

Ad-hoc-release

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Krones revises forecast for 2018

Based on the result of the first nine months of 2018 and the forecast for the fourth quarter, Krones reduces its turnover and earnings forecast. Due to rising costs of goods and labour, start-up expenses and one-time costs for the expansion of the global footprint, Krones now expects an operative EBT margin of approximately 6.5% which is adjusted for the one-time expenses.

The previous target was 7%.

Krones now expects a 4% increase in turnover compared to the previous turnover target of 6%. This is due to currency effects and large-scale projects postponed into 2019. With respect to its third performance target – working capital as a percentage of turnover – Krones expects to reach the communicated target of 28%.

To compensate for cost increases and to enhance profitability, Krones is implementing extensive measures under its Value strategy program. Additionally, Krones raised the prices for bottling and packaging equipment and process technology by an average of 4.5% effective May 1, 2018. The strategic measures implemented by Krones have not yet taken full effect.

Overall, Krones maintains its mid-term targets of an 8% EBT margin and a 22% working capital as a percentage of turnover. However, reaching these targets will take one or two years longer than planned. The new mid-term planning figures are expected to be published in February of 2019 along with the preliminary figures of the financial year 2018.

Krones will publish its quarterly statement for the first nine months on October 25, 2018.

Explanation of Krones financial performance figures:

The operative EBT margin represents earnings before taxes as a percentage of turnover, adjusted by one-time effects.

The ratio of average working capital to turnover comprises average working capital over the past four quarters in relation to turnover.

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