
Investindustrial and Black Diamond acquire Hexion PSR, a global specialty chemicals producer with a leading market position in Europe

London (UK), Greenwich (CT), and Columbus (OH), September 28th 2020. An investment subsidiary of Investindustrial VII L.P and Black Diamond Capital Management (“Investindustrial” and “Black Diamond”) today announced that they have entered, on a 50/50 basis, into a definitive agreement to buy Hexion PSR (“Hexion PSR” or “the Company”), a carved out division of Hexion Inc. (“Hexion”) a global diversified chemical company.

Hexion PSR is a global producer of phenolic specialty resins, engineered thermoset molding compounds and merchant formaldehyde with a leading market position in Europe.

The consideration of \$425 million consists of \$335 million in cash and certain assumed liabilities with the remainder in future proceeds based on the performance of the company. The transaction is expected to close in Q1 2021. Together, the company’s businesses posted sales of approximately \$530 million for the last twelve months ended June 30, 2020.

Following the successful working relationship between Investindustrial and Black Diamond in specialty chemicals with Polynt-Reichhold, the two firms make an ideal ownership combination to support Hexion PSR’s growth as a stand-alone company.

Hexion PSR is a sizable player in the phenolic resins space with unmatched footprint in Europe and has well-diversified end-markets and geographies with leading market share in nearly all categories and premium-price positioning. The Company operates 11 world-class manufacturing facilities and leverages its global network, including 3 R&D/ technology centres and 4 product support labs to successfully develop and commercialize new applications using its core chemistries in close collaboration with its customers. PRS is a premier EH&S organization with the highest safety standards and serves as a subject matter expert for customers on products and technologies.

Black Diamond and Investindustrial commented: “We are pleased to acquire these strategic assets as these businesses boast globally recognizable brands and trademarks, including Bakelite®, Durite™, Cellobond™, and Resonance™, as well as world-class facilities and a leading research and development and technical service platform. Black Diamond and Investindustrial have successfully partnered in the past on their collective investment in Polynt-Reichhold and we are excited to be working together again, bringing also their prior experience from the unsaturated polyester resin sector.”

About Black Diamond

Founded in 1995, Black Diamond is a leading investment firm with over \$8 billion assets under management across complementary private equity and credit platforms operating from offices in Greenwich, CT and London, UK.

About Investindustrial

Investindustrial is a leading European group of independently managed investment, holding and advisory companies with €11 billion of raised fund capital. With ESG principles deeply embedded into the Firm’s core approach, Investindustrial has a 30-year history of providing mid- market companies capital, industrial expertise, operational focus, a sustainability vision and global platforms to accelerate value creation and international expansion. Certain companies of the Investindustrial group are authorized by, and subject to regulatory

supervision of the FCA in the United Kingdom and the CSSF in Luxembourg. Investindustrial's investment companies act independently from each other and each Investindustrial fund.

Additional information is available at www.investindustrial.com.

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