

KOENIG & BAUER

Presseinformation / Press Release

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200 years Koenig & Bauer: The future needs an origin

With clear strategy and new market appearance into the 3rd century

- **Anniversary celebration with guests from all over the world**
- **KBA becomes Koenig & Bauer again**
- **Spectacular jubilee book "People – Machines – Ideas"**
- **Focus on new products and growth markets**

With almost 700 guests from all over the world, Koenig & Bauer celebrated its 200th anniversary in the Vogel Convention Center (VCC) on 21 September. Many of the participants took the opportunity to visit the parent plant in Würzburg. In addition to state-of-the-art production facilities and the new Demo Center for digital and flexo printing presses – soon to be equipped with machines – they experienced historical and current printing presses in production from the broad portfolio of the oldest printing press manufacturer. A circular motion press from the year 1868 printed an engraving of the company's birthplace, the monastery Oberzell, a Super Olof Intaglio III press printed a specimen banknote, the Genius 52UV from KBA-NotaSys printed a security document, the digital web press RotaJET L printed, among other things, a 2.2m long poster of the Würzburg-born basketball star Dirk Nowitzki, who plays in Dallas, USA, since many years. And the world's largest inkjet press, the HP T1100S, produced for HP by Koenig & Bauer, printed a 2.8 m wide topline for corrugated board.

In a multimedia show, the eventful history of the company was presented from 1817 to the present day. An employee evening in the large marquee and an open

day for the visitors, with over 10,000 expected, rounded off the colourful anniversary programme.

Print products for the whole day

In a well-attended international press conference, CEO Claus Bolza-Schünemann described several milestones in the last 200 years (see press release of 07 June 2017). He made particular mention of the acquisitions made over the last 25 years, which have turned the company into a leading player in package printing; previously, the company's main focus had been on media-oriented markets such as newspaper, book, magazine and catalogue printing.

Today, the world's second-largest printing press manufacturer offers solutions for almost all print markets. Bolza-Schünemann: "From morning to evening, we meet printed products that were produced on Koenig & Bauer presses: from the directly printed perfume bottle in the bathroom in the morning, the newspaper at the breakfast table, banknotes, credit cards and a wide range of packaging when going shopping, to books or magazines in the evening. The best thing about this is that most of these print products cannot be replaced by online media or computer screens, and the demand is continuing to rise. This makes us optimistic for our future."

Earnings and share price reflect successful strategy

With the introduction of a holding structure and a clear focus by the operating companies on their respective market segments, Koenig & Bauer largely completed its comprehensive reorientation in 2015, after the slump in the printing industry, but not the permanent optimisation of organisation and processes. Also thanks to its strong position in growth and special markets such as the packaging and security printing sectors, Koenig & Bauer achieved the best result in the company's long history in 2016, with an EBIT of 87.1 million euros. The increase in the share price from 10 euro at the beginning of 2015 to significantly over 60 euro now reflects the company's convincing strategy and development.

Growth in packaging and industrial printing

Chief Financial Officer Dr Mathias Dähn presented the corporate goals and strategies for the years to come. Dähn: "After a decade of declining sales, growth has become the central pillar of our corporate strategy. All business units should

contribute to this and work profitably." In view of the growth of the world economy, the world population, online commerce and the number of single-person households, he sees particular opportunities in the packaging sector. The company is already the market leader in the printing of cardboard, metal and glass bodies.

Koenig & Bauer wants to improve its market share further in flexible packaging printing, corrugated board printing and the marking & coding sector. New products such as the VariJet 106 digital hybrid press featured at Drupa 2016 as well as digital, flexo and offset presses for corrugated board, metal sheets and beverage cans are intended to contribute to this. In the course of the official jubilee ceremony, Mr Bolza-Schünemann announced the order of the first digital CorruJET sheetfed press for corrugated board from a German customer. A further example of the expansion strategy on the packaging market is the purchase of the Spanish die-cutter manufacturer Iberica in July 2016. Mathias Dähn described the cooperation with HP in digital inkjet printing for the corrugated board segment as successful and future-oriented.

A young but expanding business area is that of industrial applications such as decorative printing, which Koenig & Bauer successfully addresses with the RotaJET VL, which is up to 2.25 m wide. On account of the drop in demand for new presses in the business with web offset presses for newspaper and commercial printing, the Würzburg company now plans to expand its services to cover older presses. New services have also been offered within the framework of digital transformation (KBA 4.0). The service turnover for sheetfed and web presses has grown significantly and is expected to rise to 30 % of group turnover.

According to Mathias Dähn, the Koenig & Bauer Group has set itself a goal for the anniversary year of 2017, with a group turnover of approximately 1.25 billion euro and an EBIT margin of around 6 %. The planning for the period up to 2021 provides for a growth in sales of 4 % p.a. and - depending on the development of the world economy - an annual EBIT margin between 4 % and 9 %.

Spectacular commemorative publication in the jubilee box

For the company's birthday, Koenig & Bauer has presented a spectacular commemorative publication with the title "People – Machines – Ideas". As

Marketing Director Klaus Schmidt emphasised, the almost 2 kg heavy tome with three "books" that differ greatly in terms of content and design in an elaborate jubilee box is not a chronological enumeration of the events and achievements of the last 200 years. Mr Schmidt: "Our unusual commemorative publication is a printed declaration of love for the past, present and future of print."

The small-format hardcover book "People" is a fictional reading book with hand-drawn illustrations. In twelve entertaining chapters, it tells the history of outstanding people at Koenig & Bauer, from the founders until today – embedded in the historical events of the respective time. "Machines" is a collection of 13 richly illustrated posters printed on both sides showing printing presses from Koenig & Bauer from 1814 until today. The posters will appeal to technology and print fans and explain some interrelationships. Mr Schmidt: "A striking wall decoration for everyone who understands or wants to understand printing technology."

The magazine "Ideas" presents countless facts, figures and thoughts as a future-oriented workshop with a highly modern layout. Mr Schmidt: "This is worth reading by all those who deal with the future of the print sector."

Relaunch of the ageless brand Koenig & Bauer

The printing press manufacturer is starting off the company's 3rd century with a new market appearance. As the CEO explained, the brand KBA, which was introduced in 1990 after the takeover of Albert-Frankenthal AG, will revert to the original brand of Koenig & Bauer, albeit with a completely new look for the logo, means of communication, business equipment and product design. Mr Bolza-Schünemann: "Koenig & Bauer AG today has 33 subsidiaries. 12 of them produce their own products for their own customers. We see the company anniversary as an ideal time to place all activities of the Group, from classic printing to digital printing - including prepress and post-press and top service - under a strong common roof again. "According to him, the relaunch is intended to strengthen the employee's pride in the history of the company and the pride of new employees, who have joined the Group through acquisitions, in the common brand Koenig & Bauer, and to allow old and new customers to feel the strength of this traditional brand even more, with a modern appearance and product design."

New claim "we're on it" ...

The ampersand between the surnames of the founders of the company was chosen as the short form of the brand name Koenig & Bauer, designed in the new company font, for promotional activities, stickers, drawings, spare parts etc. It now also stands as a 3 m high cast column beside the new Demo Center.

The new market presence also includes the new claim we're on it. Mr Bolza-Schünemann: "Our mission: to bring together what moves our customers forward." The ampersand symbolises the brand core of Koenig & Bauer and combines the values of the company, which are "*Tradition & Innovation*", "*Requirements & Technologies*", "*Approachability & Professionalism*."

... and our new product design

The new product design is intended to make the extraordinary quality, performance and user orientation of the presses and systems supplied by the companies in the Koenig & Bauer Group even more visible. The forms of the machine design are based on basic geometric structures that demonstrate clarity and self-confidence. The traditional company colour blue becomes warmer and more accentuated, while its use is reduced. It harmonises perfectly with the new dark and light shades of grey. Added to this is a contemporary interface design that is also attractive for "digital natives". The new design is to be implemented immediately for new products, and successively up until Drupa 2020 for all other product families of the Koenig & Bauer Group. The objective is a harmonious symbiosis of corporate design and product design.

* For the brand relaunch and the new product design, Koenig & Bauer is creatively supported by the Hamburg agencies MUTABOR and Design3. Besides the design by MUTABOR, the Berlin agency Grauel Publishing contributed to the unusual commemorative publication with great editorial professionalism.

Photo 1:

Through numerous acquisitions, Koenig & Bauer has enormously extended its portfolio for packaging and special printing since the turn of the millennium

Photo 2:

Companies of the Koenig & Bauer Group are leading in a number of markets

Photos 3/4:

People - Machines - Ideas: The somewhat different commemorative publication in the anniversary box

Photos 5/6:

Look at the literary reader "People" with hand-drawn illustrations

Photos 7/8:

13 posters folded in the anniversary box: striking wall decoration for technology and print fans

Photos 9/10:

The magazine "Ideas" is a workshop for print scenarios full of facts, figures and thoughts

Photo 11:

Back to the roots with a view forwards: the new word mark of the Koenig & Bauer Group

Photo 12:

The ampersand from the original brand name puts the mission and values of Koenig & Bauer in a nutshell

Photo 13:

"Uniform design"

Photo 14:

Long-term trends from the point of view of Koenig & Bauer

Note:

You will receive pictures of the anniversary events by 26 September!