

Q1

Quarterly statement for the period
from 1 January to 31 March 2021

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Highlights and key figures

KRONES reports good start to 2021

- Upward trend in order intake continues. Order value increased in first three months by 27.1% to €1,068.8 million.
- First quarter revenue of €874.6 million down 7.2% on prior-year figure, which was not yet severely affected by corona.
- Despite lower revenue from January to March, KRONES was able to limit the decline in earnings before interest, taxes, depreciation and amortisation (EBITDA) from €89.5 million to €76.5 million. The EBITDA margin was 8.7% in the reporting period, down on the high prior-year figure of 9.5%.
- Based on the positive first-quarter trend, KRONES is confident of meeting the forecast for 2021. For the full year, the company expects revenue growth of 2.5% to 3.5% and an EBITDA margin of 6.5% to 7.5%.

		1 Jan – 31 Mar 2021	1 Jan – 31 Mar 2020	Change
Revenue	€ million	874.6	942.0	– 7.2 %
Order intake	€ million	1,068.8	841.1	+ 27.1 %
Orders on hand at 31 March	€ million	1,405.5	1,284.8	+ 9.4 %
EBITDA	€ million	76.5	89.5	– 14.5 %
EBITDA margin	%	8.7	9.5	– 0.8 PP*
EBIT	€ million	43.0	53.7	– 19.9 %
EBT	€ million	44.6	53.0	– 15.8 %
EBT margin	%	5.1	5.6	– 0.5 PP*
Consolidated net income	€ million	32.8	39.1	– 16.1 %
Earnings per share	€	1.04	1.24	– 16.1 %
Capital expenditure for PP&E and intangible assets	€ million	20.7	34.2	–€13.5 million
Free cash flow	€ million	30.3	–16.0	+€46.3 million
Net cash and cash equivalents at 31 March**	€ million	208.2	10.8	+€197.4 million
Working capital to revenue***	%	28.7	27.1	+ 1.6 PP*
Employees at 31 March				
Worldwide		16,450	17,191	– 741
Germany		10,126	10,589	– 463
Outside Germany		6,324	6,602	– 278

* PP = percentage points ** Cash and cash equivalents less debt *** Average of last 4 quarters

Letter from the **Executive Board**

Dear shareholders and friends of **KRONES**,

After more than a year, the corona pandemic continues to be the dominant issue worldwide. The third wave is sweeping across the globe and few regions are so far able to lift restrictions.

But there is good cause to hope that the economy will do better in 2021 than was expected at the start of the year. In its latest economic outlook, the International Monetary Fund (IMF) upgraded its forecasts for economic growth. It is now projecting 6.0% growth for the world economy in 2021. The January estimate had been 5.5%. In April, the German Mechanical Engineering Industry Association also raised its output forecast for the year from 4% to 7%.

KRONES likewise expects business to recover this year. Uncertainty about the duration of the corona crisis continues to have an impact on our customers' investment confidence. But the figures for the first quarter support us in our optimism. Order intake improved by 27.1% year on year to €1.069 million. This confirms the upward trend since the third quarter of 2020. The revenue of €875 million was 7.2% down on the previous year's figure, which was only partially affected by the corona crisis.

That the cost-cutting measures launched in 2019 and stepped up in 2020 are taking effect is reflected in good profitability. Our first-quarter EBITDA margin was 8.7% (previous year: 9.5%). That is above our target of 6.5% to 7.5% for the full year.

The figures for the first quarter show that there is a light at the end of the corona tunnel. KRONES is ready to switch back again from crisis to growth mode. We will benefit here from the recovery of the beverage and packaging market, as well as from our company's good financial strength and strong capacity to innovate. The focus here continues to be on the sustainability and digitalisation of our products and services in order to meet customer needs in this direction.

Overall, the Management Board is as confident as ever that KRONES will emerge stronger from the crisis and meet its forecasts for this year – provided there are no unexpected setbacks from the Covid-19 pandemic.



Christoph Klenk
CEO

The KRONES share

Stock markets set new records

The stock markets maintained their upward trend in the first quarter of 2021. As central banks continue to pursue expansionary monetary and interest rate policies, investors have little alternative to investing in equities. Another major share price driver was the hope that the corona crisis will soon be over thanks to vaccinations. Government measures to counter the economic impacts of the Covid-19 pandemic also contributed to the positive mood on the stock markets.

Many key share indices set new all-time records in March. Large caps made particularly large gains. Germany's best-known index, the DAX, broke the 15,000-point barrier for the first time and rose by a total of 9.4% in the first quarter of 2021. The mid-cap MDAX gained 3.0%.

Positive performance of KRONES share price

Along with the market as a whole, the KRONES share price moved sideways for the first few weeks of 2021. At the end of January, our share price broke away from the general market trend and began climbing rapidly. On 16 February, KRONES shares stood at €78.35, 19% higher than at the beginning of the year. This was also the highest price in the period January to March 2021. Our share price benefited from investors giving a higher weighting to cyclicals. The share price upswing was also driven by analysts expecting that KRONES' business had further stabilized in the fourth quarter of 2020.

On February 25, the company published its preliminary figures for 2020 and guidance for financial year 2021. Most analysts then raised their price target for KRONES shares. The share price nevertheless came under pressure as the stock market underwent a general correction for corona-related reasons. KRONES was disproportionately affected due to the high accumulated gains. The KRONES share price reached its first-quarter low at €64.30 on 17 March. At this level,

demand picked up again and the share price recovered strongly in the final stock market trading days of the first quarter. Our share price stood at €69.20 at the end of March. This means the KRONES share price gained 4.8% in the first quarter. The SDAX, of which KRONES is a component, went up by 4.6% in the same period.

Key figures for the KRONES share	Q1 2021	Q1 2020
Earnings per share (€)	1.04	1.24
High (€)	78.35	75.50
Low (€)	64.30	41.92
KRONES share price at 31 March 2021 (€)	69.20	48.78
Market capitalisation at 31 March 2021 (€ bn)	2.19	1.54

Price information: Xetra

The average daily turnover in our shares (Xetra and Frankfurt) was 38,166 in the first quarter of 2021, which is lower than in the previous year (78,474). Stock exchange turnover in general was extremely high in the first quarter of 2020 due to the corona crash.

Performance Q1 2021
KRONES share + 4.8%
SDAX + 4.6%

The KRONES share from 1 January to 31 March 2021



KRONES has set targets for all sustainability topics.

KRONES publishes ambitious sustainability targets for 2030

In the Non-financial Report 2020 published in March 2021, KRONES presents in detail the new targets for the company's sustainable development through to 2030. The company has set sustainability targets for the five core areas of ethics, employees, market, environment and society.

Two particularly notable targets are those for product sustainability and reducing CO₂ emissions. For the latter, the company has set the following ambitious targets for 2030:

- 80% lower greenhouse gas emissions at the company's own sites (Scope 1 and Scope 2)
- 25% lower greenhouse gas emissions from the use of our products (Scope 3)

The enviro sustainability programme has been a cornerstone of product sustainability at KRONES for many years. Its aim is to optimise and reduce the consumption of energy, water and other media in our machines and lines and to ensure that resources are recycled. By continuing to enhance its energy-efficient technologies, KRONES will not only help its customers achieve their climate targets, but above all will improve the sustainability of the entire food and beverage industry.



Detailed information on KRONES' sustainability targets can be found in our Non-financial Report 2020. This is available on our website at: <https://www.krones.com/en/company/responsibility/downloads.php>

KRONES promotes circular economy with sustainable PET solutions

As a member of the European Circular Economy Stakeholder Platform, KRONES has entered into a voluntary commitment to actively promoting the European circular economy. An important part of this is the processing of recycled PET (rPET), which has to be handled differently from conventional PET. Due to our extensive experience with rPET, all new KRONES PET filling lines will be able to process up to 100% rPET by as soon as 2025.

KRONES has already achieved the goal of plastic-free secondary packaging. In the form of LitePac Top, KRONES provides customers with an innovative and sustainable solution that completely dispenses with the use of disposable plastics.

The KRONES Commitment on the European Circular Economy Stakeholder Platform

- rPET compatibility
- Plastic-free secondary packaging
- Support for recyclable packaging design
- Changeover from linear production to circular economy
- Permanently attached closures
- Sustainable labelling
- Investment in recycling
- Beyond PET packaging

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ASSETS, FINANCIAL POSITION, AND RESULTS OF OPERATIONS

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Revenue

KRONES' revenue down 7.2% year on year in first quarter of 2021

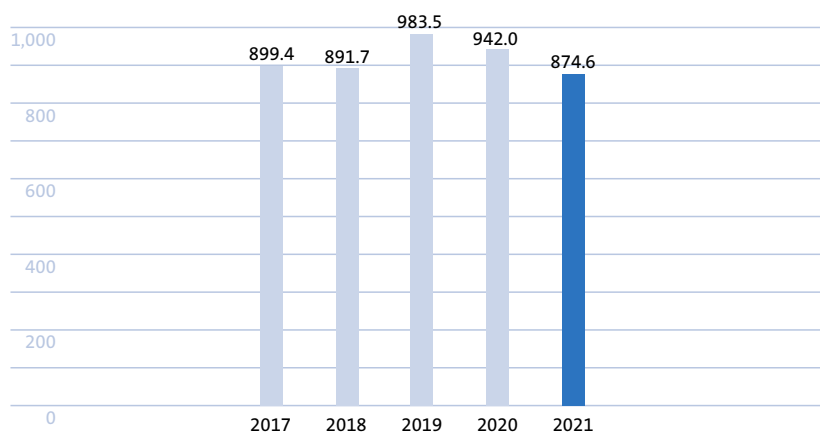
KRONES' business further stabilised in the first quarter of 2021. Its strong global footprint allowed the company to benefit from the worldwide economic recovery. Revenue from January to March showed a year-on-year decrease of 7.2%, from €942.0 million to €874.6 million. It should be noted, however, that the Corona crisis had only a minor impact on revenue in the first quarter of 2020, so that the revenue figure for the prior-year period was relatively high. First-quarter revenue this year also reflects the weaker order intake in the second and third quarters of last year. KRONES expects that the revenue figures in the

remaining quarters of 2021 will each be higher than in the previous year and that the growth forecast of 2.5% to 3.5% for the full year will be attained.

Both the new machinery and the service business were still affected by travel and logistical restrictions in the reporting period. Thanks to our global service network and with the aid of digital services, however, we have been able to provide customers with good support at all times.

KRONES' business further recovered in the first quarter from the corona-related downturn. At €874.6 million, revenue was level with the preceding quarter and 7.2% down year on year.

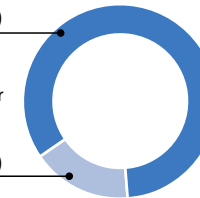
Revenue from 1 January to 31 March (€ million)



Segment revenue from 1 Jan to 31 Mar 2021

Machines and Lines for Product Filling and Decoration
83.5%*(€730.5 million)

Machines and Lines for Beverage Production/ Process Technology
16.5%*(€144.1 million)

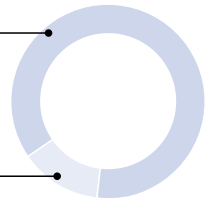


* Share of consolidated revenue of €874.6 million

Segment revenue from 1 Jan to 31 Mar 2020

Machines and Lines for Product Filling and Decoration
86.6%*(€816.2 million)

Machines and Lines for Beverage Production/ Process Technology
13.4%*(€125.8 million)



* Share of consolidated revenue of €942.0 million

Revenue by region

Quarterly revenue figures for the various regions are generally not very meaningful because orders and revenue can fluctuate significantly from one quarter to the next.

KRONES' revenue in Germany fell more steeply in the first quarter of 2021 than consolidated revenue. At €94.8 million, it was 10.5% down on the prior-year period. Its share of first quarter consolidated revenue decreased from 11.3% to 10.8%.

KRONES generated almost 90% of first quarter revenue internationally

The European economy is recovering more slowly from the corona crisis than other regions. This is one reason why KRONES' revenue in Europe (excluding Germany) fell more sharply overall in the first quarter than total Group revenue. Revenue in Western Europe decreased by 9.8% year-on-year to €132.1 million between January and March 2021. The smaller Eastern Europe sales region saw revenue fall 38.7% in the reporting period to €39.9 million. Russia/GUS revenue fell by 13.0% in the first quarter to €23.1 million. The only European region with rising revenue in the reporting period was Central Europe (Austria, Switzerland and the Netherlands). Revenue there climbed 17.0% year-on-year to €66.6 million. In the whole of Europe (excluding Germany), KRONES generated revenue of €261.7 million between January and March 2021. This left European revenue 11.3% down on the previous year (€295.0 million). The European share of first quarter consolidated revenue decreased from 31.3% in the previous year to 30.0%.

An important sales region for KRONES in the medium and long term is the Middle East/Africa. The first quarter of 2021 bought a continuation of the upward trend in business from 2020. Revenue went up by 6.8% year-on-year to €123.9 million. Business in China recovered in the first quarter of 2021. Revenue there increased by 15.8% year on year to €52.9 million. In the remainder of the Asia/Pacific region, where revenue was still relatively stable in the first quarter of 2020, revenue fell in the reporting period by 27.2% to €79.8 million.

KRONES' business continued to develop well in the North and Central America region. Revenue there climbed relative to the already high prior-year level by 13.8% to €180.1 million in the first quarter of 2021. A number of countries in the South America/Mexico region are still suffering badly from corona. This affected KRONES' revenue, which decreased as a result in the reporting period by 27.0% year on year to €81.4 million.

KRONES' regional revenue split changed slightly in the first quarter of 2021 but remains very well balanced. The proportion of revenue generated by the company in emerging markets was 45.9% in the first quarter of 2021 (previous year: 50.4%). KRONES generated 54.1% of revenue in mature industrialised countries (previous year: 49.6%).

KRONES Group revenue by region

Share of consolidated revenue	1 Jan to 31 Mar 2021		1 Jan to 31 Mar 2020		Change %
	€ million	%	€ million	%	
Germany	94.8	10.8	105.9	11.3	-10.5
Central Europe (excluding Germany)	66.6	7.6	56.9	6.0	+17.0
Western Europe	132.1	15.1	146.4	15.6	-9.8
Eastern Europe	39.9	4.6	65.1	6.9	-38.7
Russia, Central Asia (cis)	23.1	2.7	26.6	2.8	-13.0
Middle East/Africa	123.9	14.2	116.0	12.3	+6.8
Asia-Pacific	79.8	9.1	109.7	11.6	-27.2
China	52.9	6.0	45.7	4.9	+15.8
South America/Mexico	81.4	9.3	111.5	11.8	-27.0
North and Central America	180.1	20.6	158.3	16.8	+13.8
Total	874.6	100.0	942.0	100.0	-7.2

Order intake and orders on hand

Dynamic growth in order intake

As in the fourth quarter of 2020, the contract value of orders once again exceeded the billion euro mark in the first quarter of 2021. At €1.07 billion, order intake was 27.1% higher than in the prior-year period.

Following a strong fourth quarter 2020, the upward trend in orders continued in the first quarter of 2021. Order intake from January to March increased 27.1% year on year, from €841.1 million to €1,068.8 million. The comparative figure for 2020 was already affected by the outbreak of the Covid-19 pandemic. In the reporting period, the contract value of orders was back around pre-crisis levels. Order intake in the first quarter of 2021 was not significantly influenced by individual large orders. Orders increased across broad sections of our product and service portfolio.

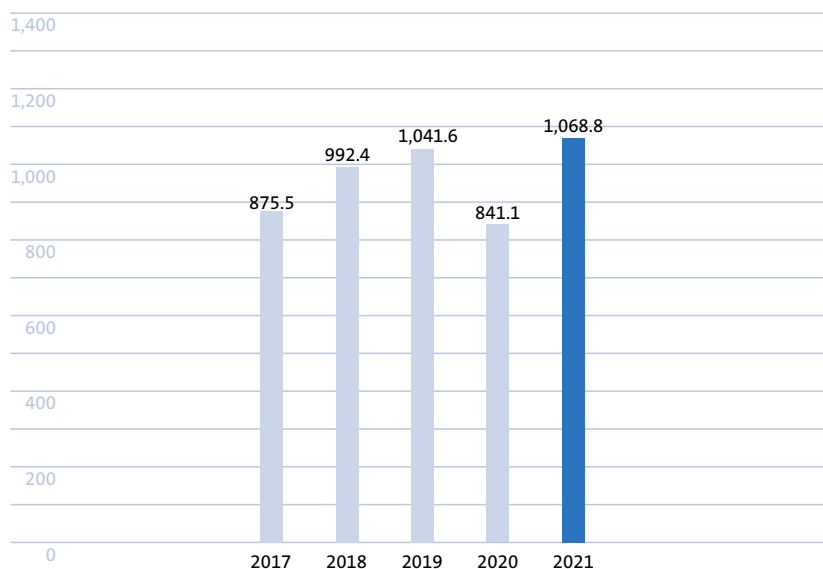
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Year-on-year growth in order intake was above the Group-level figure in the reporting period in Europe, China, and Eastern Europe. The contract value of orders was in line with Group-level growth in Asia/Pacific and in South and North America. The Middle East/Africa region showed a decrease in orders.

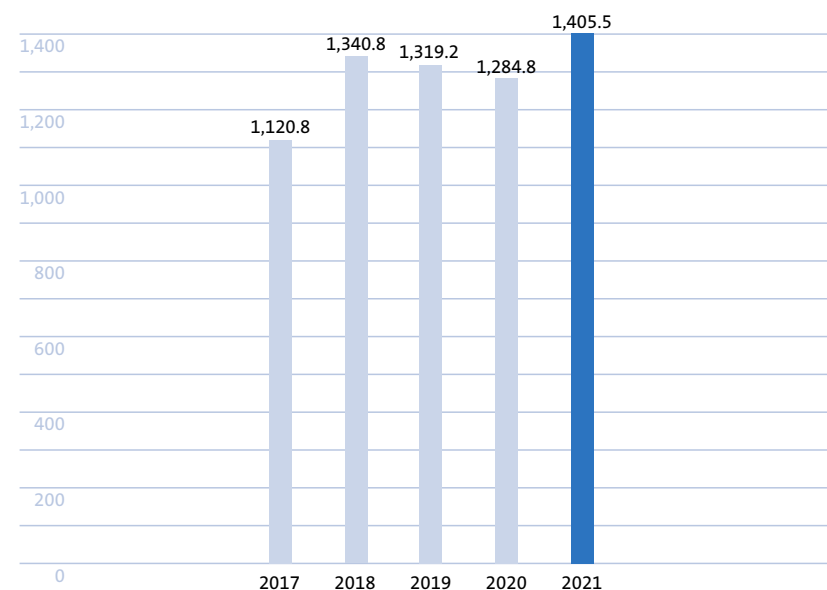
KRONES' growing order backlog ensures higher capacity utilisation

KRONES' order backlog increased significantly in the first quarter of 2021, compared both with 31 December 2020 (up 16.0%) and with the prior-year quarter (up 9.4%). As of 31 March 2021, the company had an order backlog totalling €1,405.5 million (previous year: €1,284.8 million). The large order backlog will have a positive impact on production capacity utilisation in the months ahead.

Order intake from 1 January to 31 March (€ million)



Orders on hand at 31 March (€ million)



Earnings

Solid earnings despite lower revenue

KRONES generated an EBITDA margin of 8.7% in the first quarter of 2021.

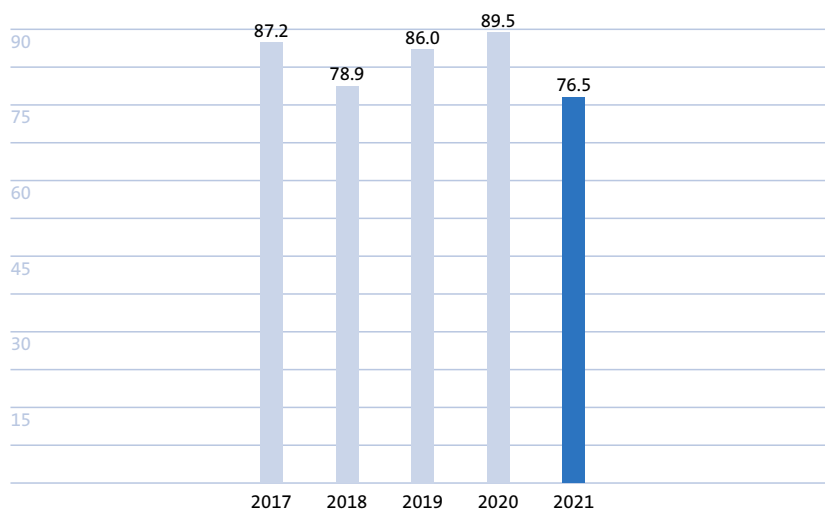
KRONES has significantly enhanced its flexibility with extensive structural measures. This positively impacted profitability in the first quarter of 2021.

Despite lower revenue, we were able to limit the decline in earnings before interest, taxes, depreciation and amortisation (EBITDA) from €89.5 million to €76.5 million. The EBITDA margin was 8.7% in the reporting period (previous year: 9.5%).

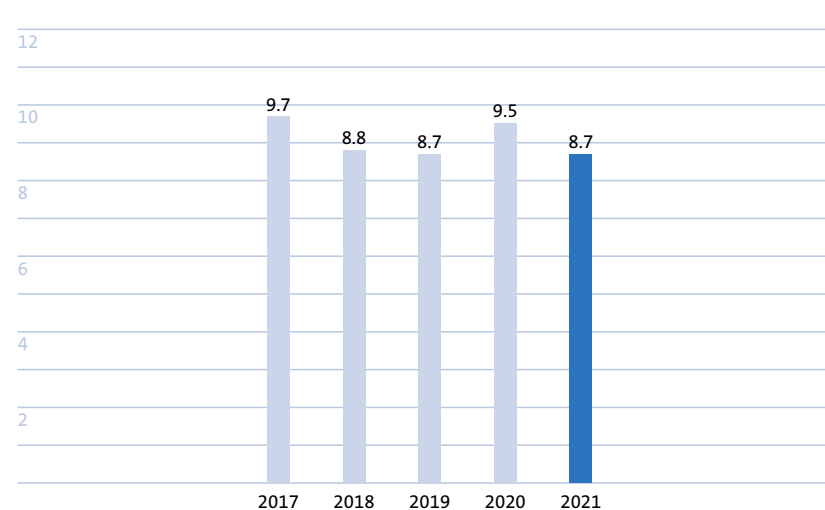
KRONES laid a solid basis in the first quarter for achieving its EBITDA margin target of 6.5% to 7.5% for the full year 2021.

From January to March 2021, the company generated earnings before taxes (EBT) of €44.6 million (previous year: €53.0 million). This corresponds to an EBT margin of 5.1% (previous year: 5.6%). At 26.5%, KRONES' tax rate for the first quarter of 2021 is virtually unchanged relative to the previous year (26.2%). Consolidated net income came to €32.8 million (previous year: €39.1 million). This corresponds to earnings per share of €1.04 (previous year: €1.24).

EBITDA from 1 January to 31 March (€ million)



EBITDA margin from 1 January to 31 March (%)



KRONES Group earnings structure

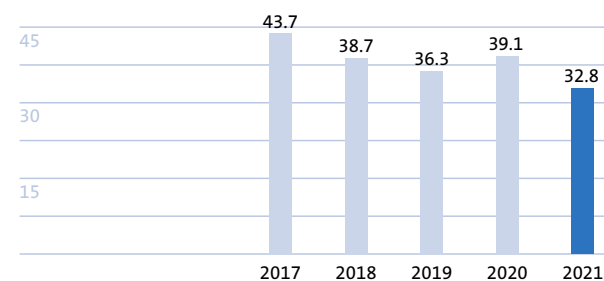
€ million	2021 1 Jan–31 Mar	2020 1 Jan–31 Mar	Change %
Revenue	874.6	942.0	-7.2
Changes in inventories of finished goods and work in progress	19.1	9.5	
Total operating performance	893.7	951.5	-6.1
Goods and services purchased	-430.7	-438.5	-1.8
Personnel expenses	-303.2	-321.6	-5.7
Other operating income/expenses and own work capitalised	-83.3	-101.9	-18.3
EBITDA	76.5	89.5	-14.5
Depreciation and amortisation on fixed assets	-33.5	-35.8	-6.4
EBIT	43.0	53.7	-19.9
Financial income/expense	1.6	-0.7	
EBT	44.6	53.0	-15.8
Income tax	-11.8	-13.9	-15.1
Consolidated net income	32.8	39.1	-16.1

Despite 7.2% lower revenue, KRONES' profitability in the first quarter of 2021 was satisfactory with an EBITDA margin of 8.7%.

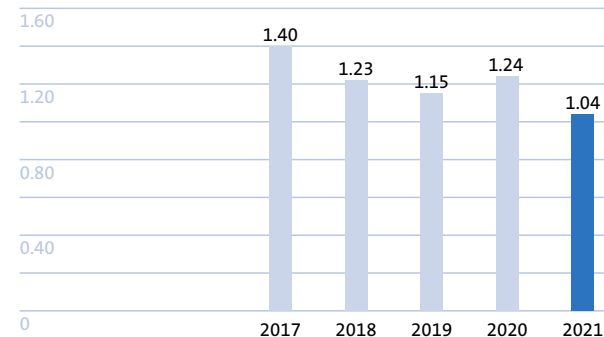
KRONES recorded slight reductions in revenue and total operating performance between January and March 2021 relative to the first quarter of 2020, which was not yet severely affected by corona. Revenue in the first three months was thus down 7.2%

year on year to €874.6 million, while total operating performance decreased by a slightly smaller 6.1% to €893.7 million. This is due to higher additions to finished goods and work in progress. These increased by €19.1 million in the reporting period, compared with €9.5 million in the prior-year period.

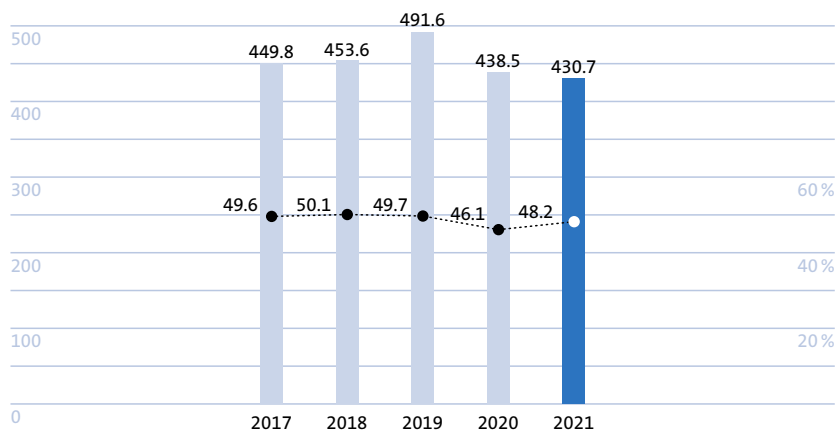
Net income from 1 January to 31 March (€ million)



Earnings per share from 1 January to 31 March (€)



Goods and services purchased from 1 January to 31 March (€ million, %)



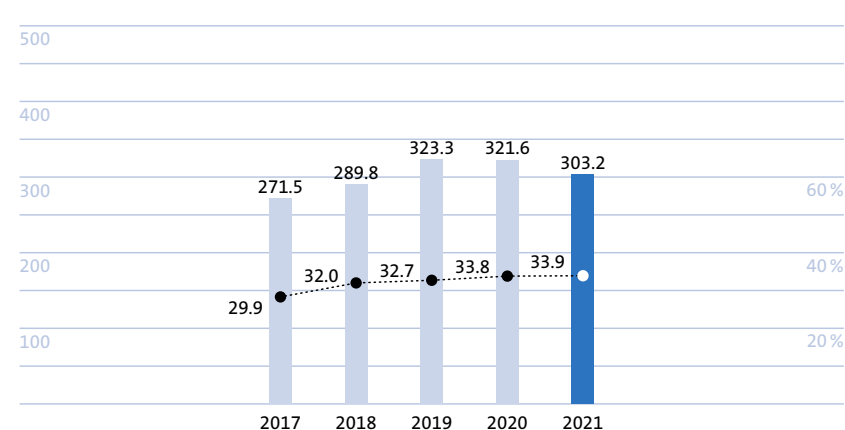
Material expense ratio: 48.2%
Personnel expense ratio: 33.9%

Goods and services purchased fell to a lesser extent than total operating performance in the first quarter of 2021, decreasing by 1.8% to €430.7 million. The ratio of goods and services purchased to total operating performance went up in the reporting period from 46.1% to 48.2%. This partly reflects the overall increase in raw material prices. In addition, the stronger new machinery business and a higher share of revenue accounted to process technology relative to the previous year are also reflected in goods and services purchased.

Personnel expenses decreased by almost as much as total operating performance in the reporting period, falling by 5.7% to €303.2 million. The ratio of personnel expenses to total operating performance consequently remained near-constant in the first quarter of 2021, at 33.9% (previous year: 33.8%). Personnel expenses were lower mainly because of the workforce adjustment measures decided and implemented last year.

At €120.4 million, other operating expenses were significantly lower in the reporting period than the €150.1 million recorded in the previous year. Other operating income was also down – from €36.6 million to €26.0 million – while own work capitalised, at €11.1 million, was at approximately the same level as

Personnel expenses from 1 January to 31 March (€ million, %)



the previous year (€11.6 million). The net balance of other operating income and expenses and own work capitalised decreased from –€101.9 million in the prior-year period to –€83.3 million. As a percentage of total operating performance, this represented a reduction from 10.7% to 9.3%.

Overall, KRONES' EBITDA (earnings before interest, taxes, depreciation and amortisation) went down by 14.5% in the reporting period, from €89.5 million to €76.5 million. For these figures, it should be noted that the prior-year quarter was affected to only a limited extent by the corona crisis. The EBITDA margin was 8.7%, down on the high prior-year figure of 9.5%. Despite a decrease in depreciation and amortisation of fixed assets to €33.5 million (previous year: €35.8 million), earnings before interest and taxes (EBIT) went down in the first quarter of 2021 by 19.9% to €43.0 million. Because financial income/expense, at €1.6 million, was €2.3 million higher than last year (–€0.7 million), earnings before taxes (EBT) were down 15.8% in the reporting period to €44.6 million (previous year: €53.0 million). This results in an EBT margin of 5.1%, compared with 5.6% in the previous year. As the company's tax rate of 26.5% in the first quarter was almost at the same level as in the prior-year quarter (26.2%), consolidated net income went down 16.1% to €32.8 million.

Consolidated cash flow

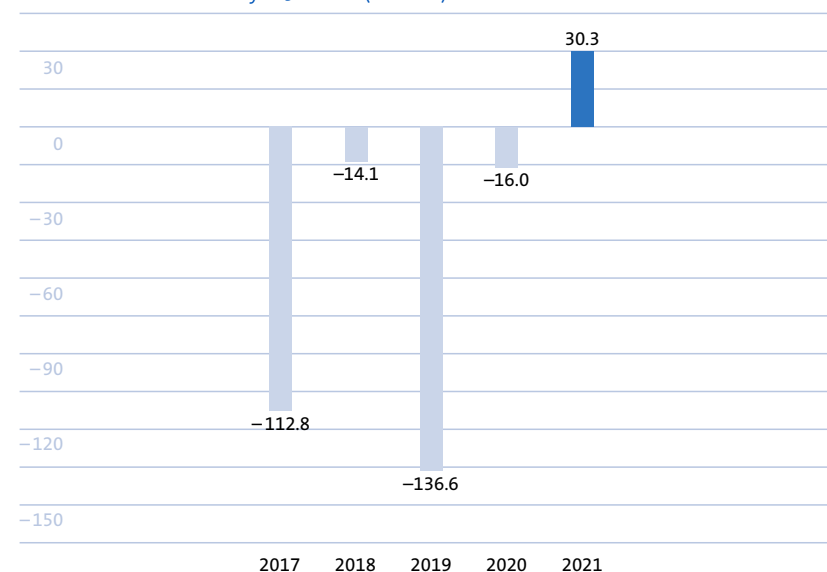
KRONES Group cash flow

€ million	2021 1 Jan – 31 Mar	2020 1 Jan – 31 Mar
Earnings before taxes	44.6	53.0
Other non-cash changes	+127.4	+66.9
Changes in working capital	-65.0	-27.3
Changes in other assets and liabilities	-59.5	-76.4
Cash flow from operating activities	+47.5	+16.2
Capital expenditure for PP&E and intangible assets	-20.7	-34.2
M&A activities	0.0	0.0
Other	+3.5	+2.0
Free cash flow	30.3	-16.0
Cash flow from financing activities	+41.8	+251.5
Other	0.0	0.0
Net change in cash and cash equivalents	+72.1	+235.5
Cash and cash equivalents at the end of the period	289.1	345.9

KRONES improved cash flow from operating activities by €31.3 million and free cash flow by €46.3 million in the first quarter of 2021

KRONES improved cash flow from operating activities in the first quarter of 2021 by €31.3 million year on year to €47.5 million. In addition to a smaller rise in other assets and liabilities by €59.5 million (previous year: €76.4 million), the main positive

Free cash flow from 1 January to 31 March (€ million)



impact on cash flow came from non-cash changes with an increase of €127.4 million (previous year: €66.9 million). With depreciation and amortisation nearly unchanged, this increase is due to higher provisions. Conversely, a larger year-on-year increase in working capital by €65.0 million (previous year: €27.3 million) had a negative effect on cash flow from operating activities in the reporting period.

Ratio of working capital to revenue increased to 28.7%

Mainly due to the lower revenue, working capital increased relative to revenue in the first quarter of 2021, rising from 27.1% to 28.7%

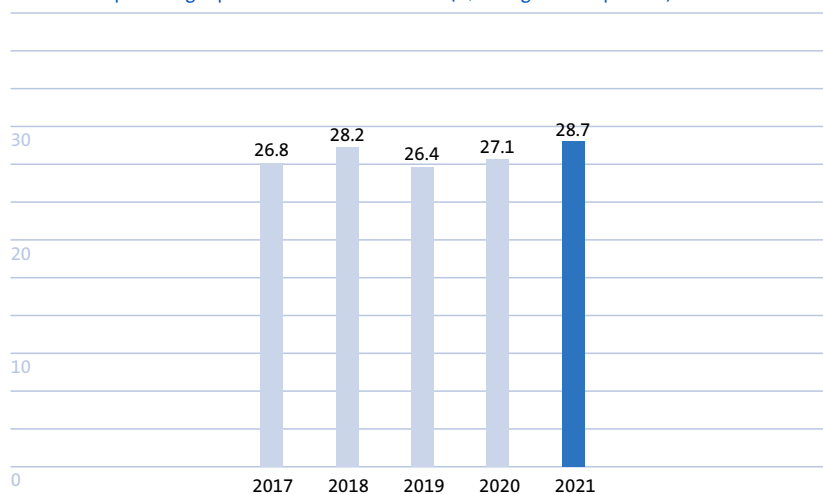
Average working capital over the past four quarters as a percentage of revenue increased from 27.1% to 28.7% in the first quarter of 2021. The working capital to revenue ratio was 28.3% as of the 31 March reporting date (previous year: 26.8%).

KRONES invested €20.7 million in property, plant and equipment and intangible assets in the reporting period, a planned decrease relative to the figure of

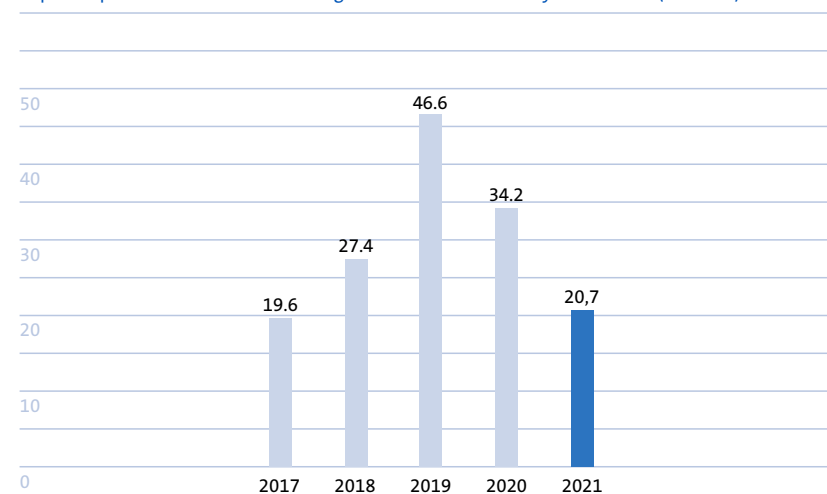
€34.2 million in the previous year. Free cash flow (net cash generated from operating activities) improved by €46.3 million to €30.3 million (previous year: –€16.0 million).

As a result of the increase in short-term bank debt in the first quarter, cash flow from financing activities was €41.8 million (previous year: €251.5 million). KRONES had cash and cash equivalents totalling €289.1 million at 31 March 2021 (previous year: €345.9 million). Net cash and cash equivalents amounted to €208.2 million at 31 March 2021, €23.3 million higher than at 31 December 2020.

KRONES Group working capital to revenue at 31 March (% , average over 4 quarters)



Capital expenditure for PP&E and intangible assets from 1 January to 31 March (€ million)



Assets and capital structure

KRONES Group asset and capital structure

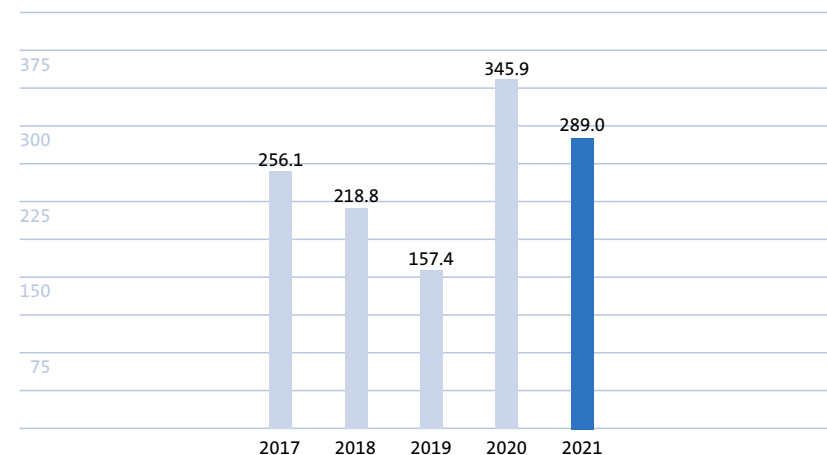
€ million	31 Mar 2021	31 Dec 2020	31 Mar 2020	31 Dec 2019
Non-current assets	1,103	1,093	1,137	1,154
of which fixed assets	985	990	1,050	1,070
Current assets	2,129	1,957	2,352	2,165
of which cash and equivalents	289	217	346	110
Equity	1,237	1,200	1,380	1,370
Total debt	1,995	1,850	2,109	1,949
Non-current liabilities	476	476	446	452
Current liabilities	1,519	1,374	1,663	1,497
Total	3,232	3,050	3,489	3,319

KRONES' total assets grew by 6.0% in the first quarter despite lower total operating performance.

KRONES' total assets grew by 6.0% in the first quarter even though total operating performance was 6.1% down. Most of the increase was in current assets and liabilities. Total assets came to €3,231.7 million as of 31 March 2021 (31 December 2020: €3,049.5 million).

Non-current assets stayed near-constant in the first quarter at €1,102.8 million (31 December 2020: €1,092.5 million). The same applies to fixed assets, which were €985.3 million as of 31 March 2021 (31 December 2020: €990.0 million). The slight decrease in fixed assets mostly related to property, plant and equipment and right-of-use assets. These dropped from €656.1 million at the

Cash and cash equivalents at 31 March (€ million)



end of 2020 to €648.9 million. Intangible assets were slightly higher and amounted to €303.8 million at the end of the first quarter (31 December 2020: €300.6 million).

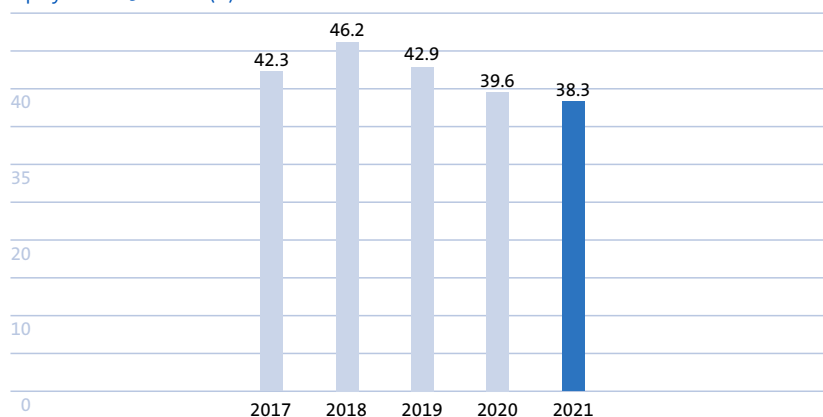
KRONES' current assets showed a marked increase. These totalled €2,128.9 million at the end of the reporting period, a rise of 8.8% on the figure as of 31 December 2020. The largest increase was in trade receivables. These went up by €75.7 million to €779.8 million. In contrast, there were only slight increases in contract assets (by €14.4 million) and inventories (by €13.2 million). Mainly due to partial drawings on existing credit facilities, cash and cash equivalents went up in the reporting period from €217.0 million to €289.1 million.

Current liabilities also increased substantially between January and March 2021, climbing 10.5% to €1,518.8 million. This was due to a €48.5 million increase in bank debt to €75.5 million (31 December 2020: €27.0 million) along with a rise in contract liabilities to €462.6 million (31 December 2020: €405.1 million) and in other liabilities and provisions to €369.7 million (31 December 2020: €300.0 million). Conversely, KRONES reduced trade payables in the reporting period by €45.2 million to €325.1 million.

Non-current liabilities were nearly unchanged at €475.8 million as of 31 March 2021 (31 December 2020: €475.5 million). There were likewise only minor changes within this category relative to the 2020 year-end. Provisions for pensions thus changed only minimally to €280.7 million (31 December 2020: €281.4 million). The company had €5.4 million in non-current bank debt at the end of the quarter (31 December 2020: €5.1 million).

Net cash and cash equivalents: €208.2 million
Equity ratio: 38.3%

Equity ratio at 31 March (%)



Increase in equity as well as net cash and cash equivalents

Due to the positive consolidated net income for the quarter, equity increased relative to the 2020 reporting date to €1,237.1 million (31 December 2020: €1,199.9 million). The equity ratio was down due to the larger increase in total assets and came to 38.3% as of 31 March 2021 (31 December 2020: 39.4%). With net cash and cash equivalents (cash and cash equivalents less bank debt) of €208.2 million at the end of the reporting period, KRONES continues to have a stable and solid financial and capital structure. In addition, KRONES had around €970 million in unused lines of credit as of 31 March 2021.

The solid 38.3% equity ratio and €208 million in net cash and cash equivalents give KRONES the security needed in the current volatile economic environment.

Report from the segments

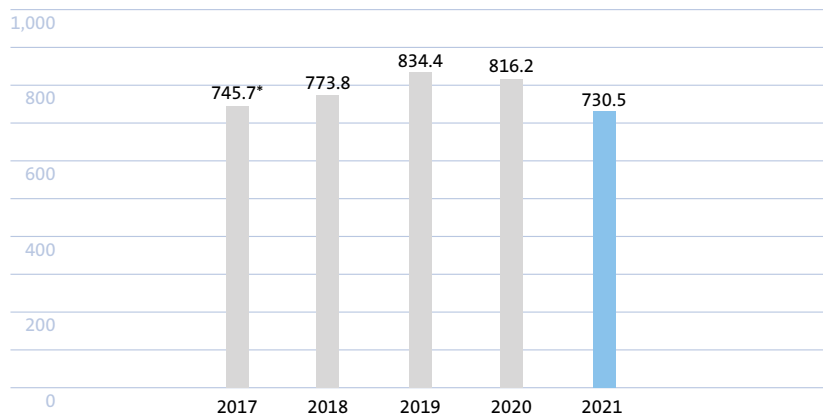
Machines and Lines for Product Filling and Decoration

Segment revenue

Due to the high base level in the previous year, core segment revenue fell more strongly than total Group revenue in the first quarter of 2021, decreasing by 10.5% to €730.5 million.

Revenue in the core segment, Machines and Lines for Product Filling and Decoration, fell more strongly in the first quarter of 2021 than total Group revenue. At €730.5 million, it was down 10.5% relative to the €816.2 million recorded in the previous year. It should be noted, however, that revenue in the first quarter of 2020 was hardly affected by corona. For the full year 2021, we continue to expect segment revenue to increase by 2% to 3%. The core segment contributed 83.5% to consolidated revenue between January and March (previous year: 86.6%).

Segment revenue (€ million)



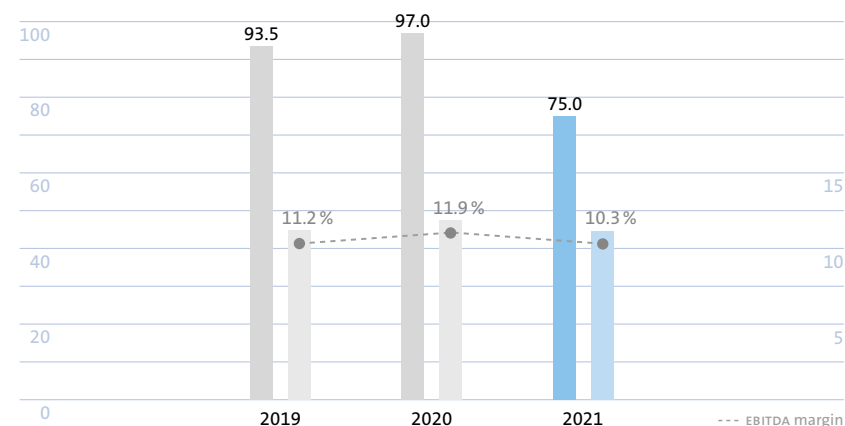
* incl. Machines and lines for the Compact Class segment

Segment earnings

The structural measures adopted by KRONES had a positive effect on the core segment's profitability in the first quarter of 2021. Overall flexibility gains enabled us to limit the impact of the lower quarterly revenue on earnings. At €75.0 million, earnings before interest, taxes, depreciation and amortisation (EBITDA) were nevertheless below the high level of €97.0 million recorded in the previous year. This corresponds to an EBITDA margin of 10.3% (previous year: 11.9%). With the earnings in the first three months of 2021, the core segment is well on track to achieve its full-year target for the EBITDA margin of 8.0% to 9.0%.

KRONES' core segment generated EBITDA of €75.0 million in the first quarter of 2021, corresponding to an EBITDA margin of 10.3%.

Segment EBITDA (€ million) and EBITDA margin (%)



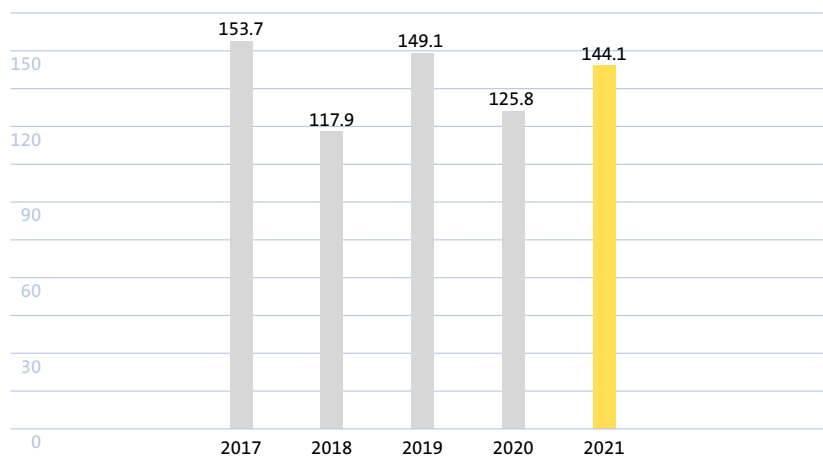
Machines and Lines for Beverage Production/Process Technology

Segment revenue

Revenue in the Machines and Lines for Beverage Production/Process Technology segment increased 14.5% year on year in the first quarter of 2021 to €144.1 million.

In total, revenue from January to March in the Machines and Lines for Beverage Production/Process Technology segment increased by 14.5%, from €125.8 million in the previous year to €144.1 million. The intralogistics business, which is part of the segment, recovered from the corona slump in the first quarter of 2021. Beverage production revenue showed stable revenue. The entire segment's share of first quarter consolidated revenue increased to 16.5% (previous year: 13.4%).

Segment revenue (€ million)

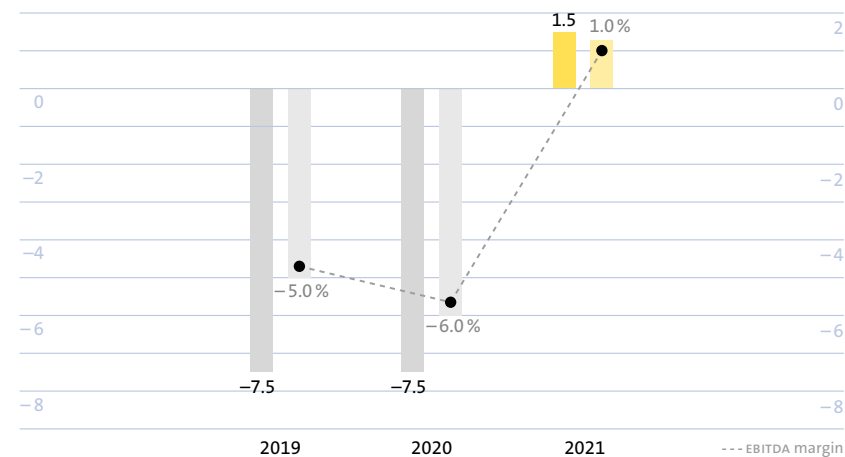


Segment earnings

The Machines and Lines for Beverage Production/Process Technology segment generated positive earnings before interest, taxes, depreciation and amortisation (EBITDA) in the first quarter of 2021. After an EBITDA loss of €7.5 million in the previous year, EBITDA from January to March 2021 was a positive €1.5 million. Profitability was positively affected by higher revenue and structural measures implemented by KRONES in process technology. The first quarter segment EBITDA margin improved from -6.0% in the previous year to 1.0% in 2021. The EBITDA margin target for the full year 2021 is 0% to 1.0%.

EBITDA in the Machines and Lines for Beverage Production/Process Technology improved significantly in the first quarter of 2021 to €1.5 million (previous year: -€7.5 million).

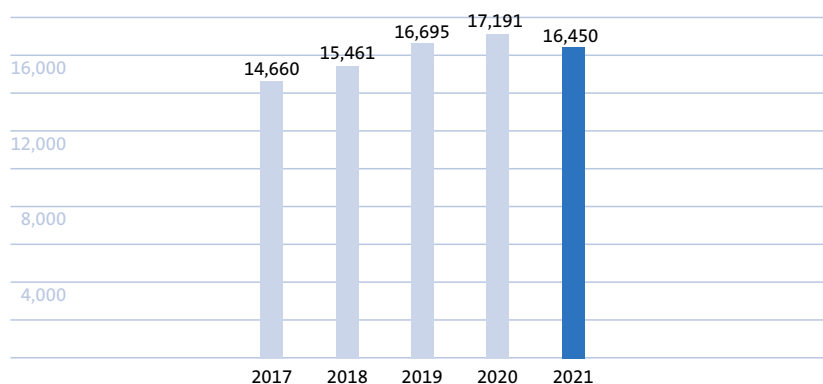
Segment EBITDA (€ million) and EBITDA margin (%)



Employees

Employees in	
Germany:	10,126
Employees outside	
Germany:	6,324
Women employees:	17.1%
Trainees:	445

Workforce at 31 March



KRONES employs 16,450 people worldwide

Mainly due to structural adjustments, the number of employees in the KRONES Group decreased in the first quarter of 2021 by 286 to 16,450. Year on year, the workforce fell by 741 employees.

KRONES' workforce of 16,450 as of 31 March 2021 was down by 741 relative to a year earlier and by 286 relative to 31 December 2020. Workforce numbers mainly fell in Germany due to structural adjustments in line with the short to medium-term fall in demand. The German workforce decreased by 238 in the first quarter, to 10,126. As the Covid-19 pandemic also temporarily slowed the expansion of KRONES' global footprint, the number of employees abroad was also down. The international workforce fell in the course of the first three months of 2021 to 6,324 (December 31, 2020: 6,372). To ensure a sufficient pool of qualified employees for the long term, we continue to invest heavily in training and employee development. As of 31 March 2021, the KRONES Group had 445 young people in training (previous year: 513).

Report on **expected developments**

KRONES optimistic for full year 2021 after good start to the year

Following the positive first quarter, the company remains confident for the full year 2021. On the basis of the current general economic outlook, we expect the markets relevant to KRONES to stabilise in the course of 2021 and to show signs of recovery. Based on this, the company expects revenue growth of 2.5% to 3.5% for the Group in 2021.

Thanks to slightly increasing revenue and the adopted structural measures, KRONES will improve its profitability this year compared with 2020. For 2021, the company forecasts an EBITDA margin of 6.5% to 7.5% for the Group. That is equivalent to an EBT margin of 3.0% to 4.0%. For its third performance target this year, working capital to revenue, KRONES expects a figure of 26% to 27%.

The guidance for 2021 is subject to the assumption that there will be no severe impacts from the Covid-19 pandemic such as harmful virus mutations or vaccination difficulties. This would hit the economy and hence also KRONES harder than currently expected and could lead to negative revenue and earnings effects.

	Guidance for 2021	Q1 2021 actual
Revenue growth	2.5% to 3.5%	-7.2%
EBITDA margin	6.5% to 7.5%	8.7%
Working capital to revenue	26% to 27%	28.7%

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

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Condensed consolidated **statement of profit or loss**

€ million	2021 1 Jan – 31 Mar	2020 1 Jan – 31 Mar	Change %
Revenue	874.6	942.0	-7.2
Changes in inventories of finished goods and work in progress	19.1	9.5	
Total operating performance	893.7	951.5	-6.1
Other own work capitalised	11.1	11.6	-4.3
Other operating income	26.0	36.6	-29.0
Goods and services purchased	-430.7	-438.5	-1.8
Personnel expenses	-303.2	-321.6	-5.7
Other operating expenses	-120.4	-150.1	-19.8
EBITDA	76.5	89.5	-14.5
Depreciation and amortisation on fixed assets	-33.5	-35.8	-6.4
EBIT	43.0	53.7	-19.9
Financial income/expense	1.6	-0.7	
Profit or loss shares attributable to associates that are accounted for using the equity method	0.0	0.0	
Earnings before taxes	44.6	53.0	-15.8
Income tax	-11.8	-13.9	-15.1
Consolidated net income	32.8	39.1	-16.1
Profit attributable to non-controlling interests	0.0	-0.1	
Profit attributable to KRONES Group shareholders	32.8	39.2	
Earnings per share (diluted/basic) in €	1.04	1.24	

Condensed consolidated statement of financial position – **Assets**

€ million	31 Mar 2021		31 Dec 2020	
Intangible assets	303.8		300.6	
Property, plant and equipment	648.9		656.1	
Non-current financial assets	30.2		29.9	
Investment accounted for using the equity method	2.4		3.4	
Fixed assets	985.3		990.0	
Deferred tax assets	58.6		54.4	
Trade receivables	42.2		36.2	
Income tax receivables	5.0		0.2	
Other assets	11.7		11.7	
Non-current assets		1,102.8		1,092.5
Inventories	368.3		355.1	
Trade receivables	779.8		704.1	
Contract assets	533.2		518.8	
Income tax receivables	13.6		16.8	
Other assets	144.9		145.2	
Cash and cash equivalents	289.1		217.0	
Current assets		2,128.9		1,957.0
Total		3,231.7		3,049.5

Condensed consolidated statement of financial position – **Equity and liabilities**

€ million	31 Mar 2021		31 Dec 2020	
Equity		1,237.1		1,199.9
Provisions for pensions	280.7		281.4	
Deferred tax liabilities	2.2		3.0	
Other provisions	80.2		79.4	
Provisions for taxes	3.9		4.1	
Liabilities to banks	5.4		5.1	
Other financial obligations from leasing	79.1		78.4	
Other liabilities	24.3		24.1	
Non-current liabilities		475.8		475.5
Other provisions	196.5		198.0	
Liabilities to banks	75.5		27.0	
Contract liabilities	462.6		405.1	
Trade payables	325.1		370.3	
Tax liabilities	35.5		26.6	
Other financial obligations from leasing	53.9		47.1	
Other liabilities and accruals	369.7		300.0	
Current liabilities		1,518.8		1,374.1
Total		3,231.7		3,049.5

Condensed consolidated **statement of cash flows**

€ million	2021 1 Jan – 31 Mar	2020 1 Jan – 31 Mar
Earnings before taxes	44.6	53.0
Depreciation, amortisation and impairments	33.5	35.8
Increase in provisions and accruals	94.9	27.9
Interest expenses and interest income	-1.0	0.7
Gains and losses from the disposal of fixed assets	-0.2	-0.5
Other non-cash expenses and income	0.2	3.0
Increase (previous year: decrease) in inventories, trade receivables, contract assets, and other assets not attributable to investing or financing activities	-107.6	41.7
Decrease in trade payables, contract liabilities and other liabilities not attributable to investing or financing activities	-6.8	-136.6
Cash generated from operating activities	57.6	25.0
Interest paid	-2.1	-0.9
Income tax paid and refunds received	-8.0	-7.9
Cash flow from operating activities	47.5	16.2
Cash payments to acquire intangible assets	-12.3	-11.8
Proceeds from the disposal of intangible assets	0.0	0.0
Cash payments to acquire property, plant and equipment	-8.4	-22.4
Proceeds from the disposal of property, plant and equipment	1.2	3.2
Cash payments to acquire non-current financial assets	-0.3	-2.7
Proceeds from the disposal of non-current financial assets and equity-method investments	1.6	0.8
Cash payments to acquire subsidiaries and equity interests	0.0	0.0
Deferred purchase price payment for business acquisitions from prior periods	-0.2	0.0
Interest received	0.8	0.7
Dividends received	0.4	0.0
Cash flow from investing activities	-17.2	-32.2
Proceeds from new borrowing	60.8	262.9
Cash payments for the repayment of lease liabilities	-7.0	-11.4
Cash payments to service debt	-12.0	0.0
Cash flow from financing activities	41.8	251.5
Net change in cash and cash equivalents	72.1	235.5
Cash and cash equivalents at the beginning of the period	217.0	110.4
Cash and cash equivalents at the end of the period	289.1	345.9

Consolidated **segment reporting**

€ million	Machines and Lines for Product Filling and Decoration		Machines and Lines for Beverage Production/ Process Technology		KRONES Group	
	2021 1 Jan–31 Mar	2020 1 Jan–31 Mar	2021 1 Jan–31 Mar	2020 1 Jan–31 Mar	2021 1 Jan–31 Mar	2020 1 Jan–31 Mar
Revenue	730.5	816.2	144.1	125.8	874.6	942.0
EBITDA	75.0	97.0	1.5	–7.5	76.5	89.5
EBITDA margin	10.3%	11.9%	1.0%	–6.0%	8.7%	9.5%

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OTHER INFORMATION

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Members of the **Supervisory Board** and the **Executive Board**

Pursuant to Section 8 (1) of the articles of association, eight members of the Supervisory Board are elected by the shareholders in accordance with the German Stock Corporation Act (Sections 96 (1) and 101). Eight members are elected by the employees pursuant to Section 1 (1) and Section 7 (1) Sentence 1 Number 1 of the Codetermination Act.

Supervisory Board

Volker Kronseder

Chairman of the Supervisory Board

* UNIVERSITÄTSKLINIKUM
REGENSBURG

* WIRTSCHAFTSBEIRAT
BAYERISCHE LANDESBANK

Josef Weitzer**

Deputy Chairman of the
Supervisory Board, Chairman of
Group Central Works Council,
Chairman of the Works Council
Neutraubling

Markus Hüttner**

Deputy Chairman of the
Central Works Council
Deputy Chairman of the
Works Council
Neutraubling

Dr. Verena Di Pasquale**

Deputy Chairperson of DGB BAYERN
(the German Trade Union
Confederation in Bavaria)

Robert Friedmann

Spokesman for the central
managing board of the
WÜRTH GROUP
* ZF FRIEDRICHSHAFEN AG

Klaus Gerlach**

Head of Central International
Operations and Services

Oliver Grober**

Chairman of the Employees'
Council, Rosenheim

Thomas Hiltl**

Chairman of the Employees'
Council, Nittenau

Norman Kronseder

Farmer and forester

* BAYERISCHE FUTTERSATBAU
GMBH

Professor Dr. jur. Susanne Nonnast

Professor at Ostbayerische
Technische Hochschule (OTH)
Regensburg

Beate Eva Maria Pöpperl**

Independent Member of the
Employees' Council

Norbert Samhammer

Chief executive of
SAMHAMMER HOLDING GMBH
*SAMHAMMER AG

Petra Schadeberg-Herrmann

Managing partner

KROMBACHER BRAUEREI
BERNHARD SCHADEBERG GMBH & CO. KG,
KROMBACHER FINANCE GMBH,
SCHAWEI GMBH,
DIVERSUM HOLDING GMBH & CO. KG

Jürgen Scholz**

First authorised representative
IG METALL administrative office,
Regensburg
* INFINEON TECHNOLOGIES AG

Hans-Jürgen Thaus

* MASCHINENFABRIK REINHAUSEN
GMBH

Matthias Winkler

Managing partner at
WW+ KN STEUERBERATUNGS-
GESELLSCHAFT MBH

Executive Board

Christoph Klenk

CEO
Intralogistics
Process Technology

Norbert Broger

CFO

Thomas Ricker

CSO

Markus Tischer

International Operations
and Services
Digitalisation

Ralf Goldbrunner

Bottling and Packaging
Equipment
Compact Class

* Other Supervisory Board seats held, pursuant to Section 125 (1) Sentence 5 of the German Stock Corporation Act

** Elected by the employees

In addition, each of the group companies is the responsibility of two members of the Executive Board.

Publishing information

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Note

This English language report is a translation of the original German KRONES Quarterly statement for the period from 1 January to 31 March 2021 (Quartalsmitteilung für den Zeitraum vom 1. Januar bis 31. März 2021).

In case of discrepancies the German text shall prevail.

You can also find the Quarterly statement in the Investor Relations section at <https://www.krones.com/en/company/investor-relations/reports.php>



Financial calendar

17 May 2021	Annual general meeting
3 August 2021	Interim report for the period ended 30 June 2021
5 November 2021	Quarterly statement for the period ended 30 September 2021

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