

# TECHNOLOGIES FOR TOMORROW

Heidelberger Druckmaschinen AG – Annual press conference

Dr. Ludwin Monz, CEO | Marcus A. Wassenberg, CFO | Wiesloch, June 9, 2022.



## Our management board.



Dr. Ludwin Monz & Marcus A. Wassenberg

### **Dr. Ludwin Monz, CEO**

- Born in 1963
- PhD in physics
- 3/2010 - 12/2021: CEO, Carl Zeiss Meditec AG
- 2014 – 2021: Member of the Management Board, Carl Zeiss AG
- Since 4/2022: CEO, HEIDELBERGER Druckmaschinen AG

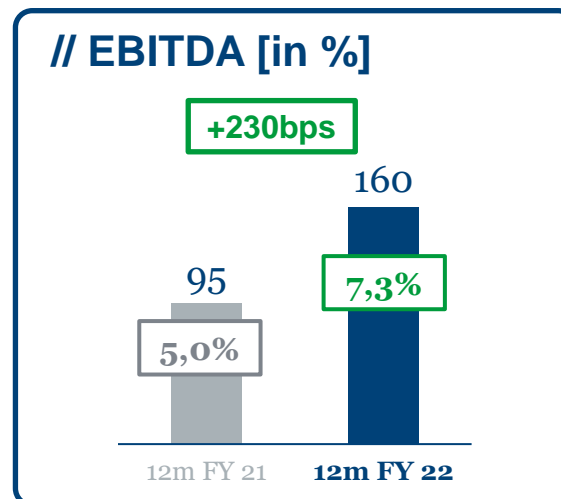
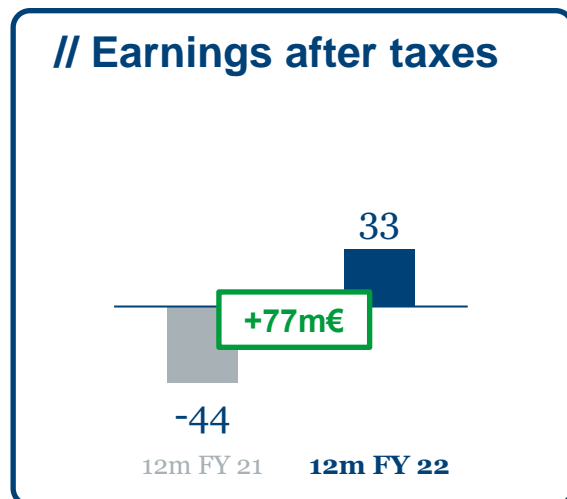
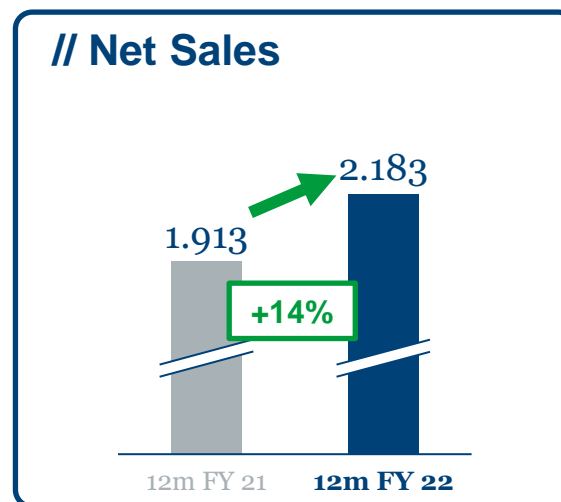
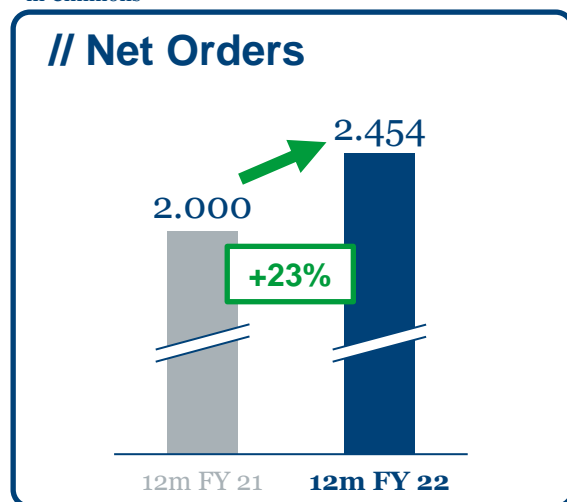
### **Marcus A. Wassenberg, CFO**

- Born in 1966
- Degree in economics.
- 2012 – 2015: CFO, Senvion SE
- 2015 – 2019: CFO, Rolls-Royce Power Systems AG
- Since 9/2019: CFO, HEIDELBERGER Druckmaschinen AG

# FY 2021/2022 highlights.

## Second year in the transformation of HEIDELBERG successfully completed.

in €millions



### Highlights FY 2021/2022.

- Strong market recovery** after Corona normalization allowed **order intake to grow by 23% y/y.**
- Net Sales growth lagged behind** due to lead times - supply shortages also partly a limiting factor.
- EBITDA margin up by 230 bps y/y** – despite material price increases – thanks to volume growth and further cost saving.
- Reduction of the financial result** additionally led to improvements in EaT.

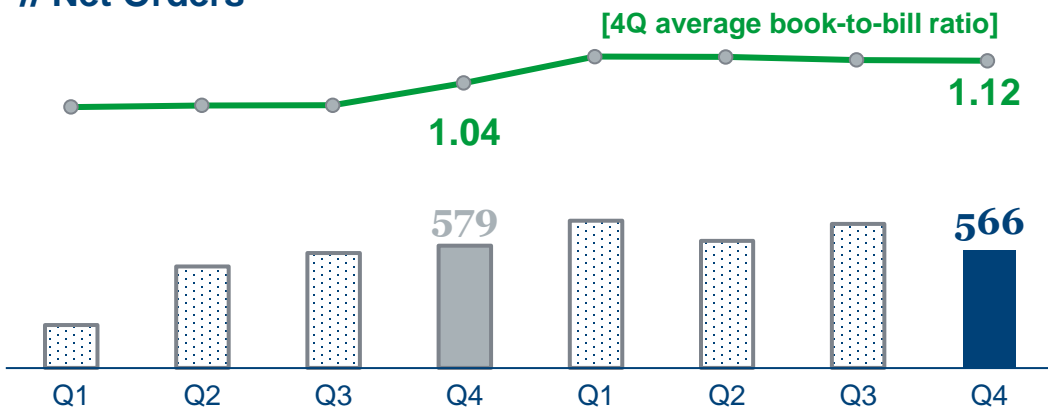
# Q4 FY 2021/2022.

## Order intake adding to solid growth – strong improvement in EBITDA in Q4.

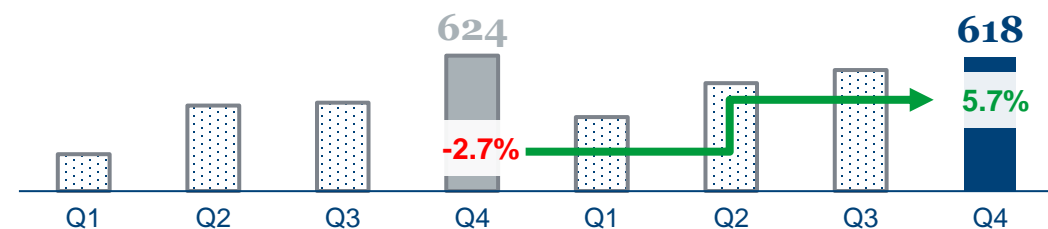
### Order intake & net sales per quarter

in €millions  
 ● FY 20/21 ● FY 21/22

#### // Net Orders



#### // Net Sales [EBITDA-margin clean]



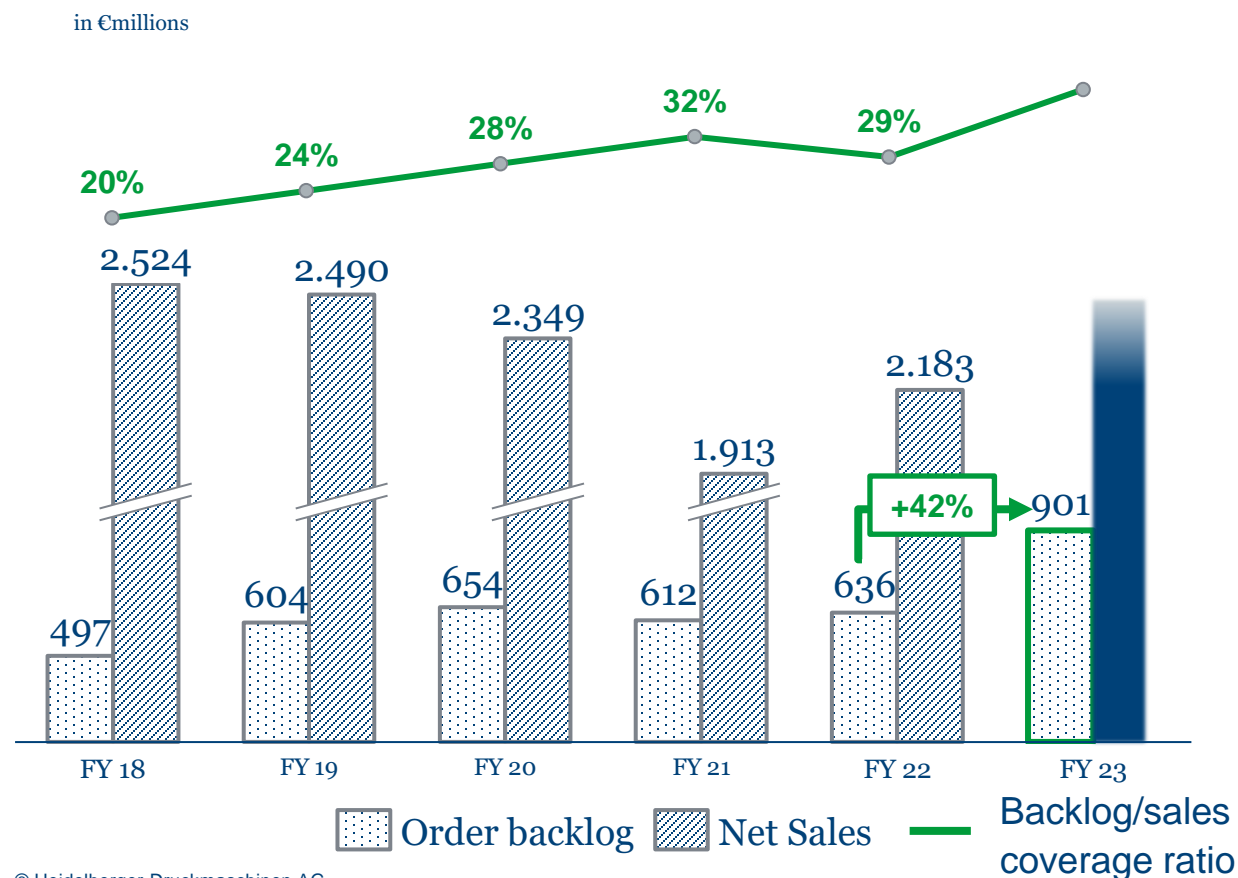
### Quarterly developments

- Q4 in line with prior year, following a strong rebound of order intake after nine months – **March by far the strongest month.**
- EMEA and Asia Pacific** particularly strong during all quarters – **USA** with further growth in Q4.
- Sales grew steadily q/q** and were **more evenly distributed** than in the previous year.
- EBITDA-margin in Q4 with particular strong improvements** compared to previous year.

# Order backlog.

## Highest level in 10 years giving some comfort for FY 22/23 FC.

### Backlog/sales coverage ratio



### Highlights

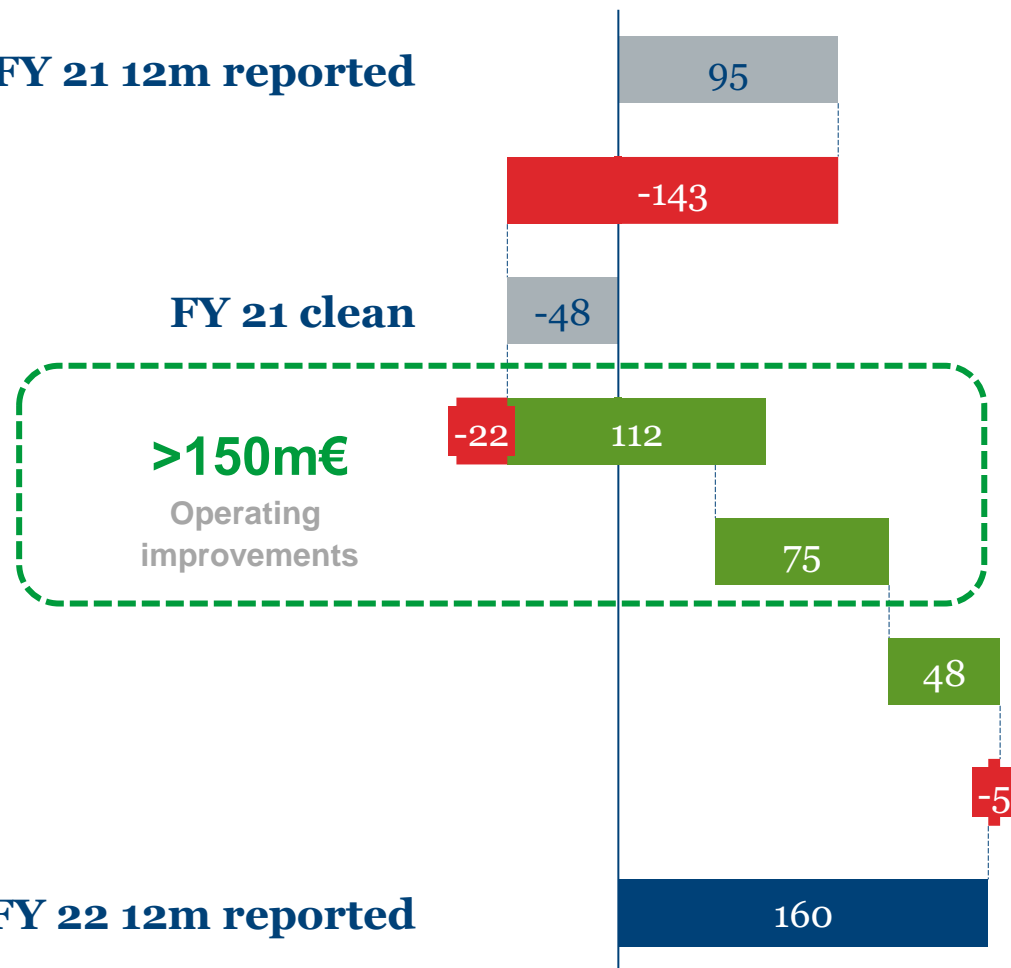
- Order backlog significantly up, now **at highest level in 10 years.**
  
- Ratio of starting backlog to (expected) revenue **on an all time high** → comfort for revenue FC 22/23.
  
- Ratio for **equipment sales** even higher, covering large parts of the production capacities.

# Earnings bridge.

## Significant increase in quality of earnings.

in €millions

**FY 21 12m reported**



### // Main changes y/y:

- Adjusting for non-operating effects FY 21
  - Reorg. pensions scheme
  - Disinvestments
  - Short-time work
- + Restructuring expenses
- + Volume & margin improvements
- material price inflation
- + Increased factory utilization and other cost measures.
- + Income from disinvestments (Property UK + Docufy GmbH)
- Net other (e. g., write-down of assets in relation to sanctions against Russia)

# Segments.

## Strong recovery in Print, Packaging recording growth.

in €millions

### Order intake



### Net Sales

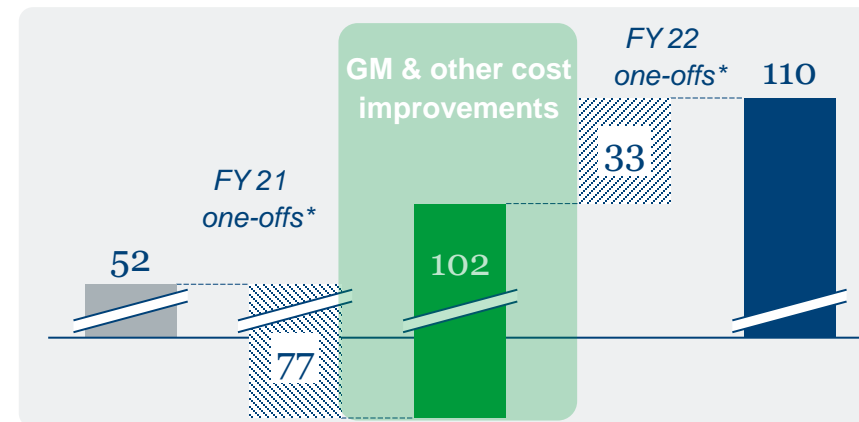
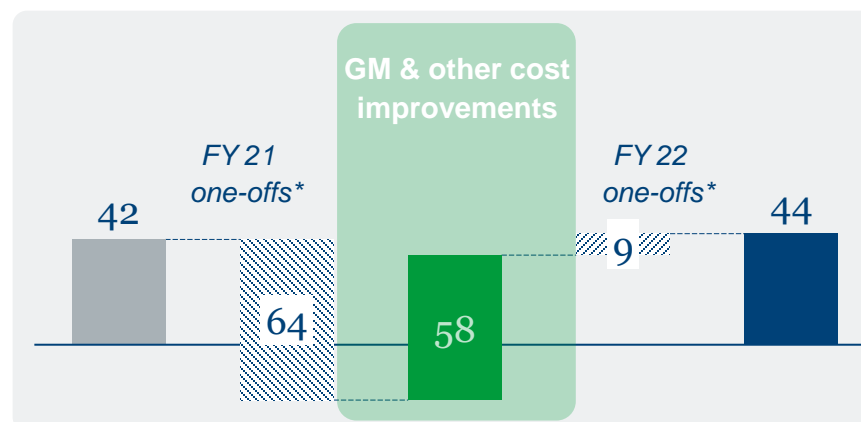
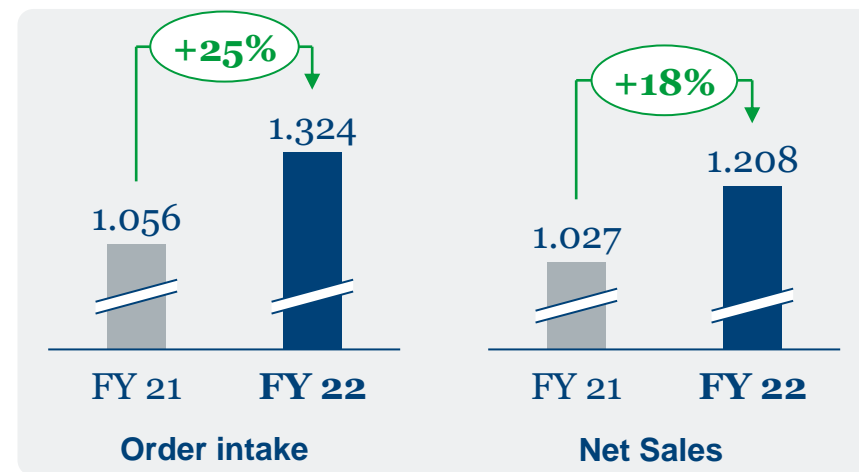
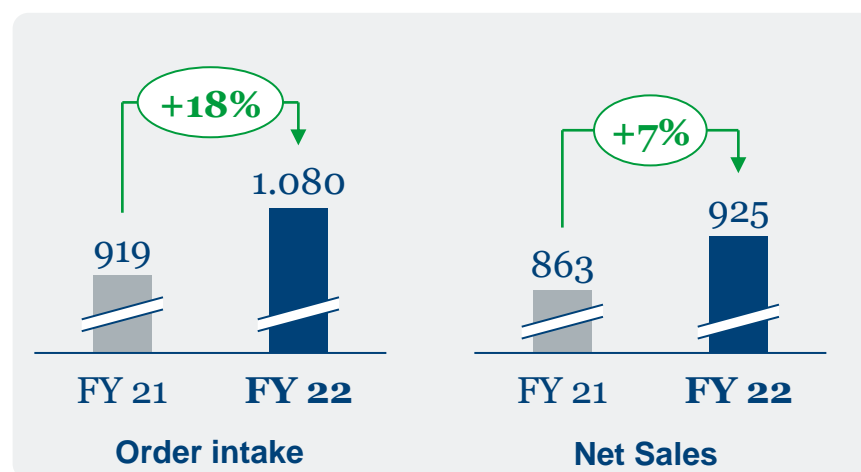
## Packaging Solutions

## Print Solutions

### EBITDA



### EBITDA



# Segments.

## Technology Solutions sales more than doubled thanks to E-Mobility.

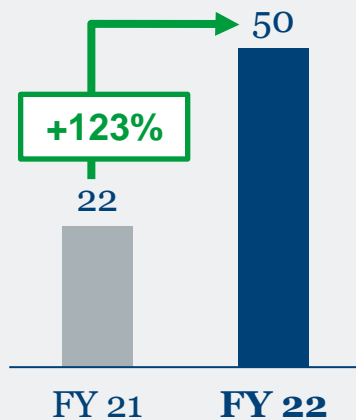
in €millions

Order intake

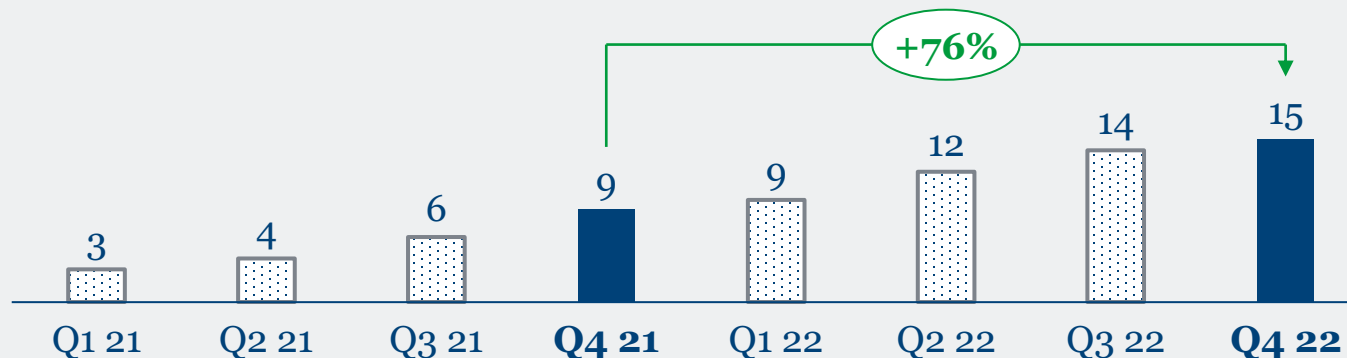


Net Sales

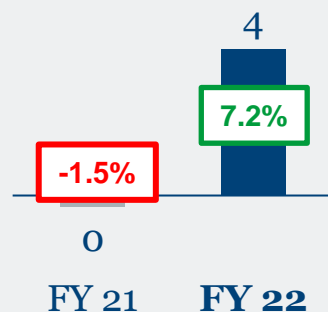
// Net Sales y/y



// Quarterly development



EBITDA



Purely organic sales growth in FY 22.



Supply chain restrictions remain **limiting factor for growth**.

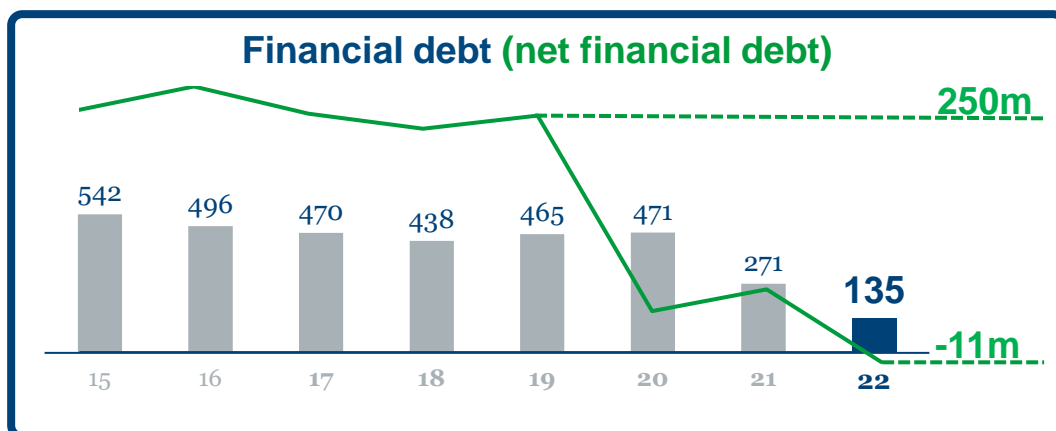
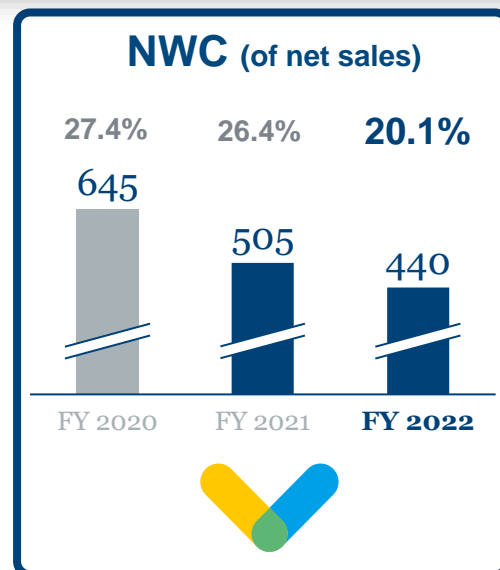
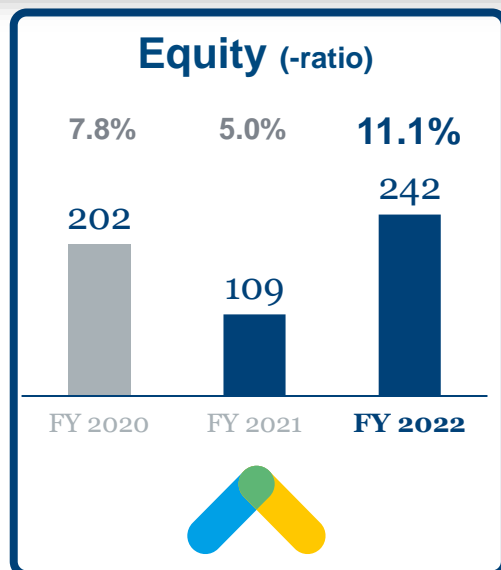


Segment **EBITDA-margin diluted** by branch platform Zaikio.



# Balance Sheet.

## Net cash, financial debt reduced & equity strengthened.

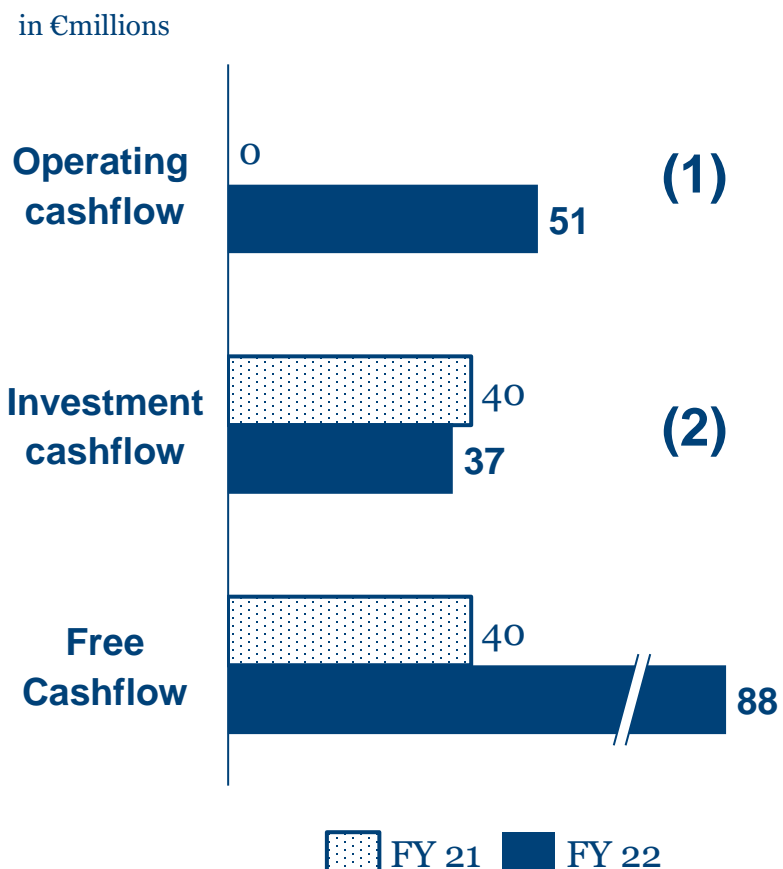


### Essential factors

- **Equity(-ratio) growing by €133m (610bp)** due to increased interest rate for pensions & net profit.
- Continued **reduction of net working capital** – higher inventories overcompensated by down payments & trade payables.
- **Net debt turned into net cash** at the end of FY 21/22.
- **Financial liabilities** significantly reduced.
- **Revolving credit facility** secured (volume) renewed, headroom of 75%.

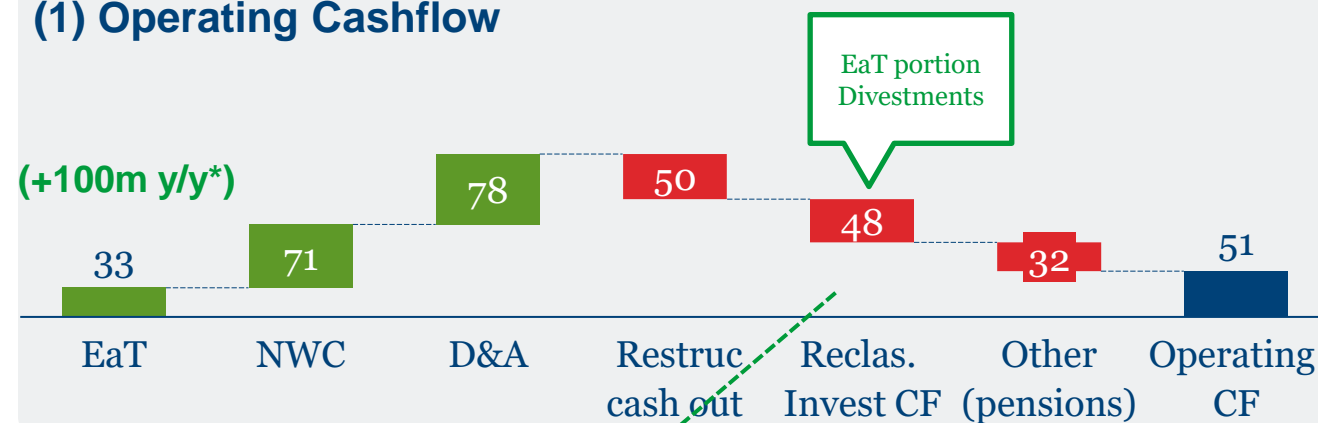
# The restructuring is paying off. Operating cashflow driving FCF improvements.

## Breakdown Free Cashflow



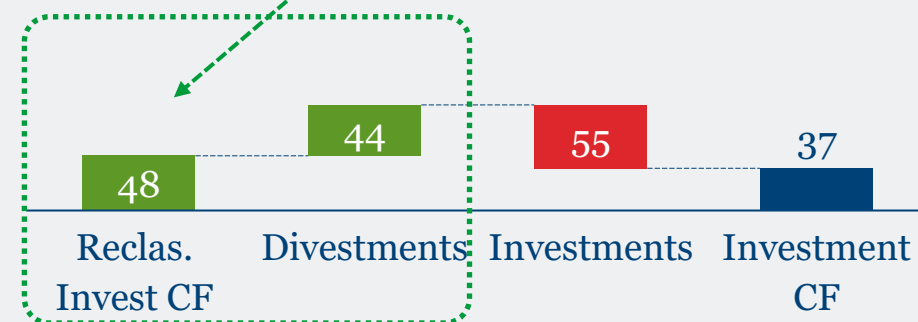
## Essential factors

### (1) Operating Cashflow








\*FY 21/22 with non-cash relevant income from the reorganization of the pension scheme

### (2) Investment Cashflow



Chances and risks ahead.

**What we have on balance at the beginning of the new 22/23 fiscal year.**

<i>Chances</i>	<i>Risks</i>
 <b>Highest Backlog for 10 years</b>	 <b>Zero-Covid-policy in China</b>
 <b>Additional savings from restructuring program</b>	 <b>Macroeconomic risks heightened because of war in Ukraine</b>
 <b>Price increase implemented, effective for FY 22/23</b>	 <b>Accelerated material &amp; energy price inflation</b>
 <b>Improved operating cash generation, net cash</b>	 <b>Labor costs expected to rise as a consequence</b>

Guidance.

**Lack of visibility remains challenging.**

**Net Sales**

**€ ~2.3bn**

(FY 21/22: € 2.18bn)

**EBITDA-Margin**

**>8.0%**

(FY 21/22: 7.3%)

**EaT**

**>FY22**

(FY 21/22: € 33m)

What we build on.

Long-term trends providing favorable growth opportunities.

Packaging Solutions

Print Solutions

Technology Solutions

Applications




Folding Carton



Labels



Commercial



Advertising




Publishing




E-Mobility


Impacting trends




Sustainability driving consumer preference



Superior circularity



Rising population



Digitization

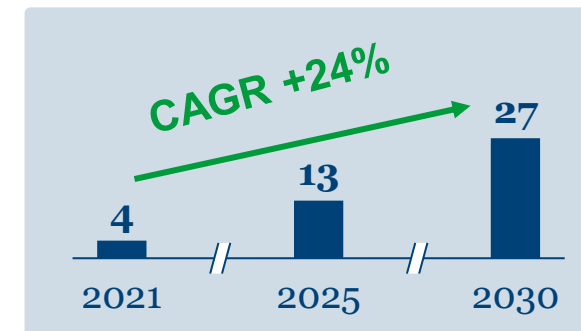
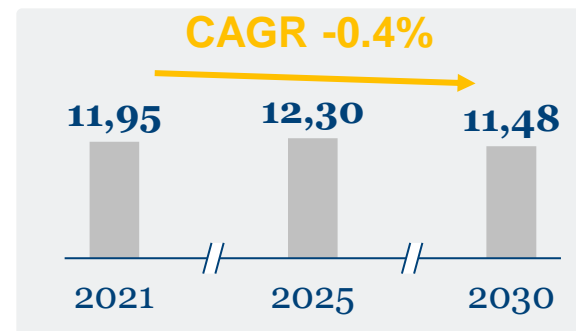
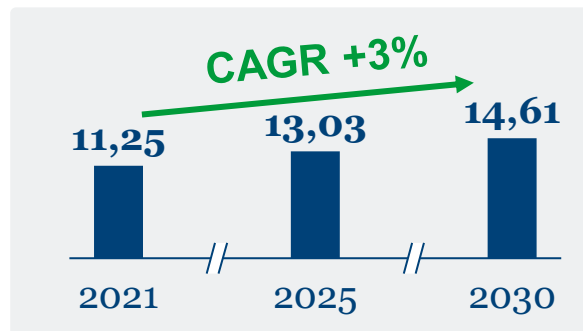


Sustainability & green energy transition



Political willingness

Growth outlook



# Key takeaways.



**Successful FY 21/22** – strengthened balance sheet and improved operating profit.

**Chances & risks ahead** – HEIDELBERG shows resilience in uncertain times.

**Growth opportunities** – favorable opportunities in core business and developing new markets.