

# PEOPLE MAKE MACHINES SMART

**Heidelberger Druckmaschinen AG – Half year results FY 2023/24**

Dr. Ludwin Monz, CEO | Tania von der Goltz, CFO | November 08, 2023.



## 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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## 6m FY 2023/24 at a glance

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Business and financial review

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Sustainability

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Outlook

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Orders received stable, growth in adjusted EBITDA-margin.  
**HEIDELBERG well on track at half year mark FY 2023/24.**

Orders received	Net sales	Adj. EBITDA in % Net sales <sup>1</sup>
<b>€ 1,184m</b> <i>Fx adj. € 1,221m</i> (PY 6m: € 1,229m)	<b>€ 1,092m</b> <i>Fx adj. € 1,124m</i> (PY 6m: € 1,120m)	<b>9.2 %</b> (PY 6m: 8.2%)

#### // Key developments half year FY 2023/24:

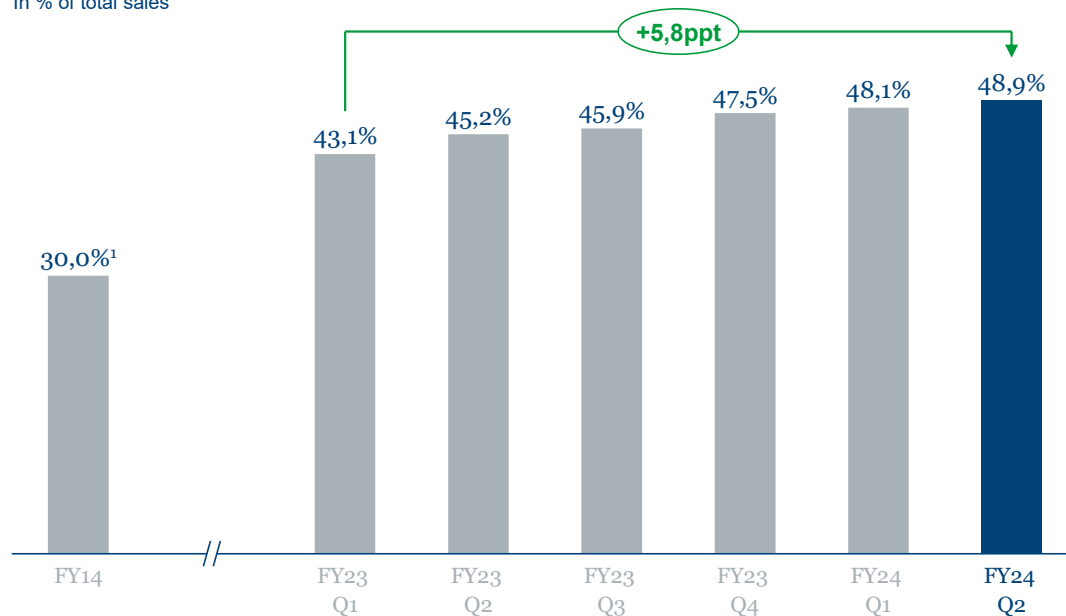
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**Stable order development:** HEIDELBERG is weathering a tense overall economic situation and a weak performance in the engineering sector.
- 
 Solid y/y growth in the strategically important segment **Packaging Solutions** – Print Solutions muter given the current economic environment.
- 
**Confidence for full year targets, guidance reiterated:** Solid half-year results pave the way for the full year.

# HEIDELBERG's packaging footprint.

## Share of packaging sales growing, progress on strategy implementation.

### // Last twelve months Packaging Solutions' share of sales per quarter

In % of total sales



### // Update on strategy

- Boardmaster & Gallus One off to a successful start.
- First installations finished, solid project pipeline.
- Overall resilient customer demand so far, despite a rather sluggish economy.
- Asia/Pacific with growing mid-term importance.



6m FY 2023/24 at a glance

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 **Business and financial review**

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Sustainability

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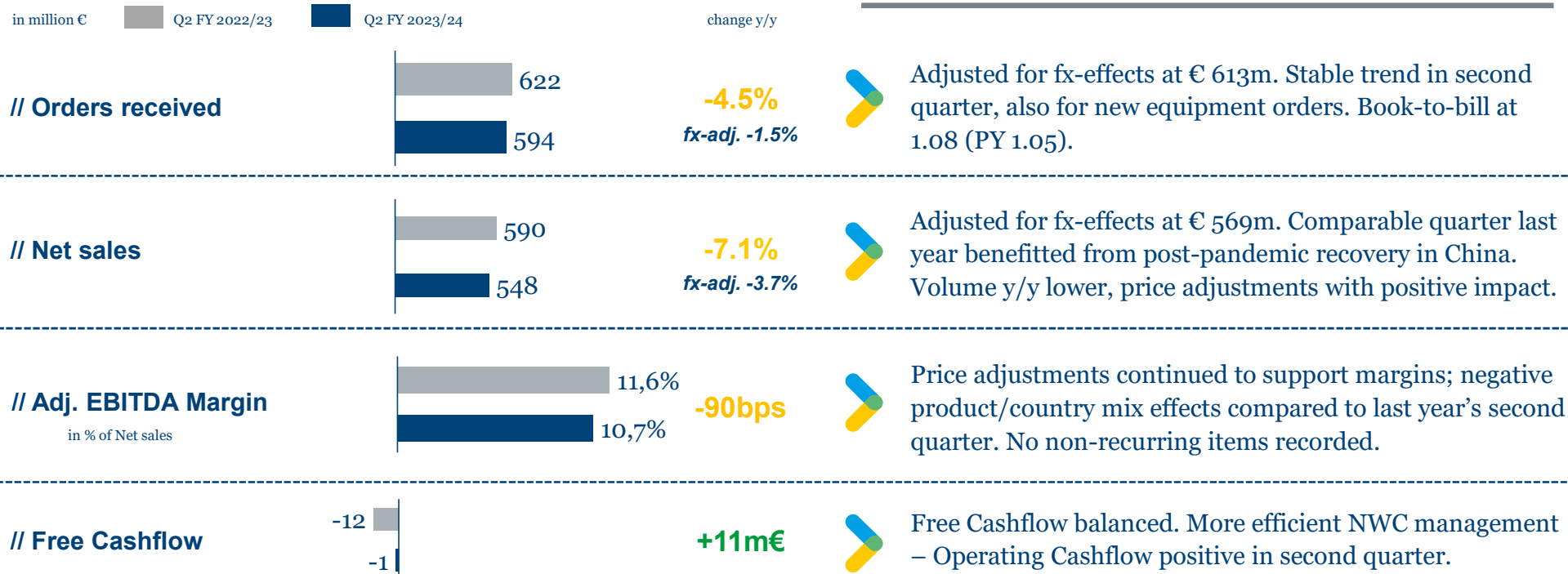
Outlook

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## Q2 FY 2023/24 key performance indicators.

### Topline also affected by negative fx-effects, Free Cashflow improved.

#### // Key takeaways:





## Segment split (6m).

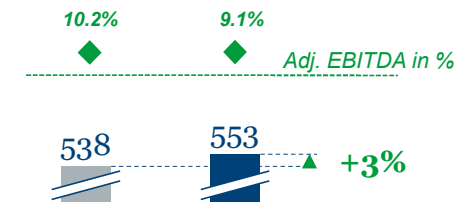
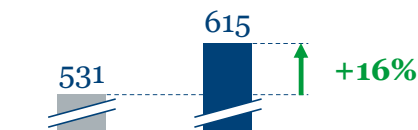
# Packaging Solutions continued growth in Orders received and Net sales.

in million €    6m FY 2022/23    6m FY 2023/24

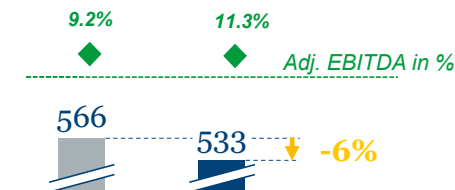
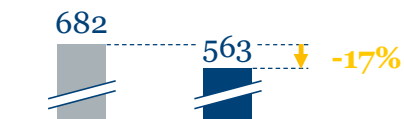
### // Orders received

### // Net sales

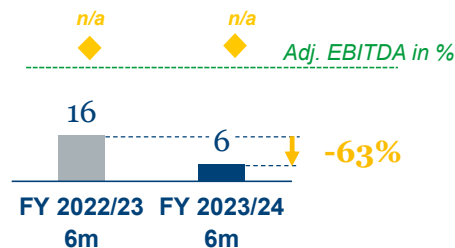
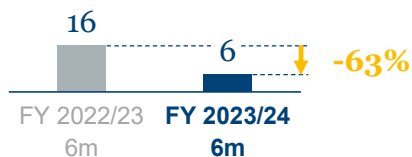
#### Packaging Solutions



#### Print Solutions



#### Technology Solutions



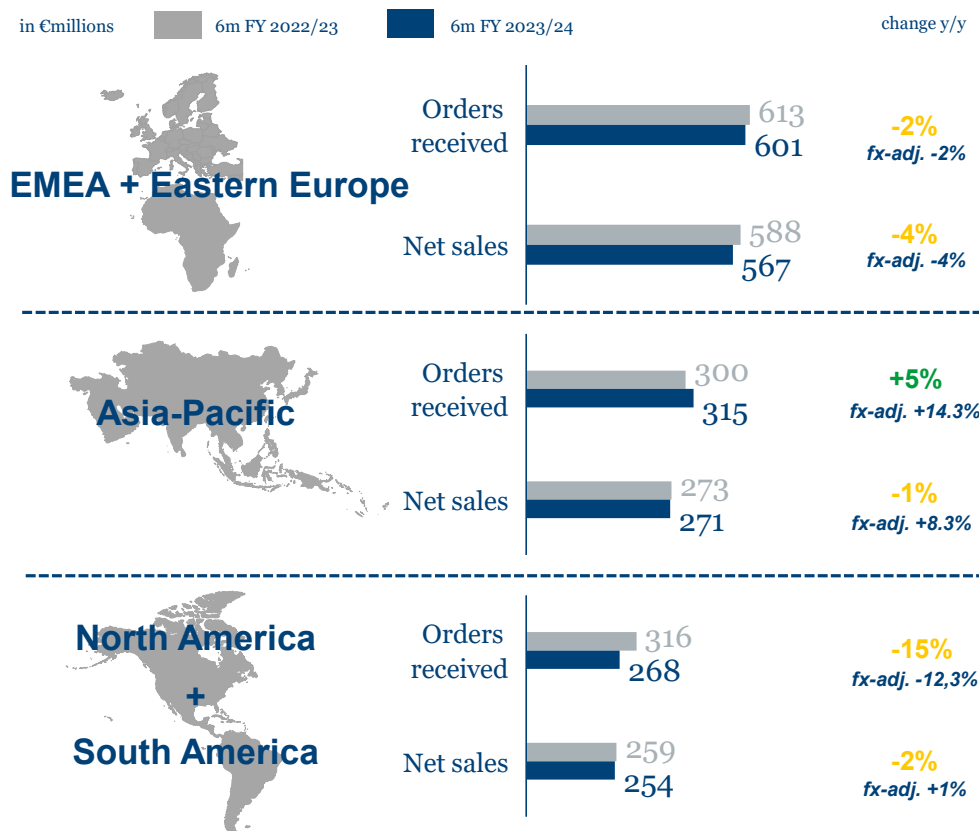
### // Key takeaways:

- Strong y/y growth in Orders received, driven by Asia/Pacific, Eastern Europe and EMEA.
- Adj. EBITDA margin affected by higher resource allocation (e.g., R&D).
- Weaker investment sentiment due to macro topics.
- Printing volume stable: aftersales business continues to be strong.
- Market development still restrained, first signs of slight improvement.
- Focus on new products and market expansion weighs on EBITDA.



# Regions (6m).

## Asia-Pacific with year-over-year growth.



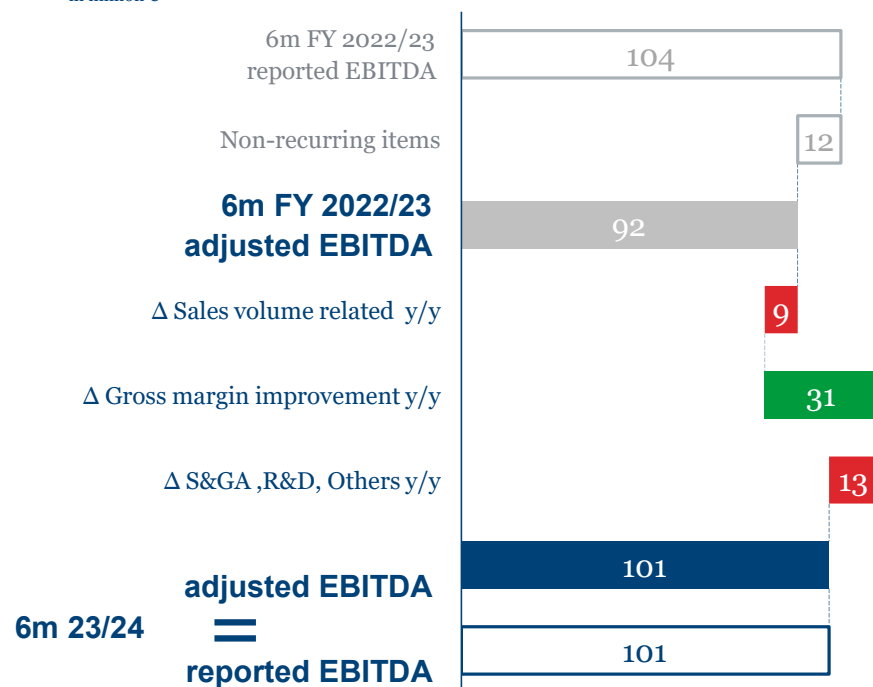
### // Key takeaways:

- **Orders received** slightly down as expected after a strong prior year, strong momentum in packaging in EMEA and EE.
- **Net sales** slightly below previous year due to weakness in Technology Solutions segment.
- **Orders received** with y/y growth, due to favorable trade fair in China. AP ex China with better momentum in second quarter.
- **Net sales** impacted by a strong negative currency effects; solid order book offers upside in subsequent quarters.
- **Orders received** weaker after strong previous year, fx-advantage for Japanese manufacturers.
- **Net sales** supported by solid service business. Packaging Solutions with y/y gains.

## EBITDA-bridge (6m).

**Positive product and country mix effects and successful price adjustments.**

in million €



### // Key takeaways:

- Adjusted for non-recurring item in Q1 FY 2022/23 (Disposal of property in St. Gallen of € 11.8m).
- Slight decrease in sales volume after six months.
- + Positive product & country mix effects, improved capacity utilization at the Chinese plant; increased COGS countered by price adjustments.
- General inflation and tariff increase, trade fair costs and increase in provisions had a negative impact.

No non-recurring items recorded in FY 2023/24.

# EBITDA to EBT (6m).

**Higher interest on pension provision caused slight increase in financial expenses.**

in million €

	FY 2022/23 6m	FY 2023/24 6m
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<b>// Reported EBITDA</b>	<b>103.5</b>	<b>100.9</b>
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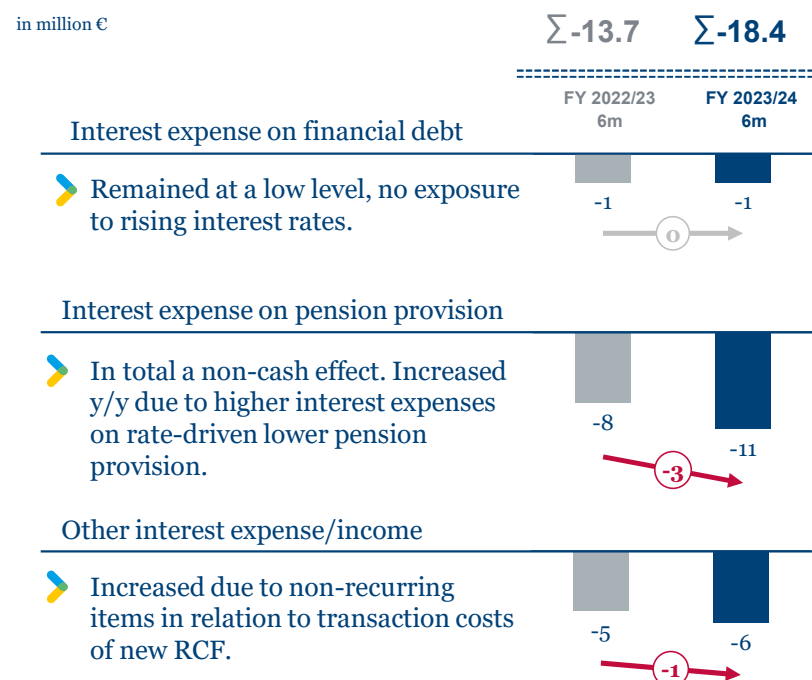
Depreciation & amortization	-39.3	-37.7
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<b>// EBIT</b>	<b>64.3</b>	<b>63.2</b>
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Net financial result (-expense/+ income)	-13.7	-18.4
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<b>// EBT (+)</b>	<b>50.6</b>	<b>44.8</b>
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## // Breakdown net financial result:



EBT to Earnings per share (6m).

**Effective taxes in line with pY, deferred tax items cause y/y higher expenses.**

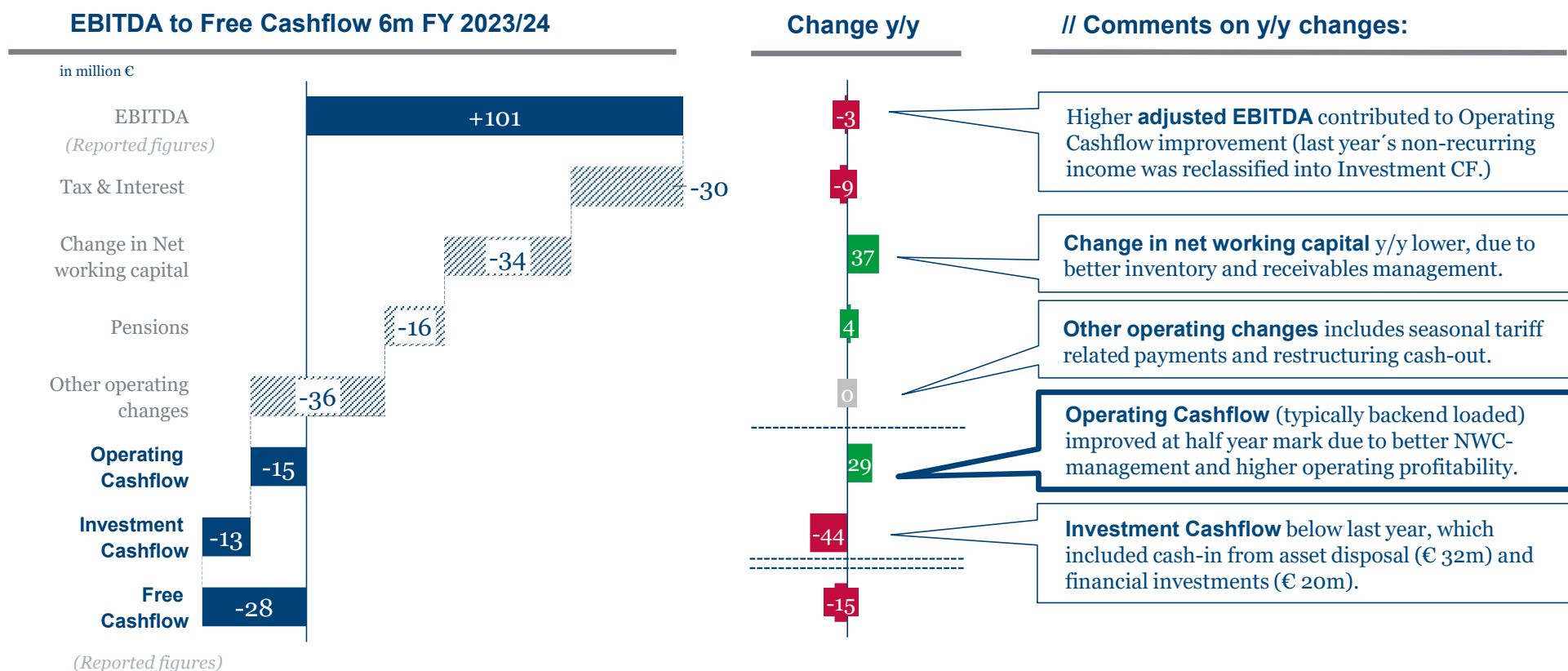
in million €	FY 2022/23 6m	FY 2023/24 6m
<b>// EBT</b>	<b>50.6</b>	<b>44.8</b>
<hr/>		
Tax result* (-expense/+ income)	-6.7	-11.8
<b>// Net income</b>	<b>43.9</b>	<b>33.0</b>
<hr/>		
Divided by number of shares	304.5m	304.5m
<b>// Earnings per share</b> (in €/ share)	<b>0.14</b>	<b>0.11</b>

### // Breakdown tax result:

in million €	$\Sigma$ -6.7 FY 2022/23 6m	$\Sigma$ -11.8 FY 2023/24 6m
<hr/>		
Effective tax expenses on income*		
In line with pY, effective tax rate higher due to withholdings taxes on dividends.	-11	-11
Deferred tax expenses*	4	-1
Normalized, as last year included a positive effect from a sale-and-leaseback transaction in Switzerland.		

# Free Cashflow (6m).

## More effective NWC management improved Operating Cashflow.

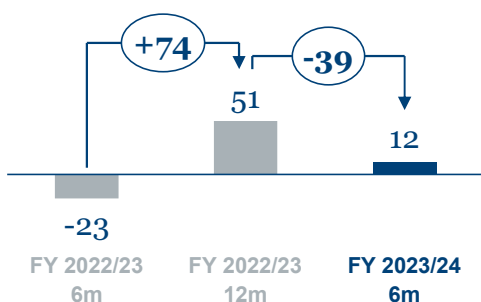


# Balance Sheet (6m).

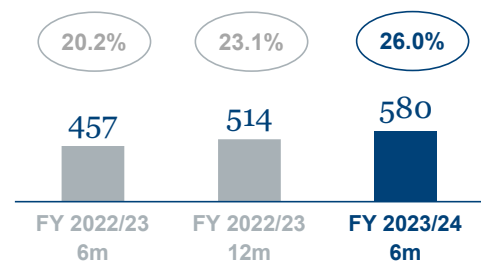
## Long-term financing secured, positive net financial position.

in million €    6m FY 2022/23    6m FY 2023/24

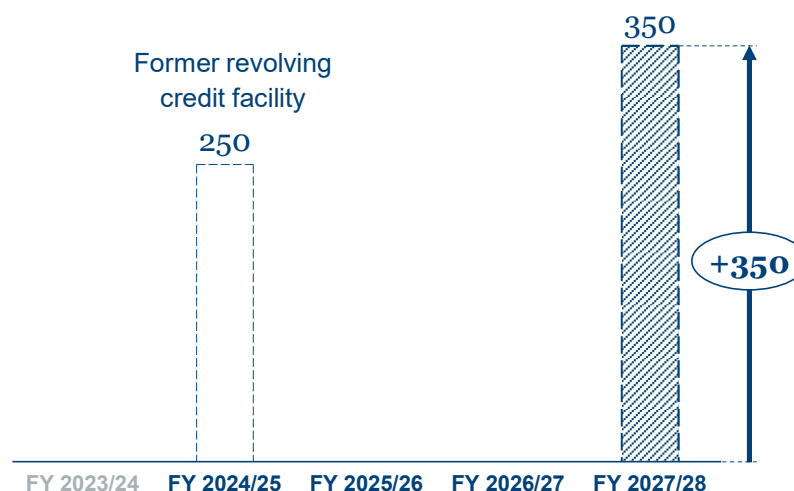
### // Net financial position<sup>1</sup>



### // Equity and equity ratio



### // Maturity profile



### // Key takeaways:

- Net financial position** remains positive, slightly decreased compared to year-end due to seasonally negative FCF. Last year, non-recurring FCF-items of € 50m had a positive impact.
- Equity (ratio)** increased, positive net income and decreased pension provision, as discount rate jumped to 4.2% (+50 bp compared to FY 22/23 year-end).
- Successful refinancing:** syndicated credit line increased to € 350m (before € 250m), maturity extended to July 2027.

## Key takeaways financial performance.



**Packaging Solutions** segment continued its positive trend.

Solid improvement in **Operating Cashflow** – higher operating profitability and more restrictive NWC-management.

HEIDELBERG's **profitability and Operating Cashflow** remain on a low level but improved – also due to our **value creation program**.



The Heidelberg logo, featuring a stylized 'H' with a green and blue cross-like element to its left, followed by the word 'HEIDELBERG' in a bold, blue, sans-serif font.

6m FY 2023/24 at a glance

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Business and financial review

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 **Sustainability**

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Outlook

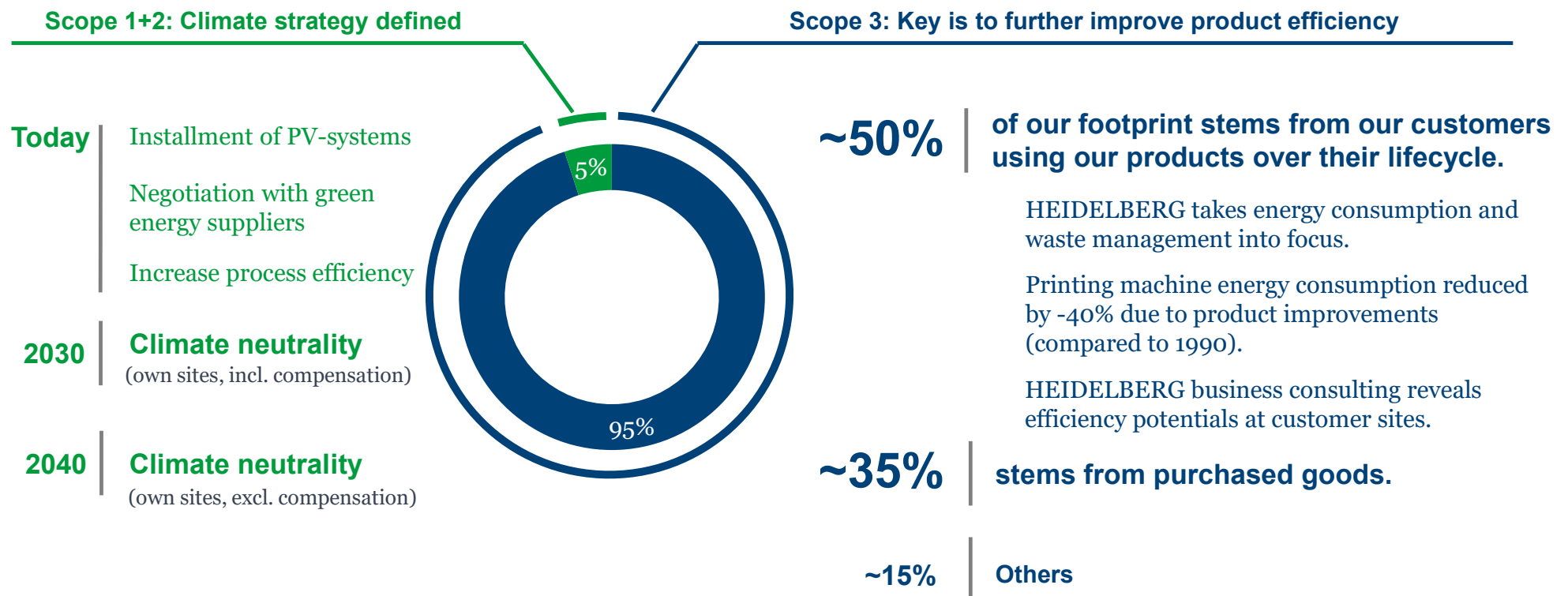
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Our approach.  
**HEIDELBERG'S efforts to act more sustainably.**



Our commitment for a more sustainable future.

**Scope 3 offers the biggest lever to tackle on for climate protection.**





6m FY 2023/24 at a glance

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Business and financial review

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Sustainability



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 Outlook

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# Outlook.

On track to achieve all full-year targets, seasonally weaker H2 expected.

	FY 2022/23 6m	FY 2023/24 6m	$\Delta$ y/y	FY 2023/24 guidance	Key takeaways for H2 FY 2023/24:
Net Sales	€ 1,120m	€ 1,092m	-2.5%	~ € 2,435m <i>(Previous year)</i>	 Secure a solid order trend, further price adjustments envisaged.
Adj. EBITDA <i>(in % of Net sales)</i>	8.2%	9.2%	+100 bps	~ 7.2% <i>(Previous year)</i>	 Seasonally weaker H2 expected, increase in personnel costs will weigh in profitability.

# Key takeaways.



HEIDELBERG weathers a rather sluggish economy, **quarters ahead remain challenging.**

Efforts of past quarters continue to pay back – **EBITDA-margin improvement at half year mark.**

Launch of **value creation program** to strengthen financial foundation for our strategic development.

# Financial calendar.

## Upcoming events.

### Contact

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### Upcoming financial events & dates

Wiener Kapitalmarktkonferenz	November 23
Equity Forum	November 27
Roadshow Zurich	December 7
ODDO BHF Forum	January 15
Kepler Cheuvreux German Corporate Conference	January 17
Release Q3 FY 23/24 figures	February 7



Backup

# P&L

Figures in € millions	6m FY 2023/24	6m FY 2022/23	Change in m€	Q2 FY 2023/24	Q2 FY 2022/23	Change in m€
Net sales	1,091.9	1,120.0	-28.1	547.6	589.5	-41.9
Change in inventories/other own work	86.8	73.4	13.4	36.5	16.5	19.9
<b>Total operating performance</b>	<b>1,178.7</b>	<b>1,193.4</b>	<b>-14.7</b>	<b>584.1</b>	<b>606.1</b>	<b>-22.0</b>
Other operating income	21.8	41.7	-19.9	10.9	12.6	-1.7
Cost of materials	519.5	546.8	-27.3	256.8	267.1	-10.3
Personnel Costs	390.4	391.3	-0.8	185.7	185.1	0.6
Depreciation and amortization	37.7	39.3	-1.5	18.9	19.9	-1.0
Other operating expenses	189.6	193.5	-3.9	93.7	98.4	-4.7
<b>Result of operating activities</b>	<b>63.2</b>	<b>64.3</b>	<b>-1.1</b>	<b>39.9</b>	<b>48.2</b>	<b>-8.4</b>
Financial income	3.0	1.1	1.9	1.7	0.6	1.1
Financial expenses	21.4	14.8	6.6	11.9	7.3	4.7
<b>Financial result</b>	<b>-18.4</b>	<b>-13.7</b>	<b>-4.7</b>	<b>-10.3</b>	<b>-6.7</b>	<b>-3.6</b>
<b>Net result before taxes</b>	<b>44.8</b>	<b>50.6</b>	<b>-5.8</b>	<b>29.6</b>	<b>41.5</b>	<b>-11.9</b>
Taxes on income	11.8	6.7	5.1	6.4	2.4	4.0
<b>Net result after taxes</b>	<b>33.0</b>	<b>43.9</b>	<b>-10.9</b>	<b>23.2</b>	<b>39.1</b>	<b>-15.9</b>
<b>Basic earnings per share according to IAS 33 (in € per share)</b>	<b>0.11</b>	<b>0.14</b>	<b>-0.03</b>	<b>0.08</b>	<b>0.12</b>	<b>-0.04</b>

## Reported to adjusted EBITDA.

Figures in € millions	6m FY 2023/24	6m FY 2022/23	Change in %	Q2 FY 2023/24	Q2 FY 2022/23	Change in %
Reported EBITDA	100.9	103.5	-2.5	58.8	68.1	-13.7
<b>Reported EBITDA in % of Net sales</b>	<b>9.2</b>	<b>9.2</b>	<b>0bps</b>	<b>10.7</b>	<b>11.6</b>	<b>-110bps</b>
Acquisition-related special effects						
thereof disposal of a property in St. Gallen, CH excl. transactions costs	0.0	11.8	-	-	-	-
Adjusted EBITDA	100.9	91.7	10.0	58.8	68.1	-13.7
<b>Adjusted EBITDA in % Net sales</b>	<b>9.2</b>	<b>8.2</b>	<b>100bps</b>	<b>10.7</b>	<b>11.6</b>	<b>-110bps</b>

## Segments: Quarterly overview.

	Q1 FY 2023/24	Q2 FY 2023/24	TOTAL FY 2023/24	Q1 FY 2022/23	Q2 FY 2022/23	TOTAL FY 2022/23	y/y Change in m€
<b>Orders received</b>	590,9	593,5	1.184,4	607,2	622,2	1.229,4	- 45,0
Print Solutions	277,2	286,1	563,4	347,7	334,4	682,1	- 118,7
Packaging Solutions	311,4	304,1	615,5	249,6	281,5	531,1	84,4
Technology Solutions	2,3	3,3	5,6	9,9	6,4	16,3	- 10,7
<b>Net sales</b>	544,3	547,6	1.091,9	530,5	589,5	1.120,0	- 28,1
Print Solutions	274,7	258,2	532,9	273,3	292,5	565,9	- 33,0
Packaging Solutions	267,3	286,1	553,4	247,3	290,6	537,9	15,5
Technology Solutions	2,3	3,3	5,6	9,9	6,4	16,3	- 10,7
<b>EBITDA</b>	42,1	58,8	100,9	35,4	68,1	103,5	- 2,6
Print Solutions	31,0	29,4	60,3	19,3	33,3	52,6	7,7
Packaging Solutions	16,3	33,8	50,2	17,0	37,8	54,8	- 4,6
Technology Solutions	-5,1	-4,4	-9,6	-0,9	-2,9	-3,8	- 5,7
<b>Adj. EBITDA</b>	42,1	58,8	100,9	23,6	68,1	91,7	9,2
<b>Adj. EBITDA in % of Net sales</b>	7,7%	10,7%	9,2%	4,4%	11,6%	8,2%	100bps
Net result after taxes	9,8	23,2	33,0	4,8	39,1	43,9	- 10,9

# Balance Sheet

## Assets

	30.09.2023	31.03.2023	Change in m€
<b>Non-current assets</b>	<b>1,013.0</b>	<b>1,028.4</b>	<b>- 15.4</b>
Intangible assets	214.2	210.1	4.1
Property, plant and equipment	665.9	683.1	- 17.2
Investment property	8.5	8.5	- 0.0
Financial assets	14.5	15.3	- 0.8
Receivables from sales financing	21.7	24.2	- 2.5
Other receivables and other assets	19.2	17.5	1.7
Deferred tax assets	69.1	69.8	- 0.6
<b>Current assets</b>	<b>1,215.0</b>	<b>1,192.1</b>	<b>22.9</b>
Inventories	733.6	642.5	91.1
Receivables from sales financing	16.0	16.0	- 0.1
Trade accounts receivable	248.4	290.4	- 42.0
Other receivables and other assets	84.1	82.6	1.4
Income tax assets	8.3	7.3	1.0
Cash and cash equivalents	124.7	153.2	- 28.5
Assets held for sale	1.4	-	1.4
<b>Total assets (classical balance sheet)</b>	<b>2,229.5</b>	<b>2,220.5</b>	<b>8.9</b>

## Equity and Liabilities

	30.09.2023	31.03.2023	Change in m€
<b>Equity</b>	<b>579.8</b>	<b>513.6</b>	<b>66.2</b>
Issued capital	779.1	779.1	-
Capital reserves, retained earnings & oth. reserves	- 232.3	- 356.7	124.4
Net result after taxes	33.0	91.2	- 58.2
<b>Non-current liabilities</b>	<b>796.3</b>	<b>854.6</b>	<b>- 58.3</b>
Provisions pensions & similar obligations	643.1	682.8	- 39.6
Other provisions	42.8	55.5	- 12.7
Financial liabilities	34.0	43.9	- 9.8
Contract liabilities	24.8	19.5	5.3
Income tax liabilities	43.8	43.8	0.0
Other liabilities	7.2	8.5	- 1.3
Deferred tax liabilities	0.5	0.7	- 0.2
<b>Current liabilities</b>	<b>853.3</b>	<b>852.3</b>	<b>1.1</b>
Other provisions	186.2	195.4	- 9.1
Financial liabilities	78.8	58.3	20.5
Contract liabilities	257.9	243.6	14.3
Trade payables	216.2	225.0	- 8.8
Income tax liabilities	11.4	18.1	- 6.7
Other liabilities	102.8	111.8	- 9.1
<b>Total Equity + Liabilities (classical Balance Sheet)</b>	<b>2,229.5</b>	<b>2,220.5</b>	<b>8.9</b>