



Syrgis is
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chemical
companies

SYRGIS, INC.:

COMING OUT ON TOP

This group of specialty chemical companies stays on top of their industry through diversification and forward thinking

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Syrgis, Inc., based in Cincinnati, OH, is made up of a group of chemical companies with a global emphasis on unique chemistries and niche markets. These companies may seem a strange mix to the casual observer.

For example, Lycus Ltd. manufactures ultraviolet light absorbers for use in plastics, coatings, adhesives and personal care. Meanwhile, P Chem Inc. manufactures chemicals for the oil and gas industry, such as corrosion inhibitors, scale inhibitors, and chemical scavengers. Finally, Syrgis Performance Initiators Inc. produces organic peroxide initiators for the reinforced fiberglass composites industry.

“People look at our companies and see that we make chemicals for oil and gas, plastics, and for UV protection and they think ‘What do those things have to do with each other?’” says CEO Andy Harris. However, Harris sees synergy in this seeming disparity. “The sum of the parts is better than each would be as a stand alone company. Each company has access to more resources than they may have had individually. Yet, the diversity allows us to deliver more consistent performance over the long term.”

To further support the group’s strength as “Syrgis,” the company will rebrand each subsidiary during the remainder of 2009. Lycus will become



An overview of the Syrgis headquarters



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Syrgis Performance Specialties and P Chem will become Syrgis Performance Chemicals, joining Syrgis Performance Initiators under Syrgis, Inc.

Still, diversity plays a key role in Syrgis' strong strategic position. P Chem's oil and gas business is growing due to geographic expansion into the major oil fields across the world. "We see nothing but increased global demand for oil and gas over the next 5-10 years as emerging markets further develop," Harris states. "And the industry must go to greater and greater lengths to produce crude. Much of the "easier" crude is already in production. What is left can be more corrosive, doesn't flow as well and is more costly. So there is greater need for the chemicals we produce to improve the profitability of each production well."

Syrgis Performance Initiators is also seeing a growing market in the reinforced fiberglass plastics sector, in part because of the demand for lighter, more fuel-efficient vehicles and renewable energy (wind blades). Also, with stimulus money



**CEO
Andy
Harris**

devoted to revamping infrastructure in the States and in Europe, along with an increasing need for new infrastructure in developing areas, this provides another growing market for Syrgis Performance's chemicals, especially in pipes, tanks, and water distribution.

ON TOP OF THE ECONOMY

Harris doesn't deny that the economy has had a huge impact on the chemical industry "No one is happy with where they are right now," he says. "But you take the hard times and make it as best you can. We have turned challenges into opportunities."

But, if anyone has cause to be happy with where they are: it's Syrgis. The company is in the top quartile in both sales and profits. "We've held our own by acting swiftly and proactively," explains Harris. "We took early measures last year when we saw that 2009 was going to be tough. We have been able to ride out the storm and stay the course

this year, and have even picked up market share."

The plan now is to continue to work efficiently and to hold the gains. "The next six to twelve months are crucial," says Harris. "We've delivered top quartile results in one of the toughest economies. We plan to use the coming months to extend the gap from our peers. When the general recovery happens, the improvement for us will be magnified."

PEOPLE FIRST

According to Harris, the success of the company goes back to the people of the company. "We



Syrgis employees have an average of 10 years in the company



There are a number of growing markets for Syrgis

are differentiated through our people and the technical expertise that our people bring to our customers," he says. "Our employees come first and in that they put our customers first." In fact, Syrgis employees have an average 10 years of experience within the company, unique in the industry, "We have long-term understanding and relationships with our customers and suppliers. So we are able to better identify and deliver unique value."

Harris has been with Syrgis for three years, after being brought in by Edgewater Capital Partners in Cleveland, Syrgis's investor group, to build and develop the companies as a group. According to Harris, Edgewater is a big part of the reason Syrgis has remained strong. He says, "The people make us who we are: our culture is key. The management is part of that, and we are

also strongly supported by our investor group. It's a really good fit. I am very fortunate to be part such a great group."

SAFETY AND LEGISLATION

The Syrgis companies have excellent in-house programs for dealing with dangerous chemicals. In addition, Syrgis supports the ChemStewards program of the Society of Chemical Manufacturers and Affiliates (SOCMA). They are currently working to put P Chem and Lycus into the ChemStewards program. "One of our previous businesses, H&S Chemical, went through ChemStewards," explains Harris. "So we know what a fantastic approach and program it is."

Harris believes one of the keys to keeping chemical manufacturing safe is keeping it in the U.S. and Europe. "We make chemicals using the



Syrgis was established in 2000



safest, cleanest, greenest methods possible,” he says. “It means jobs. It has a great impact on the economy.” Addressing some of the legislation aimed at getting chemical manufacturing out of the US or Europe, he says, “That is to the detriment of the world. If chemicals are not produced here, very likely they will be less safe, more damaging to the environment, and of lesser quality, maybe even dangerous.”

“Chemical responsibility, manufacturing regulations, and green are tossed around loosely in politics but the legislation is not always for the good of everyone” he continues. “To over-regulate chemical manufacturing out of the US or Europe is dodging our responsibilities to the world. By forcing manufacturing offshore, it is worse overall for the earth and by a large amount, not to mention the lost jobs in the US or Europe. ■

FACTS AT A GLANCE



COMPANY NAME: Syrgis, Inc.

CEO & PRESIDENT: Andy Harris

OPERATIONS: Specialty chemical manufacturer

ESTABLISHED: 2000

EMPLOYEES: ~180

REVENUE: ~\$100 million

www.syrgis.com