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Huntsman Completes the Acquisition of Icynene-Lapolla, Expanding its Downstream Footprint in Spray Polyurethane Foam Insulation

THE WOODLANDS, Texas, Feb. 20, 2020 /PRNewswire/ -- Huntsman Corporation (NYSE: HUN) today announced that it has completed the acquisition of Icynene-Lapolla, a leading North American manufacturer and distributor of spray polyurethane foam (SPF) insulation systems for residential and commercial applications. Huntsman acquired the business from an affiliate of FFL Partners, LLC, for \$350 million, subject to customary closing adjustments, in an all-cash transaction funded from available liquidity.

The acquisition of Icynene-Lapolla is aligned with Huntsman's strategy of growing its downstream polyurethanes business. The combination of Icynene-Lapolla with Demilec, the SPF business Huntsman acquired in 2018, will create the world's leading supplier of spray foam products used to insulate commercial and residential structures. The acquisition will further strengthen our portfolio of leading energy-saving insulation applications and technologies, providing customers with an unmatched product offering. Further, it will accelerate the globalization of the combined SPF business by leveraging Huntsman's extensive international network of systems houses. The acquisition will generate substantial synergies as a result of Huntsman's ability to pull through significant volumes of polyols and lower margin upstream polymeric MDI into the higher margin and growing specialized SPF systems.

Icynene-Lapolla has annual revenues of approximately \$230 million with two manufacturing facilities located in Houston, Texas and Mississauga, Ontario, where it produces a full range of MDI-based SPF formulations and reflective roof coatings, which it markets directly to applicators as well as through distributors.

Tony Hankins, President of Huntsman's Polyurethanes division, commented on the acquisition: *"I am excited about the opportunities that lie ahead, now that Icynene-Lapolla is joining our high-growth MDI urethanes insulation business. Together with Demilec, our existing SPF business, we will create a world-leading SPF platform, providing highly innovative, energy-saving solutions for residential and commercial property owners alike."*

Peter Huntsman, Chairman, President and CEO added: *"SPF is a highly attractive growth business and Icynene-Lapolla is widely recognized as a leading player in the industry. Icynene-Lapolla will strengthen our move downstream and provide further impetus to the globalization of our SPF technology. The purchase price represents an adjusted EBITDA multiple of approximately 10 times, or approximately 7 times adjusted EBITDA, pro forma for synergies. The combined business is now approaching \$500 million in revenues and by the*

end of 2021 with synergies we see the SPF business exceeding \$100 million in EBITDA."

About Huntsman:

Huntsman Corporation is a publicly traded global manufacturer and marketer of differentiated and specialty chemicals with 2019 revenues of approximately \$7 billion. Our chemical products number in the thousands and are sold worldwide to manufacturers serving a broad and diverse range of consumer and industrial end markets. We operate more than 70 manufacturing, R&D and operations facilities in approximately 30 countries and employ approximately 9,000 associates within our four distinct business divisions. For more information about Huntsman, please visit the company's website at www.huntsman.com.

Social Media:

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Forward-Looking Statements:

Certain information in this release constitutes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on management's current beliefs and expectations. The forward-looking statements in this release are subject to uncertainty and changes in circumstances and involve risks and uncertainties that may affect the company's operations, markets, products, services, prices and other factors as discussed under the caption "Risk Factors" in the Huntsman companies' filings with the U.S. Securities and Exchange Commission. Significant risks and uncertainties may relate to, but are not limited to, volatile global economic conditions, cyclical and volatile product markets, disruptions in production at manufacturing facilities, reorganization or restructuring of Huntsman's operations, including any delay of, or other negative developments affecting the ability to implement cost reductions, timing of proposed transactions, and manufacturing optimization improvements in Huntsman businesses and realize anticipated cost savings, and other financial, economic, competitive, environmental, political, legal, regulatory and technological factors. The company assumes no obligation to provide revisions to any forward-looking statements should circumstances change, except as otherwise required by applicable laws.

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