



Italian compounder acquiring two Matrixx plants in Europe

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Matrixx Group of Evansville, Ind., is selling its European compounding business to Italian compounder So.f.ter. SpA.

No purchase price was disclosed. Matrixx's European business includes compounding plants in Marcara and Castel Goffredo, Italy. The unit is on track to generate sales of 20 million euros (\$27.3 million) this year.

The combined plants employ 30 and have annual capacity of about 33 million pounds. They make compounds based on nylon 6 and 6/6, polybutylene terephthalate and polypropylene.

So.f.ter. — based in Forli, Italy — has a history of more than 25 years in the European compounding market.

“The product range and distribution of Matrixx Europe strongly complements those of So.f.ter.,” said Italo Carfagnini, president and managing director of So.f.ter.

Matrixx has been in Macaria since 2004, when it formed a joint venture with compounder/recycler Tessil Futura srl of Milan, Italy. Matrixx later bought that 30,000-square-foot site and added the Castel Goffredo site in a 2006 deal with Pozzi Plast Snc.

In an Oct. 9 telephone interview, Mike Fitzpatrick — chairman and chief executive officer of Matrixx owner Citadel Plastic Holdings Inc. — said that Matrixx and So.f.ter. now are working on a deal to allow So.f.ter. to produce compounds based on Matrixx formulations in Europe, and for Matrixx to do the same for So.f.ter. in the United States.

“We're trying to get better economics in Europe for us, and for So.f.ter. in the U.S.,” said Fitzpatrick. He added that Matrixx's Italian plants “were underutilized.”

“So.f.ter. can get more volume in there and make investments to grow the business,” he said. “With the economy trending the way it is, it's much better to have these plants in the hands of a European company.”

Fitzpatrick added that Citadel's North American expansion plans are unchanged by the European asset sale.

Citadel — which is part of private equity firm Wind Point Partners LLC of Chicago — bought Matrixx in 2007 before adding thermoset maker Bulk Molding Compounds Inc. of West Chicago, Ill., and

compounder Aclo Compounders Inc. of Cambridge, Ontario, earlier this year.

Aclo will be integrated into Matrixx, while BMCI will continue to function as a separate company, according to Fitzpatrick. Recent financial turmoil might even create opportunities for Citadel, he added.

“We're still looking for deals in the U.S., and an increasing number of companies are coming under stress,” Fitzpatrick said. “That could create additional opportunities for acquisitions.”

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