INTERIM FINANCIAL REPORT FIRST HALF 2020

H1

ENGINEERED SUCCESS

KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

	Unit	H1 2020	H1 2019	+/-	Q2 2020	Q2 2019	+/-	2019
Order intake	MEUR	3,036.7	3,705.2	-18.0%	1,183.8	2,047.1	-42.2%	7,282.0
Order backlog (as of end of period)	MEUR	7,396.6	7,724.2	-4.2%	7,396.6	7,724.2	-4.2%	7,777.6
Sales	MEUR	3,173.0	3,062.4	+3.6%	1,662.8	1,573.2	+5.7%	6,673.9
EBITDA	MEUR	258.6	262.7	-1.6%	146.0	136.2	+7.2%	537.6
EBITA[1)]	MEUR	174.3	177.5	-1.8%	104.2	94.7	+10.0%	343.2
EBITA margin	%	5.5	5.8	-	6.3	6.0	-	5.1
Earnings Before Interest and Taxes (EBIT)	MEUR	137.4	128.9	+6.6%	83.6	76.0	+10.0%	237.9
Earnings Before Taxes (EBT)	MEUR	119.0	108.1	+10.1%	74.7	61.6	+21.3%	180.9
Net income (including non-controlling interests)	MEUR	83.3	75.8	+9.9%	52.8	43.2	+22.2%	122.8
Net income (without non-controlling interests)	MEUR	84.9	77.5	+9.5%	53.4	43.9	+21.6%	127.8
Cash flow from operating activities	MEUR	100.0	271.9	-63.2%	43.1	215.9	-80.0%	821.6
Capital expenditure	MEUR	59.9	62.0	-3.4%	30.0	36.6	-18.0%	157.1
Employees (as of end of period; without apprentices)	-	27,828	29,616	-6.0%	27,828	29,616	-6.0%	29,513
Total assets	MEUR	7,016.0	7,470.0	-6.1%	7,016.0	7,470.0	-6.1%	7,234.1
Equity ratio	%	17.3	15.9	-	17.3	15.9	-	16.9
Liquid funds	MEUR	1,531.0	1,614.4	-5.2%	1,531.0	1,614.4	-5.2%	1,609.8
Net liquidity	MEUR	205.7	-97.6	+310.8%	205.7	-97.6	+310.8%	244.9
Net working capital	MEUR	-4.9	84.2	-105.8%	-4.9	84.2	-105.8%	-134.0

1) Amortization of identifiable assets acquired in a business combination and recognized separately from goodwill amounts to 32.2 MEUR (H1 2019: 44.2 MEUR; 2019: 76.2 MEUR); impairment of goodwill amounts to 4.7 MEUR (H1 2019: 4.5 MEUR; 2019: 29.1 TEUR).

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, TEUR = thousand euros.

KEY FINANCIAL FIGURES OF THE BUSINESS AREAS

Pulp & Paper

	Unit	H1 2020	H1 2019	+/-	Q2 2020	Q2 2019	+/-	2019
Order intake	MEUR	1,699.8	1,925.7	-11.7%	621.6	1,118.8	-44.4%	3,632.5
Order backlog (as of end of period)	MEUR	3,118.4	3,054.0	+2.1%	3,118.4	3,054.0	+2.1%	3,164.3
Sales	MEUR	1,595.6	1,310.3	+21.8%	882.3	707.6	+24.7%	2,869.5
EBITDA	MEUR	184.8	163.0	+13.4%	103.6	91.1	+13.7%	351.4
EBITDA margin	%	11.6	12.4	-	11.7	12.9	-	12.2
EBITA	MEUR	146.3	123.6	+18.4%	84.5	71.1	+18.8%	271.0
EBITA margin	%	9.2	9.4	-	9.6	10.0	-	9.4
Employees (as of end of period; without apprentices)	-	11,204	11,772	-4.8%	11,204	11,772	-4.8%	11,984

Metals

	Unit	H1 2020	H1 2019	+/-	Q2 2020	Q2 2019	+/-	2019
Order intake	MEUR	488.1	809.8	-39.7%	126.6	461.7	-72.6%	1,582.2
Order backlog (as of end of period)	MEUR	1,302.1	1,654.2	-21.3%	1,302.1	1,654.2	-21.3%	1,532.7
Sales	MEUR	698.2	758.7	-8.0%	343.0	370.9	-7.5%	1,636.9
EBITDA	MEUR	5.8	15.8	-63.3%	8.2	3.0	+173.3%	-1.5
EBITDA margin	%	0.8	2.1	-	2.4	0.8	-	-0.1
EBITA	MEUR	-15.0	-6.9	-117.4%	-2.0	-8.4	+76.2%	-73.8
EBITA margin	%	-2.1	-0.9	-	-0.6	-2.3	-	-4.5
Employees (as of end of period; without apprentices)	-	6,903	7,680	-10.1%	6,903	7,680	-10.1%	7,485

Hydro

	Unit	H1 2020	H1 2019	+/-	Q2 2020	Q2 2019	+/-	2019
Order intake	MEUR	492.4	601.8	-18.2%	246.9	287.9	-14.2%	1,350.2
Order backlog (as of end of period)	MEUR	2,505.9	2,563.3	-2.2%	2,505.9	2,563.3	-2.2%	2,661.0
Sales	MEUR	587.6	675.6	-13.0%	289.4	337.2	-14.2%	1,470.7
EBITDA	MEUR	42.1	60.2	-30.1%	18.3	30.0	-39.0%	134.1
EBITDA margin	%	7.2	8.9	-	6.3	8.9	-	9.1
EBITA	MEUR	24.0	44.0	-45.5%	9.2	23.4	-60.7%	105.9
EBITA margin	%	4.1	6.5	-	3.2	6.9	-	7.2
Employees (as of end of period; without apprentices)	-	6,987	7,332	-4.7%	6,987	7,332	-4.7%	7,202

Separation

	Unit	H1 2020	H1 2019	+/-	Q2 2020	Q2 2019	+/-	2019
Order intake	MEUR	356.4	367.9	-3.1%	188.7	178.7	+5.6%	717.1
Order backlog (as of end of period)	MEUR	470.2	452.7	+3.9%	470.2	452.7	+3.9%	419.6
Sales	MEUR	291.6	317.8	-8.2%	148.1	157.6	-6.0%	696.8
EBITDA	MEUR	25.9	23.7	+9.3%	15.9	12.0	+32.5%	53.6
EBITDA margin	%	8.9	7.5	-	10.7	7.6	-	7.7
EBITA	MEUR	19.0	16.8	+13.1%	12.5	8.5	+47.1%	40.1
EBITA margin	%	6.5	5.3	-	8.4	5.4	-	5.8
Employees (as of end of period; without apprentices)	-	2,734	2,832	-3.5%	2,734	2,832	-3.5%	2,842

MANAGEMENT REPORT

GENERAL ECONOMIC CONDITIONS

The global Covid-19 pandemic resulted in a significant downturn in the global economy during the reporting period. There was a substantial increase in unemployment and a considerable decline in economic growth in all of the world's larger economic regions. Both the industrialized countries and the emerging countries, such as China, Brazil and India, have been and still are being severely affected. In order to overcome the crisis and its economic consequences, many countries have launched such measures as government-funded economic recovery and rescue packages (tax cuts, reduction of interest rates, short-time working, and so on).

Source: Research reports by various banks, OECD

BUSINESS DEVELOPMENT

Sales

In spite of the difficult overall economic conditions, the ANDRITZ GROUP's sales slightly increased to 1,662.8 MEUR (+5.7% versus Q2 2019: 1,573.2 MEUR). The Pulp & Paper business area was able to increase sales significantly (+24.7%) compared to the previous year's reference period, particularly due to processing of large-scale orders received in the preceding quarters. Sales in the Metals (-7.5%) and Hydro (-14.2%) business areas declined compared to the previous year due to the decrease in order intake in the past few quarters and years, respectively. Sales also declined in the Separation business area (-6.0%).

Sales of the Group amounted to 3,173.0 MEUR in the first half of 2020 and was thus slightly above the level of the previous year's reference period (+3.6% versus H1 2019: 3,062.4 MEUR).

The business areas' sales development at a glance:

	Unit	H1 2020	H1 2019	+/-
Pulp & Paper	MEUR	1,595.6	1,310.3	+21.8%
Metals	MEUR	698.2	758.7	-8.0%
Hydro	MEUR	587.6	675.6	-13.0%
Separation	MEUR	291.6	317.8	-8.2%

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

	H1 2020	H1 2019	Q2 2020	Q2 2019
ANDRITZ GROUP	37	40	35	41
Pulp & Paper	41	54	38	52
Metals	23	26	23	28
Hydro	33	28	33	31
Separation	52	47	52	48

Order intake

The order intake of the Group in the second quarter of 2020 was severely affected by the global economic decline triggered by the Covid-19 pandemic. At 1,183.8 MEUR, it was 42.2% lower than the figure for the previous year's reference period (Q2 2019: 2,047.1 MEUR).

The business areas' development in detail:

- Pulp & Paper: The order intake amounted to 621.6 MEUR and was thus 44.4% below the high level for the previous year's reference period (Q2 2019: 1,118.8 MEUR), which included some large-scale orders for supply of biomass boilers as well as equipment for greenfield pulp mills. Both the Capital and the Service business suffered a decline in order intake due to the difficult overall economic conditions.

- Metals: At 126.6 MEUR, the order intake saw a significant decline compared to the previous year's reference period (-72.6% versus Q2 2019: 461.7 MEUR). Both the Metals Forming (Schuler) and the Metals Processing sectors were confronted by very low investment activity by automotive and steel producers as a result of the global economic downturn. Additionally, in the Metals Forming sector, the continued structural weakness of the global automotive market had a negative impact on the order intake development.

- Hydro: In a market environment that is still characterized by low investment activity, order intake at 246.9 MEUR, reached roughly the low level of the previous quarter and was significantly lower compared to the previous year's reference period (-14.2% versus Q2 2019: 287.9 MEUR). As a result of the continuing low investment activity by electric and energy utilities – due to the low electricity prices and lower demand for electricity because of the weak economy – many modernization and rehabilitation projects for hydropower stations are still postponed.

- Separation: Order intake amounted to 188.7 MEUR and was thus slightly higher than in the previous year's reference period (+5.6% versus Q2 2019: 178.7 MEUR). The solid-liquid separation sector, in particular, saw very positive development during the reporting period.

In the first half of 2020, the Group order intake of 3,036.7 MEUR was well below the previous year's reference figure (-18.0% versus H1 2019: 3,705.2 MEUR).

Business areas in detail:

	Unit	H1 2020	H1 2019	+/-
Pulp & Paper	MEUR	1,699.8	1,925.7	-11.7%
Metals	MEUR	488.1	809.8	-39.7%
Hydro	MEUR	492.4	601.8	-18.2%
Separation	MEUR	356.4	367.9	-3.1%

Order backlog

As of June 30, 2020, the order backlog of the ANDRITZ GROUP amounted to 7,396.6 MEUR (-4.9% versus December 31, 2019: 7,777.6 MEUR).

Earnings

In view of the very challenging overall economic conditions, the EBITA of the Group in the second quarter of 2020 reached a solid level at 104.2 MEUR and was thus above the level of the previous year's reference period (+10.0% versus Q2 2019: 94.7 MEUR). The cost-cutting measures implemented in all areas of the company immediately upon commencement of the Corona crisis had a positive effect on earnings development. The EBITA margin amounted to 6.3% (Q2 2019: 6.0%).

Development by business area:

- In the Pulp & Paper business area, profitability reached a very high level once again at 9.6% (Q2 2019: 10.0%), with very favorable developments in both Capital and Service business.
- The EBITA margin in the Metals business area continued to be unsatisfactory at -0.6% (Q2 2019: -2.3%). This continuing, negative development is attributable to the Metals Forming (Schuler) sector, which saw a decline in earnings and profitability compared to last year's reference period due to processing of low-margin orders as well as the sustained under-absorption of capacities. In contrast, the Metals Processing sector saw positive development in profitability compared to Q2 2019.
- Profitability in the Hydro business area dropped to 3.2% (Q2 2019: 6.9%). This decline is largely due to under-absorption as well as the processing of low-margin orders.
- In the Separation business area, profitability continued to develop favorably, with the EBITA margin increasing to 8.4% (Q2 2019: 5.4%).

In the first half of 2020, the EBITA of the Group amounted to 174.3 MEUR and was thus practically at the same level as in the previous year's reference period (-1.8% versus H1 2019: 177.5 MEUR). Profitability amounted to 5.5% (H1 2019: 5.8%).

In the first half of 2020, the Group's goodwill impairment amounted to 4.7 MEUR (H1 2019: 4.5 MEUR). The impairment relates to the Metals business area, where the business did not develop as expected.

The financial result improved to -18.4 MEUR (H1 2019: -20.8 MEUR). This is largely due to the decrease in interest expenses – partly due to the redemption of a corporate bond in July 2019 (volume: 350 MEUR).

Net income (including non-controlling interests) increased to 83.3 MEUR (+9.9% versus H1 2019: 75.8 MEUR), whereof 84.9 MEUR (H1 2019: 77.5 MEUR) are attributable to the shareholders of the parent company and -1.5 MEUR (H1 2019: -1.7 MEUR) to non-controlling interests.

Net worth position and capital structure

Total assets amounted to 7,016.0 MEUR (December 31, 2019: 7,234.1 MEUR). The equity ratio reached 17.3% (December 31, 2019: 16.9%).

Liquid funds amounted to 1,531.0 MEUR as of June 30, 2020 (as of end of 2019: 1,609.8 MEUR), while net liquidity amounted to 205.7 MEUR (as of end of 2019: 244.9 MEUR).

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, 2020:

- Credit lines: 359 MEUR, thereof 252 MEUR utilized
- Surety lines: 5,921 MEUR, thereof 2,906 MEUR utilized

Employees

As of June 30, 2020, the number of ANDRITZ GROUP employees amounted to 27,828 (December 31, 2019: 29,513 employees).

Major risks during the remaining months of the financial year

Current risks

The Covid-19 crisis and its effects on the global economy as well as on the markets served by ANDRITZ present considerable risks for the business development of the ANDRITZ GROUP in the remaining months of 2020 and beyond. Since neither the further development of the pandemic nor the end of it can be estimated from today's perspective, it cannot be ruled out that the global economic weakness will continue in 2021 or perhaps even worsen. This could result in further negative effects on the development of order intake, sales, and earnings of the ANDRITZ GROUP.

A detailed description of the strategic and operational risks is available in the ANDRITZ Annual Financial Report for 2019, which also contains information on the internal control and risk management system.

IMPORTANT EVENTS

ANDRITZ AG issued an ad hoc announcement on April 14, 2020 stating that the company wanted to take over all shares in Schuler Aktiengesellschaft and would conduct a process for transfer of the shares of the minority shareholders in Schuler Aktiengesellschaft (a so-called squeeze-out according to the German Stock Corporation Act). Consequently, the management of ANDRITZ Beteiligungsgesellschaft IV GmbH ("ANDRITZ BTG IV") submitted a formal request to the Executive Board of Schuler Aktiengesellschaft to initiate the procedure for a squeeze-out according to the German Stock Corporation Act. ANDRITZ BTG IV, a wholly-owned subsidiary of ANDRITZ AG, currently holds 96.62% of Schuler Aktiengesellschaft's share capital and is thus the main shareholder as defined in Section 327a(1) of the German Stock Corporation Act. The amount of the appropriate cash compensation to be granted by ANDRITZ BTG IV as main shareholder to the minority shareholders of Schuler Aktiengesellschaft for transfer of the shares has not yet been fixed.

OUTLOOK

The Covid-19 crisis resulted in a substantial downturn in the global economy in the first half of 2020. It affected and still is affecting all major economic regions. Economic researchers do not expect any substantial change of the global economy in the second half of the year either and do not anticipate any noticeable recovery before the second quarter of 2021 at the earliest.

The markets served by ANDRITZ were or are still being affected by the negative effects of the Covid-19 crisis as well. Many investment projects and contract awards have been slowed down by the customers or postponed until further notice. This applies in particular to the capital business, but the service business is also affected, albeit to a lesser extent. From today's perspective, no significant change is expected in the remaining months of 2020 although some individual large-scale projects may be awarded selectively.

In the coming months, ANDRITZ will continue the measures to achieve short-term cost savings, implemented immediately after the Covid-19 crisis began, as well as making adjustments to optimize the cost structures in the medium term. This concerns the Hydro and Metals (Metals Forming) business areas in particular, both of which are affected by the continuing structural weakness of their markets served which are intensified by the global economic weakness due to the Corona crisis. As a result, capacity adjustments are planned in both areas, for which total provisions in the mid/upper-two-digit million euros range will be built in the third quarter of 2020. These measures are aimed at adapting the capacities and cost structures to a somewhat lower business volume in both business areas in the medium term.

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

Profitability (EBITA margin, based on reported operating result (EBITA) including extraordinary expenses for capacity adjustments mentioned above should reach roughly the level of last year (EBITA margin 2019 reported: approx. 5%)

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

CONSOLIDATED INCOME STATEMENT

For the first half of 2020 (unaudited)

(in TEUR)	H1 2020	H1 2019	Q2 2020	Q2 2019
Sales	**3,172,980**	**3,062,441**	**1,662,735**	**1,573,276**
Changes in inventories of finished goods and work in progress	36,969	29,830	-11,587	10,725
Capitalized cost of self-constructed assets	3,107	389	1,269	194
	3,213,056	**3,092,660**	**1,652,417**	**1,584,195**
Other operating income	41,715	33,971	12,443	13,253
Cost of materials	-1,711,433	-1,458,867	-927,236	-764,565
Personnel expenses	-905,315	-1,004,267	-412,410	-505,524
Other operating expenses	-379,407	-400,748	-179,245	-191,120
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	**258,616**	**262,749**	**145,969**	**136,239**
Depreciation, amortization, and impairment of intangible assets and of property, plant, and equipment	-116,530	-129,396	-57,710	-60,250
Impairment of goodwill	-4,674	-4,500	-4,674	0
Earnings Before Interest and Taxes (EBIT)	**137,412**	**128,853**	**83,585**	**75,989**
Result from associated companies and joint ventures	-335	-33	-444	-14
Interest income	8,977	9,800	3,930	4,716
Interest expenses	-24,028	-27,500	-12,254	-14,598
Other financial result	-3,032	-3,034	-142	-4,544
Financial result	**-18,418**	**-20,767**	**-8,910**	**-14,440**
Earnings Before Taxes (EBT)	**118,994**	**108,086**	**74,675**	**61,549**
Income taxes	-35,657	-32,306	-21,851	-18,391
NET INCOME	**83,337**	**75,780**	**52,824**	**43,158**
Thereof attributable to:				
Shareholders of the parent	84,853	77,457	53,381	43,814
Non-controlling interests	-1,516	-1,677	-557	-656
Weighted average number of no-par value shares	99,615,483	100,829,463	99,426,553	100,726,308
Basic earnings per no-par value share (in EUR)	0.85	0.77	0.53	0.44
Effect of potential dilution of share options	0	0	0	0
Weighted average number of no-par value shares and share options	99,615,483	100,829,463	99,426,553	100,726,308
Diluted earnings per no-par value share (in EUR)	0.85	0.77	0.53	0.44

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the first half of 2020 (condensed, unaudited)

(in TEUR)	H1 2020	H1 2019	Q2 2020	Q2 2019
NET INCOME	**83,337**	**75,780**	**52,824**	**43,158**
Items that may be reclassified to profit or loss:				
Currency translation adjustments of foreign operations, net of tax	-73,241	6,275	-15,908	-13,694
Result from cash flow hedges, net of tax	-7,254	-4,705	-6,271	-2,315
Result from associated companies, accounted for using the equity method, net of tax	-1	0	0	0
Items that will not be reclassified to profit or loss:				
Actuarial gains/losses, net of tax	5,510	-27,275	-13,303	-8,781
Result from fair value valuation of financial assets, net of tax	-104	-5,137	-85	-2,911
OTHER COMPREHENSIVE INCOME	**-75,090**	**-30,842**	**-35,567**	**-27,701**
TOTAL COMPREHENSIVE INCOME	**8,247**	**44,938**	**17,257**	**15,457**
Thereof attributable to:				
Shareholders of the parent	10,262	46,901	17,827	16,616
Non-controlling interests	-2,015	-1,963	-572	-1,159

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2020 (unaudited)

(in TEUR)	June 30, 2020	December 31, 2019
ASSETS		
Intangible assets	277,598	309,197
Goodwill	769,506	776,915
Property, plant, and equipment	1,228,273	1,295,238
Shares in associated companies and joint ventures	4,463	4,802
Investments and other financial assets	102,490	109,241
Other receivables and assets	33,895	30,685
Deferred tax assets	167,790	179,457
Non-current assets	**2,584,015**	**2,705,535**
Inventories	877,849	842,389
Advance payments made	135,941	137,833
Trade accounts receivable	769,726	931,804
Contract assets	811,331	734,146
Receivables from current taxes	24,671	30,293
Other receivables and assets	361,779	336,017
Investments	307,643	304,045
Cash and cash equivalents	1,138,328	1,200,794
Assets held for sale	4,733	11,238
Current assets	**4,432,001**	**4,528,559**
TOTAL ASSETS	**7,016,016**	**7,234,094**

SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	1,065,493	1,066,111
Equity attributable to shareholders of the parent	**1,205,969**	**1,206,587**
Non-controlling interests	10,931	12,972
Total shareholders' equity	**1,216,900**	**1,219,559**
Bank loans and other financial liabilities	1,225,965	1,227,044
Lease liabilities	195,524	213,714
Provisions	612,036	593,267
Other liabilities	49,496	43,164
Deferred tax liabilities	155,758	159,662
Non-current liabilities	**2,238,779**	**2,236,851**
Bank loans and other financial liabilities	107,287	132,437
Lease liabilities	47,215	46,394
Trade accounts payable	717,180	668,934
Contract liabilities from sales recognized over time	1,055,796	1,230,276
Contract liabilities from sales recognized at a point in time	246,273	231,962
Provisions	465,197	489,847
Liabilities for current taxes	30,746	37,830
Other liabilities	890,643	935,028
Liabilities relating to assets held for sale	0	4,976
Current liabilities	**3,560,337**	**3,777,684**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**7,016,016**	**7,234,094**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the first half of 2020 (unaudited)

(in TEUR)	H1 2020	H1 2019
Earnings Before Taxes (EBT)	**118,994**	**108,086**
Interest result	15,051	17,700
Depreciation, amortization, and impairment of intangible assets, goodwill as well as property, plant, and equipment	121,204	133,896
Result from associated companies and joint ventures	335	33
Changes in provisions	12,541	-18,341
Gains/losses from disposal of fixed and financial assets	-704	-5,689
Other non-cash income/expenses	16,711	8,929
Gross cash flow	**284,132**	**244,614**
Changes in inventories	-62,767	-75,260
Changes in advance payments made	-1,352	-44,775
Changes in receivables	93,720	51,786
Changes in contract assets	-94,738	35,493
Changes in contract liabilities from sales recognized over time	-136,977	147,952
Changes in contract liabilities from sales recognized at a point in time	20,558	-9,642
Changes in liabilities	43,251	-7,429
Change in net working capital	**-138,305**	**98,125**
Interest received	8,333	7,803
Interest paid	-17,890	-21,318
Dividends received	44	498
Income taxes paid	-36,357	-57,838
CASH FLOW FROM OPERATING ACTIVITIES	**99,957**	**271,884**
Payments made for property, plant, and equipment and for intangible assets	-44,791	-53,877
Payments received for disposals of property, plant, and equipment and intangible assets	4,185	4,155
Payments made for non-current and current financial assets	-189,006	-179,634
Payments received for disposal of non-current and current financial assets	190,983	136,763
CASH FLOW FROM INVESTING ACTIVITIES	**-38,629**	**-92,593**
Payments received from the issuance of Schuldscheindarlehen	0	175,000
Payments received from bank loans and other financial liabilities	12,175	172,373
Payments made for bank loans, other financial liabilities, and lease liabilities	-57,271	-38,468
Dividends paid by ANDRITZ AG	0	-156,491
Dividends paid to non-controlling interest holders and former shareholders	-26	-601
Purchase of non-controlling interests and payments to former shareholders	-2,000	-2,539
Purchase of treasury shares	-12,921	-34,220
CASH FLOW FROM FINANCING ACTIVITIES	**-60,043**	**115,054**
CHANGES IN CASH AND CASH EQUIVALENTS	**1,285**	**294,345**
Currency translation adjustments	-63,647	4,929
Changes in consolidation scope	-104	0
Cash and cash equivalents at the beginning of the period	1,200,794	858,758
Cash and cash equivalents at the end of the period	1,138,328	1,158,032

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the first half of 2020 (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, 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 in consolidation type					-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**
BALANCE AS OF JANUARY 1, 2020	**104,000**	**36,476**	**1,413,451**	**-5,256**	**-102,880**	**-70,221**	**-168,983**	**1,206,587**	**12,972**	**1,219,559**
Net income			84,853					84,853	-1,516	83,337
Other comprehensive income				-7,358	5,510	-72,743		-74,591	-499	-75,090
Total comprehensive income			**84,853**	**-7,358**	**5,510**	**-72,743**		**10,262**	**-2,015**	**8,247**
Dividends									-26	-26
Changes in treasury shares			-504				-11,122	-11,626		-11,626
Changes concerning share option programs			746					746		746
BALANCE AS OF JUNE 30 2020	**104,000**	**36,476**	**1,498,546**	**-12,614**	**-97,370**	**-142,964**	**-180,105**	**1,205,969**	**10,931**	**1,216,900**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2020

A) GENERAL INFORMATION AND LEGAL BASES

1. General information

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: Pulp & Paper, Metals, Hydro, 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, 2020 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, 2020 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, 2019 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, 2019, which form the basis for this interim consolidated financial report.

With the exception of the changes due to the Covid-19 pandemic, which are described in the chapter "Effects of Covid-19", the key assumptions and estimation uncertainties remain unchanged from those described in the notes to the consolidated financial statements of December 31, 2019. Actual results may differ from these estimates.

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, 2020:

Standard/Interpretation	Title	Effective for annual financial statements for periods beginning on or after	Endorsement by EU
IAS 1 and IAS 8	Amendment: Definition of materiality	January 1, 2020	November 29, 2019
	Amendments to references to the conceptual framework in IFRS Standards	January 1, 2020	November 29, 2019
IAS 39, IFRS 9, and IFRS 7	Amendment: Interest rate benchmark reform	January 1, 2020	January 15, 2020
IFRS 3	Amendment: Definition of a business	January 1, 2020	April 21, 2020

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.

The amendment to **IAS 39, IFRS 9 and IFRS 7** affects the hedge accounting requirements regarding recognition, valuation and disclosure.

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.

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 16	Property, plant, and equipment – Proceeds before intended use	January 1, 2022	open
IAS 37	Onerous contracts – Costs of fulfilling a contract	January 1, 2022	open
IFRS 3	Reference to the framework	January 1, 2022	open
IFRS 1, IFRS 9, IFRS 16, IAS 41	Annual improvements to IFRS (Cycle 2018-2020)	January 1, 2022	open
IAS 1	Amendment: Change in presentation	January 1, 2023	open
IFRS 17	Insurance contracts incl. amendments of IFRS 17	January 1, 2023	open

The amendment to **IAS 16** clarifies that it is not permitted to deduct income from the cost of property, plant, and equipment that arises from the sale of goods that are produced while an item of property, plant and equipment is brought into operational condition, with the exception of costs for test runs.

The amendment to **IAS 37** stipulates that the costs of contract performance are made up of the costs that relate directly to the contract. This includes additional costs for the performance of this contract and allocations of other costs that are directly related to the performance of contracts.

The amendment to **IFRS 3** implies that the standard no longer refers to the 1989 framework concept but to the 2018 framework concept, as well as two additions. Contingent assets acquired in a business combination are not to be recognized and an acquirer has to apply IAS 37 or IFRIC 21 instead of the framework concept on business transactions and similar events within the scope of IAS 37 or IFRIC 21 when identifying debts acquired in a business combination.

The **annual improvements to IFRS** (Cycle 2018-2020) provide clarifications on IFRS 1 – First-time Adoption, IFRS 9 – Financial Instruments, IFRS 16 – Leases, and IAS 41 – Agriculture.

The change in the presentation with regard to **IAS 1** affects the adjustment of the assessment criteria for the classification of debt as short-term or long-term.

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) Changes in accounting policies

Derivatives and hedge accounting

In order to better reflect the economic effects of risk management activities, ANDRITZ decided to apply the rules on the accounting treatment of hedging transactions in accordance with IFRS 9 as of January 1, 2020. With regard to the Group's risk management strategy, reference is made to the information in the consolidated financial statements as of December 31, 2019 (Chapter F – Financial and capital structure, financial instruments, and risk management). Derivatives that do not meet the criteria for hedge accounting according to IFRS 9 are classified and recognized at fair value through profit or loss in accordance with IFRS 9.

Hedging transactions are accounted for in accordance with IFRS 9.6.4. with regard to the requirements for permitted underlyings and hedging transactions as well as the effectiveness of the hedging relationships. The principles of hedge accounting according to IFRS 9 are applied prospectively from the start of the documentation of the hedging relationship. There is no need to make a retrospective adjustment to the accounting treatment of hedging relationships, since the existing hedge accounting relationships accounted for in accordance with IAS 39 also meet the requirements for hedge accounting in accordance with IFRS 9.

The principles of hedge accounting within IFRS 9 are also used to hedge individual risk components for non-financial underlyings. In the ANDRITZ GROUP, this primarily affects sales in foreign currency resulting from over time revenue recognition.

Cash flow hedges

In connection with the hedging of future cash flows from a recognized receivable or liability or a transaction which is likely to occur in the future, the effective part of the change in fair values is recognized in other comprehensive income and the ineffective part is immediately recognized in the income statement. If the cash flow hedge results in an asset or a liability, the amounts accrued in equity are recognized in the income statement at the point in time at which the hedged item affects the income statement. If the hedging of an expected transaction results in the recognition of a non-financial asset or a non-financial liability, the amounts recognized in other comprehensive income become part of the acquisition costs at the time of acquisition of the non-financial asset or the non-financial liability.

In the ANDRITZ GROUP, cashflows from purchase orders and procurement transactions are hedged through foreign currency forwards or foreign currency swaps. This is to hedge future transactions in foreign currency that are expected and likely to occur as part of the project calculation. ANDRITZ uses cash flow hedge accounting to hedge a transaction that is highly probable and hedges itself against future effects in income statement from cash flow fluctuations. In addition, ANDRITZ hedges the interest rate risk of future cash flows from financial liabilities through interest rate swaps.

Government grants

The presentation for grants related to income varies, whether the grant offsets several expense categories or not. Consequently, grants related to R&D activitites are presented as other operating income, whereas grants related to a specific expense category are credited directly to this expense category.

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:

	2020		2019	
	Full consolidation	Equity method	Full consolidation	Equity method
Balance as of January 1	**183**	**4**	**190**	**3**
Acquisitions of companies				
Disposals of companies				
New foundations			1	1
Additions due to a change in consolidation type				
Disposals due to a change in consolidation type	-1		-5	
Mergers and liquidations	-3		-3	
Balance as of June 30	**179**	**4**	**183**	**4**
Thereof attributable to:				
Domestic companies	7	0	7	0
Foreign companies	172	4	176	4

4. Acquisitions

No acquisitions were made in the reporting period.

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

C) RESULT OF THE YEAR

6. Segment Reporting

The ANDRITZ GROUP conducts its business activities through the following business areas:
- Pulp & Paper (PP)
- Metals (ME)
- Hydro (HY)
- Separation (SE)

a) Business area information for the first half of 2020

(in TEUR)	PP	ME	HY	SE	Total
Sales	1,595,600	698,186	587,639	291,555	3,172,980
EBITDA	184,792	5,821	42,117	25,886	258,616
EBITA	146,390	-15,006	23,997	18,952	174,333
Capital expenditure	32,375	9,639	13,491	4,411	59,916
Depreciation, amortization, and impairment of intangible assets and of property, plant, and equipment	55,763	34,248	19,586	6,933	116,530
Result from associated companies and joint ventures	4	-388	50	0	-335
Shares in associated companies and joint ventures	0	98	4,365	0	4,463

b) Business area information for the first half of 2019

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

7. Sales

The following table shows the external sales of ANDRITZ for the first half of 2020 and 2019 on the basis of the reported segments:

	Pulp & Paper		Metals		Hydro		Separation		Total	
(in TEUR)	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REGIONS										
Europe	474,680	456,264	301,200	312,951	193,154	244,067	100,641	110,588	1,069,675	1,123,870
North America	290,048	295,425	174,476	152,805	109,167	133,321	84,066	84,569	657,757	666,120
South America	493,463	225,439	17,625	23,065	28,780	39,824	27,687	29,361	567,555	317,689
Asia (without China)	162,543	147,549	30,145	49,891	138,573	150,100	32,310	34,125	363,571	381,665
China	131,272	136,519	168,421	209,414	50,969	67,128	30,170	43,544	380,832	456,605
Others	43,594	49,123	6,319	10,620	66,996	41,163	16,681	15,586	133,590	116,492
	1,595,600	**1,310,319**	**698,186**	**758,746**	**587,639**	**675,603**	**291,555**	**317,773**	**3,172,980**	**3,062,441**
TIMING OF REVENUE RECOGNITION										
Over time	988,431	692,155	479,852	465,281	488,599	551,580	94,890	103,972	2,051,772	1,812,988
At a point in time	607,169	618,164	218,334	293,465	99,040	124,023	196,665	213,801	1,121,208	1,249,453
	1,595,600	**1,310,319**	**698,186**	**758,746**	**587,639**	**675,603**	**291,555**	**317,773**	**3,172,980**	**3,062,441**
SALES CATEGORIES										
Capital systems	950,796	617,306	535,102	559,830	387,524	480,143	138,726	167,257	2,012,148	1,824,536
Service	644,804	693,013	163,084	198,916	200,115	195,460	152,829	150,516	1,160,832	1,237,905
	1,595,600	**1,310,319**	**698,186**	**758,746**	**587,639**	**675,603**	**291,555**	**317,773**	**3,172,980**	**3,062,441**

D) NON-CURRENT ASSETS AND LIABILITIES

8. Intangible assets and property, plant, and equipment

The additions to intangible assets and property, plant, and equipment amounted to 59,920 TEUR in the first half of 2020. Amortization and impairment of intangible assets and depreciation of property, plant, and equipment amounted to 116,530 TEUR.

In the 2020 financial year, an impairment of goodwill was recorded in the amount of 4,674 TEUR because the business did not develop as expected. The impairment relates to a cash-generating unit that is assigned to the Metals business area. The recoverable amount of this cash-generating unit corresponds to its value in use.

9. Provisions

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 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 -7,683 TEUR (before income taxes) was made as of June 30, 2020.

E) FINANCIAL AND CAPITAL STRUCTURE AND FINANCIAL INSTRUMENTS

10. 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, 2020

(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
Time deposits included in "investments"				199,115			199,115				
Other investments		135,877	8,117				143,994	143,994			143,994
Shares in non-consolidated companies and other shares			607			18,803	19,410			607	607
Derivatives	2,418	47,852					50,270		50,270		50,270
Miscellaneous other financial assets				7,614			7,614		7,456		7,456
Trade accounts receivable				769,726			769,726				
Other receivables and assets				125,327		190,077	315,404				
Schuldscheindarlehen				70,000			70,000		70,048		70,048
Cash and cash equivalents				1,138,328			1,138,328				
FINANCIAL ASSETS	**2,418**	**183,729**	**8,724**	**2,310,110**		**208,880**	**2,713,861**				
Derivatives	18,911	43,845					62,756		62,756		62,756
Bank loans and other financial liabilities					259,870		259,870		257,718		257,718
Lease liabilities					242,739		242,739		246,609		246,609
Trade accounts payable					717,180		717,180				
Earn out and contingent considerations		717			23,775		24,492		23,542		23,542
Schuldscheindarlehen					1,073,382		1,073,382		1,074,890		1,074,890
Other liabilities					91,825	761,066	852,891				
FINANCIAL LIABILITIES	**18,911**	**44,562**			**2,408,771**	**761,066**	**3,233,310**				

As of December 31, 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
Time deposits included in "investments"				236,948			236,948				
Other investments		94,386	6,457				100,843	100,843			100,843
Shares in non-consolidated companies and other shares			606			17,188	17,794			606	606
Derivatives		40,084					40,084		40,084		40,084
Miscellaneous other financial assets				7,701			7,701		7,788		7,788
Trade accounts receivable				931,804			931,804				
Other receivables and assets				105,982		190,636	296,618				
Schuldscheindarlehen				80,000			80,000		80,081		80,081
Cash and cash equivalents				1,200,794			1,200,794				
FINANCIAL ASSETS		**134,470**	**7,063**	**2,563,229**		**207,824**	**2,912,586**				
Derivatives	6,253	45,527					51,780		51,780		51,780
Bank loans and other financial liabilities					286,272		286,272		283,952		283,952
Lease liabilities					260,108		260,108		266,335		266,335
Trade accounts payable					668,934		668,934				
Earn out and contingent considerations		2,691			23,775		26,466		25,548		25,548
Schuldscheindarlehen					1,073,209		1,073,209		1,087,586		1,087,586
Other liabilities					96,385	803,561	899,946				
FINANCIAL LIABILITIES	**6,253**	**48,218**			**2,408,683**	**803,561**	**3,266,715**				

11. Equity

a) Dividends

The dividend of 49,719 TEUR for 2019 – this is equal to 0.50 EUR per share – was proposed by the Executive Board and approved by the 113th Annual General Meeting on July 7, 2020. The dividend was paid to the shareholders on July 13, 2020. Hence, the dividend distribution was not recognized yet as of June 30, 2020.

b) Treasury shares

During the first half of 2020, ANDRITZ bought back a total of 475,000 own shares with a total value of around 12,921 TEUR. 45,550 shares were transferred to ANDRITZ employees as part of employee participation programs.

F) OTHER INFORMATION

12. Notes to the consolidated statement of cash flows

The cash flow from operating activities amounted to 99,957 TEUR in the first half of 2020 (H1 2019: 271,884 TEUR). This decrease was mainly due to project related changes in the net working capital.

The cash flow from investing activities amounted to -38,629 TEUR in the first half of 2020 (H1 2019: -92,593 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 -60,043 TEUR in the first half of 2020 (H1 2019: 115,054 TEUR). The change resulted mainly from the issuance of Schuldscheindarlehen in May 2019 (at total nominal value of 175,000 TEUR), as well as the payments received from bank loans and other financial liabilities. In contrast, no dividend was paid out in the 2020 financial year yet (156,491 TEUR were paid in the first half of 2019).

13. Assets held for sale

In the Hydro business area, the sale of property, plant, and equipment in Araraquara, Brazil, was initiated in 2019. The sale is expected to be closed in the second half of 2020. Assets in the amount of 4,257 TEUR were recognized as held for sale. Immediately before the initial classification of the asset as held for sale as of December 31, 2019, the carrying amounts of the assets were measured in accordance with IFRS 5, resulting in a write-off in the amount of 920 TEUR. There has been no material change to this measurement as of June 30, 2020.

In the Pulp & Paper business area, the sale of a production site in Warwick/Québec, Canada, was initiated in 2018. The sale has been delayed due to circumstances that were previously classified as unlikely. The plan to sell the production facility is being pursued and required measures with consideration of the changed circumstances have been taken. The corresponding property, plant, and equipment in the amount of 476 TEUR are still classified as held for sale.

14. Effects of Covid-19

Since the beginning of the financial year, Covid-19 has spread worldwide and represents a significant event for the ANDRITZ GROUP in the sense of IAS 34.15-15C. There are no uncertainties regarding the going concern of the ANDRITZ GROUP. There is no significant change in financial risks and renegotiations of financial liabilities. The exemption published in accordance with IFRS 16 about the assessment whether rental concessions granted due to the Covid-19 pandemic constitute a leasing modification was not used. The main effects are shown below:

- Sales increased despite of the overall poor economic conditions due to large orders that could be processed as expected. However, travel restrictions and access limitations to customer sites had a negative impact on sales in the service category.
- ANDRITZ made use of government grants in several countries. If the requirements are met, the grants are recognized in profit or loss as scheduled. In the reporting period, the ANDRITZ GROUP received government support mainly in connection with short-time work.
- Various expenses, such as travel expenses, were reduced due to Covid-19 and due to short-term cost reduction measures.
- Because of higher expected credit losses of trade receivables as a result of Covid-19, ANDRITZ GROUP increased the impairment loss on trade receivables and focused on closely monitoring the development of credit risk.
- ANDRITZ has assessed whether there is an indication of an event-related impairment of an asset. The analysis of internal and external sources such as market capitalization, market returns, market development, and the legal environment have partly temporarily shown negative effects, which are, however, expected to balance each other out in the long term. Based on these assumptions and the updated weighted average cost of capital, a cash-generating unit in the Metals business area required an impairment.
- Overall, the ANDRITZ GROUP was able to increase EBIT in the first half of 2020 compared to the previous year.

15. Events after June 30, 2020

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 2020

The Executive Board of ANDRITZ AG

Wolfgang Leitner	Humbert Köfler	Norbert Nettesheim	Joachim Schönbeck	Wolfgang Semper
President and CEO	Pulp & Paper (Service), Separation	Chief Financial Officer	Pulp & Paper (Capital Systems), Metals Processing	Hydro

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 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 ratio
Total shareholders' equity/total assets

HY
Hydro business area

Liquid funds
Cash and cash equivalents plus investments plus Schuldscheindarlehen

ME
Metals business area

MEUR
Million euros

MUSD
Million United States Dollar

NCI
Non-controlling interests

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

PP
Pulp & Paper business area

SE
Separation business area

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

TEUR
Thousand euros

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

Contact and publisher's note

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