

# Chemtura to sell agricultural-chemicals unit for about \$1 billion

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Philadelphia-based Chemtura Corp. has agreed to sell its agricultural-chemicals division for about \$1 billion to Platform Specialty Products Corp., which is backed by hedge-fund manager Bill Ackman.

The deal, for \$950 million in cash and two million Platform shares, is the latest in a U.S. chemical industry pressured by hedge-fund managers and activist shareholders to streamline businesses and boost shareholder returns.

Wilmington-based DuPont plans to separate its legacy chemical portfolio from its faster-growing seed businesses. Dow Chemical, which owns the former Rohm & Haas Co., has rejected a proposal to break apart its businesses.

FMC Corp., a Philadelphia specialty-chemical manufacturer, announced in March that it would separate into two businesses, chemicals and minerals, both publicly traded and based here. FMC had been rumored to be a possible acquirer of Chemtura's agricultural-chemicals division but, according to one published report, did not look at the unit.

The \$1 billion deal for Chemtura AgroSolutions is more than 10 times the division's \$88 million operating income for 2013 - a healthy multiple. AgroSolutions generated \$449 million in sales in 2013, or one-fifth of Chemtura's corporate revenues. The division's products include seed treatments, insecticides, miticides, herbicides, fungicides, and plant-growth regulators.

"The sale of Chemtura AgroSolutions accelerates our ability to deliver significant value to shareholders and furthers Chemtura's transformation into a focused, pure-play industrial special chemical company," Craig A. Rogerson, Chemtura's chief executive officer and chairman, said in a statement.

Rogerson added that the deal "gives us added financial flexibility, which will allow us to maintain our conservative balance sheet through the additional reduction of debt and, as previously stated, return substantial value to shareholders."

Chemtura, with headquarters on the 1800 block of Market Street, filed for bankruptcy protection during the financial crisis in 2009, emerging from it in late 2010.

After the unit's divestiture to Platform, Chemtura will retain petroleum-additives and flame-retardants businesses. The company's stock fell \$2.05, or 8.13 percent, Thursday, closing at \$23.16.

Platform Specialty Products transferred its stock listing to New York from London in January. Corporate filings say Ackman's Pershing Square Capital Management owns 28 percent of the company. A second big investor is Nicolas Berggruen, whom Forbes has listed as a billionaire.

Platform's stock rose 32 cents, or 1.63 percent, to \$19.98 Thursday as it is expected to seek more deals.

Dan Leever, Platform's chief executive officer, said Thursday: "This is only just the beginning for us. There are many . . . businesses with strong management teams that would be a great fit within Platform, and we're excited to pursue these opportunities."

*SOURCE The Philadelphia Inquirer*