Press release

**Koenig & Bauer can look back on a favourable first half of 2023 and confirms its guidance**

* Favourable performance in all segments resulting in a 21.3% increase in Group revenue to €596.4m in the first half of 2023 (previous year: €491.8m), leading to the highest half-year revenue in the Company’s recent history
* Increase of €8.4m in EBIT to €-5.4m (previous year: €-13.8m) in the first six months of the year, equivalent to an improvement of 60.9%
* Strong performance in the second quarter: 24.5% increase in revenue, EBIT improved from
€-5.3m to €-2.2m
* At €552.9m, solid order intake in the first half of the year (previous year: €692.9m) in line with expectations
* Outlook for 2023 confirmed: revenue to rise to around €1.3bn, accompanied by an EBIT margin of roughly 3%

**Würzburg, 28 July 2023**
Koenig & Bauer AG, Würzburg (“Koenig & Bauer”, WKN: 719350 / ISIN: DE0007193500), a leading global technology provider with a focus on special printing applications, particularly in the packaging sector, can look back on a favourable first half of 2023 and confirms its guidance for the current year. In a market environment that remains challenging, Koenig & Bauer has succeeded in remaining on its growth trajectory and improving its profitability. Despite continued inflation and ongoing disruptions along the supply chains, the temporary increase in the cost of materials gradually subsided.

“Our performance in the first half of the year clearly shows that we are headed in the right direction. The first quarter of 2023 was already good, but in the second quarter we gained further momentum in terms of profitability. As a result, we were able to report the highest half-year Group revenue in the Company’s recent history. At the same time, it was possible for us to pass on the increased material, personnel and energy costs to a large extent and to improve our profitability. Here, too, we are on track. We are convinced that even in economically challenging times there is strong demand for technologically sophisticated packaging solutions and that we are the first point of contact for existing as well as potential customers,” said CEO Dr Andreas Pleßke, adding that “the high order backlog testifies to the very good position held by Koenig & Bauer products on the market. Through the strategic partnerships forged in the first half of the year in banknote printing, packaging printing and sustainable battery cell production, we are strengthening our market position in particularly attractive fields offering potential for the future. We are constantly evolving and are in an ongoing metamorphosis.”

### Growth in all segments resulting in 21.3% increase in Group revenue to €596.4m, EBIT improved to €-5.4m

Revenue in the first half of 2023 climbed by 21.3% to €596.4m (previous year: €491.8m). Performance in the second quarter was particularly strong, with revenue rising by 24.5% to €315.4m (previous year: €253.4m) and thus exceeding the same quarter of the previous year as well as the first quarter of 2023. All segments contributed to this growth, with the Sheetfed and Digital & Webfed segments expanding at particularly dynamic rates. Gross profit improved by 23.9% to €159.9m, while the gross margin widened by 0.5 percentage points to 26.8%.

Earnings before interest and taxes (EBIT) rose by €8.4m in the first half of the year to €-5.4m (previous year: €-13.8m). The improvement in operating earnings over the same period of the previous year is mainly due to the positive overall volume and mix effects and the ability to very largely pass on the higher material, energy and personnel costs through the announced price increases. EBIT also improved in the second quarter by €3.1m from €-5.3m in the previous year to €-2.2m. The EBIT margin in the first half of the year rose to -0.9% (previous year: -2.8%), while the second quarter saw an increase in the EBIT margin from -2.1% in the previous year to -0.7%.

After net interest expense of €-7.9m, which was down on the previous year, earnings before taxes (EBT) came to €-13.3m. After income taxes of €2.7m, the Group posted net loss of €-10.6m in the first half of 2023. This translates into proportionate earnings per share of €-0.65 (previous year: €-0.98).

The order intake of €552.9m as of 30 June 2023 (previous year: €692.9m) was in line with expectations. Resulting in the previously forecast return to a solid order intake, especially in the Sheetfed and Special segments – new orders in the Digital & Webfed segment encouragingly higher. The book-to-bill ratio stood at 0.9 despite the higher revenue in the first half of the year. As of the reporting date, the order backlog was valued at €906.9m and fell short of the previous year’s figure of €1,007.9m by 10.0% as planned due to deliveries.

### Favourable performance in all three segments – Digital & Webfed and Sheetfed with substantial revenue growth

Revenue in the Digital & Webfed segment climbed by 23.9% to €70.1m (previous year: €56.6m) in the first half of 2023, driven by strong demand for the RotaJET digital web printing press and corrugated board presses. EBIT was still burdened by start-up and trailing costs in connection with the launch of the new products in flexo, corrugated board and digital printing and amounted to €-11.2m (previous year: €-12.7m). The Sheetfed segment recorded revenue growth of 30.5% to €352.4m and benefited from the good order situation at the end of the previous year. At €9.4m as of 30 June 2023, EBIT was significantly higher than the figure of €-1.1m recorded in the same period of the previous year. In the Special segment, Banknote Solutions (banknote and security printing), MetalPrint (metal packaging) and Kammann (direct decoration of hollow bodies made of glass and plastic) all generated higher revenue. Revenue in this segment climbed by 6.8% to €195.0m (previous year: €182.6m). EBIT improved to €-1.2m, up from €-2.5m in the previous year. This negative earnings contribution was mainly caused by the short-term loss of two Banknote Solutions customers based in Sudan and Argentina.

### Favourable performance in the first half of 2023 underpinning the outlook for 2023

The challenging overall macroeconomic situation with high inflation rates and rising key interest rates persisted in the first six months of the year, as did the high costs of material, energy and personnel. Although some signs of a slight easing are already emerging, overall economic dynamics are likely to soften in the further course of the year. “The figures for the first half of the year show that we are headed in the right direction with our strategic measures. Even though the “P24x” programme has now officially ended and we have achieved the savings targets that we had set, we will continue to initiate possible measures actively in a timely manner to strengthen and expand our position, especially in the product segments that hold particular promise for the future,” says Chief Financial Officer Dr Stephen Kimmich with confidence.

The forecast for 2023 remains unchanged given the favourable business performance in the first half of 2023. Specifically, Koenig & Bauer expects Group revenue of €1.3bn for 2023, accompanied by an EBIT margin of roughly 3%. The Digital & Webfed segment should make a disproportionately large contribution to both EBIT and revenue growth. In the medium term, Koenig & Bauer still projects Group revenue of around €1.8bn and an EBIT margin of 8 – 9%. At the same time, net working capital is to be capped at a maximum of 25% of annual revenue. Revenue of €1.5bn and an EBIT margin of 6 – 7% are being targeted for 2025.

[Figures at a glance]

The report on the first half of 2023 is available here as a PDF file.

#### Photo:

Metamor[e]phosis: this is not only the motto and the theme of the images in the summary of this year’s annual report of the Koenig & Bauer Group but also the corporate maxim because over a history spanning more than 200 years it has been part of the Company’s DNA to constantly develop. The pursuit of “more” means thinking outside the box. It involves crossing boundaries and being open to new things. At the same time, it demonstrates how important adaptability has always been for our Company and how our Exceeding Print strategy enables us to master the necessary transformation.
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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 5,500 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 €1.2bn in 2022.

For more information, visit [www.koenig-bauer.com](http://www.koenig-bauer.com)