FIRST HALF
2019

INTERIM FINANCIAL REPORT

ANDRITZ

KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

	Unit	H1 2019	H1 2018	+/-	Q2 2019	Q2 2018	+/-	2018
Order intake	MEUR	3,705.2	3,269.3	+13.3%	2,047.1	1,736.5	+17.9%	6,646.2
Order backlog (as of end of period)	MEUR	7,724.2	6,841.1	+12.9%	7,724.2	6,841.1	+12.9%	7,084.3
Sales	MEUR	3,062.4	2,763.1	+10.8%	1,573.2	1,472.1	+6.9%	6,031.5
EBITDA	MEUR	262.7	211.7	+24.1%	136.2	117.9	+15.5%	498.0
EBITA[1)]	MEUR	177.5	166.3	+6.7%	94.7	94.6	+0.1%	394.3
EBITA margin	%	5.8	6.0	-	6.0	6.4	-	6.5
Earnings Before Interest and Taxes (EBIT)	MEUR	128.9	152.9	-15.7%	76.0	88.5	-14.1%	321.6
Earnings Before Taxes (EBT)	MEUR	108.1	142.9	-24.4%	61.6	79.9	-22.9%	304.2
Net income (including non-controlling interests)	MEUR	75.8	99.9	-24.1%	43.2	55.9	-22.7%	219.7
Net income (without non-controlling interests)	MEUR	77.5	100.6	-23.0%	43.9	56.6	-22.4%	222.0
Cash flow from operating activities	MEUR	271.9	-101.2	+368.7%	215.9	-77.8	+377.5%	7.8
Capital expenditure	MEUR	62.0	47.2	+31.4%	36.6	24.7	+48.2%	137.0
Employees (as of end of period; without apprentices)	-	29,616	26,023	+13.8%	29,616	26,023	+13.8%	29,096
Total assets	MEUR	7,470.0	6,029.0	+23.9%	7,470.0	6,029.0	+23.9%	6,918.6
Equity ratio	%	15.9	20.5	-	15.9	20.5	-	19.2
Liquid funds	MEUR	1,614.4	1,450.5	+11.3%	1,614.4	1,450.5	+11.3%	1,279.7
Net liquidity[2)]	MEUR	-97.6	585.9	-116.7%	-97.6	585.9	-116.7%	-99.6
Net working capital	MEUR	84.2	90.3	-6.8%	84.2	90.3	-6.8%	160.5

1) Amortization of identifiable assets acquired in a business combination and recognized separately from goodwill amounts to 44.2 MEUR (H1 2018: 13.4 MEUR; 2018: 56.6 MEUR); impairment of goodwill amounts to 4.5 MEUR (H1 2018: -4.5 MEUR; 2018: 15.9 TEUR). 2) Since January 1, 2019, lease liabilities are excluded from the calculation of net liquidity. The calculations of the key figures of the comparison periods have been adjusted accordingly.

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

KEY FINANCIAL FIGURES OF THE BUSINESS AREAS

Hydro

	Unit	H1 2019	H1 2018	+/-	Q2 2019	Q2 2018	+/-	2018
Order intake	MEUR	601.8	753.1	-20.1%	287.9	318.2	-9.5%	1,445.8
Order backlog (as of end of period)	MEUR	2,563.3	2,789.1	-8.1%	2,563.3	2,789.1	-8.1%	2,667.9
Sales	MEUR	675.6	724.3	-6.7%	337.2	374.5	-10.0%	1,517.5
EBITDA	MEUR	60.2	57.1	+5.4%	30.0	29.3	+2.4%	142.4
EBITDA margin	%	8.9	7.9	-	8.9	7.8	-	9.4
EBITA	MEUR	44.0	43.4	+1.4%	23.4	22.2	+5.4%	113.8
EBITA margin	%	6.5	6.0	-	6.9	5.9	-	7.5
Employees (as of end of period; without apprentices)	-	7,332	7,233	+1.4%	7,332	7,233	+1.4%	7,002

Pulp & Paper

	Unit	H1 2019	H1 2018	+/-	Q2 2019	Q2 2018	+/-	2018
Order intake	MEUR	1,925.7	1,180.9	+63.1%	1,118.8	723.5	+54.6%	2,571.9
Order backlog (as of end of period)	MEUR	3,054.0	2,098.9	+45.5%	3,054.0	2,098.9	+45.5%	2,421.1
Sales	MEUR	1,310.3	1,009.5	+29.8%	707.6	550.6	+28.5%	2,233.2
EBITDA	MEUR	163.0	106.1	+53.6%	91.1	65.2	+39.7%	258.4
EBITDA margin	%	12.4	10.5	-	12.9	11.8	-	11.6
EBITA	MEUR	123.6	92.9	+33.0%	71.1	58.4	+21.7%	222.1
EBITA margin	%	9.4	9.2	-	10.0	10.6	-	9.9
Employees (as of end of period; without apprentices)	-	11,772	8,242	+42.8%	11,772	8,242	+42.8%	11,435

Metals

	Unit	H1 2019	H1 2018	+/-	Q2 2019	Q2 2018	+/-	2018
Order intake	MEUR	809.8	946.7	-14.5%	461.7	478.9	-3.6%	1,931.8
Order backlog (as of end of period)	MEUR	1,654.2	1,493.9	+10.7%	1,654.2	1,493.9	+10.7%	1,591.6
Sales	MEUR	758.7	742.4	+2.2%	370.9	394.9	-6.1%	1,635.1
EBITDA	MEUR	15.8	32.1	-50.8%	3.0	15.3	-80.4%	57.8
EBITDA margin	%	2.1	4.3	-	0.8	3.9	-	3.5
EBITA	MEUR	-6.9	17.7	-139.0%	-8.4	7.9	-206.3%	27.3
EBITA margin	%	-0.9	2.4	-	-2.3	2.0	-	1.7
Employees (as of end of period; without apprentices)	-	7,680	7,690	-0.1%	7,680	7,690	-0.1%	7,818

Separation

	Unit	H1 2019	H1 2018	+/-	Q2 2019	Q2 2018	+/-	2018
Order intake	MEUR	367.9	388.6	-5.3%	178.7	215.9	-17.2%	696.7
Order backlog (as of end of period)	MEUR	452.7	459.2	-1.4%	452.7	459.2	-1.4%	403.7
Sales	MEUR	317.8	286.9	+10.8%	157.6	152.1	+3.6%	645.7
EBITDA	MEUR	23.7	16.4	+44.5%	12.0	8.1	+48.1%	39.4
EBITDA margin	%	7.5	5.7	-	7.6	5.3	-	6.1
EBITA	MEUR	16.8	12.3	+36.6%	8.5	6.1	+39.3%	31.1
EBITA margin	%	5.3	4.3	-	5.4	4.0	-	4.8
Employees (as of end of period; without apprentices)	-	2,832	2,858	-0.9%	2,832	2,858	-0.9%	2,841

MANAGEMENT REPORT

GENERAL ECONOMIC CONDITIONS

The economic environment in the world's main economic regions saw largely solid development in spite of the latent trade dispute between the USA and China. However, there are increasing signs of an upcoming economic slowdown, particularly in the emerging markets.

In the USA, the economy recorded a continued robust growth during the reporting period. The main driver was private consumption, which experienced a boost due to the rising number of jobs and the increases in wages and salaries. The unemployment rate decreased from 4.0% to around 3.6% in the first six months of the year. The US Federal Reserve (FED) left the key interest rate between 2.25 and 2.50%, but has signaled a cut in the key interest rate in the second half of the year if the US economy suffers a noticeable slowdown as a result of the trade dispute.

The euro zone also recorded a sustained upswing during the reporting period, with growth being driven primarily by private consumption as in the USA. A negative impact came from industrial production, which has been declining since the beginning of the year due to trade disputes, weak demand in the automotive sector, and the UK's impending exit from the European Union. The European Central Bank (ECB) left the key interest rate at its record low of 0.0% and also announced that it would remain at the current level until at least the middle of 2020.

The continuing trade dispute between China and the USA and the decline in domestic demand slowed China's economic growth significantly. The Chinese government tried to prevent an economic slowdown by applying taxation and monetary measures. For example, VAT for the processing industries was lowered and sales of cars or household appliances were supported by a reduction in sales tax. The economies in Russia and Brazil also developed only very moderately.

Source: Research reports by various banks, OECD

MARKET DEVELOPMENT

Hydro

Global investment and project activity for electromechanical equipment for hydropower plants continued at a moderate level during the second quarter of 2019. As a result of the continuing low investment activities by utilities – due to the low electricity prices – many modernization and rehabilitation projects are still postponed, particularly in Europe. Individual projects were only awarded selectively during the reporting period – particularly in the growing Asian market. Good project activity was noted in the pumps sector.

Pulp & Paper

The international pulp market continued to decline slightly in the second quarter of 2019. The economic related decline in demand for pulp – particularly by Chinese paper and board producers – led to an increase in the supply of pulp and growing pulp inventories worldwide. As a result, the price for short-fiber pulp (eucalyptus) decreased from around 970 USD per ton at the end of March 2019 to approximately 900 USD per ton at the end of June 2019. The price of NBSK (Northern Bleached Softwood Kraft Pulp) long-fiber pulp also decreased from around 1,100 USD per ton at the end of March 2019 to approximately 1,000 USD per ton at the end of June 2019.

In spite of the weaker market development, there was very good project activity overall for pulping equipment during the reporting period, both for modernization of existing pulp mills and for construction of new plants (particularly in South America). In the power boiler sector, the very good project and investment activity in the previous quarters continued, particularly in Asia (Japan). The service business also saw very good project activity.

Metals

In the Metals Forming sector for the automotive and automotive supplying industries (Schuler), the second quarter of 2019 showed unchanged low project and investment activity. Due to the continuing weak international automotive market, there were only a few larger investments made by car manufacturers and their suppliers. Project and investment activity declined in the market segment served by Yadon in the Chinese automotive supplying industry.

Project activity for equipment for the production and processing of stainless strip, carbon steel strip, and aluminum strip was satisfactory during the reporting period. The orders placed focused mainly on technologies and plants for the production of advanced high-strength steel grades (AHSS) and of aluminum for applications in the automotive industry. The intensity of competition on the equipment market continued to be challenging.

Separation

The global markets for solid/liquid separation equipment continued to develop positively during the reporting period. In particular, the environmental (municipal and industrial sewage sludge dewatering and drying), mining, and chemical sectors showed good project activity. Investment activity in the food industry improved compared to the low levels of the preceding quarters. Unchanged solid project activity was noted in the feed technologies sector.

BUSINESS DEVELOPMENT

Sales

Sales of the ANDRITZ GROUP amounted to 1,573.2 MEUR in the second quarter of 2019 and were thus 6.9% higher than the reference figure for the previous year's reference period (Q2 2018: 1,472.1 MEUR). This increase is mainly attributable to the Pulp & Paper business area, where sales increased significantly by 28.5% compared to the previous year's reference period. The capital as well as the service sector saw positive development: Xerium Technologies, Inc., which was acquired last year and first-time consolidated as from October 2018, contributed around 113 MEUR to sales. The Separation business area also slightly increased sales compared to the previous year's reference period (+3.6%) due to the unchanged good order intake development in solid/liquid separation in the past few quarters. Sales in the Hydro (-10.0%) and Metals (-6.1%) business areas declined compared to the previous year's reference period due to the – in some cases substantial – decrease in order intake in the past few years or quarters.

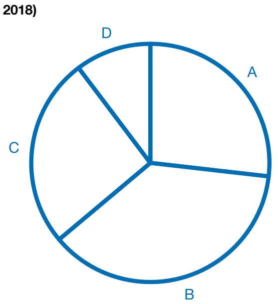
Sales of the Group amounted to 3,062.4 MEUR in the first half of 2019 and were thus significantly higher than the level of the previous year's reference period (+10.8% versus H1 2018: 2,763.1 MEUR). Xerium Technologies, Inc. contributed around 222 MEUR to sales in the first half of 2019.

The business areas' sales development at a glance:

	Unit	H1 2019	H1 2018	+/-
Hydro	MEUR	675.6	724.3	-6.7%
Pulp & Paper	MEUR	1,310.3	1,009.5	+29.8%
Metals	MEUR	758.7	742.4	+2.2%
Separation	MEUR	317.8	286.9	+10.8%

Sales by business area H1 2019 in %

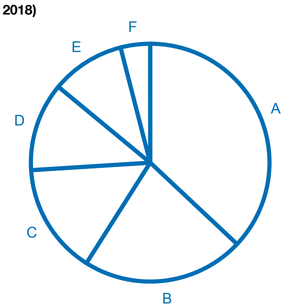
(H1 2018)



A	**22** (26)	Hydro
B	**43** (37)	Pulp & Paper
C	**25** (27)	Metals
D	**10** (10)	Separation

Sales by region H1 2019 in %

(H1 2018)



A	**37** (41)	Europe
B	**22** (20)	North America
C	**15** (14)	China
D	**12** (12)	Asia (without China)
E	**10** (9)	South America
F	**4** (4)	Africa, Australia

Share of service sales for the Group and by business area in %

	H1 2019	H1 2018	Q2 2019	Q2 2018
ANDRITZ GROUP	40	34	41	35
Hydro	28	27	31	28
Pulp & Paper	54	45	52	46
Metals	26	22	28	22
Separation	47	48	48	47

Order intake

The order intake of the group saw a very favorable development in the second quarter of 2019 and, at 2,047.1 MEUR, was 17.9% higher than the figure for the previous year's reference period (Q2 2018: 1,736.5 MEUR). Especially the Pulp & Paper business area saw very positive development.

The business areas' development in detail:

- Hydro: In an unchanged, difficult market environment, the order intake, at 287.9 MEUR, reached again a very low level (-9.5% versus Q2 2018: 318.2 MEUR). Many modernization projects, particularly in Europe, are still postponed as a result of the low electricity prices. In addition, there were no new large hydropower projects awarded during the reporting period.

- Pulp & Paper: The order intake once again reached a very high level at 1,118.8 MEUR. It was 54.6% higher than the figure for the previous year's reference period (Q2 2018: 723.5 MEUR). This strong increase is due to, among others, the large order from Klabin to supply energy-efficient and environmentally friendly pulp technologies as well as key equipment for the "PUMA II-Project" in Brazil. The service business also continued to see very favorable development, with Xerium Technologies, Inc. contributing around 111 MEUR to the order intake following its first-time consolidation in October 2018.

- Metals: At 461.7 MEUR, the order intake reached a solid level and was thus only slightly below the level for the previous year's reference period (-3.6% versus Q2 2018: 478.9 MEUR). While the order intake in the Metals Forming sector for the automotive and automotive supplying industry remained largely stable compared to the previous year's reference period, the order intake in the Metals Processing sector declined compared to the high level for the previous year's reference period.

- Separation: Order intake amounted to 178.7 MEUR and was thus 17.2% below the high level for the previous year's reference period (Q2 2018: 215.9 MEUR), which included a large order in the solid/liquid separation sector in China. The Feed Technologies sector showed a solid level compared to the previous year's reference period.

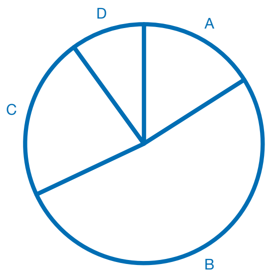
In the first half of 2019, the Group's order intake of 3,705.2 MEUR was significantly higher than the level for the previous year's reference period (+13.3% versus H1 2018: 3,269.3 MEUR). While the order intake showed a strong increase in the Pulp & Paper business area, the order intake in the Metals business area was considerably lower than last year due to the lower level of order intake in the Metals Forming sector. Hydro and Separation showed a slight decrease compared to last year's order intake.

Business areas in detail:

	Unit	H1 2019	H1 2018	+/-
Hydro	MEUR	601.8	753.1	-20.1%
Pulp & Paper	MEUR	1,925.7	1,180.9	+63.1%
Metals	MEUR	809.8	946.7	-14.5%
Separation	MEUR	367.9	388.6	-5.3%

Order intake by business area
H1 2019 in %

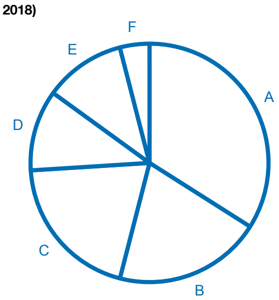
(H1 2018)



A	**16**	(23)	Hydro
B	**52**	(36)	Pulp & Paper
C	**22**	(29)	Metals
D	**10**	(12)	Separation

Order intake by region
H1 2019 in %

(H1 2018)



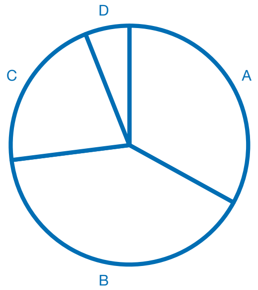
A	**34**	(36)	Europe
B	**20**	(15)	North America
C	**20**	(5)	South America
D	**11**	(15)	Asia (without China)
E	**11**	(21)	China
F	**4**	(8)	Africa, Australia

Order backlog

As of June 30, 2019, the order backlog of the ANDRITZ GROUP amounted to 7,724.2 MEUR (+9.0% versus December 31, 2018: 7,084.3 MEUR). This increase is mainly due to the good order intake development of Pulp & Paper business area.

Order backlog by business area as of June 30, 2019 in %

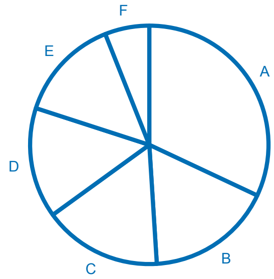
(December 31, 2018)



A	33	(38)	Hydro
B	40	(34)	Pulp & Paper
C	21	(22)	Metals
D	6	(6)	Separation

Order backlog by region as of June 30, 2019 in %

(December 31, 2018)



A	32	(33)	Europe
B	17	(19)	Asia (without China)
C	16	(11)	South America
D	15	(18)	China
E	14	(13)	North America
F	6	(6)	Africa, Australia

Earnings

The EBITA of the Group amounted to 94.7 MEUR in the second quarter of 2019 – despite the increase in sales – practically the same level as the reference figure for the previous period (+0.1% versus Q2 2018: 94.6 MEUR). The main reason for this is the significant decline in earnings in the Metals business area, which was offset by the good business development in the three other business areas. Profitability (EBITA margin) amounted to 6.0% and was thus below the previous year's reference period (Q2 2018: 6.4%).

Development by business area:

- The EBITA margin in the Hydro business area increased to 6.9% in spite of the decline in sales and was thus above the level of the previous year's reference figure (Q2 2018: 5.9%). This is mainly due to the successful execution of some projects.
- In the Pulp & Paper business area, profitability, at 10.0%, again reached a very high level (Q2 2018: 10.6%). Both the capital and the service business saw positive development.
- The EBITA margin in the Metals business area again developed unsatisfactorily and dropped significantly to -2.3% (Q2 2018: 2.0%). On the one hand, this negative development is attributable to the Metals Forming sector (Schuler), which recorded a significant decline in earnings due to the execution of lower-margin orders and to under-utilization resulting from the low order intake in the last few quarters. On the other hand, the Metals Processing sector also failed to meet expectations. Cost overruns on some projects as well as the execution of lower-margin orders as a result of the continuing challenging competition are the main reasons here.
- In the Separation business area, the EBITA margin amounted to 5.4% (Q2 2018: 4.0%).

In the first half of 2019, the Group's EBITA amounted to 177.5 MEUR (+6.7% versus H1 2018: 166.3 MEUR) and – due to the significant drop in earnings in the Metals business area – increased less than sales. Profitability amounted to 5.8% (H1 2018: 6.0%).

In the first half of 2019, the Group's goodwill impairment amounted to 4.5 MEUR (H1 2018: 0 MEUR). The impairment relates to the Metals business area, where the business did not develop as expected.

The financial result decreased significantly to -20.8 MEUR (H1 2018: -10.0 MEUR). This strong decline is largely due to the increase in financial liabilities including the issue of a Schuldscheindarlehen in August 2018 (volume: 500 MEUR). Furthermore, interest expenses increased as a result of the first-time application of IFRS 16 (Leases) required as of January 1, 2019.

Net income (including non-controlling interests) decreased to 75.8 MEUR (-24.1% versus H1 2018: 99.9 MEUR), whereof 77.5 MEUR (H1 2018: 100.6 MEUR) are attributable to the shareholders of the parent company and -1.7 MEUR (H1 2018: -0.7 MEUR) to non-controlling interests.

Net worth position and capital structure

Total assets increased – mainly due to the first-time application of IFRS 16 (Leases) – to 7,470.0 MEUR (December 31, 2018: 6,918.6 MEUR). The equity ratio reached 15.9% (December 31, 2018: 19.2%).

Liquid funds amounted to 1,614.4 MEUR as of June 30, 2019 (as of end of 2018: 1,279.7 MEUR), while net liquidity amounted to -97.6 MEUR (as of end of 2018: -99.6 MEUR).

In the second quarter of 2019, ANDRITZ AG issued a Schuldscheindarlehen with a volume of 175 MEUR in order to provide funds for corporate financing including refinancing.

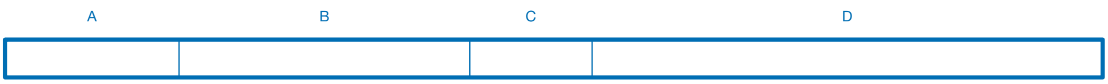
In addition to the high liquidity, the ANDRITZ GROUP also had the following credit and surety lines for performance of contracts, down payments, guarantees, and so on, at its disposal as of June 30, 2019:

- Credit lines: 382 MEUR, thereof 298 MEUR utilized
- Surety lines: 6,021 MEUR, thereof 2,937 MEUR utilized

Assets

A	Long-term assets: 37%	2,797.9 MEUR
B	Short-term assets: 43%	3,152.7 MEUR
C	Cash and cash equivalents and investments: 20%	1,519.4 MEUR

Shareholders' equity and liabilities



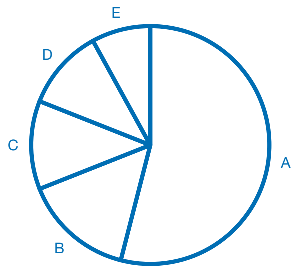
A	Shareholders' equity incl. non-controlling interests: 16%	1,187.2 MEUR
B	Financial liabilities: 26%	1,978.4 MEUR
C	Other long-term liabilities: 12%	831.5 MEUR
D	Other short-term liabilities: 46%	3,472.9 MEUR

Employees

As of June 30, 2019, the number of ANDRITZ GROUP employees amounted to 29,616 (December 31, 2018: 29,096 employees).

Employees by region as of June 30, 2019 in %

(December 31, 2018)



A	**54**	(55)	Europe
B	**15**	(14)	North America
C	**12**	(12)	South America
D	**11**	(11)	China
E	**8**	(8)	Asia (without China), Africa, Australia

Major risks during the remaining months of the financial year

General risks

ANDRITZ is a globally-operating company serving a large variety of industrial markets and customers. As such, the Group is subject to certain general and industry-specific risks. The active risk management implemented by the ANDRITZ GROUP for many years now serves both to safeguard the company's existence in the long term as well as to increase its value, and is thus an essential success factor for the entire Group. For the purposes of value-oriented company management, risk management is an integral part of the business processes and extends over all strategic and operative levels.

ANDRITZ has a Group-wide internal control and steering system (ICS) whose main task is to identify nascent risks at an early stage and – if possible – to implement countermeasures promptly. This system is an important element of active corporate management. However, there is no guarantee that these monitoring and control systems are effective enough.

A detailed description of the strategic and operational risks is available in the ANDRITZ annual financial report for 2018, which also contains information on the internal control and risk management system.

Current risks

The latent trade dispute between the USA and China (including import duties on steel and aluminum) has put a strain on the global economy for some time now. The resulting effects in the medium and long term cannot yet be fully estimated at the moment according to market experts. However, it can be assumed that the trade dispute will lead to a sustained slowdown in the global economy if it continues for a longer period or escalates further. ANDRITZ has a strong local presence in the USA, with approximately 30 production and service locations and just under 2,900 employees. All four business areas are represented in the USA. From today's perspective, the effects on ANDRITZ can be considered insignificant. However, if other regulatory measures are implemented that have negative consequences for non-American companies, the effects on ANDRITZ may well be substantial.

A potential trade dispute between the European Union and the USA could also have a negative effect on the economic environment and thus on the ANDRITZ GROUP because Europe is its most important economic region, with an average share of total sales amounting to between 35 and 40%. The long-term economic impact of the United Kingdom (UK) leaving the European Union cannot be estimated yet. If economic growth in Europe and worldwide dropped significantly as a result, this could have a negative impact on business development of the ANDRITZ GROUP. However, the ANDRITZ GROUP's direct business volume in the UK can be classified as very small.

The continuing weakness of the international automotive market could have a further negative impact on business development in the Metals Forming (Schuler) sector because more than three-quarters of Schuler's sales come from the automotive industry. Although capacitive restructuring measures have already been implemented in recent years, and a further capacity adjustment program was agreed at the end of July 2019, the need for additional adjustments with a negative effect on the ANDRITZ GROUP's earnings development cannot be ruled out if the automotive market continues to weaken in future.

Impact of exchange rate fluctuations

Currency risks in connection with orders that are not invoiced in euros are minimized by derivatives, in particular forward contracts and swaps. Although the Group attempts to hedge the net currency exposure of those orders not invoiced in the respective functional currency of the group company by forward contracts, currency fluctuations can result in the recognition of exchange rate losses in the Group's financial statements. Developments of exchange rates may also have both positive and negative translation effects on the Group's sales and earnings whose values are converted into euros. In addition, shifts in exchange rates may affect ANDRITZ's position relative to its competitors, although many competitors of ANDRITZ are also based in the euro zone. As some of ANDRITZ's major customers are based outside of the euro zone, changes in exchange rates could lead to delays in project decisions by those customers. Also, the shareholders' equity of the ANDRITZ GROUP is not hedged and is thus susceptible to being affected by changes in the exchange rate.

Changes in the exchange rate of the euro against many other currencies could have both a positive and a negative impact on the shareholders' equity as well as on the sales and earnings development of the ANDRITZ GROUP (translation effect).

OUTLOOK

The prospects for the markets served by ANDRITZ are largely unchanged compared to expectations as of the end of 2018. In the Hydro business area, global project and investment activities are expected to remain at the low level of the preceding years. Some larger new hydropower projects are currently in the planning phase, especially in Southeast Asia and Africa; selective award of individual large-scale projects is likely. Unchanged, good project and investment activity is expected in the Pulp & Paper business area, both for modernization of existing plants and for construction of new pulp mills. In the Metals business area, the low investment activity of international car manufacturers and their suppliers is expected to continue in the Metals Forming sector (Schuler). Satisfactory project and investment activity is anticipated in the Metals Processing sector (plants for production and finishing of steel strip). A continuation of the positive market development is also expected in the Separation business area.

Regarding the expectations for the 2019 business year, ANDRITZ confirms its guidance given at the publication of the results for the first quarter of 2019 and expects a significant increase in sales compared to the previous year. In terms of profitability, ANDRITZ expects an unchanged operative EBITA margin before extraordinary effects of 6.9% (EBITA margin 2018 before extraordinary effects: 6.9%).

However, if the global economy suffered a stronger setback in the coming months, this could also have a negative impact on ANDRITZ's business development. In addition, possible further capacitive adjustments that are necessary due to the market environment in individual business areas may result in financial provisions for capacity reductions. These provisions could have a negative effect on the ANDRITZ GROUP's earnings.

HYDRO

IMPORTANT EVENTS

The final acceptance certificate for the four units in the Reventazón hydropower station was signed in Costa Rica by Instituto Costarricense de Electricidad (ICE) and ANDRITZ. With 321 MW installed capacity, Reventazón is the largest hydropower station in Central America. Reventazón was awarded the "Blue Planet Prize" by the International Hydropower Association (IHA) for outstanding social, environmental, technical and economic project execution. By starting commercial operation, Costa Rica has come closer to its declared goal of generating 100% of its electrical energy demand from renewable energy sources in future.

Modernization of four units was successfully completed at the Mwadingusha hydropower station, Democratic Republic of Congo. The scope of supply includes disassembly, installation, and commissioning of the units, which now have 10% more output (from 11.8 to 13.05 MW).

The Obervermuntwerk II pumped storage power station in Vorarlberg, Austria, officially started commercial operation in June 2019. The order comprises delivery, installation, and commissioning of two 180 MW Francis turbines. Obervermuntwerk II will provide the energy needed to cover peak load and balance the power system.

IMPORTANT ORDERS

Customer	Country	Scope of supply
Mercury Co. NZ	New Zealand	Modernization of the 112 MW Karapiro hydropower station. The order comprises replacement of the majority of the turbine components, disassembly of the existing generator, as well as delivery and installation of a completely new generator.
KALLPA GENERATION SA	Peru	Multi-year contract for operating and maintenance services at the Cerro de Aguila hydropower station, including the digital platform Metris DiOMera.
Harbin Electric Machinery Company	China	Delivery of four Pelton runners for the Suki Kinari hydropower plant in Pakistan.
Agência Nacional de Energia Elétrica	Brazil	Delivery, start-up and commissioning of two rotating synchronous condensers.
UPM Energy Oy	Finland	Modernization of turbines and generators for the Kuusankoski hydropower plant.
Skellefteå Kraft AB	Sweden	Modernization of unit #1 at Rengård hydropower station.
Pasvik Kraft AS	Norway	Turbine refurbishment at Melkefoss hydropower plant.
Menzelet Kilavuzlu Elektrik Üretimi	Turkey	Modernization order for turbine runners, generators and automation system at Menzelet Kilavuzlu hydropower station.
OPG	USA	Delivery of two units comprising Francis turbines and generators for the Sir Adam Beck 1 hydropower plant.
VERBUND Hydro Power	Austria	Modernization of the pump turbine M1 in the upper stage of Malta hydropower plant.
Besalco Energía Renovable S.A.	Chile	Delivery, erection work supervision, and commissioning of the electromechanical equipment for the high-voltage switchgear at Guindo 220/66kV and Pueblo Seco 154/23kV.
Shanxi Xiaolangdi Yellow River	China	Delivery of four 2-stage vertical pumps (13 MW each) for Xiaolangdi.

PULP & PAPER

IMPORTANT EVENTS

ANDRITZ has received an order from Klabin to supply energy-efficient and environmental friendly pulp production technologies and key process equipment for Klabin's "PUMA II" project in Ortigueira, Paraná, Brazil. The ANDRITZ scope of supply includes a complete wood processing plant, a HERB recovery boiler (HERB: High Energy Recovery Boiler), a complete white liquor plant, a power boiler based on ANDRITZ EcoFluid Bubbling Fluidized Bed (BFB) technology as well as rebuilds of the existing Puma unit pulp line in wood processing and fiberline. Start-up has been scheduled in the second quarter of 2021.

ANDRITZ has been chosen as the maintenance and service partner for Arauco's MAPA project in Chile. The long-term ANDRITZ SYNERGY™ service agreement covers the entire mill and includes all pre-engineering, commissioning, start-up and integral maintenance there as well as supply of spare and wear parts and after-sales service. The service agreement, which will start in September 2019 and run for more than nine years through February 2029, will be managed locally by ANDRITZ Chile. It is the largest maintenance and service contract ANDRITZ has ever been awarded.

Shouguang Meilun Paper Co., Ltd, successfully started up its new hardwood pulp mill located in the Shandong Province, China, including a chip handling plant, a fiberline with continuous kraft cooking, DD-Washers (DD: Drum Displacer), and bleaching with the world's largest ozone stage, a 7.5-effects evaporation plant, a surface condenser, a firing liquor tank, an integrated stripper, a methanol plant, a HERB recovery boiler, a chlorine and potassium removal system, a biomass gasification plant, and a white liquor plant with biogas-fueled lime kiln. ANDRITZ also delivered a mill-wide non-condensable gas (NCG) collection system and two NCG boilers.

ANDRITZ successfully started up a biomass-fired EcoFluid Bubbling Fluidized Bed (BFB) boiler as part of the combined heat and power plant for Helsingør Kraftvarmeæerk A/S, Denmark. The boiler generates 75 t/h steam and replaces fossil natural gas with renewable biomass in the energy production of Helsingør city.

ANDRITZ Panelboard has further improved its Steam Recovery System (SRS), which recovers surplus steam efficiently from the blow line in front of the gluing section and dryer. The recovered steam can be reused in the existing pre-steaming bin to heat up and condition the raw material in the system, which significantly reduces the amount of fresh steam required.

ANDRITZ has successfully modernized and started up a refrigerator recycling plant at PRAKTIK system s.r.o., Czech Republic, which complies with the most stringent WEEELABEX standards and achieves highest recovery rates for environmentally harmful greenhouse gases. The plant was equipped with a Universal Cross-Flow Shredder QZ, capable of processing up to 110 refrigerators per hour.

ANDRITZ presented the latest evolution in screening – the "*Prime*Screen X". Its innovative design builds on the success of the valued ModuScreen family and offers significant improvement in energy efficiency, screening performance and maintainability to our customers.

ANDRITZ has launched its new tissue machine for textured tissue, the "*Prime*LineTEX". The innovation enables customers to produce textured tissue of a quality superior to dry crepe and very close to structured (TAD) tissue, while significant cost savings compared to conventional technology can be achieved.

IMPORTANT ORDERS

Customer	Country	Scope of supply
WestRock Três Barras	Brazil	Supply of a wood processing plant.
Celulosa Arauco	Chile	Stand-alone chloride removal system (MVR-ARC).
Dezhou Taiding New Material Science	China	Delivery of main equipment for a new P-RC APMP line.
Zheijiang Yanpai	China	Supply of three new needlepunch lines designed for filtration end-uses.
Stora Enso Oulu	Finland	Supply of production technologies and key process equipment for rebuild of the fiberline and drying machine as well as for modernization of the stock preparation system.
Papierfabrik Palm	Germany	Supply of a complete reject processing line.
Cartiere del Polesine	Italy	OCC line rebuild including reject treatment and newly developed *Prime*Screens X.
APRIL RPE	Indonesia	White liquor plant upgrade with new LimeKiln and LimeDry.
Toyo Engineering Corporation	Japan	Supply of two PowerFluid Circulating Fluidized Bed boilers with flue gas cleaning for two new 50 MWe biomass power plants.
Hitachi Zosen Corporation	Japan	Supply of a PowerFluid Circulating Fluidized Bed boiler with flue gas cleaning for a new 75 MWe biomass power plant.
MG TEC Industry	Romania	Supply of a turnkey *Prime*LineCOMPACT tissue machine including stock preparation.
Ilim Group / Ust-Ilimsk	Russia	Cooking upgrade, drying machine rebuild and recausticizing plant modernization of line 2, new recovery boiler for line 3.
Ilim Group / Koryazhma	Russia	Supply of a wood processing plant including SmartWoodyard advanced control system and two LimeDry lime mud filters for recausticizing plant.
United Pulp and Paper	Philippines	New OCC line including detail engineering.
Elektro Recycling	Slovakia	Recycling plant for refrigeration appliances.
Xuan Mai Paper	Vietnam	Supply of a *Prime*LineECO tissue machine with two stock preparation lines.

METALS

IMPORTANT EVENTS

Porsche and Schuler have chosen Halle an der Saale, Germany, as the location for their joint press shop. The 13-hectare site is located in the direct vicinity of Porsche's Leipzig plant. The goal is to further flexibilize and digitalize the manufacturing of body parts. Construction work is due to commence in the second half of 2019. Production at the new press shop is expected to start in 2021.

Schuler received an order from the BMW subsidiary Mini to supply a servo press line that will form body parts for the compact car at the production site in Swindon, England. The system with a total press force of more than 100,000 kilonewtons is 100% compatible with the existing lines in the group, ensuring maximum flexibility. With a capacity of up to 18 strokes per minute, the necessary productivity is ensured and the ServoDirect technology guarantees the best possible quality of the sensitive outer skin parts made of steel and aluminum.

As part of the "iComposite 4.0" research project, Schuler and its partners have succeeded in reducing the costs for a prototype part made of carbon fiber-reinforced plastic (CRP) by more than 50% and throughput times by more than 40 percent compared to conventional manufacturing processes. The prototype part is a floor panel mounted under the engine and the interior of an English sports car.

The Digital Twin presented by Schuler during the reporting period provides an opportunity to simulate all functions of a Schuler plant on a computer and is part of Schuler's Smart Press Shop. The Digital Twin is a precondition for realization of an intelligent factory. Schuler has been using the technology for many years in process simulation, for servo press lines for example. However, it also provides a means of performing a virtual start-up in order to test software in advance and adapt it to the customer's needs. This enables customers to ramp up their plants more quickly, shorten the start-up time, and complete the planned number of units sooner.

IMPORTANT ORDERS

Customer	Country	Scope of supply
Smart Press Shop GmbH & Co. KG	Germany	Supply of a press line to produce car bodies and structural parts as well as a tryout press for a Smart Press Shop in Halle.
Volkswagen	Germany	Delivery of a 69,000 kilonewtons (kN) press line for the production of car bodies and structural parts.
General Motors	Brazil	Delivery of a press line with ServoDirect technology and a capacity of 16 strokes per minute.
VM Automotive	South Africa	Delivery of a blanking line with laser and “dynamic flow” technology for highly flexible production of blanks.
Lasim	Italy	Supply of a transfer press with TwinServo technology (pressing force: 20,000 kN).
Benacio	Italy	Supply of a transfer press with TwinServo technology (pressing force: 20,000 kN).
ThyssenKrupp	Germany	Delivery of a Farina forging press (pressing force: 160,000 kN) to produce solid-formed components for the car industry.
Viega	Canada	Supply of two hydroforming plants for the production of components for sanitation and heating technology.
Sitem	Italy	Delivery of two Smartline high-speed presses, each with a pressing force of 3,150 kN to produce components for electric motors.
Georg Martin	Germany	Supply of a servo press MSP 400 (pressing force: 4,000 kN).
Ak-Pres	Turkey	Delivery of a 16,000 kN servo press including parts transfer and destacking system.
Qinghai Zhuofeng New Material Co., Ltd.	China	Supply of two continuous annealing and processing lines for the production of high-quality flat products made of aluminum for the automotive industry. The ANDRITZ scope of supply also includes automation systems and start-up.
Hindalco Industries Ltd.	India	Delivery of a new tension-leveling line and a new degreasing line to produce high-grade aluminum from the 3000, 5000 and 6000 series. ANDRITZ will supply the complete lines together with the mechanical and electrical equipment and will also start up the plant.

SEPARATION

IMPORTANT ORDERS

Customer / Industry	Country	Scope of supply
SYMBIOTEC / Chemicals	India	Two separators.
CONCORD BIOTECH / Chemicals	India	Two separators.
Enaspol a.s. / Chemicals	Czech Republic	Drum drying system.
Quebrada Blanca / Environment	Chile	Two decanter centrifuges.
Plumb Creek Water Reclamation Authority / Environment	USA	Two decanter centrifuges.
City of Shanghai / Environment	China	Auxiliary equipment and additional scope for fluid bed drying system.
Contra Costa Sanitation District CCCSD / Environment	USA	Four decanter centrifuges.
City of Cuidad Juarez / Environment	Mexico	Four fine screening systems.
City of Tokyo / Environment	Japan	Four decanter centrifuges.
City of Houston / Environment	USA	Four decanter centrifuges.
Blake's Hard Cider Co. / Food	USA	Beer clarifier.
Facility Melnari s.r.o. / Food	Poland	Beer clarifier.
Birrificio Buena Bira S.r.l. / Food	Italy	Beer clarifier.
Branch 'Lepel Dairy Plant' OJSC 'Vitebsk meat processing plant'/ Food	Belarus	Bacteria removal separator for dairy.
Southern Dairy Company Limited / Food	Thailand	Skimming separator for warm milk.
Vedan International / Food	Vietnam	Drum drying system.
Desmet Ballestra (SEA) Pte Ltd / Food	Singapore	Four sidebar filter presses.
Desmet Ballestra (SEA) Pte Ltd / Food	Indonesia	Two sidebar filter presses.
Arcadis Chile S.A. / Mining & Minerals	Chile	Hyperbaric disc filter.
LA Miniere De Kalukundi S.A. / Mining & Minerals	China	Six thickening and clarification systems.
MINERAÇÃO DARDANELOS LTDA. / Mining & Minerals	Brazil	Three sidebar filter presses; three overhead filter presses.

CONSOLIDATED INCOME STATEMENT

For the first half of 2019 (unaudited)

(in TEUR)	H1 2019	H1 2018	Q2 2019	Q2 2018
Sales	**3,062,441**	**2,763,082**	**1,573,276**	**1,472,118**
Changes in inventories of finished goods and work in progress	29,830	84,610	10,725	31,095
Capitalized cost of self-constructed assets	389	1,677	194	556
	3,092,660	**2,849,369**	**1,584,195**	**1,503,769**
Other operating income	33,971	37,601	13,253	13,214
Cost of materials	-1,458,867	-1,410,896	-764,565	-752,610
Personnel expenses	-1,004,267	-872,232	-505,524	-440,302
Other operating expenses	-400,748	-392,131	-191,120	-206,163
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	**262,749**	**211,711**	**136,239**	**117,908**
Depreciation, amortization, and impairment of intangible assets and of property, plant, and equipment	-129,396	-58,769	-60,250	-29,392
Impairment of goodwill	-4,500	0	0	0
Earnings Before Interest and Taxes (EBIT)	**128,853**	**152,942**	**75,989**	**88,516**
Result from associated companies	-33	-53	-14	-69
Interest income	9,800	11,089	4,716	5,397
Interest expenses	-27,500	-17,243	-14,598	-8,801
Other financial result	-3,034	-3,798	-4,544	-5,113
Financial result	**-20,767**	**-10,005**	**-14,440**	**-8,586**
Earnings Before Taxes (EBT)	**108,086**	**142,937**	**61,549**	**79,930**
Income taxes	-32,306	-43,053	-18,391	-24,082
NET INCOME	**75,780**	**99,884**	**43,158**	**55,848**
Thereof attributable to:				
Shareholders of the parent	77,457	100,622	43,814	56,611
Non-controlling interests	-1,677	-738	-656	-763
Weighted average number of no-par value shares	100,829,463	101,038,493	100,726,308	101,023,015
Basic earnings per no-par value share (in EUR)	0.77	1.00	0.44	0.56
Effect of potential dilution of share options	0	0	0	0
Weighted average number of no-par value shares and share options	100,829,463	101,038,493	100,726,308	101,023,015
Diluted earnings per no-par value share (in EUR)	0.77	1.00	0.44	0.56

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the first half of 2019 (condensed, unaudited)

(in TEUR)	H1 2019	H1 2018	Q2 2019	Q2 2018
NET INCOME	**75,780**	**99,884**	**43,158**	**55,848**
Items that may be reclassified to profit or loss:				
Currency translation adjustments of foreign operations, net of tax	6,275	-8,296	-13,694	712
Result from available-for-sale financial assets, net of tax	0	-36	0	-36
Result from cash flow hedges, net of tax	-4,705	0	-2,315	0
Result from associated companies, accounted for using the equity method, net of tax	0	73	0	25
Items that will not be reclassified to profit or loss:				
Actuarial gains/losses, net of tax	-27,275	0	-8,781	0
Result from fair value valuation of financial assets, net of tax	-5,137	-13,016	-2,911	-9,736
Result from associated companies, accounted for using the equity method, net of tax	0	0	0	0
OTHER COMPREHENSIVE INCOME	**-30,842**	**-21,275**	**-27,701**	**-9,035**
TOTAL COMPREHENSIVE INCOME	**44,938**	**78,609**	**15,457**	**46,813**
Thereof attributable to:				
Shareholders of the parent	46,901	79,320	16,616	47,507
Non-controlling interests	-1,963	-711	-1,159	-694

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2019 (unaudited)

(in TEUR)	June 30, 2019	December 31, 2018
ASSETS		
Intangible assets	328,519	372,921
Goodwill	781,946	784,590
Property, plant, and equipment	1,336,323	1,132,134
Shares in associated companies	4,890	17
Investments and other financial assets	131,508	139,960
Other receivables and assets	34,845	32,753
Deferred tax assets	179,831	167,157
Non-current assets	**2,797,862**	**2,629,532**
Inventories	943,859	869,274
Advance payments made	159,671	114,558
Trade accounts receivable	915,071	974,117
Contract assets	755,546	786,354
Receivables from current taxes	56,458	54,121
Other receivables and assets	320,483	304,233
Investments	361,344	325,974
Cash and cash equivalents	1,158,032	858,758
Assets held for sale	1,720	1,702
Current assets	**4,672,184**	**4,289,091**
TOTAL ASSETS	**7,470,046**	**6,918,623**

SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	1,033,777	1,174,816
Equity attributable to shareholders of the parent	**1,174,253**	**1,315,292**
Non-controlling interests	12,939	15,504
Total shareholders' equity	**1,187,192**	**1,330,796**
Bank loans and other financial liabilities	1,257,068	922,548
Lease liabilities	219,446	25,170
Provisions	616,313	579,710
Other liabilities	46,287	59,114
Deferred tax liabilities	169,001	184,368
Non-current liabilities	**2,308,115**	**1,770,910**
Bonds	340,620	343,684
Bank loans and other financial liabilities	114,509	116,380
Lease liabilities	46,724	4,792
Trade accounts payable	602,238	604,189
Contract liabilities from sales recognized over time	1,156,268	1,003,518
Contract liabilities from sales recognized at a point in time	269,400	277,116
Provisions	427,448	437,977
Liabilities for current taxes	44,043	53,996
Other liabilities	973,489	975,265
Current liabilities	**3,974,739**	**3,816,917**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**7,470,046**	**6,918,623**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the first half of 2019 (unaudited)

(in TEUR)	H1 2019	H1 2018
Earnings Before Taxes (EBT)	**108,086**	**142,937**
Interest result	17,700	6,154
Depreciation, amortization, and impairment of intangible assets, goodwill as well as property, plant, and equipment	133,896	58,769
Result from associated companies	33	53
Changes in provisions	-18,341	-57,921
Gains/losses from disposal of fixed and financial assets	-5,689	-191
Other non-cash income/expenses	8,929	6,019
Gross cash flow	**244,614**	**155,820**
Changes in inventories	-75,260	-94,738
Changes in advance payments made	-44,775	-21,205
Changes in receivables	51,786	135,736
Changes in contract assets	35,493	-151,117
Changes in contract liabilities attributable to sales recognized over time	147,952	44,856
Changes in contract liabilities from sales recognized at a point in time	-9,642	-67,181
Changes in liabilities	-7,429	-67,848
Change in net working capital	**98,125**	**-221,497**
Interest received	7,803	8,960
Interest paid	-21,318	-15,251
Dividends received	498	375
Income taxes paid	-57,838	-29,577
CASH FLOW FROM OPERATING ACTIVITIES	**271,884**	**-101,170**
Payments made for property, plant, and equipment and for intangible assets	-53,877	-47,151
Payments received for disposals of property, plant, and equipment and intangible assets	4,155	1,947
Payments made for non-current and current financial assets	-179,634	-57,757
Payments received for disposal of non-current and current financial assets	136,763	247,499
Net cash flow from company acquisitions	0	-5,372
CASH FLOW FROM INVESTING ACTIVITIES	**-92,593**	**139,166**
Payments received from the issuance of Schuldscheindarlehen	175,000	0
Payments received from bank loans and other financial liabilities	172,373	42,961
Payments made for bank loans, other financial liabilities and lease liabilities	-38,468	-22,171
Dividends paid by Andritz AG	-156,491	-156,642
Dividends paid to non-controlling interest holders and former shareholders	-601	-2,401
Purchase of non-controlling interests and payments to former shareholders	-2,539	-4,826
Purchase of treasury shares	-34,220	-4,922
CASH FLOW FROM FINANCING ACTIVITIES	**115,054**	**-148,001**

(in TEUR)	H1 2019	H1 2018
CHANGES IN CASH AND CASH EQUIVALENTS	**294,345**	**-110,005**
Currency translation adjustments	4,929	-10,507
Changes in consolidation scope	0	111
Reclassification as held for sale	0	-10,265
Valuation allowance	0	-166
Cash and cash equivalents at the beginning of the period	858,758	1,071,478
Cash and cash equivalents at the end of the period	1,158,032	940,646

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the first half of 2019 (unaudited)

	Attributable to shareholders of the parent								Non-controlling interests	Total share-holders' equity
(in TEUR)	Share capital	Capital reserves	Other retained earnings	Fair value reserve	Actuarial gains/ losses	Currency trans-lation adjust-ments	Treasury shares	Total		
BALANCE AS OF JANUARY 1, 2018	**104,000**	**36,476**	**1,378,428**	**28,423**	**-75,980**	**-51,777**	**-127,284**	**1,292,286**	**24,433**	**1,316,719**
Net income			100,622					100,622	-738	99,884
Other comprehensive income				-13,052		-8,250		-21,302	27	-21,275
Total comprehensive income			**100,622**	**-13,052**		**-8,250**		**79,320**	**-711**	**78,609**
Dividends			-156,642					-156,642	-2,401	-159,043
Changes in treasury shares			79				-3,745	-3,666		-3,666
Changes concerning share option programs			1,159					1,159		1,159
Transactions with non-controlling interests			-2,005					-2,005	2,005	
Other changes			816	44		-860				
BALANCE AS OF JUNE 30, 2018	**104,000**	**36,476**	**1,322,457**	**15,415**	**-75,980**	**-60,887**	**-131,029**	**1,210,452**	**23,326**	**1,233,778**
BALANCE AS OF JANUARY 1, 2019	**104,000**	**36,476**	**1,445,686**	**8,531**	**-82,140**	**-66,327**	**-130,934**	**1,315,292**	**15,504**	**1,330,796**
Net income			77,457					77,457	-1,677	75,780
Other comprehensive income				-9,842	-26,887	6,173		-30,556	-286	-30,842
Total comprehensive income			**77,457**	**-9,842**	**-26,887**	**6,173**		**46,901**	**-1,963**	**44,938**
Dividends			-156,491					-156,491	-602	-157,093
Changes in treasury shares			-123				-32,857	-32,980		-32,980
Changes concerning share option programs			1,619					1,619		1,619
Changes due to deconsolidation					-88			-88		-88
BALANCE AS OF JUNE 30, 2019	**104,000**	**36,476**	**1,368,148**	**-1,311**	**-109,115**	**-60,154**	**-163,791**	**1,174,253**	**12,939**	**1,187,192**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2019

A) GENERAL

Andritz AG is incorporated under the laws of the Republic of Austria and has been listed on the Vienna Stock Exchange since June 2001. The ANDRITZ GROUP (the "Group" or "ANDRITZ") is a leading producer of high-technology industrial machinery and operates through four strategic business areas: Hydro, Pulp & Paper, Metals, and Separation.

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

The interim consolidated financial statements as of June 30, 2019 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.

B) ACCOUNTING PRINCIPLES

The interim consolidated financial statements as of June 30, 2019 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, 2018 have been maintained unmodified with exception of the new applicable standards as of January 1, 2019. For additional information on the accounting and valuation principles, refer to the consolidated financial statements as of December 31, 2018, 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, 2019:

Standard/Interpretation	Title	Effective for annual financial statements for periods beginning on or after	Endorsement by EU
IAS 19	Amendment: Plan amendment, curtailment or settlement	January 1, 2019	March 13, 2019
IAS 28	Amdment: Long-term interests in associates and joint ventures	January 1, 2019	February 8, 2019
IFRS 23, IFRS 3, and IFRS 11	Annual improvements of IFRS (Cycle 2015-2017)	January 1, 2019	March 14, 2019
IFRS 9	Amendment: Prepayment features with negative compensation	January 1, 2019	March 22, 2018
IFRS 16	Leases	January 1, 2019	October 31, 2017
IFRIC 23	Uncertainty over income tax treatments	January 1, 2019	October 23, 2018

IFRS 16 – Leases

The central idea of IFRS 16 is to record all leases and related contractual rights and obligations on the balance sheet of the lessee. For all leases, the lessee recognizes a lease liability for the obligation to make lease payments in the future. At the same time, the lessee capitalizes a right to use the underlying asset, which basically corresponds to the present value of the future lease payments plus directly attributable costs. The differentiation between finance and operating leases previously required under IAS 17 – Leases is no longer applicable to the lessee. For the lessor, however, the requirements of the new standard are similar to the previous requirements of IAS 17.

IFRS 16 provides various transitional methods. ANDRITZ has decided against early application and opted for the modified retrospective method. As a result, IFRS 16 was applied on January 1, 2019 for the first time. The previous year's figures have not been adjusted. The cumulative effects at the time of first-time adoption, January 1, 2019, are as follows:

(in TEUR)	December 31, 2018	IFRS 16	January 1, 2019
ASSETS			
Non-current assets			
Property, plant, and equipment	1,132,134	228,625	1,360,759
Current assets			
Other receivables and assets	304,233	-4,571	299,662
SHAREHOLDERS' EQUITY AND LIABILITIES			
Non-current liabilities			
Lease liabilities	25,170	197,702	222,872
Other liabilities	59,114	-18,345	40,769
Current liabilities			
Lease liabilities	4,792	46,988	51,780
Other liabilities	975,265	-2,291	972,974

For the identified leases, lease liabilities were recognized for future lease payments, discounted at the respective borrower's interest rate. The weighted average borrowing interest rate of lessees as of January 1, 2019 is 2.2%. The borrowing rates were determined on the basis of a reference interest rate plus a risk premium. The rights of use assets were recognized in the amount of the lease liability (with the exception of advance payments). Therefore the reported property, plant, and equipment increased by 228,625 TEUR. Land and buildings, vehicles, and other items of property, plant, and equipment were identified as categories. Most of the contracts, measured by number, originate from vehicle leases. The majority of the contracts, measured by the value of the right of use asset, originate from real estate lease agreements (203,137 TEUR). ANDRITZ has defined a building lease in the context of a business combination as an onerous contract. At the first-time application of IFRS 16, the practical expedient was selected and the right of use asset was adjusted by the amount (20,636 TEUR) which was shown in the balance sheet as of December 31, 2018 as a provision for onerous contracts. Capitalized advance payments decreased by 4,571 TEUR.

When first applying IFRS 16, ANDRITZ made use of the following practical expedients:

- A uniform discount rate was applied to portfolios of similarly structured leases.
- Instead of an impairment test the right of use asset was reduced by the amount for onerous contracts set immediately before the date of first application.
- Leases that expired within 12 months of the date of initial application were not recognized.
- When assessing the right of use asset at the time of initial application, the initial direct costs were disregarded.
- Assets of low value were not recognized.

The new lease definition was applied to old and new contracts. Upon initial recognition, the contracts were reassessed. The preservation of the original estimates for old contracts ("grandfathering" method) was not applied.

The reconciliation of the lease obligations as of December 31, 2018 to the recognized lease liabilities as of January 1, 2019 is as follows:

(in TEUR)	January 1, 2019
Operating lease agreements as of December 31, 2018 as disclosed in the notes to the consolidated financial statements	**198,895**
Leases of low-value assets (low-value leases)	-690
Leases with less than 12 months of lease term at transition	-8,408
Variable lease payments	-1,269
Non-lease components	-6,133
Residual value guarantees	0
Reasonably certain extension or termination options	84,787
Lease liabilities (gross, without discounting)	**267,182**
Discounting effect (incremental borrowing rate as of January 1, 2019)	-22,492
Lease liabilities (discounted)	**244,690**
Finance lease liabilities	29,962
LEASE LIABILITIES AS OF JANUARY 1, 2019	**274,652**

In the period after initial recognition, new leases were concluded. As of June 30, 2019, the Group shows right of use assets amounting to 247,064 TEUR, which mainly result from building rents (220,803 TEUR). Depreciation amounted to 23,491 TEUR in the reporting period, of which 72% relate to the right of use assets of buildings. Leased assets in the amount of 26,782 TEUR, which were already accounted for as finance leases under property, plant, and equipment according to the old regulation, are also shown as right of use assets.

Expenses from short-term leases amount to 5,620 TEUR. In the reporting period, 1,699 TEUR were spent on leases for low-value assets.

Between the first-time recognition and the reporting period, lease liabilities decreased to 266,170 TEUR. This change results from payments made in the amount of 25,209 TEUR and interest expenses in the amount of 2,632 TEUR among others. Lease liabilities amounting to 46,724 TEUR are due in the next 12 months and are shown as current lease liabilities. Lease liabilities in the amount of 91,747 TEUR are due after five years.

IFRS 9 – Change: Prepayment features with negative compensation

According to the current regulations of IFRS 9, the cash flow condition is not fulfilled or an obligation to valuation through profit and loss is mandatory if the lender has to make a compensation payment in the event of a termination by the borrower (sometimes referred to as a prepayment gain). As a result of the amendment, the existing regulations of IFRS 9 will be adjusted, so that negative compensation payments can also be measured at amortized cost (or at fair value depending on the business model). According to the new regulation, the sign of the compensation payment is irrelevant. Depending on the interest level prevailing at termination, a payment in favor of the contracting party which causes the early repayment is also possible. The calculation of this equalization payment must be the same, both in the event of a prepayment penalty and in the event of a prepayment gain. It is expected that these changes will not have a material effect at ANDRITZ.

Other

The amendment to **IAS 19** requires a compulsory reassessment of current service cost and net interest using the current actuarial assumptions for changes, curtailments or settlements of defined benefit plans.

The amendment to **IAS 28** clarifies the application of IFRS 9 to long-term investments in associates or joint ventures that form part of the net investment in these associates or joint ventures, but are not accounted for using the equity method.

The **annual improvements to IFRS (Cycle 2015-2017)** provide clarifications on IAS 23 – Borrowing costs, IFRS 3 – Business combinations, and IFRS 11 – Joint arrangements.

IFRIC 23 clarifies the accounting for uncertainty regarding income taxes.

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
IFRS 3	Amendment: Definition of a business	January 1, 2020	planned for 2019
IAS 1 and IAS 8	Amendment: Definition of material	January 1, 2020	planned for 2019
	Amendments to references to the conceptual framework in IFRS Standards	January 1, 2020	planned for 2019
IFRS 17	Insurance contracts	January 1, 2021	open

With the amendment to **IFRS 3**, the IASB clarifies that a business comprises a group of activities and assets that contain at least one resource input and a substantial process, which together significantly contribute to the ability to produce output.

The amendments to **IAS 1** and **IAS 8** create a uniform definition of the materiality of financial information.

In **changing the references to the conceptual framework**, the European Financial Reporting Advisory Group (EFRAG) has made editorial adjustments to the previous references to the framework in various standards. This affects IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC 32.

IFRS 17 regulates the recognition, valuation, presentation, and information for insurance contracts.

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

C) 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:

	2019		2018	
	Full consolidation	Equity method	Full consolidation	Equity method
Balance as of January 1	**190**	**3**	**139**	**4**
Acquisition of companies			57	1
Disposal of companies			-1	-2
New foundations		1	1	
Additions due to a change in consolidation type			3	
Disposals due to a change in consolidation type	-1			
Mergers and liquidations	-2		-9	
Balance as of June 30	**187**	**4**	**190**	**3**
Thereof attributable to:				
Domestic companies	6	0	6	0
Foreign companies	181	4	184	3

D) ACQUISITIONS

Kempulp

In June 2019, ANDRITZ entered into an agreement to acquire individual assets and liabilities of Kempulp AB, Sweden. Kempulp is a provider of chemical pulping, washing, oxygen delignifcation, and bleaching techonolgies. The acquisition complements the Pulp & Paper business area’s product protfolio. The closing of the transaction took place in July 2019.

E) USE OF DISCRETIONARY JUDGMENTS AND ESTIMATES

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 defined benefit obligation and thus on the financial position.

With regard to the development of actuarial interest rates according to IAS 19.83, an adjustment of assumptions affecting provisions for pensions and severance payments in the amount of 38,042 TEUR (before income taxes) was made as of June 30, 2019.

F) NOTES TO THE CONSOLIDATED INCOME STATEMENT AND THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Sales

The following table shows the external sales of ANDRITZ for the first half of 2019 and 2018 on the basis of the reported segments:

	Hydro		Pulp & Paper		Metals		Separation		Total	
(in TEUR)	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
REGIONS										
Europe	244,067	266,397	456,264	421,693	312,951	327,827	110,588	110,238	1,123,870	1,126,155
North America	133,321	99,070	295,425	191,560	152,805	182,548	84,569	80,025	666,120	553,203
South America	39,824	49,123	225,439	147,548	23,065	13,276	29,361	28,936	317,689	238,883
Asia (without China)	150,100	174,320	147,549	72,639	49,891	48,933	34,125	35,742	381,665	331,634
China	67,128	69,560	136,519	144,272	209,414	168,286	43,544	21,261	456,605	403,379
Others	41,163	65,733	49,123	31,809	10,620	1,563	15,586	10,723	116,492	109,828
	675,603	**724,203**	**1,310,319**	**1,009,521**	**758,746**	**742,433**	**317,773**	**286,925**	**3,062,441**	**2,763,082**
TIMING OF REVENUE RECOGNITION										
Over time	551,580	619,282	692,155	649,395	465,281	457,434	103,972	85,596	1,812,988	1,811,707
At a point in time	124,023	104,921	618,164	360,126	293,465	284,999	213,801	201,329	1,249,453	951,375
	675,603	**724,203**	**1,310,319**	**1,009,521**	**758,746**	**742,433**	**317,773**	**286,925**	**3,062,441**	**2,763,082**
SALES CATEGORIES										
Capital systems	480,143	525,236	617,306	577,465	559,830	581,845	167,257	148,539	1,824,536	1,833,085
Service	195,460	198,967	693,013	432,056	198,916	160,588	150,516	138,386	1,237,905	929,997
	675,603	**724,203**	**1,310,319**	**1,009,521**	**758,746**	**742,433**	**317,773**	**286,925**	**3,062,441**	**2,763,082**

Intangible assets and property, plant, and equipment

The additions to intangible assets and property, plant, and equipment amounted to 62,013 TEUR in the first half of 2019. Amortization of intangible assets and depreciation of property, plant, and equipment amounted to 129,396 TEUR.

Assets held for sale

The Pulp & Paper business area included since December 31, 2018 two production sites in Middletown/Virginia, USA and Warwick/Québec, Canada classified as held for sale.

Immediately before the initial classification of the asset as held for sale as of December 31, 2018, the carrying amounts of the assets were measured in accordance with IFRS 5, resulting in a write-off in the amount of 1,397 TEUR. There has been no material change to this measurement as of June 30, 2019.

Equity

Dividends

The dividend of 156,491 TEUR for 2018 – this is equal to 1.55 EUR per share – was proposed by the Executive Board and approved by the 112th Annual General Meeting on March 27, 2019. The dividend was paid to the shareholders on April 2, 2019.

Treasury shares

During the first half of 2019, ANDRITZ bought back a total of 989,500 own shares with a total value of around 34,220 TEUR. 31,474 shares were transferred to ANDRITZ employees as part of employee participation programs. On July 1, 2019, ANDRITZ published that it intends to buy back up to one million additional shares in the period between August 2, 2019 and February 3, 2020.

G) SEGMENT REPORTING

The ANDRITZ GROUP conducts its business activities through the following business areas:

- Hydro (HY)
- Pulp & Paper (PP)
- Metals (ME)
- Separation (SE)

Business area information for the first half of 2019

(in TEUR)	HY	PP	ME	SE	Total
Sales	675,603	1,310,319	758,746	317,773	3,062,441
EBITDA	60,236	163,030	15,755	23,728	262,749
EBITA	44,032	123,638	-6,869	16,744	177,545
Capital expenditure	17,500	24,218	14,536	5,752	62,006
Depreciation, amortization, and impairment of intangible assets and of property, plant, and equipment	17,254	66,224	38,938	6,980	129,396
Result from associated companies	-24	-8	-1	0	-33
Shares in associated companies	4,391	0	499	0	4,890

Business area information for the first half of 2018

(in TEUR)	HY	PP	ME	SE	Total
Sales	724,203	1,009,521	742,433	286,925	2,763,082
EBITDA	57,092	106,125	32,094	16,400	211,711
EBITA	43,518	92,872	17,690	12,254	166,334
Capital expenditure	15,690	14,432	12,105	4,953	47,180
Depreciation, amortization, and impairment of intangible assets and of property, plant, and equipment	13,658	13,938	26,988	4,185	58,769
Result from associated companies	0	-53	0	0	-53
Shares in associated companies	0	0	0	0	0

H) NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The cash flow from operating activities amounted to 271,884 TEUR in the first half of 2019 (H1 2018: -101,170 TEUR). This increase was mainly due to project related changes in the net working capital.

The cash flow from investing activities amounted to -92,593 TEUR in the first half of 2019 (H1 2018: 139,166 TEUR). The change compared to the prior period is mainly due to different amounts for payments received and payments made for financial assets.

The cash flow from financing activities amounted to 115,054 TEUR in the first half of 2019 (H1 2018: -148,001 TEUR). The change resulted mainly from the issuance of Schuldscheindarlehen in May 2019 (at total nominal value of 175,000 TEUR), the payments received from bank loans and other financial liabilities of 172,373 TEUR as well as from the purchase of own shares of 34,220 TEUR.

The net cash flow from company acquisitions is as follows:

(in TEUR)	H1 2019	H1 2018
Net assets	**0**	**5,896**
Non-controlling interests	0	0
Goodwill	0	0
CONSIDERATION TRANSFERRED	**0**	**5,896**
Cash and cash equivalents acquired	0	-524
Payables from purchase price not yet paid (incl. contingent consideration)	0	0
Fair value of formerly held interests	0	0
NET CASH FLOW FROM COMPANY ACQUISITIONS	**0**	**5,372**

The cash flows on acquisition of subsidiaries are valued at the rates applying to the respective transactions.

I) FINANCIAL INSTRUMENTS

Valuation techniques

Class	Valuation technique for determining fair values
Derivatives, investments, miscellaneous other financial assets, Schuldscheindarlehen, bank loans, and other financial liabilities, obligations under finance leases, and contingent considerations	The fair value is basically calculated using stock market prices. If no stock market prices are available, the valuation is carried out using customary valuation methods taking specific parameters into account. The valuation model takes the present value of the expected cash flows into account, discounted with a risk-adjusted discount rate applicable for the remaining term.
Trade accounts receivable, other receivables and assets, cash and cash equivalents, time deposits included in "investments", trade accounts payable, and other liabilities	These classes of financial assets and liabilities are accounted for at their book value, which is a reasonable approximation of their fair value due to the fact that their residual maturity is essentially short.
Shares in non-consolidated companies and other shares	There are no prices quoted on an active market for these financial instruments. The valuation is made via valuation parameters that are not observable on the market.

Levels and fair values

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, 2019

(in TEUR)	Net book value							Fair value			
	Measured at fair value			Measured at amortized costs							
	Hedge accounting	Mandatory at FVtPL	Equity instruments - fair value through OCI	At amortized costs	Other financial liabilities	No IFRS 9 valuation category	Total	Level 1	Level 2	Level 3	Total
Investments		134,941	9,167	243,907			388,015	144,108			144,108
Shares in non-consolidated companies and other shares		20,630	607				21,237			21,237	21,237
Derivatives	175	40,991					41,166		41,166		41,166
Miscellaneous other financial assets				13,601			13,601		13,677		13,677
Trade accounts receivable				915,071			915,071				
Other receivables and assets				126,571		177,591	304,162				
Schuldscheindarlehen				80,000			80,000		79,966		79,966
Cash and cash equivalents				1,158,032			1,158,032				
FINANCIAL ASSETS	**175**	**196,562**	**9,774**	**2,537,182**		**177,591**	**2,921,284**				
Derivatives	7,665	52,989					60,654		60,654		60,654
Bond					340,620		340,620	340,937			340,937
Bank loans and other financial liabilities					298,557		298,557		295,657		295,657
Lease liabilities					266,170		266,170		258,806		258,806
Trade accounts payable					602,238		602,238				
Earn out and contingent considerations		2,349			96,196		98,545		95,797		95,797
Schuldscheindarlehen					1,073,020		1,073,020		1,060,845		1,060,845
Other liabilities					782,143	78,434	860,577				
FINANCIAL LIABILITIES	**7,665**	**55,338**			**3,458,944**	**78,434**	**3,600,381**				

As of December 31, 2018

(in TEUR)							Net book value				Fair value
	Measured at fair value			Measured at amortized costs							
	Hedge accounting	Mandatory at FVtPL	Equity instruments - fair value through OCI	At amortized costs	Other financial liabilities	No IFRS 9 valuation category	Total	Level 1	Level 2	Level 3	Total
Investments		100,589	14,032	242,683			357,304	114,621			114,621
Shares in non-consolidated companies and other shares		18,485	606				19,091			19,091	19,091
Derivatives	3,302	46,432					49,734		49,734		49,734
Miscellaneous other financial assets				9,539			9,539		9,683		9,683
Trade accounts receivable				974,117			974,117				
Other receivables and assets				120,007		167,245	287,252				
Schuldscheindarlehen				80,000			80,000		79,885		79,885
Cash and cash equivalents				858,758			858,758				
FINANCIAL ASSETS	**3,302**	**165,506**	**14,638**	**2,285,104**		**167,245**	**2,635,795**				
Derivatives	1,658	51,923					53,581		53,581		53,581
Bond					343,684		343,684	347,140			347,140
Bank loans and other financial liabilities					140,794		140,794		139,950		139,950
Lease liabilities					29,962		29,962		28,315		28,315
Trade accounts payable					604,189		604,189				
Earn out and contingent considerations		4,798			93,814		98,612		97,904		97,904
Schuldscheindarlehen					898,134		898,134		897,635		897,635
Other liabilities					813,932	68,254	882,186				
FINANCIAL LIABILITIES	**1,658**	**56,721**			**2,924,509**	**68,254**	**3,051,142**				

J) 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 as required by the applicable accounting during the first six months of the current business year.

K) EVENTS AFTER JUNE 30, 2019

In June 2019, ANDRITZ entered into an agreement to acquire individual assets and liabilities of Kempulp AB, Sweden. Kempulp is a provider of chemical pulping, washing, oxygen delignifcation and bleaching techonolgies. The acquisition complements the Pulp & Paper business area's product portfolio. The closing of the transaction took place in July 2019.

On July 29, 2019, ANDRITZ announced a comprehensive restructuring program for the Schuler subgroup due to the continued weakness of the international automotive market. In order to maintain competitiveness on the international market for presses and press lines in the long term, a further reduction of manufacturing capacities and of around 500 employees in Germany – mainly in manufacturing – is necessary at Schuler. The total extraordinary expenses for these measures amount to approximately 85 MEUR, approximately 70% of which are cash-effective, while the remainder relates to depreciation of fixed assets (machinery and buildings) in connection with the reduction of manufacturing capacities. The provisions for these expenses will be booked in the 3rd quarter of 2019 and will thus have a negative impact on the earnings of the ANDRITZ GROUP in the 2019 business year.

In addition, an impairment of goodwill will be recorded in the amount of around 25 MEUR.

First savings resulting from these measures are expected as from the second half of 2020, and profitability at Schuler is expected to improve gradually as from 2021. In combination with the 2018 restructuring program that is already underway, cost savings of around 60 MEUR are expected compared to the current business year. These savings should become effective in the full amount as of the 2022 business year.

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.

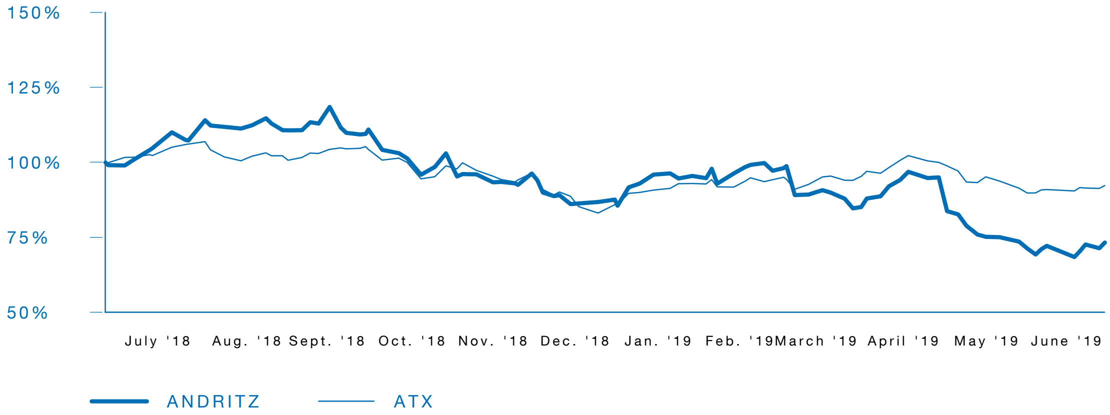
Graz, August 2019

The Executive Board of Andritz AG

Wolfgang Leitner	Humbert Köfler	Joachim Schönbeck	Wolfgang Semper	Mark von Laer
President and CEO	Pulp & Paper (Service & Units), Separation	Pulp & Paper (Capital Systems), Metals	Hydro	CFO

SHARE

RELATIVE PRICE PERFORMANCE OF THE ANDRITZ SHARE COMPARED TO THE ATX (JULY 1, 2018 - JUNE 30, 2019)



Share price development

Development of the international financial markets was characterized by the geopolitical and economic uncertainty and by high volatility. The main influencing factor was the latent trade dispute between the USA and China. As a result of the continuing expansive monetary policy by the central banks, the indices of the largest international stock markets still showed positive share price development overall although development varied substantially by industrial sector. In particular, companies active in the automotive and automotive supplying industries showed below-average share price development due to the weak international car market.

The ANDRITZ share price dropped by 17.5% in the first half of 2019. The reason for this unsatisfactory share price development is the revised earnings and profitability expectation for 2019, which ANDRITZ lowered when the results for the first quarter of 2019 were published. As a result, financial analysts and fund managers have adjusted the price targets for the ANDRITZ share. In contrast, the ATX – the leading share index on the Vienna Stock Exchange – increased by 8.4% over the same period. The highest closing price of the ANDRITZ share was 45.06 EUR (February 25, 2019), and the lowest closing price was 30.92 EUR (June 17, 2019).

Trading volume

The average daily trading volume of the ANDRITZ share (double count, as published by the Vienna Stock Exchange) was 432,240 shares in the first half of 2019 (H1 2018 379,668 shares). The highest daily trading volume was noted on May 2, 2019 at 2,155,784 shares, and the lowest trading volume on February 18, 2019 at 127,990 shares.

Investor Relations

During the second quarter of 2019, meetings were held with international institutional investors and financial analysts in Berlin, Klagenfurt, London, New York, Tokyo, Toronto, Sydney, Vienna, and Zürs.

Key figures of the ANDRITZ share

	Unit	H1 2019	H1 2018	Q2 2019	Q2 2018	2018
Highest closing price	EUR	45.06	49.82	43.74	46.32	53.50
Lowest closing price	EUR	30.92	42.24	30.92	42.24	38.88
Closing price (as of end of period)	EUR	33.10	45.46	33.10	45.46	40.12
Market capitalization (as of end of period)	MEUR	3,442.4	4,727.8	3,442.4	4,727.8	4,172.5
Performance	%	-17.5	-3.5	-13.4	+0.1	-14.8
ATX weighting (as of end of period)	%	5.3528	6.7820	5.3528	6.7820	7.1045
Average daily number of shares traded	Share unit	432,240	379,668	551,692	403,555	354,084

Basic data of the ANDRITZ share

ISIN code	AT0000730007
First listing day	June 25, 2001
Types of shares	no-par value shares, bearer shares
Total number of shares	104 million
Authorized capital	none
Free float	< 70%
Stock exchange	Vienna (Prime Market)
Ticker symbols	Reuters: ANDR.VI; Bloomberg: ANDR, AV
Stock exchange indices	ATX, ATX five, ATX Global Players, ATX Prime, WBI

Financial calender 2019 and 2020 (preliminary)

November 6, 2019	Results for the first three quarters of 2019
March 4, 2020	Results for the 2019 business year
March 15, 2020	Record date Annual General Meeting
March 25, 2020	Annual General Meeting
March 27, 2020	Ex-dividend
March 30, 2020	Record date dividend
March 31, 2020	Dividend payment
April 30, 2020	Results for the first quarter of 2020
July 31, 2020	Results for the first half of 2020
November 5, 2020	Results for the first three quarters of 2020

The financial calendar with updates, as well as information on the ANDRITZ share, can be found on the Investor Relations page at the ANDRITZ web site: www.andritz.com/share.

GLOSSARY

ATX
Austrian Traded Index, the leading stock market index of the Vienna stock exchange.

ATX-weighting
Weighting of the ANDRITZ share according to the calculation of the Vienna stock exchange. This weighting is based on the market capitalization of public free float.

Average number of shares traded
Number of shares which are traded on average per day by using the double count method as published by the Vienna Stock Exchange.

Capital employed
Net working capital plus intangible assets and property, plant, and equipment.

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 no-par value 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.

Employees
Number of employees without apprentices.

Equity attributable to shareholders per share
Equity attributable to shareholders of the parent/weighted average number of no-par value shares.

Equity ratio
Total shareholders' equity/total assets.

EV
Enterprise Value: market capitalization as of end of year minus net liquidity.

Free cash flow
Cash flow from operating activities minus capital expenditure plus payments from the sale of intangible assets and property, plant, and equipment.

Free cash flow per share
Free cash flow/total number of shares.

FVTOCI
Fair value through other comprehensive income.

FVTPL
Fair value through profit and loss.

Gearing
Net debt/total shareholders' equity.

HY
Hydro business area.

Liquid funds
Cash and cash equivalents plus investments plus Schuldscheindarlehen.

Market capitalization
Number of shares outstanding multiplied by the closing price.

ME
Metals business area.

MEUR
Million euros.

MUSD
Million United States Dollar.

NCI
Non-controlling interests.

Net debt
Interest bearing liabilities including provisions for severance payments, pensions, and jubilee payments less liquid funds.

Net liquidity
Liquid funds plus fair value of interest rate swaps less financial liabilities.

Net working capital
Non-current receivables plus current assets (excluding securities, cash and cash equivalents, as well as Schuldscheindarlehen) less other non-current liabilities and current liabilities (excluding financial liabilities and provisions).

Order backlog
The order backlog consists of present customer orders at the balance sheet date. Basically, it is calculated by the order backlog at the beginning of the period plus new order intake during the period less sales during the period.

Order intake
The order intake is the estimated order sales which have already been put into effect considering changes and corrections of the order value; letter of intents are not part of the order intake.

Payout ratio
Part of net income which is distributed to shareholders. It is calculated as dividend per share/ earnings per share.

Performance of the ANDRITZ share
Relative change of the ANDRITZ share within a defined time period.

PP
Pulp & Paper business area.

Price-earnings-ratio
Share price/earnings per share.

Return on equity
Earnings before taxes/total shareholder's equity.

Return on investment
Earnings before interest and taxes/total assets.

Return on sales
Earnings before interest and taxes/sales.

ROE
Return on equity: net income/total shareholder's equity.

SE
Separation business area.

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

TEUR
Thousand euros.

Total shareholders' equity
Total shareholders' equity including non-controlling interests.

Contact and publisher's note

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Disclaimer:
Certain statements contained in this report 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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