

LUMSON

COSMETIC PACKAGING INDUSTRIES

NEWS

TRUST IS THE KEY TO SUCCESS!

A new and very important milestone for our Group was reached last November 30th. We decided, after four years of strong mutual development, to acquire, through our holding company, the entire stake that was held by FSI SGR S.p.A. in Lumson S.p.A. on behalf of the "FSI I" fund.



A transaction that allows our family to carry on with the succession started in 2018 and to accelerate our growth strategy.

In the past five years, we have doubled our sales and considerably strengthened our position in the premium make-up segment, in particular with the acquisition of the Marino Belotti company.

We have intensified our development in the area of sustainability with important and innovative projects.

We have also renewed and beefed up some of our teams.

We can be proud of Lumson's growth and the value generated thanks also to the commitment and contribution of my father Remo, founder of Lumson in 1975, the Board of Directors, the management team and all of the Group's employees.

Matteo MORETTI, President

THE LUMSON GROUP: A WINNING MARKETING AND INDUSTRIAL STRATEGY!

36 million euros in sales in 2012..., 138 million in 2022! The Lumson Group's track record remains without doubt a model of its kind in terms of marketing and industrial strategy in the field of packaging production. A winning model which, unlike what often happens over the years, due to a strong need for capital, will have enabled the Group to strengthen its family character rather than to weaken it. Proof of this was the announcement on November 30th of the buyout, through a family-owned holding company, of the entire stake held by the FSI SGR S.p.A. investment fund on behalf of the "FSI I" fund. An example to follow, which of course is not the result of chance but rather the result of a well-managed, methodical and constant strategy of industrial innovation and investment.

A visit to the Group's five Italian industrial sites quickly demonstrates the method that has been used over the last ten years: invest, reinvest and reinvest again! The high point of this strategy is the new industrial site in Capergnanica, which was built in 2019 nearby the still-existing historic factory. A brand new avant-garde factory with large, spacious offices where some four hundred people work on the entire site.

Twenty-seven plastic injection machines, ten assembly lines dedicated to airless packaging, the most recent of which started running in early December, fourteen assembly lines for the pumps (seven parts are needed to make one pump!), three spray coating facilities, fourteen decoration lines, more than eight hundred fifty proprietary moulds... The list is impressive. "

Developments on the site are constant", explains Lorenzo de Matteis, Production

Director. "We take advantage of the slightest opportunity to move some workshops and reorganise others according to our product developments." One of the main objectives is to reduce costs and production time by investing in new, more efficient machines whether for the injection, assembling or finishing of parts! More than four million euros will have been spent by 2022 with this in mind. Also impressive is the huge store hall for palletised products, which is fully



CAPERGNANICA, ALREADY THE FUTURE

automated and equipped with a truly original fire prevention system: no sprinklers, but a sophisticated process that reduces the oxygen level in the hall by 14 %, thus preventing fires from starting. Not to mention the comput-

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SUMMARY

P2 :

- USA still on the rise.
- Environment : anticipate!

P3 :

- AIRLESS, a must.

P4 :

- A winning strategy.

TO MAKE A DIFFERENCE

In a particularly competitive market, that of glass and plastic packaging, it was a question of making a difference, of being ahead of the game... always! Cécile Pompili, Strategic Marketing Manager, explains.



Cécile POMPII

Is Lumson a mindset ?

Cécile Pompili : Unquestionably, yes! I have been in charge of the company's marketing strategy for four years now, and every day that goes by proves that there is a lot of room for improvement and development in our core businesses, thanks in particular to Lumson's distinctive

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THE US MARKET IS DYNAMIC



Emanuele MAZZEI
CEO Lumson USA

Can you tell us how your American customers perceive you?

Emanuele Mazzei : Lumson is increasingly gaining a foothold in the US, especially with its Airless "pouch" packaging systems. Customers are becoming increasingly aware of the reliability of our patented system and the benefits this packaging offers. As you know, this family was recently expanded with the Aluminum and "X Paper" series. Our presence on the West Coast is more recent, but there is a strong interest from companies in this area who are putting a lot of emphasis on the environmental aspect of our new packs. Our customers are interested in the fact that Lumson is a fully integrated manufacturer. We conceive products from design through manufacturing and decoration, thus being a really vertical and flexible reality.

Is the US beauty market still active at the moment?

Emanuele Mazzei : After two years of very strong growth, I believe that the US economy has reached a threshold at the beginning of this year. It will be challenging of course to continue with the same growth rates we've experienced in 2021 and 2022. But 2023 will still be a year of progress for us, as we extend product offers and innovative products. Make-up LA and Luxe Pack New York will enable us to present several new products. We are working on new launches with major global brands.

Are environmental issues high on the agenda of the brands you work with and what are the points raised?

Emanuele Mazzei : Certainly,

almost all of our customers are concerned with the sustainability topic. Lumson has established a sustainability program and we will publish our first sustainability report in 2023, joining a select group of companies that have decided to enter into the same approach and share the same vision so critical to our future.

Following on from the previous question, is there such a thing as "plastic bashing" and to what extent? Is Lumson, which has always relied on glass, reaping the benefits?

Emanuele Mazzei : I don't think that "bashing" plastic is the right solution. We believe in research. We are working on materials and their design characteristics and, thanks to this, we can offer plastic-based solutions that are significantly more advanced than what existed to date and that take into account the latest technologies. Our glass/plastic combinations are one of the solutions. Of course our vast glass assortment, offers its own benefits and our clients come to us knowing our level of competence and reliability also in supplying glass including the latest decoration techniques offered by the industry.

ENVIRONMENTAL ISSUES: ANTICIPATE!

Indeed, anticipation is one of the Lumson Group's trademarks. And this mindset can easily be applied to the Group's environmental approach. Luca Amato, Business Developer in charge of this policy, tells us more.



Luca AMATO
Business Developer
Director

You have a transversal role within the Group!?

Luca Amato : Absolutely, as I liaise between the customers, our technicians and our sales staff. I am directly involved in product development and its possible impact on sustainable development.

Did you take training courses for this?

Luca Amato : Yes, of course! A comprehensive training programme for more than two years and for several months at the University of Milan, to understand, study and use the different impact measurement tools. The Group is also a member of several Organisations such as Recyclclass and Spice, which means that we are also in direct contact with our partners in the sector.

This environmental awareness is not new!?

Luca Amato : It is not, indeed! Sustainable development has long been a topical issue for our Development Committee. Everything is covered, from the choice of raw materials, recycling channels, recyclability, refillability, the possibility of separating components,

single-material design, etc. New products under development as well as older ones are integrated into this framework. Because we have to take into account regulatory changes and customer requirements.

Any examples?

Luca Amato : I could give you many! One example is a cream packed in a glass jar and for which we have developed a refillable system. The capsule that is in direct contact with the product and that is introduced into the glass jar can be recovered easily after use and replaced by a new one that contains the product. Another example, this time as part of a mono-material approach, is a new dropper whose nozzle, ring and shaft are made of the same material. A real breakthrough! Not to mention a new Airless dispenser with a 100% PCR polypropylene cap and a 25% lighter bottle.

Regulatory deadlines are coming up. Are you ready?

Luca Amato : This is undoubtedly one of Lumson's great strengths. We don't sit and wait, we anticipate! We are in line with all the international environmental standards and, two years ahead of the 2025 compliance requirement, we are drafting our first environmental report (according to the most widely used standard: GRI), which will be published next June.



RECHARGEABLE JAR



MONOMATERIAL DROPPER

TO MAKE DIFFERENCE

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winning spirit. Innovating, developing and, above all, investing in a well-considered but determined manner. We take our time and our quality of service is our key strength. An example: pumps. We do as well as or better than some of our larger competitors but in smaller series. Design, innovation, performance, and quality, a guiding principle that suits us well.

Pumps is an area of activity where you have decided to communicate more!

Cécile Pompili : This is a major development area. Our level of performance in this niche deserves to be highlighted. Whether it's the quality of our motors, checks at the production level or, above all, design and ergonomics. Our "Horizon" push button fitted to our pump motors has made its mark across the world. At the PCD trade show, we presented the new design "Slanted".

Pumps combined with packaging, of course. And not just any packaging?

Cécile Pompili : The right pump/container combination is indeed crucial. Airless is a niche where, without false modesty, we make a difference thanks to our technical expertise, our "product" positioning and, icing on the cake, our finishing capabilities. What matters is to keep up with the cosmetics market and its evolution, to be particularly vigilant and efficient in terms of finishes, high protection and product restitution. The choice to opt for both plastic and, most of all, glass containers is now proving to be, let's not mince words, "brilliant"! Choosing glass was not an obvious choice, given the technical constraints associated with this type of material. Not to mention a complete mastery of the manufacture of pouches and assembly techniques.



Cécile POMPILI

ALEXANDRE BENAMRAN, PATYKA: AIRLESS CONTAINERS ARE A MUST!

Quite a track record for the Finoli Group, which has developed, among other things, but above all, a brand that has become iconic, "Patyka", a complete range of very high-end and certified organic skin care products, positioned in the selective pharmacy niche. The group was created by three partners, including the current Managing Director, Alexandre Benamran, who acquired the company in 2013, which currently employs some hundred employees, supplies more than 1,000 of the largest pharmacies in France and achieves 25% of its turnover in Europe. Other specificity, the use of Airless packaging.



Quite an adventure for you and your partners!

Alexandre Benamran : This adventure began in 1922, a hundred years ago! But as you can see, my partners and I are much younger! At the time, it was a Parisian pharmacist, a pioneer in organic cosmetics, who decided to produce and market "Huile Absolue", a complex of 12 essential and organic oils. It was another pharmacist, still from Paris, who took up the torch in 2002 and created the "Patyka" brand. He had a vision: "Organic" certification. But at the time, Ecocert, the organisation responsible for this certification, did not operate in this field. It was therefore a first. In 2013, we bought the brand and last year we celebrated twenty years of certification.

The packaging is obviously essential to preserve the benefits of your products!

Alexandre Benamran : Essential, indeed! We choose and buy the containers ourselves. Glass represents half of our purchases and plastic the other half. We very quickly opted for the Airless pouch system, which represents nearly a quarter of our packaging, for obvious reasons of content preservation, but also because of the quality of the restitution. Apart from the quality and consistency over time, as well as the regularity of manufacture and delivery, what attracted us to Lumson was also the finishing capabilities that this company offers in terms of decoration. Design is very important to us! Another essential point is the pump. The quality and regularity of product



Alexandre BENAMRAN

delivery must be flawless!

The environment also plays a major role in your approach.

Alexandre Benamran : Choosing glass is one thing, but we are not stopping there and are currently working on the development of refill systems. As for plastic, we have naturally opted for the use of PCR-based products for the past two years.



NEW



APP LIGHT

At the start of this year, the Group is presenting many new products like the APP LIGHT, an Airless container with reduced weight and using recycled materials. The result is a 25% weight reduction and 80% HDPE PCR.

Also noteworthy is the new Japa line, in 15 and 50 ml glass jars and recyclable refills for face and eye care products. It is possible to decorate the inside of the glass, for highly premium finishes. Glass jars made to last over time.



JAPA

THE LUMSON GROUP: A WINNING MARKETING AND INDUSTRIAL STRATEGY!

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Matteo MORETTI, President

er-controlled management of the pallet flow, which is continuously monitored on several screens in the palletising and shipping hall. "Always at the cutting edge, emphasises Lorenzo de Matteis. This is a constant concern of Matteo Moretti." Just like this strange parabola on the front square at the entrance to the offices, which is nothing other than a series of solar panels in the shape of flower petals that follow the path of the sun.

Airless... A winning puzzle !

The choice of a pouch system and its perfect connection to a glass container requires lengthy R&D efforts. The Santa Maria de Sala factory since 2011, the date of the takeover from the previous company PMP, is at the heart of the pouch production process and is home to more than 70 people. The factory which covers 6 000 m2 of buildings, manufactures pouches and rigid containers. It is home to a dozen decorating machines and about 20 blow-moulding machines equipped for multi-layer production. A new blow-moulding machine

will be added in 2023.

An effective diversification!

In addition to this successful strategy in airless packaging, in particular with the use of glass containers, there was the desire to diversify into other niches in the beauty sector, in particular make-up, by taking over the Leoplast company in 2017 and the Belotti company in 2019, the first specialising in the manufacture of lipsticks, the second in the manufacture of make-up



Michele POZZOBON, Technical Department



Lorenzo DE MATTEIS, Plant & Engineering Director

cases. "An excellent business complement", underlines Fabio Manzoni, Group marketing manager, "which has allowed us to extend our field of action to make-up, which is often very complementary to the skin-care segments." The Ticengo factory produces the lipsticks. Seven lines are used to produce the mechanisms, and seven others for assembling them. Annual production capacity: more than 50 million units.

As for make-up cases, they are the speciality of the Belotti company, whose factory is based in Chiuduno near Bergamo and which joined the group in 2019. A company that boasts no less than twenty-four injection machines, sixteen hot stamping lines, eleven ultrasonic welding machines and a dozen assembly machines. The activity generates some 13 million euros in turnover and is growing at a rate of between 10% and 15% per year. The company's strong point," explains Marco Sorze, Sales Director, "is its creativity in terms

of presentation and design." The latest innovation is the "Ecompact", which is a reusable case where only the pan containing the foundation is changed. Finding alternative materials to ABS and SAN is the main challenge. "We are moving in the right direction," says Marco Sorze.

The fifth and last factory is located at San Giuliano Milanese near Milan; it employs twenty-five people and has some twenty injection machines that supply the other production sites with components for assembling the pumps and lipsticks.

Pumps in the crosshairs!

The Group currently has fourteen assembly lines and a production capacity of 160 million pumps. And, above all, says Fabio Manzoni, Group marketing manager, I would like to emphasize that we produce all our dispensing systems internally and the portfolio is really extensive, atmospheric and airless pumps, cosmetic and push-down droppers to perfectly dress all types of formula up."



Federico DOSIO, Injection Moulding,
Ticengo Production Manager



Marco SORZE, Belotti Sales Director

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For further information, contact Marketing Dept. at info@lumson.it