

PRESS RELEASE

Treofan continues on its successful course

Growing proportion of specialty films is driving profitability

Frankfurt am Main, May 31, 2017 – BOPP film specialist Treofan is successfully continuing its strategic realignment course, as confirmed today by CEO Dr. Walter Bickel at the company's annual press meeting in Frankfurt am Main. In the 2016 business year, Treofan's adjusted EBITDA grew to €38 million (2015: €32m) with a largely stable sales volume of 157 kilotons (2015: 155 kT), representing a doubling of profits within two years. Bickel expects a further improvement in 2017. Specialty films made up 72 percent of the sales volume, up three percentage points from 2015; Bickel stated that the target for 2017 is 75 percent.

Strategic transformation into a speciality supplier

The company's strategic transformation from a conventional film manufacturer into a provider of integrated premium solutions is one of the main drivers of this profitable growth, according to Bickel. "We want to become the leading specialist for innovative surface solutions by combining our technical expertise with our unique relationships to the main regional and international brand manufacturers and major processors," Bickel explains. "So we're increasingly developing innovative integrated solutions in direct collaboration with multiple partners across the entire value chain."

A tangible example of this approach is the hybrid film HybraPack. This combination of paper and BOPP film, jointly developed with paper manufacturer Feldmuehle Uetersen and other partners from the processing and machine industry, opens up new possible applications in the attractive market for stand-up pouches. Treofan recently demonstrated the first commercial use of the concept at the Interpack trade fair.

At least four new types of film a year

In spring 2017, Treofan was also able to sign its first major deal with a Chinese battery manufacturer for TreoPore microporous separator film, which is used in lithium-ion batteries such as in the growing market for electric vehicles, with the option of turning this into a long-term supply partnership.

"These two examples perfectly illustrate our strategic ambition of combining the most differentiated product portfolio with the widest range of applications – from packaging film, labels and tobacco film to technical films for capacitors and lithium-ion batteries," says Bickel. To continue driving forward the development of speciality products, Treofan now employs 40 specialists in its globally active Tech Powerhouse innovation unit.

“Already this year, we’re introducing three new types of film in Europe and three in the U.S., in addition to continuous product modifications worldwide. Our medium-term goal is a minimum of four new products per year.”

€22 million in cost reductions by 2020

Process optimizations resulting in cost savings also contributed significantly to Treofan’s continued profitable growth. According to CEO Bickel, the restructuring of the Italian organization into a pure manufacturing unit with two production sites and lean administration was a milestone, just as the organizational restructuring of the Neunkirchen site that began in 2016 and will be completed this year.

In addition, Treofan has launched a global efficiency program called NICO (“Next Improvement Challenge Operational”). Taken together, these measures should bring savings of around €22 million by 2020, on top of the €23 million already saved through cost reductions between 2013-2015.

Investments to support the strategy

In parallel to this, Treofan – headquartered in Raunheim, Germany – is investing in plant technology at its sites to underpin its specialization strategy. Investments of almost €50 million have already been approved, including a coater in Italy and a new production line in Mexico. “Step by step, we’re building a plant structure that’s optimally tailored to our product and market strategy“, summarizes Walter Bickel.

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Treofan Group www.treofan.com is a global leader in biaxially oriented polypropylene (BOPP) films distributed under the brand names Treofan® and TreoPore®. Treofan offers the most comprehensive product portfolio in the industry, including solutions for the packaging and tobacco industries, labels, and technical films for electronic applications such as batteries and capacitors. The Group employs around 1,100 people, operates four production sites in Germany, Italy, and Mexico, and sells its products in more than 90 markets worldwide.