



OCTAL TO INVEST \$50 MILLION IN OMAN OPERATIONS TO SOLIDIFY GLOBAL LEADER STATUS IN PACKAGING SOLUTIONS

Muscat, February 2019 – OCTAL has announced it will be investing a minimum of \$50 million this year in its PET sheet business in Oman. The outlay will largely be in PET sheet capacity expansion to improve existing machinery, increase operational efficiencies and generate cost savings. The world's leading clear rigid packaging material supplier recorded consistent growth in 2018 and has now entered its fourth development phase. The company outlined its successes during a meeting for bankers and lenders.

Nicholas Barakat, Chief Executive Officer at OCTAL said, "Despite a challenging year, we had a profitable 12 months which is a testament to our unique product and efficient operations. Our investment going forward is driven by customers' need for a superior product that meets their packaging and environmental requirements."

Barakat added, "Our continued growth is the result of massive investment and research into the most advanced innovative technologies. By adopting the latest production methods, we have continuously extended our global reach and developed new products that assist customers in displaying their goods using our expanded range of PET packaging solutions. We are making strong inroads to new international sheet markets in South America and have increased capacity in our Cincinnati plant to 40,000 tons. This is a true reflection of a global leader in PET packaging."

Between 2016 and 2018 the company witnessed a strong financial performance; volumes were up by 10 per cent, revenues were up by 24 per cent and its EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) was up by 26 per cent, with 2019 promising to continue delivering favorably. Scott Ewen, Chief Financial Officer at OCTAL, said, "Cost control and cost reduction initiatives have been fundamental to ensuring financial sustainability over the long term. We have maintained a steady focus on investment in capacity, proprietary technology and innovation, enabling us to accomplish sales growth year-after-year."



The upswing in OCTAL's PET sheet business has been driven by increased volumes, firstly by operational efficiency then by capacity. On the other hand, the growth in the company's PET resin business has been attributed to a change in approach with a focus on pricing structure and profitable sales rather than volumes. Internal procurement and pricing strategies have been adjusted to accommodate a demand-driven model, which aims to ensure every ton sold is at a profit. This strategy has transformed OCTAL's business model.

Moving forward, OCTAL is looking at diversifying its presence globally, especially with Asian and Latin American markets booming with the demand for packaging solutions for the food and beverage industry. It is also eyeing expansion into Europe and the US with its highly sought after recycled content PET range.

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About OCTAL

Oman-based OCTAL has emerged as the largest PET sheet producer and integrated packaging company in the world. Operating from the Salalah Free Zone, the company has successfully harnessed its strategic location with access to East-West shipping lanes and favorable trading regulations coupled with its unique-to-the-world manufacturing capabilities to meet the breadth and depth of customer demand.

Manufacturing PET resin and the first and only direct-to-sheet polyester sheet in the world, DPET™, the company's state-of-the-art plant was purposely designed and built to yield superior quality products with waste and cost reduction benefits, increased productivity for thermoformers and unmatched environmental advantages.

Today, OCTAL is the world's largest PET resin and sheet producer on a single site.

For more information, please visit: www.octal.com

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