

## **GEA announces medium-term financial objectives**

- Future average organic growth in sales of 4-6%
- Operating EBIT margin between 13% and 16% from 2017 onwards
- Increase in the dividend payout ratio to 40-50%
- Preliminary order intake in Q3 2014: on par with the previous year at EUR 1,165m
- Preliminary sales in Q3 2014: up 5% on the previous year at EUR 1,147m

London/Düsseldorf, October 13, 2014 – On the occasion of this year's Capital Markets Day, GEA for the first time published detailed financial targets set until 2020. During this period, the Company intends to achieve a 4% to 6% average annual organic growth in sales. Once the full benefits of the savings generated in connection with the Group's restructuring that was decided in August of this year are realized, GEA aims at attaining an operating EBIT margin of between 13% and 16% from 2017 onwards. Accordingly, the Company seeks to achieve a cash flow driver margin of 12% to 15% as well as a ROCE of between 20% and 25% from this point onwards.

Regarding the use of the proceeds from the divestiture of Heat Exchangers that are expected to be transferred before long, the Executive Board reaffirmed its intention to undertake acquisitions in order to strengthen the Group's portfolio by adding applications in the food processing technology sector, and its aim to reduce debt levels in the near future. Furthermore, GEA has decided to sustainably raise its target dividend payout ratio from one third to a level of between 40% and 50%.

"In view of minimum annual savings of EUR 100m from the forthcoming group restructuring process that are expected to materialize as of 2017, we have set ourselves new ambitious medium-term growth and earnings targets. These objectives underline our focus on GEA's sustainable value enhancement", observed Jürg Oleas, CEO of GEA Group. "Certainly, the planned increase in the dividend payout ratio to between 40% and 50% of our net income will be attractive to our shareholders. Thus, from now on, our shareholders will receive a much higher share of GEA's profits than ever before."

In addition, GEA also published selected preliminary financial figures for the third quarter 2014. Order intake of EUR 1,165m was on par with the prior-year level. During the same period, sales were up 5% at EUR 1,147m. GEA's guidance for business development in 2014 was confirmed one more time.

## Financial Targets

	FY 2014 - 2020
CAGR Organic Sales growth FY 2014 - FY 2020	4% to 6% p.a.
	FY 2017 - 2020
Service to Sales Ratio	~30 %
Operating EBIT-Margin <sup>1</sup>	13 to 16 %
Working Capital to Sales Ratio	10 to 12 %
Capex to Sales Ratio	1.5 to 2.0 %
Cash Flow Driver Margin <sup>2</sup>	12 to 15 %
ROCE <sup>3</sup>	20 to 25 %
Net Effective Tax Rate	24 %
	Q3 2014
Preliminary Order Intake	EUR 1,165m
Preliminary Sales	EUR 1,147m

1) Operating EBIT = EBIT before ppa and one-off expenses

2) Cash Flow Driver Margin = [EBITDA – Capex -/+ Working Capital (LTM)] / Sales

3) Capital employed excluding goodwill from the acquisition of the former GEA AG by the former Metallgesellschaft AG in 1999

### About GEA Group

GEA Group Aktiengesellschaft is one of the largest suppliers of equipment for the food industry as well as a wide range of other process industries. As an international technology group, the Company focuses on process technology and components for sophisticated production processes. In 2013, GEA generated consolidated revenues in excess of EUR 4.3 billion, more than 70 percent of which came from the food sector, which is a long-term growth industry. The group employed about 18,000 people worldwide as of June 30, 2014. GEA Group is a market and technology leader in its business areas. It is listed in Germany's MDAX stock index (G1A, WKN 660 200) and the STOXX® Europe 600 Index. Further information is available on the Internet at: [www.gea.com](http://www.gea.com).

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