

Results 6m FY2017/2018



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November 9, 2017



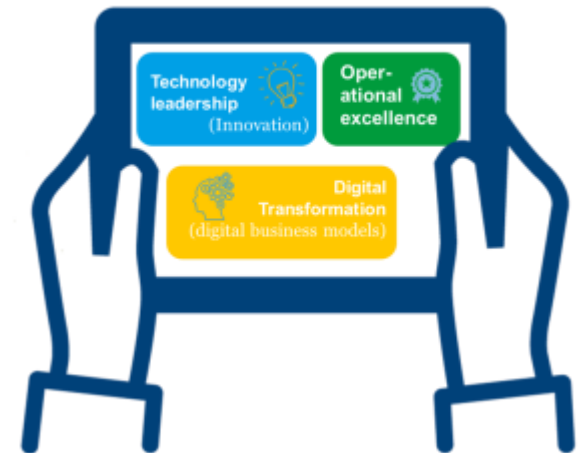
Summary 6m FY2017/2018



- Profitability improved after six months – for the first time since ten years Heidelberg is in the black with net result
- Stable sales volume fx adjusted after six months
- Negative exchange rate movements in Asia
- Reluctance to invest in the U.S. business – healthy list of projects for 2nd half of FY 2017/2018



**Driving forward digital transformation
& new digital business models**



- **Pioneer in digitization**

- Already **more than 300 Push-to-Stop** systems sold
 - highest efficiency and productivity in offset printing
- Global benchmark in **autonomous printing**



- **#1 in industrial digital print**

- **2nd Primefire 106** will be supplied to German customer (personalization of packaging) end of the year
- **Serial production starts** beginning of CY 2018, as planned
- Planned production capacity **booked out for 2 years**



- **Growing demand for digital labels and packaging**

- Numerous orders for the new digital Gallus Labelfire at successful trade fair Labelexpo 2017
- Customers were also impressed by the conventional new Gallus Labelmaster press platform; first series of 20 machines sold out



- **Personalization as a megatrend**

- Digital printing solutions at InPrint 2017 in Munich
- From the rim to the speedometer bezel: Omnifire 250 and 1000 produce custom designs
- Digital printing supporting business models for digitization



- Start of pilot phase of **new business model** (Subscription-model)
- Start of **Heidelberg Assistant** in pilot markets
- Start of **e-mobility applications**
- Start of **strategic production partnership** for large-scale 3D printer



- On track to reach **€ 50m cost savings** in 5 years
- Already presented **efficiency measures**, e.g. Logistics, R&D, are in good progress
- **Transformation project** started in Oct. 2017
- **New management organization** will be launched on 1 April 2018



Key figures 6m 2017/18



- **Order intake** down yoy due to drupa base effect in 2016 and FX
- **Sales** slightly down – FX adjusted (€18m) on prior years level
- **EBITDA** excl. restructuring result considerably improved by €15m; **EBITDA margin** at 5.7%

- Financial result benefits from reduced financing costs

- **Net result** before and **after taxes** significantly improved
- As a result of acquisitions and property purchases, R&D building, **Free Cashflow** was negative

- **Equity** increased mainly due to conversion of bonds and higher pension discount rate

- **Net debt** reduced to € 259m

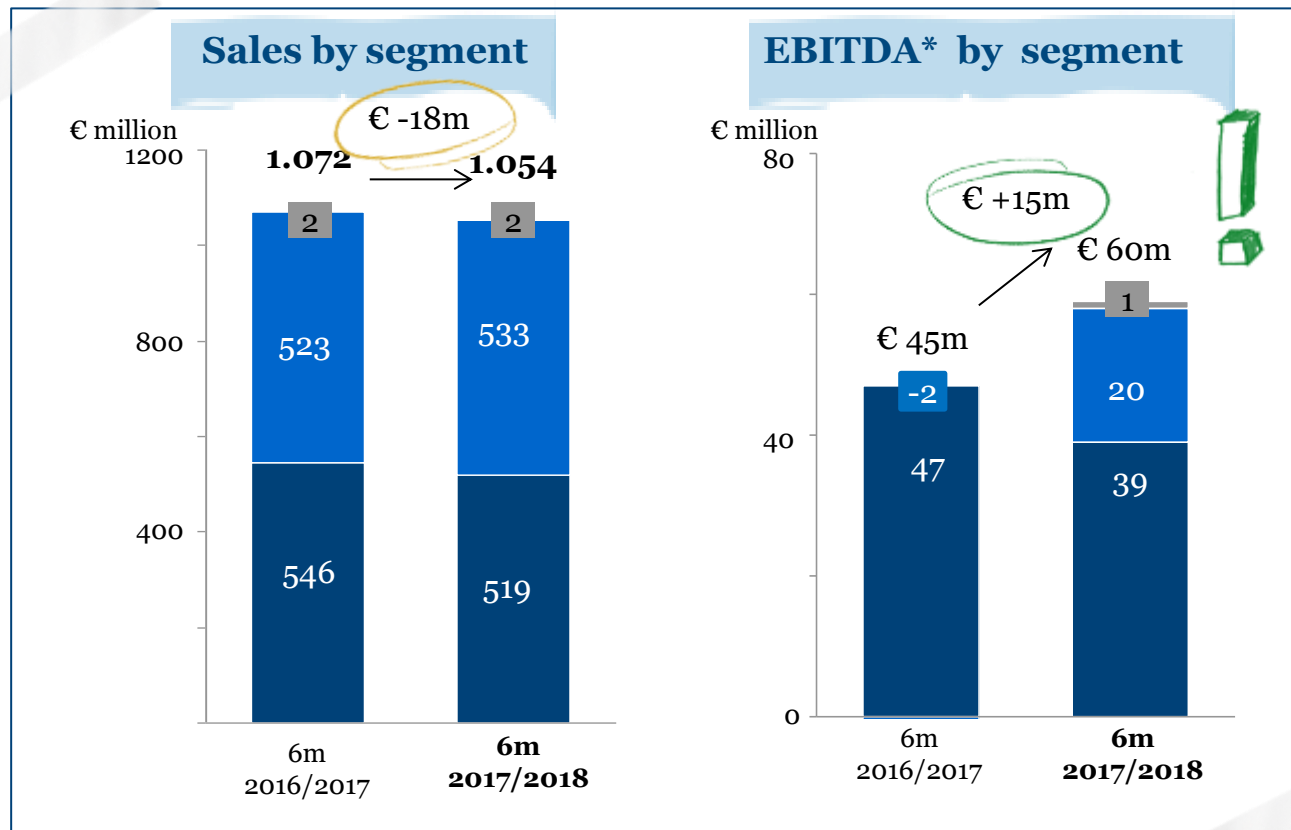
- **Leverage** with 1.3 still below target level of <2x

	6m 16/17	6m 17/18	Δ pY
Order intake	1,408	1,234	-12%
Sales	1,072	1,054	-2%
EBITDA excl. restr. result	45	60	+15
EBIT excl. restr. result	11	27	+16
Restructuring result	-6	-1	
Financial result	-29	-24	+5
Net result before taxes	-24	2	+26
Net result after taxes	-28	0	+28
Free cash flow	0	-32	-32
	09/30/16	09/30/17	
Equity	126	381	
Net debt	276	259	
Leverage	1.8	1.3	



Sales and EBITDA by segment in 6m FY2017/18

- **Heidelberg Digital Technology:** sales volume slightly up and efficiency measures contributed to an improved result
- **Heidelberg Digital Business & Services** was negatively impacted by weaker remarketed equipment and consumables sales



Targets set. Outlook.



	FY 2016/17	Outlook FY 2017/18	5-years target
Sales	€ 2,524m	on previous year's level +€ 500m	up to € 3 billion
EBITDA-Margin	7.1 % HDT ~ 5% HDB ~ 9%	7 – 7.5% HDT 5-7% HDB 8-10% +€ 100m	Up to 10% HDT 6-9% HDB 8-11%
Net result	€ 36m	moderate increase	Σ > € 100m
Leverage	1.4	below 2	below 2



BACKUP

Sustainable and profitable growth



Sales

Additional sales
volume of approx.
€ 500 million
in 5 years

Profitability

EBITDA
improvement of
approx. **€ 100 million**
in 5 years

- Digital print portfolio (€ +200 million)
- Digital business model (equipment– consumables – service: € +250 million)
- Digital platforms (€ +50 million)
- Digital business model / Volume growth (€ +50 million)
- Cost efficiency (operational excellence: € +50 million)



Group targets by 2022:

- Sales volume of up to € 3 billion
- EBITDA between € 250 and 300 million
- Net profit > € 100 million



Balance Sheet



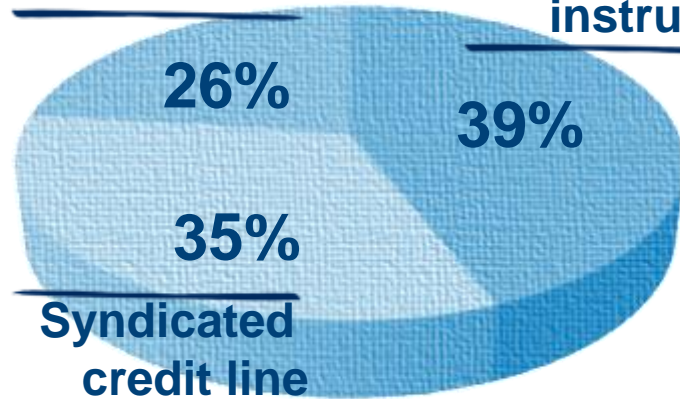
> Assets	FY 2017	FY 2017	FY 2018	> Equity and liabilities	FY 2017	FY 2017	FY 2018
Figures in mEUR	30-09-2016	31-03-2017	30-09-2017	Figures in mEUR	30-09-2016	31-03-2017	30-09-2017
Fixed assets	728	741	788	Equity	126	340	381
Current assets	1.293	1.365	1.288	Provisions	1.029	898	833
thereof inventories	698	581	675	thereof provisions for pensions	676	488	476
thereof trade receivables	278	375	276	Other Liabilities	914	905	905
thereof receivables from customer financing	57	58	55	thereof trade payables	199	190	207
thereof liquid assets	145	218	176	thereof financial liabilities	421	470	435
Def tax assets, prepaid expenses, other	114	113	106	Def. tax liabilities, deferred income	66	75	63
thereof deferred tax assets	90	99	84	thereof deferred tax liabilities	2	5	3
thereof deferred income	23	14	22	thereof deferred income	64	70	61
Total assets	2.135	2.219	2.182	Total equity and liabilities	2.135	2.219	2.182
				Equity ratio	6%	15%	17%
				Net debt	276	252	259

Financial framework



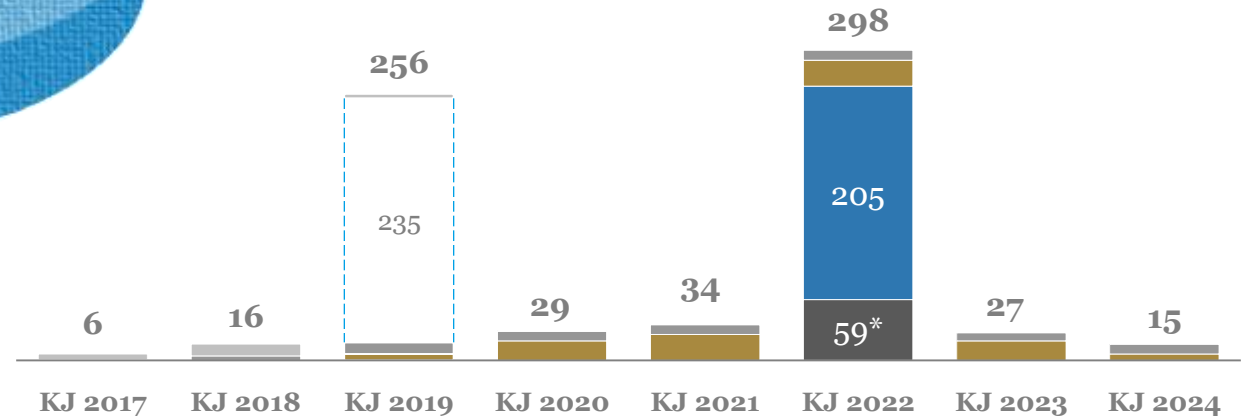
Other instruments & promotional loans

Capital markets instruments



Maturity profile

- Other instruments
- RCFA (Jun-2019)
- REL | amortizing
- EIB | amortizing
- BondHYB (Mai-2022)
- Convertible Bond (Mrz-2022)

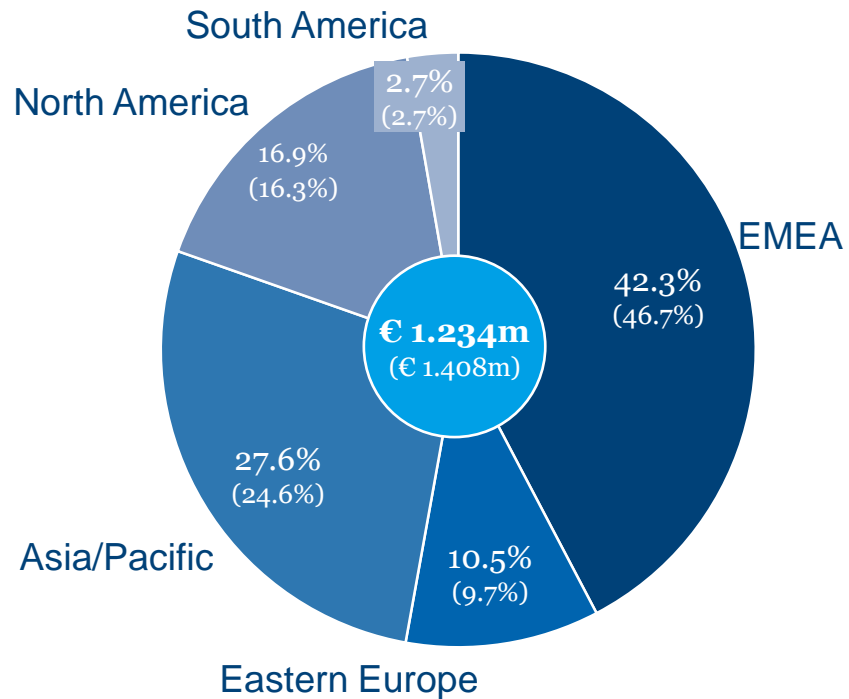


* CB Put
Option
in 2020

Order intake – regional split



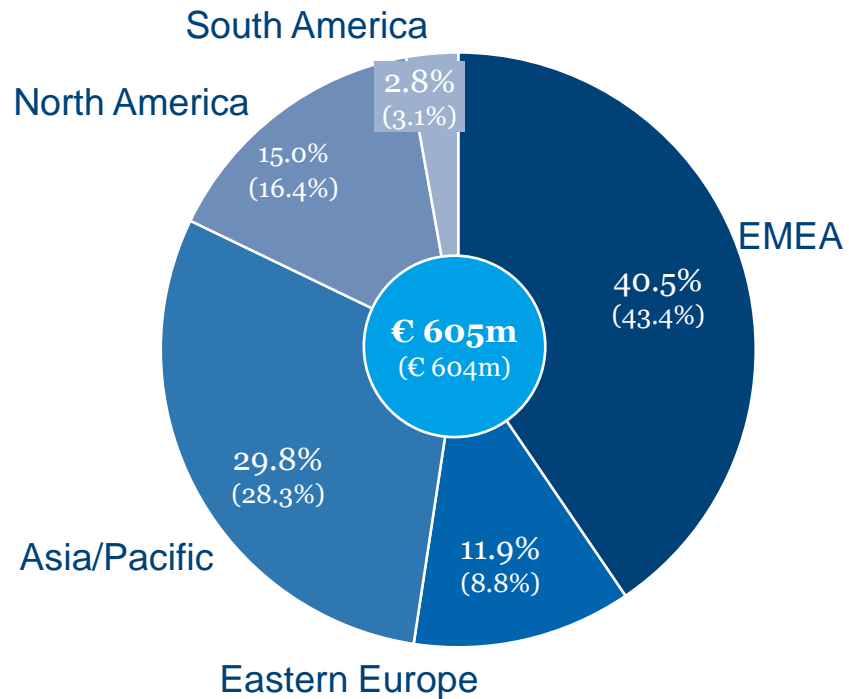
Order intake HJ 2017/18 (HJ 2016/17)



Order intake – regional split



Order intake Q2 2017/18 (Q2 2016/17)



Key figures Q2m 2017/18



- **Order intake** in line with prior year
- **Sales** slightly down – FX adjusted (€15m) on prior years level
- **EBITDA** excl. restructuring improved by €2m;
EBITDA margin at 8.2%
- Financial result benefits from reduced financing costs
- **Net result** before and **after taxes** significantly improved
- As a result of acquisitions and property purchases,
Free Cashflow was negative
- **Equity** increased mainly due to conversion of bonds
- **Net debt** reduced to € 259m
- **Leverage** with 1.3 still below target level of <2x

	Q2 16/17	Q2 17/18	Δ pY
Order intake	604	605	
Sales	586	559	-27
EBITDA excl. restr. result	44	46	+2
EBIT excl. restr. result	27	30	+3
Restructuring result	-3	-1	
Financial result	-13	-11	+2
Net result before taxes	11	17	+6
Net result after taxes	9	16	+7
Free cash flow	-7	-19	-12
	09/30/16	09/30/17	
Equity	126	381	
Net debt	276	259	
Leverage	1.8	1.3	

Financial Calendar



Release of the figures for the
third quarter 2017/2018

February 8, 2018



Figures FY2017/2018

June 12, 2018

AGM FY 2017/2018

July 25, 2018

simply smart





Important notice

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