

Grafenia plc

Investment in Production Hub

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("Grafenia", the "Company" or the "Group")

Investment in Production Hub

Grafenia plc (AIM: GRA) is pleased to announce that it has commenced an upgrade programme at its main Litho Production Hub in Trafford Park, Manchester.

The Group will be exchanging a total of three old Komori printing presses, comprising 16 print units, with a new Komori 8 unit B1 perfecter. The new press benefits from hybrid-UV technology which removes the need for any drying time, currently as long as 24 hours. This will facilitate shorter production times and reduce the potential for quality defects, through real-time inline colour management and defect-identifying cameras.

As there has been a trend towards shorter print run lengths, speed of changeover has become one of the main drivers of productivity. Printing press technology has evolved significantly in recent years and the new press is able to process more print runs per hour than the three legacy presses combined.

We also intend to upgrade associated computer-to-plate pre-press systems in conjunction with installing the new press.

Further benefits of the upgrade are expected to include: waste paper reduction, significantly lower power usage and labour savings. Wherever possible, we will redeploy people to other roles.

The investment of approximately £2.1m will be funded by way of an asset finance package with an equity down payment, provided by Close Brothers which is repayable over an 84-month term. The board expects the upgrade programme to have a cash-on-cash payback of our equity investment of less than twelve months.

The new press is expected to be operational during Spring 2019.

For further information:

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