

7		8
<hr/>		
22		

# KRONES

## First Half Year 2018

Conference Call July 26, 2018

## Krones Highlights 1st HY 2018

**+ 13%**  
**New orders**

2,014.8 € Mio. **1,790.8** Revenue (+1%)  
€ Mio.

**6.3%**  
**EBT margin**

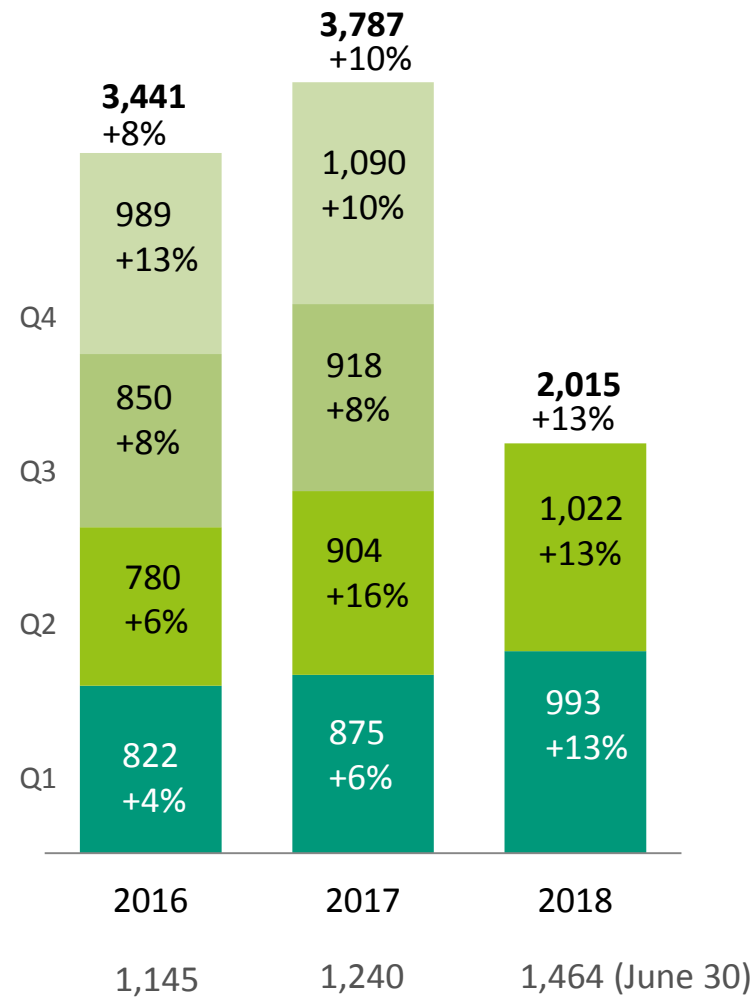
112.7 € Mio.

**-48.9** Operating free cash flow  
€ Mio. (PY -126.7 € Mio.)



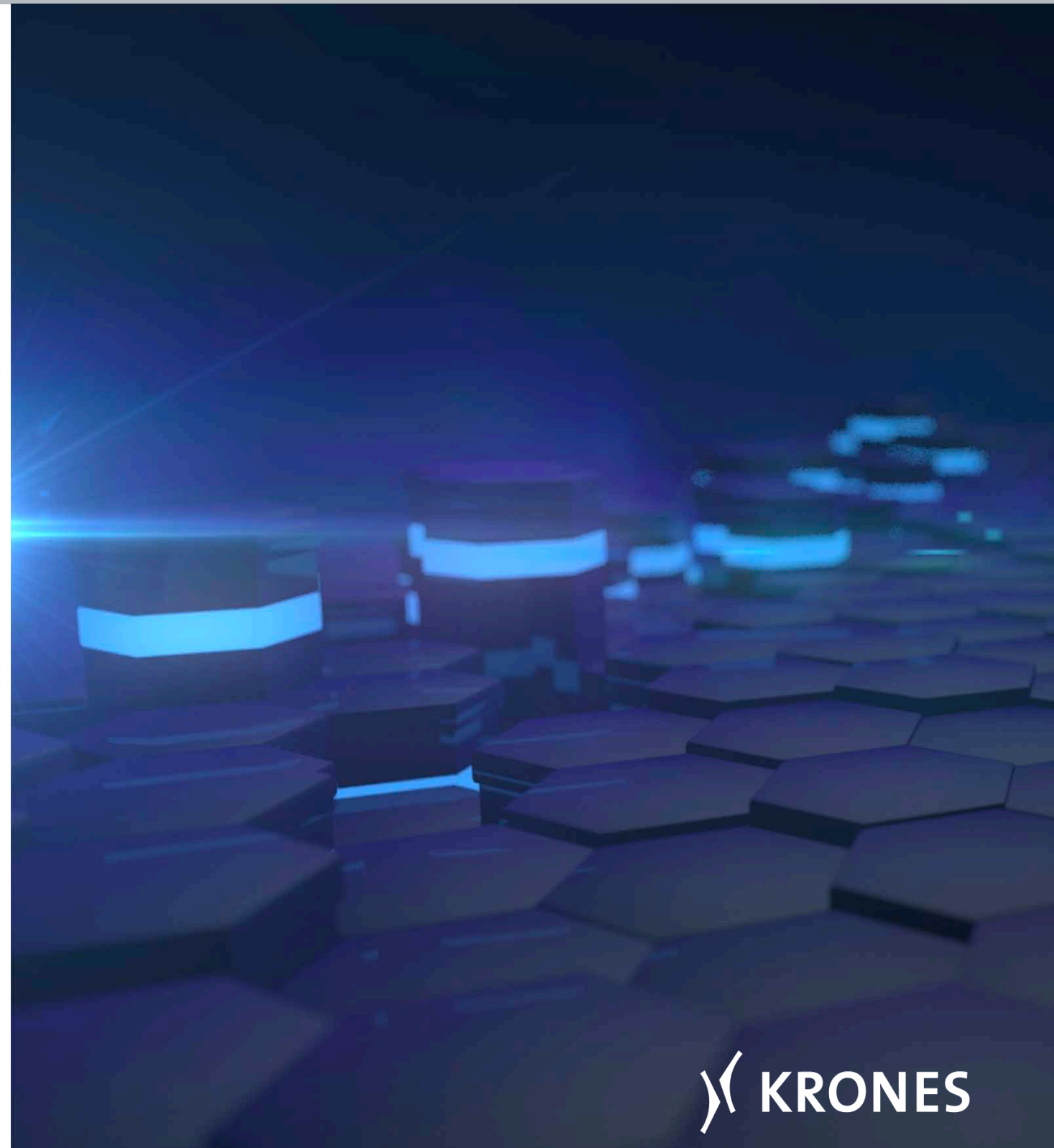
## Strong order intake in Q1 and Q2 2018

New orders by quarter (€ million)



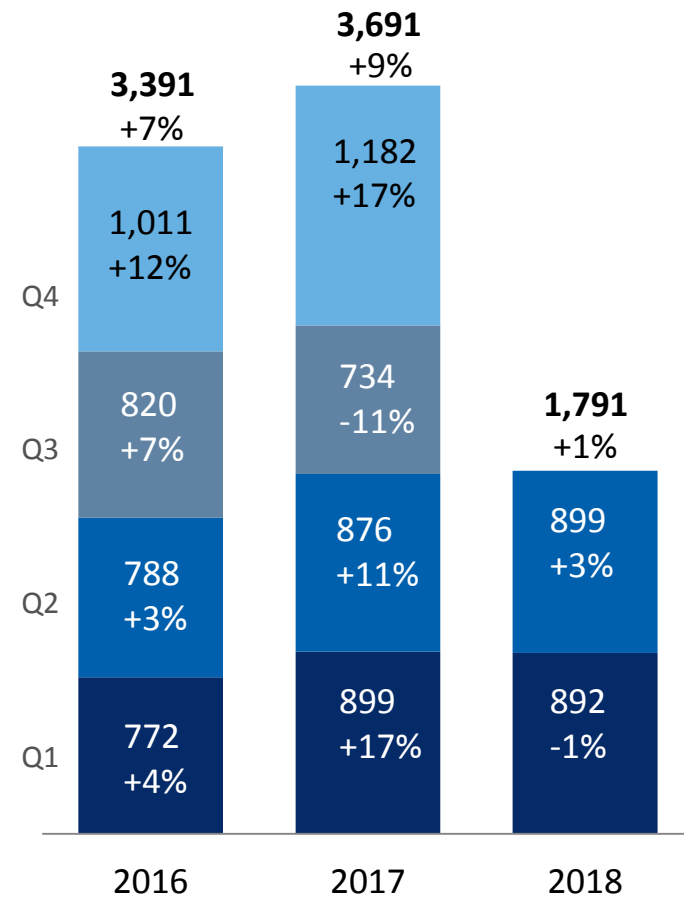
Orders on hand at Dec. 31 (€ million)

1,145      1,240      1,464 (June 30)



## Revenue increase slightly from high prior-year figure

Revenue development by quarter (€ million)



## Krones' revenue is well balanced

### Share of revenue (1st HY)

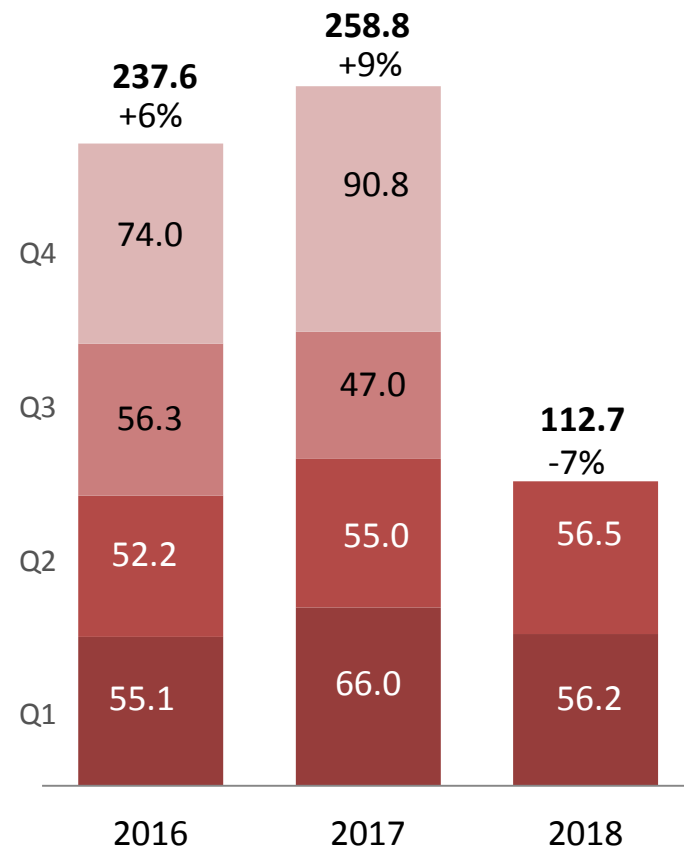
North America		CIS/Central Asia	
2017	2018	2017	2018
15.2%	13.8%	2.1%	2.3%
South America		China	
2017	2018	2017	2018
11.1%	12.7%	6.3%	6.8%
Europe		Asia/Pacific	
2017	2018	2017	2018
37.9%	37.2%	13.2%	12.7%
Africa/Middle East			
2017	2018		
14.2%	14.5%		



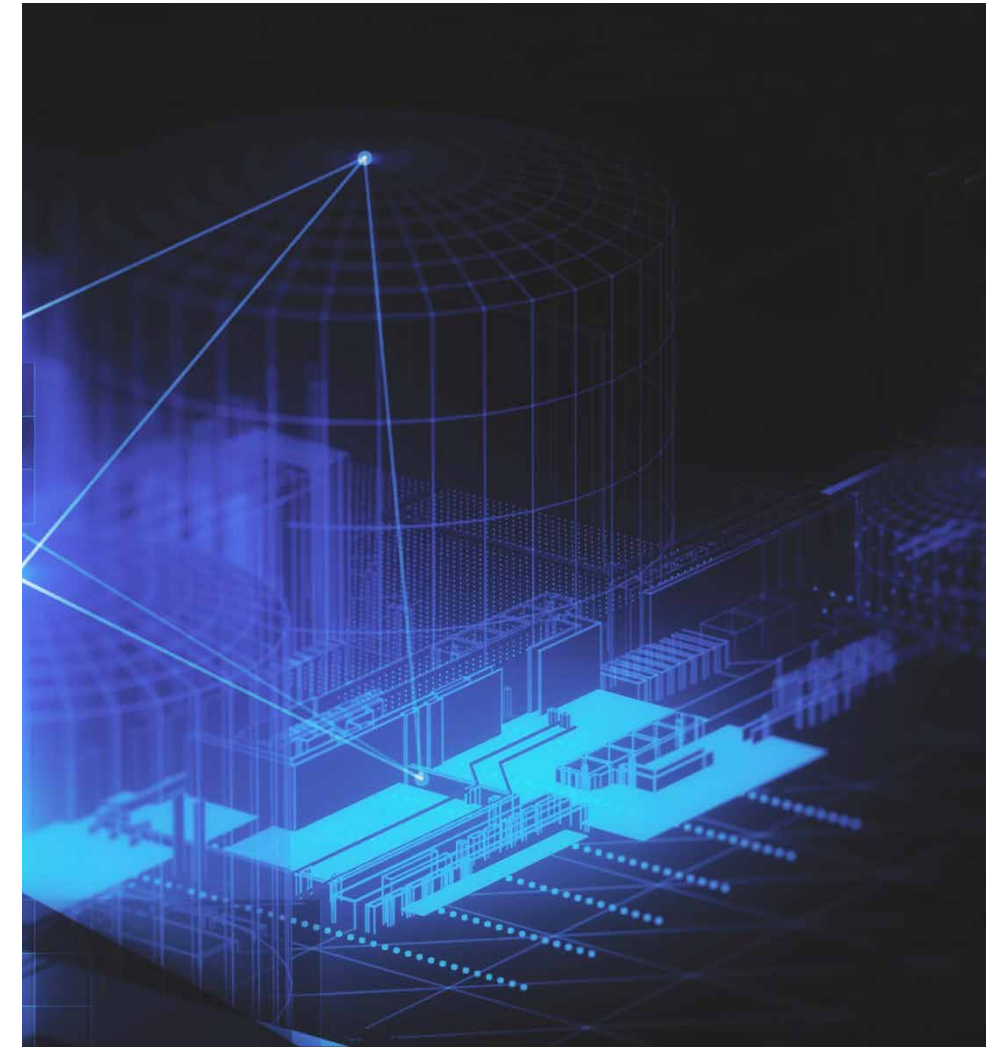
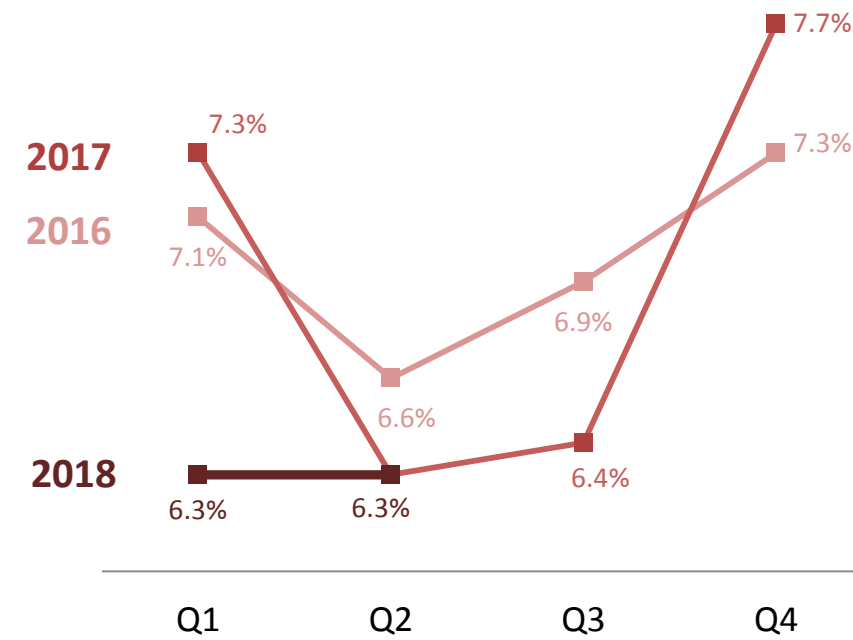


## Stable EBT margin in Q2

EBT by quarter (€ million)

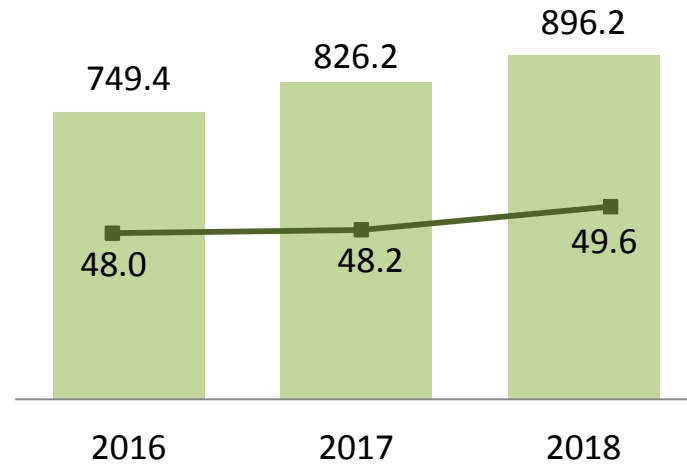


EBT margin by quarter (%)



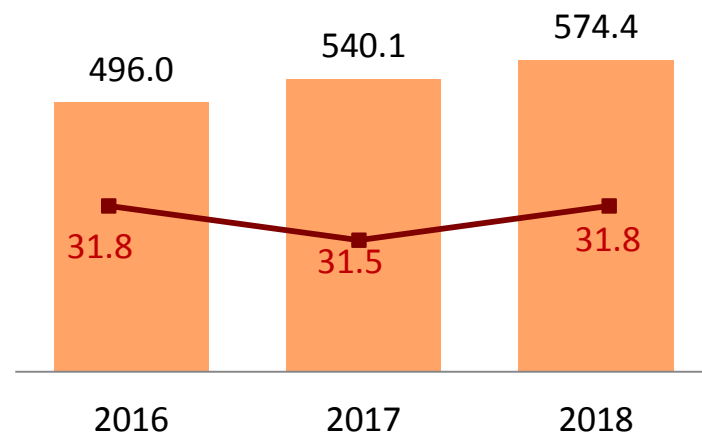
## Material and personnel cost

Material cost 1<sup>st</sup> HY (€ million)



— Material cost to total performance (%)

Personnel cost 1<sup>st</sup> HY (€ million)

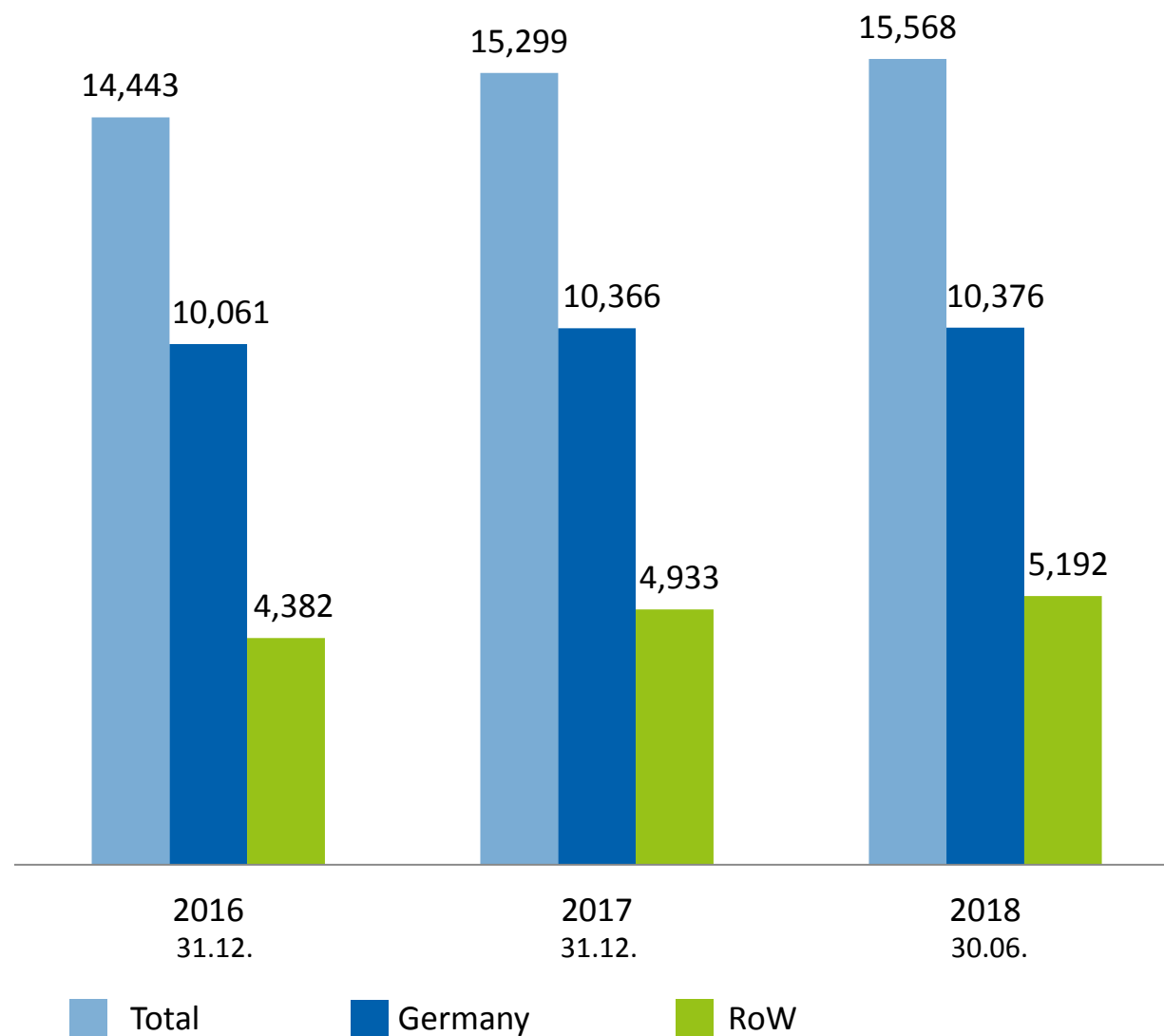


— Personnel cost to total performance (%)



## Krones continues to grow its workforce in Emerging Markets

KRONES employee worldwide



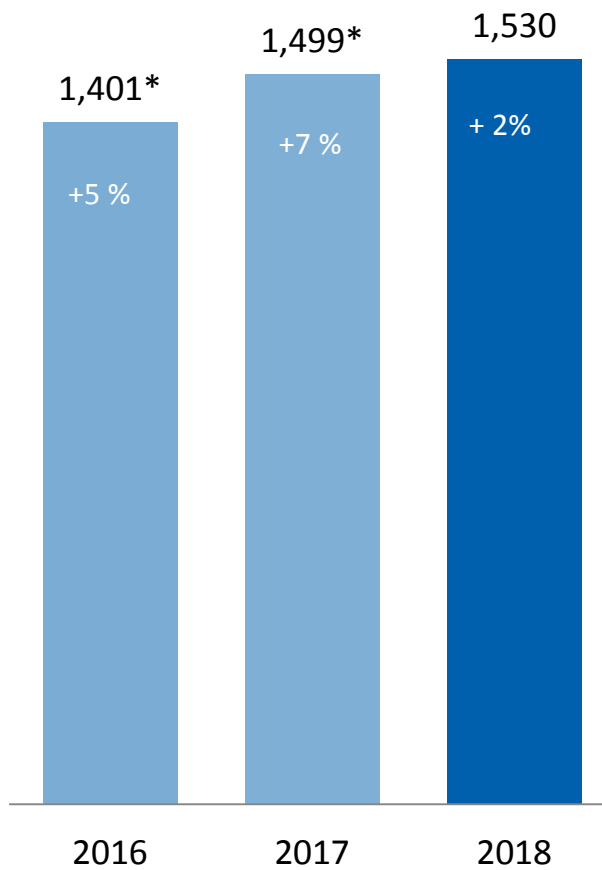
KRONES employee development in the Emerging Markets

Year	South America	Africa	Asia	CIS/East Europe	China	Total
<b>2016</b> 31.12.	549	386	602	155	508	<b>2,200</b>
<b>2017</b> 31.12.	581	393	734	172	608	<b>2,488</b>
<b>2018</b> 30.06.	607	430	782	181	632	<b>2,632</b>

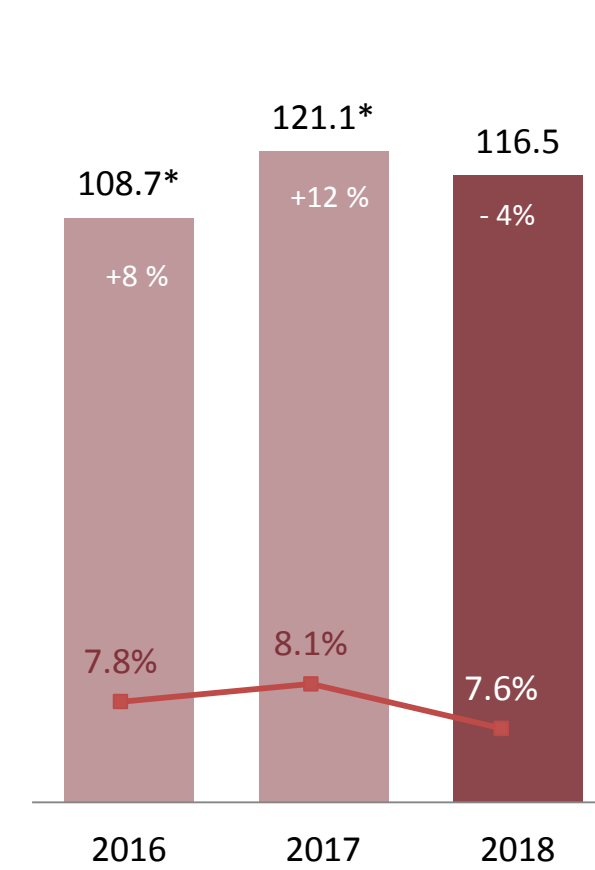


## Product filling and decoration New core segment influenced by cost increase

Revenue development 1<sup>st</sup> HY  
(€ million)



EBT development 1<sup>st</sup> HY  
(€ million)



— EBT margin in %

\* Prior year figures including Compact Class

MEDIUM-TERM TARGETS:

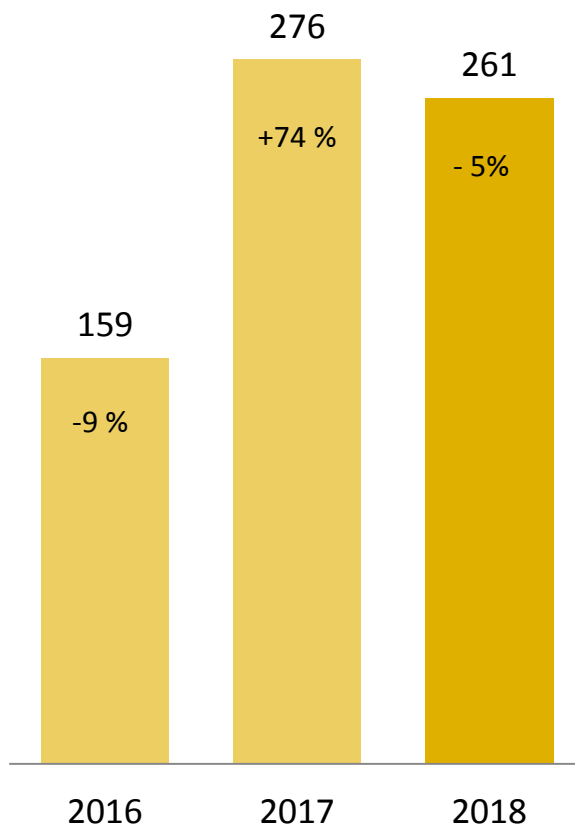
4 – 6 %  
Growth

> 8 %  
EBT margin

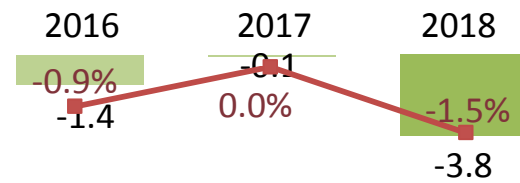


## Beverage production/process technology Revenue and earnings decrease with stabilization in Q2

Revenue development 1<sup>st</sup> HY  
(€ million)



EBT development 1<sup>st</sup> HY  
(€ million)



— EBT margin in %

MEDIUM-TERM TARGETS:

8 – 10 %

Growth

EBT margin

4 %



## Working capital too high – new FY 2018 target

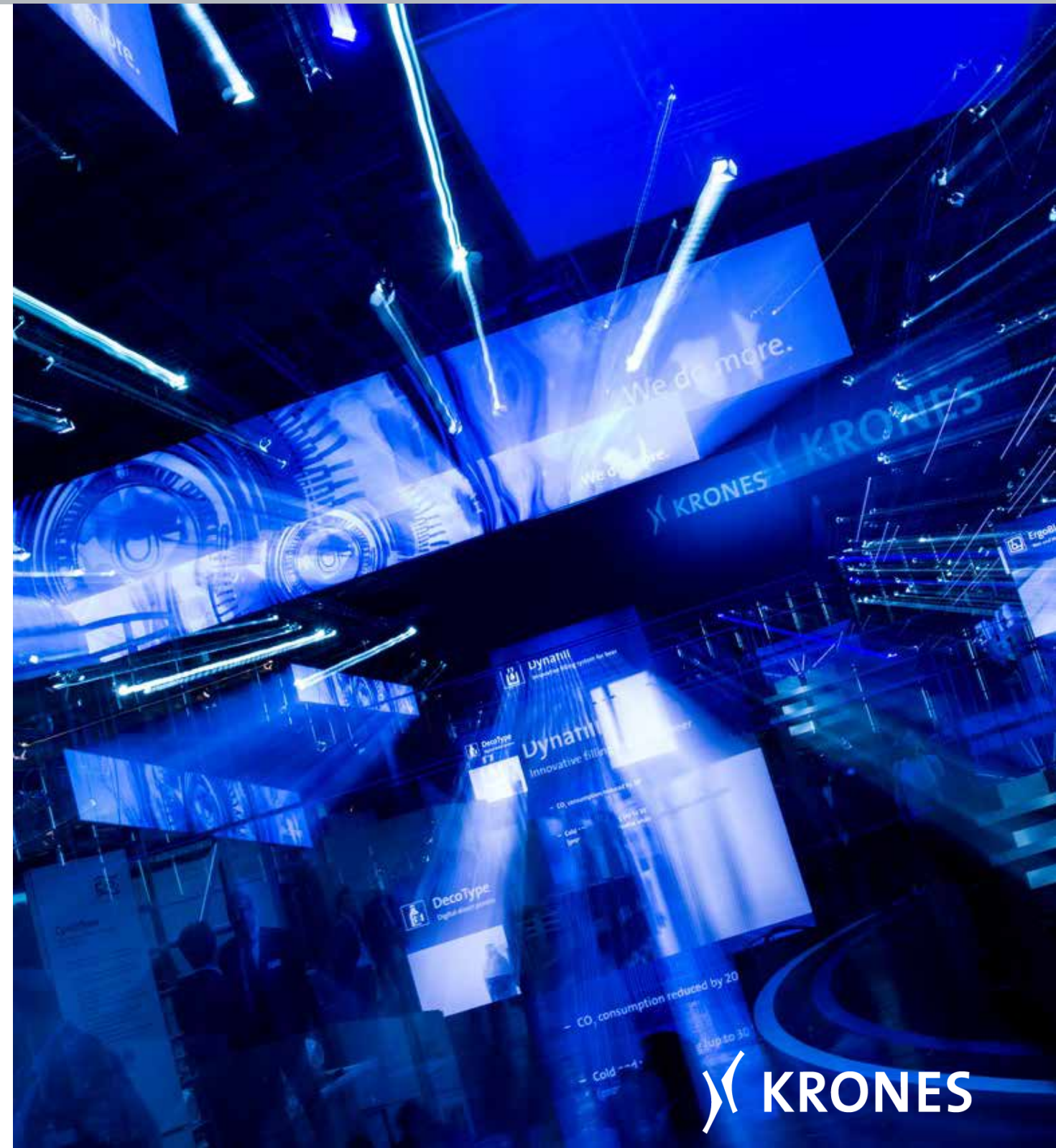
Working capital\* in % of revenue (1<sup>st</sup> HY)



ROCE\* in % (1<sup>st</sup> HY)



\*LTM (Last Twelve Months)





## Krones significantly improved cash flow from operating activities and free cash flow

1st HY (€ million)	2018	2017
Earnings before taxes	112.7	121.0
+/- Non-cash changes	+82.0	+22.8
+/- Change in Working Capital	-79.1	-151.9
+/- Other assets and liabilities	-109.5	-76.8
<b>Cash flow from operating activities</b>	<b>+6.1</b>	<b>-84.9</b>
+/- Capex	-58.5	-46.1
+/- M&A activities	-7.3	-32.8
+/- Other	+3.5	+4.3
<b>Free cash flow</b>	<b>-56.2</b>	<b>-159.5</b>
+/- Financing activities	+56.7	-19.0
+/- Others	+2.2	0.0
Net change in cash	+2.7	-178.5
<b>Cash at the end of period</b>	<b>184.7</b>	<b>190.4</b>





## Krones targets 2018

Revenue growth

6%

EBT margin

7.0%

Working Capital/  
Revenue

28%



Thank you  
for your attention!



## Financial calendar 2018

October 25, 2018      Conference Call Group Q3 2018 and  
Quarterly Statement as per September 30



Olaf Scholz  
Head of Investor Relations

KRONES AG  
Böhmerwaldstrasse 5  
93073 Neutraubling  
Germany

Phone      +49 9401 70-1169  
Fax         +49 9401 70-911169

## Disclaimer

This investor presentation contains forward-looking statements that are based on current estimates, forecasts and assumptions made by KRONES AG management to the best of its knowledge and other information currently available to KRONES AG.

The forward-looking statements of this presentation are by their very nature subject to various known and unknown risks, uncertainties and other factors, the non-occurrence or occurrence of which could cause material differences in future results of operations, financial situation, development or performance of KRONES AG. Factors that could cause such differences include but are not limited to changes in political, business, economic and competitive environment, effects of future legal and legislative issues, fiscal, and other regulatory measures, foreign exchange rate fluctuations, interest rates, the availability of financing, developments in raw material and personnel costs, launches of competing products or services, poor acceptance of new products or services, and changes in business strategy.

KRONES AG does not intend and does not assume any liability whatsoever to publicly update or revise any forward-looking statements or other information contained in this presentation as a result of new information, future events or otherwise. No representation or warranty, express or implied, is made by KRONES AG and/or its management with respect to the fairness, completeness, correctness, reasonableness, or accuracy of any information, facts, expectations or opinions contained herein. Neither KRONES AG nor any of its affiliates, representatives or advisors shall have any liability whatsoever (in negligence or otherwise) for any losses or damages arising from any use of this presentation or its content or otherwise arising in connection with the statements given herein.