

KOENIG & BAUER



NOT ONLY THIS
COVER IS UNIQUE



we're on it.

FJ 2022

Dr Andreas Pleßke, CEO
Dr Stephen Kimmich, CFO

29 March 2023

Metamor[e]phosis

Koenig & Bauer at a Glance.

1. Business Performance at a glance & target – actual comparison.



- Koenig & Bauer in 2022 with significantly increased profitability
- Strong second half driven by P24x and more efficient management of supply chain and capacity challenges

2. Full-year Figures 2022.



- With revenues of €1,186m, the forecast range of €1,160 - 1,190m was reached at the upper end
- EBIT of €22.0m exceeded the own forecast of €15 - 20m and the market expectations

3. Segments.



- Digital & Webfed with significant result improvement
- Sheetfed and Special continue on profitable growth path
- Order intake at €1.3bn was at the expected level. The book-to-bill ratio in Q4 of 0.8 was also in line with our own planning

4. P24x efficiency programme & Strategy „Exceeding Print“.



- P24x "on track" - The savings effects of around €92m from the P24x efficiency programme had a positive impact.

5. Outlook & Key messages.



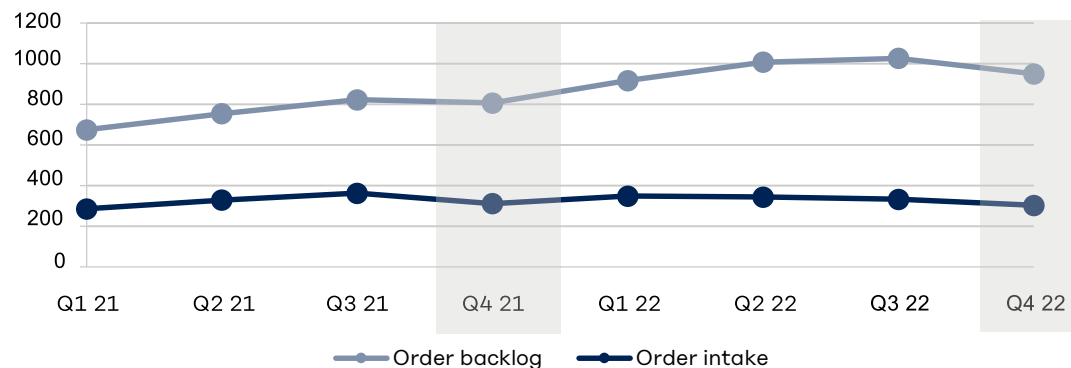
- Forecast 2023: Group revenues of € 1.3bn with an EBIT margin of around 3 %; medium-term planning envisages revenues of €1.8bn with an EBIT margin of 8-9 % - already in 2025, revenues of €1.5bn and an EBIT margin of 6-7 % are to be achieved.

1. Business Performance at a Glance.

Full-Year Figures 2022 from a quarterly perspective and Target-Actual Comparison.

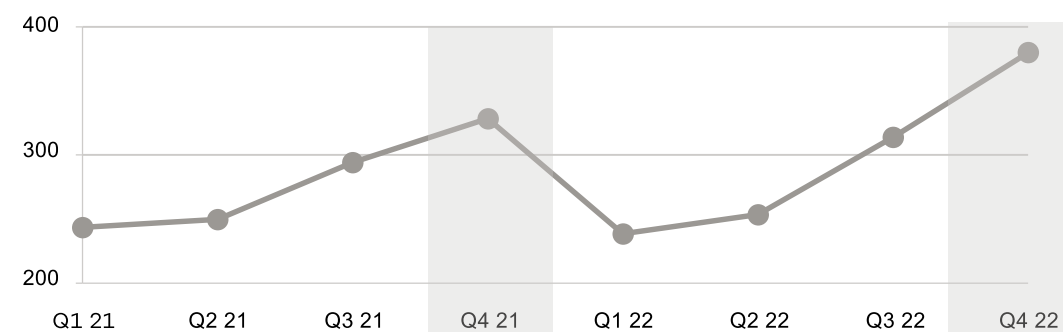
Order Backlog and Order Intake

€m



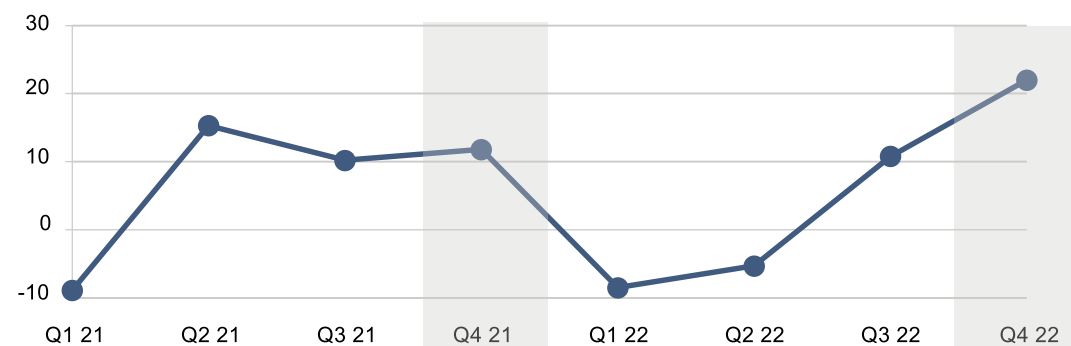
Revenue

€m



EBIT

€m



Target-Actual-Comparison

€m

	Target	Actual
Revenue	1.160 - 1.190	1.186
EBIT	15 – 20	22

1. Business Performance at a Glance.

Added value at the Brandowner: Limited Edition through digital printing by Kammann.

de.louisvuitton.com/deu-de/geschichten/lvparfumsxyayoi kusama

Bereiten Sie Ihren Liebsten zu Ostern eine Freude und entdecken Sie exklusive Geschenke für Damen [hier](#) und für Herren [hier](#).

Menu Suche

LOUIS VUITTON

// The collaboration between Louis Vuitton and Yayoi Kusama sees the Maison's iconic perfume bottles reinterpreted with the artist's signature motifs.

LES PARFUMS LOUIS VUITTON X YAYOI KUSAMA

Attrape-Rêves

Attrape-Rêves

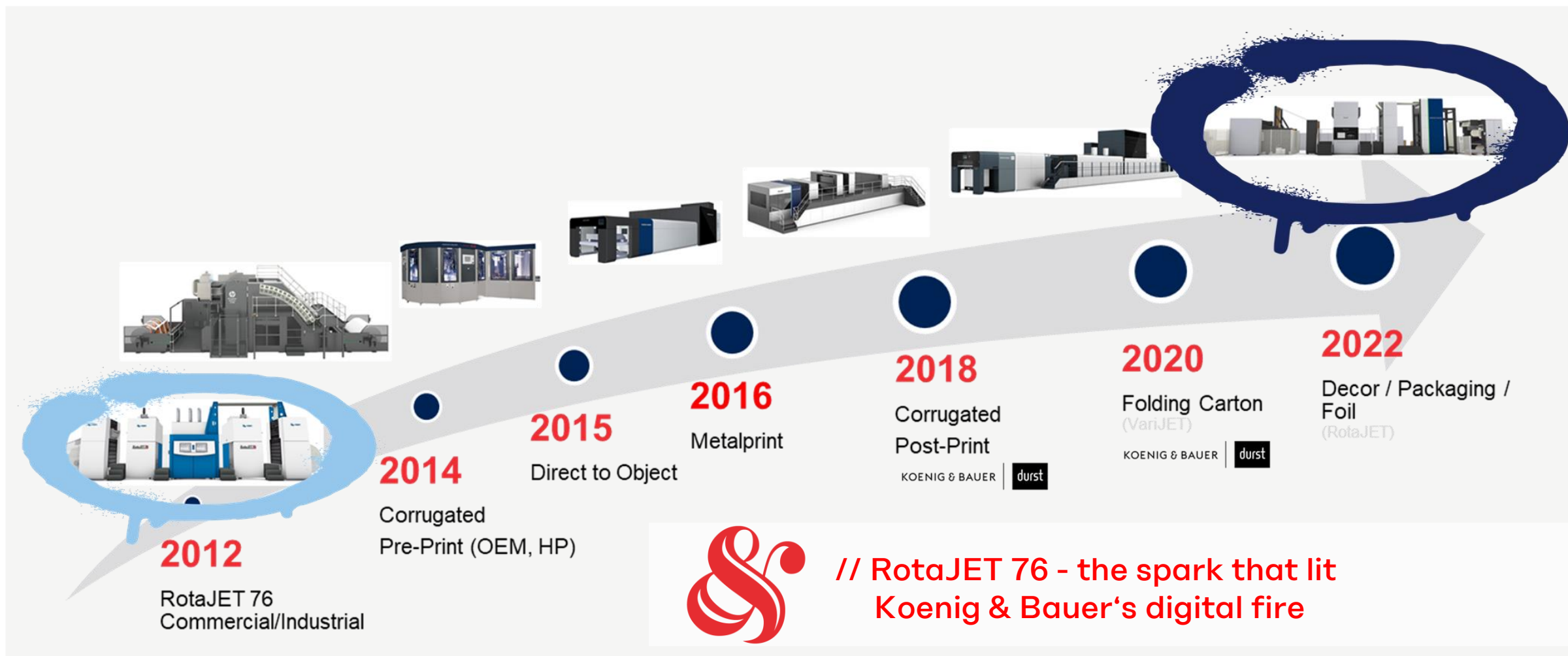
LV x YK Attrape-Rêves
320,00€

Attrape-Rêves
260,00€

KOENIG & BAUER

1. Business Performance at a Glance.

The Koenig & Bauer roadmap of industrial digital printing.



1. Business Performance at a Glance.

Industrial Digital Printing – RotaJET.

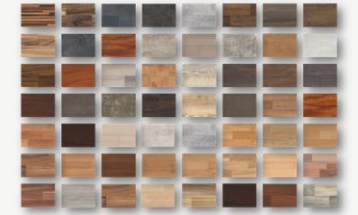


1

Industrial
Digital Decor
Printing



Yesterday



TODAY

2

Industrial
Digital
Printing for:



// Breakthrough achieved:
Versatility of the
RotaJET high-
performance digital
press also arrived in the
packaging market.

// The world's most unique industrial
digital printing press has produced
the 2,500 UNIQUE covers
of the AR Summary.





RotaJET L

Job-Auswahl

Job-ID: fl19220601549

02.06.2022, 15:54 Uhr

Name des Dokuments: Testdruck123.pdf

Dokumentlänge: 1299.97 mm

Dokumentbreite: 2099.99 mm

Auflösung: 1200 x 600 dpi

Kennzahlen

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Fortdruckzeit	00:54:17	Hilfszeit	00:00:00
Abrüstzeit	00:20:21		

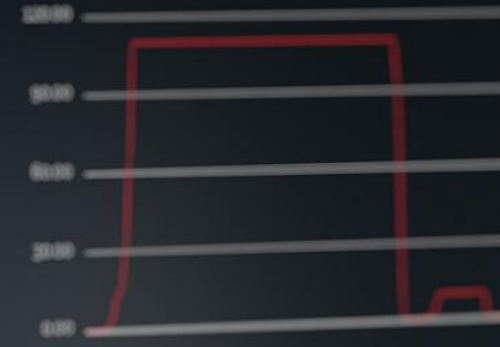
Verbrauch

geplante Auflage 1299971 m Strom 4.4 kWh

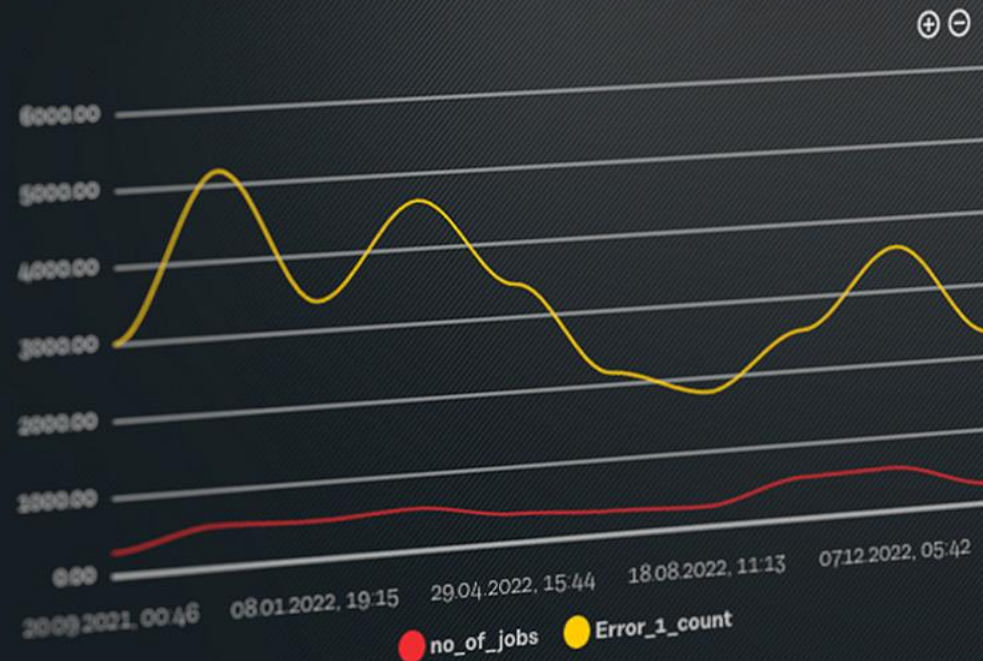
Schichtmittel 597 l

Cyan	Magenta	Yellow	Black
0.218l	18.28l	13.899l	9.232l

Geschwindigkeit



Graph



Meldungen

Ab aktuellem Zeitpunkt

Ab gewähltem Job

Ergebnisse 10

Filter

Eingegangen: 02.06.2022, 06:39 Uhr

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Fehler Sensor Safety Kommunikationsbaustein (1.045.9042)

Eingegangen: 02.06.2022, 04:40 Uhr

Druckaggregat.1.Druckmodul.2

Bremsenfest ist aktiv (3.034.3410)

Eingegangen: 02.06.2022, 04:40 Uhr

Druckaggregat.1.Druckmodul.4

Bremsenfest ist aktiv (3.034.3410)

Eingegangen: 02.06.2022, 04:40 Uhr

Druckaggregat.1.Druckmodul.3

Bremsenfest ist aktiv (3.034.3410)



// RotaJET now with new digitale features:

KOENIG & BAUER

Efficiency management on a whole new level

Analytics

Make the performance of your press visible on a multi-dimensional basis. With the Koenig & Bauer Analytics Tool you can reach the next level of efficiency.



1. Business Performance at a Glance.

Growth area corrugated board: New features from Koenig & Bauer | Celmacch.



// Chroma 2S technology for Chroma High Tech and Chroma Smart series combines double-sided printing on corrugated board in one pass



// Unique high-board line solution for internal and external printing

// First press successfully tested at Koenig & Bauer plant

// Technology available for flexo presses and rotary die-cutters

// Modular design for easy retrofitting

// Chroma 2S technology opens up new market segments

1. Business Performance at a Glance.

Growth area corrugated board: New features from Koenig & Bauer | Celmacch.

// The global e-commerce packaging market is estimated to grow at 9.8% CAGR until 2027. Corrugated boxes are expected to continue to grow the fastest, increasing their share of the global total to 82.4%.



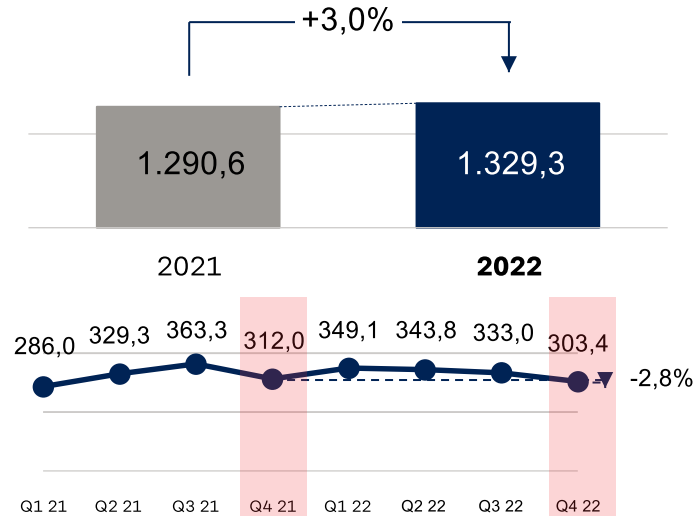
// Printing on both sides in a single pass has completely changed the carton industry - and corrugated packaging in particular. It has become important for packaging manufacturers to be able to print quickly and cost-effectively, even inside the box.

// This makes it possible to achieve a "wow-effect" when unpacking [un:boxing] or simply print instructions and instructions for use directly on the inside.

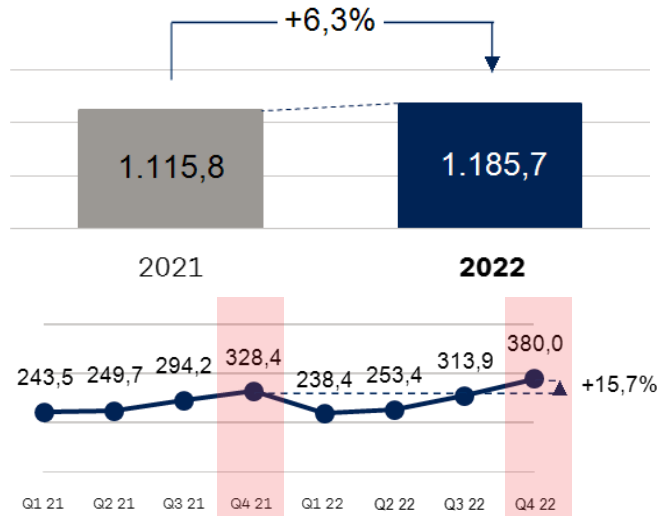
2. Full-Year Figures 2022.

Business Performance in the Group.

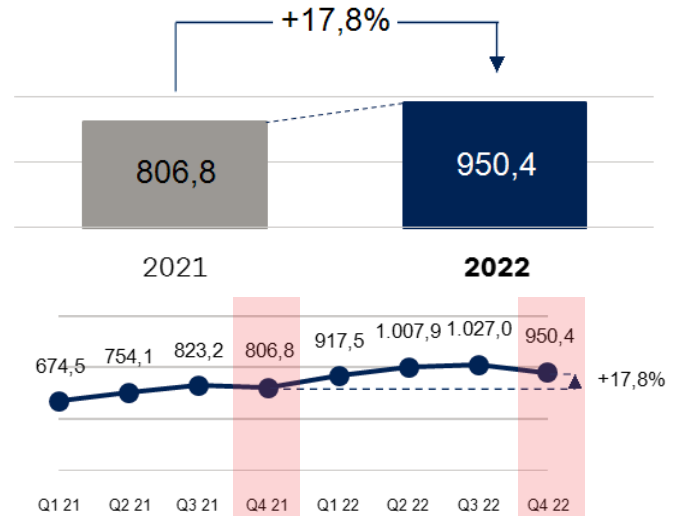
Order Intake 01.01. - 31.12. €m



Revenue 01.01. - 31.12. €m



Order Backlog 31.12. €m

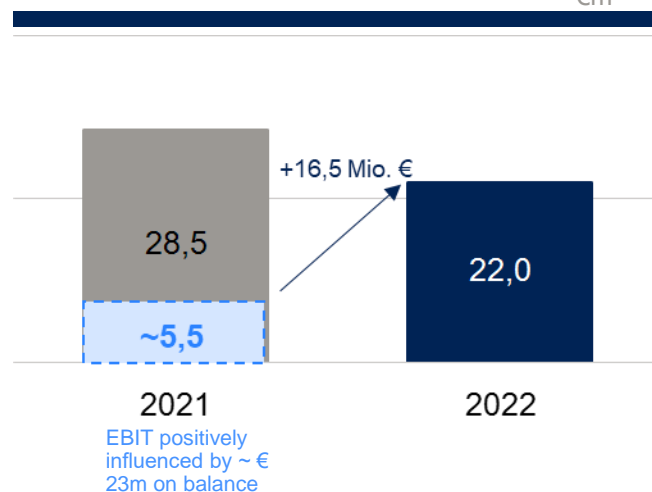


- As of 31 December, accumulated order intake exceeded the already good previous year's value by 3.0%; sequentially, there was a return to a robust order intake level.
- The cumulative Group turnover increased by 6.3% compared to the previous year. The sequential recovery in the current year continued in Q4; the previous year's quarterly value was also exceeded by 15.7%.
- The order backlog increased by 17.8% compared to 31 December 2021. The strong Q4 2022 also shows the decline from historical highs.

2. Full-Year Figures 2022.

Business Performance in the Group.

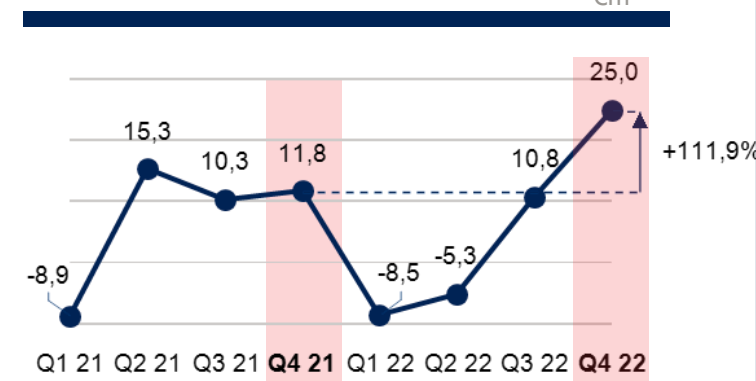
EBIT 01.01. - 31.12. €m



EBIT Bridge

+	Volume and mix effect (~€19m)
+	P24x Savings (~€30m)
+	Price Increases (~€21m)
-	Material and energy taxation (~€31m)
-	Short-time work previous year (~€8m)
-	Other Effects (~€14m)

EBIT 01.01. - 31.12. €m



- In total, EBIT improved by €16.5m, which corresponds to an EBIT margin of 1.9% after 0.5% in the previous year. The increased profitability is mainly due to more efficient management of supply and capacity challenges and stronger implementation of the P24x programme, especially in the second half of the year.
- Sequential profit improvement reached its highest level with a strong fourth quarter, doubling compared to the same quarter last year.
- Savings effects of around €92m from the P24x efficiency programme had a positive impact.

2. Full-year figures 2022.

Group income statement.

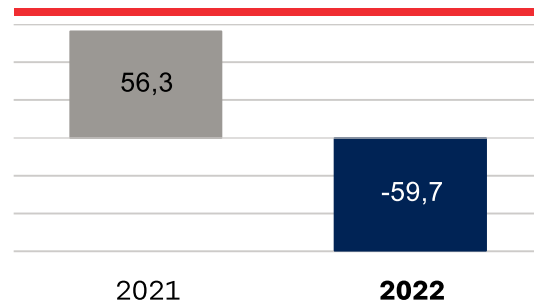
€m	2021	in % ¹	2022	in % ¹	Δ in %
Revenue	1,115.8		1,185.7		6.3
Cost of sales	-817.7	-73.3	-868.3	-73.2	-6.2
Gross profit	298.1	26.7	317.4	26.8	6.5
Research and development costs	-46.7	-4.2	-54.2	-4.6	-16.1
Distribution costs	-131.1	-11.7	-147.3	-12.4	-12.4
Administrative costs	-88.4	-7.9	-92.8	-7.8	-5.0
Other income ./ expenses ./ Financial result	-3.4	-0.3	-1.1	-0.1	67.6
Earnings before interest and taxes (EBIT)	28.5	2.6	22.0	1.9	-22.8
Interest results	-9.5	-0.9	-8.8	-0.7	7.4
Earnings before taxes (EBT)	19.0	1.7	13.2	1.1	-30.5
Income tax expense	-4.5	-0.4	-2.1	-0.2	53.3
Net profit	14.5	1.3	11.1	0.9	-23.4

- **Revenue** increased by €69.9m compared to the same period of the previous year and also increased sequentially in the reporting period. In Q4 YOY by 15.7%
- **Gross profit** was €317.4m (PY: €298.1m) despite the increase in cost of sales. Gross margin also increased slightly due to P24x to 26.8% (PY : 26.7%).
- **R&D expenses** of €54.2m were above the level of the previous year, mainly due to higher amortization of development costs.
- **Distribution costs** increased in particular due to the rise in freight costs and due to the increase in travel and advertising expenses; **administrative costs** increased by €4.4m due to the increase in depreciation and amortization within the Group and due to higher personnel expenses.
- **The balance of ol and oE** amounted to €-0.6m, compared with €-4.4m in the previous year. Among other things, this was due to foreign currency valuations.
- **EBIT** improved by €16.5m, corresponding to an EBIT margin of 1.9% compared to 0.5% in the previous year, as the previous year's figure was positively impacted by the adjustment of P24x provisions of around €23m.
- **Net interest expense** of €-8.8m above the previous year's level.
- **EBT** of €13.2m decreased by €5.8m compared to previous year.
- After taxes on income, **consolidated net profit** for the financial year 2022 amounted to €11.1m (PY : €14.5m). This corresponds to pro rata earnings per share of €0.63 (PY : €0.83).

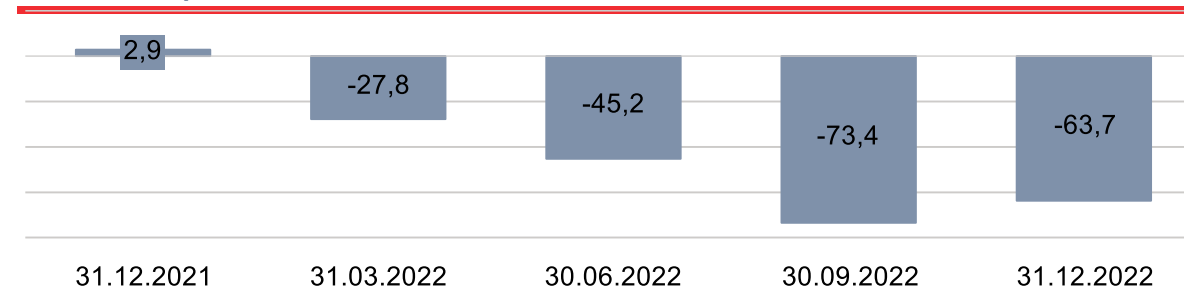
2. Full-year figures 2022.

Financial and asset position.

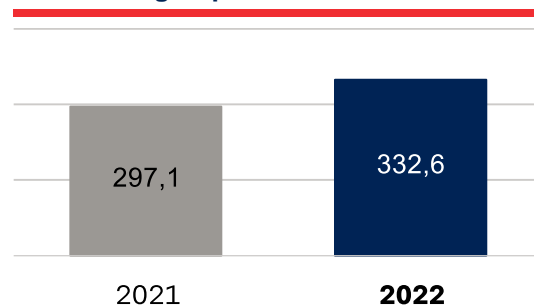
Free cash flow 01.01. - 31.12. €m



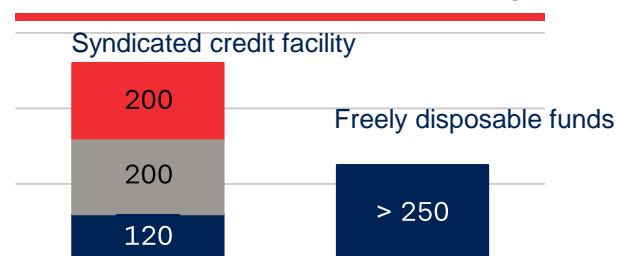
Net financial position



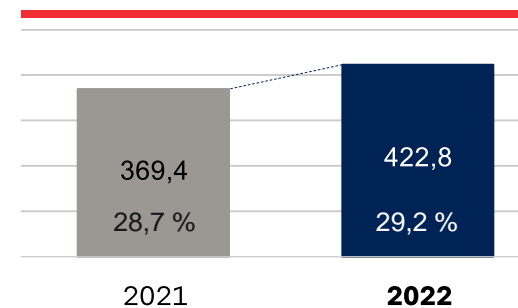
Net Working Capital 01.01. - 31.12. €m



Financial instruments
as of 31. December



Equity as of 31. December



Development of net financial position in 2022 mainly characterized by:

- Working capital: in particular by building up inventories of raw materials to avoid supply bottlenecks.
- Investments made, mainly to adapt infrastructure to gas and energy developments, and
- Acquisition of shares in Celmach

Gearing (ratio of net debt to equity) of -15.1%, compared with 0.8% in the prior-year period.

2. Full-year figures 2022.

Group cash flow statement.

€m	2021	2022
Earnings before taxes	19.0	13.2
Non-cash transactions	41.7	44.7
Gross cash flow	60.7	57.9
Changes in inventories, receivables, other assets	24.7	-129.9
Change in provisions and payables incl. interest and income tax payments/refunds	9.6	77.4
Cash flows from operating activities	95.0	5.4
Cash flows from investing activities	-38.7	-65.1
Free cash flow	56.3	-59.7
Cash flow from financing activities	-68.4	59.4
Change in funds	-12.1	-0.3
Effect of changes in exchange rates	3.8	3.0
Funds at beginning of period	137.8	129.5
Funds at end of period	129.5	132.2

- **Gross cash flow** was almost at the level of the previous year.
- **Cash flow from operating activities** decreased from €95.0m in the previous year to €5.4m in the reporting period, mainly as a result of the increase in inventories and trade accounts receivable. This was countered by the increase in advance payments received.
- **Cash flow from investing activities**, which also includes the acquisition of shares in Celmach, decreased accordingly from €-38.7m in the previous year to €-65.1m in the reporting year.
- **Free cash flow** amounted to €-59.7m. In addition to the increase in investing activities, the decrease of €116.0m was mainly due to the decline in operating cash flow as a result of net working capital.
- **Financing activities** resulted in a cash flow of €59.4m (previous year: €-68.4m). In the previous year, the partial repayment of the syndicated loan was significantly higher at around €60m than in the reporting period at around €6m.
- **Cash and cash equivalents** of €132.2m were available at the end of December 2022 (previous year: €129.5m).
- After deducting liabilities to banks of €195.9m, the **net financial position** was €-63.7m (previous year: €2.9m).

2. Full-year figures 2022.

Group balance sheet.

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

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

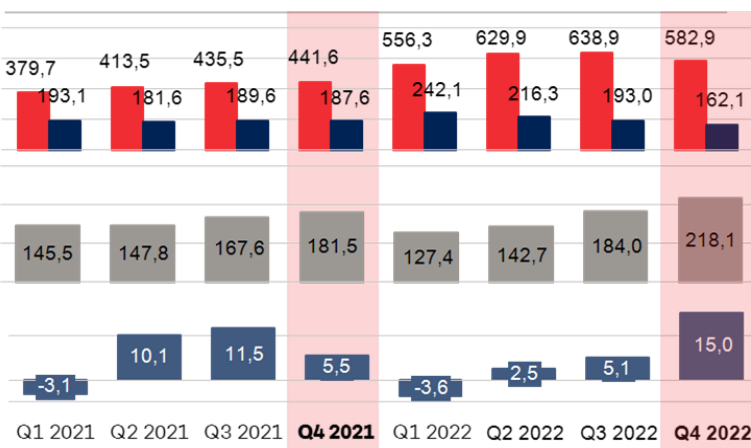
1. In the reporting period, €49.8m (previous year: €36.5m) was invested in **property, plant and equipment and intangible assets** for construction and IT projects. The investment volume includes capitalized development costs of €5.1m (previous year: €5.5m). Capital expenditure was offset by depreciation and amortization amounting to €40.0m (previous year: €37.9m).
2. **Current assets** increased due to the rise in inventories & due to cost increases on the procurement markets as well as increased stockpiling due to global supply bottlenecks and material shortages.
3. The increase in the discount rate for domestic pensions and the positive consolidated earnings made a major contribution to the rise in **equity** to €422.8m, with the **equity ratio** rising accordingly to 29.2% (previous year: 28.7%). **Pension provisions** decreased due to the increase in the discount rate for domestic pensions from 1.5% as of December 31, 2021 to 3.9% as of December 31, 2022.
4. **Non-current liabilities** decreased by €26.0m. In total, current liabilities increased by €133.1m.

3. Segment report.

Sheetfed

€m

in €m	2021	in % ¹	2022	in % ¹	Δ in %
Order backlog	441.6		582.9		+32.0
Order intake	751.9		813.5		+8.2
Revenue	642.4		672.2		+4.6
Earnings before interest and taxes (EBIT)	24.0	3.7	19.0	2.8	-20.8
Non-recurring effects	8.9		-		
EBIT after nrE	15.1	2.4	19.0	2.8	+25.8

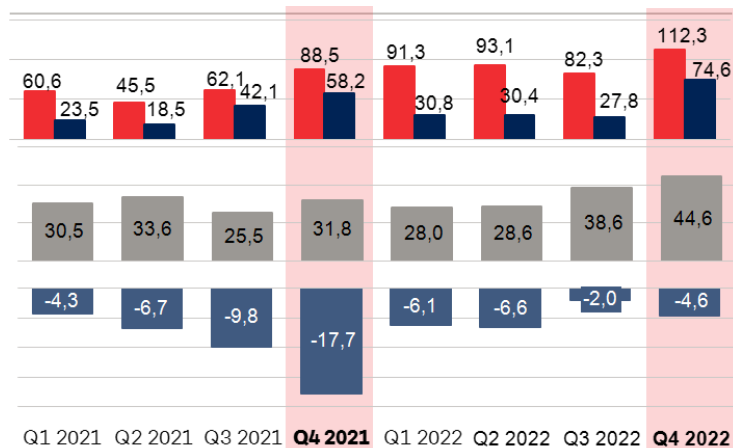


Order backlog Order intake Revenue EBIT

Digital & Webfed

€m

in €m	2021	in % ¹	2022	in % ¹	Δ in %
Order backlog	88.5		112.3		+26.9
Order intake	142.3		163.6		+15.0
Revenue	121.4		139.8		+15.2
Earnings before interest and taxes (EBIT)	-38.5	-31.7	-19.3	-13.8	+49.9
Non-recurring effects	-6.0		-		
EBIT after nrE	-32.5	-26.8	-19.3	-13.8	+40.6

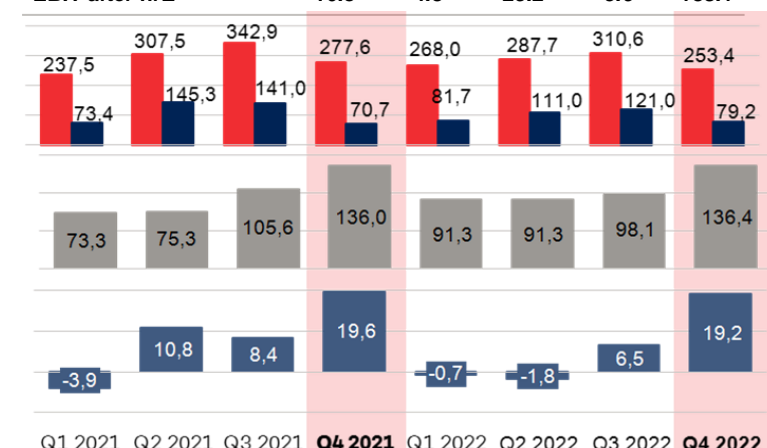


Order backlog Order intake Revenue EBIT

Special

€m

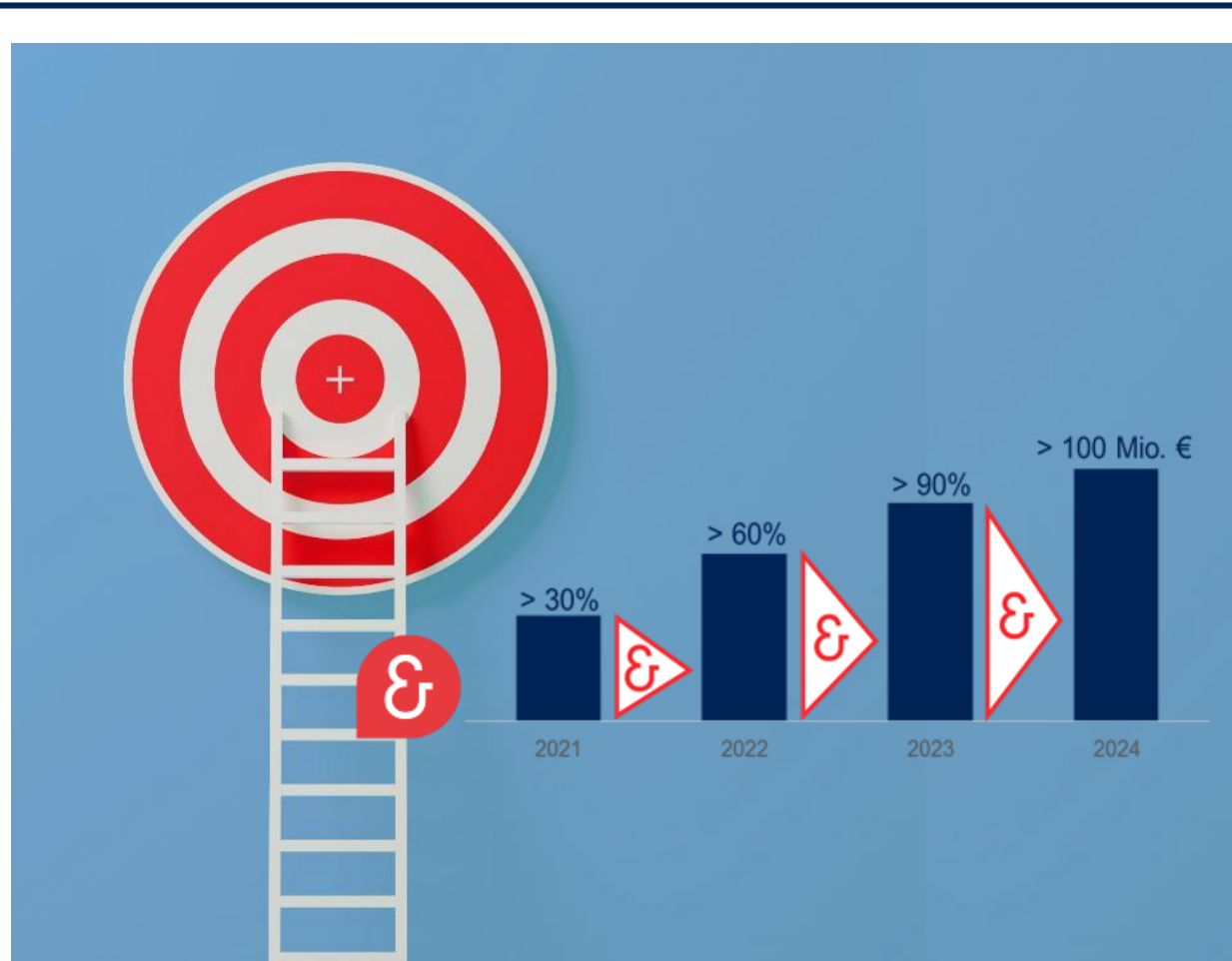
in €m	2021	in % ¹	2022	in % ¹	Δ in %
Order backlog	277.6		253.4		-8.7
Order intake	430.4		392.9		-8.7
Revenue	390.2		417.1		+6.9
Earnings before interest and taxes (EBIT)	34.9	8.9	23.2	5.6	-33.5
Non-recurring effects	18.1		-		
EBIT after nrE	16.8	4.3	23.2	5.6	+38.1



Order backlog Order intake Revenue EBIT

4. P24x efficiency programme.

After 12 months 2022 „on track“.



- In full-year 2022, Koenig & Bauer will continue to work successfully on the P24x efficiency program adopted in September 2020.
- **Accelerated implementation** has already resulted in **cost savings of around €92m by the end of 2022.**
- **Measures** aimed in particular at increasing the **Group's productivity** and **adjusting capacities** and **lower quality expenditures** made a major contribution to this. In addition, there were **significant positive purchasing effects** as a result of successful supplier negotiations and optimized cash discount relationships, which also fundamentally counteracted the current price increases. **Further potential was generated in the R&D area**, e.g. through the start of series production of selected machines.

4. Strategy „Exceeding Print“ – also in the annual report.

Unpacking experience focuses on sustainability, digitalization and modularity.



5. Forecast.

Medium-term targets also adjusted for inflation effects.



Outlook for 2023

Despite this challenging overall macroeconomic situation, Koenig & Bauer is planning for consolidated revenue of €1.3bn with an EBIT margin of around 3% and expects the Digital & Webfed segment to make a disproportionate contribution to both EBIT and revenue growth.



Medium-term targets also adjusted for inflation effects

The Koenig & Bauer Group expects to achieve Group sales of around €1.8bn and an EBIT margin of 8-9% in the medium term. A further objective is to reduce net working capital to a maximum value of 25% of annual sales.



Intermediate step 2025

The aim is to achieve sales of €1.5bn and an EBIT margin of 6-7% as early as 2025.

Note: The forecast estimates made are based on the assumption that there will be no further setbacks or intensified restrictions compared with the current state of the war in Ukraine, energy supply, globally disrupted supply chains, and in the fight against the pandemic.

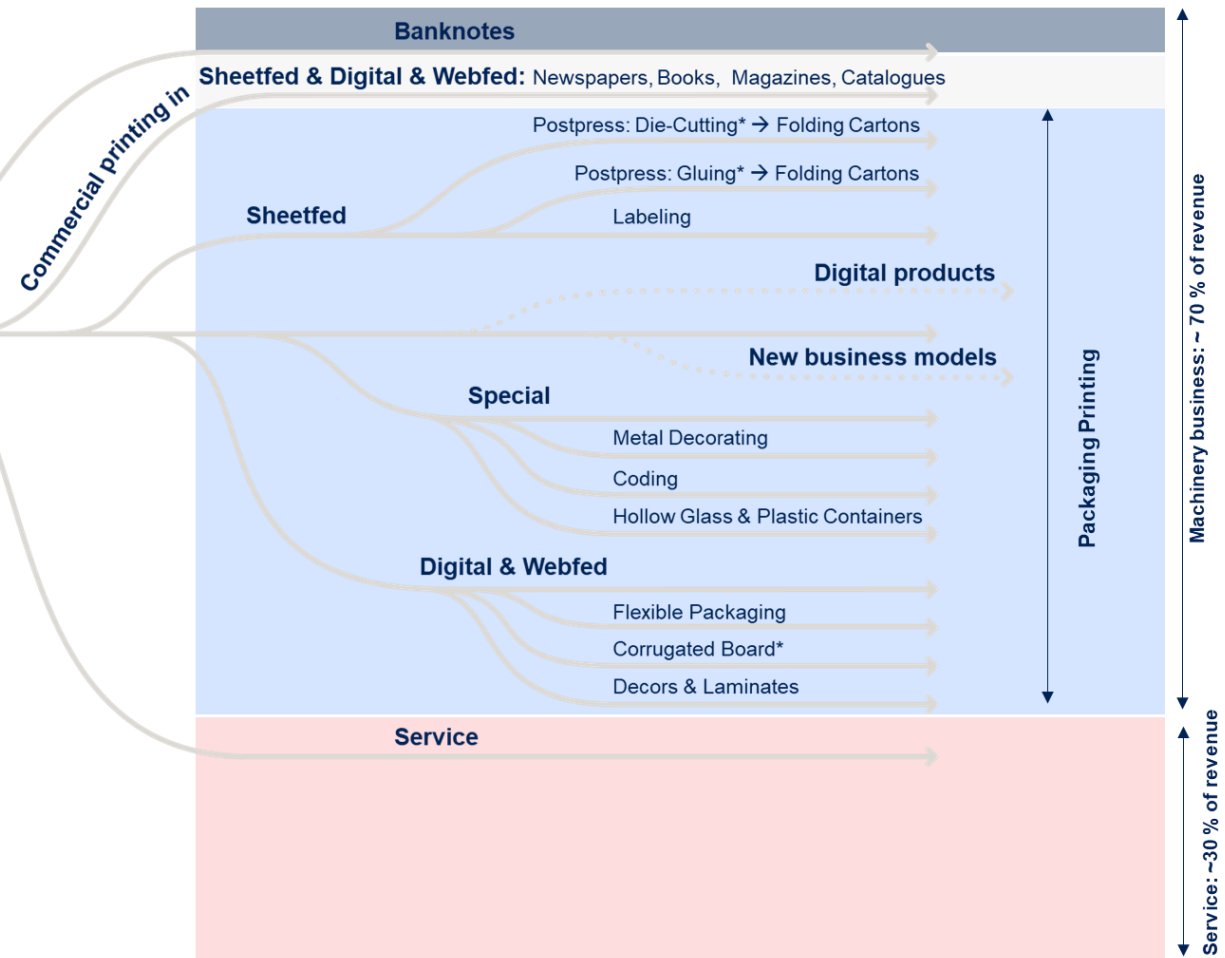
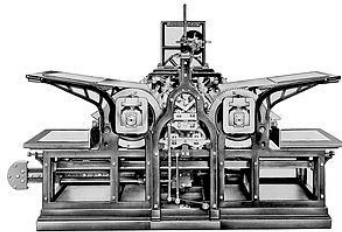


5. Key messages.

From tradition to innovation.

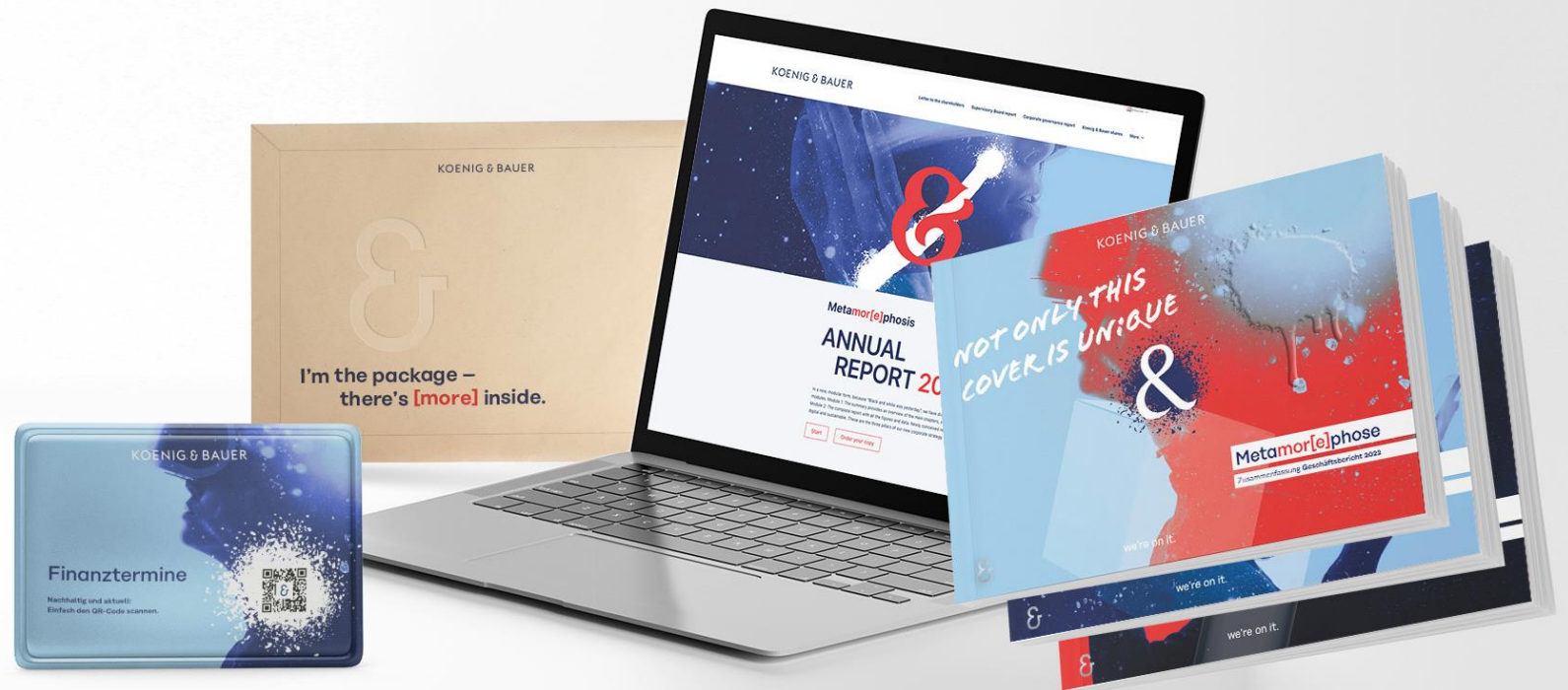
Metamor[e]phosis

is
in
our
DNA.



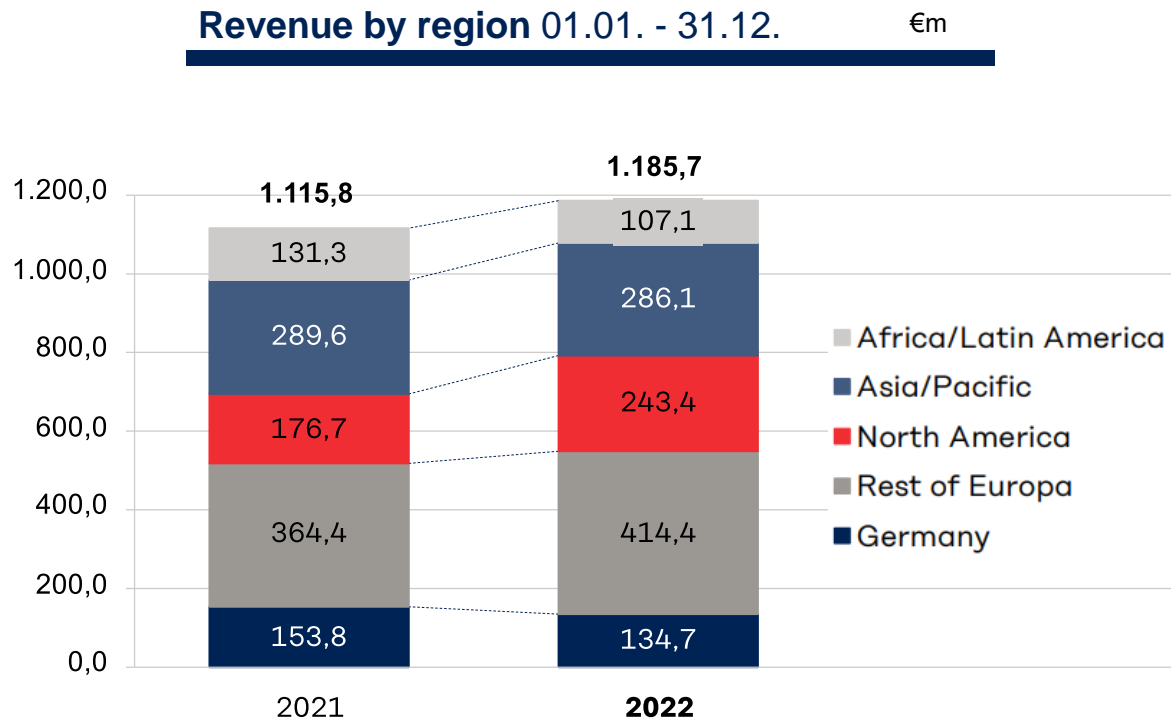
KOENIG & BAUER

Backup.



3. Regional Report full-year figures 2022.

Group.



- **Group's export ratio** increased from 86.2% to **88.6%**, with the share of sales generated in other European countries rising to 34.9% (previous year: 32.6%) and the share of sales generated in North America increasing to 20.5% (previous year: 15.8%).
- Shares of sales in Germany, at 11.4%, in the Asia/Pacific region, at 24.1%, and in Latin America and Africa, at 9.1%, were down on the previous year's figures of 13.8%, 26.0% and 11.8% respectively.

Koenig & Bauer – Financial calendar



15 May 2023

Statement on the 1st quarter of 2023

16 June 2023

Koenig & Bauer Annual General meeting

28 July 2023

Report on the 2nd quarter of 2023

8 Nov. 2023

Statement on the 3rd quarter of 2023

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 AG

www.koenig-bauer.com