

CFT

MAGAZINE

GOING PUBLIC

VIETNAM

Lavifood

ANDALUSIA

PKS CFT Iberica

ORGANIC

Alce Nero

VERY ITALIAN
Proud of our Roots
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DEAR READER

CFT GROUP HAS GONE THROUGH NUMEROUS CHANGES IN THE RECENT YEARS, THANKS TO A LONG SERIES OF ACQUISITIONS WHICH HAVE DETERMINED A CONSIDERABLE GROWTH FOR THE WHOLE COMPANY, BOTH STRUCTURALLY AND FINANCIALLY.

With these acquisitions, CFT Group continues to pursue its diversification strategy, further strengthening its competitive positioning in the Food & Beverage sector. In particular, thanks to Comac's acquisition, the Group aims at completing its current commercial offer, consisting of premium brewing plants currently supplied through the German subsidiary Rolec Prozess und Brautechnik GmbH and glass/cans fillers featuring high speed, with a complete range of compact filling machines and keg systems, in whose production Comac is the market leader.

Regarding the Processing sector, an important goal has been reached with the entry of Milk Project into CFT Group's family. Due to its wide range of machines specific for cheese handling and production, the Company has expanded its Milk & Dairy portfolio to be able to meet different customers' requirements and needs.

This year was an important one also for the Group's End of Line Division, which saw the Spanish Group PKS becoming part of the Company and integrating the wide range of CFT Group's palletizing and de-palletizing systems with a wide offer of Secondary Packaging premium machines, such as wraparounds, shrinkwrappers and combi ones.

From a financial point of view, the turning point has been the completion of the recent business combination with Glenalta Group, which allowed CFT Group to be listed on AIM ITALIA. Following this merger, the Company will benefit from new financial resources, up to euro 88 million, which will accelerate its development plans and enable some targeted acquisitions.

But let's leave the floor to **Mr. Alessandro Merusi, CEO of CFT Group**, to ask him a few questions about all these issues.

-Mr. Merusi, how do you think CFT Group is going to evolve in the very next future? Will the Group pursue this merging/acquisition policy in the fol-

lowing years?

If a good proxy to forecast the future is to look back at what done in the past, I can certainly say that we will continue in our growth path since started in 2000, with even more boost considering the strength of our current financial structure.

Moreover, we have to say that all the acquisitions we have performed in the recent years are part of a full range strategy of diversification and strengthening with the main aim of mitigating the market risk by limiting the exposure to the cyclicity of specific businesses as well as by increasing competitiveness. Therefore, on the basis of the same strategy and taking into account the market opportunities as well as the macroeconomic context of the next years, we will try to continue applying our recipe in order to improve our ability to face successfully the future challenges.

-In this age of globalization and internationalization, what do you think the strengths of CFT Group consist of?

Despite everybody talks about the age of "internet of things", which is certainly true, I strongly believe that the main asset of our company consists still of the people who, with passion and motivation, everyday engineer our products, solve the daily problems and serve our customers with the same care I would use. Starting from this and taking into account that CFT Group realizes about 90% of its business out of Italy, one of the main strength is certainly the ability to act locally in Italy, in Spain, in Germany, in US, in Ukraine, where our main engineering and manufacturing branches are located and, at the same time, to be present all over the world with a sale and technical organization able to listen and understand our customer's needs as well as to get the problems solved in quick and flexible way.

-CFT Group is the perfect supplier for food and beverage producers operating in different sector within the Food Industry. Which sectors will be particularly characterized by a considerable growth in the coming years? Why?

In general food & beverage industry is a growing market basically driven by certain megatrends which, despite the volatility of the short term macroeconomic context, are well defined and will guarantee a long-term stability, such as the population growth,

the urbanization trend, the growth of the middle class as well as the energy scarcity.

In the light of the above, CFT group, with its widely diversified product's portfolio is definitely well positioned to benefit of the these trends, looking positively to the future. Moreover, there are specific applications which we believe will grow more than others, like sorting, robotics and secondary packaging, since they will strongly provide the main food and beverage producers with technical solutions able to guarantee safety, quality and cost optimization.

-What special projects did CFT Group work on this year?

On top of the listing process, the internal growth and the strategic operating projects we have carried forward during 2018, we have succeeded in completing four acquisitions (i.e Comac, Pks, Adr and Milk Project) with an extra effort in order to get everything finalized in due time to benefit of the positive momentum.

Now that the first step has been completed, the game is just ready to start, since we need to work on the integration phase, both under the commercial and operational standpoint, in order to leverage on the acquired capabilities extracting all the potential synergies across our group's companies.

-Let's talk about numbers and figures. How much CFT Group's turnover has increased in the last five years? Can you say what were the determining factors that led to these results?

Just talking about figures: consolidated turnover of CFT Group has grown from about 120 mln eur in 2012 to about 207 mln euro in 2017, with a further expected growth in 2018 to a level of about 240 mln eur, with a double digit growth rate. Out of that, basically about 70 mln eur are related to organic growth while a net amount of 50 mln eur has been driven by acquisitions, of which 69 mln eur of investments and 19 mln eur of divestments. Focusing on the internal growth, the most significant contributions have come respectively from the beer and the fruit & vegetables sectors, where a key role has been played by the sorting business led by Raytec Vision, with a strong double digit growth rate over the past five years.

-You have just entered the stock market through the merger with Glenalta Group. Where do you think this "business combination" will bring you? What results do you think you will be able to achieve?

First of all we have decided to enter into the stock market to get the resources needed to finance our internal and external growth strategy. Under the practical standpoint, the business combination with



Glenalta has been just a shortcut in order to accelerate the process and to save some costs in comparison with a traditional IPO. Said that, leveraging on our strong financial structure as well as on an additional 100 mln eur credit line facility recently signed, we believe to be well positioned in order to benefit of the positive megatrends and key drivers for strengthening our position as leading consolidator of processing, packaging and sorting technologies in the food and beverage machinery industry.

COVER

GOING PUBLIC

CFT GROUP TO BE LISTED ON THE STOCK EXCHANGE TO ACCELERATE GROWTH AND IMPROVE PROFITABILITY

The Emilian Group will be listed on AIM Italia, and thanks to an injection of EUR 80 million with the completion of the business combination with Spac Glenalta, it can now pursue its development strategies with renewed energy. Organic growth will play an important part in this strategy, helped also by increased investment in R&D, in Sorting and Robotics, as well as by Mergers & Acquisitions, an area in which CFT Group has already shown significant expertise. Targeted acquisitions to be made in specific areas of the business. These strategies will allow us to achieve our ambitious targets for 2022: revenues in excess of EUR 350 million and an Ebitda margin between 10 and 11 per cent.

THE OUTLOOK FOR THE NEAR FUTURE IS POSITIVE

Based on this, CFT Group expects to achieve a turnover of EUR 350 million in 2022 with a margin between 10 and 11 per cent, representing an adjusted Ebitda of at least EUR 35 million.

In doing so, the Group will benefit from a macroeconomic scenario that, according to Alessandro Merusi, “enables us to look towards the future with cautious optimism. In fact, the population of the world and the middle-class are growing and boosting the food & beverage market, particularly with regards to ready-made meals and fresh-cut fruit and vegetables.”

Moreover, “all of our businesses have seen a growing demand for high-quality products as well as for improved food safety standards, which are increasingly important in order to help enhance our reputation and increase our customers’ brand awareness. This

trend is boosting our sorting division, where we have seen an annual increase of 10% in volume.”

For this reason, explains the Managing Director, “we are making significant investments in the sector in order to be able to sustain this growth in the mid term.” Business combination to stimulate growth

Our Mergers & Acquisitions activities are therefore focused on these areas, including a series of smaller transactions which have been carefully selected based on synergies. These activities, according to management forecasts, should contribute to an increase in turnover equalling EUR 60-70 million between now and 2022.

To support these transactions CFT Group has chosen to be listed on the Stock market through our business combination with spac Glenalta last July, which provided us with extra capital of approximately EUR 80 million.

The sector in which CFT Group operates lends itself to this type of strategy thanks to the range of opportunities available in a fragmented market and with different players who can easily be incorporated into a consolidated business.

“We therefore decided to move in this direction,” – explained the Managing Director – “we were aware that the advantage of acquiring financial resources goes hand in hand with the need to spend them appropriately in order to achieve growth in line with our strategy.”

Faced with the accelerated development often required by the market, CFT Group’s response is “a logic of growth through acquisitions which aims to incorporate target businesses that are compatible with our business activities, assuming the price and the numbers are acceptable. In fact we must spend our resources carefully, avoiding competitive auctions, and ensuring a good return on our investment in the mid term.”

2018 – FOUR ACQUISITIONS AND TURNOVER OF EUR 240 MILLION

M&A transactions have characterised the current year, in which CFT Group has completed four acquisitions: Comac (61.72% for EUR 25 million), Packaging del Sur – PKS (51% for EUR 4 million), ADR (75% for EUR 2

mil-
lion)
and Milk
Project.

Of these, added the CEO, “the most important ones are Comac, operating in the beer-bottling sector, and PKS, operating in the secondary packaging sector (cartoning and bundling machines), as these involve key technologies which we didn’t have in our group.”

These acquisitions “have enabled us to extend our product portfolio both from an “offensive” and a “defensive” perspective, preventing others from stealing them from us and therefore gaining ground on us.” Internally, on the other hand, the Group has continued to invest in Research and Development, particularly in the above-mentioned sectors of Sorting and Robotics.

These efforts should enable the Group to reach the 2018 targets, by achieving revenues of EUR 240 million with a margin of approximately 8.5 per cent. So far, in the first half of the year, CFT Group has recorded revenues of EUR 122 million, an Ebitda of EUR 10.8 million and an adjusted net profit, taking account of amortised start-up costs, of EUR 4.4 million. Our net financial position, on the other hand, increased by EUR 8 million.

OUTLOOK

The estimates by CFT management indicate an increase in turnover from EUR 240 million expected for 2018 up to over EUR 350 million expected for 2022.

Of this EUR 100 million plus increase, EUR 60-70 million will be generated by mergers and business synergies created through our M&A activities targeting mainly small-sized companies.

The remainder will be generated by organic growth at an estimated average annual rate of approximately 4% focusing on our above-mentioned research and development activities, in sorting and robotics and on core business development.

In general, our growth is expected to benefit from the strengthening of the business cycle which in the last two years has seen around 15% coming from earnings from After Sales, 25% from the sale of single machines and the remaining from complete lines.

CFT Group intends to increase the turnover from the first two segments, by increasing its offer of complete lines, including installing machines using our technology thanks to the investments we have made in R&D and acquisitions.

As a result, there will be a higher demand for single machines, with higher margins compared with complete lines, which, in turn will result in an increase in the demand for After Sales services, which are extremely profitable.

The increase in turnover should take profitability from an estimated 8.5% in 2018 up to 10-11% in 2022, with a growth of approximately 200 basis points.

Half of this will come from organic growth, as described above, thanks to higher efficiency in purchasing, industrial synergies, and an enhanced product mix, with less focus on areas with low-profit margins in favour of those with higher margins such as single machines.

The other half will come from higher profitability and the recovery of the technological gap facilitated by the M&A strategy.



LAVIFOOD

View on Ho Chi Minh City

Vietnam's DEVELOPMENT record over the past 30 years is remarkable. Economic and political reforms under Đổi Mới, launched in 1986, have spurred rapid economic growth and development and transformed Vietnam from one of the world's poorest nations to a lower middle-income country.

Vietnam ECONOMY IS QUITE PERFORMANT, propelled by the sustained global recovery and continued domestic reforms. Robust growth is boosting job creation and income growth, leading to broad-based welfare gains and poverty reduction. Vietnam's gross domestic product (GDP) is estimated to have increased by 7.1 percent (y/y) in the first half of 2018.

Vietnam's medium-term outlook has improved further. Real GDP is now projected to expand by 6.8 percent in 2018 before moderating to 6.6 percent in 2019 and 6.5 percent in 2020 due to the envisaged cyclical moderation of global demand. Despite reduced slack in the economy, inflation is expected to remain around the 4 percent government target, predicated on some tightening of the monetary stance to counter price pressures emanating from

domestic input price pressures and rising global commodity prices.

The country is experiencing rapid DEMOGRAPHIC and SOCIAL change. After years of growth, Vietnam's population reached about 95 million in 2017 (up from about 60 million in 1986) and is expected to expand to 120 million before tailing off around 2050. Currently, 70 percent of the population is

areas is above 95 percent.

GENDER GAPS are narrowing. In 2015, female-headed households in Vietnam were less likely to be poor than male-headed households and primary and junior secondary school net enrolment rates are practically equal for boys and girls. There are more female students attending school than male at the upper secondary and tertiary education levels. From 1990 to



under 35 years of age, with a life expectancy of close to 73 years.

Access to household infrastructures has improved dramatically. In 2016, 99 percent of the population used electricity as their main source of lighting, up from 14 percent in 1993. In rural areas, in 2016, 77 percent of the population had access to sanitation facilities—compared to 36 percent in 1993. Rural access to clean water has also improved, up from 17 percent in 1993 to 70 percent in 2016. Access to these services in urban

2015, the maternal mortality rate fell from 233 to 58.3 deaths per 100,000 live births and infant mortality dropped from 44 deaths per 1000 live births to 15—with no difference between boy and girl infants. Women's economic empowerment has also steadily improved in Vietnam over the past decade. Women's labor force participation rate is within 10 percent of that of men, which is a smaller gap than that found in most other countries. Nevertheless, some gaps persist—particularly regarding

women's access to high level leadership positions and women ethnic minorities. There is also a significant imbalance in the sex ratio at birth.

<https://www.travelmanagers.com.au/destinations/vietnam/top-5-places-to-visit-in-vietnam/>

<https://www.roughguides.com/gallery/the-10-most-beautiful-places-in-vietnam-as-voted-by-you/>

<http://www.worldbank.org/en/country/vietnam/overview>

<https://www.planetware.com/tourist-attractions/vietnam-vie.htm>



YOU CAN'T MISS...

HA LONG BAY

Vietnam's most recognised landscape, boasting over 1,600 limestone islands and islets, is located in northern Vietnam. The UNESCO-listed bay features a wide range of biodiversity, while the surrealistic scenery has been featured in plenty of films throughout the years.

HANOI

Asian and European influences blend together in Vietnam's capital city, which has been the centre of power for both local and foreign rulers over the centuries. Hoan Kiem Lake and the northern Old Quarter are among the best places to visit in Hanoi.

HO CHI MINH CITY (SAIGON)

It's the buzzing and crazy commercial hub of the country. The streets are an insane clog of motorbikes and cars, the restaurant and cafe scene is incredibly cosmopolitan. Ho Chi Minh City sits on the banks of the Saigon River, almost 1800km away from Hanoi, offering amazing adventures for those willing to explore.

HUE

Hue was the ancient capital of Vietnam, and features some of the country's most impressive historic monuments. Make sure you visit the Imperial City, a beautiful palace located next to the scenic Perfume River, and don't miss the Hue festival, an internationally renowned celebration of Vietnamese culture, art and food.

SA PA

This is the top trekking destination in Vietnam, with oodles of routes for hiking between tiny villages and staggering mountain views.

PHONG NHA-KE BANG NATIONAL PARK

One of the world's best caving destinations, this National Park is a terrific karst honeycombed mountain formation with huge caverns, which are home to superb stalactite and stalagmite displays. The most popular destination within the park is the Paradise Cave, which extends for 31 kilometers below ground.

MEKONG RIVER

The far south of Vietnam is where the mighty Mekong River finally finds its way to the sea in a maze of waterways that crisscross the floodplain. The river's spectacular delta is one of the most interesting regions to discover.

CUSTOMERS WORLDWIDE

LAVIFOOD

LAVIFOOD – CFT GROUP, THE HUSTLE AND BUSTLE OF THE FRUITS AND VEGETABLES

September 2017.

Think about New York, imagine a big river flowing through a tropical metropolis, add chatter between sellers and buyers, old friends catching up, new friends made.

And a very good coffee, everywhere.

It's busy for sure, but the hustle and bustle brings a life to this city that never sleeps.

I am in Ho Chi Min City, bustling with millions of people and scooters, in a seamless flow.

The taxi is driving through the rush hour traffic, to a meeting with a potential new customer.

December 2018.

Again, think about the Dutch countryside, but with a tropical atmosphere.

It is a water world where people, cattle, rivers, canals, roads, streams, paddies, buildings live together on the criss-cross landscape of the very same big river.

We are in the Mekong Delta, the "Rice Bowl" of Vietnam.



Behind the sandwich-panel doors of the factory, you can sneak a peek the Processing & Packaging halls.

There are machines running, and the hustle and bustle is created by fruit and vegetables being washed, squeezed and bottled.

You don't see many workers around, as the lines are fully automatic.

If you open the door, you can smell all the good flavors of mango and passion fruit, with a note of pineapple.

So, what happened in the last 14 months?

Lavifood is one of the most dynamic companies in the processing and exporting of Vietnam's high quality fruits, vegetables and agricultural products to the global market.

The management is young and energetic. And

they always brewed for me some very good coffee, at their office in Ho Chi Minh.

CFT is the world leader in fruit & vegetable processing and packaging, with installations and turn-key factories delivered in all the five continents, with a continuous search for quality and innovation.

We are head-quartered in Italy, with branches all over the world, and in Vietnam, of course.

Also, the management is young, energetic and committed.

And we can make really good espresso coffee.

Together, after heaps and heaps of coffees, we have achieved the completion of a turn-key new factory, built on 20.000 sqm area where a complete tropical fruit and vegetable processing line is at the center of Lavifood operations.

“ THE HUSTLE AND BUSTLE OF THE FRUITS AND VEGETABLES”



QR GEOLOCATION



QR WEB SITE



Imagine truckloads of fresh pineapples, dragonfruits, passion fruits, mangoes – all delivered to the reception and quality assessment zone.

The average throughput ranges from 5 to 10 tons of fresh fruit processed per hour. If you prefer bigger figures, this means 240 tons per day, every single day.

A handful of operators assist and coordinate the operations, as the line is fully automatic.

You will not see many people around.

Once the raw material, with all their colours enter the line, humans act as supervisors: all the different varieties of fruit are washed, selected, washed again, mangoes are destoned, pineapples are squeezed and each type is properly treated and transformed, by means of a state-of-the-art multipurpose line.

The juice, nectar and concentrate produced in the line are packed in aseptic drums and bag-in-box, to preserve all the fantastic qualities gifted by Mother Nature to the fruit of Vietnam: colour, flavor, aroma, texture.

But, this is just the beginning.

There is more to come, as Asia Pacific is the largest global region for juice consumption and Vietnam just sits in the centre of this part of the world. Many consumers choose juice as it is perceived to be a healthier choice. “Naturally healthy” is a rising niche and “Naturally healthy juice products” are available in Vietnam.

Making the best possible use of the complete range of juices and concentrate processed in the juice line, Lavifood commissioned to CFT two additional complete canning and bottling lines.

The PET bottling line and the juice canning line, suitable for juices and smoothies, have been designed according to the same guidelines of the processing operation: to preserve the outstanding quality of the fresh fruit of Vietnam, bringing to the consumers the best of taste, flavors and texture in their drink.

Again, over cups and cups of teas and coffees, with some beer as summer heat had started to kick in, we achieved together another success: these two lines are fully automatic, and it is very hard to spot for some operators on the ground, as the cans and bottles are washed, filled, closed, labelled and packed into carton, ready to be transferred to the warehouse, running at twelve thousand cans an hour.

In a stark contrast with the Processing Hall, the Packaging hall is almost quiet, as you can just listen to the cans travelling on the conveyors or the bottles being labelled and palletized. The good flavours and that kind of fruit scents cannot be sensed here, as they are all trapped for good – in the bottles, in the cans – to make customers happy.

A.Barbacini (Sales Area Manager)





ALCE NERO
La Ceseate

ORGAN

ORGANIC FOOD

Organic food is food produced by methods that comply with the standards of organic farming, which usually features practices that strive to cycle resources, promote ecological balance, and conserve biodiversity.

The term “**organic agriculture**” refers to a process that uses methods respectful of the environment from the production stages through handling and processing. Organic production is not merely concerned with a product, but also with the whole system used to produce and deliver the product to the ultimate consumer”. (FAO – fao.org)

HEALTH BENEFITS OF ORGANIC FOOD

Organic food consumers, manufacturers, and farmers strongly believe that organic food has the following benefits compared to conventional food.

ANTIOXIDANT CAPACITY

A number of studies have been completed regarding the effects of antioxidants from organic foods on overall health, and the predominant results have shown that antioxidants tend to have more of an impact when they come from organic foods¹. Recent research² suggests that choosing organic food can lead to increased intake of nutritionally desirable antioxidants and reduced exposure to toxic heavy metals.

PESTICIDE REDUCTION

One of the major complaints that organic food consumers cite when choosing organic over non-organic is the presence of pesticides³ containing powerful chemicals like organophosphorus, an unnatural mineral compound that has been connected to a number of developmen-

tal problems, including autism. For this reason, many people do choose to go organic to make sure that their children grow up healthy and unaffected by the toxins of the world during their developmental years.

OVERALL HEALTH

Since organic food is not prepared using chemical fertilizers, it does not contain any traces of these strong chemicals and does not affect the human body in negative ways ⁴. Natural fertilizers, like manure, work perfectly fine, and organic farmers are happy to use this smellier, yet safer form of fertilizer.

BETTER TASTE

Some people strongly believe that organic food tastes better than conventional food. Organic food is often sold locally, resulting in the availability of fresh produce in the market, which usually does taste better than produce that has been frozen, shipped, and transported across long distances.

ENVIRONMENTAL SAFETY

As harmful chemicals are not used in organic farming, there is minimal soil, air, and water pollution; thus ensuring a safer and healthier world for future generations to live in.

ANIMAL WELFARE

Animal welfare is an important aspect of producing organic milk, organic meat, organic poultry, and organic fish. People feel happy that the animals are not confined to a miserable caged life when they eat organic animal products.

1) http://organic.insightd.net/reportfiles/Antioxidant_SSR.pdf

2) <http://www.ncl.ac.uk/press.office/press.release/item/new-study-finds-significant-differences-between-organic-and-non-organic-food>

3) <https://europepmc.org/abstract/MED/20359265>

4) <https://www.sciencedirect.com/science/article/pii/S1573521411000054>

TOP 10 REASONS TO SUPPORT ORGANIC IN THE 21ST CENTURY*

1. Reduce The Toxic Load: Keep Chemicals Out of the Air, Water, Soil and our Bodies
2. Reduce if Not Eliminate Off Farm Pollution
3. Protect Future Generations
4. Build Healthy Soil
5. Taste Better and Truer Flavor
6. Assist Family Farmers of all Sizes
7. Avoid Hasty and Poor Science in Your Food
8. Eating with a Sense of Place
9. Promote Biodiversity
10. Celebrate the Culture of Agriculture

*Organic Trade Association (ota.com), Organic Farming Research Foundation (ofrr.org), Fresh Ideas Group (freshideagroup.com)

THE ORGANIC FOOD MARKET IS COSTANTLY GROWING

In the decade 2005-2014, organic retail sales in Europe have more than doubled, from € 11.1 billion to € 24 billion.

The organic market in Europe and in the United States is expected to grow at a compound annual rate of between 6.7% and 7.6% in the following years: a percentage that corresponds to around three times the rate of growth expected in general for food consumption.

source: clal.it on Rabobank data



ALCE NERO

CFT GROUP FOR ALCE NERO: plant-based drinks line

More and more consumers are looking for natural ingredients and nutritious drinks with less sugar.

The plant-based drinks have been experiencing an exponential growth trend in recent years, started as an alternative to cow's milk, and have now become the first choice for many consumers. From lactose intolerant to vegetarians and vegans, more and more people prefer these drinks for the wide choice of tastes and their natural digestibility.

According to Nielsen data*, attention to health is one of the growing trends, not only in large consumption but especially in the breakfast, market sector where organic products are increasingly required. "La Ceseate", a Company CFT Group has been working with since 1989, was founded in 1949 and has its headquarters located in Cesena (Italy). The Company since the beginning has chosen to produce fruits and vegetables-based preparations for the Italian organic market with the launch, in 2004, of the "Alce Nero" brand. Since 1978, Alce Nero has been committed to the organic sector, and today counts more than 1.000 beekeepers, farmers and processors in Italy and 14.000 worldwide, who produce finished vegetables and fruit-based products using only natural raw materials.



Alce Nero brand's products are the following:

- Fruit juices
- Plant based drinks
- Tomato (concentrated and diced)
- Fruit puree
- Fruit in pieces
- Canned food
- Semi-finished products for children

The complete line for the production of soy, rice and other plant-based drinks has been designed and manufactured by CFT Group for La Ceseate, and is a concentrate of high technology and reliability. This innovative system has been engineered to be able to process on the same line soy, rice, oats, spelt and almonds, ensuring low energy consumption, high yields in extraction and preservation of the organoleptic characteristics of the treated products. The processing line offers the following benefits:

- Reduction of downtime and processing costs: the line features command and management systems equipped with automatic valves, allowing to perform work operations in a short time. For example, a quick processing changeover from soybean to rice and viceversa can be performed with minimum production waste and safe washing cycles, leaving the plants free

of contaminating allergens.

- Easier maintenance: The control of the lines, normally performed through the on-board terminals of the machine, can also be centralized and can be equipped with systems for data acquisition and programming of production parameters, even by means of remote management system.

- Continuous monitoring of the whole process: An automation and supervision system of the line and the installed control devices permit to reduce energy consumption such as electricity and steam, with the result of reducing the environmental impact and optimizing the consumption of water for the process and the cooling of the product. These systems also make it possible to obtain a standardization of the final products, thus guaranteeing a constant quality over time.

- Perfect hygiene: automatic washing system to avoid cross-contamination

- High safety: The control and supervision

system as well as the ergonomic construction of the components of the line allow the operators to operate in complete safety, in compliance with the current laws regarding safety at work.

The "core" of the line is the automatic process of milling soybeans called Extramatic Milk for which CFT Group owns an European patent.

This process allows the milling of soybeans ensuring the complete elimination of powders, residual shells and other foreign bodies to soybean, as well as the removal of undesirable substances such as sugars and pigments present in the seed.

The main benefit of Extramatic Milk is given by a complete and effective rehydration of the seed before the milling process, with consequent improvement of the taste and healthiness of the drinks: a very high quality final product.

Following the trend of consuming plant-based drinks, milk production is constantly growing and Italy is one of the leading nations in the export of



Alce nero web site
QR Code



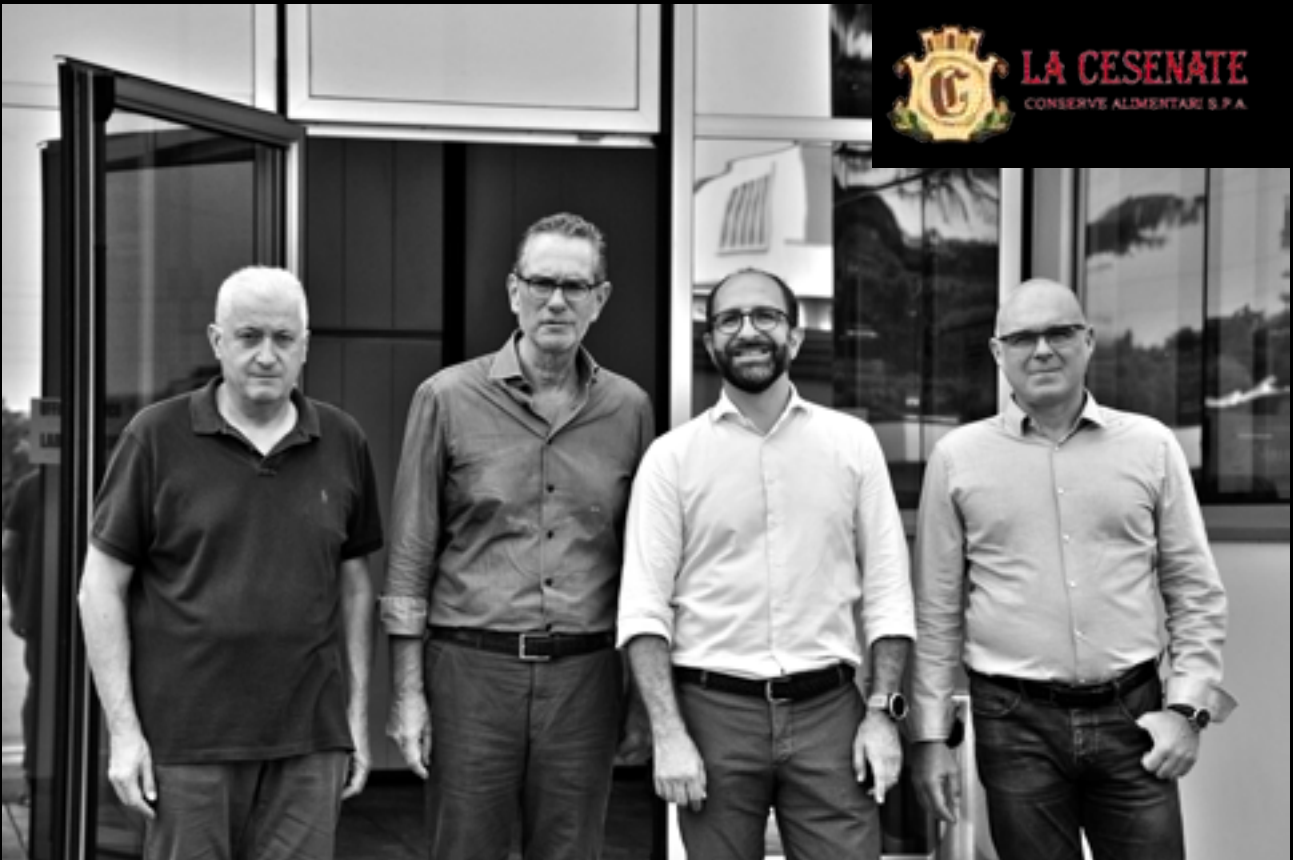
milk and derivatives products: in 2017 cheese exports have broken through the roof of 400 thousand tons for a total value of nearly 3 billion euros. Italy is the largest European exporter of cheese in non-EU countries, exceeding Germany and France in value**.

Moreover, Global Cheese Market is expected to reach \$164,338 million by 2023, from \$136,283 million in 2016, growing at a CAGR of 2.7% from 2017 to 2023***.

Within this context, the recent acquisition of Milk

Project company by CFT Group makes all sense, with CFT Group that aims to expand and complete its wide range of solutions portfolio, while consolidating its competitive positioning in the Dairy and Derivative Products Industry.

* Nielsen.com
** Assolatte.it
*** alliedmarketresearch.com



From the left Mr. Bellini, Mr. Santini and two members of our crew, Mr. Daniele Biancheri and Mr. Stefano Ciolli.



SADY PRIDONIA
Volgograd

BABY FOOD

FRUIT IS A MUST

Fruit is essential for the health of children since the beginning of their life, as it is rich in vitamins, fiber and minerals, which are fundamental nutrients for a healthy and balanced growth.

Fruit can be included into baby's diet in the form of puree as early as the 4th month of life. Obviously not all types of fruit are recommended at the beginning, but within 2 years children can already eat almost everything.

The vitamins intake due to eating fruit is essential for the assimilation of other substances such as proteins, sugars and fat, and works like an engine that allows to trigger some processes necessary for life. Since they are not synthesized autonomously by our body (except vitamin D which is produced by the skin thanks to the action of sun rays), vitamins must necessarily be introduced through feeding.

The Global Baby Food market is primarily driven by factors like a rise in the number of working parents, parental concerns about meeting their child's nutritional benefits and increase in the spending power of the people. Over the forecast period of 2018-2026, the market is likely to see a CAGR of 5.12%.

Source: <https://www.transparencymarketresearch.com/organic-food-market.html>



SADY PRIDONIA

Industrially prepared baby foods have been available in Russia for some time, with Russian mothers well disposed towards ready-made baby food that fits in with the pattern of their working days. Working days tend to be long, meaning that there is little time to prepare home-made baby foods. In both the cereals and baby meals sectors, consumption has centered on traditional Russian products, namely kashas (porridges) and fruit purées. As more foreign manufacturers have become involved in these sectors, the range of products has become more sophisticated.

Despite having entered the meals market only recently, local juice producer, Sady Pridonya, has become a major player with a share of 15%.

Sady Pridonya branded products are also mostly in glass jars but there is also a wide range which is filled in aseptic cartons.

The company's unique advantage is their own gardens in Volgograd, Penza and Saratov regions with total area over 7 ha. As a fruit-growing expert Sady Pridonya controls every stage of the tree growth from the moment of planting till harvesting.

The cooperation between Sady and CFT started in 2007 with the supply of a fruit and vegetables production line rated at 8 tons per hour.

The line capable to process several different type of fruits and vegetables natural puree took advantage of the recently developed Zenith Chrono system based on a specific focus on the product gentle treatment and as fast as possible enzyme inactivation.

Thanks to the first successful project in 2013 the two companies faced together a new challenge aimed at a premium quality baby food processing and filling into glass jars.

The heart of the processing solutions were the new designed preparation vessels called "Vulcano" designed to properly mix and warm up the vegetables or fruit based baby food before feeding them to an ultra clean filler.

The filling and packaging were engineered by a common team of Sady and CFT engineers to ensure the highest quality and the highest level of controls on the line for such a product.

In 2016 the long-lasting relationship was strengthened by a new contract based on the expansion of the fruit and vegetables processing capacity to cope with the high baby food demand.

Beside an increase on apple puree preparation the second line was conceived to process other vegetables such as zucchini, broccoli etc;

This new line based on the same zenith chrono technology has been also improved with an Air PROOF system to reduce the oxidation and the ascorbic acid concentration in the apple puree. More than this additional line was one of the first in the world following the "rubber free" concept avoiding the contact between the puree and rubber components which might affect the product final quality.

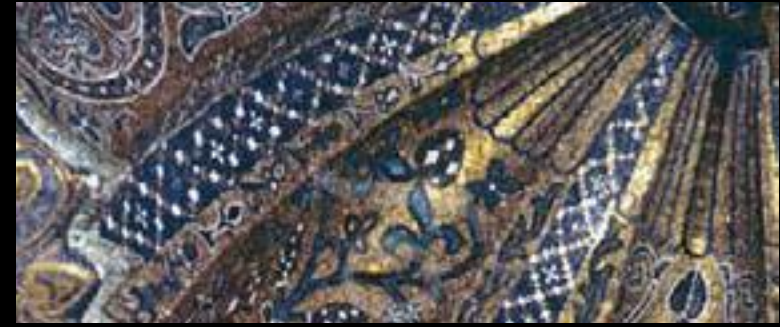
This means a natural product and more respecting of baby food specs.



NEW RUSSIAN OPENING

“SADY PRIDONIA” INAUGURATED A NEW PROCESSING PLANT IN RUSSIA FOR THE PRODUCTION OF FRUIT AND VEGETABLE PUREE.





PKS
Cordoba

ANDALUSIA

The name “Andalusia” is derived from the Arabic word Al-Andalus. The toponym al-Andalus is first attested by inscriptions on coins minted in 716 by the new Muslim government of Iberia. These coins, called dinars, were inscribed in both Latin and Arabic. The etymology of the name “al-Andalus” has traditionally been derived from the name of the Vandals; however, a number of proposals since the 1980s have challenged this contention. Halm in 1989 derived the name from a Gothic term, *landahlauts,[9] and in 2002, Bossong suggested its derivation from a pre-Roman substrate.[10] The region’s history and culture have

36 °C (97 °F) in summer high temperatures. Late evening temperatures can sometimes stay around 35 °C (95 °F) until close to midnight, with daytime highs of over 40 °C (104 °F) common. Seville also has the highest average annual temperature in mainland Spain and mainland Europe (19.2 °C), closely followed by Almería (19.1 °C).

A TASTE OF ANDALUCÍA

The rich and varied **cuisine of Andalucía** is a reflection of its dramatic history. One of its signature dishes, gazpacho, was introduced by the romans in the first millennium BC, and didn’t reach its final version until peppers and tomatoes arrived in Spain following the voyages of Columbus.

Another great influence came from the Moors who changed the face of southern Spain forever with the planting of orange, olive and almond trees. They also introduced spices such as cumin,

cinnamon, nutmeg and saffron plus vegetables and fruits like aubergine, spinach, quince and pomegranate.

Today, the cooking of modern Andalucía falls into mountain and coastal food. Along the coastline, fish and seafood are king; inland, rich stews, jamones (cured hams) and game are preferred. Wherever you are, however, there are few greater pleasures than joining the regulars at a local bar to wind down over a glass of fino (dry sherry from Jerez) while nibbling tapas – Andalucía’s great titbit invention. The **GAZPACHO** is a cold soup made of tomatoes, onions, garlic, olive oil, water, salt, cucumber, black pepper and stale bread. To make everything a delicious soup just blend the ingredients and then add water and salt and mix.

If you are a purist you can reduce the ingredients to a puree with a mortar, but an immersion blender will do its job well.

been influenced by the native Iberians, Phoenicians, Carthaginians, Greeks, Romans, Vandals, Visigoths, Byzantines, Jews, Romani, Muslim Moors and the Castilian and other Christian North Iberian nationalities who reconquered and settled the area in the latter phases of the Reconquista.

Andalusia has been a traditionally agricultural region, compared to the rest of Spain and the rest of Europe. However, the growth of the community especially in the sectors of industry and services was above average in Spain and higher than many communities in the Eurozone. The region has a rich culture and a strong identity. Many cultural phenomena that are seen internationally as distinctively Spanish are largely or entirely Andalusian in origin. These include flamenco and, to a lesser extent, bullfighting and Hispano-Moorish architectural styles, both of which are also prevalent in other regions of Spain.

Andalusia’s hinterland is the hottest area of Europe, with cities like Córdoba and Seville averaging above



The gazpacho can be even tastier if it has a worthy accompaniment: diced ham, hard-boiled eggs, almonds, oranges, mint and much more. This dish is called salmorejo and is served in the Cordoba area.

FLAMENCO, HISTORY AND CULTURE OF GYPSIES

Flamenco is the music of the nomadic people of the gypsies who have traveled throughout the Middle East and the Mediterranean during their migrations.

The place of origin of the Gypsy people is considered a region located in present-day Pakistan from which they were exiled following a series of conflicts and invasions. From here they passed into Egypt, Czechia and Slovakia and finally, during the fifteenth century in the Balkans-Italy, France and Spain, where they became permanent.

Andalusia, a region with a centuries-old cultural and scientific tradition marked by multi-ethnicity, is the place where the Gypsy tradition has found the most suitable conditions for its integration.

The term flamenco derives from the union of the Arabic words “felag” (peasant) and “mengu” (wandering, fugitive), and entered the linguistic use as a synonym of Gitano in the eighteenth century. One of the first written documents on flamenco is in one of the Cartas Marruecas of Cadalso (1774), where flamenco music is explicitly attributed to the gypsies. Between 1765 and 1860 three outbreaks of flamenco music developed, which later created three distinct stylistic schools: Cadiz, Jerez de la Frontera, and the Triana quarter in Seville.

<https://www.touringclub.it/notizie-di-viaggio/10-cose-da-vedere-in-andalusia>

<https://www.lonelyplanet.com>

<https://www.roughguides.com/article/andalucia-food-tour/>

YOU CAN'T MISS...

CORDOBA

The Jewish Quarter, the Mezquita and the Alcazar de los Reyes Cristianos are only a few of the highlights of this beautiful city.

It was the Roman capital, an important Islamic center and the Catholic Reconquista, always playing a key role in the tormented history of Andalusia. The golden age was just under the Muslims, as evidenced by the mosque, the archaeological site of Madinat Al-Zahara and the district-suk of Juderia. The most representative building is the Great Mosque (or Mezquita).

SIVIGLIA

Carmen, Don Giovanni and Figaro “live” here, this should be enough to make you understand the charm of Seville. The tourist interest derives from the numerous monuments, squares, gardens: in particular, the tower of the Giralda, the Cathedral, the Alcázar and the Archives of the Indies are to be seen. Do not miss Plaza de España, a vast semicircular space that represents the embrace of Spain.

MALAGA

Malaga, loaded with history and brimming with a youthful vigour that proudly acknowledges its multi-layered past, the city that gave the world Picasso has transformed itself in spectacular fashion, with half a dozen new art galleries, a radically rethought port area and a nascent art district called Soho.

Malaga is home to many museums including the Picasso Malaga Museum, dedicated to the painter.

GRANADA

The city, sprawled at the foot of the Sierra Nevada, was the last stronghold of the Spanish Moors and their legacy lies all around. Most spectacularly, of course, it’s in the Alhambra, an astonishing palace complex whose Islamic decor and landscaped gardens are without peer in Europe. There’s also an energy to Granada’s streets, packed as they are with bars, student dives, bohemian cafes and intimate flamenco clubs, and it’s this as much as the more traditional sights that leaves a lasting impression.

SEVILLE

PKS

PKS: THE NEW ENTRY IN CFT GROUP'S END OF LINE REALITY

In terms of mergers and acquisitions, this year has been an incredible one for CFT Group. The collaboration with the Spanish company PKS, which started in May 2018, has undoubtedly been one of the most significant achievement. PACKAGING SYSTEM, previously known as PACKAGING DEL SUR, has become CFT Group's go-to brand for secondary packaging equipment. PKS was founded in 2004 by a team of electricians and mechanics from the packaging and bottling industry, and offers a wide range of products including shrink wrap, tray packers, wraparounds, case packers and combis for multiple applications. PKS began its secondary packaging operations by specializing primarily in the wrapping of rigid containers for food products, but over the past few years, the Company has diversified its portfolio with a highly competitive range of machines that are able to apply rigid and flexible packaging for all sectors. High flexibility and simplicity in handling various cardboard types, as well as the high-speed, servo-powered automatic format change system, are the company's most outstanding strongpoints.

During Hispack 2018, a trade fair specifically dedicated to end-of-line and secondary packaging systems, CFT Group unveiled that PKS had become part of its new end-of-line division, which includes complete palletizing and depalletizing solutions, plus a wide range of robots and pick & place equipment. Thanks to this full range, CFT Group offers a 360° service: one single provider for all your needs!

Let's leave the floor to Mr. Pedro Valadez, Managing Director of PKS, to ask him about his expectations and goals for the following years as a result of this long-term collaboration.

Mr Valadez, what do you think the biggest challenges in the end-of-line and secondary packaging sectors will be in the next years?

One of the aspects we took into consideration when determining our objectives was the fact that we are immersed in a global market; another factor was that we are experiencing constant growth in private-label products (in many countries). One of the consequences of these two aspects is that the market available for the leading brands is inclined to reduce, and as a result, they have to react with new offers and start afresh; in other words, we are generally facing a very volatile market which demands flexibility in terms of packaging sizes and styles, and subsequent palletization.

Another aspect to consider was the logistical/financial requirements, which tend to increase the number of benchmarks and consequently reduce the number of units per production batch. In our opinion, the ability to change format in a simple and speedy way, or completely automate the process, within a certain period of time (the first unit

must be correct) is decisive in most cases. In addition, the ability to propose small production batches can be decisive in obtaining better market shares or not losing them in the first place.

Finally, I would like to highlight the requirement set by the client to be able to precisely calculate the efficiency, reliability and flexibility of a line or the complete end-of-line stage.

In the age of globalization and the internationalization of many medium and small enterprises, what do you think are the benefits which derive from linking professionally to a multinational company like CFT Group?

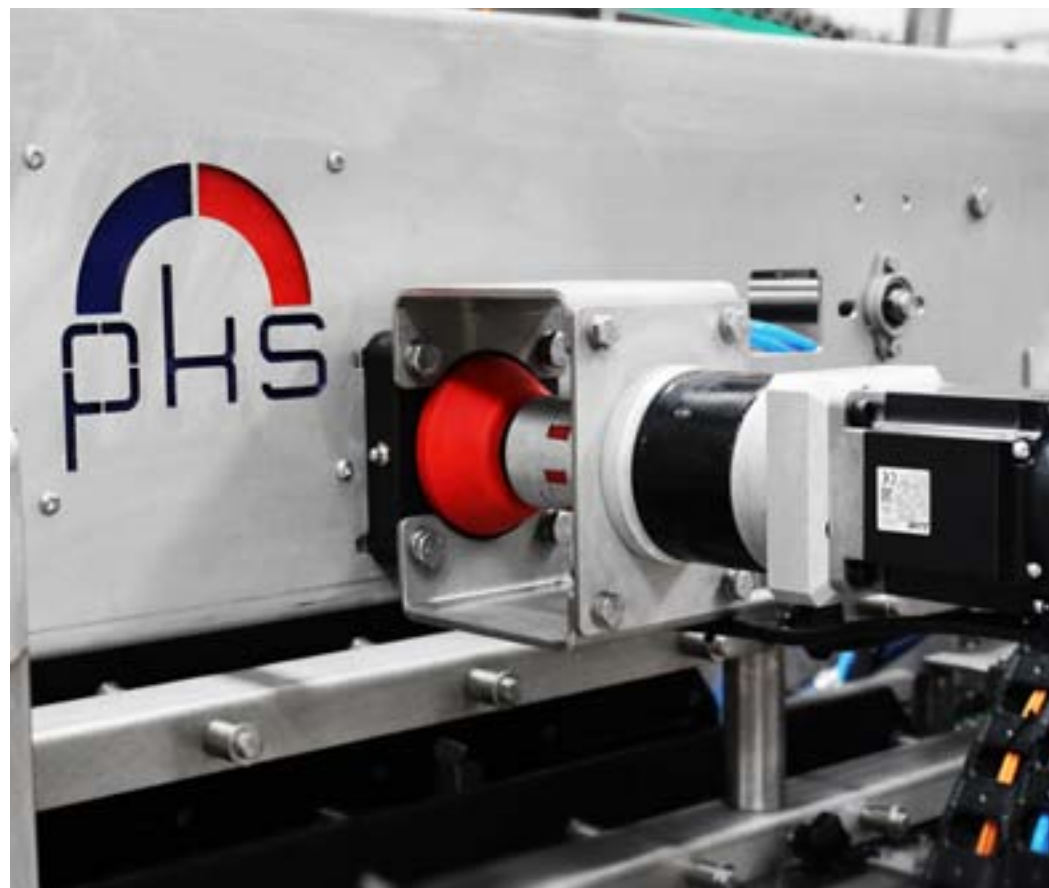
At the moment, we are transitioning from being a medium-sized company with an excellent product at a very competitive price and at a local level, (e.g. in 2017 we were the leading brand in the Spanish market for secondary packaging machines, and this will also be the case for 2018), and we are going to export this business model to the rest of the world, with improved competitiveness due to new installations and new construction processes. The continuity solution offered to us by CFT (guarantee of continuity), and its excellent commercial structure and global service, have opened vital doors to us recently; therefore we can confirm that our incorporation into the group can only mean good things for us.

What is the winning vision of your company?

Achieving success for the client: Our daily objective is to adapt to their needs, and in this fast-paced market there is no alternative. We firmly believe that we are growing to the extent that we know what

is required at any given time. For this purpose, we have created an IDI division. Our slogan is, "THE SUCCESS OF THE CLIENT IS OUR FUTURE."

What are the strengths of the



PKS range, through which CFT Group has extended its end-of-line offer, by supplying complete 360° systems?

Without a doubt, the ability to adapt to the needs of the client is the distinguishing point of PKS. Each client is looked at individually by our team of engineers, in order to offer the best rollout possible, with an individual machine providing flexibility and efficiency, designed and adapted based on whatever the client has asked for.

It is also important to guarantee efficiency for our entire range of embedded and palletized products. We are in a position to confirm that our machines are capable of offering the services

requested, and for this reason we are committed to our clients.

All of this is possible thanks to the combined project development on the part of all our staff who make up our work group. We are no longer a small company, and

consequently the increase in the number of employees has caused

**"THE
SUCCESS OF
THE CLIENT
IS OUR
FUTURE"**

a separation and specialization of tasks by area, and our new structure makes projects



successful, always in partnership with the client.

In addition, our new center of excellence will work constantly on IDI, in search of new solutions and improvements for our machines.

How do you see PKS in the next ten years? Where do you think this collaboration will bring you?

It is difficult to predict in such a long term, although at the



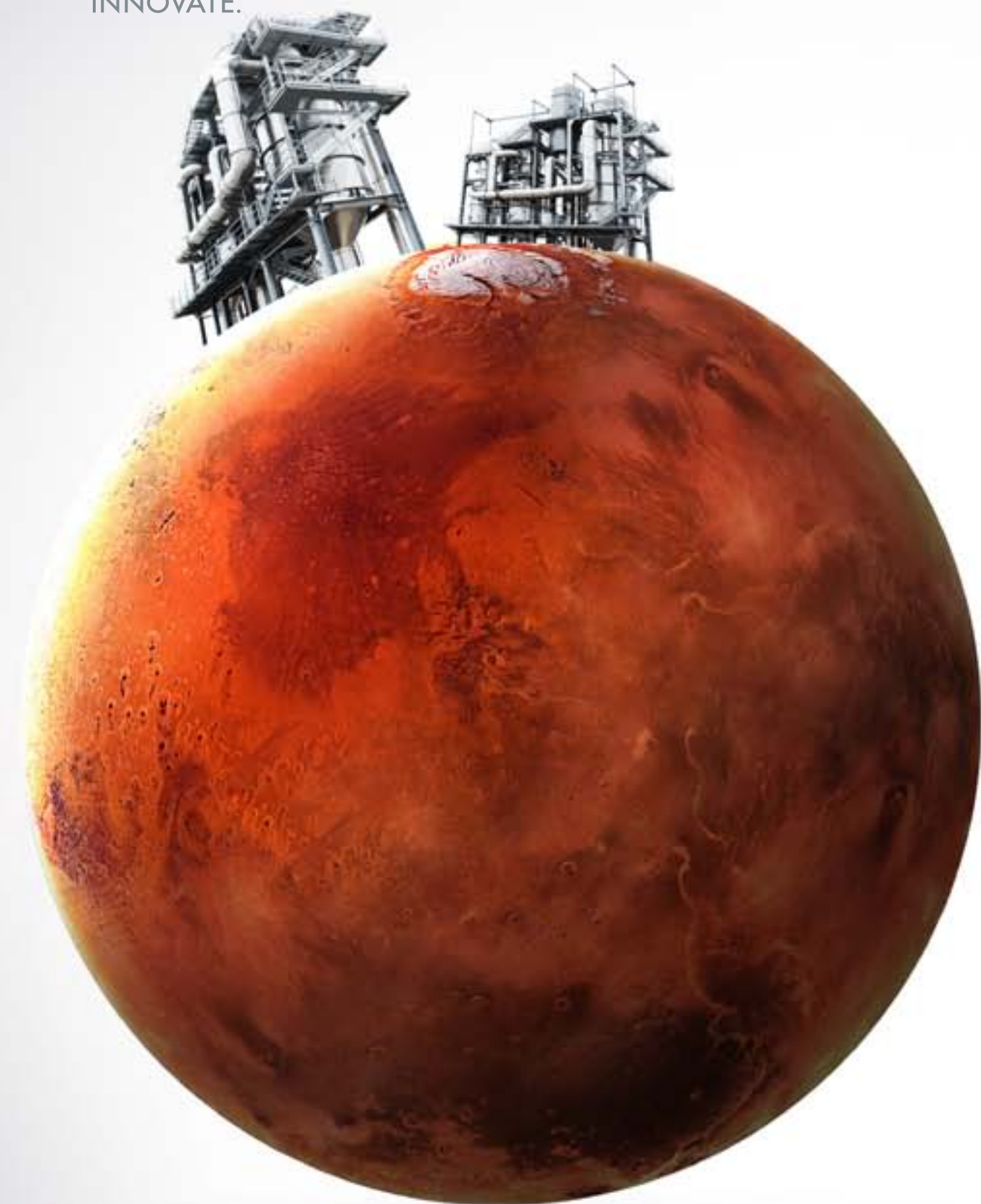
Pedro Valadez, President of CFT Iberica (PKS)

moment it looks like we will continue evolving and following our current trajectory; we are going to have a CFT center of excellence for secondary packaging machinery and top-level palletization. With this evolution in mind, we will always have a full range with three categories, in terms of performance and prices. Another one of our objectives will be the incorporation of ecological packaging material and, of course, the achievement of maximum energy efficiency in our equipment.



LEADERS
INNOVATE.

“THE BEST WAY
TO PREDICT THE FUTURE
IS TO **CREATE IT**”



THE NEW ONES IN CFT

COMAC

CFT GROUP ACQUIRED A MAJORITY STAKE IN COMAC SRL.

COMAC is a Company specialized in the design, construction, repair, maintenance, technical support and sale of machines for wrapping, packaging, and distributing food products with a particular focus on beer filling equipment.



Roberto Catelli, Chairman of CFT Group and Alessandro Merusi, CEO of CFT Group made this statement: “With this acquisition CFT Group continues its strategy of diversification, by further strengthening its competitive edge in the beverage sector and in particular in beer filling, by completing the current commercial offer, consisting of beer pro-

duction plants, which are currently supplied by the subsidiary Rolec Prozess und Brautechnik GmbH, and the bottle and can filling equipment, with automatic and semi-automatic canning systems, whose production and sale COMAC is a market leader. Finalizing this operation will enable CFT Group, through a range of products which are highly sophisticated from a technological point of view, to

provide its customers with complete “turn-key” solutions, significantly strengthening its competitive edge in a sector that offers interesting development prospects”.

The acquisition, as already mentioned, is part of CFT Group’s wider development strategy of gaining competitive advantage in one of its key markets,

GROUP’S FAMILY

namely the beer sector, by expanding its portfolio of products, to be implemented following the merger of the businesses.

“Our objective is to develop our portfolio of products with advanced solutions, in order to further reinforce our commercial presence in the world, and to be able to offer our customers a complete range of products and the best possible service.”



QR CODE FOR
COMAC WEBSITE

MILK PROJECT

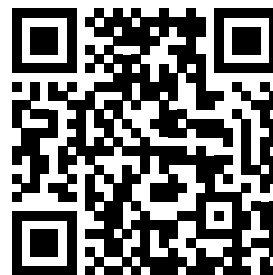
During the month of August CFT Group has signed a preliminary contract regarding the acquisition of the minority stake in MILK PROJECT, for 40% of its capital, with the right to acquire its majority in 2019.

MILK PROJECT is an Italian based company with a strong know-how and experience in engineering a wide range of solutions for the Milk & Dairy sector which supplies advanced turnkey plants and single machines able to meet different customers' requirements: from the treatment of raw material-milk, through to the different steps of cleaning, skimming, cooling, pasteurization, coagulation, molding, ripening as well as the complete packaging of the final product.

Since the Milk & Dairy sector is indeed significantly growing, with Global Cheese market expected to reach \$164,338 million by 2023, from \$136,283 million in 2016, growing at a CAGR of 2.7% from 2017 to 2023*, this acquisition, the most recent in a long series, represents our Management willingness to further expand the Group's product portfolio, by guaranteeing its customers an ever-increasing



level of excellence whilst further consolidating CFT Group's position in the Liquid Food Processing sector, with a special focus on the Milk & Dairy market.



MILK PROJECT WEBSITE
QR CODE



**A FRESH NEW VISION OF THE MARKET,
ALWAYS CLOSER TO YOUR NEEDS.**

**Discover CFT Group's new
Milk & Dairy division**

Visit CFT Group at Anuga
on booth C10
Level 2 Hall 4



CFT Group presents its new dedicated division for Milk & Dairy. CFT Group offers you complete solutions for the handling of dairy products and non-dairy alternative drinks, all the way from the reception phase to the liquid processing, evaporation and drying through to the final conditioning. Any customer requirements can therefore be answered through one unique supplier.

WITH OVER 600 EMPLOYEES, 15.000 REFERENCES, 11 BRANDS AND A WIDESPREAD NETWORK OF 9 SUBSIDIARIES AND 78 AGENTS, CFT GROUP IS SYNONYMOUS OF QUALITY, INNOVATION AND RELIABILITY WORLDWIDE.

www.cft-group.com





PROUD OF OUR ROOTS

LATTE ARBOREA

MILK PROJECT: CREATING THE FUTURE OF THE
MILK & DAIRY INDUSTRY

VERY ITALIAN



Roberto Catelli, President of CFT Group

In this interview CFT Group's President, Mr. Roberto Catelli, unveils the "Italian soul" of its company and the importance of looking at the future keeping in mind our roots.

What does it represent Italy for you? What does it mean for you to be Italian?

Each country has its own characteristics, therefore getting in contact with multiple people from various countries every time I learn something new and special. Having said that, Italy is the country where I was born, where my father started his own activity in the early 40's and where still today thousands of people every day work with passion for engineering and manufacturing our products and technologies to be sold everywhere in the world, therefore I'm really tied to this special country. Moreover, to be Ita-

lian means to have the ideas, the creativity, the commitment in order to get a dream realized, as my father did in the past and I'm still continuing every day.

What are the most important aspects in which CFT Group embodies the "Made in Italy" concept? We can summarize the "Made in Italy" concept in three key words: innovation, quality and flexibility.

We innovate every day in order to provide our customers with the latest technologies in all fields where we operate; we aim to achieve the highest quality because we strongly believe that this approach will drive our customers, all over the world, to achieve the highest standards in their daily business; finally, even within a well-structured organization like CFT Group, we aim to remain flexible in order to understand and satisfy our customer needs.

What are the Italian things, habits or traditions you could never do without?

Even though this works not only for Italy, since there are other countries with the same characteristics that I personally love, these are the first three things that come to my mind: extraordinary food, high culture coming from a long-lasting tradition of our country and positive attitude of our people.

Leaders Innovate and tradition could apparently seem as antithetic concepts; in your opinion how could they be related?

Even though the words "innovation" and "tradition" seem to be antithetic concepts, they are very complementary. I strongly believe that, in order to succeed, every day we need to look forward to the future never forgetting the lessons learned from the past; with this approach we need to understand and anticipate the market needs by thinking "out of the

box" innovative solutions able to increase quality and to optimize costs for our customers, by taking into account our strong tradition of quality, reliability and fairness in the way of conducting the daily business.

How would you describe a standard working day of yours?

Difficult to describe in few words but I try to summarize: multiple meetings, several decisions but definitely a lot of fun in getting our Group bigger and stronger.

CFT Group was born as a family-run business; do you consider it a strength point? Why?

CFT Group was born and is still a family-run business even though with some changes from the time my father founded the company. I believe that the most important attitude an entre-

preneur needs to have is to understand the context where his company is running and consequently the changes eventually needed in order to get it reshaped to be able to continue facing successfully the future challenges.

Talking about CFT Group, we have clearly applied this approach: on one hand we have kept one of the main strengths of operating as a family-run business which is the possibility for all our stakeholders to see into the family the stability of a long-term investor able to guarantee the continuity of the business; on the other hand, in order to avoid missing any business opportunity, we have decided to list the company on the stock market, in order to get the required resources to continue our growth path with a very strong financial structure.

We strongly believe that this is the right formula in the current context in order to play the business game in a leading position.



LATTE ARBOREA

LATTE ARBOREA: A DAIRY COOPERATIVE GROWING NATIONALLY: THE ACQUISITIONS OF FATTORIE GIRAU, TRENTINALATTE AND CAPLAC

The Municipality of Arborea, situated in the province of Oristano, was founded in 1928, but during the two decades under fascism, was known as Mussolinia di Sardegna.

At the time, it was situated in a marshy and hostile environment which was infested with mosquitoes and malaria. The latter was completely eradicated only after the second world war thanks to the work of the Rockefeller Foundation. It was only after this regeneration that it became the town we know today by the name of Arborea, which comes from the Latin arboreta "woods, woodland", of which there are plenty in the area.

Today Arborea is the most important and innovative food and agricultural centre in Sardinia, boasting a number of modern agricultural and animal husbandry farms, agricultural cooperative processing plants, and an advanced network of related services.

There are many factors which have contributed to this success: the increase in the population thanks to

the arrival of numerous families from the north-east of Italy, the agrarian reform at the beginning of the 1950s, and the gradual development of cattle breeding and milk production.

Within this context, the Cooperativa Assegnatari Associati Arborea 3A (today Cooperativa Latte Arborea) was founded in 1956, with the aim of selling the products obtained from processing the milk supplied by the Members' farms directly to consumers.

Over the years, modern crop and livestock farms started working together to develop the correct nutrition for the Frisona and Brown Swiss dairy cow breeds. This marked the beginning of enhancements to the milk and cheese sector, which today is constantly evolving and has helped to raise the profile of Sardinia throughout the country.

In the last few years the Cooperativa Latte Arborea has undertaken an expansion programme in the Italian dairy market, by investing large resources to broaden its offer and to expand its product lines. This strategy has led to the acquisition of three companies: the first

one, Fattorie Girau, based in San Gavino Monreale, Sardinia, which specialises in the sheep and goat sector, the second one, Trentinalatte, which specialises in the production of yoghurt, and is one of the

top three producers of private label yoghurts in Italy, the third one, Caplac, a cooperative in the dairy sector under the S.Ginese brand operating exclusively in Tuscany and Liguria.

The purpose of these acquisitions for Latte Arborea was to expand its product range including the main range of PDO dairy products from Sardinia, (Pecorino Romano, Pecorino Sardo and Fiore Sardo) and, in particular, to be able to offer its consumers a wide range of goat-cheese products entirely produced in Sardinia using Sardinian milk. Today Arborea, under the Fattorie Girau brand, offers a supply-chain approach not only for cow's milk but also for goat's milk with dairy products ranging from fresh milk and UHT milk, to yoghurt, butter, ricotta and cheeses.

The turnover in 2017 for the goat and sheep division under the Fattorie Girau brand was of 9.4 million Euro in total.

In February 2018 Latte Arborea reached an agreement with the German group for the acquisition of Trentinalatte SPA, a company operating in the market under the "Trentina" and "Collina Felice" brands, and with private label products marketed by some of the main supply chains in Italy.

Following this agreement, Cooperativa Latte Arborea increased its market shares in the yoghurt sector, in which it already operates, and consolidated its position in the GDO (large-scale distribution).

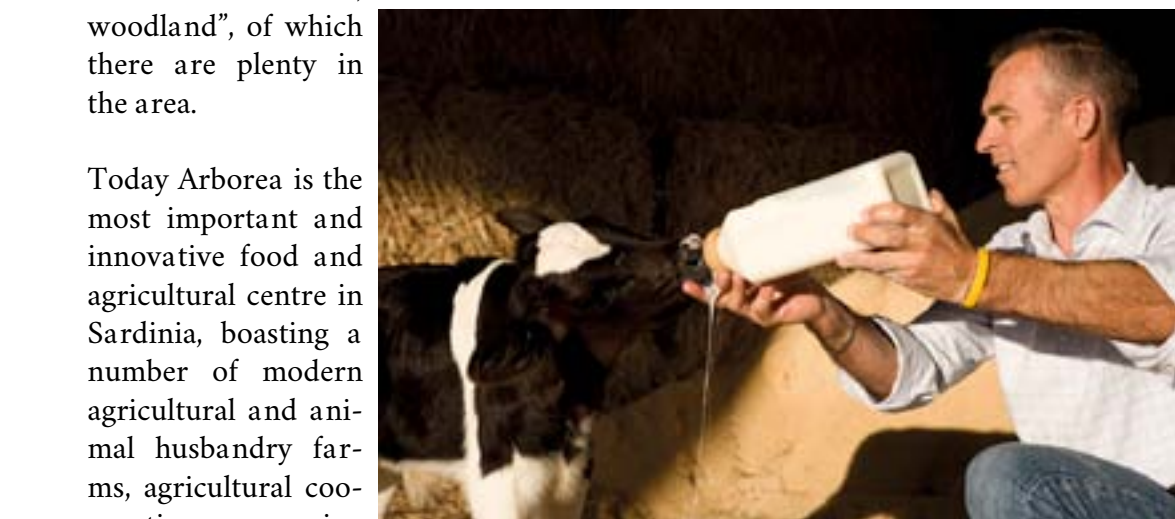
Over this period the objective of management is to strengthen the "Trentina" brand across the whole country by promoting the benefits of its high-quality yoghurt from Trentino, made exclusively with Italian milk.

Trentinalatte today has a turnover of around 24 million Euro.

The latest acquisition by Latte Arborea, in June

"The Milk Project plant is where the DOLCESARDO CHEESE is produced. This iconic Sardinian cheese can be found in every house and shop on the island. The history of this cheese is much older than that of the Cooperative as it was produced in the 1930s by the cheese makers which were later incorporated into the Cooperative.

Since then, the plant has increased the production capacity of the Cooperative by using automated processes, while retaining at the same time the traditional characteristics of this 80-year old cheese"





Francesco Casula, Managing Director of Latte Arborea

2018, is of CAPLAC from Capannori (LU), a cooperative from Tuscany operating in the Italian dairy sector under the S.Ginese brand.

Founded in 1949, the company has established itself as a key player in Lucca's economy and has an active distribution network that covers the whole of Tuscany and parts of Liguria.

With the acquisition of Caplac, Latte Arborea continues the activity started during lease agreement with the company, which began in February 2017. Over this period the objective of the 3A cooperative is to strengthen the "S.Ginese" brand, by implementing new product lines and by increasing the sale of its products to its traditional markets.

Today Arborea is the heart of the dairy industry in Sardinia, thanks to an agricultural and livestock network consisting of 228 associated farms, whose mission is to increase the value of milk production of its Members through the management of the entire milk supply chain with a sustainable approach for manufacturers, employees, customers and consumers, marketing itself as an authentically Sardinian company, capable of exploiting the riches created throughout the country.

Every day the Cooperative collects an average of 530 thousand liters of milk and has closed 2017 with a turnover of 166 million euros.



MILK PROJECT: CREATING THE FUTURE OF THE MILK & DAIRY INDUSTRY

Developing new technologies for the increasingly complex requirements of the dairy sector is something that Milk Project has been doing successfully for over 28 years, during which time it has achieved a number of technological advances.

The company, based in Erba (Como), specialises in the design and manufacture of “turn-key” equipment and machinery for the production of fresh cheese, semi-hard cheese, feta cheese, herb cheese, soft cheese, ricotta and mascarpone.

Milk Project production lines are designed using a high degree of automation and have been engineered in close collaboration with users according to their production characteristics. Users are supported through a planning and development stage aimed at finding the most suitable and economically advantageous solutions which take account of the specific problems they face. These solutions will be translated into complete installations, restructuring and development plans for the creation of new cheese-making facilities.

In addition to our established production lines for making fresh cheese, Milk Project specialises in the fine-tuning of automated systems for the production of ricotta, mascarpone, and spreadable



cheeses. These technologies include automatic dispensers for the dosage of ingredients and additives which can pre-determine the characteristics of the final cheese product, and achieve consistently high-quality standards.

Further studies have led Milk Project to develop high-tech production lines for semi-processed curds in 18-Kg blocks, for the production of spun curd cheeses and for the sale of long-life semi-finished products, cured meats, and frozen products.

The standard industrial process for semi-finished products makes it possible to:

- produce 50T of product per day in 14 hours (equivalent to 2,770 blocks /g. 18-kg/each)
- achieve high-quality standards
- increase output compared with using traditional methods
- reduce process waste
- reduce labour costs
- facilitate the cleaning and sterilisation of the production line at

the end of the process

-ensure faster and cheaper maintenance.

The efficiency of our technology has been endorsed by cheese producers where Milk Project production lines have been installed.

In 2010, Milk Project was asked to create a new cheese factory in Turrov, Belarus, as part of the government programme for developing Pripyat Polesye.

The aim was to transform 400t of cow's milk per day into spun curd cheese, processed cheese, spreadable cheese, mascarpone, and ricotta.

“PLANNING
THE FUTURE
IN THE DAIRY
SECTOR WITH
MILK PROJECT”



In 2011, the equipment and machinery were delivered to the new cheese factory.

The equipment was skid mounted to reduce the amount of time it would take to install, activate and test the equipment. It was a tremendous success!

Milk Project implemented the whole automated production line, consisting of:

- milk delivery, heat treatment, centrifugal separation and storage.
- CIP cleaning systems with aseptic tanks.
- supply of milk to the processing rooms.



- supply and collection of washing solutions in automatic dispensers throughout.

- Production lines for ricotta, mascarpone, cream cheese and processed cheese.

- Control operating unit of processing facilities.

- Project management of production lines.

To finalise the project, Milk Project involved several Italian and overseas companies, according to their areas of specialisation.

The management of the production process in the new cheese factory was given to young, recently trained operators.

The final checks were successfully carried out in

2013.

Today, the cheese factory processes over 500t of milk per day.

Constant attention to process automation, flexibility during the project management phase and management pragmatism, have enabled Milk Project to undertake different projects using innovative solutions to meet the needs of the market.



REVOLUTIONARY TECHNOLOGY FOR FROZEN AND DRIED PRODUCTS: DRYCE

GIUBILEO CONCEPT: THE NEW "GIUBILEO CONCEPT" FEATURING THE STUNNING "RUBBER-FREE" DESTONING SYSTEM.

QUALITY IN SMALL SIZE

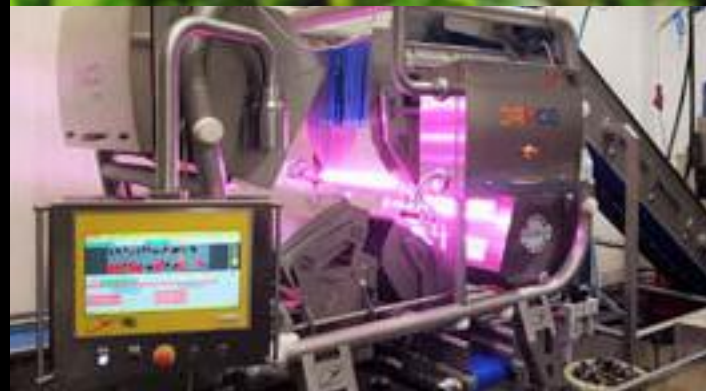
DRYCE

REVOLUTIONARY TECHNOLOGY FOR FROZEN AND DRIED PRODUCTS

Raytec Vision is part of CFT Group since 2007 and a leading expert in optical sorting technology for fruit and vegetables. The Company matured a long experience in X-ray technology for the inspection of canned food and is able to provide a wide range of solutions in quality control custom projects for specific needs. The continuous research and development of new technologies is the core of Raytec's business. The significant growth experienced by the Frozen Food sorting market and the increasing demand from the Dried Food market have been an incentive for the Company, who has developed a revolutionary optical sorting machine especially conceived to check deep frozen and dried products:

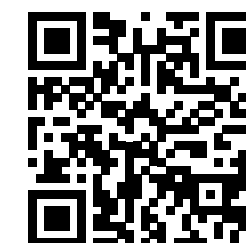
DRYCE is able to reject all contaminants such as foreign bodies, color defects and rotten products in an extremely accurate way thanks to a 12 frequencies LED lighting system unique in the market. This innovative feature allows to discriminate between good and bad product on the basis of the product's optical properties: light reflection, light transmission and fluorescence provide detailed information about the examined objects. A double side view with 4 high resolution cameras, a 3-Way reject system and a smart-jet rejection system complete DRYCE's equipment, ensuring the highest standards of accuracy and safety. The machine stands out also for its innovative ultra-clean design complying with EHEDG standards, which dramatically improves sanitation to maximize food safety. Last but not least, it is particularly easy to use thanks to the new software UNYCO all-in-one, enabling to monitor the whole activity by means of a single e-board.

DRYCE SORTING MUSSELS: THE MACHINE HAS BEEN POSITIVELY TESTED AND SOLD TO A CUSTOMER LOCATED IN SPAIN.



All these features combined with the DRYCE's high versatility – it can be used to sort all kind of frozen and dried products (single or mixed) and it removes defects and foreign bodies of any kind – allowed it to be very well received by the market: more than 10 machines have already been installed in the EU and overseas countries.

What is more, DRYCE proved to be even more versatile than expected by revealing an unexpected potential in sorting candies, seafood, kibbles and, in its new version equipped with pneumatic finger ejectors also halved peaches, thus paving the way to new markets and applications.



QR CODE FOR RAYTEC
VISION WEB SITE

THE NEW "GIUBILEO CONCEPT" FEATURING THE STUNNING "RUBBER-FREE" DESTONING SYSTEM

MAIN TECHNICAL FEATURES

This new CONCEPT version of the machine presents three main features which distinguish it from its predecessor:

- the innovative rubber-free system, the removal of the classic rubber roll of the machine (which phagocytized the stone during extraction and then expelled it by elastic deformation). In this new machine, in fact, the stone will be ejected without the use of the rubber roll;
- new round tubular design compared to the previous squared one (it makes the machine's design more dynamic and the machine itself easily washable and cleanable);
- more compact and less cumbersome machine, compared to the previous version of the Giubileo, thanks to the downsizing operation. Production capacity up to 1.000 Kg.

Another point CFT Group would like to focus on is represented by the different customization possibilities of the machine, according to the processed product. For example, for any fruit typology, "accessory parts" can be applied on the machine to allow a perfect processing of the product concerned. According to this peculiarity, Giubileo Concept can be accessorized by placing another Giubileo with an extraction function just above the first machine, as well as a hammer crusher or a stellar valve; these different configurations depend on the type of the processed fruit and on the time of enzymatic inactivation / oxidation of the same.

BENEFITS

- **EXTREMELY HYGENIC:** thanks to its completely renewed design, Giubileo Concept is more easily cleanable compared to other ranges.
- **MODULAR:** Giubileo Concept can be customized depending on the types of fruits being processed. The star valve completes the anaerobic process and the hammer crusher allows the pitting of the

fruits and the pre-grinding of large plants.

- **100% FOOD COMPLIANT AND ECO-FRIENDLY:** thanks to the new "rubber free" destoning system, there is no traditional rubber roll, since the destoning process is fully stainless steel made.
- **COMPACT:** Giubileo Concept is downsized compared to the traditional range, to cover also small flowrates.
- **HIGHLY PERFORMING:** higher level of automation of Giubileo Concept allows the full control by PLC and touch screen, or remote control via Wi-fi.

During Anuga 2018, CFT Group has unveiled the renewed Giubileo machine, named as Giubileo Concept, a historic CFT Group's extraction/refining system, totally re-engineered and re-invented for the occasion, with some stunning new features.

As its historic ancestor, Giubileo Concept allows to obtain a reduction in pomace humidity: for instance, by reducing paddle inclination from 4 to 2.5°, pomace humidity decreases from 59% to 47%, with an increase of 12% in squeezing, in connection with a little increase in motor absorption.

In addition to this, the innovative CFT Group system, represented by the control parameter – paddle inclination – not depending on the centrifugal force, allows precise adjustments of the unit according to the characteristics of the processed product's puree desired.



www.cft-group.com
GIUBILEO CONCEPT

QUALITY IN SMALL SIZE

In 2018 CFT Group implemented a large number of technological innovations. Among these, in particular, we launched Compact Fillers, a range of compact-sized fillers specially designed and developed to meet the requirements of small- and medium-sized beer makers. Here is an interview with Emanuele Piva, Beverage Commercial Director of CFT GROUP.

What do microbrewers need?

Unlike the beverage sector in general, the beer sector is an industry where the key players are not only the large-scale corporate breweries, but also include the master brewers of small and medium-sized breweries who are capable of satisfying the requirements of a significant part of a niche market. These breweries are not interested in producing high volumes, but focus on the quality of a traditionally made product which will resonate immediately with the customer. These criteria will inform the choices of both established and potential customers.

What are the implications of designing equipment for small and medium-sized breweries?

First of all, the machines must meet the requirements of small-scale production. Our range for small breweries consists of machines with a filling speed of between 3,000 and 15,000 cans/bottles per hour, while the standard range reaches up to 90,000 cans per hour. The size is also smaller so as to make the machines more suited for use in more



The MASTER C BLOCK is an automatic filler and seamer featuring flow meter technology for high-precision filling and centralised adjustment.

According to data by Coldiretti, microbrewers of artisan beers in Italy are an increasing trend, having grown from 113 breweries in 2008 to 718 breweries in 2017, with an increase over the last ten years of 535% and a current estimated production of 50 million litres. This trend has piqued the interest of manufacturers of beer-making equipment such as for example CFT Group.

compact spaces, an important factor to take into account when considering small/medium-sized breweries. CFT Group can meet the requirements of this niche market by providing much smaller machines than those of our standard range, as they are compact and suitable for use in smaller spaces. However, these machines can offer the same high quality in terms of technology, while at the same time capable of meeting different production requirements and filling speeds.



Comac, a company which boasts a high level of technological efficiency with its range of machines, is now part of CFT Group.



The MICROBREW, a compact, functional filling and seaming monoblock, with a speed of up to 6,000 cans per hour, specially designed to provide high-quality equipment to small and medium-sized breweries

Our aim therefore is to provide high-quality machines, only on a smaller scale. In addition, our machines feature fast-format changeovers and minimal oxygen "pick-up", thereby guaranteeing a high-quality end product. We have thus developed a special range designed to meet the specific requirements of this niche market, the COMPACT range, whose name suggests its compact features.

In 2018 two new machines were added to the COMPACT range. What are their main features?

Given that small breweries are growing not just in numbers but also in terms of their production and technological capabilities, in order to constantly improve the quality of the final product. With a view to growing its customer portfolio and in order to meet the requirements of both the larger

corporations and the small/medium-sized breweries, CFT Group recently completed the acquisition of a majority stake in Comac, an Italian company specialising in cask-filling machines as well as being a manufacturer of low-speed bottle- and can-filling machines which can meet the needs of small producers. To do so the Group recently launched two new products, which will add to an already extensive range of solutions: the MICRO-BREW, produced by our associated company Comac, and the MASTER C BLOCK.

The Microbrew is a monoblock filler and seamer with a speed of up to 6,000 cans per hour specially intended as high-quality equipment for small and medium breweries which helps them achieve high performance levels: this is the only machine in the range which has a rotary-seaming system, ensuring

an optimum performance. The Master C Block is an automatic filler and seamer which uses flow-meter technology for high-precision filling and centralised adjustment. This machine is the result of the Group's commitment to creating a range of high-quality equipment accessible to small and medium-sized breweries while maintaining a high level of technological innovation.

How do you differentiate the offer?

The wide range of beer can and beer bottle fillers provided by CFT Group (including the Master C Block and the Master C Tech with different filling speeds and the same isobaric flow-meter filling technology) is now part of Comac's portfolio, a company which boasts a range of highly innovative machines that can reach filling speeds of up to 1,500 cans/bottles per hour.

In addition, CFT Group, thanks to Comac's expertise gained over several years in the cask-filling sector, is now able to provide a full range of fillers and related accessories which completes its portfolio of fillers (for both cans and bottles), and further strengthens the position of the Group within the beer-filling sector. Furthermore, CFT Group can meet the different productivity needs in terms of packaging and processing. In 2016, with the acquisition of the German company Rolec, CFT Group expanded its portfolio of machines for the brewing sector (boiler rooms, hop fermentation systems, breweries and ancillary equipment). Where the Holding Company provides special equipment for microbreweries with maximum production

of up to 20 hl, while maintaining the same high-quality technology of its larger machines, our affiliated company Rolec completes our offer with its range of premium beers characterised by higher volumes and greater choice for the end user. Finally, thanks to the recent acquisition of the Spanish company PKS and the presence of Levati Food

Tech, CFT Group can provide complete solutions for the entire process as well as for the secondary packaging, such as a wide range of cartoning machines, bundling machines, pick-and-place systems and combined machines.

Which trends do you see in the bottling sector in general and beer bottling in particular?

An obvious trend in the beer sector in particular is the rapid growth of beer makers and microbreweries with a tendency to strive for an increasingly unique end product, one which has a strong impact and a strong brand identity. For this reason, the filling of

cans, which lend themselves more to being given a unique design by craft breweries, has increased significantly over the last two years when compared with the filling of bottles. The filling of bottles continues to be the current solution for filling liquors and alcoholic drinks. For water, the tendency to fill PET bottles, which had already started at the end of the 1990s when PET replaced glass for convenience and

centres. **What do you aim for in future?** Over the coming years the Group is committed to further developing excellent technology within the processing & packaging sector, and to making it available to both the large-scale corporate breweries as well as the microbreweries. We will focus in particular on always being able to meet the production and technology require-



practicality, does not seem to be changing in the near future. **In terms of Research and Development, what characterises the projects of CFT Group?** With regard to Research and Development within the Group, we would like to point out that each year quite a large part of our turnover is re-invested in R&D in order to ensure continuous high technological quality for our customers and to provide the best that technology can offer in terms of machinery. The number of patents up to 2018 currently stands at around 114, subdivided between Packaging and Processing, while the turnover that we re-invested was over 8 million in the last three years. Our holding company provides the laboratories where various tests are carried out and where each machine is tested prior to being delivered to the final customer. There are also R&D departments and laboratories for each of our brands and production

ments of microbreweries so that, thanks to this technology, they can achieve an excellent final product. This is the fundamental point for CFT Group, to be able to provide a complete turn-key system, from the collection of the raw materials to the delivery of the final product to the end user. **Will you therefore offer an extremely wide range of highly technological solutions?** Without a doubt. And in order to be able to continue to provide our services, CFT GROUP will continue to pursue its strategy of expanding and growing its brand: in line with the recent quotation on the stock exchange we mention here the acquisition of high-profile brands such as COMAC.



LEADERS
INNOVATE.



COMPLETE RANGE
OF CAN AND GLASS
FILLING SOLUTIONS
from low to medium
and high speed

66



comac
kegging, bottling & canning plants



Thanks to **Comac's** wide range of keggering solutions, **CFT Group** can offer semi-automatic to fully-automatic keggering solutions tailored for all sizes of facilities.



CFT Group's Seaming Division has proprietary seaming technology for true monoblock solutions. Our seamers can also be offered as single machines for many different industries.



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BREAKING NEWS



TRADESHOW:

- BRAU BEVIALE
- GULFOOD DUBAI

CHRISTMAS EVENTS

2018 BIGGEST EVENTS

GULFOOD MANUFACTURING HAS CONFIRMED EXPECTATIONS, PROVING TO BE THE BIGGEST FOOD AND BEVERAGE PROCESSING INDUSTRY EVENT IN THE UAE, WITH EXHIBITORS FROM OVER 60 COUNTRIES UNVEILING THE LATEST INNOVATIONS AND BUSINESS IMPROVEMENT TOOLS.

Gulfood Manufacturing efficacy for business:

90% exhibitors rate Gulfood Manufacturing as a highly important platform to access the F&B manufacturing market.

90% exhibitors rate Gulfood Manufacturing as the first entry point to generate sales revenues and leads

90% of returning exhibitors rate Gulfood Manufacturing as above average in importance to their business revenue targets

85% of 2016 exhibitors recor-



ded a business growth of above 10% as a direct result of exhibiting at Gulfood Manufacturing CFT Group has taken part to the 2018 edition with its 152 square meters Booth on two levels highly appreciated by all visitors and giving great visibility to all our brands. The fair has been a fantastic occasion to disclose our complete range of Food processing and Packaging solutions such as the SKID repacking machine, Raytec's Dryce optical sorter and PKS' Wraparound packer for cases. BrauBeviale 2018: huge attendance, great success BrauBeviale has been taking

place since 1978 and is currently the most important international exhibition covering the whole process chain of Beverage production: raw materials, technologies, logistics and marketing.

The fair has featured three packed days at the centre of the beverage market: about 1,100 exhibitors and an inspiring supporting programme consisting of the Forum BrauBeviale, Craft Drinks Area and much more attracted thousands of decision-makers to Nuremberg.

BrauBeviale 2018

Nuremberg, Germany | 13 - 15 November

**BRAUBEVIALE 2018
NUMBERS OVER 40,000
TRADE VISITORS (2016:
37.923) – OVER 18.000
OF THEM
INTERNATIONAL
1.094 EXHIBITORS – 53
PERCENT OF THEM
INTERNATIONAL**

CFT Group has taken part in BrauBeviale 2018 with its Brewing Division, shedding light on its complete range of processing and packaging solutions for craft breweries and small capacity plants featuring the new filler-seamer monoblock MASTER C-BLOCK and 4 Comac machines: the MICROBREW, the DRAUGHTMASTER FILLER 1T, the KEYKEG FILLER 1T and the SMART KEGGING MACHINE K2. The event with its huge attendance, was really spot on and provided the perfect occasion to consolidate our image of an all-round supplier for the Brewing industry, also thanks to the know-how of our company Rolec, which was present with a separate Booth. BrauBeviale and Gulfood Manufacturing have been two great and successful events, CFT Group will certainly come back in 2019!





Season's Greetings
from CFT GROUP !



CFT S.p.A

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