Press Information

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HEIDELBERG continues growth, with significant improvement in sales and result for first half-year

- **Half-year sales some 14 percent up on previous year at €1,120 million**
- **Big improvement in EBITDA after six months, by around €30 million to €104 million (EBITDA margin: 9.2 percent)**
- **Incoming orders after six months match high level in previous year**
- **Order backlog exceeds €1 billion for first time in years**
- **Forecast for 2022/23 financial year confirmed**

Heidelberger Druckmaschinen AG (HEIDELBERG) continued its strong start to the year in the second quarter and has significantly improved its sales and result for the first half-year. Partly due to the exchange rate situation, for instance, **sales** climbed to €590 million in the second quarter (previous year: €542 million). At €1,120 million, sales for the first half-year are around 14 percent up on the previous year. The Packaging Solutions segment enjoyed particularly strong growth, from a modest €415 million in the previous year to €535 million. Due to the higher sales, **EBITDA** improved to €68 million in the second quarter. This far exceeded the previous year's figure of €38 million, which was adjusted for non-recurring income (unadjusted figure: €60 million). A better price quality of sales that countered the substantial increases in the costs of raw materials and intermediate products also contributed to the higher EBITDA, which reached €104 million for the half-year (previous year's (unadjusted) figure: €75 million). The **net result after taxes** after six months climbed from €13 million to €44 million, increasing from €27 million to €39 million in the second quarter. Just six months into the year, this exceeds the level for the whole of the previous year.

In the second quarter, **incoming orders** also continued rising, to some €622 million (up 5 percent). This was supported by currency effects, and by high demand from Central Europe and North America. Half-year incoming orders reached a level of €1,229 million, as a result of which the **order backlog** is above €1 billion for the first time in years. This high order backlog and the half-year figures create an excellent basis to achieve the targets for the year as a whole. In the second half-year, however, HEIDELBERG is expecting further increases in personnel and energy costs in particular.

"Despite a difficult environment, we have successfully overcome the challenges in the first half-year and achieved further growth. We remain cautious, though, because it's not yet entirely clear how the global situation will develop," said the company's CEO, Dr. Ludwin Monz. "During the first half-year, HEIDELBERG has laid a good foundation for achieving our financial targets. With this in mind, we are focusing on maintaining our supply chains, safeguarding our margin through higher sales prices, and continuing our cost discipline," he added.

Forecast for 2022/23 financial year confirmed

HEIDELBERG stands by its forecast for financial year 2022/23. The company continues to expect sales figures to increase to around €2.3 billion (2021/22: €2.183 billion), provided there is no significant downturn in the general economic environment. Despite the cost increases that can be expected, profitability is also set to improve further in the second half-year. HEIDELBERG is still predicting a further rise in the EBITDA margin to at least 8 percent for the 2022/23 financial year (2021/22: 7.3 percent). The net result after taxes is also expected to climb slightly compared to 2021/22 (€ 33 million).

Strong growth in packaging printing

The **Print Solutions** and **Packaging Solutions** segments increased their sales in the first half-year. **Packaging Solutions** enjoyed particularly strong growth of just under 30 percent, following more modest progress in the previous year. **Technology Solutions,** which is responsible for the company's wallbox business, was unable to continue the previous year's exceptional growth in both incoming orders and sales. Together with the end of funding for private charging stations in Germany, longer delivery times for new electric cars had a particular impact. This resulted in weaker growth in the short term and will continue to have a slight weakening effect for the time being.

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Low net financial debt – equity ratio increases to 20 percent

After six months, the **free cash flow** amounted to €–13 million (previous year: €74 million). This lower figure is mainly due to the usual production-related increase in inventories. As expected, revenues from the sale of assets in the first half-year also fell. Due to the slightly negative free cash flow, the half-year **net financial debt** was €23 million and therefore remained at a low level (March 31, 2022: €–4 million). HEIDELBERG is making increasing progress with its **equity ratio**, too. Alongside the higher actuarial interest rate for pensions in Germany, this is above all due to the rise in the quarterly profit to around 20 percent.

“We are seeing that the transformation is having an impact, and HEIDELBERG is in good shape for the future. In the first half-year, we were able to further improve our baseline,” said CFO Marcus A. Wassenberg. “Our low net financial debt and improved equity ratio places us on a stable footing,” he concluded.

The full **report for the second quarter of 2022/23**, image material, and further information about the company are available in the Investor Relations portal and Press Lounge of Heidelberger Druckmaschinen AG at www.heidelberg.com.

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Key figures 1st half 2022/23 at a glance

Key performance data

Figures in € millions	6M		Q2	
	2021/2022	**2022/2023**	2021/2022	**2022/2023**
Incoming orders	1,245	1,229	593	622
Order backlog	886	1,019	886	1,019
Net sales	983	1,120	542	590
EBITDA [1]	75	104	60	68
in percent of net sales	7.6	9.2	11.0	11.6
Result of operating activities (EBIT)	37	64	41	48
Financial result	–17	–14	–10	–7
Net result before taxes	20	51	31	42
Net result after taxes	13	44	27	39
Research and development costs	47	47	24	23
Investments	31	40	16	23
Equity	137	457	137	457
Net debt [2]	–4	23	–4	23
Leverage [3]	< 0	0.1	< 0	0.1
Free cash flow	74	-13	45	–12
Earnings per share in €	0.04	0.14	0.09	0.12
Number of employees at end of quarter (excluding trainees)	9,925	9,547	9,925	9,547

[1] Result of operating activities before interest, taxes, depreciation and amortization
[2] Net total of financial liabilities and cash and cash equivalents and current securities
[3] Ratio of net debt to EBITDA for the last four quarters