



PRESS RELEASE

February 5th, 2020

AR Packaging strengthens its operational footprint in Switzerland

AR Packaging is in a period of sustained expansion, with some latest acquisitions being rlc packaging group and K+D. As part of its strategy to hold leading market positions in selected segments and continuously improve the operational excellence and cost-efficiency, the group now investigates actions to optimise its operational footprint in Switzerland.

In a highly competitive landscape with increasing expectations on efficiency, AR Packaging constantly reviews the operational footprint of the Group on a regular basis. With the acquisitions of rlc packaging group and K+D, AR Packaging has increased its number of plants significantly in Central Europe. An analysis following the recent take-overs has shown the need to take actions in Switzerland. An investigation has hence been initiated where one alternative is to focus production at the K+D plant in St. Gallen.

"We know that we can run successful plants in high cost countries such as Switzerland, provided that the infrastructure is set up efficiently," says Harald Schulz, President and CEO of AR Packaging. "The plant located in Spreitenbach has not performed as expected for some time and one scenario is therefore to move a substantial part of the production from Limmadruck I Zeiler."

AR Packaging is a reliable partner to its customers with an extensive geographical footprint and unique product offering. A potential transfer of volumes from Limmadruck I Zeiler to plants with comprehensive capabilities provides potential for sustainable business development together with the customers.

"Having strong skill centres and site specialisation through focused technology and know-how increases our ability to lead future developments locations," continues Harald Schulz. "We aim to uphold a solid basis for sustainable presence and optimised service to our customers."

The alternative to discontinue production at Limmadruck I Zeiler would result in a risk for mass layoff in accordance with Swiss law. AR Packaging carefully considers the negative impact for the approximately 150 employees potentially affected in Spreitenbach and will offer employment at other locations to the utmost extent feasible. For employees without a direct solution, a social plan should also offer support in the professional repositioning.

The service units PAS Media and Brandkitchen, also located in Spreitenbach, are explicitly not impacted by the ongoing investigation.

For more information, please contact:

Ingrid Lidbäck, Group Marketing Manager, ingrid.lidback@ar-packaging.com

Matej Baran, HR Director, matej.baran@ar-packaging.com

AR Packaging

AR Packaging is one of Europe's leading companies in the packaging sector with net sales of more than EUR 900 million, 5,500 employees and 28 factories in thirteen countries. AR Packaging is a group of specialised companies A&R Carton, Flextrus, CC Pack, SP Containers and AR Packaging Digital. The head office is located in Lund, Sweden. The Group creates added value to customers through a broad product offering and deep knowledge of carton based and flexible packaging. AR Packaging has an objective to grow both organically and by way of acquisitions. www.ar-packaging.com