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# ANNUAL SUMMARY 2013/14

GLUNZ & JENSEN 

work positive

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## FOCUS: WORK POSITIVE

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Simply the fastest newspaper processor in the world

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# INNOVATION AND EFFICIENCY ACROSS THE VALUE CHAIN

2 During the financial year 2013/14, Glunz & Jensen has maintained a global leading position in both our markets: Offset and flexo which represent our business in media and packaging. 4 This development perfectly illustrates the transformation that Glunz & Jensen is undergoing these years from an offset supplier to a flexo supplier. 6 7

7 We have proud traditions and enjoy strong support from our customers within sales of quality equipment to the media industry – our original business area. However, with the media industry moving away from print to digital platforms, we are facing challenging market conditions. In consequence, we need to add new products and competences on an ongoing basis to create profitable growth in the short term as well as long term. 8 3

3 In the packaging area, we want to develop the market through product development in collaboration with our global OEM customers.

5 Our strategy is clear and focused. We want strong positions across the value chain and be able to serve our customers globally in both the media industry and the packaging industry as suppliers and collaboration partners during the lifetime of the product. This may sound simple, but implementing the strategy requires hard work every day in all areas. 6



We are establishing a global after sales service business comprising both the media and the packaging activities. At the beginning of the financial year, we acquired Grafisk Kvik Service ApS (GKS), marking the launch of our after sales service business. Going forward, GKS will serve the Northern European market.

*"We want to follow and support our customers globally in both the media industry and the packaging industry, throughout the lifetime of the product."*

In December 2013, we acquired our British competitor, NES WORLDWIDE Ltd., which has subsequently changed its name to Glunz & Jensen Ltd. and now forms the basis of our after sales service activities in the UK market. Finally, in February 2014 we recruited two of the most talented flexo service people in the US to handle the establishment of our after sales service business in the North American media and packaging industries.

Up-time, reliability and efficiency are key components in all industries. Through our dedication to product development and after sales service, we strive to ensure that our end users trust our products and feel comfortable focusing solely on their own core competencies.

I would like to express my gratitude to all our customers around the world who form the basis for the development of Glunz & Jensen and some of the best products in our industry. We value your loyalty to Glunz & Jensen.

*Keld Thorsen*  
Keld Thorsen, CEO





## ▲ POSITIVELY VISIONARY

**Simply the fastest newspaper processor in the world**

Earlier this year, Glunz & Jensen asked Dansk Avistryk ("Danish Newspaper Printing"), DAT to participate as a beta site for the HDX NewsSpeed – the world's fastest processor – with the aim to verify the performance of the processor, not only from a consistency perspective, but also from a performance and maintenance perspective.

DAT is the largest newspaper printing house in Denmark, producing five daily circulations along with many local newspapers – in total more than five million newspapers per week. The company operates on three printing lines, fed by five CtP lines (including two back-up lines). All CtP lines use Glunz & Jensen manufactured plate processors.

The NewsSpeed is capable of running up to 400 plates per hour, and today DAT runs more than 50 % of their plate production which is approx. 2,000 large format plates per week – on the HDX NewsSpeed.

"We are very excited about the HDX NewsSpeed from Glunz & Jensen. It runs much faster and with much longer

intervals between internal required services, giving us lower maintenance costs and more flexibility in our planning. The HDX NewsSpeed is the fastest and best dimensioned plate processor on the market for newspapers today and it takes plate processing to a new level in terms of quality, stability and maintenance," declares Klaus Klim, IT and CTP Manager at DAT.

"Service and maintenance cannot be any easier than on an HDX NewsSpeed; everything is located with easy access and can be removed without tools by only one person."

"The HDX NewsSpeed saves the user a lot of time on cleaning punch/bend equipment, as the processor leaves virtually no contamination on belts and conveyors. The HDX NewsSpeed can easily run more than 3,000 large format plates without change of chemistry and still deliver very clean plates. This saves the production team many hours of cleaning compared to any other processor on the market", explains Peter Riis Klausen, Service Technician at DAT.

## POSITIVELY GLOBAL

**Innovative and efficient R&D**

▲ To maintain the leading global position within the flexo and offset printing industry, twelve percent of Glunz & Jensen's employees participate in R&D projects, which involve four of Glunz & Jensen's six sites – all working via online systems to give everyone direct access to the relevant projects.

Glunz & Jensen develops our own new technologies and products, as well as doing product development jointly with customers. After a product has been developed, our cooperation with the customer continues, in order to continually improve the product throughout its entire life cycle.

"We are involved in the products from cradle to grave, which means we have to be able to listen and be flexible in relation to the customer's requirements. Our greatest strength may be that customers know we are easy to collaborate with, get things to work and deliver a quality product", notes Ole Bertelsen, R&D Manager at Glunz & Jensen.

Product development can be a comprehensive process, especially in the initial phases involving specifications, discussions and design considerations, aimed at ensuring that we deliver precisely the product the customer is asking for. It is our responsiveness and flexibility at this stage that helps ensure each development project takes the right direction from the outset."

"In order to meet our time-to-market agreements, our interdisciplinary team with a broad range of expertise plays a decisive role – both in the quality and in the speed of development, irrespective of where our employees are located geographically," concludes Ole Bertelsen.

Right now, we are already working on specific new products to be launched at the DRUPA exhibition in May 2016.



# WE AIM TO CONSTANTLY BRING NEW TECHNOLOGY AND AUTOMATION TO THE MARKET

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

We continue our product development within offset as well as flexo where particularly automation and new technological solutions play a key role for our innovation focus. An important element of our focus is that we contribute to relieve our customers of the complexity and individual calibration of their production process.

The acquisition of 17 % of the shares in Othonia within UV LED technology is another good example of our efforts to continuously bring new technology and innovative products to the market with the overall financial focus that we must be able to add value for our customers through cheaper, faster or simplified production processes. The aim is to bring value to the end users.

## We maintain and expand our leading position in the flexo area

In few years, Glunz & Jensen has created a global leading position within flexo. Today, we are the world's only industrial

supplier with a global reach. This is greatly recognised by our customers, the major multinational providers of flexo plates for the packaging industry.

We continuously build on this business platform, and during the financial year we carried out extensive product development activities particularly focused on full automation to strengthen our opportunities for expanding the flexo area in the coming years.

## We drive the market for offset prepress equipment

The offset area was Glunz & Jensen's original business area. The core of the offset area is offset processors, which are used to develop and prepare the offset plates for printing. This type of printing technology is relatively traditional, and it is still the most widespread technology used when printing newspapers, sales material, magazines, books, information and promotion material.

Glunz & Jensen has a strong position within iCTP technology, an area within offset prepress. iCTP uses a simple and very environmentally friendly manufacturing process of offset plates ready for printing, where the continued sale of consumables represents minor but increasing sales.

## We build a global after sales service business with our OEM customers

The establishment of our global after sales service business proceeds according to plan. We expect the after sales service activities to strengthen our strategic market position globally and to contribute reasonably to future sales and earnings. So far, we have established after sales service activities in Northern Europe, UK and North America. In this way, we partner up with our OEM customers and their customers – the end users of our equipment – during the lifetime of the product. At the same time, we receive much better feedback from the daily users.

## We continue to develop new innovative products

Product development is located in Ringe and Ringsted (Denmark), Presov (Slovakia), Milan (Italy) and Thetford (UK). The development units have established efficient collaboration to ensure that our know-how and drawings database are integrated and utilised across the group. Product documentation, various authority approvals and new product labelling are undertaken in collaboration with our staff functions at the headquarters in Ringsted, Denmark.



In the flexo area, we have established a full R&D team in Milan with the participation of key staff from Presov, Ringsted and Ringe.

The keywords for the product development activities within flexo are still "automation", "integration" as well as "technology" and "environment". Against this backdrop, the Inliner concept has been redesigned to make it a more energy-saving product with greater flexibility and less footprint.

In the latter half of the financial year, the first fully automated flexo Inliner was installed at an end user in Japan and the second unit is on its way to a US customer. At the same time the first NewsSpeed, the world's fastest offset CtP processor for newspapers, was installed in Denmark.

In Othonia, we are developing the UV LED technology for the hardening of flexo plates and drying processes in the paint/varnish industry; the product development continues to proceed satisfactorily. During the financial year, we installed the first prototypes, and the first experience and feedback from the users are positive. Product launch is scheduled to take place in the coming calendar year.



## POSITIVELY SERVICED ▲

### After sales service add value to our product life cycle

Glunz & Jensen offers a number of services that add value for customers during the life cycle of the product and are characteristic of the difference it makes to be a customer at Glunz & Jensen.

The latest services are WebConnect, Leasing and, most recently, After Sales Service. The After Sales Service business is managed by recently acquired GKS, which is managed by Klaus Olsen who is also in charge of the global effort of building up the world's most professional after sales service organisation in the graphic prepress industry.

Many of our end users work in a zero tolerance environment – with a minimum of staff and tight deadlines, and are therefore more dependent than ever on their equipment. Therefore, a fixed after sales service contract offers huge advantages to the customers – for instance, agreed regular visits

and preventive maintenance of their mechanical equipment over a three-year period.

"The professional preventive maintenance we provide keeps our customers' operations running smoothly and means that they rarely require emergency service," says Klaus Olsen. "So far, we are strongly positioned in Scandinavia and the UK, and recently the first pieces fell into place in the USA and China, enabling us to serve all our customers in both offset and flexo," Klaus Olsen explains.

"In fact, the customers can agree to service contracts that include maintenance of equipment not originally delivered by Glunz & Jensen," Klaus Olsen emphasises. "We always consider what is best for the customer, and in the long run this is also best for us."





## POSITIVELY RELIABLE ▲

### The 505 DW-XP technology with better and faster output through innovation

In a major move to add additional muscle to their prepress capability, the Kirk Group with assistance of DuPont Packaging Graphics has installed four of the latest Glunz & Jensen 505 DW-XP plate processors in their Melbourne, Sydney Brisbane and New Zealand operations. Glunz & Jensen's agent in Australia, DuPont, assisted Kirk in selecting and installing these 52x80" plate processors, which were required because of the extra large format plate-making being undertaken by Kirks since their takeover of Visy's Fine Art of Graphics.

"Glunz & Jensen really has an excellent line of plate processors. When the Kirk Group purchased Fine Art Graphics from the Visy organisation, they had a large corrugated workflow. Prior to that, Kirk Group was specialised in flexible packaging. The processors they had were adequate for that, but once they moved their business into the corrugated segment, they needed a processor that could produce a plate quickly and efficiently, and the 505 DW XP processor fits their new needs perfectly!" says Brien Connolly, National Technical Sales Specialist at DuPont Imaging Technologies.

"The productivity of the 505 DW XP is its major selling point, as it can reduce plate processing time by up to 60 % when running in batch mode, as opposed to the standard incremental method. This is crucial for high volume users like Kirks," says Nigel Walsh, sales Manager of Glunz & Jensen.

"There is no doubt that Glunz & Jensen's technologies and prepress solutions for the flexo industry are best developed in collaboration with our customers and we are currently working on new technologies in processor design, with operator functionality at the top of its list. This will enable the customer to monitor the performance and maintenance aspects of the unit, quickly and easily. We are also working on faster and more effective exposure units, in response to the industry's drive for higher and more stable UVa output devices."

Kirk Group's Victorian Manager, Anthony Brown, says: "The new equipment is processing corrugated plates in a third of the time of conventional systems, because of the batch mode capability."

## OUTLOOK 2014/15

Glunz & Jensen has continued the strategic transformation from our historical starting point – 100 % focus on offset equipment for the media industry – to a global and recognised leading position within prepress flexo equipment for the packaging industry. In short, our overall goal is to obtain a leading global position within both offset and flexo equipment. In both product areas, our strategic platform is impacted by the underlying technological development.

In the offset area, the shift in the media industry from print to digital platforms continues. The market is mature and in a consolidation phase. Therefore, customer loyalty and consolidation of market share are decisive for us to maintain our profitable business.

In the flexo area, we focus on automating our customers' prepress production processes and on continuously improving the technological solutions, often in direct collaboration with our customers. We – and our customers – have a leading edge in the development of simple user interfaces and integrated processes.

During the financial year, we further developed our business platform through the acquisition of activities, continued product development and establishment of an after sales service business.

In addition, our production and service unit in China is up and running at full speed and serves as a strong platform for our long-term presence in Asia Pacific. In consequence, we are in a position to deliver product types tailored to the local market at competitive prices.

Based on the above, we expect to generate revenue around EUR 44-47 million for 2014/15. EBITDA is expected to be around EUR 4-5 million.

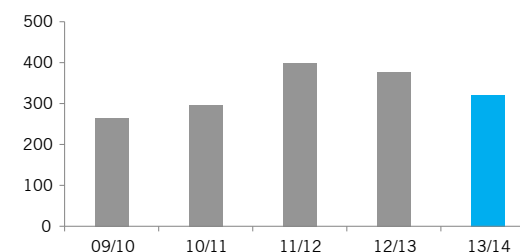
# FINANCIAL HIGHLIGHTS

DKKm	2009/10	2010/11	2011/12	2012/13	2013/14	EURm <sup>1)</sup> 2013/14
<b>Income statement</b>						
Revenue	258.7	292.6	398.0	376.6	320.6	43.0
Gross profit	67.1	82.0	126.2	98.9	66.2	8.9
Operating profit/(loss) before special items (EBITA)	9.0	16.3	45.8	26.1	(2.5)	(0.3)
Net financials	(1.6)	(3.6)	(6.2)	0.4	(4.3)	(0.6)
Net profit/(loss) for the year	5.5	9.4	24.8	22.2	(5.8)	(0.8)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	23.5	32.0	65.9	44.9	19.2	2.6
<b>Balance Sheet</b>						
<b>Assets</b>						
Total assests	204.4	289.0	353.7	383.3	362.5	48.6
<b>Equity and liabilities</b>						
Equity	111.8	118.8	132.9	148.8	128.9	17.3
Total equity and liabilities	204.4	289.0	353.7	383.3	362.5	48.6
<b>Cash flows</b>						
Cash flows from operating activities	27.5	22.1	36.1	34.0	10.4	1.4
Cash flows from investing activities <sup>2)</sup>	(11.1)	(36.7)	(54.1)	(57.3)	(12.5)	(1.7)
Cash flows from financing activities	(11.1)	22.6	12.6	15.6	(2.8)	(0.4)
Changes in cash and cash equivalents	5.3	8.0	(5.4)	(7.7)	(4.9)	(0.7)
<sup>2)</sup> of which net investment in property, plant and equipment	(6.9)	(15.7)	(34.0)	(54.4)	(3.7)	(0.5)
<b>Ratios (%)</b>						
Profit margin (EBITA)	3.5	5.6	11.5	6.9	(0.8)	(0.8)
Return on assets	4.5	7.1	15.2	7.4	(0.7)	(0.7)
Return on equity after tax	5.1	8.2	19.7	15.8	(4.2)	(4.2)
Equity ratio	55.0	41.1	37.6	38.8	35.6	35.6
<b>Other information</b>						
Net interest-bearing debt	23.9	42.6	73.4	108.8	125.6	16.8
Earnings per share (EPS)	2.6	4.5	12.5	12.1	(3.5)	(0.5)
Cash flow per share (CFPS)	13.1	10.6	18.2	18.6	6.3	0.8
Equity value per share (EVPS)	53.4	56.8	66.8	82.8	79.9	10.7
Market price per share	30	36	59	64	58	8
Average number of outstanding shares (1,000 shares)	2,093	2,093	1,988	1,829	1,643	1,643
Average number of employees	238	236	261	258	233	233

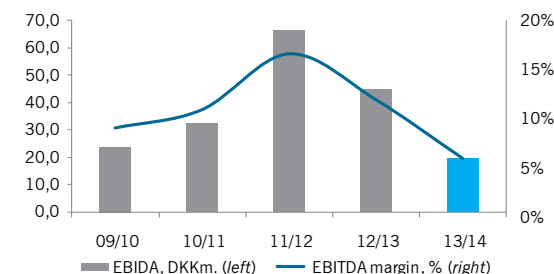
Earnings per share and diluted earnings per share have been calculated in accordance with IAS 33. Other ratios have been calculated in accordance with 'Recommendations and Ratios 2010' issued by the Danish Society of Financial Analysts. Reference is made to definitions under accounting policies in note 31 of the full Annual Report, which can be found on Glunz & Jensen's website: [www.glunz-jensen.com](http://www.glunz-jensen.com). Under financial highlights and in the management's review, 'Operating profit/(loss) before special items' is referred to as EBITA.

1) Converted from DKK to EUR at a rate of 746

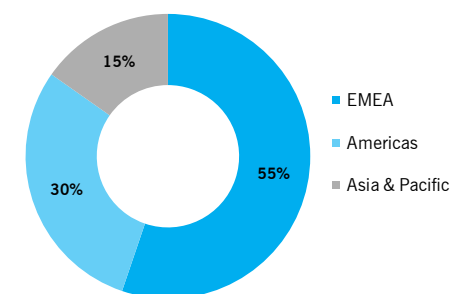
## Revenue



## EBITDA



## Geographical distribution of revenue



# 131

countries served

# 6%

increase in sales  
to Asia

# 1,829

pieces of processing  
equipment sold

# 96%

of all products  
delivered on time

# BRIEF ON GLUNZ & JENSEN

Glunz & Jensen is the world's leading supplier of innovative solutions for the global prepress industry. Our main product areas are processors for the offset and flexo printing industry, iCtP plate setters and automation equipment. We also provide exposure units, dryers, light finishers, mounting tables, conveyor equipment, stackers and software for monitoring and controlling complete prepress processes.

We have long-standing relationships with prominent OEM customers, including Agfa, Asahi, DuPont, Flint, Fuji, Heidelberg, Kodak and MacDermid. We also market our products through an extensive worldwide network of distributors and dealers.

Based in Denmark, Glunz & Jensen has approximately 230 employees in subsidiaries and production facilities in Denmark, Slovakia, USA, Italy, England and China.

Glunz & Jensen A/S is listed on Nasdaq OMX Copenhagen A/S.

The full Annual Report can be found in Danish on Glunz & Jensen's website:  
[www.glunz-jensen.com](http://www.glunz-jensen.com).

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