KOENIG & BAUER

Group Interim Report First Half-Year 2018

we're on it.

Koenig & Bauer Group in Figures

01.01. - 30.06. in €m	2017	**2018**
Order intake	601.9	**705.3**
Revenue	538.9	**514.4**
Order backlog at 30.06.	620.5	**805.8**
Export level in %	89.2	**87.6**
Earnings before interest and taxes (EBIT)	16.3	**10.6**
Earnings before taxes (EBT)	15.9	**8.5**
Net profit	15.2	**6.7**
Balance sheet total at 30.06. (prior year: 31.12.)	1,163.9	**1,131.8**
Equity at 30.06. (prior year: 31.12.)	424.0	**402.8**
Investment in intangible assets, property, plant and equipment	16.4	**21.1**
Depreciation on intangible assets, property, plant and equipment	14.6	**14.1**
Payroll at 30.06.	5,359	**5,605**[1]
- thereof apprentices/trainees	289	**260**
Cash flows from operating activities	–20.0	**17.4**
Earnings per share in €	0.93	**0.39**

[1] including 76 following the consolidation of KBA CEE and KBA LATINA

With order intake reaching a particularly high €454.4m in the second quarter and the order backlog rising to €805.8m at the end of the first half, the Koenig & Bauer Group is on track to meet its targets for 2018. This year, we expect to achieve organic growth of around 4% in Group revenue and an EBIT margin of around 7%. Given the high capacity utilisation and external and internal delivery bottlenecks in parts, the execution of orders on time in the second half of the year and particularly Q4 with the accumulation of press installations, this is a challenging task to which we pay particular attention. However, we consider it to be particularly important to utilise the opportunities for growth being offered by the market in new press business in order to widen the installed base as the foundation for further growth in service business.

Strong security business and more orders in packaging printing caused order intake to rise by 17.2% to €705.3m in the first half of 2018. Driven by the good Q2 figure of €297.1m, Group revenue came to €514.4m but fell short of the previous year's figure of €538.9m due to the even greater accumulation of delivery dates in the second half of the year. This was also reflected in EBIT, which at €10.6m was lower than in 2017 (€16.3m).

Order intake in our Sheetfed segment exactly matched the previous year's good figure influenced by the Print China fair. Substantial growth was achieved in large-format cardboard printing. As the world market leader in folding carton printing, we are benefiting from heightened capital spending of the international packaging printers. EBIT was down on the previous year due to the delivery-related decline in revenue.

Despite the progress in flexible packaging printing, new orders in Digital & Web were slightly down on the previous year due to fewer orders for newspaper web presses and services. In addition to the growing market-entry costs particularly for corrugated and flexible packaging, EBIT was significantly burdened by lower revenue. This was materially due to the decline in revenue from digital printing presses as a result of subdued demand. We are concentrating on digital printing applications for packaging and industrial printing offering our customers a sustained business model for smaller print runs, greater format flexibility and heightened personalisation. However, we see significantly greater short and medium-term potential in the large corrugated and foil printing markets, which are expanding at above-average rates. We want to accelerate the pace of growth in analogue direct printing on corrugated board. This also applies to flexible packaging printing following the successful realignment of this business. The targeted expenses required for future growth will leave traces on our cost position, exerting pressure on segment earnings.

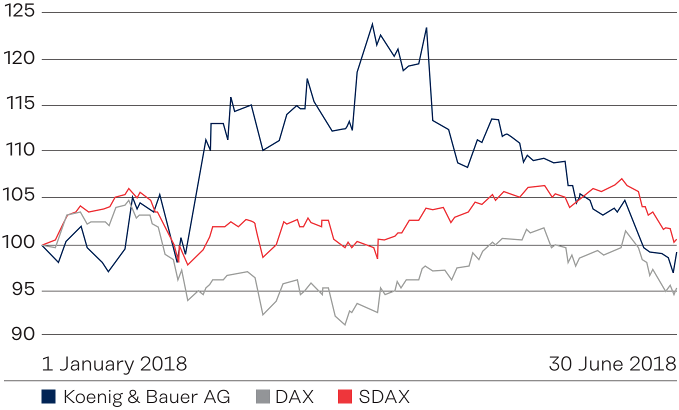
In addition to our strong security business, growth in marking and coding also contributed to the significant increase in order intake in the Special segment. With revenue slightly up, EBIT remained at the previous year's level. With the major order received from Giesecke+Devrient for the delivery of several press lines for the production of ultra-secure banknotes in Egypt, we have a high degree of capacity utilisation in security printing until well into 2019. In addition to our growth initiatives in marking and coding and glass/hollow container decorating, we want to additionally expand our metal decorating activities by entering the 2-piece can market. At two customers, field tests of the newly developed CS MetalCan with substantial advantages for the users take place before the sales launch.

Our product innovations in corrugated printing and 2-piece can decorating are not included in our medium-term targets, neither revenue nor costs. By 2021, we are targeting a Group-wide organic revenue growth rate of around 4% p.a. and an EBIT margin of between 4% and 9% depending on global economy, end markets and the necessary investments in growth. In addition to our printing, finishing, coding and postpress solutions for cardboard, banknotes, cans, glass and hollow containers and other products, we are particularly focusing on corrugated board and flexible packaging. The strong and steady growth in the packaging printing market is primarily being underpinned by less cyclical sectors. Roughly 50% of packaging is used for foods, beverages, medicines and cosmetics and 40% for outer packaging. The main drivers behind the packaging boom are demographic growth, increasing global prosperity and, structurally, new consumer lifestyles with the secular trend of home shopping. Turning to 2018, the German industry association for E-Commerce and mail-order trade expects online retailing to grow by 9.3%, accompanied by a particular shift towards internet food shopping. Corrugated board, cardboard and flexible packaging printing particularly stands to benefit from this.

Claus Bolza-Schünemann
President and CEO of Koenig & Bauer AG

Koenig & Bauer shares

in %



Koenig & Bauer Shares

After a strong start to 2018, which saw new all-time highs, economic worries triggered by trade and political conflicts exerted pressure on the international stock markets. This caused the DAX to drop by 4.7% at the end of June 2018 compared with the end of the previous year, while the SDAX posted a small gain of 0.5%. Our shares reached a high for the period under review, which was also an all-time high, of €78.70 on 3 April. The capital markets applauded the good business figures for 2017 and the next steps taken to achieve the revenue and EBIT targets by 2021. As the quarter progressed, however, the increasing global economic uncertainties were reflected in the price of our shares, which closed at €61.90 at the end of June, down 1.5% on the end of 2017.

Group Management Report

Economic Environment

The favourable state of the world economy stimulated international demand for capital goods in the first half of 2018. According to the German Mechanical and Plant Engineering Association (VDMA), new orders for plant and machinery rose by 6.1% in real terms from January to the end of May, driven in particular by expansion and modernisation investments. New business in the printing press sector increased by 4%.

Business Performance

Reflecting significantly higher orders in security printing and our strong position in several areas of the growing packaging printing, the Koenig & Bauer Group's **order intake** rose by an above-average rate in the first half of 2018, increasing by 17.2% over the previous year (€601.9m) to €705.3m. The accumulation of delivery dates in the second half of the year meant that Group **revenue** of €514.4m was down on the previous year (€538.9m) by 4.5%. The export ratio narrowed from 89.2% to 87.6% due to the greater proportion of domestic business. Whereas the share of business in Europe excluding Germany contracted from 35.7% to 33.8% and North America from 17.2% to 15.7%, the share contributed by Asia/Pacific widened from 24.6% to 27.1%. Latin America and Africa accounted for 11% of Group revenue (2017:

11.7%). At €805.8m, the **order backlog** as of 30 June was up 29.9% on the previous year (€620.5m). The figure at the beginning of the year (€606.2m) was exceeded by 32.9%.

Earnings, Finances and Assets

Earnings

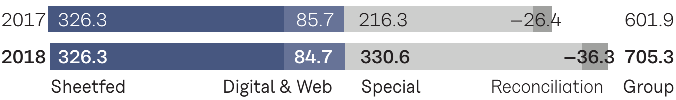
The delivery-related decline in Group revenue in the first half of the year exerted a material influence on Group **earnings**. As in the previous year, a good **gross margin** of 29.6% was achieved. At €23.6m, R&D expenses were slightly down on the previous year's figure of €24.5m. Whereas administration expenses rose from €46m to €49.4m, distribution costs dropped from €67.9m to €67.3m. Other operating income and expenses came to –€1.4m, down from –€4.7m in 2017. This resulted in **EBIT** of €10.6m (2017: €16.3m). The interest result of –€2.1m (2017: –€0.4m) led to Group **earnings before taxes** of €8.5m, compared with €15.9m in the previous year. After income taxes, Group **net profit** came to €6.7m as of 30 June (2017: €15.2m), equivalent to **earnings per share** of €0.39, down from €0.93 in the previous year.

Finances

Cash flows from operating activities improved substantially to €17.4m, up from –€20m in the previous year, despite the higher inventories required for generating revenue in the second half of the year (up €53.8m). This clear improvement was driven by higher customer prepayments (up €37.5m) and lower customer receivables (down €40.5m) as of the reporting

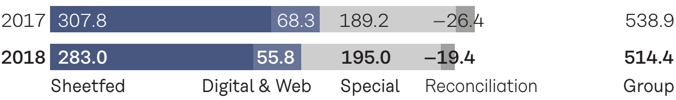
Group order intake

in €m



Group revenue

in €m



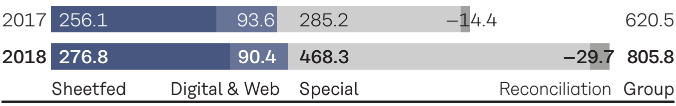
date. In addition to the payments for investments, the **free cash flow** of –€39.7m (2017: –€65.5m) was burdened by the final payment instalment of €34.8m made in Q1 for the external funding of a part of the pension provisions. At the end of the first half of the year, **funds** stood at €107.3m (31 December 2017: €142.4m). Adjusted for bank loans of €59.2m, net liquidity equals €48.1m. In addition to securities of €14.6m that can be liquidated at any time, the Group also has access to syndicated credit facilities. Despite the Group net profit, the dividend distribution together with the decrease in the discount rate for domestic retirement benefits from 1.9% to 1.8% caused equity to contract to €402.8m, translating into an equity ratio of 35.6% (end of 2017: €424m and 36.4%, respectively).

Assets

With depreciation of €14.1m, a total of €21.1m (2017: €16.4m) was spent on property, plant and equipment and intangible assets. With intangible assets and property, plant and equipment rising from €256.3m to €262.5m, non-current assets dropped to €376.6m (2017: €389.1m) primarily as a result of lower financial receivables. In connection with the external funding of a part of the Company pension provisions, reinsurance claims reported within financial receivables were netted with the pension provisions after being transferred to the beneficiary employees. With current assets dropping from €774.8m to €755.2m, the Group **balance sheet total** contracted by €32.1m to €1,131.8m (31 December 2017: €1,163.9m).

Group order backlog

in €m



Group net profit

in €m

Segment Performance

The **Sheetfed** segment reached a strong order intake of €326.3m, exactly matching the previous year's figure, which had been influenced by the Print China fair. Growth in large-format cardboard printing made up for the lower orders in commercial printing. At €283m, revenue was down on the previous year's figure of €307.8m by 8.1% for delivery-related reasons. With a book-to-bill ratio of 1.15, order backlog climbed from €256.1m to €276.8m. Due to the lower revenue, EBIT of €7.7m was below the previous year's figure (€12.1m).

Despite the encouraging growth in new business in flexible packaging, new orders in **Digital & Web** (€84.7m) were slightly down on the previous year (€85.7m) due to fewer orders for newspaper web presses and services. In addition to the market-entry costs for corrugated and flexible packaging in particular, EBIT was significantly burdened by the decline in revenue from €68.3m to €55.8m. The lower revenue was particularly due to reduced deliveries of digital printing presses. Segment EBIT came to –€9.1m, compared with –€2.8m in the previous year. The high order backlog of €90.4m (2017: €93.6m) provides a good basis for the planned improvement in earnings in the second half of the year 2018.

Driven by large orders in security printing and growth in marking and coding, order intake in the **Special** segment rose by 52.8% to €330.6m (2017: €216.3m). With revenue rising slightly from €189.2m to €195m, EBIT came to €14.4m, thus matching the previous year's figure (€14.6m).

Geographical breakdown of revenue

in %	2017	**2018**
Germany	10.8	12.4
Rest of Europe	35.7	33.8
North America	17.2	15.7
Asia/Pacific	24.6	27.1
Africa/Latin America	11.7	11.0

At €468.3m, order backlog in the Special segment reached an extraordinarily high level at the end of June, exceeding the previous year's figure (€285.2m) by 64.2%.

Research and Development

In the performance of our research and development activities, we attach key importance to boosting customer benefits. We want to increase our customers' competitiveness with our innovative, bespoke products and services. The latest examples of our product innovations are the CorruJET, CorruCUT and CorruFLEX for direct printing on corrugated board, CS MetalCan for 2-piece can decorating and the Rapida RDC 106 rotary die-cutter. The Ipress 106 K PRO flatbed die-cutter with the proven feeder from the Rapida presses had world premiere. The outstanding details include integrated blank stripping, high operating comfort, absolute register accuracy, short makeready times and flexible configurability. In addition, we added new inline measurement technology for quality control for the Rapida sheetfed offset presses. QualiTronic Next Generation entails a revolutionary package of new developments with maximum operating and display function integration for the user via a touchscreen monitor. In addition to intelligent systems for digital networking in all phases of print production, our experts have worked on data-based value-added service solutions to render processes more transparent and maintenance more preventive. Visual Press Support is one example of the use of innovative digital technologies in service, where our service technicians can communicate with the printer via smartphone. Videos can be shared and marked, and images can be

Group payroll at 30 June

captured, saved and stored. In addition, the service technician can display documents on the screen of the mobile device at the press to support finding solutions on site.

Employees

The Group workforce increased by 246 over the previous year to 5,605 employees as of 30 June. In addition to recruiting in the growing service area and in connection with new applications for the packaging printing markets, 76 employees joined the Group as a result of the first-time consolidation of KBA CEE and KBA LATINA.

Supplementary Statement and Risks

No events with a material impact on Group earnings, finances and assets occurred after 30 June 2018. The major risks facing our business and the early warning system are described in detail in the annual report for 2017 (page 45 onwards). Although we have not yet noted any adverse effects on our international business, there is mounting uncertainty over the impact that trade and political conflicts may have on the global economy. If these risks weigh on printers' sentiment, this may place a damper on their investment plans and thus lower sales of our products and services, leaving traces on our forecast.

On 20 February 2017, the Swiss security printing subsidiary KBA-NotaSys SA settled with the Swiss Office of the Attorney General through penalty order the proceedings that had been commenced against it in Switzerland on account of shortcomings in its anti-corruption efforts. The company had initiated the proceedings by self-reporting the matter to the authorities and it fully cooperated with the authorities in the subsequent proceedings. Two former managers lodged an objection against the penalty order before the Federal Supreme Court of Switzerland, the highest court in the country. The company currently does not expect any material changes to the order.

We currently do not see any risks that either individually or cumulatively could jeopardise the Koenig & Bauer Group's going-concern status.

Outlook and Opportunities

Despite the increasing political and economic risks, the International Monetary Fund has reaffirmed its forecast of global economic growth for 2018 and expects global gross domestic product (GDP) to rise by 3.9%.

In 2018, we expect to achieve organic growth of around 4% in Group revenue and an EBIT margin of around 7%. With many projects still in the pipeline in all business fields, our forecast is based on the high order backlog of €805.8m as of the end of the first half year together with further progress being made in the Group-wide service initiative and the cost-cutting projects in security printing, purchasing and production. These projects should cause earnings to rise by €70m over 2016 by 2021.

The achievement of the targets 2018 requires the execution of orders on time in the second half of the year and particularly in Q4 with the accumulation of press installations. Given the high capacity utilisation and external and internal delivery bottlenecks in parts, this is a challenging task to which we pay particular attention. However, we consider it to be particularly important to utilise the opportunities for growth being offered by the market in new press business in order to widen the installed base as the foundation for further growth in service business.

By 2021, we are targeting a Group-wide organic revenue growth rate of around 4% p.a. and an EBIT margin of between 4% and 9% depending on global economy, end markets and the necessary investments in growth. Our product innovations in corrugated printing and 2-piece can decorating are not included in our medium-term targets, neither revenue nor costs. In addition to our printing, finishing, coding and postpress solutions for cardboard, banknotes, cans, glass and hollow containers and other products, we are particularly focusing on corrugated board and flexible packaging. With the focus on the growing packaging printing, we want to boost our revenue and profitability as well as the stability of our business on a sustained basis.

Group Balance Sheet

Assets

in €m	31.12.2017	**30.06.2018**
Non-current assets		
Intangible assets, property, plant and equipment	256.3	262.5
Investments and other financial receivables	50.5	25.3
Other assets	1.6	1.6
Deferred tax assets	80.7	87.2
	389.1	**376.6**
Current assets		
Inventories	254.9	308.7
Trade receivables	308.3	267.8
Other financial receivables	14.2	9.3
Other assets	33.4	47.5
Securities	21.6	14.6
Cash and cash equivalents	142.4	107.3
	774.8	**755.2**
Balance sheet total	**1,163.9**	**1,131.8**

Equity and liabilities

in €m	31.12.2017	**30.06.2018**
Equity		
Share capital	43.0	43.0
Share premium	87.5	87.5
Reserves	293.5	271.6
Equity attributable to owners of the Parent	**424.0**	**402.1**
Equity attributable to non-controlling interests	–	0.7
	424.0	**402.8**
Liabilities		
Non-current liabilities		
Pension provisions and similar obligations	198.4	148.6
Other provisions	27.1	16.7
Bank loans	1.0	0.8
Other financial payables	7.6	6.6
Other liabilities	1.2	1.3
Deferred tax liabilities	26.2	28.8
	261.5	**202.8**
Current liabilities		
Other provisions	144.6	137.7
Trade payables	72.1	55.2
Bank loans	42.0	58.4
Other financial payables	58.9	75.5
Other liabilities	160.8	199.4
	478.4	**526.2**
Balance sheet total	**1,163.9**	**1,131.8**

Group Income Statement

01.01. - 30.06. in €m	2017	**2018**
Revenue	538.9	514.4
Cost of sales	–379.5	–362.1
Gross profit	**159.4**	**152.3**
Research and development costs	–24.5	–23.6
Distribution costs	–67.9	–67.3
Administrative expenses	–46.0	–49.4
Other operating income and expenses	–4.7	–1.4
Earnings before interest and taxes (EBIT)	**16.3**	**10.6**
Interest result	–0.4	–2.1
Earnings before taxes (EBT)	**15.9**	**8.5**
Income tax expense	–0.7	–1.8
Net profit	**15.2**	**6.7**
- attributable to owners of the Parent	15.4	6.5
- attributable to non-controlling interests	–0.2	0.2
Earnings per share (in €, basic/dilutive)	**0.93**	**0.39**

01.04. - 30.06. in €m	2017	**2018**
Revenue	279.8	297.1
Cost of sales	–193.9	–211.5
Gross profit	**85.9**	**85.6**
Research and development costs	–10.0	–11.5
Distribution costs	–36.5	–36.4
Administrative expenses	–22.6	–23.2
Other operating income and expenses	–5.5	–2.0
Earnings before interest and taxes (EBIT)	**11.3**	**12.5**
Interest result	0.3	–1.1
Earnings before taxes (EBT)	**11.6**	**11.4**
Income tax expense	–1.1	–2.4
Net profit	**10.5**	**9.0**
- attributable to owners of the Parent	10.5	8.9
- attributable to non-controlling interests	–	0.1
Earnings per share (in €, basic/dilutive)	**0.63**	**0.54**

Statement of Changes in Group Equity

in €m	Share capital	Share premium
01.01.2017	**43.0**	**87.5**
Net profit/loss	–	–
Gains recognised directly in equity	–	–
Total comprehensive income	**–**	**–**
Dividend	–	–
Other changes	–	–
30.06.2017	**43.0**	**87.5**
31.12.2017	**43.0**	**87.5**
Amendments in accordance with IFRS 9	–	–
Amendments in accordance with IFRS 15	–	–
01.01.2018	**43.0**	**87.5**
Net profit	–	–
Losses recognised directly in equity	–	–
Total comprehensive income	**–**	**–**
Dividend	–	–
Other changes	–	–
30.06.2018	**43.0**	**87.5**

Statement of Comprehensive Group Income

01.01. - 30.06.

in €m	2017	**2018**
Net profit	**15.2**	**6.7**
Items, which later will be reclassified to consolidated profit/loss		
Foreign currency translation	–0.9	–0.1
Measurement of primary financial instruments	–1.4	–
Measurement of derivatives	8.1	–3.6
Deferred taxes	–0.8	0.7
	5.0	**–3.0**
Items, which later will not be reclassified to consolidated profit/loss		
Defined benefit plans	9.2	–10.6
Deferred taxes	–3.7	3.0
	5.5	**–7.6**
Gains/losses recognised directly in equity	**10.5**	**–10.6**
Total comprehensive income	**25.7**	**–3.9**
- attributable to owners of the Parent	25.9	–4.1
- attributable to non-controlling interests	–0.2	0.2

Reserves: Recognised in equity	Reserves: Other	**Equity attr. to owners of the Parent**	Equity attr. to non-controlling interests	**Total**
–79.1	**285.9**	**337.3**	**0.5**	**337.8**
–	15.4	15.4	–0.2	15.2
10.5	–	10.5	–	10.5
10.5	**15.4**	**25.9**	**–0.2**	**25.7**
–	–8.3	–8.3	–	–8.3
–	–	–	0.3	0.3
–68.6	**293.0**	**354.9**	**0.6**	**355.5**
–64.4	**357.9**	**424.0**	**–**	**424.0**
–2.9	3.4	0.5	–	0.5
–	–4.0	–4.0	–	–4.0
–67.3	**357.3**	**420.5**	**–**	**420.5**
–	6.5	6.5	0.2	6.7
–10.6	–	–10.6	–	–10.6
–10.6	**6.5**	**–4.1**	**0.2**	**–3.9**
–	–14.9	–14.9	–	–14.9
–	0.6	0.6	0.5	1.1
–77.9	**349.5**	**402.1**	**0.7**	**402.8**

Group Cash Flow Statement

01.01. - 30.06. in €m	2017	**2018**
Earnings before taxes (EBT)	15.9	8.5
Non-cash transactions	17.8	16.6
Gross cash flow	**33.7**	**25.1**
Changes in inventories, receivables and other assets	–53.8	–6.5
Changes in provisions and payables	0.1	–1.2
Cash flows from operating activities	**–20.0**	**17.4**
Cash flows from investing activities	**–45.5**	**–57.1**
Free cash flow	**–65.5**	**–39.7**
Cash flows from financing activities	**–7.3**	**1.6**
Change in funds	**–72.8**	**–38.1**
Effect of changes in exchange rates and consolidated companies	–1.7	3.0
Funds at beginning of period	202.0	142.4
Funds at end of period	**127.5**	**107.3**

Notes to the Interim Accounts to 30 June 2018

1 New Standards

The following IFRSs, which are mandatory from January 1, 2018, impacted accounting and measurement practices for 2018. The new standards were applied using the modified retrospective method; the figures for the previous year were not restated.

IFRS 9 – Financial Instruments

For the purposes of subsequent measurement, IFRS 9 assigns **financial assets** to one of three categories: “measured at amortised cost”, “at fair value through profit or loss (FVTPL)” and “at fair value through other comprehensive income (FVOCI)”. In the future, securities will be assigned to the FVTPL category. An amount of €2.9m was transferred from reserves recognised in equity to other reserves effective January 1, 2018.

Impairments of financial assets are calculated on the basis of lifetime expected credit losses and historical loss quotas or 12-month expected credit losses. In the case of trade receivables, portfolios with similar characteristics are formed. As of 1 January 2018, this caused trade receivables to rise by €0.5m and deferred tax assets and liabilities by €0.1m. Reserves increased by €0.5m.

Koenig & Bauer will be initially continuing to apply the guidance provided by IAS 39 for **hedge accounting.**

IFRS 15 – Revenue from Contracts with Customers
IFRS 15 describes a five-step model for determining whether, in what amount and at what time revenue from contracts with customers is recognised. Revenue from **customer-specific construction contracts** can only be recognised over time if the Company does not have any alternative use for the product and has a legal right to recover payment for the services already provided.

As of 1 January 2018, the first-time application of this IFRS caused inventories to increase by €3.6m and prepayments received by €6.5m, whereas trade receivables dropped by €2.2m and deferred tax liabilities by €1.1m. Reserves dropped by €4m.

2 Accounting Policies

This interim report for the Koenig & Bauer Group is based on international financial reporting standards (IFRS). The consolidated financial statements were prepared in accordance with the standards valid on that date, as issued by the International Accounting Standards Board (IASB), London, and all binding interpretations by the International Financial Reporting Interpretation Committee (IFRIC), with due regard for EU directives.

The interim accounts conform to IAS 34.

In the first half-year of 2018, reinsurance claims of €59.9m held against the insurer were netted against the pension provisions due to the external funding of a part of the Company pension plans.

3 Consolidated Companies and Consolidation Principles

Effective 1 January 2018, KBA-MePrint AG, Veitshöchheim, Germany, was merged with KBA-Metronic GmbH, Veitshöchheim, Germany. In addition, the sales and service company KBA LATINA S A P I DE CV, Mexico-City, Mexico, was consolidated for the first time. The Group holds 60% of the capital of KBA LATINA.

There were no changes in our consolidation principles. The financial statements of consolidated companies prepared in a foreign currency were translated using their functional currency and the foreign entity method specified in IAS 21.

4 Events after the reporting date

The Heubeck 2018 G biometric tables published on 20 July 2018 will result in a once-only increase of around 1.5% to 2.5% in retirement benefit provisions in Germany, which will be recognised through equity. This interim report does not yet apply the new Heubeck tables.

5 Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining months of the year.

Würzburg, 1 August 2018
Management Board

Claus Bolza-Schünemann
President and CEO

Dr Mathias Dähn

Christoph Müller

Ralf Sammeck

6 Segment Information

6.1 Business Segments

01.01. - 30.06.	Revenue		EBIT		Capital investments	
in €m	2017	**2018**	2017	**2018**	2017	**2018**
Segments						
Sheetfed	307.8	283.0	12.1	7.7	5.5	9.1
Digital & Web	68.3	55.8	–2.8	–9.1	4.2	3.8
Special	189.2	195.0	14.6	14.4	1.6	2.7
Reconciliation	–26.4	–19.4	–7.6	–2.4	5.2	5.5
Group	**538.9**	**514.4**	**16.3**	**10.6**	**16.5**	**21.1**

6.2 Geographical Breakdown of Revenue

01.01. - 30.06. in €m	2017	**2018**
Germany	58.4	63.8
Rest of Europe	192.6	173.6
North America	92.8	81.0
Asia/Pacific	132.5	139.2
Africa/Latin America	62.6	56.8
Revenue	**538.9**	**514.4**

7 Earnings per Share

01.01. - 30.06. in €	2017	**2018**
Earnings per share	0.93	0.39

Basic earnings per share were calculated in accordance with IAS 33 by dividing the net income attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period (16,524,783 no-par shares, previous year: 16,524,783 no-par shares).

8 Balance Sheet

8.1 Intangible Assets, Property, Plant and Equipment

in €m	Purchase or manufacturing cost	Accumulated depreciation	Carrying amount
Intangible assets	94.6	48.9	45.7
Property, plant and equipment	599.1	388.5	210.6
Total at 31.12.2017	**693.7**	**437.4**	**256.3**
Intangible assets	98.3	47.1	51.2
Property, plant and equipment	600.4	389.1	211.3
Total at 30.06.2018	**698.7**	**436.2**	**262.5**

Investment in property, plant and equipment totaling €14.8m (first half-year 2017: €15.7m) primarily refers to additions of other facilities, factory and office equipment.

8.2 Inventories

in €m	31.12.2017	**30.06.2018**
Raw materials, consumables and supplies	79.2	108.3
Work in progress	166.5	190.5
Finished goods and products	9.2	9.9
	254.9	**308.7**

8.3 Liabilities

Current and non-current liabilities dropped by €10.9m compared with the end of 2017. This was due to the netting of pension provisions with reinsurance claims (€49.8m), while prepayments from customers rose by €37.5m.

Key Financial Dates

Interim report on 3rd quarter 2018
7 November 2018

Annual Report 2018
21 March 2019

Interim report on 1st quarter 2019
3 May 2019

Koenig & Bauer Annual General Meeting
22 May 2019
Vogel Convention Center, Würzburg

Interim report on 2nd quarter 2019
1 August 2019

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