

Analyst Call

Preliminary figures Q4 2017

GEA GROUP, JANUARY 24, 2018



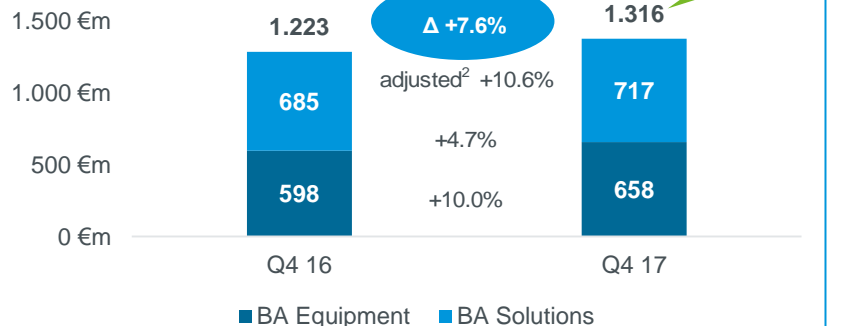
This presentation contains forward-looking statements. Forward-looking statements may include, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. Statements with respect to 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.

1. Preliminary figures Q4 / FY 2017

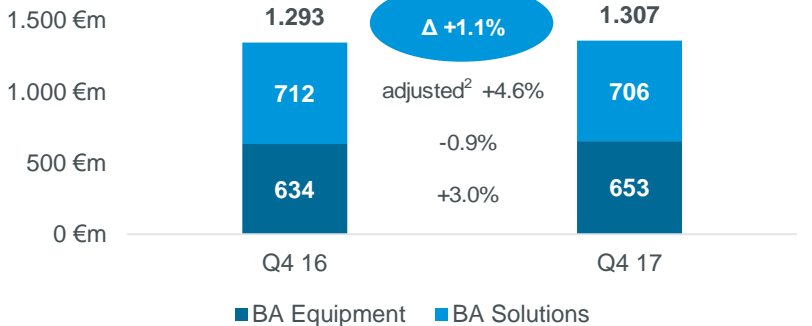
2. Outlook FY 2018

Preliminary key figures and change YoY Q4 2017

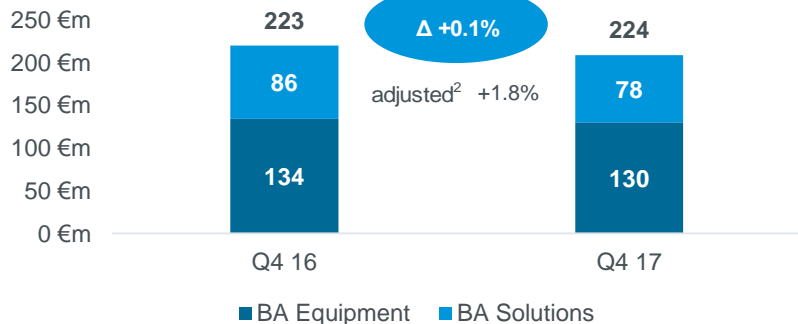
Order Intake



Sales



Operating EBITDA¹



Operating EBITDA Margin¹

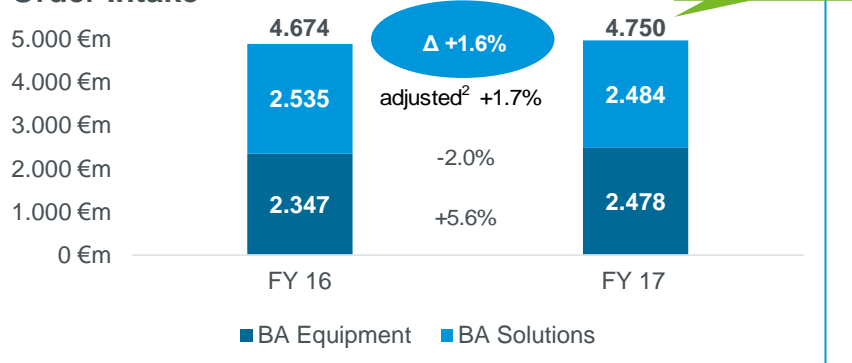
	Q4 16	Q4 17	Δ YoY
BA Equipment	21.1%	19.9%	-123 bps
BA Solutions	12.0%	11.1%	-91 bps
GEA Group	17.3%	17.1%	-17 bps

Please note that the difference between the sum of the BAs and the Group is explained by consolidation/others

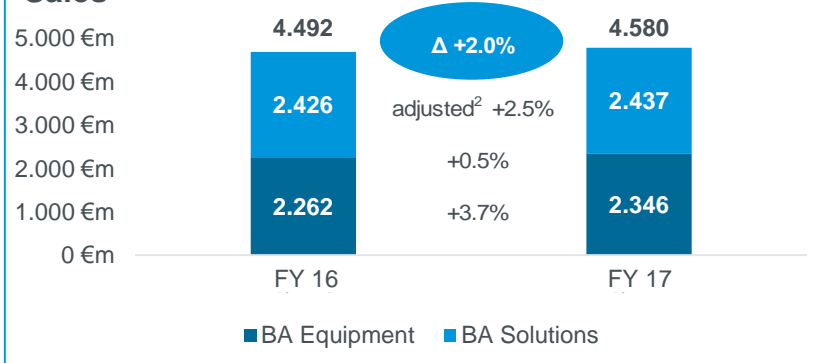
1. Excluding bottling charges of €9m in Q4 16 and -€2m in Q4 17; 2. Adjusted = before currency translation and structural effects Note: Not audited and excl. Pavan

Preliminary key figures and change YoY FY 2017

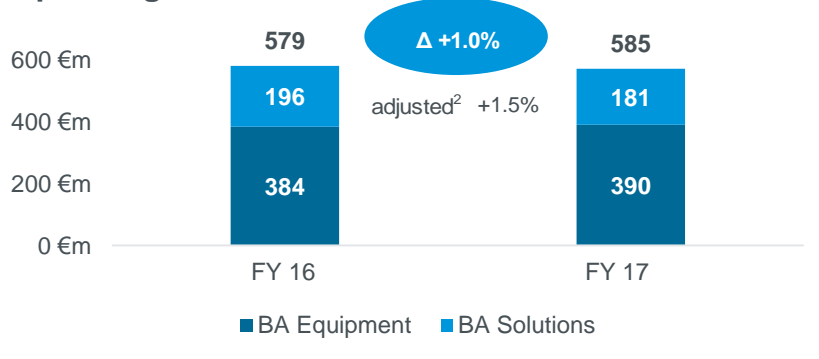
Order Intake



Sales



Operating EBITDA¹



Operating EBITDA Margin¹

	FY 16	FY 17	Δ YoY
BA Equipment	17.0%	16.6%	-35 bps
BA Solutions	8.1%	7.4%	-67 bps
GEA Group	12.9%	12.8%	-13 bps

Please note that the difference between the sum of the BAs and the Group is explained by consolidation/others

1. Excluding bottling charges of €13m in FY 16 and €20m in FY 17; 2. Adjusted = before currency translation and structural effects Note: Not audited and excl. Pavan

P&L projection from July vs. actual figures H2 2017

preliminary numbers rounded [EUR m]

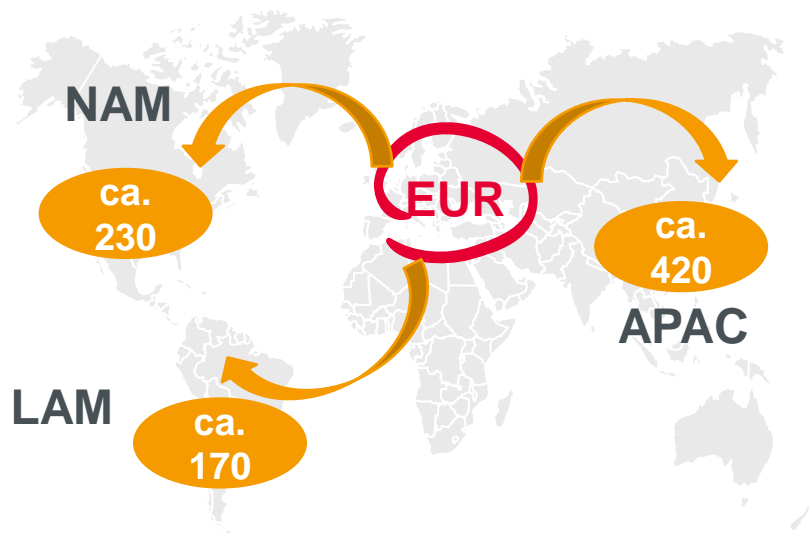
	Projected H2 2017 as per Q2 2017 (lower case)	Actual H2 2017 (prelim.)	Comments on variance
Sales	2,470 +3.2% yoy	2,440 +1.9% yoy	Adverse FX impact of mid double-digit million-euro
Gross margin <i>(before bottling extra costs) in % of sales</i>	784 31.7%	767 31.4%	Mix effect of ca. -9 EURm Volume effect of ca. -9 EURm
Overhead <i>(incl. net other income (expenses), FX impact & financial result, adj. for D&A, PPA)</i>	(410)¹	(408)¹	Delta of +2 EURm
Op. EBITDA² “pre” <i>(before bottling extra costs) in % of sales</i>	374 15.1%	358 14.7%	FX translation: -€5m
Op. EBITDA² “post” <i>(after bottling extra costs) in % of sales</i>	354 14.3%	346 14.2%	No further bottling charges expected in 2018

1. Includes income from divesting real estate of +14 EURm

2. For a definition of operating EBITDA, see p. 206 of the company's 2016 Annual Report

Sales streams impacted by FX

Export sales¹, LTM Nov 2017 in EURm



1. Sales trade flows from Euro countries to major non-Euro countries (€820M)

Headwind from EUR appreciation

	∅ 2017 vs. 2016	Spot end Dec 2017 vs. 2016	Share of export sales ¹ LTM Nov 17
EUR/USD	+2.0%	+13.8%	26%
EUR/CNY	+3.7%	+6.6%	15%

Example EUR/USD FX effect

Separator spare part produced in Europe was sold e.g. for

- end of Dec 2016 for EUR 1,000 to e.g. Germany
- end of Dec 2016 for ca. USD 1,054 to e.g. USA
- end of Dec 2017 for ca. USD 1,190 to e.g. USA



- GEA margin pressure
- Customer **postpones** → volume pressure
- GEA manages to pass **price increase** to customer

97% of EUR 450m spent as of January 19, 2018

Completion expected by end of February 2018

1. Preliminary figures Q4 / FY 2017
- 2. Outlook FY 2018**

Sales

**organically
about 2017 level**
(excluding acquisitions since January 2017)

**Acquisitions since January
2017 will add
about EUR 190m**

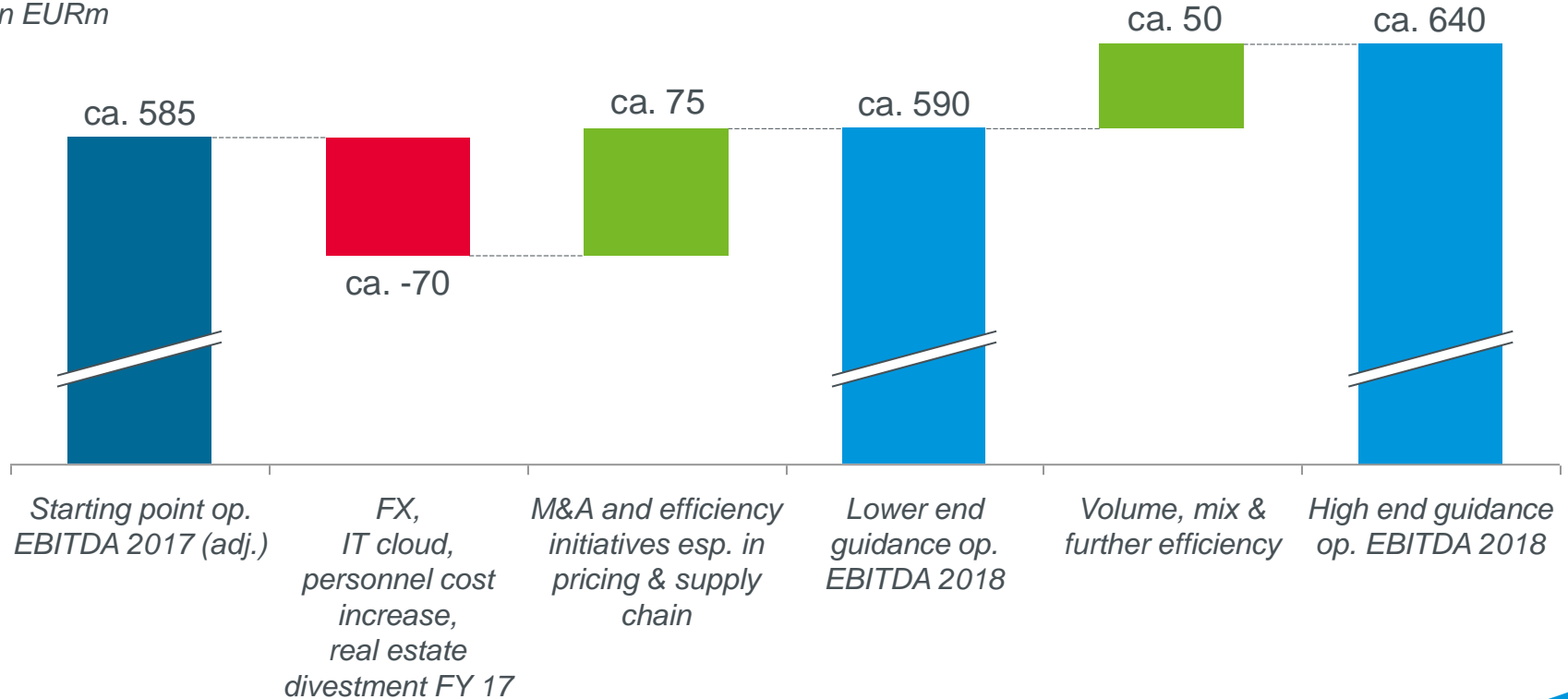
Op. EBITDA¹

**Op. EBITDA range
EUR 590m to EUR 640m**
(at end of Dec 2017 FX rates)

1. For a definition of operating EBITDA, see p. 206 of the company's 2016 Annual Report

Deep-dive: First indications for 2018

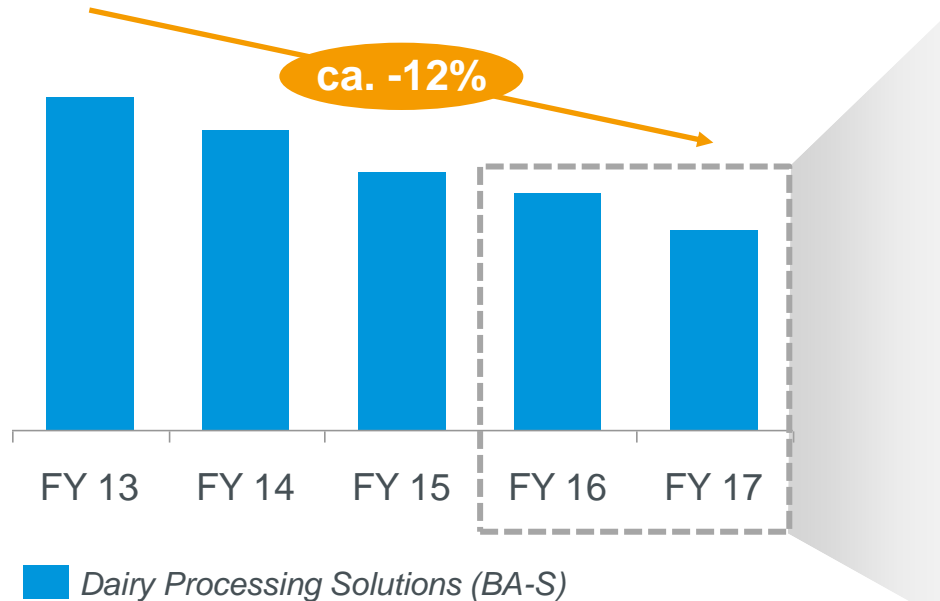
in EURm



GEA's topline has been strongly affected by the dairy recession – dairy processing yet to recover

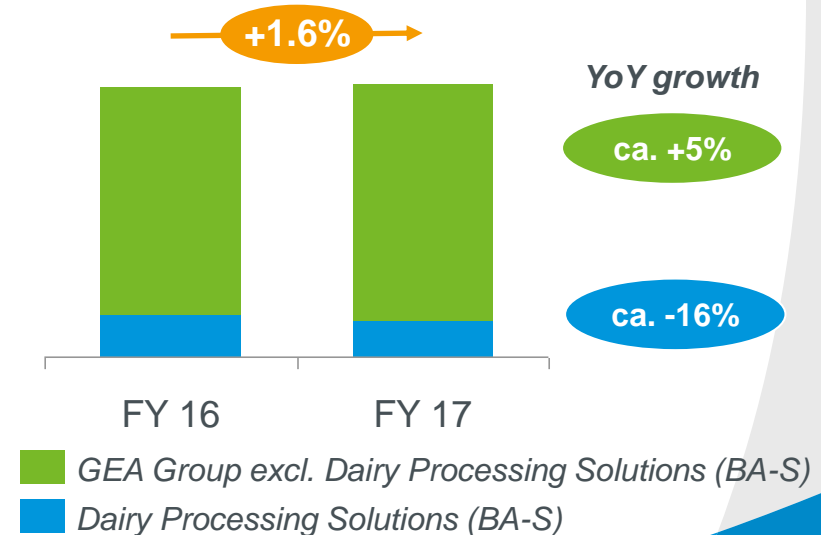
Development since 2013 Order Intake Dairy Processing Solutions

OI, Dairy Processing Solutions only



Deep-dive 2017 vs. 2016 Order Intake excl. Dairy Processing Solutions

OI, GEA Group excl. Dairy Processing Solutions



Customers



“Growth slowing down across categories”
 “...economic conditions will remain **volatile & uncertain...**, with persistently **fragile consumer trends**”



Essential Dairy & Plant-based with -2% negative growth YTD 2017



Target 2020: 4%-5% L4L sales growth (packaged goods CAGR 0,8%-2,8%)



“Resilient real internal growth in an environment of weak consumer demand (Q1’16-Q3’17)” “.. Coffee clearly growth driver (5% CAGR 2013-16)”



2,6% organic growth for 2017



Target 2020: Mid-single digit growth

Industry



“...there have hardly been any productivity increases in the recent years, mainly due to salary increases”



Production growth of 3% for 2017 and 2018



Food processing machinery and packaging machinery +4% for 2018

Analysts



“Food and beverage: Long-run prospects for the sub-sector are positive... However, it can be cyclical, and our analysts are forecasting food & beverage organic sales growth close to an all-time low”



0% CAGR for 2017-2020 (Capex)



“Growth in the global Food & Beverage industry has been slowing to 1% over 2011-2016... ingredients should outstrip this with growth of 4-5%.”



1%-2% growth in 2017 for Europe & US Food & HPC manufacturers



Packaged foods market value growth 3%-4% midterm

THREATS

- Continued market weakness in Dairy Processing and Beverages
- Continued volatility of milk price
- Adverse FX impacts
- Pricing pressure in selected markets with slow down in investment activities
- Low unemployment rate causing difficulties in hiring skilled workforce

OPPORTUNITIES

- Prospects of improved investment climate in the US in the wake of tax cut
- Positive development in other markets partially offsetting weakness in Dairy Processing and Beverages
- Improvement potential from strategic initiatives
- Supply chain management among others to reduce FX exposure (e.g. local sourcing)
- Further leverage of GEA innovation strength and leading market position

Innovation – portfolio enrichment through leading technologies (1/2)

GEA OxyCheck

GEA OxyCheck the first system able to measure the oxygen content of each pack, **inline** in a packaging machine. **Contact free** and **without destroying the package**



Pavan Extrusion

Pavan offers the **widest range of solutions** for the production of **all kinds of pasta**

It also provides **dies, cutting systems, die washing equipment and packaging lines.**



VIPOLL All-in-One monoblock filler

New VIPOLL All-in-One monoblock filler can be adapted to **various container types**. It offers customers the added value of **multifunctional beverage lines** that rapidly switch between **bottle, can and PET filling.**



Innovation – portfolio enrichment through leading technologies (2/2)

ConsiGma for continuous processing

ConsiGma, a **multipurpose platform** designed to **transfer powder into coated tablets** in development, pilot, clinical or other volumes **in a single compact unit, dosing and mixing, all in one line.**



Super High Yield Extraction (SHYE)

SHYE is **maximizing instant coffee yield by up to 70 %**. The extraction process offers **higher flavor quality** resulting in **enhanced taste** of instant coffee and **better utilization.**



Monobox

GEA Monobox provides the **greatest advantages in automated milking, accommodating up to 70 cows per box.** It allows for an individualized approach to **maximizing a farm's operational efficiency.**



OneGEA Transformation

Status of OneGEA transformation program and update on level of implementation of steering systems and IT excellence projects

Further strategic initiatives

Outline of ongoing projects such as Global Manufacturing Footprint and Procurement but also review of further strategic initiatives concerning topline growth, service, portfolio and further efficiencies in particular SG&A

Mid-term financial outlook

New mid-term financial outlook



engineering for
a better world