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
   Target: Growth

2. Become established as leading digital printing supplier

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

- Equipment
- Services
- Consumables

Around €400 billion/year

Sheetfed offset: €2.3 billion*
Digital: €2.3 billion*

€1 billion*
€8 billion*

* Accessible market for Heidelberger 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

<table>
<thead>
<tr>
<th>EBITDA</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>in mill. €</td>
<td>in mill. €</td>
</tr>
<tr>
<td>2013/14</td>
<td>2014/15</td>
</tr>
<tr>
<td>143</td>
<td>188</td>
</tr>
<tr>
<td>2,434</td>
<td>2,334</td>
</tr>
</tbody>
</table>

- 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. €)
- 2009/10: 2,306
- 2014/15: 2,334

EBITDA (in mill. €)
- 2009/10: -49
- 2014/15: 188

Leverage
- 2009/10: > 10x
- 2014/15: < 2.0x

Leverage (2009/10: 1.4)
Financing requirements halved and covered from three sources

**Financing structure 2009/2010**

Total approx. **€1.6 billion**

- 100% banks (+ government)

**Financing structure 2015**

Total approx. **€750 million**

- Bonds: 42%
- Convertible bonds: 16%
- Other: 16%
- Government: 5%
- Banks: 37%

- 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

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

### Maturity profile in 2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Other</th>
<th>Guarantee loan</th>
<th>KiW loan</th>
<th>Syndicated loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>CY 2010</td>
<td>550</td>
<td>550</td>
<td>300</td>
<td>190</td>
</tr>
<tr>
<td>CY 2011</td>
<td>550</td>
<td>550</td>
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<td></td>
</tr>
<tr>
<td>CY 2012</td>
<td>1,590</td>
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### Maturity profile in 2015

<table>
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<tbody>
<tr>
<td>CY 2015</td>
<td>60</td>
<td>115</td>
<td>277</td>
<td>264</td>
<td></td>
</tr>
<tr>
<td>CY 2016</td>
<td>205</td>
<td>59</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>CY 2017</td>
<td>264</td>
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<td>CY 2018</td>
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<td>CY 2019</td>
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</tr>
<tr>
<td>CY 2021</td>
<td>264</td>
<td>59</td>
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<td>CY 2022</td>
<td>264</td>
<td>59</td>
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</table>
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

- 2012/13: 2.9%
- 2013/14: 5.9%
- 2014/15: 6.0%
- From 2015/16: ≥ 8%
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
Digital: Top-quality products and strong partners
Digital label press unveiled
Digital: Top-quality products and strong partners

2011
Offset

2014
Linoprint

2016
Industrial
digital
sheetfed
printing

gallus DCS

Prinect

FUJI FILM

FUJI FILM

RICOH
Industry 4.0: Heidelberg networks markets

- **1990**: Production
- **1998**: Remote Service & eCall
- **2000**: Workflow
- **2008**: Big data & benchmarking
- **2012**: Factory On Demand
- **Future**
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

- **BREAK-EVEN**
  - **2013/2014**: 0

- **PORTFOLIO OPTIMIZATION**
  - **2014/2015**: SERVICES DIGITAL
  - **2015/2016**: NON-STRATEGIC BUSINESS SHEETFED

- **EBITDA MARGIN**
  - **2015/2016**: >8% SUSTAINED PROFITABILITY

- **MEDIUM-TERM**
  - **2-4% p.a.** SALES GROWTH
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.