

## **Velvet CARE boosts 2022 sales by 57% to record PLN 1.3 billion, as paper producer sees further organic growth, acquisitions**

*Central Europe's fastest-growing maker of consumer tissue products increases revenue fivefold since 2013*

**Klucze, Poland, April 19 2023 – Velvet CARE increased its 2022 revenue by 57% to a record PLN 1.3 billion (€280 million) as the Polish company owned by Abris Capital Partners, the ESG transformation specialist private equity investor, pursues its goal of becoming a regional leader in manufacturing of consumer tissue products.**

Growth remained strong in the first quarter of 2023, with sales rising 56% to PLN 407 million. The figures include sales from Moracell, the top Czech consumer tissue producer, which Velvet CARE bought in 2020. Revenue has increased fivefold from the PLN 260 million posted in 2013, when the company was established through a management buyout of a Kimberly Clark unit, and both investment and revenue growth have accelerated since Abris acquired the company in 2018.

“Our recent acquisition puts us in the lead in our industry in Central Europe, and we’re still growing,” said Velvet CARE Chief Executive Artur Pielak. “This will be a year of building scale and maximising synergies to ensure our newly expanded group continues on its development path. Another priority for 2023 is continuing to pursue our ambitious ESG strategy.”

The Velvet CARE group, which employs a total of 850 people in Poland and the Czech Republic, is the Polish market leader in branded consumer tissue products. Its factory in Klucze, southern Poland, is Central Europe’s most modern and one of the most efficient in Europe, with three tissue machines. The group operates a total of 19 converting lines that turn out toilet paper, kitchen towels and hygiene facial tissues.

Velvet CARE is well positioned to address the challenges the industry is facing this year, including inflation, supply chain issues, record high energy prices and currency fluctuations, Pielak said.

“We’re continuing to implement our strategy of expanding exports, which gives us a natural hedge against currency movements,” Pielak added. “More than half of our revenue is in zlotys, while we buy cellulose in foreign currencies, and the prices of electricity and gas are tied to the dollar. We’re also implementing a comprehensive procurement policy to help us deal with these headwinds.”

In 2020 the company adopted a five-year sustainability agenda. Velvet CARE has achieved sustainable and responsible sourcing of cellulose for its products, from forests with FSC® (license number C119667) and PEFC (license number PEFC/32-31-086) certification. Since

2013 the company has cut water usage by more than 40% by increasing reuse, and has achieved a reduction in CO2 emissions of more than 48% per tonne of tissue produced.

“As an investor dedicated to implementing high ESG standards in all of our portfolio companies, Abris is particularly proud of Velvet CARE’s progress toward its ambitious goals,” said Monika Nachyła, a partner at the fund. “For 2023, the priorities will be further carbon footprint neutrality, diversity, equity and inclusion initiatives, GRI reporting and working on B Corp certification.”

Velvet CARE plans further investment through 2025 at its facilities in Central Europe. In addition to organic growth, the company also remains open to further acquisitions in the region.

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*Founded in 2013, with roots stretching back more than a century, Velvet CARE makes toilet paper, kitchen towels and facial tissue, and is the Polish market leader in branded paper hygiene products. The company has total annual capacity of more than 150,000 tonnes, and sells its products in about 30 countries.*

*Velvet CARE’s main production facility in Klucze, southern Poland, was founded in 1897. It was acquired by International Paper during Poland’s transition from communism in the mid-1990s. In 2003, the investor sold the company to fellow US-based giant Kimberly-Clark. The current company was established 10 years later in a management buyout, and acquired by the private equity fund Abris Capital Partners in 2018. Velvet CARE has production facilities in two locations: Klucze in southern Poland, and its Moracell unit in Žabčice, near Brno in the Czech Republic.*

*The Klucze paper plant is one of the largest in Central Europe, with almost 100,000 square metres of production and warehouse buildings on 40 hectares of land. Since 2016 it has been part of the Krakow Technology Park special economic zone, qualifying it for investment incentives.*