KOENIG & BAUER

Group Interim Report Third Quarter 2021

we're on it.

Koenig & Bauer Group in figures

01.01. - 30.09. in €m	2020*	2021
Order intake	712.8	**978.6**
Revenue	764.5	**787.4**
Order backlog at 30.09.	634.2	**823.2**
Export level in %	84.7	**86.1**
Earnings before interest and taxes (EBIT)	-74.1	**16.7**
Earnings before taxes (EBT)	-77.8	**8.8**
Net profit/loss	-86.9	**5.5**
Balance sheet total at 30.09. (prior year: 31.12.)	1,321.1	**1,290.3**
Equity at 30.09. (prior year: 31.12.)	342.2	**359.4**
Investment in intangible assets, property, plant and equipment	27.3	**19.3**
Depreciation on intangible assets, property, plant and equipment	25.4	**27.6**
Payroll at 30.09.	5,635	**5,410**
- thereof apprentices/trainees	339	**323**
Cash flows from operating activities	-47.8	**33.3**
Earnings per share in €	-5.28	**0.31**

* adjusted

Contents

Dear shareholders,

The first nine months of 2021 were favourable for the Koenig & Bauer Group in several respects. Operating earnings continued to improve, while we registered a historically high order backlog of €823.2m at the end of September. Our customers ordered around 56% more in the third quarter and around 37% more for the first nine months of 2021 than in the previous year. This performance was particularly underpinned by the increase of around 54% in the Special segment. Orders were up on the previous year in all parts of this segment, especially driven by securities business. This shows that the banknote has retained its rightful place as a means of payment, especially in the pandemic, and will also remain relevant in the virtual world. Order intake was also up in the Sheetfed segment again, rising by around 36%, with the sharply expansionary and more pandemic-resistant packaging printing market accounting for the bulk of this growth. In mid-October we were able to combine the best of both worlds in the Sheetfed segment with the world premiere of the Koenig & Bauer Durst VariJET 106. This is because, with an output of 5,500 sheets per hour, the B1 press combines

from left to right:
Dr Andreas Pleßke
CEO – Board member Special segment
Dr Stephen M. Kimmich
CFO
Michael Ulverich
COO – Production, Purchasing & Logistics
Ralf Sammeck
CDO – Board member Sheetfed segment
Christoph Müller
Board member Digital & Webfed segment

digital inkjet and classic offset printing. It features the basic technologies specifically required for automated, efficient, food-compliant printing systems and offers the shortest response times, variant diversity as well as individualization and enables efficient short-run printing capabilities. In this way, it is addressing growing customer demand for sustainability and focusing on the ability to meet brand-name companies' requirements with respect to multichannel communications, including e-commerce. The beta test is to commence under the guidance of Koenig & Bauer and Durst in the coming weeks. The first VariJET 106 units are expected to be installed at customer sites in Europe and America in the second half of 2022. The target groups are folding carton manufacturers for the pharmaceutical, cosmetics, tobacco and food industries. This shows that our customers' spending reticence is beginning to dissipate in many areas. Nevertheless, some new investments are being postponed due to the uncertainty surrounding the Covid-19 pandemic. In the first nine months of 2021, this mainly relates to order intake in the Digital & Webfed segment, although there were first signs of a recovery in incoming orders in the thirdquarter, as a total of five CorruCUT presses were successfully marketed to beta and new customers as of the end of July 2021. The machines are designed for the highly productive production of rotary die-cut boxes made of corrugated board with the highest flexo postprint quality. Our customers' decisions also show that we have done very good work in recent years and that our focus on growth markets such as conventional and digital packaging printing is paying off. This makes it clear that the end markets that we address and particularly also the structurally growing packaging printing segment are fundamentally intact. Accordingly, we still see our proven broad product range as appropriate for achieving our goals.

We also made further progress in our sustainability initiative. As a participant in the UN Global Compact, the world's largest sustainability initiative, Koenig & Bauer is actively supporting the implementation of the United Nations' 17 Sustainable Development Goals (SDGs), which define the framework for responsible business in economic, ecological and social terms. The 17 SDGs enshrined in the United Nations 2030 Agenda aim to achieve a sustainable global economy. Koenig & Bauer has identified seven of these goals as focal points and is addressing them with strategic sustainability initiatives. In particular, the Group's diverse sustainability activities are targeted at the following SDGs: "3 - Good health and well-being", "4 - Quality education", "5 - Gender equality", "8 - Decent work and economic growth", "12 - Responsible consumption and production", "13 - Climate action" and "17 - Partnerships for the goals". Koenig & Bauer has always attached prime importance to responsibility for and commitment to welfare, the environment and society ever since it was founded 204 years ago. The principles and goals of the UN Global Compact match the values and principles which guide the way we conduct our business. As part of the strategic development of our Group, we want to do even greater justice to our social, ecological and societal responsibility through a wide range of ESG activities and innovations wherever we are able to make a difference.

On an encouraging note, cumulative revenue at the end of the first nine months was up 3.0% on the previous year for the first time in 2021, with the third quarter also showing a further sequential increase. This is also reflected in earnings. Thus, EBIT came to €16.7m, up from €-74.1m in the previous year. Consequently, the EBIT margin improved from -9.7% to 2.1% in the first nine months of 2021. Despite reduced short-time work and the exceptional income arising in the previous year, Koenig & Bauer was able to replace the cost-reduction effects from the use of short-time work in the previous year with long-term and sustainable measures under P24x in addition to the adjustment to the P24x provisions, positive volume and mix effects and further savings derived from P24x. This was achieved through pragmatic cooperation with employee representatives at the relevant sites in the light of the Company’s interests. Group net profit rose from €-86.9m in the previous year to €5.5m as of 30 September 2021. Translating into earnings per share of €0.31 (30 September 2020: €-5.28). In addition, net debt in the first nine months of 2021 was reduced year-on-year to €-37.7m (30 September 2020: €-77.9m). With freely available funds of more than €250m and a consolidated equity ratio of 27.9%, the Group is financially well positioned.

Despite the still limited forward visibility with respect to the impact of the Covid-19 pandemic on the Koenig & Bauer Group’s business environment, we anticipate slight growth in our business in 2021. This forecast assumes that there are no further setbacks or tightened restrictions compared with the current measures for containing the pandemic. In addition, supply-chain constraints and, as a knock-on effect, higher material prices are continuing to exert pressure. Against this backdrop, Koenig & Bauer still projects slight organic revenue growth of 7 - 10% to €1,100 - 1,135m in 2021. The sharp order intake and high order backlog as of 30 September 2021 are providing a solid basis for the current year under the prevailing conditions. With respect to earnings, an EBIT margin of 2% is projected after the swifter emergence of the expected cost-reduction effects from P24x and the more efficient implementation of the related personnel measures. The adjustment of the restructuring provisions for P24x in the second quarter of 2021 generated exceptional income of around €20m, easing the pressure on Group earnings and free cash flow accordingly. This effect was not included in the forecast for 2021. We confirm our medium-term targets of revenue of €1.3bn, an EBIT margin of at least 7% and a reduction in net working capital to a maximum of 25% of annual revenue, which are to be achieved after the completion of the P24x efficiency programme.

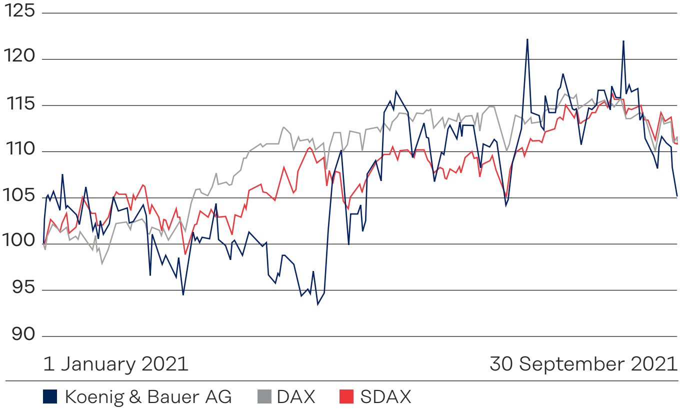
Dr Andreas Pleßke
CEO of Koenig & Bauer AG

Koenig & Bauer shares

The progress made in the fight against the coronavirus pandemic in the Eurozone was reflected in a recovery of the economy. However, the third quarter was marred by supply-chain constraints and low transport capacities. The global upswing is nevertheless continuing due to the fiscal policy measures taken in the industrialised countries as well as the still expansionary monetary policy. The high order backlogs are ensuring that the economic outlook remains positive. The economic recovery and significantly rising company earnings have spurred equity markets this year, even though September lived up to its reputation of being a difficult trading month. The DAX had already crossed the 15,000-mark at the end of March 2021, trading 11.2% above the previous year's closing price on 30 September 2021. The SDAX also made headway, closing 11.8% higher at the end of September. As with other engineering companies, Koenig & Bauer shares remained volatile during the period under review, hitting a 9-month low of €23.60 on 30 April 2021. In the further course of the year, they recovered and reached a 9-month high of €30.85 on 28 July 2021. After closing 2020 at €23.92, Koenig & Bauer shares were trading at €26.45 on 30 September 2021, thus advancing by 10.6% during the period under review.

Koenig & Bauer shares

in %



Group management report

The previous year's figures have been adjusted to reflect the retroactive application of the changed revenue recognition method.

Macroeconomic and industry conditions

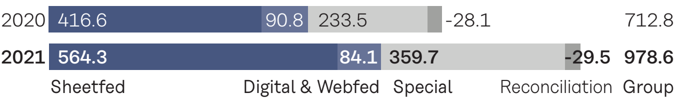
According to the German Mechanical and Plant Engineering Association (VDMA), orders for plant and machinery were up 32.0% on the previous year in price-adjusted terms in the first eight months of 2021. Industry-wide revenue rose by 5.9% year-on-year. In the same period, new orders for printing presses were 37.3% up on in the previous year in price-adjusted terms. Of this, 17.8% came from Germany and 41.1% from other countries. Printing press revenue was also up 8.4% over the previous year, although a decline of 3.6% was again registered in Germany, accompanied by an increase of 10.8% in other countries.

Business performance

Despite pandemic-induced spending restraint, the Koenig & Bauer Group's **order intake** grew in the first nine months of 2021 particularly in the new market segments in line with sector trends in the first half of 2021. At €978.6m as of 30 September 2021, new orders exceeded the previous year's figure of €712.8m by 37.3%. In the third quarter, growth of 56.2% to €363.3m was achieved, thus outpacing the positive industry trend for June - August of 39.8%. The new market segments in Digital & Webfed also showed signs of recovery.

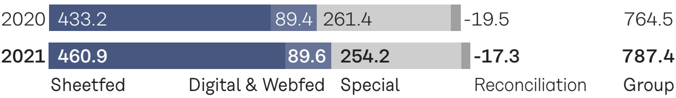
Group order intake 01.01. - 30.09.

in €m



Group revenue 01.01. - 30.09.

in €m



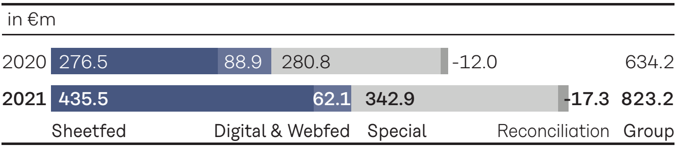
Cumulative **revenue** for the first nine months of 2021 was up year-on-year for the first time in 2021, increasing by 3.0% to €787.4m (2020: €764.5m). In the third quarter, it continued the sequential growth of the period under review, rising by 18.2% to €294.2m (2020: €248.8m).

The Group export ratio widened from 84.7% to 86.1%, with the proportion of business coming from Latin America and Africa growing substantially to 11.7% (previous year: 7.6%), while Asia/Pacific also made a higher contribution of 26.0% (previous year: 25.6%). The share of revenue coming from Germany (13.9%), Europe excluding Germany (30.7%) and North America (17.7%) was down on the previous year (15.3%, 31.8% and 19.7%, respectively).

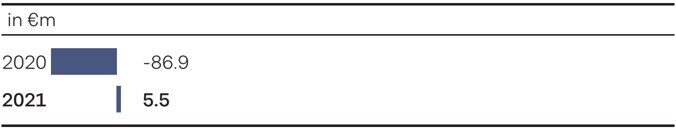
In the first nine months of 2021, service business accounted for around 29.9% of Group revenue partially due to the lower proportion of new press business compared with previous years as a result of the Covid-19 pandemic, while new press business contributed 70.1%.

At €823.2m as of 30 September 2021, **order backlog** was up 29.8% on the previous year's figure of €634.2m, thus achieving a historical high. In sequential terms, order books also grew steadily in the period under review, serving as a solid basis for the fourth quarter of 2021.

Group order backlog at 30.09.



Group net profit/loss 01.01. - 30.09.



Earnings, finances and assets

Earnings

Despite the pandemic, reduced short-time work and positive volume and mix effects, cumulative gross profit after the first nine months increased by 65.4% to €214.5m (2020: €129.7m) thanks to lower production costs among other things. Reflecting this, the **gross margin** came to 27.2% (2020: 17.0%). At €33.2m, R&D expenses were slightly up on the previous year's figure of €31.0m. Selling expenses fell by €2.6m to €92.7m and administration expenses by €11.0m to €71.3m in the same period. Net other income and expenses came to €-0.6m, compared with €4.8m in the previous year.

Cumulative **EBIT** came to €16.7m in the first nine months (2020: €-74.1m). The improvement of €90.8m compared to the previous year is mainly due to the more efficient implementation of the P24x personnel measures, which is also reflected in the adjustment of the restructuring provisions for the efficiency programme (roughly €20m), as well as the P24x cost-reduction effects (roughly €31m), despite the lower use of short-time work (roughly €16m), positive volume and mix effects (roughly €6m) and the cumulative extraordinary effects recognised in the previous year (roughly €49m). In particular, Koenig & Bauer succeeded in replacing the cost-reduction effects from the use of short-time working in the previous year with long-term and sustainable measures under P24x. Consequently, the **EBIT margin** improved from -9.7% to 2.1% in the first nine months of 2021. Not including the adjustment of the restructuring provisions for P24x (roughly €20m), EBIT after nine months came to €-4.1m. The previous year's figure had included cumulative exceptionals of roughly €49m, resulting in adjusted EBIT of €-25.5m. EBIT reached €10.3m in the third quarter (2020: €-54.3m), thus marking a further sequential improvement in operating earnings in the period under review.

With interest result standing at €-7.9m (30 September 2020: €-3.7m), the Group's **earnings before tax** came to €8.8m, compared with €-77.8m in the previous year. After income taxes, the Group posted **net profit** of €5.5m as of 30 September 2021, thus reversing the previous year's net loss of €-86.9m. This translates into **earnings per share** of €0.31 (30 September 2020: €-5.28).

Finances

Cash flow from operating activities improved significantly, rising by €81.1m to €33.3m in the period under review, compared with €-47.8m in the previous year. Cash flow from investing activities dropped slightly to €-19.0m (30 September 2020: €-14.3m). **Free cash flow** improved significantly from €-62.1m in the previous year to €14.3m. The increase of €76.4m was materially due to the reduction in **net working capital** from €344.0m as of 31 December 2020 to €329.1m as of 30 September 2021. Cash flow from financing activities came to €-60.5m due to the partial repayment of the syndicated loan of €56.0m (30 September 2020: €-10.3m). At the end of September 2021, cash and cash equivalents stood at €94.6m (30 September 2020: €115.9m), with freely **available liquid funds** exceeding €250m. Minus bank liabilities of €132.3m, **net financial debt** improved substantially by €40.2m to €-37.7m (30 September 2020: €-77.9m; 31 December 2020: €-47.1m).

Assets

In the first nine months of 2021, a total of €19.3m (30 September 2020: €27.3m) was spent on property, plant and equipment and intangible assets in connection with construction and IT projects. This was accompanied by depreciation and amortisation expense of €27.6m, which was unchanged over the previous year. On balance, intangible assets and property, plant and equipment dropped slightly from €392.3m as of 31 December 2020 to €381.8m. With financial investments and other financial receivables slightly up on the previous year accompanied by lower deferred tax assets, non-current assets fell from €509.7m as of 31 December 2020 to €497.1m. Current assets also decreased from €811.4m at the end of 2020 to €793.2m. All in all, the Group's **total assets** stood at €1,290.3m as of 30 September 2021, thus falling slightly short of the figure recorded at the end of 2020 (€1,321.1m). Equity increased from €342.2m as of 31 December 2020 to €359.4m primarily as a result of the Group profit of €5.5m reported for the first nine months of the year. The equity ratio rose to 27.9% as of the reporting date (31 December 2020: 25.9%). All told, current and non-current liabilities fell by €48.0m in the nine months of 2021, chiefly as a result of the repayment of the syndicated loan of €56.0m. Retirement benefit provisions dropped by €20.2m to €145.4m due to the increase in the discount rate on domestic retirement benefits from 0.9% as of 31 December 2020 to 1.6% as of 30 September 2021. The decline of €22.5m in other provisions, especially due to the partial adjustment of the restructuring provision for P24x of around €20m, was largely offset by an increase in other financial liabilities.

Segment performance

In the **Sheetfed** segment, order intake in particular was very favourable in the period under review, thanks to growth in orders for sheetfed offset presses and parts of the post-press range, rising by 35.5% from €416.6m in the previous year to €564.3m as of 30 September 2021. Most of the orders were attributable to the pandemic-resistant packaging printing market (folding boxes and labels), which is growing at a very swift rate. The 47.4% year-on-year increase in the third quarter thus exceeds the positive industry trend for printing presses of 39.8% for June - August calculated by industry association VDMA. In the first nine months, revenue reached €460.9m, thereby climbing by 6.4% over the previous year (€433.2m). The 21.6% year-on-year increase in revenue in the third quarter is substantially higher than the positive industry trend for printing presses of 7.9% for June - August calculated by industry association VDMA. With the book-to-bill ratio standing at 1.22 (previous year: 0.96), the order backlog rose from €276.5m as of 30 September 2020 to a historical high of €435.5m at the end of the period under review. EBIT after nine months increased by €44.7m to €18.5m, translating into an EBIT margin of 4.0% (previous year: -6.0%). The adjustment of the restructuring provisions for P24x had a positive impact of €7.2m on EBIT in the second quarter. The previous year's figure includes provisions for P24x of €-22.6m. In the third quarter, EBIT improved by €36.7m to €11.5m (previous year: €-25.2m), resulting in an EBIT margin of 6.9% (previous year: -18.3%).

In the first nine months of 2021, order intake in the **Digital & Webfed** segment fell by 7.4% to €84.1m (previous year: €90.8m). In contrast, order receipts in the third quarter increased year-on-year (up 23.5%) and also sequentially in the period under review to €42.1m. This is due to the growth in corrugated printing despite protracted pandemic-induced spending restraint. The order backlog contracted from €88.9m to €62.1m. At €89.6m, revenue was virtually unchanged over the previous year. In the third quarter, it declined by 16.9% year-on-year and failed to show any signs of a sequential recovery. EBIT after nine months also remained at the previous year's level of €-20.8m, resulting in an EBIT margin of -23.2%. The adjustment of the restructuring provisions for P24x had a negative impact of €1.5m on EBIT in the second quarter. The previous year's figure includes provisions for P24x of €-6.9m. EBIT fell to €-9.8m in the third quarter, down from €-8.3m in the previous year; accordingly, the EBIT margins were -38.4% and -27.0%, respectively.

At €359.7m as of 30 September 2021, order intake in the **Special** segment exceeded the previous year's figure of €233.5m by 54.0%. Orders were up in all areas (Banknote Solutions: banknote and security printing; MetalPrint:

metal packaging; Coding: coding solutions for all industries; Kammann: direct decoration of hollow bodies made of glass, plastic and metal). In the third quarter, orders increased by 70.3% over the previous year to €141.0m and thus remained on a par with the similarly strong previous quarter.
Order backlog increased by 22.1% to €342.9m as of 30 September 2021 (previous year: €280.8m). At €254.2m, revenue after nine months matched the previous year's level, but was up 21.2% year-on-year in the third quarter and also saw a significant sequential increase in the period under review. EBIT after nine months increased from €-32.1m in the previous year to €15.3m, with the EBIT margin widening from -12.3% to 6.0%. The adjustment of the restructuring provisions for P24x had a positive impact of €16.0m on EBIT in the second quarter. The previous year's figure includes provisions for P24x of €-25.6m and exceptional income of €4.2m from a legal dispute. In the third quarter, EBIT improved by €34.3m year-on-year, resulting in an EBIT margin of 8.0% (previous year: -29.7%).

Risks and Opportunities

There were no fundamental changes in the assessment of the risks and opportunities for the Koenig & Bauer Group in the period under review compared to the corresponding statements in the annual report for 2020. The material risks facing our business and our risk management system are described in detail in the annual report for 2020 (from page 79).

Uncertainties persist in connection with Covid-19 and increasingly also with regard to the availability of materials, e.g. important electronic components such as semiconductors for controlling our printing presses, steel, aluminium and other light metals, in addition to mounting logistic constraints. We are attempting to preserve our supply chains through close market observation, intensive vendor management and, as far as possible, by means of stockpiling. Protracted supply-chain shortfalls may lead to production stoppages and delays in our own deliveries with negative effects on capacity utilization and earnings.

As things currently stand, we do not see any risks that either individually or cumulatively are liable to jeopardise the Koenig & Bauer Group's going-concern status. Our broad-based product range, which is geared to fundamentally intact sell-side markets, the implementation of the P24x efficiency programme as well as our strong market position and financial stability are limiting risk potential. Main opportunities are described on page 91 of the annual report for 2020.

Outlook

Expected Macroeconomic and Industry Conditions

In October 2021, the International Monetary Fund (IMF) revised its July 2021 forecast for global economic growth for the current year downwards by 0.1 percentage points to 5.9%. It explained that the outlook for poorer developing countries had worsened significantly and that the short-term outlook for developed countries had also deteriorated, partly because of problems with global supply chains. The IMF scaled back its forecast for Germany by a significant 0.5 percentage points. Accordingly, it now expects gross domestic product to grow by only 3.1% in 2021 instead of 3.6%. According to the IMF, however, the United States has lost even greater momentum and is now expected to grow by 6.0% instead of the previously assumed 7.0%. The Eurozone as a whole should expand by 5.0%. In contrast to Germany and the United States, the growth forecasts for Spain, France and Italy, for example, have been upgraded over the IMF's July forecast. The IMF expects the global economy to expand by 4.9% in 2022, with Germany set to achieve a figure of 4.6% in 2022. However, China will remain the driving force behind the global economy in both years, posting expected growth of 8.0% and 5.6%, respectively. Although this is slightly lower than previously estimated for both years, it is still well above the global figure.

The German Mechanical and Plant Engineering Association (VDMA) has also upgraded its forecast for mechanical engineering production in Germany for 2021 for the second time – from plus 4% to initially 7% and most recently in June 2021 to 10% in real terms. According to the VDMA, this is due not only to the low baseline effect in the previous year, but also to the sharp increase in incoming orders and better capacity utilisation. In addition, the machinery and plant engineering sector is benefiting from extensive economic stimulus and growth packages in key sell-side markets. However, VDMA also emphasises that the strength and breadth of the upswing is also causing a variety of production hindrances. These include bottlenecks along the supply chain and the associated material price increases, as well as pandemic-related restrictions. In October 2021, the VDMA confirmed its production forecast for 2021 of 10% year-on-year in real terms, adding that without material bottlenecks even higher growth would have been possible. However, the uncertain situation in the supply chains would also increasingly occupy the machinery industry. For 2022, the VDMA economists continue to expect a further increase in production of 5% in real terms.

Slight organic revenue growth of 7 - 10% with an EBIT margin of 2% expected for 2021

Despite the still limited forward visibility with respect to the impact of the Covid-19 pandemic on the Koenig & Bauer Group's business environment and the travel restrictions partly still in place in this connection, the Company anticipates slight growth in its business in 2021.

This forecast assumes that there are no further setbacks or tightened restrictions compared with the current measures for containing the pandemic. In addition, supply-chain constraints and, as a knock-on effect, higher material prices are continuing to exert pressure. Against this backdrop, Koenig & Bauer still projects slight organic revenue growth of 7 - 10% to €1,100 - 1,135m in 2021. The sharp order intake and high order backlog as of 30 September 2021 are providing a solid basis for the current year under the prevailing conditions. With respect to earnings, an EBIT margin of 2% is projected after the swifter emergence of the expected cost-reduction effects from P24x and the more efficient implementation of the related personnel measures. The adjustment of the restructuring provisions for P24x in the second quarter of 2021 generated exceptional income of around €20m, easing the pressure on Group earnings and free cash flow accordingly. This effect was not included in the forecast for 2021.

Medium-term goals confirmed

The Koenig & Bauer Group reaffirms its medium-term targets: Following the implementation of the cost and structural adjustments that have been initiated, Group revenue should rise to around €1.3bn by 2024 accompanied by annual cost-reduction effects in the order of €100m by then, while all innovation processes as well as process and product developments will be continued and stepped up. In the medium term, a return on sales (relative to EBIT) of at least 7% is being targeted. A further objective is to reduce net working capital to a maximum of 25% of annual revenue.

Group balance sheet

Assets

in €m	31.12.2020	**30.09.2021**
Non-current assets		
Intangible assets, property, plant and equipment	392.3	381.8
Investments and other financial receivables	22.3	24.3
Other assets	3.4	2.9
Deferred tax assets	91.7	88.1
	509.7	**497.1**
Current assets		
Inventories	357.6	372.0
Trade receivables	91.9	88.3
Other financial receivables	23.4	21.0
Other assets	197.9	212.5
Securities	2.8	4.8
Cash and cash equivalents	137.8	94.6
	811.4	**793.2**
Balance sheet total	**1,321.1**	**1,290.3**

Equity and liabilities

in €m	31.12.2020	**30.09.2021**
Equity		
Share capital	43.0	43.0
Share premium	87.5	87.5
Reserves	210.3	227.7
Equity attributable to owners of the Parent	**340.8**	**358.2**
Equity attributable to non-controlling interests	1.4	1.2
	342.2	**359.4**
Liabilities		
Non-current liabilities		
Pension provisions and similar obligations	165.6	145.4
Other provisions	40.3	40.6
Bank loans	140.7	122.7
Other financial payables	28.9	25.3
Other liabilities	9.9	10.0
Deferred tax liabilities	68.6	68.2
	454.0	**412.2**
Current liabilities		
Other provisions	124.8	102.0
Trade payables	59.2	53.5
Bank loans	44.2	9.6
Other financial payables	67.1	85.4
Other liabilities	229.6	268.2
	524.9	**518.7**
Balance sheet total	**1,321.1**	**1,290.3**

Group income statement

01.01. - 30.09. in €m	2020*	**2021**
Revenue	764.5	787.4
Cost of sales	-634.8	-572.9
Gross profit	**129.7**	**214.5**
Research and development costs	-31.0	-33.2
Distribution costs	-95.3	-92.7
Administrative expenses	-82.3	-71.3
Other income and expenses	4.8	-0.6
Earnings before interest and taxes (EBIT)	**-74.1**	**16.7**
Interest result	-3.7	-7.9
Earnings before taxes (EBT)	**-77.8**	**8.8**
Income tax expense	-9.1	-3.3
Net profit/loss	**-86.9**	**5.5**
- attributable to owners of the Parent	-87.3	5.2
- attributable to non-controlling interests	0.4	0.3
Earnings per share (in €, basic/dilutive)	**-5.28**	**0.31**

* adjusted

Statement of changes in Group equity

in €m	Share capital	Share premium
01.01.2020	**43.0**	**87.5**
Net profit/loss	–	–
Losses recognised directly in equity	–	–
Total comprehensive income	**–**	**–**
Other changes	–	–
30.09.2020*	**43.0**	**87.5**
01.01.2021	**43.0**	**87.5**
Net profit	–	–
Gains recognised directly in equity	–	–
Total comprehensive income	**–**	**–**
Other changes	–	–
30.09.2021	**43.0**	**87.5**

* adjusted

Statement of comprehensive Group income

01.01. - 30.09. in €m	2020*	2021
Net profit/loss	**-86.9**	**5.5**
Items, which later will be reclassified to consolidated profit/loss		
Foreign currency translation	-3.7	2.3
Measurement of derivatives	0.8	-3.8
Deferred taxes	-0.1	0.9
	-3.0	**-0.6**
Items, which later will not be reclassified to consolidated profit/loss		
Defined benefit plans	-10.0	17.3
Deferred taxes	2.6	-4.6
	-7.4	**12.7**
Gains/losses recognised directly in equity	**-10.4**	**12.1**
Total comprehensive income	**-97.3**	**17.6**
- attributable to owners of the Parent	-97.7	17.3
- attributable to non-controlling interests	0.4	0.3

* adjusted

Reserves				
Recognised in equity	Other	**Equity attr. to owners of the Parent**	Equity attr. to non-controlling interests	**Total**
-99.2	**400.3**	**431.6**	**1.2**	**432.8**
–	-87.3	-87.3	0.4	-86.9
-10.4	–	-10.4	–	-10.4
-10.4	**-87.3**	**-97.7**	**0.4**	**-97.3**
–	–	–	-0.3	-0.3
-109.6	**313.0**	**333.9**	**1.3**	**335.2**
-86.3	**296.6**	**340.8**	**1.4**	**342.2**
–	5.2	5.2	0.3	5.5
12.1	–	12.1	–	12.1
12.1	**5.2**	**17.3**	**0.3**	**17.6**
–	0.1	0.1	-0.5	-0.4
-74.2	**301.9**	**358.2**	**1.2**	**359.4**

Group cash flow statement

01.01. - 30.09. in €m	2020*	**2021**
Earnings before taxes (EBT)	-77.8	8.8
Non-cash transactions	24.9	32.9
Gross cash flow	**-52.9**	**41.7**
Changes in inventories, receivables and other assets	36.4	-25.0
Changes in provisions and payables	-31.3	16.6
Cash flows from operating activities	**-47.8**	**33.3**
Cash flows from investing activities	**-14.3**	**-19.0**
Free cash flow	**-62.1**	**14.3**
Cash flows from financing activities	**-10.3**	**-60.5**
Change in funds	**-72.4**	**-46.2**
Effect of changes in exchange rates	-2.7	3.0
Funds at beginning of period	191.0	137.8
Funds at end of period	**115.9**	**94.6**

* adjusted

Notes to the interim accounts to 30 September 2021

1 Accounting and measurement policies

This interim report for the Koenig & Bauer Group is prepared in accordance with the International Financial Reporting Standards (IFRS). All International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, and all binding interpretations of the International Financial Reporting Interpretation Committee (IFRIC) as well as the rules of the European Union valid as of the reporting date are duly taken into account.

In accordance with the procedure adopted effective 31 December 2020, the figures for the 3rd quarter of 2020 were adjusted retrospectively in line with IAS 8. Accordingly, the recognition of revenue was adjusted to allow for the introduction of a new Group accounting policy. Shifts in revenue occurring within the year were not accounted for.

Accounting standard IAS 34 on interim reporting is complied with.

2 Consolidated companies and consolidation principles

There were no changes in our consolidated companies and the consolidation methods applied in the current year.

3 Segment information

3.1 Business segments

01.01. - 30.09.	Revenue		EBIT		Capital investments	
in €m	2020*	**2021**	2020*	**2021**	2020	**2021**
Segments						
Sheetfed	433.2	460.9	-26.2	18.5	11.5	8.0
Digital & Webfed	89.4	89.6	-20.6	-20.8	2.6	0.9
Special	261.4	254.2	-32.1	15.3	7.9	5.5
Reconciliation	-19.5	-17.3	4.8	3.7	5.3	4.9
Group	**764.5**	**787.4**	**-74.1**	**16.7**	**27.3**	**19.3**

* adjusted

3.2 Geographical breakdown of revenue

01.01. - 30.09. in €m	2020*	**2021**
Germany	116.7	109.5
Rest of Europe	243.5	241.6
North America	150.4	139.2
Asia/Pacific	196.1	205.1
Africa/Latin America	57.8	92.0
Revenue	**764.5**	**787.4**

* adjusted

Key financial dates

Publication of annual financial statements for 2021
30 March 2022

Statement on the 1st quarter of 2022
5 May 2022

Koenig & Bauer Annual General Meeting
24 May 2022

Report on the 2nd quarter of 2022
29 July 2022

Statement on the 3rd quarter of 2022
8 November 2022

Published by:
Koenig & Bauer AG
Friedrich-Koenig-Str. 4
97080 Würzburg, Germany
info@koenig-bauer.com
www.koenig-bauer.com

Contact:
Investor Relations
Lena Landenberger
T 0931 909-4085
F 0931 909-4880
lena.landenberger@koenig-bauer.com