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Media release

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Aluflexpack AG invests EUR 65 million into expansion of Croatian plants

- EUR 65 million gross investment in state-of-the-art machinery and infrastructure over the next two years
- Expansion secures leading positions in fast growing end markets
- c. 13,000 m² of production and warehouse space to be added at Aluflexpack's plants in Omiš and Drniš
- Additional conversion capacity of up to 30,000 metric tons p.a.
- Incremental revenues well over EUR 100 million expected in the mid-term, with available capacity to grow further

Aluflexpack AG („Aluflexpack“, „AFP“, „Group“), a leading European manufacturer of premium flexible packaging solutions, is substantially increasing its production capacities to meet the strong demand in its focus end markets. Over the next two years, the Group plans to invest c. EUR 65 million into extensions of its existing production buildings in Omiš and Drniš (Croatia), as well as state-of-the-art production equipment.

With the expansion project on c. 13,000 m² at its Croatian sites, Aluflexpack adds up to 30,000 metric tons of foil conversion capacity to its platform – vertically integrated covering pre-treatment and coating.

This expansion, together with already planned investments, not only enables attractive growth beyond 2022, it also assures that Aluflexpack remains in a leading position in its target end markets. Notably, the Group is able to raise the service level for its customers even further and lay a foundation for future innovation including both refinement of existing and development of new products.

“This project is an important milestone for our Group and perfectly fits to our strategy. It secures our solid growth beyond the year 2022 and protects our leading position in our fast growing end markets in the long-term. With the additional capacities, we can further extend our service offering to our customers and remain at the forefront of product development and quality. We are expanding our sites in

Omiš and Drniš, as we build on an existing solid foundation: skilled and passionate local teams and management”, says Igor Arbanas, CEO of Aluflexpack.

“We are very happy with our most recent development, and this major expansion enables us to capture attractive opportunities going forward”, adds Johannes Steurer, CFO of Aluflexpack. “We are fully committed to this project, as we see tremendous value creation potential for our Group. We will finance this investment with funds from the IPO along with existing credit lines and our operating cash flows.”

The execution of the expansion will start immediately. First construction work begins already in H1 2021, and production is expected to commence towards the end of 2022. Aluflexpack anticipates that the incremental revenues connected to the expansion will be well over EUR 100 million in the mid-term, with available capacity to grow further. The extensions of the buildings will be coordinated with the Group’s real estate partner, and will be reflected accordingly in the current lease agreement.

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About Aluflexpack AG:

Aluflexpack produces flexible packaging solutions mainly for end markets such as coffee/tea, pharmaceuticals, pet food, confectionery and dairy. Well-established insights, service flexibility and development competence are what underpin long-term customer relationships; both with locally operating companies and large international corporations. Aluflexpack, headquartered in Reinach (AG), Switzerland, has production facilities in Switzerland, France, Turkey, Poland and four production facilities in Croatia. The number of employees as of 30 June, 2020 was approximately 1,248. www.aluflexpack.com

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