

Original Link: <https://www.quadpack.com/investors/news/12021676/quadpack-industries-closes-2017-with-907m-turnover-and-29-growth/>

Quadpack Industries closes 2017 with €90.7m turnover and 29% growth

- Turnover of €90.7 million in year ended 31 January 2018
- Turnover up from €70 million in 2016
- Over 25% year-on-year growth over the last three years
- Steady EBITDA of €6.8 million
- EBITDA growth % is level due to M&A activity

Quadpack Industries, manufacturer and provider of packaging solutions to the global beauty industry, delivered strong results in 2017, thanks to its diversified business model and sustainable growth strategy. EBITDA reached a healthy €6.8 million, an increase of 2% over the 2016 results.

With a consolidated presence in the European skincare packaging market, 2017 saw the company increase its penetration of the fragrance and make-up markets, together now accounting for 35% of its business. Its hybrid manufacturing/sourcing model keeps its offering flexible, while delivering specialised differentiation through its own manufacturing output.

Over the last four years, Quadpack has been establishing its own Manufacturing Division with a number of strategic acquisitions in Spain, including the Quadpack Wood factory, the Quadpack Impressions decoration plant and the Quadpack Plastics injection moulding facility – each acquired to create centres of excellence in their respective areas. Continued investment in each plant has steadily upgraded their facilities and increased combined production capacity to 170 million pieces a year. Investment in the division in 2017 rose to €1.1 million euros.

CEO Tim Eaves attributes the strong results to this hybrid structure, coupled with a unique business model. “We have what we call a ‘Little Big Company’,” he says. “We have offices in 15 cities on four continents. Each of these acts with the agility of a SME, within the framework of our global, corporate structure, bringing stability and long-term sustainability. Our hybrid setup continues to set the standard in our industry. It gives us a level of flexibility which other manufacturers lack, being

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able to source from around the world. At the same time, it allows us to offer a competitive edge to our clients through our own specialised manufacture, unlike sourcing-only operations.”

2016 M&A activity affected the EBITDA growth rate. The acquisition of Collcap Group caused a slight levelling of the growth percentage in 2017 compared to the upward curve of previous years.

2017 marked the commencement of territorial expansion outside of Europe, with the establishment of a new commercial operation in the Asia-Pacific region. Led from Melbourne, Australia, and Hong Kong, substantial growth is forecast for this year, with sales expected to exceed €7m. This year, Quadpack will also target the US market, where it currently has a small but loyal client base on the East Coast. Plans to penetrate this market include a new on-the-ground team under a dedicated Managing Director for the region, and the appointment of East Hill Industries as exclusive distributor of Quadpack’s own Q-Line range of products.

Quadpack’s corporate social responsibility (CSR) strategy, announced in March 2018, will also extend its reach within the company, where Quadpack finds itself ahead of the game in the beauty packaging sector, aligning itself with multinational clients in ensuring responsible governance.

Looking ahead, estimated 2018 turnover is €106m. Growth plans this year are concentrated on regional expansion, product offer and the Manufacturing Division. A €2m investment budget is earmarked for plant improvements and new equipment in the factories. Quadpack ultimately aims to reinvest up to 33% of its profit back into the business.

In addition, a new department of Design and Advanced Technologies will propel the company’s research and development. Its efforts are aligned closely with those of the Skincare, Make-Up and Fragrance Divisions. An exciting roadmap is under development to enrich Quadpack’s product portfolio with innovative solutions, both designed in-house and sourced from its network of manufacturing partners worldwide.

Eaves concludes: “This current year will see much activity as we continue our growth plans, expanding into new regions, increasing our manufacturing capacity and leaving a positive impact on the world through our CSR strategy.

“Our business will benefit from the investments and initiatives we made in 2017. These actions, combined with our focus on growth and the power of our connected businesses, make us optimistic

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about 2018 and beyond.”

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About Quadpack Industries SA

Quadpack Industries is an international manufacturer and a provider of enhanced packaging solutions for beauty brand owners and contract fillers. With offices and production facilities in Europe, North America, and the Asia Pacific region and a strategic network of manufacturing partners, Quadpack develops bespoke and customised packs for prestige, masstige and mass market customers. For more information, please visit www.quadpack.com.



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