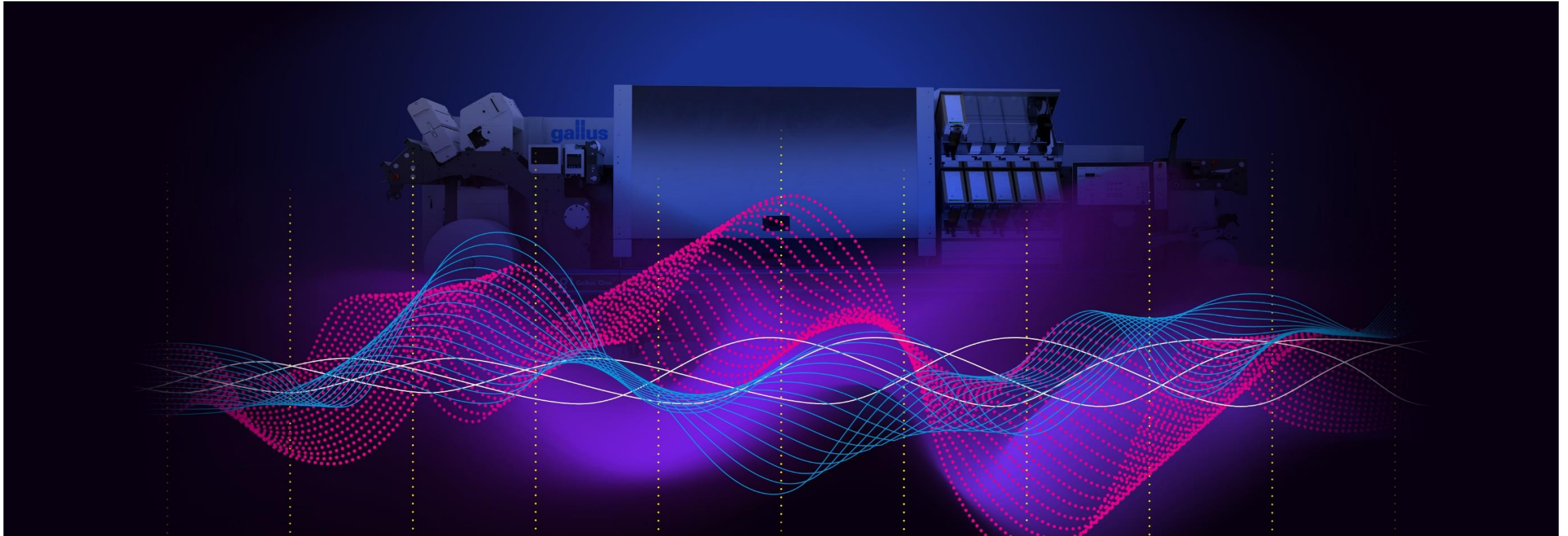


# Shift Conference – HCMC - Vietnam

Dario Urbinati, CEO Gallus Group



# Innovating from the outside in: a development imperative

...based on Gallus VIP Sounding Boards 2022 (60 interviews globally):



1) Human resources, *generational shifts*, demographic trends



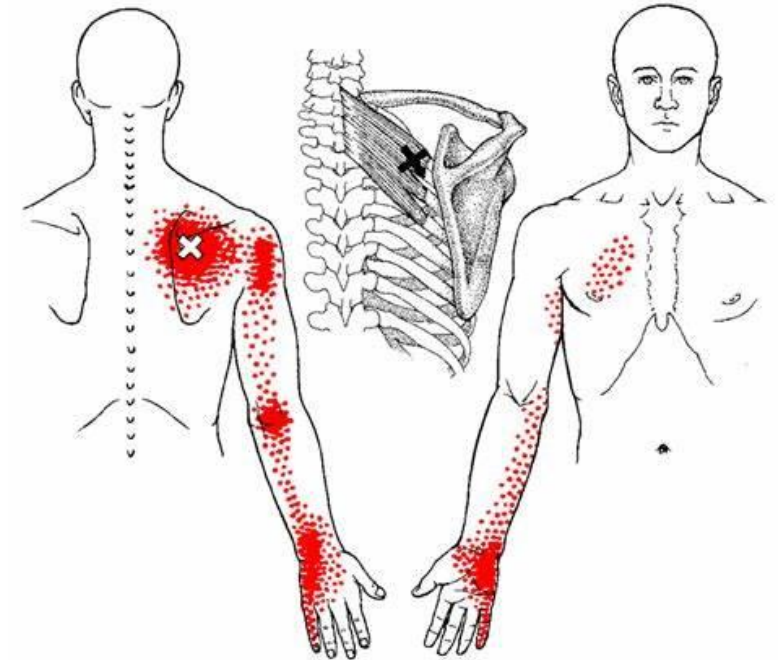
2) Input factors like energy/substrates/capital cost, etc.



3) Sustainability – adapting to eco-friendly practices, regulations



4) Industry consolidation



## Let's dive into the demographic discussion

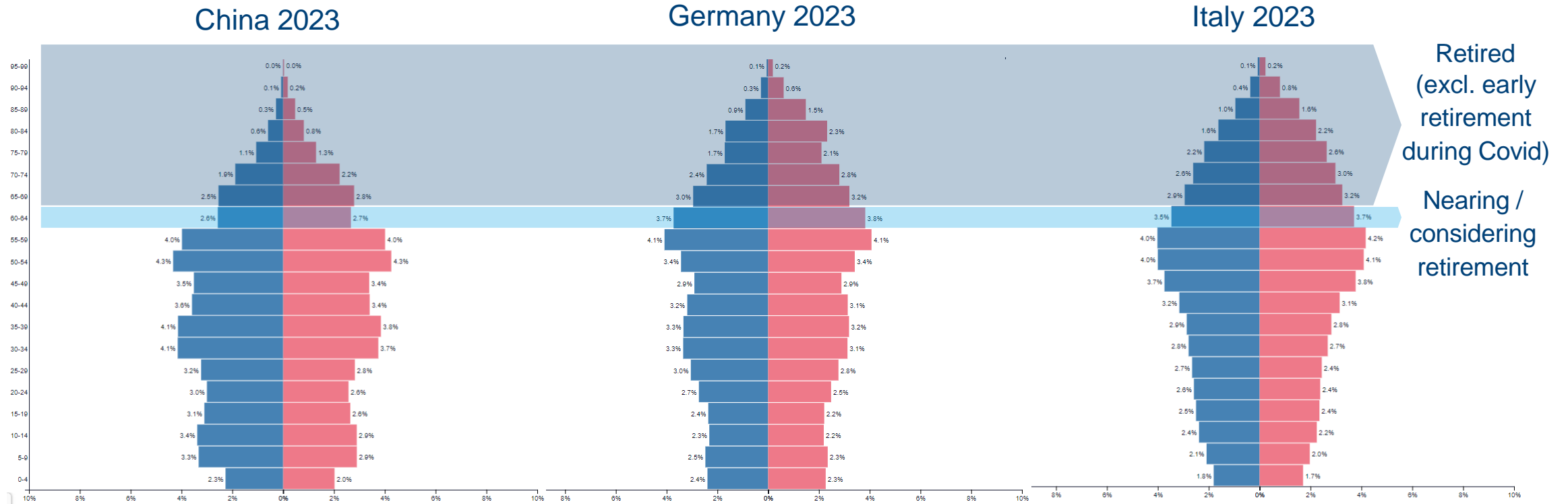
- In 1950, the global population was about 2.5 billion
- As of 24<sup>th</sup> of September 2024 at 11am, the global population was 8,222,979,008
- We more then tripled the population in less than 70 years...

...yet we are facing a shortage of labor.

**Where are all those people?**



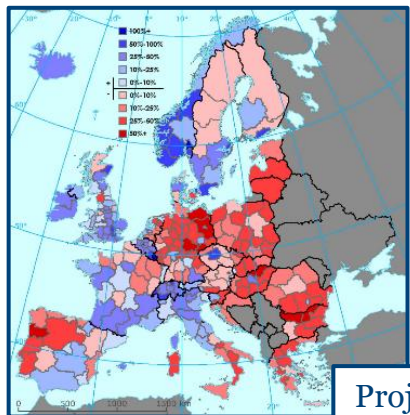
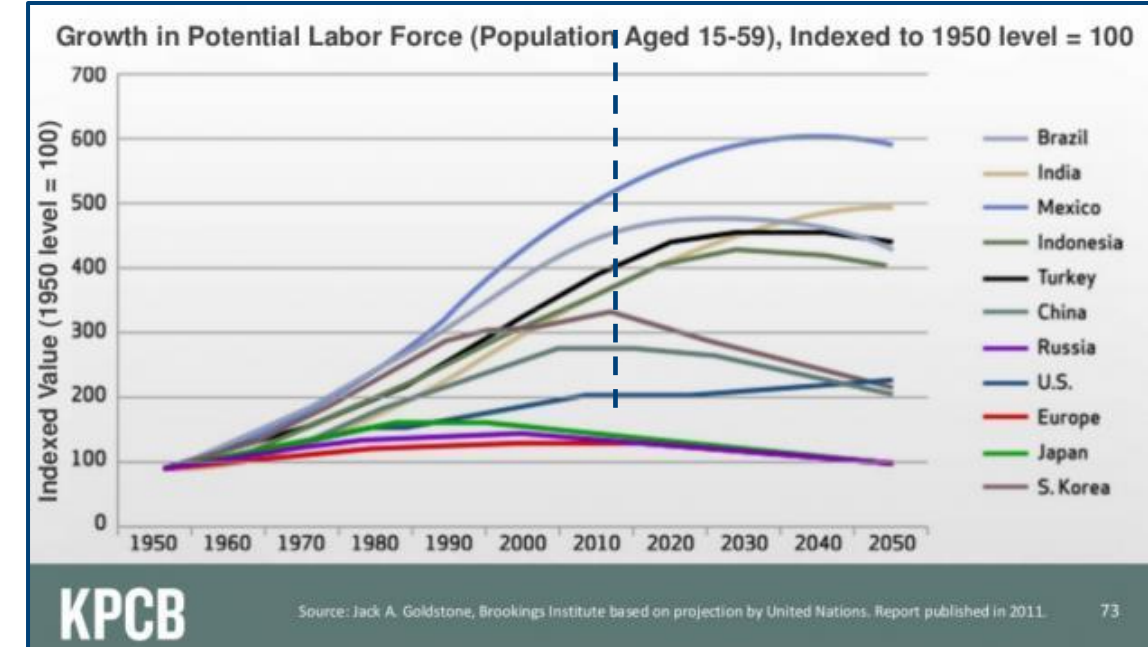
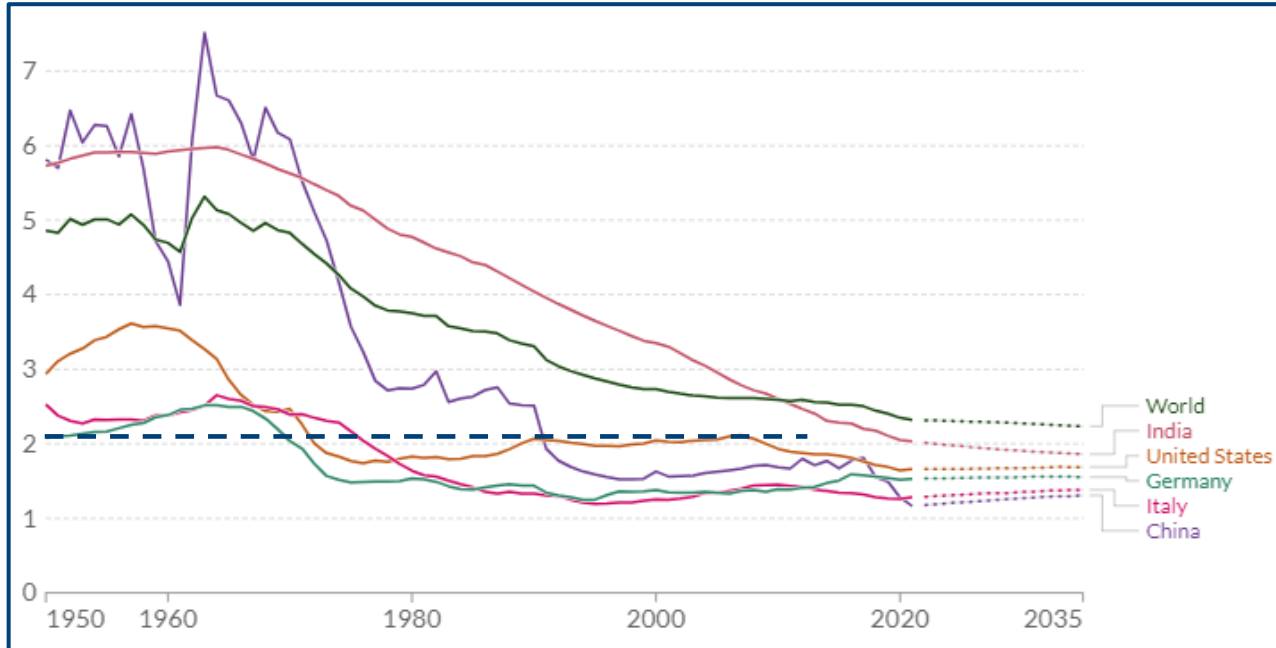
# The demographic shift



- Pre-pandemic, the average baby boomer was 62 years old. Many opted for early retirement
- Within a decade we will have retired the largest generation ever and lost its know-how, skills, experience and capital



# Declining birth rates in a large part of the world



Projected population  
change in the EU until 2080

- People are living longer and the global population is rising
- However, **people are still exiting the labor market at the age of 65**

# The impact on our industry

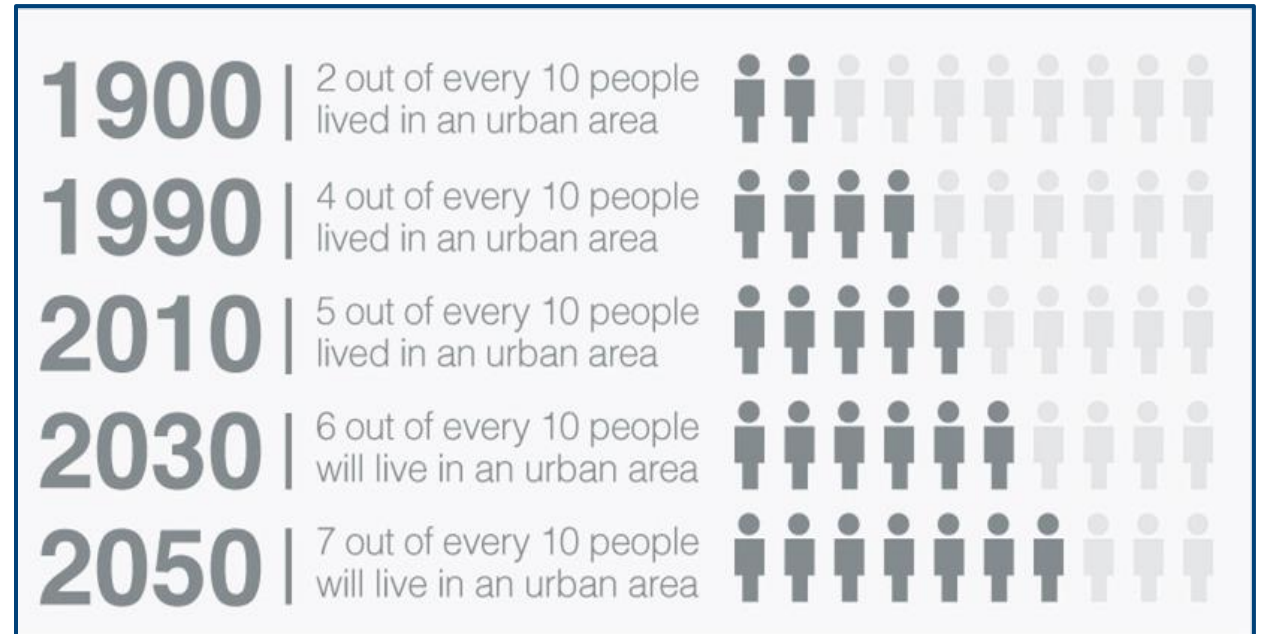
## Development of the total technical printing workforce for the regions US, GER, and UK *based on three different scenarios*

Region	Scenarios 2023-2032	Conservative – 10%	Expected – 20%	Advanced – 30%
US	Total Leaving Workforce		77.227	
	Total Joining Workforce	75.205	66.849	58.493
	Total Delta	-2.022	-10.379	-18.735
	Total Delta %	-2,6%	-13,4%	-24,3%
	YoY Delta %	-0,27%	-1,43%	-2,74%
GER	Total Leaving Workforce		14.607	
	Total Joining Workforce	9.059	8.053	7.046
	Total Delta	-5.548	-6.554	-7.561
	Total Delta %	-38,0%	-44,9%	-51,8%
	YoY Delta %	-4,66%	-5,78%	-7,03%
UK	Total Leaving Workforce		12.048	
	Total Joining Workforce	10.951	9.734	8.517
	Total Delta	-1.098	-2.315	-3.532
	Total Delta %	-9,1%	-19,2%	-29,3%
	YoY Delta %	-0,95%	-2,11%	-3,41%

(study from University of St. Gallen and Gallus)

# Urbanization

- People – and purchasing power – are moving to **cities**
- Service sector absorbs a huge proportion of available labor
- The printing factories are NOT located in cities



# The generation change

- **Born:** 1980-1996

**Gen Y**  
(Millennials)



- **Born:** 1997-2012

**Gen Z**



- Gen Y and Gen Z live in a hyper digital connected world – a world of 'right now'
- They are attracted to service/digital jobs, and not manufacturing
- Commuting and shift work are *out*, the home-office and maximal personal freedom are *in*!
- Gen Y and Gen Z consume information and products in a completely different way

----->





## An illustration for the generation change



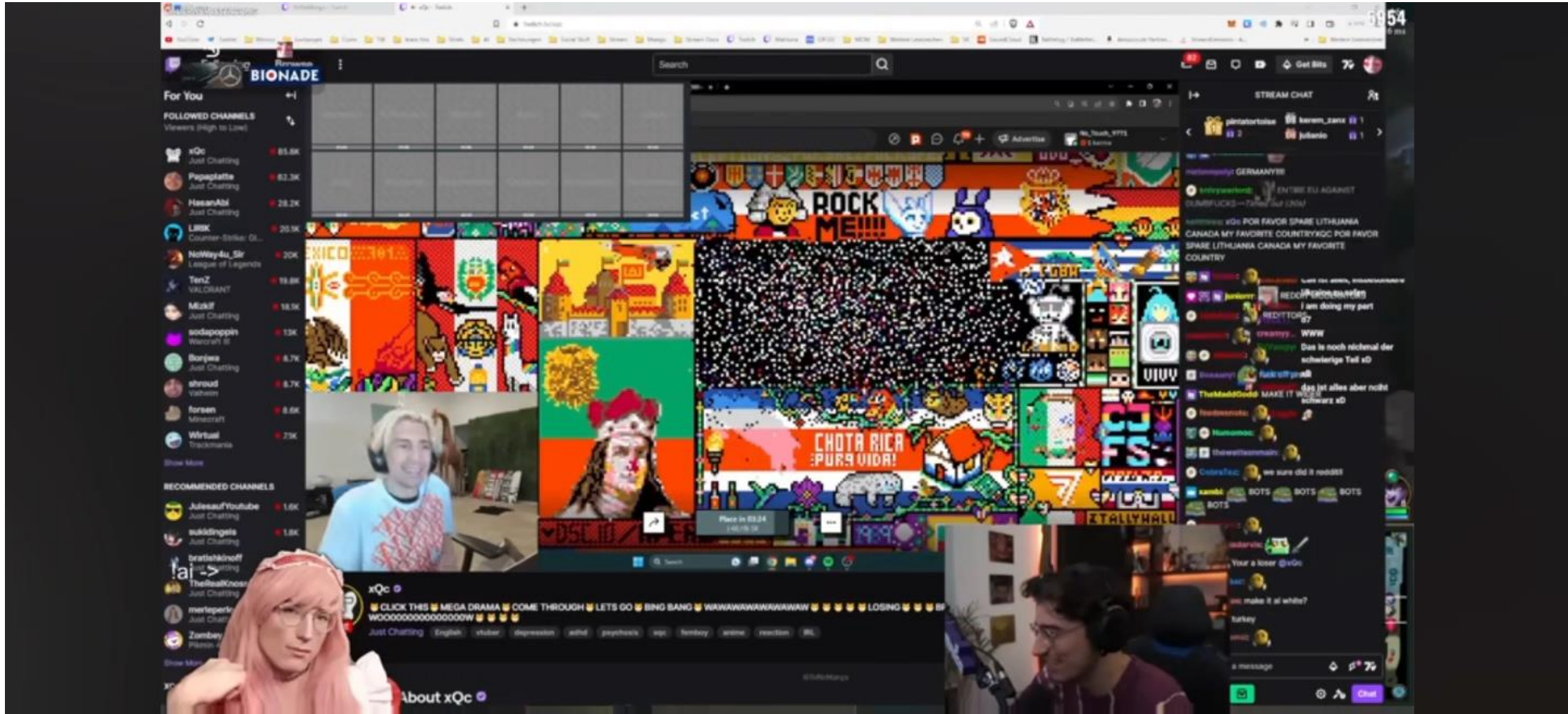
- 6 Million Pixels on canvas
- 32 Colors
- 6 days duration
- 1 Pixel per person every 5 minutes
- Pixels can be overwritten
- 9 million users
- 133,769,804 pixels set in total

*Color palette of 2023 (day 4, 5 and 6)*



Full Timelapse – YouTube (from Reddit)  
[Wie Deutschland r/place für immer](#)  
[veränderte](#) – YouTube Min 40.

# An illustration for the generation change





# Conclusion

- Today's market **challenges are here to stay**
- **Less labor** available for the **industrial sector** – already evident today and even more so in the near future
- **Human intervention** becomes the **bottle neck** in the production chain
- **Automation** and interconnectivity turns from a cost saving topic into a **necessity for our industry's survival**
- We must engage the **next generation** in a different way
- **Our industry needs to adapt.** Now. Right now.



# What we have done so far is not enough



- Increasing benefits does not create more people



- Foreign workers are not easily deployed and often the countries-of-origin face the same demographic challenges



- The competition with service jobs (e.g. tech) does not run in our favor

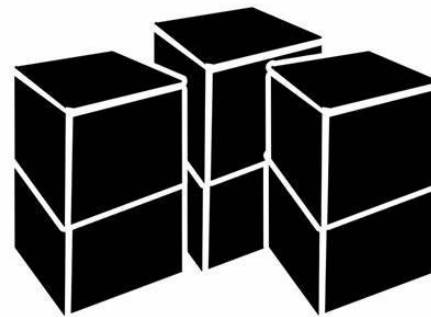
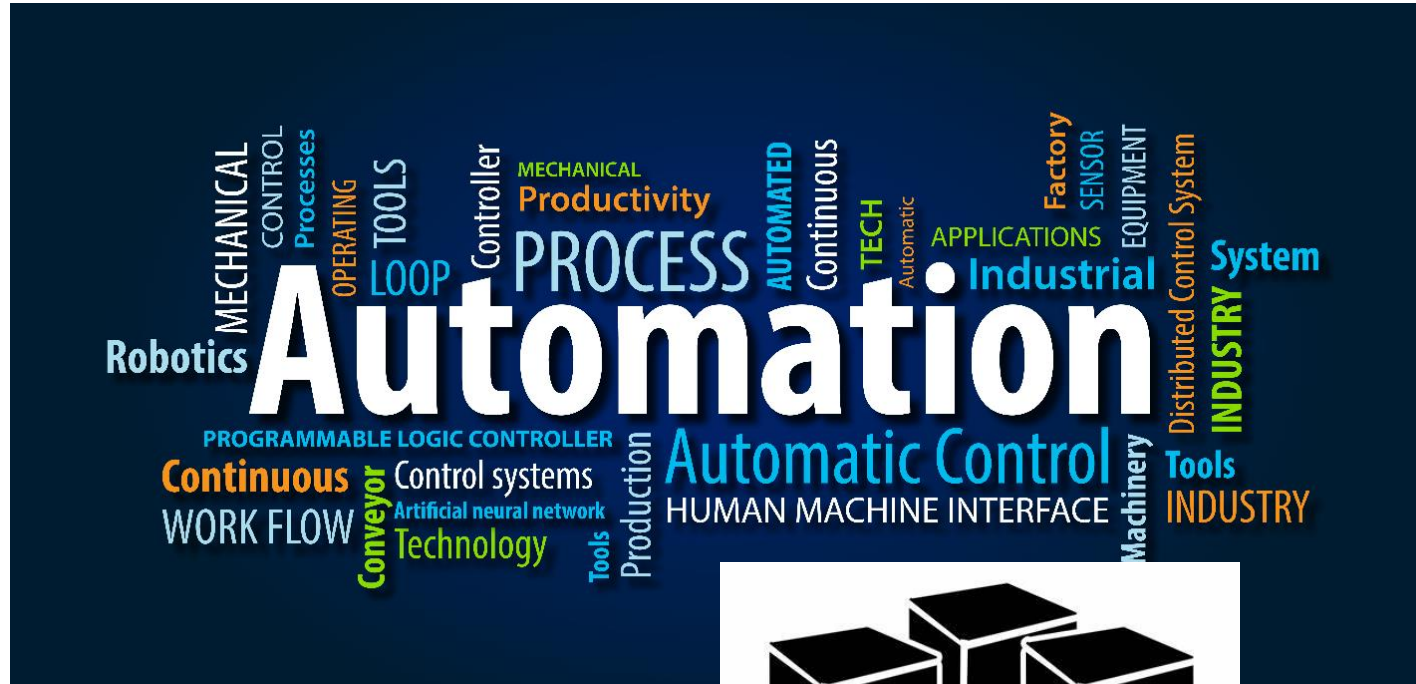
**The big question is:**

**Is the current business strategy sustainable for manufacturers  
and converters?**

For many, the answer is no!



# The Tec Level allows us today to embrace:



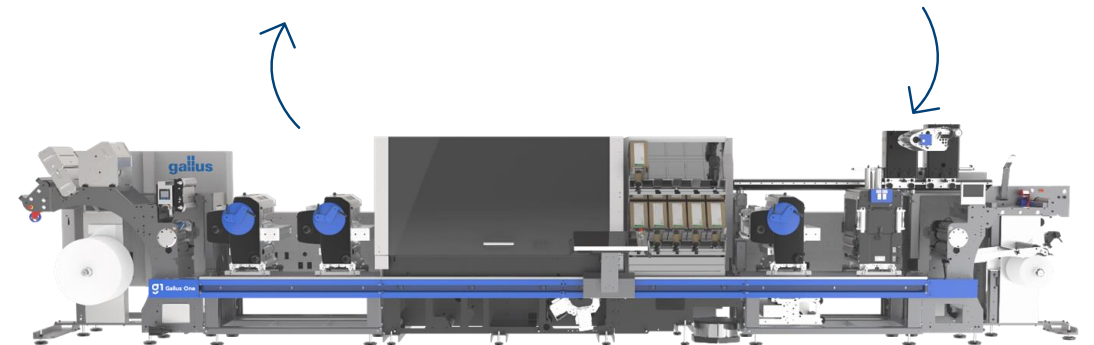
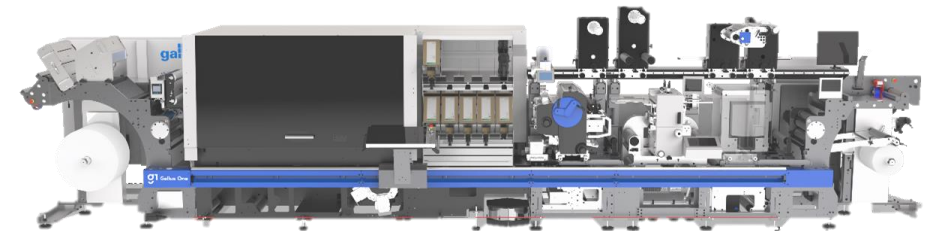
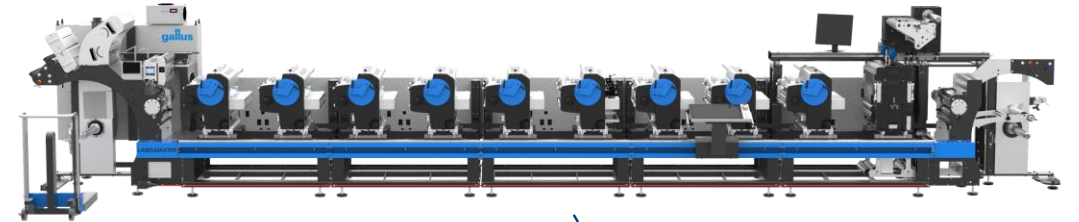
**MODULAR  
DESIGN**



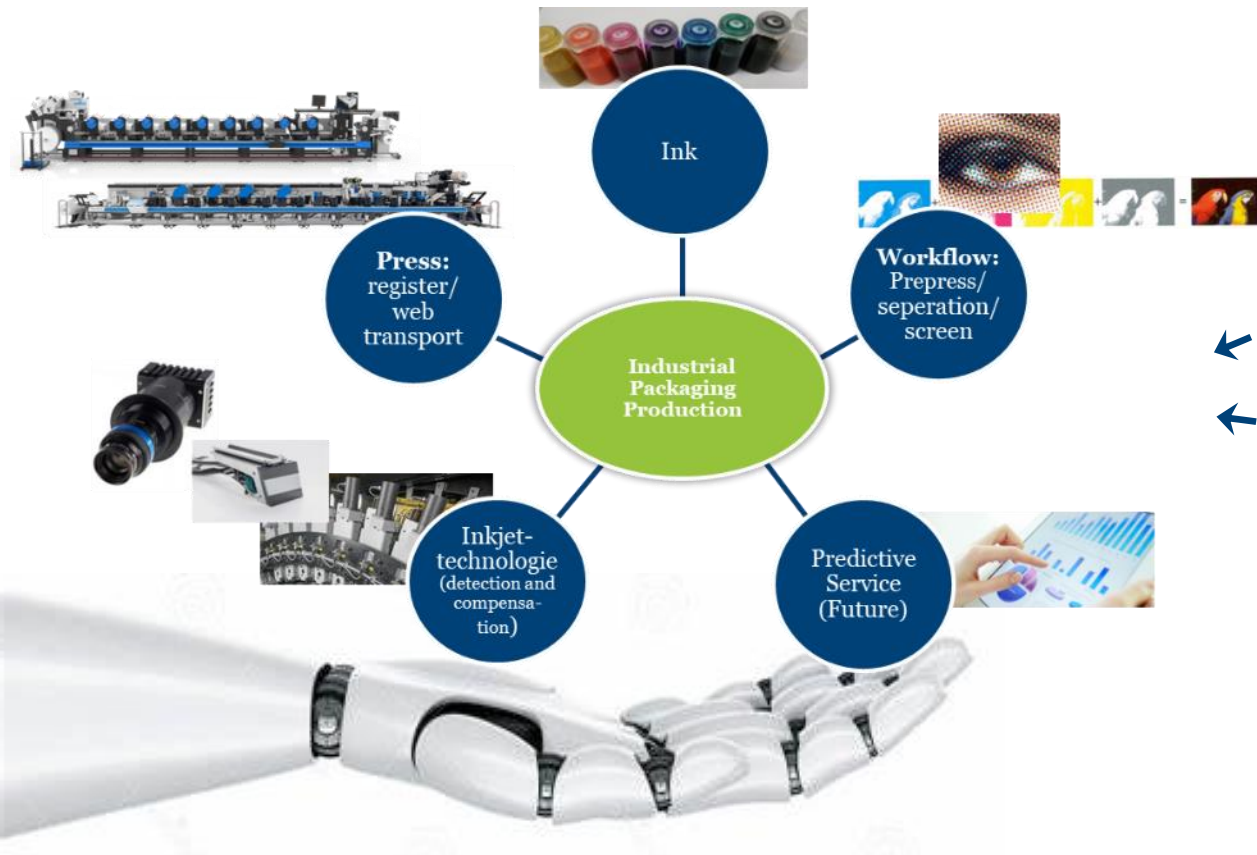
## “System to Compose” by Gallus

The **key** to building the **smart connected printshop** of the future

- Ensure future-proof investments by prioritizing a high level of modularity:
  - Compose bespoke solutions
  - Retrofit your machines with additional units
  - Enhance your existing setup with new capabilities
- Lower Total Cost of Ownership (TCO) through streamlined production processes
- Enjoy highest level of reliability and ease of use



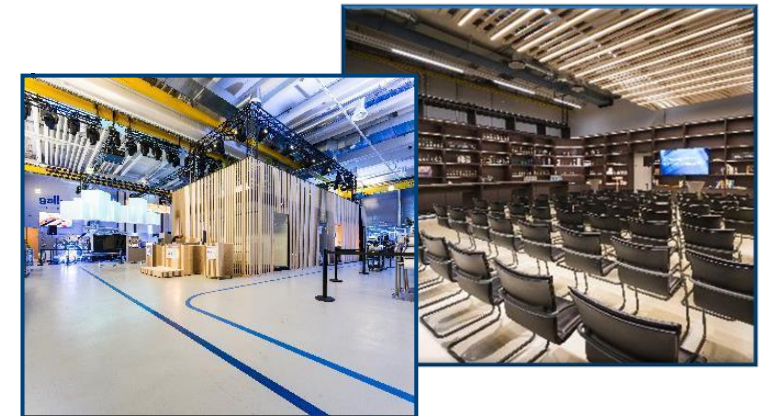
# Gallus: driving our smart, connected print future



## Heidelberg Customer Portal

- Cloud-based interconnectivity to existing software
- Decentralized value chain
  - Built-in versatility

+ Partners



*Gallus Experience Center, St Gallen*



# Gallus Experience Center

The Gallus Experience Center, is designed to serve as an industry touchpoint to drive the digital transformation within the market. The new facility is a hub to explore ideas, test and develop new technologies, and teach and experience a technological ecosystem.

- Appr. 2.500 m<sup>2</sup> with library, 1 seminar room, 3 meeting rooms and the demohall
- Showcasing Gallus' latest products: Gallus One, Gallus Labelfire 340, Gallus Labelmaster 440
- Featuring machines of the Gallus Experience Center Partners such as Asahi-Kasei, Esko, PRATI, Steinemann, etc.



# Thanks for your attention!

