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Heidelberger Druckmaschinen

Industrials

28 August 2026

Backlog supports recovery after a soft Q1

Heidelberger Druckmaschinen Q127 revenue fell 13% to €404m, order intake fell 4% to €537m and adjusted EBITDA margin fell to 0.2% from 4.4%, producing a €32m net loss. Management reiterated FY27 guidance for broadly stable revenue of c €2.3bn and a noticeably higher adjusted EBITDA margin, supported by cost actions and a shift towards less cyclical, higher-margin activities. Successful execution is key to delivering H127 results on 12 November that better align with full-year guidance.

Italian subsidy expiry masks underlying demand

The expiry of an Italian investment subsidy reduced Q127 orders by more than €60m y-o-y and also distorted the prior-year sales comparison, when deliveries benefited materially from the same scheme. Excluding Italy, order intake rose by c €38m, led by China (+19%) and Japan (+45%). The backlog increased to €762m, from €639m at the start of the year, supporting management's view that the soft Q1 reflects typical seasonality and timing rather than a broader deterioration in demand.

Equipment weakness drives margin decline

Equipment revenue fell 30%, taking the segment margin to nil and accounting for the group shortfall as fixed costs met lower volumes. Digital Solutions and Lifecycle revenue was stable at €240m, increasing its share of group revenue to 59%, although segment EBITDA fell to €5m from €12m due to overhead allocation rather than underlying trading, according to management. The acquisition of Manroland in July added c 35 country organisations and more than 3,000 customers to this base of recurring revenue. The Technology division, housing the ONBERG counter-drone joint venture and PHENOGY sodium-ion partnership, grew orders to €19m and revenue to €17m, though adjusted EBITDA was a €4m loss on 4% of group revenue.

Recovery increasingly weighted to H2

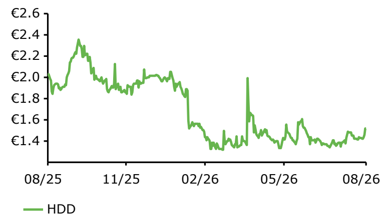
FY27 guidance implies a materially stronger remaining nine months, with consensus adjusted EBITDA of c €160m required to meet FY guidance, versus €131m in the comparable period, driven by higher equipment volumes and cost actions rather than meaningful short-term defence or energy contributions. The Q127 free cash flow outflow of €77m moved the group from net cash to net debt of €39m, although €298m of its €436m credit facility remains undrawn. At 2.9x FY1 and 2.6x FY2 consensus EV/EBITDA, Heidelberg trades at discounts of c 49% and 48% to peer means of 5.7x and 5.0x. The H127 results on 12 November should show whether backlog conversion is successfully delivering the expected EBITDA margin recovery.

Consensus estimates						
Year end	**Revenue (€m)**	**EBITDA (€m)**	**PBT (€m)**	**EPS (€)**	**P/E (x)**	**EV/EBITDA (x)**
3/26	2,293.0	151.0	37.0	0.05	29.2	3.1
3/27e	2,304.0	159.7	48.5	0.08	18.3	2.9
3/28e	2,409.0	178.5	69.3	0.14	10.8	2.6

Source: Heidelberger Druckmaschinen, Bloomberg

Price	**€1.46**
Market cap	**€431m**

Share price performance



Share details

Code	HDD
Listing	FSE
Shares in issue	304.5m
Net cash/(debt) at 30 June 2026	€(39.0)m

Business description

Heidelberger Druckmaschinen is a German engineering company with a leading position across the entire packaging value chain. Other activities include hybrid production systems for new insdutrial standards, and the leveraging of their technology into markets such as energy, security, and defence.

Bull points

- Excluding the fall in orders from Italy's expired subsidy, Q127 orders grew by €38m y-o-y.
- Backlog of €762m, up €123m from the start of the year, adds revenue visibility for the near term.
- The benefits of the strategic shift to less cyclical lifecycle revenues are beginning to show, with DS&L revenues resilient despite falling equipment sales.

Bear points

- Meeting guidance requires adjusted EBITDA of c €160m in the next nine months, up from a comparable €131m last year.
- Q127 free cash flow outflow of €77m, with management declining to guide to a full-year target.
- Net cash of €39m at FY26 became net debt of €39m in a single quarter.

Analysts

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