

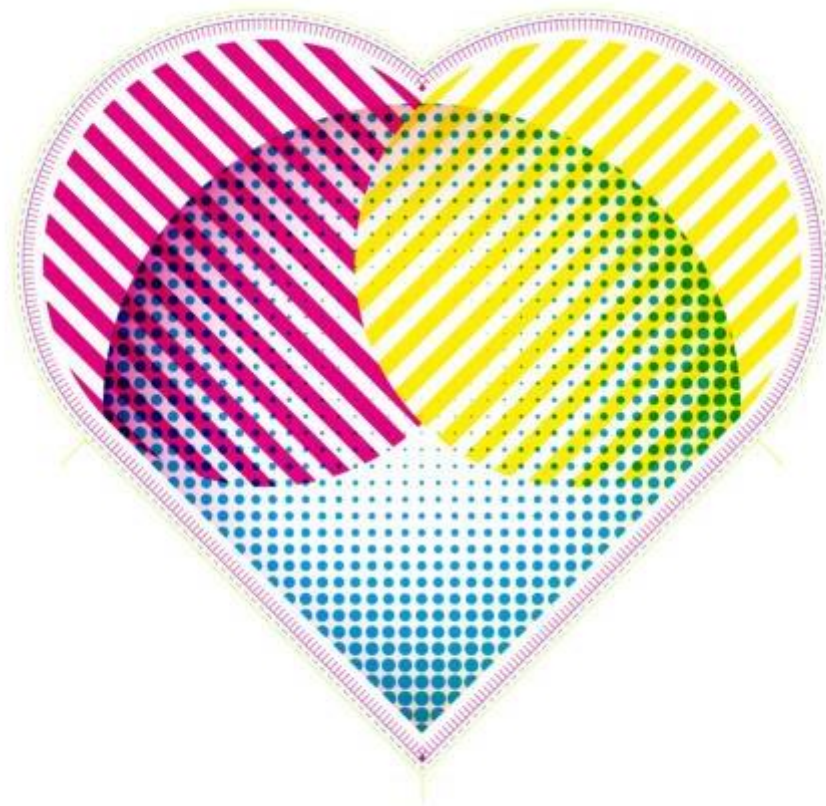
This

is

what

we

want.



HEIDELBERGER DRUCKMASCHINEN AG, JULY 24, 2014

Annual General Meeting for FY 2013/2014

Translation for convenience

**HEIDELBERG**

# We have achieved **much.**

We have re-entered **the profit zone.**

...after five years of losses  
**we have succeeded in getting  
back into the black**

**€4,000,000** Net result after taxes

**€143,000,000** EBITDA

**€2,434,000,000** Sales

# **Profitable** despite difficult underlying conditions

- **Unfavorable foreign currency conversion** into Euro
- **Restrained investment activity** in countries with weak currencies
- **Drop in sales affecting** primarily **new machine sales**  
(Equipment down from €1.7b to €1.5b)
- **Service operations stable** after adjustment for exchange rate movements  
(Services at approx. €1.0b in sales)

# Target achieved

For the first time in five years net profit achieved

**EBITDA**  
**€143 million**



The operating margin has doubled from around 3 percent to almost 6 percent

Thanks to operating performance and asset management,

**cash flow** and  
**free cash flow**  
**are positive**



**Leverage 1.7**



Asset and net working capital management reduce debt and improve operating profitability at the same time

**Share price up**  
**36 percent**

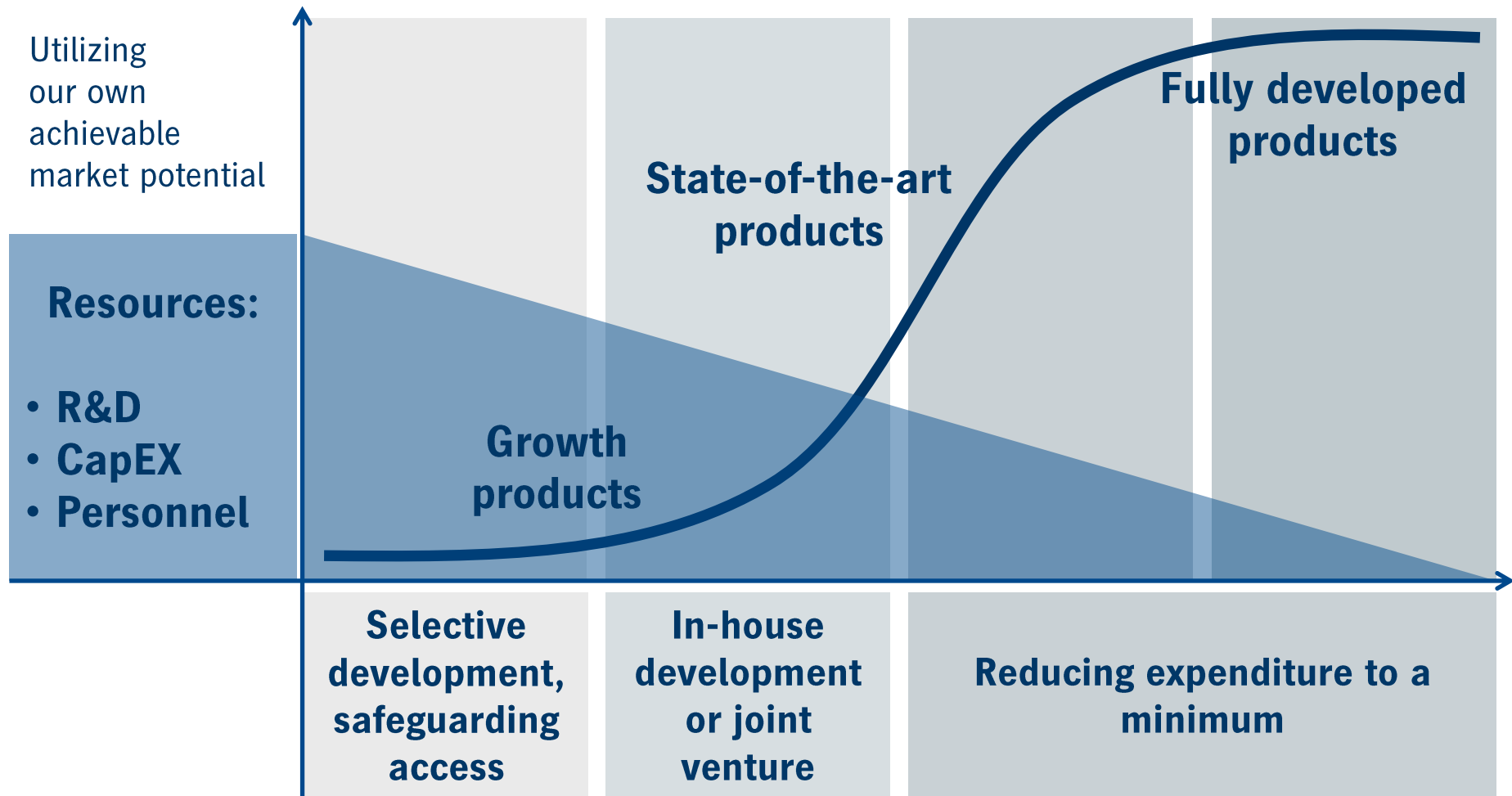
since the last  
Annual General Meeting



# We want to achieve **more!**

In the next step, we want to achieve  
**sustainable profitability.**

# Managing a **dynamic portfolio** as a basis for sustainable profitability



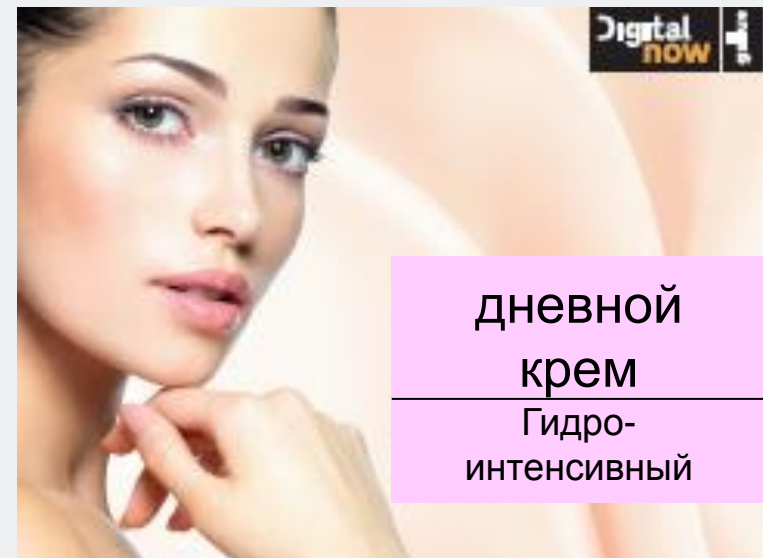
## Digital

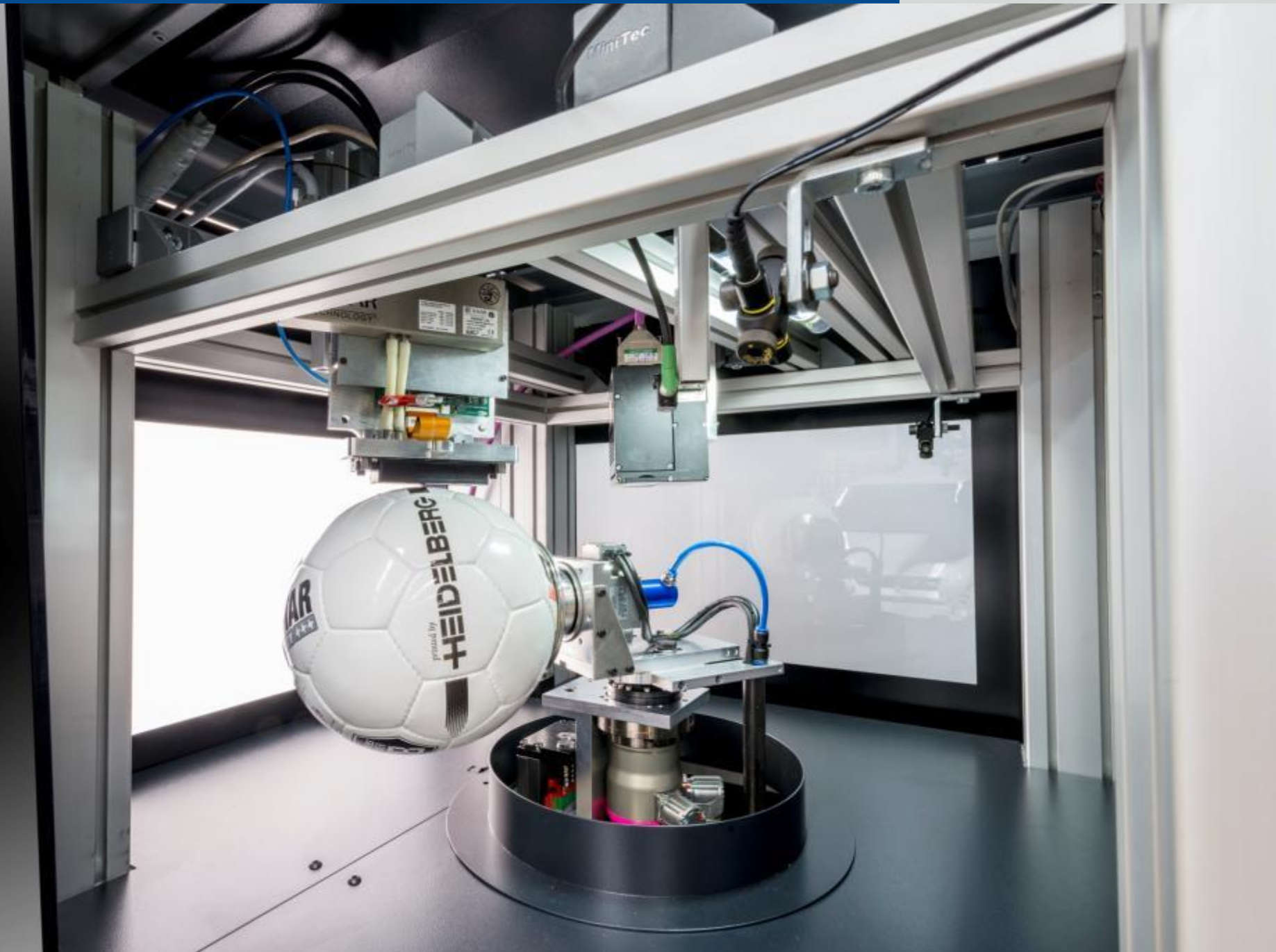
Focus: Utilizing medium-term growth potential

### Targets:

- Develop new, needs-based products
- Strengthen the business area through partnerships







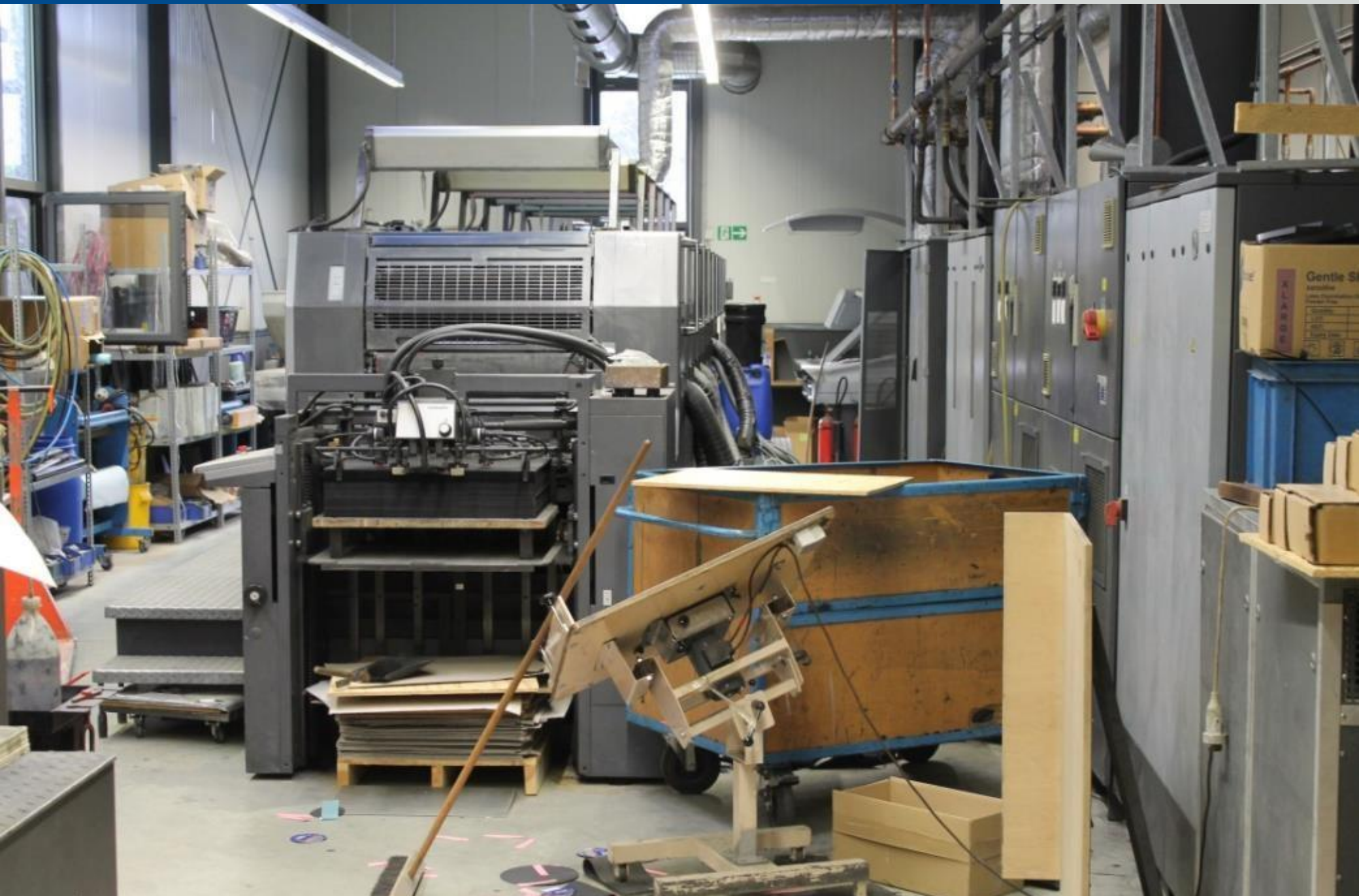
## Sheetfed offset

Focus: Continuously improving  
profitability in the core business

### Targets:

- Optimize the product and price mix
- Maximize efficiency and flexibility











## Escada folding carton:

- Sheetfed offset press
- Speedmaster XL 106-9+L  
UV with Foilstar
- 15,000 sheets/hour
- **Customized machine** from  
Wiesloch, Germany,  
**for high-finish print  
products**



## Bicycle and fashion brochure:

- Sheetfed offset press
- 4-color Speedmaster CD 102
- 15,000 sheets/hour
- **Standard machine** from Qingpu, China, for four-color jobs







<b>Service/ consumables</b>	

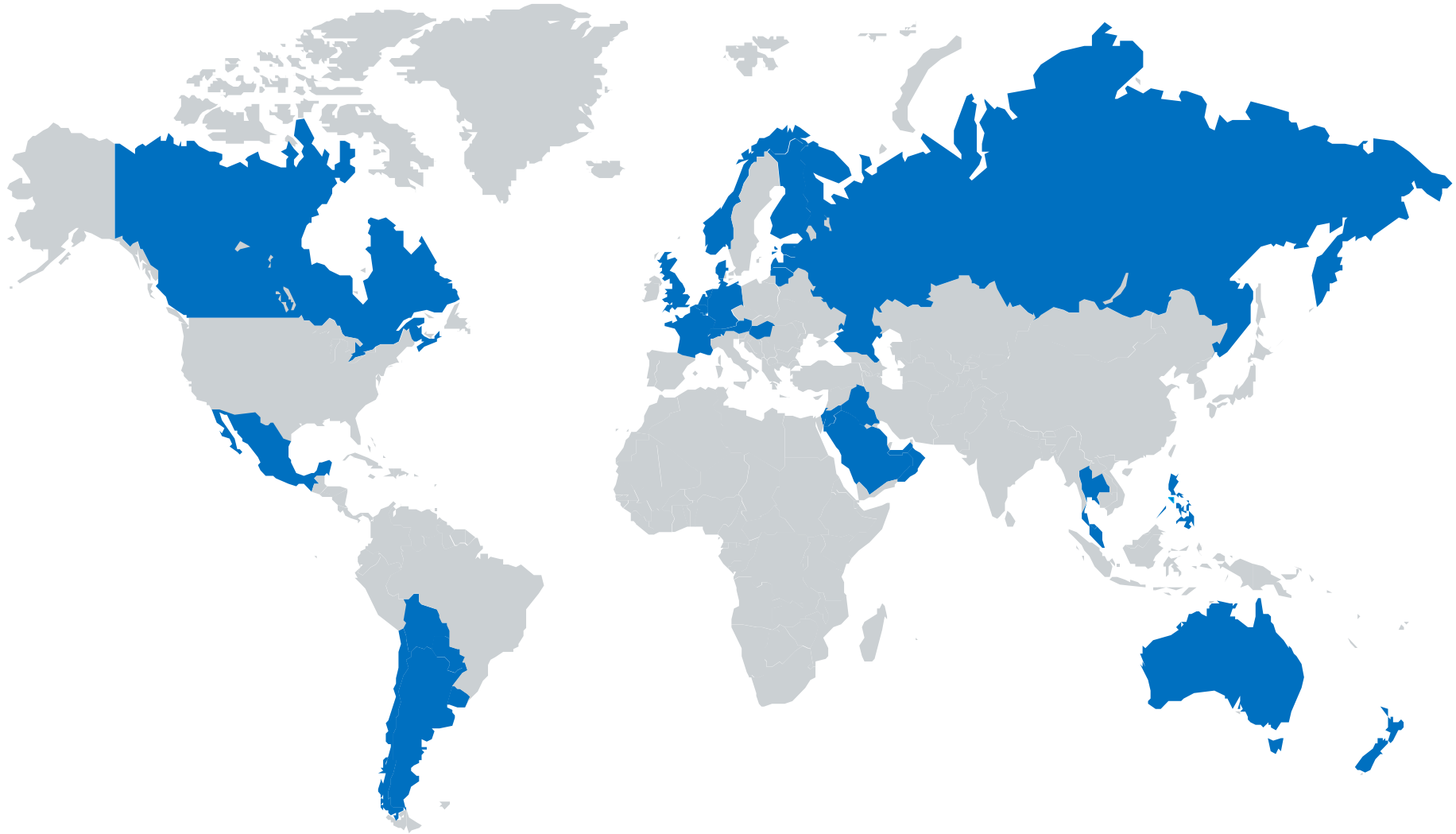
Focus: Leveraging growth potential  
in the short term

## Targets:

- Establish innovative business models
- Make better use of the world's largest service and logistics network

# 24/7/365







# Interplay

Press  
UV dryer  
UV ink



	<b>Fully developed products</b>

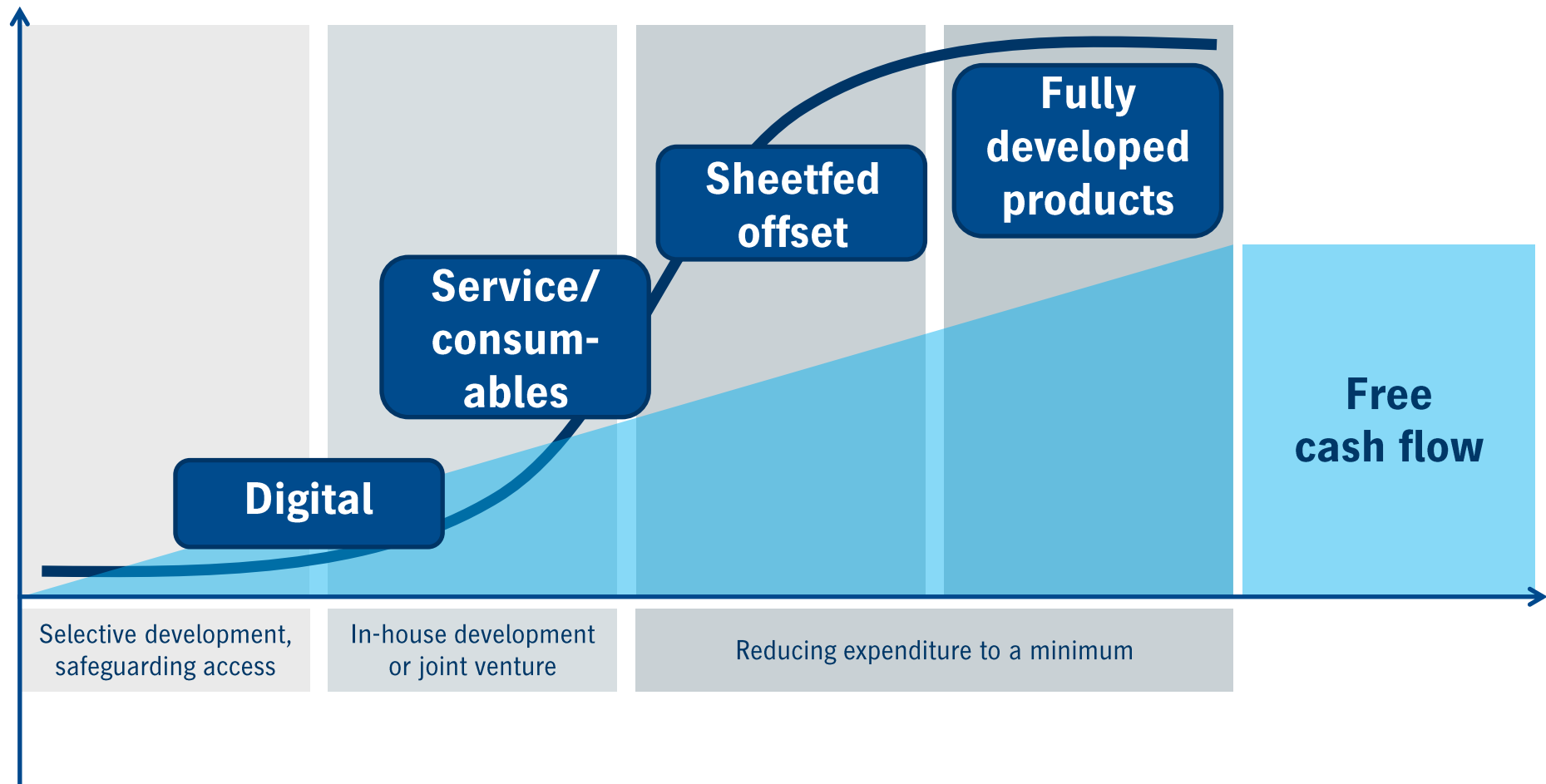
Focus: Generating cash for financing growth

## Targets:

- Reduce losses quickly
- Invest less, earn more, and stay flexible



# Our **balanced target portfolio** forms the **basis** for sustainable profitability



CHANCE



**“Dual focus” means**

**Offset** *and* **digital printing**

**Continuity** *and* **change**

**Leveraging our strengths** *with* **strong partners**

**Machine** *and* **man**

**Art** *and* **commerce**

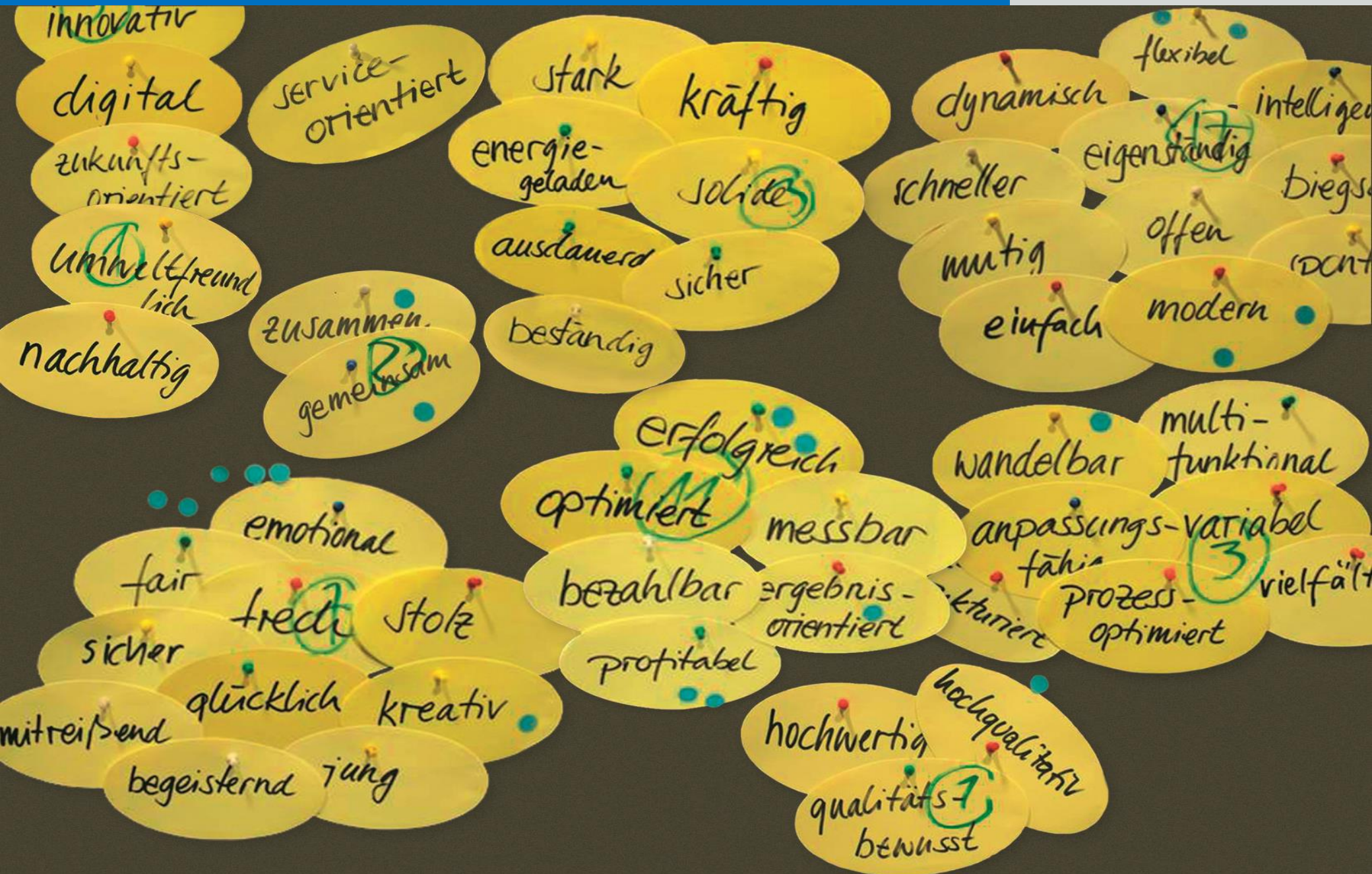
# HEIDELBERG



# HEIDELBERG







# LISTEN



# INSPIRE



# DELIVER

**Heidelberg strives to always remain the most trusted partner for tomorrow's graphics industry.** The depth of our customer knowledge enables our customers:

- Economic investment
- Efficient and reliable operations
- Smart access to all application-enabling materials

**The success of our customers is the foundation of our success.**









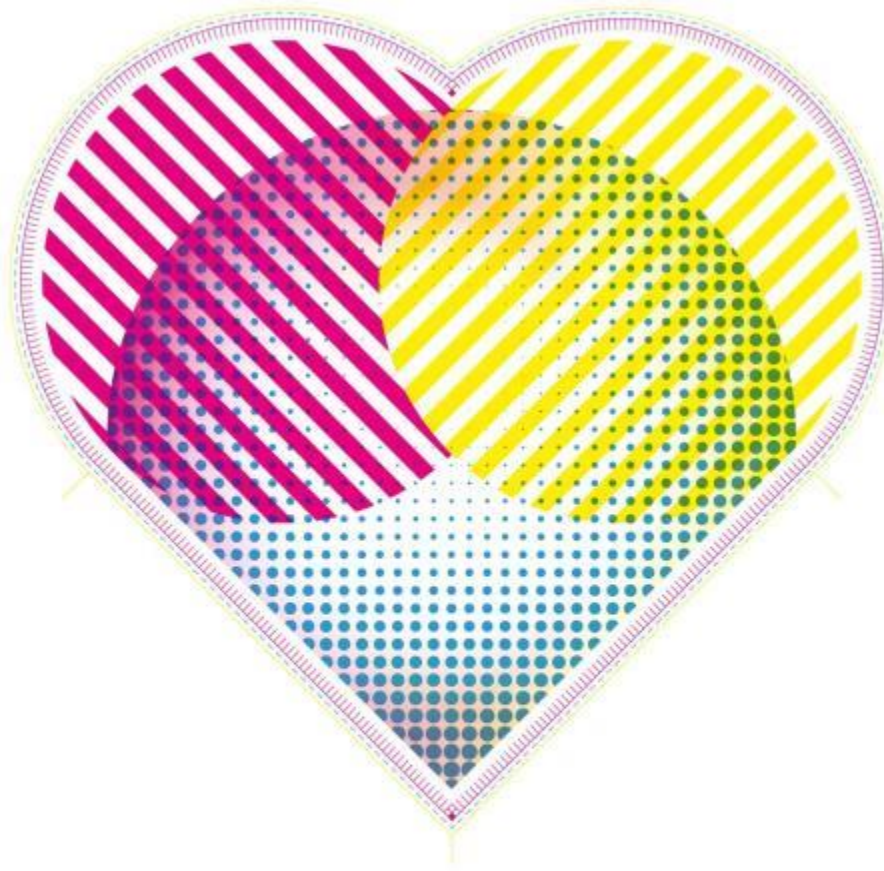
# Our benchmarks

We want to increase our **EBITDA margin** to at least **8 percent**

We want to continuously increase **the company's value**.

We want to return to **dividend distribution** in the medium term





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