

# Executive Bio

## Summary

C-level Executive, XXX has over 30 years of experience in the Chemicals, Packaging Materials and Construction Products industries. The Exec has served as CEO or President for the past 6 years. His track record is demonstrated by: Global growth and diversification in four companies; Seven startups in four continents; Corporate Ventures in two Fortune 500 corporations; Two Turnarounds; Board positions at three organizations.

## Select Accomplishments:

**Growth and Scaling:** The Exec had the vision of an independent SYNTHEON in 2005 and led the startup of the company in 2007. Syntheon has ramped from a startup with negative cash flow in 2007 to more than \$25M in revenue in 2014 with approximately 20% EBITDA.

**New Materials:** At The Dow Chemical Company, The Exec developed INSITE Technology that created a new set of high performance materials for the Polyethylene business and within three years delivered \$1B in net sales.

**Turnaround:** Prior to The Exec' accountability for NOVA Chemicals' Performance Styrenics Business, it was losing tens of millions of dollars a quarter. Within three years, under The Exec' leadership, the business has been restructured through asset sales, workforce reductions, asset shutdowns and product repositioning, resulting in EBITDA positive performance and \$300M in revenue.

**M&A Transactions:** SYNTHEON became a non-strategic asset to the buyer when NOVA Chemicals was sold in 2009. At that point The Exec was asked to pitch the sales of SYNTHEON to PE and achieved two LOI's within 8 months. Due to the higher than expected external offers (valued at \$5M), NOVA's new buyer decided not to sell the company and hold until further due diligence could be completed. An investment group was put together and lead by The Exec to buy out SYNTHEON from NOVA. In December of 2012, SYNTHEON was successfully purchased and is now owned by The Exec and 4 other partners. It is currently valued at \$30M. In early 2014, The Exec negotiated and achieved a significant equity position with iFrame Building Solutions. Subsequent negotiations resulted in significant synergies between SYNTHEON and iFrame, including lower costs for both companies and accelerated sales of the wall panel product by over 80% YOY.

## Professional Experience

In 2012, The Exec created FreeRadicals LLC - an investment and consulting firm specializing in the Packaging and Construction Materials markets.

Prior to FreeRadicals LLC, The Exec was Sr. Consultant at Headwaters LP and President of its Construction Materials Practice, providing M&A, financing and strategy support to Private Office clients.

The Exec' success in M&A followed his corporate career at NOVA Chemicals Inc., where his last position was President of Construction Materials business.

Prior at NOVA Chemicals, The Exec was Vice President of the Performance Styrenics Business

Prior to Nova Chemicals Inc., The Exec worked for The Dow Chemical Company. Dow businesses, including: Director of the Global Growth Center, the founding and startup of Dow Fibers Solutions, Business and Technology Leader for INSITE Technology in the Polyethylene Business, as well as numerous positions in DOWBRANDS.

The Exec currently serves on the Board of Directors of Manchester Bidwell Corporation, Harbor Gardens Inc., and Syntheon Inc. and was previously on the boards of NOVIDESA S.A de C.V, Reliance Innovative Building Solutions Pvt. Ltd., LRM Industries and Accelerated Building Technologies Inc..

The Exec is fluent in Spanish and has used this ability to do business extensively throughout Mexico, Latin America and Europe

## Investment Thesis

The Exec' Investment Thesis involves the acquisition, merger, and growth of two businesses that are highly synergistic: Plastics Packaging and Construction Materials.

The primary synergy driver is the insulating materials that are common to both platforms and are required to participate in the new high growth markets. Furthermore, the Food Packaging business is expected to have a low downside beta, while Construction Materials – a high upside beta. Therefore, the investment is expected to exhibit moderate downside movement during economic downturn and substantial upside movement during economic upturn.

**Plastics Packaging:** A converter of plastics packaging materials for the food, drug, retail, industrial and consumer goods industries with capability in any of the following conversion processes; blown and cast films (mono or multi-layer), injection molding, blow molding, foaming (either Expandable Polystyrene or Polyiso) and/or roto-molding. Preferably an established business with base manufacturing of commodities at least 75% of revenue and specialties the remaining 25%. Well established logistics and customer base capable of serving the US, Canada and Mexico. Some history of successful product introduction a plus as well as servicing multiple, synergistic, industries within the national regions identified.

Financials: \$35M-\$80M Revenue with EBITDA of at least 5M.

both legislated and demanded by the consumer/developer. In 2015, it is expected that up to 48% of new non-residential construction will be "green". This equates to a market opportunity of between \$120-\$145B. Both the significant size of the markets and the projected growth rates provide a prudent investment opportunity.

June 20, 2015

# ACQUISITION CRITERIA MEMO

**Project Name: [generic example]**

Executive(s) Name(s):

Date:

Email:

Phone:

Linkedin Profile Link:

Industry Description	<ul style="list-style-type: none"> <li>[xx] industry is defined as OEM and aftermarket manufacturing, distribution, and retailing of [xyz generically] products and services</li> <li>The [zz] sub-segment is area of focus</li> <li>Other segments include [x, y, z]</li> </ul>
Size, Growth, Margins and Fragmentation	<ul style="list-style-type: none"> <li>\$[xx] bil, 5% growth, 7-15% margins</li> <li>500 companies; top 10=10% of industry revenues and top 25=20% (rough est.)</li> </ul>
Key Industry Trends/ Opportunities	<ul style="list-style-type: none"> <li>[x] is supplanting use of [y] materials, driving above average growth in [x] segment</li> <li>[xx] in a cyclical low/trough, but demand drivers improving positioning for improved prospects</li> <li>LCC competition is less preferred because of [x, y, z]</li> </ul>
Key Threats/ Challenges	<ul style="list-style-type: none"> <li>Material price volatility</li> <li>[x] technology improvements requiring capital investment</li> </ul>
Key Product Descriptions (prioritized and margins)	<ul style="list-style-type: none"> <li>[x] accounts for 20% of revenues (40% margins)</li> <li>[y] accounts for 40% of revenues (30% margins)</li> <li>[z] accounts for 30% of revenues (15% margins)</li> </ul>
Key Segments	<ul style="list-style-type: none"> <li>[x] end market</li> <li>[y] end market</li> </ul>
Manufacturing tech/processes (prioritized)	<ul style="list-style-type: none"> <li>Materials sourced</li> <li>Primary manufacturing process</li> <li>Secondary processing</li> <li>Assembly, packaging</li> </ul>
Acquisition Thesis	<ul style="list-style-type: none"> <li>Build a [xx] company to \$x million in 3 years; 50% acquisition/50% organic growth</li> <li>[xyz] segment is attractive because [a, b, c]</li> <li>Acquire a platform with \$40-60 mil of revenues in [xx] segment</li> <li>Make add-on acquisitions with \$15-100 mil in revenues in [x, y, z] segments to complement the product offering, improving the long term growth prospects</li> <li>Scale economies and consolidation of plants will improve margins by 750 bps</li> <li>➔ Result is platform positioned as #1 player in niche segment with above average margins and growth prospects</li> </ul>
Top 5 Targets	<ul style="list-style-type: none"> <li>[name x] = \$45 mil rev; personal relationship/actionable</li> <li>[name y] = \$35 mil rev; interested only when platform consummated</li> <li>[z] = \$60 mil rev; no contact/cold</li> <li>[a] = \$100 mil rev; no contact/cold</li> <li>[b] = \$75 mil rev; no contact/cold</li> <li>[there are 15 more potential platform targets in N.A.]</li> </ul>
Geographic Preferences	<ul style="list-style-type: none"> <li>North America</li> </ul>
Preferences (Size, Segment, other)	<ul style="list-style-type: none"> <li>Platform: \$40-60 mil; [x] segment only</li> <li>Add-on: \$15-100 mil; [y] segment <u>then</u> [z] segment</li> <li>Desire supplemental acquisitions to build scale</li> </ul>

## Discussion Log:


[\*\* if data is not available, note it as an estimate which is better than nothing]