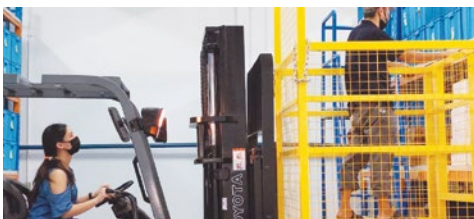


SMI ASIA SERVICES

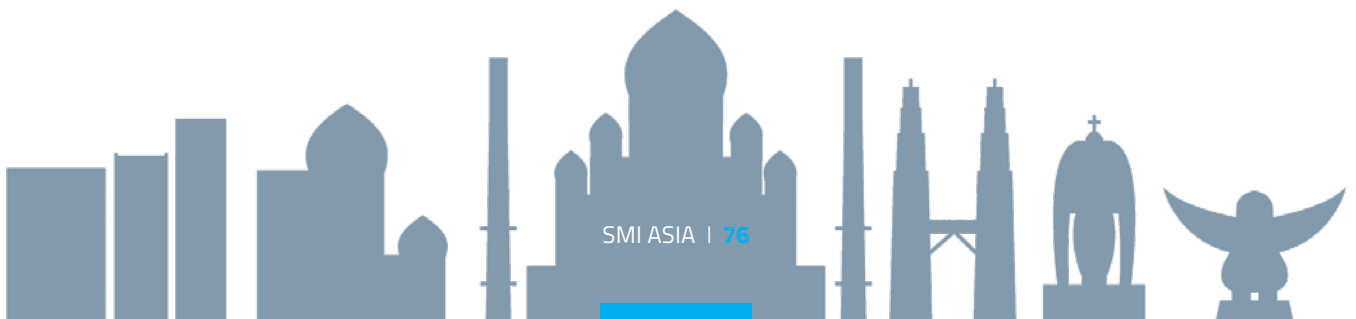
Since 2012, SMI has been present in South-East Asia with the subsidiary SMI ASIA SERVICES SDN BHD, established with the aim of responding promptly and effectively to the increasing needs of the numerous customers in the area. Competence, professionalism and availability of the commercial and technical staff, currently composed of 21 people, are the key factors that underlie the activity of the branch, which is based in the city of Shah Alam, a few kilometres from Kuala Lumpur (Malaysia), in a 1500 m² structure used both as commercial and technical offices and spare parts warehouse.



Let's elaborate on the topic with Davide Danna, Managing Director of SMI ASIA SERVICES SDN BHD:

Q: What are the main reasons for SMI's direct presence in Southeast Asia through a local subsidiary?

A: Compared to 15 years ago, production facilities in Asia have become larger and larger and meet higher production speeds with 24-hour shifts running 6/7 days a week. With these work rhythms, the speed in delivering spare parts and offering a technical service on site, in the event of a breakdown, has become a necessity for all our customers. For this reason, when customers decide to invest in a new production plant, the after-sales technical assistance structure is one of the decisive criteria in the evaluation and choice of supplier. For this reason, SMI has invested in Asia to create an important base, which grows year by year, to meet all the needs of local customers.





Q: What are the main demands of the Asian market?

A: First of all, the speed of response to customers, both for the supply of spare parts and for service interventions. In Asia we have numerous customers who, over the years, have repeatedly purchased machines and plants and who today find themselves managing complete or partial lines (end of line) within which there are SMI machines of various eras and technology. The SMI ASIA branch is contacted more and more often by these customers for technical interventions related to audits, updates, upgrades, etc. which, allow them to obtain detailed reports on the state of wear and tear of the components within their plants, in order to promptly evaluate the possible order of spare parts, necessary to perform scheduled maintenance before facing the period of maximum seasonal production.

Q: What are SMI ASIA's responses in terms of investments?

A: SMI ASIA has never stopped investing in the local development of the branch that is based in Shah Alam and currently has a staff of 21 people. We have many technicians dedicated to after-sales assistance, several Project Managers (engineers engaged in the study and design of the complete lines of our customers), sales staff for the sale of spare parts, machines and complete plants and purchasing staff. Thanks to this organisational structure, today SMI ASIA provides a complete service, from the design of bottling and packaging plants to the commercial management of orders, from the installation of the plants supplied to the monitoring and maintenance of the same. To date, the SMI ASIA branch supports almost all of Southeast Asia, covering an area that includes the presence of over 1000 installed

machines. These continuous investments, have also allowed the Malaysian branch to have a large spare parts warehouse, with about 3200 codes of different parts for a total value of about 600,000 euros. In addition to the spare parts warehouse at SMI ASIA headquarters near Kuala Lumpur, our branch has invested considerable resources to strengthen its direct presence also in neighboring countries, setting up small spare parts warehouses and training local technicians in Thailand and the Philippines. We have also opened a subsidiary, PT SMI INDONESIA, in Jakarta.

Q: What are the consumer demands in terms of performance for bottling and packaging plants and in terms of service?

A: In terms of plant performance, Asian customers demand competitive price first, equally fundamental are the performance of the system and the speed of delivery and installation. As for the after-sales service, it is very important to be able to give immediate answers to their requests and needs. The company SMI ASIA SERVICES SDN BHD can boast of offering excellent service in terms of customer support, ensuring fast interventions and solutions, moreover, thanks to our presence on site, customers feel supported even when the offices of SMI's headquarters in Italy are

closed and can still count on our assistance 24 hours a day, including weekends.

Q: What is your opinion on current market trends?

A: Over the last 10 years in Asia, we have seen a sustained growth of aseptic plants as an alternative to "hot fill" lines, as a result of the fact, that the dairy products sector has become increasingly important. In the field of secondary packaging, on the other hand, the situation is more complex and "chaotic". In some countries, customers are increasingly moving away from shrink film in favour of cardboard, but in doing so, they face enormous problems due to the higher cost of the latter and its low availability. In other countries, however, we see the opposite, with customers who, for economic reasons, are switching from cardboard to shrink film. In general, the demand for multipack formats (2x2 or 2x3) in kraft cardboard is also growing. In any case, the wide range of secondary packaging machines proposed by SMI is able to give the most appropriate response to any market request, regardless of the packaging material chosen by the customer.

