



SK Capital and Lacerta Featured in January 11,
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SK Capital buys packaging thermoformer Lacerta Group

By Don Loepp
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Lacerta Group Inc., a rapidly growing specialty packaging thermoformer, has a new private equity owner.

New York-based SK Capital LP has purchased a majority interest in Mansfield, Mass.-based Lacerta. Lacerta's co-founders, Ali and Mory Lotfi, will remain with the company and retain a significant ownership stake. Terms of the deal were not announced.

"Since 2014, we have grown the company fivefold. We've seen average sales growth of about 25 percent each year," President and CEO Ali Lotfi said in a phone interview. "When you're growing at that pace, you don't have time to address the back end of the business. What SK brings to the table is help to continue our growth and address those needs."

"We want to be best in class in all of our operations, and they can help us get there," he said.

Lacerta has five facilities: Four are in Mansfield, plus it opened a 100,000-square-foot factory in Chatsworth, Calif., in 2019. In total, the company has 360 employees, annual sales of \$100 million, 30 thermoforming machines and three extrusion lines. The extrusion lines serve Lacerta exclusively, making PET sheet with up to 100 percent post-consumer content.

The company was founded in

New York-based SK Capital LP has purchased a majority interest in Mansfield, Mass.-based Lacerta. Lacerta's co-founders, Ali, left, and Mory Lotfi will remain with the company and retain a significant ownership stake. Lacerta Group Inc. photos

1993, initially making contract packaging for Polaroid. Today it primarily serves the food sector, making custom PET packaging, including a line of tamper-evident products sold under the Fresh N' Sealed brand.

Ali, Mory and their cousin Mostafa left Iran in 1978 as teenagers, in the early phase of the Iranian Revolution. They studied mechanical engineering at Northeastern University and worked in the industry about 10 years in design, engineering and manufacturing before starting Lacerta. Ali's wife, Denise, was one of the first three employees. Mostafa has since retired.

The company's capabilities include design and engineering, prototyping, mold making and printing.

In recent years, it has benefited from growing demand for packaging for produce, dips, convenience foods and similar products displayed in the perimeter of supermarkets, and grab-and-go items sold in gas stations and airports, Lotfi said.

"We're seeing increasing inter-



est in thermoformed packages. The ability to see the product, new designs that get away from a boxy look, more focus on fresh products with shorter shelf life. And in the last few years, environmental issues related to sustainability and recycling," he said.

The sustainability angle was a draw for SK Capital, which until recently has focused exclusively on the specialty materials, chemicals and pharmaceuticals sectors.

"We want to be on the right side of sustainability trends when we look at investments," Ben Dillon, managing director of New York-based SK, said in a phone interview. "That's also something that's increasingly

important to investors."

"Basically everything they make is 100 percent recyclable. They also are increasingly utilizing post-consumer and post-industrial resin in the production of their product," SK Managing Director Jack Norris added. "What is driving some of Lacerta's growth is helping its customer base attain their internal sustainability goals in terms of post-consumer resin."

SK is a private equity firm that has several plastics materials holdings but more recently has purchased specialty plastics packaging companies, too. Its well-known plastics materials holdings include Ascend Perfor-

mance Materials, Geon Performance Solutions, Techmer PM and SI Group.

In recent weeks, SK has announced deals to buy Catalent Pharma Solutions LLC's blow-fill-seal business and Ipackchem SAS, a Paris-based blow molder that makes barrier containers.

"Our principals have spent their entire careers in the materials, chemicals and pharmaceuticals sectors," Norris said. "If you look at Lacerta, they have quite a bit of material technology."

Norris said Lacerta still has plenty of room for growth.

"Our objective is to more than double [its sales] in the next five to seven years. That is something that is within our grasp to do, both organically as they have done, but also geographical reach exploring M&A as well," Norris said.

Mory Lotfi, Lacerta's chief operating officer, said the company looked at potential strategic buyers and private equity firms. The goal was to find a partner to help sustain its growth.

"We started looking a couple of years ago. We went through a process to find the right partner," he said. "SK showed a lot of interest in our business. There was a lot of alignment with the way they see the future of our business."

"We fit into one of the areas that was missing from their portfolio. They wanted to be in packaging," Ali Lotfi added.

SK Capital Partners

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