Press release

# Koenig & Bauer with figures for the first half of 2024 as well as “Spotlight” key figures; operational guidance confirmed in a difficult market environment

* **Improved order situation: 16.0% increase in order intake to €641.5m also as a result of drupa, producing the highest half-year order backlog of €1,021.0m**
* **As expected, Group revenue of €532.0m in the first half of the year below the previous year – but a sequential increase of €25.6m in revenue in Q2 to €278.8m**
* **Revenue lower in Sheetfed and Special due to market-related weak order situation in Q3 2023, slight increase in revenue in the Digital and Webfed segment**
* **As expected, non-operating extraordinary expenses of approximately €10m, mainly in connection with the drupa trade fair, weighed on earnings**
* **Operating EBIT: €-23.9m in H1, €-13.7m in Q2, as expected, slightly worse than in Q1 – but on a monthly basis improved in June compared to April and May**
* **“Spotlight” focus programme consists primarily of measures to improve costs with expenses of €30 – €45m in order to achieve the EBIT target of around 6% and Group revenue of approx. €1.5bn in FY26 at the latest and to strengthen operating EBIT in FY25**

### Partnerships: prototype ordered by Volkswagen subsidiary PowerCo

* **Outlook for 2024: operating EBIT at the lower end of the forecast range of €25 – 40m, revenue target of €1.3bn confirmed despite persistently difficult market situation**

Würzburg, 1 August 2024  
Koenig & Bauer AG (“Koenig & Bauer”, WKN: 719350 / ISIN: DE0007193500), a leading global technology provider of special printing applications with a particular focus on the packaging sector, can look back on a challenging first half of the year in 2024. With regard to the general conditions, on the upside, inflation and interest rates are declining somewhat this year after the last few years, which were overshadowed by crises, wars, high inflation and rising interest rates. However, like almost all manufacturing companies, Koenig & Bauer continues to face a persistently difficult market situation.

Nevertheless, the company was able to confirm a few days ago that its operating earnings for 2024 will come in at the lower end of the forecast range of €25 – 40m and that it will reach its revenue target of around €1.3bn. However, the challenges remain high. As announced, Koenig & Bauer has scaled its “Spotlight” focus programme, which includes both revenue enhancement measures in profitable areas and restructuring measures in non-profitable areas, on the basis of the impetus derived from drupa. CEO Dr Andreas Pleßke says: “With ‘Spotlight’, we are focusing on a combination of cost optimisation, process improvements and targeted investments in future-oriented technologies and markets. This programme will help us to address the current challenges and secure our long-term competitiveness.”

### Improved order situation also thanks to drupa: highest half-year order backlog achieved

In the first half of 2024, order intake increased by 16.0% to €641.5m also as a result of drupa, the world’s largest trade fair for the printing and graphics industry. The order intake also resulted in an order backlog of €1,021.0m, which is 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. It was not only for this reason that drupa was invaluable for Koenig & Bauer. In addition, drupa showed that customers’ willingness to invest seems to be slowly recovering again. At the same time, however, it was also a proof point for the company’s strategy as customer feedback showed that Koenig & Bauer is absolutely headed in the right direction with its product and market strategy.

### As expected, revenue and earnings contribution lower than in the previous year in a challenging market environment

As expected, however, non-operating extraordinary expenses, mainly in connection with the drupa trade fair, had a negative impact of approximately €10m in the second quarter. In addition to this one-off effect, the operating EBIT of around €-13.7m in the second quarter fell slightly short of the figure of around €-10.2m recorded in the first quarter but was in line with forecasts. Broken down by month, however, Group EBIT was better in June than in April and May, making a positive contribution to EBIT. At the end of the first half of the year, operating EBIT reached €-23.9m, translating into Group EBIT of €-33.9m (previous year: €-5.4m). Accordingly, the EBIT margin dropped from -0.9% in the first half of the previous year to -6.4% in the first half of 2024. With net interest expense of €-12.7m up on the previous year (€-7.9m), earnings before taxes came to €-46.6m (previous year: €-13.3m). After income taxes, Group net loss stood at €-49.3m as of 30 June 2024, compared with €-10.6m in the first half of the previous year. This translates into proportionate earnings per share of €-2.99 (previous year: €-0.65).

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 (previous year: €596.4m). This was particularly due to reduced order intake in the Sheetfed segment in the third quarter of 2023 as well as a lower percentage of completion (POC) achieved in production in the Banknote Solutions business unit compared to the previous year. However, an improvement of €25.6m to €278.8m was achieved in the second quarter. This is another reason why the company expects a strong second half of the year in 2024 in terms of revenue and earnings as a basis for achieving its full-year operating earnings.

### Mixed picture in the segments

After sequential increases in the last three quarters, the **Sheetfed segment** was able to post a further improvement in order intake, reaching a figure of €350.8m in the first half of 2024 (previous year: €342.1m). Reflecting the muted order situation in the third quarter of 2023, revenue came to €290.6m, 17.5% down on the previous year. At €-8.4m as of 30 June 2024, EBIT was below the figure of €9.4m recorded in the same period of the previous year and includes the segment’s share of drupa-related expenses, resulting in an EBIT margin of -2.9% (previous year: 2.7%).

The order intake of €54.4m (previous year: €73.1m) in the **Digital & Webfed segment** reflects the current temporary weakness afflicting the market for corrugated board. However, good sales successes were achieved in the second quarter for digital pre-print of corrugated cardboard liners. Revenue climbed by 7.4% over the previous year to €75.3m.

After the first six months, EBIT stood at €-16.1m (previous year: €-11.2m) and includes the segment’s share of drupa-related expenses, resulting in an EBIT margin of -21.4% (previous year: -16.0%).

At €251.3m as of 30 June 2024, order intake in the **Special segment** was up 62.8% on the previous year’s figure of €154.4m. The orders of €197.2m in the second quarter were €54.1m higher than in the first quarter, but lagged behind the strong fourth quarter. These heavy fluctuations in order intake are due to government and big-ticket printing press business. Revenue in the first half of 2024 fell by 7.5% to €180.4m, primarily due to the lower percentage of completion (POC) achieved in production for customer orders in the Banknote Solutions business unit compared with the previous year. Consequently, EBIT amounted to €-13.1m as of 30 June 2024 (previous year: €-1.2m) and includes the segment’s share of drupa-related expenses. Reflecting this, the EBIT margin reached -7.3% (previous year: -0.6%).

### Main elements of the “Spotlight” focus programme

Under its “Spotlight” focus programme, Koenig & Bauer is working on measures to boost revenue in profitable areas and on efforts to restructure areas that are not profitable. As previously announced, the company has now scaled “Spotlight” and defined further details on the basis of real post-drupa effects. It primarily entails measures to improve costs at the Holding and in the Digital & Webfed segment in Würzburg as well as in the Special segment at various locations. This is likely to cause special effects of €30 – 45m on earnings. These will show up as a special effect in Group earnings in 2024 and mainly relate to adjustments to material and personnel expenses. The path that the company has already embarked on to achieve the EBIT target of around 6% and Group revenue of approx. €1.5bn in 2026 at the latest and to strengthen operating EBIT in 2025 is also secured by the “Spotlight” focus programme. Chief Financial Officer and Chief Executive Officer of the Special segment, Dr Stephen Kimmich comments: “We are following a clear plan to take the company strengthened out of the difficult market phase. Koenig & Bauer’s future must be one of greater profitability,” adding that “it is time to profitably leverage the results of the product and market initiatives of recent years, and this is what we are seeking to achieve with “Spotlight”.”

### Partnerships: prototype ordered by Volkswagen subsidiary PowerCo

In June 2023, Volkswagen subsidiary PowerCo and Koenig & Bauer announced their partnership in 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 placed an order with Koenig & Bauer for a virtually identical version of the system. Both parties expect this to further accelerate the joint development project in order to achieve the ambitious development goals.

### Outlook for 2024

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

After the expenses of €30 – 45m expected from the “Spotlight” focus programme and the non-operating extraordinary expenses of approximately €10m, mainly for the leading trade fair drupa, 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.

[Figures at a glance](https://investors.koenig-bauer.com/fileadmin/user_upload/04_Unternehmen/Investor_Relations/Berichte/Berichte_2024_h1/h1-and-q2-2024-figures-at-a-glance.pdf)

The interim report on the second quarter and the first half of 2024 is available as a PDF file [[here]](https://investors.koenig-bauer.com/fileadmin/user_upload/04_Unternehmen/Investor_Relations/Berichte/Berichte_2024_h1/koenig-bauer-interim-report-h1-2024-en.pdf).

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**About Koenig & Bauer**  
Based in Würzburg (Germany), Koenig & Bauer is a global printing press manufacturer. It produces presses and software solutions for the entire printing and finishing process, primarily in the area of packaging. Koenig & Bauer systems can print almost all substrates, including banknotes, cardboard, corrugated cardboard, foil, tin and glass packaging, books, displays, labelling, decors, magazines, advertising and newsprint. With a history spanning more than 200 years, Koenig & Bauer is the world’s oldest printing press manufacturer and today masters almost all printing processes. Around 5,700 people work across the Group. Koenig & Bauer produces at eleven locations in Europe and maintains a worldwide sales and service network. It reported full-year revenue of roughly €1.3bn in 2023.

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