



Ovato Limited
ABN 39 050 148 644

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Company Announcements Office
ASX Limited
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Ovato NZ focused on sheetfed – heatset operations closing

Ovato has made the decision to immediately exit heatset printing in New Zealand.

The global print industry is currently experiencing dramatic paper price increases and an inability to source paper over the short and medium term. This has been particularly pronounced in New Zealand with challenges of sourcing suitable paper and then with the impact of paper price increases reducing demand.

This, combined with the compounding effects of the ongoing Covid pandemic in New Zealand, has impacted its operations to the point where it can no longer operate profitably. Without its heatset operations, the letterbox distribution operations aligned to this will also close. Its sheetfed operations will remain unchanged and now become the sole focus.

These closures will allow Ovato in New Zealand to continue as a profitable sheetfed printer.

Ovato will work with the industry in New Zealand to assist its clients with the transition to other printers to ensure that print remains a strong marketing channel for their brands.

Ovato CEO, James Hannan says “Ovato and the wider industry finds itself in the middle of a global paper shortage, while Covid and its economic effects continue to adversely impact us in New Zealand. Due to the supply issues, Ovato New Zealand was forecast to run critically low of paper in May. It is obviously impossible to run a print business without a robust supply chain and in the absence of one, we have had to make the decision to close the heatset print operations in the region. We thank our management, staff, suppliers and clients for decades of loyalty and support.

Managing director of Ovato New Zealand, Paul Gardiner says, “The supply chain issues we are experiencing around paper in the New Zealand market is unprecedented. We simply cannot run a sustainable heatset business without paper. I would like to recognise the impact that this decision will have on our employees, customers and the wider printing industry in New Zealand.”

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This announcement has been authorised for release by the Board of Ovato.