



## Chemicals & Materials Industry

## Q4 2025

### The L-Shaped Reality

#### L-Shaped Reality: Capital Discipline, Portfolio Rationalization, and a Selective Transaction Environment

*The debate over the trough that defined Q3 was effectively settled by Q4 earnings. Across diversified chemicals, chlor-alkali, and acetyl value chains, cautious results and muted 2026 guidance reinforced what the data had been signaling for several quarters: while the cyclical component is real, the depth and duration of this downturn increasingly reflects structural characteristics rather than a transient soft patch. The destocking cycle is behind us. What remains is a demand environment that is weaker than the pre-2022 baseline, compounded by structural oversupply across key value chains; the result of a substantial capacity buildout in China that continues to add supply into a domestic demand environment that has not developed as anticipated. The combination of softer end markets and a supply base that the industry has not yet fully absorbed means that earnings recovery is now broadly viewed as a mid-to-late 2026 story at the earliest.*

*The capital allocation response is worth noting. Permanent capacity closures are a different management decision than temporary curtailments, and they tend to reflect a longer-dated view on demand recovery. For M&A practitioners and capital allocators, this recalibration reshapes both the asset landscape and the valuation framework for the year ahead.*

*Tariff volatility and supply chain uncertainty continue to compound the operating challenge. Meanwhile, the M&A market has bifurcated: highly competitive for high-quality specialty assets, and increasingly reliant on creative structuring and buyer patience for the broader deal universe.*

#### Market Environment

The macro backdrop entering 2026 is defined by two concurrent pressures: tariff volatility and energy and carbon policy friction in Europe.

On trade policy, the U.S. Supreme Court's striking down of IEEPA-based tariffs created a brief window of relief, quickly closed when the administration proposed a replacement 10–15% global import tariff. That proposal triggered immediate EU threats to freeze pending trade agreements, reintroducing uncertainty that transatlantic supply chains had only partially adapted to. For chemical companies operating cross-border in feedstock procurement, finished goods exports, or raw material sourcing, the practical effect is a continued inability to plan. The result is deferred capital commitments and continued inventory conservatism.

In Europe, the structural cost disadvantage that has been building for several years is now being formalized through policy. Revisions to the EU Emissions Trading System and the approaching implementation of the Carbon Border Adjustment Mechanism (CBAM) are imposing tangible burdens on energy-intensive production. For European producers already navigating weak demand and elevated feedstock costs, CBAM adds a layer of cost pressure that is difficult to offset through pricing or efficiency alone. Rationalization in Europe increasingly reflects a longer-dated reassessment of cost competitiveness, rather than a typical cyclical response.

Alongside these dynamics, the continued buildout of Chinese chemical capacity is adding a supply-side dimension to margin pressure that is unlikely to resolve quickly.



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#### Sector Dynamics

##### Commodity Chemicals

Commodity chemical markets ended Q4 largely where they began: flat contract prices alongside continued discounting activity and elevated converter inventories that have tempered the demand recovery. The volume profile has normalized to a level broadly consistent with underlying end-market demand, though one that remains below pre-tariff trend levels. Chlor-alkali, vinyls, and epoxy producers have responded by announcing permanent closures of uncompetitive assets, a structurally different response than the temporary curtailments that characterized earlier phases of the downturn.

The early weeks of 2026 introduced an unexpected variable. Winter Storm Fern forced preemptive shutdowns across the U.S. Gulf Coast, temporarily removing approximately 15% of domestic HDPE capacity from service. The resulting tightness provided a brief price floor, but weather-driven disruptions are transient. The more meaningful structural development is the gradual acceleration of Asian petrochemical capacity rationalization, particularly the retirement of tier-3 and tier-4 assets in China and South Korea. This is a slow process, but directionally constructive for the global supply-demand balance and one of the more credible catalysts for durable price recovery in the back half of 2026.

##### Coatings

Coatings remains the sector's most margin-resilient segment, even as volumes remain under pressure. Auto refinish and architectural end-markets were both soft through Q4, with refinish channels particularly pressured by weaker

claims activity and continued inventory drawdowns. Yet pricing discipline is holding. The November Coatings PPI was up 3.3% year-over-year, and leading producers are pushing through price increases in the range of 7% for 2026, an assertive move in a zero-growth demand environment that underscores the pricing power justifying premium multiples in this segment.

The divergence between volume weakness and margin resilience is the defining feature of coatings. It also explains why these businesses continue to attract strategic and financial interest: margin durability through a downturn is the single most important underwriting variable, and coatings consistently delivers it.

##### Agrochemicals & Fertilizers

Agricultural inputs navigated a notably mixed Q4, with dynamics varying sharply across subsegments. The overriding story in crop protection was the severe credit contraction in Brazil, one of the most important global ag-chem markets, which forced producers to meaningfully curtail volumes to manage counterparty credit risk. This was a channel financing issue rather than demand destruction and is therefore recoverable, though the near-term earnings impact was nonetheless material.

The fertilizer complex is bifurcating visibly. Sulfur-dependent producers are facing margin compression from input costs that have roughly doubled, while producers with natural gas cost advantages are proactively rationalizing footprints, idling capacity where port logistics and gas supply economics no longer support competitive production. Across both crop chemicals and fertilizers, the 2026 setup is constructive: channel inventories have cleared, pricing pressure is easing,



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and seeds remain the most resilient subsegment with steady pricing and ongoing margin expansion. That said, the credit and cost headwinds need to work through the system before the recovery gains real traction.

#### Capital Deployment & Transaction Activity

##### Structured Solutions: An Increasingly Common Path to Bridging Valuation Gaps

The response to valuation friction has been a material increase in creative deal architecture. Earn-outs, rollover equity, and vendor financing are appearing with greater frequency across a range of asset types, reflecting the genuine gap in fundamental views on recovery timing between buyers and sellers.

The DSM-Firmenich divestiture of its Animal Nutrition & Health business to CVC is illustrative. The transaction encompassed both higher growth and more mature businesses within the same platform, and the deal structure reflected that mixed earnings profile and visibility accordingly.

The outcome underscores a broader dynamic: even defensible, non-cyclical businesses with mixed end-market exposure are increasingly requiring structured solutions to clear, and sponsors are underwriting company-specific operational improvement rather than waiting for a broader market recovery to do the work.

It would be an overstatement to characterize structured solutions as the defining feature of the current market. A meaningful share of processes are not clearing at all, whether due to bid-ask gaps that remain unbridgeable or demand erosion that has made certain assets less actionable.

But for transactions that do clear outside the premium tier, structure is increasingly a routine part of the conversation rather than a last resort.

##### Structured Solutions: An Increasingly Common Path to Bridging Valuation Gaps

A notable theme entering 2026 is the pace and scale of corporate portfolio activity. Large strategics are actively reshaping their business scope through divestitures, carve-outs, and separations, and the transactions coming to market are increasingly sizeable and structurally complex.

BASF's decision to sell a 60% controlling stake in its Coatings business to a Carlyle/QIA consortium while retaining 40% to capture long-term upside is among the more strategically sophisticated structures of the cycle. It achieves balance sheet relief and business focus without the full opportunity cost of an outright sale. Corteva is advancing its planned separation of Seed and Crop Protection, with 2026 execution timelines becoming increasingly concrete. The logic is value realization rather than restructuring. The seed business carries highly concentrated market structure in addition to through-cycle pricing power, and as a standalone it is expected to attract a wider investor base and a higher multiple than the blended entity currently implies. IFF has formally launched the sale of its Food Ingredients business at an estimated valuation of approximately \$3.3 billion, a significant process that will likely attract interest from both financial sponsors and specialty and distribution platforms seeking to add scale.



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For middle-market participants, the spillover effects of these mega-carve-outs are meaningful. Divested sub-businesses frequently arrive with sub-scale overhead, underinvested commercial organizations, and compressed margins, which represents material operational upside for the right buyer. The discipline lies in accurately assessing where the constraints are operational versus more fundamental.

#### Financial Sponsor Dynamics and the Patience Premium

Private equity sponsors have adjusted their underwriting framework. With current rate levels enforcing valuation discipline and limited prospect of leveraged multiple expansion, sponsors are explicitly planning for operational value creation over hold periods that are, in most cases, longer than prior vintage assumptions. This shift is being communicated to management at the outset.

Focus has consequently shifted to businesses where growth is achievable through a combination of product development, bolt-on acquisition, market share capture, and geographic expansion, rather than macro tailwinds. Bolt-on activity in particular remains one of the most actively deployed levers, even in a more constrained financing environment. Industrial services, water treatment, and specialty additives remain preferred targets.

Activism is also re-entering the conversation in public markets. Standard Investments' accumulation of a 5.7% stake in Ashland — from a firm that has previously taken W.R. Grace private — suggests that high-quality, pure-play specialty businesses that the market has yet to fully re-rate remain targets for take-private interest or sum-of-the-parts value realization. Where public markets apply sector-wide discounts to businesses with genuinely differentiated earnings profiles, the arbitrage opportunity for financial and strategic acquirers remains significant.

#### Outlook

The chemicals sector enters 2026 in a more grounded position than it occupied twelve months ago. Expectations have been recalibrated, uncompetitive capacity is being permanently removed, and a meaningful wave of corporate portfolio activity is reshaping competitive dynamics across multiple sub-sectors.

The M&A market will remain bifurcated. Premium specialty assets with visible earnings growth and defensible market positions will continue to attract competitive processes and strong valuations. Transactions outside that tier will require structured solutions, longer timelines, and buyer patience. A broader volume recovery, most likely contingent on rate relief and genuine industrial demand inflection, remains a second-half 2026 story at the earliest.



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For dealmakers, the combination of portfolio prioritization among large corporates, an active sponsor community with dry powder to deploy, and a transaction environment that rewards sector-specific underwriting creates a constructive, if selective, backdrop for 2026. Those who know the assets, know the buyers, and can structure around complexity will be well-positioned.

#### Let's Talk

To explore the latest developments in the sector's M&A landscape, share updates about your business, or discover our comprehensive advisory services and expertise in the Chemicals and Materials industry, please give us a call at +1-312-872-4740.



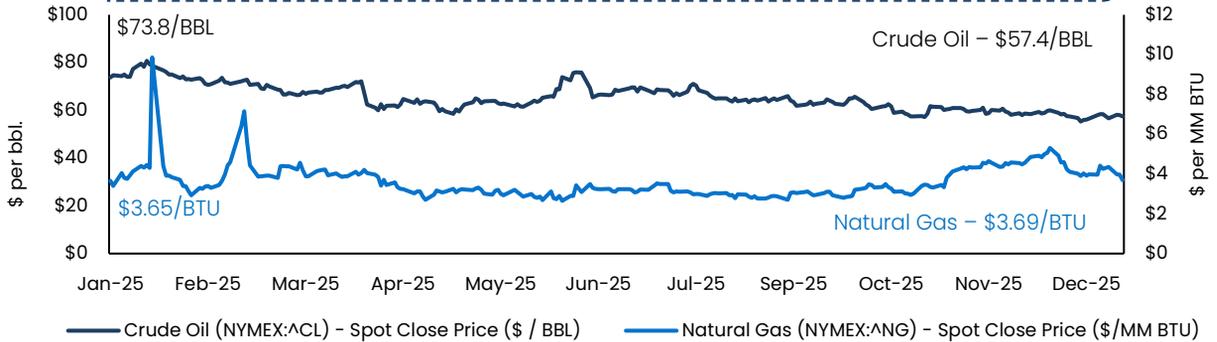
**Your powerful,  
competitive advantage**



## Oil and Gas Performance

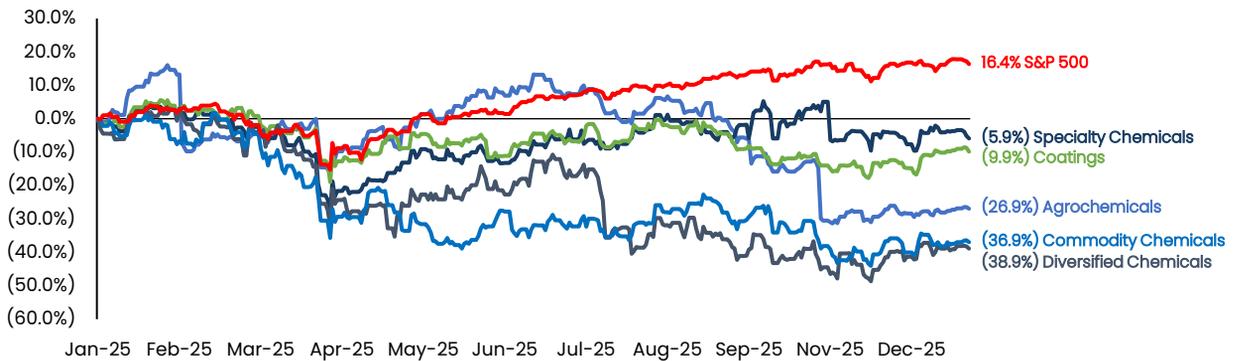
LTM Prices<sup>1</sup>

Crude oil prices softened in Q4 amid ample supply and elevated inventories, with seasonal refinery activity offering limited support. Natural gas prices strengthened late in the quarter on tightening storage and firmer winter demand, while LNG export and sustained Asian demand underpinned fundamentals toward year-end.<sup>2</sup>



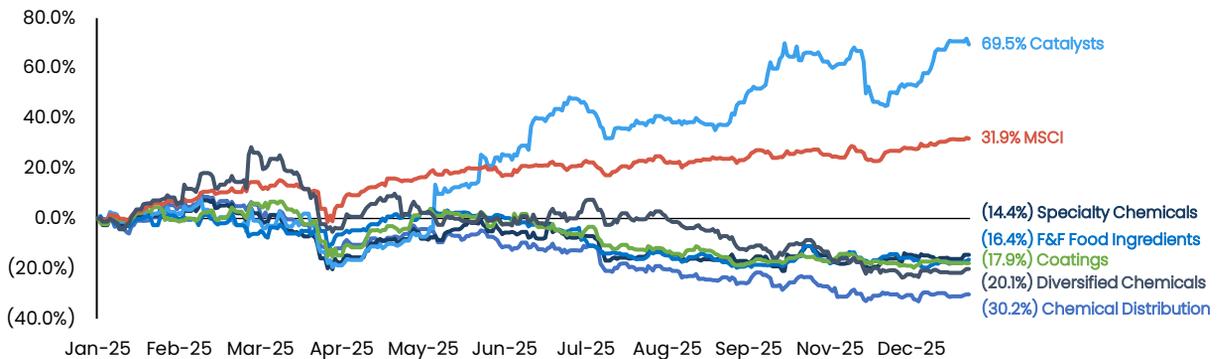
## North American Share Price Performance

LTM Relative Performance



## European Share Price Performance

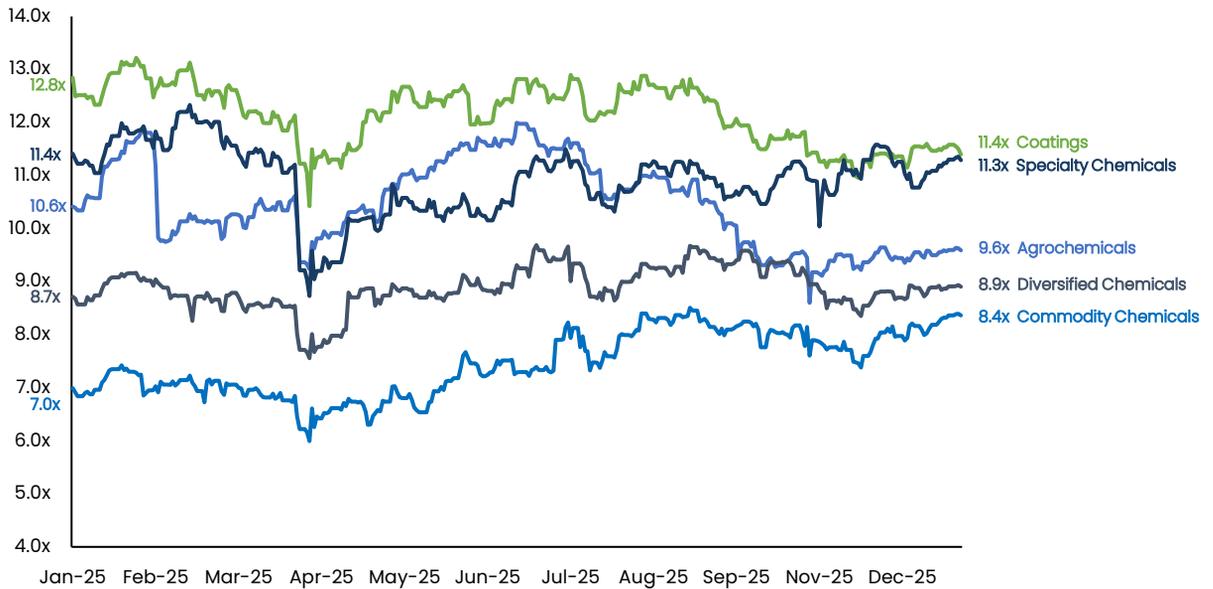
LTM Relative Performance



<sup>1</sup> S&P Capital IQ Data presented as of 12/31/2025, All charts represent Global Data 2. IEA

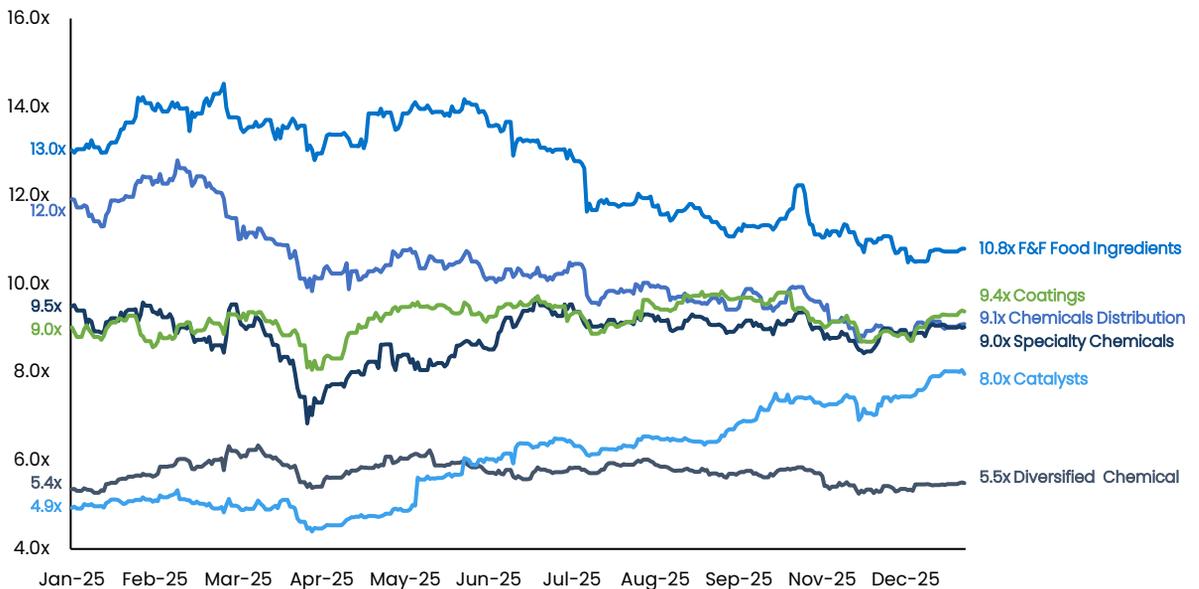
## North American Multiple Evolution

LTM EV/NTM EBITDA (x)



## European Multiple Evolution

LTM EV/NTM EBITDA (x)



1. S&P Capital IQ Data presented as of 09/30/2025, All charts represent Global Data

# Selected North American Public Companies

## Selected Public Companies by Segment (\$M, except per share values)

### Specialty Chemicals

Company	Share Price	% of 52W High	Market Cap <sup>2</sup>	EV	EV/EBITDA		EBITDA Margin			FY25-FY27E Growth	
					2026E	2027E	FY25E	FY26E	FY27E	Revenue	EBITDA
Ecolab	\$262.52	(8.2%)	\$74,355	\$81,264	18.9x	16.9x	24.4%	24.9%	26.3%	6.7%	10.6%
Balchem	153.36	(13.6%)	4,967	5,074	17.5x	16.7x	24.6%	26.4%	26.7%	4.7%	9.2%
Hexcel	73.90	(6.7%)	5,883	6,549	15.9x	13.0x	17.2%	19.7%	21.7%	10.9%	24.4%
Albemarle	141.44	(7.0%)	16,647	20,988	16.4x	12.9x	14.3%	23.4%	26.6%	9.3%	48.7%
Sensient Technologies	93.95	(22.7%)	3,991	4,660	14.3x	12.6x	17.6%	19.0%	20.1%	6.9%	14.3%
DuPont de Nemours	40.20	(52.7%)	16,843	24,595	13.3x	12.4x	22.1%	26.2%	27.0%	3.5%	14.4%
Element Solutions	24.99	(10.7%)	6,048	7,105	11.9x	10.9x	19.3%	22.7%	23.3%	4.6%	14.7%
IFF	67.39	(23.5%)	17,258	23,359	11.1x	10.5x	17.1%	19.8%	20.3%	0.2%	9.4%
Ecovyst	9.73	(2.7%)	1,109	1,920	10.0x	8.9x	19.8%	25.3%	26.9%	5.5%	22.8%
Ashland	58.67	(20.0%)	2,685	3,960	9.6x	8.7x	20.0%	22.2%	23.6%	2.9%	11.9%
H.B. Fuller	59.46	(9.2%)	3,216	5,326	8.3x	7.7x	16.5%	18.2%	18.7%	2.8%	9.5%
Ingevity	59.18	(4.2%)	2,128	3,337	8.1x	7.7x	31.5%	32.2%	32.4%	7.3%	8.6%
Avient	31.24	(30.2%)	2,860	4,403	7.7x	7.3x	16.7%	17.2%	17.6%	2.7%	5.5%
Innospec	76.54	(34.6%)	1,896	1,681	7.8x	7.0x	11.2%	11.5%	12.2%	5.3%	9.9%
FMC	13.87	(75.7%)	1,733	5,923	7.5x	6.9x	19.3%	20.3%	20.7%	9.3%	13.2%
Summary Statistics											
Mean		(21.4%)			11.9x	10.7x	19.4%	21.9%	22.9%	5.5%	15.2%
Adj. Mean <sup>3</sup>		(18.7%)			11.7x	10.5x	19.1%	22.0%	23.0%	5.5%	13.3%
Median		(13.6%)			11.1x	10.5x	19.3%	22.2%	23.3%	5.3%	11.9%

### Coatings

Company	Share Price	% of 52W High	Market Cap <sup>2</sup>	EV	EV/EBITDA		EBITDA Margin			FY25-FY27E Growth	
					2026E	2027E	FY25E	FY26E	FY27E	Revenue	EBITDA
Sherwin-Williams	\$324.03	(14.7%)	\$79,863	\$94,010	19.0x	17.6x	19.0%	20.0%	20.7%	4.5%	9.1%
RPM International	104.00	(19.5%)	13,335	16,049	12.8x	11.8x	15.1%	16.1%	16.8%	4.6%	10.4%
PPG Industries	102.46	(17.9%)	22,992	29,071	10.0x	9.5x	16.7%	18.0%	18.5%	2.1%	7.5%
Axalta Coating Systems	32.31	(15.8%)	6,893	9,735	8.2x	7.9x	19.6%	22.6%	22.9%	2.6%	11.0%
Summary Statistics											
Mean		(16.9%)			12.5x	11.7x	17.6%	19.2%	19.7%	3.5%	9.5%
Adj. Mean <sup>3</sup>		(16.8%)			11.4x	10.7x	17.9%	19.0%	19.6%	3.6%	9.8%
Median		(16.8%)			11.4x	10.7x	17.9%	19.0%	19.6%	3.6%	9.8%

### Diversified Chemicals

Company	Share Price	% of 52W High	Market Cap <sup>2</sup>	EV	EV/EBITDA		EBITDA Margin			FY25-FY27E Growth	
					2026E	2027E	FY25E	FY26E	FY27E	Revenue	EBITDA
Huntsman	\$10.00	(46.0%)	\$1,738	\$3,906	11.4x	8.7x	4.6%	5.8%	7.3%	4.1%	30.3%
Celanese	42.28	(44.3%)	4,630	16,819	8.2x	7.7x	16.4%	21.4%	21.9%	1.9%	17.9%
Dow	23.38	(44.6%)	16,618	32,618	9.0x	7.2x	6.8%	8.9%	10.7%	3.0%	29.4%
Eastman Chemical	63.83	(38.5%)	7,278	12,121	7.8x	7.2x	16.8%	17.7%	18.5%	2.0%	7.0%
Summary Statistics											
Mean		(43.3%)			9.1x	7.7x	11.1%	13.4%	14.6%	2.7%	21.2%
Adj. Mean <sup>3</sup>		(44.4%)			8.6x	7.5x	11.6%	13.3%	14.6%	2.5%	23.7%
Median		(44.4%)			8.6x	7.5x	11.6%	13.3%	14.6%	2.5%	23.7%

1. S&P Capital IQ Data presented as of 12/31/2025, All charts represent Global Data 2 - Market Capitalization as of 12/31/25. 3 - Adj. mean excludes high and low values.

# Selected North American Public Companies

## Selected Public Companies by Segment (\$M, except per share values)

### Commodity Chemicals

Company	Share Price	% of 52W High	Market Cap <sup>2</sup>	EV	EV/EBITDA		EBITDA Margin			FY25-FY27E Growth	
					2026E	2027E	FY25E	FY26E	FY27E	Revenue	EBITDA
Trinseo	\$0.50	(91.7%)	\$18	\$2,489	14.5x	11.6x	6.0%	5.0%	5.8%	2.7%	0.6%
Westlake	73.94	(38.3%)	9,485	13,237	8.9x	7.5x	7.5%	13.0%	14.9%	3.1%	45.8%
LyondellBasell Industries	43.30	(45.5%)	13,937	25,585	8.1x	7.1x	7.2%	10.8%	12.5%	(1.9%)	28.9%
Methanex	39.72	(27.1%)	3,071	6,629	7.7x	6.7x	17.8%	23.5%	23.6%	6.0%	22.0%
Olin Corporation	20.83	(40.1%)	2,377	5,573	7.0x	6.1x	9.7%	11.6%	13.0%	2.0%	18.5%
Orbia Advance	15.60	(21.3%)	1,658	7,121	5.9x	5.4x	10.9%	15.2%	16.0%	3.9%	26.0%
Summary Statistics											
Mean		(44.0%)			8.7x	7.4x	9.8%	13.2%	14.3%	2.6%	23.6%
Adj. Mean <sup>3</sup>		(37.7%)			8.0x	6.8x	8.8%	12.7%	14.1%	2.9%	23.8%
Median		(39.2%)			7.9x	6.9x	8.6%	12.3%	14.0%	2.9%	24.0%

### Agrochemicals

Company	Share Price	% of 52W High	Market Cap <sup>2</sup>	EV	EV/EBITDA		EBITDA Margin			FY25-FY27E Growth	
					2026E	2027E	FY25E	FY26E	FY27E	Revenue	EBITDA
Corteva	\$67.03	(13.4%)	\$45,294	\$47,302	11.4x	10.7x	21.8%	22.5%	23.3%	4.3%	7.9%
FMC	13.87	(75.7%)	1,733	5,923	7.5x	6.9x	19.3%	20.3%	20.7%	9.3%	13.2%
Summary Statistics											
Mean		(44.5%)			9.5x	8.8x	20.6%	21.4%	22.0%	6.8%	10.5%
Adj. Mean <sup>3</sup>		NA			NA	NA	NA	NA	NA	NA	NA
Median		(44.5%)			9.5x	8.8x	20.6%	21.4%	22.0%	6.8%	10.5%

1. S&P Capital IQ Data presented as of 12/31/2025, All charts represent Global Data 2 - Market Capitalization as of 12/31/25. 3 - Adj. mean excludes high and low values.

## Selected Public Companies by Segment (\$M, except per share values)

### Specialty Chemicals

Company	Share Price	% of 52W High	Market Cap <sup>2</sup>	EV	EV/EBITDA		EBITDA Margin			FY25-FY27E Growth	
					2026E	2027E	FY25E	FY26E	FY27E	Revenue	EBITDA
EMS-CHEMIE	\$549.50	(19.8%)	\$16,208	\$15,501	19.8x	18.9x	31.3%	30.9%	31.2%	3.4%	3.1%
Lonza Group	537.80	(12.7%)	47,631	52,376	16.3x	14.1x	31.1%	30.8%	32.2%	18.6%	20.7%
IMCD	77.34	(50.2%)	5,361	7,173	10.4x	9.7x	11.2%	11.6%	11.8%	5.3%	8.0%
Croda International	26.95	(21.4%)	5,063	5,864	10.2x	9.4x	20.8%	24.3%	25.3%	4.1%	14.8%
HEXPOL AB	87.95	(18.9%)	3,287	3,709	9.7x	9.3x	17.0%	18.3%	18.4%	1.6%	5.7%
Borregaard	199.40	(5.9%)	1,973	2,181	10.0x	9.3x	24.3%	26.9%	26.7%	7.1%	12.3%
Elementis plc	1.66	(7.6%)	1,270	1,412	9.5x	9.0x	22.4%	24.8%	24.5%	(6.6%)	(2.3%)
DSM-Firmenich	68.76	(36.8%)	20,439	23,639	9.0x	8.3x	15.9%	17.7%	18.2%	21.6%	30.0%
Wacker Chemie	69.35	(21.2%)	4,045	5,581	8.4x	7.6x	11.8%	10.3%	10.8%	7.6%	2.7%
Victrix	6.55	(40.0%)	767	797	7.7x	6.9x	23.0%	25.6%	26.9%	4.3%	12.8%
Syensqo	68.56	(19.2%)	8,207	10,126	6.4x	5.9x	18.5%	21.3%	21.9%	4.8%	14.2%
Imerys	23.94	(30.7%)	2,373	4,060	5.9x	5.5x	18.2%	16.5%	16.7%	5.4%	1.0%
Clariant	7.16	(36.0%)	2,964	5,193	5.7x	5.4x	15.4%	17.9%	18.2%	2.9%	12.1%
Kemira	19.58	(12.9%)	3,436	3,799	5.7x	5.3x	16.7%	19.5%	20.2%	4.6%	14.9%
Synthomer	0.63	(61.9%)	139	1,091	5.6x	5.0x	3.6%	7.8%	8.2%	4.0%	57.6%
<b>Summary Statistics</b>											
Mean		(26.3%)			9.3x	8.6x	18.7%	20.3%	20.7%	5.9%	13.8%
Adj. Mean <sup>3</sup>		(25.2%)			8.8x	8.1x	18.9%	20.4%	20.8%	5.7%	11.7%
Median		(21.2%)			9.0x	8.3x	18.2%	19.5%	20.2%	4.6%	12.3%

### Catalysts

Company	Share Price	% of 52W High	Market Cap <sup>2</sup>	EV	EV/EBITDA		EBITDA Margin			FY25-FY27E Growth	
					2026E	2027E	FY25E	FY26E	FY27E	Revenue	EBITDA
Johnson Matthey	\$21.32	(3.0%)	\$4,814	\$6,106	9.0x	8.6x	4.4%	16.6%	19.5%	(50.9%)	3.7%
Umicore	17.90	(1.6%)	5,056	7,079	7.0x	6.7x	6.7%	23.5%	23.6%	(55.8%)	(16.9%)
<b>Summary Statistics</b>											
Mean		(2.3%)			8.0x	7.7x	5.5%	20.0%	21.6%	(53.3%)	(6.6%)
Adj. Mean <sup>3</sup>		NA			NA	NA	NA	NA	NA	NA	NA
Median		(2.3%)			8.0x	7.7x	5.5%	20.0%	21.6%	(53.3%)	(6.6%)

### F&F / Food Ingredients

Company	Share Price	% of 52W High	Market Cap <sup>2</sup>	EV	EV/EBITDA		EBITDA Margin			FY25-FY27E Growth	
					2026E	2027E	FY25E	FY26E	FY27E	Revenue	EBITDA
Givaudan	\$3,146.00	(25.7%)	\$36,617	\$42,266	17.9x	17.1x	21.7%	24.2%	24.1%	4.3%	10.0%
Novonesis	407.80	(16.7%)	29,853	33,171	16.8x	15.5x	36.2%	37.7%	38.2%	18.9%	22.1%
Symrise	68.88	(35.7%)	11,304	13,733	11.0x	10.6x	19.4%	21.5%	20.6%	10.2%	13.5%
Kerry Group	78.00	(24.8%)	14,754	17,142	11.2x	10.4x	17.4%	18.5%	19.0%	4.5%	9.2%
Corbion	18.57	(21.2%)	1,256	1,789	7.1x	6.6x	16.1%	16.6%	17.3%	2.5%	6.2%
Associated British Foods	21.27	(9.8%)	20,306	24,015	6.5x	6.1x	12.0%	13.7%	14.2%	2.3%	11.6%
Tate & Lyle	3.75	(45.1%)	2,228	3,524	6.3x	6.0x	20.5%	20.5%	21.2%	11.5%	13.4%
<b>Summary Statistics</b>											
Mean		(25.6%)			11.0x	10.3x	20.5%	21.8%	22.1%	7.7%	12.3%
Adj. Mean <sup>3</sup>		(24.8%)			10.5x	9.8x	19.0%	20.3%	20.5%	6.6%	11.6%
Median		(24.8%)			11.0x	10.4x	19.4%	20.5%	20.6%	4.5%	11.6%

1. S&P Capital IQ Data presented as of 12/31/2025, All charts represent Global Data 2 - Market Capitalization as of 12/31/25. 3 - Adj. mean excludes high and low values.

## Selected Public Companies by Segment (\$M, except per share values)

### Coatings

Company	Share Price	% of 52W High	Market Cap <sup>2</sup>	EV	EV/EBITDA		EBITDA Margin			FY25-FY27E Growth	
					2026E	2027E	FY25E	FY26E	FY27E	Revenue	EBITDA
Sika	\$162.60	(33.8%)	\$32,900	\$40,096	13.9x	12.8x	17.4%	19.8%	20.6%	3.9%	13.1%
Akzo Nobel	59.20	(6.8%)	11,889	16,869	9.3x	8.8x	14.5%	15.1%	15.2%	3.2%	5.5%
Henkel	69.58	(21.4%)	31,885	33,080	7.5x	7.4x	16.3%	18.1%	17.9%	5.8%	10.8%
Summary Statistics											
	Mean	(20.6%)			10.2x	9.7x	16.1%	17.7%	17.9%	4.3%	9.8%
	Adj. Mean <sup>3</sup>	(21.4%)			9.3x	8.8x	16.3%	18.1%	17.9%	3.9%	10.8%
	Median	(21.4%)			9.3x	8.8x	16.3%	18.1%	17.9%	3.9%	10.8%

### Diversified Chemicals

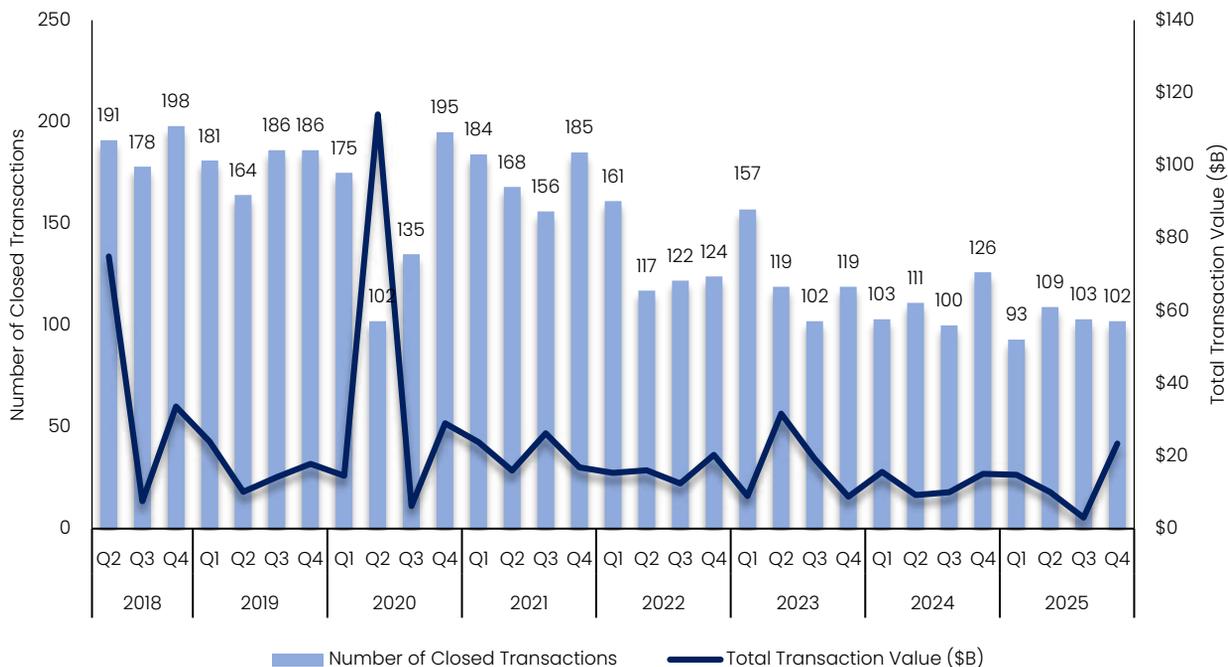
Company	Share Price	% of 52W High	Market Cap <sup>2</sup>	EV	EV/EBITDA		EBITDA Margin			FY25-FY27E Growth	
					2026E	2027E	FY25E	FY26E	FY27E	Revenue	EBITDA
BASF	\$44.43	(19.3%)	\$46,141	\$74,187	8.5x	7.8x	10.1%	11.9%	12.7%	3.5%	15.8%
LANXESS	17.62	(48.1%)	1,786	4,244	7.1x	6.9x	8.2%	8.9%	8.9%	2.6%	6.7%
Evonik Industries	13.36	(40.3%)	7,310	11,845	5.4x	5.1x	15.6%	13.3%	13.8%	1.2%	(4.7%)
Solvay	27.16	(24.8%)	3,331	5,495	5.4x	5.0x	16.6%	19.8%	20.6%	(2.5%)	8.6%
Arkema	52.15	(38.6%)	4,615	7,555	4.8x	4.5x	12.6%	14.5%	15.1%	2.4%	12.0%
Summary Statistics											
	Mean	(34.2%)			6.3x	5.9x	12.6%	13.7%	14.2%	1.4%	7.7%
	Adj. Mean <sup>3</sup>	(34.6%)			6.0x	5.7x	12.8%	13.2%	13.9%	2.0%	9.1%
	Median	(38.6%)			5.4x	5.1x	12.6%	13.3%	13.8%	2.4%	8.6%

### Chemical Distribution

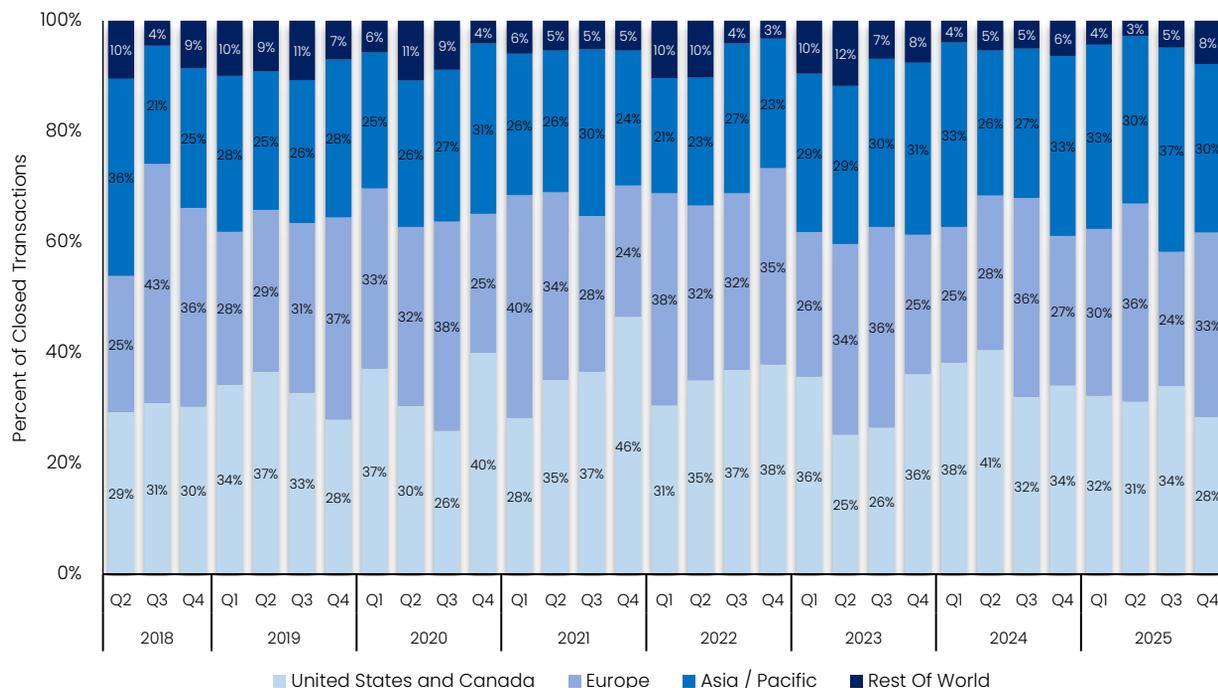
Company	Share Price	% of 52W High	Market Cap <sup>2</sup>	EV	EV/EBITDA		EBITDA Margin			FY25-FY27E Growth	
					2026E	2027E	FY25E	FY26E	FY27E	Revenue	EBITDA
IMCD	\$77.34	(50.2%)	\$5,360.57	\$7,173.24	10.4x	9.7x	11.2%	11.6%	11.8%	5.3%	8.0%
Brenntag	49.56	(27.9%)	8,401.71	11,524.88	7.4x	7.3x	6.9%	8.6%	8.4%	5.9%	16.5%
Summary Statistics											
	Mean	(39.1%)			8.9x	8.5x	9.1%	10.1%	10.1%	5.6%	12.2%
	Adj. Mean <sup>3</sup>	NA			NA	NA	NA	NA	NA	NA	NA
	Median	(39.1%)			8.9x	8.5x	9.1%	10.1%	10.1%	5.6%	12.2%

1. S&P Capital IQ Data presented as of 12/31/2025, All charts represent Global Data 2 - Market Capitalization as of 12/31/25. 3 - Adj. mean excludes high and low values.

## Disclosed Transaction Volume



## Disclosed Transaction Activity by Geographic Region



1. S&P Capital IQ Data presented as of 12/31/2025, All charts represent Global Data

## Strategic Buyers

Most active buyers last 24 months<sup>1</sup>

Acquirer	Targets	Status/Date	Strategy
		Closed Nov-25	The acquisition strengthens Brenntag's specialty chemicals services capabilities by expanding its value-added blending, packaging, and technical service offerings.
		Closed Jun-25	With its state-of-the-art facility and GSZ team's expertise, Brenntag plan to strengthens last mile operations in Germany and plans to expand product offerings and value-added services in the region.
		Closed Aug-24	The acquisition includes Monarch Chemical's two sites in Southeast England and Scotland, bolstering Brenntag's last mile service capabilities in the UK.
		Closed Jul-24	The acquisition allows Brenntag to increase its service levels and cost efficiency for Brenntag customers while providing Brenntag supply partners with greater access to the local market.
	<b>Flexible packaging laminating adhesives Business of</b> 	Closed Dec-24	This acquisition will enable Bostik to ideally complement its existing commercial presence, product offering and technological breadth for flexible packaging.
		Closed Jun-24	Arkema strengthens its range of solutions for next-generation batteries with the acquisition of a majority stake in Proionic.
		Closed Oct-25	The acquisition of Aesol Suisse strengthens FUCHS' specialty lubricants portfolio and enhances its technical service capabilities in high-performance industrial applications.
		Closed Apr-25	The acquisition of IRMCO will reinforce FUCHS' position as a leading lubrication solutions provider in the industrial segment.
		Closed Jan-25	With the acquisition of Boss Lubricants, the FUCHS Group aims to complement its existing specialty business and create new, internationally scalable growth opportunities.
		Closed Feb-26	The acquisition of Micromax strengthens Element Solutions' electronics materials portfolio, adding high-performance inks and LTCC technologies, expanding advanced end-market exposure and customer co-development capabilities, and creating an approximately \$2 billion electronics segment platform.
		Closed Jan-26	The acquisition of EFC expands Element Solutions' exposure to high-growth semiconductor and aerospace end markets through high-purity specialty gases, adding ~\$30 million of 2026 EBITDA and enhancing earnings while strengthening its advanced materials platform.
		Closed Dec-25	Ecolab's \$1.8 billion acquisition of Ovivo's Electronics business strengthens its high-tech growth engine by adding ~\$500 million of ultra-pure water capabilities for semiconductor fabs, more than doubling its global high-tech platform and accelerating circular water solutions for microelectronics customers.
		Closed Nov-24	Ecolab's acquisition of Barclay Water Management creates a new proprietary water safety growth platform by integrating digital monitoring and Legionella treatment capabilities, expanding its North American footprint.

Closed in the quarter

<sup>1</sup> S&P Capital IQ Data presented as of 12/31/2025, All charts represent Global Data

## Financial Buyers

Most active buyers last 24 months<sup>1</sup>

Acquirer	Targets	Status/Date	Strategy
		Closed Oct-25	The acquisition of Ferco Color strengthens Chroma Color's West Coast manufacturing footprint and broadens its portfolio of colorant and additive technologies, enhancing the platform's ability to serve a wider customer base.
		Closed Apr-25	The acquisition enhances Arsenal's adhesives platform by expanding its portfolio of specialty adhesive technologies and strengthening its ability to provide customized bonding solutions.
		Closed May-24	By combining Spectra's technological expertise, it can deliver a powerful competitive advantage, enhance performance, and create greater value for customers.
		Closed Dec-24	Riverside intends to enhance Essential Compositions' commercial and R&D capabilities, further strengthening the company's team of perfumers to support strong organic growth ambitions and international expansion.
		Closed Oct-24	Seatex has a successful track record of launching new products and entering new markets, and the company looks forward to providing capital and resources to support these endeavors.
		Closed Jan-26	The acquisition establishes a mid-cap platform in global surface protection solutions, leveraging operational improvement and M&A build-up opportunities.
		Closed Oct-25	The acquisition establishes an independent global refining catalysts platform, positioning the business for operational enhancement and growth in traditional and renewable fuels markets.
		Closed May-24	The acquisition consolidates ownership of a scaled corn wet milling platform, enabling accelerated modernization, sustainability investments and long-term growth across food, industrial and bio-based ingredient markets.
		Closed Jul-25	The acquisition of CapLinq expands Krayden's global distribution footprint and enhances its portfolio of specialty electronic materials and advanced manufacturing solutions, strengthening the platform's ability to serve a broader customer base.
		Closed Aug-24	This acquisition will combine the Aerospace MRO experience of the company, with the supplier-focused partnerships and technical OEM support of Krayden's distribution business.
		Closed Dec-25	The acquisition of Wessex expands the platform's composite resins and adhesives business into Europe, uniting long-standing licensing partners and strengthening the company's manufacturing, product, and distribution capabilities.
		Closed Oct-25	The acquisition of Cymer Chemicals expands the platform's portfolio of specialty resins and chemical formulations, enhancing technical capabilities and manufacturing capacity.
		Closed Mar-25	Plexus Capital acquired AEG Petroleum and Grade A to establish a new, growth-oriented platform in the petroleum distribution industry.
		Closed Feb-25	ChemREADY plans to drive growth through complementary acquisitions and expand its capabilities in remote monitoring technologies and healthcare-focused solutions, such as Legionella prevention programs and compliance with AAMI ST108 standards.

Closed in the quarter

<sup>1</sup> S&P Capital IQ Data presented as of 12/31/2025, All charts represent Global Data

## Select Recent Transactions – Chemicals



### **ALTIVIA Chemicals**

Has been acquired by

### **usalco**

A portfolio company of

### **H.I.G. Capital**

Balmoral Advisors acted as  
Financial Advisor to ALTIVIA Chemicals



### **Jarchem Innovative Ingredients**

Has been acquired by

### **Vertellus**

A member of the

### **Pritzker Private Capital**

Family of Companies

Balmoral Advisors acted as Financial  
Advisor to Jarchem Innovative Ingredients



### **Materia Inc.**

Has been acquired by

### **ExxonMobil**

Balmoral Advisors acted as  
Financial Advisor to Materia Inc.



### **Sun Chemical Corporation**

Has divested its Bushy Park Pigment  
Production Facility to

### **DCL**

A portfolio company of

### **H.I.G. Capital**

Balmoral Advisors acted as Financial  
Advisor to Sun Chemical Corporation



# Find out why so many clients trust Balmoral Advisors with their middle-market investment banking needs.

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Balmoral Advisors excels in delivering comprehensive middle-market mergers and acquisitions, corporate finance, and financial restructuring advisory services. With our extensive experience, unmatched expertise, and an unwavering commitment to client satisfaction, we serve as the ideal partner for companies striving to achieve their strategic objectives. Whether the aim is to drive growth, secure capital, or navigate financial challenges, Balmoral Advisors possesses the capabilities, skills, and resources to enable success.

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