

*Success is
a team effort*

KRONES

FY 2015 and Q1 2016



Financials 2015

Q1 2016

Outlook 2016

Market & Strategy

Preliminary figures 2015 confirmed

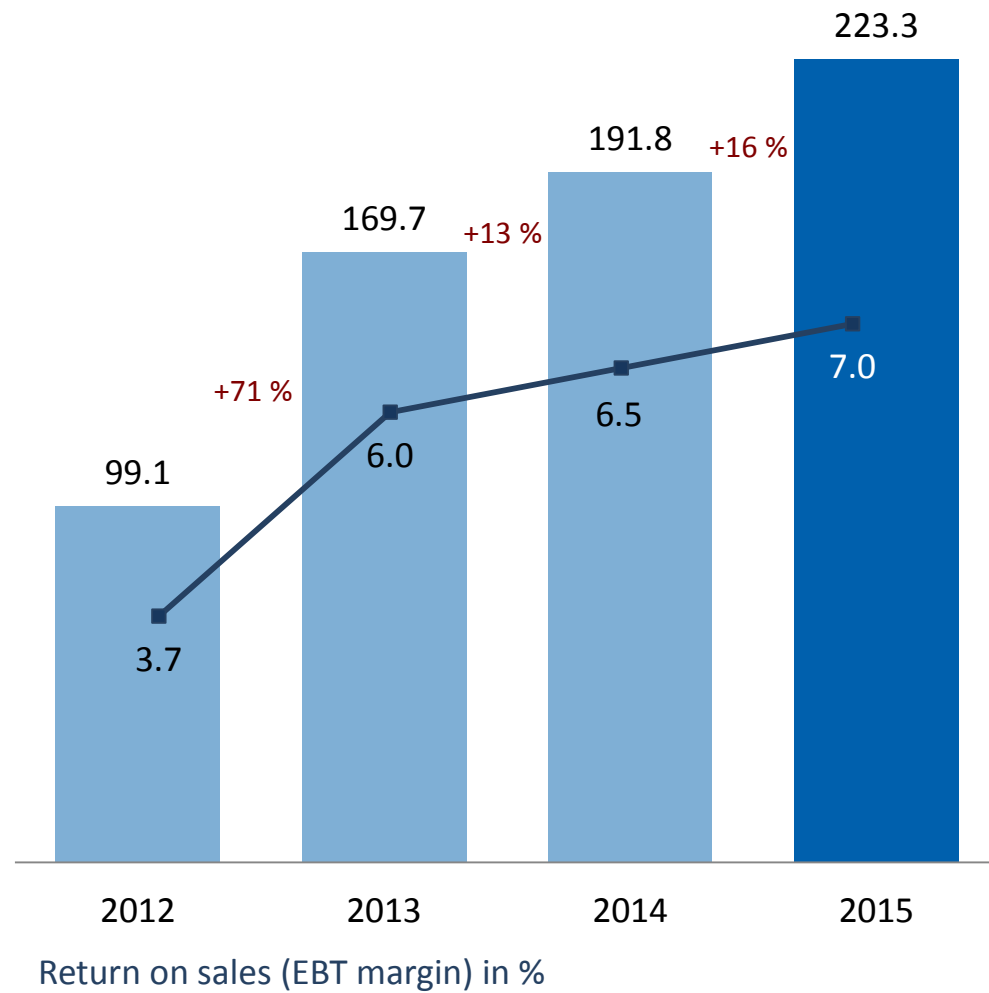
		2015	2014	2013	2012
Revenue	(€ billion)	3.17 (+7 %)	2.95 (+5 %)	2.82 (+6 %)	2.66 (+7 %)
EBT	(€ million)	223 (+16 %)	192 (+13 %)	170 (+72 %)	99 (+32 %)
Net income (after tax)	(€ million)	156 (+15 %)	136 (+14 %)	119 (+75 %)	68 (+55 %)
EBT-Margin	(%)	7.0	6.5	6.0	3.7
Dividend per share	(€)	1.45* (+16 %)	1.25 (+25 %)	2.00** (+33 %)	0.75 (+25 %)
ROCE	(%)	17.7	16.4	16.7	10.0
Net financial position (cash 31.12.)	(€ million)	365	336	240	133
Orders received	(€ billion)	3.19 (+5 %)	3.04 (+8 %)	2.80 (+3 %)	2.72 (+8 %)
Orders on hand (31.12.)	(€ billion)	1.09 (+1 %)	1.08 (+9 %)	0.99	1.00 (+5 %)
Free Cashflow	(€ million)	71 (-53 %)	152 (+127 %)	67 (+119 %)	31
Employees (31.12.)		13,346 (+6 %)	12,624 (+3 %)	12,285 (+3 %)	11,963 (+5 %)

* as per proposal for the appropriation of retained earnings

** including a €1.00 special dividend

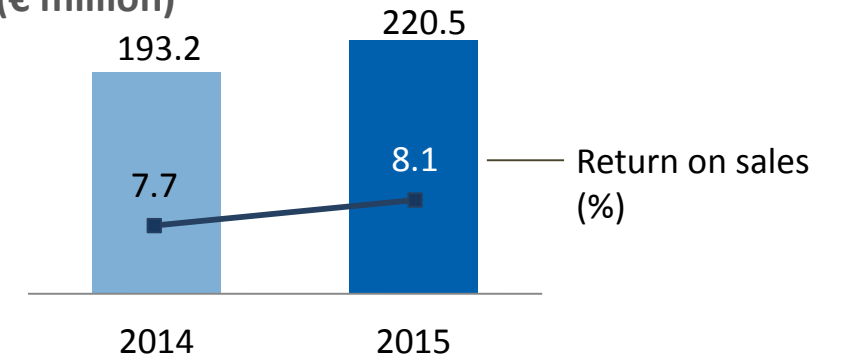
KRONES increases EBT disproportionate

EBT in € million

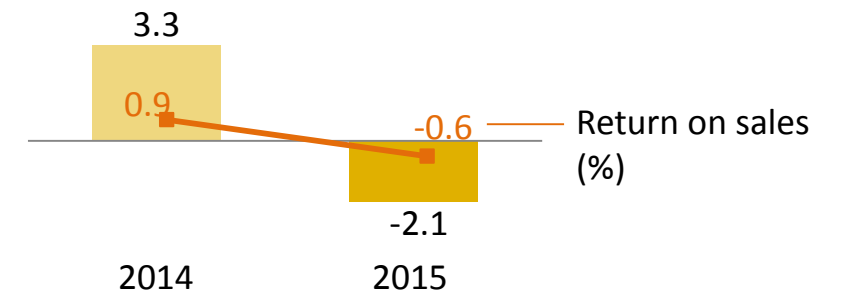


EBT development segments (€ million)

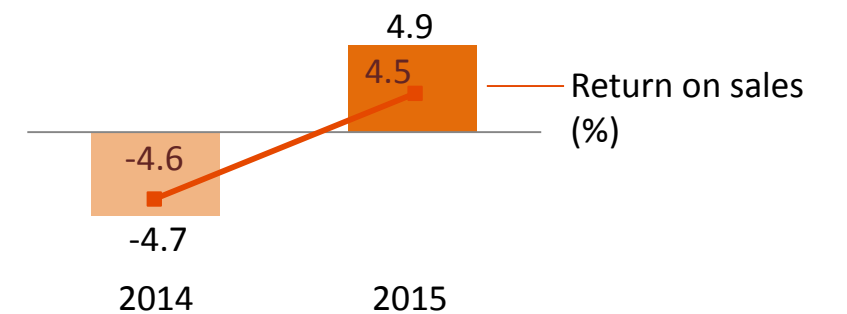
Machines and lines for product filling and decoration



Machines and lines for beverage production / process technology

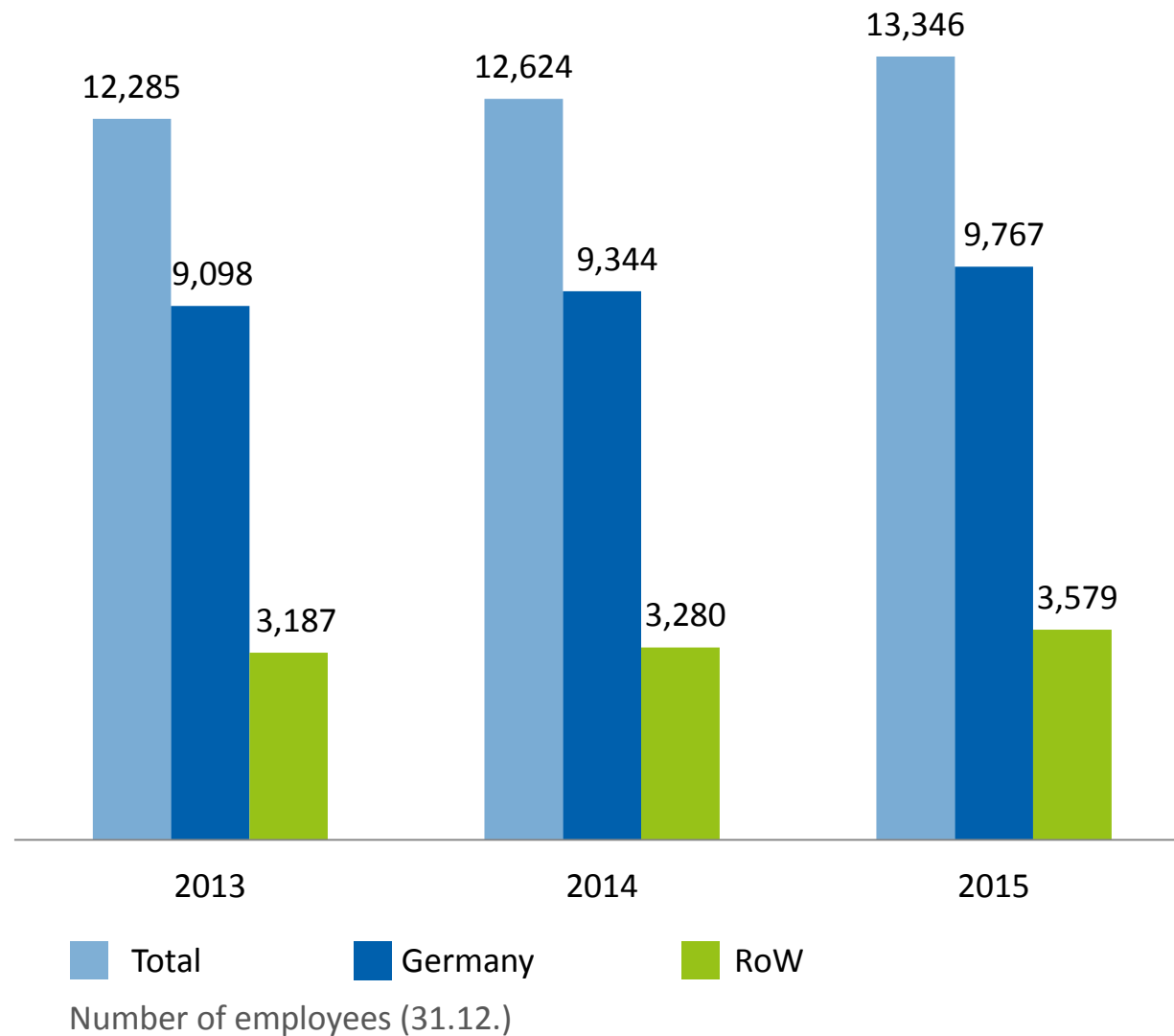


Machines and lines for the compact class



KRONES continues to grow its workforce in Emerging Markets

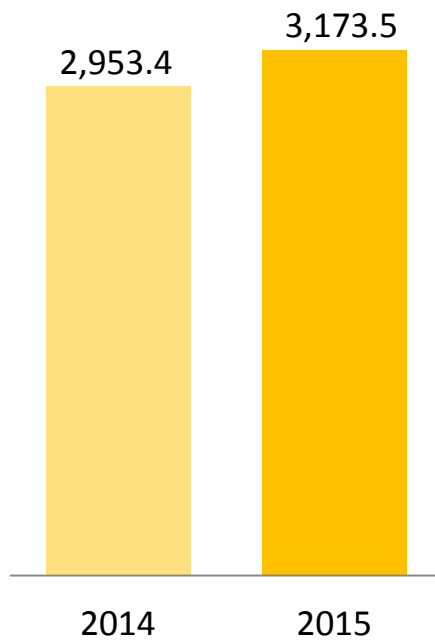
KRONES employee worldwide



KRONES employee development in the Emerging Markets

Year	South America	Africa	Asia	CIS/East Europe	China	Total
2013	485	339	400	132	325	1,681
2014	501	363	453	136	385	1,838
2015	519	376	502	147	451	1,995

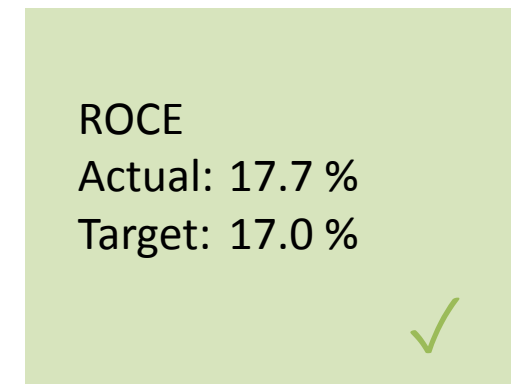
KRONES achieved all targets for 2015



in € million



in %



in %



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KRONES has had a good start in 2016

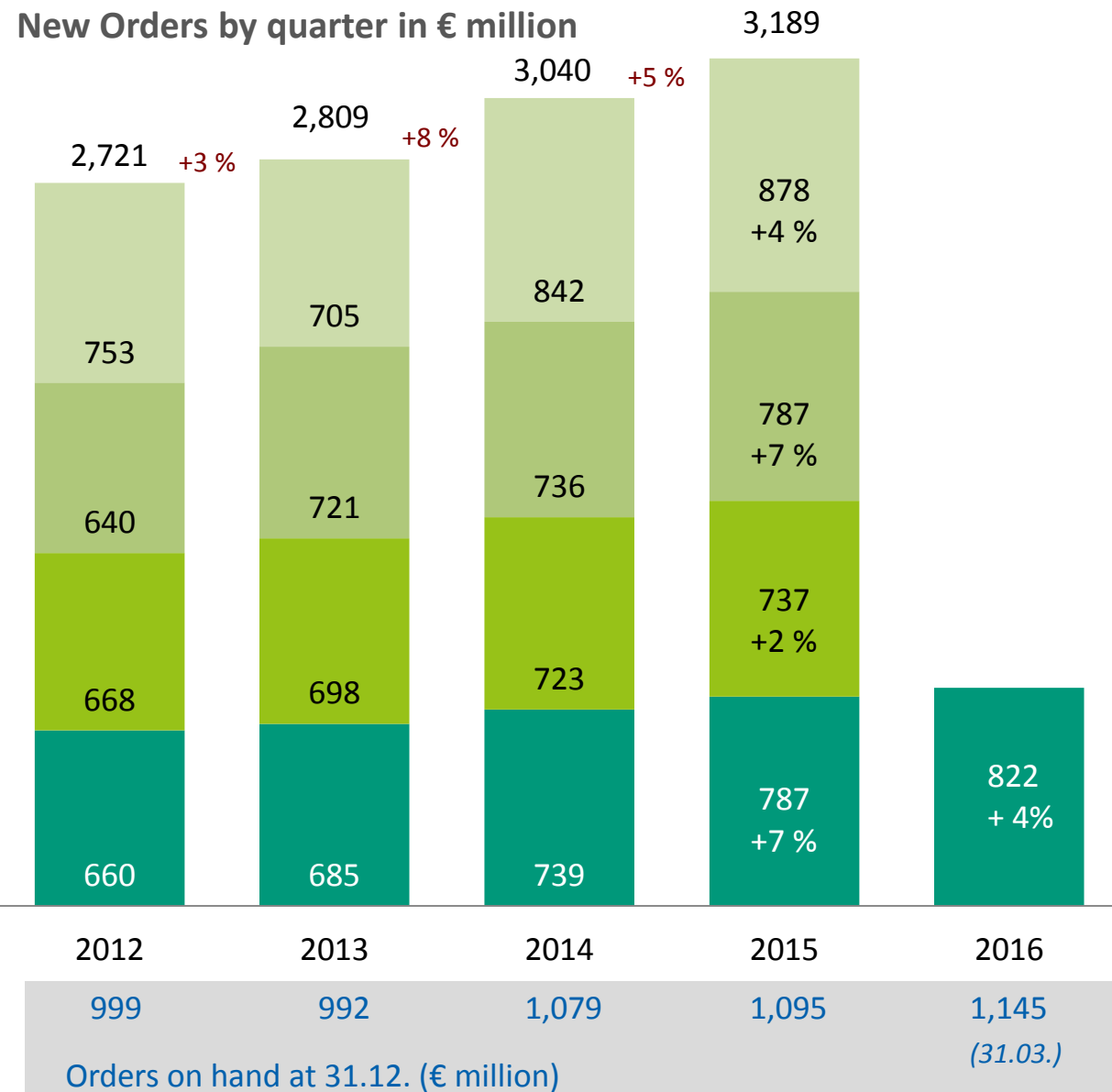
Revenue grew 4.5% to €772 million in the first quarter.

New orders also increased 4.5% to €822 million.

KRONES improved earnings performance.
The EBT margin widened from 6.8% to 7.1%.

Executive Board confirms targets for 2016.
KRONES expects 3% revenue growth and
an EBT margin of 7.0%.

Orders received rose 4.4 % in Q1

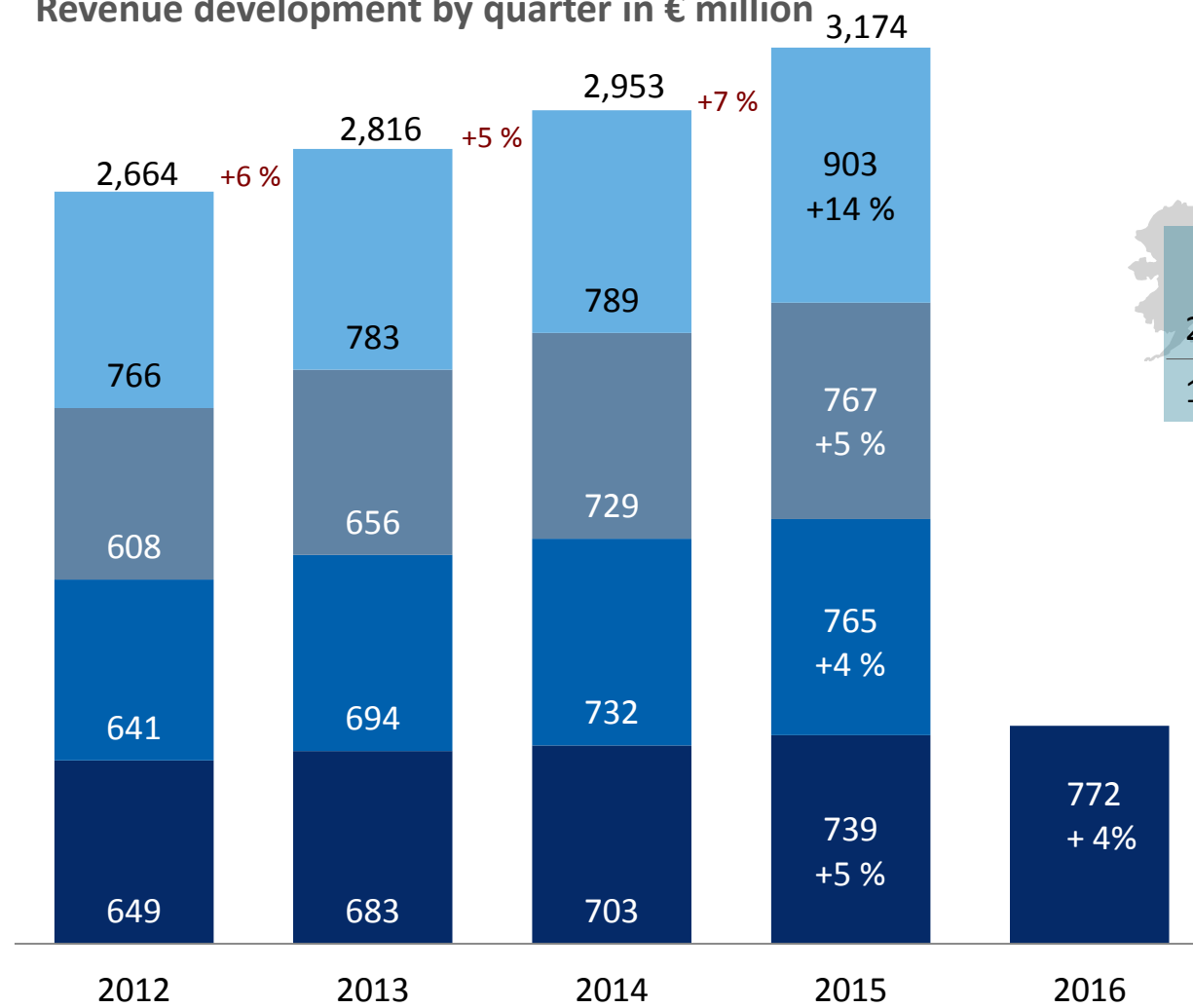


Trend by region

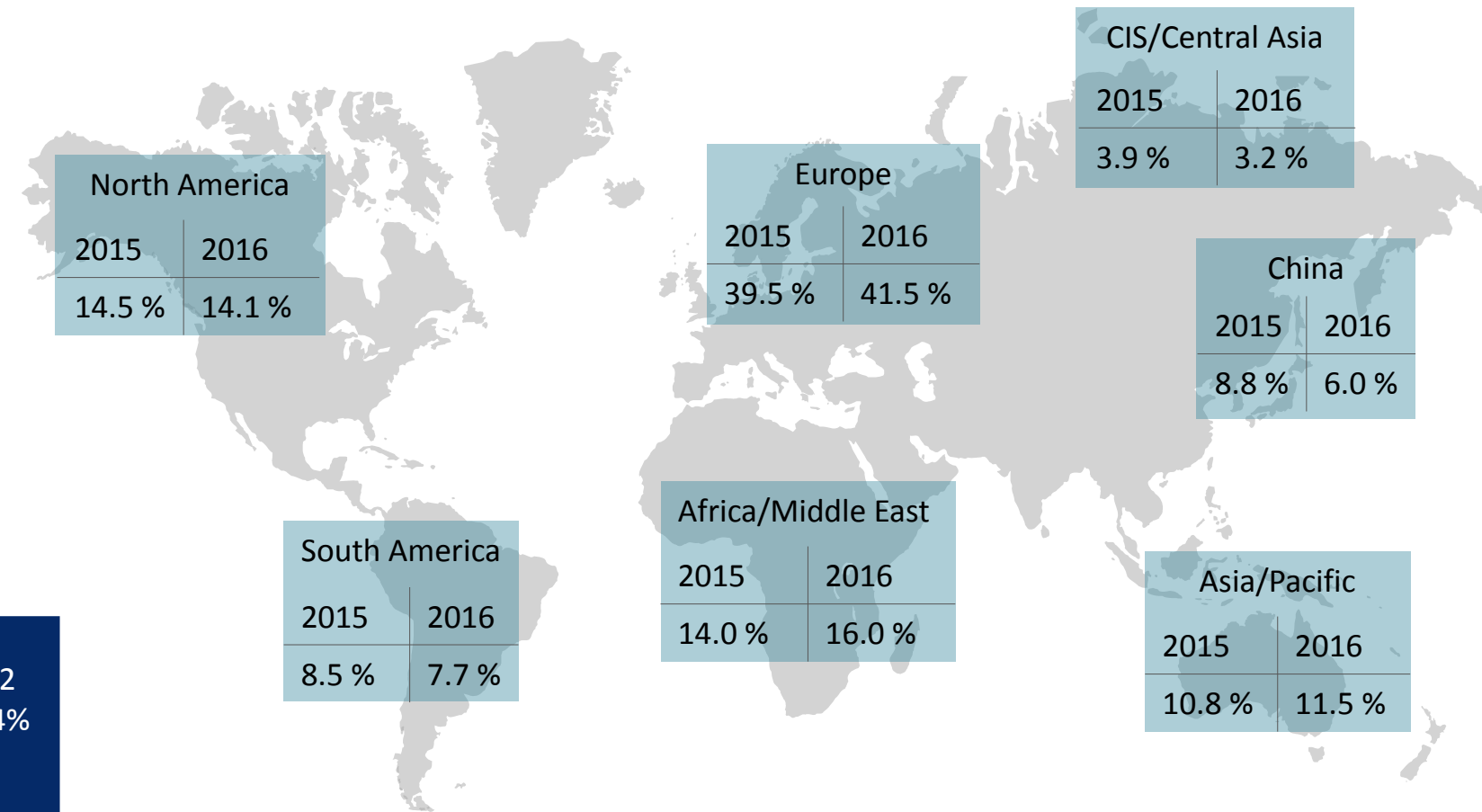
Central Europe	→
Western Europe	→
Eastern Europe	→
CIS/Central Asia	→
Middle East/Africa	↗
China	→
Asia/Pacific	→
North America	→
South America	→

Revenue increased above-average

Revenue development by quarter in € million

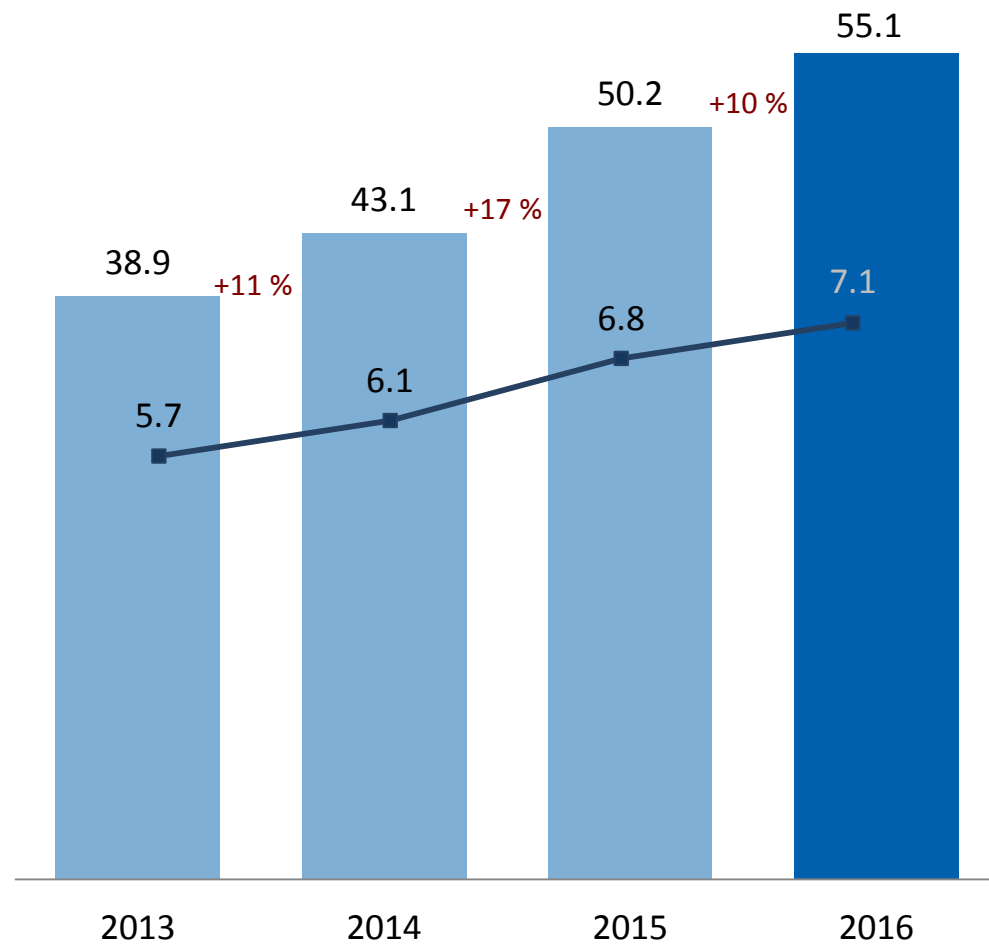


Revenue per region in Q1 2016



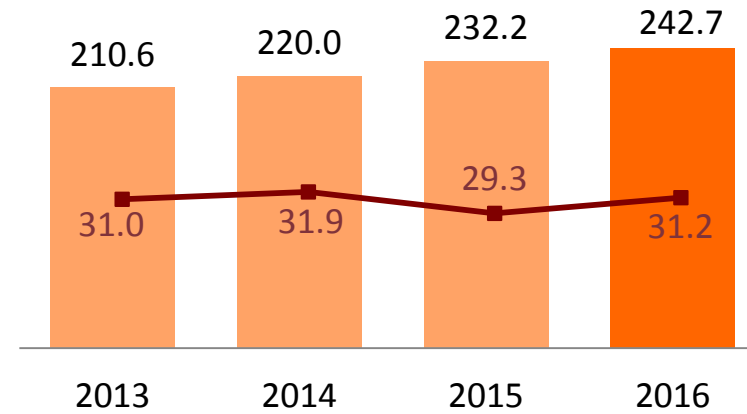
EBT increases again disproportional

EBT in Q1 (€ million)



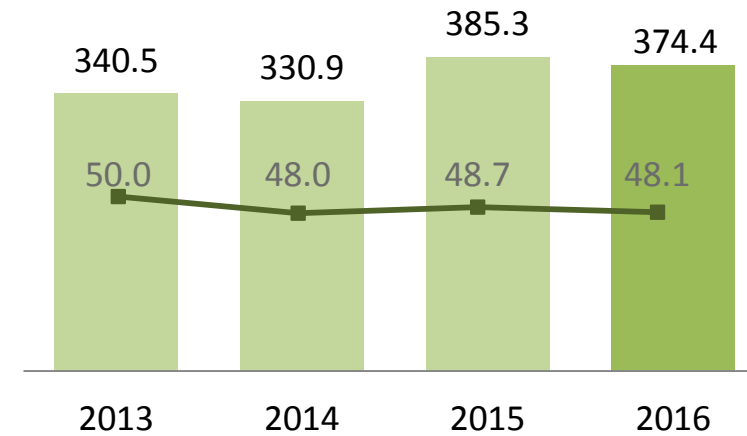
Return on sales (EBT margin) in %

Personnel cost in Q1 (€ million)



Personnel cost to total performance (%)

Material cost in Q1 (€ million)



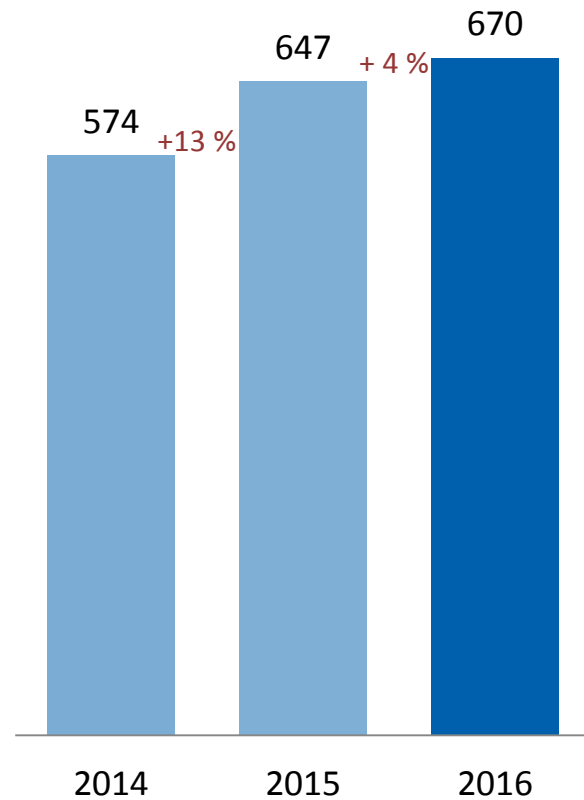
Material cost to total performance (%)

Machines and lines for product filling and decoration

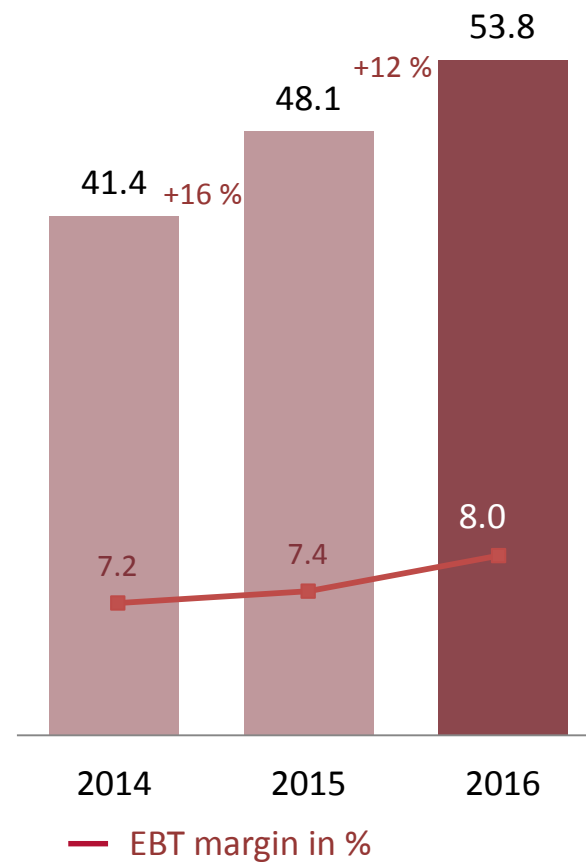


Product filling and decoration: profitable growth

Revenue development in Q1
(€ million)



EBT development in Q1
(€ million)



Regionalization of the LCS business

Consistent modular product structure as basis for reduction of costs and economies of scale

Global procurement strategy including best-cost country sourcing

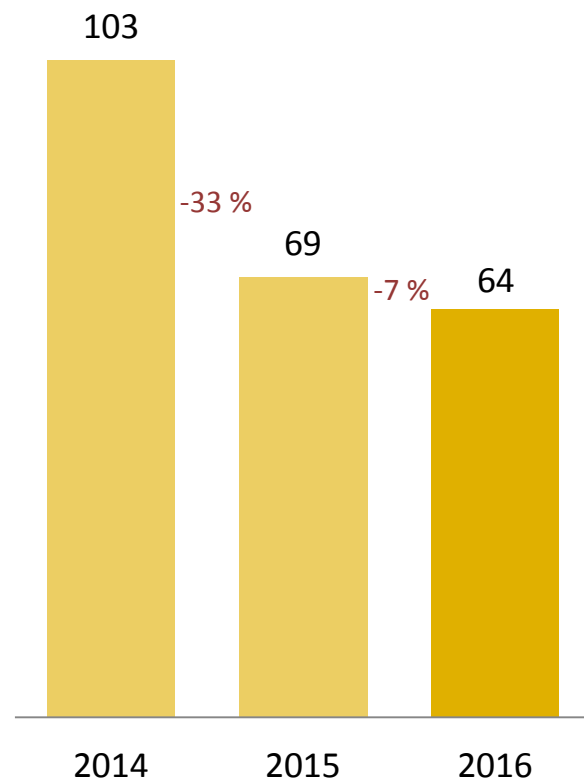
Midterm targets:
Growth 4-6 %; EBT margin 8 %

Machines and lines for
beverage production/
process technology

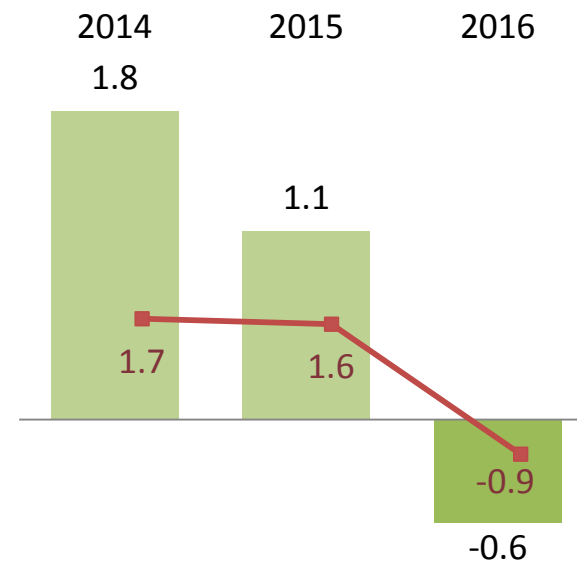


Beverage production/process technology: behind expectation

Revenue development in Q1
(€ million)



EBT development in Q1
(€ million)



— EBT margin in %

Expansion of the component business

Strengthening the product portfolio for carbonated soft drinks applications and water treatment.

Regionalization of structure

Reorganisation started to handle volatile beer market

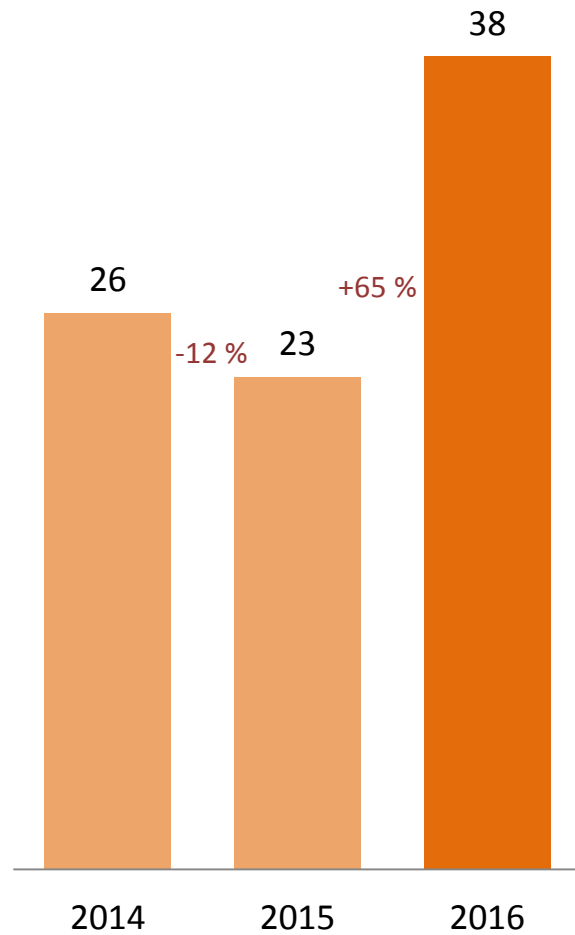
Midterm targets:
Growth 8-10 %; EBT margin 4 %

Machines and lines for the compact class

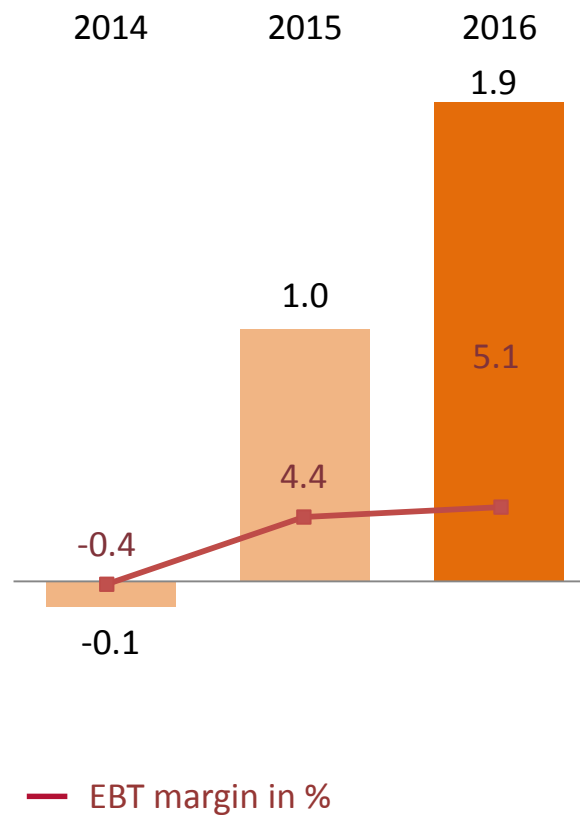


Compact class: further profitability

Revenue development in Q1
(€ million)



EBT development in Q1
(€ million)



Restructuring program finished
Set-up for profitable growth

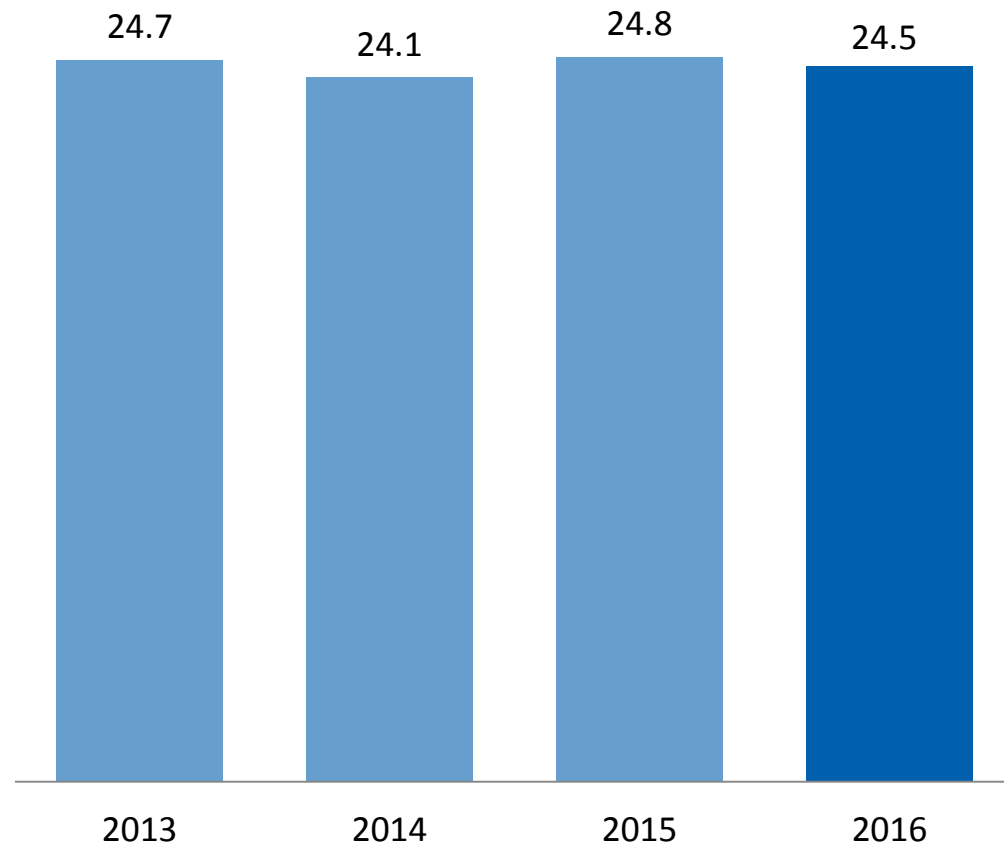
Focus on line business and blowing-, filling- and labelling-machines

Further investment in sales and service structure

Midterm targets:
Growth 4 - 6 %; EBT margin 5 %

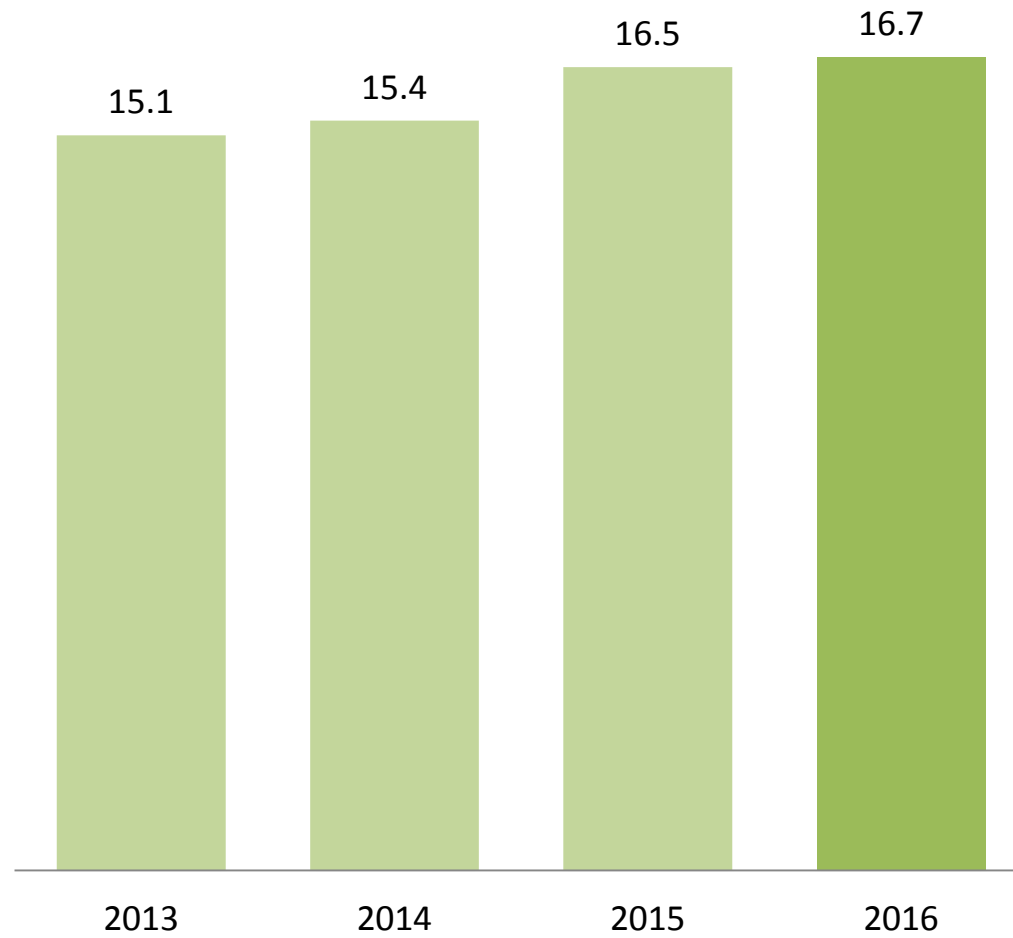
Working Capital below expectations

Working capital* in Q1 (%) of revenue



*LTM (Last Twelve Months)

ROCE* in Q1 (%)



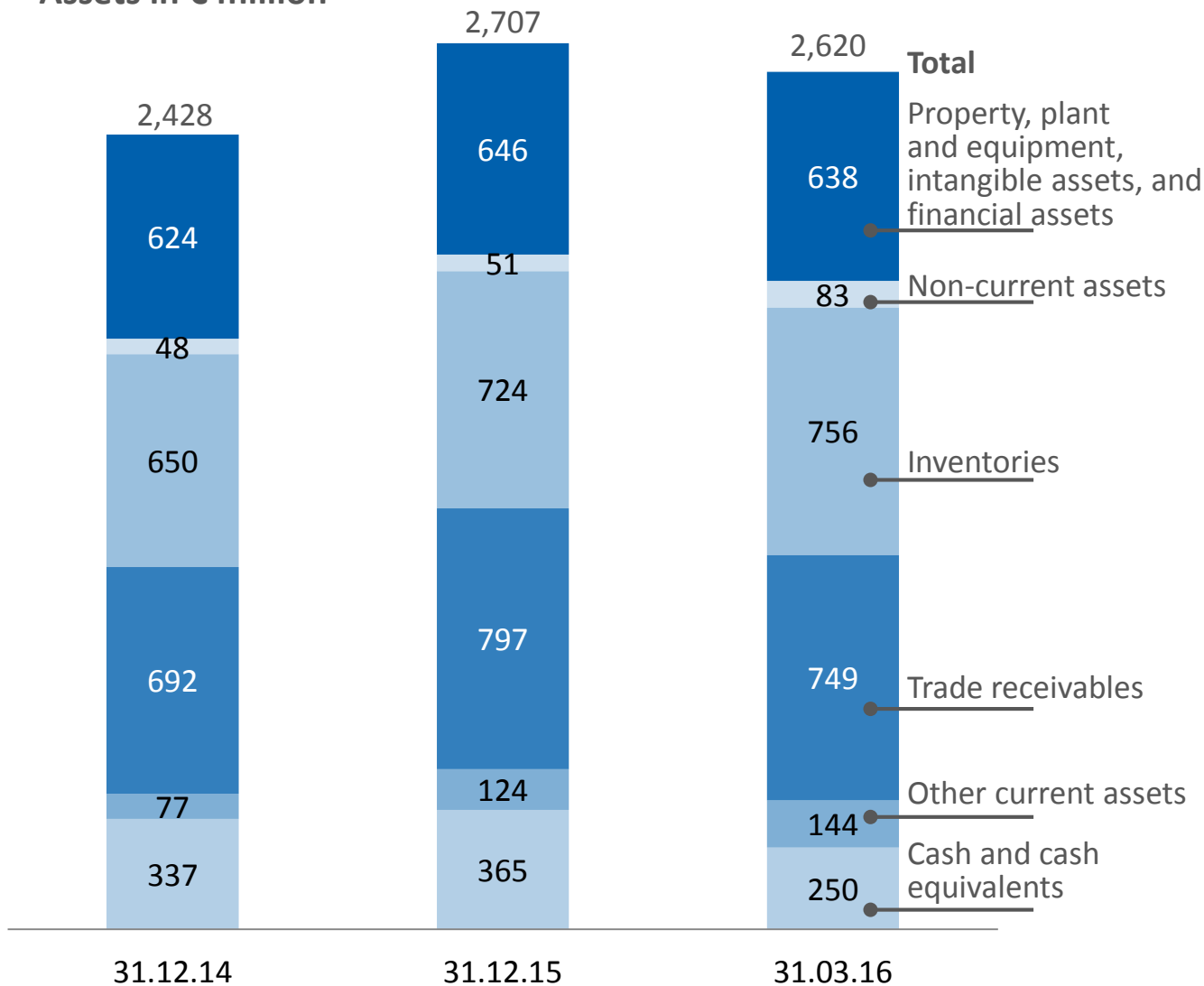
*LTM (Last Twelve Months)

Free cash flow based seasonality negative

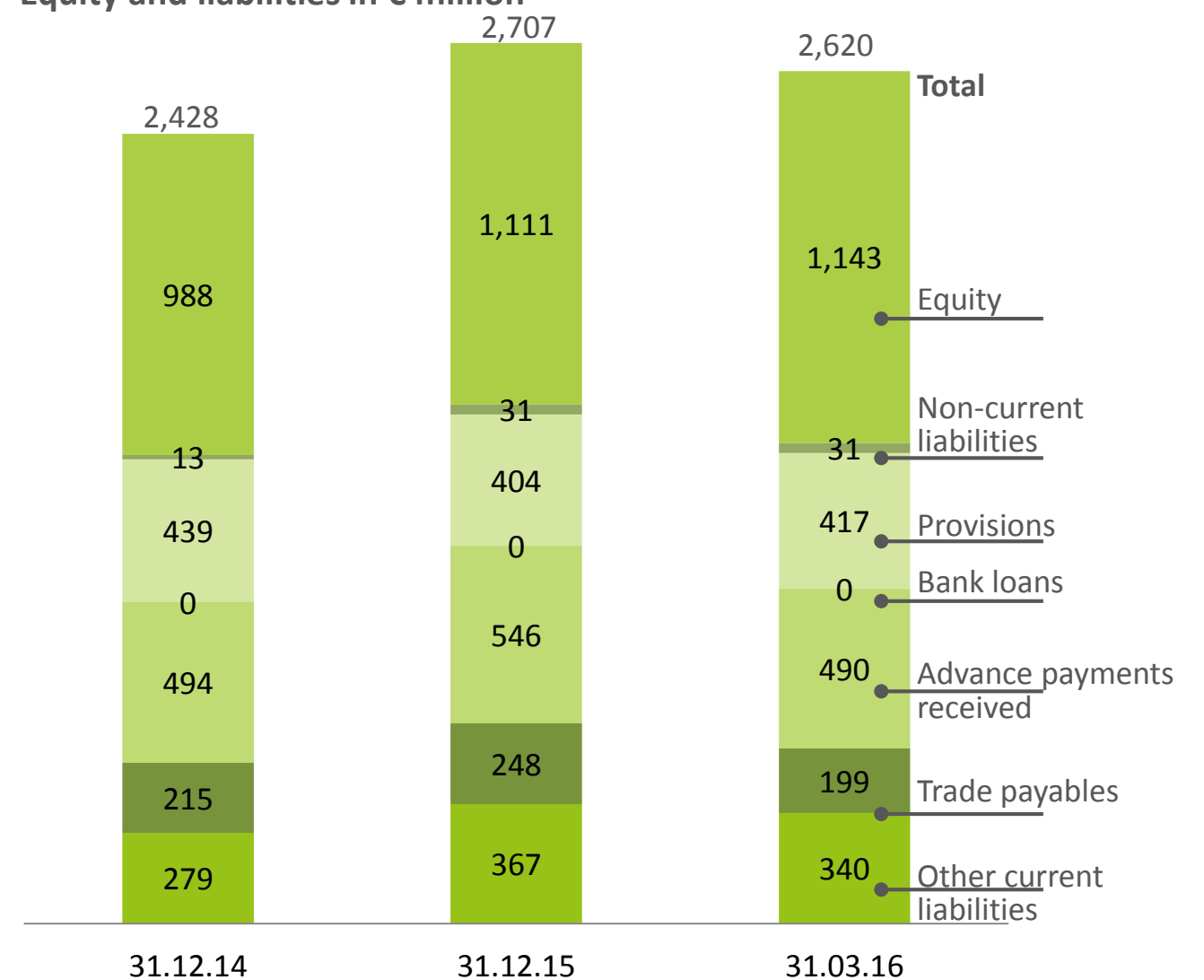
(€ million)	Q1 2016	Q1 2015
Earnings before taxes	55.1	50.2
+/- non-cash expenses and income	+81.5	+76.7
+/- change in Working Capital	-219.2	-151.7
+/- other (mainly tax payments)	-19.0	-12.0
Cash flow from operating activities	-101.6	-36.8
+/- Capex, intangible assets and property plant and equipment	-15.2	-15.8
+/- other	+1.7	-3.6
Free cash flow	-115.1	-56.2
+/- Financing activities	0.0	0.0
Net change in cash	-115.1	-56.2
Cash at the end of period	249.5	280.2

Equity ratio at 43.6 %

Assets in € million



Equity and liabilities in € million



Financials 2015

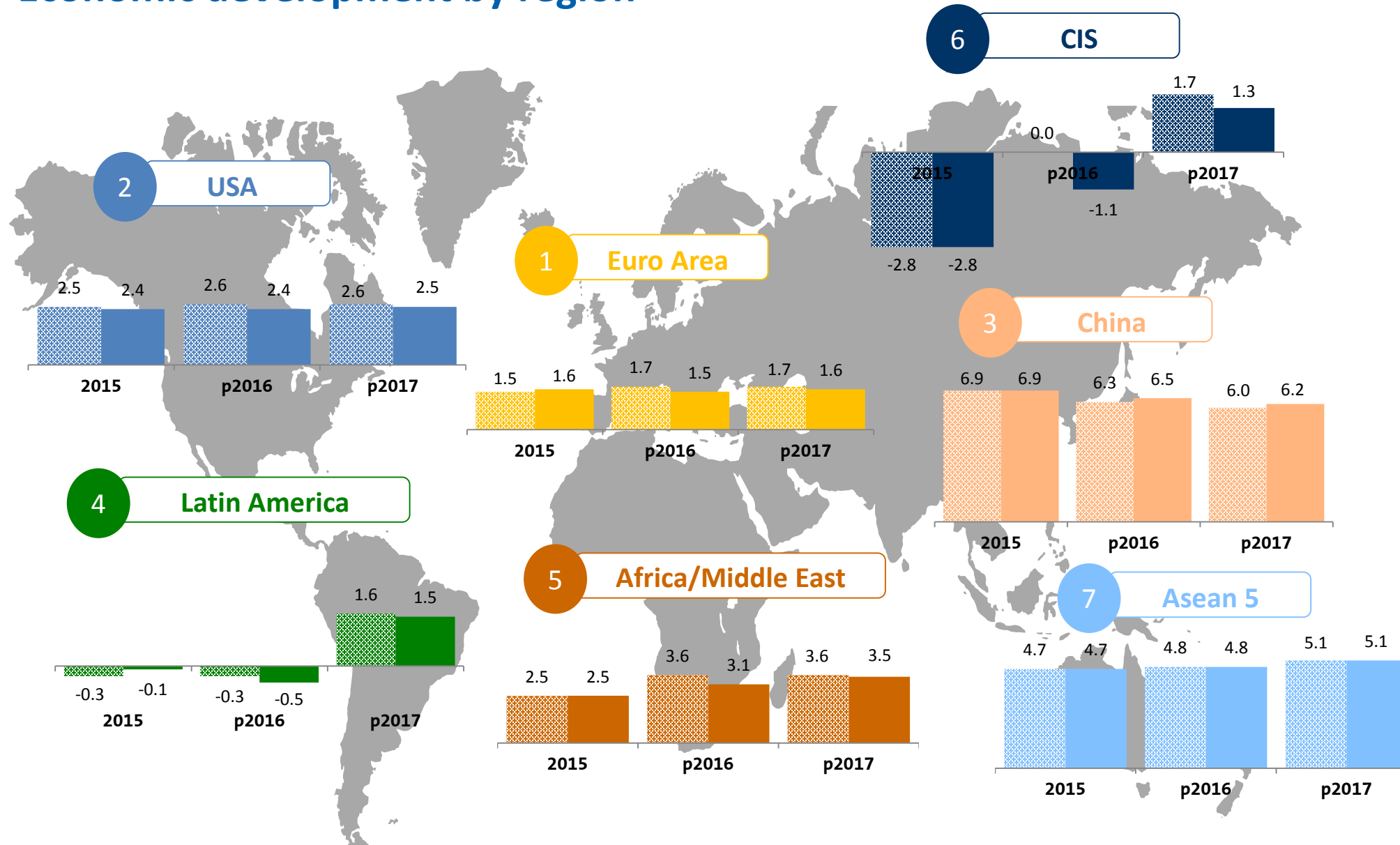
Q1 2016

Outlook 2016

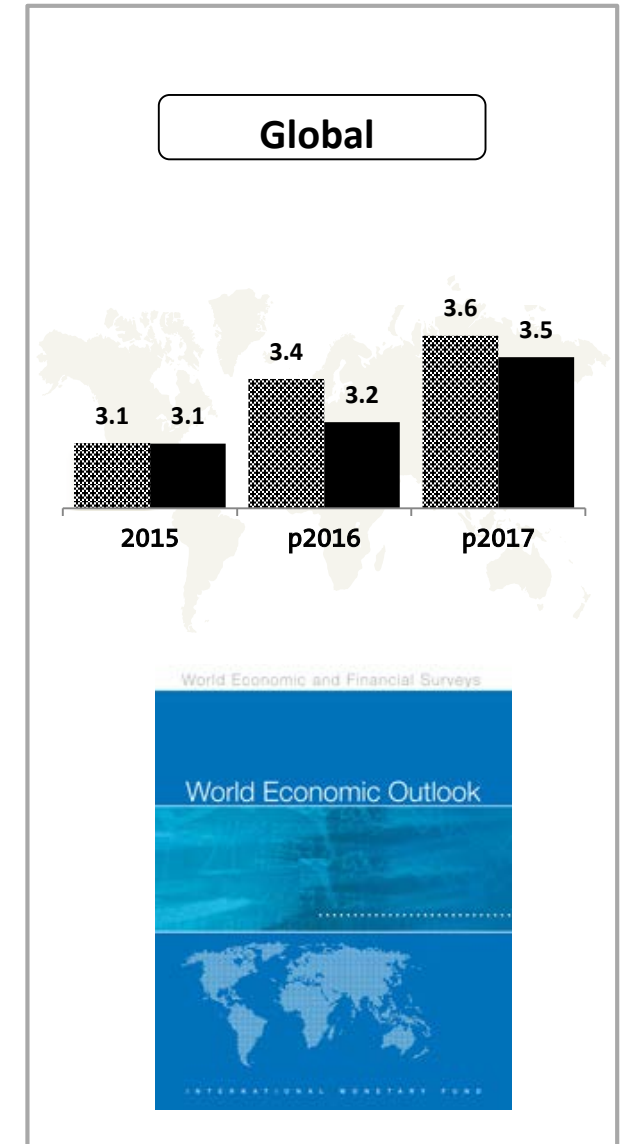
Market & Strategy



Economic development by region



World Economic Outlook, Jan 2016
 World Economic Outlook, Apr 2016



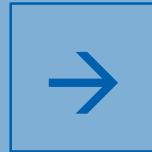
Risks of a much weaker global growth have risen due to a further decline in commodity prices and geopolitical tensions. Growth in advanced economies will be weaker than previously forecasted.

KRONES targets 2016

Revenue growth
Target: + 3 %



EBT margin
Target: 7.0 %



ROCE
Target: 18 %





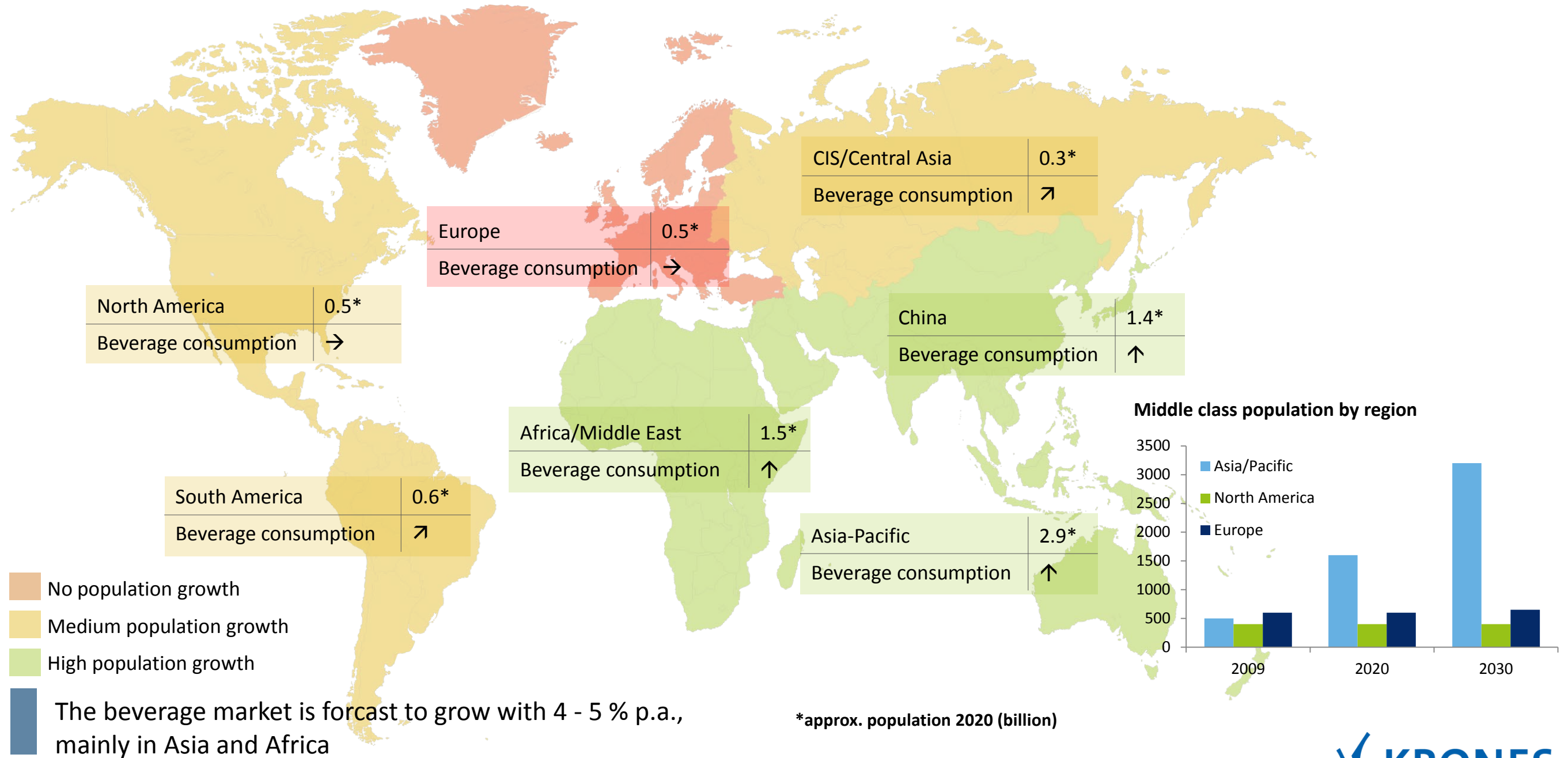
Financials 2015

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Market & Strategy

Population growth is driving demand for packaged beverages



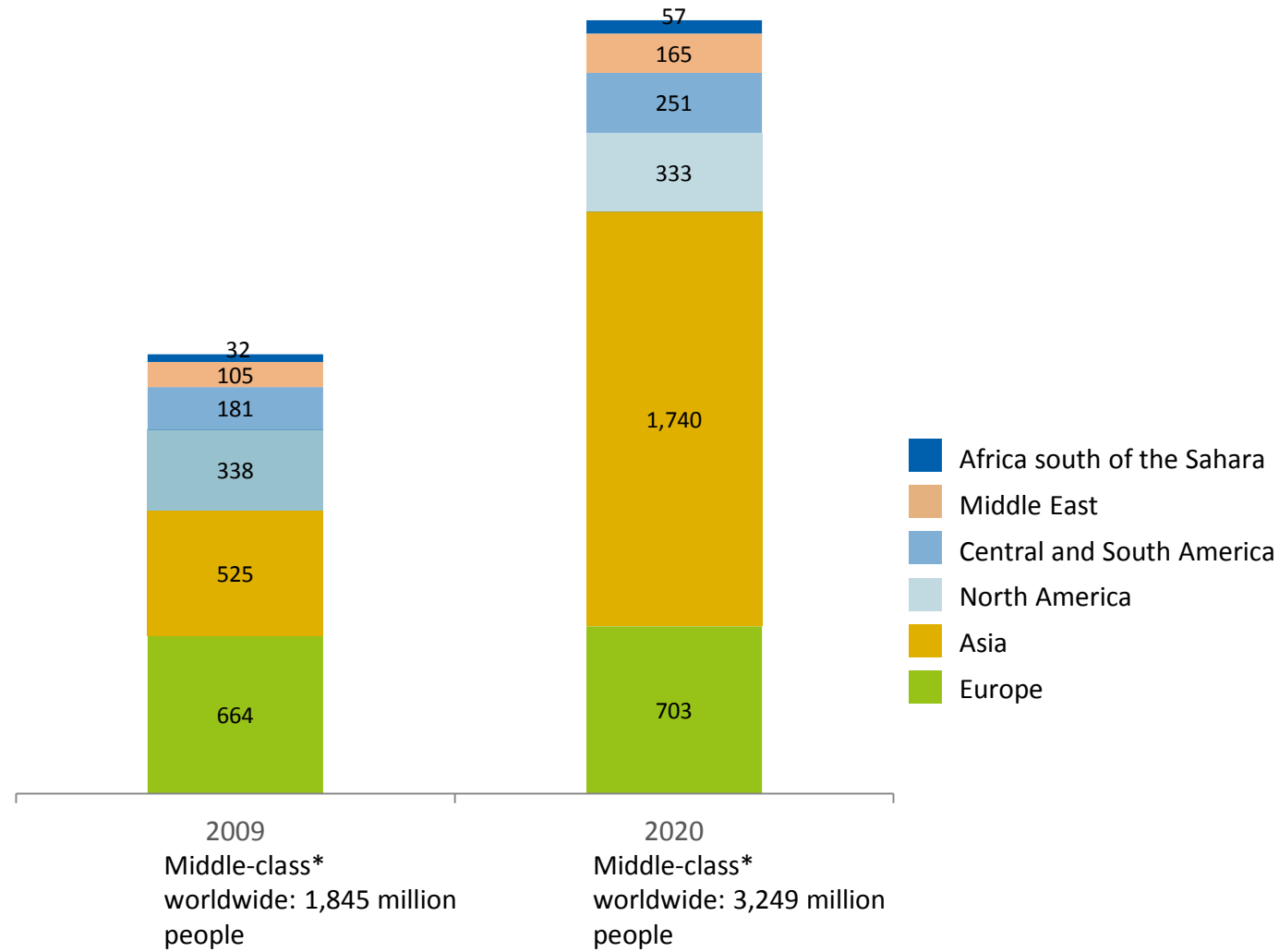
Source: International Monetary Fund

- No population growth
- Medium population growth
- High population growth

The beverage market is forecast to grow with 4 - 5 % p.a., mainly in Asia and Africa

*approx. population 2020 (billion)

The consuming middle-class is growing



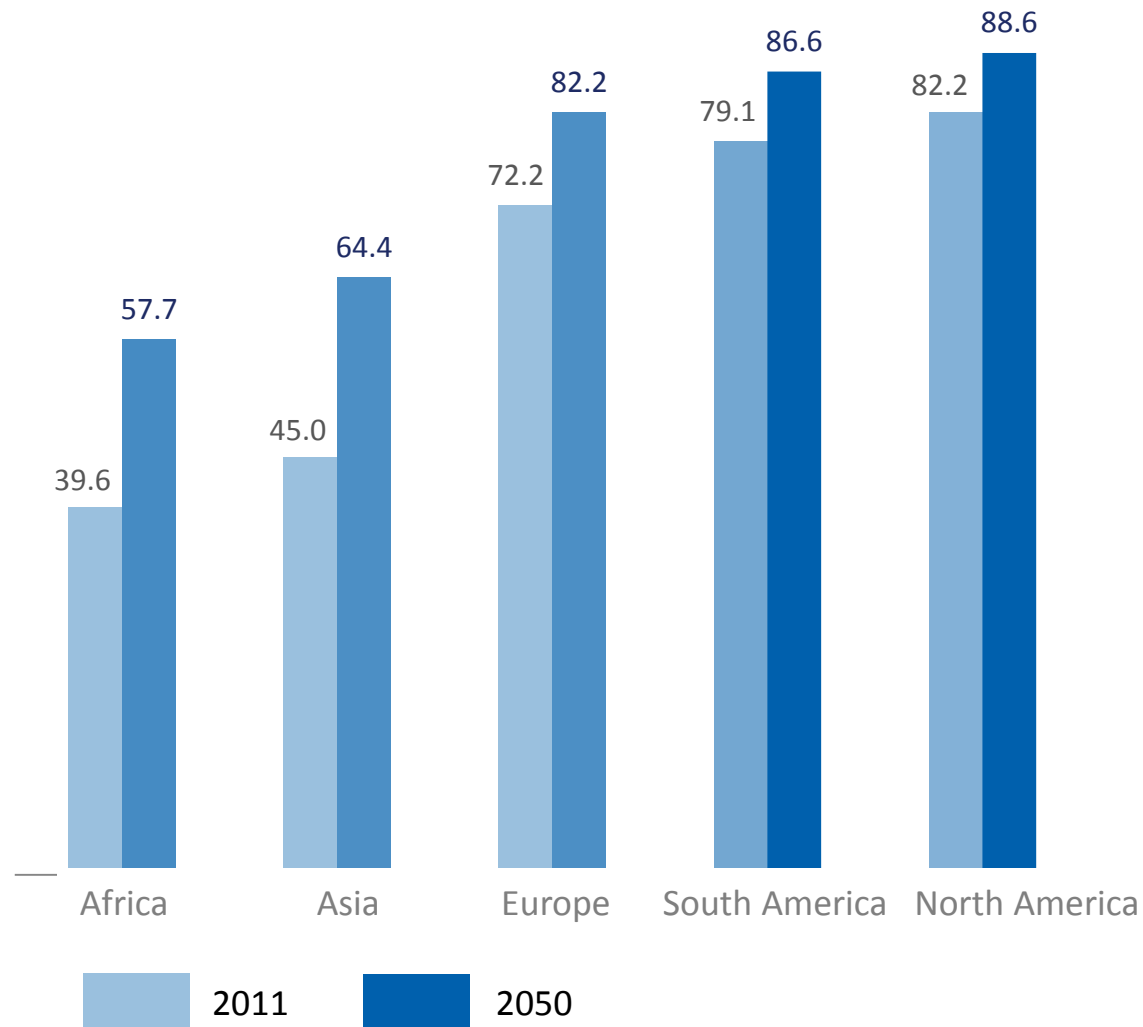
* The "middle-class" comprises people, who earn or spend between 10 and 100 US dollars a day (related to the purchase power of 2005)



Source: Brooking Institution 2012

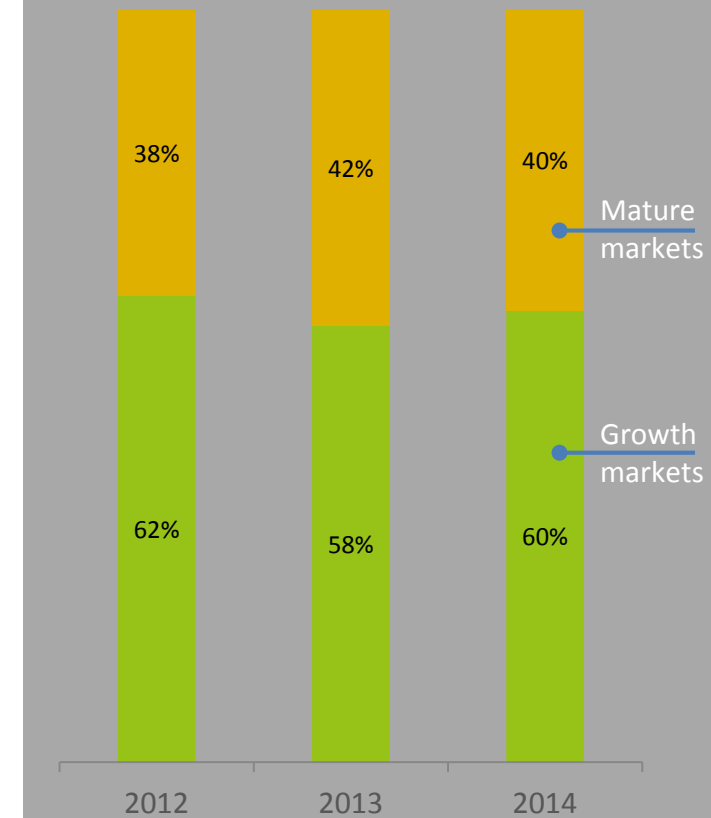
Urbanisation is driving demand for packaged beverages

Share of the urban population in the total population in %

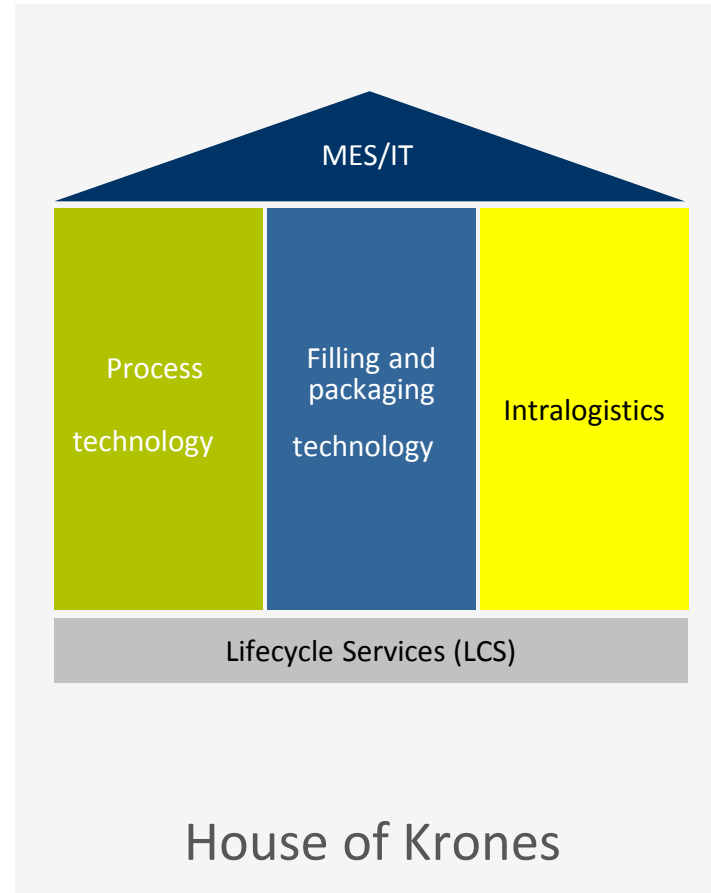
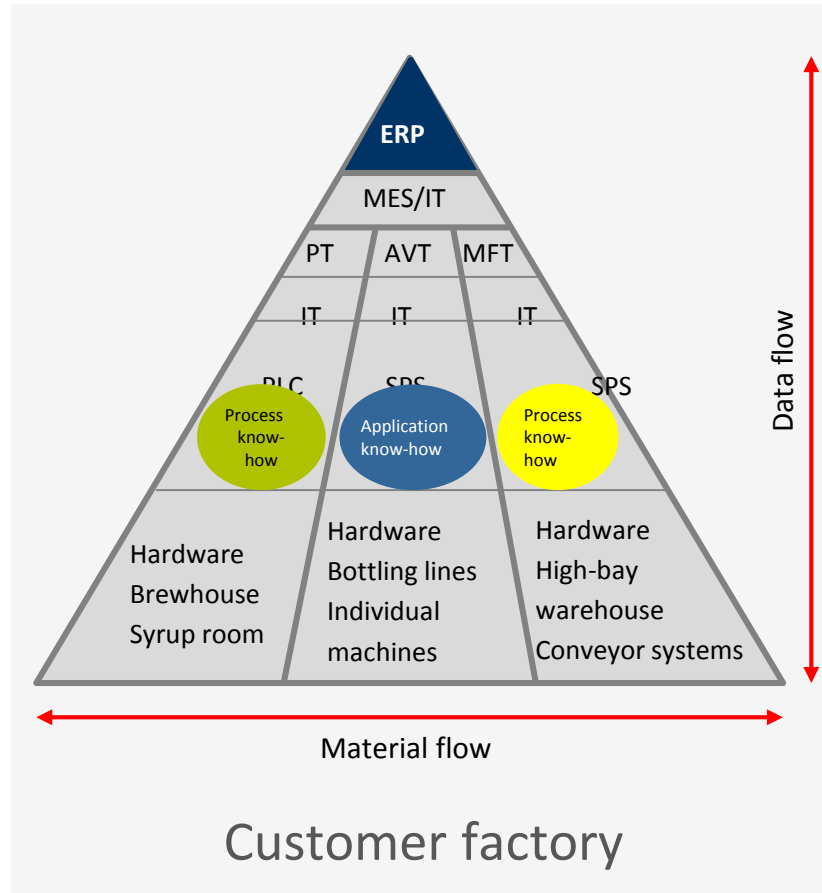


Source: United Nations

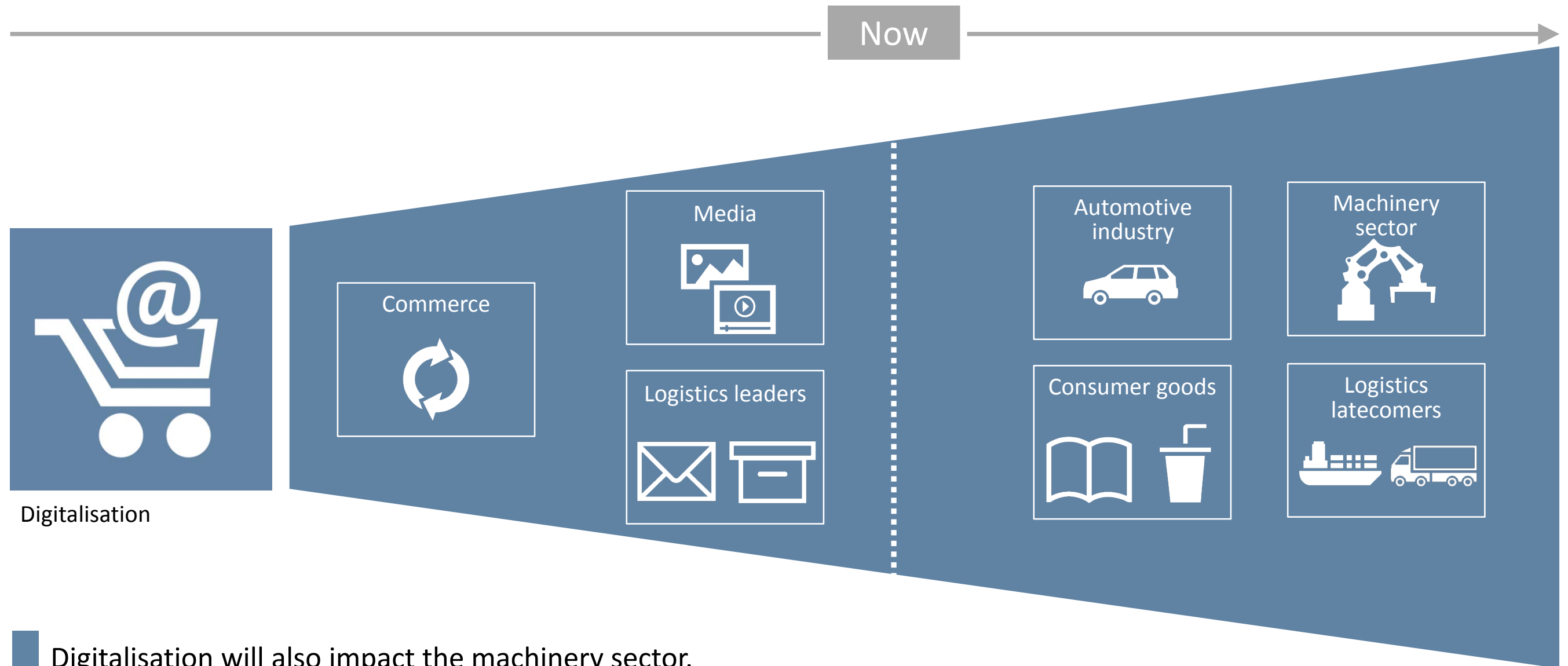
Development of emerging markets in % of the total sales of KRONES



Big Picture Krones



KRONES goes digital



Digitalisation

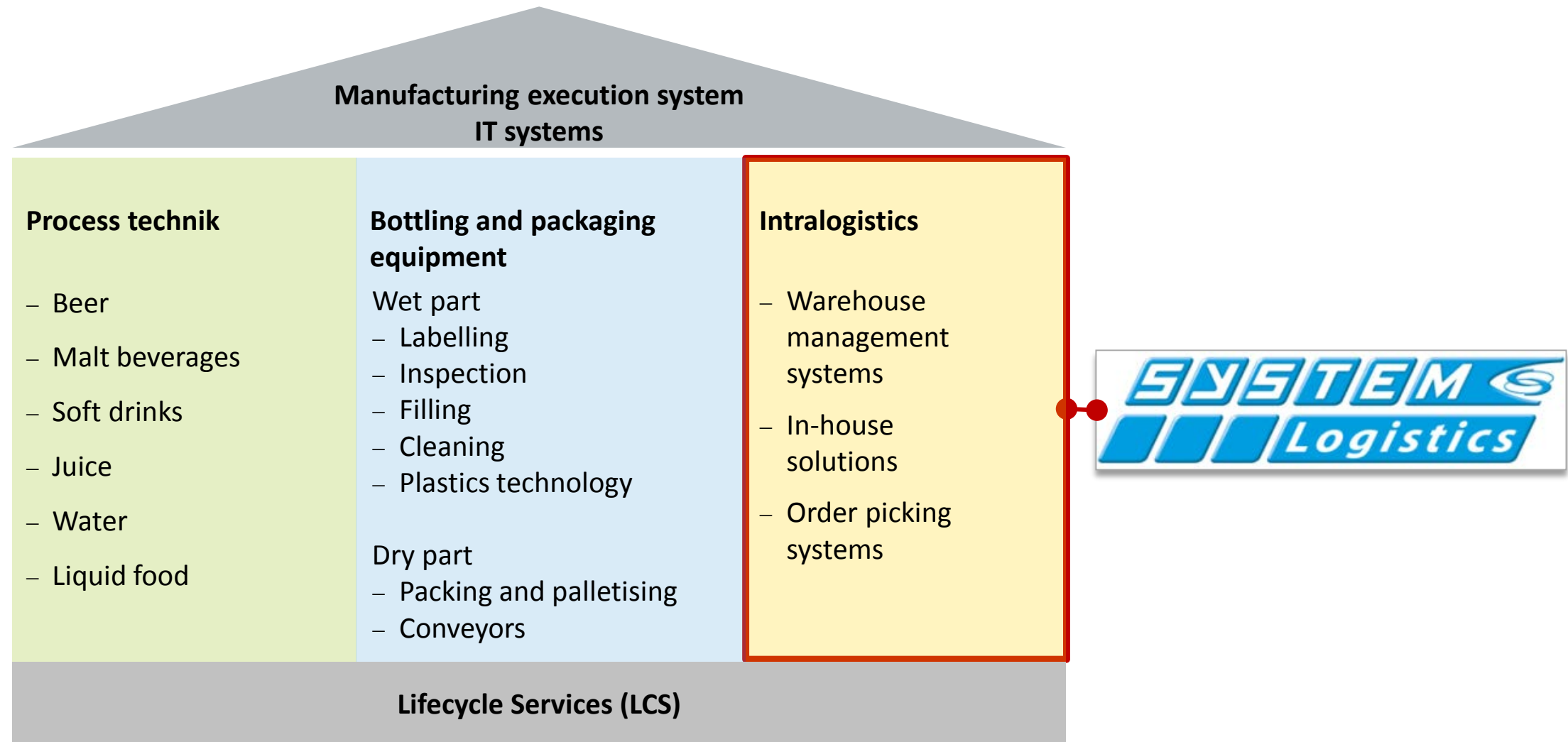
Digitalisation will also impact the machinery sector.
KRONES is developing solutions.

Digitalisation in a beverage plant



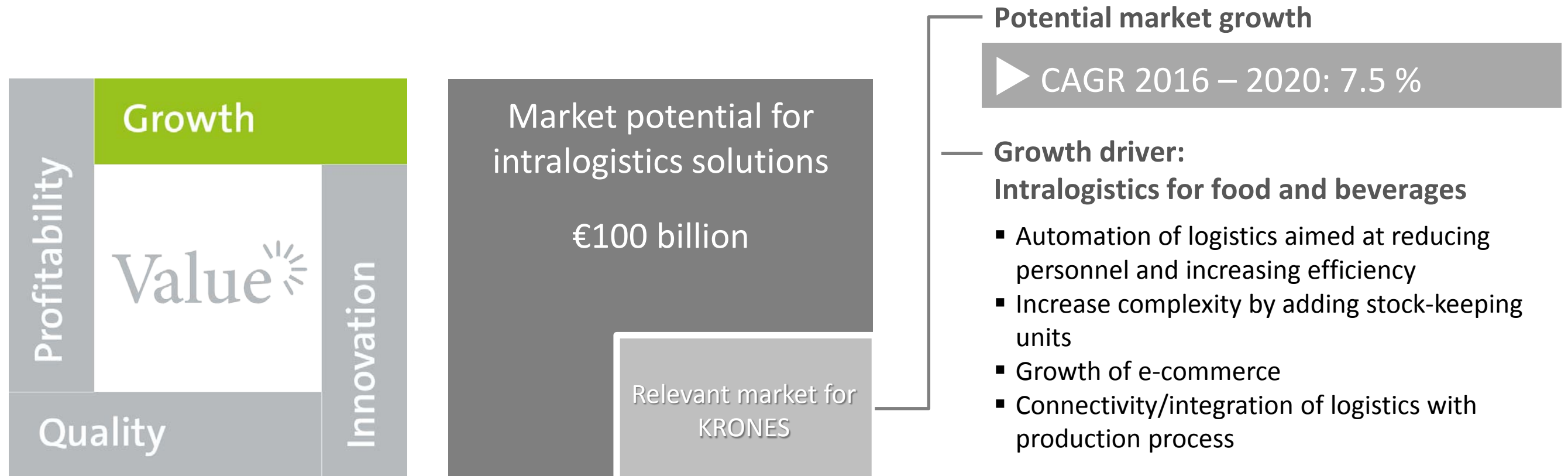
Comprehensive access to data at every level of value creation within a beverage plant is a crucial competitive advantage.

System Logistics within the House of KRONES



System Logistics rounds out KRONES' portfolio of products and services.

Market potential for intralogistics solutions



Source: VDMA Forum Intralogistics/Market study Technomar /IMIS Euromonitor/KRONES own internal market assessment (VT-Marketing department)

Intralogistics solutions have high growth potential in the beverage industry, the market relevant for KRONES.

Profile of System Logistics: system supplier with considerable depth of value creation

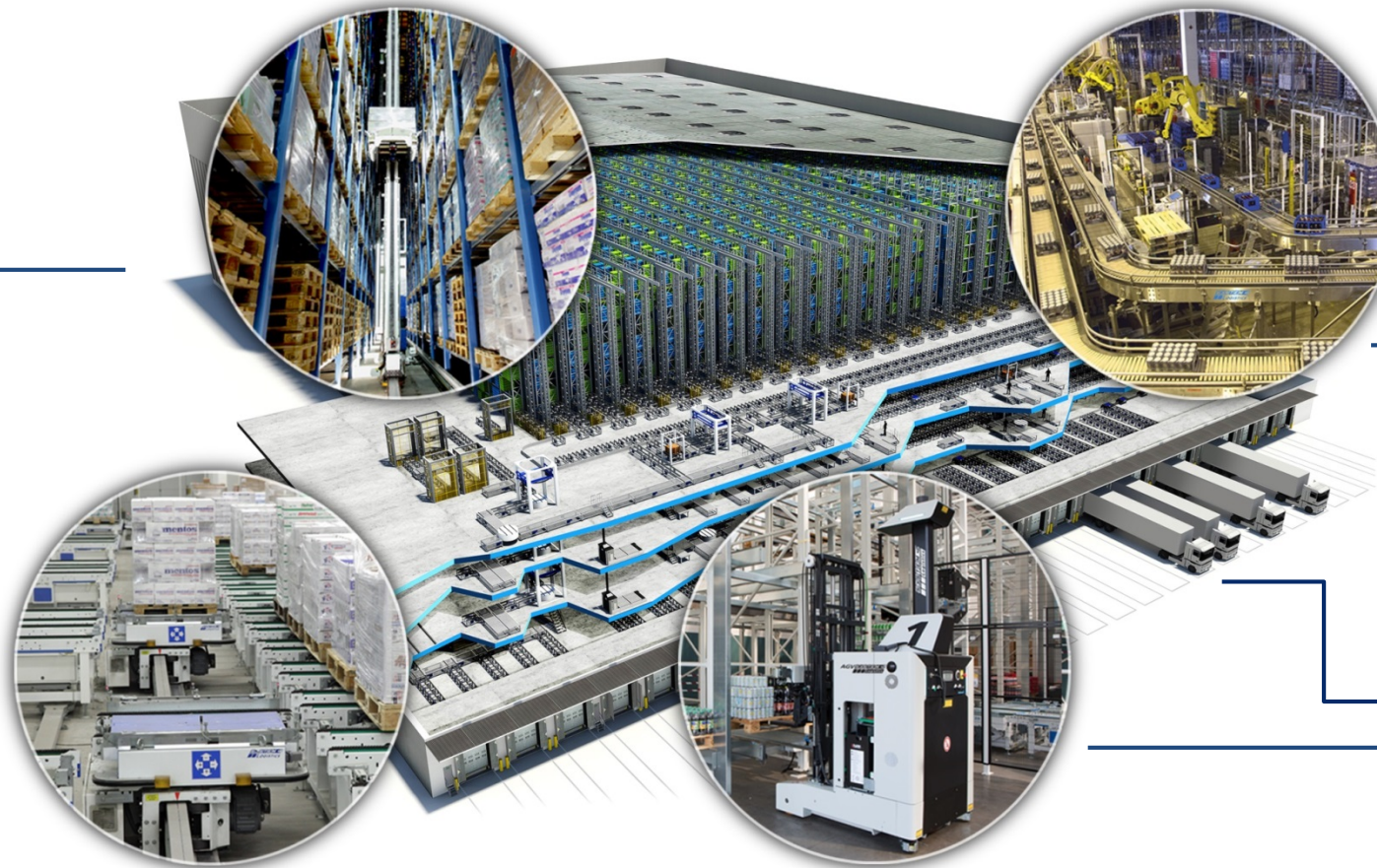
- Cranes
- Storage and retrieval systems

- Automatic order-picking systems
- Pallet conveyors

- Warehouse management systems
- Material flow controller
- Automation

- Laser-guided vehicles

- Shuttles



Business area: Intralogistics & material handling solutions
Headquarters: Fiorano, Italy
Ownership: 60% KRONES; 40% System Group
Workforce: approx. 250 employees, of which approx. 200 in Italy
Customers: Focus on the beverage industry
Revenue: approx. 100 € million

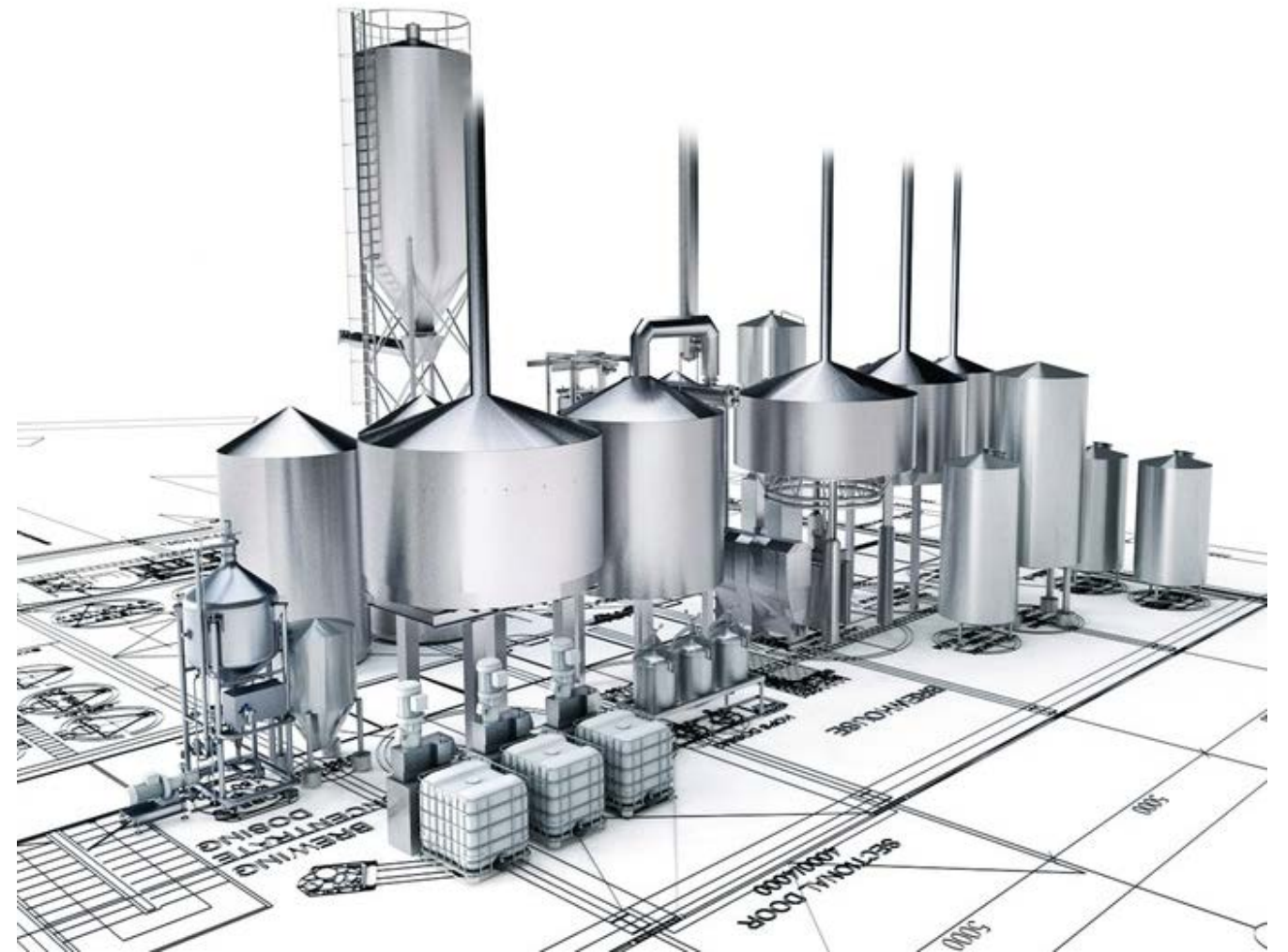
Summary

Control over data = Basis for system business

The market for intralogistics solutions in the beverage industry has high growth potential

System Logistics rounds out KRONES' range of products and services along customers' entire value chain

Innovations



Thank you
for your attention!

Financial calendar 2016

- 15.06.2016 Annual General Meeting
- 21.07.2016 Conference Call Group Q2 2016
- 21.07.2016 Interim Report as per June 30
- 26.10.2016 Conference Call Group Q3 2016
- 26.10.2016 Interim Report as per September 30



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