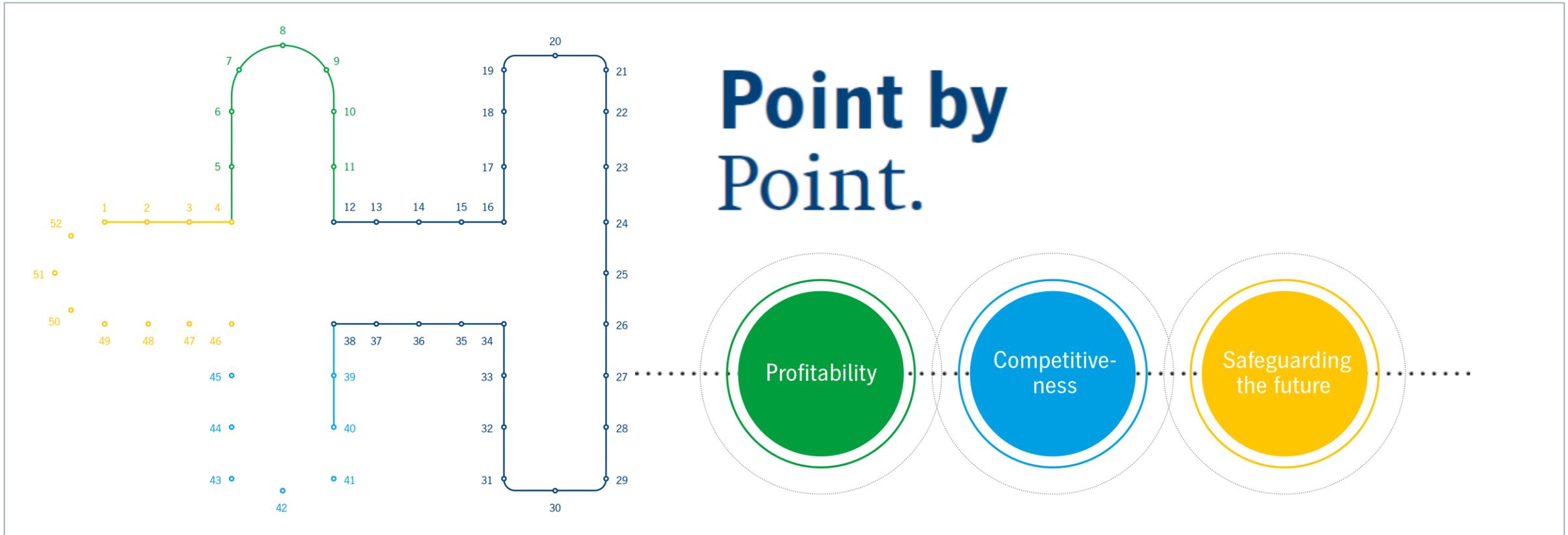




Our goals: Profitability – Competitiveness – Safeguarding the future

Heidelberger Druckmaschinen AG –Third Quarter Results FY 2020/2021

Rainer Hundsdörfer, CEO | Marcus A. Wassenberg, CFO | Wiesloch, February 10, 2021



9m-figures FY20/21. In a nutshell.



1.

9m-figures FY 20/21



Financial figures continued positive development of the previous months in the third quarter.

2.

Transformation program



Our transformation delivers – substantial cost savings already this financial year.

3.

**Market environment /
core business**



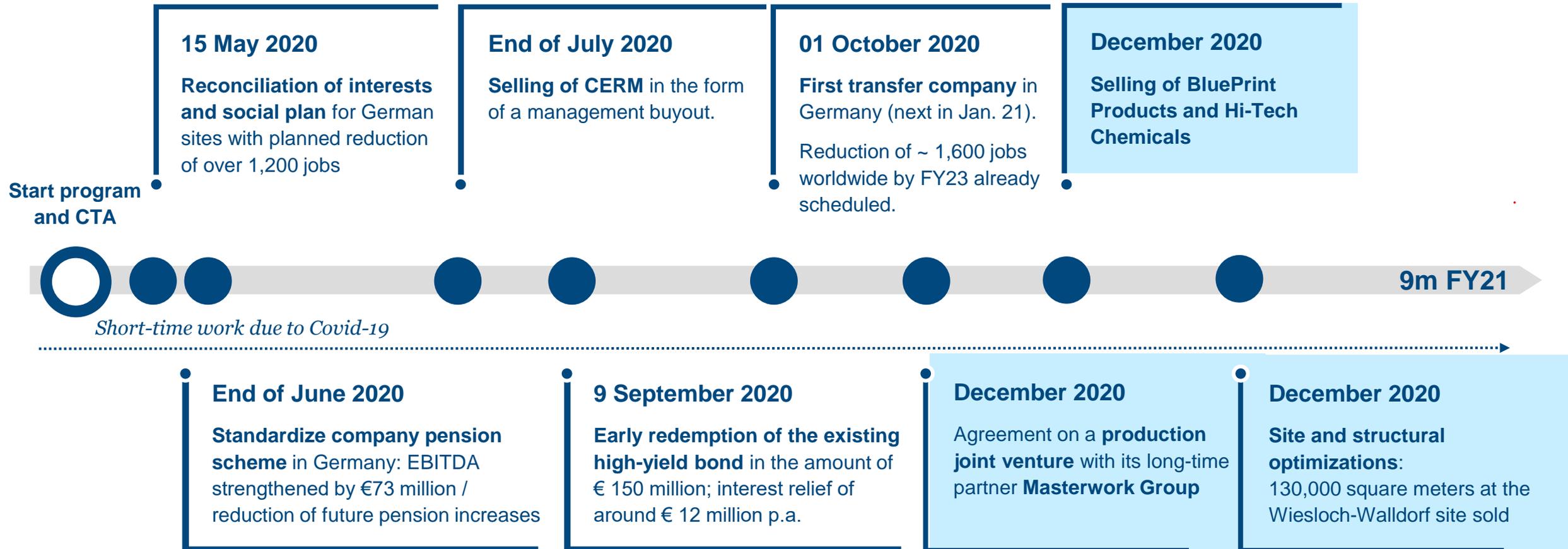
December was strongest month in the financial year to date – exceeding order volume of the previous year.

4.

Outlook



We look ahead confidently – raising profitability target for FY 2020/21.



1. 9m-figures FY 20/21.

Successful implementation of the transformation.



- **Incoming orders** down by ~ 25 % yoy due to pandemic – continuous signs of recovery in Q2 and Q3, December above PY.
Order backlog in Q3 increased to € 682 m compared with March 31, 2020 (€ 612 m).
- **Sales** down approx. 24 % yoy; gradual improvement due to better order situation.
- **EBITDA** excl. restructuring result up by 26 % yoy. Sales-decline was offset by measures from transformation program and personnel cost reduction, incl. use of short-time work.
- **Restructuring result** in connection with adjustment of personnel capacity, especially at international sites.
- **Financial result** increased mainly due to higher interest expense for pensions and from expenses for the valuation of securities in Q2.
- **Earnings before taxes** improved, positive **Net result**.
- **Free cash flow** slightly negative but improved significantly (€ 42m in Q3).
- **Leverage** at 1.0 as of Dec 31, 2020 still on low level.

€ m	9m 19/20	9m 20/21	Δ PY
Incoming orders	1,900	1,421	-25%
Sales	1,690	1,289	-24%
EBITDA excl. restructuring result	117	147	+30
EBIT excl. restructuring result	46	88	+42
Restructuring result	-8	-38	-30
Financial result	-33	-35	-2
EBT	5	15	+10
Net result after taxes	-10	3	+13
Free cash flow	-73	-10	+63
Leverage	1.9	1.0	

1. 9m-figures FY 20/21.

Net debt on low level – equity ratio burdened by interest rates.



> Assets	FY 2020	FY 2020	FY 2021
Figures in mEUR	31-12-2019	31-03-2020	31-12-2020
Fixed assets	882	952	866 ¹
Current assets	1.439	1.532	1.136
thereof inventories	814	660	616
thereof trade receivables	277	299	208
thereof receivables from customer financing	50	43	43
thereof cash and cash equivalents	208	428	173 ¹
Deferred tax assets, prepaid expenses, other	85	118	243
thereof deferred tax assets	75	69	62
thereof income tax liabilities	9	16	17
Total assets	2.406	2.602	2.246

> Equity and liabilities	FY 2020	FY 2020	FY 2021
Figures in mEUR	31-12-2019	31-03-2020	31-12-2020
Equity	328	202	57 ²
Provisions	860	1.338	1.346
thereof provisions for pensions	650	986	1.043 ²
Other liabilities	1.151	994	777
thereof financial liabilities	597	471	300
thereof contractual liabilities	228	173	189
thereof trade payables	216	212	150
thereof other payables	108	134	92
Income tax liabilities	67	67	66
Total equity and liabilities	2.406	2.602	2.246
Equity ratio	14%	8%	3%
Net debt	389	43	127 ³

(1) **Fixed assets** reduced due to asset disposals and reclassification to assets held for sale.

Net working capital lowered to € 545m as of Dec 31, 2020 (Dec 31, 2019: € 714m; March 31, 2020: € 645m).

(2) The further reduction in the domestic interest rate (from 1.8% at March 31, 2020 to 0.9% at Dec. 31, 2020) led to an increase of **pension provisions** to € 1,043m.

Equity was negatively impacted by approx. € 130m in 9m FY20/21; Group equity ratio fell to 3% (Parent company HDM AG ~26% equity ratio).

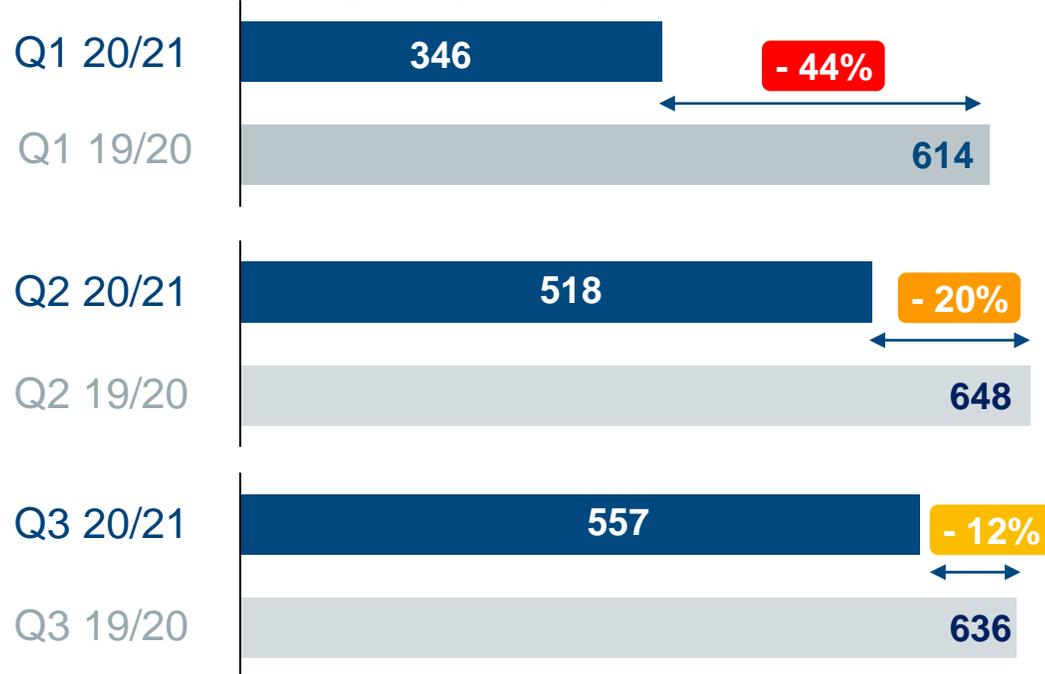
(3) **Net debt** heavily reduced by € 262m compared to prior year esp. due to return transfer of trust assets and early repayment of debt.

1. 9m-figures FY 20/21.

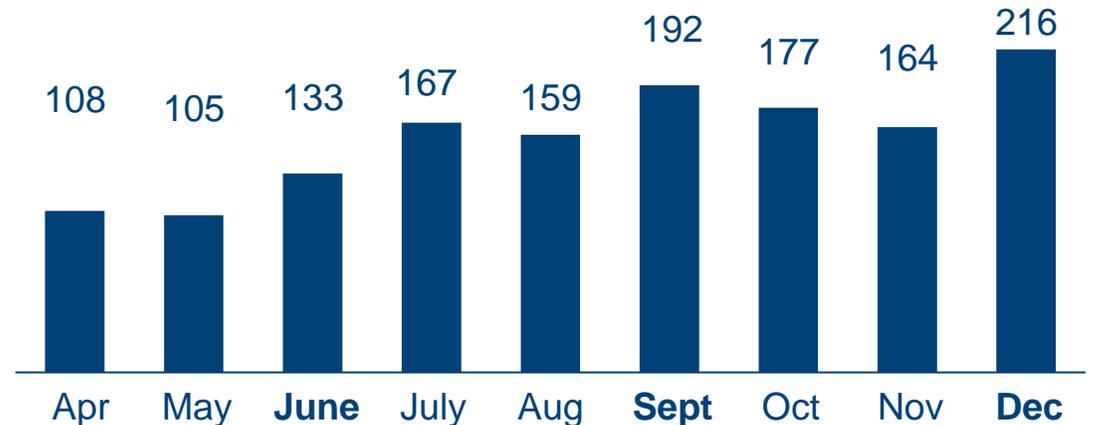
Market with further recovery – steady upward trend in incoming orders.



// Order intake (per quarter)



// Order intake (per month) in FY 20/21



// Incoming orders have bottomed out in the first quarter – the trend has been pointing continuously upwards since May.



1. 9m-figures FY 20/21.

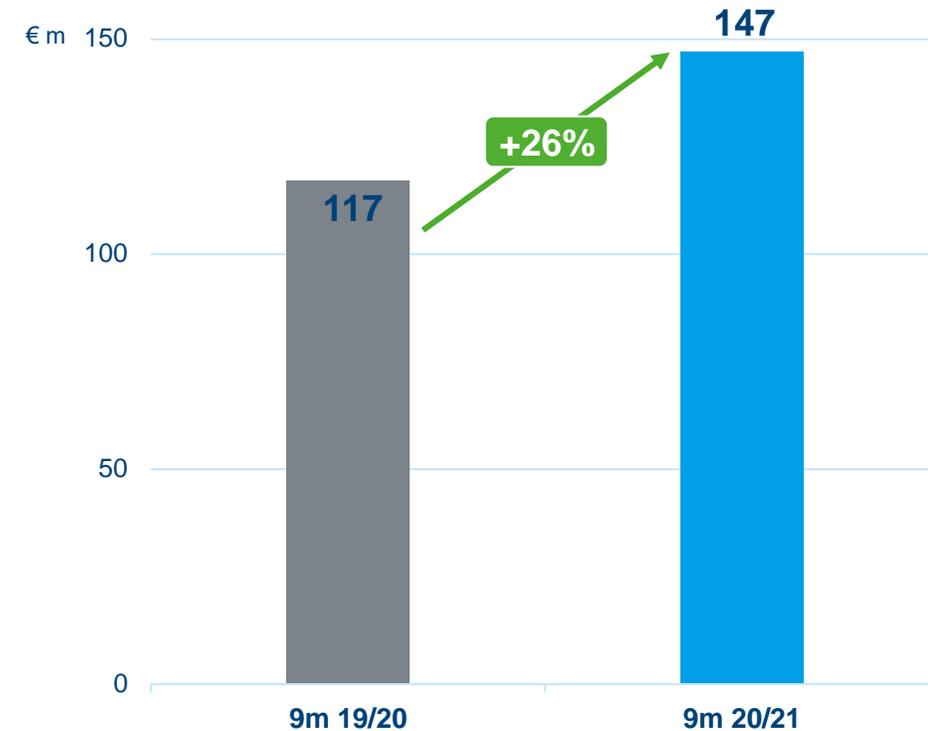
Program has delivered – significant effects to the 9m result FY 20/21.



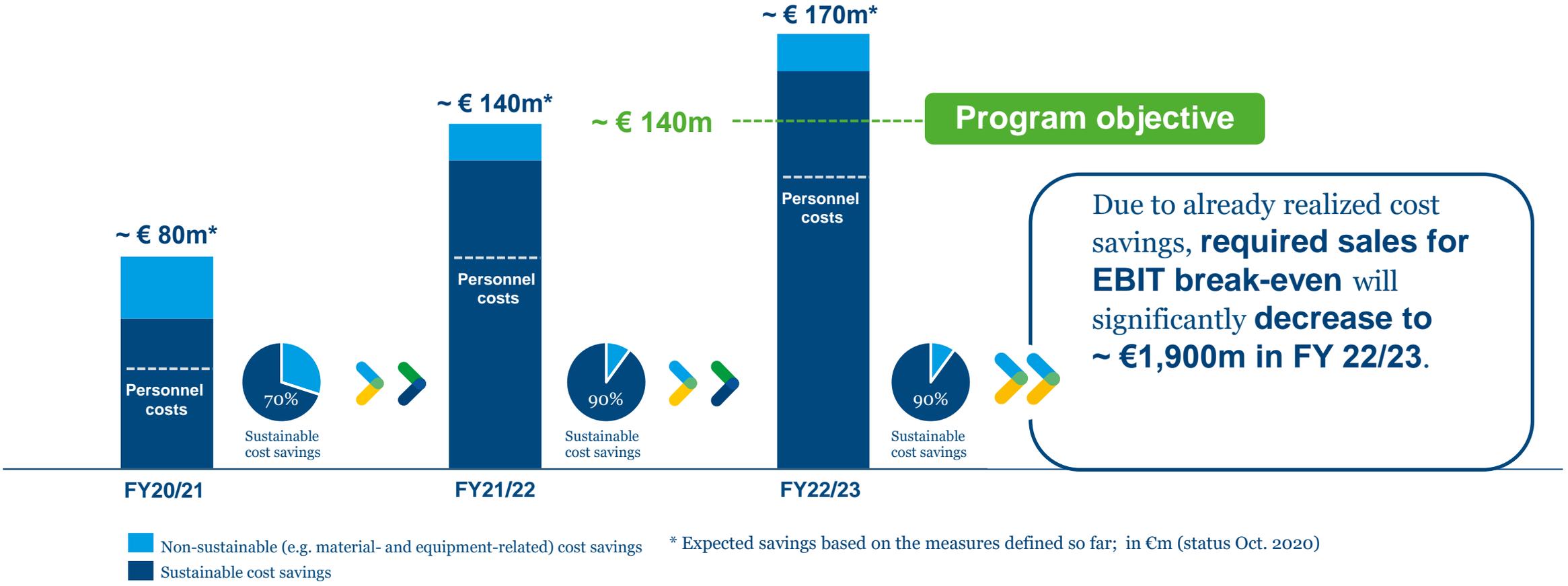
// Main factors impacting earnings 9m FY21:

- (-)** Volume and margin (**approx. € 178m**)
- (+)** Savings from Transformation program (**approx. € 60m**)
- (+)** Short-time work & similar int. programs (**approx. € 85m**)
- (+)** Restructuring company pension scheme (**approx. € 73m**)
- (+)** Selling of CERM, BluePrint Products & Hi-Tech Chemicals (**approx. € 19m**; previous year incl. € 25m earnings from Hi-Tech coatings disposal)

// EBITDA excl. restructuring result

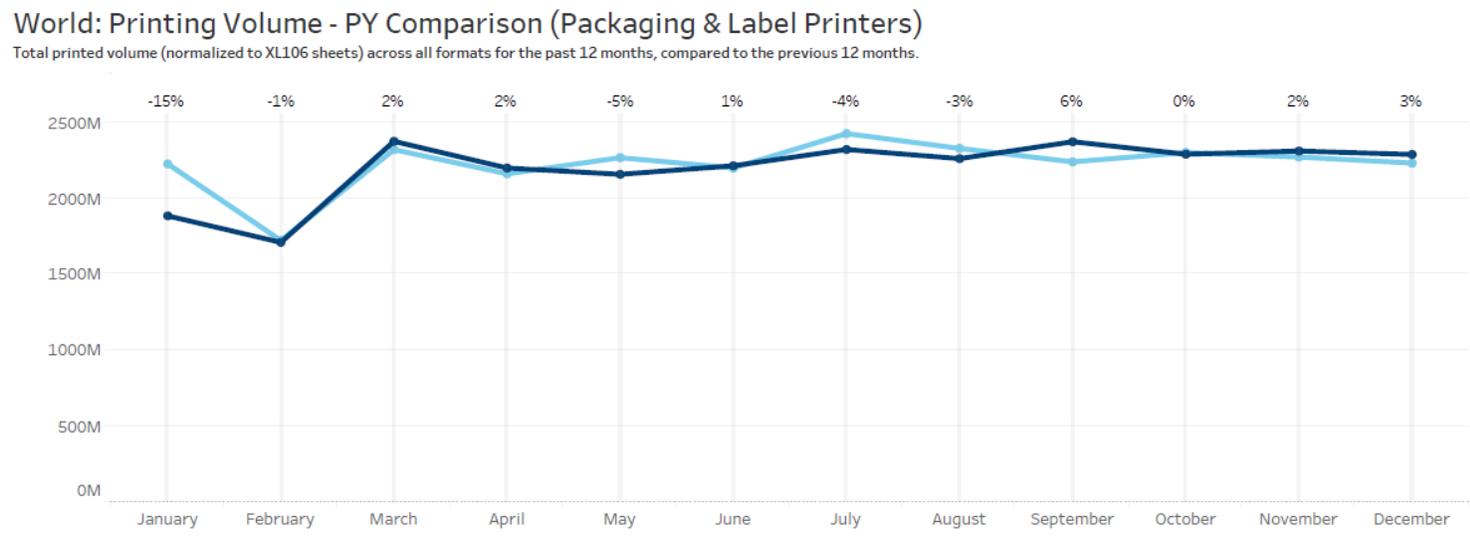
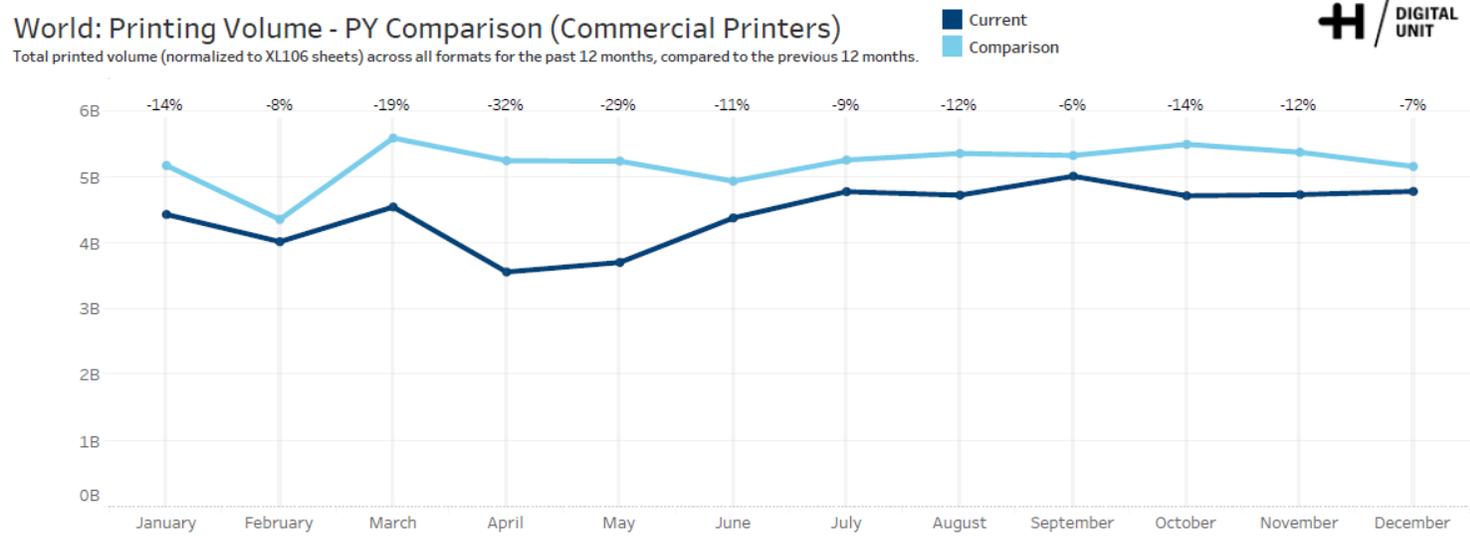


2. Transformation program. Fully on schedule with our measures & already with a sustainable impact.



3. Market environment / core business.

Print production volume recovered to normalized levels.



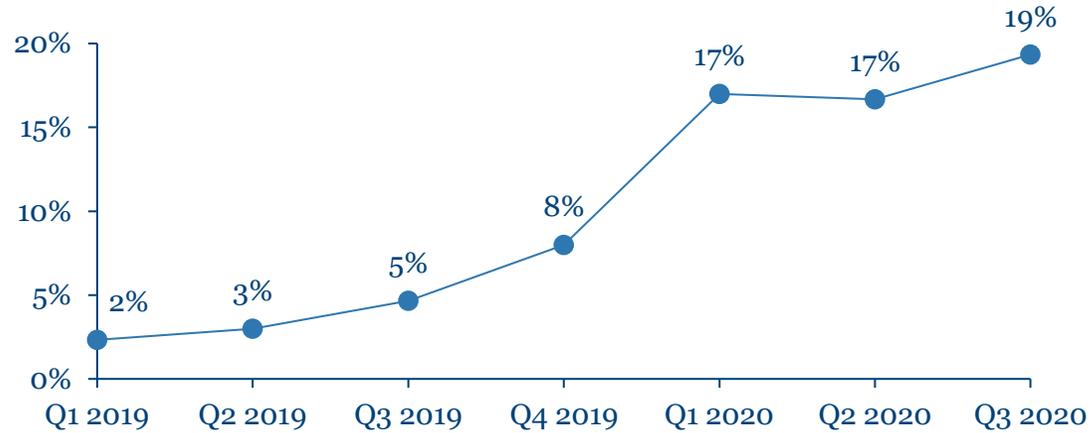
3.

Market environment / new businesses.

Strong position in e-mobility – capacity to be doubled in early 2021.



HDM average market share in Germany
(Private wallboxes, 2019-2020 (calendar year), in %)

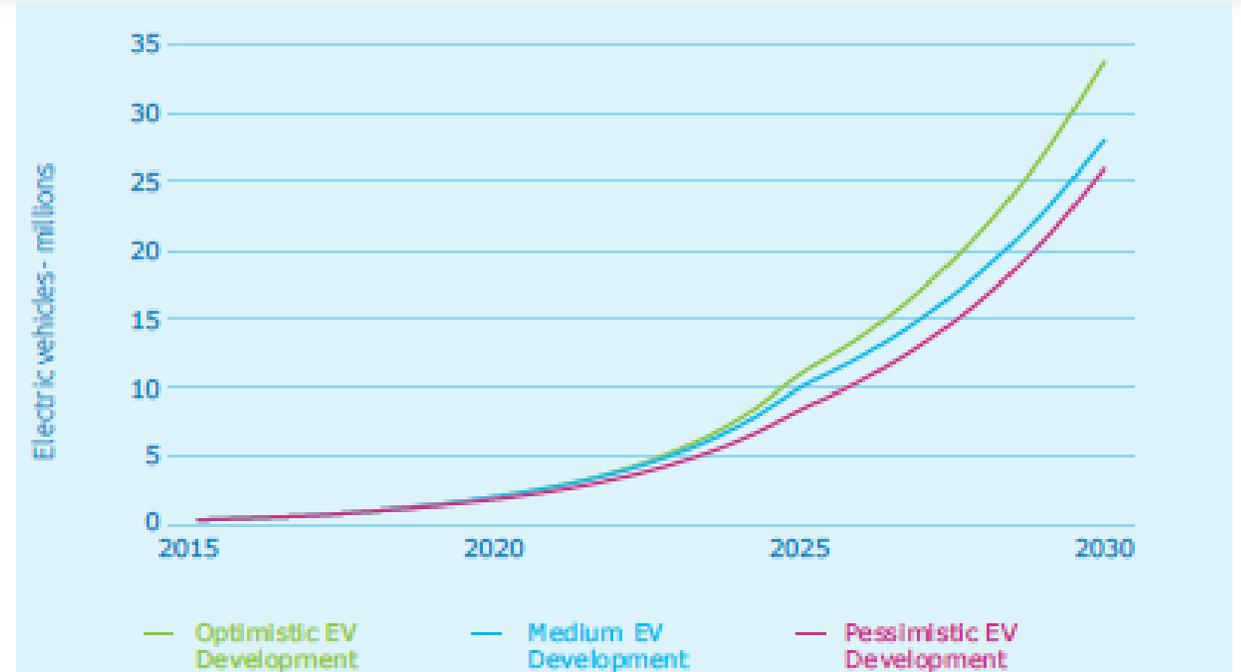


HDM among key players in German private Wallbox market

- Revenue € ~15m in FY21 expected; Market share of ~20% for new installations of private charging points within Germany, increased from ~2% since early 2019
- Best-in-class feedback from customers as part of their supplier evaluation processes
- Test winner in ADAC wallbox test (08/2019)



Source: Company estimate & information



Megatrend e-mobility

- Expansion of market penetration
 - Today mainly Germany - development of European countries and China, further Asian markets
- Expansion of the portfolio offered
 - further functions, development of revenue sources over the lifecycle of the charging technology, becoming full service provider

4. Outlook.

We look ahead confidently – raising profitability target for FY 2020/21.



Tailwind from recovering markets and positive signals from our customers



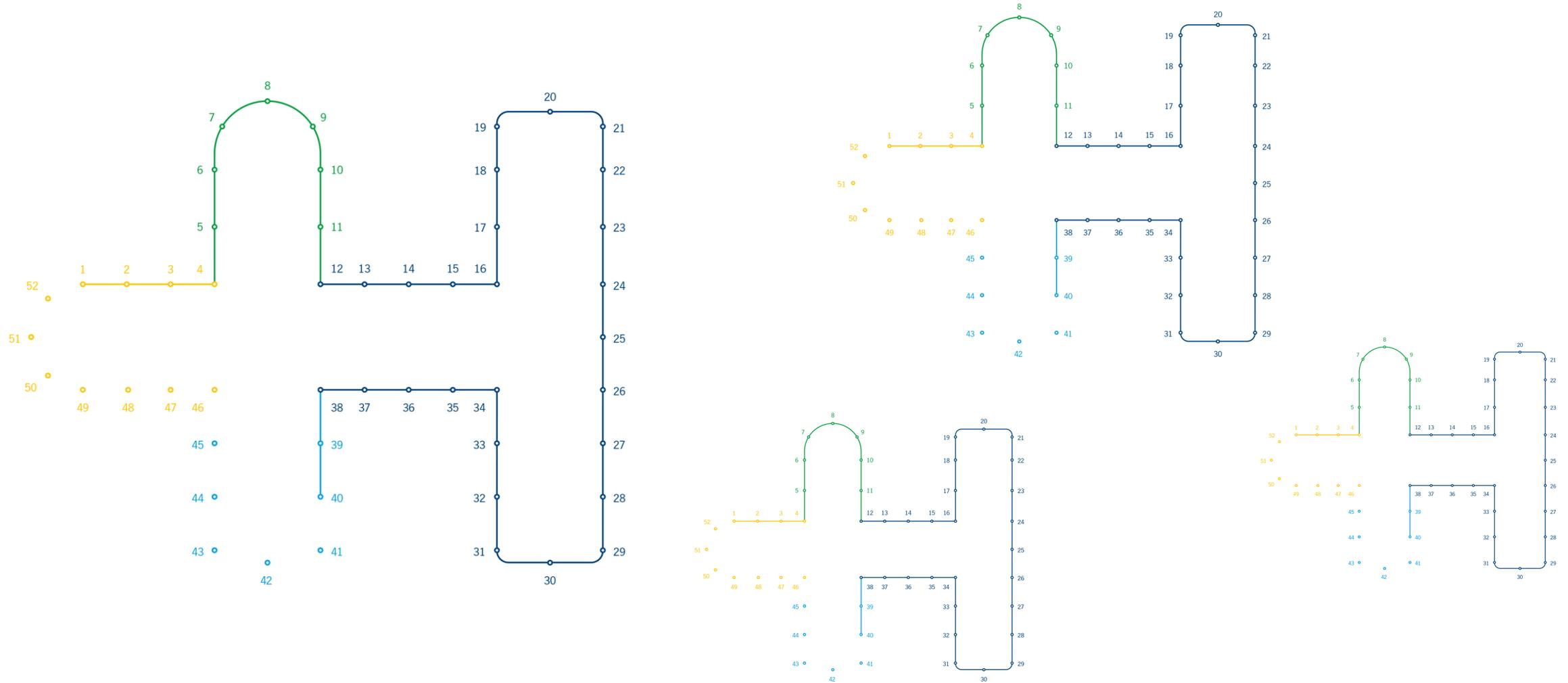
Outlook FY 20/21:

- **Sales decline caused by Covid-19 approx. € 450 – 500m**
- **EBITDA-margin excl. restructuring result approx. 7% of sales**



Mid-term outlook:

- **EBITDA-margin excl. restructuring result > 10% of sales in FY23**

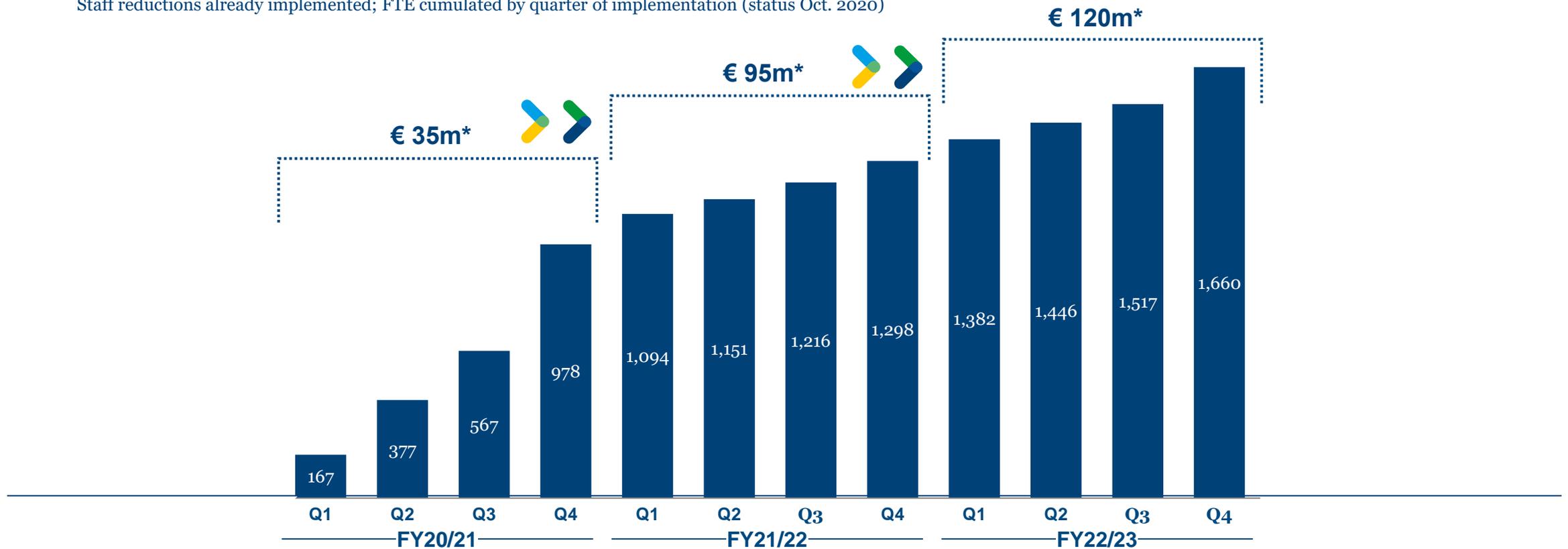


Transformation program. Headcount reduction scheduled until FY 22/23.



// Personnel measures

Staff reductions already implemented; FTE cumulated by quarter of implementation (status Oct. 2020)



* Expected personnel cost savings based on the measures defined so far in m€ (status Oct. 2020)

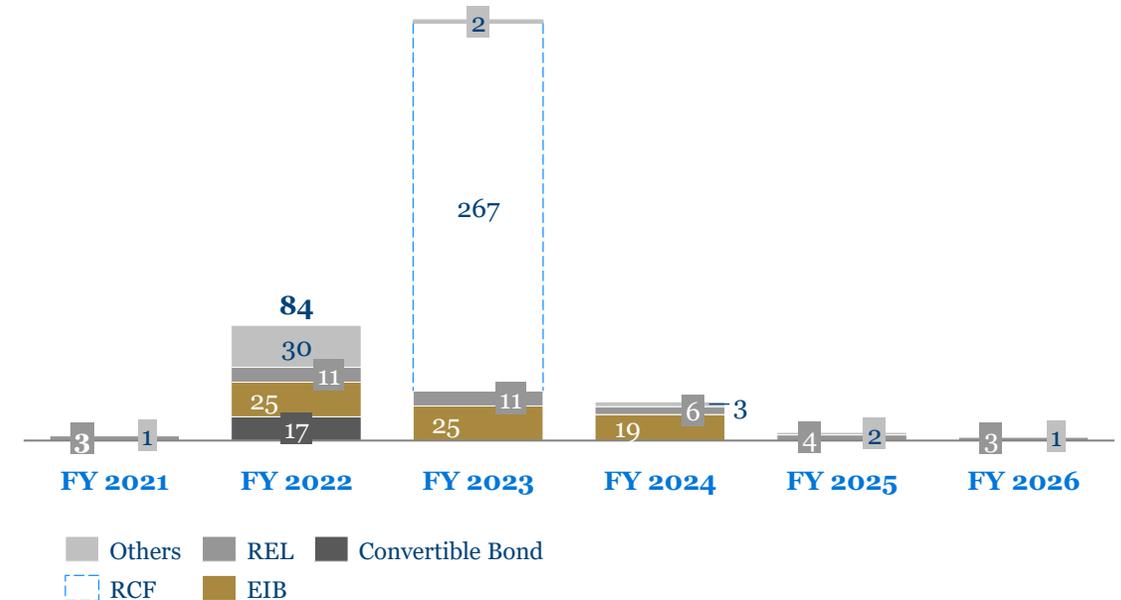


// Main factors:

- **Early repayment of the HYB (€ 150m) concluded** on September 9, 2020. **Interest reduction** by approx. € 12m p.a.
- **No major maturities** in the near future.
- **Availability of the RCF:** approx. 1/2 as of Dec, 31, 2020.

// Maturity profile as of Dec. 31, 2021

€ m

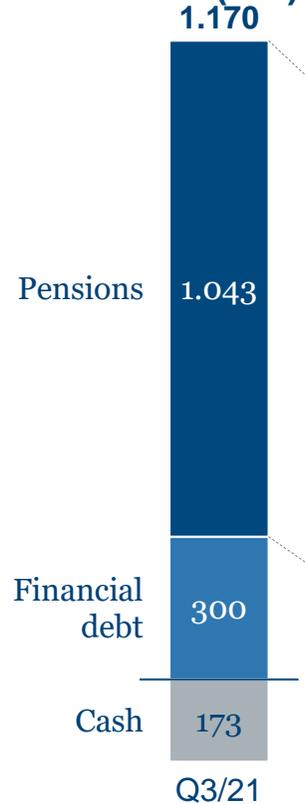


Transformation program.

Pension obligations with low financing costs compared to ordinary debt.

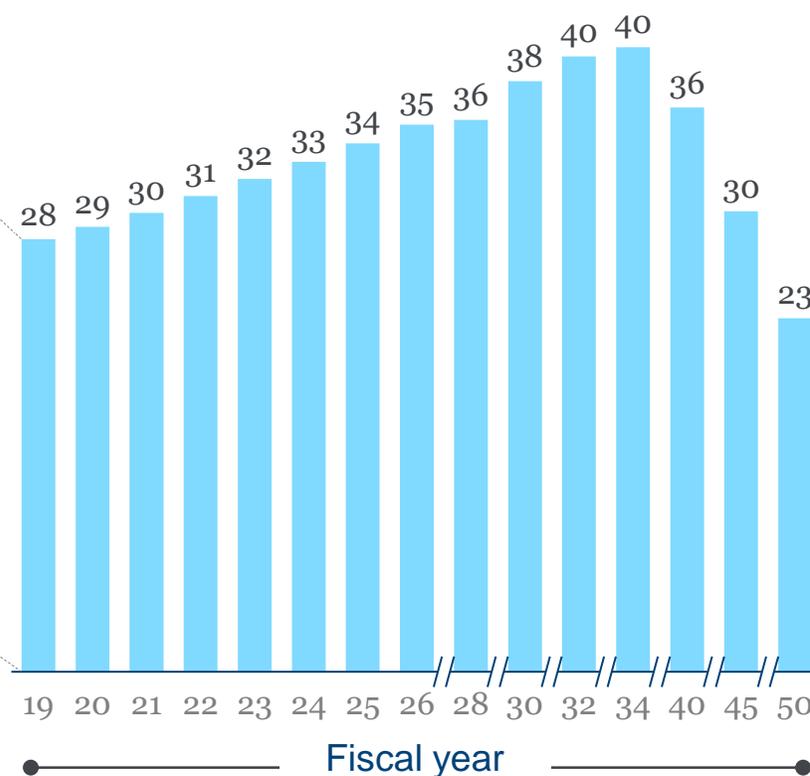


// Net debt (€M)



// Repayment profile

(annual pension payments HDM Germany €M)*



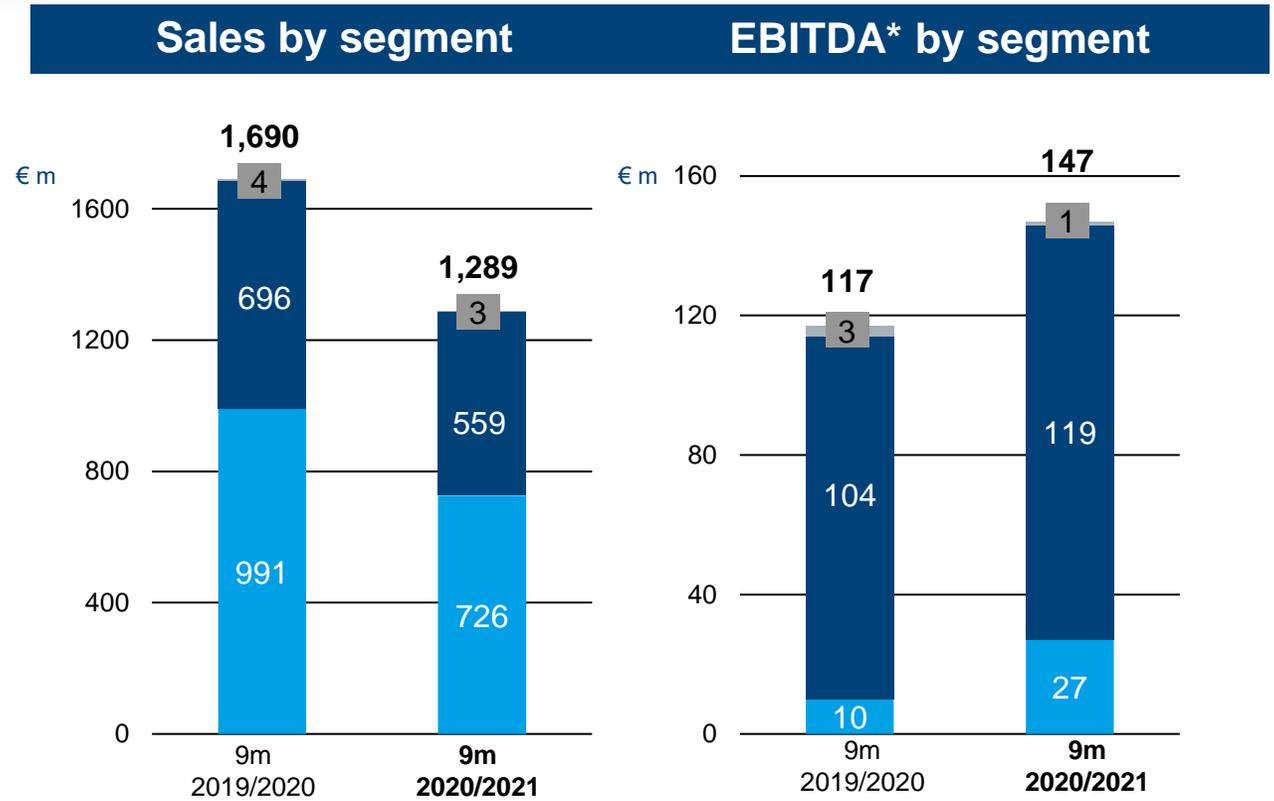
- ~90% of HDM's net debt is due to on-balance sheet **pension obligations**
- Based on HDM's demographics, **pension payments will gradually increase by €10M** to ~€40M p.a. in FY32-35 and decrease thereafter
- **Thus, annual cash-out** for pensions (incl. interest and repayment component) ranges around **3-4% p.a.** relative to total obligations
- Hence, **financing costs are comparably low**

* Estimated pension payments of German entities

Sales and EBITDA by segment in 9m 20/21.



- The economic recovery was reflected in incoming orders and sales in the Heidelberg Digital Technology and Heidelberg Lifecycle Solutions segments as the financial year progressed, which reduced the quarter-on-quarter declines.
- The significant earnings improvement despite the sales decline is essentially thanks to income from the reorganization of the pension plans in Germany and the disposals of CERM and the Belgian production site for printing chemicals.



Heidelberg Digital Technology



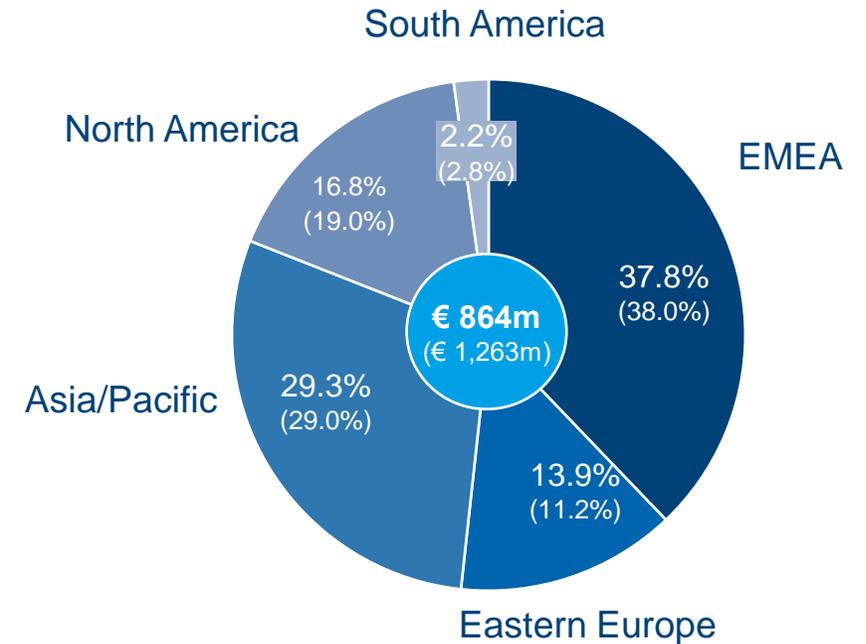
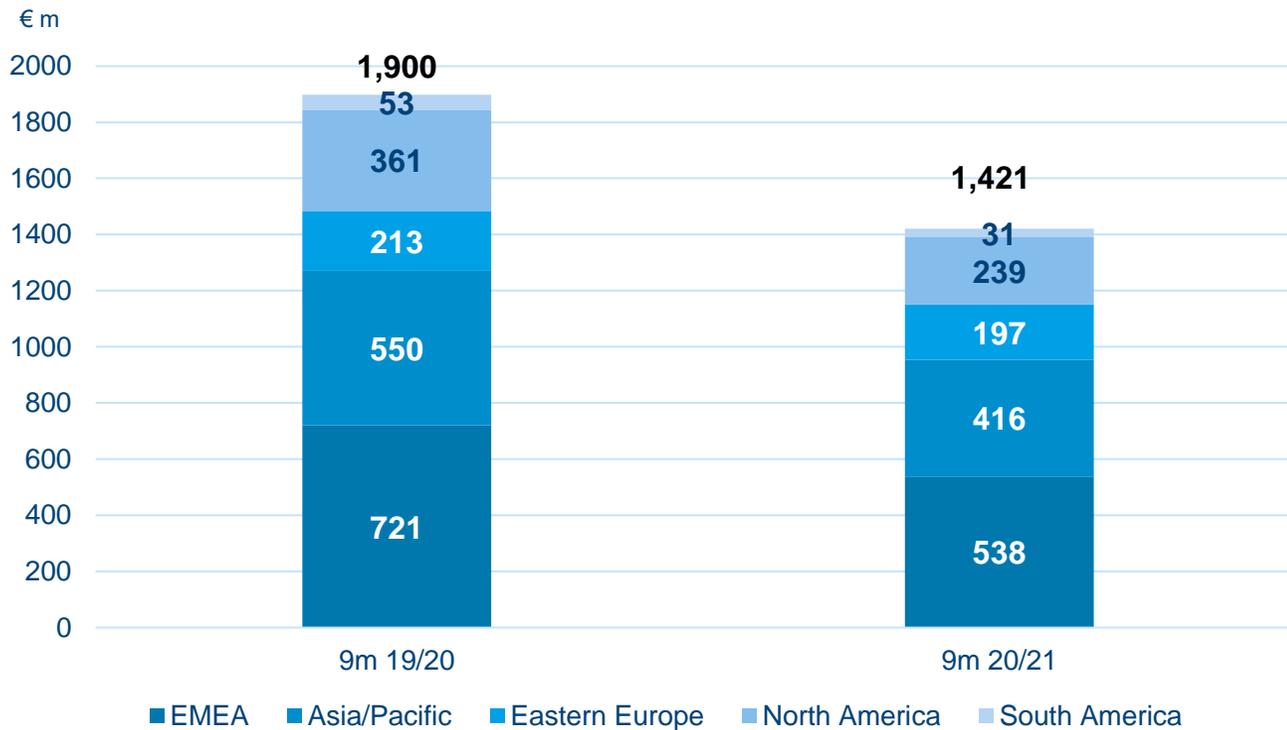
Heidelberg Lifecycle Solutions



HD Financial Services



Incoming orders by region 9m 20/21 (9m 19/20)



Significant improvement in Q3 in incoming orders and sales.



€ m	Q3 19/20	Q3 20/21	Δ PY
Incoming orders	636	557	-12%
Sales	567	484	-15%
EBITDA excl. restructuring result	47	50	3
EBIT excl. restructuring result	24	30	6
Restructuring result	-3	-8	-5
Financial result	-10	-8	2
EBT	11	14	3
Net result after taxes	7	12	5
Free cash flow	26	42	16
Leverage	1.9	1.0	



Financial calendar 2020/2021.

June 9, 2021

➔ Press Conference, Annual Analysts' and Investors' Conference

July 23, 2021

➔ AGM

- Dates may be subject to changes -





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.