



**ETHANE EXPORTS
ENTERPRISE
STARTS UP NEW
FACILITY IN TEXAS
PRICE TRENDS P12**

ASIA BD OUTLOOK

Butadiene buoyed by tightness but gains could be capped by weak buying sentiment **13**

EUROPE LDPE

Prices could erode into August but rebound in September, as imports are diverted to Asia **119**

25-31 July 2016

ICIS Chemical Business

MAKING SENSE OF CHEMICAL PRICES



**ICIS TOP 100
CHEMICAL DISTRIBUTORS**



Azelis confirms plans for IPO

The Europe-headquartered distributor has absorbed the recent KODA acquisition and is preparing to go public as early as 2017-2019, once the market and its owners are ready

WILL BEACHAM BARCELONA

Distributor Azelis may go through an initial public offering (IPO) and stock market floatation as early as 2017-19, according to its chief executive officer Hans Joachim Muller.

The company, which grew significantly through the acquisition of US-based KODA Distribution Group in December 2015, should be ready for the strategic move by the end of 2016, the CEO says.

"KODA is an important milestone towards our IPO and we're working towards being ready by the end of 2016. Then the IPO should take place between 2017-19 depending on three things: performance of the business; strategy of our owners, Apax; and the financial markets have to be ready."

Private equity group Apax acquired Azelis from 3i in 2015. Muller said that a lot of banks have expressed an interest in discussing the IPO plans, but for now the group is focussed on running and growing the business.

He added: "We can influence the performance of our business, but the other two aspects are for the owners and the market. It will not be as late as 2022/23 and could be as early as 2017. From an accounting and reporting perspective we will then be ready."

The KODA deal was signed on 17 October 2015 and closed on 17 December. Muller says that the due diligence his team did when analysing the deal has turned out to be correct. A danger when one distributor acquires another is the chance that competing suppliers of the same product come into the portfolio. With this deal, though, there are synergies rather than dis-synergies between suppliers, he claims.

The integration was completed at the end of June from a business point of view. Although ERP systems are not yet identical across the merged group, communication about the monthly financial accounts happens very quickly, he says.

Individual countries operate independent-

ly. For annual budgets, national operating units make a proposition in line with company strategy during the summer and the third quarter and are finalised by early October.

M&A STRATEGY

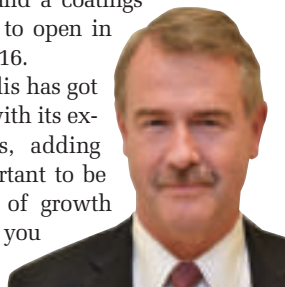
Azelis is looking at several mergers & acquisitions (M&A) projects and Muller hopes some may come to fruition by the end of the year. M&A is used to strengthen existing areas but not to enter completely new ones. Geographic focus is Europe and the Americas. "We're not excluding a deal in Asia, but our focus is driven by our commitment to our principals that we're completely compliant."

Muller says investors are wary of expansion by M&A in Asia because of the high level of volatility there.

"What are the risks in China? How stable is it? We like Japan from a business point of view but what about its age profile as it relates to how much people consume? How long can Japan continue with their monetary policy?"

Despite the challenges, Azelis is growing strongly in Asia with a focus on organic expansion. So far in 2016 Asia growth is more than 20% higher than the same period in 2015, fuelled by an expanding network of technical services laboratories. There are eight in Asia and a coatings lab is planned to open in India during 2016.

He says Azelis has got Asia covered with its existing business, adding that it is important to be there because of growth potential when you consider that



"We can influence the performance of our business but the other two aspects are for the owners and the market"

HANS JOACHIM MULLER
CEO, Azelis

most of its population is comparatively young.

In August 2016 Laurent Nataf, Europe chief operating officer, will transfer to become CEO of Asia to ensure enough attention is given to building the business there. He will be succeeded as chief operating officer EMEA by Anna Bertona.

Muller expects to see some organic revenue and profitability growth in 2016. But it is difficult to grow organically when commodity prices are falling as this impacts revenues and profits.

Although primarily a specialty distributor, around 15-20% of the portfolio is commodities, enabling Azelis to offer a comprehensive product portfolio for each value chain it serves.

"We'll see quite an increase in profitability in EMEA and the Americas and very much so in Asia which is the strongest growth region for us."

AFRICA EXPANSION

Organic expansion is continuing into new geographies. On 1 February an office opened in New Zealand which will be earnings-accretive this year. In 2015 Azelis took its first step into Africa, opening an office in Morocco. It expects to open one in Ivory Coast in September, and there are plans for others in Ghana, Nigeria and Ethiopia this year.

He points out that Ethiopia has a population of 98.6m and has grown at over 10%/year for the past 11 years. "A lot of what we've seen in southeast Asia over the last 20 years we will see in Africa eventually. The Chinese did a lot of infrastructure investment there and it is working well; being an early entrant is an advantage."

Although in Europe and the US the population is aging, immigration is helping a great deal to boost the numbers of young consumers, says Muller. In Germany, for example, 25% of the young people were not born in Germany. In the US, 1%/year GDP growth is caused by immigration. ■

SPECIAL REPORT

TOP 100 CHEMICAL DISTRIBUTORS

EUROPE CHEMICAL DISTRIBUTION LEADERS (2015 SALES)*

Company	Sales (\$m)*	Company	Sales (\$m)*
1 Brenntag	5,053.31	57 Will & Co	74.16
2 Helm	2,714.5	58 GROUP BARCELONESA	72.64
3 IMCD	1,052.14	59 NOVASOL	71.65
4 Biesterfeld	992.42	60 Ilario Ormezzano	70
5 Azelis	830.64	61 Alpha Wax	69.51
6 Omya	794.81	62 Bodo Moller Chemie	69.27
7 Caldic	740	63 PENPET Petrochemical Trading	68.09
8 Overlack	727.49	64 Nortex	67.4
9 Quimidroga	715.54	65 Aug. Hedinger	65.94
10 Solvadis Group	646	66 Selectchemie	65.15
11 TER GROUP	546.16	67 Ricardo Molina	62.98
12 Nexeo Solutions	500	68 AFCO	62
13 Jebesen & Jessen Group	439.75	69 Airedale Chemical	61.21
14 SAFIC-ALCAN	425.03	70 PROQUIBASA	59.72
15 CG Chemikalien	380.57	71 Quimdis	59.72
16 Nordmann, Rassmann	369.17	72 Wego Chemical Group	54.9
17 Indukern	334.39	73 CellMark Chemicals	54.24
18 Pluschem EEIG (European Economic Interest Group)	271.45	74 Chem Poland	52.91
19 Campi y Jove	267.11	75 Melrob Group	52.51
20 Eigenmann & Veronelli	262.76	76 KH Chemicals	51.25
21 DKSH	260.44	77 Behn Meyer Group	48.75
22 Arkem Kimya	260	78 Newport Industries	48.09
23 Telko	233.45	79 MOGoil	47.97
24 Krahn Chemie	217.16	80 Interallis Chemicals Group	46.26
25 Tennants Distribution (and associated group distribution companies)	209.27	81 Noahs Ark Chemicals	45
26 VELOX	198.05	82 KALE KIMYA	43.43
27 Norkem	192	83 PHT International	41.9
28 ECEM European Chemical Marketing	183.7	84 Quimitecnica.com - Comercio e Industria Quimica	39.2
29 HSH Chemie Distribution Group	181.33	85 Vikudha	39
30 Gamma Chimica	176.49	86 Manuchar	36.6
31 Donauchem	170.47	87 A.+ E. Fischer- Chemie	35.83
32 Bang & Bonsomer	165.04	88 GB-Chemie	30.59
33 Ravago Chemicals	165	89 Vendico Chemical	30.08
34 IMPAG	162.87	90 Joss Elastomers	28.77
35 2M Holdings	157.14	91 SAMECA	27.91
36 Bufa Chemikalien Group	154.25	92 Jobachem	25.77
37 ICC Chemical	150	93 SINPRO SA, des Produits pour l'Industrie	24.43
38 Solventis	137.9	94 Monarch Chemicals	22.7
39 Grolman Group	137.34	95 Alcohols Limited	22.11
40 Thommen-Furler	122.7	96 Tan International	21.72
41 Algol Chemicals	115	97 Comindex	21.28
42 ELTON Group	113.81	98 EQUILEX	20.63
43 CSC Jaecklechemie	112.92	99 WhitChem	19.31
44 Atlantic Chemicals Trading	108.58	100 Alfa Chemicals	18.13
45 Tillmanns	106.19	101 Klaus F. Meyer	15.85
46 Whyte Chemicals	104.41	102 Biachem	15.5
47 Harke Group	102.33	103 BRUGUES	11.94
48 RAINOLDI	99.89	104 Stort Chemicals	10.91
49 Arpadis Suisse	97.72	105 Charkit Chemical	8
50 Unipex	97.72	106 Shamrock Shipping & Trading	6.75
51 Neo Chemical	94.13	107 Marubeni Specialty Chemicals	6.7
52 Faravelli Group	92.84	108 Prakash Chemicals	6.3
53 Staub & Co – Silbermann	84.69	109 Sinochem Plastics	6.27
54 Amtech	80.35	110 Dakram Materials	2.81
55 Cornelius Group	77.77	111 Van Horn, Metz & Co	2.5
56 Rahn Group	75	112 The Chemical Company	2

NOTES: *Sales are by region and may differ from the total sales figure in the overall Top 100 listing. Table excludes companies that do not break out sales by geography.

tors, tankers and trailers; railcar fleet; analytical and formulation labs

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SINOCHEM PLASTICS
2015 SALES: \$2.27BN

Beijing, China

WWW.SINOCHEMPLASTICS.COM

General Manager: Zhang Xiaolei

Products: Engineering plastics (ABS, PS, PC, PMMA, AS, ASA, nylon); general plastics (PP, PE, PVC, C8, EVA, PET); basic petrochemicals (PX, SM, PTA, MEG, methyl alcohol, ACN, acrylic acid and esters, acetone, phenol, EA, PO); biology chemicals; leather chemicals; marine organism chemicals (agar, carrageenan, seaweed fertilizer); plant fibre; oleochemicals; pine chemicals; fine chemicals; dye and pigments; coatings and oil paint; plastic additives; intermediates; printing inks; water treatment chemicals, plasticizers; polyacrylamide; modified plastics; recycled plastics; carbon fibre

Services: Marketing; customised services and solutions; agent distribution; supply chain management; technical support; manufacturing consignment; after-sale service; brand maintenance; customs clearance and storage; logistics; information consulting; market analysis; e-commerce; HSE services

Assets: 7 warehouses with gross area of 237,055.12 square metres; 5 office buildings with gross area of 23,029.17 square metres
Trading sales: 46.33%

7

IMCD
2015 SALES: €1.53BN (\$1.66BN)

Rotterdam, Netherlands

WWW.IMCDGROUP.COM

CEO: Piet van der Slikke

Products: Pharmaceutical ingredients; personal care and food ingredients; coatings; adhesives; construction chemicals; lubricants; detergent chemicals; fine chemicals; plastic additives and compounds

Services: Technical sales and marketing; laboratory services; local and central stock holding; drumming; repackaging; blending; sampling

Assets: Application laboratories; offices and warehouses in all major European countries and Turkey, Morocco, Tunisia, Algeria, South Africa, India, China, Malaysia, Indonesia, Thailand, Singapore, Brazil, Australia, New Zealand, Vietnam, Philippines and the US

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AZELIS
2015 SALES: €1.50BN (\$1.63BN)

Luxembourg

WWW.AZELIS.COM;

WWW.AZELISAMERICAS.COM

CEO: Hans Joachim Muller

SPECIAL REPORT

TOP 100 CHEMICAL DISTRIBUTORS

NORTH AMERICA CHEMICAL DISTRIBUTION LEADERS (2015 SALES)*

Company	Sales (\$m)*	Company	Sales (\$m)*	Company	Sales (\$m)*
1 Univar	6,728.1	45 Coyne Chemical	72	89 dar-tech	28.5
2 Brenntag	3,908.88	46 SolvChem	70.66	90 TMC Materials	27.1
3 Nexeo Solutions	3,100	47 Cole Chemical & Distributing	70	91 R.E. Carroll	26.84
4 Helm	760.06	48 Walsh & Associates	68.9	92 JNS-Smithchem	26.64
5 Azelis	724.23	49 CellMark Chemicals	68.02	93 Atlantic Chemicals Trading	23.89
6 Hydrite Chemical	532.6	50 ALAC International	67.38	94 InterAtlas Chemical	23.6
7 Hawkins	377.74	51 Webb Chemical Service	67	95 Research Solutions Group	23.5
8 Quadra Chemicals	367.69	52 Tennants Distribution (and associated group distribution companies)	64.84	96 Sierra Chemical	21
9 EMCO Chemical Distributors	338	53 Fitz Chem	63	97 Bufa Chemikalien Group	20
10 HORN	294	54 Chemisphere	60.2	98 Joss Elastomers	19.76
11 CCC	287	55 Greenchem Industries	59	99 Gulf Coast Chemical	19.55
12 Agri Trading	255.73	56 Van Horn, Metz & Co	59	100 Radchem Products	19.18
13 PVS Chemicals (Distribution Group)	250	57 TH Hilson	57.19	101 LA Chemicals	19
14 L. V. Lomas	234.4	58 Miles Chemical	57.1	102 Seacole- CRC	19
15 Superior Oil	221	59 McCullough & Associates	57	103 Schibley Solvents & Chemicals	18
16 ICC Chemical	218	60 Buckley Oil	53.15	104 Pachem Distribution	15.83
17 Wego Chemical Group	201.2	61 Hubbard-Hall	50.7	105 Vikudha	13
18 Marubeni Specialty Chemicals	176.82	62 Tarr	47.49	106 Alpha Wax	12.21
19 ChemGroup	168	63 Ideal Chemical & Supply	46.6	107 Eagle Alcohol	10.5
20 Caldic	160	64 SAFIC-ALCAN	45.54	108 Alfa Chemicals	8.97
21 Barton Solvents	159.12	65 FBC Chemical	44.43	109 ChemCeed	8.51
22 Maroon Group	156	66 Chem One	44.16	110 Custom Chemical Services	8
23 The Plaza Group	150	67 Matteson-Ridolfi	43.6	111 Aug. Hedinger	6.92
24 IMCD	143.33	68 Valudor Products	43.52	112 A.S. Paterson	6
25 Pride Solvents & Chemical	130	69 Biesterfeld	43.43	113 Amtech	5.43
26 Tanner Industries	130	70 National Chemical	41.4	114 Noahs Ark Chemicals	5
27 Haviland Enterprises	122.72	71 TRInternational	40.3	115 T.Z. Group	5
28 Omya	119.82	72 ChemSpec	39	116 Behn Meyer Group	4.34
29 Harwick Standard Distribution	114.4	73 Vivion	39	117 Arkem Kimya	4
30 HB Chemical	114	74 PHT International	38.83	118 Sinochem Plastics	3.59
31 Tilley Chemical	104.31	75 Conchemco	38.07	119 NOVASOL	3.5
32 Sea-Land Chemical	104.25	76 Slack Chemical	37	120 Quimdis	3.26
33 J. Tech Sales	103	77 Chemical Distributors	36.1	121 SINPRO SA, des Produits pour l'Industrie	3.26
34 Charkit Chemical	98	78 Coast Southwest	35.1	122 Solventis	3.26
35 Mays Chemical	93.32	79 Rahn Group	35	123 Whyte Chemicals	3.18
36 ClearTech Industries	92.06	80 Transchemical	34.8	124 SMA Collaboratives	3
37 Lintech International	90	81 Independent Chemical	34	125 Jobachem	2.73
38 Rowell Chemical	85	82 Industrial Chemicals	32.14	126 Prapach Suisse	2.61
39 Chemsolv	84	83 Alexander Chemical	32	127 Prakash Chemicals	2.6
40 Callahan Chemical	83.01	84 Min-Chem/Lawrason's Group	31.68	128 KH Chemicals	2.5
41 Essential Ingredients	82.13	85 TER GROUP	31.49	129 Shamrock Shipping & Trading	2.25
42 The Chemical Company	76	86 Veckridge Chemical	31	130 KPL International	2.23
43 Tri-iso TryLine	75	87 GJ Chemical	30	131 Cornelius Group	2.15
44 Chemical Solvents	74	88 Northspec Chemicals	29.2		

NOTES: *Sales are by region and may differ from the total sales figure in the overall Top 100 listing. Table excludes companies that do not break out sales by geography.

uid sulfites; pulp and paper chemicals; organics; inorganics; metal finishing chemicals; solvents; wastewater treatment chemicals

Services: Blending; manufacturing; solvent reclamation; hazardous waste removal; technical training; customer product research

Assets: 12 locations; bulk storage of 15m gal; private fleet of trucks and professional drivers

28 SAFIC-ALCAN 2015 SALES: €466M (\$506.0M)

Puteaux Cedex, France

WWW.SAFIC-ALCAN.COM

CEO, Safinca (holding company): Martial Lecat; CEO (Safic-Alcan): Philippe Combette

Products: Cosmetic ingredients; pharmaceutical ingredients; nutraceuticals; rubber; coatings; industrial specialties

Services: Blending; packaging

29 INDUKERN 2015 SALES: €464.4M (\$504.2M)

Barcelona, Spain

WWW.INDUKERN.COM;

WWW.GRUPOINDUKERN.COM

CEO: Daniel Diaz-Varela

Products: Food ingredients; pharmaceutical ingredients; active pharmaceutical ingredients; flavour and fragrance ingredients; industrial chemicals; veterinary and animal nutrition ingredients

SPECIAL REPORT

TOP 100 CHEMICAL DISTRIBUTORS



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SolvChem, Inc. is the largest independent chemical distributor in Texas, serving the Texas, Louisiana, Arkansas, Oklahoma, and Mississippi Regions. A family-owned, minority-certified business founded in 1981, SolvChem delivers customized product and service solutions. At SolvChem we are committed to delivering excellence in quality and service for our customers on every order, driven by our core values: safety, customer focus, teamwork, respect, integrity, excellence in execution, and continuous improvement. SolvChem International, through its facility near the Port of Houston, has the ability to service its customers' needs in international locations, including Mexico, the Caribbean, Central and South America.

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ASIA CHEMICAL DISTRIBUTION LEADERS (2015 SALES)*

Company	Sales (\$m)*
1 Sinochem Plastics	2,254.93
2 Brenntag	905.56
3 Connell Brothers	800
4 Behn Meyer Group	690.03
5 Helm	651.48
6 DKSH	520.89
7 Redox	486.5
8 ICC Chemical	386
9 IMCD	337.68
10 Pluschem EEIG (European Economic Interest Group)	293.17
11 Jebsen & Jessen Group	286.65
12 Pon Pure Chemicals Group	246
13 Manuchar	200
14 Nexeo Solutions	200
15 KPL International	169.19
16 Omya	129.81
17 Vimal Intertrade	117
18 Union Petrochemical	90
19 Azelis	78.18
20 Maha Chemicals	69
21 Vikudha	65
22 Biesterfeld	54.29
23 Ramcharan	45
24 TER GROUP	41.26
25 Melrob Group	37.36
26 McKinn International	31.11
27 ECEM European Chemical Marketing	27.3
28 Caldic	25
29 CellMark Chemicals	24.68
30 Norkem Holdings	13.55
31 Arpadis	13.03
32 Neo Chemical	12.94
33 EQUILEX	11.94
34 Eigenmann & Veronelli	10.86
35 SAFIC-ALCAN	10.12
36 Saiper Chemicals	8.7
37 PENPET Petrochemical Trading	8.06
38 Noahs Ark Chemicals	8
39 Marubeni Specialty Chemicals	7.43
40 Solvadis Group	6.9
41 Shamrock Shipping & Trading	6.75
42 Indukern	6.51
43 Arkem Kimya	6
44 PHT International	5.89
45 2M Holdings	5.78
46 NOVASOL	5.55
47 Cornelius Group	4.72
48 Atlantic Chemicals Trading	4.34
49 Rahn Group	4
50 Wego Chemical Group	3.7
51 Quimdis	3.26
52 Prakash Chemicals	3.16
53 CG Chemikalien	2.71
54 Alpha Wax	2.53
55 Campi y Jove	2.17
56 KH Chemicals	2.06
57 Charkit Chemical	2

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