

Haynes and Boone Advises KMG in \$495 Million Acquisition of Manufacturer of Pipeline Performance Products

June 16, 2017 Mary Mendoza, Sam Lichtman, Jesse Gelsomini, Simin Sun, Ochuko Hope, Brent Shultz, Don Shiman, Jeffrey Wolfson

PRACTICES Chemical, Corporate, Mergers and Acquisitions, Energy, Power and Natural Resources, Finance, Oil and Gas

Haynes Boone Partner Bill Nelson led a team of lawyers who represented client KMG Chemicals Inc. in its acquisition of Flowchem, a leading manufacturer of pipeline performance products, from Arsenal Capital Partners. Haynes Boone also advised KMG on the related financing of the transaction.

KMG acquired Flowchem for a purchase price of \$495 million in cash, including working capital of approximately \$15.5 million. KeyBank National Association acted as agent, and KeyBanc Capital Markets Inc., HSBC Securities (USA) Inc. and JPMorgan Chase Bank, N.A. acted as joint lead arrangers and bookrunners for the loan commitment totaling \$600 million, which include a syndicated term loan of \$550 million and a revolving credit facility of \$50 million.

“We were very pleased to assist KMG on this vital, strategic transaction for the company,” said Bill Nelson. Other members on the Haynes Boone team included: Partners [Mary Mendoza](#) in Austin, [Sam Lichtman](#) in New York, [Jesse Gelsomini](#) and Joseph Vilaro in Houston, and [Jeff Wolfson](#) in Washington, D.C.; Houston Counsel John Menke; and Associates [Simin Sun](#), [Ochuko Isikuru](#), and [Brent Shultz](#) in Houston and [Don Shiman](#) in New York.

Based in Waller, Texas, Flowchem is a leading global provider of drag-reducing agents (DRAs), related support services and equipment to midstream crude oil and refined fuel pipeline operators. DRAs are specialty chemicals used in midstream pipelines to reduce friction near the pipeline walls and within the turbulent fluid flowing through the pipeline network.