

## Balmoral Advises KMCO On Sale to ALTIVIA

### *Sale of distressed chemical manufacturer completed in Chapter 7 bankruptcy.*

#### **Chicago, IL and Crosby, TX – June 2, 2020**

ALTIVIA Oxide Chemicals, a subsidiary of ALTIVIA Petrochemicals (ALTIVIA), has acquired the ethoxylation manufacturing and substantially all other assets of KMCO, LLC (KMCO). The transaction closed in May 2020 in a bankruptcy sale under the U.S District & Bankruptcy Court, Southern District of Texas. Balmoral served as financial advisor to KMCO on the transaction. Balmoral served as financial advisor to KMCO on the transaction.

KMCO's facility in Crosby, Texas, experienced an explosion and fatality in April 2019. Soon after the incident and well prior to any bankruptcy filing, Balmoral was engaged to seek a buyer for the assets. A deal was struck with ALTIVIA, and the transaction closed in Chapter 7.

"This transaction highlights Balmoral's expertise in distressed asset sales," said Chris Cerimele, Managing Partner of Balmoral Advisors. "The situation we came into was tragic and the circumstances presented significant challenges. ALTIVIA has a proven track record of acquiring and restarting chemical plants. We are proud to have played a role in helping resolve a difficult situation, with a solution that will bring back jobs to the plant."

The facilities, located on 160 acres near Houston, include 31 reaction and distillation trains with capacity for Ethylene and Propylene Oxide reactions as well as a broad range of organic reactions including polymerization, neutralization, and condensation. Products include surfactants, lubricant additives, fuel additives, and a variety of ethoxylation and propoxylation based intermediates. Its products service the coatings, automotive, fuels and lubricants, and surfactant industries.

ALTIVIA plans a \$25 million process safety and control systems upgrade to the facilities and will start production in two new oxide reactors by the end of this year.

"We have completed a detailed evaluation of these assets and are looking forward to starting production by year end. The reaction chemistries in Crosby are complementary to ALTIVIA's current product offerings and will provide our customers important sourcing options," said ALTIVIA's Chief Executive Officer J. Michael Jusbasche. "The market for oxylation tolling and custom manufacturing services will now have available a state-of-the-art facility in the U.S Gulf Coast."

#### **About Balmoral Advisors**

Balmoral Advisors is an independent, specialty investment bank dedicated to providing mergers & acquisitions, corporate finance, and financial restructuring advisory services involving mid-sized transactions. The firm specializes in helping clients sell their businesses, find and complete acquisitions, and raise or refinance capital. Balmoral works with business owners, corporations and financial investors worldwide involving early stage growth companies, successful mature businesses, corporate divestitures, special situations, and restructurings. For more information visit us at [www.balmoraladvisors.com](http://www.balmoraladvisors.com).