



Conference Call Q3-2015/2016

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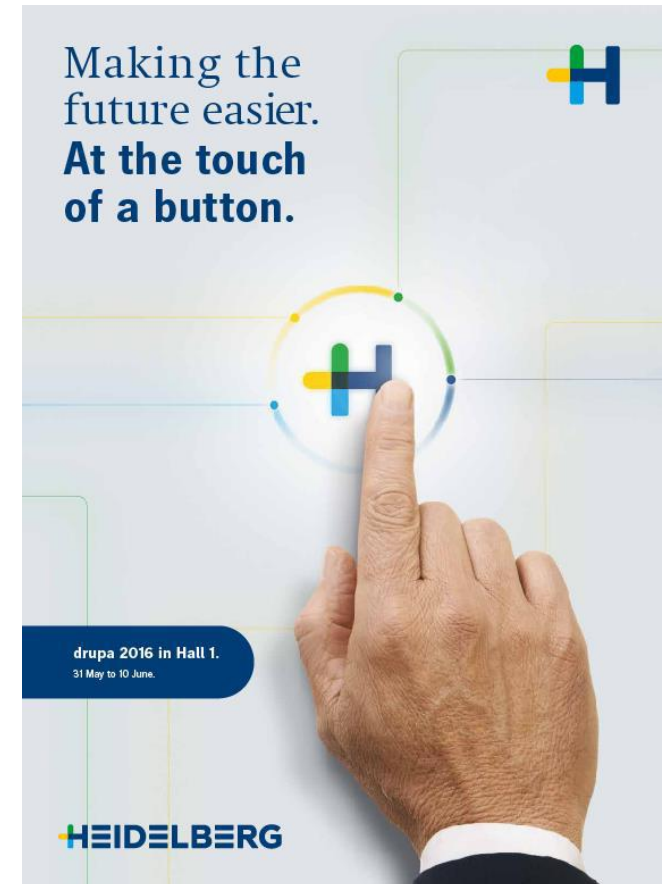
**ON
THE
RIGHT
TRACK**



On the right track



- **Heidelberg is on track** - the improvement in results due to the strategic realignment is becoming increasingly clear. Further progress was also made in Q3
- **Services Business:** (external) growth and solid margins
- **Equipment Business:**
 - **Sheetfed** margins not yet within target range
 - Expansion of **Digital Business:** Successful launch of new products
- **Digitization** key focus at drupa show



Key figures 9m 2015/16 – significant improvement

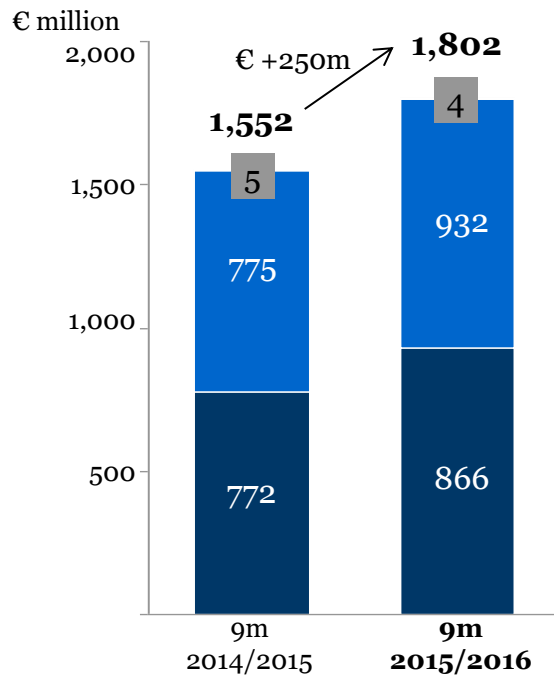


	in € million			Comment
	9m 14/15	9m 15/16	ΔpY	
Order intake	1,780	1,904	+7%	● Improved order intake (FX € 98m); order backlog of €586m
Sales	1,552	1,802	+16%	● Sales increased fx adjusted (FX € +93m) by around 10%
EBITDA	80	119	+49%	● EBITDA improved to € 119m
EBIT before Special items	29	65	+36	● Special items for last year's portfolio optimization; real estate sale will be booked in Q4
Special items	-72	-24		
Financial result	-49	-42	+7	● Earnings before taxes and Net result improved significantly
Net result before taxes	-92	0	+92	
Net result after taxes	-95	-7	+88	● Positive net result in Q3
Free cash flow	-16	-37	-21	● Free Cashflow at € -37m, incl. PSG acquisition and portfolio optimization
Net debt	250	282	+32	
Leverage	1.6	1.2		● Leverage incl. PSG acquisition significantly below target level of <2x

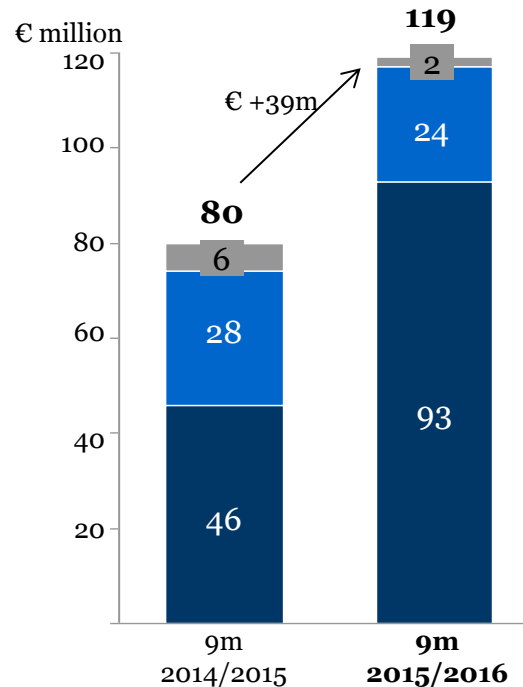
Solid profitability in HDS, HDE not yet satisfying



Sales by segment



EBITDA by segment

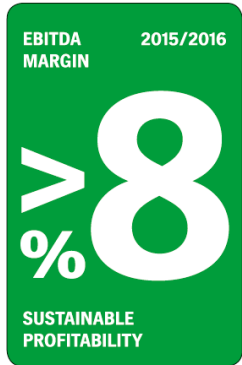


■ HD Equipment ■ HD Services ■ HD Financial Services

Comment

- Higher sales volume in both segments due to good order backlog. Especially North America, Europe and Asia with higher sales contribution.
- **HD Equipment** suffers from weak market performance (China, Brazil)
- **HD Services** benefits from the implemented portfolio measures and margin improvements.
- 9m: Sales split almost 50%:50% between Equipment and Services

Outlook for FY 2015/2016



EBITDA-margin improvement to >8% (fx-adjusted; comparable 2014/15: 6%)

- Based on:
 - more profitable product portfolio
 - improved cost basis -> core business sheetfed to be further optimized
 - newly acquired PSG business to be integrated -> positive earnings impact expected for 2016/17
- HD Equipment 4-6% EBITDA-margin, HD Services 9-11% EBITDA-margin
- Improved financial result
- Positive net result



FX adjusted sales growth of 2-4%

- Strategic reorientation strengthens fields of profitable growth
- Growth mainly driven by consolidation of PSG and solid order development
- Sales volume in HY2 > HY1



Financial highlights 9m-2015/2016

▪ **Strategic reorientation is taking effect**

- Solid order situation, after 9 months + 7% against prior year
- Sales after 9 months up 16% at around € 1.8bn (PY € 1.55bn)
- Operating result after 9 months improves to € 119m; net result before tax break-even
- HD Equipment not yet within targeted EBITDA margin range of 4-6% as a result of regional weakness, especially in China
- HD Services within targeted EBITDA margin range of 9-11%

▪ **Balance sheet structure improved**

- Equity ratio at 15% (from 8% at the beginning of the year)
- Leverage incl. PSG acquisition with 1.2 significantly below target level
- Net debt financed until CY 2022

▪ **Outlook for FY 2015/2016 unchanged**

- HD Equipment 4-6% margin, HD Services 9-11% margin: Group EBITDA margin >8%
- FX adjusted revenue growth of 2-4%



BACKUP

Balance sheet



> Assets	FY 2015	FY 2015	FY 2016	> Equity and liabilities	FY 2015	FY 2015	FY 2016
Figures in mEUR	31-12-2014	31-03-2015	31-12-2015	Figures in mEUR	31-12-2014	31-03-2015	31-12-2015
Fixed assets	724	735	730	Equity	203	183	338
Current assets	1.443	1.465	1.367	Provisions	1.055	1.055	843
thereof inventories	747	637	674	thereof provisions for pensions	619	605	452
thereof trade receivables	263	335	308	Other Liabilities	932	975	939
thereof receivables from customer financing	85	82	66	thereof trade payables	199	171	194
thereof liquid assets (incl. marketable sec. afs)	221	286	205	thereof financial liabilities	471	542	487
Def tax assets, prepaid expenses, other	88	93	99	Def. tax liabilities, deferred income	67	79	76
thereof deferred tax assets	54	62	62	thereof deferred tax liabilities	8	10	10
thereof deferred income	19	18	15	thereof deferred income	59	69	66
Total assets	2.256	2.293	2.195	Total equity and liabilities	2.256	2.293	2.195
				Equity ratio	9%	8%	15%
				Net debt	250	256	282

* As of December 31, 2015 a discount rate of 2.9 percent (Mar 31, 2015: 1.7 percent) was used to determine actuarial gains and losses for domestic entities

Key figures Q3 2015/16

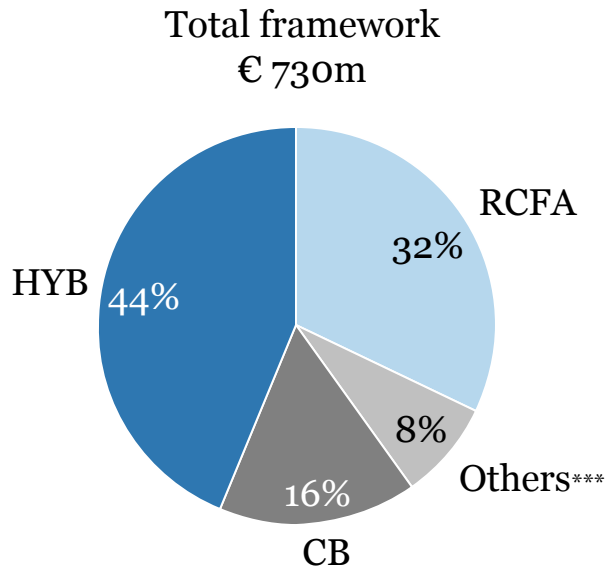


in € million	Q3 14/15	Q3 15/16
Order intake	613	581
Sales	556	640
EBITDA	27	40
EBIT before Special items	10	22
Special items	-55	-3
Financial result	-16	-12
Net result before taxes	-60	8
Net result after taxes	-53	7
Free cash flow	14	-7
Net debt	250	282
Leverage	1.6	1.2

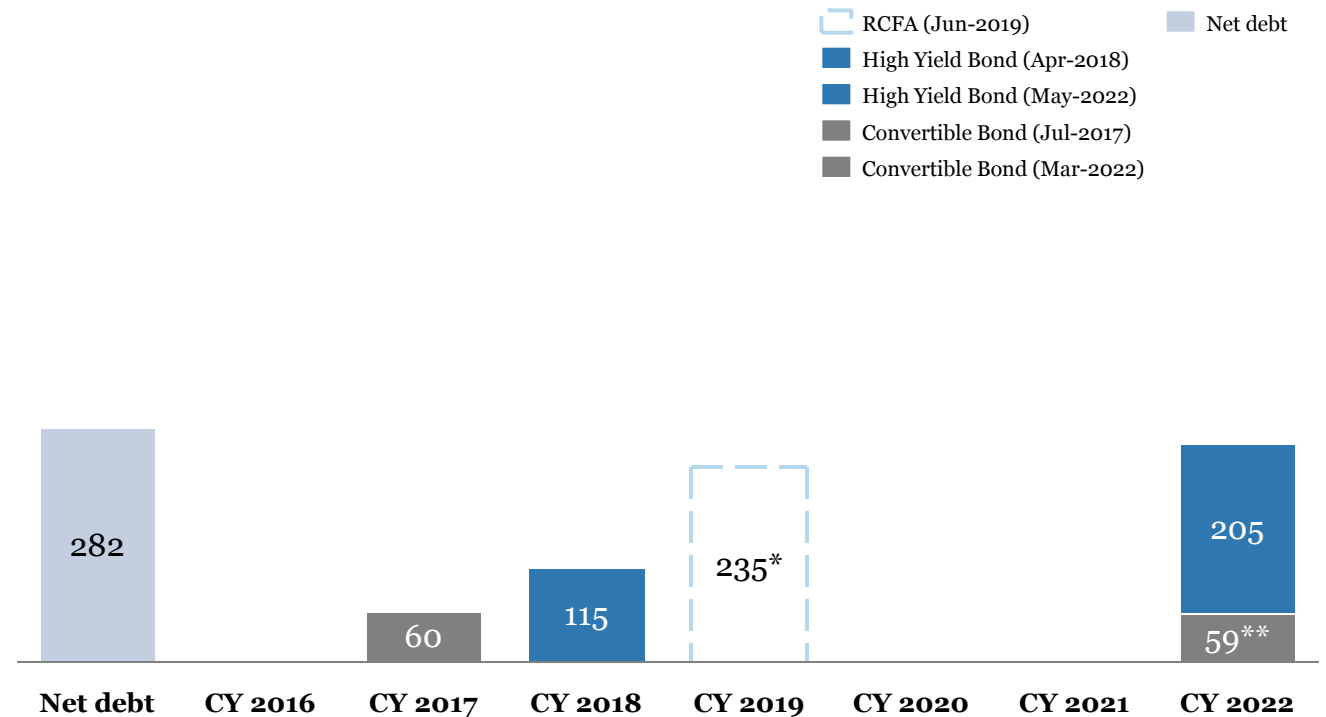


Financial framework: Revolving credit facility extended

Financial framework



Maturity profile



* Initial volume € 250m, amortizing to € 235m in 2019

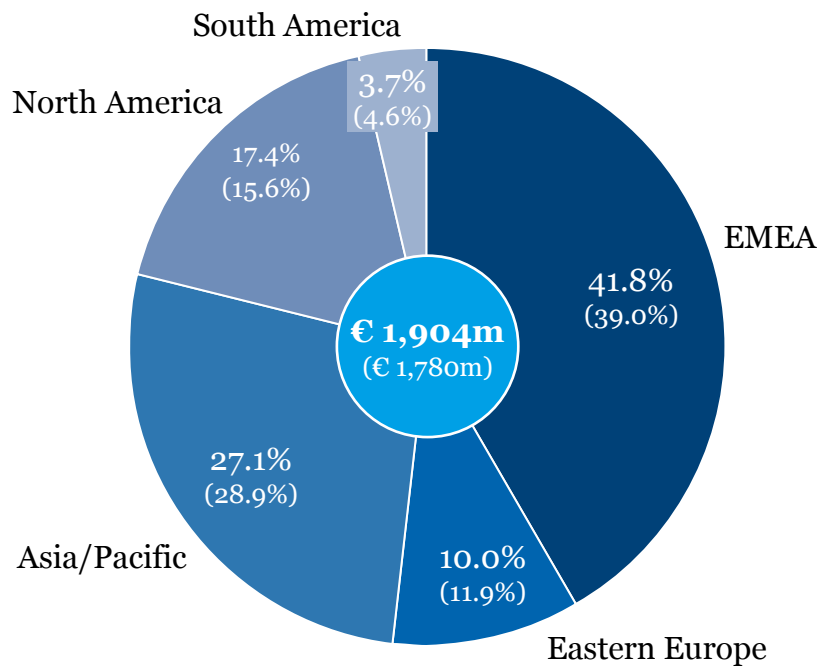
**CB Put Option in 2020

*** Other / amortizing instruments not shown in maturity profile

Order intake – regional split



Order intake 9m 2016 (9m 2015)





	Date
Final Figures FY2015/2016 Capital markets day at drupa	June 8, 2016
AGM FY 2015/2016	July 28, 2016
Release of the figures for the first quarter 2016/2017	August 10, 2016
Release of the figures for the second quarter 2016/2017	November 9, 2016
Release of the figures for the third quarter 2016/2017	February 9, 2017

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