



Chemicals & Materials Industry

Q1 2026

The Widening Spread

The Widening Spread: An External Shock, Diverging Margins, and a Two-Tier Deal Market

The defining development of the first quarter arrived in late February, when the outbreak of conflict effectively closed the Strait of Hormuz. For this sector, the immediate concern was less the oil price and freight rates that dominate the headlines than the physical supply moving through the strait: energy, certainly, but also the fertilizer and chemical feedstocks for which the region is a major source. The disruption remains in place. It will occupy much of the quarter's commentary, but the more useful question is what it is doing underneath.

The answer is that it is dividing the sector rather than pressing on all of it equally, and it is worth being precise about what changed and what did not. The structural overhang that has affected the industry in recent years, a supply base that expanded faster than demand and is concentrated in China, has not moved. What is new is an external shock sitting on top of it, exogenous in cause and, for now, open-ended in duration. The two should not be conflated: the margin improvement at some producers and the pricing relief in parts of Europe are consequences of the shock, not signs that the structural overhang has eased. Because the disruption is physical, its effects would outlast any reopening.

That dichotomy is showing up in two places at once. In operations, the divide runs along feedstock and geography: producers on advantaged feedstock are running hard and earning wider margins, while those on crude-linked inputs and disrupted trade routes are absorbing higher costs.

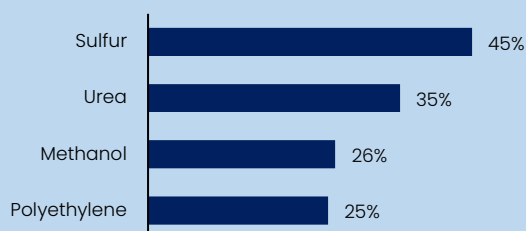
M&A is splitting too, though along a different line, into what is now effectively a two-tier market. Assets tied to secular demand continue to draw competitive processes and full valuations, while those weighed down by structural oversupply, where visibility on a demand recovery is limited, clear at more disciplined levels and with wider bid-ask spreads. Volatility of this kind usually invites a pause; the more notable behavior has been the opposite, as corporate and financial owners use the dislocation to reposition rather than wait.

Market Environment: The Cost Curve Steepens

The strait carries a disproportionate share of several inputs central to this sector, and the exposure is uneven by product: sulfur is the most exposed, at roughly 45% of globally traded volume, followed by urea near 35%, methanol around 26%, and polyethylene in the 20% to 30% range. Fertilizer accounts for much of that exposure, with sulfur and urea the two most affected, which turns the margin pressure on sulfur-dependent producers that was already visible last quarter into a supply question as much as a cost one.

Strait of Hormuz Exposure by Product

Estimated share of globally traded volume exposed to the Strait of Hormuz (%)



Source: Industry estimates and company disclosures



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For the broader complex, the effect has been less a single price move than a series of localized tightenings, felt first where a plant's feedstock or offtake depends on volumes that now move slowly or not at all.

That supply backdrop has widened an already-meaningful gap between cost positions. Producers running on domestically advantaged US ethane have held high operating rates and seen integrated margins expand, as higher global prices clear against a feedstock that did not move with crude.

Producers reliant on crude-linked naphtha, concentrated in Asia, have absorbed the reverse: higher input and freight costs, compressed margins, and economics and supply constraints that no longer support full operating rates.

This is not a reordering of the cost curve. US ethane was the low-cost position before the shock and remains so; what changed is the distance between the ends, which stretched as the high-cost marginal producer took the weight of the disruption.

Europe occupies a more ambiguous position. Energy and power costs remain a structural disadvantage and a live risk under the current disruption, but the same event has curtailed the flow of low-priced Chinese exports that has pressured European pricing for several quarters, handing select producers a measure of pricing power they have not had in some time. That relief should be read for what it is. The Chinese capacity that defines the structural overhang has not gone away; it has been held back, for now, by the economics of the shock, which has lifted feedstock costs and curtailed imported inputs such as Middle Eastern methanol, a key feedstock for China's methanol-to-olefins capacity.

Downstream Resilience

While the commodity chains absorb the shock unevenly, the downstream coatings and construction-chemicals space has stayed notably steady.

Several firms reaffirmed full-year guidance while explicitly flagging the Middle East disruption in their raw-material outlooks, an early sign the cost effects are being managed rather than absorbed passively. The read-through is the one underwriters have relied on for some time: in this part of the sector, margin durability carries through a downturn, and through a shock.

IQ-26 Earnings Scorecard: Performance by Value Chain

The first-quarter prints brought the cost-curve divergence into sharper relief. Read by value chain, the season was less about demand, which stayed soft almost everywhere, than about where each business stood relative to the shock: its feedstock, its geography, and its ability to hold price as input costs moved.

Commodity Chemicals

Higher product prices and favorable feedstock timing lifted margins from recent lows, with the steeper global cost curve working in favor of US producers in particular, where advantaged ethane and a disruption-driven tightening in polyethylene, PVC, and chlor-alkali firmed pricing as the quarter progressed. LyondellBasell was the clearest example, running its crackers harder and capturing the stronger pricing while continuing to reshape its portfolio and hold down costs. Westlake and Olin saw the same support come through in vinyls and caustic soda, each pairing it with structural cost programs, and Olin's epoxy business returned to profitability.



Chemicals & Materials Industry

Q1 2026

The Widening Spread

The benefit reached beyond North America as well: LG Chem's petrochemicals business returned to profit on feedstock-lag effects, and Middle Eastern producers, including SABIC, saw earnings recover as the price spike lifted margins off multi-decade lows, even with exports still constrained by the closure of the Strait of Hormuz.

Agrochemicals and Fertilizers

Fertilizers showed the clearest split, and nitrogen was the standout. With much of the world's traded urea and ammonia moving through the Strait of Hormuz, the closure pulled meaningful supply off the market just as planting season arrived, and an already tight balance tightened further. CF Industries and Yara posted some of the strongest results in the sector, on wider nitrogen margins and high utilization. Phosphate economics were more mixed, with sulfur and ammonia costs tied to the same chokepoint running ahead of finished prices. Crop protection held up well, Corteva growing on volume and newer-product mix, even as growers stayed measured on spending.

Specialty Chemicals and Coatings

Specialty earnings proved resilient, with margins and pricing holding even where volumes were flat, a reflection of the pricing discipline the better-positioned names have built over the past two years. Coatings was a good example, Sherwin-Williams holding price and expanding margin through a still-quiet construction and auto backdrop. The clearest momentum was in consumer-facing and technology-linked specialties: Croda's beauty actives grew double digits on resilient premium demand,

and Avient pointed to share gains tied to data-center and infrastructure build-out, both standing out against otherwise steady end markets.

In specialties and coatings, the difference came down to pricing power and the ability to protect margin, the same qualities that increasingly separate the most sought-after assets in the deal market.

The Transaction Environment: A Two-Tier Market

If the operating picture divided along feedstock and geography, the deal market sorts on a different and longer-standing axis: the kind of asset on offer. M&A stayed active on both sides of the table through the volatility, with strategic buyers the steadier presence. Their activity concentrated in specialty and downstream chemistries: coatings and adhesives, construction inputs, water treatment, ag biologicals, and specialty ingredients. Henkel added Stahl and ATP Adhesive Systems; Sika and Saint-Gobain folded in construction-chemistry bolt-ons; BASF Agricultural Solutions acquired AgBiTech in biologicals; and Ecolab extended its high-tech franchise into data-center cooling. These are mostly adjacent moves, adding a capability, a geography, or an end-market, and they track the resilience seen in coatings above.

Financial sponsors stayed active on the other side of the same flow, taking carve-outs from strategics reshaping their portfolios. CVC Capital agreed to acquire a majority of DSM-Firmenich's animal nutrition and health business.



Chemicals & Materials Industry

Q1 2026

The Widening Spread

SABIC's exit of its European petrochemicals & engineering-thermoplastics operations refocuses the company on the higher-margin markets where it holds a clear competitive advantage, while Lonza's sale of its capsules and health-ingredients business to Lone Star Funds kept a meaningful stake in the seller's hands, sharing in the recovery rather than crystallizing a full price today. Structuring of this kind has become a routine part of getting transactions done.

Across both buyer types, the dividing line on price has held for several quarters. Assets with a visible secular demand story, in water treatment, high-purity and electronics materials, biologicals, and energy-transition exposure, continue to draw competitive processes and full valuations, while assets carrying the sector's structural weight cleared at more disciplined levels. For an owner, the question that matters is which side of that line an asset falls on, and what it takes to bridge the gap.

Outlook

For all its cost, the disruption proved a genuine if uneven tailwind for parts of the sector, but what it changes from here is harder to say. The episode is the latest in a series, after the pandemic and the war in Ukraine, to put long and concentrated supply chains back into corporate planning, weighing resilience and proximity alongside cost. That has driven selective reshoring in other industries and far less in chemicals, where feedstock geography cannot easily be moved, though the question is being asked more seriously than before. And the relief is temporary in any case: even once the Strait of Hormuz normalizes, the backlog of delayed material and processing will take time to clear.

What has not slowed is deal-making. Two of the sector's larger portfolio actions, DSM-Firmenich's animal nutrition divestiture and Lonza's exit of capsules and health ingredients, were signed in the period, with several other processes still underway. Sponsors remain interested in the sector, though value-oriented and sharply attuned to businesses with a durable advantage.

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.



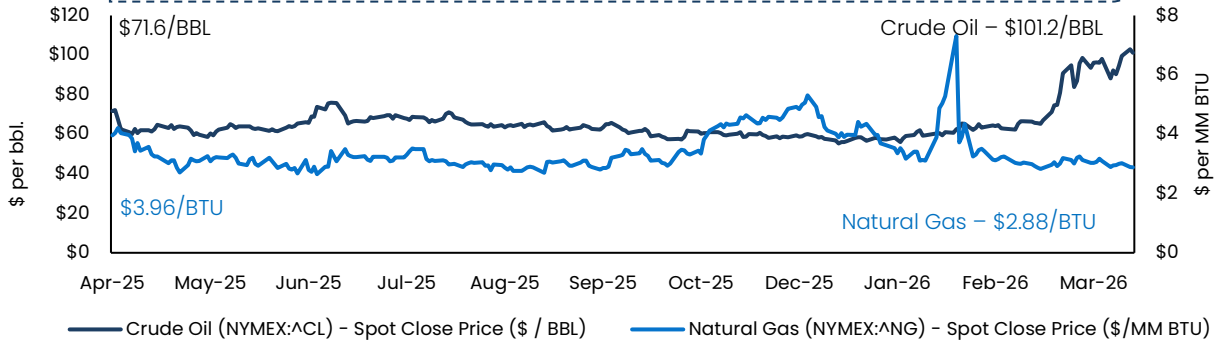
Your powerful,
competitive advantage



Oil and Gas Performance

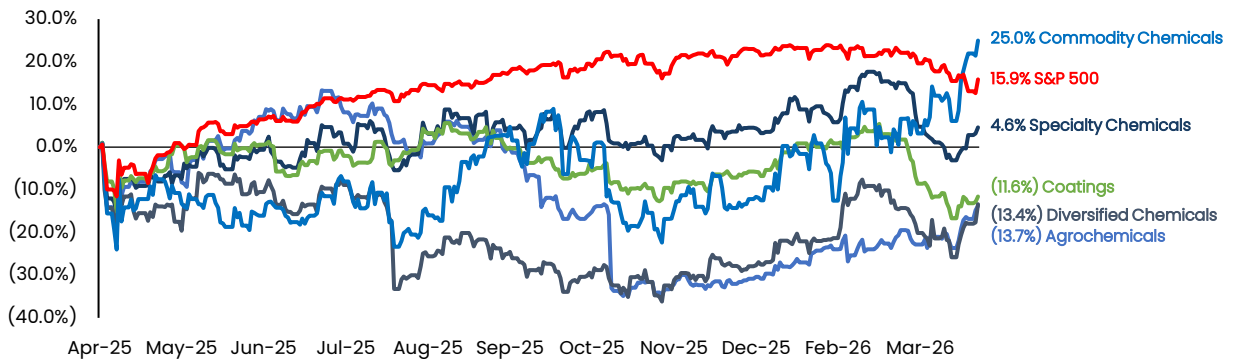
LTM Prices¹

Crude oil prices rose sharply through Q1 as Middle East supply disruptions and tighter global flows outweighed softer demand expectations. Natural gas prices eased late in the quarter as improving supply and storage balances offset winter demand, though LNG export activity continued to support fundamentals.²



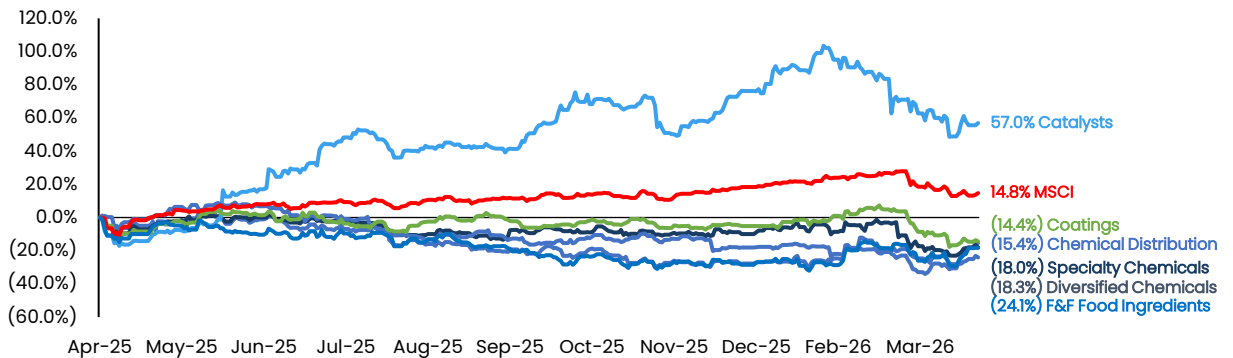
North American Share Price Performance

LTM Relative Performance



European Share Price Performance

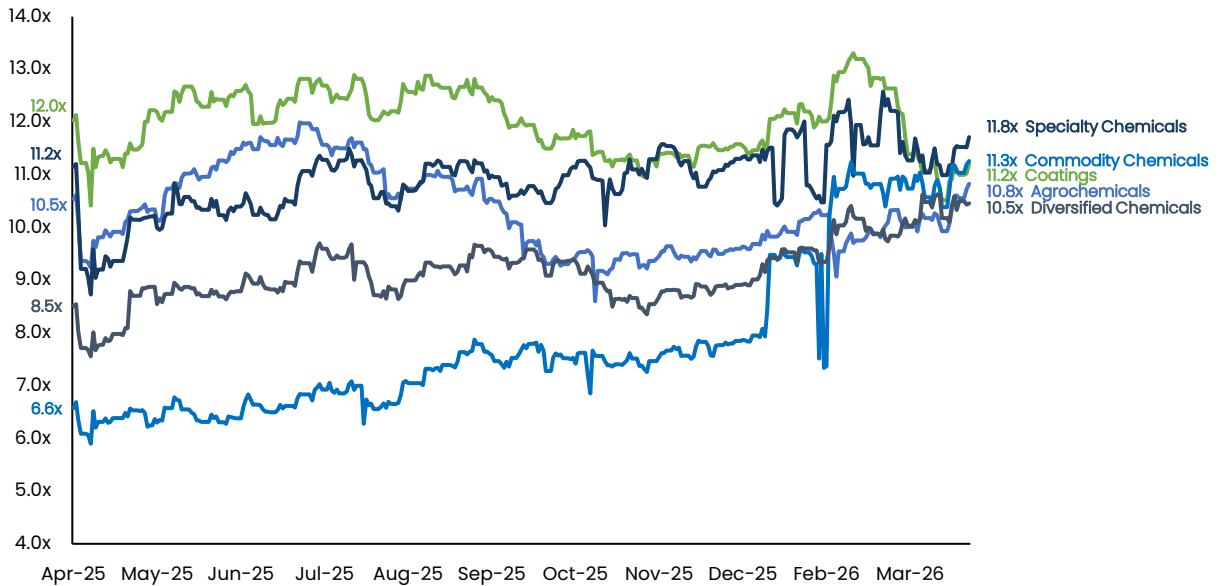
LTM Relative Performance



1. S&P Capital IQ Data presented as of 03/31/2026, All charts represent Global Data 2. IEA

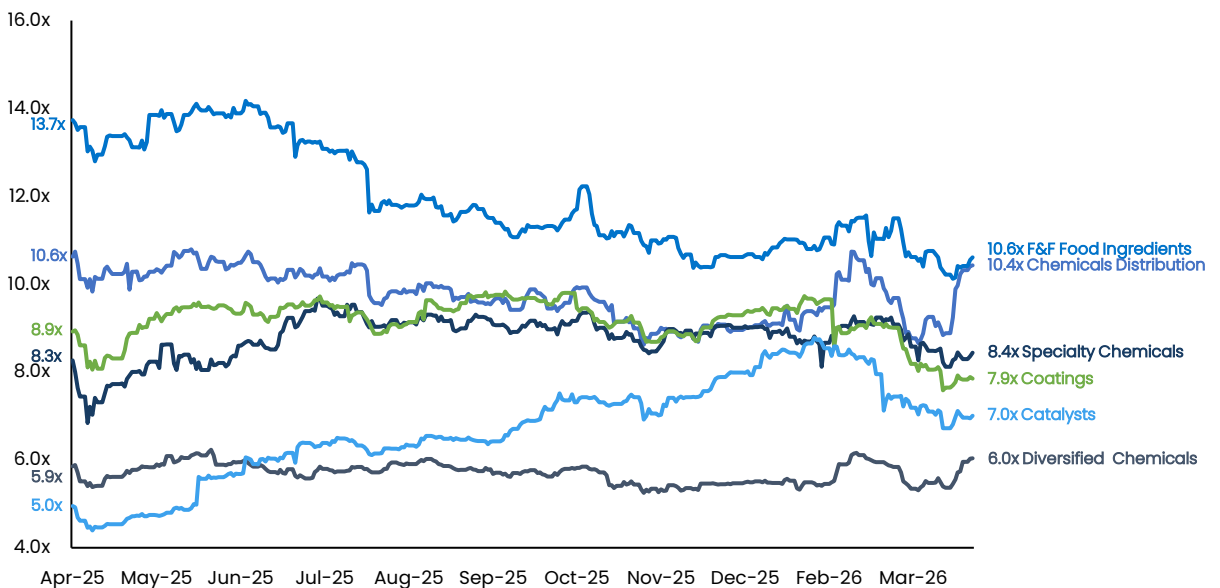
North American Multiple Evolution

LTM EV/NTM EBITDA (x)



European Multiple Evolution

LTM EV/NTM EBITDA (x)



1. S&P Capital IQ Data presented as of 03/31/2026. 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 ²	EV	EV/EBITDA		EBITDA Margin			FY25A-FY27E CAGR	
					2026E	2027E	FY25A	FY26E	FY27E	Revenue	EBITDA
Balchem	\$169.48	(7.8%)	\$5,428	\$5,534	18.8x	18.1x	24.6%	26.7%	26.5%	5.6%	9.7%
Ecolab	266.02	(14.0%)	75,130	83,515	19.1x	17.5x	24.4%	24.9%	25.7%	7.6%	10.3%
Hexcel	80.93	(15.0%)	6,140	7,088	17.9x	15.0x	17.2%	19.1%	20.7%	9.8%	20.2%
Element Solutions	34.14	(9.5%)	8,316	9,428	14.2x	12.9x	19.3%	21.8%	22.4%	13.2%	21.8%
DuPont de Nemours	45.80	(45.1%)	18,729	21,651	12.4x	11.6x	22.1%	24.5%	25.2%	3.9%	10.9%
Sensient Technologies	86.44	(28.9%)	3,678	4,391	13.6x	11.5x	17.6%	18.6%	20.2%	8.3%	16.1%
IFF	72.55	(14.1%)	18,532	24,625	11.7x	11.0x	17.1%	19.6%	20.3%	0.6%	9.7%
Albemarle	179.53	(12.8%)	21,164	25,286	11.9x	10.7x	14.3%	38.7%	40.9%	6.2%	79.3%
Ingevity	71.23	(8.0%)	2,509	3,674	9.5x	9.0x	30.7%	32.4%	34.3%	1.0%	6.9%
Ashland	55.61	(15.3%)	2,545	3,730	9.2x	8.3x	20.0%	21.9%	23.6%	2.5%	11.4%
H.B. Fuller	61.68	(10.1%)	3,361	5,481	8.3x	8.0x	16.5%	18.2%	18.2%	4.0%	9.3%
Avient	36.30	(19.1%)	3,329	4,831	8.4x	8.0x	16.7%	17.2%	17.5%	3.2%	5.7%
Ecovyst	12.86	(3.1%)	1,422	1,656	8.7x	7.8x	21.2%	21.1%	22.3%	14.7%	17.6%
FMC	17.22	(61.5%)	2,153	5,795	8.4x	7.7x	11.9%	18.8%	19.7%	5.2%	35.2%
Innospec	73.02	(24.2%)	1,818	1,585	8.1x	6.7x	11.2%	10.6%	12.0%	5.0%	8.7%
Summary Statistics											
Median		(14.1%)			11.7x	10.7x	17.6%	21.1%	22.3%	5.2%	10.9%
Mean		(19.2%)			12.0x	10.9x	19.0%	22.3%	23.3%	6.1%	18.2%
Adj. Mean ³		(17.2%)			11.8x	10.7x	18.7%	21.9%	22.8%	5.8%	14.5%

Coatings

Company	Share Price	% of 52W High	Market Cap ²	EV	EV/EBITDA		EBITDA Margin			FY25A-FY27E CAGR	
					2026E	2027E	FY25A	FY26E	FY27E	Revenue	EBITDA
Sherwin-Williams	\$320.55	(15.6%)	\$78,835	\$92,578	19.2x	17.6x	19.0%	19.6%	20.4%	4.4%	8.1%
RPM International	99.40	(23.0%)	12,731	15,284	12.8x	11.6x	15.1%	15.4%	16.4%	4.5%	8.9%
PPG Industries	106.88	(19.9%)	23,920	29,759	10.3x	9.7x	16.7%	17.7%	18.2%	3.1%	7.7%
Axalta Coating Systems	27.70	(22.5%)	5,910	8,611	7.5x	7.1x	19.6%	22.2%	22.8%	2.3%	10.3%
Summary Statistics											
Median		(21.2%)			11.5x	10.6x	17.9%	18.7%	19.3%	3.8%	8.5%
Mean		(20.2%)			12.4x	11.5x	17.6%	18.7%	19.5%	3.6%	8.8%
Adj. Mean ³		(21.2%)			11.5x	10.6x	17.9%	18.7%	19.3%	3.8%	8.5%

Diversified Chemicals

Company	Share Price	% of 52W High	Market Cap ²	EV	EV/EBITDA		EBITDA Margin			FY25A-FY27E CAGR	
					2026E	2027E	FY25A	FY26E	FY27E	Revenue	EBITDA
Huntsman	\$13.31	(15.0%)	\$2,316	\$4,495	14.2x	10.8x	4.6%	5.4%	6.8%	3.7%	25.8%
Dow	41.65	(2.6%)	29,972	46,818	11.2x	9.4x	6.8%	10.2%	11.8%	2.6%	35.6%
Celanese	65.77	(3.0%)	7,361	19,455	9.7x	9.1x	16.4%	21.3%	21.9%	1.2%	16.9%
Eastman Chemical	76.32	(14.0%)	8,723	13,329	8.7x	8.1x	16.8%	17.3%	18.0%	2.2%	5.8%
Summary Statistics											
Median		(8.5%)			10.4x	9.3x	11.6%	13.7%	14.9%	2.4%	21.4%
Mean		(8.6%)			11.0x	9.3x	11.1%	13.5%	14.6%	2.4%	21.0%
Adj. Mean ³		(8.5%)			10.4x	9.3x	11.6%	13.7%	14.9%	2.4%	21.4%

1. S&P Capital IQ Data presented as of 03/31/2026. All charts represent Global Data 2 - Market Capitalization as of 03/31/26. 3 - Adj. mean excludes high and low values.

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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 ²	EV	EV/EBITDA		EBITDA Margin			FY25A-FY27E CAGR	
					2026E	2027E	FY25A	FY26E	FY27E	Revenue	EBITDA
LyondellBasell Industries	\$80.56	(4.0%)	\$25,954	\$37,350	10.8x	10.2x	7.2%	11.3%	12.0%	0.8%	29.9%
Westlake	116.82	(2.4%)	14,942	18,927	10.9x	9.9x	7.5%	15.1%	16.0%	3.4%	51.5%
Olin Corporation	29.73	(2.4%)	3,385	6,389	12.1x	8.5x	9.7%	7.8%	10.6%	2.3%	7.2%
Methanex	59.54	(10.8%)	4,593	7,899	7.9x	7.9x	22.6%	23.9%	24.6%	6.3%	11.0%
Orbia Advance	21.59	(2.5%)	2,292	7,463	6.3x	5.7x	11.8%	15.1%	15.8%	3.9%	20.2%
Summary Statistics											
Median		(2.5%)			10.8x	8.5x	9.7%	15.1%	15.8%	3.4%	20.2%
Mean		(4.4%)			9.6x	8.4x	11.8%	14.6%	15.8%	3.3%	24.0%
Adj. Mean ³		(3.0%)			9.9x	8.8x	9.6%	13.8%	14.6%	3.2%	20.4%

Agrochemicals

Company	Share Price	% of 52W High	Market Cap ²	EV	EV/EBITDA		EBITDA Margin			FY25A-FY27E CAGR	
					2026E	2027E	FY25A	FY26E	FY27E	Revenue	EBITDA
Corteva	\$83.71	(0.3%)	\$56,199	\$54,884	13.3x	12.5x	21.8%	22.8%	23.5%	3.5%	7.4%
FMC	17.22	(61.5%)	2,153	5,795	8.4x	7.7x	11.9%	18.8%	19.7%	5.2%	35.2%
Summary Statistics											
Median		(30.9%)			10.8x	10.1x	16.9%	20.8%	21.6%	4.4%	21.3%
Mean		(30.9%)			10.8x	10.1x	16.9%	20.8%	21.6%	4.4%	21.3%
Adj. Mean ³		NA			NA	NA	NA	NA	NA	NA	NA

1. S&P Capital IQ Data presented as of 03/31/2026. All charts represent Global Data 2 - Market Capitalization as of 03/31/26. 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 ²	EV	EV/EBITDA		EBITDA Margin			FY25A-FY27E CAGR	
					2026E	2027E	FY25A	FY26E	FY27E	Revenue	EBITDA
EMS-CHEMIE	\$622.50	(7.4%)	\$18,151	\$17,442	22.1x	21.0x	31.4%	32.6%	32.8%	0.9%	3.2%
Lonza Group	504.80	(16.6%)	44,197	48,585	16.9x	14.7x	32.7%	32.3%	33.2%	10.0%	10.8%
IMCD	89.50	(29.3%)	6,092	7,882	12.5x	11.6x	10.5%	10.9%	11.2%	3.8%	7.0%
DSM-Firmenich	61.44	(38.5%)	17,747	21,844	10.4x	9.6x	15.9%	20.0%	20.6%	2.1%	16.2%
Croda International	28.15	(15.0%)	5,180	5,891	10.4x	9.5x	13.8%	24.3%	25.2%	3.4%	39.9%
Borregaard	174.80	(17.5%)	1,794	2,011	9.6x	8.7x	22.5%	25.4%	26.2%	7.7%	16.1%
HEXPOL	71.65	(26.1%)	2,593	2,928	8.6x	8.1x	17.0%	17.6%	18.1%	(2.3%)	0.8%
Elementis	1.50	(16.7%)	1,123	1,321	8.3x	7.9x	24.8%	26.5%	26.3%	3.0%	6.1%
Wacker Chemie	84.10	(1.9%)	4,817	6,018	8.5x	7.2x	8.3%	11.0%	12.5%	1.9%	25.0%
Victrex	5.70	(39.0%)	655	685	7.0x	6.3x	23.0%	24.7%	25.9%	3.0%	9.3%
Kemira	18.80	(12.4%)	3,201	3,806	6.2x	5.9x	16.7%	18.8%	19.2%	2.2%	9.7%
Syensqo	49.48	(39.7%)	5,817	8,177	6.5x	5.6x	20.2%	18.3%	20.4%	1.1%	1.7%
Clariant	7.73	(21.4%)	3,169	5,129	5.9x	5.6x	15.0%	17.9%	18.4%	0.9%	11.5%
Imerys	21.40	(31.6%)	2,083	3,699	5.7x	5.3x	13.3%	16.4%	16.9%	1.9%	14.7%
Synthomer	0.41	(67.2%)	88	1,021	5.2x	4.5x	6.0%	8.2%	9.1%	4.0%	27.3%
Summary Statistics											
Median		(21.4%)			8.5x	7.9x	16.7%	18.8%	20.4%	2.2%	10.8%
Mean		(25.3%)			9.6x	8.8x	18.1%	20.3%	21.1%	2.9%	13.3%
Adj. Mean ³		(23.9%)			9.0x	8.1x	17.9%	20.3%	21.1%	2.8%	12.2%

Catalysts

Company	Share Price	% of 52W High	Market Cap ²	EV	EV/EBITDA		EBITDA Margin			FY25A-FY27E CAGR	
					2026E	2027E	FY25A	FY26E	FY27E	Revenue	EBITDA
Johnson Matthey	\$18.97	(22.1%)	\$4,202	\$5,470	8.2x	8.0x	4.4%	17.2%	20.1%	(52.4%)	2.0%
Umicore	16.18	(26.7%)	4,488	6,004	5.9x	5.5x	6.5%	24.3%	24.9%	(56.3%)	(14.4%)
Summary Statistics											
Median		(24.4%)			7.0x	6.7x	5.4%	20.7%	22.5%	(54.4%)	(6.2%)
Mean		(24.4%)			7.0x	6.7x	5.4%	20.7%	22.5%	(54.4%)	(6.2%)
Adj. Mean ³		NA			NA	NA	NA	NA	NA	NA	NA

F&F / Food Ingredients

Company	Share Price	% of 52W High	Market Cap ²	EV	EV/EBITDA		EBITDA Margin			FY25A-FY27E CAGR	
					2026E	2027E	FY25A	FY26E	FY27E	Revenue	EBITDA
Givaudan	\$2,684.00	(36.6%)	\$30,882	\$35,501	15.9x	15.1x	21.7%	23.7%	23.8%	2.3%	7.1%
Novonesis	382.50	(21.8%)	27,493	30,638	16.0x	14.7x	37.0%	37.4%	38.0%	6.0%	7.4%
Symrise	73.24	(31.7%)	11,689	13,584	10.8x	10.1x	14.9%	21.8%	22.1%	2.3%	24.5%
Kerry Group	68.40	(31.9%)	12,605	15,194	10.5x	9.7x	16.8%	18.4%	19.0%	1.8%	8.2%
Corbion	18.76	(13.3%)	1,246	1,710	6.8x	6.4x	14.8%	16.9%	17.4%	1.6%	10.3%
Tate & Lyle	3.62	(40.7%)	2,111	3,383	6.2x	5.9x	20.5%	20.6%	21.3%	9.4%	11.4%
Associated British Foods	18.77	(20.5%)	17,430	21,070	6.3x	5.8x	12.0%	12.9%	13.6%	0.5%	7.1%
Summary Statistics											
Median		(31.7%)			10.5x	9.7x	16.8%	20.6%	21.3%	2.3%	8.2%
Mean		(28.1%)			10.4x	9.7x	19.7%	21.7%	22.2%	3.4%	10.9%
Adj. Mean ³		(28.5%)			10.1x	9.4x	17.7%	20.3%	20.7%	2.8%	8.9%

1. S&P Capital IQ Data presented as of 03/31/2026, All charts represent Global Data 2 - Market Capitalization as of 03/31/26. 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 ²	EV	EV/EBITDA		EBITDA Margin			FY25A-FY27E CAGR	
					2026E	2027E	FY25A	FY26E	FY27E	Revenue	EBITDA
Sika	\$129.90	(42.7%)	\$25,982	\$31,898	11.8x	10.9x	17.4%	19.6%	20.0%	1.7%	9.1%
Akzo Nobel	49.20	(21.6%)	9,715	13,295	7.8x	7.3x	10.7%	14.8%	15.5%	(0.7%)	19.4%
Henkel	66.30	(21.3%)	29,644	30,399	7.1x	6.7x	15.8%	18.0%	18.4%	1.3%	9.3%
Summary Statistics											
	Median	(21.6%)			7.8x	7.3x	15.8%	18.0%	18.4%	1.3%	9.3%
	Mean	(28.5%)			8.9x	8.3x	14.6%	17.5%	17.9%	0.8%	12.6%
	Adj. Mean ³	(21.6%)			7.8x	7.3x	15.8%	18.0%	18.4%	1.3%	9.3%

Diversified Chemicals

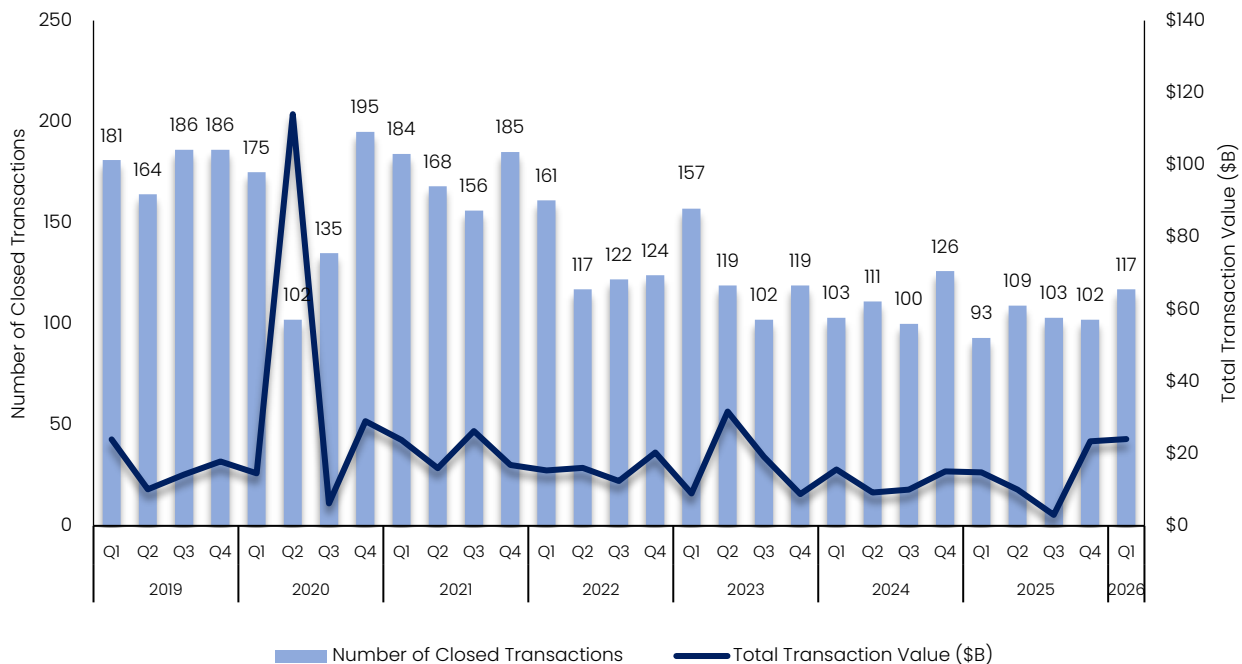
Company	Share Price	% of 52W High	Market Cap ²	EV	EV/EBITDA		EBITDA Margin			FY25A-FY27E CAGR	
					2026E	2027E	FY25A	FY26E	FY27E	Revenue	EBITDA
BASF	\$52.40	(1.2%)	\$52,791	\$76,157	9.7x	8.6x	10.1%	11.3%	12.3%	1.7%	11.9%
LANXESS	18.65	(36.8%)	1,857	4,210	7.1x	6.5x	5.9%	8.8%	9.6%	0.9%	29.0%
Evonik Industries	16.75	(19.4%)	9,000	12,819	5.9x	5.7x	12.2%	13.3%	13.6%	0.2%	6.1%
Arkema	58.30	(18.9%)	5,084	8,035	5.5x	5.1x	12.6%	14.0%	14.7%	0.4%	8.3%
Solvay	26.46	(23.3%)	3,187	5,084	5.4x	5.1x	14.2%	19.4%	20.1%	(5.6%)	12.5%
Summary Statistics											
	Median	(19.4%)			5.9x	5.7x	12.2%	13.3%	13.6%	0.4%	11.9%
	Mean	(19.9%)			6.7x	6.2x	11.0%	13.4%	14.1%	(0.5%)	13.6%
	Adj. Mean ³	(20.6%)			6.2x	5.8x	11.6%	12.9%	13.5%	0.5%	10.9%

Chemical Distribution

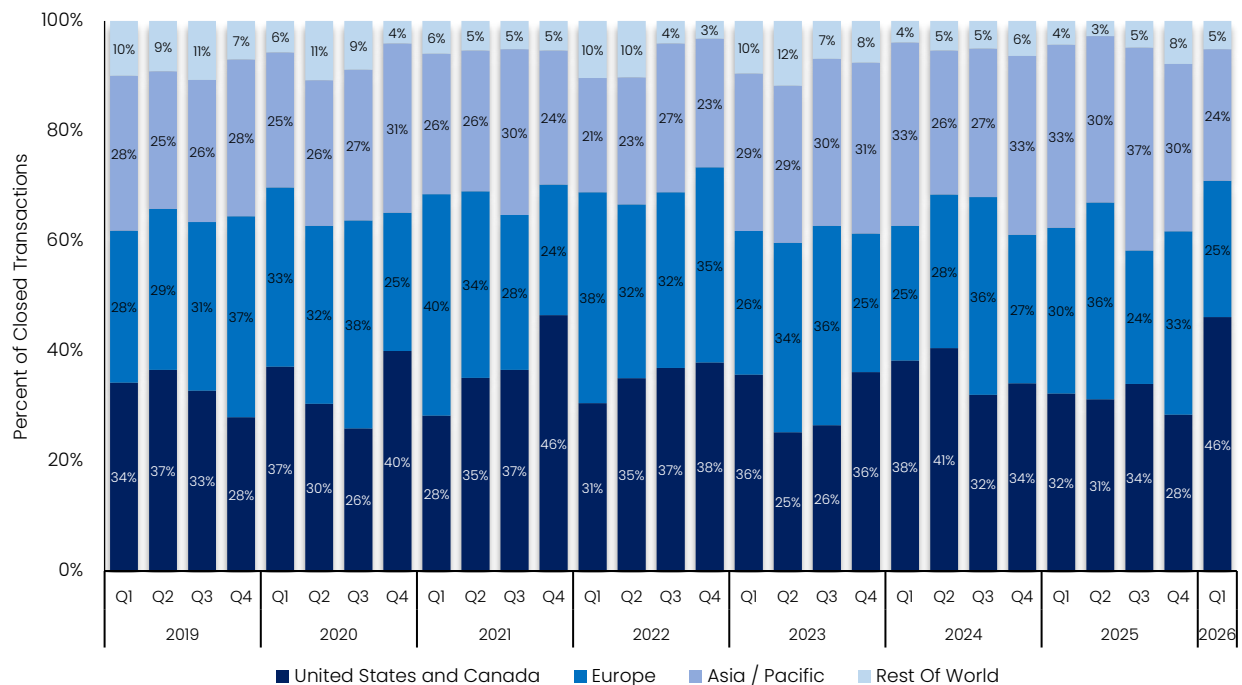
Company	Share Price	% of 52W High	Market Cap ²	EV	EV/EBITDA		EBITDA Margin			FY25A-FY27E CAGR	
					2026E	2027E	FY25A	FY26E	FY27E	Revenue	EBITDA
IMCD	\$89.50	(29.3%)	\$6,092	\$7,882	12.5x	11.6x	10.5%	10.9%	11.2%	3.8%	7.0%
Brenntag	57.28	(9.1%)	9,536	12,482	8.4x	7.9x	6.6%	8.5%	8.9%	0.2%	16.7%
Summary Statistics											
	Median	(19.2%)			10.5x	9.7x	8.5%	9.7%	10.0%	2.0%	11.8%
	Mean	(19.2%)			10.5x	9.7x	8.5%	9.7%	10.0%	2.0%	11.8%
	Adj. Mean ³	NA			NA	NA	NA	NA	NA	NA	NA

1. S&P Capital IQ Data presented as of 03/31/2026. All charts represent Global Data 2 - Market Capitalization as of 03/31/26. 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 03/31/2025. All charts represent Global Data

Strategic Buyers

Most active buyers last 24 months¹

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 plans to strengthen 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.
		Closed Jan-26	The acquisition allows IMCD to strengthen its presence in South Korea and broadened its beauty and personal care offering through the acquisition of Dong Yang.
		Closed Dec-25	The acquisition allows IMCD to further strengthen its presence in Italy and expand its specialty chemicals offering across industrial, water, and food applications.
		Closed Jul-25	The acquisition allows IMCD to bolster its advanced materials and plastics portfolio in Latin America, while enhancing market reach and local technical expertise
		Closed Apr-26	The full acquisition of the OPET FUCHS joint venture strengthens FUCHS Group's presence in Turkey.
		Closed Oct-25	The acquisition of Aesol Suisse strengthens FUCHS' specialty lubricants portfolio and enhances its technical service capabilities in high-performance applications.
		Closed Apr-25	The acquisition of IRMCO will reinforce FUCHS' position as a leading lubrication solutions provider in the industrial segment.
		Closed Feb-26	The acquisition of Micromax strengthens Element Solutions' electronics materials portfolio, adding high-performance technologies, expanding advanced end-market exposure 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

¹ S&P Capital IQ Data presented as of 03/31/2026. All charts represent Global Data

Financial Buyers

Most active buyers last 24 months¹

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 Jan-26	The add-on investment in Key Polymer helps Seatex expand its end-market and geographic reach while strengthening its technical capabilities in high-performance adhesives, sealants, coatings.
		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 Jan-25	KPS' acquisition of ALTA Performance Materials strengthens its exposure to specialty composite resins.
		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 Jan-26	PRO-SET expands into formulated protective coatings and laminating adhesives, while broadening its technical capabilities across advanced composite structures through the acquisition of UNICHEM.
		Closed Dec-25	The acquisition expands the platform's composite resins and adhesives business into Europe, uniting long-standing licensing partners and strengthening the manufacturing and distribution capabilities.
		Closed Oct-25	The acquisition expands the platform's portfolio of specialty resins and chemical formulations, enhancing technical capabilities and manufacturing capacity.
	<p>Platform Creation</p> 	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

¹ S&P Capital IQ Data presented as of 03/31/2026, 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

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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