

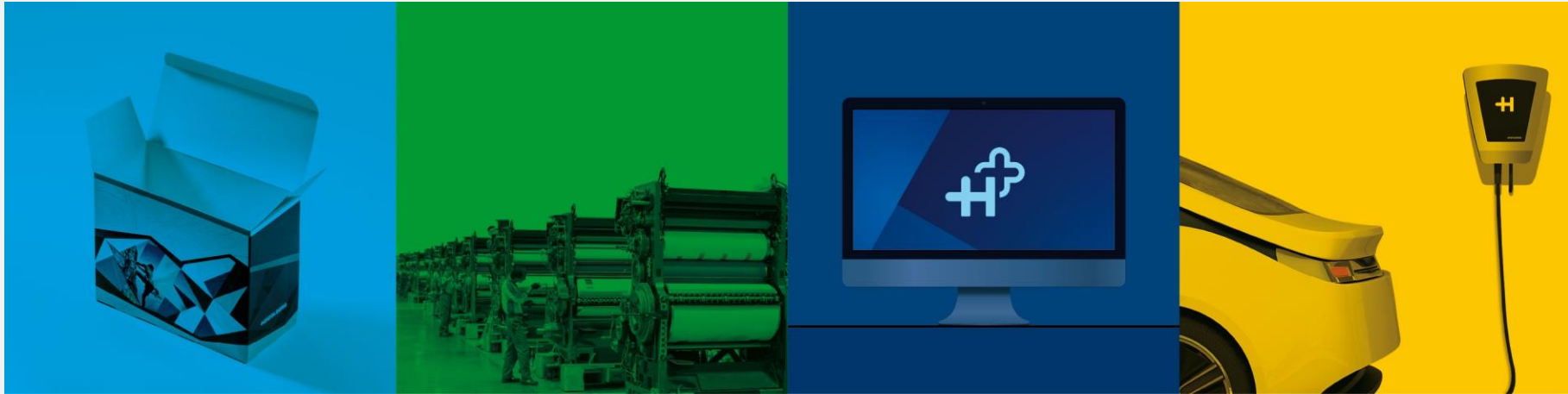


# Perspectives

Heidelberger Druckmaschinen AG - Second Quarter Results FY 2021/2022

Rainer Hundsdörfer, CEO | Marcus A. Wassenberg, CFO | Wiesloch, November 10<sup>th</sup>, 2021

## PERSPECTIVES





Half year 2021/22.

## Heidelberg delivers on profit recovery.



**Clear improvement in operating result** and net profit due to transformation and volume recovery

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**Order backlog** now above pre-Covid19 levels, ensures volume for remaining FY 2021/2022

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**Cooperation with Munich Re** enables Heidelberg to **scale up Subscription**

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**E-mobility continues recording profitable high growth**, expand business model to product and service offering

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**Further risk reduction** from a slightly positive net financial position

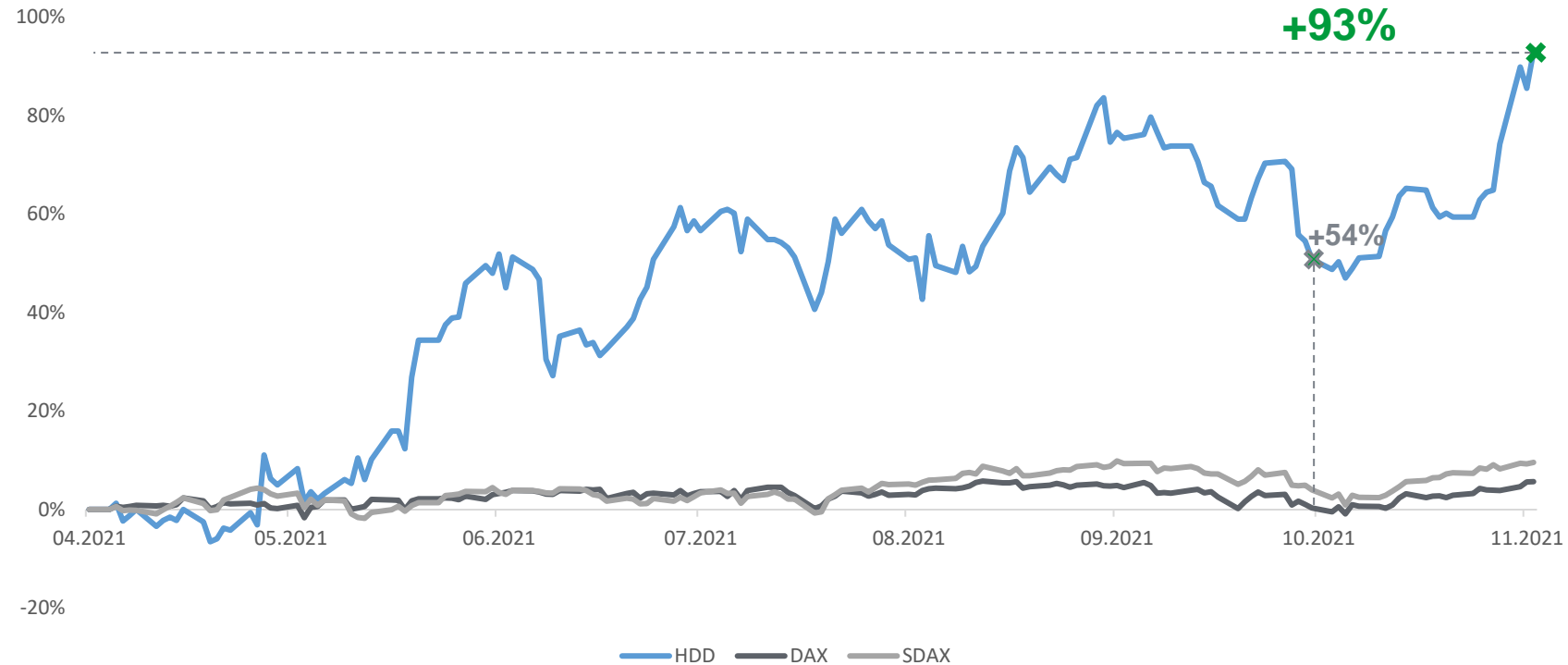


**Confidence** for full-year targets, headwinds from supply and container shortages mitigated so far



Stock price.

**Key values helped our share outperform indices since prior FY.**



**// Implementation of our strategy to continually generate value.**





Strategy update.

## Positive development of our growth areas continues.



- ▶ **Chinese market** recorded strong order intake in H1, especially in the Packaging Segment.
- ▶ **E-mobility** sales tripled compared to last year, despite restrictions in the supply.
- ▶ **New strategic partnership** for subscription financing.
- ▶ **13 % of our sales** comes from recurring contract business.

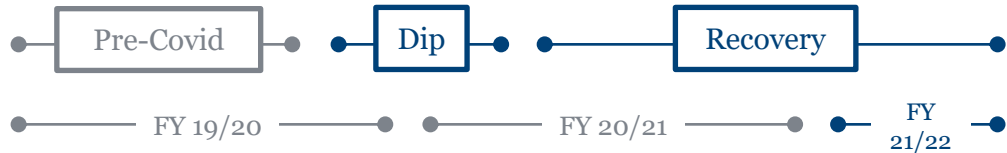
// Strategic initiatives offer high growth potential.



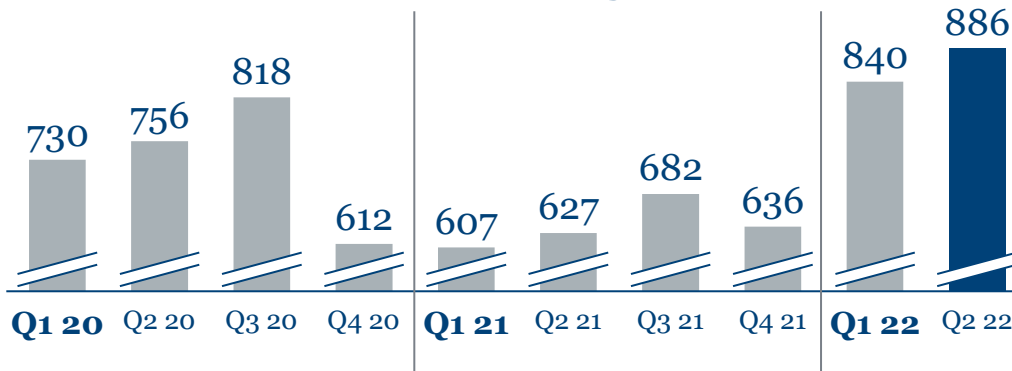


# Order development.

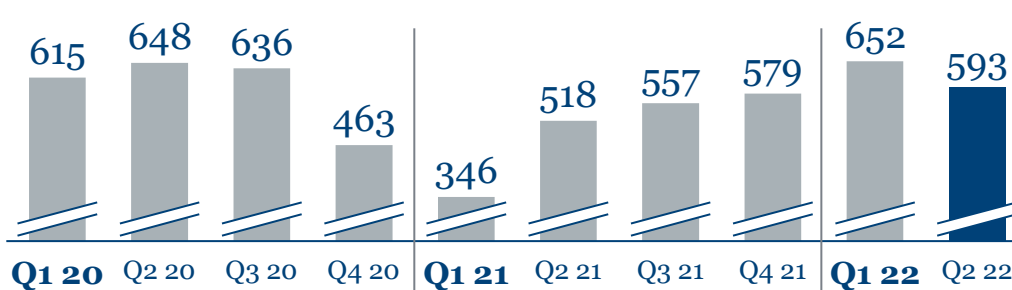
## Strong order backlog at the half-year mark.



### Order backlog



### Order intake



Order book as of September reaches high level at half-year, also due to successful trade fair in China (Q1).



Incoming orders continue underlying recovery after six months.

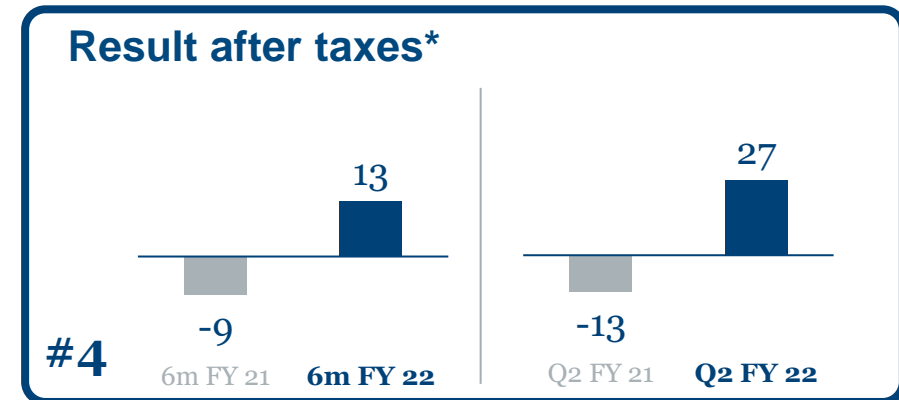
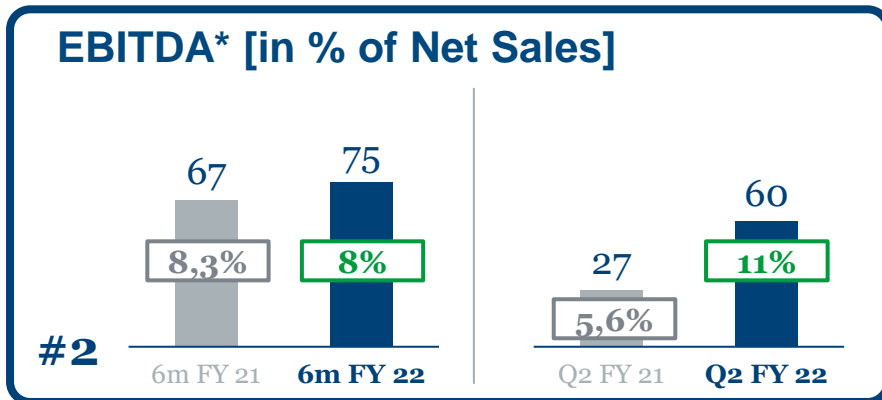
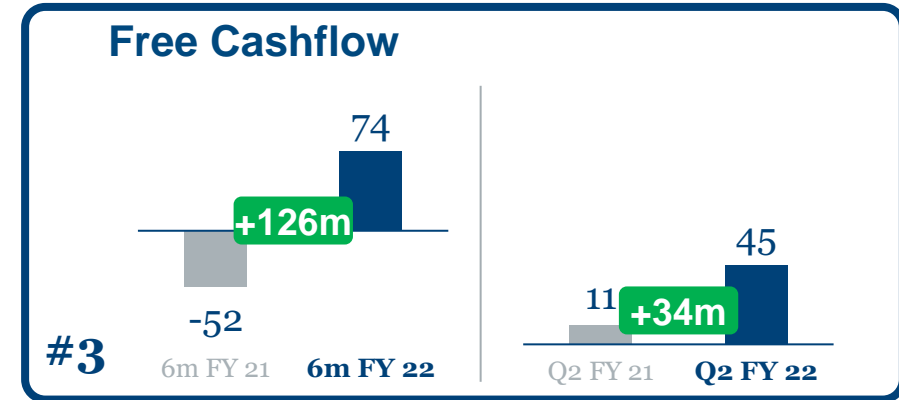
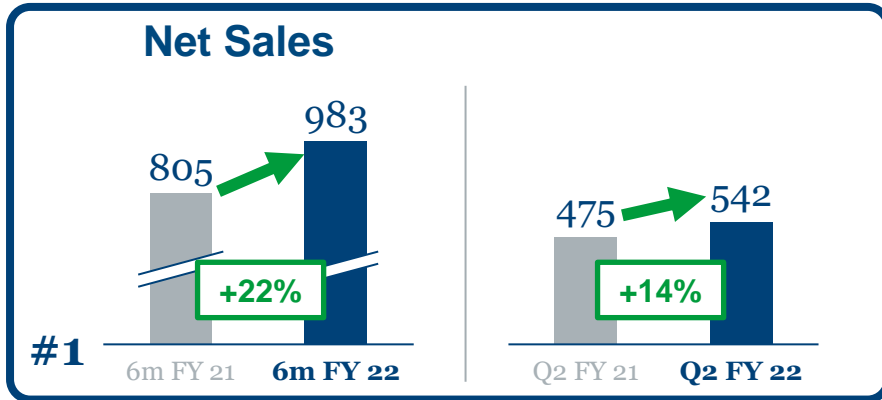


Germany, China and USA in particular are showing a clear recovery.

**Basis for sales ambition created.**

Q2 FY 21/22.

Increasing sales driving improved earnings quality & positive free cash flow.



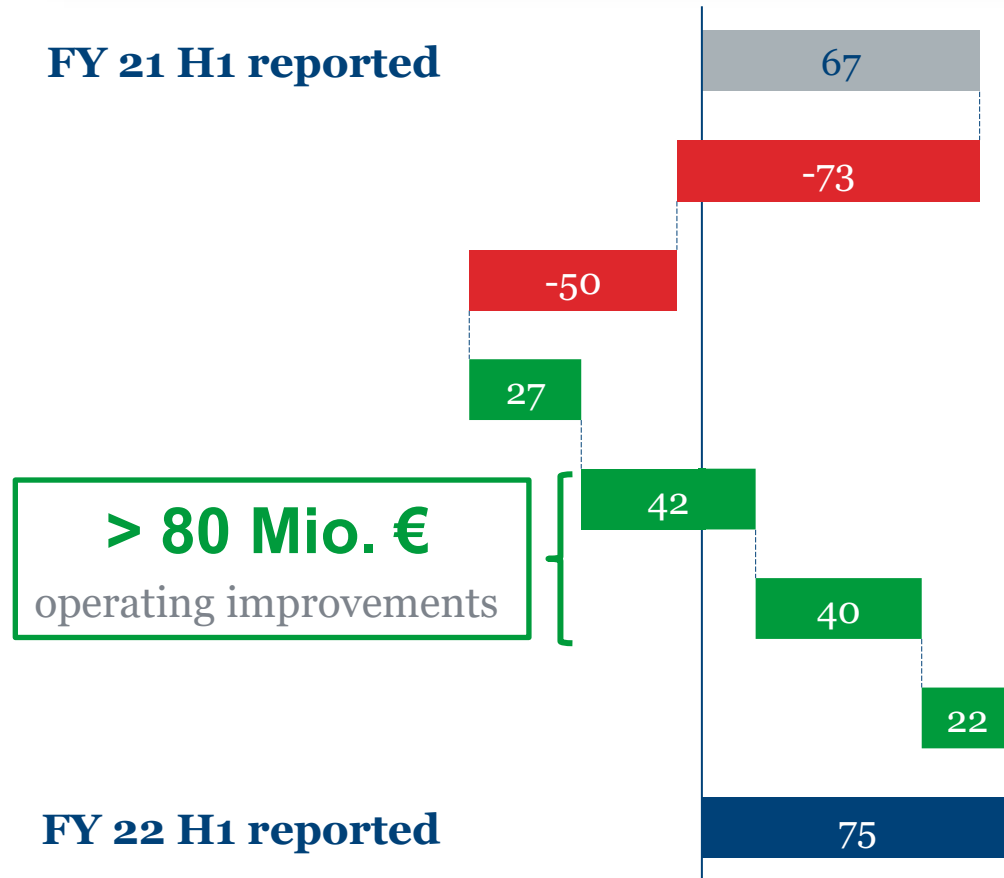
// Positive result after taxes at half year.





# Earnings bridge.

## Significant increase in quality of earnings.



### // Main changes y/y:

- Reorganization of the **pension scheme**
- Lower compensation from **short-time work**
- + **Restructuring expenses** non reoccurring
- + **Volume & margin** improvements
- + Savings of **structural costs**
- + **Net Other** mainly income from M&A activities



New segmentation makes potentials transparent.  
**Strong recovery in core business - new business areas growing.**

Customer Segment	Print Solutions		Packaging Solutions		Technology Solutions	
Customer Category	Commercial	Digital	Folding Carton	Label	E-Mobility	Zaikio*
	Industrial	Print Other	Packaging Other		Printed Electronics	Technology Other
	6m FY 21	6m FY 22	6m FY 21	6m FY 22	6m FY 21	6m FY 22
<b>Net Orders</b>	465	+48% 689	392	+36% 535	8	+163% 21
<b>Net Sales</b>	441	+24% 547	357	+16% 415	7	+200% 21
<b>EBITDA in %** (w/o non-recurring)</b>	8,9% 0%	10,1% 6,1%	7,8% -1,6%	4,2% 4,2%	-6% -6%	10,6% 10,6%





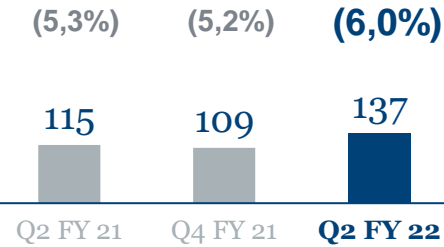
# Financing framework.

## Further risk reduction: slightly positive net financial position.

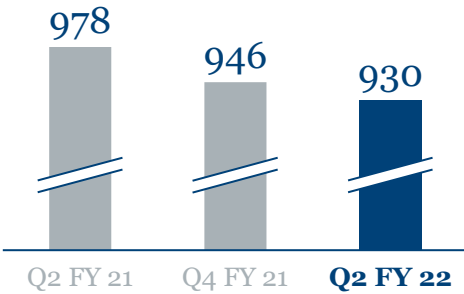
### // Essential factors:

- **Net financial position** has turned positive after further repayment of financial liabilities
- Better financing framework also leads to **reduced interest payments**
- Availability of the RCF **~75% of 250m**
- **Owner's equity raised** to € 137m (at Mar 21: € 109m), due to net profit and lowered pensions

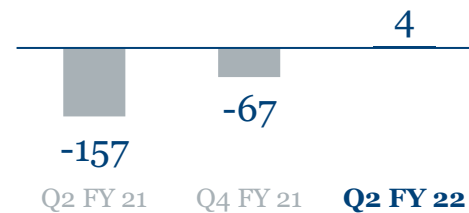
### Equity (ratio)



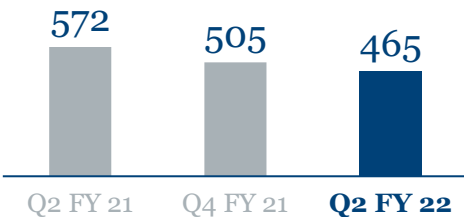
### Pension liabilities



### Net financial position



### NWC





Half year.

## Outlook for the current FY 2021/22 confirmed.



Sales > € 2 billion



EBITDA margin 7-7.5%

- **Strong order backlog** raises confidence in meeting sales target
- **Supply and logistics chains** must be closely monitored
- **Increasing quality of operating result**
- Imminent impact from **material cost inflation in H2**
- **Closing of UK property** expected in H2

// Slight after-tax profit expected for the current year.

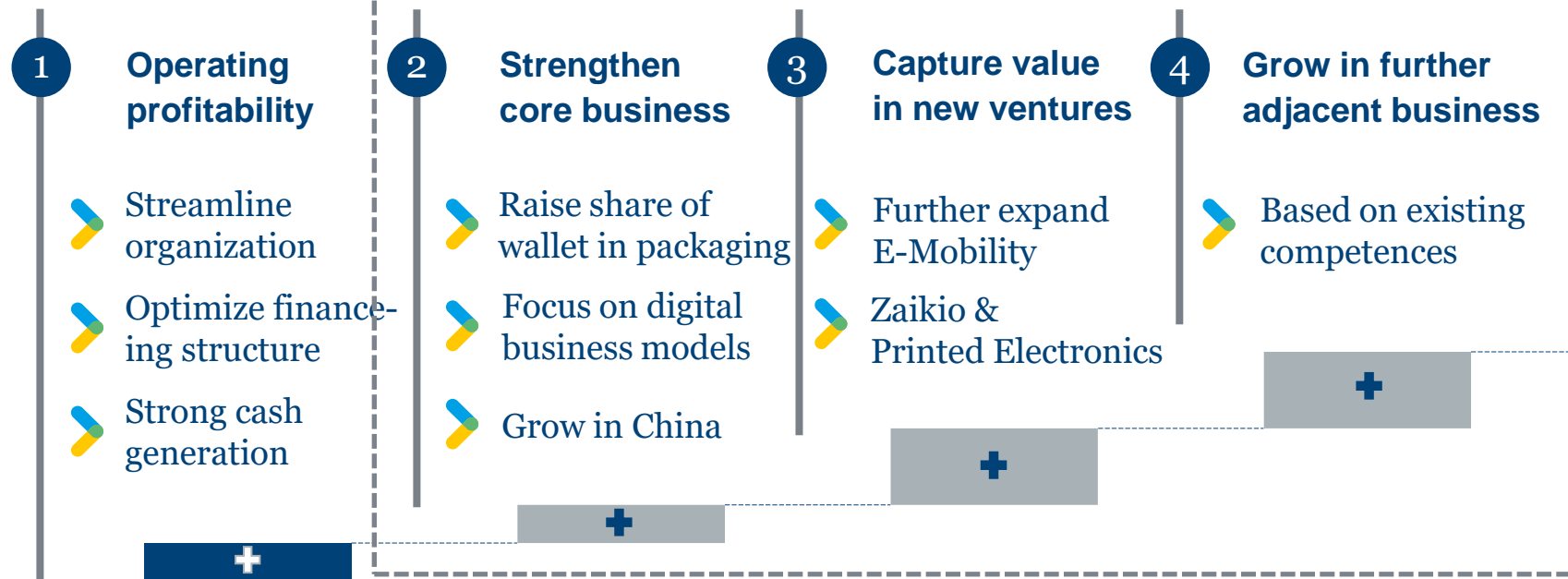




# Value creation.

## Focus on strategic initiatives.

### Value levers



Equity Value

Today: ~ 750m€

> 1,5 bn €



Subscribe to perform.

## Promoting Subscription with a new strategic partnership.

Heidelberg  Munich RE



Offering HD's **pay-per-use model** Subscription Plus



Munich RE will offer its **financing solutions**



Cyclical transactional sales transformed into a **business model linked to the stable print production output.**



Low OOE in the customer base gives **significant potential to grow with customers.**



Subscription contracts **secure access for lifecycle sales over the whole contract time.**



**Asset lean**, only a small amount of own capital employed.

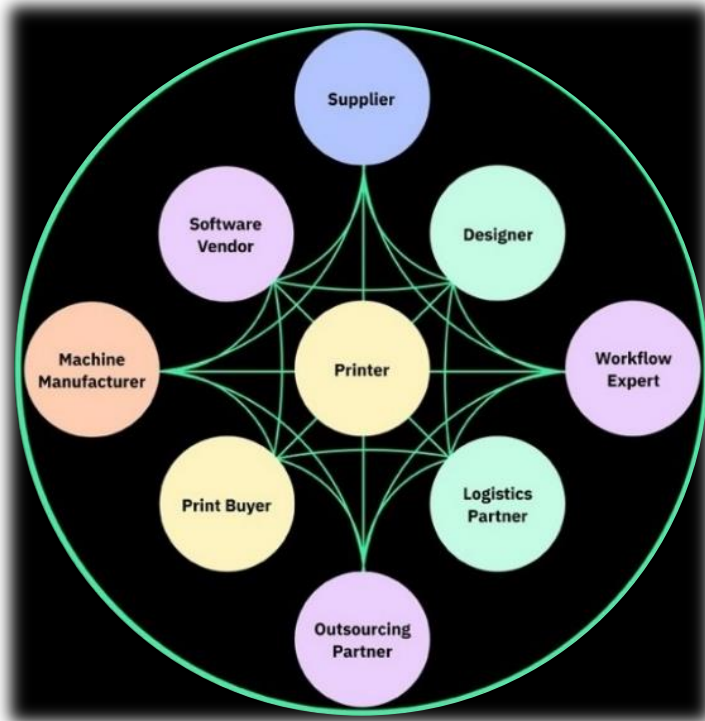
// Cooperation will enable scaling Subscription model for our customers.





Zaikio.

An open, supplier independent, cloud-based industry platform.



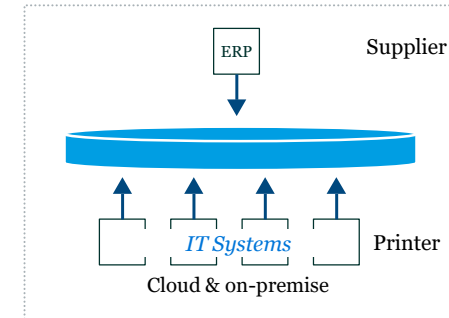
### Procurement platform

// Business proposition:

➤ Collecting transaction fees for enabling seamless **automated and integrated purchasing workflows**

➤ **USP** for print-shops and their suppliers: **right data at the right time in the right IT-system**

➤ **Several printers and suppliers** listed so far, **continuous increase in revenues** in line with our expectations.



// Unique cloud, data and software expertise.

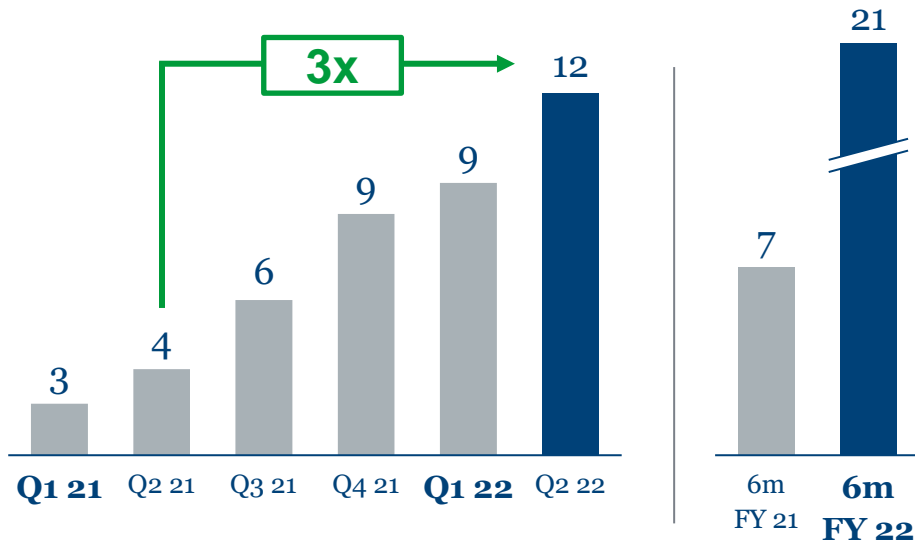
Zaikio





# E-mobility. Growth story continues.

## Net Sales



## Growth drivers:

-  **New registrations** of battery electric cars continue to rise rapidly.
-  Corresponding, **the smallest part** of the required charging points **has been delivered so far**.
-  **Public funding pushes growth** at the beginning.
-  **Explore new markets**, with attractive growth potential.
-  **Further develop new business models**.

// High growth potential despite supply restrictions.

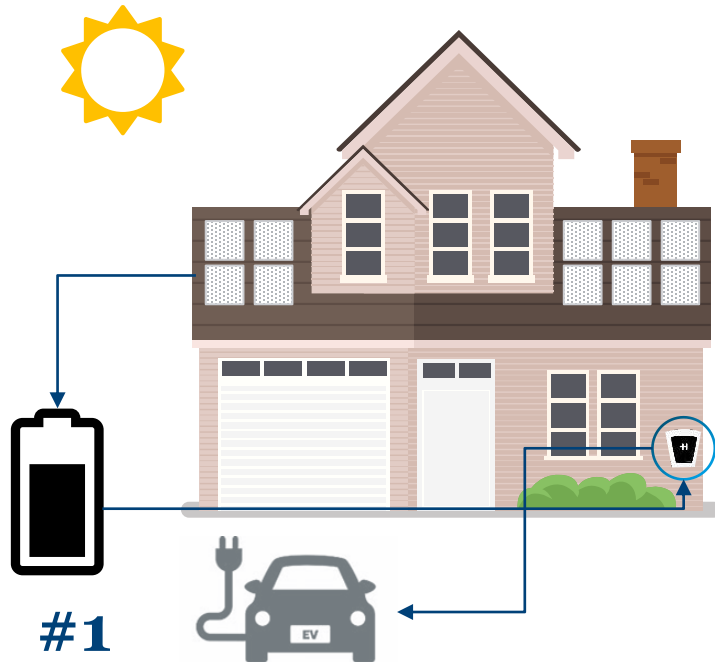




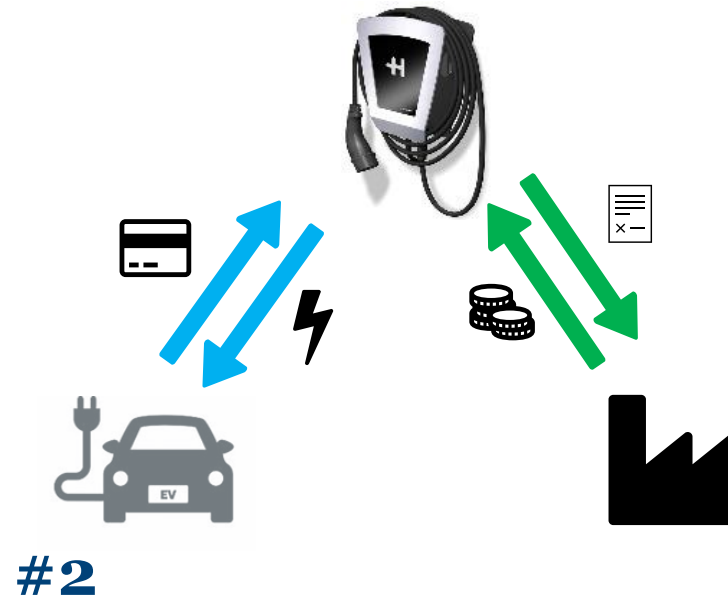
E-mobility.

## Future business models with recurring revenue potential.

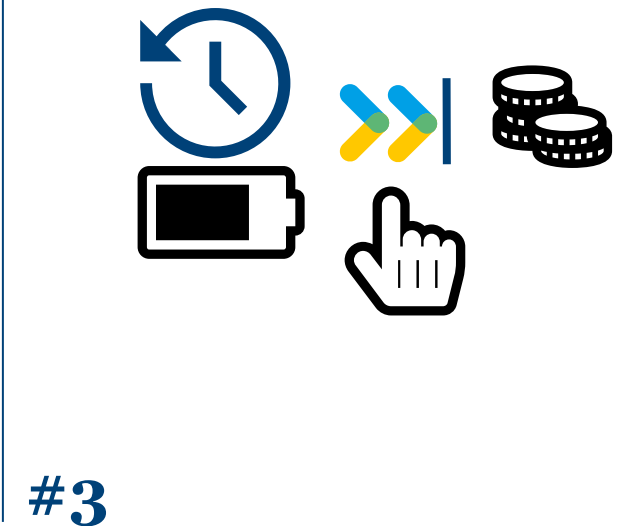
### Home energy management



### Fleet management



### Fast charging as priceable service in semi-public area



// Smart solutions for energy transition and sustainable mobility.





Perspectives.

## Creating added value for customers, shareholders and employees.

Market recovery continued in second quarter.

Focus on **cash management** already generates substantial cash flows.

Net financial debt **completely reduced.**

Strong improvement in operating **profit** through implementation of transformation.

Development of the **supply situation** must be closely monitored.

**Wallbox growth** continues despite supply restrictions.





# Disclaimer



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