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## Krones continues profitable growth path

- At €1,482.7 million, the contract value of orders in the first quarter of 2024 was close to the very high level seen in the previous year (€1,513.1 million) and, with an increase of 17.4%, significantly higher than the order intake in the fourth quarter of 2023 (€1,263.0 million).
- Krones' growth is fully on track. Revenue increased by 4.0% to €1,247.1 million. Krones has consolidated the revenue of the recently acquired Netstal Maschinen AG only since 28 March 2024.
- The EBITDA margin improved from 9.6% in the previous year to 10.1%, which is within the guidance range for the full year 2024.
- Krones significantly increased free cash flow before M&A activities to +€184.2 million in the first quarter of 2024 (previous year: -€21.0 million).
- Following the very positive first-quarter trend, Krones has confirmed the guidance for the full year 2024. The company expects revenue growth of 9% to 13%, an EBITDA margin of 9.8% to 10.3% and ROCE of 17% to 19%.

Krones can look back on a successful first quarter 2024. The company's markets are largely unaffected by economic fluctuations and customers continue to be very keen to invest.

### Order intake up significantly on preceding quarter, revenue growth fully on target

As the global leader, Krones was able to take advantage of the good market conditions. At €1,482.7 million, the contract value of orders from January to March 2024 was close to the very high level seen in the previous year (€1,513.1 million) and, with an increase of 17.4%, significantly higher than the order intake in the fourth quarter of 2023 (€1,263.0 million).

Krones's revenue also continued its positive trend in the first quarter of 2024. Revenue increased by 4.0%, from €1,198.8 million in the previous year to €1,247.1 million. This means that growth is fully on target. It should be noted here that there were fewer working days in the reporting period than in the prior-year quarter. In addition, Krones has consolidated the revenue of the recently acquired Netstal Maschinen AG only since 28 March 2024. Because of these two effects, growth in the first quarter was not yet within the full-year 2024 guidance range of 9% to 13%.

Due to the strong demand, Krones' order backlog further increased in the first three months of 2024. At the end of March 2024, the company had an order backlog totalling €4,357.9 million. The order backlog thus showed an increase of 15.3% on the prior-year figure (€3,780.7 million).

### **EBITDA margin increases from 9.6% in the previous year to 10.1%**

Despite high labour and material costs, Krones' profitability further improved in the first quarter of 2024. This reflects the company's increased efficiency. Krones was able to offset rising material costs with constantly higher prices for its machines and lines. Earnings before interest, taxes, depreciation and amortisation (EBITDA) went up by 9.1% year on year between January and March 2024, from €114.9 million to €125.4 million. The EBITDA margin improved from 9.6% to 10.1%, which is within the guidance range for the full year 2024.

Earnings before taxes (EBT) climbed by 7.2% in the first quarter of 2024, from €83.0 million to €89.0 million. The EBT margin consequently rose from 6.9% to 7.1%. Consolidated net income improved by 3.6% in the reporting period, from €63.5 million in the previous year to €65.8 million. This corresponds to earnings per share of €2.08 (previous year: €2.01).

### **Krones generates positive free cash flow despite purchase price payment for Netstal**

Krones' free cash flow developed very well in the first quarter of 2024. Mainly due to the improvement in working capital, free cash flow excluding M&A activities increased significantly to €184.2 million (previous year: –€21.0 million). Despite cash outflows totalling €180.1 million relating to M&A activities – mainly comprising the purchase price payment for the acquisition of Netstal Maschinen AG – Krones generated a positive free cash flow of €4.1 million in the reporting period (previous year: –€21.0 million). The company's net cash, meaning cash and cash equivalents less bank debt, amounted to €438.7 million at the end of March 2024. In addition, Krones had around €860 million in unused lines of credit as of 31 March 2024.

ROCE (return on capital employed) increased in the first quarter to 19.0% (previous year: 17.8%), mainly due to the higher earnings before interest and taxes.

### **Krones continues profitable growth path and confirms full-year financial targets for 2024**

Krones made a good start to the 2024 financial year and has a very large order backlog. At the same time, various uncertainties mean that the business environment remains challenging. This includes geopolitical risks in Europe, the Middle East and other parts of the world. Material shortages and the global supply chain problems that could result from military action along important trade routes remain a source of uncertainty.



Based on the prevailing macroeconomic outlook and the current expected development of the markets relevant to Krones, and after the positive first quarter, the company confirms its financial targets for 2024.

Krones expects consolidated revenue growth of 9% to 13%. On the basis of increasing revenue, an ongoing disciplined price strategy and systematic implementation of the cost optimisation measures, Krones aims to improve profitability again this year compared to 2023, despite rising material and labour costs. At group level for 2024, the company forecasts an EBITDA margin of 9.8% to 10.3% (2023: 9.7%). For the third performance target, ROCE, Krones expects an increase in the current year to between 17% and 19% (2023: 16.3%).

All forecast figures for 2024 include the effects of the acquisition of Netstal Maschinen AG, which has been consolidated within the Filling and Packaging Technology segment since 28 March 2024.

Krones has published the complete quarterly statement online at:

[https://www.krones.com/media/downloads/Q1\\_2024\\_e.pdf](https://www.krones.com/media/downloads/Q1_2024_e.pdf)

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