

PRESS RELEASE

Company

Bundled competence in the can sector: KHS and Ferrum further expand their long-standing cooperation and seal their partnership

- Combination of internationally acclaimed filler technology (KHS) and can seaming technology (Ferrum)
- KHS acquires participation in Ferrum Packaging AG
- Well thought-out block solutions for the worldwide can market
- Comprehensive one-stop-shop services

Dortmund, 26 August 2020 – The KHS Group and Ferrum AG are intensifying their longstanding cooperation. Pending approval from antitrust authorities, KHS GmbH will be acquiring a stake in Ferrum Packaging AG. The aim is to optimally bundle the competencies of both machine-engineering companies to form a common system portfolio in the interest of providing integrated customer systems. At the same time, customers will also benefit in the future from well thought-out, one stop-shop services.

The KHS Group and Ferrum AG have been working together extremely successfully in the can segment for years. Dortmund full-service provider KHS values most of all its Swiss partner's innovative machine technology and its expertise based on many years of experience, emphasizes Martin Resch, CFO in charge of purchasing at KHS. "Ferrum AG is the worldwide well-known manufacturer of can seamers. Combined with our future-

oriented solutions in the field of filling and packaging technology, we form an effective union that is valued highly in the market."

The two engineering companies are now intensifying their cooperation even further. Ferrum Packaging AG was founded as a subsidiary of Ferrum AG and incorporates Ferrum's entire worldwide can seaming business. KHS will be acquiring minority ownership in Ferrum. At the same time, Ferrum Packaging Inc., the US subsidiary of Ferrum Packaging AG, will be taking over KHS' can seaming business together with its employees and will be integrating it into the joint offer.

Intelligently combined system solutions

The aim of the merger is to develop and globally market joint solutions. To date, the KHS Group has offered tried and tested Ferrum can seamers only as accessory components for its canning lines. Effective immediately, work in close cooperation will begin on developing even more efficient systems including a filler-seamer block. "Based on skilled future planning of technical components, block solutions are to be designed to be as integrative as possible and do away with redundant functions," says Dr. Siegmar Stang, Executive Vice President Wet Area at KHS.

Combined filler-seamers designed for the maximum capacity class are planned with clear benefits for the overall process, as Oliver Bühler, CTO of Ferrum Packaging AG, explains. "We don't want to merely present one

solution; we want to develop a comprehensive system portfolio that meets the needs of every customer while offering clear customer benefits."

Among other things, the two partners have set themselves as targets for their new developments a lower TCO¹ through shorter changeover times and more rapid sanitizing phases. In addition, the hygienic environment of the systems is to be further optimized.

Comprehensive one-stop-shop services

The intensified cooperation will also bring about extensive customer benefits in the area of customer service. In the future, all services for combined systems from KHS and Ferrum will be offered from a single source. "This will not only reduce the effort for our customers, they will also benefit from shorter machine wait and downtimes," explains Dr. Beat Bühlmann, President of the Board of Directors at Ferrum.

The planned services include joint overhauls of the systems and integration of the KHS remote maintenance system ReDiS². Coordinating the supply of spare parts will also result in improvements in discontinuation management to ensure continued operation of the machines and thus the availability of systems.

¹ TCO = Total Cost of Ownership

² ReDiS = Remote Diagnostic Service

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Ferrum Packaging AG

At the BrauBeviale 2019 in Nuremberg, the KHS Group and Ferrum AG announced their intention to enter into cooperative relations. KHS GmbH is now planning to acquire an interest in Ferrum Packaging AG.

Can line

The aim of the intensified cooperation is to develop systems jointly. To date, the KHS Group has offered Ferrum can seamers only as accessory components for its canning lines.

Can seamer

Ferrum Packaging AG is the internationally well-known manufacturer of can seamers. Together with pioneering solutions from KHS, both companies have formed a highly regarded union in the market years ago.

About Ferrum AG

Ferrum AG, with headquarters in Schafisheim, Switzerland, is a global manufacturer in the can seaming sector (Ferrum Packaging AG) and specialized niche supplier of separation technology (Ferrum Process Systems AG). The Ferrum Group currently employs a workforce of over 800 people distributed among two factories in Switzerland and one factory each in Germany, Poland and India, in addition to further subsidiaries in Brazil, China and the USA. In 2019, the group realized sales of around CHF 200 million.

About the KHS Group

The KHS Group is one of the leading manufacturers of filling and packaging systems for the beverage and liquid food sectors. The KHS Group includes the following companies: KHS GmbH, KHS Corpoplast GmbH and numerous subsidiaries outside Germany, located in Ahmedabad (India), Sarasota and Waukesha (USA), Zinacantepec (Mexico), São Paulo (Brazil) and Suzhou (China).

KHS GmbH manufactures modern filling and packaging systems for the high-capacity range at its headquarters in Dortmund, Germany, and at its factories in Bad Kreuznach, Kleve and its location in Hamburg where the Group's expertise in PET is pooled. The KHS Group is a wholly owned subsidiary of the SDAX-listed Salzgitter AG corporation. In 2019 the KHS Group and its 5,149 employees achieved a turnover of around €1.260 billion.

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