

Results Q1-2017/2018

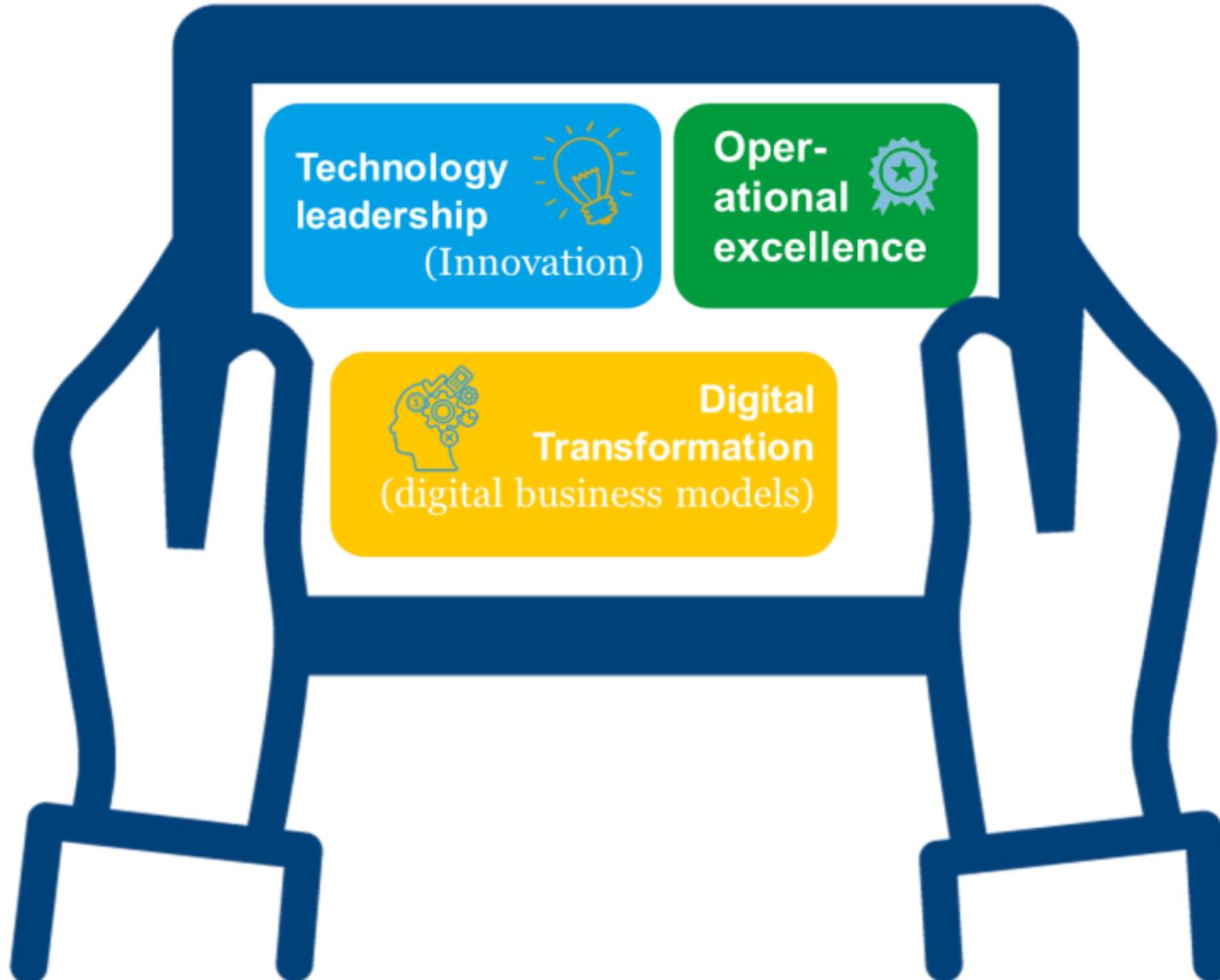


Rainer Hundsdörfer, CEO | Dirk Kaliebe, CFO

August 10, 2017



Growth strategy “Heidelberg goes digital”



Update Technology leadership (innovation)



Growth opportunities: approx.
€ 200 million sales potential in 5 years

- **Market for digital packaging** is growing by approx. **20% p.a.**
- Company Faller reserves one of the first Primefire 106 for its **digital pharmaceutical packaging production**
- **Gallus Labelfire** – customers benefit from production cost savings of approx. $\frac{1}{4}$ against alternative digital printing systems



Update Digital transformation



Growth opportunities: sales potential in 5 years

- Digital business model (€ +250m)
- Digital platforms (€ +50m)



- With the **acquisition** of the **software provider DOCUFY**, HDD strengthens the digital platforms business area and expands its range of **Industry 4.0 products**
- HDD strengthens its **coatings and pressroom chemicals business in the EMEA** region with the **acquisition** of this area of from **Fujifilm**
- **From eShopping to eCommerce**: eCommerce platform should become most important sales channel in the lifecycle of our machines



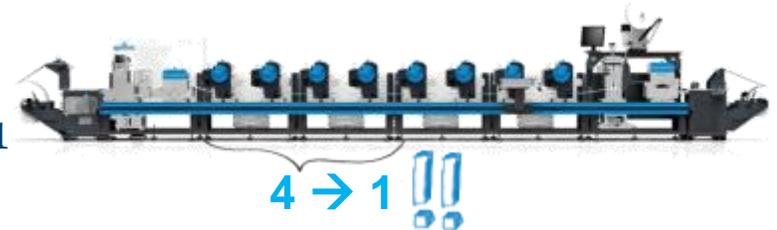
Update Operational excellence



Reduction of process-related and structural costs by approx. € 50 million in 5 years



- On track to define and implement efficiency measures to reach **€ 50m cost savings**
- **Higher logistics efficiency** thanks to optimization of tariff model and purchase of logistics center (4-5m€ p.a.)
- **Infrastructure project Research & Development Center** will save 4-6m€ p.a.
- **Complexity reduction:** we will reduce the number of **Gallus** machine platforms from 4 to 1
- More efficient use of our **worldwide production network**



Key figures 3m 2017/18



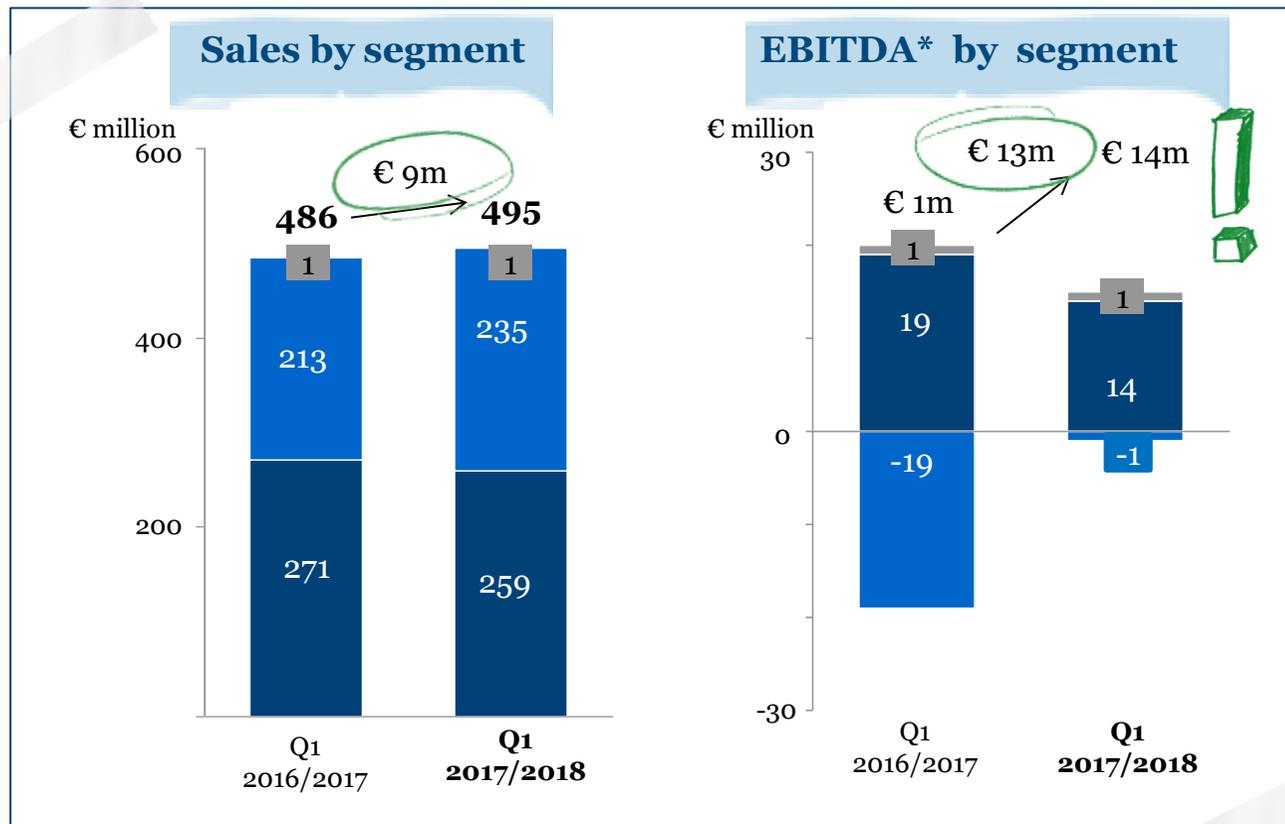
- **Order intake** down yoy due to drupa base effect in 2016
- **Sales** slightly up – in line with the forecast; mainly China, WE
- **EBITDA** excl. restructuring result considerably improved by €13m; **EBITDA margin** at 2.8%
- Financial result benefits from reduced financing costs
- **Net result** before and **after taxes** significantly improved
- As a result of acquisitions and property purchases, **Free Cashflow** was negative
- **Equity** increased due to conversion of bonds and slight rise of domestic pension discount rate to 2.5 %
- **Net debt** reduced to € 234m
- **Leverage** with 1.2 still below target level of <2x

	Q1 16/17	Q1 17/18	Δ pY
Order intake	804	629	-22%
Sales	486	495	+2%
EBITDA excl. restr. result	1	14	+13
EBIT excl. restr. result	-16	-3	+13
Restructuring result	-3	0	
Financial result	-16	-13	+3
Net result before taxes	-35	-15	+20
Net result after taxes	-37	-16	+21
Free cash flow	6	-13	-19
	06/30/16	06/30/17	
Equity	167	382	
Net debt	263	234	
Leverage	1.8	1.2	



Sales and EBITDA by segment in Q1 FY2017/18

- **Heidelberg Digital Technology:** higher sales volume and efficiency measures contributed to improved margins and thus to an improved result
- **Heidelberg Digital Business & Services** was negatively impacted by weaker consumables sales and higher development expenses in the digital area



As part of the adjustment of the corporate strategy segments were reorganized as of April 1, 2017 (prior year accordingly)

*EBITDA excl. restr. result

- Heidelberg Digital Technology
- Heidelberg Digital Business & Services
- HD Financial Services

Sustainable and profitable growth



Sales

Additional sales volume of approx. **€ 500 million** in 5 years

Profitability

EBITDA improvement of approx. **€ 100 million** in 5 years

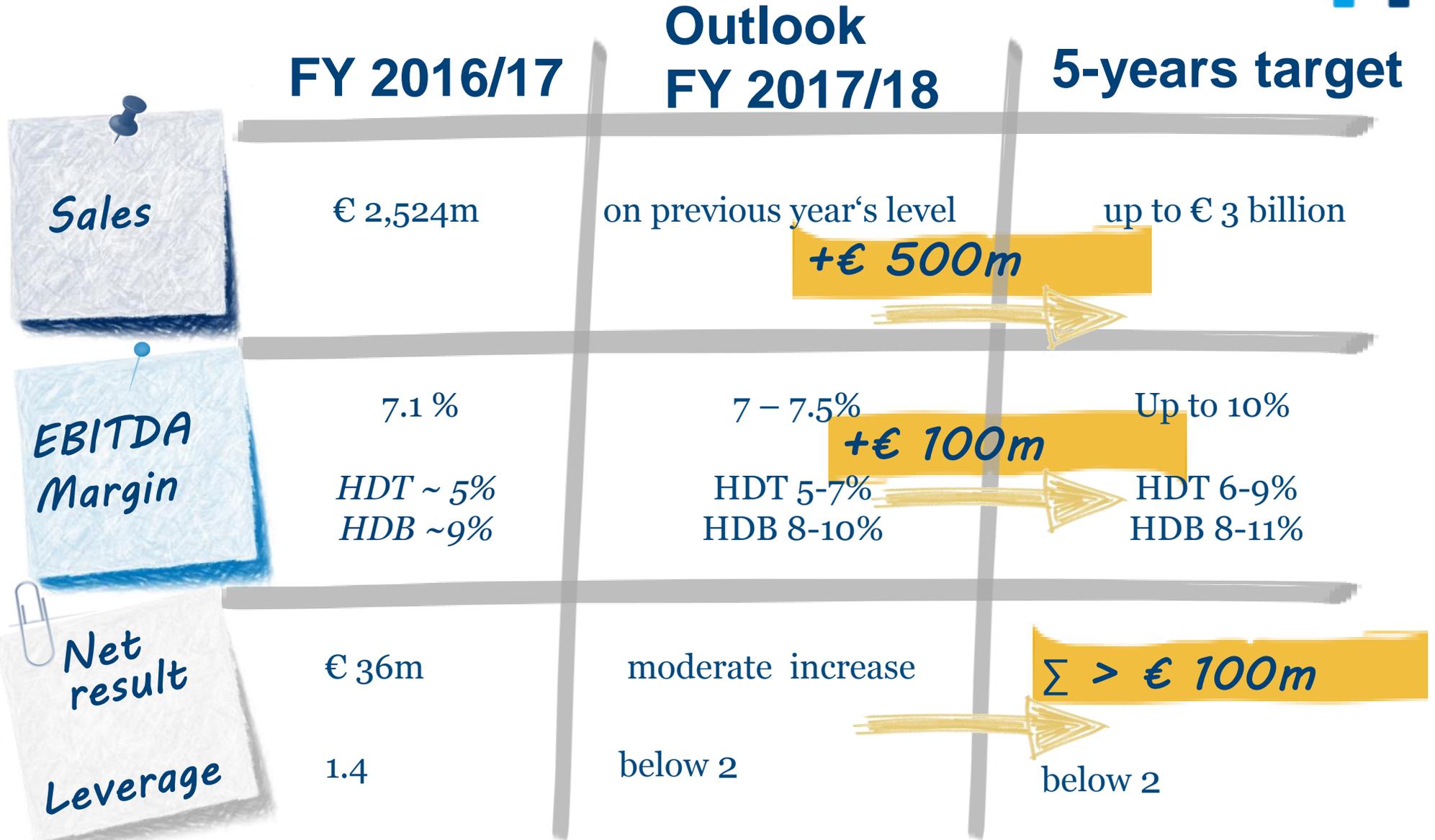
- Digital print portfolio (€ +200 million)
- Digital business model (equipment– consumables – service: € +250 million)
- Digital platforms (€ +50 million)
- Digital business model / Volume growth (€ +50 million)
- Cost efficiency (operational excellence: € +50 million)

Group targets by 2022:

- Sales volume of up to € 3 billion
- EBITDA between € 250 and 300 million
- Net profit > € 100 million



Targets set. Outlook.





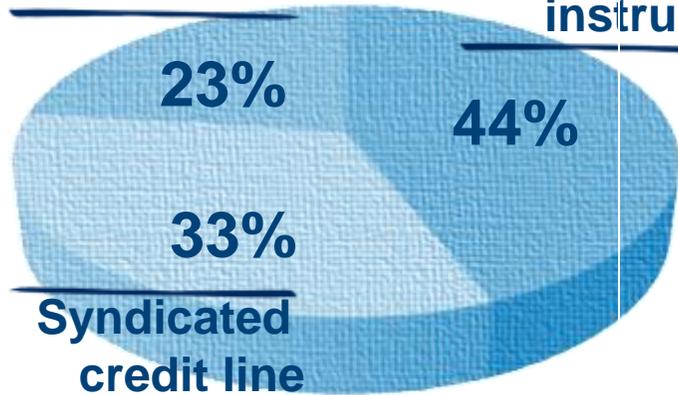
BACKUP

Financial framework

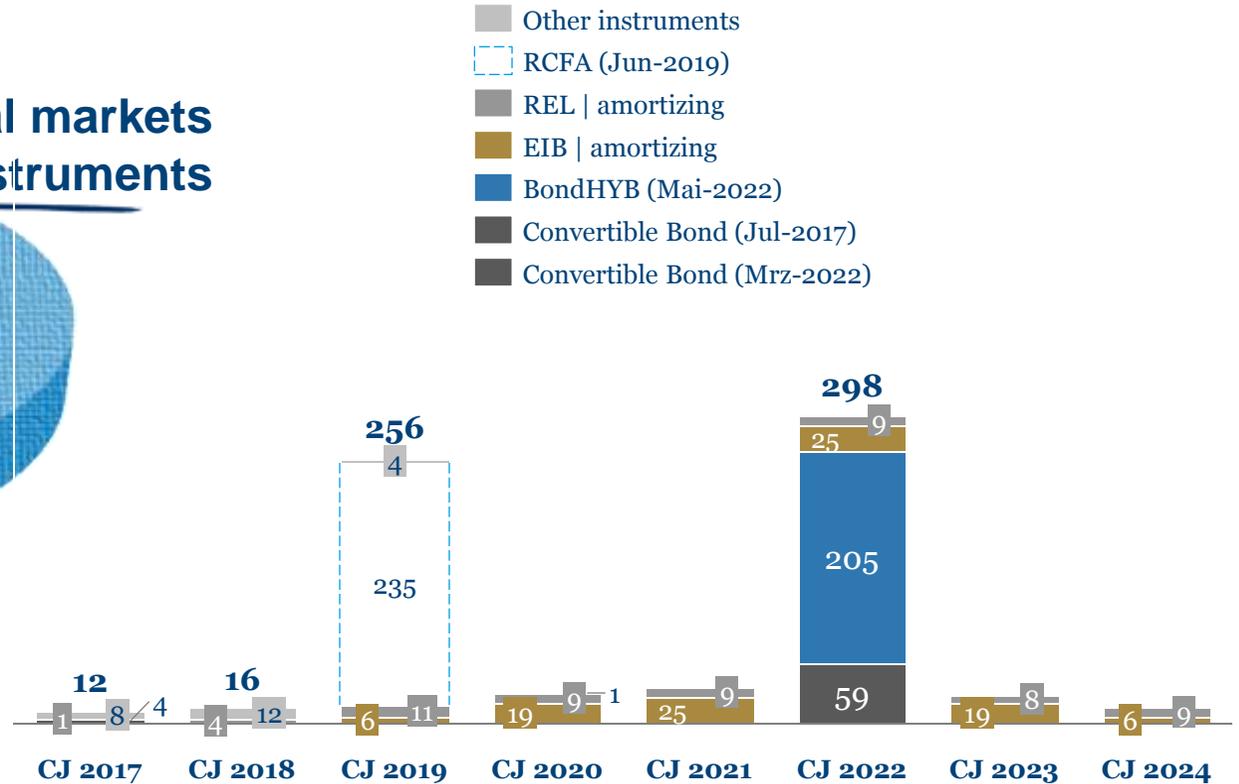


Other instruments & promotional loans

Capital markets instruments



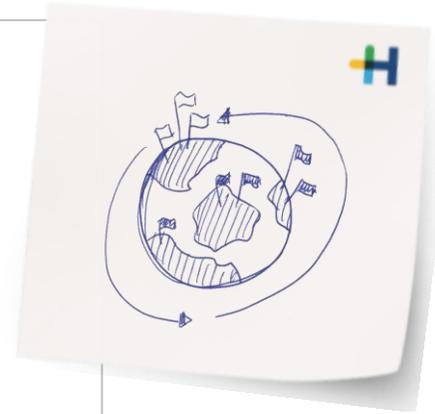
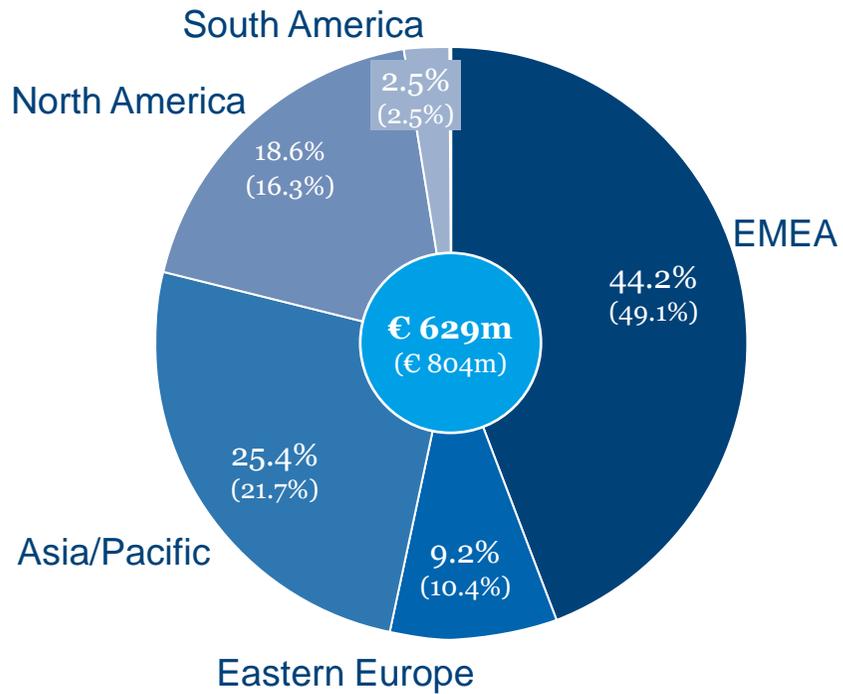
Maturity profile



Order intake – regional split



Order intake Q1 2017/18 (Q1 2016/17)



Financial Calendar



Release of the figures for the
second quarter 2017/2018

November 9, 2017



Release of the figures for the
third quarter 2017/2018

February 8, 2018

Figures FY2017/2018

June 12, 2018

AGM FY 2017/2018

July 25, 2018

simply smart





Important notice

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.