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# GPV annual 2019 MAGAZINE

Creating a leading EMS player in Europe together...

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## Building the future of EMS - together

2018 was a significant landmark in the history of GPV. With the acquisition of CCS Group in October 2018 (with closing 28 December 2018), we have welcomed 2,400 new colleagues and added a range of new strong offerings. In many ways, this marks a new beginning for GPV - but one that will be formed on a well-known basis, i.e. the EMS business we know so well.

From both a cultural and business perspective, GPV and CCS is a nearperfect fit. We share the same values, the same dedication to service excellence, and the same customer-centric approach to business. As one unified company, we offer our customers even greater services through a combination of regionspecific expertise, dedication, and strong complementary services.

By forming a leading European EMS player, we have reached our strategic 2022 goals of securing a strong foothold in the DACH region (Germany, Austria

and Switzerland), with manufacturing in a best-cost European country, and doubling our revenue. However, in no way does this mean that we will slow down. We will continue to remain competitive by continuously investing in attracting highly competent team members and retaining state-of-the-art production sites combined with our dedicated customer focus. And so, we are carrying out a step-by-step integration that will foster the best aspects of our unified company - to the direct benefit of customers around the world.

While this is an exciting time, it is also one of change. So I would like to thank all our skilled and dedicated employees for their loyalty, patience, and efforts - and of course our customers for trusting us with their business. I believe the future of GPV is bright and that together, we will accomplish even more.

**Bo Lybæk** President & CEO

# Onwards and upwards to new horizons

Any time a company changes ownership, it faces a crossroads. The values, opinions, and mindsets that have formed and defined it, can either change or strengthen in the new union.

I am extremely pleased to see that the GPV way of doing business is strongly aligned with what we have done over the years in CCS - and it continues to be as our on-going integration moves forward. This is emphasised by our new, long-term-orientated ownership from industrial conglomerate Schouw & Co. Moving forward, it enables us to make key strategic decisions and investments that stretch further into the future - to ensure that we, as one company, remain the leading and most attractive partner in the competitive EMS market.

While a unification of two large companies changes many things, the daily collaboration with our customers remains unchanged. With our combined, added capabilities in Design & Engineering, Mechanics, and Cable Assembly, GPV becomes a leading boxbuild partner over the entire life cycle of a device. And I take pride in the fact that the quality of our customer offering has reached even greater heights. The only way to predict the future is to create it. And I believe that we are building a bright one indeed. Both for our talented and dedicated employees who share this exciting journey, and not least for our customers whose businesses we look forward to supporting even further in the future.

Thomas Kaiser EVP DACH

# We continue to accomplish more

**Highlights from 2018** 



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# employees worldwide

# Significant growth - same focus

In 2018, GPV more than doubled in terms of locations, headcount, and revenue while realising satisfactory, concurrent organic growth.

Since 2014, GPV has accomplished an organic annual growth of 12 percent. This emphasises the validity of the overall business strategy, and with the acquisition of the Swiss CCS Group, have achieved our goal of doubling our revenue ahead of our strategy Ambition 2022.

While the company has grown significantly, our focus remains unchanged on high mix/low-medium volume box-build products. With the addition of new locations, we will still offer production in predominantly bestcost countries - with 77 percent of our workforce working at best-cost sites. This supports our competitive position while it allows us to be close to the markets we serve.

# Continual improvements and CR commitment

A key factor in securing a sustainable business is the continual improvement of our core business functions. One example is our commitment to reducing the number of work-related injuries per million working hours - known as LTIFR (Lost Time Injury Frequency Rate) - to 3.4 in 2020.

Additionally, we will continue our focus on improving our capabilities and production sites to secure state-ofthe-art services from initial Design & Engineering to specialised Electronics and Mechanics services – as well as focused Cables Manufacturing. Cables **3,553**km assemblies

Electronics 29 SMT lines

Mechanics

**28** milling & turning machines

Design & Engineering 70 specialists



Guidance is double revenue







# thinking is key to profitable growth

The acquisition of CCS Group is a textbook example of how two companies can complement each other and drive positive progress under one banner.

Jens Bjerg Sørensen

In 2016, the Danish industrial conglomerate Schouw & Co. acquired GPV and has since focused on value-creation through long-term ownership that allows for major investments to secure GPV's continued competitive position.

Schouw & Co. currently has a portfolio of six large industrial companies headquartered in Denmark with production in 30 countries at 60 different sites.

While the portfolio is diverse, the ownership is characterised by long-term business development, and according to CEO of Schouw & Co., Jens Bjerg Sørensen, this approach is key to continued success.

"We have never invested in a company with the objective of selling it off.

Instead, we focus on developing and optimising our portfolio businesses. Our focus is on what we call 'transformations'. The ability to invest in companies and help them reach the next level. Through a close dialogue, we allow our companies the freedom of action to make strategic investments in production or major acquisitions - as is the case with CCS Group", says Jens Bjerg Sørensen.

# A dual-level strategic approach

As the sole owner of GPV, Schouw & Co. actively engages in the continued development of the business through a dual-level strategic approach. At group level, the business is structured, developed, and optimised - while focused operations and continuous transformation is secured at the business level in GPV.

"Primary acquisitions and bolt-ons of smaller companies are a key tool to ensure the continued transformation of our portfolio companies. While we certainly play an active role in the strategy, it is GPV who runs the business. The acquisition of CCS Group is a textbook example of how two companies can complement each other and drive positive progress under one banner," explains Jens.

If the pendulum swings While the ownership of GPV dates back three years, the oldest company in the portfolio was acquired in 1988. Since then, the state of the market has gone through many changes, including major fluctuations in the overall economy.

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Bo Lybæk, CEO of GPV, left, with Jens Bjerg Sørensen, CEO, Schouw & Co. and Chairman of GPV

"All major strategic investments made by businesses in our portfolio are long-term. While we focus on securing profitable growth through efficient use of capital, we must also continue to future-proof our businesses to be able to maintain and lead our positions. We place great trust in the people who spearhead our companies and we continue to do so even if the pendulum swings and we begin seeing negative tendencies across markets and economies," says Jens and continues:

"We have proved this approach historically. And we will prove it again in the future."

# Striving for service excellence across the board

Zero compromise on quality. On-time delivery. And fast response times. These are the three pillars of our service concept, and as our business grows, so does the demand for service excellence.

Size matters in the world of EMS, as it directly impacts our ability to match our customers' needs and to scale along with their businesses. As our customers grow and evolve, we must be able to adapt to new types of challenges and requirements.

GPV has always been defined by our commitment to service excellence, and we continue our dedication to adding value to every stage of our collaborations. And so, our full life-cycle services are designed to maximise the value of our customers' supply chains

Service excellence - from start to finish With the introduction of added capabilities, our combined life-cycle services and offerings have improved significantly. From initial design phases to series production and continuous improvements and onwards to discontinuation services, we help increase product value from cradle to grave.

Due to our strong in-house mechatronics capabilities, we are able to approach lifecycle services from three valuable angles: software, electronics, and mechanics. This helps our customers scale their business at a faster pace and reduce complexity across a product's lifespan.

Combined with proven box-build offerings, our customers are free to focus on their core business - and leave the production, logistics, and transportation

to us. While this requires trust and a strong partnership, it allows for a leaner and more agile business setup.

Working closely with the markets While EMS services can be performed anywhere in the world, we understand the need to be close to our customers. Our ability to manufacture in the markets we serve, enables us to understand the specifics and inner workings of our customers' home markets - as well as the needs of their customers.

This helps reinforce the quality of our service offerings, while our global footprint in best-cost regions across central Europe, Asia and the Americas ensures competitive and agile offerings.



# Serving selected customers in dedicated markets

We deliver professional and innovative services to our bluechip customer base. We are very happy to say that we have customers who are among the very best in the world in what they are doing and our hearts beat to serve them well.





# Instruments & Industry

Technical skills, precise execution and a high degree of flexibility are all important requirements of product Design & Engineering, NPI & Prototyping, Manufacturing & Life-Cycle Management within the Instruments & Industry segment.

# **Business case**

The customer offers more than 100,000 different products for measurement and control applications. GPV manufactures more than 1,700 different box-build products and variants. This helps the customer to stay close to their market and customers. GPV handles the whole supply chain, which provides the customer with a one-stop-shop solution while taking advantage of manufacturing in the same time zone.







# Medico

Medtech manufacturing requires full traceability, and risk management is a crucial factor. GPV's sites in Thailand, Austria, Denmark, Slovakia, Switzerland & Mexico are ISO 13485 (medical devices) certified, and we work with the strictest possible process control.

# **Business Case**

A market leader and driver of innovation within the field of dental hygiene, with products available in over 120 countries, this customer has worked with GPV for nearly a decade. GPV supplies configured and functionally tested PCBAs and mechanics, which are delivered directly for final assembly at the customer's premises. Besides manufacturing tests, the partnership includes test development and test adapter constructions as well as sophisticated obsolescence management.

# Cleantech

A fast-growing market segment with great environmental impact. **GPV** manufactures specialised products within energy savings and management for many customers (or companies) operating within the cleantech industry.

# **Business** case

GPV's customer operates in the field of monitoring and data acquisition within wind turbine applications and has worked together with GPV for a decade. It is a box-build product and the partnership enables the customer to shorten their time-to-market and to build and maintain fully functionally test equipment. The partnership originated from one GPV site in Asia with a later production migration to Europe in order to secure proximity to a prime end-user of the finished products.











# Transportation

The harsh environmental conditions of railway products, special vehicles, cranes, and marine and avionics requires sophisticated know-how, deep design knowledge, and the right process capabilities.

# **Business Case**

An international system provider of automation of rail vehicles has worked with GPV for more than three decades. GPV helps manufacture many products applicable for different functions on the vehicles - including air conditioning, control systems, train operating, and communication devices. In addition, GPV performs a number of tests including in-circuit and functions tests - and ships the finished products directly to the customers' production facility.



Through the combination of a prompt merger in the market and step-by-step operational integrations, we ensure a unified approach to value creation via one tested business system.

Around the world, different cultures adhere to different business practices. As a worldwide company with locations across Europe, Asia, and the Americas, we must ensure that local practices are combined with a joint business system - so that every customer receives the same attention and high-quality service, regardless of geography.

We call our approach the GPV One Business System, and it enables us to work with business performance, customer relationships, quality, and environmental factors across the supply chains. Both our own and our customers'.

# A business based on core values

In the past, the One Business System has been based on core GPV values, and it will continue to be, moving forward. But with the addition of new sites and a greater geographical footprint, we will

adjust and fine-tune the system to fit the new markets.

We believe that strong businesses rely on strong values. So, while we will implement small adjustments on a step-by-step basis, we will remain true to our core values and company vision: to be the most valueadding EMS partner worldwide.

# **Truly global**

While our corporate headquarters is located in Denmark, our mindset is global. And although our customer base is rooted primarily in Northern Europe and the DACH region, they too share a global outlook.

This is where the value of the One Business System really shines through. We offer the same services across three time zones - with zero deviations in quality, ontime delivery or response times.

# business system - step by step



time zones

# Meet your GPV employees mutual mission

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As a leading EMS player, GPV not only strives to lead the way in quality services but also as a safe and stimulating workplace for our 4,000 dedicated employees.

With 12 production sites across three time zones, we employ people of many different cultures and countries. And while we all come from different backgrounds, one thing binds us together: a mutual mission to create value in everything we do - for both our customers and for each other.

While different cultures have different business customs and practices, we work hard to achieve the highest standards across the board. This means fairness when it comes to working hours and remuneration, as well as a no-tolerance policy of discrimination of any kind.

We are committed to making GPV a place for our employees to grow both personally and professionally. Our lines of communication are open to make sure that important input is translated into concrete action to improve our business. And we encourage our people to take the initiative and help shape the future of GPV.

People are the cornerstone of any business and by offering the right opportunities, we help our employees to grow alongside our business.

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I am very proud to work for a company that helps produce products like life-saving equipment, which really makes a difference in the world. There are great opportunities to grow and advance in your position, and the people-centric focus really shines through - both internally and in our approach to our customers.

Irma Guadalupe Garcia Rodriguez Senior Engineer, GPV Mexico

Diana Slovakova

To me, GPV is very much defined by our customer orientation and the quality of the services and general flexibility. We focus a lot on continuous improvements on all levels of the organisation, and this enables us to constantly seek out new opportunities to add value to our processes, products, and services.

Gianluigi Martinelli

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I really enjoy our culture and working environment. We have a lot of emphasis on team building and teamwork and this creates a great atmosphere for our daily work. Our organisation is transparent and communication is highly prioritised. With the unification of GPV and CCS, I believe we will get access to new innovations and even greater technologies.

Production Engineer, GPV Slovakia

GPV keeps getting bigger and better each year and this really motivates me. When I think of our global organisation and the people that make up GPV, the word responsibility really comes to mind. Everyone does their utmost every day and we respect each other across borders and nationalities.

Kritsanapong Thaingkune Production Manager, GPV Thailand

# Looking at 2022 with renewed ambition

Moving forward, we aim to create even more value for our blue-chip customers through local market knowhow and strong complementary services that stretch the lifetime of a product.

With the acquisition of CCS Group, we have accomplished our 2022 strategy of doubling our revenue and securing a strong foothold in the DACH region. While it marks the beginning of a new chapter for GPV, it will also be a familiar one.

Until the end of 2018, GPV's growth was largely organic with the addition of bolton acquisitions of smaller companies. Now, the company has been transformed into a leading European EMS player doubling the size of the company and its customer base.

Even though the business has grown significantly, our service offerings remain largely unchanged and we still serve specialised blue-chip customers.

# Strengthening business

The business naturally keeps moving and so must our ability to deliver. So, while we have accomplished our objectives, we must now secure them.

Our focus in the time to come will be to consolidate the prompt merger in the market and to secure continuous step-bystep operational integrations to ensure a smooth and efficient transition. We will continue to review our strategy, but in the coming months our efforts will be concentrated on securing the successful implementation of the acquisition.

And so, we look towards the future with renewed ambition and a strong belief that the best is yet to come for GPV and our customers.



Bo Lybæk President & CEO

# Taking responsibility for our environment

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Corporate responsibility is an essential part of sound business practice. We believe that our actions matter, and we are committed to making a positive impact in the markets we serve.

Operating across the globe, we enter into business with companies and people of many different cultures with different ways of doing business. Local business practices vary greatly and so we operate from a clearly defined code of conduct.

Every employee who is in contact with our business partners must sign the code of conduct and complete training courses on business ethics. This enables us to always act as an outstanding corporate citizen in accordance with good business ethics.

# **Clear lines**

OPERATOR

We do not tolerate any form of child labour, and we employ a zero tolerance policy on corruption and facility payments. We have a firm belief that our impact in the markets matters, and so we are in strict compliance with local environmental policies and regulations. Additionally, we have formed specific targets to reduce water and power consumption at every site.

No one should be at risk of injury when they show up to work so we are committed to reducing our already low numbers of work-related accidents. To cement this, we were one of the first companies in Thailand to obtain the Thai Labour Certificate TLS 8001.

As part of our safety programme, we continuously analyse threats such as fire, flood, and earthquake hazards as well as cyber security threats to ensure business continuity in the event of a production outage.

# **Giving back**

We take our social responsibility seriously and have implemented many initiatives to promote positive social change in the markets we serve. In Asia, we have implemented many initiatives, such as actively promoting schooling for children as well as engaging in numerous charitable efforts aimed at improving the lives of children in the region.

# The hardware of the digital digital world From ambition to real products

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# A unique customer perspective

GPV is committed to ensuring that our customers accomplish more. We do this by building strong and trusting partnerships based on responsible and honest cooperation.

We acquire comprehensive insights into our customers' needs and industries, and we manage advanced and stable product processing, relying on our strong technological knowledge.

# Stable. Specialised. Global.

In everything we do, we focus on creating value for our customers, and our approach is supported by the strong spirit of our organisation. As such, we always strive for a timely delivery of faultless, secure and functional products and services that fulfil the expectations and requirements of our customers.

> gpv-group.com



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### Europe

GPV Electronics DK Aars, Denmark

GPV Mechanics DK Tarm, Denmark

GPV Electronics CH Mendrisio, Switzerland

GPV Electronics DE Hildesheim, Germany

GPV Cables AT (F) Frankenmarkt, Austria

GPV Cables AT (R) Rottenmann, Austria

GPV Electronics SK Hlohovec-Šulekovo, Slovakia

GPV Cables SK Hlohovec-Šulekovo, Slovakia

### Asia

GPV Electronics TH Bangkok, Thailand

GPV Mechanics TH Bangkok, Thailand

GPV Electronics LK Kochchikade, Sri Lanka

GPV Electronics CN Zhongshan, China

### **The Americas**

GPV Electronics MX Guadalajara, Mexico

