

and markets

Denali

Denali Incorporated provides fluid handling products, specializing in corrosion-resistant applications. The company is the world's largest manufacturer of specialty-engineered, corrosion-resistant fiberglass reinforced plastic (FRP) products for chemical, petrochemical, water/wastewater, power generation, pulp and paper and other process industries. Denali has over 20 manufacturing locations around the world, producing products such as tanks, vessels, and piping



The winding machine at Plasticon Haven, one of the world's biggest in a production facility. The product being manufactured is a dual laminate polypropylene/FRP wastewater storage tank for the Sandoz chemical plant in Switzerland.

systems, as well as aboveground steel storage tanks. The company also distributes a wide range of engineered products and systems.

Denali operated in two groups during fiscal year 1999: **Containment Products and Engineered Products**. The Containment

Products group comprises the **Containment Solutions** and **Plasti-Fab** divisions. Containment Solutions is a leading manufacturer and marketer of FRP underground storage tanks and aboveground steel storage tanks to the petroleum equipment market. Plasti-Fab manufactures FRP gates, metered manholes, flumes, and systems for use in the water/wastewater industries.

The Engineered Products Group comprises the **Ershigs**, **Fibercast**, **Belco**, and **SEFCO** divisions. Ershigs designs, manufactures, and installs a full range of products including storage and process vessels,

duct systems, valves, process and effluent piping, large-diameter field-constructed ("field-wound") tanks, washer and ventilation hoods, stacks and chimney liners, scrubbers, spray head piping, and assemblies. Ershigs focuses its operations on complex projects where engineering and manufacturing expertise is critical. Fibercast is a leader in reinforced composite piping systems, and is the only supplier to offer centrifugal casting, filament winding, compression molding, and hand construction methods of manufacturing. Belco manufactures FRP tanks, ducting, piping, scrubbers, and dampers primarily for the industrial water/wastewater industries and, to a lesser extent, for the oil and gas markets. SEFCO is a vertically integrated manufacturer of engineered field-erected steel tanks and accessories, primarily for use in the municipal water market.

The markets

Petroleum equipment market

This market had a boom year following 1988 Environmental Protection Agency (EPA) regulations that set a December 1998 deadline for compliance with underground storage tank (UST) standards. These regulations required UST owners to upgrade, replace or close tanks that did not meet those standards. As a result of these regulations, Denali's fiberglass UST business increased by almost 20 percent on a year-to-year basis. Though some compliance opportunities still remain, Denali believes that the major growth driver for the company's fiberglass UST and steel aboveground storage tank products will be the construction of new convenience stores (C-stores) and other fueling centers. The demand for such fuel storage tanks is expected to be driven by five sources: