Press release

# Koenig & Bauer confirms its full-year operating guidance for 2024 with strong order intake and initial positive effects from the “Spotlight” focus programme

* **Strong order situation in drupa year 2024, resulting in order backlog of €1,080.0m, the highest in the company’s history**
* **Underpinned by the high order backlog, the final quarter is expected to be strong**
* **Outlook for 2024 confirmed: operating EBIT at the lower end of the forecast range of
€25 – 40m, revenue target of around €1.3bn**
* **As expected, Group revenue of €819.6m after nine months below the previous year in a persistently challenging market environment – but sequential improvement evident**
* **Non-operating special effect: Focus programme “Spotlight” and expenses for drupe impact Group EBIT as expected with €34.9m**
* **Operating EBIT of €-20.7m after nine months; significant improvement of operating EBIT achieved in Q3 at €4.2m after €-14.7m in Q2**
* **Improvement in free cash flow and net working capital as of 30 September**
* **Planned implementation of the “Spotlight” focus programme to ensure that the target EBIT margin of around 6% on Group revenue of around €1.5bn is achieved by 2026 at the latest**

Würzburg, 7 November 2024
Koenig & Bauer AG (“Koenig & Bauer”, WKN: 719350 / ISIN: DE0007193500), a leading global technology provider of special printing applications with a particular focus on the packaging sector, experienced stable business in the first nine months of 2024 in a persistently challenging market environment. Order intake rose significantly, not least of all due to strong business at and in connection with the drupa trade fair, which was held in the first half of the year, producing an order backlog of €1,080.0m, the highest ever in the company’s history. A large part of this order backlog will be placed on the books after 2024 and is spread unevenly across the segments, providing a good basis for successful business performance and a strong final quarter. Accordingly, Koenig & Bauer confirms its full-year forecast for 2024 of Group revenue of €1.3bn and operating EBIT at the lower end of the range of €25 – 40m.

CEO Dr Andreas Pleßke says: “The nine-month figures show that we are headed in the right direction with the implementation of our “Spotlight” focus programme. The macroeconomic environment remained exceptionally challenging in the third quarter of 2024. So, it is all the more encouraging that we were able to significantly boost our operating earnings in Q3 over the previous quarter. Thanks to a record order backlog, we can expect a strong final quarter and confirm our previous forecast for 2024 as well as our medium-term outlook for 2026. “Spotlight” will make a decisive contribution to achieving our profitability targets and further strengthening our competitiveness.”

### New orders causing the highest order backlog in the company’s history

Order intake climbed by 18.9% to €988.1m in the first nine months of 2024, underpinned by new orders placed in connection with drupa, the world’s leading trade fair for the printing and graphics industry. As a result, the order backlog reached a record figure of €1,080.0m. Overall, the successful growth in new orders shows that Koenig & Bauer is excellently positioned on the market with its broad range of innovative products.

### Segment highlights in the third quarter of 2024

In Q3, the Banknote Solutions business unit again won a tender from the Bureau of Engraving and Printing (BEP), the federal printing office of the United States of America in Washington, D.C., and thus the order for further banknote presses. Factory acceptance testing of the first press of the new year will be conducted from the second half of 2025, with further presses to be delivered over several years. In the final quarter of this year, the Special segment is expected to make a contribution to operating EBIT that is significantly higher than the average quarterly performance. thanks to the order intake achieved in Q4 23.
A further highlight is the triple sales success for Koenig & Bauer Celmacch. with the first Chroma systems sold in Greater Africa (Kenya) and Asia (South Korea). In addition, a press was sold to a large international packaging customer in Europe for the first time since the major mergers in the corrugated cardboard industry, which had triggered ordering restraint. The presses sold will be going into operation in 2025. Latin America has been identified as a target region for further installations in 2025 alongside North America.
In addition, digital printing solutions for our customers were a focal point in Q3: after initial sales successes in the previous year, another RotaJET web-fed digital printing press was sold in North America. Digital links on packaging, i.e. connected packaging solutions, which the Digital Unit unveiled to great effect to trade visitors at drupa, are also gaining in importance. This allows an interactive connection between the end customer and the brand owner to be created directly on the product packaging, thus generating significant added value for both sides.

### As expected, revenue and earnings were lower than in the previous year in a challenging market environment – but with a sequential improvement evident

As expected, **Group revenue** fell by 8.0% to €819.6m in the first nine months of 2024 in a challenging market environment. This is particularly due to the order situation in the Sheetfed segment in Q3 2023, which exerted a delayed effect on production in the reporting period, as well as a lower percentage of completion (POC) in the Banknote Solutions business unit for production-related reasons. However, revenue displayed a positive trend across the individual quarters, rising from quarter to quarter in 2024.

**Group EBIT** stood at €-55.6m after nine months, translating into an EBIT margin of -6.8%, compared with -0.2% in the previous year. This was particularly due to the aforementioned decline in order intake in the third quarter of 2023, which also caused negative volume and mix effects. In addition, there was a non-operating special effect of €34.9m, mainly in connection with the “Spotlight” focus programme and the drupa trade fair, which, as expected, weighed on earnings in the nine-month period. Accordingly, operating EBIT amounted to €-20.7m after nine months (previous year: €-2.1m). Operating EBIT came to €4.2m in Q3, thus exceeding, as expected, the figure of €-14.7m recorded in Q2.

The net interest expense of€-19.8m was higher than in the previous year, resulting in earnings before taxes of€-75.4m. After income taxes, the Group’s net loss as of 30 September 2024 widened from€-12.2m in the same period of the previous year to€-77.3m. This translates into proportionate **earnings per share** of €-4.69 (previous year: €-0.75).

### Disparate business performance in the segments

At €511.7m, order intake in the **Sheetfed segment** was up 12.6% on the previous year in the first nine months. With order intake coming to €160.9m, Q3 2024 continued almost seamlessly at the strong level seen in the previous two quarters despite the fact that the third quarter is traditionally somewhat weaker due to the summer months. The time-delayed effect of the muted order intake in Q3 2023 caused a 12.2% decline in revenue to €466.4m in the nine-month reporting period. At€0.0m, EBIT fell short of the previous year’s figure of€12.1m and includes a non-operating special effect, of which €7.8m is related to the drupa trade fair. Accordingly, the EBIT margin was 0.0%. Operating EBIT equalled €7.8m at the end of the first nine months.

The order intake in the **Digital & Webfed segment** of €107.3m (previous year: €132.9m) reflected the temporary weakness in the market for corrugated board. After extremely subdued conditions in the first half of the year, Q3 2024 proved more vibrant again with order intake of€52.9m, which was partly due to the successful sales of the web-fed digital presses. Revenue rose by10.9% over the previous year to€113.4m after nine months. EBIT amounted to €-37.2m (previous year: €-19.9m) and includes a non-operating special effect, including €0.4m in connection with the drupa trade fair and €12.4m for the “Spotlight” focus programme. Reflecting this, the EBIT margin came to -32.8%. Operating EBIT was €-24.4m at the end of the first nine months.

At €390.7m, order intake in the **Special segment** in the first nine months of 2024 significantly exceeded the previous year’s figure of €270.7m. In Q3, the Banknote Solutions business unit was awarded a contract by the Bureau of Engraving and Printing (BEP) in Washington, D.C., for further banknote presses. Revenue fell by 7.9% to €259.1m in the first nine months of 2024, primarily due to the lower percentage of completion (POC) achieved in production for customer orders in the Banknote Solutions business unit compared with the previous year. Consequently, EBIT amounted to €-20.2m (previous year: €4.3m) and includes a non-operating special effect, of which €0.1m is for the drupa trade fair and €6.8m for the “Spotlight” focus programme. Accordingly, the EBIT margin was -7.8%. Operating EBIT stood at €-13.3m after nine months. Order backlog was valued at €510.1m as of 30 September 2024 (previous year: €242.9m). In the final quarter as well as next year, the segment will benefit from the high order backlog, which should underpin the planned increase in earnings.

### “Spotlight” is driving the achievement of the 2026 profitability target

With its “Spotlight” focus programme, Koenig & Bauer has defined comprehensive measures aimed at achieving sustainable increases in revenue in profitable areas and restructuring non-profitable areas. Chief Financial Officer Dr Stephen Kimmich comments: “We have made good progress in implementing the individual measures in recent months. Although the measures call for a great deal of effort from all parties involved and are also exerting strain, we are convinced that “Spotlight” will strengthen our competitiveness and bring us much closer to achieving our profitability targets.” The implementation of “Spotlight” entails non-operating special effects of €30 – 45m. As of 30 September 2024, an amount of €24.4m has already been included in Group earnings and mainly relates to adjustments to material and personnel expenses. The upper end of the corridor should be reached by the end of the year. A positive EBIT effect of €15 – 20m is planned from "Spotlight" for the 2024 financial year (2025: €40 – 50m; 2026: €60 – 70m). “Spotlight” will make a significant contribution to the achievement of an EBIT target of around 6% in 2026 at the latest on Group revenue of roughly €1.5bn.

### Outlook for 2024 confirmed

Koenig & Bauer AG confirms that its operating earnings will come in at the lower end of the forecast range of €25 – 40m in 2024 and that it will achieve its revenue target of around €1.3bn despite the currently challenging market situation.

These projections are subject to external influences, such as the risk of further setbacks or tightened restrictions compared to the current situation as a result of the war in Ukraine and the Middle East conflict or an unexpected rise in inflation as well as internal business performance. The Management Board has considered this in detail and expects a strong final quarter due to the normalisation of the company’s business performance in the third quarter. This is reinforced by the historically strong order backlog and the contribution to operating profit expected to be made by the Special segment thanks to its above-average performance, which mainly results from the strong order intake in Q4 2023, as well as the harnessing of efficiency benefits under the “Spotlight” focus programme. There is slightly elevated uncertainty as to whether the assumed effects will emerge in full in the final quarter, depending, for example, on the period to which individual orders are allocated and successful installations.

[Figures at a glance](https://investors.koenig-bauer.com/fileadmin/user_upload/04_Unternehmen/Investor_Relations/Berichte/Berichte_2024_q3/24-11-07-ir-key-figures-9m-and-q3-en.pdf)

The statement on the third quarter and the first nine months of 2024 is available as a PDF file [[here]](https://investors.koenig-bauer.com/fileadmin/user_upload/04_Unternehmen/Investor_Relations/Berichte/Berichte_2024_q3/24-11-07-ir-statement-q3-2024-en.pdf).

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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 5,700 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 €1.3bn in 2023.

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