

Not to be released until the speech starts!

**Speech for the Annual General Meeting of
Heidelberger Druckmaschinen AG**

Thursday, July 25, 2024

Congress Center Rosengarten, Mannheim

**Jürgen Otto
CEO**

The spoken word applies!

Welcome



Dear shareholders, ladies and gentlemen,

A warm welcome to this year's Annual General Meeting of Heidelberger Druckmaschinen AG, for financial year 2023/2024. It's a pleasure for me to meet you, our shareholders, here in person.

I have been CEO of HEIDELBERG since July 1, 2024. I succeeded Dr. Ludwin Monz, who, after approximately two years at the company, left at his own request on the same date.

I have the reputation of being someone who is brought in to turn things round at companies, but I believe that only tells half the story. I'm well aware of the situation at HEIDELBERG – the big challenges and the many changes that are needed. I bring with me over 25 years of experience in the automotive industry – definitely a very challenging sector. The longest period I've spent with a company during my career was at Brose Fahrzeugteile, including 12 years as CEO. During this time

and through its own efforts, Brose increased its business volume from € 2.3 billion to over € 6 billion.

I'm now bringing all these years of experience to bear at HEIDELBERG – a long-established company with a history dating back over 170 years and a world leader that impresses with its outstanding technological achievements, innovation, and quality. HEIDELBERG has a strong culture, a huge amount of expertise, a great deal of loyalty, and pride in its workforce. Many of these qualities are similar to those of Brose.

To leverage the full potential of a company, I think you need an ambitious, dynamic, and strategic approach. Above all, though, you also need the courage to take on difficult issues and challenges. Projects like these have always followed me and been a constant source of motivation.

My teams and I have found solutions for sites that are experiencing high cost pressures, particularly in Germany, generated growth in established and new areas of business, and built on existing strengths, especially in global markets.

Involving employees and getting them on board, but also challenging them, has always been a decisive factor in my career to date. Time and again, I've collaborated with the workforce, works councils, and trade unions to develop solutions that boost competitiveness, in particular by achieving a relative reduction in personnel costs compared with how business is going.

Clear, open communication, dependability, resolve, and close, direct cooperation – both at management level and with the employees working at the sites – were essential to this process.

I've seen that HEIDELBERG, too, has exceptional product and process expertise. The global scaling of such expertise has been a big part of my career. A further key element that I bring with me from my previous experience in industry is my high level of customer orientation and tireless focus on customer benefits.

As I've been finding my feet over recent weeks, and especially at drupa, I've already obtained some valuable initial experience and knowledge for the task that lies ahead of me. I've seen that HEIDELBERG enjoys a particularly strong position in the growth market of packaging printing and has highly efficient global sales and service operations.

That concludes my preliminary remarks. I firmly believe we can and will create a bright and successful future for HEIDELBERG. By "we" I mean the new three-strong Management Board representing our roughly 9,600 employees worldwide.

Having introduced myself, I'd now like to start the official reporting part of my speech. My report is divided into three parts:

- The first is a review of the past financial year.
- The second is an evaluation of drupa and the outlook for financial year 2024/2025.
- And – last but not least – the third focuses on strategic considerations and initiatives for a growth strategy.

I would like to start my review of the past financial year with a personal assessment. Before we get on to the figures, I'd like to provide you with an external perspective on five points that illustrate the current position at HEIDELBERG as I see it, including its strengths and potential. We'll

have a more in-depth look at each of these aspects later on so that you also get a detailed, concrete picture of the situation.

An initial, external perspective on HEIDELBERG:
Five points, including strengths and potential.

HEIDELBERG is ...

1. On a **stable financial** footing.
2. A **total solution provider** that offers **all the latest printing methods**.
3. In a unique position thanks to a **highly skilled workforce**.
4. Right on track with its **growth strategy**.
5. Operating with **personnel costs that are too high** for current business.

Heidelberg Druckmaschinen AG – Annual General Meeting FY 2023/2024
2

- **The first point I'd like to mention is the stable financial footing HEIDELBERG achieved at the end of financial year 2023/2024. We have recorded a net profit for the past three years.**

The free cash flow from current operations was clearly positive at € 56 million, without any special items.

Due to flat demand in the spring, our start to the current financial year will still be very weak. The reasons for this are seasonal effects coupled with purchasing restraint among our customers ahead of drupa. However, our share price has rallied in recent weeks, and rose in particular after we announced the year-end results and the numerous orders placed at drupa.

- **The second point I'd like to emphasize is that HEIDELBERG is a global technology trailblazer for the printing industry as well as a total solution provider for all the latest printing**

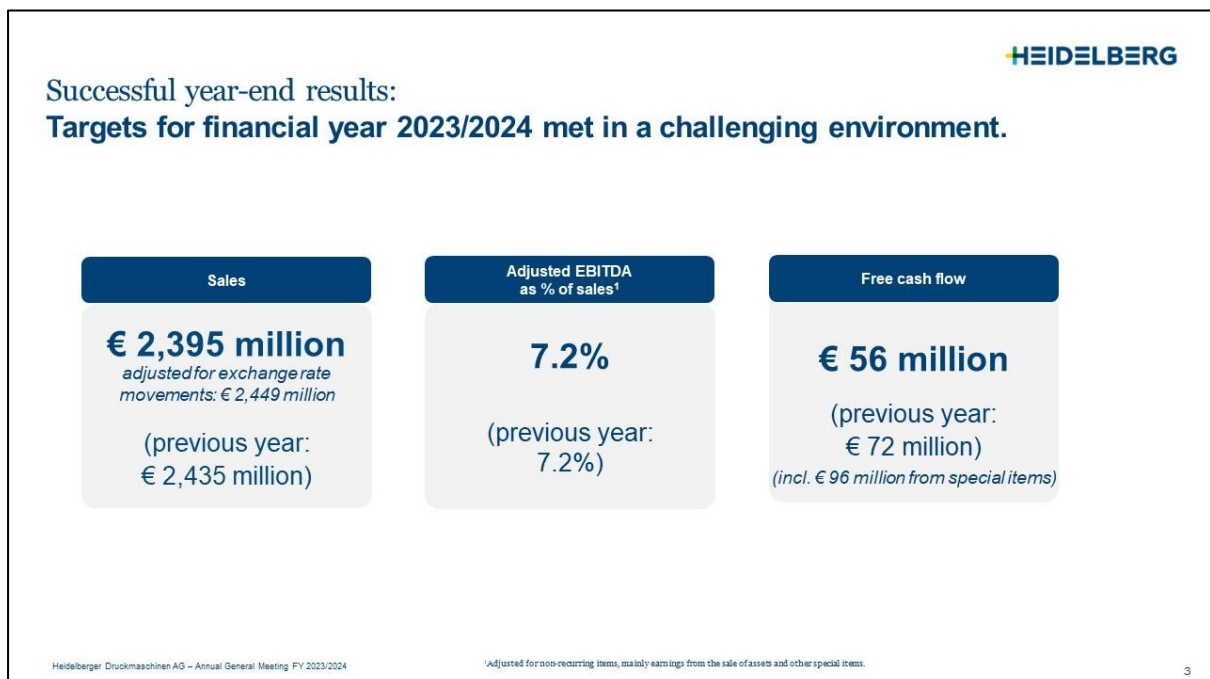
methods. This includes offset and flexo printing – and now digital presses with inkjet technology once again, too. It also covers prepress and postpress operations, all the way through to the finished product ready to dispatch. This is particularly important, given that printing is the core business of HEIDELBERG. Most importantly of all, when it comes to offset printing, we are firmly established in China and other growth markets. It's vital for us to build on this position in order to hold our own in the battle against rising costs and shrinking volumes in commercial printing.

- **The third point, which has really impressed me, is the unique corporate culture** I've experienced since my arrival. The HEIDELBERG spirit is alive and well, and is reflected in a very strong, almost family-like bond. Many of our 9,600 or so employees are proud to work at HEIDELBERG, something that was particularly evident at this year's drupa. We also have an incredible amount of expertise at our company – expertise that is cultivated and passed on over the decades. We must maintain these strengths, and we will. At the same time, however, I'd like to create an environment where staff work together to build a performance culture and where we meet the most challenging efficiency demands. We will then be able to respond quickly to customer requirements, finding and implementing the appropriate solutions.
- **The fourth point is that** we will win the fight against rising costs by pursuing a strategy to boost growth. I see opportunities for growth in even greater internationalization of our sales and service operations, the expansion of our value chain, and the monetization of our industrial expertise.

- Last but not least, there's one final point that is very important to me.** We need to maintain our high level of cost discipline, especially when it comes to personnel costs. These are very high compared with other companies in our sector, corresponding to over **30 percent of our sales**. Shortly after taking up my appointment, I took a stand on this and initiated talks with our social partners. I also started the ball rolling and proposed a **future fund**. The purpose of this fund is to enable **structural investments in the future, such as in IT** and a state-of-the-art corporate infrastructure.

That brings me to the figures for financial year 2023/2024. In a nutshell, we once again created a solid financial basis for the next steps at HEIDELBERG.

Successful year-end results for 2023/2024



Ladies and gentlemen,

HEIDELBERG has achieved its targets for financial year 2023/2024. This was no easy feat given the difficult underlying conditions. As was the case in July last year, we are operating in a tense geopolitical environment. The economic situation is challenging, too – especially in Germany and the rest of Europe. At present, there are no expectations of considerable growth momentum in this region.

Our CFO, Tania von der Goltz, will be providing you with all the details about our year-end results, balance sheet, and profit and loss account shortly. I would like to just briefly touch on the key developments.

Heidelberger Druckmaschinen AG generated sales of around € 2.4 billion in financial year 2023/2024, the same level as the previous year.

The adjusted EBITDA margin remained stable at 7.2 percent. As a result, we recorded a net profit for the third year in succession. This came exclusively from business operations and amounted to € 39 million.

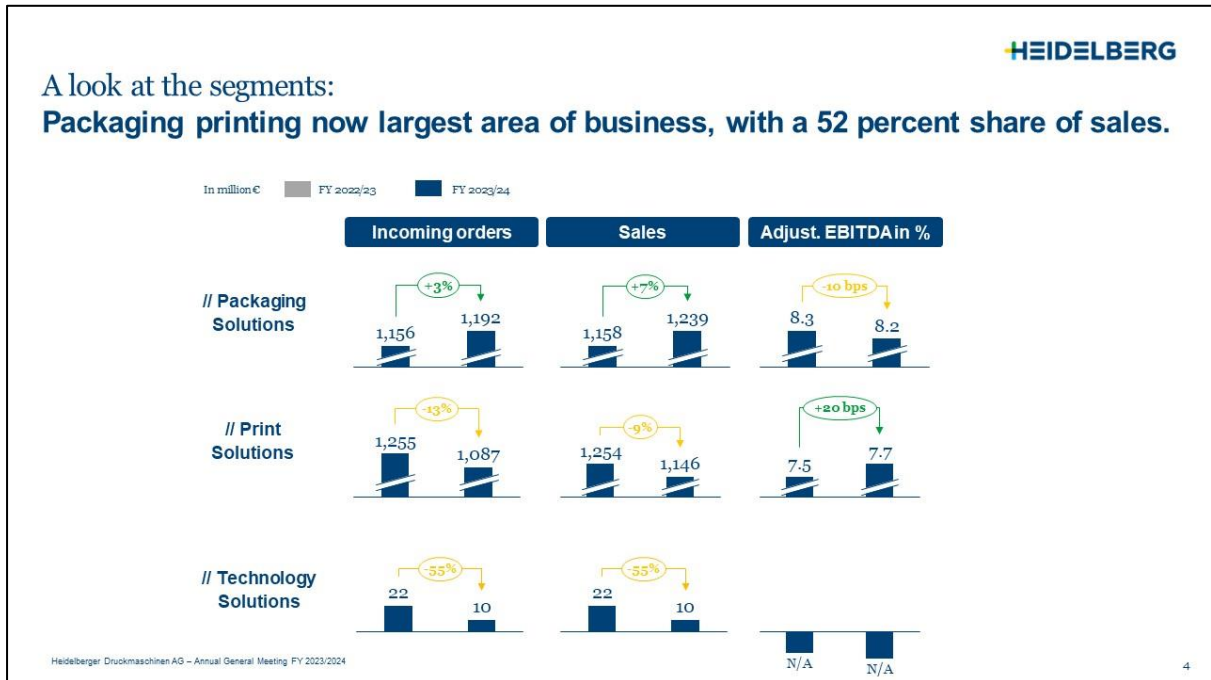
This resulted in a free cash flow of € 56 million for the past financial year – a particularly noteworthy achievement given that this figure does not include any non-recurring effects.

And, just to be clear, these results are also our benchmark for the current financial year!

In the future, we will be using only our own in-house resources to implement the value creation program that helped us achieve these

results. The insights and ideas we have already gained will be leveraged, in particular, to generate sales growth and reduce costs.

That was just a very brief overview of the company, but now I would like to talk to you in more detail about a number of specific areas.



Packaging printing the largest area of business, with a 52 percent share of sales

Let’s now turn our attention to the individual areas of business at HEIDELBERG during the past year. In financial year 2023/2024, the segments developed as we expected. We’re also seeing trends from previous years intensifying.

The expansion of our portfolio for the growing packaging market is paying dividends. **In the Packaging Solutions segment**, sales climbed by around 7 percent to a good € 1.2 billion.

That means packaging printing now accounts for 52 percent of the Group's sales. For the first time in its history, HEIDELBERG generated more sales from packaging printing than from commercial printing solutions.

HEIDELBERG innovations such as the Boardmaster have contributed to this. We unveiled this press in May 2023 and global demand is high. The number of units sold is already in double figures, with presses going to countries including the USA, China, India, Australia, and the Netherlands.

Packaging printing is and remains a growth segment in the printing industry. Every supermarket is a showcase for our sector. Take a look at the cereal, pizza, or drinks packaging in supermarkets, for instance, or think of pharmaceutical packaging, which is also produced at print shops.

The growing world population and rising prosperity will result in even higher demand for packaged goods. Our customers – the print shops – will therefore also have to provide this packaging, and do so on an ever more sustainable basis. That makes paper-based packaging and the associated printing key growth drivers for this area of business.

In the Print Solutions segment, orders fell slightly in financial year 2023/2024. Having been strong the year prior to that, the order volume decreased by 13 percent to just over €1 billion.

The main reason for this was the weak macroeconomic situation. While markets for commercial printing grew in Asia, South America, and Eastern Europe, there was a marked decline in Central Europe and

North America. This ultimately fed through to sales in the Print Solutions segment, which fell by 10 percent.

However, the market for digital print products is growing. According to estimates, digital commercial printing, including consumables and service, is set to grow at an annual rate of around 7 percent between now and 2029. That makes digital printing a key growth factor in commercial printing, and HEIDELBERG is now a player in this area of business. Our recently announced cooperation with Canon to tap into the digital market is therefore extremely important. I'll be taking a closer look at this shortly in our assessment of drupa 2024.


There's one important thing I'd like to emphasize at this point. A successful core printing business remains the key to growth at HEIDELBERG and therefore to our value enhancement and future success on the stock exchange. This successful core business also provides the basis for establishing further footholds in both technology-based and service-based business.

The final segment I'd like to report on is Technology Solutions. In this segment, Zaikio and Printed Electronics had a negative impact on EBITDA – to the tune of around € 5 million – and were therefore both discontinued in the course of the past financial year.

Amperfiel offers complete solutions for vehicle fleets and much more besides

HEIDELBERG

System provider for industrial applications:
Amperfiel offers complete solutions for vehicle fleets and more.



Charging infrastructure from: **HEIDELBERG** AMPERFIEL

Planning and installation by: **DB** *Bahnau Gruppe*

Heidelberg Druckmaschinen AG – Annual General Meeting FY 2023/2024

5

Furthermore, many of you will no doubt be asking yourselves what the future holds for our business with charging solutions, given the sluggish development of electromobility. Amperfiel recently launched a wallbox that has a special solar function and even charges electric cars in cloudy weather. This innovation aside, we are currently seeing little momentum in the wallbox market since the incentives were cut short and sales of electric cars began to lag behind political planning.

One argument in favor of our continued commitment to electromobility is that it remains a vital part of the transport sector's global transition – regardless of whether electric fuels come to be used or vehicles with internal-combustion engines continue to be licensed. That also makes it important for Amperfiel to increasingly find business beyond Germany's borders – in markets such as France, the Benelux countries, and Spain. At the same time, however, the major Chinese car manufacturers are

crowding onto the EU market. That alone and the commitment of the Chinese government tells you that charging solutions will still be in demand in the future.

Amperfied has therefore revised its strategy for the future and will do more than just sell individual wallboxes. The company is positioning itself as a complete solution provider for business customers and the public charging infrastructure. The cooperation agreement signed with DB Bahnbau Gruppe in February 2024 was an important step in this direction.

Going forward, these two companies will offer solutions for the expansion of the commercial and public charging infrastructure throughout Germany. These solutions will include the high-quality charging systems from Amperfied, their installation, a cloud-based software backend, a leasing model for charging infrastructure, and the operation and servicing of equipment. For its part, DB Bahnbau Gruppe is contributing planning and installation services.

One initial example of how Amperfied is evolving from a hardware supplier into a solution provider for charging systems is the success of the tender it submitted to Germany's federally owned highways agency, Die Autobahn GmbH des Bundes. The focus is on switching the agency's fleet across the whole of Germany to electric vehicles, and Amperfied will be supplying a state-of-the-art AC and DC charging infrastructure.

Sustainability

**HEIDELBERG climate strategy:
Innovations are cutting CO₂ emissions at print shops.**

DryStar Combination Eco:
The dryer in the new Speedmaster XL 106 delivers energy savings of up to 30 percent.

Integrated cross-flow heat exchanger

New module with optimized hot air nozzles

Heidelberg Druckmaschinen AG – Annual General Meeting FY 2023/2024 6

Let’s now take a broader perspective on sustainability and look beyond electromobility. After all, ensuring holistic and environmentally sound business practices is also an important factor for HEIDELBERG. It is a prerequisite for the company’s long-term economic success, too. As part of our sustainability strategy, we are already preparing for future regulatory requirements. That also means sustainability as defined by the Paris Agreement on climate change is an important part of our future business development.

In March 2024, the HEIDELBERG Group adopted a modified climate strategy that no longer just includes the CO₂ emissions of its own production and development sites. Under Scope 3, we now take into account the entire value chain, including the print shops operating our machines, and we are actively working on reducing our customers’ emissions. One current example of this approach is the new generation of dryers for our XL 106 series, which boast 30 percent higher energy efficiency.

The main reason for modifying our climate strategy is the analysis of our corporate footprint, which the Group has been carrying out since adopting its first climate target in financial year 2021/2022. It emerged that focusing on the emissions in the value chain – Scope 3 – is the best way for us to improve our carbon footprint. Incidentally, the same applies to most companies.

HEIDELBERG has therefore now committed itself to achieving a target of net zero carbon emissions by 2051 for the entire value chain, that is to say Scope 1, 2, and 3 emissions. From 2051 on, it is envisaged that the production and use of our presses will no longer cause any CO₂ emissions.

In addition to this, we are continuing to work on making our production, development, and sales sites carbon-neutral. The commissioning of a new photovoltaic system at our foundry in Amstetten in September last year will help us achieve this. It generates around 3.7 million kWh of electricity per year.

As part of the renovation work on the roof of Hall 6 at our Wiesloch-Walldorf site, we are also installing a photovoltaic system with a planned output of around 4.3 million kWh of electricity per year.

Momentum from drupa 2024



HEIDELBERG is a total solution provider for print shops:
Its portfolio includes offset, flexographic, toner, and inkjet printing.


Ladies and gentlemen,

In the second part of my speech, I'd like to talk about the company's future development. Our improved financial situation is one of the cornerstones for this development, and drupa once again impressively confirmed the second – only high sales volumes ultimately produce good business figures.


It is partly for this reason that Dr. David Schmedding – an experienced sales professional who has been with our company for many years and has a close relationship with our customers – has joined the Management Board. The customer feedback on this new Management Board appointment was also very positive at drupa.

To sum up, the momentum drupa has given us is important for HEIDELBERG, all the more since many customers held back on placing new orders in the run-up to the trade show. This had already been evident in our incoming orders from the turn of the year. However, drupa provided impressive proof that HEIDELBERG is a technology trailblazer for the printing industry. We are a **total solution provider** for all the latest printing methods.

That gives us a vital edge. We'd like to show you how impressive our presentation at drupa was with a short video. Let's watch it now.



Unfold your potential:
drupa 2024 was highly successful for HEIDELBERG.



- **11-day event**
- **Around 170,000** visitors **came to drupa** from around the globe
- **Around 130,000** visited the **HEIDELBERG stand**

Heidelberger Druckmaschinen AG – Annual General Meeting FY 2023/2024

In the course of the 11-day event, around 170,000 visitors from all over the world attended the trade show. Three-quarters of these also visited the impressive HEIDELBERG stand, which covered an area of over 4,200 square meters in the large, newly built Hall 1. Together with our partners Polar and MK Masterwork, we exhibited and demonstrated our full range of press and postpress processes.

Our stand was a real crowd-puller, attracting some 130,000 visitors in total. That is partly due to our strong brand. In the printing industry, we don't just have customers, but genuine fans. Owners are proud of their HEIDELBERG presses, and many printers are just as proud to operate the machines. We very likely succeeded in gaining a few more customers and fans. Showcasing future-proof solutions won us lots of orders. Incidentally, the same goes for the in-house trade show we held in parallel, welcoming 3,000 customers to our "Home of Print" – the Print Media Center in Wiesloch. Here especially, customers enjoyed a particularly intensive and exclusive experience of HEIDELBERG technology.

World premiere:
HEIDELBERG moves into growing industrial digital printing sector with Jetfire.

- **Collaboration with Canon launched**
- **Digital inkjet technology for industrial commercial printing**
- **Jetfire 50 in B3 sheet format available since drupa**

Heidelberger Druckmaschinen AG – Annual General Meeting FY 2023/2024

Visitor numbers aside, the trade show represented an important strategic milestone for us. This was revealed to the entire printing industry on the first day of the show, when we announced our cooperation with Canon, one of the global market leaders in digital printing. To reiterate the significance of this milestone, Canon has around 1,000 staff working in its industrial printing division. This

cooperation means two technology trailblazers are joining forces and makes HEIDELBERG a complete solution provider for all industrial print products.

As a result, we will rapidly tap into the growth market of industrial digital printing with inkjet technology. HEIDELBERG will be adding two digital presses to its portfolio for this purpose – in the shape of a new inkjet product family called Jetfire – along with consumables and service from a single source within its own software system.

The market for digital commercial printing, including consumables and service, is highly lucrative. According to market estimates, it will grow at an annual rate of almost 7 percent between now and 2029. Digital commercial printing sales totaled just US\$ 5 billion worldwide in 2023, but global revenue will climb to US\$ 7.5 billion by 2029. Given this market potential, HEIDELBERG is looking to substantially increase the sales generated by our digital printing solutions in the medium term.

On the subject of digital printing, we must naturally also mention our business with digitally printed labels at Gallus. Although a niche market in digital printing, it is growing strongly and promises high margins. Gallus One, which experts from HEIDELBERG and Gallus developed jointly with a focus on customer benefits and lower costs over its service life, also attracted a great deal of market interest at drupa.

HEIDELBERG can now supply and integrate all the latest technologies on a technology-neutral basis and in line with customer requirements.

We offer the entire spectrum – from toner to inkjet and from offset to flexo printing – all controlled from a common Prinect workflow.

Our cooperation with Canon is already bearing fruit. We sold the first Jetfire press on the very first day of the trade show and received further orders running into double figures on subsequent days. Deliveries to customers will start in early 2025. But that's not all. The HEIDELBERG portfolio will include a digital inkjet press in B2 format for commercial printing from midway through 2025, when the Jetfire 75 will enable us to tap into another highly lucrative market segment.

Incorporating the Jetfire family into our Prinect control system means we can offer print shops an **all-inclusive package**. Prinect controls all workflows – from the print order to the finished print product – which can save print shops a lot of effort and expense.

Customers can even avoid the complexities of running a software department of their own, especially if they are looking to operate digital presses in addition to established offset presses.

We see especially good opportunities for our solutions at print shops of this kind. After all, we can provide this hybrid production solution from a single source. In this scenario, end-to-end digital printing is intended for short runs and offset printing for longer ones. **Hybrid production is a standout feature of HEIDELBERG and an option for all businesses that are now looking to move beyond professional offset operations and give themselves a little flexibility for other applications.**

Peak Performance generation Speedmaster XL 106:
HEIDELBERG confirms its leading position in industrial offset printing.



Heidelberger Druckmaschinen AG – Annual General Meeting FY 2023/2024

- **21,000 sheets per hour**
- **98 percent fewer manual interventions**
- **Solution for commercial and packaging printing**
- **Automatic plate changing**

In the offset sector, too, we showcased some new highlights. The new Peak Performance generation Speedmaster XL 106 turns the vision of an autonomous pressroom into reality. What exactly is an autonomous pressroom? It can change printing plates completely automatically, and also handle postpress operations and palletization with the help of robots.

Now that digital remote maintenance is possible, too, direct human intervention in production is no longer required. And this Peak Performance solution operates at speeds of up to 21,000 sheets per hour. Our highly automated commercial, packaging, and label printing processes are thus making manual work a thing of the past.

Given the skills shortage in the printing industry and further increasing cost pressures, this innovation provides a vital helping hand for our customers. In this context, I'd like to mention the HEIDELBERG subscription models, which involve us taking care of the running of our machinery for customers while they pay only for the finished print

products. This, too, helps us provide our customers with the right solution for their specific needs.



**StackStar C robotics solution:
Premiere for HEIDELBERG cobot.**



- Automatic depositing of print products on pallets
- Robot can be moved around the print shop
- No guard required thanks to a new safety concept

Heidelberg Druckmaschinen AG – Annual General Meeting FY 2023/2024

Our new StackStar C collaborative robot also attracted a great deal of attention at drupa. Working hand in hand with people, this robot system is used downstream of the folding machine. The robot transfers packs of print products to a pallet, meaning staff no longer need to lift heavy stacks of paper. What's more, it does not require a protective guard.

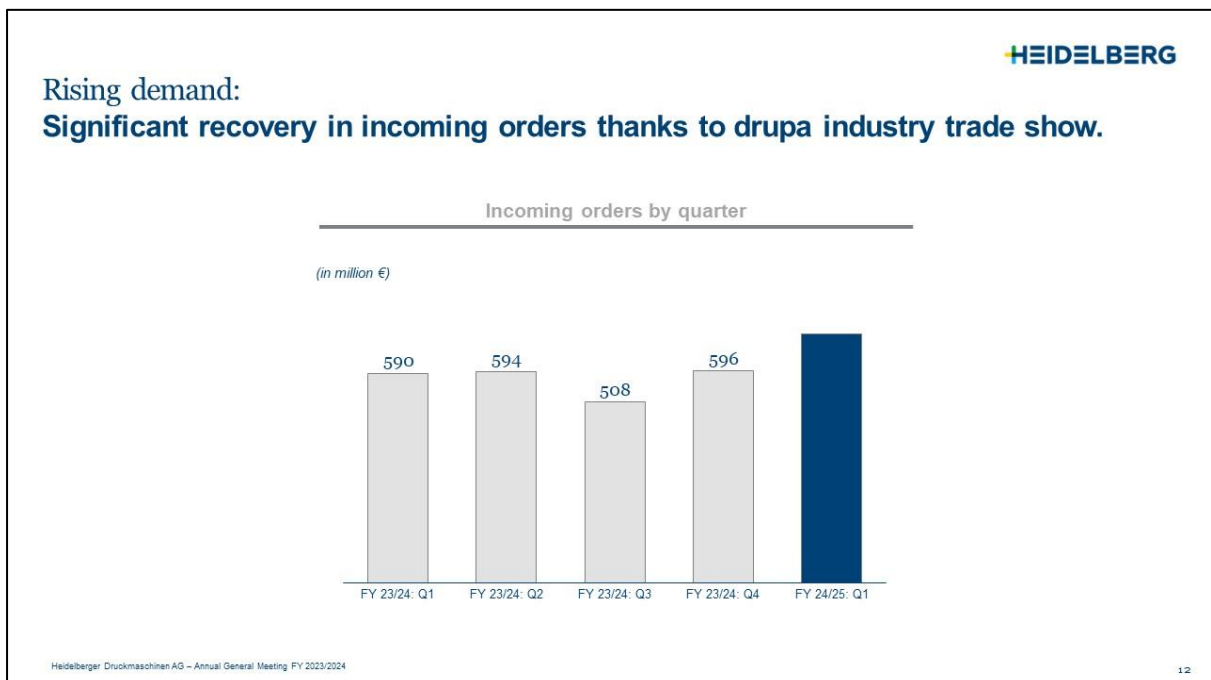
I'd like to share a technical vision with you. Imagine an autonomous print shop that completes three shifts on a highly automated basis overnight, once you've logged the orders and switched off the lights. We're currently working on an AI-supported version of a cutting-edge print shop of this kind. The benefits for customers could be huge and extend far beyond compensating for the skills shortage. AI will take over the scheduling, production control, and monitoring tasks for orders on the presses. Following production, an automated transport system can be used to take the palletized products to the dispatch area. This

automation can help customers in Germany run competitive production operations.

I'd like to emphasize the market potential with a statistic from a HEIDELBERG cross-industry survey of German SMEs. Some 60 percent of respondents regard automation as a necessary step to ease the skills shortage and mitigate cost pressures. The potential is also clear at print shops, which could use this technology to run autonomous and comparatively cost-effective night shifts. In our eyes, that takes competitiveness in the printing industry to the next level – and HEIDELBERG supplies crucial components for that in the form of software, machinery, and robots.

As you can see, HEIDELBERG aims to carry on shaping the printing industry with its innovative solutions – not just as a press supplier, but also as a process designer and system provider. We demonstrated this at drupa and will continue to do so even more in the future, too.

Stable development anticipated for financial year 2024/2025



Ladies and gentlemen,

Our success at drupa was important for the current financial year and beyond. From a financial perspective, our start to this year will still appear weak, as the low level of orders in the spring will impact sales. However, at drupa we recorded our highest quarterly incoming orders since 2016. We are currently working flat out on these orders and anticipate rising sales from the second half of the current financial year onward. We are therefore optimistic that we will achieve our forecasts, and I would like to talk a bit about those now.



We have based our forecasts for financial year 2024/2025 as a whole on the current growth forecasts for the global economy, which also factor in economic and geopolitical uncertainties. We have also based our forecast on the assumption that there will be no substantial changes in the key exchange rates for the company's business activities.

Subject to these assumptions, we are expecting our sales and adjusted EBITDA margin to match the previous year's figures. HEIDELBERG

sales growth in financial year 2024/2025 is therefore remaining stable, even in the current environment. However, this also means that we need to develop a strategy that puts HEIDELBERG back on a growth trajectory.

Corporate culture as a success factor

HEIDELBERG

Strengthening our corporate culture:
Our workforce is a key success factor.



Heidelberg Druckmaschinen AG – Annual General Meeting FY 2023/2024

14

And growth, ladies and gentlemen, is driven by people. In our case, that means the technically skilled and committed 9,600 or so HEIDELBERG employees. They all share a close bond – what we call the “HEIDELBERG spirit”. This spirit is kept alive and well thanks to a deep, almost family-like sense of belonging and our staff’s huge commitment to “their” company.

It is important that we preserve this particular HEIDELBERG strength and harness it even more. I firmly believe that the combination of our corporate culture and a higher level of personal responsibility for staff will be a key success factor for our future. My vision for HEIDELBERG is a company that brings together the best of both worlds – the speed and

pragmatism of a family business on the one hand, and the professional approach and organizational structure of a corporate group on the other.

I would like to give you some insight into how we are going about this, after a matter of only a few weeks. We are entrusting tasks previously performed by external consultants to our in-house staff and are now carrying out this work with internal resources and expertise. Another aim is more efficient collaboration. I firmly believe that our teams are already capable of this – and I also firmly believe that the people at HEIDELBERG have even more to offer. In the future, we want to deliver even better performance with the same staff, thanks to a new style of collaboration and responsibility. Combined with a high level of cost discipline, our performance as a team is our foundation for further growth.

Profitable growth for HEIDELBERG



Ladies and gentlemen,

My two Management Board colleagues and I are working with a team of key knowledge holders in the company to develop a strategy that will help us advance further along our growth trajectory. Our aim is to further develop HEIDELBERG into a state-of-the-art, future-proof, and sustainably profitable technology company with a global sales and service network.

We have good foundations for this. On the one hand, we have the technologies I have already described and, on the other, we have our restored financial stability. It is now a case of taking the next steps. One of these steps involves expanding our very appealing industrial business to include other sectors.

At HEIDELBERG, if we are to hold our own in the battle against rising material and personnel costs, we need sustainable, self-funded growth that remains stable over time. Personnel costs, in particular, are a key lever for making HEIDELBERG more efficient. At present, these equate to more than 30 percent of our sales. This figure is high compared to other companies in our sector, and it is my belief that we need to address this issue urgently.

This is particularly important because there is also a pressing need to invest in projects and core areas of our company. We require cutting-edge software and a high-performance production environment – and, at the same time, we must invest in order to retain and expand our skills and expertise. The dilemma, as you know only too well from your own lives, ladies and gentlemen, is that each euro can only be spent once.

This is why we are holding talks with the works councils and the IG Metall union about setting up a future fund. The idea behind this fund is that it would be a pot of money for financing further training, redevelopment, and investments. The sources for this fund would include concessions made by all groups of employees – from the Management Board and other management staff to all employees in general. These talks between the social partners have so far been very focused and constructive.

Reducing personnel costs and setting up the future fund are important pillars for the financing of our growth strategy. The main driving factors can be summed up in three focal points:

The first of these is internationalization. With 250 sites in 170 countries all over the world, Heidelberger Druckmaschinen already supports customers with the biggest global sales and service network in the printing industry. We offer our customers 270,000 different spare parts and replacement subassemblies to choose from, and around half of these are available for delivery within 24 hours. In the future, we intend to harness this sales and service strength more effectively than ever. This applies particularly to our growth markets in Asia, the USA, and emerging economies. What's more, this applies to our entire portfolio, too – from sales of new presses that are adapted to the relevant markets to robotics, software, consumables, and, of course, service.

In our pursuit of internationalization, we have already made one important change. On June 30, 2024, we combined almost all our sales and service units (SSUs) in **one** sales and service holding company. This enables us to achieve a high level of

standardization, make faster decisions, and thus deliver even better performance for our customers. What's more, this opens the door to further partnerships. We are currently examining potential partnerships that would enable us to use our global sales and service network to tap into new sectors, too. Our cooperation with Canon, for example, demonstrates that we can offer a genuine benefit in this context.

The second focal point of the growth strategy will be the expansion of our own **value chain**. When we talk about growth in the printing sector, the focus is not only on digital printing, as already mentioned, but is, of course, on packaging printing, too.

As already reported, we showcased a number of innovations in this segment at drupa. The packaging market involves much more than shipping cartons. Many customers are now producing high-tech solutions in cardboard form. This includes anti-counterfeit packaging, for example, and new types of pharmaceutical packaging. And who could be better suited to combining high tech and packaging to create opportunities for growth than HEIDELBERG? Our innovative Boardmaster demonstrates this, too.

High demand for Boardmaster worldwide:
Expansion for the growth market of flexible paper packaging.



Heidelberger Druckmaschinen AG – Annual General Meeting FY 2023/2024

- Printing speed: **600 meters** of paper **per minute**
- Availability: Up to **90 percent**
- **Flying job changes** during production

The Boardmaster combines the familiar high quality of a HEIDELBERG product with genuine technological innovation. This press doubles production in packaging printing, thanks to an entirely new development and AI. That is how you achieve growth. This is borne out by the many orders and the almost euphoric reactions of some customers at drupa.

We are going to expand the Boardmaster's range of applications to include the flexible paper segment in order to generate new business in the attractive growth market of sustainable packaging. You will no doubt be coming across flexible paper packaging more and more often, such as when you buy coffee or fruit at the supermarket, for instance. For this segment, we're developing a line concept that also includes a suitable die cutter. We can therefore map out the entire process from prepress to postpress for our customers.



However, if we want to expand our own value chain to achieve growth, ladies and gentlemen, software that works seamlessly is just as vital as innovative presses. This is why we are launching Prinect Touch Free on the market in 2025. With the help of artificial intelligence, this software can control an entire print shop’s production processes. In the future, HEIDELBERG software will define both the production sequence and the machine assignment – decisions that are currently still being made by people. With the help of AI, our Prinect workflow software will be able to control production processes in print shops. The software does this by continuously monitoring all print jobs and deciding on the basis of costs and delivery date whether a digital printing press or an offset press is better suited to the job in question. This “digital mastermind” of print production also has genuine growth potential.

The third focal point for enhanced growth is our industrial business. A few minutes ago, I promised you that I would return to this topic. This involves looking at other areas, outside the printing industry, where HEIDELBERG expertise, skills, and resources could also prove useful. We are no longer restricting ourselves solely to the green technologies sector but are instead further developing our dual-track strategy.

We have both capacity and skills in abundance for high-precision, highly automated heavy mechanical engineering, the automotive industry, and the energy sector. Our portfolio covers the development and production of complex systems and equipment, as well as mechanical component manufacturing and the production of industrial electronics. In contrast to conventional contract manufacturers, HEIDELBERG industrial customers have a key advantage. Not only do they get the hands-on, practical support – they get an entire package that includes the combined expertise of an industrial company. This specifically includes development expertise and automation solutions, too.

Added to all this is the manufacturing expertise that HEIDELBERG offers. I'm talking here about micro precision, high processing speeds, and flexible skilled staff. While assembly times in the automotive industry are measured in minutes, our staff successfully complete assembly times of several hours – in terms of work content – with alternating activities. They accompany **“their”** press all the way through to acceptance testing. And a press such as this then synchronizes up to 300 electric motors to

make them run like perfect, precision clockwork and print with the narrowest of tolerances.

What's more, we do all this in the heart of Germany. This was long seen as a disadvantage – but, in the future, it will actually be more of an advantage. In the wake of disruption to supply chains and wars, the risk assessments being carried out by businesses are starting to shift. In our globally networked world with high levels of geopolitical tension, we firmly believe that our skills and capacities will once again take on a greater and, above all, dependable significance in the future. Our industrial business is currently an important and significant supplier for HEIDELBERG, and for external customers, also. Here, too, we see further potential for growth.

These were the first key points of our strategy that I wanted to share with you, our valued shareholders. It is on the basis of these points that we will be developing the strategy for HEIDELBERG over the coming months. The key combination is **cost-effectiveness, competitiveness, and growth.**

It is an important year for our company. We will continue to face major challenges, but there will also be potential, which we aim to leverage.

Next year, HEIDELBERG will be celebrating 175 years since the company was founded. Intensive in-house preparations are already underway to mark this milestone. It is my personal wish that, when we celebrate this anniversary, I will not just be looking back at the prestigious past of HEIDELBERG, but will also be looking forward,

having struck out on a clear path into the future with our employees – a path that will also benefit you, our valued shareholders.

Thank you for your patience, your trust, and, above all, for playing your part in this change. Thank you for supporting HEIDELBERG.