

Press Information

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HEIDELBERG makes successful start to 2022/23 financial year – sales and earnings increase in Q1

- **Sales show clear growth, rising by some 20 percent to €530 million**
- **High customer demand results in incoming orders worth €607 million**
- **Large order backlog of €969 million provides sound basis for the rest of the financial year**
- **Noticeable improvement in operating result – EBITDA increases by €20 million to €35 million**
- **Positive net result after taxes: €5 million**
- **Forecast for 2022/23 financial year confirmed**

Heidelberger Druckmaschinen AG (HEIDELBERG) has made a successful start to the new 2022/23 financial year. The first quarter saw significant improvements in both sales and operating profitability, thanks to the continued recovery of the markets in almost all regions and the progressive success in transforming the company. For example, the **Group's sales figures** between April and June grew by 20 percent year on year to €530 million. This significant increase can largely be attributed to the rise in the number of new machines delivered. The regions of Europe and North America recorded particularly positive developments. By contrast, results in China were sometimes weaker compared to the previous year, due to the extensive lockdowns in the economically relevant cities. Thanks to higher sales and the ongoing reduction of structural costs, HEIDELBERG significantly improved its **operating result (EBITDA)** in the first quarter, recording an increase of €20 million to €35 million. In addition, it was possible to pass on sustained increases in material costs.

Chairman of the Supervisory Board / Vorsitzender des Aufsichtsrats: Dr. Martin Sonnenschein

Management Board / Vorstand: Dr. Ludwin Monz, CEO / Vorsitzender • Marcus A. Wassenberg

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“The positive start to the new financial year gives us cause to be cautiously optimistic as we look forward,” commented Dr. Ludwin Monz, CEO of the company. “Provided there is no downturn in the general economic environment, we are confident we will reach the annual targets we have set. We will support our growth by expanding our products and services for digital printing in the label market and launching new, networking-capable wallboxes in the electromobility sector.”

Forecast for 2022/23 financial year confirmed

Despite ongoing global uncertainties, HEIDELBERG believes it has good opportunities for profitable growth in the 2022/23 financial year, too. The company continues to expect sales figures to grow to around €2.3 billion (2021/22: €2.183 billion), provided there is no significant downturn in the general economic environment. Profitability is also expected to improve further. HEIDELBERG is forecasting further improvement in the EBITDA margin to at least 8 percent for the 2022/23 financial year (2021/22: 7.3 percent). The net result after taxes is also expected to increase slightly compared to 2021/22 (€33 million).

High level of demand in spite of economic uncertainties

Incoming orders of €607 million in the first quarter showed a return to the pre-pandemic 2019/2020 level (€615 million) – even though business in China was curbed by the two-month COVID-19 lockdown in Shanghai and the war in Ukraine led to weaker demand in Eastern Europe. It was not quite possible to reach the previous year’s high figure of €652 million, as this had been unusually high due to the China Print trade show in 2021. However, the **order backlog** saw a further significant increase of 15 percent during the first quarter, totaling €969 million on June 30, 2022 (previous year: €840 million).

All **segments** increased their sales during the first quarter. Growth in Packaging Solutions, at around 28 percent, was particularly strong. The Group also recorded slight increases in its incoming orders and sales figures in **electromobility**, even though the availability of electronic components was restricted to some extent. Further growth in this segment is expected to become slightly weaker due to promotional schemes coming to an end, longer delivery times for electric vehicles, and supply chain bottlenecks on the customer’s side (in relation to installation).

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Noticeable improvement in operating result

With the significant **EBITDA** increase to €35 million (same quarter in the previous year: €15 million), the **EBITDA margin** rose from 3.5 percent to 6.7 percent. The substantially higher sales volume with an improved price quality of orders had a positive impact in this regard, as did the sale of a site in St. Gallen, which generated a slightly double-digit million euro sum. By contrast, however, increased material costs and the temporary closure of the plant in Shanghai had a negative effect. The **net result after taxes** was positive during the period under review and amounted to €5 million (previous year: €–14 million).

Net financial debt remains low – equity ratio rises

After three months, a close to break-even **free cash flow** situation was achieved, with a figure of €–1 million (previous year: €29 million). Compared to the previous year, the slight increase in net working capital was noticeable. This rise was due to the high volume of orders and the lower revenues from the sales of assets. With a figure of €5 million, the **net financial debt** continued to be at a low level (previous year: €41 million). HEIDELBERG also recorded further progress in terms of its **equity ratio**. Alongside the quarterly profit, this grew to around 18 percent, partly due to the increase in the actuarial interest rate for pensions in Germany.

“In addition to the recovery of the markets, we are increasingly reaping the benefits of the measures we have taken to boost efficiency within the Group,” commented HEIDELBERG CFO, Marcus A. Wassenberg. “At the start of the new financial year, HEIDELBERG has again made itself more robust and is in a good financial position. We therefore feel confident as we look to the future, in spite of the economic risks.”

The full **report for the first quarter of 2022/23**, image material, and further information about the company are available in the [Investor Relations](#) and [Press Lounge](#) of Heidelberger Druckmaschinen AG at www.heidelberg.com.

Heidelberg IR also on Twitter:

Link to the IR Twitter channel: https://twitter.com/Heidelberg_IR

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Important note:

This press 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 press release.

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INTERIM STATEMENT FOR THE FIRST QUARTER OF 2022/2023

Key figures at a glance

Figures in € millions	Q1 2021/2022	Q1 2022/2023
Incoming orders	652	607
Order backlog	840	969
Net sales	441	530
EBITDA ¹⁾	15	35
in percent of sales	3.5	6.7
Result of operating activities (EBIT)	-4	16
Financial result	-8	-7
Net result before taxes	-12	9
Net result after taxes	-14	5
Equity	82	405
Net debt ²⁾	41	5
Leverage ³⁾	1.7	0.0
Free cash flow	29	-1
Earnings per share in €	-0.05	0.02
Number of employees at end of quarter (excluding trainees)	10,115	9,568

¹⁾ Result of operating activities before interest and taxes and before depreciation and amortization

²⁾ Net total of financial liabilities and cash and cash equivalents and current securities

³⁾ Ratio of net debt to EBITDA for the last four quarters