

LALA GROUP IS A MEXICAN COMPANY FOCUSED ON HEALTHY AND NUTRITIOUS FOOD INDUSTRY, IT HAS AN OVER 65 YEARS EXPERIENCE IN THE PRODUCTION, INNOVATION AND MARKETING OF MILK, MILK DERIVATIVES AND BEVERAGES, ACCORDING TO THE HIGHEST QUALITY STANDARDS, AND CONSTANTLY TRIES TO PROVIDE CONSUMERS WITH THE BEST.

SMI WAS CHOSEN TO SUPPLY AND INSTALL A SHRINK WRAPPER FROM THE SK ERGON SERIES TO PACK LALA YOGHURT BEBIBLE PRODUCTS IN SHRINK FILM. THE PARTNERSHIP BETWEEN THE TWO COMPANIES, WHICH BEGAN IN 2007, WAS STRENGTHENED WITH THE ARRIVAL OF THE NEW SK 600F ERGON AND CONVEYORS, THAT ARE AN ADDITION TO THE OTHER FIVE PACKERS FORM THE SAME SERIES WHICH RUN IN THE FACTORIES AT TORREÓN AND IRAPUATO.

GRUPO LALA

- **DAIRY SECTOR**
COMPLEJO INDUSTRIAL IRAPUATO LALA
Irapuato, Mexico
www.lala.com.mx
- SK 600 F ERGON shrink wrapper and conveyors



GEO LOCATION

THE BEST SURPRISES ARE NOT ALWAYS THE BIGGEST!

It is not always the big surprises that make our days fantastic. Sometimes small gestures, a little bit of joy or little moments make daily life exciting. Just think of an unexpected hug of a child, a casual meeting with friends or why not, a delicious dish to enjoy by ourselves or in company. Lala, leader in Mexico for the production of high quality dairy products it has become a large, global company which started small and then turned into one of the most recognized and appreciated companies not only in Mexico, but also at the international level. It doesn't matter whether it's for breakfast, lunch, dinner or any snack: for Lala any time of the day is perfect to enjoy a pleasurable experience. This explains the success of this important, Mexican, business reality, leader in the dairy sector, which continues to invest in Mexico and abroad, so that every single consumer can enjoy the genuineness, quality and delight of the vast portfolio of its products. Starting from these considerations, Lala recently turned to SMI for the installation of the sixth shrink film packaging machine from the SK series, intended for the secondary packaging of 0.25 L HDPE bottles in shrink film bundles only.



➤ NURTURING YOUR LIFE IS OUR PASSION

This is how Lala's mission and passion can be summarized, it contributes to people nutrition through a wide range of delicious and nourishing products, made with very high quality ingredients, for all stages of life. This Mexican company has its roots based on austerity and perseverance, with the aim of growing, by producing healthy food, after over seventy years it continues to keep these principles alive, thanks to innovative solutions that take care of the consumer and the collaboration with a team committed to guaranteeing health and growth.



WHAT IS HAPPENING WITHIN THE DAIRY MARKET?

The milk and dairy products sector is one of the product categories, that, in Latin America, has seen significant growth in consumption in the field of packed products and offers great development opportunities in terms of quality, packaging and brand. The Mexican food industry, as a whole, is now of global significance and is characterized by the coexistence of large groups, with huge resources for investments, and many small and medium-sized companies located throughout the territory. The latter are growing rapidly and therefore, increasingly need innovative technologies to adapt to the specifications imposed by large retailers, regarding hygienic compliance of processes, simplification of packaging and recyclability of waste. The Mexican dairy market has seen constant growth year after year, mainly driven by the good performance of milk-based beverages, which represent about 89% of the total reference market (Source: Canadean). The culture of "on the go" consumption continues to grow at a rapid pace, in turn, increasing the use of small containers, convenient to transport and ideal for single use, such as those proposed by Lala and packed by the SK 600F ERGON shrink wrapper.



STRATEGIC PARTNERSHIP WITH SUPPLIERS OF HI-TECH PACKAGING SOLUTIONS

The operational excellence of its production facilities has allowed Lala Group to achieve significant economies of scale, from the collection of the milk to the delivery of the product, to the retail outlets, offering end-to-end solutions throughout the supply chain. In this context of growth, innovation and attention to the consumer, the continuous collaboration between the company and its suppliers is of vital importance, as regards to both the choice of the most innovative and performing packaging solutions and efficient and fast technical assistance. In fact, the perfect functionality of the systems present in the more than 29 group plants, equipped with the most modern production and supervision technologies, is an essential condition for the success

of the company and the timely supply of the entire range of quality products under the Lala brand to the retail outlets. Each plant is equipped with several, efficient and flexible production, packaging lines, capable of processing the wide variety of

company brands in various types and pack configurations. Lala's distribution network is currently one of the largest in the region and quickly reaches a large number of customers.



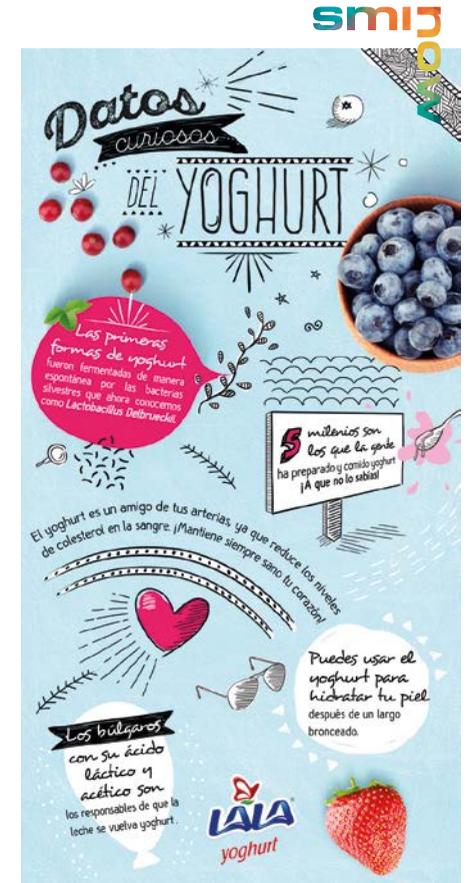
> GOOD, GENUINE FOOD FOR A BETTER LIFE

Mexican consumers have become more and more demanding over the years and increasingly favor dairy products that can both satisfy their tastes and meet the new health and wellness needs. Thanks to a wide range of products, variety of flavours and package formats, marketed through a portfolio of numerous brands, divided into "traditional", "premium" and "value" categories, the Lala Group has become the reference point for consumers also in Brazil, the United States and Central America.

The product portfolio of the Mexican company consists of:

- 53% milk brands
- 43% brands of dairy products
- 4% drinks, fruit juices and other.

The Lala and Nutri brands are among the top five Mexican brands in the food industry; other important "brands" of the group are: Foremost (Guatemala), Eskimo and La Perfecta (Nicaragua), Vigor (Brasil), Promised Land and Skim Plus (EUA).





SMI SOLUTIONS FOR LALA



In 2020, Lala sales increased by 6.7% in Mexico.

The company, which operates in 29 manufacturing plants and 172 distribution centers in Mexico, Brazil, the United States and other Central American states, adopts a commercial strategy that leverages the competitive advantages of the variety of its portfolio of leading brands, with the aim of further increasing market shares and profits, within an eco-sustainable industrial approach.

This goal can be more easily achieved, thanks to the significant investments in state-of-the-art production technologies that Lala makes every year.

Among the most recent acquisitions in this sense, are the secondary packaging machines supplied by SMI, which use innovative design solutions in an IoT (Internet of Things) key and ensure high levels of efficiency and productivity of the plant.

The Mexican company decided to install a new SMI packaging machine from the SK ERGON series, in the new production line of Yoghurt Bebible, the supply also includes conveyor belts for loose products entering the shrink wrapper and conveyor belts for packed products at the outfeed.

Thanks to quick and simple format changeover operations, the system supplied by SMI, allows Lala to pack 0.25 L HDPE containers, filled with yoghurt of various flavors, in various pack configurations, passing from one production to another in a short time.

The SK ERGON series shrink wrapper, is an extremely flexible hi-tech solution, for packaging small containers, in bundles of 6 pieces (3x2 format film only) or in larger formats of 24 pieces (6x4 pack); in fact, this machine adapts quickly and easily to the company's production program, which is subject to frequent changes based on market demands.



➤ SK 600F ERGON SHRINK WRAPPER - production up to 60 packs / minute

Containers packed: 0.25L HDPE bottles of different flavours of yoghurt

Packs created: packs in film only in 6x4, 4x2 and 3x2 formats in win lane

Main advantages

- Automatic packaging machine suitable for packing products in various pack configurations in film only
- Quick and easy format changeover to switch from one production to another in a short time
- Compact and ergonomic structure
- Maintenance, energy loss and noise reduced to a minimum, thanks to the motors connected directly to the transmission axis
- Machine equipped with guides, sides and winder optimized for processing small 0.25 L HDPE bottles
- Optional device to process 3x2 packs film only in twin lane

➤ CONVEYORS

Function: transport of loose containers at the infeed of the SK 600F ERGON shrink wrapper and transport of bundles at the machine outfeed

Main advantages

- Smooth, fluid handling of loose products and packs leaving the shrink wrapper
- Simplified maintenance operations
- Simple and intuitive man-machine interface
- Format changeover times reduced to a minimum for the swift transition from one production to another





LA LAGUNA: THE ORIGINS OF THE LALA GROUP

The origins of the largest dairy group in Mexico date back to 1949, with the creation of the Union of Torreón milk producers, that founded the Pasteurizadora Laguna in 1950. The initial name originates from the locality in which it operates, that is "La Laguna", a region located in the north of Mexico which includes the municipalities of Torreón, Gómez Palacio, Lerdo and others. In this region, in the municipality of San Pedro de las Colonias, state of Coahuila, there is, in fact "La Laguna Mayrán", an endorheic basin in which the Nazas river flows (this originates in the Western Sierra Madre in the State of Durango). The brand, with which the company is famous for throughout America, is therefore a contraction of "La Laguna" (Lala).



THE MAIN STAGES OF LALA'S GLOBAL GROWTH

- 1950:** First pasteurization and distribution plant for dairy products
- 1985:** strong affirmation at national level, which is realized with the establishment of the Lala Foundation to support the marginalized areas of Mexico
- 1987:** first ultra-pasteurization plant in Gómez Palacio, Durango
- 1989:** in order to celebrate its 40 years with the community, the company created the Lala International Marathon
- 2003:** acquisition of the Mexican dairy company NutriLeche
- 2007:** foundation of the Lala Institute, a system that wants to be a guide for promoting a healthy diet in Mexico
- 2008:** expansion begins: in Guatemala with the acquisition of Pasteurizadora Foremost, in the United States of America with the acquisition of a production plant in Nebraska and in 2009 with the purchase of National Dairy Holdings LP
- 2010:** creation of R&D center
- 2011:** spin-off of US operations, named Laguna Dairy (now Borden Milk Products)
- 2014:** the expansion in Central America continues with the acquisition of Eskimo S.A. and in 2016 with the integration of Lácteos La Perfecta, both of them in Nicaragua
- 2017:** acquisition of the Brazilian dairy company Vigor
- 2017:** inauguration of the global service center in Gómez Palacio, Durango, and construction of the first cold meat technology and innovation center in Tizayuc Hidalgo



FROM MEXICO TO THE ENTIRE AMERICAN CONTINENT

Today the Lala Group is the largest dairy company in Latin America, a Mexican company with interests and presence throughout the continent whose "mission" is, however, deeply rooted in tradition and in the values of its origins, which put good, genuine raw materials in first place. According to Nielsen funds of 2018, Lala occupies the leading position in the milk and cream sector and the second place in the category of yogurt and cheese; to maintain these results, the company continuously invests in new production technologies to ensure high quality levels and offer drinking yoghurt, traditional yoghurt, milk and cream among the best in Mexico. The Lala Group, whose shares are listed on the Mexican Stock Exchange, has grown significantly in recent years, expanding its business even outside its country of origin, especially in Guatemala, Nicaragua, El Salvador, the United States and Brazil. The company strategy of seizing all the growth opportunities in the dairy sector within and out of Mexico, has made it possible to reach important positions in six countries, in which its brands have reached the top places in all product categories.

LALA IN FIGURES

- 6:** the countries where it can be found
- 29:** number of production plants
- 40,000:** employees
- 172:** distribution centres
- 578,000:** consumer sales outlets
- 80.831 billion Mexican pesos:** sales revenue in 2019
- + 7,000:** distribution network



DISCOVERING GUANAJUATO



IRAPUATO: MUCH MORE THAN AN INDUSTRIAL CENTER

Irapuato is a large industrial center of half a million inhabitants in the state of Guanajuato (central Mexico), in which, Lala Group, a top-level entrepreneurial reality, a production plant with three SMI SK ERGON series packaging machines currently installed, is located alongside important auto and chemical companies. The city is also very famous throughout Mexico, for its production of strawberries, so much so, that it is considered to be the

“world capital” of this fruit. The center of Irapuato, with the suggestive Plaza de los Fundadores, is an excellent starting point for exploring the area; for example, in the nearby community of Valtierrilla, everything revolves around the cultivation of “nopal”, the prickly pear, which, thanks to the many uses in cooking, cosmetics and even for special diets, is the basis of the area’s economy. It is also impossible not to have a taste of tequila in nearby Pénjamo, which represents Mexico of the collective imagination: cacti, dusty roads

and expanses of agave. Blue agave or tequila agave is perhaps the best-known variety of agave. Of course, it is not the only one: there are in fact about 400 types of agave known, some of which are used only for decorative purposes. This is not the case with the blue agave, made famous by tequila. Its exclusive use in the production of this drink dates back to the early 1900s, when the German botanist Franz Weber, identified it as the best plant for the production of tequila.

GUANAJUATO: LAND OF SMALL AND BIG DREAMS

The mines of the golden days and the murals of social denunciation, the artisans and young artists are the places and faces of the state of Guanajuato, in central Mexico, a land that, for centuries, has cultivated small and big dreams. Nestled in the mountains, Guanajuato was the cradle of the independence movement, to free the country from Spanish rule, and which began from here in 1810 and ended in 1821. The city of Guanajuato, the capital of the region of the same name, is characterized by a myriad of multicolored houses lying within a small basin at 2000 meters above sea level, protected by

the mountain peaks. Here you can not only breathe in the nostalgia of the past, but you can look ahead. The future has the face of thousands of students, who attend the local university, especially for art courses, and it could not be otherwise in the hometown of the painter Diego Rivera (1886-1957), famous for his political commitment, his murals and for being the husband of the great Mexican artist Frida Kahlo. The art festivals that take place there are renowned not only nationally, but also internationally, as they host the most important artists of fine arts in the evocative settings of the cities of Guanajuato and San Miguel de Allende.

