

## Introduction

We are pleased to share our Chemicals Industry Multiples Valuation Update for Q2 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 25+ 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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## Basic Chemicals Global Comparable Public Companies

			Market		Enterprise Revenue		Annual Average EV/EBITDA		Second Quarter Jun. 30, 2023	
Company		Country	Cap. US\$M	Value US\$M	US\$M	Margin	2021	2022	EV/ EBITDA	EV/ Revenue
AdvanSix Inc.	ADVANSix	USA	\$964	\$1,203	\$1,867	13.9%	6.1x	4.2x	3.9x	0.6x
ALPEK, S.A.B. de C.V.		MEX	\$2,093	\$4,592	\$11,260	10.9%	5.0x	3.5x	3.4x	0.4x
Braskem S.A.	Braskem	BRA	\$4,658	\$12,806	\$17,623	6.4%	7.3x	2.7x	9.3x	0.7x
Cabot Corporation CAB		USA	\$3,756	\$5,044	\$4,259	15.9%	8.4x	7.7×	7.1x	1.2x
Chemtrade Logistics Income Fund	CHEMTRADE	CAN	\$717	\$1,452	\$1,400	22.7%	9.7x	7.2x	4.0x	1.0×
Ciech S.A.	<b>I</b> Ciech	POL	\$694	\$1,063	\$1,371	16.3%	5.7x	4.8x	4.3x	0.7x
Cydsa, S.A.B. de C.V.	Cydsa	MEX	\$621	\$1,248	\$789	27.4%	7.0x	6.0x	5.5x	1.5x
Dow Inc.		USA	\$37,672	\$50,841	\$53,489	13.6%	7.6x	4.1x	5.9x	1.0×
Ercros, S.A. Ercros		ESP	\$328	\$415	\$1,065	10.7%	7.7×	5.0x	3.4x	0.4x
Hawkins, Inc.	HAWKINS	USA	\$1,005	\$1,117	\$935	12.0%	9.9x	9.7x	9.7x	1.2x

## Basic Chemicals Global Comparable Public Companies (Continued)

Company	Company				Revenue	EBITDA	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2023	
Company		Country	Cap. US\$M	Value US\$M	US\$M	Margin	2021	2022	EV/ EBITDA	EV/ Revenue
Koppers Holdings Inc.	<b>KOPPERS</b>	USA	\$710	\$1,635	\$2,109	10.9%	6.1x	6.7x	6.9x	0.8x
LyondellBasell Industries N.V.		USA	\$29,870	\$41,280	\$43,009	10.8%	8.5x	4.5x	6.6x	0.9x
Methanex Corporation methanex the power of agility		CAN	\$2,796	\$5,431	\$3,976	17.8%	11.7×	4.6x	5.4x	1.3x
Olin Corporation	<b>Olin</b> <sup>®</sup>	USA	\$6,643	\$9,638	\$7,846	22.6%	9.7x	4.0x	4.2x	1.1x
Tronox Holdings plc	TRONOX	USA	\$1,992	\$4,692	\$3,046	19.7%	7.6x	5.1x	5.9x	1.5x
Unipar Carbocloro S.A.		BRA	\$1,666	\$1,678	\$1,300	29.0%	5.7x	3.1x	3.5x	1.2x
Westlake Chemical Partners LP  Westlake Chemical Partners LP		USA	\$764	\$1,416	\$1,354	34.6%	3.6x	3.4x	3.0x	0.9x
						Mean	7.5x	5.1x	5.4x	1.0x
						Median	7.6x	4.6x	5.4x	1.0x

## Specialty Chemicals Global Comparable Public Companies

Company		Country	Market	Enterprise Value	Revenue		Annual Average EV/EBITDA		Second Quarter Jun. 30, 2023	
Company		Country	Cap. US\$M	US\$M	US\$M	Margin	2021	2022	EV/ EBITDA	EV/ Revenue
BASF SE	□ • BASF We create chemistry	DEU	\$43,395	\$64,341	\$91,520	11.1%	14.4x	5.2x	9.5x	0.7x
Compagnie de Saint-Gobain S.A.		FRA	\$31,112	\$40,582	\$54,715	12.7%	7.0x	5.2x	5.1x	0.7x
Daicel Corporation DAICEL 株式会社 <b>タイセル</b>		JPN	\$2,541	\$4,195	\$4,047	14.7%	6.8x	5.7x	7.4x	1.1x
Eastman Chemical Company EASTMAI		USA	\$9,975	\$15,195	\$10,278	16.6%	11.5x	7.2x	8.9x	1.5x
Huntsman Corporation  Huntsman Corporation		USA	\$4,896	\$6,410	\$7,437	10.4%	9.7x	5.6x	7.3x	0.9x
IMCD N.V.		NLD	\$8,179	\$9,302	\$4,940	12.1%	29.9x	21.4x	14.6x	1.8x
Kemira Oyj	Kemira	FIN	\$2,447	\$3,239	\$4,030	15.6%	7.3x	7.1×	4.8x	0.8x
LANXESS Aktiengesellschaft	LANXESS Energizing Chemistry	DEU	\$2,602	\$6,787	\$8,753	9.7%	7.4x	5.8x	7.4×	0.8x
LOTTE Fine Chemical Co., Ltd.	LOTTE FINE CHEMICAL	KOR	\$1,342	\$978	\$1,792	19.8%	4.3x	2.2x	2.1x	0.6x
LSB Industries, Inc.	LSB	USA	\$750	\$1,066	\$884	36.8%	13.8x	7.9x	3.1x	1.2x
Mitsubishi Chemical Group Corporation  MITSUBISHI CHEMICAL GROUP		JPN	\$8,490	\$24,369	\$34,863	12.7%	9.7x	6.1x	5.9x	0.8x
Nippon Soda Co., Ltd.		JPN	\$997	\$1,105	\$1,300	15.0%	5.9x	5.3x	4.7x	0.9x
Nissan Chemical Corporation	Nissan Chemical America Corporation	JPN	\$5,951	\$5,956	\$1,716	27.7%	15.9x	14.5x	13.3x	3.8x

### Specialty Chemicals Global Comparable Public Companies (Continued)

			Enterprise Market		Revenue	EBITDA	Annual Average EV/EBITDA		Second Quarter Jun. 30, 2023	
Company		Country Cap. US\$M		Value US\$M	US\$M	Margin	2021	2022	EV/ EBITDA	EV/ Revenue
NOF Corporation	<b>⊗</b> NOF	JPN	\$3,433	\$2,832	\$1,638	21.6%	12.4x	8.0x	8.7x	1.9x
OCI Holdings Company Ltd.			\$1,412	\$1,296	\$3,707	25.2%	27.2x	4.1x	1.4x	0.4x
Resonac Holdings Corporation	JPN	\$2,914	\$9,090	\$10,408	10.3%	19.4x	6.6x	9.0x	0.9x	
Solvay SA	SOLVAY asking more from chemistry*	BEL	\$11,589	\$13,275	\$17,369	19.9%	6.8x	4.7×	3.5x	0.8x
Sumitomo Chemical Company, Limited	SUMİTOMO CHEMICAL	JPN	\$4,937	\$15,673	\$21,780	4.9%	8.4x	6.4x	16.2x	0.8x
Tessenderlo Group NV	Tessenderlo Group EVERY MOLECULE COUNTS	BEL	\$2,798	\$2,923	\$2,765	17.7%	5.2x	3.8x	5.5x	1.0x
The Chemours Company	Chemours <sup>®</sup>	USA	\$5,502	\$8,556	\$6,566	15.1%	8.9x	6.1x	7.7×	1.3x
Toagosei Co., Ltd.	Ĝ TOAGOSEI	JPN	\$1,060	\$801	\$1,213	14.4%	4.0x	3.0x	4.9x	0.7x
UBE Corporation UBE		JPN	\$1,658	\$3,089	\$3,722	8.4%	5.8x	5.3x	24.0x	0.9x
Excluded from mean and median						Mean	9.2x	6.0x	7.2x	1.0x
						Median	7.9x	5.7x	7.3x	0.9x

Seale & Associates — Chemicals Q2 2023

## Agrochemicals Global Comparable Public Companies

Company		Country	Market	Enterprise Value	Revenue	EBITDA		Average Second Qua BITDA Jun. 30, 20		
Company		Country	Cap. US\$M	US\$M	US\$M	Margin	2021	2022	EV/ EBITDA	EV/ Revenue
American Vanguard Corporation	AMERICAN VANGUARD	USA	\$526	\$628	\$585	9.4%	12.9x	10.5x	10.2x	1.1x
CF Industries Holdings, Inc.	CF	USA	\$13,531	\$16,595	\$10,330	54.2%	9.3x	5.6x	2.8x	1.6x
Corteva, Inc.	<b>€</b> CORTEVA® agriscience	USA	\$40,733	\$44,243	\$17,738	19.3%	11.0x	10.5x	12.2x	2.5x
CVR Partners, LP	PARTNERS LP	USA	\$853	\$1,288	\$839	48.1%	12.6x	6.2x	3.1x	1.5x
FMC Corporation	<b>-FMC</b>	USA	\$13,057	\$16,946	\$5,796	24.4%	13.3x	13.1x	11.7×	2.9x
Grupa Azoty S.A.	Grupa azoty	POL	\$640	\$3,043	\$5,044	3.1%	6.4x	4.5x	16.1x	0.6x
K+S Aktiengesellschaft	K/S	DEU	\$3,334	\$2,956	\$6,145	43.0%	9.6x	4.2x	1.1x	0.5x
Nutrien Ltd.	Nutrien	° CAN	\$29,300	\$43,426	\$35,466	29.2%	11.2x	7.1x	3.9x	1.2x
OCI N.V.	OCI	NLD	\$5,053	\$8,578	\$8,757	32.4%	10.3x	3.8x	3.0x	1.0×
Sociedad Química y Minera de Chile S.A.	SQM	CHL	\$20,743	\$20,962	\$10,955	52.2%	24.0x	13.6x	3.7×	1.9x
The Mosaic Company	<b>Mosaic</b> <sup>®</sup>	USA	\$11,624	\$15,773	\$18,807	27.7%	8.6x	5.0x	2.8x	0.8x
The Scotts Miracle-Gro Company	Scotts Miracle Gro	USA	\$3,515	\$7,331	\$3,738	13.6%	14.2x	11.1x	12.1x	2.0x
Yara International ASA	VARA	NOR	\$9,006	\$11,974	\$22,112	16.5%	7.3x	4.6x	3.2x	0.6x
Excluded from mean and median						Mean	10.6x	7.7×	6.6x	1.4x
Sources: Capital IQ, Companies' Press Releases, Mergermarket			ı	7		Median	10.6x	6.2x	3.7x	1.2x

## Chemicals - Q2 Global Transactions

Date	Target	Country	y Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
Jun-23	Keni-tech WATER TREATMENT	DNK	Produces and sells chemical treatment of all types of water-carrying systems	<b>SDIPTECH</b>	-	100.0%	-	-	-
Jun-23	RESINASBYRSA	MEX	Produces alkyd, acrylic, and water-based resins	Reacciones QUIMICAS	-	100.0%	-	-	-
Jun-23	Intec industria tecno-chimica Member of Briolf Group	ITA	Produces and markets chemical products based on polyester and vinyl ester resins	∘ Briolf	-	100.0%	-	-	-
Jun-23	NATECH	USA	Produces and processes custom injection molded plastic parts and grade resins for industrial, electronic, medical, and consumer product applications	stratec	-	100.0%	\$30.0	-	1.8x
Jun-23	P Premier Periclase	IRL	Produces magnesium oxide and magnesium hydroxide products	Meridiam Gyrogy		100.0%	-	-	-
Jun-23	<b>Morse</b> Rubber	USA	Produces and markets specialized rubber products	<b>FL</b> Smidth	-	100.0%	-	-	-
Jun-23	DXHOLDING	USA	Produces and distributes essential chemicals for water treatment and different manufacturing processes	chemistry for daily life*	-	100.0%	-	-	-
May-23	Delta Chemical Corp. The Difference in Water Treatment	USA	Produces and distributes chemicals for potable and non-potable water treatment	WATER engineering inc.	-	100.0%	-	-	-
May-23	BEARDOW ADAMS Unique Adhesives	GBR	Develops, produces, and markets hot melt adhesives for bookbinding, labeling, packaging, product assembly, and others	H.B. Fuller	-	100.0%	\$100.4	-	-
May-23	Benz ADVANCING LUBRICATION	USA	Produces metalworking fluid products		-	100.0%	-	-	-
May-23	ECERAMIC INDUSTRIAL COATINGS	USA	Produces wood and concrete coating products	CANLAK COATINGS	-	100.0%	-	-	-

### Chemicals - Q2 Global Transactions (Continued)

Date	Target	Country	Description	Buyer	Seller	% Acquired	Size US\$M	EV/ EBITDA	EV/ Revenue
May-23	Ġ	USA	Produces custom-blended chemical products for metal fabrication, coil coating, plating, and wastewater treatment	HARBOUR GROUP	-	100.0%	-	-	-
May-23	VitalForce Fortaleciendo su Producción	BRA	Produces biological fertilizers for foliar and soil nutrition	& LWART	-	100.0%	-	-	-
May-23	COASTAL WELDING SUPPLY	USA	Produces high-quality industrial gases and precision fabrication gas blends		-	100.0%	-	-	-
May-23		USA	Provides plastic materials, and machined plastic parts and assemblies	TIGO (ET 1931)	-	100.0%	-	-	-
May-23	FORTRESS® FIRE RETARDANT SYSTEMS	USA	Develops chemical long-term fire retardant alternatives to combat wildfires	COMPASS MINERALS	-	55.0%	\$54.0	-	-
Apr-23	See The Difference We Make	CAN	Develops, produces, and markets color pigments and dispersions for coatings, plastics, and ink industries	Blackstone	-	100.0%	-	-	-
Apr-23	TEKAT	GBR	Develops and produces fuel additives for the automotive, marine, and industrial sectors	TCI3()CON	-	100.0%	-	-	-

### **Private Equity Transactions**

INDUSTRY CLASIFICATION	PERIOD	AVERAGE ENTERPRISE VALUE (IN USD)	REVENUE (IN USD)	TTM REVENUE GROWTH	ENTERPRISE VALUE / REVENUE	EBITDA MARGIN	ENTERPRISE VALUE /EBITDA	NUMBER OF TRANSACTIONS
	0-0-0-0	\$	\$	\$ \$ \equiv \text{\$}	\$	\$	\$ \( \frac{1}{2} \)	\$
Chemical and Allied Products Merchant Wholesalers  NAICS 424690 – Chemical and All Wholesalers	2019-2022  lied Products Merchant	\$59.6M	\$91.4M	24.2%	1.1x	14.7%	<b>7.7</b> x	5
Basic Organic Chemical Manufacturing  NAICS 325199 – Basic Organic Ch	<b>2017-2022</b> emical Manufacturing	\$52.7M	\$34.3M	6.2%	1.6x	20.6%	<b>7.6</b> x	5

Source: GF Data

#### **Notes:**

- Data obtained via GF Data, a subscription-based information platform, offering detailed information and metrics about the transactions of Private Equity funds in the U.S.
- The data is provided under a blind confidential format. Users of the data are unable to identify the exact company and transaction corresponding to the transaction details. Given this blind approach, the data submitted is less likely to be biased or manipulated.

# 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**

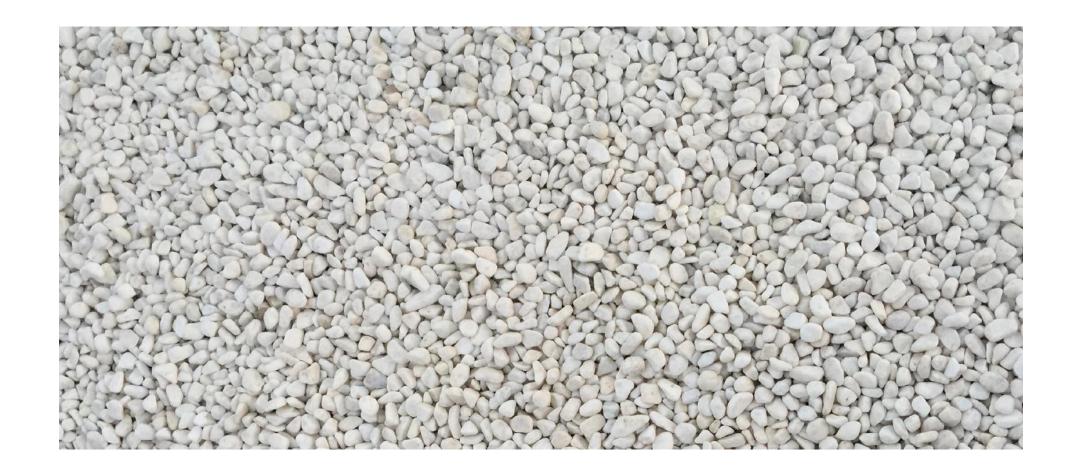
Seale & Associates acted as financial advisor to W.R. Grace & Co. (NYSE:GRA) on the sale of its specialty vermiculite business to Vermiculite Acquisition Corp., a sister company of Specialty Vermiculite Corporation. W.R. Grace's specialty vermiculite business is a leading producer of branded high-performance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





has sold its

Specialty Vermiculite
Business

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., Proveedora 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.





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 SEALE & ASSOCIATES' SECTOR RELEVANT EXPERIENCE

## Reacciones Químicas

**TARGET:** Barnices y Resinas S.A. de C.V. **TRANSACTION TYPE:** Buy-side Advisory

**INDUSTRIES:** Chemicals

**GEOGRAPHY:** Nuevo Leon, Mexico

#### **SITUATION**

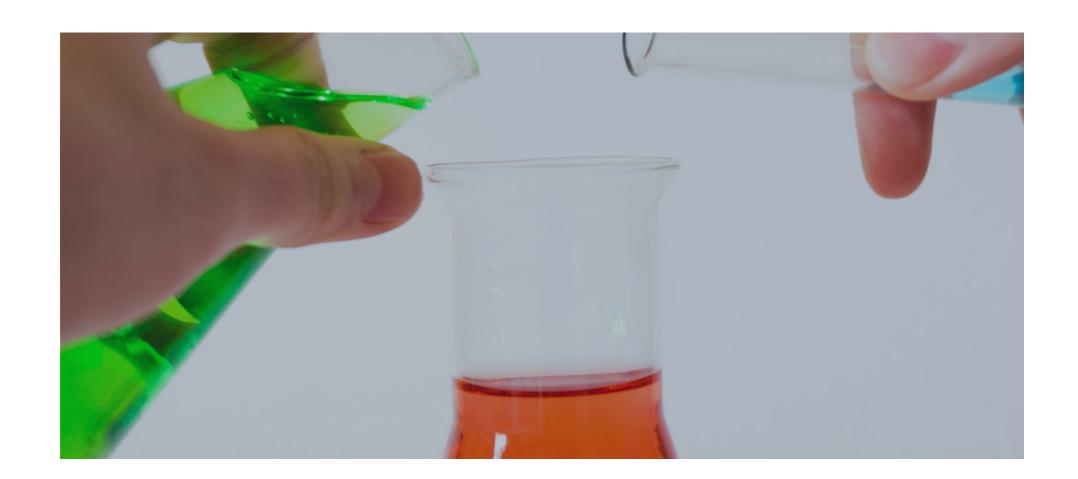
Seale & Associates acted as financial advisor to Reacciones Químicas S.A. de C.V. ("Reacciones Químicas") on the acquisition of Barnices y Resinas S.A. de C.V. ("BYRSA"). BYRSA is a leading manufacturing company for alkyd, acrylic, and water-based resins in Mexico's central region. Reacciones Químicas is a leading company for manufacturing and commercializing synthetic resins in Mexico with an ample distribution network for its products in the United States of America, Central America, the Caribbean, and South America.

#### **SEALE & ASSOCIATES' APPROACH**

Seale took part in a competitive auction process with potential strategic and financial targets for Reacciones Químicas. Seale also had the pleasure to coordinate with Santamarina y Steta (legal), Deloitte (accounting and fiscal), Galera (strategy), and Ramboll (environmental), among other advisors to Reacciones Químicas.

#### **OUTCOME**

The acquisition will strengthen Reacciones Químicas' position in the Mexican market and allow it to further develop a broader portfolio of solutions for its clients and increase its production capacity.





has acquired



"The acquisition of BYRSA constitutes an important strategic step for Reacciones Químicas. This new step will take us into further growth and learning that will directly translate into a better and more robust product portfolio for our clients, as well as higher production capacity."

Patricio Cueva CEO of Reacciones Químicas

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## Representative Global Engagements









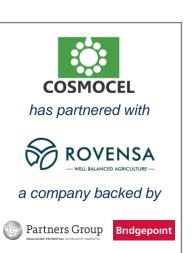
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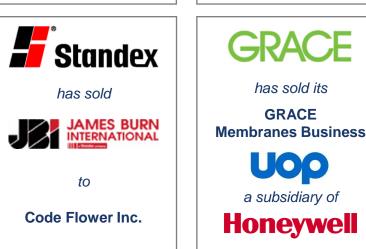




















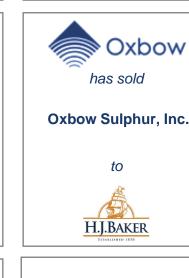


















































## Advisor to Leading Companies Worldwide









































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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 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.

YEARS OF EXPERIENCE



#### SERVICES AND SOLUTIONS

Mergers & Acquisitions

Divestitures

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Recapitalizations

Due Diligence / Support

**Expert Witness Testimony** 

Corporate Finance Advisory

Strategy Consulting

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



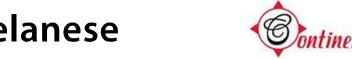






































































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