PROJECTS IN IRKUTSK REGION

PARTNERSHIP WITH ILIM GROUP

14 JANUARY 2019
ANDRITZ is a globally leading supplier of plants, equipment, systems and services for hydropower stations, the pulp and paper industry, the metalworking and steel industries, and solid/liquid separation in the municipal and industrial sectors as well as for animal feed and biomass pelleting.

**Global presence**

Headquarters in Graz, Austria; over 250 production sites and service/sales companies worldwide

### KEY FINANCIAL FIGURES:

<table>
<thead>
<tr>
<th></th>
<th>UNIT</th>
<th>H1 2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>MEUR</td>
<td>3,269.3</td>
<td>5,579.5</td>
</tr>
<tr>
<td>Order backlog (as of end of period)</td>
<td>MEUR</td>
<td>6,841.1</td>
<td>6,383.0</td>
</tr>
<tr>
<td>Sales</td>
<td>MEUR</td>
<td>2,763.1</td>
<td>5,889.1</td>
</tr>
<tr>
<td>Net income (including non-controlling interests)</td>
<td>MEUR</td>
<td>99.9</td>
<td>265.6</td>
</tr>
<tr>
<td>Employees (as of end of period; without apprentices)</td>
<td>-</td>
<td>26,023</td>
<td>25,566</td>
</tr>
</tbody>
</table>

**SALES BY REGION 2017 (%)**

- Emerging markets: 42%
- Europe & North America: 58%
- 5,889 MEUR
A WORLD MARKET LEADER WITH FOUR BUSINESS AREAS

HYDRO

PRODUCT OFFERINGS
Electromechanical equipment for hydropower plants (turbines, generators); pumps; turbo generators.

PULP & PAPER

PRODUCT OFFERINGS
Equipment for production of all types of pulp, paper, tissue, and board; energy boilers.

METALS

PRODUCT OFFERINGS
Presses/press lines for metal forming (Schuler); systems for production of stainless steel, carbon steel, and non-ferrous metal strip; industrial furnace plants.

SEPARATION

PRODUCT OFFERINGS
Equipment for solid/liquid separation for municipalities and various industries; equipment for production of animal feed and biomass pellets.

* Share of total Group order intake 2017.
**STRENGTHENING OF MARKET POSITION BY ACQUISITIONS**

Acquisitions by business area since 2000

<table>
<thead>
<tr>
<th>HYDRO</th>
<th>PULP &amp; PAPER</th>
<th>METALS</th>
<th>SEPARATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Ritz</td>
<td>2003</td>
<td>Fiedler</td>
</tr>
<tr>
<td>2011</td>
<td>Hemicycle Controls</td>
<td>2004</td>
<td>EMS (JV)</td>
</tr>
<tr>
<td>2005</td>
<td>Cybermetrics</td>
<td>2015</td>
<td>Euroslo</td>
</tr>
<tr>
<td>2006</td>
<td>Küsters</td>
<td>2017</td>
<td>Paperchine</td>
</tr>
<tr>
<td>2006</td>
<td>Carbona</td>
<td>2018</td>
<td>Novimpianti</td>
</tr>
<tr>
<td>2006</td>
<td>Pilão</td>
<td>2018</td>
<td>Diatec (70%)</td>
</tr>
<tr>
<td>2007</td>
<td>Bachofen + Meier</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>Sindus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>Kufferath</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>Rolteck</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
GROUP STRATEGY AND LONG-TERM GOALS

LONG-TERM PROFITABLE GROWTH
- Focus on markets with high growth rates
- Expansion of product portfolio through organic growth (R&D) and acquisitions
- Achieve annual sales growth averaging 5-8% depending on market growth and acquisitions

EXTEND MARKET POSITIONS
- Serving markets with long-term and sustained growth potential
- Extending existing position in Europe and North America
- Making use of the growth and sales opportunities in the emerging markets of South America and Asia

TECHNOLOGICAL AND COST LEADERSHIP
- Become preferred supplier by virtue of technology, quality and references
- Development of innovative and sustainable technologies through intensive R&D
- Focus on digitalization to support customers in reaching their goals with regard to productivity, operating costs, energy efficiency and environmental protection
- Offer best ROI for customers

GLOBAL AND LOCAL PRESENCE
- Continue expanding worldwide presence
- Offer best possible service close to the customer
- Further relocate manufacturing capacities to emerging markets

GOAL: GLOBAL MARKET LEADER
ANDRITZ SHARE
PERFORMANCE H1 2018: -3.5%
Performance since IPO (June 2001): +1,629%  (ATX: +163%)

Market capitalization (as of June 30, 2018): 4.7 billion EUR
Under the technology brand Metris, ANDRITZ offers a broad portfolio of intelligent, digital solutions and products. Metris technologies are fully tailored to individual customer needs and optimize industrial procedures and processes.

The results for the customers:

- Enhancing plant efficiency and profitability
- Optimizing the use of resources
- Constant and highest product quality
- Avoiding production downtime
- Maximum user-friendliness, e.g. easy control via smartphone/tablet PC/smartglasses
ANDRITZ provides the equipment for the project Siberian Express for the pulp and paper mill in Bratsk:

- New woodyard construction
- Kraft linerboard line rebuild (digester)
- Caustic plant rebuild (causticization)
- Hardwood line rebuild (entire line)
PARTNERSHIP WITH ILIM GROUP

Siberian Express, Bratsk
ANDRITZ provides the equipment for the project Siberian Bear for the pulp and paper mill in Ust-Ilimsk:

- New woodyard
- Lime kilns 1,2,3 retrofit
- Oxygen delignification plant retrofit (pumping equipment)
- Increase of market products output. Debottlenecking (line1)
- Caustic plant retrofit (line 1 and 2)
- Digester retrofit
- Drying area retrofit
PARTNERSHIP WITH ILIM GROUP

Pulp & Paper Mill in Ust-Ilimsk, Woodyard
ANDRITZ plans to participate in the building of a new kraft linerboard line with a capacity of 600,000 tons per year.

- **Project scope**: new cooking and washing area, kraft linerboard machine, handling system, finished products warehouse, etc.
- Key kraftliner quality parameters will meet **global standards**
- Start-up date – **Q4 2021**
This presentation contains valuable, proprietary property belonging to ANDRITZ AG or its affiliates ("the ANDRITZ GROUP"), and no licenses or other intellectual property rights are granted herein, nor shall the contents of this presentation form part of any sales contracts which may be concluded between the ANDRITZ GROUP companies and purchasers of any equipment and/or systems referenced herein. Please be aware that the ANDRITZ GROUP actively and aggressively enforces its intellectual property rights to the fullest extent of applicable law. Any information contained herein (other than publically available information) shall not be disclosed or reproduced, in whole or in part, electronically or in hard copy, to third parties. No information contained herein shall be used in any way either commercially or for any purpose other than internal viewing, reading, or evaluation of its contents by recipient and the ANDRITZ GROUP disclaims all liability arising from recipient's use or reliance upon such information. Title in and to all intellectual property rights embodied in this presentation, and all information contained therein, is and shall remain with the ANDRITZ GROUP. None of the information contained herein shall be construed as legal, tax, or investment advice, and private counsel, accountants, or other professional advisers should be consulted and relied upon for any such advice.

All copyrightable text and graphics, the selection, arrangement, and presentation of all materials, and the overall design of this presentation are © ANDRITZ GROUP 2018. All rights reserved. No part of this information or materials may be reproduced, retransmitted, displayed, distributed, or modified without the prior written approval of Owner. All trademarks and other names, logos, and icons identifying Owner’s goods and services are proprietary marks belonging to the ANDRITZ GROUP. If recipient is in doubt whether permission is needed for any type of use of the contents of this presentation, please contact the ANDRITZ GROUP at welcome@andritz.com.