

## **Presseinformation / Press Release**

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### Koenig & Bauer AG (KBA) AGM

#### **Shareholders satisfied with company's development**

- **Group realignment largely complete**
- **Dr Pleßke replaces Prof. Wölfel on supervisory board**
- **No dividend for 2015**
- **EBT margin of 4 to 6% a realistic mid-term goal**

Würzburg. Alongside the company's figures for 2015 and the first quarter of 2016 (see press releases from 24.03.2016 and 12.05.2016), the agenda of the 91st Koenig & Bauer AG (KBA) AGM looked at the positive results achieved through the Fit@All programme completed at the end of 2015 and the press manufacturer's focus on growth markets. This was in addition to discharging the management and supervisory boards, the creation of authorised capital and election of supervisory board members. The AGM at the Vogel Convention Center (VCC) in Würzburg was chaired by supervisory board chairman Dr Martin Hoyos.

#### **Realignment creates strategic scope**

In his speech to the shareholders, KBA president and CEO Claus Bolza-Schünemann emphasised the positive results of the restructuring. Claus Bolza-Schünemann: "We have turned over many stones. We are therefore all the more pleased that KBA has remained stable during this transition phase and that we were able to exceed the forecasted EBT margin of 2% by almost 50% in the turnaround year 2015. The fact that this extensive programme was able to be implemented without seriously weakening our financial power has created strategic scope for the future."

#### **Apprentices taken on again**

Excluding apprentices, trainees, employees exempted from their duties and staff

on phased retirement schemes the KBA group workforce sank to 4,714 at the end of March. The extensive personnel adjustments in recent years are thus largely complete. Bolza-Schünemann: “Today we already see shortages in personnel in production and assembly given the high workload at our large sites. Following a break of a few years we again offered a raft of young skilled workers permanent positions upon completing their apprenticeships. For this reason we have held on to our relatively high training level for a company of this size of over 7%.”

### **Rapid share price upswing, but still no dividend**

The stock market rewarded the systematic implementation of the restructuring and the resulting positive earnings trend. With a closing figure of almost €33 in 2015 the KBA share price more than tripled and has risen again in the meantime. Bolza-Schünemann to the shareholders: “This is also of benefit to you. Unfortunately, despite the decent net profit we are unable to propose a dividend payment for 2015 in view of Koenig & Bauer’s retained loss from previous years which has not yet been compensated by the net profit.”

### **Positive outlook for 2016**

The KBA Group looks ahead to the next few months with confidence given the continued solid order backlog. The KBA CEO says: “We hope that the global economic conditions for our business remain relatively stable and we are targeting an increase in group revenue to around €1.1bn with an EBT margin between 3 to 4% for 2016.” In the mid-term the press manufacturer aims to increase its earnings before taxes (EBT) to 4 to 6% of revenue.

### **Growth prospects in digital and packaging printing**

Following the restructuring the KBA management board will focus strongly on generating growth. There are good opportunities in the growing digital and packaging markets. Today new presses for packaging firms make up around 70% of group revenue, new presses for bank note printing make up some 20% and now only around 10% comes from media-related fields, such as book, magazine and newspaper printing.

The press manufacturer is the international leader in cardboard printing, metal

decorating and glass direct decoration with its business units KBA-Sheetfed, KBA-MetalPrint and KBA-Kammann. Its footing in flexible packaging and industrial coding technology can be expanded further. The markets are served by KBA-Flexotecnica and KBA-Metronic. On behalf of its partner HP, KBA-Digital & Web in Würzburg is building currently the world's largest inkjet press with a web width of 2.8m for the corrugated packaging industry.

A further example of a future-focused application field is digital decor printing which KBA addresses with its up to 2.25m wide inkjet presses.

### **New supervisory board**

After 29 years as shareholder representative professor Horst Peter Wölfel, a former dean of the department of Structural Dynamics at the Technical University Darmstadt, has left the supervisory board having reached the age limit. The AGM elected Dr Andreas Pleßke as his replacement. As Chief Restructuring Officer (CRO) on the Parent's management board from May 2014 up to his planned departure at the end of April 2016, Dr Pleßke significantly shaped the fruitful implementation of the Fit@All restructuring programme and guided it to success with great skill. Matthias Hatschek, an entrepreneur from St. Martin in Austria, who has been on the supervisory board as shareholder representative since 2006 was elected to serve for another five years.

The six workforce representatives on the supervisory board were all re-elected by the group's employees in April 2016. With two female members each for every six board members on both the capital and workforce sides, the partially newly formed Koenig & Bauer AG supervisory board fulfils the proportion of women on the board of 30% required by German law.

A large majority of the shareholders approved all agenda items with the exception of creating new authorised capital.

#### Photo 1:

As in previous years Koenig & Bauer's 91st AGM took place at the Vogel Convention Center (VCC) in Würzburg, Germany, a former press hall

#### Photo 2:

The increasing focus on the growth markets digital and packaging printing was emphasised in KBA CEO Claus Bolza-Schünemann's speech to the shareholders

**Disclaimer:**

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