CAPITAL MARKETS DAY

2019
SEPTEMBER 26
LONDON
Disclaimer

This presentation contains forward-looking statements. Forward-looking statements may include, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. Statements with respect to the future are characterized by the use of words such as "expect", "intend", "plan", "anticipate", "believe", "estimate" and similar terms. Forward-looking statements are based on our current assumptions and forecasts. These statements naturally entail risks and uncertainties, which may cause the actual results of operations, financial position or performance to diverge materially from the estimates given here. Factors that could cause such a divergence include, inter alia, changes in the economic and business environment, fluctuations in exchange rates and interest rates, launches of competing products, poor acceptance of new products or services, and changes in business strategy. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. We undertake no obligation to update or revise any forward-looking statements.

All financial information for the Divisions from 2019 onwards are based on the current portfolio setup and allocation of entities. Deviations of selected Divisions due to “Zebra” companies may occur. A constant IFRS 16 effect was assumed for the planning timeframe 2019 onwards based on extrapolation June 2019 YTD. Sales, EBITDA margins, CAGR, ROCE and the sum of percentages have been rounded, which may vary in sum-up calculations.
A self-help story in attractive markets

Our new organization

Introduction to the divisions

Beyond organizational changes

Financials

GEA’s equity story
Today’s presenters

STEFAN KLEBERT
CEO

MARCUS A. KETTER
CFO

STEFFEN BERSCH
Executive Board Member
A self-help story in attractive markets

STEFAN KLEBERT
Our mission

We strive to be the world’s most respected technology group offering cutting-edge solutions for sustainable processes that improve people’s everyday lives.
GEA’s business model and underlying markets

... no disruption, as in other industries, around the corner!
GEA’s key customer industries are very stable, reliable and growing thanks to global megatrends.

Industry volatility

<table>
<thead>
<tr>
<th>Industry</th>
<th>Standard Deviation 2000-2018 in %</th>
<th>Sales Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mechanical Engineering</td>
<td>2.5%</td>
<td>~7% of sales</td>
</tr>
<tr>
<td>Oil &amp; Gas extraction</td>
<td>1.9%</td>
<td>~72% of sales</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>2.5%</td>
<td>~7% of sales</td>
</tr>
<tr>
<td>Electrical, optical &amp; high-tech</td>
<td>6.2%</td>
<td></td>
</tr>
<tr>
<td>Chemicals</td>
<td>3.2%</td>
<td></td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>7.7%</td>
<td></td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>8.7%</td>
<td></td>
</tr>
<tr>
<td>Machines for mining &amp; construction</td>
<td>15.8%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Oxford Economics per 08/2019; Global production real value added output in USD (expressed in constant prices)
Food, Beverage & Pharma applications represent \textasciitilde79\% of sales
Important global megatrends are propelling our technologies & underlying markets.

- **Greater demand for safe food**
- **Demographic change**
  - 63% growth of people aged 65+ (2015 – 2030f)
- **Healthier, functional & personalized food**
- **Middle class growth**
  - 79% (2015 – 2030f)
- **Alternative protein sources**

**Global population growth (2015 – 2030f)**

1.2bn
GEA's customer base is highly diversified
Benefits:
• Minimizes treatment through innovative sensor measures
• Safeguards the healing process
• Increases herd health and productivity

GEA DairyMilk M6850
Early warning system for mastitis detection

Benefits:
• In-line quality control for package inspection
• Checks residual oxygen content and seal integrity of each modified atmosphere pack leaving the thermoformer
• Non-invasive measurement with no packaging material or food wasted

Food
GEA OxyCheck®
Quality control system

Benefits:
• Optimization during design phase
• Familiarization with plant characteristics in VR
• Identification of critical control points in design phase

Service
GEA Virtual Reality
Experience entire plants before they’re even built

Benefits:
• Increased process stability and operational consistency
• Continuous performance optimization of production line
• Increased transparency of process performance

Food & Dairy
GEA OptiPartner
Software based optimization of production line performance

Animal welfare

Creating value for our customers | Innovation & digitization
It’s in our own hands

What we can build on…

- Stable demand driven by global megatrends
- Leading market positions
- Broad and diversified customer base
- Innovative technologies and premium brand
- Large installed base and high service share
Implement **new organization** with clear P&L responsibility and accountability bringing back financial transparency

What we will do differently …

- Improve operational efficiency
- Realize procurement savings
- Optimize production footprint
- Portfolio pruning
- Improve outsourced processes
- Harmonize ERP landscape

... to increase profitability
What we want to achieve:

Mid-term targets for 2022:

Sales CAGR¹

2.0% - 3.0%

EBITDA Margin¹

11.5% - 13.5%

¹ Figures based on the assumption of no major changes in global economic growth and no substantial slow-down in any of GEA’s customer industries.
Our new organization
Structure & core principles

STEFAN KLEBERT
OneGEA functional setup eliminated clear P&L responsibility and led to deteriorated margins

1 In accordance with guidance 2019 of €450-490m EBITDA before restructuring incl. ~€64m IFRS 16 effect based on extrapolation June 2019 YTD
Six core organizational principles that make the difference:

- Organize technologies into 5 divisions
- Give P&L responsibility back to our managers and focus on local entrepreneurship
- Connect strong country organization to divisions
- Leverage synergies in procurement and production
- Strengthen service business and steering by having separate service P&L
- Transparency through financial steering based on 5 new divisions and focused BUs
**New divisional structure designed to increase profitability by encouraging entrepreneurship**

**Five divisions organized along technologies**

<table>
<thead>
<tr>
<th>Separation &amp; Flow Technologies</th>
<th>Liquid &amp; Powder Technologies</th>
<th>Food &amp; Healthcare Technologies</th>
<th>Farm Technologies</th>
<th>Refrigeration Technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separators</td>
<td>Liquid Technologies</td>
<td>Pasta</td>
<td>Milking &amp; Dairy Farming</td>
<td>Components</td>
</tr>
<tr>
<td>Homogenizers</td>
<td>Powder Technologies</td>
<td>Bakery</td>
<td>Milking &amp; Feeding</td>
<td>Projects</td>
</tr>
<tr>
<td>Valves &amp; Pumps</td>
<td>Beverage &amp; Filling Tech.</td>
<td>Slicing &amp; Packaging</td>
<td>Cooling</td>
<td>Skids</td>
</tr>
<tr>
<td></td>
<td>Chemical Technologies</td>
<td>Food Solutions</td>
<td>Manure</td>
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<td></td>
<td></td>
<td>Frozen Food</td>
<td>Barn</td>
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<tr>
<td></td>
<td></td>
<td>Pharma &amp; Healthcare</td>
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</tr>
</tbody>
</table>

**Production / Procurement / Technology**

**Global Corporate Center / Shared Service Center**

**Country organization**
Well-experienced managers nominated to lead the divisions

<table>
<thead>
<tr>
<th>Separation &amp; Flow Technologies</th>
<th>Liquid &amp; Powder Technologies</th>
<th>Food &amp; Healthcare Technologies</th>
<th>Farm Technologies</th>
<th>Refrigeration Technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division CEO</td>
<td></td>
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<tr>
<td>Klaus Stojentin</td>
<td>Steffen Bersch</td>
<td>Manuel Delgado</td>
<td></td>
<td>Thies Hachfeld</td>
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<tr>
<td>Norbert Breuer</td>
<td>Tobias Andreae</td>
<td>Erik Jan Bultje</td>
<td>Erkul Basaran</td>
<td>Stefan Liske</td>
</tr>
<tr>
<td>Armin Tietjen</td>
<td>Tjitze de Wit</td>
<td>Nicolas Groth</td>
<td></td>
<td>Ulrich Walk</td>
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</tbody>
</table>
Well-experienced Regional Heads to lead established country organizations

John Ansbro (NAM)  Beatrice Bruey (LAM)  Barry Dumble (NCE)  Ansgar Hoffmann (DACH&EE)  Alvaro Martínez (WE&MEA)  Dong Li (Greater China)  Hugo Blaum (APAC)
New divisional structure

What we’ve already achieved

☑ All management layers outlined

☑ ~90% of all new management positions (Level 1 to Level 3) already filled

☑ Employees allocated from old to new organization; final reviews ongoing

☑ Discussions with works councils nearly concluded; works councils supporting transition to new organization

☑ Growing trust of employees has led to reduced staff turnover
Former GEA employees show interest in rejoining the company

...in total 8 years I was a part of GEA, before I left in 2017. It was a tough decision for me, because I liked very much working at the site in ... There were so many loyal and well-experienced colleagues, but the OneGEA structure has made decision taking highly complex...

Dear Mr. Klebert,

as a former GEA employee I am closely following the company’s developments. I am happy to see that you brought back positive momentum and I believe that the changes announced will make GEA successful again...

...falls Interesse an meinem Profil besteht, würde ich mich sehr freuen wieder ein Teil der GEA Familie zu werden. Unabhängig davon wünsche ich Ihnen und dem Unternehmen Erfolg und Wachstum.
Mit freundlichen Grüßen...
And some managers have already returned.

I rejoined GEA because the divisional set-up opens up great opportunities for business growth that were not available in OneGEA.

Manuel Delgado, newly appointed Division CEO

As a manager I want to manage and influence business. I feel that with the new organization we’ll have the means to get back to real entrepreneurship.

Nick Groth, newly appointed Division CSO
Introduction to the divisions

STEFAN KLEBERT & STEFFEN BERSCH
Customer industries by divisions

- Food
- Dairy
- Other
- Beverage
- Pharma
- Chemical
- Oil & Gas, Marine
- Environmental

Food & Healthcare: 18%¹
Refrigeration: 16%¹
Farm: 13%¹
Separation & Flow: 21%¹
Liquid & Powder: 32%¹

¹ percentage of sales FY 2018, rounded figures
Separation & Flow Technologies
### Facts & figures 2019e

<table>
<thead>
<tr>
<th>Sales</th>
<th>EBITDA¹</th>
<th>ROCE²</th>
<th>Employees³</th>
</tr>
</thead>
<tbody>
<tr>
<td>~€1.2bn</td>
<td>~21%</td>
<td>~31%</td>
<td>~4,500 FTE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Separators</th>
<th>Homogenizers</th>
<th>Valves &amp; Pumps</th>
</tr>
</thead>
<tbody>
<tr>
<td>~75% Below divisional average #1</td>
<td>~7% Above divisional average Top 3</td>
<td>~18% Above divisional average Top 3-5</td>
</tr>
</tbody>
</table>

#### Share of div. sales

<table>
<thead>
<tr>
<th>Market position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below divisional average</td>
</tr>
<tr>
<td>#1</td>
</tr>
</tbody>
</table>

#### Key products

- **Separators**: Separators, decanters
- **Homogenizers**: Chobani, CSL Behring, Danone
- **Valves & Pumps**: Aseptic valves, cleaning technology, hygienic pumps and valves

#### Selected customers

- **AB InBev**, **ADM**, **Asahi**, **Biogen Bünge**
- **Chobani**, **CSL Behring**, **Danone**
- **Hilmar Cheese Comp.**, **Hyundai**, **Nestlé**, **Novartis**, **Sanofi**

#### Major competitors

- **Alfa Laval**, **Andritz**, **SPX Flow**
- **SPX Flow**, **Tetra Pak**
- **Alfa Laval**, **Bürkert**, **Pentair**, **SPX Flow**

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¹ EBITDA includes ~€12m IFRS16 effect based on extrapolation June 2019 YTD
² Calculation based on capital employed L4Q as per Q2 2019 including IFRS 16 pro forma for Q3 & Q4 2018
³ FTE based on Q2 2019
Sales Breakdown LTM (Q2 2019)

By end market:
- Environmental 6%
- Marine 9%
- Pharma 10%
- Food 23%
- Dairy 24%
- Beverage 15%
- Other 5%
- Oil & Gas 3%
- Chemical 5%

By region:
- WE&MEA 14%
- NCE 12%
- NAM 17%
- LAM 7%
- DACH&EE 21%
- APAC 29%

By type:
- Service 41%
- Equipment 59%

Due to rounding, marginal deviations may occur.
Separation & Flow Technologies

Global Footprint

- Production site managed by division
- Multi-purpose site managed by global production
Pharma and biopharma applications expected to continue positive long-term trend

High value dairy products expected to trigger customer investment

Mid-market driven by Asia where mid-sized dairies are investing in high-quality applications

Energy scarcity and stricter environmental regulations drive demand for resource-saving equipment

Key market drivers & strategic focus

Separators
Expansion of new equipment sales and service coverage on large installed base

Sales CAGR 19-22e
2.0 - 2.5%

Homogenizer
Increase of exposure to mid-market segment and to high-quality pharma applications

Valves & Pumps
Footprint initiative to localize production

EBITDA margin\(^1\)
2019e: \(~21.0\%\) | 2022e: \(21.0 - 22.0\%\)

\(^1\)before restructuring
Liquid & Powder Technologies
# Facts & figures 2019e

<table>
<thead>
<tr>
<th>Sales</th>
<th>Sales Technologies</th>
<th>EBITDA&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Employees&lt;sup&gt;3&lt;/sup&gt;</th>
<th>ROCE&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Employees&lt;sup&gt;3&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>~€1.6bn</td>
<td>Liquid Technologies</td>
<td>~3%</td>
<td>~5,700 FTE</td>
<td>~3%</td>
<td>~16%</td>
</tr>
<tr>
<td>Powder Technologies</td>
<td>~3%</td>
<td>~19%</td>
<td>Divisional average Top 2-4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of div. sales</td>
<td>~26%</td>
<td>Below divisional average #2</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>~39%</td>
<td>Dairy Powder &amp; Nutritional Formula, Coffee &amp; Tea</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market position</td>
<td>Divisional average Top 1-2</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Process lines for</td>
<td>Beer &amp; Alcoholic Beverages; Beverage Blowing, Filling &amp; Packaging; Non-Alcoholic Beverage &amp; Home and Personal Care</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Selected customers</td>
<td>Above divisional average Top 3</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Cheese, Liquid Dairy</td>
<td>Emission Control, Chemicals</td>
<td></td>
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<tr>
<td>Almarai, Arla, Carlsberg</td>
<td></td>
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<tr>
<td>FrieslandCampina, Fonterra, Mondelez</td>
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<tr>
<td>Coca Cola, Danone, Glanbia</td>
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<td></td>
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<tr>
<td>JBT FoodTech, Krones, SPX Flow, Tetra Pak</td>
<td>BASF, Tingyi</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPX Flow, Tetra Pak</td>
<td>Many small players</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Major competitors</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> EBITDA includes ~€16m IFRS16 effect based on extrapolation June 2019 YTD

<sup>2</sup> Calculation based on capital employed L4Q as per Q2 2019 including IFRS 16 pro forma for Q3 & Q4 2018

<sup>3</sup> FTE based on Q2 2019
Sales Breakdown LTM (Q2 2019)

By end market:
- Chemical: 17%
- Food: 14%
- Dairy: 36%
- Beverage: 24%
- Other: 4%
- Pharma: 5%

By region:
- WE&MEA: 11%
- NCE: 16%
- NAM: 15%
- LAM: 9%
- DACH&EE: 17%
- APAC: 32%

By type:
- Service: 21%
- Equipment: 79%

Due to rounding, marginal deviations may occur.
Liquid & Powder Technologies

Global Footprint

- Production site managed by division
- Multipurpose site managed by global production
Key market drivers & strategic focus

**Liquid**
- Redevelopment of baseline business: focus on margins and better penetration of markets

**Powder**
- Redevelopment of baseline business: energy saving process as differentiating factor

**Beverage & Filling**
- Margin accretive small and mid-sized projects; alignment with product development of customers

**Chemical**
- Capitalizing on lithium demand and regions with strong sector growth (U.S.)

**Sales CAGR 19-22e**
- 2.0 - 3.0%

**EBITDA margin**
- 2019e: ~3.0% | 2022e: 6.5 - 7.0%

1. before restructuring
Food & Healthcare Technologies
### Facts & figures 2019e (1/2)

<table>
<thead>
<tr>
<th>Sales</th>
<th>EBITDA&lt;sup&gt;1&lt;/sup&gt;</th>
<th>ROCE&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Employees&lt;sup&gt;3&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>~€1.0bn</td>
<td>~7%</td>
<td>~2%</td>
<td>~3,500 FTE</td>
</tr>
</tbody>
</table>

**Pasta**
- Share of div. sales: ~16%
  - Above divisional average
  - #3

**Bakery**
- EBITDA includes ~€9m IFRS16 effect based on extrapolation June 2019 YTD
- Calculation based on capital employed L4Q as per Q2 2019 including IFRS 16 pro forma for Q3 & Q4 2018
- Market position: Above divisional average
  - #3

**Slicing & Packaging**
- Share of div. sales: ~14%
  - Above divisional average
  - Top 2-3

**Key products / Process lines for**

- Pasta: Milling, Mixing, Extrusion, Drying & packaging equipment
- Bakery: Tunnel ovens, Depositors, Pie making systems, Filling injectors
- Slicing & Packaging: Slicing & loading systems, Sugar & vertical packaging equipment, Thermoformers

**Selected customers**
- Pasta: Barilla, Ebro, General Mills, Mondelēz, Nestlé, PepsiCo
- Bakery: Barilla, Grupo Bimbo, Mondelēz, Nestlé
- Slicing & Packaging: Arla, Cargill, Danish Crown, JBS, Tyson

**Major competitors**
- Pasta: Bühler, Fava, Storci
- Bakery: Bühler, Rademaker
- Slicing & Packaging: Multivac, Weber Maschinenbau

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<sup>1</sup> EBITDA includes ~€9m IFRS16 effect based on extrapolation June 2019 YTD
<sup>2</sup> Calculation based on capital employed L4Q as per Q2 2019 including IFRS 16 pro forma for Q3 & Q4 2018
<sup>3</sup> FTE based on Q2 2019
### Facts & figures 2019e (2/2)

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>EBITDA&lt;sup&gt;1&lt;/sup&gt;</th>
<th>ROCE&lt;sup&gt;2&lt;/sup&gt;</th>
<th>Employees&lt;sup&gt;3&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food Solutions</strong></td>
<td>~€1.0bn</td>
<td>~32% (At divisional average)</td>
<td>~7% (Below divisional average)</td>
<td>~19% (Below divisional average)</td>
</tr>
<tr>
<td><strong>Frozen Food</strong></td>
<td></td>
<td>~7% (Below divisional average)</td>
<td>~2%</td>
<td>~19% (Below divisional average)</td>
</tr>
<tr>
<td><strong>Pharma &amp; Healthcare</strong></td>
<td></td>
<td></td>
<td>~2% (Top 3-5)</td>
<td>~3,500 FTE</td>
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<table>
<thead>
<tr>
<th>Share of div. sales</th>
<th>1</th>
<th>1</th>
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</thead>
<tbody>
<tr>
<td>EBITDA margin</td>
<td>~3%</td>
<td>~7%</td>
<td>~2%</td>
</tr>
<tr>
<td>Market position</td>
<td>~32% (Top 2-3)</td>
<td>~7% (Top 2-3)</td>
<td>~19% (Top 3-5)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key products / Process lines for</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Solutions</td>
</tr>
<tr>
<td>protein treatment &amp; Processing equipment</td>
</tr>
<tr>
<td>Frozen Food</td>
</tr>
<tr>
<td>Spiral-, Tunnel- &amp; Carton-Freezers</td>
</tr>
<tr>
<td>Pharma &amp; Healthcare</td>
</tr>
<tr>
<td>Granulation lines, Tablet presses, Lyophilization &amp; fermenters</td>
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<table>
<thead>
<tr>
<th>Selected customers</th>
</tr>
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<tbody>
<tr>
<td>WH Group</td>
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<tr>
<td>Danish Crown</td>
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<td>JBS</td>
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<td>Cargill</td>
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<td>Tyson</td>
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<td>Unilever</td>
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<td>Nestlé</td>
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<td>Nutresco</td>
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<tr>
<td>Mondelēz</td>
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<td>Grupo Bimbo</td>
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<tr>
<td>Bayer</td>
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<td>Sanofi</td>
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<tr>
<td>Roche</td>
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<tr>
<td>Pfizer</td>
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<tr>
<td>GlaxoSmithKline</td>
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<td>Aventis</td>
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<table>
<thead>
<tr>
<th>Major competitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marel, JBT FoodTech</td>
</tr>
<tr>
<td>Heinen, JBT FoodTech</td>
</tr>
<tr>
<td>Bosch Packaging, Glatt, Fette Compacting, IMA</td>
</tr>
</tbody>
</table>

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1 EBITDA includes ~€9m IFRS16 effect based on extrapolation June 2019 YTD
2 Calculation based on capital employed L4Q as per Q2 2019 including IFRS 16 pro forma for Q3 & Q4 2018
3 FTE based on Q2 2019
Due to rounding, marginal deviations may occur.
Food & Healthcare Technologies

Global Footprint

- Production site managed by division
- Multipurpose site managed by global production
Global megatrends incl. aging and urbanization lead to increasing demand in processed food and medication.

Constantly changing consumer demand driving strong growth.

Increased demand in ready-to-eat food, packaged products, ready meals.

**Key market drivers & strategic focus 1/2**

**Pasta**
Increasing market and service share especially on large installed base.

**Bakery**
Increasing market share on global level and increased service on installed base.

**Slicing & Packaging**
Focus on line concepts and environmentally friendly packaging solutions.
Food Solutions
Leverage rise of middle class by optimizing sales force footprint

Frozen Food
Turn around strategy to recover market share and increase profitability

Pharma & Healthcare
Focus on excellence & margins in project execution; technology selling in targeted growth markets with focus on mid-size projects

Sales CAGR 19-22e
2.5 - 3.0%

EBITDA margin\(^1\)
2019e: ~7.0% | 2022e: 7.5 - 8.5%

\(^1\)before restructuring
## Facts & figures 2019e

<table>
<thead>
<tr>
<th>Sales</th>
<th>~ €0.6bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA&lt;sup&gt;1&lt;/sup&gt;</td>
<td>~9%</td>
</tr>
<tr>
<td>ROCE&lt;sup&gt;2&lt;/sup&gt;</td>
<td>~6%</td>
</tr>
<tr>
<td>Employees&lt;sup&gt;3&lt;/sup&gt;</td>
<td>~2,200 FTE</td>
</tr>
</tbody>
</table>

### Milking & Feeding
- Share of div. sales: ~83%
  - Below divisional average
  - Top 2
- EBITDA margin: ~3%
  - Below divisional average
  - Top 2-4
- Market position: ~10%
  - Above divisional average
  - #1
- Key products: Automated Milking & Feeding, Conventional Milking
- Selected customers: Individual dairy farmers with corresponding herd sizes of at least ~30 cows in mature markets
- Major competitors: DeLaval, Lely

### Cooling
- EBITDA margin: ~3%
  - Below divisional average
  - Top 2-4

### Manure
- EBITDA margin: ~10%
  - Above divisional average
  - #1
- Key products: Manure Management
- Selected customers: Individual dairy farmers with corresponding herd sizes of at least ~30 cows in mature markets
- Major competitors: DeLaval, Müller, Serap

### Barn
- EBITDA margin: ~4%
  - Below divisional average
  - Very fragmented market
- Key products: Barn Equipment
- Selected customers: Individual dairy farmers with corresponding herd sizes of at least ~30 cows in mature markets
- Major competitors: Jourdain

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<sup>1</sup> EBITDA includes ~€9m IFRS16 effect based on extrapolation June 2019 YTD

<sup>2</sup> Calculation based on capital employed L4Q as per Q2 2019 including IFRS 16 pro forma for Q3 & Q4 2018

<sup>3</sup> FTE based on Q2 2019
Sales Breakdown
LTM (Q2 2019)

Due to rounding, marginal deviations may occur.

<table>
<thead>
<tr>
<th>By end market</th>
<th>By region</th>
<th>By type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dairy Farming 100%</td>
<td>WE&amp;MEA 9%</td>
<td>Service 42%</td>
</tr>
<tr>
<td></td>
<td>NCE 12%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>NAM 32%</td>
<td>Equipment 58%</td>
</tr>
<tr>
<td></td>
<td>LAM 8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>DACH&amp;EE 27%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>APAC 12%</td>
<td></td>
</tr>
</tbody>
</table>
Farm Technologies

Global Footprint

- Production site managed by division
- Multipurpose site managed by global production
Further consolidation of farms

Lack of low cost labor and therefore need for automated solutions

Professionalization of milking in emerging markets

Digitization and big data on farms

Key market drivers & strategic focus

**Milk & Feeding**
Automated milking and feeding systems; enlarge footprint in hygiene and aftermarket business

**Cooling**
Review of strategic options

**Manure**
Automated systems, enhance environmentally friendly manure systems

**Barn**
Review of strategic options

**Sales CAGR 19-22e**
1.5 - 4.5%

**EBITDA margin\(^1\)**
2019e: ~9.0% | 2022e: 10.0 - 12.0%

\(^1\) before restructuring
Refrigeration Technologies
## Facts & figures 2019e

**Sales**
- ~€0.8bn

**Components**
- EBITDA\(^1\) ~8%

**Projects**
- ROCE\(^2\) ~14%

**Skids**
- Employees\(^3\) ~2,700 FTE

<table>
<thead>
<tr>
<th>Share of div. sales</th>
<th>~31%</th>
<th>Above divisional average</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA margin</td>
<td></td>
<td>Top 3</td>
</tr>
<tr>
<td>Market position</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Key products          | Piston & Screw Compressors, Piston & Screw Chillers, Piston & Screw Heat Pumps, Condensing Units, Dryers, Purgers |
|                       | Industrial refrigeration & heat pumps; sustainable energy solutions |
|                       | Marine, Oil & Gas, Power & Chemical skids |

<table>
<thead>
<tr>
<th>Selected customers</th>
<th>Edeka, Daimler</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Intermalt, Mars</td>
</tr>
<tr>
<td></td>
<td>General Electrics, The Linde Group</td>
</tr>
</tbody>
</table>

| Major competitors    | Bitzer, Howden, Mayekawa, JCI/Sabroe, Engie |

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\(^1\) EBITDA includes ~€11m IFRS16 effect based on extrapolation June 2019 YTD

\(^2\) Calculation based on capital employed L4Q as per Q2 2019 including IFRS 16 pro forma for Q3 & Q4 2018

\(^3\) FTE based on Q2 2019
Sales Breakdown LTM (Q2 2019)

Due to rounding, marginal deviations may occur.
Refrigeration Technologies

Global Footprint

- Production site managed by division
- Multi-purpose site managed by global production
### Positive market growth for Dairy, Food & Beverage industries

- **Focus on projects with attractive margins and improving service / parts business especially on the installed base**

### Strong focus on reduction of energy consumption and CO₂ footprint

- **Increased demand for heat pumps and sustainable energy solutions**

### Trend towards "plug & play" refrigerators

### Key market drivers & strategic focus

#### Components
- **Streamline product portfolio (commercial compression business)**

#### Projects
- **Focus on projects with attractive margins and improving service / parts business especially on the installed base**

#### Skids
- **Turnaround of Oil & Gas business; increase service share by focusing on profitable projects; strengthen export share of skids**

### Refrigeration Technologies

<table>
<thead>
<tr>
<th>Sales CAGR 19-22e</th>
<th>EBITDA margin(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0 - 2.5%</td>
<td>2019e: ~8.0% 2022e: 9.5 - 10.0%</td>
</tr>
</tbody>
</table>

\(^1\) before restructuring
### Strategic priorities

<table>
<thead>
<tr>
<th>Separation &amp; Flow Technologies</th>
<th>Liquid &amp; Powder Technologies</th>
<th>Food &amp; Healthcare Technologies</th>
<th>Farm Technologies</th>
<th>Refrigeration Technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing Topline</td>
<td>Restructuring</td>
<td>Shaping Strategy &amp; Performance</td>
<td>Optimizing Route to Market</td>
<td>Shaping Strategy &amp; Performance</td>
</tr>
<tr>
<td>HU</td>
<td>Liquid Technologies</td>
<td>Pasta Solutions</td>
<td>Milking &amp; Dairying Production</td>
<td>Composol</td>
</tr>
<tr>
<td>Separation &amp; Filling Tec.</td>
<td>Powder Technologies</td>
<td>Milking Cowhouse</td>
<td>Barn</td>
<td></td>
</tr>
<tr>
<td>Chemical Technologies</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Frozen Food</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pharma &amp; Healthcare</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Beyond organizational changes

STEFAN KLEBERT & MARCUS A. KETTER
Operational efficiency
Improvement measures announced in Q1 2019
First wave of BA-S restructuring implemented

**Plan**
- FTE reduction: 200 – 250
- Restructuring Expenses: €30m – €45m
- Savings: ~€65K per FTE

**Update**
- 220 FTE identified
- 77 FTE already left company
- Total restructuring expenses of ~€30m (thereof impairments of €11m)
- Estimated savings have been confirmed

**End of 2019**
- 200 FTE expected to have left
- ~€30m restructuring expenses booked
- Steady state savings of ~€14m

**Status**
- Initiated
- Implemented
Further operational efficiency measures required

Reduction of further 600 FTE in focus

Assessment
Reduction of further 600 FTE\(^1\) needed to regain solid operational efficiency

Estimated Cash Out
Severance payments of €50m – €60m expected

Estimated Savings
Steady state savings of €35m – €45m expected

Timing
Implementation to be completed by end of 2020

Total capacity reduction of ~800 FTE\(^1\) (incl. first wave of BA-S restructuring) to be implemented by end of 2020

\(^1\) Compared to FTE base dated June 30, 2019 (full time & contingent)
Global program launched to reverse the Net Working Capital (NWC) trend

Ongoing increase of NWC to sales ratio since implementation of OneGEA

Global NWC optimization project launched in August 2019 to sustainably improve NWC

Target corridor 2021-2022

- Reverse the NWC trend with short-term measures
- Pave the ground for sustainable NWC reduction and management
Procurement optimization
New COO Procurement & Production appointed

TBA
Chief Operating Officer, member of the Executive Board

Career Steps

• Chief Procurement and Supply Chain Officer of a global technology group
• Vice President Supply Chain & Logistics
• Management Consultant
• Degree in Business Administration & Engineering

Experience

• Process optimization and organizational transformation
• Digitizing global procurement and supply organizations
• Realizing significant procurement synergies
• Innovating production processes and automation
## Transparency on spend - overview

### Total Spend 2018

- **Direct spend**
  - Manufacturing: ~€510m
  - Components: ~€410m
  - Electrical systems: ~€340m
  - **Total Direct Spend**: ~€1.260bn

- **Operations & logistic**
  - ~€360m

- **Indirect spend**
  - ~€510m

- **Division specific**
  - ~€300m

- **To be classified**
  - ~€400m

- **Total Spend 2018**: ~€2.8bn
From three independent procurement organizations to one professional setup

Core principles of the new organization

- Procurement empowered and represented by a member of the Executive Board
- Bundling of expertise for category management
- Clear responsibilities & contact points, by cascading into the divisions
- Strict governance with full accountability
## Savings ramp-up per procurement category

<table>
<thead>
<tr>
<th>Components</th>
<th>Electrical systems</th>
<th>Manufacturing</th>
<th>Operations &amp; logistics</th>
<th>Indirect spend</th>
<th>Total €¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26m</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>34m</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>50m</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

### Main levers

- Initiatives for mechanical engineering business
- Initiatives for project business
- Initiatives for operations & logistics
- Initiatives for indirect spend

¹rounded figures
Case study **Sensors**

**Key figures**
- **Scope:** Global
- **Spend:** €61m/y
- **Addressed spend breakdown**
  - Flow
  - Pressure
  - Temperature
  - Level / weight
  - Liquid analyse
  - Optoelectronic / proximity

**Situation**
- High No. of suppliers (1,400)
- 80% of spend w/ 60 suppliers
- Significant variation on components
- High complexity in supply chain processes

**Target**
- Definition of standards & preferred suppliers
- Process optimization

**Main measures**
- Standardization with preferred parts per sub-category
- Introduce GEA standard components catalogue
- No definition of brands in GEA quotes

**Key results**
Net savings: €3.1m
**Case Study** Machined Parts

**Key figures**
- **Scope:** Global
- **Key focus area:** WE
- **Spend:** €100m/y

**Situation**
- High No. of suppliers (700)
- 80% of spend w/ 200 suppliers
- 82% of spend in WE, only 6% in EE

**Target**
- Increase total spend in EE to 30%
- Realize cost saving of 20% on transfers from WE to EE
- Implement over a 3y timeframe

**Key results**
- Net savings: €4.3m

**Main measures**
- Create global category business plan
- Expand and consolidate network base in EE
- Find and qualify competitive suppliers specialized in machining process
Production footprint
Production footprint

Global manufacturing footprint – targets & initiatives

1. Significant shift of production volumes to Eastern Europe to **reduce complexity**, **full-cost hourly rates** and **manufacturing costs**

2. Consolidate APAC production volumes to **increase utilization** and **optimize manufacturing costs**

3. Consolidate assembly footprint mainly in Western Europe to increase **utilization**, **decrease costs and complexity**

4. Strengthen multi-purpose sites by **increasing utilization and flexibility**
### Global manufacturing footprint – targets

<table>
<thead>
<tr>
<th>By 2023</th>
<th>Moved production hours</th>
<th>Annual savings (€m)(^1)</th>
<th>One-off costs (€m)(^1)</th>
<th>Capex (€m)</th>
<th>FTE shift from WE to EE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>~545k</td>
<td>30</td>
<td>41</td>
<td>38</td>
<td>~260</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2023 - 2025</th>
<th>Moved production hours</th>
<th>Annual savings (€m)(^1,2)</th>
<th>One-off costs (€m)(^1,2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>~720k</td>
<td>&gt;15</td>
<td>&gt;30</td>
</tr>
</tbody>
</table>

\(^1\) Figures based on 2018 production hour volumes, no growth or future product mix effects considered, no inflation and price, increases considered, no potential acquisitions considered

\(^2\) One-off costs & savings for APAC consolidation requires further validation and is not included in figures
Lever 1: shift production volumes to low cost countries

Significant expansion of Eastern European production volume by mid-2021 to absorb hours from Western Europe

- Shift a total of 150K production hours from Western European sites to Eastern Europe by 2022
- Additional shift of 185K production hrs by 2023

In total:
Shift ~335K hours from high to low cost countries by 2023

Potential shift of additional ~220K hours from high to low cost countries by 2025
Lever 2: consolidate production hours in APAC countries

Consolidation of APAC production hours to increase utilization and optimize manufacturing costs

Shift of in total
~210K hours by 2021

Potential shift of in total
~500K hours by 2025
### 2025 target for global production

<table>
<thead>
<tr>
<th></th>
<th>As is</th>
<th>2023</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production hours</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HCC</td>
<td>73%</td>
<td>67%</td>
<td>63%</td>
</tr>
<tr>
<td>LCC</td>
<td>27%</td>
<td>33%</td>
<td>37%</td>
</tr>
<tr>
<td><strong>FTE</strong></td>
<td>79%</td>
<td>74%</td>
<td>70%</td>
</tr>
<tr>
<td></td>
<td>21%</td>
<td>26%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Relocation of hours</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(from current, in total 5.6m hours)</td>
<td></td>
<td>545K</td>
<td>&gt;720K</td>
</tr>
<tr>
<td><strong>Shift of FTE from WE to LCC</strong></td>
<td></td>
<td>260</td>
<td></td>
</tr>
<tr>
<td>(currently 3,800 FTE in Western Europe)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Figures based on 2018 production hour volumes, no growth or future product mix effects considered, no inflation and price increases considered, no potential acquisitions considered
Shortterm performance actions
Not yet the right timing for larger portfolio measures

Current situation
- Highly integrated OneGEA organization needs to be sorted out first
- “Zebra entities” need to be cleaned to achieve the necessary transparency for appropriate portfolio decisions
- Healthy balance sheet with no urgent need to generate cash

Next steps
- Exit underperforming businesses for which GEA is not best owner
- In a next phase, active portfolio management will be an important value driver for GEA
- At the same time, we will look for value creating reinvestments to take the company to the next level

2019

2020

2021
Short term portfolio streamlining

Exit processes in preparation

**Selected FT Businesses**

**Rationale**
- Low margin businesses for which GEA is not best owner
- No synergies with other GEA businesses
- Not mission critical – can be sourced externally

**Selected RT Businesses**

**Rationale**
- Low margin or currently underperforming businesses for which GEA is not best owner
- Limited synergies with other GEA businesses
- Exposure to end markets which are not core to GEA

**Overall size of streamlining**
- Sales: €~200m
- EBITDA: ~0% - ~2%
- Employees: ~700 FTE
IT and ERP
IT and ERP

Five major steps to build a state-of-the-art IT for GEA

1. New IT Top Management
2. New Operating Model & IT Setup
3. Improvements in IT Operations
4. Improvements in IT Infrastructure
5. Global ERP Program
New IT Top Management

Christian Niederhagemann
Group Chief Information Officer

Career steps
• Degrees in Mechanical Engineering as well as Engineering Economics
• Managing Director at GEO Tusk (Software)
• CIO at KHS (Engineering / Manufacturing)
• CIO at MANN+HUMMEL (Automotive)

Experience
• Global ERP rollouts (SAP, SAP HANA, Microsoft)
• Global sales and configuration projects (SAP, Salesforce)
• Large scale projects (Engineering and IoT platforms, cloud transformation)
• Multiple implementations of modern IT organizations

Michael Claus
Vice CIO / Head of Architecture & Innovation

Career steps
• Degree in Technical Cybernetics and Automation Engineering
• Head of IT at KHD Humboldt Wedag (Engineering)
• CIO at Hitachi Power Europe (Engineering)
• CIO at Schuler (Engineering / Manufacturing)

Experience
• Global ERP template implementation and harmonization (SAP) in Manufacturing & Engineering
• Harmonization of PLM/PDM, CAx solutions
• IIoT projects focused on remote maintenance & machine learning
New operating model and IT setup

Benefits

Functional setup vs. technology silos, organizational enablement for digitalization and innovation

Process orientation with end-to-end responsibility improves delivery capability, strong governance creates guardrails and stability
Improve global Shared Services
• Assessment and benchmarking by independent advisor
• Definition of market-standard Service Level Agreements

Renew
Re-adjusted contract with outsourcing partner
• Negotiations completed successfully incl. new SLA and penalties
• Mid-term commitment by 2022
• New culture of collaboration on board and operations level

Manage
State-of-the-art IT operations
• Establish IT service management processes and organization
• Periodic IT user satisfaction surveys
## Improvements in IT operations (2/3)

<table>
<thead>
<tr>
<th></th>
<th>Past</th>
<th>Now</th>
<th>Market Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SLAs</strong></td>
<td>101 SLAs, No end-user focus</td>
<td>Down to 43 SLAs</td>
<td>Assessed and approved by an independent advisor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strong improvement in resolution time and quality</td>
<td></td>
</tr>
<tr>
<td><strong>Penalties</strong></td>
<td>Only 5% of overall contract fee at risk</td>
<td>15% of IT fee at risk</td>
<td>15% agreed of IT-fee at risk can be assumed as market standard</td>
</tr>
<tr>
<td><strong>Example Major incident</strong></td>
<td>Resolution time: 3 days, Site w/o network</td>
<td>Resolution time: 4 to 8 hours</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Example User incident</strong></td>
<td>Resolution time: up to 10 days, Password reset</td>
<td>Resolution time: 24 hours</td>
<td></td>
</tr>
</tbody>
</table>
Improvements in IT operations (3/3)

- Monthly C-level review board
  - GEA
  - Vendor
- Assessment and SLA benchmark by independent advisor
- Definition of state-of-the-art SLAs
- Re-adjusted contract with improved SLAs and higher penalties
- New setup in place
- Application harmonization and Windows 10 rollout completed
Improvements in IT infrastructure

Cloud

Consistent cloud strategy
- State-of-the-art cloud environment
- More than 90% of all GEA servers will be moved to the cloud by 2020

Network

Redesign of global network
- State-of-the-art software based network (SD-WAN) in place by mid-2021
- Enabling latest security technology incl. 24/7 security operations

Applications

Harmonization of application landscape
- 1,600+ server applications under review
- 450+ desktop applications reduced to 210 by mid-2020
ERP transition with three initiatives

- Financial statements per new organization BUs/Divisions
  - August 2019

- ERP split up of zebra companies of material size
  - October 2019

- Global ERP program
  - ~End of 2021

- End of 2025
Global ERP Program

Vision
• Harmonized core process template
• Enablement of division specific processes and functions
• S/4HANA Digital Process World

Approach
• Set-up GEA process organization and process community
• Template development in two releases
• Staggered roll-out approach based on “T-shirt sizes”
• Single instance ERP by end of 2025
New Business Process Management Organization with clear responsibilities for the BPM Community

Daniela Weiss
Head of Process Organization

Career steps
• Degrees in International Business Development and Economics
• Business Process Consultant at Bearing Point (Consulting)
• Head of Business Process Management at Schuler (Engineering / Manufacturing)

Experience
• Business Process Management (BPM) in different industries
• Process harmonization (different context incl. ERP implementation)

GEA BPM Community

Global Process Owner
Owner of the global end-to-end process responsible for strategic guidance
~2.5 FTE

Process Lead
Responsible for business process activities within and across Divisions / Regions / Central Functions
~25 FTE

Process Expert
Supports business process activities within own Division / Region / Central Function
~50 FTE

Process Expert
Key User

1 Only about 7 new FTE for new organization needed; all other members of BPM community cover tasks as part of their scope
Roll-outs are clustered in T-shirt sizes based on an entity evaluation with roll-out complexity.

<table>
<thead>
<tr>
<th>Sizing</th>
<th>T-shirt definitions</th>
<th>Complexity</th>
<th>Finance</th>
<th>Controlling</th>
<th>Purchasing</th>
<th>Sales</th>
<th>Production</th>
<th>Project</th>
<th>Engineering</th>
<th>Ware-house &amp; Logistics</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>S</td>
<td>A company that does not perform production activities.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>❌</td>
<td>❌</td>
<td>❌</td>
<td>❌</td>
<td>❌</td>
</tr>
<tr>
<td>M</td>
<td>A company that performs ordinary production, R&amp;D or service activities.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>❌</td>
<td>❌</td>
<td>❌</td>
<td>✓</td>
</tr>
<tr>
<td>L</td>
<td>A company that performs complex production, R&amp;D and/or service activities.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>XL</td>
<td>A company that performs the most complex production activities on multiple layers.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

✓ = Reduced process scope
Eliminate unsupported technologies early to minimize IT risks and realize roll-out synergies (1/2)

- **Elimination of all unsupported ERP systems** – Phase 1
  - End of 2025 - Program finalized

- **Elimination of all non-SAP systems** – Phase 2

- **Full S/4HANA roll-out** – Phase 3

### Timeline

**Design & build**
- 2019: E2E process organization set up
- 2020: Template (Release 1) finalized
- 2021: Full template (Release 2) finalized

**Roll-out**
- 2022: >20% of total GEA revenue on S/4HANA
- 2023: All non-supported ERP systems on S/4
- 2024: SAP as only ERP system
- 2025: GEA Digital Platform completed
Eliminate unsupported technologies early to minimize IT risks and realize roll-out synergies (2/2)

<table>
<thead>
<tr>
<th>End of</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group revenue on SAP</td>
<td>56%</td>
<td>76%</td>
<td>94%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Group revenue on S/4HANA</td>
<td>1%</td>
<td>21%</td>
<td>39%</td>
<td>69%</td>
<td>100%</td>
</tr>
<tr>
<td>Entities on S/4HANA</td>
<td>31 / 15%</td>
<td>63 / 31%</td>
<td>97 / 47%</td>
<td>154 / 75%</td>
<td>204 / 100%</td>
</tr>
<tr>
<td>Eliminated ERP systems</td>
<td>20</td>
<td>26</td>
<td>33</td>
<td>40</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>of 67 active ones</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Required investments for current ERP landscape will be used for the new Global ERP

Typical process efficiencies¹
- Reduce process time to serve: 10-15%
- Process simplification: 10-15%
- Reduce error rate: 5-10%
- Process number of complaints: 5-10%

Projected process efficiency 5% = €65m p.a.

¹ Benchmark based on comparable process harmonization programs (Source: Reputable Audit firm)
Split of cash out & relevant costs over the entire program

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPEX</td>
<td>6</td>
<td>13</td>
<td>20</td>
<td>18</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>expenses</td>
<td>0</td>
<td>2</td>
<td>8</td>
<td>8</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Total expenses</td>
<td>0</td>
<td>3</td>
<td>10</td>
<td>13</td>
<td>16</td>
<td>17</td>
</tr>
</tbody>
</table>

1Contingency is calculated with 25% on external costs (€99m)
Global ERP

Benefits

- **Full transparency, single source of truth** for company data
- **Harmonized** and **standardized processes** to ensure synergies leveraged and complexity
- **Reduces risk** by eliminating insufficient ERP systems
- Enables **future digitalization** and digital business models
- **State-of-the-art S/4HANA technology**, highly scalable due to **cloud operations**
- Eases **organizational transformation** due to globally standardized process and IT framework
### Summary of the morning session

1. A self-help story in attractive markets
2. Our new organization
3. Introduction to the divisions
4. Beyond organizational changes

### Preview of the afternoon session

5. Financials
6. GEA’s equity story
Lunch break
Financials

MARCUS A. KETTER
H1 2019

Order intake
€m 2,333
Down by 6% YoY

Sales
€m 2,305
Growth of 2% YoY

EBDITA\(^1\)
€m 186
EBITDA\(^1\) burdened by special effects in the amount of €45m

EBIT\(^1\)
€m 85
EBIT\(^1\) down by €35m YoY and equally burdened by special effects as EBITDA\(^1\)

ROCE\(^{1,2}\)
10.5%
ROCE\(^{1,2}\) down YoY by 32%

---

\(^1\) Before effects from restructuring (see Annual Report, page 28 ff.); previous year: pro-forma figure incl. IFRS 16 effects

\(^2\) Capital employed excluding goodwill from the acquisition of the former GEA AG by former Metallgesellschaft AG in 1999 (average of the last 4 quarters); previous year: pro-forma figure incl. IFRS 16 effects
Guidance FY 2019 confirmed

Revenue moderately below previous year’s level

EBITDA (before restructuring measures) between €450m and €490m

ROCE (before restructuring measures) between 8.5% and 10.5%

This forecast is based on the assumptions described in the Report on Expected Developments on pages 124 ff. in the 2018 Annual Report and takes into account, among other things, the assumption that there will be no significant slowdown in global economic growth. Potential acquisitions and divestments in 2019 are not considered.
Dividend payout

Target:
Payout ratio of 40 - 50% of net income

Stable dividend 2019 foreseen
## Financing and liquidity (1/2)

<table>
<thead>
<tr>
<th>€m</th>
<th>Committed 2019</th>
<th>Utilized 2019</th>
<th>Headroom 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower’s note loan (2023)</td>
<td>128</td>
<td>128</td>
<td>0</td>
</tr>
<tr>
<td>Borrower’s note loan (2025)</td>
<td>122</td>
<td>122</td>
<td>0</td>
</tr>
<tr>
<td>European Investment Bank</td>
<td>150</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>Bilaterals</td>
<td>313</td>
<td>260</td>
<td>53</td>
</tr>
<tr>
<td>Syndicated loan</td>
<td>650</td>
<td>-</td>
<td>650</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,363</strong></td>
<td><strong>560</strong></td>
<td><strong>803</strong></td>
</tr>
</tbody>
</table>

Borrower’s note loans with attractive financing terms

EIB (European Investment Bank) term loan with very favorable conditions

Several bilateral credit lines with different international banking partners

EUR 650m syndicated loan serves as liquidity back-up facility

---

Solidly funded with a diversified financing structure and sufficient headroom

---

*Including uncommitted lines and credit lines < 1 Year.

**From the €150m EIB €100m will be lapsed in 2020 if not utilized.
### Financing and liquidity (2/2)

<table>
<thead>
<tr>
<th>€m</th>
<th>June 2019 incl. IFRS 16</th>
<th>June 2018</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>2,318</td>
<td>2,410</td>
<td>2,449</td>
</tr>
<tr>
<td>Leverage(^1) (Covenant 3x)</td>
<td>▲ 0.8x</td>
<td>0.7x</td>
<td>0.2x</td>
</tr>
<tr>
<td>Leverage(^2) (Rating)</td>
<td>▲ 3.1x</td>
<td>2.8x</td>
<td>2.3x</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>▼ 231</td>
<td>269</td>
<td>248</td>
</tr>
<tr>
<td>Net debt</td>
<td>330</td>
<td>327</td>
<td>72</td>
</tr>
</tbody>
</table>

1. Total net debt / cons. EBITDA based on frozen GAAP (covenant concept)
2. According to Moody’s consideration

### GEA rating

<table>
<thead>
<tr>
<th>Agency</th>
<th>Rating</th>
<th>Outlook</th>
<th>Last update</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s</td>
<td>Baa2</td>
<td>Negative</td>
<td>Feb 27, 2019</td>
</tr>
<tr>
<td>Fitch</td>
<td>BBB</td>
<td>Negative</td>
<td>June 29, 2019</td>
</tr>
</tbody>
</table>

**Very healthy balance sheet with a solid equity position**

**Adequate headroom to our financial covenant**

**However, limited headroom for maintaining current investment grade rating**

**Investment grade rating of Baa2 with Moody’s and BBB with Fitch respectively**

**We are committed to our investment grade rating**
Preliminary restructuring costs based on EBITDA midterm development\(^1\)

\[€m\]

\[
\begin{array}{cccccc}
\text{Year} & 2018 & 2019 & 2020 & 2021 & 2022 & \text{2022} \\
\text{Cost} & 41 & 45-55 & 110-120 & 30-40 & 25-35 & 65-130 \\
\end{array}
\]

\(\sum €210m - €250m\)

\(^1\) Excluding potential impairment

\(^2\) Incl. operations, procurement, footprint & ERP
Capex increased to over 3.0% of sales due to investments in manufacturing footprint, steering systems and IT transformation.

Further investments in manufacturing footprint and ERP roadmap will keep capex ratio around 3.0% midterm.

**Target Capex: 2.5% to 3.5% of sales**
Sustainable Net Working Capital optimization enforced by a global program

**Target Top Down**

- Realization of quick wins
- Design of GEA’s future NWC Management

**Target corridor 2021-2022**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>NWC (Closing date) [€m]</th>
<th>NWC (spot) as % of sales (LTM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 14</td>
<td>424</td>
<td>9.4%</td>
</tr>
<tr>
<td>Q4 15</td>
<td>547</td>
<td>11.9%</td>
</tr>
<tr>
<td>Q4 16</td>
<td>750</td>
<td>16.7%</td>
</tr>
<tr>
<td>Q4 17</td>
<td>674</td>
<td>14.6%</td>
</tr>
<tr>
<td>Q4 18</td>
<td>747</td>
<td>15.5%</td>
</tr>
<tr>
<td>Q2 19</td>
<td>906</td>
<td>18.6%</td>
</tr>
</tbody>
</table>

**2019**

- Global Implementation

**2020**

- Sustainable Net Working Capital optimization enforced by a global program
Sales growth and EBITDA margin targets

<table>
<thead>
<tr>
<th>Sales CAGR 2019-2022</th>
<th>Act. 2018</th>
<th>2019&lt;sup&gt;e&lt;/sup&gt;</th>
<th>2022&lt;sup&gt;e&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEA GROUP&lt;sup&gt;*&lt;/sup&gt;</td>
<td>2.0 - 3.0%</td>
<td>11.1%</td>
<td>~9.8%</td>
</tr>
<tr>
<td>Farm Technologies</td>
<td>1.5 - 4.5%</td>
<td>10.5%</td>
<td>~9.0%</td>
</tr>
<tr>
<td>Refrigeration Technologies</td>
<td>2.0 - 2.5%</td>
<td>9.3%</td>
<td>~8.0%</td>
</tr>
<tr>
<td>Liquid &amp; Powder Technologies</td>
<td>2.0 - 3.0%</td>
<td>5.2%</td>
<td>~3.0%</td>
</tr>
<tr>
<td>Food &amp; Healthcare Technologies</td>
<td>2.5 - 3.0%</td>
<td>8.4%</td>
<td>~7.0%</td>
</tr>
<tr>
<td>Separation &amp; Flow Technologies</td>
<td>2.0 - 2.5%</td>
<td>21.4%</td>
<td>~21.0%</td>
</tr>
<tr>
<td>GCC/RoC</td>
<td>(0.6%)</td>
<td>(~0.5%)</td>
<td>(0.5%) - (0.4%)</td>
</tr>
</tbody>
</table>

* GEA Group including additional group measures

Note: Including €64m IFRS 16 effect
## Overview

Sales CAGR 2019-2022 | 2.0 - 3.0%

<table>
<thead>
<tr>
<th>Operations</th>
<th>Footprint</th>
<th>Procurement</th>
<th>Sales</th>
<th>ERP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating efficiency increase</td>
<td>Footprint optimization</td>
<td>Procurement consolidation</td>
<td>Sales efficiency increase</td>
<td>ERP harmonization</td>
</tr>
<tr>
<td>Reduction of ~800 FTE</td>
<td>Shift manufacturing capacities from high to low cost countries</td>
<td>Improvement of procurement organization</td>
<td>Appropriate incentive schemes and aligned steering of sales and service force</td>
<td>Optimization and harmonization of existing ERP landscape</td>
</tr>
</tbody>
</table>

**EBITDA¹ Guidance Midpoint**

~9.8%

**EBITDA¹ Target Range**

11.5% to 13.5%

**New organizational model acting as enabler to drive improvement measures**

Note: Including €64m IFRS 16 effect

¹ Before restructuring
Summing up GEA’s equity story

STEFAN KLEBERT
What we want to achieve:

Midterm targets for 2022

Sales CAGR
2.0% - 3.0%

EBITDA Margin\(^1\)
11.5% - 13.5%

CAPEX
2.5% - 3.5%

Net Working Capital Intensity
12.0% - 14.0%

\(^1\)before restructuring
- Leading position in attractive global markets
- Technological leadership, excellent engineering and innovation power
- New organization with reinvigorated entrepreneurial culture
- Solid balance sheet
- Clear plan in place to increase profitability

**GEA strives to become the most respected player in its industries and among all its stakeholders**
Gradual implementation of new organization begins

New organization fully in place with according financial steering & reporting

Update on programs

Details on FTE program

Divisional strategic plans

Update on milestones reached
Questions are welcome
GEA engineering for a better world