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Heidelberg achieves results target: EUR 4 million net profit for year

Heidelberg (ots) -

- Sales of roughly EUR 2.43 billion (around EUR 2.54 billion after adjustment for exchange rate movements)
- EBITDA climbs to EUR 143 million; EBITDA margin increases from about 3 percent to approx. 6 percent
- Net result improves to EUR 4 million (previous year: EUR -117 million)
- Positive free cash flow of some EUR 20 million

Following five years of losses, Heidelberger Druckmaschinen AG (Heidelberg) has started making a profit again. According to preliminary calculations, the net profit for financial year 2013/2014 (April 1, 2013 to March 31, 2014) was around EUR 4 million (previous year: EUR -117 million). This means the company has achieved its key target for the financial year just closed.

"Heidelberg is once again making a net profit, which was our number one priority," said Heidelberg CEO Gerold Linzbach. "Despite the weak sales situation, we have significantly improved our company's profitability. This impressive achievement lays the foundation for further positive developments at the company," he added.

Although factors such as exchange rate movements resulted in an expected fall in Group sales from the previous year's figure of EUR 2.735 billion to EUR 2.43 billion (EUR 2.54 billion after adjustment for exchange rate movements), all result-related KPIs were far better than in the previous financial year. For example, EBITDA excluding special items rose to EUR 143 million in the financial year just closed (previous year: EUR 80 million). This led to an improvement in the EBITDA margin from about 3 percent to approx. 6 percent. The result of operating activities (EBIT) excluding special items climbed to EUR 72 million over the twelve-month period, from EUR -3 million in the previous year. Special items in the reporting period amounted to some EUR -10 million and the financial result was EUR -60 million. According to preliminary figures, this results in a net profit for the year of EUR 4 million (previous year: EUR -117 million).

"The big improvement in the result after tax to a net profit demonstrates the success of our strategic reorientation, even with difficult underlying conditions. This now puts us in a position to press ahead with reorganizing the company by optimizing our portfolio. Our medium-term target of achieving an EBITDA margin of at least 8 percent remains unchanged," continued Linzbach.

The cash flow and free cash flow were both positive in the year under review. Reducing working capital has compensated for payments totaling some EUR 95 million for the Focus efficiency program and produced a positive free cash flow of around EUR 20 million. This reduced the net financial debt at the end of the financial year to approx. EUR 240 million (previous year: EUR 261 million).

"Not only have we impressively achieved all our results targets, but our asset and net working capital management program has also brought further successes in terms of the cash flow and free cash flow and thus reducing our debts," said Heidelberg CFO Dirk Kaliebe. "At the end of the financial year, we have thus achieved our goal of reducing the leverage (net debt divided by EBITDA) to less than two for the first time in many years," he added.

As of March 31, 2014, the Heidelberg Group had a global workforce of 12,539 plus 502 trainees (previous year: 13,694 plus 521 trainees).

Next date: Heidelberg will be publishing its detailed audited Group figures on June 11, 2014.

For additional details about the company and image material, please visit the Press Lounge of Heidelberger Druckmaschinen AG at www.heidelberg.com.

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