

KRONES

First Half Year 2016

Conference Call July 21, 2016

KRONES increased revenue and earnings in the first half of 2016

Revenue in the period from January to June 2016 grew 3.8 % to €1,560.3 million.

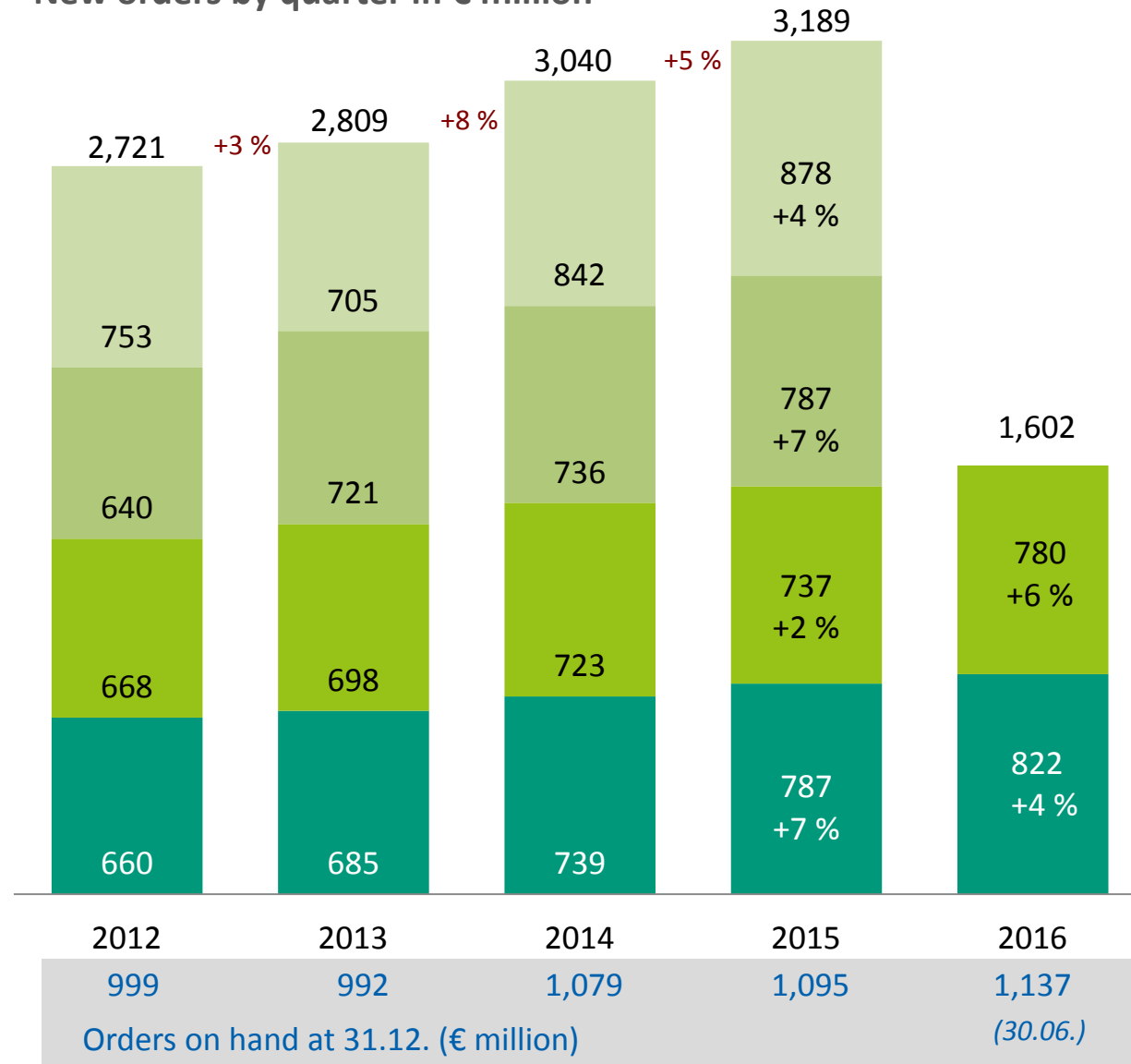
New orders improved 5.1 % to €1,602.4 million.

Earnings before taxes (EBT) climbed 3.1 %.
The EBT margin was stable at 6.9 %.

KRONES is standing by its forecast for 2016 as a whole, predicting 3 % revenue growth and an EBT margin of 7.0 %.

Orders received rose 5.1 % in 1st HY

New orders by quarter in € million

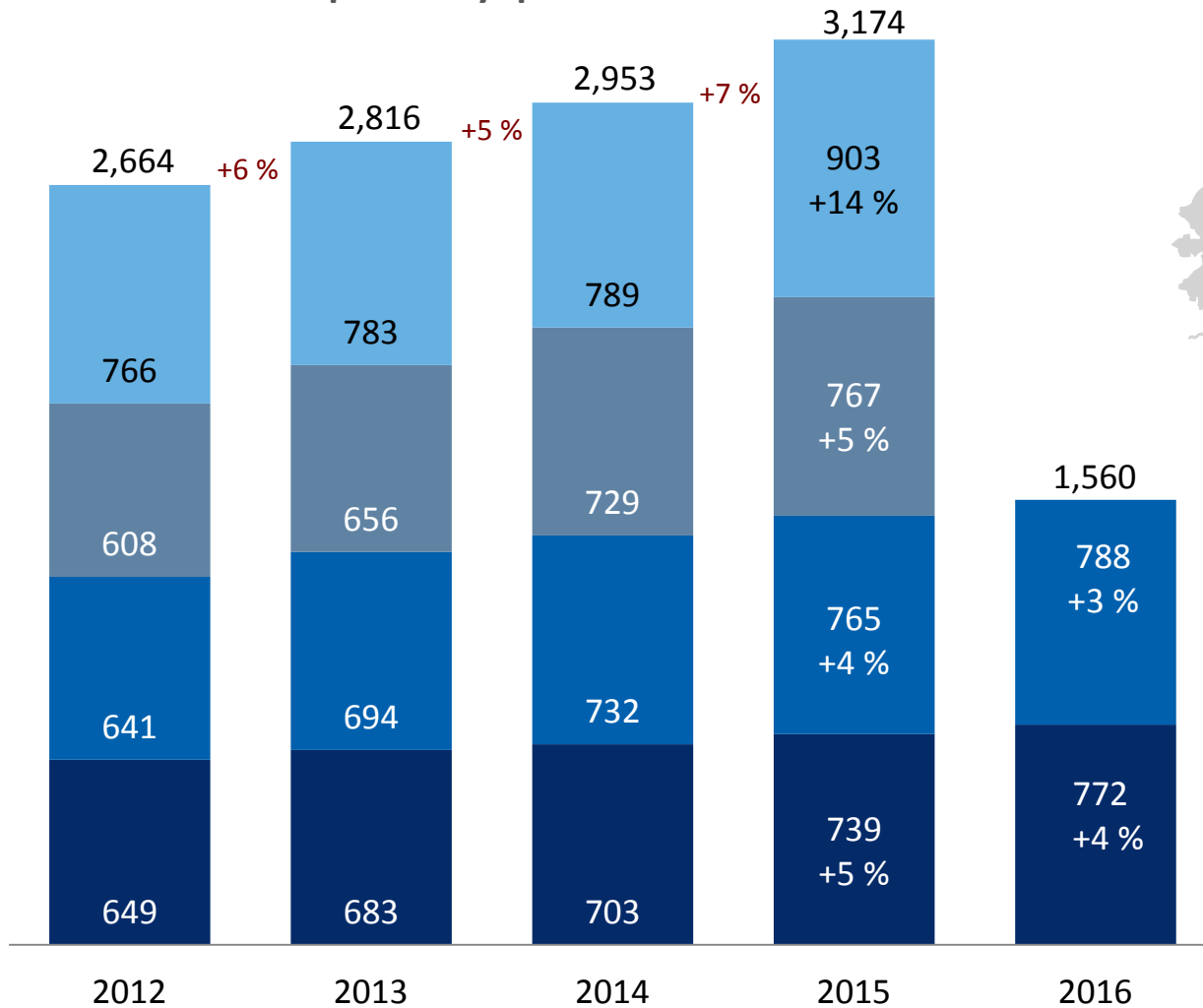


Trend by region

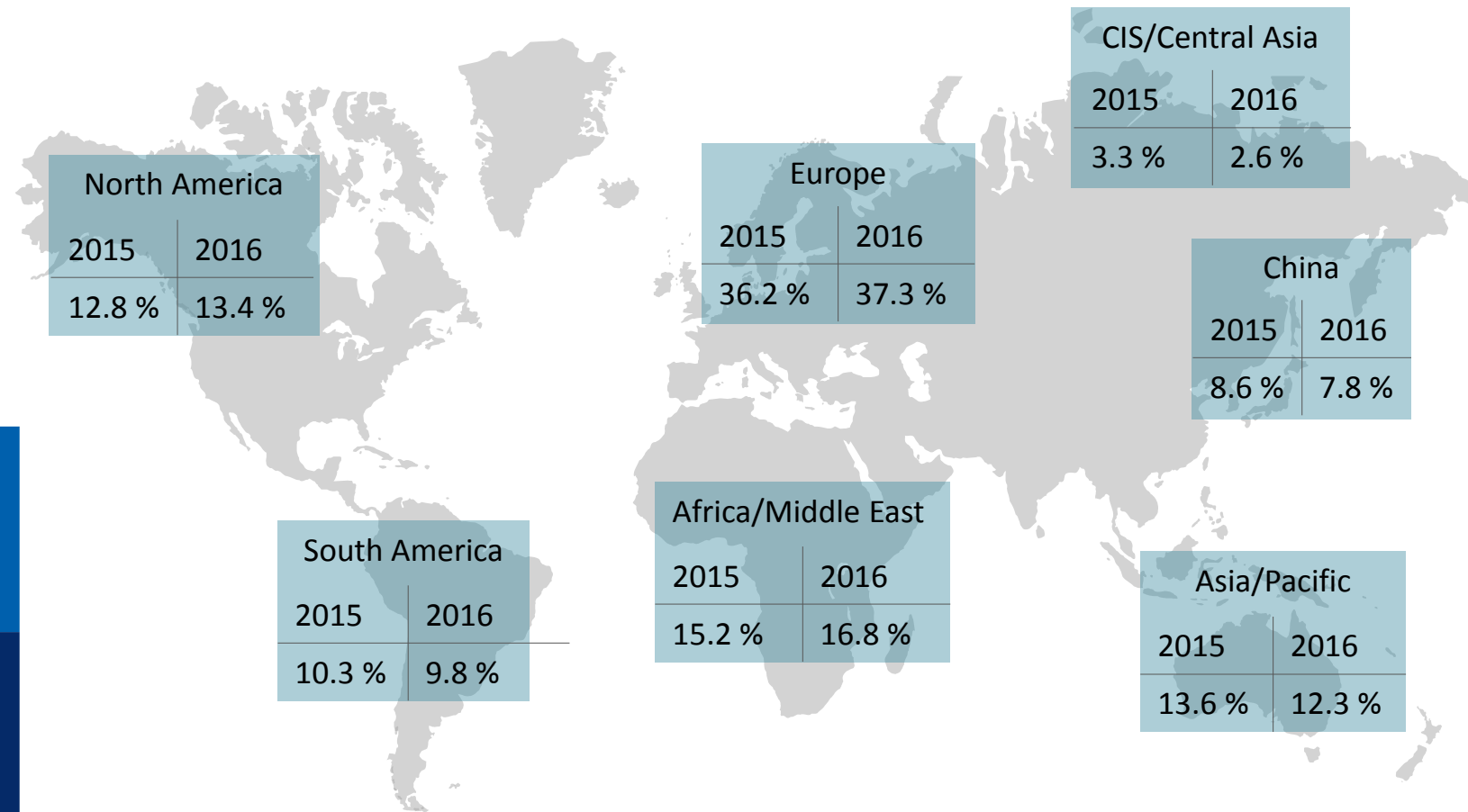
Central Europe	→
Western Europe	→
Eastern Europe	→
CIS/Central Asia	→
Middle East/Africa	↗
China	→
Asia/Pacific	→
North America	→
South America	→

Revenue increased in line with expectations

Revenue development by quarter in € million

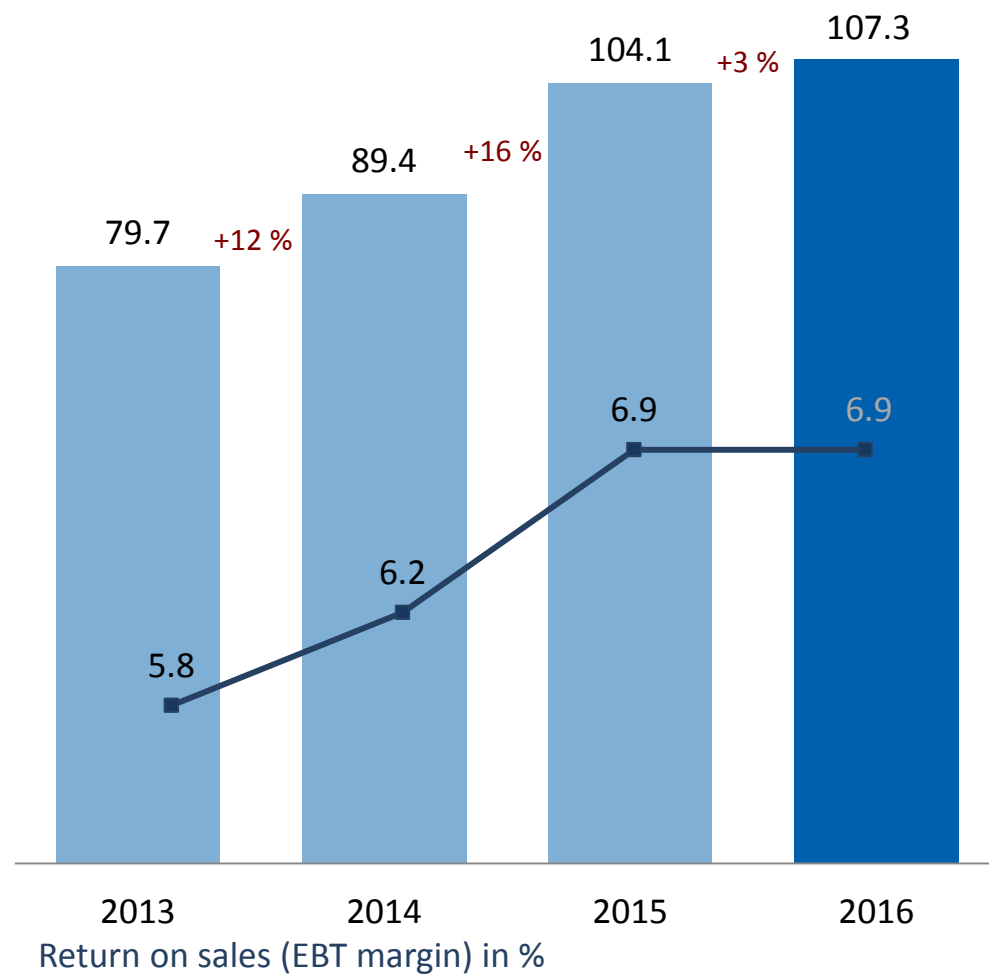


Share of revenue in 1st HY

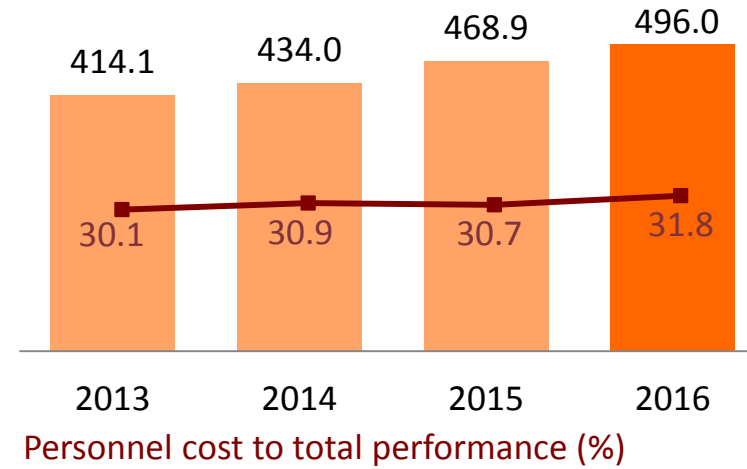


EBT margin stable

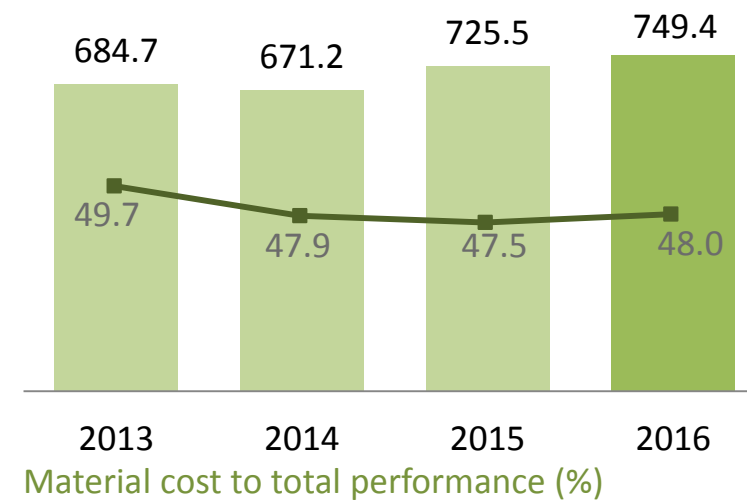
EBT 1st HY (€ million)



Personnel cost 1st HY (€ million)



Material cost 1st HY (€ million)

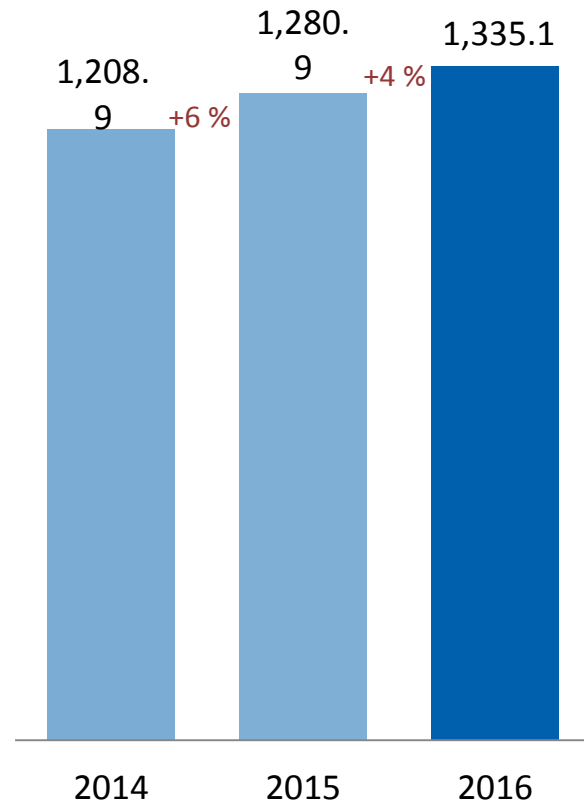


Machines and lines for product filling and decoration

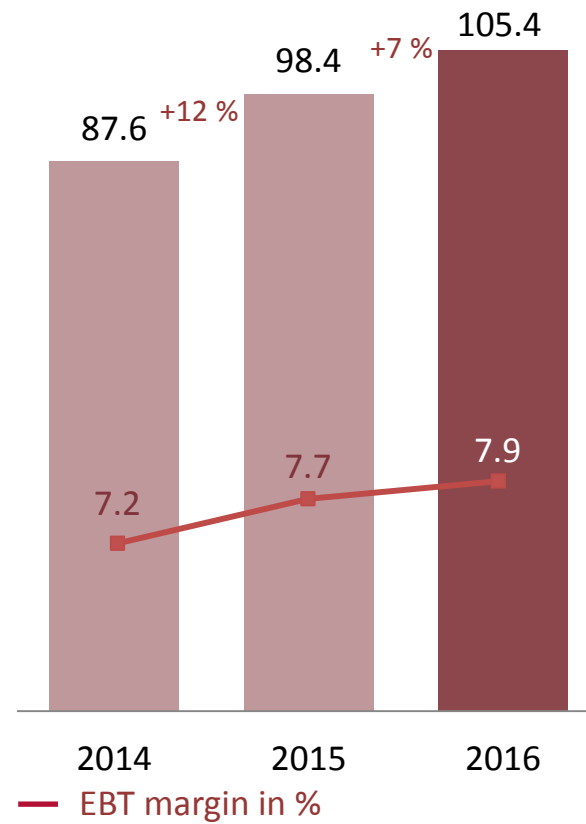


Product filling and decoration: margin increased slightly

Revenue development 1st HY
(€ million)



EBT development 1st HY
(€ million)



Regionalization of the LCS business

Consistent modular product structure as basis for reduction of costs and economies of scale

Global procurement strategy including best-cost country sourcing

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

Machines and lines for
beverage production/
process technology

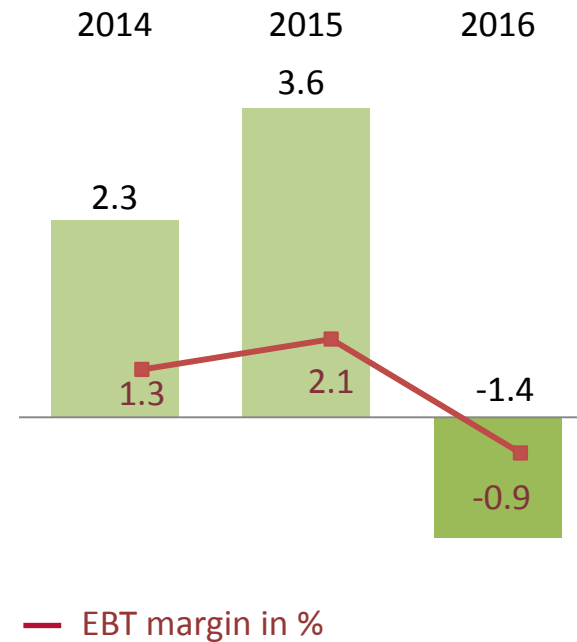


Beverage production/process technology: behind expectation

Revenue development 1st HY
(€ million)



EBT development 1st HY
(€ million)



Expansion of the component business

Strengthening the product portfolio for carbonated soft drinks applications and water treatment.

Regionalization of structure

Reorganisation started to handle volatile beer market

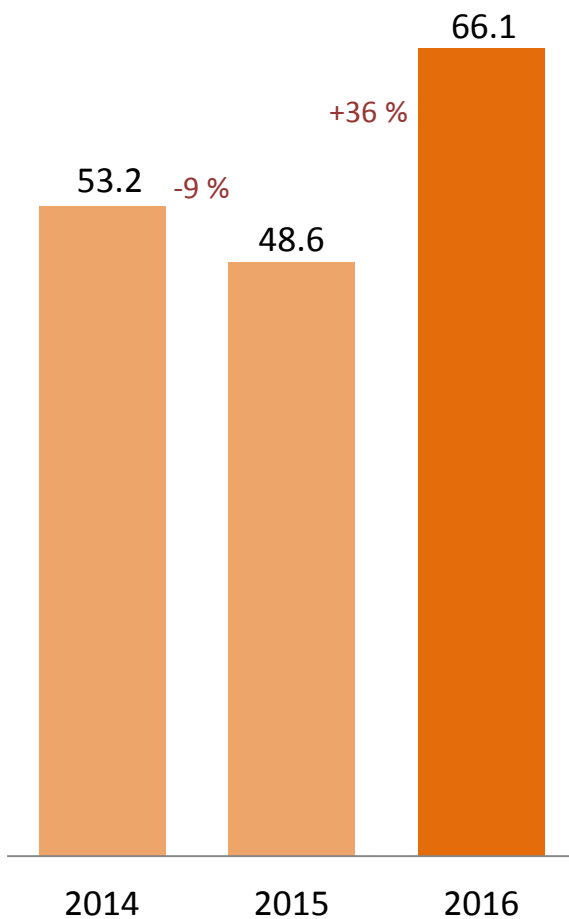
Midterm targets:
Growth 8 – 10 %; EBT margin 4 %

Machines and lines for the compact class

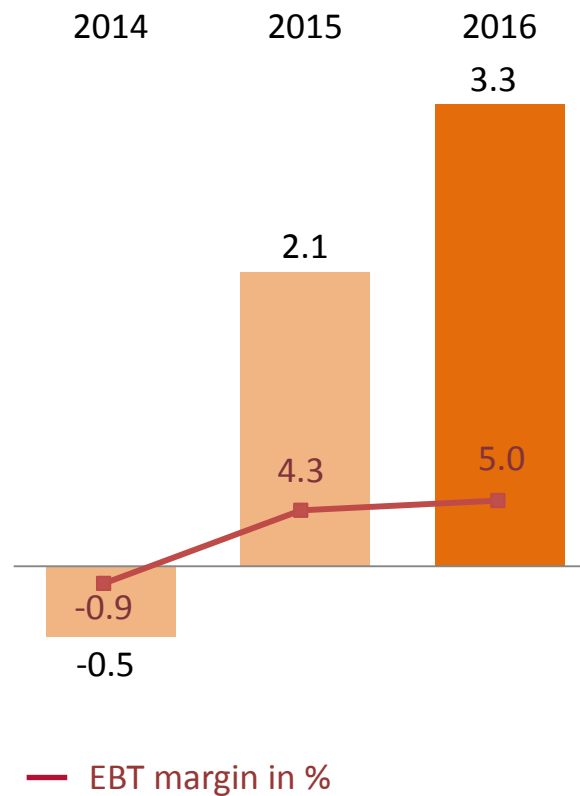


Compact class: further profitability

Revenue development 1st HY
(€ million)



EBT development 1st HY
(€ million)



Restructuring program finished
Set-up for profitable growth

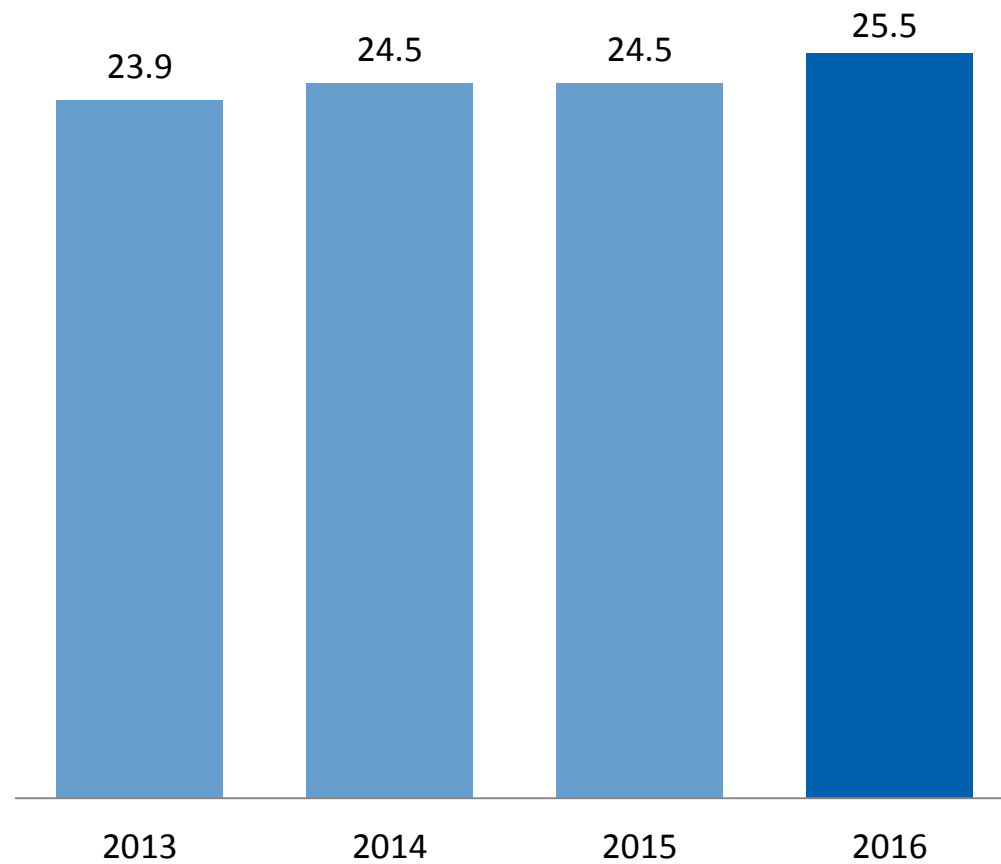
Focus on line business and blowing, filling and labelling machines

Further investment in sales and service structure

Midterm targets:
Growth 4 – 6 %; EBT margin 5 %

Working Capital target missed

Working Capital* in % of revenue (1st HY)



*LTM (Last Twelve Months)

ROCE* in % (1st HY)



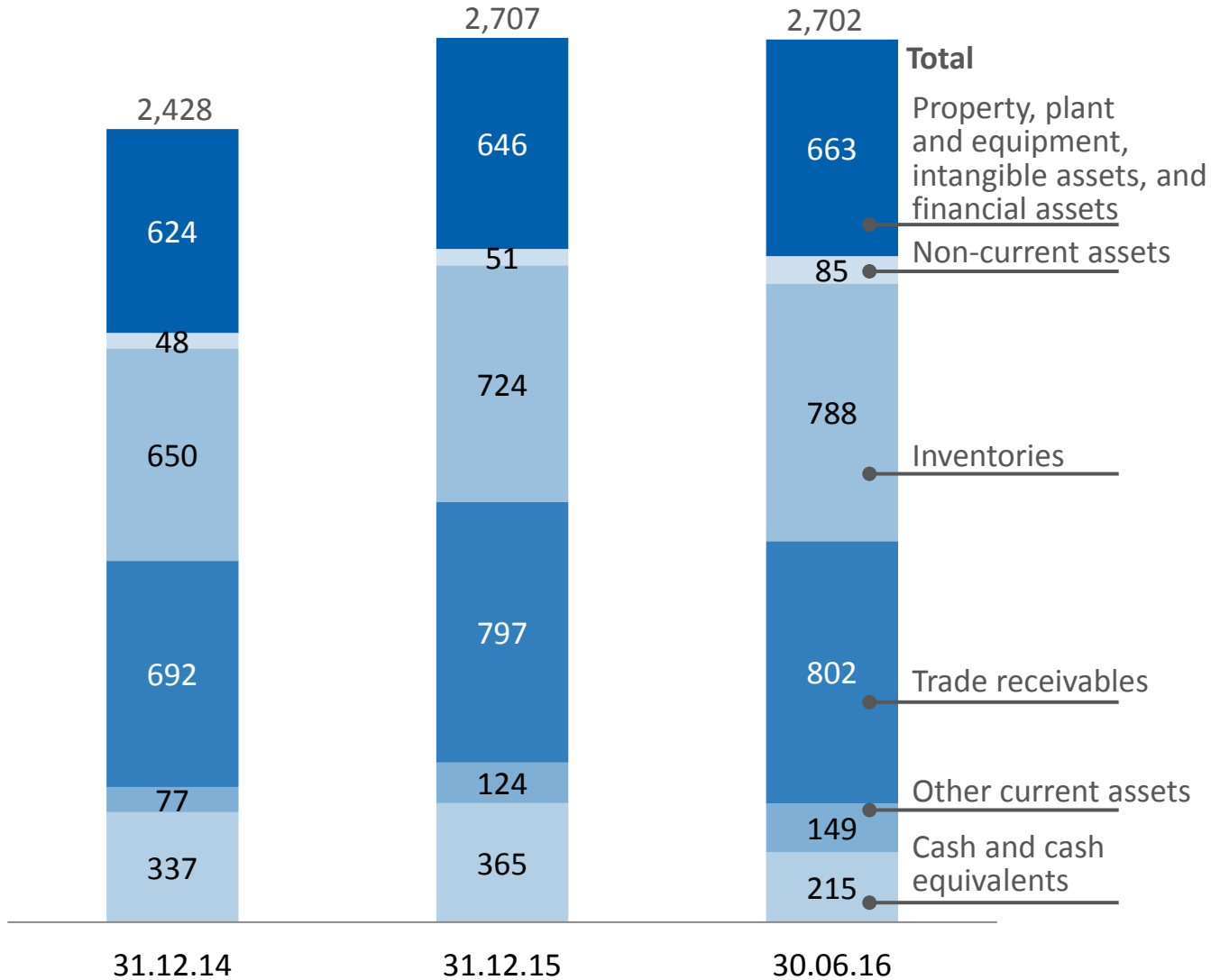
*LTM (Last Twelve Months)

High Working Capital caused negative Free cash flow

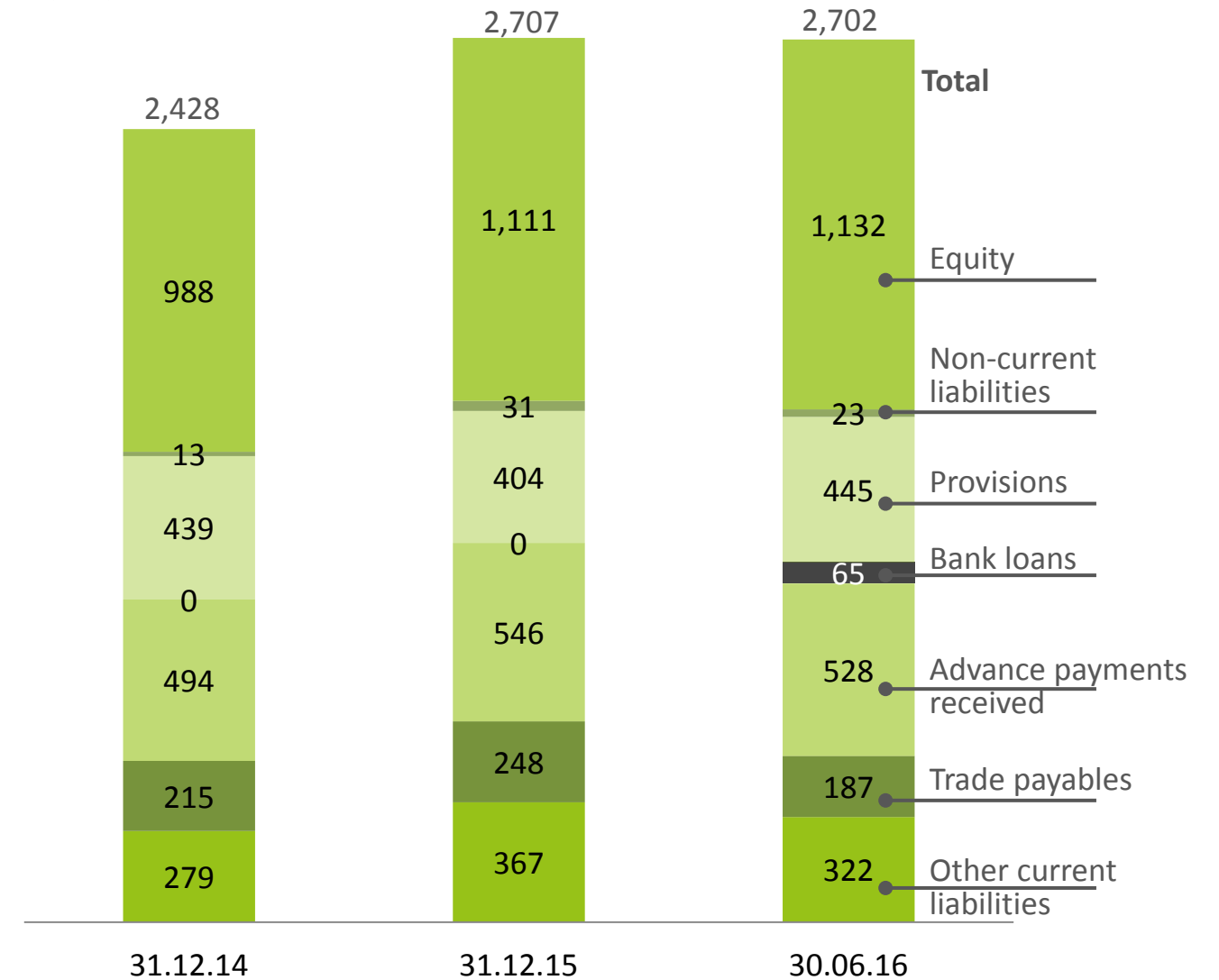
(€ million)	1st HY 2016	1st HY 2015
Earnings before taxes	107.3	104.1
+/- non-cash expenses and income	+70.6	+53.2
+/- change in Working Capital	-258.9	-112.8
+/- other (mainly tax payments)	-41.4	-21.1
Cash flow from operating activities	-122.4	23.4
+/- Capex, intangible assets and property plant and equipment	-34.1	-30.2
+/- other	-12.7	-15.2
Free cash flow	-169.2	-22.0
+/- Financing activities	+19.2	-39.5
Net change in cash	-150.0	-61.5
Cash at the end of period	214.6	274.9

Equity ratio at 41.9 %

Assets in € million



Equity and liabilities in € million



KRONES targets 2016

Revenue growth
Target: +3 %



EBT margin
Target: 7.0 %



ROCE
Target: 18 %



New/reelected Supervisory Board Members



Volker Kronseder
(Chairman of the Supervisory Board)



Hans-Jürgen Thaus
(reelected)



Philipp Graf von und zu Lerchenfeld
(reelected)



Prof. Dr. Susanne Nonnast
(new)



Norman Kronseder
(reelected)

Thank you
for your attention!

Financial Calender 2016

- 21.07.2016 Conference Call Group Q2 2016
- 21.07.2016 Interim Report as per June 30
- 26.10.2016 Conference Call Group Q3 2016
- 26.10.2016 Interim Report as per September 30



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