STEFAN KLEBERT, CEO MARCUS KETTER, CFO

# MISSION 26



29/09/2021

#### **GEA Group – a strong company**





#### **Five divisions ...**

Separation & Flow Technologies Liquid & Powder Technologies







Food & Healthcare Technologies

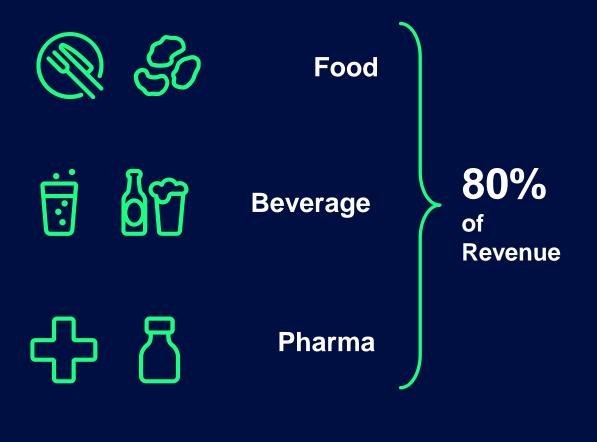


Farm Technologies

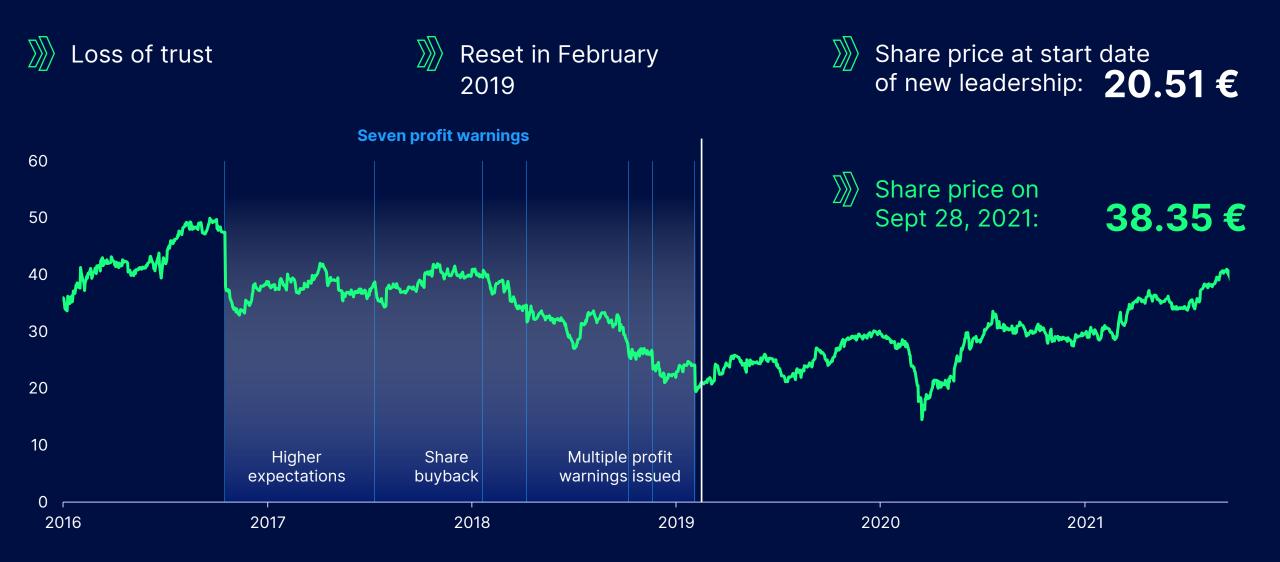


Refrigeration Technologies

# ... operating in attractive markets



#### Where do we come from?





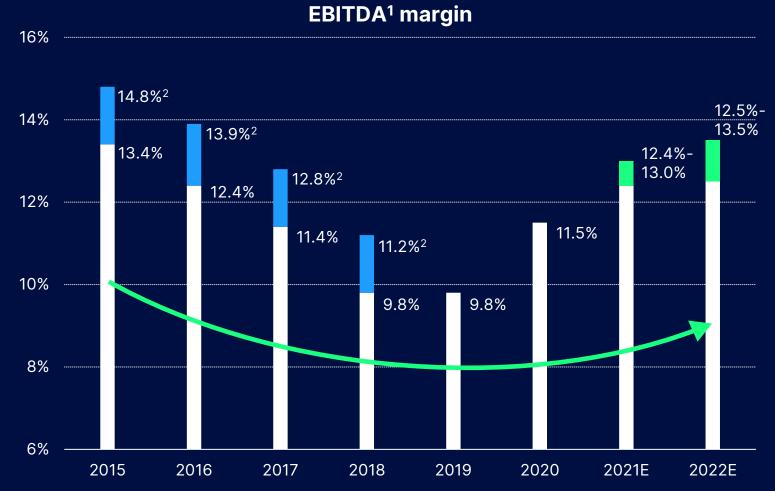
#### **Rebuilding trust – step by step** We delivered what we promised at CMD 2019







#### **GEA has achieved an impressive turnaround** We are back on track



<sup>1</sup> Before restructuring expenses

<sup>2</sup> Pro-forma EBITDA margin before restructuring expenses incl. €67m IFRS16 effect of FY 2019



#### **Upward trend continues** GEA fully on track to achieve 2022 targets





Our Commitment at CMD 2019 – EBITDA margin and NWC/sales targets raised in the meantime

<sup>1</sup> 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.

<sup>2</sup> Before restructuring expenses. Previous target range announced at CMD 2019: 11.5 to 13.5 percent.

<sup>3</sup> Previous target range announced at CMD 2019: 12.0 to 14.0 percent.



#### We have a clear plan for the future Mission 26: Accelerating profitable growth

#### 2019

- Optimization measures sucessfully implemented
- Creating the basis for profitable growth

#### 2022

 Accelerating profitable growth 2026

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#### Mission 26 Our well-established purpose

# Engineering for a better world.



#### Mission 26 Our new vision

We safeguard future generations by providing sustainable solutions for the nutrition and pharmaceutical industries



#### Mission 26 Ambitious financial targets

**Organic Sales CAGR<sup>1</sup> EBITDA** margin<sup>2</sup> ROCE<sup>2,3</sup> 4%-6% > 15% > 30% (FY 2020: 11.4%) (FY 2020: 17.1%) (FY 2020: EUR 4,635m)

<sup>1</sup> Currency and portfolio adjusted

<sup>2</sup> Before restructuring expenses; based on constant exchange rates

<sup>3</sup> Capital employed excluding EUR ~800m goodwill from the acquisition of the former GEA AG by former Metallgesellschaft AG in 1999 (average of the last 4 quarters)



#### Mission 26 Seven key levers





## Mission 26 Sustainability

- Comprehensive ESG strategy
- Greenhouse gas neutral since 2021
- Net Zero by 2040
- Interim targets for 2030 validated by SBTi



#### Our aim is to reach net zero by 2040 Bold climate action to support a net zero economy



<sup>1</sup> Science Based Targets Initiative (SBTi), globally recognized, independent institution for the review of climate targets, validation of GEA's interim targets was carried out by SBTi. <sup>2</sup> According to Climate Protection Act 2021/European Green Deal 2019



#### Holistic ESG approach with clear KPIs

EXEMPLARY

Sustainable Solutions	<b>Responsible Operations</b>		Employer of Choice
<b>100%</b> of our solutions will be offered with <b>Zero</b> freshwater use by <b>2030</b>	<b>50%</b> of total energy demand is covered by <b>certified energy management</b> <b>system</b> by <b>2026</b>		<b>80%</b> favorable rating to the question: "Would you recommend GEA as a good place to work?" in <b>internal employee survey</b> by <b>2026</b>
<b>100%</b> of packaging-related solutions use <b>sustainable packaging materials</b> by <b>2030</b>	GEA Group will donate <b>1%</b> of <b>net profit per</b> <b>year</b>		By <b>2026, female representation</b> in the top three management levels will be <b>21%</b>
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## Mission 26 Innovation & Digitalization

- Clear innovation strategy
- Significant increase of R&D spend
- Bundle digital competencies under new Chief Digital Officer





#### Higher R&D spending to accelerate innovation & growth

Share of sales from products less than 5 years old

30%

2026E

Planned development of R&D spending:



2021E-2026E







10%

2021E

## Mission 26 New Food

- Global new food trend opens up new market opportunities
- GEA optimally prepared to meet rising demand
- Market-leading position expected thanks to technological expertise and broad know-how

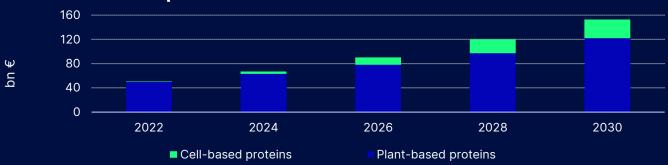




#### New Food - a dynamically growing market



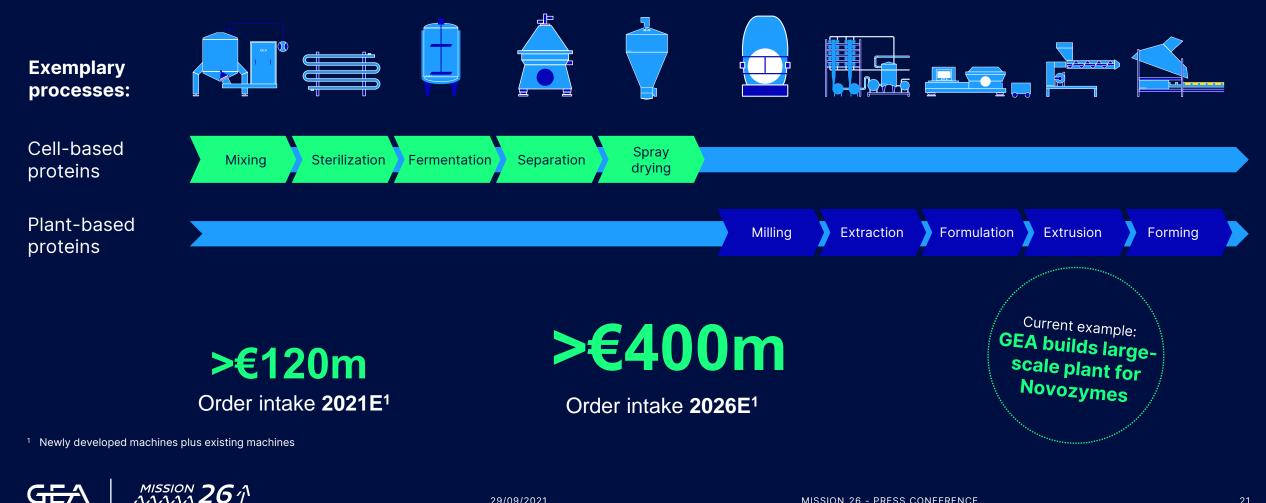
New food consumption



Source: GEA Market Intelligence, various market reports



#### GEA has a unique position as a complete line provider owning all relevant technologies



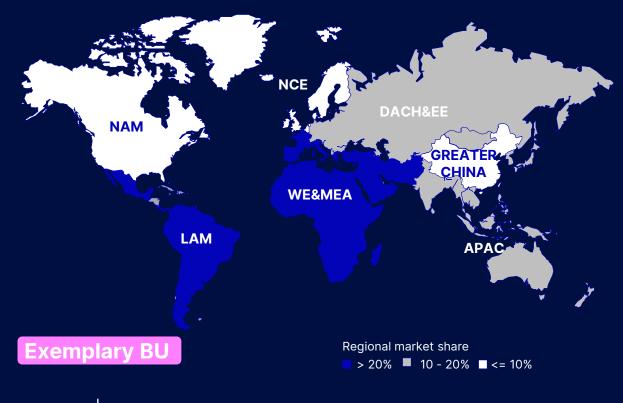
## Mission 26 Sales Excellence

- Ambition: Accelerating new machine sales growth to 4-5% (CAGR, 2021E-2026E)
- Fully leverage the potential of the
- region & country (R&C) organization
- Optimize route to market
- Manage performance





Global addressable market defined for each Business Unit Goal: Route to market optimization



#### Integrating all sales organizations into Regions & Countries organization (R&C)

Identifying white spots and growth opportunities per business unit

Defining go-to-market approach per business unit



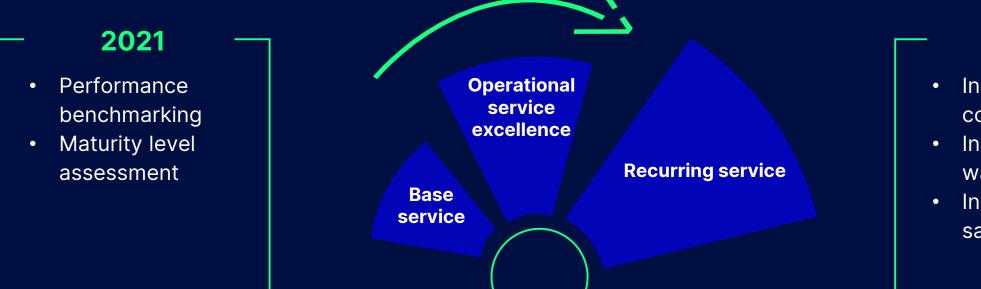
#### Mission 26 Service Excellence

- Ambition: Organic service growth of 5-6% (CAGR) until 2026
- Grow installed base coverage
- Expand recurring revenue streams to subscription-based business models





#### **Service: A resilient and highly profitable business** Our path to deliver organic service growth



#### 2026

- Increase service coverage
- Increase share of wallet
- Increase recurring sales

#### Service growth



## Mission 26 Operational Excellence

- 4 programs driving transition to best-in-class procurement
- 3 programs transforming GEA's production
- 4 programs optimizing the supply chain
- Result: EUR 150m savings impact on EBITDA between 2022 and 2026<sup>1</sup>

<sup>1</sup> 2021 baseline; impact of optimizations in procurement approx. EUR 90m and in production approx. EUR 60m







#### **Comprehensive transformation of Global Operations to sustainably elevate performance**

Reduce cost base

- Efficient operations & cost competitiveness
  - Countering price erosion and cost increases
    - Product cost optimization



- Customer-centricity
- Resilience and flexibility
- Gaining market share through cost competitiveness





Increased productivity
Shortened lead times
Lower cost base
Greater flexibility
Climate-neutral

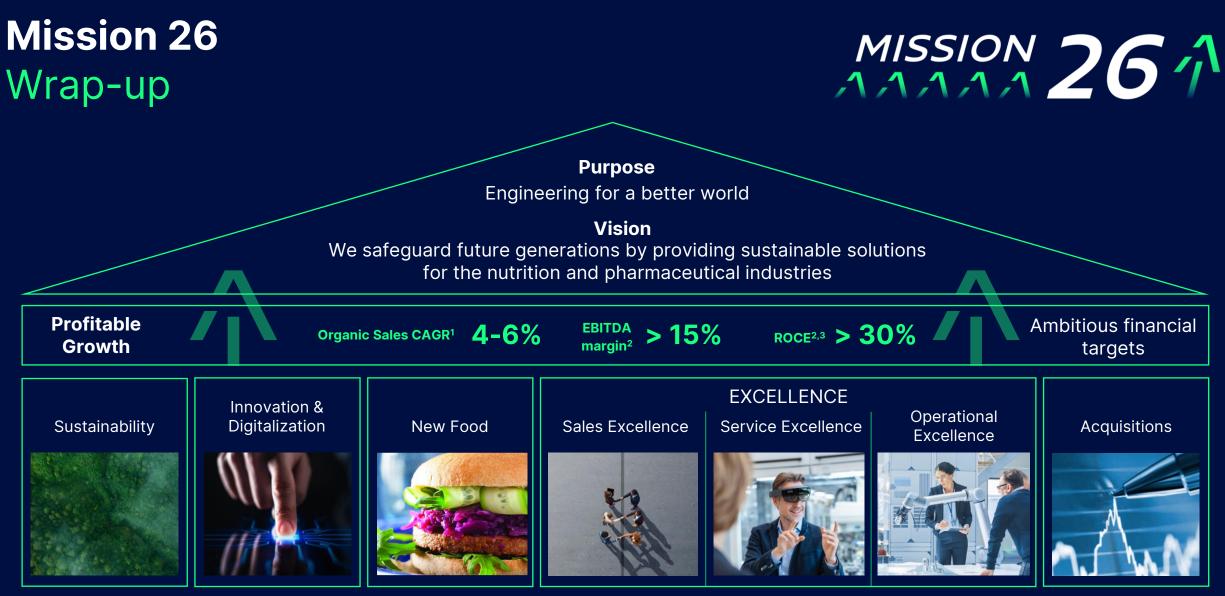




## Mission 26 Acquisitions

- Actively screening market opportunities
- Financial guardrails defined for value accretive transactions
- Healthy balance sheet enables external growth





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# GEA Group – on track for sustained success

Leading positions in attractive and growing food, beverage and pharma markets

Well-positioned to capture growth opportunities in New Food

Technology leadership

Strong commitment to sustainability

Clear plan for profitable growth

 Strong cash generation enables sustainable dividend increase

Proven track record of management team

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