

2M Holdings Ltd. acquires FrankenChemie

A conversation with Dr. Richard Smith, Director of 2M Holdings Ltd, Managing Director of Surfachem Group and new Managing Director of FrankenChemie



Dr. Richard Smith

EURO COSMETICS: *Dr Smith, 2M Holdings Ltd. has its presence with the acquisition of Nuremberg-based family business FrankenChemie, a specialty chemical distributor expanded in Germany. Which considerations played a role here?*

Dr. Richard Smith: 2M Holdings Ltd (2M) has built up a strong portfolio of well known branded chemical distribution and associated services businesses in the UK through its two largest subsidiaries Surfachem and Banner Chemicals.

Surfachem and Banner Chemicals already have subsidiaries in Europe and export business to Germany and other countries in Europe. In addition, these companies have German based suppliers who underpin the success of 2M Holdings.

Therefore, one of the major reasons was an ability to further demonstrate how important, Germany and German companies are to 2M today and more so in the future.

2M is seeking opportunities to further expand its footprint into mainland Europe. The acquisition of FrankenChemie represents such an event.

We look to acquire businesses that are leaders in their markets and have strong reputations – FrankenChemie has these strengths. It is a perfect fit and will strengthen our position in Europe.

EURO COSMETICS: *What are the benefits of acquiring FrankenChemie for your customers and suppliers?*

Dr. Richard Smith: The market sector focus and product range of FrankenChemie is highly aligned with that of Surfachem Ltd, one of 2M's largest companies which is already present in the UK, Scandinavia, Poland and Brazil. Indeed, the major supplier to FrankenChemie – Evonik Industries AG (“Evonik”) – is also one of Surfachem UK key suppliers. Surfachem ability to provide technical support and formulation advice to producers of personal care and hygiene products is one of its strengths.

We will look to leverage the expertise from our existing businesses and to transfer knowledge and insight into the product and geographic markets (Germany, Croatia, Macedonia, Slovenia and Benelux) which are served by FrankenChemie.

We will be able to offer FrankenChemie's customers other products from Surfachem's SURFAC® and associated own brands. We are already with other suppliers to ultimately offer a wider portfolio of products to the markets served by FrankenChemie.

For our current partners, we now offer them another option in these countries backed up by the expertise and skills within 2M.

EURO COSMETICS: *What will you gain in terms of new products and how do you redesign the services of FrankenChemie?*

Dr. Richard Smith: FrankenChemie mainly works with the Personal Care portfolio from Evonik which is very well known to our Surfachem business – however there will be insights into product application that we will take from FrankenChemie and look to leverage into our current Surfachem business.

We are reviewing the FrankenChemie portfolio of products for where else we could look to market.

One of 2M's strengths is the technical expertise that it offers its customers through the various application laboratories that it has. FrankenChemie has an excellent innovation laboratory which we will look to integrate with our existing Personal and Home Care laboratories within Surfachem.

We will be recruiting additional staff in Germany to be part of this exciting development to offer customers' additional technical support and will enhance further the existing FrankenChemie services and make further announcements in due course.

EURO COSMETICS: *2M Holdings is a 100% private company headquartered in the UK. They export in over 75 countries. In which areas are you particularly strong?*

Dr. Richard Smith: Continental Europe represents our largest export destination.



EURO COSMETICS: *Surfachem, one of your largest brand companies, offers a wide range of products for the personal care industry. What are the similarities to FrankenChemie?*

Dr. Richard Smith: Surfachem and FrankenChemie represent the Personal care business of Evonik so there is a lot of commonality already between the two businesses. Both companies also have wide product offerings to the Household, Industrial and Institutional care, and Pharmaceutical industries.

Both companies employ a large number of highly talented and industry respected graduate and post graduate chemists and scientists within various facets of the businesses.

EURO COSMETICS: *What ideas and common goals are you pursuing?*

Dr. Richard Smith: "We make it our business to understand your business" is the core purpose of Surfachem; FrankenChemie has a similar ethos. Together we will find many ways to help both our customers and suppliers work smarter and add value.

„We believe better relationships deliver better solutions“. We've always said that global ambitions are built on personal relationships, so we will go to the ends of the earth to make sure we're giving our partners great customer service.

„We provide exceptional technical knowledge and expertise“. We know our industry. And we think that knowledge is there to be shared. We're constantly updating our partners on all the latest in innovation and legislation

„We have vast experience and know where the market is heading“.

We've been doing this a long time. But as well as having all that knowledge, we're always on the lookout for the business opportunities of tomorrow.

EURO COSMETICS: *And what are your other plans for the future?*

Dr. Richard Smith: 2M Holdings Ltd is a well respected business comprising of market leading branded distribution and chemicals services companies including Banner Chemicals, Surfachem, MP Storage & Blending, Packed Chlorine, SampleRite UK, SampleRite China, CE-O2, Stowlin Croftshaw and FrankenChemie.

2M businesses specialize in solvents, specialty chemicals and surfactants to automotive, precision cleaning, coating, emission reduction, oilfield & refineries, flavors & fragrances, personal care, household & industrial hygiene cleaning and pharmaceuticals industries.

2M also produces: CleanAirBlue™, Pigmentan, MEC-Prime, Perklone™ EXT, Perklone™ D, Perklone™ MD and Triklone™ LE, SamSol, and Packed Chlorine.

Thus we have a substantial platform from which to grow and develop sustainably within our existing geographic and product markets.

We are actively looking at how, where and when we can grow our business to ensure that all of our stakeholders enjoy and benefit from being part of the wider 2M family.

EURO COSMETICS: *Thank you for the conversation.*