INTERIM FINANCIAL REPORT H1 2023

H1

ANDRITZ

ENGINEERED SUCCESS

KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

	Unit	H1 2023	H1 2022	+/-	Q2 2023	Q2 2022	+/-	2022
Order intake	MEUR	4,712.5	4,767.6	-1.2%	2,292.3	2,179.0	+5.2%	9,263.4
Order backlog (as of end of period)	MEUR	10,569.0	9,859.1	+7.2%	10,569.0	9,859.1	+7.2%	9,976.5
Revenue	MEUR	4,109.0	3,317.0	+23.9%	2,146.4	1,790.1	+19.9%	7,542.9
EBITDA	MEUR	415.3	362.2	+14.7%	214.9	198.8	+8.1%	825.5
EBITA[1)]	MEUR	332.6	273.2	+21.7%	174.1	150.9	+15.4%	648.5
EBITA margin	%	8.1	8.2	-	8.1	8.4	-	8.6
Earnings Before Interest and Taxes (EBIT)	MEUR	308.5	241.5	+27.7%	162.5	135.2	+20.2%	572.7
Earnings Before Taxes (EBT)	MEUR	301.7	223.1	+35.2%	164.0	127.5	+28.6%	540.9
Net income (including non-controlling interests)	MEUR	221.5	163.9	+35.1%	119.0	93.7	+27.0%	402.6
Net income (without non-controlling interests)	MEUR	226.8	167.2	+35.6%	122.3	95.7	+27.8%	409.6
Cash flow from operating activities	MEUR	-79.3	413.2	n.a.	-47.9	186.1	n.a.	710.8
Capital expenditure	MEUR	93.3	80.5	+15.9%	44.9	41.4	+8.5%	184.4
Employees (as of end of period; without apprentices)	-	29,927	27,428	+9.1%	29,927	27,428	+9.1%	29,094
Total assets	MEUR	8,269.1	8,184.2	+1.0%	8,269.1	8,184.2	+1.0%	8,491.8
Equity ratio	%	22.6	20.4	-	22.6	20.4	-	21.6
Liquid funds	MEUR	1,588.8	1,963.2	-19.1%	1,588.8	1,963.2	-19.1%	2,051.1
Net liquidity	MEUR	608.0	900.6	-32.5%	608.0	900.6	-32.5%	983.0
Net working capital	MEUR	99.7	-351.2	n.a.	99.7	-351.2	n.a.	-324.4

1) Amortization of identifiable assets acquired in a business combination and recognized separately from goodwill amounts to 24.1 MEUR (H1 2022: 31.7 MEUR; 2022: 65.6 MEUR); impairment of goodwill amounts to 0.0 MEUR (H1 2022: 0.0 MEUR; 2022: 10.2 MEUR).

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

KEY FINANCIAL FIGURES OF THE BUSINESS AREAS

Pulp & Paper

	Unit	H1 2023	H1 2022	+/-	Q2 2023	Q2 2022	+/-	2022
Order intake	MEUR	1,836.0	2,031.6	-9.6%	842.7	952.3	-11.5%	4,296.4
Order backlog (as of end of period)	MEUR	4,078.7	3,893.1	+4.8%	4,078.7	3,893.1	+4.8%	4,207.8
Revenue	MEUR	1,950.2	1,542.5	+26.4%	1,042.3	847.4	+23.0%	3,513.8
EBITDA	MEUR	230.9	200.2	+15.3%	121.2	111.4	+8.8%	462.1
EBITDA margin	%	11.8	13.0	-	11.6	13.1	-	13.2
EBITA	MEUR	190.8	153.3	+24.5%	102.1	84.6	+20.7%	378.9
EBITA margin	%	9.8	9.9	-	9.8	10.0	-	10.8
Employees (as of end of period; without apprentices)	-	13,541	12,112	+11.8%	13,541	12,112	+11.8%	13,525

Metals

	Unit	H1 2023	H1 2022	+/-	Q2 2023	Q2 2022	+/-	2022
Order intake	MEUR	1,177.0	990.7	+18.8%	507.6	489.3	+3.7%	2,008.6
Order backlog (as of end of period)	MEUR	2,195.1	1,846.2	+18.9%	2,195.1	1,846.2	+18.9%	1,938.1
Revenue	MEUR	892.2	734.0	+21.6%	470.4	377.5	+24.6%	1,621.2
EBITDA	MEUR	60.4	50.0	+20.8%	31.7	25.1	+26.3%	100.9
EBITDA margin	%	6.8	6.8	-	6.7	6.6	-	6.2
EBITA	MEUR	42.5	31.6	+34.5%	23.0	15.3	+50.3%	62.3
EBITA margin	%	4.8	4.3	-	4.9	4.1	-	3.8
Employees (as of end of period; without apprentices)	-	6,163	5,960	+3.4%	6,163	5,960	+3.4%	6,085

Hydro

	Unit	H1 2023	H1 2022	+/-	Q2 2023	Q2 2022	+/-	2022
Order intake	MEUR	1,086.6	1,105.7	-1.7%	657.3	402.2	+63.4%	1,720.5
Order backlog (as of end of period)	MEUR	3,302.3	3,133.2	+5.4%	3,302.3	3,133.2	+5.4%	2,878.4
Revenue	MEUR	710.5	547.4	+29.8%	354.9	299.7	+18.4%	1,313.0
EBITDA	MEUR	48.7	40.7	+19.7%	20.6	18.2	+13.2%	107.7
EBITDA margin	%	6.9	7.4	-	5.8	6.1	-	8.2
EBITA	MEUR	35.3	26.7	+32.2%	14.0	11.8	+18.6%	72.3
EBITA margin	%	5.0	4.9	-	3.9	3.9	-	5.5
Employees (as of end of period; without apprentices)	-	6,285	6,064	+3.6%	6,285	6,064	+3.6%	6,102

Separation

	Unit	H1 2023	H1 2022	+/-	Q2 2023	Q2 2022	+/-	2022
Order intake	MEUR	612.9	639.6	-4.2%	284.7	335.2	-15.1%	1,237.9
Order backlog (as of end of period)	MEUR	992.9	986.6	+0.6%	992.9	986.6	+0.6%	952.2
Revenue	MEUR	556.1	493.1	+12.8%	278.8	265.5	+5.0%	1,094.9
EBITDA	MEUR	75.3	71.3	+5.6%	41.4	44.1	-6.1%	154.8
EBITDA margin	%	13.5	14.5	-	14.8	16.6	-	14.1
EBITA	MEUR	64.0	61.6	+3.9%	35.0	39.2	-10.7%	135.0
EBITA margin	%	11.5	12.5	-	12.6	14.8	-	12.3
Employees (as of end of period; without apprentices)	-	3,938	3,292	+19.6%	3,938	3,292	+19.6%	3,382

The Pumps business (previously reported in the Hydro business area) and some products of the Pulp & Paper business area that are mainly supplied to customers outside the pulp & paper industry are reported in the Separation business area as of January 1, 2023. The reference figures of the previous year have been adjusted to match the new reporting structure.

MANAGEMENT REPORT

GENERAL ECONOMIC CONDITIONS

The economy in the main regions continued to develop only moderately in the second quarter of 2023. The tight monetary policy of central banks as a result of the persistently high inflation and the increasing geopolitical disputes had a negative impact on the global economy.

In Europe, economic activity weakened slightly in the reporting period. Inflation, rising interest rates and a moderate global economy noticeably slowed down the economy. The inflation in the euro zone fell significantly to around 5.5% in the reporting period, mainly due to declining energy and food prices. However, core inflation, which excludes fluctuating energy and food prices, among other factors, rose again slightly in the reporting period. In view of the high inflation, the European Central Bank (ECB) raised the key interest rate in the euro zone to 4.0% and signaled further interest rate hikes in 2023. Through this tight monetary policy, the ECB is determined to bring inflation back to the medium-term target of 2.0% in a timely manner.

In the USA, economic growth also weakened during the reporting period. Private consumption, which plays a key role in the US economy and accounts for approximately 70% of the gross domestic product, has shown a downward trend since beginning of the year. The situation on the labor market remained robust, with the unemployment rate unchanged at a level of approximately 3.8%. In view of a significant decline in inflation, the U.S. Federal Reserve (FED) took a break in the reporting period after ten interest rate hikes in a row. It is thus leaving its key interest rate in a range between 5.0% and 5.25% for now. However, the FED announced further interest rate steps this year to further counter the pressure from inflation.

China's economy recorded a slight upturn in the reporting period. Faced with a slowdown in industrial production as a result of weaker foreign and domestic demand, the Chinese government announced countermeasures. China's central bank cut its key interest rate in the reporting period to prevent a further slowdown in economic growth.

Source: Research reports by various banks, OECD

BUSINESS DEVELOPMENT

Order intake

The order intake of the ANDRITZ GROUP in the first half of 2023 amounted to 4,712.5 MEUR and was thus practically at the very high level of the previous year's reference period (-1.2% versus H1 2022: 4,767.6 MEUR). In particular, the Metals business area (+18.8%) increased its order intake significantly compared to the previous year. This substantial increase is primarily attributable to the Metals Processing sector, which succeeded in booking several medium-sized orders in Asia, Europe, and in the USA. Order intake in the Pulp & Paper business area saw satisfactory development during the reporting period, however it was well below the very high level of the previous year's reference period, which included a large order for a new pulp mill in China. Order intake in the Hydro business area (-1.7%) was stable. The Separation (-4.2%) business area recorded a slight decline compared to the previous year.

Business areas in detail:

	Unit	H1 2023	H1 2022	+/-
Pulp & Paper	MEUR	1,836.0	2,031.6	-9.6%
Metals	MEUR	1,177.0	990.7	+18.8%
Hydro	MEUR	1,086.6	1,105.7	-1.7%
Separation	MEUR	612.9	639.6	-4.2%

In the second quarter of 2023 the order intake of the Group saw very favorable development with 2,292.3 MEUR (+5.2% versus Q2 2022: 2,179.0 MEUR). The Hydro business area in particular was able to significantly increase its order intake due to the booking of a major order in Asia.

The business areas' development in detail:

- Pulp & Paper: Order intake amounted to 842.7 MEUR and was thus 11.5% below the level of the previous year's reference period (Q2 2022: 952.3 MEUR). While order intake in the service business increased slightly compared to the previous quarter, order intake in the capital business declined.

- Metals: Order intake once again reached a favorable level at 507.6 MEUR and increased by 3.7% compared to the previous year's reference figure (Q2 2022: 489.3 MEUR). This is primarily attributable to the Metals Processing sector, which significantly increased the order intake compared to the previous year's reference period. Order intake in the Metals Forming sector (Schuler) was lower than the high figure of the previous year's reference period, which included a large order for a press line in China.

- Hydro: At 657.3 MEUR, the order intake was significantly higher than the figure for the previous year's reference period (+63.4% versus Q2 2022: 402.2 MEUR). This increase is mainly due to the receipt of a large order to supply electromechanical equipment for the new hydropower station Luang Prabang in the Lao People's Democratic Republic.

- Separation: Order intake amounted to 284.7 MEUR and was thus below the high figure for the previous year's reference period (-15.1% versus Q2 2022: 335.2 MEUR). The pumps sector showed good development during the reporting period. Solid development was recorded in the solid/liquid separation sector. Order intake in the feed & biofuel sector, however, declined compared to the previous year's reference period.

Revenue

The Group's revenue in the first half of 2023 amounted to 4,109.0 MEUR and was thus 23.9% higher than the previous year's reference figure (H1 2022: 3,317.0 MEUR). All business areas were able to significantly increase their revenue compared to the previous year.

The business areas' revenue development at a glance:

	Unit	H1 2023	H1 2022	+/-
Pulp & Paper	MEUR	1,950.2	1,542.5	+26.4%
Metals	MEUR	892.2	734.0	+21.6%
Hydro	MEUR	710.5	547.4	+29.8%
Separation	MEUR	556.1	493.1	+12.8%

Revenue of the ANDRITZ GROUP amounted to 2,146.4 MEUR in the second quarter of 2023 and was thus significantly higher than the reference figure for the previous year (+19.9% versus Q2 2022: 1,790.1 MEUR). All four business areas increased their revenue – in some cases significantly – compared to the previous year's reference quarter, particularly Metals (+24.6%), Pulp & Paper (+23.0%) and Hydro (+18.4%). Revenue in the Separation business area was 5.0% higher than in the previous year's reference quarter.

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

	H1 2023	H1 2022	Q2 2023	Q2 2022
ANDRITZ GROUP	39	40	39	40
Pulp & Paper	42	46	42	45
Metals	24	25	24	25
Hydro	39	39	38	38
Separation	52	47	54	47

Order backlog

The ANDRITZ GROUP's order backlog as of June 30, 2023 amounted to 10,569.0 MEUR (+5.9% versus December 31, 2022: 9,976.5 MEUR). The Hydro and Metals business areas recorded a significant increase in order backlog compared to December 31, 2022. While the order backlog in the Separation business area increased slightly, the order backlog in the Pulp & Paper business area decreased in the course of the scheduled execution of large orders contained in the backlog.

Earnings

The operating result (EBITA) of the Group increased in line with revenue and reached a very favorable level of 332.6 MEUR (+21.7% versus H1 2022: 273.2 MEUR). Profitability (EBITA margin) amounted to 8.1% (H1 2022: 8.2%).

Profitability development in the first half of 2023 by business area:

- Profitability in the Pulp & Paper business area again reached a satisfactory level of 9.8% (H1 2022: 9.9%).
- The EBITA margin in the Metals business area increased significantly to 4.8% (H1 2022: 4.3%), thus continuing its upward trend. Both the Metals Forming (Schuler) and Metals Processing sector showed a positive profitability development.
- Profitability in the Hydro business area amounted to 5.0% (H1 2022: 4.9%).
- In the Separation business area, profitability amounted to 11.5% and was thus below the level of the previous year's reference period (H1 2022: 12.5%), which included a positive extraordinary effect in the pumps sector. The adjusted EBITA margin increased to 11.5% (H1 2022: 10.7%).

The EBITA of the Group in the second quarter of 2023 amounted to 174.1 MEUR and was thus significantly above the previous year's reference period (+15.4% versus Q2 2022: 150.9 MEUR). Profitability amounted to 8.1% (Q2 2022: 8.4%).

Development in the second quarter of 2023 by business area:

- In the Pulp & Paper business area, profitability amounted to 9.8% and was thus below the reference figure for the previous year (Q2 2022: 10.0%). This is mainly due to the slightly changed project mix compared to the previous year's reference period (increased share of large projects).
- The Metals business area continued its positive earnings development and increased profitability significantly to 4.9% (Q2 2022: 4.1%).
- Profitability in the Hydro business area amounted to 3.9% (Q2 2022: 3.9%).
- In the Separation business area, profitability at 12.6% continued to develop very favorably but was below the exceptionally high level of the previous year's reference period, which included a positive extraordinary effect (Q2 2022: 14.8%). The adjusted EBITA margin increased significantly to 12.5% (Q2 2022: 11.5%).

The financial result in the first half of 2023 improved to -6.8 MEUR (H1 2022: -18.4 MEUR). This is mainly due to an increase in net-interest result, as the very positive interest rate environment allowed cash and cash equivalents to be invested at better interest rates.

Net income (including non-controlling interests) increased significantly to 221.5 MEUR (+35.1% versus H1 2022: 163.9 MEUR), whereof 226.8 MEUR (H1 2022: 167.2 MEUR) are attributable to the shareholders of the parent company and -5.3 MEUR (H1 2022: -3.3 MEUR) to non-controlling interests.

Net worth position and capital structure

Total assets as of June 30, 2023 amounted to 8,269.1 MEUR (December 31, 2022: 8,491.8 MEUR). The equity ratio increased to 22.6% (December 31, 2022: 21.6%).

Liquid funds as of June 30, 2023 decreased mainly due to the dividend payment and the increase in working capital in the course of order execution to 1,588.8 MEUR (as of end of 2022: 2,051.1 MEUR), while net liquidity decreased to 608.0 MEUR (as of end of 2022: 983.0 MEUR).

In addition to the reported liquidity, the ANDRITZ GROUP also had the following credit and surety lines for performance of contracts, down payments, guarantees, and so on, at its disposal as of June 30, 2023:

- Credit lines: 293 MEUR, thereof 169 MEUR utilized
- Surety lines: 6,399 MEUR, thereof 3,419 MEUR utilized

Employees

As of June 30, 2023, the number of ANDRITZ GROUP employees amounted to 29,927 (December 31, 2022: 29,094 employees).

Major risks during the remaining months of the financial year

Current risks

In view of the persistently high inflation rate, the central banks of many industrialized countries raised their key interest rates significantly and at a historically rapid pace. The rapid increases in interest rates led to an economic slowdown on the one hand and caused turbulence in the European and U.S. banking systems on the other hand. If the prices for raw materials, energy and sub-supplies – and consequently inflation – increase again, this could have a negative impact on order intake and consequently on the financial development of the ANDRITZ GROUP.

In view of the significant increases in key interest rates by central banks as a result of high inflation, banks and their borrowers are currently under increased pressure. The risk of a possible default (insolvency) by individual or several banks is minimized at ANDRITZ by an internal limit system. In this system, the maximum investment limit for each individual bank is determined in view of the respective credit rating of the bank (by international rating agencies such as Moody’s, Standard & Poor’s, Fitch) and the published credit default swap spreads (CDS spreads – indicator of the probability of the bank defaulting). The limits are adjusted on a monthly basis so that it is possible to react quickly in the event of credit rating changes at short notice. If there are larger, short-term changes in CDS spreads or ratings, exposure to the counterparty is reduced immediately. However, should insolvency occur in the banking sector, this could have a negative impact on the financial development of the ANDRITZ GROUP.

The risks and adverse effects of the Corona pandemic were significantly reduced toward the end of 2022, and government-imposed restrictions were mostly lifted. However, the possible emergence of new virus variants could lead once again to various statutory measures being implemented, in individual countries or regions, and thus to an economic downturn. Increasing geopolitical conflicts could again have a negative impact on supply chains. This could lead on the one hand to delays in the execution of orders and on the other hand to further price increases for many raw materials and industrial semi-finished products.

In addition to the current risks, there are numerous other risks that could have a negative effect on economic development if they materialize. These include the tightening of trade barriers between economically important states and increasing domestic political instability in various countries. The high national debt of many countries also poses a risk in the medium to long term.

A detailed description of the strategic and operational risks as well as information on the internal control and risk management system are available in the ANDRITZ Annual Financial Report for 2022.

OUTLOOK

Economic experts expect global economic growth to slow down in 2023. The tight monetary policy of central banks as a result of high inflation had a negative impact on the global economy. Economic growth is expected to slow down in Europe and the USA in particular. In contrast, economists are forecasting a cyclical recovery for China's economy after the end of the zero-covid policy and the enactment of various programs to stimulate the economy.

High interest rates and a weakening economy will also affect ANDRITZ customers' project and investment decisions. However, ANDRITZ expects demand for green products to remain stable.

For the full year 2023, ANDRITZ confirms the financial guidance published when the results for the first quarter of 2023 were announced and, based on the development of the first half of 2023, currently expects a significant increase in revenue and earnings compared to 2022.

The overall economic conditions prevailing at the present time were taken into account in the financial guidance 2023. However, if the global economic weakening forecast by market researchers intensifies in the coming months, this could have negative effects on order intake, and hence, to a limited extent, also on ANDRITZ's revenue and financial development. In particular, this could necessitate capacity adjustments in the medium term, which would require financial provisions for all or individual business areas and could have a negative impact on the ANDRITZ GROUP's earnings.

CONSOLIDATED INCOME STATEMENT

For the first half of 2023 (unaudited)

(in MEUR)	H1 2023	H1 2022	Q2 2023	Q2 2022
Revenue	**4,109.0**	**3,317.0**	**2,146.4**	**1,790.1**
Changes in inventories of finished goods and work in progress	64.2	107.1	2.4	43.3
Other own work capitalized	2.4	0.7	1.4	0.4
Other income	50.9	73.1	31.9	37.7
Cost of materials	-2,219.9	-1,764.0	-1,159.7	-972.3
Personnel expenses	-1,081.5	-957.0	-551.5	-484.2
Other expenses	-509.8	-414.7	-256.0	-216.2
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	**415.3**	**362.2**	**214.9**	**198.8**
Depreciation, amortization, and impairment of property, plant, and equipment and intangible assets	-106.8	-120.7	-52.4	-63.6
Earnings Before Interest and Taxes (EBIT)	**308.5**	**241.5**	**162.5**	**135.2**
Result from investments accounted for using the equity method	1.2	0.7	0.6	0.5
Interest income	30.4	14.9	14.4	8.5
Interest expense	-23.8	-18.4	-11.7	-9.8
Other financial result	-14.6	-15.6	-1.8	-6.9
Financial result	**-6.8**	**-18.4**	**1.5**	**-7.7**
Earnings Before Taxes (EBT)	**301.7**	**223.1**	**164.0**	**127.5**
Income taxes	-80.2	-59.2	-45.0	-33.8
NET INCOME	**221.5**	**163.9**	**119.0**	**93.7**
Net income attributable to owners of the parent	226.8	167.2	122.3	95.7
Net income allocated to non-controlling interests	-5.3	-3.3	-3.3	-2.0
Basic earnings per no-par value share (in EUR)	2.29	1.69	1.23	0.97
Diluted earnings per no-par value share (in EUR)	2.28	1.69	1.23	0.97

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the first half of 2023 (condensed, unaudited)

(in MEUR)	H1 2023	H1 2022	Q2 2023	Q2 2022
NET INCOME	**221.5**	**163.9**	**119.0**	**93.7**
Remeasurement of defined benefit plans	3.0	67.4	3.5	40.2
Changes in the fair value of equity instruments measured at fair value through other comprehensive income	-0.3	0.4	0.0	0.0
Other comprehensive income (after income taxes) that will not be reclassified to the income statement in subsequent periods	**2.7**	**67.8**	**3.5**	**40.2**
Currency translation of foreign operations	-8.2	71.8	-0.9	16.7
Cash flow hedges	14.6	-21.1	-1.8	-26.2
Other comprehensive income (after income taxes) which can be reclassified to the income statement in subsequent periods	**6.4**	**50.7**	**-2.7**	**-9.5**
OTHER COMPREHENSIVE INCOME (AFTER INCOME TAXES)	**9.1**	**118.5**	**0.8**	**30.7**
TOTAL COMPREHENSIVE INCOME	**230.6**	**282.4**	**119.8**	**124.4**
Total comprehensive income attributable to owners of the parent	234.5	285.3	122.4	126.1
Total comprehensive income allocated to non-controlling interests	-3.9	-2.9	-2.6	-1.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of June 30, 2023 (unaudited)

(in MEUR)	June 30, 2023	December 31, 2022
ASSETS		
Property, plant, and equipment	1,211.9	1,213.8
Goodwill	794.4	787.0
Intangible assets other than goodwill	140.0	160.1
Investments accounted for using the equity method	15.0	13.7
Investments and other financial assets	71.2	71.9
Other receivables and assets	87.0	85.0
Deferred tax assets	227.6	239.7
Non-current assets	**2,547.1**	**2,571.2**
Inventories	1,232.7	1,135.5
Advance payments made	240.1	219.9
Trade accounts receivable	940.1	1,065.1
Contract assets	1,274.3	1,047.5
Current tax assets	33.6	36.6
Investments	394.1	728.9
Cash and cash equivalents	1,174.5	1,302.0
Other receivables and assets	427.6	380.1
Current assets other than assets held for sale	**5,717.0**	**5,915.6**
Assets held for sale	5.0	5.0
Current assets	**5,722.0**	**5,920.6**
TOTAL ASSETS	**8,269.1**	**8,491.8**

EQUITY AND LIABILITIES		
Share capital	104.0	104.0
Capital reserves	36.5	36.5
Retained earnings and other reserves	1,746.0	1,708.1
Equity attributable to owners of the parent	**1,886.5**	**1,848.6**
Non-controlling interests	-17.8	-13.9
Total equity	**1,868.7**	**1,834.7**
Bank loans and other financial liabilities	528.4	827.5
Lease liabilities	165.1	162.6
Provisions for employee benefits	309.5	312.4
Provisions	191.0	185.4
Other liabilities	40.3	28.6
Deferred tax liabilities	120.6	121.3
Non-current liabilities	**1,354.9**	**1,637.8**
Bank loans and other financial liabilities	483.8	253.4
Lease liabilities	42.6	44.8
Trade accounts payable	946.3	983.0
Contract liabilities from sales recognized over time	1,552.1	1,547.5
Contract liabilities from sales recognized at a point in time	384.1	400.5
Provisions	428.5	460.5
Current tax liabilities	76.2	105.8
Other liabilities	1,131.9	1,223.8
Current liabilities	**5,045.5**	**5,019.3**
TOTAL EQUITY AND LIABILITIES	**8,269.1**	**8,491.8**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the first half of 2023 (unaudited)

(in MEUR)	H1 2023	H1 2022
Net income	**221.5**	**163.9**
Income taxes	80.2	59.2
Interest result	-6.6	3.5
Depreciation, amortization, and impairment of intangible assets, goodwill as well as property, plant, and equipment	106.8	120.7
Result from investments accounted for using the equity method	-1.2	-0.7
Gains/losses from disposal of fixed and financial assets	-6.1	-19.3
Other non-cash income/expenses	31.6	18.3
Change in net working capital	-363.6	220.9
Changes in provisions and other assets and liabilities	-53.2	-63.2
Interest received	27.5	13.0
Interest paid	-10.4	-15.5
Dividends received	0.3	0.7
Income taxes paid	-106.1	-88.3
CASH FLOW FROM OPERATING ACTIVITIES	**-79.3**	**413.2**
Payments made for property, plant, and equipment and intangible assets	-71.1	-68.8
Payments received for disposals of property, plant, and equipment and intangible assets	9.9	25.6
Payments made for non-current and current financial assets	-133.9	-386.5
Payments received for disposal of non-current and current financial assets	460.2	245.6
Net cash flow from company acquisitions	-6.6	-13.3
CASH FLOW FROM INVESTING ACTIVITIES	**258.5**	**-197.4**
Payments received from bank loans and other financial liabilities	35.4	6.6
Payments made for bank loans and other financial liabilities	-103.3	-81.0
Payments made for the the redemption of lease liabilities	-22.1	-21.5
Dividends paid	-207.7	-163.7
Purchase of non-controlling interests and payments to former shareholders	0.0	-0.1
Proceeds from re-issuance of treasury shares	5.3	0.0
Purchase of treasury shares	0.0	-16.0
CASH FLOW FROM FINANCING ACTIVITIES	**-292.4**	**-275.7**
CHANGES IN CASH AND CASH EQUIVALENTS	**-113.2**	**-59.9**
Currency translation adjustments	-14.3	40.3
Cash and cash equivalents at the beginning of the period	1,302.0	1,087.0
Cash and cash equivalents at the end of the period	1,174.5	1,067.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the first half of 2023 (unaudited)

	Attributable to owners of the parent								Non-controlling interests	Total equity
(in MEUR)	Share capital	Capital reserves	Retained earnings	Fair value reserve	Reserve of remeasurements of defined benefit plans	Reserve of exchange differences on translation	Treasury shares	Total		
BALANCE AS OF JANUARY 1, 2022	**104.0**	**36.5**	**1,792.5**	**0.4**	**-67.1**	**-103.5**	**-188.2**	**1,574.6**	**-7.3**	**1,567.3**
Net income			167.2					167.2	-3.3	163.9
Other comprehensive income				-20.7	67.4	71.4		118.1	0.4	118.5
Total comprehensive income			**167.2**	**-20.7**	**67.4**	**71.4**		**285.3**	**-2.9**	**282.4**
Dividends			-163.1					-163.1	-0.6	-163.7
Change in treasury shares			-0.2				-13.8	-14.0		-14.0
Change from share option programs			-3.8					-3.8		-3.8
Transfers and other changes			-0.6		0.8	-0.3		-0.1		-0.1
BALANCE AS OF JUNE 30, 2022	**104.0**	**36.5**	**1,792.0**	**-20.3**	**1.1**	**-32.4**	**-202.0**	**1,678.9**	**-10.8**	**1,668.1**
BALANCE AS OF JANUARY 1, 2023	**104.0**	**36.5**	**2,040.0**	**0.2**	**-40.0**	**-90.2**	**-201.9**	**1,848.6**	**-13.9**	**1,834.7**
Net income			226.8					226.8	-5.3	221.5
Other comprehensive income				14.3	3.0	-9.6		7.7	1.4	9.1
Total comprehensive income			**226.8**	**14.3**	**3.0**	**-9.6**		**234.5**	**-3.9**	**230.6**
Dividends			-207.7					-207.7		-207.7
Change in treasury shares			-0.9				8.0	7.1		7.1
Change from share option programs			1.7					1.7		1.7
Hyperinflation			2.3					2.3		2.3
Transfers and other changes			0.6			-0.6		0.0		0.0
BALANCE AS OF JUNE 30, 2023	**104.0**	**36.5**	**2,062.8**	**14.5**	**-37.0**	**-100.4**	**-193.9**	**1,886.5**	**-17.8**	**1,868.7**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2023

A) GENERAL INFORMATION AND LEGAL BASES

1. General information

ANDRITZ AG is an Aktiengesellschaft incorporated under the laws of the Republic of Austria and has been listed on the Vienna Stock Exchange since June 2001. The registered office of ANDRITZ AG, the parent company of the ANDRITZ GROUP, is at Stattegger Strasse 18, 8045 Graz, Austria. The ANDRITZ GROUP (the “Group” or “ANDRITZ”) is a leading producer of high-technology industrial machinery and operates through four strategic operating segments: Pulp & Paper, Metals, 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, 2023 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, 2023 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, 2022 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, 2022, 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, 2023:

Standard/Interpretation	Title	Effective for annual financial statements for periods beginning on or after	Endorsement by EU
IAS 8	Amendment: Definition of accounting estimates	January 1, 2023	March 2, 2022
IAS 1	Amendment: Disclosure of accounting policies	January 1, 2023	March 2, 2022
IAS 12	Amendment: Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023	August 11, 2022
IFRS 17	Insurance contracts incl. amendments of IFRS 17	January 1, 2023	September 8, 2022

The amendment to **IAS 8** concerns the distinction between accounting policies and accounting estimates. The definition of “change in accounting estimates” is replaced by a definition of “accounting estimates”.

The amendment to **IAS 1** regarding information on accounting policies is intended to clarify which accounting policies must be stated in the financial statements.

The amendment to **IAS 12** restricts the scope of the initial recognition exemption, according to which no deferred tax asset or deferred tax liability is to be recognized at the time an asset or liability is added. If deductible and taxable temporary differences of the same amount arise in a transaction, these are no longer subject to the exception rule, so that deferred tax assets and deferred tax liabilities must be formed.

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.

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 12	International Tax Reform – Pillar Two Model Rules	January 1, 2023	open
IAS 1	Amendment: Classification of liabilities as current or non-current	January 1, 2024	open
IAS 1	Amendment: Non-current liabilities with covernants	January 1, 2024	open
IFRS 16	Amendment: Subsequent measurement of leases as part of a sale-and-lease-back	January 1, 2024	open
IAS 7 and IFRS 7	Supplier Finance Arrangements	January 1, 2024	open

The amendment to **IAS 12** introduces a temporary exception for accounting for deferred taxes as part of the implementation of global minimum taxation (Pillar Two regulations of the OECD). This is intended to help ensure the consistency of the financial statements while facilitating the implementation of the regulations. Targeted disclosure requirements will also be introduced to help investors better understand the impact on the company of the supplementary taxes resulting from the reform, particularly before country-specific legislation implementing the minimum taxation comes into effect.

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

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

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

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

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

B) 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:

	2023		2022	
	Full consolidation	Equity method	Full consolidation	Equity method
Balance as of January 1	**168**	**4**	**165**	**4**
Acquisitions of companies	2		6	
New foundations	0		1	
Changes in consolidation type	3	-2	-2	
Mergers and liquidations	-3		-2	
Balance as of June 30	**170**	**2**	**168**	**4**
Thereof attributable to:				
Domestic companies	7	0	7	0
Foreign companies	163	2	161	4

4. Company acquisitions

a) Dan-Web Machinery A/S

ANDRITZ has signed an agreement to acquire 100% of the shares of Dan-Web Machinery A/S, headquartered in Galten, Denmark. The closing of the transaction took place in June 2023. Dan-Web is a leading supplier of a wide range of technologies for the production of airlaid nonwovens. This acquisition further extends and strengthens ANDRITZ's product and service portfolio in the field of nonwovens. The company, with around 50 employees, has annual revenue of approximately 14 MEUR. One fully consolidated company was included in the consolidation scope of ANDRITZ.

b) Imagine That Inc.

ANDRITZ has signed an agreement to acquire 100% of the shares of Imagine That Inc., headquartered in San Jose, USA. The closing of the transaction took place in January 2023. Imagine That Inc. is a provider of a simulation software and complements the ANDRITZ Metris Digital Solution portfolio. One fully consolidated company was included in the consolidation scope of ANDRITZ.

c) Preliminary fair values at the acquisition date

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

(in MEUR)	Total
Intangible assets other than goodwill	6.7
Property, plant, and equipment	4.6
Inventories	5.0
Trade accounts receivable	0.3
Cash and cash equivalents	2.1
Other receivables and assets	0.4
Deferred tax liabilities	-1.9
Bank loans and other financial liabilities	-3.9
Provisions	-0.1
Trade accounts payable	-0.5
Contract liabilities from sales recognized at a point in time	-5.0
Other liabilities	-3.2
Net assets	**4.5**
Goodwill	10.9
CONSIDERATION TRANSFERRED	**15.4**

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

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

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

The acquisitions have contributed 0.4 MEUR to the ANDRITZ GROUP's revenue and -0.2 MEUR to the ANDRITZ GROUP's EBIT since its first-time consolidation. If the businesses had been acquired at the beginning of the financial year, they would have contributed 6.8 MEUR to the ANDRITZ GROUP's revenue and -1.9 MEUR to the ANDRITZ GROUP's EBIT.

5. Related party transactions

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

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

C) RESULT OF THE FIRST HALF YEAR

6. Segment Reporting

The ANDRITZ GROUP conducts its business activities through the following operating segments:

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

The ANDRITZ GROUP changed its internal organization and therefore the composition of its operating segments in 2023. The Pumps business (previously reported in the Hydro operating segment) and some products of the Pulp & Paper operating segment that are mainly supplied to customers outside the pulp & paper industry are reported in the Separation operating segment as of January 1, 2023. Accordingly, the Group has adjusted the disclosures on operating segments as of June 30, 2022.

a) Information by operating segment for the first half of 2023

(in MEUR)	PP	ME	HY	SE	Total
Revenue	1,950.2	892.2	710.5	556.1	4,109.0
EBITDA	230.9	60.4	48.7	75.3	415.3
EBITA	190.8	42.5	35.3	64.0	332.6
Capital expenditure	55.5	10.9	13.0	13.9	93.3
Depreciation, amortization, and impairment of property, plant, and equipment and intangible assets	61.0	21.0	13.5	11.3	106.8
Result from investments accounted for using the equity method	0.0	1.2	0.0	0.0	1.2
Carrying amount of investments accounted for using the equity method	0.0	15.0	0.0	0.0	15.0

b) Information by operating segment for the first half of 2022 (adjusted)

(in MEUR)	PP	ME	HY	SE	Total
Revenue	1,542.5	734.0	547.4	493.1	3,317.0
EBITDA	200.2	50.0	40.7	71.3	362.2
EBITA	153.3	31.6	26.7	61.6	273.2
Capital expenditure	50.2	8.6	11.5	10.2	80.5
Depreciation, amortization, and impairment of property, plant, and equipment and intangible assets	66.2	30.6	14.1	9.8	120.7
Result from investments accounted for using the equity method	0.0	0.7	0.0	0.0	0.7
Carrying amount of investments accounted for using the equity method	0.0	13.7	0.0	0.0	13.7

7. Revenue

The following table shows the external revenue of ANDRITZ for the first half of 2023 and 2022 (adjusted) on the basis of the reported segments:

	Pulp & Paper		Metals		Hydro		Separation		Total	
(in MEUR)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
REGIONS										
Europe	506.0	472.9	240.2	246.3	183.0	164.3	194.1	153.5	1,123.3	1,037.0
North America	323.0	293.3	344.3	225.6	240.8	152.0	106.5	98.4	1,014.6	769.3
South America	549.2	371.6	15.5	9.0	44.4	37.9	65.7	49.9	674.8	468.4
Asia (without China)	351.6	211.7	60.5	70.5	145.2	112.7	59.2	63.0	616.5	457.9
China	195.1	163.8	220.6	179.1	34.8	26.6	90.2	102.5	540.7	472.0
Others	25.3	29.2	11.1	3.5	62.3	53.9	40.4	25.8	139.1	112.4
	1,950.2	**1,542.5**	**892.2**	**734.0**	**710.5**	**547.4**	**556.1**	**493.1**	**4,109.0**	**3,317.0**
TYPE OF REVENUE RECOGNITION										
Over time	1,212.2	899.0	579.3	460.4	619.0	450.8	185.7	184.4	2,596.2	1,994.6
At a point in time	738.0	643.5	312.9	273.6	91.5	96.6	370.4	308.7	1,512.8	1,322.4
	1,950.2	**1,542.5**	**892.2**	**734.0**	**710.5**	**547.4**	**556.1**	**493.1**	**4,109.0**	**3,317.0**
REVENUE CATEGORIES										
Capital systems	1,139.5	836.7	677.1	551.1	432.8	332.4	264.3	255.3	2,513.7	1,975.5
Service	810.7	705.8	215.1	182.9	277.7	215.0	291.8	237.8	1,595.3	1,341.5
	1,950.2	**1,542.5**	**892.2**	**734.0**	**710.5**	**547.4**	**556.1**	**493.1**	**4,109.0**	**3,317.0**

D) NON-CURRENT ASSETS AND LIABILITIES

8. Goodwill

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

Internal and external parameters such as market capitalization, market returns, market development, assets and liabilities, business development, and the legal environment of the ANDRITZ GROUP have not changed significantly compared to December 31, 2022. The review as of June 30, 2023 did not result in any need for impairment of goodwill.

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

The additions to property, plant, and equipment and intangible assets other than goodwill amounted to 94.5 MEUR in the first half of 2023. Depreciation of property, plant, and equipment and amortization and impairment of intangible assets other than goodwill amounted to 106.8 MEUR.

10. Personnel-related provisions (employee benefits)

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

With regard to the development of the actuarial assumptions, an adjustment affecting provisions for pensions and severance payments in the amount of -4,7 MEUR (before income taxes) was made as of June 30, 2023.

E) FINANCIAL AND CAPITAL STRUCTURE AND FINANCIAL INSTRUMENTS

11. Financial assets and liabilities

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

As of June 30, 2023

(in MEUR)						Net book value				Fair value
	Hedge accounting at fair value	Mandatory at FVTPL	Equity instruments - FVTOCI	At amortized costs	No IFRS 9 valuation category	Total	Level 1	Level 2	Level 3	Total
Time deposits included in "investments"				242.6		242.6				
Other investments		173.7	28.8			202.5	173.7		28.8	202.5
Shares in non-consolidated companies and other shares			0.6		18.7	19.3			0.6	0.6
Derivatives	74.7	12.0				86.7		86.7		86.7
Miscellaneous other financial assets				0.9		0.9		0.8		0.8
Trade accounts receivable				940.1		940.1				
Other receivables and assets				169.4	258.5	427.9				
Cash and cash equivalents				1,174.5		1,174.5				
FINANCIAL ASSETS	**74.7**	**185.7**	**29.4**	**2,527.5**	**277.2**	**3,094.5**				
Derivatives	50.9	30.4				81.3		81.3		81.3
Bank loans and other financial liabilities				203.7		203.7		192.8		192.8
Lease liabilities				207.7		207.7		190.5		190.5
Trade accounts payable				946.3		946.3				
Earn out and contingent considerations		6.3		9.6		15.9			15.6	15.6
Schuldscheindarlehen				808.5		808.5		754.0		754.0
Other liabilities				93.5	981.5	1,075.0				
FINANCIAL LIABILITIES	**50.9**	**36.7**		**2,269.3**	**981.5**	**3,338.4**				

As of December 31, 2022

(in MEUR)					Net book value				Fair value	
	Hedge accounting at fair value	Mandatory at FVTPL	Equity instruments - FVTOCI	At amortized costs	No IFRS 9 valuation category	Total	Level 1	Level 2	Level 3	Total
Time deposits included in "investments"				497.5		497.5				
Other investments		253.6	29.2			282.8	253.6		29.2	282.8
Shares in non-consolidated companies and other shares			0.6		19.0	19.6			0.6	0.6
Derivatives	55.3	16.1				71.4		71.4		71.4
Miscellaneous other financial assets				0.9		0.9		0.8		0.8
Trade accounts receivable				1,065.1		1,065.1				
Other receivables and assets				133.2	260.5	393.7				
Cash and cash equivalents				1,302.0		1,302.0				
FINANCIAL ASSETS	**55.3**	**269.7**	**29.8**	**2,998.7**	**279.5**	**3,633.0**				
Derivatives	51.3	25.7				77.0		77.0		77.0
Bank loans and other financial liabilities				187.0		187.0		175.7		175.7
Lease liabilities				207.4		207.4		188.4		188.4
Trade accounts payable				983.0		983.0				
Earn out and contingent considerations				9.3		9.3			9.3	9.3
Schuldscheindarlehen				893.9		893.9		837.3		837.3
Other liabilities				100.0	1,066.1	1,166.1				
FINANCIAL LIABILITIES	**51.3**	**25.7**		**2,380.6**	**1,066.1**	**3,523.7**				

12. Equity

a) Dividends

The dividend of 207.7 MEUR for 2022 – this is equal to 2.10 EUR per share – was proposed by the Executive Board and approved by the 116th Annual General Meeting on March 29, 2023. The dividend was paid to the shareholders on April 5, 2023.

b) Treasury shares

During the first half of 2023, ANDRITZ has not bought back own shares. 171,250 no-par value shares were resold at a price of 31.20 EUR per share to eligible executives under the management share option program and 31,171 no-par value shares were transferred to employees of ANDRITZ in the course of employee participation programs.

F) OTHER INFORMATION

13. Notes to the consolidated statement of cash flows

The cash flow from operating activities amounted to -79.3 MEUR in the first half of 2023 (H1 2022: 413.2 MEUR). This decrease was mainly due to project related changes in the net working capital.

The cash flow from investing activities amounted to 258.5 MEUR in the first half of 2023 (H1 2022: -197.4 MEUR). In the first half of 2023 6.6 MEUR (H1 2022: 13.3 MEUR) were paid for businesses acquired.

The net cash flow from company acquisitions is as follows:

(in MEUR)	H1 2023	H1 2022
Net assets	**4.5**	**15.2**
Goodwill	10.9	1.2
CONSIDERATION TRANSFERRED	**15.4**	**16.4**
Cash and cash equivalents acquired	-2.1	-3.1
Receivables for purchase price overpaid / Payables from purchase price not yet paid (incl. contingent consideration)	-6.7	0.0
NET CASH FLOW FROM COMPANY ACQUISITIONS	**6.6**	**13.3**

The cash flow from financing activities amounted to -292.4 MEUR in the first half of 2023 (H1 2022: -275.7 MEUR). The change resulted mainly from dividends paid to the shareholders of Andritz AG at 207.7 MEUR in the first half of 2023 (H1 2022: 163.7 MEUR) as well as the repayment of Schuldscheindarlehen of 85.5 MEUR in the first half of 2023 (H1 2022: 58.0 MEUR).

14. Assets held for sale

In the Metals operating segment, the sale of property, plant, and equipment (land and buildings) in Germany was initiated at the end of 2021. Assets of 6.5 MEUR were classified as held for sale and no impairment losses were recorded. In 2022, part of the property, plant, and equipment was sold with a gain of 14.3 MEUR. The sale of the remaining part of property, plant, and equipment worth 4.3 MEUR will probably be completed in 2023.

In the Metals operating segment, the sale of property, plant, and equipment in the Netherlands was initated in 2022. Assets in the amount of 1.0 MEUR were classified as held for sale and no impairment losses were recorded from the preceding valuation. In 2023 the assets were sold with a gain of 4,5 MEUR.

Also included are assets from the Pulp & Paper operating segment in Canada.

15. Effects of hyperinflation

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

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

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

Three-year inflation rate Turkey

	2019	2020	2021	2022	2023
Annual inflation rate	12%	15%	36%	64%	20%
Cumulative three-year rate		55%	75%	156%	168%
Price index	1.12	1.15	1.36	1.64	1.20

Three-year rate Argentina

	2019	2020	2021	2022	2023
Annual inflation rate	54%	36%	51%	95%	51%
Cumulative three-year rate		210%	216%	300%	343%
Price index	1.54	1.36	1.51	1.95	1.51

For the 2023 financial year, the effect of the application of IAS 29 on net income amounted -2.6 MEUR.

16. Effects of the war in Ukraine

The effects on the asset, financial, and earnings positions have not changed significantly since December 31, 2022.

17. Events after June 30, 2023

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 27, 2023

The Executive Board of ANDRITZ AG

Joachim Schönbeck Vorstandsvorsitzender	Dietmar Heinisser	Domenico Iacovelli	Humbert Köfler	Norbert Nettesheim Finanzvorstand	Frédéric Sauze

GLOSSARY

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

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

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

EBIT
Earnings before interest and taxes

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

EBITDA
Earnings before interest, taxes, depreciation, and amortization

EBT
Earnings before taxes

Employees
Number of employees without apprentices

Equity ratio
Total equity / total assets

HY
Hydro operating segment

Liquid funds
Cash and cash equivalents plus investments plus Schuldscheindarlehen

ME
Metals operating segment

MEUR
Million euros

Net liquidity
Liquid funds less financial liabilities

Net working capital
Non-current receivables plus current assets (excluding investments, cash and cash equivalents, Schuldscheindarlehen as well as plan assets in excess of defined benefit obligation) 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 reporting date and represents the transaction price assigned to the remaining performance obligations. The order backlog at the end of the period is basically calculated by the order backlog at the beginning of the period plus order intake less revenue during the reporting period

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

PP
Pulp & Paper operating segment

SE
Separation operating segment

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

Total equity
Total equity including non-controlling interests

Contact and publisher’s note

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