



QUARTERLY STATEMENT

Q1 2019 | January 1 to March 31, 2019

IFRS Key Figures of GEA

(EUR million)	Q1 2019	Q1 2018	Change in %
Results of operations			
Order intake	1,186.3	1,102.6	7.6
Revenue	1,057.3	1,039.4	1.7
EBITDA before restructuring measures ¹	74.6	76.8	-2.8
as % of revenue	7.1	7.4	-
EBIT before restructuring measures ¹	27.0	28.0	-3.6
as % of revenue	2.6	2.7	-
EBIT	21.7	23.5	-7.8
Net assets			
Working capital intensity in % (average of the last 4 quarters)	17.2	15.5	-
Net liquidity (+)/Net debt (-)	-155.3	-162.9	4.7
Financial position			
ROCE in % (goodwill adjusted) ²	12.0	16.6	-
Full-time equivalents (reporting date)	18,718	18,073	3.6
GEA shares			
Earnings per share (EUR) ³	0.17	0.02	> 100

1) Before effects from restructuring (see Annual Report 2018, page 28 ff.); pro-forma figures for Q1 2018 incl. IFRS 16 effects from 2019.

2) Capital employed excluding goodwill from the acquisition of the former GEA AG by former Metallgesellschaft AG in 1999 (average of the last 4 quarters); pro-forma figures for Q1 2018 incl. IFRS 16 effects from 2019.

3) 2019 incl. interest income of around EUR 26 million due to an adjustment in the method of calculating interest when measuring provisions for long-term liabilities (see page 9).

GEA confirms guidance for 2019 and introduces measures to improve earnings in Business Area Solutions

Düsseldorf-based engineering group GEA posted order intake of around EUR 1.2 billion for the first quarter of 2019, a rise of 7.6 percent. With a slight increase of 1.7 percent to around EUR 1.1 billion, revenue was slightly up on the previous year – North and Central Europe, Asia Pacific and North America being the principal motors of growth. Apart from the Compression product group and the Dairy application center, all areas recorded growth. Service business in the Business Area Equipment posted above-average growth, leading to a rise in profit margins in this area. In contrast, a decline in the gross margin, higher selling expenses, and risk provisioning adversely affected the result of the Business Area Solutions. At EUR 74.6 million, group EBITDA before restructuring measures was around EUR 2.8 percent below the figure – adjusted for IFRS 16 – for the same quarter of the previous year. The return on capital employed (ROCE) was 12 percent in the first quarter. Both indicators, ROCE and EBITDA before restructuring measures, were in line with expectations. In order to create more transparency and comparability, GEA revised its management system for the current fiscal year. Therefore, as of this quarter, GEA has been applying the customary market indicators of EBITDA before restructuring measures, and ROCE.

“GEA made a solid start to 2019. The Business Area Equipment managed to increase earnings in the first quarter, thanks largely to higher revenues and a disproportionate increase in service business. As announced in March, we have now drawn up further measures to counter the decline in earnings in the Business Area Solutions in the short term, this following the personnel changes already introduced there,” said Stefan Klebert, CEO of GEA Group Aktiengesellschaft.

They include measures to address the issue of overcapacity in the short term – notably in the field of dairy processing – and the fixing of selective underperforming businesses. According to initial estimates, between 200 and 250 full time equivalents will be affected by the cuts at various locations around the world.

“These measures are the result of analyses conducted in recent weeks, and aim solely to optimize the operative business side of the Business Area Solutions. The provisions set aside for the planned restructuring will amount to between EUR 30 and 45 million and will probably be posted in the second quarter of the year. All in all, we can confirm our forecast for the 2019 financial year,” said Stefan Klebert.

At the same time, GEA is working on plans to restructure the future organization of the group, which is to be communicated on June 24.

Course of Business

Order intake

Order intake (EUR million)	Q1 2019	Q1 2018	Change in %
BA Equipment	683.0	701.4	-2.6
BA Solutions	573.4	462.0	24.1
Consolidation/others	-70.1	-60.8	-15.2
GEA	1,186.3	1,102.6	7.6

- 7.6 percent year-on-year increase in order intake, especially in orders above EUR 5 million
- Growth mainly in North and Central Europe, Asia Pacific as well as in Germany, Austria, Switzerland (DACH) & Eastern Europe
- Business Area Equipment: all told, fall in order intake compared with the good prior-year figure
- Business Area Solutions: gratifying growth in projects above EUR 5 million
- Two major orders (in excess of EUR 15 million) for a coffee and a dairy project in Western Europe with a combined volume of around EUR 38 million (previous year: no major orders)

Order intake ¹ GEA	Change Q1/2019 to Q1/2018	Share ² of order intake in %
PG Food Processing & Packaging; Pasta, Extrusion & Milling		10
PG Separation, Homogenizers, Flow Components, Compression		25
PG Milking & Dairy Farming		15
Business Area Equipment		50
APC Dairy		10
APC Beverage		10
APC Food		10
APC Utilities		10
APC Pharma		5
APC Chemical		5
Business Area Solutions		50
GEA		100

> 5 percentage points
 1 to 5 percentage points
 1 to -1 percentage points
 -1 to -5 percentage points
 < -5 percentage points








1) External business only; PG = Product Group(s), APC = Application Center
 2) Split rounded to nearest 5%.






Revenue

Revenue (EUR million)	Q1 2019	Q1 2018	Change in %
BA Equipment	599.7	592.2	1.3
BA Solutions	518.8	504.0	2.9
Consolidation/others	-61.2	-56.8	-7.8
GEA	1,057.3	1,039.4	1.7













- Q1 revenue up around 1.7 percent on previous year
- Revenue growth principally in North and Central Europe, Asia Pacific and North America
- Rise in revenue in virtually all product groups and application centers






Revenue by regions GEA

	Change Q1/2019 to Q1/2018	Share of revenue in %
Asia Pacific		22
DACH & Eastern Europe		21
North America		18
Western Europe, Middle East & Africa		16
North and Central Europe		15
Latin America		7
GEA		100

 > 5 percentage points
  1 to 5 percentage points
  1 to -1 percentage points
  -1 to -5 percentage points
  < -5 percentage points

Revenue¹ GEA

	Change Q1/2019 to Q1/2018	Share ² of revenue in %
PG Food Processing & Packaging; Pasta, Extrusion & Milling		15
PG Separation, Homogenizers, Flow Components, Compression		25
PG Milking & Dairy Farming		15
Business Area Equipment		50
APC Dairy		10
APC Beverage		10
APC Food		10
APC Utilities		10
APC Pharma		5
APC Chemical		5
Business Area Solutions		50
GEA		100

 > 5 percentage points
  1 to 5 percentage points
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  -1 to -5 percentage points
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1) External business only; PG = Product Group(s), APC = Application Center

2) Split rounded to nearest 5%.

Results of operations

- EBITDA before restructuring measures EUR 2.2 million down on figure for same quarter of previous year (adjusted for effects from initial application of IFRS 16 “Leases”)
- Business Area Equipment: improvement in earnings, largely due to higher revenue and disproportionate increase in service business; all told, increase in corresponding margin of more than 145 basis points
- Business Area Solutions: EBITDA before restructuring measures EUR 9.1 million under comparable prior-year level; slight decline in gross margin and drop in earnings due to higher selling expenses

Reconciliation of operating EBITDA to EBITDA before restructuring measures (EUR million)	Q1 2018*
Operating EBITDA	66.6
Strategic projects	-5.7
EBITDA before restructuring measures	60.9
IFRS 16 effect (“Leases”)	15.9
EBITDA before restructuring measures	76.8

*) Pro-forma figures for Q1 2018 incl. IFRS 16 effects from 2019.

EBITDA before restructuring measures/EBITDA margin before restructuring measures (EUR million)	Q1 2019	Q1 2018*	Change in %
BA Equipment	82.7	73.1	13.2
as % of revenue	13.8	12.3	-
BA Solutions	-1.4	7.7	-
as % of revenue	-	1.5	-
Consolidation/others	-6.8	-4.0	-
GEA	74.6	76.8	-2.8
as % of revenue	7.1	7.4	-

*) Pro-forma figures for Q1 2018 incl. IFRS 16 effects from 2019.

Reconciliation of EBITDA before restructuring measures to EBIT before restructuring measures (EUR million)	Q1 2019	Q1 2018	Change in %
EBITDA before restructuring measures*	74.6	76.8	-2.8
Restructuring measures	-5.3	-3.5	-
IFRS 16 effect	-	-15.9	-
EBITDA	69.3	57.3	20.9
Depreciation of impairment losses on property, plant, and equipment, and investment property, and amortization of and impairment losses on intangible assets and goodwill, as reported in the statement of changes in non-current assets	-47.6	-33.8	-
EBIT	21.7	23.5	-7.8
Restructuring measures	5.3	3.5	-
IFRS 16 effect	-	1.0	-
EBIT before restructuring measures*	27.0	28.0	-3.6

*) Pro-forma figures for Q1 2018 incl. IFRS 16 effects from 2019.

Return on capital employed

Return on Capital Employed	03/31/2019	03/31/2018	03/31/2018 ¹⁾
EBIT before restructuring measures (last 4 quarters; EUR million)	306.8	364.3	365.2
Capital employed (average of the last 4 quarters; EUR million) ²⁾	2,548.4	2,162.0	2,206.0
Return on capital employed (ROCE; in %)	12.0	16.8	16.6

1) Pro-forma figures for Q1 2018 incl. IFRS 16 effects from 2019.

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

Significant Changes

- On March 13, 2019, the Supervisory Board of GEA Group Aktiengesellschaft and Niels Erik Olsen, member of GEA's Executive Board, agreed on an early termination of his service agreement, which is due to expire on December 31, 2021. Niels Erik Olsen stepped down from his mandate with immediate effect. CEO Stefan Klebert took over the lead of Business Area Solutions in addition to his other responsibilities.

Outlook 2019

The outlook for 2019 published in the 2018 Annual Report is confirmed. The forecast is based, among other things, on the assumption that there will be no significant slowdown in global economic growth. Potential acquisitions and divestments in 2019 have not been factored into the calculation.

With regard to the 2019 fiscal year, GEA expects

- revenue moderately below the previous year's level (EUR 4,828 million),
- an EBITDA before restructuring measures of between EUR 450 and 490 million (previous year: pro-forma figure incl. IFRS 16 effects from 2019: approx. EUR 535 million),
- a ROCE of between 8.5 and 10.5 percent (previous year: pro-forma figure incl. IFRS 16 effects from 2019: approx. 11.5 percent).

Düsseldorf, May 9, 2019

Consolidated Balance Sheet

as of March 31, 2019

Assets (EUR thousand)	03/31/2019	12/31/2018	Change in %
Property, plant and equipment	697,471	518,706	34.5
Investment property	3,215	2,354	36.6
Goodwill	1,759,246	1,755,290	0.2
Other intangible assets	472,099	482,672	-2.2
Equity-accounted investments	5,899	11,883	-50.4
Other non-current financial assets	50,465	38,283	31.8
Deferred taxes	321,448	306,082	5.0
Non-current assets	3,309,843	3,115,270	6.2
Inventories	833,096	741,344	12.4
Contract assets	439,735	462,787	-5.0
Trade receivables	872,841	923,884	-5.5
Income tax receivables	41,808	40,214	4.0
Other current financial assets	237,611	183,968	29.2
Cash and cash equivalents	227,277	247,900	-8.3
Assets held for sale	880	3,700	-76.2
Current assets	2,653,248	2,603,797	1.9
Total assets	5,963,091	5,719,067	4.3

Equity and liabilities (EUR thousand)	03/31/2019	12/31/2018	Change in %
Subscribed capital	520,376	520,376	-
Capital reserve	1,217,861	1,217,861	-
Retained earnings	655,919	647,950	1.2
Accumulated other comprehensive income	91,513	62,681	46.0
Equity attributable to shareholders of GEA Group AG	2,485,669	2,448,868	1.5
Non-controlling interests	568	568	-
Equity	2,486,237	2,449,436	1.5
Non-current provisions	131,829	157,235	-16.2
Non-current employee benefit obligations	826,185	791,262	4.4
Non-current financial liabilities	383,047	305,246	25.5
Non-current contract liabilities	265	364	-27.2
Other non-current liabilities	23,496	23,744	-1.0
Deferred taxes	102,055	103,008	-0.9
Non-current liabilities	1,466,877	1,380,859	6.2
Current provisions	145,717	160,770	-9.4
Current employee benefit obligations	153,667	164,245	-6.4
Current financial liabilities	185,622	28,472	> 100
Trade payables	646,354	723,334	-10.6
Current contract liabilities	661,427	622,948	6.2
Income tax liabilities	25,625	31,152	-17.7
Other current liabilities	191,565	157,851	21.4
Current liabilities	2,009,977	1,888,772	6.4
Total equity and liabilities	5,963,091	5,719,067	4.3

Consolidated Income Statement

for the period January 1 – March 31, 2019

(EUR thousand)	Q1 2019	Q1 2018	Change in %
Revenue	1,057,313	1,039,363	1.7
Cost of sales	759,087	753,196	0.8
Gross margin	298,226	286,167	4.2
Selling expenses	143,414	125,641	14.1
Research and development expenses	21,819	16,259	34.2
General and administrative expenses	115,602	125,756	-8.1
Other income	80,349	135,284	-40.6
Other expenses	74,860	131,050	-42.9
Net result from impairment and reversal of impairment on financial assets and contract assets	-1,799	-	-
Share of profit or loss of equity-accounted investments	387	511	-24.3
Other financial income	236	275	-14.2
Earnings before interest and tax (EBIT)	21,704	23,531	-7.8
Interest income*	10,710	1,033	> 100
Interest expense	6,763	12,858	-47.4
Profit before tax from continuing operations	25,651	11,706	> 100
Income taxes	5,900	2,458	> 100
Profit after tax from continuing operations	19,751	9,248	> 100
Profit or loss after tax from discontinued operations*	10,433	-5,874	-
Profit for the period	30,184	3,374	> 100
thereof attributable to shareholders of GEA Group AG	30,188	3,314	> 100
thereof attributable to non-controlling interests	-4	60	-

*) 2019 incl. interest income of around EUR 26 million due to an adjustment in the method of calculating interest when measuring provisions for long-term liabilities; around EUR 10 million of this figure was net interest income, while EUR 16 million was attributable to earnings from discontinued operations.
The adjustment in the method of calculating interest is a change in an accounting estimate according to IAS 8.36.

(EUR)	Q1 2019	Q1 2018	Change in %
Basic and diluted earnings per share from continuing operations	0.11	0.05	> 100
Basic and diluted earnings per share from discontinued operations	0.06	-0.03	-
Basic and diluted earnings per share*	0.17	0.02	> 100
Weighted average number of ordinary shares used to calculate basic and diluted earnings per share (million)	180.5	180.6	-0.1

*) 2019 incl. interest income of around EUR 26 million due to an adjustment in the method of calculating interest when measuring provisions for long-term liabilities. The adjustment in the method of calculating interest is a change in an accounting estimate according to IAS 8.36.

Consolidated Cash Flow Statement

for the period January 1 – March 31, 2019

(EUR thousand)	Q1 2019	Q1 2018
Profit for the period	30,184	3,374
plus income taxes	5,900	2,458
minus profit or loss after tax from discontinued operations	-10,433	5,874
Profit before tax from continuing operations	25,651	11,706
Net interest income	-3,947	11,825
Earnings before interest and tax (EBIT)	21,704	23,531
Depreciation, amortization, impairment losses, and reversal of impairment losses on non-current assets	47,562	33,794
Other non-cash income and expenses	2,730	1,554
Employee benefit obligations from defined benefit pension plans	-10,503	-10,293
Change in provisions and other employee benefit obligations	2,900	-6,956
Losses and disposal of non-current assets	-492	-261
Change in inventories including unbilled construction contracts*	-55,109	-90,565
Change in trade receivables	66,442	80,592
Change in trade payables	-94,158	-85,641
Change in other operating assets and liabilities	-1,865	-29,849
Tax payments	-18,185	-17,666
Cash flow from operating activities of continued operations	-38,974	-101,760
Cash flow from operating activities of discontinued operations	-828	-1,161
Cash flow from operating activities	-39,802	-102,921
Proceeds from disposal of non-current assets	941	227
Payments to acquire property, plant and equipment, and intangible assets	-22,561	-19,043
Payments from non-current financial assets	-4,251	-
Interest income	564	679
Dividend income	131	61
Payments to acquire subsidiaries and other businesses	-	-23,434
Cash flow from investing activities of continued operations	-25,176	-41,510

(EUR thousand)	Q1 2019	Q1 2018
Cash flow from investing activities of discontinued operations	-230	-55
Cash flow from investing activities	-25,406	-41,565
Payments for acquisition of treasury shares	-	-20,953
Payments from finance leases	-16,744	-1,003
Proceeds from finance loans	60,075	-
Proceeds from bond issue	-	249,500
Repayments of finance loans	-	-107,015
Interest payments	-3,691	-729
Cash flow from financing activities of continued operations	39,640	119,800
Cash flow from financing activities of discontinued operations	-6	-54
Cash flow from financing activities	39,634	119,746
Effect of exchange rate changes on cash and cash equivalents	4,957	-1,262
Change in unrestricted cash and cash equivalents	-20,617	-26,002
Unrestricted cash and cash equivalents at beginning of period	247,475	249,493
Unrestricted cash and cash equivalents at end of period	226,858	223,491
Restricted cash and cash equivalents	419	313
Cash and cash equivalents total	227,277	223,804

*) Including advanced payments received.

Consolidated Statement of Changes in Equity

as of March 31, 2019

(EUR thousand)	Subscribed capital ¹	Capital reserves	Retained earnings ²	Accumulated other comprehensive income			Equity attributable to shareholders of GEA Group AG	Non-controlling interests	Total
				Translation of foreign operations	Result from fair value measurement of financial instruments	Result of cash flow hedges			
Balance at Jan. 1, 2018 (181,026,744 shares)	489,372	1,217,861	756,412	38,749	-502	-	2,501,892	1,191	2,503,083
Adjustments IFRS 9	-	-	-1,032	-	-	-	-1,032	-	-1,032
Adjustments IFRS 15 ³	-	-	-2,842	-	-	-	-2,842	-	-2,842
Adjusted balance at Jan. 1, 2018³	489,372	1,217,861	752,538	38,749	-502	-	2,498,018	1,191	2,499,209
Profit for the period	-	-	3,314	-	-	-	3,314	60	3,374
Other comprehensive income	-	-	3,778	-24,855	502	-	-20,575	-	-20,575
Total comprehensive income	-	-	7,092	-24,855	502	-	-17,261	60	-17,201
Purchase of treasury shares	-1,445	-	-19,508	-	-	-	-20,953	-	-20,953
Adjustment hyperinflation	-	-	-	-	-	-	-	-	-
Change in other non-controlling interests	-	-	-	-	-	-	-	1	1
Balance at March 31, 2018 (180,492,172 shares)³	487,927	1,217,861	740,122	13,894	-	-	2,459,804	1,252	2,461,056
Balance at Jan. 1, 2019 (180,492,172 shares)	520,376	1,217,861	647,950	62,681	-	-	2,448,868	568	2,449,436
Profit for the period	-	-	30,188	-	-	-	30,188	-4	30,184
Other comprehensive income	-	-	-22,234	28,832	-	-	6,598	-	6,598
Total comprehensive income	-	-	7,954	28,832	-	-	36,786	-4	36,782
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Adjustment hyperinflation ⁴	-	-	15	-	-	-	15	-	15
Change in other non-controlling interests	-	-	-	-	-	-	-	4	4
Balance at March 31, 2019 (180,492,172 shares)	520,376	1,217,861	655,919	91,513	-	-	2,485,669	568	2,486,237

1) As of 03/31/2018 issued capital.

2) The purchase price allocation for the Pavan group acquired in the previous year was finalized in the fourth quarter of 2018 resulting in changes to the comparative figures as of December 31, 2017.

3) The first time adoption effect according to IFRS 15 has been adjusted in the fourth quarter of 2018 due to new insights resulting in changes to the comparative figures as of March 31, 2018.

4) Effect of accounting for hyperinflation in Argentina according to IAS 29.

Financial Calendar



Half-yearly Financial Report
for the period to June 30, 2019



Quarterly Statement
for the period to September 30, 2019

The GEA Stock: Key data

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Bloomberg code G1A.GR
Xetra G1A.DE

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This quarterly statement includes forward-looking statements on GEA Group Aktiengesellschaft, its subsidiaries and associates, and on the economic and political conditions that may influence the business performance of GEA. All these statements are based on assumptions made by the Executive Board using information available to it at the time. Should these assumptions prove to be wholly or partly incorrect, or should further risks arise, actual business performance may differ from that expected. The Executive Board therefore cannot assume any liability for the statements made.

Note regarding the rounding of figures

Due to the commercial rounding of figures and percentages, small deviations may occur.

Note to the quarterly statement

This quarterly statement is the English translation of the original German version. In case of deviations between these two, the German version prevails.



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GEA is one of the largest technology suppliers for food processing and a wide range of other industries. The global group specializes in machinery, plants, as well as process technology and components. GEA provides sustainable solutions for sophisticated production processes in diverse end-user markets and offers a comprehensive service portfolio.

The company is listed on the German MDAX (G1A, WKN 660 200), the STOXX® Europe 600 Index and selected MSCI Global Sustainability Indexes.

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