

Corporate news release

30 April 2015

2015 is off to a good start – Krones continues profitable growth trend

- Revenue rose 5.1% to €738.9 million in the first quarter.
- New orders at Krones were up 6.5% to €787.0 million.
- Profitability improved further. EBT margin widened from 6.1% to 6.8%.
- KRONES is expecting 4% revenue growth and an EBT margin of 6.8% for 2015.

Krones, the world's leading manufacturer of beverage filling and packaging technology, has got the financial year 2015 off to a good start. In the period from January to March, revenue rose 5.1% year-on-year to €738.9 million. At €787.0 million, new orders exceeded the already-high year-earlier figure of €738.8 million by 6.5%. Demand was brisk across much of Krones' range of products and services. At €1,127.2 million, orders on hand at 31 March 2015 were up 4.5% over the end of 2014.

Krones also further increased its profitability in the first quarter of 2015, generating a very good margin for the period. Key here were the measures taken under the Value strategy programme, with which the company is progressively increasing efficiency. As expected, prices yielded no positive effects. Krones improved earnings before taxes (EBT) by 16.5% to €50.2 million. The EBT margin, the ratio of earnings before taxes to revenue, advanced from 6.1% to 6.8%.

In the company's core segment, revenue was up 12.8% and the EBT margin widened from 7.2% to 7.4%. The segment for the low output range accomplished the turnaround and generated an EBT margin of 4.4%. In process technology, the first-quarter EBT margin was down slightly, from 1.7% to 1.6%, on lower revenue as a result of invoice timing.

Consolidated net income climbed 17.1% in the first quarter of 2015 to €35.0 million. That corresponds to earnings per share of €1.11 (previous year: €0.95). Krones improved its return on capital employed (ROCE) – the ratio of EBIT to average net tied-up capital – to 16.5% in the reporting period (previous year: 15.4%).

Outlook – Forecast for 2015 affirmed

Based on the current macroeconomic prospects and developments on the markets relevant to Krones, the company expects consolidated revenue to grow by 4% in 2015. Krones expects only little support from price levels.

The company's profitability is set to improve yet again this year. Krones expects the EBT margin to rise to 6.8% in 2015. That puts Krones very close to the medium-term target of 7%, which the company had set itself when launching its Value programme. The company is aiming to increase its third strategy target, ROCE, to 17% this year.

Krones published the complete Interim Report for the first quarter of 2015 online today at http://www.krones.com/en/investor_relations/reports.php.

Key figures Q1 2015

		1 Jan – 31 Mar 2015	1 Jan – 31 Mar 2014	Change
Revenue	€ million	738,9	703.0	+5.1%
New orders	€ million	787,0	738.8	+6.5%
Orders on hand at 31 March	€ million	1,127.2	1,028.2	+9.6%
EBITDA	€ million	70.5	63.1	+11.7%
EBIT	€ million	49.2	42.2	+16.6%
EBT	€ million	50.2	43.1	+16.6%
Net income	€ million	35.0	29.9	+17.1%
Earnings per share	€	1.11	0.95	+16.8%
Capital expenditure for PP&E and intangible assets	€ million	15.8	12.4	+ €3.4m
Free Cashflow	€ million	-56.2	-40.2	- €16.0m
Net cash and cash equivalents	€ million	280.2	199.8	+ €80.4m
ROCE (liabilities side)	%	16.5	15.4	-
ROCE (assets side)	%	14.7	13.3	-
Employees at 31 March				
Worldwide		12,756	12,353	+403
Germany		9,414	9,100	+314
Outside Germany		3,342	3,253	+89

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