

UNITED STATES/AMERICAS

## Sherwin-Williams to Buy Duron Paint

**S**herwin-Williams (SW) says it has entered into a definitive agreement to buy privately held paintmaker Duron (Beltsville, MD) for \$253 million, plus the assumption of certain financial obligations. Duron has sales of about \$350 million, and is a leading coatings supplier to painting contractors, builders, and do-it-yourself markets in the eastern U.S. Duron's profits were not disclosed.

SW says the deal strengthens its position as the leading U.S. architectural paintmaker. Duron's plants at Beltsville and Atlanta are included in the deal, as well as the company's 231 stores, SW says. The company says it will also acquire Duron's sales office in China. SW says it plans to keep operating Duron's manufacturing plants, and that they may eventually manufacture some of SW's branded products. Further details were not disclosed.

SW says it will also keep operating the acquired stores under the Duron name, and

will likely sell certain SW specialty products through those stores. Duron's retail sales are all through its own stores, rather than through mass merchandisers, SW says. All of Duron's stores are on the East Coast; the company sold 27 stores in Chicago, Indianapolis, and Columbus, OH to PPG Industries in February 2002.

About 90% of Duron's revenues are generated from contractors, says Daniel Murad, president of consulting firm The ChemQuest Group (Cincinnati). SW's strategy has always been to use its paint stores as an outlet for contractors, rather than use mass merchandisers, because contractors prefer them, Murad says. The acquisition of Duron will give SW a bigger share of the contractor market, he says. SW is already the leading supplier to the contractor segment in the U.S., followed by ICI's Glidden, he adds.

About 64% of SW's total sales of \$5.4 billion are generated from its paint stores, the

company says. SW currently owns 2,688 stores, more than the next 10 competitors combined, according to Buckingham Research (New York) data. Glidden is second behind SW with 728 stores, Buckingham says. Paint stores account for 65.7% of architectural paint distribution, ChemQuest says.

Meanwhile, PPG says it is considering acquisitions of retail paint stores to boost its architectural paints business. The company is strong in the southern and eastern U.S., and would like to add assets in the Midwest and Rockies region, company officials say. PPG has 283 stores.

—KERRI WALSH

