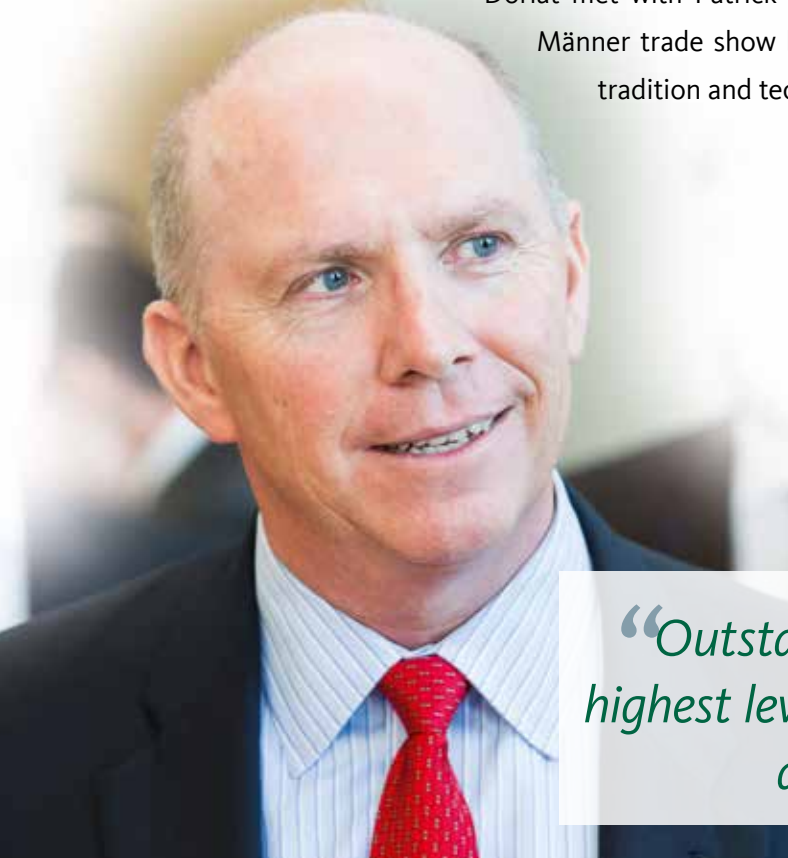


“Greater than the Sum of Each Part”

An Interview with Patrick Dempsey, President and CEO of the Barnes Group Inc.

For some time now, a new name has been heard in the plastics processing industry sector. Until now Barnes Group Inc. had still been relatively unknown in the European plastics industry. This has changed decisively thanks to the acquisition of a handful of companies with considerable expert knowledge. **Kunststoffe** editor Clemens

Doriat met with Patrick Dempsey at the K2016 in Düsseldorf, Germany, at the Männer trade show booth. They talked about markets and people as well as tradition and technology.



Since 2012, Barnes Group has been vigorously pursuing business growth in the Molding Solutions strategic business unit (SBU) of its Industrial segment. Until today, Barnes Group took over the hot runner manufacturers Synventive (2012) and Thermoplay (2015); the specialist for high-performance molds and hot runner systems Männer (2013); a supplier of process controls and mold sensing systems, Priamus (2015); as well as, most recently, moldmaker Foboha (2016).

Barnes Group CEO, Patrick Dempsey, considers Foboha a suitable complement during further expansion of the injection molding solutions business segment. In his interview with

“Outstanding mold solutions with the highest level of precision – I see us here as a genuine benchmark”

The Interviewee

Patrick J. Dempsey (52) has been President and Chief Executive Officer of Barnes Group since March of 2013. A native of Ireland, he first joined the company as President of the subsidiary Windsor Airmotive in 2000. He was appointed to Group Vice President, Operations for the Barnes Aerospace segment in 2003, and then became President of the Aerospace segment a year later. Starting in 2007, Dempsey took over as President of Barnes Distribution, and was named President, Logistics and Manufacturing Services of Barnes Group Inc. in 2008. In 2012, he became Chief Operating Officer and President of the Barnes Industrial segment.

Prior to joining Barnes Group, Mr. Dempsey held a number of senior management positions at United Technologies Corporation, Pratt and Whitney Division, and also served in several leadership positions at Interturbine Corporation.

Kunststoffe, the native Irishman said that the focus is on offering customers a wider range of products and solutions with a high degree of process capability, better service, and greater access to global markets. In the future, Dempsey expects continuous and substantial increases in worldwide demand for intelligent injection molding solutions. As a result of the merger, the individual companies would be able to provide each other with effective mutual support in a variety of markets.

Kunststoffe: *Patrick Dempsey, under your leadership, Barnes Group Inc. has spent more than 800 million euros over the past five years in strengthening the Molding Solutions SBU. That includes such well-known companies as Synventive, Männer, and recently, Foboha. How do you select a company for a takeover?*

Patrick Dempsey: Each of our acquisitions must fulfill certain strategic criteria. This includes a strong position of the company in its respective market. For example, Synventive, which was the

first acquisition in the sequence, is the market leader in hot runner systems in the automotive industry. Männer possesses unique selling points as a specialist in high-performance molds and hot runner systems focused on the medical/pharmaceutical industries. And Foboha is the market leader in rotating cube molding. An attribute most of our Barnes companies share is that they are family-run businesses. This, in turn, is something they have in common with Barnes Group – our company was founded in 1857, and Thomas O. Barnes represents the fifth generation of the Barnes family serving as Supervisory Board Chairman.

Kunststoffe: How did you succeed in convincing the companies agree to the acquisition?

Dempsey: Apart from the fact that the chemistry was right in all meetings, we shared the same goal. In other words, we wanted to take each of the companies to the next level, providing the capital required to improve the range of solutions and to have a global footprint in the market. At the same time, we maintain high standards in the areas of innovation, process improvement, production systems, and talent management in all the companies. Plus, many things simply fell into place almost by themselves.

Kunststoffe: In specific terms: What synergies do you see between Foboha and Männer, previously the only moldmakers in the Molding Solutions SBU?

Dempsey: Foboha has a large customer base in the U.S. It is favorable that Männer has a production unit in Atlanta, Georgia, from where service, spare parts, repairs, and overhauls can also be offered for Foboha molds on the local market. At the same time, Männer customers can benefit from the Foboha company site in Suzhou in eastern China, where we are currently setting up a hot runner service center which will begin operations alongside the state-of-the-art moldmaking production site established there in 2008. Both companies will benefit from combining their strengths in know-how, production, and service.

Kunststoffe: Isn't this accumulation of know-how of marginal value for competitiveness?

Dempsey: The range of services offered by Foboha and Männer includes first-class injection molding solutions for packaging, personal care products, medical and pharmaceutical products, and technical parts. Outstanding solutions such as the patented rotating cube mold technology and automation integrated into the molds combine with the highest level of precision and maximum repetition accuracy for molds and hot runner systems from Männer. I see us here as a genuine benchmark.

Kunststoffe: To continue with the topic of synergies: How will cooperation with the hot runner manufacturers be organized?

Dempsey: Foboha will have direct access to the hot runner systems and the control technology of Barnes Group's Molding »

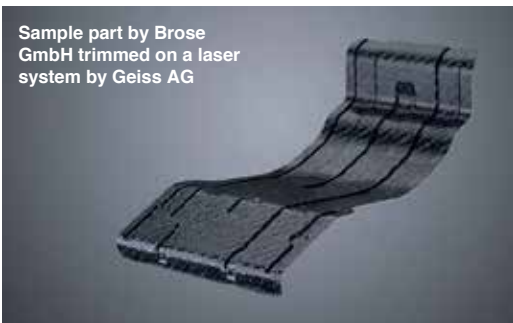


Innovations

CNC – Laser Cutting Machine For Processing Of Composite Materials And Thermoplastics

The latest generation of CNC machines ECOPlus equipped with a TruCoax laser by Trumpf as laser cutting machine is particularly suitable for processing of composite materials like GRP or CFRP and thermoplastics. Due to contact-free handling of the parts simpler and less expensive jigs can be used. An extensive post-processing of the edges is completely eliminated in most cases.

Sample part by Brose GmbH trimmed on a laser system by Geiss AG



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Company Profile

Operating globally, the Bristol, Connecticut-based **Barnes Group Inc.** is an industrial and aerospace manufacturer and service provider, serving an extensive range of end markets and customers. The products and services of Barnes Group are used in a wide variety of applications (transportation, communication, and production/technology).

Since 2012, Barnes has been expanding its strategic business unit Molding Solutions as part of its Industrial segment. One after the other, Barnes Group took over well-known injection molding companies Synventive, Männer, Thermoplay, Priamus and Foboha. Other companies in the Industrial segment – which is second to the dominant Aerospace segment in terms of revenue – include stamped and formed parts specialist, Heinz Hänggi; precision mechanical components manufacturer, Associated Spring; Barnes Group's Nitrogen Gas Products SBU; and manufacturer of retaining rings, Seeger-Orbis.

With a 160-year history, Barnes Group Inc. achieved sales revenue of just under USD 1.2 billion in 2015, and has approximately 4500 employees at more than 60 locations worldwide. The Molding Solutions strategic business unit has about 1500 employees, with over 1000 staff based in Europe.

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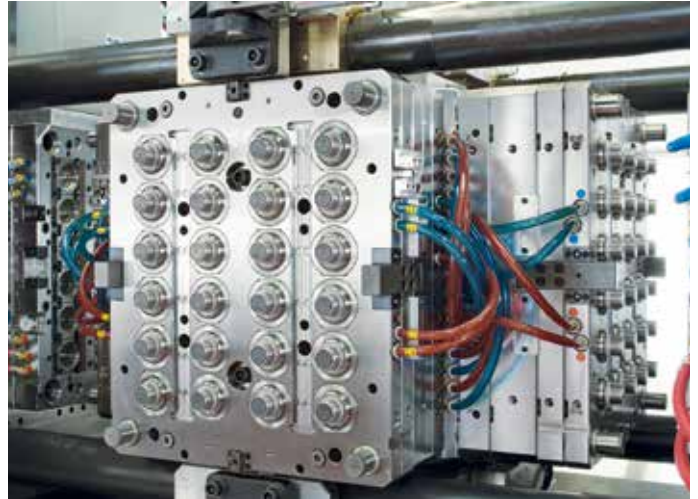
Solutions companies. Customers in the moldmaking area will benefit from having access to top quality hot runner systems available within Molding Solutions. We are striving toward very close cooperation here and will make the best possible use of the available expert knowledge in order to achieve maximum performance capacity and process stability for our mold systems. On the other hand, the first-class mold technology of Foboha creates the opportunity to extend the sales channels for the hot runner systems of Männer, Synventive, and Thermoplay.

Kunststoffe: *How are you organizing the integration of a new acquisition into Barnes Group's structure?*

Dempsey: To stick with the current example, we have formed an integration team consisting of members of the Männer and Foboha management for addressing any problems during the transitional phase. In addition, the teams have the task of maintaining the high levels of performance we are accustomed to. We will keep customer service and the close relationships with suppliers and cooperation with other major players. Plans for the integration are being formulated in order to take the best possible account of customer needs. We will continue to prioritize the importance of communication with customers and make every effort to ensure a smooth transition.

Kunststoffe: *Will the changes be recognizable in your market presence?*

Dempsey: As I said, communications channels to customers will not be affected. And, as in all previous cases, the brand name will continue to exist. The Foboha Company is still a well-known entity in the industry. As a member of the management team, Rainer Armbruster will play an active role in the integration process. He will report to Norbert Scheid. They have known each other for many years. I believe that everyone can see – in every case, the whole is greater than the sum of each part.



Foboha's 24+24-cavity cube mold for medical 2-component screw caps features a single drop MSS hot runner and the lateral valve gate system Edgeline, both from Männer (© Foboha)

Kunststoffe: *Mr. Dempsey, how do you intend to organize the Molding Solutions businesses in the future?*

Dempsey: The focus will certainly be on strong know-how in mold-based injection molding solutions. The acquisition of Foboha makes Barnes Group one of the largest suppliers of molds for complex packaging, medical products, and consumer goods. And given that worldwide demand for differentiated high-tech mold solutions has continued uninterrupted, we anticipate strong global growth in this area. The fact that we intend to expand our hot runner product line and services for process optimization in all major markets will also drive growth.

Kunststoffe: *Has your appetite for takeovers been satisfied for the moment, or will you round out the amount you have invested to a billion with your next acquisition?*

Dempsey: We continue to be very interested in adding great companies to Barnes Group that are aligned with our vision of creating superior value for our customers. We are always seeking to expand our capabilities both organically through innovative new product development and through strategic acquisitions. We are excited about the plastic injection molding area and believe there are additional opportunities to further expand our Molding Solutions business. ■

Service

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