

People make machines smart

Heidelberger Druckmaschinen AG - Annual General Meeting FY 2022/2023

Dr. Ludwin Monz, CEO | Mannheim, July 26, 2023



Financial Year 2022/2023

Guidance met despite economic uncertainties

Net sales	EBITDA	Adj. EBITDA ¹	Net result after taxes
€ 2.435 m (€ 2.300 m) Guidance	8,6 % (> 8 %) Guidance	7,2 % n/a ²	€ 91 m (> € 33 m) Guidance

1) EBITDA adjusted in % of sales.

2) HEIDELBERG will in future only provide EBITDA guidance on an adjusted basis.

Cash flow supported by one-time effects

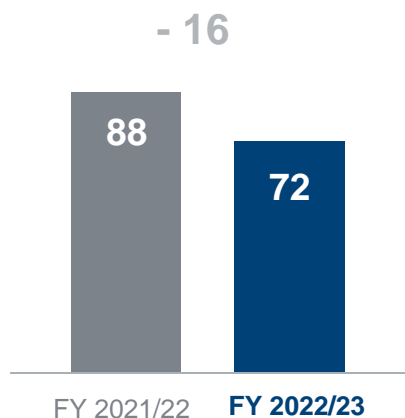
Net financial position and equity ratio significantly expanded

In millions of €

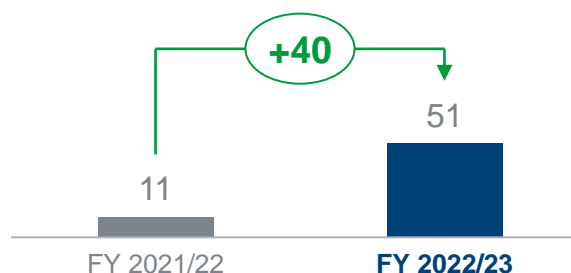
FY 2021/22

FY 2022/23

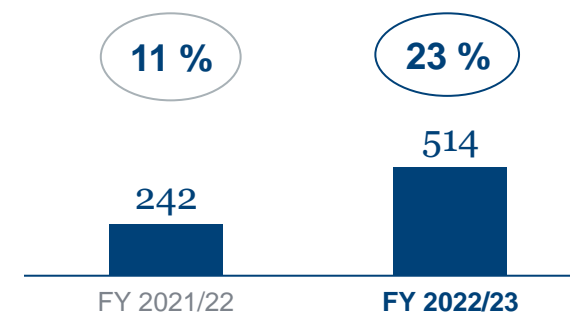
Free cash flow



Net financial position

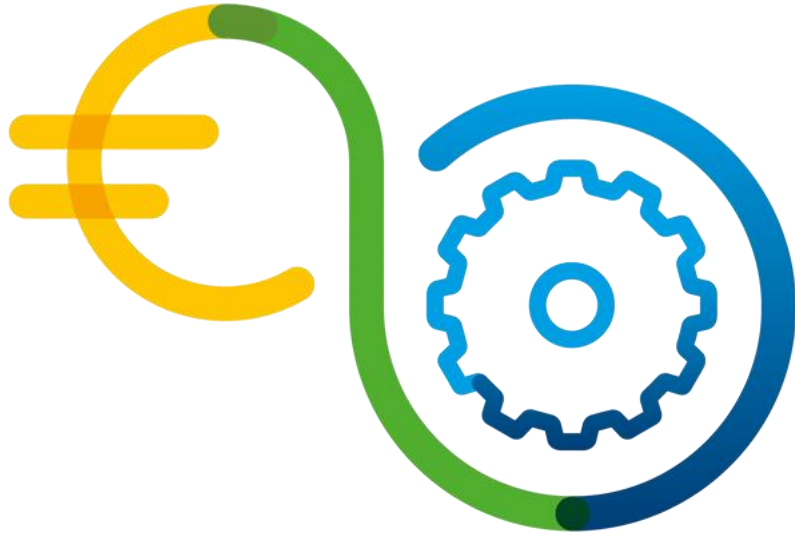


Equity and equity ratio



Financing growth

The value creation program from HEIDELBERG



Against the background of further rising costs and the still low level of profitability, HEIDELBERG is launching a value creation program to further increase its financial strength.

From our own resources:

Secure financing for dual-track strategy by significantly improving cash flow.

First set of measures in progress:

- Adjustment of prices for products and services
- Analysis of the product portfolio
- Streamlining processes

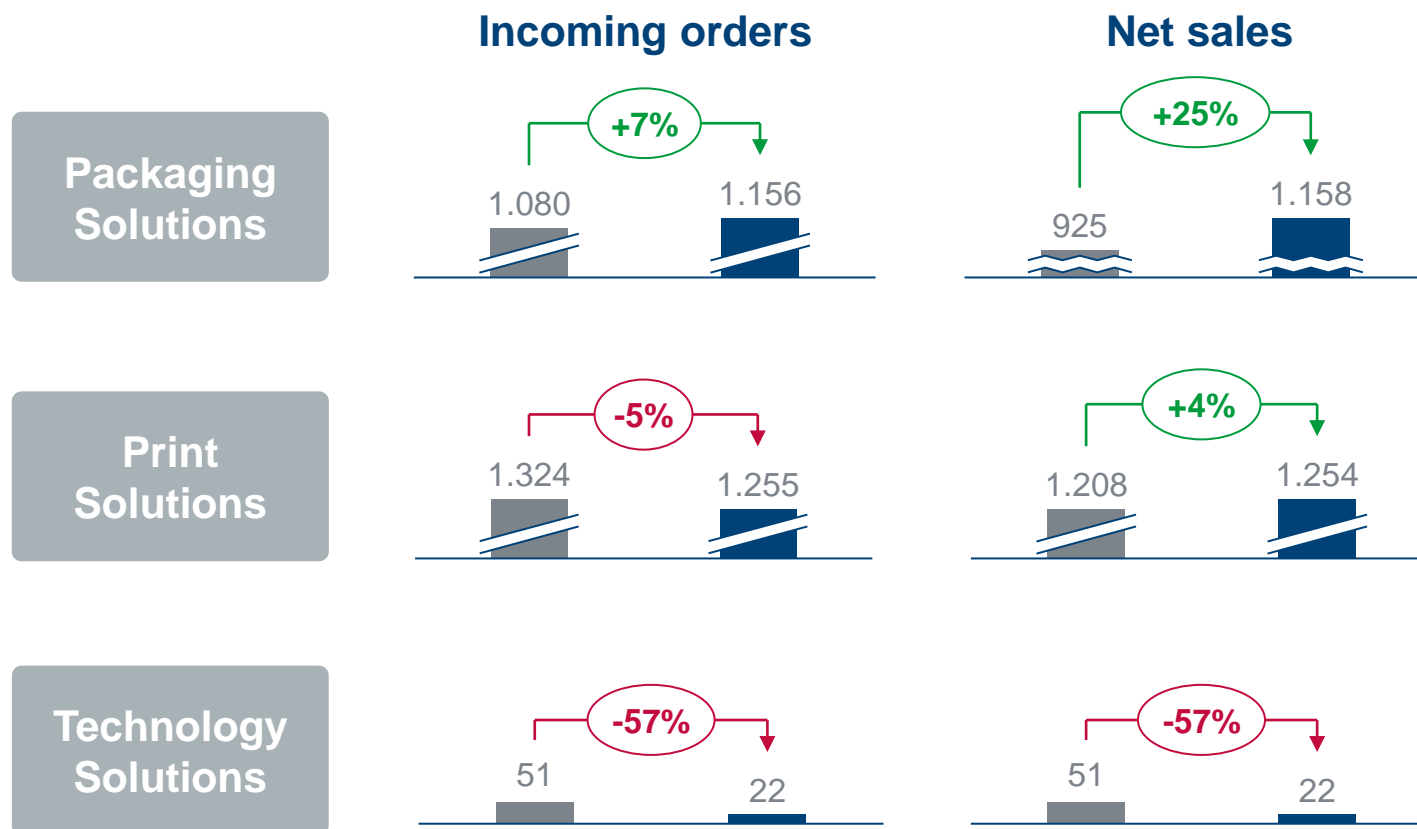
Segments

Packaging printing is a global growth market

In millions of €

FY 2021/22

FY 2022/23



Dual-track strategy

Focus on printing and the development of new business areas

1

Expansion of the printing business



- We are growing in **packaging printing** and going **digital in** commercial printing.
- We optimize the **workflow in the printing process** beyond the press.
- We are increasing the share of **recurring revenue** through lifecycle solutions.

2

Development of new business areas



Example of electromobility:

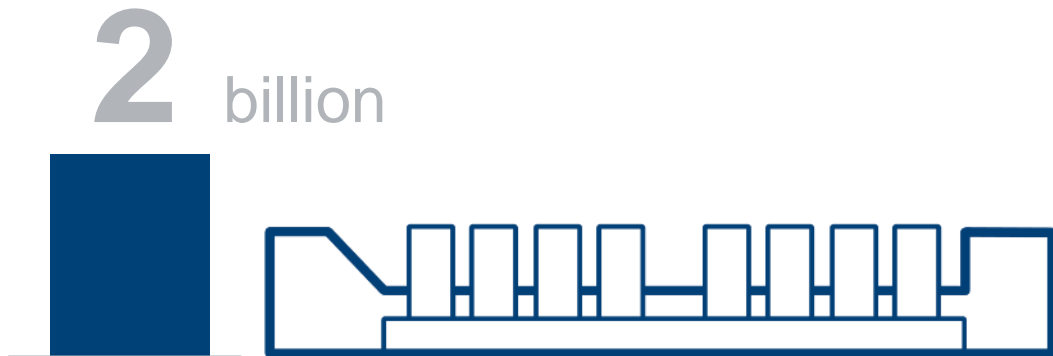
- Our **charging solutions** benefit from synergies as well as the **technological expertise of our core areas**.
- Other new business areas must leverage **core competencies** and capabilities, address **megatrends**, and have a critical market size.

This strategy opens up future prospects for HEIDELBERG.

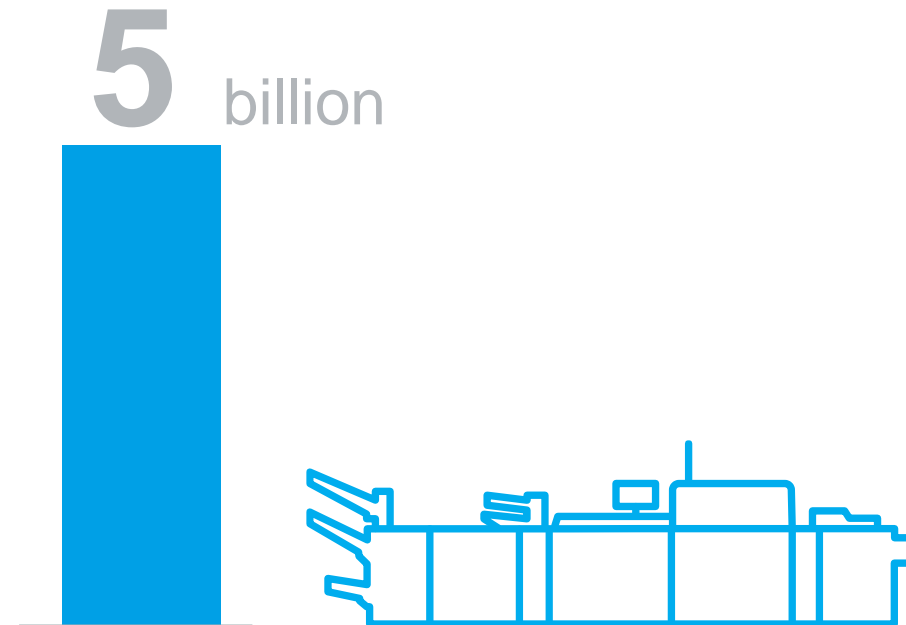
Printing market

Growth opportunities arise for HEIDELBERG in digital printing

Sheetfed offset printing



Digital printing



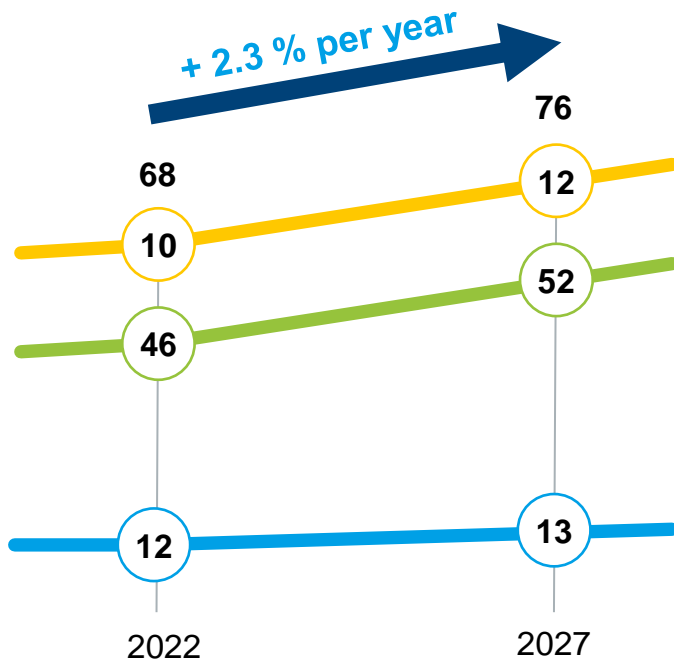
Source:
HEIDELBERG
estimate

Addressable market (2022) in €

Folding carton market

HEIDELBERG increases productivity in the growth segment of packaging

Production volume folding cartons in € billion



— Flexo
— Sheetfed Offset
— Other

Source: HEIDELBERG estimate, industry statistics, PIRA, RISI, Global Insight.



Flexographic printing:
Market launch
Boardmaster

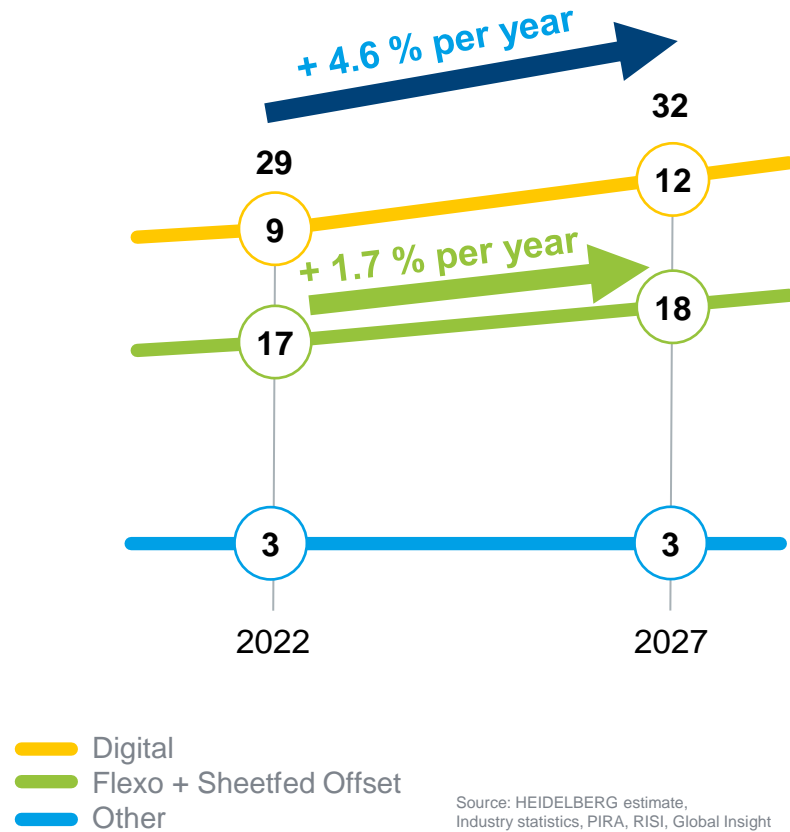


Sheetfed offset printing:
New generation
Speedmaster XL 106 21K

Label market

HEIDELBERG relies on digital printing for label production

Production volume Labels in € billion



Source: HEIDELBERG estimate,
Industry statistics, PIRA, RISI, Global Insight

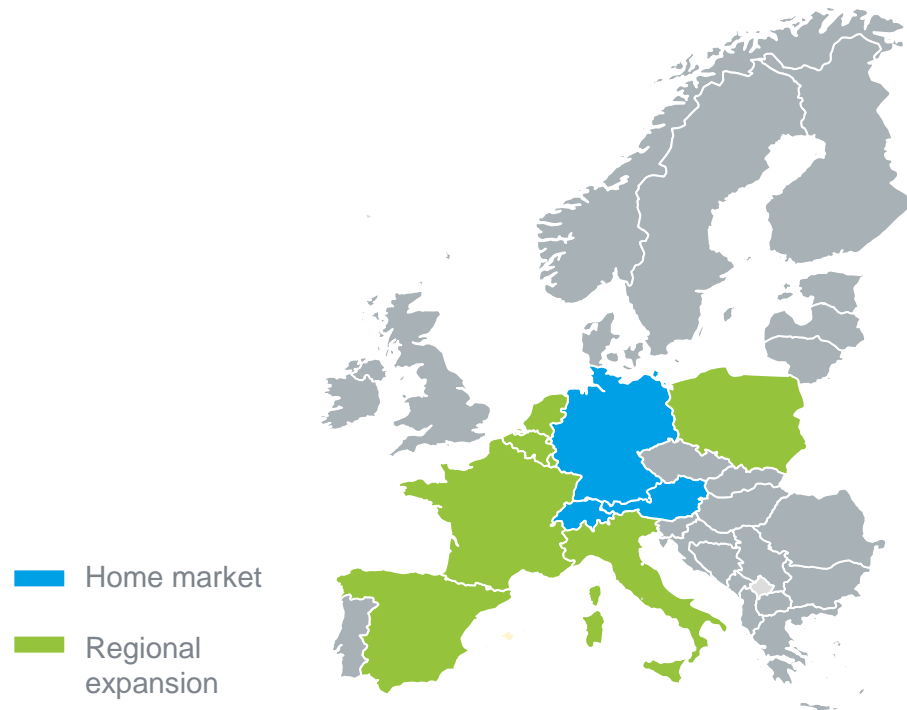
Label printing: market launch of Gallus One



Electromobility

New technology and market expansion

Expansion across Europe



Expansion of product portfolio

Charge at home



In company load

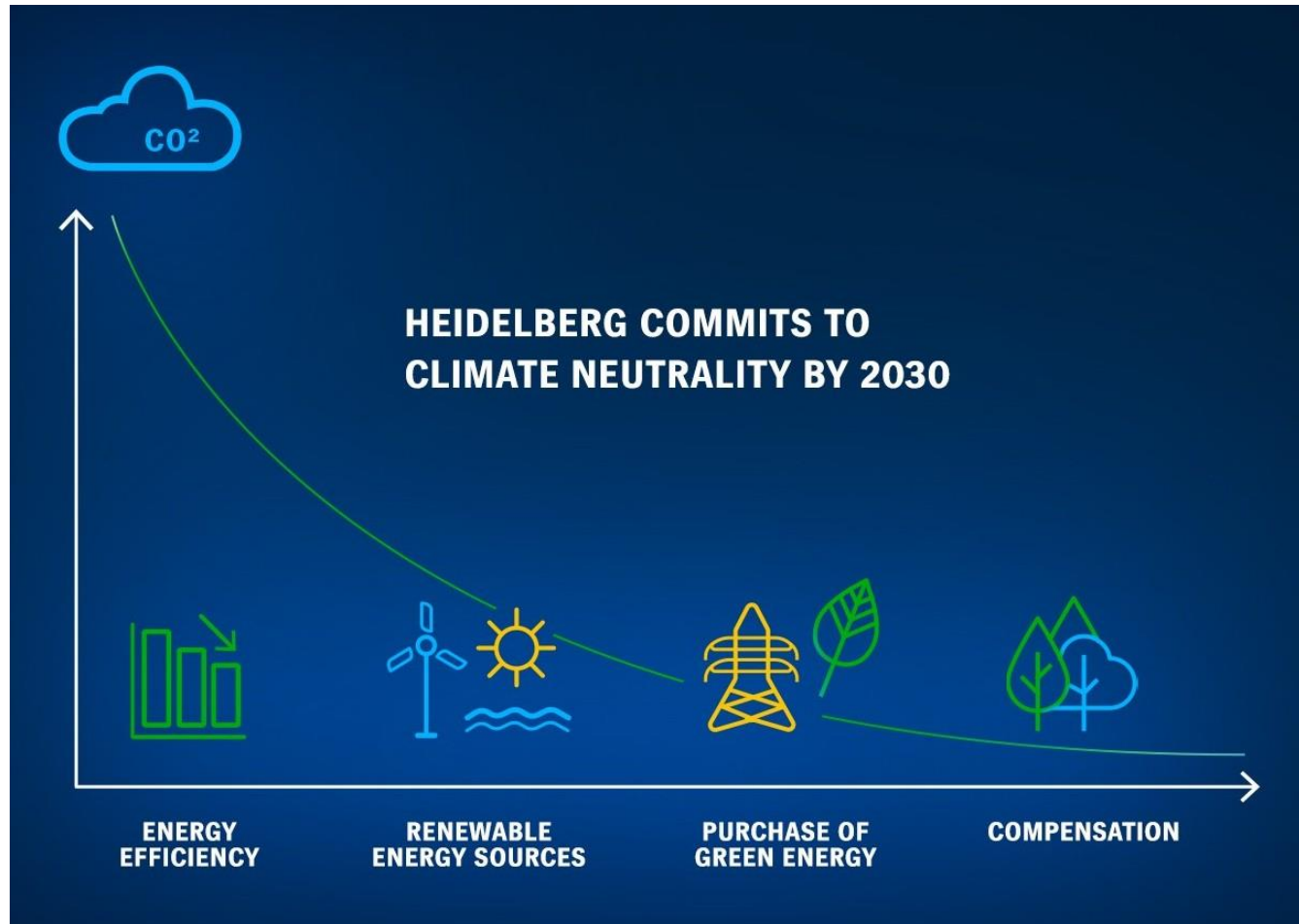


In public invite



Our commitment to a more sustainable future

HEIDELBERG aims to become climate neutral by 2030 (Scope 1 & 2)



Our timetable


- Increase **energy efficiency** at all production and sales sites,
- Expansion of **renewable energies** from own plants,
- Purchase of certified **green electricity**,
- **Compensation** of unavoidable emissions via emission certificates.

Outlook

Profitability under pressure from slowing economy and persistent inflation

Opportunities Financial Year 2023/24



-  Continuous **price adjustment**.
-  **High order backlog** supports sales development.
-  **Slight recovery in China** with positive **customer response** after the Print China trade show.

Risks Financial Year 2023/24



-  **Geopolitical tensions** make future economic development uncertain.
-  **Slowdown in global growth**, particularly in highly industrialized economies.
-  **Pressure on margins** due to rising costs: higher personnel costs and rising prices for intermediate products and energy.

Outlook FY 2023/2024

Economic uncertainties remain a challenge

Net sales

Previous Year

(FY 22/23: € 2.435 billion)

EBITDA adjusted¹

Previous Year

(FY 22/23: 7.2 %)

1) EBITDA adjusted as % of sales

Summary

HEIDELBERG **closed financial year 2022/2023 well** in a challenging environment.

With its **dual-track strategy**, HEIDELBERG will continue to build on its **strengths in the printing sector** and open up **new areas of business**.

HEIDELBERG launches a **value creation program** to make **strategic investments in the future** in accordance with the dual-track strategy.

Against the backdrop of **exceptionally challenging conditions**, HEIDELBERG expects **stable development in financial year 2023/2024**.

Note

This press release contains forward-looking statements based on assumptions and estimates made by the management of Heidelberger Druckmaschinen Aktiengesellschaft. Even if the management is of the opinion that these assumptions and estimates are correct, the actual future development and the actual future results may deviate considerably from these assumptions and estimates due to a variety of factors. These factors may include, for example, changes in the overall economic situation, exchange rates and interest rates as well as changes within the graphic arts industry. Heidelberger Druckmaschinen Aktiengesellschaft gives no guarantee and accepts no liability that the future development and the actual results achieved in the future will correspond to the assumptions and estimates expressed in this press release.