



One year „Heidelberg Subscription“ at Klampfer Gruppe, Austria

Heidelberg Eastern Europe

Roland Spatt | 19. September 2019

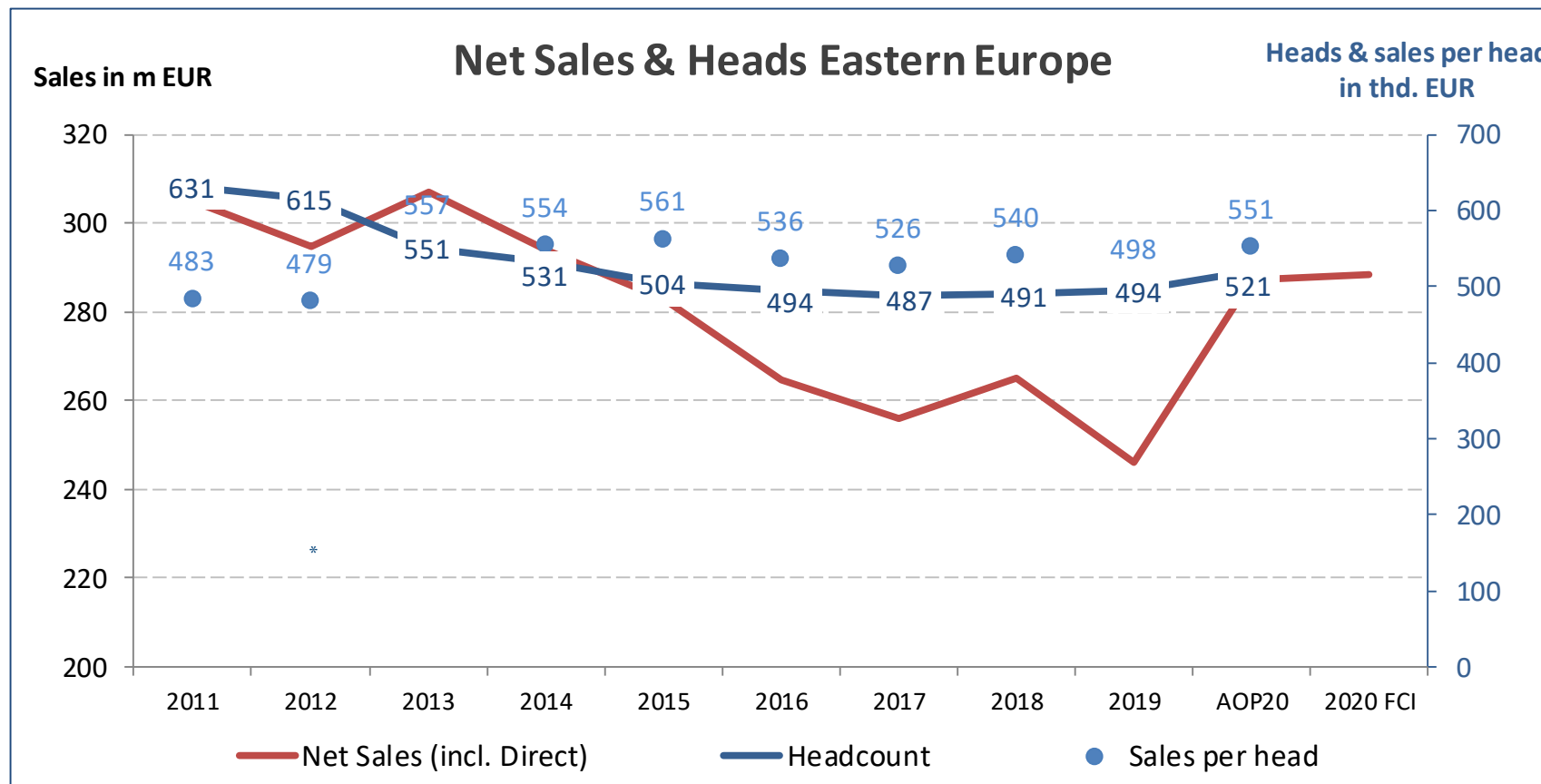
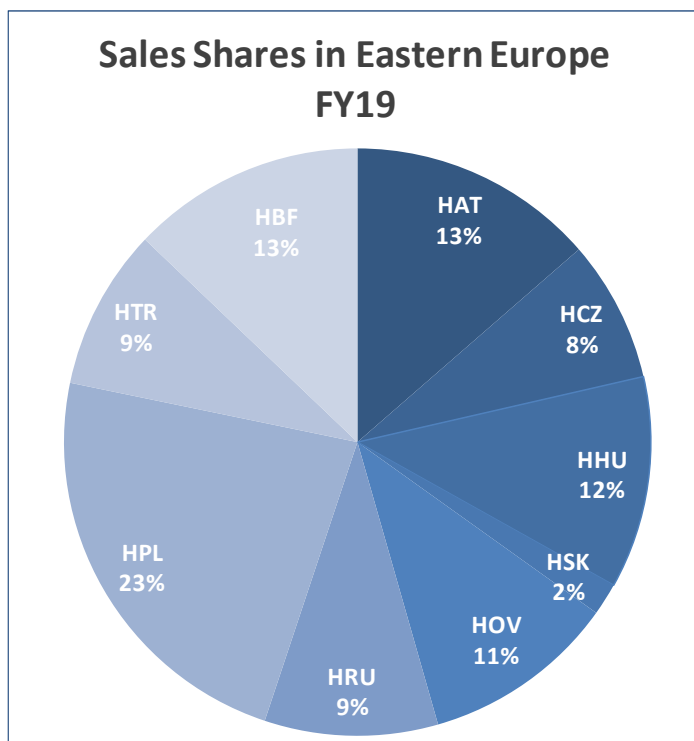


Sales Cluster Eastern Europe

EE includes 11 territories and with our partners we act in 38 countries with



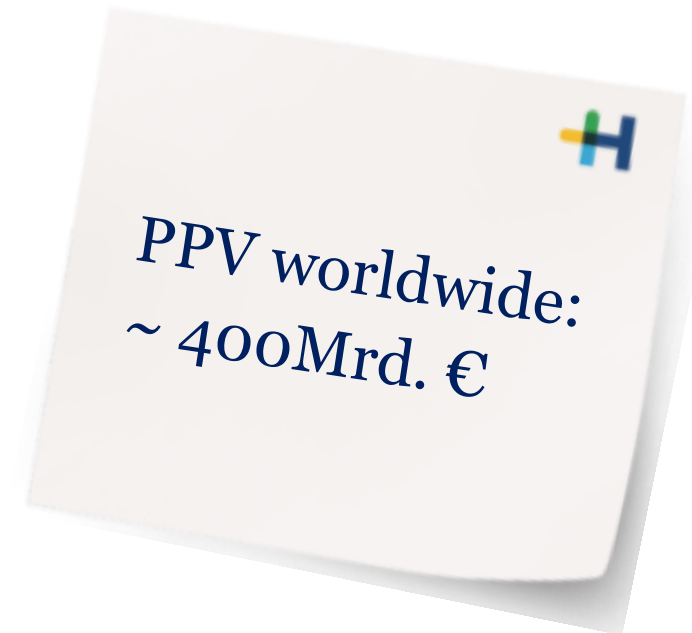
Graphs Eastern Europe



EBIT Act FY16ff w/o Year-End-Adjustment

Economy | PPV – Print Production Volume

Russia	➔	-2,2%
Poland	➔	2,3%
Austria	➔	-1,3%
Turkey	➔	0,8%
Czech Republik	➔	0,8%
Rest of EE	➔	0,3%



Market Development FY14 – FY19

- Poland is the biggest single market in Eastern Europe – on a quite stable level.
- Austrian market was declining, but stabilizing again as well as Baltics.
- Coming from a very high level, Russia suffers from the political and economic environment, but shows a high in FY18.
- Romania and Croatia had a good FY19.



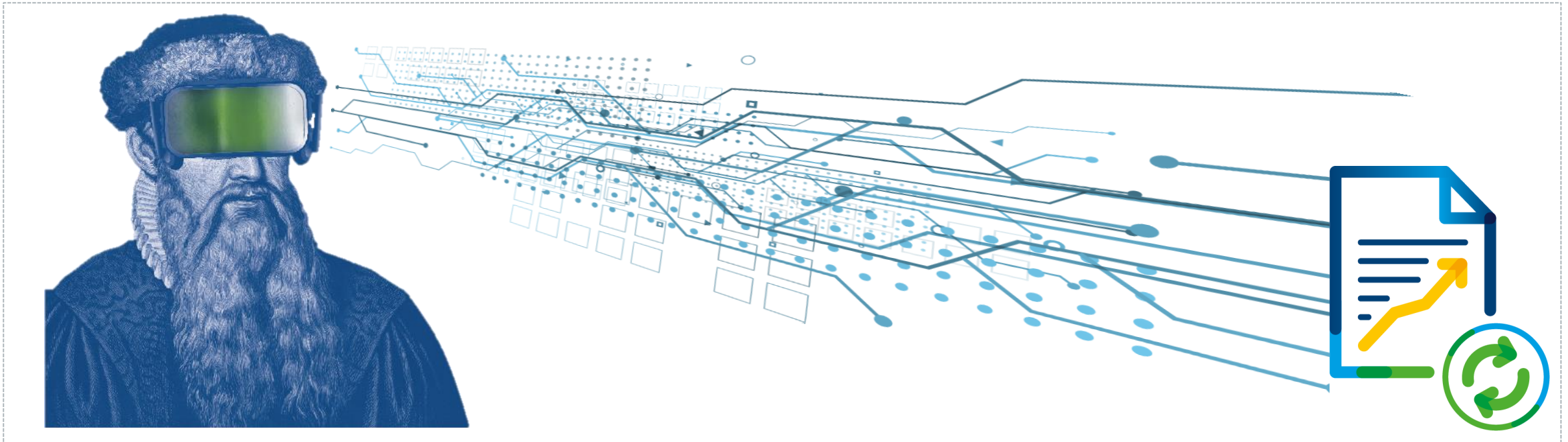


Heidelberg Subscription Business Eastern Europe

Press Event

Roland Spatt | Managing Director Austria

19. September 2019



Heidelberg Subscription at a glance: Combining Heidelberg product portfolio in order to drive productivity.



- **Pay-per-use** business model
- **Customer pays for output** instead of input factors. As subscriber our customers are free to focus on sales, product innovation and investment in digitization of their customer's interface.
- **Recurring revenue (5-year plan):**
Monthly fix base fee + impression charge
- **No investment in equipment,**
Ownership stays with HEIDELBERG
- With a subscription contract, our customers get **added value benefits.** And make their profits independently of savings in material costs.
- **Our solution aims to jointly increase productivity.**

The Heidelberg portfolio to increase performance.
All services are harmonized and from a single source.



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All services are harmonized and from a single source.



Constituent parts of any subscription contract: Heidelberg Subscription.

Equipment	Consumables	Service	Consulting
<p>Machine types:</p> <ul style="list-style-type: none"> • XL106 • XL145/162 • CX102 / SX102 • XL75 / XL75 Anicolor • SX52 / SX74 <p>Prinect:</p> <ul style="list-style-type: none"> • Prinect Production Manager <p>Optional:</p> <ul style="list-style-type: none"> • Additional Prinect modules 	<ul style="list-style-type: none"> • Ink, fountain, washing fluid, Ink Duct Foil, washup cloths, Washup & Go liner • Rollers • Blankets, underlay paper • Plates and related chemistry <p>For machines with coating unit:</p> <ul style="list-style-type: none"> • Coatings, coating blankets, Anilox roller, Anilox cleaner <p>Optional:</p> <ul style="list-style-type: none"> • Spot colors 	<ul style="list-style-type: none"> • Pre-installation check • Installation and acceptance test • Operator training • SystemService 60plus incl. maintenance, labor, repair and parts • Wear parts • Roller exchange • Predictive Monitoring • Print Color Management (PCM) • Press optimization • De-installation at end of contract period 	<ul style="list-style-type: none"> • Examination of individual job structure, processes and current machinery • Development of possible future market scenarios • Proposal for strategic investment decision • Productivity improvement planning and implementation support • Monthly business review with our customers

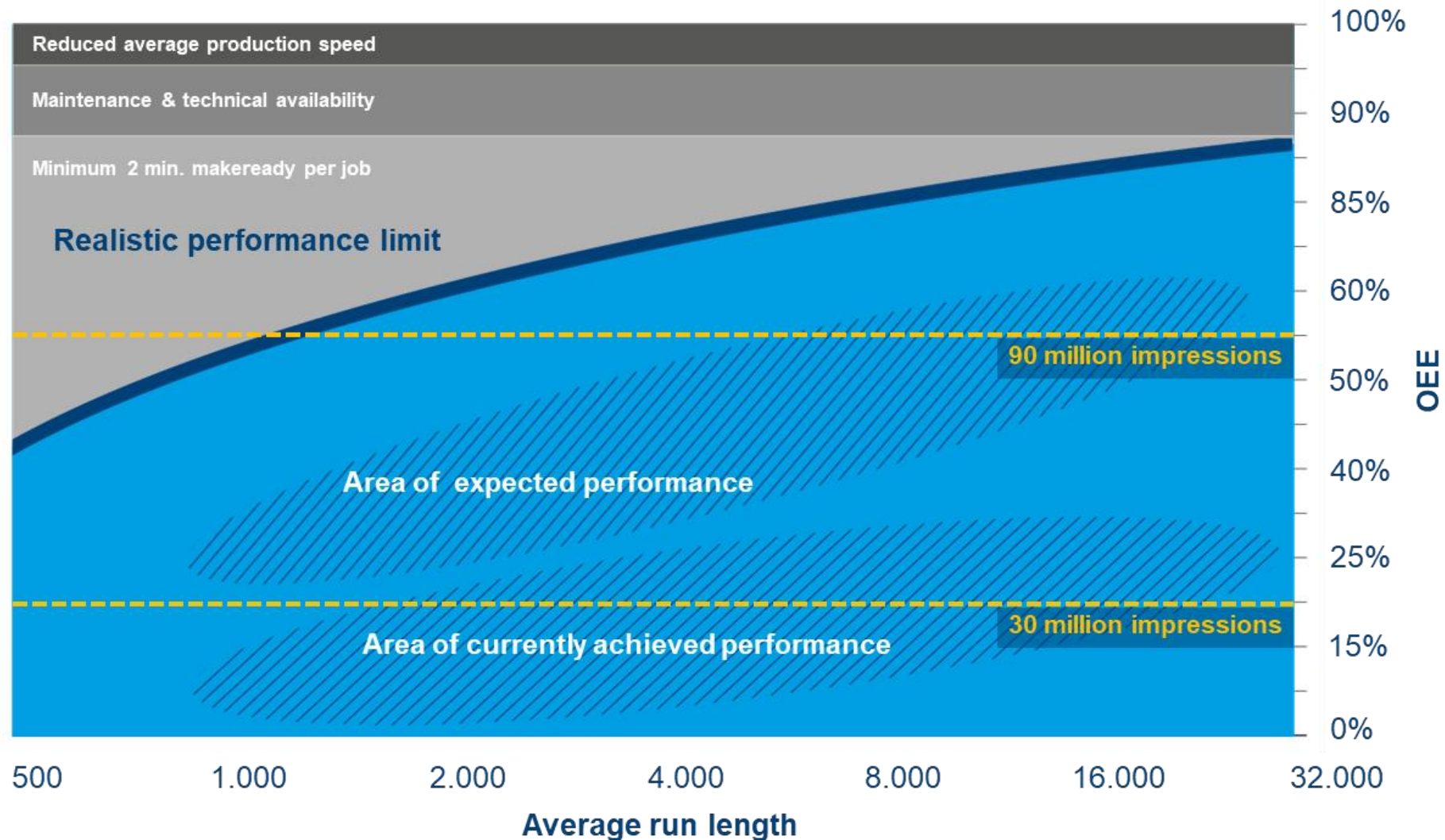
Our new value proposition – Advantages for our customers: **Heidelberg Subscription.**



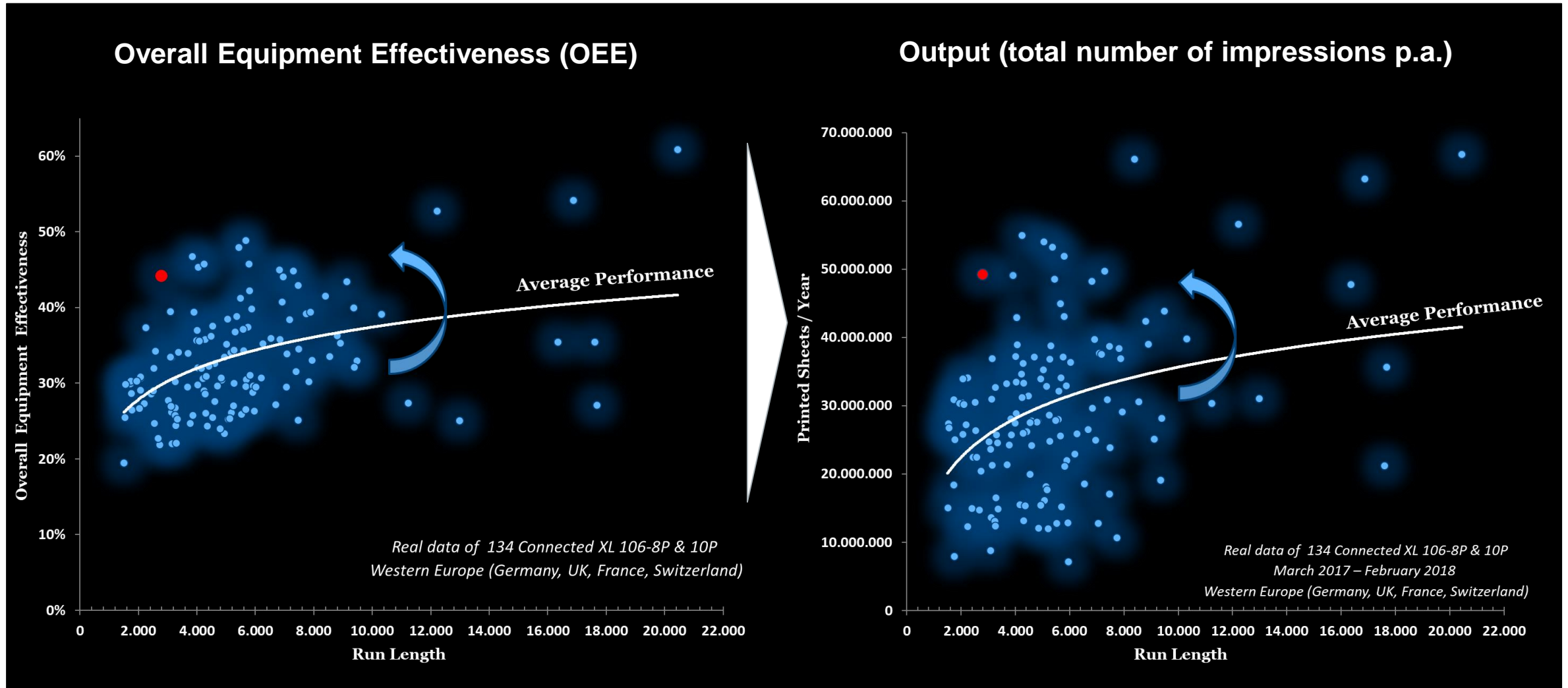


Operational excellence.

What OEE is achievable?



Based on machine data we understand the performance of our installed base – Subscription customers benefit from the performance knowledge



Core element of subscription is our consultancy service: Onsite and remote consulting in order to increase performance.

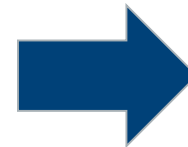
Onsite consulting („Performance +“)

Termin	Thema	Erledigt
Fr. 6.4.18	Aufbauplanung (Varianten erarbeiten und bewerten)	✓
03.-04.07.18	Führungsworkshop (Vision u. Handlungsfelder erarbeiten; KVP-Kultur implementieren)	✓
25. – 26.09.18	Flächenkonzept: Analyse Ist-Layout + Materialflussanalyse	✓
09. – 10.10.18	Flächenkonzept: Sollkonzept (Grobplanung mit der Führung)	✓
06. – 07.11.18	Rüstworkshop XI 106 (Teil1)	
04. – 05.12.18	Rüstworkshop XI 106 (Teil2)	
15. – 16.01.19	Flächenkonzept: Sollkonzept (Feinplanung mit den Mitarbeitern)	
12. – 13.02.19	Flächenkonzept: Sollkonzept (Umzugsplanung, Aufbau eines Logistiklers)	



Remote consulting („Monthly Calls“) (monthly performance analysis and definition of joint measures)

Thema	Aufgabe, Maßnahme, Festlegung	Vorgang
Drucksaal	Infoboard	H
Drucksaal	Magnetschilder	H
Drucksaal	Prozess Ausriessen definieren	H
Drucksaal	Konzept Bereitstellungsflächen erstellen	H





Key „interface“: Heidelberg Assistant as our digital customer interface

Printshop Selection Max Mustermann

Heidelberg Assistant

Print Shop.

Service Status

Performance Charts

Performance Actions

Predictive Monitoring

Shopping.

Heidelberg eShop

Support.

New Ticket

Ticket Overview

Service Scheduler

Knowledge

Administration.

Contracts

Invoices

Vendor Managed Inventory

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Vendor Managed Inventory

Disposition Customer

Disposition Heidelberg

Search

Printshop Selection

Excel Export

Stock Taking

	Product Name	Product ID	Category	Last Movement	Unit	In Stock	Reorder Point	Order quantity	Next Delivery	Status
+	Saphira Wash 562 25l	CN.F210001	Chemistry	10.03.2018	Can	2	2	4	04.10.2019	!
+	Druckbestäubungspuder S 5/22 1kg	CN.F310005	Chemistry	10.03.2018	Stück	5	0			✓
+	Saphira Fount 554 AR Pure 25Kg	CN.F110083	Chemistry	10.03.2018	Can	83	0			✓
+	Saphira Isopropylalkohol, 25L	CN.F910003	Chemistry	10.03.2018	Can	3	0	10	20.10.2019	✓
+	Saphira Water Fix 25L	CN.F210055	Chemistry	10.03.2018	Can	55	0			✓
+	Saphira Roller Protection Liquid 1L	CN.F220090/02	Chemistry	10.03.2018	Stück	2	0			✓
+	Saphira Dry Ink Cleaner 5L	CN.F220081	Chemie	10.03.2018	Stück	81	0			✓

✓ Status ok

! Reorder required

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NEW:
Vendor Managed Inventory



Successful.

Introduction of Heidelberg Subscription

- **> 50 signed Subscription contracts, September 2019**
 - Geographical focus: Europe, North Americas, China
 - 13 contracts in Sales Region “Eastern Europe” (e.g. Austria, Poland, Turkey, Slovakia)
 - Relevant for all customer segments (packaging, commercial, label)
- **~ 30 machines with subscription in operation**
 - First machines with subscription now running for >12 months
 - VMI: rollout of vendor managed inventory for all subscription customers currently in progress
- Ambitious target in our current FY
(GJ 2020): **100 subscription contracts, thereof 20 in Eastern Europe**
- **Mid-term target: 1/3 of our turnover to be generated sustainable with contracted business**

Our first Subscription Customer: Fürther Kartonagen / Weig (Germany)



WEIG
PACKAGING

**Print
applications**



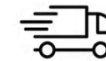
Packaging

**Subscription
contracts**



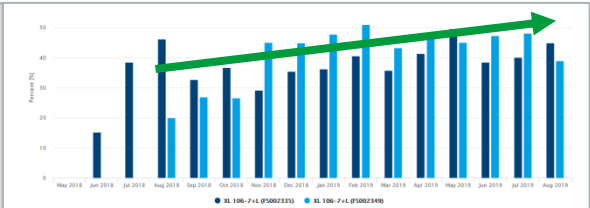
XL106-7+L

XL106-7+L

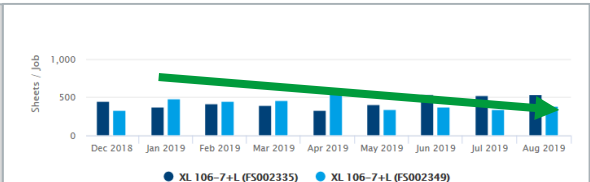


**Add. consumables
supply agreements**

OEE > 50%



**Make ready waste
< 350 sheets**



Subscription Customer Sentez Grup (Turkey)



**Print
applications**



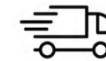
Packaging

**Subscription
contracts**



XL162-6+LX

XL106-7+LX



Add. consumables
supply agreement

We weren't actually planning any major investments in 2018, but the pay-per-use model being offered by Heidelberg will enable us to grow faster and significantly boost our productivity in a fiercely competitive market," says the Sentez Group's CEO, M Süleyman Öncel.

Subscription Customer Commercial Printer (Poland)



**Print
applications**



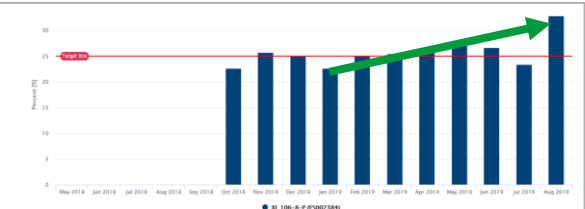
Commercial

**Subscription
contracts**

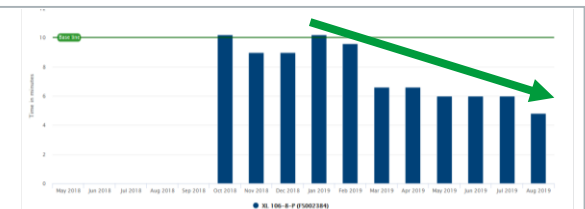


XL106-8-P LED UV

**OEE > 25% target
line**



**Make ready time
< 6 minutes**



Status: August 2019

Subscription Customer Aluprint (Slovakia)



Print applications



Label

Subscription contracts



XL75-6



OEE > 35% after 4 months



More than 4 mio. Impressions per month



Status: August 2019

We are proud about we have achieved with our first subscription customer in Eastern Europe during last 12 months: **Universitätsdruckerei Klampfer GmbH**



#HeidelbergSubscription