual Financial Report for 2023.

OUTLOOK

According to the IMF (International Monetary Fund) in its World Economic Outlook Update (July 2024), the global economy is set for another year of slow but steady growth. It is expected to continue to grow at 3.2% during 2024 and 3.3% in 2025, thus at a similar pace as in 2023. A slight acceleration for developed economies, where growth is expected to rise from 1.6% in 2023 to 1.7% in 2024 and 1.8% in 2025, will be offset by a moderate slowdown in emerging market and developing economies from 4.4% in 2023 to 4.3% in both 2024 and 2025. Growth in the Euro area is expected to pick up from 0.5% in 2023 to 0.9% and 1.5% in 2024 and 2025, respectively. Inflation is forecast to decline on a global level, from 6.7% in 2023 to 5.9% in 2024 and 4.4% in 2025, with developed economies returning to target inflation ranges faster than developing countries. While the pace of disinflation in advanced economies is expected to slow down in 2024 and 2025, the gradual cooling of labor markets and the expected decline in energy prices should bring headline inflation back to target by the end of 2025.

As outlined, the overall business development in the first half of 2024 has remained satisfactory in light of the challenging macroeconomic and geopolitical environment. This was reflected in the solid demand for green products and in the Service business as well as stable profitability compared to the level of the previous year's reference period. However, the continued weak market in the Pulp & Paper and Metals industries resulted in lower investment activity. Considering current developments such as intensified geopolitical tensions, a potential softening in the automotive and EV industries and the prospect of a slower normalization of interest rates on the back of persistent inflation (especially in the US), this development is unlikely to improve significantly in the second half of the year.

Considering current macro developments and the financial performance of the first half of 2024, ANDRITZ maintains its full-year 2024 outlook, communicated in April this year. Based on large backlog and solid demand for green products and in the Service business, ANDRITZ is still projecting stable revenues compared to last year. Based on slightly increasing profitability in the first half of 2024 (compared to the previous year's period), the ongoing phase-out of large projects and a robust Service business (improving mix) as well as ongoing cost discipline, ANDRITZ is still targeting a stable profitability (EBITA margin) in 2024 compared to the financial year 2023.

Should global economic growth soften again in 2024, this could have negative effects on the processing of orders and on order intake, and hence, a negative impact on ANDRITZ's financial development. In particular, this could necessitate capacity adjustments, which would require provisions and could have a negative impact on the ANDRITZ GROUP's earnings.

CONSOLIDATED INCOME STATEMENT

For the first half of 2024 (unaudited)

(in MEUR)	H1 2024	H1 2023	Q2 2024	Q2 2023
Revenue	**3,986.6**	**4,109.0**	**2,100.2**	**2,146.4**
Changes in inventories of finished goods and work in progress	74.2	64.2	21.8	2.4
Other own work capitalized	4.7	2.4	3.2	1.4
Other income	77.2	50.9	51.4	31.9
Cost of materials	-2,071.9	-2,219.9	-1,101.2	-1,159.7
Personnel expenses	-1,145.6	-1,081.5	-584.4	-551.5
Other expenses	-501.8	-509.8	-261.6	-256.0
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	**423.4**	**415.3**	**229.4**	**214.9**
Depreciation, amortization, and impairment of property, plant, and equipment and intangible assets	-114.2	-106.8	-60.1	-52.4
Earnings Before Interest and Taxes (EBIT)	**309.2**	**308.5**	**169.3**	**162.5**
Result from investments accounted for using the equity method	18.5	1.2	17.9	0.6
Interest income	35.7	30.4	16.7	14.4
Interest expense	-23.1	-23.8	-12.0	-11.7
Other financial result	-39.7	-14.6	-31.0	-1.8
Financial result	**-8.6**	**-6.8**	**-8.4**	**1.5**
Earnings Before Taxes (EBT)	**300.6**	**301.7**	**160.9**	**164.0**
Income taxes	-76.8	-80.2	-41.2	-45.0
NET INCOME	**223.8**	**221.5**	**119.7**	**119.0**
Net income attributable to owners of the parent	224.1	226.8	119.7	122.3
Net income allocated to non-controlling interests	-0.3	-5.3	0.0	-3.3
Basic earnings per no-par value share (in EUR)	2.25	2.29	1.20	1.23
Diluted earnings per no-par value share (in EUR)	2.24	2.28	1.19	1.23

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the first half of 2024 (condensed, unaudited)

(in MEUR)	H1 2024	H1 2023	Q2 2024	Q2 2023
NET INCOME	**223.8**	**221.5**	**119.7**	**119.0**
Remeasurement of defined benefit plans	3.1	3.0	3.1	3.5
Changes in the fair value of equity instruments measured at fair value through other comprehensive income	0.5	-0.3	1.2	0.0
Other comprehensive income (after income taxes) that will not be reclassified to the income statement in subsequent periods	**3.6**	**2.7**	**4.3**	**3.5**
Currency translation of foreign operations	-20.5	-8.2	-19.8	-0.9
Cash flow hedges	-7.9	14.6	-4.2	-1.8
Other comprehensive income (after income taxes) which can be reclassified to the income statement in subsequent periods	**-28.4**	**6.4**	**-24.0**	**-2.7**
OTHER COMPREHENSIVE INCOME (AFTER INCOME TAXES)	**-24.8**	**9.1**	**-19.7**	**0.8**
TOTAL COMPREHENSIVE INCOME	**199.0**	**230.6**	**100.0**	**119.8**
Total comprehensive income attributable to owners of the parent	199.2	234.5	99.6	122.4
Total comprehensive income allocated to non-controlling interests	-0.2	-3.9	0.4	-2.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2024 (unaudited)

(in MEUR)	June 30, 2024	December 31, 2023
ASSETS		
Property, plant, and equipment	1,246.3	1,247.5
Goodwill	854.9	826.3
Intangible assets other than goodwill	154.4	142.8
Investments accounted for using the equity method	34.6	16.1
Other financial assets	108.5	102.5
Other non-financial assets	68.2	68.2
Deferred tax assets	215.1	211.7
Non-current assets	**2,682.0**	**2,615.1**
Inventories	1,237.1	1,165.3
Advance payments made	199.9	178.5
Trade accounts receivable	1,077.4	1,076.0
Contract assets	1,086.5	1,239.4
Current tax assets	23.3	27.6
Other financial assets	307.0	390.8
Other non-financial assets	308.8	292.3
Cash and cash equivalents	1,187.8	1,507.1
Current assets other than assets held for sale	**5,427.8**	**5,877.0**
Assets held for sale	4.3	5.2
Current assets	**5,432.1**	**5,882.2**
TOTAL ASSETS	**8,114.1**	**8,497.3**
EQUITY AND LIABILITIES		
Share capital	104.0	104.0
Capital reserves	36.5	36.5
Retained earnings and other reserves	2,004.0	2,037.2
Equity attributable to owners of the parent	**2,144.5**	**2,177.7**
Non-controlling interests	2.3	-20.2
Total equity	**2,146.8**	**2,157.5**
Bank loans and Schuldscheindarlehen	504.4	503.6
Lease liabilities	171.1	161.1
Provisions for employee benefits	330.4	333.6
Provisions	205.1	201.0
Other financial liabilities	32.1	26.3
Other non-financial liabilities	2.4	2.6
Deferred tax liabilities	113.3	115.0
Non-current liabilities	**1,358.8**	**1,343.2**
Bank loans and Schuldscheindarlehen	62.2	367.3
Lease liabilities	45.0	48.4
Trade accounts payable	857.9	1,022.9
Contract liabilities from sales recognized over time	1,465.4	1,419.6
Contract liabilities from sales recognized at a point in time	379.6	357.0
Provisions for employee benefits	24.9	19.6
Provisions	391.5	418.4
Current tax liabilities	83.3	75.1
Other financial liabilities	152.6	142.4
Other non-financial liabilities	1,146.1	1,125.9
Current liabilities	**4,608.5**	**4,996.6**
TOTAL EQUITY AND LIABILITIES	**8,114.1**	**8,497.3**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the first half of 2024 (unaudited)

(in MEUR)	H1 2024	H1 2023
Net income	**223.8**	**221.5**
Income taxes	76.8	80.2
Interest result	-12.6	-6.6
Depreciation, amortization, and impairment of intangible assets, goodwill as well as property, plant, and equipment	114.2	106.8
Result from investments accounted for using the equity method	-18.5	-1.2
Gains/losses from disposal of fixed and financial assets	-2.4	-6.1
Other non-cash income/expenses	54.1	31.6
Change in net working capital	-30.8	-332.7
Changes in provisions and other assets and liabilities	-45.5	-84.1
Interest received	35.7	27.5
Interest paid	-18.2	-10.4
Dividends received	0.9	0.3
Income taxes paid	-69.0	-106.1
CASH FLOW FROM OPERATING ACTIVITIES	**308.5**	**-79.3**
Payments made for property, plant, and equipment and intangible assets	-75.8	-71.1
Payments received for disposals of property, plant, and equipment and intangible assets	11.5	9.9
Payments made for non-current and current financial assets	-126.0	-133.9
Payments received for disposal of non-current and current financial assets	189.1	460.2
Net cash flow from company acquisitions	-39.2	-6.6
CASH FLOW FROM INVESTING ACTIVITIES	**-40.4**	**258.5**
Payments received from bank loans and other financial liabilities	4.9	35.4
Payments made for bank loans and other financial liabilities	-307.5	-103.3
Payments made for lease liabilities	-24.3	-22.1
Dividends paid	-248.5	-207.7
Purchase of non-controlling interests and payments to former shareholders	-9.6	0.0
Proceeds from re-issuance of treasury shares	8.4	5.3
CASH FLOW FROM FINANCING ACTIVITIES	**-576.6**	**-292.4**
CHANGES IN CASH AND CASH EQUIVALENTS	**-308.5**	**-113.2**
Currency translation adjustments	-7.7	-14.3
Changes in consolidation scope	-3.1	0.0
Cash and cash equivalents at the beginning of the period	1,507.1	1,302.0
Cash and cash equivalents at the end of the period	1,187.8	1,174.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the first half of 2024 (unaudited)

								Attributable to owners of the parent	Non-controlling interests	Total equity
(in MEUR)	Share capital	Capital reserves	Retained earnings	Fair value reserve	Reserve of remeasurements of defined benefit plans	Reserve of exchange differences on translation	Treasury shares	Total		
BALANCE AS OF JANUARY 1, 2023	**104.0**	**36.5**	**2,040.0**	**0.2**	**-40.0**	**-90.2**	**-201.9**	**1,848.6**	**-13.9**	**1,834.7**
Net income			226.8					226.8	-5.3	221.5
Other comprehensive income				14.3	3.0	-9.6		7.7	1.4	9.1
Total comprehensive income			**226.8**	**14.3**	**3.0**	**-9.6**		**234.5**	**-3.9**	**230.6**
Dividends			-207.7					-207.7		-207.7
Change in treasury shares			-0.9				8.0	7.1		7.1
Change from share option programs			1.7					1.7		1.7
Hyperinflation			2.3					2.3		2.3
Transfers and other changes			0.6			-0.6		0.0		0.0
BALANCE AS OF JUNE 30, 2023	**104.0**	**36.5**	**2,062.8**	**14.5**	**-37.0**	**-100.4**	**-193.9**	**1,886.5**	**-17.8**	**1,868.7**
BALANCE AS OF JANUARY 1, 2024	**104.0**	**36.5**	**2,348.3**	**34.2**	**-43.4**	**-112.2**	**-189.7**	**2,177.7**	**-20.2**	**2,157.5**
Net income			224.1					224.1	-0.3	223.8
Other comprehensive income				-7.4	3.1	-20.6		-24.9	0.1	-24.8
Total comprehensive income			**224.1**	**-7.4**	**3.1**	**-20.6**		**199.2**	**-0.2**	**199.0**
Dividends			-248.5					-248.5		-248.5
Change in treasury shares			-1.7				12.7	11.0		11.0
Change from share option programs			1.8					1.8		1.8
Hyperinflation			3.9					3.9		3.9
Transfers and other changes						-0.6		-0.6	22.7	22.1
BALANCE AS OF JUNE 30, 2024	**104.0**	**36.5**	**2,327.9**	**26.8**	**-40.3**	**-133.4**	**-177.0**	**2,144.5**	**2.3**	**2,146.8**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2024

A) GENERAL INFORMATION AND LEGAL BASES

1. General information

ANDRITZ AG is an Aktiengesellschaft incorporated under the laws of the Republic of Austria and has been listed on the Vienna Stock Exchange since June 2001. The registered office of ANDRITZ AG, the parent company of the ANDRITZ GROUP, is at Stattegger Strasse 18, 8045 Graz, Austria. The ANDRITZ GROUP (the "Group" or "ANDRITZ") is a leading producer of high-technology industrial machinery and operates through four strategic operating segments: Pulp & Paper, Metals, Hydropower, and Environment & Energy.

In general, the business of the ANDRITZ GROUP is not characterized by any seasonality.

The interim consolidated financial statements as of June 30, 2024 were neither subject to a complete audit nor to an audit review by an auditor.

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

2. Accounting principles

The interim consolidated financial statements as of June 30, 2024 were prepared in accordance with the principles set forth in the International Financial Reporting Standards (IFRS) – guidelines for interim reporting (IAS 34) – to be applied in the European Union. The accounting and valuation methods as of December 31, 2023 have been maintained unmodified with the exception of the changes explained below. For additional information on the accounting and valuation principles, refer to the consolidated financial statements as of December 31, 2023, which form the basis for this interim consolidated financial report.

a) Standards and interpretations applicable for the first time

ANDRITZ has applied the following new or changed standards issued by the IASB and the interpretations issued by the IFRIC for the financial year beginning on January 1, 2024:

Standard/Interpretation	Title	Effective for annual financial statements for periods beginning on or after	Endorsement by EU
IFRS 16	Amendment: Subsequent measurement of leases as part of a sale-and-lease-back	January 1, 2024	November 20, 2023
IAS 1	Amendment: Classification of liabilities as current or non-current	January 1, 2024	December 19, 2023
IAS 1	Amendment: Non-current liabilities with covenants	January 1, 2024	December 19, 2023
IAS 7 and IFRS 7	Amendment: Supplier Finance Arrangements	January 1, 2024	May 15, 2024

The amendment to **IFRS 16** contains requirements for the subsequent measurement of leases as part of a sale-and-lease-back for seller-lessees. Subsequent measurement of lease liabilities will be standardized to prevent inappropriate profit realization.

The amendment to **IAS 1** concerns the adjustment of the assessment criteria for the classification of liabilities as current or non-current. In future, only rights that exist at the end of the reporting period should be decisive for the classification of a liability. In addition, further guidelines for the interpretation of the criterion "right to postpone the fulfillment of the debt for at least twelve months" as well as explanations on the characteristic "fulfillment" were included.

The second amendment to **IAS 1** clarifies that only covenants that a company must meet on or before the balance sheet date affect the classification of liabilities as current or non-current. However, an entity must disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within 12 months.

The amendments to **IAS 7 and IFRS 7** are intended to increase the transparency of supplier finance arrangements and their impact on liabilities, cash flows, and liquidity risk. The changes supplement the existing disclosure requirements by requiring companies to provide qualitative and quantitative information about supplier finance arrangements.

These new or changed standards do not have any or no material effect at ANDRITZ.

b) Standards and interpretations that have been published but not yet applied

ANDRITZ has not adopted the following accounting pronouncements that have been issued by the IASB, but are not yet effective:

Standard/Interpretation	Title	Effective for annual financial statements for periods beginning on or after	Endorsement by EU
IAS 21	Amendment: Lack of exchangeability	January 1, 2025	open
IFRS 7 / IFRS 9	Amendment: Classification and measurement of financial instruments	January 1, 2026	open
IFRS 19	Subsidiaries without public accountability: Disclosure	January 1, 2027	open
IFRS 18	Presentation and disclosure in financial statements	January 1, 2027	open

The amendments to **IAS 21** require the use of a consistent approach in assessing whether a currency is convertible into another currency and, if this is not the case, in determining the exchange rate to be used and the required disclosures in the notes.

The changes to **IFRS 7 and IFRS 9** concern the classification and measurement of financial instruments, the derecognition of a financial liability settled through electronic payment transactions and disclosures on equity instruments that are measured at fair value through other comprehensive income.

The new standard **IFRS 19** allows certain subsidiaries to disclose reduced disclosures if they apply IFRS accounting standards in their financial statements. IFRS 19 is optional to apply for eligible subsidiaries.

These new or changed standards do not have any or no material effect at ANDRITZ.

The new standard **IFRS 18** will replace the previous standard IAS 1. The following key improvements contribute to more transparent and comparable reporting:

- Predefined subtotals and categories of income and expenses in the income statement
- Explanations of key performance indicators defined by management
- Rules to improve the summary and breakdown of information in the financial statements

ANDRITZ is currently assessing the effects of applying IFRS 18 on the consolidated financial statements.

B) INFORMATION ON THE STRUCTURE OF ANDRITZ

3. Consolidation scope

The interim consolidated financial statements include ANDRITZ AG and those companies it controls, where their influence on the assets, liabilities, financial position, and profit or loss of the Group is not of minor importance. The consolidation scope has changed as follows:

	2024		2023	
	Full consolidation	Equity method	Full consolidation	Equity method
Balance as of January 1	**171**	**2**	**168**	**4**
Acquisitions of companies	2		2	
New foundations	0		0	
Changes in consolidation type	-1	1	3	-2
Mergers and liquidations	-1		-3	
Balance as of June 30	**171**	**3**	**170**	**2**
Thereof attributable to:				
Domestic companies	7	0	7	0
Foreign companies	164	3	163	2

In the first half of 2024, ANDRITZ GROUP deconsolidated the company OTORIO Ltd., Israel due to loss of control. The disposal of this company resulted in a gain of 23.2 MEUR (including translation differences of 0.5 MEUR), which is shown in other income. On deconsolidation, a loan to OTORIO Ltd., Israel was valuated at fair value and written down in full. This adjustment was recorded at -38.4 MEUR in other financial result. ANDRITZ now holds 41.43% of the shares in OTORIO Ltd., Israel and will henceforth account for the company as an associated company using the equity method. The remaining shares were valuated at the fair value determined at the time of loss of control at 17.5 MEUR in the result from investments accounted for using the equity method.

4. Company acquisitions

a) Procemex-Group

ANDRITZ has signed an agreement to acquire 100% of the shares of Procemex-Group. The headquarters of the parent company Procemex Oy is in Jyväskylä, Finland. The closing of the transaction took place in May 2024. Procemex is the global leader in integrated web monitoring and web inspection solutions for the pulp and paper industry. The acquisition expands the existing product range in the Pulp & Paper operating segment. Procemex, with around 100 employees has an annual revenue of approximately 26 MEUR and operates subsidiaries in Germany, Japan, and the USA. As a result of the acquisition, one fully consolidated company entered the consolidation scope of ANDRITZ.

b) NAF AB

ANDRITZ has signed an agreement with Flowserve Corporation based in Texas, USA, to take over the business of NAF AB. The signing was in October 2023 and the closing of the transaction took place in May 2024. The acquisition expands the existing product range in the Pulp & Paper operating segment. The company, with around 46 employees, has an annual revenue of approximately 10 MEUR. NAF AB was included in ANDRITZ's scope of consolidation as a fully consolidated company.

c) Preliminary fair values at the acquisition date

The preliminary fair values of the assets acquired and liabilities assumed are as follows:

(in MEUR)	Total
Intangible assets other than goodwill	28.9
Property, plant, and equipment	0.7
Other financial assets	1.0
Deferred tax assets	2.3
Inventories	5.7
Trade accounts receivable	7.2
Cash and cash equivalents	2.2
Other non-financial assets	2.4
Deferred tax liabilities	-5.2
Provisions	-8.2
Lease liabilities	-0.4
Trade accounts payable	-2.2
Contract liabilities from sales recognized at a point in time	-5.2
Current tax liabilities	0.8
Other non-financial liabilities	-2.0
Net assets	**28.0**
Total comprehensive income allocated to non-controlling interests	0.0
Goodwill	26.9
CONSIDERATION TRANSFERRED	**54.9**

The goodwill of the acquired companies mainly results from the skills and technical talent of the workforce and the expected synergies from the integration into the ANDRITZ GROUP.

The initial accounting of the assets acquired and liabilities assumed is based on preliminary figures, because valuations have not been finalized yet. The final evaluation of the balance sheet items is carried out according to the regulations of IFRS 3 (revised) – Business Combinations.

Transaction costs that are directly connected to a business combination are recognized as an expense as incurred. The acquired receivables do not contain any receivables that are expected to be uncollectible.

The acquisitions have contributed 1.8 MEUR to the ANDRITZ GROUP's revenue and -0.4 MEUR to the ANDRITZ GROUP's EBIT since its first-time consolidation. If the businesses had been acquired at the beginning of the financial year, they would have contributed 14.3 MEUR to the ANDRITZ GROUP's revenue and 0.5 MEUR to the ANDRITZ GROUP's EBIT.

5. Related party transactions

Transactions with associated companies and non-consolidated companies are not material and are mainly carried out in the form of deliveries and services. These business transactions are conducted exclusively based on normal market terms.

There were no material changes in transactions with related persons as set forth in the last annual financial report, which significantly affected the assets, liabilities, financial position, and profit or loss of the Group during the first six months of the current business year.

C) RESULT OF THE FIRST HALF YEAR

6. Segment Reporting

The ANDRITZ GROUP conducts its business activities through the following operating segments (internally called "business areas"):

- Pulp & Paper (PP)
- Metals (ME)
- Hydropower (HY)
- Environment & Energy (EE)

As of January 1, 2024, the Hydro business area was renamed to Hydropower and the Separation business area to Environment & Energy. The Clean Air Technologies division (formerly part of the Pulp & Paper business area) and the Green Hydrogen division (formerly part of the Metals business area) are reported in the Environment & Energy business area as of January 1, 2024. The reference figures of the previous year have been adjusted to match the new reporting structure.

a) Information by operating segment for the first half of 2024

(in MEUR)	PP	ME	HY	EE	Total
Revenue	1,738.0	894.0	663.7	690.9	3,986.6
EBITDA	221.0	61.6	52.2	88.6	423.4
EBITA	176.9	40.1	39.8	76.2	333.0
Capital expenditure	30.0	31.7	21.7	23.6	107.0
Depreciation, amortization, and impairment of property, plant, and equipment and intangible assets	63.6	22.8	12.3	15.5	114.2
Result from investments accounted for using the equity method	0.0	18.5	0.0	0.0	18.5
Carrying amount of investments accounted for using the equity method	0.0	34.6	0.0	0.0	34.6

b) Information by operating segment for the first half of 2023 (adjusted)

(in MEUR)	PP	ME	HY	EE	Total
Revenue	1,909.2	892.2	710.5	597.1	4,109.0
EBITDA	227.7	60.3	48.7	78.6	415.3
EBITA	188.2	42.4	35.3	66.7	332.6
Capital expenditure	54.0	10.9	13.0	15.4	93.3
Depreciation, amortization, and impairment of property, plant, and equipment and intangible assets	60.5	21.1	13.5	11.7	106.8
Result from investments accounted for using the equity method	0.0	1.2	0.0	0.0	1.2
Carrying amount of investments accounted for using the equity method	0.0	15.0	0.0	0.0	15.0

7. Revenue

The following table shows the external revenue of ANDRITZ for the first half of 2024 and 2023 (adjusted) on the basis of the reported segments:

	Pulp & Paper		Metals		Hydropower		Environment & Energy		Total	
(in MEUR)	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
REGION										
Europe	513.8	481.9	272.7	240.2	209.6	183.0	244.5	218.2	1,240.6	1,123.3
North America	340.7	320.5	285.7	344.3	203.0	240.8	153.2	109.0	982.6	1,014.6
South America	351.3	546.3	39.4	15.5	58.3	44.4	77.2	68.6	526.2	674.8
Asia (without China)	349.6	345.6	88.5	60.5	127.4	145.2	92.1	65.2	657.6	616.5
China	150.6	194.1	180.4	220.6	12.2	34.8	94.0	91.2	437.2	540.7
Others	32.0	20.8	27.3	11.1	53.2	62.3	29.9	44.9	142.4	139.1
	1,738.0	**1,909.2**	**894.0**	**892.2**	**663.7**	**710.5**	**690.9**	**597.1**	**3,986.6**	**4,109.0**
TYPE										
Over time	1,016.0	1,188.0	593.4	579.3	583.8	619.0	292.0	209.9	2,485.2	2,596.2
At a point in time	722.0	721.2	300.6	312.9	79.9	91.5	398.9	387.2	1,501.4	1,512.8
	1,738.0	**1,909.2**	**894.0**	**892.2**	**663.7**	**710.5**	**690.9**	**597.1**	**3,986.6**	**4,109.0**
CATEGORY										
Capital	891.3	1,098.5	668.3	677.1	420.3	432.8	425.6	305.3	2,405.5	2,513.7
Service	846.7	810.7	225.7	215.1	243.4	277.7	265.3	291.8	1,581.1	1,595.3
	1,738.0	**1,909.2**	**894.0**	**892.2**	**663.7**	**710.5**	**690.9**	**597.1**	**3,986.6**	**4,109.0**

D) NON-CURRENT ASSETS AND LIABILITIES

8. Goodwill

The impairment test for goodwill requires estimations regarding the development of future revenue and margins, and their resulting cash flows as well as assumptions for determining the discount rates used and is therefore subject to uncertainties.

Internal and external parameters such as market capitalization, market returns, market development, assets and liabilities, business development, and the legal environment of the ANDRITZ GROUP have not changed significantly compared to December 31, 2023. The review as of June 30, 2024 did not result in any need for impairment of goodwill.

9. Property, plant, and equipment and intangible assets other than goodwill

The additions to property, plant, and equipment and intangible assets other than goodwill amounted to 107.0 MEUR in the first half of 2024. Depreciation of property, plant, and equipment and amortization and impairment of intangible assets other than goodwill amounted to 114.2 MEUR.

10. Personnel-related provisions (employee benefits)

For the valuation of pension plans and other employee benefits, a method is used based on parameters such as the expected discount rate, salary and pension increases, and the return on plan assets. If the relevant parameters develop materially different to what is expected, this could have a material impact on the Group's provisions and thus on the financial position.

With regard to the development of the actuarial assumptions, an adjustment affecting provisions for pensions and severance payments in the amount of 4.4 MEUR (before income taxes) was made as of June 30, 2024.

E) FINANCIAL AND CAPITAL STRUCTURE AND FINANCIAL INSTRUMENTS

11. Financial assets and liabilities

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments. They do not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value:

As of June 30, 2024

(in MEUR)						Net book value				Fair value
	Hedge accounting at fair value	Mandatory at FVTPL	Equity instruments - FVTOCI	At amortized costs	No IFRS 9 valuation category	Total	Level 1	Level 2	Level 3	Total
Trade accounts receivable				1,077.4		1,077.4				
Other financial assets						415.5				
Shares in non-consolidated companies					24.7	24.7				
Investments: Equity instruments			39.0			39.0			39.0	39.0
Investments: Debt instruments		149.6				149.6	149.6			149.6
Time deposits				61.5		61.5				
Derivatives	37.5	11.6				49.1		49.1		49.1
Miscellaneous				91.6		91.6				
Cash and cash equivalents				1,187.8		1,187.8				
FINANCIAL ASSETS	**37.5**	**161.2**	**39.0**	**2,418.3**	**24.7**	**2,680.7**				
Bank loans				137.8		137.8		129.9		129.9
Schuldscheindarlehen				428.8		428.8		402.9		402.9
Lease liabilities				216.1		216.1		209.0		209.0
Trade accounts payable				857.9		857.9				
Other financial liabilities						184.7				
Derivatives	37.7	27.2				64.9		64.9		64.9
Earn out and contingent considerations				27.7		27.7			26.4	26.4
Miscellaneous				92.1		92.1				
FINANCIAL LIABILITIES	**37.7**	**27.2**		**1,760.4**		**1,825.3**				

As of December 31, 2023

(in MEUR)					Net book value				Fair value	
	Hedge accounting at fair value	Mandatory at FVTPL	Equity instruments - FVTOCI	At amortized costs	No IFRS 9 valuation category	Total	Level 1	Level 2	Level 3	Total
Trade accounts receivable				1,076.0		1,076.0				
Other financial assets						493.3				
Shares in non-consolidated companies					23.6	23.6				
Investments: Equity instruments			28.9			28.9			28.9	28.9
Investments: Debt instruments		168.8				168.8	168.8			168.8
Time deposits				112.9		112.9				
Derivatives	65.4	11.9				77.3		77.3		77.3
Miscellaneous				81.8		81.8				
Cash and cash equivalents				1,507.1		1,507.1				
FINANCIAL ASSETS	**65.4**	**180.7**	**28.9**	**2,777.8**	**23.6**	**3,076.4**				
Bank loans				142.2		142.2		135.0		135.0
Schuldscheindarlehen				728.7		728.7		694.8		694.8
Lease liabilities				209.5		209.5		202.7		202.7
Trade accounts payable				1,022.9		1,022.9				
Other financial liabilities						168.7				
Derivatives	30.9	23.4				54.3		54.3		54.3
Earn out and contingent considerations				23.5		23.5			23.0	23.0
Miscellaneous				90.9		90.9				
FINANCIAL LIABILITIES	**30.9**	**23.4**		**2,217.7**		**2,272.0**				

12. Equity

a) Dividends

The dividend of 248.5 MEUR for 2023 – this is equal to 2.50 EUR per share – was proposed by the Executive Board and approved by the 117th Annual General Meeting on March 21, 2024. The dividend was paid to the shareholders on March 28, 2024.

b) Treasury shares

During the first half of 2024, ANDRITZ has not bought back own shares. 270,500 no-par value shares were resold at a price of 31.20 EUR per share to eligible executives under the management share option program and 49,274 no-par value shares were transferred to employees of ANDRITZ in the course of employee participation programs.

F) OTHER INFORMATION

13. Notes to the consolidated statement of cash flows

The cash flow from operating activities amounted to 308.5 MEUR in the first half of 2024 (H1 2023: -79.3 MEUR). This increase was mainly due to project related changes in the net working capital.

The cash flow from investing activities amounted to -40.4 MEUR in the first half of 2024 (H1 2023: 258.5 MEUR). In the first half of 2024, mainly short-term securities amounting to 186.8 MEUR were sold, while in the first half of 2023, short-term securities amounting to 458.3 MEUR were sold.

The net cash flow from company acquisitions is as follows:

(in MEUR)	H1 2024	H1 2023
Net assets	**28.0**	**4.5**
Goodwill	26.9	10.9
CONSIDERATION TRANSFERRED	**54.9**	**15.4**
Cash and cash equivalents acquired	-2.2	-2.1
Receivables for purchase price overpaid / Payables from purchase price not yet paid (incl. contingent consideration)	-13.5	-6.7
NET CASH FLOW FROM COMPANY ACQUISITIONS	**39.2**	**6.6**

The cash flow from financing activities amounted to -576.6 MEUR in the first half of 2024 (H1 2023: -292.4 MEUR). The change resulted mainly from dividends paid to the shareholders of Andritz AG at 248.5 MEUR in the first half of 2024 (H1 2023: 207.7 MEUR) as well as the repayment of Schuldscheindarlehen of 300.0 MEUR in the first half of 2024 (H1 2023: 85.5 MEUR). Furthermore, 9.6 MEUR were paid for contingent considerations as part of company acquisitions (H1 2023: 0 MEUR).

14. Assets held for sale

In the Metals operating segment, the sale of property, plant, and equipment (land and buildings) in Germany was initiated at the end of 2021. Assets of 6.5 MEUR were classified as held for sale and no impairment losses were recorded. In 2022, part of the property, plant, and equipment was sold with a gain of 14.3 MEUR. The sale of the remaining part of property, plant, and equipment worth 4.3 MEUR will probably be completed in 2024.

At the beginning of the financial year also assets from the Hydropower operating segment in Canada were included. Assets of 0.9 MEUR were recognized as held for sale and no impairment losses were recorded. In 2024, the property, plant and equipment were sold with a gain of 1.3 MEUR.

15. Effects of hyperinflation

Argentina has been classified as a hyperinflationary economy since July 1, 2018, and Turkey since March 1, 2022. In the ANDRITZ GROUP this applies to:

- ANDRITZ FABRICS AND ROLLS S.A., Argentina
- ANDRITZ HYDRO Ltd. Sti., Turkey
- ANDRITZ FABRICS AND ROLLS TECHNOLOGIES MAKINA HIZMETLERI SANAYI LIMITED SIRKETI, Turkey

In the IFRS financial statements of these three subsidiaries all items with material effects from the change in the purchasing power of the functional currency were adjusted accordingly and reported in the measurement unit applicable on the reporting date.

The calculations were based on the following parameters:

Three-year inflation rate Turkey

	2020	2021	2022	2023	2024
Annual inflation rate	15%	36%	64%	65%	25%
Cumulative three-year rate	55%	75%	156%	268%	238%
Price index	1.15	1.36	1.64	1.65	1.25

Three-year rate Argentina

	2020	2021	2022	2023	2024
Annual inflation rate	36%	51%	95%	211%	80%
Cumulative three-year rate	210%	216%	300%	816%	992%
Price index	1.36	1.51	1.95	3.11	1.80

For the first half of 2024, the effect of the application of IAS 29 on net income amounted -4.3 MEUR.

16. Events after June 30, 2024

There were no events of material significance after the balance sheet date.

STATEMENT BY THE EXECUTIVE BOARD

Statement by the Executive Board of ANDRITZ AG, pursuant to section 125 paragraph 1 of the (Austrian) Stock Exchange Act

We hereby confirm that, to the best of our knowledge, the condensed interim financial statements of the ANDRITZ GROUP drawn up in compliance with the applicable accounting standards provide a true and fair view of the asset, financial, and earnings positions of the ANDRITZ GROUP, and that the management report provides a true and fair view of the asset, financial, and earnings positions of the ANDRITZ GROUP with regard to the important events of the first six months of the financial year and their impact on the condensed interim financial statements of the ANDRITZ GROUP, and with regard to the major risks and uncertainties during the remaining six months of the financial year, and also with regard to the major business transactions subject to disclosure and concluded with related persons and companies.

Graz, July 25, 2024

The Executive Board of ANDRITZ AG

Joachim Schönbeck e.h. (President and CEO)	Dietmar Heinisser e.h.	Norbert Nettesheim e.h. (CFO)	Jarno Nymark e.h.	Frédéric Sauze e.h.

GLOSSARY

Capital expenditure
Additions to intangible assets and property, plant, and equipment

Dividend per share
Part of earnings per share, which is distributed to shareholders

Earnings per share
Net income (without non-controlling interests) / weighted average number of shares

EBIT
Earnings before interest and taxes

EBITA
Earnings before interest, taxes, amortization of identifiable assets acquired in a business combination and recognized separately from goodwill and impairment of goodwill

EBITDA
Earnings before interest, taxes, depreciation, and amortization

EBT
Earnings before taxes

EE
Environment & Energy operating segment

Employees
Number of employees without apprentices

Equity ratio
Total equity / total assets

HY
Hydro operating segment

Liquid funds
Cash and cash equivalents plus investments plus Schuldscheindarlehen

ME
Metals operating segment

MEUR
Million euros

Net liquidity
Liquid funds less financial liabilities

Net working capital
Total of inventories, advance payments made, trade accounts receivable, contract assets, current tax assets, other non-financial assets (excluding plan assets in excess of defined benefit obligation) and derivative financial instruments (which are part of other financial assets) less the total of trade accounts payable, contract liabilities, current tax liabilities, other non-financial liabilities and derivative financial instruments (which are part of other financial liabilities)

Order backlog
The order backlog consists of present customer orders at the reporting date and represents the transaction price assigned to the remaining performance obligations. The order backlog at the end of the period is basically calculated by the order backlog at the beginning of the period plus order intake less revenue during the reporting period

Order intake
The order intake is the estimated revenue of orders, which have been put into effect in the reporting period considering changes and corrections of the order value; letter of intents are not part of the order intake

PP
Pulp & Paper operating segment

Sureties
These contain bid bonds, contract performance guarantees, down payment guarantees as well as performance and warranty bonds at the expense of the ANDRITZ GROUP

Total equity
Total equity including non-controlling interests

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