



EDGEPOINT

INDUSTRIALS: CHEMICALS AND COATINGS

- Strategic and financial-backed acquirers remain active in the Chemicals and Coatings M&A market. Deal activity accelerated in Europe and Asia during the third quarter, with a particular focus on distributors.
- The chemical distributors index continued to show strength, trading at a premium to the S&P 500 over the last six months, while the chemical manufacturer and coating manufacturer indices performed at and below the market respectively.
- The Industrial Production Index continued to show weakness due to supply chain and labor headwinds that continued through the third quarter. Volatility and labor challenges are expected to persist into mid-2022 as the markets continue to normalize following a period of volatility.
- EdgePoint expects that transaction volume will remain stable through the remainder of 2021 and into 2022, with supply chain-driven volatility maintaining the market's focus on the distribution side of the industry.

RECENT TRANSACTIONS (SELECTED)

Target	Date	Buyers / Investors	Region	Strategic / Financial
Murugappa Organo Water Solutions Limited	Oct 27	Murugappa Group Ltd.	APAC	Strategic
Scott Chemicals International Ltd	Oct 22	Caldic B.V.	APAC	Financial-Backed Strategic
GME Chemicals (S) Pte Ltd	Oct 20	Biesterfeld AG	APAC	Strategic
Advantage Chemicals Limited	Oct 11	Hadley Hargreaves Ltd	EMEA	Strategic
Geniechem Limited/Geniechem (Europe) Limited	Oct 6	Richard Baker Harrison Limited	EMEA	Strategic
Baze Chemical, Inc.	Oct 5	Verdant Specialty Solutions	US	Financial-Backed Strategic
GTG plin/Ardoks companies	Oct 4	Istrabenz Plini d.o.o.	EMEA	Strategic
Alflow Scandinavia A/S	Oct 1	Indutrade AB (publ)	EMEA	Strategic
Emission Control Materials Business of Mitsubishi Chem	Sep 30	Apollo Global Management, Inc.	APAC	Financial
Biesterfeld AG	Sep 30	Biesterfeld VermÖGensverwaltung	EMEA	Strategic
Autogrand Ltd.	Sep 29	Auto Plus Bulgaria Ad	EMEA	Strategic
Rit-Chem Co., Inc.	Sep 23	Azelis Group NV	US	Strategic
WWRC (China) Holdings Ltd.	Sep 27	CHEMSPEC, LTD.	APAC	Strategic
Penn Valley Chemical Company	Sep 13	Aramco, Inc.	US	Financial-Backed Strategic
Farr Front Chemical Services, L.L.C.	Sep 9	USA DeBusk, LLC	US	Financial-Backed Strategic
Ecopro Hn. Co., Ltd.	Sep 8	Ecopro Co., Ltd.	APAC	Financial-Backed Strategic
Gadot Chemical Terminals (1985) Ltd.	Sep 5	LBH Netherlands B.V.	EMEA	Strategic
Dynamic Diamond Tooling	Aug 27	Jon-Don, Inc.	US	Financial
Kirk Chemicals Aps/Kiltin A/S	Aug 26	SSG BidCo A/S	EMEA	Strategic
Casoria Company Limited	Aug 24	OQEMA AG	EMEA	Financial-Backed Strategic
Architectural Coatings Distributors, Inc	Aug 9	GMS Inc.	US	Strategic
Chemical Resources Holdings, Inc.	Aug 5	Benvic Europe SAS	US	Financial-Backed Strategic
Operating Assets and Business of Matrix Chemical, LLC	Aug 2	Brenntag SE	US	Strategic

For more information and insight please contact the EdgePoint Industrials team:

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EdgePoint Public Comparable Index Constituents

Diversified Chemicals Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2021E	LTM	2021E	LTM	LTM	3-Yr. CAGR		
Albemarle Corporation	\$30,890	32.0%	25.4%	\$821	\$805	31.5x	38.4x	\$3,229	-4.3%	-0.6%	\$250.47	99.0%
Ashland Global Holdings Inc.	7,390	30.4%	20.0%	478	567	14.3x	13.0x	2,395	3.0%	-5.1%	96.01	97.1%
BASF SE	86,894	25.1%	18.4%	15,942	13,239	5.1x	6.6x	86,610	29.0%	6.2%	72.02	85.5%
Celanese Corporation	20,634	29.8%	26.0%	2,042	2,850	9.2x	7.2x	7,853	42.9%	3.6%	161.51	92.9%
Clariant AG	8,442	30.9%	16.2%	690	771	10.7x	11.0x	4,271	-4.0%	-10.3%	21.00	93.0%
Eastman Chemical Company	19,188	24.8%	19.3%	1,926	2,202	9.9x	8.7x	9,968	17.4%	-0.6%	104.03	79.7%
Median		30.1%	19.6%	1,374	1,504	10.3x	9.8x	6,062	10.2%	-0.6%	100.0	93.0%
Mean		28.8%	20.9%	3,650	3,406	13.4x	14.1x	19,054	14.0%	-1.1%	117.5	91.2%

Chemical Distributors Index

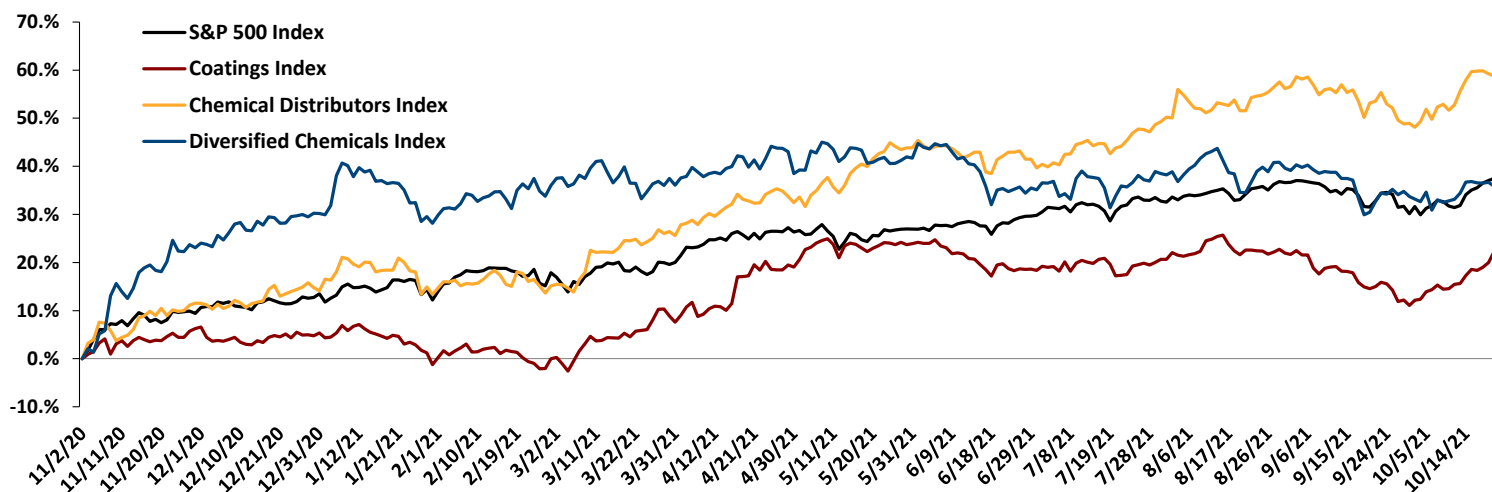
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Week High
		Gross	EBITDA	LTM	2021E	LTM	2021E	LTM	LTM	3-Yr. CAGR		
Brenntag SE	\$16,748	23.5%	7.4%	\$1,090	\$1,484	14.0x	11.3x	\$14,637	-0.6%	1.1%	\$95.10	94.1%
IMCD N.V.	13,604	24.5%	10.4%	378	457	34.2x	29.7x	3,629	12.6%	12.8%	222.07	98.9%
Univar Solutions Inc.	6,716	25.0%	7.4%	637	718	9.5x	9.4x	8,594	-1.9%	0.2%	25.58	91.4%
Median		24.5%	7.4%	637	718	14.0x	11.3x	8,594	-0.6%	1.1%	95.10	94.1%
Mean		24.3%	8.4%	702	886	19.2x	16.8x	8,953	3.4%	4.7%	114.25	94.8%

Coatings Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Week High
		Gross	EBITDA	LTM	2021E	LTM	2021E	LTM	LTM	3-Yr. CAGR		
Akzo Nobel N.V.	\$23,518	41.7%	15.1%	\$1,642	\$1,668	13.2x	14.1x	\$10,887	9.7%	0.6%	\$114.96	91.7%
PPG Industries, Inc.	44,665	40.7%	15.3%	2,511	2,678	16.1x	16.6x	16,369	19.1%	2.0%	160.57	87.8%
RPM International Inc.	13,793	38.5%	13.4%	821	832	15.1x	16.6x	6,150	9.0%	4.2%	87.20	87.8%
The Sherwin-Williams Company	92,872	44.7%	17.5%	3,437	3,455	23.0x	26.9x	19,671	9.4%	4.1%	316.61	97.8%
Median		41.2%	15.2%	2,077	2,173	15.6x	16.6x	13,628	9.5%	3.1%	\$137.77	89.7%
Mean		41.4%	15.3%	2,103	2,158	16.9x	18.5x	13,269	11.8%	2.7%	\$169.84	91.3%

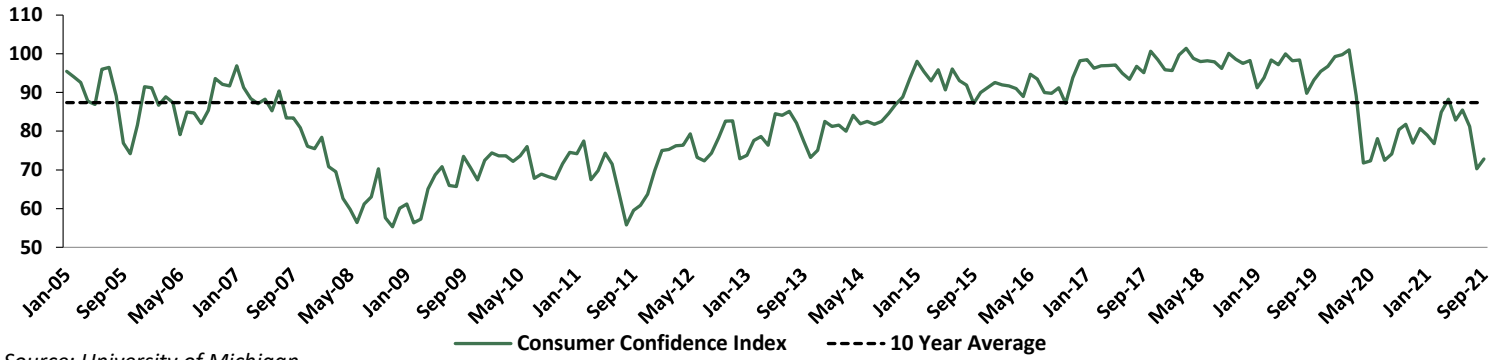
Source: S&P CapIQ (As of October 31, 2021)

Trailing Twelve Months Stock Performance

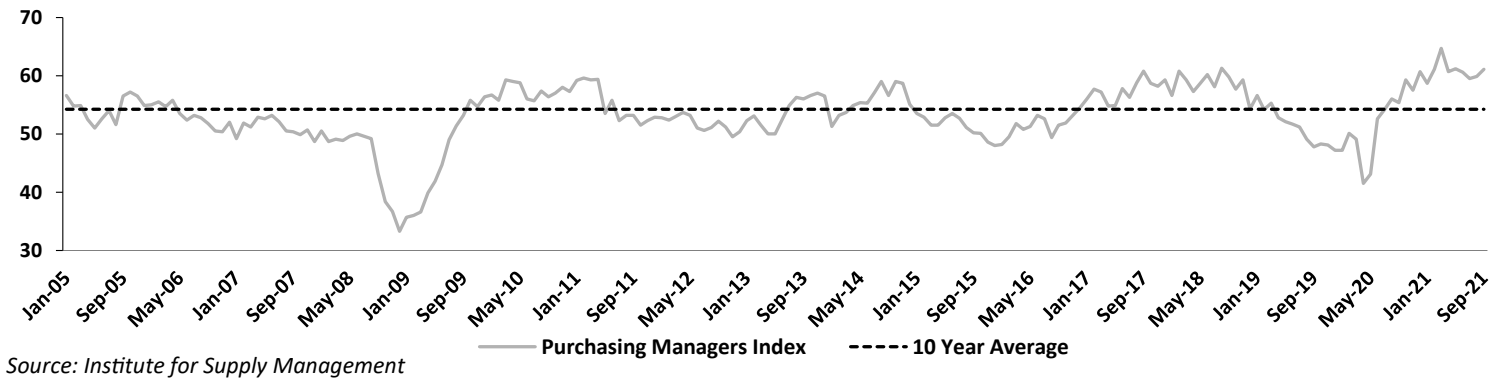


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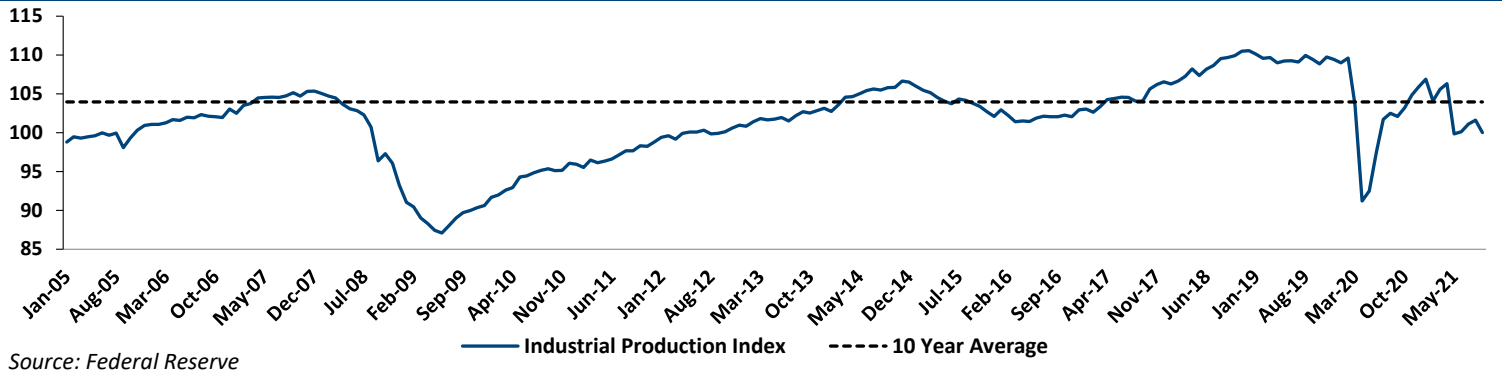
Consumer Confidence Index (2005 - 2021)



Purchasing Managers Index (2005 - 2021)



Industrial Production Index (2005 - 2021)



U.S. Real GDP Growth (2004 - 2021)

