

Teknor Apex acquires Sarlink

Interview with Suresh Swaminathan, Teknor Apex Vice President in Charge of the Thermoplastic Elastomer Division

TPE Magazine:

On 15 September Teknor Apex announced that it has agreed to purchase the worldwide Sarlink TPV business from DSM. Mr. Swaminathan, would you be so kind to give us some details of this latest acquisition of your company?

S. Swaminathan:

The Sarlink business – including its team of approximately 90 people based in Europe, the United States, and Asia – will become an integral part of Teknor Apex's Thermoplastic Elastomer Division. Teknor Apex and Sarlink personnel have expressed optimism about our joining forces. Both of our organisations are essentially speciality compounders, sharing the same core values, and our outlook is broadly international. Since there is little or no duplication in our product offerings, the acquisition will result in a net gain for both.

We will continue to market Sarlink thermoplastic vulcanisate compounds under the exiting brand name because the brand is internationally recognised and the technology is unique from those used by other producers of TPVs, including Teknor Apex. Indeed, we will continue to offer our own Uniprene TPVs.

TPE Magazine:

How does the acquisition strengthen your position in the market?

S. Swaminathan:

With the Sarlink acquisition, we believe Teknor Apex is now the most diversified independent compounder of thermoplastic elastomers. In addition to our Uniprene

TPVs, we offer six other generically different polyolefin and styrenic TPE chemistries. We supply TPEs to a wide range of markets, including consumer, industrial, packaging, wire and cable, medical and automotive. In the medical arena, I would say that we have developed and are offering a uniquely robust and comprehensive product line with our Medalist elastomers. The Sarlink business will give Teknor Apex entry into many new applications – particularly in automotive and packaging segments, where the Sarlink brand has been very strong.

Sarlink TPVs are based on a technology that yields a combination of rubber-like resilience and fatigue properties, toughness, heat and chemical resistance, superior surface appearance in extrusion applications, and, in injection moulding grades, excellent surface and flow properties for use in large or complex shapes.

Suresh Swaminathan, Teknor Apex



There is a good fit with Teknor Apex, which for years has supplied the automotive segment with TPE, vinyl, and nylon compounds and has a global automotive effort to serve as a single source of these materials for manufacturers.

TPE Magazine:

How can the Sarlink business benefit from Teknor Apex' global and local structures and vice versa?

S. Swaminathan:

The Sarlink team has developed compounds whose potential in non-automotive markets remains to be fully explored. This is where the more extensive infrastructure and broader market base of Teknor Apex can benefit with the addition of the Sarlink business. Teknor Apex Company employs 1,300 people worldwide, operates ten compounding plants in the US, Europe, and Asia, and, besides TPEs, manufactures vinyl, engineering thermoplastics, bioplastics, and colour concentrates. We have enjoyed longstanding leadership in sectors like medical, wire and cable, and consumer products. Particularly valuable for the combined effort will be the extensive infrastructure and support we can provide in Asia, just as Teknor Apex stands to benefit from Sarlink's considerable strength in Europe.

TPE Magazine:

Which role does this acquisition play within the middle and long-term strategy of Teknor Apex?

S. Swaminathan:

Seen in its broadest perspective, our acquisition of the Sarlink business will be the latest in a series of acquisitions and partnerships designed to expand our portfolio while adhering to our core competency of custom compounding. Teknor Apex strives to serve customers as a single source of multiple materials and to do soon a global basis. At the same time, we seek to cultivate the technical and marketing synergies that arise as a result of our diversity. The Sarlink acquisition is a logical next step toward achieving these goals.

TPE Magazine:

Thank you very much for your comments, Mr. Swaminathan.

The sale of Sarlink is the result of DSM's plans to focus its portfolio on Life Science and Materials Sciences. As announced in September 2007, DSM Elastomers with its Sarlink TPVs and Keltan EPDM rubber does not fit with this focus. The selling process for Keltan, the other business unit of DSM Elastomers, is ongoing.