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Huntsman Announces the Acquisition of CVC Thermoset Specialties, Expanding its Specialty Chemicals Portfolio

THE WOODLANDS, Texas, March 16, 2020 /PRNewswire/ -- Huntsman Corporation (NYSE: HUN) today announces its agreement to acquire CVC Thermoset Specialties, a North American specialty chemical manufacturer serving the industrial composites, adhesives and coatings markets. CVC Thermoset Specialties is part of Emerald Performance Materials LLC which is majority owned by affiliates of American Securities LLC.

CVC Thermoset Specialties has annual revenues of approximately \$115 million with two manufacturing facilities located in Akron, Ohio, and Maple Shade, New Jersey. Under terms of the agreement, Huntsman will pay \$300 million, subject to customary closing adjustments, in an all-cash transaction funded from available liquidity. Based on full year 2019, the purchase price represents an adjusted EBITDA multiple of approximately 10 times, or between approximately 7 to 8 times pro forma for synergies, the lower multiple end being dependent upon normal growth market conditions. The transaction is expected to close around midyear of 2020.

Commenting on the acquisition, Scott Wright, President of Huntsman's Advanced Materials division, said: *"The acquisition of CVC Thermoset Specialties brings valuable complementary technology breadth to our Advanced Materials portfolio and its unique products will make systems using our class-leading epoxy-based materials even tougher, stronger, and more durable. This business manufactures highly specialized toughening, curing and other additives used in a wide range of composite, adhesive and coatings applications across aerospace, automotive and industrial markets. In addition to strengthening our position in North America, Huntsman will use our existing asset footprint and routes to market in Europe and Asia to rapidly grow and globalize CVC Thermoset Specialties' exciting and complementary product range. This acquisition will further improve our ability to create differentiation in our customers' applications, in particular through our strong formulations business."*

Peter Huntsman, Chairman, President and CEO, further commented: *"This bolt-on fits all the criteria we look for in acquisitions for our Advanced Materials division, including new technology, synergies, and globalization opportunities. The business currently achieves EBITDA margins in excess of 25% and we expect to achieve significant synergies within two years."*

"In these uncertain times, our financial strength will allow us to keep looking for these types of acquisitions, while at the same time maintain a conservative balance sheet and opportunistically repurchase shares. We remain committed to our balanced approach to capital allocation. Year-to-date we have taken advantage of our depressed stock price and

have repurchased approximately \$85 million in stock. Lastly, while forward visibility remains low, the first quarter is on track to deliver on the outlook that we communicated on our February 13, 2020 earnings call."

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:

Twitter: www.twitter.com/Huntsman_Corp

Facebook: www.facebook.com/huntsmancorp

LinkedIn: www.linkedin.com/company/huntsman

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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