

Value 

Profitable growth

Conference Call

January – June 2013

July 25, 2013

Highlights Q2/2013

- KRONES grows profitably, strengthens earnings
- Revenue rose 6.8% year-on-year in the first half of 2013 to €1,377.5 million
- KRONES benefited from its strong position on the emerging markets
- Earnings before taxes were up more sharply than revenue, 24.5%, to €79.7 million, EBT margin improved from 5.0% a year earlier to 5.8%.

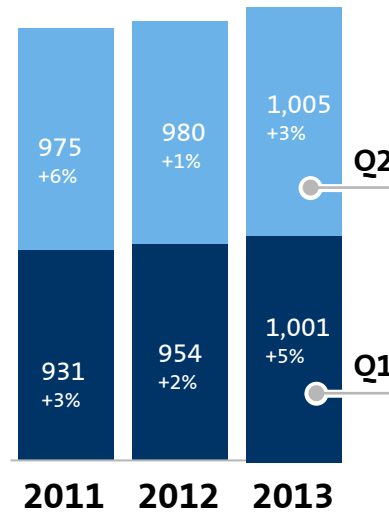
KRONES is raising its earnings target for 2013 as a whole. The company is now targeting an EBT margin of 5.8% to 6.0%.

With 4% increase in Orders received KRONES is according to plan

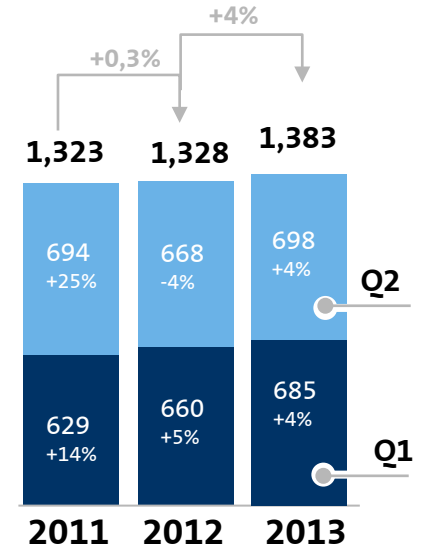
Trend by region

	2011	2012	1 HY 2013
Central Europe	→	↗	→
Western Europe	↘	↗	→
Eastern Europe	↘	→	→
CIS/Central Asia	→	→	→
Middle East/Africa	↗	↗	↗
China	→	→	→
Asia/Pacific	→	↗	↗
North and Central America	→	→	→
South America	→	→	↗

Orders on hand

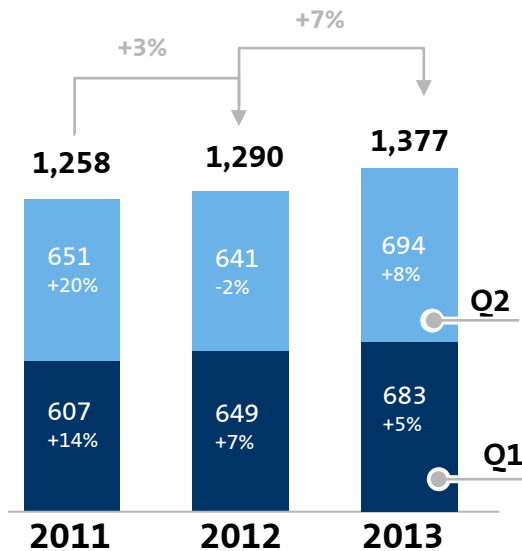


Orders received



Sales are increasing in 1st Half-Year by 6,8%

Sales

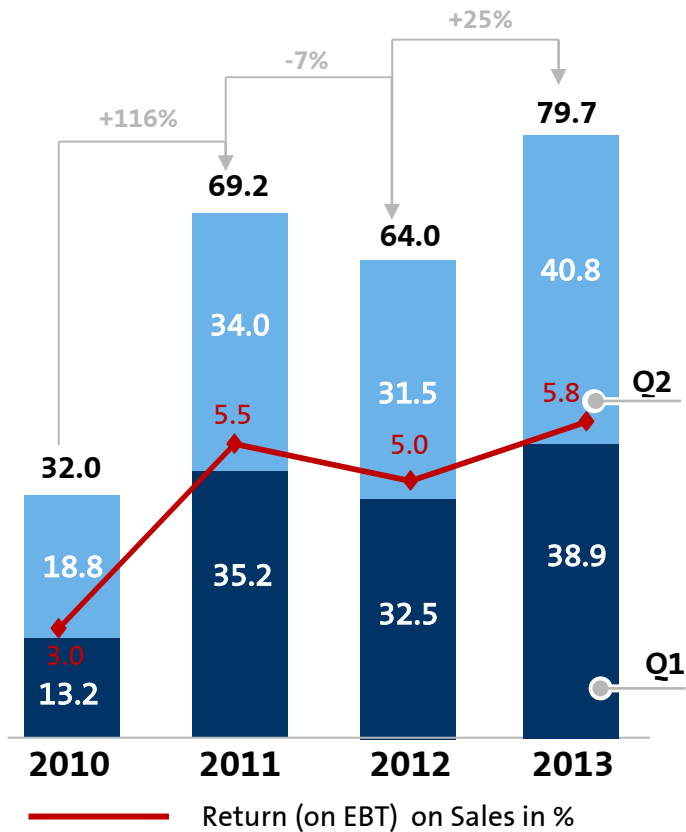


Sales per Region (in mio. €)

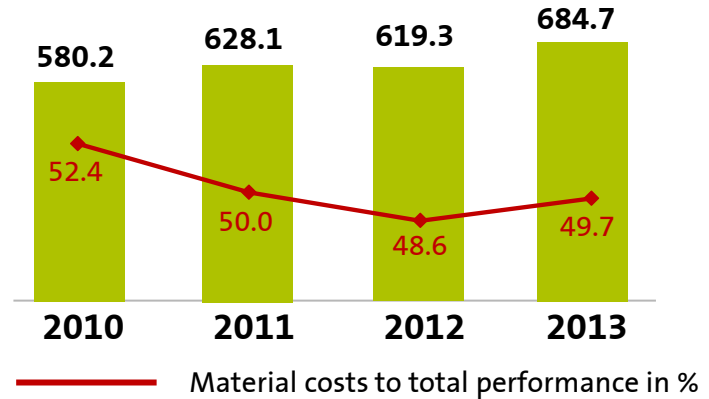
Germany	149,3	+ 6,8 %
Central Europe	47,9	+ 6,4 %
Western Europe	238,6	+ 31,0 %
Eastern Europe	44,5	- 29,6 %
CIS/Central Asia	43,7	- 30,0 %
Middle East/Africa	246,6	+ 47,3 %
Asia/Pacific	188,2	+ 16,0 %
China	135,8	- 5,5 %
South America/Mexico	135,1	- 19,3 %
North America	147,8	- 5,3 %
Σ	1,377,5	+ 6,8 %

EBT-Margin is increasing significantly because of higher productivity

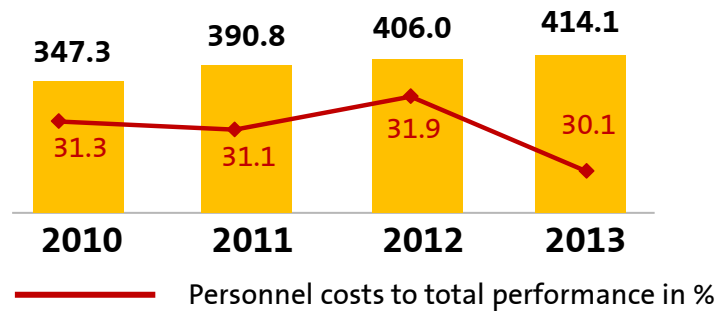
EBT 1st HY



Material costs 1st HY

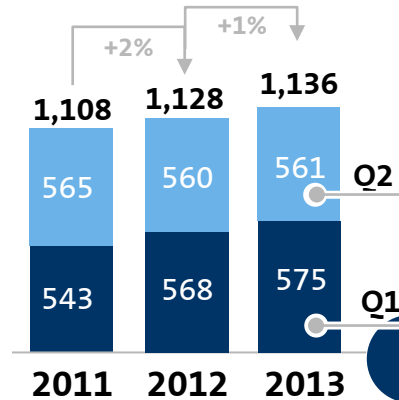


Personnel costs 1st HY

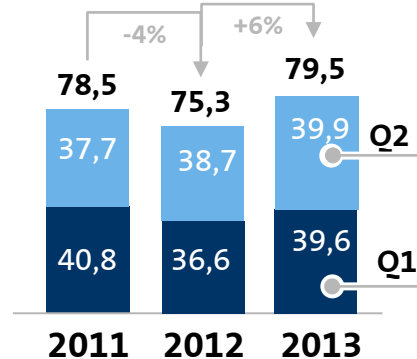


Product bottling and decoration: Improvement of profitability

Sales development



EBT development

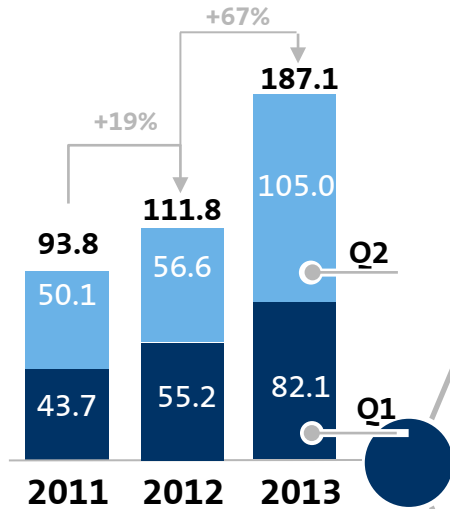


Key Topics 2013

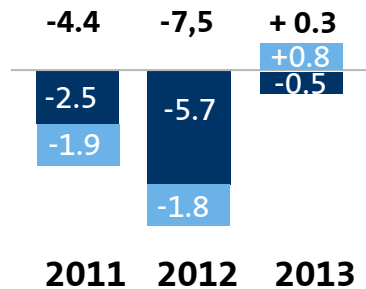
- Internationalization of the LCS business
- Cost reduction program to compensate future cost increases
- Expansion of modular production for dry part
- Global procurement strategy including low-cost countries
- Utilization of the new inhouse logistic concept

Process technology: Strong sales growth and break-even

Sales development



EBT development



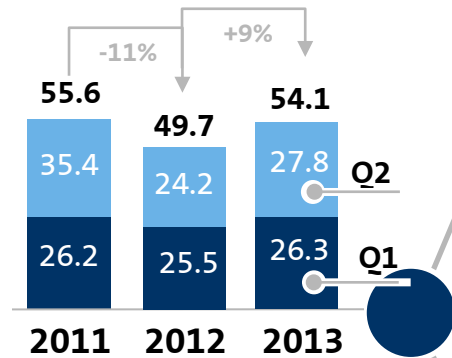
Key Topics 2013

- Executed measures for the material flow technology and intralogistic
- Expansion of the component business (e.g. Evoguard Valve products)
- Extension of the product portfolio for process technology non-alcohol products
- Local structure of services for turnkey project

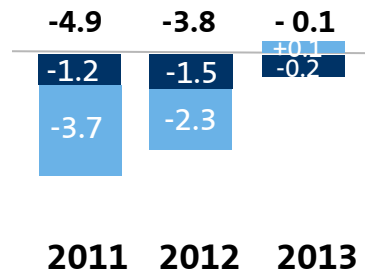
Target: 2013 a balanced earnings situation

KOSME achieved break-even

Sales development



EBT development



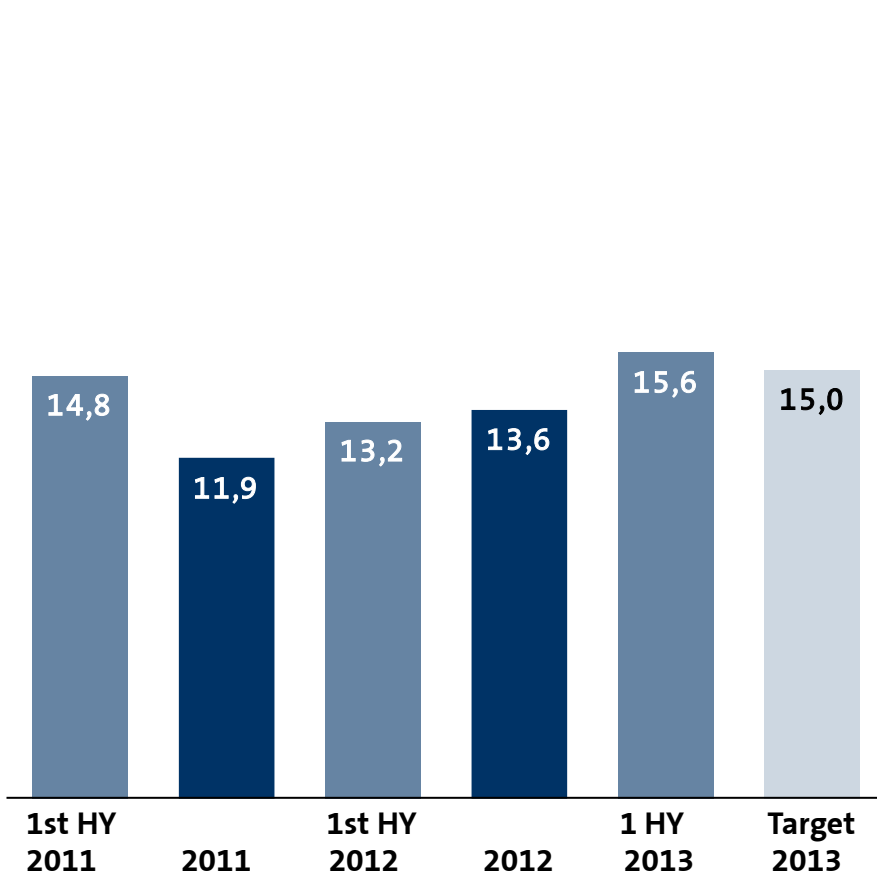
Key Topics 2013

- Balanced production utilization during the year
- Further development of the LCS business
- Repositioning in the Food and Health care market

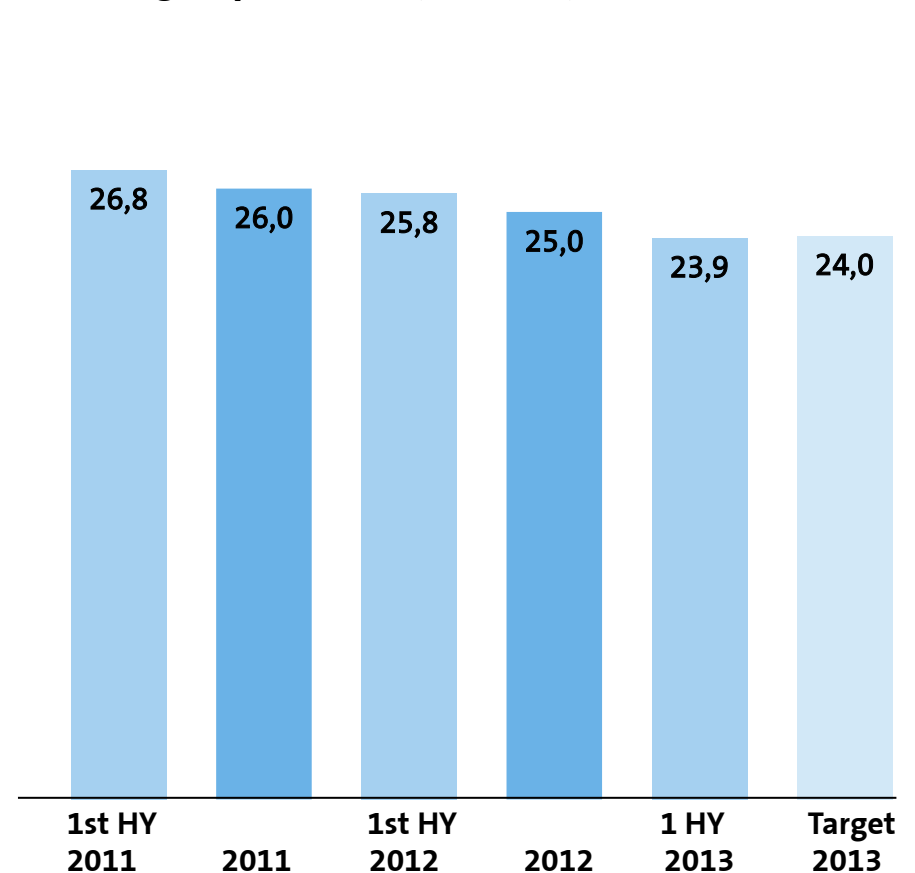
Target: 2013 a balanced earnings situation

ROCE and Working Capital are on the right path

ROCE in %



Working Capital in % (to sales)



Free Cash flow increases by 34.4 €m

		1st HY 2013	1st HY 2012
Earnings before tax	in €m	79.7	64.0
+/- non-cash expenses and income	in €m	77.2	42.8
+/- change in Working Capital	in €m	-157.1	-150.1
+/- other (mainly tax payments)	in €m	-14.9	-11.51
Cash flow from operating activities	in €m	-15.1	-54.8
+/- Capex, mainly intangible assets and property, plant and equipment	in €m	- 38.1	- 36.1
+/- other	in €m	-1.1	2.2
Free cash flow	in €m	-54.3	- 88.7
+/- Financing activities, mainly payments for dividend (23.7 m €)	in €m	50.0	80.6
Net change in cash	in €m	-4.3	- 8.1
Cash at the end of the period	in €m	128.8	117.7

drinktec 2013 – the world's premier trade fair for the entire sector

Contiform Asept Bloc



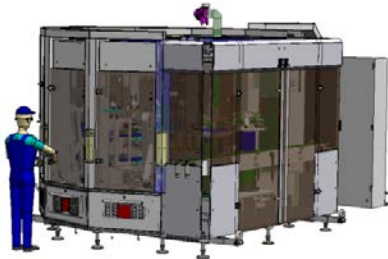
- Sterile blow moulder combined with filler, capper and integrated process technology for fully aseptic applications
- Minimized media consumption
- Reduced footprint
- Reduction of TCO
- Capability for lightweighting

Ergobloc L – entire wet section incorporated in one machine

- Reduced footprint
- Highest OEE (overall equipment effectiveness)
- Less operation needed
- Reduction of TCO



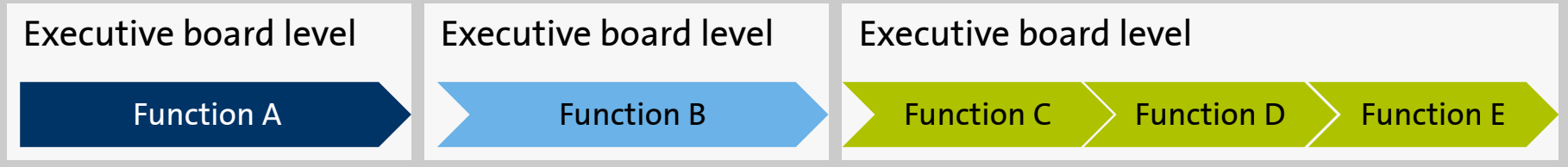
DecoType – digital printing system for containers



- Highest possible flexibility
- New design options to add value to packaging
- Reduction of waste and stock

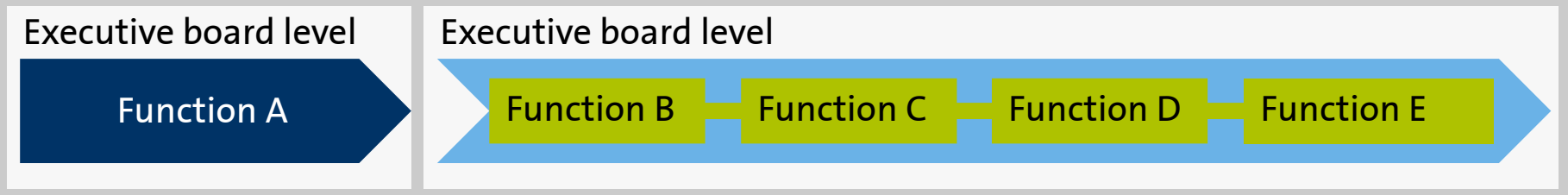
New group organisation for more customer proximity and more efficient processes and structures

Function-oriented organisation



New structure

Process-oriented organisation



The new organisation supports the growth and profitability targets of the value programme.

Targets for 2013



KRONES' focus for 2013 within the Value strategy programme is on the pillars growth and profitability.

KRONES confident to achieve the three targets:

- Revenue growth of 4% (confirmed)
- EBT Margin 5.8% – 6.0%
(raised, previous: over 5.5%)
- ROCE 15% (confirmed)



Thank you!

Financial calendar

Interim report as per September 30th 2013	24.10.2013
Balance Sheet Press Conference (Annual report 2013)	30.04.2014 (Munich)
Interim report as per March 31th 2014	30.04.2014
Annual General Meeting	25.06.2014 (Neutraubling)
Interim report as per June 30th 2014	23.07.2014
Interim report as per September 30th 2014	23.10.2014



Olaf Scholz
Senior Vice President
Investor Relations and International Group Accounting

Phone +49 9401 / 70-1169
olaf.scholz@krones.com

Disclaimer

This investor presentation contains forward-looking statements that are based on current estimates, forecasts and assumptions made by KRONES AG management to the best of its knowledge and other information currently available to KRONES AG.

The forward-looking statements of this presentation are by their very nature subject to various known and unknown risks, uncertainties and other factors, the non-occurrence or occurrence of which could cause material differences in future results of operations, financial situation, development or performance of KRONES AG. Factors that could cause such differences include but are not limited to changes in political, business, economic and competitive environment, effects of future legal and legislative issues, fiscal, and other regulatory measures, foreign exchange rate fluctuations, interest rates, the availability of financing, developments in raw material and personnel costs, launches of competing products or services, poor acceptance of new products or services, and changes in business strategy.

KRONES AG does not intend and does not assume any liability whatsoever to publicly update or revise any forward-looking statements or other information contained in this presentation as a result of new information, future events or otherwise. No representation or warranty, express or implied, is made by KRONES AG and/or its management with respect to the fairness, completeness, correctness, reasonableness, or accuracy of any information, facts, expectations or opinions contained herein. Neither KRONES AG nor any of its affiliates, representatives or advisors shall have any liability whatsoever (in negligence or otherwise) for any losses or damages arising from any use of this presentation or its content or otherwise arising in connection with the statements given herein.