

Perspectives



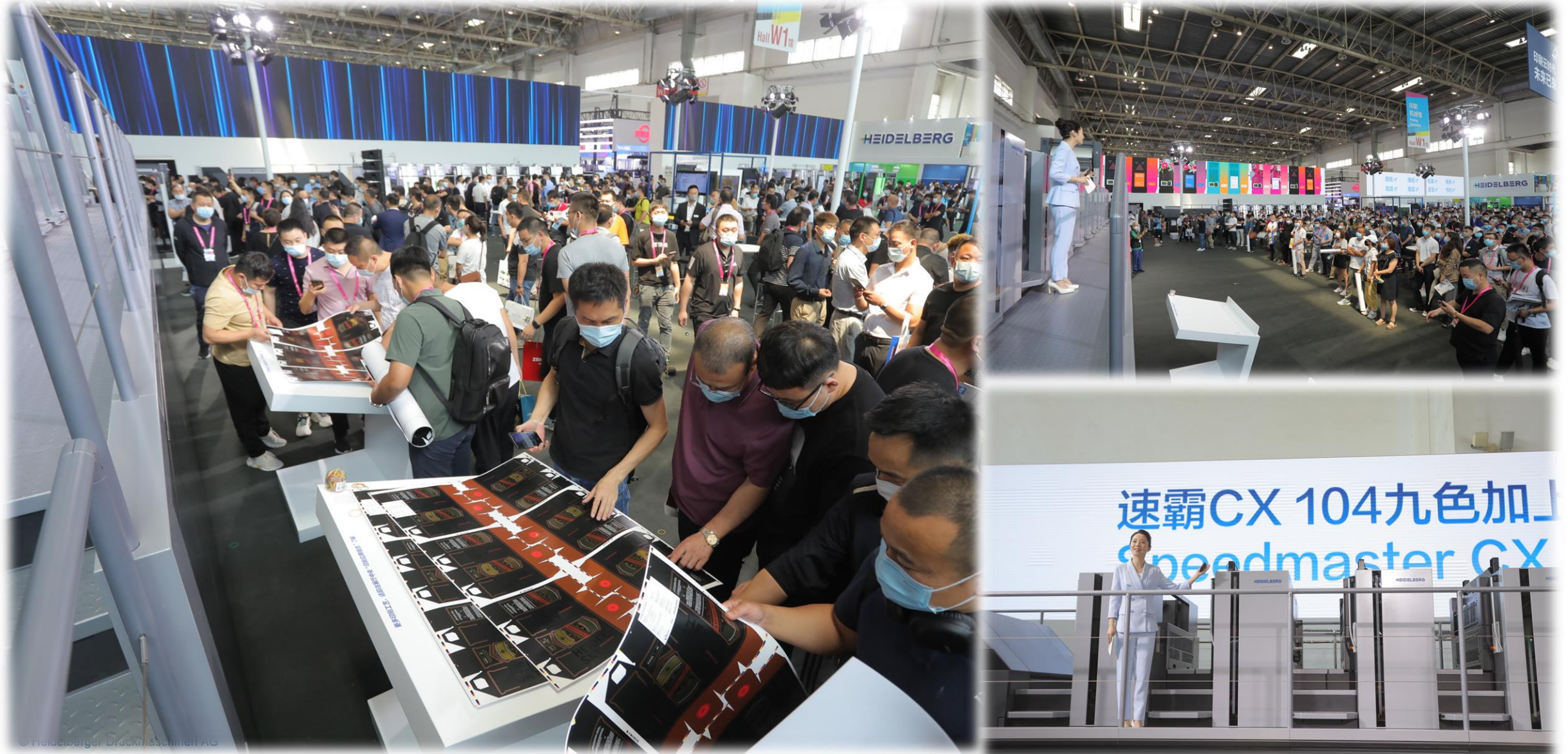
Heidelberger Druckmaschinen AG - Annual General Meeting

Rainer Hundsdörfer, CEO | Wiesloch, 23.07.2021

PERSPECTIVES



Heidelberg underlines with China Print presence its **leading position** in the **largest growth market**.





Heidelberg is back.

Clear perspectives for sustainable profitability and structural growth.



Sales slightly **above** expectations,
noticeable **increase in order intake**



Break-even point **lowered** further



EBITDA-margin **better** than forecasted



Positive free cash flow and a continuous
low level of net financial debt



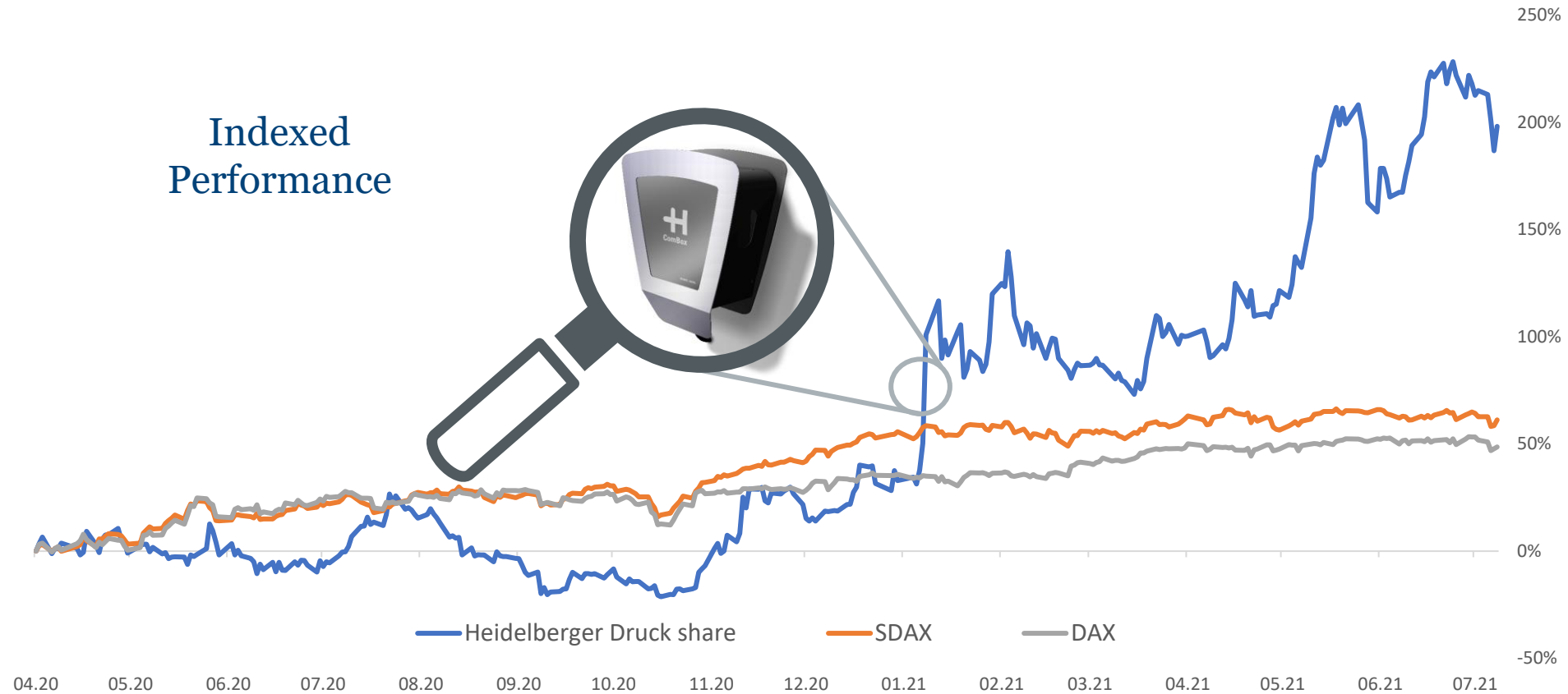
Technology competence drives future **growth**
in core business and new business areas



E-mobility business more than **doubled** -
blueprint for further value levers

Heidelberg on the capital market.

Significant increase in share price realised.

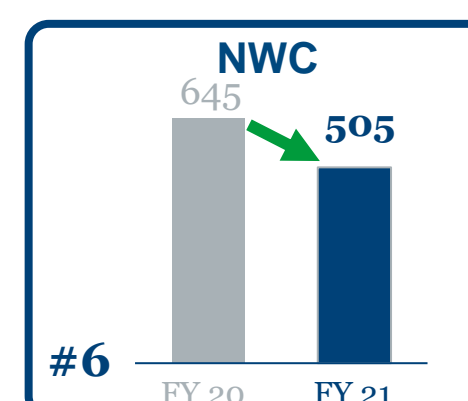
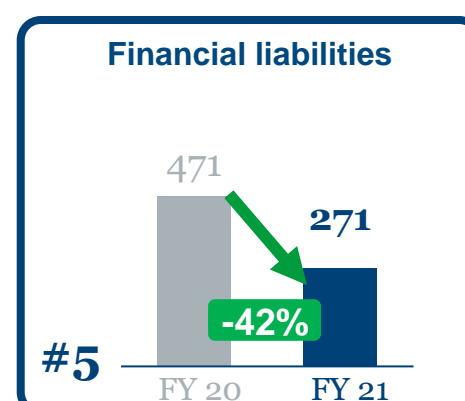
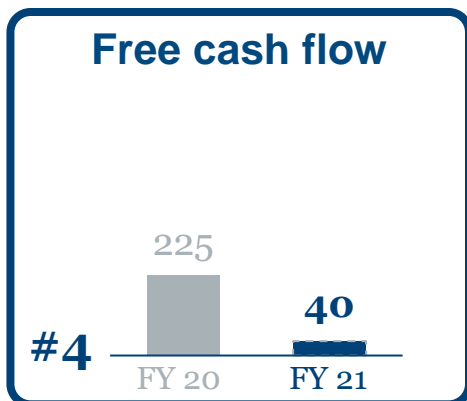
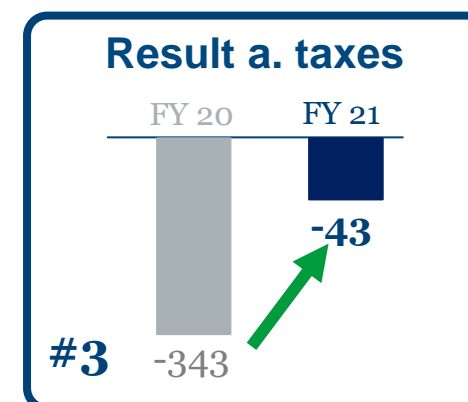
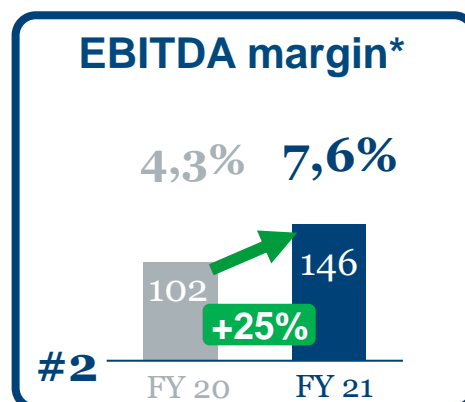
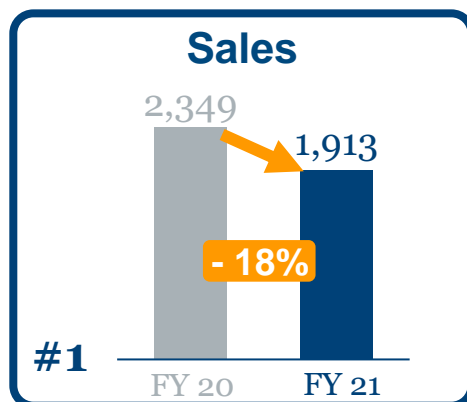


// The capital market is rewarding our path.



Financial year 20/21.

We delivered: Significant improvement in KPIs despite pandemic.



// The latest results give confidence for our goals.



Transformation works - successfully and sustainably. Already 85m€ saved in the past year.

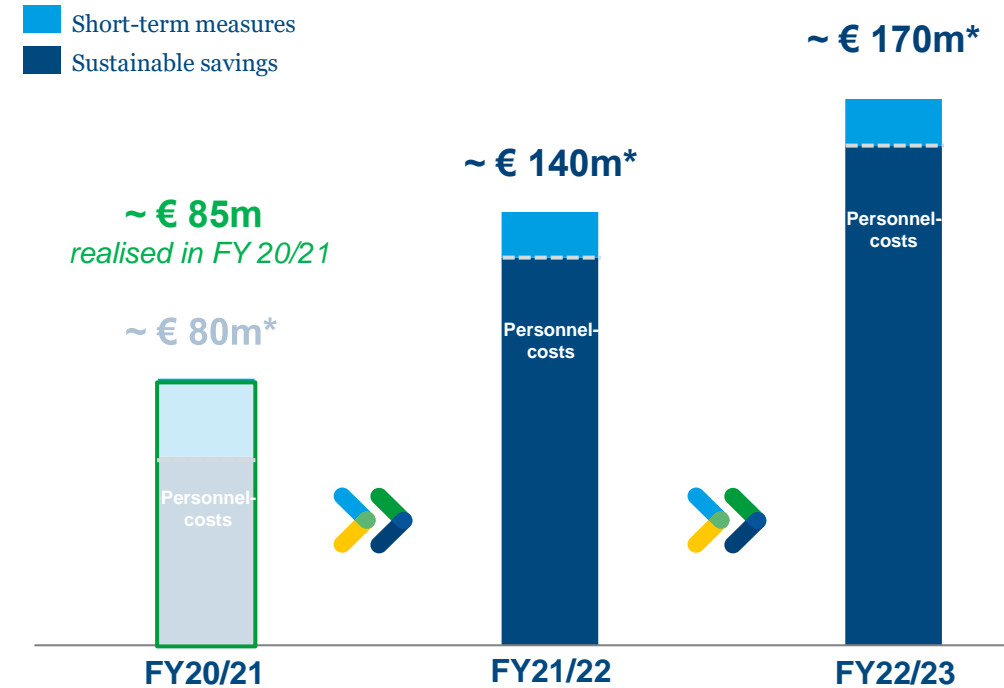


What we have already achieved:

- **Streamlining of the organisation** successfully agreed
- **Focus on core activities** already improves profitability
- **Optimisation of the financing structure** through repayment of the high-yield bond
- **New business fields** are growing



Expected savings



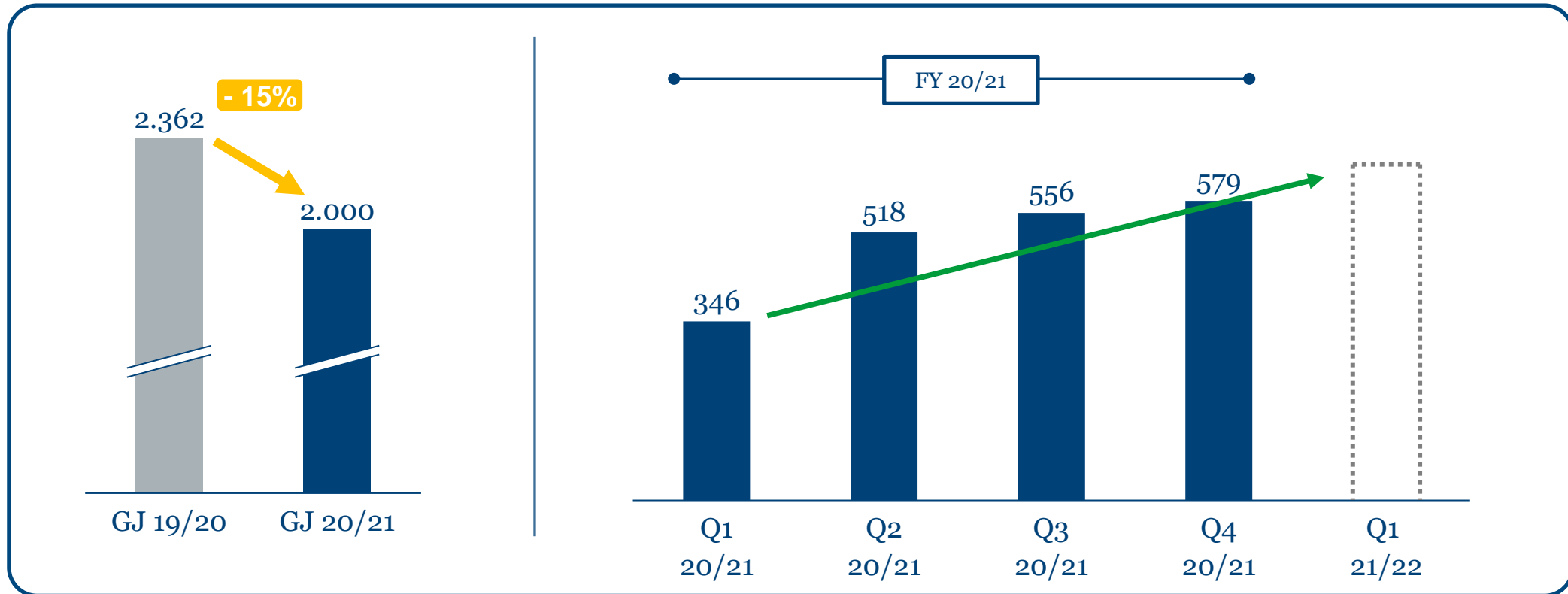
// Framework created for new growth.





Incoming orders.

Continuation of the recovery also seen in the first quarter.



// Successful trade show is already reflected in incoming orders.



Back to operational earning power. Development in the first quarter of 2021/22.



- ▶ **Broad market recovery in almost all regions** - significant year-on-year increase in order intake recorded
- ▶ **Rising dynamism** is also **noticeable in sales**
- ▶ **Previous year's quarter strongly influenced by one-off effects**, but these can already be compensated to a large extent operationally

// Rising order book forms good basis for achieving full-year targets.



Challenges remain.

Outlook for the current FY 2021/22.



Sales > € 2 billion



EBITDA margin 6-7%

- **Noticeable market recovery** expected
- **Strategic initiatives** safeguard growth
- **Increasing quality of earnings**, reduction of non-recurring income
- **Further saving** of structural costs
- Price increase to **compensate** for rising material costs

// Slight after-tax profit expected in the current year.





Strategy.

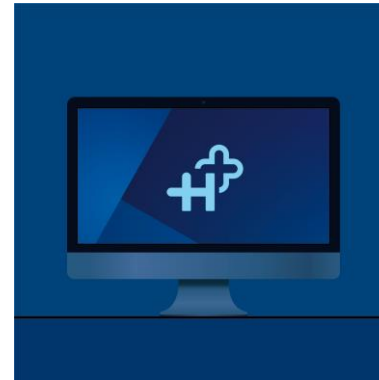
Leverage leading positions - focus on revenue and growth drivers.



Packaging



China



Digital business
models



E-mobility

Packaging. Growing faster than the market.

Global No. 1 in
packaging printing



- Heidelberg is the **only supplier** that **covers** the **entire value chain**
- The market for folding cartons is growing by around **2% per year**.



Growth agenda

- **End-to-end automation** from reel to finished package
- Expand **data-driven services**
- **Tailored portfolio** specifically for growing Asian market

// Increase sales from €860 million to > €1 billion by FY26.

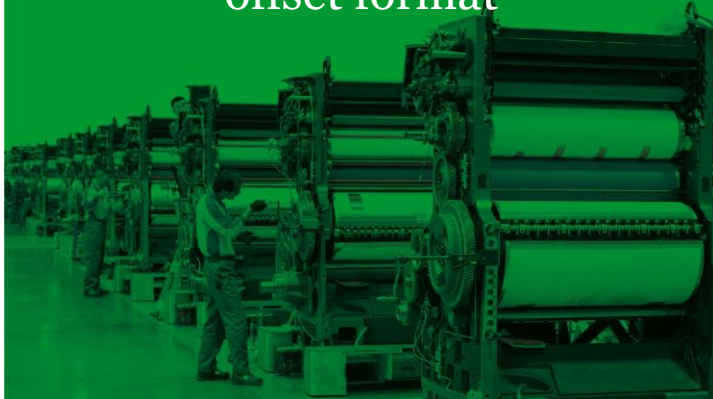


China.

Score with investments and innovations in the No. 1 growth region.

No 1. in China

50% market share in
the important
70x100 sheetfed
offset format



- **Own high-performance production** in Shanghai
- **Largest single market in FY20/21** with around 15% revenue share
- **Export of around 20%** of machines produced in Shanghai



Growth agenda

- **Expand site** in terms of personnel and portfolio
- Increase **lifecycle business** through digital services

// Increase sales from €300 million to > €360 million by FY26. >>



Digital business models.

Focus on cloud and data-based software and solutions.

26% of the lifecycle sales
achieved with contract business



- **Around 50% of Prinect sales** are recurring sales
- **Database** of 25,000 connected SW modules and 13,000 machines



Growth agenda

- Switch **Prinect offering** to cloud-based contract models
- Expand **Zaikio** to include additional applications
- Further develop **Chinese market** with specific SaaS offerings

// Increase sales to over € 450 million by FY 26.



E-mobility.

Successful as a leading provider in the charging infrastructure market.

20% market share
for private charging
systems in Germany



Growth agenda

- **Carve out of** the business into a separate GmbH
- Double **production capacity** again by the end of FY 21/22
- **Portfolio expansion** with smart and integrated solutions
- Expanding **distribution across Europe**
- **Strategic partnerships** in the field of charging systems
- **Medium double-digit growth per year** targeted

// Blueprint for further growth.



E-mobility. Expansion of production. Growth with charging technology continues unabated.



Perspectives.

Creating value for customers, shareholders and employees.

HDM achieves **financial turnaround** and is already realizing significant earnings improvements as a basis for further growth.

HDM is becoming more profitable and is further reducing **break-even** - we are **more resilient** and are **benefiting from recovering markets**.

Consistent alignment with **sustainability or ESG** (environmental, social, governance) **criteria**.

HDM will **grow profitably in its core markets**, particularly in the **packaging segment**, in **China** and with **digital business models**.

HDM will participate in the growing **e-mobility** market and expand into **new growth areas** outside its core business.

Technology excellence as a driver for growth in automation and the platform economy.

Disclaimer



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