Gallus celebrates strong centenary year and affirms its commitment to industry growth and collaboration in 2024

As its centenary year draws to a close, <u>Gallus Group</u>, a subsidiary of Heidelberger Druckmaschinen AG (HEIDELBERG), is proud to celebrate a year of growth, innovation and substantial development in its mission to lead market transformation – with an extremely positive outlook and trajectory, company-wide, heading into 2024.

"With labels and packaging now representing 50 percent of the Group's total sales, the new digital and automated solutions we see introduced by Gallus play an important role in the future of HEIDELBERG. As a result, Gallus is an important pillar within the company's growth strategy, and we're more committed than ever to its long-term future." Says Dr. Ludwin Monz, CEO, HEIDELBERG.

The recent Labelexpo Europe trade fair proved a highlight of a busy events season for Gallus, with 2023 having seen the team, alongside HEIDELBERG, share its solutions and insights on stages and tradeshow floors across the globe – from Interpack, Germany, to Printing United, US, FuturePrint, UK, and more. Notably, however, the company also opened its doors to the <u>Gallus</u> <u>Experience Center</u> – the brand new industry hub in St. Gallen – marking the milestone with its 'Gallus Experience Days' week-long event program. Dedicated specifically to the 'digital transformation' of the label and narrow-web industry, the Center aims to facilitate the industry's future success by fostering collaboration to drive innovation and sustainability. Situated at the company's headquarters, just one floor from the <u>Gallus Classics</u> division, the Experience Center has already hosted customers, partners, academics, and industry associations since its opening in June.

"As we venture into 2024, we do so with the understanding that the labels and packaging industry sits at the crossroads of some of the greatest challenges it's faced in our lifetime. From supply chain issues to increased costs and inflated interest rates, profit margins continue to be squeezed," comments Dario Urbinati, CEO, Gallus Group. "Combined with the shortage of skilled labor echoed throughout almost every region, businesses continue to feel these ongoing pressures – as a result, the 2024 road ahead is likely to be challenging and complex. However, for the first time, we have a clear, achievable path to alleviating some of these pain points and shifting the industry towards a profitable, flourishing future.

"2023 saw the accelerated adoption of 'smart, connected printing' – a new category and a brand new way of thinking about our industry that encapsulates the vast potential of advanced, modern digital technologies for the labels and packaging market," he explains. "With connectivity integrated from the outset, the intelligent, automation-ready print ecosystem of tomorrow will provide a means of addressing these labor shortages, whilst unlocking revolutionary production and manufacturing efficiencies. As we look ahead, these savings and this new way of working will be key in providing converters with a level of competitiveness and profitability that will be critical in future-proofing their businesses. What's more, it will also be crucial in ensuring the success of our industry long-term."

Against the challenging backdrop of the past twelve months, strategic decision-making has become ever more important for businesses industry-wide – indeed becoming the linchpin for navigating through the ongoing uncertainty. Where businesses are able to make capital investments, they are increasingly seeking solutions that improve production efficiencies, reduce costs and enhance productivity. With this in mind, Gallus has continued to bolster its portfolio throughout the year, bringing multiple strategic new solutions to market – all built on its modular system that provides converters with the ultimate flexibility to pivot or expand as business needs evolve.

An evolution of the <u>Gallus One</u> – Gallus' fully digital press, specifically designed to remove the total cost of ownership (TCO) barrier for the adoption of reel-to-reel digital labels, with the highest level of automation and cloud-based technologies – this year also saw the launch of the Gallus One with Converting. Further optimizing the TCO benefit, the new solution brings everything inline, featuring a digital printer with an inline flexo station, a semi-rotary die cutter that can change a job within one minute and process up to 70 meters per minute.

For HEIDELBERG and Gallus, the launch of the Gallus One is particularly attractive not only because of the sale of machine equipment, but also because of continuous revenue streams generated with the sale of consumables. Additionally, machine and material are closely linked, whereby the basis of the system is the inkjet printing technology developed by HEIDELBERG, which is used in the Gallus One.

Since its market debut earlier this year, the solution has already brought about a strong sales pipeline, with installations scheduled throughout the remainder of this year and into 2024.

Also announced this summer as part of the Gallus Experience Day celebrations, Gallus' newly available digital printing unit (DPU) for the <u>Gallus ECS 340</u> flexo press also marks a significant stride towards being able to harness the flexibility and versatility of digital printing across the board.

Turning a traditional Gallus ECS 340 into a <u>Gallus Labelfire 340</u> hybrid press, without the additional platform investment, the new press is already opening up new opportunities for numerous labels and packaging converters across the industry, expected to make an even greater impact as installations continue in the year ahead.

"Our strong focus on R&D is reflective of our dedication to building a labels and packaging landscape that will not just survive the types of economic headwind we see today, but will flourish in spite of them," concludes Urbinati. "Whilst we are making great strides in driving digital transformation with this goal in mind, we recognize that this challenge is greater than any one individual vendor. Effecting long-term, meaningful change will require true industry-wide collaboration.

"Together with HEIDELBERG, we look forward to working with various stakeholders across the industry to build on this progress in 2024 and beyond."



END

The official opening of the Gallus Experience Center, in June 2023 – (left to right) Ferdinand Ruesch, Key Account Manager, Anchor Investor and Member of the Supervisory Board of HEIDELBERG; Ludwin Monz, CEO, HEIDELBERG; Dario Urbinati, CEO, Gallus Group



Labelexpo Europe, held in Brussels in September, marked the European debut of the Gallus One digital press