Highly successful showing at drupa makes HEIDELBERG confident about prospects for financial year 2024/2025

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- Targets for financial year 2023/2024 achieved – sales and adjusted

EBITDA margin stable at € 2.4 billion and 7.2 percent respectively

- Free cash flow excluding special items at highest level for over ten years

- Incoming orders recover thanks to drupa printing trade show

- Collaboration with Canon in growing industrial inkjet printing sector

-Outlook for FY 2024/2025 – sales and EBITDA to match previous year's level despite economic policy uncertainties

A successful end to financial year 2023/2024 has seen Heidelberger Druckmaschinen AG (HEIDELBERG) meet its targets. As planned, **sales** remained stable at around € 2.4 billion (previous year: € 2.435 billion). An **adjusted EBITDA margin** of 7.2 percent was also maintained. Following its highly successful showing at the drupa trade show, the company is confident about the prospects for financial year 2024/2025. The high level of interest in HEIDELBERG innovations from customers worldwide has led incoming orders to recover further still at the start of the new financial year. What's more, the industrial inkjet printing collaboration with Canon that was announced in Düsseldorf is set to open up new growth areas. Overall, despite economic policy uncertainties, HEIDELBERG is expecting sales and the EBITDA margin for financial year 2024/2025 to match the previous year's level.

"We have taken a big step toward our goal of achieving sustainable profitability at HEIDELBERG. Even in economically uncertain times, we have remained resolutely on track, which gives us confidence," says HEIDELBERG CEO Dr. Ludwin Monz. "Moving forward, we are looking to open up further growth markets thanks to our collaboration with Canon in the industrial inkjet printing sector," he adds.

Targets for financial year 2023/2024 achieved – sales and adjusted EBITDA margin stable at € 2.4 billion and 7.2 percent respectively

Despite the difficult economic and geopolitical conditions and higher material, energy, and personnel costs, HEIDELBERG has met its targets for financial year 2023/2024. As planned, **sales** remained stable at around € 2.4 billion (previous year: € 2.435 billion). An **adjusted EBITDA margin** of 7.2 percent was also maintained. The **free cash flow** of € 56 million did not include any special items in the reporting year, such as the sale of non-operating assets. Adjusting the previous years' free cash flow results for special items, the free cash flow for the financial year just closed is therefore the highest in over ten years. These figures highlight the success of the value creation program, which has improved the company's financial resilience.

"Despite difficult economic conditions, we have achieved our targets for the year. HEIDELBERG has performed solidly in financial terms. Our value creation program is a key step in creating a more future-proof company. In economically uncertain times, we are expecting stable business development," says HEIDELBERG CFO Tania von der Goltz.

In the context of its value creation program, HEIDELBERG has identified over 250 measures to boost productivity and strengthen its financial basis. Implementation is ongoing. The prompt introduction of measures during the financial year just closed successfully compensated for the considerable pressures resulting from the downturn in demand and rising costs. Measures to optimize the net working capital also had a positive impact on the free cash flow.

Packaging printing the largest area of business at HEIDELBERG

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Since financial year 2023/2024, when it accounted for 52 percent of sales, the Packaging Solutions segment has been the largest area of business at HEIDELBERG. Its sales were roughly 7 percent up on the previous year at around € 1.2 billion.

Incoming orders recover thanks to drupa printing trade show

Customers from all over the world showed great interest in the company's trade fair stand and invested in the innovations presented. The large number of orders from the drupa trade fair led to a recovery in **incoming orders** at HEIDELBERG at the start of the new 2024/2025 financial year, which is expected to reach around € 650 million in the first quarter of 2024/2025. Due to better utilization of production capacities, short-time work at the German sites will end as early as June 2024.

Outlook for financial year 2024/2025

Assuming the global economy does not see weaker growth than predicted by the relevant institutions, HEIDELBERG is expecting **sales in financial year 2024/2025**
to match the previous year's figure 2023/2024 (€ 2.4 billion). A further supposition in this context is that there will be no substantial changes in key exchange rates for the company's business activities.
The **adjusted EBITDA margin** is also expected to remain at the previous year's level 2023/2024 (7.2 percent).

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

Oliver Claas

Phone: +49 6222 82-67179

E-mail: Oliver.Claas@heidelberg.com

Investor Relations

Maximilian Beyer

Phone: +49 6222 82-67120

E-mail: Maximilian.Beyer@heidelberg.com

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Company Contact:

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news aktuell

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

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