



Helping  
beauty brands  
perform

# Hello!

## We are Quadpack

2019 **annual**report





**2019 was  
Quadpack's  
strongest year in  
history, marked  
by record organic  
and inorganic  
growth**

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# Quadpack **at a glance**



01





# 01.1

## Helping beauty brands perform

Quadpack Industries is an international manufacturer and provider of packaging solutions for the cosmetics industry. With offices and production facilities in Europe, the US and Asia Pacific, as well as a strategic network of manufacturing partners, Quadpack develops bespoke and customised packs for skincare, make-up and fragrance products and has dedicated divisions for each sector. The world's leading beauty brands rely on Quadpack to create attractive, sustainable and innovative containers to package their products and captivate consumers.

### COMPANY INFORMATION

<b>Registered name:</b>	Quadpack Industries S.A.
<b>Registered office:</b>	Plaça Europa 9-11, 11th floor, 08908, L'Hospitalet de Llobregat, Barcelona, Spain
<b>Telephone number:</b>	+34 93 532 2790
<b>Corporate website:</b>	<a href="https://www.quadpack.com/">https://www.quadpack.com/</a>
<b>Core business:</b>	Manufacturer and provider of packaging solutions for the cosmetics industry.
<b>Share capital:</b>	€4,203,926
<b>Market:</b>	Euronext Growth
<b>Quote:</b>	ALQP





# 01.2

## Financial and non-financial metrics



### 01.2.1 Financial metrics

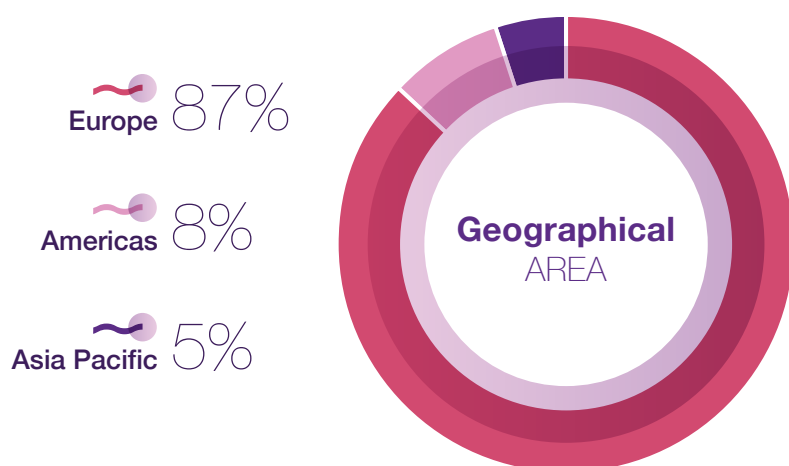
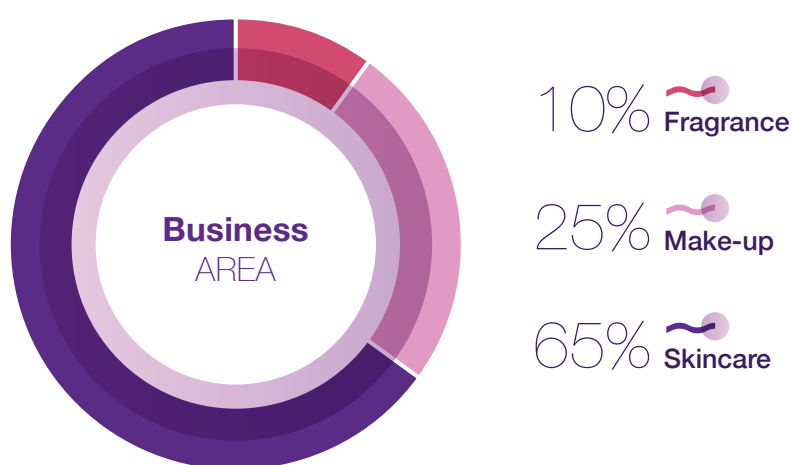
#### EARNINGS PERFORMANCE

<i>Millions of euros</i>	2016	2017	2018	2019
<b>Sales</b>	70.1	90.7	104.7	<b>131.0</b>
<b>YoY %</b>	28%	29%	15%	<b>25%</b>
<b>EBITDA</b>	6.6	6.8	9.7	<b>13.6</b>
<b>% of Sales</b>	9%	7%	9%	<b>10%</b>
<b>EBIT</b>	5.1	4.9	6.5	<b>7.1</b>
<b>% of Sales</b>	7%	5%	6%	<b>5%</b>
<b>Financial</b>	0.4	(0.9)	(1.5)	<b>(1.8)</b>
<b>Tax</b>	(1.7)	(1.3)	(1.4)	<b>(1.4)</b>
<b>Net Income</b>	4.1	2.7	3.7	<b>3.7</b>

2018 & 2019 results under IFRS



## REVENUE MIX BY BUSINESS AND GEOGRAPHY



“

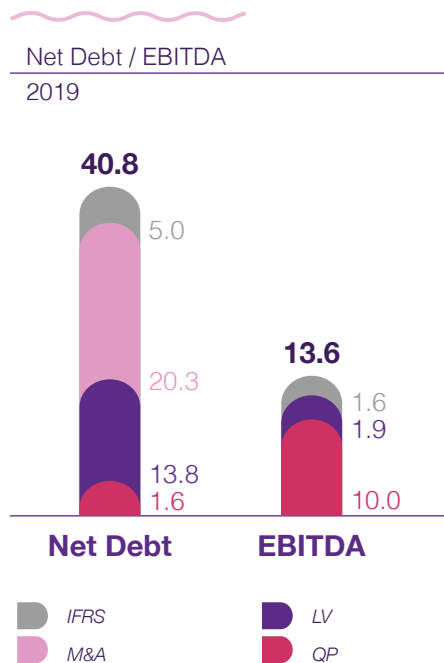
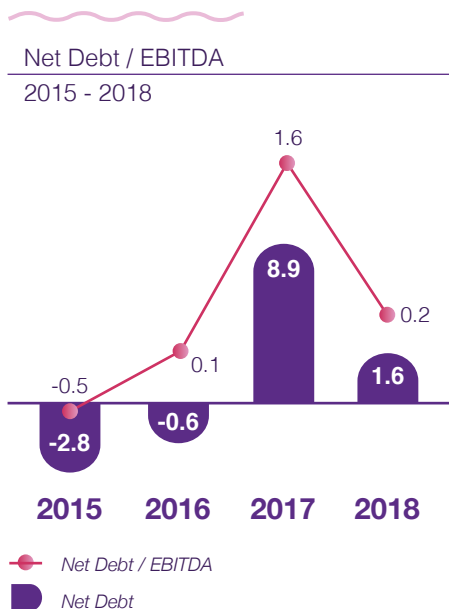
By providing truly global solutions, in the region for the region, Quadpack stands out as **an innovative and fast-growing player in the beauty packaging industry**





## STRONG FINANCIAL STRUCTURE

Healthy leverage ratio

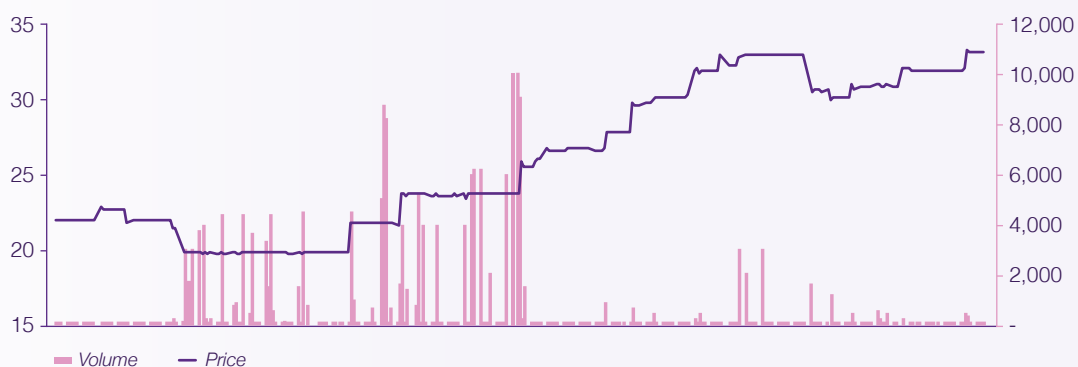


Max=3.5x

QP IFRS	3.02x
QP incl. M&A/LV	3.0x
LV	7.13x
QP excl. LV	0.17x



## SHARE PRICE EVOLUTION



## SHARE PRICE INFORMATION

	At year-end 2019			
No. of shares	4,203,926			
Market capitalisation	€133.7 million			
Share price	€31.8/share			
	2016	2017	2018	2019
Earnings per share (€)	1.13	0.72	0.98	0.92
Dividend per share (€)	0.31	0.36	0.28	0.29
Total dividend (€ m)	1.05	1.35	1.05	1.2
Dividend yield	-	1.6%	1.3%	1.0%
P/E multiple	11.0x	19.3x	21.7x	21.6x

01.2.2 Non-financial metrics



Key figures  
(2018)  
(2019)

Headcount

388		
577		
AMERICAS	EMEA	ASIA PACIFIC
19	339	30
22	517	38

Female  
60%  
55%



Male  
40%  
45%



Average length  
of service  
6.1  
6.1



Average  
age  
41  
42



Turnover  
16.6%  
13.5%



10 PROJECTS  
ACROSS SEVEN  
COUNTRIES AND 3  
CONTINENTS



QUADPACK  
Foundation

>1,000  
PEOPLE  
BENEFITED  
FROM OUR  
ACTIONS

100%  
GREEN  
ELECTRICITY



IN ALL PLANTS  
AND OFFICES

€2M

INVESTMENT  
IN QP WOOD  
BIOMASS  
PLANT

100%  
SUPPLIERS  
SIGNED  
QUADPACK  
CODE OF  
CONDUCT



>50

SUSTAINABLE  
PRODUCTS  
IN OUR  
PORTFOLIO

€0.5M

INVESTMENT ON  
SUSTAINABLE  
PRODUCT  
DEVELOPMENT  
IN 2020



**Quadpack's  
goal is  
to invest  
10% of its  
EBITDA**  
every year  
towards  
social and  
environmental  
causes



# ● Chairman's **statement**



02



# Hello!

As CEO and Chairman of the board, I am proud to present Quadpack's first Annual Report. 2019 was a spectacular year for us, marked by a number of milestones. Each one is detailed in this report, which we publish at a time in which we are facing, in 2020, an unprecedented crisis due to the COVID-19 pandemic.

Looking back at 2019, it was without doubt the strongest year in our 16-year history, characterised by robust organic and inorganic growth in pursuit of our objective to become a leading global player by developing our successful hybrid model, which combines own manufacture with strategic partnerships.

The Quadpack family expanded with the addition of injection-moulding specialist Louvrette and the cosmetic packaging business of engineering company Inotech, both based in Germany. These acquisitions massively increased our manufacturing capability in Europe, while giving us access to a far larger, more sustainable and innovative product offering.

Quadpack already combines strong product design and innovation with a focus on our own Q-Line skincare products. Louvrette and Inotech build on our strengths in this important, growing category. What's more, the synergies these acquisitions create allow us to be more agile and innovative, supporting our global expansion and our plans to develop solutions in the region, for the region, responding to market demand for local, flexible and fast supply.

Thanks to our long-term efforts in building a sustainable business, we were able to seamlessly integrate both companies, while maintaining a healthy leverage ratio and significantly reinforcing our balance sheet.

The pace of growth we have enjoyed can, of course, only be achieved with the right people. At Quadpack, we have an amazing team and, in 2019, we welcomed almost 200 new people on board, including a new CFO and COO to strengthen the executive management team. Our Little Big Company has grown to be a diverse family that is helping us to go from good to great.

Another milestone for our business was our entry into the Euronext Growth stock exchange in Paris, a move for which we prepared on many levels regarding compliance, governance and financial reporting. Our listing gives us access to new sources of funding to finance future growth.

“

The pace of growth we have enjoyed can, of course, **only be achieved with the right people.**



2019 also saw us commence an ambitious digital transformation project, called Quadpack Connect, that will unite all of Quadpack's worldwide operations on one digital platform and allow us to exploit advances in Industry 4.0.

Concurrent to all this activity, throughout the course of the year, we took an exhaustive look at our business strategy. The exercise led to a major refresh, strengthening it for the coming years by focusing on five pillars: being a great place to work, global expansion, agility, sustainability and collaborative innovation.

This strategy has been put to the test sooner and harder than anyone could have expected by the COVID-19 crisis. Early indications resoundingly show that we are headed in the right direction. Already, we see our pillars providing a solid foundation from which to act in the face of an extraordinary situation.

Quadpackers around the world have shown amazing resourcefulness in adapting to the crisis, demonstrating the commitment of our global workforce. Despite the physical distance, we worked together more creatively and efficiently than ever, finding new ways to connect and collaborate – and all this with passion and integrity as we embody the values of our Little Big Company.

We listened to our clients and our global expansion is being charted on the basis of proximity, delivering solutions locally in each region, with greater agility, a smaller carbon footprint and local resources to ensure business continuity – of vital importance during times like the present.

Overall, our sustainability strategy sees us working to ensure a positive impact on society and the environment. Our ESG practices take a holistic approach where sustainability needs to be weighed in all our decisions.

This is reflected in the way we develop our products, optimise our processes and foster our partnerships. Our Ecovadis Silver rating, our investment in a biomass plant at the Quadpack Wood factory to convert waste into energy and our partnership with microplastics-free material supplier Sulapac are all striking examples.

Quadpack Foundation, our charitable arm, is allowing us to make a positive impact on the communities we call home. In 2019, Quadpack Foundation engaged in a record number of social projects that focused on youth and environmental causes, all around the globe, and we aim to keep expanding its presence in 2020, leaving our positive legacy everywhere we go.

Now, as the whole world faces uncertainty, we have a tremendous opportunity to extend our positive impact. It is clear that we are stronger together, as we partner with our suppliers, our competitors and the wider community to meet today's unique challenges. This is where our values shine: without collaboration, creativity, ambition, excellence, integrity and passion, we would not be here today. Our sustainable performance in 2019 demonstrates that strong results are a consequence of doing the right things for the right reasons.

I want to finish this message by thanking our challenging and supportive board, an exceptionally talented management team and all the dedicated Quadpackers across the world who, every day, allow us – as our Purpose eloquently puts it – to “do it right, differently and better!”

Cosmetically yours

**Tim Eaves**  
*Chairman of the Board,  
CEO and Co-Founder*



**Our ESG practices take a holistic approach** where sustainability needs to be weighed in all our decisions. This is reflected in the way we develop our products, optimise our processes and foster our partnerships



# CFO's statement

## Hello!

2019 was the best year in Quadpack's history when it comes to performance. We increased our sales by 25 per cent with respect to the year before, growing from €104 to €131 million. In terms of operating profit, our EBITDA reached €13.6 million, an increase of 40 per cent compared to 2018. Half of the top-line growth was organic, and the other half was achieved thanks to the acquisition of German injection-moulding specialist Louvrette.

With Louvrette, the Group strengthens its manufacturing capacity and improves its ability to offer solutions in the region for the region. The further acquisition of Inotech Cosmetics also gave us the exclusive worldwide rights to its state-of-the-art bi-injection blow moulding technology and we are excited to enter into a research and development partnership with Inotech for further innovations.

In 2019, the Group also made a major advance in the capital markets, entering the Euronext Growth stock market in Paris. Euronext Growth gives us broader international exposure and access to new funding. We see this step as a natural evolution which comes with the growth we have experienced.

At Quadpack, we appreciate the confidence of our shareholders and we like to share our success with a dividend policy of on average 30 per cent of our net profit. I am pleased to say that, in 2019, dividends were paid for the fourth consecutive year at €0.29 per share.

Like in many industries, the COVID-19 pandemic has impacted our business. We have reacted swiftly to address the crisis and mitigate its effects, engaging proactively with our stakeholders. From the start, our first priority has been the safety and well-being of our employees. Fortunately, we were able to move quickly from our office routine to working from home. As an international company, we have the mindset and protocols to work and connect virtually and our Business

Technology team made a huge effort in ensuring business continuity. At our factories in Spain and Germany, our focus has been on strengthening safety measures. Our communication has been as open and transparent as possible, involving the global family of Quadpackers. Together, we formulated a cost-savings plan that aims to concentrate the Group's resources on strategic priorities while ensuring that operations are uninterrupted. On a broader scale, we enjoyed great support from suppliers and banks and were grateful to be able to offer assistance to clients, partners and communities.

The current situation means that we won't reach the growth we initially budgeted for 2020. However, we are satisfied with the resilience of our business model and the commitment of our employees, which allow us to look to the future with confidence. Our new business strategy has proven accurate and wise: we believe that the pillars of global expansion, sustainability, agility and collaborative innovation will take us where we want to go as a company, always providing a great place to work to all Quadpackers – and, of course, always working to ensure we remain an attractive proposition for investment to our shareholders.

Cosmetically yours

**Bardo Bevelander**  
CFO





# Business **model**



# 03



## 03.1

### Identity

and differentiators



#### 03.1.1 Purpose, mission and values

### PURPOSE

We want to do it  
right, differently, better.

WE ARE QUADPACKERS.

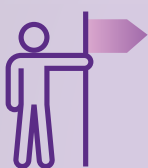


## MISSION

Helping  
beauty brands  
perform

## VALUES

*We will preserve little company values as we become bigger*



### Ambition

We constantly evolve and push boundaries that lead to positive change.



### Excellence

We are determined to exceed expectations. We believe in bringing the best quality to everything we do.



### Integrity

We are open and honest. We prioritise ethics over results, always being transparent, sincere and fair.



### Passion

We are passionate about what we do. We use our drive to motivate, engage and inspire others.



### Creativity

We have the freedom and courage to disrupt and innovate.



### Collaboration

We build trust in all our relationships. By working together, we multiply our contribution.



## 03.1.2 The Quadpack difference

Quadpack boasts an unrivalled track record of revenue growth, with a CAGR consistently over 20 per cent since it was founded in 2003. This enduring success is in part the result of an inherent agility to respond to opportunities and changes in a thriving market sector, coupled with strong management and a talented global team. Here are some of the key points that mark the Quadpack difference and explain its position today.

### Little Big Company

The Little Big Company spirit extends to the way Quadpackers work, cooperate and connect. As the business grows and expands its global reach, Quadpack offers more development opportunities to its people, keeping its “little big family” values of creativity, passion and collaboration.

### Value-added manufacture

The company entered the manufacturing space in 2013, with the decision to take control of certain aspects of the packaging solutions it provides, as opportunities present themselves. Quadpack’s strategy is to acquire or expand manufacturing facilities wherever they deliver differentiation or control of a core product format. In 2019, manufacturing activity accounted for 30 per cent of Quadpack business.

### In the region for the region

As part of its desire to remain close to its clients, Quadpack’s structure is built around proximity. The company has a global sales network with commercial locations in all the largest beauty markets in Europe, America and the Asia-Pacific region, each of which is in tune with local culture, habits, demand and trends. At the same time, these offices operate under an efficient, global, corporate structure. Quadpack operates in the region, for the region. This model works fantastically well and is key to its business agility, efficiency and success.

### Diversified business activity

Quadpack both manufactures and sources packaging solutions. This hybrid structure sets it apart from most competitors. If it doesn’t make it, it sources it. If it’s not in the portfolio, it will design it from scratch. Quadpack co-develops with its suppliers, leveraging their expertise with Quadpack’s own knowledge of what the market needs. The company has a level of flexibility that allows it to focus its efforts squarely on what clients need for greater satisfaction. In addition, Quadpack is diversifying into stocking, e-commerce and full service (packaging filled with product), with local trials to test the market. If successful, these will give the company two new revenue streams. Clients know that Quadpack has the know-how of a manufacturer, a sourcing operation, a package developer, a design agency and a trend house.

### Strong presence in the skincare market

Quadpack’s business is segmented into three categories: skincare, make-up and fragrance. By operating in multiple segments, it minimises risk and provides a transversal expertise that adds value in unexpected ways. However, its strength has always been in the skincare market.



## Strong management

Quadpack's board comprises members with hands-on experience in key areas of the business, covering operations, legal, finance, marketing and mergers & acquisitions. Quadpack is proud to have built a team composed of the very best talents in their areas of expertise, bringing creative thinking, diversity and professionalism to the business. Quadpack also has a matrix management system that encourages agility, enabling fast decision-making down to local level.

## Product design & innovation

In 2018, Quadpack's design department relaunched as the department of Design and Advanced Technologies. The move put innovation at the front of Quadpack's offering, establishing what may eventually become a standalone research and development (R&D) centre. Acting as an 'ideas factory', the department tracks macro trends, drawing inspiration from various sectors like architecture and fashion, and develops these into innovative product ideas for beauty brands. In this way, Quadpack's creative team designs smart solutions that anticipate demand, always trying to blend creativity with technology.

## Sustainability commitment

Quadpack is committed to attaining the highest standards of sustainable development, underpinned by its corporate social responsibility strategy, which embeds responsible procedures into all of its operations in order to ensure a positive social and economic impact on all of its communities, while generating long-term development for its employees and stakeholders.

## High percentage of recurrent business

The major clients pay to have their own designs and moulds. These investments are generally multi-year in nature, thereby favouring a year-on-year repeat business that represents around 60 per cent of sales. Most of its top projects have been in the Quadpack portfolio for more than five years.



## 03.2 Company history



### FROM A SMALL AGENT TO A GLOBAL HYBRID COMPANY

A history of growth and expertise



2003

#### Agency / Distributor

Quadpack is founded as a result of a three-way merger between Belcos, Lengart Packaging and Gadbrook Packaging.

€3M

2004  
2010

Offices are opened in China, Korea, Australia, Germany and Italy.

€7M



2011

#### Sourcing

Yonwoo Europe is created as joint venture with Yonwoo Korea to service AAA clients in Europe.

€28M

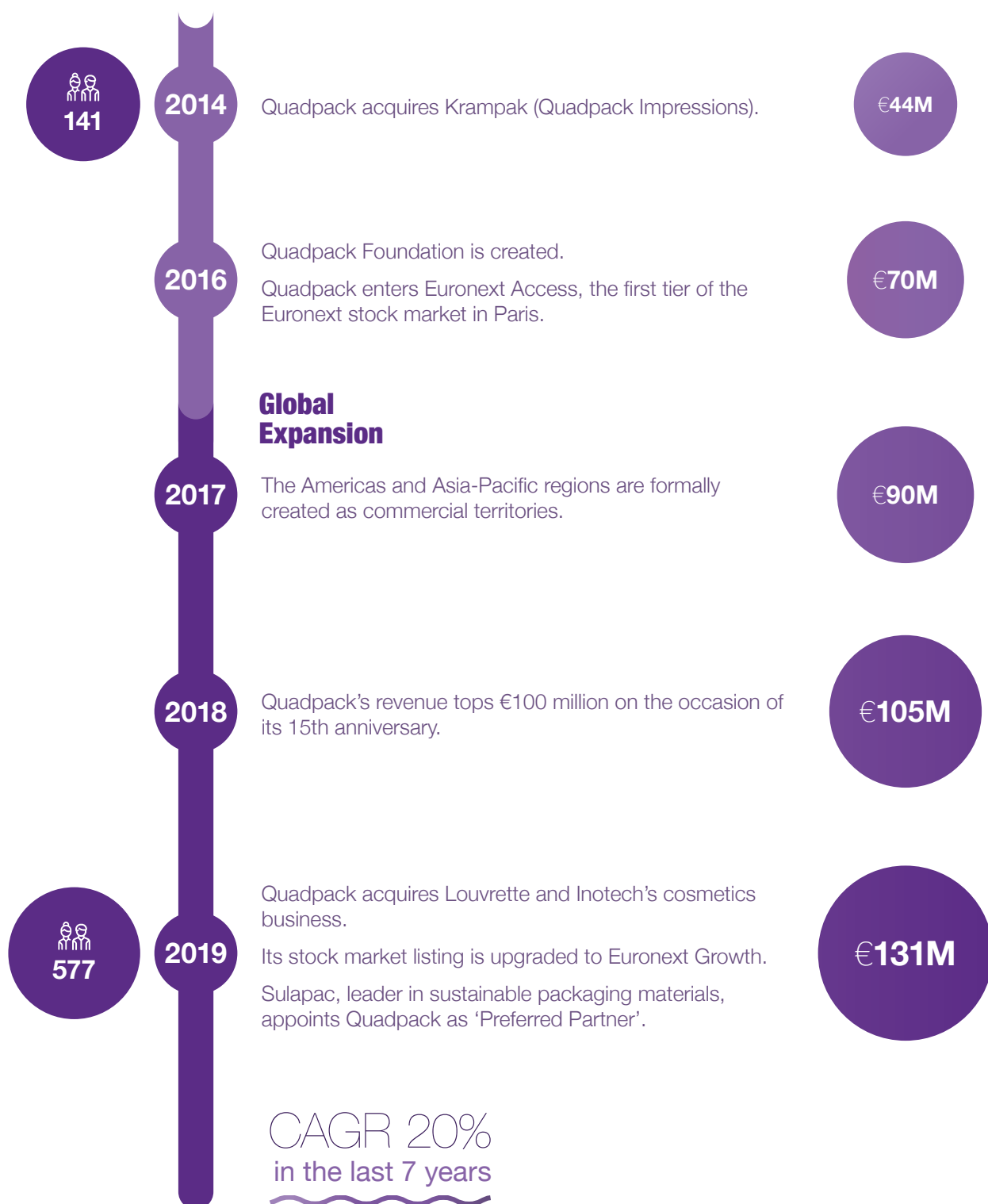
2013

#### Hybrid

Quadpack acquires Technotraf Wood Packaging (Quadpack Wood).

€43M





# 03.3

## Business structure



Quadpack's hybrid model allows the company to provide agile and customised solutions to its clients, keeping a flexible structure where manufacturing and sourcing can be combined to offer optimal services. With a strong global sales network, Quadpack is a partner of choice of both consolidated brands and regional, fast-growing clients.

Working with creativity and innovation, with an in-house Design team that is constantly inspired by the latest trends, Quadpack is able to provide complete beauty packaging solutions.



## 03.3.1 Global footprint

IN THE REGION,  
FOR THE REGION

**2**  
Distribution  
hubs

**13**  
Commercial  
locations

**5**  
Manufacturing  
facilities in  
Europe

**8**  
Sourcing  
& supply offices

**577**

### Quadpack Americas

United States

### Quadpack Europe

Spain  
France  
Italy  
United Kingdom  
Germany  
Poland  
Switzerland  
Scandinavia

### Quadpack Asia-Pacific

Australia  
China  
Hong Kong  
Taiwan  
Korea

Shaping  
unique  
fragrance  
dreams

03.3.2

## Clients

Quadpack is proud to live up to its mission of helping beauty brands perform. It is currently working with 30 of the world's top 100 beauty brands.

**Beiersdorf** **CAUDALÍE** **CHANEL** **CLARINS** **COLLISTAR** **COTY**

**ESTÉE LAUDER** **EuroItalia** **FILOGRA** **GROUPE ROCHER** **Henkel** **interparfums**

**kao** **KIKO** **L'ORÉAL** **L'OCCITANE** **LVMH** **WEIYUME**

**NAOS** **natura** **NUXE** **Pierre Fabre** **PUIG** **RITUALS**

**SHISEIDO** **sisley** **SODALIS** **SPACENK** **Unilever** **Welgreens Boots Alliance**



Quadpack classifies its clients in function of their size and the volumes of orders they place:

- **Category A**

This is the most important group of clients. It includes multinationals that require high production volumes; regional players with smaller order volumes; and local companies with annual purchase volumes of over €500,000. Category A generates a high level of repeat business, as these brands want bespoke designs, which need long-term investments. That translates into recurring sales, which accounted for 60 per cent of the company's 2019 revenue.

- **Category B**

Local companies with purchase volumes of €100,000 to €500,000 euros. These clients require significant support from their suppliers and only have the ability to access the standard product portfolio.

- **Category C**

Local companies and start-ups, with purchase volumes of below €100,000.



±70%  **Category A**

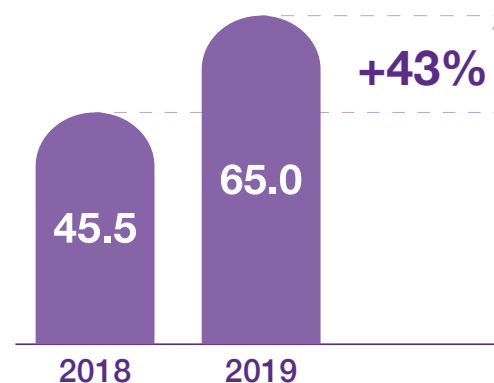
±20%  **Category B**

±10%  **Category C**

The company is strategically focused on **fast growing local and regional clients**

### SALES TOP 10 CLIENTS

Millions



03.3.3

## Design & R&D

### Research and product development

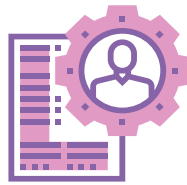
In the beauty industry, product design and aesthetics are just as important as the development of new features. Quadpack's Design and Advanced Technologies department is tasked with creating new packaging concepts for the Q-Line (proprietary brand) product portfolio and for bespoke projects. The goal is to make packaging that protects cosmetics formulations, embodies the brands' philosophies, stands out in the marketplace and encompasses sustainability.

The work of the Design & Advanced Technologies team involves five phases:



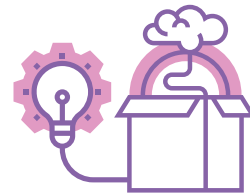
#### 01 Research

Science-based research into the behavioural trends in society is very important to the product development effort. Issues such as diversity, inclusion, social media usage and longevity have to be factored in to create products that respond to customer expectations and needs.



#### 02 Empathy

On the basis of those trends, in 2019, Quadpack mapped social behaviours and created themes that represent different lifestyles and preferences with a view to developing products that meet their expectations.

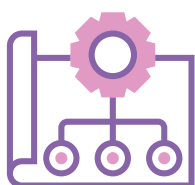
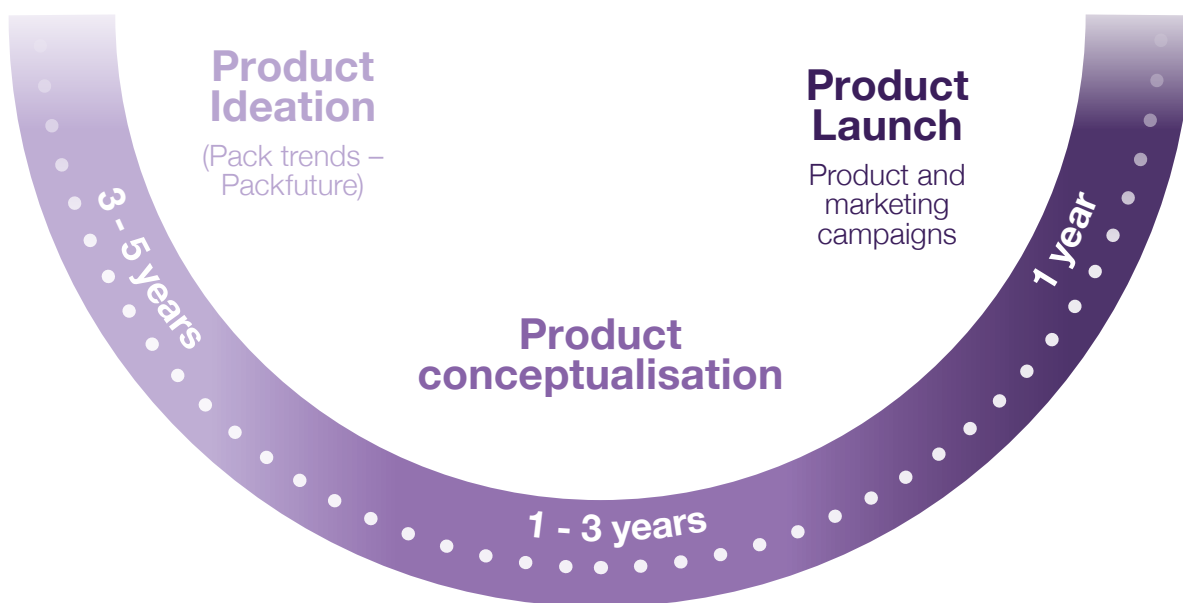


#### 03 Creative thinking

During this phase the challenge is to create designs that fit each theme, even if the product doesn't exist yet. The team designs products that only exist in theory but have the potential to revolutionise the future of packaging.

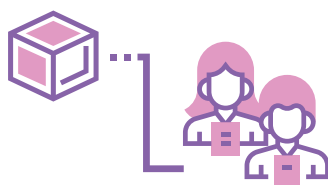


## NEW PRODUCT LAUNCH PROCESS



### 04 Reality check

Consumers are demanding and the products they handle need to be innovative and visionary yet also functional and accessible. Sustainability is essential and inspires every new design. To experiment with all of these ideas, the team creates prototypes, leveraging high-tech solutions and additive manufacturing.



### 05 Beyond trends

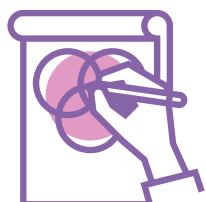
Staying ahead of emerging trends, the Design and Advanced Technology department focuses on creating products that tell stories, trigger emotions and connect sensorially with consumers.





## INNOVATION & CREATIVITY

Expertise that makes a difference



### DESIGN

Global team of designers



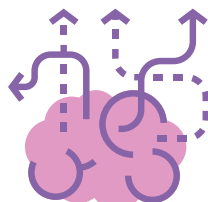
Computer-aided design for creation, optimization & manufacturing



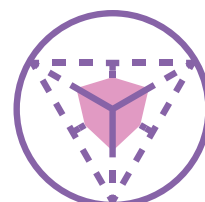
Advanced materials and technologies



Rapid prototyping & virtual representation using advanced 3D machines



### INNOVATION



### DEVELOPMENT

## PRODUCT AWARDS

In 2019, Quadpack worked on 8 award winning bespoke projects for clients, including award-winning packs for Charlotte Tilbury and Loewe. Charlotte Tilbury's Magic Away Concealer – packaged in a rose-gold bottle with viewing window and custom sponge applicator – scooped up the Pure Beauty Gold Award 2019. Loewe Esencia – with a cap made of sustainably-sourced wood and hand-brushed with gold leaf – received the Pure Beauty Bronze award 2019. A liquid foundation bottle developed for eco brand Saigu Cosmetics was also highly commended at the Luxury Packaging Awards 2019.



## New R&D initiatives in 2019

In 2019, with the acquisition of Louvrette and the purchase of Inotech's cosmetics patents and business, Quadpack expanded its research and development (R&D) capabilities in the manufacturing arena, particularly in the production of airless and sustainable packaging.

Quadpack's ownership of its first patented technology, the bi-injection blow moulding (BIBM) process, opens up a host of possibilities in terms of new product development. This is currently being exploited in an R&D partnership with Inotech's engineers, who bring

their insights into automotive, telecoms and medical technology design to Quadpack's creation of new beauty packaging formats. The first results of this partnership should come out at the end of 2020.

Also in 2019, Quadpack struck an agreement with Finnish firm Sulapac, a pioneer in the design and production of microplastic-free materials. Its status as 'Preferred Partner' will help Quadpack to further develop and deliver fully sustainable packaging solutions to beauty clients worldwide.



## Nurturing future talent

Quadpack works with educational institutions, trade associations and industry, in order to nurture tomorrow's talent in design and innovation. By reaching out, it is able to give guidance, foster the exchange of knowledge and gain insights from the emerging generation of young designers.

In 2019, Quadpack sponsored the graduate projects of third-year design students at ELISAVA, the University School of Design and Engineering in Barcelona, Spain, and the ICMAD Young Designer of the Year award in the US.

It also sponsored the Innovacat awards in Catalonia, similarly to encourage local talent, with a focus on business and social innovation.



03.3.4

## Manufacturing and sourcing

Quadpack has a hybrid structure which combines the sourcing of third-party products with the manufacturing of own products, allowing it to offer a diversified and balanced proposition. Its factories create componentry that brings its clients true differentiation and enable Quadpack to control the production of key packaging solutions.

For everything else, it has established partnerships with manufacturing partners to ensure the highest standards and greatest flexibility.

### Sourcing

Thanks to a global network of suppliers and partners, Quadpack offers innovative sourcing services to its clients. With flexibility and agility, Quadpack can provide fast to market solutions for brands of all categories and market positioning.

### Full service

Full service packaging – or packaging filled with product, such as a filled lipstick or eyeshadow palette – is being trailed by Quadpack in Australia. Working together with a branding agency and fillers, the service responds to the need for complete solutions in an area where there are few contract manufacturers (producers of cosmetics formulas) or fillers.



### HYBRID SOLUTION

A balanced & diversified offering



More than  
120 suppliers  
worldwide



∞ LOUVRETTE  
A Quadpack Company

∞ QUADPACK  
Plastics

∞ QUADPACK  
Impressions

∞ QUADPACK  
Wood



## Manufacturing

Quadpack's own manufacturing facilities are located in Europe and US, with three factories in Spain, a large industrial plant in Germany and a decoration plant in the US.

### PLASTIC

**“The core technology for most cosmetic packaging today”**

#### Louvrette

Louvrette, acquired in 2019, is Quadpack's specialist injection-moulding facility in Kierspe, Germany. The 8,500m<sup>2</sup> site has 40 production lines, with room for expansion. Over 180 staff manufacture a wide range of innovative and sustainable products that follow German standards of precision engineering.

#### Quadpack Plastics

Quadpack Plastics is a 3,000m<sup>2</sup> injection-moulding facility in Catalonia, Spain. A centre of excellence for luxury jars, it allows Quadpack to develop and manufacture products in a range of formats and materials, while complementing the production output of Louvrette and ensuring business continuity.



## WOOD

“Niche market  
where we are  
world leaders”

### Quadpack Wood

Quadpack Wood is a 10,000m<sup>2</sup> factory dedicated to making beautiful wooden components for cosmetics packaging. Based in Catalonia, Spain, it created the world's first wooden cap for a fragrance bottle for Burberry Touch in 2003 and continues to set industry standards. The factory is FSC® and PEFC™ -certified and uses wood from sustainably-managed forests.



Thanks to its hybrid  
model and smart  
customising capabilities,  
**Quadpack is able to  
provide flexible and time  
to market solutions  
to its global clients**



# DECORATION

**“Required for all packaging and essential as a differentiator”**

## Quadpack Impressions

Quadpack Impressions is a 1,550m2 decoration facility housed on the same site as Quadpack Wood, where Quadpack’s experts experiment and apply creative finishes to its packs. The plant boasts the latest machinery for decoration on wood, plastic, aluminium and glass, including silk screening, hot stamping and pad printing.



## US decoration plant

Quadpack has a decoration plant in the US where it stocks standard components produced at its European factories, for local personalisation and assembly, to accelerate time to market. The plant is fully equipped with production lines for labelling and hot stamping.



03.3.5

## Categories

Quadpack has been structured into three divisions to ensure its service is correctly focused on the specific needs of its clients in each segment.

# Skincare

*Delivering performance through technology*

*Skincare packaging has been Quadpack's core business from the beginning and remains so today, accounting for approximately 65 per cent of total revenue. Quadpack boasts state-of-the-art solutions in terms of materials, technology and design, which allow its clients to offer consumers an enhanced experience. Quadpack offers skincare brands a wide range of standard products, as well as bespoke packaging solutions, adding value to both through decoration services at its specialised facilities.*

## Value-added offering thanks to:



*Creativity coupled with technology*

*Improved user experience*

*Market and trend knowledge*

*Modern, high-tech, high-performance solutions*

*Exclusive distribution of Yonwoo airless products*



# Make-up

*Trend-setting solutions  
for tomorrow's make-up*

*'Insider  
knowledge'  
of market  
and trends*

Value-added  
offering thanks to:

*Modular portfolio  
for fast creation of  
trend-setting  
packs*

*Solutions that  
embrace  
innovations  
in make-up  
formulations*

*Bespoke  
products  
for limited  
editions*

*Engaging designs  
for a heightened  
consumer  
experience*



*The colour cosmetics sector is all about trends and time to market. Quadpack's make-up division offers the perfect blend of the latest look and a fast turnaround. Its experts know how to translate emerging trends with novel solutions to deliver real competitive edge. This is reflected in the make-up packaging portfolio, which is made up of 'smart, modular solutions' – a range of the most popular components with can be mixed and matched, then decorated to look entirely bespoke – respecting the strict launch plans of the world's leading brands. This strategy allows Quadpack's clients to respond to market demand on time, on trend.*



# Fragrance

*Shaping unique  
fragrance dreams*

*Quadpack creates unique and inspiring packaging solutions for the fragrance sector. For niche brands and new entrants from other markets, the Fragrance Division handles the entire process from design to delivery. For global luxury brands, its experts add a special touch that transforms their bottles into something extraordinary. Quadpack Wood has been hugely successful in this area, being the first company to introduce sustainably-sourced wood into the fragrance packaging market, with the creation of a cap for Burberry Touch for Women in 2003. In the current environment where sustainability is a vital element, it continues to push the boundaries of design, creating beautifully crafted and finished caps and components to adorn the most well-known and loved scents on the market.*

Value-added offering  
thanks to:

*Tailored  
industrialisation*

*Universal  
expertise  
in the design and  
development of  
new materials*

*Design-to-delivery  
service*

*Integral solutions  
from bottle  
to outer box*

*Unique touches  
for true  
differentiation*



03.3.6

## Products

Quadpack's product offering is distinguished by an uncompromising focus on the needs and desires of its clients and, by extension, consumers. Whether designed and manufactured in-house, or sourced, or co-developed with partners, its solutions aim to offer differentiation, technological excellence and an enhanced user experience, all on a foundation of sustainability. Of particular note are Quadpack's beautiful, market-leading components in wood, the world's only 100% renewable material. It also continues to lead the industry with its airless offer, which meets the needs of the rising class of natural and organic formulas for brands in all market segments.

Quadpack's products can be classified in three groups – bespoke, Q-Selection and Q-Line – supported by a range of services to enhance the final product.



### Bespoke projects

Bespoke products essentially involve major clients (from A to AAA). These solutions are custom designed and typically driven by innovation. These projects are where Quadpack's designers can transform blue-sky thinking into real, workable solutions that push boundaries in terms of aesthetics, functionality and environmental impact. Its UK rapid prototyping centre accelerates the early stages of design, producing functional models the clients can touch and feel.

The packaging engineers then ensure industrial feasibility and supervise the creation of the moulds. The company's manufacturing facilities enable it to test new designs in-house with trial moulds, as well as produce part or all of the final product.

Quadpack aims to develop this segment, which offers better margins and recurring business (product lifespans are around three years), as investment in the mould can be substantial.



## Standard portfolio – Q-Selection

Q-Selection is Quadpack's portfolio of packaging solutions carefully curated from the vast offering of its official supply partners, including Yonwoo. Once chosen, these products are thoroughly tested and homologated to its own, strict standards. Wherever possible and desirable, Quadpack seeks exclusivity agreements for product types or technologies it considers to be outstanding in the market, such as Yonwoo airless in Europe.



## Proprietary portfolio – Q-Line

Q-Line is Quadpack's own range of products, designed to meet or anticipate market demand, improve the consumer experience and respect the planet. Produced either in-house or by selected manufacturing partners, the moulds and intellectual property associated with these products belong to Quadpack. As such, it aims to increase the Q-Line family of products, offering higher margins and showcasing the talents of Quadpack's design and product development teams. The acquisitions of Louvrette and Inotech facilitate this shift towards an ideal balance between the three product categories.



03.3.7

## Services

Quadpack offers a range of standard and complementary services which add value to the product development process, according to the client's priorities, from 3D modelling, custom testing, transportation options and stocking.

### Package development

A team of experienced packaging engineers develops personalised packs for clients, from Quadpack's portfolios. Standard products are transformed into unique solutions through mixing and matching components and clever application of decoration techniques. A modular catalogue and curated supply chain ensure an unparalleled time to market, much appreciated by Quadpack's clients.

### Prototyping

The Design & Advanced Technologies department offers an industrial design service that helps clients explore different options prior to creating a pack, with inspiration drawn from the department's trend work. The service is equipped with the latest previsualisation equipment, including 3D rendering and 3D modelling to produce ultra-realistic prototypes in multiple colours and materials.

### Design

Quadpack's department of Design and Advanced Technologies is dedicated to creating new packaging concepts, both for the company's own Q-Line portfolio and directly for clients (bespoke). As part of this work, it tracks trends from a multitude of sectors, from interior design to automotive, and distils these into blue-sky ideas as a basis for inspiration for new packaging formats. VIP clients are given trend previews and are invited to sponsor their development into trend-setting, market-leading solutions.



## Logistics

Quadpack provides a door-to-door service for all clients. This includes the handling of shipment, tracking and customs and duties where necessary. Each project starts with a full logistic service proposal, based on a systematic analysis which considers fuel consumption and production deadlines, with contingency plans to ensure a timely delivery.

## Stocking & warehousing

Warehousing space is available in key territories for selected clients to allow them to stock semi-finished products for just-in-time assembly and decoration, ensuring an accelerated time to market.



## QA and testing

Quadpack's central test laboratory in Spain adds a layer of quality assurance to its ISO9001-controlled development cycle, complemented by the Shanghai laboratory situated near its Asian partners. New product and production sample tests are conducted as standard, while pre-sales testing is available to clients as a value-added service.

“

**Helping beauty brands perform is the mission**  
that guides  
Quadpack on  
its quest for  
excellence and  
innovation



# 03.4

## Business strategy

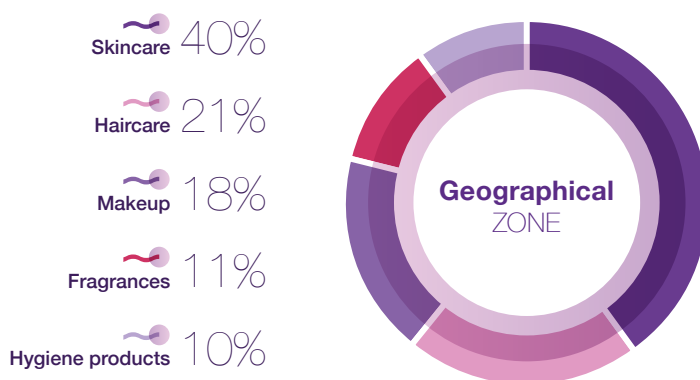
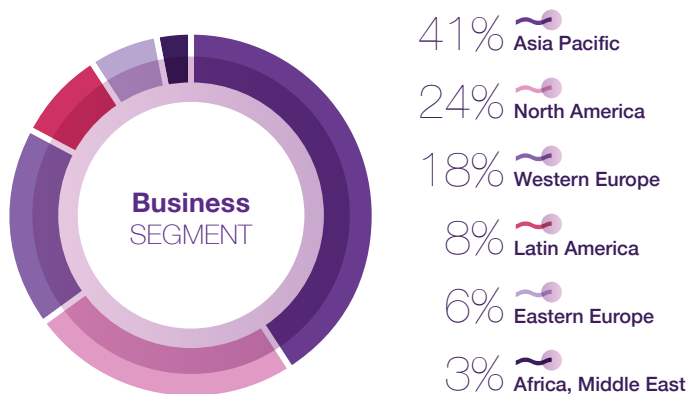
### 03.4.1 Market environment

#### Cosmetic Market

The cosmetics industry is a significant economic driver globally. In 2019, the sector's worldwide turnover surpassed 200 billion euros\*. It has been growing at an annual rate of between three and five per cent for the last 20 years (with the exception of 2008 and 2009, due to the recession); in 2019, sector growth topped five per cent. It can therefore be described as a growth market, especially in Asia Pacific, which registered growth of almost nine per cent in 2019, well above the levels recorded in mature markets such as the US (2.5%) and Western Europe (1%), but also higher than other developing markets such as Latin America (4%), Eastern Europe (5%) and Africa/Middle East (2%).

Within the cosmetics sector, luxury goods registered the fastest growth in 2019, at around ten per cent, followed by dermocosmetics (7%), mass market products (4%) and professional products (2.5%). Skincare products were the top-performing category within cosmetics, with growth of eight per cent, well ahead of make-up (4%), fragrance (4%) and haircare products (3%).

\* According to a study by L'Oréal.



2019  
+5.0% / +5.5%  
GROWTH

# Packaging Market

The cosmetics packaging sector accounts for approximately ten per cent of total sector turnover, implying that Quadpack's target market was sized at close to €20 billion in 2019. In Europe alone, where the company generates most of its revenue, cosmetic product packaging generated a turnover of €6.4 billion, nearly one-third of the total. Five countries account for 75 per cent of the European market: France (26%); Germany (17%); Italy (13%); the UK (11%); and Spain (8%).

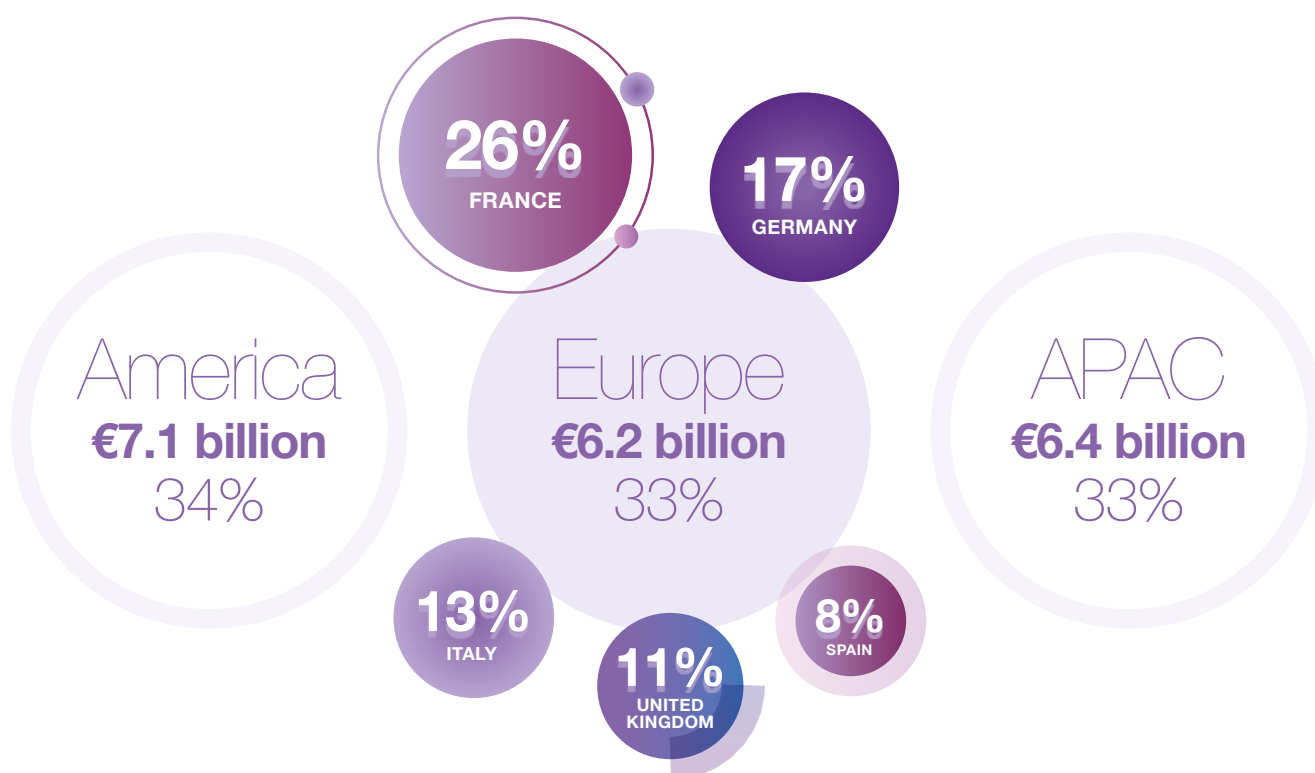
The Americas is the biggest market, accounting for nearly 34 per cent of the business, followed by Asia Pacific, which has grown to encompass another third of the market and is expected to continue to deliver fast growth.

By packaging type, the sector is dominated by plastic packaging, which accounts for between 50 and 55

per cent of the market, although glass containers are predominant in the fragrance niche. Other materials used include metals, paper and wood. While less significant today, shifting consumer habits and preferences, particularly growing environmental sensitivity on the part of European and American consumers, suggest they may become more important going forward.

As for the business landscape, the sector is highly fragmented, characterised by abundant consolidation opportunities. The three top firms boast revenue of over €500 million each; there are few medium-sized enterprises and a broad base of small businesses with revenue of under €125 million. Quadpack is a Top 10 beauty packaging provider in Europe and one of the few medium-sized enterprises.

## GEOGRAPHIC BREAKDOWN



Top 5 countries represent 75% of the european market



Packaging plays an important role in the beauty industry



GLOBAL BEAUTY MARKET



GLOBAL BEAUTY PACKAGING MARKET

“

On average,  
**10% beauty product spend**  
is on packaging

## Competitive position

*Inside the TOP 10 European cosmetic packaging suppliers*

TOP 3

**29%**  
>€500M



Aptargroup



TOP 10

**51%**  
€500M — €125M

∞ QUADPACK



**HEINZGLAS**  
family-owned since 1622



**PSB INDUSTRIES**  
Emballage et chimie de spécialités

TOP 20

**64%**  
<€125M



**NEOPAC HOFFMANN**

**TOLY**  
Passionate About Packaging

**CTL**  
PACKAGING

**GERRESHEIMER**



ZIGNAGO VETRO

**GEKA**

**LUMSON**  
Cosmetic Packaging Industries





## 03.4.2 Strategy 2015-2020

Quadpack's strategy over the past five years has focused on sustainable growth along five axes:



**Entering new geographical territories**



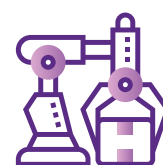
**Expanding its client base**



**Introducing new market categories**



**Growing its range of its products and services**



**Expanding manufacturing capabilities**

This was achieved with a great deal of success through both organic and inorganic growth. This success can be attributed by a series of timely and intelligent acquisitions which have added value to the company's offer, as well as a policy of reinvestment of profit to finance organic growth. In 2019, around €7m was invested in new products, process efficiency, plant improvements and machinery.

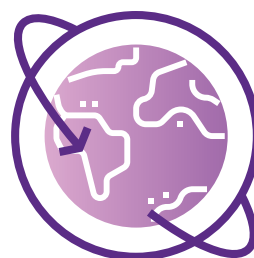


03.4.3

## Strategy **2020-2025**

### **5 years, 5 pillars**

Quadpack's vision for the next five years is to reach a **two per cent** global market share, and to progressively grow its profitability and market capitalisation. It will do so based on five pillars:



#### **Global expansion:**

**We redefine business wherever we go** by increasing our sales presence in the **Americas and Asia Pacific** and by manufacturing in the region for the region.

**Expand in new territories**

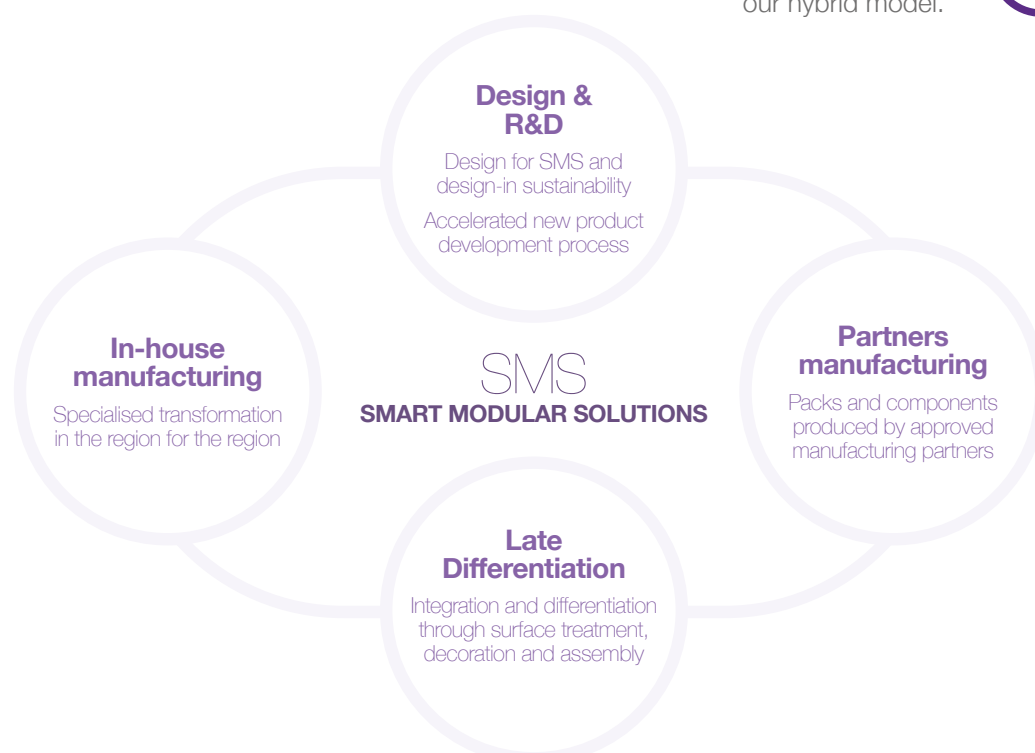
**Globalise wood**

**Leader in airless**

**Increase in-house manufacturing**

#### **Agility:**

**We exceed market expectations with speed and flexibility** by reducing time to market and offering locally customised “smart modular solutions” that leverage our hybrid model.





## Great place to work:

**We foster a performance-driven culture based on integrity, diversity and innovation** by focusing on leaner business foundations and on people's development as we continue our journey from Good to Great.

### People – Culture project

Building an achievement and innovation culture

### Systems and processes – Quadpack connect

New ERP and CRM system  
Become leaner and simpler with digital transformation.



## Sustainability:

**We are passionate about the planet and people as we drive to increase our positive impact on society and the environment** by pioneering sustainable transformation with our products, processes and people.

### + Product +

Increase product **circularity** and reduce CO2 footprint

### POSITIVE IMPACT

#### + People +

##### Workplace

Governance, human rights and labour practices

##### Communities

Quadpack Foundation

#### + Processes +

##### Manufacturing

Energy, CO2 and waste reduction

##### Supply chain

Transit packaging and CO2 reduction, responsible sourcing



## Collaborative innovation:

**We believe in collaboration as a catalyst for positive change** by fostering partnerships to develop pioneering business solutions, manufacturing techniques, products and services.

  
the beauty makers

**NEW**

**business models**

BRAND  
INCUBATOR



**NEW**

**solutions**

E-COMMERCE  
SOLUTION



**NEW**

**materials**

SUSTAINABLE  
MATERIALS

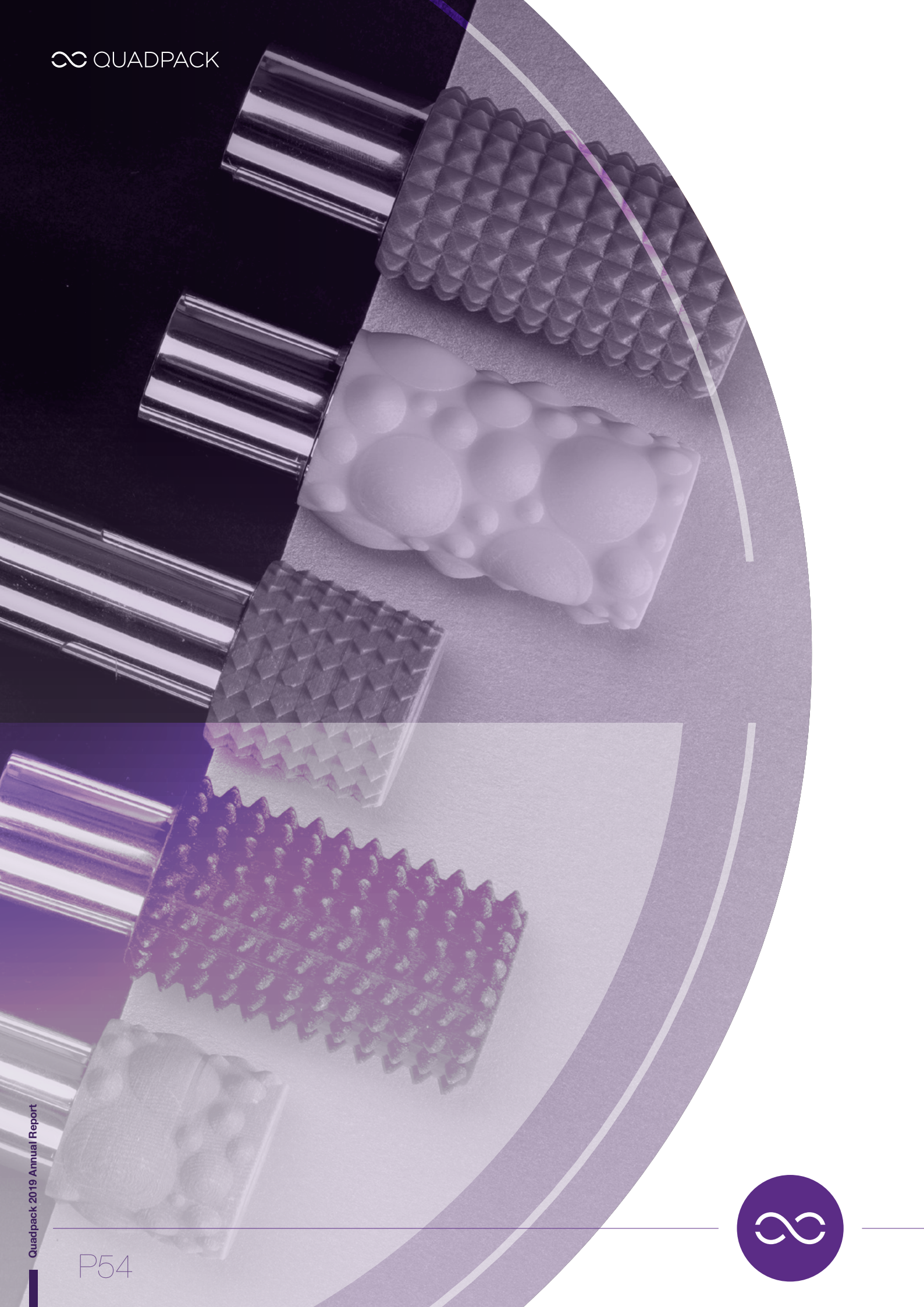


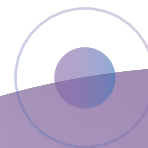
**NEW**

**technologies**

NEW AIRLESS  
TECHNOLOGY







# 2019

performance



04



# 04.1

## Milestones

MARCH

InStockPack.com went live in the US, offering small MOQs to small and indie beauty brands. The launch represented Quadpack's entry into e-commerce.

instockpack.



the beauty makers

BY ∞ QUADPACK

Quadpack made its full service debut in Australia in partnership with branding agency The Beauty Makers, unveiling a stunning range of packaged make-up products.

MAY

JUNE

Quadpack acquired the cosmetics business of Inotech, a German technology company. The agreement includes the commercial rights for its ground-breaking bi-injection blow moulding (BIBM) technology and an R&D partnership going forward.

The company consolidated its presence in Asia with a new office and service team in South Korea, a trend hotspot in the cosmetics industry.





## JULY

Quadpack acquired Louvrette, a German cosmetics packaging manufacturer with more than 180 employees, 8,500m<sup>2</sup> of manufacturing facilities, 40 injection moulding lines and a range of over 100 innovative and sustainable products.

## AUGUST

Quadpack's corporate headquarters in Barcelona expanded significantly to accommodate its rapid growth.



## OCTOBER

Quadpack transferred its stock market listing to Euronext Growth in Paris, France.



## NOVEMBER

A decoration plant was inaugurated in the US, to strengthen Quadpack's offering in the region with a new, value-added service.



## DECEMBER

Sulapac, a pioneering developer of sustainable materials, appointed Quadpack as its Preferred Global Cosmetics Packaging Partner.



# 04.2

## Key financial data

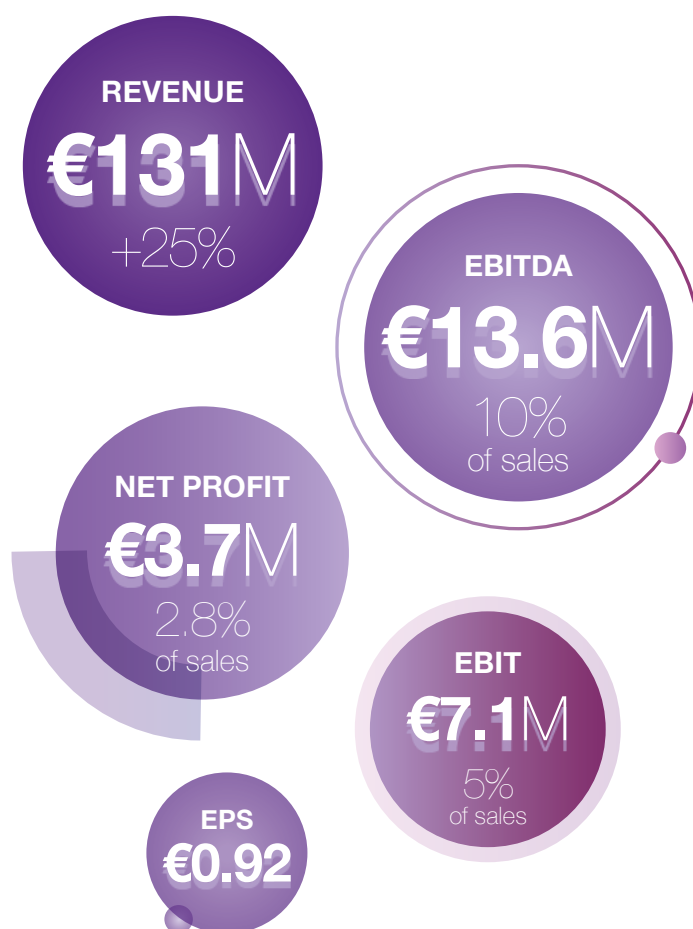
Quadpack posted record earnings in 2019. Revenue, which had first crossed the €100 million mark in 2018, increased by 25 per cent to €131 million in 2019, surpassing the guidance provided to the market. EBITDA amounted to €13.6 million, implying a margin of ten per cent, and a 40% YoY growth, in line with its business plan. EBIT was also higher, at €7.1 million, while net profit reached €3.7 million with a net income margin of 2.8 per cent and earnings per share of €0.92 and diluted earnings per share of €0.88.

That earnings performance endorses the company's business strategy. The combination of organic and M&A-led growth has translated into further earnings growth despite sub-optimal market conditions, shaped by a slow economic recovery in Europe and trade tensions between China and the US, which have affected the Asia-Pacific and American markets.

The outlook for 2020 is hard to predict due to the effects of the COVID-19 pandemic on the world economy. These effects are likely to include a significant and prolonged slump in consumer spending.

### Noteworthy investments

The main investments in 2019 were the acquisitions of Louvrette and Inotech in Germany, which together amounted to €45 million.



### Financial situation

Historically, Quadpack has kept its leverage ratio low, with net debt-EBITDA ratios almost always at under 1x (except for 2017, when it rose to 1.7x due to delays in collections from one specific customer). The acquisitions made in prior years were closed at ideal times in terms of prices and the return hurdles applied have enabled the company to finance those transactions largely from internally-generated cash.

Due to the size of the acquisitions in 2019, the situation is different: at year-end, net debt amounted to €40.8 million and net debt-to-EBITDA had increased to 3.02x. Nevertheless, the manner in which the Louvrette transaction was structured – with half of the acquisition price paid for in shares – has enabled the company to keep its borrowing levels at reasonable levels and meet the commitments assumed with the banks.

Moreover, Quadpack expects the earnings contributions from Louvrette and Inotech to start to offset the impact of the investments quickly.



## STATEMENT OF PROFIT AND LOSS

Millions of euros	2016	2017	2018	2019
<b>Sales</b>	70.1	90.7	104.7	<b>131.0</b>
<b>YoY %</b>	28%	29%	15%	<b>25%</b>
<b>EBITDA</b>	6.6	6.8	9.7	<b>13.6</b>
<b>% of Sales</b>	9%	7%	9%	<b>10%</b>
<b>EBIT</b>	5.1	4.9	6.5	<b>7.1</b>
<b>% of Sales</b>	7%	5%	6%	<b>5%</b>
<b>Financial</b>	0.4	(0.9)	(1.5)	<b>(1.8)</b>
<b>Tax</b>	(1.7)	(1.3)	(1.4)	<b>(1.4)</b>
<b>Net Income</b>	4.1	2.7	3.7	<b>3.7</b>

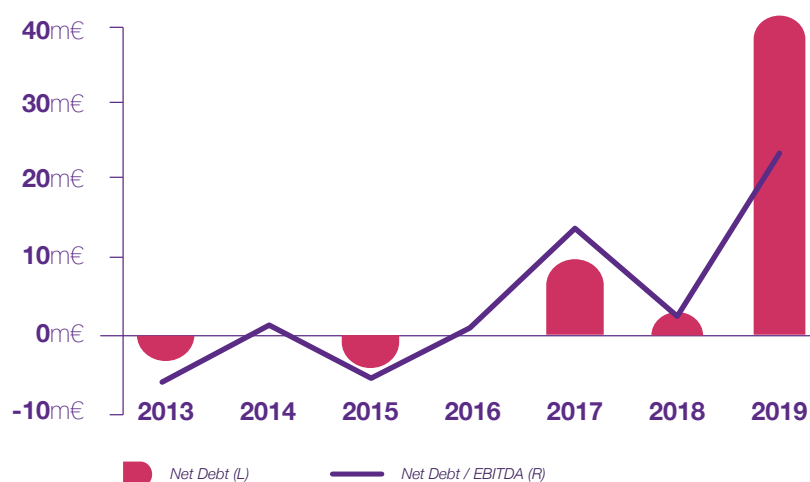
2018 & 2019 results under IFRS

## FINANCIAL SITUATION

Millions of euros	2016	2017	2018	2019
<b>Net debt/EBITDA</b>	0.1x	1.6x	0.2x	<b>3.1x</b>

## LEVERAGE CONTROL

2013-2019



2019 affected by M&A operations

# 04.3

## Performance by business area

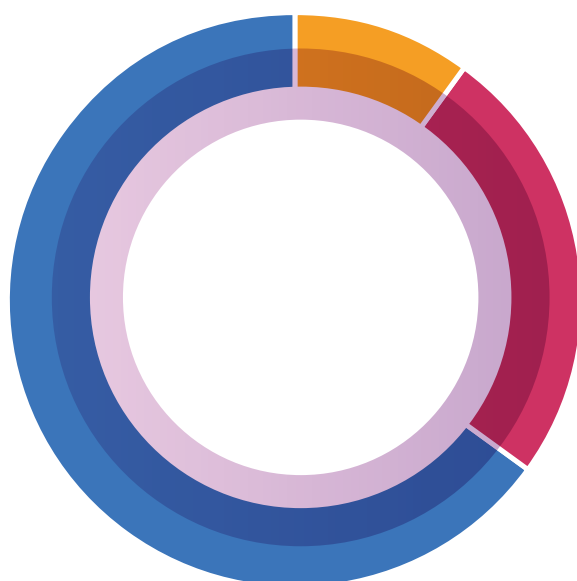
### 04.3.1 Performance by category

Revenue in the **Skincare Division** increased by 19 per cent to reach €86 million, reaffirming the company's strategic decision to strengthen its position in this segment with the in-house production of plastic jars, enabling it to manufacture and personalise products for its clients.

The **Make-up Division** also experienced a huge year-on-year increase of 55 per cent, to €29 million. This division is staking its claim of the colour cosmetics segment: new clients are being won over by the company's ability to offer differentiated solutions in the face of fast-moving trends.

The **Fragrance Division** achieved a revenue growth of 15 per cent, to reach €12 million. The prevailing trend of gradual growth is expected to continue; in this high-end segment, the investment in and lifespan of the products are higher, which translates into higher percentages of repeat business.

#### BY CATEGORY



10%  Fragrance

25%  Make-up

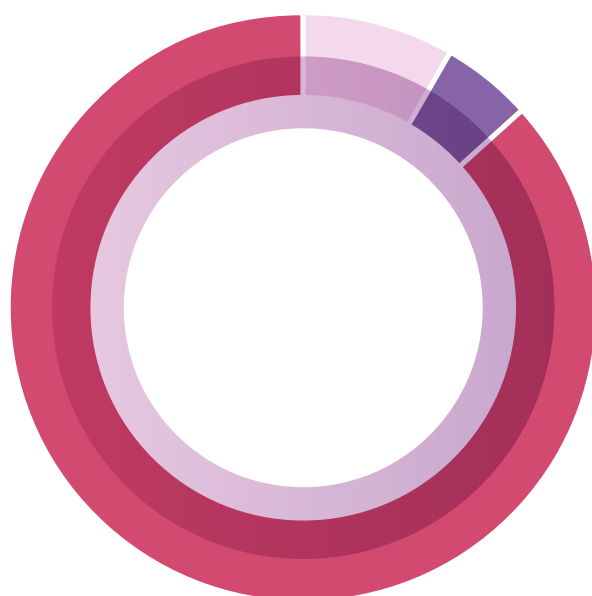
65%  Skincare



## 04.3.2 Performance by territory

By region, Europe remains Quadpack's main market. European sales represented nearly 87 per cent of total revenue, at €115 million. The increase in sales with its top 10 clients and the sales teams' efforts to win new business translated into sales growth of 37%. Trade tensions between China and the US in 2019 caused growth in the Americas and the Asia-Pacific region to stagnate. The company has plans to expand its presence in the Americas beyond the US, opening up revenue opportunities from the emerging class of beauty brands in South America. The results in Asia-Pacific sales were marked by healthy revenues in Australia and South Korea, both bases for expansion to other markets in the region. Revenue in the region amounted to €7 million.

### BY TERRITORY



87% Europe

8% Americas

5% Asia Pacific

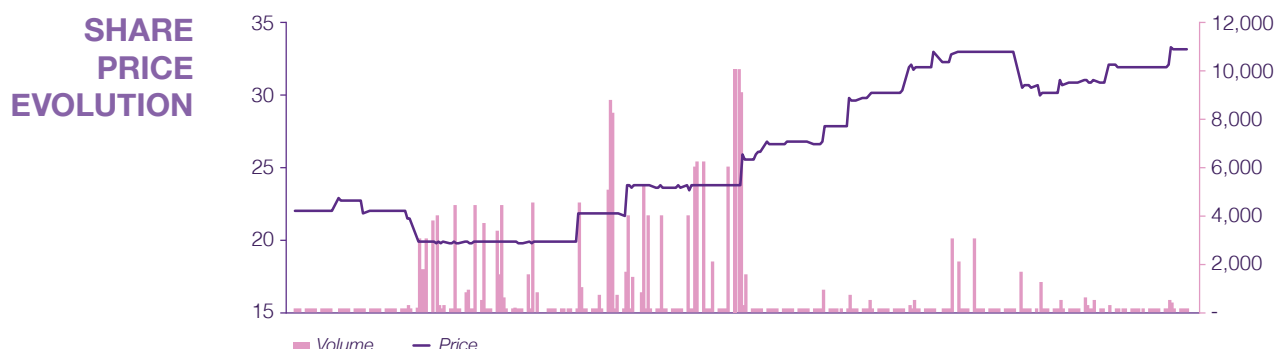


# 04.4

## Share price performance

Quadpack's shares performed well in 2019, rallying from €20 at the start of the year to closing at €31.80, a gain of 59 per cent. The share price reached its lowest value for the year in March (€19.90) and its highest in November (€33.00).

The company's share price outperformed the Euronext Growth index in 2019, the stock exchange on which its shares have been trading since October.



### Shareholder remuneration policy

Since entering Euronext, Quadpack has been committed to paying its shareholders between 30 and 40 per cent of net profit, a policy which has translated into dividends of over €1 million per annum in each of the last four years.

### Engagement with shareholders and investors

Quadpack's contact with investors was previously limited to the beauty sector. From 2018 onwards, however, it started participating in roadshows in Paris and Madrid for mid-cap stocks, with the aim of raising its profile with international institutional investors ahead of a full public listing on Euronext, expected in 2022.

### SHARE PRICE PERFORMANCE CHART

	At year-end 2019
No. of shares	4,203,926
Market capitalisation	€133.7 million
Share price	€31.8/share

The company has a dedicated investor relations department which handles requests for information from shareholders and investors. Equity research is carried out by French company Invest Securities, which as of December 2019 had a buy recommendation and target price of €35.40 per share.

At an Extraordinary General Meeting held on 31 May 2019, the company's shareholders agreed to a rights issue entailing the issuance of 160,000 shares with a unit par value of €1 and a share premium of €24 per share for a total raise of up to €4 million. The proceeds were earmarked to fund inorganic investment.



## SHAREHOLDERS STRUCTURE



58.3%  Eudald Holding S.L.

14.4%  Anlomo SAS

18.8%  Others

8.5%  Float

“  
We are  
**75**  
**SHAREHOLDERS**  
from mainly  
**5**  
**COUNTRIES**”

### Stock market data

	2016	2017	2018	2019
<b>Earnings per share (€)</b>	1.13	0.72	0.98	0.92
<b>Dividend per share (€)</b>	0.31	0.36	0.28	0.29
<b>Total dividend (€ m)</b>	1.05	1.35	1.05	1.2
<b>Dividend yield</b>	-	1.6%	1.3%	1.0%
<b>P/E multiple</b>	11.0x	19.3x	21.7x	21.6x





# Sustainable management



05



05.1

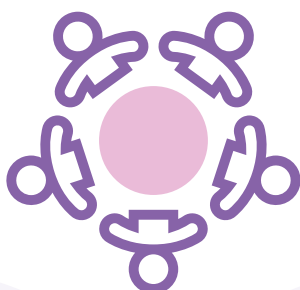
## Sustainability **strategy**

05.1.1

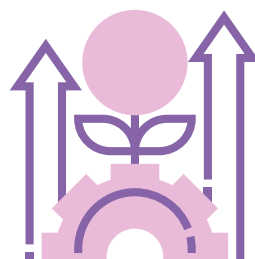
### Sustainability **mission**

We are passionate about the planet and people as we drive to increase our positive impact on society and the environment.

**People**



**Product**



**Processes**



Quadpack is committed to sustainable development. It rolled out its current CSR strategy, which addresses environmental, social and economic aspects, in 2017. The company's goal is to have a positive impact on society and the planet, wherever it operates. That effort shapes how it develops and delivers its products and how it engages with its local communities.

In recent years, implementation of this strategy has translated into specific measures such as the launch of its sustainable product development strategy; CSR criteria for suppliers; a commitment to the UN Global Compact in 2018; participation in the EcoVadis and Sedex platforms; and the creation of a sustainability committee in 2019. The company also participates actively in the sustainability work groups of the industry associations to which it belongs.

In 2019, Quadpack took its sustainability pledge a step further by ratifying measures to contribute to the four Sustainable Development Goals as defined by the UN, where, as a packaging company, it is most able to have an impact.

7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



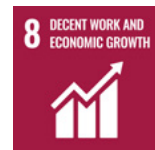
12 RESPONSIBLE CONSUMPTION AND PRODUCTION



15 LIFE ON LAND



## 05.2 Positive impact people



### Our vision

Leave a positive legacy for our people and communities, offering meaningful work and opportunities for them to excel

### Our mission

Positively impact our people by fostering a sustainable, inclusive and supportive culture



### 05.2.1 Workplace - The Quadpack Family

2019 was a challenging year for team management, as the Quadpack family grew from 388 to 577 employees, an increase of almost 50 per cent. While some of that growth was organic, the acquisition of Louvrette accounted for most of the rise in headcount.

Quadpack has a proven track record in the integration of new teams post-acquisition. This experience ensured a smooth incorporation of the new members from Louvrette, together with a big Quadpack welcome. Worldwide, the company's rapid expansion is creating new job opportunities and contributing to the economic growth in each of its territories.

### Work philosophy

Quadpack knows that its people are its most important asset. To that end, its human resources activity is designed to safeguard the key to its success in recent years: a passionate team.

Just as Quadpack describes itself as a 'Little Big Company', it seeks to foster a work environment in which its professionals feel part of a 'Little Big Family'.

### Attracting talent

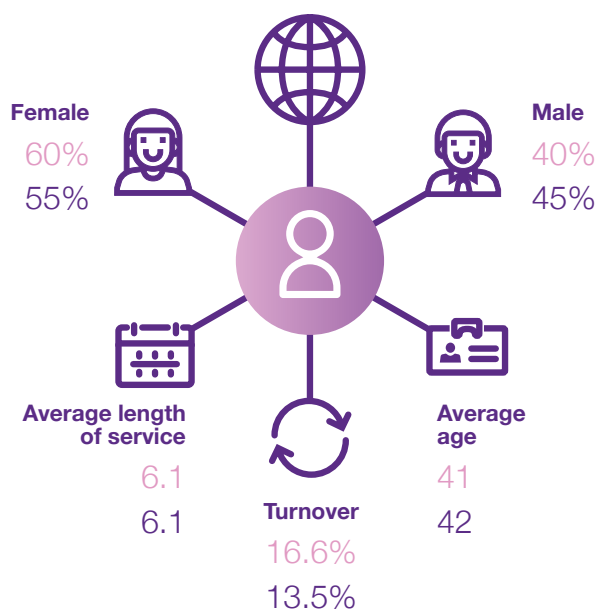
Fresh ideas and out-of-the-box thinking are vital to Quadpack's success. To attract the brightest professionals, Quadpack participates in a range of initiatives with universities and training centres. One of its talent initiatives is the sponsorship of the final-year projects by design students at ELISAVA, the University School of Design and Engineering in Barcelona. In 2019, it hired a bright new graduate as an intern of its Design & Advanced Technologies team.



## KEY HUMAN RESOURCE DATA

Key figures (2018) (2019)

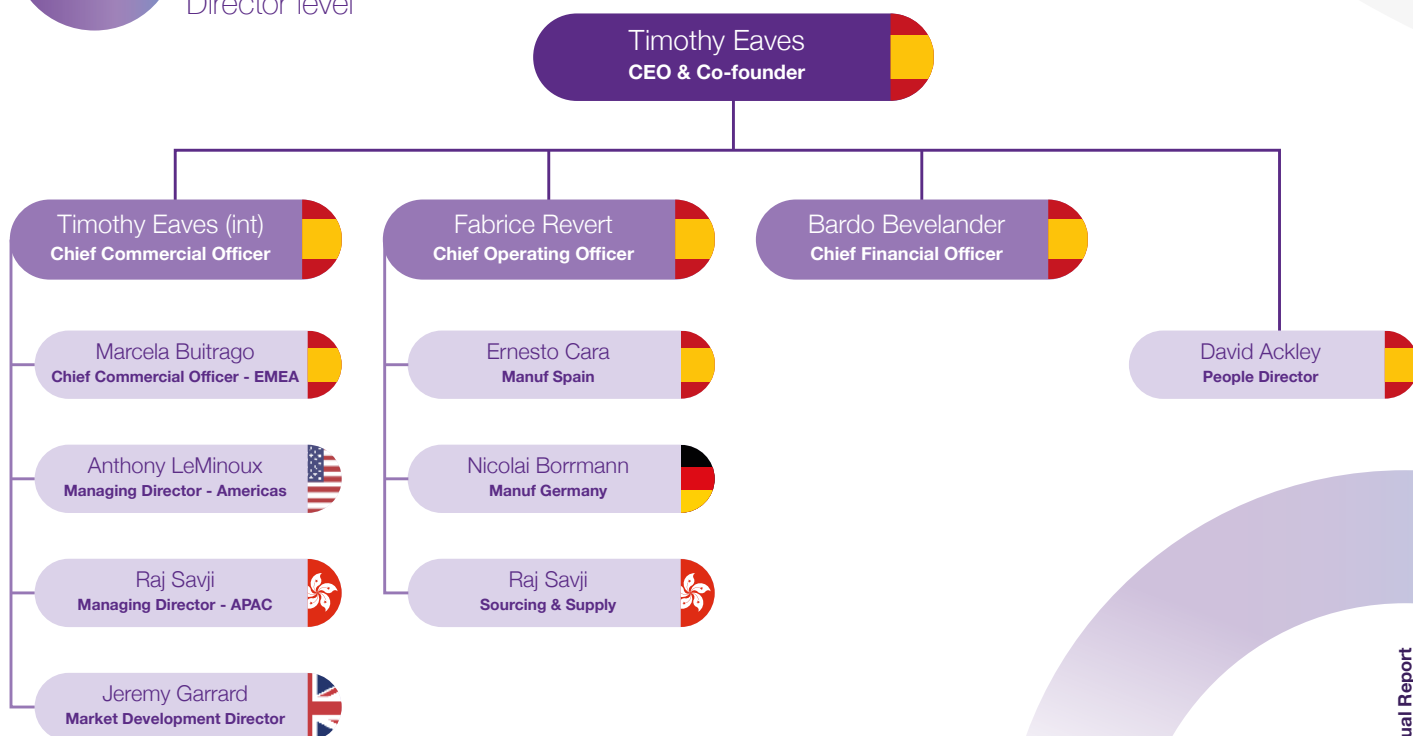
Headcount	AMERICAS	EMEA	ASIA PACIFIC
388	19	339	30
577	22	517	38



“  
Quadpack is a truly diverse company, employing people in 11 countries around the world and of 28 different nationalities

## ORGANIZATIONAL CHART

Director level



## 05.2.2 Community

Quadpack carries out its community work through Quadpack Foundation, a non-profit entity set up in 2016 with the specific objective of helping the company give back to the communities in which it is present.

**Its target is to donate one per cent of its EBITDA every year.**



**QUADPACK**  
Foundation

**2019 was a year of record activity for the foundation, which participated in 10 projects across seven countries and three continents. Many of the projects focused on facilitating the integration of vulnerable young people into society, while others were environmental in nature. The initiatives covered education, arts, sports and nature.**

### Muntanya de Torelló Film Festival, *Spain*

Quadpack Foundation sponsored this film festival for the first time last year, giving its name to a prize for the best film, which went to *Cultura de Montaña*, in which art blends with environmental awareness. Torelló is a town located close to the Quadpack Wood facilities in Catalonia, Spain.

### Fundació Antiga Caixa Sabadell, *Spain*

Quadpack Foundation has been collaborating with Antiga Caixa Sabadell, a venue devoted to art, culture and education, since 2016. Last year, the funding provided was used to pay for pupils from state schools to visit Can Deu, a nature reserve Quadpack Foundation helped restore in the wake of a major storm.

### Fundación Impulsa, *Spain*

Quadpack Foundation sponsored scholarships through Fundación Impulsa. Made up of business owners from the Spanish region of Osona, where the Quadpack Wood facilities are located, this charity helps young people reach higher education.

### COMMUNITY

	2016	2017	2018	2019
<b>EBITDA</b>	6.6	6.8	9.7	13.6
<b>Donations</b>	0.014	0.020	0.032	0.037
<b>% growth</b>		44%	59%	16%
<b>% of EBITDA</b>	0.21%	0.30%	0.33%	0.31%

**>1,000**  
PEOPLE  
BENEFITED  
FROM OUR  
ACTIONS



## Atalanta Bergamasca Calcio S.p.A, *Italy*

The social role played by sport in education and integration was also supported by the Foundation, as official partner of the Atalanta youth training football team for 2019-2020.

## Associazione La Rondine, *Italy*

Quadpack Foundation supported a summer shelter for children from the region of Chernobyl, to give them a chance to boost their immunity from radiation.

## Primos Dallas, *US*

This organisation helps disadvantaged youths by means of mentoring programmes organised close to the facilities of Quadpack's US distributor, East Hill, in Dallas (Texas). Quadpack Foundation's contributions take the form of numerous scholarships and work practice stints at East Hill's offices.

## Circus Starr, *UK*

At the same time as it puts a smile on disadvantaged children's faces, Circus Starr helps raise money for local charities. Quadpack Foundation sponsored a performance in Stoke-on-Trent, a town located near to Quadpack's offices in the UK, at which children were given the opportunity to participate in a fun-filled day.

## Changing Young Lives Foundation, *Hong Kong and mainland China*

Quadpack Foundation provided funding for two projects for disadvantaged children. The first, Spring Blossom, provides grants to girls from the Dongxiang minority group in China to help keep them in school for longer and prevent young marriages. The second, carried out in Hong Kong, called Project Discover, fosters development in pre-schoolers through sensory-motor training, cognitive and linguistic learning and social exposure. It also includes activities designed to strengthen ties between parents and children.

## Special Children's Event, *Australia*

Quadpack Foundation is a silver-level sponsor of the Christmas party organised for children with special needs and their families in Melbourne. For an entire day, the families enjoy shows featuring celebrities, interactive games, face-painting and many other fun activities, including a visit to Santa Claus's toy factory.



# 05.3 Positive impact product

## Our vision

A world in which packaging makes a positive impact on people and the planet

## Our mission

To deliver positive impact packaging for customers by continuously improving the sustainability of our portfolio of products

## THE ROAD TO

### POSITIVE IMPACT PACKING

MOST  
SUSTAINABLE

MORE  
SUSTAINABLE

LESS  
SUSTAINABLE

## Circularity & Footprint

LCA

LIFE CYCLE ASSESMENT



## 05.3.1 Sustainable product development

As a packaging provider, Quadpack carries a major responsibility: that of producing environmentally-friendly products. Sustainable innovation is the key to achieving that goal and is the driving force behind its product development effort, which spans creative design, the study of new materials and life cycle considerations for all packaging solutions.

To that end, Quadpack formulated its sustainable product development strategy, built around the 4Rs:



### Recycle

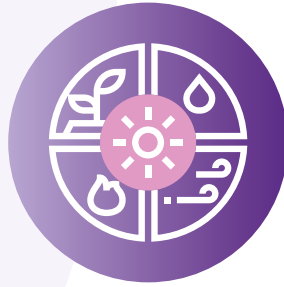
Quadpack is committed to the development of products that are easily disassembled and recycled. Glass, PP, PET and PCR components, as well as monomaterial packs, in which all parts are made from the same material, are being increasingly adopted.

### Reduce

Either by launching lighter versions of traditional packaging or developing new products that require less material, Quadpack is consistently investing in high quality packaging with reduced material usage. Lighter glass bottles and weight reduced plastic jars are examples of successfully reduced products.



By 2025,  
Quadpack  
aims to  
include at  
least one  
of the 4Rs  
in all of its  
products.



## Replace

Through research and development, Quadpack is opting for more renewable, biodegradable and recycled materials, replacing fossil-based components. Wood sourced from sustainably-managed forests, ocean waste plastic and bio-based, microplastics-free material (Sulapac) are some of the rising stars of this replacement strategy.

## Reuse

As part of its commitment to extending the lifecycle of packaging, Quadpack is investing in refillable solutions that enhance sustainability, reduce waste and minimise carbon footprint. Wood and glass components that can be easily reused and repurposed are important elements of its design and product development.



>50

SUSTAINABLE  
PRODUCTS  
IN OUR  
PORTFOLIO



## Microplastic-free packaging

At the end of 2019, Quadpack struck an agreement with Sulapac, a pioneer in the development of microplastic-free materials. Thanks to that arrangement, Quadpack has begun to produce a new range of packaging made from material that is biodegradable and suitable for recycling via industrial composting.



€0.5M

INVESTMENT ON  
SUSTAINABLE  
PRODUCT  
DEVELOPMENT  
IN 2020

05.4



## Positive **impact processes**

### Our vision

To continuously increase the positive impact of our operating processes on people, communities and nature

### Our mission

To accelerate sustainable business transformation



### 05.4.1 **Manufacturing**



#### Strategic focus on renewable energy

The company's sustainability strategy emphasises the use of renewable energy sources to help minimise its environmental impact. All of Quadpack's manufacturing plants in Spain run on electricity generated from renewable sources. Early 2020, similar measures were extended to the Louvrette facilities in Germany. These measures have reduced emissions by an estimated equivalent of 1,400 tonnes of carbon dioxide. The plan is that by mid-2020, Quadpack's head office in Barcelona will also be fully supplied by electricity generated from renewable sources.

In parallel to these initiatives, Quadpack is working to establish appropriate procedures for measuring, controlling and reducing its carbon emissions at the corporate level, including scope-3 emissions, in keeping with ISO 14064-1 requirements.



#### Responsible material consumption & waste management

As a manufacturer, Quadpack continually strives to ensure responsible consumption of raw materials. As part of that goal, Quadpack Plastics partnered with the Leitat technology centre to develop a process for the reuse of plastic waste.

**Quadpack Wood started preparing for the launch of a biomass plant to be launched mid-2020. An investment of around €2 million, it will use the factory's own production waste as fuel to generate energy for its wood dryers and internal heating.**



## Environmental investments

The measures taken by the company to reduce its environmental footprint entailed an investment of around €1 million in 2019.

**The company's goal is to invest 10% of its EBITDA on sustainability projects every year.**

## Environmental certifications



Quadpack Wood holds the two benchmark certifications in sustainable forest stewardship, PEFC and FSC, reflecting the company's commitment to preserving forest ecosystems. In 2019, Quadpack and Louvrette were awarded a Silver Medal by sustainability platform EcoVadis.



**The objective is to get ECOVADIS Gold certification between 2020 and 2021.**

## Environmental performance

### ENERGY CONSUMPTION

	QUADPACK WOOD		QUADPACK IMPRESSIONS		QUADPACK PLASTICS	
	2018	2019	2018	2019	2018	2019
<b>Electricity</b> % of sales	2,675,268 28%	3,291,870 23%	124,049 14%	145,198 12%	943,378 47%	865,281 38%
<b>Gasoil</b> % of sales	169,227 2%	174,576 1%	14,258 2%	10,867 1%		
<b>Gas</b> % of sales	106,636 1%	174,360 1%				



## 05.4.2 Supply chain

### Responsible sourcing

Quadpack works with a trusted network of supply partners worldwide. Each and every carefully selected supplier helps to add technical excellence and variety to Quadpack's portfolio. And each and every one commits to Quadpack's Supplier Code of Conduct, which establishes a shared framework for responsible environmental and labour practices.

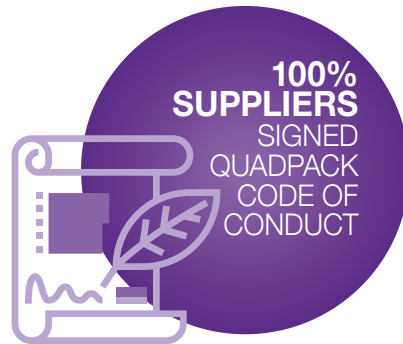
Aimed at improving the most critical aspects of the supply chain, the company measures its suppliers' performance using the Supplier Scorecard, a tool designed to help track progress.

Suppliers are also subject to controls and audits at the request of clients, as they in turn have strict sustainability standards for their own supply chains.

### Transit packaging

Quadpack aims to reduce the carbon footprint of its supply chain, optimizing secondary and tertiary packaging of suppliers and factories in order to achieve sustainable and performing solutions.



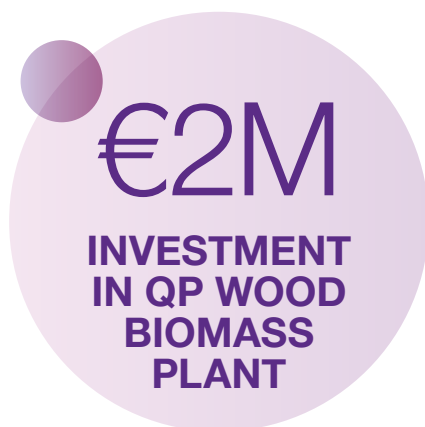


## Supplier accolades

Quadpack has a close relationship with its partners and suppliers. That bond is evidenced every year at the regional supplier conventions, which are forums for the exchange of best practices. Quadpack holds dedicated suppliers' conferences on Sustainability and Innovation to support these partnerships. At these events, Quadpack gives out its Supplier Awards, which acknowledge the work of its suppliers in different categories.

## Reduce CO<sub>2</sub> Transport

By monitoring its Corporate carbon footprint, Quadpack identifies and develops opportunities of efficient use of resources and minimized carbon emissions. By following its "in the region, for the region" strategy, the company aims to reduce the CO<sub>2</sub> emissions.



As Sustainability and Innovation are key priorities for Quadpack and the global consumer market, the organisation feels the responsibility to work with supply partners from all regions **to establish a new, collaborative way of doing business**





# Corporate governance



06



## 06.1

# Governing bodies

The Annual General Meeting (AGM) is Quadpack's highest decision-making body. Extraordinary meetings can be called by the Board of Directors or by shareholders representing at least five per cent of its share capital.

In 2019, the AGM was held in L'Hospitalet, Barcelona, Spain, on 24 July. The meeting was chaired by President and CEO Tim Eaves and attended by shareholders representing over 95 per cent of the voting share capital.



## Key points:

- The shareholders approved the audited annual accounts and consolidated financial statements for the year ended 31 January 2019, as well as the proposed allocation of profits.
- According to Quadpack's policy and for the third consecutive year, it was decided to distribute approximately one third of the profits in dividends, with a gross dividend per share of €0,30, the total amounting to €1.2 million, with the two remaining thirds to go to voluntary reserves.
- The appointment of the members of the Board of Directors met with unanimous approval. These included Marc Sahonet, previously Secretary member; Ignacio Fernández as Secretary non-member; and Beatriz Requena as Vice-Secretary non-member.

Following the ordinary AGM, an extraordinary AGM was held to seek approval for a share capital increase and Quadpack's application to enter the Euronext Growth stock exchange. Both operations were approved by the shareholders.



A full report of the agreements ratified at the 2019 AGM is available from the Investors area on the Quadpack website, under 'Investor information'.

<https://www.quadpack.com/investors/investor-information/>

The regulations governing the Annual General Meeting were approved in 2019 and are available for consultation on the corporate website.

<https://www.quadpack.com/investors/corporate-governance/>



# 06.2

## Board of Directors

The duties of the Board of Directors are centred on establishing the company's strategic objectives and general oversight of the executive bodies to make sure their efforts are aligned with those objectives. The Board Regulations, approved in 2019, defined the Board's specific duties, which include setting strategic plans, approving corporate transactions and remuneration and determining the company's governing policies. [The Board Regulations](#) also cover conflicts of interest.



In 2019, the Board of Directors met four times, with all of its members in attendance on each occasion. Chaired by Tim Eaves, the company's largest shareholder, the Board is currently made up of five members, each highly knowledgeable in their respective professional fields.

**The company has set itself the target of incorporating independent members within the next two years.**





## Timothy-John Eaves

*Chairman of the Board of Directors,  
CEO and Co-Founder*

Tim Eaves is a businessman and entrepreneur with over 25 years' experience in the global beauty packaging industry. His vision has steered Quadpack Industries into becoming a multinational company serving leading beauty brands around the world. His current focus is on continued growth, both organic and through acquisitions, as well as on social and environmental projects.



## Beatriz Requena Blanes

*Vice-Secretary of the Board of  
Directors (non-Member), Legal Advisor  
and Company Vice-Secretary*

Beatriz Requena assists Company Secretary Ignacio Fernandez and acts on his behalf in his absence. Requena specialises in international commercial trade and business legal advice. Prior to Quadpack, she held legal and finance positions at organisations including multinational freight company CEVA Logistics Group Iberia and the Regional Government of Alicante.



## Ignacio Fernández Gómez

*Secretary of the Board of Directors  
(non-Member), Legal Counsel and  
Company Secretary*

Ignacio Fernandez advises Quadpack on legal business management and direction. In addition, he sits on strategic committees relating to company acquisitions. He is owner and senior partner in the law firm Bufete Ignacio Fernandez Abogados Asociados, founded in 1990. A member of the Barcelona Bar Association, he specialises in legal counsel in complex transactions, mergers, acquisitions and partnerships.





## Philippe Louis Joseph Lenglard

*Vice-President of the Board of Directors and Co-Founder*

Philippe Lenglard has responsibility of Quadpack Industries in his capacities as Co-Founder, partner/shareholder, and Board Member. He dedicates himself to strategic planning and market observation in view of mergers & acquisitions and recruitment. A well-known and respected industry figure, he founded Lenglard Packaging in 1988, which later merged to become Quadpack.



## Marc Guy Henry Sahonet

*Board Member and Chief Visionary Officer*

Marc Sahonet is in charge of medium- and long-term planning from both a financial and strategic point of view. He draws up the company's mergers & acquisitions policy and manages its stock market introduction. With 20 years' experience in business management, Sahonet headed up EOG Consulting, offering advice to international businesses since 1993. He has been on the Board of Quadpack since its inception in 2003 and has been involved in all strategic decision making.



## Patrick John McDermott

*Board Member*

John McDermott advises on the direction, strategy and performance of Quadpack. A veteran in the cosmetics packaging industry, he founded Collcap Ltd in 1993, an agency business which became a prominent trader with Asia and a leading UK beauty packaging provider. In 2016, he joined forces with Quadpack, in a merger that saw the unification of two of the industry's major players.



## Steven Philip Lewis

*Board Member*

Steven Lewis manages Quadpack's mergers and acquisitions operations. He is a partner at Livingstone Partners, a middle-market international investment bank. He previously worked for audit firm Arthur Andersen, as well as various global companies as Chief Financial Officer. Lewis is focused on cross-border operations, using his experience as a US financier living in Europe for more than 30 years.





Formed by a diverse and high-experienced group of professionals, **Quadpack's governing committees are marked by their transparency and integrity**

## 06.3

### Governing committees

The Board Regulations provide for the delegation of certain boardroom duties in the following committees:

- Executive Committee
- Appointments and Remuneration Committee
- Audit and Compliance Committee
- Strategy and Corporate Governance Committee

The plan is to create the Appointments and Remuneration Committee and the Audit and Compliance Committee between 2020 and 2021.

#### Board of Directors remuneration policy

Board of Directors remuneration is determined at the Annual General Meeting, as stipulated in the Board Regulations. The remuneration received in their capacity as directors is compatible with and independent of their wages, other compensation and termination or pension benefits in their capacity as executives. With input from the Appointments and Remuneration Committee, the Board of Directors plans to ensure that the remuneration received by external directors is sufficient to compensate them for the dedication, skills and responsibilities required by the post, but no so much as to compromise their independence.



# 06.4

## Business ethics

Compliance Officer:  
Beatriz Requena Blanes

In order to ensure that its business and labour relations are conducted ethically and in compliance with applicable legislation, Quadpack has designed a comprehensive set of compliance policies.

The most important policy in this area is the Ethical Code, which was updated in 2019 and can be downloaded from the company's corporate website [<https://www.quadpack.com/csr/compliance/>]. It addresses a host of issues ranging from the pledge required of Quadpack's employees to the company's environmental commitments. The Ethical Code also stipulates the rules of conduct governing dealings between Quadpack employees and public authorities, suppliers, financiers, clients and consumers, and provisions governing labour relations, money laundering and gifts and donations.

Given that the business environment and applicable regulations are constantly changing, it is necessary to implement stringent oversight and control mechanisms for the prevention or mitigation of white-collar crime. The aim is to ensure legal compliance not only to everything the company does, but also to any third parties with which it engages.

The company's Compliance Officer has implemented a Compliance Programme, which sets out procedures to ensure the implementation of organisational and management models for the purpose of preventing and uncovering white-collar crime. In addition to the programme, Quadpack's rules and regulations include other specific policies, namely:

- **Anti-trust Policy**
- **Harassment Regulation**
- **Anti-money Laundering Programme**
- **Anti-corruption and Anti-bribery Programme**
- **Personal Data Protection Programme**

All Quadpack employees conduct annual training sessions on the Quadpack Compliance Program and Compliance Policies and are required to comply with them.

### Quadpack Whistleblowing Channel

Quadpack also has a procedure by which any employee can notify the Compliance Officer of developments or conduct they believe to be illicit or in breach of the company's internal rules and regulations.

No formal claims were received by the whistle-blowing channel in 2019.

In 2020 Quadpack has enabled an external reporting channel as a tool to communicate suspicions or concerns about possible breaches of Quadpack Ethical Code, Quadpack Compliance Program or the Law.

Quadpack Whistleblowing Channel is one of the main sources of information for corruption detection, a fundamental component of Quadpack Compliance Program. As part of Quadpack's commitment with transparency and integrity, this initiative will help to prevent and detect future bad practices.

The initial communications through this channel are managed by **an independent and external company i2 Ethics**, thus guaranteeing the **confidentiality** of the treatment of communications, guaranteeing the protection of those who report in good faith, as well as ensuring the proper management of any potential conflict of interest.

**The Whistleblowing Channel is an open and independent space for all Quadpackers. Thanks to this initiative, Quadpack gives another step to build a safer, healthier and more productive workplace for all.**



# 06.5

## Risk

### management

Quadpack has a risk management process which specifies the company's risk identification and measurement procedures and responsibilities, as well as mitigating measures. It also details how to manage crises and includes business continuity contingency plans.

The main governing body in this area is the Risk Management Committee, who is responsible for formulating and updating the company's risk policy and identifying and classifying the risks to which it is exposed.

The company is planning to open an internal audit position in 2020, which reports directly to the Audit committee. The internal audit will coordinate and direct efforts to the business areas affected by each of the identified risks.



**Strategic risks which could directly impact the realisation of Quadpack's strategic objectives.**



**Generic risks which could affect the organisation to varying degrees:**

- Reputational
- Operational
- Legal
- Technological
- Financial
- Human capital



**Risks specific to concrete areas.**

The risks identified are calibrated according to their probability of occurrence and potential impact, in order to create a risk map in matrix format. This matrix helps Quadpack to prioritise which actions to take to prevent probable, higher-impact risks relative to less probable, lower-impact ones.

None of the risks identified materialised in 2019. In early 2020, the company rolled out the business continuity measures drawn up in response to the COVID-19 pandemic.



# *Towards a bright future*

Strategy  
2020-2025



GLOBAL EXPANSION



AGILITY



COLLABORATIVE  
INNOVATION



SUSTAINABILITY



GREAT PLACE  
TO WORK



# 2019 **annual** report

 **QUADPACK** Helping beauty brands perform

Plaza Europa 9-11

Planta 11

Hospitalet de Llobregat

08908

Catalonia

Spain

