

FIRST THREE QUARTERS
2019

INTERIM FINANCIAL REPORT

ANDRITZ

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KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

	Unit	Q1-Q3 2019	Q1-Q3 2018	+/-	Q3 2019	Q3 2018	+/-	2018
Order intake	MEUR	5,799.1	4,738.0	+22.4%	2,093.9	1,468.7	+42.6%	6,646.2
Order backlog (as of end of period)	MEUR	8,120.7	6,882.8	+18.0%	8,120.7	6,882.8	+18.0%	7,084.3
Sales	MEUR	4,752.6	4,200.8	+13.1%	1,690.2	1,437.7	+17.6%	6,031.5
EBITDA	MEUR	329.9	321.2	+2.7%	67.2	109.5	-38.6%	498.0
EBITA ¹⁾	MEUR	183.9	252.2	-27.1%	6.4	85.9	-92.5%	394.3
EBITA margin	%	3.9	6.0	-	0.4	6.0	-	6.5
Earnings Before Interest and Taxes (EBIT)	MEUR	93.8	229.3	-59.1%	-35.1	76.4	-145.9%	321.6
Earnings Before Taxes (EBT)	MEUR	58.1	223.5	-74.0%	-50.0	80.6	-162.0%	304.2
Net income (including non-controlling interests)	MEUR	40.7	156.2	-73.9%	-35.1	56.3	-162.3%	219.7
Net income (without non-controlling interests)	MEUR	46.5	157.0	-70.4%	-31.0	56.4	-155.0%	222.0
Cash flow from operating activities	MEUR	439.2	-85.0	+616.7%	167.3	16.2	+932.7%	7.8
Capital expenditure	MEUR	96.9	69.3	+39.8%	34.9	22.1	+57.9%	137.0
Employees (as of end of period; without apprentices)	-	29,690	26,397	+12.5%	29,690	26,397	+12.5%	29,096
Total assets	MEUR	7,183.9	6,592.2	+9.0%	7,183.9	6,592.2	+9.0%	6,918.6
Equity ratio	%	15.7	19.2	-	15.7	19.2	-	19.2
Liquid funds	MEUR	1,377.0	1,894.9	-27.3%	1,377.0	1,894.9	-27.3%	1,279.7
Net liquidity ²⁾	MEUR	9.8	517.7	-98.1%	9.8	517.7	-98.1%	-99.6
Net working capital	MEUR	30.5	114.8	-73.4%	30.5	114.8	-73.4%	160.5

1) Amortization of identifiable assets acquired in a business combination and recognized separately from goodwill amounts to 61.0 MEUR (Q1-Q3 2018: 22.9 MEUR; 2018: 56.4 MEUR); impairment of goodwill amounts to 29.2 MEUR (Q1-Q3 2018: 0.0 MEUR; 2018: 15.9 MEUR). 2) Since January 1, 2019, lease liabilities are excluded from the calculation of net liquidity. The calculations of the key figures of the comparison periods have been adjusted accordingly.

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

KEY FINANCIAL FIGURES OF THE BUSINESS AREAS

Hydro

	Unit	Q1-Q3 2019	Q1-Q3 2018	+/-	Q3 2019	Q3 2018	+/-	2018
Order intake	MEUR	944.8	1,056.2	-10.5%	343.0	303.1	+13.2%	1,445.8
Order backlog (as of end of period)	MEUR	2,556.0	2,718.2	-6.0%	2,556.0	2,718.2	-6.0%	2,667.9
Sales	MEUR	1,026.8	1,085.8	-5.4%	351.2	361.5	-2.8%	1,517.5
EBITDA	MEUR	89.4	85.8	+4.2%	29.2	28.7	+1.7%	142.4
EBITDA margin	%	8.7	7.9	-	8.3	7.9	-	9.4
EBITA	MEUR	58.0	65.3	-11.2%	13.9	21.9	-36.5%	113.8
EBITA margin	%	5.6	6.0	-	4.0	6.1	-	7.5
Employees (as of end of period; without apprentices)	-	7,370	7,343	+0.4%	7,370	7,343	+0.4%	7,002

Pulp & Paper

	Unit	Q1-Q3 2019	Q1-Q3 2018	+/-	Q3 2019	Q3 2018	+/-	2018
Order intake	MEUR	3,089.0	1,726.4	+78.9%	1,163.3	545.5	+113.3%	2,571.9
Order backlog (as of end of period)	MEUR	3,468.3	2,148.5	+61.4%	3,468.3	2,148.5	+61.4%	2,421.1
Sales	MEUR	2,060.9	1,523.2	+35.3%	750.6	513.7	+46.1%	2,233.2
EBITDA	MEUR	240.5	157.0	+53.2%	77.5	50.9	+52.3%	258.4
EBITDA margin	%	11.7	10.3	-	10.3	9.9	-	11.6
EBITA	MEUR	181.2	136.7	+32.6%	57.6	43.8	+31.5%	222.1
EBITA margin	%	8.8	9.0	-	7.7	8.5	-	9.9
Employees (as of end of period; without apprentices)	-	11,925	8,518	+40.0%	11,925	8,518	+40.0%	11,435

Metals

	Unit	Q1-Q3 2019	Q1-Q3 2018	+/-	Q3 2019	Q3 2018	+/-	2018
Order intake	MEUR	1,238.8	1,403.3	-11.7%	429.0	456.6	-6.0%	1,931.8
Order backlog (as of end of period)	MEUR	1,655.0	1,556.0	+6.4%	1,655.0	1,556.0	+6.4%	1,591.6
Sales	MEUR	1,181.4	1,142.7	+3.4%	422.7	400.3	+5.6%	1,635.1
EBITDA	MEUR	-35.5	51.2	-169.3%	-51.3	19.1	-368.6%	57.8
EBITDA margin	%	-3.0	4.5	-	-12.1	4.8	-	3.5
EBITA	MEUR	-80.5	29.4	-373.8%	-73.6	11.7	-729.1%	27.3
EBITA margin	%	-6.8	2.6	-	-17.4	2.9	-	1.7
Employees (as of end of period; without apprentices)	-	7,562	7,687	-1.6%	7,562	7,687	-1.6%	7,818

Separation

	Unit	Q1-Q3 2019	Q1-Q3 2018	+/-	Q3 2019	Q3 2018	+/-	2018
Order intake	MEUR	526.5	552.1	-4.6%	158.6	163.5	-3.0%	696.7
Order backlog (as of end of period)	MEUR	441.4	460.1	-4.1%	441.4	460.1	-4.1%	403.7
Sales	MEUR	483.5	449.1	+7.7%	165.7	162.2	+2.2%	645.7
EBITDA	MEUR	35.5	27.2	+30.5%	11.8	10.8	+9.3%	39.4
EBITDA margin	%	7.3	6.1	-	7.1	6.7	-	6.1
EBITA	MEUR	25.2	20.8	+21.2%	8.5	8.5	0.0%	31.1
EBITA margin	%	5.2	4.6	-	5.1	5.2	-	4.8
Employees (as of end of period; without apprentices)	-	2,833	2,849	-0.6%	2,833	2,849	-0.6%	2,841

MANAGEMENT REPORT

MARKET DEVELOPMENT

Hydro

Global investment and project activity for electromechanical equipment for hydropower plants continued at a moderate level during the third quarter of 2019. As a result of the continuing low investment activities by electric and energy utilities – due to the low electricity prices – many modernization and rehabilitation projects for hydropower stations are still postponed, particularly in Europe. Orders to supply equipment for new hydropower plants were only awarded selectively during the reporting period. Unchanged good project activity was noted in the pumps sector.

Pulp & Paper

The international pulp market continued to weaken in the third quarter of 2019. The decline in demand for pulp (especially in China) as a result of the weak economic development worldwide has led to an increase in the supply of pulp and growing pulp inventories worldwide. Against this backdrop, the price for short-fiber pulp (eucalyptus) decreased from around 900 USD per ton at the end of June 2019 to approximately 750 USD per ton at the end of September 2019. The price for NBSK (Northern Bleached Softwood Kraft Pulp) long-fiber pulp also decreased from around 1,000 USD per ton at the end of June 2019 to approximately 850 USD per ton at the end of September 2019.

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

Metals

In the Metals Forming sector for the automotive and automotive supplying industry (Schuler), the third quarter of 2019 showed unchanged low project and investment activity worldwide. Due to the continuing weak international automotive market, there were only a few larger investments made by car manufacturers and their suppliers.

Project activity for equipment for the production and processing of stainless steel strip, carbon steel strip, and aluminum strip (Metals Processing) was impacted by a sharply declining demand in all core markets during the reporting period. The orders placed focused mainly on technologies and plants for the production of advanced high-strength steel grades (AHSS) and of aluminum for applications in the automotive industry.

There was unchanged fierce competition during the reporting period both in Metals Forming and in Metals Processing.

Separation

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

BUSINESS DEVELOPMENT

Sales

Sales of the ANDRITZ GROUP amounted to 1,690.2 MEUR in the third quarter of 2019 and were thus significantly higher than the reference figure for the previous year (+17.6% versus Q3 2018: 1,437.7 MEUR). This increase is mainly attributable to the Pulp & Paper business area, where sales increased strongly by 46.1% compared to the previous year. Both the Capital and Service business recorded a significant increase in sales due to favorable development of order intake in the past few quarters; Xerium Technologies, Inc., which was consolidated as from October 2018, contributed around 111 MEUR to sales. The Metals (+5.6%) – especially Metals Processing – and Separation (+2.2%) business areas were also able to increase sales slightly compared to the previous year. The Hydro business area saw a slight decline (-2.8%) in sales due to the decrease in order intake in the past few years.

Sales of the Group in the first three quarters of 2019 amounted to 4,752.6 MEUR and were thus significantly higher than the level of the previous year's reference period (+13.1% versus Q1-Q3 2018: 4,200.8 MEUR). Xerium Technologies, Inc. contributed around 333 MEUR to sales in the first three quarters of 2019.

The business areas' sales development at a glance:

	Unit	Q1-Q3 2019	Q1-Q3 2018	+/-
Hydro	MEUR	1,026.8	1,085.8	-5.4%
Pulp & Paper	MEUR	2,060.9	1,523.2	+35.3%
Metals	MEUR	1,181.4	1,142.7	+3.4%
Separation	MEUR	483.5	449.1	+7.7%

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

	Q1-Q3 2019	Q1-Q3 2018	Q3 2019	Q3 2018
ANDRITZ GROUP	40	35	40	36
Hydro	30	28	32	28
Pulp & Paper	52	46	48	48
Metals	27	22	29	23
Separation	47	47	46	45

Order intake

The order intake of the group saw a very positive development – driven above all by the very positive development in the Pulp & Paper business area – in the third quarter of 2019. At 2,093.9 MEUR, it was 42.6% higher than the figure for the previous year's reference period (Q3 2018: 1,468.7 MEUR) and 2.3% higher than the very high figure for the previous quarter (Q2 2019: 2,047.1 MEUR).

The business areas' development in detail:

- Hydro: In a market environment still shaped by low investment activity, order intake, at 343.0 MEUR, was 13.2% higher than the low figure for the previous year's reference period (Q3 2018: 303.1 MEUR). Order intake includes the order to supply the complete electromechanical and hydromechanical equipment for the Hatta pumped storage power station in Dubai, with a total value of more than 100 MEUR.
- Pulp & Paper: The order intake, at 1,163.3 MEUR, reached the second highest quarterly figure in the company's history. It was thus more than twice as high as the previous year's reference figure (+113.3% versus Q3 2018: 545.5 MEUR). This substantial increase is primarily attributable to the booking of a large-scale order in the mid-three-digit million euros range to deliver pulp production technologies for a renowned pulp and paper producer. The service business also continued to see a very favorable development, with Xerium Technologies, Inc. (first-time consolidated in October 2018) contributing around 111 MEUR to the order intake.
- Metals: At 429.0 MEUR, the order intake reached a solid level in view of the unchanged, difficult market conditions and was slightly below the figure for the previous year's reference period (-6.0% versus Q3 2018: 456.6 MEUR). While order intake increased compared to the previous year's reference period in the Metals Forming sector for the automotive and automotive supplying industry, order intake in Metals Processing declined considerably compared to the high level of the previous year's reference period, which included a medium-sized order for a hot galvanizing line in Germany.
- Separation: Order intake amounted to 158.6 MEUR and was thus only slightly below the figure for the previous year's reference period (-3.0% versus Q3 2018: 163.5 MEUR).

In the first three quarters of 2019, the Group's order intake of 5,799.1 MEUR was significantly higher than in the previous year's reference period (+22.4% versus Q1-Q3 2018: 4,738.0 MEUR). While order intake in the Pulp & Paper business area saw a sharp increase – above all due to the award of some large-scale orders to build new pulp mills –, order intake in the Metals and Hydro business areas was significantly below the level of the previous year. Order intake in the Separation business area was also below the previous year's reference period, which, however, included a large-scale order in the solid/liquid separation sector in China.

Business areas in detail:

	Unit	Q1-Q3 2019	Q1-Q3 2018	+/-
Hydro	MEUR	944.8	1,056.2	-10.5%
Pulp & Paper	MEUR	3,089.0	1,726.4	+78.9%
Metals	MEUR	1,238.8	1,403.3	-11.7%
Separation	MEUR	526.5	552.1	-4.6%

Earnings

The EBITA in the third quarter of 2019, at 6.4 MEUR, was significantly lower than the figure for the previous year's reference period (-92.5% versus Q3 2018: 85.9 MEUR), profitability (EBITA margin) amounted to 0.4% (Q3 2018: 6.0%). This is due to restructuring measures in the Metals Forming (Schuler) sector resulting from the weak international automotive market as well as measures for smaller capacity adjustments in the other business areas. Excluding these extraordinary effects of around 95 MEUR, the Group's EBITA amounted to 101.7 MEUR and profitability reached 6.0%.

Development by business area:

- The EBITA margin in the Hydro business area dropped to 4.0% (Q3 2018: 6.1%), mainly due to the decline in sales and booking of measures for capacity adjustments. The adjusted EBITA margin remained at an unchanged solid level of 6.0%.
- In the Pulp & Paper business area, profitability decreased to 7.7% (Q3 2018: 8.5%), due to both the higher sales contribution by the Capital business and measures booked for capacity adjustments. The adjusted EBITA margin amounts to 8.1%.
- The EBITA margin in the Metals business area dropped significantly to -17.4% (Q3 2018: 2.9%). This is primarily due to the above mentioned measures in Metals Forming and to the execution of lower-margin orders as a result of the continuing strong competition. In addition, the business area's earnings development was negatively impacted by cost overruns on individual projects in the Metals Processing sector. Excluding adjustments for restructuring expenses, the EBITA margin amounted to 2.3%.
- In the Separation business area, the EBITA margin amounted to 5.1% (Q3 2018: 5.2%). The adjusted EBITA margin increased to 6.2%.

The Group's EBITA in the first three quarters of 2019 amounted to 183.9 MEUR and was thus significantly lower than the figure for the previous year's reference period (-27.1% versus Q1-Q3 2018: 252.2 MEUR). This is due to the booking of measures for capacity adjustments totaling 103 MEUR (thereof 86 MEUR for Metals Forming) and execution of lower-margin orders (especially in the Metals business area). Profitability thus dropped considerably to 3.9% (Q1-Q3 2018: 6.0%). Excluding these measures, the Group's EBITA amounts to 286.9 MEUR. The adjusted EBITA margin amounted to 6.0% and thus remained at practically the same level as the previous year's reference figure.

In the first three quarters of 2019, the Group's goodwill impairment amounted to 29.2 MEUR (Q1-Q3 2018: 0 MEUR). The impairment relates to the Metals business area, where business did not develop as expected.

The financial result decreased significantly to -35.7 MEUR (Q1-Q3 2018: -5.8 MEUR). This sharp decline is largely due to an increase in interest expenses in connection with the issuance of a *Schuldscheindarlehen* (volume: 175 MEUR) in May 2019 and of an export credit loan with favorable interest rates (volume: 170 MEUR) in March 2019. In addition, interest expenses increased as a result of the first-time application of IFRS 16 (Leases) required as of January 1, 2019. The decline in other financial result is primarily due to the valuation of intercompany loans and bank balances in foreign currencies (FX) on the balance sheet date.

Net income (including non-controlling interests) thus dropped significantly to 40.7 MEUR (-73.9% versus Q1-Q3 2018: 156.2 MEUR), whereof 46.5 MEUR (Q1-Q3 2018: 157.0 MEUR) is attributable to the shareholders of the parent company and -5.7 MEUR (Q1-Q3 2018: -0.8 MEUR) to non-controlling interests.

Net worth position and capital structure

Total assets increased – mainly due to the first-time application of IFRS 16 (Leases) – to 7,183.9 MEUR (December 31, 2018: 6,918.6 MEUR). The equity ratio reached 15.7% (December 31, 2018: 19.2%).

Liquid funds amounted to 1,377.0 MEUR as of September 30, 2019 (as of end of 2018: 1,279.7 MEUR), while net liquidity amounted to 9.8 MEUR (as of end of 2018: -99.6 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, etc. at its disposal as of September 30, 2019:

- Credit lines: 382 MEUR, thereof 291 MEUR utilized
- Surety lines: 6,054 MEUR, thereof 3,029 MEUR utilized

Major risks during the remaining months of the financial year

Current risks

The continuing trade dispute between the USA and China has negatively affected the global economy for some time now, especially the Chinese export industry. Market experts expect an ongoing weakness of the global economy in the next few months if the trade dispute continues much longer or escalates further. ANDRITZ has a strong local presence both in the USA and in China and is represented in both countries with all four business areas. From today's perspective, the effects on ANDRITZ can be considered insignificant. However, if the trade dispute escalates further, this could also have a negative impact on ANDRITZ.

The decision by the World Trade Organization (WTO) in favour of the USA's punitive tariffs on EU imports imposed due to illegal EU subsidies has further intensified the trade dispute between the European Union and the US. It could later have a more serious negative impact on the economy in Europe, and thus also on the ANDRITZ GROUP, because Europe is the most important economic region for the ANDRITZ GROUP, averaging 35 to 40% of total sales. The long-term economic impact of the United Kingdom (UK) leaving the European Union can't also be estimated yet. However, the ANDRITZ GROUP's direct business volume in the UK can be classified as very small.

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

OUTLOOK

From today's perspective, the ANDRITZ GROUP does not expect any significant changes in the markets it serves for the remaining months of 2019. In the Pulp & Paper business area, unchanged good project and investment activity is anticipated in both the capital and the service sector. Continuing moderate project and investment activity – especially in modernization and rehabilitation projects – is expected in the Hydro business area. Selective award of individual large-scale projects is likely. In the Metals business area, the low investment activity of international car manufacturers and their suppliers is expected to continue in the Metals Forming sector (Schuler). Moderate project and investment activity is also anticipated in the Metals Processing sector (plants for

production and finishing of steel strip). Continuing solid project and investment activity is expected for the Separation business area.

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

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

CONSOLIDATED INCOME STATEMENT

FOR THE FIRST THREE QUARTERS OF 2019 (UNAUDITED)

(in TEUR)	Q1-Q3 2019	Q1-Q3 2018	Q3 2019	Q3 2018
Sales	4,752,631	4,200,767	1,690,190	1,437,685
Changes in inventories of finished goods and work in progress	38,353	105,266	8,523	20,656
Capitalized cost of self-constructed assets	575	2,005	186	328
	4,791,559	4,308,038	1,698,899	1,458,669
Other operating income	57,186	56,698	23,215	19,097
Cost of materials	-2,325,556	-2,159,211	-866,689	-748,315
Personnel expenses	-1,545,780	-1,292,400	-541,513	-420,168
Other operating expenses	-647,472	-591,965	-246,724	-199,834
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	329,937	321,160	67,188	109,449
Depreciation, amortization, and impairment of intangible assets and of property, plant, and equipment	-207,003	-91,897	-77,607	-33,128
Impairment of goodwill	-29,180	0	-24,680	0
Earnings Before Interest and Taxes (EBIT)	93,754	229,263	-35,099	76,321
Result from associated companies	-85	6	-52	59
Interest income	15,689	15,970	5,889	4,881
Interest expenses	-39,477	-28,000	-11,977	-10,757
Other financial result	-11,823	6,249	-8,789	10,047
Financial result	-35,696	-5,775	-14,929	4,230
Earnings Before Taxes (EBT)	58,058	223,488	-50,028	80,551
Income taxes	-17,347	-67,251	14,959	-24,198
NET INCOME	40,711	156,237	-35,069	56,353
Thereof attributable to:				
Shareholders of the parent	46,460	157,014	-30,997	56,392
Non-controlling interests	-5,749	-777	-4,072	-39
Weighted average number of no-par value shares	100,575,067	101,019,457	99,990,726	100,974,858
Basic earnings per no-par value share (in EUR)	0.46	1.55	-0.31	0.55
Effect of potential dilution of share options	0	0	0	9,398
Weighted average number of no-par value shares and share options	100,575,067	101,019,457	99,990,726	100,984,256
Diluted earnings per no-par value share (in EUR)	0.46	1.55	-0.31	0.55

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FIRST THREE QUARTERS OF 2019 (CONDENSED,
UNAUDITED)

(in TEUR)	Q1-Q3 2019	Q1-Q3 2018	Q3 2019	Q3 2018
NET INCOME	40,711	156,237	-35,069	56,353
Items that may be reclassified to profit or loss:				
Currency translation adjustments of foreign operations, net of tax	4,443	-23,097	-1,832	-14,801
Result from available-for-sale financial assets, net of tax	0	-36	0	0
Result from cash flow hedges, net of tax	-6,403	963	-1,698	963
Result from associated companies, accounted for using the equity method, net of tax	0	-99	0	-172
Items that will not be reclassified to profit or loss:				
Actuarial gains/losses, net of tax	-39,272	0	-11,996	0
Result from fair value valuation of financial assets, net of tax	-7,774	-20,065	-2,637	-7,048
Result from associated companies, accounted for using the equity method, net of tax	0	0	0	0
OTHER COMPREHENSIVE INCOME	-49,006	-42,334	-18,163	-21,058
TOTAL COMPREHENSIVE INCOME	-8,295	113,903	-53,232	35,295
Thereof attributable to:				
Shareholders of the parent	-2,058	115,035	-48,959	35,715
Non-controlling interests	-6,237	-1,132	-4,274	-421

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2019 (UNAUDITED)

(in TEUR)	September 30, 2019	December 31, 2018
ASSETS		
Intangible assets	324,124	372,921
Goodwill	774,727	784,590
Property, plant, and equipment	1,308,365	1,132,134
Shares in associated companies	4,841	17
Investments and other financial assets	104,202	139,960
Other receivables and assets	37,736	32,753
Deferred tax assets	215,037	167,157
Non-current assets	2,769,032	2,629,532
Inventories	954,103	869,274
Advance payments made	151,759	114,558
Trade accounts receivable	880,680	974,117
Contract assets	740,863	786,354
Receivables from current taxes	59,310	54,121
Other receivables and assets	344,737	304,233
Investments	293,730	325,974
Cash and cash equivalents	988,273	858,758
Assets held for sale	1,461	1,702
Current assets	4,414,916	4,289,091
TOTAL ASSETS	7,183,948	6,918,623
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	104,000	104,000
Capital reserves	36,476	36,476
Retained earnings	979,997	1,174,816
Equity attributable to shareholders of the parent	1,120,473	1,315,292
Non-controlling interests	10,060	15,504
Total shareholders' equity	1,130,533	1,330,796
Bank loans and other financial liabilities	1,240,744	922,548
Lease liabilities	218,405	25,170
Provisions	640,981	579,710
Other liabilities	52,271	59,114
Deferred tax liabilities	168,898	184,368
Non-current liabilities	2,321,299	1,770,910
Bonds	0	343,684
Bank loans and other financial liabilities	126,484	116,380
Lease liabilities	46,584	4,792
Trade accounts payable	606,572	604,189
Contract liabilities from sales recognized over time	1,123,624	1,003,518
Contract liabilities from sales recognized at a point in time	251,197	277,116
Provisions	502,639	437,977
Liabilities for current taxes	41,204	53,996
Other liabilities	1,033,812	975,265
Current liabilities	3,732,116	3,816,917
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,183,948	6,918,623

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FIRST THREE QUARTERS OF 2019 (UNAUDITED)

(in TEUR)	Q1-Q3 2019	Q1-Q3 2018
Earnings Before Taxes (EBT)	58,058	223,488
Interest result	23,788	12,030
Depreciation, amortization, and impairment of intangible assets, goodwill as well as property, plant, and equipment	236,183	91,897
Result from associated companies	85	-6
Changes in provisions	57,645	-52,289
Gains/losses from disposal of fixed and financial assets	-12,105	-7,060
Other non-cash income/expenses	17,465	-3,881
Gross cash flow	381,119	264,179
Changes in inventories	-83,117	-127,053
Changes in advance payments made	-35,693	-25,940
Changes in receivables	99,724	130,440
Changes in contract assets	57,246	-163,408
Changes in contract liabilities from sales recognized over time	111,509	-44,753
Changes in contract liabilities from sales recognized at a point in time	-29,144	18,277
Changes in liabilities	33,208	-53,183
Change in net working capital	153,733	-265,620
Interest received	14,828	14,861
Interest paid	-35,238	-22,568
Dividends received	2,183	584
Income taxes paid	-77,467	-76,450
CASH FLOW FROM OPERATING ACTIVITIES	439,158	-85,014
Payments made for property, plant, and equipment and for intangible assets	-81,713	-69,909
Payments received for disposals of property, plant, and equipment and intangible assets	7,016	4,336
Payments made for non-current and current financial assets	-202,126	-204,509
Payments received for disposal of non-current and current financial assets	233,270	410,001
Payments made for associated companies	-4,898	-6,308
Net cash flow from company acquisitions	-7,080	-72,305
Net cash flow from sale of subsidiaries	0	25,347
CASH FLOW FROM INVESTING ACTIVITIES	-55,531	86,653
Payments made for the redemption of bonds	-350,000	0
Payments received from the issuance of Schuldscheindarlehen	175,000	500,000
Payments received from bank loans and other financial liabilities	170,753	44,283
Payments made for bank loans, other financial liabilities, and lease liabilities	-56,695	-27,633
Dividends paid by Andritz AG	-156,483	-156,642
Dividends paid to non-controlling interest holders and former shareholders	-610	-2,385
Purchase of non-controlling interests and payments to former shareholders	-2,560	-290
Purchase of treasury shares	-38,019	-4,922
CASH FLOW FROM FINANCING ACTIVITIES	-258,614	352,411

ANDRITZ financial report Q1-Q3 2019
Consolidated statement of cash flows

(in TEUR)	Q1-Q3 2019	Q1-Q3 2018
CHANGES IN CASH AND CASH EQUIVALENTS	125,013	354,050
Currency translation adjustments	5,637	-22,360
Changes in consolidation scope	-1,135	111
Valuation allowance	0	-166
Cash and cash equivalents at the beginning of the period	858,758	1,071,478
Cash and cash equivalents at the end of the period	988,273	1,403,113

FOR THE FIRST THREE QUARTERS OF 2019 (UNAUDITED)

Attributable to shareholders of the parent Non-controlling interests Total shareholders' equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in TEUR)	Share capital	Capital reserves	Other retained earnings	Fair value reserve	Actuarial gains/ losses	Currency translation adjustments	Treasury shares	Total		
BALANCE AS OF JANUARY 1, 2018	104,000	36,476	1,378,428	28,423	-75,980	-51,777	-127,284	1,292,286	24,433	1,316,719
Net income			157,014					157,014	-777	156,237
Other comprehensive income				-19,138		-22,841		-41,979	-355	-42,334
Total comprehensive income			157,014	-19,138		-22,841		115,035	-1,132	113,903
Dividends			-156,642					-156,642	-2,385	-159,027
Changes in treasury shares			95				-3,650	-3,555		-3,555
Changes concerning share option programs			2,016					2,016		2,016
Transactions with non-controlling interests			-2,022					-2,022	2,022	0
Changes in consolidation type			35					35	-6,044	-6,009
Other changes			816	44		-860		0		0
BALANCE AS OF SEPTEMBER 30, 2018	104,000	36,476	1,379,740	9,329	-75,980	-75,478	-130,934	1,247,153	16,894	1,264,047
BALANCE AS OF JANUARY 1, 2019	104,000	36,476	1,445,685	8,531	-82,140	-66,326	-130,934	1,315,292	15,504	1,330,796
Net income			46,460					46,460	-5,749	40,711
Other comprehensive income				-14,178	-38,682	4,342		-48,518	-488	-49,006
Total comprehensive income			46,460	-14,178	-38,682	4,342		-2,058	-6,237	-8,295
Dividends			-156,491					-156,491	-602	-157,093
Changes in treasury shares			-123				-36,657	-36,780		-36,780
Changes concerning share option programs			1,992					1,992		1,992
Changes due to deconsolidation			-1,395		-87			-1,482	1,395	-87
BALANCE AS OF SEPTEMBER 30, 2019	104,000	36,476	1,336,128	-5,647	-120,909	-61,984	-167,591	1,120,473	10,060	1,130,533

GLOSSARY

ATX

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

ATX-weighting

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

Average number of shares traded

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

Capital employed

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

Capital expenditure

Additions to intangible assets and property, plant, and equipment.

Dividend per share

Part of earnings per share which is distributed to shareholders.

Earnings per share

Net income (without non-controlling interests)/weighted average number of no-par value shares.

EBIT

Earnings before interest and taxes.

EBITA

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

EBITDA

Earnings before interest, taxes, depreciation, and amortization.

EBT

Earnings before taxes.

Employees

Number of employees without apprentices.

Equity attributable to shareholders per share

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

Equity ratio

Total shareholders' equity/total assets.

EV

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

Free cash flow

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

Free cash flow per share

Free cash flow/total number of shares.

FVTOCI

Fair value through other comprehensive income.

FVTPL

Fair value through profit and loss.

Gearing

Net debt/total shareholders' equity.

HY

Hydro business area.

Liquid funds

Cash and cash equivalents plus investments plus Schuldscheindarlehen.

Market capitalization

Number of shares outstanding multiplied by the closing price.

ME

Metals business area.

MEUR

Million euros.

MUSD

Million United States Dollar.

NCI

Non-controlling interests.

Net debt

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

Net liquidity

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

Net working capital

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

Order backlog

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

Order intake

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

Payout ratio

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

Performance of the ANDRITZ share

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

PP

Pulp & Paper business area.

Price-earnings-ratio

Share price/earnings per share.

Return on equity

Earnings before taxes/total shareholder's equity.

Return on investment

Earnings before interest and taxes/total assets.

Return on sales

Earnings before interest and taxes/sales.

ROE

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

SE

Separation business area.

Sureties

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

TEUR

Thousand euros.

Total shareholders' equity

Total shareholders' equity including non-controlling interests.

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Disclaimer:

Certain statements contained in this report constitute 'forward-looking statements'. These statements, which contain the words "believe", "intend", "expect", and words of a similar meaning, reflect the Executive Board's beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law.