



ZELLER+GMELIN

General Information - Division Ink

Sales Conference 2024

Andreas Koch

EXPERTLY DONE.

Agenda

- + Business annual recap
- + Business Development by segment
- + Specialization versus diversification
- + Organisation Produkt Management
- + Take away

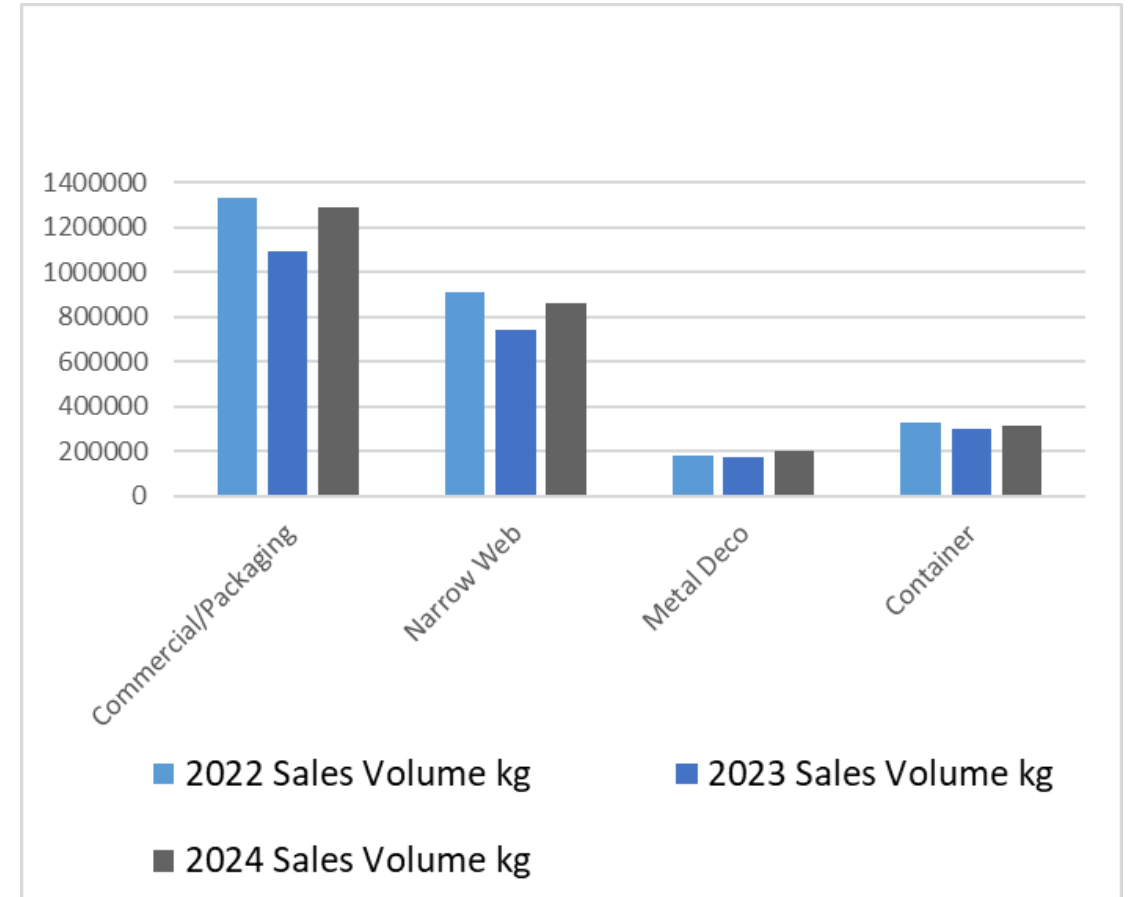
Business Annual Recap

- + Overall low demand
- + High inventory levels
- + Our business results are well below expectations
- + Delayed introduction of new ink series
- + Improved delivery situation for raw materials
- + Intensification of international cooperation between
Purchasing, R&D, and Product Management



Business Development by Segment

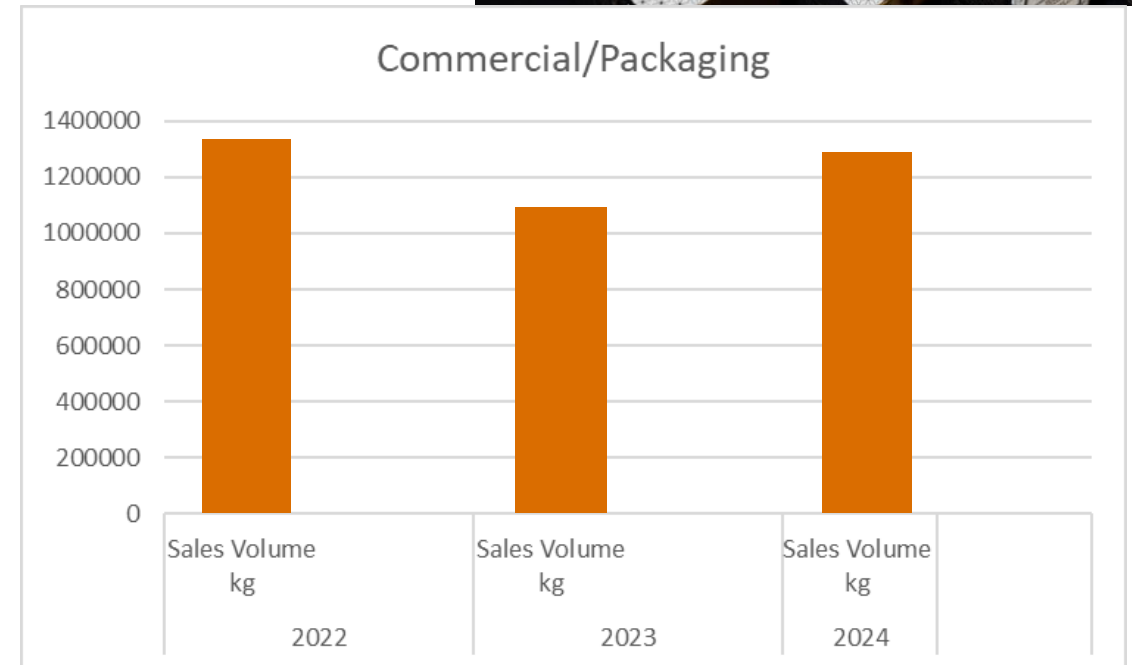
We had to accept similar declines in sales across all segments. The sales decline of approximately 8% compared to the previous year is below the industry average of 10%. In the Commercial Printing segment, the decline was 30%. We were only able to gain new business insufficiently to offset the economic downturn. At the same time, we did not lose any customers and successfully maintained our position with existing clients. The sales for 2024 have been planned rather conservatively due to the uncertain market conditions.



Commercial/Packaging

In the Commercial/Packaging segment, it is essential to differentiate between commercial printing and packaging. In 2023, commercial printing experienced a decline of 30% compared to the previous year. This is a well-known effect, as printed advertising activities tend to be reduced during economic crises. The offset packaging segment, similar to other segments, also witnessed a decline of approximately 10%.

Z+G had planned the largest growth in this segment, but it couldn't be realized due to the fact that the market readiness of the U540 was not yet achieved. Despite this setback, a significant growth was planned for this year in the Commercial/Packaging segment.



Narrow-Web

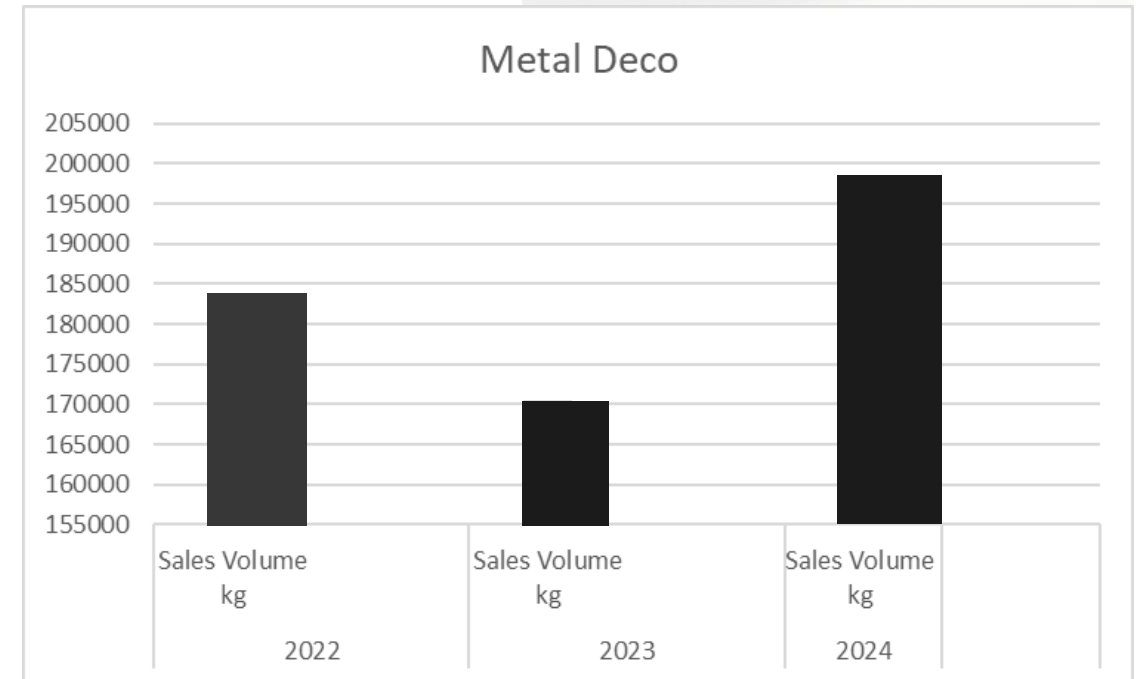
In the Narrow-Web segment, we were able to maintain our position in our strong markets and with our existing customers, but we also had to contend with the economic downturn. The market is undergoing a significant and continuous consolidation process, transforming individual family-owned businesses into instant corporate entities with centralized, Europe-wide procurement. This poses new challenges for us in terms of harmonizing prices across Europe and providing centralized support to the groups.

To further expand our market share, it is essential to complete and bring to final market readiness our LED curing product range. Additionally, achieving group-wide technical excellence is crucial to acquiring customers through value selling strategies.



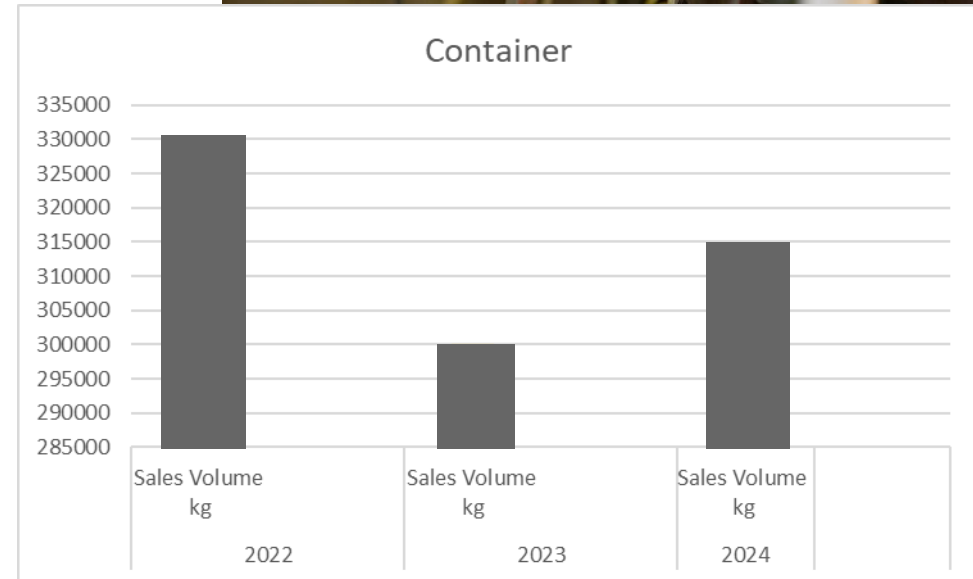
Metal-Decoration

In the past year, even metal packaging experienced a crisis-induced decline. Due to the manufacturing process and the final application of the packaging, the technical requirements for the ink system are extremely high. This also makes the qualification process highly complex and time-consuming. In this segment, we are the technological and qualitative market leader, consistently expanding our market share. The segment serves as a prime example of how value selling can successfully operate. In relation to total sales, Metal-Decoration has planned the largest growth.



Rigid-Plastics

In the Rigid Plastics segment, we also experienced a decline in sales. Despite being the quality and market leader in Europe in this segment, growing through new customers is challenging given our dominant market share. The technology of direct printing is under attack from other technologies such as In-Mould Labeling and Desto (Desto Cup has a cardboard banderole). Therefore, the sustainability of the directly printed cup is heavily influenced by regulations and marketing. Another critical aspect is the recyclability of the cup, which is highly dependent on its deinking capability. Hence, we are approaching the planning for 2024 with caution, contingent upon the technological sustainability of Rigid Plastics.



Specialisation ↔ Diversification

Technology

Organisation

Market

UV / LED / EB

R&D → PM → Techn. Service → Sales

Commercial/Packaging

R&D → PM → Techn. Service → Sales

Narrow-Web

R&D → PM → Techn. Service → Sales

Digital Inks

R&D → PM → Techn. Service → Sales

Metal-Decoration

R&D → PM → Techn. Service → Sales

Rigid-Plastics

Diversification

Pros

- + Less dependency on individual technical segments and markets
- + The opportunities to serve niche markets
- + Synergy effects in R&D

Cons

- + Low degree of specialization
- + Low automation potential in production
- + High personnel effort



Organisation Product Management Ink

Product Management per Segments

<i>Vacant</i>	Niklas Hamacher	<i>Vacant</i>	Michael Rakoci
Commercial/ Packaging	Narrow-Web	Coatings Adhesives	Metal-Decoration
Rigid-Plastics		Digital Inks	

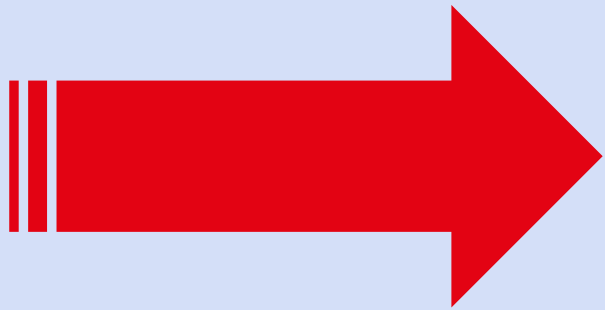
What can we take away?

The Complexity increases

- + Technology
- + Applications
- + Regulatory

The predictability of the markets decreases

- + Sustainability and marketing trends
- + Political and economic changes
- + Consumer behavior



Z+G Ink → the transformation to an agile organization

- + Think ahead on regulatory issues
- + Diversification of our technologies
- + Global integrated PM and R&D
- + Continuous investments
- + Promoting new talent



**Thank you for your
dedication, collaboration,
and commitment!**