

# Tradition · Innovation · Change

**Heidelberger Druckmaschinen AG – FY 2023/24 Analyst and Investor conference**

Dr. Ludwin Monz, CEO | Tania von der Goltz, CFO | June 11, 2024



# Disclaimer

This release contains forward-looking statements based on assumptions and estimations by the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft. Even though the Management Board is of the opinion that those assumptions and estimations are realistic, the actual future development and results may deviate substantially from these forward-looking statements due to various factors, such as changes in the macro-economic situation, in the exchange rates, in the interest rates and in the print media industry. Heidelberger Druckmaschinen Aktiengesellschaft gives no warranty and does not assume liability for any damages in case the future development and the projected results do not correspond with the forward-looking statements contained in this presentation.



 **FY 2023/24 at a glance**

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Business and financial review

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Value Creation Program

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Outlook

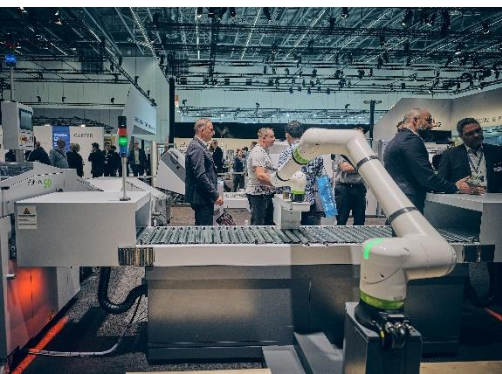
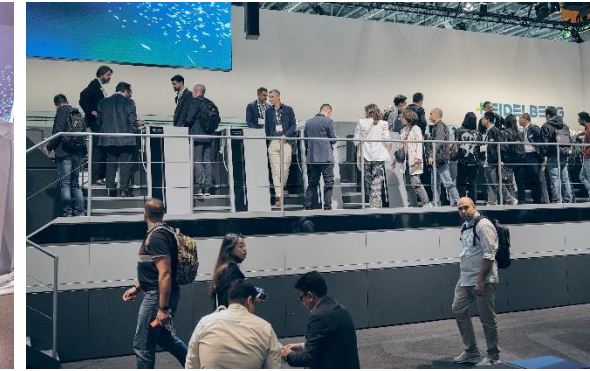
FY 2023/24 – delivered on promised results.

**Guidance achieved: Financial discipline paved the way for a successful year.**

Orders received	Net sales	Adj. EBITDA in % Net sales <sup>1</sup>	Free Cashflow
<p><i>No guidance</i></p> <p><b>€ 2,228m</b></p> <p><i>Fx-adj. 2,342m</i></p> <p>(PY: € 2,433m)</p>	<p><i>On prior year's level</i> ✓</p> <p><b>€ 2,395m</b></p> <p><i>Fx-adj. € 2,449m</i></p> <p>(PY: € 2,435m)</p>	<p><i>On prior year's level</i> ✓</p> <p><b>7.2%</b></p> <p>(PY: 7.2%)</p>	<p><i>No guidance</i></p> <p><b>€ 56m</b></p> <p>(PY: € 72m, € -24m<sup>2</sup>)</p>

- **Orders received** picked up at year-end again following weak Q3 FY 2023/24 induced by drupa.
- **Net Sales** with a stable trend – slight organic improvement when excluding strong negative fx-effects.
- **Adj. EBITDA-margin** withstanding significant headwinds: Declining volumes and cost inflation affecting profitability negatively – value creation program with compensating impact.
- **Free Cashflow** turned positive on an operating basis following years of FCF being supported by divestments.

# Unfold your potential. Drupa 2024 was a successful event for HEIDELBERG.



Unfold your potential.

**Drupa innovations show HEIDELBERG has advanced its strategic position.**



### Jetfire

HEIDELBERG's first commercial inkjet press strategically advances our portfolio. The cooperation with Canon combines the strengths of both companies in a synergetic way.

#1

### Boardmaster

Flexo technology will help expanding the addressable market in packaging printing. The Boardmaster will be further developed for flexible packaging applications.

#3



### Speedmaster XL 106 21k

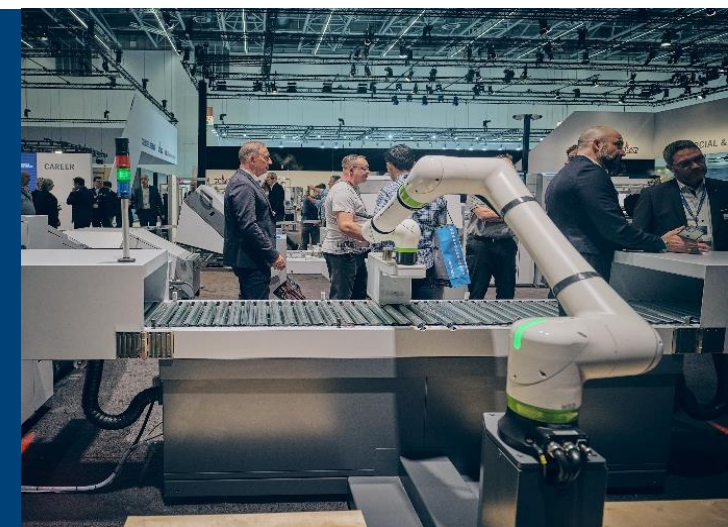
A new level of automatization in packaging production with Push to Stop. Productivity increased by 15 per cent with a speed of 21,000 sheets per hour.

#2

### StackStar C

The coexistent robot supports processes in post press and is an effective response to the shortage of skilled labour.

#4



The future is hybrid.

**HEIDELBERG Jetfire is going to be the strategic leap forward.**

HEIDELBERG capitalizes on its **unique assets...**

**Industry-leading Global Sales & Service network**



**~4500**

Sales & Service employees worldwide



**170**

countries covered



**24h**

global performance service

Trusted brand with by far broadest access to industrial commercial printers.

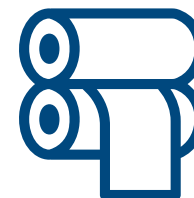


...strengthening its future prospects in commercial printing by increasing the addressable market towards digital printing.

**MOVING THE BARRIERS: extended focus in commercial printing**

Traditional focus in commercial printing

Offset (Commercial)

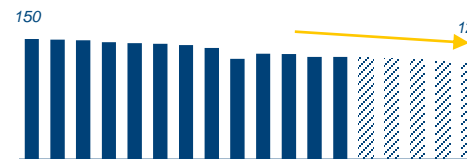


Inkjet Digital (Commercial)

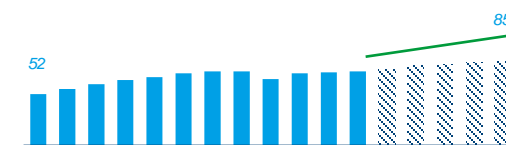


Printect

Print Production Volume (Offset) in bn € (2012-2028e)



Print Production Volume (Digital) in bn € (2012-2028e)





FY 2023/24 at a glance

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 **Business and financial review**

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Value Creation Program

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Outlook

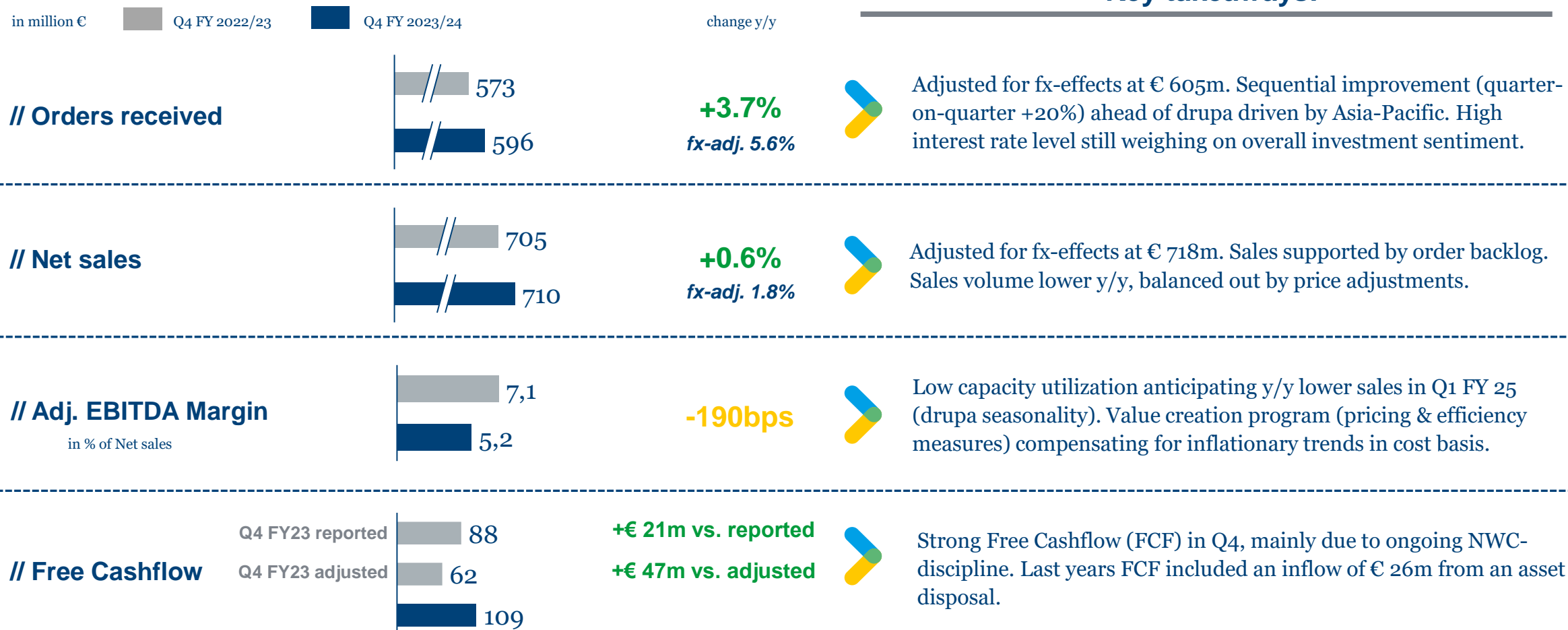
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# Key performance indicators (Q4 FY2023/24).

## Orders received with sequential improvement – strongly positive Free Cashflow.

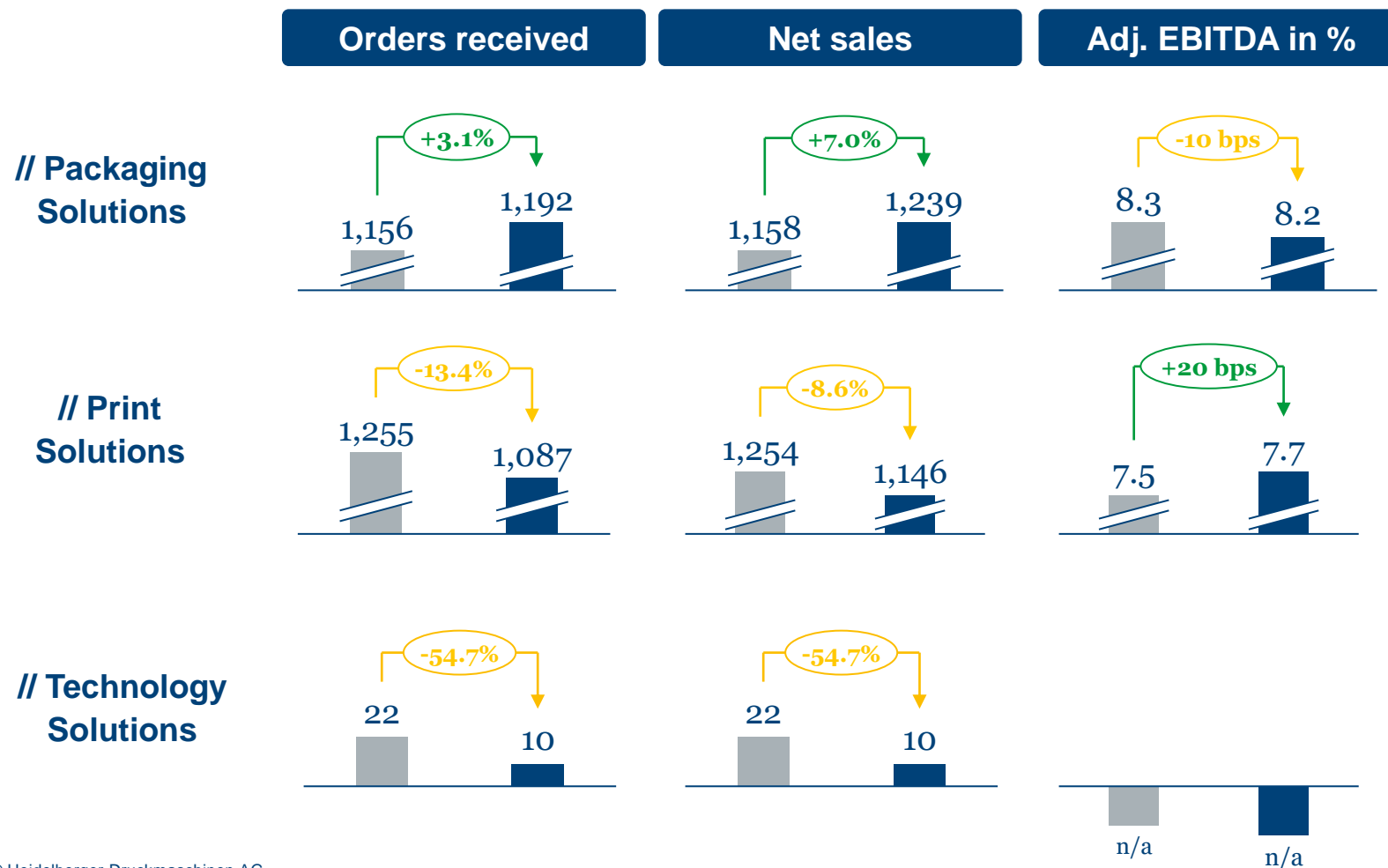
### Key takeaways:



# Segment split (FY2023/24).

## Packaging with strong performance – share of group sales increased to 52%.

in million €    ACT FY 2022/23    ACT FY 2023/24



### Key takeaways:

- Tailwind from product innovations, Sheetfed and Flexographic with strong development.
- Adj. EBITDA margin affected by higher resource allocation for R&D.
- Overall muted development given the current macro conditions – shift towards hybrid (digital + offset) noticeable.
- Adj. EBITDA margin stable despite decline in sales volume.
- Market development still restrained, first signs of slight improvement.
- Negative EBITDA driven by R&D and Sales activities for Amperfiel, € 5m loss from Zaikio & Printed Electronics (both discontinued).

# Regions (FY2023/24).

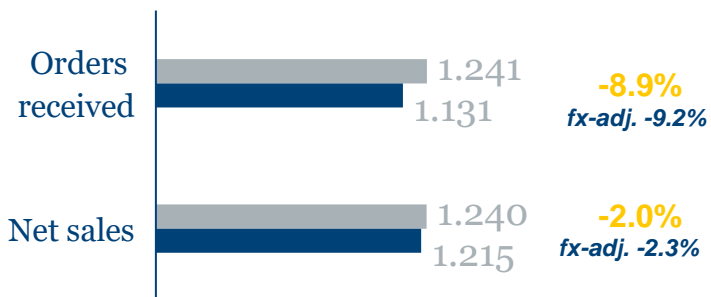
## Americas recorded a slight y/y growth in sales, EMEA with a stable trend.

in million €

ACT FY 2022/23

ACT FY 2023/24

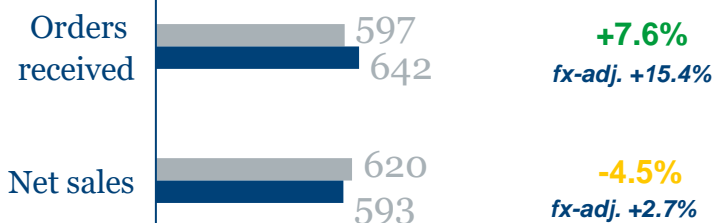
change y/y



### Key takeaways:

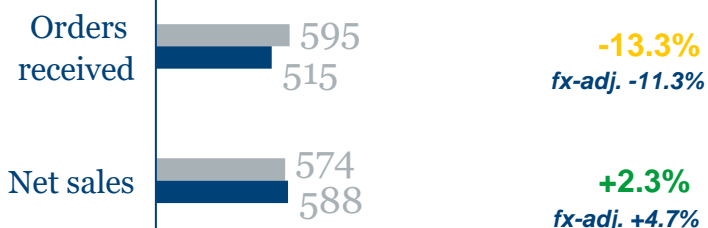
➤ Strong development in **Orders received** in Eastern Europe cushioned by weaker trend in Southern European markets.

➤ **Net sales** at prior year's level, given the solid order book.



➤ **Orders received** benefited from a strong demand in China and Japan, despite favorable fx-development for Japanese manufacturers.

➤ **Net Sales** below previous year, as orders received trended positively at the end of the fiscal year.



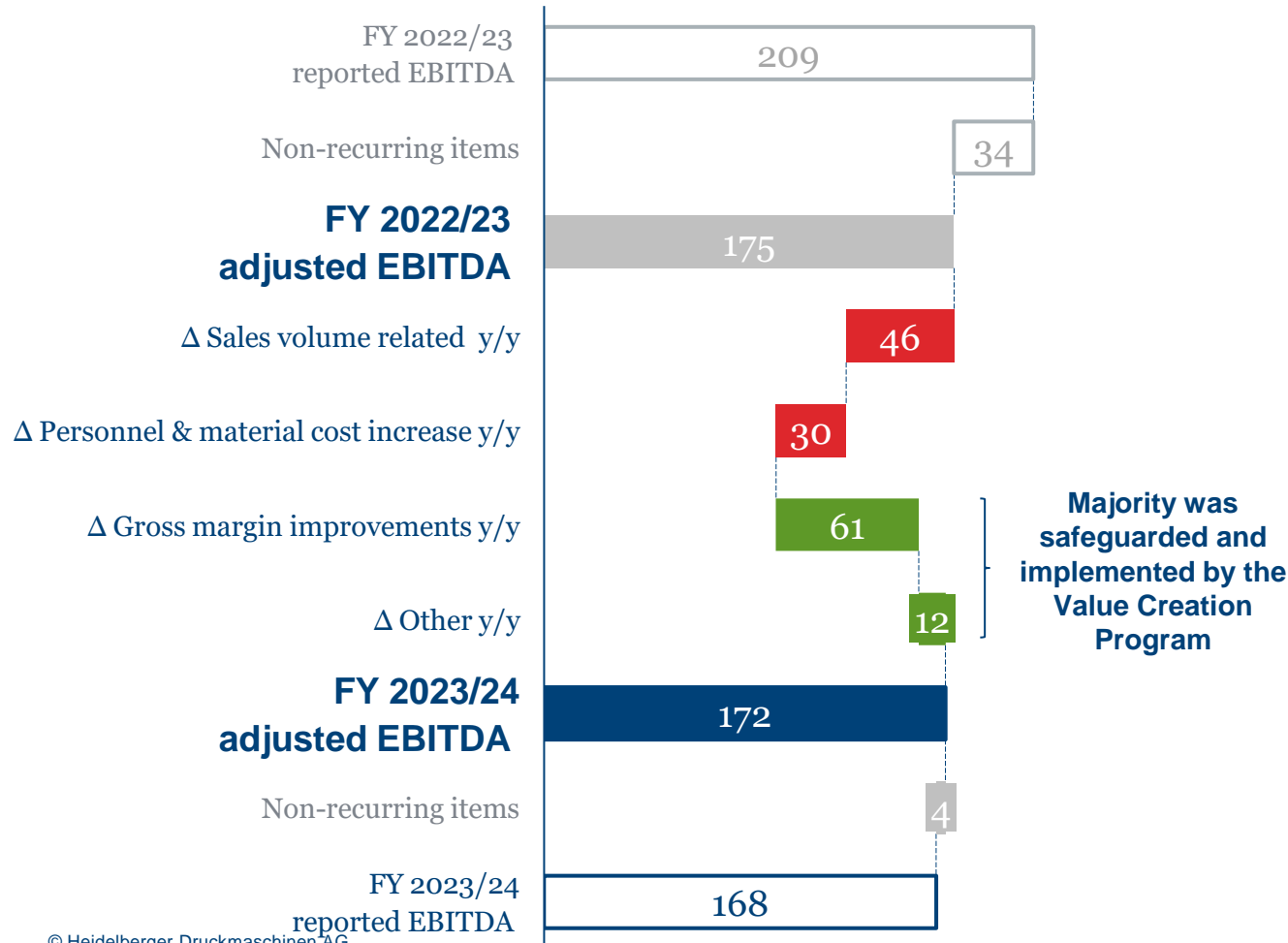
➤ **Orders received** showed weakening trend mainly caused by US-market after strong prior year.

➤ **Net sales** slightly above previous year supported by a stable US-market and increasing sales in South America.

# EBITDA bridge (FY2023/24).

## Value Creation Program safeguarded a resilient y/y EBITDA development.

in million €



### Key takeaways:

Adjusted for non-recurring item in Q1 FY 2022/23 (Disposal of property in St. Gallen of € 11.8m and Wiesloch-Walldorf € 15m), Q3 FY 2022/23 (MK JV contribution of € 7m).

- Decrease in **sales volumes**, accordingly **weaker capacity utilization**.
- General inflation, **tariff increase** and trade fair costs.<sup>1</sup>
- + **Pricing** compensated for increase in manufacturing costs, further improved by product design adjustments. **Stronger business in AP.**
- + Other effects, **mainly improvements in indirect costs.**

Non-recurring items: Net impact of € 4m recorded in relation to legal disputes recorded in FY 2023/24.

<sup>1</sup> FY 22/23 included the provision of an inflation compensation bonus, partially reflected in Gross Margin and S&GA, R&D and Other. This year, the negotiated tariff increase is almost replacing last years effect.

# EBITDA to EBT (FY2023/24).

## Higher interest on pension provision caused increase in financial expenses.

in million €

	FY 2022/23	FY 2023/24
<b>// Reported EBITDA</b>	<b>209</b>	<b>168</b>
<hr/>		
Depreciation & amortization	-79	-76
<b>// EBIT</b>	<b>131</b>	<b>91</b>
<hr/>		
Net financial result (-expenses/+ income)	-19	-36
<b>// EBT (+)</b>	<b>112</b>	<b>55</b>

### // Breakdown net financial result:

in million €

	$\Sigma$ -19.2 FY 2022/23	$\Sigma$ -36.5 FY 2023/24
<b>Interest expenses on financial debt</b>	-3	-5
<ul style="list-style-type: none"> <li>Remained at a low level, no exposure to rising interest rates.</li> </ul>	-3	-5
<b>Interest expenses on pension provision</b>	-16	-23
<ul style="list-style-type: none"> <li>In total a non-cash effect. Increased y/y due to higher interest expenses on rate-driven lower pension provision.</li> </ul>	-16	-23
<b>Other interest expenses/income</b>	0	-8
<ul style="list-style-type: none"> <li>Including non-recurring items in relation to transaction costs of new RCF.</li> </ul>	0	-8

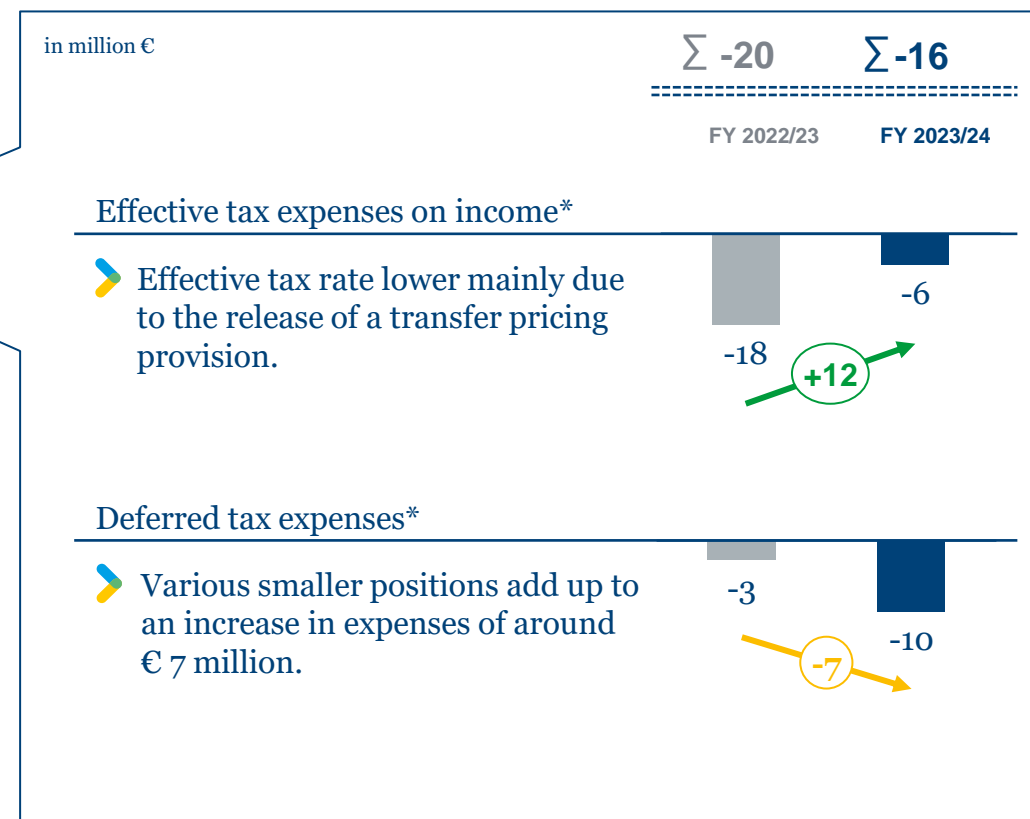
# EBT to Earnings per share (FY2023/24).

## Effective taxes y/y lower due to release of a transfer pricing provision.

in million €	FY 2022/23	FY 2023/24
<b>// EBT</b>	<b>112</b>	<b>55</b>
<hr/>		
Tax result* (-expenses/+ income)	-20	-16
<b>// Net income</b>	<b>91</b>	<b>39</b>
<hr/>		
Divided by number of shares	304.5m	304.5m
<b>// Earnings per share</b> <i>(in €/ share)</i>	<b>0.30</b>	<b>0.13</b>



### Breakdown Tax result:

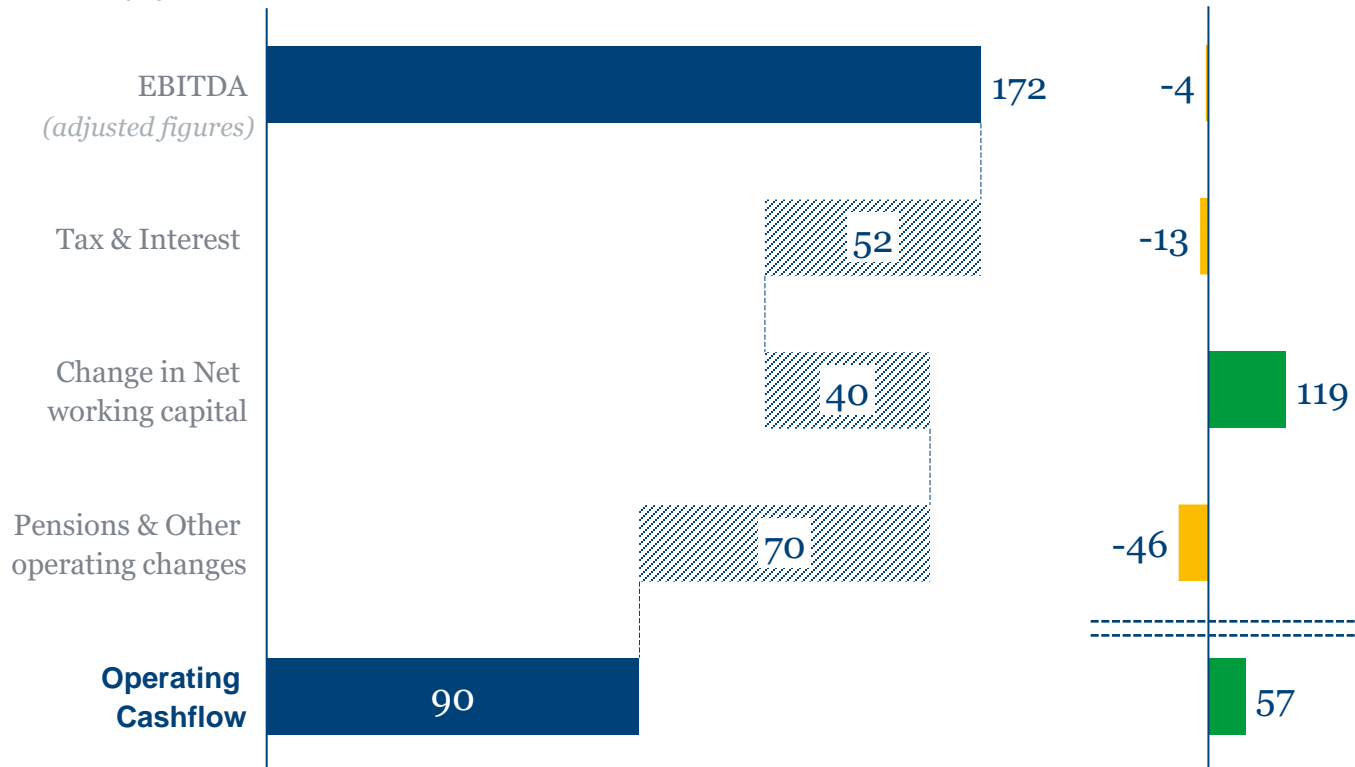


# Operating Cashflow (FY2023/24).

## Strong y/y improvement – stable adj. EBITDA and Working Capital discipline.

### Adj. EBITDA to Operating Cashflow FY 2023/24

in million €



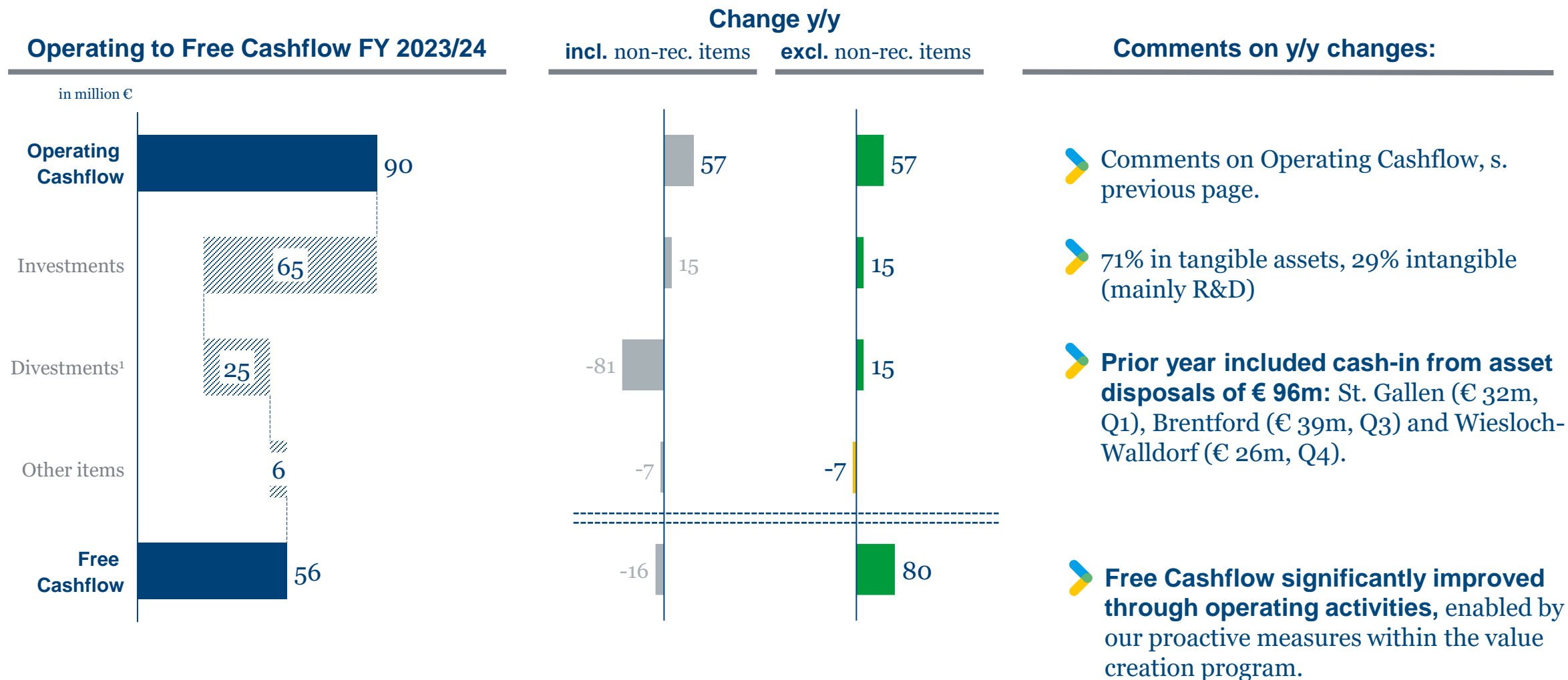
### Change y/y

### Comments on y/y changes:

- **Adjusted EBITDA on prior year level,** withstanding substantial margin headwinds.
- **Tax & interest cash-out in line with prior year.**
- **Strong performance in NWC positions** through improved inventory and receivables management.
- **Cash out for pensions, adjustment for utilization of other prov. & non-cash income.**
- **Operating Cashflow strongly improved.**

# Free Cashflow (FY2023/24).

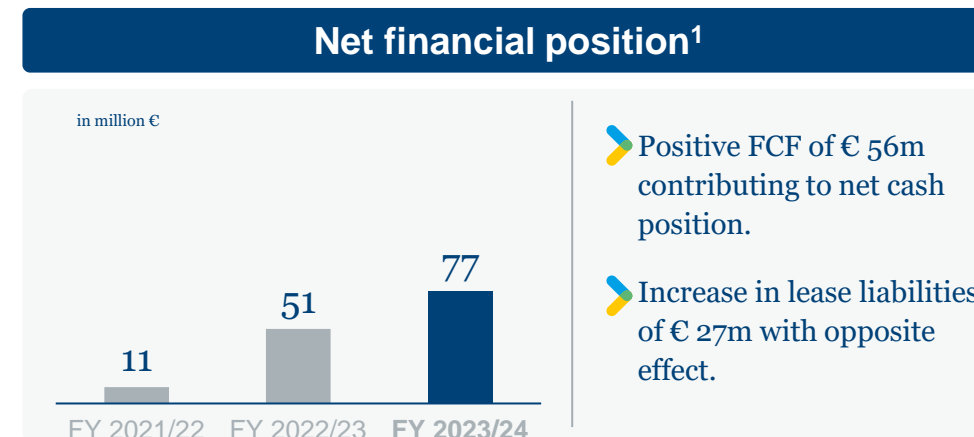
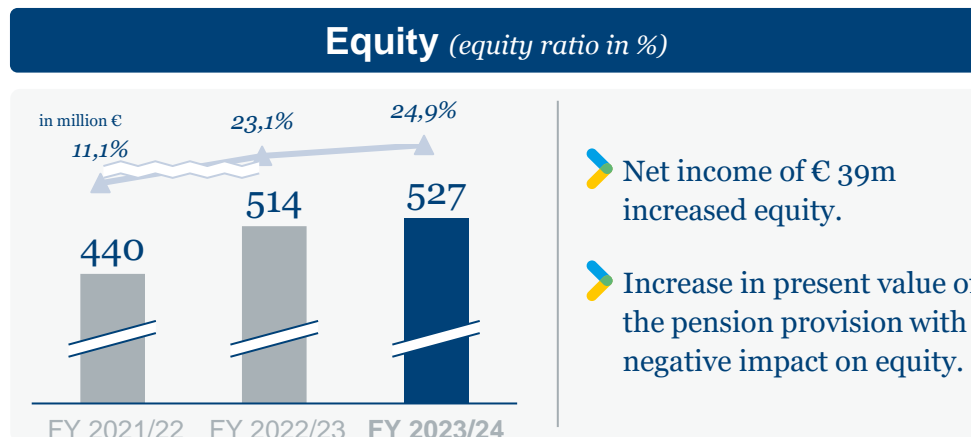
## Highest FCF in over 10 years when excluding non-recurring items in prior years.



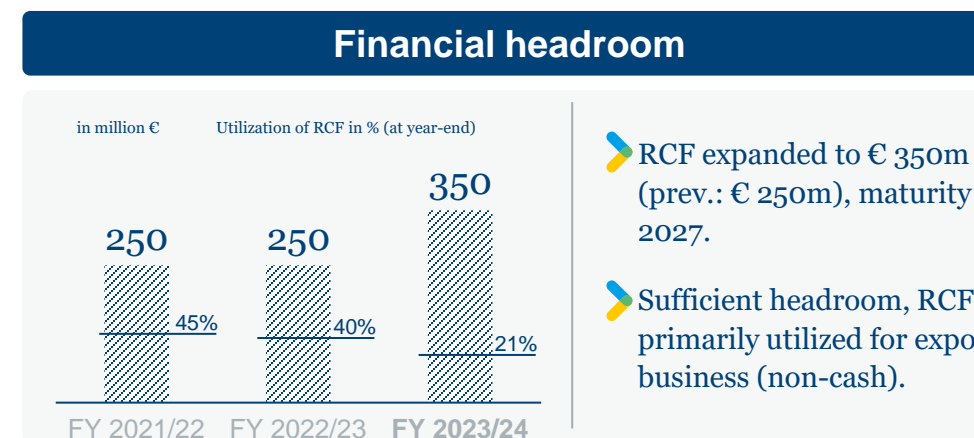
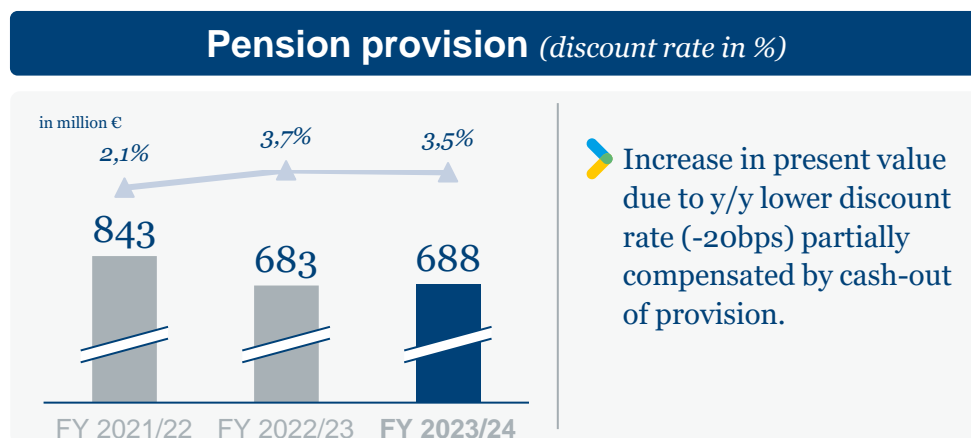


# Balance Sheet (FY2023/24).

## Slight increase in equity – strong net cash position expanded.



<sup>1</sup>Net financial position: Net total of cash and cash equivalents and current securities less financial liabilities.





FY 2023/24 at a glance

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Business and financial review

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 **Value Creation Program**

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Outlook

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Value creation program is paying off.  
**HEIDELBERG demonstrates financial strength.**

**7.2%**  
Adjusted EBITDA-margin



**HEIDELBERG demonstrated to deliver on its capital market guidance** – even during weak market conditions. The value creation program enabled to maneuver in a set-up with a high fixed cost basis substantially contributing to adj. EBITDA.

**+€56m**  
Free Cashflow



**Free Cashflow was at the highest level in over 10 years** if the values of previous years had been adjusted for the non-recurring items contained therein. Value creation program contributed over €100m.

**+€77m**  
Net financial position



**HEIDELBERG increased its net cash position to €77m**, financial debt remains on a historically low level. Strong basis for resilience.

## Value Creation Program – Priorities for FY 2024/25.

### Continuous improvement to secure HEIDELBERG's financial performance.

# #1

Secure **short-term performance**

- Holistic and continuous **implementation of short-term profitability and cash flow measures** (e.g., sales, purchasing, administration, inventory)
- **Compensation for annual cost increase** (e.g., production material, personnel cost) to perpetuate stable positive performance recorded last FY

# #2

Drive **medium- and long-term structural adjustments**

- **Strengthening of best cost-approach** within the value chain (e.g., make or buy decisions in IP-uncritical scopes with valid supplier market)
- Improvement of responsiveness to local volatility by **geographical customer-oriented re-allocation of value added**

# #3

Push **strategic priorities**

- **Acceleration of service business** model topline and bottom line to leverage strong installed base (e.g., by increasing contract coverage)
- **Setting up a strong business excellence function** to embed a continuous performance improvement logic in HEIDELBERG DNA

// The Value Creation Program strategically positions HEIDELBERG to navigate short-term challenges and strengthen long-term profitability.



FY 2023/24 at a glance

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Value Creation Program

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 **Outlook**

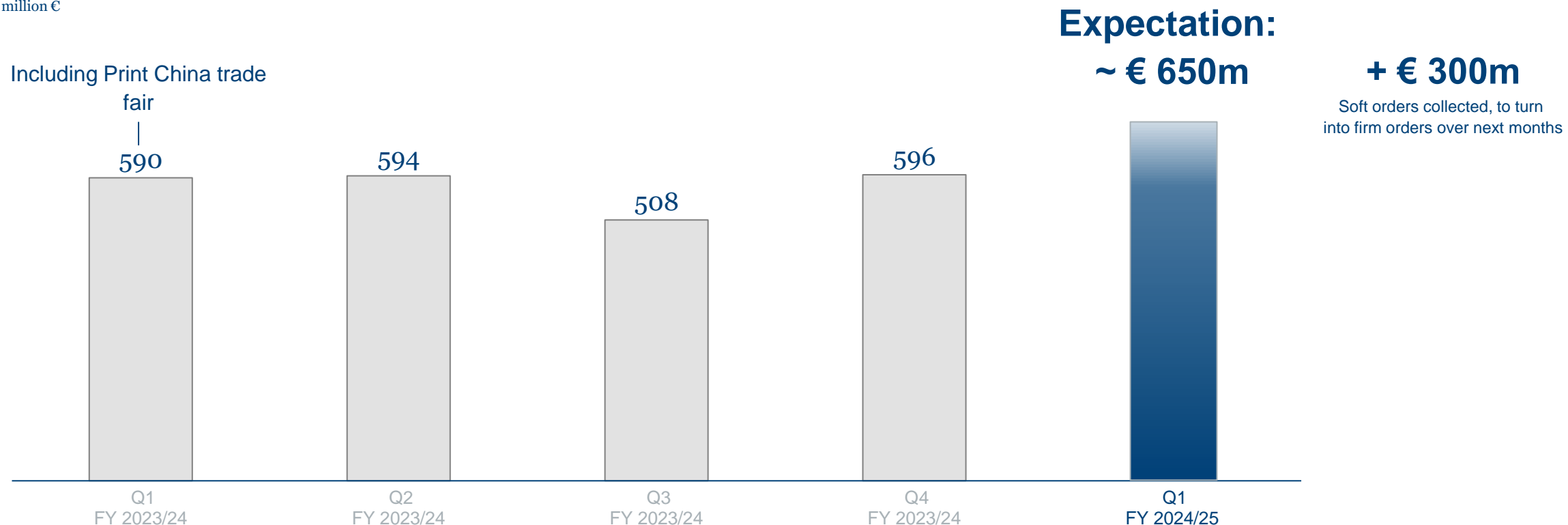
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# Guidance FY 2024/25.

## Drupa: Solid upswing in orders compensates for shortfall in Q3 FY 2023/24.

### Quarterly order intake Q1-Q4 FY 2023/24 + expectation Q1 FY 2024/25

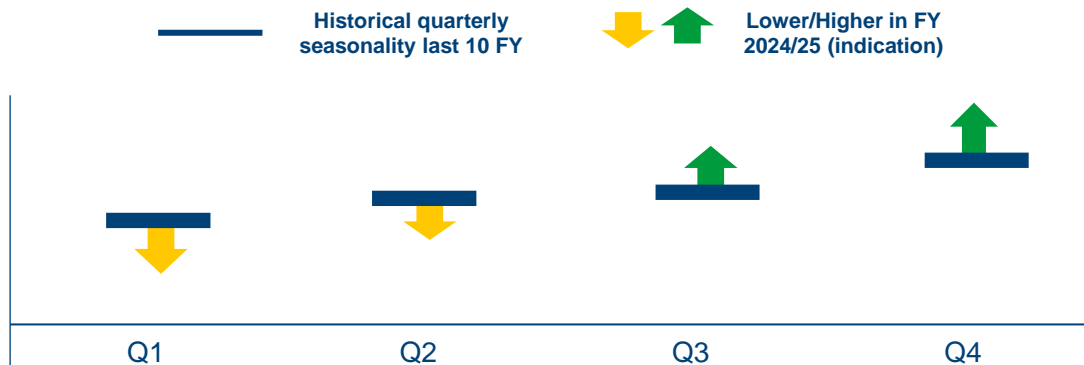
in million €



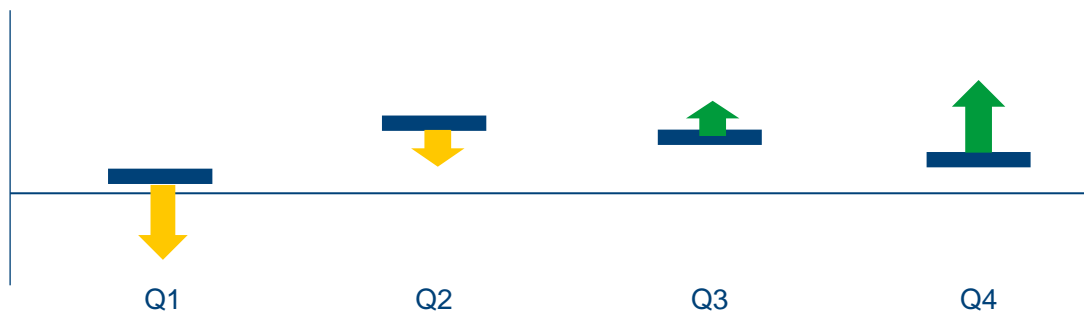
# Guidance FY 2024/25 – expected quarterly seasonality vs prior years.

## Weak start expected to be followed by a strong second half-year.

### Net Sales



### Adj. EBITDA



### Key takeaways:

#### Historical patterns:

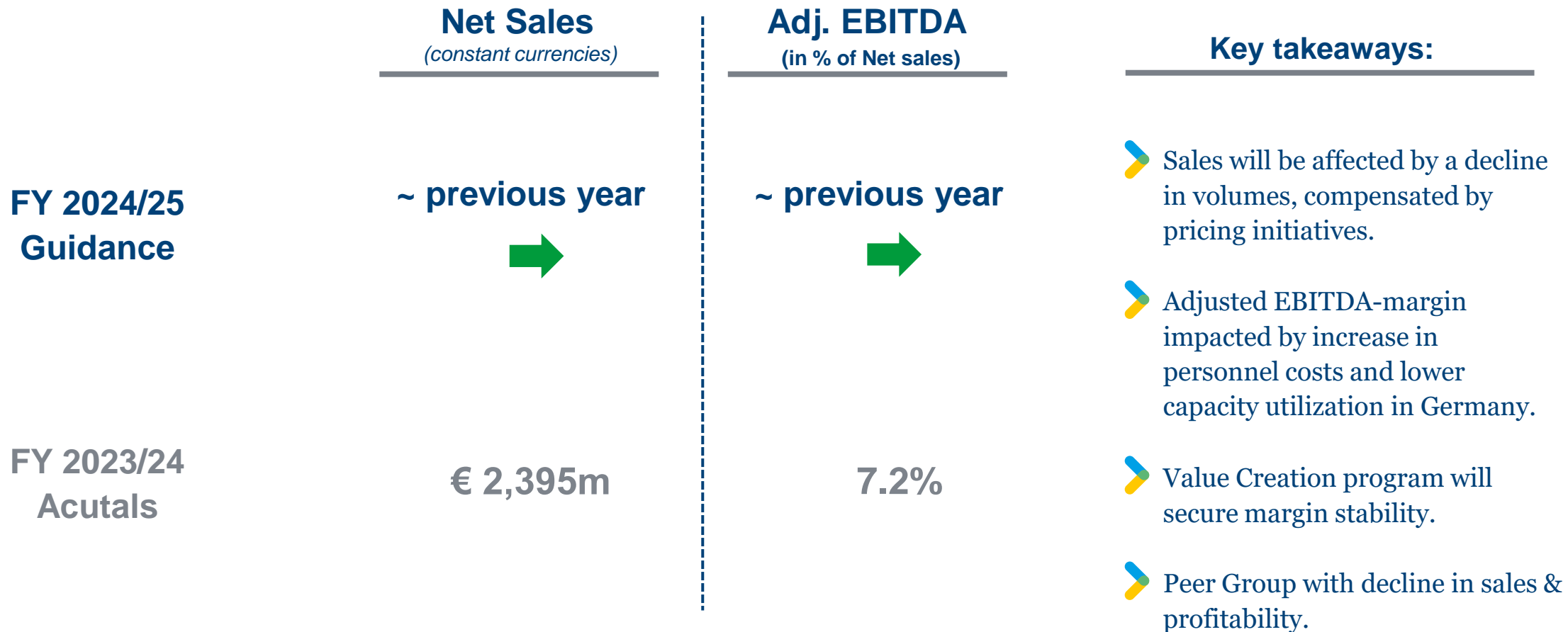
- Sales usually tend to be stronger in H2 compared to H1, while profitability is peaking in Q2.

#### Drupa increasing seasonality in FY 2024/25:

- Sales in Q1 FY 2024/25 expected to be significantly below Q1 FY 2023/24 – weak pre-drupa order intake in Q3 FY 2023/24 and production steering.
- H2 expected to be correspondingly stronger, neutralizing it in a full-year view.
- EBITDA-margin and FCF expected to be negative in Q1 FY 2024/25.

# Guidance FY 2024/25.

## Continued stable development outperforming peer group.





# Key takeaways.



**HEIDELBERG** has advanced its strategic position in both segments offering new prospects.

**The Value Creation Program secured a resilient financial performance** – strong operating improvement in Free Cashflow.

**HEIDELBERG** is well prepared for the future, continuous focus on financial discipline.

# P&L

Figures in € millions	FY 2023/24			Q4		
	FY 2023/24	FY 2022/23	Change in m€	FY 2023/24	FY 2022/23	Change in m€
Net sales	2,395.2	2,434.5	-39.3	709.6	705.4	4.2
Change in inventories/other own work	-59.4	0.8	-60.2	-143.4	-64.8	-78.6
<b>Total operating performance</b>	<b>2,335.8</b>	<b>2,435.4</b>	<b>-99.5</b>	<b>566.2</b>	<b>640.6</b>	<b>-74.4</b>
Other operating income	75.0	99.4	-24.4	37.4	43.4	-6.0
Cost of materials	1,027.9	1,112.7	-84.9	240.1	294.8	-54.7
Personnel Costs	798.8	815.2	-16.4	213.0	215.0	-2.0
Depreciation and amortization	76.5	78.6	-2.2	19.9	19.6	0.3
Other operating expenses	416.3	397.3	19.1	117.5	108.8	8.7
<b>Result of operating activities</b>	<b>91.3</b>	<b>130.9</b>	<b>-39.5</b>	<b>12.9</b>	<b>45.7</b>	<b>-32.7</b>
Financial income	6.8	10.4	-3.7	2.0	8.3	-6.3
Financial expenses	43.2	29.6	13.6	11.9	7.4	4.6
<b>Financial result</b>	<b>-36.5</b>	<b>-19.2</b>	<b>-17.3</b>	<b>-10.0</b>	<b>1.0</b>	<b>-10.9</b>
<b>Net result before taxes</b>	<b>54.9</b>	<b>111.7</b>	<b>-56.8</b>	<b>3.0</b>	<b>46.6</b>	<b>-43.7</b>
Taxes on income	15.9	20.5	-4.6	-2.4	9.8	-12.2
<b>Net result after taxes</b>	<b>38.9</b>	<b>91.2</b>	<b>-52.3</b>	<b>5.4</b>	<b>36.9</b>	<b>-31.5</b>
<b>Basic earnings per share according to IAS 33 (in € per share)</b>	<b>0.13</b>	<b>0.30</b>	<b>-0.17</b>	<b>0.02</b>	<b>0.12</b>	<b>-0.10</b>

## Reported to adjusted EBITDA.

Figures in € millions	FY 2023/24			Q4		
	FY 2023/24	FY 2022/23	Change in %	FY 2023/24	FY 2022/23	Change in %
Reported EBITDA	167.8	209.5	-19.9	32.9	65.3	-49.6
<b>Reported EBITDA in % of Net sales</b>	<b>7.0</b>	<b>8.6</b>	<b>-160bps</b>	<b>4.6</b>	<b>9.3</b>	<b>-470bps</b>
Acquisition-related special effects						
thereof disposal of a property in St. Gallen, CH excl. transactions costs	0.0	11.8	-	0.0	0.0	-
thereof JV MK	0.0	7.3	-	0.0		-
thereof disposal of a property in Wiesloch- Walldorf	0.0	15.0	-	0.0	15.0	-
Legal Dispute	-4.0	0.0	-	-4.0	0.0	-
Adjusted EBITDA	171.8	175.4	-2.1	36.9	50.3	-26.7
<b>Adjusted EBITDA in % Net sales</b>	<b>7.2</b>	<b>7.2</b>	<b>0bps</b>	<b>5.2</b>	<b>7.1</b>	<b>190bps</b>

## Segments: Quarterly overview.

	Q1 FY 2023/24	Q2 FY 2023/24	Q3 FY 2023/24	Q4 FY 2023/24	TOTAL FY 2023/24	Q1 FY 2022/23	Q2 FY 2022/23	Q3 FY 2022/23	Q4 FY 2022/23	TOTAL FY 2022/23	y/y Change in m€
<b>Orders received</b>	<b>590.9</b>	<b>593.5</b>	<b>507.7</b>	<b>595.8</b>	<b>2,288.0</b>	<b>607.2</b>	<b>622.2</b>	<b>629.6</b>	<b>573.5</b>	<b>2,432.5</b>	<b>-144.6</b>
Print Solutions	277.2	286.1	258.7	264.5	1,086.6	347.7	334.4	294.7	278.3	1,255.2	-168.6
Packaging Solutions	311.4	304.1	246.6	329.5	1,191.6	249.6	281.5	331.4	293.2	1,155.7	35.9
Technology Solutions	2.3	3.3	2.4	1.8	9.8	9.9	6.4	3.5	1.9	21.7	-11.8
<b>Net sales</b>	<b>544.3</b>	<b>547.6</b>	<b>593.7</b>	<b>709.6</b>	<b>2,395.2</b>	<b>530.5</b>	<b>589.5</b>	<b>609.1</b>	<b>705.4</b>	<b>2,434.5</b>	<b>-39.3</b>
Print Solutions	274.7	258.2	270.8	342.5	1,146.2	273.3	292.5	331.8	356.7	1,254.4	-108.1
Packaging Solutions	267.3	286.1	320.5	365.3	1,239.2	247.3	290.6	273.8	346.8	1,158.5	80.7
Technology Solutions	2.3	3.3	2.4	1.8	9.8	9.9	6.4	3.5	1.9	21.7	-11.8
<b>EBITDA</b>	<b>42.1</b>	<b>58.8</b>	<b>34.0</b>	<b>32.9</b>	<b>167.8</b>	<b>35.4</b>	<b>68.1</b>	<b>40.7</b>	<b>65.3</b>	<b>209.5</b>	<b>-41.7</b>
Print Solutions	31.0	29.4	11.3	14.7	86.4	19.3	33.3	26.4	35.7	114.7	-28.3
Packaging Solutions	16.3	33.8	26.0	23.5	99.6	17.0	37.8	18.2	38.0	110.9	-11.3
Technology Solutions	-5.1	-4.4	-3.3	-5.4	-18.2	-0.9	-2.9	-3.9	-8.4	-16.2	-2.1
<b>Adj. EBITDA</b>	<b>42.1</b>	<b>58.8</b>	<b>34.0</b>	<b>36.9</b>	<b>171.8</b>	<b>23.6</b>	<b>68.1</b>	<b>33.4</b>	<b>50.3</b>	<b>175.4</b>	<b>-3.6</b>
<b>Adj. EBITDA in % of Net sales</b>	<b>7.7%</b>	<b>10.7%</b>	<b>5.7%</b>	<b>5.2%</b>	<b>7.2%</b>	<b>4.4%</b>	<b>11.6%</b>	<b>5.5%</b>	<b>7.1%</b>	<b>7.2%</b>	<b>0bps</b>
Net result after taxes	9.8	23.2	0.6	5.4	<b>38.9</b>	4.8	39.1	10.4	36.9	<b>91.2</b>	-52.3

# Balance Sheet.

## Assets

	31.03.2024	31.03.2023	Change in m€
<b>Non-current assets</b>	<b>1.010,4</b>	<b>1.028,4</b>	<b>-18,1</b>
Intangible assets	217,4	210,1	7,3
Property, plant and equipment	664,9	683,1	-18,2
Investment property	9,7	8,5	1,2
Financial assets	10,3	15,3	-5,0
Receivables from sales financing	26,4	24,2	2,2
Other receivables and other assets	20,4	17,5	2,9
Deferred tax assets	61,3	69,8	-8,4
<b>Current assets</b>	<b>1.103,5</b>	<b>1.192,1</b>	<b>-88,6</b>
Inventories	587,7	642,5	-54,8
Receivables from sales financing	16,4	16,0	0,4
Trade accounts receivable	252,0	290,4	-38,4
Other receivables and other assets	85,0	82,6	2,4
Income tax assets	9,8	7,3	2,5
Cash and cash equivalents	152,6	153,2	-0,6
Assets held for sale	-	-	-
<b>Total assets (classical balance sheet)</b>	<b>2.113,9</b>	<b>2.220,5</b>	<b>-106,7</b>

## Equity and Liabilities

	31.12.2023	31.03.2023	Change in m€
<b>Equity</b>	<b>526,9</b>	<b>513,6</b>	<b>13,3</b>
Issued capital	779,1	779,1	-
Capital reserves, retained earnings & oth. reserves	-291,1	-356,7	65,5
Net result after taxes	38,9	91,2	-52,3
<b>Non-current liabilities</b>	<b>819,4</b>	<b>854,6</b>	<b>-35,3</b>
Provisions pensions & similar obligations	687,9	682,8	5,1
Other provisions	37,1	55,5	-18,4
Financial liabilities	36,4	43,9	-7,4
Contract liabilities	22,0	19,5	2,6
Income tax liabilities	21,6	43,8	-22,2
Other liabilities	11,7	8,5	3,2
Deferred tax liabilities	2,6	0,7	1,9
<b>Current liabilities</b>	<b>767,6</b>	<b>852,3</b>	<b>-84,7</b>
Other provisions	171,4	195,4	-24,0
Financial liabilities	39,6	58,3	-18,7
Contract liabilities	185,3	243,6	-58,3
Trade payables	227,2	225,0	2,1
Income tax liabilities	18,6	18,1	0,5
Other liabilities	125,5	111,8	13,6
<b>Total Equity + Liabilities (classical Balance Sheet)</b>	<b>2.113,9</b>	<b>2.220,5</b>	<b>-106,7</b>