

April 2018 Industry snapshot

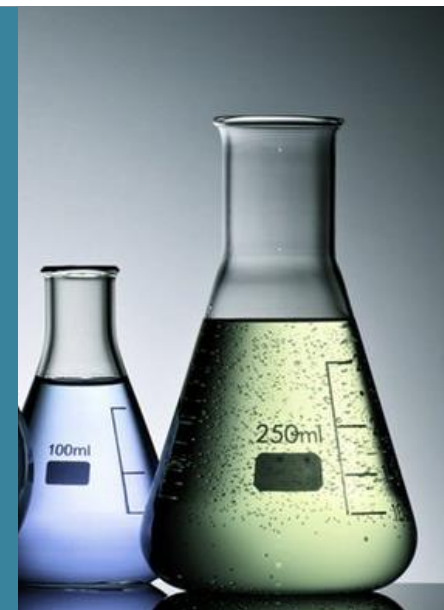
# CHEMICALS AND PLASTICS

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**CHRIS GREGORY**PARTNER AND INDUSTRIAL SECTOR  
HEAD**ALEX TOSO**OPERATING PARTNER AND SECTOR  
EXPERT**SIMON LLOYDBOTTOM**

DIRECTOR

## HIGHLIGHTS

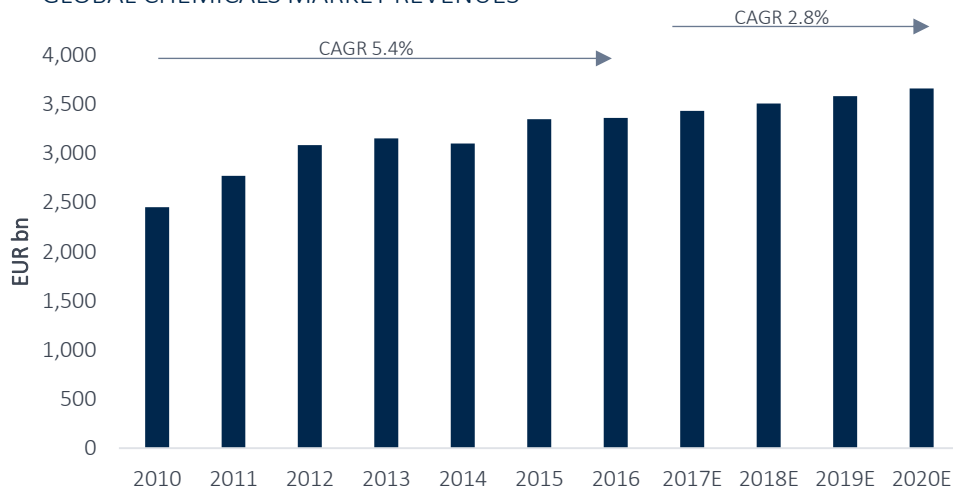
The global chemicals sector is undergoing a transformation, with large mergers and acquisitions becoming the norm, as consolidation accelerates across the sector producing a steady volume of M&A. Pressure from APAC, specifically China, is driving large European and American groups to acquire niche speciality targets in order to give them the edge over their ever growing Asian rivals.

Deals such as the \$66bn acquisition of Monsanto by Bayer, and the merger of Dow Chemicals and Du Pont demonstrate that the US and Europe's largest chemicals groups are driving consolidation in the market to unseen levels. In order to pursue growth APAC players are developing their portfolio by entering traditionally monopolistic markets through acquisitions, as demonstrated by ChemChina's \$43bn purchase of Swiss Agri chemicals group Sygenta.

As competition has increased throughout the decade, we have seen global revenues flatline, with only minor growth predicted to 2020. After high growth in 2010 and 2011, the market has stalled leaving chemical groups to find growth through acquisitions rather than organically, supporting global M&A volumes and leaving the largest groups in touch of \$100bn in revenue.

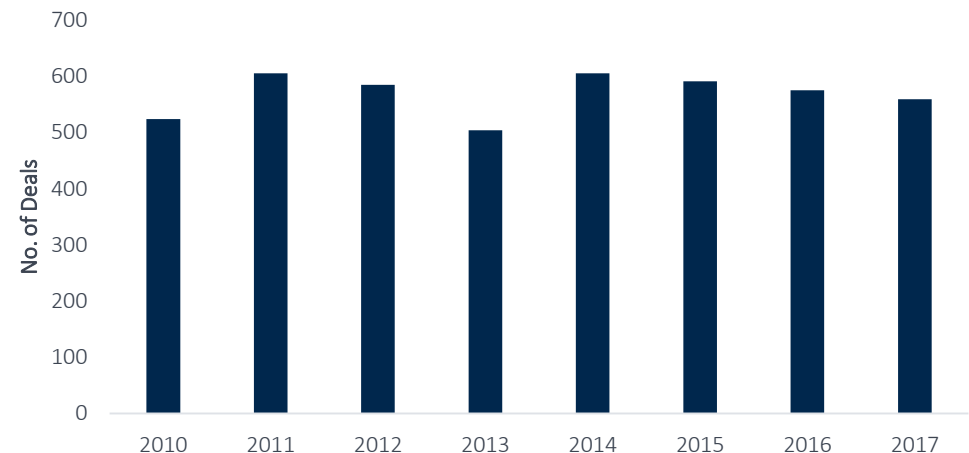
In the small cap market, companies are increasingly focused on niche areas of the market to produce attractive returns in the face of large competition. These businesses are offering highly specific products protected by intellectual property rights, highly complex chemistries, and high service levels.

### GLOBAL CHEMICALS MARKET REVENUES



Source: CEFIC Facts Figures report 2011-2017

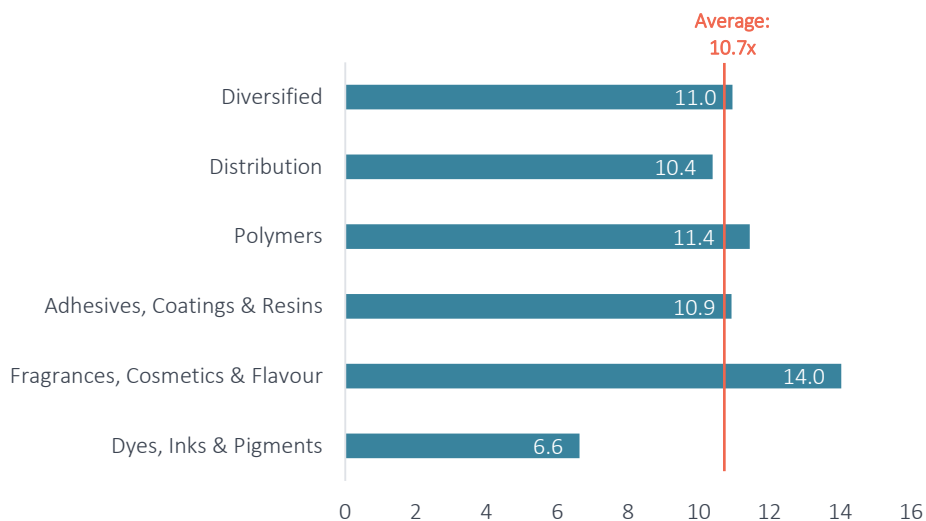
### GLOBAL CHEMICALS DEALS



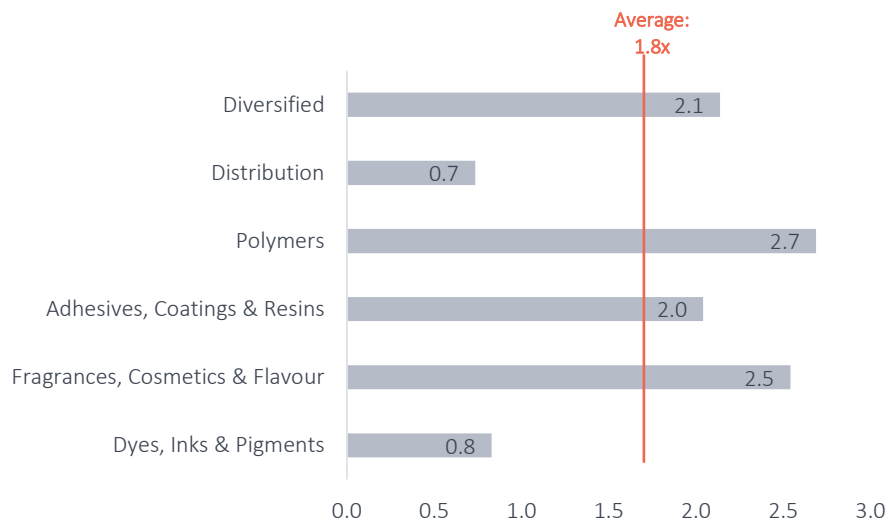
Source: S&amp;P CapitalIQ















## LISTED CHEMICALS EV/EBITDA



## LISTED CHEMICALS EV/SALES



## SELECTED RECENT MIDMARKET TRANSACTIONS (EUR MILLION)

DATE	TARGET	COUNTRY	BUYER	COUNTRY	SECTOR	EV	EV/SALES	EV/EBITDA
Dec 17	 Synthesia	Spain	 Kingspan	Ireland	Polymers/ Construction Chemicals	250	0.9	7.6
Nov 17	 Schirm	Germany	 AECI® <small>good chemistry</small>	South Africa	Agri Chemicals	110	0.9	7.5
Nov 17	 Deltrex <small>ADVANCED PERFORMANCE SOLUTIONS</small>	USA	 Italmatch Chemicals	Italy	Diversified	39	1.2	12.1
Oct 17	 TECH BLEND s.a.s.	Canada	 CABOT	USA	Dyes, Paints & Pigments	55	-	8.0
Mar 17	 Perstorp	Belgium	 synthomer	UK	Polymers	78	2.1	8.6
Jan 17	 Wesdem Adhesives <small>Advancing Adhesives Since 1971</small>	USA	 H.B. Fuller	USA	Adhesives, Coatings & Resins	114	1.2	11.1



## CLAIRFIELD TRACK RECORD IN CHEMICALS

<p><b>UK</b></p>  <p>sold to</p>  <p>COATINGS</p>	<p><b>Spain</b></p>  <p>acquired</p>  <p>DISTRIBUTION</p>	<p><b>Germany/US</b></p>  <p>acquired</p>  <p>COATINGS</p>	<p><b>UK</b></p>  <p>was sold to</p>  <p>PLASTICS</p>
<p><b>UK</b></p>  <p>was sold to</p>  <p>INDUSTRIAL</p>	<p><b>France/Czech Republic</b></p>  <p>was sold to</p>  <p>PLASTICS</p>	<p><b>US</b></p>  <p>acquired</p>  <p>FOOD CHEMICALS</p>	<p><b>Italy</b></p>  <p>was sold to</p>  <p>PLASTICS</p>
<p><b>Germany/US</b></p>  <p>acquired</p>  <p>Manufacturing facilities</p> <p>PLASTICS</p>	<p><b>UK</b></p>  <p>Coating Resins business</p> <p>was sold to</p>  <p>COATINGS</p>	<p><b>UK</b></p>  <p>Polyester Resins business</p> <p>was sold to</p>  <p>RESINS</p>	<p><b>UK/Italy</b></p>  <p>acquired</p> <p>SILO S.p.A</p> <p>PIGMENTS</p>

## CLAIRFIELD CHEMICALS TEAM



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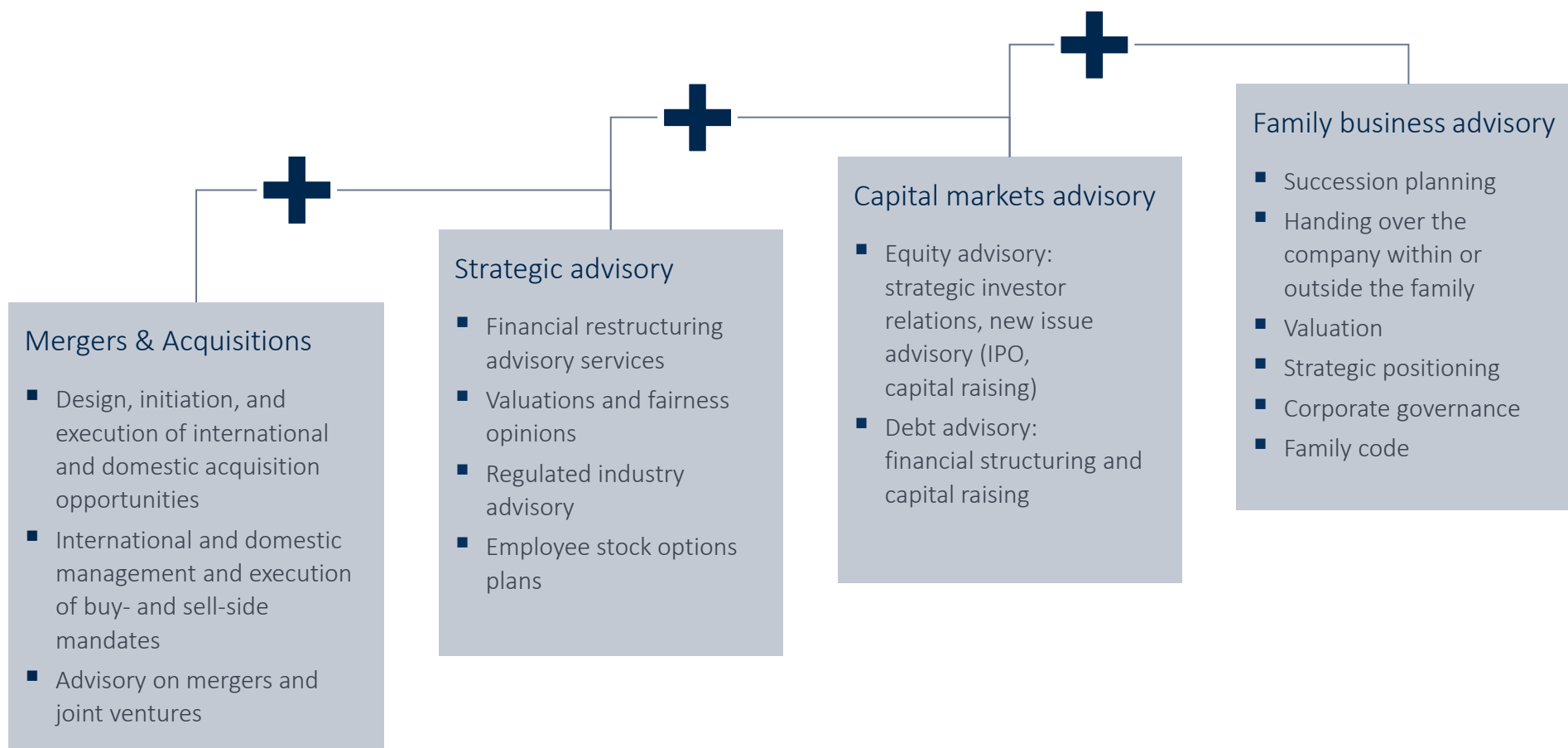
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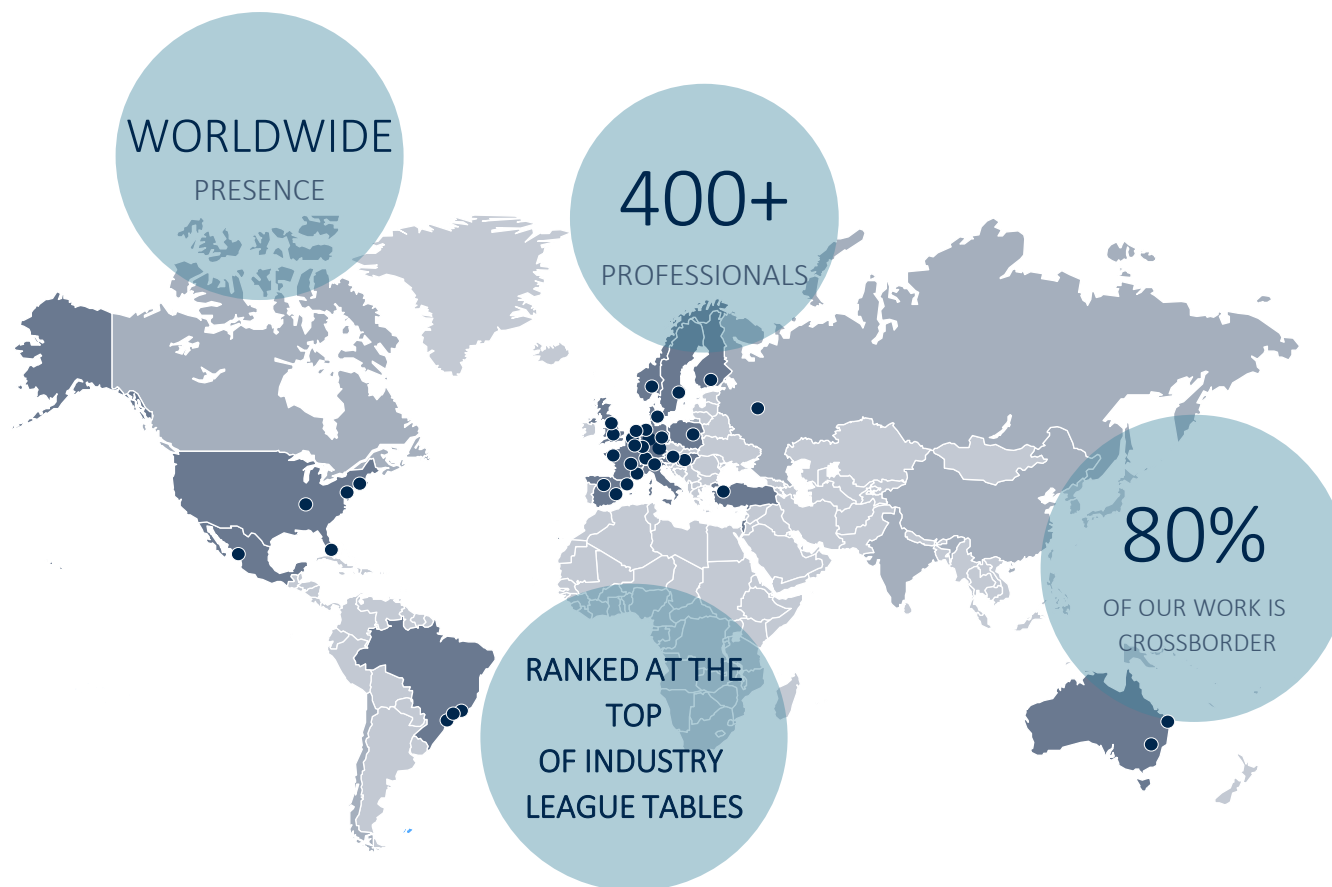
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# CLAIRFIELD – A GLOBAL PARTNERSHIP OF M&A SPECIALISTS



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