

Corporate news release

22 October 2015

Nine months into the year, Krones is on track to achieve its targets for 2015

- Revenue climbed 4.9% to €2,270.7 million.
- New orders increased 5.2% to €2,311.3 million for the period from January to September.
- EBT margin improved from 6.3% to 6.9% thanks to the Value strategy programme.
- Krones confirms growth and earnings targets for 2015 as a whole.

Krones, the world's leading manufacturer of filling and packaging technology, continued to grow profitably in the first three quarters of 2015 despite the challenging macroeconomic environment. Revenue from January to September 2015 grew 4.9% to €2,270.7 million. Krones achieved the steepest improvement in the North and Central America, Middle East/Africa, and Central Europe sales regions. New orders picked up 5.2% year-on-year to €2,311.3 million in the period from January to September 2015.

At 30 September 2015, the company had a good orders backlog of €1,119.7 million (previous year: €1,025.8 million).

Profitability increased further towards target

Krones' profitability improved considerably in the first nine months of 2015. At €156.1 million, earnings before taxes (EBT) overshot the year-earlier figure of €136.7 million by 14.2%. The EBT margin, the ratio of earnings before taxes to revenue, improved from 6.3% in the previous year to 6.9% in the reporting period. Thus, after the first three quarters, Krones is already very close to its margin target of 7.0% for the year 2015 as a whole. The improved earnings performance is driven by the successes of our Value strategy programme. Prices have not improved.

Net income increased 13.9% year-on-year to €108.3 million. Earnings per share advanced from €3.01 to €3.45. The company improved its return on capital employed (ROCE), that is the ratio of earnings before interest and taxes (EBIT) to average net tied-up capital, to 17.0% in the reporting period (previous year: 16.1%).

Krones still has a very robust financial and capital structure. At the end of September, the company had no bank debt and held net cash and cash equivalents (cash and cash equivalents less bank debt) of €253.7 million. The equity ratio was a comfortable 41.3% (31 December 2014: 40.7%).

All forecasts for 2015 affirmed

Based on the current forecasts for global economic growth and developments on the markets relevant

to Krones, the company expects consolidated revenue to grow by 4% in 2015. The company is also confident that it will achieve the higher profitability target set in July: an EBT margin of 7.0% for 2015 as a whole. Krones is aiming to increase its third strategy target, ROCE, to 17% this year.

Key figures for 1 January – 30 September 2015		1 Jan – 30 Sep 2015	1 Jan – 30 Sep 2014	Change
Revenue	€million	2,270.7	2,164.4	+ 4.9%
New orders	€million	2,311.3	2,197.8	+ 5.2%
Orders on hand at 30 September	€million	1,119.7	1,025.8	+ 9.2%
EBITDA	€million	218.2	196.7	+ 10.9%
EBIT	€million	152.6	132.9	+ 14.8%
EBT	€million	156.1	136.7	+ 14.2%
EBT margin	%	6.9	6.3	–
Net income	€million	108.3	95.1	+ 13.9%
Earnings per share	€	3.45	3.01	+ 14.6%
Capital expenditure for PP&E and intangible assets	€million	55.4	49.6	€ +5.8 million
Free cash flow	€million	–48.1	30.4	€ –78.5 million
Net cash and cash equivalents 30 September	€million	253.7	207.1	€ + 46.6 million
ROCE (liabilities side)	%	17.0	16.1	–
ROCE (assets side)	%	14.9	13.6	–
Employees at 30 September				
Worldwide		13,149	12,586	+ 563
Germany		9,655	9,264	+ 391
Outside Germany		3,494	3,322	+ 172

* Cash and cash equivalents less debt

Key figures for Q3 2015		1 Jul – 30 Sep 2015	1 Jul – 30 Sep 2014	Change
Revenue	€million	767.0	728.9	+ 5.2%
New orders	€million	787.2	735.9	+ 7.0%
EBITDA	€million	74.1	68.9	+ 7.5%
EBIT	€million	51.4	46.8	+ 9.8%
EBT	€million	52.0	47.3	+ 9.9%
EBT margin	%	6.8	6.5	–
Net income	€million	35.6	32.7	+ 8.9%
Earnings per share	€	1.13	1.03	+ 9.7%

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



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