

KOENIG & BAUER

NOT ONLY THIS  
COVER IS UNIQUE



Metamor[e]phosis

Summary Annual Report 2022

we're on it.



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# The art of metamor[e]phosis

Your very own copy of the **Koenig & Bauer Summary Annual Report 2022** is in front of you – literally. Because the cover design is absolutely **unique**. In an automated process the individual design elements from four **modules** were combined in such a way that no overall image appears twice.

In this way, we not only want to show you what our designers have mastered technically, but also but also what our **presses** are capable of. After all, you can't think of a more individual print job than **2,500** different copies.

The **Koenig & Bauer RotaJET** has demonstrated in a masterly manner that versatility and the highest level of precision in the print result can be excellently combined.







# Metamor[e]phosis is Inherent to Our DNA

The desire for further development is part of human nature. Striving for “more” means thinking beyond known realms. It means transcending boundaries and being open for new things. Small changes can be the starting point for a major transformation – and vice versa. Today, it is perhaps more important than ever before to demonstrate adaptability. Energy shortages, climate crisis and social injustices influence our daily lives and pose the challenge of finding ways to achieve a healthy balance.

At the end of 2021, with Exceeding Print, we defined the strategy with which we aim to achieve sustainable, ecologically compatible growth as a globally active company. Going beyond just print means doing more – but not in the sense of additional production. Instead, it is a question of continuous optimisation. By enhancing printing processes and machines with digital solutions, we are enabling both our customers and ourselves to become more agile and more efficient, and thus also to be more sparing in our use of natural resources. By focussing our innovative strength on eco-friendly, sustainable technologies, we are helping to safeguard the future of the print industry and of society as a whole. By promoting the development of modular engineering and standardised systems, we are exploiting synergies that permit us and our customers to work more effectively and flexibly.

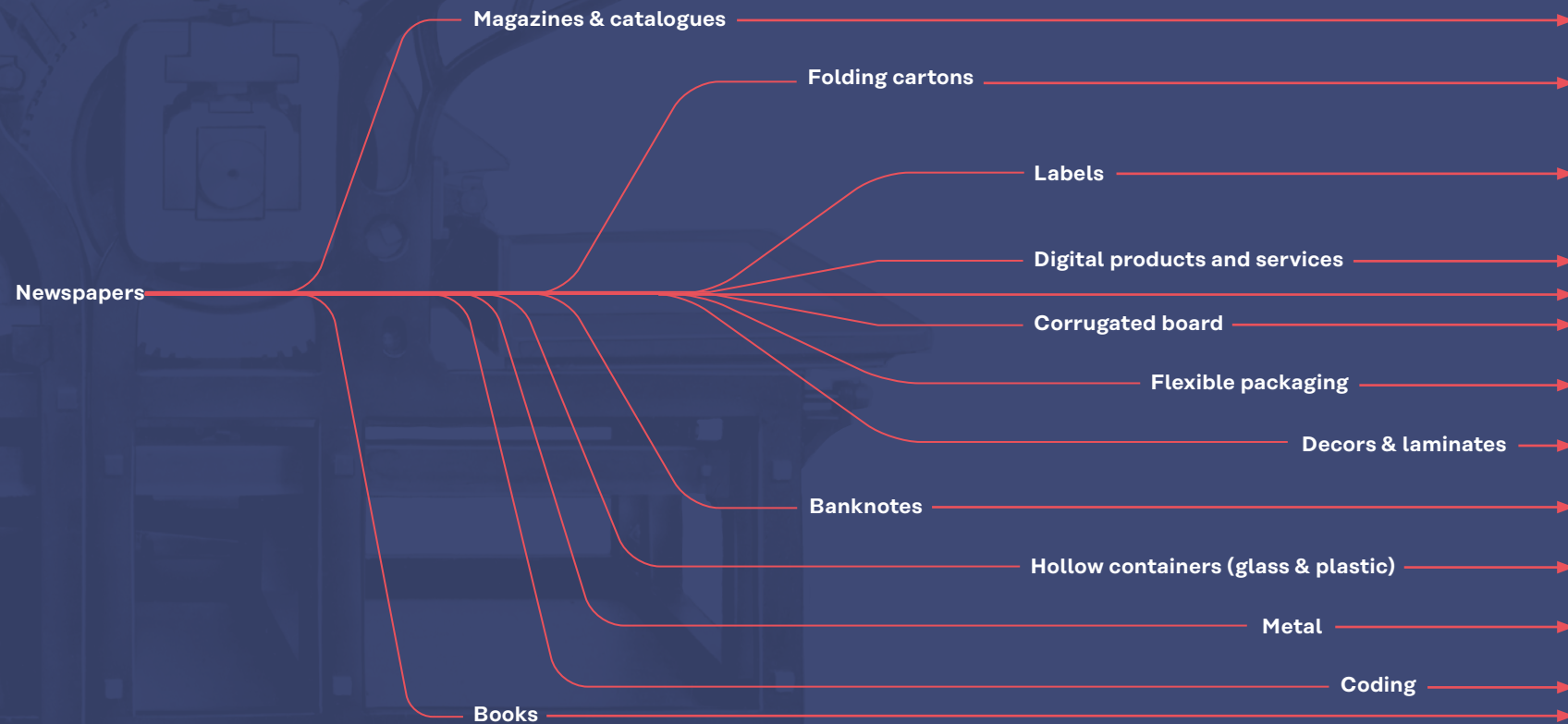
## From tradition to innovation

Koenig & Bauer has had to redefine itself and adapt to new circumstances on multiple occasions over the more than 200 years since it was founded. The fact that the company has not simply survived diverse economic, political and social upheavals, and has actually mastered these challenges successfully, is impressive proof of the adaptability inherent to our DNA. What began with the manufacture of newspaper presses in the 19th century has undergone unceasing further development in the form of new technologies and fields of application. We today possess expertise in practically all printing technologies and offer suitable machines and software solutions for the entire process of printing, finishing and conversion. This broad diversification means that we can rely on our strong roots and draw significant synergy benefits.

With the strategy Exceeding Print, we have set the course for numerous measures aimed at enabling us – and our customers – to think and act beyond printing alone. The objective is clear, and results from the three pillars of this strategy: we will become more stable, more digital and more modular. And this is something that we have to do, because the whole world is in a state of flux and adaptability is today more important than ever before.



# A Company with **Strong Roots**





# Metamor[e]phosis through Modularity



## ... because the whole is **[more]** than the sum of its parts.

Individualisation is one of today's megatrends, with an impact on all levels of society and thus on companies, institutions and individuals in equal measure. In the print industry, this is manifested in the increasing variance in print jobs and an ever shorter time-to-market demanded of our customers. Koenig & Bauer is rising to the associated challenges with modular and standardised systems.

Numerous solution options and application possibilities exist across the Group and can be used to maximise customer benefit. Our first concrete step towards modularity is a system of modular automation features. This opens up new opportunities to enhance customer value using two paths of optimisation. On the one hand, we want to shorten the time-to-market for customer-optimised products. The entire process, from the initial idea through to the production machinery, should function as efficiently as possible – making full use of all the innovative applications and technical capabilities that Koenig & Bauer has to offer, including the tailored configuration options that this brings for our customers. On the other hand, a clear modular product structure accelerates innovation, increases product and spare part availability, and reduces the risk of breakdown.

Our machines have benefited from constant further development over the past years. Automation processes and the new possibilities opened up by digitalisation have enabled once purely mechanical machines to be fitted with increasing numbers of direct drives and sensors. It has never been easier to track the operating status of our machines and vast quantities of data can be retrieved, which in turn translates into significant cost-saving potential for our customers – through performance monitoring and

efficient troubleshooting. Hardware and software are today inseparably interwoven, and software builds a bridge between machine and user.

But even more importantly: software enables us, as the manufacturer, to become part of this bridge. It becomes possible, for example, not only to retrieve data from the machine, but also to enter data as control commands – in the form of updates, the enabling of performance features, etc. In other words, we can not only 'read', but also 'write', and can thereby continue to optimise our machines in their individual application settings.

Alongside digital business models, there is also significant interface potential at the design stage, because this is where solutions from all the different segments can be identified and brought together. Especially valuable for us, as a globally active company with production locations throughout Europe, is the catalyst effect for collaboration between the different segments. The resources that are freed up in this way can be put to constructive use in new areas, for example to further accelerate processes through expansion of our Operational Excellence Team and to develop cost-saving opportunities.

In addition, the modular press platform enables new technologies to be brought to the market faster. Spare parts warehousing is similarly being simplified and we can guarantee enhanced availability, which is in the end again a positive effect for our customers.



# Metamor[e]phosis through Sustainability

## ... because there is still so much **[more]** to discover.

2022 was the warmest year since records began. Climate change is in full swing – and it is high time that we all act sustainably in every way possible. Political decisions and concepts such as the European Green Deal are important milestones for environmental protection and more sustainable industry. At the same time, such initiatives also represent a major challenge for companies. To master the challenge adequately, Koenig & Bauer has set up a separate group-level department to deal with this specific topic and to explore the possibilities for all business units. Alongside the question as to what the company itself can do to operate more sustainably, this places a particular focus on how Koenig & Bauer can support its customers in their efforts to establish eco-friendly and sustainable production.

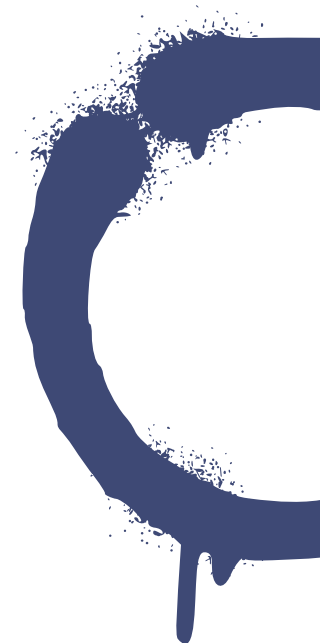
We are continually assessing options to reduce our own energy consumption and emissions, and implement these measures wherever possible. We aim to reach full carbon neutrality in terms of Scope 1 and 2 emissions at all our manufacturing locations from 2030 on. Thanks to an investment in modern, more energy-efficient furnaces that emit less CO<sub>2</sub>, the company's own foundry is already operating much more sustainably. Power consumption has been reduced by investing in highly efficient LED-based lighting with automatic daylight control. Since 2021, all the major Koenig & Bauer group locations are being supplied with green electricity. In addition, photovoltaic systems have been installed at the Würzburg and Radebeul facilities.

Sustainable waste management is an important aspect of responsible resource use. In all areas of the company, and especially in our metalworking centres, we ensure careful sorting of all production materials wherever this is feasible, and realise every opportunity for recycling.

To meet – or preferably exceed – the expectations and needs of our customers, Koenig & Bauer machines and processes are designed for maximum resource efficiency. That begins with the possibility of continuous operation. Our machines run 24/7 on 365 days of the year. The higher the utilisation, the lower the number of restarts – and that has a direct impact on energy and resource consumption. The trend towards ever shorter print runs with frequent stops and starts is rather counter-productive in this context, but can be compensated – to some extent at least – by the use of more efficient drive technologies, regular maintenance and trained operators.

A medium-format sheetfed offset press in packaging printing applies around 500 tonnes of ink to up to 8,500 tonnes of paper each year – and that's just a single press! The leverage effect of an increase in efficiency by only a few percentage points is enormous. The minimisation of start-up waste is therefore one of the aspects that could produce significant savings, especially against the background of an increasing number of job changeovers. Furthermore, the innovation drivers at Koenig & Bauer are concentrating on solutions to achieve ultimate quality with reduced ink consumption.

To lower the power consumption of machines in production at our customers, we have developed special dryers that recirculate and re-use the heated air in the drying process. The result: savings of up to 30 per cent. By placing a focus on water-based, food-safe coatings and inks, the company is at the same time demonstrating that it has the overall process in mind – in the interests of consistent recycling management.




A person is shown in profile, wearing a VR headset. The entire image is overlaid with a semi-transparent red filter. The person's right hand is raised, with fingers slightly curled. The background is a solid light blue. On the right side, there is a dark, textured, splatter-like graphic element.

# Metamor[e]phosis through Digitalisation



## ... because the future is **[more]** than impressive.



Expanding beyond the pure process of printing – this may sound radical for a company with a long tradition in printing press manufacture, but it is the only logical step to secure a future in a world that is becoming increasingly digital. If we view the developments of the last ten years, it can be said that digitalisation has posed numerous challenges – but it is, at the same time, the greatest motivator of our times. It forces us to reconsider conventions and in this way to become more agile. Networking machines, capturing and analysing data, and controlling data efficiently: there are many aspects to digital transformation in the print industry – and we are right at the heart of these momentous changes.

Our customers profit from an increasingly holistic service portfolio that bridges the divide between the analogue and digital worlds. Transparent, data-assisted processes are the starting point for more efficiency and cost-effectiveness. A high level of automation minimises risks and facilitates customisation of a future-oriented printing process. Press data, for example, can be displayed in real time at any given moment using cloud technologies. This provides an enormous benefit to our customers, as it enables them to optimise their production or to detect potential problems before they actually take effect.

The use of augmented technology permits us to optimise technical support by enabling the highly targeted visualisation of specific components or areas of a press. That not only makes global service easier, but also opens up a whole new range of opportunities. If we leave aside the supposed conflict between the analogue and digital worlds and acknowledge that they can both learn from each other, it very quickly becomes evident

that digitalisation yields previously undiscovered potential. If fewer business trips and on-site service visits are necessary thanks to digital support capabilities, this is not only an important contribution to climate protection, but also makes the profession of service technician more attractive once more – especially with regard to the compatibility of family and career.

Another example of how well digitalisation and sustainability go hand in hand is the new digital energy management system VisuEnergy X. This platform enables the continuous monitoring and complete documentation of energy data and thus lays the foundations for successful energy management. The visualisation of consumption trends and data from specific consumers enables the user to localise the greatest potential for energy savings. This allows us to provide our customers with a digital solution that helps them to produce more efficiently and more sustainably.

For us as a traditional manufacturing company, digitalisation does, of course, mean rethinking the way we work – and that in all areas of our business. Establishing and a continuous expanding of a networked organisation with all the necessary processes and methods requires a reappraisal of existing structures. We view that as a valuable opportunity to reaffirm and advance our further development as an agile technology provider.

A person is shown in profile, wearing a VR headset. The background is a vibrant red, and there is a blue and red particle effect overlay that looks like a nebula or a digital space environment. The text "Metamor[e]phosis through Partnerships" is written in white, sans-serif font, positioned in the lower-left quadrant of the image.

# Metamor[e]phosis through Partnerships

## ... because we can achieve **[more]** together.

Koenig & Bauer in 2022 is so much more than Koenig & Bauer was in 1817, 1922 or 1988 – for which credit belongs not least to all our business segments and subsidiaries, whose specific know-how has opened up new markets for the group. The bundling of knowledge and technologies gives us a significant edge and enables us to identify and respond adequately to the broadest demands in good time.

### **Koenig & Bauer Celmacch**

Following the granting of official approval for a foreign direct investment (FDI) in Italy, acquisition of 49 per cent of the shares in the Italian Celmacch Group S.r.l. by Koenig & Bauer AG marked the start of a further partnership in September 2022. Together, we combine over 40 years of experience in the corrugated printing and converting market and more than 200 years of printing technology on a wide range of substrates. This strengthens our presence on the growth market for corrugated board machinery.

Celmacch brings not only an established name, but above all comprehensive expertise and progressive technologies for the growth market for corrugated board, a segment that Koenig & Bauer also addresses with existing presses of its own. Ever since the relaunch of the Chroma product family in 2019 in particular, Celmacch has built up an excellent standing on the European market as a developer and manufacturer of high board line flexo presses and rotary die-cutters satisfying exacting technological demands, and has already supplied many of the major international packaging producers, primarily on its local markets.

With the joint Chroma product family, Koenig & Bauer Celmacch is now able to offer customers an extensive portfolio of machines covering all price and performance classes. The Chroma Smart series represents a competitive starting point for ventures in the world of modular rotary die-cutters and flexo presses, while the Chroma High Tech models satisfy demands for high levels of automation. The Chroma X Pro series (formerly the CorruCUT and CorruFLEX presses) stands for high performance in the production of both die-cut corrugated boxes and printed corrugated sheets, and defines new standards in terms of automation and performance.

### **Partnerships as a catalyst for further development**

Koenig & Bauer is today characterised by an immensely broad product portfolio with machines and software solutions for the entire process of printing, finishing and conversion. To achieve this, the Group has attached great importance to developing partnerships that enable successful expansion into new markets for many years now. Over the past three decades, this has seen three segments be established to cater to specific production requirements, for example for banknote printing, the decoration of metal sheets and hollow containers, or marking and coding applications. In this respect, it could be said that the Koenig & Bauer Group itself comprises different modules, whose unique composition offers enormous potential for technological progress and economic advances through the utilisation of synergy effects.



# Metamor[e]phosis through Business Models



## ... because our business is [more] than business as usual.

Koenig & Bauer is more than just a manufacturer of high-tech machines and systems that are tailored specifically to the requirements of our customers. We view ourselves as a supplier of complete solutions – which is why our portfolio also includes a comprehensive range of services geared to integrated workflows. Whether we are talking about maintenance and inspections, training and consulting, or spare parts and intelligent software to advance digital transformation: Koenig & Bauer is a reliable partner who understands and accompanies the full print process.

To ensure that we are able to preserve this standing in the future, it is necessary to explore new business models and to diversify our products and services. We are responding to the dynamic new challenges of our industry with innovative, future-oriented ideas. Their implementation is dependent on the introduction of new technologies and in particular adequate internal structures, some of which must first be created or rethought. It is only through long-term investment in the relevant areas that sustainable results can be achieved. This is true of both financial means and personnel resources, because we count on the support of our employees when

it comes to working with new technologies. At the same time, we want to inspire their enthusiasm for the [further] developments from the very beginning – building genuine commitment through transparent communication.

It goes without saying that market research also plays an important role in regard to business models and the exploration of new opportunities for our company. We aim to spot trends as they emerge, so as to be able to adapt our products to changing needs. We are currently recording the largest proportion of our sales in packaging printing, a segment that is probably more diverse than any other. Even as the demand for 'green', bio-compatible and sustainable packaging solutions based on corresponding printing and coding technologies continues to increase, the market for sophisticated packaging with highly refined finishing remains equally stable. The partnership with Celmacch is in this respect a significant competitive advantage.



# Metamor[e]phosis through Our Employees

## ... because the **[more]** we engage, the smarter we work together.

- Social change is especially tangible in the field of personnel management. The attitudes and expectations of employees have evolved significantly in recent decades. This statement is hardly a revelation – ‘work-life balance’ and ‘new work’ are the buzzwords on everyone’s lips. From the corporate perspective, it is crucial to reconcile the new priorities of the workforce with business objectives.

Flexible working hours are an increasingly significant factor, but pose challenges for many companies. In recent years, Koenig & Bauer has also had to consider how new concepts such as mobile working, individual agreements on working hours, sabbaticals, job sharing and the like can be incorporated efficiently into company and production structures. In line with our corporate culture, a continuous dialogue was started to elaborate both individual and overarching solutions.

At the end of the day, business success is dependent on the motivation of our workforce. Employees who sense that they are being heard and appreciated are more committed in their jobs and adopt the company’s goals as their own. By opening ourselves to the needs of both current and potential employees, we are able to attract specialists and talents to the group and kindle their sustained enthusiasm. In this way, we secure the quality of our products and services – and thus indirectly also the satisfaction of our customers.

Another important aspect that illustrates the development of Koenig & Bauer and its focus on personnel matters is a result of the process of

digitalisation and its impact on our companies. To master today’s new challenges and to be able to develop and offer adequate products and services, it is, of course, essential for companies to secure the services of appropriately qualified specialists. Here, too, we aim to act sustainably and will continue to train new talent ourselves, in addition to direct talent scouting on the job market. In 2022, for example, a specialisation in ‘Electronics technician for automation systems’ was added to the portfolio of our in-house vocational training school. The number of trainee places has also been increased significantly: at the Würzburg and Radebeul locations alone, 60 additional places were advertised in 2022 (for training to commence in September 2023).

Last but not least, the continued development of the group as a whole is also indivisible from the continued development of our employees. Accordingly, we will continue to attach great importance to personal and professional training opportunities at Koenig & Bauer. The Koenig & Bauer Academy was again able to expand and optimise its catalogue in 2022. The comprehensive and diverse training courses are designed so that quite literally every employee – from the shop floor to the management offices – will find the perfect tools to match their needs. A measure that represents an investment in the future and sustainability of the company, because each individual knowledge gain moves us forward as a collective and enables us to make better even use of arising synergies.

# Letter to the shareholders

*Dear shareholders,*

As the International Monetary Fund aptly put it in October 2022, we are experiencing a fundamental change in the global economy. It is becoming more unpredictable, more volatile and more marked by geopolitical tensions. Europe is particularly affected by the consequences of the Russian attack on Ukraine, while high inflation is weighing on consumer confidence in the United States and the pandemic-related restrictions are continuing to place a damper on companies in China.

## **Metamorphosis – with “more”**

Obviously, these fundamental changes have not left Koenig & Bauer unscathed and require it to constantly adapt to new circumstances and to engage in a metamorphosis with foresight and intellect. Once a focused, highly successful manufacturer of printing presses, the Company initiated a transformation some time ago to become an agile, fast and flexible technology group. In nature as in business, it is not the strongest or the loudest that survive, but the ones who are the most flexible and adaptable. Accordingly, the history of Koenig & Bauer, which now spans more than 200 years, can also be simply described as a “successful and steady metamorphosis”. It is perhaps no coincidence that the word “more” can be found, albeit somewhat concealed, in the word “metamorphosis”; the Company is constantly becoming “more”: More sustainable. More modular. More flexible. Yet, one thing hasn’t changed in over 200 years: our commitment to our customers and their success. Or, to put it perhaps a little more bold-

ly: Koenig & Bauer has been constantly changing since its establishment. The Company has not stopped at newspaper printing, but has become a packaging printing Company with printing expertise on all substrates with all printing technologies. The Company has been constantly questioning, optimising and, wherever this makes sense, expanding its activities. Most recently, Koenig & Bauer significantly broadened its expertise in corrugated board, an impressive growth market, by acquiring Celmacch Group S.r.l. in July 2022. All in all and in just a few words, the Company is the product of a steady and successful metamorphosis - from a newspaper printer to a packaging printer.

And while we’re on the subject of change, the entire Koenig & Bauer Iberica team moved from its previous location in El Prat de Llobregat near Barcelona to Gavà, 15 km away, in March. At this new location, Koenig & Bauer Iberica plans to significantly expand its production. Within the Group, Iberica is responsible for medium- and large-format flatbed die-cutters for cardboard and corrugated cardboard packaging and, thus, for the extremely important postpress activities for packaging printing.

Like probably all manufacturing companies, the Company is faced by high order backlogs on the one hand and a number of challenges, especially with respect to skilled labour, energy prices and supply chains on the other. However, Koenig & Bauer has repeatedly faced – and overcome – very different crises in its more than 200-year history. What was frequently decisive in this connection was that decision makers acted proactively, creatively and with foresight and always with the needs of the customers in mind and in awareness of their responsibility towards employees and shareholders. To give a specific and recent example: Koenig & Bauer adopted a variable approach to energy supplies years ago. It has also been working on becoming independent from pipeline gas ahead of the imminent gas shortage. As a result, the process gas previously required for production was completely substituted from the end of July 2022. In addition, supplies of fuel for heating energy were adjusted at the main production sites at the beginning of September in the light of the prevail-



ing circumstances. This is just one of several examples of entrepreneurial foresight. Koenig & Bauer continued to benefit from this foresight in 2022. And once again, it became clear that the Company is not only very well positioned but also able to cope with challenges and remain consistently on its growth trajectory.

### **Sustainability as a brand core**

Koenig & Bauer has been in existence as a company for over 200 years. Such a success story, an end of which is not in sight, can only be told if decisions are made with foresight and a sense of responsibility, or, in short, when a company operates sustainably. This is why ESG was part of Koenig & Bauer's identity long before it was discovered by many investors and market participants. And here, too, the Company is working on steadily improving. In keeping with this, Koenig & Bauer assumed responsibility for greater climate protection in the year under review, taking significant steps on the road toward carbon-neutral production. Moving forward, the Company will be covering part of its own electricity requirements sustainably by means of on-site production. This will not only help to improve our climate footprint but also provide a self-sufficient source of energy. Under its "Exceeding Print" Group strategy, Koenig & Bauer is working on adopting fully carbon-neutral processes at its production plants by 2030. In October of the year under review, a photovoltaic system for producing power went into operation on the roof of the Customer Technology Centre at the Company's headquarters in Würzburg. As a result, Koenig & Bauer is now producing around 200,000 kWh of electricity per year directly for the Würzburg plant. In the summer of 2022, a new water heating system with solar thermal modules went into operation at the Koenig & Bauer vocational school in Würzburg.

In addition, around 8% of the gas consumption at the Company's headquarters can be replaced by utilising the waste heat given off by the new melting furnace in the foundry.

Our customers are also benefiting from the fact that Koenig & Bauer is setting new standards in both digitisation and energy management. Since October 2022, the Company has been supporting its customers by offering them a digital, scalable solution to save energy and reduce costs: The Digital unit has developed an energy management system specially optimised for the printing and packaging industry. Energy consumption is recorded digitally and displayed in visual form, with savings potential simultaneously harnessed. The new energy management system consistently optimises these applications for the requirements of the printing and packaging industry.

However, Koenig & Bauer not only wants to be a sustainability pioneer itself but also motivate other market participants to follow it on this path. In 2022, the Company presented for the first time the Green Dot Award that it had specifically established for this purpose. In this way, Koenig & Bauer wants to honour each year a visionary leader with outstanding ideas who has made innovative contributions to sustainable printing in a special way. The first prize winner was Andres Kull, CEO of Kroonpress in Tartu, Estonia.

Koenig & Bauer also sees itself as having an inherent responsibility as a corporate citizen to look outside the box and, where necessary, to help the most vulnerable in society. In the last years, refugees have also been trained, lately also from Ukraine. With its global presence, Koenig & Bauer considers it be only natural that employees from different countries and cultures should be integrated. In this way, it is making an important contribution to tolerance, openness and integration.

### **Milestones**

Long-term and sustainable success with customers, employees and investors calls for constant questioning and adjustment. It was with this in mind that Koenig & Bauer took a number of steps in the year under review to enhance its operational footprint. To give an example, the number of coun

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Koenig & Bauer Management Board (from left): Ralf Sammeck (CDO), Dr Stephen M. Kimmich (CFO),  
Dr Andreas Pleßke (CEO), Christoph Müller (CEO Digital & Webfed), Michael Ulverich (COO)





# Supervisory Board report

*Dear shareholders,*

In 2022, the Group's operating profitability continued to improve. In addition to good capacity utilisation due to the strong momentum in order intake, the P24x efficiency and restructuring programme made a significant contribution to stabilising and boosting earnings. With product innovations, new digital business and systematic M&A activities, the course has been set for further profitable revenue growth. In view of the geopolitical, energy and economic upheavals resulting from the Russia-Ukraine conflict and causing significant supply chain constraints and material shortages, uncertainties over energy supplies and high inflation, the progress achieved is particularly encouraging. The product portfolio and service

business, which are geared towards growth and stable niche markets, proved to offer a reliable and promising basis for business success.

In addition to strategic factors for advancing the Group based on the pillars of digitisation, modularisation and sustainability, the Supervisory Board dealt in detail with the business performance, earnings and financial condition of Koenig & Bauer AG and the Group. Business policy, the competitive situation, risk management, compliance, the internal control system, internal auditing, cybersecurity, the capital market strategy and the ESG roadmap were discussed at length. In addition to the Management Board's corporate and investment planning, remuneration matters were further items on the agenda of the Supervisory Board and the committees. All necessary resolutions were passed after detailed examination and intensive discussion.

In the year under review, the Supervisory Board was again informed promptly, regularly and comprehensively by the Management Board of all events that were of material importance for the Company. In 2022, this was mostly done in the form of hybrid Supervisory Board meetings with combined in-person attendance and online participation, in video conferences as well as over the phone and in writing. The Chairman of the Supervisory Board and the Chief Executive Officer meet on a weekly basis, and further regular meetings are held between the Chair of the Audit Committee and the Chief Financial Officer. In addition, the Supervisory Board received continuous reports concerning the Company's key performance indicators.

The Supervisory Board performed its duties with great care in accordance with the law, the Articles of Association and the Rules of Procedure. A total of eight Supervisory Board meetings and seven information events for the Supervisory Board were held on matters of current relevance in 2022. These were supplemented by internal preparatory video conferences held prior to the Supervisory Board meetings. Of the eight meetings of the Supervisory Board, four were held as hybrid meetings with in-person



In 2022, the Group's operating profitability continued to improve. In addition to good capacity utilisation due to the strong momentum in order intake, the P24x efficiency and restructuring programme made a significant contribution to stabilising and boosting earnings. With product innovations, new digital business and systematic M&A activities, the course has been set for further profitable revenue growth. In view of the geopolitical, energy and economic upheavals resulting from the Russia-Ukraine conflict and causing significant supply chain constraints and material shortages, uncertainties over energy supplies and high inflation, the progress achieved is particularly encouraging. The product portfolio and service business, which are geared towards growth and stable niche markets, proved to offer a reliable and promising basis for business success.

In addition to strategic factors for advancing the Group based on the three pillars of digitisation, modularisation and sustainability, the Supervisory Board dealt in detail with the business performance, earnings and financial condition of Koenig & Bauer AG and the Group. Business policy, the competitive situation, risk management, compliance, the internal control system, internal auditing, cybersecurity, the capital market strategy and the ESG roadmap were discussed at length. In addition to the Management Board's corporate and investment planning, remuneration matters were further items on the agenda of the Supervisory Board and the committees. All necessary resolutions were passed after detailed examination and intensive discussion.

In the year under review, the Supervisory Board was again informed promptly, regularly and comprehensively by the Management Board of all events that were of material importance for the Company. In 2022, this was mostly done in the form of hybrid Supervisory Board meetings with combined in-person attendance and online participation, in video conferences as well as over the phone and in writing. The Chairman of the Supervisory Board and the Chief Executive Officer meet on a weekly basis, and further regular meetings are held between the Chair of the Audit Committee and the Chief Financial Officer. In addition, the Supervisory Board

received continuous reports concerning the Company's key performance indicators.

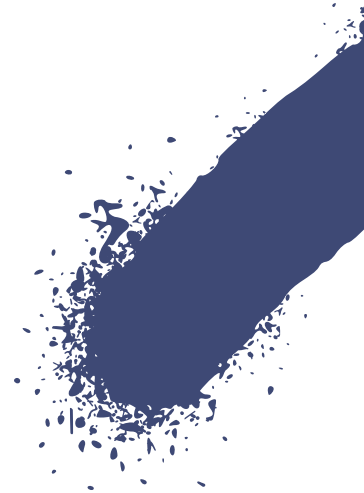
The Supervisory Board performed its duties with great care in accordance with the law, the Articles of Association and the Rules of Procedure. A total of eight Supervisory Board meetings and seven information events for the Supervisory Board were held on matters of current relevance in 2022. These were supplemented by internal preparatory video conferences held prior to the Supervisory Board meetings. Of the eight meetings of the Supervisory Board, four were held as hybrid meetings with in-person attendance and online participation, two as in-person meetings and a further two as video conferences. Six of the seven information events for the Supervisory Board were held as a video conference and one in a hybrid form with in-person attendance and online participation. The chairpersons of the Supervisory Board committees reported regularly to the full Supervisory Board on the agenda and recommendations of the committee meetings. In the year under review, no members of the Supervisory Board were subject to any conflict of interests.



**The individual breakdown by member of the participation in the meetings of the Supervisory Board and its committees as well as all the details of the meetings of the Supervisory Board and its committees and information events can be accessed directly via this QR Code.**

The office held by Carsten Dentler as a shareholder representative on the Supervisory Board was renewed by the shareholders at the Annual General Meeting on 24 May 2022. Otherwise, there were no changes to the composition of the Supervisory Board during the year under review. The composition of the committees was determined at the constituent meeting of the Supervisory Board held following the Annual General Meeting. Details of the current composition of the Supervisory Board's committees can be found on the Company's website. Similarly, there were no changes to the composition of the Management Board.

# Corporate governance & compliance



Corporate governance and compliance are underpinned by responsible and transparent management and control of the Company oriented to long-term value creation. The Management Board and the Supervisory Board are convinced that good corporate governance forms an essential basis for sustainable business success and strengthens the trust of shareholders, business partners and employees as well as the financial markets in the Company. Important principles of good corporate governance and supervision have been firmly anchored in the Koenig & Bauer Group. The Management Board and the Supervisory Board regard integrity and compliance in business transactions as indispensable and pursue a zero-tolerance policy. Good corporate compliance is not only a duty and responsibility but also offers business opportunities that should be utilised. We see the corporate governance statement as an opportunity for communicating the stability and sustainability of corporate governance at Koenig & Bauer Aktiengesellschaft. It describes Koenig & Bauer's understanding of corporate governance transparently and is readily accessible on our website at Investor Relations > Corporate Governance. In addition, you will also find all the information related to this topic here.

As part of its corporate governance practices, Koenig & Bauer AG applies a large number of important ethical standards that go beyond the legal requirements: The Code of Business Conduct, the Supplier Code, the Declaration of Principles on Human Rights. These are conveniently summarized on our website at Company > Compliance. The compliance management system established by the Management Board has created the foundations for ensuring that our business practices meet high standards of compliance and integrity. Our anti-corruption system is also certified in accordance with ISO 37001. Based on a constant analysis of possible compliance risks, the continuous adaptation of the compliance management system ensures business conduct that is characterised by compliance and integrity.

## Diagram illustrating the Koenig & Bauer CMS

### Planning

- Tone from the top / management commitment
- Expectations for stakeholders
- Compliance policy & scope & organisation
- Compliance risk assessment

### Action

- Organisation & culture
- Policies & principles
- Processes & procedures & controls
- Training & awareness



### Optimising

- Compliance investigations
- Implementation of action plans
- Sanctions
- Continuous improvement of processes & monitoring

### Checking

- Compliance reviews & audits
- KPIs & reporting
- Whistleblowing

# Non-financial Group report

**“Sustainability is the greatest challenge of our time.”**

Andreas Pleßke

Koenig & Bauer attaches extraordinarily high importance to its responsibility and its tradition spanning more than 200 years. As a pioneer of in-company social policies, we have always taken our responsibility towards our employees seriously. Indeed, it is firmly anchored in our corporate values. We are committed to the preservation and conservation of the environment through our initiatives for emission-reduced and resource-saving products and manufacturing processes along the entire value chain. We are committed to our responsibility to society and sponsor social and cultural projects. Integrity in our business activities and respect for human rights are core elements of our corporate governance practices. Our sustainability strategy is based on the five pillars:

- **Responsibility towards our employees**
- **Responsibility towards our customers**
- **In-company environmental protection**
- **Social and community responsibility**
- **Integrity and compliance**

These are conveniently summarised on our website at [Company > Sustainability](#). Here you will also find details of our strategic ESG goals, with which we want to fulfil our environmental, social and community obligations even more effectively:

- **Sustainability enabler for our customers**
- **Carbon neutral from 2030 for Scope 1 and Scope 2**
- **Minimise work-related accidents**
- **Continue encouraging diversity**
- **Step up activities against racism & discrimination**
- **Sustainability in the supply chain**

Together with our partners and the initiatives we joined in 2021, we want to significantly expand our activities in this area, which is of crucial importance for the Group's future development. 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.



## Koenig & Bauer ESG ratings



Medium Risk 26.1  
(Management: 50.5)



Not Prime C- / 33.67



BBB



C

## Koenig & Bauer supports many partners and initiatives



Healthy  
printing!



Partner der Nachhaltigkeitsinitiative  
des Maschinen- und Anlagenbaus



## Commitment to the 12 principles of the UN Global Compact and reference to the SDGs

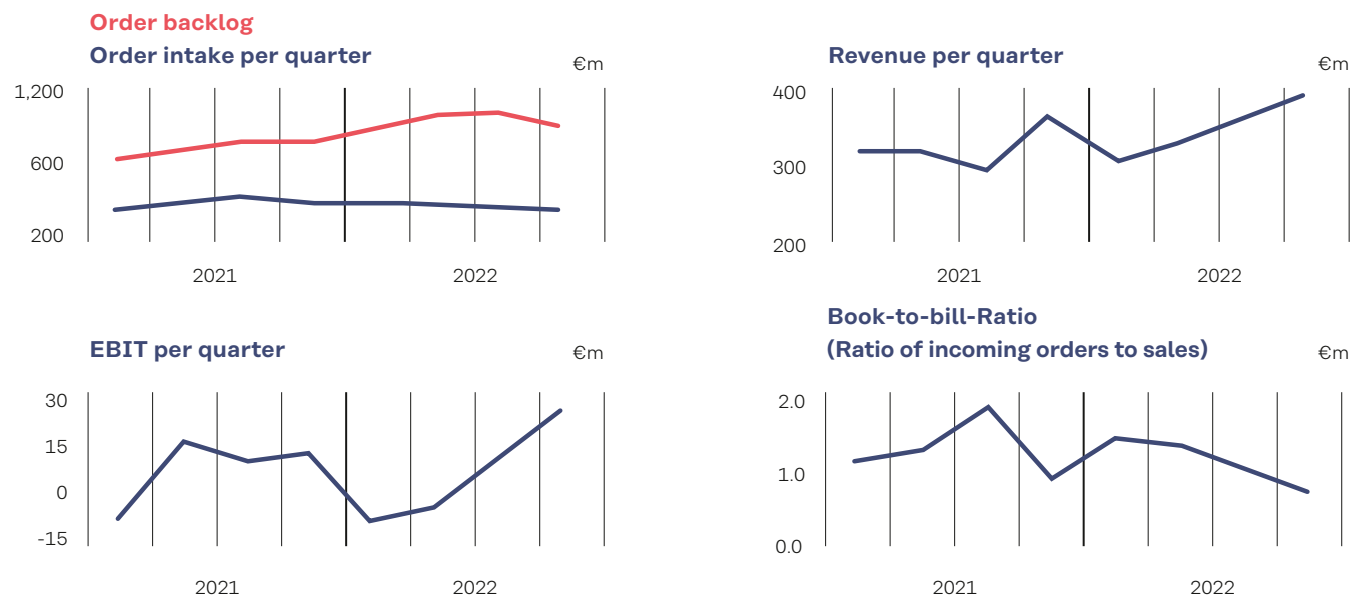


United Nations  
Global Compact



The non-financial Group Report 2022 can be accessed directly via this QR Code.

# The key figures for the Koenig & Bauer Group at a glance



- The order backlog of €950.4m (up 17.8% on 31 December 2021) and the order intake of €1,329.3m (up 3% on 31 December 2021) exceeded the previous year's already high figures. As expected, order intake returned to a robust level in the final quarter of 2022.
- After a moderate start to the year, Group revenue increased step by step in the further course of 2022 and, at €1,185.7m (up 6.3% compared to 31 December 2021) reached the upper end of the Company's own forecast of €1,160 – 1,190m.
- Despite the strain caused by the pandemic, supply chain bottlenecks and the associated increase in material and energy costs, EBIT came to €22.0m (down 22.8% compared to 31 December 2021). This exceeded the Company's own forecast of €15 – 20m as well as market expectations. On balance, the previous year's figure had been inflated by the adjustment of €23.0m to the P24x restructuring provisions.
- The book-to-bill ratio of 0.8 in the fourth quarter was in line with the Company's own forecast.

## Koenig & Bauer Group five-year overview

€m	31 Dec. 2018*	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022	Change %
Order intake	1,222.0	1,141.3	974.7	1,290.6	<b>1,329.3</b>	3.0
Order backlog (31 Dec.)	610.9	685.9	632.0	806.8	<b>950.4</b>	17.8
Revenue	1,226.0	1,245.8	1,028.6	1,115.8	<b>1,185.7</b>	6.3
Revenue by region (%)						
Germany	13.9	15.1	15.4	13.8	<b>11.4</b>	-17.4
Rest of Europe	33.8	32.9	32.9	32.6	<b>34.9</b>	7.1
North America	14.8	13.4	18.1	15.8	<b>20.5</b>	29.7
Asia/Pacific	25.3	26.0	24.8	26.0	<b>24.1</b>	-7.3
Africa/Latin America	12.2	12.6	8.8	11.8	<b>9.1</b>	-22.9
Earnings before interest and taxes (EBIT)	87.4	70.1	-67.9	28.5	<b>22.0</b>	-22.8
EBIT margin (%)	7.1	5.6	-6.6	2.6	<b>1.9</b>	-26.9
Earnings before taxes (EBT)	83.9	63.9	-73.5	19.0	<b>13.2</b>	-30.5
EBT margin (%)	6.8	5.1	-7.1	1.7	<b>1.1</b>	-35.3
Group profit/loss	64.0	52.3	-103.1	14.5	<b>11.1</b>	-23.4
Total assets	1,178.3	1,413.8	1,321.1	1,288.7	<b>1,449.2</b>	12.5
Intangible assets and property, plant and equipment	293.0	361.0	392.3	387.3	<b>393.6</b>	1.6
Equity	453.3	432.8	342.2	369.4	<b>422.8</b>	14.5
Equity ratio (%)	38.5	30.6	25.9	28.7	<b>29.2</b>	1.7
Net financial position	67.6	-8.3	-47.1	2.9	<b>-63.7</b>	–
Net working capital	375.5	385.6	344.0	297.1	<b>332.6</b>	11.9
Free cash flow	-19.5	-52.3	-24.1	56.3	<b>-59.7</b>	-206.0
Capital expenditure on intangible assets and property, plant and equipment	50.5	104.9	46.5	36.5	<b>49.8</b>	36.4
Depreciation and amortisation	28.9	33.6	34.5	37.9	<b>40.0</b>	5.5
Annual average number of employees	5,644	5,763	5,671	5,437	<b>5,396</b>	-0.8
Earnings per share (€)	3.86	3.15	-6.27	0.83	<b>0.63</b>	-24.1
Dividend per no-par-value share (€)	1.0	–	–	–	<b>–</b>	

\* Not adjusted



# The range of **Koenig & Bauer** product and services at a glance

For more than 200 years, the Koenig & Bauer Group has been synonymous with innovation and technical progress in the global printing industry and is thus also the world's oldest printing press manufacturer. Koenig & Bauer is more than just a producer of high-tech presses and systems that are consistently tailored to meet customer requirements. We define ourselves as a provider of end-to-end solutions, which is why the portfolio also includes comprehensive services – which are becoming increasingly digital – for end-to-end workflow solutions. Whether it is maintenance and inspection, training and consulting, spare parts or intelligent software solutions such as predictive maintenance that are underpinning the digital transformation, Koenig & Bauer is a reliable partner that understands and addresses the entire printing process. In this way, we enable people all over the world to come into contact with printed, processed and finished products. In addition to various types of packaging for the food, beverage, pharmaceutical and cosmetics industries, this also includes banknotes, decorations and laminates as well as magazines and newspapers. The graph shows the products that can be produced on and with our printing presses and equipment. In addition to heatset and banknotes, these mainly include packaging. It also provides an overview of the end markets in which the segments conduct their operating business. In the Sheetfed segment – as the name suggests – the substrates are printed, finished and post-processed in the form of a sheet. In the Digital & Webfed segment, the substrates are fed through the printing presses and systems as continuous webs from a large roll. And the Special segment combines a variety of special, high-value substrates from glass to hollow bodies, metal plates and cans as well as also cotton paper or biaxially stretched polypropylene.

Overview of segment figures 2022

€m	Sheetfed	Webfed	Special
Order intake	813.5	163.6	392.9
Revenue	672.2	139.8	417.1
EBIT	19.0	-19.3	23.2





[more] information about the segments can be found in "Business activities and performance of the segments". The markets we address and our growth opportunities are described in "Goals and strategy".

## Sheetfed

Packaging printing and further processing



Commercial printing



Label printing and further processing



## Digital & Webfed

Packaging printing and further processing



Newspaper and commercial printing



Industrial decoration printing



## Special

Packaging printing



Marking and coding



Banknote and security printing



On the following pages you will find out [more] about our printing presses and systems that use both digital and analogue printing processes for these products:

Digital & Webfed

Koenig & Bauer  
Digital & Webfed /  
Flexotecnica



X-Series



RotaJET\*



HP T1100\*



Commander



Compacta

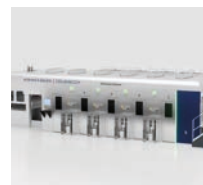
Koenig & Bauer  
Celmacch



Chroma X Pro



ChromaCUT X Pro



Chroma Smart



Chroma High Tech



ChromaCUT High Tech



ChromaCUT Smart

Koenig & Bauer  
Sheetfed



Rapida 76



Rapida 106



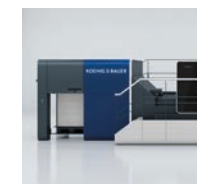
Rapida 145



Rapida 164



CutPRO Q

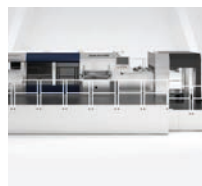


CutPRO X

Koenig & Bauer  
Iberica



Optima



Ipress



CutPRO Q

Koenig & Bauer  
DURAN



Omega Allpro



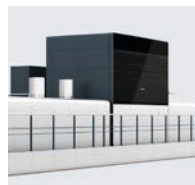
Omega Magnus



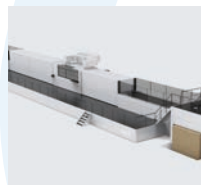
Alius

Sheetfed

Koenig & Bauer  
Durst



VariJET\*



SPC\*



CorruJET\*

Koenig & Bauer  
MetalPrint



MetalCan



Mailänder



MetalStar

Koenig & Bauer  
Kammann



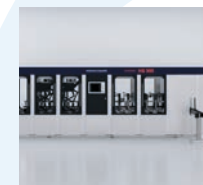
K31



K23N



K15/20\*



HS300

Koenig & Bauer  
Banknote  
Solutions



SUSi evo



NotaScreen II



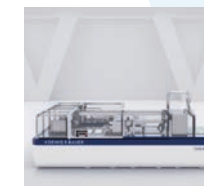
OptiNota H



SOI evo



SUNU evo



CutPak/CutLink

Koenig & Bauer  
Coding



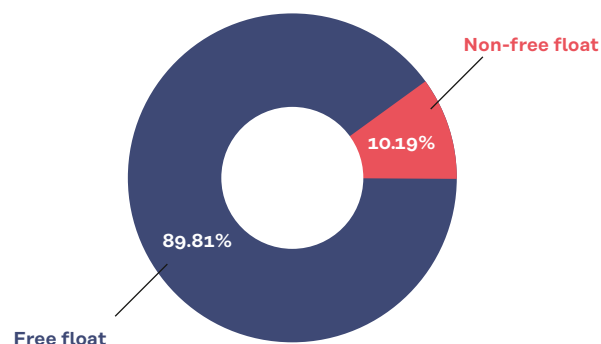
AlphaJET\*



Print & Apply\*

\* Digital printing

# External factors take their toll in 2022 – Koenig & Bauer shares unable to free themselves from this effect



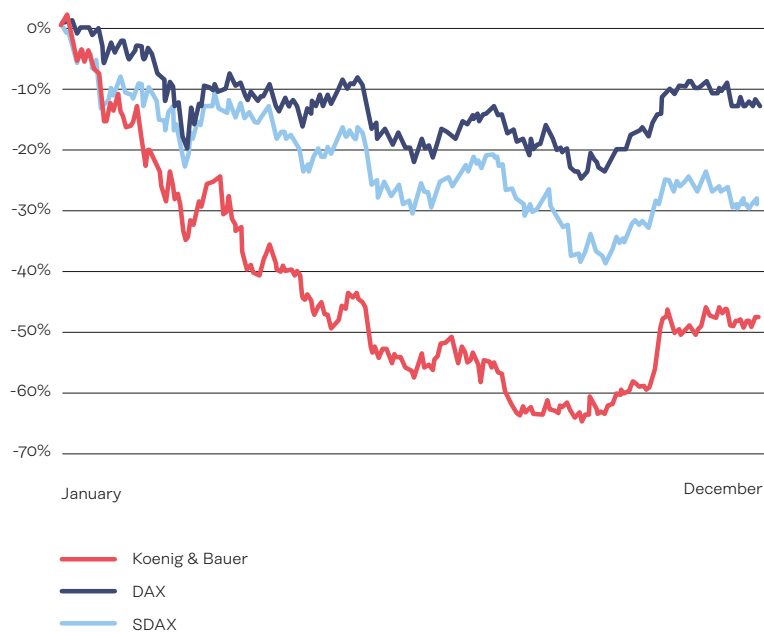
High inflation rates, more restrictive monetary policy, rising interest rates, the war in Europe and the pandemic-induced lockdowns in China triggered enormous declines in the stock markets in the year under review. This also applied to Koenig & Bauer shares. At the beginning of 2022, the previous year's strong performance relative to the benchmark indices caused sharp declines in relative terms. Accordingly, Koenig & Bauer shares reached their high for the year at a closing price of €32.00 in XETRA trading as early as on the second trading day of the year under review. The benchmark indices likewise reached their highs for the year on that day. After the Russian invasion of Ukraine, the German blue-chip DAX index dipped below the important mark of 13,000 points. Up until the end of September, the heavy dependence on imports on raw materials led to historically low valuations for the German indices as well as for Koenig & Bauer shares. At the end of 2022, the shares were trading at €16.28, down from €31.30 on 31 December 2021, equivalent to a price correction of 48.0%. Consequently, Koenig & Bauer shares underperformed the DAX and the SDAX by -12.35% and -27.35%, respectively, in 2022. (All figures based on Xetra closing prices.)



[more] information on our Investor Relations website  
and with the IR Newsletter.



## Share performance in 2022



## Koenig & Bauer share performance indicators

€	2021	2022
Earnings per share	0.83	0.63
High for the year	32.15	32.00
Low for the year	23.60	10.90
Price at the beginning of the year <sup>1</sup>	23.92	31.30
Price at the end of the year <sup>1</sup>	31.30	16.28
Number of bearer shares issued	16,524,783	16,524,783
Market capitalisation at the end of the year (m)	517.2	269.0
Cash flow per share	5.75	0.33
Dividend	0.00 <sup>2</sup>	0.00 <sup>2</sup>

<sup>1</sup> Xetra closing price, source: Bloomberg

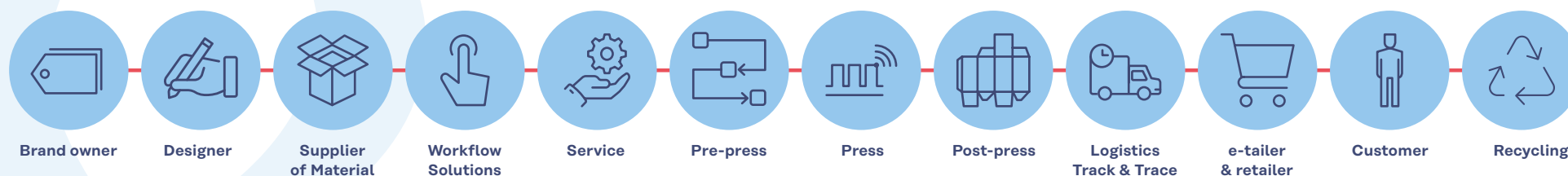
<sup>2</sup> The terms of the KfW loan do not permit any dividend distribution

## Koenig & Bauer AG shareholder structure

	Number of shares	Percentage holding
AlternInvest GmbH, Vienna, Austria	1,683,428	10.2%
Universal-Investment-GmbH, Frankfurt/Main	1,680,574	10.2%
Hauck & Aufhaeuser Fund Services S.A., Munsbach/Luxemburg <sup>1</sup>	1,680,852	10.2%
Union Investment Privatfonds GmbH, Frankfurt/Main	841,693	5.1%
Claus Bolza-Schünemann	826,220	5.0%
Albrecht Bolza-Schünemann	599,728	3.6%
Rota Klaeger	589,514	3.6%
<b>Date: 31 December 2021</b>	<b>Total number of shares issued:</b>	<b>16,524,783</b>

<sup>1</sup> Effective 31 December 2022, all funds managed by LOYS Investment S.A. were transferred to Hauck & Aufhaeuser Fund Services S.A. Accordingly, with a share of 10.17%, the latter temporarily exceeded the reporting threshold. On 9 January 2023, Hauck & Aufhaeuser Fund Services S.A. lowered its share again to 9.69%, stating this in the notification required to be submitted in accordance with section 43 of the German Securities Trading Act for the period during which the 10% threshold was exceeded.

# And what comes next?



As the name suggests, our “Exceeding Print” strategy goes beyond printing and describes our future actions. We address the entire value chain. And all processes must be connected to ensure a fully circular economy. For example, what requirements does the brand owner have for the packaging of breakfast cereals? Does he want to temporarily modify his standard product to include advertising for a new film? What requirements must be taken into account from the point of view of the designer of the folding box packaging and in the light of the substrate to be used? What printing technology makes the most sense for this application? Digital or analogue printing? We try to find answers to all these questions so that the “chain” does not break. Track & trace solutions play an important role in getting the finished product safely to end customers – either in brick-and-mortar stores

or via online shipping. Equally important, of course, is the question of what happens to the packaging after the breakfast cereals have been eaten. How can it be returned to the cycle so that new packaging can be created from it? Sustainability is the greatest challenge of our time. We will be developing solutions to address the plethora of new requirements. As it is, we master all industrial printing processes on almost all substrates – including corrugated board – and provide software, systems and services for end-to-end printing and finishing processes. More than ever before, our customers’ purchasing decisions are being guided by efforts to optimise their total cost of process. In this way, we see ourselves as a trusted advisor for our customers and a pioneer of change and innovation in the printing industry.

## Forecast

This forecast assumes that there are no further setbacks or tightened restrictions compared with the current situation as a result of the war in Ukraine, the availability of energy supplies, the disruptions to global supply chains and the efforts to contain the pandemic.

Despite this challenging macroeconomic environment, Koenig & Bauer projects a year-on-year increase in both operating Group revenue and operating EBIT in 2023. The Management Board forecasts revenue of around €1.3bn, accompanied by an EBIT margin of roughly 3%. For 2023, the company expects the Digital & Webfed segment to make a disproportionate contribution to both EBIT and revenue growth.

### Medium-term targets also adjusted for inflation effects

In the medium term, the Koenig & Bauer Group expects Group revenue of around €1.8bn and a return on sales (relative to EBIT) of 8-9%. A further objective is to reduce net working capital to a maximum of 25% of annual revenue. Revenue of €1.5bn and a return on sales of 6-7% should already be achieved in 2025.

As no dividend distributions are permitted during the term of the KfW loan, the Management Board and the Supervisory Board will be proposing to the Annual General Meeting that the net profit generated by the holding company Koenig & Bauer AG be retained. For this reason, we aim to discharge the KfW loan as quickly as possible so that we can resume dividend distributions, as we attach great importance to ensuring that our shareholders are appropriately involved in the Company's success.

### Medium-term targets



# Combined management report 2022



[more] information on the individual chapters of the combined management report can be read either via your mobile device using the QR code or directly at [annualreport.koenig-bauer.com](https://annualreport.koenig-bauer.com)





**[more] options:** The **individual chapters of the combined management report** can be read either via your mobile device using the QR code or directly on [annualreport.koenig-bauer.com](https://annualreport.koenig-bauer.com) in our digital annual report world thanks to our **modular reporting approach**. In response to the growing transparency and digitisation requirements, we have divided the report into two modules.

**Module 1:** You can view the complete report with all the figures and data via your mobile device by scanning the corresponding QR code or at [annualreport.koenig-bauer.com](https://annualreport.koenig-bauer.com) and order a copy if necessary. We are also planning an “Annual Report Dashboard Solution” for the future.

**Module 2:** The annual report that you are currently holding in your hands summarises the main chapters, including the Metarmor[e]phosis image section, in which we show how important adaptability has always been for our Company and how our “Exceeding Print” strategy enables us to master the necessary transformation process. As in the previous year, we also want to give you a special unboxing experience, of course. Aware of our responsibility as we are, we have chosen a sustainable shipping bag made of FSC™-certified recycled cardboard. Thanks to the numerous possibilities offered by our broad range of products and services, we were able to fill this new reporting approach with modular, digital and sustainable elements and substrates for the second time, thus rendering tangible the three pillars of our “Exceeding Print” corporate strategy, which have been described on the previous pages.

In addition to the overall experience and the hard facts, we would of course like to provide you with exactly the information that is relevant and interesting for you with our annual report. That’s why we simply asked ChatGPT (Generative Pre-trained Transformer) which chapters are read most frequently in annual reports. The answer is consistent with our selection in this summary. But does it also reflect your preferences? We would be happy to hear from you – and not just on this question – at any time!

# Group balance sheet to 31 December 2022

in €m	Note	31.12.2021	31.12.2022
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	(G) (1)	137.5	144.9
Property, plant and equipment	(G) (1)	249.8	248.7
Investments and other financial receivables	(G) (2)	25.0	25.5
Investments accounted for using the equity method	(G) (2)	–	16.0
Other assets	(G) (2)	3.0	1.6
Deferred tax assets	(G) (6)	92.3	89.8
		<b>507.6</b>	<b>526.5</b>
<b>Current assets</b>			
Inventories	(G) (3)	331.6	426.2
Trade receivables	(G) (2)	94.7	121.6
Other financial receivables	(G) (2)	26.0	33.7
Other assets	(G) (2)	190.4	200.2
Current tax assets		5.1	5.3
Securities	(G) (4)	3.8	3.5
Cash and cash equivalents	(G) (5)	129.5	132.2
		<b>781.1</b>	<b>922.7</b>
		<b>1,288.7</b>	<b>1,449.2</b>

in €m	Note	31.12.2021	31.12.2022
<b>Equity and liabilities</b>			
<b>Equity</b>			
	(G) (7)		
Share capital		43.0	43.0
Share premium		87.5	87.5
Reserves		237.6	290.6
<b>Equity attributable to owners of the Parent</b>		<b>368.1</b>	<b>421.1</b>
Equity attributable to non-controlling interests		1.3	1.7
		<b>369.4</b>	<b>422.8</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Pension provisions and similar obligations	(G) (8)	140.8	86.3
Other provisions	(G) (9)	47.9	31.7
Bank loans and other financial payables	(G) (10)	117.6	158.6
Other liabilities	(G) (10)	9.9	9.1
Deferred tax liabilities	(G) (6)	68.5	73.0
		<b>384.7</b>	<b>358.7</b>
<b>Current liabilities</b>			
Other provisions	(G) (9)	103.7	106.6
Trade payables	(G) (10)	64.9	104.7
Bank loans and other financial payables	(G) (10)	108.9	151.9
Other liabilities	(G) (10)	251.2	299.0
Current tax liabilities		5.9	5.5
		<b>534.6</b>	<b>667.7</b>
		<b>1,288.7</b>	<b>1,449.2</b>

## Group income statement 2022

in €m	Note	2021	2022
Revenue	(H) (15)	1,115.8	1,185.7
Cost of sales	(H) (16)	-817.7	-868.3
<b>Gross profit</b>		<b>298.1</b>	<b>317.4</b>
Research and development costs	(H) (16)	-46.7	-54.2
Distribution costs	(H) (16)	-131.1	-147.3
Administrative expenses	(H) (16)	-88.4	-92.8
Other operating expenses ./ income	(H) (18)	-4.4	-0.6
Impairment gains and losses on financial assets	(H) (18)	0.9	0.3
Other financial results	(H) (19)	0.1	-0.8
<b>Earnings before interest and taxes (EBIT)</b>		<b>28.5</b>	<b>22.0</b>
<b>Interest result</b>	(H) (19)	<b>-9.5</b>	<b>-8.8</b>
<b>Earnings before taxes (EBT)</b>		<b>19.0</b>	<b>13.2</b>
Income tax expense	(H) (20)	-4.5	-2.1
<b>Net profit</b>		<b>14.5</b>	<b>11.1</b>
<b>Earnings per share</b> (in €, basic/dilutive)	(H) (21)	<b>0.83</b>	<b>0.63</b>
in % of sales			
Cost of sales		-73.3	-73.2
Research and development costs		-4.2	-4.6
Distribution costs		-11.7	-12.4
Administrative expenses		-7.9	-7.8
Other operating expenses ./ income		-0.3	-0.1
Interest result		-0.9	-0.7
Income tax expense		-0.4	-0.2
<b>Net profit</b>		<b>1.3</b>	<b>0.9</b>

## Statement of comprehensive Group income 2022

in €m	2021	2022
<b>Net profit</b>	<b>14.5</b>	<b>11.1</b>
<b>Items to be reclassified to consolidated profit or loss</b>		
Foreign currency translation	3.1	-0.6
Measurement of derivatives	-3.8	3.7
Deferred taxes	1.0	-1.1
	<b>0.3</b>	<b>2.0</b>
<b>Items not to be reclassified to consolidated profit or loss</b>		
Defined benefit plans	18.1	51.4
Deferred taxes	-4.9	-12.2
	<b>13.2</b>	<b>39.2</b>
<b>Gains recognised directly in equity</b>	<b>13.5</b>	<b>41.2</b>
<b>Total comprehensive income</b>	<b>28.0</b>	<b>52.3</b>
of which		
attributable to owners of the Parent	27.2	51.6
attributable to non-controlling interests	0.8	0.7

# Group cash flow statement 2022



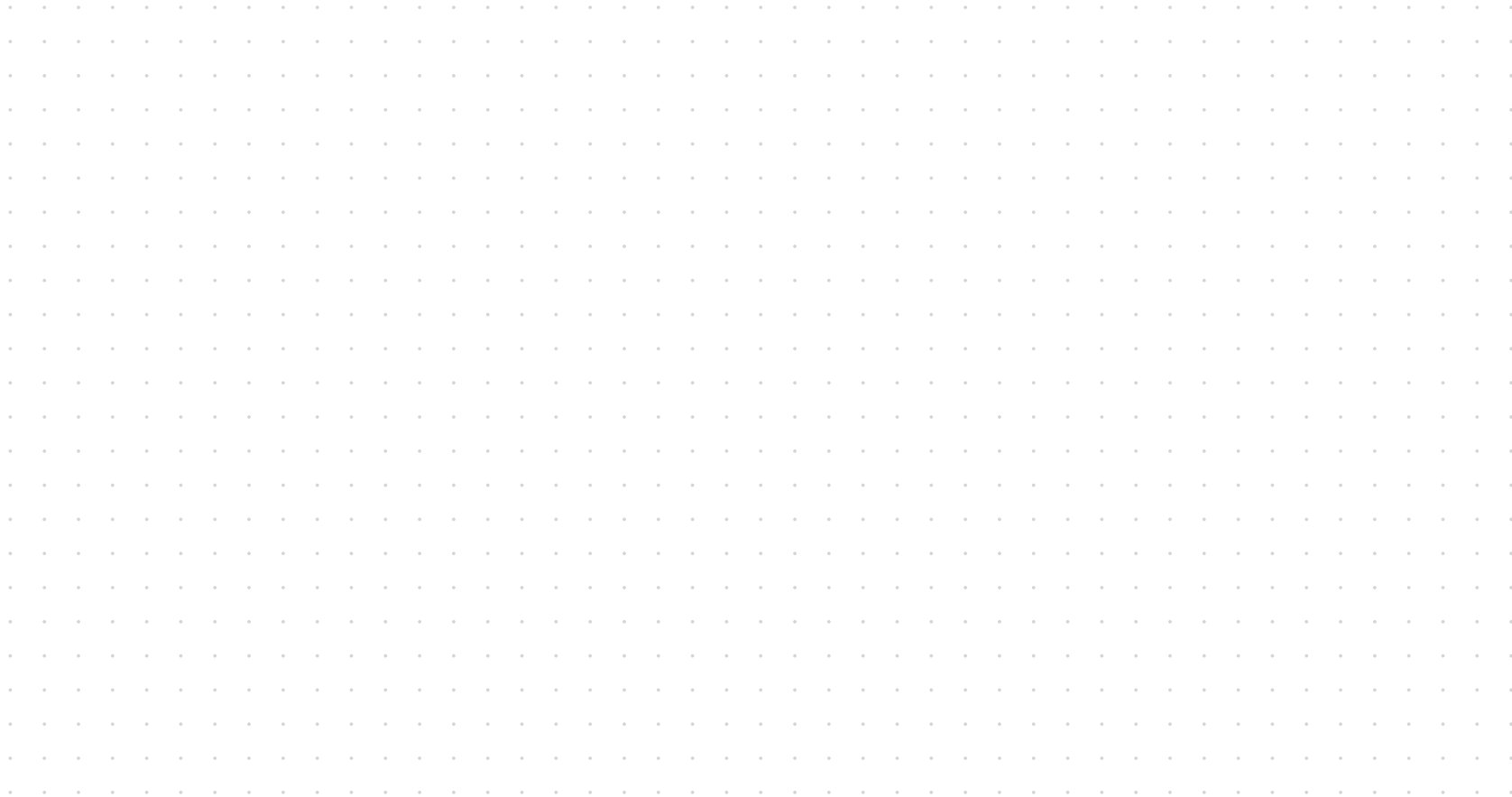
[more] information on the consolidated balance sheet, income statement, statement of comprehensive income and cash flow statement can be read either via your mobile device using the QR code or directly at [annualreport.koenig-bauer.com](https://annualreport.koenig-bauer.com)

in €m	Note	2021	2022
Earnings before taxes		19.0	13.2
Appreciation/depreciation on intangible assets, property, plant and equipment	(F)	39.3	40.8
Currency measurement	(H) (18)	0.9	-3.6
Non-cash interest income/expense		4.8	5.9
Other non-cash income/expenses		-3.3	1.6
<b>Gross cash flow</b>		<b>60.7</b>	<b>57.9</b>
Changes in inventories		33.2	-96.1
Changes in receivables and other assets		-8.5	-33.8
Changes in other provisions		-15.0	-13.9
Changes in payables and other liabilities		37.6	102.6
Interest received		0.6	1.5
Interest paid		-5.3	-4.4
Income tax paid		-13.7	-8.6
Income tax refunded		5.4	0.2
<b>Cash flows from operating activities</b>		<b>95.0</b>	<b>5.4</b>
Proceeds from the disposal of intangible assets, property, plant and equipment		2.9	3.2
Payments for investment in intangible assets, property, plant and equipment		-32.4	-44.0
Proceeds from the disposal of investments		0.1	0.1
Payments for investments		-5.6	-20.6
Dividends received		0.1	0.5
Payments for loans to associates		-3.8	-4.3
<b>Cash flows from investing activities</b>		<b>-38.7</b>	<b>-65.1</b>
<b>Free cash flow</b>		<b>56.3</b>	<b>-59.7</b>
Proceeds from loans		2.0	75.4
Repayment of loans		-60.3	-6.0
Payments for lease liabilities		-10.0	-9.2
Changes in equity attr. to non-controlling interests		-0.1	0.4
Other changes in equity		—	-1.2
<b>Cash flows from financing activities</b>		<b>-68.4</b>	<b>59.4</b>
<b>Change in funds</b>		<b>-12.1</b>	<b>-0.3</b>
Effect of changes in exchange rates		3.8	3.0
Funds at beginning of period		137.8	129.5
<b>Funds at end of period</b>	(G) (5)	<b>129.5</b>	<b>132.2</b>

for further explanations, please refer to Note (I).



## Room for notes



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**Note:**

This report contains forward-looking statements about the business, financial performance and earnings of the Koenig & Bauer Group. These statements are based on assumptions and forecasts that are based on currently available information and current assessments. They are subject to a number of uncertainties and risks. Although management believes them to be accurate, external factors beyond management's control, such as changes in the economy, foreign exchange rates and our industry, may cause results to differ from those projected. In particular, the outlook does not include meaningful portfolio effects and influences related to legal and regulatory matters. It is also dependent on the further development of results and the absence of disruptive temporary market changes. The actual course of business may therefore deviate substantially from the expected development. Koenig & Bauer therefore accepts no liability for transactions based on these forecasts, nor does it undertake any obligation to update forward-looking statements beyond that required by law.

## Financial Calendar:

15 May 2023

Statement on the 1st quarter 2023

16 June 2023

Koenig & Bauer Annual General Meeting

28 July 2023

Interim report on the 2nd quarter 2023

08 November 2023

Statement on the 3rd quarter 2023





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