



QUARTERLY STATEMENT

Q3 2019 | July 1 to September 30, 2019

GEA posts increase in order intake and revenue in Q3 2019, raising revenue outlook slightly for 2019

Slight increase in **2019 forecast** for revenue, outlook for EBITDA before restructuring measures and ROCE confirmed again

Order intake (EUR 1.25 billion) in Q3 up on the previous year, both for GEA as a whole and for the two Business Areas

Book-to-bill ratio of 1.02 in the third quarter

Strong **revenue** data (EUR 1.23 billion) again in the quarter under review, both for GEA as a whole and the two Business Areas; further growth (8 percent) in service business

EBITDA before restructuring measures

(EUR 143 million) slightly below previous year's level due to impact of special effects (around EUR 3 million)

Net financial position (EUR –263 million) improved by around EUR 70 million compared to the previous year

Johannes Giloth appointed to the board as **new COO** with effect from January 20, 2020

IFRS Key Figures of GEA

(EUR million)	Q3 2019	Q3 2018	Change in %	Q1-Q3 2019	Q1-Q3 2018	Change in %
Results of operations						
Order intake	1,254.8	1,197.2	4.8	3,587.8	3,682.7	-2.6
Book-to-bill ratio	1.02	1.01	-	1.01	1.07	-
Order backlog	2,435.6	2,550.1	-4.5	2,435.6	2,550.1	-4.5
Revenue	1,234.7	1,188.9	3.9	3,539.3	3,455.3	2.4
EBITDA before restructuring measures ¹	143.1	145.2	-1.4	328.9	363.8	-9.6
as % of revenue	11.6	12.2	-	9.3	10.5	-
EBITDA (IFRS)	138.5	120.8	14.7	308.9	300.7	2.7
EBIT before restructuring measures ¹	93.6	92.4	1.4	178.2	211.8	-15.9
as % of revenue	7.6	7.8	-	5.0	6.1	-
EBIT (IFRS)	88.8	84.7	4.8	148.7	195.8	-24.0
EBT (IFRS)	81.3	78.4	3.8	141.6	172.2	-17.8
Profit for the period (IFRS) ²	59.8	60.0	-0.3	115.4	128.5	-10.2
ROCE in % (goodwill adjusted) ³	10.5	14.6	-	10.5	14.6	-
Net assets						
Net working capital (reporting date)	941.1	904.4	4.1	941.1	904.4	4.1
as % of revenue (LTM)	19.2	18.9	-	19.2	18.9	-
Capital employed (reporting date)	2,733.5	2,576.0	6.1	2,733.5	2,576.0	6.1
Equity	2,379.6	2,476.1	-3.9	2,379.6	2,476.1	-3.9
Equity ratio in %	39.6	40.5	-	39.6	40.5	-
Leverage ⁴	0.6 x	0.7 x	-	0.6 x	0.7 x	-
Net liquidity (+)/Net debt (-)	-262.9	-330.7	20.5	-262.9	-330.7	20.5
Financial position						
Cash flow from operating activities	117.9	48.6	> 100	110.8	-35.8	-
Cash flow from investing activities	-28.1	-27.8	-1.1	-76.5	-84.9	9.9
Free cash flow	89.8	20.7	> 100	34.3	-120.8	-
GEA shares						
Earnings per share (EUR) ²	0.33	0.33	-0.1	0.64	0.71	-10.1
Weighted average number of shares outstanding (million)	180.5	180.5	-	180.5	180.5	-0.0
Market capitalization (EUR billion; reporting date)	4.5	5.5	-19.3	4.5	5.5	-19.3
Employees (FTE; reporting date)	18,820	18,535	1.5	18,820	18,535	1.5

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

2) First half of 2019 incl. interest income of EUR 32.7 million due to adjustment of the interest calculation method used to measure provisions for long-term liabilities (see Half-yearly Financial Report 2019, page 36).

3) 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 2018 incl. IFRS 16 effects from 2019.

4) Total net debt / cons. EBITDA based on frozen GAAP (covenant concept).

GEA in the Third Quarter of 2019

In the third quarter of 2019, GEA generated order intake of EUR 1,255 million, bettering the previous year's figure of EUR 1,197 million by around 5 percent; both Business Areas contributed to the positive development. GEA succeeded in increasing its order volume in basic business and major projects. While growth especially in the Food and Pharma industries was weaker, GEA posted a significant increase in orders in the Separation, Homogenizers, Flow Components and Compression product groups. Particularly gratifying was the rise in order intake in the beverages area. However, the weaker second quarter in 2019 meant that order intake for the first nine months of the year was almost 3 percent down on the value for the previous year.

Third-quarter revenue of EUR 1,235 million constituted an increase of around 4 percent on the 2018 figure of EUR 1,189 million. Here too, both Business Areas managed to post further increases in revenue. While Chemicals and Pharma performed less well, revenues in Separation, Homogenizers, Flow Components and Compression, and again in Dairy and Utilities, grew considerably. GEA also managed to increase revenue from its high-margin service business (EUR 396 million) in the quarter under review, recording marked growth of around 8 percent. In the first nine months of the year, consolidated revenues at GEA were up by more than 2 percent on the corresponding period of the previous year.

Healthy revenue figures coupled with stable order intake mean that GEA has been able to increase its previous revenue forecast slightly. Whereas the revenue outlook given in the 2018 Annual Report was moderately below the previous year's level (2018: EUR 4,828 million), the company is now looking at a figure for 2019 on par with 2018.

Due to the negative impact of certain special effects (EUR 3 million), EBITDA before restructuring measures (EUR 143 million) was somewhat below the previous year's level (EUR 145 million; including proforma IFRS 16 effect for 2019 of around EUR 18 million). Had these special effects not materialized, GEA's earnings would have been just above the respective prior-year figure. In the Business Area Equipment, special effects relating to the settlement of a legal dispute impaired

earnings to the tune of around EUR 4 million. Without these additional costs, earnings at the Business Area Equipment would have reached the previous year's level. In contrast, earnings at the Business Area Solutions grew by more than 14 percent. All told, GEA's EBITDA before restructuring measures amounted to around EUR 329 million in the first three quarters of the year (previous year: EUR 364 million). In total, the special effects impacted this figure negatively in the first nine months by around EUR 47 million as compared to the same period of the previous year.

Net working capital of EUR 941 million at September 30, 2019, was just above the prior-year value. A fall in payables coupled with lower trade receivables conspired to produce a value of around 19 percent for net working capital intensity.

Owing to a considerably positive free cash flow, GEA managed to improve its net financial position (EUR -263 million) by almost EUR 70 million compared with the same period of the previous year (EUR -331 million). In the past 12 months, GEA generated consolidated cash inflows of almost EUR 297 million adjusted for dividend payments (EUR 153 million), restructuring (EUR 64 million), and discontinued operations (EUR 10 million).

ROCE (Return on Capital Employed) for the last four quarters to September 30, 2019, was 10.5 percent compared with 14.6 percent at the end of the same quarter of the previous year (pro-forma figures incl. IFRS 16 effect from 2019). This fall was mainly a result of the decline in EBIT before restructuring measures, which, in turn, was impacted by the special effects mentioned above, among other factors.

New, medium-term financial targets to 2022

At the Capital Markets Day held on September 26, 2019, GEA presented new, medium-term financial targets for the Group as a whole and its five future divisions (see page 8).

Management

The Supervisory Board of GEA Group Aktiengesellschaft has appointed Johannes Giloth (49) to the company's Executive Board with effect from January 20, 2020, where he will be responsible for the new executive mandate of Procurement, Production and Logistics. Johannes Giloth joined GEA from the telecommunications group Nokia, where he was Chief Procurement and Chief Supply Chain Officer for several years, successfully implementing projects to digitalize the group's procurement and supply-chain organizations.

Optimization of procurement, production and IT, extended restructuring measures, and planned disposals

As announced at the Capital Markets Day in September, GEA is looking to streamline its global production footprint in addition to optimizing procurement operations. Furthermore, GEA intends to boost operating efficiency by eliminating around 800 full-time positions worldwide by the end of 2020. This includes the headcount reduction of around 220 positions already largely implemented at the Business Area Solutions in the course of restructuring. In addition, GEA intends to sell selected business operations within the future Farm Technologies and Refrigeration Technologies divisions. This will allow the Group to continue to focus on its strategic core markets: the food, chemical and pharmaceuticals industries. At the same time, GEA intends to exit low-margin activities with less synergy potential and that do not belong to the aforementioned core industries. In the area of refrigeration technology, therefore, GEA is examining the option of selling the compressor manufacturer GEA Bock. The strategic measures will be underpinned by investments in state-of-the-art IT systems and the rollout of a global, standardized ERP system.

Stable dividend

Despite restructuring and measures to boost earnings, GEA intends to pay a stable dividend in 2019. Fundamentally, GEA continues to strive to maintain its previous dividend level.

Settlement of legal dispute

In June 2019, jurors at a civil court awarded damages against GEA Mechanical Equipment US, Inc. in the first instance. That legal dispute has now been settled out of court. The parties agreed not to disclose the amount agreed, but it was – as GEA had expected – significantly below the damages awarded in the first instance. All claims by the plaintiffs are now settled.

Report on Economic Position

Course of business

Order intake

Order intake (EUR million)	Q3 2019	Q3 2018	Change in %	Q1-Q3 2019	Q1-Q3 2018	Change in %
BA Equipment	672.3	623.9	7.8	2,015.8	2,013.5	0.1
BA Solutions	665.1	627.6	6.0	1,795.4	1,845.0	-2.7
Consolidation/others	-82.6	-54.4	-51.9	-223.4	-175.8	-27.1
GEA	1,254.8	1,197.2	4.8	3,587.8	3,682.7	-2.6

- Third-quarter order intake 4.8 percent – or, when adjusted for currency translation effects – 3.3 percent up on previous year
- Both Business Areas post rise in order intake
- Book-to-bill ratio of 1.02 in the third quarter
- Main sources of growth were the regions of North America, as well as Germany, Austria, Switzerland (DACH) & Eastern Europe, each recording double-digit increases
- Weaker development in Food and Pharma contrasted with a significant rise in order intake in the Separation, Homogenizers, Flow Components and Compression product groups, and, notably, in Beverages
- Gratifying growth especially in basic business (orders of below EUR 1 million) and large orders (those in excess of EUR 15 million)
- Six large orders totaling around EUR 122 million (Q3 2018: EUR 79 million) secured in Europe, North and Latin America, as well as in Asia Pacific comprising three dairy projects, two in the beverages sector, and one in the meat processing industry
- Due to the poor second quarter, order intake for the first nine months of the year was down 2.6 percent on the value for the previous year (drop of 3.4 percent when adjusted for currency translation effects)

Order intake¹ GEA

	Change Q3/2019 to Q3/2018	Change Q1-Q3 2019 to Q1-Q3 2018	Share ² of order intake in % Q1-Q3 2019
PG Food Processing & Packaging; Pasta, Extrusion & Milling	↓	↓	10
PG Separation, Homogenizers, Flow Components, Compression	↑	↑	30
PG Milking & Dairy Farming	↓	↓	15
Business Area Equipment	↔	↔	50
APC Dairy	↓	↓	10
APC Beverage	↑	↑	10
APC Food	↓	↓	5
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)	Q3 2019	Q3 2018	Change in %	Q1-Q3 2019	Q1-Q3 2018	Change in %
BA Equipment	687.1	650.5	5.6	1,957.9	1,895.9	3.3
BA Solutions	614.2	598.0	2.7	1,775.5	1,735.4	2.3
Consolidation/others	-66.7	-59.7	-11.7	-194.1	-176.0	-10.3
GEA	1,234.7	1,188.9	3.9	3,539.3	3,455.3	2.4

- Third-quarter revenue 3.9 percent up on the prior-year figure (2.4 percent when adjusted for currency translation effects)
- Further rise in share of service revenue: from 30.7 percent in the prior-year quarter up to 32.1 percent in the quarter under review
- Revenue growth principally in Asia Pacific, Western Europe, Middle East and Africa, as well as in North and Central Europe, some of these regions recording double-digit increases
- Weaker showing by Chemicals and Pharma more than offset by high revenue growth in the Separation, Homogenizers, Flow Components and Compression product groups, and in Dairy and Utilities
- Revenue in the first nine months of 2019 up 2.4 percent on the prior-year figure (1.5 percent when adjusted for currency translation effects)

Revenue by regions GEA

	Change Q3/2019 to Q3/2018	Change Q1-Q3 2019 to Q1-Q3 2018	Share of revenue in % Q1-Q3 2019
Asia Pacific	↑	↑	23
DACH & Eastern Europe	↓	↓	20
North America	↔	↔	18
Western Europe, Middle East & Africa	↑	↓	17
North and Central Europe	↑	↑	14
Latin America	↔	↔	8
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 Q3/2019 to Q3/2018	Change Q1-Q3 2019 to Q1-Q3 2018	Share ² of revenue in % Q1-Q3 2019
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	↓	↓	5
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%.

Results of operations

- Third-quarter EBITDA before restructuring measures down slightly (EUR 2.1 million) on figure for same quarter of previous year (adjusted for effects from initial application of IFRS 16 “Leases”); not including special effects, earnings would be slightly above prior-year level
- Business Area Equipment: EBITDA before restructuring in third quarter down EUR 3.6 million on previous year; disproportionate growth in low-margin product groups and declining margins in new machinery business; not including impact of a special effects item (EUR 3.9 million) relating to the settlement of a legal dispute, earnings would be on par with previous year
- Business Area Solutions: EUR 5.9 million improvement in EBITDA before restructuring measures largely due to project optimization in the area of milk processing; slight reduction (EUR 0.9 million) in funds established in the first half of the year to cover exposures from legacy projects; corresponding EBITDA margin rose by around 80 basis points
- EBITDA before restructuring measures in the first nine months of 2019 EUR 34.9 million below the comparable prior-year value; EBITDA margin before restructuring measures down by around 120 basis points to 9.3 percent; this data includes special effects totaling EUR 47 million compared with the same period of the previous year

Reconciliation of operating EBITDA to EBITDA before restructuring measures (EUR million)	Q3 2018	Q1-Q3 2018
Operating EBITDA	137.6	337.1
Strategic projects	-9.8	-22.0
Realization of step-up amounts on inventories	-0.2	-0.7
EBITDA before restructuring measures	127.5	314.4
IFRS 16 effect (“Leases”)	17.7	49.4
EBITDA before restructuring measures*	145.2	363.8

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

EBITDA before restructuring measures/EBITDA margin before restructuring measures (EUR million)	Q3 2019	Q3 2018*	Change in %	Q1-Q3 2019	Q1-Q3 2018*	Change in %
BA Equipment	112.3	116.0	-3.1	274.9	286.9	-4.2
as % of revenue	16.3	17.8	-	14.0	15.1	-
BA Solutions	46.7	40.8	14.4	77.9	92.8	-16.1
as % of revenue	7.6	6.8	-	4.4	5.3	-
Consolidation/others	-16.0	-11.6	-37.4	-23.9	-15.9	-49.7
GEA	143.1	145.2	-1.4	328.9	363.8	-9.6
as % of revenue	11.6	12.2	-	9.3	10.5	-

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

Reconciliation of EBITDA before restructuring measures to EBIT before restructuring measures (EUR million)	Q3 2019	Q3 2018	Change in %	Q1-Q3 2019	Q1-Q3 2018	Change in %
EBITDA before restructuring measures*	143.1	145.2	-1.4	328.9	363.8	-9.6
Restructuring measures	-4.6	-6.7	-	-20.1	-13.7	-
IFRS 16 effect	-	-17.7	-	-	-49.4	-
EBITDA (IFRS)	138.5	120.8	14.7	308.9	300.7	2.7
Depreciation and 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	-49.7	-36.1	-	-160.2	-104.9	-
EBIT (IFRS)	88.8	84.7	4.8	148.7	195.8	-24.0
Restructuring measures	4.9	6.7	-	29.4	13.7	-
IFRS 16 effect	-	0.9	-	-	2.3	-
EBIT before restructuring measures*	93.6	92.4	1.4	178.2	211.8	-15.9

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

ROCE (Return on Capital Employed)

Return on capital employed (ROCE)	09/30/2019	09/30/2018	09/30/2018 ¹
EBIT before restructuring measures (EUR million) ²	275.5	377.1	379.5
Capital employed (EUR million) ³	2,630.3	2,464.0	2,592.2
Return on capital employed (in %)	10.5	15.3	14.6

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

2) EBIT before restructuring measures of the last 4 quarters.

3) Average of the last 4 quarters; capital employed excluding goodwill from the acquisition of the former GEA AG by former Metallgesellschaft AG in 1999.

Report on Change in Forecast

GEA confirms its forecasts for the key earnings indicators of EBITDA before restructuring measures and ROCE as ventured in the 2018 Annual Report, and has opted to raise its revenue prognosis for 2019 slightly. GEA now expects the following figures for the 2019 fiscal year:

- Revenue on par with previous year, the figure presented in the 2018 Annual Report having been slightly below the previous year's value (2018: EUR 4,828 million),
- EBITDA before restructuring still between EUR 450 and 490 million (previous year: plus pro-forma figure of EUR 59 million for IFRS 16 effects, and less EUR 42 million for strategic projects (not incl. restructuring projects): approx. EUR 535 million),
- ROCE again between 8.5 and 10.5 percent (previous year: pro-forma figure incl. IFRS 16 effects from 2019: approx. EUR 11.5 percent).

As before, 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.

Medium-term financial targets to 2022

As presented at the Capital Markets Day on September 26, 2019, GEA expects to achieve the following medium-term financial targets for the Group as a whole:

- Consolidated revenues to grow by an average of 2.0-3.0 percent per year to 2022,
- EBITDA margin before restructuring measures to reach a target corridor of 11.5-13.5 percent by 2022,
- Capex to reach a target corridor of 2.5-3.5 percent of revenue between 2020 and 2022,
- Net working capital intensity to be reduced considerably to a value of 12.0-14.0 percent by 2022.

Further changes

With an eye to enhancing enterprise value sustainably in the future, in March 2019 GEA used the publication of its 2018 Annual Report to announce initial steps aimed at reorganizing the Group. These measures went ahead as planned in the first three quarters of 2019 and will be pursued with renewed vigor in the fourth. In this context, the Executive Board will review the steering concept in the fourth quarter.

Thereby, GEA cannot exclude the occurrence of non-cash expenses, operative or restructuring expenses.

Düsseldorf, October 24, 2019

Consolidated Balance Sheet

as of September 30, 2019

Assets (EUR thousand)	9/30/2019	12/31/2018	Change in %
Property, plant and equipment	684,631	518,706	32.0
Investment property	2,411	2,354	2.4
Goodwill	1,762,076	1,755,290	0.4
Other intangible assets	451,551	482,672	-6.4
Equity-accounted investments	6,953	11,883	-41.5
Other non-current financial assets	48,578	38,283	26.9
Deferred taxes	334,132	306,082	9.2
Non-current assets	3,290,332	3,115,270	5.6
Inventories	836,491	741,344	12.8
Contract assets	493,357	462,787	6.6
Trade receivables	870,348	923,884	-5.8
Income tax receivables	43,149	40,214	7.3
Other current financial assets	245,684	183,968	33.5
Cash and cash equivalents	229,789	247,900	-7.3
Assets held for sale	151	3,700	-95.9
Current assets	2,718,969	2,603,797	4.4
Total assets	6,009,301	5,719,067	5.1

Equity and liabilities (EUR thousand)	9/30/2019	12/31/2018	Change in %
Subscribed capital	520,376	520,376	-
Capital reserve	1,217,861	1,217,861	-
Retained earnings	531,671	647,950	-17.9
Accumulated other comprehensive income	109,160	62,681	74.2
Equity attributable to shareholders of GEA Group AG	2,379,068	2,448,868	-2.9
Non-controlling interests	570	568	0.4
Equity	2,379,638	2,449,436	-2.8
Non-current provisions	128,595	157,235	-18.2
Non-current employee benefit obligations	904,212	791,262	14.3
Non-current financial liabilities	414,364	305,246	35.7
Non-current contract liabilities	597	364	64.0
Other non-current liabilities	24,596	23,744	3.6
Deferred taxes	102,051	103,008	-0.9
Non-current liabilities	1,574,415	1,380,859	14.0
Current provisions	182,077	160,770	13.3
Current employee benefit obligations	169,510	164,245	3.2
Current financial liabilities	258,310	28,472	> 100
Trade payables	613,840	723,334	-15.1
Current contract liabilities	636,993	622,948	2.3
Income tax liabilities	18,042	31,152	-42.1
Other current liabilities	176,476	157,851	11.8
Current liabilities	2,055,248	1,888,772	8.8
Total equity and liabilities	6,009,301	5,719,067	5.1

Consolidated Income Statement

for the period July 1 – September 30, 2019

(EUR thousand)	Q3 2019	Q3 2018	Change in %
Revenue	1,234,695	1,188,882	3.9
Cost of sales	854,447	839,789	1.7
Gross profit	380,248	349,093	8.9
Selling expenses	150,114	144,727	3.7
Research and development expenses	20,812	20,173	3.2
General and administrative expenses	117,047	103,002	13.6
Other income	100,970	53,030	90.4
Other expenses	104,097	47,468	> 100
Net result from impairment and reversal of impairment on trade receivables and contract assets	106	-2,340	-
Share of profit or loss of equity-accounted investments	238	507	-53.1
Other financial income	2	-8	-
Other financial expenses	702	214	> 100
Earnings before interest and tax (EBIT)	88,792	84,698	4.8
Interest income	-70	938	-
Interest expense	7,378	7,278	1.4
Profit before tax from continuing operations	81,344	78,358	3.8
Income taxes	18,709	16,455	13.7
Profit after tax from continuing operations	62,635	61,903	1.2
Profit or loss after tax from discontinued operations	-2,815	-1,921	-46.5
Profit for the period	59,820	59,982	-0.3
thereof attributable to shareholders of GEA Group AG	59,818	59,892	-0.1
thereof attributable to non-controlling interests	2	90	-97.8

(EUR)	Q3 2019	Q3 2018	Change in %
Basic and diluted earnings per share from continuing operations	0.35	0.34	1.3
Basic and diluted earnings per share from discontinued operations	-0.02	-0.01	-46.5
Basic and diluted earnings per share	0.33	0.33	-0.1
Weighted average number of ordinary shares used to calculate basic and diluted earnings per share (million)	180.5	180.5	-

Consolidated Income Statement

for the period January 1 – September 30, 2019

(EUR thousand)	Q1-Q3 2019	Q1-Q3 2018	Change in %
Revenue	3,539,299	3,455,279	2.4
Cost of sales	2,507,937	2,455,951	2.1
Gross profit	1,031,362	999,328	3.2
Selling expenses	450,572	414,032	8.8
Research and development expenses	68,705	57,441	19.6
General and administrative expenses	343,370	345,173	-0.5
Other income	237,192	300,023	-20.9
Other expenses	249,583	283,586	-12.0
Net result from impairment and reversal of impairment on trade receivables and contract assets	-7,585	-4,689	-61.8
Share of profit or loss of equity-accounted investments	875	874	0.1
Other financial income	96	718	-86.6
Other financial expenses	981	214	> 100
Earnings before interest and tax (EBIT)	148,729	195,808	-24.0
Interest income	13,365	3,229	> 100
Interest expense	20,526	26,854	-23.6
Profit before tax from continuing operations	141,568	172,183	-17.8
Income taxes	32,561	36,158	-9.9
Profit after tax from continuing operations	109,007	136,025	-19.9
Profit or loss after tax from discontinued operations	6,398	-7,521	-
Profit for the period	115,405	128,504	-10.2
thereof attributable to shareholders of GEA Group AG	115,404	128,411	-10.1
thereof attributable to non-controlling interests	1	93	-98.9

(EUR)	Q1-Q3 2019	Q1-Q3 2018	Change in %
Basic and diluted earnings per share from continuing operations	0.60	0.75	-19.8
Basic and diluted earnings per share from discontinued operations	0.04	-0.04	-
Basic and diluted earnings per share	0.64	0.71	-10.1
Weighted average number of ordinary shares used to calculate basic and diluted earnings per share (million)	180.5	180.5	-0.0

Consolidated Cash Flow Statement

for the period July 1 – September 30, 2019

(EUR thousand)	Q3 2019	Q3 2018
Profit for the period	59,820	59,982
plus income taxes	18,709	16,455
minus profit or loss after tax from discontinued operations	2,815	1,921
Profit before tax from continuing operations	81,344	78,358
Net interest income	7,448	6,340
Earnings before interest and tax (EBIT)	88,792	84,698
Depreciation, amortization, impairment losses, and reversal of impairment losses on non-current assets	49,747	36,122
Other non-cash income and expenses	6,101	4,514
Employee benefit obligations from defined benefit pension plans	-10,502	-10,293
Change in provisions and other employee benefit obligations	34,989	41,734
Losses and disposal of non-current assets	191	-173
Change in inventories including unbilled construction contracts*	593	-90,018
Change in trade receivables	10,610	1,947
Change in trade payables	-39,378	-1,296
Change in other operating assets and liabilities	-10,753	2,623
Tax payments	-12,450	-21,304
Cash flow from operating activities of continued operations	117,940	48,554
Cash flow from operating activities of discontinued operations	-1,588	-861
Cash flow from operating activities	116,352	47,693
Proceeds from disposal of non-current assets	362	661
Payments to acquire property, plant and equipment, and intangible assets	-29,620	-28,707
Payments from non-current financial assets	-112	-
Interest income	731	616
Dividend income	493	100
Payments to acquire subsidiaries and other businesses	-	-497
Cash flow from investing activities of continued operations	-28,146	-27,827
Cash flow from investing activities of discontinued operations	1,824	-30
Cash flow from investing activities	-26,322	-27,857

(EUR thousand)	Q3 2019	Q3 2018
Dividend payments	26	-
Payments from lease liabilities (Prior year: Payments from finance leases)	-16,407	-1,081
Proceeds from finance loans	14,637	61,421
Repayments of finance loans	-87,000	-66,725
Interest payments	-3,329	-1,734
Cash flow from financing activities of continued operations	-92,073	-8,119
Cash flow from financing activities of discontinued operations	4	-24
Cash flow from financing activities	-92,069	-8,143
Effect of exchange rate changes on cash and cash equivalents	1,242	-2,390
Change in unrestricted cash and cash equivalents	-797	9,303
Frei verfügbare flüssige Mittel zum Quartalsanfang	230,584	269,112
Unrestricted cash and cash equivalents at end of period	229,787	278,415
Restricted cash and cash equivalents	24	1,839
Cash and cash equivalents total	229,811	280,254
less cash and cash equivalents classified as held for sale	-22	-16,771
Cash and cash equivalents reported in the balance sheet	229,789	263,483

*) Including advanced payments received.

Consolidated Cash Flow Statement

for the period January 1 – September 30, 2019

(EUR thousand)	Q1-Q3 2019	Q1-Q3 2018
Profit for the period	115,405	128,504
plus income taxes	32,561	36,158
minus profit or loss after tax from discontinued operations	-6,398	7,521
Profit before tax from continuing operations	141,568	172,183
Net interest income	7,161	23,625
Earnings before interest and tax (EBIT)	148,729	195,808
Depreciation, amortization, impairment losses, and reversal of impairment losses on non-current assets	160,156	104,911
Other non-cash income and expenses	17,024	10,357
Employee benefit obligations from defined benefit pension plans	-31,507	-30,879
Change in provisions and other employee benefit obligations	52,948	25,801
Losses and disposal of non-current assets	-29	-539
Change in inventories including unbilled construction contracts*	-137,659	-228,170
Change in trade receivables	70,080	-8,193
Change in trade payables	-123,398	-32,345
Change in other operating assets and liabilities	-6,327	-24,114
Tax payments	-39,230	-48,470
Cash flow from operating activities of continued operations	110,787	-35,833
Cash flow from operating activities of discontinued operations	-3,378	-5,393
Cash flow from operating activities	107,409	-41,226
Proceeds from disposal of non-current assets	1,341	1,434
Payments to acquire property, plant and equipment, and intangible assets	-75,615	-72,308
Payments from non-current financial assets	-4,357	-263
Interest income	1,410	1,879
Dividend income	692	1,722
Payments to acquire subsidiaries and other businesses	-	-17,401
Cash flow from investing activities of continued operations	-76,529	-84,937
Cash flow from investing activities of discontinued operations	-6,339	-329
Cash flow from investing activities	-82,868	-85,266

(EUR thousand)	Q1-Q3 2019	Q1-Q3 2018
Dividend payments	-153,392	-153,418
Payments for acquisition of treasury shares	-	-24,022
Payments from lease liabilities (Prior year: Payments from finance leases)	-47,065	-3,073
Proceeds from finance loans	252,146	268,388
Proceeds from bond issue	-	249,500
Repayments of finance loans	-88,100	-173,740
Interest payments	-10,525	-3,275
Cash flow from financing activities of continued operations	-46,936	160,360
Cash flow from financing activities of discontinued operations	-2	-92
Cash flow from financing activities	-46,938	160,268
Effect of exchange rate changes on cash and cash equivalents	4,709	-4,854
Change in unrestricted cash and cash equivalents	-17,688	28,922
Unrestricted cash and cash equivalents at beginning of period	247,475	249,493
Unrestricted cash and cash equivalents at end of period	229,787	278,415
Restricted cash and cash equivalents	24	1,839
Cash and cash equivalents total	229,811	280,254
less cash and cash equivalents classified as held for sale	-22	-16,771
Cash and cash equivalents reported in the balance sheet	229,789	263,483

*) Including advanced payments received.

Consolidated Statement of Changes in Equity

as of September 30, 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	-	502	-	-530	-	-530
Adjustments IFRS 15 ³	-	-	-2,842	-	-	-	-2,842	-	-2,842
Adjustment Hyperinflation ⁴	-	-	77	-	-	-	77	-	77
Adjusted balance at Jan. 1, 2018³	489,372	1,217,861	752,615	38,749	-	-	2,498,597	1,191	2,499,788
Profit for the period	-	-	128,411	-	-	-	128,411	93	128,504
Other comprehensive income	-	-	12,375	10,774	-	1	23,150	-	23,150
Total comprehensive income	-	-	140,786	10,774	-	1	151,561	93	151,654
Purchase of treasury shares	-1,445	-	-19,508	-	-	-	-20,953	-	-20,953
Redemption of shares	32,449	-	-32,449	-	-	-	-	-	-
Dividend payment by GEA Group AG	-	-	-153,418	-	-	-	-153,418	-	-153,418
Adjustment Hyperinflation ⁴	-	-	320	-	-	-	320	-	320
Changes in combined Group	-	-	-	-	-	-	-	-	-
Change in other non-controlling interests	-	-	-	-	-	-	-	-722	-722
Balance at September 30, 2018 (180,492,172 shares)³	520,376	1,217,861	688,346	49,523	-	1	2,476,107	562	2,476,669
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	-	-	115,404	-	-	-	115,404	1	115,405
Other comprehensive income	-	-	-79,413	46,479	-	-	-32,934	-	-32,934
Total comprehensive income	-	-	35,991	46,479	-	-	82,470	1	82,471
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Redemption of shares	-	-	-	-	-	-	-	-	-
Dividend payment by GEA Group AG	-	-	-153,418	-	-	-	-153,418	-	-153,418
Adjustment Hyperinflation ⁴	-	-	1,333	-	-	-	1,333	-	1,333
Changes in combined Group	-	-	-185	-	-	-	-185	-	-185
Change in other non-controlling interests	-	-	-	-	-	-	-	1	1
Balance at September 30, 2019 (180,492,172 shares)	520,376	1,217,861	531,671	109,160	-	-	2,379,068	570	2,379,638

1) As of 01/01/2018 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 of the previous year.

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

Financial Calendar



Annual Report
2019



Annual Shareholders' Meeting
for 2019



Quarterly Statement
for the period to March 31, 2020



Half-yearly Financial Report
for the period to June 30, 2020



Quarterly Statement
for the period to September 30, 2020

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Ratio 1:1

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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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Excellence • Passion • Integrity • Responsibility • GEA-versity

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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