



# Town Hall

with Paul Raymond and Bill Grube



# 2021: Celebrate the Wins

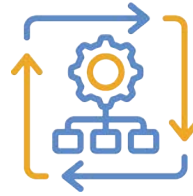


Q1 / 2022



## Relentless Focus on Safety

- Multiple sites celebrate YEARS without an injury!
  - Baytown 11+ years
  - Bayport 3+ years
  - Kallo 2+ years and Houston 1+ years



## Business Excellence

- Agile customer support for polyols and other product shortages
- Exceptional response to external events, such as the Texas freeze and raw material shortages
- Continuous workforce management to overcome COVID issues



## Developing Our People

- Empowered business teams to drive strategy
- Visible promotion and recognition within Monument



## Innovation

- Process improvements yielded:
  - ✓ 100 ton / day hydrolysis record at Kallo
  - ✓ High productivity THN at Houston
  - ✓ Upgraded R120 for Bayport



## Long-term Growth

- Significant capital to grow our business
  - ✓ Polysulfide in Houston
  - ✓ THF purification in Kallo
  - ✓ Amination expansion in Brandenburg
- Acquired Port Arthur with 500,000,000(!)+ pounds / year capacity



# Our Commitments



## KEY SUCCESSES

- Strong Enterprise Risk Management (ERM) visibly improved safety for:
  - ✓ Hazardous materials, such as EO and H2S
  - ✓ Occupied buildings, such as control rooms
- Successful startup of the Vapor Combustion Unit at Port Arthur

## CHALLENGES

- Four injuries at Brandenburg put special emphasis on the site

## PATH FORWARD

- Continue the success by:
  - ✓ Staying out in front of leading indicators
  - ✓ Prioritizing our efforts through ERM

# One Monument



## KEY SUCCESSES

- Global restructuring to empower teams to support the businesses
- Continued strong talent development within the functions

## CHALLENGES

- Achieving alignment between the functional groups and business teams

## PATH FORWARD

- Enhanced Performance Management process focused on:
  - ✓ Annual Goals
  - ✓ Monument Behaviors
  - ✓ Career Development
- Continue emphasis of our behaviors:  
**Trust, Inclusion, Responsibility, Coach, Perspective**
- Enhanced recognition of teams and employees



# Commercial Excellence



## KEY SUCCESSES

- Highly responsive customer service through a volatile market
- Agile execution of pricing
- Multiple new long-term contracts in Custom Manufacturing

## CHALLENGES

- Managing customer expectations in a “sold-out” situation
- Anticipating the inevitable market correction when constraints are resolved

## PATH FORWARD

- Onboard new opportunities to fill new capacity at Houston
- Close long-term contracts at Brandenburg, Bayport, and Port Arthur
- Strengthen Custom Manufacturing pipeline

# Operational Excellence



## KEY SUCCESSES

- Manufacturing productivity for THN, Amination, and THF
- Integration of Port Arthur and upgrading the site
- Active management of historically high utilities cost increases

## CHALLENGES

- Continuing to navigate through COVID and other workplace challenges
- Successful execution of large and complex capital projects

## PATH FORWARD

- Recommit to continuous improvement of:
  - ✓ \$100 million+ in fixed cost spend at our sites
  - ✓ \$50 million+ in capital spending at our sites
- Resolve capacity constraints and lost production through S&O Planning

# Financial Excellence



## KEY SUCCESSES

- Exceptional financial results
- Profitability analysis embedded in S&OP decisions
- Comprehensive budget for 2022 and strategy for 2022-2024
- New financial reporting for Port Arthur

## CHALLENGES

- Increase access to financial information
- Increase free cash flow for the business

## PATH FORWARD

- Deliver financial returns on invested capital
- Increase process rigor on capital projects



# Growth Levers



## KEY SUCCESSES

- New capability in polysulfide
- Large scale purification acquisition of Port Arthur
- Lower cost debottlenecking of amination, polyols and hydrolysis
- New manufacturing processes for THF, THN, 2MeTHF, and SAF

## CHALLENGES

- Continue to make progress on our strategic priorities
- Gaining customer commitment to investments to reduce risk

## PATH FORWARD

- New columns at Houston
- Port Arthur synergies
- Long term agreements
- Growth capital projects at every site!

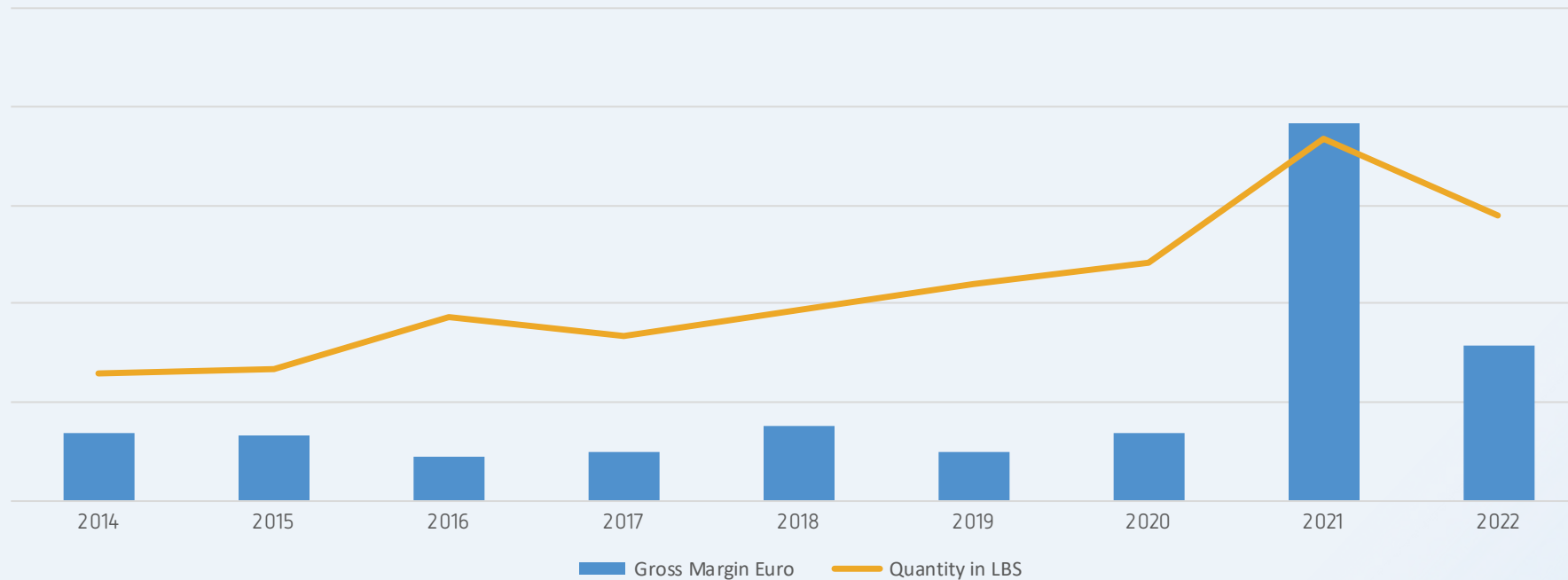


- ✓ **Core Investment**
- ✓ **Innovative Products & Processes**
- ✓ **Business Synergy**
- ✓ **Sustainability**



# Spotlight On: Tetrahydrofuran in Kallo

## THF QUANTITY AND MARGIN DEVELOPMENT

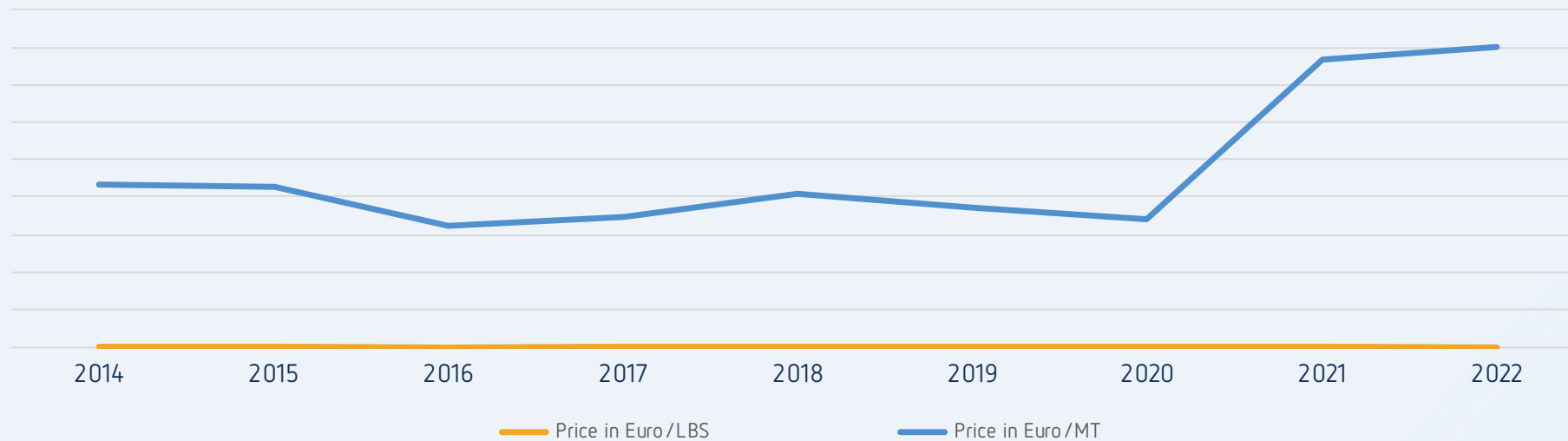


# Spotlight On: Tetrahydrofuran in Kallo



Q1 / 2022

AVERAGE ANNUAL THF PRICE DEVELOPMENT



2021 opportunity to play well into distressed market with more (pharma) customers & less competition

***“Luck” is what happens when (multi-year) preparation meets (market) opportunity***



# Keys to Our Success



Q1 / 2022

Year	2014 - 2020	
Sales & Procurement	Start THF & establish market / Pharma focus	Renegotiate feed contract
R&D	Land high volume distillation production in Kallo	Continuous improvement on THF purity
QA & QC	Prior cargo focus & Q/A guidance manual & MOC processes	Quality awareness for Pharma
Production & Process	Start production in Kallo	Design and construction of THF Train
Supply Chain & CSR's	Establish excellent daily relations with supplier operations	Supplier & Customer responsiveness - service
Finance	Running a high load of business sales transactions / AR management	Optimize admin & reporting structure
Year	2021	Main Wins
Sales & Procurement	Play into market opportunity / find new sources and routes to THF	Pharma focus/ improve contract with Dubai / introduce new feed sources
R&D	Development and implementation BDO route and US PBT feedstock source	Continuous improvement & new route to THF
QA & QC	MOC to feed train with different feedsources into one product tank	Pharma: Q/A Guidance manual and good MOC process implementation
Production & Process	Start up of the new unit / running it properly during high demand from the market	Design of the dedicated train & overdesigning in size
Supply Chain & CSR's	Manage a high load of orders with customers in distressed market/ manage US inbound logistics	Great service to Dubai and Customers
Finance	Adjust reporting to new business model	Adjust admin & reporting to THF and new feedstocks



Forward-Thinking



Responsiveness



Flexibility



# 2022: What's Next?



- Production & Process**  
Resinbed installation & improve efficiency on new BDO route
- QA & QC**  
Auditing suppliers & support of commingling feedsources in Kallo & service pharma
- R&D**  
Working on new BDO route to THF
- Sales & Procurement**  
More pharma and electronics customers & establish long term business with BDO producers

- Finance**  
Restructuring reporting model after MOC with different feed sources and types
- Production & Process**  
Resinbed installation & improve efficiency on new BDO route
- Supply Chain & CSR's**  
Managing an increased number of customers & volume

**Thanks for the support to invest in the unit!**

This is now a well-established business in Europe

## The story continues...



# Above & Beyond

## Recognizing some of our team wins from 2021...

- Managing feedstock and logistics challenges
- MCK Poly-chem Blocked Inventory and Flush Tote Reduction in 2021
- Historic levels of reduction of un-productive inventory
- Lean Six Sigma training and certification across the organization
- Creative methods to enhance Nap production to meet customer needs
- Exceptional management of unplanned downtime at Bayport releasing capacity
- Houston Polysulfide start up and hitting cycle time
- Successful scale up of 2 MeTHF at Houston
- Expanding EEP reaction capacity
- Rate optimization of THN at Houston
- Optimizing S&OP process at Kallo and full roll out of systems
- Exceptional responsiveness to meet market needs in tolling at Kallo
- MCK Nitrogen Usage Reduction Effort in 2021 Building comprehensive 3-year strategy
- Business Intelligence dashboards rolled out by Finance teams
- 3 key projects at Bayport that saved 50 reactor capacity days, \$29k/day NCM (\$1.45M/year)
- And so much MORE!



# Thank You!



for all that you do



# Town Hall

with Paul Raymond

Questions?

