



**Whitmore and Shell Lubricants Announce Definitive Agreement to Form Joint Venture to Provide Industrial Products and Services to North America Rail and United States Mining Customers**

**DALLAS, TX – January 22, 2020** – CSW Industrials, Inc. (NASDAQ: CSWI) and Pennzoil-Quaker State Company dba SOPUS products (“Shell”), a wholly owned subsidiary of Shell Oil Company that comprises Shell’s United States (“U.S.”) lubricants business, announced today the execution of a definitive agreement under which Whitmore Manufacturing, LLC (“Whitmore”), a wholly owned subsidiary of CSWI, and Shell will form a joint venture (“JV”) to market, distribute, and sell lubricants, greases, coolants, reliability products, and related industrial services to the North America rail and U.S. mining sectors. The JV, which will be named Shell & Whitmore Reliability Solutions, LLC, is expected to be owned fifty percent by each of Whitmore and Shell.

The JV will combine the strengths of Whitmore and Shell to offer multi-sector expertise; advanced equipment technologies and services; and an integrated product portfolio that meets the unique needs of companies engaged in North America Class I, II, and III rail (excluding municipal transit systems) and U.S. mining (excluding quarries).

Joseph B. Armes, CSW Industrials Chairman, President, and Chief Executive Officer, commented, “Today’s announcement represents a first step toward offering a comprehensive portfolio of products and solutions to rail and mining customers. When Shell first approached us about this opportunity to form a partnership, our team quickly realized the value in an expanded commercial relationship with a world class organization to drive accretive growth for shareholders, promote proprietary products and technologies to customers, and increase capacity utilization at Whitmore’s existing manufacturing facility.”

“Whitmore and Shell customers are at the heart of the rationale for creating this JV,” noted Machteld de Haan, President of Shell Lubricants Americas. “The resilient B2B sectors are key pillars for the future of Shell Lubricants, where we see a lot of opportunity for growth to support the market. Partnering with Whitmore, a leading provider of reliability products, high-performance greases, friction modifiers, and rail products, in creating this JV helps us to progress toward the execution of this strategy.”

The JV will be staffed by Whitmore and Shell sales and technical professionals with extensive experience in the rail and mining sectors, enabling the successful transfer of relationships, technical knowledge, and sector expertise. The products manufactured and sold by the JV will benefit from Shell’s and Whitmore’s proprietary industrial lubricant and grease formulations and technologies.

A key part of the JV’s success will be its manufacturing agreement with Whitmore. The JV’s production assets will be co-located at Whitmore’s Rockwall, Texas facility and operated by Whitmore, where the JV

will benefit from Whitmore's scale and expertise. This structure is expected to optimize Whitmore's existing manufacturing capacity through increased production output to be contributed by both Shell and Whitmore, and to position the JV for future growth.

An additional benefit of the companies' collaboration is an expanded commercial relationship between Whitmore and Shell, which is expected to significantly broaden the reach of Whitmore's reliability products through Shell's extensive distribution channels throughout the Americas (excluding the JV's business sectors).

Armes added, "Through this JV and our expanded distribution relationship with one of the premier brands in the reliability industry, we expect to expand our reach across the Americas and to enhance utilization at our world class Whitmore Manufacturing facility in Rockwall, Texas. We look forward to strengthening our partnership with Shell, while supporting the effort with our decades of experience in the production of small batch customized products for specialized applications."

The JV is subject to customary closing conditions and expects to commence operations in the first half of calendar 2021. As Whitmore and Shell work toward the successful formation of the JV, each company's representatives will provide separate communications to respective in-scope customers with key information regarding the potential transition of business to the JV.

#### **About CSW Industrials**

CSWI is a diversified industrial growth company with well-established, scalable platforms and domain expertise across two segments: Industrial Products and Specialty Chemicals. CSWI's broad portfolio of leading products provides performance optimizing solutions to its customers. CSWI's products include mechanical products for heating, ventilation, air conditioning and refrigeration ("HVAC/R") applications, sealants, and high-performance specialty lubricants. Markets that CSWI serves include: HVAC/R, architecturally-specified building products, general industrial, plumbing, rail, energy, and mining. For more information, please visit [www.cswindustrials.com](http://www.cswindustrials.com).

#### **About Whitmore Manufacturing**

Whitmore is a global-provider of innovative products and services that increase the reliability, performance and lifespan of industrial assets. Whitmore manufactures high performance lubricants, friction modifiers, application equipment, lubrication management systems, desiccant breathers, and cleaners designed to meet the specific needs of each industry and application. Industrial customers worldwide rely on Whitmore to deliver the performance engineered solutions industry counts on even in the most adverse conditions and demanding environments. For more information, please visit [www.whitmores.com](http://www.whitmores.com).

#### **About Shell Lubricants**

The term 'Shell Lubricants' collectively refers to the companies of Royal Dutch Shell plc that are engaged in the lubricants business. Shell Lubricants companies have led the global lubricants industry by volume for more than 14 consecutive years.\* The companies manufacture and blend products for use in

consumer, heavy industrial, and commercial transport applications. The Shell Lubricants portfolio of top-quality brands includes Pennzoil®, Quaker State®, FormulaShell®, Shell TELLUS®, Shell RIMULA®, Shell ROTELLA® T, Shell SPIRAX®, Shell Gadus®, and Jiffy Lube®. <http://www.shell.us>

*\*Source: Kline & Company 2020, 18th Edition Global Lubricants: Market Analysis and Assessment.*

### **Safe Harbor Statement**

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Words or phrases such as "may," "should," "expects," "could," "intends," "plans," "anticipates," "estimates," "believes," "forecasts," "predicts," or other similar expressions are intended to identify forward-looking statements, which include, without limitation, earnings forecasts, effective tax rate, statements relating to our business strategy, and statements of expectations, beliefs, future plans and strategies, and anticipated developments concerning our industry, business, operations, and financial performance and condition.

The forward-looking statements included in this press release are based on our current expectations, projections, estimates, and assumptions. These statements are only predictions, not guarantees. Such forward-looking statements are subject to numerous risks and uncertainties that are difficult to predict. These risks and uncertainties may cause actual results to differ materially from what is forecast in such forward-looking statements, and include, without limitation, the risk factors described from time to time in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K.

All forward-looking statements included in this press release are based on information currently available to us, and we assume no obligation to update any forward-looking statement except as may be required by law.

### **Investor Relations**

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