

**EUROPE SERIES**

**PORTUGAL 2015**

PHARMACY, FOOD & DRINK AND TEXTILES  
ARE VALUE-ADDED INDUSTRIES LEADING  
PORTUGAL'S SURPRISING EXPORT BOOM



## INTERVIEW WITH RODRIGO BARROS

### GENERAL DIRECTOR of ISOLAGO

Founded only at the beginning of the economic crisis that has affected Portugal, plastics producer Isolago proves once again that hard times may be ideal to start a new company with big international ambitions, explain its young founder Mr. Barros



#### When was Isolago founded?

**R.B.-** In 2008 I founded the company, with the Iberian market as a first goal, and from there we moved to France in 2010. The initial investment was nearly eight million euro, we saw the economic crisis as an opportunity as we prepared ourselves in order to grow once the crisis would abate.

#### Who are your main customers?

**R.B.-** Any company that needs plastics, specially in the area of polyolefines and polystyrene. We have entered into these clients thanks to our three core competitive advantages, which are service, quality and price, as we excel in the combination of these three factors.

#### I understand you try to adapt to each client...

**R.B.-** Precisely! The masterbatch market is a good example, we totally adapt to our client's demands, and only once the product is accepted we can start doing business.

#### How large is Isolago after only seven years of operation?

**R.B.-** In 2014 we billed 20 million euro, and we have been growing between 25% and 30% a year. Direct and indirect exports account for 75% of sales. Our main markets are France, Spain and Italy.

#### Are other markets on your sight?

**R.B.-** At the end of 2013 we believed that we have reached the point where we feel ready to look for new opportunities in other continents. As we have some good sea ports we are looking at places with a direct sea link to Portugal where we can replicate the same combination of service, price and quality. For instance, we were recently in a Dubai trade fair and we met many interested prospects. Our business takes more than one year to bear fruit, and we are already selling to Turkey and Algeria, we expect to have some products homologated in some five more countries in Africa, South America and Brazil soon.

#### Is there still potential for Isolago to grow?

**R.B.-** This company was designed to be a 55 million euro company. In 2015 we hope to achieve between 24 and 25 million euro, and we expect to keep on growing between 15% and 20% for the next few years, so we hope to achieve our ideal size by 2020.

#### Recently you also started also Composit as part of the group ...

**R.B.-** It has to do with new and different products. We want to integrate both business



Photo: Isolago

in order to diversify risks by going to the end market and also supply the raw materials for our customers to produce their own material. For instance, Isolago started with a single product and five references, and now it produces five products with over three hundred references, we want to enlarge not only our product portfolio but also our markets. It is the family's philosophy to diversify and not be dependant on a single product or market.

#### Is Portugal's image an advantage now?

**R.B.-** It depends, for instance in the German market it could be better, as we still have to sell based on a lower price even for an equivalent quality. Yet in France we are able to sell

"IT IS THE FAMILY'S TRADITION TO DIVERSIFY AND NOT DEPEND ON ANY SINGLE MARKET"

at the same price than some of our competitors. In Spain and Portugal we are fine, our quality is well known and recognized. Once we are out of Europe, we are considered a European producer so we are well positioned to achieve good prices and be on the same standing as other European countries.

#### Where do you see the main challenges for the future development of Isolago?

**R.B.-** First, we need to choose carefully our target markets, with the help of the Portuguese Institutions that promote and help us expand abroad. Then we need to say that the vocational training system in Portugal is not currently generating youngsters with enough experience, contrary to a case like Germany where an 18 year old trainee can start being productive, here we need to do most of the training in-house. Yet in general I believe that the industry in Portugal has a bright future and we are at the forefront of international expansion.

## LEADING IN PRODUCTION AND EXPORT OF MASTERBATCH

WHITE - COLOR - ADDITIVE  
CALCIUM CARBONATE



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