

Life in Motion

YOUR HEPACO NEWSLETTER

Christmas
2021

CHAIRMAN'S END OF YEAR MESSAGE Surviving (and thriving) with Covid

Despite the global pandemic and the considerable disruptions caused by it, we have just experienced the busiest year in our history.

Twelve months ago, we faced the prospect of a Christmas lockdown, families kept apart, and only the hope of a vaccination to keep our spirits up. It was hard to endure, but the successful vaccination programme rollout enabled the easing of restrictions and a return to normality.

From a business perspective, managing capacity was tough, to say the least. Recruitment difficulties, global supply chain disruption, not to mention Brexit, all conspired at the worst possible time. But, despite these circumstances, we kept our factories open, our employees safe, maintained good productivity levels and achieved record levels of turnover and order intake.

Business levels began strongly and remained so throughout the year. Order intake was consistently good, and pending orders were at an all-time high. Almost all of our managed markets performed exceptionally, with our sales teams targeting well-performing industries and new markets to drive growth.

This year, turnover grew by an incredible 22%, making 2021 a record year for Hepco.

Germany, now our largest market by value recorded a huge 44% increase in sales turnover. The UK is up by 5% following a

difficult start, France +40%, turning around a minus figure from earlier in the year, Benelux +31% despite having a vacant sales area, and Spain +32% with many good prospects in the pipeline.

The exception was Hepco-Korea who recorded a minus figure of 18%, but with the Korean economy constrained by a slower vaccination rollout and a lack of investment, that was somewhat to be expected.

The promising news is that our Korean team continue to make inroads into their local EV battery market, with some genuinely exciting prospects within this industry.

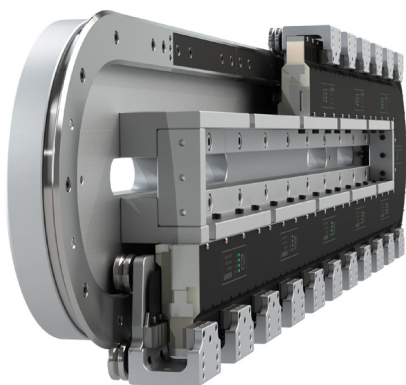
These numbers are superb by any standards, quote activity was far beyond the previous year and we worked hard to sustain the levels.

There are many open projects in the pipeline for 2022, and in order to grow further, we will support our Sales Teams as much as necessary.

GFX was a key driver of sales in 2021 and is now our fastest-growing product. In order to meet demand, we invested considerably in machines and equipment for the production of GFX and Core Product components alike.

With these investments, we are well placed for growth next year and beyond.

Our technology, along with Beckhoff's industry-leading drive and software, positions Hepco at the very forefront of automation, which is a very good place to be.



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Hundreds of GFX systems were supplied to Tesla this year for use in the manufacture of EV batteries, and many other customers invested in this technology for their packaging, medical and cosmetics applications, to name but a few.



Our R&D department is working on several GFX product developments, due to launch in 2022 that will keep us ahead of the competition, and maintain growth in an increasingly crowded market.

The forecast for GFX sales looks bright and importantly, investment in this technology is a positive driver of the quality and development of all our V Guide-based products.

On the 31st of January 2020, following the end of the transition period, the UK officially left the EU. The negative consequences of Brexit were immediately felt by us and our European customers, with shipping delays and increased costs rapidly becoming commonplace. The situation, as expected was dire so Hepco acted decisively, embarking on a project to establish a European warehouse in order to negate these effects.

A huge amount of work upfront was done to find a suitable location, planning the facility layout and costing the project. In the end, we chose the Dutch town of Veghel, situated close to Eindhoven and not too far from the existing Benelux branch sales office.

Phase 1 of the Hepco-Europe project is now complete, and the first shipment of Tiverton orders for cross-docking and dispatch onto our customers across Europe was made on December 1st. This immediately saves our customers transportation time and reduces their administrative burden.



Phase 2 will entail holding stock, equipping the facility with cutting machines and supplying our European customers directly from the hub. In the long term, we hope that Hepco-Europe will become a driver of sales revenue for the Company, supplying Core and Factored products in shorter lead times, as the market dictates.

It is fitting that our first-ever branch sales market is now the home of Hepco-Europe, and pleasing to see that our own Mariusz Laskowski along with his wife Beata took the decision to relocate to Holland, becoming the Factory Manager. I would like to wish Mariusz and Beata the very best of luck with their new endeavour and to thank everyone involved in the setting up of Hepco-Europe's initial stage so efficiently. I have no doubt this venture will become a roaring success and an integral part of the Hepco Group.

A healthy order book and some major opportunities in the pipeline for the beginning of next year means that we have many reasons to be positive. But it will be a challenging one, and lead times will be a key factor in our ability to grow.

Many of our material suppliers are running at full capacity, so we in turn are experiencing delays and extended delivery times.

The global shortage of microchips has been well publicised, with Beckhoff themselves struggling to maintain the output of their XTS motor modules. This could ultimately impact our business. Add to the mix a very difficult labour market, the latest Covid variant, Omicron, and we might be in for a challenging start to 2022.

Despite all of the unknowns, over the past two years, we have demonstrated our ability to cope in difficult circumstances, indeed thrive during these times, and I have no doubt that we will continue to do so.

On behalf of the Board of Directors, I would like to thank every single member of the Hepco Team for their hard work, dedication and contribution to what was a record year for Hepco.

I wish you all a relaxing and peaceful Christmas break and look forward to seeing you all again in 2022.

Giles Forster - Chairman



LONG SERVICE AWARDS

We are very proud of our long serving employees. Congratulations to you all!

30 years



Kelvin Peard
Environmental &
H&S Manager (L)

John Boldock
UK Sales Engineer
(R)



Glen Hooper
CNC Team (L)

Georges Le Guilly
French Sales Engineer
(R)

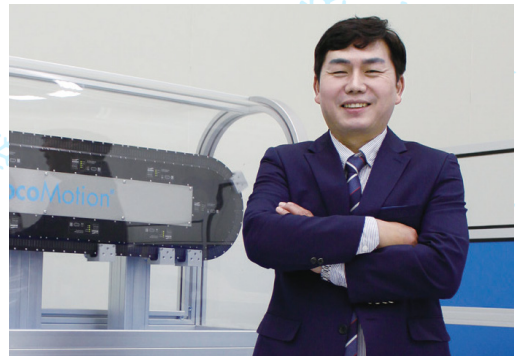


20 years



David Quinn
Grinding Team (L)

James Hwang
Korean Branch
Manager (R)



10 years

Congratulations to everyone below for 10 years service, also including Katie McCartney (Application & Support Analyst) and Holly Cottrell (Sales & Logistics Supervisor) in **Tiverton**, Gary Marsh and Mark Holleyman (Turning Team) at **BPC**.

Tiverton



Robin Smith
Prelim Team



Dom Pendry
UK Senior Sales Engineer

BPC



Adam Hearn
Production Engineering

Hepco Europe



Mariusz Laskowski
Operations Manager

WELCOME TO OUR NEW STARTERS

June to December 2021

At **Tiverton HQ** we are pleased to welcome Paul Weller & Ryan White – Stores, Benjamin Crook – Weekday Night Shift Grinding, Sarunas Slekyas, Dennis Csepregi, Adrian Heath, Ben Parry, Michael Hardie & Casey Rybak – Prelim, Christopher Harding, Melanie Stone & Jordan Sampson – Quality, Hannah Mills – Sales Office, Jake Ward & Eden Holley – Stores & Despatch, Philip Perry – UK External Sales, David Grylls – CNC, Owen Chamberlain – Jobshop, Glenn Ritchin & Dominik Mazur – Ring Cell, James Matthews & Kelan Leach – Assembly, Brad Burnett – Stores & Despatch, Justin Whittle – Grinding, Joe Goldsmith & Matthew Carpenter – Projects.

At **Tiverton HQ** we welcome the following Apprentices: Edward Sleep, Benjamin Dovell, Rohan Pomroy, Niall Roberts and Sky Hopkins.



Pete Frost – HR & Payroll



Gillian Jones – Sales Office



Matt Carpenter has returned to his position at Hepco as Mechanical Automation Project Engineer, in the Engineering Team. He worked at Hepco between 2010 and 2017. Above he is pictured with his son, James, wearing their Christmas jumpers.



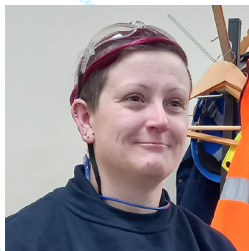
At **Hepco Germany, LR** Anna-Lena Steingruber – Applications Engineer, Walter Zeeb – Technical Sales Engineer



Suzel Ferrari – **Hepco France** Commercial Assistant

Hepco Europe are also proud to introduce:

BPC welcome:



Lindsay Briggs
Jig & Tool



Joshua
Richardson
Apprentice



Keith Tyrell
Jig & Tool

Talida Handolescu
Stores



Hatim Bouferrich
Stores



Frank Ujiln
Stores



Tracey Platt
Assembly

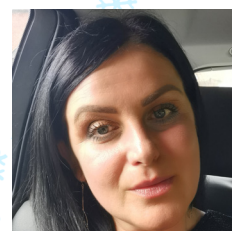


Wayne Mumford
Grinding



Nick Moore
Turning

Beata Laskowska
Sales & Shipping



In addition, **BPC** welcome John Oak – Jig & Tool and Gary Blowers – Grinding.

STRONG BUSINESS GROWTH IN SPITE OF COVID-19

Alex Mend – Sales Director

The fourth wave and again increasing infection rates feels like an endless loop.

However, nearly all our markets are showing growth, many of them significant. Q1 and Q2 2021 showed record months, driven from postponed 2020 projects, which came to life. The actual Covid-19 situation is concerning, nevertheless business stays strong.

I am still optimistic and looking forward to 2022 – for sure it will present challenges again, but I am also expecting further good growth.

We invested quite a lot in building up our new stockholding factory in the Netherlands, which is perfectly located to support our main markets on the continent.

The aim is to improve customer service and deliveries, which were affected from the last minute Brexit.

We pushed hard with the Hub and surprisingly we were already able to process the first products via the Hub to our customer this December. Further developments are planned, an extended stock will be built up and in Q2 2022 we should be ready to ship some products direct.

We are planning to attend exhibitions across all of our major markets. Even if currently, due to Covid-19, it is not looking very promising to take part at an exhibition, I am convinced that the situation will change quickly next year, and we will be able to push our sales to keep our factory busy.

We are also developing new future markets.



Many of them relate to new technologies, such as EV's, batteries etc. I am sure there is more to come – especially in innovative "green" technologies, which are actually developed across the globe. From that view I am very optimistic – our products are so versatile, it can be used nearly in any kind of industry.

Furthermore, we are working on innovative sales processes, developing sales strategies to keep us fit for the coming years.

I would like to say a big thank you to you all in the Sales Team – you pushed sales so hard, spent so many efforts to suit customer requirements, and to generate a premium customer service.

Also, a great thank you to all people in the business, which made us so successful in 2021. I am sure you will do it again in 2022.

May I wish you all a Merry Christmas and a Happy New Year.

APPRENTICE NEWS



Congratulations to Adam Hearn at BPC who won the Royal Navy Award for Higher or Degree Apprentice of the Year for East of England.

Adam Curtis, Production Engineering Manager, said: "Adam won the award, beating strong candidates from both IBM and Rolls Royce. Judges commended his current role in mentoring BPC's apprentices as well as his constant learning through all stages of his career.

BPC are so proud of Adam and his achievements, where he has overcome dyslexia and showed other apprentices what hard work and determination can achieve."

LOOKING AHEAD TO 2022

Barry Engstrom – Manufacturing Director

Who would have thought, as we leave 2021, we would still be battling Covid and have recently entered new restrictions with a move into plan B, and who knows even plan C.

We will never forget these last two years and it will be a time that we speak about to our grandchildren and great grandchildren in years to come.

A thank you to everyone, be proud of what you have achieved, with many records broken: turnover, order intake, output levels, and productivity rates.

In amongst this busy year, we opened our new Hepco Europe site in Veghel. Thanks to Mariusz for stepping up and moving his family to Holland. I would like to welcome back Beata and welcome Talida, Frank and Hatim to the Hepco team. I thank everyone who has made this project happen and I am very pleased that we have started shipping product from Veghel, direct to our customers throughout Europe, since the 1st December. A great job well done.

LOOKING AHEAD TO 2022 the manufacturing team



have many new challenges: improving customer service, increase output and productivity, develop the Veghel site and reduce lead times, all key priorities that will help us better compete with the competition and grow the business again.

Lastly, I would like to thank everyone within the manufacturing team and throughout the company for making 2021 such a success, be proud of what you have done, enjoy Xmas and I wish you all a very happy New Year.

NEW ROLES AND RESPONSIBILITIES



Jason Cox has now taken on the new position as General Sales Manager, responsible for internal sales departments in Tiverton.

Jason has been at Hepco for over 20 years, originally starting at the London facility, moving to Tiverton and managing the Technical team.

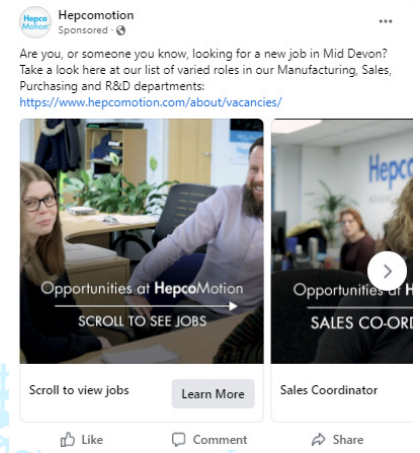


Mariusz Laskowski has been successfully appointed as the Operations Manager of Hepco Europe, responsible for all aspects of manufacturing. Mariusz has been a key part of the Hepco team for 10 years and brings a wealth of knowledge and experience for warehouse logistics and importantly an understanding of the key workings of the business.



Following the retirement of Ken Mendes, James Lennard has been promoted to take on the position of Quality Manager. James has been a key part of the BPC Quality team for 18 years and brings new innovations and improvements, and has many years of experience and product knowledge.

RECRUITMENT DRIVE



To meet the rising demand of our products, we require new people to grow our team and expand our expertise, although finding people is harder than it has been. To increase awareness and fill the current vacancies we have launched some initiatives. The pictured advertising van will be in various locations throughout Mid-Devon in February and you may have seen our Facebook adverts in Tiverton and Braintree.

Join the Hepco Group

Join a world leading manufacturer with over 50 years of experience providing innovative automation components for a range of industries.

Healthcare Cashback Plan

Flexible Working

Development Opportunities

Competitive Salary

REFER A FREIND

Don't forget about the new referral scheme. You can earn from £250 (250€), if a friend you refer joins the Hepco team.

Take a look at all current positions at www.hepcojobs.com

IN AND OUT OF THE OFFICE

CHRISTMAS JUMPER DAY FUN

Christmas Jumper day is an annual event in aid of the charitable organisation, Save the Children, who were established to improve the lives of children through better education, health care, and economic opportunities. Below are some of the images sent in. Thank you, everyone!



Save the Children



IN AND OUT THE OFFICE

WEDDING CONGRATS



John Fitzgerald Supplier Quality Engineer, and Michelle who married on 1st October 2021 at Lakeview Manor, Dunkeswell.

John moved from the Midlands in September 2018 to be with Michelle, and started at Hepco in May 2019.

Congratulations to you both!

MACMILLAN CANCER SUPPORT

In September BPC raised almost £220 by baking cakes for the World's Biggest Coffee Morning campaign by Macmillan. A great amount!



INGENIOUS USES OF HEPKO BOXES

Customers are always looking for other ways to use our products. Long-time customer, Clayton Banks of Claypack Ltd uses Powerslide in his onion packing machines and has now found ingenious ways to use the boxes.



HAPPY RETIREMENT



Best wishes to Ken Mendes, Quality Manager, who recently retired after ten years service. All at BPC would like to wish Ken a very happy and healthy retirement.

WELCOME TO THE WORLD

Loretta Kaysworth welcomed Emilia Rai Colman, sister to Jack. Emilia who weighed 7lbs 2oz was born in November.



In September, Emma Mahoney is also pleased to share the news of Rory Philip Wayne Hake who weighed 7lbs 11oz.

Gemma Haycock welcomed her little boy, Hudson, in July. He weighed 8lbs 13oz.



SUPPORTING YOUTH FOOTBALL



Hepco are proud to sponsor the Moors Mustangs. To the left is Team Coach, Angelo Areington-Eyres (Tech Sales) with the U11s in their team kit.



In July Hepco sponsored the Twford Spartans 6-a-side tournament held in Tiverton.

HAPPY BIRTHDAY MARTINE

Martine Le Guyader, who has been with Hepco France for the last 20+ years is pictured on her 60th birthday earlier this year.

