

KOENIG & BAUER

Conference Call

Preliminary Group Figures for 2017

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Mathias Dähn, CFO

we're on it.

Koenig & Bauer progressing well on mid-term targets

Group revenue 2017:
€1,218m *

Group EBIT margin 2017:
6.7% *

Group order intake 2017:
€1,266m *

- Group revenue within the target corridor of the guidance 2017 of up to €1.25bn
- With an increase of 4.3% y-o-y, the mid-term organic revenue growth rate of around 4% p. a. was well achieved
- EBIT of around €81m
- EBIT margin of 6.7% exceeds guidance for 2017 of around 6%
- Dividend proposal of 90 cents € per share
- Order intake grows stronger than industry trend, 10% increase y-o-y
- 30% rise in orders in Q4 y-o-y

* preliminary unaudited Group figures

Targets until 2021

Revenue:
target organic growth rate
of $\approx 4\%$ p.a.

Profits:
target 4-9% EBIT margin
on Group level

Resilience:
reduce volatility and risks

- New equipment in packaging printing expected to grow at $\approx 4\%$, 70% of revenues in packaging will give a base growth rate of $\approx 2,8\%$
- Further growth to come from expanding service revenues in all divisions as well as from market share growth
- $\approx \text{€}70\text{m}$ profit increase through the optimisation of security printing business and growth in service business ($\approx \text{€}20\text{m}$ each) together with an integrated production network and strategic purchasing ($\approx \text{€}15\text{m}$ each)
- Depending on global macro, end markets and growth-related spending
- Targeted service revenue share of 30% to support earnings stability
- $>45\%$ equity ratio, with dividend policy of 15-35% of Group net income
- Net working capital target range of 20-25 % of revenue

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Disclaimer:

The projections contained in this presentation were founded on data available at the time of issue. 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. The outlook contains no meaningful portfolio effects and influences relating to legal and official matters. It also depends on ongoing earnings growth and the absence of disruptive temporary market changes. KBA therefore accepts no liability for transactions based upon these projections.

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