Press Release

GEA increases revenue as well as profitability and implements strategy program

Düsseldorf, July 29, 2015 – In the second quarter 2015 revenue of GEA exceeded the high level seen in the previous year by 3 percent. The service business demonstrated healthy growth. The order intake declined slightly due to the limited number of major orders. However, the basic business saw stable growth rates in both of GEA's business areas. GEA's operating profit improved again. This shows that the increases in efficiency resulting from the "Fit for 2020" program have begun to have an impact. Both operating EBITDA and the operating EBITDA margin hit all-time highs for a second quarter. Non-recurring expenses of about EUR 134 million were recognized in the reporting quarter. This figure includes restructuring expenses of around EUR 115 million for the "Fit for 2020" program. Consolidated profit in the last quarter was negative overall as a result of these substantial non-recurring expenses.

"Unfortunately, we were unable to escape the effects of the renewed decline in momentum in some of our markets in the reporting period. However, it is encouraging to see that our targeted measures are paying off and that we further increased profitability. For example, we have reduced our workforce by around 300 employees since the beginning of the year. This reduction is partly attributable to our "Fit for 2020" program. The workforce reduction and the initial recognition of material non-recurring expenses for this strategic project show that we are implementing it systematically. We are on track with this initiative," said GEA CEO Jürg Oleas.

In addition, three acquisitions were made in the past quarter, two of which have already been completed. With these acquisitions, which together generated revenue of almost EUR 100 million in 2014, GEA implements its strategy of closing gaps in technology by acquiring specialized companies, and of expanding the product portfolio in terms of covering all steps in the process.

In addition to its operating activities, GEA has made substantial progress with its strategic realignment as part of the "Fit for 2020" initiative in the second quarter, taking on a new group structure. On the basis of a simplified, harmonized, and more streamlined organization, the aim is not only to exploit existing substantial savings potential, but also, in particular, to create the organizational conditions that will ensure future competitiveness and implementation of GEA's growth targets.

In line with its current assessment, GEA expects that the forecast to date for the operating business in 2015 will be met, despite less dynamic growth. Assuming this, the dividend for fiscal year 2015 should not be less than the EUR 0.70 per share resolved last year, independent of expenses incurred under the "Fit for 2020" initiative.

GEA Group: Key IFRS figures

(EUR million)	Q2 2015	Q2 2014	Change in %	Q1-Q2 2015	Q1-Q2 2014	Change in %
Results of operations						
Order intake	1,148.8	1,169.9	–1.8	2,276.2	2,194.2	3.7
Revenue	1,150.1	1,117.7	2.9	2,156.5	2,068.3	4.3
Operating EBITDA [1]	139.3	128.0	8.8	237.4	213.2	11.4
as % of revenue	12.1	11.5	–	11.0	10.3	–
Operating EBIT [1]	119.8	109.3	9.6	198.6	176.1	12.7
as % of revenue	10.4	9.8	–	9.2	8.5	–
EBIT	–20.9	98.7	–	46.6	157.4	–70.4
Net assets						
Working capital intensity in % (average of the past 12 months)	12.3	11.9	–	12.3	11.9	–
Net liquidity (+)/Net debt (-)	603.4	–551.8	–	603.4	–551.8	–
Financial position						
Cash flow driver margin [2]	6.6	9.0	–	6.6	9.0	–
ROCE in % (goodwill adjusted) [3]	16.4	22.9	–	16.4	22.9	–
Full-time equivalents (reporting date)	17,975	18,186	–1.2	17,975	18,186	–1.2
GEA Shares						
Earnings per share before non-recurring items (EUR) [4]	0.43	0.42	3.2	0.67	0.65	2.6

1) Before effects of purchase price allocations and before one-offs
2) Cash flow driver = EBITDA - Capital expenditure - Change in Working Capital (average of the last 12 months)
3) Capital employed excluding goodwill from the acquisition of the former GEA AG by former Metallgesellschaft AG in 1999 (average of the last 12 months)
4) Calculated before non-recurring items using the corresponding tax rates for continuing and discontinued operations

About GEA

GEA is one of the largest suppliers for the food processing industry and a wide range of process industries that generated consolidated sales of approximately EUR 4.5 billion in 2014. As an international technology group, the Company focuses on process technology and components for sophisticated production processes in various end-user markets. The Group generates more than 70 percent of its revenue in the sustainably growing food industry. As of June 30, 2015, the Group employed about 18,000 people worldwide. GEA is a market and technology leader in its business areas. The Company is listed in Germany's MDAX stock index (G1A, WKN 660 200). In addition, GEA's share is a constituent of one of the MSCI Global Sustainability Indexes. Further information is available on the Internet at www.gea.com.

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