

KRONES

Financial Year 2014
Preliminary Figures

Conference Call March 19, 2015





Highlights 2014

Financials 2014

Outlook 2015

Krones reached its targets for 2014 and is optimistic for 2015

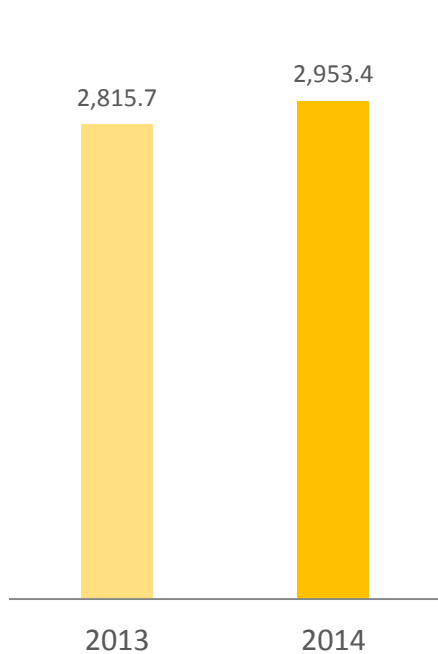
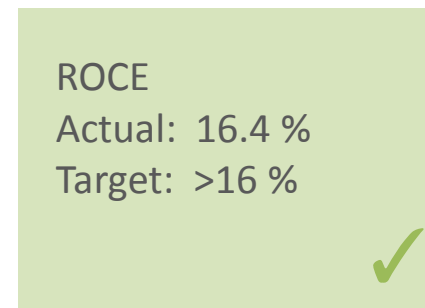
Revenue rose 4.9% in 2014 to €2.95 billion.

Profitability, measured as the EBT margin, improved from 6.0% to 6.5%.

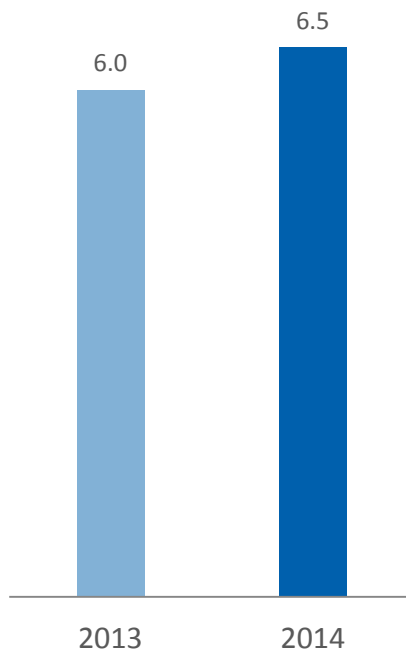
Dividend for 2014 to increase over previous year's regular dividend, from €1.00 to €1.25 per share.

For 2015, Krones is expecting revenue growth of 4% and an EBT margin of 6.8%.

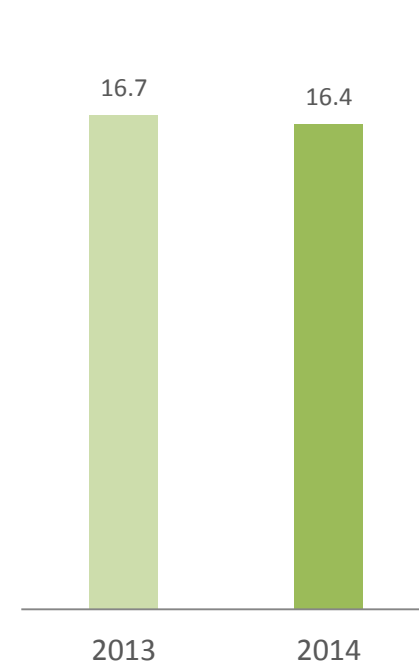
Krones achieved all targets for 2014



in € million



in %



in %

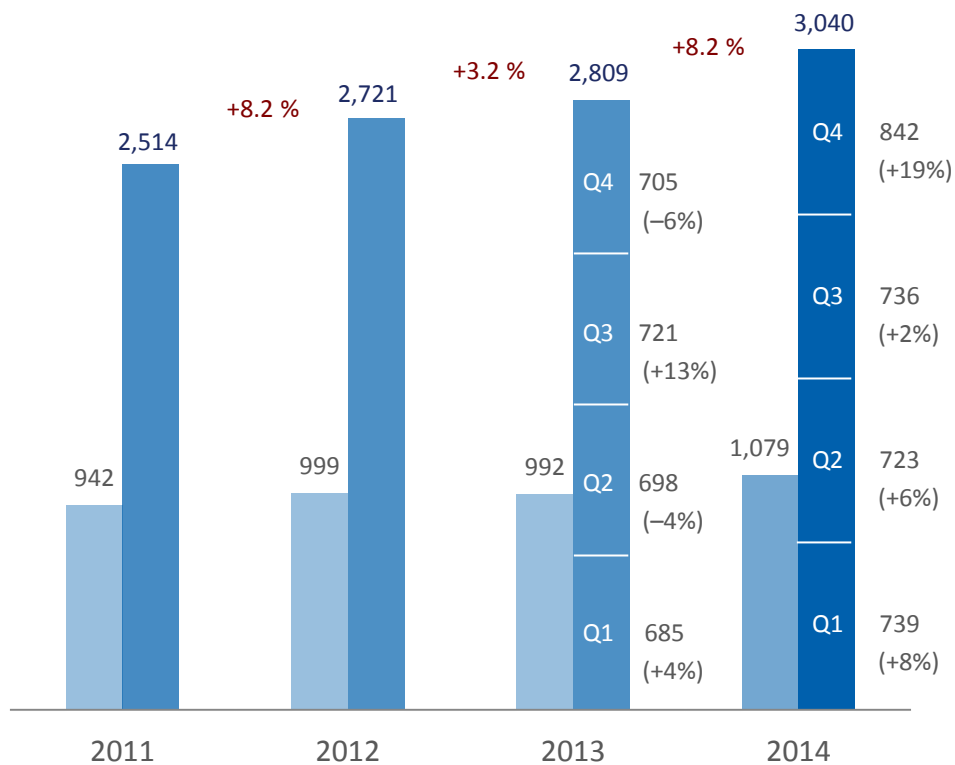


Highlights 2014

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Orders received on very high level



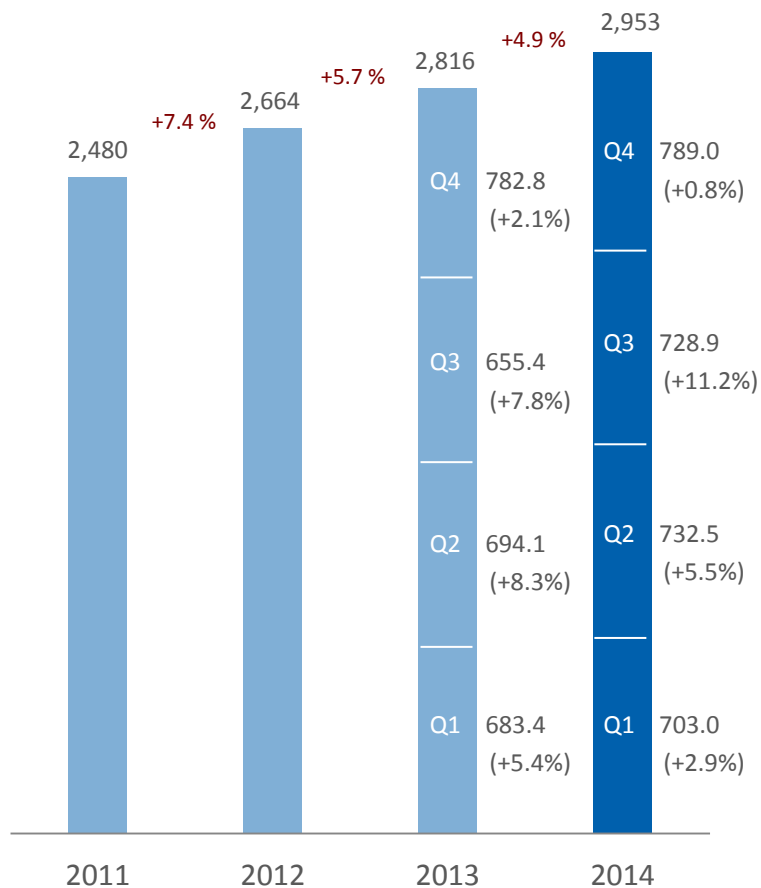
■ Orders on hand by 31.12. in € million
■ Orders received in € million

Trend by region

Central Europe	→
Western Europe	↘
Eastern Europe	↗
CIS/Central Asia	→
Middle East/Africa	↗
China	↘
Asia/Pacific	→
North America	↗
South America	↗

Revenue increases above-average in the Emerging Markets

Revenue development in € million



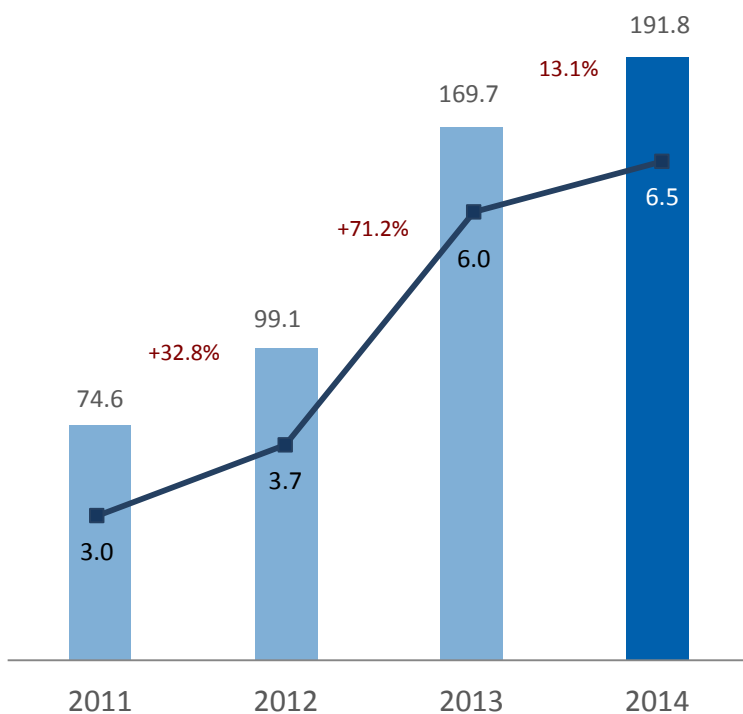
Revenue per region in € million

Share of consolidated revenue	31.12.2014		31.12.2013		Change
	In Mio. €	%	In Mio. €	%	
Germany	282.1	9.6	292.4	10.4	-3.5
Middle Europe	163.3	5.5	90.6	3.2	+80.2
Western Europe	450.8	15.2	459.3	16.4	-1.9
North America	274.0	9.3	331.1	11.8	-17.2
Eastern Europe	87.7	3.0	74.3	2.6	+18.0
CIS/Central Asia	108.5	3.7	109.9	3.9	-1.3
Middle East/Africa	422.8	14.3	454.1	16.1	-6.9
Asia/Pazific	532.7	18.0	378.6	13.4	+40.7
China	258.6	8.8	246.8	8.8	+4.8
South America	372.9	12.6	378.6	13.4	-1.5
Total	2,953.4		2,815.7		+4.9

Share of Emerging Markets of consolidated revenue: 60.4 % (Prior year: 58.2 %)

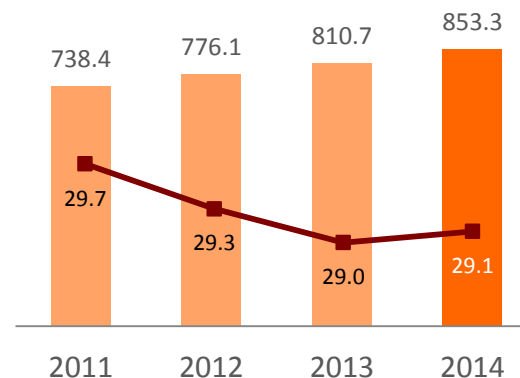
Strong increase of EBT margin based on the performance improvement program value

EBT in € million



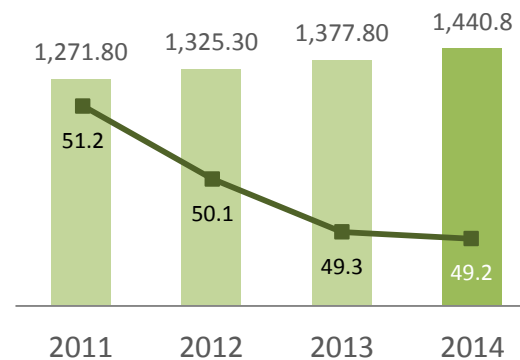
Return (on EBT) on revenue in %

Personnel costs in € million



Personnel costs to total performance in %

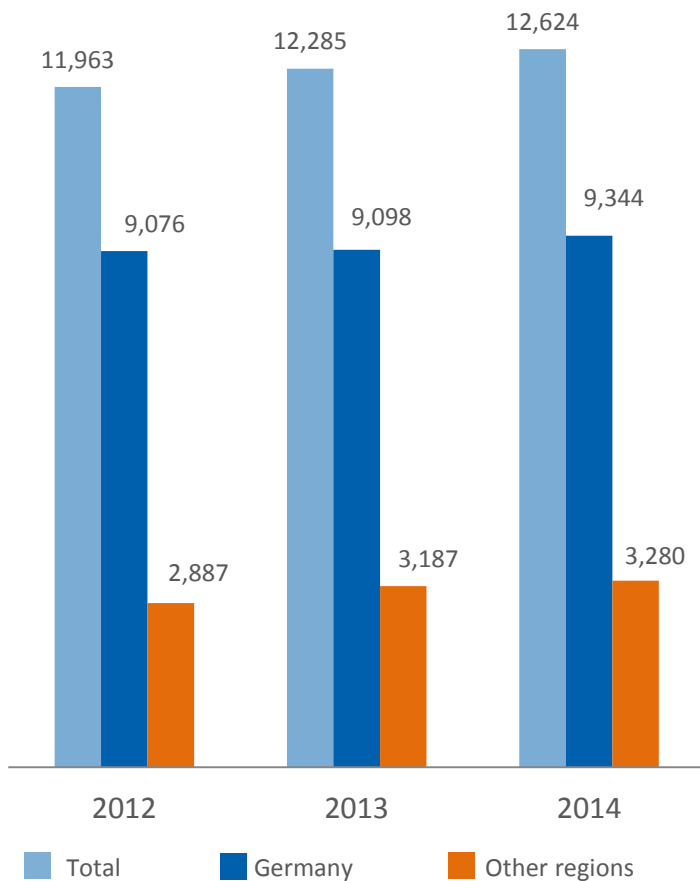
Material costs in € million



Material costs to total performance in %

Krones continues to grow its workforce in Emerging Markets

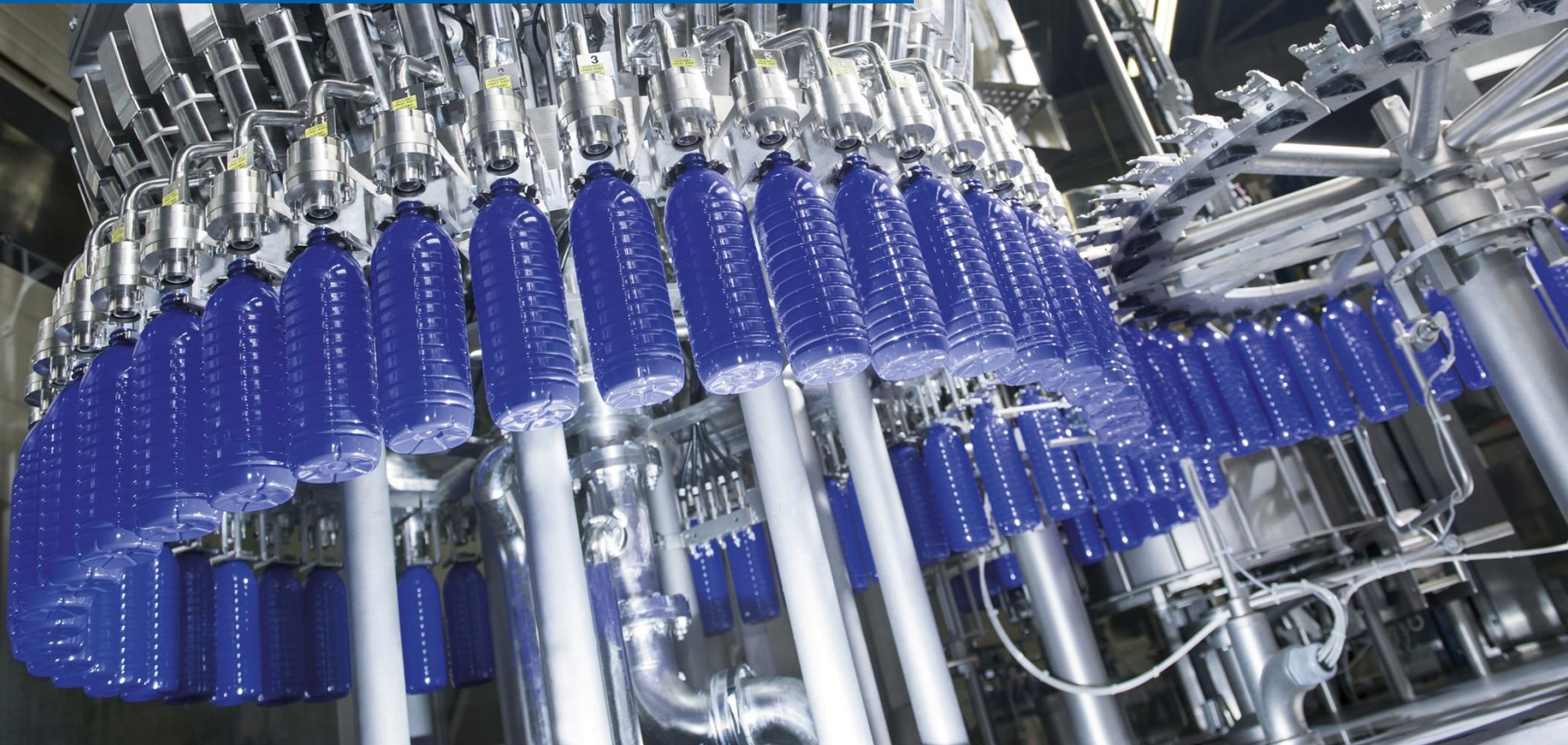
Krones employee worldwide



Krones employee development in the Emerging Markets

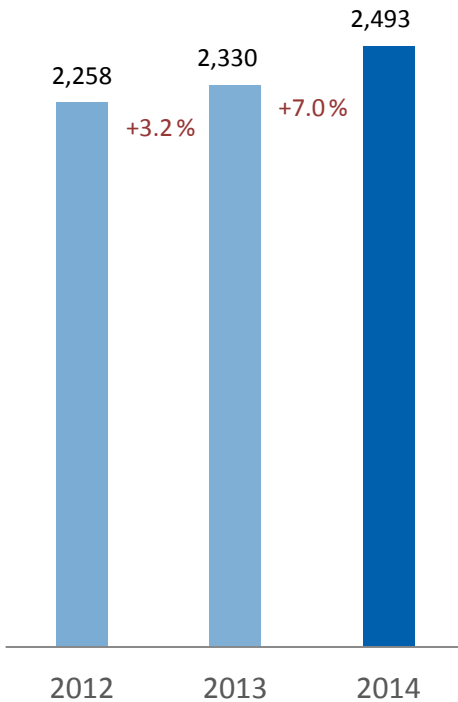
Year	South America	Africa	Asia	CIS/ East Europe	China	Total
2011	406	225	198	109	258	1,196
2012	438	285	293	121	298	1,435
2013	485	339	400	132	325	1,681
2014	501	363	453	136	385	1,838

Machines and lines for product filling and decoration

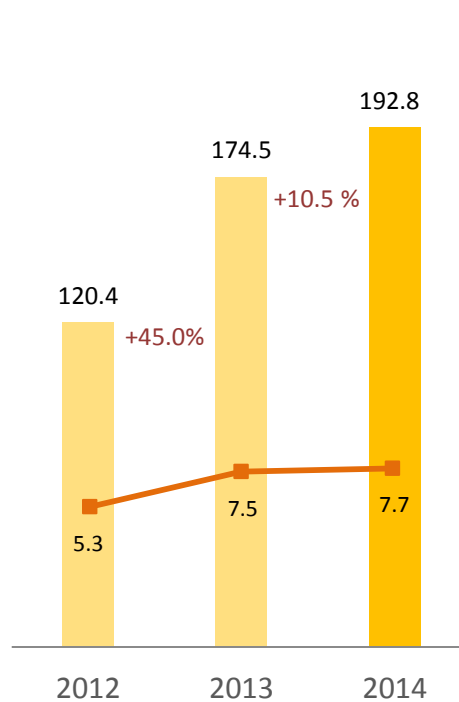


Product filling and decoration: Improvement of profitability

Revenue development in € million



EBT development in € million



— Return on revenue in %

Regionalization of the LCS business

Cost reduction program to compensate cost increases

Expansion of modular production for dry part and labelling

Global procurement strategy including best-cost countries

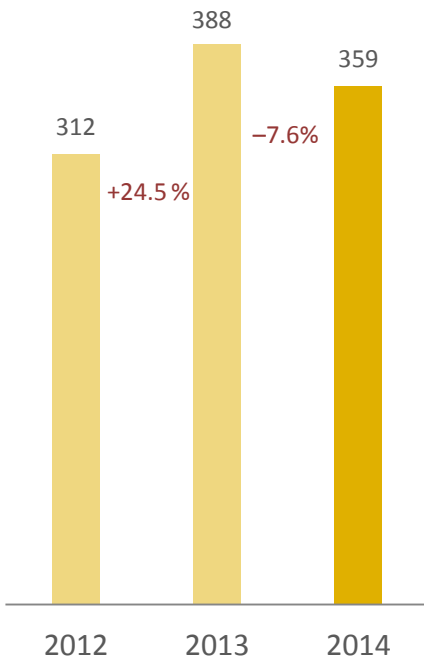
Midterm targets:
Growth 4-6 %; EBT margin 8 %



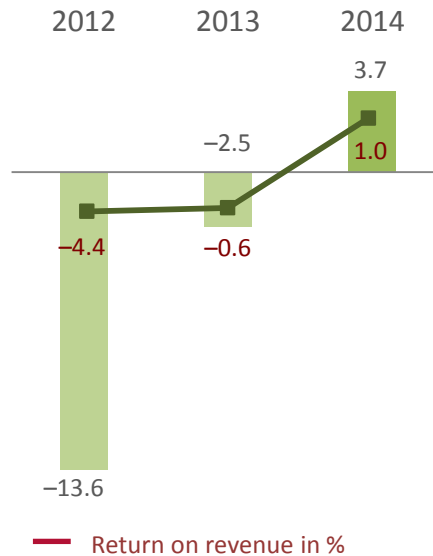
Machines and lines for
beverage production /
process technology

Beverage production/process technology: in line with expectations

Revenue development in € million



EBT development in € million



Expansion of the component business (operative start of Evoguard in 2014 and acquisition of HST homogenizers)

Strengthening the product portfolio for carbonated softdrink applications and water treatment.

Regional structure for processing, including engineering, procurement and project management

Syskron Holding founded as independent entity to execute Intralogistic business of Krones

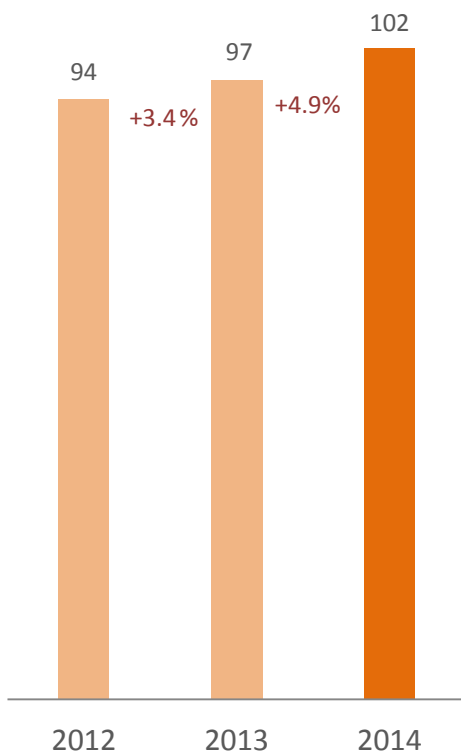
Midterm targets:
Growth 8-10 %; EBT margin 4 %



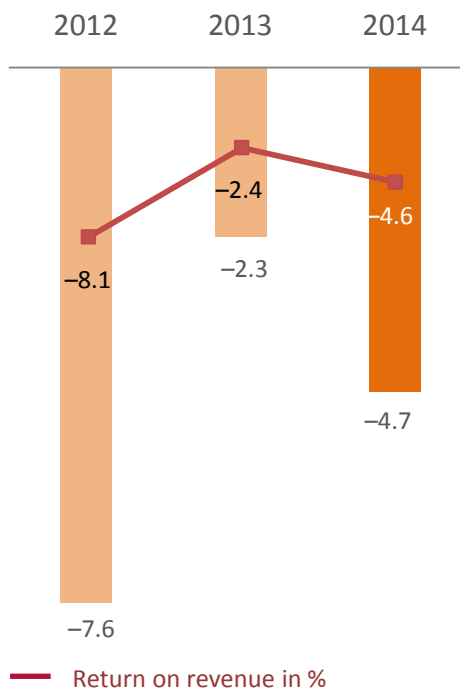
Machines and lines for
the low output range

Segment for the low output with an operative break-even

Revenue development in € million



EBT development in € million



Restructuring program in the final stage.
Operating result is proving profitability

Strengthening product portfolio of
Kosme Italy in Filling and Labelling.
Emphasise on Labelling

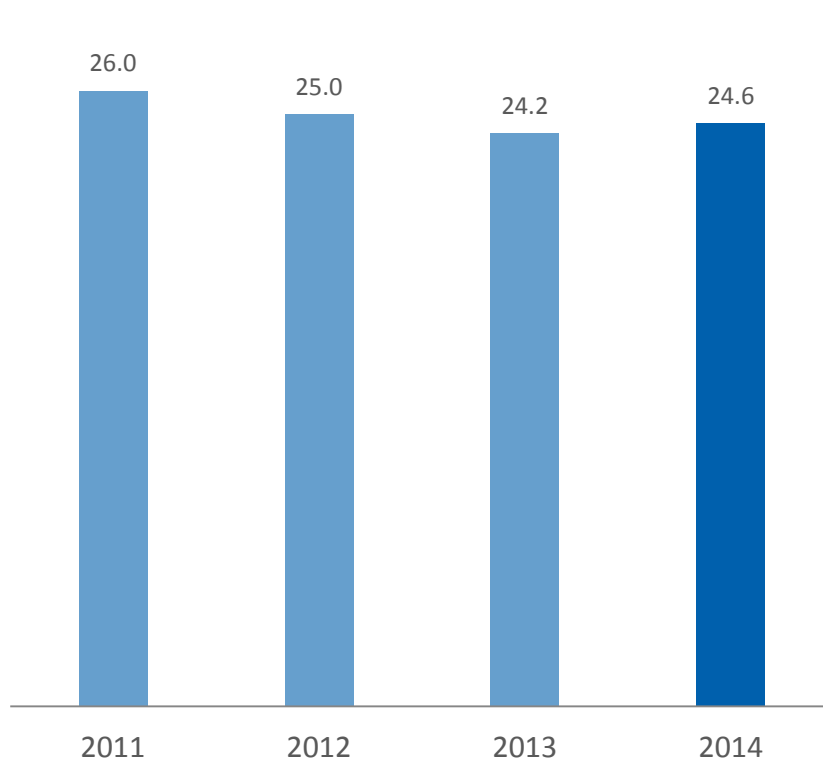
Further investment in Kosme Sales structure

Target for 2015:
EBT margin 4 %

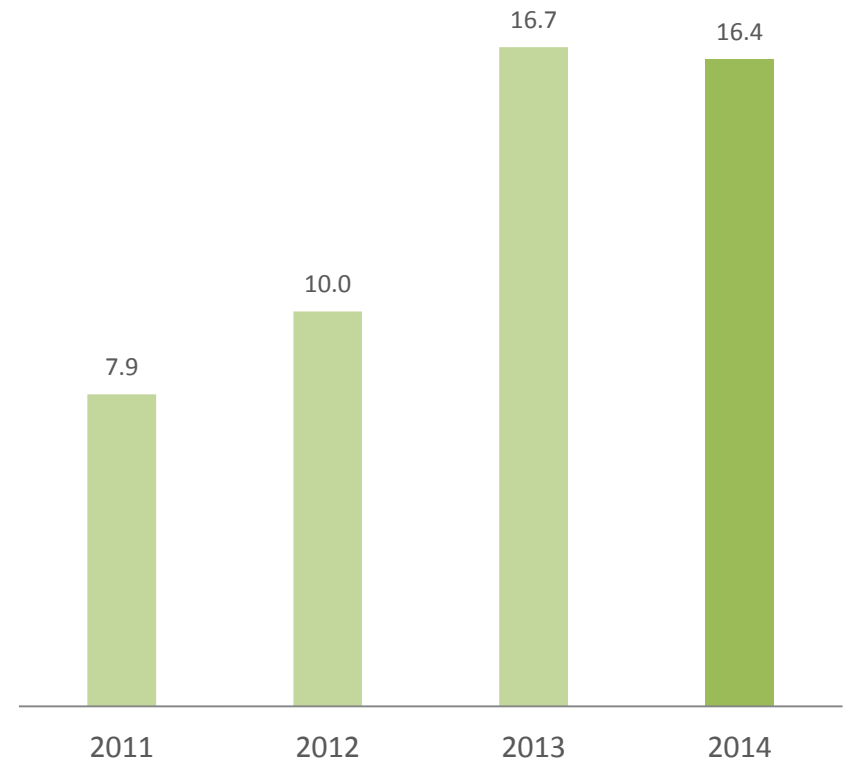
Midterm targets:
Growth 5 %; EBT margin 5 %

Working Capital below expectations

Working capital* in % of revenue



ROCE* in %



*LTM (Last twelve months)

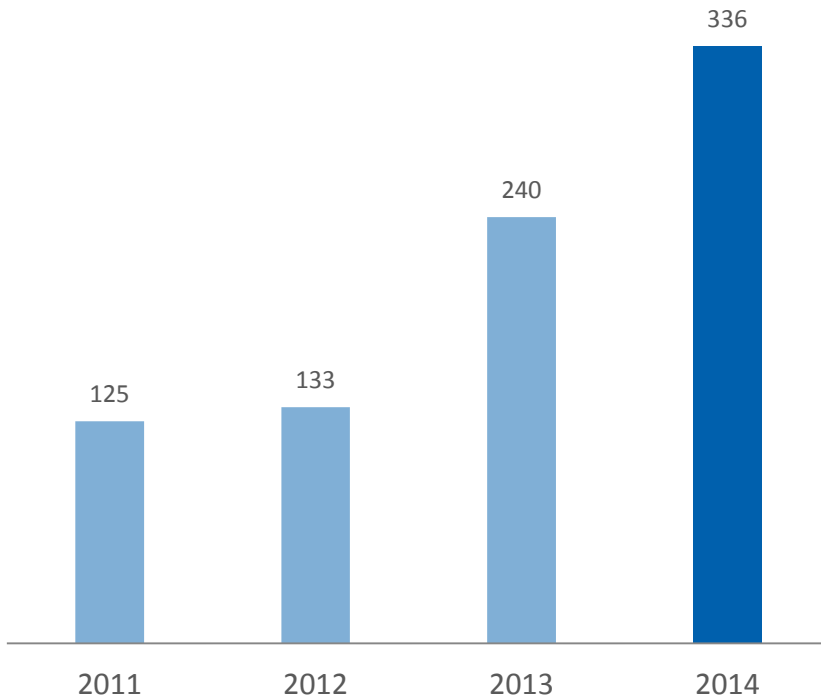
*LTM (Last twelve months)

Free cash flow improved in 2014

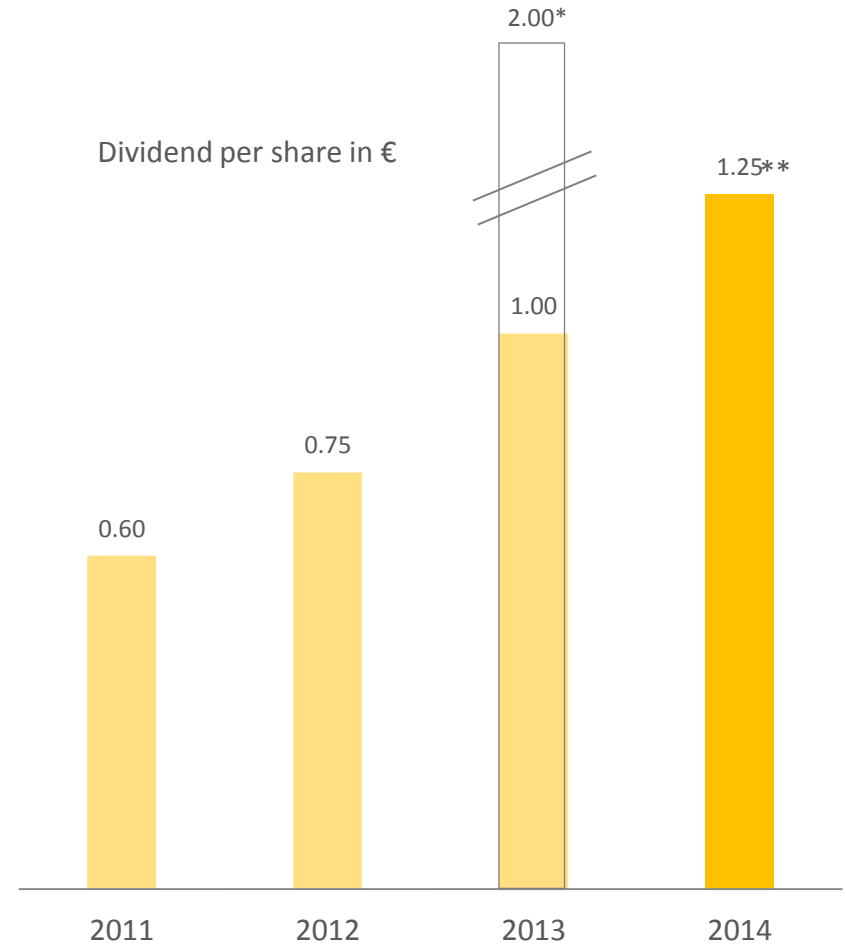
		2014	2013
Earnings before taxes	in € m	191.8	169.7
+/- non-cash expenses and income	in € m	+137.2	+126.4
+/- change in Working Capital	in € m	-38.9	-85.4
+/- other (mainly tax payments)	in € m	-41.3	-36.1
Cash flow from operating activities	in € m	248.8	174.6
+/- Capex, mainly intangible Assets and property plant and equipment	in € m	-94.6	-108.1
+/- other	in € m	-2.1	+0.5
Free cash flow	in € m	152.1	67.0
+/- Financing activities, including payments for dividends (€ 63.2 m)	in € m	-63.2	+50.0
+/- Changes in cash and cash equivalents arising from exchange rates	in € m	+7.6	-10.0
Net change in cash	in € m	+96.5	+107.0
Cash at the end of period	in € m	336.4	239.9

Regular dividend proposal increases by 25 % to 1.25 €

Net-Cash-Funds less liabilities to banks in € million



Dividend per share in €



* including a 1.00 € special dividend

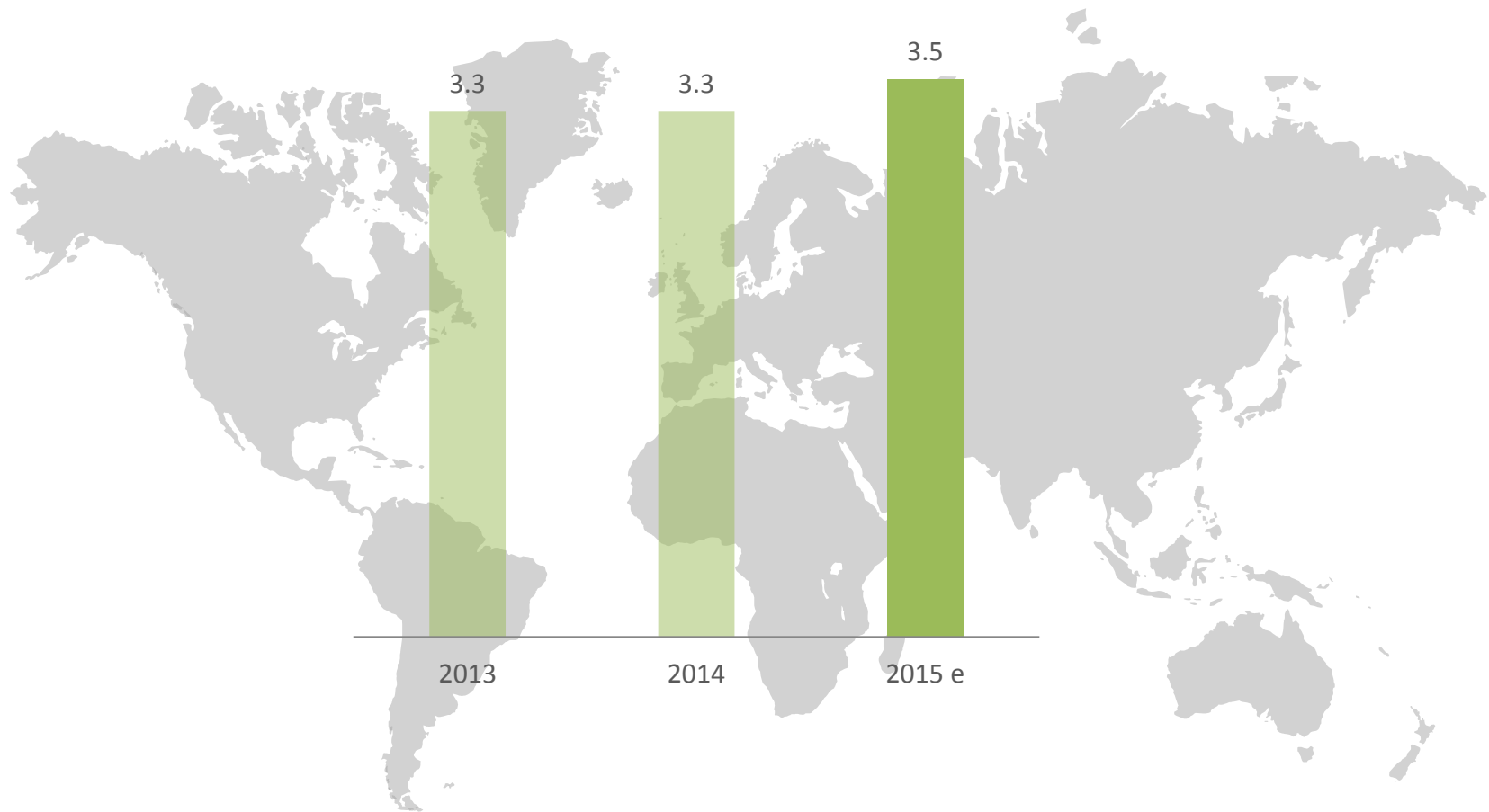
** as per proposal for the appropriation of retained earnings



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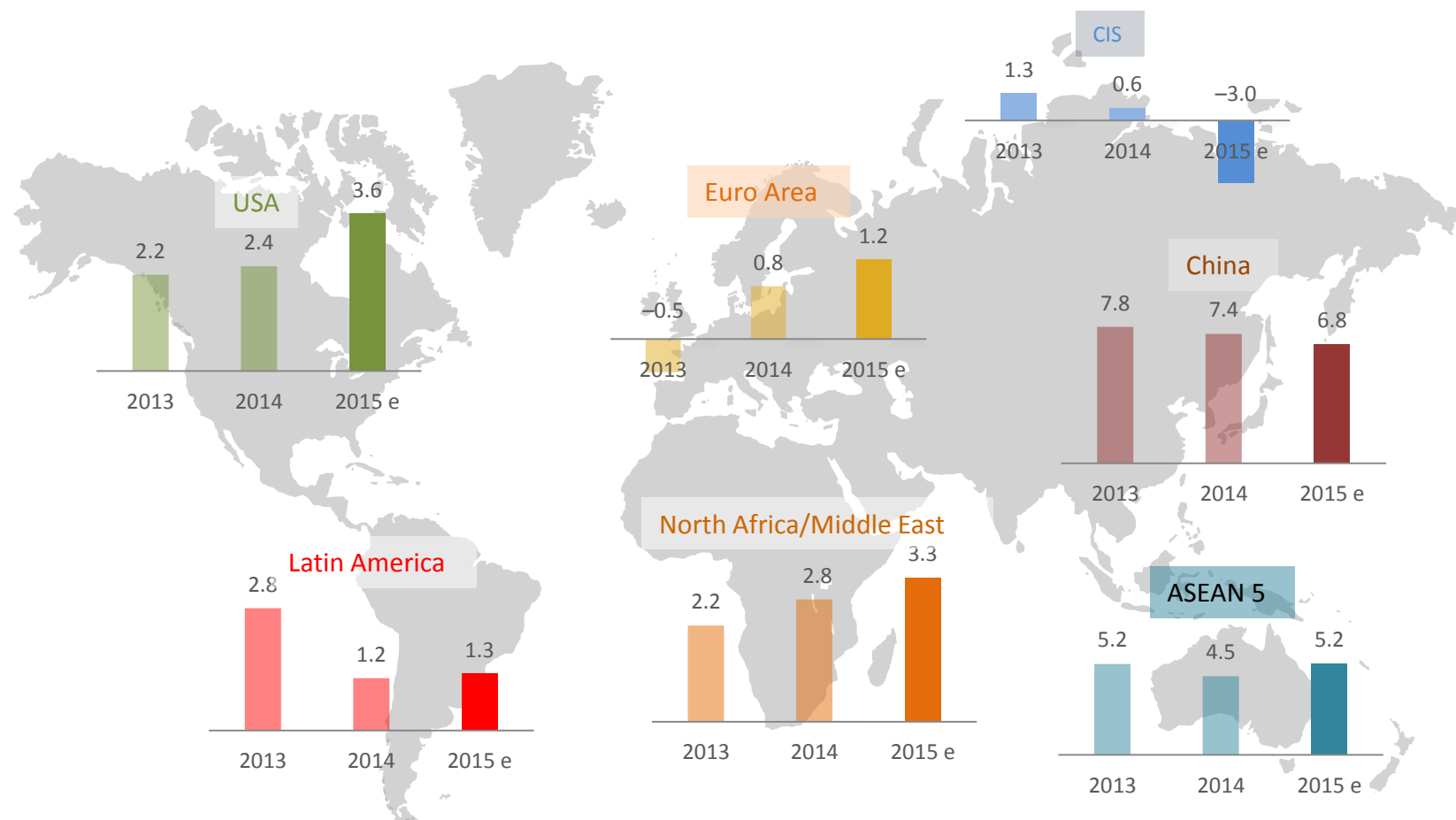
Economic development global

GDP Development 2013–2015 (January 2015, IWF)



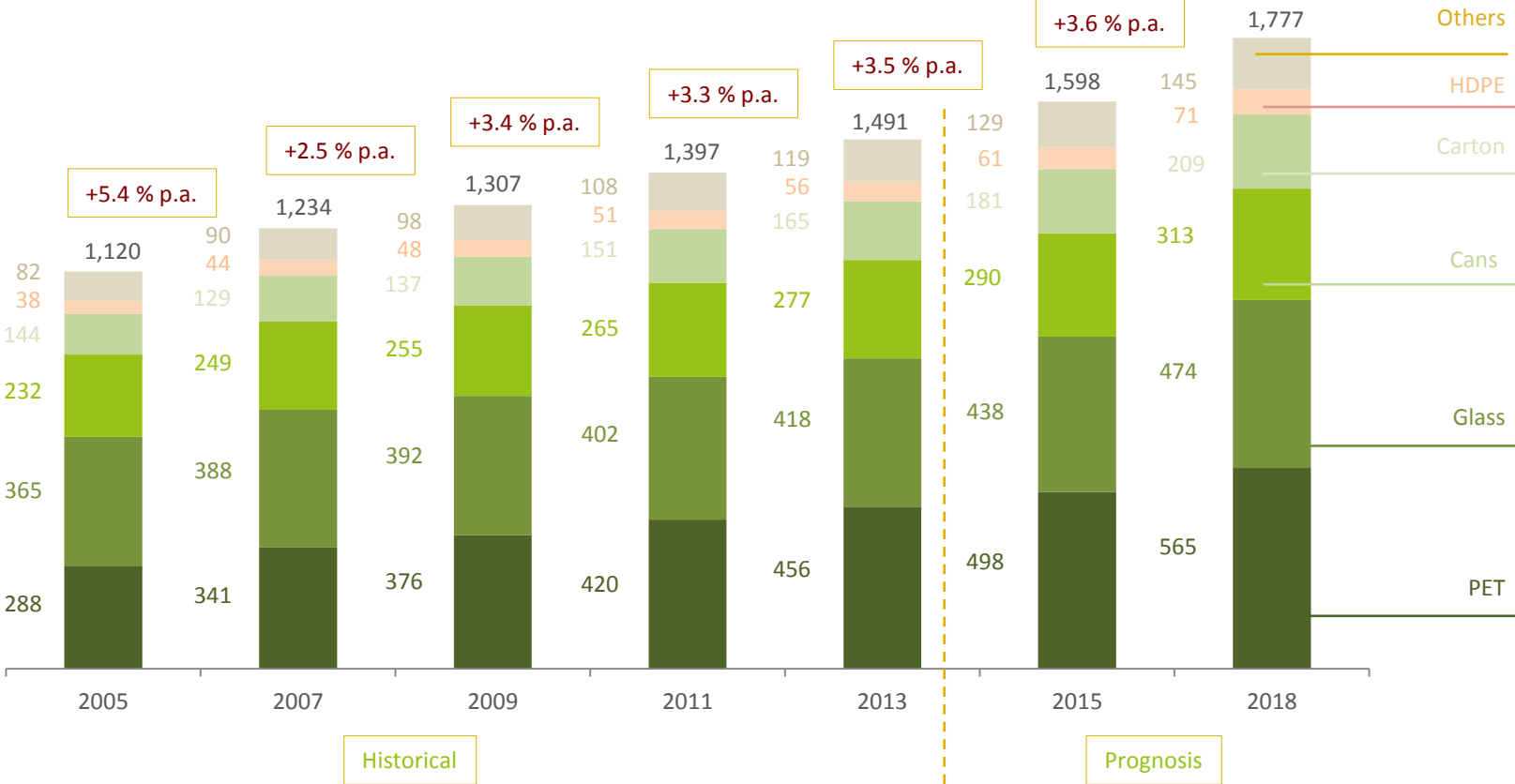
Economic development by region

GDP Development 2013–2015 (January 2015, IWF)



Development of primary packaging 2005–2018 market development

Beverage packaging in billion units



Krones targets 2015

Revenue growth
Target: +4 %






EBT margin
Target: 6.8 %



ROCE
Target: 17 %



Change in Management Board in 2016

			
2015	<p>Volker Kronseder CEO</p>	<p>Christoph Klenk CFO</p>	<p>Longterm experience in the packaging industry in various financial functions</p>
2016	<p>Volker Kronseder intends to join the Supervisory Board</p>	<p>Christoph Klenk CEO</p>	<p>CFO</p>

Thank you
for your attention!

Financial Calendar 2015

- 30.04.2015 Conference Call concern 2014 und Q1 2015
- 30.04.2015 Annual Report 2014
- 30.04.2015 Interim Report as per March 31
- 30.04.2015 Financial Press Conference
- 17.06.2015 Annual General Meeting
- 23.07.2015 Conference Call concern Q2 2015
- 23.07.2015 Interim Report as per June 30
- 22.10.2015 Conference Call concern Q3 2015
- 22.10.2015 Interim Report as per September 30



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