



Krones Preliminary Figures 2021

Conference Call 24 February 2022

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Guidance for 2021 fully achieved – further strong market growth

Preliminary Figures 2021

Customers' demand remain very high and results in increased **order intake** in 2021 by 30.5% to €4.3 billion as an all time high. Pull forward and catch-up effects included.
Strong market development still sustainable.

Revenue in 2021 of €3,634 million up by 9.4% to prior-year figure, and slightly above the 2021 target.

Free Cash Flow with +€203 million on a very high level similar to previous year (+€221 million).

Strong increase in **EBITDA margin** of 8.6% vs. prior year margin of 4.0%. EBITDA margin with 8.6% includes positive one-offs of €17 million; without positive one-off impact, margin is 8.1% and in line with the target.

Based on the current market situation Krones plans a growth in sales of **5% to 8%** for 2022. We expect an EBITDA margin of 8-9% in 2022 which is in line with our plans to reach our midterm targets for 2025 (10% to 13%). Our ROCE target for 2022 is **10% to 12%**.



Krones highlights

Q1 – Q4 2021

Order intake

+30.5%

€4.32 billion

Revenue

+9.4%

€3.6 billion

EBITDA margin

8.6%

(PY 4.0%)

Free cash flow

+€203 million

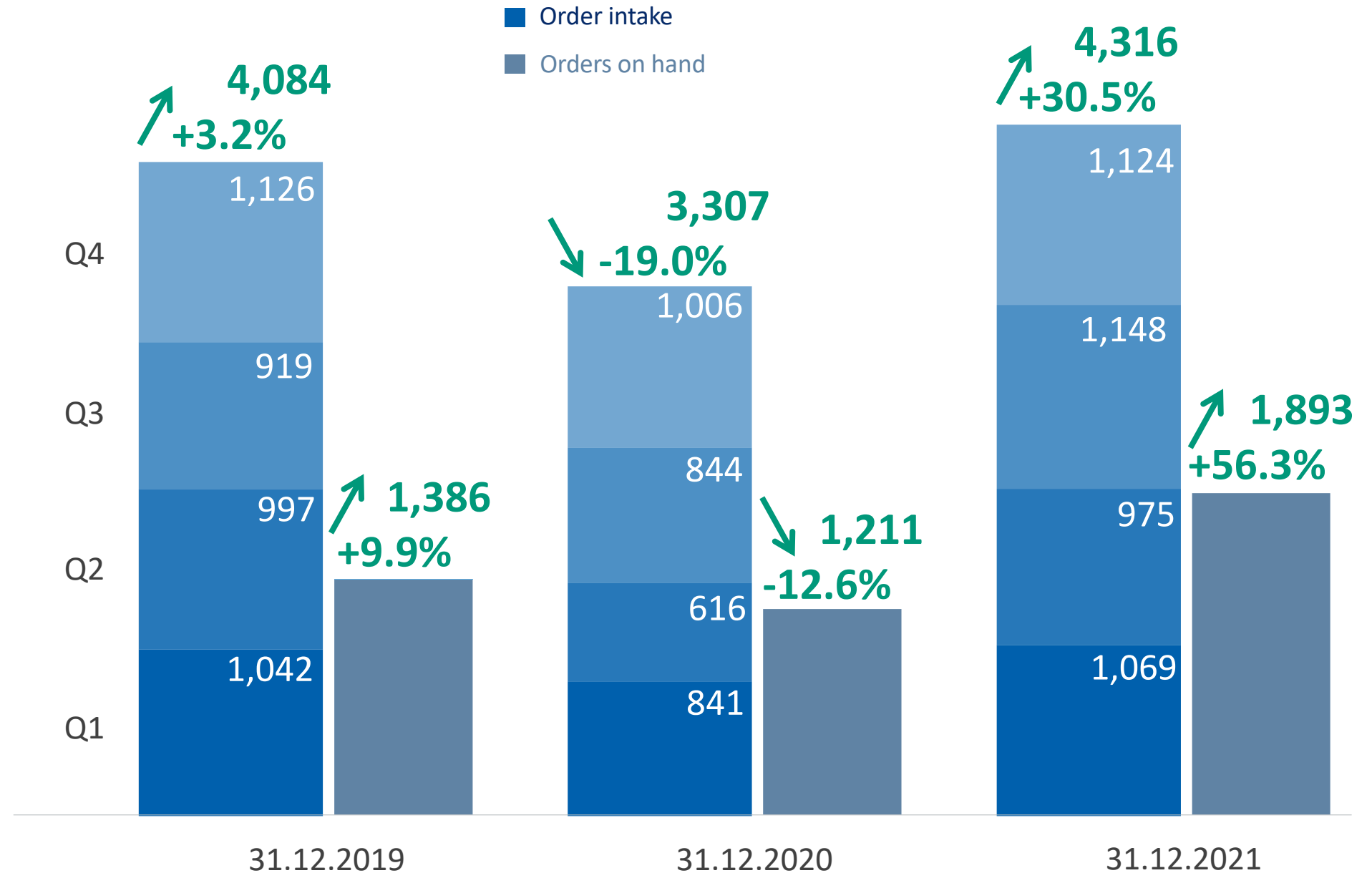
(PY €221 million)



Order intake and orders on hand (€ million)

Strong growth 2021 reflects market recovery after Covid-19

- Compared to 2020, **order intake** 2021 increased significantly by 30.5%. Highest order intake ever also includes pull forward and catch-up effects
- Orders on hand** at 31.12.2021 was 56.3% above prior year. With this order backlog Krones capacities are fully utilized until the end of 2022. Highest order backlog in the Krones history



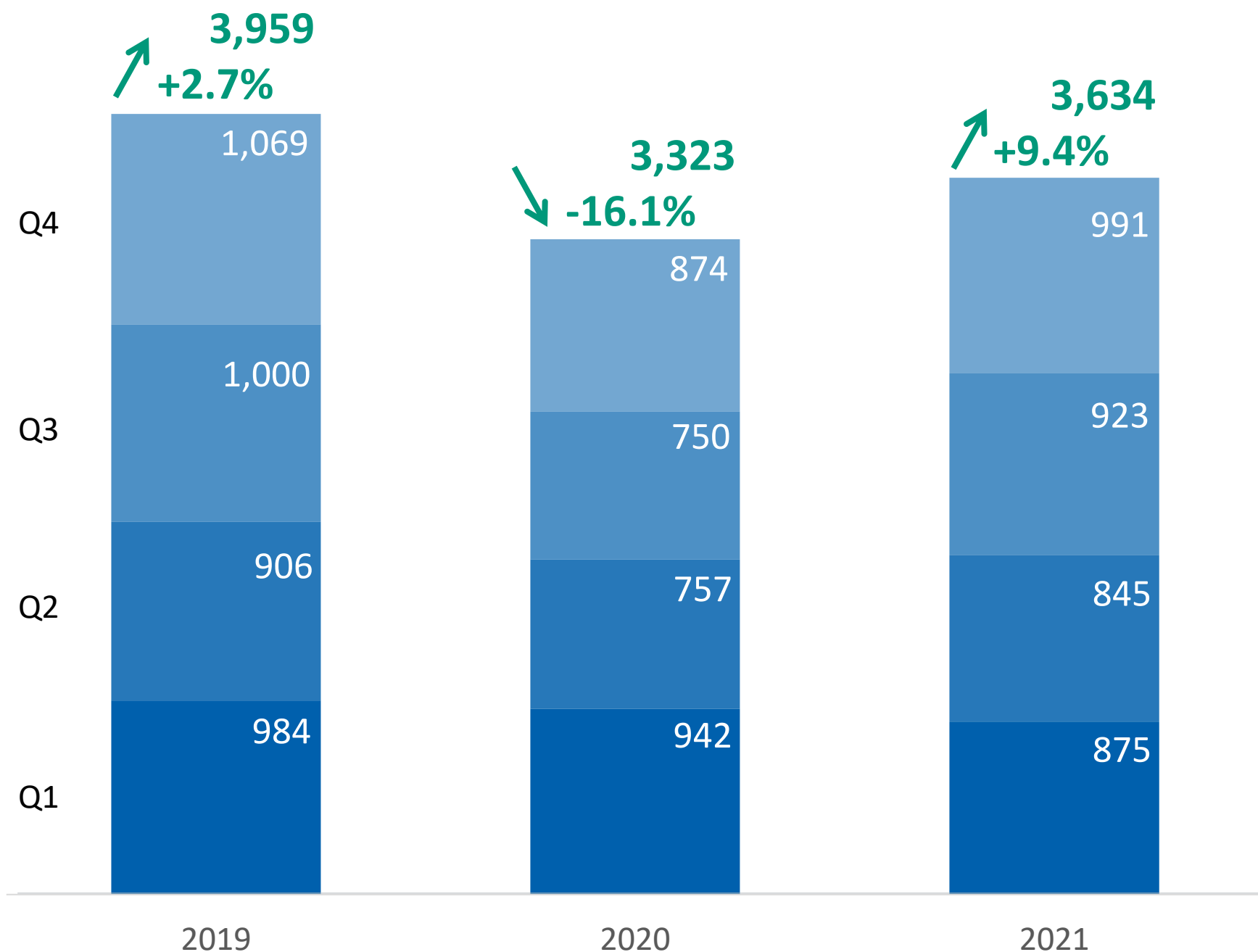


Revenue development by quarter (€ million)

Revenue growth at Krones fully in line with expectations

- Revenue was increased in 2021 by 9.4% compared to prior year
- The Covid-19 effect of 2020 could not fully be compensated, but 2nd half year 2021 (€1.9 billion) was 11% higher than 1st half year 2021 (€1.7 billion) and 18% higher than 2nd half year of 2020

Further growing revenues expected for next year, with the opportunity to reach pre-Covid-19 record level of 2019.





Revenue split reflects the world-wide business activity of Krones with a regain strength in industrial countries

Share of sales (Q1 – Q4 2021)

North and Central America		
2019	2020	2021
17.3%	19.4%	21.1%

Europe		
2019	2020	2021
32.5%	30.8%	31.2%

Eastern Europe/ Russia/Central Asia		
2019	2020	2021
8.1%	6.5%	6.6%

China		
2019	2020	2021
8.1%	6.5%	8.5%

Middle East/ Africa		
2019	2020	2021
11.4%	14.4%	11.6%

South America		
2019	2020	2021
9.4%	9.4%	9.8%

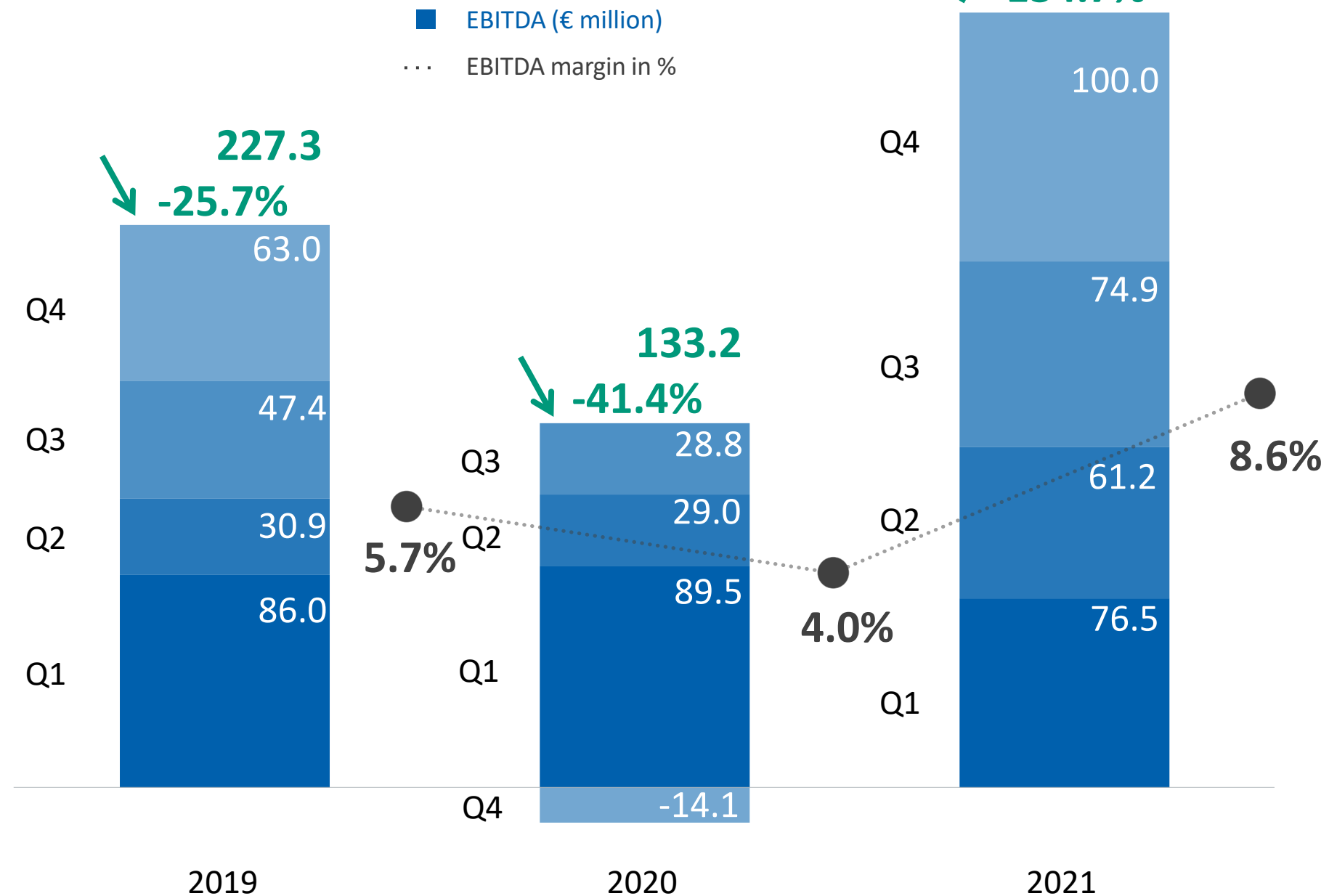
Asia/Pacific		
2019	2020	2021
13.2%	13.0%	11.2%



EBITDA and EBITDA margin by quarter (€ million and %)

EBITDA margin at 8.6%

- Significantly improved EBITDA. Profitability impacted by structural measures and market recovery
- EBITDA includes one-off earnings for release of restructuring provision and one-off costs for Covid-19 topics. Total net one-offs impacts €17 million
- EBITDA margin without one offs was at 8.1% and fully in line with our increased margin outlook

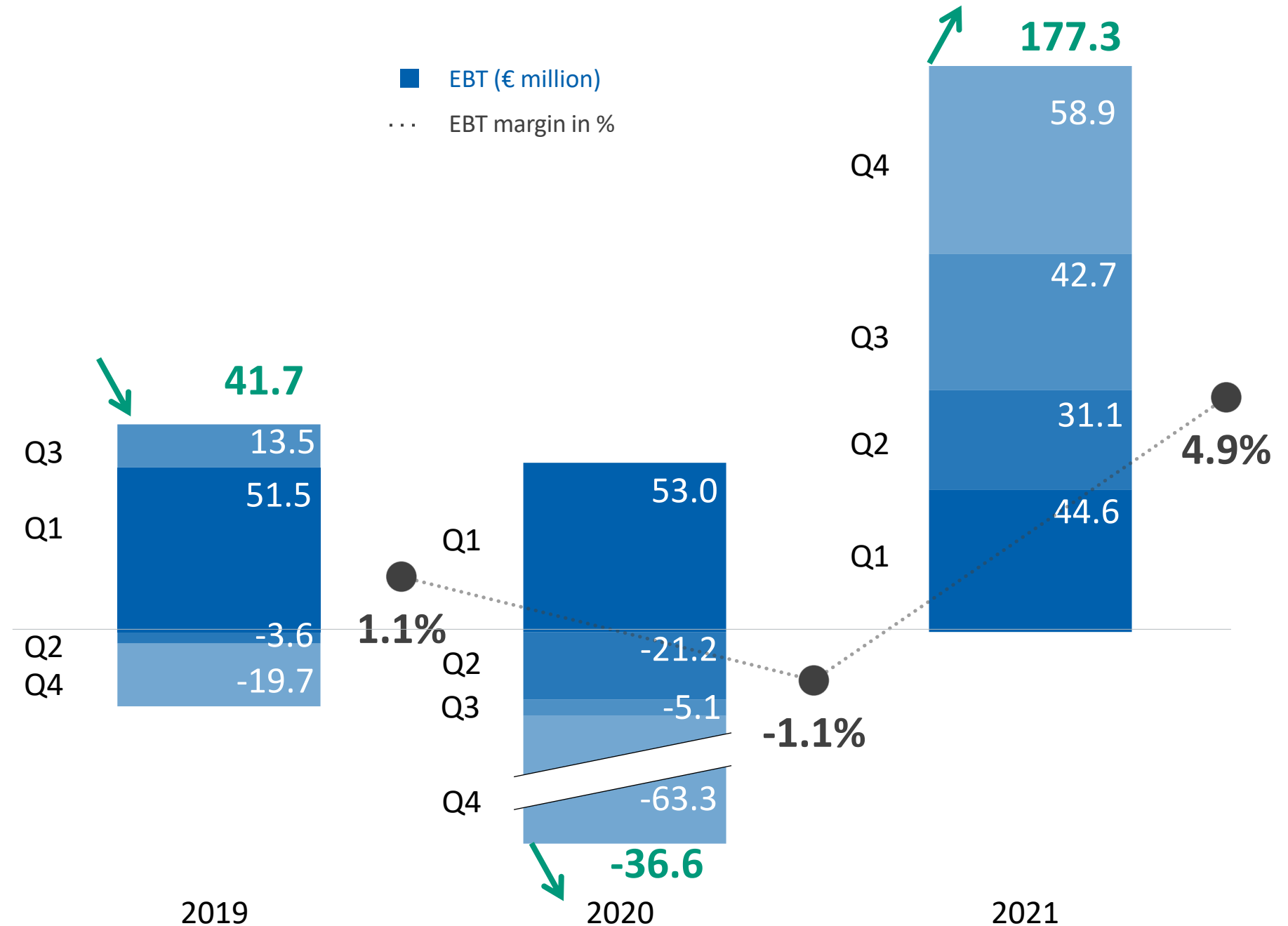




EBT and EBT margin by quarter (€ million and %)

EBT margin in 2021 at 4.9%

- EBT margin at 4.9%, excluding one-offs at 4.4% in 2021. Strong increase vs. prior year (1.3% excluding one-offs) reflects structural measures and market development
- EBT margin in 2021 in line with year-end expectations
- Also significant improvement of EBT without one-offs to 2019 (before Covid-19) of plus 44% (€160.3 million vs €111.7 million) despite 8.2% lower revenues

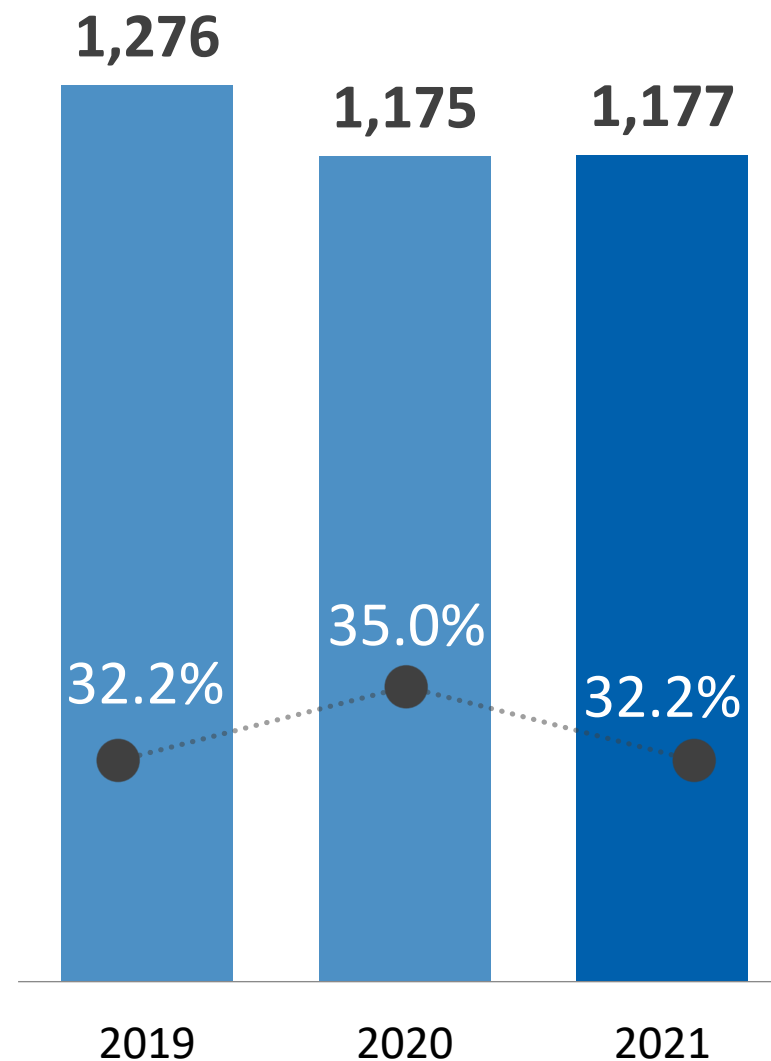




Personnel and material expenses Q1 – Q4 (€ million and %)

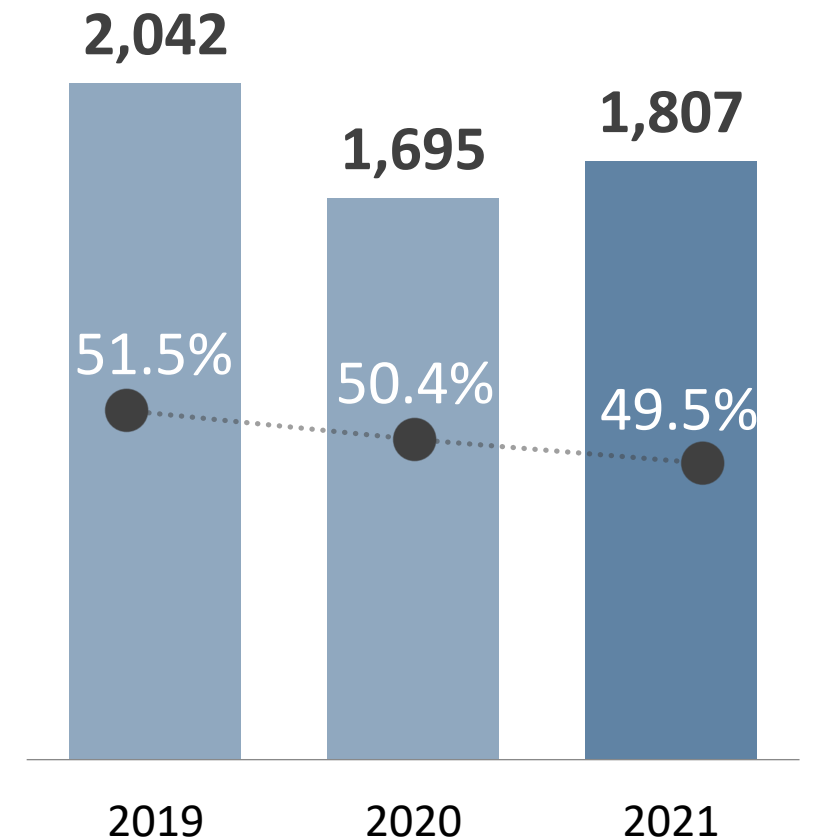
- **Personnel cost ratio** with 32.2% clearly better than last year. Positive effects from structural measures show stronger impact in 2nd half-year. Structural measures implemented and completed
- Despite increasing material costs and higher machine business with higher material ratio the **material cost ratio** overall was reduced to 49.5% (vs. 50.4% prior year). Selling price increases and cost reductions compensated dynamic cost increases on the material side

Personnel cost Q1 – Q4 (€ million)



--- Personnel expenses to total performance (%)

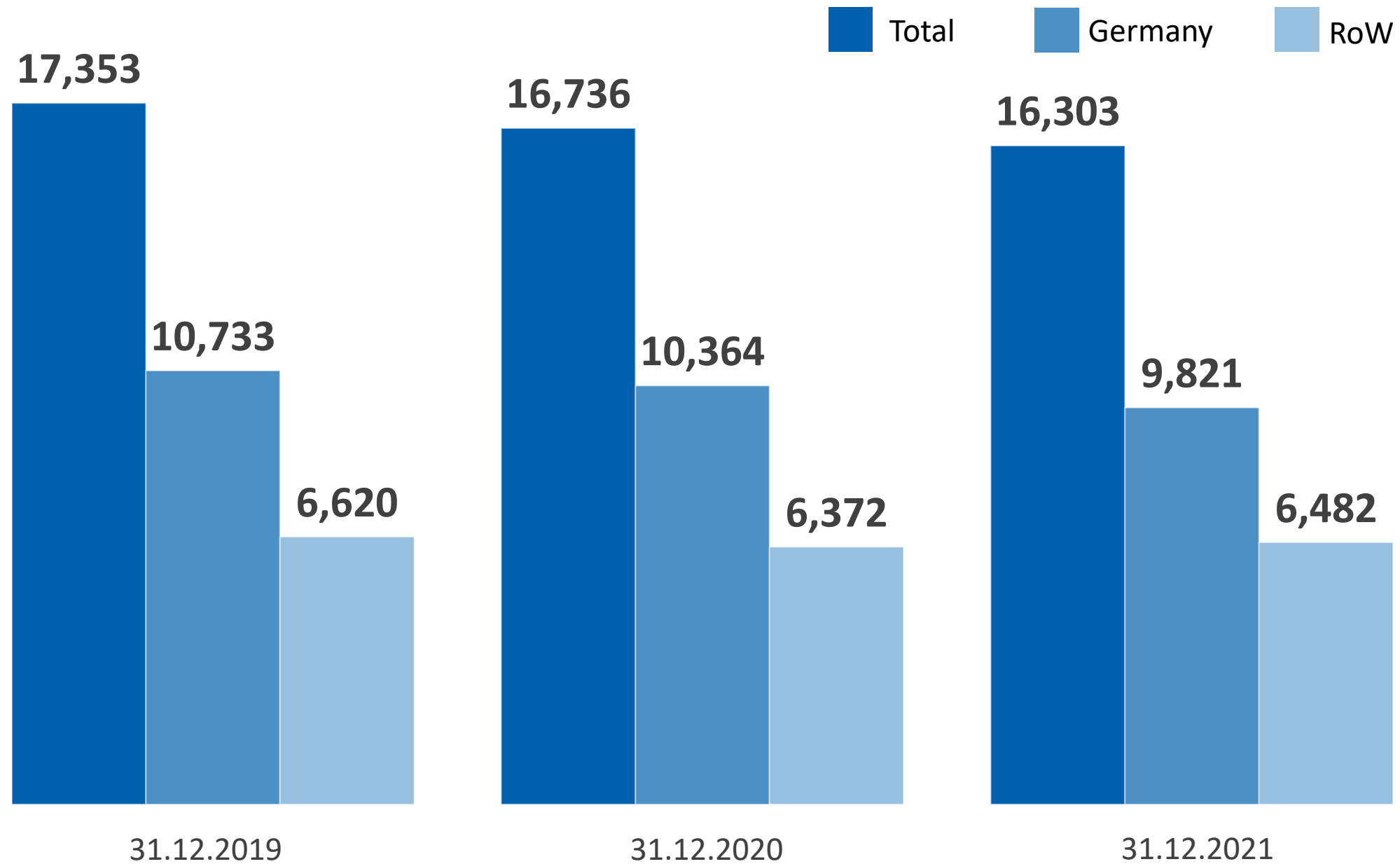
Material cost Q1 – Q4 (€ million)



--- Material expenses to total performance (%)



Krones employees worldwide – capacity adjustment program successfully completed



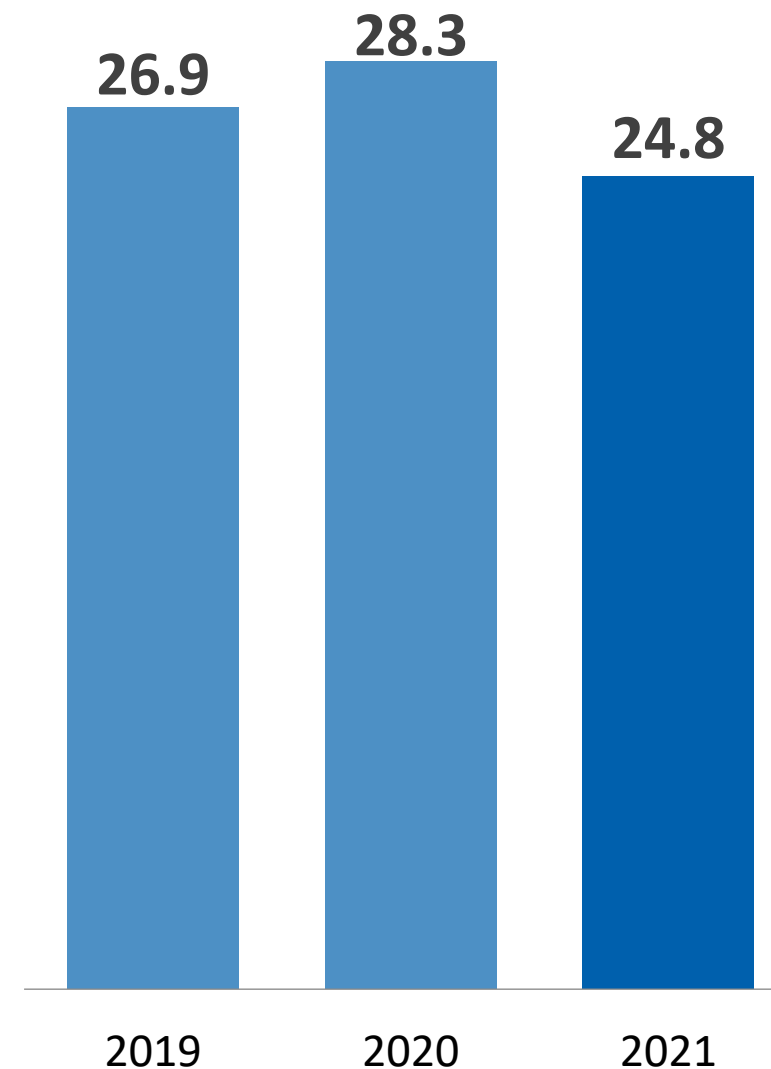


Working Capital Q1 – Q4 (in %)

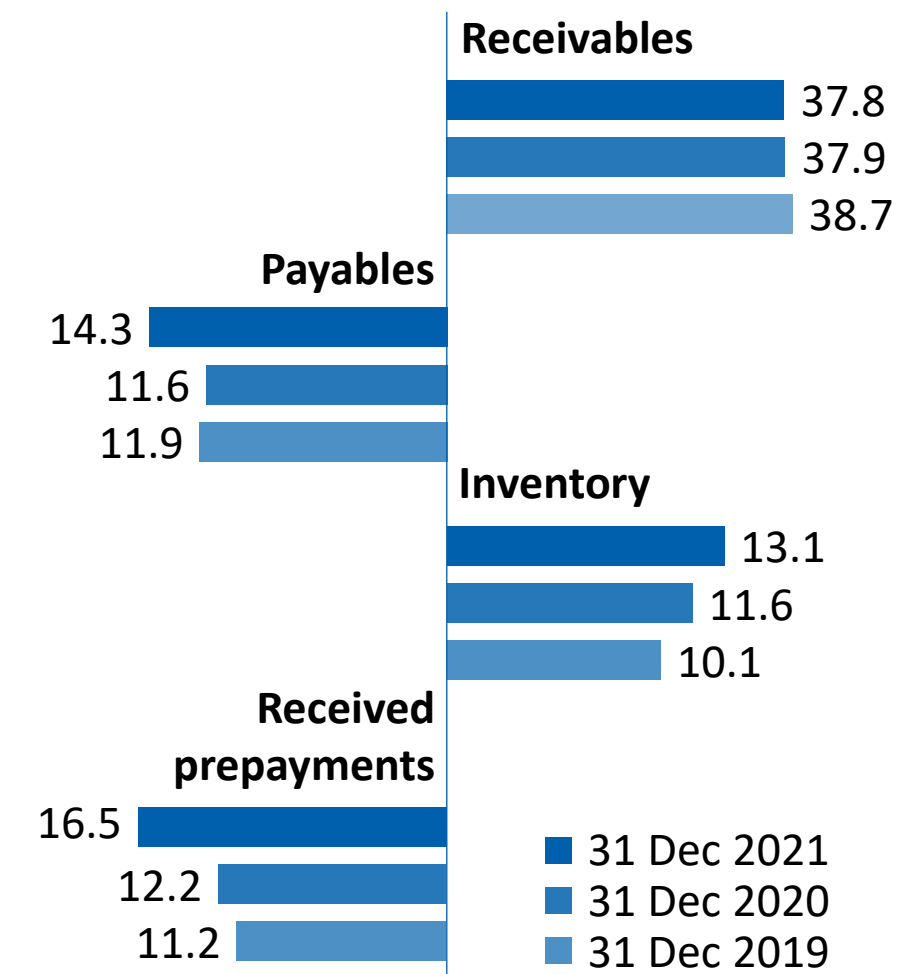
Strong decrease in Working Capital in % of sales with 24.8% vs. prior year and 2019

- Despite higher business activities, stable **receivables** are realized. The **payables** increased by 2.7%
- Also increase in **inventory** (+1.5%) results from increasing business activities in 2021 plus efforts to strengthen supply chain (safety stock)
- As a result of strong order intake (+30.2%) **prepayments** (4.3%) show the biggest positive impact on Working Capital

Working Capital of revenue
(%, average over four quarters)



Part of Working Capital in %
of revenue (last 12 months)

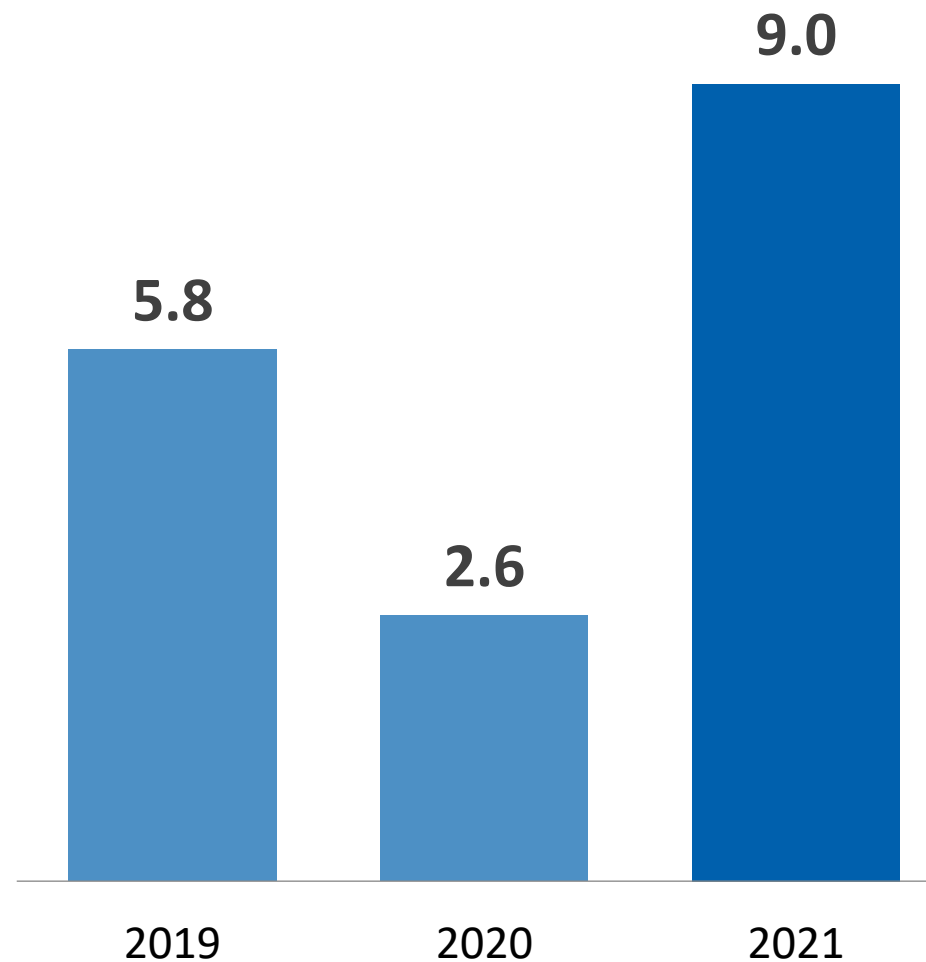




ROCE

- After a stable development of return on capital employed (ROCE) before 2019, a decreasing development in 2019 and 2020 follows, which based on lower earnings
- Strong increase in earnings and a reduction in working capital with a stable development in fixed assets result in growing ROCE 2021

ROCE 2019 – 2021* in %



* ROCE without one-offs and goodwill and financial assets



Revenue and EBITDA per segment

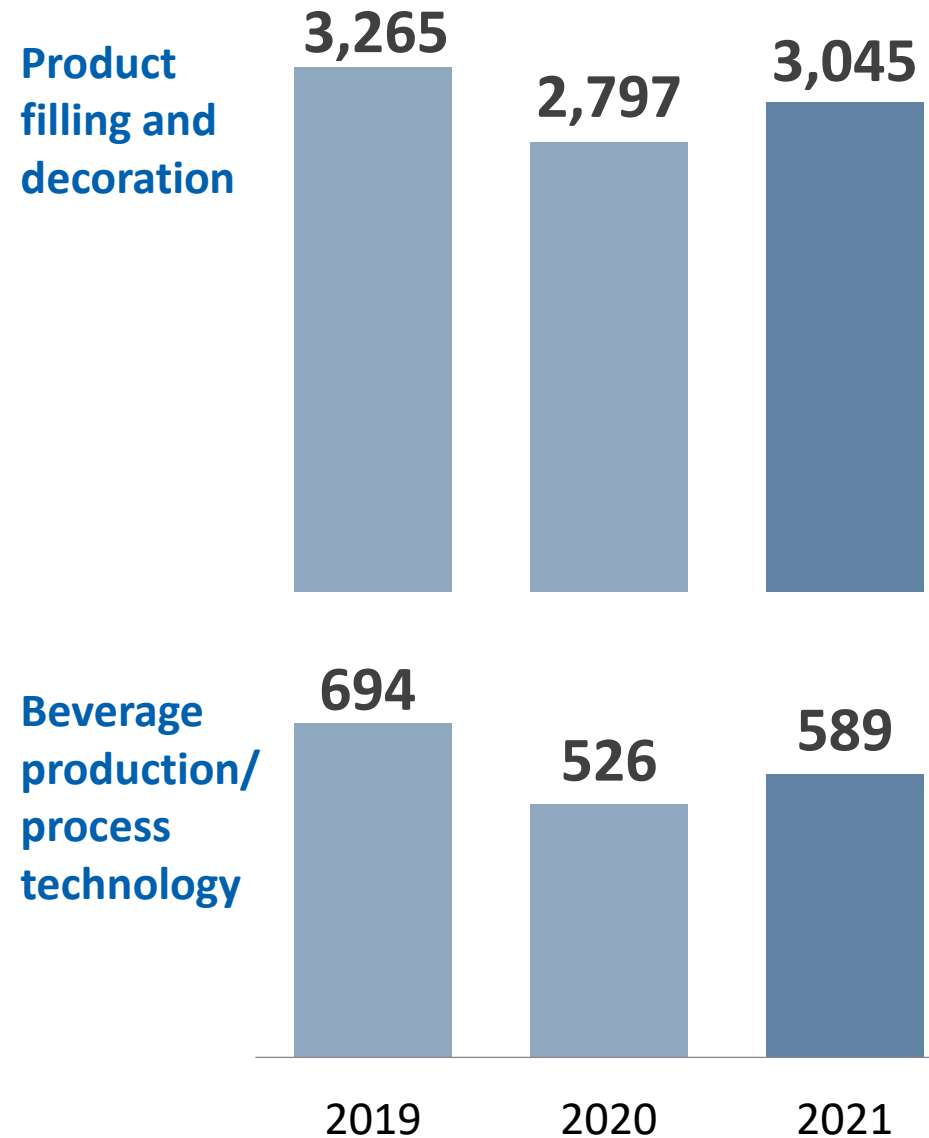
Product filling and decoration

- Increase in **revenue** on group level (+9%)
- Positive effects from structural measures enabled Krones to limit the impact of higher material costs and results in **EBITDA margin** of 9.3%

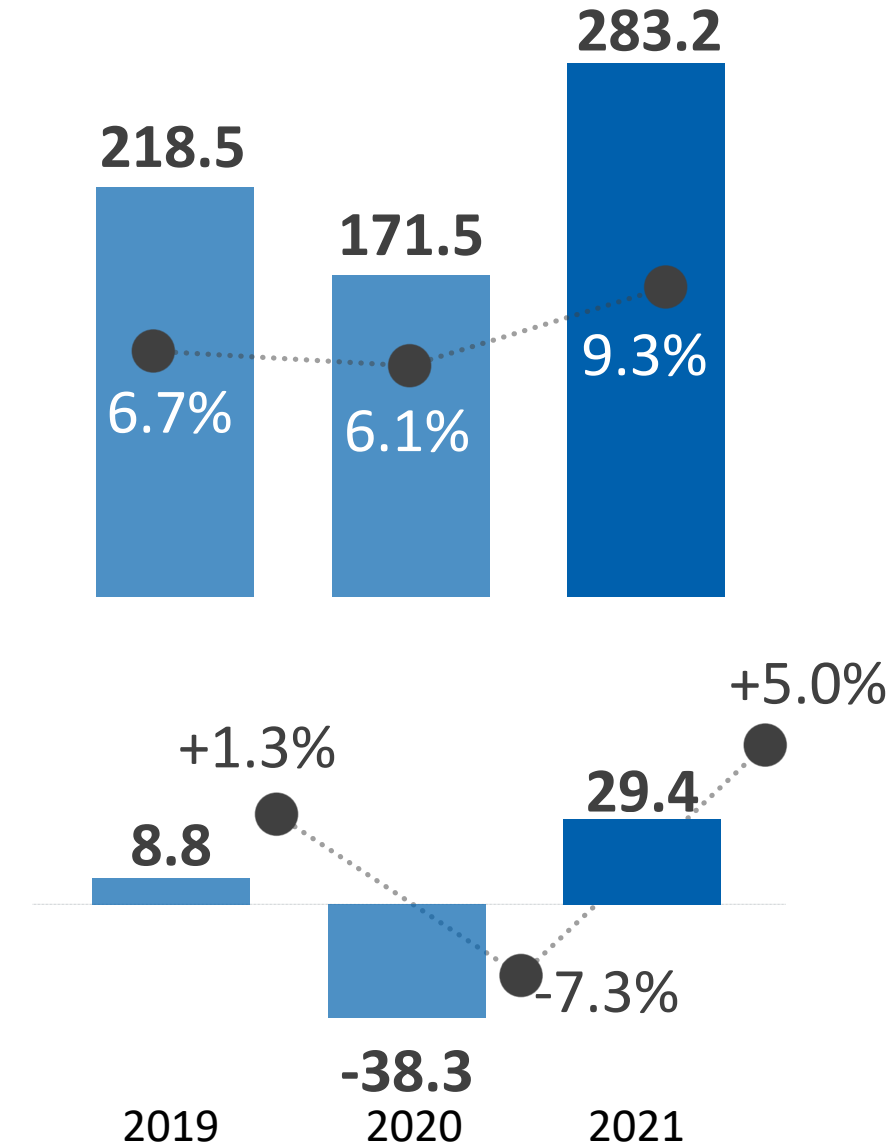
Beverage production/ process technology

- Strong increase in **revenue** (+12%); growth was mainly in intralogistics
- Positive **EBITDA margin** of 5.0% results from first positive effects of structural measures in Process Technology and better performance of System Logistics group

Revenue development Q1 – Q4 (€ million)



Segment EBITDA (€ million) and EBITDA margin (%) Q1 – Q4





Revenue and EBITDA per segment II

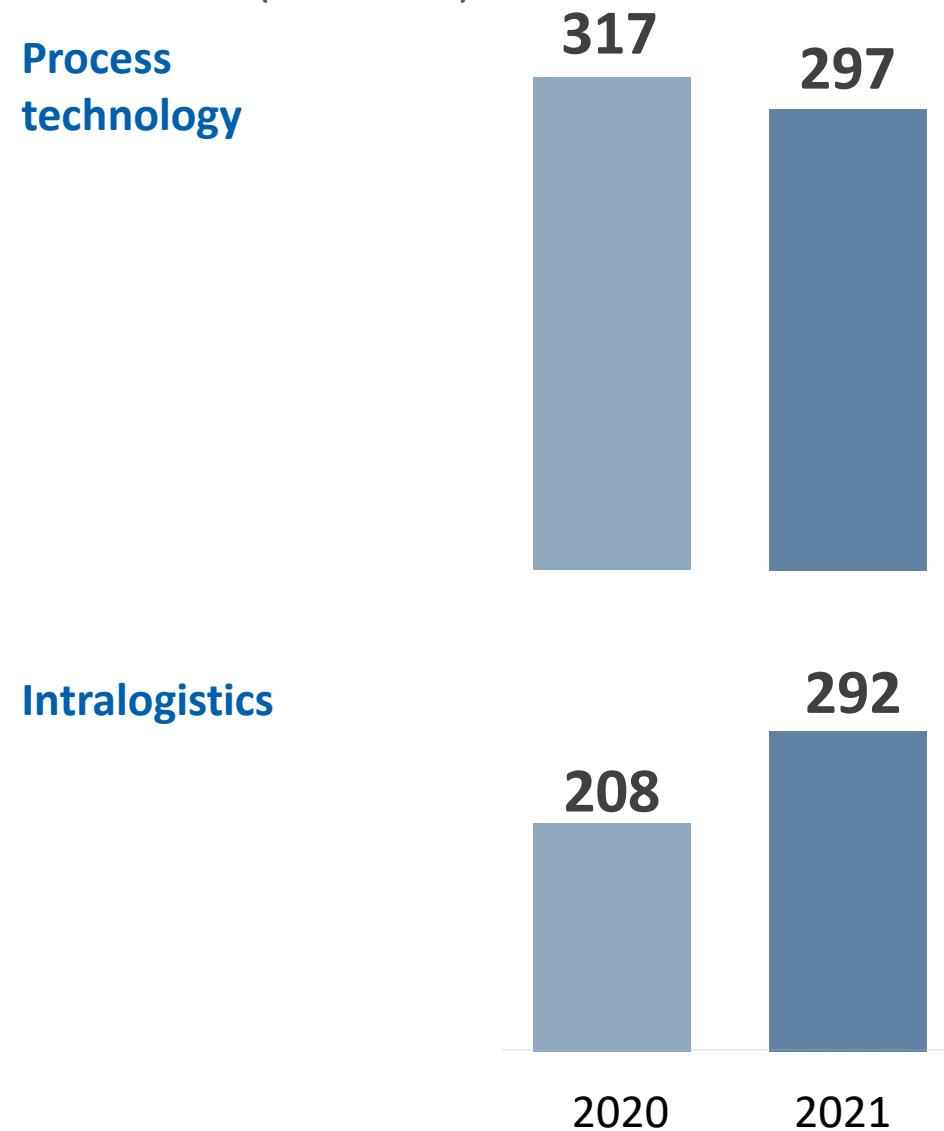
Process technology

- A small decline in **revenues** vs. prior year (-6%)
- Positive **EBITDA margin** in Process technology since a long time mainly based on effects from structural measures

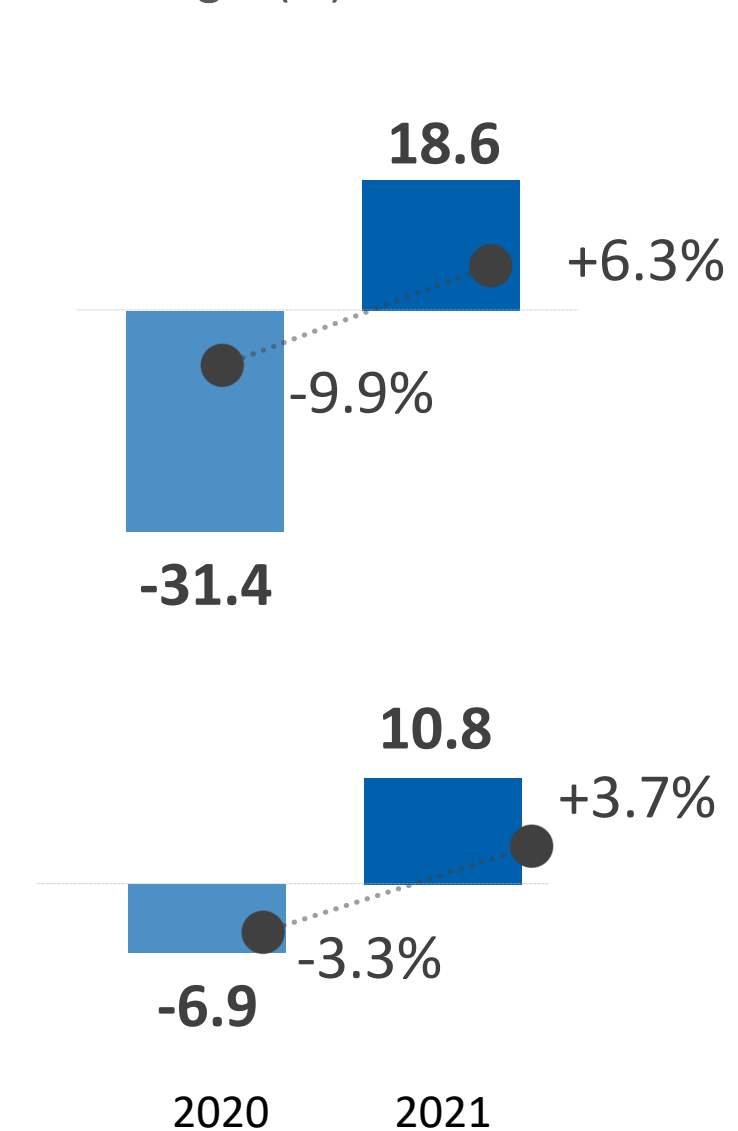
Intralogistics

- Strong increase in **revenue** +40% vs. prior year (which was strongly influenced by Covid-19)
- This strong top line and the full utilisation results in **EBITDA margin** of +3.7%

Revenue development Q1 – Q4
(€ million)



Segment EBITDA (€ million) and
EBITDA margin (%) Q1 – Q4

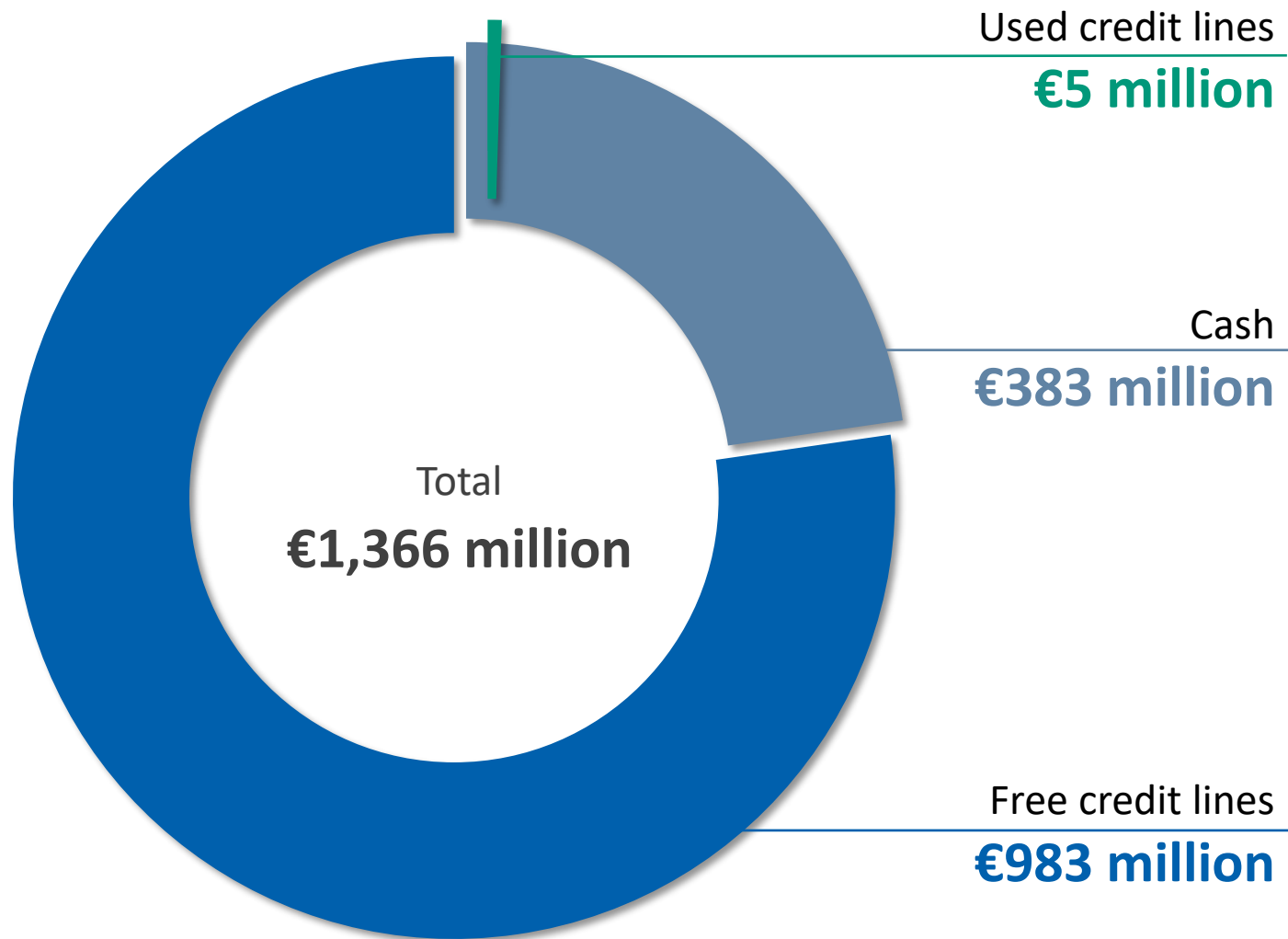




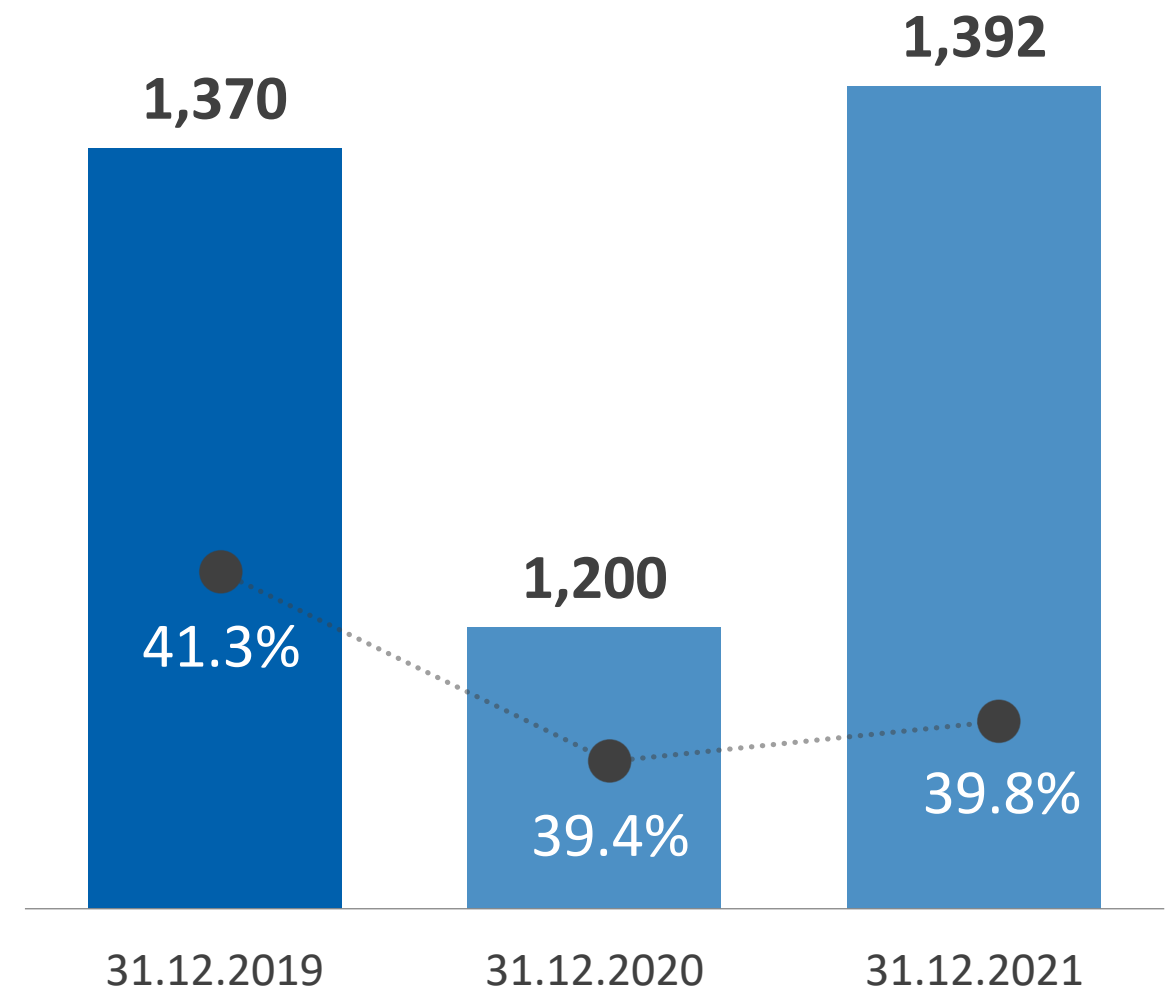
Krones financially very strong

Net cash, free credit lines and high equity ratio in 2021

Liquidity reserves Q1 – Q4 2021 > €1.3 billion



Equity (€ million) and equity ratio (in %)





Free cash flow Q1 – Q4

Free cash flow with €203 million on similar high level as prior year (€ 221 million)

- **Operating activities** with €306 million (vs. €322 million prior year) were influenced by strong EBT and stable non-cash changes and by reduced Working capital in 2021 of €125 million (prior year already reduction of €166 million)
- **Investing activities** slightly above prior year
- **Financing activities** are influenced by repayment of bank liabilities and leasing payments

(€ million)	2021	2020
Earnings before taxes (EBT)	177.3	-36.6
+/- Other non-cash changes	+153.7	+186.7
+/- Change in Working Capital	+124.5	+166.0
+/- Other assets and liabilities	-149.9	+5.7
Cash flow from operating activities	305.7	321.8
+/- Capex	-104.9	-93.8
+/- M&A-Activities	0.0	0.0
+/- Other	+2.5	-6.7
Free cash flow	+203.3	+221.3
+/- Financing activities/Others	-36.9	-114.7
Net change in cash	+166.4	+106.6
Cash at the end of period	383.4	217.0

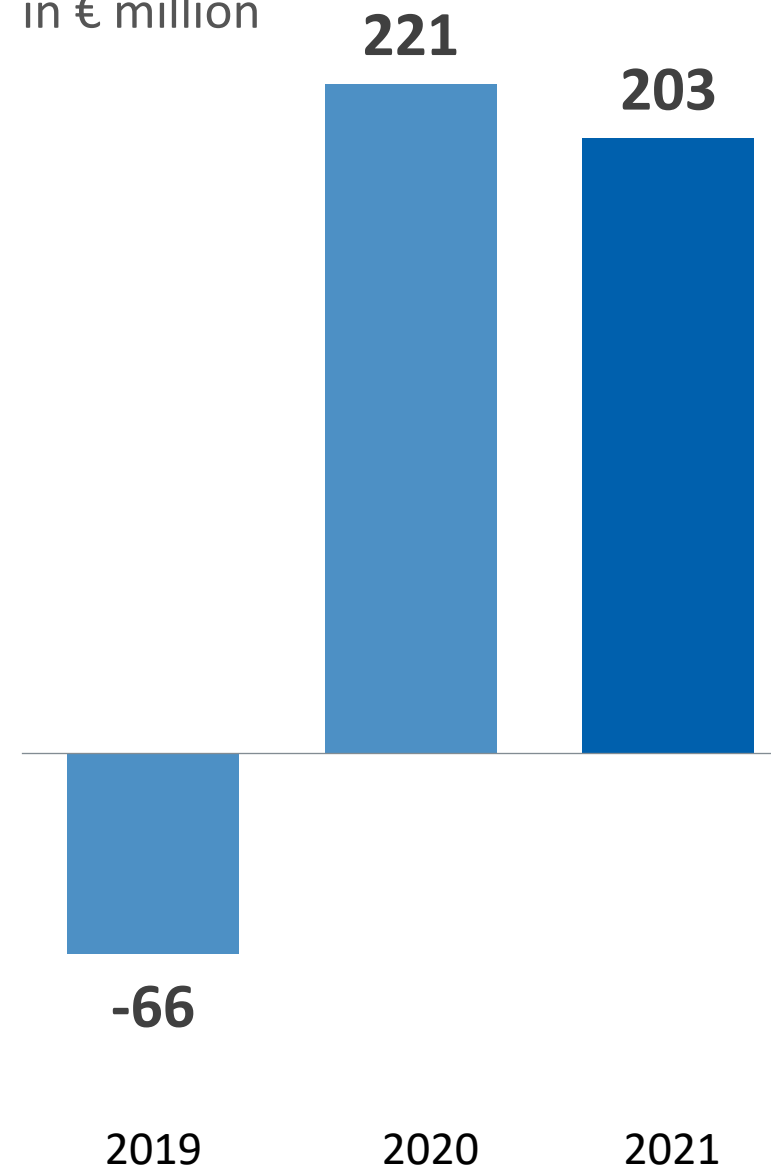


Cashflow and cash conversion rate

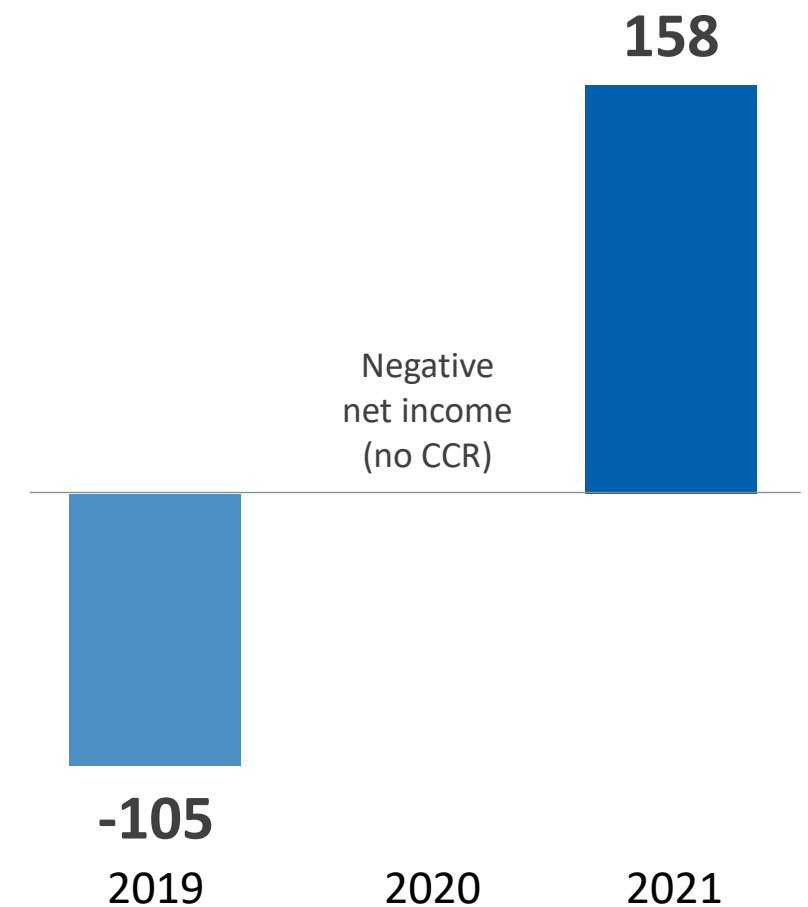
Free cashflow again on a high level and cash conversion rate significantly improving

- Stronger internal focus on free cashflow
- Higher discipline in investments
- Cash improvement ytd also due to high down payments and reduced Working Capital

Free cashflow (without M&A)
in € million



Cash conversion rate
(FCF/net income* in %)



* Net income before one-offs



Outlook 2022



Krones Outlook 2022

Global supply chain shortages and interruptions, strong inflation in many countries, political risks in Europe and other parts of the world as well as remaining pandemic uncertainties create a challenging business environment for 2022.

Revenue growth

5% – 8%

EBITDA margin

8% – 9%

ROCE

10% – 12%



Key take aways

1. Record order intake and order backlog – good base for 2022 and 2023
2. Revenues recovering and capacity utilization improving
3. Strong improvement in profitability, due to efficiency improvement measures and strong service business in all regions
4. Excellent free cash flow generation
5. Global supply chain situation very challenging – improvements in second half 2022 expected.
6. Guidance for 2022 considers strong order backlog but also a very challenging business environment.

Questions and Answers





Thank you
for your attention!



Financial calendar 2022

May 6, 2022

Conference Call Group
Quarterly statement for the period
from 1 January to March 31, 2022

May 31, 2022

Annual General Meeting

August 2, 2022

Conference Call Group
Quarterly statement for the period
from 1 January to June 30, 2022

November 4, 2022

Conference Call Group
Quarterly statement for the period
from 1 January to September 30, 2022



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