

The European label industry reunites online at ELF 2021

GETTING THE BAND BACK TOGETHER

The 2021 FINAT European Label Forum brought together 500 members of the label community representing 163 companies and 18 sponsors for the first time since the pandemic. What followed was a week of talks and workshops to learn about the three major challenges and opportunities facing the industry: the business recovery beyond the pandemic, sustainability and the future of the workforce.

Five days, each with a different theme, were designed to give the audience the latest update on a number of issues. Each day carried a different colour reflecting the topic of the day. A matching 'cocktail of the day' prepared by overall programme leader Niklas Olsson (Flint Group) and his team closed each day in a manner replicating the sense of the ELF as a (in this case online) networking event. Graphic artist Philip Barrett (known by those who attended the ELF in Dublin in 2018) listened in during the full five days and gave his visual

perspective of the sessions, the closest thing to creating lasting visual memories of the event.

All sessions of the online European Label Forum 2021 can be reviewed online from the FINAT Members-only web page. For speaker blogs, whitepapers related to the topics and daily video summaries go to:

www.europeanlabelforum.com/news



MONDAY, 31 MAY: ASSOCIATION MATTERS DAY



The conference was opened by FINAT President **Chris Ellison** of OPM Labels and Packaging (UK). After noting the unusual circumstances of the meeting taking place online and the record 745 registrations for the conference, he delivered his final President's report. Chris reflected on the recent achievements of the label industry, but also looked ahead at the larger structural changes in the industry caused by the pandemic.

Philippe Voet of Etivoet (Belgium) was elected the new President of the Association, and was warmly congratulated by the other attendees. See also the General Assembly and 'Scenario's 2027' panel report elsewhere in this Yearbook.



Jules Lejeune, Managing Director of FINAT and Jennifer Dochstader, founding partner of LPC (USA) gave the major in-depth presentation on the first day, rounding up the state of the label market following a volatile 2020. But despite the pandemic, they noted that labelstock demand has continued to rise. And it was heartening to note the comments of one industry panelist who was surveyed, who said that "our industry has passed the stress test by showing flexibility, resilience and agility." (See also a separate report in this Yearbook.)



FINAT General Assembly 2021

Chris Ellison
FINAT President

Welcome! 2020 and 2021
Agreement Required!

Enhanced Channels
Technical Communication
Social Media Communication
Linked in - Twitter
Website

Collaborative Projects
Industry Awards
Association NEW Talent

Consolidation & Membership Model

FINAT 2021

MEGATRENDS
Future Scenarios
DIGITAL TRANSFORMATION

ASSOCIATION MATTERS Day

FINAT Market Trends Report

Jules Lejeune
Managing Director of FINAT

Jennifer Dochstader
LPC

Labelstock Demand Long-term trend
Growth

2020 HIGH Demand
3X+ Growth

COVID IMPACT
Peak Demand but SUPPLY

2021 GDP: 6% CONSTRUCTION
Full recovery? 2022

CONVENTIONS
Small mid size
Event Growth
Event HIT & Burden?

Acquisition 2021
Digital? CAPACITY
Capital Expenditure
15% 2020

ASSOCIATION MATTERS Day

FINAT Roundtable - co-creating our Associations strategy beyond the Pandemic

Chris Ellison
Managing Director of OPM Labels & Packaging Group Limited

Philippe Voet
EtiVoet - Dr. Philippe Voet has been Senior Scientist at Dow Chemical Company

Melanie Koenig
Head of Sustainability and Communication at OLI Label

strategy 2027?
A new Discussion
Rapid Change Required

Ageing Founders
Trying to FIND TALENT

'GLOBAL' Global & Local
Speak & Innovation

Recycling New PACKAGING
Innovation from NEW OTHER as well as ESG players

Efficiency of
Less PASSION!
Communication is MORE than just VOICE

SUSTAINABILITY
making it a STRONG GROWTH Industry

In-Person?
Do we expect MORE after digital Experience?

Outlets for Knowledge Transfer
TEAM BUILDING
What's the VALUE? Earning our Place...

ASSOCIATION MATTERS Day



TUESDAY, 1 JUNE: BUSINESS STRATEGY DAY

General Economic Assessment

Prof. Andrea Boltho
Oxford University (UK)

Prof Andrea Boltho an Italian economist lecturing at Oxford University kicked off the second day with a general assessment of the broader economy. Describing the pandemic as a “tsunami”, he highlighted the contrasting prospects for the North American and European economies and the challenge of Brexit. The new post-pandemic world is likely to be characterised by more reshoring, less international travel, less commuting, more home working, the ascendance of green policies to combat climate change, but also more debt (both public and private, without impact on interest rates) and more income inequality. Contrary to expectations, citing historic evidence on the Spanish Flu one hundred years ago and recent birth statistics, Prof Boltho did not foresee a Covid-related baby boom.



Industry assessment from the Mergers and Acquisitions point of view

Nick Mockett
Moorgate Capital (UK)

Nick Mockett from Moorgate Capital (UK) took an M&A view of the label industry, noting the €1.9tn potentially on the table from strategic investors and private equity, in an environment where the robust but defensive label industry is predominantly privately owned. He described the generic M&A process from the initial preparation, via the screening of buyers, (first round) offers and the closing.



TUESDAY, 1 JUNE: BUSINESS STRATEGY DAY



Norman Bremer of IK Investment Partners/

Optimum Group (NL) argued that the existing fragmentation in the label



industry could prove attractive to private equity investors looking for consolidation opportunities. The required capital for investment in new presses, customer consolidation, the need to specialize, the risks associated with single site dependency, the growing requirements from the regulatory and certification perspective, as well as succession problems are all driving consolidation. In this respect, there are advantages of joining a larger group in terms of leveraged purchasing conditions, risk sharing (such as in the case of Covid-19), pooling of group functions such as HR and finance and cross selling.

The session closed with a panel discussion in which both Nick and Norman engaged with programme committee member Will Parker and Executive Search specialist Chris Parnham of NJP, Aston Chambers & Baine Wallace, who highlighted the HR and business cultural aspects of industry consolidation. In preparation of this session, FINAT members had been polled about their future perspective as business owners.

Maja Desgrées-Du Lou, EU DG for the

Industry assessment from the Private Equity point of view

Norman Bremer
IK Investment Partners/
Optimum Group (NL)

Looking for INSIGHTS
your BUSINESS

LABELS
attractive

KPIs
- price
- Reliability
- Efficiency
- Currently FRAGMENTED
Consolidation

- Growth
- Profitability
- Cash Flow

IK 30yrs+
Pan-Euro Private Equity FUNDS

Succession

Opportunities
- PRICE
- TECHNOLOGY
- SPECIALISATION
- Spreading out Admin tasks
- RISK mitigation

JOINING FORCES
with Business Owners
serving Clients BETTER

BUSINESS STRATEGY Day

FINAT 2021
The European Label Forum

Expert Panel

Will Parker
CEO at Tehel BV
Nick Mackett
Moorgate Capital (UK)

Norman Bremer
IK Investment Partners/
Optimum Group (NL)

Chris Parnham
Managing Director at
NJP, Aston Chambers
& Baine Wallace

Q: Most important survey result? what JUMPS out?
Not as many interested in selling... to P.E.
prefer Industry Peer
SYNERGIES
Involvement: preference for Operations as opposed to End Responsibility

Q: Preparation - Is perception that you are prepared realistic?
more elements than you think!
PE Capital Intensive Tools & Technology ACCESS

Q: Could an Entrepreneur do same job?
Maybe...
HIGH level of Ambition required
PE can accelerate Innovation & Tech → E.S.G.
Can Make Industry MORE ATTRACTIVE to Entrants

Q: Selling your Business?
For sale 40% No! 60%
Covid? No Effect 40%
Structured for Succession? YES 50%
CASH or RUN? STAY 50%
Trade sale preferred (Industry peer)

Q: MBOs - Difficult these days...
An ADVANCED Skillset required
PE Trading and Passing on 3x2x9 TIMES

Q: Spending TIME to understand Management TEAM
DATA as well as
PEOPLE are VITAL
TALENT very important
Right PEOPLE need to be involved as well as VENDOR
Retain Attract

Q: Airt of Process can be done
virtually but Presentation "chemistry" best in person.
This affects ALL our Employees!

BUSINESS STRATEGY Day

FINAT 2021
The European Label Forum



WEDNESDAY, 2 JUNE: CIRCULAR ECONOMY DAY

>The EU's Circular Economy initiative and the New Plastics Economy



Maja Desgrées-Du Loü
EU DG Environment (EU)



Environment Policy Officer, spoke to the forum on the revision of the Packaging and Packaging



Waste Directive (PPWD) in the context of the many new European initiatives promoting the circular economy. Following the waste hierarchy, she highlighted the various 'intervention areas' involved such as packaging waste prevention, reusable packaging, recyclability, recycled content and compostability. (See elsewhere in this Yearbook in the Sustainability and Regulatory Affairs report.)

>CELAB-Europe - Towards a Circular Economy for Label Material



Ophélie Gourdou
CELAB-Europe (EU)



Ophélie Gourdou, Project Manager of the new circular economy coalition CELAB-Europe, of which FINAT is a founding member, talked



of the challenge of making recycling of liner and matrix materials economically viable. For this purpose, the industry has joined forces to collect data on where materials are located and develop geographic heatmaps, explore and promote recycling opportunities for paper and PET liners as well as matrix materials, connect with waste management companies and brand-owners to optimise logistics, and to assess and influence the relevant regulatory framework in terms of classification of materials, EPR fee schemes and recyclability definitions.

WEDNESDAY, 2 JUNE: CIRCULAR ECONOMY DAY



(See elsewhere in this Yearbook in the CELAB-Europe annual report.)

An Vossen, Technical Manager of AIM, the European Brands Association, followed with a fascinating talk on the future of 'digital watermarks'. This is part of the HolyGrail 2.0 project, a joint industry initiative to promote post-consumer recycling by printing imperceptible codes, smaller than a postage stamp, covering the surface of a consumer pack, that are able to carry a wide range of attributes such as the manufacturer, SKU, type of plastics and composition for multilayer objects and type of usage. This information is useful along the supply chain but can be particularly useful at the post-consumption stage to facilitate separate collection of materials. FINAT is a member of the project consortium and participating in Work Package 2 ('digital watermarks for print').



The second day was closed out by a panel of (former) brand-owners. Representatives Arno Melchior from Reckitt, Gian De Belder from P&G and Keenan Thompson from AB InBev, alongside programme leader Noel Mitchell from FINAT each took the time to share their learnings on sustainability, and put the earlier discussion into a valuable real-world context.

Markus Wörner, head of PR at 'vegan condom' brand einhorn, led the forum



THURSDAY, 3 JUNE: FUTURE WORKFORCE DAY



through a crash-course on what he calls “Fairstainability” and the future of the Label industry workforce. “Unlimited vacation, no hierarchies and transparent salaries. Sounds impossible?”, Markus challenged his audience. Supported by entertaining graphics, he explained how at Einhorn, this purposeful idea became reality. Fairness, sustainability and experimenting have proven to be a very successful vehicle to attract new talent. In his view, fostering an effective culture is more important than the structure of a business - but leadership is, of course, still critical.



Markus then joined a panel composed of both industry veterans and some of the label industry’s brightest young talents, to talk about how the principles of Fairstainability apply directly to the label industry. Participating were **Francesc Egea** (IPE Labels and Sleeves, ES), **Nanette Thomas** (Synthogra, DK), **Matthias Vollherbst** (Vollherbstdruck, DE) and programme leader of the day **Mikaela Harding** (Avery Dennison, UK).



FINAT also hosted a highly interactive and dynamic ‘presentation and chats’ session with Hywel Berry from MindGym. It focused on behavioural science to understand the importance of creating a sense of inclusion for a business to be successful. He explained the four cornerstones of an inclusive culture: that we should value variety in our teams; that we should aim to make fair decisions for each unique individual in our organisations; that we should understand the difference between misbehaviour and making missteps, and perhaps most importantly that there are no angels and villains: we all need to step up to create an inclusive workplace.



FRIDAY, 4 JUNE: COMMUNITY CELEBRATION DAY



People were also at the heart of the final day of the Forum, which celebrated the reunification of the FINAT label community. It began with a refreshing keynote speech from TED speaker **Pellegrino Riccardi**, who, from his own British-Italian-Norwegian background, painted a vivid picture of the regional differences in ways of working and attitude across Europe. This, in his view, highlights the importance of cultural diversity to growing a strong business. "Don't put people in boxes - find out what you have in common," he told the audience.



And to provide a vivid example of his point, Pellegrino had planned to follow his talk by joining an interactive session with Independent Strategist Bert van Loon (also the master of ceremonies of the overall event throughout the week) in which members of the "Eurovision Cliché Club", as he dubbed it, would explore some of the differences in business culture across the continent on the basis of anecdotal evidence - and how they can create competitive advantages.

Regretfully, not only the planned decentralised networking event (with supplier hosted hubs around Europe connected via livestream) had to be cancelled in advance, but on site, after four days of immaculate online conference system performance, technology let us down and this session did not reach the necessary 'pub quiz quorum'.

The 2021 European Label Forum was closed out by the prestigious FINAT Label Awards ceremony, moderated by **Bert van Loon**, which celebrated the best the industry has to offer, preceded by Philippe Voet's inaugural address. Philippe thanked the participants and sponsors. And he paid tribute to his predecessor and celebrated how the changing times are a great opportunity for innovation. He particularly highlighted the evolving regulatory environment, and sustainability as the challenges that will keep him busy.



"This combined with the challenge to attract and retain talent in our industry means that we will have a lot of great tasks ahead of us for the coming years!", he told the audience as we plan to meet again next year, once again in person.

(See also the sidebar of the Presidents' Report and the FINAT Label Awards Jury reports of 2020 and 2021 elsewhere in this Yearbook.)

