



Quarterly Update

- Chemicals and Coatings M&A activity remained strong in the first quarter of 2022. Large strategic acquirers looked to increase product offerings, taking advantage of businesses divesting non-core assets.
- H.B. Fuller Co. (NYSE: FUL) closed two transactions in the first quarter, expanding their footprint in Europe.
- EdgePoint's Chemical Distributors Index has been stable and in line with broader market performance. EdgePoint's Coatings and Diversified Chemicals Indexes saw a large decline, beginning in late February, driven by supply chain concerns over Russia's invasion of Ukraine.
- U.S. industrial production continued to show strength in April, rising for the fourth straight month, as output increases were widespread across sectors. Consumer Confidence continues to wane, reaching a new 10-year low. First quarter Real GDP growth missed expectations, falling to -1.4% versus the prior year.
- EdgePoint expects Chemicals and Coatings activity to remain strong as industrial production continues to climb as company balance sheets demonstrate strong cash positions. Key short-term issues continue to be Russia's invasion of Ukraine and its effects on supply chains as well as overall market sentiment.

Recent Industrials Transactions (Selected)



For more information and insights, please contact the EdgePoint Industrials Group:



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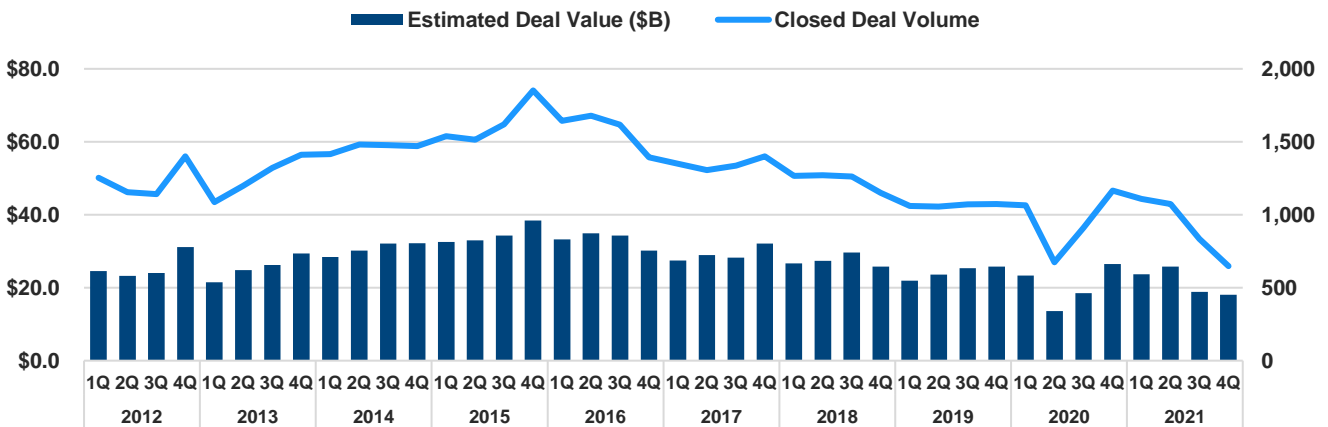
Industrials: Chemicals & Coatings | April 2022

Recent Chemicals & Coatings Transactions (Selected)

Target	Date	Buyers / Investors	Region	Strategic / Financial
Plasma Processes	Dec 21	Blue Sea Capital LLC	US	Financial
Fourny NV	Jan 11	H.B. Fuller Company	EMEA	Strategic
Trinity Specialty Compounding	Jan 12	Chemical Resources Holding Co.	US	Strategic
Apollo Chemicals	Jan 26	H.B. Fuller Company	EMEA	Strategic
Hexion Inc. (Global Epoxy Divison)	Feb 1	Westlake Chemical Company	EMEA	Strategic
Aquasurtech	Feb 9	The Sherwin-Williams Company	Canada	Strategic
Ningbo Zhetie Jiangning Chemical Co.	Feb 28	Sinopec Ningbo Zhenhai Refining & I	APAC	Strategic
Intertape Polymer Group Inc.	Mar 8	Clearlake Capital Group, L.P.	Canada	Financial
Lenmar Wood Finishes & Coatings	Mar 10	Gemini Coatings Inc.	US	Strategic
Yenkin-Majestic Paint (Consumer Division)	Mar 14	True Value Company	US	Strategic
Hexion Holdings Corporation	Mar 15	American Securities LLC	US	Financial-Backed Strategic
A.P. Nonweiler Company, Inc.	Mar 21	Renovo Capital, LLC	US	Strategic
ASFALTOS CHOVA, S.A.	Mar 31	BMI Group Holdings UK Limited	EMEA	Financial-Backed Strategic
Arsonsisi s.p.a. (Powder Coating Division)	Apr 1	PPG Industries, Inc.	EMEA	Strategic
Hohman Plating & Mfg.	Apr 5	Novaria Holdings LLC	US	Financial-Backed Strategic
IMPA CAR S.r.l.	Apr 7	Briolf Group	EMEA	Strategic
Flexible Solutions International	Apr 18	Lygos, Inc.	Canada	Strategic
ACS Enterprises	Apr 28	Apple Rush Company	US	Strategic
AccuChem Industrial Cleaning Chemicals	Apr 28	West Penetone, Inc.	Canada	Strategic
Chryso (Cement Grining Aids Division)	Apr 29	The Euclid Chemical Company	US	Strategic
Perstorp Holding AB	May 17	Petronas Chemicals Group	EMEA	Strategic

Source: S&P Capital IQ (April 30, 2022)

Global Lower-Middle Market Quarterly Deal Flow



Lower-middle market refers to deals valued at \$100 million or less

Source: Pitchbook (April 30, 2022)

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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	\$ 24,969	32.9%	28.1%	\$1,018	\$2,187	25.3x	14.1x	\$ 3,626	12.6%	2.3%	\$ 192.83	66.2%
Ashland Global Holdings Inc.	6,219	33.2%	21.8%	491	592	11.2x	10.0x	2,249	21.6%	-4.5%	104.97	94.5%
BASF SE	63,210	24.8%	14.2%	11,649	10,644	5.3x	5.8x	82,281	33.1%	11.0%	50.41	72.5%
Celanese Corporation	19,906	31.7%	28.3%	2,627	2,784	7.0x	7.2x	9,277	54.8%	9.9%	146.94	83.3%
Clariant AG	7,238	29.8%	15.2%	665	837	10.1x	9.1x	4,372	13.3%	-0.2%	16.78	82.3%
Eastman Chemical Company	18,156	22.7%	21.4%	2,305	2,160	7.9x	8.5x	10,781	24.8%	2.8%	102.67	78.7%
FMC Corporation	20,275	42.9%	26.4%	1,372	1,421	13.6x	13.5x	5,200	13.4%	6.0%	132.54	94.0%
Median		31.7%	21.8%	1,372	2,160	10.1x	9.1x	5,200	21.6%	2.8%	105.0	82.3%
Mean		31.2%	22.2%	2,875	2,947	11.5x	9.8x	16,827	24.8%	3.9%	106.7	81.6%

Chemical Distributors Index

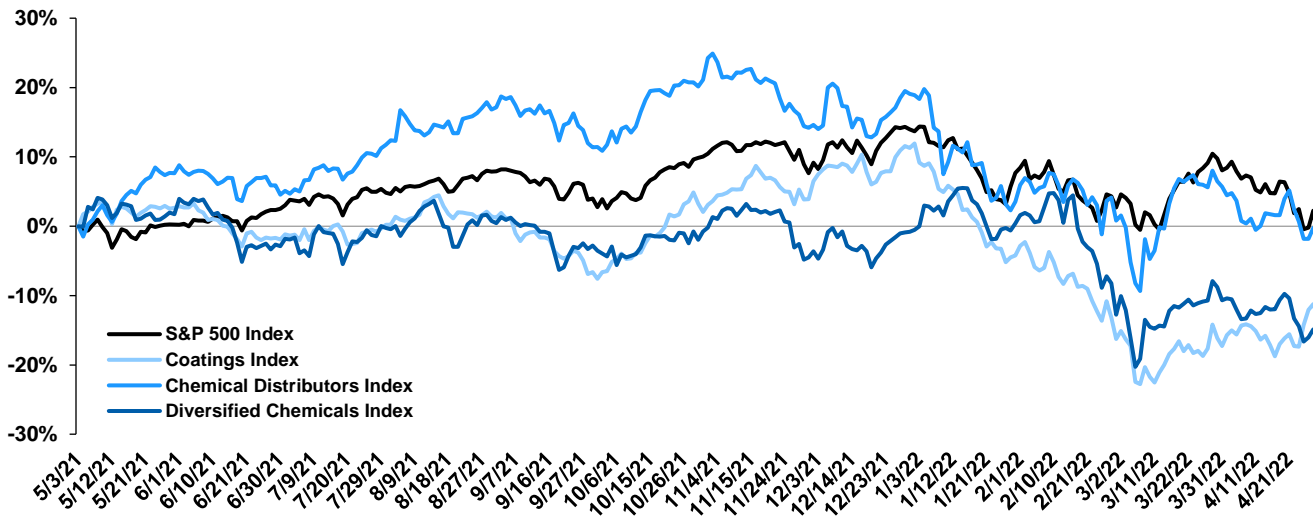
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2021E	LTM	2021E	LTM	LTM	3-Yr. CAGR		
Brenntag SE	\$ 13,667	23.1%	7.5%	\$1,191	\$1,570	10.0x	8.3x	\$ 15,783	34.7%	7.4%	\$ 73.94	84.6%
IMCD N.V.	9,637	24.7%	11.0%	379	485	21.5x	17.8x	3,453	23.9%	13.1%	152.70	72.3%
Univar Solutions Inc.	7,337	25.4%	9.7%	996	1,038	6.9x	7.0x	10,263	25.0%	5.9%	29.12	85.6%
Median		24.7%	9.7%	996	1,038	10.0x	8.3x	10,263	25.0%	7.4%	73.94	84.6%
Mean		24.4%	9.4%	855	1,031	12.8x	11.0x	9,833	27.9%	8.8%	85.25	80.8%

Coatings 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		
Akzo Nobel N.V.	\$ 17,594	39.0%	13.0%	\$1,281	\$1,631	12.3x	10.6x	\$ 9,849	12.8%	2.1%	\$ 83.10	76.6%
PPG Industries, Inc.	37,330	37.8%	12.7%	2,185	2,757	14.5x	13.0x	17,229	20.2%	4.2%	127.99	70.0%
RPM International Inc.	13,401	36.9%	12.2%	787	986	15.6x	13.9x	6,468	11.1%	5.4%	82.90	81.7%
The Sherwin-Williams Company	83,261	41.8%	15.3%	3,094	3,745	21.3x	21.0x	20,287	7.5%	4.8%	274.96	77.6%
Median		38.4%	12.8%	1,733	2,194	15.0x	13.4x	13,539	11.9%	4.5%	\$105.55	77.1%
Mean		38.9%	13.3%	1,837	2,279	15.9x	14.6x	13,458	12.9%	4.1%	\$142.24	76.5%

Source: S&P Capital IQ (April 30, 2022)

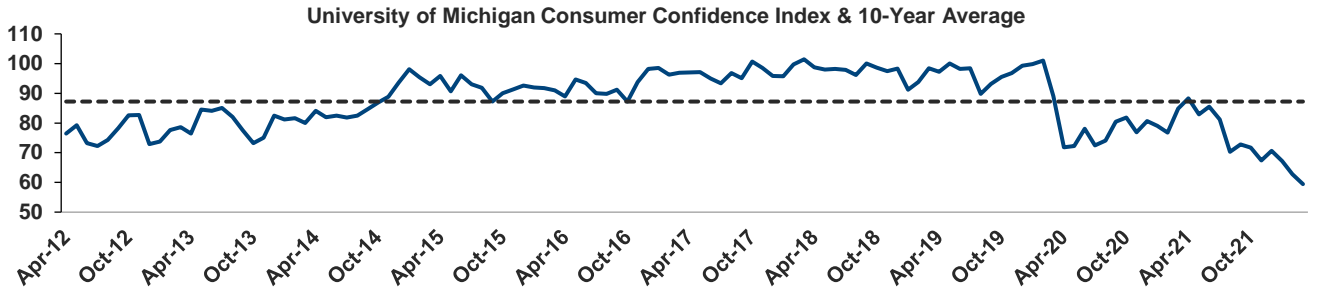
EdgePoint Comparable Index Trailing Twelve Months Stock Performance



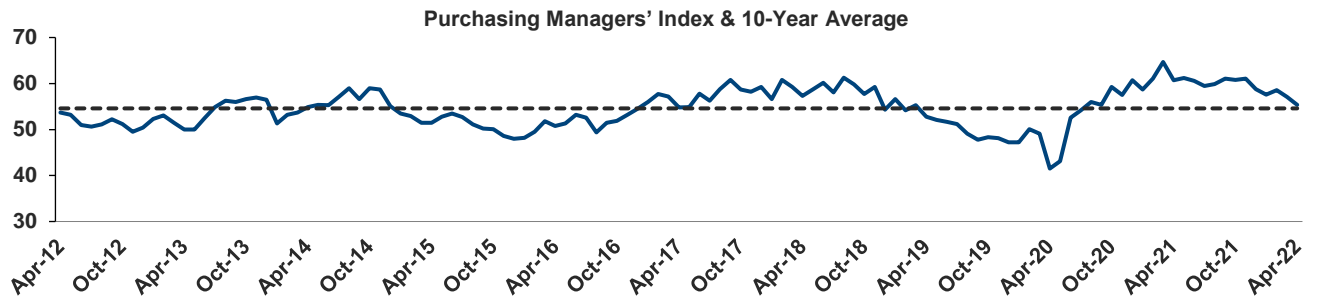
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Industrials: Chemicals & Coatings | April 2022

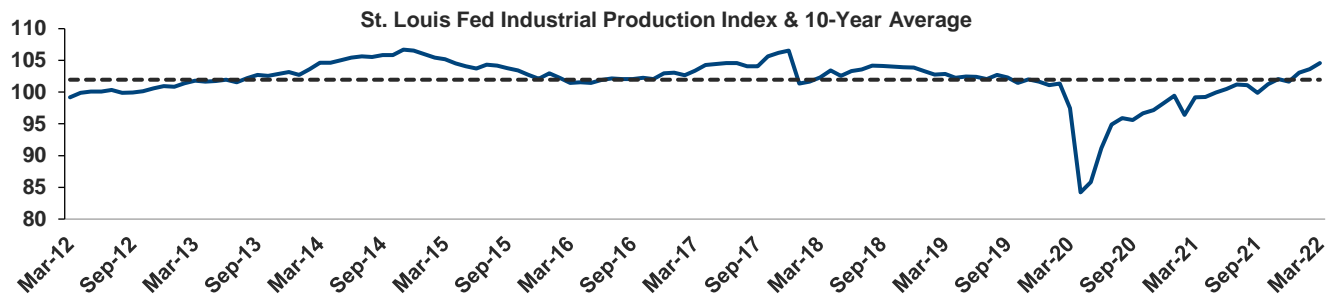
Key Macroeconomic Indicators



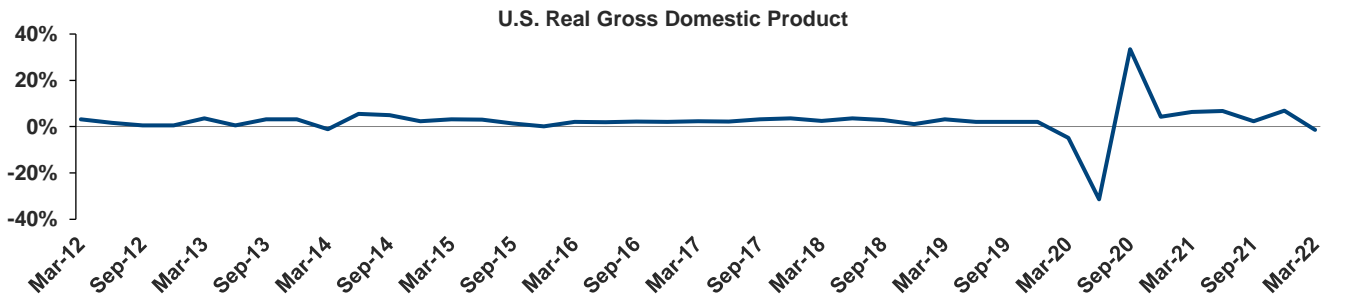
Source: University of Michigan



Source: Institute for Supply Management



Source: The Federal Reserve Bank of St. Louis



Source: Bureau of Economic Analysis