

Rosti ups the ante with McKechnie

By Hamish Champ
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When plastics processor Rosti bought McKechnie Engineering Plastics for £31m two years ago it was deemed a perfect match by both businesses.

As the deal went through Barry Coughlan, Rosti's chief operating officer, said combining the two firms' resources would provide a platform for growth at home and abroad, while Mike Murphy, McKechnie's sales and marketing director, said the potential of the new enlarged business had been "understood and welcomed by our key customers".

Two years down the line Coughlan describes McKechnie's integration as having gone "smoothly and quickly", with teams from both companies "blending really well. We didn't have to conquer McKechnie's management; they were on board from the start."

And while Coughlan says Rosti's sales had doubled between 2009 and 2012 turnover is expected to grow a further 20% by the end of 2014.

Rosti has not wasted time in investing in McKechnie, pumping in around £15m financed by the UK and backed by its owners, Swedish industrial conglomerate the Nordstjernan Group, with its plant in Pickering, North Yorkshire, particularly benefitting.

A new state-of-the-art and extendable paint shop is currently being finished off on the Pickering site – "all while still doing the day job", says Coughlan – and an extrusion line and Mucell technology have also been brought in, helping to provide "lots of value-added areas".

A key impact of the McKechnie acquisition has been on Rosti's presence in automotive. Coughlan says that prior to the deal around 10% of its activity was aimed at the automotive sector and since McKechnie has come on board this has significantly increased.

"McKechnie has given us real impetus in the automotive arena, with disciplines and competences that are helping us in other areas of the business and with other customers," Coughlan says.

With clients such as Jaguar Land Rover (JLR) taking advantage of the boom in car sales Rosti, which has parts going into virtually every platform of the carmaker, is keeping up with demand by investing in new injection moulding machines, primarily with what Murphy calls the group's "key strategic partner", Engel.

Future-proofing

Building work on a new 6,500 sq metres facility, on the Pickering site is close to completion, offering Rosti what Coughlan describes as the potential to significantly expand its injection moulding capabilities.

"We are 'future-proofing' the space by laying down foundations that will be able to accommodate around 20 medium to large moulding machines as and when demand dictates," he says of the revamped site, which will be officially opened in the summer.

The Pickering plant currently operates around 45 Engel and KraussMaffei machines of between 50 and 1,500 tonnes, rising to 2,700 tonnes this spring when a range of new equipment is delivered. In addition to the new painting operation the Pickering plant undertakes printing, welding, assembly and extrusion of multi- and single-layer tubes and profiles.

Rosti's Larkhall facility, with around 230 staff and currently operating with 51 Engel and Sumitomo Demag machines ranging between 25 and 1,500 tonnes, is meanwhile benefitting from the McKechnie tie-up, with what Coughlan describes as "cross-fertilisation" of activity taking place.

And what of the famous plastic 'widget' that makes beer out of a can have that 'pub-poured' look? Rosti's Stamford Bridge site, complete with more than 60 machines, still makes them. "Our work in automotive is really important to the business, but we're not ignoring our 'widget heritage'," Coughlan says. "We're really proud of that."

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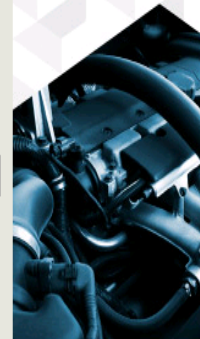
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