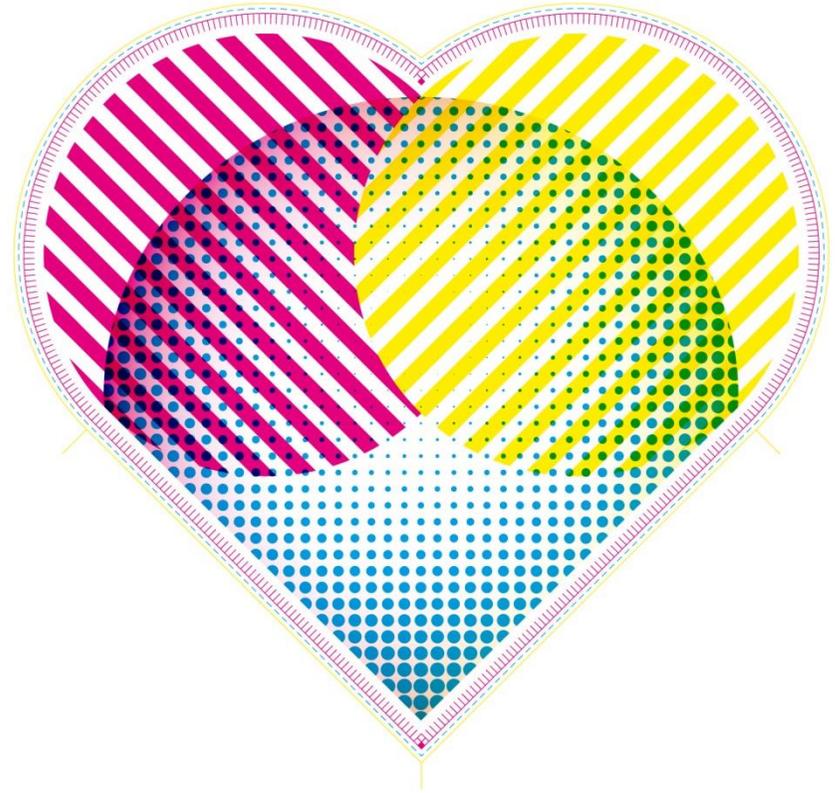


This  
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want.



HEIDELBERGER DRUCKMASCHINEN AG, AUGUST 13, 2014

Interim Results 3-month figures FY 15

Gerold Linzbach, CEO  
Dirk Kaliebe, CFO  
Robin Karpp, Head of IR

**HEIDELBERG**

## Further improvement of results in Q1 – Reorganization of the Group continues

- **Markets still volatile – weak local currencies with persisting investment reluctance**
- **Positive EBITDA in Q1 – continuous improvement of operating result for almost 2 years**
- **Repositioning of portfolio – important step to reach margin target of at least 8%**

## Realignment of Postpress portfolio executed

- **Improved competitiveness in packaging business thanks to strategic partnership with Chinese manufacturer**
- **Folding machine business to be restructured**
- **Manufacture of all other own products in this business area to be discontinued - Leipzig site to be closed**
- **Measures expected to improve result by a total of approx. EUR 30 million annually, largely taking effect from next financial year onwards.**
- **One-off expenses: payback time 2 – 2.5 years, subject to ongoing negotiations**

## Next steps in strategic repositioning of Heidelberg

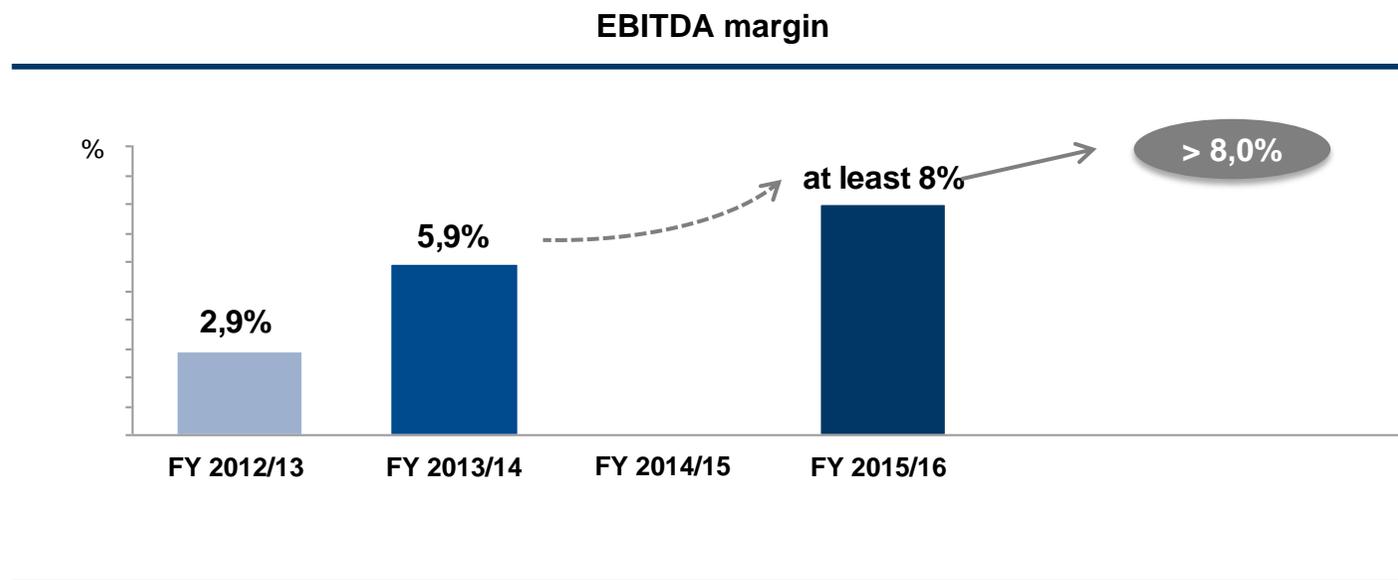
- **Finalize reorganization of Postpress business**
- **Evaluate potential acquisition targets in Consumables business**
- **First Digital label machine to be presented in September together with Gallus**
- **Further flexibilization of capacities in Sheetfed business**



### **Target:**

Establish a balanced portfolio as basis for sustainable profitability

## We deliver what we promise: EBITDA margin to reach at least 8 %

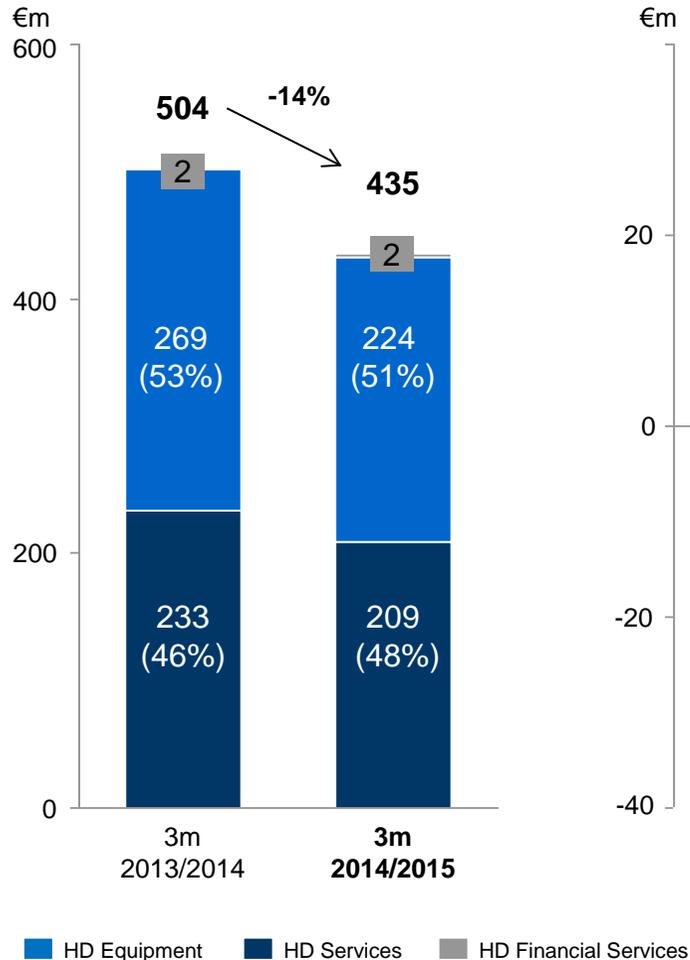


### Target: Sustainable profitability

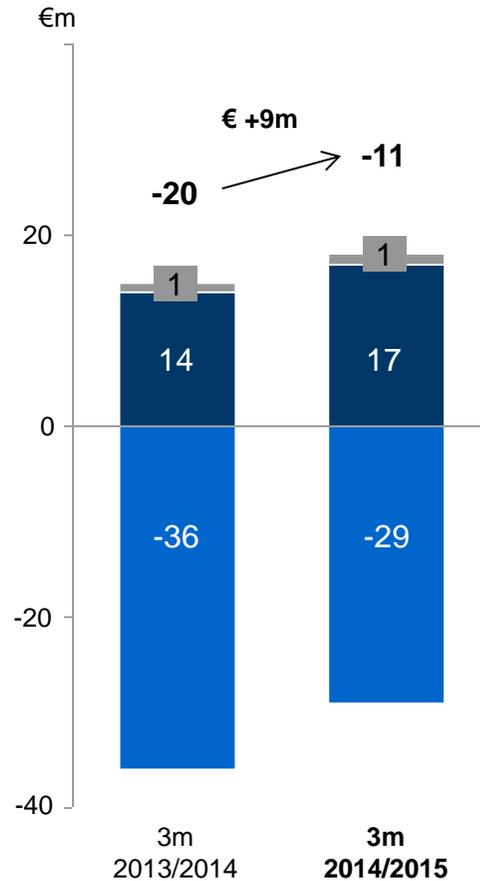
- Result in FY 2014/2015 depending on one-off impact of portfolio optimization
- Striving for EBITDA margin of at least 8 % in FY 2015/2016

## Continuous improvement in profitability despite low volume in Q1

### Net Sales by division



### EBIT\* by division



### Comments

- **Sales** down by 14% yoy due to low order backlog as of March 2014, FX effects and trade show in the previous year
- Weakness in Region A/P due to weak currencies (Yen, Renmimbi) and economic slowdown in China
- **Operating result (EBIT)** further improved against previous year on lower sales volume
- Favorable impact of sustainable savings measures and higher profit contributions
- **HDE** volume reduced, but further improved result
- **HDS-EBIT** margin improved to 8% in Q1 (6% previous year)

\* before special items

## Improvement of profitability on track - Leverage on target level

### Key figures

in €m	3m 2013/14	3m 2014/15	$\Delta$ to pY
<b>Net Sales</b>	504	<b>435</b>	-14%
<b>EBITDA</b>	-2	<b>6</b>	€ +8m
<b>EBIT before Special items</b>	-20	<b>-11</b>	€ +9m
Special items	-1	0	
Financial result	-12	-17	
<b>Profit before Tax</b>	-33	<b>-28</b>	€ +5m
<b>Net result after taxes</b>	-38	<b>-34</b>	€ +4m
<b>Equity</b>	364	<b>295</b>	€ -69m
<b>Free Cash Flow</b>	0	<b>-66</b>	€ -66m
<b>Net debt*</b>	258	<b>297</b>	€ -39m
<b>Leverage**</b>	2.1	<b>2.0</b>	

\* Net total of financial liabilities and cash and cash equivalents

\*\* Net financial debt in relation to EBITDA L4Q excl. special items

### Comments

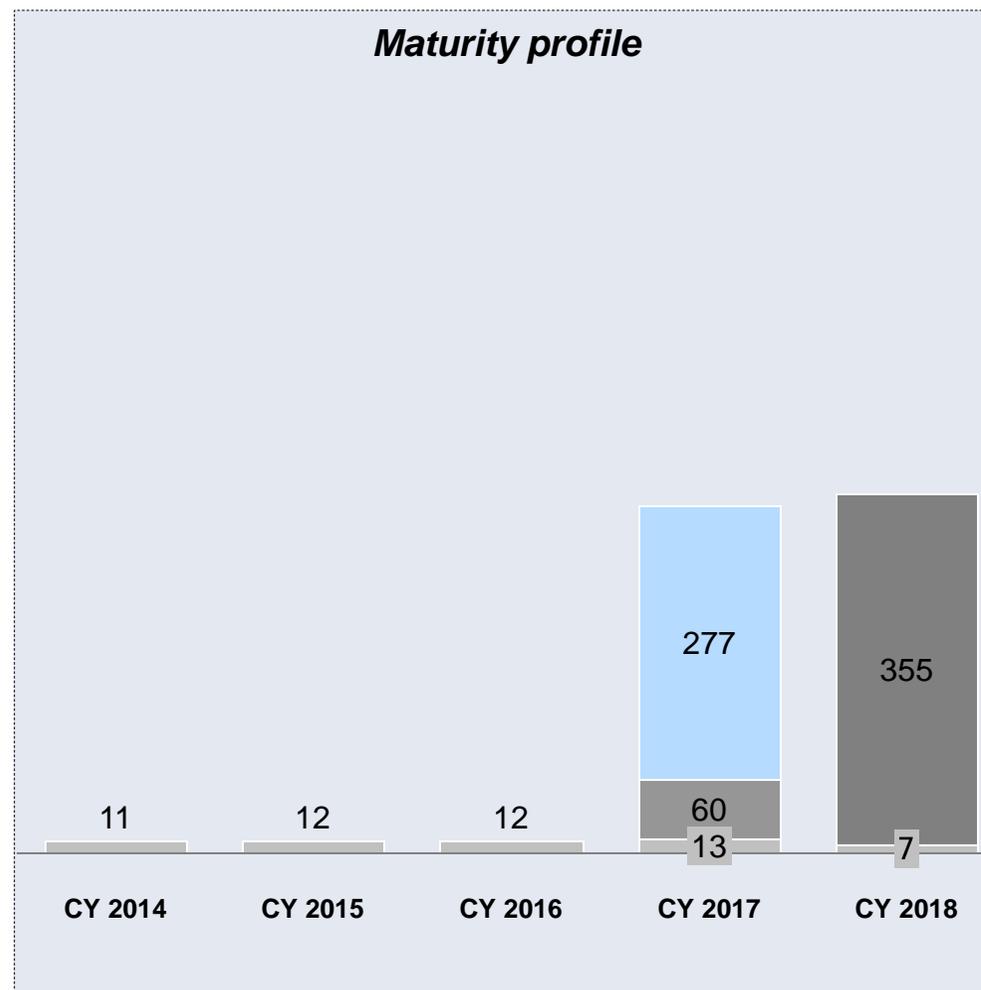
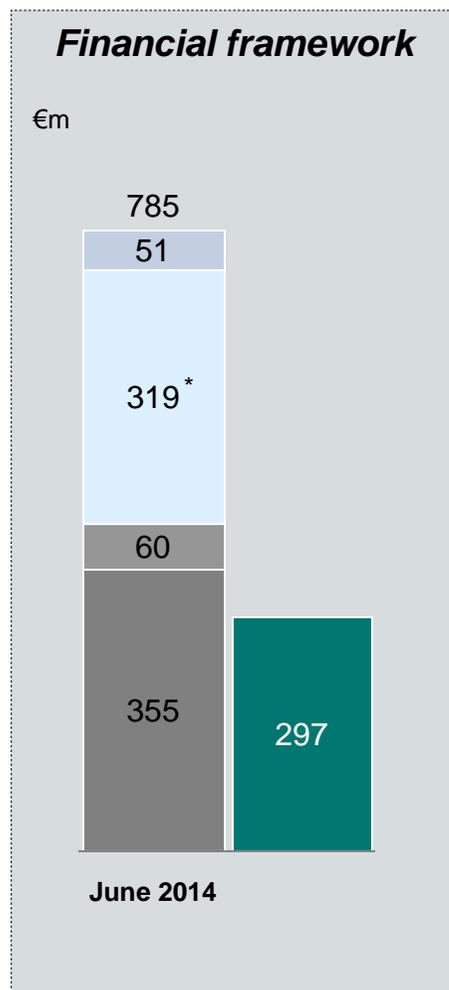
- Positive **EBITDA** in Q1; continuous improvement for almost 2 years
- Financial result in Q1 FY15 with lower financial income (dividend in previous year) and increased finance costs (bond tap, convertible bond)
- Improved **Profit before Tax and Net Result** in Q1
- **Equity ratio** at 13%; positive impact from capital increase against contribution in kind in Q2
- **FCF** negative due to negative net result and cash payments for restructuring (12m€)
- **Net debt** remains below 300m€, Leverage on target level of 2x

## Balance sheet: Further reduction of balance sheet total

> Assets	FY 2014	FY 2014	FY 2015	> Equity and liabilities	FY 2014	FY 2014	FY 2015
	30.06.2013	31.03.2014	30.06.2014		30.06.2013	31.03.2014	30.06.2014
Figures in mEUR				Figures in mEUR			
<b>Fixed assets</b>	<b>780</b>	<b>751</b>	<b>742</b>	<b>Equity</b>	<b>364</b>	<b>359</b>	<b>295*</b>
<b>Current assets</b>	<b>1.393</b>	<b>1.426</b>	<b>1.391</b>	<b>Provisions</b>	<b>909</b>	<b>879</b>	<b>872</b>
thereof inventories	753	623	727	thereof provisions for pensions	407	450	490
thereof trade receivables	274	328	246	<b>Other Liabilities</b>	<b>895</b>	<b>936</b>	<b>981*</b>
thereof receivables from customer financing	105	91	88	thereof trade payables	149	148	164
thereof liquid assets (incl. marketable sec. afs)	144	243	194	thereof financial liabilities	401	481	490
<b>Def tax assets, Prepaid expenses, other</b>	<b>68</b>	<b>67</b>	<b>82</b>	<b>Def. tax liabilities, deferred income</b>	<b>72</b>	<b>70</b>	<b>67</b>
thereof deferred tax assets	34	51	52	thereof deferred tax liabilities	8	8	8
thereof deferred income	29	13	28	thereof deferred income	64	63	59
<b>Total assets</b>	<b>2.241</b>	<b>2.244</b>	<b>2.215</b>	<b>Total equity and liabilities</b>	<b>2.241</b>	<b>2.244</b>	<b>2.215</b>
				<i>Equity ratio</i>	16%	16%	13%
				<i>pro forma after acquisition of Gallus</i>			16%*
				<i>Net debt</i>	258	238	297

\* Around € 70 million pro forma-effect of capital increase against contribution in-kind on equity (+ € 70m) and other liabilities (- € 70m) estimated, depending on further share price development of the Heidelberg share until registration of the capital increase.

## Financial framework: No major maturities until CY 2017/2018



- Extended RCF (Jun 2017)
- Convertible Bond (Jul 2017)
- High Yield Bond (Apr 2018)
- Other (amortizing)
- Net debt (as of June 2014)

\* Reduced to EUR 277 million as of Jan 2015

## Highlights Q1 FY 2014/15

- Low order backlog at the beginning of the year leads to declining **Sales** in Q1 (-14% against previous year)
- **EBITDA** in Q1 with € 6m positive (previous year € -2 m) – continuous yoy improvement for almost 2 years
- **Free cash flow of € -66m** in Q1 (previous year € 0m) incl. payments for Focus program; **Leverage of 2x kept on target level**
- Continuous improvement of **Profitability** on track despite lower sales volume
- One-time effects of portfolio measures still to be assessed
- Equity increase (Gallus transaction) and sufficient financial headroom create room for maneuver with regard to portfolio measures
- Profitability target of >8% EBITDA margin confirmed

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Q&A

**HEIDELBERG**

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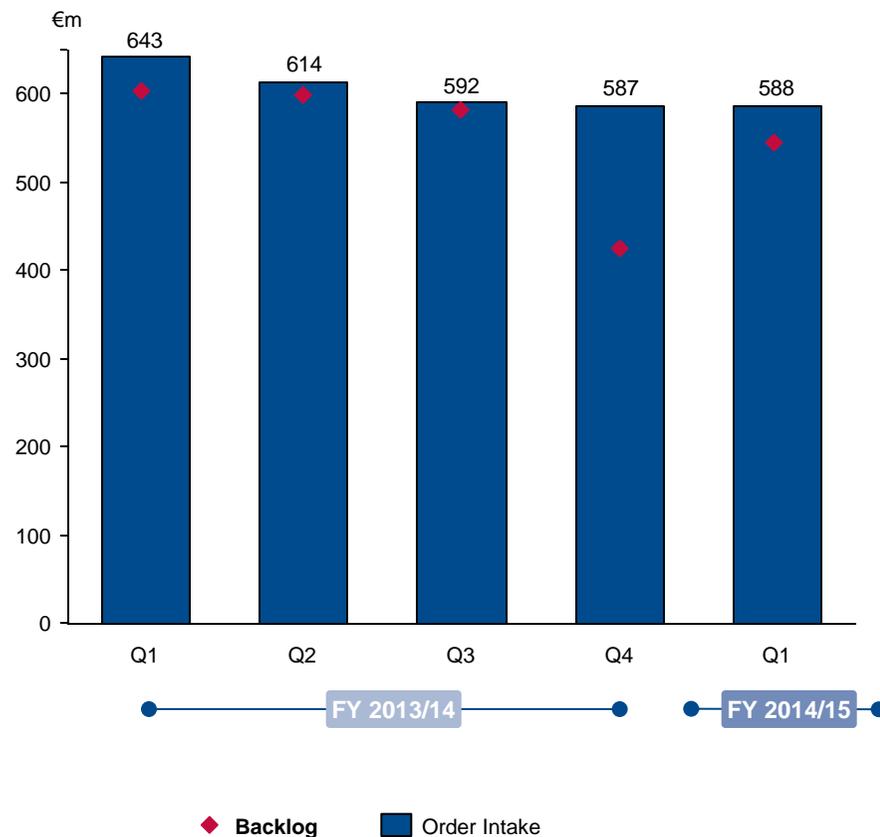
## Financial Calendar 2013/14

	<i>Date</i>
Release of the figures for the second quarter 2014/2015	November 12, 2014
Release of the figures for the third quarter 2014/2015	February 4, 2015
AGM FY2014/15	June10, 2015

*Subject to change*

## Order intake in Q1 in line with previous quarters

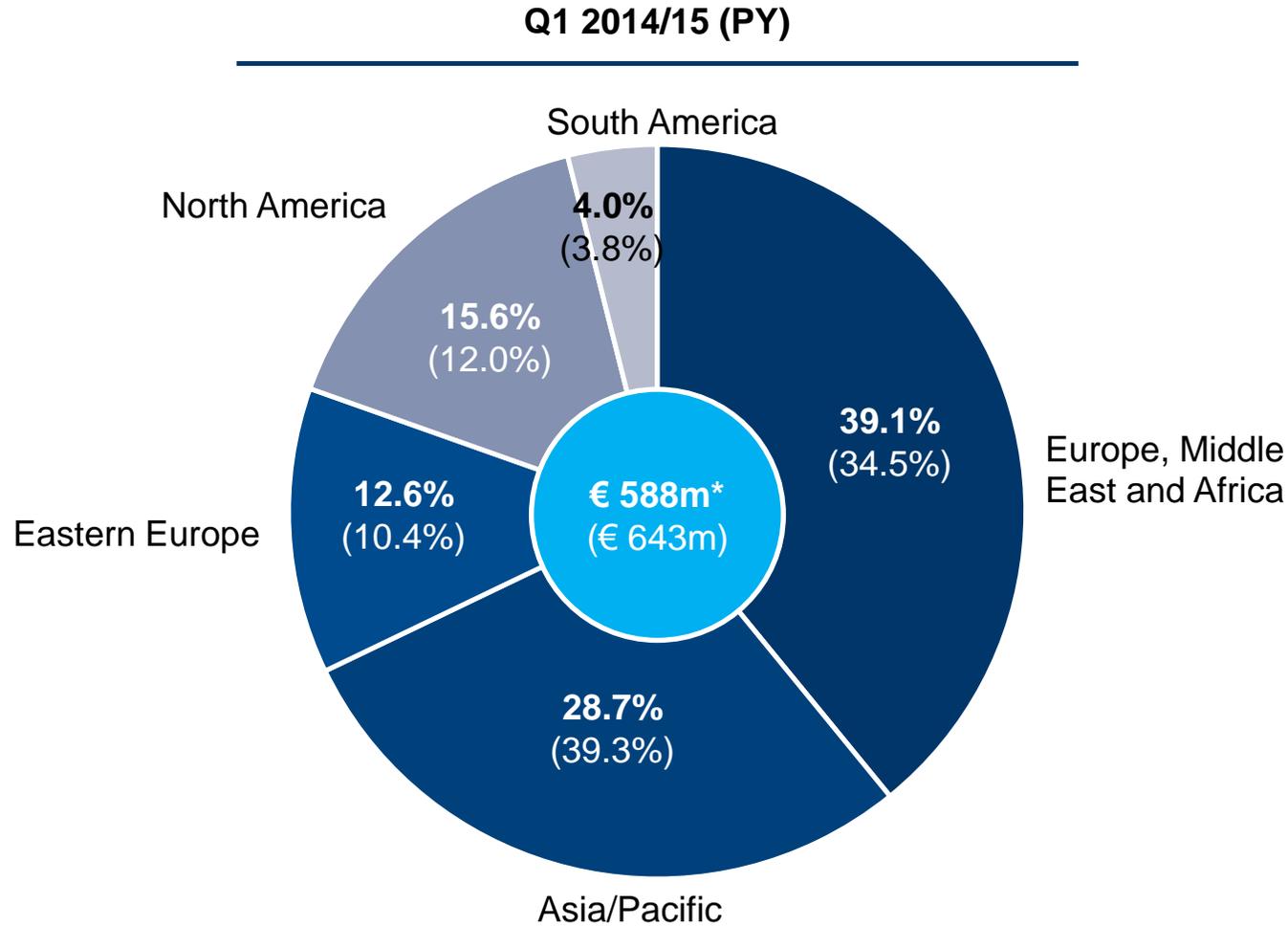
### Order intake FY 2013/14 – Q1 2014/15



### Comments

- Order intake Q1 14/15 at € 588m (FX adjusted € 604m); headwind from FX and investment reluctance in related markets
- Order backlog increased to € 542m
- Main risk to our business: ongoing economic uncertainties and risks, particularly in emerging economies, China and Euro zone as well as substantial currency effects

## Order intake – Regional split



\*FX adjusted € 604m