



CAPITAL ADVISORS

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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

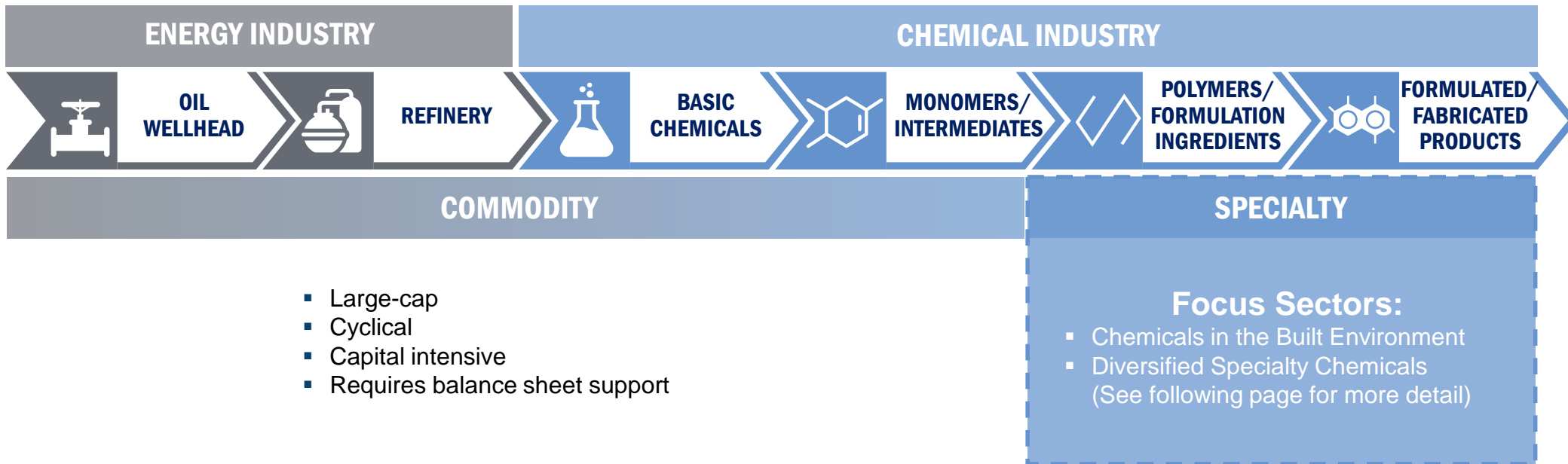


## CONSULTING

- 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



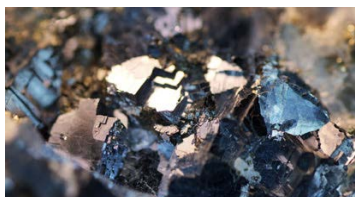
## Fluids & Lubricants

- 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



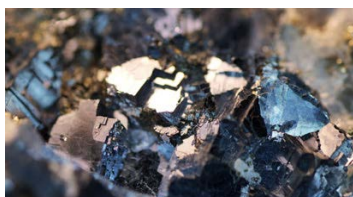
Chemical Distribution



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



Coatings & Adhesives



Concrete Admixtures



Asphalt Additives



Other Functional Additives

### Environmentally-Friendly



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





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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.



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