

A specialist slant on general line

With acquisitions, and investment in a major new plant for its core general-line production, Germany's Blechwarenfabrik Limburg shows an adventurous streak. Paul Gander reports

We are so used to seeing confident buy-outs and sizeable investment being made by public, multinational companies, typically supplying the food and drink sector, that we forget just how vibrant the privately-owned, specialist segment of the industry can be. One such business, currently showing a hunger for acquisition and investment, is Germany-based general line and aerosol can producer Blechwarenfabrik Limburg (BL).

In May this year, the company announced the acquisition of Baltic Packaging AS, a manufacturer of cans for paints and varnishes, based in Kastrup, a suburb of Copenhagen in Denmark. BL, which also has plants in Poland and Russia as well as in Germany, benefits from this further expansion in a number of ways.

First, says chief executive Hugo Trappmann, the link-up with Baltic creates new opportunities, thanks to the new stability it provides for this company, which has an impressive tradition. "Together, we can supply the biggest portfolio of quality metal packaging, with a high level of local

Hugo Trappmann: 'To stay at the forefront of [technological progress], we need new infrastructure'. His Limburg factory has seen €30m of new investment



service, to the Scandinavian market," he says.

At the same time, the deal gives BL ownership of some specific pack designs. "For example, the Consafe line, especially given recent enhancements to the Consafe X and the EasyLid, is a fantastic sustainable product that we can now offer to our customers," says Trappmann.

Baltic's Consafe range of stacking pails is complemented by a variety of patented lid systems, including Consafe X – with its higher levels of UN approval for containers used for the transport of dangerous goods – and EasyLid, said to



combine ease of opening and reclosing with a reliable airtight seal.

Meanwhile, BL has invested what Trappmann calls the "courageous" sum of more than €30 million (US \$34.8m) on a new site just outside its home city of Limburg in Germany. "It is a major step in the 146-year history of BL," he explains. "We are in the process of moving most of our production from the plant in the city, which has grown over the years to its maximum extent, to a new industrial area of the city."

The majority of the old factory buildings will be redeveloped for other purposes.

Trappmann says: "We see a 'big leap' coming up, in terms of technological progress and linked possibilities. To stay at the forefront of this development, we needed new infrastructure."





BL uses a Billhöfer film laminator (pictured above) to apply PET to sheets which provides greater chemical resistance to cans made from the material, and ties in with products (shown right) made on its ModuPro production line

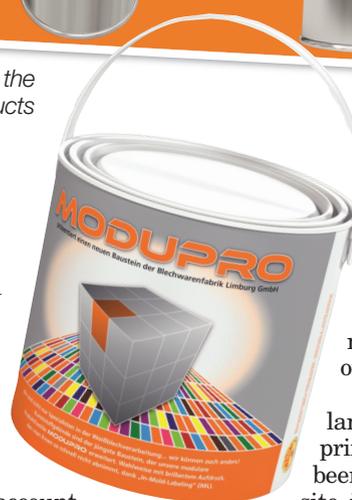


It might appear surprising that the nominal area of the new plant is 25,000 square metres, compared with 40,000sqm in the old factory. But he explains that this is partly to do with far more efficient production in the new premises, and partly takes account of areas in the old factory that could not be utilised.

The emphasis is on efficiency. Trappmann will not disclose current volumes or other company data, but points out that, since only existing general-line can and end production lines (20 of them) will be installed in the new factory, and new coating and printing lines will replace – rather than add to – the old equipment, there will be no leap in output.

Focus on efficiency

He adds: “The new infrastructure and processes may in fact increase output,



but growing is not our focus. Our focus is on efficiency. We don't think that endless growth is a sustainable way [forward], whether for our organisation, the market, the economy – or the world.”

Currently, new laminating, coating and printing equipment has been installed at the new site, including two KBA-MetalPrint lines: a MetalStar 3 press and a MetalCoat 483 coater. All general-line production will have been moved to the new site by the end of 2019.

Should BL's views on production capacity change, Trappmann implies that there is space for further factory extensions on the out-of-town site. As he puts it: “We have kept our options open.”

Critically, while expansion into Denmark and continued investment in the Polish plant are helping to support growth in these and other European markets, the Limburg investment is aimed at core, quality-focused German markets. But, as Trappmann makes

clear, the two sides to the business cannot always be separated. “We're seeing lots of consolidation among our customers, so we're increasingly being asked to supply across Europe.”

This need for pan-European reach is, at least in part, met by BL's involvement (along with Giorgio Fanti SpA in Italy) in the trading company Innovative Canmakers Europe (ICE). Trappmann explains some of the thinking behind the alliance, which dates back to 2007: “The general line market in Europe is quite fragmented. So, for example, for certain types of metal packaging, a triple-tight lid would be used in southern Europe, while a reverse-lever system would be applied in northern Europe. Being a part of ICE means we do not need to invest in producing all these variants.”

Another way of thinking about a trading alliance like ICE is as a way of creating “intelligent logistics solutions all over Europe”, he says.

He is not aware of other trading companies operating in the same way, and emphasises how the success of ICE comes down to the deep level of trust and friendship between the families managing each of the two businesses.

‘Family’ is certainly important at BL. The current major strategic adjustments are all the more impressive given that Hugo Trappmann, now aged 35, took over from his father (also Hugo Trappmann) as chief executive just three and a half years ago. He joined the company only three years before that, after completing his university education. He studied industrial engineering to Master's level at Tsinghua University, China, followed by an MBA in economics in Aachen, Germany. His first three years in the company were spent managing BL's small pail plant near Köln, Germany.

Aerosol operations

Trappmann's engineering studies will have been put through their paces by the wide range of packaging produced at BL and by the variety of processes the company has under its roof. As well as general line metal packaging, the company has an aerosol can print and manufacturing operation, Aerosol Dosen Limburg (ADL), on its main site. This was set up as a joint venture with France-based canmaker Massilly in 2013, with a single line producing up to 45 million cans a year.

PROFILE

“At the moment, we’re in the process of investing in a second aerosol line,” says Trappmann. “It’s a highly competitive market, and prices are not very strong. But it’s an extremely sensitive product, and we are able to meet the quality needs of demanding customers. There are not so many suppliers of aerosol cans in Germany, and German customers tend to like German suppliers, with the reassurance that they adhere to all the necessary regulatory and quality considerations.”

BL is also investing in other parts of the production process. Just over a decade ago, the company purchased a Billhöfer film laminator. There were, initially, “huge problems” in achieving the desired results, Trappmann reports, requiring “a lot of adjustments”.

Out of this development process has come LIFOKA (Limburger Folien Kaschierung or ‘Limburg film lamination’), applying polyethylene terephthalate (PET) as the laminate for the sheets rather than coils. “This gives us much greater flexibility in production, and the ability to produce the many variants that we need,” he explains.

Initially, the focus for lamination was



for components, such as rings and lids, for hybrid cans. “Today, we can provide our complete product range fully internally-laminated; not only the components, but also the bodies of the cans, rectangulars as well as pails,” says Trappmann.

The LIFOKA solution offers customers a far wider range of chemical resistance across a variety of aggressive liquids. At the same time, by providing a more comprehensive answer than the different types of lacquer typically applied to packaging of this sort, he argues, PET lamination allows

customers to rationalise their inventory.

In this area of technology, too, success has justified fresh capital investment for the new site. “We are in the ramp-up phase with our second lamination line,” says Trappmann, pointing out that installing heavy equipment of this sort as part of a new factory build is far easier than moving it on to an existing site.

BL’s capabilities with the LIFOKA lamination tie into its ModuPro modular product line. This means that cans or pails of the same dimensions can be offered as full plastic, a plastic-metal hybrid or laminated metal packaging. This way, the combination of materials in a pack can vary according to the needs of the filled product, while minimising filling line set-up times. BL also produces its own plastics packaging.

Trappmann reports “very challenging” trading conditions in the Russian market, where BL has a plant, though the Polish site is “doing very well”. The company is investing there, as well as in the new Limburg factory, but has no current plans to set up or acquire additional production capacity outside Germany.



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