

**96th Annual General Meeting of
Koenig & Bauer AG**
on 11 May 2021 as a virtual event

Board speech

The spoken word counts!

Overview Business Development 2020

The Covid 19 pandemic left its mark on the business figures in 2020, as it did in many areas of mechanical and plant engineering. The many restrictions and especially the travel restrictions significantly affected order and project processing. The worldwide deployments of our fitters and service technicians were also severely affected. In many cases, the well-utilised packaging printing plants were only accessible to third parties on a limited basis for service assignments so as not to jeopardise the smooth supply of end markets with food, beverages and pharmaceuticals as well as outer packaging for the growing online trade. Despite the continued interest in our innovative printing, finishing and converting solutions, some new investments were postponed by customers in view of the uncertainties resulting from the Covid 19 pandemic. Accordingly, Group-wide order intake in 2020 was 14.6% down on the previous year at €975m, but performed better than the industry figures published by the VDMA for printing presses in general.

On the revenue side, the new internal revenue accounting policy led to adjustments in the revenue figures in the reporting year and in the two previous years. Primarily, the impact of the Covid 19 pandemic led to a 17.4% decrease in revenue to €1,029 million. The service business accounted for almost 30% of Group revenue and was robust in terms of earnings, even during the Covid 19 pandemic. The earnings side was burdened by one-off costs of € 58 million due to the booking of a provision for the P24x restructuring and efficiency programme. One-off income of € 4 million and € 5 million from the successful outcome of a legal dispute and a property sale in Frankenthal had a positive effect. Excluding the aforementioned special effects of cumulatively € -49 million, EBIT amounted to € -19 million.

With a Group equity ratio of 25.9% Koenig & Bauer has a solid balance sheet. To strengthen stability in the current economic phase we were able to supplement the existing syndicated credit line with a flexibly repayable KfW loan with a volume of up to €120m. Since no dividend payments can be made during the term of the KfW loan, the management board and supervisory board propose under agenda item 2 that the net profit generated by the holding company Koenig & Bauer AG be carried forward to new account. In order to resume dividend distributions, we aim to repay the KfW loan as early as possible.

Overview Human Resources 2020

At the end of 2020, the Group employed 5,593 people worldwide. Compared to the previous year, the number of employees decreased by 230. As a result of the Covid 19 pandemic, we pursued a restrictive hiring policy and in many cases did not replace departures due to natural fluctuation. We have selectively increased staff in the IT area and for new applications and products in the growing packaging market. In addition, we have significantly reduced overtime and temporary work and also used the instrument of short-time work depending on the level of

capacity utilisation in the individual areas and the framework conditions at the respective locations.

The know-how, commitment, ideas, experience and loyalty of our employees are particularly crucial for our technically complex, international business. Accordingly, to secure the future of our Group, we have not slackened in our many activities to recruit the next generation of specialists and managers and to further develop, motivate and retain our employees. Our training quota of 6% in the Group is an important investment in the future. We offer all trainees who have qualified a permanent contract. In 2020, the takeover rate of trained young professionals was 96.6 %. In view of the future viability of our group of companies we have decided to continue our training facilities and thus our vocational school in Würzburg, which was founded in 1868, to the same extent as before. As the world's first vocational school it is the cradle of dual vocational training. The wife of our company founder, Fanny Koenig, was a great driver of social issues in our company in the mid-19th century. We are all very proud of what was probably Germany's first female manager. Fanny Koenig is also the godmother of one of our ESG projects. In the area of human resources, we have launched a diversity project with a comprehensive package of measures to promote women in our manufacturing company and especially in management positions. You will be hearing from Fanny Koenig more often; we are already working on further projects under her name.

Market positioning

In the front section of our Annual Report 2020, under the motto "We print your world", we show you the variety of printed products manufactured with our machines and systems that accompany our everyday lives from morning to night. There is hardly a substrate that we cannot print on: from cardboard, corrugated, foil, tin and glass packaging to banknote, book, display, labelling, magazine, advertising and newspaper printing. This diversity gives us strategic stability. Furthermore, we are well positioned for the future, as the end markets we address, especially the structurally growing packaging printing, are fundamentally intact. In banknote printing, current market indicators such as the project pipeline and production figures point to a continued robust business field. Accordingly, we continue to see our tried and tested broad product portfolio as a target-oriented one. The focus of our new and further product developments is on integrated and customised system solutions and the optimisation of the total cost of ownership for our customers.

Market innovations in the Sheetfed segment

With our sheetfed offset presses we were able to expand our market position in packaging and commercial printing. We are particularly pleased with the market leadership we achieved in Germany in 2020 following the significant increase in our market share. The new, multi-award-winning press design for our Rapidas was successfully rolled out in medium format in the year under review with a new generation of presses. In large format, the market launch of the new press generation is currently underway. Alongside its modern, appealing design, the Rapida 106 X in medium format is the new performance benchmark in industrial printing. It meets the highest standards of automation and productivity and is a pioneer in the industry in terms of digitalisation. The customer community provides central access to all digital services and to the Live-App family to support press operation and inventory management. In the postpress sector, the CutPro X 106 rotary die cutter and the CutPro Q 106 SB flatbed die cutter are two new generations of medium-format presses that have been introduced to the market. The machine design of

the CutPro Q 106 SB also won an award. Business with folder gluers at our subsidiary Koenig & Bauer Duran developed particularly well in the year under review.

Market innovations in the Digital & Webfed segment

Our sophisticated and high-quality RotaJET digital printing platform has established itself well in the decorative printing market with six presses sold. The start-up of the RotaJET for digital full-colour beverage carton printing at Tetra Pak was delayed due to the pandemic. With the further development of the RotaJET for digitally printed, flexible and stretchable films in cooperation with a globally outstanding player in this field, we are strengthening our strategic focus on the growth market of packaging and digital printing. The CorruJET 170, developed for the corrugated industry, draws on the extensive experience with the RotaJET and addresses the digital printing of corrugated packaging for fast time-to-market scenarios and higher versioning for shorter runs. The CorruJET 170 producing at HANS KOLB Wellpappe in Memmingen for digital direct printing on corrugated board is the centrepiece of this corrugated manufacturer's digital strategy. Another significant milestone was the acceptance of the newly developed CorruCUT at the cooperation partner Klingele, one of the leading manufacturers of corrugated base paper and corrugated packaging. The first CorruFLEX was successfully commissioned at THIMM Group in a plant in Romania. This enabled us to successfully place our three new machines in corrugated printing, the CorruJET, the CorruCUT and the CorruFLEX, on the market.

Market innovations in the Special segment

In banknote printing, we are working on new, scalable machine generations that can handle both basic requirements and the most demanding technical challenges from a modular system. We have also added the SUSI Flip™ feature to the wide range of security features we have developed, which is only possible thanks to the precision of our super-simultaneous machines and has already been selected by a customer for a newly issued banknote. For high-quality decorating of 2-part beverage cans, the CS MetalCan has significant advantages for users. In addition to high production output, it offers significant productivity benefits through a greatly improved level of automation. As the first 10-colour press, the CS MetalCan meets the increasing demands for frequent decor changes and more product variety. In glass/hollowware printing, we have high-performance machines for decorating any article shape such as round, oval, square, flat and also with handles in the highest quality. Numerous decoration options such as screen printing, digital printing, hot stamping as well as labelling can be realised and even combined in one machine run. With our labelling solutions for all industries from food, beverages, pharmaceuticals and cosmetics to IT and automotive, different substrates can be printed, marked and coded just in time with variable data, logos and barcodes. With Kyana, we use artificial intelligence in marking printing with an augmented reality application on our alphaJET system.

Market innovations at the Koenig & Bauer Durst joint venture

Meeting brand owners' demands for more customised packaging and short time-to-market due to rapid shifts in demand requires powerful, automated, reliable and agile digital printing systems, which we deliver in a partnership approach with inkjet pioneer Durst from Bressanone. Koenig & Bauer has contributed the CorruJET 170 to the joint venture company established in 2019, and Durst its SPC 130. With these machines, the portfolio covers two format classes in digital direct printing on corrugated. Following the milestone achieved with the CorruJET 170 at KOLB, Koenig & Bauer Durst has also made good progress in digital corrugated printing

with further sales successes of the SPC 130. Following progress in the development of the VariJET 106 as a complete digital solution for folding carton printing with a high level of user orientation, the beta test phase will start in 2021 with selected customers.

Digitisation offensive

In addition to the numerous product innovations, we have continued to push ahead with the digitalisation offensive that has already been successfully initiated. One focus is our service business. The new digital services use the performance data of the machines and their log files. Our customers benefit from the digital transformation through higher performance and availability of their machines. In addition to a quick overview of all relevant machine data, performance reports can be used to compare the performance data internally and externally with similarly used machines. Predictive maintenance, which has been successfully implemented with customers, enables faults in everyday operations to be detected in good time before they have an impact on print production or even lead to press failure. We have created a customer community as a central point of contact for all digital service offerings. Users can use this portal to create new service requests, view open jobs and performance reports, and access other digital services. With the inclusion of customer feedback, the customer community is constantly being further developed and its range of functions expanded into a platform that connects customers, suppliers and manufacturers.

Progress on IT and construction projects

The IT systems, previously dominated by in-house developments, will be successively converted to the SAP system S/4HANA. The ERP system is already in operation at the holding company Koenig & Bauer AG and the large business unit Koenig & Bauer Industrial with the Koenig & Bauer Foundry. In the wake of the Covid 19 pandemic, SAP implementation activities were largely shut down in spring 2020. Since autumn 2020, the SAP project has picked up full speed again. GoLive for Digital & Webfed and Banknote Solutions with the Würzburg, Lausanne and Mödling sites is scheduled for 1 October 2021. With the customer centre expanded into a global customer experience centre we can professionally demonstrate networked solutions for packaging, commercial and label printing at our Radebeul site. The Customer Technology Center in Würzburg was expanded to include an Evo XD 8 for printing flexible packaging. Koenig & Bauer Kammann's first year in business at its new premises in Löhne saw a gratifying rise in sales and earnings.

Sustainability

With the establishment of the Sustainability Department, we are significantly expanding our activities in this important future topic for the further development of our corporate group. Social and environmental responsibility, governance, society & social issues and integrity & compliance are the five pillars of our sustainability concept. In addition to good corporate governance, employee concerns and environmental aspects play a central role in our corporate policy. Right from the development and design stage, attention is paid to energy and resource efficiency in the manufacture and operation of printing presses and finishing equipment. In addition, the focus is on minimising noise, dust, odour and CO₂ emissions in production and among product users, as well as the use of environmentally friendly substrates and consumables in the printing, finishing and postpress processes. In the course of a change of supplier at the beginning of 2020, the share of electricity from renewable energies has increased significantly and has contributed to the significant reduction of our CO₂

emissions. In 2020, green electricity had a share of 65.7% at the major Group sites. The goal for 2021 is to increase the share of green electricity to 100 %.

Order intake, sales and order backlog Year 2020 and Q1 2021

The 2020 financial year was the most challenging in Koenig & Bauer's recent history. Nonetheless, the figures for the first quarter of 2021 in particular show that the company is also continuing to recover and has performed better than the competitive environment, according to the German Engineering Federation. At €975m, **order intake for 2020** was around 15% below the previous year's figure, but significantly better than the -22% drop in orders for printing presses published by the VDMA. The first quarter of 2021 even saw an increase of around 5% compared to the same quarter last year. This was due in particular to double-digit growth in the Sheetfed segment - of which around 60% can be attributed to the fast-growing and more pandemic-resistant packaging printing market. Koenig & Bauer has thus further strengthened its market position with sheetfed offset presses in the packaging printing sector. The fact that our customers are postponing orders due to the Covid 19 situation - despite the continued palpable interest in our innovative printing, finishing and postpress solutions - was reflected in the **decline in sales for 2020**. It also includes a revenue shift due to the retrospective application of the revenue accounting guidance. Overall, the decline in turnover of around 17% was also less pronounced than that of our industry with around 24%. The turnover development in the final quarters of 2020 already showed signs of recovery. This positive trend continued in the first quarter of 2021, even though there was still a decline of around 8% compared to the same quarter of the previous year, we are also better than the industry average. The service share of Group turnover also developed positively to almost 30 %. This means that the target figure was achieved, albeit on the basis of lower new machine business than in the previous year. The **order book stood** at € 632 million as at 31 December 2020 and serves as a solid basis for this financial year, rising further to € 675 million at the end of the first quarter of 2021.

Earnings before interest and taxes in 2020

Earnings before interest and taxes (**EBIT**) were heavily impacted by the Covid 19 pandemic and amounted to € -68 million. EBIT before special effects was around € -19 million, which is a positive sign in this extraordinary Covid 19 year, given a decline in turnover of around € 200 million. Accordingly, the EBIT margin was -6.6% after 5.6% in the previous year. The provisions of around € 58 million for the painful but necessary staff reductions as part of the P24x efficiency programme contributed significantly to the negative EBIT. Netting this out with two one-time gains resulted in special effects of around € -49 million. Accordingly, **EBIT before special effects was** around € -19 million and thus significantly exceeded the forecast for the 2020 financial year, to which the EBIT shift due to the new revenue accounting guideline also contributed.

New sales accounting guideline

The new guideline specifies that the transfer of control in the sale of standardised new or second-hand machines takes place after delivery and assembly with the readiness for production at the customer. Previously, revenue was already recognised upon delivery of the machine, provided that the assembly portion was not material. This increased Group turnover in 2020 by around € 143 million and Group EBIT by around € 26 million. We expect the new revenue guideline to reduce the volatility in the revenue statement of our new machine business. In addition, it should enable more balanced planning in the future. Another

aspect of the retrospective adjustment is improved transparency and comparability with previous years.

Earnings before interest and taxes Q1 2021 EBIT improved by around 48% compared to the same quarter of the previous year despite a decline in turnover of almost 8%, even though it is still slightly negative at around € -9 million (EBIT margin increases from -6.4% in the same quarter of the previous year to -3.7%). The delta of around € 8 million compared to the previous year is made up of a negative volume and product mix of around € 7 million as well as the positive effects of the successful implementation of the P24x efficiency programme of around € 10 million and around € 5 million from the use of short-time work.

Results of Operations Year 2020 and Q1 2021

In both 2020 and Q1 2021, **research and development costs** remained untouched, even in the challenging Covid-19 environment, to further expand our opportunities in the packaging printing market. The decrease in **selling, general and administrative expenses** includes the Covid 19-related impacts, such as reduced travel, as well as the P24x successes. This applies to both 2020 and the first quarter of 2021. The balance of **other operating income and expenses** was clearly positive in 2019 compared to 2020 due to one-off income from property sales and reversals of provisions. After deduction of taxes, which were higher in 2020 due to a valuation allowance on deferred tax assets resulting from the new integrated 5-year plan, a negative **consolidated result of** around € 103 million was achieved. In the first quarter of 2021, we see clear recovery trends at this point, which are also reflected in the financial and asset position of your company.

Financial and asset position Year 2020 and Q1 2021

Free cash flow developed very positively. At the end of December 2020, we achieved an improvement of around €28 million compared to 31 December 2019. We were able to push this positive trend further in the first quarter of 2021 through our active net working capital management and significantly increased free cash flow to approx. 22 million. We thus succeeded in reaching the pre-Covid 19 level of the **net financial position** again, to which the reduction of **net working capital** also contributed. As a result, at the end of March 2021, we have around € 325 million available for revenue generation that is not financed by debt. In the first quarter, we have thus come a step closer to our medium-term goal of reducing our net working capital to a maximum of 25 % of annual turnover. Our **borrowed funds** consist of syndicated credit lines from a consortium of excellent banks with a total volume of € 400 million. Against the backdrop of the Covid 19 pandemic and the associated funding programmes, we were also able to reach an agreement with KfW and the previous syndicate banks in 2020 to increase the revolving credit line by € 120 million at standard market conditions in order to ensure the economic stability of our company. In order to resume dividend payments, we aim to repay the KfW loan as early as possible, as soon as we can fully assess the impact of the Covid 19 pandemic. Overall, we are in a good financial position as of 31 March 2021 with more than € 250 million in **freely available liquid funds** and a slightly increased **Group equity ratio of 26 %**.

Development in the segments Year 2020 and Q1 2021

Order intake in the Sheetfed segment developed very positively in 2020 - but especially in the first quarter of 2021 - thanks to growth, for example, in large-format sheetfed offset and parts of the post-press family. More than 60% of orders in the first quarter came from the

packaging printing market, which has also grown during the Covid 19 pandemic and includes folding cartons and labels. **Turnover in 2020** was 13 % below the previous year's figure. Already in the first quarter we were able to achieve a turnover at the previous year's level. The good **book-to-bill ratio of 1.07**, which rose to 1.33 in the first quarter, also contributed to this. In addition to the Covid 19 impact, the provisions for the P24x efficiency programme also burdened **EBIT** in 2020, which reached a value of around € -28 million after around € 19 million in the previous year. In the first quarter, EBIT improved on the previous year's value, even though it has not yet reached positive territory.

The **Digital & Webfed segment** shows a more mixed picture. **Order intake** here was and continues to be heavily burdened by the Covid 19 impact. It declined by around 25 % compared to 2019. The decline was around 46% in the first quarter, due to our customers' continued reluctance to invest in light of the uncertainties resulting from the Covid 19 pandemic, despite a still high interest in our innovative solutions. In 2020, sales success in digital web offset developed positively. In total, however, the Covid 19 impact outweighed this, so that **segment sales in 2020 fell short of the** previous year's value by around 19%. As a result of the P24x provisions, **EBIT was** also down on the previous year at around € -26 million below the previous year's value. Sales in the first quarter were at the same low level as in the same quarter of the previous year, but EBIT improved to around € -4 million compared to the same quarter of the previous year.

In the **Special segment, incoming orders in 2020** were also below the previous year's value at around € 306 million. Fewer orders from the Banknote Solutions business contributed to the decline. Here, incoming orders fluctuate greatly due to the high volume of individual orders, while the sales volume achieved is more steady. Kammann and Coding were also unable to contribute to an increase in order intake in the submarkets they address, direct glass printing and coding respectively. In contrast, new business at MetalPrint increased. This trend in the individual areas turned around in the first quarter and led to an order intake at the level of the previous year's quarter. In total, **sales in the Special segment in 2020** were around 24% below the figure for 2019. **EBIT was** around -€32 million after around €51 million in 2019, in particular due to the provision for the P24x efficiency programme. In the first quarter of 2021, EBIT improved from around -€5 million to around -€4 million despite declining sales.

Development in the regions Year 2020 and Q1 2021

Our global sales markets were basically stable: the export ratio fell slightly from 84.9% to 84.6% as of 31 December 2020 and rose again to 85.1% at the end of the first quarter. A clear trend emerged: North America's share of sales increased significantly to around 18.1% in the 2020 financial year after 13.4% in the previous year. This trend continued, albeit not quite as strongly, in the first quarter of 2021.

Share price development

The results of our P24x efficiency programme and the positive development of our operating earnings and financial strength, as well as the strength of our balance sheet - particularly in the first quarter - have also been received by the capital market, as evidenced by the gratifying performance of Koenig & Bauer shares. On the day of last year's AGM the share price stood at €19.80. With the publication of the figures for the first quarter of 2021 it reached €25.00 on 4 May 2021, an increase of around 26%. It is also pleasing that many

analysts raised their price targets to up to € 35.00 per share after the publication. This shows: Our company is on the road to recovery!

Overview Efficiency and Restructuring Programme P24x

In order to strengthen our positioning as a leading provider in packaging, industrial and security printing and in finishing, as well as to increase the Group's operating profitability, we have significantly expanded the efficiency programme Performance 2024, which was launched at the turn of 2019/20, and adopted it as the Performance 2024 extended programme in September 2020. In addition to increasing efficiency and scaling the Group to the moderate revenue growth expected in the coming years, the programme, which will run for four years, aims to strengthen our competitiveness in the long term. Through a variety of initiatives, the proven broad product portfolio will be further developed and consistently expanded in line with market needs, processes and service offerings will be digitalised and, in particular, manufacturing costs will be reduced. Expenditure on research and development will remain unchanged. We will continue and accelerate the development of new products for the areas of packaging in sheetfed and web printing with analogue and digital printing technology, hollow body printing, finishing and solutions for banknote production.

In addition to a voluntary programme, we are currently negotiating with the employee representatives and social partners on the concrete and, if possible, socially acceptable form of the reduction of the 700 to 900 jobs in the Group affected by the programme in the short and medium term. With the continuation and acceleration of all innovation processes, process and product developments, annual cost savings effects in the order of magnitude of more than € 100 million are to be achieved by 2024. The short- and medium-term one-off costs of € 58 million for personnel measures required for this were recognised as a provision in the Group result in the 2020 financial year. The ramp-up of gross savings is expected to have a positive impact of more than 30 % of the planned savings in 2021. After implementation of the successively planned measures, more than 60 % of the total cost savings should be effective in 2022 and a good 90 % in 2023.

In order to streamline the Group structure, the Banknote Solutions business unit, which was structured as a fiduciary limited company, was restructured into a purely capital company structure. We ask our shareholders to approve the proposed profit transfer agreements between Koenig & Bauer AG and Koenig & Bauer Banknote Solutions GmbH and between Koenig & Bauer Banknote Solutions GmbH and Koenig & Bauer Banknote Solutions (DE) GmbH under agenda item 9.

Current status of the P24x efficiency programme

Our P24x efficiency programme got off to a very successful start. Of the more than 400 measures in the programme, which consists of six workstreams, a good two thirds are already being implemented. With good ideas from all teams, we have already realised great potential. A decisive factor for success is trust and good cooperation between the employees across the locations. This also has a positive effect on motivation. Through regular communication and project involvement, our employee representatives and employees are part of the P24x programme. This is how we ensure that we all pull together and prepare the Group well for the future.

More than 10 % of the savings effect planned for 2021 could already be realised in the fourth quarter of 2020. In addition to capacity adjustments and the merging of design and service departments of several business units, the measures aimed at increasing the Group's productivity in particular contributed significantly to this success. In addition, lower quality expenses contributed to the savings effects. Further savings were also generated through successful supplier negotiations and optimised cash discounts. As the programme continues to ramp up, more than 30 % of the planned gross savings are already expected in 2021.

Focal points of the P24x efficiency programme

The programme focus of the comprehensive P24x project includes optimising the supply chain organisation by adapting Group-wide structures as well as the ongoing optimisation of processes in procurement, production and logistics. In addition to optimising capacity utilisation, we are working to improve productivity through process streamlining and standardisation. The already established Group-wide LEAN team is already making an important contribution to this. Another successful concept for increasing productivity is networking. Networking includes the optimisation of production and assembly plants by bundling our know-how in the Group, relocations where necessary and the realignment of our plants. In addition, we want to increase efficiency and effectiveness in development and design and accelerate new product development in particular. We want to achieve further cost reductions by bundling tasks in administration and by optimising sales and service structures.

Diverse projects and new methods in purchasing

In purchasing, production and logistics, we want to set benchmarks with continuous process improvements and the establishment of a lean organisational structure. Intensive renegotiations are currently taking place with our suppliers for direct material such as externally sourced machine parts, aggregates, electronic and drawing parts. At the same time, we are making constructive adjustments to our products throughout the Group in order to leverage synergy effects, consolidate suppliers and optimise purchasing volumes. In addition to strengthening strategic commodity group management, the purchasing organisation is being aligned with the core processes. Strategic and operative tasks are separated. In setting up strategic cost management, the focus is primarily on reducing material and manufacturing costs. To effectively complement the cost reduction competence from strategic cost management, we are establishing central supplier quality assurance and expanding technical expertise.

Diverse projects in production

In production, a variety of projects are aimed at increasing productivity. All core competence parts for our products are manufactured internally. In addition to multi-machine operation in production, assembly optimisation and idle cost avoidance, the optimisation of line tasks via shop floor management is part of the comprehensive bundle of measures. In addition, we have initiated several lighthouse projects in production. Cross-business unit project teams promote the exchange of experience and expertise across the Group. To drive productivity initiatives and embed external expertise internally, we have established a central OpEx team. This is designed to make operational processes not just better, but excellent. We have developed a central order management process to efficiently manage fluctuations in capacity utilisation. With a dynamic distribution of orders across the Group-wide capacities

and the spatially flexible deployment of employees, utilisation peaks can be well managed and capacity utilisation optimised.

Group-wide quality management

With a Group-wide quality management system that takes a holistic view of the organisation and processes and to which all employees feel committed, we have already been able to reduce quality costs in a first step. With the Group-wide approach, we see an important adjusting screw to raise even more potential in the future.

Standard construction kit / machine platform

As part of the P24x efficiency programme, we are also working intensively on cross-business unit standardisation for sustainable and resounding manufacturing cost reductions and to achieve the cost-saving effects targeted by P24x. We have already developed standard modules in the feeder area. The new units for our banknote presses are virtually identical in construction to the feeders for our Rapida sheetfed offset presses. We intend to continue along this path in order to combine the broad bandwidth of our presses with manufacturing cost advantages through standardisation and higher volumes of aggregates and components. We see the establishment of a modular and platform strategy across all new press types in the Group as a decisive prerequisite for the long-term future orientation of the Group. All current initiatives and activities with the goal of standard modularity will be bundled under the umbrella of a machine platform. The Commonality Board initiates and controls sub-tables for the implementation of existing potentials with a focus on standardisation and the development of a machine platform. The sub-tables with team leaders from Strategic Cost Engineering and Group Standardisation implement the potentials. Group Standardisation manages cross-functional teams on individual standardisation topics.

The cross-business-unit use of the machine platform, which is designed as a standard modular system, is a key component of the P24x efficiency programme, which is crucial for the sustainable economic success of our Group. Of course, business unit-specific configurations and performance levels as well as customer specifications are still possible with our machine platform designed at group level.

Outlook

Even though the economic environment influenced by the Covid 19 pandemic, which is already foreseeable today, has been incorporated into our business planning and we have initiated measures to increase our competitiveness with the established P24x efficiency programme, the framework conditions for our business remain challenging due to the uncertainties that continue to exist. Currently, there are high price increases for metals and plastics as well as supply bottlenecks for electronic parts, which we have been able to manage successfully so far by acting with foresight. On the corporate side, we are well positioned thanks to our broad product portfolio with a high share of sales in system-relevant packaging printing, the robust service business and our solid balance sheet and financial resources.

The short and medium-term measures of the P24x performance programme will be effective from 2021 to 2024. For the 2021 financial year, we expect slight organic revenue growth of

approximately 4% to €1,070 million for the Group. On the earnings side, we expect a balanced EBIT after the successful P24x launch and with the onset of the savings effects expected in 2021.

After the implementation of the adopted cost and structural adjustments, we aim to achieve a turnover level in the Group of around € 1.3 billion by 2024, while continuing and accelerating all innovation processes and product developments. In the medium term, our goal remains an EBIT margin of at least 7%, as well as the reduction of net working capital to a maximum of 25% of annual turnover.