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## GEA boosts profitability in second quarter of 2024

- Order intake down 3.5 percent in organic terms; reported order intake down 6.7 percent to EUR 1,289 million (Q2 2023: EUR 1,381 million)
- Organic revenue growth of 1.6 percent; reported revenue down by 1.4 percent to EUR 1,323 million (Q2 2023: EUR 1,342 million)
- EBITDA before restructuring expenses increased to EUR 200.6 million (Q2 2023: EUR 191.5 million); further significant increase in the corresponding EBITDA margin to 15.2 percent (Q2 2023: 14.3 percent)
- ROCE of 32.3 percent remains at high level (Q2 2023: 33.8 percent)
- Net working capital, at 9.1 percent of revenue, stable within target range of 8.0 to 10.0 percent (Q2 2023: 8.5 percent)
- Outlook raised for EBITDA margin and ROCE on July 10; revenue outlook confirmed
- GEA among the world's most sustainable companies according to TIME Magazine and Statista
- Rating agencies Moody's and Fitch raise GEA's credit rating

GEA once again increased profitability and significantly improved its EBITDA margin before restructuring expenses in the second quarter of 2024. On July 10, 2024, in view of the positive operating performance, the Executive Board raised the outlook for both the EBITDA margin and ROCE for the financial year 2024.

"In the first half of 2024, we once again demonstrated our ability to operate efficiently and successfully, even in difficult times," said CEO Stefan Klebert. "Our profitability again increased significantly and organic revenue growth remained stable. The market environment continues to be challenging, but we are confident about the second half of the year."

### Further organic revenue growth; expansion of profitable service business continues

Order intake in the second quarter of 2024 was down 6.7 percent to EUR 1,289.4 million (Q2 2023: EUR 1,381.4 million). The organic decrease was 3.5 percent. Growth in the Separation & Flow Technologies and Heating & Refrigeration Technologies divisions did not fully offset the decline in the other divisions. In terms of customer industries, notably Beverage, Dairy Processing and Food showed increases while the remaining customer industries were down.

Revenue decreased slightly in the reporting quarter by 1.4 percent to EUR 1,323.3 million (Q2 2023: EUR 1,342.2 million). On an organic basis, however, revenue grew by 1.6 percent. Currency translation effects reduced performance by around 3 percent. The Separation & Flow Technologies and Farm Technologies divisions contributed most to the organic growth. The share of the service business revenue, which has above-average profitability, expanded markedly to 38.9 percent (Q2 2023: 35.5 percent). All divisions contributed here.

## **Strong earnings performance continues in second quarter**

EBITDA before restructuring expenses improved by 4.7 percent to EUR 200.6 million in the second quarter, mainly due to the higher gross profit. The corresponding EBITDA margin grew significantly from 14.3 percent in the prior-year quarter to 15.2 percent. All divisions, with the exception of Farm Technologies, increased their EBITDA margin.

Profit for the period rose to EUR 98.8 million, compared to EUR 97.8 million in the second quarter of 2023. With a reduced number of shares, earnings per share increased from EUR 0.57 to EUR 0.59. At EUR 0.66, earnings per share before restructuring expenses were also up on the prior-year figure of EUR 0.62.

## **Net working capital remains within target range**

Net liquidity amounted to EUR 31.8 million as of the June 30, 2024 (June 30, 2023: EUR 65.1 million). The decrease mainly related to payouts for the share buyback program and the May 2024 dividend payment for the financial year 2023. Net working capital as a proportion of revenue, at 9.1 percent, remained stable within the target range of 8.0 to 10.0 percent (June 30, 2023: 8.5 percent).

Return on capital employed (ROCE) fell slightly to what is still a high level of 32.3 percent as of June 30, 2024 (June 30, 2023: ROCE of 33.8 percent). The decline was mainly due to the fact that capital employed increased by more than EBIT before restructuring expenses.

## **First half-year 2024 at a glance**

At EUR 2,654.4 million, order intake in the first half of the financial year 2024 was 10.4 percent below the prior-year figure of EUR 2,962.1 million. In organic terms, this corresponds to a decline of 6.8 percent. Revenue decreased slightly by 1.9 percent to EUR 2,564.5 million (H1 2023: EUR 2,613.1 million), but was 2.2 percent up in organic terms. The share of service business revenue increased to 38.5 percent (H1 2023: 36.0 percent). EBITDA before restructuring expenses rose by 4.9 percent to EUR 381.1 million (H1 2023: EUR 363.3 million). The corresponding EBITDA margin grew noticeably to 14.9 percent (H1 2023: 13.9 percent). Profit for the period improved by 5.5 percent to EUR 189.3 million (H1 2023: EUR 179.5 million). Earnings per share rose to EUR 1.12 (H1 2023: EUR 1.04); before restructuring expenses, earnings per share increased to EUR 1.25 (H1 2023: EUR 1.17).

## **Outlook raised for EBITDA margin and ROCE; revenue outlook confirmed**

On July 10, 2024, due to the positive operating performance in the first half of 2024, GEA significantly raised its outlook for the EBITDA margin before restructuring expenses in the financial year 2024. GEA now puts the outlook range at 14.9 to 15.2 percent (previously: 14.5 to 14.8 percent). In addition, the outlook for return on capital employed (ROCE) has been revised upward to between 32.0 and 35.0 percent (previously: 29.0 to 34.0 percent). The outlook for organic revenue growth remains unchanged at between 2.0 and 4.0 percent.

## **GEA is one of the world's most sustainable companies and ranks among the top 3 in Germany**

The prestigious TIME Magazine and Statista have determined the world's most sustainable companies of 2024. The top 500 out of 5,000 companies worldwide were assessed in detail against more than 20 sustainability criteria. GEA ranked 33rd globally and third in Germany.

## **Rating agencies Moody's and Fitch recognize GEA's improved financial and business profile**

GEA's credit rating has been assessed by international rating agencies Moody's and Fitch for many years. These have now acknowledged the improvement in the company's financial and business profile in recent years. In May 2024, Fitch confirmed its BBB credit rating for GEA and raised the outlook from stable to positive. Moody's lifted GEA's long-term rating in June 2024 from Baa2 to Baa1 and at the same time revised the outlook from positive to stable.

## Financial Key Figures of GEA

(EUR million)	Q2 2024 <sup>1</sup>	Q2 2023 <sup>1</sup>	Change in %	Q1-Q2 2024	Q1-Q2 2023	Change in %
<b>Results of operations</b>						
Order intake	1,289.4	1,381.4	-6.7	2,654.4	2,962.1	-10.4
Book-to-bill ratio	0.97	1.03	-	1.04	1.13	-
Order backlog	3,163.8	3,451.9	-8.3	3,163.8	3,451.9	-8.3
Revenue	1,323.3	1,342.2	-1.4	2,564.5	2,613.1	-1.9
Organic revenue growth <sup>2</sup>	1.6	9.4	-779 bp	2.2	11.5	-935 bp
Share of service revenue in %	38.9	35.5	332 bp	38.5	36.0	243 bp
EBITDA before restructuring expenses	200.6	191.5	4.7	381.1	363.3	4.9
as % of revenue	15.2	14.3	89 bp	14.9	13.9	96 bp
EBITDA	185.5	179.2	3.5	358.2	336.5	6.4
EBIT before restructuring expenses	151.1	147.4	2.5	284.0	275.2	3.2
EBIT	136.1	135.1	0.7	257.9	248.0	4.0
Profit for the period	98.8	97.8	1.0	189.3	179.5	5.5
ROCE in % <sup>3</sup>	32.3	33.8	-150 bp	32.3	33.8	-150 bp
<b>Financial position</b>						
Cash flow from operating activities	117.3	30.7	> 100	75.1	-18.6	-
Cash flow from investing activities	-34.1	-63.7	46.5	-49.3	-66.8	26.2
Free cash flow	83.3	-33.0	-	25.8	-85.4	-
<b>Net assets</b>						
Net working capital (reporting date)	486.1	457.5	6.3	486.1	457.5	6.3
as % of revenue (LTM)	9.1	8.5	63 bp	9.1	8.5	63 bp
Capital employed (reporting date) <sup>4</sup>	1,912.2	1,862.9	2.6	1,912.2	1,862.9	2.6
Equity	2,317.5	2,261.0	2.5	2,317.5	2,261.0	2.5
Equity ratio in %	40.8	39.6	124 bp	40.8	39.6	124 bp
Net liquidity (+)/Net debt (-) <sup>5</sup>	31.8	65.1	-51.1	31.8	65.1	-51.1
<b>GEA Shares</b>						
Earnings per share (EUR)	0.59	0.57	3.4	1.12	1.04	7.5
Earnings per share before restructuring expenses (EUR)	0.66	0.62	6.3	1.25	1.17	7.1
Market capitalization (EUR billion; reporting date) <sup>6</sup>	6.7	6.9	-2.9	6.7	6.9	-2.9
Employees (FTE; reporting date)	18,568	18,555	0.1	18,568	18,555	0.1
Total workforce (FTE; reporting date)	19,371	19,567	-1.0	19,371	19,567	-1.0

1) Additional information: not subject to external audit review

2) Adjusted for portfolio and currency translation effects.

3) EBIT before restructuring expenses of the last 12 months. Capital employed average of the last 4 quarters and excluding goodwill from the acquisition of the former GEA AG by former Metallgesellschaft AG in 1999.

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

5) Including lease liabilities of EUR 178.6 million as of June 30, 2024 (June 30, 2023: EUR 156.7 million).

6) The market capitalization include treasury shares; XETRA closing price as of June 28, 2023: EUR 38.90; XETRA closing price as of June 30, 2023: EUR 38.18

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### About GEA

GEA is one of the world's largest suppliers of systems and components to the food, beverage and pharmaceutical industries. The international technology group, founded in 1881, focuses on machinery and plants, as well as advanced process technology, components and comprehensive services. With more than 18,000 employees, the group generated revenues of about EUR 5.4 billion in more than 150 countries in the 2023 fiscal year. GEA plants, processes, components and services enhance the efficiency and sustainability of customer's production. They contribute significantly to the reduction of CO<sub>2</sub> emissions, plastic usage and food waste. In doing so, GEA makes a key contribution toward a sustainable future, in line with the company's purpose: "Engineering for a better world".

GEA is listed on the German MDAX the European STOXX® Europe 600 Index and is among the companies comprising the DAX 50 ESG, MSCI Global Sustainability as well as Dow Jones Sustainability World and Dow Jones Sustainability Europe Indices.

More information can be found online at [gea.com](https://www.gea.com).

If you do not want to receive any further information from GEA, please send an e-mail to [pr@gea.com](mailto:pr@gea.com).