

Market trends for fibre-based packaging

Charles Brand, Tetra Pak





OUR VISION

We commit to making food safe and available, everywhere





Our Business 2016

65 years working alongside food producers

24.100

Employees

>175

Countries

>3% of turnover

Investment in R&D

€11.4 billion

Net sales



	Packaging	Processing	Downstream
Units delivered	336	2 230	938
Units in operation	8 860	76 000	20 000



Our carton family portfolio

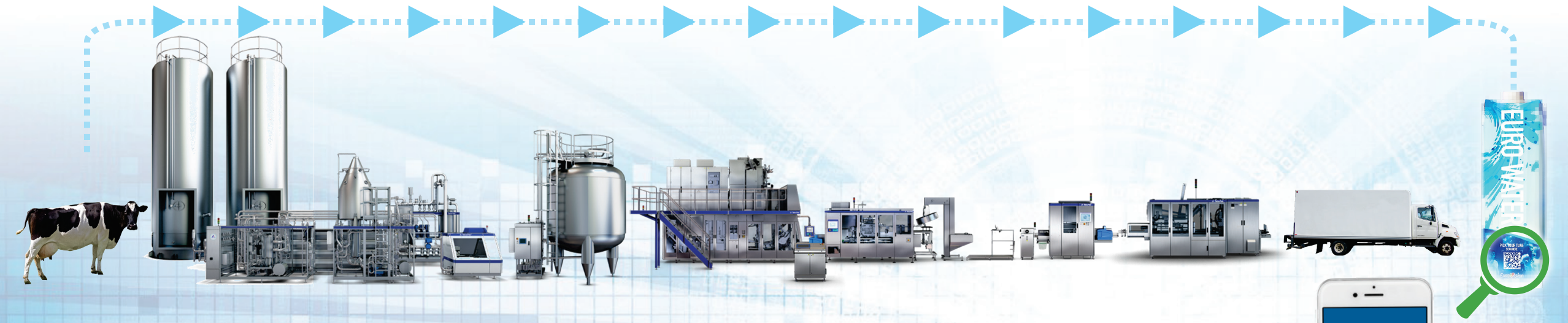
The widest range of shapes and volumes to choose from





Our customers' success is at the heart of what we do

To provide innovation and value-adding end-to-end solutions



Processing

Automation

Distribution

Packaging

Sustainability

Food Protection

Services

Consultancy

Marketing





Market trends for fibre based packaging

Macro Environment

A blue circular icon containing a white globe with two curved arrows forming a circle around it, representing the macro environment.

Competition

A blue circular icon containing four white silhouettes of different types of fibre-based packaging containers: a can, a carton, a bottle, and a smaller bottle.

Consumers

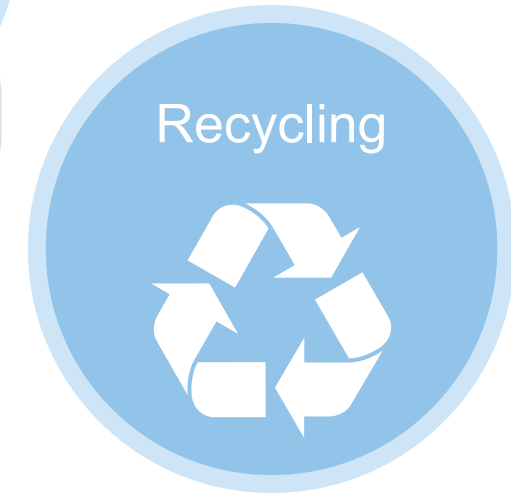
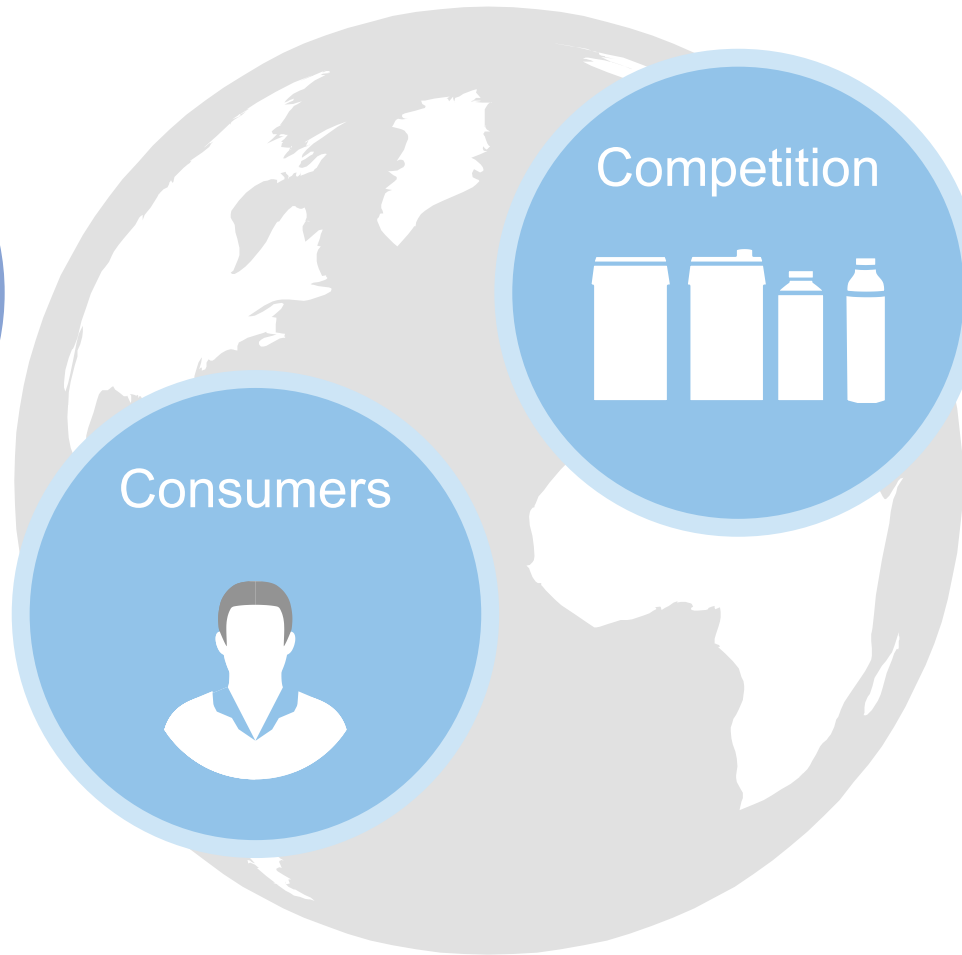
A blue circular icon containing a white silhouette of a person's head and shoulders, representing consumers.

Recycling

A blue circular icon containing the white universal recycling symbol, which consists of three chasing arrows forming a triangle.



Market trends for fibre based packaging





Global drivers of change towards 2030

We face opportunities, challenges and disruption to meet market needs

Demographic Patterns



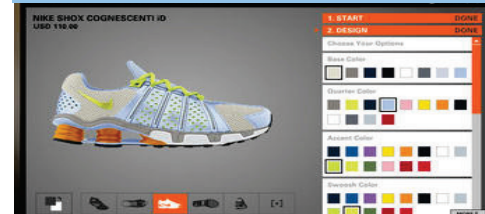
Population growth
Ageing population
Millennials

Economic Shifts



Globalisation 2.0
Power shifts to Asia

Mass Customisation



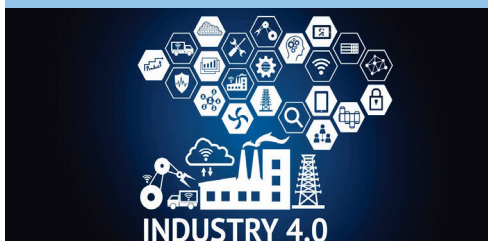
Additive manufacturing
Mass customisation

Digitalisation & Technology



Digital & social AI & robotics
nanotech & biotech

Industry 4.0



Production & information
technology
Networked factories

Generation C



Gen C: a powerful new
force creation, curation
connection & community

Environment & Resources



Sustainable cultures
Disruptors & innovators

Regulations



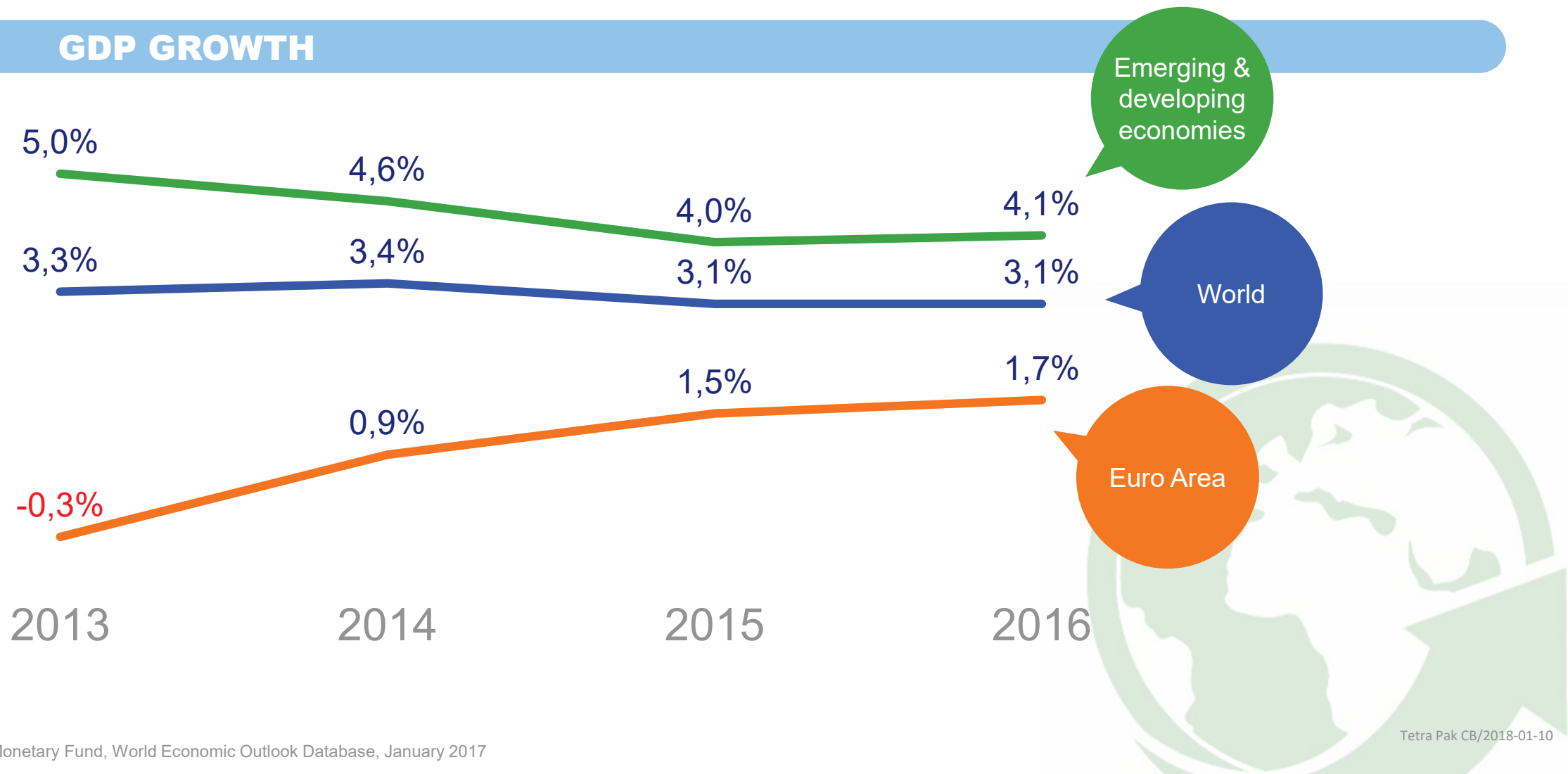
Food ingredients
Environment



Slow global growth, rising economic uncertainty

Global GDP growth is flat

GDP GROWTH



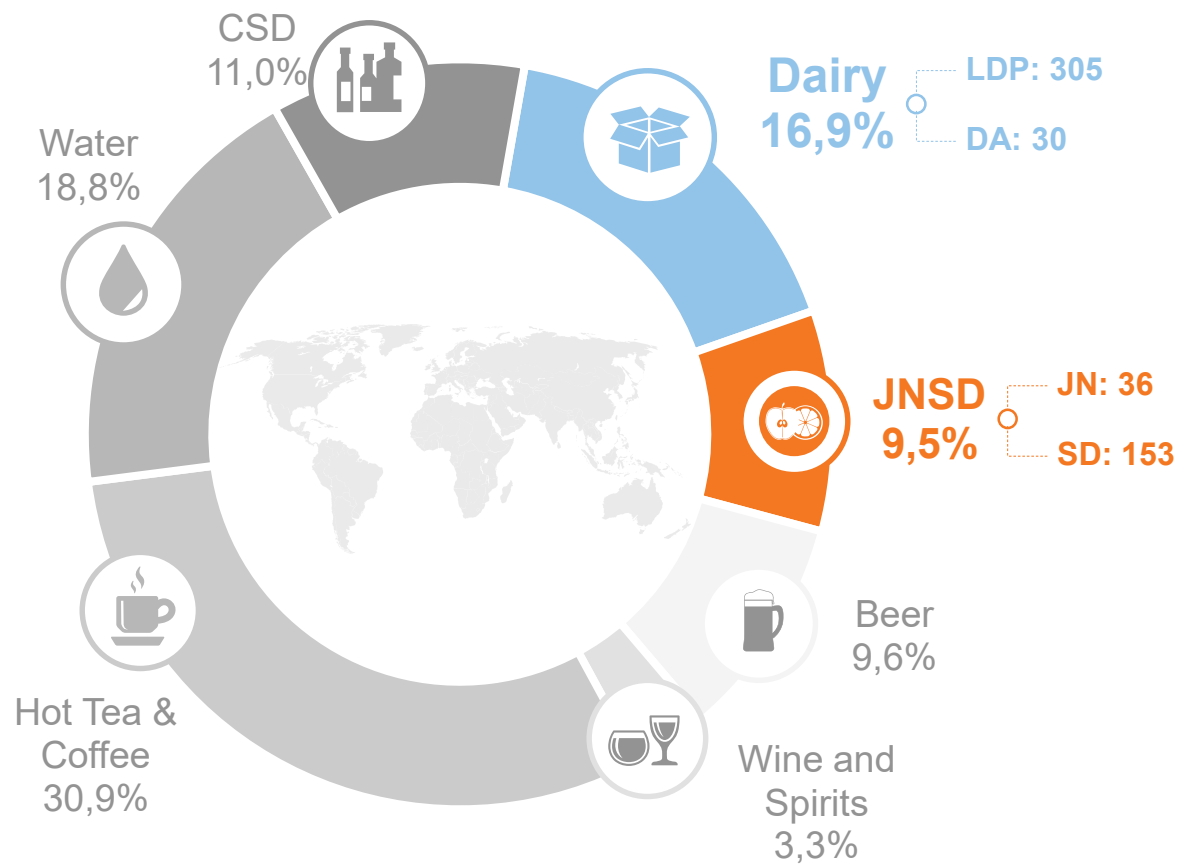


Dairy and Juices, Nectars and Still Drinks (JNSD) account for 27% of global liquid food consumption

Modest growth of core categories puts pressure on carton packaging

World
(1,984)

Share %
Box nr. Bio Litres
2016



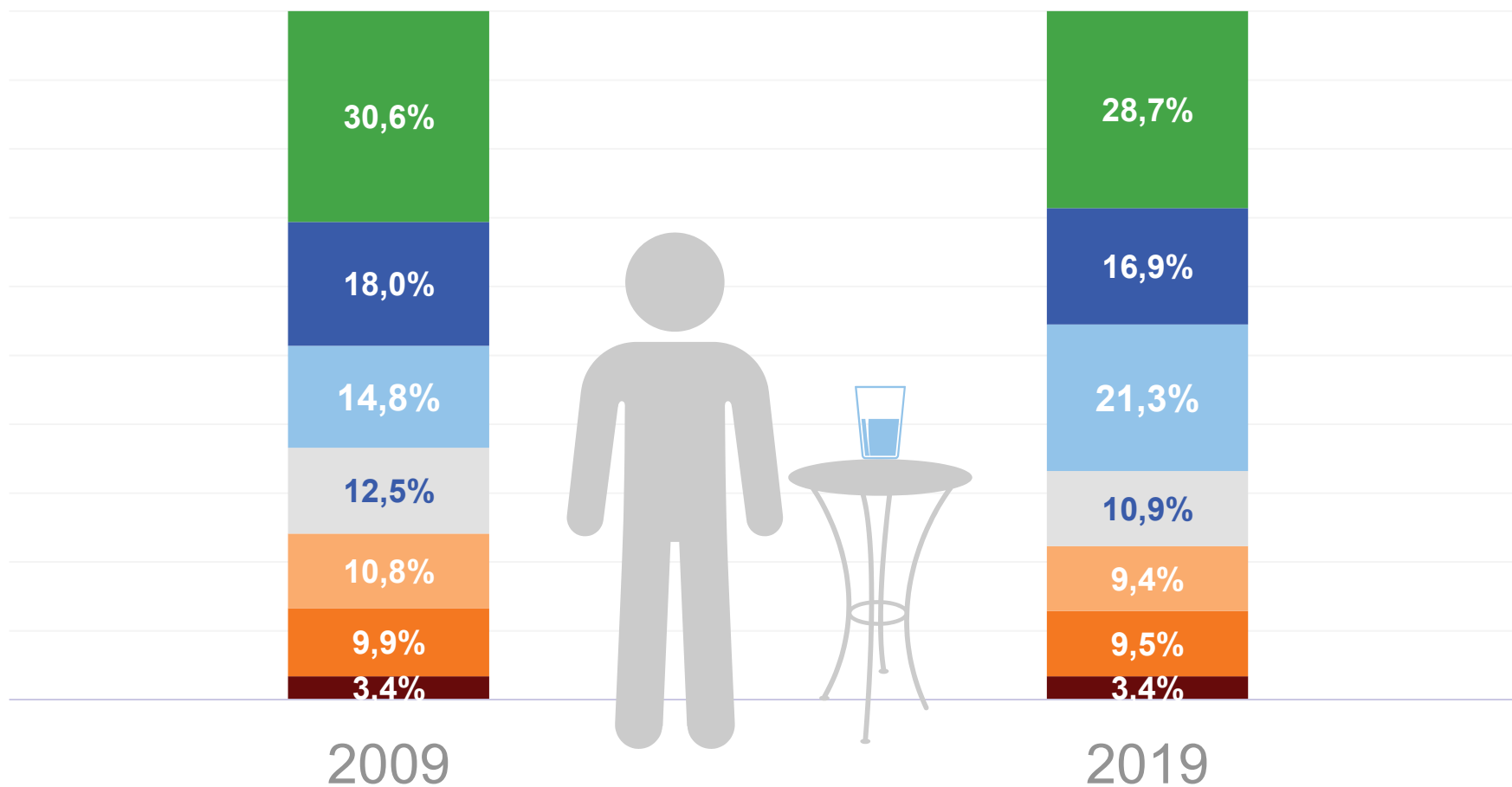
* CSD= Carbonated Soft Drinks | JNSD= Juice, Nectars & Still Drinks | Dairy= Liquid Dairy Products (LDP) + Dairy Alternatives



Water growth reflects shift in consumer habits

Opportunities in value-added segments

Share of Throat % // World, Mio Litres, 2009 vs. 2019

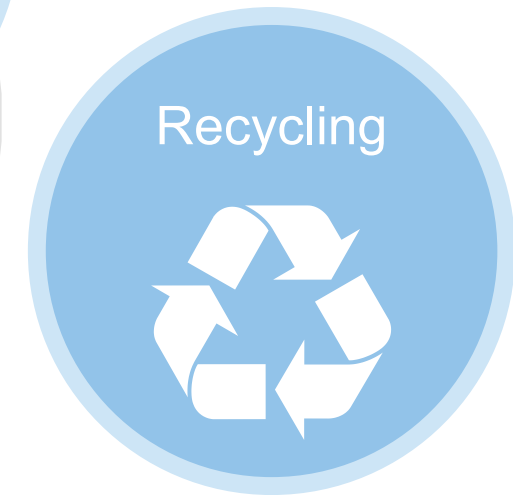
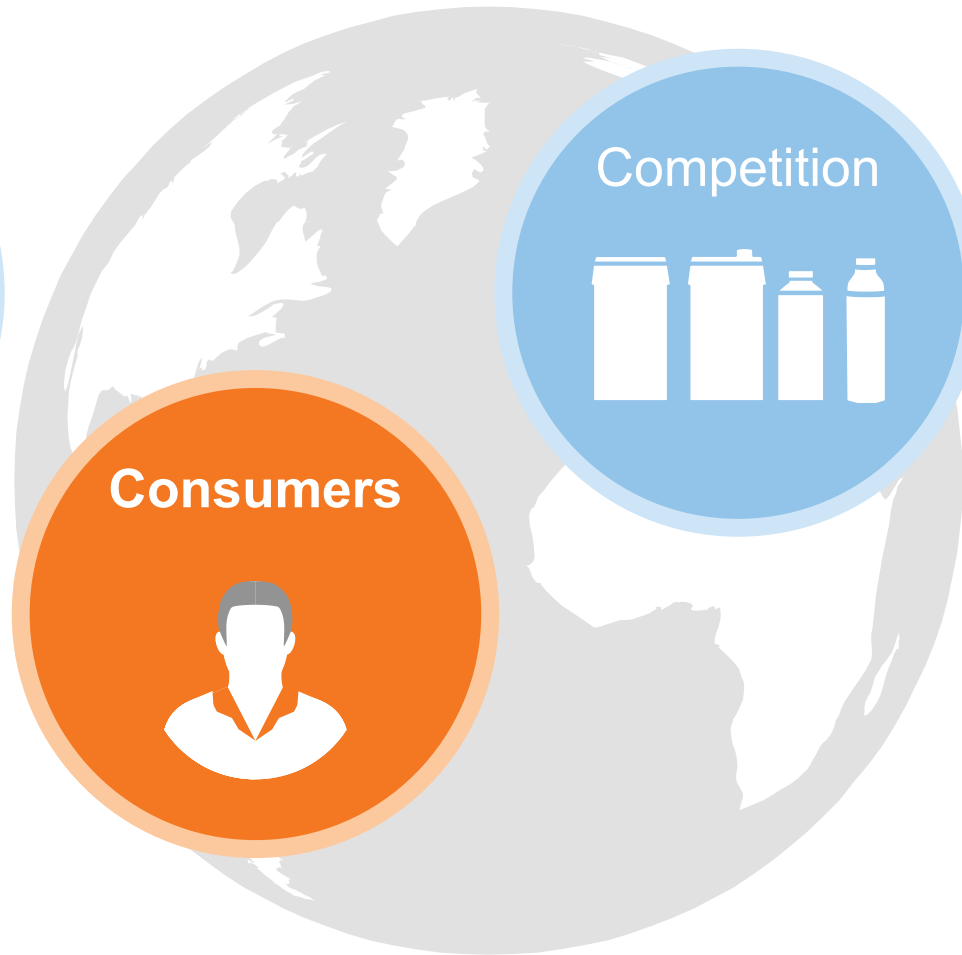


Category	Change %
Hot tea & Coffee	-1.9%
Dairy	-1.1%
Water	+6.5%
CSD	-1.6%
Beer	-1.4%
JNSD	-0.4%
Wine & Spirits	--



Market trends for fibre based packaging: **Consumers**

Focus on *improved functionality and features*





Global Consumer Trends 2017

Packaging, product content, and delivery innovation attract consumers

Me



EASY
LIVING



HEALTHY
BALANCE



CHOSEN
INDIVIDUALISM

Me & society



ME, US & OUR
PLANET



LOCAL POWER



TRADE UP TRADE
DOWN

Me & brands



EXPERIENCE
CHASING



HONESTLY
SPEAKING

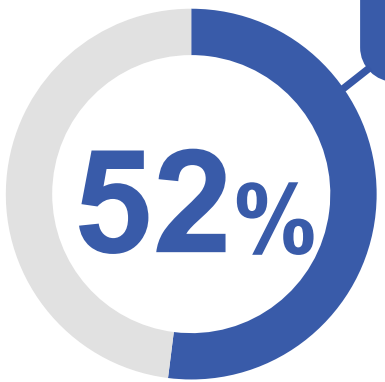


REAL
CONNECTION

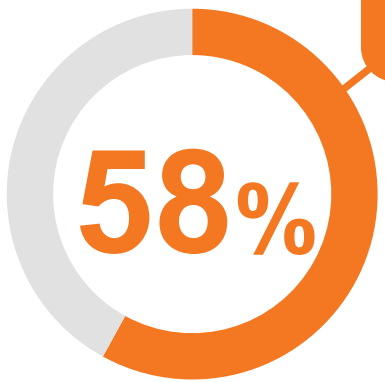


Examples of where we innovate to meet consumer trends

Convenience, a greener life, interaction with brands



Globally who sip a drink while walking or driving OR eat on the go weekly or more



Of connected consumers access branded content on social media



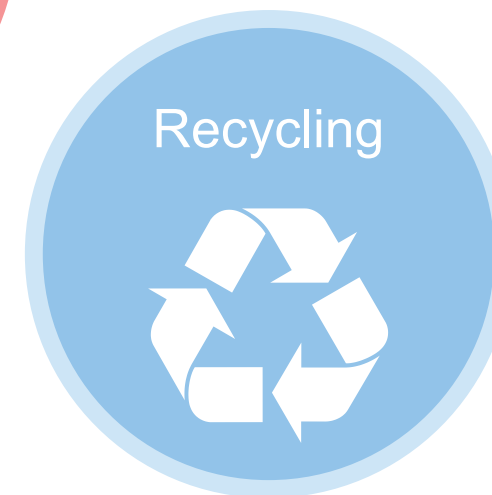
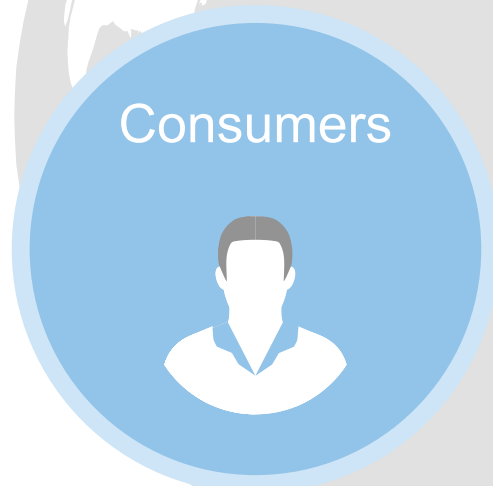
CAGR 13-16 for Rice, Nuts & Seed Based Drinks in Developing





Market trends for fibre based packaging: **Competition**

Focus on *lower cost with improved performance*





Carton packaging challenged most by PET

We must deliver new formats and innovative features while reducing cost



Carton

Product Quality & Food Safety

Environment

CAPEX

System Cost

Consumer likeability

Cost/Profitability



PET



The value chain challenges that we need to accelerate to meet an increasingly competitive environment





What we've done...

... invested in market understanding, focused efforts on relevant categories

Demographics

CONSUMER GENERATIONS

MILLENNIALS

New Categories

HOW TO WIN AT PLANT BASED Toolkit

New Consumer Needs

HOW CAN WE BETTER HELP CONSUMERS MANAGE THEIR ENERGY NEEDS?

Energy Management Toolkit



Customer Innovation Centres

4 CUSTOMER INNOVATION CENTRES // 400 visits YTD 2017





...and we deliver many new product launches

It is vital to continue to do so





Market trends for fibre based packaging: **Recycling**

Focus on *easier recyclability of paperboard* & *Support in end-user markets*





Key success factors to increase recycling

Increase consumer awareness



Support collection & sorting infrastructure



Boost business opportunities for recycling entrepreneurs



Expand market opportunities for recycled materials





Carton recyclability under scrutiny

Need to innovate, redesign, improve collection/recycling

Government policies

Closed loop and easy-to-recycle legislation affect multi-layer packaging

Marine debris litter focus is on plastics but cartons not immune

Shifting ownership & control of material

New players compete to control collection and recycling

Shift of control may dictate what is collected for recycling

Plastics industry collaborating together

Economies of scale benefiting plastics industry
PET working to solve opaque PET milk bottles



*On average of all Tetra Pak cartons



Our aim is to offer a 100% renewable, aseptic package

We will increase the use of renewable materials in our packaging

Key elements:
Increase paperboard content
Use bio-based polymers
Develop renewable barrier materials



73%
RENEWABLE
MATERIALS



Carton packaging
TODAY

← and in the
FUTURE →

100%
RENEWABLE
MATERIALS



*Refers to Tetra Pak aseptic cartons



Market trends for fibre based packaging

How you can help



Improved functionality & features



Lower cost with improved performance

Support in end-user markets
Easier recyclability of paperboard



