



FMI

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**Chemicals in the
Built Environment**

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Who is FMI



FMI Chemicals –
Defined



Trends &
Takeaways



FMI Chemicals
M&A Experience





Privately-held firm with longstanding history of being a trusted advisor to all segments of the Built Environment, including *Chemicals*

175+

Professionals

6

Offices

65+

Years in
Business

8

Specialized
Industry Verticals

500+

Annual Client
Engagements

CAPITAL ADVISORS

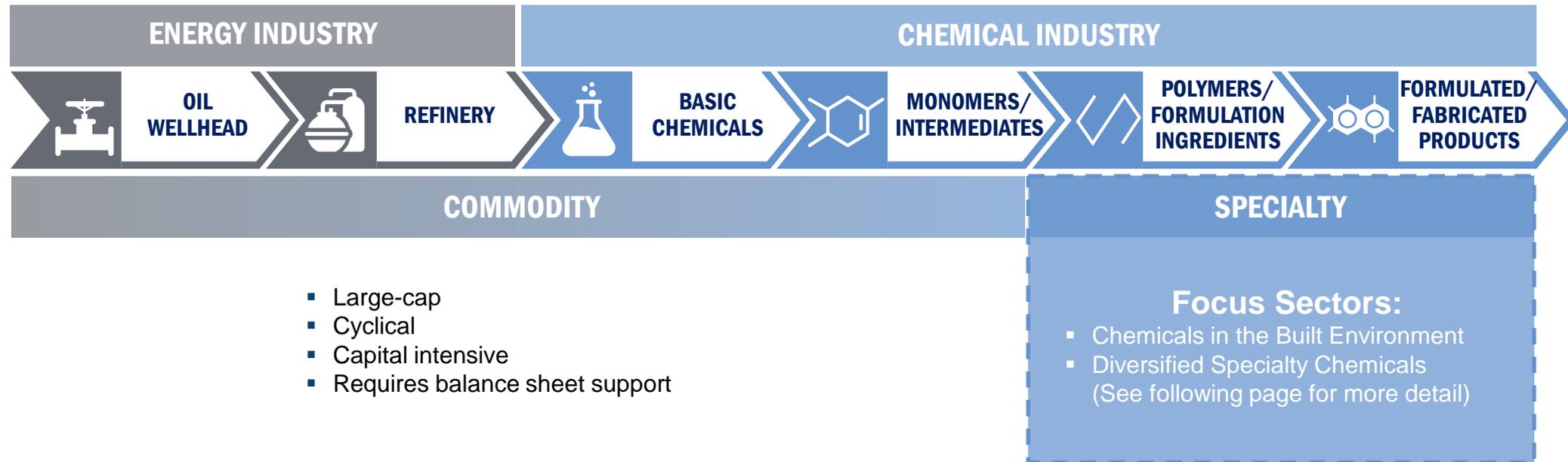
- Mergers, Acquisitions, Sales & Recaps
- Private Placements (Equity/Debt)
- ESOP Advisory
- Other Financial Advisory

CONSULTING

- Strategy
- Operations & Performance
- Leadership & Org. Development
- Technology & Innovation

Chemicals in the Built Environment

Focus on specialty versus commodity chemicals



Coverage Focus



Commodity Chemicals



Specialty Chemicals



Chemicals in the Built Environment | Defined

Specialty Chemicals in the Built Environment



Adhesives, Sealants & Coatings / Construction Chemicals



Air & Water Treatment



Chemical Distribution



Fluids & Lubricants



Functional Additives



Industrial Minerals & Mining Chemicals



Natural / Renewable



Oilfield Chemicals



Plastics / Polymers / Resins



Specialty Materials

Diversified Specialty Chemicals



Agrochemicals



Cleaning & Sanitation



Consumer Ingredients (Flavor, Fragrance, Food, Personal Care)



Industrial Gases



Pharma / Fine / Electronic Chemicals

Chemicals in the Built Environment | Representative Sub-Sectors



Adhesives, Sealants & Coatings / Construction Chemicals

- Adhesives & Sealants
- Asphalt Additives
- Coatings & Inks
- Concrete Admixtures
- Mortars & Grouts
- Spray Foam Insulation



Air & Water Treatment

- Activated Carbon
- Biocides
- Catalysts
- Corrosion Inhibitors
- Defoamers
- Scale Inhibitors



Chemical Distribution

- Agrochemicals
- Care
- CASE
- Food/Pharma
- Industrial/Lubricants
- Water Treatment



Fluids & Lubricants

- Auto/Aviation Lubricants
- Greases
- Hydraulic Fluids
- Industrial Lubricants
- Metalworking Fluids
- Refrigeration Lubricants



Functional Additives

- Antioxidants
- Colorants
- Flame Retardants
- Heat/Light Stabilizers
- Impact Modifiers
- Surfactants



Industrial Minerals & Mining Chemicals

- Calcium Carbonate
- Kaolin
- Quartz
- Silica
- Talc
- Titanium Dioxide



Natural / Renewable

- Botanicals
- Carbohydrates
- Pine-Derived
- Soy-Based
- Tallow
- Wood-Based



Oilfield Chemicals

- Cementing/Stimulation
- Drag Reducing Agents
- Drilling Fluids
- Production Chemicals
- Proppants
- Workover/Completion



Plastics / Polymers / Resins

- Compounds
- Elastomers
- Latex/Dispersions
- Masterbatch
- Thermoplastics
- Thermosets



Specialty Materials

- Ceramics
- Composites
- Extrusions
- Fibers/Fabrics
- Membranes
- Nonwovens

Chemicals in the Built Environment | Illustrative Players



Adhesives, Sealants & Coatings / Construction Chemicals



Air & Water Treatment



Chemical Distribution



Fluids & Lubricants



Functional Additives



Industrial Minerals & Mining Chemicals



Natural / Renewable



Oilfield Chemicals



Plastics / Polymers / Resins



Specialty Materials



Trends and Takeaways

Specialty chemicals are critical enabling technologies in the Built Environment, with benefits broadly grouped into performance-enhancing and environmentally-friendly (sometimes both)

Specialty Chemicals as Enabling Technologies

Performance-Enhancing

Environmentally-Friendly



Coatings & Adhesives



Concrete Admixtures



Asphalt Additives



Other Functional Additives



Spray Foam Insulation/ Sealants



Reflective Coatings



Air & Water Treatment



Natural/ Renewable Chemistry

Trends and Takeaways | Performance-Enhancing

Specialty chemicals help improve the performance of traditional materials

Performance-Enhancing

Coatings & Adhesives



- Protective coatings and patch/repair compounds help extend the life of aging infrastructure for a variety of substrates (concrete, pipes, etc.)
- High performance adhesives bond advanced materials in place of mechanical fasteners

Concrete Admixtures



- Increase the strength of concrete to allow for taller buildings, more open areas (fewer walls/pillars), and increased durability
- Growing demand especially in urban areas and for infrastructure

Asphalt Additives



- Polymeric modifiers increase pavement longevity with reduced maintenance costs
- Can improve wear resistance, skid resistance, reduce noise, and prevent softening at high temperatures

Other Functional Additives



- Impart value-added characteristics to polymers, coatings, etc.
- Heat- / light- / oxidation-stability / flame retardance
- Modify impact resistance / plasticity (harder / softer)
- Increase tack / increase lubricity / modify surface rheology

Trends and Takeaways | Environmentally-Friendly

Specialty chemicals help improve energy efficiency and lessen environmental impact

Environmentally-Friendly

Spray Foam Insulation/
Sealants



- Function as air and water barriers in walls and on roofs
- Increases energy efficiency and durability of structures
- Lowers heating/cooling costs and helps meet new building codes and green building guidelines

Reflective Coatings



- Provide solar reflectance on roofs (and asphalt in urban environments) to keep buildings cooler and reduce air conditioning costs
- Extends the life of existing structures (majority of roof coating demand from re-roofing)

Air & Water Treatment



- Remove contaminants from air & water for both health/safety/environmental and process improvement/optimization considerations
- Addresses both municipal and industrial end-users with products and high-touch technical service

Natural/Renewable Chemistry



- Typically used for functionality attributable to the natural source (aroma, tack, etc.)
- Often derived from waste streams (pulp & paper byproduct, tallow, etc.)
- Accommodates consumer preference for naturally-derived products and reduces reliance on hydrocarbon sources

FMI Chemicals Selected Recent M&A Experience

	Seller	Seller Ownership	Buyer	Buyer Ownership	Segment	Business Description
Specialty Chemicals in the Built Environment			* 	-	Functional Additives	Photoinitiators, acrylates, and additives for UV coatings and inks
	* 	OTCQX:LPAD			Construction Chemicals	Spray polyurethane foam insulation and coatings for construction
	* 	-		-	Air & Water Treatment	Green chemicals and technical services for biological contaminant removal in water and wastewater treatment
	* 	-		TSE:4612	Adhesives, Sealants & Coatings	Architectural, industrial, and high-performance paints
			* 	NYSE:CCC	Air & Water Treatment	Activated carbon, regeneration, diatomaceous earth, and perlite for food & beverage and industrial purification
	* 	 			Adhesives, Sealants & Coatings	High performance bonding adhesives for auto and industrial
Diversified Specialty Chemicals	* 			-	Pharma / Fine Chemicals	Specialty phosgene derivatives for pharmaceuticals, agrochemicals, polymers, and CASE
	* 	DUNES POINT CAPITAL		-	Agrochemicals	Naturally-derived crop protection and nutritional agrochemicals
	* 	THE JORDAN COMPANY		-	Consumer Ingredients	Naturally-derived ingredients for personal care, food, consumer, and industrial



James Holmes

Managing Director, Head of Chemicals

Denver, CO

Tel: 303.398.7264

Email: jholmes@fminet.com

James Holmes is a Managing Director and Head of the Chemicals Group with FMI Capital Advisors, FMI Corporation's investment banking subsidiary. James specializes in sell-side and buy-side M&A, capital formation, and financial advisory services for mid-market specialty chemicals companies globally. He has extensive experience in construction chemicals, adhesives & sealants, coatings, resins & additives, air & water treatment, naturally-derived renewable chemistry, chemical distribution, and other specialty chemical subsectors.

Prior to joining FMI, James was with Houlihan Lokey in New York, where he focused on structuring and executing M&A transactions for mid-market Chemicals clients. Before Houlihan Lokey, James was a Vice President with PrinceRidge in New York, focusing on mid-market, full-service investment banking transactions for Chemicals clients. He began his career with KeyBanc Capital Markets in New York on the Chemicals team.

James earned his Bachelor of Arts degrees in Economics and German with honors from DePauw University in Greencastle, Indiana. He holds the General Securities Representative license (Series 7) and Uniform Securities Agent license (Series 63) from FINRA and NASAA.



CAPITAL ADVISORS

DENVER

210 University Blvd.
Suite 800
Denver, CO 80206
303.377.4740

EDMONTON

Edmonton, AB
204.232.1373

HOUSTON

1301 McKinney St.
Suite 2000
Houston, TX 77381
713.936.5400

PHOENIX

7639 E Pinnacle Peak Rd.
Suite 100
Scottsdale, AZ 85255
602.381.8108

RALEIGH (*headquarters*)

223 S. West Street
Suite 1200
Raleigh, NC 27603
919.787.8400

TAMPA

4300 W. Cypress Street
Suite 950
Tampa, FL 33607
813.636.1364

WWW.FMINET.COM