

Tradition · Innovation · Change

Heidelberger Druckmaschinen AG – Q1 FY 2024/25 Analyst and Investor conference

Jürgen Otto, CEO | Tania von der Goltz, CFO | August 1st, 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.



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New management board

2

Q1 FY 2024/25 at a glance

3

Business and financial review

4

Outlook

Our new management board – strong commitment to financial strength.
Jürgen Otto appointed CEO, David Schmedding for Sales & Technology.

Jürgen Otto, CEO



- Responsible for strategy, production, purchasing, personnel, and segment Technology Solutions¹
- Previous position: various CEO positions, incl. 12y @ Brose

Tania von der Goltz, CFO



- Responsible for controlling, accounting, capital markets (debt & equity), M&A, legal and tax¹
- Previous position: SVP global financial strategy @ Fresenius Medical Care

Dr. David Schmedding, CSO



- Responsible for sales, service, research & development and segments Print & Packaging Solutions¹
- Previous position: Head of Sales @ HEIDELBERG

¹The list is a selection of the main functions, the complete business allocation plan can be found on our website.



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New management board

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Business and financial review

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Outlook

Q1 FY 2024/25 – expected and communicated soft start.

On track to guidance: Strong trend in orders received will boost sales in H2.

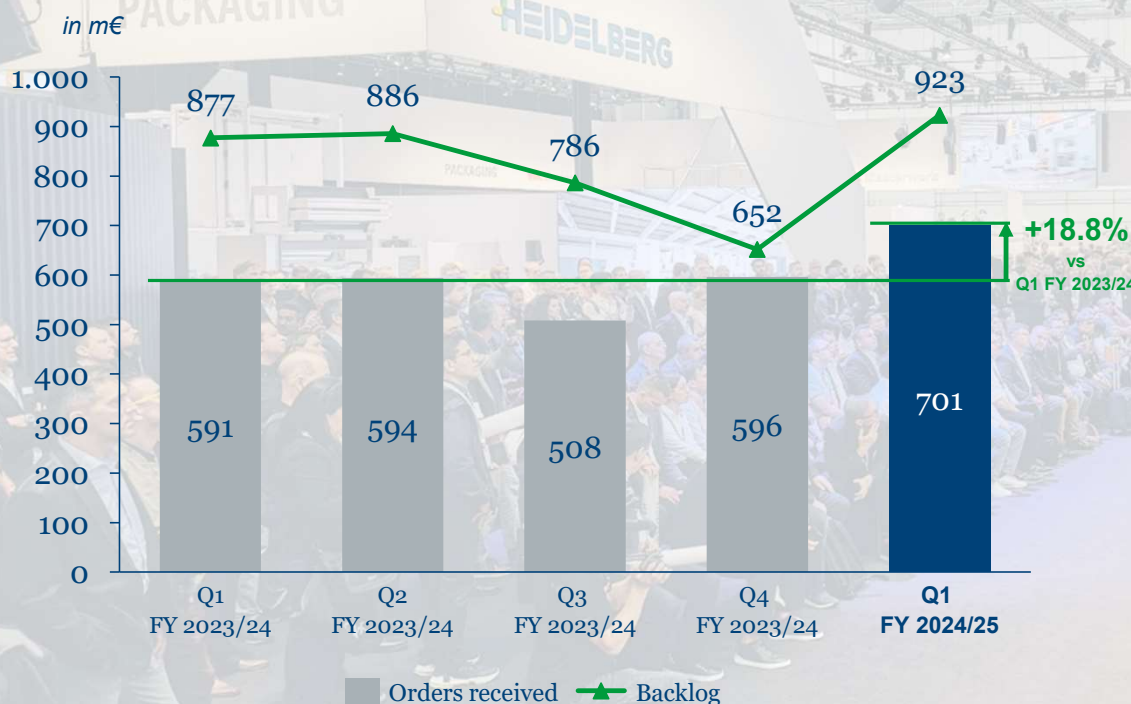
| Orders received | Net sales | Adj. EBITDA in % Net sales ¹ | Free Cashflow |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------------|
| <p>€ 701m <i>Fx-adj € 706m</i> (PY: € 591m)</p> | <p>€ 403m <i>Fx-adj. € 404m</i> (PY: € 544m)</p> | <p>-2.3% (PY: 7.7%)</p> | <p>€ -103m (PY: € -27m)</p> |

- **Orders received trended strong in Q1 (+19% y/y)**, even outperforming our expectations of € 650m – still a solid number of soft orders to be converted into hard orders.
- **Net Sales: Expected soft start**, customers' wait-and-see approach in placing orders ahead of drupa strongly impacted Q1.
- **Adj. EBITDA-margin temporarily negative** due to y/y lower net sales and € 10m expenses for drupa – Free Cashflow accordingly weaker, also due to orders-related increase in inventories.
- **Guidance confirmed:** Seasonality in net sales and adj. EBITDA-margin as expected, drupa orders will provide the basis for sales and margin growth over the next quarters.

Confidence for full-year targets. Successful Drupa strengthens order trend, backlog up on previous year.

Quarterly orders received & backlog with a clearly positive trend

Key takeaways:



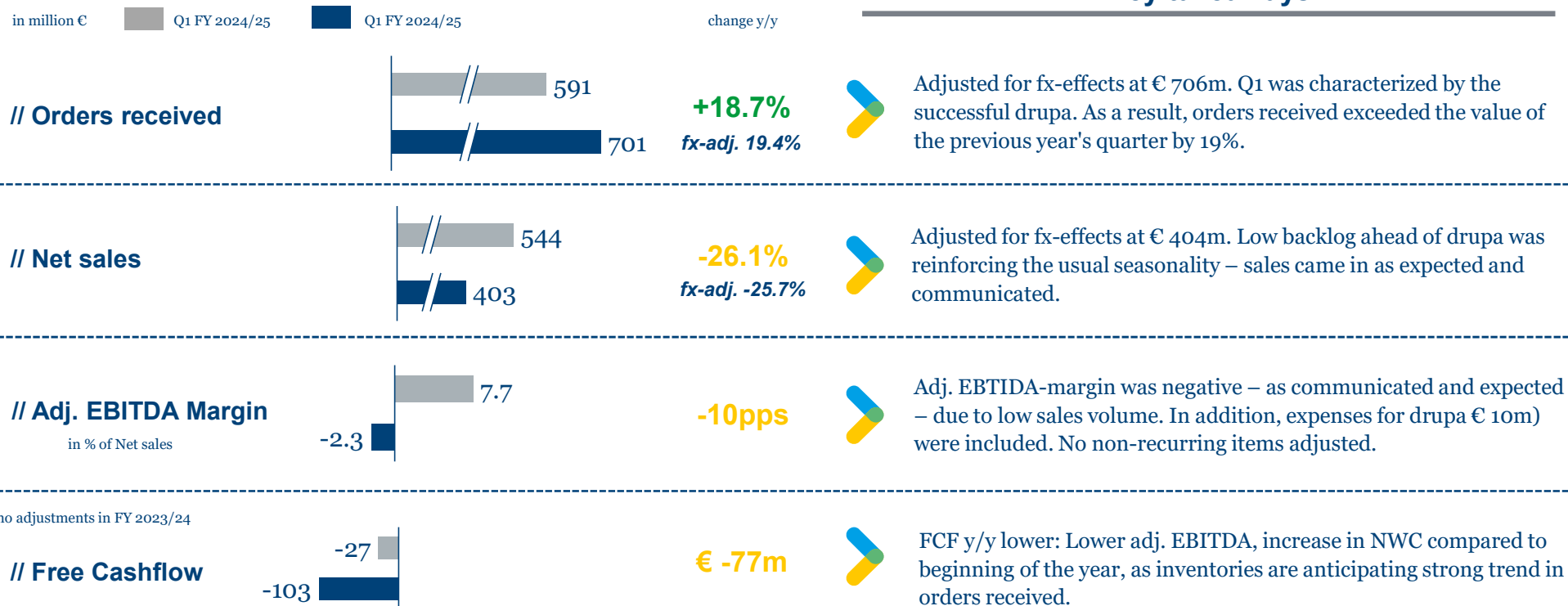
- Order backlog exceeds prior year, giving comfort for net sales & adj. EBTIDA-margin guidance.
- Book-to-bill ratio trending well above 1, indicating sales growth over the subsequent quarters.
- Still a solid number of soft orders to be converted into orders received.
- Confidence for achieving full-year targets.



- 1 New management board
- 2 Q1 FY 2024/25 at a glance
- 3 Business and financial review**
- 4 Outlook

Key performance indicators (Q1 FY2024/25). Drupa had a strong impact on first-quarter figures.

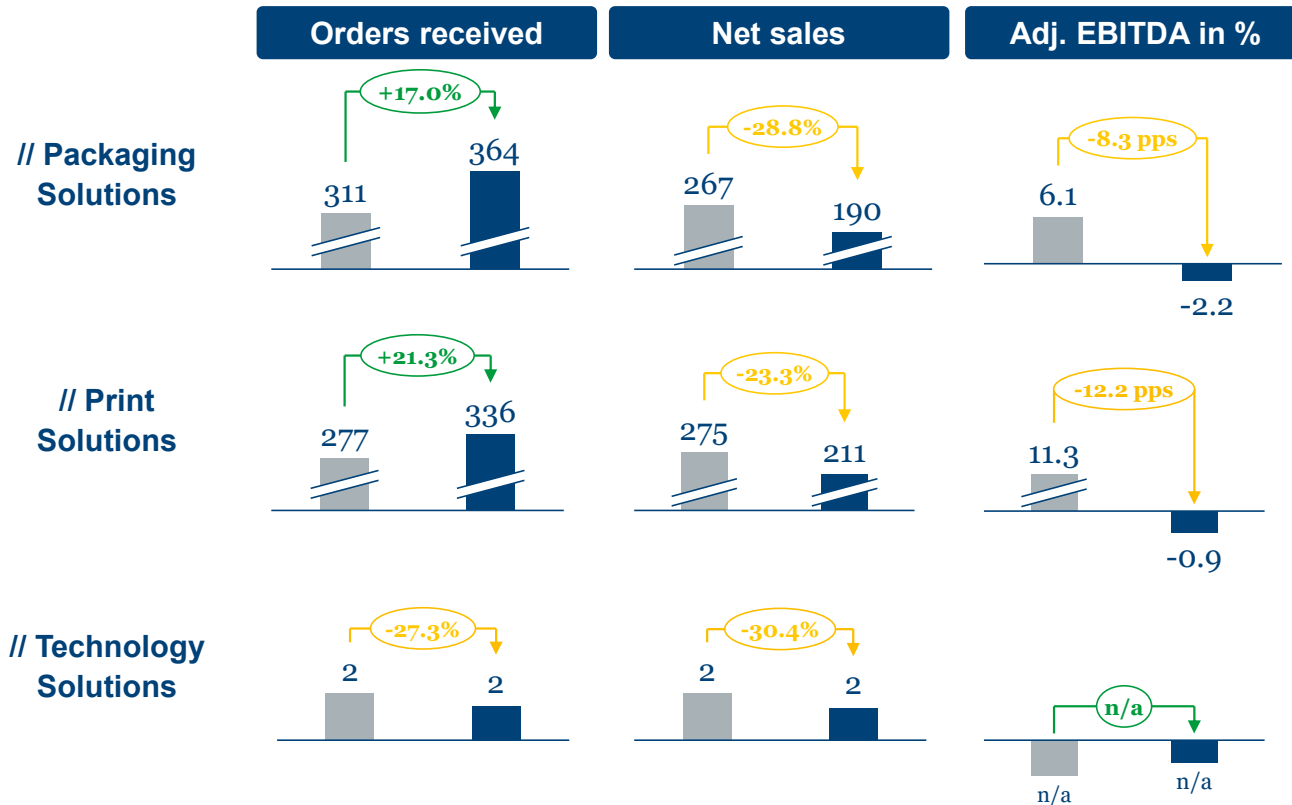
Key takeaways:



Segment split (3m FY2024/25).

Strong y/y order growth in Packaging and Print Solutions – sales down y/y.

in million € Q1 FY 2023/24 Q1 FY 2024/25



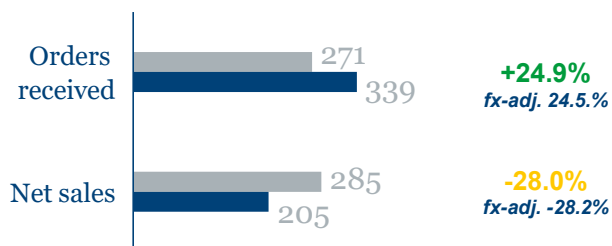
Key takeaways:

- Orders received up due to successful drupa, especially equipment orders from China – order backlog high at € 532m.
- Net sales down due to weak pre-drupa order trend, adj. EBITDA-margin declined accordingly.
- Strongest improvement in orders received, first Jetfire order included – ~50 LOIs signed.
- Share of group net sales higher, due to stronger proportion of aftersales business vs. Packaging. Net sales y/y down, profitability accordingly.
- Amperified is in the transition of its business model from hardware supplier to solutions provider.
- Improvement in the segments adj. EBITDA, due to discontinuation of Zaikio and Printed Electronics.

Regions (3m FY2024/25).

Increase in orders received – sales down as expected.

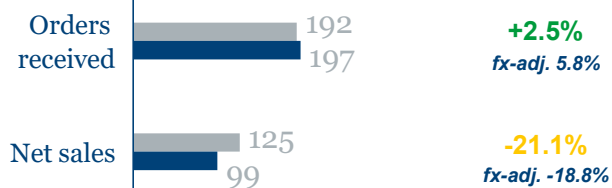
in million € Q1 FY 2023/24 Q1 FY 2024/25 change y/y



Key takeaways:

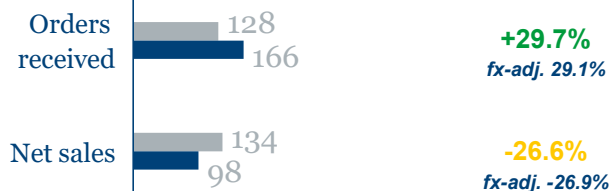
Strong development in **orders received** in UK & France, Germany stable on solid prior years level.

Net sales down due to weak pre-drupa order trend in Q3 FY 2023/24, prior year benefited from subsidy programs in Italy & France. Strong backlog offers sequential growth potential in net sales.



Orders received on strong prior years level, which included orders from Print China. Asia-Pacific ex China with strong y/y gains, proving the attractiveness of this structurally growing region.

Net sales down due to weak pre-drupa order trend in Q3 FY 2023/24.



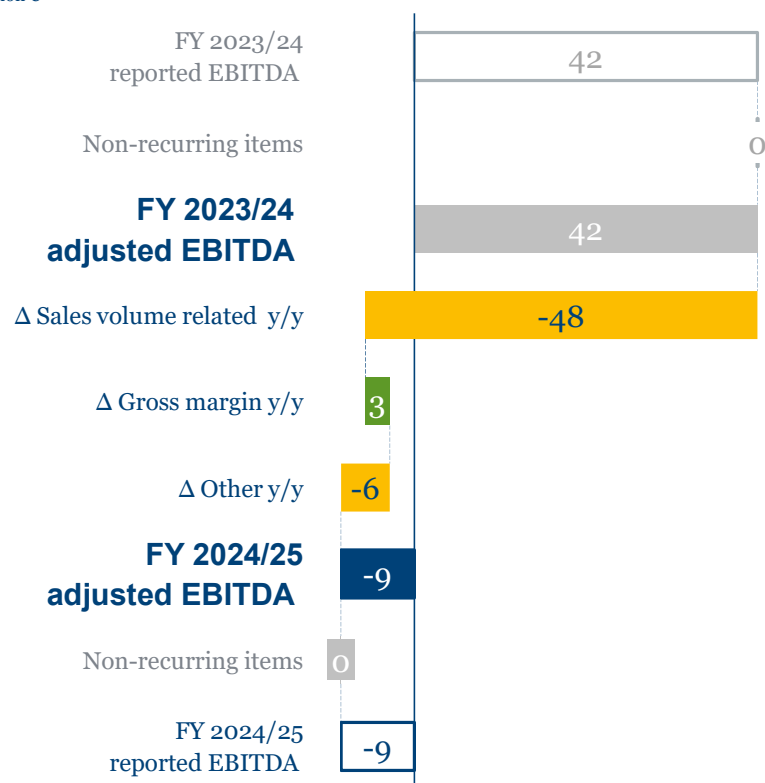
Strongest improvement in orders received, driven by South American markets. Solid orders pipeline for Boardmaster in the US.

Expected decline in net sales – solid upside for subsequent quarters.

EBITDA bridge (3m FY2024/25).

Sales induced decline in adj. EBTIDA-margin – improved product margins.

in million €



Key takeaways:

No adjustments in Q1 FY 2023/24.

- **Expected decrease in sales volumes**, correspondingly lower production capacity utilization.
- + **Improvement in product margins**, mainly on price adjustments – **negative impact from higher tariffs.**
- **Other effects, including € 10m for drupa trade fair**

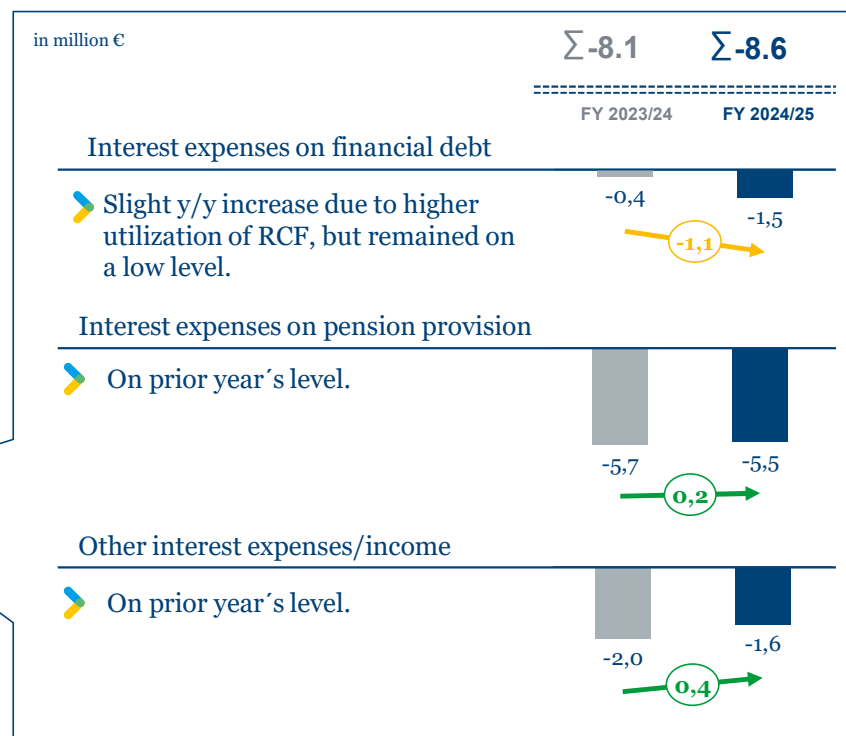
No adjustments in Q1 FY 2024/25.

EBITDA to EBT (3m FY2024/25).

Financial expenses slightly higher – 2/3 of total relating to pension provision.

| in million € | Q1 FY 2023/24 | Q1 FY 2024/25 |
|----------------------------------------------|------------------|------------------|
| // Reported EBITDA | 42.1 | -9.1 |
| ----- | | |
| Depreciation & amortization | -18.8 | -18.8 |
| // EBIT | 23.3 | -27.9 |
| ----- | | |
| Net financial result (-expenses/+ income) | -8.1 | -8.6 |
| // EBT (+) | 15.2 | -36.5 |

// Breakdown net financial result:

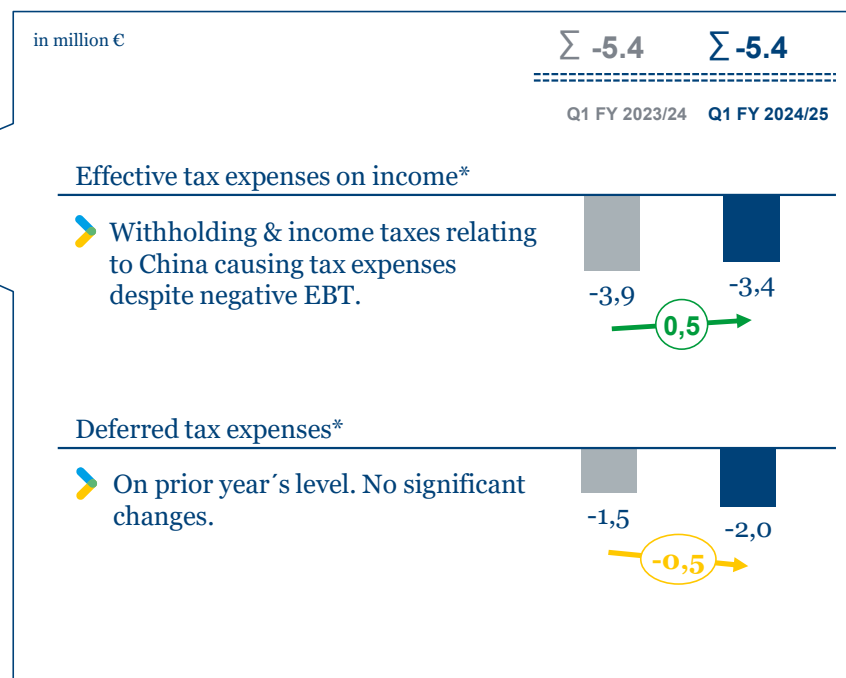


EBT to Earnings per share (3m FY2024/25).

Tax expenses on prior years level despite negative EBT due to withholding taxes.

| in million € | Q1 FY 2023/24 | Q1 FY 2024/25 |
|------------------------------------------------------|------------------|------------------|
| // EBT | 15.2 | -36.5 |
| <hr/> | | |
| Tax result* (-expenses/+ income) | -5.4 | -5.4 |
| // Net income | 9.8 | -41.9 |
| <hr/> | | |
| Divided by number of shares | 304.5m | 304.5m |
| // Earnings per share <i>(in €/ share)</i> | 0.03 | -0.13 |

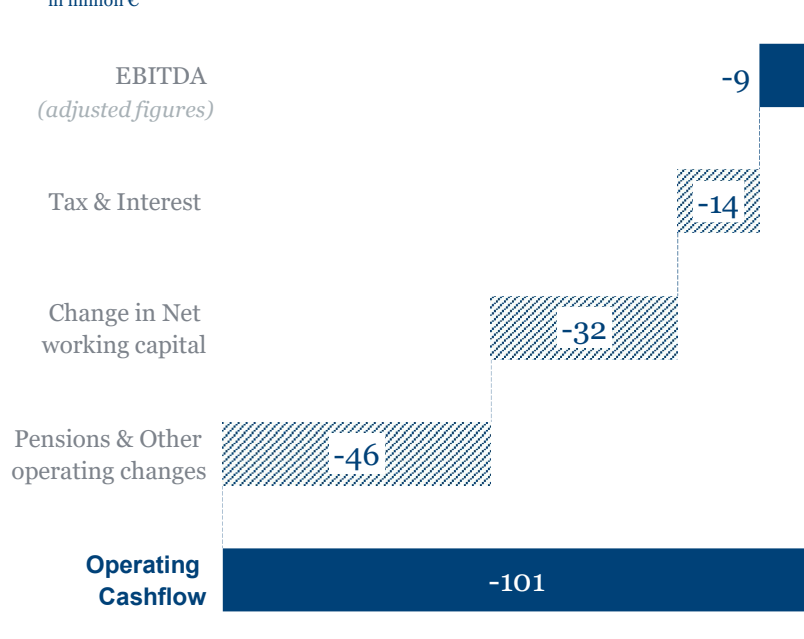
Breakdown Tax result:



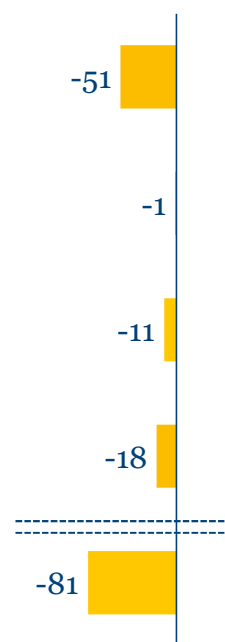
Operating Cashflow (3m FY2024/25) – temporarily lower. Expected stronger adj. EBITDA seasonality & NWC build-up from strong backlog.

Adj. EBITDA to Operating Cashflow Q1 FY 2024/25

in million €



Change y/y



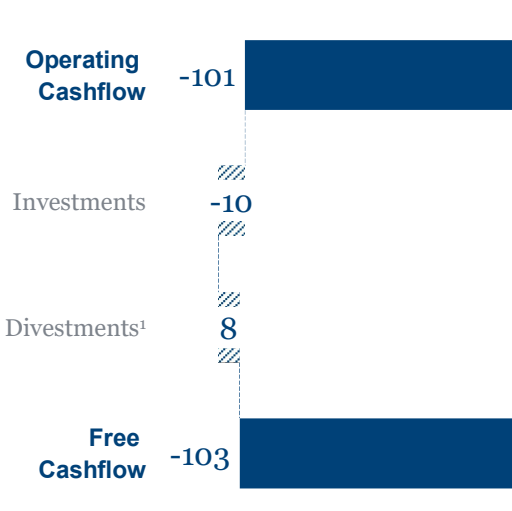
Comments on y/y changes:

- Temporary decline in adj. EBITDA**, due to y/y lower sales volume.
- Tax & interest cash-out** in line with prior year.
- Slightly higher **NWC-needs**, preparing for sequential increase of factory output according to strong order trend.
- Pension cash out and seasonal wage items at previous year's level, y/y change due utilization of prov. and other temp. effects.
- Operating Cashflow** below previous year's level, due to expected strong seasonality in adj. EBITDA & NWC build-up.

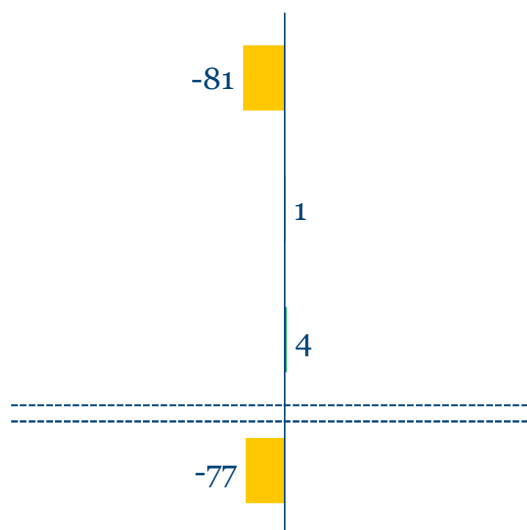
Free Cashflow (3m FY2024/25) – temporarily lower. Expected stronger adj. EBITDA seasonality & NWC build-up from strong backlog.

Operating to Free Cashflow FY 2024/25

in million €



Change y/y excl. non-rec. items

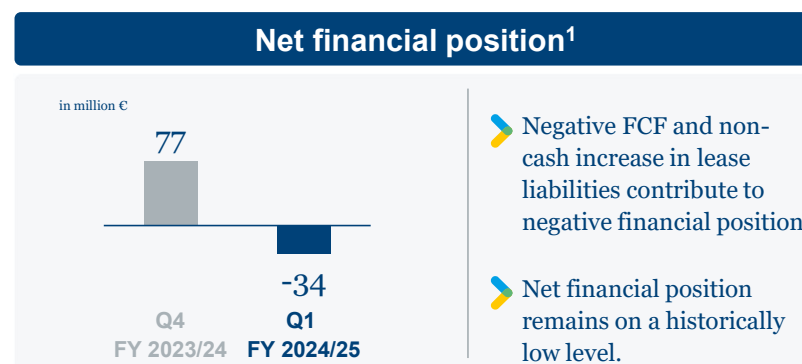
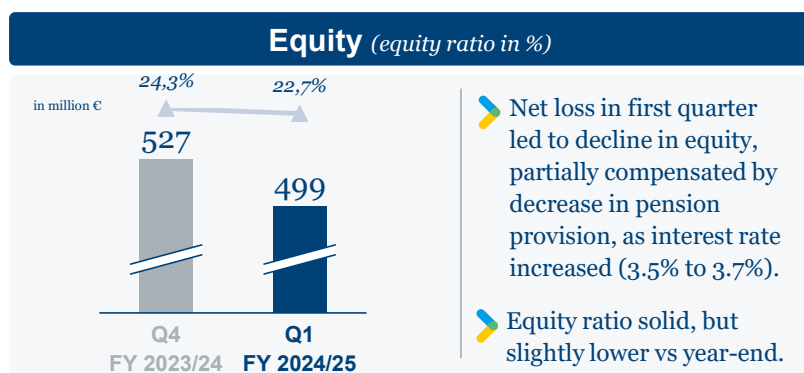


Comments on y/y changes:

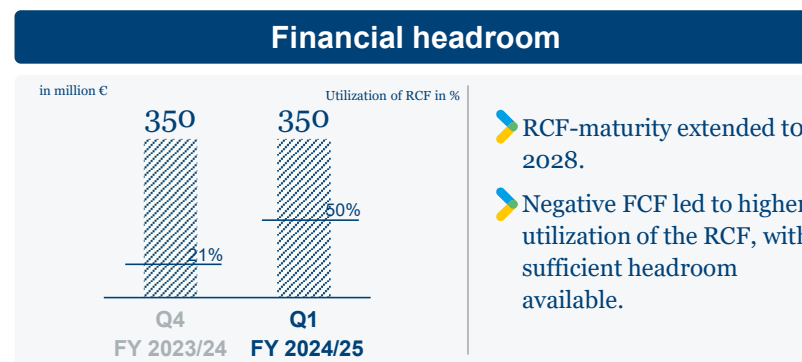
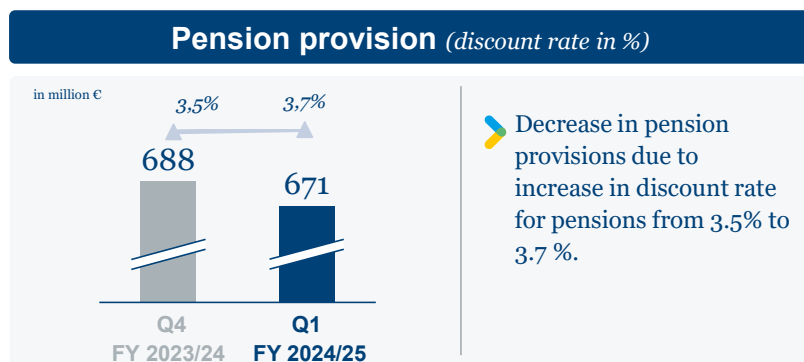
- Investments on prior years level.
- Higher inflows from the sale of demo machines from our showroom (drupa renewals)
- **Free Cashflow** y/y lower due to negative EBTIDA, NWC-build up due to solid order book – **as expected**.

Balance Sheet (3m FY2024/25).

Equity remains on a solid level, net financial position lower due to negative FCF.



¹Net financial position: Net total of cash and cash equivalents and current securities less financial liabilities.



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Guidance FY 2024/25 – soft start in line with expectations.

On track: High order backlog will secure quarter-on-quarter improvements.

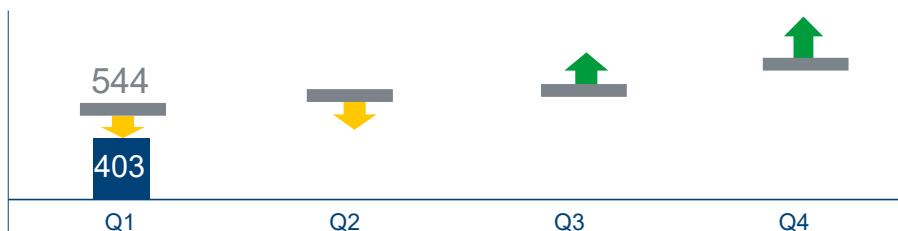
As shown at the annual press conference, June 11

Net Sales

in m€

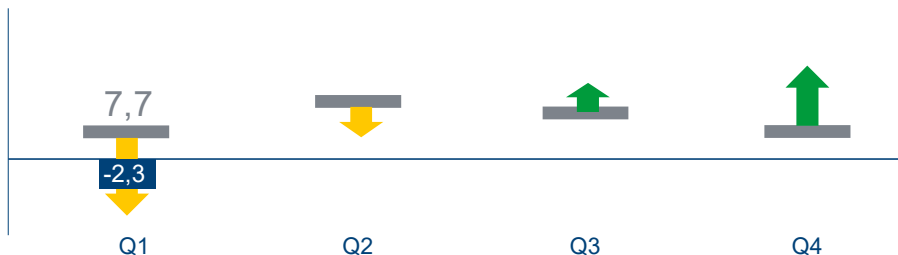
Historical quarterly seasonality last 10 FY

Lower/Higer in FY 2024/25 (indication)



Adj. EBITDA margin

in % of Net sales



Key takeaways:

- **Start to FY 2024/25 in line with expectations and as announced** – stronger seasonality compared to prior years.
- **Sequential improvement in Q2 expected**, but net sales & adj. EBITDA-margin expected to remain below prior year.
- **H2 expected to be correspondingly stronger**, high order backlog paving the way to achieve our guidance.

Management priorities.

Continued cost management & NWC-optimization.

#1 Cost & margin management

- **Order backlog + pipeline provides a good basis for sales guidance for FY 2024/25** – focus is on securing margins & supply chain.
- **Personnel costs remain too high structurally** – swap to investment budget envisaged.

#2 Securing cash conversion

- **Continuing to improve net working capital** to secure Free Cashflow ambition.
- Focus will be on **reducing inventories along the value chain**, as well as on **receivables management**.

Guidance FY 2024/25 – management priorities.

Balancing growth initiatives and the ground of financial stability.

1
Strengthen Print & Packaging, expand addressable market



Clear innovation & market leader for packaging printing technologies



Capture growth along the packaging value chain, digital printing offers potential in commercial printing

2
Leverage our global network



~4500 Sales & Service employees worldwide

170 countries covered

24h global performance service

3
Utilize existing technologies and capacities



Leading engineering-to-manufacturing capabilities



Capacities with geostrategic advantages

Financial stability

Guidance FY 2024/25.

Strong uptick of sales and adj. EBITDA in H2 – backed by sufficient backlog.

YY comparison after Q1

| | Q1 FY 2023/24 | Q1 FY 2024/25 | Δ Y/Y |
|--|------------------|------------------|-------|
|--|------------------|------------------|-------|

Guidance FY 2024/25

Key takeaways:

// Net Sales

544

403

-26.1%

~ previous year

€ 2,395m

- Net sales guidance **backed by solid order trend and sufficient backlog.**
- Quarter-on-quarter **improvement** in Q2 expected.

// Adj. EBITDA-margin

(in % of net sales)

7.7

-2.3

-10pps

~ previous year

7.2%

- Adjusted EBITDA-margin expected to improve** based on higher sales volumes.
- Ongoing margin & cost control** – secured by value creation program.

Key takeaways.



Soft start to FY 2024/25 was expected and communicated – sequential improvements in quarters ahead expected.

Successful drupa shows that HEIDELBERG has the right offerings in place – strong order backlog will pave the way for achieving our guidance.

HEIDELBERG is setting the course for the future, continuous focus on financial discipline.

P&L.

| Figures in € millions | Q1 2023/2024 | Q1 2024/2025 | Change in m€ |
|----------------------------------------------------------------------------|-----------------|-----------------|-----------------|
| Net sales | 544.3 | 402.5 | -141.8 |
| Change in inventories/other own work capitalized | 50.3 | 98.7 | 48.4 |
| Total operating performance | 594.6 | 501.2 | -93.4 |
| Other operating income | 10.9 | 16.8 | 5.9 |
| Cost of materials | 262.8 | 239.1 | -23.6 |
| Staff costs | 204.7 | 202.6 | -2.1 |
| Depreciation and amortization | 18.8 | 18.8 | 0.0 |
| Other operating expenses | 95.9 | 85.3 | -10.6 |
| Result of operating activities | 23.3 | -27.9 | -51.2 |
| Financial income | 1.3 | 1.2 | -0.2 |
| Financial expenses | 9.5 | 9.8 | 0.3 |
| Financial result | -8.1 | -8.6 | -0.5 |
| Net result before taxes | 15.2 | -36.5 | -51.7 |
| Taxes on income | 5.4 | 5.4 | 0.0 |
| Net result after taxes | 9.8 | -41.9 | -51.7 |
| Basic earnings per share according to IAS 33 (in € per share) | 0.03 | -0.13 | -0.16 |
| Diluted earnings per share according to IAS 33 (in € per share) | 0.03 | -0.13 | -0.16 |

Reported to adjusted EBITDA.

| Figures in € millions | TOTAL 2024/2025 | TOTAL 2023/2024 | Change in % | Q1 2024/2025 | Q1 2023/2024 | Change in % |
|------------------------------------------|--------------------|--------------------|----------------|-----------------|-----------------|----------------|
| Reported EBITDA | -9.1 | 42.1 | -21.6% | -9.1 | 42.1 | -21.6% |
| Reported EBITDA in % of Net sales | 0.0 | 0.0 | 10pps | 0.0 | 0.0 | 10pps |
| Acquisition-related special effects | 0.0 | 0.0 | - | 0.0 | 0.0 | - |
| Legal Dispute | 0.0 | 0.0 | - | 0.0 | 0.0 | - |
| Adjusted EBITDA | -9.1 | 42.1 | -21.6% | -9.1 | 42.1 | -21.6% |
| Adjusted EBITDA in % Net sales | -2.3% | 7.7% | 10pps | -2.3% | 7.7% | 10pps |

Segments: Quarterly overview.

| Figures in € millions | | | | | |
|--------------------------------------|-----------------|--------------------|-----------------|--------------------|------------------------|
| | Q1 2024/2025 | TOTAL 2024/2025 | Q1 2023/2024 | TOTAL 2023/2024 | y/y Change in m€ |
| Orders received | 701.3 | 701.3 | 590.9 | 590.9 | 110.3 |
| Print Solutions | 335.5 | 335.5 | 277.2 | 277.2 | 58.3 |
| Packaging Solutions | 364.1 | 364.1 | 311.4 | 311.4 | 52.7 |
| Technology Solutions | 1.6 | 1.6 | 2.3 | 2.3 | -0.6 |
| Net sales | 402.5 | 402.5 | 544.3 | 544.3 | -141.8 |
| Print Solutions | 211.3 | 211.3 | 274.7 | 274.7 | -63.4 |
| Packaging Solutions | 189.6 | 189.6 | 267.3 | 267.3 | -77.7 |
| Technology Solutions | 1.6 | 1.6 | 2.3 | 2.3 | -0.6 |
| EBITDA | -9.1 | -9.1 | 42.1 | 42.1 | -51.2 |
| Print Solutions | -1.9 | -1.9 | 31.0 | 31.0 | -32.9 |
| Packaging Solutions | -4.2 | -4.2 | 16.3 | 16.3 | -20.5 |
| Technology Solutions | -2.9 | -2.9 | -5.1 | -5.1 | 2.2 |
| Adj. EBITDA | -9.1 | -9.1 | 42.1 | 42.1 | -51.2 |
| Adj. EBITDA in % of Net sales | -2.3% | -2.3% | 7.7% | 7.7% | 1000bps |
| Net result after taxes | -36.5 | -36.5 | 15.2 | 15.2 | -51.7 |

Balance Sheet.

Assets

| Assets – Figures in € millions | 31.3.2024 | 30.6.2024 | Change in m€ |
|------------------------------------|----------------|----------------|--------------|
| Non-current assets | | | |
| Intangible assets | 217.4 | 217.4 | 0.0 |
| Property, plant and equipment | 664.9 | 654.2 | -10.6 |
| Investment property | 9.7 | 9.7 | -0.0 |
| Financial assets | 10.3 | 10.0 | -0.2 |
| Receivables from sales financing | 26.4 | 29.7 | 3.3 |
| Other receivables and other assets | 20.4 | 19.2 | -1.2 |
| Income tax assets | 0.0 | 0.0 | -0.0 |
| Deferred tax assets | 61.3 | 59.0 | -2.4 |
| | 1,010.4 | 999.1 | -11.2 |
| Current assets | | | |
| Inventories | 587.7 | 690.8 | 103.1 |
| Receivables from sales financing | 16.4 | 14.4 | -2.0 |
| Trade receivables | 252.0 | 224.6 | -27.5 |
| Other receivables and other assets | 85.0 | 104.1 | 19.1 |
| Income tax assets | 9.8 | 9.9 | 0.1 |
| Investment in securities | - | - | 0.0 |
| Cash and cash equivalents | 152.6 | 157.5 | 4.9 |
| | 1,103.5 | 1,201.3 | 97.8 |
| Assets held for sales | - | - | 0.0 |
| Total assets | 2,113.9 | 2,200.4 | 86.6 |

Equity and Liabilities

| Equity and liabilities – Figures in € millions | 31.3.2024 | 30.6.2024 | Change in m€ |
|--------------------------------------------------------|----------------|----------------|--------------|
| Equity | | | |
| Issued capital | 779.1 | 779.1 | 0.0 |
| Capital reserves, retained earnings and other reserves | -291.1 | -238.6 | 52.5 |
| Net result after taxes | 38.9 | -41.9 | -80.9 |
| | 526.9 | 498.5 | -28.4 |
| Non-current liabilities | | | |
| Provisions for pensions and similar obligations | 687.9 | 670.6 | -17.3 |
| Other provisions | 37.1 | 24.2 | -12.9 |
| Financial liabilities | 48.0 | 149.0 | 101.0 |
| Contractual liabilities | 22.0 | 20.8 | -1.2 |
| Income tax liabilities | 21.6 | 21.7 | 0.1 |
| Other liabilities | 11.7 | 11.9 | 0.2 |
| Deferred tax liabilities | 2.6 | 2.2 | -0.3 |
| | 819.4 | 787.4 | -32.0 |
| Current liabilities | | | |
| Other provisions | 171.4 | 154.3 | -17.1 |
| Financial liabilities | 28.0 | 42.0 | 14.0 |
| Contractual liabilities | 185.3 | 242.7 | 57.4 |
| Trade liabilities | 227.2 | 209.5 | -17.6 |
| Income tax liabilities | 18.6 | 12.5 | -6.1 |
| Other liabilities | 125.5 | 140.0 | 14.5 |
| | 767.6 | 914.6 | 147.0 |
| Total equity and liabilities | 2,113.9 | 2,200.4 | 86.6 |