

Value 
Shaping success

Conference Call

H1 2014

July 24, 2014

Highlights 1st HY 2014

KRONES Value strategy program is working

- Revenue increases 4.2 % to € 1,435.5 million in the first half.
- Earnings continue to gain strength. EBT margin up from 5.8 % to 6.2 %.
- New orders improve by 5.7 %.
- KRONES is cautiously optimistic that the company will achieve its targets for 2014.

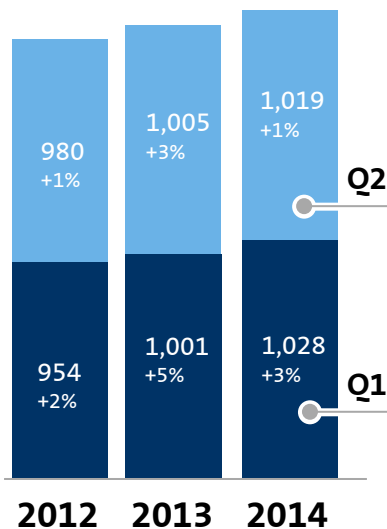
KRONES is on track to reach the targets of 2014

With a 5.7% increase in orders received in 1st HY KRONES is on track for 2014

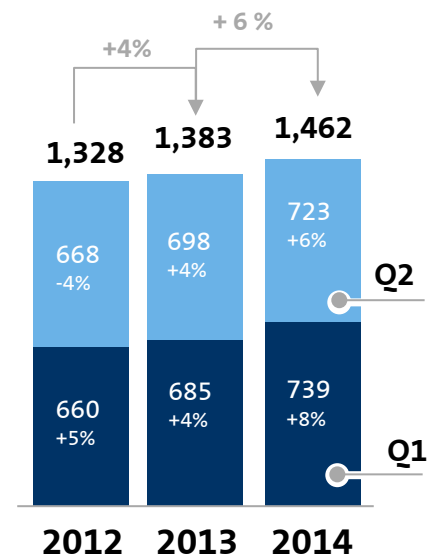
Trend by region

	2012	2013	2014
Central Europe	↗	↘	↗
Western Europe	↗	→	→
Eastern Europe	→	↗	→
CIS/Central Asia	→	↗	→
Middle East/Africa	↗	↗	↗
China	→	↘	→
Asia/Pazific	↗	↗	↗
North- and Central America	→	↘	↘
South America	→	→	→

Orders on hand in €m

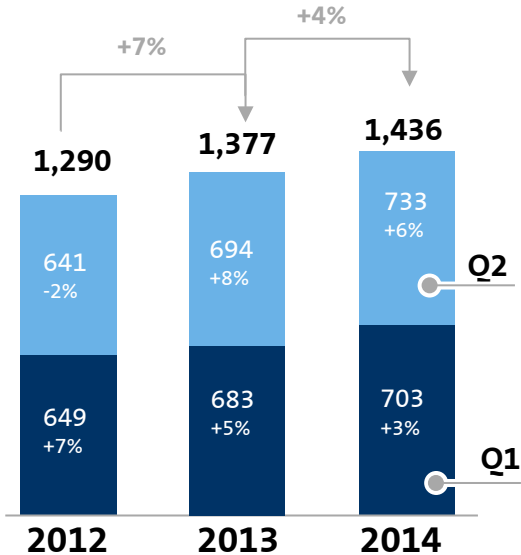


Orders received in €m



Sales are increasing in 1st HY 2014 by 4.2 %

Sales Q1 – Q2

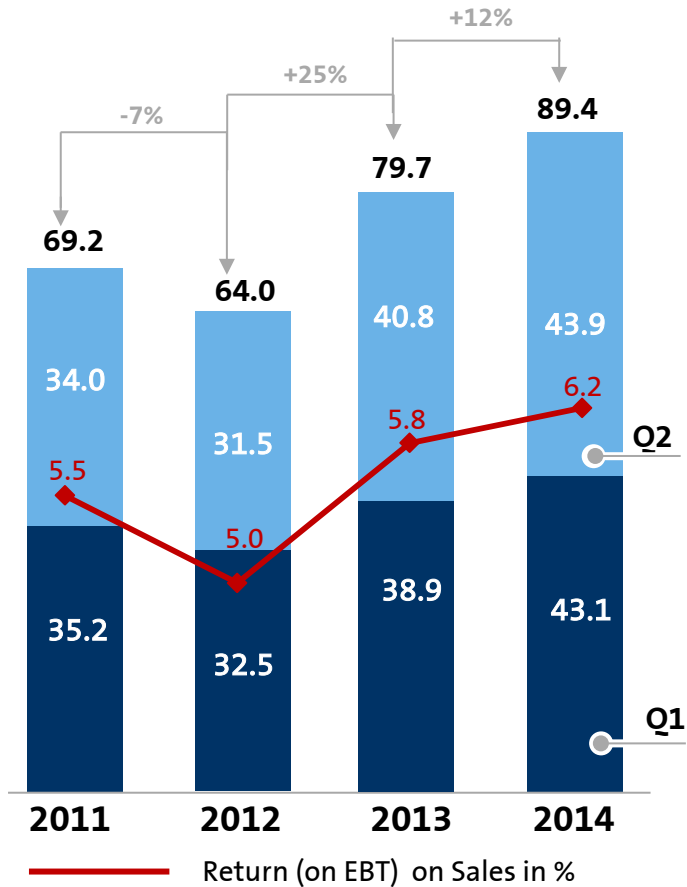


Sales per Region (in €m)

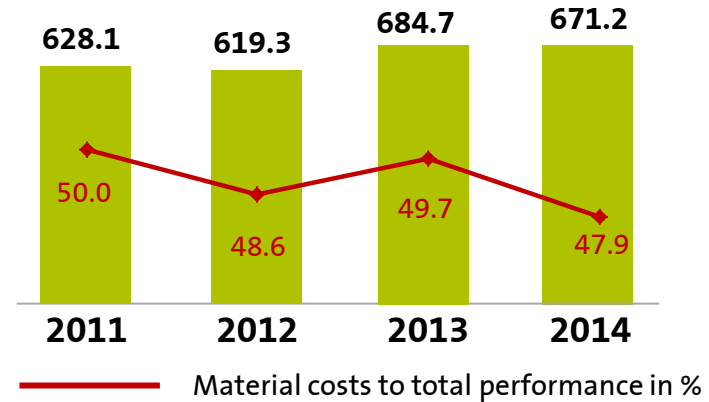
Germany	132.4	9.2%
Central Europe	46.7	3.3%
Western Europe	236.5	16.5%
Eastern Europe	44.1	3.1%
CIS and Central Asia	70.6	4.9%
Middle East/Africa	159.8	11.1%
Asia/Pacific	289.5	20.2%
China	129.2	9.2%
South America/Mexico	210.1	14.6%
North America	116.6	8.1%
Σ	1,435.5	100.0%

EBT-Margin increased significantly based on higher productivity

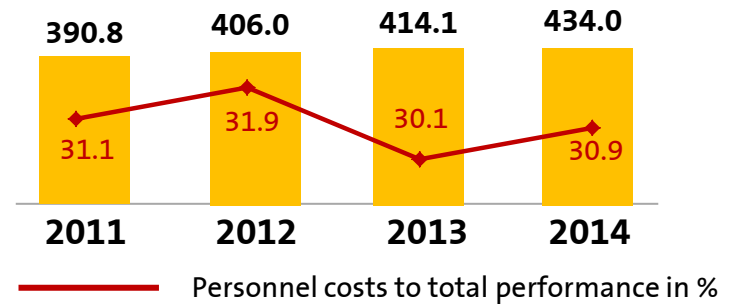
EBT 1st HY



Material costs 1st HY

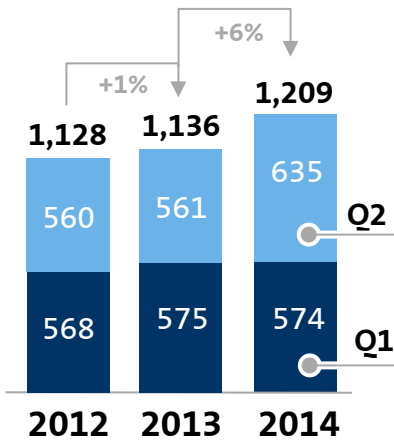


Personnel costs 1st HY



Product filling and packaging: cost efficiency program increases margin

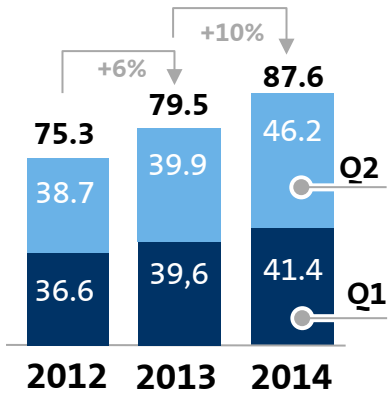
Sales development



Key Topics 2014

- Taking our LCS business further into the regions
- Reducing costs now to offset future cost increases
- Increasing modular production of dry end equipment
- Buying globally and benefit from low-cost countries
- Putting our new in-house logistics concept to work

EBT development



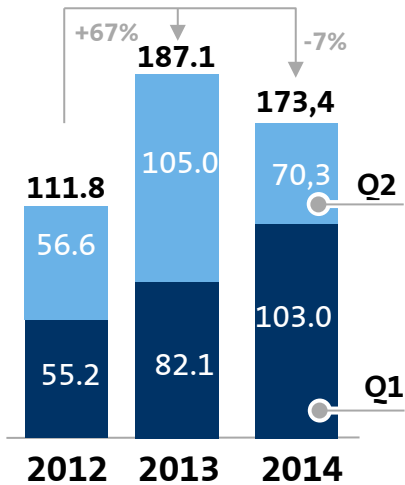
Mid term targets:

Growth 4 – 6%, EBT Margin 8%

6.7% 7.0% 7.2% Return on Sales

Process technology: turnaround with positiv EBT margin

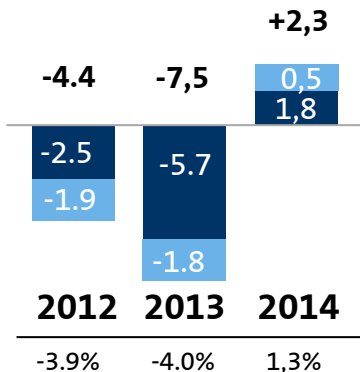
Sales development



Key Topics 2014

- Expansion of the component business (Operational start of Evoguard in 2014 and Acquisition of HST Homogenizers)
- Extension of the product portfolio to include process technology for non-alcohol products
- Local structure of services for turnkey projects
- Mid-term Intralogistic strategy in evaluation

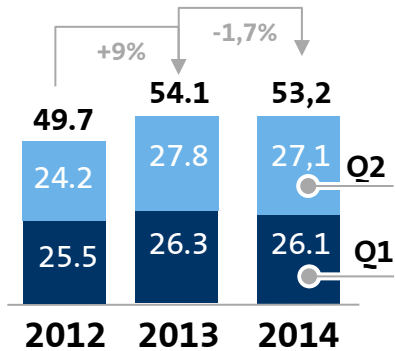
EBT development



Mid term targets:
Growth 8 – 10%, EBT Margin 4%

KOSME: break even reduction through flexibility

Sales development



Achievements 2013

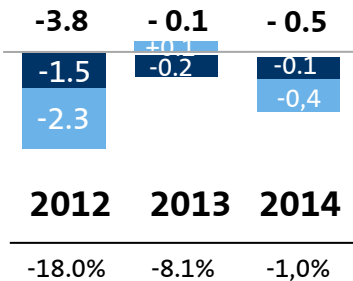
- Long term strategy evaluated
- Kosme will be long term part of the product strategy

Measures 2014

- Cost reduction program
- Headcount reduction program
- Product portfolio optimization

Mid term targets:

Flexible Infrastructure, EBT Margin 3%

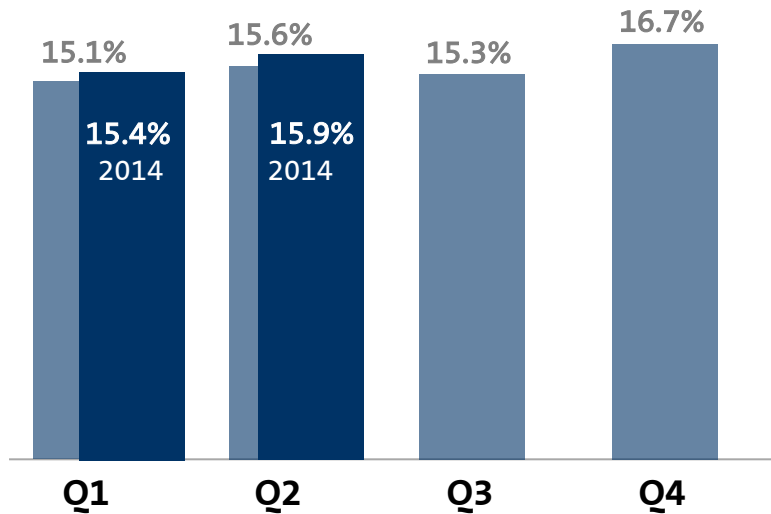


Return on Sales

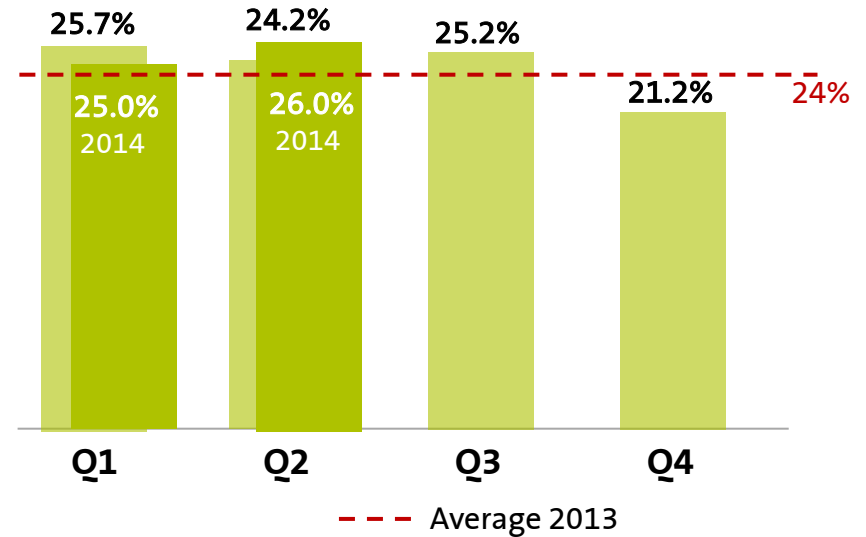


ROCE improved again

ROCE



Working Capital

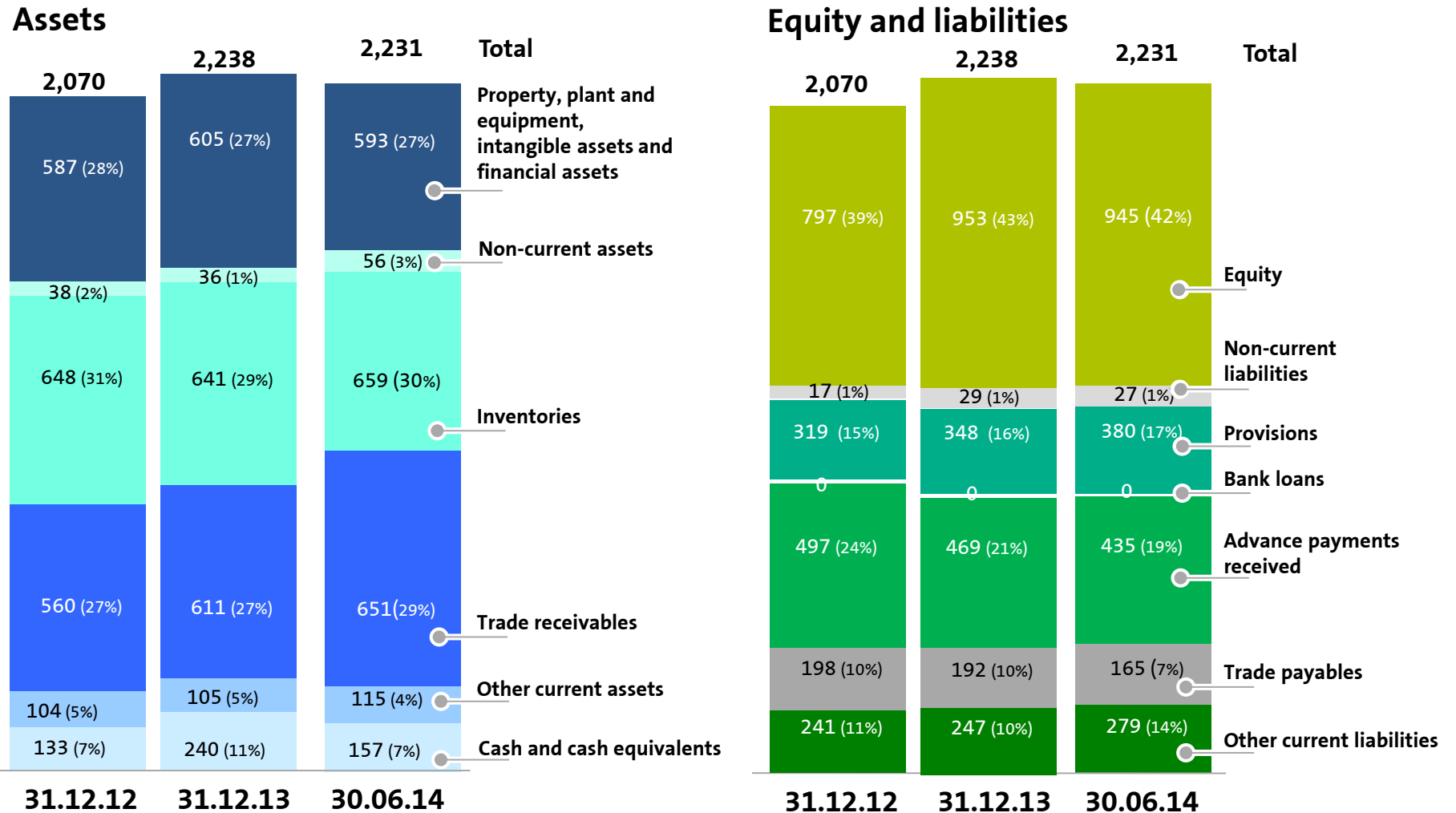


**KRONES generated a ROCE of 15.9 which is in line with full year targets
Working Capital was 26.0% (average 24.5%)**

Free Cash Flow has further improved in first 6 month 2014

		1st HY 2014	1st HY 2013
Earnings before tax	in €m	89,4	79.7
+/- non-cash expenses and income	in €m	101,8	77.2
+/- change in Working Capital	in €m	-157,9	-157.1
+/- other (mainly tax payments)	in €m	-20,8	-14.9
Cash flow from operating activities	in €m	12,5	-15.1
+/- Capex, mainly intangible Assets and property, plant and equipment	in €m	-29,1	-38.1
+/- other	in €m	-3.0	-1.1
Free cash flow	in €m	-19,6	-54.3
+/- Financing activities and other	in €m	-63,1	50.0
Net change in cash	in €m	-82,7	-4.3
Cash at the end of the period	in €m	157,2	128.8

Balance sheet in € million



Supervisory Board



Dr. Jochen Klein
until 25 June 2014



Hans-Jürgen Thaus
since 25 June 2014



Dr. Klaus Heimann
until 14 July 2014



Dr. Verena Di Pasquale
since 14 July 2014

Board of Management



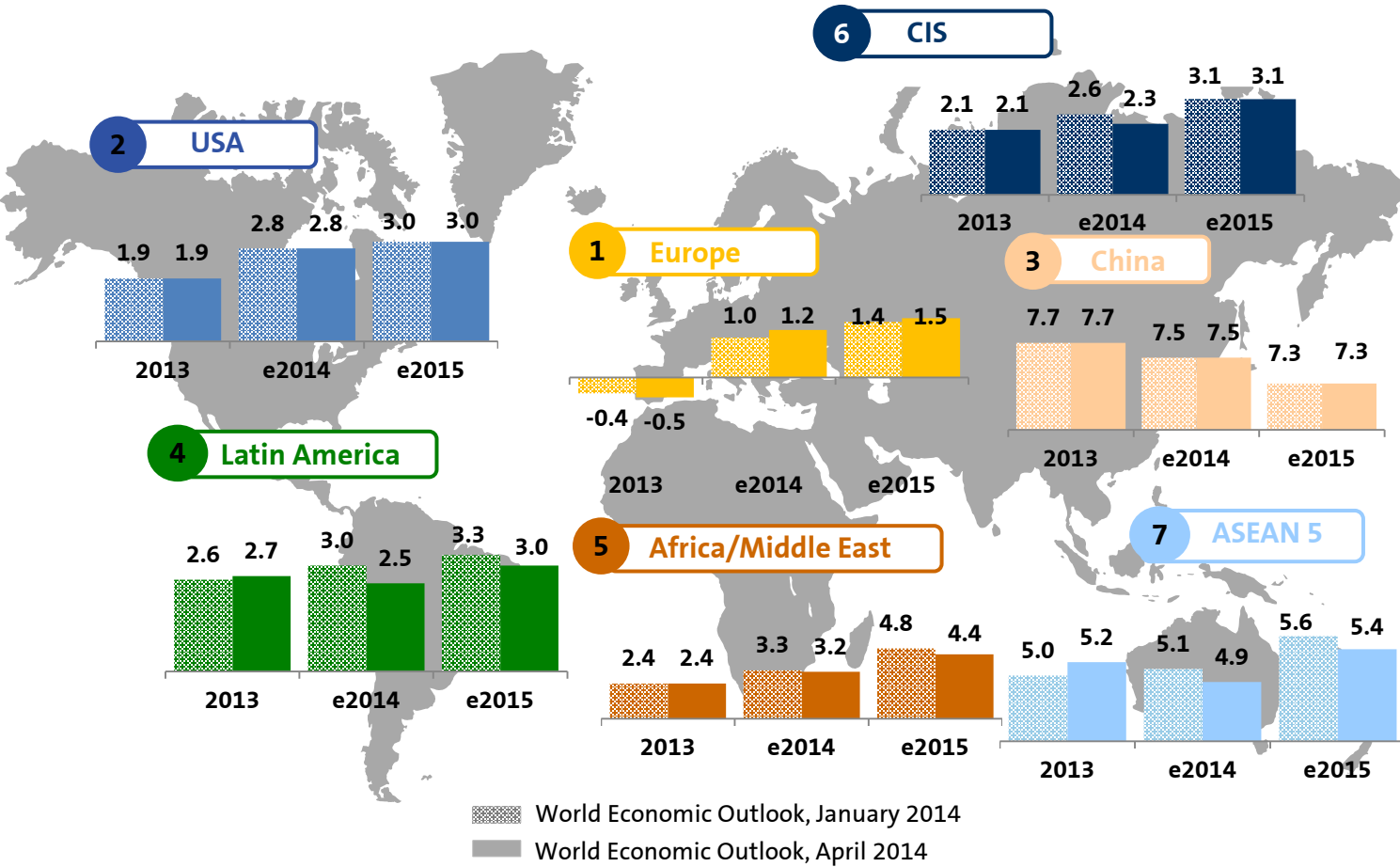
Werner Frischholz
until 31 August 2014



Ralf Goldbrunner
from 1 September 2014

Economic outlook per region

Development of GDP 2013 – 2015 (as of April 2014)



Global

Year	GDP Growth Rate
2013	3.0
e2014	3.6
e2015	3.9

World Economic Outlook
INTERNATIONAL MONETARY FUND

GDP indications are positiv, geographical political situations are not included



Targets for 2014 confirmed



In 2014, KRONES will focus even further on the value strategy for profitable growth.

KRONES is carefully optimistic to achieve the three targets:

- Revenue growth of 4%
- EBT Margin of around 6.2%
- ROCE above 16%



Thank you!

Financial calendar

Interim report
as per September 30th 2014

23.10.2014

Interim report
as per March 31th 2015
and Annual Report 2014

30.04.2015

Annual General Meeting

17.06.2015
(Neutraubling)



Olaf Scholz
Head of
Investor Relations and
International Group Accounting

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

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