HEIDELBERG

Interim *Statement*

First Quarter of 2024 / 2025

Interim statement for Q1 2024/2025

- drupa exceeds expectations: Incoming orders of € 701 million in the first quarter at best level since 2016, forming a strong basis for the 2024/2025 financial year
- Expected strong seasonality in financial year: Sales of € 403 million after three months lower than previous year as advised, significant improvement expected particularly in the second half of the year due to large order backlog
- Adjusted EBITDA margin in first quarter of 2024/2025 stands at – 2.3 percent as a result
- Negative free cash flow after three months as expected of € – 103 million due to the quarterly loss, increase in inventories as a result of a high level of incoming orders and seasonal effects
- Forecast for the 2024/2025 financial year confirmed: Large order backlog and continual cost controls form the basis for achievement of targets

Key figures overview

Figures in € millions	Q1 2023 / 2024	**Q1 2024 / 2025**
Results of operations		
Incoming orders	591	701
Order backlog[1)]	877	923
Net sales	544	403
Adjusted EBITDA[2)]	42	– 9
in percent of sales	7.7	– 2.3
EBITDA[2)]	42	– 9
Result of operating activities (EBIT)	23	– 28
Net result after taxes	10	– 42
Earnings per share in €	0.03	– 0.13
Financial position		
Cash generated by operating activities	– 20	– 101
Free cash flow	– 27	– 103
Net assets		
Equity[1)]	515	499
Net financial position[1), 3)]	18	– 34
Number of employees[1)] (excluding trainees)	9,477	9,494

1) As of the end of the reporting period, June 30
2) Result of operating activities before interest, taxes, depreciation and amortization
3) Net total of cash and cash equivalents and current securities less financial liabilities

Note
In individual cases, rounding may result in discrepancies concerning the totals and percentages contained in this interim statement.

Overall assessment of business development

The first quarter of the 2024/2025 financial year (April 1 to June 30, 2024) of Heidelberger Druckmaschinen AG (HEIDELBERG) was shaped by the successful outcome of the sector trade fair drupa. Incoming orders of € 701 million significantly exceeded the figure in the same quarter of the previous year (€ 591 million) as a result. In contrast, sales fell below the level in the previous year (€ 544 million) as expected to € 403 million due to purchasing restraint in the lead-up to drupa. The Company expects a significant increase in sales, especially in the second half of the financial year, due to the good order situation. The EBITDA margin adjusted for special items in the first quarter of 2024/2025 was – 2.3 percent (same quarter of the previous year: 7.7 percent) and was mainly impacted by lower sales figures and by expenses related to drupa.

High level of incoming orders due to drupa

In contrast to the general trend in the German mechanical and plant engineering sector, for which the VDMA reported a significant decrease in orders at the end of May, HEIDELBERG was able to increase its incoming orders considerably in the first quarter of 2024/2025. Orders received in particular during the sector trade fair drupa (end of May until beginning of June 2024), where HEIDELBERG presented numerous innovations, had a positive impact here. The incoming orders in the first three months of the 2024/2025 financial year of € 701 million significantly exceeded the Company's own expectations of around € 650 million. Incoming orders were thus at the best level since 2016, and around 19 percent higher than the figure for the same period of the previous year (€ 591 million), when the successful trade fair Print China was held.

The Packaging Solutions segment was able to increase its incoming orders by 17 percent in comparison to the same quarter of the previous year to € 364 million and thus accounted for more than half of the orders. The growth was even more pronounced in Print Solutions, which was able to increase its incoming orders by 21 percent to € 336 million. Regionally, this positive increase in incoming orders was primarily attributable to the Americas region, closely followed by the EMEA region. However, the Asia-Pacific region was also once again able to slightly increase its incoming orders in comparison to the figure in the previous year, despite already experiencing a very strong first quarter of the financial year 2023/2024 due to the trade fair Print China in April 2023.

Net sales and results of operations

Interim consolidated income statement

Figures in € millions	Q1 2023 / 2024	**Q1 2024 / 2025**
Net sales	**544**	**403**
Change in inventories / other own work capitalized	50	99
Total operating performance	**595**	**501**
Other operating income and expenses	85	68
Cost of materials	263	239
Staff costs	205	203
EBITDA[1)]	**42**	**– 9**
Adjusted EBITDA[1)]	**42**	**– 9**
in percent of sales	7.7	– 2.3
Depreciation and amortization	19	19
Result of operating activities (EBIT)	**23**	**– 28**
Financial result	– 8	– 9
Net result before taxes	**15**	**– 37**
Taxes on income	5	5
Net result after taxes	**10**	**– 42**

1) Operating result before interest, taxes, depreciation and amortization

As a result of sluggish incoming orders in the third quarter of the previous year, sales in the first three months of € 403 million were significantly lower than the level in the same period of the previous year (€ 544 million). Apart from the generally subdued state of the economy, a wait-and-see attitude among customers with respect to placing new orders had been noticeable in the lead-up to the drupa trade fair, which was reflected in sales in the reporting period. In the second half of the current financial year, the Company expects a significant increase in sales due to the positive order situation.

The adjusted EBITDA margin, which stood at – 2.3 percent in the first quarter (same period of the previous year: 7.7 percent), also developed accordingly. There were no adjustments made for special items in the reporting period. Profitability was negatively impacted in the first quarter of 2024/2025 by, above all, low sales and the reduction in capacity utilization as a result. In response, the Company took measures to make working hours more flexible, such as short-time work, which expired at the end of the first quarter. These measures were effective in offsetting the increase in wages and salaries in the staff costs which came as a result of the collective bargaining agreement. Staff costs of € 203 million were around the same level as in the same quarter of the previous year (€ 205 million). In comparison to the same quarter of the previous year, the staff costs ratio increased to 40 percent (previous year's figure: 34 percent) because of lower sales, and was thus at a high level. Expenses for drupa of around € 10 million also had a negative impact on the adjusted EBITDA margin in comparison to the first quarter of the previous year.

The financial result in the first quarter of 2024/2025 stood at € −9 million (same period of the previous year: € −8 million), which was mainly due to the interest expenses for pensions.

Including income taxes of € 5 million (same quarter of the previous year: € 5 million), the net result after taxes in the first quarter amounted to € −42 million (same quarter of the previous year: € 10 million).

Net assets

Assets

Figures in € millions	31-Mar-2024	**30-Jun-2024**
Non-current assets	902	891
Inventories	588	691
Trade receivables	252	225
Receivables from sales financing	43	44
Cash and cash equivalents	153	158
Other assets	177	192
	2,114	**2,200**

Inventories increased compared to the beginning of the financial year to € 691 million as a result of incoming orders. Despite the absolute increase in inventories, net working capital (NWC) increased by just € 37 million to € 509 million (March 31, 2024: € 472 million) because of the positive impact of, among other things, the increase in prepayments and the decline in trade receivables.

Despite the negative free cash flow, cash and cash equivalents increased slightly compared to the beginning of the financial year to € 158 million as a result of the utilization of the revolving credit facility.

Equity and liabilities

Figures in € millions	31-Mar-2024	**30-Jun-2024**
Equity	527	499
Provisions	896	849
of which: pension provisions	688	671
Financial liabilities	76	191
Trade liabilities	227	210
Other equity and liabilities	387	452
	2,114	**2,200**

Equity decreased compared to the beginning of the financial year to € 499 million at the end of the quarter, while the equity ratio stood at 22.7 percent. This was primarily attributable to the quarterly loss. This was offset to some extent by the positive effect of the decrease in pension provisions due to the increase in the discount rate for pensions in Germany as of June 30, 2024, to 3.7 percent (March 31, 2024: 3.5 percent). This effect is recognized directly in equity. Pension provisions fell compared to the beginning of the financial year from € 688 million to € 671 million as of June 30, 2024. Provisions amounted to € 849 million (March 31, 2024: € 896 million).

Financial liabilities increased as of the end of the reporting period to € 191 million (March 31, 2024: € 76 million; same quarter of the previous year: € 95 million) as a result of the utilization of the revolving credit facilty due to the negative free cash flow. The net financial position, i.e. the balance of cash and cash equivalents and financial liabilities, fell to € −34 million as a result of the outflow of cash and cash equivalents in the first quarter. Financial liabilities were thus slightly higher than the cash and cash equivalents. Accordingly, net liabilities remained at a low level (March 31, 2024: € 77 million; same quarter of the previous year: € 18 million).

Since the successful refinancing process at the end of July 2023, HEIDELBERG's financing structure has mainly consisted of a syndicated credit line (€ 350 million) and a few small loans, providing a solid foundation for the Company's further strategic development. At the end of June 2024, the term of the syndicated credit line was extended by the bank consortium by a further year until July 2028.

Financial position

Interim consolidated statement of cash flows

Figures in € millions	Q1 2023 / 2024	**Q1 2024 / 2025**
Cash used in operating activities	– 20	– 101
of which: net working capital	– 22	– 32
of which: receivables from sales financing	3	– 1
of which: other operating changes	– 1	– 68
Cash used in investing activities	– 7	– 2
Free cash flow	– 27	– 103
in percent of sales	– 5.0	– 25.7

Cash used in operating activities (operating cash flow) was negative as expected and stood at € – 101 million after three months (previous year: € – 20 million). The main reason for this decrease was the quarterly loss due to low sales at the beginning of the financial year as expected. Furthermore, the increase in net working capital as a result of the increase in inventories in response to incoming orders and the utilization (payment) of provisions for seasonal remuneration components negatively impacted the operating cash flow.

The cash used in investing activities amounted to € – 2 million after three months (same period of the previous year: € – 7 million). This decrease was attributable to significantly higher income from the sale of machines from the demonstration print shop in connection with drupa in comparison to the same quarter of the previous year.

Due to the decrease in operating cash flow, free cash flow, which was negative as expected, stood at € – 103 million after three months (same period of the previous year: € – 27 million).

Segments

Print Solutions

Figures in € millions	Q1 2023 / 2024	**Q1 2024 / 2025**
Incoming orders	277	336
Order backlog	372	388
Sales	275	211
Adjusted EBITDA[1]	31	– 2
EBITDA[1]	31	– 2

1) Result of operating activities before interest, taxes, depreciation and amortization

In the first three months of the current 2024/2025 financial year, the Print Solutions segment reported a sharp rise in incoming orders of 21 percent. New machinery business in particular made a strong contribution to this growth. In contrast, sales fell by around 23 percent due to the low level of incoming orders in the third quarter of the previous year. Adjusted EBITDA fell as a result from € 31 million in the same quarter of the previous year to € – 2 million in the first quarter of the reporting year.

Packaging Solutions

Figures in € millions	Q1 2023 / 2024	**Q1 2024 / 2025**
Incoming orders	311	364
Order backlog	497	532
Sales	267	190
Adjusted EBITDA[1]	16	– 4
EBITDA[1]	16	– 4

1) Result of operating activities before interest, taxes, depreciation and amortization

Incoming orders in the Packaging Solutions segment increased by around 17 percent. This segment was also able to report strong growth in new machinery business, whereas sales also fell by around 29 percent due to the low level of incoming orders in the third quarter of the previous year. Adjusted EBITDA decreased accordingly and stood at € – 4 million (same quarter of the previous year: € 16 million).

Technology Solutions

Figures in € millions	Q1 2023 / 2024	**Q1 2024 / 2025**
Incoming orders	2	2
Order backlog	8	3
Sales	2	2
Adjusted EBITDA[1]	– 5	– 3
EBITDA[1]	– 5	– 3

1) Result of operating activities before interest, taxes, depreciation and amortization

Incoming orders and sales in the Technology Solutions segment were around the same level after three months as in the same period of the previous year. Adjusted EBITDA improved to € – 3 million (same quarter of the previous year: € – 5 million). This was caused by the reduction in losses once Printed Electronics GmbH had been sold, and following the liquidation of Zaikio GmbH.

Regions

Note on the report on the regions

HEIDELBERG is simplifying the regional structure in its reporting with immediate effect. From now on, reporting will be split into the regions EMEA, Americas and Asia-Pacific. The EMEA region will be supplemented by the Eastern Europe region, which was previously reported separately. This will no longer be the case. North America and South America are now consolidated into the Americas region. The previous year's figures have been adjusted accordingly.

Incoming orders by region

Figures in € millions	Q1 2023 / 2024	**Q1 2024 / 2025**
EMEA	271	339
Asia-Pacific	192	197
Americas	128	166
HEIDELBERG Group	**591**	**701**

Sales by region

Figures in € millions	Q1 2023 / 2024	**Q1 2024 / 2025**
EMEA	285	205
Asia-Pacific	125	99
Americas	134	98
HEIDELBERG Group	**544**	**403**

Incoming orders in the **EMEA** region after three months were around 25 percent higher than the previous year's figure, which was mainly due to the increase in orders from Great Britain, France and the Benelux countries. In contrast, sales were around 28 percent lower than the level in the same period of the previous year as a result of low levels of incoming orders in the third quarter of the previous financial year.

Incoming orders in the **Asia-Pacific** region rose slightly in the first three months of the current financial year despite the very strong performance in the same quarter of the previous year. Following the high level of incoming orders in the first quarter of the previous year due to Print China, incoming orders on the Chinese market fell in the first quarter of the current financial year, but were more than compensated for by the other Asian markets. Sales in the Asia-Pacific region decreased by around 21 percent as a result of the poor order situation from the previous year.

The **Americas** region reported the largest growth in incoming orders of almost 30 percent. The orders included a Boardmaster system for the US market. Brazil and Mexico also reported exceptionally high levels of orders. In the first three months of the 2024/2025 financial year, sales were almost 27 percent below the level in the same period of the previous year, whereby the North American markets experienced a sharper decrease than the South American markets.

Risk and opportunity report

As of June 30, 2024, there were no fundamental changes in the assessment of the risks and opportunities of the HEIDELBERG Group compared to the presentation in the Management Report 2023/2024.

Outlook

Taking into account the expectations and assumptions published and presented in the 2023/2024 Management Report, the Company continues to expect sales for financial year 2024/2025 to be in line with the previous year's figure (previous year: € 2.395 billion). The adjusted EBITDA margin is also expected to be similar to the previous year's figure (7.2 percent). The high order backlog resulting from the successful drupa trade fair and the continuous focus on margins and costs form a good basis for achievement of the targets.

Financial section

Interim consolidated income statement

Figures in € millions	Q1 2023 / 2024	**Q1 2024 / 2025**
Net sales	544	403
Change in inventories / other own work capitalized	50	99
Total operating performance	**595**	**501**
Other operating income	11	17
Cost of materials	263	239
Staff costs	205	203
Depreciation and amortization	19	19
Other operating expenses	96	85
Result of operating activities[1]	**23**	**– 28**
Financial income	1	1
Financial expenses	9	10
Financial result	**– 8**	**– 9**
Net result before taxes	**15**	**– 37**
Taxes on income	5	5
Net result after taxes	**10**	**– 42**
Basic earnings per share according to IAS 33 (in € per share)	**0.03**	**– 0.13**
Diluted earnings per share according to IAS 33 (in € per share)	**0.03**	**– 0.13**

1) Result of operating activities before interest, taxes, depreciation and amortization

Interim consolidated statement of financial position as of June 30, 2024

Assets – Figures in € millions	31-Mar-2024	**30-Jun-2024**
Non-current assets		
Intangible assets	217	217
Property, plant and equipment	665	654
Investment property	10	10
Financial assets	10	10
Receivables from sales financing	26	30
Other receivables and other assets	20	19
Income tax assets	0	0
Deferred tax assets	61	59
	1,010	**999**
Current assets		
Inventories	588	691
Receivables from sales financing	16	14
Trade receivables	252	225
Other receivables and other assets	85	104
Income tax assets	10	10
Cash and cash equivalents	153	158
	1,104	**1,201**
Total assets	**2,114**	**2,200**

Equity and liabilities – Figures in € millions	31-Mar-2024	**30-Jun-2024**
Equity		
Issued capital	779	779
Capital reserves, retained earnings and other reserves	– 291	– 239
Net result after taxes	39	– 42
	527	**499**
Non-current liabilities		
Provisions for pensions and similar obligations	688	671
Other provisions	37	24
Financial liabilities[1]	48	149
Contractual liabilities	22	21
Income tax liabilities	22	22
Other liabilities	12	12
Deferred tax liabilities	3	2
	831	**901**
Current liabilities		
Other provisions	171	154
Financial liabilities[1]	28	42
Contractual liabilities	185	243
Trade liabilities	227	210
Income tax liabilities	19	13
Other liabilities	125	140
	756	**801**
Total equity and liabilities	**2,114**	**2,200**

1) Adjustment of maturities due to the amendments to IAS 1. The previous year was adjusted accordingly.

Interim consolidated statement of cash flows as of June 30, 2024

Figures in € millions	Q1 2023 / 2024	**Q1 2024 / 2025**
Net result after taxes	10	– 42
Depreciation, amortization, write-downs and write-ups[1)]	19	19
Change in pension provisions	– 1	– 1
Change in deferred tax assets / deferred tax liabilities	2	2
Result from disposals	0	0
Change in inventories	– 57	– 103
Change in trade receivables	14	27
Change in trade liabilities	– 9	– 17
Change in advance payments	30	62
Change in sales financing	3	– 1
Change in other provisions	– 16	– 30
Change in other items of the statement of financial position	– 13	– 16
Cash used in operating activities	**– 20**	**– 101**
Intangible assets / property, plant and equipment / investment property		
Investments	– 11	– 10
Income from disposal	4	8
Financial assets		
Investments	0	0
Income from disposal	0	0
Cash used in investing activities before cash investment	**– 7**	**– 2**
Cash investments	–	–
Cash used in investing activities	**– 7**	**– 2**
Cash used in operating activities	– 20	– 101
Cash used in investing activities	– 7	– 2
Free cash flow	**– 27**	**– 103**
Borrowing of financial liabilities	22	117
Repayment of financial liabilities	– 33	– 8
Cash used in / generated by financial activities	– 11	109
Net change in cash and cash equivalents	**– 38**	**6**
Cash and cash equivalents at the beginning of the reporting period	**153**	**153**
Currency adjustments	– 2	– 1
Net change in cash and cash equivalents	– 38	6
Cash and cash equivalents at the end of the reporting period	**113**	**158**

1) Relates to intangible assets, property, plant and equipment, investment property and financial assets

Financial calendar 2024/2025

November 13, 2024
Publication of Half-Year Figures 2024/2025

February 12, 2025
Publication of Third Quarter Figures 2024/2025

June 5, 2025
Press Conference, Annual Analysts' and Investors' Conference

July 24, 2025
Annual General Meeting

Subject to change
This interim statement was published on August 1, 2024.

Important note
This interim statement contains forward-looking statements based on assumptions and estimates by the management of Heidelberger Druckmaschinen Aktiengesellschaft. Although the Management Board is of the opinion that these assumptions and estimates are realistic, actual future developments and results may deviate substantially from these forward-looking statements due to various factors. These factors could, for instance, include changes in the overall economic situation, exchange rates and interest rates, as well as changes within the print media industry. Heidelberger Druckmaschinen Aktiengesellschaft provides no guarantee and assumes no liability for future developments and results deviating from the assumptions and estimates made in this interim statement. HEIDELBERG neither intends nor assumes any obligation to update the assumptions and estimates made in this interim statement to reflect events or developments occurring after the publication of this interim statement.

In individual cases, rounding may result in discrepancies concerning the totals and percentages contained in this interim statement.

This statement is a non-binding English convenience translation of the German interim statement of Heidelberger Druckmaschinen Aktiengesellschaft.
The Company disclaims responsibility for any misunderstanding or misinterpretation due to this translation.

Contact

Investor Relations
Tel.: +49-6222-82 67120
investorrelations@heidelberg.com

Publishing information

Heidelberger Druckmaschinen
Aktiengesellschaft
Kurfürsten-Anlage 52 – 60
69115 Heidelberg
Germany
www.heidelberg.com

Heidelberger Druckmaschinen Aktiengesellschaft

Kurfürsten-Anlage 52 – 60
69115 Heidelberg
Germany

www.heidelberg.com