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## **Krones significantly increases revenue and profitability in 2023 – Executive Board forecasts continuation of profitable growth path in 2024**

- Krones' revenue rose by 12.2% year on year to €4,720.7 million in 2023.
- In the fourth quarter of 2023, order intake increased by 6.8% on the previous year's quarter to €1,263.0 million. After the record in the previous year (€5,782.8 million), the contract value of orders remained at a high level in the full year 2023, at €5,376.6. As a result, the company's order backlog increased by 18.9% to €4,122.3 million.
- Despite challenging conditions, Krones significantly improved profitability. EBITDA increased by 22.5% in 2023 to €457.3 million. The EBITDA margin rose from 8.9% in the previous year to 9.7%.
- Free cash flow before acquisitions remained positive at €13.2 million. Including acquisitions, free cash flow amounted to –€101.3 million (previous year: +€371.0 million). Krones improved ROCE (return on capital employed) to 16.3% in 2023 (previous year: 14.1%).
- For the full year 2024, the Executive Board forecasts revenue growth of 9% to 13% with an improved EBITDA margin of 9.8% to 10.3% and ROCE of 17% to 19%. The forecast figures include the effects of the acquisition of Netstal Maschinen AG, which is still to be finalised.

Based on the preliminary figures for 2023, Krones has continued on its profitable growth path and met the financial targets projected for the Group.

Under challenging conditions, the company increased revenue by 12.2%, from €4,209.3 million in 2022 to €4,720.7 million in 2023. Krones thus met the upgraded growth target of 11% to 13% published in July 2023 (previously: 8% to 11%). Thanks to the great flexibility and creativity of the workforce, total operating performance developed well, even though the tight supply of electrical components prevented the optimum utilisation of capacity. The supply of parts improved in the fourth quarter of 2023. With a time lag, this will have a positive impact on revenue in 2024.

Following extremely strong ordering activity from customers in 2022, which was influenced by catch-up effects, demand continued to develop very well in 2023. At €1,263.0 million, order intake in the fourth quarter of 2023 was up 6.8% on the prior-year quarter. In total, the contract value of orders amounted to €5,376.6 million (previous year: €5,782.8 million). Due to the strong customer demand, the order backlog increased further, despite the revenue growth, to surpass the €4 billion mark in the reporting year. At €4,122.3 million, it was 18.9% or €655.9 million higher at the end of 2023 than a year earlier (€3,466.4 million).

### **Krones' EBITDA margin increased to 9.7% (previous year: 8.9%)**

Despite increased procurement prices and a change in the product mix, Krones' profitability improved significantly in 2023. This is mainly attributable to the company's high flexibility. Krones was also able to compensate for the higher cost of materials with price increases on its products. Earnings before interest, taxes, depreciation and amortisation (EBITDA) went up by 22.5% year on year, from €373.3 million to €457.3 million. The EBITDA margin improved to 9.7% (previous year: 8.9%). Krones thus achieved its EBITDA margin target for 2023 of 9% to 10%.

Earnings before taxes (EBT) rose by 28.3% in the reporting period, from €242.1 million in the previous year to €310.5 million. This corresponds to an EBT margin of 6.6% (previous year: 5.8%). In total, Krones generated consolidated net income of €224.6 million in 2023, an increase of 20.0% (previous year: €187.1 million). This corresponds to earnings per share of €7.11 (previous year: €5.92).

### **Krones improves ROCE and generates positive free cash flow before acquisitions**

Krones' free cash flow before acquisitions was positive in 2023 at €13.2 million. At –€101.3 million in 2023, the free cash flow including acquisitions was down on the very high level of the previous year (+€371.0 million). This was mainly due to the sharp increase in working capital as a result of the high business volume. Krones significantly improved the working capital to revenue ratio to 17.8% (previous year: 19.0%). Return on capital employed (ROCE) increased to 16.3% in 2023 (previous year: 14.1%). The target for 2023 of 15% to 17% has therefore been achieved.

The company's net cash (cash and cash equivalents less bank debt) stood at €444.7 million at the end of 2023 (previous year: €669.5 million). The equity ratio was 38.3% (previous year: 38.3%). Overall, Krones continues to possess a very robust financial and capital structure.

All stated figures are preliminary and are subject to change in the course of auditing by the independent auditors. Krones publishes its Annual Report for 2023 on 22 March 2024.

## **Executive Board forecasts continuation of profitable growth in 2024**

Krones made a confident start to the 2024 financial year. The company has an extremely large order backlog and demand for Krones' products and services remains high. At the same time, various uncertainties mean that the business environment remains challenging for the company. These include geopolitical risks in Europe, the Middle East and other parts of the world. Potential material shortages and problems in global supply chains 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, the company forecasts consolidated revenue growth of 9% to 13% in 2024.

On the basis of increasing revenue, an ongoing disciplined price strategy and continued implementation of the cost optimisation measures, Krones aims to improve profitability again this year compared to 2023. At group level for 2024, the company forecasts an EBITDA margin of 9.8% to 10.3%.

For the third performance target, return on capital employed (ROCE), Krones expects an increase this year to between 17% and 19%.

All forecast figures for 2024 include the effects of the acquisition of Netstal Maschinen AG, which is still to be finalised.

### **Contact:**

Olaf Scholz

Head of Investor Relations, Krones AG

Tel.: +49 9401 70-1169

E-mail: [olaf.scholz@krones.com](mailto:olaf.scholz@krones.com)