

PRESS RELEASE

July 2017

A successful year-end 2016 and all-new milestones

Schubert once again achieves increased turnover and global expansion

Crailsheim. Schubert achieved positive year-end results in 2016: Gerhard Schubert GmbH increased its turnover by 7.5 per cent year-on-year to 187.2 million euros. A very good order situation, a dynamic order intake, especially from the USA and the pharmaceutical sector, as well as a highly successful presence at the world-leading interpack trade fair, all point towards a favourable business year in 2017 as well. The market leader in digital packaging machines' objective for this year is to reach a turnover of 200 million euros. The entire group of companies generated a consolidated turnover of approx. 233 million euros in 2016 and currently employs 1,174 people.

Strengthening market share in North America

In 2016, Schubert again succeeded in winning over more customers with its highly flexible packaging machines. Business development in Europe was extremely successful. The company sees the growing order intake in the USA and Canada as especially promising for the future: "Schubert also enjoys an excellent reputation with its customers in North America," says Marcel Kiessling, Managing Director at Schubert in Sales and Service. "Schubert North America is enjoying high-level demand especially from the food sector, which can look forward to significantly enhancing its flexibility by automating its secondary packaging processes. With increasing awareness and recognition, we are targeting a doubling of sales in North America over the next two years," adds Marcel Kiessling.

In addition to ongoing strong orders from the food and confectionery industry, Schubert Pharma also recorded strong growth in 2016, with a sales increase of 50

per cent compared to the previous year. Since its introduction in 2014, the business unit headed by Schubert Packaging Systems has been able to significantly grow its turnover. The company, which is well known in the market for its engineering expertise, reported sales of 52.2 million euros in 2016. In May 2017, Schubert Packaging Systems introduced its new Schubert-Cosmetics expert team to the market, which represents a central point of contact for manufacturers on all questions and inquiries addressing the filling and packaging of cosmetic products.

Setting the course for sustainable growth

Schubert continues to drive forward on a clear growth path: “We are planning the ongoing expansion of our production and assembly spaces by 2020,” reports Peter Gabriel, Managing Director at Gerhard Schubert GmbH. “This year, we are investing close to 20 million euros in our Crailsheim location as well as in research and development. This will enable us to be ideally prepared to gain additional shares in existing and new markets.”

“Along with the expansion of our primary packaging area, the focus of our development work in 2017 is on the advancement of our new GRIPS.world digital platform,” says Ralf Schubert, Managing Partner. In May 2017, Schubert presented the project’s first developmental step at the interpack trade fair in Düsseldorf, Germany. “The web-based platform combines all key functions for monitoring and documenting machine data under a single user interface and offers highly efficient features for preventive maintenance,” adds Ralf Schubert.

Of course, excellent service is vital to further international growth. It is with this in mind that Schubert is currently expanding its service portfolio. Marcel Kiessling, who joined the Schubert management team in 2016 and took over the operative management of Sales and Service, is ideally positioned to take on this challenge. “We see ourselves as a strong partner for our customers. We have long recognised that comprehensive service is decisive to consistently high customer satisfaction. This is why we will be increasing our service team by 30 per cent by 2019 and establishing further international service points,” highlights Marcel Kiessling. Schubert’s service portfolio is now divided into five service areas – the

Schubert Expert Center, the Schubert Parts Center, the Schubert Performance Program, the Schubert Uptime Program and the Schubert Flex Program. Individual service packages are offered as well.

Innovative 2016 milestones

In 2016, the year of Schubert's 50th corporate anniversary, the company once again confirmed that it is one of the true innovation leaders in the industry. "An important milestone in 2016 was the beginning of series production of the world's first packaging machine without an electrical cabinet. The technology has successfully established itself in the market since its launch in 2014," says Ralf Schubert. "Close to half of all orders for top-loading machines (TLM) are now being carried out at Schubert without an electrical cabinet."

The company sees considerable growth potential through the expansion of its activities in primary packaging via the integration of packaging processes into its proven TLM module concept. These include new system components for filling, e.g. cosmetic products or coffee capsules, as well as the new Flowmodul flow-wrapping component which very successfully premiered at the Fachpack 2016 in Nuremberg. Schubert's modular TLM technology's eighth standard component enables the seamless packaging of products such as confectionery, cosmetics and pharmaceuticals in flowpacks within a TLM machine from Schubert for the very first time. The significant benefits the company delivers in the area of primary packaging in terms of quality control, efficiency, space requirements and flexibility, bear witness to the fact that Schubert recognises market needs and addresses them with innovative and highly efficient solutions.

Creating added value through collaboration

In the beverage segment, Schubert set a new benchmark with its collaboration with KHS, which was introduced in 2016. Together, they offer breweries and beverage manufacturers a compact complete system for the filling and flexible packaging of bottles. The new Innopack TLM block solution enables a close to unlimited variety of packaging. "Our turnkey solution is very forward-looking. And it would seem that word has spread in the sector. We are receiving more and

more orders and several project inquiries,” says Peter Gabriel. At the drinktec trade fair in September 2017, Schubert and KHS will be presenting an innovative application of the new block solution.

A look at the current financial year indicates continued positive business development for 2017. “This year, we are enjoying a very good order situation. We also successfully closed the interpack fair with three significant orders and several concrete project inquiries,” says Peter Gabriel. “We are very optimistic that in 2017 we will be achieving our objective of reaching turnover of 200 million euros.”

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Gerhard Schubert GmbH

With unwavering resolve and a firm eye on the road ahead, Schubert Verpackungsmaschinen focuses on the current and future requirements of its customers. The company is boldly charting its entirely independent course in terms of technology with its commitment to modular and intelligent TLM packaging lines. Its objective is to provide customers with future-proof solutions that are easy to use, are flexible in terms of format, perform extraordinarily well and exhibit excellent functional stability. At regular intervals the company unveils major leaps forward in innovation that offer customer benefits in new dimensions, thereby conquering new market segments with new technologies.

This family-owned group currently run by the family's second generation was established some 50 years ago and employs 1,174 people. Thanks to an atmosphere of mutual trust and a high degree of individual responsibility, the company has succeeded in developing its very own culture of innovation. The Schubert Group comprises German and international subsidiaries from the fields of IT, engineering, precision parts and packaging service.

More information:

Homepage: www.gerhard-schubert.de

Schubert Web Magazine: www.schubert-magazin.de

Facebook: www.facebook.com/GerhardSchubertGmbH

Twitter: www.twitter.com/GerhardSchubert



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In 2016, Gerhard Schubert GmbH generated turnover of 187.2 million euros.

Image: An aerial view of Gerhard Schubert GmbH headquarters in Crailsheim

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The Flowmodul enables the seamless packaging of products such as confectionery, cosmetics and pharmaceuticals in flowpacks within Schubert's proven top-loading packaging machines.

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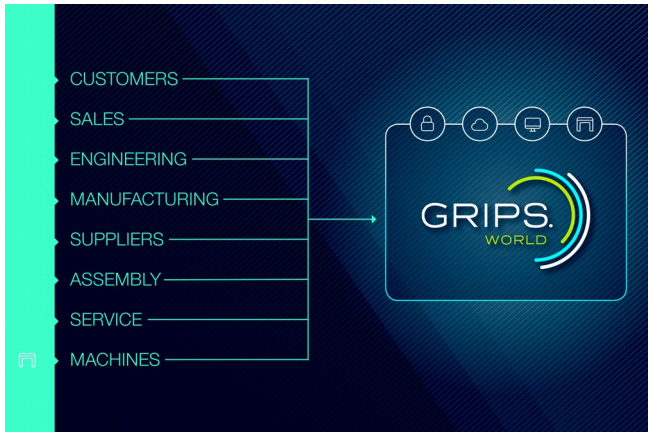
Schubert is strengthening its service portfolio and establishing new service packages in view of addressing customer inquiries even more quickly and efficiently, while ensuring maximum profitability for their TLM machines.

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The range of services offered by Schubert is divided into five modules.

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With GRIPS.world, a web-based platform is being created, which will raise internal communication and information exchange with customers to an all-new level of performance.

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