

Value   
*Profitable growth*

Conference Call  
January – September 2013  
October 24, 2013

## Highlights Q3/2013

### KRONES continues solid, profitable growth trend

- Revenue improved 7.1% from €1,897.6 million in the year-earlier period to €2,032.9 million in the first three quarters of 2013.
- KRONES generated an EBT margin of 5.8% in the period from January to September 2013.
- All three segments are on the right track to achieve their targets for 2013.
- KRONES confirms its growth and earnings target for 2013 and expects higher revenue and further improved profitability in 2014.

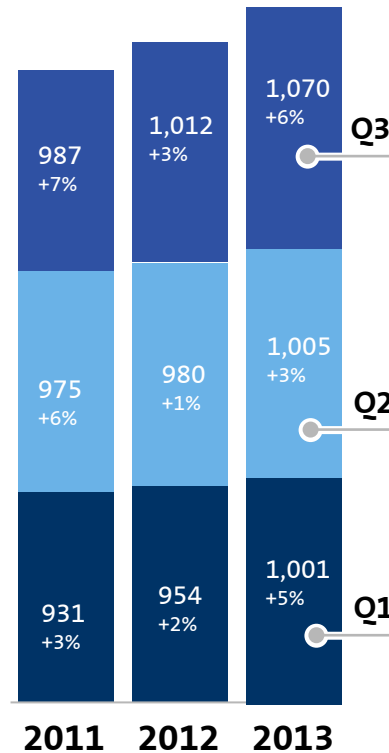
**KRONES is raising its earnings target for 2013 as a whole.  
The company is now targeting an EBT margin of 5.8% to 6.0%.**

## With 7% increase in Orders received KRONES is according to plan

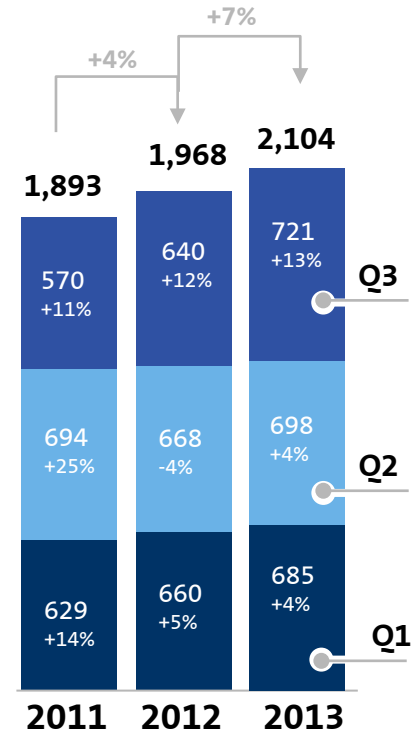
### Trend by region



### Orders on hand

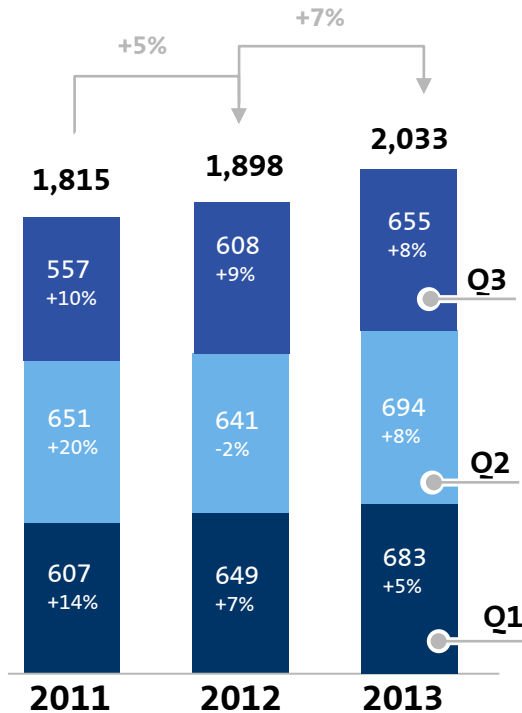


### Orders received



## Sales are increasing in Q1 – Q3 by 7.1%

### Sales

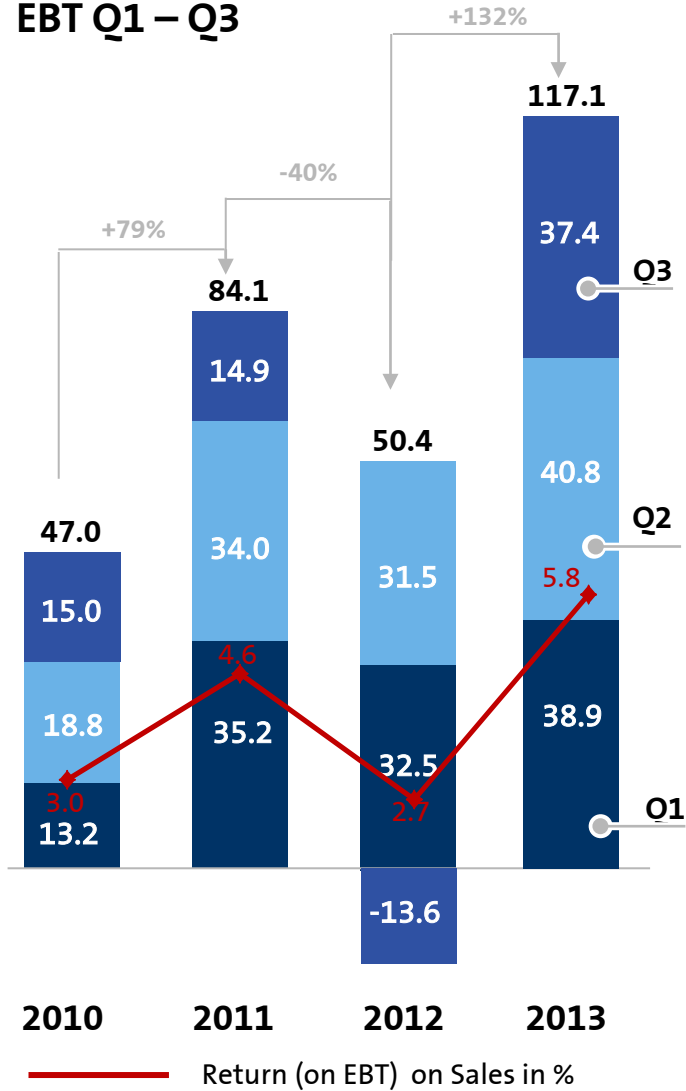


### Sales per Region (in mio. €)

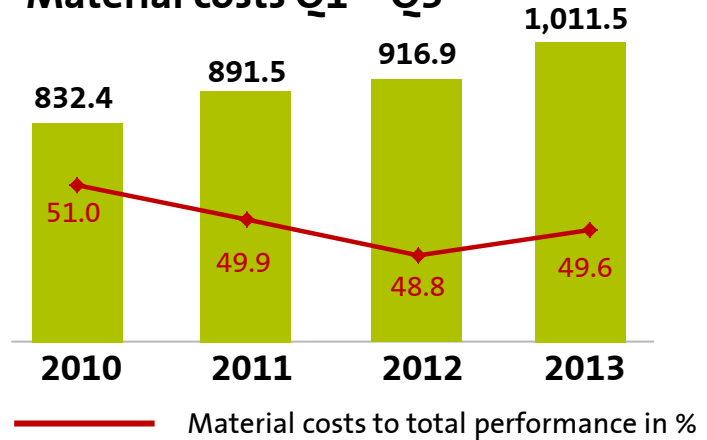
Germany	204.0	10.0 %
Central Europe	47.5	2.3 %
Western Europe	344.3	17.0 %
Eastern Europe	63.8	3.1 %
CIS/Central Asia	59.7	2.9 %
Middle East/Africa	352.0	17.4 %
Asia/Pacific	280.0	13.8 %
China	182.6	9.0 %
South America/Mexico	261.0	12.8 %
North America	238.0	11.7 %
<b>Σ</b>	<b>2,032.9</b>	<b>100.0 %</b>

## EBT-Margin is increasing significantly because of higher productivity

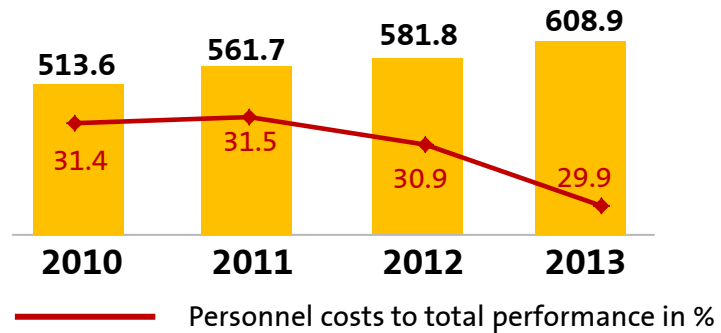
EBT Q1 – Q3



Material costs Q1 – Q3

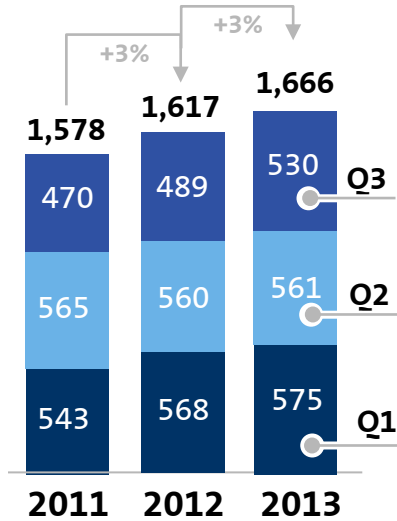


Personnel costs Q1 – Q3

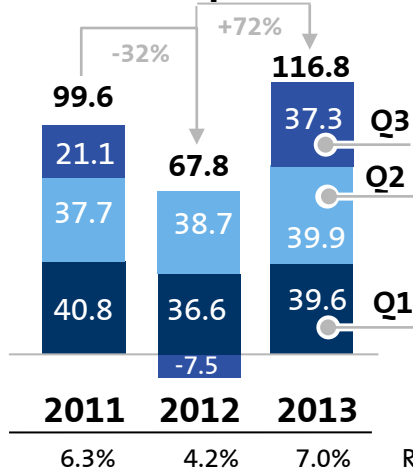


# Product bottling and –decoration: Improvement of profitability

## Sales development



## EBT development



## Key Topics 2013

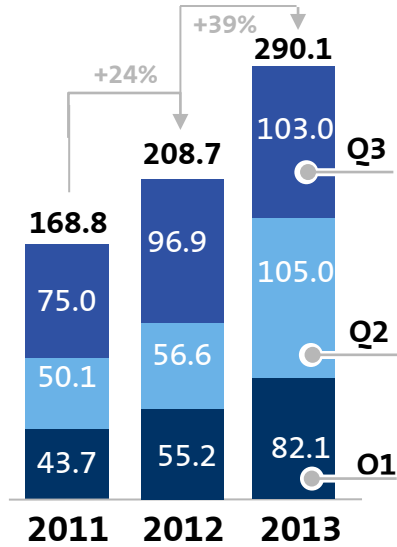
- Regionalization of the LCS business
- Cost reduction program to compensate future cost increases
- Expansion of modular production for dry part
- Global procurement strategy including low-cost countries
- Utilization of the new inhouse logistic concept

## Mid term targets:

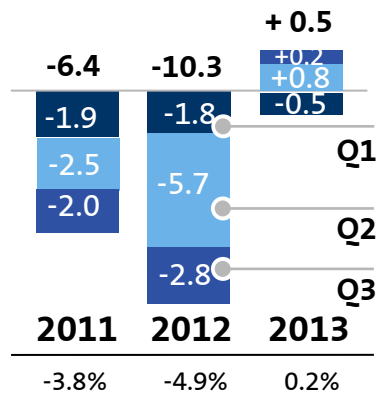
**Growth 4 – 6 %, EBT 8 %**

# Process technology: Strong sales growth and break-even

## Sales development



## EBT development



## Key Topics 2013

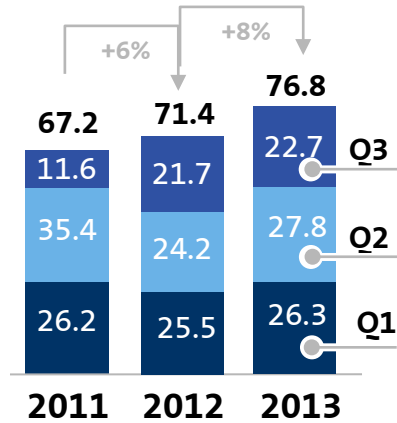
- Executed measures for the material flow technology and intralogistic
- Expansion of the component business (e.g. Evoguard Valve products)
- Extension of the product portfolio for process technology non-alcohol products
- Local structure of services for turnkey project

## Mid term targets:

**Growth 8 – 10 %, EBT 4 %**

# KOSME achieved break-even

## Sales development

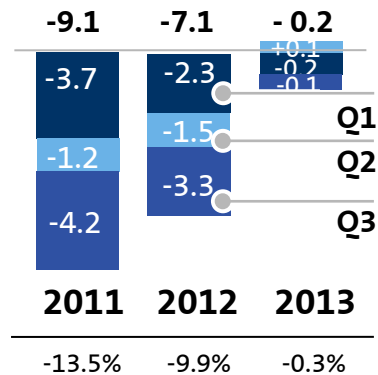


## Key Topics 2013

- Balanced production utilization during the year
- Further development of the LCS business
- Repositioning in the Food and Health care market



## EBT development



Target: 2013 a balanced earnings situation

Mid term targets:  
Flexible Infrastructure, EBT 3 %

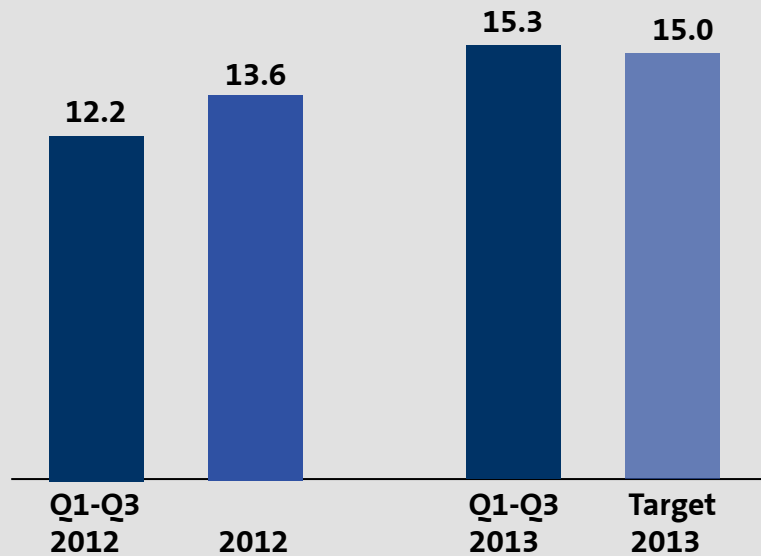
-13.5%   -9.9%   -0.3%   Return on Sales 9 months



## ROCE and Working Capital are on the right path

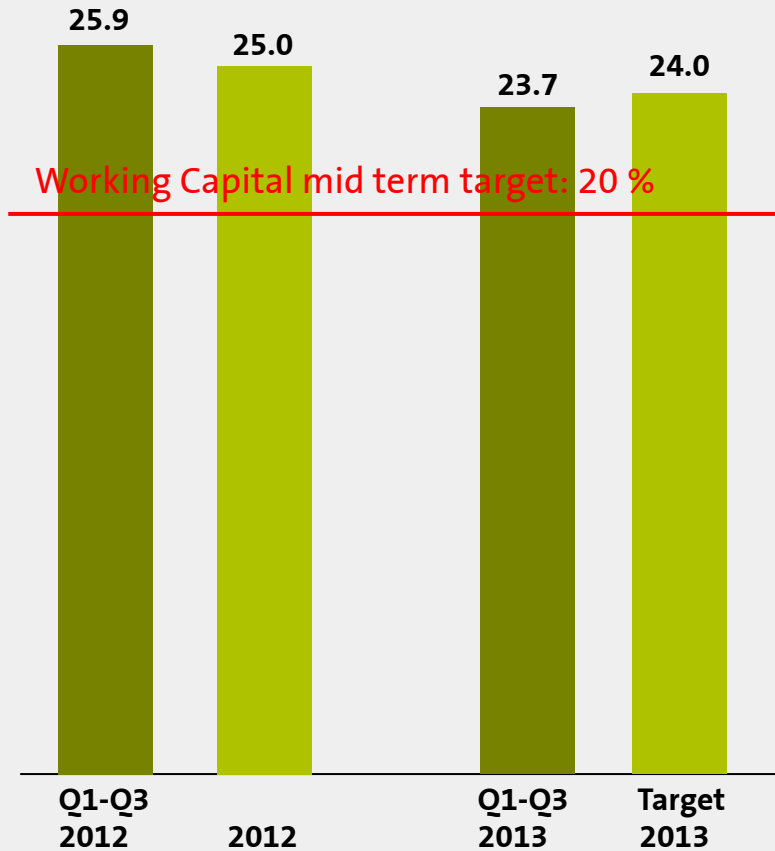
### ROCE in %

ROCE mid term target: 20 %



### Average Working Capital in % (to sales)

Working Capital mid term target: 20 %



## Free Cash flow stable at -62.6 €m

		Q1-Q3 2013	Q1-Q3 2012
Earnings before tax	in €m	117.1	50.4
+/- non-cash expenses and income	in €m	126.7	100.2
+/- change in Working Capital	in €m	-229.7	-135.7
+/- other (mainly tax payments)	in €m	-19.0	-22.6
<b>Cash flow from operating activities</b>	in €m	<b>-4.9</b>	<b>-7.7</b>
+/- Capex, mainly intangible Assets and property, plant and equipment	in €m	-57.7	-56.0
+/- other	in €m	0	3.4
<b>Free cash flow</b>	in €m	<b>-62.6</b>	<b>-60.3</b>
+/- Financing activities, include payments for dividends (23.7 m €)	in €m	51.4	41.7
Net change in cash	in €m	-11.1	-18.3
<b>Cash at the end of the period</b>	in €m	<b>121.8</b>	<b>107.2</b>

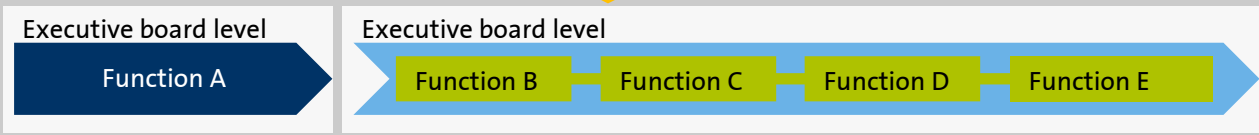
## New group organisation for more customer proximity and more efficient processes and structures

### Function-oriented organisation



### New structure

### Process-oriented organisation



The new organisation supports the growth and profitability targets of the value programme.



**The KRONES supervisory has appointed  
MARKUS TISCHER  
as a new board member as of January 1st 2014  
with the responsibility for  
International Services and Operations**

## Targets for 2013



KRONES' focus for 2013 within the Value strategy programme is on the pillars growth and profitability.

KRONES confident to achieve the three targets:

- Revenue growth of 4% (confirmed)
- EBT Margin 5.8% – 6.0% (raised, previous: over 5.5%)
- ROCE 15% (confirmed)

## Targets for 2014

KRONES' focus for 2014 within the Value strategy programme is on the pillars growth and profitability.

KRONES confident to achieve the three targets:

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







Thank you!

# Financial calendar

Balance Sheet  
Press Conference  
(Annual report 2013) 30.04.2014  
(Munich)

Interim report  
as per March 31th 2014 30.04.2014

Annual General Meeting 25.06.2014  
(Neutraubling)

Interim report  
as per June 30th 2014 23.07.2014

Interim report  
as per September 30th 2014 23.10.2014



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