



Seale & Associates

CHEMICALS INDUSTRY
Q1 2023
VALUATION UPDATE

Introduction

We are pleased to share our Chemicals Industry Multiples Valuation Update for Q1 2023.

At Seale & Associates, we are committed to providing process-driven solutions designed to optimize value and achieve our clients' 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 23+ years, we have successfully served clients all over the world, and we are delighted to continue providing investment banking advisory services to our Chemicals Industry clients that 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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Sector Relevant Experience

Extensive M&A transaction experience, including:

- **Exclusive financial advisor to Cosmocel S.A. de C.V. on multiple deals**
 - Sale of Cosmocel S.A. de C.V. to Rovensa and the divestiture of Cosmocel Química to ICL Performance Products LLC.
- **Exclusive financial advisor to PromaPlast**
 - Sale of PromaPlast Resinas, S.A. de C.V. to IMCD N.V.
- **Exclusive financial advisor to Andes Chemical Group**
 - Sale of Andes Chemical Corp. to IMCD N.V.
- **Exclusive financial advisor to W.R. Grace & Co. on multiple divestitures**
 - Sale of Grace Membranes Business to UOP LLC, a Honeywell International Company, and Grace Specialty Vermiculite Business to Vermiculite Acquisition Corp.
- **Exclusive financial advisor to Grupo Bioquímico Mexicano S.A. de C.V. (“GBM”)**
 - Sale of Grupo Bioquímico Mexicano, S.A. de C.V. to Arysta LifeScience Corporation.
- **Corporate Finance Advisory Services to Velsicol Chemical Corporation.**



SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

W.R. GRACE & CO.

TARGET: W.R. Grace's Specialty Vermiculite Business

TRANSACTION TYPE: Sell-side Advisory

INDUSTRIES: Specialty Chemicals

GEOGRAPHY: South Carolina, USA; Canada

SITUATION

Seale & Associates acted as financial advisor to W.R. Grace & Co. (NYSE:GRA) on the sale of its specialty vermiculite business to Vermiculite Acquisition Corp., a sister company of Specialty Vermiculite Corporation. W.R. Grace's specialty vermiculite business is a leading producer of branded high-performance vermiculite products with annual production of approximately 50,000 tons.

SEALE & ASSOCIATES' APPROACH

Seale's professionals ran a competitive auction process, managing multiple strategic buyers from around the world and select private equity buyers with industry experience. Seale also coordinated diligence across multiple locations in the U.S. and Canada while complying with the requirements of the trustees and the court managing the W.R. Grace bankruptcy process.

OUTCOME

The process resulted in a sale to a strategic buyer with significant synergies at a premium price and at favorable terms to W.R. Grace. This transaction was significant to W.R. Grace as it was the last business associated with W.R. Grace's asbestos claims.



GRACE

has sold its

Specialty Vermiculite Business

to

Vermiculite Acquisition Corp.

a sister company of



"Seale is one of our preferred investment banks because of their commitment to client service. They take the time to understand each of our business units and the dynamics of our unique specialty chemical and performance material segments in a way that other banks simply don't.

We trust Seale because they consistently offer creative and valuable advice, and we know that the culture of the firm is built on integrity."

Jeremy Rohen, Vice President of Corporate Development, W.R. Grace & Co.

SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

PromaPlast

TARGET: PromaPlast
TRANSACTION TYPE: Sell-side Advisory
INDUSTRIES: Chemicals
GEOGRAPHY: Lerma, Mexico

SITUATION

Seale & Associates acted as financial advisor to PromaPlast Resinas, S.A. de C.V., Provedora de Materiales Plasticos, S.A. de C.V. and PromaPlast USA Inc., (collectively "PromaPlast"), on the successful agreement to divest the companies to IMCD N.V. ("IMCD").

SEALE & ASSOCIATES' APPROACH

Seale managed a competitive auction process with potential strategic and financial buyers for PromaPlast. Seale's disciplined approach allowed our client to maintain momentum, negotiating leverage throughout the process and ensure closing at a premium value and more favorable terms.

OUTCOME

The process resulted in a successful acquisition of PromaPlast by IMCD N.V. a global leader in the sales, marketing, and distribution of specialty chemicals and ingredients.



PromaPlast[®]

has been acquired











by





"Seale & Associates played a fundamental role as our guide and advisor for this very successful transaction. The team's professionalism, integrity, and dedication to the project were key for taking care of all important details involved in the transaction."

Ricardo Mendez
CEO of PromaPlast

Basic Chemicals Global Comparable Public Companies

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
AdvanSix Inc.		USA	\$1,050	\$1,251	\$1,867	13.9%	6.1x	4.2x	3.6x	0.6x
ALPEK, S.A.B. de C.V.		MEX	\$2,338	\$4,649	\$11,260	10.5%	5.0x	3.5x	2.9x	0.4x
Braskem S.A.		BRA	\$3,145	\$10,677	\$18,257	9.2%	7.3x	2.7x	5.4x	0.6x
Cabot Corporation		USA	\$4,317	\$5,687	\$4,259	16.0%	8.4x	7.7x	7.9x	1.3x
Chemtrade Logistics Income Fund		CAN	\$672	\$1,389	\$1,340	22.2%	9.7x	7.2x	4.2x	1.0x
Ciech S.A.		POL	\$709	\$1,017	\$1,237	18.0%	5.7x	4.8x	4.4x	0.8x
Cydsa, S.A.B. de C.V.		MEX	\$534	\$1,163	\$789	27.4%	7.0x	6.0x	5.9x	1.5x
Dow Inc.		USA	\$38,812	\$51,117	\$53,489	13.6%	7.6x	4.1x	5.0x	0.9x
Ercros, S.A.		ESP	\$446	\$530	\$1,096	10.6%	7.7x	5.0x	4.2x	0.5x
Hawkins, Inc.		USA	\$922	\$1,057	\$930	12.0%	9.9x	9.7x	9.2x	1.1x










Basic Chemicals Global Comparable Public Companies (Continued)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
Koppers Holdings Inc.		USA	\$728	\$1,603	\$2,035	10.0%	6.1x	6.7x	7.2x	0.8x
LyondellBasell Industries N.V.		USA	\$30,607	\$41,995	\$47,541	11.7%	8.5x	4.5x	6.3x	0.8x
Methanex Corporation		CAN	\$3,193	\$5,675	\$4,174	18.6%	11.7x	4.6x	5.4x	1.3x
Olin Corporation		USA	\$7,263	\$10,014	\$8,759	24.6%	9.7x	4.0x	3.9x	1.1x
Tronox Holdings plc		USA	\$2,222	\$4,742	\$3,197	22.1%	7.6x	5.1x	5.4x	1.4x
Unipar Carbocloro S.A.		BRA	\$1,414	\$1,417	\$1,375	36.4%	5.7x	3.1x	2.7x	1.0x
Westlake Chemical Partners LP		USA	\$775	\$1,479	\$1,538	31.1%	3.6x	3.4x	3.2x	0.9x
						Mean	7.5x	5.1x	5.1x	1.0x
						Median	7.6x	4.6x	4.9x	0.9x

Specialty Chemicals Global Comparable Public Companies





Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023	
						2021	2022	EV/EBITDA	EV/Revenue
BASF SE	DEU	\$46,933	\$66,068	\$91,520	11.1%	14.4x	5.2x	9.9x	0.7x
Compagnie de Saint-Gobain S.A.	FRA	\$29,068	\$38,494	\$54,715	12.7%	7.0x	5.2x	4.9x	0.7x
Daicel Corporation	JPN	\$2,149	\$3,935	\$4,015	14.5%	6.8x	5.7x	6.6x	1.0x
Eastman Chemical Company	USA	\$10,048	\$14,990	\$10,278	16.6%	11.5x	7.2x	8.0x	1.4x
Huntsman Corporation	USA	\$5,025	\$6,711	\$7,437	10.3%	9.7x	5.7x	5.7x	0.8x
IMCD N.V.	NLD	\$9,296	\$10,413	\$4,940	12.1%	29.9x	21.4x	16.4x	2.1x
Kemira Oyj	FIN	\$2,707	\$3,561	\$4,030	15.6%	7.3x	7.1x	6.0x	0.9x
LANXESS Aktiengesellschaft	DEU	\$3,549	\$7,732	\$8,644	10.6%	7.4x	5.8x	7.8x	0.9x
LOTTE Fine Chemical Co., Ltd.	KOR	\$1,141	\$606	\$1,959	21.4%	4.3x	2.2x	1.1x	0.3x
LSB Industries, Inc.	USA	\$786	\$1,143	\$884	36.8%	13.8x	7.9x	2.9x	1.3x
Mitsubishi Chemical Group Corporation	JPN	\$8,405	\$26,259	\$33,993	7.9%	9.7x	6.1x	9.4x	0.8x
Nippon Soda Co., Ltd.	JPN	\$968	\$1,194	\$1,336	16.8%	5.9x	5.3x	4.4x	0.9x
Nissan Chemical Corporation	JPN	\$6,321	\$6,229	\$1,713	29.6%	15.9x	14.5x	12.1x	3.7x

Specialty Chemicals Global Comparable Public Companies (Continued)

Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
NOF Corporation	 NOF	JPN	\$3,756	\$3,174	\$1,600	20.6%	12.4x	8.0x	9.7x	2.0x
OCI Company Ltd.	 OCI	KOR	\$1,848	\$2,347	\$3,714	24.0%	27.2x	4.1x	2.7x	0.7x
Resonac Holdings Corporation	 SHOWA DENKO	JPN	\$2,965	\$9,621	\$10,560	12.1%	19.4x	6.6x	7.4x	0.9x
Solvay SA	 SOLVAY asking more from chemistry™	BEL	\$11,862	\$13,908	\$17,369	22.0%	6.8x	4.7x	3.6x	0.8x
Sumitomo Chemical Company, Limited	 SUMITOMO CHEMICAL	JPN	\$5,474	\$16,070	\$22,632	8.1%	8.4x	6.4x	8.1x	0.7x
Tessenderlo Group NV	 Tessenderlo Group EVERY MOLECULE COUNTS	BEL	\$2,674	\$2,794	\$2,765	17.7%	5.2x	3.8x	5.5x	1.0x
The Chemours Company	 Chemours	USA	\$4,455	\$7,215	\$6,566	15.1%	8.9x	6.1x	6.0x	1.1x
Toagosei Co., Ltd.	 TOAGOSEI	JPN	\$1,104	\$794	\$1,213	14.4%	4.0x	3.0x	4.2x	0.7x
UBE Corporation	 UBE	JPN	\$1,500	\$3,070	\$4,148	9.6%	5.8x	5.3x	11.3x	0.7x
						Mean	9.2x	6.0x	6.5x	1.0x
						Median	7.9x	5.7x	6.0x	0.9x

■ Excluded from mean and median

Agrochemicals Global Comparable Public Companies






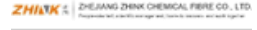








Company	Country	Market Cap. US\$M	Enterprise Value US\$M	Revenue US\$M	EBITDA Margin	Annual Average EV/EBITDA		First Quarter Mar. 31, 2023		
						2021	2022	EV/EBITDA	EV/Revenue	
American Vanguard Corporation		USA	\$645	\$701	\$610	10.9%	12.9x	10.5x	9.6x	1.1x
CF Industries Holdings, Inc.		USA	\$14,206	\$17,910	\$10,330	54.2%	9.3x	5.6x	2.7x	1.6x
Corteva, Inc.		USA	\$42,977	\$41,658	\$17,738	19.2%	11.0x	10.5x	11.8x	2.4x
CVR Partners, LP		USA	\$942	\$1,414	\$839	48.1%	12.6x	6.2x	3.5x	1.7x
FMC Corporation		USA	\$15,284	\$18,147	\$5,796	24.4%	13.3x	13.1x	12.5x	3.1x
Grupa Azoty S.A.		POL	\$826	\$2,458	\$5,630	9.8%	6.4x	4.5x	4.2x	0.4x
K+S Aktiengesellschaft		DEU	\$4,075	\$3,981	\$6,067	43.2%	9.6x	4.2x	1.5x	0.6x
Nutrien Ltd.		CAN	\$36,796	\$47,871	\$37,012	31.1%	11.2x	7.1x	4.0x	1.3x
OCI N.V.		NLD	\$7,155	\$10,663	\$8,757	32.3%	10.3x	3.8x	2.9x	1.1x
Sociedad Química y Minera de Chile S.A.		CHL	\$23,154	\$22,563	\$10,711	54.3%	24.0x	13.6x	3.9x	2.1x
The Mosaic Company		USA	\$15,438	\$18,650	\$18,807	27.7%	8.6x	5.0x	3.0x	1.0x
The Scotts Miracle-Gro Company		USA	\$3,902	\$7,562	\$3,738	13.0%	14.2x	11.1x	11.6x	1.9x
Yara International ASA		NOR	\$11,051	\$14,085	\$22,112	16.5%	7.3x	4.6x	3.2x	0.6x
						Mean	10.6x	7.7x	5.7x	1.5x
						Median	10.6x	6.2x	3.9x	1.3x

■ Excluded from mean and median

Chemicals – Q1 Global Transactions

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Mar-23		CHN	Operates in the research, development, production, and sale of chemical, oil, and polyester products	aramco 	Zhejiang Rongsheng Holding Group Co.,Ltd.	10.0%	\$3,573.0	23.1x	1.6x
Mar-23		BRA	Manufactures and distributes chemical, petrochemical, and derivative products		H L G CAPITAL	100.0%	-	-	-
Mar-23		IDN	Manufactures industrial gases	CVC	-	>50%	\$155.0	-	-
Mar-23		CHN	Manufactures industrial explosives		Multiple sellers	100.0%	\$79.2	-	-
Mar-23		IND	Manufactures and distributes construction chemicals	NEROLAC		40.0%	\$4.5	-	0.8x
Mar-23		CHN	Manufactures functional chemicals	Shanghai Fosun High Technology		29.6%	\$385.8	15.2x	2.3x
Mar-23		POL	Manufactures chemical products	KI CHEMISTRY	-	7.1%	\$47.4	4.2x	0.8x
Mar-23	Jiangsu Baoling Chemical Co., Ltd.	CHN	Manufactures pesticides		-	73.5%	-	-	-
Mar-23	Qinghai Yuntianhua International Fertilizer	CHN	Manufactures agrochemicals		Yuntianhua Group Co., Ltd.	98.5%	\$231.5	-	-
Mar-23		CHL	Manufactures agrochemicals	Multiple Buyers	Multiple sellers	40.0%	\$17.0	-	-
Mar-23		CHN	Manufactures agrochemicals	Multiple Buyers		20.0%	\$164.4	42.2x	1.8x
Mar-23		ITA	Manufactures performance chemicals	Multiple Buyers		100.0%	\$163.8	4.7x	0.7x
Feb-23		IRL	Manufactures agrochemicals		-	<50%	-	-	-

Chemicals – Q1 Global Transactions (Continued)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue	
Feb-23	 OSCAFOS	ESP	Manufactures ecological agrochemicals	 defeder	-	100.0%	-	-	-	
Feb-23	 THE CENTRAL CHEMICAL PUBLIC COMPANY LIMITED	THA	Manufactures agrochemicals	Multiple Buyers	Multiple sellers	16.5%	\$128.4	14.4x	1.4x	
Feb-23	 BOISVALOR	FRA	Manufactures wood-based fertilizers	 olmx Group	-	100.0%	-	-	-	
Feb-23	 五倍葉の自然といきる DIASALT	JPN	Manufactures salts and chemical products	 IA Partners	 MITSUBISHI MATERIALS	95.0%	-	-	-	
Feb-23	Sichuan Zhengdakai New Materials Co., Ltd.	CHN	Manufactures ethylene glycol	 WKAI 万凯	 ZHENKAI 震坤行	100.0%	\$51.2	-	-	
Feb-23	 HALCYON	SGP	Manufactures and distributes natural rubber products	China Rubber Investment Group	 SINOCEM	64.0%	\$1,493.0	36.5x	0.6x	
Jan-23	Cromo Química	BRA	Manufactures agrochemicals	 LAVORO	-	<50%	-	-	-	
Jan-23	 Sierra Biological Inc.	USA	Manufactures natural pesticides	 Beneficial Insectary	-	100.0%	-	-	-	
Jan-23	 Farg'onaazot	UZB	Manufactures and distributes chemical products	 INDORAMA	Multiple sellers	99.0%	\$140.0	-	-	
Jan-23	 Hase	USA	Manufactures and distributes chemicals used for maintenance of water systems	 WIND POINT PARTNERS	 GHK CAPITAL PARTNERS	100.0%	-	-	-	
								Mean	20.0x	1.2x
								Median	15.2x	1.1x

Representative Global Engagements

 has acquired 	 has acquired 	 has sold Triumph Processing - Embee Division to 	 has sold Triumph Air Repair & Triumph Engines businesses to 	 has acquired unified brands from 	 has partnered with a company backed by 	 has acquired 	 has sold the North American guarding business of to 	 has sold to 	 has sold to 	 a subsidiary of has sold to
 has sold to Daives Baird Pty Ltd a sister company of 	 has acquired 	 has sold to Code Flower Inc.	 has sold its GRACE Membranes Business a subsidiary of 	 has sold and to 	 has sold a controlling interest to 	 has been acquired by 	 has sold SENSI CARE and ALOE+VESTA to 	 has sold their Sanitaryware Manufacturing Plant to 	 has acquired Multiple snack companies 	 has sold to
 has sold Commercial Flight Training Business to 	 has been acquired by 	 has sold Oxbow Sulphur, Inc. to 	 has been acquired by 	 has sold to 	 Engineers & Constructors has acquired 	 has acquired 	 has acquired 	 has sold its SYCAR Resins business to 	 has sold to Private Equity Partners	 has been acquired by
 has sold to 	 has acquired KFC Costa Rica from 	 has been acquired by 	 has sold to 	 has sold the Films Business of to 	 has been acquired by 	 has sold to 	 Oxbow's Senior Subordinated debt issued by was refinanced by 	 has sold to 	 has acquired from THE MOORE COMPANY	 sold its concrete pumping business to

Advisor to Leading Companies Worldwide



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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

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Creative Solutions. Trusted Advice.

For over 20 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.

SERVICES AND SOLUTIONS

25
YEARS OF EXPERIENCE

\$50B+
CLOSED TRANSACTIONS
GLOBALLY

Mergers & Acquisitions

Divestitures

Joint Ventures / Alliances

Recapitalizations

Due Diligence / Support

Expert Witness Testimony

Corporate Finance Advisory

Strategy Consulting

Trusted Advisor to Leading Companies Worldwide

We have worked repeatedly with many of the most well-known companies in the world...

...as well as with reputable funds, family-offices and privately held companies.



Seale & Associates

Creative Solutions. Trusted Advice.