

FOR IMMEDIATE RELEASE

Düsseldorf, March 7, 2024

GEA sees earnings rise again in fiscal year 2023 and proposes dividend increase

- Organic order intake growth of 0.8 percent; reported order intake down 3.7 percent to EUR 5,469 million (2022: EUR 5,679 million)
- Organic revenue up by 8.4 percent; on a reported basis, revenue rose 4.0 percent to EUR 5,373 million (2022: EUR 5,165 million)
- EBITDA before restructuring expenses up EUR 62 million to EUR 774 million (2022: EUR 712 million)
- EBITDA margin before restructuring expenses increased by 0.6 percentage points to 14.4 percent (2022: 13.8 percent)
- Return on capital employed (ROCE) further increased to 32.7 percent (2022: 31.8 percent)
- Net working capital as a percentage of revenue, at 6.4 percent (2022: 6.1 percent) significantly better than the target range of 8 to 10 percent
- Proposed further dividend increase to EUR 1.00 per share (2022: EUR 0.95)
- Positive outlook for fiscal year 2024: Organic revenue growth between 2 and 4 percent; EBITDA margin before restructuring expenses between 14.5 and 14.8 percent; ROCE between 29.0 and 34.0 percent

In an environment marked by geopolitical uncertainty, rising interest rates and negative exchange rate developments, GEA's business has continued to perform well, with a further improvement in its key financial figures and another dividend increase proposed. Adjusted for portfolio and currency translation effects, organic order intake grew by 0.8 percent. Reported order intake declined by 3.7 percent to EUR 5,469 million. Group revenue rose by 8.4 percent organically and by 4.0 percent on a reported basis to EUR 5,373 million. EBITDA before restructuring expenses rose by EUR 62 million to EUR 774 million. The corresponding EBITDA margin increased to 14.4 percent. Return on capital employed (ROCE) further improved to 32.7 percent. Net working capital as a percentage of revenue amounted to 6.4 percent.

"In the face of the numerous challenges in fiscal year 2023, we managed to further improve our key financial figures. This is yet again testament to our strength and resilience," says CEO Stefan Klebert. "We would not have achieved these results without our employees, whose extraordinary commitment is crucial to our success. I would like to thank each and every one of them for their vital contribution."

Slight uptick in organic order intake

In fiscal year 2023, order intake declined by 3.7 percent to EUR 5,469.4 million (2022: EUR 5,678.9 million), primarily due to negative currency translation effects of EUR 221 million. Organically, order intake rose by a slight 0.8 percent. Among the customer industries, beverage and new food recorded double-digit year-on-year growth, while other customer industries saw declines. In the course of the reporting year, GEA secured 13 large orders (volume over EUR 15 million) worth a total of EUR 386 million, notably in the beverage, new food, dairy and chemical customer industries.

Revenue rose by 4.0 percent to EUR 5,373.5 million (2022: EUR 5,164.7 million). At 8.4 percent, organic growth was even significantly higher, thus reaching the forecast level of more than 8.0 percent. All divisions contributed to this strong organic growth – in some cases recording double-digit growth rates. The share of the service business in total revenue also further improved to 36.1 percent (2022: 34.9 percent). This development was driven by almost all customer industries, with only new food and pharma recording year-on-year declines. Revenue growth was likewise registered in all regions, except for Asia-Pacific, where revenue was down on the prior-year level.

Virtually all divisions contributed to positive earnings performance

EBITDA before restructuring expenses rose by EUR 62 million, or 8.7 percent, to EUR 774.3 million (2022: EUR 712.0 million). In addition to improved gross profit, this is attributable to the slight decline in selling expenses and the disproportionately small increase in general administrative expenses. The corresponding EBITDA margin further improved to 14.4 percent (2022: 13.8 percent), reaching the forecast level of at least 14.0 percent. Virtually all divisions contributed to this positive performance, with only Food & Healthcare Technologies recording a temporary decline.

Group profit for fiscal year 2023 came to EUR 392.8 million (2022: EUR 401.4 million). The slight year-on-year decrease was due to the lower profit after tax from discontinued operations as well as higher income tax expenses. At EUR 2.28, earnings per share were on a par with the previous year. Earnings per share before restructuring expenses came to EUR 2.56, compared with EUR 2.58 the year before.

Under the new share buyback program launched in November 2023 (up to EUR 400 million by the beginning of 2025), a total of 1,451,583 shares had been repurchased for EUR 50 million by the end of December; these have since been held as treasury shares.

Net liquidity increased from EUR 346.4 million in the previous year to EUR 371.2 million. Net working capital as a percentage of revenue amounted to 6.4 percent, compared with 6.1 percent in the previous year, and thus remained significantly better than the target range of 8 to 10 percent.

The average capital employed over the last four quarters as of December 31, 2023 increased by EUR 110 million to EUR 1,776 million, largely as a result of an increase in non-current assets and the higher net working capital. At the same time, EBIT before restructuring expenses increased by a substantial 9.7 percent from EUR 529.1 million to EUR 580.6 million. Return on capital employed (ROCE) further improved from 31.8 percent to 32.7 percent. At constant exchange rates, ROCE was 33.1 percent, reaching the forecast level of over 32.0 percent.

Higher dividend of EUR 1.00 per share to be proposed to Annual General Meeting

Based on the good overall operating performance in fiscal year 2023 and in accordance with the company's dividend policy, the Executive Board and Supervisory Board will propose to the Annual General Meeting that the dividend be raised by EUR 0.05 compared with the previous year to EUR 1.00 per share.

GEA expects continued revenue and margin growth in 2024

Given the strong order backlog and current business performance, GEA anticipates organic revenue growth of 2.0 to 4.0 percent and an EBITDA margin before restructuring expenses of 14.5 to 14.8 percent in fiscal year 2024. With regard to ROCE, the company forecasts a figure of between 29.0 and 34.0 percent.

Medium-term financial targets through to 2026 confirmed

GEA has confirmed the medium-term targets set out in its Mission 26 growth strategy presented in September 2021. These see organic group revenue growing by an average of 4 to 6 percent annually up to 2026 (2023: 8.4 percent). By the end of 2026, the EBITDA margin before restructuring expenses is targeted to increase beyond 15 percent (2023: 14.4 percent) and ROCE to more than 30 percent (2023: 32.7 percent).

GEA affirms its role as sustainability pioneer

At its Annual General Meeting on April 30, 2024, GEA will be the first company in the DAX index family to present to shareholders its Climate Transition Plan 2040 for approval in the form of a consultative vote. In this way, shareholders are actively involved in GEA's transformation process to becoming a net-zero company. In addition, it means GEA is creating transparency regarding the specific interim targets and the corresponding measures. This step affirms GEA's role as a pioneer in the field of climate change mitigation. Further details about the Climate Transition Plan 2040 are available from today at gea.com/climateplan.

“For us, it is about both protecting the climate and ensuring GEA's long-term growth,” emphasizes CEO Stefan Klebert. “The future belongs to intelligent, low-emission solutions that save energy and conserve resources. We intend to continue to lead the way on this journey – giving ourselves and our customers an edge over the competition.”

GEA Key Financial Figures

(EUR million)	2023	2022	Change in %
Results of operations			
Order intake	5,469.4	5,678.9	-3.7
Book-to-bill ratio	1.02	1.10	–
Order backlog	3,116.6	3,192.7	-2.4
Revenue	5,373.5	5,164.7	4.0
Organic revenue growth in % ¹	8.4	8.9	-59 bps
Share of service revenue in %	36.1	34.9	127 bps
EBITDA before restructuring expenses	774.3	712.0	8.7
as % of revenue	14.4	13.8	62 bps
EBITDA	713.8	654.0	9.1
EBIT before restructuring expenses	580.6	529.1	9.7
EBIT	519.7	461.0	12.7
Profit for the period	392.8	401.4	-2.2
ROCE in % ²	32.7	31.8	93 bps
Financial position			
Cash flow from operating activities	537.5	471.6	14.0
Cash flow from investing activities	-200.6	-175.8	-14.1
Free cash flow	336.9	295.8	13.9
Net assets			
Net working capital (reporting date)	345.9	314.1	10.1
as % of revenue (LTM)	6.4	6.1	36 bps
Capital employed (reporting date) ³	1,673.1	1,590.1	5.2
Equity	2,397.7	2,280.9	5.1
Equity ratio in %	40.3	38.5	175 bps
Net liquidity (+)/Net debt (-) ⁴	371.2	346.4	7.2
GEA Shares			
Earnings per share (EUR)	2.28	2.28	-0.1
Earnings per share before restructuring expenses (EUR)	2.56	2.58	-1.0
Market capitalization (EUR billion; reporting date) ⁵	6.5	6.9	-5.8
Employees (FTE; reporting date)	18,773	18,236	2.9
Total workforce (FTE; reporting date)	19,562	19,255	1.6

1) Adjusted for portfolio and currency translation effects.




2) 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.

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

4) Including lease liabilities of EUR 154.8 million as of December 31, 2023 (prior year EUR 165.2 million).

5) The market capitalization includes treasury shares. XETRA closing price as of December 29, 2023: EUR 37.69; XETRA closing price as of December 30, 2022: EUR 38.20

NOTE TO EDITORS

- Further **information** about GEA
- Please visit GEA's **press website**
- GEA **images**
- Please visit our **feature's** section for information on current topics
- Follow GEA on   

Media Relations

Anne Putz
Peter-Müller-Str. 12, 40468 Düsseldorf, Germany
Phone +49 211 9136-1500
anne.putz@gea.com

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 CO₂ 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.