

Schela Plast creates its turnaround by focusing on recycled plastics



Danish plastics company gets results with consumer-collected plastic

At Schela Plast you have several things to celebrate. One thing is the company's 50th anniversary. Another is the successful turnaround, which in 2020 resulted in the best rainfall ever.

But most significantly, it is probably that the result it has created, amongst other things, with the growth of consumer-collected, recycled plastics in production. Schela Plast is at the forefront in this area.

In 2015, Managing Director Morten Jeppesen was hired with an overriding goal; create a turnaround for Schela Plast and make it profitable again.

In 2018, the bottom line was in the black and in 2020, Schela Plast could put two lines under a profit of DKK

5.6 million. But few had foreseen the road to this great result.

"By 2022, we expect half of our raw materials to come from renewable sources. In three years' time, the target will be 75 percent" says the Schela director.

We want to be a leader

Back in 2015, Denmark had not made much progress in terms of source separation in households. However, Schela realised that there would soon be demand for new products packaged in recycled plastic.

At that time, there was not nearly the same focus on recycled plastics as there is today. "But we were out talking to our customers, who had a feeling that was the way it was going to go. And that's why we came up with a new strategy at that time," explains Morten Jeppesen.

"The strategy was about us turning more towards the customers and focusing on what they wanted instead of sticking to what we could deliver. And on the basis of that, we decided that our new goal should be to become a leader in recycled plastics within our field," explains Morten Jeppesen.

At that time, there were no Danish suppliers of recycled plastics with the quality needed. So Schela had to look to Holland and the company QCP, which had invested in a plant that could process and supply consumer recycled plastics.

However, it turned out that switching to recycled plastic was not quite straightforward.



Morten Jeppesen - Managing Director at Schela Plast

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“Over a period of just over a year and a half, we ran a long series of tests to meet this target. And it just didn't work. We simply couldn't get bottles out of it. There were holes, the appearance of the surface looked strange, and it smelt bad,” explains Morten Jeppesen, who can nevertheless report an almost detective-like dedication among the employees involved in the project.

“We were determined as it had to be possible. The perspective of creating usable bottles from consumer-collected recycled plastic was evident. It just makes sense.”

In collaboration with QCP and input and experience from Schela, they eventually managed to produce recycled high-quality usable bottles out of the process.

“Through good cooperation with QCP, we finally got to a quality that is good enough,” says Morten Jeppesen.

Schela Plast

- Established in 1971
- Employs more than 40 people.
- Delivered its best financial statements to date in 2020 with a result of DKK 5.6 million.
- Holds a leading position in the Danish market for blown plastic packaging and supplies both national and international customers.
- In addition to producing standard packaging, the company has its own design workshop and 3D printer, which is used for the development of new designs and moulds.
- Schela Plast was acquired by the international packaging group Robinson in February 2021.

Focus on Danish plastics

Schela Plast is one of the leading producers of recycled plastic bottles in Denmark. But common to all producers is that the raw materials are imported from abroad. But the Brørup company is involved in a MUDP-supported project that aims to develop plastic packaging in for a circular economy.

The project, which is managed by Technological Institute, has brought together a consortium consisting of Aage Vestergaard Larsen, Nopa Nordic and Schela Plast. Today, only 21 percent of the collected plastic is recycled.

And as Danes get better and better at sorting plastic, the expectation and the plastic you throw out gets a new lease of life in another product increases.

By participating in the project, which runs until 2023, Schela Plast is for the time being the only producer able to supply bottles made from Danish consumer-collected recycled plastic.

The ambition is 100 percent

Schela Plast not only succeeded in a profitable niche. The experience and insight in the field of recycled plastics also help to give the company a small head start when both legislative requirements and organic demand mean that more and more products have to be supplied in recycled plastic. “There has been a huge focus on this area. Where initially there was a relatively sluggish demand, and Re-ma 1000 with their detergent was the frontrunner, many

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others were reluctant. But this has changed dramatically over the last few years," says Morten Jeppesen.

With the position you are in now, having shown that you can make money from recycled plastics, what will Schela Plast be like in five years' time?

"It certainly looks positive. Our ambition is that at some point we can say that 100 percent of the products we supply are made from recycled plastic. In three years' time, our target will be 75 percent, and we will definitely keep going in this direction," says Morten Jeppesen.