

Value 

Profitable growth

Conference Call

January – December 2013

March 19, 2014

Highlights 2013

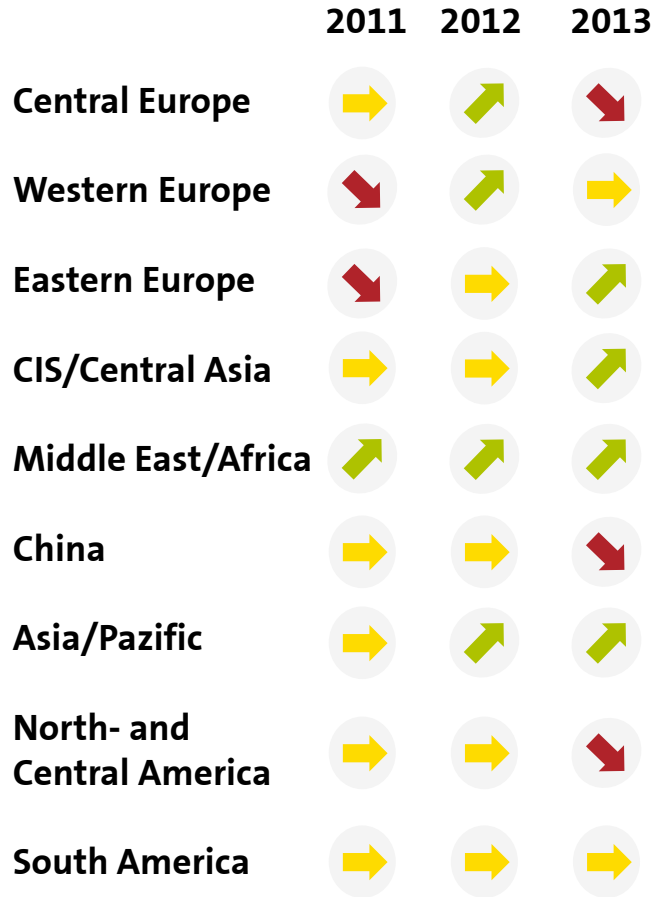
KRONES continues solid, profitable growth trend

- Revenue improved by 5.7% from €2,664.2 million in 2012 to €2,815.7 million in 2013 slightly above expectation.
- KRONES generated an EBT margin of 6.0% in 2013 and managed to reach the top end of the margin target.
- Krones proposes a dividend of 2.0 € per share (previous year: 0.75 € per share).
- KRONES confirms its growth and earnings target for 2014 and expects higher revenue and further improved profitability in 2015.

KRONES confirms its growth target of 4% and its EBT margin target of around 6.2% for 2014

With a 3.2% Increase in Orders received KRONES is according to Plan

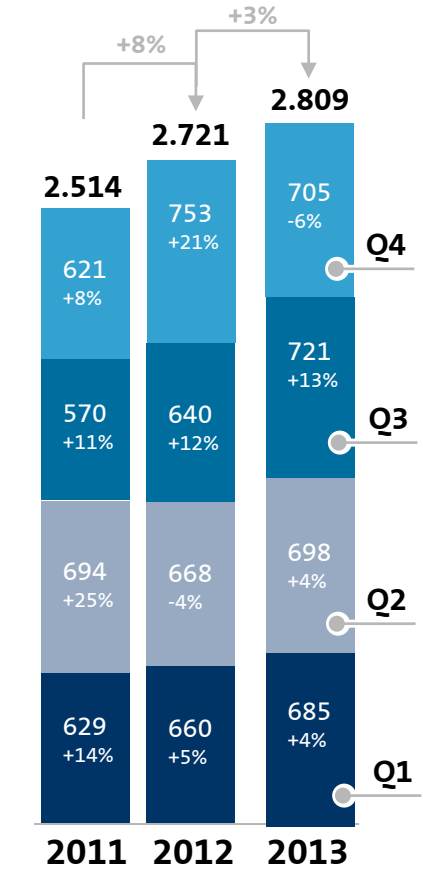
Trend by region



Orders on hand in mio. €

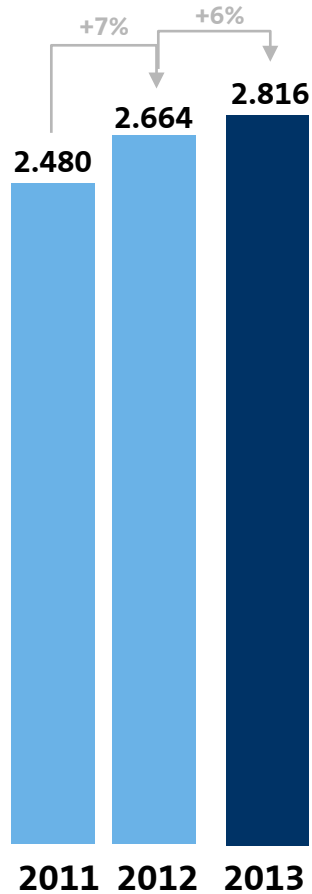


Orders received in mio. €



Sales increased by 5.7% in 2013

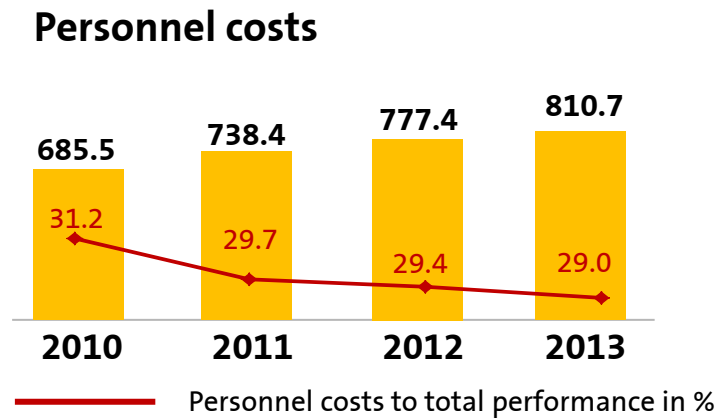
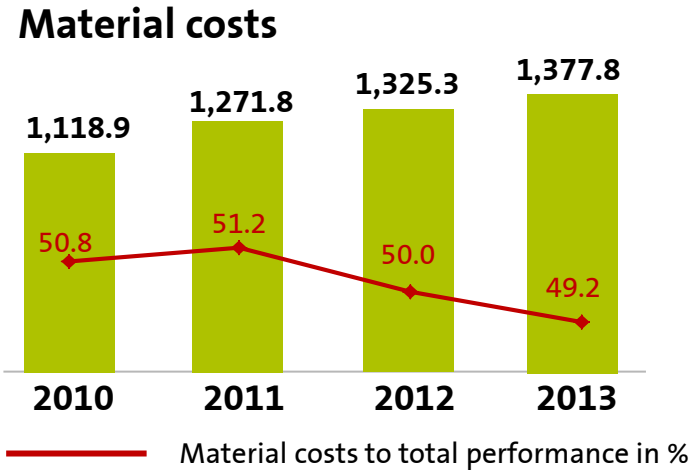
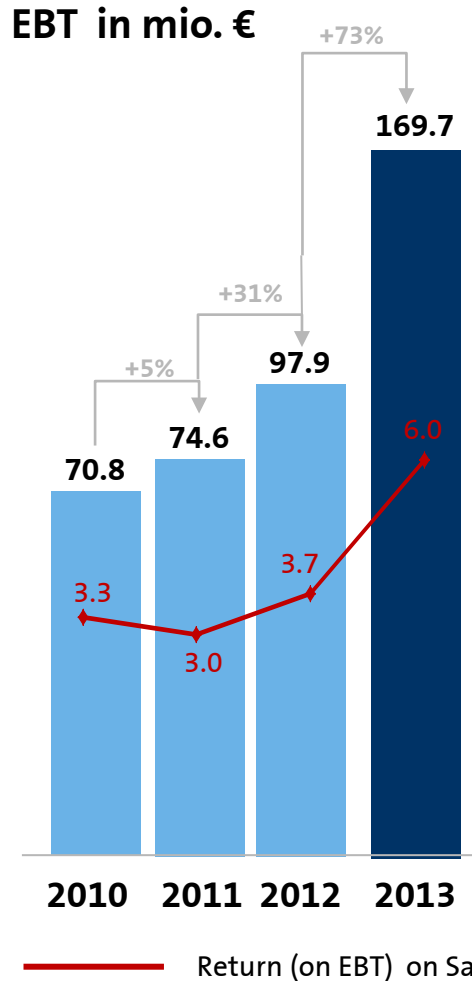
Sales



Sales per Region (in mio. €)

Germany	292.4	10.4 %
Central Europe	90.6	3.2 %
Western Europe	459.3	16.4 %
Eastern Europe	74.3	2.6 %
CIS and Central Asia	109.9	3.9 %
Middle East/Africa	454.1	16.1 %
Asia/Pacific	378.6	13.4 %
China	246.8	8.8 %
South America/Mexico	378.6	13.4 %
North America	331.1	11.8 %
Σ	2,815.7	100.0 %

EBT-Margin increased significantly based on higher Productivity



Currency Risk at Krones Group

Transaction risk

- Main machine business is in Euro or is hedged
- Service business is a short term business and the locally sourced part is increasing

▶ Hedging

▶ Low risk



Translation risk

- Main part of the total performance is in Euro
- Sensitivity analysis shows a risk of <1% of the Group-EBT in 2013

▶ Strong Euro performance

▶ Medium risk



Market risk

- The F/X development affects the CAPEX calculation of the customer.
- But investment alternatives are very limited

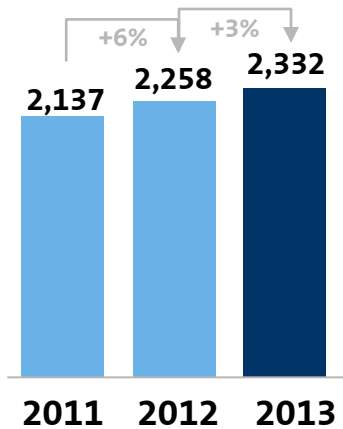
▶ Competitors in Euro-Zone

▶ Medium risk



Product Filling and Decoration: Improvement of Profitability

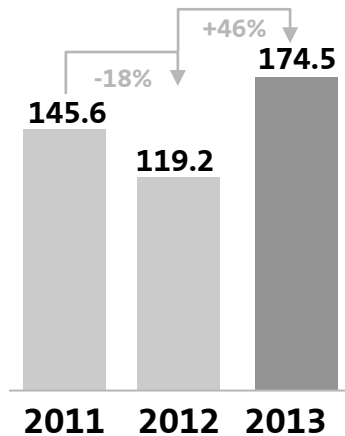
Sales development



Key Topics 2013

- Regionalization of the LCS business
- Cost reduction program to compensate future cost increases
- Expansion of modular production for dry part
- Global procurement strategy including low-cost countries
- Utilization of the new inhouse logistic concept

EBT development



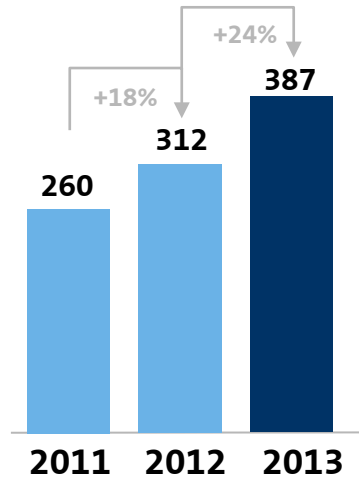
Mid term targets:

Growth 4 – 6 %, EBT 8 %

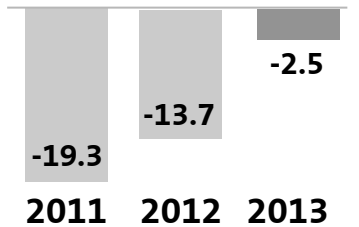
6.8% 5.3% 7.5% Return on Sales

Process Technology: Strong Sales Growth

Sales development



EBT development



-7.4% -4.5% -0.6%

Return on Sales



Key Topics 2013

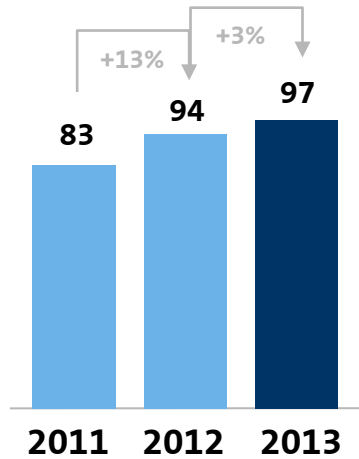
- Expansion of the component business (Operativ start of Evoguard in 2014 and Acquisition of HST Homogenizers)
- Extension of the product portfolio to include process technology for non-alcohol products
- Local structure of services for turnkey projects
- Extraordinary financial expenses for Klug investment

Mid term targets:

Growth 8 – 10 %, EBT 4 %

KOSME below Expectation

Sales development



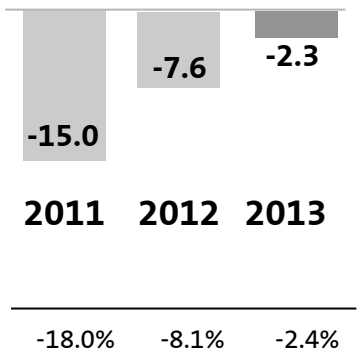
Achievements 2013

- Further development of the LCS business
- Repositioning in the Food and Health care market major orders from this industry

Missed expectations 2013

- Balanced production was not utilized for the full year
- > Break-even flexibility missing; break-even reduction needed

EBT development

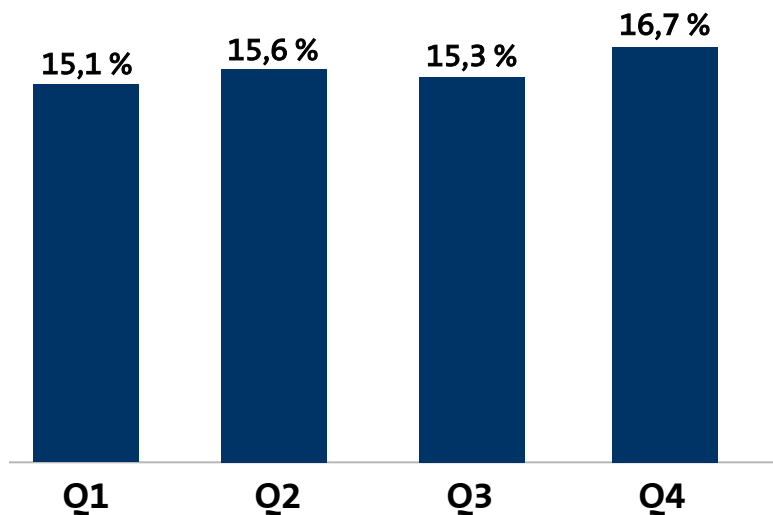


Mid term targets:

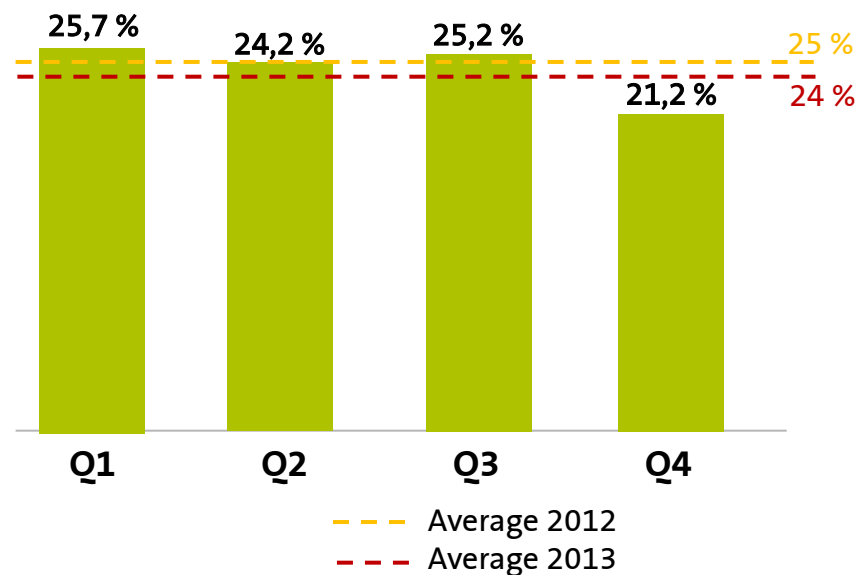
Flexible Infrastructure, EBT 3 %

ROCE and Working Capital (KRONES Group)

ROCE



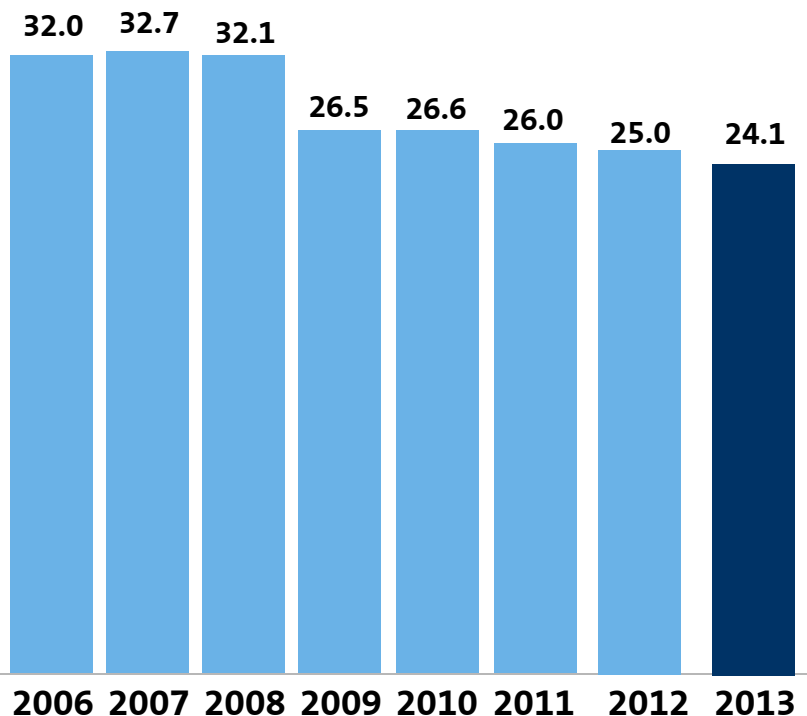
Working Capital



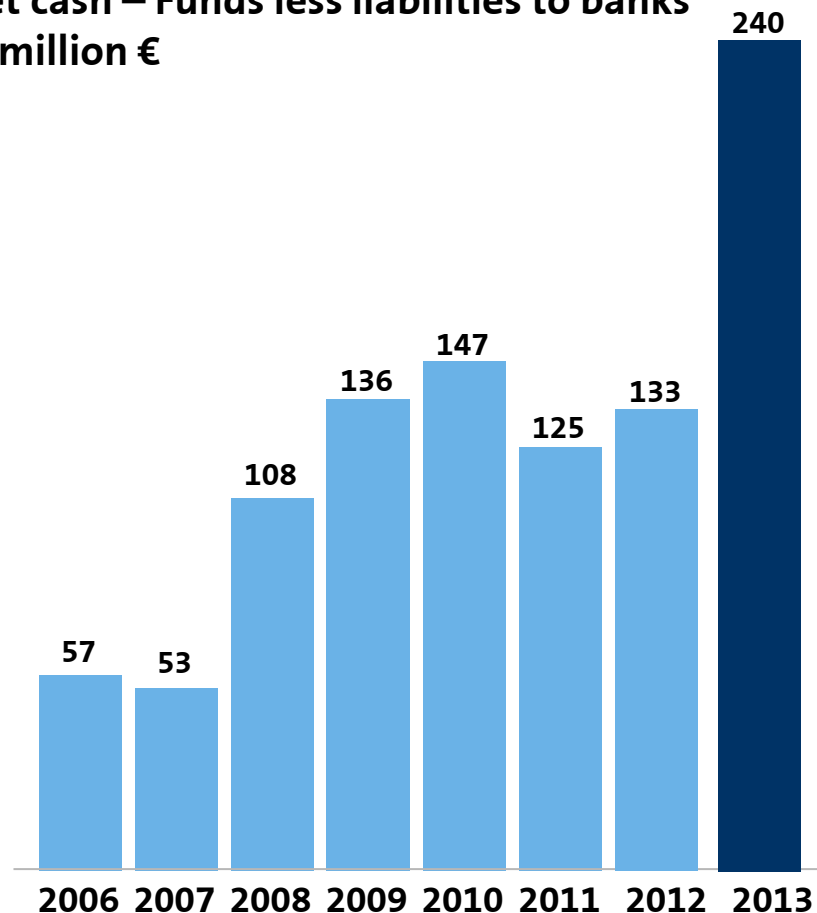
KRONES generated a ROCE of 16,7%; target fully achieved
Working Capital was reduced once again by 1% to 24% on average

Working Capital and Financing

Working capital as % of sales



Net cash – Funds less liabilities to banks in million €

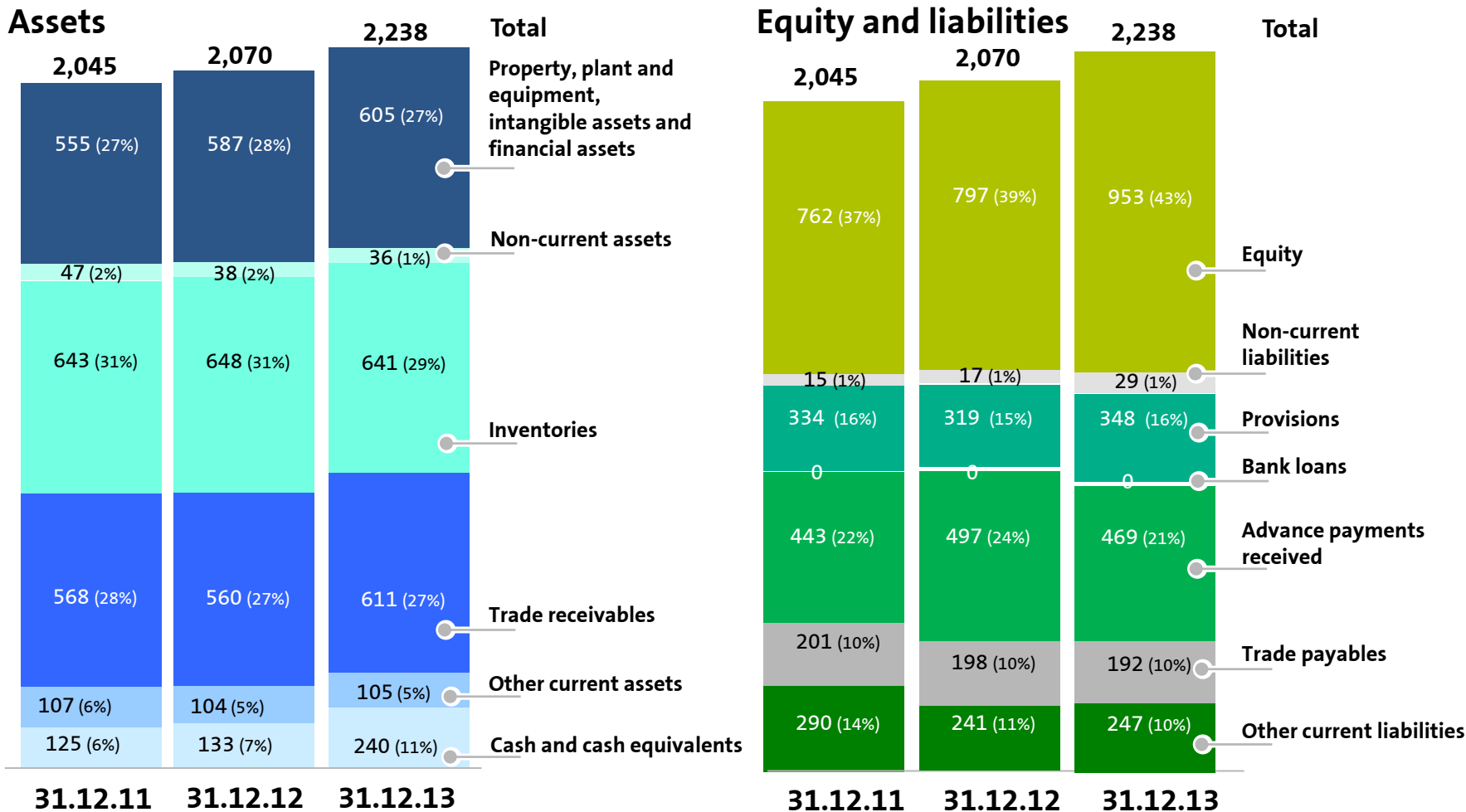


KRONES will propose a dividend of 2.0 € per share for the year 2013

Free Cash flow doubled in 2013

		2013	2012
Earnings before tax	in €m	169.7	97.9
+/- non-cash expenses and income	in €m	125.8	10.5
+/- change in Working Capital	in €m	-85.4	58.8
+/- other (mainly tax payments)	in €m	-36.1	-30.6
Cash flow from operating activities	in €m	174.0	136.6
+/- Capex, mainly intangible Assets and property, plant and equipment	in €m	-108.1	-110.9
+/- other	in €m	1.1	4.9
Free cash flow	in €m	67.0	30.6
+/- Financing activities, including payments for dividends (23.7 m €)	in €m	40.0	-23.2
Net change in cash	in €m	107.0	7.4
Cash at the end of the period	in €m	239.9	132.9

Balance Sheet in € million



Targets for 2014



In 2014, KRONES will focus even further on the value strategy for profitable growth.

KRONES is confident to achieve the three targets:

- Revenue growth of 4%
- EBT Margin of around 6.2%
- ROCE above 16%



Thank you!

Financial calendar

Conference Call
(Annual report 2013) 30.04.2014

Interim report
as per March 31th 2014 30.04.2014

Annual General Meeting 25.06.2014
(Neutraubling)

Interim report
as per June 30th 2014 24.07.2014

Interim report
as per September 30th 2014 23.10.2014



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