



# Seale & Associates

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# 25 years

PAINTS & COATINGS INDUSTRY  
Q3 2024  
VALUATION UPDATE



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# Introduction

We are pleased to share our Paints & Coatings “P&C” Industry Multiples Valuation Update for Q3 2024.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our client’s strategic objectives in a range of transactions, including **Mergers, Acquisitions, Divestitures and Carve-Outs, Business Sales, Recapitalizations, and Joint Ventures**, among other corporate finance and strategy consulting services.

Over the course of 25+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our clients who are looking to grow through acquisitions or optimize their portfolios through strategic divestitures.

Seale has extensive experience advising leading multinational companies, private equity firms, and family-owned businesses across a wide range of industries.



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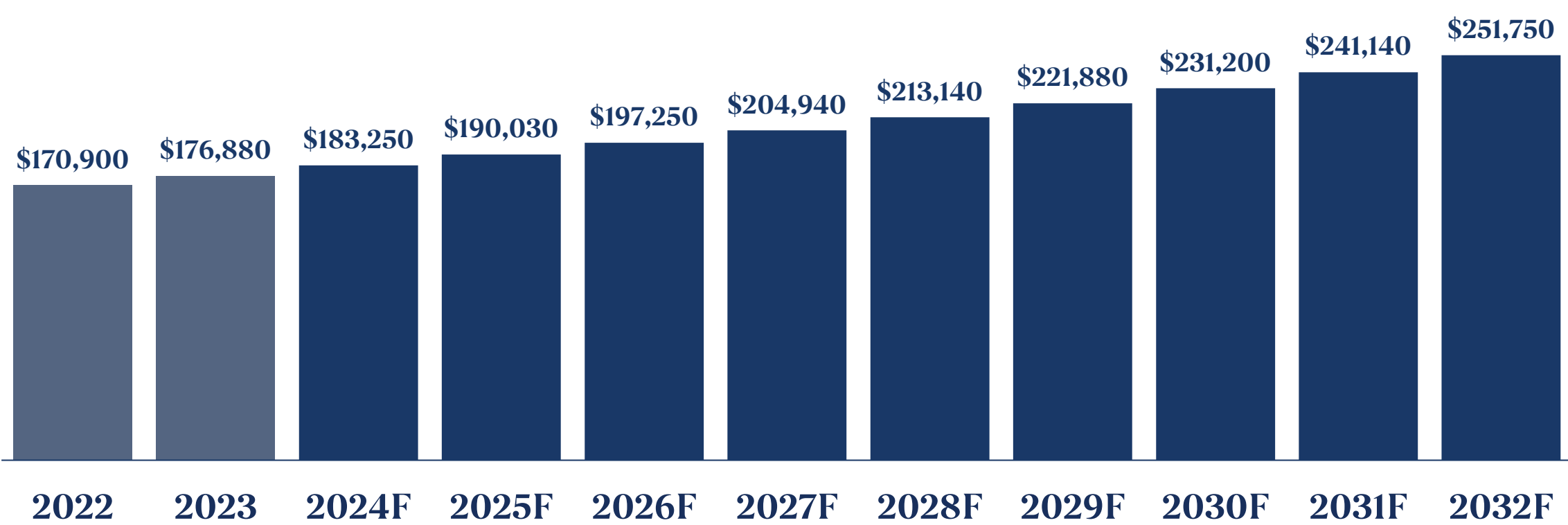
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# P&C Industry Overview, M&A Trends and Market Intelligence

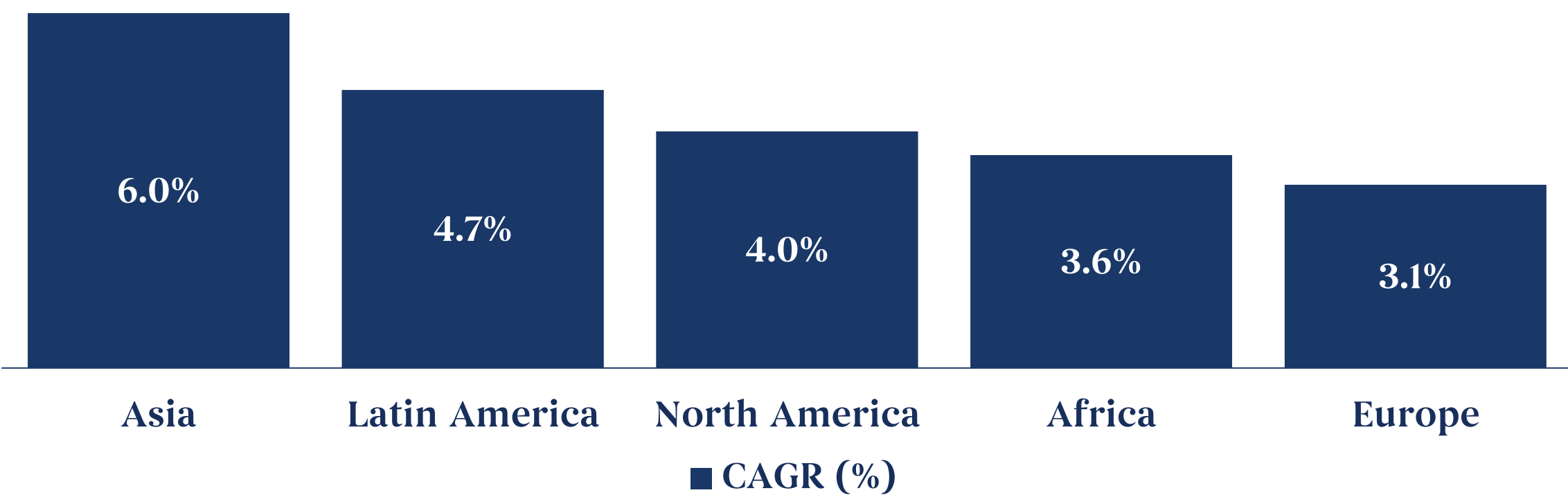
## Industry Overview and M&A Trends

- The global P&C market size is estimated at **US\$183.3B** in **2024** and is expected to reach **US\$251.8B** by **2032**, growing at a **CAGR** of **4.1%**
- The U.S. **P&C** market **showcases resilience**, with steady growth despite economic fluctuations. This is attributed to factors such as **innovation**, **sustainability**, and **adaptability** within the industry
- There is an increasing **influence** of technology and **sustainability** in the P&C sector. Emphasis on **eco-friendly** products, coupled with advancements in technology, is **shaping** the market landscape and driving industry **evolution**
- The **architectural** sector, which covers coatings for residential and commercial buildings, is the **largest** in the industry, experiencing **rising** demand in areas like office buildings and malls
- **High M&A** activity is anticipated to persist in the industry, with both strategic and private equity buyers actively seeking **acquisitions**
- The driving **force** behind this M&A trend is the **pursuit** of growth in established markets. Typically, these acquisitions are smaller, bolt-on types, which are simpler to integrate and provide significant **synergies**
- The pandemic has spurred demand for **antimicrobial coatings**, particularly for indoor applications like kitchens and bathrooms
- Another significant trend is the **escalation** of **M&A** activities among leading companies with substantial **cash reserves**, especially in the well-performing **decorative coatings** segments

Market Value of Industrial Coatings Worldwide from 2022 to 2032 (US\$M)









Forecast CAGR of the Coatings Market Worldwide from 2021 to 2026, by Region










**Source:** Mordor Intelligence, CLN Worldwide, American Coatings Association, Statista, Precedence Research, Coatings World, Value Market Research

# P&C Global Comparable Public Companies

Company		Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/EBITDA EV/Revenue	
							2022	2023		
Axalta Coating Systems Ltd.		USA	\$7,937	\$10,750	\$5,262	19.9%	11.1x	11.8x	10.3x	2.0x
Clariant AG		CHE	\$4,983	\$7,131	\$4,928	16.1%	8.7x	6.4x	9.0x	1.4x
Element Solutions Inc		USA	\$6,577	\$8,191	\$2,406	21.4%	12.8x	13.2x	15.9x	3.4x
Elementis plc		GBR	\$1,285	\$1,538	\$732	21.6%	8.0x	7.7x	9.7x	2.1x
H.B. Fuller Company		USA	\$4,336	\$6,344	\$3,548	17.5%	11.4x	10.4x	10.2x	1.8x
Kansai Paint Co., Ltd.		JPN	\$3,316	\$4,242	\$4,065	14.8%	10.2x	9.7x	7.1x	1.0x
■ Excluded from mean and median						Mean	10.9x	9.9x	9.8x	1.8x
						Median	10.7x	10.0x	10.0x	1.9x



# P&C Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		Third Quarter Sep. 30, 2024 EV/ EBITDA		EV/ Revenue
						2022	2023			
Akzo Nobel N.V.		NLD	\$12,057	\$17,068	\$11,846	14.3%	12.3x	14.5x	10.1x	1.4x
BASF SE		DEU	\$47,339	\$74,656	\$72,802	9.3%	5.2x	11.6x	11.0x	1.0x
DuPont de Nemours, Inc.		USA	\$37,218	\$43,881	\$12,192	25.6%	9.8x	11.4x	14.1x	3.6x
Nippon Paint Holdings Co., Ltd.		JPN	\$17,993	\$21,509	\$11,025	14.5%	23.5x	18.6x	13.4x	2.0x
PPG Industries, Inc.		USA	\$30,903	\$37,017	\$18,030	17.5%	15.0x	14.1x	11.8x	2.1x
RPM International Inc.		USA	\$15,582	\$17,794	\$7,292	15.9%	15.7x	14.4x	15.3x	2.4x
The Sherwin-Williams Company		USA	\$96,275	\$108,375	\$23,054	22.1%	20.2x	17.1x	21.3x	4.7x
■ Excluded from mean and median						Mean	14.6x	14.3x	13.1x	2.3x
						Median	15.0x	14.4x	13.4x	2.1x

# P&C Industry – Q3 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue	
Sep-24		CHN	<b>Beijing Fengyan Xinhong</b> , a private equity firm, acquired a minority stake in <b>Anshan Hifichem</b> , a producer of high performance organic pigments	Beijing Fengyan Xinhong	-	5.9%	\$30.6	16.6x	3.2x	
Jul-24		USA	<b>Sheboygan Paint Company</b> , a manufacturer of liquid industrial coatings, acquired <b>Bradley Coatings Group</b> to enhance its product portfolio and expand its presence in the transportation sector			100.0%	-	-	-	
Jul-24		USA	<b>Kronos Worldwide</b> , a global producer of titanium dioxide products, acquired <b>Louisiana Pigment Company</b> , to strengthen its production capabilities and expand its market presence			50.0%	\$200.0	-	-	
Jul-24		USA	<b>Kodiak</b> , a leading supplier of specialty chemicals, acquired <b>Southern Adhesives and Coatings</b> , a coatings supplier to the paper and packaging industries, to expand its product portfolio and target new markets		-	100.0%	-	-	-	
								Mean	16.6x	3.2x
								Median	16.6x	3.2x

# Sector Relevant Experience

<div>Acquisition</div> <div><p><b>Reacciones Químicas</b></p></div> <div>Acquisition Advisory Services</div> <div>Advised <b>Reacciones Químicas</b>, a supplier of synthetic resins, on procurement analysis in the US</div>	<div>Acquisition</div> <div><p><b>Reacciones Químicas</b></p></div> <div>has acquired</div> <div><p><b>RESINASBYRSA</b></p></div> <div>Advised <b>Reacciones Químicas</b> on the acquisition of Byrsa Resins, a supplier of resins for emulsions, acrylics, polyester, among others</div>	<div>Acquisition</div> <div><p><b>AZZ</b></p></div> <div>has acquired</div> <div><p><b>Preferred Industries</b></p></div> <div>Advised <b>AZZ</b> on the acquisition of Preferred Industries, a supplier of powder coatings to the automotive, HVAC, marine and other industries</div>	<div>Acquisition</div> <div><p><b>AZZ</b></p></div> <div>has acquired</div> <div><p><b>K2 Partners, Inc</b></p></div> <div>Advised <b>AZZ</b> on the acquisition of K2 Partners, a provider of powder coating and electroplating services</div>	<div>Acquisition</div> <div><p><b>gcp</b></p></div> <div>has acquired</div> <div><p><b>Stirling Lloyd</b></p></div> <div>Advised <b>GCP Applied Technologies</b>, a leading building materials and specialty chemicals company on the acquisition of Stirling Lloyd</div>	<div>Divestiture</div> <div><p><b>Houston Plating &amp; Coatings</b></p></div> <div>has been acquired by</div> <div><p><b>A Private Investment Group</b></p></div> <div>Advised <b>Houston Plating &amp; Coatings</b>, a leading coatings company, on its sale to a private investment group</div>	<div>Corporate Finance</div> <div><p><b>Protexa</b></p></div> <div>Corporate Finance Advisory Services</div> <div>Advised <b>Protexa</b>, an offshore and onshore construction and engineering company, on a number of confidential corporate finance initiatives</div>
<div>Corporate Finance</div> <div><p><b>Berel</b></p></div> <div>Corporate Finance Advisory Services</div> <div>Advised <b>Berel</b> through a valuation and analysis of strategic alternatives, including potential share buyback among shareholders</div>	<div>Corporate Finance</div> <div><p><b>basell</b> Polyolefins</p></div> <div>Project Finance Advisory Services</div> <div>Advised <b>Basell Polyolefins</b>, the world leader in polyolefins, on project financing</div>	<div>Corporate Finance</div> <div><p><b>Doal</b></p></div> <div>Corporate Finance Advisory Services</div> <div>Advised <b>Doal</b>, a leader in architectural paints and coatings, on a corporate finance initiative</div>	<div>Corporate Finance</div> <div><p><b>SHERWIN WILLIAMS</b></p></div> <div>Acquisition Advisory Services</div> <div>Advised <b>Sherwin Williams</b>, a leading manufacturer of coatings and related products, on a targeted procurement program</div>	<div>Corporate Finance</div> <div><p><b>PYOSA</b></p></div> <div>Corporate Finance Advisory Services</div> <div>Advised <b>Pyosa</b>, a leading manufacturer and distributor of fine chemicals, pigments and dyes, on a corporate finance project</div>	<div>Corporate Finance</div> <div><p><b>AXALTA</b></p></div> <div>Corporate Finance Advisory Services</div> <div>Advised <b>Axalta</b>, a leader in high-performance coating systems with a corporate finance project</div>	



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# Global M&A Representative Engagements

 <p>has been acquired by</p> 	 <p>has sold a controlling interest to</p> 	 <p>has sold</p>  <p>Zinc Oxide Corporation a subsidiary of</p> 	 <p>has acquired</p>  <p>from</p> 	 <p>has been acquired by</p> 	 <p>Oxbow's Senior Subordinated debt issued by</p>  <p>was refinanced by</p> 	 <p>has acquired</p> 
 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>and</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p>  <p>GE Power Systems</p>	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p> <p>Triumph Air Repair, the APU Overhaul Operations of Triumph Aviation Services – Asia, and Triumph Engines businesses</p> <p>to</p> 	 <p>has acquired</p> 	 <p>has sold its GRACE Membranes business</p> 
 <p>has sold</p>  <p>and</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p>  <p>Driving Safety Forward™</p>	 <p>has sold</p>  <p>A division of Carrier Commercial Refrigeration, Inc.</p> <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has sold</p>  <p>to</p> 	 <p>has acquired</p> 	 <p>has been recapitalized by</p> 





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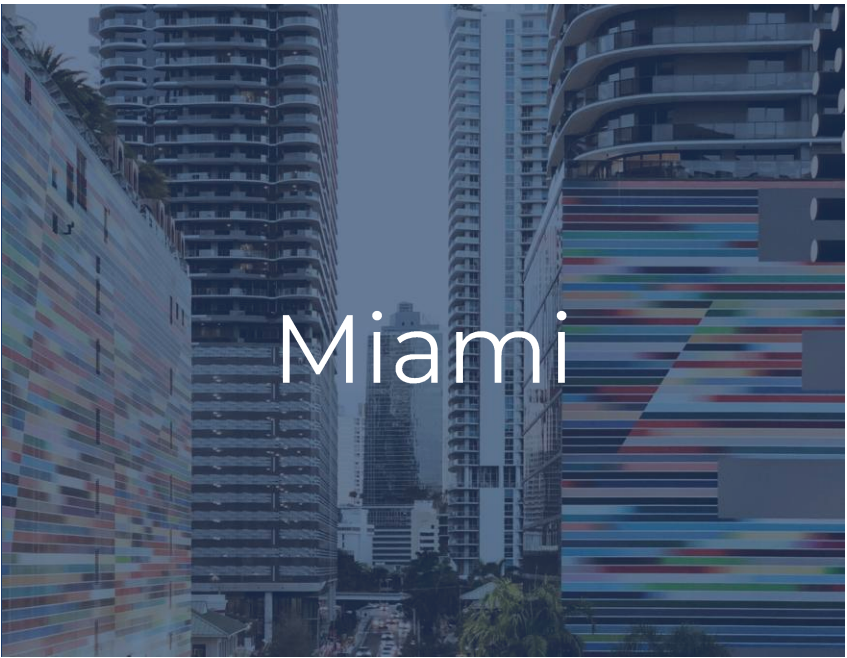


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For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

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