

PRESS RELEASE

UNITED CAPS Positioned for Growth in 2018 and Beyond

Extension of R&D facilities, acquisitions, innovative portfolio additions increase value of customer offerings

Wiltz, Luxembourg, 25 June 2018 – UNITED CAPS, an international manufacturer of caps and closures, today announced it is making significant progress on its growth initiatives. The company has completed an extension of its R&D facility in Messia, France, to meet the demands of business growth and deliver faster time to market for customers. It also recently acquired Spanish closures company Embalatap and has added bioplastics-based GREENER closures and new anti-counterfeiting measures to its portfolio.

“We are pleased with our progress to date on our stated growth initiatives,” said Benoit Henckes, CEO of UNITED CAPS. “The goal is to not only position ourselves for growth, but in doing so, to significantly increase the value we bring to our customers. For example, the extension of our Messia R&D Center alone, with a 30% increase in both staff and floor space, will enable us to develop both standard and bespoke products more quickly. The recent acquisition of Embalatap in Spain adds significant products to our portfolio, especially as it relates to closures for edible oils typically used in the Southern European market. And we – and our customers – are quite excited about the potential for our GREENER bioplastics closures sourced from sugar cane, and our innovative anti-counterfeiting initiatives.”

R&D Extension

The state-of-the-art UNITED CAPS R&D Center located in Messia just got even better with an expansion in floor space from 400 square meters to 600 square meters, with a 30% increase in both staff and floor space ; and it now includes a 3D printer for rapid prototyping, a more modern working environment with increased security, and a restructured organization that enables the R&D staff to be closer to market needs and trends.

The R&D Center is designed to facilitate the UNITED CAPS strategy of maintaining a mix of 50% bespoke and 50% standard closures.

“With our in-house R&D Center, we have a proven track record of benchmark designs for new products, both standard and bespoke. Our R&D team has always been able to come up with innovative solutions for projects that appeared impossible at the outset,” Henckes said. “We can simulate all types of different conditions in our R&D laboratory. When we arrive at the customer for final line trials, we have a fully developed solution that needs only minor modifications, saving significant implementation time and getting them up and running quickly.”

About 50% of UNITED CAPS’ products are created through customer collaboration with the UNITED CAPS design labs to develop bespoke closures tuned to their specific requirements. As an example, Nestlé was seeking a closure for its Nescafé Gold coffee that would support

the high-quality image of Nescafé and stand out on the shelf. Nestlé was aiming for a classy brushed metal look for its new packaging. This required a 100% metallic material to be wrapped around the skirt of a closure, something that had never been done before. UNITED CAPS was able to overcome several challenges that were deemed to be impossible, reaching full production in just two years.

Extension in the UK Also Underway with New UNITED CAPS Dinnington Plant

As part of UNITED CAPS' "Close to You" strategy, the company is also planning a new facility in Dinnington close to Sheffield in the UK. The initial facility will be 5,000 square meters, with an option to expand to 20,000 square meters as business growth demands. Production is expected to begin at the end of 2019 and will initially focus on beverage and dairy closures, with options to add additional segments as needed. This project represents an estimated €20 million investment including the first phase of machinery and is expected to increase group turnover by 15% in phase one.

GREENER Solutions with Bioplastics

In pursuit of more environmentally sustainable solutions, UNITED CAPS has collaborated with Braskem, a leading Brazilian petrochemical company, to deliver eco-friendly UNITED CAPS GREENER bio-sourced plastic caps and closures made from sugar cane as an addition to the UNITED CAPS product portfolio.

Green polyethylene begins its life as sugar cane, a renewable resource that quickly replaces itself and is designed to have the same characteristics, quality and properties as conventional PE, sharing the same production route.

That, combined with the fact that sugar cane consumes a significant amount of carbon dioxide, gives green polyethylene a negative carbon footprint. Its use reduces greenhouse gases. "We already have added bioplastics-based products to our portfolio: such as the VICTORIA Closure, a 30/25 screw closure designed for still drinks; and the PROFLAT Seal, ideal for dairy products and still drinks," Henckes added. "These are being warmly received by our customers, and we expect their availability to drive new customer interest as well."

Anti-Counterfeiting Innovation

With an estimated US\$460 billion in counterfeit goods worldwide, counterfeit prevention has significant economic benefits, including protection of jobs. In addition, it is estimated that there are some 3,000 preventable deaths per year due to counterfeit goods. Counterfeiting can also damage a brand's reputation, since 45% of consumers will avoid a brand for at least two years after a bad experience, and they share that bad experience on social media as well. UNITED CAPS has developed two different anti-counterfeiting solutions as part of its smarter closures initiative. These include:

- QR+ technology, a combination of a QR code and secure fingerprint that helps brands enhance consumer confidence. This is especially effective when these technologies are printed onto a non-removable in-mould label. Brands, consumers and others in the distribution chain can quickly and easily validate whether a product is genuine using a mobile app. UNITED CAPS has partnered with [Verstraete In Mould Labels](#) in the development of this unique approach to anti-counterfeiting. Verstraete IML, a Multi-Color company,

has more than 28 years of experience in offset-printing labels on polypropylene for injection-moulding, blow-moulding and thermoforming.

- Holographic engraving integrated into a closure, forming an intrinsic and irremovable security feature, providing immediate verification with no need for additional scanners or other equipment.

“In addition to all of this,” Henckes concludes, “we are also opening a new manufacturing plant in Asia at the end of this year. 2018 looks like it will be a banner year for UNITED CAPS, and it will position us to provide even better customer support and increase the number of new products we can bring to market each year.”

Captions:

GOLDEN MOMENTS: The UNITED CAPS closure enabled a differentiated total packaging solution for Nescafé Gold.



GREENER CLOSURES: Closures made from bioplastics don't just look good; they do good, too.



ANTI-COUNTERFEITING: Smarter closures make it easy to quickly identify a genuine product.



ABOUT UNITED CAPS

UNITED CAPS is a global industry reference for the design and production of highly-performant plastic caps and closures. Extensive innovative capabilities and a broad portfolio of advanced standard and bespoke solutions make UNITED CAPS a preferred partner to the world's leading companies. We support our customers' value chain by safeguarding product integrity, assuring safety and consumer health, and ultimately protecting brand reputation. A highly dynamic and flexible, family-based group, UNITED CAPS offers end-to-end solutions to serve a wide range of applications and markets around the world. The company is headquartered in Luxembourg and has manufacturing facilities in Belgium, France, Germany, Hungary, Ireland, Luxembourg and Spain. Employing more than 500 people, UNITED CAPS's turnover amounts to 137 million Euros (as at end 2017).

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