



Heidelberger Druckmaschinen AG

Q1 Results FY2018/2019

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August 7, 2018



HEIDELBERG

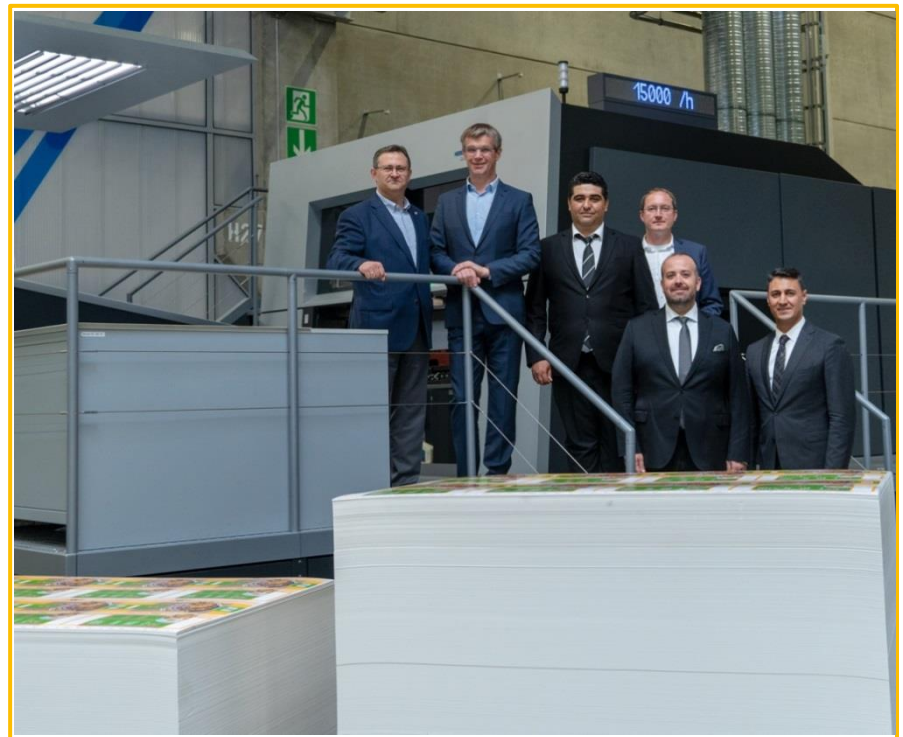
Update: Digital transformation has high earnings potential



250 m €
sales potential

Order backlog increases thanks to the pay-per-use model

- 20 contracts already signed
- Turkish packaging printer signs large subscription contract, covering two machines, including first large format machine
- High demand and numerous contracts are currently in the process of initiation
- First subscription revenues already generated in Q1; expected average recurring revenue per contract of approx. 1 m € p.a. over 5 years
- Target: 30 contracts until end of FY 18/19 with sales potential of ~150 m € over 5 years



UPDATE: Technology leadership in digital printing expanded



200 m €
sales potential

Industrial digital print on track

Primefire

- First two serial machines delivered to packaging customers in US and Switzerland
- Approx. 2/3 of needed installed base booked by customers
- One delivery per month, booked out for the next two years

Labelfire and Smartfire

- New labelprint system Gallus Smartfire introduced, entry-model for industrial labelprinting
- Serial production for Labelfire is running



Key figures 3m 2018/19

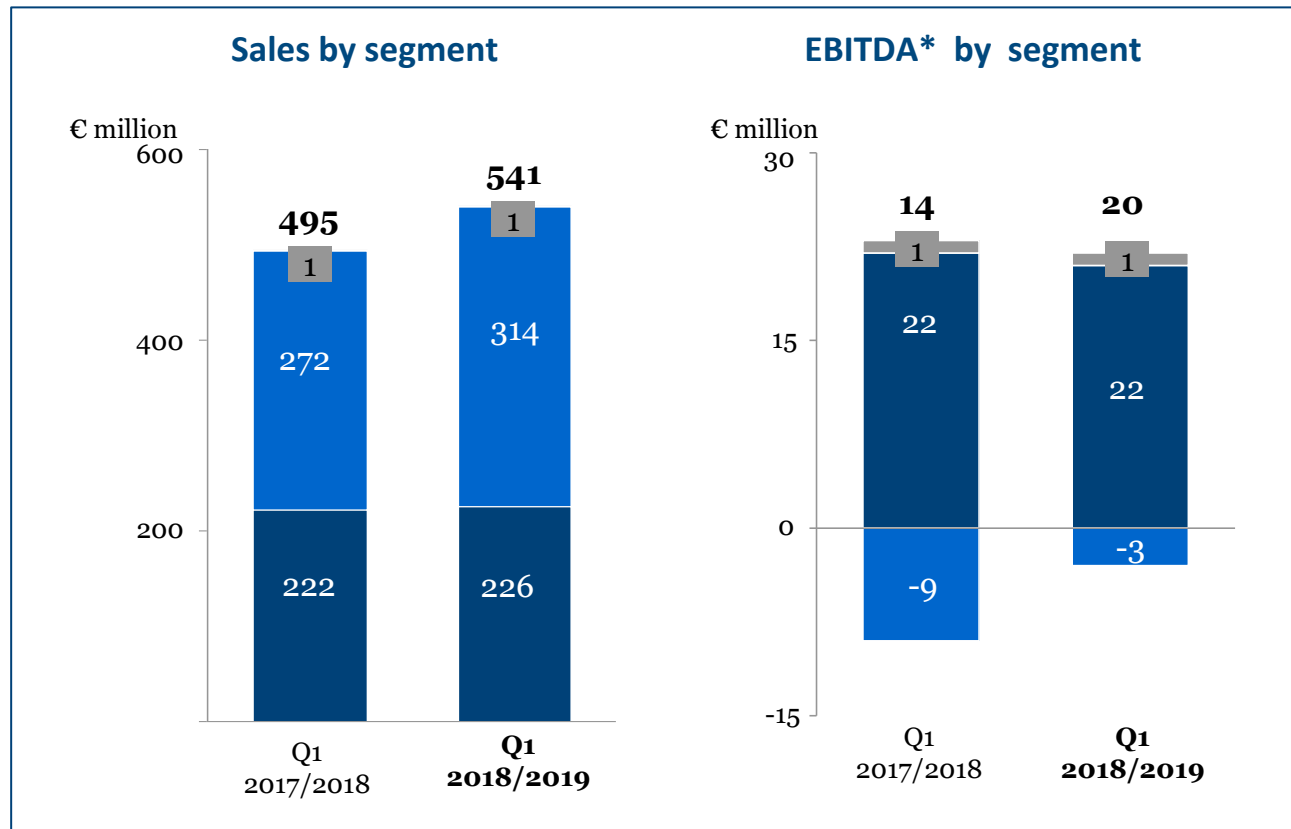


- **Order intake** increased, despite base effect (Print China in Q1/18)
- **Sales** considerably above previous years's level, incl. neg FX
- **EBITDA** improved on higher volume
EBITDA margin at 3.7% (PY 2.8%)
- Financial result incl. € 4m one-time costs for partial early redemption of HYB
- **Net result** before and **after taxes** slightly improved
- **Free Cashflow** includes Investments in construction of Innovation Center and one-time higher lease payments for buildings
- **Equity** on year-end level; equity ratio stays at 15%
- **Net debt** increased to € 278m
- **Leverage** with 1.4 still below target level of <2x

	Q1 17/18	Q1 18/19	ΔpY
Order intake	629	665	+6%
Sales	495	541	+9%
EBITDA	14	20	+6
excl. restr. result			
EBIT excl. restr. result	-3	2	+5
Restructuring result	0	0	
Financial result	-13	-16	-3
Net result before taxes	-15	-14	+1
Net result after taxes	-16	-15	+1
Free cash flow	-13	-45	-32
	03/31/18	06/30/18	
Equity	341	332	
Net debt	236	278	
Leverage	1.4	1.4	

Sales and EBITDA by segment in Q1 FY2018/19

- **Heidelberg Digital Technology:** benefits from higher sales of sheetfed and label products, especially in China.
- **Heidelberg Lifecycle Solutions:** Sales and operating result stable on previous year's level.



As part of the adjustment of the corporate strategy segments were reorganized as of April 1, 2018 (prior year accordingly)

*EBITDA excl. restr. result



Heidelberg Digital Technology



Heidelberg Lifecycle Solutions



HD Financial Services

Balance sheet: Stable capital structure and efficient use of capital



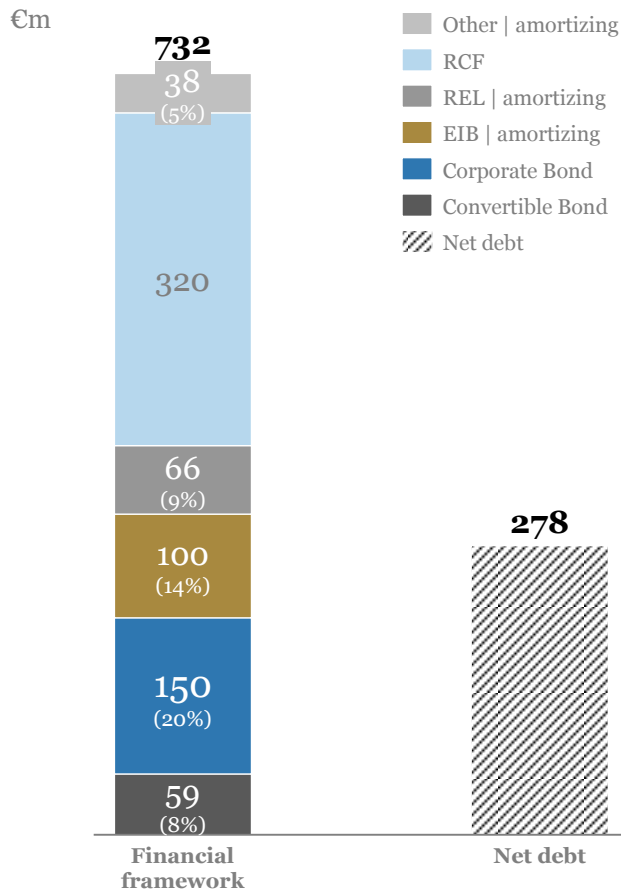
> Assets	FY 2018	FY 2018	FY 2019	> Equity and liabilities	FY 2018	FY 2018	FY 2019
	30-06-2017	31-03-2018	30-06-2018		30-06-2017	31-03-2018	30-06-2018
Figures in mEUR				Figures in mEUR			
Fixed assets	780	810	821	Equity	382	341	332
Current assets	1.298	1.367	1.341	Provisions	835	878	846
thereof inventories	645	622	692	thereof provisions for pensions	470	523	523
thereof trade receivables	282	370	295	Other Liabilities	915	968	1.011
thereof receivables from customer financing	53	66	62	thereof trade payables	201	237	234
thereof liquid assets	198	202	204	thereof financial liabilities	431	438	481
Def tax assets, prepaid expenses, other	123	78	94	Def. tax liabilities, deferred income	69	69	67
thereof deferred tax assets	95	66	68	thereof deferred tax liabilities	7	6	4
thereof deferred income	28	12	27	thereof deferred income	62	63	62
Total assets	2.201	2.256	2.256	Total equity and liabilities	2.201	2.256	2.256
				Equity ratio	17%	15%	15%
				Net debt	234	236	278

- Net working capital (**NWC**) with € 606m stable compared to FY end € (610m)
- Comfortable **cash position**. Partial redemption of HYB (55m€) was financed from cash in July 2018
- **Loss carryforwards** for which no deferred tax assets have been recognized of approx. € 1.3 bn
- **Domestic pension discount rate** 30.06.2018: 2.1% (31.03.2018: 2.1%; 30.06.2017: 2.5%)

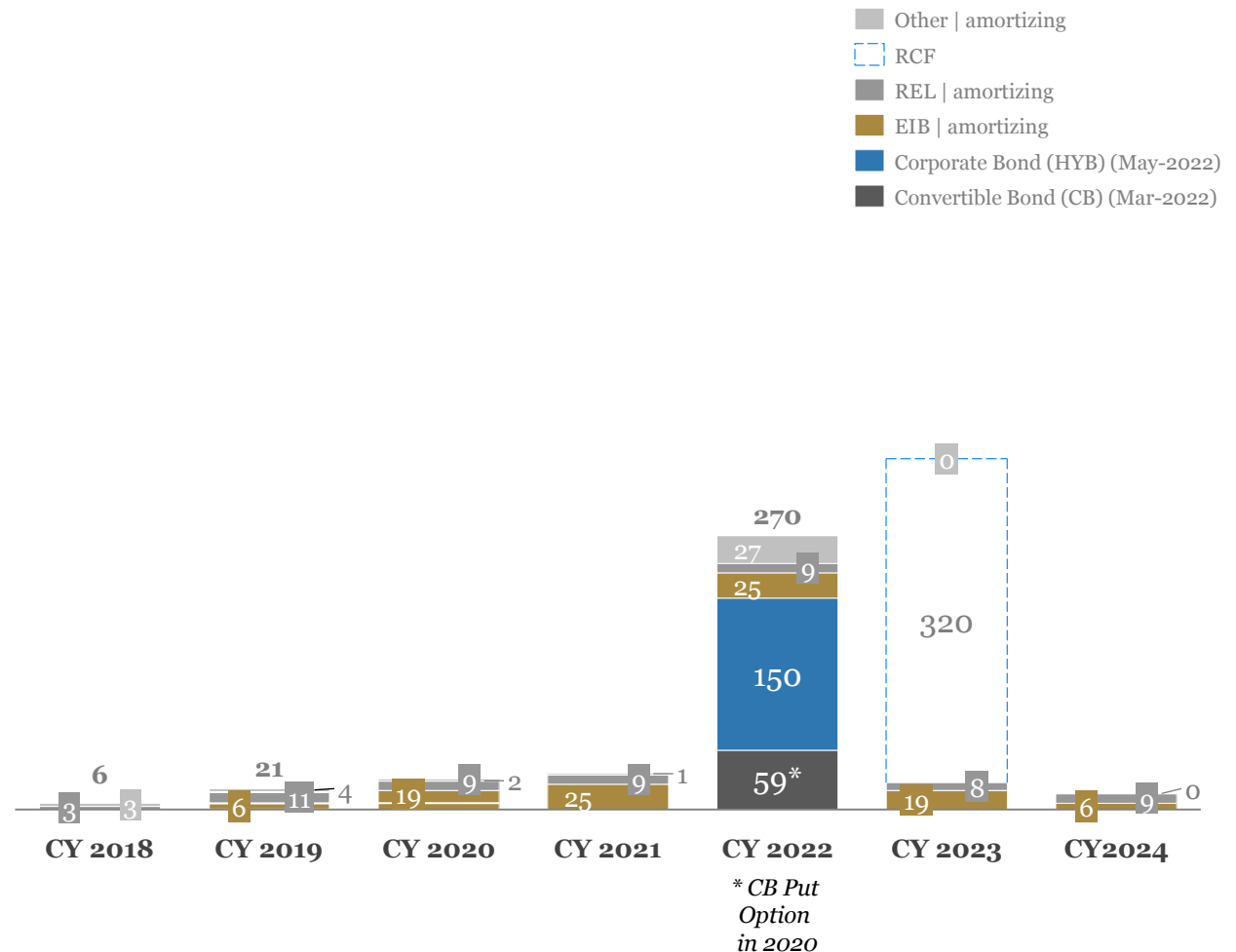
Partial early redemption of corporate bond – Financing of future growth secured



Financial instruments



Maturity profile per calendar year



Remark: As of July 2018. Other financial liabilities and Finance Leases are not included. The position „REL“ includes financing for infrastructure projects.

Outlook

	FY 2017/18	FY 2018/19	Mid-term-target
Sales	€ 2.420m	moderate growth	up to € 3 bn
EBITDA* -Margin	7.1 % HDT ~ 6% HDB ~8.5%	7 – 7.5% HDT 2-3% HDLS 12-13%	EBITDA* 250 – 300m
Net result	€ 14m	moderate increase (incl. one-time tax effect 17 /18)	> € 100m
Leverage	1,4	<2	<2

Sales

€ 2.420m

moderate growth

up to € 3 bn

+€ 500m

EBITDA
-Margin*

7.1 %

7 – 7.5%

EBITDA* 250 – 300m

HDT ~ 6%
HDB ~8.5%

HDT 2-3%
HDLS 12-13%

*Net
result*

€ 14m

moderate increase
(incl. one-time
tax effect 17 /18)

> € 100m

Leverage

1,4

<2

<2

*Result of operating activities excluding restructuring result (previously: special items)

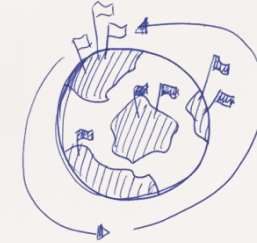
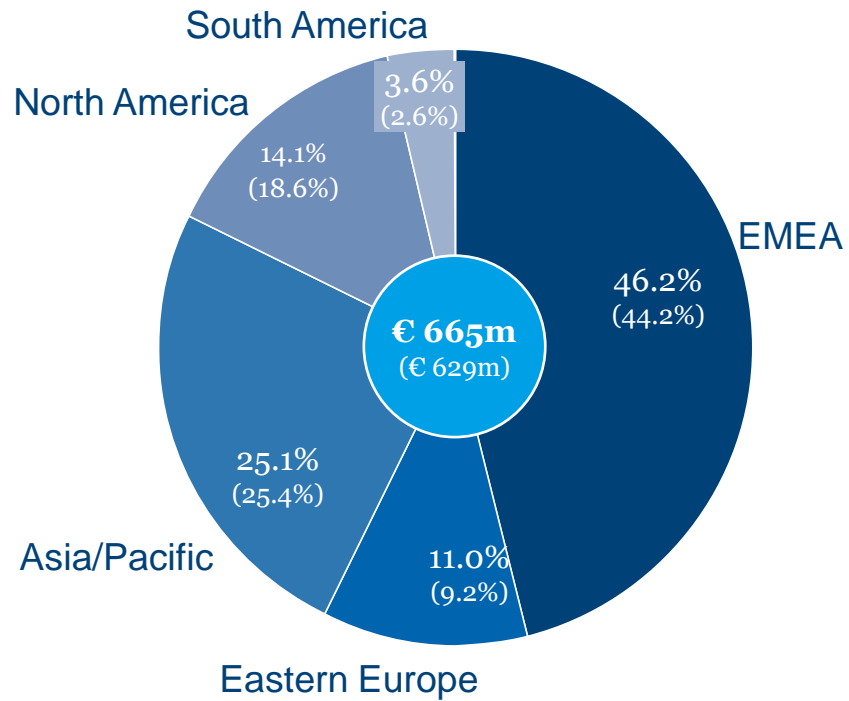


BACKUP

Order intake – regional split



Order intake Q1 2018/19 (Q1 2017/18)





Restatement of figures. New segment structure reflects new leadership organization.

		RESTATED	
Net sales		FY 2018	FY 2018
		until 31-03-2018	starting 01-04-2018
Figures in mEUR		ACT	ACT
until 31-03-2018	starting 01-04-2018	2.420	2.420
Digital Technology (HDT)	Digital Technology (HDT)	1.315	1.465
BU Sheetfed	BU Sheetfed		
BU Postpress	BU Postpress		
BU Label	BU Label		
	BU Digital Print		
Digital Business & Services (HDB)	Lifecycle Solutions (HDLS)	1.101	951
BU Consumables	BU Lifecycle Business Management		
BU Service			
BU Digital Print			
BU Digital Solutions	BU Software Solutions		
	BU Heidelberg Platforms		
BU Remarketed			
Heidelberg Financial Services (HDF)	Financial Services (HDF)	4	4

Financial Calendar



Release of the figures for the
second quarter 2018/2019

November 08, 2018



Release of the figures for the
third quarter 2018/2019

February 07, 2019

Figures FY 2018/2019

June 06, 2019

AGM FY 2018/2019

July 25, 2019

simply smart





Important notice

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 presentation.