



# Conference Call Q2-2016/2017

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November 09, 2016





- **Positive feedback from drupa, “New Heidelberg” well perceived**
  - **Digital portfolio:**
    - 1<sup>st</sup> autonomous sheetfed-offset printing press with new software was delivered in Sept.
    - Start-up of series production for Labelfire mid-November
    - Customer trials for digital industry packaging press (Primefire) will start end of this year
  - **Digitization:** investments in digitization projects, i.e. IT infrastructure, Big data analysis, machine-cloud
  
- **H1 benefits from drupa tailwind; orders up 6%; order backlog +66% vs. FYE**
  - **Sales and profit increase** from Q1 to Q2 in line with expectations
  - **Net profit** in Q2 achieved
  - **Targets confirmed**

# Key figures 6m 2016/17



	in € million 6m 15/16	6m 16/17	Δ pY
Order intake	1,323	1,408	+6%
<b>Sales</b>	1,162	<b>1,072</b>	-8%
<b>EBITDA</b>	79	<b>45</b>	-34
<b>EBIT before Special items</b>	43	<b>11</b>	-32
Special items	-22	-6	
Financial result	-30	-29	1
Net result before taxes	-8	-24	-16
<b>Net result after taxes</b>	-14	<b>-28</b>	-14
<b>Free cash flow</b>	-30	<b>0</b>	+30
	03/31/16	09/30/16	
<b>Equity</b>	287	126	
<b>Net debt</b>	281	276	
<b>Leverage</b>	1.5	1.8	

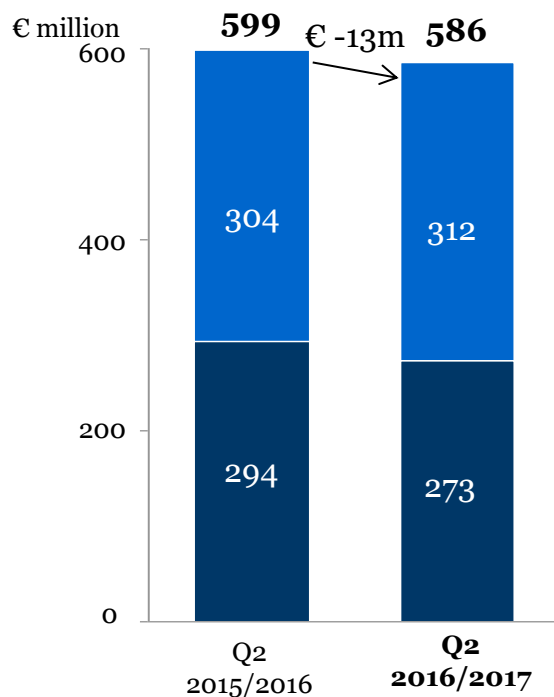
## Comments

- **HY1 Order intake** outperforms last years figure (incl. China trade show) **due to strong drupa**; solid **order backlog** of € 765m (+66% vs FYE)
- **Sales volume** after 6 months still below prior year; substantial sales increase in HY2 expected
- Lower sales and drupa costs (approx. € 10m) esp. in Q1 burden **EBITDA** (PY includes € 19m positive one-time effect from PSG acquisition)
- **Financial result** will benefit this year from early redemption of HYB 2011
- Positive **net result** of € 9m in Q2, after six months still below prior year
- Balanced **Free cash flow** despite payments for portfolio optimization of € 12m; strong improvement against prior year
- Further decline in discount rate (to 1.7%) to value pension obligations reduces **equity ratio** to 6%
- **Net debt** stable on low level; **Leverage** below target level of <2x

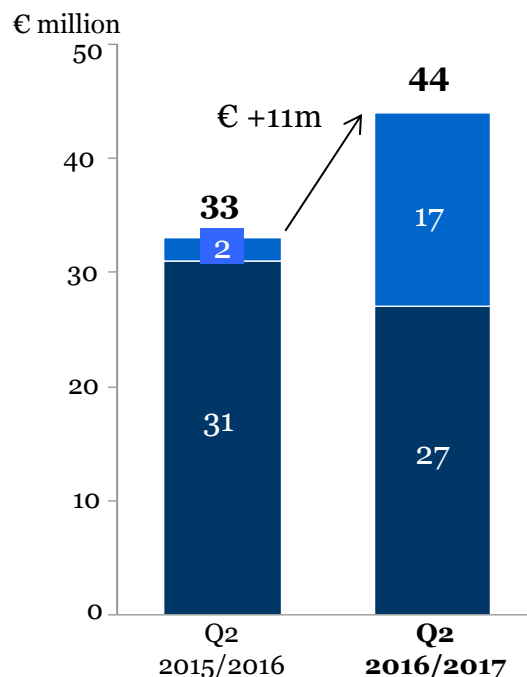
# Segments: strong Q2 improvement in HD equipment achieved



## Sales by segment



## EBITDA\* by segment



■ HD Equipment ■ HD Services

## Comments

- Q2 segment results within EBITDA-margin target: HDE 4-6%, HDS 9-11%
- HD Equipment with improved operating performance
- HD Services with slight volume decline in consumables, postpress and remarketed equipment

\* Before special items

Third segment Heidelberg Financial Services not displayed: €1m net sales (previous year €1m) and €0m EBITDA (previous year €0m)



**FY 2015/16**

**Outlook  
FY 2016/17**

**Mid-term target**

*Sales  
(fx-  
adjusted)*

€ 2,512m  
(€ 2,426m)

up to 4%  
increase

up to 4 % p.a./  
target ~ € 3bn

*EBITDA-  
Margin  
(fx-adjusted  
sales)*

7.8 %

on previous year's level

Bandwidth  
7% - 10%

*HDE ~ 5%  
HDS ~11%*

*HDE 4-6%  
HDS 9-11%*

*Net  
result*

€ 28m

moderate increase

further increase

*Leverage*

1.5

below 2

below 2



BACKUP



## Summary: Financial Highlights Q2-2016/2017

- Order intake in Q2 of € 604m normalized after drupa; order backlog still on a high level – increase of 66 % against Q4 2015/2016 to € 765m
- Sales in Q2 at € 586m; Substantial sales increase in HY2 expected
- Positive net result after taxes of € 9m (Q2 2015/2016: € -9m)
- Free cash flow slightly negative € -7m (Q2 2015/2016: € 5m); balanced FCF after 6m incl. restructuring payments
- Net debt (€ 276m) still at low level and financed until CY 2024, Leverage below target level of 2

# Key figures Q2 2016/17



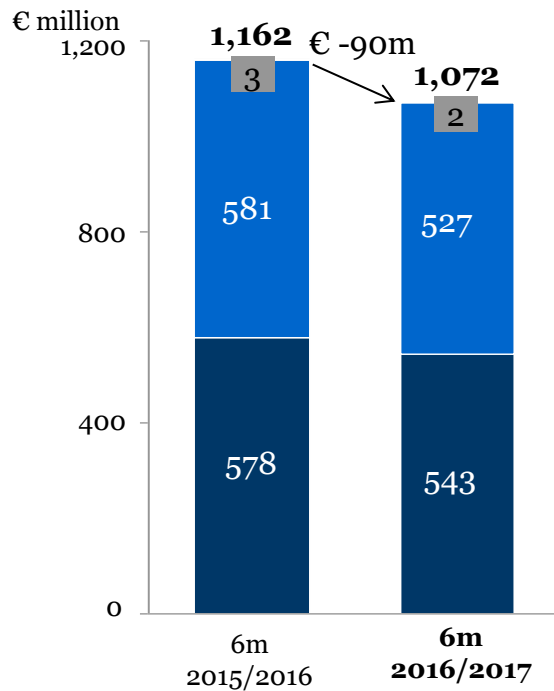
	in € million	Q2 15/16	Q2 16/17	$\Delta$ pY
Order intake		620	604	-3%
<b>Sales</b>		<b>599</b>	<b>586</b>	-2%
<b>EBITDA</b>		<b>33</b>	<b>44</b>	+11
<b>EBIT before Special items</b>		<b>15</b>	<b>27</b>	+12
Special items		-6	-3	
Financial result		-16	-13	+3
Net result before taxes		-7	11	+18
<b>Net result after taxes</b>		<b>-9</b>	<b>9</b>	+18
<b>Free cash flow</b>		<b>5</b>	<b>-7</b>	-12
		<b>03/31/16</b>	<b>09/30/16</b>	
<b>Equity</b>		<b>287</b>	<b>126</b>	
<b>Net debt</b>		<b>281</b>	<b>276</b>	
<b>Leverage</b>		<b>1.5</b>	<b>1.8</b>	



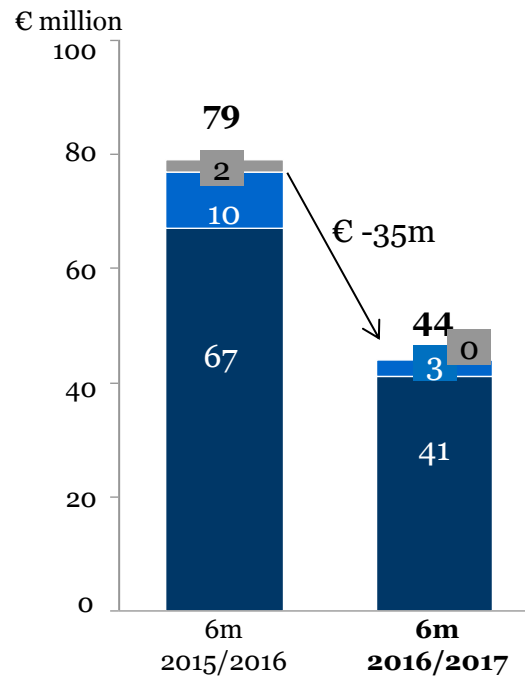
# Segments after 6m in FY2016/17



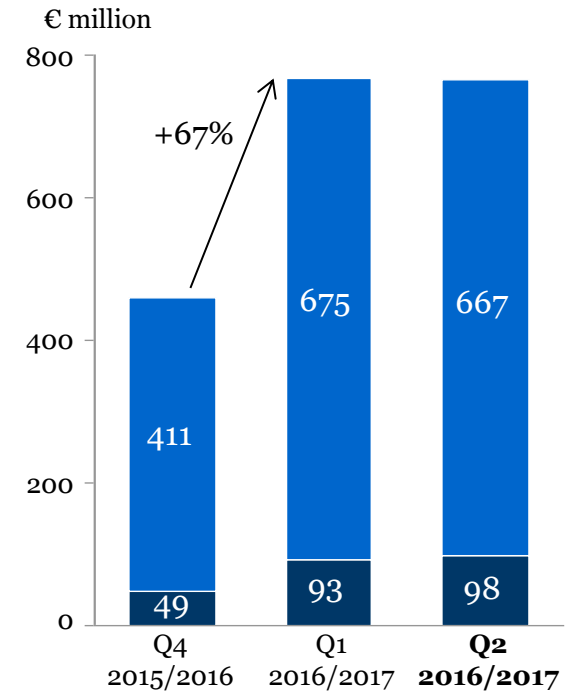
## Sales by segment



## EBITDA\* by segment



## Order backlog



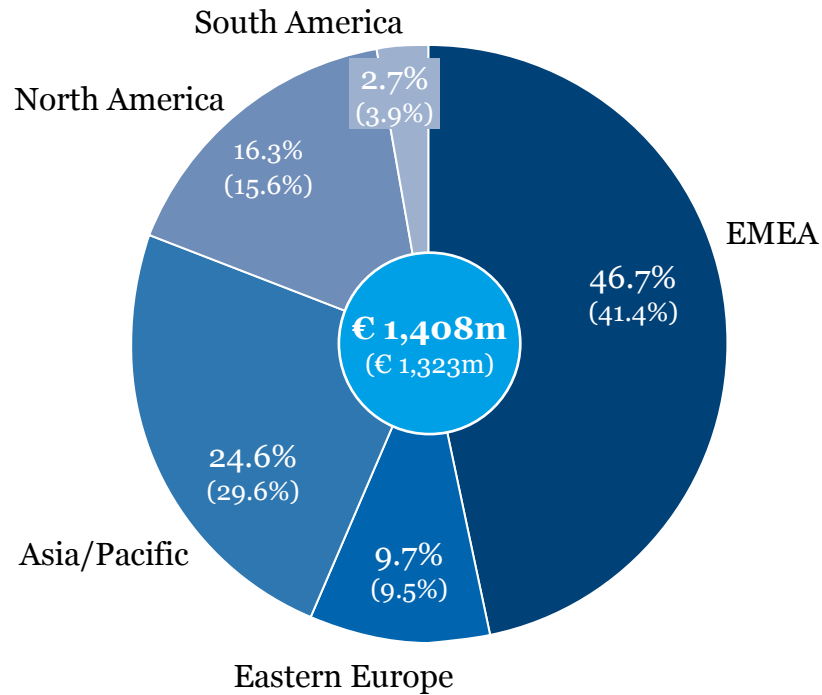
■ HD Equipment ■ HD Services ■ HD Financial Services

\* Before special items

# Order intake – regional split



Order intake 6m 2016/17 (6m 2015/16)



# Balance sheet



## > Assets

FY 2016 FY 2016 FY 2017

Figures in mEUR

30-09-2015 31-03-2016 30-09-2016

	30-09-2015	31-03-2016	30-09-2016
<b>Fixed assets</b>	<b>733</b>	<b>724</b>	<b>728</b>
<b>Current assets</b>	<b>1.377</b>	<b>1.372</b>	<b>1.293</b>
thereof inventories	667	607	698
thereof trade receivables	296	361	278
thereof receivables from customer financing	69	65	57
thereof liquid assets (incl. marketable sec. afs)	209	215	145
<b>Def tax assets, prepaid expenses, other</b>	<b>104</b>	<b>107</b>	<b>114</b>
thereof deferred tax assets	60	85	90
thereof deferred income	23	16	23
<b>Total assets</b>	<b>2.214</b>	<b>2.202</b>	<b>2.135</b>

## > Equity and liabilities

FY 2016 FY 2016 FY 2017

Figures in mEUR

30-09-2015 31-03-2016 30-09-2016

	30-09-2015	31-03-2016	30-09-2016
<b>Equity</b>	<b>294</b>	<b>287</b>	<b>126</b>
<b>Provisions</b>	<b>879</b>	<b>930</b>	<b>1.029</b>
thereof provisions for pensions *	483	534	676
<b>Other Liabilities</b>	<b>963</b>	<b>916</b>	<b>914</b>
thereof trade payables	184	179	199
thereof financial liabilities	493	496	421
<b>Def. tax liabilities, deferred income</b>	<b>78</b>	<b>69</b>	<b>66</b>
thereof deferred tax liabilities	10	3	2
thereof deferred income	64	66	64
<b>Total equity and liabilities</b>	<b>2.214</b>	<b>2.202</b>	<b>2.135</b>
Equity ratio	13%	13%	6%
Net debt	284	281	276

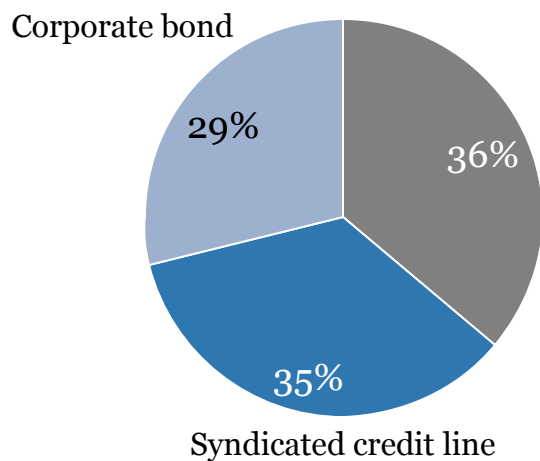
\* As of Sept 30, 2016 a discount rate of 1.7 percent (Jun 30, 2016: 2.0 percent) was used to determine actuarial gains and losses for domestic entities

# Financial framework

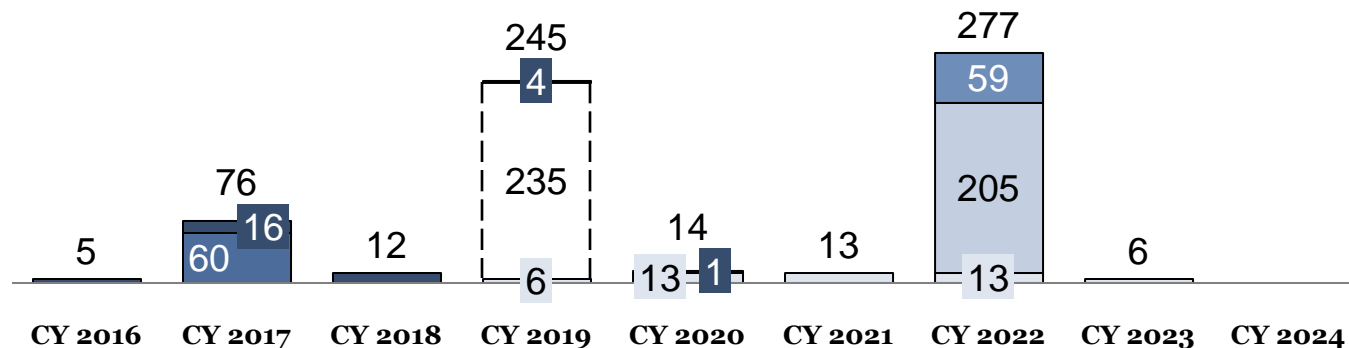
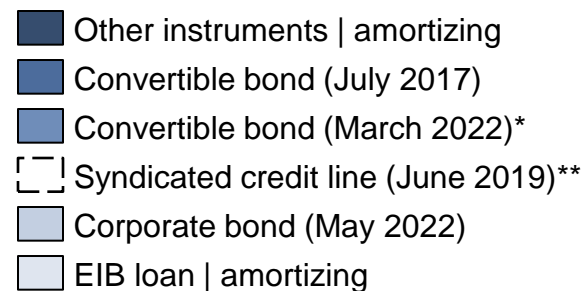


## Financial framework

Total framework  
of around € 700m



## Maturity profile



\* CB Put Option in 2020

\*\*Initial volume € 250m, amortizing to € 235m in 2019

Note: As of June 2016. Excluding other financial liabilities and finance leases

# Financial Calendar



	Date
Release of the figures for the third quarter 2016/2017	February 9, 2017
Final Figures FY2016/2017	June 8, 2017
AGM FY 2016/2017	July 27, 2017

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