

TWINSAVER AND TOSCOTEC'S SHARED SUCCESS STORY IN SOUTH AFRICA.

I recently spoke with Garth Towell, Chief Executive Officer of the Twinsaver Group, Anna Marie Viljoen, Product Supply Director and Tony Hulme, General Manager for Operations, about South Africa's leading tissue producer, the Twinsaver Group, and the key to its success. They revealed the importance that the Group places on their choice of technology and how they value Toscotec's AHEAD-2.0S tissue machine and TT NextPress as an important asset to support their growth ambitions.

Who is Twinsaver? What's your ownership structure?

Garth Towell: the Twinsaver Group (TSG) was previously known as Nampak Tissue. Nampak Tissue was part of a much bigger, locally listed, packaging group, with a history of going back 60 years in the South

African market. At the end of 2013, Nampak announced to the local stock market that they were divesting of their tissue business unit. A private equity consortium, Ethos Private Equity, made an offer for this business and took over majority control in April 2015 changing the name to Twinsaver Group. So TSG was really born in April 2015!

What is your Mission? How did you structure the business in terms of products and market share?

Garth Towell: Our purpose is improving people's lives with everyday products, used everywhere across sub-Saharan Africa. There are four elements linked to this:

First, our brand. Twinsaver is the number one tissue brand in South Africa. It has a total market share of tissue of around 30% and recent

growth has been driven by investment scale and innovation. Second, our performance. It's about diversification: in 2015 we bought a business that was exclusively tissue, and 3 years on, we have three business units under one Group banner: Personal care (tissue), Home care (disposable foil, wrap, plates, cups, baking accessories and oven trays) and Adult care (incontinence products) and Wet Wipes, developed through business acquisitions.

Third, the customers. Through innovation, the group grows category value and meets customer and ultimately consumer needs.

Fourth, creating value through integrated value chains. It is not just about brand and products, consumers and customers, but also about how we establish a competitive value chain in product supply. We must put the right technology in place that enables the development of solutions that are different and more cost-effective than our competitors. As a result, this real differentiation, will sustain our number one positioning, and support a claim of the tissue authority in South Africa and in the broader Southern African region.

How do you market your products?

Garth Towell: Our products are sold, marketed and distributed to both retail and wholesale customers (B2C), as well as to business-to-business (B2B) customers. We also manufacture and distribute private label products for certain customers, however we are predominantly a branded market player.

Tell us about your first cooperation with Toscotec in 1998: Riverview, PM1.

Ann Marie Viljoen: It all started with a Toschi machine originally installed in 1994 by an independent tissue producer in South Africa. In 1998, Toscotec converted this machine into a crescent former for Nampak Tissue and this became Toscotec's first crescent former. This machine has been TSG's best performing asset for a number of years, producing at 92% OEE. That project was our first interaction with Toscotec and through the years we got to know the organization, the technology and the people. Important to note, however that as part of the selection process for PM5, our team visited your new installations in Portugal, and were suitably impressed.

Focusing on the AHEAD-2.0S tissue machine that you started up on March 28th at Kliprivier mill, what were the reasons for the expansion and for the choice of Toscotec's technology?

Tony Hulme: The expansion and choice of Toscotec's technology was aimed at enabling TSG to deliver on three criteria in support of its growth agenda in the South African market:

1. The requirement to reduce our total manufacturing costs.
2. The need to improve the brand equity of our core products.
3. The requirement to produce a differentiated base sheet, i.e. softer and bulkier.



We then asked ourselves the question: what technology should we invest in today to differentiate our product from all the competition in Southern Africa?

During the engineering phase, we worked with Toscotec to reduce the energy cost by improving the design of the entire process. An energy efficient design meant that we would use energy efficient motors, TT NextPress, TT SYD, Steel Yankee - which was new for us in South Africa, because we previously used cast iron Yankees - and a vacuum system based on turbo blowers. These were the key technological choices we made to reduce the total cost of energy.

Based on these three criteria, what cost drivers informed your technology choice?

Ann Marie Viljoen: we were looking for a tissue machine that could run at an overall efficiency of 90%. The machines that Toscotec installed in the past years had demonstrated the capability to operate at such a high efficiency, with a very quick start-up and learning curve. Also, in terms of fibre yield - considering that fibres contribute about 50-70% of our manufacturing costs - Toscotec's overall design allows TSG to operate at a higher fibre yield.

Why a turnkey supply? And why did you choose Toscotec for your turnkey project?

Tony Hulme: The decision to consider a turnkey supply was based on three main criteria.

First, we believed that a turnkey supplier could leverage better pricing for equipment and services.

Second, TSG wanted the turnkey supplier to be accountable to meet stringent performance guarantees.

And third, TSG believed that it would be easier to manage the project if we had two main contract partners, i.e. civil works and the main equipment supplier.

What's your take on the AHEAD-2.0S machine performance and runnability? What can you tell us about the quality of the product you are producing?

Tony Hulme: All our tissue machines are equipped with a suction press roll, the old pressing technology. We had many discussions with Toscotec, and with others, about the next step in technology. TT NextPress allows us to run in an energy efficient mode. This gives us the opportunity to increase either the softness or the bulk of the base sheet, which will be the competitive advantage in the market. The South African market looks for a very soft product from a hand-feel perspective, and we believe that – as compared to our current products and technology – with TT NextPress we can produce a softer and bulkier sheet. The other advantage of the TT NextPress and of the drying capability of the AHEAD-2.0S is a wonderfully consistent moisture profile and formation across the sheet width. This has resulted in a huge step change in converting efficiency and OEE on our rewinders and also a reduction in customer and consumer complaints.

With respect to energy reduction, what feedback did you get on the AHEAD-2.0S consumptions specifically?

Tony Hulme: Regarding improvements in consumption of the drying section of PM5: we run at a much lower.

We obtained a reduction of our energy consumption equal to 30% compared with the older PM3 machine. The benefits of TT NextPress were also realised during the Performance Tests with the load and tilt tests, delivering true product improvements and energy saving results. The cost of energy accounts for approximately 25% of our total manufacturing cost, so it is important that we reduce the energy consumption of our machines and given the rising cost of energy in South Africa, we have had to find ways to reduce our overall consumption.

How would you describe the cooperation with Toscotec?

Tony Hulme: Toscotec is a very professional, very willing, and a very friendly partner. At this point in time, the Toscotec team supported us in completing one of the most successful start-ups worldwide. You helped us resolve many of the issues in a quick and proactive way, making improvements and keeping this project up and going.

The continued cooperation and partnership is very good and we are very happy with what Toscotec has done for us. Throughout the project - from the initial briefing, through the tendering process, the visits to different plants, the conceptual process, the engineering design, and installation and commissioning and now, the post start-up support and aftersales - our experience with Toscotec has been excellent and the team have been a pleasure to partner and work with.

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