


Annual  
summary

2014/15

GLUNZ & JENSEN 

work positive

## Brief on Glunz & Jensen

Glunz & Jensen is the world's leading supplier of innovative, high-quality solutions for the global prepress industry. In addition to developing and producing processors for the offset and flexo printing industry, we also offer after sales services. Our product portfolio also includes exposure units, dryers, light finishers, mounting tables, plate stackers and software for monitoring and controlling complete prepress processes.

Glunz & Jensen has been a recognised leader in prepress technology for more than 40 years. We have long-standing partnerships with major customers such as Agfa, Asahi, DuPont, Flint, Fujifilm, Heidelberg, Kodak and MacDermid, the world's largest suppliers of printing systems. We market our products through a comprehensive and worldwide network of private label partners, distributors and dealers. Our group has approx. 230 employees in our subsidiaries and production facilities in Denmark, Slovakia, USA, Italy, UK and China.

Our goal is to be the most innovative provider of hardware and services in our product areas and in this way we increase our market share with our global customers. We will also strengthen our earnings capacity through the optimisation of prices, production, logistics and capacity utilisation.



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GLUNZ & JENSEN 

Defining and developing tomorrow's standards 2  
 Innovation and optimisation 3  
 Next generation technologies 4  
 Building a global after sales service business 5  
 At the forefront of securing sustainable solutions 6  
 Financial highlights 7

CASE STORIES

Innovation that will change quality standards 4  
 GKS services the flexo and offset industry 5  
 A low-chemistry solution for newspapers 6

# Defining and developing tomorrow's standards is our game

For more than 40 years, our state-of-the-art processors, CtP plate setters and other prepress equipment have set the benchmark for excellence. By focusing on the areas that are most important to our customers' needs – simplicity, performance, reliability and the lowest cost of ownership – our products and systems have become the preferred choice for companies operating a world-class packaging and print media business.

Today, our industry is changing; print companies worldwide are under increasing pressure to reduce costs, deliver faster, more consistent results and comply with ever-stricter environmental regulations. We understand that as the industry continues to evolve, so must the technology that supports it.

Therefore, our strategy which aims to strengthening market positions in offset and flexo through innovative solutions focuses intensively on automation, introduction of eco-friendly processors and processes and establishment of a global

**We understand that as the industry continues to evolve, so must the technology that supports it.**

after sales service allowing our Private Label customers, and their customers, to fully optimise the lifetime output of their products, and hence their return on investment.

By sharing our knowledge and expertise, we are not only able to support change, but essentially to drive it by helping businesses across the board to develop new ways to solve challenges and to meet current and future demands.

*Through dialogue and innovative solutions to our customers and end-users, we contribute to create efficient printed applications to every single consumer, every day – worldwide*

# Innovation and optimisation drives the development of our company

Glunz & Jensen's financial year 2014/15 was characterised by high activity and a relentless focus on expanding our position as the world's leading and most trusted provider of equipment and solutions for the global prepress industry by offering superior innovative technologies and dedicated support services, which optimise customers printing process, maximise productivity and deliver outstanding quality and results.

Despite ongoing mitigation towards digital platforms in the media industry, we increased our market share and grew our turnover in 2014/15, from ongoing business with dedicated customers and new global agreements with private label partners. With new products added to the flexo portfolio, we also managed to strengthen our presence in the packaging industry.

**Development of new products and services in focus**

A main driver behind the positive development is a pioneering ability to introduce a new wave of technology to both the offset and flexo markets by pushing the boundaries of innovation and development.

Our forward-thinking approach, based on decades of product leadership and specialist know-how, is centred on finding better ways to support our customers' needs for more productive, sustainable and cost-effective processing solutions.



**Based on decades of product leadership and specialist know-how we support our customers' needs for more productive, sustainable and cost-effective processing solutions**

This has led to the development and introduction of new products, both under Private Label and Glunz & Jensen brands, and to further expansion of our After Sales Service offering in 2014/15.

**Optimistic outlook**

Going forward Glunz & Jensen will continue to allocate vast resources to innovation and development – in partnership with our clients and in our own brand. In 2015/16, we will introduce a series of new processors to the offset and flexo markets, and these will – together with the continued roll-out of our After Sales Service and focus on optimisation – lead us to develop our market leading position, maintain our revenue base and become more efficient.

With a positive outlook for the upcoming year, I would like to express my appreciation and gratitude to all our customers around the world. Our partnership and your loyalty is the foundation that allows Glunz & Jensen to keep spearheading the development of world-class products defining the industry.

*Keld Thorsen*  
 Keld Thorsen, CEO

# Next generation technologies

Continued innovation and technical development of our products – also in collaboration with our customers – are key elements in our strategic focus in order to differentiate ourselves from competitors. In this way, we expect to be able to maintain our leading position and the long-term loyalty of our customers.

The momentum we apply to innovation is second-to-none in the industry. For example, we are leading the way for offset customers in countries with tightening regulations with a new range of environmentally-friendly products. By using more accurate replenishment systems, these sustainable solutions not only enable you to meet tough environmental standards, but they lower operational costs by using considerably less energy, less chemistry and less water – and therefore generate far less waste.

We are also investing heavily in simpler and more efficient technologies to help drive profitability and productivity for our customers. Here we are developing fully automated, integrated systems that improve process optimisation and deliver more accurate, faster results with less manpower, lower operating costs and with no risk of costly human error.



## Innovation will change international quality standards

– A co-development between RC Group and Glunz & Jensen

RC Group A/S is at the forefront of technology when it comes to flexo printing. RC Group A/S produces more than 4,000 round sleeves per year.

In order to keep being in the forefront of the flexo printing industry, RC Group had to be in full control of quality on outgoing sleeves, so to secure perfect quality on every single sleeve, they had a setup of a one unit printing press that is controlled on a daily basis by one man. This set-up costs RC Group a significant amount of time and money in the form of proofing, colour control and print runs. What also needs to be taken in account is that every time the quality on a sleeve is not good enough, the process must be repeated with new sleeves.

Henrik Kofoed, Group Sales Manager at RC Group: *“Our sleeve production has been growing more than 30% every year for the past 5 years. To keep up with the increasing quality demands from our customers and at the same time keep being a profitable company, we had to look into how we could optimise the way of producing our flexo sleeves.”*

Henrik Kofoed contacted Glunz & Jensen with his need for developing a product to replace the costly and tedious process of quality control in flexo plate production, and today, one year later, Glunz & Jensen can deliver the FlexScan to the market.

FlexScan digitally scans for “low and high spots” on round sleeves and thereby eliminating the need for a full test run on a printing press. And at the same time the FlexScan delivers a quality report (PDF or in print), with relief depth/height that is used to document the quality of incoming or outgoing sleeves. This process can be done in 20 minutes – compared to more than 2 hours with the current quality control process in the market.

Henrik Kofoed: *“I believe that the FlexScan will deliver a return on investment within a maximum of 2 years, depending on the amount of sleeves produced. The FlexScan makes history by innovating the entire process of flexo plate production around the world. Finally, the flexo market will have a tool to benchmark quality, and be able to work with international quality standards and documentation.”*

## CASE 1

# Building a global after sales service business

Since its launch in 2013, Glunz & Jensen’s After Sales Service is well on its way to becoming global. The business of handling installation, repair and preventive maintenance of offset and flexo equipment has been extended from Scandinavia, and now also includes the UK and USA.

Limiting downtime, and hence increasing our customers’ productivity and profitability is a core element in our after sales service. After sales service has also proven to be a strong vehicle to strengthen our customer relationships, and the dialogue provides valuable feedback from day-to-day users of our products. Data is fed back into our R&D structure to make sure we stay ahead of the requirements, identifying needs before they materialise.

We are currently in the process of rolling out an ambitious growth plan, which will add additional regions to our after sales service business within both offset and flexo in the coming months.

## CASE 2

# GKS services the flexo and offset industry

– Sjællandske Medier outsources weekly equipment service and maintenance

Sjællandske Medier (SM) prints their own publications covering 30% of all Denmark’s municipalities, along with two other large Danish newspapers. Secondly, SM prints free weeklies with a circulation of one million per week.

Five years ago, SM decided to enter into a contract with GKS to outsource their service and cleaning of prepress equipment. The agreement with GKS has made the company a well-oiled machine, with rare emergency situations. Weekly service and maintenance brings SM ahead of today’s very tight deadlines in the newspaper business.

Preben Jørgensen, Technical Manager at Sjællandske Medier: *“Our Preventive Maintenance Agreement with GKS has given us the peace of mind to meet our strict deadlines day after day. GKS not only guarantees, but actually provides very fast assistance, also in emergency situations.”*

*“When GKS performs service, they do not only clean the machines, they also perform a thorough check up of each piece of machinery according to our internal maintenance procedures, along with exchanging worn out parts to minimise any risks of break-downs. Today, we hardly ever experience break-downs in our peak production hours.”*



# At the forefront of securing sustainable solutions

Glunz & Jensen is pioneering the next generation of technology for the offset and flexo markets by pushing the boundaries of innovation and development. It is our goal to lead the way for our offset customers in countries with tightening regulations with a new range of environmentally-friendly products.

By using more accurate replenishment systems, our sustainable solutions enable our customers to meet tough environmental standards. They also offer lower operating costs by using considerably less energy, less chemistry and less water generating far less waste. We are also heavily investing in simpler and more efficient technologies to help drive profitability and productivity for our customers.

We are developing fully automated and integrated systems which improve process optimisation and deliver more accurate, faster results with less manpower, resulting in lower operating costs and no risk of costly human error.



## A low-chemistry solution for Newspapers

– HDX NewsSpeed, the worlds fastest and most flexible plate processor

In June 2014, Axel Springer, the leading German digital publisher in Europe, was looking for a fast and flexible low-chemistry plate processor. The processor should be working with their Doline V-max and should keep up with a speed of 400 plates per hour.

At that time Glunz & Jensen just developed their HDX NewsSpeed for low chemistry plates, and Fujifilm recommended to install the NewsSpeed into Axel Springer's site in Ahrenburg for testing. After 4 months of testing Axel Springer chose to order one more unit.

Axel Springer saw a drastic reduction in maintenance frequency on their punch bend equipment, due to the very clean plates delivered by the NewsSpeed processor. The processor leaves virtually no contamination on belts and conveyors.

Marc de Boer, QA-TMS Engineer at Fujifilm says: *"We experience that the HDX NewsSpeed is capable of running more than 1000 plates per day and still we see incredible clean plates! This saves Axel Springer many hours of cleaning and maintenance!"*

*"Flexibility in processing has been crucial in our choice of a processing solution for Axel Springer, as we use both Fujifilm and Agfa plates in our production. NewsSpeed makes it possible for Axel Springer to easily change from one plate application to another."*

Axel Springer has just ordered three more HDX NewsSpeed processors for their site in Essen.

### CASE 3

## Financial highlights

| DKKm   | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | Mio. EUR<br>2014/15 <sup>1)</sup> |
|--|---------|---------|---------|---------|---------|-----------------------------------|
| <b>Income statement</b>  |         |         |         |         |         |                                   |
| Revenue  | 292.6   | 398.0   | 376.6   | 320.6   | 311.8   | 41.8                              |
| Gross profit   | 82.0    | 126.2   | 98.9    | 66.2    | 66.8    | 9.0                               |
| Operating profit/(loss) before special items (EBITA)                   | 16.3    | 45.8    | 26.1    | (2.5)   | (1.5)   | (0.2)                             |
| Net financials   | (3.6)   | (6.2)   | 0.4     | (4.3)   | (1.2)   | (0.2)                             |
| Net profit/(loss) for the year   | 9.4     | 24.8    | 22.2    | (5.8)   | (2.7)   | (0.4)                             |
| Earnings before interest, tax, depreciation and amortisation (EBITDA)  | 32.0    | 65.9    | 44.9    | 19.2    | 20.3    | 2.7                               |
| <b>Balance Sheet</b>   |         |         |         |         |         |                                   |
| <b>Assets</b>  |         |         |         |         |         |                                   |
| Total assets   | 289.0   | 353.7   | 383.3   | 362.5   | 347.0   | 46.5                              |
| <b>Equity and liabilities</b>  |         |         |         |         |         |                                   |
| Equity   | 118.8   | 132.9   | 148.8   | 128.9   | 130.7   | 17.5                              |
| Total equity and liabilities   | 289.0   | 353.7   | 383.3   | 362.5   | 347.0   | 46.5                              |
| <b>Cash flow</b>   |         |         |         |         |         |                                   |
| Cash flow from operating activities                                    | 22.1    | 36.1    | 34.0    | 10.4    | 19.7    | 2.6                               |
| Cash flow from investing activities <sup>2)</sup>                      | (36.7)  | (54.1)  | (57.3)  | (12.5)  | (10.9)  | (1.4)                             |
| Cash flow from financing activities                                    | 22.6    | 12.6    | 15.6    | (2.8)   | (11.0)  | (1.5)                             |
| Changes in cash and cash equivalents                                   | 8.0     | (5.4)   | (7.7)   | (4.9)   | (2.2)   | (0.3)                             |
| <sup>2)</sup> of which net investment in property, plant and equipment | (15.7)  | (34.0)  | (54.4)  | (3.7)   | (5.1)   | (0.7)                             |
| <b>Ratios (%)</b>  |         |         |         |         |         |                                   |
| Profit margin (EBITA)  | 5.6     | 11.5    | 6.9     | (0.8)   | (0.5)   | (0.5)                             |
| EBITDA ratio   | 10.9    | 16.6    | 12.0    | 6.0     | 6.5     | 6.5                               |
| Return on assets   | 7.1     | 15.2    | 7.4     | (0.7)   | (0.4)   | (0.4)                             |
| Return on equity after tax   | 8.2     | 19.7    | 15.8    | (4.2)   | (1.3)   | (1.3)                             |
| Equity ratio   | 41.1    | 37.6    | 38.8    | 35.6    | 37.7    | 37.7                              |
| <b>Other information</b>   |         |         |         |         |         |                                   |
| Net interest-bearing debt  | 42.6    | 73.4    | 108.8   | 125.6   | 116.4   | 15.6                              |
| Earnings per share (EPS)   | 4.5     | 12.5    | 12.1    | (3.5)   | (1.7)   | (0.2)                             |
| Cash flow per share (CFPS)   | 10.6    | 18.2    | 18.6    | 6.3     | 12.2    | 1.6                               |
| Equity value per share (EVPS)  | 56.8    | 66.8    | 82.8    | 79.9    | 81.0    | 10.9                              |
| Market price per share   | 36      | 59      | 64      | 58      | 50      | 7                                 |
| Average number of outstanding shares (1,000 shares)                    | 2,093   | 1,988   | 1,829   | 1,643   | 1,613   | 1,613                             |
| Average number of employees  | 236     | 261     | 258     | 233     | 232     | 232                               |

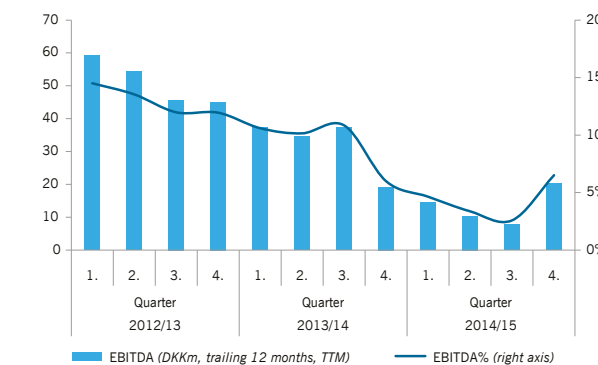
Earnings per share and diluted earnings per share have been calculated in accordance with IAS 33. Other ratios have been calculated in accordance with "Recommendations and Ratios 2015" issued by the Danish Society of Financial Analysts. Reference is made to definitions under accounting policies in note 30 of the full Annual Report, which can be found on Glunz & Jensen's website [www.glunz-jensen.com](http://www.glunz-jensen.com).

<sup>1)</sup> Converted from DKK to EUR at rate 746

### Revenue



### EBITDA



### Geographical distribution of revenue

