



Annual General Meeting for financial year 2014/2015

DIRK KALIEBE

July 24, 2015

**ON THE
RIGHT
TRACK**



In financial year 2013/2014, we ...

... **broke even** for the
first time in **five years**.



In financial year 2014/2015, we ...

... **successfully completed the reorientation**
of our **portfolio** as **announced**.



Portfolio restructured for sustained profitable growth



1. Expand services + consumables

2. Become established as leading digital printing supplier

Target:



Growth

3. Realignment of non strategic business

4. Improve operating result in core sheetfed offset business

Target:



Profitability

Successful transformation



From a -----○

- cost-intensive
 - volatile
 - capital-intensive
 - technology-focused
- business

○----- Into a

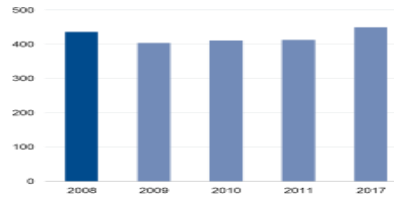
- less cyclical
 - less volatile
 - less capital-intensive
 - more robust
 - more customer-focused
- business with growth opportunities



Stable market worth billions with attractive growth areas



Global print
production volume

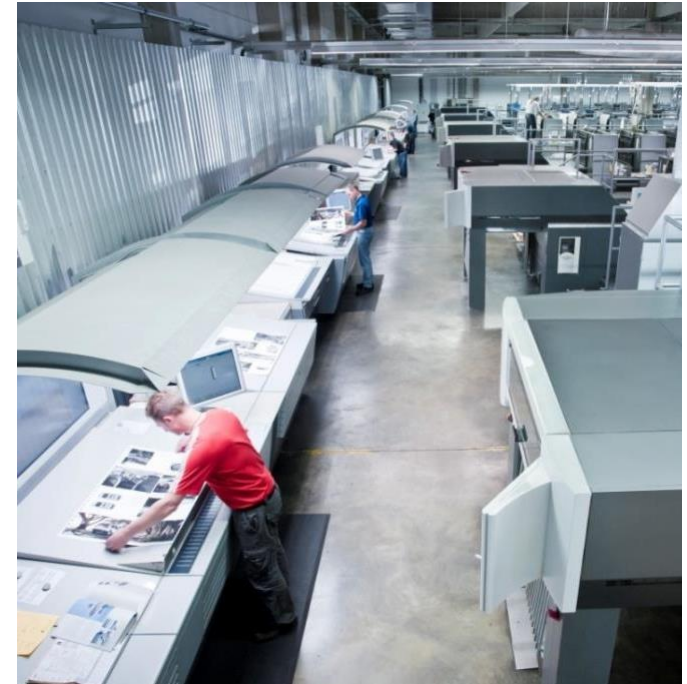


Around
€400 billion/year

Focused on the right customers



**From 200,000
generalists ...**

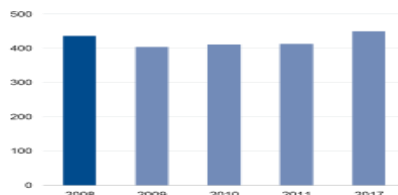


**... towards 15,000
specialists**

Stable market worth billions with attractive growth areas

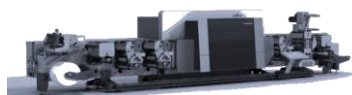


Global print
production volume



Around
€400 billion/year

Equipment



Sheetfed offset: **€2.3** billion*

Digital: **€2.3** billion*

Services



€1 billion*

Consumables



€8 billion*

* Accessible market for Heidelberg Druckmaschinen, excluding postpress

The new brand signifies transformation



We've modified our logo in line with our corporate strategy.

The three points of contact with our customers are represented by the colors of the letter "H":

Service,
Equipment,
Consumables.

Branding film



FY 2014/2015: Focus on financial stability and strategic reorientation



- Slightly improved operating performance
- Reorientation shapes development of results
- Financing framework extended to 2022
- Volatile interest rates influence equity ratio;
company pension scheme restructured

Target:

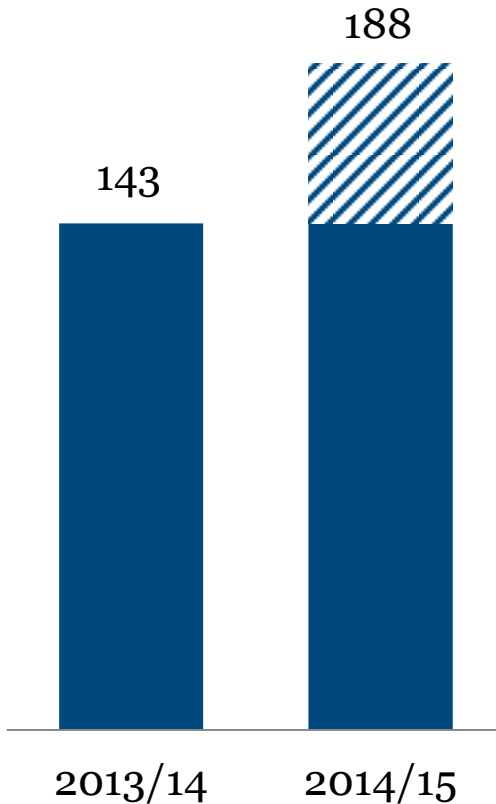


Financial stability

FY 2014/2015: Slightly improved operating profit

EBITDA

in mill. €



Sales

in mill. €



- Slightly improved operating **EBITDA margin**; EBITDA excluding special items but including positive non-recurring effect of around €50 million increase to €188 million
- **Sales** around 4% down on previous year as forecast
- Special effects for portfolio optimization of some €99 million lead to **net result after taxes** of €-72 million

5 years: Increased profitability, reduced debt



Sales

in mill. €

2,306

2,334

2009/10

2014/15

EBITDA

in mill. €

188

-49

2009/10

2014/15

Leverage

> 10X

< 2.0X

1.4

2009/10

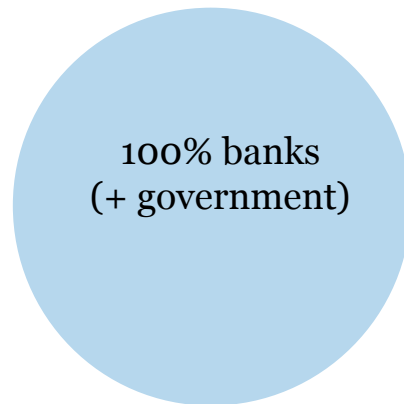
2014/15

Financing requirements halved and covered from three sources



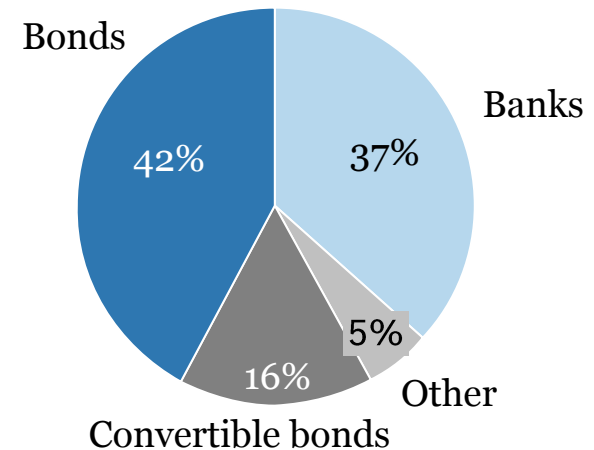
Financing structure 2009/2010

Total approx. **€1.6 billion**



Financing structure 2015

Total approx. **€750 million**

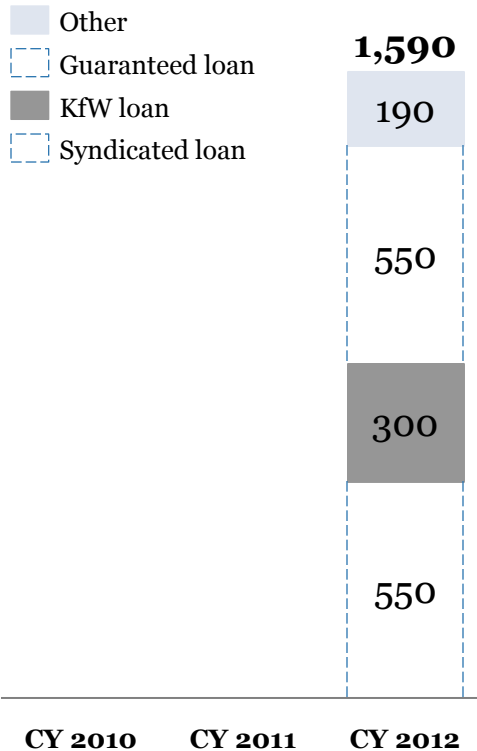


- Far **lower** financial requirements
- Diversified financing sources (from **three sources**)
- Rolling **maturities**
- **Capital market instruments** create stable financing framework **long-term**

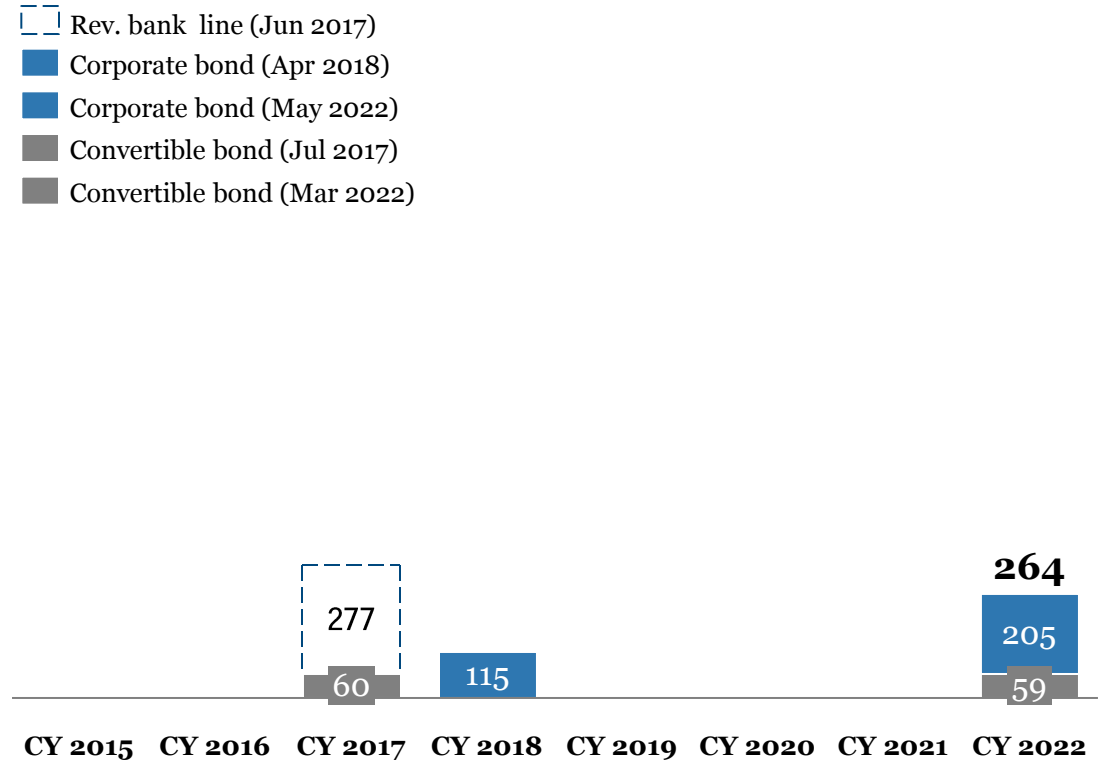
Optimized financing framework – the foundation has been laid



Maturity profile in 2010



Maturity profile in 2015



- **Long-term financing framework** > €700 million
- Basic debt financed **till 2022**
- Maturities can be serviced from operating cash flow
- **Interest costs** sustainably reduced

LOOKING AHEAD:

Outlook for 2015/2016
and beyond

This has created the basis ...

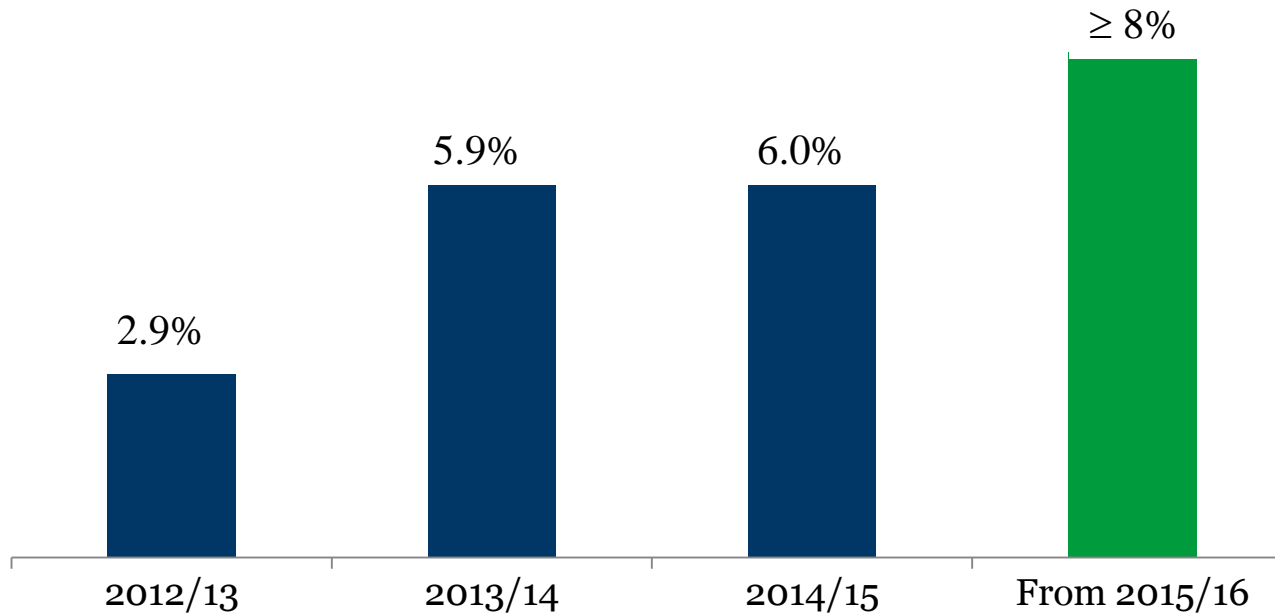


... for **sustained profitability**
in the **future**.



Upward trend in operating profit

Operating EBITDA margin



This has also created the solid basis ...



... for **continuous sales growth**
from as early as 2015/2016!



PSG takeover expands services business



eCommerce: Using the Internet as an additional sales channel



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CtP Plates

- > PN 101
- > IPR
- > IP3
- > Chemfree 101
- > Violet Chemfree

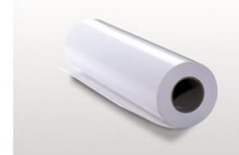


Polyester/Paper Plates



Plate Related Chemistry

- > Developers
- > Replenishers
- > Gums
- > Activator
- > Other Plate Related Chemistry

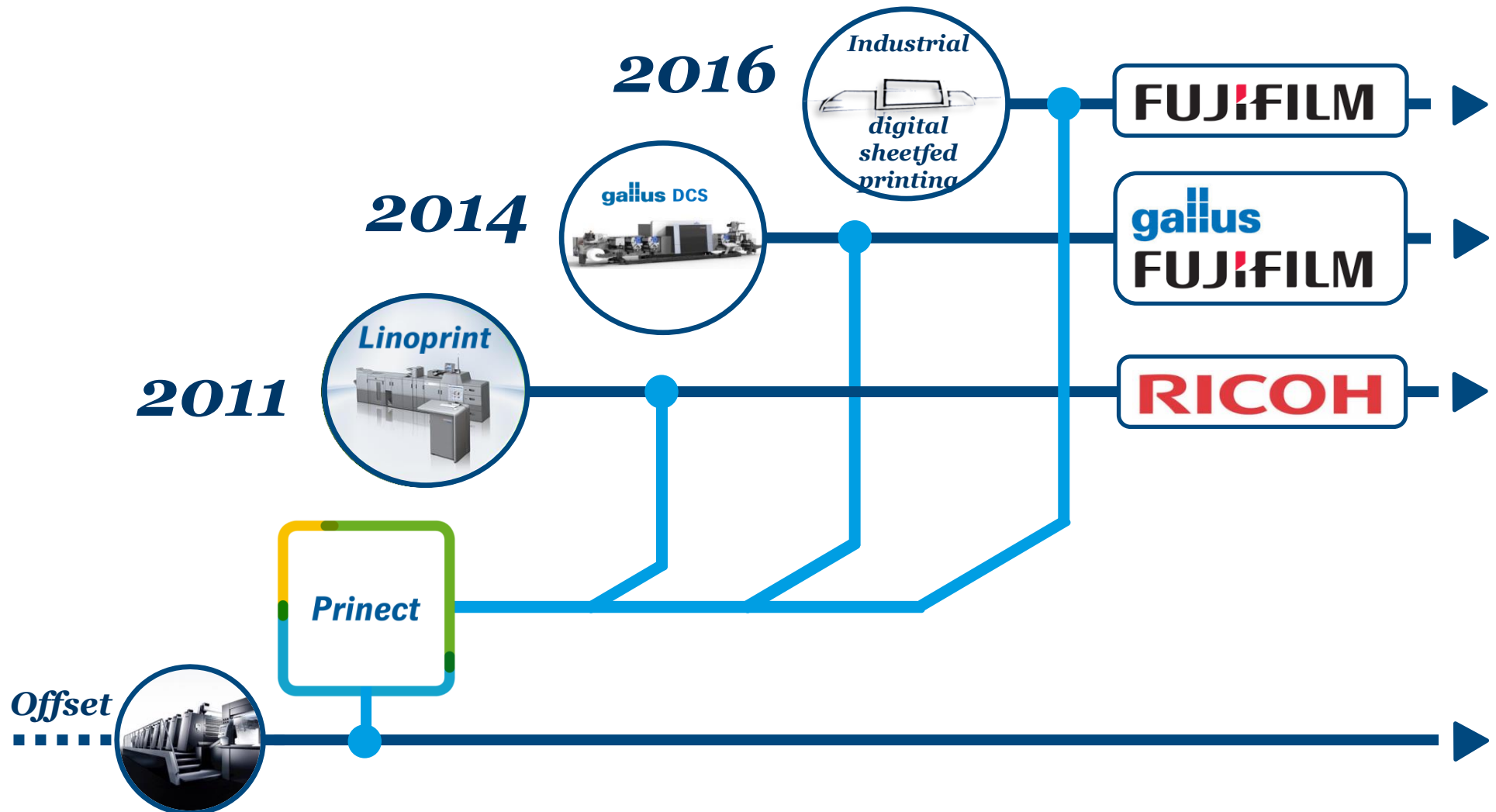


Prepress Materials

- > Proofing Paper
- > Printheads
- > Ink
- > Other Digital Supplies
- > Film Related Chemistry



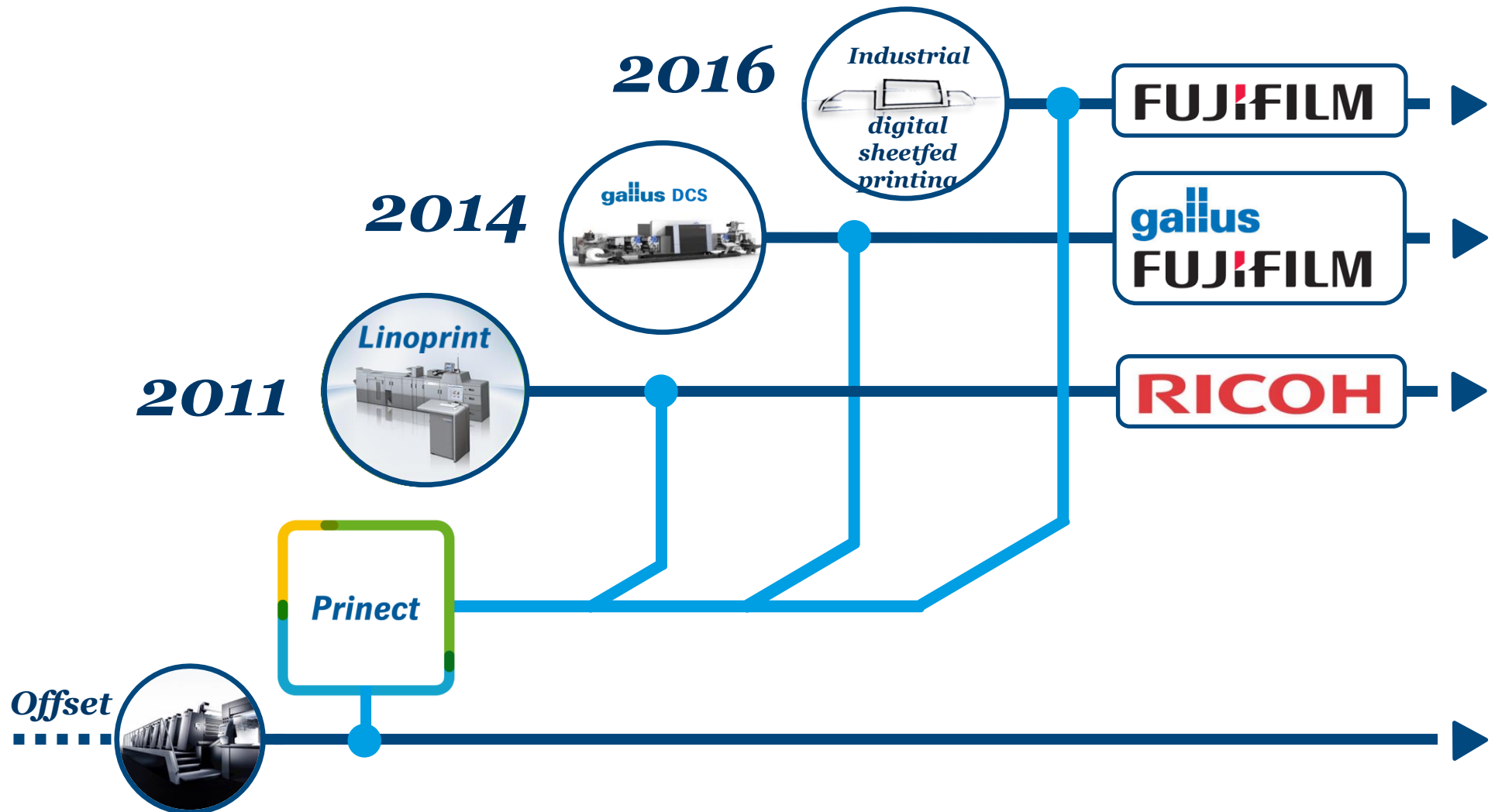
Digital: Top-quality products and strong partners



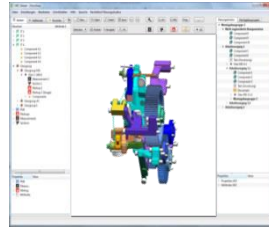
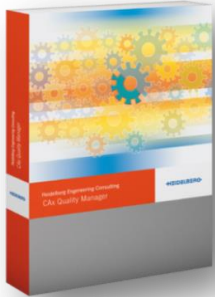
Digital label press unveiled



Digital: Top-quality products and strong partners



Industry 4.0: Heidelberg networks markets



Future



2012



Factory On Demand

2008



Big data & benchmarking

2000



Workflow

1998



Remote Service & eCall

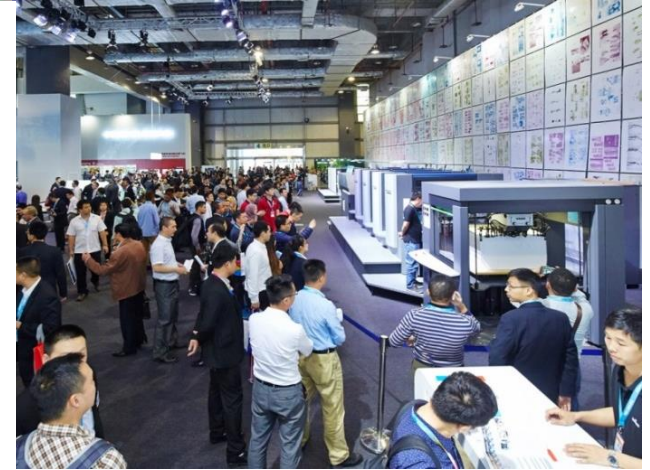
1990



Production



Product portfolio expanded for growth market of China



- Speedmaster CS 92 launched at Print China in April 2015
- Modular portfolio expansion based on existing platform
- New Linoprint CV digital printing system unveiled

New Print Media Center opened



We're on the right track





Thank you very much for your time



Important note

This release contains forward-looking statements based on assumptions and estimations by the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft. Even though the Management Board is of the opinion that those assumptions and estimations are realistic, the actual future development and results may deviate substantially from these forward-looking statements due to various factors, such as changes in the macro-economic situation, in the exchange rates, in the interest rates and in the print media industry. Heidelberger Druckmaschinen Aktiengesellschaft gives no warranty and does not assume liability for any damages in case the future development and the projected results do not correspond with the forward-looking statements contained in this press release.