



Press Release

ePac Flexible Packaging Sets Strategy for Continued Double-Digit Growth

Technology focused company streamlines operations while focused on its digital platform

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ePac Flexible Packaging, founded in 2016 as the world's first all-digital flexible packaging company, just turned 8 years old in May of this year. So it's fair to ask: How is ePac doing with its disruptive business model? From 2016 through 2022 ePac consistently grew 50 -100% per year. In 2023 ePac's growth slowed, but units produced still increased 30% over 2022 as new customer acquisition remained strong. Today, ePac is an international company with ~\$200M in sales.

In 2023, and still in 2024, the flexible packaging industry came under significant financial pressure caused by a myriad of factors including inflation, higher interest rates, supply chain issues, emergence from COVID 19, and the availability of capital. The industry, in general, saw top line sales decline and underlying costs increase. ePac responded with a reassessment of its strategy, and took several key steps to mitigate what was/is happening industry-wide.

Since its beginning ePac has been focused on using technology to drive productivity and customer experience. ePac's Software and Services group developed unique solutions for the company's ERP and CRM systems, on-line quoting, automated job routing, data-mining, pre-press automation, and advanced digital printing. It's these advancements in technology that have positioned ePac to further simplify its operations and prepare for its next wave of growth.

The first strategic decision made by ePac was to consolidate its US operations into 11 manufacturing plants, down from 15. In addition to its US operations, ePac footprint now includes 3 plants in Canada, and 8 locations in Europe, Asia/Pacific, and Africa. ePac's US footprint now includes sites in Boston, Philadelphia, Atlanta, Miami, Austin, Cleveland, Chicago, Madison, Boulder, Los Angeles, and Portland. Consolidation, made possible by the company's digital infrastructure, is now complete.

The second decision was to continue to invest and focus on the development of ePac's technology foundation. The company is in the process of upgrading its digital printer fleet which today stands at 58 to the new HP Indigo Gen 5 200k. This technology upgrade alone will increase productivity by up to 45%. Over the course of next 24 months all of ePac's fleet of HP Indigo presses will be upgraded to the new technology.

At the center of ePac's technology platform is ePacONE, a proprietary tool that connects all of ePac's 58 digital presses and enables automated job routing and management for all 22 ePac locations. In essence, ePacONE is a conductor orchestrating job flow among all assets, as one virtual package printing platform.

The third strategic decision made was to add new capabilities to ePac's portfolio of products. A recent example of this is the addition of a new flat-bottom pouch machine from Totani that expands ePac's offerings in the coffee, sports nutrition, and pet food markets.

According to Virag Patel, ePac's CEO: "In our first 8 years we were able to create a new market for small and medium sized brands, and build a technology foundation that enabled us to rapidly scale our operations, so our infrastructure is sound. We'll serve 4,500 to 5,000 customers this year, and with that kind of volume workflow automation is critical to meeting our SLA's. Our commitment to technology will position ePac for the next phase of growth and serve larger, more complex customers - serving brands of all sizes."

About ePac:

ePac is the world's largest networked flexible packaging provider, serving brands of all sizes across the globe. Founded in 2016, ePac began with a single plant in Madison, Wisconsin serving predominantly community-based small and medium sized brands. Today, through its

proprietary technology platform - ePacONE (One Network Everywhere), ePac provides brands of all sizes the ability to produce any size order in any of its 22 facilities across the globe.

ePac offers a full complement of sustainable film options, while its print technology platform is carbon-neutral and inherently eco-friendly. Further, the company offers true order to demand capability, helping brands reduce inventory and obsolescence.

For more information about ePac Flexible Packaging and its services, please visit:

<https://www.epacflexibles.com>.

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