

KOENIG & BAUER

We print
your world.

9M 2021

Dr. Andreas Pleßke, CEO | Dr. Stephen Kimmich, CFO

28 October 2021, Würzburg

we're on it.



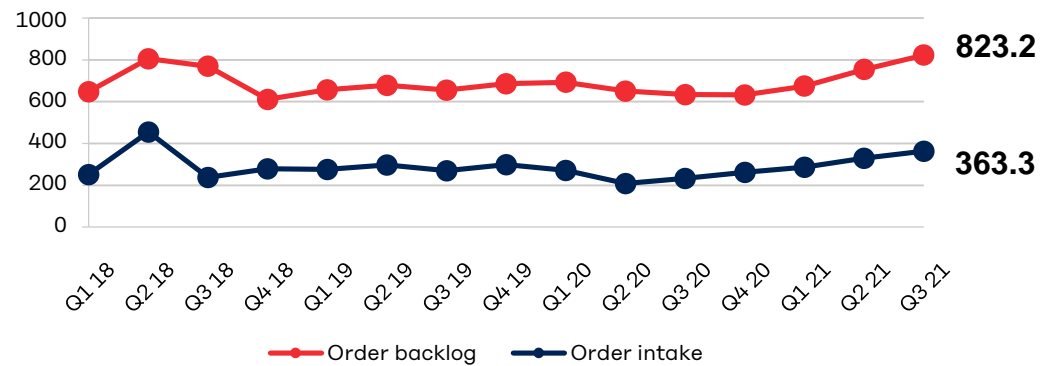
Koenig & Bauer at a glance.

1.	Business performance at a glance.		<ul style="list-style-type: none">• Further improvement in operating result achieved.• Historically high order backlog and order intake.• Business performance still affected by pandemic, supply bottlenecks and associated material price increases.
2.	Figures 9 months 2021.		<ul style="list-style-type: none">• Sales with 3.0 % YOY above previous year's figures for the first time in 2021.• EBIT margin increases from -9.7 % to 2.1 % after nine months.• Improvement in FCF and net financial position.
3.	Segments.		<ul style="list-style-type: none">• Sheetfed and Special increase again in Q3 at a high level.• Digital & Webfed in Q3 with first recovery tendencies in order intake due to growth in corrugated printing with CorruCUT.
4.	P24x efficiency programme.		<ul style="list-style-type: none">• P24x "on track" - around 60% of the planned measures will be implemented in 2021, which have had a positive impact on earnings development.• Savings effects from the use of short-time work in the previous year replaced by long-term and sustainable measures.
5.	Market Outlook & Forecast.		<ul style="list-style-type: none">• Fundamentally intact end markets with different growth opportunities.• Forecast for 2021: 2 % EBIT margin on sales of € 1,100 - 1,135m and medium-term targets confirmed.

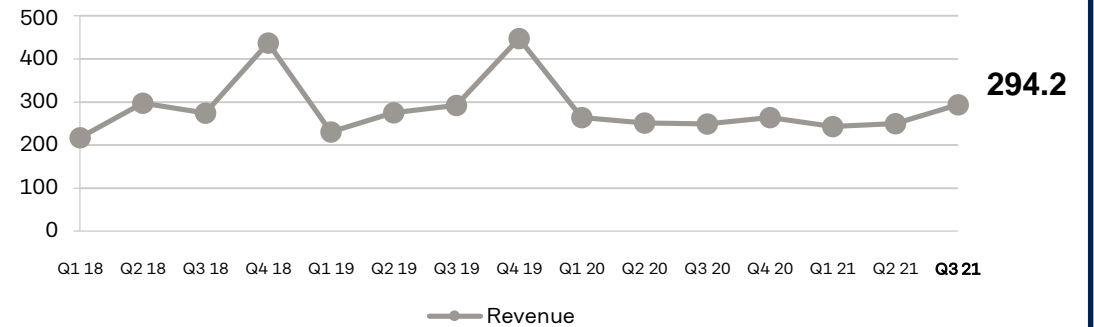
1. Business performance at a glance.

Classification of the first 9 months and Q3 2021 – Big Picture*.

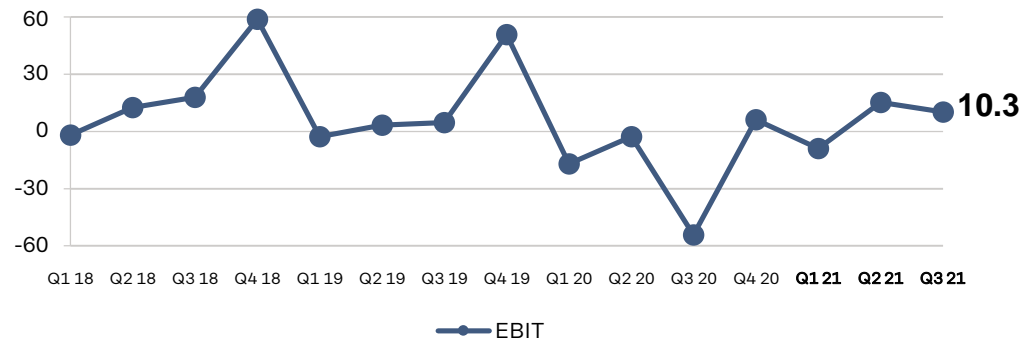
// Historically high order backlog and order intake. €m



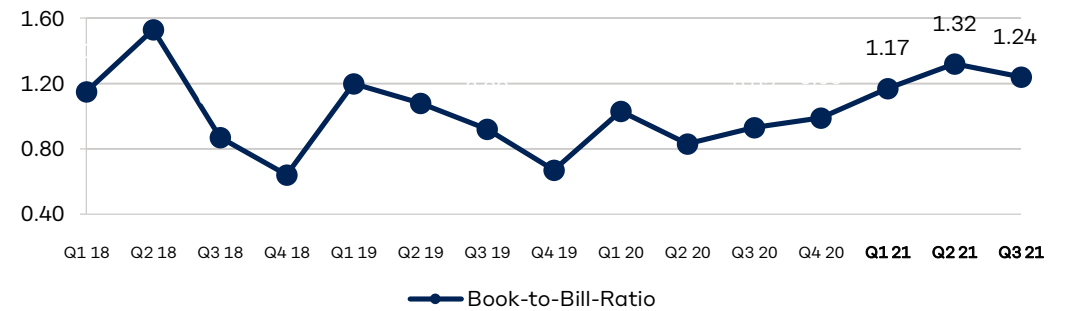
// Sales with sequential recovery in 2021. €m



// EBIT with sequential recovery in 2021. €m



// Book-to-bill ratio in 2021 constant >1.



1. Business performance at a glance.

Special segment with strong order intake - especially security printing.

New Laika series

The specimen have been unveiled

~360 Mio. €



Order intake
Special segment
30|09|21

The banknote retains its rightful position as a mean of payment, especially in the pandemic, and will continue to connect with the virtual world.

**Coding
Kammann
MetalPrint**

also contribute to this with order intake above the previous year's figures



1. Business performance at a glance.

Current status of the digital printing offensive and news from the corrugated board market.

Our client faces many challenges

- ✓ Sustainability
- ✓ Traceability
- ✓ electronic commerce
- ✓ Individualisation
- ✓ Brand protection
- ✓ Shortage of skilled workers
- ✓ Digitalisation of processes
- ✓ Reliability of production
- ✓ Change in business models
- ✓ Partial shift in supply chains



CorruCUT | High-Board-Line rotary die-cutter

CorruFLEX | Flexo post printer

CorruJET | Digital corrugated sheetfed printing



RotaJET | Digital web printing



VariJET | Digital sheetfed printing



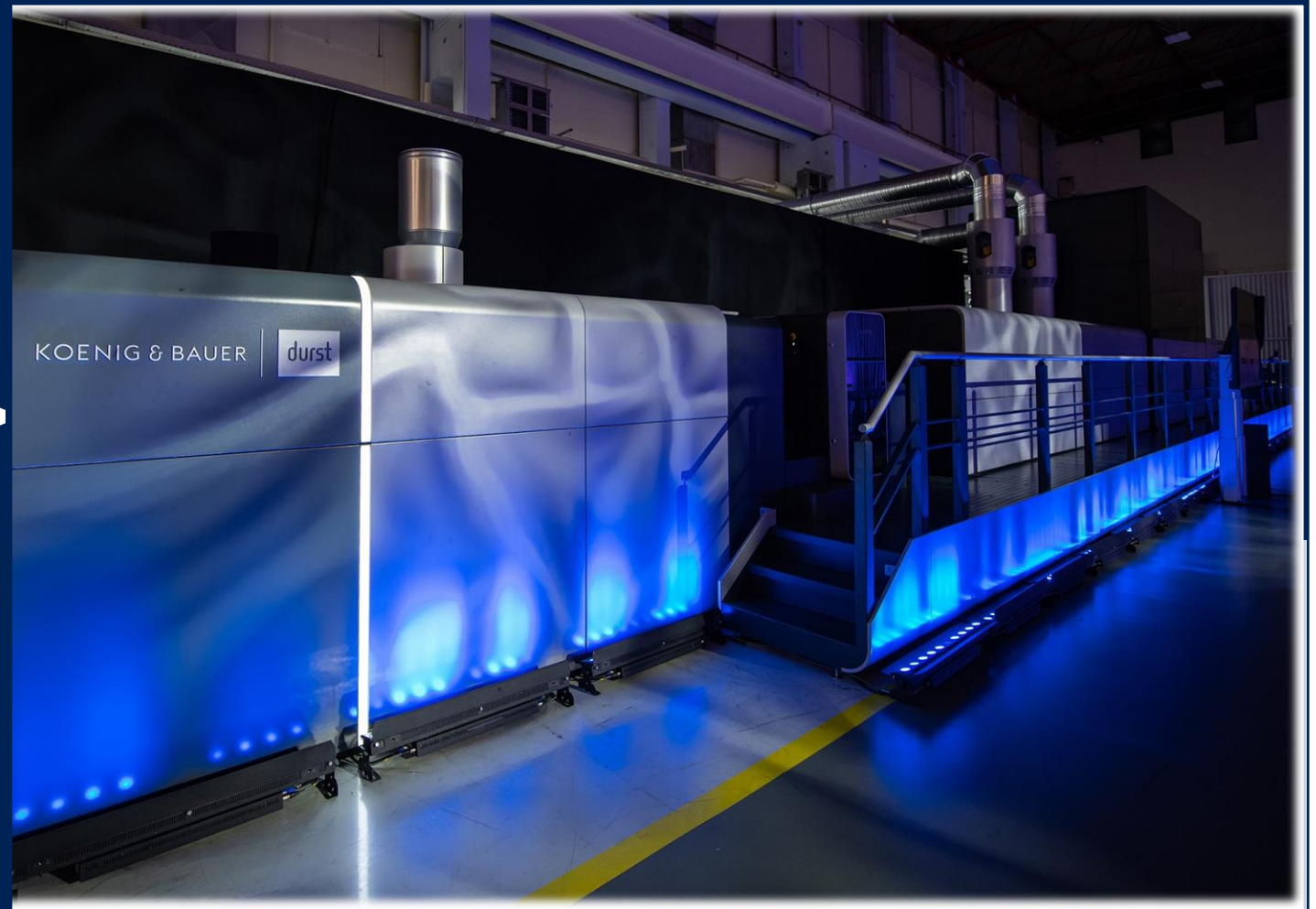
VariJET
celebrates
world
premiere



1. Business performance at a glance.

The best of both worlds: VariJET 106 from Koenig & Bauer Durst celebrates world premiere.

- ✓ Modular single-pass sheetfed digital press.
- ✓ Combination of digital printing with proven modules of the Rapida platform in B1 format at 5,500sph.
- ✓ Beta testing to start in a few weeks, first units expected to be installed at customer sites in Europe and America in H2 2022.
- ✓ Target groups: Folding carton manufacturers for the pharmaceutical, cosmetics, tobacco and food industries.
- ✓ Highly competitive TCO, efficient production from very short to medium runs.
- ✓ Reduced resource consumption, lower storage costs and less waste.
- ✓ Full flexibility for test packaging and new campaigns.
- ✓ Fastest possible response to changing market demands.



Our path to more sustainability.

Koenig & Bauer is a participant in the UN Global Compact & actively supports the implementation of

"Since the company was founded 204 years ago, Koenig & Bauer has attached great importance to social responsibility and commitment. years ago.

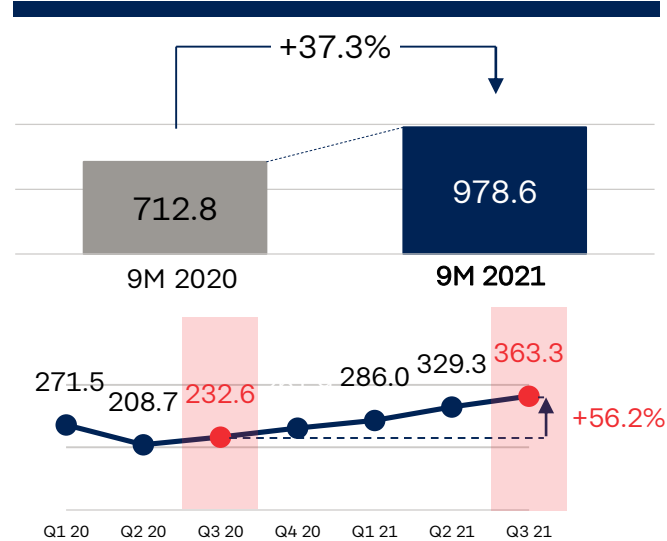
The principles and goals of the UNGC correspond to the values and principles by which we conduct our business. As part of the strategic development of our group of companies we want to social, environmental and societal responsibility wherever we can exert influence through a wide range of ESG activities and innovations. even more."



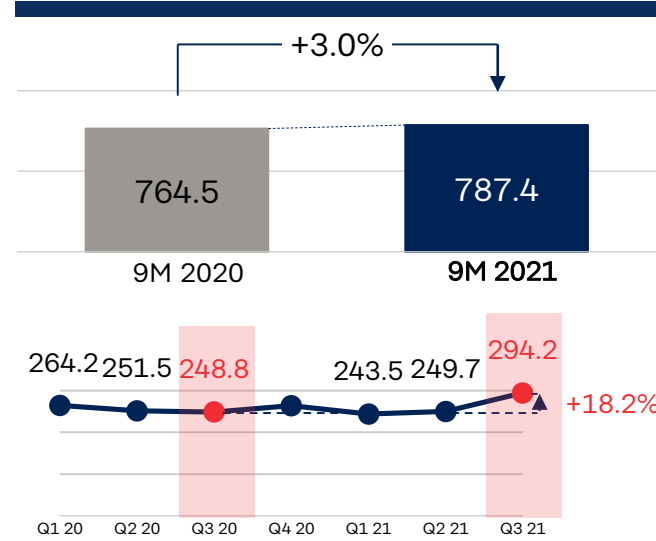
2. Figures 9 months 2021.

Business development in the group.

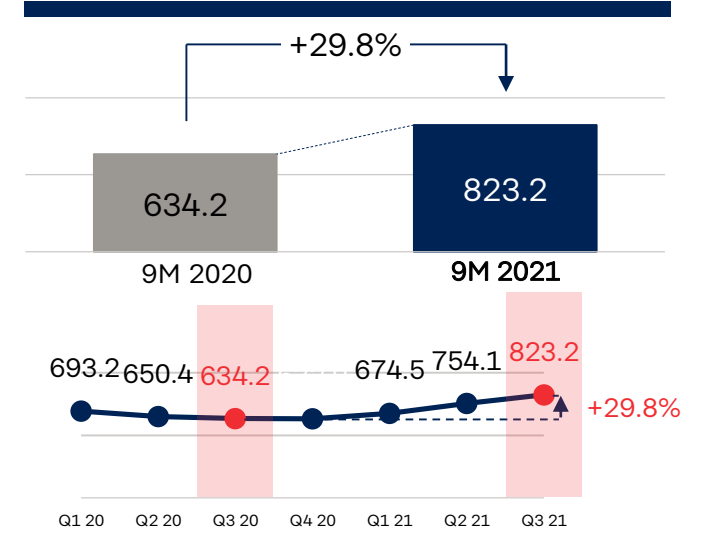
Order intake 01.01. - 30.09. €m



Revenue 01.01. - 30.09. €m



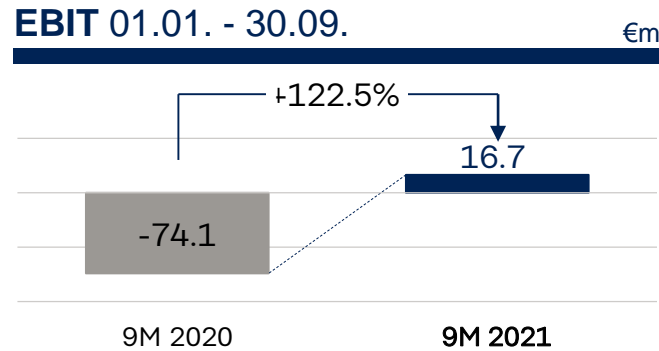
Order backlog 30.09. €m



- Despite a pandemic-induced reluctance to invest, especially in new market segments, order intake after nine months was up 37.3% on the previous year and thus "in-line" with the positive industry trend from Jan-Aug for printing presses according to the VDMA. In Q3 YOY growth of 56.2% was achieved, exceeding the positive industry trend for June - August of 39.8%.
- Cumulatively, turnover was above the previous year for the first time in 2021 with an increase of 3.0 % and thus continued its sequential rise in the reporting period in Q3 as well. It reached an increase of 18.2% YOY and an increase of 17.8% compared to Q2.
- The order book increased by 29.8% compared to the previous year and by 30.3% compared to 31.12.2020. At the same time, it represents a historically high order book of € 823.2m and serves as a solid basis for Q4 2021.

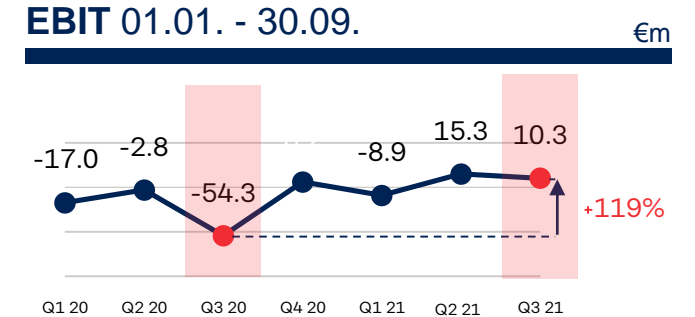
2. Figures 9 months 2021.

Business development in the group.



EBIT-bridge Δ ~€90m

- Short-time work previous year (approx. €16m)
- + Volume and mix effekt (approx. €6m)
- + P24x (approx. €31m)
- + Adjustment P24x RST (approx. €20m)
- + Special effects previous year (approx. €49m)



- The earnings situation developed more positively in the reporting period despite special effects in the previous year (approx. € 49m) and a 3.0 % increase in turnover. Sequentially there was a further improvement in the operating result.
- Despite less short-time working and a one-off gain in the previous year Koenig & Bauer succeeded in replacing the savings effects from the use of short-time working in the previous year with long-term and sustainable measures within the framework of P24x, in addition to the adjustment of P24x provisions, a positive volume and mix effect and further cost savings from P24x.
- This improved the EBIT margin from -9.7% to 2.1% after 9 months 2021.

2. Figures 9 months 2021.

Group income statement.

€m	9M 2020 ¹	in % ²	9M 2021	in % ²	Δ in%
Revenue	764.5		787.4		3.0
Cost of sales	-634.8	-83.0	-572.9	-72.8	9.8
Gross profit	129.7	17.0	214.5	27.2	65.4
Research and development costs	-31.0	-4.1	-33.2	-4.2	-7.1
Distribution costs	-95.3	-12.5	-92.7	-11.8	2.7
Administrative expenses	-82.3	-10.8	-71.3	-9.1	13.4
Other income ./ expenses	4.8	0.6	-0.6	-0.1	-112.5
Earnings before interest and taxes (EBIT)	-74.1	-9.7	16.7	2.1	122.5
Interest result	-3.7	-0.5	-7.9	-1.0	-113.5
Earnings before taxes (EBT)	-77.8	-10.2	8.8	1.1	111.3
Income tax	-9.1	-1.2	-3.3	-0.4	63.7
Net profit/less	-86.9	-11.4	5.5	0.7	106.3

- In the first nine months, **revenues** increased by € 22.9m compared to the same period of the previous year; they also increased sequentially in the reporting period. In Q3 YOY by 18.2%.
- Despite the pandemic, a negative volume and product mix as well as less short-time work, the **gross profit** increased by € 84.8m compared to the previous year, also as a result of the lower cost of sales. Accordingly, the gross margin was 27.2 % (previous year 17.0 %).
- **R&D expenses** were slightly above the previous year at € 33.2m.
- Reduction in **selling and administrative expenses**.
- **Balance of sE and sA** was € -0.6m, after € 4.8m in the previous year.
- **EBIT** improved by €90.8m as of 30 Sept 21 despite volume and margin effect and less short-time work as well as special income in the previous year - mainly due to the adjustment of the restructuring provision as well as savings effects from the efficiency programme P24x & reduced functional costs. **EBIT margin** improves from -9.7% to 2.1%. Q3: EBIT €10.3m (-€54.3m) with 3.5% EBIT margin (-21.8%)
- **Interest result** of € -7.9m above the previous year's level.
- **EBT** of € 8.8m improved by € 86.6m compared to the previous year.
- Declining tax expenditure after nine months.
- **Consolidated net income** improves by € 92.4m in the nine months and corresponds to pro rata earnings per share of € 0.31 (previous year: € -5.28).

2. Figures 9 months 2021.

Group cash flow statement.

€m	9M 2020 ¹	9M 2021
Earnings before taxes	-77.8	8.8
Non-cash transactions	24.9	32.9
Gross cash flow	-52.9	41.7
Changes in inventories, receivables, other assets	36.4	-25.0
Changes in provisions and payables	-31.3	16.6
Cash flows from operating activities	-47.8	33.3
Cash flows from investing activities	-14.3	-19.0
Free cash flow	-62.1	14.3
Cashflow from financing activities	-10.3	-60.5
Change in funds	-72.4	-46.2
Effect of changes in exchange rates	-2.7	3.0
Funds at beginning of period	191.0	137.8
Funds at end of period	115.9	94.6

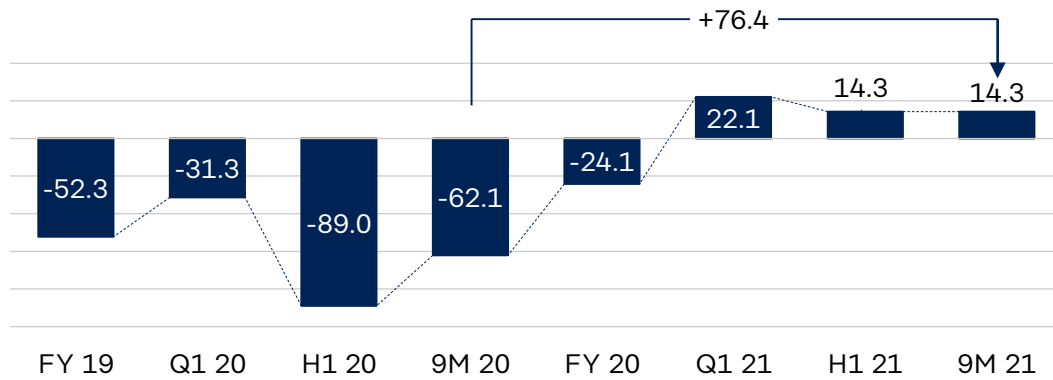
- **Gross cash flow** improved from € -52.9m to € 41.7m in the first nine months of the year.
- **Cash flow from operating activities** improved significantly by € 81.1m from € -47.8m in the previous year to € 33.3m in the reporting period.
- **Cash flow from investing activities** fell slightly to € -19.0m (30.09.2020: € -14.3m).
- **Free cash flow** also improved significantly from € -62.1m in the previous year to € 14.3m. The reduction in net working capital from € 344.0m as at 31 December 2020 to € 329.1m as at 30 September 2021 contributed significantly to the increase of € 76.4m.
- **Financing activities** resulted in a cash flow of € -60.5m due to the partial repayment of the syndicated loan in the amount of € 56.0m.
- At the end of September 2021, **cash and cash equivalents** amounted to €94.6m (31.12.2020: €137.8m) and there were more than €250m in freely available liquid funds.
- After deducting bank liabilities of € 132.3m, **net financial debt** improved significantly by € 40.2m to € -37.7m (previous year: € -77.9m).

2. Figures 9 months 2021.

Financial and asset position.

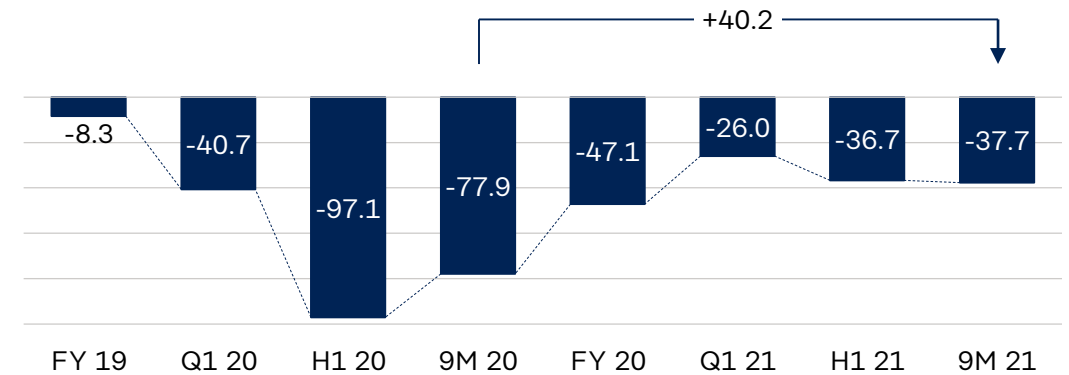
Free cash flow

€m



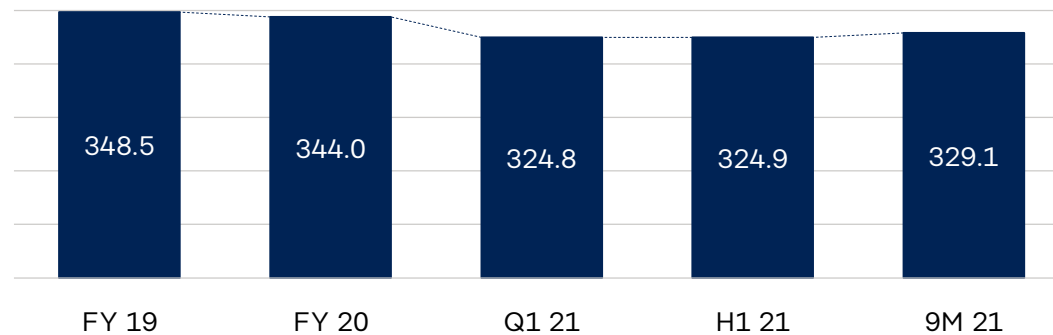
Net financial position

€m



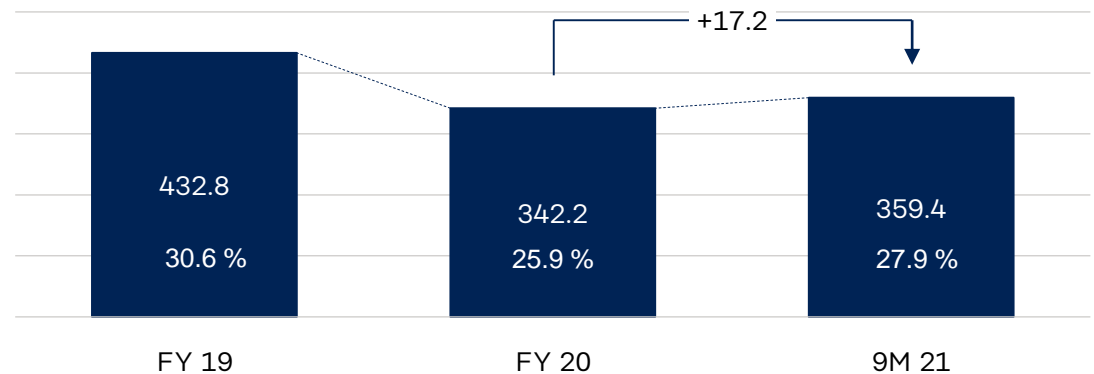
Net Working Capital

€m



Equity and equity ratio

€m / %



2. Figures 9 months 2021.

Group balance sheet.

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

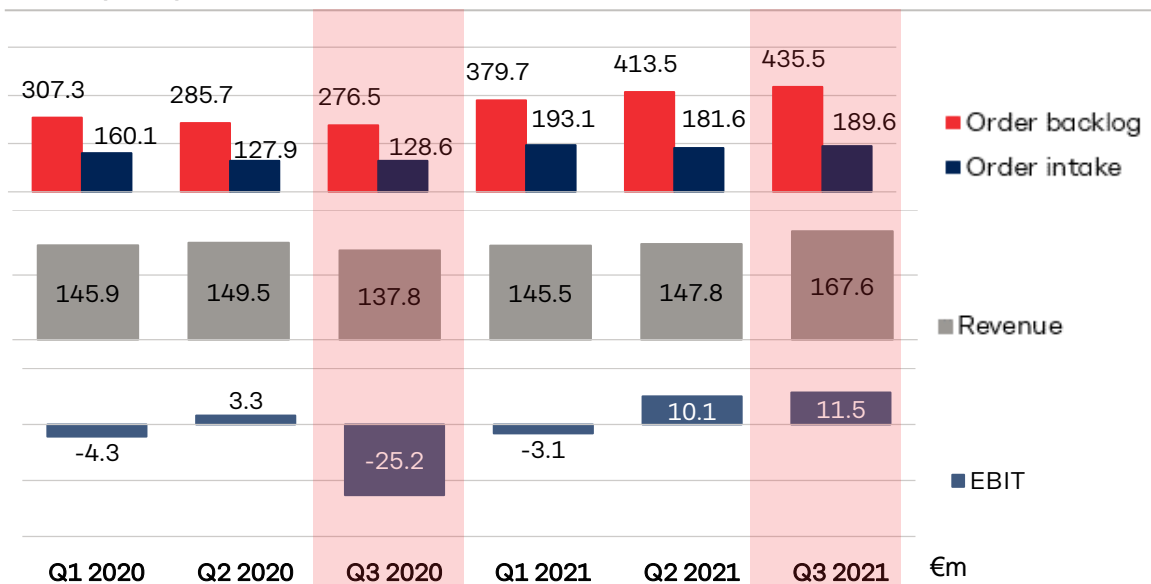
Equity and liabilities in €m	31.12.2020	30.09.2021
Equity		
<u>Share capital</u>	43.0	43.0
<u>Share premium</u>	87.5	87.5
<u>Reserves</u>	210.3	227.7
<u>Equity attrib. to non-controlling interests</u>	1.4	1.2
	342.2	359.4
Non-current liabilities		
<u>Pension provisions</u>	165.6	145.4
<u>Other provisions</u>	40.3	40.6
<u>Bank loans/other financial payables</u>	169.6	148.0
<u>Other liabilities</u>	9.9	10.0
<u>Deferred tax liabilities</u>	68.6	68.2
	454.0	412.2
Current liabilities		
<u>Other provisions</u>	124.8	102.0
<u>Trade payables</u>	59.2	53.5
<u>Bank loans/other financial payables</u>	111.3	95.0
<u>Other liabilities</u>	229.6	268.2
	524.9	518.7
	1,321.1	1,290.3

1. In the quarter under review, € 19.3m (30.09.2020: € 27.3m) was invested in **property, plant and equipment and intangible assets** for construction and IT projects.
2. The consolidated net income of € 5.5m contributed significantly to the increase in **equity** from € 342.2m as at 31.12.2020 to € 359.4m. The equity ratio rose to 27.9% (31.12.2020: 25.9%).
3. In total, **current and non-current liabilities** decreased by €48.0m in 9M 2021, to which the repayment of the syndicated loan of €56.0m contributed significantly. **Pension provisions** decreased by €20.2m. The decrease in other provisions by € 22.5m, especially due to the partial adjustment of the **restructuring provision** for P24x by around € 20m, was largely compensated by an increase in other financial obligations.
4. **Pension provisions** decreased due to the increase in the discount rate for domestic pensions from 0.9% as at 31 Dec 2020 to 1.6% as at 30 Sept 2021.

3. Segmentreport.

Sheetfed.

€m	9M 2020 ¹	in % ²	9M 2021	in % ²	Δ in %
Order backlog	276.5		435.5		+57.5
Order intake	416.6		564.3		+35.5
Revenue	433.2		460.9		+6.4
Earnings before interest and taxes (EBIT)	-26.2*	-6.0	18.5	4.0	+170.6

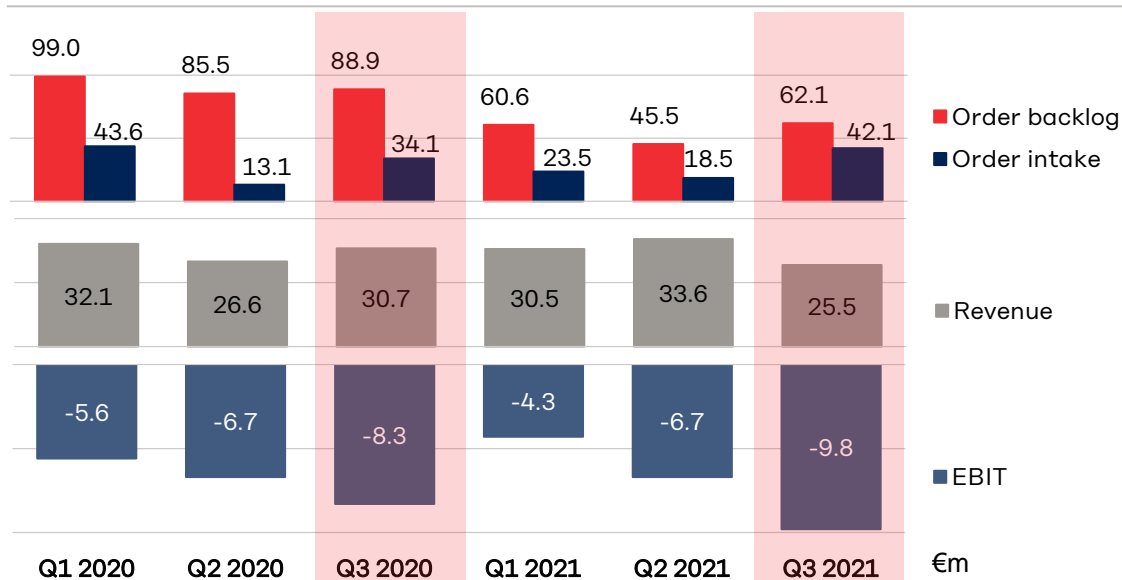


- Historically high **order backlog** at 57.5 % above the previous year - provides an excellent starting point. Corresponds to a book-to-bill ratio of 1.22 after 0.96 in the previous year.
- Another strong **order intake** - thanks to growth in sheetfed offset presses and parts of the post-press family. The bulk of orders are attributable to the fast-growing and more pandemic-resistant packaging printing market (folding cartons and labels). The 47.4% increase in Q3 21 compared to Q3 20 exceeds the positive industry trend for June - August of 39.8% for printing presses according to VDMA.
- Revenue** in Q3 21 were up 21.6% on Q3 20, well above the positive industry trend for June - August of 7.9% according to the VDMA.
- EBIT** improved in Q3 by €36.7m to €11.5m (€-25.2m). The adjustment of the restructuring provision for P24x had a positive impact on EBIT of €7.2m in Q2.
*The previous year's figure includes provisions for P24x of -€22.6m.
The **EBIT margin** was 6.9% in Q3 21 (Q3 20: -18.3%).

3. Segmentreport.

Digital & Webfed.

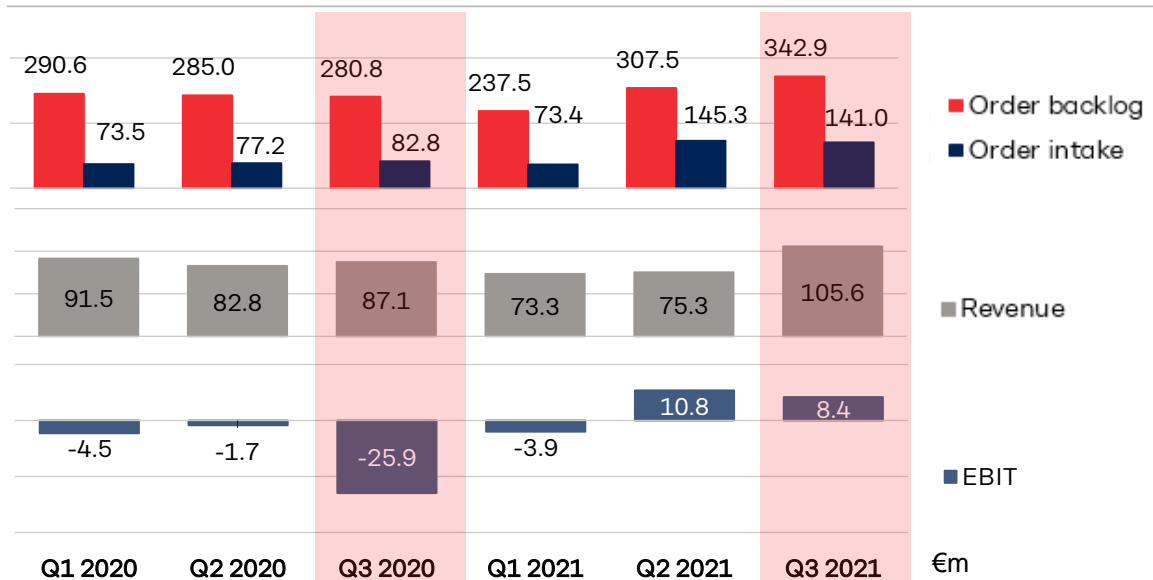
€m	9M 2020 ¹	in % ²	9M 2021	in % ²	Δ in %
Order backlog	88.9		62.1		-30.1
Order intake	90.8		84.1		-7.4
Revenue	89.4		89.6		+0.2
Earnings before interest and taxes (EBIT)	-20.6*	-23.0	-20.8	-23.2	-1.0



- The **order backlog** decreased by 30.1 % from € 88.9m in the previous year to € 62.1m as of 30.09.21.
- In contrast, **order intake** in Q3 21 increased both compared to Q3 20 (+23.5 %) and sequentially to € 42.1m. This was due to growth in corrugated printing despite continued pandemic-related investment restraint.
- **Revenue** in Q3 21 declined by 16.9% compared to Q3 20 and also failed to improve sequentially.
- **EBIT** fell accordingly to -€9.8m in Q3 21 from -€8.3m in Q3 20. The adjustment of the restructuring provision for P24x had a negative impact of € 1.5m on EBIT in Q2.
*The previous year's figure includes provisions for P24x of -€6.9m.
The **EBIT margin** in Q3 21 was -38.4% (Q3 20: -27.0%).

3. Segmentreport. Special.

€m	9M 2020 ¹	in % ²	9M 2021	in % ²	Δ in %
Order backlog	280.8		342.9		+22.1
Order intake	233.5		359.7		+54.0
Revenue	261.4		254.2		-2.8
Earnings before interest and taxes (EBIT)	-32.1	-12.3	15.3	+6.0	+147.7

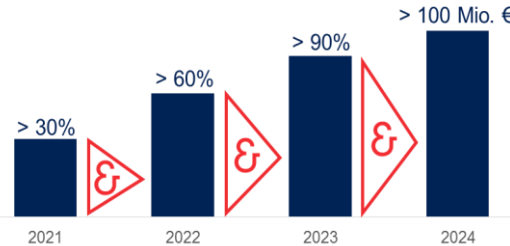


- The **order backlog** increased significantly by 22.1% to €342.9m as of 30 September 2021 (previous year: €280.8m).
- **Order intake** increased by 70.3% in Q3 compared to Q3 20, matching the equally strong previous quarter's level. All areas of the segment contributed to this increase, benefiting most from the positive securities business.
- **Revenue** in Q3 21 was 21.2% higher than Q3 and also registered a significant increase compared to Q1 and Q2 21.
- **EBIT** improved by €34.3m in Q3 21 compared to Q3 20. The adjustment of the restructuring provision for P24x positively impacted Q2 EBIT by €16.0m. *The previous year's figure includes provisions for P24x of -€25.6m and one-off income from litigation of € 4.2m. The **EBIT margin** in Q3 21 was 8.0% (Q3 20: -29.7%).

4. P24x efficiency programme.

After 9 months 2021 „on track“.

- The savings effects from P24x had a positive impact of around € 31m on the Group's earnings development in the first nine months of 2021. This means that the gross savings target of > 30% for 2021 was already achieved after nine months.
- The savings effects from the use of short-time work in the previous year were successfully replaced by long-term and sustainable measures within the framework of P24x.



Highlights of the efficiency programme:

- // Change of the supply chain organisation by adapting Group-wide structures, processes of procurement and production in one organisation as well as innovative approaches to parts and component optimisation. ✓
- // Cost reduction of administration with further bundling of tasks as shared services, adaptation of sales and service structures ✓
- // Optimisation of the production and assembly plants including Group-internal bundling, relocation and realignment of production and assembly. ✓

P24x Workstreams Installation stand:

~60%

on track



of the **measures** will be installed in **2021**, with full annual effect in 2022.

~30%

to do in 2022

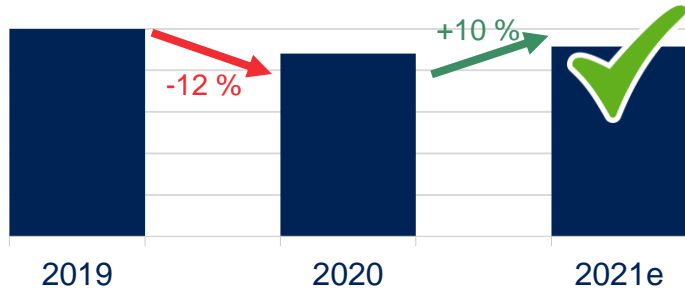
of the **measures** will be installed in **2022**, with full annual effect in 2023.

5. Market Outlook & Forecast.

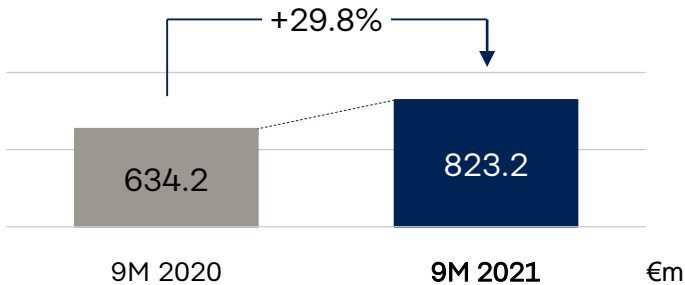
Forecast for 2021 and medium-term targets confirmed.

VDMA Forecast

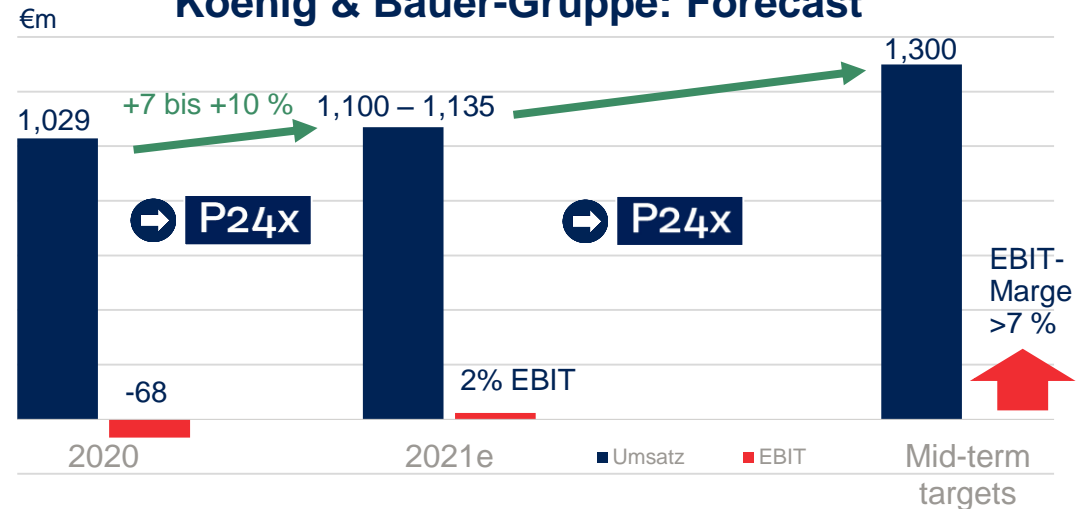
Production in mechanical and plant engineering



Order backlog - solid basis



Koenig & Bauer-Gruppe: Forecast



>> This forecast is based on the assumption that there are no further setbacks or tightened restrictions compared to the current status in the fight against the pandemic. Supply bottlenecks and the associated increase in material prices continue to be a burden. The strong order intake and order backlog are considered a solid basis for the financial year under the current conditions. The one-off income due to the more efficient implementation of the personnel measures ~€20m, will relieve the Group result and free cash flow accordingly and was not included in the forecast for 2021.

>> Medium-term targets of €1.3 billion turnover and an EBIT margin of at least 7% confirmed.

Koenig & Bauer – Key messages.



- Fundamentally intact end markets with varying growth opportunities; especially the growing packaging market is showing great stability in the Covid pandemic and beyond.
- Historically high order backlog and order intake – especially from Sheetfed and Special are a good starting point for the future.
First recovery tendencies in order intake due to growth in corrugated printing.
- Sales with 3.0 % YOY above previous year's figures for the first time in 2021.
- Further improvement in operating result after 9 months achieved, EBIT margin rises from -9.7 % to 2.1 %.
- P24x "on track" - around 60% of the planned measures will be implemented in 2021, which had a positive impact on earnings development.
- Forecast for 2021: 2 % EBIT margin on sales of € 1,100 - 1,135m and medium-term targets confirmed.

KOENIG & BAUER

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 – Financial calendar

30 March 2022



Publication of annual financial statements for 2021

5 May 2022



Statement on the 1st quarter of 2022

24 May 2022



Koenig & Bauer Annual General Meeting

29 July 2022



Report on the 2nd quarter of 2022

8 Nov. 2022



Statement on the 3rd quarter of 2022



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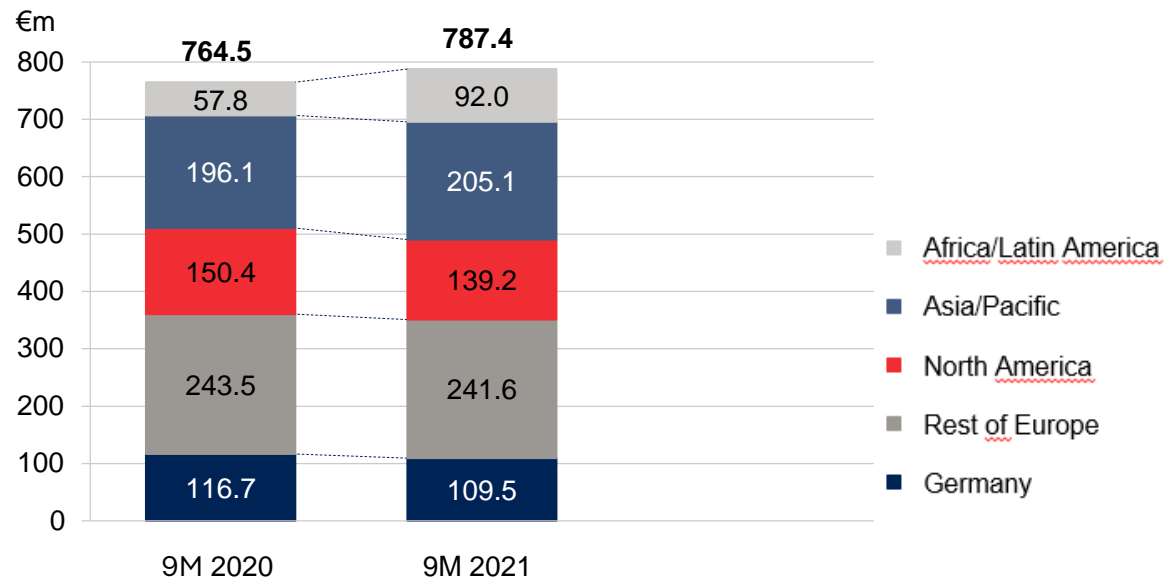
Backup.



3. Regionalreport.

Group.

Sales by Region 01.01. - 30.09.



- The **group export ratio** rose from 84.7 % to 86.1 %.
- The share of **Latin America and Africa** increased significantly to **11.7 %** (previous year: 7.6 %) and the share of **Asia and the Pacific** rose to 26.0 % (previous year: 25.6 %).
- The turnover shares in **Germany with 13.9 %**, in other **European countries with 30.7 %**, and in **North America with 17.7 %** were respectively below their **previous year's values of 15.3 %, 31.8 % and 19.7 %**.

3. Segmentreport.

Group reconciliation.

€m	9M 2020 ¹		9M 2021		Δ in %
Order backlog	-12.0		-17.3		-44.2
Order intake	-28.1		-29.5		-5.0
Revenue	-19.5		-17.3		+11.3
Earnings before interest and taxes (EBIT)	4.8		3.7		-22.9

€m	Q3 2020 ¹		Q3 2021		Δ in %
Order backlog	-12.0		-17.3		-44.2
Order intake	-12.9		-9.4		27.1
Revenue	-6.8		-4.5		33.8
Earnings before interest and taxes (EBIT)	5.1		0.2		-96.1

- The adjustment of the restructuring provision for P24x had a negative impact of € 0.4m on EBIT in Q2. *The previous year's figure includes the property sale in Frankenthal of € 4.8m and provisions for P24x of € -2.5m.