

## TEQ reaches into Europe with acquisition of thermoformer Plastique

By MICHAEL LAUZON | *Plastics News*



Thermoform Engineered Quality LLC has stretched its geographic reach into Europe with the acquisition of Plastique Group Ltd.

TEQ announced Feb. 1 it bought Plastique of Tunbridge Wells, England, a \$35-million-per-year plastic sheet thermoformer that also has wood pulp molding capability, which provides a new in-house material option for packaging customers.

“We have multiple customers in the United States who prefer we have manufacturing closer to Europe,” said TEQ President Randy Loga in a telephone interview. The deal also helps

Plastique Group supply its customer base with operations in the United States, he added.

Plastique Group was directly acquired by Esco Technologies Inc., the St. Louis parent company of TEQ. Plastique Group is being combined with TEQ. Its primary markets of packaging for pharmaceuticals, personal care and specialties mesh well with TEQ’s diverse customer base. Most of TEQ’s sales are packaging for food, medical, personal care and other sectors but it also has a sizable industrial thermoforming business. Plastique Group will especially boost TEQ’s sales for medical devices and pharmaceutical packaging.

“Plastique Group is a well known thermoformer in the United Kingdom,” Loga said.

Plastique Group’s revenues will push TEQ’s annual sales close to \$100 million and its staff count to about 400, Loga estimated. Plastique Group’s manufacturing plants are in Nottingham, England, and Poznan, Poland. TEQ, headquartered in Huntley, Ill., has two manufacturing locations there and one in Fremont, Ind. It bought the latter operation last November in a deal that lifted its sales in medical packaging.

In total, TEQ now has more than 30 thermoforming lines, 17 of which are in the United States. It operates Class 100,000 and 10,000 clean rooms and Loga claims it has the largest installation of Kiefel in-line thermoformers in the United States.

TEQ notes the addition of pulp molding allows the company to offer a wider range of sustainable packaging. Customers can choose between thermoformed plastic and molded pulp, or a hybrid of both. Plastique Group can make high quality, precise packaging that is a step above most molded pulp packaging, according to TEQ. Loga said TEQ could bring the molded pulp option to U.S. production but he did not elaborate on that strategy.



Plastique Group Ltd.

Plastique's products include packaging for a range of end users.

TEQ bought Plastique Group from Business Growth Fund of London, which invested 5 million pounds (\$7.3 million) in the firm in July 2014 to spur growth. Plastique Group used the fund infusion to diversify into molded pulp and to expand its factory in Poland. Plastique Group became the first European producer of smooth-surface, thermoformed pulp packaging, BFG claimed in a news release.

"The similarities within the two operations are extensive and having the chance to jointly develop new market opportunities across the globe is extremely exciting," said Plastique Group

managing director John Lowe in a news release.

TEQ bought privately held Fremont Plastics Inc. in November. Fremont, founded in 1980 by Lyndon Tucker, specialized in sterile-ready and non-sterile medical goods and packaging. P&M Corporate Finance advised Tucker in the sale.

TEQ has been growing internally in addition to the recent acquisitions. In 2013 it spent \$6 million on upgrades and infrastructure in Huntley, including a second clean room and an ecologically beneficial elastomeric roof that saves it 15 percent in cooling costs.

TEQ owner Esco has other operations making engineering filtration products for aviation, space and process markets. It also has a major presence in radio-frequency shielding products, provides diagnostic instruments and owns a library of machinery test results that are useful to energy generation and similar industries around the world. Its annual sales exceed \$540 million.

"With the addition of Fremont Plastics and Plastique, both acquired at reasonable prices, we now have a technical packaging solutions business approaching \$100 million in annual revenues with above industry-average profit margins," said Esco Chairman and CEO Vic Richey in a news release. "We now have a solid foothold in Europe and have added a new complementary technical packaging solution."