

**Summary of the Young & Partners 38th Annual Senior Chemical Executive Conference**

**October 28, 2025**  
**In-Person and Virtual Conference from 11:45 am EST to 5 pm EST**  
**Yale Club of New York City**

11:45 am	<b>Luncheon Begins (in-person) and Virtual Networking</b>
12:20 pm	<b>Welcoming Comments</b> Peter Young, CEO and President, <i>Young &amp; Partners</i>
12:30 pm	<b>Global Energy &amp; Chemical Markets: Emerging from the Trough</b> Alex Lidback, VP - Head of Chemical Analytics, <i>ICIS</i> Dewey Johnson, SVP & Global Lead, <i>Chemical Market Analytics</i>
1:15 pm	<b>Strategy and Execution in a Disruptive World</b> Raj Gupta, Sr. Advisor, <i>New Mountain Capital</i> , Former CEO, <i>Rohm and Haas</i> Dr. Ilham Kadri, CEO, <i>Syensqo</i> John Panichella, CEO, <i>Solenis</i> Moderator: Peter Young, CEO and President, <i>Young &amp; Partners</i>
2:00 pm	<b>M&amp;A and Financial Developments – Implications for Management</b> Peter Young, CEO and President, <i>Young &amp; Partners</i> Stephen Floyd, Managing Director, <i>Young &amp; Partners</i>
2:30 pm	<b>Virtual and In Person Town Hall Coffee Break</b>
3:00 pm	<b>Value Creation Under Different Ownership Structures</b> Raj Gupta, Sr. Advisor, <i>New Mountain Capital</i> , Former CEO, <i>Rohm and Haas</i>
3:30 pm	<b>Shifting Industry Structural Dynamics and the Keys to Winning</b> Alex Lidback, VP - Head of Chemical Analytics, <i>ICIS</i> Dewey Johnson, SVP & Global Lead, <i>Chemical Market Analytics</i> Moderator: Peter Young, CEO and President, <i>Young &amp; Partners</i>
4:15 pm	<b>Speaker Roundtable: Current Challenges and the Future State of the Chemical Industry</b> Stephen Floyd, Managing Director, <i>Young &amp; Partners</i> Raj Gupta, Sr. Advisor, <i>New Mountain Capital</i> , Former CEO, <i>Rohm and Haas</i> Dr. Ilham Kadri, CEO, <i>Syensqo</i> Alex Lidback, VP - Head of Chemical Analytics, <i>ICIS</i>

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John Panichella, CEO, *Solenis*  
Dewey Johnson, SVP & Global Lead, *Chemical Market Analytics*  
Moderator: Peter Young, CEO and President, *Young & Partners*

5:00 pm

**Conclusion of the Conference**

## **Global Energy & Chemical Markets: Emerging from the Trough**

**ALEX LIDBACK, VP – HEAD OF CHEMICAL ANALYTICS, ICIS**

**DEWEY JOHNSON, SVP & GLOBAL LEAD, CHEMICAL MARKET ANALYTICS**

Lidback: I don't need to tell you that we are in a trough. We been struggling for a while now. Previous troughs were deeper and shorter but this one seems to be lasting longer. I want to say it is going to get worse. The industry cannot grow itself out of this trough and China is not coming to help. The tariffs in the near term are having a negative impact on demand. You can see here that by 2030 that none of these base chemicals get back to what we would deem a rebalanced market. Historically chemicals would grow one to one and a half times GDP around the world. That doesn't happen anymore and it is growing below GDP for a lot of these products on a global basis. Today's market is the same size as 2017. There are two to three dozen ethylene plants that need to shut down between now and 2030 to get to better utilization rates. The Korean petrochemical association is looking at complexes, assets and everything to try to rationalize the industry.



European assets are not competitive. They tended to be the higher cost producers according to our data, however many are tied to refineries. The Lyondell approach was giving a private equity company in Germany about \$300 million to take your assets. A large portion of that was about \$170 million to fund the pension. The issue with this is that the Dow shutdown impacts the market balance. The Lyondell one does not because it keeps assets running longer than they should. The key thing is to survive to 2030. Even if demand improves, the margin improvement will not be there due to overcapacity.

Johnson: I am going to focus on energy and feedstocks and how critical the relationship is. 80% of the cost structure of chemicals are feedstocks. What are the options? Improve my cost position, move to a different space, specialization. Reconfigurations of the assets will be necessary as we continue in this period of stress. 45-50% of the volume in chemicals is moving internationally. As we look the geopolitical instability, our view of the world is that it is a global fragmentation. China is continuing to develop its market, but is also positioning itself as the stable force in the geopolitical structure. The Gulf Coast company are continuing to invest in demand sectors. There will be a battlefield as China seeks first to move product into Southeast Asia and then into the U.S. There are also incumbents there. China continues to export both chemical and its derivatives and the finished goods. Sustainability remains a priority, and a great quote I heard recently was, it's hard to talk green when you're living in red.

Our view is that liquids demand will plateau at 115 million barrels per day and then perhaps slightly decline. Today internal combustion plus hybrid is about 95% of the fleet. By 2050, hybrid versus internal combustion will be about close to 60%. The energy transition is coming at a slower rate. We believe China is growing 3 to 3.5%. China is in the fourth quadrant of cost. They will continue to build out derivatives. 45% of current demand is in China, but you see India is growing. One thing supporting chemicals growth is its support to the refineries in China.

This is the deepest and widest trough in the history of ethylene. China is moving towards self-sufficiency. Demand for the domestic market in China is dropping. Fragmentation is underway globally. I think new business models will continue to emerge where the big guys are going to get bigger. The smaller players are going to be in the specialty sector and those in the middle are going to be in pain.

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## **Strategy and Execution in a Disruptive World**

**RAJ GUPTA, SR. ADVISOR, NEW MOUNTAIN CAPITAL, FORMER CEO,  
ROHM AND HAAS**

**DR. ILHAM KADRI, CEO, SYENSQO**

**JOHN PANICHELLA, CEO, SOLENIS**

**MODERATOR: PETER YOUNG, CEO & PRESIDENT, YOUNG & PARTNERS**

Young: I am honored to have everyone here today. This panel consists of experts with a great deal of expertise and who run a number of great companies in different sectors. Looking at the big picture, what are the three or five biggest disruptors you see the chemical industry is facing.

Panichella: We see the trend to commoditize everything. We see that to differentiate that does not come down to the cheapest price. Its service, its delivery, and its safety that are important.

Kadri: I think it's about revisiting the supply chains. We are reviewing because the European OEMs are losers in automotive industry to BYD. Europe now is spending more on the defense industry and it is interesting how that will evolve in the future. Secondly, is digitalization. We will focus on more M&A and how we can consolidate some of the market. People are worrying about US-Europe tariff of 0-15%. The reality is Europe, there is no single market. The hidden tariffs between member states are 80% for the goods and 140% for services. Each company is going to look at its flow of goods.

Gupta: From 2010 to 2019 we were living with low inflation, low interest rates, plenty of capital, good demand growth and stock markets that were doing well. What we have seen since the start of COVID in 2020 is a start of something that was at work during that time. You have AI as an opportunity and a threat and the demographics of the world changing. In India, the demand going much more rapidly than the rest of the world. We are entering a period of huge uncertainty. As John said, being a product producer is not going to be the answer as your products represent a fraction of the cost of the product and the risk is much higher.

Young: I would like to turn to the leadership issues. How do you get your managing team to assess the current situation, devise the right strategy, and deal with all these disruptions?

Panichella: Generally, in a period of disruption, people are afraid to make actions. That's probably the wrong thing. What I have tended to do with our team is to stay the course. However, it is harder for people down in the organization. We do a lot around leadership development. Trying to help people understand how to build. A lot of people need 99 % of the answer before they can decide. In this game, that does not work.

Kadri: There are a number of crises across the map today. There is creating fatigue. It is likely that this curve of uncertainty will last until 2030. We are investing a lot in people and in digitalization. You need to navigate the uncertainties while staying course, staying grounded and balanced. And this is true for your board as well. Innovation for us will take three to five years to happen and we need to stay the course.

Gupta: The tenure of CEOs has gone down. What is required at the heart of leadership today is curiosity, perspective, humility and listening. You have to be thinking boldly in this environment and be willing to experiment and take more risk. Of all the challenges there are also opportunities. It also boils down to how leaders build



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transparency and trust with all stakeholders. You can make mistakes, but if you don't have transparency the investors and the board will not be patient.

Panichella: People tend to want to use disruptions as reasons for why things are the way they are. I think we have to build up this muscle of needing to figure out a solution. That's why I am betting on the people. We need people that can go say, we thought we were going to do this. It didn't work. We have got to go do something different.

Kadri: In my time in private equity, you never get into zero base redesign to address the new needs and maybe reinvest someone else. I think there are also things which we need to really review such as the way we do the budgets. I am more interested in reviewing the design and operations. Productivity is in China, for example, or India for us, it's becoming a source of innovation. China is not primarily an imitator any more. China is creating champions in different industries.

Gupta: There was an article in 2015 where they categorized leading innovators across 10 to 12 key industries. China, of course, was at the bottom end of most technologies. Now in 2025 they're at the leading edge of the world in terms of five of those key technologies. And the forecast, if you believe this, says 10 years from now, they may lead in eight or 10 of those technologies. China will be the leader in automation and robotics. I think underestimating your competition is also not a good way to think about this because they are going to come from places we haven't thought about.

Young: China is definitely overtaking the drug industry. Similarly, a robot factory for making cars stunned the Ford CEO when he visited it.

Kadri: When we look at EVs it took China 15 years to build a full value chain. Now they have the cheapest LFP technology in the world. From a technologies point of view, it is win-win in cost and technology. We have to understand who are your competitors and who are your customers or future customers.

Young: How do you get everyone in the organization aligned to the same strategy?

Panichella: It is hard. We have 5,000 people that manage three or more people in 160 countries. What I try to do is spend half a day every month with the top six of seven people on alignment. We spend time, every director or above, that the top three accountabilities are lined up.

Kadri: I like small teams. I now have 13,000 people. Beyond 10, I cannot manage so I just keep it small. I love retreats without spreadsheets so to brainstorm and spend weekends together. In my 11 years of the CEO, the job changed. I speak too often to authorities. You need consensus and unified action.

Young: The job has become more complex and challenging.

Gupta: I think getting consensus at the top and getting their buy-in is critical. That starts with the CEO, board, and the senior team. You also must look at options. There is no one answer for all problems. The role of the board, especially in public companies, is very different today than it was because of shareholder pressures. You cannot follow every single thing in every business. You need to decide what are the three or four most important initiatives that company needs to execute globally and that all parts of the organization should be focused on. You also need the compensation of the top 100 or 200 people of the companies to be aligned with your organization.

Young: If you look at the backgrounds of CEOs of chemical companies it has really changed. During a period of financial restructuring a finance background became more important. But clearly today, knowledge of global issues and geopolitical things and global economics has gone up in terms of the required skill set. Has this changed the criteria in deciding your C-suite and who moves up the ranks?

Panichella: I think we have tried to get a pretty good mix of people from different regions to have different views. You need people that live there and understand it to help you understand it.

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Kadri: There has been succession planning happening for me and my guys. The one who won the job has been with me for the past seven years. My top 100 members are going to Boston to be educated in GenAI. Selection of the CEO and the management team is of upmost importance because it is not a one man show.

Young: The number one thing successful people say is having mentors is key and I like how you brought up that point.

Gupta: I had mentors at different phases of my career who believed more in me than I believed in myself. At Rohm and Haas we would take half a day and would track and talk about top 200 people, their potential and their performance. We look at who has the best skills and potential to do the job. 140 chemical companies around the world were Rohm and Haas senior executives and at the end of the day that is probably one of our best legacies.

## **M&A and Financial Developments – Implications for Management**

### **PETER YOUNG, CEO & PRESIDENT, YOUNG & PARTNERS**

Young: We are at an unusual period of change with softening in the chemical M&A market, but that is not the full story. There was a long period where chemicals traded at a premium to the stock market but in the past couple years, it has gone the other way. Only 1 out of the 7 Young & Partners Western Chemical Market indices performed with the market or better.

With regard to the M&A market, there are many mixed opinions about its current state. Our opinion is that there has been a modest improvement in comparison to last year, but last year was a depressed year. Annualized, dollar volume was slightly lower, but the number of deals was slightly higher. Activity was much higher in 2022 and 2023. Recent deal announcements affect the pipeline and represent the next 6 months of M&A. The current pipeline, is in line with the M&A totals in 2025. Commodities continue to struggle, although commodity chemical M&A valuations went up. This is in part, due to EBITDA declining. M&A in specialties remained strong and average valuations went up, driven by a few deals, while the median valuation stayed the same.



Asia continues, to surprisingly, be 57% of all M&A deals completed in 2025, driven by consolidation. U. S has lost some share because Asia has gained but it's still hanging in there because it's still viewed as a favorable place to buy and make chemicals. Europe recovered at 20% of all deals, up a little bit from 11.8 % but still depressed.

Private equity activity has actually increased a little bit. Things are a little more favorable now, but it's a difficult position for them as part of their problem is that they tend not to buy commodity chemicals or do LBOs in China.

Debt financing is pretty straightforward. The debt markets love the chemical industry even though they are a little bit queasy about the downturn of commodities. On the other hand, if you turn to the equity market, you have a situation where equity issuance has been very limited, with \$14.6 billion equity issued in the first three quarters. Although this is a big increase over last year, it's an increase on a small number. If you split it between secondary and IPOs, you can see the IPO market is in serious decline and has been for a couple of years. Not a single company that did an IPO this year was Western.

So what does the picture look like for all of you? I think they'll get better for specialties before they get better for commodities, right? On the specialty side, this is not a bad time to sell and not a bad time to buy. It depends upon, you know, what the business is and the fit with you.

## **Value Creation Under Different Ownership Structures**

**RAJ GUPTA, SR. ADVISOR, NEW MOUNTAIN CAPITAL, FORMER CEO, ROHM AND HAAS**

Gupta: What triggered this interest of mine between public, private equity owned, and private companies was through my association at Rome and Haas as CEO and many of the other boards where I serve. In the last 16 years since I left Rome and Haas, I have worked with New Mountain Capital, and have been on the board of six or seven private equity boards and two or three family boards. I found that no matter the structure, you really have one objective in mind, and that is to create long-term, sustainable value for the owners. The number of public companies in the U.S. has declined from 8,000 ten years ago to 4,000 today. While the market is still dominated by public companies, private equity firms and private equity portfolio companies have grown in terms of size by a factor of 10.



The advantages of a public company: transparency to investors, access to the debt markets, long-term value creation view, instant liquidity and some other real advantages. The disadvantages of public companies include that they tend to have more complex portfolios and ownership structure in many cases. Due to the complexity of governance and reporting requirements, public companies also tend to have a higher cost structure and slower decision making. Public scrutiny and media is also very crucial to the company. Executive compensation structures are also not always aligned with the actual results.

The advantages of a private equity owned company: a clear investment strategy, shorter time frame of goals, knowledgeable on the exit options, speedy decision making due to alignment between ownership and the board, quarterly earnings are not distractions and there is no activist threat. However the disadvantages include: investors who need high returns, higher leverage, limited liquidity, difficulties exiting at times and sensitivity to interest rates. One other thing, what hasn't been talked about a lot is that the number of family offices that have their own direct private equity investments is expanding, whether it is Dell Group or the Pritzker family. Effectively, the private equity space is expanding and I think private equity is here to stay.

The third group are the private companies, many of which are family owned. Beyond the U.S., family companies are significant in Asia such as Korea, if you go in India, lot of the China included, there a lot of private companies of significant sizes. They are less reluctant to change their portfolios, have a steady, almost perpetual view of the market. They do not worry about quarterly earnings and are usually not highly leveraged either. They also have a lot of strategic and operational flexibility with tighter ownership. There is also no activist threat and less media and public exposure. The disadvantage of a private company and particularly a family company is that by the time the third generation comes, they are not aligned and the ownership is very dispersed. Additionally, there is slower decision making, whether it is a portfolio decision or M&A decision due to lower risk tolerance. This also limits their ability to attract the best talent.

From my experience on boards, the majority of the time is spent on oversight and compliance rather than areas such as talent, strategy and risk. Additionally, constructing the right board is key. They need to consider what skills they need on the board, where they want to spend their time, and how they focus on long term value creation without compromising oversight and compliance. At Delphi Technologies, where I served as chairman for many years, the company was bought from bankruptcy and needed to strategically diversify its customer base due to pressures from electric vehicles. We successfully turned around the company and I can comment a few things we did at the board level. We invited outsiders to come and talk to the board who were industry experts, consultants, investors, and asked them as to how do they view us. We also had alignment with the board and the CEO so that we could move quickly. We also made many management changes along the way because different skills are required in a world of electric vehicles compared to traditional automobiles. The board changed almost 90 percent. I think an open discussion and relationship between board and CEO is needed for better alignment and CEOs are adapting to it because it's a matter of survival for them. If the board was a part of the decision making process and it doesn't quite work out, they are much more supportive.

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## **Speakers Roundtable: Current Challenges and the Future State of the Chemical Industry**

**RAJ GUPTA, SR. ADVISOR, NEW MOUNTAIN CAPITAL, FORMER CEO, ROHM AND HAAS**



**DEWEY JOHNSON, SVP DOW JONES, GLOBAL LEAD CHEMICAL MARKET ANALYTICS**



**DR. ILHAM KADRI, CEO, SYENSCO**



**ALEX LIDBACK, VP – HEAD OF CHEMICAL ANALYTICS, ICIS**



**JOHN PANICHELLA, CEO, SOLENIS**

**PETER YOUNG, CEO & PRESIDENT, YOUNG & PARTNERS**

Young: What would you feel the future looks like for the chemical industry over the next five to ten years?

Lidback: The chemical industry is here to stay. 90%+ of our finished products touch chemicals. However, the growth rates may not be as fast as they were before. The investment profile, depending on sustainability, may be different. You may see more chemical recycling facilities or things like that.

Panichella: I think the future is pretty good. I think there needs to be more investment in R&D. There are things you can do with chemistry are pretty amazing.

Johnson: This prolonged period of pressure on margins will transform what the industry looks like. I think there will be a mergers of the big players. They'll get bigger. And I think there will be a move towards specialization. I think China's here to stay in the innovation, so we need to accept that this is the new competitive environment. And what do we do given that? You've got to learn to compete with them.

Young: Some of the biggest problems that we're facing globally include those related to, climate change and scarce water. The chemical industry is actually ideally suited to solve a lot of those problems.

Gupta: The whole idea of just producing product and selling it has become something of the past. As competition, overcapacity and the rate of innovation slow down, how do you position yourself in this universe? One is consolidation and then taking capacity out. But another one is how do you go beyond products. Purchasing power of industrial customers has increased because of the consolidation of customers and they are squeezing the suppliers. People that have gone into products and services have done better. They have better control, have less capital intensity and more importantly, less competition because they tend to be more local. Customization of products and solutions can further drive growth. It is particularly challenging as the products are absolutely required, but represent less

than 0.1% of the final product cost even though failure of that can be a disastrous consequence. You have to think about one or two businesses that are the core, not 10 businesses.

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Young: And not all industries should be viewed the same. For example, the commodity architectural coatings business is consolidating but underneath are many niche industries. Technology can shift but you have to look at the business definition and where you sit. Moving on, what do you think are the keys to winning?

Lidback: You have to find out what your North Star is and a lot of companies try to be something they're not. If you're good at commodities, well, then you better figure out how to have low-cost plants and be able to compete in that. If you're going to be on the specialty side, then really focus on the specialty side and the features needed to succeed.

Johnson: I would agree and I would add that AI is really important. Many saying that if you are not on board today you will be at a major disadvantage.

Kadri: I think there will be more consolidation. I think it's vital. There are lots of broken balance sheets post-COVID. I saw one slide that China is looking at closing assets more than 20 years old, I believe, because I was co-chairing an event in Tianjin with Premier Li, who addressed us, and they're going to do more than this. I really believe they are going to start addressing the overcapacity. Therefore, there will be an opportunity for consolidators, be it sovereign funds or private equity that will play their roles in this. I think you will also see more companies move more downstream if it makes sense from the cost perspective. AI will also touch the innovation speed and quality and the manufacturing footprints.

Young: Dewey and I were chatting the other day and his point about the chemical/refinery link is very interesting. It changes the role that chemicals has to them in ways that may not make economic sense on a chemical basis, but makes sense for them on a fully integrated basis. For example the South Koreans can't afford to shut down some of the chemical plants because they are tied to a refinery.

Gupta: This is a huge, huge opportunity in terms of efficiency. Customer service, inventory, capital expenditures and the maintenance and efficiency of your plants will change.

Lidback: Deploying AI will be key as the product cycle will be shorter. The next one is even better and cheaper.

