

KRONES Group

Q2

Interim report for the period
from 1 January to 30 June 2019

 **KRONES**



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Highlights and key figures

High costs and unfavourable product mix impact profitability at KRONES in first half of 2019

- Revenue, at €1,889.3 million, is 5.5% higher than in the previous year. Adjusted for acquisition and currency effects, the growth figure is 1.8%. Order intake is up 1.2% to €2,038.6 million.
- High costs and unfavourable product mix impact profitability. EBT is down 57.5% to €47.9 million. The EBT margin went down from 6.3% to 2.5%.
- The Executive Board forecasts an EBT margin of approximately 3% for 2019 and is working on further structural changes for a sustained improvement in earnings.
- KRONES is maintaining its mid-term targets.

Key figures for H1 2019		1 Jan – 30 Jun 2019	1 Jan – 30 Jun 2018	Change
Revenue	€ million	1,889.3	1,790.8	+5.5%
Order intake	€ million	2,038.6	2,014.8	+1.2%
Orders on hand at 30 June	€ million	1,410.4	1,464.1	-3.7%
EBITDA	€ million	116.9	157.3	-25.7%
EBITDA margin	%	6.2	8.8	-2.6 PP*
EBIT	€ million	47.5	109.7	-56.7%
EBT	€ million	47.9	112.7	-57.5%
EBT margin	%	2.5	6.3	-3.8 PP*
Consolidated net income	€ million	33.3	76.9	-56.7%
Earnings per share	€	1.06	2.45	-
Capital expenditure for PP&E and intangible assets	€ million	91.4	58.5	+€32.9 million
Free cash flow	€ million	-259.4	-56.2	-€203.2 million
Net cash and cash equivalents at 30 June**	€ million	-108.7	49.7	-€158.4 million
Working capital to revenue***	%	26.0	28.8	-2.8 PP*
ROCE	%	5.5	15.5	-10.0 PP*
Employees at 30 June				
Worldwide		17,128	15,568	+1,560
Germany		10,764	10,376	+388
Outside Germany		6,364	5,192	+1,172

Key figures for Q2 2019		1 Apr – 30 Jun 2019	1 Apr – 30 Jun 2018	Change
Revenue	€ million	905.8	899.1	+0.7%
Order intake	€ million	997.0	1,022.4	-2.5%
EBITDA	€ million	30.9	78.4	-60.6%
EBITDA margin	%	3.4	8.7	-5.3 PP*
EBIT	€ million	-4.3	54.2	-
EBT	€ million	-3.6	56.5	-
EBT margin	%	-0.4	6.3	-6.7 PP*
Consolidated net income	€ million	-3.0	38.2	-
Earnings per share	€	-0.09	1.22	-

* PP = percentage points ** Cash and cash equivalents less debt *** Average of last 4 quarters

Letter from the **Executive Board**

Dear shareholders and friends of **KRONES**,

The second quarter was influenced by difficult economic conditions. Uncertainties such as the unresolved trade conflict between China and the USA and the debate about the sustainability of PET packaging eroded our customers' investment confidence. Despite these factors, **KRONES** still achieved satisfactory revenue growth of 5.5% in the first half of 2019. In contrast, earnings before taxes (EBT) for that period were well below expectations, falling 57.5% to €47.9 million. Profitability was affected by high material costs, an unfavourable product mix and temporarily weaker demand in parts of the after-sales business. For the year 2019, **KRONES** now expects an EBT margin of around 3% instead of previously 6%. The company continues to expect revenue growth of 3%.

We are aware that we need to make changes. The Executive Board has therefore taken further action to counter the negative impacts on earnings. We are progressing well with the expansion of our global footprint. The new plant in Hungary is thus fully on schedule and on budget.

The strategic measures launched to date, such as the price increases and expansion of our global footprint so far, are not enough for the earnings targets to be attained on a long term basis. The Executive Board is therefore currently working on further structural changes for a sustained increase in profitability. These changes focus on reducing complexity, rapid response to market needs and shaping an even more customer-centric business organization.

The situation is challenging and it will stay that way for the foreseeable future. But there are also upsides: **KRONES** serves a globally growing market. To make use of these opportunities, we must move quickly and be flexible in the various markets we serve. The current debate about PET packaging, as with the digitalisation of beverage plants, thus also presents **KRONES** with new opportunities for innovative solutions.



Christoph Klenk
CEO

The KRONES share

International stock markets benefit in first half of 2019 from low interest rates

Share prices went up on the main international stock markets in the first six months of 2019. However this positive trend was broken several times by sharp price corrections. These were mostly set off by negative news about the trade conflict between the USA and China. Overall, however, positive factors won out. Most notable among these is the favourable interest rate environment. Long-term bond yields fell both in the USA and in Europe over the first half of 2019. The US Federal Reserve and the European Central Bank additionally indicated that they plan to apply expansionary monetary policy going forward. This bolstered confidence among equity investors.

The leading German share index, the DAX, rose 17.4% between January and June 2019 to close at 12,400 points. It thus gained more strongly than other major international share indices. The Euro Stoxx 50, comprising the 50 largest companies in the euro area, went up 15.8%. The leading US stock market index, the Dow Jones, was on record course, climbing 14.0% in the first half of 2019. By comparison, the upward trend on the Japanese stock market was significantly less dynamic. The Nikkei index rose by just 6.3% in the first six months of 2019.

KRONES share price affected by weak business performance

The KRONES share price fluctuated sharply during the first half of 2019. This partly reflected the overall market. The publication of financial results that fell short of analysts' expectations also caused swings in the share price. For example, KRONES shares came under pressure for a short time on 21 February after announcement of the preliminary figures for 2018. The share price fell to €63.80 in the course of the day, its lowest level in the first half of 2019. It quickly

recovered from this temporary weakness, however, and went over to a solid upward trend. KRONES shares reached their high point for the reporting period at €88.85 on 18 April. This marked a gain of 32% on the opening price at the beginning of the year.

Due to the weak performance of KRONES shares in the second quarter, the share price underperformed the SDAX from January to June.

KRONES share price from 1 January to 30 June 2019



Nevertheless, the KRONES share price moved increasingly away from these price regions over the remainder of the reporting period. This was partly due to the figures for the first quarter of 2019, which the company published at the end of April. The main source of disappointment for the capital market was profitability. However, the general market correction triggered by the trade conflict between China and the USA also had an effect on the KRONES share price. At the end of June, KRONES shares stood at €70.95, 5.1% higher than at the beginning of the year. Including the dividend of €1.70 per share, the share price gain was 7.6%. The SDAX, of which KRONES has been a component since 18 June 2018, went up by 19.7% in the same period.

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Economic environment

Trade conflicts negatively impacting the global economy

Due to trade conflicts and other economic uncertainties, the International Monetary Fund lowered its 2019 global growth forecast in April from 3.3% to 3.2%.

Global growth prospects have deteriorated over recent quarters. This is due to numerous sources of uncertainty including the simmering trade dispute between the USA and China and the fact that Brexit still remains unresolved. In view of these negative impacts, International Monetary Fund (IMF) experts further lowered their growth forecasts for 2019 in late July after having already revised them downwards this January and again in April. The IMF now expects the global economy to grow by 3.2% in 2019. This forecast had stood at 3.3% in April and 3.5% in January.

In its July outlook, the IMF slightly increased its 2019 growth forecast for mature industrialised economies to 1.9%. The April estimate had been 1.8%. After a good first quarter, the experts are more confident about the USA in particular and have raised their forecast for gross domestic product (GDP) growth from 2.3% in April to 2.6%. For the euro area, which according to the IMF is weighed down by political and regulatory uncertainties, the experts confirmed their reduced April estimate of 1.3%. The growth forecast for the German economy was lowered once again in July, from 0.8% to 0.7%. In Europe, particularly weak growth is expected for Italy. The estimate there is for 0.1% GDP growth in 2019. Very moderate growth is also expected in 2019 for the Japanese economy. The IMF dialled back the growth forecast there from 1.0% to 0.9%.

Also in its July outlook, the IMF significantly lowered its 2019 growth forecast for emerging markets. GDP in emerging and developing economies is now expected to grow by just 4.1% in 2019 compared with 2018 (April estimate: 4.4%). The trade conflicts are leaving their mark on Asian economies in particular. This region is nevertheless set for above-average growth in 2019, most of all in China (6.2% growth) and India (7.0% growth). The IMF significantly reduced its growth forecast for the Middle East/North Africa region in July relative to April, from 1.5% to 1.0%. The experts also show little optimism for Latin America. Mainly because of the significantly worse outlook for the Argentine and Brazilian economies, the IMF now expects 0.6% GDP growth for the region (April forecast: 1.4%).

German machinery sector expects lower output in 2019

The geopolitical upheavals are also affecting investment confidence in the German machinery sector. German mechanical engineering orders and production thus weakened significantly in the first few months of this year. There is also no sign of improvement looking ahead. The German Mechanical Engineering Industry Association (VDMA) consequently now expects output to fall by 2% in real terms. VDMA economists had previously forecast that output would grow by 1%.

Order intake in mechanical engineering was 9% down year-on-year in the first five months of this year.

Revenue

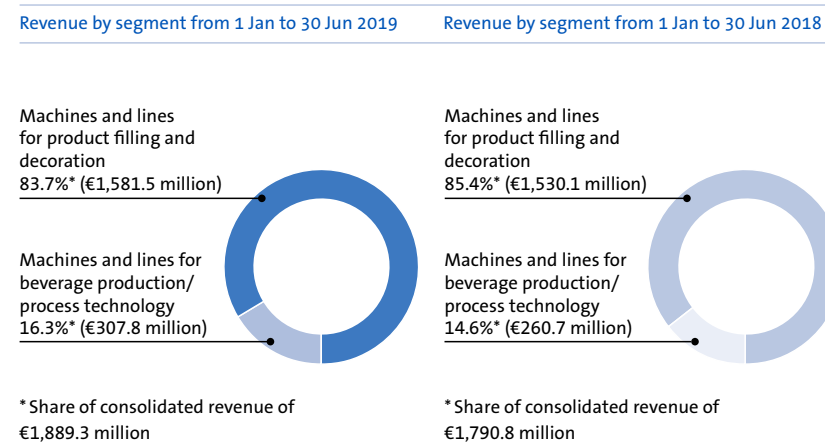
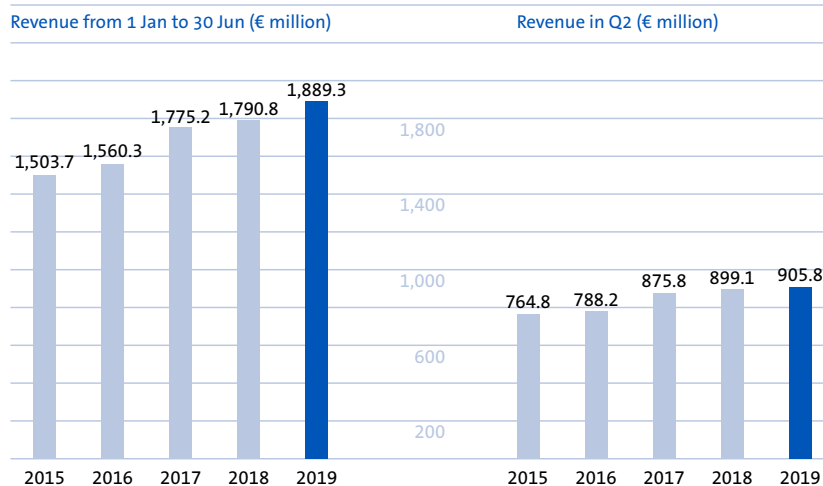
KRONES' revenue up 5.5% in first half of 2019

KRONES' growth rate slowed in the second quarter. In the first six months of 2019, revenue increased by a total of 5.5%. For 2019 as a whole, KRONES expects growth of 3%.

The difficult economic conditions and uncertainties such as the unresolved trade conflict between China and the USA increasingly affected KRONES' business in the first half of 2019. After strong growth in the first quarter (by 10.3%), revenue from April to June increased by 0.7% year-on-year, from €899.1 million to €905.8 million. In total, the company's revenue from

January to June 2019 improved by 5.5%, from €1,790.8 million in the previous year to €1,889.3 million. The increase mainly related to the new and used machinery business. Adjusted for acquisition and currency effects, growth in the first half of 2019 was 1.8%.

Partly in view of the stable general market trend, we expect that growth in the second half of 2019 will be at a similar rate to the second quarter. Overall, the company expects revenue for the full year 2019 to increase by 3% compared with 2018.



Revenue by region

Quarterly revenue figures for the various regions are generally not very meaningful because orders and revenue can fluctuate significantly from one quarter to the next.

In the first half of 2019, the company's revenue in Germany climbed by 65.0% year-on-year to €258.0 million. The percentage of consolidated revenue generated by KRONES in Germany between January and June increased from 8.7% a year earlier to 13.7%.

In Europe (excluding Germany), business performance was stable overall for KRONES in the first half of 2019. Revenue in the large Western Europe sales region decreased by 22.8% to €249.4 million. KRONES has a very large installed base in this region and postponed service orders there consequently have a disproportionately large effect. There was strong revenue growth in Central Europe (Austria, Switzerland and the Netherlands). At €155.0 million, revenue there exceeded the prior-year figure by 48.8%. KRONES' Eastern European business continued to recover while benefiting from the general improvement in the regional economic situation. Revenue in Eastern Europe rose by 35.4% year-on-year to €113.2 million in the first half of 2019. Business in the Russia/CIS region was better in the second quarter than in the first quarter of the year. Revenue in the first half of 2019, however, at €34.7 million, was 15.8% down on the previous year. In total, KRONES generated revenue of €552.3 million in Europe (excluding Germany) between January and June 2019. Revenues thus hardly changed compared with the previous year (€552.1 million). As a percentage of consolidated revenue in the first six months, this represented a decrease from 30.8% a year earlier to 29.2%.

KRONES' business in the Middle East/Africa settled down in the reporting period. In past years, the company recorded sometimes rapid growth in this region. From January to June 2019, revenue decreased by 15.6% to €219.0 million. This contrasts with developments in China. After a temporary lull, business

there is picking up again. Revenue in China improved by 27.9% in the first half of 2019 to €155.8 million. Revenue growth in the remainder of the Asia/Pacific region was less dynamic. At €231.9 million, it was 2.3% higher in the reporting period than in the previous year.

KRONES Group revenue by region

Share of consolidated revenue	1 Jan to 30 Jun 2019		1 Jan to 30 Jun 2018		Change %
	€ million	%	€ million	%	
Germany	258.0	13.7	156.4	8.7	+65.0
Central Europe (excluding Germany)	155.0	8.2	104.2	5.8	+48.8
Western Europe	249.4	13.2	323.1	18.0	-22.8
Eastern Europe	113.2	6.0	83.6	4.7	+35.4
Russia, Central Asia (cis)	34.7	1.8	41.2	2.3	-15.8
Middle East/Africa	219.0	11.6	259.4	14.5	-15.6
Asia-Pacific	231.9	12.3	226.7	12.7	+2.3
China	155.8	8.2	121.8	6.8	+27.9
South America/Mexico	191.2	10.1	227.4	12.7	-15.9
North and Central America	281.1	14.9	247.0	13.8	+13.8
Total	1,889.3	100.0	1,790.8	100.0	+5.5

In the North and Central America region, revenue climbed 13.8% year-on-year to €281.1 million in the first half of 2019. Revenue in South America/Mexico decreased by 15.9% to €191.2 million in the reporting period. This must be seen in context of the relatively high prior-year figure, however.

KRONES retained its balanced revenue spread overall in the first half of 2019. The proportion of revenue generated in emerging markets decreased from 53.6% in the prior-year period to 50.1% in the first half of 2019. KRONES generated 49.9% of revenue in mature industrialised countries (previous year: 46.4%).

Order intake and orders on hand

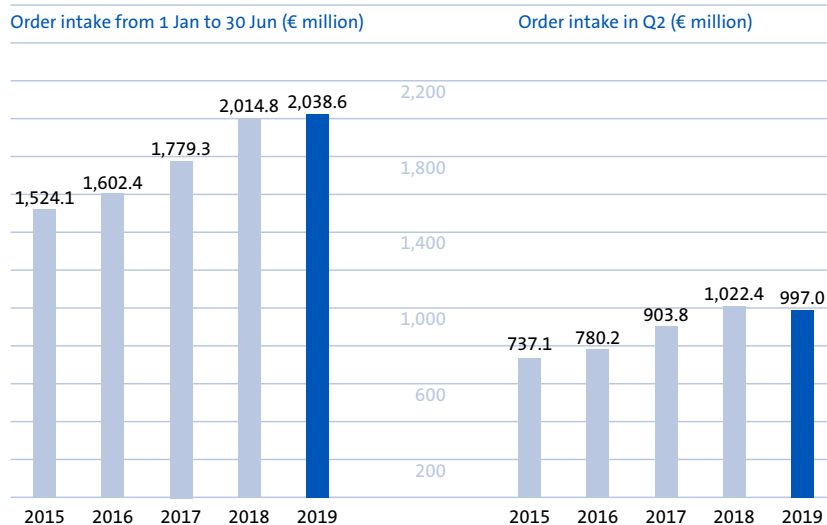
Order intake in first six months of 2019 slightly above prior-year level

The contract value of orders at KRONES increased by 1.2% year-on-year from January to June 2019.

The slowdown in the economy and the uncertain economic outlook are also affecting investment confidence among KRONES' customers. We experienced weak demand in parts of our portfolio

between April and June 2019. KRONES was largely able to compensate for this, however, due to its broad product range. The contract value of orders dropped only slightly in the second quarter, decreasing by 2.5% from the high prior-year figure of €1,022.4 million to €997.0 million.

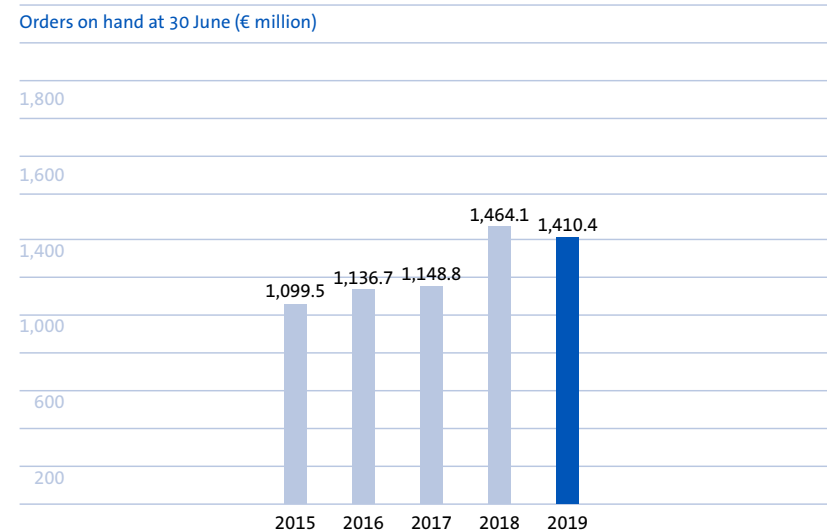
Order intake from January to June 2019 increased by 1.2%, from €2,014.8 million to €2,038.6 million. Adjusted for acquisition effects, the contract value of orders increased by 0.4% in the first six months of 2019.



KRONES recorded above-average growth in order intake in North America, South America and China. Order intake was down in Europe and steady in other regions.

Order backlog remains at high level

KRONES had €1,410.4 million in orders on hand at the end of June 2019. This represents a slight decrease of 3.7% compared with a year earlier (€1,464.1 million). The order backlog nevertheless remains at a high level and provides a solid basis for KRONES to attain its targeted growth for 2019.



Earnings

High costs and unfavourable product mix impact profitability at KRONES

KRONES generated an EBT margin of 2.5% from January to June 2019 (previous year: 6.3%). The full year forecast for 2019 is approximately 3%.

in particular, revenue was lower than expected on products with a large proportion of own value added, such as machines and lines in plastics technology. That led to capacity underutilisation in this area. Another major reason for the lower earnings is that revenue in the high-margin after-sales business was

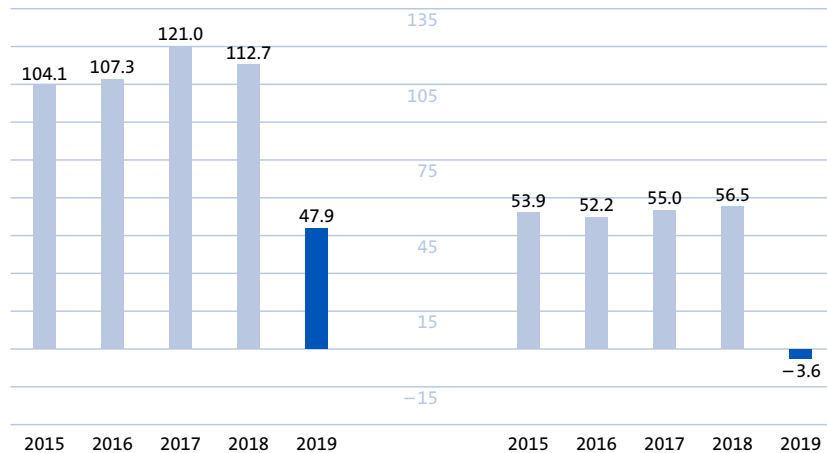
Earnings before taxes (EBT) decreased year-on-year in the first half of 2019, from €112.7 million to €47.9 million. The EBT margin dropped from 6.3% to 2.5%. KRONES' profitability was impacted by high material and labour costs. In the second quarter of 2019

above 2018 but below budget in the first half of 2019. KRONES had also expected that the weaker economic activity in other industry sectors would slightly ease material costs in 2019. Moreover, the additional measures taken by KRONES to reduce material costs are not taking effect as quickly as expected

KRONES generated consolidated net income of €33.3 million from January to June 2019 (previous year: €76.9 million). This corresponds to earnings per share of €1.06 (previous year: €2.45). EBT fell from €56.5 million in the previous year to –€3.6 million between April and June. The EBT margin decreased to –0.4% (previous year: 6.3%). Consolidated net income came to –€3.0 million (previous year: €38.2 million). Earnings per share went down from €1.22 in the previous year to –€0.09 in the second quarter of 2019.

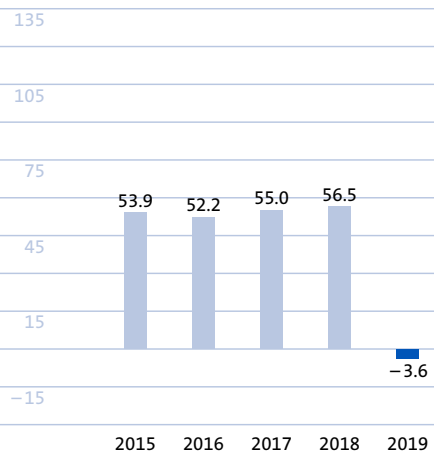
Earnings before taxes (EBT) from 1 Jan to 30 June

(€ million)

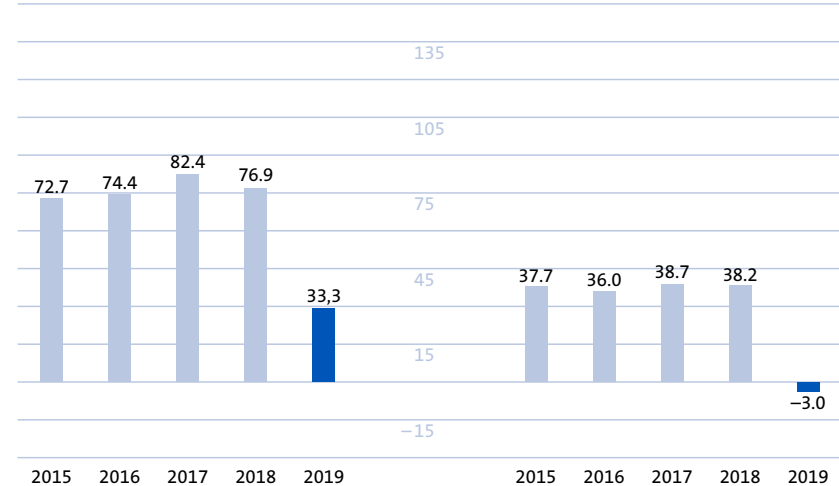


Earnings before taxes (EBT) in Q2

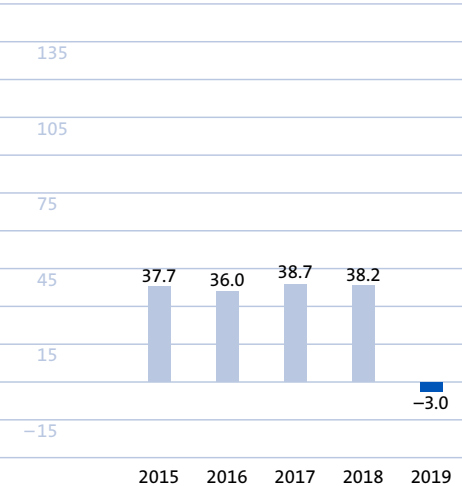
(€ million)



Net income from 1 Jan to 30 Jun (€ million)



Net income in Q2 (€ million)

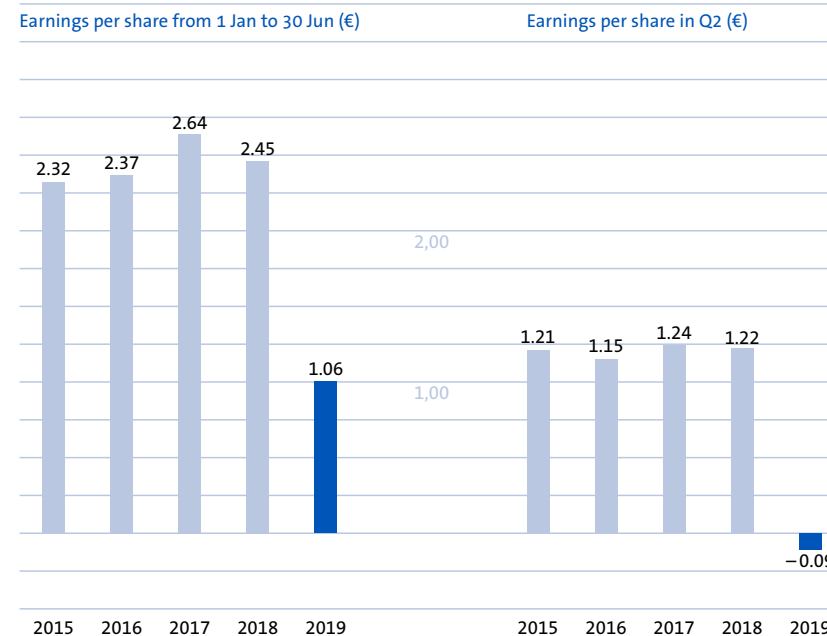


KRONES Group earnings structure

€ million	2019 1 Jan – 30 Jun	2018 1 Jan – 30 Jun	Change %
Revenue	1,889.3	1,790.8	+5.5
Changes in inventories of finished goods and work in progress	20.0	14.7	+36.0
Total operating performance	1,909.3	1,805.5	+5.7
Goods and services purchased	– 974.4	– 896.2	+8.7
Personnel expenses	– 641.7	– 574.4	+11.7
Other operating income/expenses and own work capitalised	– 176.3	– 177.6	– 0.7
EBITDA	116.9	157.3	– 25.7
Depreciation and amortisation on fixed assets	– 69.4	– 47.6	+45.8
EBIT	47.5	109.7	– 56.7
Financial income/expense and profit/loss from equity-accounted associates	0.4	3.0	– 86.7
EBT	47.9	112.7	– 57.5
Income tax	– 14.6	– 35.8	– 59.2
Consolidated net income	33.3	76.9	– 56.7

KRONES' total operating performance increased by 5.7% year-on-year to €1909.3 million from January to June 2019 and thus by a slightly higher proportion than revenue, which went up by 5.5% to €1,889.3 million. This was because KRONES increased inventories of finished goods and work in progress by €20.0 million in the reporting period, in contrast to the previous year when these increased by a smaller increment of €14.7 million.

While sales and total operating performance were still satisfactory in the first half of the year, profitability was negatively impacted by continued high material and labour costs and an unfavourable product mix. This is reflected in goods and services purchased, which climbed 8.7% to €974.4 million from



January to June 2019. The ratio of goods and services purchased to total operating performance increased from 49.6% in the previous year to 51.0% in the reporting period.

Large increases in material and labour costs and an unfavourable product mix put pressure on KRONES' profitability in the first half of 2019.

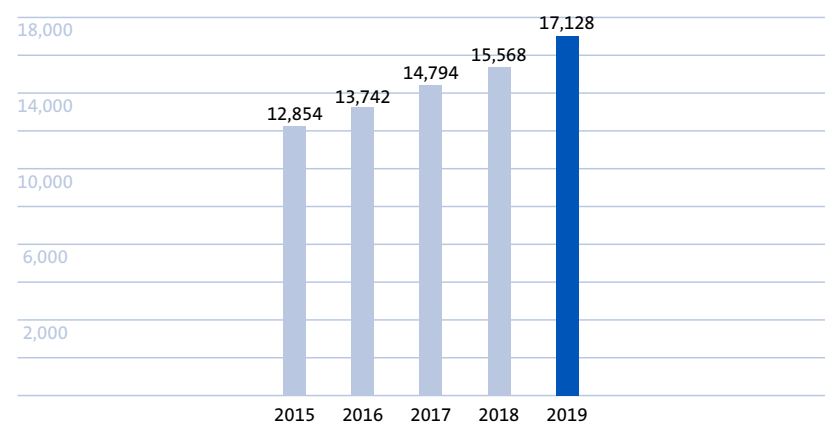
Personnel expenses rose significantly more strongly in the first half of 2019 than total operating performance. At €641.7 million, they were 11.7% higher than in the prior-year period. This relates to pay rises under collective agreements, the expansion of the international workforce, notably in Hungary, and acquisitions. The ratio of personnel expenses to total operating performance went up from 31.8% in the previous year to 33.6%.

The net balance of other operating income and expenses and own work capitalised changed only slightly from –€177.6 million in the prior-year period to –€176.3 million in the reporting period. As a percentage of total operating performance, this represented a decrease from 9.8% to 9.2%. At €69.4 million, depreciation and amortisation of fixed assets was significantly higher than the prior-year figure of €47.6 million. As well as high capital expenditure in the preceding years, this is due to the application of the new IFRS 16 Leases, as a result of which depreciation and amortisation increased by €16 million.

Earnings before interest and taxes (EBIT) decreased by 56.7% to €47.5 million in the first half of 2019, due primarily to the higher material and labour costs and higher depreciation and amortisation. EBITDA (earnings before interest, taxes, depreciation and amortisation) went down from €157.3 million to €116.9 million. Because financial income/expense and profit/loss from equity-accounted associates also lower (€0.4 million versus €3.0 million in the previous year), earnings before taxes (EBT) in the first half of 2019 were down 57.5% to €47.9 million (previous year: €112.7 million). This results in an EBT margin of 2.5%, compared with 6.3% in the previous year. The tax rate improved year-on-year from 31.8% to 30.5%. Consolidated net income for the reporting period was €33.3 million (previous year: €76.9 million).

Employees

KRONES employees worldwide at 30 June



KRONES employs 17,128 people worldwide

For enhanced proximity to customers, KRONES is expanding its global footprint. This is reflected in above-average growth in the workforce outside of Germany.

KRONES' workforce increased by 1,560 year-on-year to 17,128 as of 30 June 2019. By far the largest share of the growth in the headcount relates to the international workforce. The number of KRONES employees outside of Germany at the end of June 2019 was 6,364, marking an increase of 1,172 on a year earlier (5,192). This partly reflects acquisitions as well as the establishment of our plant in Hungary. The number of people employed in Germany rose by 388 to 10,764. This also includes acquisitions. The German headcount showed a slight decrease (by 123) on the end of the 2018 financial year. To ensure a sufficient pool of qualified employees for the long term, we invest heavily in training and employee development. As of 30 June 2019, KRONES had 443 young people in training in Germany.

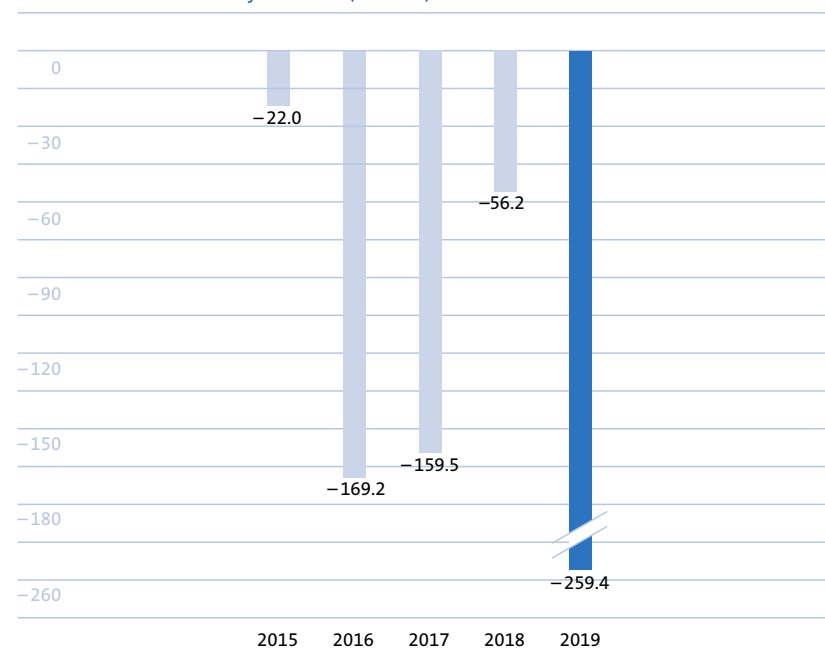
Cash flow

KRONES Group cash flow

€ million	2019 1 Jan–30 Jun	2018 1 Jan–30 Jun
Earnings before taxes	47.9	112.7
Other non-cash changes	+102.0	+82.0
Changes in working capital	–270.3	–79.1
Changes in other assets and liabilities	–17.2	–109.5
Cash flow from operating activities	–137.6	6.1
Capital expenditure for PP&E and intangible assets	–91.4	–58.5
M&A activities	–29.3	–7.3
Other	–1.1	+3.5
Free cash flow	–259.4	–56.2
Cash flow from financing activities	+181.1	+56.7
Other	+3.8	+2.2
Net change in cash and cash equivalents	–74.5	2.7
Cash and cash equivalents at the end of the period	144.3	184.7

KRONES cash flow from operating activities was –€137.6 million in the first half of 2019. This is significantly below the €6.1 million positive prior-year figure. One contributing factor was the decrease in earnings after taxes (EBT), which went down from €112.7 million to €47.9 million. The increase in working capital, at €270.3 million, was also considerably larger than the €79.1 million in the previous year. It must be borne in mind, however, that working capital began from a very low base at the 2018 year-end. The increase in other assets and liabilities had a €17.2 million impact on cash flow in the reporting period, compared with €109.5 million in the prior-year period.

Free cash flow from 1 January to 30 June (€ million)



Ratio of working capital to revenue improved to 26.0%

KRONES improved average working capital over the past four quarters as a percentage of revenue to 26.0% in the reporting period, compared with 28.8% in the prior-year period. The working capital to revenue ratio was 27.5% as of the reporting date (previous year: 29.0%).

Average working capital as a percentage of revenue over the past four quarters improved from 28.8% to 26.0%.

OF OPERATIONS

Cash flow

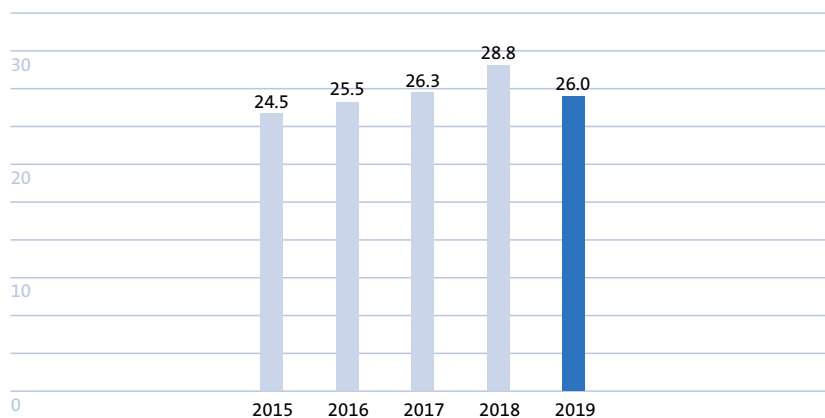
KRONES invested heavily in the first half of 2019. This too is reflected in the development of free cash flow.

KRONES invested €91.4 million in property, plant and equipment and intangible assets in the reporting period (previous year: €58.5 million). Most of the capital expenditure was incurred at locations in Germany and in Hungary. An additional €29.3 million was spent on business acquisitions in the first half year. Free cash flow (net cash generated from operating activities) went down by €203.2 million to –€259.4 million from January to June 2019. Adjusted for acquisitions, operating free cash flow came to –€230.1 million, compared with –€48.9 million in the previous year. It is

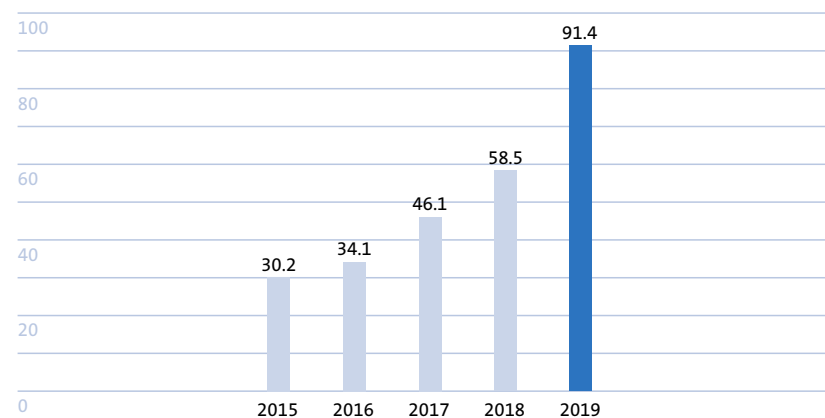
not unusual for our business for free cash flow to be negative in the first two quarters due to seasonal reasons.

Cash flow from financing activities was €181.1 million (previous year: €56.7 million). In the reporting period, this item includes the dividend payout of €53.7 million (previous year: €53.7 million) as well as €249.3 million in proceeds from new borrowing (previous year: €110.4 million). As a result, KRONES had cash and cash equivalents totalling €144.3 million at 30 June 2019 (previous year: €184.7 million).

KRONES Group working capital to revenue from 1 January to 30 June (%) (LTM)



Capital expenditure for PP&E and intangible assets from 1 Jan to 30 Jun (€ million)



Assets and capital structure

KRONES Group asset and capital structure

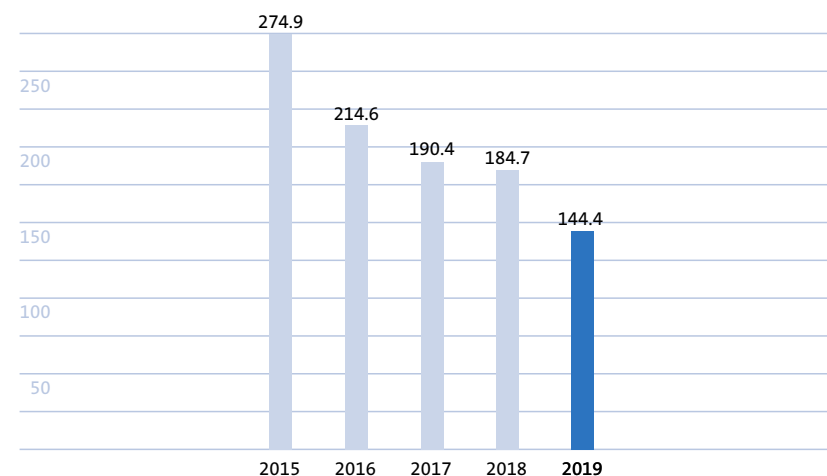
€ million	30 Jun 2019	31 Dec 2018	30 Jun 2018	31 Dec 2017
Non-current assets	1,144	1,010	898	882
of which fixed assets	1,059	936	814	797
Current assets	2,266	2,312	2,208	2,158
of which cash and equivalents	144	219	185	182
Equity	1,423	1,433	1,355	1,330
Total debt	1,987	1,888	1,751	1,710
Non-current liabilities	417	359	331	314
Current liabilities	1,570	1,529	1,420	1,396
Total	3,410	3,321	3,106	3,040

At 2.7%, the increase in KRONES' total assets was smaller than the rise in total operating performance (5.7%).

At 2.7%, the increase in KRONES' total assets in the first half of 2019 was smaller than the rise in total operating performance (5.7%). Total assets stood at €3.41 billion as of 30 June 2019 (31 December 2018: €3.32 billion).

There was a decrease in current assets. These totalled €2,266.0 million at the end of the reporting period, down €45.6 million from the figure as of 31 December 2018. The decrease mainly related to lower cash and cash equivalents. Due to the dividend payment and negative free cash flow, these decreased in the first half of 2019 from €218.8 million to €144.4 million. Whereas inventories

Cash and cash equivalents at 30 June (€ million)



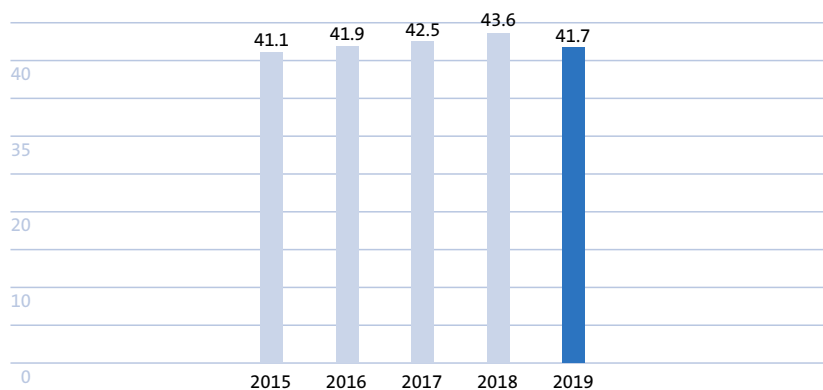
increased from €42.6 million to €363.3 million and trade receivables by €955.4 million to €1080.2 million, contract assets went down significantly from €647.1 million to €504.7 million.

Non-current assets grew by 13.3% in the first half year to €1,144.2 million (31 December 2018: €1,009.8 million). The rise in fixed assets to €1,058.5 million (31 December 2018: €936.4 million) predominantly relates to higher property, plant and equipment and right-of-use assets. These were up €99.8 million to €670.6 million, mainly due to application of the new IFRS 16. The company's intangible assets increased partly due to acquisitions to €370.0 million as of 30 June (31 December 2018: €328.2 million).

On the equity and liabilities side, current liabilities went up slightly relative to the 2018 year-end, increasing by €40.9 million to €1570.3 million. KRONES reduced trade payables in the reporting period by €162.5 million to €329.1 million. In addition, contract liabilities decreased slightly to €539.5 million (31 December 2018: €547.2 million). Conversely, the company increased short-term bank debt. This came to €253.0 million as of 30 June 2019 (31 December 2018: €0.6 million).

KRONES' non-current liabilities rose to €417.2 million as of 30 June 2019 (31 December 2018: €358.7 million). This was mainly due to the significantly higher financial liabilities and liabilities from leases, which went up from €41.3 million to €97.0 million. Most of the increase in this balance sheet item relates to the application of the new IFRS 16. The Company had €0.1 million in non-current bank debt as of 30 June 2019 (31 December 2018: €3.2 million).

Equity ratio KRONES Group at 30 June (%)

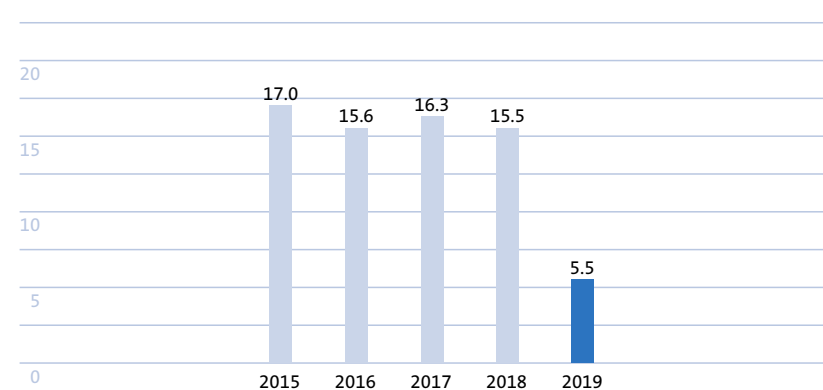


Decrease in equity ratio and ROCE

At €1,422.7 million, equity was slightly down on the 2018 reporting date (€1,433.3 million), as a result of which the equity ratio decreased to 41.7% as of 30 June (31 December 2018: 43.2%). Net cash and cash equivalents (cash and cash equivalents less bank debt) likewise went down. These stood at –€108.7 million as of 30 June 2019, mostly due to the negative free cash flow.

Return on capital employed (ROCE) – the ratio of EBIT to average net capital employed – decreased to 5.5% in the first half of 2019 as a result of the significantly lower earnings (previous year: 15.5%).

KRONES Group ROCE from 1 Jan to 30 Jun (%)



Report from the segments

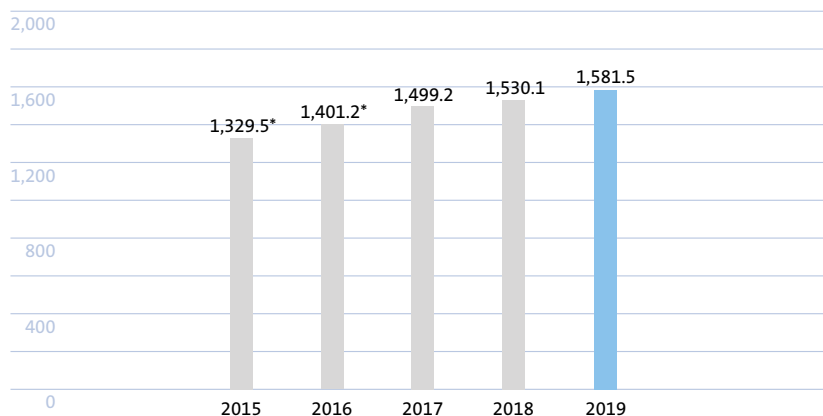
Machines and Lines for Product Filling and Decoration

Segment revenue

Revenue in KRONES' core segment increased in the first half of 2019 by 3.4% to €1,581.5 million

The core segment, Machines and Lines for Product Filling and Decoration, increased revenue by 3.4% in the first half of 2019. Revenue went up year-on-year from €1,530.1 million to €1,581.5 million. New machinery business contributed substantially to this growth. It should be noted that second quarter revenue was down slightly (-1.2%) due to a temporary lull in demand for machines and lines in plastic technology. The segment's share of consolidated revenue decreased from 85.4% in the previous year to 83.7% in the first half year. KRONES' full-year growth forecast for the core segment is unaltered at approximately 3% in 2019.

Segment revenue (€ million)



* incl. Machines and lines for the Compact Class segment

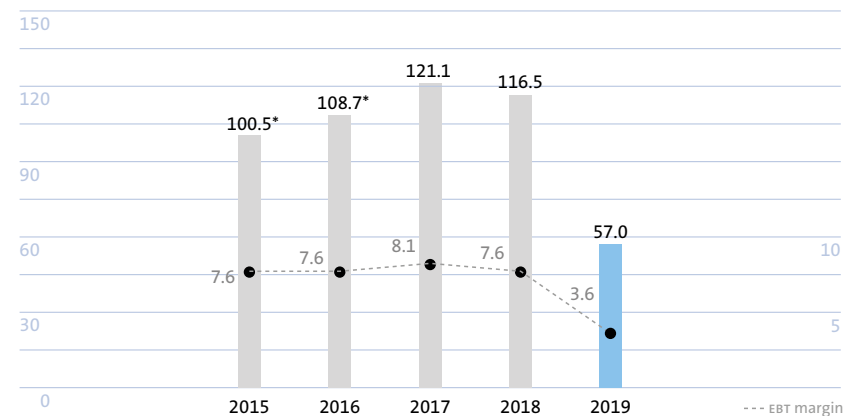
Segment earnings

High personnel expenses, primarily due to establishing the plant in Hungary, and partial underutilisation of production capacity impacted the core segment's profitability in the reporting period.

Earnings in the core segment went down from €116.5 million to €57.0 million in the first half of 2019.

Second quarter segmental earnings were also affected by the lull in demand for machines and lines in plastic technology, the unfavourable product mix in parts of the LCS business and the rise in material costs. Earnings before taxes (EBT) were down from €116.5 million in the previous year to €57.0 million from January to June 2019. The EBT margin dropped as a result from 7.6% in the previous year to 3.6%. The segment's profitability is expected to stabilise in the second half of the year. We expect an EBT margin of approximately 3% for the core segment in 2019 as a whole.

Segment EBT (€ million) and EBT margin (%)



* incl. Machines and lines for the Compact Class segment

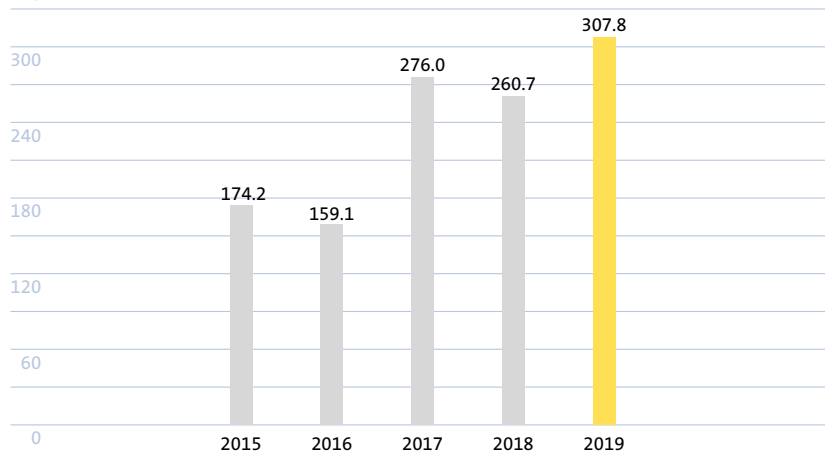
Machines and Lines for Beverage Production/Process Technology

Segment revenue

The Beverage Production/Process Technology segment is well on the way to attaining its 5% growth target for 2019.

KRONES improved half year revenue in the Machines and Lines for Beverage Production/Process Technology segment in 2019 by 18.1% to €307.8 million. The growth was supported by acquisitions. Adjusted for acquisitions, revenue from January to June climbed by 12.1%. The segment's share of consolidated revenue increased from 14.6% to 16.3% in the first half of 2019. KRONES is keeping its growth forecast for the full year 2019 unchanged at 5%. The intralogistics business is expected to make a significant contribution to growth in the segment.

Segment revenue (€ million)

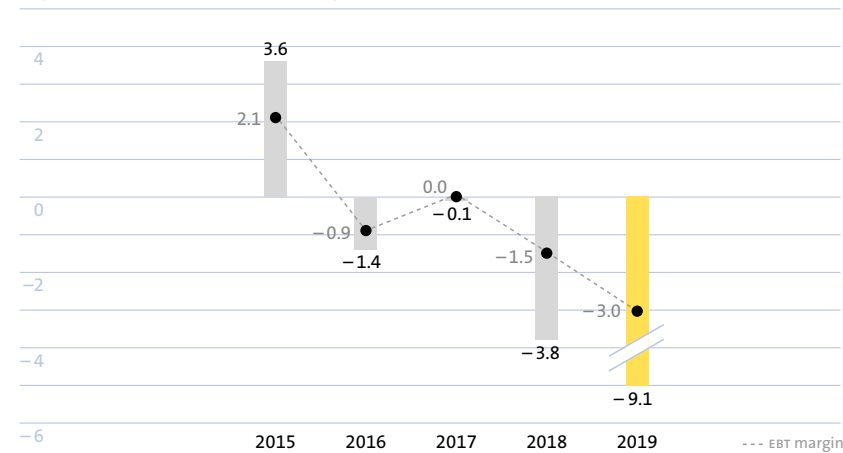


Segment earnings

Earnings in the Machines and Lines for Beverage Production/Process Technology segment were impacted in the first quarter of 2019 by negative factors such as the unfavourable product mix. KRONES was able to partially compensate for this in the second quarter. From April to June, the segment was profitable (EBT: €2.4 million). EBT for the first half year is negative, however, at –€9.1 million (previous year: –€3.8 million). This corresponds to an EBT margin of –3.0%. Costs of expanding the global footprint and start-up losses for the digitalisation activities, which are not yet profitable, are reflected in segment earnings. We expect an EBT margin of approximately 1% for 2019 as a whole.

Profitability of the Beverage Production/Process Technology segment was down in the first half of 2019. Earnings before taxes came to –€9.1 million (previous year: –€3.8 million).

Segment EBT (€ million) and EBT margin (%)



Risk and opportunity report | Events after the reporting period

KRONES' risk management system

We continuously monitor all significant business processes to identify risks early and to actively manage and limit them. Within our corporate strategy, we also identify, analyse, and unlock opportunities. However, unlike risks, business opportunities are not documented within our risk management system. Our risk management system consists of the following modules: risk analysis, risk monitoring, and risk planning and management.

Risk analysis

In order to identify risks early, we continuously monitor all business activities. Material project-related risks are reduced or avoided before an order is accepted. For orders that exceed a specified volume, we conduct a multi-dimensional risk analysis. Apart from profitability, we also individually record and evaluate financing risks, technological risks, and scheduling and other contractual risks before accepting an order.

We conduct a comprehensive risk inventory once each year for KRONES AG and all significant group companies. The results of the risk inventory and mitigating actions are used in our annual planning and forecasting.

Risk monitoring

We use a variety of interlinked controlling processes to monitor risks within the KRONES Group. Regular comprehensive reports from the individual business units keep the Executive Board and other decision-makers apprised of all possible risks and deviations from company planning and of the status of mitigating actions in a timely manner.

Risk planning and control

We use the following tools to plan our business activities and control risk within our internal control system:

- Annual planning
- Medium-term planning
- Strategic planning
- Rolling forecasts
- Monthly and quarterly reports
- Capital expenditure planning
- Production planning
- Capacity planning
- Project controlling
- Accounts receivable management
- Exchange rate hedges
- Insurance policies

Threats

Viewed from today's perspective, KRONES is not exposed to any risks that threaten the company's continued existence. A detailed discussion of the risks faced by the company and a detailed description of our risk management can be found in the consolidated management report on pages 86 through 96 of our 2018 Annual Report. In the period from 1 January to 30 June 2019, there were no material changes with respect to the statements made in the annual report regarding the company's key risks.

Events after the reporting period

No events occurred after the end of the first half that would have impacted our statement of financial position.

KRONES announced in an ad-hoc disclosure on 10 July 2019 that the Executive Board had revised the full-year earnings guidance for 2019. The EBT margin is accordingly expected to be around 3%. In the report on expected developments in the 2018 Annual Report, the EBT margin was still expected to be around 6%.

Report on **expected developments**

Long-term growth trend in KRONES' market intact

KRONES has a very good position in a growth market.

KRONES has a very good market position and is a healthy and strong company. We operate in a market with stable medium and long-term growth.

More than seven billion people need to be supplied with food and above all beverage products. The market for KRONES' products and services is expected to continue growing faster on average than the global economy.

KRONES' customers nevertheless display a degree of uncertainty at present because, like others, they take current economic developments into account in their decision processes. The global economic slowdown and the many sources of geopolitical and economic uncertainty are causing investment decisions to be delayed. Together with continued high material and labour costs, this currently presents KRONES with major challenges.

KRONES expects better results in the second half than in the first six months of 2019

The Executive Board has taken further action to offset the negative impacts on earnings. This includes among others a recruitment freeze and measures to reduce material costs. We are progressing well with the expansion of our global footprint. The new plant in Hungary, for example, is fully on schedule and on budget. KRONES will start producing there in the course of this year and will generate positive earnings contributions from the Hungarian plant from 2020 as planned.

KRONES expects, in line with previous year, that especially in Q4 the production capacity utilisation will increase as well as the high-margin lifecycle services (LCS) business. Therefore KRONES expects better earnings in the second half of 2019 than in the first six months.

In total, the company expects growth of 3% in 2019. The EBT margin is expected to be around 3%. For its third performance target, working capital to revenue, KRONES expects a figure of 26%.

	Target 2019	Actual H1 2019
Revenue growth	3%	5.5%
EBT margin	3%	2.5%
Working capital to revenue	26%	26.0%

KRONES forecasts an EBT margin of approximately 3% for the core segment in 2019.

For the core segment, Machines and Lines for Product Filling and Decoration, due to the price increases on new machinery, KRONES expects revenue growth of approximately 3% in 2019, which is slightly below the market growth rate. Demand for KRONES' products and services in the service business is projected to make a stronger contribution in the segment in the second half year, especially in the fourth quarter, than in the first. This will have a positive impact on profitability. The EBT margin in the core segment is expected to be approximately 3% in 2019.

The Machines and Lines for Beverage Production/Process Technology segment is expected to grow more strongly in 2019 than the core segment. We forecast approximately 5% revenue growth. With regard to earnings, it is also necessary to note that KRONES' investment in digitalisation activities is reflected in the Machines and Lines for Beverage Production/Process Technology segment. Overall, we expect an EBT margin of approximately 1% for 2019. The intralogistics business, which is part of the segment, is set to make a positive contribution to earnings.

KRONES working on structural measures

KRONES aims for a sustained strengthening of profitability and long-term profitable growth.

The strategic measures launched to date, such as the price rises and expansion of our global footprint so far, are not enough for the earnings targets to be attained on a long term basis. The Executive Board is therefore currently working on further structural changes for a sustained increase in profitability. These changes focus on reducing complexity, rapid response to market needs and shaping an even more customer-centric business organisation.

KRONES is maintaining to its mid-term targets. Depending on the overall economic situation and developments in the company's markets, the Executive Board expects average annual revenue growth of 3% to 5% excluding acquisition effects, an EBT margin of 6% to 8% and working capital at 22% to 24% of revenue.

3

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019

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Condensed consolidated **statement of profit or loss** from 1 January to 30 June 2019

€ million	2019 1 January– 30 June	2018 1 January– 30 June ¹⁾	Change %
Revenue	1,889.3	1,790.8	+5.5
Changes in inventories of finished goods and work in progress	20.0	14.7	
Total operating performance	1,909.3	1,805.5	+5.7
Other own work capitalised	25.0	19.7	+26.9
Other operating income	46.2	35.0	+32.0
Goods and services purchased	–974.4	–896.2	+8.7
Personnel expenses	–641.7	–574.4	+11.7
Other operating expenses	–247.5	–232.3	+6.5
Depreciation and amortisation on fixed assets	–69.4	–47.6	+45.8
EBIT	47.5	109.7	–56.7
Financial income/expense	1.0	3.3	
Income from equity-method investments	–0.6	–0.3	
Earnings before taxes	47.9	112.7	–57.5
Income tax	–14.6	–35.8	–59.2
Consolidated net income	33.3	76.9	–56.7
Profit attributable to non-controlling interests	–0.2	–0.5	
Profit attributable to KRONES Group shareholders	33.5	77.4	
Earnings per share (diluted/basic) in €	1.06	2.45	

¹⁾ KRONES has applied the new IFRS 16 standard for the first time as from 1 January 2019, using the modified retrospective approach under which prior-year figures are not restated.

Condensed consolidated **statement of profit or loss** from 1 April to 30 June 2019

€ million	2019 1 April – 30 June	2018 1 April – 30 June ¹⁾	Change %
Revenue	905.8	899.1	+0.7
Changes in inventories of finished goods and work in progress	14.4	0.2	
Total operating performance	920.2	899.3	+2.3
Other own work capitalised	12.4	9.7	+27.8
Other operating income	22.4	13.8	+62.3
Goods and services purchased	–482.8	–442.6	+9.1
Personnel expenses	–318.4	–284.6	+11.9
Other operating expenses	–122.9	–117.2	+4.9
Depreciation and amortisation on fixed assets	–35.2	–24.2	+45.5
EBIT	–4.3	54.2	
Financial income/expense	0.9	2.6	
Income from equity-method investments	–0.2	–0.3	
Earnings before taxes	–3.6	56.5	
Income tax	0.6	–18.3	
Consolidated net income	–3.0	38.2	
Profit attributable to non-controlling interests	–0.1	–0.2	
Profit attributable to KRONES Group shareholders	–2.9	38.4	
Earnings per share (diluted/basic) in €	–0.09	1.22	

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Condensed consolidated statement of financial position – **Assets**

€ million	30 June 2019	31 December 2018 ¹⁾
Intangible assets	370.0	328.2
Property, plant and equipment and right of use assets	670.6	570.8
Non-current financial assets	14.7	8.7
Investment accounted for using the equity method	3.2	28.7
Fixed assets	1,058.5	936.4
Deferred tax assets	31.3	32.5
Trade receivables	44.0	32.6
Income tax receivables	0.9	0.0
Other assets	9.5	8.3
Non-current assets	1,144.2	1,009.8
Inventories	363.3	320.7
Trade receivables	1,080.2	955.4
Contract assets	504.7	647.1
Income tax receivables	13.0	11.7
Other assets	160.4	157.9
Cash and cash equivalents	144.4	218.8
Current assets	2,266.0	2,311.6
Total	3,410.2	3,321.4

1) KRONES has applied the new IFRS 16 standard for the first time as from 1 January 2019, using the modified retrospective approach under which prior-year figures are not restated.

Condensed consolidated statement of financial position – **Equity and liabilities**

€ million	30 June 2019	31 December 2018 ¹⁾
Equity	1,422.7	1,433.3
Provisions for pensions	220.4	220.6
Deferred tax liabilities	20.3	23.2
Other provisions	69.3	63.7
Provisions for taxes	7.9	4.4
Liabilities to banks	0.1	3.2
Other financial obligations and lease liabilities	97.0	41.3
Other liabilities	2.2	2.3
Non-current liabilities	417.2	358.7
Other provisions	105.3	107.2
Provisions for taxes	9.2	9.0
Liabilities to banks	253.0	0.6
Contract liabilities	539.5	547.2
Trade payables	329.1	491.6
Tax liabilities	4.7	5.5
Other financial obligations and lease liabilities	33.7	106.7
Other liabilities and accruals	295.8	261.6
Current liabilities	1,570.3	1,529.4
Total	3,410.2	3,321.4

1) KRONES has applied the new IFRS 16 standard for the first time as from 1 January 2019, using the modified retrospective approach under which prior-year figures are not restated.

Condensed consolidated **statement of cash flows**

€ million	2019	2018
	1 Jan – 30 Jun	1 Jan – 30 Jun ¹⁾
Earnings before taxes	47.9	112.7
Depreciation and amortisation (reversals)	69.4	47.6
Increase in provisions and accruals	30.8	48.5
Deferred tax item changes recognised in profit or loss	1.3	-14.5
Interest expenses and interest income	0.6	-0.2
Gains and losses from the disposal of fixed assets	-1.0	0.1
Other non-cash expenses and income	0.9	0.5
Increase in inventories, trade receivables, contract assets, and other assets not attributable to investing or financing activities	-35.3	-18.8
Decrease in trade payables, contract liabilities and other liabilities not attributable to investing or financing activities	-234.3	-124.0
Cash generated from operating activities	-119.7	51.9
Interest paid	-3.2	-0.2
Income tax paid and refunds received	-14.7	-45.6
Cash flow from operating activities	-137.6	6.1
Cash payments to acquire intangible assets	-26.2	-21.5
Proceeds from the disposal of intangible assets	0.2	0.0
Cash payments to acquire property, plant and equipment	-65.2	-37.0
Proceeds from the disposal of property, plant and equipment	1.9	1.2
Cash payments to acquire non-current financial assets	-5.1	-5.5
Proceeds from the disposal of non-current financial assets	0.0	0.1
Cash payments to acquire subsidiaries and equity interests	-29.3	-3.8
Interest received	0.6	1.2
Dividends received	1.3	3.0
Cash flow from investing activities	-121.8	-62.3
Cash payments to company owners	-53.7	-53.7
Proceeds from new borrowing	249.3	110.4
Cash payments from the repayment of received financial and leasing liabilities	-14.5	0.0
Cash flow from financing activities	181.1	56.7
Cash change in cash and cash equivalents	-78.3	0.5
Change in cash and cash equivalents arising from changes in the consolidated group	3.8	2.2
Cash and cash equivalents at the beginning of the period	218.8	182.0
Cash and cash equivalents at the end of the period	144.3	184.7

1) KRONES has applied the new IFRS 16 standard for the first time as from 1 January 2019, using the modified retrospective approach under which prior-year figures are not restated.

Condensed consolidated statement of changes in equity

€ million	Parent company							Non-controlling interests	Group equity
	Share capital	Capital reserves	Profit reserves	Currency differences in equity	Other reserves	Group retained earnings	Equity	Equity	
At 31 December 2017	40.0	141.7	365.7	- 35.9	- 91.1	912.8	1,333.2	- 3.1	1,330.1
Restatement under IFRS 9 and IFRS 15			11.7				11.7		11.7
Restated value at 1 January 2018 ¹⁾	40.0	141.7	377.4	- 35.9	- 91.1	912.8	1,344.9	- 3.1	1,341.8
Dividend payment (€1.70 per share)						- 53.7	- 53.7		- 53.7
Consolidated net income H1 2018						77.4	77.4	- 0.5	76.9
Allocation to profit reserves			0.8			- 0.8	0.0		0.0
Currency differences				- 3.3			- 3.3		- 3.3
Changes in the consolidated group			- 4.6				- 4.6	3.3	- 1.3
Remeasurement of defined benefit plans					0.1		0.1		0.1
Hedge accounting					- 5.0		- 5.0		- 5.0
At 30 June 2018 ¹⁾	40.0	141.7	373.6	- 39.2	- 96.0	935.7	1,355.8	- 0.3	1,355.5
Dividend payment							0.0		0.0
Consolidated net income H2 2018						73.7	73.7	0.0	73.7
Allocation to profit reserves							0.0		0.0
Currency differences				1.2			1.2		1.2
Changes in the consolidated group			- 3.9			- 0.2	- 4.1	0.2	- 3.9
Remeasurement of defined benefit plans					4.3		4.3		4.3
Hedge accounting					2.5		2.5		2.5
At 31 December 2018 ¹⁾	40.0	141.7	369.7	- 38.0	- 89.2	1,009.2	1,433.4	- 0.1	1,433.3
Dividend payment (€1.70 per share)						- 53.7	- 53.7		- 53.7
Consolidated net income H1 2019						33.5	33.5	- 0.2	33.3
Allocation to profit reserves						0.0	0.0		0.0
Currency differences				7.7			7.7		7.7
Changes in the consolidated group			1.8			- 0.8	1.0	- 0.2	0.8
Remeasurement of defined benefit plans					1.1		1.1		1.1
Hedge accounting					0.2		0.2		0.2
At 30 June 2019	40.0	141.7	371.5	- 30.3	- 87.9	988.2	1,423.2	- 0.5	1,422.7

¹⁾ KRONES has applied the new IFRS 16 standard for the first time as from 1 January 2019, using the modified retrospective approach under which prior-year figures are not restated.

Condensed consolidated statement of **comprehensive income**

€ million	2019	2018
	1 Jan – 30 Jun	1 Jan – 30 Jun ¹⁾
Consolidated net income	33.3	76.9
Items that will not be reclassified subsequently to profit or loss	1.1	0.1
Actuarial gains and losses on pensions and similar obligations	1.1	0.1
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation	7.7	-3.3
Derivative financial instruments	0.2	-5.0
	7.9	-8.3
Other comprehensive income	9.0	-8.2
Total comprehensive income	42.3	68.7
of which attributable to non-controlling interests	-0.2	-0.5
of which attributable to KRONES Group shareholders	42.5	69.2

¹⁾ KRONES has applied the new IFRS 16 standard for the first time as from 1 January 2019, using the modified retrospective approach under which prior-year figures are not restated.

Consolidated **segment reporting***

1 January to 30 June 2019	Machines and Lines for Product Filling and Decoration		Machines and Lines for Beverage Production/ Process Technology		KRONES Group	
€ million	2019 1 Jan–30 Jun	2018 1 Jan–30 Jun ¹⁾	2019 1 Jan–30 Jun	2018 1 Jan–30 Jun ¹⁾	2019 1 Jan–30 Jun	2018 1 Jan–30 Jun ¹⁾
Revenue	1,581.5	1,530.1	307.8	260.7	1,889.3	1,790.8
EBT	57.0	116.5	–9.1	–3.8	47.9	112.7
EBT margin	3.6%	7.6%	–3.0%	–1.5%	2.5%	6.3%
Employees at 30 June**	14,600	13,290	2,081	1,710	16,681	15,000

* (Part of the Notes to the consolidated interim financial statements) ** Consolidated group

1) KRONES has applied the new IFRS 16 standard for the first time as from 1 January 2019, using the modified retrospective approach under which prior-year figures are not restated.

1 April to 30 June 2019	Machines and Lines for Product Filling and Decoration		Machines and Lines for Beverage Production/ Process Technology		KRONES Group	
€ million	2019 1 Apr–30 Jun	2018 1 Apr–30 Jun ¹⁾	2019 1 Apr–30 Jun	2018 1 Apr–30 Jun ¹⁾	2019 1 Apr–30 Jun	2018 1 Apr–30 Jun ¹⁾
Revenue	747.1	756.3	158.7	142.8	905.8	899.1
EBT	–6.0	55.2	2.4	1.3	–3.6	56.5
EBT margin	–0.8%	7.3%	1.5%	0.9%	–0.4%	6.3%
Employee access in the quarter**	401	40	33	38	434	78

* (Part of the Notes to the consolidated interim financial statements) ** Consolidated group

1) KRONES has applied the new IFRS 16 standard for the first time as from 1 January 2019, using the modified retrospective approach under which prior-year figures are not restated.

General disclosures

■ Legal basis

The interim consolidated financial statements of KRONES AG (the “KRONES Group”) for the period ended 30 June 2019 have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, applicable at the reporting date, including the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), as adopted by the European Union. The interim consolidated financial statements have been prepared in accordance with IAS 34 and are condensed relative to the consolidated financial statements. The following new standards issued by the IASB have been mandatory in the EU since 1 January 2019:

- IFRS 16 Leases
- Amendments to IFRS 9 Financial Instruments
- Amendments to IAS 19 Employee Benefits
- Amendments to IAS 28 Investments in Associates and Joint Ventures
- Annual Improvements to IFRS (2015–2017)
- IFRIC 23 Uncertainty over Income Tax Treatments

IFRS standards and interpretations that have not yet entered into force have not been applied early and the interim consolidated financial statements for the period ended 30 June 2019 have not been reviewed by an auditor.

Non-controlling interests in group equity are presented on the statement of financial position where applicable as a separate item within equity. On the statement of profit and loss, the share of profit or loss attributable to non-controlling interests is presented where applicable as a component of consolidated net income. The shares of consolidated net income attribut-

able to the owners of the parent and to non-controlling interests are presented separately where applicable.

Non-controlling interests are additionally shown where applicable on the statement of changes in equity. The explanatory notes provided in the following comprise disclosures and commentary that, in accordance with IFRS, must be included as notes to the interim consolidated financial statements in addition to the consolidated statement of financial position, consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows.

The consolidated statement of profit and loss was prepared using the nature of expense method. The group currency is the euro.

■ Consolidated group

Besides KRONES AG, the interim consolidated financial statements of KRONES AG for the period ended 30 June 2019 include all material domestic and foreign subsidiaries over which KRONES AG has direct or indirect control.

During the 2019 financial year, a 100% ownership interest was acquired in AUTOMATA S.A., Guatemala City, Guatemala. In addition, a 60% ownership interest was acquired in INTEGRATED PACKAGING SYSTEMS (IPS) FZCO, Dubai, United Arab Emirates (UAE). KRONES now owns a 100% ownership interest in this company. Also during the financial year, KRONES MIDDLE EAST AFRICA FZCO, Dubai, United Arab Emirates, was established and included in the scope of consolidation together with KRONES INIDA PVT. LTD., Bangalore, India.

Initial accounting was completed as of the acquisition date and the date of establishment, respectively. Consolidation of these companies did not have a material effect on the interim consolidated financial statements for the period ended 30 June 2019.

■ Consolidation principles

The separate financial statements of the companies included in the interim consolidated financial statements are prepared as a fundamental rule in accordance with uniform accounting policies and were all prepared as of the reporting date of the interim consolidated financial statements.

Acquisition accounting is performed in accordance with IFRS 3 (Business Combinations), under which all business combinations must be accounted for using the acquisition method. The acquired assets and liabilities are therefore recognised at fair value.

Goodwill that arose before 1 January 2004 continues to be accounted for as a deduction from equity.

Shares in the equity of a subsidiary that are not attributable to the parent are presented as non-controlling interests.

Companies for which KRONES has the ability to exercise significant influence over their business and financial policies (generally by indirectly or directly holding between 20% and 50% of voting rights), are accounted for in the interim consolidated financial statements using the equity method and initially recognised at cost. Any excess of the cost of the investment over KRONES' share of the net fair value of an associate's identifiable assets

and liabilities is adjusted on a fair-value basis and the remaining amount is recognised as goodwill. Goodwill relating to the acquisition of an associate is included in the carrying amount of the investment and is not amortised. Instead, it is tested for impairment as part of the entire carrying amount of the investment in the associate. KRONES' share in an associate's profit or loss subsequent to the acquisition date is recognised in the consolidated statement of profit and loss. The carrying amount of the associate is increased or decreased to recognise cumulative changes in fair value subsequent to the acquisition date. KRONES' share in associates' gains or losses resulting from transactions between KRONES and its associates is eliminated.

Inter-company receivables, liabilities, provisions, revenues and expenses between consolidated companies are eliminated in consolidation.

This also applies for inter-company profits or losses from deliveries made or services provided between group companies provided the inventories from these transactions are still held by the group at the reporting date.

■ Currency translation

The functional currency of KRONES AG is the euro.

The financial statements of consolidated companies that are prepared in a foreign currency are translated on the basis of the functional currency approach under IAS 21 using a modified closing rate method. Because the subsidiaries primarily operate independently in the economic environment of their respective countries, the functional currency is normally the local currency for each subsidiary. In the interim consolidated financial statements, assets and liabilities are therefore translated at the closing rate at the reporting date, while income and expenses from the financial statements of subsidiaries are translated at average annual rates.

Any exchange differences resulting from translation using these different rates in the statement of financial position and the statement of profit and loss are recognised directly in other comprehensive income. Exchange differences resulting from the translation of equity using historical exchange rates are also recognised in other comprehensive income.

In the separate financial statements of KRONES AG and its subsidiaries, receivables and liabilities in foreign currencies are translated using the exchange rate at the time of the transaction and exchange differences are recognised in profit or loss at the closing rate at the reporting date.

Non-monetary items in foreign currencies are carried at historical cost.

Exchange rate differences compared with the previous year arising from acquisition accounting are normally recognised outside profit and loss, in other profit reserves.

Exchange rates of subsidiaries' functional currencies against the euro:

		Closing rate		Average rate	
		30 June 2019	31 Dec 2018	H1 2019	H1 2018
us Dollar	USD	1.138	1.145	1.130	1.211
British Pound	GBP	0.897	0.897	0.873	0.880
Swiss franc	CHF	1.110	1.127	1.130	1.170
Danish krone	DKK	7.464	7.468	7.465	7.448
Canadian dollar	CAD	1.490	1.560	1.507	1.546
Japanese yen	JPY	122.570	125.960	124.350	131.618
Brazilian real	BRL	4.348	4.445	4.340	4.137
Chinese renminbi (yuan)	CNY	7.825	7.860	7.657	7.708
Mexican peso	MXN	21.867	22.520	21.666	23.060
Ukrainian hryvnia	UAH	29.770	31.735	30.427	32.466
South African rand	ZAR	16.152	16.470	16.041	14.870
Kenyan shilling	KES	116.555	116.642	114.134	122.620
Nigerian naira	NGN	409.760	416.290	408.175	436.096
Russian ruble	RUB	71.744	80.026	73.780	71.867
Thai baht	THB	34.915	37.048	35.728	38.412
Indonesian rupiah	IDR	16,080.300	16,468.500	16,036.420	16,662.010
Angolan kwanza	AOA	387.308	352.423	360.817	262.198
Turkish lira	TRY	6.575	6.056	6.351	4.946
Kazakhstan tenge	KZT	433.240	440.150	428.627	395.381
Australian dollar	AUD	1.625	1.623	1.600	1.569
New Zealand dollar	NZD	1.697	1.706	1.681	1.691
Swedish krona	SEK	10.552	10.251	10.515	10.151

		Closing rate		Average rate	
		30 June 2019	31 Dec 2018	H1 2019	H1 2018
Vietnamese Dong	VND	26,526.000	26,564.000	26,273.828	27,567.543
Philippine peso	PHP	58.392	60.125	59.002	62.903
Bangladeshi taka	BDT	96.175	95.753	95.148	101.165
Singapore dollar	SGD	1.540	1.560	1.536	1.606
Myanmar kyat	MMK	1,724.420	1,769.390	1,724.880	1,626.038
United Arab Emirates dirham	AED	4.181	4.207	4.151	4.447
Hungarian forint	HUF	323.720	321.060	320.419	313.920
Malaysian ringgit	MYR	4.704	4.733	4.655	4.767
Pakistani rupee	PKR	186.015	160.104	161.971	138.081
Polish zloty	PLN	4.250	4.298	4.293	4.219
Norwegian krone	NOK	9.695	9.940	9.732	9.597
Indian rupee	INR	78.652	79.909	79.107	79.452
Guatemalan Quetzal	GTQ	8.770	8.850	8.699	8.974

■ Leases

IFRS 16 replaces the existing rules on leases, including IAS 17 Leases, IFRIC 4 Determining Whether an Arrangement Contains a Lease, SIC 15 Operating Leases and SIC 27 Evaluating the Substance of Transactions in the Legal Form of a Lease. The standard was applied for the first time as of 1 January 2019.

KRONES applies the modified retrospective method, according to which the cumulative effects of first-time application are shown as an adjustment to the opening balance of profit reserves. On first-time application, right-of-use assets were recognised in the amount of the present value of the lease liabilities totalling €88.5 million with no resulting change in profit reserves. The prior-year figures were not restated.

The main features of the new lease accounting are presented on pages 185 and 186 of the 2018 Annual Report. With regard to the elections provided for in the standard, KRONES makes use of the practical expedients for low-value assets, short-term leases and leases of intangible assets. In addition, any service components included in lease payments were included in calculation of the present value of the lease payments.

Right-of-use assets in the amount of €89.9 million are recognised in the statement of financial position as of 30 June 2019. The additional depreciation resulting from IFRS 16 in the first half of 2019 amounted to €16.0 million. Lease liabilities amount to €91.3 million; the interest expense on lease liabilities amounted to €1.8 million.

■ Other disclosures relating to financial instruments

The following tables present the financial instruments by their measurement categories and classes and also show how the financial instruments that are measured at fair value fit within the fair value hierarchy.

30 June 2019			Measurement under IFRS 9			Measurement under IFRS 16	Fair value hierarchy		
€ million	Carrying amount 30 June 2019	of which subject to IFRS 7	Amortised cost (Ac)	At fair value through profit or loss (FVTPL)	At fair value through other comprehensive income (FVOCI)		Level 1	Level 2	Level 3
Assets									
Non-current financial assets	14.7	5.6	5.6						
Trade receivables	1.124.2	1.124.2	1.124.2						
Contract assets	504.7	504.7	504.7						
Other assets	169.9	33.6	32.8	0.2	0.6			0.8	
of which derivatives	0.8	0.8		0.2	0.6			0.8	
Cash and cash equivalents	144.4	144.4	144.4						
Liabilities									
Liabilities to banks	253.1	253.1	253.1						
Trade payables	329.1	329.1	329.1						
Other financial obligations and lease liabilities	130.7	130.7	4.4	35.0		91.3			35.0
Other liabilities and accruals	298.0	96.1	94.0	0.2	1.9			2.1	
of which derivatives	2.1	2.1		0.2	1.9			2.1	

31 December 2018			Measurement under IFRS 9			Measurement under IFRS 17	Fair value hierarchy		
€ million	Carrying amount 31 December 2018	of which subject to IFRS 7	Amortised cost (Ac)	At fair value through profit or loss (FVTPL)	At fair value through other comprehensive income (FVOCI)		Level 1	Level 2	Level 3
Assets									
Non-current financial assets	8.7	3.8	3.8						
Trade receivables	988.0	988.0	988.0						
Contract assets	647.1	647.1	647.1						
Other assets	166.2	29.9	29.0	0.4	0.5			0.9	
of which derivatives	0.9	0.9		0.4	0.5			0.9	
Cash and cash equivalents	218.8	218.8	218.8						
Liabilities									
Liabilities to banks	3.8	3.8	3.8						
Trade payables	491.6	491.6	491.6						
Other financial obligations and lease liabilities	148.0	148.0	106.9	41.1					41.1
Other liabilities and accruals	263.9	72.2	69.9	0.2	1.8	0.3		2.0	
of which derivatives	2.0	2.0		0.2	1.8			2.0	

■ Accounting policies

The separate financial statements of KRONES AG and its domestic and foreign subsidiaries have been prepared using uniform accounting policies, in accordance with IFRS 10. As a fundamental rule, with the exception of IFRS 16, the accounting policies used in the interim consolidated financial statements are the standards and interpretations applied as of 31 December 2018.

Various judgements have been made in preparation of the interim consolidated financial statements, notably relating to the need for estimates and forecasts in the measurement of non-current assets, inventories, receivables, pension provisions and other provisions.

■ Segment reporting

KRONES reports on two operating segments, which are the strategic business units. These are organised by product divisions and services and managed separately due to the different technologies they cover. The Executive Board, as the chief operating decision maker, manages the company as a whole on the basis of monthly reports from the segments.

Segment 1 comprises machines and lines for product filling and decoration. Segment 2 comprises machines and lines for beverage production and process technology.

Segment performance is measured on the basis of internal reporting to the Executive Board, primarily segment revenue and segment EBT.

Intra-segment transfers are made on arm's length terms. There is no material inter-segment revenue.

■ Related party transactions

Related party transactions have no material impact on the profit or loss or financial position in the interim consolidated financial statements.

■ Events after the reporting period

No events occurred after the end of the first half that would have impacted our statement of financial position.

KRONES announced in an ad-hoc disclosure on 10 July 2019 that the Executive Board had revised the full-year earnings guidance for 2019. The EBT margin is accordingly expected to be around 3%. In the report on expected developments in the 2018 Annual Report, the EBT margin was still expected to be around 6%.

Responsibility statement

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the group, and the interim consolidated management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group over the remainder of the financial year.”

Neutraubling, July 2019



Christoph Klenk
CEO



Michael Andersen
CFO



Thomas Ricker



Markus Tischer



Ralf Goldbrunner

Members of the Supervisory Board and the Executive Board

Pursuant to Section 8 (1) of the articles of association, eight members of the Supervisory Board are elected by the shareholders in accordance with the German Stock Corporation Act (Sections 96 (1) and 101). Eight members are elected by the employees pursuant to Section 1 (1) and Section 7 (1) Sentence 1 Number 1 of the Codetermination Act.

Supervisory Board

Volker Kronseder

Chairman of the Supervisory Board

* UNIVERSITÄTSKLINIKUM
REGENSBURG

* ECONOMIC ADVISORY BOARD
BAYERISCHE LANDESBANK

Werner Schrödl**

Chairman of the Group Works Council
Chairman of the Central Works Council
Deputy Chairman of the Supervisory
Board

* Verwaltungsrat der BAYERISCHEN
BETRIEBSKRANKENKASSEN

Robert Friedmann

Spokesman for the central
managing board of the
WÜRTH GROUP

* ZF FRIEDRICHSHAFEN AG

Klaus Gerlach**

Head of Central International
Operations and Services

Oliver Grober**

Chairman of the Employees'
Council, Rosenheim

Thomas Hiltl**

Chairman of the Employees'
Council, Nittenau

Norman Kronseder

Farmer and forester

* BAYERISCHE FUTTERSATBAU
GMBH

Professor Dr. jur. Susanne Nonnast

Professor at Ostbayerische
Technische Hochschule (OTH)
Regensburg

Dr. Verena Di Pasquale**

Deputy Chairperson of DGB Bayern
(the German Trade Union
Confederation in Bavaria)

Beate Eva Maria Pöpperl**

Independent Member of the
Employees' Council

Norbert Samhammer

Chief executive of
SAMHAMMER HOLDING GMBH
*SAMHAMMER AG

Petra Schadeberg-Herrmann

Managing partner KROMBACHER
BRAUEREI

BERNHARD SCHADEBERG GMBH & CO. KG,
KROMBACHER FINANCE GMBH,
SCHAWEI GMBH,
DIVERSUM HOLDING GMBH & CO. KG

Jürgen Scholz**

First authorised representative
IG Metall administrative office
in Regensburg

* INFINEON TECHNOLOGIES AG

Hans-Jürgen Thaus

* MASCHINENFABRIK REINHAUSEN
GMBH

Josef Weitzer**

Deputy Group Employees'
Council Chairman
Deputy Composite Employees'
Council Chairman
Employees' Council Chairman,
Neutraubling

* SPARKASSE REGENSBURG

Matthias Winkler

Managing partner at
WW+ KN Steuerberatungs-
gesellschaft mbH

Executive Board

Christoph Klenk

CEO
Human Resources, Intralogistics,
Digitalisation, Communication,
Quality, Information Management

Michael Andersen

CFO
Finance, Controlling,
Process Technology,
Strategic Purchasing

Thomas Ricker

Sales and Marketing

Markus Tischer

International Operations
and Services

Ralf Goldbrunner

Bottling and Packaging
Equipment

* Other Supervisory Board seats held, pursuant to Section 125 (1) Sentence 5 of the German Stock Corporation Act

** Elected by the employees

In addition, each of the group companies is the responsibility of two members of the Executive Board.

Shareholdings

Name and location of the company	Share in capital held by KRONES AG (%*)
DEKRON GMBH, Kelkheim, Germany	100.00
ecomac GEBRAUCHTMASCHINEN GMBH, Neutraubling, Germany	100.00
EVOGUARD GMBH, Nittenau, Germany	100.00
GERNEP GMBH ETIKETTIERTECHNIK, Barbing, Germany	100.00
HST MASCHINENBAU GMBH, Dassow, Germany	100.00
KIC KRONES INTERNATIONALE COOPERATIONS-GESELLSCHAFT MBH, Neutraubling, Germany	100.00
KRONES BETEILIGUNGSGESELLSCHAFT MBH, Neutraubling, Germany	100.00
MAINTEC SERVICE GMBH, Collenberg/Main, Germany	100.00
MHT HOLDING AG, Hochheim am Main, Germany	100.00
MHT IP GMBH, Hochheim am Main, Germany	100.00
MHT MOLD & HOTRUNNER TECHNOLOGY AG, Hochheim am Main, Germany	100.00
MILKRON GMBH, Laatzen, Germany	100.00
PMR GMBH, Wackersdorf, Germany	100.00
SYSKRON GMBH, Wackersdorf, Germany	100.00
SYSKRON HOLDING GMBH, Wackersdorf, Germany	100.00
SYSKRON SECURITY GMBH, Wackersdorf, Germany	100.00
SYSKRON X GMBH, Wackersdorf, Germany	100.00
SYSTEM LOGISTICS GMBH, Wackersdorf (formerly NEUSPED NEUTRAUBLINGER SPEDITIONS-GMBH, Neutraubling), Germany	100.00
TECHNOLOGISCHES INSTITUT FÜR ANGEWANDTE KÜNSTLICHE INTELLIGENZ GMBH, Weiden i.d.Opf., Germany	44.00
TRIACOS CONSULTING & ENGINEERING GMBH, Altenstadt an der Waldnaab, Germany	100.00
KOSME FBA SA (vormals S.P.S. – SOLUTIONS FOR PACKAGING SERVICES S.A.), Charleroi, Belgium	100.00
S.A. KRONES N.V., Louvain-la-Neuve, Belgium	100.00
MAINTEC SERVICE EOOD, Sofia, Bulgaria	100.00
KRONES NORDIC APS, Holte, Denmark	100.00
KRONES S.A.R.L., Viviers-du-Lac, France	100.00
KOSME FBA SAS (formerly SPS S.A.S. – SOLUTIONS FOR PACKAGING SERVICES S.A.S.), Lyon, France	100.00

Name and location of the company	Share in capital held by KRONES AG (%*)
KRONES UK LTD., Bolton, U.K.	100.00
SYSTEM LTD., London, U.K.	60.00
KOSME S.R.L., Roverbella (MN), Italy	100.00
KRONES S.R.L., Garda (VR), Italy	100.00
SYSTEM LOGISTICS S.P.A., Fiorano Modenese (MD), Italy	60.00
KRONES KAZAKHSTAN TOO, Almaty, Kazakhstan	100.00
KRONES NEDERLAND B.V., Bodegraven, Netherlands	100.00
KOSME GESELLSCHAFT MBH, Sollenau, Austria	100.00
KRONES SPÓLKA Z.O.O., Warsaw, Poland	100.00
KRONES PORTUGAL EQUIPAMENTOS INDUSTRIAIS LDA., Barcarena, Portugal	100.00
KRONES ROMANIA PROD. S.R.L., Bucharest, Romania	100.00
MAINTEC SERVICE SRL, Bucharest, Romania	100.00
KRONES O.O.O., Moscow, Russia	100.00
SYSTEM NORTHERN EUROPE AB, Malmö, Sweden	60.00
INTEGRATED PLASTICS SYSTEMS AG, Baar, Switzerland	70.00
KRONES AG, Buttwil, Switzerland	100.00
KRONES IBERICA, S.A.U., Barcelona, Spain	100.00
SYSTEM LOGISTICS SPAIN SL, Castellon, Spain	60.00
KRONES S.R.O., Prague, Czech Republic	100.00
KONPLAN IMMOBILIENGESELLSCHAFT S.R.O., Pilsen, Czech Republic	100.00
KONPLAN S.R.O., Pilsen, Czech Republic	100.00
KRONES MAKINA SANAYI VE TIKARET LTD. SIRKETI, Istanbul, Turkey	100.00
KRONES UKRAINE LLC, Kiev, Ukraine	100.00
KRONES HUNGARY KFT., Debrecen, Hungary	100.00
MAINTEC SERVICE KFT., Budapest, Hungary	100.00
INTEGRATED PACKAGING SYSTEMS – IPS, Cairo, Egypt	100.00
KRONES ANGOLA – REPRESENTACOES, COMERCIO E INDUSTRIA, LDA., Luanda, Angola	100.00

Name and location of the company	Share in capital held by KRONES AG (%*)
KRONES SURLATINA S.A., Buenos Aires, Argentina	100.00
KRONES PACIFIC PTY LIMITED, Sydney, Australia	100.00
KRONES BANGLADESH LIMITED, Dhaka, Bangladesh	100.00
KRONES DO BRAZIL LTDA., São Paulo, Brazil	100.00
KRONES S.A., São Paulo, Brazil	100.00
KRONES CHILE SPA., Santiago de Chile, Chile	100.00
KRONES ASIA LTD., Hongkong, China	100.00
KRONES MACHINERY (TAICANG) CO. LTD., Taicang, China	100.00
KRONES TRADING (TAICANG) CO. LTD., Taicang, China	100.00
KRONES PROCESSING (SHANGHAI) CO. LTD., Shanghai, China	100.00
KRONES SALES (BEIJING) CO. LTD., Beijing, China	100.00
AUTOMATA S.A., Guatemala-Stadt, Guatemala	100.00
KRONES INDIA PVT. LTD., Bangalore, India	100.00
PT. KRONES MACHINERY INDONESIA, Jakarta, Indonesia	100.00
IPS Japan Co. Ltd., Tokyo, Japan	100.00
KRONES JAPAN CO. LTD., Tokyo, Japan	100.00
KRONES (CAMBODIA) CO. LTD., Phnom Penh, Cambodia	100.00
INTEGRATED PACKAGING SYSTEMS INC., Montréal, Québec, Canada	100.00
KRONES MACHINERY CO. LTD., Mississauga, Ontario, Canada	100.00
KRONES LCS CENTER EAST AFRICA LIMITED, Nairobi, Kenya	100.00
KRONES ANDINA LTDA., Bogotá, Columbia	100.00
KRONES KOREA LTD., Seoul, Korea	100.00
KRONES MACHINERY MALAYSIA SDN. BHD., Kuala Lumpur, Malaysia	100.00
KRONES MEX S.A. DE C.V., Mexico City, Mexico	100.00
SYSTEMLOG DE MEXICO S.A. DE C.V., Santa Caterina, Nuevo Leon, Mexico	60.00
KRONES MYANMAR LTD., Sanchaung Township, Myanmar	100.00
KRONES NEW ZEALAND LIMITED, Auckland, Nee Zealand	100.00

Name and location of the company	Share in capital held by KRONES AG (%*)
KRONES LCS CENTER WEST AFRICA LIMITED, Lagos, Nigeria	100.00
KRONES PAKISTAN (PRIVATE) LIMITED, Lahore, Pakistan	100.00
KRONES FILIPINAS INC., Taguig City, Philippines	100.00
KRONES-IZUMI PROCESSING PTE LTD., Singapore, Singapore	73.00
KRONES SINGAPORE LTD., Singapore, Singapore	100.00
INTEGRATED PACKAGING SYSTEMS SOUTH AFRICA (PTY) LIMITED, Kapstadt, South Africa	100.00
KRONES SOUTHERN AFRICA (PROP.) LTD., Johannesburg, South Africa	100.00
KRONES (THAILAND) CO. LTD., Bangkok, Thailand	100.00
SYSTEM LOGISTICS ASIA CO. LTD., Bangkok, Thailand	60.00
INTEGRATED PACKAGING SYSTEMS – IPS TUNISIA, Tunis, Tunisia	100.00
KRONES INC., FRANKLIN, Wisconsin, USA	100.00
SYSTEM LOGISTICS CORPORATION, Arden, North Carolina, USA	60.00
TRANS-MARKET LLC, TAMPA, Florida, USA	80.00
JAVLYN PROCESS SYSTEMS LLC, Rochester, New York, USA	100.00
MHT USA LLC., Peachtree City, Georgia, USA	100.00
PROCESS AND DATA AUTOMATION LLC, Erie, Pennsylvania, USA	100.00
W.M. SPRINKMAN LLC, Waukesha, Wisconsin, USA	100.00
MAQUINARIAS KRONES DE VENEZUELA S.A., Caracas, Venezuela	100.00
INTEGRATED PACKAGING SYSTEMS (IPS) FZCO, Dubai, United Arab Emirates	100.00
KRONES MIDDLE EAST AFRICA FZCO, Dubai, United Arab Emirates	100.00
KRONES VIETNAM CO. LTD., Ho Chi Minh City, Vietnam	100.00

*direct and indirect shareholdings.

KRONES AG, Neutraubling, Germany is the parent company and is recorded in Commercial Register B of the Regensburg Local Court under HRB 2344.

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OTHER INFORMATION

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Commercial glossary

Cash flow	All inflows and outflows of cash and cash equivalents during a period.	IFRS	International Financial Reporting Standards. Accounting standards issued by the International Accounting Standards Board (IASB) that are harmonised and applied internationally.
Corporate governance	Framework for responsible corporate management and supervision that is oriented toward sustainability.	Net cash and equivalents	Cash and highly liquid securities under current assets less liabilities to banks.
Depreciation and amortisation	Non-cash expenses that represent the cost of current and non-current assets being used over time.	Return on equity before taxes	Ratio of earnings before taxes to average equity.
EBIT	Earnings before interest and taxes.	ROCE	Ratio of EBIT to average capital employed (total assets less interest-free liabilities and interest-free other provisions).
EBITDA	Earnings before interest, taxes, depreciation and amortisation.	Total debt	Combined term for the provisions, liabilities, and deferred income stated on the liabilities side of the balance sheet.
EBITDA margin	Ratio of earnings before interest, taxes, depreciation and amortisation to revenue	Working capital	Working capital is calculated as follows: (inventories + trade receivables + prepayments) – (trade payables + advances received).
EBT	Earnings before taxes.	Working capital to revenue	The ratio of working capital to revenue indicates how much capital is needed to finance revenue generation.
EBT margin	Ratio of earnings before taxes to revenue.		
Equity	Funds made available to the company by the owners by way of contribution and/or investment, plus retained earnings.		
Free cash flow	Measure of financial performance calculated as the cash flow from operating activities minus cash flow from investing activities. It is the cash available to pay dividends, reduce debt, or to be retained.		

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Note

This English language report is a translation of the original German KRONES Interim report for the period from 1 January to 30 June 2019 (KRONES Bericht über den Zeitraum vom 1. Januar bis 30. Juni 2019). In case of discrepancies the German text shall prevail.

You can also find the Interim report in the Investor Relations section at www.krones.com/en/company/investor-relations/reports.php

Financial calendar

30 October 2019
Quarterly statement for the period ended 30 September 2019

Contact

KRONES AG
Investor Relations
Olaf Scholz
Phone +49 9401 70-1169
E-mail olaf.scholz@krones.com
Böhmerwaldstrasse 5
93073 Neutraubling
Germany