

Prinect User Days 2018 – focus on digital business models and print shop industrialization

- Software forum organized by users for users offers communication platform as digitization continues apace
- Over 300 participants from 15 countries worldwide
- Heidelberg extending cloud portfolio for innovative software solutions

The Prinect User Days at the Print Media Academy of Heidelberg Druckmaschinen AG (Heidelberg) once again demonstrated their credentials as a communication platform organized by users for users. Some 300 Prinect workflow users attended the event over a total of four days, taking the opportunity to discuss the latest software trends in the industry with experts and each other.

The presentations and subsequent discussions focused on new digital business models and the possibilities of cost-efficient print shop industrialization as digitization continues apace. It became clear that the philosophy of the Smart Print Shop for navigated and even autonomous printing, as showcased by Heidelberg at the last drupa, offers many print shops a solution to the wide-ranging industry challenges they face. That makes “Prinect. Driving the Smart Print Shop.” a highly appropriate slogan for the event, highlighting that the software supports the necessary Smart Print Shop processes.

Extension of Heidelberg cloud portfolio for innovative software solutions

A number of brief demonstrations at the Prinect marketplace – an established part of the event – provided an overview of the key innovations of Prinect 2019. One particular highlight was the presentation of Prinect Smart BI. This cloud-based service enables print shops to use standard Microsoft Office tools to help analyze their business and production data. It makes light work of tasks such as preparing specific reports about market trends, product development, customer requirements, machine performance, and material movements based on the data analyzed, and identifying key factors for more profitable production and sales.

Heidelberg is planning to gradually further extend its portfolio of cloud-based solutions. The vision is a cloud-based ecosystem that enables customers to combine modules according to their needs. The software and the IT infrastructure are provided according to the software-as-a-service principle. Some 25,000 Prinect modules are already linked to the Heidelberg cloud. The resulting wealth of data is used to develop software solutions for further boosting productivity. “A print shop’s business success is increasingly determined by how efficiently it handles data. By creating the ideal conditions for this, the Prinect workflow forms the backbone of the Smart Print Shop showcased by Heidelberg at the last drupa,” explains Jürgen Grimm, Head of Software Solutions at Heidelberg.



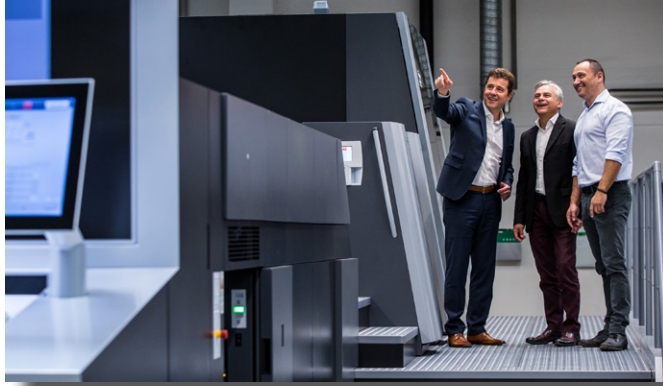
The Prinect User Days 2018 at the Print Media Academy of Heidelberg Druckmaschinen AG once again demonstrated their credentials as a communication platform organized by users for users. Around 300 participants from 15 countries use the forum to share information about the latest software trends.

The integrated print and media workflow.
Step up your print shop.
Prinect has the answers.



Pharmaceutical packaging specialist Rondo AG installs the Heidelberg Primefire 106 to further expand its Supply on Demand solution

- Print quality and color stability of the digital printing system a decisive argument for the investment
- B1 format fits perfectly into the existing production setup, with digital and offset printing complementing each other
- Automated workflows, close integration of customers into the process and digital printing further shorten packaging delivery times



Rondo AG is conducting the world's first beta test in the area of pharmaceutical packaging with the Primefire 106 from Heidelberg. For Joachim Hoeltz (left), CEO Rondo AG and Giovanni De Luca (right), Director Operations Switzerland Rondo AG, the digital printing system is the final piece in the company's Supply on Demand solution. They are supported by Philippe Andrey, Heidelberg Switzerland.

Rondo AG based in Allschwil near Basel (Switzerland), part of the international Körber Group in Hamburg, is conducting the world's first beta test in the area of pharmaceutical packaging with the Primefire 106. The digital printing system of Heidelberger Druckmaschinen AG (Heidelberg) has been installed at Rondo since April 2018, where it is the final piece in the packaging specialist's Supply on Demand solution. "The trends in the pharmaceutical industry are heading towards ever declining runs and shorter delivery times in response to personalized medicine, increasing language and country versions and much shorter delivery times for medicines" confirms Joachim Hoeltz, CEO of Rondo AG. "Our production consists entirely of secondary packaging. Through process automation and close IT integration we offer our customers a just-in-time service and by doing so help them to optimize their own supply chain."

Rondo AG's Supply on Demand Service

Rondo has been offering its Supply on Demand Service since the Interpack trade fair in spring of last year. This means that every week for almost a year, it has been supplying a key pharmaceutical customer with a large number of folding carton orders with very short delivery times. Rondo automated its own workflow and optimized the ERP integration with its customer. The goal of - providing small batch sizes in consistently high quality with delivery times of less than a week - has already been achieved through conventional offset printing and optimized job preparation and postpress processes. A Speedmaster XL 105 ten-color perfecting press with coating unit is currently used for printing.

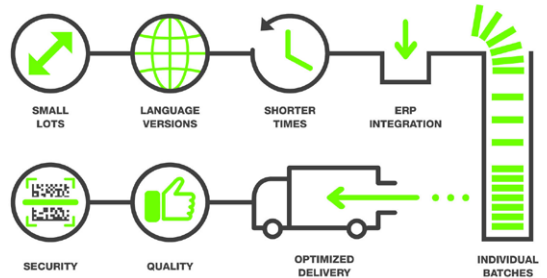
Rondo AG's Supply on Demand Service helps its customers within the pharmaceutical industry to reduce their total cost of ownership. The precision delivery of the required quantities reduces storage costs or eliminates them completely in case of direct delivery to the packaging machine. In addition, costs for destroying obsolete packaging are avoided. The close IT integration additionally saves significant costs in the administrative area. In the quality process, Rondo can handle the customer's incoming goods inspection in compliance with strict GMP (Good Manufacturing Practice) regulations, so that this step can be reduced to a minimum at the pharmaceutical companies. All in all, this can save up to 50 percent of the total supply chain costs on the customer side. The much shorter packaging delivery times also enable the pharmaceutical customer to reduce their own delivery times for their medicines often significantly, which in turn leads to considerable benefits on the sales side.

Playing to the strengths of digital printing

"We stand for customized developments and for innovations," explains

SUPPLY ON DEMAND

Needs-based delivery in the shortest possible time



Graphic "Supply on Demand Solution" at Rondo AG.

Hans-Peter Süßlack, Business Process Manager at Rondo. "Offset printing has its limits when it comes to the personalization and run lengths of just one pack. That's why we took a serious look at digital printing. We tested quite a few systems in the past four years. We saw the Primefire 106 at drupa 2016 and opted for this machine after various tests." The Primefire 106 is the first industrial digital printing press for packaging in B1 format and thus is the perfect complement to the Speedmaster in 70 x 100 format.

As well as the possibility of producing pharmaceutical packaging from batch sizes of one at the lowest possible cost, the Primefire 106 also makes an impression through its ability to add variable data such as serial numbers while the packaging is being printed. "A decisive factor in addition to the right format is the long-standing, reliable and trusting partnership with Heidelberg," confirms Jörg Oswald, Director of Operations at Rondo. "A stable customer/supplier relationship with a high degree of trust and a high quality standard is very important in the pharmaceutical industry. The motto is safety, safety, and once again safety." With this in mind, a development project for the Primefire 106 consists of being able to print custom serial numbers in order to prevent counterfeit medicines under the EU Counterfeiting Directive. This subproject should become reality in 2019.

The Primefire 106 is installed right beside the Speedmaster XL 105 in Rondo AG's production hall. "Both systems complement each other's respective strengths, which in turn benefits the customer. The Primefire 106 handles shorter runs and jobs involving variable data, while the Speedmaster XL 105 is perfect for longer runs," adds Giovanni De Luca, Director Operations for Switzerland at Rondo. "Heidelberg's extensive color expertise ensures that end customers cannot see any difference – a must in the pharmaceutical industry."

Rondo – a strong partner to the pharmaceutical industry

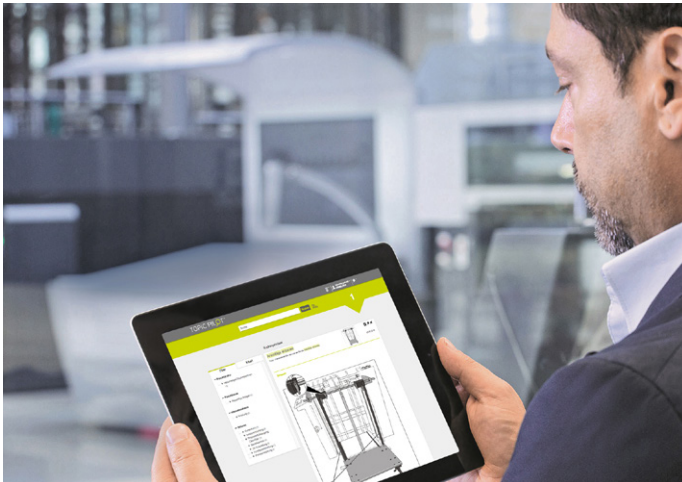
Rondo AG develops and produces packaging solutions for the pharmaceutical industry.

In addition to standard and special folding cartons, it also offers system solutions and services. Production takes place in Switzerland, the Czech Republic, the USA and Puerto Rico. Worldwide, Rondo's workforce of around 600 employees produces over two billion folding cartons and package inserts every year. Rondo is part of Medipak Systems, the pharmaceutical systems division of the international technology group Körber. Körber brings together the world's leading technology companies with more than 140 production, service and sales companies and achieves sales of 2.6 billion euros with around 12,000 employees.

<https://www.rondo-packaging.com/en/home/>

Setting a joint course for success:

Heidelberg paves the way for new digital business models with DOCUFY, and revolutionizes the world of service



TopicPilot by DOCUFY is an out-of-the-box solution you can use to easily publish all company-wide information on mobile devices, on the intranet, and on the web.

DOCUFY GmbH has been a Heidelberg Group Company for roughly one year. On the journey toward becoming a digital, agile company Heidelberg Druckmaschinen AG (Heidelberg) relies on the software and concepts for intelligent handling of information from its new subsidiary DOCUFY. This is because the digital exchange of information between machine engineers and users at every stage of the production process is creating new opportunities for optimization in the age of Industry 4.0. With the service-as-a-service concept, Heidelberg, together with the DOCUFY solutions, is now creating ideal conditions for new digital business models. Heidelberg aims to automate and digitize service processes, whose solutions will also be offered to Heidelberg's industrial customers.

For Maintenance 4.0, Heidelberg is combining existing service solutions with DOCUFY's services to offer innovative processes and tools, such as electronic maintenance tables, through which Heidelberg and Heidelberg's industrial customers can achieve significant increases in efficiency and customer value in service.

As part of its digital transformation, Heidelberg acquired DOCUFY GmbH in Bamberg one year ago. Heidelberg has used the software solutions developed by DOCUFY (including COSIMA and TopicPilot) and the concept of the Information Space to supplement the portfolio of its Heidelberg Digital Platforms division. In doing so, it has simultaneously created suitable conditions for smart service concepts, which are becoming increasingly important within this context. Together with DOCUFY, Heidelberg has already developed new solutions to optimize its service business by combining and developing the existing products in this way. The implementation of Maintenance 4.0 is one of their first successful collaborations.

COSIMA and TopicPilot by DOCUFY create basis for Maintenance 4.0

In order to successfully implement digitalization strategies, tools are required to trans-late theory into practice. The joint portfolio already contains suitable tools for implementing Maintenance 4.0 and organizing services. For example, COSIMA, DOCUFY's component content management system, can be used to track the maintenance steps for various machines and link them to descriptions of the way that maintenance is carried out.

In turn, the mobile publication platform TopicPilot by DOCUFY transmits all of this information to the service technician's smartphone or tablet. What is special about this is that specific maintenance lists can be displayed there for each machine and maintenance interval. The integrated log function allows the user to tick off maintenance steps that have already been carried out, to add images and comments to them, and to save them centrally in the system. Heidelberg's platform solution View2Connect then even presents maintenance tasks in a 3D model.

Heidelberg is already using COSIMA in a charging technology pilot project for electric vehicles, among other things. Linking COSIMA with View2Connect allows the user to simultaneously generate an interactive 3D catalog of replacement parts and service instructions in 2D or 3D for the first time.

Integration is being felt both inside and outside

"Within the shortest period of time, we have successfully integrated DOCUFY into Heidelberg and our growth strategy. Thanks to the committed team at DOCUFY, 'Heidelberg goes Digital' works in both directions – internally, we have been able to accelerate the expansion of our digital business models using data-based service concepts. For our industrial customers, we are consistently using our service-as-a-service vision to develop our portfolio into a new service concept," says Prof. Dr. Ulrich Hermann, Management Board member and Chief Digital Officer at Heidelberg.

More at www.docufy.de.

About service-as-a-service

Industry 4.0 is bringing the issue of process optimization to the fore. With their service-as-a-service concept, DOCUFY and Heidelberg Digital Platforms are helping providers and machine and system operators to digitalize and automate their service processes – with suitable processes and tools on one open platform.

About DOCUFY

DOCUFY is a wholly owned subsidiary of Heidelberg. The company is a leading software manufacturer for multi-level documentation systems and is the first provider of Multi-Level Documentation. Besides its software products, DOCUFY also offers consulting and development services and professional support. The ISO 9001:2015 certified company is based in Bamberg and employs around 100 people. The software specialist also markets its multilingual software worldwide via a network of partners.

DOCUFY software solutions

COSIMA go! is a fully developed, ready-to-go Component Content Management System for the documentation process that can be adapted to meet specific customer needs at any time – whether for mechanical or plant engineering, measurement or control technology, or software.

COSIMA enterprise is the proven Component Content Management System that you can flexibly expand and adapt to accommodate specific needs. Customer-specific information models can be configured with ease, and importing master data and existing data structures is simple.

DOCUFY Layouter is a ready-to-go cloud solution to easily



create, store and customize your own output layouts. The web interface is intuitive and easy to use. Output layouts can be loaded directly into COSIMA or TopicPilot.

DOCUFY Machine Safety is specialist software that can be used by companies to comprehensively comply with EC Machinery Directive specifications with maximum efficiency. It simplifies, accelerates, and improves the process of creating risk assessment for CE marking in line with legal requirements.

TopicPilot is an out-of-the-box solution you can use to easily publish all company-wide information on mobile devices, on the intranet, and on the web. You can start working with TopicPilot right away using existing data files. The powerful full-text search is another essential component of the application.

Heidelberg starts selling its new charging system for electric cars

- Heidelberg Wallbox Home Eco – an economical charging device for use in garages, in carports or outdoors
- Focus on individuals, companies, and local authorities
- Robust yet stylish design with exceptional engineering offering excellent value for money
- Easy, intuitive operation and compact dimensions

Heidelberger Druckmaschinen AG (Heidelberg) has now launched its new charging system for electric cars in Germany. The Heidelberg Wallbox Home Eco is the first ever product for end customers in a company history that spans almost 170 years. The system is aimed at individuals and also at businesses and local authorities that want to use the charging station to recharge the electric vehicles in their own fleets as well as those of customers and visitors.

The Wallbox Home Eco has a CE-compliant design. Heidelberg developed all the power electronics itself and they are produced exclusively in Germany. Comparable solutions from Heidelberg have already proved a market success, with over 20,000 Wallboxes for the electric cars of a premium manufacturer and over 100,000 smart charging cables manufactured to customer specifications.

Supremely simple operation

The Wallbox is a stationary charging device that can be installed on a wall, in a carport or on a column. Thanks to its effective fuse protection and integrated fault current detection, customers can use it not only in garages but also in carports and outdoors. As with the company's printing presses, the Heidelberg development engineers deemed an attractive design to be particularly important. In a similar way to an electric oven, the power is supplied via a separate cable with corresponding fuse protection. Charging system operation is based on the extremely straightforward plug & play principle. The charging power can be adjusted in a range extending to 11 kW. The exceptionally robust design and operation mean no maintenance or servicing is required. The column does, however, need to be installed by a trained electrician.

“Our Wallbox has been based around the most common charging behavior of electric vehicle owners, who normally drive the car to work every day, park there – in their employer's car park, for example – and leave the vehicle in their garage or carport overnight. They need a reliable and

economical charging option for these periods and that's exactly what the Heidelberg Wallbox Home Eco provides,” says Stephan Plenz, Member of the Management Board Responsible for Heidelberg Digital Technology.

Various marketing channels

With an RRP of €499 (including VAT), the Heidelberg Wallbox Home Eco offers excellent value for money. It is initially being marketed via www.amazon.de. A major electrical wholesaler in the Baden-Württemberg region also stocks the charging system and takes care of installation. Marketing negotiations between Heidelberg and several electrical retail chains, a number of prefabricated house manufacturers, a well-known auto accessory retailer, and one of Germany's largest retail groups are well advanced. In the Heidelberg area, the Wallbox is installed by electrical service providers of Heidelberger Druckmaschinen AG and the company is currently working on a nationwide service.

Also used in-house

The first charging stations are already available in the visitor car park at the Heidelberg Wiesloch-Walldorf site, where owners can recharge their electric vehicle batteries for free during their visit. A company located in the vicinity of the site which hires out and sells scooters used by Deutsche Post, among others, has also already ordered several Heidelberg Wallbox Home Eco systems. Electric vehicles are being used by an increasing number of tradesmen and service providers, too.

Heidelberg sees the Wallbox Home Eco as a basic entry-level model. It is planning further versions, including a premium product that will also integrate functions extending beyond the charging process. Billing systems for users who wish to use the charging system as a paid service provider for third parties are just one example. www.heidelberg.com/wallbox



Following its official market launch, the Heidelberg Wallbox Home Eco is available to purchase on www.amazon.de at an RRP of €499 (including VAT). Heidelberg is making a key contribution to the appeal of electric mobility in Germany with this system.



The Heidelberg Wallbox Home Eco proved to be a big hit at the Mannheim Maimarkt. Lots of the visitors to Germany's biggest consumer exhibition stopped by the Heidelberg booth to find out more about the opportunities and benefits of the new charging system.

Heidelberg optimizes capital structure – further logical step to reduce interest payments

- Company partially redeems existing high-yield bond running to 2022
- Around €55 million to be repaid from cash on hand in mid-July
- Financing structure improved: Lower annual interest means greater room for maneuver in future

Heidelberger Druckmaschinen AG (Heidelberg) is optimizing its financing structure. The company today decided to redeem a sum of around €55 million from the current high-yield bond (with a coupon of 8 percent), which runs to 2022 and amounts to some €205 million. This sum will be repaid on July 18, 2018. Issued in 2015, the bond was a key element in extending the financing structure's maturity profile at that time. The repayment is being made from cash on hand and will have a positive impact on the financial result from the next financial year onward.

Heidelberg is planning to reduce its financing interest by close to half to around €20 million in the medium term. Having recently extended its syndicated credit line for approximately €320 million to 2023, Heidelberg will still have some €700 million available to invest in the digital transformation following its planned partial redemption of the high-yield bond.

“We’re continuously working on optimizing our financing framework and capital structure,” said Heidelberg CFO Dirk Kaliebe. “We have numerous options at our disposal for driving forward our growth strategy while also further reducing interest costs by improving the financing framework and choosing the appropriate options to take us into the digital future,” he added.

In accordance with the bond conditions, the repayment on July 18, 2018 will take place by means of a publicly announced early redemption with a redemption value, including redemption premium, of 104 percent. The notice of redemption can also be viewed directly on the Luxembourg Stock Exchange's website.



Dirk Kaliebe,
CFO, Heidelberg

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Heidelberg Quality.

Original Service Parts.

Heidelberg's comprehensive quality standard applies to service parts, too. All our parts are manufactured with the same precision that you have come to expect from other Heidelberg products. That is how we provide high reliability and maintain the value of your machinery.

Only original Heidelberg® service parts ensure maximum value conservation for your press, as they are specially designed for the purpose, enabling you to safeguard and sustain high performance levels.

Electronic parts catalog: With every printing press we deliver a digital Machine Components Scout – a program with a self-explanatory search function that easily enables you to find out which service part you need.

World Logistics Center: Our World Logistics Center in Wiesloch, the American Logistics Center in Indianapolis and our Logistics Centers in Tokyo and Hong Kong mean that our global logistical service promise is unparalleled in the print media industry: we stock 130,000 different types of parts and can dispatch 95 percent of all service part requests immediately, including parts for press models that are very seldom produced in series nowadays.

We deliver to 170 countries on five continents.

