GEA is a global leader in equipment and process technology providing innovative solutions for smart food processing and for a more efficient use of energy resources.

Dairy Farming  
Dairy Processing  
Food  
Beverages

**Revenue**  
EUR 4.6bn (FY15)  
EUR 4.5bn (FY16)

**Operating EBIT-Margin**  
11.7% (FY15)  
10.8% (FY 16)

**Employees**  
approx. 17,000  
(March 17)

**Market Cap**  
EUR 7.0 bn  
(May 17)
You are in touch with GEA every day

**Dairy Farming and Processing**

- Approximately one quarter of processed milk comes from GEA production systems
- Every third chicken nugget is produced by GEA technology
- Around every third process line for instant coffee was installed by GEA

**Food**

- Every fourth liter of human blood is handled by GEA equipment
- More than one third of all polymer producer are using GEA Drying technology

**Beverages**

- Approx. every second liter of beer is brewed with the aid of systems and process solutions from GEA
- About one fourth of wastewater sludge from petroleum and natural gas processing is dewatered by GEA high-performance decanters
- Every second container ship in the world sails with GEA marine equipment on board

**Pharma**

**Chemical**

**Utilities**

**Marine**

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Megatrends – understanding and taking advantage of opportunities

**URBANIZATION WITH GROWING MIDDLE CLASS**
Growing demand for processed food and medication

**GEA offers**
components and process technology for processed food, ready meals, fortified lifestyle beverages and food, medications

**GREATER FOOD SAFETY AND QUALITY**
Readiness of industry to invest more for greater process reliability

**GEA offers**
certified hygienic/aseptic processes and components to meet the strict standards of the industry

**ENERGY SCARCITY AND STRICTER ENVIRONMENTAL REGULATIONS**
Greater interest in efficient and resource-saving production processes

**GEA offers**
intelligent engineering processes for resource-economical technologies, energy-saving machines and processes, as well as heat recovery
GEA’s business model

**Equipment**
- Standardized and partly customized equipment offering
- Goods are generally manufactured in large quantity and through a high-volume production based on standardization and modularization

**Solutions**
- Highly customized and modularized solutions delivered in projects
- The offering meets specific application or client needs

**Service**
- Product, user and result-oriented service offering covering whole plant life cycle
Successful strategic realignment over a period of 5 years

- **Quo vadis, GEA?**
  - **2012**: Target definition
  - **2012 – 2013**: Strategic portfolio review

- **Which core businesses?**
  - **2013**: GEA 2020
    - Prioritization of applications (in the food sector)

- **In which growth markets?**
  - **2014 – 2016**: Fit for 2020
    - Reorganization

- **Based on which corporate structure?**
  - **2017 & after**: Completion of OneGEA
    - Procurement & manufacturing, Control systems, Digitalization, IT architecture

- **Based on which initiatives?**
ARTE framework as pillars for GEA’s strategy & value creation

Target Footprint 2020

Applications
- Exploit market potential in target applications
- Align GEA-wide application strategy and customer approach

Regions
- Capture global growth opportunities
- Expand local presence
- Coordinate regional approaches across GEA

Technologies
- Strengthen innovation and technological leadership
- Foster cross-business collaboration in R&D

Functional Excellence
- Increase efficiency in operations and support functions
- Reduce organizational complexity
Project “Fit for 2020”: From four stand-alone Segments to two integrated Business Areas

**Former organization**

<table>
<thead>
<tr>
<th>Executive Board</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FT</td>
<td>Support Regions</td>
</tr>
<tr>
<td>ME</td>
<td>Support Regions</td>
</tr>
<tr>
<td>RT</td>
<td>Support Regions</td>
</tr>
<tr>
<td>PE</td>
<td>Support Regions</td>
</tr>
<tr>
<td>Head-quarter</td>
<td></td>
</tr>
</tbody>
</table>

- **Stand-alone effective Segments** driving own technologies and market approaches
- **Limited group perspective** and role of the corporate center
- Each Segment with **individual** go-to-market concepts and **regional footprint**

**New current organization**

<table>
<thead>
<tr>
<th>Executive Board</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BA Equipment</td>
<td></td>
</tr>
<tr>
<td>BA Solutions</td>
<td></td>
</tr>
<tr>
<td>Global Corp. Center</td>
<td></td>
</tr>
<tr>
<td>SSC</td>
<td></td>
</tr>
<tr>
<td>Regions / Countries</td>
<td></td>
</tr>
</tbody>
</table>

- **Bundling of Segments into two BAs** according to business model logic
- “**OneGEA**” in countries as a platform for growth within regions / countries
- Strengthening and streamlining of **global group functions**
- Increased efficiency and standardization in newly established **Shared Service Center**
Strategic projects to complete OneGEA

**Steering Systems**
- OneGEA Finance
- Project Database
- HR software (Workday)
- Common CRM (also enhances pipeline visibility)

**Operational Excellence**
- Manufacturing footprint
- Procurement Excellence
- OneEngineering

**IT-Excellence**
- IT Platform outsourcing (Platform as a Service)

**Digitalization @ GEA**
- Processes
- Products/services
In OneGEA, Application Centers (APCs) engineer solutions to meet specific local customer needs.
# Dairy: GEAs application overview

## Applications

### Market Milk Products
- Condensed Milk
- Cream
- Extended Shell Life (ESL) Milk
- Flavoured Milk
- Milk Mix Drinks
- Pasteurized / Fresh Milk
- Sweetened Condensed Milk
- Ultra Heat Treated (UHT) Milk
- Whipped Cream

### Ice Cream
- Dessert Ice
- Frozen Yoghurt
- Ice Milk / Cream
- Sherbet
- Sorbet / Water Ice

### Milk Fat Products
- Anhydrous Milk Fat (AMF)
- Ghee
- Sour Cream Butter
- Sweet Cream Butter

### Desserts & Fermented Products
- Buttermilk
- Concentrated Yoghurt
- Drinking Yoghurt
- Rice Desserts
- Set Yoghurt
- Sour Cream
- Sour Milk Drinks

### Sweet Cream Butter

### Dairy Ingredients
- Cream Cheese
- Fresh Cheese
- Hard Cheese
- Pasta Filata Cheese
- Processed Cheese
- Semi Hard Cheese
- White Cheese

### Cheese
- Casein / Caseinate Powder
- Cheese Powder
- Lactose Powder
- MPC / MPI Powder
- Yoghurt Powder

### Milk Powders
- Buttermilk Powder
- Coffee & Tea Whitener
- Fat Filled Milk Powder
- Skim Milk Powder
- Whey & Milk Permeate Powder

### Nutritional Formula
- Infant Milk Formula
- Follow on / follow up Formula
- Growing up Milk
- Dietary Nutrition

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Dairy - Uses of milk powder and dairy ingredients

- Infant formula
- Yogurt
- Drink milk
- Other dairy products
- Ice Cream
- Chocolate
- Biscuits/bakery
- Sports nutrition
- Therapeutic Food
GEA’s food expertise covers a wide range of applications and sub-applications

<table>
<thead>
<tr>
<th>APPLICATIONS</th>
<th>Edible Oils</th>
<th>Starch &amp; Starch Derivatives</th>
<th>Ingredients</th>
<th>Liquid Food</th>
<th>Meats &amp; Seafood</th>
<th>Fruits &amp; Vegetables</th>
<th>Ready Meals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee &amp; Tea</td>
<td>Instant Coffee</td>
<td>Edible Oils</td>
<td>Starch</td>
<td>Cultures</td>
<td>Sauces</td>
<td>Processed Meat &amp; Poultry</td>
<td>Frozen Fruit</td>
</tr>
<tr>
<td></td>
<td>Instant Tea</td>
<td>Margarine</td>
<td>Modified Starch</td>
<td>Emulsifiers</td>
<td>Dressings</td>
<td>Processed Fish &amp; Seafood</td>
<td>Frozen Vegetables</td>
</tr>
<tr>
<td></td>
<td>Coffee Extract</td>
<td>Spreadable Oils &amp; Fats</td>
<td>Starch Derivatives</td>
<td>Fibers</td>
<td>Mayonnaise</td>
<td>Meat Substitutes</td>
<td>Frozen Processed Potatoes</td>
</tr>
<tr>
<td></td>
<td>Tea Extract</td>
<td>X-in-1 (Coffee/Tea; Milk; Sugar)</td>
<td>Starch Derivatives</td>
<td>Flavors</td>
<td>Ketchup</td>
<td>Dried Fruits &amp; Vegetables</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cocoa Powder</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

- **Large customer portfolios covering multiple applications**
- **GEA technologies used across multiple applications**

Sub-APC:
- Coffee & Tea
- Oils, Starch & Ingr.
- Frozen Food
- Bakery & Confectionary

Other Food Applications:
- Bread
- Chocolate Confectionary
- Cakes
- Sugar Confectionary
- Frozen Baked Goods
- Gum
- Pastries
- Snack Bars
- Biscuits
- Fruit Snacks & Nuts
- Pizza
- Chips & Tortilla Chips
- Frozen Desserts
- Extruded Snacks
- Popcorn
- Pretzels

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The OneGEA setup for Food Applications should reflect the complexity of our customers’ business

- Food industry dominated by large global producers
- Leading producers covering a wide range of end-products
- Application coverage across many types of raw materials and many possible processing methods


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Revenue by application

Revenue 2016: EUR 4,492 million

- Dairy Farming: 70%
- Dairy Processing: 25%
- Food: 15%
- Beverages: 13%
- Pharma/Chemical: 12%
- Other Industries: 15%
L4Q order intake and sales indexed since Q2 2012

Order Intake

CAGR Q2 12 - Q1 17:
- Dairy Farming: 1%
- Dairy Processing: 0%
- GEA: 2%

Sales

CAGR Q2 12 - Q1 17:
- Dairy Farming: 1%
- Dairy Processing: 2%
- GEA: 3%

- Food: 4%
- Beverages: -2%
- GEA: 2%

- Pharma/Chemical: 5%
- Other Industries: 2%
- GEA: 3%

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Recent examples of groundbreaking innovations

Dairy Farming

GEA Monobox
Milking stall module

- Utilization of the modular platform as centre part within the Monobox, GEA’s next robot generation for smaller family farms
- Next generation of 3D camera
- New robot wash concept to minimize water and electricity consumption

Food

GEA MultiDrum
Breader

- Re-creates delicious home-style breading on an industrial scale
- No additional machines are needed to converge and spread the products, the line occupies less space and requires much less labor
- The design is easy to clean, and thanks to the GEA OptiAir technology, the amount of dust in the work environment is greatly reduced.

Pharma

GEA ConsiGma™
Tablet press

- Faster, more consistent and reliable tablet production with reduced use of resources
- The platforms take up 70% less space than batch plants and can be built more quickly
- FDA approval for a therapeutic that was both developed and commercially manufactured using GEA’s ConsiGma™ technology
Customer Story: GEA introduces first fully automated Coating Line for Lollipops

- A Mexican Customer desired a fully automated production line for lollipops with chili powder coating
  ➔ GEA developed such an automated line that can coat lollipops with a powder or granulate
- Global market introduction on the recent Interpack Fair

Current scope of GEA’s Shared Service Center

GEA SSC

Finance/Accounting
- Accounts payable
- Accounts receivable
- Asset schedule
- Travel expenses
- Standard reporting

Human Resources
- Employee Lifecycle Management
- Recruiting administration
- Training administration
- HR first-level support
- Payroll
- HR reporting
- Travel & Fleet management

IT
- IT Delivery & Enterprise Management
- IT Security & Data protection
- ERP Process Customizing
- IT Operations

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Transition in all countries implemented, further process optimization ahead

- **Transition** of local back office functions to 3rd party SSC ("lift and shift")
- **Transformation** of processes
  - Finance/Accounting
  - HR
- **Drive** digitalization by standardizing processes
- **Extend scope** of services

2015 H2 | 2016 | 2017 | beyond

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OneGEA = One face to the customer

Service Yesterday

- BU Separation
- BU Flow Components
- BU Evaporation
- BU Drying
- BU Liquid

Customer

Service Today/Tomorrow

- GEA Service Manager

Customer
Reactive spare parts business ...

- > 70% spare parts sales
- Primarily reactive service sales & focus on new project business, rather than service
- No standardized business approach

Future business model

... proactive solutions business

- Solution-oriented customer service (ARTE)
- Pro-active global service sales strategy (ARTE)
- Focus on customer plant life cycle & total cost of ownership (ARTE)
- Efficiencies through use of standardized products & processes (ARTE)
GEA Service portfolio structure at a glance

Beginning of life services
- Installation
- Commissioning
- Training

Life-time services
- Spare parts
- Corrective maintenance
- Farm Services
- Preventive maintenance

Consulting services & operations
- Service software products
- On-site project support
- Performance contracts

Extended-life services
- Up-grades
- Modernization
- Optimization
- Predictive maintenance
- Second-hand equipment
Current Share Buyback Program

Decision timeline announced in Oct 2016

Timeline capital allocation decisions

- Q3 2014: CMD 2014: Capital allocation priorities
- Q4 2014 - now: Acquisition of Scan Vibro, De Koker, CMF, Comas, Hilge and Imtraforni
- October 2016: CMD 2016: Presentation of timeline
- Jan/Feb 2017: Cash check
- March/April 2017: Decision on use of residual cash

Buy back program

- Up to EUR 450 m
- Implementation expected before end of February 2018
- Repurchased shares to be cancelled
- Number of outstanding shares as at 31.12.2016: 192.5m
GEA’s long-term strategic direction

Pursue clear technology and market leadership

Further develop food processing focus & solutions for demanding production processes

Become truly global by getting closer to our customers

Use portfolio management as tool to leverage strengths & allocate resources

Build an organization and capabilities to support strategic vision

Drive sustainable value creation
Regional revenue split

North America: 18%
Latin America: 6%
North and Central Europe: 15%
DACH & Eastern Europe: 20%
Western Europe, Middle East & Africa: 18%
Asia Pacific: 23%
Emerging Markets*: 36%
Top 3 Countries:
- USA: 16%
- Germany: 9%
- China: 8%

*According to the definition of emerging/developing economies given by the International Monetary Fund

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Service business as of Q1 2017 L4Q: 31% of sales

Service sales growth YoY of +5% (+5% adjusted)

Note: adjusted = before currency translation and structural effects

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Increasing economic & political uncertainties forcing companies to increase flexibility

Economic & political uncertainties increasing …

… forcing enterprises to adapt

- Business models need to be adapted and **global flexibility increased** to balance out these risks

- Particularly asset- and capex-intensive functions like **manufacturing** need to get optimized to act flexible

- Therefore the right global configuration of manufacturing plants is **fundamental to preserve global competitiveness**
FY 2017 guidance

We are aiming for, in the absence of:

- any further weakening of global economic growth and
- in particular, material weakening in any of our relevant customer industries, or adverse shifts in demand among those industries resulting in a negative margin impact
- material adverse currency (translation or competitive) impacts

Sales (in reported terms)  
**Moderate growth**

Operating EBITDA (adjusted for strategic projects) (EURm)  
**620 – 670**

Operating Cash Flow Driver Margin (based on operating EBITDA and on capex adjusted for strategic projects)  
**8.5% to 9.5%**