Press release

## Koenig & Bauer publishes its H1 report 2020

Significant earnings improvement in Q2 compared to Q1

* Delivery and pandemic-related revenue decline by 20.1%
* Order intake 16.2% below prior year, considerably better than industry trend
* Earnings significantly impacted by low revenue
* On the cost side, massively counteracted with short-time working from 1 April 2020
and other measures
* Equity ratio of 32.2%

Würzburg, 29 July 2020
In addition to the general investment restraint on the part of many customers in the corona crisis, travel bans, lockdowns and other restrictions significantly affected the business figures of the Koenig & Bauer group in the first half of 2020. The restrictions caused by the Covid-19 pandemic particularly impeded deliveries of the presses to the international customers as well as the worldwide deployment of the assembly staff and service technicians. At €480.2m, orders were 16.2% lower than in the previous year, although this was better than the sector trend for printing presses published by industry association VDMA. At €404.5m, revenue fell short of the previous year by 20.1%. On the cost side, massive measures were taken to address the effects of the crisis, introducing short-time working from 1 April 2020 alongside other steps. EBIT improved substantially from –€34.9m in Q1 to –€6m in Q2. For the first half of the year, EBIT was –€40.9m after €0.6m in the previous year. At –€44.2m, net earnings as of 30 June corresponds to earnings per share of –€2.68.

Despite substantially lower trade receivables and higher customer prepayments, the half-year loss and the increase in inventories had major impacts on cash flows from operating activities, which came to –€68.6m (2019: –€96.5m). The equity ratio stood at 32.2% at the end of June 2020.

### Segment performance

Despite the substantial gains with large-format sheetfed offset presses and folder gluers, order intake in the Sheetfed segment declined by 12.9% over the previous year’s figure of €330.6m to €288m due to lower orders for medium and half-format presses. Revenue of €205.5m was 20.6% lower than the previous year’s figure (€258.9m) for delivery-related reasons and due to the effects of the pandemic. With the book-to-bill ratio coming to 1.4, order backlog rose from €261.6m to €265.9m. Due to lower revenue, EBIT of –€17.4m was below the previous year (–€1.3m).

Order intake in the Digital & Web segment came to €56.7m, down from €89.9m in the previous year, due to lower orders in the web offset press business and for flexible packaging printing. At €51.6m, revenue was down on the previous year (€64.5m). The order backlog contracted from €111.2m to €71.2m. The lower revenue had a significant impact on the EBIT of –€12.1m (2019: –€10.8m).

The decline in order intake in the Special segment from €175.3m to €150.7m reflects lower orders for security printing, marking and coding as well as glass direct printing. In metal decorating, there was an increase in new business. Revenue fell from €204.9m to €160.1m. The order backlog reached €278.1m after €316m in the previous year. After €6.3m in the previous year, EBIT came to –€10.3m in the first half of 2020 for revenue-related reasons.

### Outlook

CEO Claus Bolza-Schünemann: “In view of the high volatility and the great uncertainties surrounding the severity and duration of the coronavirus pandemic and the success of health, economic and monetary policies, the further global economic development is uncertain. Given these uncertain underlying conditions, it is currently not yet possible to issue any revenue and earnings guidance for 2020 for our group. The management board is working intensively on the Performance 2024 efficiency programme to increase the operating profitability. We have applied for a KfW loan to supplement the existing syndicated credit facilities. In addition, improvements in working capital and cash flow are at the top of the agenda together with the strategic focus on packaging printing and digital services.”

#### Photo 1:

The high-end Rapida 106 X press for medium-format sheetfed offset, which was presented at the virtual trade fair Koenig & Bauer Live in June, sets new performance standards in industrial printing

#### Photo 2:

Revenue and orders for the large-format sheetfed offset presses and folder gluers used in the packaging sector also increased during the crisis

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About Koenig & Bauer
The Koenig & Bauer group is a customer-centric partner to the international printing and converting industry with annual revenue of over €1.2bn and 5,700 employees. The group is the global market and technology leader in security printing and in growing packaging printing markets. Throughout its 202-year history, it has been driven by innovation and technological progress. Systematically oriented to meeting customer requirements, its high-tech printing presses and systems permit highly efficient printing, finishing and postpress processing. Its services cover a wide range of customer-oriented offerings including networked printing. For more information, visit [www.koenig-bauer.com](http://www.koenig-bauer.com)

Disclaimer:
The projections contained in this press release are 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. Koenig & Bauer therefore accepts no liability for transactions based on these projections.

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| Koenig & Bauer group | 30.06.2019in €m | 30.06.2020in €m | Change |
| Revenue**Sheetfed****Digital & Web**SpecialReconciliation | **506.0**258.964.5204.9-22.3 | **404.5**205.551.6160.1-12.7 | **- 20.1%**- 20.6%- 20.0%- 21.9% |
| Order intake**Sheetfed****Digital & Web**SpecialReconciliation | **573.3**330.689.9175.3-22.5 | **480.2**288.056.7150.7-15.2 | **- 16.2%**- 12.9%- 36.9%- 14.0% |
| Order backlog**Sheetfed****Digital & Web**SpecialReconciliation | **678.2**261.6111.2316.0-10.6 | **609.4**265.971.2278.1-5.8 | **- 10.1%**+ 1.6%- 36.0%- 12.0% |
| EBIT**Sheetfed****Digital & Web**SpecialReconciliation | **0.6**-1.3-10.86.36.4 | **-40.9**-17.4-12.1-10.3-1.1 |  |
| Earnings before taxes (EBT) | **-2.0** | **-42.9** |  |
| Net earnings | **-2.4** | **-44.2** |  |
| Earnings per share in € | **-0.15** | **-2.68** |  |
| Cash flows from operatingactivities | **-96.5** | **-68.6** |  |
| Balance sheet total (prior year: 31.12.) | **1,343.1** | **1,300.2** |  |
| Equity (prior year: 31.12.) | **460.4** | **419.1** |  |
| Employees at 30 Junethereof apprentices/students | **5,725**275 | **5,661**284 |  |