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## **EANS-Adhoc: ANDRITZ announces Q3 2020 results prematurely**

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### Company Information

28.10.2020

Graz - International technology Group ANDRITZ is announcing adhoc the preliminary key figures for the third quarter of 2020 which are significantly higher than the market expectations (consensus estimates).

Mainly due to strong sales generation in the Pulp & Paper business area, sales of the ANDRITZ GROUP amounted to around 1,670 MEUR in the third quarter of 2020 and were thus only slightly below the high level of the previous year's reference period (Q3 2019: 1,690 MEUR).

Strict cost discipline and continuation of the efficiency measures implemented due to the Corona crisis to maintain liquidity and the ability to compete, together with the higher sales, have led to an increase in the operating result (EBITA) to around 104 MEUR. This result includes provisions of around 26 MEUR for capacity adjustments in the Metals Forming and Hydro business areas. Excluding these extraordinary effects, the EBITA of the Group in the reporting period amounted to around 130 MEUR and is thus significantly higher than the figure for the previous year's reference period (EBITA of the Group in Q3 2019 excluding extraordinary effects: 101.7 MEUR). Profitability reached a very favorable level of 7.8% (EBITA margin in Q3 2019 excluding extraordinary effects: 6.0%).

The net income (without non-controlling interests) amounted to around 50 MEUR in the third quarter of 2020 (Q3 2019: -35 MEUR).

Order intake of the Group saw favorable development in the third quarter of 2020 despite the latent global economic crisis. At slightly more than 1,700 MEUR, it was around 19% lower than the very high level of the previous year's reference period (Q3 2019: 2,094 MEUR), which included a large-scale order in the Pulp & Paper business area. In particular, the Hydro business area was able to increase its order intake significantly compared to last year's reference quarter by securing some larger orders.

### Guidance 2020

In view of the favorable earnings development in the first three quarters and on the basis of the current order backlog, ANDRITZ now expects for the full year 2020 approximately the same level of profitability (EBITA margin) excluding extraordinary effects (provisions for capacity adjustments) as last year (EBITA margin 2019 excluding extraordinary effects: 6.8%). Profitability including extraordinary effects (EBITA margin reported for 2020) is expected to remain stable or increase slightly from today's perspective compared to the previous year (EBITA margin reported for 2019: 5.1%).

The guidance for sales development remains unchanged. From today's perspective, ANDRITZ expects slightly lower sales for the 2020 business year compared to 2019 (6,674 MEUR).

However, if the infection figures continue to increase worldwide in the coming

weeks and months and additional countries or regions order lockdowns, this could have negative effects on the processing of orders and on order intake and hence, a negative effect on ANDRITZ's financial development. In addition to the provisions for capacity adjustments considered in the fourth quarter of 2020 and in the above guidance, this could create a need for further financial provisions for additional adjustments in individual business areas that could have a negative effect on the earnings of the ANDRITZ GROUP.

The final results for the third quarter 2020 will be published as scheduled on November 5, 2020.

Note: MEUR: million euros

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#### ANDRITZ GROUP

International technology group ANDRITZ offers a broad portfolio of innovative plants, equipment, systems and services for the pulp and paper industry, the hydropower sector, the metals processing and forming industry, pumps, solid/liquid separation in the municipal and industrial sectors, as well as animal feed and biomass pelleting. The global product and service portfolio is rounded off with plants for power generation, recycling, the production of nonwovens and panelboard, as well as automation and digital solutions offered under the brand name of Metris. The publicly listed group today has around 27.800 employees and more than 280 locations in over 40 countries.

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