

Expanding horizons: Improving financial competitiveness for future growth.

Heidelberger Druckmaschinen AG

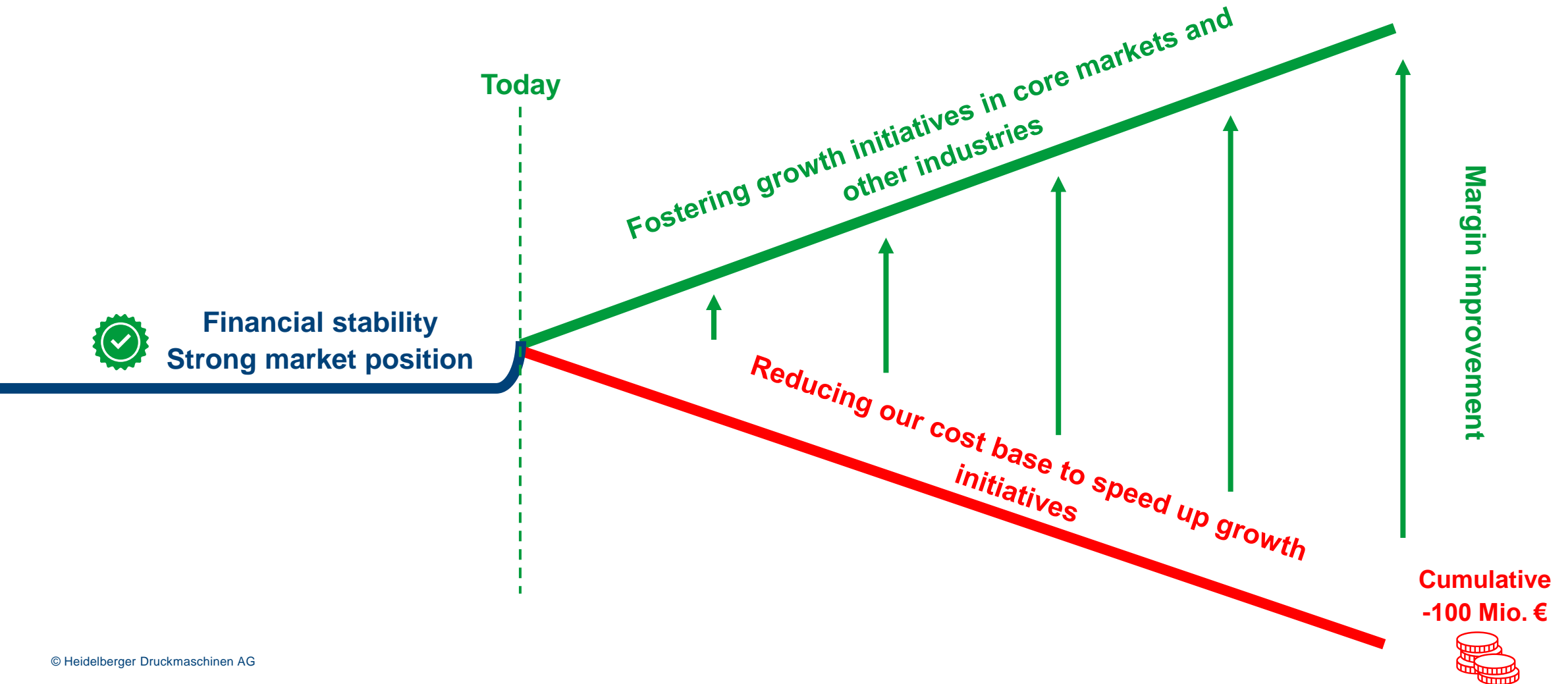
December 2024



Disclaimer

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.

Our future plan. Improving financial competitiveness for sustainable growth.



New mid-term targets.

HEIDELBERG will return to a growth path in core markets and beyond.



Expanding horizons

>+300 m€

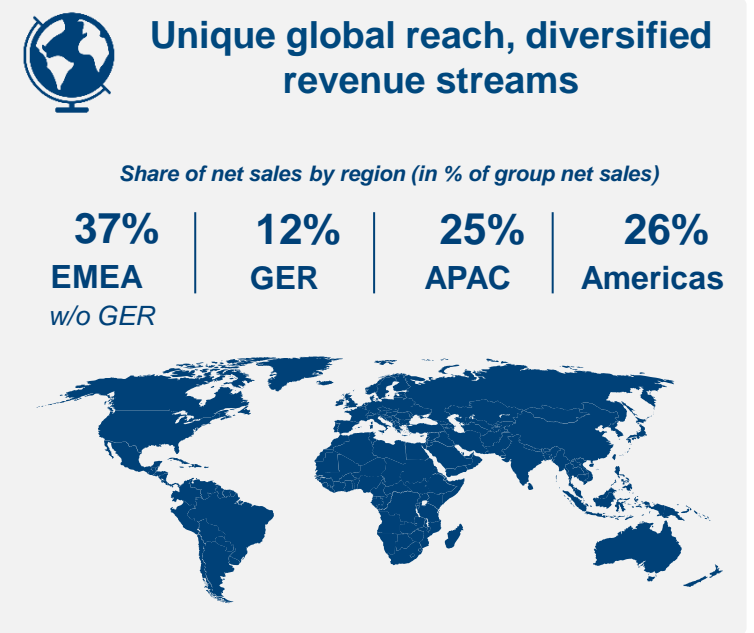
Sales potential by FY 2028/29 of initiatives in core markets & beyond

Expanding horizons.

Strong market position and globally diversified reach mark a strong foundation.



Technology leader for packaging printing technologies



Growth and value creation

Expanding horizons.

A full package of future opportunities for HEIDELBERG.

Packaging end-markets yielded significant growth since 2014



Packaging Solutions Net Sales in m€, FY 14
indicative figure

Key growth drivers

Increase the addressable market

- Gain market share in emerging markets
- Explore potential beyond paper-based packaging

Capitalize on transition from foil to paper

- Customer demand & legislation drive the transition to paper
- Barrier coatings are speeding up the transition

System integrator for packaging production

- Expanding focus beyond the printing process
- Extended focus on Postpress, automatization technologies and software integration (Prinect)

Expanding horizons.

Combining Offset & Inkjet printing will be the future of commercial printing.

HEIDELBERG will address inkjet printing going forward

MOVING THE BARRIERS: extended focus in commercial printing

Traditional focus in commercial printing

Offset (Commercial)



Inkjet Digital (Commercial)



Key growth drivers

Capitalize on growth in inkjet printing

- Market is growing from 5bn€ to 7,5bn€ in 2029!
- Roll-out of the partnership with Canon, an invest/Capex lean model

Increase profitable recurring revenue

- HEIDELBERG is serving the aftermarket within the cooperation with Canon
- 2/3 of inkjet related sales are generated through the installed base

Enable hybrid print production (USP)

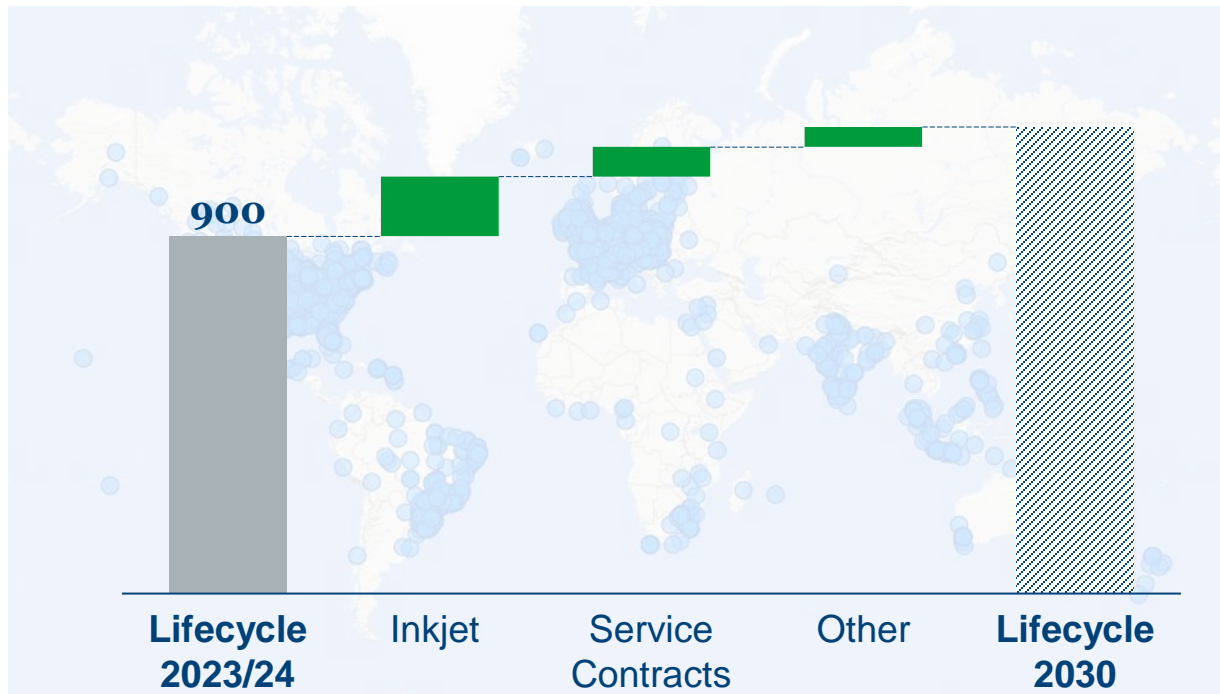
- Print Volume is shifting gradually from offset to inkjet printing
- Demand for hybrid production combining offset and inkjet in an integrated workflow is a HEIDELBERG USP

Expanding horizons.

Lifecycle is a resilient business unit with strong recurring revenue potential.

HEIDELBERG is generating 900m€ trough lifecycle¹ offerings

(Net Sales, FY 2023/24 figures)



Key growth drivers

Improve global service coverage

- HEIDELBERG has the largest installed base of the industry, with ~10k assets addressable
- Differentiate service offering: Stronger alignment of pricing with customers service level needs

Increase share of wallet in customers spends

- Push digitization and AI within service operations
- Utilize our mass data base generated by 3000 sensors within a single machine for new service models

Adjustments within service organization

- Split between operating and strategic Service functions
- Consolidation of sales & service activities under a new holding unveils high hidden reserves

Expanding horizons.

HEIDELBERG Industries will be the next step in our Technology segment.

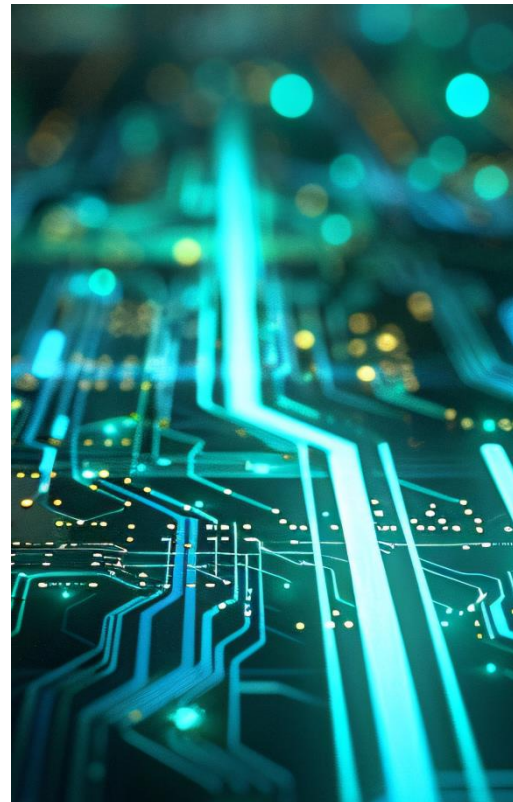
E-Mobility

Charging Technology



HEIDELBERG Industries

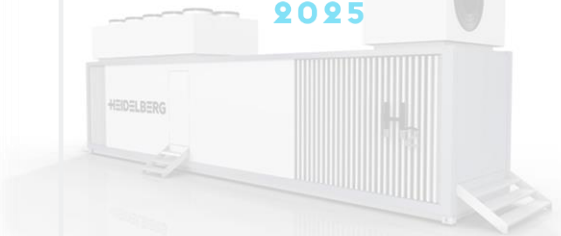
System engineering & Power electronics



More to come

Starting March 2025

COMING SOON
2025



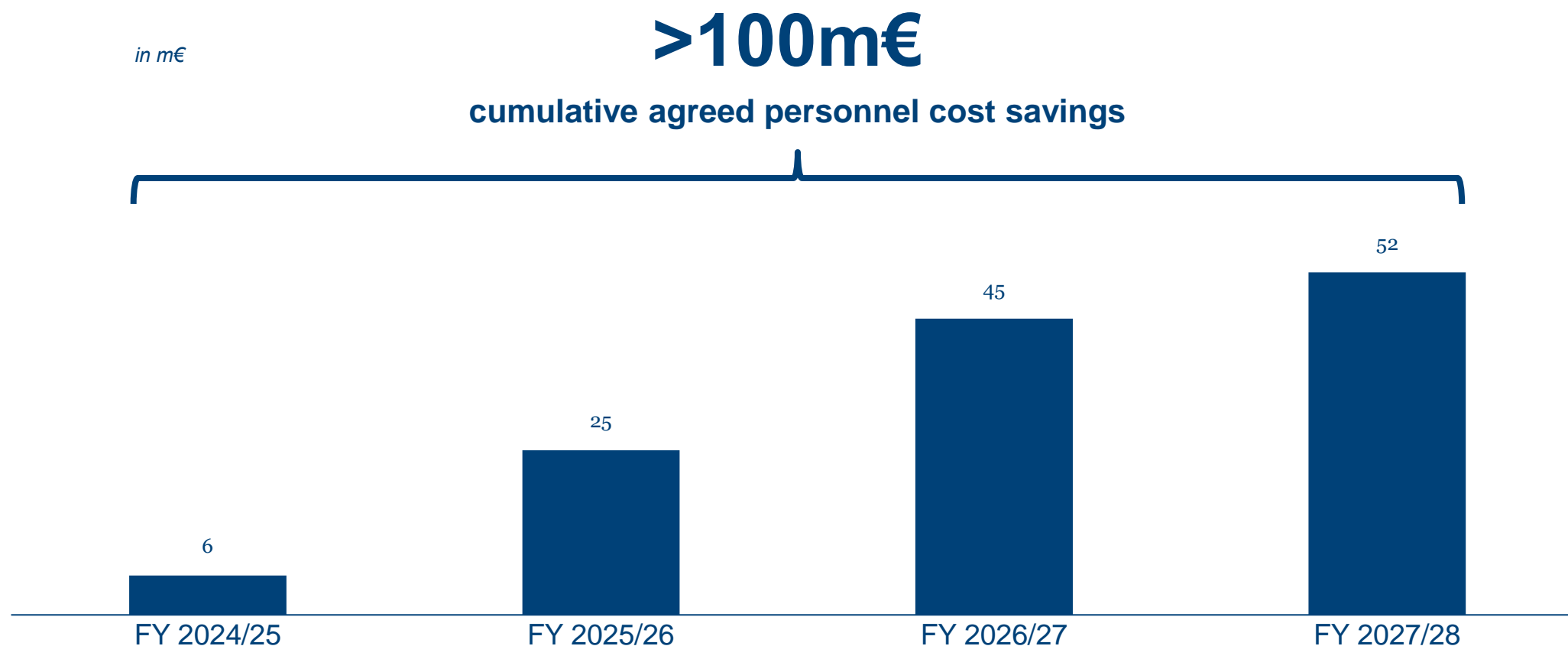
Our plan.

Improving financial competitiveness for future growth.



Future plan agreement: More than 100m€ savings.

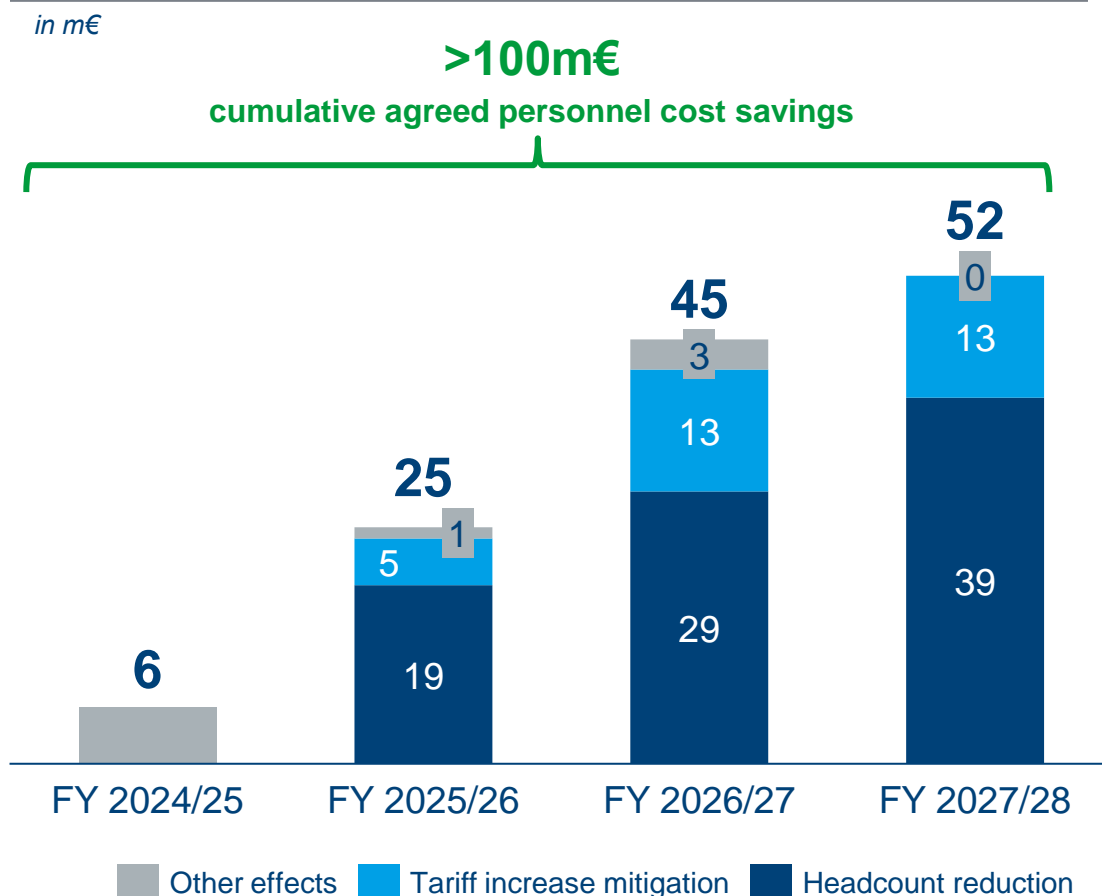
Reducing personnel costs at Wiesloch*: A key step to improve competitiveness.



Financial competitiveness.

Reducing personnel costs by 100m€ supports future adjusted EBITDA.

Annual personnel costs savings (in m€)



Key takeaways:

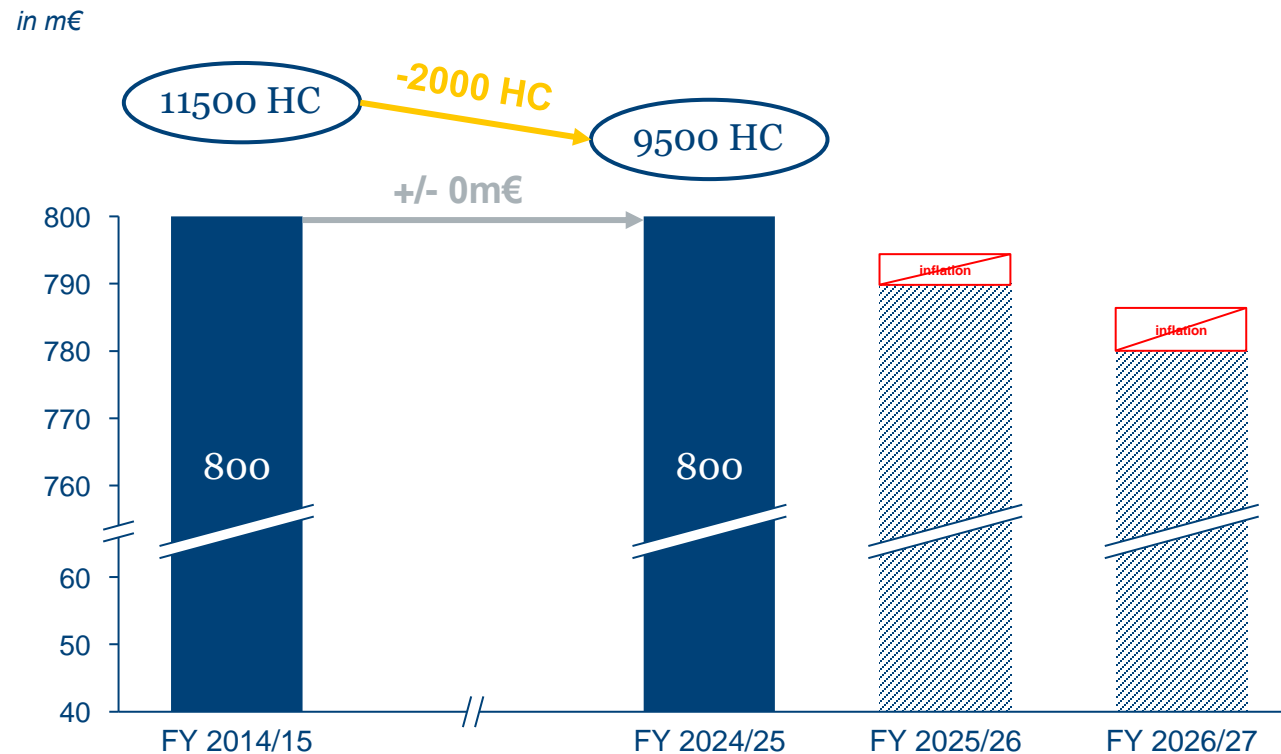
- **Net savings:** reduction of up to ~450 FTE over the next three years, will sustainably improve bottom-line performance.
- **Savings will not be eaten up by wage inflation** on remaining cost base: tariff increases for workforce will be limited for the next two years.
- One-time P&L effect of ~30m€ will be recognized in Q3 FY 2024/25, **which will be excluded from adjusted EBITDA (guidance confirmed).**

In contrast to prior initiatives.

Limiting future inflation will safeguard sustainability of EBITDA-impact.

Personnel cost remained stable in the past despite significant lay-offs in the past.

Key takeaways:



- Reduction of ~400 FTE in Wiesloch-Walldorf will **sustainably reduce personnel costs by 35-40m€ in FY 2027/28.**
- Sustainability based on **limiting tariff increases for the next two years (at 5%).**
- **Further agreements** for remaining production sites under negotiation.

Executive Summary.



Future plan agreement is a key enabler in our strategy and will **reduce personnel costs by cumulatively >100m€** over the next years.

HEIDELBERG is returning to a growth path: Initiatives with sales potential of more than 300m€ in core markets & beyond.

Guidance for FY 2024/25 confirmed, despite ongoing margin headwinds. Expenses for future fund will be excluded from adjusted EBITDA.