

## Technology Roll-Outs Will Accelerate Growth, BWA Says



*BWA hopes to boost new product sales to 20% of total revenue.*

BWA Water Additives says its focus on new product development within the industrial and desalination water additives market helped keep its bottom line from sinking and will fuel accelerated growth throughout the coming year. The global company develops, produces and markets antiscalant, corrosion inhibitor and microbiocide technologies for both industrial water treatment and water purification. BWA is a UK based company with operations in 90 countries, owned by management with private equity backing from Seera Investment Bank (Manama, Bahrain). Seera invested when Close Brothers Private Equity (London) sold their interest, which first was made during a May 2006 management buyout of Chemutura's water additives business. Since going private, BWA has become a "new technology business," says Paul Turgeon, president and COO of BWA. Our goal is to average 20% of sales from new products.

This focus on new technology helped buoy the 2009 sales of our industrial additive business, which would have otherwise slumped similar to the rest of the chemical industry, Turgeon says. The company grew its desalination business, while managing to keep sales to the industrial sector healthy with new product introductions. Many players in the industrial space were 20%-30% off 2008 levels, he added.

Last year was not without its challenges, however. "We certainly felt the impact of the recession," Turgeon says. "There's no question about that." BWA's desalination business grew at about half of pre-recession projections of about 15% for 2009. "The level of construction activity fell, and less water was being used. Municipalities also curbed spending," Turgeon says. "We see this as a short-term impact. The plants are there, they're continuing to build, and the need for desalinated, potable water will swing right back." The

market has already nearly returned to pre-recession levels, he added.

The industrial side was less resilient, although BWA was able to void the negative effects of the recession with new product introductions. "There were a number of closures across the industrial sector, and the impact was felt by all of the chemical industry," Turgeon says.

Overall, 2009 "wasn't what we hoped it would be," but there was little impact on BWA's growth strategy, Turgeon says. After several years of new product development, 2010 will still be a key year for new technology launches. The company is maintaining its vertical focus on water and surrounding BWA customers with a robust product range and value added services, including biocides, antiscalants, and protein inhibitors, he says. "We have strong product lines that deal with difficult process conditions such as high temperature or pressure. The next generation have all these attributes but are more environmentally friendly.

Other key product launches are planned for 2010. The company will launch another in its Bellacide line of severe-service capable biocides that deal with bacterial strains other biocides fall short of controlling, such as anaerobic bacteria living under deposits in cooling systems. "Most treatments are effective because they are delivered wherever bacteria is in the water," Turgeon explains. "If they're under a deposit they are hard to get at." Because the anaerobic bacteria excrete acid, they can create a lot of damage to a plant in a short time, he adds. The biocide also extends its effectiveness to other strains of bacteria.

