

Q3

Quarterly statement for the period
from 1 January to 30 September 2021



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TO OUR SHAREHOLDERS

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1 | 4 Highlights and key figures

Krones confirms full-year targets for 2021 after strong third quarter

- Revenue growth at Krones accelerated in the third quarter of 2021. Third-quarter revenue went up by 23.0% to €922.9 million. In the first nine months, revenue increased by 7.9% to €2,643.0 million.
- The upward trend in order intake continued in the third quarter. In total between January and September 2021, the volume of orders increased by 38.8% to €3,192.6 million.
- Krones significantly improved profitability in the first three quarters of 2021. Earnings before interest, taxes, depreciation and amortisation (EBITDA) went up 44.3% to €212.6 million. The EBITDA margin was 8.0% in the reporting period (previous year: 6.0%).
- Krones generated free cash flow of €107.5 million in the first three quarters of 2021, €165.9 million higher than in the previous year (–€58.4 million).
- Based on the positive trend in the first three quarters and ongoing stable demand, Krones is sure of being able to meet the upgraded full-year forecast for 2021 published in the preceding quarter.

Key figures for Q1–Q3 2021		1 Jan – 30 Sep 2021	1 Jan – 30 Sep 2020	Change
Revenue	€ million	2,643.0	2,449.0	+ 7.9%
Order intake	€ million	3,192.6	2,300.9	+ 38.8%
Order backlog at 30 Sep	€ million	1,760.9	1,116.6	+ 57.7%
EBITDA	€ million	212.6	147.3	+ 44.3%
EBITDA margin	%	8.0	6.0	+ 2.0 PP*
EBIT	€ million	113.0	27.5	+ 310.9%
EBT	€ million	118.4	26.7	+ 343.4%
EBT margin	%	4.5	1.1	+ 3.4 PP*
Consolidated net income	€ million	86.6	17.4	+ 397.7%
Earnings per share	€	2.74	0.55	–
Capital expenditure for PP&E and intangible assets	€ million	73.4	68.5	+€4.9 million
Free cash flow	€ million	107.5	–58.4	+€165.9 million
Net cash at 30 Sep**	€ million	283.4	–78.8	+€362.2 million
Working capital to revenue***	%	26.2	28.3	–2.1 PP*
Employees at 30 Sep				
Worldwide		16,180	16,839	–659
Germany		9,803	10,408	–605
Outside Germany		6,377	6,431	–54
Key figures for Q3 2021		1 Jul – 30 Sep 2021	1 Jul – 30 Sep 2020	Change
Revenue	€ million	922.9	750.4	+ 23.0%
Order intake	€ million	1,148.3	843.6	+ 36.1%
EBITDA	€ million	74.9	28.8	+ 160.1%
EBITDA margin	%	8.1	3.8	+ 4.3 PP*
EBIT	€ million	41.4	–5.7	–
EBT	€ million	42.7	–5.1	–
EBT margin	%	4.6	–0.7	+ 5.3 PP*
Consolidated net income	€ million	29.7	–4.1	–
Earnings per share	€	0.94	–0.13	–

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



Letter from the **Executive Board**

Dear shareholders and friends of Krones,

Following a good first half of 2021, demand from Krones' customers stayed high in the third quarter. Our order intake of €1,148.3 million between July and September 2021 was 36.1% higher than in the same period of the previous year. In total, the contract value of orders consequently increased by 38.8% in the first three quarters of 2021. One reason for the strong growth is that the global economy has now recovered from the impacts of the Covid pandemic. In addition, we are benefiting from our broad global footprint. Krones serves customers in their own markets with its innovative products and services worldwide.

We are naturally pleased about the good orders situation, but the strong demand also presents us with new challenges. The task is to deliver the ordered machines and lines on time in accustomed Krones quality. That is anything but easy given the tight situation on procurement markets and in supply chains. However, Krones today is highly flexible and has a motivated team who will master this challenge, too, in the best possible way in the current 2021 financial year. We nevertheless expect that the uncertainties on the procurement markets will continue or even increase in 2022 and thus present us with further challenges.

Despite the procurement market difficulties, the financial targets for 2021 are not at risk. We continue to expect full-year revenue growth of 7% to 9% and an EBITDA margin of 7% to 8%. In the first nine months of 2021, Krones generated revenue of €2,643.0 million, which is 7.9% higher than in the previous year. The EBITDA margin improved from 6.0% in the previous year to 8.0%.

Not only is the operating business going well in 2021; Krones is also making major progress on strategic issues. The new organisational structure in process technology with the separate brewery business is established and is delivering results. We are also pushing ahead with implementation of our Shaping the Future strategy programme. Krones' focus here is on sustainability, line expertise and digitalisation. We have recently brought together all of the company's automation and digitalisation activities in the Krones Ecosystem. In this way, we aim to become even faster at developing new business models for the digital beverage plant that offer measurable added value for customers.

The same aim applies to all innovations at Krones. We would have very much liked to present highlights from our product portfolio at drinktec in October. Regrettably, the world's leading trade fair for the beverage and liquid food industry has had to be postponed to 2022 due to the Covid pandemic. We are already looking forward to drinktec 2022 and to many visits from customers there.

Christoph Klenk
CEO

The Krones share

Stock markets mark new record highs

With a stable upward trend, international stock markets provided investors with handsome price gains since the beginning of the year. The bull market was mainly driven by the ongoing very expansive monetary and interest rate policies followed by the most important central banks and by containment of the coronavirus pandemic in industrialised countries. In combination with huge stimulus packages, this made for a strong global economic recovery and rising corporate profits. Many key share indices consequently reach new all-time highs in the summer of 2021. Following the sharp rise, however, prices have been declining again since September. The decline was partly triggered by bad news from China, where major property developers ran into payment difficulties. Fears of rising inflation and interest rates also weighed on stock market sentiment.

In Germany, the DAX – the best-known domestic index – was up 11.2% on the beginning of the year at 15,261 points as of the end of September. Mid-August saw the DAX hit its all-time high of just over 16,000 points. The MDAX performed slightly better. The mid-cap index gained 11.6% from January to September 2021.

Krones share data

Performance Q1–Q3 2021
Krones share: +28.0%
SDAX: +11.8%

	Q1–Q3 2021	Q1–Q3 2020
Earnings per share (€)	2.74	0.55
High (€)	89.65	75.50
Low (€)	64.30	41.92
Price at 30 September (€)	84.55	52.95
Market capitalisation at 30 September (€ billion)	2.67	1.67

Share price data: Closing price (Xetra)

Krones share price and SDAX from 1 January to 30 September 2021



Krones shares a clear outperformer with 28.0% price gain

After a slow start to 2021, the Krones share price gained significantly, most of all in the third quarter. The upward price trend was driven by the company's good business performance.

In the third quarter of 2021 especially, Krones shares substantially outperformed the market with a gain of 12.2% compared with 3.0% for the SDAX.

In February, the share price benefited from publication of the preliminary figures for 2020 and guidance for the 2021 financial year. On 7 May, we published the figures for the first quarter of 2021. Many analysts subsequently commented positively and raised their target prices, with the result that Krones shares stood at around €80 at the end of May. The biggest boost to our share price then came in July with the preliminary half-year figures and the upgraded full-year guidance for 2021. Several banks then raised their price targets for Krones shares to in excess of €100.



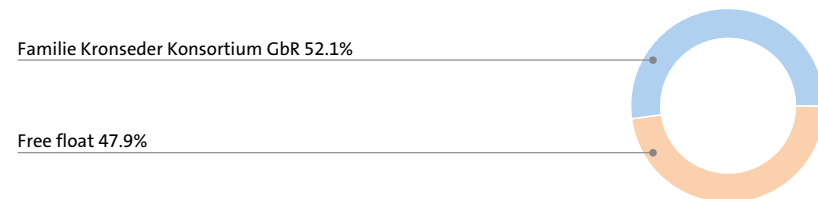
Our shares reached their highest point in the first nine months of 2021 at €90.80 on 17 September. In the second half of September, the Krones share was then affected by the general market weakness triggered by payment difficulties at Chinese real estate developers. At the end of September, Krones shares stood at €84.55, 28.0% higher than at the beginning of the year. The sDAX, of which Krones is a component, went up by just 11.8% in the same period. Our shares outperformed the market most of all in the third quarter, when the Krones share price gained 12.2%. By contrast, the sDAX rose by only 3.0% between July and September, while the DAX actually fell by 1.7%.

The average daily turnover in our shares (Xetra and Frankfurt) was around 35,800 in the first three quarters of 2021. Turnover in the previous year, at around 53,600 shares per day, was significantly higher due to the high volatility in the wake of the Covid-19 pandemic.



For further information on Krones shares, please see the Krones website:
<https://www.krones.com/en/company/investor-relations/share.php>

Shareholder structure at 30 September 2021



Key data for the Krones share

Number of shares	31,593,072
German securities identification number	633500
ISIN	DE 0006335003
XETRA ticker symbol	KRN



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INTERIM CONSOLIDATED MANAGEMENT REPORT

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Revenue

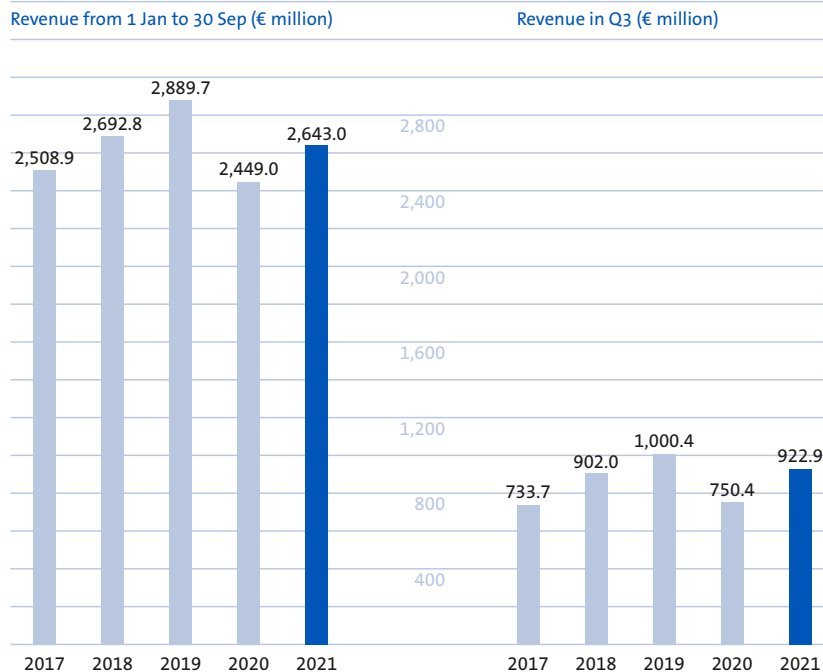
Revenue growth at Krones accelerated in third quarter of 2021

Krones' revenue picked up strongly in the third quarter of 2021, climbing 23.0% year on year to €922.9 million. In the first nine months, revenue increased by 7.9% to €2,643.0 million.

Krones' markets recovered from the Covid slump in the first nine months of 2021. This benefited us as a leading full-service supplier to the international filling and packaging industry. Customers' growing readiness to invest has been reflected in rising revenue since the second quarter. Growth accelerated in the third quarter. Krones' revenue from July to Sep-

tember 2021 was up 23.0% year on year, to €922.9 million. In total over the first nine months of 2021, revenue increased by 7.9%, from €2,449.0 million a year earlier to €2,643.0 million. That puts us well on track to achieve the upper end of our targeted 7% to 9% growth range for the full year 2021.

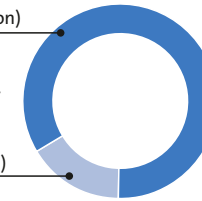
New machinery business grew faster than service revenue in both the third quarter and the first nine months of 2021. It should be noted here that new machinery business was hit harder by the Covid slump in 2020.



Revenue by segment from 1 Jan to 30 Sep 2021 Revenue by segment from 1 Jan to 30 Sep 2020

Machines and lines for product filling and decoration
83.9%* (€2,216.3 million)

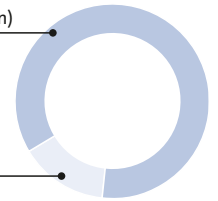
Machines and lines for beverage production/ process technology
16.1%* (€426.7 million)



* Share of consolidated revenue of €2,643.0 million

Machines and lines for product filling and decoration
85.5%* (€2,093.8 million)

Machines and lines for beverage production/ process technology
14.5%* (€355.2 million)



* Share of consolidated revenue of €2,449.0 million



Revenue by region

Quarterly revenue figures for the various regions are generally not very meaningful because orders and revenue can fluctuate significantly during the year.

Business in Krones' home market picked up after a weak start to the year. Revenue in Germany increased 8.1% year on year in the first three quarters of 2021 to €277.7 million. Its share of consolidated revenue was 10.5% in the reporting period, the same as in the previous year.

In Europe (excluding Germany), Krones recorded very strong (+146%) year-on-year revenue growth in the third quarter of 2021. It should be noted here that revenue in the third quarter of 2020 was low due to the coronavirus pandemic. In the first nine months of 2021, revenue in Europe (excluding Germany) went up 22.3% year on year from €605.0 million to €739.7 million. The share of consolidated revenue in the first three quarters rose to 28.0% (previous year: 24.7%). Revenue in the first nine months of 2021 exceeded the previous year in all regions of Europe. The strongest percentage revenue increase was in Central Europe (Austria, Switzerland and the Netherlands). At €203.2 million, revenue there was 76.1% higher than in the previous year. Revenue in the large Western Europe sales region improved by 9.4% to €353.8 million. At €120.1 million, revenue in Eastern Europe was 3.4% higher in the first three quarters than a year earlier. After the sharp Covid slump, revenue in the Russia/CIS region stabilised at a low base. Revenue there went up in the reporting period by 25.2% to €62.6 million.

Krones' revenue in markets outside of Europe rose less strongly overall (by +2.4%) in the first three quarters than it did elsewhere. This is mainly due to base effects, because some international markets remained stable even during the coronavirus crisis. This includes the Middle East/Africa region, which is an important sales region for Krones. Compared with the previous year's high level, revenue there decreased in the first three quarters of 2021 by 7.7% to €340.6 mil-

lion. Revenue was also down in the Asia/Pacific region. At €276.8 million, this was 9.1% below the previous year. By contrast, revenue in China, which was hit hard by Covid in 2020, improved by 21.0% to €197.5 million.

Krones' business in the North and Central America region performed well in the first three quarters of 2021. Revenue there increased by 23.0% year on year to €560.7 million. At €250.0 million, revenue between January and September in South America/Mexico was 15.1% down on the high prior-year figure due to a weak third quarter.

Krones retained its balanced revenue spread between emerging and mature markets in the first three quarters of 2021. The company generated 47.2% of consolidated revenue in emerging markets (previous year: 53.0%). Krones generated 52.8% of revenue in mature industrialised countries (previous year: 47.0%).

KRONES Group revenue by region

Share of consolidated revenue	1 Jan to 30 Sep 2021		1 Jan to 30 Sep 2020		Change %
	€ million	%	€ million	%	
Germany	277.7	10.5	256.8	10.5	+8.1
Central Europe (excluding Germany)	203.2	7.7	115.4	4.7	+76.1
Western Europe	353.8	13.4	323.4	13.2	+9.4
Eastern Europe	120.1	4.5	116.2	4.7	+3.4
Russia, Central Asia (cis)	62.6	2.3	50.0	2.0	+25.2
Middle East/Africa	340.6	12.9	368.9	15.2	-7.7
Asia-Pacific	276.8	10.5	304.6	12.4	-9.1
China	197.5	7.5	163.2	6.7	+21.0
South America/Mexico	250.0	9.5	294.6	12.0	-15.1
North and Central America	560.7	21.2	455.9	18.6	+23.0
Total	2,643.0	100.0	2,449.0	100.0	+7.9



Order intake and order backlog

Strong demand for Krones products and services

Customers ordered products and services from Krones in the value of €1,148.3 million in the third quarter of 2021.

Order intake was consequently 36.1% higher than in the prior-year period.

Following a good first half of 2021, demand from Krones' customers remained very high in the third quarter. Order intake from July to September 2021 showed a year-on-year increase of 36.1%, from €843.6 million to €1,148.3 million. In the first nine months of 2021, order intake went up by 38.8% to €3,192.6 million (previous year: €2,300.9 million). This means that the contract value of orders up to the end of the third quarter was well above the level before the coronavirus crisis. The higher order intake extended across broad sections of Krones' product and service portfolio.

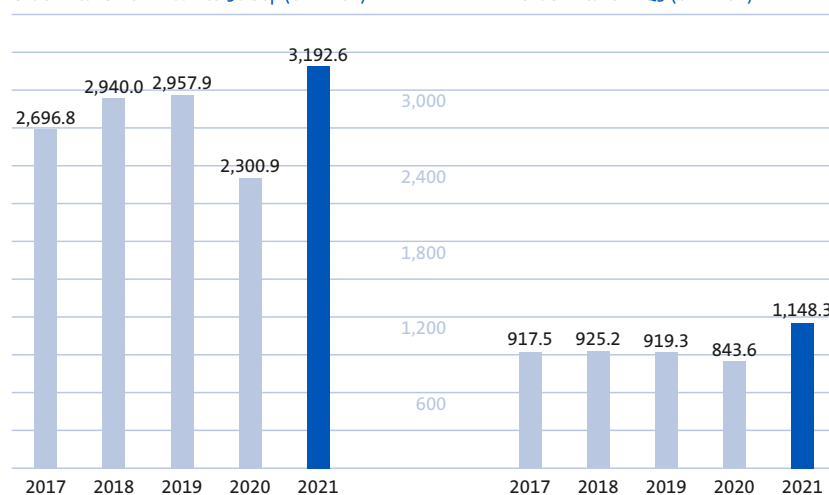
A major reason for the strong demand is that the global economy has recovered from the impacts of the Covid pandemic and this has also increased our customers' willingness to invest. In addition, we benefited from our strong global footprint.

Year-on-year growth in order intake was above the average in the first three quarters of 2021 in Europe, China and South America. The contract value of orders was relatively stable, but slightly below the average, in Asia/Pacific, Africa and North America.

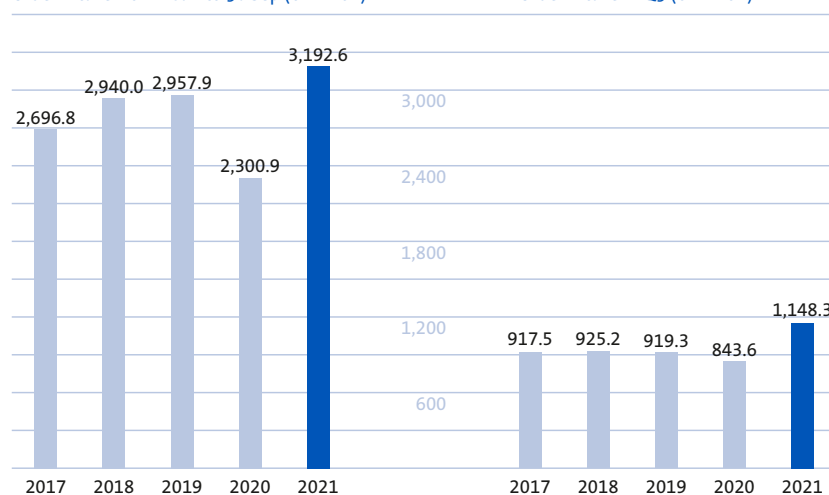
Krones has orders on hand totalling €1.76 billion

The strong demand means that Krones' order backlog has increased despite the revenue growth. As of 30 September 2021, the company had an order backlog totalling €1,760.9 million. The order backlog has thus grown by 45.4% in value compared with the beginning of 2021 (€1,211.3 million). Growth relative to the previous year (€1,116.6 million) was even 57.7%. The large order backlog will have a positive impact on production capacity utilisation for Krones in the months ahead.

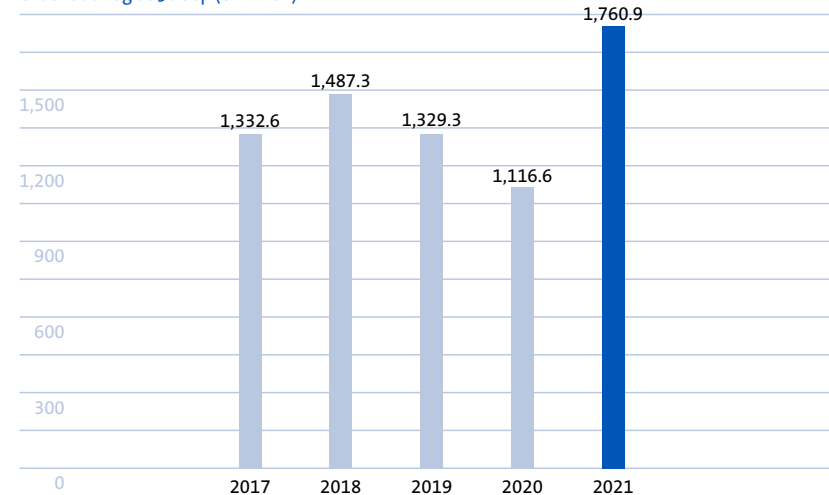
Order intake from 1 Jan to 30 Sep (€ million)



Order intake in Q3 (€ million)



Order backlog at 30 Sep (€ million)





Earnings

Krones' profitability increased

The good market conditions and Krones' increased flexibility had a positive impact on profitability in the first three quarters of 2021. The EBITDA margin was 8.0%, significantly higher than the prior-year figure of 6.0%.

Krones significantly improved profitability in the first three quarters of 2021. As well as the higher revenues, this was contributed to by structural measures with which we have enhanced the company's flexibility. Despite considerably higher material costs, earnings before interest, taxes, depreciation and amortisation (EBITDA) went up by 44.3% be-

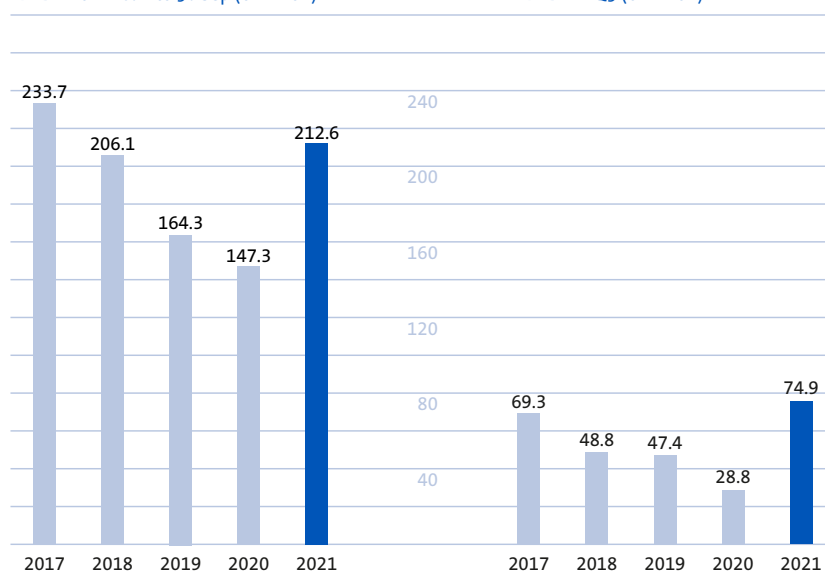
tween January and September, from €147.3 million in the previous year to €212.6 million. The EBITDA margin increased to 8.0% (previous year: 6.0%).

Earnings before taxes (EBT) increased even more steeply than EBITDA in the first nine months of 2021, rising from €26.7 million in the previous year to €118.4 million. It should be noted in this connection that EBT in the first nine months

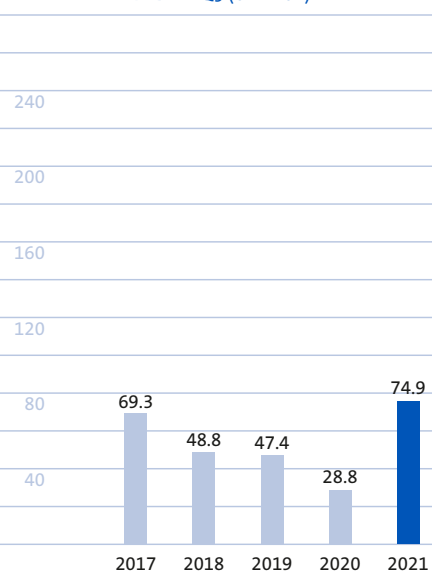
of 2020 was affected by €13.6 million in goodwill impairments. The EBT margin for the first three quarters of 2021 was 4.5% (previous year: 1.1%). Krones generated consolidated net income of €86.6 million between January and September 2021 (previous year: €17.4 million). This corresponds to earnings per share of €2.74 (previous year: €0.55).

In the third quarter of 2021, the tight situation on the procurement markets had a particularly severe impact on material costs. At €74.9 million, EBITDA was nevertheless substantially higher than the previous year's €28.8 million, which was significantly influenced by the coronavirus pandemic. Krones generated an EBITDA margin of 8.1% from July to September 2021 (previous year: 3.8%). EBT improved from –€5.1 million in the previous year to €42.7 million and the EBT margin increased to 4.6% (previous year: –0.7%). Consolidated net income climbed from –€4.1 million in the previous year to €29.7 million in the third quarter of 2021. Earnings per share came to €0.94 (previous year: –€0.13).

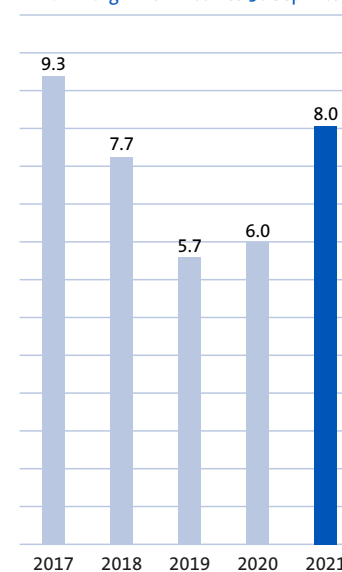
EBITDA from 1 Jan to 30 Sep (€ million)



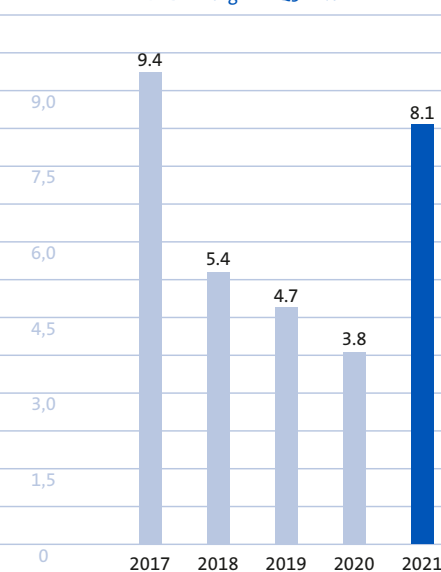
EBITDA in Q3 (€ million)



EBITDA margin from 1 Jan to 30 Sep in %



EBITDA margin in Q3 in %





Earnings structure

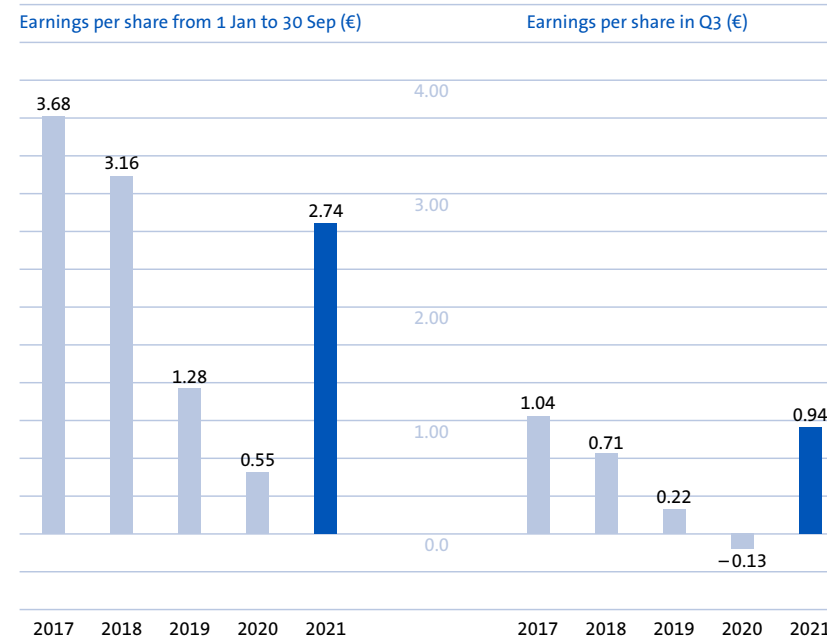
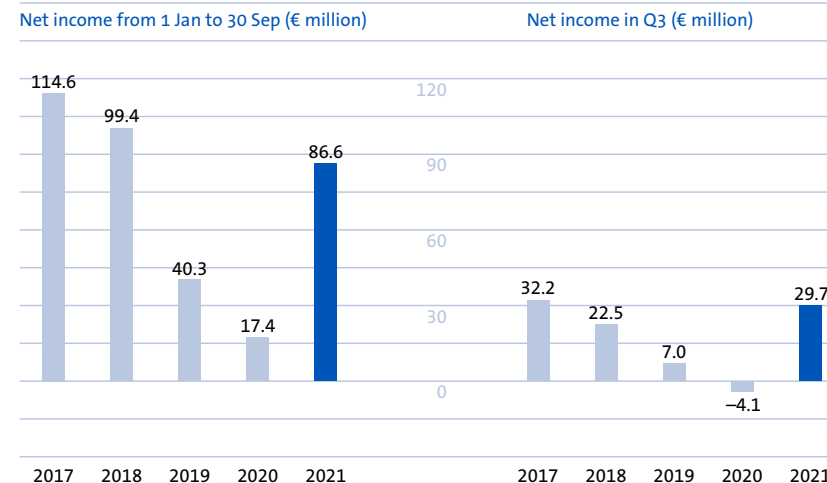
€ million	2021 1 Jan – 30 Sep	2020 1 Jan – 30 Sep	Change %
Revenue	2,643.0	2,449.0	+7.9
Changes in inventories of finished goods and work in progress	19.1	7.0	–
Total operating performance	2,662.1	2,456.0	+8.4
Goods and services purchased	–1,323.4	–1,182.9	+11.9
Personnel expenses	–867.9	–838.2	+3.5
Other operating income/expenses and own work capitalised	–258.2	–287.6	–10.2
EBITDA	212.6	147.3	+44.3
Depreciation and amortisation on fixed assets	–99.6	–119.8	–16.9
EBIT	113.0	27.5	+310.9
Financial income/expense	5.4	–0.8	–
EBT	118.4	26.7	+343.4
Income tax	–31.8	–9.3	+241.9
Consolidated net income	86.6	17.4	+397.7

Krones significantly improved profitability in the reporting period despite a disproportionately large rise in material costs.

strongly by 8.4% to €2,662.1 million. This is because Krones increased inventories of finished goods and work in progress by €19.1 million in the reporting period (previous year: €7.0 million).

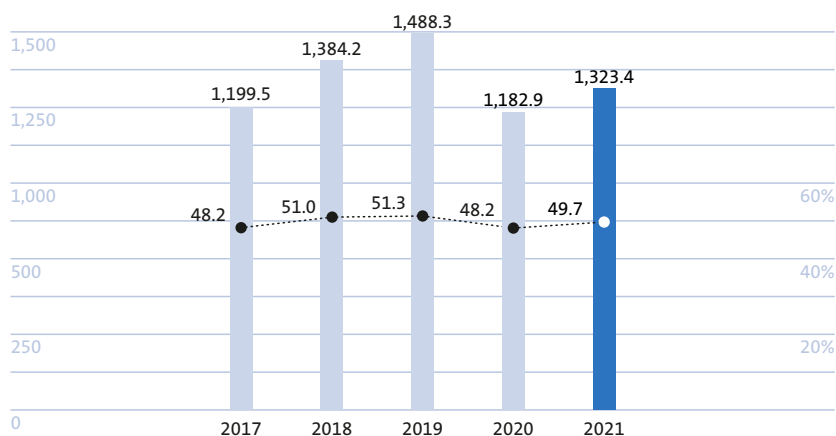
Although material and freight costs rose sharply in some cases, Krones significantly improved profitability between January and September. This was primarily due to consistent implementation of the structural measures launched in 2020 and Krones' high degree of flexibility, as reflected above all in a disproportionately small rise in personnel expenses.

Krones increased revenue and total operating performance almost in step with each other in the first three quarters of 2021. Revenue, at €2,643.0 million, was 7.9% higher than in the prior-year period, while total operating performance rose slightly more





Goods and services purchased from 1 Jan to 30 Sep (€ million) and material expense ratio (%)

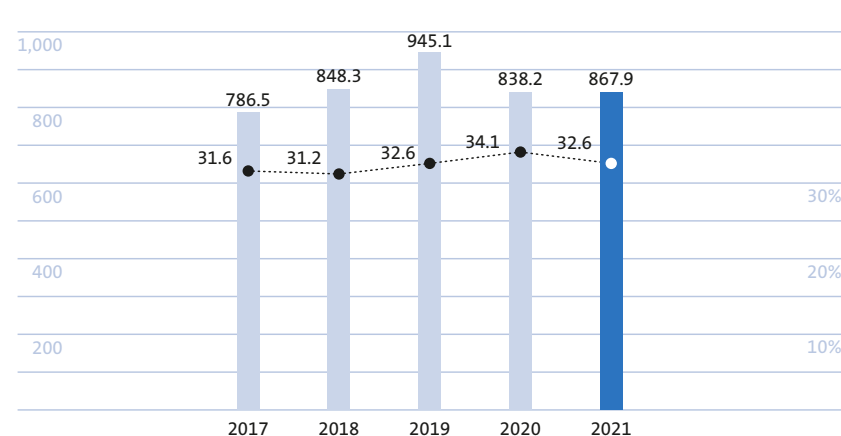


Goods and services purchased reflect supply shortages in material procurement, primarily for electrical components. As a result, goods and services purchased went up more steeply than total operating performance, increasing by 11.9% to €1,323.4 million. The ratio of goods and services purchased to total operating performance increased from the low figure of 48.2% in the previous year to 49.7% in the reporting period.

As personnel expenses went up by only 3.5% to €867.9 million, the personnel expense ratio fell in the first nine months from 34.1% in the previous year to 32.6%. This includes a €5 million corona bonus that Krones paid out to employees in the reporting period.

Krones reduced other operating expenses between January and September 2021 by 9.8% to €362.8 million. Higher freight costs were more than offset by savings in other areas, such as foreign currency losses. Other operating income was also down, falling from €88.2 million to €66.6 million mainly due to lower foreign currency gains. Conversely, own work capitalised increased from €26.4 million to €38.0 million. In total, the net balance of other operating income and expenses and own work capitalised changed from –€287.6 million in the

Personnel expenses from 1 Jan to 30 Sep (€ million) and personell expense ratio (%)



prior-year period to –€258.2 million in the reporting period. As a percentage of total operating performance, this represents a reduction from 11.7% to 9.7%.

In total, Krones improved EBITDA (earnings before interest, taxes, depreciation and amortisation) by 44.3% to €212.6 million in the reporting period. The EBITDA margin increased from 6.0% to 8.0%. Depreciation and amortisation of fixed assets decreased. At €99.6 million, this item was down 16.9% on the previous year's figure of €119.8 million, which included €13.6 million in goodwill impairments. Partly due to the lower depreciation and amortisation, earnings before interest and taxes (EBIT) increased significantly in the first three quarters of 2021 from €27.5 million to €113.0 million.

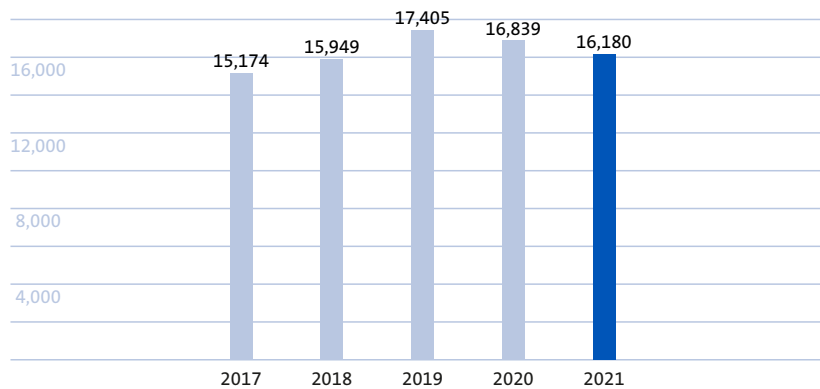
Krones' financial income/expense from January to September was positive at €5.4 million, compared with –€0.8 million in the previous year. As a result, earnings before taxes (EBT) climbed in the first three quarters of 2021 from €26.7 million to €118.4 million. The EBT margin was 4.5% (previous year: 1.1%). Relative to the previous year, the tax rate fell from 34.8% to 26.9%, as a result of which Krones improved consolidated net income in the reporting period to €86.6 million (previous year: €17.4 million).



Employees

Employees in Germany:	9,803
Employees outside Germany:	6,377
Trainees:	495

Employees worldwide at 30 September



Krones employs 16,180 people worldwide

Due to structural adjustments, the number of employees in the Krones Group decreased between January and September 2021 by 556 to 16,180. Year on year, the workforce fell by 659 employees.

Krones' workforce decreased further in numbers as of 30 September 2021. Relative to a year earlier, the number of employees fell by 659 to 16,180. Compared to 31 December 2020, the number of employees was down by 556.

Due to the structural adjustments launched in 2020, the number of employees decreased mainly in Germany. The German workforce declined by 561 in first three quarters, to 9,803. In the reporting period, the number of employees outside Germany increased slightly for the first time in several quarters to 6,377 (31 December 2020: 6,372). This increase in the workforce resulted from the upturn in international demand, particularly in the third quarter. To ensure a highly qualified workforce for the long term, we continue to invest heavily in training and employee development. The Krones Group had 495 young people in training as of 30 September 2021 (previous year: 536).



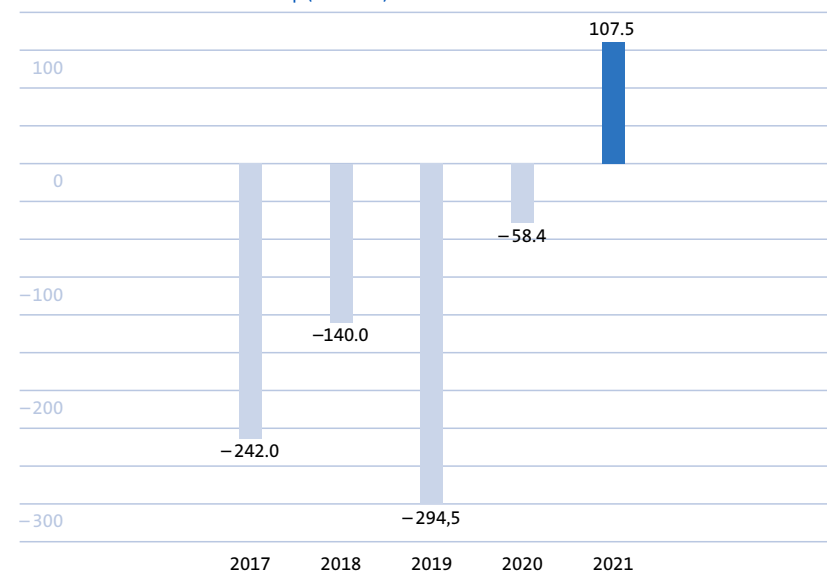
Consolidated cash flow

KRONES Group cash flow

€ million	2021 1 Jan – 30 Sep	2020 1 Jan – 30 Sep
Earnings before taxes	118.4	26.7
Other non-cash changes	+192.7	+176.6
Changes in working capital	+7.0	–85.5
Changes in other assets and liabilities	–135.7	–107.9
Cash flow from operating activities	182.4	9.9
Capital expenditure for PP&E and intangible assets	–73.4	–68.5
M&A activities	±0.0	±0.0
Other	–1.5	+0.2
Free cash flow	107.5	–58.4
Cash flow from financing activities	–51.9	+124.5
Other	+16.0	±0.0
Net change in cash and cash equivalents	+71.6	+66.1
Cash and cash equivalents at the end of the period	288.6	176.5

Krones improved cash flow from operating activities by €172.5 million to €182.4 million in the first nine months of 2021. The main factor here alongside the €91.7 million higher earnings before taxes was a €7.0 million reduction in working capital. In the previous year, Krones increased working capital, which reduced cash flow by €85.5 million. Non-cash changes likewise contributed to the higher cash flow from operating activities, with a positive effect of €192.7 million (previous year: €176.6 million). The increase in other assets and liabilities, on the other hand, had a €135.7 million negative impact on cash flow in the reporting period (previous year: €107.9 million).

Free cash flow from 1 Jan to 30 Sep (€ million)



Working capital as a percentage of revenue significantly improved to 26.2%

Krones significantly improved average working capital over the past four quarters as a percentage of revenue to 26.2% in the reporting period, compared with 28.3% in the prior-year period. This reflects the higher revenue and increased advance payments due to the strong order intake. The reduction in working capital as a percentage of revenue was even larger as of the reporting date, at 24.1% (previous year: 31.4%).

Krones significantly improved average working capital over the past four quarters with a reduction from 28.3% to 26.2%.

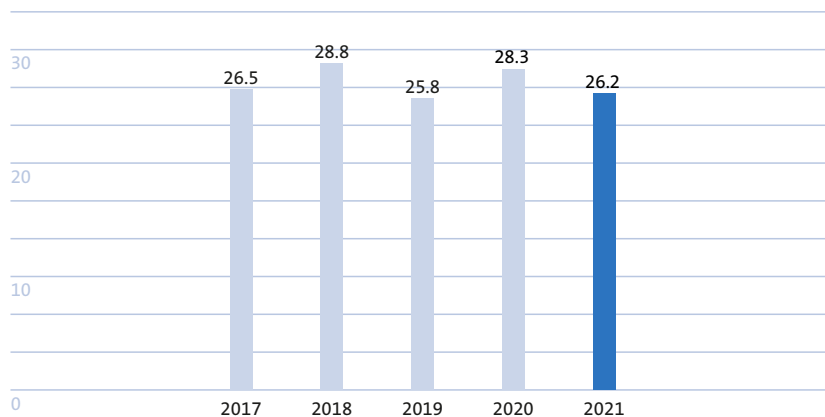


Free cash flow up €165.9 million to €107.5 million

Krones improved cash flow from operating activities by €172.5 million and free cash flow by €165.9 million year on year in the first nine months of 2021.

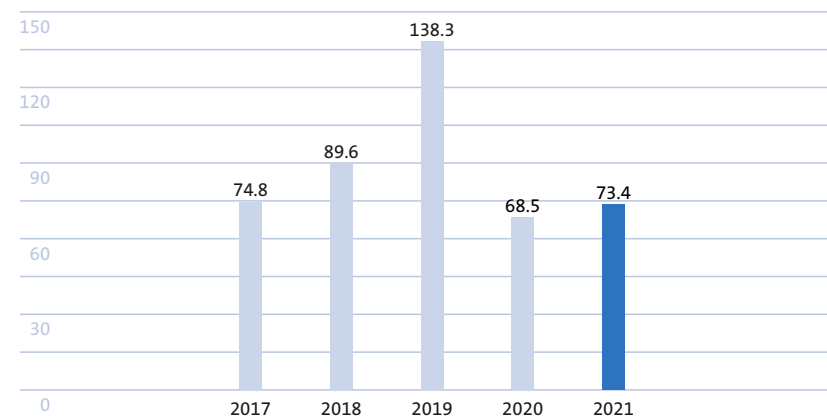
Krones invested a total of €73.4 million in property, plant and equipment and intangible assets in the reporting period. As planned, this is slightly above the prior-year figure of €68.5 million. The company improved free cash flow (net cash generated from operating activities less capital expenditure incurred) in the first three quarters of 2021. This climbed by €165.9 million to €107.5 million (previous year: –€58.4 million).

Working capital to revenue from 1 Jan to 30 Sep (%) (LTM)



The cash outflow from financing activities was €51.9 million between January and September 2021, compared with Krones' €124.5 million cash inflow from financing activities in the previous year. In the reporting period, this item includes the cash outflow from the dividend payout of €1.9 million (previous year: €23.7 million), the cash outflow from the repayment of lease liabilities in the amount of €23.1 million (previous year: €26.8 million) and the repayment of bank debt in the amount of €27.0 million (previous year: €8.1 million). As a result, Krones had cash and cash equivalents totalling €288.6 million at 30 September 2021 (previous year: €176.5 million).

Capital expenditure for PP&E and intangible assets from 1 Jan to 30 Sep (€ million)



Balance sheet structure

KRONES Group asset and capital structure

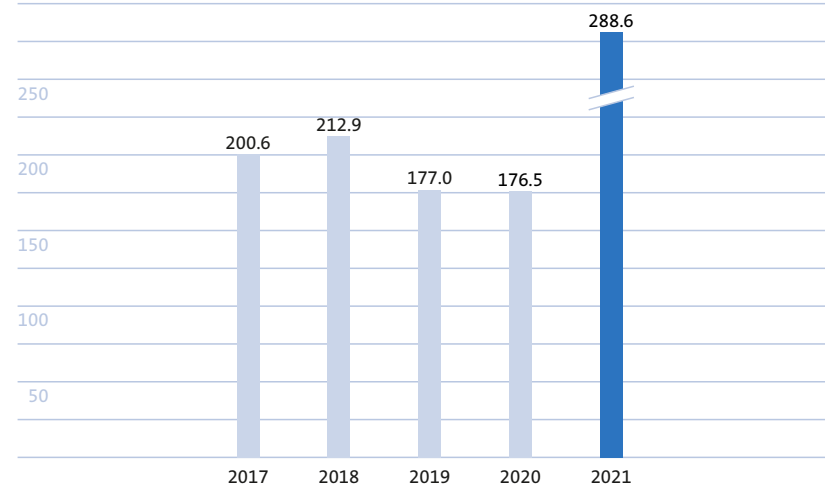
€ million	30 Sep 2021	31 Dec 2020	30 Sep 2020	31 Dec 2019
Non-current assets	1,123	1,093	1,107	1,154
of which fixed assets	987	990	991	1,070
Current assets	2,276	1,957	2,044	2,165
of which cash and equivalents	289	217	177	110
Equity	1,303	1,200	1,314	1,370
Total debt	2,096	1,850	1,837	1,949
Non-current liabilities	475	476	429	452
Current liabilities	1,621	1,374	1,408	1,497
Total	3,399	3,050	3,151	3,319

Due to the substantial rise in business volume, Krones' total assets increased in the first three quarters by 11.4%.

Krones' total assets increased by 11.4% in the reporting period and thus by more than the 8.4% rise in total operating performance. Total assets came to €3,398.5 million as of 30 September 2021 (31 December 2020: €3,049.5 million). The main cause of the larger increase was the build-up of current assets and liabilities due to the substantial growth in business volume.

Non-current assets rose slightly between January and September to €1,122.8 million (31 December 2020: €1,092.5 million). Fixed assets stood at €987.1 million as of 30 September 2021 (31 December 2020: €990.0 million). The slight decrease in fixed assets related to property, plant and equipment and right-of-use assets.

Cash and cash equivalents at 30 Sep (€ million)



These went down from €656.1 million at the end of 2020 to €649.0 million. Intangible assets, on the other hand, increased slightly to €305.5 million (31 December 2020: €300.6 million).

Krones' current assets rose significantly overall, mainly due to the growth in business volume. Current assets came to €2,275.7 million at the end of the reporting period, which is 16.3% or €318.7 million higher than the figure as of 31 December 2020. All current asset items contributed to the substantial increase. Trade receivables went up by €42.4 million to €746.5 million and inventories by €68.1 million to €423.2 million. Contract assets likewise increased (by €100.7 million), as did other assets (by €35.7 million). Cash and cash equivalents also rose in the reporting period from €217.0 million to €288.6 million.

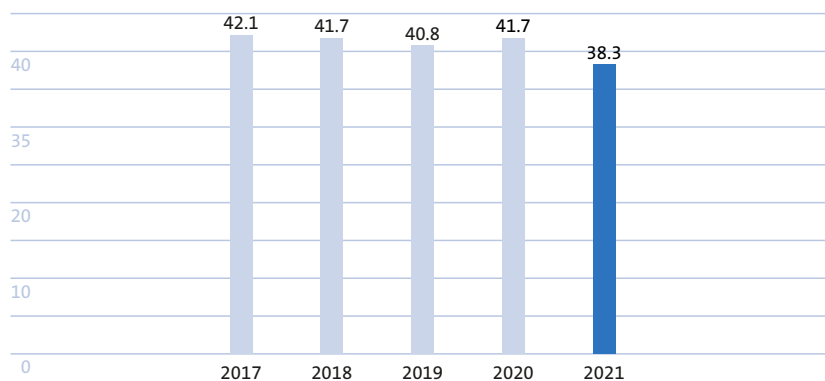


On the liabilities side of the balance sheet, Krones significantly increased current liabilities between January and September 2021. These went up by 17.9% or €246.5 million to €1,620.6 million. This was mainly due to a €219.1 million increase in contract liabilities to €624.2 million, mostly reflecting higher prepayments from customers. Other liabilities and provisions also rose due to the improved business volume, increasing to €372.4 million (31 December 2020: €300.0 million). Trade payables climbed in the reporting period by €17.4 million to €387.7 million. Current bank debt was eliminated in its entirety during the reporting period (31 December 2020: €27.0 million).

Non-current liabilities were virtually unchanged as of 30 September 2021, totaling €474.8 million (31 December 2020: €475.5 million). There were only minor changes within this category relative to the 2020 year-end. The largest item, provisions for pensions, thus decreased slightly to €280.4 million (31 December 2020: €281.4 million). At the end of the reporting period, the company had €5.2 million in non-current bank debt (31 December 2020: €5.1 million).

Net cash: €283.4 million
Equity ratio: 38.3 %

Equity ratio at 30 Sep (%)

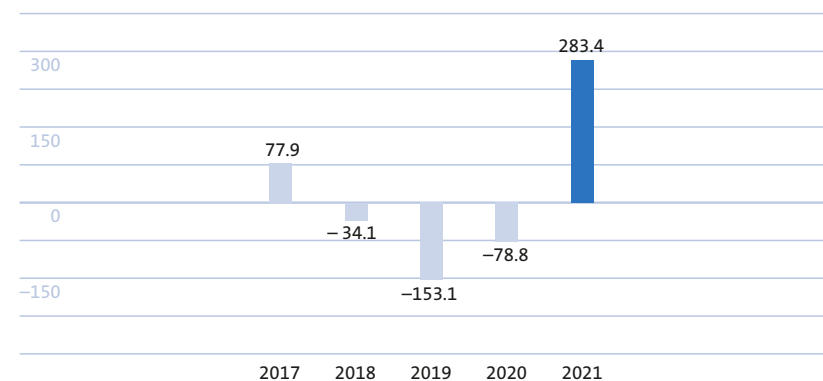


Increases in equity and net cash

Due to the positive consolidated net income for the first nine months, equity increased relative to the 2020 reporting date to €1,303.1 million (31 December 2020: €1,199.9 million). The equity ratio was slightly down due to the greater increase in total assets and stood at 38.3% as of 30 September 2021 (31 December 2020: 39.4%). With net cash (cash and cash equivalents less bank debt) of €283.4 million at the end of the reporting period (31 December 2020: €184.9 million), Krones continues to have a stable and solid financial and capital structure. In addition, Krones had available around €1.04 billion in unused lines of credit as of 30 September 2021.

The solid 38.3% equity ratio and €283.4 million in net cash provide a solid basis for further profitable growth at Krones.

Net cash at 30 Sep (€ million)





Report from the segments

Machines and Lines for Product Filling and Decoration

Segment revenue

Core segment revenue improved by 24.0% in the third quarter of 2021 relative to the previous year's figure, which was severely affected by the coronavirus. Revenue in the first nine months grew by 5.9%.

In the core segment, Machines and Lines for Product Filling and Decoration, growth accelerated significantly in the third quarter of 2021. Revenue between July and September was 24.0% higher than in the previous year. This more than made up for the revenue shortfall in the first half year (-1.8%). In total over the first nine months of 2021, segment revenue increased

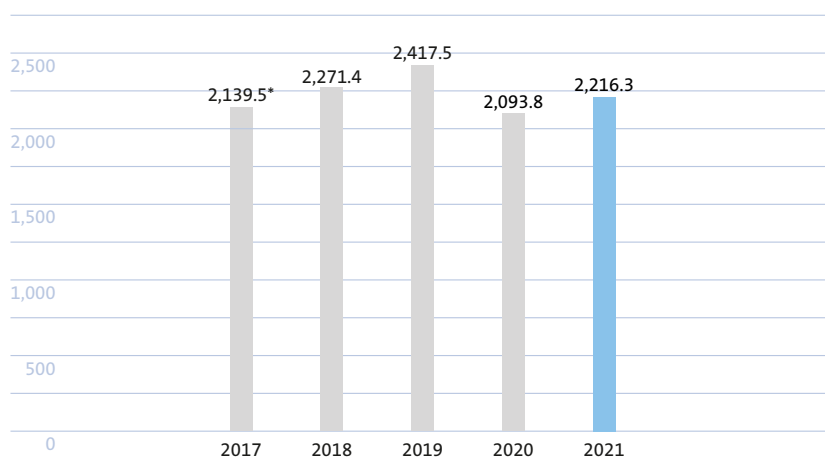
by 5.9%, from €2,093.8 million a year earlier to €2,216.3 million. As a proportion of consolidated revenue in the first three quarters, the core segment contributed 83.9% (previous year: 85.5%).

Segment earnings

The profitability of the core segment benefited in the first three quarters from higher capacity utilisation and from structural measures implemented by the company. These were the main reason why earnings improved at a faster rate than revenue, despite rising material costs. Earnings before interest, taxes, depreciation and amortisation (EBITDA) went up by 16.7% in the first three quarters, from €173.4 million in the previous year to €202.3 million. The core segment consequently generated an EBITDA margin of 9.1% in the reporting period (previous year: 8.3%).

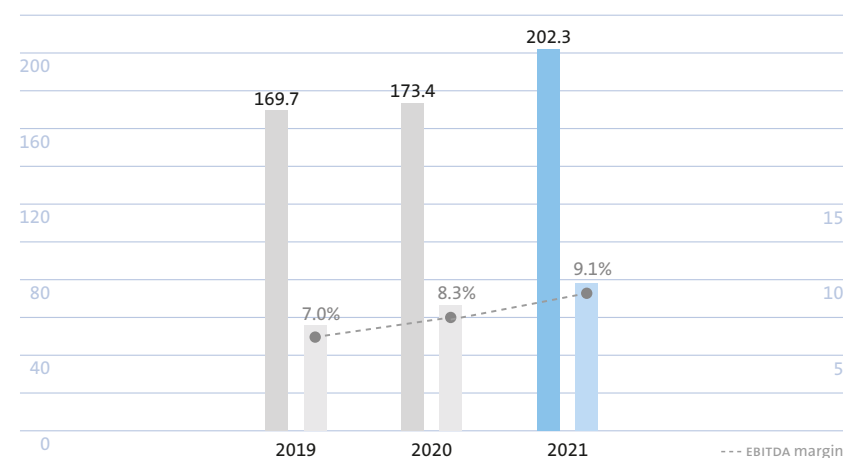
The core segment's EBITDA margin increased in the first three quarters of 2021 to 9.1% (previous year: 8.3%).

Segment revenue (€ million) from 1 Jan to 30 Sep



* incl. machines and lines for the compact class segment

Segment EBITDA (€ million) and EBITDA margin (%) from 1 Jan to 30 Sep





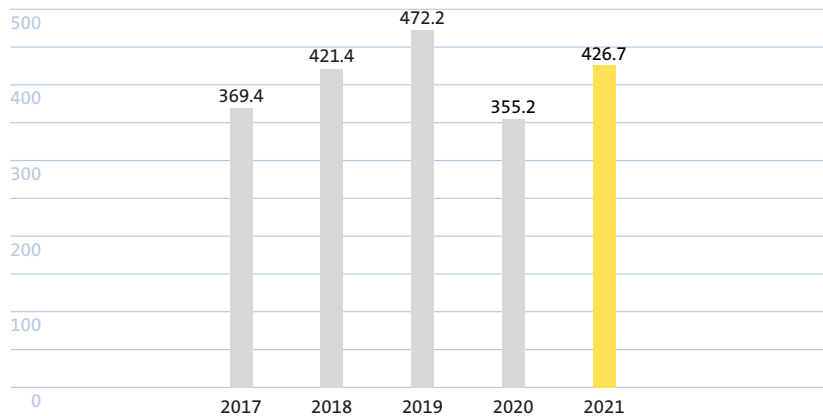
Machines and Lines for Beverage Production/Process Technology

Segment revenue

Revenue in the Machines and Lines for Beverage Production/Process Technology segment has recovered from the Covid-related slump in 2020, with revenue in the first three quarters of 2021 increasing by 20.1% year on year.

Revenue in the Machines and Lines for Beverage Production/Process Technology segment went up by 20.1% in the first nine months, from €355.2 million in the previous year to €426.7 million in 2021. The intralogistics business, which was severely affected by the coronavirus in the previous year, showed even stronger growth. Revenue in beverage production, the second sub-segment, benefited in the reporting period from the recovery at international breweries and was slightly higher than in the previous year. The entire segment's share of consolidated revenue in the first three quarters rose to 16.1% (previous year: 14.5%).

Segment revenue (€ million) from 1 Jan to 30 Sep



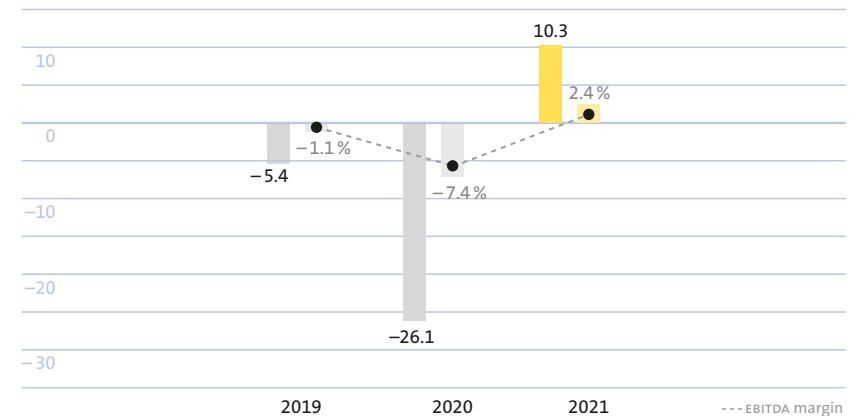
Segment earnings

Earnings in the Machines and Lines for Beverage Production/Process Technology segment improved significantly in the first three quarters of 2021. As well as from higher revenue, profitability also benefited from structural measures such as the spin-off of the brewery activities into a separate company. There was also a substantial increase in profitability

in Intralogistics, which was heavily impacted by Covid-19 in the previous year. The entire segment generated positive earnings before interest, taxes, depreciation and amortization (EBITDA) in all three quarters. Overall in the first nine months of 2021, EBITDA improved from –€26.1 million a year earlier to €10.3 million. The EBITDA margin thus increased to 2.4% (previous year: –7.4%).

EBITDA in the Machines and Lines for Beverage Production/Process Technology segment increased by €36.4 million in the first three quarters of 2021, from –€26.1 million in the previous year to €10.3 million.

Segment EBITDA (€ million) and EBITDA margin (%) from 1 Jan to 30 Sep





Report on **expected developments**

Krones sure of meeting full-year forecast for 2021

Overall, Krones' markets have so far recovered from the pandemic-related downturn faster than was expected at the beginning of the year. For the fourth quarter of 2021, the company expects demand to stay strong and production capacity utilisation to remain stable.

Tight procurement markets present an increasing challenge. Krones, too, cannot permanently escape the problems in global supply chains. However, due to the initiated structural measures and the company's high degree of flexibility, Krones is sure of being able to meet the upgraded full-year forecast for 2021 published in the preceding quarter.

For the Krones Group, the Executive Board expects full-year revenue growth of 7% to 9% in 2021. Krones anticipates an EBITDA margin of 7% to 8%. For the third performance target, working capital to revenue, the guidance likewise remains unchanged at 26% to 27%.

	Guidance for 2021	Actual 9m 2021
Revenue growth	7–9%	7.9%
EBITDA margin	7–8%	8.0%
Working capital to revenue	26–27%	26.2%



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INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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Condensed consolidated **statement of profit or loss** from 1 January to 30 September 2021

€ million	2021 1 January – 30 September	2020 1 January – 30 September	Change %
Revenue	2,643.0	2,449.0	+ 7.9
Changes in inventories of finished goods and work in progress	19.1	7.0	–
Total operating performance	2,662.1	2,456.0	+ 8.4
Other own work capitalised	38.0	26.4	+ 43.9
Other operating income	66.6	88.2	– 24.5
Goods and services purchased	– 1,323.4	– 1,182.9	+ 11.9
Personnel expenses	– 867.9	– 838.2	+ 3.5
Other operating expenses	– 362.8	– 402.2	– 9.8
EBITDA	212.6	147.3	+ 44.3
Depreciation and amortisation of intangible assets and property, plant and equipment	– 99.6	– 119.8	– 16.9
EBIT	113.0	27.5	+ 310.9
Financial income/expense	5.4	– 0.8	–
Profit or loss shares attributable to associates that are accounted for using the equity method	0.0	0.0	–
Earnings before taxes	118.4	26.7	+ 343.4
Income tax	– 31.8	– 9.3	+ 241.9
Consolidated net income	86.6	17.4	+ 397.7
Profit share of non-controlling interests	0.1	0.1	
Profit share of Krones Group shareholders	86.5	17.3	
Earnings per share (diluted/basic) in €	2.74	0.55	

Condensed consolidated **statement of profit or loss** from 1 July to 30 September 2021

€ million	2021 1 July – 30 September	2020 1 July – 30 September	Change %
Revenue	922.9	750.4	+ 23.0
Changes in inventories of finished goods and work in progress	-29.6	0.3	-
Total operating performance	893.3	750.7	+ 19.0
Other own work capitalised	12.2	6.2	+ 96.8
Other operating income	16.6	32.8	- 49.4
Goods and services purchased	-453.1	-369.5	+ 22.6
Personnel expenses	-270.5	-243.3	+ 11.2
Other operating expenses	-123.6	-148.1	- 16.5
EBITDA	74.9	28.8	+ 160.1
Depreciation and amortisation of intangible assets and property, plant and equipment	-33.5	-34.5	- 2.9
EBIT	41.4	-5.7	-
Financial income/expense	1.3	0.6	-
Profit or loss shares attributable to associates that are accounted for using the equity method	0.0	0.0	-
Earnings before taxes	42.7	-5.1	-
Income tax	-13.0	1.0	-
Consolidated net income	29.7	-4.1	-
Profit share of non-controlling interests	0.0	0.0	-
Profit share of Krones Group shareholders	29.7	-4.1	-
Earnings per share (diluted/basic) in €	0.94	-0.13	-



Condensed consolidated statement of financial position – Assets

€ million	30 September 2021	31 December 2020
Intangible assets	305.5	300.6
Property, plant and equipment and right of use assets	649.0	656.1
Non-current financial assets	30.2	29.9
Investments accounted for using the equity method	2.4	3.4
Fixed assets	987.1	990.0
Deferred tax assets	63.7	54.4
Trade receivables	61.9	36.2
Tax receivables	1.4	0.2
Other assets	8.7	11.7
Non-current assets	1,122.8	1,092.5
Inventories	423.2	355.1
Trade receivables	746.5	704.1
Contract assets	619.5	518.8
Tax receivables	17.0	16.8
Other assets	180.9	145.2
Cash and cash equivalents	288.6	217.0
Current assets	2,275.7	1,957.0
Total	3,398.5	3,049.5



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

€ million	30 September 2021		31 December 2020	
Equity		1,303.1		1,199.9
Provisions for pensions	280.4		281.4	
Deferred tax liabilities	3.5		3.0	
Other provisions	81.0		79.4	
Tax liabilities	4.5		4.1	
Liabilities to banks	5.2		5.1	
Trade payables	0.0		0.0	
Other financial obligations and lease liabilities	75.7		78.4	
Other liabilities	24.5		24.1	
Non-current liabilities		474.8		475.5
Other provisions	176.5		198.0	
Liabilities to banks	0.0		27.0	
Contract liabilities	624.2		405.1	
Trade payables	387.7		370.3	
Tax liabilities	17.2		26.6	
Other financial obligations and lease liabilities	42.6		47.1	
Other liabilities and accruals	372.4		300.0	
Current liabilities		1,620.6		1,374.1
Total		3,398.5		3,049.5



Condensed consolidated statement of cash flows

€ million	2021	2020
	1 Jan – 30 Sep	1 Jan – 30 Sep
Earnings before taxes	118.4	26.7
Depreciation and amortisation	99.6	119.8
Increase in provisions and accruals	94.2	47.9
Interest and similar expenses and income	-3.0	0.7
Gains and losses from the disposal of fixed assets	-0.1	-0.5
Other non-cash expenses and income	2.0	8.7
Increase (PY: decrease) in inventories, trade receivables, contract assets and other assets not attributable to investing or financing activities	-260.8	170.6
Increase (PY: decrease) in trade payables, contract liabilities and other liabilities not attributable to investing or financing activities	182.0	-322.4
Cash generated from operating activities	232.3	51.5
Interest paid	-2.4	-4.4
Income tax paid and refunds received	-47.5	-37.2
Cash flow from operating activities	182.4	9.9
Cash payments to acquire intangible assets	-35.5	-27.4
Proceeds from the disposal of intangible assets	0.0	0.0
Cash payments to acquire property, plant and equipment	-37.9	-41.1
Proceeds from the disposal of property, plant and equipment	2.0	2.8
Cash payments to acquire non-current financial assets	-0.2	-4.5
Proceeds from the disposal of non-current financial assets	0.9	0.1
Deferred purchase price payment for business acquisitions from previous periods	-11.2	0.0
Interest received	4.8	1.8
Dividends received	2.2	0.0
Cash flow from investing activities	-74.9	-68.3
Cash payments to company owners	-1.9	-23.7
Proceeds from new borrowing	0.1	183.1
Cash payments from the repayment of lease liabilities	-23.1	-26.8
Cash payments from the repayment of financial liabilities	-27.0	-8.1
Cash flow from financing activities	-51.9	124.5
Net change in cash and cash equivalents	55.6	66.1
Changes in cash and cash equivalents arising from changes in the consolidated group	16.0	0.0
Cash and cash equivalents at the beginning of the period	217.0	110.4
Cash and cash equivalents at the end of the period	288.6	176.5



Consolidated **segment reporting**

First nine months	Machines and Lines for Product Filling and Decoration		Machines and Lines for Beverage Production/ Process Technology		Krones Group	
	2021 1 Jan–30 Sep	2020 1 Jan–30 Sep	2021 1 Jan–30 Sep	2020 1 Jan–30 Sep	2021 1 Jan–30 Sep	2020 1 Jan–30 Sep
€ million						
Revenue	2,216.3	2,093.8	426.7	355.2	2,643.0	2,449.0
EBITDA	202.3	173.4	10.3	–26.1	212.6	147.3
EBITDA margin	9.1%	8.3%	2.4%	–7.4%	8.0%	6.0%

Third quarter	Machines and Lines for Product Filling and Decoration		Machines and Lines for Beverage Production/ Process Technology		Krones Group	
	2021 1 Jul–30 Sep	2020 1 Jul–30 Sep	2021 1 Jul–30 Sep	2020 1 Jul–30 Sep	2021 1 Jul–30 Sep	2020 1 Jul–30 Sep
€ million						
Revenue	773.2	623.5	149.7	126.9	922.9	750.4
EBITDA	68.1	29.7	6.8	–0.9	74.9	28.8
EBITDA margin	8.8%	4.8%	4.5%	–0.7%	8.1%	3.8%



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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**Nora Diepold**

Chief Executive Officer

NK Immobilienverwaltungs GmbH,
Regensburg
(since 17 May 2021)**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
(until 17 May 2021)**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 at

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 KlenkCEO
Intralogistics
Process Technology**Norbert Broger**

CFO

Thomas Ricker

CSO

Markus TischerInternational 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

Published by Krones AG
Böhmerwaldstrasse 5
93073 Neutraubling
Germany

Project lead Olaf Scholz,
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Treasury and M&A

Design Büro Benseler

Text Krones AG
InvestorPress GmbH

Photography Krones AG

Note

This English language report is a translation of the original German KRONES Quarterly statement for the period from 1 January to 30 September 2021 (Quartalsmitteilung für den Zeitraum vom 1. Januar bis 30. September 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

16 November 2021
Capital Markets Day (virtually)

24 March 2022
Annual Report as per 31 December 2021

6 May 2022
Quarterly statement as at 31 March 2022

31 May 2022
Annual General Meeting

2 August 2022
Interim Report as per 30 June 2022

4 November 2022
Quarterly Statement as at 30 September 2022

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