



Masterbatches & Compounding
Proventis Partners:
Chemicals & Materials

2024

Proventis Partners advised Sukano, a leading manufacturer of additive and color masterbatches, on its acquisition of the majority stake in KAYS Kft., a compounder specialized in engineering plastics.

ProventisPartners.

advised



on their acquisition of



Background on the transaction

- Sukano, a leading manufacturer of additive and color masterbatches, acquired the majority stake in KAYS Kft., a compounder specialized in engineering plastics.
- Proventis Partners acted as exclusive M&A advisor to the buyers throughout the entire process.
- This transaction represented a significant milestone for both companies, providing crucial momentum for future growth.
- The decision to make the acquisition was based on the strategic alignment of both companies. Both parties aim at combining forces and expertise with the goal to build a stronger and more successful organization.
- The two companies will continue their operations independently, ensuring a seamless transition for all stakeholders involved.

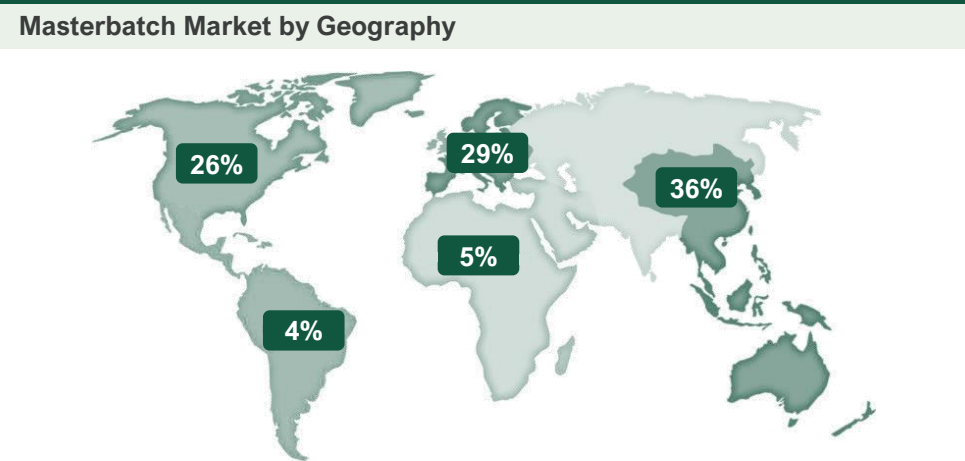
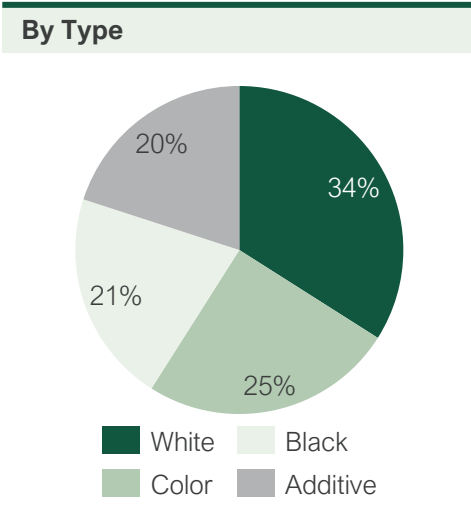
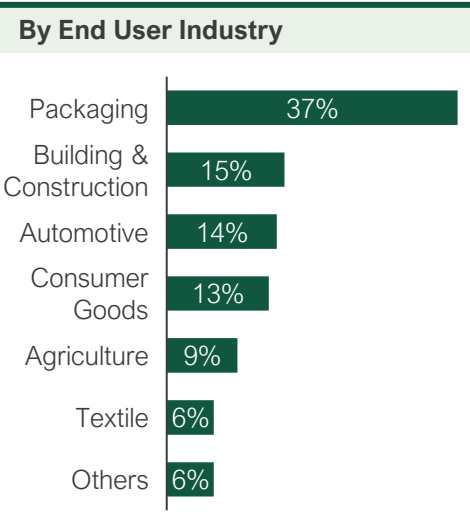
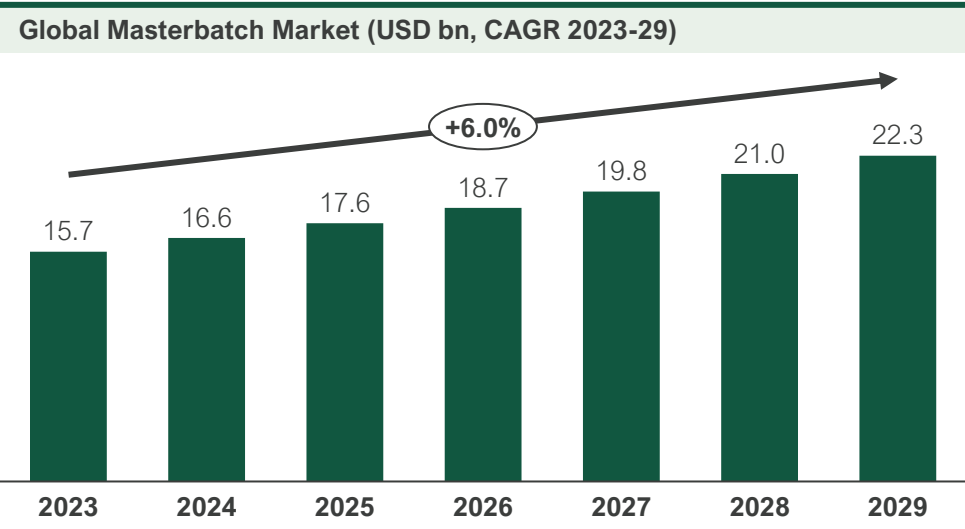
About Sukano

- Sukano, founded in 1988 and headquartered in Switzerland, is a family-owned global specialist in the development and production of additive and color masterbatches and compounds for polyesters, biopolymers, and specialty resins.
- The company devotes its technical knowledge to developing innovative products and highly specialized solutions that go into Packaging, Consumer Durables, Building and Construction, Healthcare, and Textiles.
- With manufacturing facilities in Switzerland, USA and Malaysia, Sukano leverages its global knowledge base to provide outstanding local support, creating additional value for customers through flexibility, reliability, and highly specialized solutions.

About KAYS Kft.

- KAYS Kft., founded in 2004, is a family-owned company in Hungary specializing in the compounding of engineering plastics with recycled content and high-quality standards for the European market.
- The company uses its innovation capabilities and a wealth of expertise to manufacture products of the highest quality for specific applications. Sustainability, efficient resource utilization, and environmentally conscious thinking are firmly embedded in KAYS' culture.

The global masterbatch market is poised for continuous growth in the coming years.



- ### Proventis Partners Observations
- The masterbatch market continues to grow steadily, driven by increasing demand for color and functional additives in various industries.
 - Growing environmental concerns and regulatory pressures are driving the demand for sustainable masterbatch solutions, leading to the development of bio-based and recycled formulations that are free from harmful additives.
 - Increased customization is necessary to meet customers' diverse needs and preferences and to maintain a competitive edge in the masterbatch market.
 - Consolidation of the fragmented market through strategic alliances and partnerships is reshaping the competitive landscape in the masterbatch industry as companies seek to strengthen their market position and capitalize on synergies.

Source: Statista, Grandview Research, Progressive Research Report

Trends in Masterbatch, Circular Chemistry and Compounds.

Key Trends and Developments in the Masterbatch Market



Circular plastics economy

Circular economy models are a more efficient, more sustainable alternative to the traditional linear economy model. Recyclable masterbatches create an opportunity for players in the industry to align circular models.



Technological advancements

Continuous innovation in terms of advanced processing technologies, efficient pigment dispersion techniques, and improved compatibility with various polymer matrices.



Industry consolidation and partnerships

Increasing consolidation through M&A and strategic partnerships among key players to strengthen market position, expand product portfolios, and leverage synergies in manufacturing, distribution, and R&D.



Developing interest across end-use industries

As masterbatch is used in various industries for coloring, functional enhancement and performance improvement of polymer materials, interest is growing in industries such as plastic packaging, building & construction and automotive.



Increasing demand for colored masterbatches

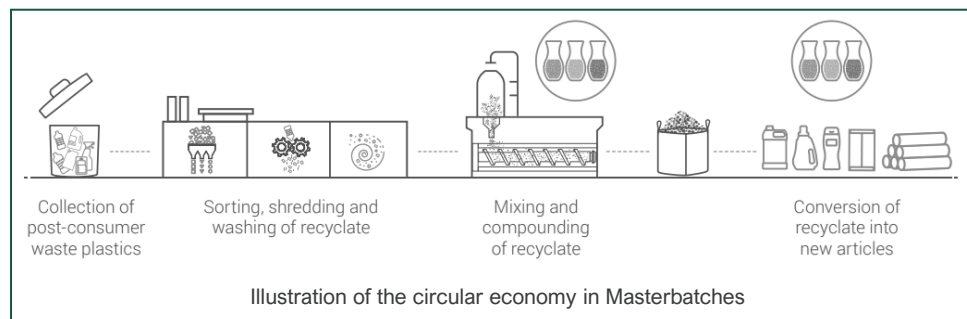
As industries seek to differentiate their products, enhance branding and meet consumer preferences for visually appealing products, the demand for colored masterbatch continues to grow.

Sustainability and Circular Economy









Sustainable plastics production has become a global imperative, and masterbatches play a key role in achieving this goal. **Masterbatches can facilitate sustainable plastics production** and reduce negative impacts on the environment through:

- **Improving material efficiency** by precisely coloring and enhancing plastics, reducing waste and environmental impact through concentrated dispersion.
- Promoting recyclability by facilitating the **incorporation of recycled materials without compromising product quality**, thus fostering a circular economy and reducing reliance on virgin plastics.
- **Energy efficiency** in production by melting and dispersing at lower temperatures, resulting in reduced energy consumption and greenhouse gas emissions
- Incorporating **functional additives** such as biodegradable compounds

By recycling masterbatch materials, manufacturers can reduce their environmental impact, conserve virgin resources, and contribute to a more sustainable production cycle as part of the circular economy. This approach emphasizes minimizing waste and maximizing the value of resources by reusing materials in a continuous loop, ultimately promoting long-term environmental and economic sustainability.



Our team of experts in Chemicals & Materials is happy to leverage their decades-long experience and expertise in the sector. Our sector specialists are able to bring value to your project through their extensive network of close ties into the industry.

| | Education & professional career | Sector focus | M&A engagements | Selected clients |
|--|---|--|---|---|
|  <p>Dr. Uwe Nickel Partner, Zurich</p> | <ul style="list-style-type: none"> Several directorships & chairmanship in the chemical & engineering sector CEO HCS Group / Holding, Germany Associate Director Arthur D. Little, Switzerland Member of the board of Clariant International President Pigments & Additives Division Clariant Clariant Int., Senior Vice President Special Industries, Senior Vice President Pigments Technology, Vice President Product Management Pigments Chemistry at Frankfurt University (Dr. phil nat.), management training courses (including INSEAD and IMD) | <ul style="list-style-type: none"> Chemicals & materials Specialty Chemicals Petrochemicals CMO/CDMO – Fine Chemical Pigments, Additives, Masterbatches Paints, coatings and adhesives Engineering | <ul style="list-style-type: none"> Company sale Company acquisition Carve-out Succession Company valuation Post merger integration Joint venture |  |
|  <p>Dr. Jan-Philipp Pfander Partner, Zurich</p> | <ul style="list-style-type: none"> Over 30 years of experience advising clients in chemicals and related sectors on a wide range of M&A and capital market transactions Moelis & Company, London, Partner and Managing Director, Head of EMEA Chemicals and Materials JP Morgan, London, Managing Director, Head of EMEA Chemicals Lehman Brothers, London, Head of EMEA Chemicals McKinsey&Company, Hamburg University of Oldenburg, Promotion in management science Technical University of Munich, Diploma in Microbiology | <ul style="list-style-type: none"> Chemicals & materials Paints, coatings and adhesives Crop protection and seeds Specialty & commodity fertilizers Pharma CMOs Engineering plastics & composites Commodity chemicals Food ingredients Bio industrials Chemicals & polymers distribution | <ul style="list-style-type: none"> Company sale Company acquisition Joint Venture Corporate Merger Leverage Buy-Outs Strategic portfolio review Start-up financing, exit support, IPO Acquisition Financing Corporate strategy |  |
|  <p>Artur Maibach Vice President, Zurich</p> | <ul style="list-style-type: none"> With Proventis Partners Zurich since 2020 advising clients in chemicals & materials and industrials Prior to joining Proventis, Artur has worked for Credit Suisse's Strategic Advisory Group in Zurich and DZ Bank in Hong Kong. MSc in Finance from the University of Liechtenstein | <ul style="list-style-type: none"> Chemicals & materials Industrials | <ul style="list-style-type: none"> Company sale Company acquisition Company valuation |  |
|  <p>Hans Ulrich Kurtz External Advisor, Zurich</p> | <ul style="list-style-type: none"> 36 years of broad-based business Heraeus Noblelight, Business development project head Clariant, Head of RBL EMEA, BU Pigments (Germany), India & MEA, BU Masterbatches (Turkey), APAC, BU Masterbatches at Clariant (Thailand), Global BU Masterbatches Procurement & Head of Marketing South Europe & IMEA (Italy) | <ul style="list-style-type: none"> Chemicals & materials Masterbatches Pigments Additives | <ul style="list-style-type: none"> Company sale Company acquisition Carve-out & divestments Investment projects Post merger integration |  |

Proventis Partners: Focused on medium-sized M&A deals with 3 locations in Switzerland and Germany.

Proventis Partners Services

- Focus on selling of medium-sized companies (around 60% of mandates).
- Complemented with acquisition mandates, financing, company valuations, and other related services.

Company sale M&A Advisory

- Succession Solution
- Corporate Carve-Outs
- Exit for Financial Investors

Acquisition M&A Advisory

- Buy & Build
- Strategic acquisitions
- MBI/MBO

Corporate Finance Advisory

- Acquisition Financing
- Growth Financing
- Balance Sheet Restructuring

Complementing Services

- Company Valuation
- Fairness Opinion
- Exit Value Creation

Our focus sectors



Chemicals & Materials

- Base- & Petrochemicals
- Specialty Chemicals
- Advanced Materials
- Food & Feed Ingredients
- Industrial Gases
- Industrial Biotech



Industrials

- Engineering & Automation
- Building Technology & Components
- Automotive
- Aerospace & Defense
- Packaging



Healthcare

- Pharmaceuticals
- Healthcare Services
- Medical Technology



Technology & Media

- Semiconductors & Hardware
- Software
- Media
- Sports & Entertainment
- Digital Marketing



Business Services

- Transport & Logistics
- Industrial & Engineering Serv.
- Construction & Facility Serv.
- Inspection & Certification
- Education
- HR & Professional Services

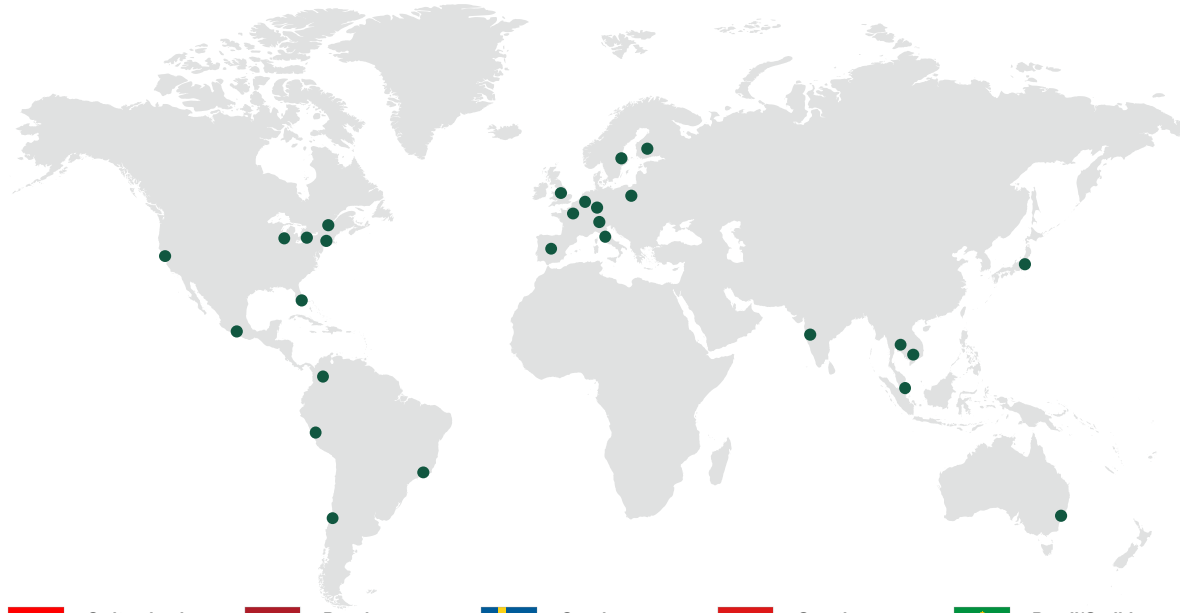


Consumer Goods & Retail

- Food and Beverages
- Consumer Goods
- Retail & eCommerce

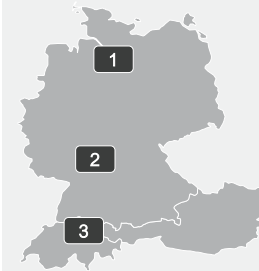
In addition to our excellent contacts with national and international strategic buyers and Private Equity companies, we have easy access to additional potential international buyers through our worldwide network.

Overview global network Mergers Alliance:



| | | | | |
|---|--|---|---|--|
| Switzerland Proventis Partners | Benelux OXEYE Advisors | Sweden Experia Corporate Finance Advisors | Croatia InterCapital Investment Banking | Brazil/Caribbean BroadSpan Capital |
| Germany Proventis Partners | Italy Ethica Corporate Finance | USA Dresner Partners | Peru EFIC Partners | Thailand Khronos Advisory |
| Austria Proventis Partners | Spain Norgestion | USA Montminy & Co | Chile Servicios Financieros Altis | Singapore Singhi Advisors |
| United Kingdom Opus Corporate Finance | Poland IPOPEMA | Mexico Broadspan | Japan Tokyo Kyodo Accounting Office | |
| France Aurignac Finance | Finland Experia Corporate Finance Advisors | India Singhi Advisors | | |

Our locations in German speaking Europe:



- 1** Hamburg
- 2** Frankfurt
- 3** Zurich

Total 33 locations globally
A third of them in Europe

1,654 Deals since 2010
128 Deals in 2023
250 Professionals



Proventis Partners is an integral part of Mergers Alliance – a partnership of award-winning M&A specialists who provide high-quality advisory services to companies that need an international network for their M&A deals.

We are looking forward to collaborating with you.



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