



Quarterly Update

- The Chemicals & Coatings subsector saw strong deal volume in the first quarter of 2023, as strategic acquisitions continued to drive industry consolidation.
- Apollo Global Management (NYSE:APO), acquired Univar Solutions in March at a valuation of \$8.1 billion – one of the largest recent transactions in the sector. Univar Solutions is a leading, global distributor of commodity and specialty chemicals.
- EdgePoint's Chemical Distribution index outperformed the S&P 500 in the first quarter, while the Coatings index retreated to below-market performance after trading at a premium to the S&P 500 over the last twelve months.
- The chemicals distribution market continues to see significant M&A activity with both strategics, and sponsor backed platforms actively seeking growth opportunities.
- EdgePoint expects subsector deal activity to remain resilient as buyers focus on quality, fit, and geography. Businesses that have performed well over the last few years by managing supply chain issues, inflation, and other headwinds will continue to command attention in M&A processes.

Recent Industrials Transactions (Selected)

MPS
MULTI PARTS
has been recapitalized by
RADIAL

JML OPTICAL
Custom Optics • Prototypes to Production
a portfolio company of
Five Points CAPITAL
has been acquired by
THORLABS

SMEDE-SON STEEL
Grainland, Inc.
& Supply Company, Inc.
has been acquired by
CREDO
PRIVATE CAPITAL
and
LEELANAU
PRIVATE CAPITAL

SURPLUS CITY
HVAC & SUPPLIES
has been acquired by
FOXHOLE
GROUP

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



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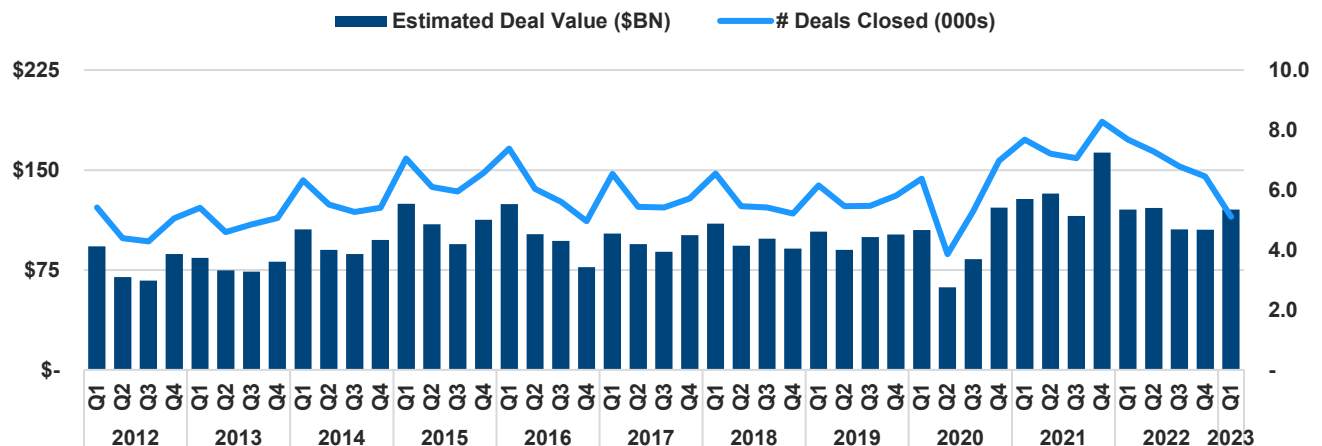
Industrials: Chemicals & Coatings | April 2023

Recent Chemicals & Coatings Transactions (Selected)

Target	Date	Buyers / Investors	Region	Strategic / Financial
Advantage Metal Products	Apr 25	Atelier D'usinage Megatech A.Q. Inc.	United States	Strategic
Baba Fine Chemicals	Apr 22	Ami Organics Limited	EMEA	Strategic
MAPRIL - Produtos Químicos e Maquinas Para	Apr 20	DEG-Deutsche Investitions	EMEA	Strategic
ACM AB	Apr 20	IMCD N.V.	Sweden	Strategic
SOLEVO Holding B.V.	Apr 18	DEG-Deutsche Investitions	EMEA	Financial
Coatings Hub, Inc.	Apr 5	JON-DON, LLC	EMEA	Financial-Backed Strategic
Tecnoresil SYSTEMS S.L.	Apr 5	Propamsa, S.A.U.	APAC	Strategic
Total Polymer Solutions Limited	Apr 4	Formerra	EMEA	Financial-Backed Strategic
Japan U-Pica Company, Ltd.	Mar 31	Mitsubishi Gas Chemical Company, Inc.	EMEA	Strategic
Brockley Group Limited	Mar 31	Tennants Consolidated Ireland Limited	Ireland	Strategic
Nerofix Private Limited	Mar 31	Oswaldo Cruz Química Indústria E Comércio	India	Strategic
Pure Planet Science & Technology, Inc.	Mar 27	Hasa, Inc.	APAC	Financial-Backed Strategic
Elekeiroz S.A.	Mar 23	Oswaldo Cruz Química Indústria E Comércio	Brazil	Strategic
Aik Moh Paints & Chemicals Pte Ltd.	Mar 22	Brenntag SE	Singapore	Strategic
Bron Tapes, Inc.	Mar 21	Rotunda Capital Partners, LLC	United States	Financial
ICP Industrial, Inc.	Mar 16	Stahl Holdings B.V.	EMEA	Strategic
Univar Solutions Inc.	Mar 14	Apollo Global Management, Inc.	EMEA	Financial
REVCO Magyarország Kft.	Mar 13	Saint-Gobain Hungary Kft	APAC	Strategic
Ciech S.A.	Apr 20	Ki Chemistry S.à R.L.	Poland	Strategic
Diversey Holdings, Ltd.	Mar 8	Aurorium Holdings LLC	United States	Strategic
BuLi Chemicals India Private Limited	Mar 4	Neogen Chemicals Limited	EMEA	Strategic
CRW Consulting & Distribution, LLC	Mar 3	Aurorium Holdings LLC	APAC	Financial-Backed Strategic
Centauri Technologies, L.P.	Mar 1	Vertellus Holdings LLC (nka:Aurorium Holdings LLC)	United States	Strategic
Orange Chemicals Limited	Feb 28	IMCD UK Limited	United Kingdom	Financial
Diasalt Corporation	Feb 28	IA Partners Inc.	Japan	Financial-Backed Strategic
Refinery Specialties, Inc.	Feb 21	Imperative Chemical Partners	APAC	Financial-Backed Strategic
Pro Form Products Ltd.	Feb 16	Transtar Autobody Technologies, Inc.	APAC	Strategic
CPS Chemical Oil-Tech (Pty) Ltd	Feb 16	IMCD N.V.	South Africa	Strategic
Polylink Polymers (India) Limited	Feb 13	Kashipur Holdings Ltd.	India	Strategic
Al-Red Technology (Dalian) Co., Ltd.	Feb 1	Eastman Chemical Company	China	Strategic

Source: S&P Capital IQ (May 1, 2023)

Global Lower-Middle Market Quarterly Deal Flow



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

Source: Pitchbook (January 31, 2023)

Industrials: Chemicals & Coatings | April 2023

EdgePoint Public Comparable Index Constituents

Diversified Chemicals Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2023E	LTM	2023E		LTM	3-Yr. CAGR		
Albemarle Corporation	\$ 22,855	42.0%	39.2%	\$ 2,868	\$ 4,328	6.2x	5.3x	\$ 7,320	120.0%	26.8%	\$ 177.27	53.0%
Ashland Inc.	6,355	34.7%	22.6%	543	637	10.8x	10.0x	2,404	11.6%	-0.6%	100.56	87.9%
BASF SE	61,064	23.6%	11.1%	9,382	9,066	9.8x	6.7x	84,235	2.4%	11.7%	46.85	86.7%
Celanese Corporation	25,682	24.6%	20.4%	1,975	2,818	11.2x	9.1x	9,673	13.3%	15.4%	104.63	64.8%
Clariant AG	5,807	28.7%	15.6%	813	847	6.4x	6.9x	5,198	18.9%	5.7%	14.86	75.4%
Eastman Chemical Company	15,050	20.9%	16.6%	1,710	1,829	8.8x	8.2x	10,278	-4.7%	4.0%	82.50	73.2%
FMC Corporation	18,351	40.1%	24.2%	1,407	1,542	12.7x	11.9x	5,802	15.0%	8.0%	123.76	92.1%
Median		28.7%	20.4%	1,710	1,829	9.8x	8.2x	7,320	13.3%	8.0%	100.6	75.4%
Mean		30.7%	21.4%	2,671	3,010	9.4x	8.3x	17,844	25.2%	10.1%	92.9	76.2%

Chemical Distributors Index

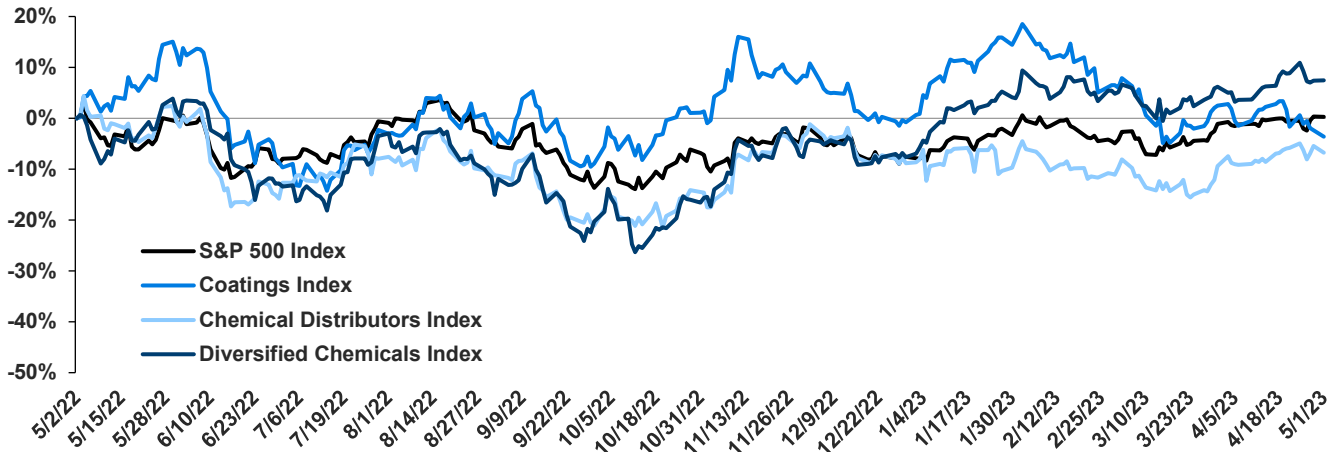
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2023E	LTM	2023E		LTM	3-Yr. CAGR		
Brenntag SE	\$ 13,491	20.9%	8.2%	\$ 1,586	\$ 1,660	7.8x	8.1x	\$ 19,429	35.1%	14.9%	\$ 73.78	97.5%
IMCD N.V.	8,776	25.3%	12.1%	561	591	15.0x	14.8x	4,622	33.6%	19.6%	136.20	84.4%
Univar Solutions Inc.	7,872	24.3%	9.1%	1,046	922	7.1x	8.5x	11,475	20.3%	7.3%	35.54	99.8%
Median		24.3%	9.1%	1,046	922	7.8x	8.5x	11,475	33.6%	14.9%	73.78	97.5%
Mean		23.5%	9.8%	1,064	1,058	10.0x	10.5x	11,842	29.7%	13.9%	81.84	93.9%

Coatings Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue LTM	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2023E	LTM	2023E		LTM	3-Yr. CAGR		
Akzo Nobel N.V.	\$ 17,306	35.7%	8.6%	\$ 947	\$ 1,393	16.3x	12.4x	\$ 10,978	11.5%	6.3%	\$ 75.14	88.3%
PPG Industries, Inc.	39,643	38.2%	13.9%	2,455	2,811	14.5x	14.1x	17,724	2.9%	6.0%	139.76	96.0%
RPM International Inc.	13,401	37.5%	13.0%	936	981	13.0x	13.7x	7,224	11.7%	8.5%	81.35	76.4%
The Sherwin-Williams Company	72,684	42.9%	16.6%	3,740	3,720	16.6x	19.5x	22,593	11.4%	7.9%	231.94	81.9%
Median		37.9%	13.4%	1,701	2,102	15.4x	13.9x	14,351	11.4%	7.1%	\$110.56	85.1%
Mean		38.6%	13.0%	2,020	2,226	15.1x	14.9x	14,630	9.3%	7.2%	\$132.05	85.7%

Source: S&P Capital IQ (May 1, 2023)

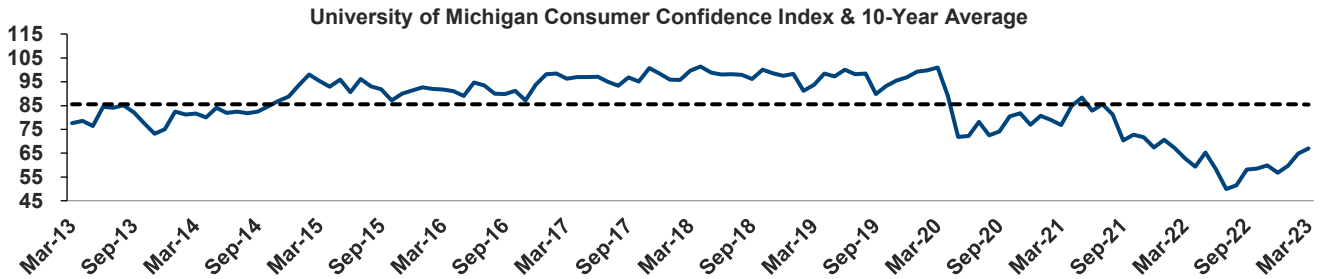
EdgePoint Comparable Index Trailing Twelve Months Stock Performance



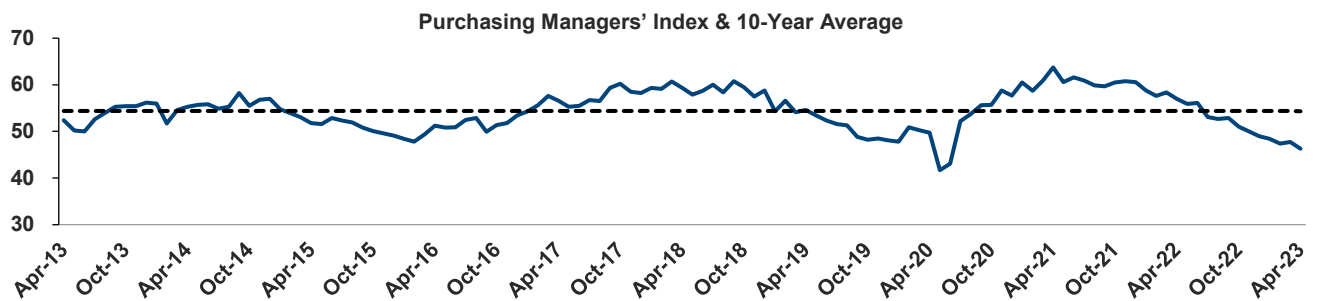
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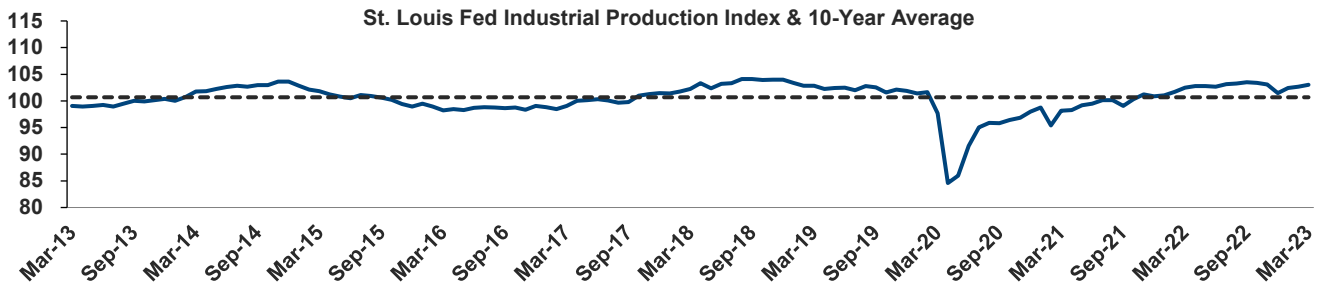
Key Macroeconomic Indicators



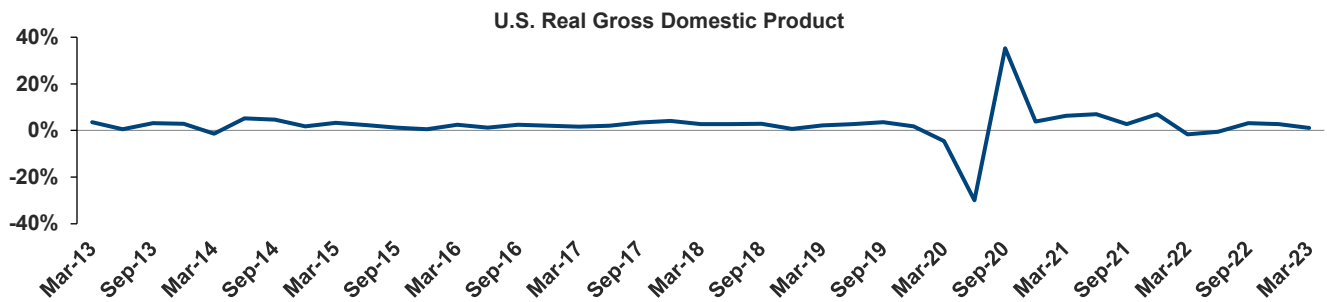
Source: University of Michigan



Source: Institute for Supply Management



Source: The Federal Reserve Bank of St. Louis



Source: Bureau of Economic Analysis