

# Growing Americhem's success in its fiber

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CUYAHOGA FALLS, OHIO — If recent activity is any guide, someone forgot to tell Americhem Inc. that there's a recession going on.

The Cuyahoga Falls-based concentrates maker has expanded and consolidated its research operations and is in the process of adding capacity at three of its North American manufacturing sites.

The firm has spent more than \$2 million to add more than 6,000 square feet of research and development space at its headquarters. Some small-run production was moved to a nearby site to accommodate the expansion.

The project has created a central R&D facility that includes analytical, weathering and end-use testing labs, process-simulation equipment and advanced masterbatch processing. Process equipment at the site includes equipment for injection molding, blow molding, coextrusion and fiber spinning.

Americhem has added two weathering machines in the last two years and has ordered an additional one as well. R&D director Cathy Hamlin said during a recent plant tour in Cuyahoga Falls. The equipment allows Americhem researchers to test its outdoor materials under varying exposures to sunlight, heat and water.

"When you're testing siding, you've got to take into account that places like Ohio and Arizona have very different weather," Hamlin explained. "Our weathering lab capability is ahead of any of our competitors."

The lab's blow molding equipment will help Americhem in the

packaging market, while its injection molding presses will aid in durables and automotive. Single-layer and multilayer film and sheet lines are aimed at the outdoor and signage markets. Smaller single-screw and twin-screw extrusion lines will be used in concentrate research.

Americhem also has installed "virtual design" computer programs that can speed up color design. In the last year, the firm has hired a handful of new R&D employees and now employs between 30 and 35 in that area.

The R&D expansion has included plants in Dalton, Ga.; Manchester, England; and Suzhou, China. Each of those plants has installed a synthetic fibers design center to allow fibers customers to evaluate samples under a variety of conditions.

Americhem's fiber concentrates have found a home in the polyester-blend wicking used in the popular Under Armour line of sports apparel, according to commercial Vice President David Bouton. And strong customer interest continues in wood-like polymers based on polyurethane, PVC, acrylics and polypropylene for decking, fencing and railing. In these areas, composite materials can provide lighter weight and durability.

On the manufacturing side, Americhem is increasing capacity by 20 percent each at plants in Concord, N.C., and Mansfield, Texas. The Concord project was completed earlier this month, while the Mansfield expansion will be complete by the end of May. Production at both sites was increased when Americhem closed a smaller plant in Salisbury, Md., last year.

At its Dalton plant, an expansion adding 15,000 square feet and 15 million pounds of capacity will be complete by the end of April. The additional capacity will boost the site's total by 8-9 percent.

Americhem also plans to increase capacity at its plant in Suzhou next year.

The plant currently has annual capacity of between 35 million and 40 million pounds and enjoyed sales growth of 70 percent in 2007. Major markets for material made at the site include construction, fibers and power tools.

After enjoying double-digit growth in 2007, Americhem expects to see companywide sales growth of "mid-to-high single digits" in 2008, according to President and Chief Executive Officer Richard Juve.

Somewhat surprisingly, Juve said that Americhem's sales increased in the NAFTA region in 2006 and 2007.

"The automotive market has been tough [in NAFTA], but we're getting new domestic business with [auto] transplant companies," he said.

And although Americhem last made an acquisition in 2005 when it bought Color and Additive Technologies Inc. of Dalton, Juve said the 67-year-old firm will continue to evaluate opportunities as



Above, employees process and spin fiber at an Americhem facility. Inset: The firm offers a variety of fibers for applications such as carpeting, textiles, nonwovens and synthetic turf.

they come along.

"We've got a strong balance sheet and can move quickly if we want to," he said.

Americhem ranks among North America's 30 largest com-

ponents and concentrate makers, according to a recent *Plastics News* industry ranking. The privately held firm posted sales of more than \$200 million in 2007.



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