



Quarterly Update

- Chemicals and Coatings M&A activity remained steady in Q3 2022. Strategic acquirers continued to lead deal volume while financial buyers were also active.
- SK Capital Partners holding, Deltech, closed its transaction of Connecticut-based StanChem. SK Capital has now made three transactions in the specialty chemicals space this year.
- Since our last report in July, EdgePoint's Chemical Distributors, Coatings, and Diversified Chemicals Indices have remained in-line with the broader market.
- Consumer confidence has risen slightly over the last two months but still near all-time lows. Industrial production remains above its 10-year average.
- EdgePoint expects Chemicals and Coatings activity to remain steady as financial sponsors and company balance sheets possess strong cash positions and have demonstrated an appetite to deploy capital.
- Key economic issues to watch are the Federal Reserve's response to inflation, the midterm election's impact on policy, and whether we see continued slowing in US housing starts and existing home sales.

Recent Industrials Transactions (Selected)



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



Matt Keefe
Managing Director
Industrials Group

Phone: (216) 342-5863
Email: mkeefe@edgepoint.com

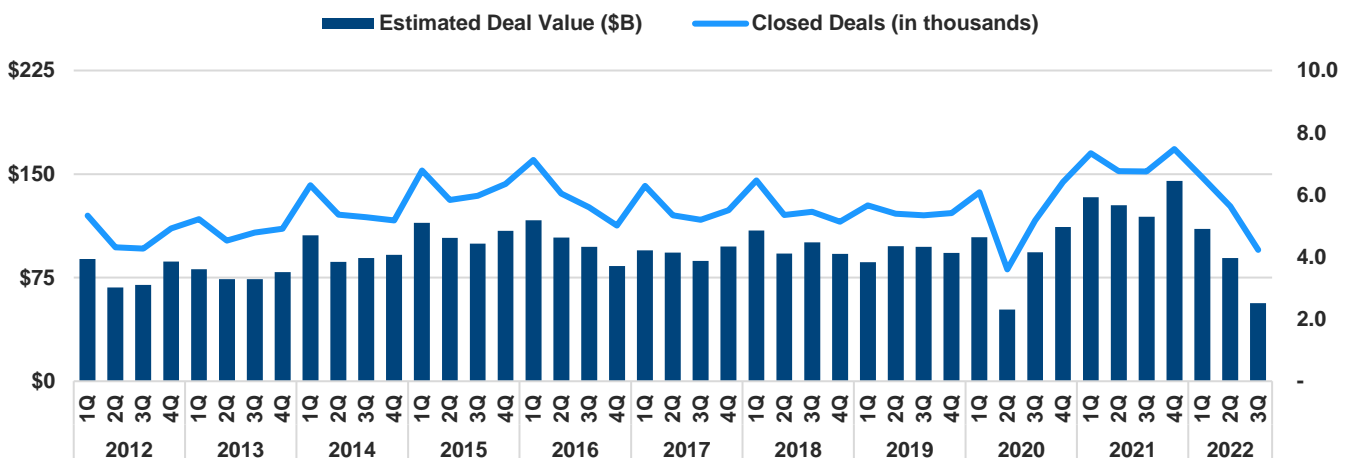
Industrials: Chemicals & Coatings | October 2022

Recent Chemicals & Coatings Transactions (Selected)

Target	Date	Buyers / Investors	Region	Strategic / Financial
Textile Effects Div. of Huntsman International	Aug 9	Archroma	United States	Strategic
Clearon Corp.	Aug 11	Solenis International LLC	United States	Strategic
ChemQuest Chemicals, LLC	Sep 6	Seatex LLC	United States	Strategic
In-Line Finishing Solutions LLC	Sep 6	Advanced Applied Adhesives, Inc.	United States	Strategic
Frontier Scientific, Inc.	Sep 7	eMolecules, Inc.	United States	Strategic
Seal It Services Limited	Sep 15	Astral Limited	United States	Financial-Backed Strategic
Surfactant Div. PerformanX Specialty Chemicals	Sep 23	Stepan Company	United States	Strategic
Kelly-Moore Paint Company, Inc.	Sep 30	Flacks Group	United States	Financial
Extrusiones de Toledo, S.A.	Sep 30	OpenGate Capital	EMEA	Financial
SynLok Technologies, LLC	Oct 3	Textile Rubber & Chemical Co., Inc.	United States	Strategic
Tournaire SA	Oct 3	Motion Equity Partners	EMEA	Financial
ITW Polymers Sealants North America, Inc.	Oct 4	Holcim Ltd	EMEA	Strategic
StanChem, Inc.	Oct 4	Deltech LLC	United States	Financial-Backed Strategic
Industria Chimica Adriatica SpA	Oct 5	Sherwin-Williams	EMEA	Strategic
Briar Chemicals Ltd.	Oct 10	Safex Chemicals India Limited	EMEA	Financial-Backed Strategic
Industrial Materials Div. of Entegris, Inc.	Oct 11	Infinium USA	United States	Strategic
Neo Performance Materials Inc.	Oct 13	HTM Investments	Canada	Financial
ASHTA Chemicals Inc.	Oct 19	INEOS Enterprises Group Limited	United States	Strategic
AgroFresh Solutions, Inc.	Oct 26	Paine Schwartz Partners	United States	Financial

Source: S&P Capital IQ (October 31, 2022)

Global Lower-Middle Market Quarterly Deal Flow



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

Source: Pitchbook (September 31, 2022)

Industrials: Chemicals & Coatings | October 2022

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	\$ 35,139	41.5%	38.0%	\$ 2,123	\$ 3,445	21.4x	10.3x	\$ 5,593	68.8%	16.7%	\$ 279.87	90.8%
Ashland Inc.	6,417	34.7%	23.0%	551	614	10.9x	10.5x	2,391	13.3%	3.6%	104.92	92.9%
BASF SE	61,078	24.1%	13.2%	11,605	10,998	5.1x	5.6x	87,779	17.5%	15.0%	45.44	65.7%
Celanese Corporation	13,680	28.3%	24.3%	2,334	2,664	5.0x	5.1x	9,600	22.2%	13.6%	96.12	54.5%
Clariant AG	6,416	28.8%	15.6%	766	891	7.4x	7.3x	4,901	24.1%	3.6%	16.11	79.0%
Eastman Chemical Company	14,097	21.7%	20.3%	2,217	1,891	6.0x	7.5x	10,901	9.4%	4.9%	76.81	59.3%
FMC Corporation	18,202	40.4%	24.2%	1,356	1,401	13.0x	13.2x	5,594	16.9%	7.4%	118.90	84.3%
Median		28.8%	23.0%	2,123	1,891	7.4x	7.5x	5,594	17.5%	7.4%	96.1	79.0%
Mean		31.3%	22.7%	2,993	3,129	9.8x	8.5x	18,108	24.6%	9.3%	105.5	75.2%

Chemical Distributors Index

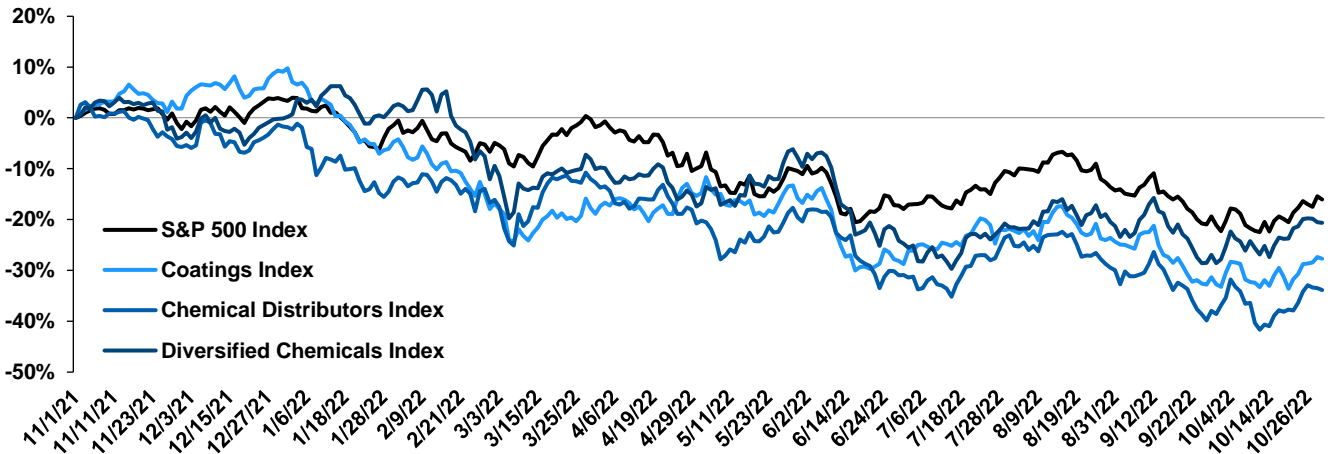
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2021E	LTM	2021E	LTM	LTM	3-Yr. CAGR		
Brenntag SE	\$ 12,122	22.8%	8.0%	\$ 1,384	\$ 1,828	8.1x	6.6x	\$ 17,374	40.5%	10.7%	\$ 61.44	71.9%
IMCD N.V.	8,616	25.0%	11.8%	482	527	17.1x	16.0x	4,091	33.7%	15.8%	131.30	62.1%
Univar Solutions Inc.	6,534	24.8%	10.0%	1,133	1,056	5.9x	6.4x	11,381	25.4%	7.7%	25.48	74.9%
Median		24.8%	10.0%	1,133	1,056	8.1x	6.6x	11,381	33.7%	10.7%	61.44	71.9%
Mean		24.2%	9.9%	1,000	1,137	10.3x	9.7x	10,949	33.2%	11.4%	72.74	69.7%

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.	\$ 15,245	36.3%	9.9%	\$ 1,058	\$ 1,167	13.0x	12.9x	\$ 10,643	13.3%	4.4%	\$ 62.44	59.7%
PPG Industries, Inc.	33,448	37.0%	12.2%	2,161	2,423	13.6x	13.8x	17,657	7.9%	5.3%	114.18	64.4%
RPM International Inc.	15,106	36.7%	12.4%	868	990	15.7x	15.3x	6,990	13.7%	7.8%	94.57	93.2%
The Sherwin-Williams Company	70,270	41.4%	15.4%	3,328	3,600	17.8x	19.6x	21,681	10.2%	6.7%	225.03	63.5%
Median		36.8%	12.3%	1,610	1,795	14.6x	14.5x	14,150	11.8%	6.0%	\$104.38	64.0%
Mean		37.8%	12.5%	1,854	2,045	15.0x	15.4x	14,243	11.3%	6.1%	\$124.06	70.2%

Source: S&P Capital IQ (October 31, 2022)

EdgePoint Comparable Index Trailing Twelve Months Stock Performance

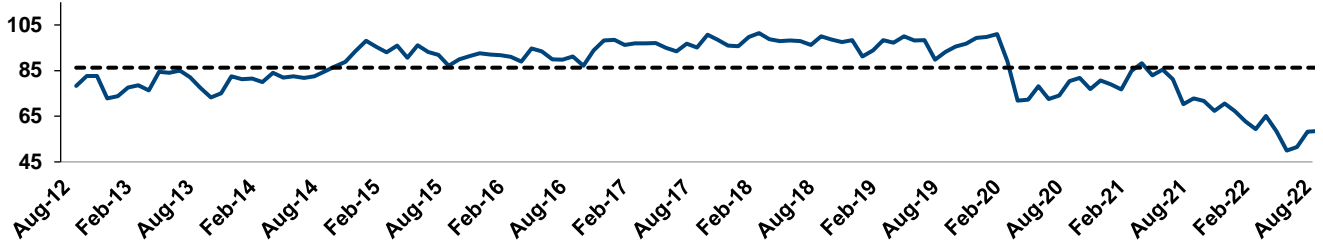


Source: S&P Capital IQ (October 31, 2022)

Industrials: Chemicals & Coatings | October 2022

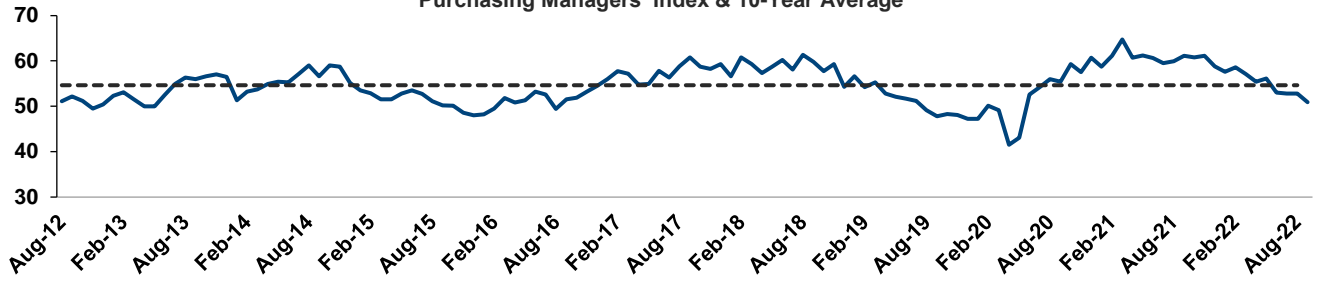
Key Macroeconomic Indicators

University of Michigan Consumer Confidence Index & 10-Year Average



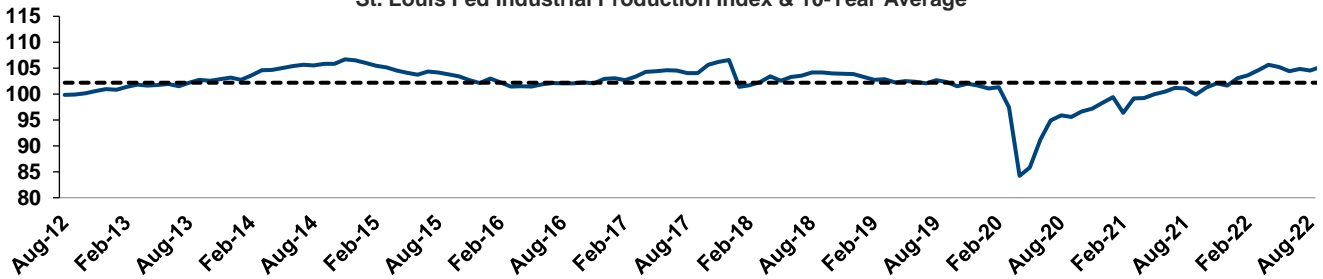
Source: University of Michigan

Purchasing Managers' Index & 10-Year Average



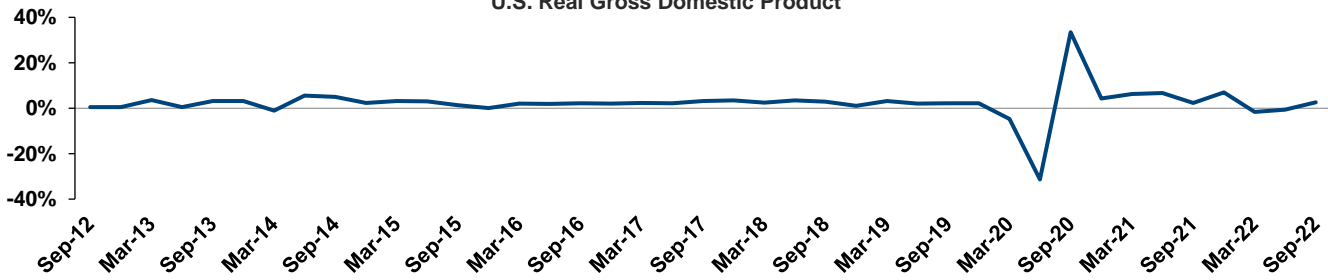
Source: Institute for Supply Management

St. Louis Fed Industrial Production Index & 10-Year Average



Source: The Federal Reserve Bank of St. Louis

U.S. Real Gross Domestic Product



Source: Bureau of Economic Analysis