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## **Krones reports very good first half-year 2024 – significant increase in revenue and profitability**

- Demand for Krones' products and services remains robust. From April to June 2024, order intake increased by 2.9% to €1,310.2 million, exceeding the already high level of the previous year (€1,272.8 million). The contract value of orders in the first six months of 2024 increased by 0.3% over the strong prior year to €2,792.9 million.
- As expected, Krones' revenue growth accelerated significantly in the second quarter of 2024 (+16.7%) compared to the first quarter of 2024 (+4.0%). In the first six months of 2024, revenue climbed by 10.1% to €2,556.1 million. Revenue growth is therefore within the guidance range for the full year 2024.
- Due to efficiency gains, the EBITDA margin increased despite high material and labour costs from 9.5% in the previous year to 10.0%, which is within the guidance range for the full year 2024.
- The company significantly increased free cash flow (before M&A activities) to +€127.0 million between January and June (previous year: –€131.2 million).
- Following the very positive first-half trend, Krones has confirmed the guidance for 2024. For the full year, the company expects revenue growth of 9% to 13%, an EBITDA margin of 9.8% to 10.3% and ROCE of 17% to 19%.

Krones continued its profitable growth in the first six months of 2024 and remains very optimistic for the full year. Krones is well positioned, the company's markets are largely unaffected by economic fluctuations and customers continue to be very keen to invest.

### **Order intake increases further at very high level – revenue growth accelerates in second quarter**

After a good first quarter, demand for Krones' products and services continued to grow from April to June 2024. At €1,310.2 million, order intake exceeded the already high prior-year figure (€1,272.8 million) by 2.9%. In the first six months, the contract value of orders went up by 0.3% on the strong previous year, from €2,785.9 million to €2,792.9 million. Customer order activity therefore remained at a very high level in the first two quarters of 2024. As a global leader with a broad and innovative range of products and services, Krones was able to take advantage of the good market conditions.

As expected, Krones' growth accelerated significantly in the second quarter of 2024 compared to the first quarter (4.0% revenue growth). From April to June 2024, revenue

increased by 16.7% year on year to €1,309.0 million. Part of this growth is due to the acquisition of Netstal Maschinen AG, whose revenue Krones has consolidated since 28 March 2024. However, the largest contribution to the increase took the form of organic growth, which also benefited from the company's increased efficiency.

In the first six months of 2024, Krones' revenue climbed by 10.1% year on year, from €2,320.9 million to €2,556.1 million. Revenue growth in the reporting period was therefore within the full-year guidance range of 9% to 13%.

Order intake exceeded revenue in the first two quarters. As a result, Krones' order backlog further increased despite the strong revenue growth. At the end of June 2024, the company had an order backlog totalling €4,359.1 million. The order backlog thus grew by 5.7% relative to the 2023 year-end (€4,122.3 million). Relative to the previous year's figure of €3,931.4 million, the increase was 10.9%.

### **Krones continues profitable growth – EBITDA margin increased in first half-year from 9.5% to 10.0%**

Due to Krones' increased efficiency, profitability further improved in the first half of 2024 despite high labour and material costs. Prices for the company's machines and lines remained stable at their increased level. Between January and June, earnings before interest, taxes, depreciation and amortisation (EBITDA) went up by 15.7% year on year, from €221.4 million to €256.2 million. The EBITDA margin improved from 9.5% to 10.0%, which is within the guidance range of 9.8% to 10.3% for the full year.

Earnings before taxes (EBT) went up in the first half-year by 15.3% to €185.7 million. This results in an EBT margin of 7.3% (previous year: 6.9%). Krones generated consolidated net income of €135.0 million in the first two quarters of 2024, up 11.2% year on year. This corresponds to earnings per share of €4.27 (previous year: €3.84).

Krones' EBITDA of €130.8 million in the second quarter of 2024 was 22.8% higher than in the previous year. The EBITDA margin rose from 9.5% to 10.0%. EBT improved by 23.8% to €96.7 million. Consolidated net income increased by 19.5% to €69.2 million. Earnings per share consequently amounted to €2.19 (previous year: €1.83).

### **Free cash flow (before M&A activities) of €127.0 million**

Mainly due to the improvement in working capital, Krones significantly increased free cash flow before M&A activities relative to the previous year (–€131.2 million) by €258.2 million to +€127.0 million in the first half of 2024. M&A activities accounted for a cash outflow from the company totalling €185.4 million in the reporting period. Most of this comprised the purchase price payment for the acquisition of Netstal Maschinen AG. Despite these cash outflows, free cash flow improved by €187.3 million in the reporting period to –€58.4 million (previous year: –€245.7 million). Even after the M&A activities, higher capital expenditure and the increased dividend payout, the company's net cash, meaning cash and cash equivalents less bank debt, stood at €291.1 million at the end of June 2024 (previous year:



€324.7 million). In addition, Krones had around €850 million in unused lines of credit as of 30 June 2024.

Reported ROCE (return on capital employed) increased significantly in the first half-year to 18.8% (previous year: 17.3%), mainly due to the higher earnings before interest and taxes.

### **Krones confirms full-year financial targets for 2024**

After the successful first two quarters, the company has laid an excellent basis for achieving its targets for the 2024 financial year. At the same time, various uncertainties mean that the business environment remains challenging. This includes geopolitical risks in Europe, the Middle East and other parts of the world. Material shortages and the global supply chain problems that could result from military action along important trade routes remain a source of uncertainty.

After the positive first half-year, the company has confirmed its financial targets overall for 2024. This is based on the prevailing macroeconomic outlook and the current expected development of the markets relevant to Krones.

Krones expects consolidated revenue growth of 9% to 13%. On the basis of increasing revenue, an ongoing disciplined price strategy and rigorous implementation of the cost optimisation measures, Krones aims to improve profitability again this year compared to 2023. At group level for 2024, the company forecasts an EBITDA margin of 9.8% to 10.3% (2023: 9.7%). For the third performance target, ROCE, Krones expects an increase in the current year to between 17% and 19% (2023: 16.3%).

All forecast figures for 2024 include the effects of the acquisition of Netstal Maschinen AG, which has been consolidated within the Filling and Packaging Technology segment since 28 March 2024.

Krones has published the complete Interim Report for the first half of 2024 online at:

[https://www.krones.com/media/downloads/Q2\\_2024\\_e.pdf](https://www.krones.com/media/downloads/Q2_2024_e.pdf)

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