

Corporate News Release

7 May 2021

Krones reports good first quarter 2021

- Upward trend in order intake continues. Order value increased in first three months of 2021 by 27.1% to €1,068.8 million.
- First quarter revenue of €874.6 million down 7.2% on prior-year figure, which was only partially affected by corona.
- Despite lower revenue, Krones was able to limit the decline in earnings before interest, taxes, depreciation and amortisation (EBITDA) from €89.5 million to €76.5 million. The EBITDA margin was 8.7% in the reporting period, down on the high prior-year figure of 9.5%.
- Based on the positive first-quarter trend, Krones is confident of meeting the forecast for 2021. For the full year, the company expects revenue growth of 2.5% to 3.5% and an EBITDA margin of 6.5% to 7.5%.

Krones, the world's leading manufacturer of filling and packaging technology, saw business further stabilise in the first quarter of 2021. Revenue showed a year-on-year decrease of 7.2%, from €942.0 million to €874.6 million. It should be noted, however, that the Corona crisis had only a minor impact on revenue in the first quarter of 2020, so that the previous year's revenue figure was still relatively high. The revenue shortfall in the reporting period also reflects the weaker order intake in the second and third quarters of 2020.

Order intake has since recovered significantly. Following a strong fourth quarter in 2020, order intake continued to grow dynamically from January to March 2021. The contract value of orders increased by 27.1% year on year to €1,068.8 million. At €1,405.5 million as of the end of March 2021, Krones' order backlog was up 9.4% on the previous year.

Krones generates 8.7% EBITDA margin in first quarter

Krones has significantly enhanced its flexibility with extensive structural measures. This positively impacted profitability in the first quarter of 2021. Despite the lower revenue, Krones was able to limit the decline in earnings before interest, taxes, depreciation and amortisation (EBITDA) from €89.5 million to €76.5 million. The EBITDA margin was 8.7% in the reporting period, down on the high prior-year figure of 9.5%.

Earnings before taxes (EBT) amounted to €44.6 million (previous year: €53.0 million). This corresponds to an EBT margin of 5.1% (previous year: 5.6%). In total, Krones generated

consolidated net income of €32.8 million from January to March 2021 (previous year: €39.1 million). This results in earnings per share of €1.04 (previous year: €1.24).

Krones generates free cash flow of €30.3 million in first quarter of 2021 and is financially well positioned

Krones significantly improved free cash flow in the reporting period by €46.3 million to €30.3 million (previous year: €-16.0 million). The company thus consolidated its strong finances. Net cash and cash equivalents, meaning cash and cash equivalents less bank debt, increased to €208.2 million at the end of March 2021 (previous year: €10.8 million). In addition, Krones had around €970 million in unused lines of credit as of 31 March 2021.

Mainly due to the lower quarterly revenue, average working capital over the past four quarters increased as a percentage of revenue from 27.1% in the previous year to 28.7% in the first three months of 2021.

Following good start to the year, KRONES optimistic for full year 2021

Following the positive first quarter, the company remains confident for the full year 2021. On the basis of the current general economic outlook, Krones expects that the markets relevant to the company will stabilise and show a trend towards recovery in the course of the year. Based on this, Krones expects revenue growth of 2.5% to 3.5% in 2021.

With revenue increasing and thanks to the adopted structural measures, Krones will improve profitability this year compared with 2020. For 2021, the company forecasts an EBITDA margin of 6.5% to 7.5%. This would correspond to an EBT margin of 3.0% to 4.0%. For its third performance target, working capital to revenue, Krones expects a figure this year of 26%–27%.

The guidance for 2021 is subject to the assumption that there will be no severe impacts from the Covid-19 pandemic such as harmful virus mutations or vaccination difficulties. This would hit the economy and hence also Krones harder than currently expected and could lead to negative revenue and earnings effects.

Krones has published the complete quarterly statement online at:

https://www.krones.com/media/downloads/Q1_2021_e.pdf

Contact:

Olaf Scholz

Head of Investor Relations, Krones AG

Tel.: +49 9401 70-1169

E-mail: olaf.scholz@krones.com