

FC Cartons: Continued investment in machinery and in-house design capability

Hard-won wins

Waqas Qureshi finds carton businesses have gained trading momentum as the year has progressed.

How has trading been this year?
What is your company forecast for the full year 2026?

Ola Buarøy, Elopak: Trading has been resilient in 2026 despite a challenging market environment. In the first half of the year, Elopak delivered revenue growth and solid profitability, supported by continued demand for carton packaging solutions. While raw material inflation, geopolitical uncertainty and ongoing supply chain challenges have created headwinds, we have taken proactive measures to mitigate their impact. Looking ahead, we expect performance to improve gradually through the second half of 2026, while remaining mindful of continued market uncertainty.

David Woodyatt, FC Cartons: 2026 got off to a slow start but momentum has grown and we're now seeing a very high level of business from both new and existing customers. We are achieving exceptional month-on-month growth and are currently 30% above our sales forecasts. Looking ahead to the remainder of 2026, we are in a strong position, with a healthy pipeline of confirmed and forecast work. Alongside this, our continued investment in machinery and in-house design capability is creating further opportunities. Based on current trading levels, we are expecting to deliver a strong full-year performance, and we can see this year being another record-breaker for Team FC.

Owen Newton-Hill, Quantum Print & Packaging: Given the headwinds, trading has been relatively solid, but hard-won. Customers remain loyal, and enquiry levels have held up, but customers are facing demand challenges and are calling off smaller volumes, more frequently, so we're handling more releases, more artwork touch points and tighter deadlines for the same underlying volume. For the full year we expect to land roughly in line with the three-year average, with cost pressure impacting margins as we work hard to protect service levels.

> **We are achieving exceptional month-on-month growth and currently 30% above our sales forecasts**
> **David Woodyatt, FC Cartons**

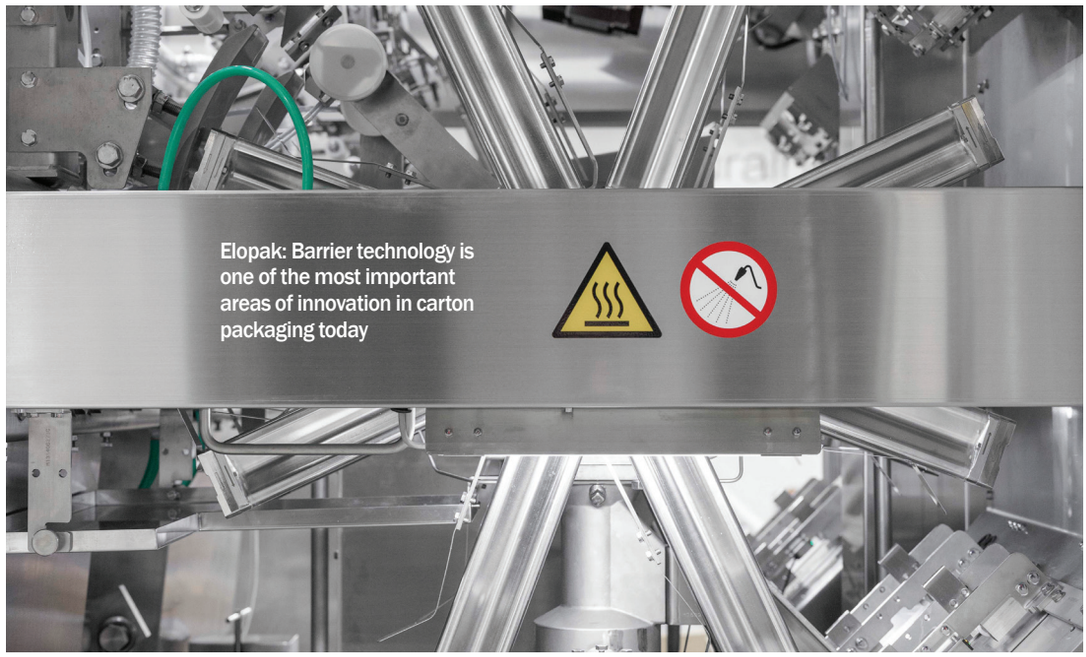
What has been your strategy for 2026? Including capital expenditure, new staff, expansion?

Ola Buarøy: Our strategy in 2026 has been to stay focused on disciplined execution of our Repackaging tomorrow strategy. We have continued investing in innovation, strengthening our paper-based packaging offering, supporting customers through changing regulatory and market requirements, and growing our presence in key markets. At the same time, we have maintained a disciplined approach to costs and capital allocation while navigating a challenging operating environment."

David Woodyatt: This year we have added a Vega 700 adding further capacity and versatility to our extensive gluing capability, while a fourth Window patcher will enable the 1100 Master to provide even more capacity and flexibility. A new generation of management is coming through the business. They show a desire to progress in their own development and being part of the team will enable them to continue their progression, and develop new skills, which can only be good news for the business.

Owen Newton-Hill: We're investing through the cycle rather than sitting on our hands. On capital, we're performing trials on a new piece of equipment to increase speed of production and investing in new IT infrastructure to support the latest CAD software and MIS systems. On





Elopak: Barrier technology is one of the most important areas of innovation in carton packaging today

people, we've trained a young structural engineer and invested in cross training of operators to provide flexibility. We are actively considering a new Business Development Manager to support our growing customer list. The investment in systems and people will enable our expansion, focused on the same products and segments we already serve (as we do this well, and have room to grow).

What new print and other technology has caught your eye?

Ola Buarøy: We're particularly interested in technologies that help packaging deliver more value with fewer resources. That includes advances in paper-based materials, barrier technologies that can further reduce reliance on plastic, and innovations that improve recyclability. We are also seeing exciting developments in digitalisation, from smarter manufacturing and quality control to data-driven production optimisation.

David Woodyatt: New materials and coatings continue to be developed which are proving a great asset for our R&D product development capability.

Owen Newton-Hill: Digital inkjet for cartons is still top of mind. It's maturing fast and improving short-run economics by removing plate costs and making variable-data and versioned work far easier. I'm also watching AI move into the workflow, with estimating, prepress, quality control, and analytics top of mind.

Are carton innovations adapting for barrier protection for food?

Ola Buarøy: Absolutely. Barrier technology is one of the most important areas of innovation in carton packaging today. The industry is continuou]sly developing new material structures and barrier solutions that maintain food safety, product quality and shelf life while reducing reliance on fossil-based materials. At Elopak, this includes initiatives such as the use of low-carbon aluminium in aseptic cartons, helping reduce the carbon footprint of packaging while maintaining the barrier properties needed to protect food and beverages. The key challenge is to advance recyclability and resource efficiency without compromising functionality, quality or food safety.

> **Manufacturers have had to navigate greater supply chain complexity and cost volatility**
> **Ola Buarøy, Elopak**

David Woodyatt: Yes, absolutely. Carton innovation is increasingly focused on working with barrier protection and developing packaging solutions that are better suited to the specific requirements of food products. This has been partly driven by the Packaging and Packaging Waste Regulations (PPWR). New barrier protection methods allow for a more recyclable product which will in turn reduce the EPR costs based on RAMs for the 'producer'. That said, we believe there is always further scope to innovate; we continually look at new materials, constructions and carton styles to develop solutions that offer the right balance of product protection, functionality, sustainability and cost for each individual application.

How has the Middle East conflict affected the cartons sector, including supply chains, prices, and lead times?

Ola Buarøy: The main effects have been higher raw material and logistics costs rather than fundamental changes in demand. Across the sector, manufacturers have had to navigate greater supply chain complexity and cost volatility. For Elopak, the conflict contributed to increased input costs in EMEA, and we introduced raw material surcharges to help offset the impact. More broadly, it has highlighted the importance of resilient supply chains and strong supplier relationships in an increasingly uncertain world.

David Woodyatt: The Middle East conflict has had significant impacts: price increases, surcharges, and longer lead times. All of these have led to difficult conversations with our customers. As always, we have found that early, honest communication of the situation and impacts have been appreciated, accepted and understood and that to a large extent the board mills have controlled the cost base of packaging.

Owen Newton-Hill: The conflict has settled into a manageable-but-elevated normal rather than an acute crisis. We see increased input costs, most notably our own energy bill, board prices and transport

THIS MONTH'S INDUSTRY EXPERTS



OLA BUARØY
Chief financial officer, Elopak

Elopak is a global supplier of carton packaging and filling equipment. The company says its Pure-Pak cartons are made using renewable, recyclable, and sustainably sourced materials.



DAVID WOODYATT
Managing director, FC Cartons

FC Cartons is a BRCGS compliant company with ISO 9001, ISO 14001, ISO45001 and PEFC certification, providing die-cutting and creasing, window patching, pick and place, folding, gluing tray forming and nesting finishing solutions to the carton, print and packaging industries.



OWEN NEWTON-HILL
Managing director, Quantum Print & Packaging

Quantum Print & Packaging is a privately-owned producer of printed folding cartons and litho laminated cartons. Established in 2005, the firm operates from a factory in Wednesbury West Midlands in the beverage, nutrition, pharma and vape markets.





Quantum Print & Packaging has seen a big increase in questions around PPWR

costs. In the past, customers have been more understanding about the cost increases, but after the number of 'black swan' events we have had, passing on increases has become a lot more difficult. Lead times on material have held up better than expected.

How has the company been affected by the National Insurance and minimum wage increases?

Ola Buarøy: While rising employment costs affect all employers, we continue to offer a competitive pay and benefits package while investing in our customers and long-term growth.

David Woodyatt: We saw an increase of more than £100,000 in our wage costs, which we have absorbed. Whilst no business wants to be dictated to, we have tried to see it partially as an investment in our staff and hope that our team appreciate the broad-brush approach which saw all of our staff see increases to support them with the ongoing cost of living challenges.

Owen Newton-Hill: They've been a genuine step-change in our cost base. Although only technically impacting a portion of the employees, the rise creates a ripple effect through the wage pool. This, along with pending changes to the qualifying period and improvements in technology, certainly makes you think twice before increasing headcount.

What other challenges are you facing?

Ola Buarøy: The biggest challenges continue to be raw material cost inflation, supply chain volatility and geopolitical uncertainty. In 2026, the conflict in the Middle East contributed to higher raw material and logistics costs. At the same time, evolving regulatory requirements around packaging and circularity are increasing the need for innovation and close collaboration across the value chain.

David Woodyatt: Energy costs continue to be an issue – over which you have little control; we have taken all the steps possible to control our energy usage. I have yet to hear a coherent justification of why the UK energy costs are so high! Price Increases and extended lead times are a continuing issue which we have to deal with on an almost daily basis. When you factor in sustainability demands and legislative requirements the material purchasing controls required for the business become ever more challenging.

Owen Newton-Hill: The regulatory compliance burden continues to grow and is time-consuming to stay on top of as the rules and expectations for us and our customers change. For example, we have seen a big increase in questions around PPWR of late given it came fully into effect in August.

How are packaging EPR changes affecting the cartons sector?

Ola Buarøy: EPR has the potential to be a positive development for the cartons sector, particularly if it drives investment across the recycling value chain. We are already seeing greater demand from producer responsibility organisations and brand owners for stronger collection, sorting and recycling performance. We believe this will help support infrastructure development, improve citizen engagement and deliver better recycling outcomes over time. However, EPR fee structures and eco-modulation systems remain fragmented across Europe. Greater harmonisation would provide more clarity for brand owners while helping maximise the effectiveness of the system and support circularity goals.

David Woodyatt: EPR is certainly influencing the cartons sector, with an increasing number of customers looking to move away from single-use plastics and towards more recyclable and sustainable packaging solutions. This is a clear trend that we are seeing across the market, and one that we expect to continue. One of the challenges, however, is that comparing plastic to board is not always a like-for-like exercise. The performance, manufacturing process and environmental impact of each material can be very different, and unfortunately, these wider considerations are not always given the attention they deserve when decisions are being made.

Owen Newton-Hill: EPR is one of the more constructive shifts for us as our products fall into the low-fee categories, incentivising a shift from plastic to paper/board. Staying on top of the evolving regulation and the expectations on us as a manufacturer remains a challenge.

> **EPR is one of the more constructive shifts for us**
> **Owen Newton-Hill, Quantum Print & Packaging**

What does a successful 2026 look like for your company and the cartons market?

Ola Buarøy: For Elopak, success in 2026 means delivering profitable growth, supporting customers through a rapidly changing market and continuing to advance our paper-based packaging portfolio. For the carton sector as a whole, success means demonstrating that renewable, paper-based packaging can play an even bigger role in reducing waste, supporting recycling and meeting the world's growing need for packaging everyday essentials safely.

David Woodyatt: Demand for our services, skills, knowledge and expertise has been unprecedented this year, so let's hope that demand continues. Our new investments hit the floor running and provide a good return and we can continue to provide an excellent service for our customers.

Owen Newton-Hill: I'm cautiously optimistic for the last couple of months of the year. Success would be converting the green shoots we are seeing (some innovative go-to-market approaches are gaining momentum, and loyal customers are seeing demand pick up again), while maintaining the highest level of service to our current customers, and completing the couple of ongoing investment projects so that we are ready to manage increased scale next year. ■