pressat

HEIDELBERG sees clear increase in profitability in third quarter of financial year 2024/2025

Wednesday 12 February, 2025

- **Q3 sales at previous year’s level and adjusted EBITDA margin improves significantly to 9.2 p**
- **Incoming orders up 8.3 percent for Q3 and 7.7 percent after nine months compared with prev**
- **High order backlog points to strong final quarter**
- **Full-year forecast confirmed, adjusted EBITDA margin to rise to up to around 8 percent in FY 2025/2026**
- **Packaging remains a growth driver**
- **Growth strategy promises sales potential of over € 300 million in medium term**

At Heidelberger Druckmaschinen AG (HEIDELBERG), key figures for the first nine months of financial year 2024/2025 (April 1 to December 31, 2024) and the third quarter (October 1 to December 31, 2024) were in line with the expected developments communicated by the company. Especially in terms of the key operating results, the **third quarter** of the current financial year brought significant improvements compared with the first half-year and also with the equivalent quarter of the previous year. The **adjusted EBITDA margin** for the third quarter was 9.2 percent (equivalent quarter of previous year: 5.7 percent), with high capacity utilization and intensified cost-cutting measures having a particularly positive impact. **Sales** to date during financial year 2024/2025 have increased from quarter to quarter. The figure of € 594 million for the third quarter matched the equivalent quarter of the previous year (€ 594 million). In the third quarter, **incoming orders** were up by some 8.3 percent at € 550 million (equivalent quarter of previous year: € 508 million). This is much better than the current developments in the mechanical and plant engineering sector as a whole. The biggest contributions were made by the EMEA region (+ 16 percent) and the Packaging Solutions segment (+ 15 percent). The high **order backlog** of € 903 million paves the way for a very strong final quarter.

“We have succeeded in continuously improving our sales and operating result quarter by quarter in a difficult economic environment. Thanks to our high order backlog, we can confirm that we will achieve our targets for the year" said Jürgen Otto, CEO of HEIDELBERG. “And we will drive down costs further still in the coming year by implementing our plan for the future and boosting efficiency. This cost discipline will have a positive effect on our profitability, which should improve further in the next financial year."

Based on strong order levels, the company anticipates a clear increase in sales in the fourth quarter of the current financial year in particular. **Adjusted EBITDA** after nine months amounted to € 86 million (adjusted figure for equivalent period of previous year: € 135 million), and the adjusted EBITDA margin was 5.7 percent (equivalent period of previous year: 8.0 percent). The main reasons for this were the low sales volume in the first quarter and the associated high losses. Adjusted EBITDA for the third quarter of the current financial year increased to € 55 million, compared with € 34 million in the equivalent quarter of the previous year. The adjusted EBITDA margin improved significantly, from 5.7 percent to 9.2 percent. In the third quarter, net provisions amounting to € 29 million were established for the planned measures to reduce labor costs and were adjusted. Including this item, **EBITDA** in Q3 totaled € 26 million (previous year: € 34 million). Establishing these provisions resulted in a lower **net result after taxes** of € -7 million in the third quarter (equivalent quarter of previous year: € 1 million) and € -42 million after nine months (equivalent period of previous year: € 34 million).

The **free cash flow** after nine months was, as anticipated, € -97 million (equivalent period of previous year: € -54 million). In the third quarter, it improved significantly compared with the previous year, creeping into positive figures at € 4 million (equivalent quarter of previous year: € -26 million). “Our successful management of net working capital played a key role in achieving a positive free cash flow despite high inventories due to the order situation,” said HEIDELBERG CFO Tania von der Goltz. “The big improvements we are expecting in the results for the final quarter and the reduction of inventories by the end of the financial year will have a positive impact on the free cash flow,” she added.

Packaging segment remains a growth driver

Incoming orders in the **Packaging** segment increased significantly – by around 11 percent to € 959 million for the first three quarters and by some 15 percent in the third quarter. In terms of megatrends, the packaging market is first and foremost seeing a growing demand for packaging that is both sustainable and of a high quality. This is where the positioning of HEIDELBERG as a systems integrator and total

Media:

Related Sectors:

Business & Finance ::

Related Keywords:

Finance :: Forecast :: Profitability :: Sales :: Quarter ::

Scan Me:

solution provider is having a positive impact, helping to further expand the company's very strong position in the packaging market. "Packaging printing is the current growth sector for the printing industry, including HEIDELBERG. In particular, the product innovation around the Boardmaster for high-volume packaging printing meets customer needs," said David Schmedding, Chief Technology & Sales Officer at HEIDELBERG. "We are looking to successively expand our business and our portfolio in this market by using automation, robotics, and software to offer our customers integrated end-to-end solutions for the entire manufacturing process," he explained. In the **Print** segment, incoming orders for the nine-month period increased by 4.4 percent to € 858 million.

Growth strategy promises sales potential of over € 300 million in medium term

To expand its market position, HEIDELBERG is increasingly tapping into growth potential in its core market – from **packaging and digital printing to software and lifecycle business**. The first digital presses from the cooperation with Canon are going to customers in Switzerland and Germany. This cooperation will **significantly boost future sales generated by digital print solutions, including consumables, software, and service**. The company is also keen to further expand its portfolio in the growing market for **green technologies**. This includes key areas such as high-precision plant engineering, the automotive industry, charging infrastructure and software, and new hydrogen technologies. An initial prototype of a hydrogen **electrolyzer** will be completed in the summer and will be showcased as part of an in-house application. The objective is to carry out development work with customers, application and technology partners, and suppliers to create a market-ready system for producing hydrogen and make this available on an industrial scale. The medium-term goal of HEIDELBERG in the **electromobility**
market is to use Amperfied to position itself as a leading system supplier of charging solutions for use at companies and in public spaces in Europe. The company is focusing on the operation of charging infrastructure, with the aim of ensuring maximum availability and reliability, as a service with stable recurring sales. This approach is confirmed by projects with Autobahn GmbH and companies at regional level, among others. Considering all strategic initiatives in the period to financial year 2028/2029, HEIDELBERG sees overall **growth potential** amounting to over € 300 million, in conjunction with enhanced performance and efficiency.

Full-year forecast confirmed, adjusted EBITDA margin to rise to up to around 8 percent in FY 2025/2026

Factoring in the expectations and prerequisites published and set out in the 2023/2024 Management Report, the company still anticipates that sales for **financial year 2024/2025** will match the previous year's level (previous year: € 2,395 million). The adjusted EBITDA margin is also expected to be at the previous year's level (previous year: 7.2 percent). The high order backlog and the ongoing focus on margins and costs provide a sound basis for achieving the targets that have been set. The implementation of the plan for the future and the efficiency improvements are having a positive impact on the profitability of HEIDELBERG, with the adjusted EBITDA margin set to improve further to up to around 8 percent in the next financial year 2025/2026.

About HEIDELBERG

Heidelberger Druckmaschinen AG (HEIDELBERG) is a leading technology company that has been standing for innovation, quality and reliability in mechanical engineering worldwide for 175 years. With a clear focus on growth, HEIDELBERG as a total solution provider is driving further development in the core areas of packaging and digital printing, software solutions and the lifecycle business with service and consumables so that customers can achieve maximum productivity and efficiency. The company is also focusing on expanding into new business areas such as high-precision plant engineering with integrated control, automation technology and robotics as well as the growing green technologies. With a strong international presence in approximately 170 countries, the creative power and expertise of its around 9,500 employees, its own production facilities in Europe, China and the USA and one of the largest global sales and service networks, the company is well-positioned for future growth.

Figure 1: Smiles all round as Meinders & Elstermann becomes the first company in Germany to use a Jetfire 50 – from left to right: Dr. David Schmedding, Chief Technology & Sales Officer at HEIDELBERG, Jens Rauschen, CEO of Meinders & Elstermann, Stefan Kuper, Head of Sales Region North at HEIDELBERG, and Frank Kropp, Head of Research and Development at HEIDELBERG.

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.

Further information:

Corporate Communications

Thomas Fichtl

Phone: +49 6222 82-67123

E-mail: Thomas.Fichtl@heidelberg.com

Investor Relations

Maximilian Beyer

Phone: +49 6222 82-67120

E-mail: Maximilian.Beyer@heidelberg.com

Important note:

This press release contains forward-looking statements based on assumptions and estimates made by the management of Heidelberger Druckmaschinen Aktiengesellschaft. Even if the company management is of the opinion that these assumptions and estimates are accurate, actual future developments and future actual results may deviate considerably from these assumptions and estimates due to a variety of factors. These factors may include, for example, changes in the overall economic situation, exchange rates and interest rates as well as changes within the graphic arts industry. Heidelberger Druckmaschinen Aktiengesellschaft provides no guarantee and assumes no liability that future developments and the actual results achieved in the future will correspond to the assumptions and estimates made in this press release.

Company Contact:

_

news aktuell

E. desk@newsaktuell.de
W. https://www.newsaktuell.de/

View Online

Additional Assets:

Newsroom: Visit our Newsroom for all the latest stories:
https://www.newsaktuell.pressat.co.uk