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HEIDELBERG on course after start of financial year 2023/2024

- **Off to a good start: sales and EBITDA for first quarter up on previous year**
- **Incoming orders stable: recovery in Asia but muted demand in other parts of the world**
- **Strong growth areas: machines for digital label printing and packaging printing**
- **Adjusted free cash flow: slightly better compared with previous year but negative overall**
- **Financing structure: realigned in the medium term**

Heidelberger Druckmaschinen AG (HEIDELBERG) has made a good start to the new financial year thanks to the recovery in Asia and growth in the packaging segment. The technology company's **sales** in the first three months (April 1 to June 30, 2023) climbed year-on-year from € 530 million to € 544 million. The adjusted **operating result** (EBITDA) of € 42 million was around € 18 million up on the adjusted figure for the corresponding quarter of the previous year. The corresponding EBITDA margin was 7.7 percent (previous year: 4.6 percent). The **net result after taxes** improved to € 10 million (previous year: € 5 million). On a regional level, **incoming orders** grew strongly in Asia but demand in other markets was rather muted.

Strategically well positioned in the dynamic packaging printing market

In the **Packaging Solutions segment**, HEIDELBERG recorded particularly strong growth of around 25 percent in incoming orders. "HEIDELBERG is strategically well positioned in its core market of printing and can thus cushion restrained developments in other areas," says HEIDELBERG CEO Dr. Ludwin Monz. Thanks to the new

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Boardmaster for highly productive packaging printing that was unveiled in May 2023, the company already generated initial sales in the first quarter. The demand for the new Gallus One in the growth area of digital label printing also confirms the market trend.

Free cash flow improved in the first quarter compared with the prior-year figure adjusted for special items but remained negative overall compared with the previous year at € -27 million. The reason for this was the absence of positive special items, as had been realized in previous years. “The quarterly result shows that our value creation program, with which we aim to significantly increase our free cash flow, remains vital,” says HEIDELBERG CFO Tania von der Goltz. Under the program, the company intends to continue to offset cost increases with price increases and maintain strict cost discipline.

Medium-term financing structure realigned

HEIDELBERG has restructured its loans, and, at the end of July, it agreed a significant increase in the credit facility with its bank consortium. This now offers a syndicated credit line of € 350 million over a four-year period, with an option to extend for a further year. “The newly agreed financing structure underlines the financial market’s confidence in the strategic approach we have adopted to further boost the company’s financial strength and step up our investments in growth areas,” says Tania von der Goltz.

Start to financial year 2023/2024 confirms forecast

The **forecast** for financial year 2023/2024 remains as published on June 14, 2023. Assuming the global economy does not see weaker growth than predicted by the economic research institutions and sales remain at the same level, HEIDELBERG is expecting the company’s development to remain stable.

Figure 1: High-productivity packaging printing: First sales successes of HEIDELBERG with new Boardmaster flexographic web press.

Image material and further information about the company are available in the [Investor Relations](#) portal and [Press Lounge](#) of Heidelberger Druckmaschinen AG at www.heidelberg.com.

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Key figures at a glance

Figures in € millions	Q1 2022/2023	Q1 2023/2024
Incoming orders	607	591
Order backlog	969	877
Net sales	530	544
Adjusted EBITDA ¹⁾	24	42
in percent of sales	4.6	7.7
EBITDA ¹⁾	35	42
Result of operating activities (EBIT)	16	23
Financial result	-7	-8
Net result before taxes	9	15
Net result after taxes	5	10
Free cash flow	-1	-27
Equity	405	515
Net financial position ²⁾	-5	18
Earnings per share in €	0.02	0.03
Number of employees at the end of quarter (excluding trainees)	9,568	9,477

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

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