



ALFAPARF
GROUP

Company Profile 2017



“ Ideas, research and expertly working
with ingredients.
Technique combined with sensitivity.
We work so that professionals can see all
this in our products and put them at the
service of their skills to produce beauty. ”

Think big



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Letting hairdressers and beauty salons work at their best. With products of quality, the expression of Italian taste and creativity. Everything that is required to exalt a woman's beauty.

Many things have changed since 1980, when our story started, but neither its mission nor its passion has changed. Today, as then, the business of ALFAPARF GROUP is hair care, skin care and body care, directly controlling the whole value chain: research and innovation, production and distribution all over the world.

Our story is a lovely one of Italian entrepreneurship built up alongside professional operators, discussing with them, learning and getting to know their needs. It is also the result of the collaboration with professionals of international level and building up know-how which is rarely equaled.

Today the Group can boast of a portfolio of brands known everywhere: ALFAPARF Milano, DIBI Milano, Olos, Becos, TeN Science, il Salone Milano, Yellow, Alta Moda è..., Decoderm and Solarium. ALFAPARF Milano is the most popular Italian brand in the world in the professional hairdressing channel.

ALFAPARF GROUP has five factories (Italy, Brazil, Mexico, Venezuela and Argentina). It has about 2500 employees (570 in Italy); of these about 1150 belong to the commercial area (200 in Italy) and about 1350 have other duties in the company (370 in Italy). In 2016 the Group generated proceeds for euro 237 million.

It is an integrated group in which the business divisions (Hair Care, Skin Care, private label, retail) interact with the geographic regions, circulating knowledge acquired all over the world and transforming it into the best answers to the evolution of the market. We love what we have achieved to date, but we are still determined to exceed ourselves.

We have built up the first multinational corporation of the professional cosmetics industry with wholly Italian capital. And we keep thinking big

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A lovely story of italian business

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THE ORIGINS

We came into being in 1980, thanks to an idea of Roberto Franchina who, with the support of about ten other people, started to conceive products in northern Italy for the hairdressing channel.

A few years passed and, in 1989, the *Semi di Lino* line was launched, which was to be the first great commercial success. The following year, permanent coloring came with *Evolution of the Color*.

In the 1990s the adventure in export began, first to Spain and Latin America and then the commercial branches in Brazil, Mexico Argentina and Venezuela. Production also started: the first factories were opened in Brazil, Mexico and Venezuela.

THE EVOLUTION

In 2000, production in Italy moved to Osio Sotto (Bergamo) and, two years later ALFAPARF GROUP came into being; its sales amount to about euro 60 million, with over 90% generated abroad.

The international vocation was strengthened in 2003 with the start of activity in China. In 2008, work on enlarging the factories in Italy, Mexico and Brazil started. The Private Label project also began, with the aim of developing private label production thanks to the know-how of the group, in particular in products for coloring.

2009 was a historic year: the GTS Group, founded at the end of the 1970s, which produces and distributes professional cosmetics and appliances for beauty centers, was taken over. In the world cosmetics industry, ALFAPARF GROUP is, by dimensions, the first with 100% Italian capital.

GLOBALIZATION

In recent years, the Group has boldly followed the road of globalization, extending activity beyond the usual markets of reference. Export to eastern Europe (Russia, the Baltic countries, the Balkans and the former Soviet republics), to India, the Middle East and Africa has grown.

ALFAPARF GROUP, which has always concentrated on the professional channel, made its debut in the consumer channel, starting from Brazil with the Alta Moda è... brand (Hair Care) distributed in stores specialized in hair care products, health and beauty stores and perfumeries. The production capacity has increased thanks to the factories in Argentina and Venezuela.

The organizational structure of the Group has been reshaped through the creation of two regional entities: the Americas and Eurasia/Africa/Oceania, with the objective of accelerating global growth.

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*In 1980 we started a lovely Italian business story:
ideas, courage and passion.
And with a suitcase always packed*

Care and beauty

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*Offering professionals the best,
what they need to exalt the quality
of female beauty*

ALFAPARF GROUP • Company Profile

Eleven brands, eleven definite points of reference for those in professional hair and body care. Eleven ways to interpret the modern vision of well-being. Eleven results of continuous research carried out with competence and passion in our laboratories.

Our journey started with hair care. Over the years we have been able to build up an extraordinary capital of technological skills and expertise which has been translated into great commercial successes and into conquering a solid market position. Brands such as ALFAPARF Milano and products like *Semi di Lino* have contributed to "writing the history" of professional hairdressing. In Italy and in the world.

We then decided to go further, driven by our passion for beauty even before the objective of diversification pursued by every company. Body care thus joined hair care, initially through the launch of our own brands and then with the acquisition of a leader on the Italian market.

Today ALFAPARF GROUP has a portfolio of products which, by completeness and quality has few equals in the cosmetic industry. The best foundation to continue on a path of international growth.

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Hair

ALFAPARF MILANO

This is the leading brand of the Group, the best expression of our innovation-focused character. Color, shape, care and styling: ALFAPARF Milano covers all professional needs with twenty lines and over three hundred references.

YELLOW

Created in Brazil to meet the needs of the local population, today it is distributed all over the world, being able to count on a complete portfolio of products that meets every spending capacity.

alta MODA é...

Launched in Brazil and also distributed in Argentina and Mexico, this is the first ALFAPARF GROUP brand for retail distribution. It includes products for hair care and coloring and for nails.



This brand is characterized by professional (through hairdressing salons) and retail distribution (through selected chains of beauty stores) with an excellent quality-price ratio.



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The beauty solution for forty years, where technological innovation, scientific research and experience meet to guarantee maximum effectiveness in a made-to-measure method and programme. DIBI Milano is the reference in professional beauty in terms of quality and innovation.

BECOS

For over thirty years, high quality face and body products in beauty salons. A scientific approach, technology and results thanks to a team of expert beauticians, the Beauty Trainers. Becos stands out on the cosmetic scene as a brand that looks to fashion trends, constantly projected towards innovation. The BECOS CLUBS are the places for professionalism and made-to-measure answers to start a journey to beauty.

OLOS®

The holistic and sensory professional and cosmetic answer: in OLOS, nature is at the center, the mother of the most precious active and effective active ingredients for the beauty of the face and body as well as the source of inspiration for the product lines. This brand looks to the future, where beauty is harmony, balance and life style.



The Beauty secrets of TEN SCIENCE are the result of the fusion between Technology and Nature, where the combination is raised to the level of science. A complete and high performing range of products which chooses the most precious natural ingredients, mixing them with advanced technological complexes. This brand has made green minimalism its distinctive feature, including in the selection of ingredients and packaging with a low environmental impact. The TEN INSTITUTES are the professional venues of the brand.

DECODERM MAKE UP | CARE

DECODERM exceeds the limits of color thanks to a line of make-up which knows the skin and creates the beauty of every woman, whilst protecting it. Born from the perfect association between Skin Care and make-up, it embodies the desire for beauty, color and protection thanks to the combination of formulations with a treatment action, textures and new generation applicators and a harmonious range of shades.

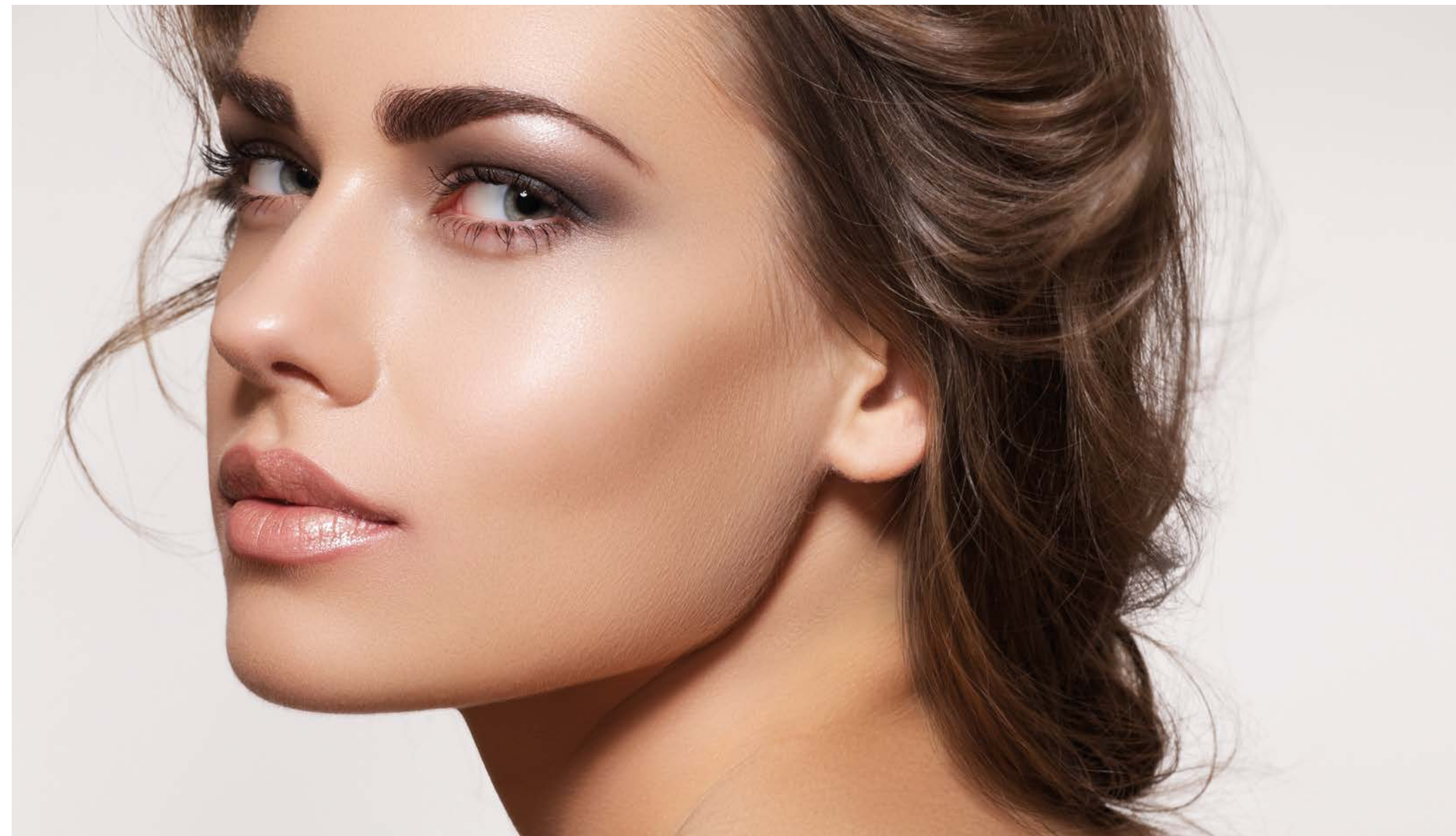


The sun protection that offers a safe, even and long-lasting tan. Solarium is the specialist of the sun in beauty salons: a wide range of protective products for all needs, after-sun and tan-intensifying products. The brand stands out for its high quality and wide range, but also for its original style.



With these forty years of experience in the professional beauty channel, ALFAPARF GROUP develops and markets new generation technologies and equipment for the needs of the modern beauty salon. Design, development and assembly: everything is made in Italy to ensure the best guarantees of certification and quality for our partners.

Skin and body



Always ready for evolution



If there is a leitmotif in the history of the ALFAPARF GROUP it is without any doubt the focus on innovation. This has been true ever since the beginning, when the company had to find its place on the market, and it is still true today. Innovation is part of our identity. The habit of working alongside professionals and travelling around the world has allowed us to develop the uncommon ability of understanding the trends of the demand in time and channeling them into research. This is how many products have come into being and which, over the years, have become established in Italy and abroad.

The ALFAPARF GROUP research is mainly carried out in the laboratory in Osio Sotto (Bergamo), but there are also laboratories in Brazil and Mexico. Investments have constantly grown over time: the areas of research have increased and the number of employees has also been boosted, with now over fifty.



The researchers in the laboratory in Osio assess and select the raw materials (including those used for foreign productions), develop the formulas of the products, carry out tests through in-house structures: a Technical Centre for Hair Care and a Pilot Centre for Skin Care. Safety and clinical effectiveness of the products are certified by third-party institutions.

The area of external efficacy tests has also been developed, involving numerous voluntary consumers who are asked, for each of the products, to compare different formulas. The results allow collecting important data for commercial development because the purchases of the final consumers through the professionals are significant in the turnover.

*We have never settled for our successes.
We have always tried to go one step
further by investing in looking
for new solutions.*

In Hair Care, research today is focused on hair coloring and on technical products such as bleaching and smoothing products. The work done recently has led to filing many patents for the composition to smooth hair, the approach to coloring by oxidation, the composition based on direct dyes, and the foundation for coloring by oxidation.

In Skin Care, the focus of research is on moisturizing, anti-ageing and anti-cellulite products, and on the association of specific products with technologies for beauty treatments, as their efficacy is closely linked to the methods of application.



Doing things the right way



*There are not only machines
in our factories, but people with
a special attitude towards the
search for perfection.*

Five factories in Italy, Brazil, Mexico, Venezuela and Argentina. Almost 100,000 square meters of production surface area: 35,000 in Brazil, 35,000 in Mexico, 15,000 in Italy, 3,500 in Venezuela and 10,000 in Argentina. In 2016, 120 million pieces came out of these production facilities.

Over the years, ALFAPARF GROUP has built up a production structure that can meet the demands of global distribution. The progressive enlargement of the factories has been accompanied by the adoption of management systems that have allowed reaching high standards of quality.

The Italian plant in Osio Sotto (Bergamo), where the most complex production is concentrated and where the products for the European, Asian, African and Australian markets are made, was awarded ISO 9001 and ISO 22716 GMP (Good Manufacturing Practices) certification, which establishes methods, equipment, means and management rules of production to ensure appropriate standards of quality.

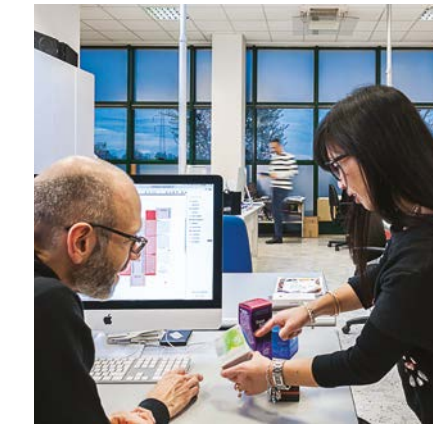




The production takes place according to the guidelines of ISO 10001 (customer satisfaction), Total Productive Maintenance (TPM) and Overall Equipment Effectiveness (OEE). ALFAPARF GROUP has recently obtained the status of Authorized Economic Operator (AEO) which certifies its reliability in relation to the customs authorities. The other four factories (Mexico, Brazil, Venezuela and Argentina) have also obtained or are about to obtain certifications that put them on levels of excellence.

Respecting the standards of quality for all the factories is entrusted to the Total Quality Department which is based in Italy. Each plant also has a quality laboratory for individual components, semi-finished products, raw materials, packaging and finished goods.

Know-how, presence in strategic geographical areas and operative flexibility have made ALFAPARF GROUP an ideal industrial partner for the multinational corporations of cosmetics and mass retail distribution operators. In addition to the production of its own brands, there is also private label production which today plays an important role for the Group.





Travellers by vocation

We have always loved travelling and it has given us great satisfaction. Above all, it has allowed us to become big.

The global vocation of ALFAPARF GROUP appeared almost immediately and is a feature that distinguishes its activity with respect to the other players in the Italian cosmetics industry.

The first exports to Spain and Latin America were soon followed by building up commercial and production bases in the geographical areas deemed strategic. Going international was transformed into globalization. In more recent years, particular attention has been paid to the east: first Russia, the Baltic countries and the Balkans, then the former Soviet republics, the Middle East and India. Activity has also started in some African countries. Today ALFAPARF GROUP products are distributed in about one hundred countries.

The commercial activity is developed alternatively through subsidiaries (present in twenty-two countries) and third-party distributors (more than one hundred). The preference for one model or the other varies depending on the market (characteristics of the demand, positioning of ALFAPARF GROUP, objectives of growth).

The subsidiaries, controlled by the management of ALFAPARF GROUP, can count on five hundred agents who dialogue with over 50,000 professionals, fuelling the capital of knowledge and experience indispensable to understand new needs and promote innovation. The activity of the distributors is supported by services of marketing, training and sales assistance.

Record holders of quality



Working alongside professionals is the base of our work. Being in the field, after all, is the best way to understand what is really needed. As well as focusing on a widespread geographical presence, ALFAPARF GROUP has built up a commercial network made up of people attentive to the quality of relations with the professionals.

It is not only selling the product, but also listening to their needs and collecting useful information to enhance the quality of our products and accurately meet new trends of the demand. It is also offering services which allow hairdressers and beauty professionals to run their business in the best way possible.

The ability to pass from the supply of the product to a broad range of services has acquired strategic importance in professional cosmetics: speed of response and quality of solutions are decisive arms to compete.

Starting from this vision, ALFAPARF GROUP has built up an extensive training offer on technical-professional and managerial aspects. Hairdressers and beauticians, depending on their level of experience and skills, can today find the best solutions for their need for growth in the courses organized by the Group's over fifty training centers.

*Discussing with professionals
on every aspect is the best way to
propose an offer of quality. Including
when talking about training.*





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