

Print\*

The word 'Print' is rendered in a dark blue, serif font. The letter 'P' is a solid dark blue. The 'r' has a green stem with small white flowers growing from its top and roots extending downwards. The 'i' has a green leaf on its stem and a black dot above it. The 'n' has a small crescent moon on its right side. The 't' is dark blue with a red dashed line and a small asterisk at the top right. A QR code is positioned below the 'n'.

HEIDELBERGER DRUCKMASCHINEN AG, FEBRUARY 5, 2014

## Interim Results 9-month figures FY 14

Gerold Linzbach, CEO  
Dirk Kaliebe, CFO  
Robin Karpp, Head of IR

**HEIDELBERG**

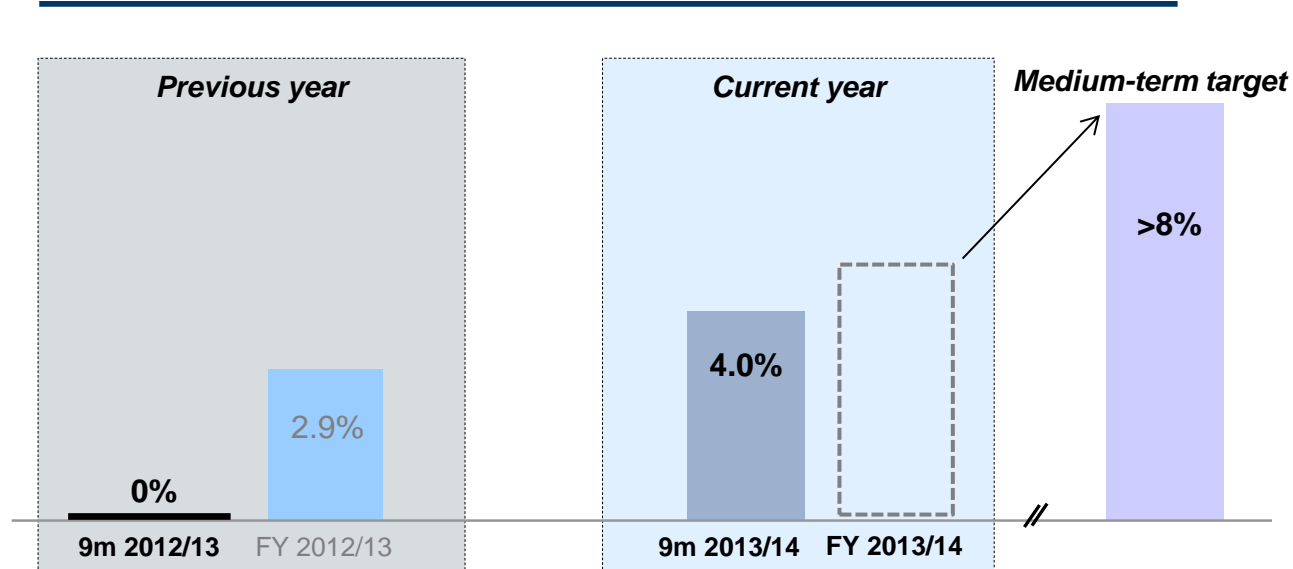
## Improved Profitability

- Continuous **cost savings & “rightsizing”**
- **Price increases**
- **Margin improvement** due to gradual scaling back of low margin businesses

## Headwinds

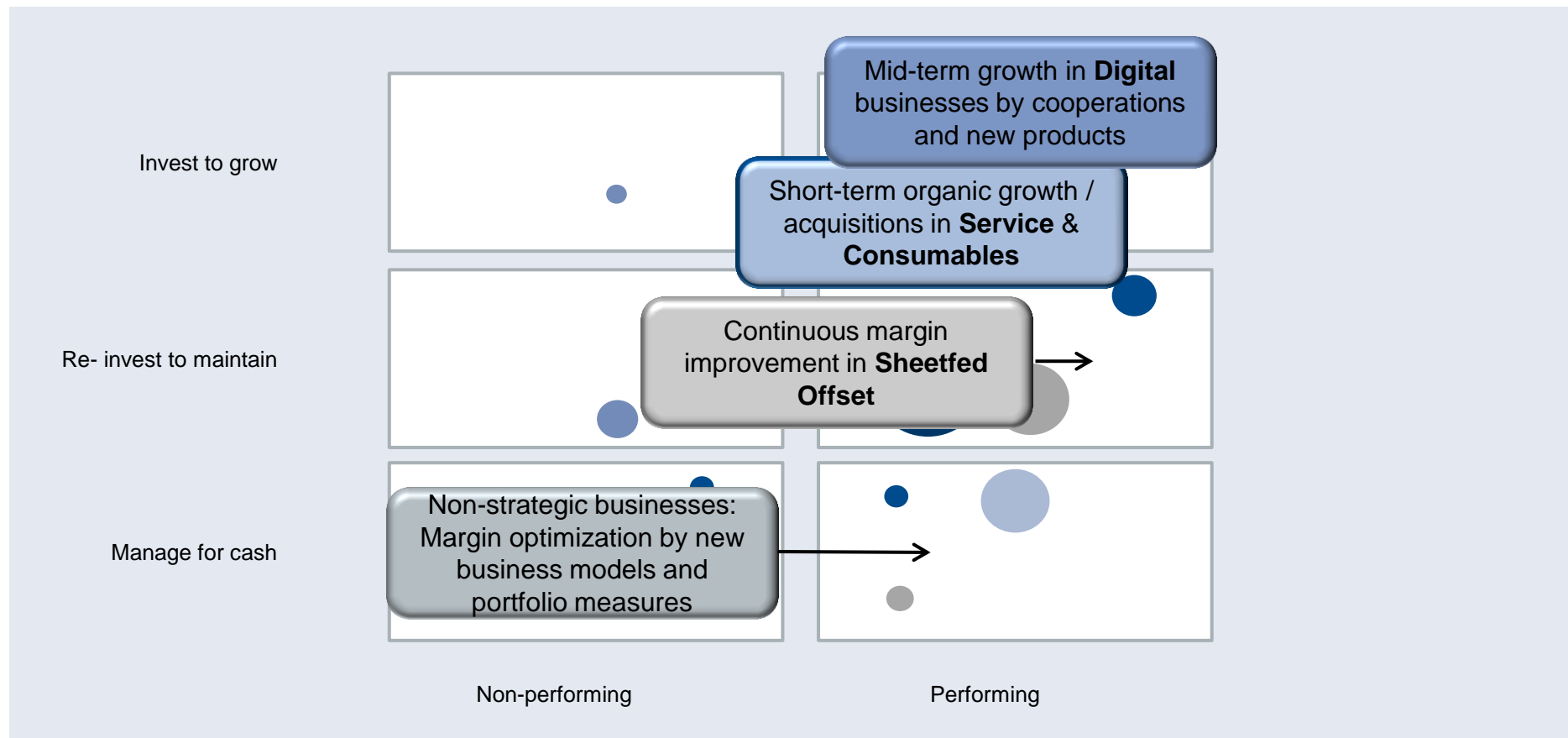
- **Weakening of local currencies** (e.g., Japan, India, Brazil)
- **Investment reluctance** in countries with weak local currency (Brazil, India)

### EBITDA margin\*



\*Previous year's figures restated according to IAS 19 (2011)

## Management focus on 4 fields of action



## Further key milestone FY 13/14 on the way to profitability

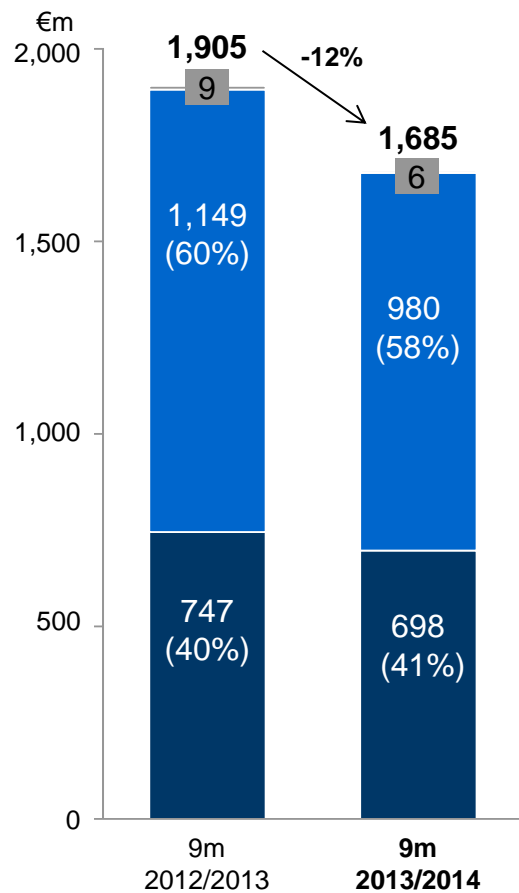
- **Sales volume is expected to decline by approx. 10% in FY 2013/14 compared to the previous year**
  - FX rates
  - Reluctance to invest in some markets, e.g. Brazil
  - Gradual scaling back of low margin business
  
- **Significant improvement of Profitability**
  - Cost saving program
  - Measures to increase margins
  - Work-time-flexibility



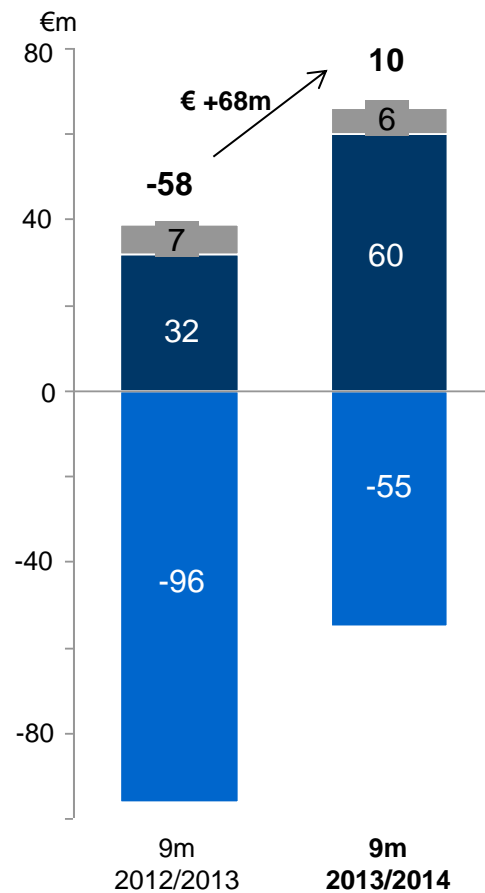
**Outlook: Net profit remains target for financial year 2013/2014**

## Sales in a paradigm shift: margin driven instead of volume driven

### Net Sales\* by division



### EBIT\* by division



### Comments

- **9m: Sales** down by 12% yoy (FX adjusted by 8%); HD Services adjusted for FX effect stable
- **Q3: Sales** down by 14 % yoy to € 588m (FX adj. by 10 % to € 618m)
- **Operating result** clearly improved against previous year on lower sales volume; break-even exceeded
- Favorable impact of sustainable savings measures from Focus and higher profit contributions
- **HDE** volume reduced by € 170m, but improved result. **EBIT** slightly negative in Q3 with -7m € but improved against previous quarter (€ -13m)
- **HDS-EBIT** margin at 10% in Q3

■ HD Equipment ■ HD Services ■ HD Financial Services

\*Previous year's figures restated according to IAS 19 (2011) and new segmentation, before special items

## All KPIs affecting the results improved significantly – net debt kept on low level

### Key figures\*

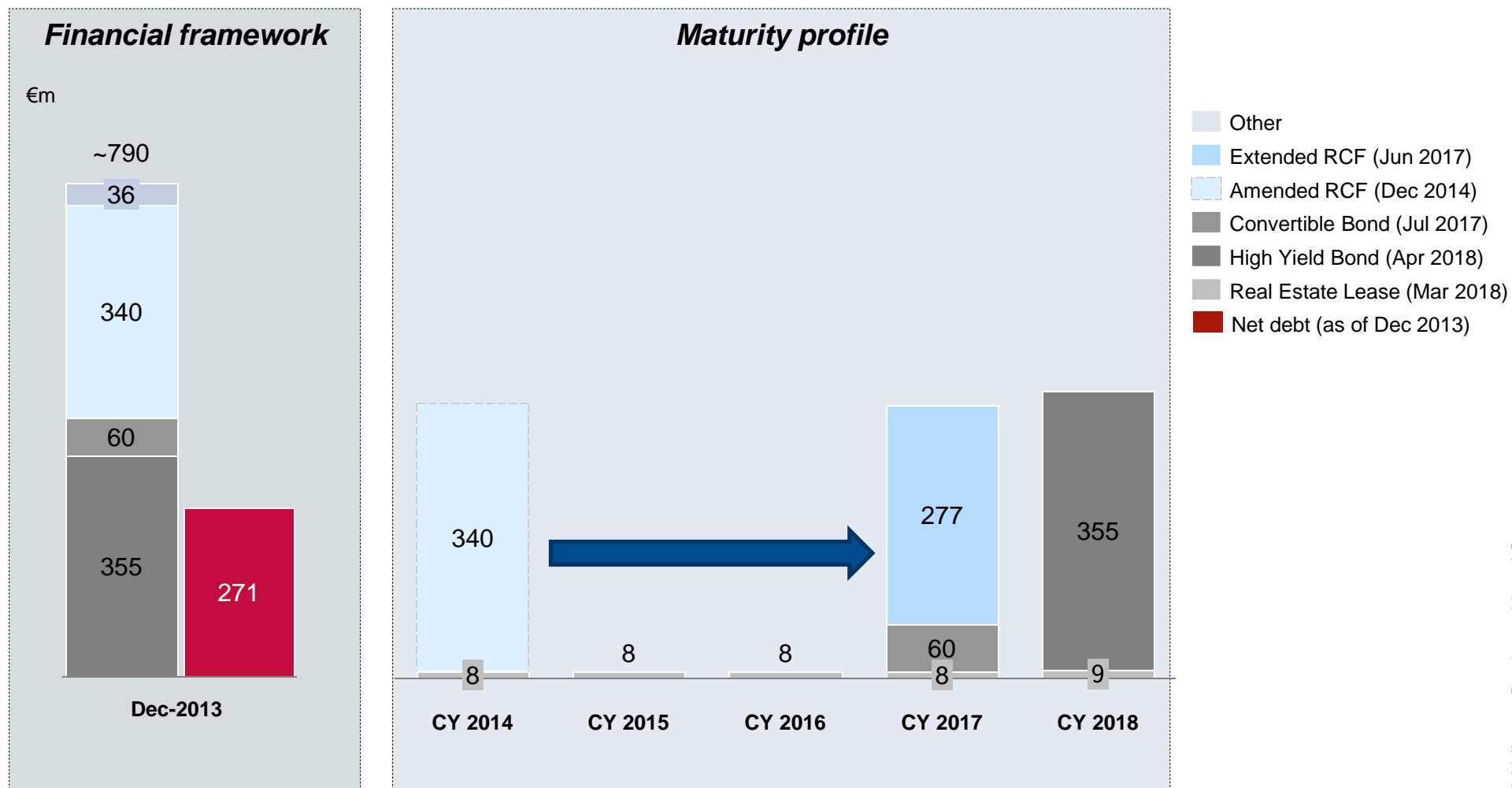
in €m	9m 2012/13	9m 2013/14	Q3 2013/14	Δ 9m to pY
<b>Net Sales</b>	1,905	<b>1,685</b>	<b>588</b>	-11.5%
<b>EBITDA</b>	4	<b>67</b>	<b>36</b>	€ +63m
<b>EBIT before Special items</b>	-58	<b>10</b>	<b>18</b>	€ +68m
Special items	-24	-2	-1	€ -22m
EBIT after Special items	-82	8	<b>17</b>	€ +90m
Financial result	-36	-41	<b>-13</b>	€ -5m
<b>Profit before Tax</b>	-118	<b>-32</b>	<b>4</b>	€ +86m
Net profit/Net loss	-94	<b>-40</b>	<b>7</b>	€ +54m
<b>Free Cash Flow</b>	-87	<b>-10</b>	<b>-38</b>	€ +77m
<b>Net debt</b>	325	<b>271</b>	<b>271</b>	€ -54m
<b>Equity</b>	378	<b>348</b>	<b>348</b>	€ -30m

\*Previous year's figures restated according to IAS 19 (2011)

### Comments

- Clearly positive **EBITDA** after nine months; margin at 4%
- Positive **Profit before Tax** in Q3, significantly improved after nine months
- Positive **Net Result** in Q3; loss after nine months reduced
- **FCF** almost break even after nine months, incl. payments for restructuring (€ 57m)
- **Net debt** reduced yoy
- **Equity ratio** at 16%

## Financial framework extended until 2017/2018



## Review Q3 FY 2013/14

- **EBITDA** (excl. special items) in Q3 with € 36m at the previous year's level (€ 38 m); significant improvement to € 67m after nine months (previous year € 4m)
- **Free cash flow** amounts to € -38m in Q3 (previous year € +28m), almost balanced after nine months incl. payments for Focus program; **Net debt** at € 271m (previous year € 325m)
- Operating break-even point exceeded; **Sales** of € 588m in Q3 (FX adjusted € 618m) in line with second quarter (€ 593m; previous year € 687m); **Order intake** of € 592m; FX adjusted € 620m (prior year € 645m)
- **Net result** at € 7m in Q3
- **Financial framework** extended until 2017/2018
- **Outlook:** aiming for net profit in FY 2013/14



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Q&A

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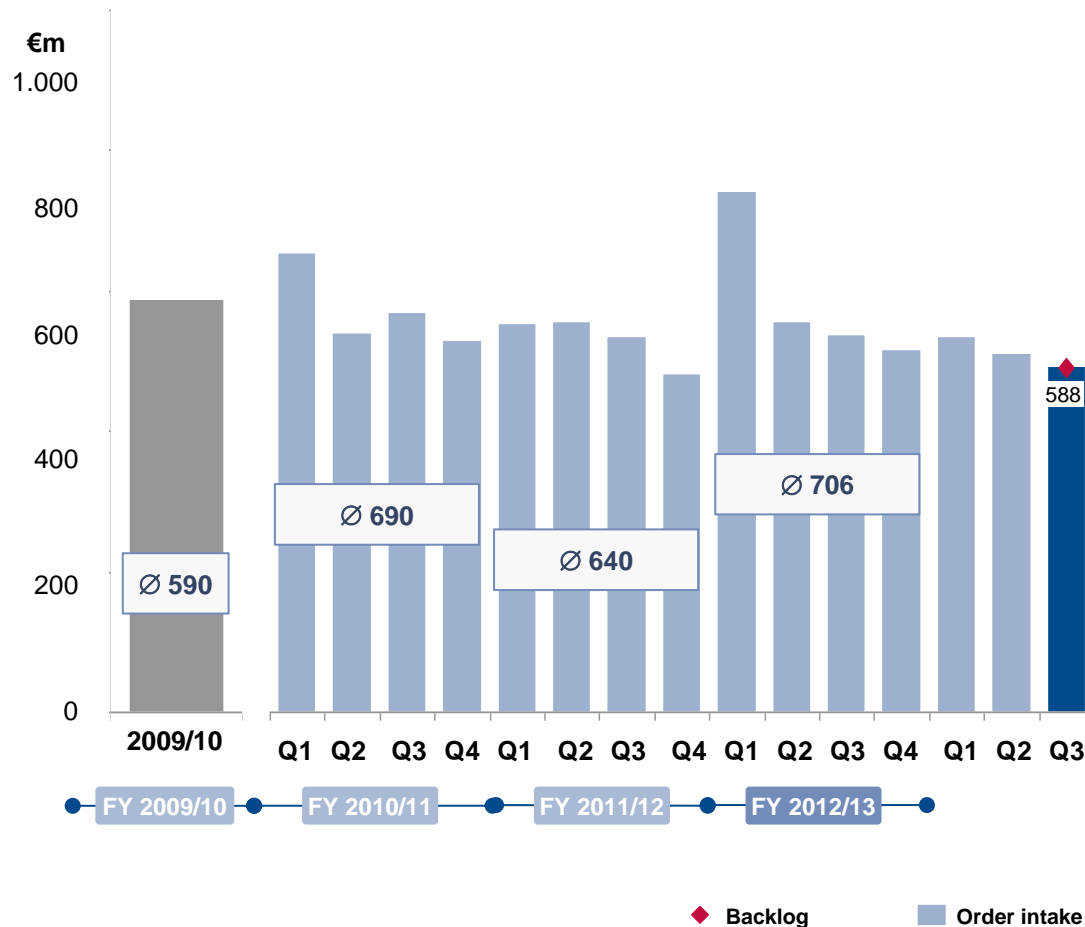
## Financial Calendar 2013/14

	<i>Date</i>
Publication of the final figures FY 2013/2014	June 11, 2014
AGM	July 24, 2014
Release of the figures for the first quarter 2014/2015	August 13, 2014
Release of the figures for the second quarter 2014/2015	November 12, 2014

*Subject to change*

## FX adjusted order intake in Q3 in line with previous quarters

### Order intake FY 2009/10 – Q3 2013/14

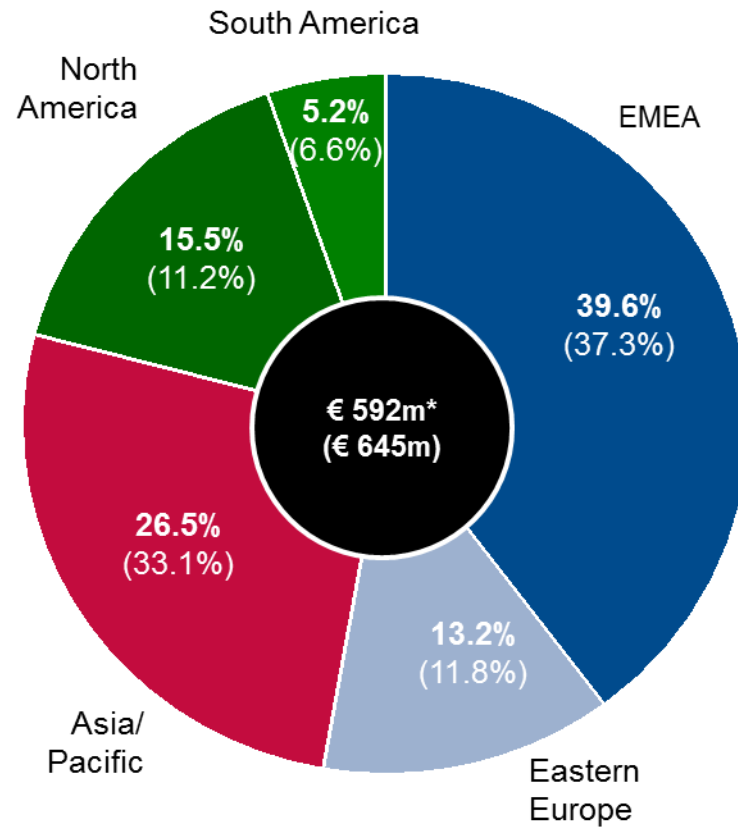


### Comments

- Order intake Q3 13/14 at € 592m (FX adjusted € 620m); headwind from FX and investment reluctance in related markets
- Order backlog with € 588m stable compared to previous quarter (€ 598m)
- Main risk to our business: ongoing economic uncertainties and risks, particularly in emerging economies and euro zone as well as substantial currency effects

## Order intake – Regional split

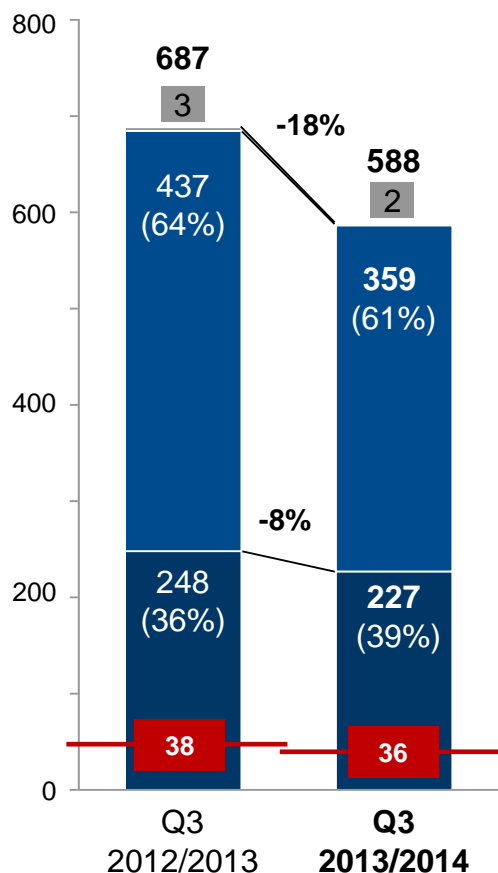
Q3 2013/14 (PY)



\*FX adjusted € 620m

## Stable operating result (EBITDA) – HD Services with stable volume

### Net Sales\* by division



### Comments

- Sales down by 14 % yoy to € 588m (FX adjusted by 10 % to € 618m)
- HD Services adjusted for FX effect stable
- Operating result (EBITDA) with € 36m stable compared to previous year (€ 38m)

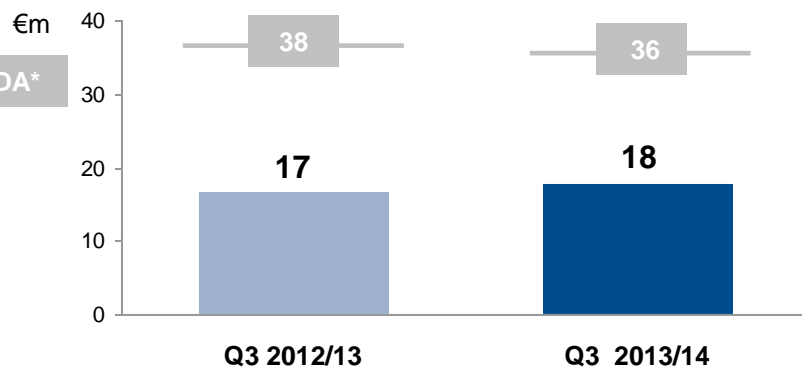
■ HD Equipment ■ HD Services ■ HD Financial Services ■ EBITDA excl. special items

\*Previous year's figures restated according to IAS 19 (2011) and new segmentation

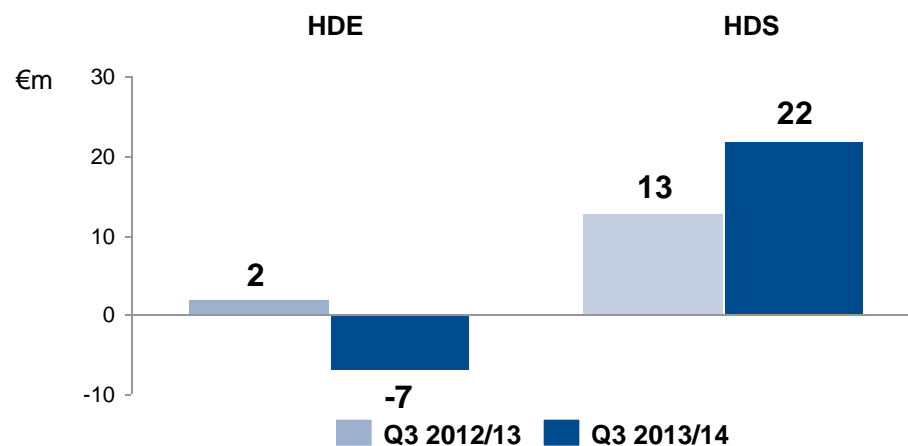
## HD Equipment margin improves further but suffers from lower volume

## HD Services margin improves on stable volume

EBIT (excluding special items)\*



EBIT by Division (excluding special items)\*



Heidelberg Financial Services: Q3 2012/13: €3m; Q3 2013/14: €2m

Comments

- Operating result stable against previous year on lower sales volume
- Favorable impact of sustainable savings measures from Focus and higher profit contributions
- HDE-EBIT still negative but improved against previous quarter (€ -13m)
- HDS-EBIT margin at 10%

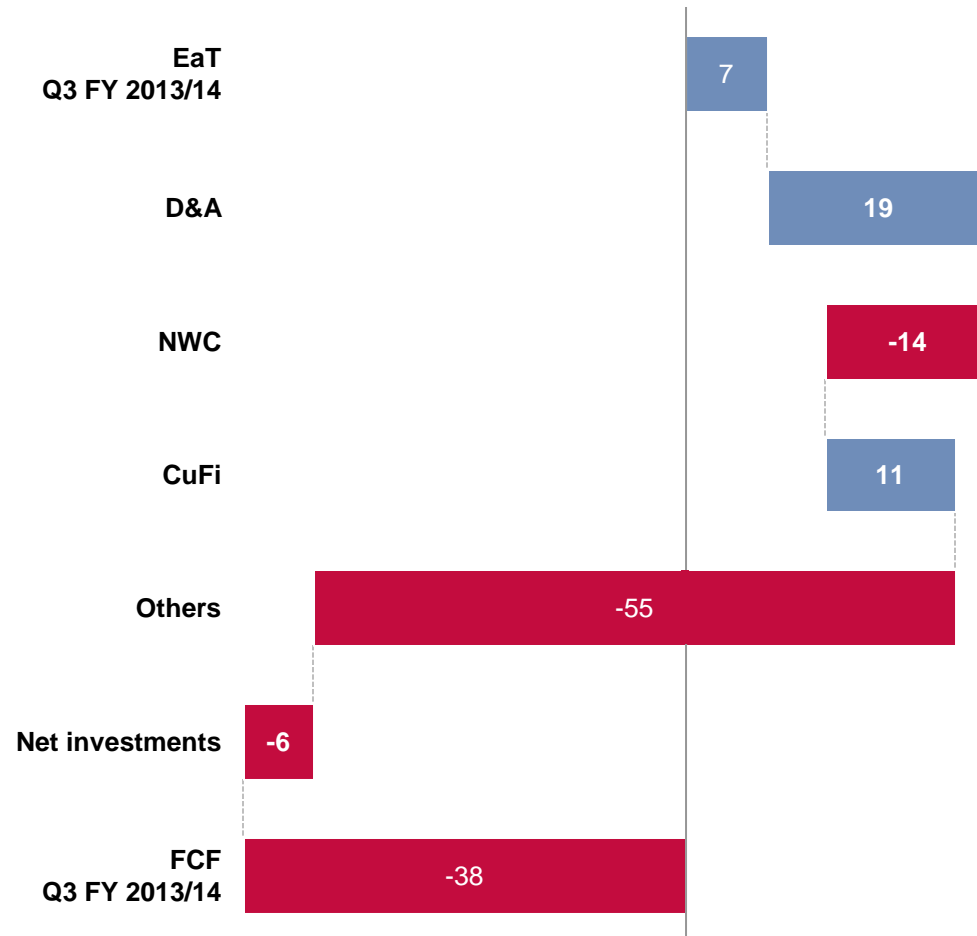
\*Previous year's figures restated according to IAS 19 (2011) and new segmentation



## Balance sheet: Further reduction of balance sheet total

> Assets	FY 2013	FY 2013	FY 2014	> Equity and liabilities	FY 2013	FY 2013	FY 2014
	31.12.2012	31.03.2013	31.12.2013		31.12.2012	31.03.2013	31.12.2013
Figures in mEUR							
<b>Fixed assets</b>	<b>807</b>	<b>804</b>	<b>765</b>	<b>Equity</b>	<b>378</b>	<b>402</b>	<b>348</b>
<b>Current assets</b>	<b>1.561</b>	<b>1.483</b>	<b>1.403</b>	<b>Provisions</b>	<b>1.016</b>	<b>998</b>	<b>872</b>
thereof inventories	846	700	726	thereof provisions for pensions	463	415	415
thereof trade receivables	330	382	257	<b>Other Liabilities</b>	<b>955</b>	<b>862</b>	<b>935</b>
thereof receivables from customer financing	128	118	88	thereof trade payables	152	139	140
thereof liquid assets	137	157	207	thereof financial liabilities	462	419	479
<b>Def tax assets, Prepaid expenses, other</b>	<b>53</b>	<b>51</b>	<b>55</b>	<b>Def. tax liabilities, deferred income</b>	<b>72</b>	<b>76</b>	<b>68</b>
thereof deferred tax assets	37	36	32	thereof deferred tax liabilities	7	8	8
thereof deferred income	13	13	14	thereof deferred income	64	68	60
<b>Total assets</b>	<b>2.421</b>	<b>2.338</b>	<b>2.223</b>	<b>Total equity and liabilities</b>	<b>2.421</b>	<b>2.338</b>	<b>2.223</b>
				<i>Equity ratio</i>	15,6%	17,2%	15,7%
				<i>Net debt</i>	325	261	271

## Free Cash Flow: better cashflow but restructuring payments burden

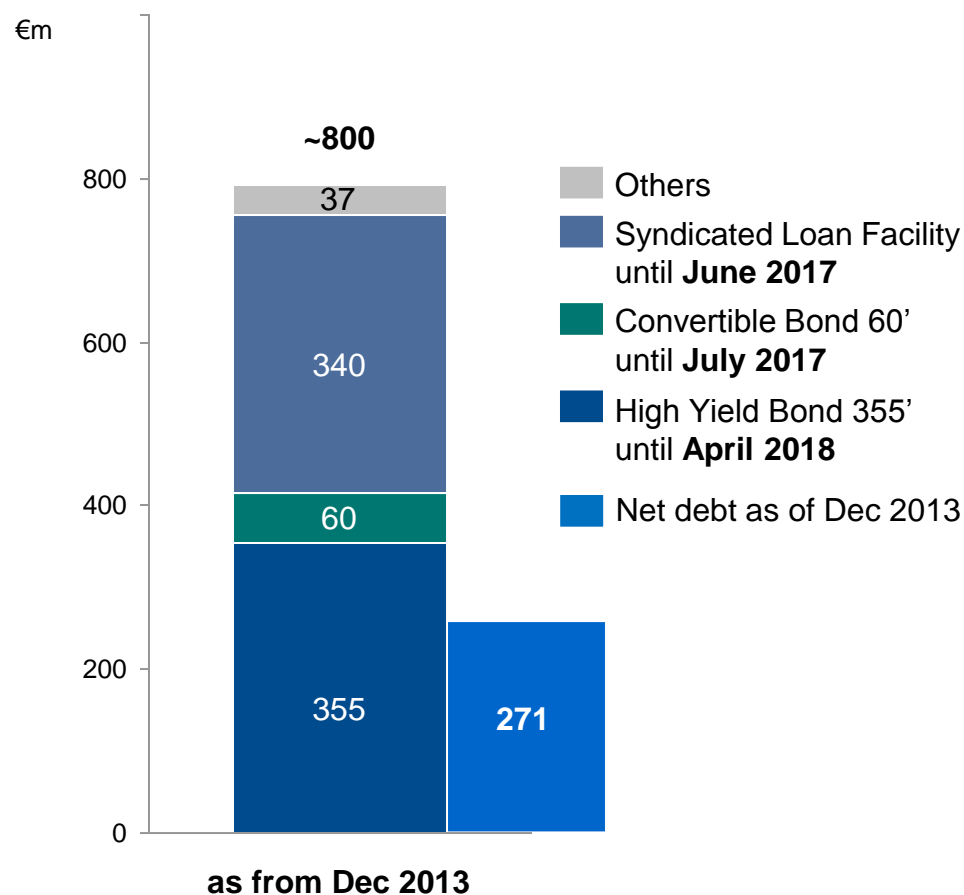


- Positive earnings after taxes in Q3 lead to cashflow of € 23m
- Slight increase of NWC with higher trade receivables
- Direct financing portfolio reduced as planned
- Other operating changes incl. payments related to FOCUS 2012
- Net investments kept on low level
- FCF negative in Q3 (py € 28m); after 9m almost balanced

**Mid Term target: Leverage <2.0x**  
(Net Debt/EBITDA)

## Financial framework

### Diversification of financing sources and maturities



### Comments

#### Further optimization of financing structure:

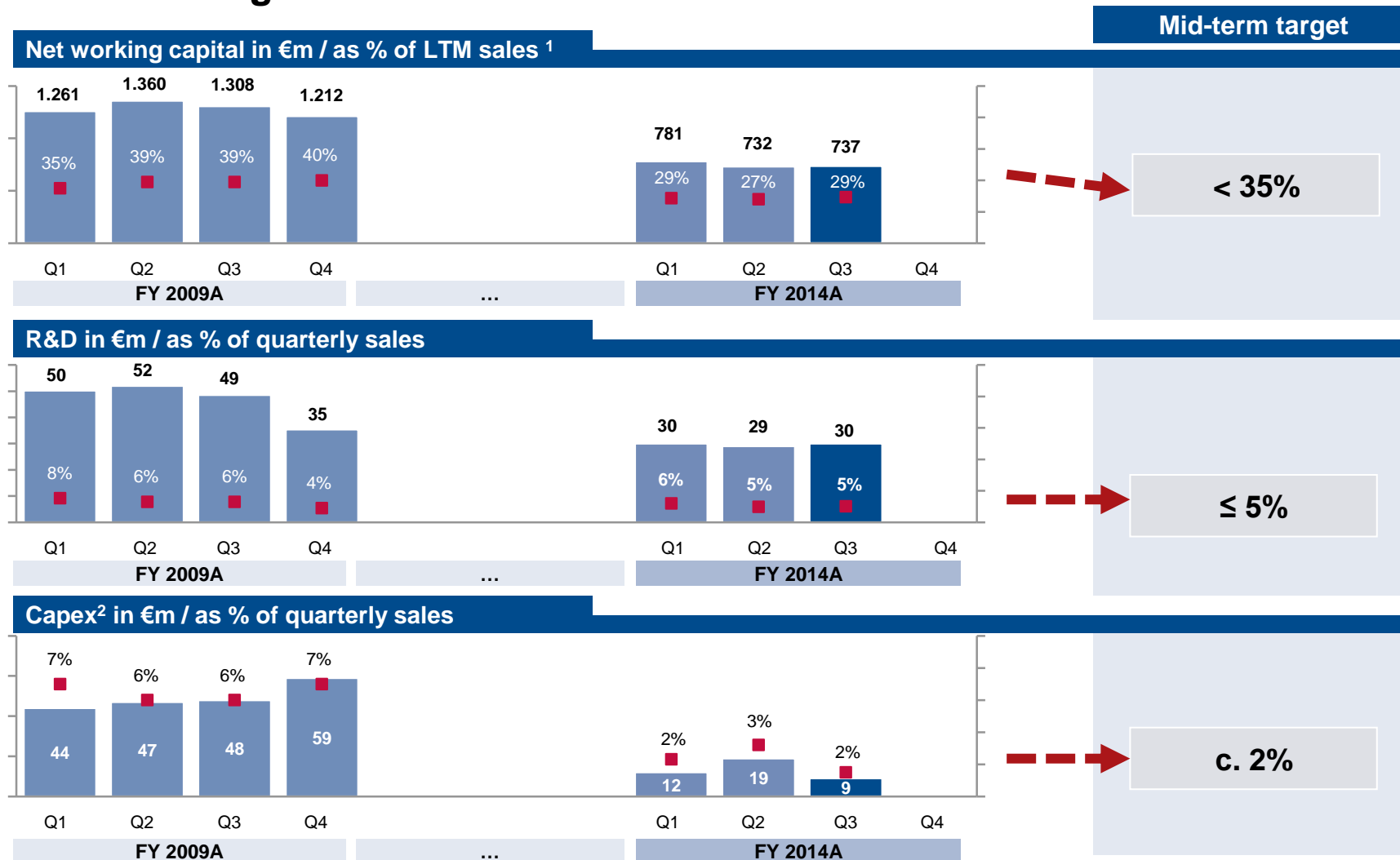
- Syndicated Loan Facility prolonged until mid-2017
- Tap on existing HYB; issue size of € 51m

#### Ongoing asset management improves capital bounded

- Net investments on planned level
- Further optimization of NWC
- Reduction in direct financing portfolio

**Mid Term target: Leverage <2.0x**  
(Net Debt/EBITDA)

# Focus on asset management and capital structure will improve financial leverage



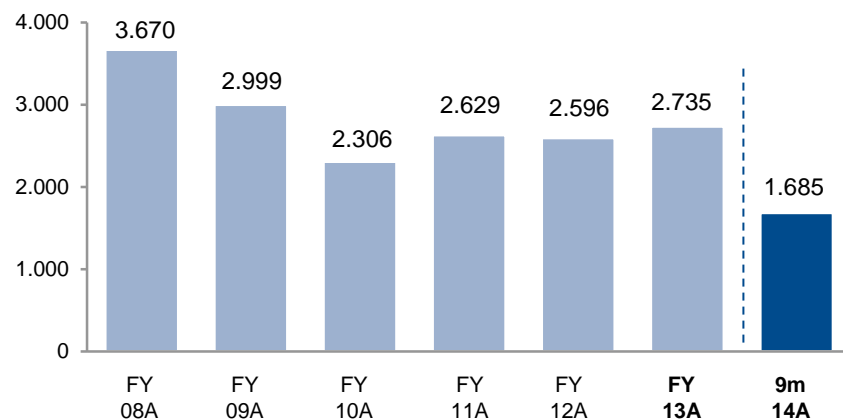
Source: Heidelberg quarterly reports; financial data based on Heidelberg fiscal year (FYE 31 Mar); actuals

(1) Net working capital ("NWC") includes inventory and trade receivables net of trade payables and advance payments; "LTM": last twelve months

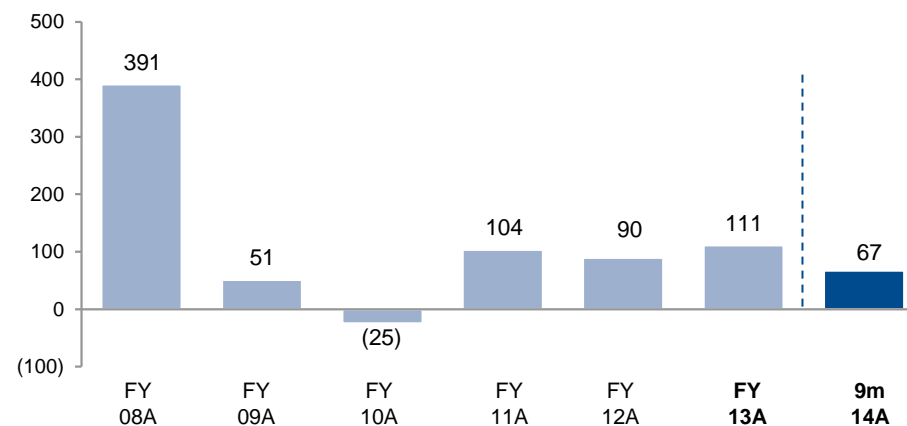
(2) Capex is defined as investments in intangible assets, tangible assets and investment property

## Financial Performance

### Net Sales €m

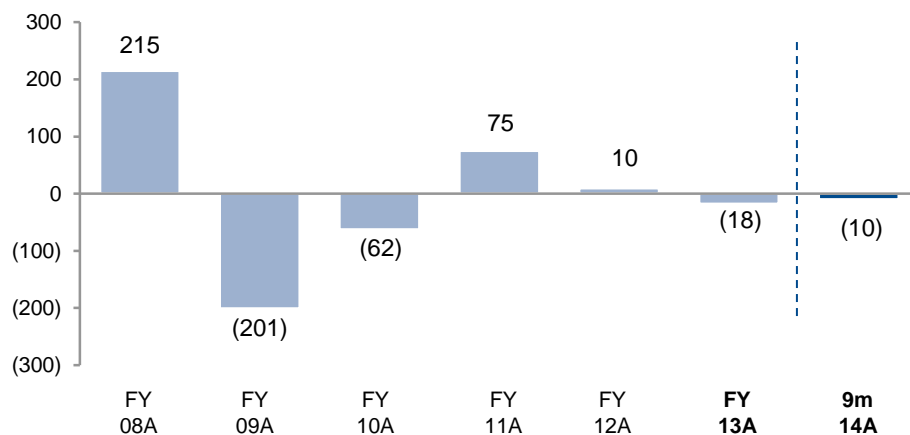


### EBITDA\* €m



\* Before special items; since Q1 13/14 according to IAS 19 (2011)

### Free Cash Flow €m



### Net debt €m

