

The background of the slide features a blue-tinted image of various laboratory glassware. In the center, there is a 25 cm flask with a label that includes '10/13', 'EXELO', 'Permagel', 'IN 25 cm', and '20°C B'. To its right is a larger 1000 cm flask with a label that includes '1000 CM', 'IN 20°C', '792', and 'Made in Glast. Brita'. On the far right, a graduated cylinder is visible with a scale from 1 to 10. Other glassware, including a beaker and another flask, are partially visible in the background.

Clairfield industry M&A snapshot H2 2024

Specialty chemicals

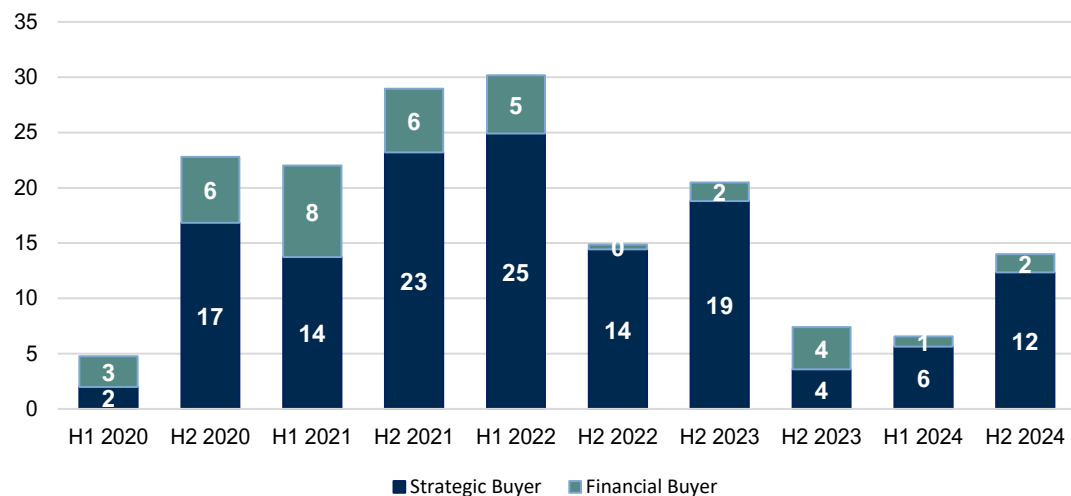
Speciality Chemical M&A sector snapshot – H2 2024

Overview of M&A activity in the second half of 2024

Introduction:

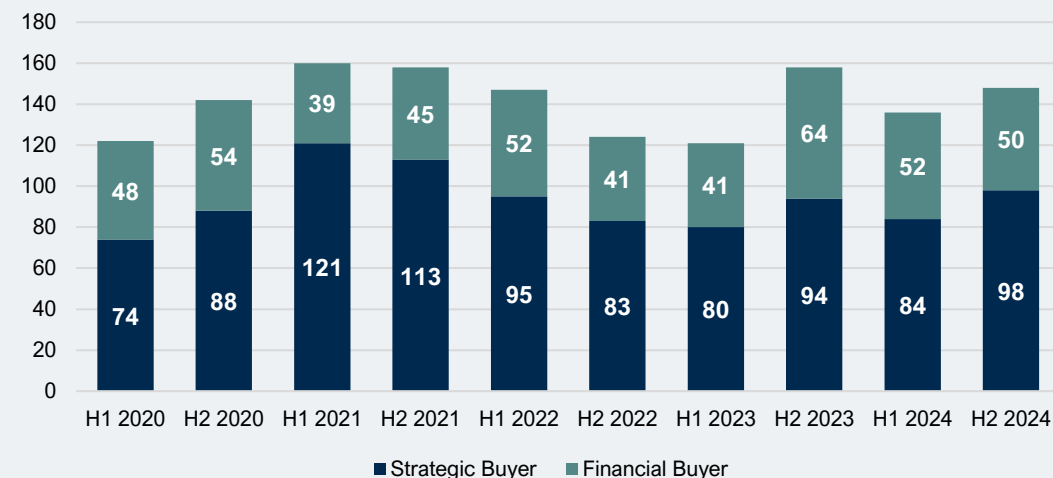
- Transaction activity within the specialty chemicals sector during the second half of 2024 reached a total of 148 deals, marking a 7% increase compared to the first half of 2024, in line with the long-term average of 139 deals per half year.
- Financial Buyer activity accounted for over 34% of transactions in H2 2024, declining marginally from the 38% recorded in H1 2024.
- The total disclosed deal value in H2 2024 reached \$13.9bn, representing a 113% increase from H1 2024, partly driven by Methanex Corporation's \$2bn acquisition of OCI Methanol Group. The number of deals valued above \$500m was slightly above the long-term average, while 84% of disclosed deals were under \$100m, which is in line with the long-term trend.

Disclosed Deal Values (\$bn)



Source: S&P Capital IQ

Deal Volumes



	Average	H2 2024
Number of deals completed per half year	139	148
Percentage of financial buyers	31%	34%
Number of deals >US\$500 million per half year	5	6

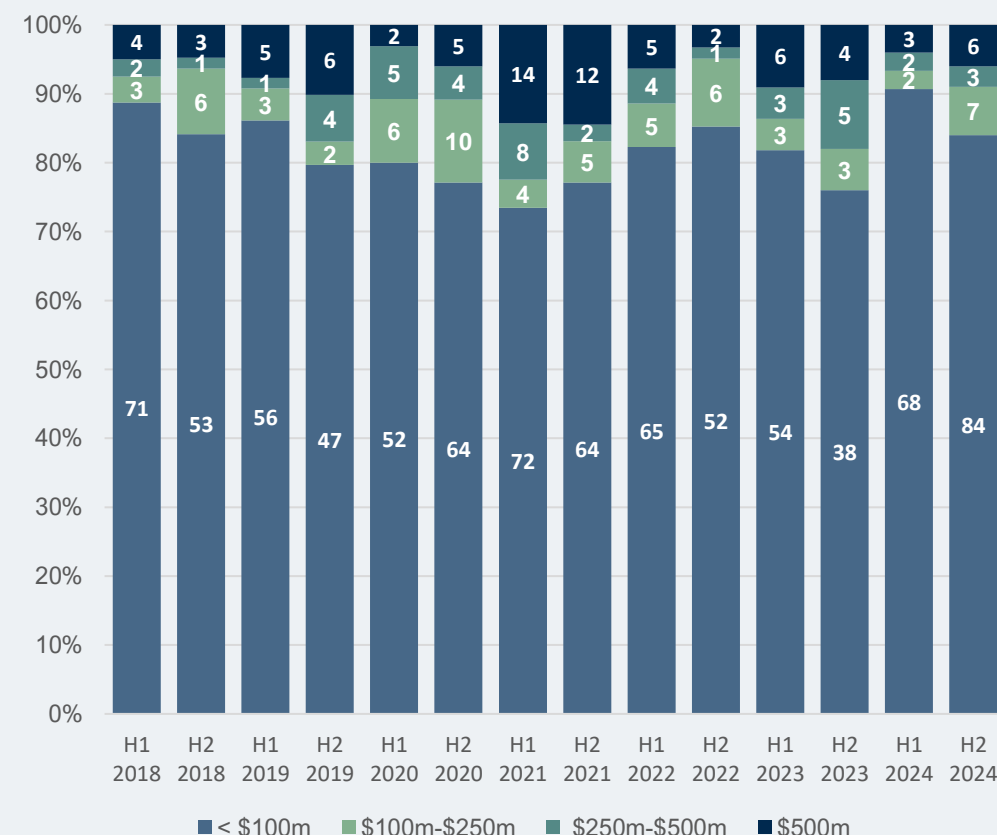
Average measured from H1 2015 to H2 2024

Uptick in larger value deals

Overview of M&A activity in the second half of 2024

- The graph on the right illustrates the disclosed deal value ranges as a percentage of total deals across each half year period. It also shows the number of deals per value range.
- Covestro’s \$16.4bn acquisition by ADNOC continued to make progress but still needs to pass regulatory approvals before expected closing in the second half of 2025.
- In the second half of 2024, the number of transactions in the sub \$100m segment rose by 16 compared to the first half of the year, despite the proportional share of total deals declining by 7%.
- At the same time, H2 2024 saw an uptick in larger transactions. Deals valued above \$500m doubled from 3 in H1 2024 to 6, while activity in the \$100m–\$500m range also experienced growth.
- Although smaller transactions (<\$100m) continued to dominate the market, the rise in higher value deals suggests a changing sentiment, with corporates and investors more willing to commit to larger, more ambitious investments in the Specialty Chemicals space.

Disclosed Deal Value Ranges as % of Total Deals and Actual Number of Disclosed Deal Values



Specialty Chemical M&A by region – H2 2024

APAC leading the field

Geographic trends – strategic buyers

- As in H1 2024, the most active region for M&A in H2 2024 was Asia Pacific, with 48% of buyers and sellers located in the region. South Korea and China were the key drivers of activity from the buy side.
- Buyer activity in the United States and Canada was slightly below historical norms. Typically, US and Canadian buyers account for around one-third of all transactions, but in H2 2024, they were down to 28%.
- European M&A activity was below average, particularly with European buyers showing reduced appetite and ability to conclude transactions. Europe has struggled with demanding market conditions including significantly higher energy costs than North America, and the sentiment appears to be to focus on organic rather than inorganic strategies.

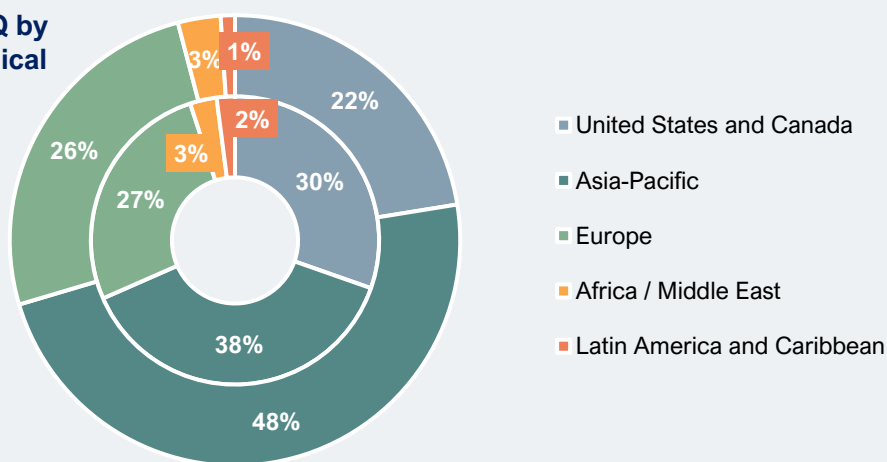
Number of H2 2024 targets HQ by geographical region

United States and Canada	22
Asia-Pacific	47
Europe	25
Africa / Middle East	3
Latin America and Caribbean	1

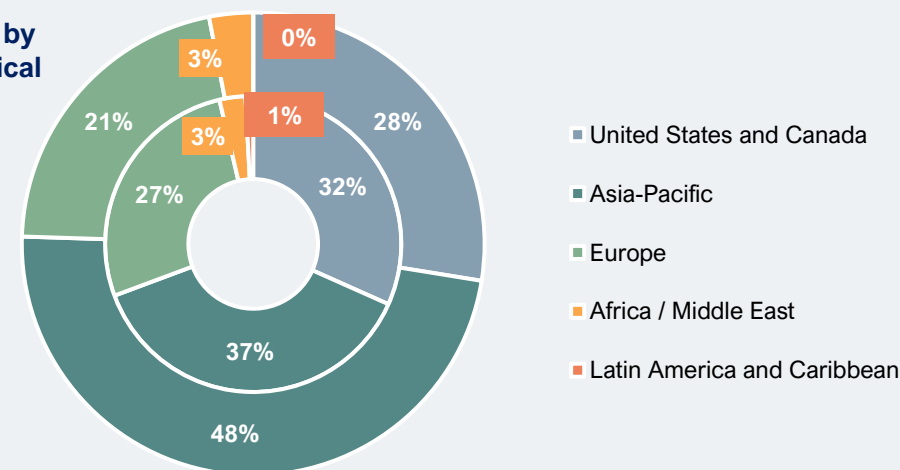
Number of H2 2024 buyers HQ by geographical region

United States and Canada	27
Asia-Pacific	47
Europe	21
Africa / Middle East	3
Latin America and Caribbean	0

Target HQ by geographical region



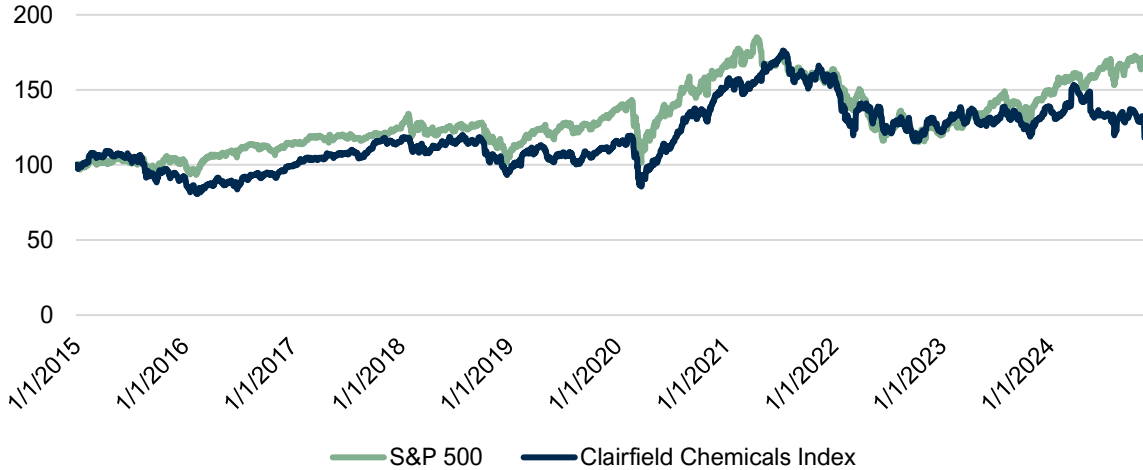
Buyer HQ by geographical region



Valuation multiples

Publicly owned businesses trending slightly below the general market

Clairfield Specialty Chemicals Index vs S&P 500



- The Clairfield Chemicals Index underperformed the S&P 500 in 2024 primarily due to sector-specific headwinds such as rising raw material and energy costs and ongoing supply chain disruptions that squeezed margins. Additionally, while high-growth sectors like technology and pharma drove broader market gains, the chemicals sector faced softer demand and regulatory challenges that dampened its performance.

The Clairfield Specialty Chemicals Index is made up of 70 listed businesses including:



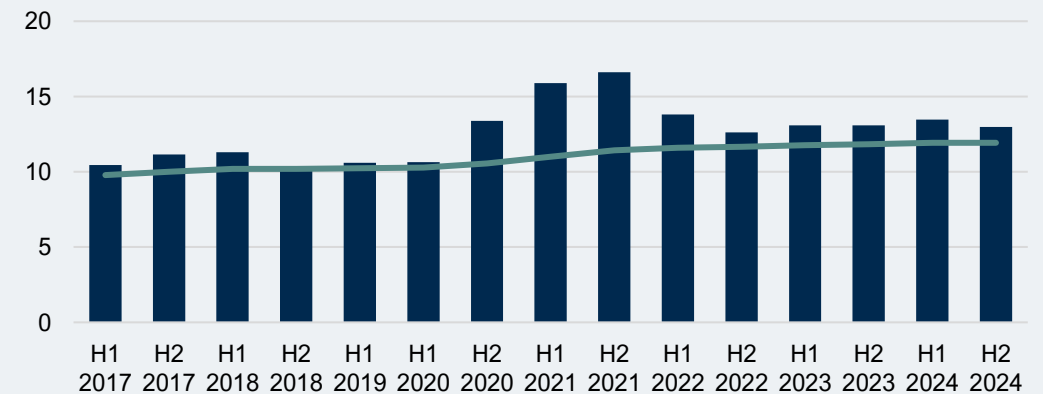
Source: S&P Capital IQ

Listed businesses valuation summary

- The Enterprise Value to EBITDA multiples below are the averages across our index of listed Specialty Chemicals businesses.
- While there has been a marked decrease in valuation multiples from the peak of dealmaking in 2021-2022, the average valuation multiple in H2 2024 (13x) was higher than the long-term trend and 26% above the pre-pandemic average.

	Average 2015-2024	Pre-Pandemic Average	H2 2024 Average
Specialty chemicals	11.9	10.3	13.0

Clairfield Specialty Chemicals Index EV/EBITDA Multiples



Pedalling hard to deliver growth

Sales and margin growth despite tough market conditions



“Net Sales of \$3.2bn increased 4%; organic sales grew 3% versus the year-ago period, while DuPont EBITDA rose by 11%. Lori Koch, DuPont CEO, reports, “Our third-quarter results reflect continued strong momentum, driven by broad-based recovery in the electronics market and sequential improvement across all key financial metrics. We are seeing sustained demand growth in semiconductor technologies, while water and medical packaging end-markets continue to strengthen”



“We continued to demonstrate our ability to grow in flat markets, achieving a fourth consecutive quarter of volume growth. Although operating costs were higher year on year, they’re down sequentially, while gross margin expansion continues. We’ve launched further cost and portfolio initiatives to ensure delivery of our mid-term ambitions. For 2024, we expect to achieve around €1.5 billion Adjusted EBITDA” Reported by CEO, Greg Poux-Guillaume.



“We have delivered the third consecutive positive quarterly result despite strong economic headwinds. Our restructuring efforts, cost discipline, and focus on less cyclical markets are driving our success” Reported by CEO, Christian Kullmann.



“Our third-quarter sales performance reflects strong momentum in Fragrances and Flavours within Consumer Care and an uptick in agricultural markets within Life Sciences. While demand is stabilising in key markets, the overall trading environment remains challenging. We remain focused on executing our strategy with tight cost control and capital discipline” Reported by CEO, Steve Foots.



“Sherwin-Williams delivered strong fourth quarter results despite continued demand choppiness in the majority of our end markets” said Chair, President and Chief Executive Officer, Heidi G. Petz. “Consolidated Net sales grew by a low-single digit percentage, and gross margin improved slightly year-over-year. We expanded adjusted segment margin in all three segments, and adjusted diluted earnings per share and EBITDA grew by double-digit percentages”

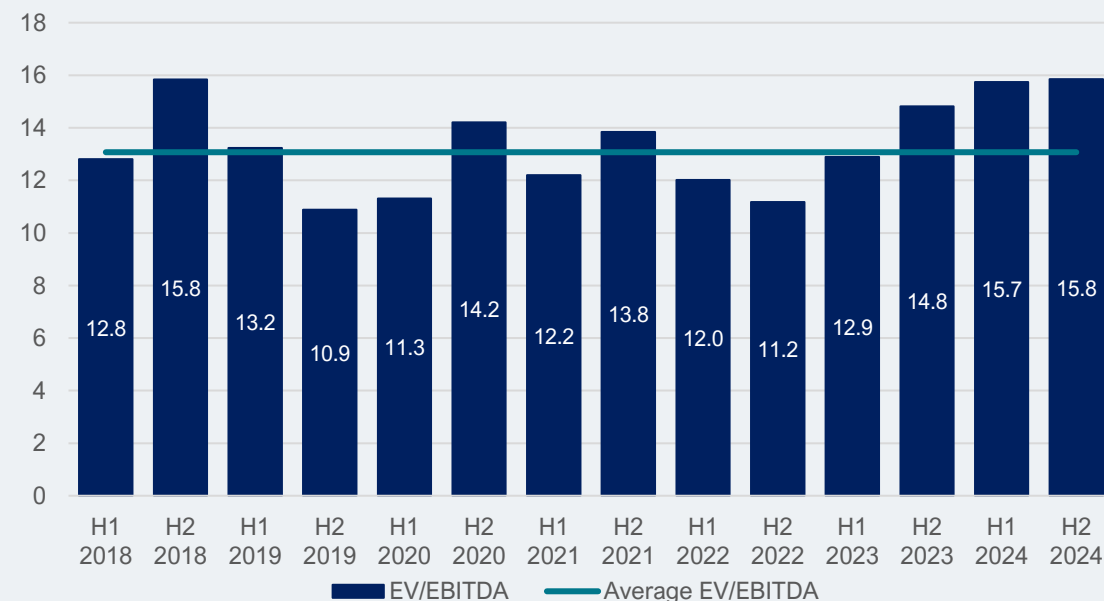


“We delivered record net sales and Adjusted EBITDA for the fourth quarter and full year in a challenging macro environment” said Chris Villavarayan, Axalta’s CEO and President. “Consistent outperformance in Refinish and Light Vehicle and excellent execution across the company, resulted in an Adjusted EBITDA margin of over 21% as we continue down the path to delivering against our commitments outlined in the 2026 A Plan”

Valuation trends and drivers

- Private company transaction Enterprise Value to EBITDA multiples remained above historic averages during the second half of 2024, based on publicly disclosed deals.
- Pricing followed long term trends with Asia Pacific being slightly more bullish on pricing than North America and Europe. Three of the disclosed deals were for targets in Asia Pacific for sub \$100m dollar deals.
- Drivers for M&A activity included:
 - Long-term prospects in the sector appear promising, with research firms forecasting growth to \$914bn by 2030, at a CAGR of 5%. As we move into the first half of 2025, early signs suggest improving conditions, driven by stabilising inflation and declining interest rates, albeit the geo-political situation is uncertain.
 - To optimise efficiency, manufacturers are increasingly clustering near downstream markets to minimise transportation costs and enhance relationships with key consumers.
 - Growing interest in reshoring and nearshoring operations, particularly in North America and Europe, reducing dependence on Asia-Pacific supply chains. This will be exacerbated if the current tariff dispute continues or escalates.
 - Customer demand for enhanced products which is driving a growing emphasis on technological advancements.
 - Strategic focus on high-growth, high-margin segments like electronic chemicals, sustainable materials, and specialty additives. A particular area of interest is Wire & Cable (W&C) related businesses as a result of electrification (power, 5G and 6G) in emerging regions like India and the Middle East.

EV/EBITDA Multiples



Key transactions – H2 2024

Notable deals from the second half of 2024

Date	Target	Target country	Buyers/Investors	Target business description	Total transaction value (US\$m)	Implied enterprise Value/EBITDA (x)	Target sales (US\$m)
Sep-24	OCI METHANOL		methanex the power of agility	A Netherlands-based producer and supplier of methanol for use in the chemical and energy industries, serving the global transportation and industrial sectors.	2,021	7.5	-
Jul-24	MERCK		GNMI CLASSIC WITH INFINITE INNOVATIONS	A division of a global chemical company involved in the production and distribution of high-performance surface coatings, speciality chemicals, and pigments.	722	-	441
Oct-24	PITTSBURGH PAINTS CO.		PPG	A US-based division of a global coatings manufacturer, producing and distributing paints, coatings, and specialist materials for architectural and industrial uses.	550	-	2,580
Aug-24	Silica Products		QEMETICA Global Solutions	A US-based division of a global coatings company, specialising in the production of precipitated silica for industrial and commercial applications.	310	-	-
Sep-24	UW Solutions The science beneath the surface		apogee	A US-based company specialising in manufacturing hard surface-coated substrates for consumer gift markets, warehouses, and self-storage applications.	242	-	-
Jul-24	Louisiana Pigments		KRONOS Brighter together	A US-based producer of titanium dioxide (TiO ₂) pigment, primarily serving the coatings, plastics, and paper industries.	200	-	-
Oct-24	heubach		SUDARSHAN	The pigment manufacturing and development division of a global pigment producer, specialising in organic and inorganic pigments for coatings, plastics, and printing.	140	-	949
Sep-24	daewon		BGF ecomaterials America Inc.	A South Korean company producing polyurethane synthetic leather, wallpapers, and chemical materials for sports, consumer goods, and industrial applications.	103	-	81
Oct-24	PIEDMONT RESIN SUPPLY		HEXPOL A Material Difference	Based in United States Piedmont Resin Supply is a leader in technical nylon compounds serving Automotive, Transportation and Furniture industries.	84	-	60
Nov-24	EMULSION FLOW TECHNOLOGIES		NIPPON SHOKUBAI	A Japanese company producing waterproof materials, adhesives, and pressure-sensitive adhesives made from synthetic rubber latex or acrylic emulsion.	47	-	-
Oct-24	SUNMUN Antmat		fengchuen NEW ENERGY	A Chinese company engaged in the development and production of nano-colouring materials, pigment dispersions, and functional additives for various industries.	43	-	94

Key transactions – H2 2024

Notable deals from the second half of 2024

Date	Target	Target country	Buyers/Investors	Target business description	Total transaction value (US\$m)	Implied enterprise Value/EBITDA (x)	Target sales (US\$m)
Oct-24				An Indian company manufacturing and exporting organic and inorganic pigments, dyes, and speciality chemicals for coatings, plastics, and printing applications.	41	19.6	89
Dec-24				A Chinese company engaged in the research, development, and production of meta-aramid materials for high-performance industrial uses.	33	-	-
Dec-24				A UK-based manufacturer and distributor of decorating sundries, including adhesives, solvents, fillers, and coatings for the home improvement sector.	29	-	29
Oct-24				A South Korean speciality chemicals manufacturer focused on developing cosmetic ingredients, personal care formulations, and skincare products.	22	-	16
Jul-24				A South Korean manufacturer of chip paste products and conductive materials for electronic components and semiconductor applications.	22	-	59
Oct-24				An Italian company engaged in the production of two-dimensional crystals, including graphene, for use in batteries, lubricants, and advanced materials.	21	-	-
Nov-24			Chengdu Dingsheng Tengda Enterprise Management Co., Ltd.	A Chinese manufacturer specialising in specialist chemicals for oil and gas exploration, water treatment, and surface-active agents.	20	-	63
Aug-24				A Netherlands-based subsidiary of a global fragrance company, focused on developing and manufacturing fragrances, flavours, and aroma ingredients.	20	-	8
Aug-24				A Taiwanese manufacturer of epoxy resin hardeners and curing agents for use in coatings, adhesives, and industrial applications.	17	-	-
Jul-24				A French company specialising in plant-based chemical solutions, including bio-based ingredients for cosmetics, food supplements, and industrial applications.	15	-	59
Jul-24				A Spanish company focused on the production of tailor-made colour and additive masterbatches for a variety of industries, including the wire & cables sector where it is one of the market leaders.	-	-	60

About Clairfield

Global Reach, Local Expertise

Founded in 2004, Clairfield International provides advisory services on midmarket transactions to a diverse clientele, including large companies, private investors, private equity, public sector entities, and family businesses.

We connect clients with regional and international strategic parties, investors, and decision-makers, while providing expert knowledge of local markets, regulations, and cultures.

Clairfield ranks as one of the top independent M&A advisors in worldwide league tables.

400+ M&A experts

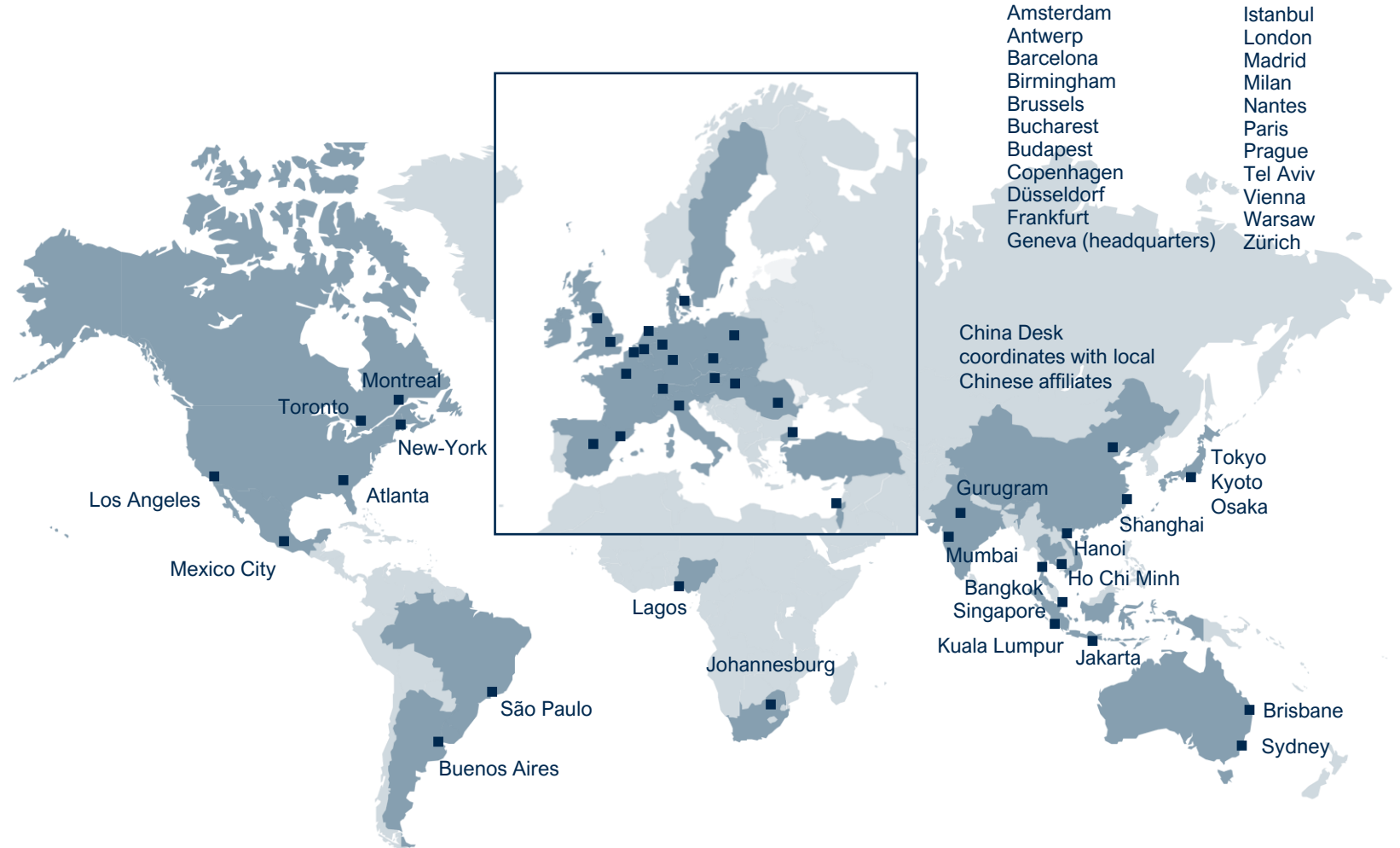
32 countries

880 deals closed in the last 5 years

EUR 37 billion cumulative deal value in the last 5 years

6 integrated sector teams supported by

70+ industry advisors



Clairfield's chemicals practice

A compelling combination of M&A experience and chemicals expertise

Clairfield's chemical practice is a joint venture between global investment bank Clairfield and specialist chemicals advisory firm JF Chemical Associates.

The joint venture brings together a compelling combination of M&A deal origination and execution with deep chemicals market knowledge and expertise.

Industry contacts

Our team has approximately 10,000 industry contacts in chemicals and polymers.

Database

We manage a database of approximately 2,500 companies.

Strategic decision makers

We stay in touch with approximately 1,000 owner-managers, executives and investment professionals.

Niche experts

We have regular contact with approximately 800 known niche experts.

Global footprint

We are on five continents with local M&A teams in 30 countries.

1. Corporate Finance Advisory firms focus on transactional experience when promoting their sector expertise. While important, transactions are only a part of sector knowledge.

2. Clairfield go beyond this. Our team members include operating partners from JF Chemicals Associates who have worked in the chemicals sector for years, with experience of leading multinational businesses and of completing transactions from within the business itself, not just as advisors.

4. Expertise from within the chemical industry allows Clairfield to go *beyond transactional advice to value creation.*



3. JFCA's in-depth knowledge of technical, strategic, market and operational issues give Clairfield a clear advantage over other firms who simply advise from the "outside."

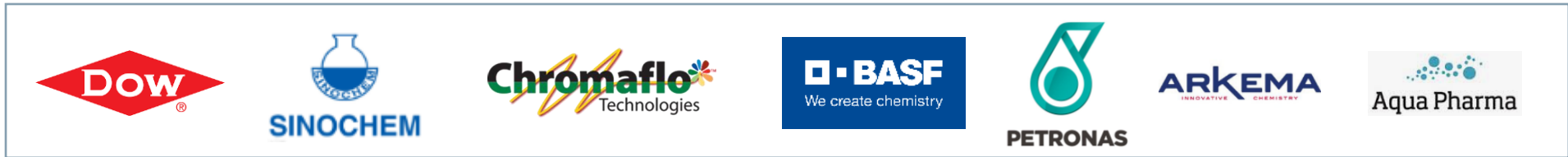
Clairfield's chemicals practice

Transaction and advisory credentials

M&A



JV Creation



Integration



Management Experience



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