

October 2022 - N°19



the mag

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Luc Mertens Benvic CEO

Benvic has doubled in size in the space of 3 years. CEO Luc Mertens looks back on the path taken and the growth strategy of a group that has not finished growing.

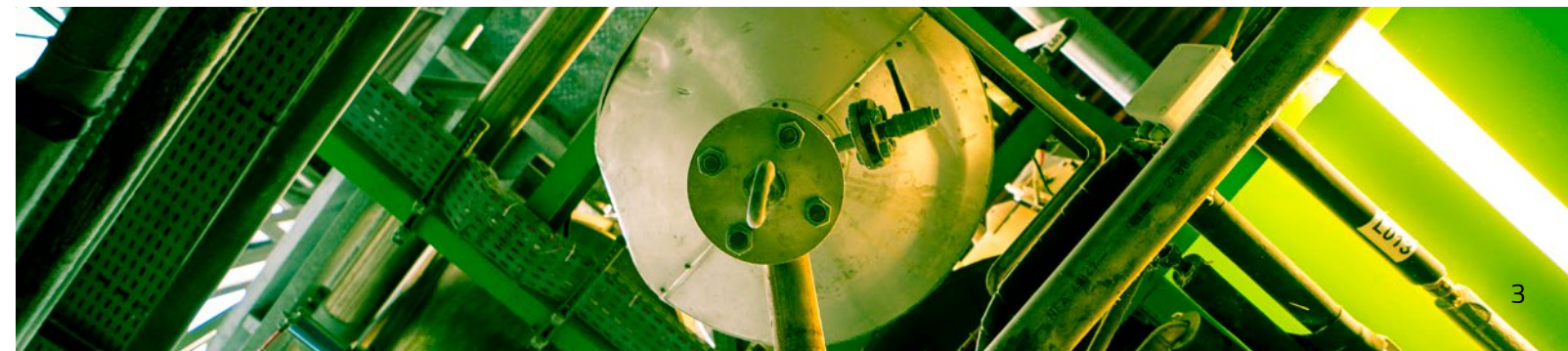
« Benvic relies on an expanded offering of high-performance and sustainable polymer solutions and is now aiming for global development »

In 2018, Benvic announced its desire for change. Has this ambition been achieved?

LM: Our group has clearly changed its scope - no less than 8 add-on acquisitions since 2018 - while continuing to invest significantly in its three historical sites. Growth and diversification have been the key words here – with the strategy robustly supported by our shareholder Investindustrial. One simple figure brings home the extent of this rapid transformation: in the space of just three years, sales have more than doubled and will exceed 500 million euros by the end of 2022.

After this expansion phase, how is the company positioned today?

LM: Benvic has consolidated its leadership in PVC in Europe and our primary market remains the construction sector. The diversification of the group has been achieved at the geographical and sectorial level and has also embraced our product range. Today Benvic relies on a wide range of high performance and sustainable polymer solutions and aims at truly global development.



Can you summarize the strong points of your business model?

LM: Our group is now a very well distributed industrial and manufacturing service; composed of 10 factories and two other commercial subsidiaries – all providing efficient local contact with our customers.

Benvic has also succeeded in building long-lasting relationships with all its eco-systems, stakeholders, customers, and suppliers, and also financial partners.

Thirdly, our portfolio of activities is keenly oriented towards the sectors and products of the future. The core of our business remains PVC, a material designed for sustainable use and perfectly recyclable. Benvic growth has also led to diversification into essential sectors such as health, the environment (biopolymers, PVC recycling) and techno-polymers.

The pandemic years have been marked by a shortage of raw materials. How did Benvic cope with this crisis?

LM: We have indeed lived through a period of significant tension on the raw materials market. The situation remains complicated for 2022 - particularly with the fluctuations in energy prices.

However, our group has managed to ensure continuity of production, and has also mobilized to deliver to our customers in the best possible way and within reasonable deadlines.

In relation to Covid, Benvic has also demonstrated further qualities of resilience. There are two main reasons for this ability to cope: the overall commercial strength of the group, giving it latitude in terms of negotiating on the markets, and also the quality of our relations with suppliers. Over the years we have built up very strong relationships with our suppliers, and this has been evidenced by the signing of contracts, giving visibility and transparency to both parties.

What specific measures has Benvic taken to address the climate challenge?

LM: As part of our ESG strategy, we have strengthened our action plans that improve the environmental impact on all our sites. We have also offset our CO2 emissions by financing projects with a positive impact on the climate. This enabled us to become carbon neutral in 2020 and in 2021 – on scopes 1 & 2.

We also plan to double our production tonnage of recycled PVC within the next three years and we are working on several new bio-sourced resins for the building and automotive sectors. With every year Benvic increasingly integrates its activities within in the low carbon and circular economy.

Until now, Benvic's investment policy was focused on Europe. Do the acquisitions of Chemres and Trinity in the USA mark a turning point?

LM: It is indeed an important step: having a manufacturing footprint in the United States is a gateway to the North American market, which is both very attractive and competitive. Accompanied by our shareholder Investindustrial - which also has a structure in the United States - we took the opportunity to acquire, first, Chemres, then, Trinity. The former is a leading compounder in its market segment, supplying solutions for manufacturers of contact lens molds and also offering applications for cables. The latter is a custom compounder specializing in the compounding of flame-retardant, cross-linked and specialty additive compounds for a variety of industries including wire & cable, appliances, and construction. These new acquisitions are a source of synergies and also mark our desire for global development.



Benvic hits the US acquisition trail...

It's a first: Benvic has taken a step outside Europe and in two deals just months apart has acquired US specialty compounders Chemres and Trinity. Both companies are headquartered in Princeton New Jersey and both businesses will help boost Benvic global compounding presence in key areas.

Last year's acquisition of Chemres, for example, allows Benvic to strengthen its medical applications division. With a factory in Virginia, Chemres leads the way for mould components for contact lenses. Trinity is a custom polymer compounder specializing in the compounding of flame-retarded, cross-linked and speciality compounds for a variety of sectors, including wire & cable, white goods and the construction industry.

For Benvic, these US acquisitions represent a first foothold in the large and dynamic North American market. The move also consolidates Benvic ambitions for a global compounding presence.

Read more about Trinity and Chemres inside.



New look Benvic set to make an impact at K 2022

Benvic goes to its third K exhibition as a fully-fledged multi material solutions provider; incorporating all kinds of polyolefin and new polymer compounds in its portfolio for environmentally conscious buyers and specifiers.

Benvic's ProVinyl compounds will of course take historic pride of place. However, this year's K 2022 show visitors will also see Benvic promoting a reworked and rebranded second strand of materials – largely polyolefin-based compounds for the challenges of complex, mission-critical applications.

The third leg of the Benvic portfolio at K 2022 involves both polymer recyclates and biopolymeric materials in order to service the growing eco-conscious and circular economy.

The triennial K exhibition is the world's foremost global show for plastics materials and technology. Based in Düsseldorf, this year's edition runs from October 19-26th.

Linkflex[®]

Linkflex HF succeeds at Wire & Cable '22 part of Benvic's new material diversity

After a four-year Covid 19-induced break the world's number one exhibition for the wire and cable industry – Wire 2022 – opened its doors at the Düsseldorf Trade Messe, June 20-24. Benvic exhibited at the show for the first time and enjoyed significant success, with large number of enquiries for the company's new Halogen Free Linkflex HF grades, as well as for ProVinyl products in the electrical based sectors. Benvic has designed the Linkflex HF product family to completely comply with new European Construction Products Regulation (CPR) requirements.

Linkflex HF has been developed and produced at Benvic's Spanish factory and the contribution of Benvic's Spanish team has been key to the success of these materials through Europe.

Take a look inside to discover more about Benvic's Linkflex HF compounds.

Benvic launches the first part of its new website

Benvic's new website – www.benvic.com – is up and running. The newly designed resource is host to a wealth of data about the company, including company strategy, group data and mission statements together with the company history and its value propositions.

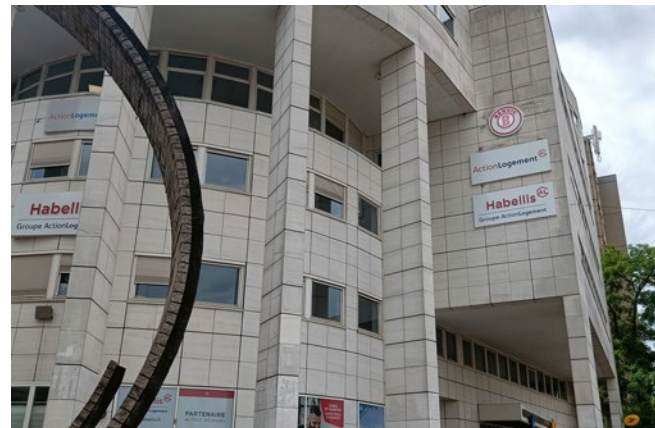
Benvic's new website expresses the company's corporate philosophy, namely a wholehearted commitment to social and environmental responsibility via Benvic's new materials technology, and thereby helping create a sustainable future for all.

The second part of the Benvic website will involve supplying resources and information on Benvic's 2000+ polymer compounds together with data on how these materials are used in various market sectors and product applications. Stage two of the Benvic website is expected to be complete in early October – in good time for the prestigious K 2022 exhibition.

Benvic's new HQ opens in Dijon

Benvic's gorgeous new headquarters in Dijon are now open for business: Benvic looks forward to welcoming customers, investors and stakeholders to its new and well-appointed offices in the centre of Burgundy's capital city.

The new Dijon offices will be home to a team of some twenty Benvic personnel, including functions such as finance, human resources, IT, purchasing, marketing, legal and the management team.



Linkflex[®]

halogen-free cable compounds

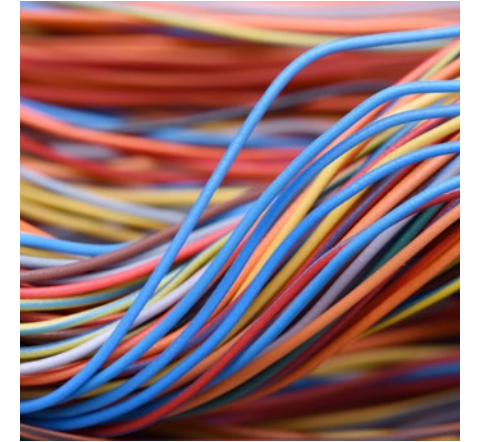
Benvic
helps a better
connection



It is fair to say that the world's growing need for connectivity and internet-based industries and services is now unstoppable. And while the daily headlines here are mostly about software, apps and the user experience, this quantum expansion also has need of greatly increased amounts of hardware, energy and materials.

A raft of new material solutions are required for these growing industries. Part of the job is to safely contain electrical activity, heat and other operational factors.

| innovation



Enter Benvic – with its Halogen Free polyolefin-based technology for the cabling industry.

The product group is titled **Linkflex HF** and in May of this year Benvic launched two new **Halogen Free Linkflex HF** grades that provide superior performance for data cable communication uses - mainly in the fiber optic field.





Benvic's Linkflex HF range itself is barely two years old and the company's successful first-time exhibition at the Wire 2022 June exhibition proves that the global market wants as much **Linkflex HF** as the company can manufacture.

According to Benvic Marketing Manager, Eric Grange, all of Benvic's new materials are driven by a need to anticipate customer needs and to find and provide new niches of value in the polymer compounding world.

Benvic's **Linkflex HF** cabling compounds are a textbook case in point: Intended to complement Benvic's existing and extensive PVC strengths in the building and construction markets. **Linkflex HF** is the outcome of developing an adjacent marketplace

in the building sector with a new material in order to serve new markets.

Benvic set about serving the cabling market in a very pragmatic way. First and foremost, Benvic created a dedicated cable product development team. This unit – based in Spain – is primarily staffed with engineers from the cable manufacturing sector.

Based on decades of cable manufacturing experience, the Benvic cable team was therefore able to imagine and develop new product solutions for the market, directly address problematic legacy issues, and also optimize the material content for existing applications and make it bespoke for new and custom applications.

Eric says that '**Linkflex HF** is a good example of where we can

match focussed market need – better materials for cabling – with Benvic's core polymer compounding expertise. In this way we can create and build a number of new product solutions, customer-by-customer and from the ground up.'

Eric adds that 'Benvic is always looking for opportunity to improve and fine-tuning the business of plastics processing for our customers – premier materials at an improved cost. From the beginning our Linkflex team saw that we could make and supply a compound that made for a superior product – and created under easier and less costly conditions.'

The **Linkflex HF** product family is designed to comply with new European Construction Products Regulation (CPR) requirements. Initial

applications mainly targeted low voltage requirements in the building market.

Benvic's expansion into new grades, such as Linkflex HFS606 and HFS607 are proof of the original concept; the market need for the basic range has quickly been established and further niches and customised grades are already being produced. In this case, excellent sheathing and fire-resistant properties of compounds are being supplied to the fiber optic and data comms markets.

Linkflex HF has been developed and produced at Benvic's Spanish factory and the contribution of Benvic's Spanish team has been key to the success of these materials through Europe.



Benvic builds its US presence

Two acquisitions in the space of just a few months have seen Benvic amass a significant stake in the US polymer compounding market.

The first such acquisition, Chemres, will not only provide additional technological resource to the Benvic group, it will also advance Benvic's interests in key markets such as the medical sector.

Benvic CEO Luc Mertens says of Chemres that 'our shared culture for performance and innovation will enable us to develop new business and technical synergies together: this purchase provides us with an exciting strategic opportunity - to not only further expand our capabilities with a manufacturing presence in North America but to also grow our polymer expertise for medical markets. This acquisition is an important step forward in Benvic becoming a global leader.'

Chemres is a leading provider of polymer materials, custom compounds and solutions for diverse industries, including medical, packaging, wire and cable. The company is a specialty compounder with a strong position in the US contact lens market and also has long-term customer relationships in the medical, wire & cable, and packaging industries. Chemres provides a high level of dedicated customer service as well as logistical and supply chain management expertise. Its operations are based in Chesapeake Bay.

Chemres is joined in the Benvic Group by sister company Trinity - a custom compounder specializing in the compounding of specialty

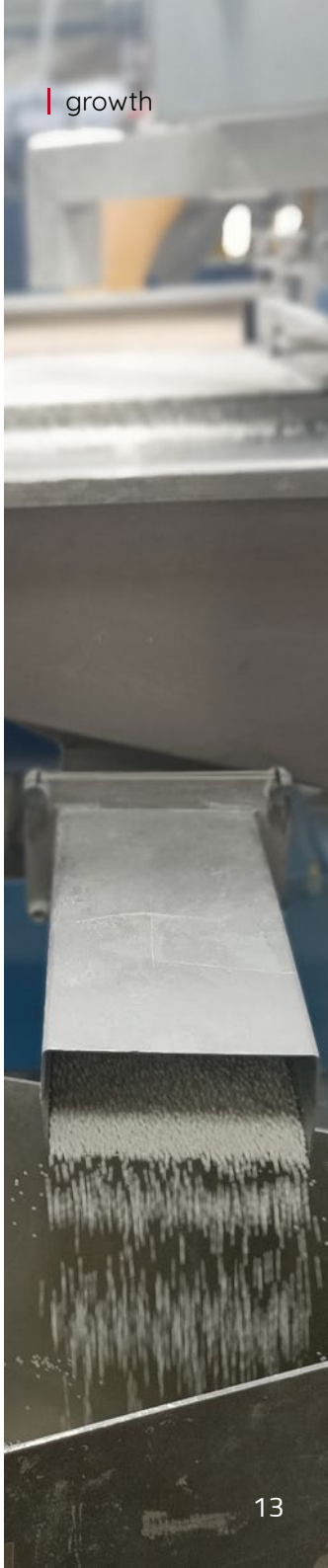
additive and flame-retarded compounds.

The Trinity acquisition fits the Benvic Group's strategy of creating a customer-driven and globally-led business for custom compounding services. The acquisition covers all Trinity's staff, facilities and equipment.

The acquisition of Trinity also represents a unique opportunity for Benvic to consolidate its presence in the attractive specialty compounds market and to strategically expand its compounding capabilities and product portfolio. Benvic has already expressed strong interest in growing the West Unity site with a renewed long-term lease and industrial projects.

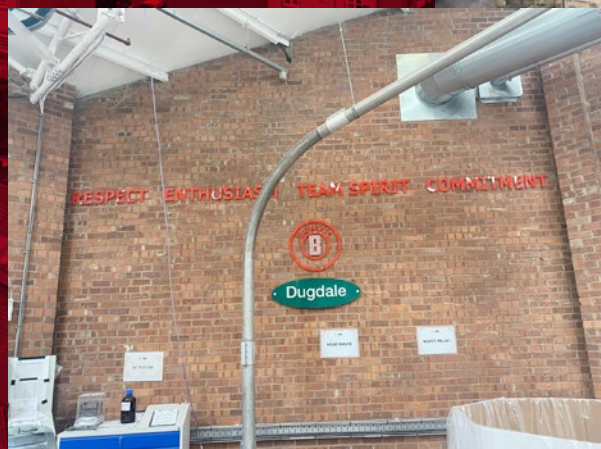
Benvic also believes that Trinity's expertise in flame retardants, color matching, and all forms of polymer additive technology will immediately help add value to Benvic's growing stable of polymers (polyolefins and PVC based) and to Benvic's growing status as a multi material business. Benvic's financial strength will also be a further advantage in accelerating the new division's growth.

Luc Mertens says that 'this acquisition is part of Benvic's ambition to accelerate its development in the USA. Trinity will help us serve the numerous needs of international customers and forge new partnerships.

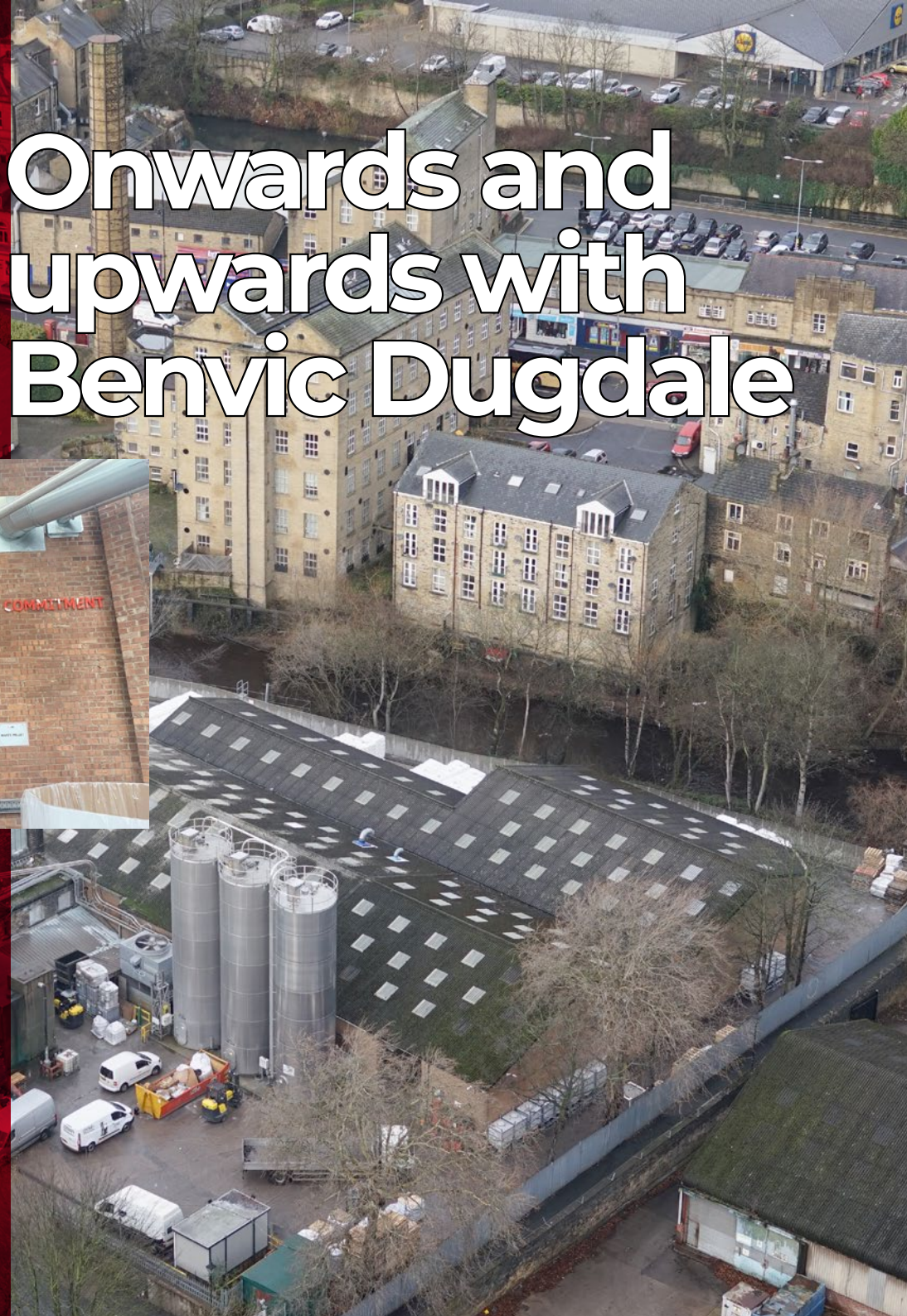




Onwards and upwards with Benvic Dugdale



Just over two years have now passed since Benvic acquired Yorkshire-based Dugdale, the largest independent PVC compounder in the UK.



Managing Director Dave Outen and Technical Director Dr Jeff Ryan have stayed at the company helm in order to help further strengthen and grow a vibrant business that has increased its reputation for impeccable customer service and for leading edge materials innovation.

Before Benvic made its move the UK directors had already invested heavily in the Sowerby Bridge site, including a new laboratory and pilot line.

And Benvic has continued in the same strategic vision; committing several millions to the growth of the factory and its capabilities over the past two years, with investment in people, infra structure, bespoke and high-output, fully integrated mixing and compounding plant, and an innovative, state of the art, compounding unit. In addition to this there have been, and continues to be, investment in new working practices and the introduction of new manufacturing techniques.

The recent investment highlights under Benvic stewardship include the Darwin Project, which comprises of a new fully-automatic, high output mixing and compounding line, new offices and the

transfer of finished goods storage and logistics from the Dugdale warehouse to an external logistics provider who uses the latest QR coding systems to achieve live inventory control.

Benvic Dugdale was also recently invited by Buss Compounding Switzerland to trial some of its latest technology via a loaned machine at the Sowerby Bridge facility. And further to Benvic Dugdale's evaluation of this unique "Compeo" Technology, Benvic has now decided to acquire this leading-edge equipment at the Dugdale site.

Furthermore, Benvic has additionally invested in purchasing the freehold of the Benvic Dugdale main factory and is also now looking to acquire the site adjacent to the factory.

This is very exciting news for Benvic Dugdale and represents a strong desire for real growth, coupled with increasing technological innovation in the UK PVC compounding business.

Last year Benvic Dugdale helped introduce Benvic's new ProVinyl range of PVC compounds to leading industry players at the triennial event for the industry - PVC

2021, Edinburgh, Scotland. The launch of Benvic ProVinyl was a perfect fit within Benvic Dugdale's reputation for developing high-end innovative material compounds for the most demanding of applications.

Dave Outen says that 'ProVinyl is a perfect encapsulation of the value-added products that we have been creating and supplying from our facility for many years. Our well-equipped laboratory and pilot production line are testimony to the many new compound innovations that are currently in demand from the market place. ProVinyl is the right move for a market that wants to allow a wide range of choice in terms of price and performance.'

Outen adds that 'we are also expecting to benefit from environmental stewardship that is a strategic vision for Benvic Group: As we now know the environmental profile of vinyl has specific benefits. High-performing, versatile, 100% recyclable, and part of the VinylPlus commitment to more sustainable feedstocks - this all makes the material an ideal fit for the circular economy model - and Benvic Dugdale intends to be leading the way.'



In common with many businesses, Benvic Dugdale reports that the Covid pandemic created unique and special problems and opportunities throughout all of manufacturing. 'It felt like a near-perfect storm,' recalls Outen, 'including matters of Brexit, the well publicised shortages of raw materials and the unprecedented difficulties experienced in international supply chains.'

However, Outen adds that 'our quality and high-end products have weathered the storm and remain in high demand. Our strategy of custom-made polymer innovation and customer service continues to see us through, and now the introduction of ProVinyl can only support these efforts even more.'

Benvic Dugdale's R&D team, led by Dr Jeff Ryan, continues to develop cutting edge technology in all aspects of PVC

compounding, whether rigid, flexible or PVC composites and hybrid materials. Benvic Dugdale research can be applied in new product development for customers or in response to legislative changes or as a result of company marketing initiatives.

Situated on the banks of the River Calder in Sowerby Bridge, West Yorkshire, the Dugdale company management made customer service its clear top priority from the outset in 2006 - developing a portfolio for many applications and industries from building and construction, through to medical, leisure and automotive.

Outen says that 'we recognised at Dugdale from Day One, that we are PVC specialists pure and simple and that this exclusive focus was our key strength. We also realised that for too many years, PVC had been unfairly pilloried in the media predominantly targeting its environmental credentials.'

Through Vinyl 2000 and subsequently VinylPlus, the industry has addressed these concerns head-on. The result is vinyl-based products that continue to provide solutions to far reaching applications - uses which have much less impact on the environment than the majority of alternative materials.

It is now becoming evident in industry, for example, that PVC-based products enjoy one of the highest rates of recyclability among polymers. The building and construction trades have led the way. Niche markets such as healthcare are also making great strides in collecting, recycling and finding second life uses for the material.

There is, moreover, plenty of business opportunity in both types of vinyl waste: typical post consumer waste volumes consist mainly of old windows, cable, flooring and other building products and in-house



Mark Cassin / Louis Cooke

industrial waste volumes typically consist of manufactured scrap or secondary operation scrap such as fabrications.

Dugdale plays its part in all these markets and serves a large number of these applications for both second-life PVC materials and also in the development of virgin grades and alloys.

Exceptional customer focus remains Benvic Dugdale's best-defined feature: the sustained growth and the doubling of turnover within the past ten years has been testament to the success of the business.

And under Benvic stewardship, Benvic Dugdale expects much more of the same for a very long time to come.

New faces new growth at Benvic Dugdale

Two key appointments are helping Benvic Dugdale to optimise its business strengths.

Louis Cooke has joined Benvic Dugdale as the company's operations director.

The role was a newly created one at the company and Louis quickly made it his own; bringing over twenty years of industrial experience.

Louis's previous work experience is mainly in Fast Moving Consumer Goods (FMCG) environments and also at a number of plastics packaging producers, namely Tetrosyl, Coveris, Merriion Packaging and Mopack UK.

His current role at Benvic Dugdale involves leading all operations on-site, including production, quality, logistics, maintenance and health & safety. He says that 'the challenge of a continually full order book gives us significant issues in trying to accommodate new work and new compound developments. Hopefully we are gaining traction on these and opening up the way for further capacity and investment.' Benvic has recently launched the Factory Excellence Programme. Dugdale is the first Benvic business to begin this journey and, under the leadership of Louis, the company is already making significant progress.

Louis was appointed at the same time as Mark Cassin, who joined the company as Benvic Dugdale's new financial director.

Mark brought a wealth of related industrial experience to this role as well as a host of financial skills and qualifications in change management.

Mark's duties include extensive liaison and management duties regarding the financial integration of the business into the operations of the Benvic Group.

Mark's industrial experience also made him well suited for to Benvic's global and diverse strategy with positions at manufacturers of materials and non-wovens, products and most recently with polyethylene packaging business Flexipol. Mark gained his qualification with the Chartered Institute of Management Accounting (CIMA) over twenty years ago.

Mark says that 'Benvic Dugdale is in great shape to accomplish its commercial and technical goals. My past experiences will be invaluable to help and assist in making this happen'.

Benvic accelerates its ecological transition

The group is working to reduce its carbon footprint and intends to use more and more renewable energy for production in its factories.



Benvic's transformation to a low-carbon growth model is underway. While the group had already undertaken initiatives to reduce its greenhouse gas emissions, the arrival of new shareholder Investindustrial in 2018 has acted as an accelerant.

The carbon footprint: 'to measure is to manage'.

The first building block of any low-carbon strategy is measurement and evaluation. Since 2020, the group has published an ESG report, which includes an extensive environmental section. The document is produced internally with the support of leading consultancy, Ernst & Young, and this work assists the company on sustainable performance issues.

The data required to establish the carbon footprint is collected at each Benvic site by an ESG consultant.

In 2021, the Benvic group produced 6,288 tons of CO₂e scope 1 (direct emissions) and scope 2 (indirect emissions, linked to energy consumption). This compares with 15,468 tons for the previous year – a dramatic and substantial decrease thanks largely to an ambitious action plan that has been rigorously implemented since 2020 across all Benvic plants.

Benvic achieved carbon neutrality in 2020

The group has accordingly built an action plan to further commit

to the energy transition. With a strong action: Benvic has bought carbon credits, offsetting its emissions (scope 1 and 2), and this allowed it to reach carbon neutrality in 2020 and in 2021. The company now provides financial support to two projects in Guatemala and Canada. These projects aim to combat deforestation and promote sustainable agroforestry initiatives, with measurable expected positive effects. The Guatemalan Conservation Coast program, for example, is expected to avoid 22 million tons of CO₂e production over the next 30 years.

Improving energy efficiency at all sites

The core of Benvic's strategy is the reduction of its own greenhouse gas emissions – aiming at very ambitious targets for 2030. Reducing energy consumption is the main challenge and the group is pursuing its efforts in all its plants. The Chevigny and Montornes sites are already ISO 50001 certified (energy management system). In Poland, the factory has improved the measurement of energy consumption on each of its production lines in order to ensure better control and improve energy efficiency. Similarly, many of the group's entities have equipped their sites with LED lighting and have implemented other actions, in particular to reduce air leaks from compressors.

In France, Benvic will have a green energy contract – beginning in 2023.

A promising avenue: manufacturing with green energy

The group intends to go further, by supplying its plants with electricity from renewable sources (wind, solar, hydro). Contracts with energy suppliers guaranteeing a 100% supply of green energy by 2021 have been signed in Spain and the United Kingdom, representing a third of the group's electricity consumption. The Italian and Polish sites (Ferrara and Witkowo) will also be supplied with green electricity from 2022. This increasing percentage of decarbonated energy in the company's electricity supply should allow a significant and rapid reduction of the group's CO₂ emissions.

Benvic is committed to using all possible options in order to reduce its carbon footprint: these action plans - reinforced by the development of green solutions (biopolymers, recycled PVC) and the implementation of an eco-design approach (combining Innovation, ESG and Marketing) - prove the group's increasingly strong will to improve its environmental performance and that of its products, thereby helping the climate and our world.



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BUSINESS
REVIEW

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Editorial content: Michèle Marin, Adrian Lunney
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N° 19 – October 2022
ISSN: 2430-6851