

KOENIG & BAUER



we're on it.

H1 2024

Dr Andreas Pleßke, CEO
Dr Stephen Kimmich, CFO

1 August 2024

Koenig & Bauer at a Glance

// 01 Business Performance at a Glance

- Koenig & Bauer confirms its operational guidance in a difficult market environment and announces key figures for the “Spotlight” focus programme.

// 02 News & Highlights H1 2024

- Reorganisation of the management team at Koenig & Bauer Digital & Webfed.
- "Spotlight" consists primarily of measures to improve costs, with special items in the amount of €30 – 45m expected, which will be recognized as an expense in the Group result in FY 24 and mainly relate to adjustments to operating and personnel costs.
- Drupa summary: Customer feedback shows that our product and market strategy is the right one, also in view of our formidable competitors.
- Strategic partnerships and cooperations further expanded: two new digital printing presses for metal printing; PowerCo ordered prototype.
- Tetra Pak® Custom Printing with new product personalisation for Mengniu Group.

// 03 Figures H1 2024

- Highest half-year order backlog of €1,021.0m achieved; as expected, revenue of €532.0m and EBIT of €-33.9m below previous year in a challenging market environment due to muted order intake in Q3 23; but sequential increase in revenue in Q2 and an improved situation with a positive EBIT contribution on a monthly basis in June compared to April and May.

// 04 Segment Report

- Lower revenue in Sheetfed and Special due to market-related muted order intake in Q3 2023, slight increase in revenue in the Digital and Webfed segment.

// 05 Forecast & Key Messages

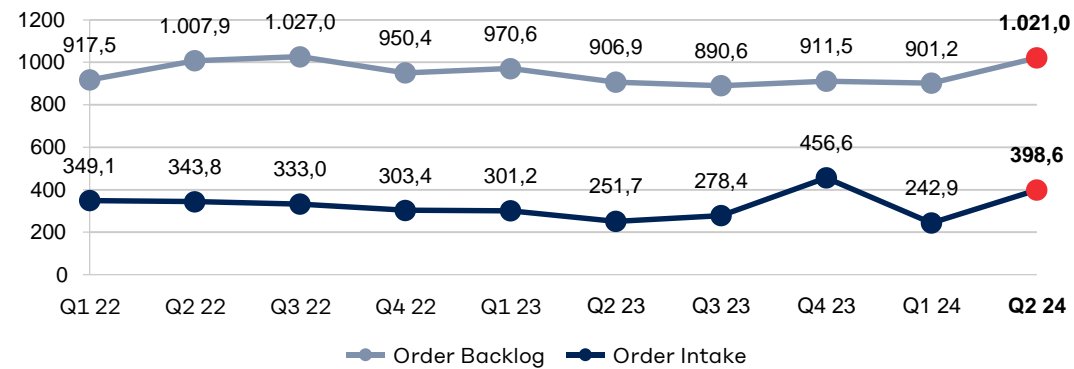
- Outlook for 2024: operating EBIT at the lower end of the forecast range of €25 – 40m, revenue target of €1.3bn confirmed despite the persistently difficult market situation; achieving the EBIT target of around 6% with revenue of approx. €1.5bn by FY 26 at the latest and strengthening operating EBIT in FY 25 will also be secured by the “Spotlight” focus programme.

// 01 Business Performance at a Glance

Placing the first half of 2024 in the big picture

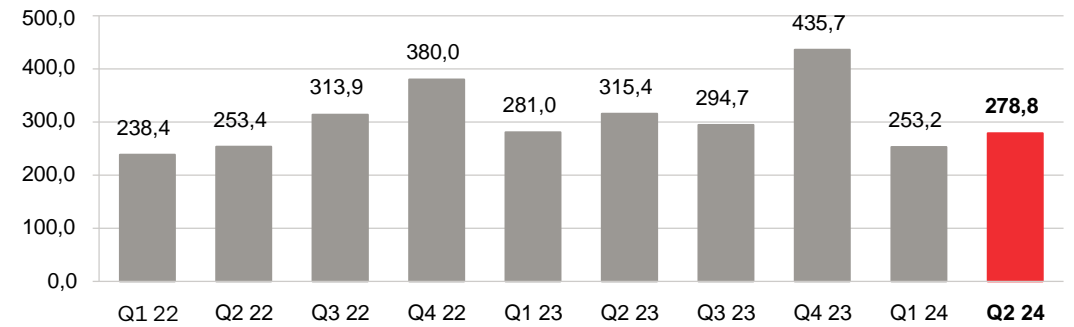
Order Backlog and Order Intake

€m

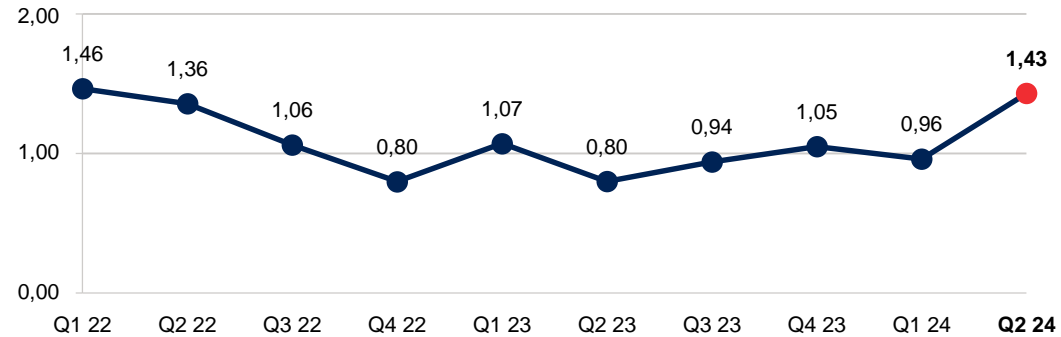


Revenue

€m

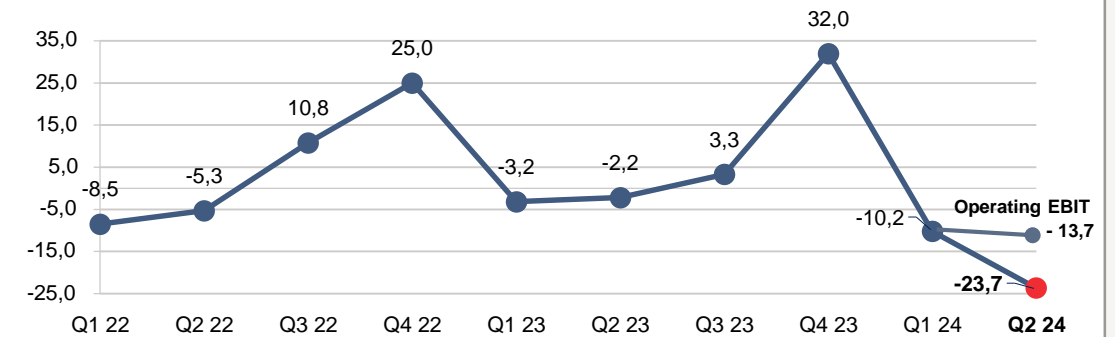


Book-to-Bill-Ratio (Relation Order Intake to Revenue)



EBIT

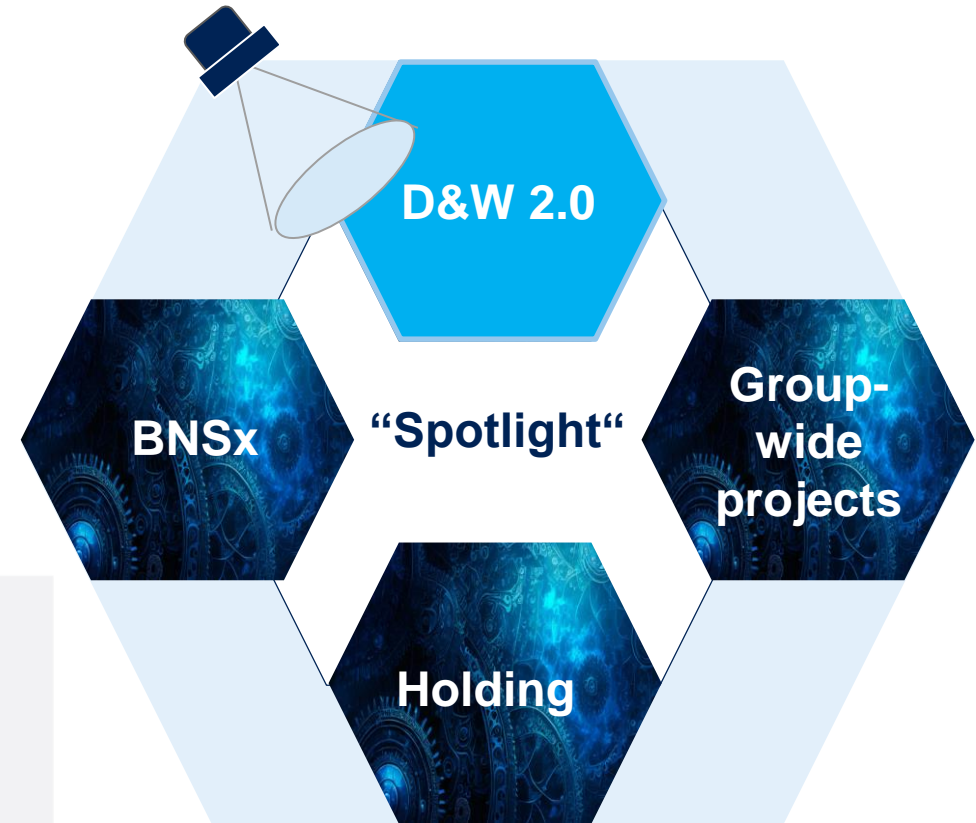
€m



// 02 News & Highlights H1 2024

Reorganisation of the management team at Koenig & Bauer Digital & Webfed

- In the course of the **optimisation and earnings-enhancement project “D&W 2.0”** and as part of the **“Spotlight” focus programme**, Koenig & Bauer has announced **changes at the management level** effective **1 June, 2024**.
- **Philipp Zimmermann** will **succeed Christoph Müller** as CEO Digital & Webfed and **will be responsible for the overall management of the segment**, sales and product management.
- With this step, the Group is consistently **aligning the governance structure with market requirements** and has thus also set the course for a generational transition. In his function as the **responsible board member** of Koenig & Bauer AG, **Christoph Müller** will increasingly **focus on the network** built up over decades in order to further advance technologies and partnerships in the field of digital printing.



// 02 News & Highlights H1 2024

Further main elements of the “Spotlight” focus programme

- As already stated in connection with the publication of the figures for the first quarter of 2024, Koenig & Bauer **has scaled and defined further details for the “Spotlight” focus programme on the basis of real post-drupa effects.**
- The company is to remain on its trajectory towards achieving its **EBIT target of around 6%** and **Group revenue of approx. €1.5bn** in 2026 at the latest and strengthening operating EBIT in 2025.
- “Spotlight” primarily entails **measures to improve costs** at the **Holding company** and in the **Digital & Webfed segment** in Würzburg as well as in the **Special segment** at various locations.
- **Special effects of €30 – 45m** are expected from the “Spotlight” focus programme. These will show up as a **special effect in Group earnings in 2024** and mainly relate to **adjustments to material and personnel expenses.**



// 02 News & Highlights H1 2024

Koenig & Bauer achieved highly positive results at drupa

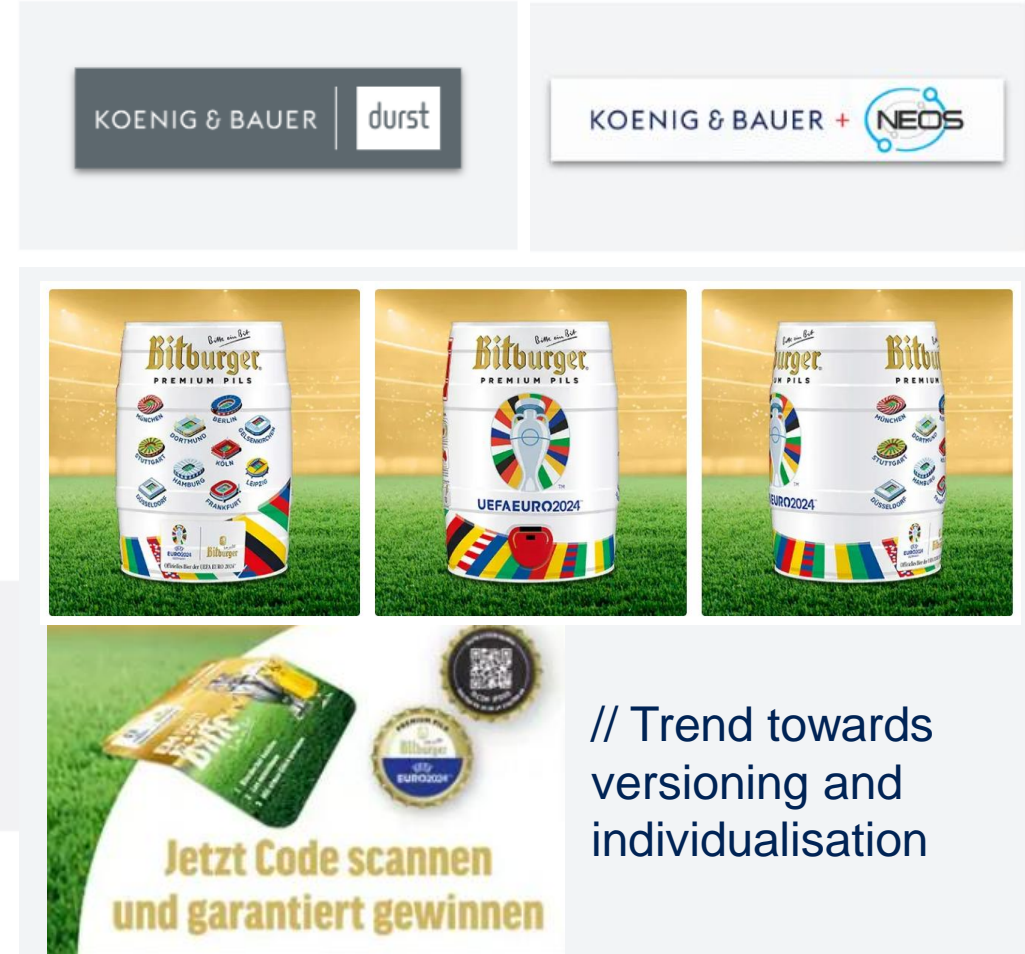
- From **28 May to 7 June**, Koenig & Bauer **presented** its broad **product portfolio** and **numerous digital innovations** at **drupa**, the world's largest and leading trade fair for printing technology in Düsseldorf.
- **Since the end of May 2024**, Koenig & Bauer **has marketed new orders worth €250m**, including around **€200m in legally binding orders**. The order intake relates to all segments. The new orders were placed at and outside of drupa.
- **Glance back at drupa: Our customers' willingness to invest** is slowly recovering. At the same time, however, it was also a **proof point for our strategy** because customer feedback showed us that we are absolutely headed in the right direction with **our product and market strategy**, especially when we take a glance at our formidable competitors.



// 02 News & Highlights H1 2024

Two new digital printing presses for the MetJET product family

- With the **MetJET ONE**, we have developed the first **digital printing machine integrated in a line network**. The integrated inkjet technology utilises a **multi-pass printing unit** from our **long-standing partner Durst**. The modularity allows the entire production line to be flexibly adapted to individual customer requirements and can be expanded to include the entire Koenig & Bauer MetalPrint portfolio in addition to the basic units. A field test will start at the beginning of 2025.
- On 5 June, the course was set for a new high-performance digital printing press for the metal decoration, the **MetJET PRO**, with **single-pass inkjet technology** from **Neos**. Neos is a young Italian company specialising in inkjet printing for industrial applications. The **modular systems** of the two companies are suitable for the most **flexible requirements of many metal printing applications** such as the production of 3-piece cans, crown caps, closures, etc.



// 02 News & Highlights H1 2024

Tetra Pak® Custom Printing with new product personalisation for Mengniu Group

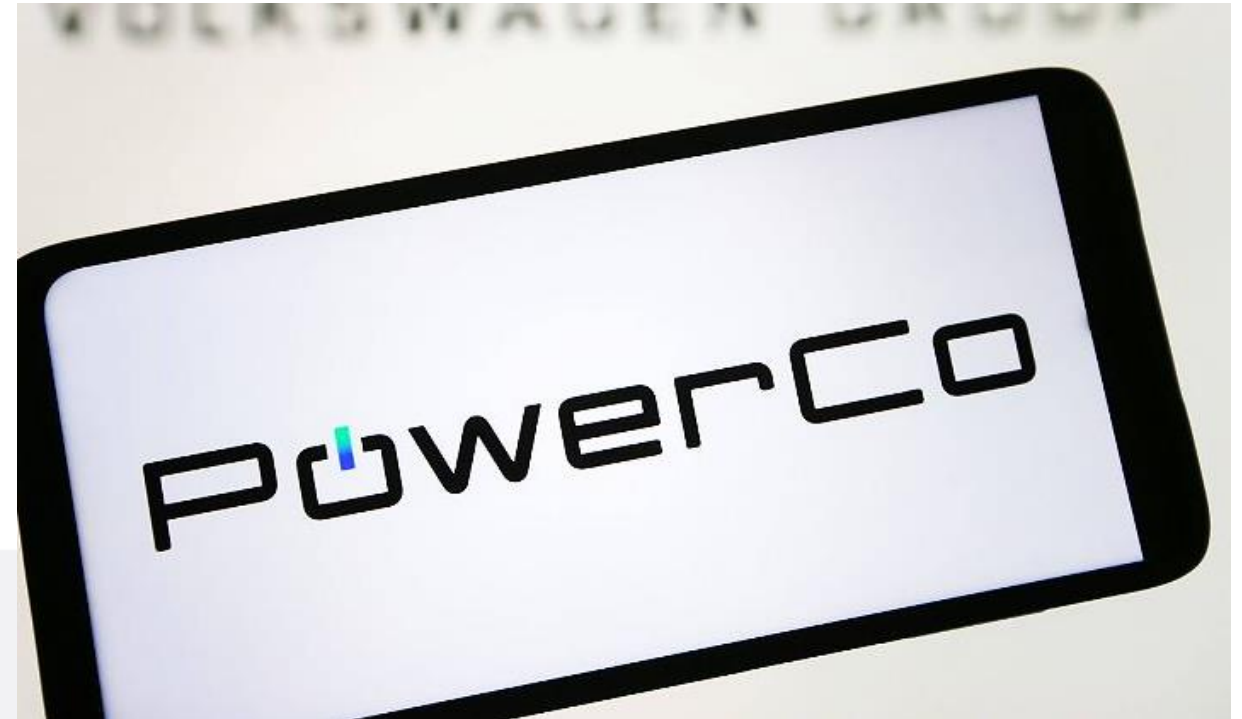
- **Tetra Pak** and Chinese dairy brand **Mengniu Group** have announced a **special limited edition** „Milk Deluxe Pure Milk“ with **30 different designs** from Van Gogh and Monet.
- For food and beverage manufacturers, the use of **Tetra Pak® Custom Printing** offers the opportunity to respond creatively to the **increasing demand for product personalisation**, **deepening the connection and interaction with consumers**.
- Tetra Pak® Custom Printing utilises the **RotaJET**, which enables **more than 30 designs** on a single roll of packaging material.
- **Packaging** is increasingly acting as one of the **most important touchpoints** between **brands and consumers**.
- The solution also gives F&B players the ability to **quickly activate marketing activities and capitalise on consumer trends** by using **shopping as a live exercise for product testing**, **driving product innovation** and **seizing commercial opportunities**.



// 02 News & Highlights H1 2024

Volkswagen subsidiary PowerCo orders prototype from Koenig & Bauer

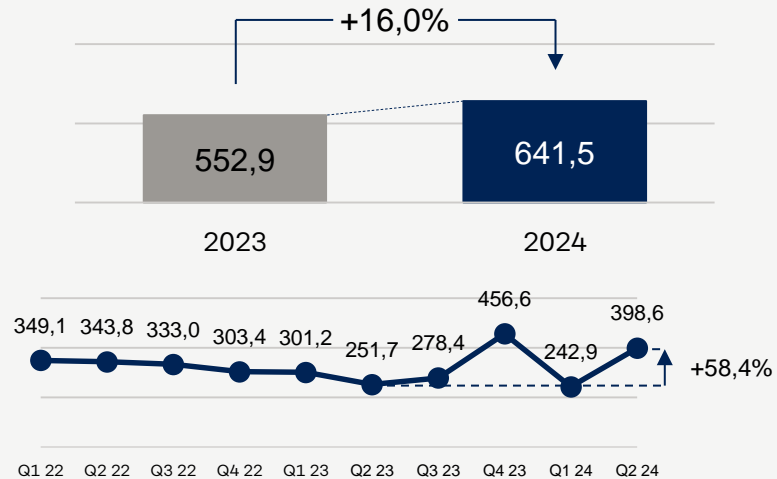
- In June 2023, Volkswagen subsidiary PowerCo and Koenig & Bauer announced **their joint cooperation** in the field of **solvent-free (dry) electrode coating** as an element of **sustainable battery cell production**.
- Under this partnership, Koenig & Bauer has developed **a system for solvent-free dry coating**, while PowerCo is contributing material and process knowledge.
- PowerCo has now ordered an **almost identical version of the system from Koenig & Bauer**.
- Both parties expect this to **further accelerate the joint development project** in order to achieve the ambitious development goals.



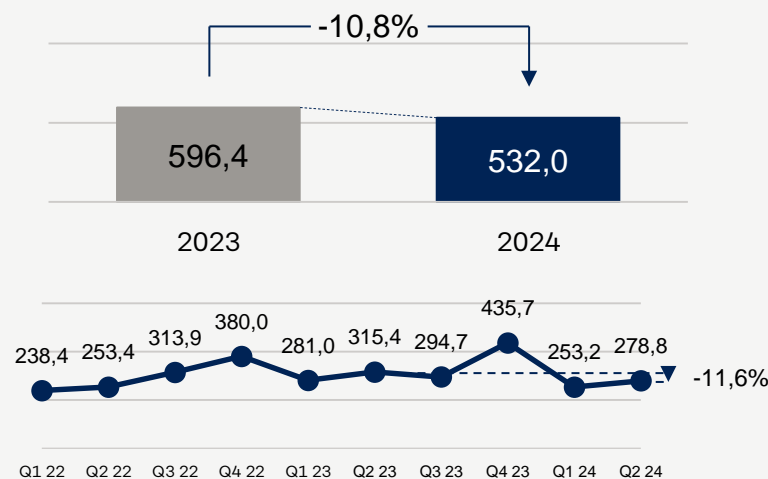
// 03 Figures H1 2024

Business Performance in the Group

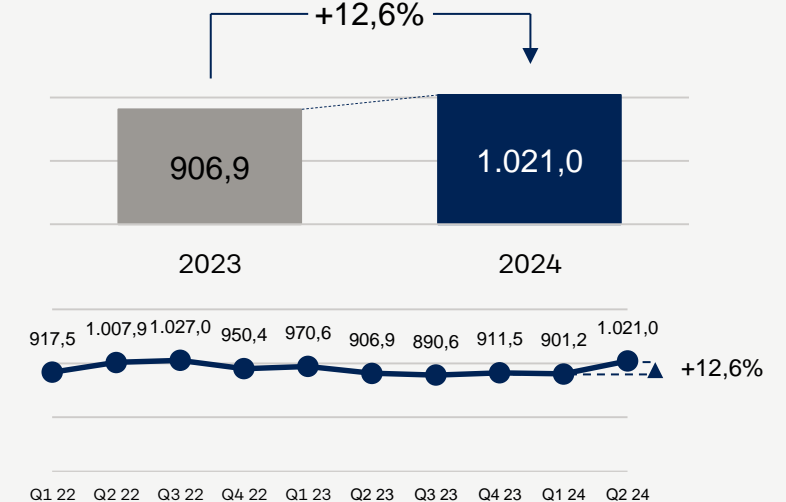
Order Intake 01.01. - 30.06. €m



Revenue 01.01. - 30.06. €m



Order Backlog 30.06. €m

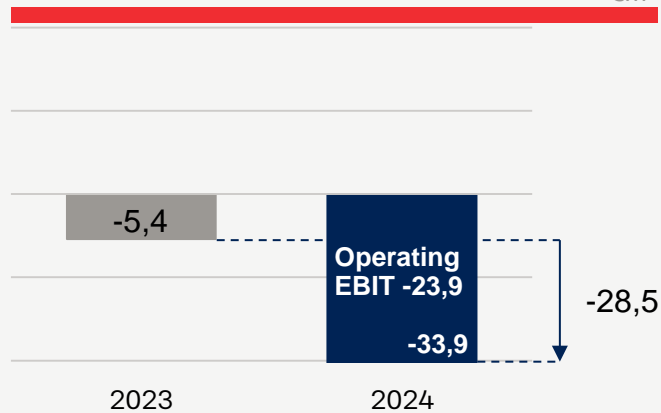


- The **order intake** at €641.5m as of 30 June 2024 was 16.0% above the previous year and developed positively as expected. At 58.4%, the increase in Q2 was even stronger and includes a large part of the €~200 million in legally binding orders that were placed at and outside of drupa.
- **Group revenue** came to €532.0m in the first half of the year in a challenging market environment, thus falling 10.8% short of the same period in the previous year. This was particularly due to reduced order intake in the Sheetfed segment in Q3 23 as well as a lower percentage of completion (POC) achieved in production in the Banknote Solutions business unit compared to the previous year. Sequentially, an improvement was achieved compared to Q1.
- At €1,021.0m as of 30 June 2024, the **order backlog** was 12.6% higher than the previous year's figure, marking the highest half-year figure in the company's recent history. It also serves as a solid basis for further growth in 2024, but will largely take effect after 2024 and is divided differently between the segments.

// 03 Figures H1 2024

Business Performance in the Group

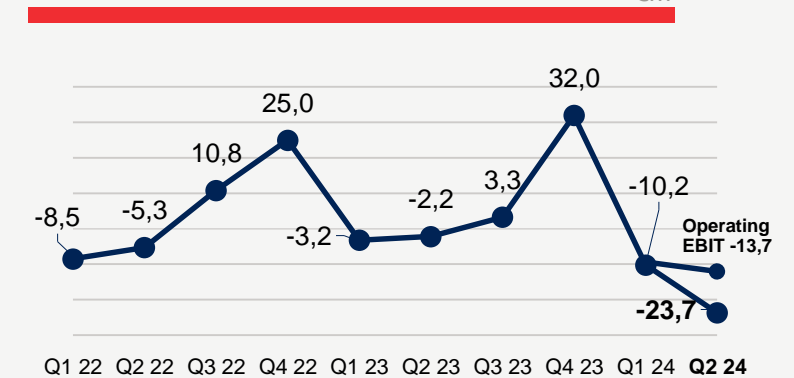
EBIT 01.01. - 30.06. €m



EBIT Bridge

-	Volume- and mix effect (roughly €18.5m)
-	Non-operating special effect (roughly €10m)

EBIT 01.01. - 30.06. €m



- Non-operating extraordinary expenses of roughly €10m, mainly in connection with the drupa trade fair, weighed on H1 earnings as expected; operating EBIT in H1: €-23.9m (previous year: €-5.4m); as expected, operating EBIT in Q2 (€-13.7m) slightly lower than in Q1 (€-10.2m); Group EBIT on a monthly basis better in June than in April and May, making a positive contribution to EBIT.
- This was particularly due to reduced order intake in the Sheetfed segment in the third quarter of 2023, which also led to negative volume and mix effects (around €18.5m) and includes the previously described non-operating special effect (roughly €10m).
- Group EBIT totalled €-33.9m (previous year: €-5.4m), corresponding to an EBIT margin of -6.4% (previous year: -0.9%).

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Group Income Statement

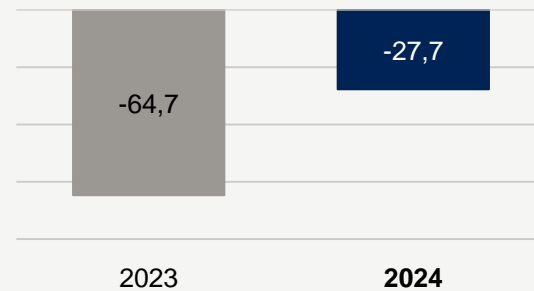
€m	H1 2023	in % ¹	H1 2024	in % ¹	Δ in %
Revenue	596.4		532.0		-10.8
Cost of sales	-436.5	-73.2	-404.5	-76.0	7.3
Gross profit	159.9	26.8	127.5	24.0	-20.3
Research and development costs	-31.0	-5.2	-28.0	-5.3	9.7
Distribution costs	-78.6	-13.2	-83.1	-15.6	-5.7
Administrative costs	-53.1	-8.9	-49.5	-9.3	6.8
Other income ./. Expenses ./. Financial result	-2.6	-0.4	-0.8	-0.2	69.2
Earnings before interest and taxes (EBIT)	-5.4	-0.9	-33.9	-6.4	-527.8
Interest results	-7.9	-1.3	-12.7	-2.4	-60.8
Earnings before taxes (EBT)	-13.3	-2.2	-46.6	-8.8	-250.4
Income tax expense	2.7	0.5	-2.7	-0.5	-200.0
Net loss	-10.6	-1.8	-49.3	-9.3	-365.1

- At €532.0m, **revenue** was 10.8% below the previous year's figure (previous year: €596.4m).
- **Gross profit** decreased by 20.3% to €127.5m in the reporting period with a gross margin of 24.0% (previous year: 26.8%).
- **R&D expenses** amounted to €28.0m (previous year: €31.0m), down 9.7% on the previous year.
- **Selling expenses** increased to €83.1m (previous year: €78.6m).
- **Administrative expenses** decreased by €3.6m to €49.5m (previous year: €53.1m).
- The **balance of other expenses and income** amounted to €-0.8m after €-2.6m in the previous year, partly due to foreign currency valuations.
- In total, **operating EBIT** totalled €-23.9m and **EBIT** amounted to €-33.9m (previous year: €-5.4m), which corresponds to an EBIT margin of -6.4% after -0.9% in the previous year.
- The **interest result** of €-12.7m (previous year: €-7.9m) was below the previous year's level, mainly due to higher interest paid to banks, resulting in **EBT** of €-46.6m (previous year: €-13.3m).
- After income taxes of €-2.7m, the **consolidated result** was €-49.3m (previous year: €-10.6m), which corresponds to **earnings per share** of €-2.99 (previous year: €-0.65).

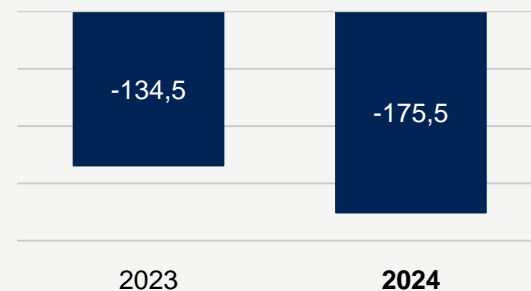
// 03 Figures H1 2024

Financial and asset positions

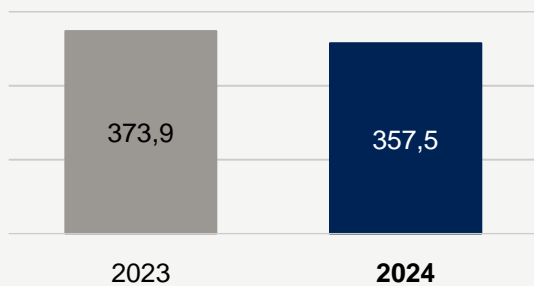
Free cash flow 01.01. - 30.06. €m



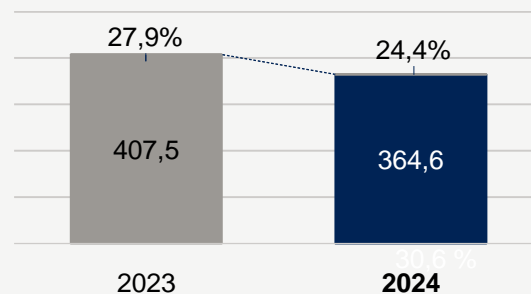
Net financial position as of 30 June €m



Net working capital 01.01. - 30.06. €m



Equity €m



- **Free cash flow** improved and totalled €-27.7m (previous year: €-64.7m). The change in net working capital was the main contributor to this improvement.
- After deducting bank liabilities of €287.9m, **the net financial position** totalled €-175.5m (previous year: €-134.5m).
- As at 30 June 2024, **net working capital** amounted to €357.5m (previous year: €373.9m).
- The negative consolidated result contributed significantly to the reduction in **equity** to €364.6m, with the equity ratio falling accordingly to 24.4%.

// 03 Figures H1 2024

Group cash flow statement

€m	H1 2023	H1 2024
Earnings before taxes	-13.3	-46.6
Non-cash transactions	30.5	24.5
Gross cash flow	17.2	-22.1
Changes in inventories, receivables and other assets	-65.4	-36.2
Change in provisions and payables incl. interest and income tax payments/refunds	3.3	57.7
Cash flows from operating activities	-44.9	-0.6
Cash flows from investing activities	-19.8	-27.1
Free cash flow	-64.7	-27.7
Cash flow from financing activities	5.6	42.3
Change in funds	-59.1	14.6
Effect of changes in exchange rates	-1.0	1.4
Funds at beginning of period	132.2	96.4
Funds at end of period	72.1	112.4

- **Gross cash flow** of €-22.1m was below the previous year's figure of €17.2m.
- **Cash flow from operating activities** totalled €-0.6m (previous year: €-44.9m). This development was mainly due to the lower increase in inventories and an increase in receivables compared to the same period in the previous year. Advance payments received increased more strongly compared to the same period in the previous year.
- **Cash flow from investing activities**, at €-27.1m, was above the previous year's level of €-19.8m, mainly due to the demo machines for drupa.
- **Free cash flow** improved and totalled €-27.7m (previous year: €-64.7m).
- **Financing activities** resulted in a cash flow of €42.3m (previous year: €5.6m), which is also attributable to changes in the syndicated loan.
- At the end of June 2024, **cash and cash equivalents** totalled €112.4m (previous year: €72.1m).
- After deducting liabilities to banks of €287.9m, the **net financial position** was €-175.5m (previous year: €-134.5m) after €-147.6m at the end of the 2023 financial year.

// 03 Figures H1 2024

Group balance sheet

1.

in €m	31.12.2023	30.06.2024
Assets		
Non-current assets		
Intangible assets, property, plant and equipment	411.1	422.4
Investments and other financial receivables	25.2	18.2
Investments accounted for using the equity method	15.1	14.7
Other assets	3.6	2.9
Deferred tax assets	93.2	92.8
	548.2	551.0
Current assets		
Inventories	426.8	464.3
Trade receivables	156.2	121.8
Other financial receivables	41.3	41.1
Other assets	154.3	199.0
Securities	3.9	4.2
Cash and cash equivalents	96.4	112.4
	878.9	942.8
Balance sheet total	1,427.1	1,493.8

2.

in €m	31.12.2023	30.06.2024
Equity and liabilities		
Equity		
Share capital	43.0	43.0
Share premium	87.5	87.5
Reserves	278.0	232.9
Equity attributable to owners of the Parent	408.5	363.4
Equity attributable to non-controlling interests	1.5	1.2
	410.0	364.6
Liabilities		
Non-current liabilities		
Pension provisions and similar obligations	104.8	98.3
Other provisions	37.0	37.4
Bank loans	191.2	226.1
Other financial payables	26.0	24.6
Other liabilities	5.4	5.8
Deferred tax liabilities	71.5	78.4
	435.9	470.6
Current liabilities		
Other provisions	89.7	80.3
Trade payables	79.3	78.6
Bank loans	52.8	61.8
Other financial payables	85.8	107.6
Other liabilities	273.6	330.3
	581.2	658.6
Balance sheet total	1,427.1	1,493.8

3.

3.

4.

4.

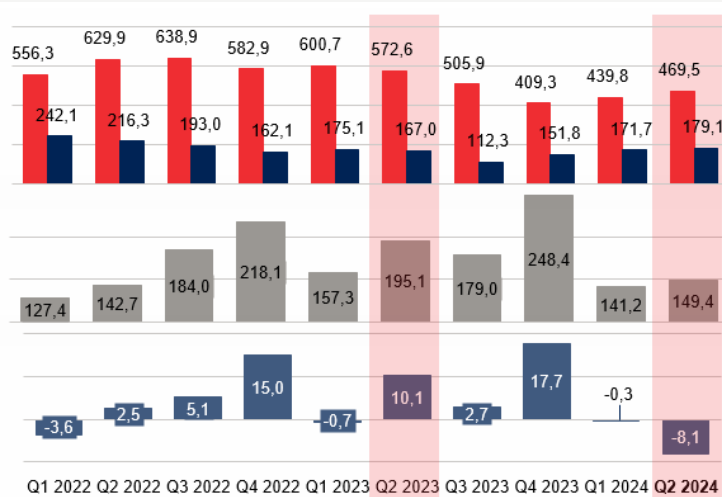
- In the reporting period, €31.7m (previous year: €22.0m) was invested in property, plant and equipment and intangible assets for construction and IT projects. The investment volume includes capitalised development costs of €7.9m (previous year: €1.7m). Investments were offset by depreciation and amortisation totalling €21.6m (previous year: €21.4m).
- Current assets** increased by €63.9m to €942.8m (previous year: €878.9m). Inventories, other assets and cash and cash equivalents increased by €37.5m, €44.7m and €16.0m respectively. Trade receivables decreased by €34.4m.
- The negative consolidated result contributed significantly to the reduction in **equity** to €364.6m, with the **equity ratio** falling accordingly to 24.4% (28.7% as of 31 December 2023). The **pension provisions** decreased from €104.8m at the end of 2023 to €98.3m as of 30 June 2024 due to the increase in the discount rate for domestic pensions from 3.41% as of 31 December 2023 to 3.69% as of 30 June 2024.
- Non-current liabilities** increased by €34.7m, mainly due to the increase in financial liabilities. **Current liabilities** increased by 77.4m, mainly due to an increase in advance payments received.

// 04 Segment Report

Sheetfed

€m

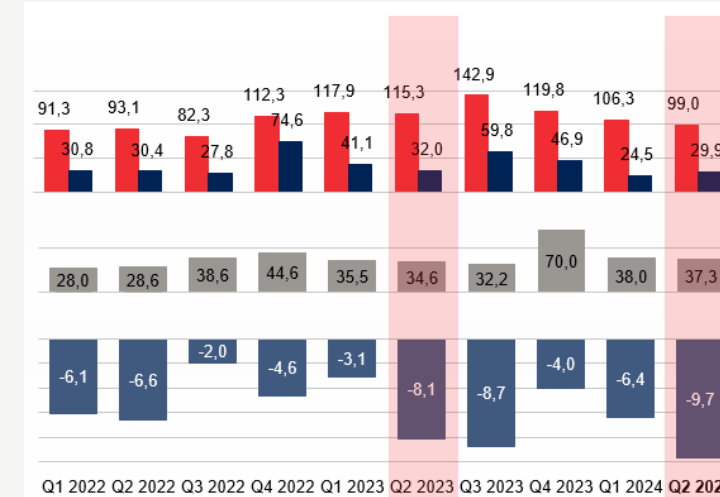
in €m	H1 2023	in % ¹	H1 2024	in % ¹	Δ in %
Order backlog	572.6		469.5		-18.0
Order intake	342.1		350.8		2.5
Revenue	352.4		290.6		-17.5
Earnings before interest and taxes (EBIT)	9.4	2.7	-8.4	-2.9	-189.4



Digital & Webfed

€m

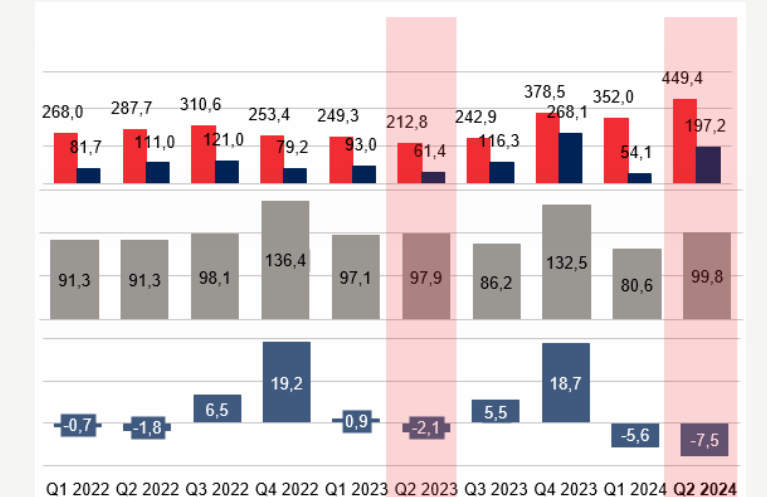
in €m	H1 2023	in % ¹	H1 2024	in % ¹	Δ in %
Order backlog	115.3		99.0		-14.1
Order intake	73.1		54.4		-25.6
Revenue	70.1		75.3		7.4
Earnings before interest and taxes (EBIT)	-11.2	-16.0	-16.1	-21.4	-43.8



Special

€m

in €m	H1 2023	in % ¹	H1 2024	in % ¹	Δ in %
Order backlog	212.8		449.4		111.2
Order intake	154.4		251.3		62.8
Revenue	195.0		180.4		-7.5
Earnings before interest and taxes (EBIT)	-1.2	-0.6	-13.1	-7.3	-991.7



■ Order backlog ■ Order intake ■ Revenue ■ EBIT

// 05 Forecast & Key Message

Koenig & Bauer confirms the following forecast assessments with the exception that there will be no events that have a significant impact on the global economy. For example, no further setbacks or heightened restrictions compared to the current situation as a result of the war in Ukraine and the Middle East conflict, or an unabated rise in core inflation.

// FY 2024: Koenig & Bauer AG confirms that its operating earnings will come in at the lower end of the forecasted range of €25 – 40m in 2024 and that it will achieve its revenue target of around €1.3bn despite the currently challenging market situation.

Among other things, order intake in connection with drupa, the world's largest trade fair for the printing and graphics industry, resulted in an order backlog of around €1,021.0m, marking the highest half-year figure in the company's recent history. A large part of this order backlog will manifest itself after 2024 and is spread across the segments unevenly.

// In the 2026 financial year the latest:

As announced, further details have been defined for the "Spotlight" focus programme to keep the company on its trajectory towards achieving its EBIT target of around 6% and Group revenue of approx. €1.5bn in 2026 at the latest and to strengthen operating EBIT in 2025. "Spotlight" primarily entails measures to improve costs at the Holding company and in the Digital & Webfed segment in Würzburg as well as in the Special segment at various locations. Special effects of €30 – 45m are expected from the "Spotlight" focus programme. These will show up as a special effect in Group earnings in 2024 and mainly relate to adjustments to material and personnel expenses.

As expected, non-operating extraordinary expenses of approx. €10m, mainly in connection with the drupa trade fair, weighed on earnings in the second quarter.

Adjusted for these one-off effects, Group EBIT will come to between €-15m and -30m. The Special and Digital & Webfed segments should make a disproportionately large contribution to both EBIT and revenue. Koenig & Bauer expects a strong second half of 2024 in terms of revenue and earnings as a basis for achieving its full-year operating earnings.

// Medium term: In the medium term, the Group is looking for a **revenue of around €1.8bn** and an **EBIT margin of 8 – 9%**.

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H1 Figures 2024

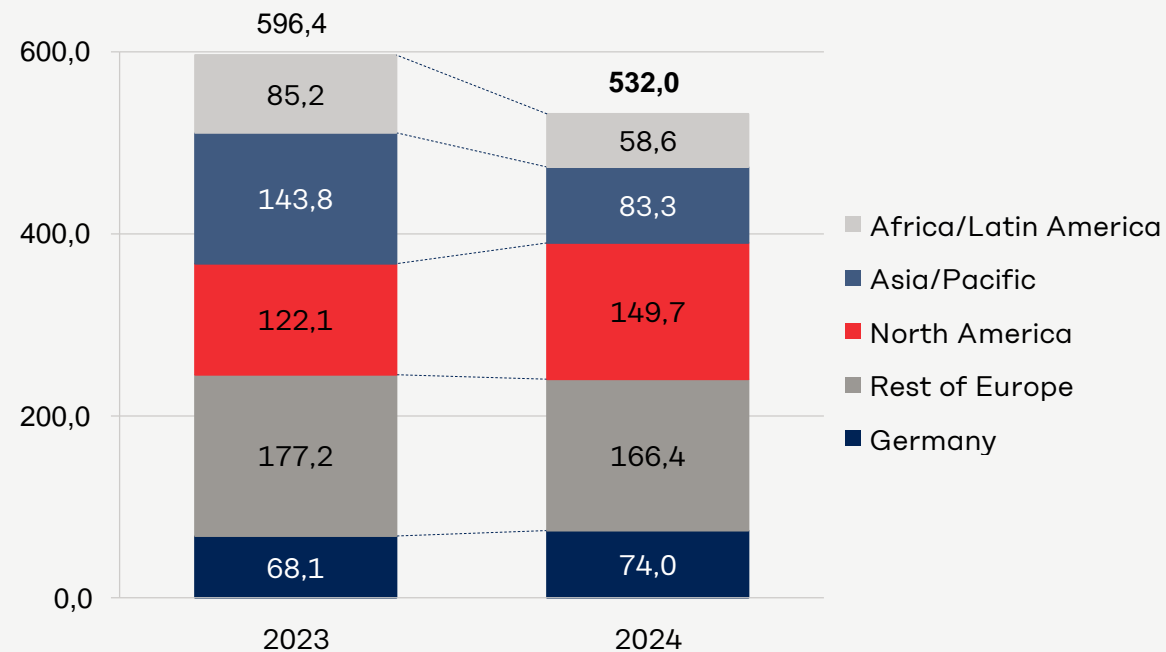
BACKUP

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// Regional Report H1 Figures 2024

Revenue first half of 2024

Revenue by region 01.01. - 30.06. €m



- The **Group export ratio** decreased slightly from 88.6% to **86.1%** with a lower share for Asia/Pacific at 15.7% (previous year: 24.1%) and a lower share for Latin America and Africa at 11.0% (previous year: 14.4%).
- The shares of revenue generated in Germany at 13.9% (previous year: 11.4%), in the rest of Europe at 31.3% (previous year: 29.6%) and in North America at 28.1% (previous year: 20.5%) were all higher than in the previous year.

Koenig & Bauer - Financial Calendar

1 August 2024	Report on 2nd quarter 2024
7 November 2024	Statement on 3rd quarter 2024
26 March 2025	Annual Report 2024
6 May 2025	Statement on 1st quarter 2025
4 June 2025	Koenig & Bauer Annual General Meeting
6 August 2025	Interim Report on 2nd quarter 2025
5 November 2025	Statement on 3rd quarter 2025

Subject to change.



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Disclaimer:

This presentation contains forward-looking statements about the business, financial performance and earnings of the Koenig & Bauer Group. These statements are based on assumptions and projections resting on currently available information and present estimates. They are subject to a multitude of uncertainties and risks. While management believes them to be accurate, the impact of external factors beyond its control, such as changes in the economy, exchange rates and in our industry, may give rise to a different outcome from that projected. In particular, the outlook does not include meaningful portfolio effects and influences related to legal and regulatory matters. It also depends on ongoing earnings growth 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.

Koenig & Bauer AG

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