Industry Insights

Chemicals & Materials Industry Q2 2026

The Round Trip

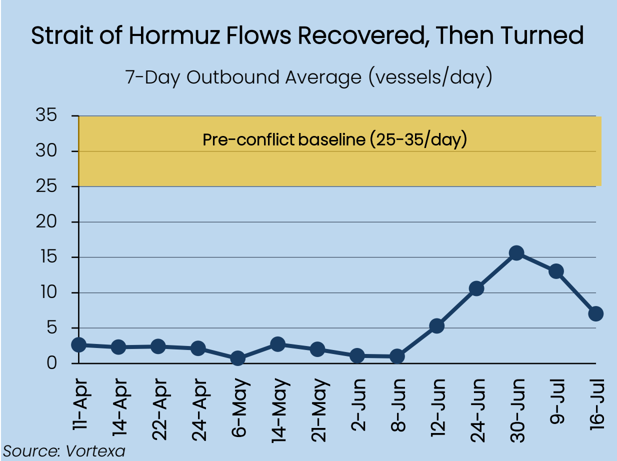
The Round Trip: A Partial Reopening, Prices That Retraced, and a Deal Market That Did Not Wait

On a quarterly average, the second quarter reads as the strongest the commodity end of the sector has posted in several years, but the average is the wrong unit. Between April and June, the Strait of Hormuz moved from near closure to a partial, supervised reopening under the ceasefire framework reached in early April, and nearly every price series tied to it traced the same shape: a spike into mid-April, a decline through May and June, and, in several cases, a finish near or below where the quarter began. US Gulf urea roughly halved from its April peak to its late-June low. Asian cracker spreads swung from their widest level in years to negative territory and back within eight weeks. Observed tanker traffic through the Strait of Hormuz, which had fallen to a trickle, recovered to a fraction of its pre-conflict level by quarter-end. The path, not the average, is the story of the quarter.

It is worth being precise about what that path does and does not show. The pricing and margin strength of the period was produced by a physical interruption of supply, not by a recovery in demand. Operating rates and volumes deteriorated across the same weeks in which prices spiked. The quarter's earnings beats concentrated in the value chains most exposed to the disruption — olefins and polyethylene above all — while the misses concentrated in nitrogen and phosphate volumes. Producers themselves were the first to say so, characterizing the uplift as shortage-driven rather than structural. The supply overhang that has weighed on the industry in recent years was interrupted for a quarter.

The operating divergence that opened in the first quarter sharpened and then compressed. Producers on advantaged feedstock captured the spike and kept most of it. Producers on crude-linked inputs absorbed a violent swing in both directions, and the temporary relief that reached parts of Europe had begun reversing by June, before the quarter's results had even printed.

The deal market took none of this as a reason to pause. Strategic buyers were the dominant presence among major transactions, carve-outs were the clearest structural signal, and formulated and ingredient assets drew the most consistent interest. Where financial sponsors were quieter, it showed up as scarcity of exits rather than as weaker asset pricing. The dividing line by asset type that has held for several quarters held again, and the second half of this issue takes up what that means for owners deciding whether to move.



Source: Vortexa

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Market Environment: Relief Without Rebalancing

The reopening of the Strait of Hormuz, when it came, was partial and supervised. The ceasefire framework reached in early April produced a memorandum under which traffic through the strait resumed in stages. Observed outbound tanker transits ran at roughly two a day through April and dipped below one in early May. They did not move meaningfully until the second week of June, then nearly tripled in under three weeks to a quarter-end peak still well short of the pre-conflict range. By early July the crude backlog west of the strait had cleared to February levels. A week later it was building again. Anyone describing the quarter's status as simply "open" or "closed" is describing a point on that curve, not the curve itself.

The price response ran ahead of the physical one. Nitrogen was the sharpest example: US Gulf urea peaked in mid-April, before a single additional cargo had cleared, and had roughly halved by late June on the expectation of stranded tonnage reaching the market rather than on its arrival. Polyethylene followed a similar path at a slower pace, with contract margins that widened by a third through March and April giving back the increase by the June settlement. In the crude-linked complex the swing was more violent still. The integrated naphtha cracker spread in Asia moved from a multi-year high in mid-April to negative territory by the start of May, recovered through June, and was negative again by mid-July.

What did not move in the same direction was volume. Operating rates fell or stayed depressed across the same weeks in which prices spiked. Ethylene utilization in Japan dropped below 70% in the spring. North American chlor-alkali ran in the low 60s. Roughly one-sixth of European chlorine capacity was out of service in April, and the share had fallen to about 6% by mid-June only as maintenance concluded, not as demand returned. Force majeure declarations were lifted through the quarter, but the capacity that came back represented a small fraction of global supply, and several Middle Eastern units were still reported offline or partly affected five months after the conflict began. The quarter’s margin strength was largely produced by supply that could not move rather than sustained higher demand. Producers on both sides of the Persian Gulf said as much on their own calls, describing the uplift as shortage-driven and declining to extrapolate it.

The cost curve widened again before it narrowed. North American producers on advantaged US ethane captured the polyethylene squeeze in full, and the benefit was concentrated in that chain: chlor-alkali, where Middle Eastern capacity is not a large share of global supply, saw no comparable tightening. Europe's position, ambiguous in the first quarter, resolved in the expected direction. The pricing relief that reached European producers as Chinese exports were curtailed proved temporary, with spread trackers already softening month on month by June, and Chinese export volumes in caustic soda, PVC, and methanol derivatives were running well above year-ago levels by quarter-end. The supply overhang in commodity value chains was interrupted during the quarter but not resolved.

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Demand stayed the missing piece. Downstream buyers did not restock even where inventories were plainly low, and the corpus of company commentary through July describes the same picture in Asia and Europe: restocking that had not begun, seasonal lulls that arrived on schedule, and end markets in construction, autos, and consumer electronics that were soft without being in decline. North American chemical railcar loadings ran modestly ahead of last year, the one broad activity measure that was mildly positive, and it was mild.

Reading the Reopening

The second quarter answered the question the first quarter left open, which was whether a physical disruption's effects would outlast its cause. They did, on both sides. Prices retraced within weeks of flows resuming, but production not. Capacity behind the strait was still ramping in July, and the operators closest to it were guiding to utilization in the 60s rather than forecasting a return to normal. A market can clear a price backlog in days and a production backlog in quarters, and the two are not in contradiction. The practical implication for owners is that the relief in the price series was a poor guide to operating conditions on the ground, and that the second half began with the physical position less recovered than the headlines suggested.

2Q-26 Earnings Scorecard: Performance by Value Chain

Second-quarter results were the strongest the commodity end of the sector has delivered in several years and the most misleading if read at face value.

The season divided less by geography than by chain: where a business stood relative to the supply that stopped moving determined whether it printed a record or a miss, and, in several cases, the same company did both, one segment against another. Guidance moved up more often than down, but the raises came disproportionately from downstream names, and the commodity producers who beat by the widest margins were the ones most explicit that the peak had passed.

Commodity Chemicals

Polyethylene was the chain that mattered. Dow and LyondellBasell posted EBITDA roughly three times the year-ago level, well above mid-cycle in both cases, on the squeeze in a product where Middle Eastern capacity is a large share of global supply and US ethane is the low-cost feedstock. Westlake's beat was cleaner still, with a double-digit price gain in performance materials tied in part to oil-linked pricing, lower gas and ethane costs, and a cost program that contributed on its own. The contrast within the same reporting week was chlor-alkali: Olin and Huntsman both reported modest year-on-year improvement and remained below mid-cycle because the capacity behind the strait in chlorine and caustic is not large and there was no equivalent tightening. The disruption was a tailwind for a short list of names rather than a sector.

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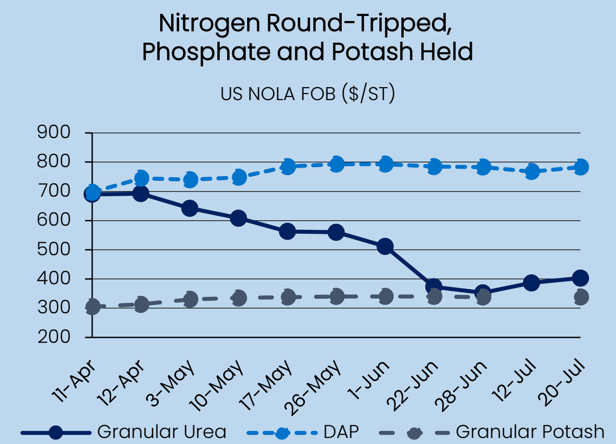
The beneficiaries were also the first to call the top. LyondellBasell's second-quarter run rate annualized to well above any normalized estimate, and the third-quarter guide steps down materially. Celanese posted its highest earnings per share in nearly three years on an acetyl chain whose China pricing peaked in March and April and had largely returned to pre-disruption levels by mid-quarter. LG Chem's petrochemical beat came with guidance for spreads to moderate in the second half. Indorama's PET spreads roughly tripled from the first quarter and were already normalizing by August. Eastman's chemical intermediates swung from a loss to a spread-driven profit on the same mechanism. The pattern is consistent enough to state as a finding: the commodity beats were price-led, the price was disruption-led, and management teams did not ask investors to extrapolate.

Agrochemicals and Fertilizers

Fertilizers did not move as one group, and treating them as a single beat-or-miss would misstate the quarter. Nitrogen missed on volume despite sharply higher realized prices: CF Industries fell short on ammonia and UAN shipments, with a Mississippi outage now not expected back before the first half of 2027, and Nutrien's nitrogen segment was the largest drag on results that missed across most segments, with pricing that reflected contracts struck before the conflict began. Phosphate was weak on both volume and margin, with Mosaic idling one plant and running another at a fraction of target as growers balked at elevated prices and sulfur costs ran ahead of finished goods.

Potash was more uniformly positive: K+S beat on volume and raised its full-year guide, Intrepid beat on potash volumes, and Nutrien's potash segment held roughly in line.



Source: CRU Group

Crop protection showed the same split between headline and read-through. Corteva beat and raised, with crop protection earnings ahead of estimates on cost and productivity despite a sales shortfall, and its seed and crop chemical separation pulled forward to October. The shares nonetheless fell, on renewed concern about generic pricing pressure concentrated in Brazil. FMC beat on earnings through cost and raw-material tailwinds while cutting full-year sales and earnings guidance, with sales down double digits in every region on weak partner orders and a competitive core portfolio. The destocking cycle some believed was over in spring looked, by August, less finished than advertised.

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Specialty Chemicals and Coatings

The coatings read-through that underwriters have relied on held in some places and not others. Sherwin-Williams delivered a beat and raise across all three segments, with consumer brands the standout on price, mix, and new products, and a second high-single-digit paint store price increase confirmed for September. PPG missed at the EBIT line despite a volume-led revenue beat, with performance coatings margin down 300 basis points year on year as auto refinish contracted double digits and industrial margin compressed on cost inflation. RPM divided by segment: performance and construction coatings expanded margin on data-center, infrastructure, and fireproofing demand, while consumer missed on a fifth consecutive year of DIY volume declines. Raw-material inflation guidance stepped up at all three into the second half. Margin resilience in coatings is a company and segment statement this quarter, not a category one, which is a distinction the deal market has already absorbed.

Elsewhere in specialties the pattern was price ahead of volume. Ecolab's earnings lever was pricing at a mid-single-digit rate, with water treatment volumes softened by refinery and chemical outages in the Middle East. DuPont beat and raised on healthcare and aerospace, with the same Middle East softness in water. Albemarle's beat came almost entirely from bromine and specialties rather than lithium, and management guided that segment lower as bromine pricing stabilized off its April peak. Ashland delivered a second consecutive quarter of improving volume momentum alongside a cooperation agreement with its activist shareholders that stops short of a formal review. Croda's beauty actives grew strongly again. Avient pointed to packaging, construction, and high-performance computing.

Ingredients and Distribution

Ingredients were the strongest downstream cohort by growth. IFF and DSM-Firmenich led large-cap peers on like-for-like growth, Novonesis raised its full-year guide and announced an inaugural buyback, and the category split ran between taste, nutrition, and biosolutions on one side and fine fragrance and aroma molecules on the other, where Symrise reported outright price weakness. Distribution accelerated sequentially at both Azelis and Brenntag on pricing rather than volume, with Brenntag raising guidance twice inside the quarter and flagging the benefit as strongest early and fading month by month.

The Transaction Environment: The Line Held, and the Sellers Moved

The operating picture divided by chain and feedstock. The deal market, as it has for several quarters, divided by something else: the kind of asset on offer and where it stands relative to secular demand. That axis predates the disruption and was not affected by it. What changed in the second quarter was less the shape of the market than the behavior of sellers inside it, and transactions tracked over the period surface two signals.

The first is that the carve-out wave broadened. A large share of the tracked transactions took the form of a parent selling a defined business rather than a whole company changing hands, and the sellers were not confined to one end of the sector.

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IFF agreed to sell its food ingredients business to CVC in the quarter's largest ingredients carve-out, framed by both the company and its analysts around deleveraging and a materially higher-margin remaining portfolio. BASF sold its silicates business to PQ; PPG divested a Polish operation to Atlas; INEOS's INOVYN unit sold its Rosignano site to Esseco; and Synthomer exited acrylate monomers to Mutares on terms that reflected a distressed carve-out with a vendor contribution. At the larger end, Corteva pulled forward the separation of its seed and crop protection businesses to October, and Mitsubishi Chemical began exploring a spin-off of its petrochemicals business with a decision expected within the fiscal year. Portfolio reshaping of this kind has been building for two years. The quarter's contribution was to show it continuing through a price environment that might have argued for waiting.

The second is what sponsors did and did not do. Financial buyers stayed active on the buy side, taking carve-outs from strategics reshaping their portfolios, as in the first quarter. Sponsor exits were scarce, and sponsor-to-sponsor trades rarer still. That scarcity is the observable form of what the market has been calling sponsor patience: it is showing up as a shortage of processes launched rather than as depressed pricing in the ones that ran.

Strategic buyers were the dominant presence, and their activity concentrated where it has for several quarters: formulated products and ingredients, additives, and coatings, adhesives and sealants. Ingredients led, with Ingredion's agreement to acquire Tate & Lyle alongside the IFF sale, and the coatings, adhesives and sealants complex stayed active through a quarter in which the sector's margin story fractured, which says something about what buyers were underwriting: the durable names rather than the category.

Structure did the work where price could not. The Olin and Huntsman combination, an all-stock merger of equals justified almost entirely on cost synergies and vertical fit, is the clearest case of two companies choosing consolidation over a control sale at trough valuations. AkzoNobel was contested by three different structures inside a single quarter: a joint bid that would have split the company by business line, a standalone approach for one unit, and the whole-company merger with Axalta its board continued to back. Minority-stake trades appeared at both OCI Nitrogen and FMC, and Elkem's exit from silicones was completed through a cashless transaction paired with an equity raise. Vendor contributions, stake sales, mergers of equals, and split bids are the tools of a market where the two sides agree on the asset and disagree on the price, and they were in regular use.

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Outlook

This issue's market data closes at June 30, 2026, with earnings commentary through the reporting season that followed. Readers will know that the ceasefire framework lapsed over the summer and that conditions in the Strait of Hormuz deteriorated again in the third quarter; the final paragraph addresses that directly. The analysis above describes the quarter as it was.

The second quarter settled one question and posed another. It settled that a physical disruption's effects separate cleanly into two clocks: prices clear the backlog in weeks, production clears it in quarters. Every price series that spiked in April had retraced by June. Almost no capacity that went offline in March was running normally by July. That is now the working template, and it should be the frame through which the next episode is read. The question it posed is what an industry that has now absorbed three supply shocks in six years does with the lesson, and here the second quarter offered more evidence than the first. Reshoring remains as impractical in chemicals as it was a quarter ago, since feedstock geography does not move. What moved instead was the corporate structure around it. Companies chose consolidation over waiting for a cycle, closed European capacity on stated timetables, separated businesses that no longer belonged together, and used stake sales and vendor contributions to get transactions done that a clean auction would not have carried. Resilience, in this sector, is being pursued through portfolio and balance sheet rather than through plant location, and the pace of that work picked up in a quarter when the price environment might have excused a pause.

For operators, the second half opens with the physical position less recovered than the second-quarter price series implied, and the restart calendar already stretches into 2027 for capacity on both sides of the strait. The names that beat by the widest margins have guided down. The value chains that benefited least, chlor-alkali among them, have the least to give back.

For owners and sponsors, the more durable finding is that the dividing line by asset type held through a quarter that could have blurred it. Assets tied to secular demand drew full processes. Assets carrying the commodity chains' weight cleared at disciplined levels or merged rather than sold. Sponsor exits were scarce, and the portfolios accumulated over the past several years will need to find their way to market. When they do, the structures the market has been rehearsing — minority stakes, vendor financing, earn-outs and rollover — will be what bridges the distance between what a buyer will pay and what a seller needs. The carve-out flow from strategics reshaping their portfolios shows no sign of slowing, and it is producing exactly the kind of defined, separable businesses that both strategic and financial buyers have been most willing to underwrite.

On the Strait of Hormuz itself, this issue publishes into a third quarter in which the reopening described above has been reversed. The ceasefire framework lapsed, vessels were attacked in late August, and reported transits at the end of that month were a small fraction of the late-June peak, with official characterizations of the strait's status and observed traffic data diverging more sharply than at any point in the second quarter.

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The round-trip framing above was not written with that relapse in mind, but it accommodates it: the second-quarter recovery established what a partial reopening does to prices and to plants, and on the evidence of this quarter the sector enters the next episode with that template, with capacity plans already redrawn, and with a deal market that has shown it does not wait for clarity to act.

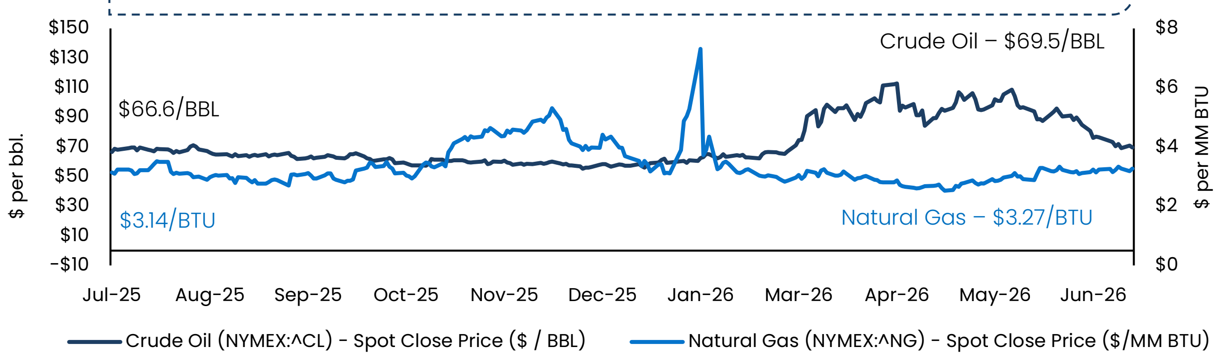
Let's Talk

The second quarter's lesson for owners is that timing the cycle is less useful than knowing which side of the line an asset stands on, and what structure gets it across. 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.`

Oil and Gas Performance

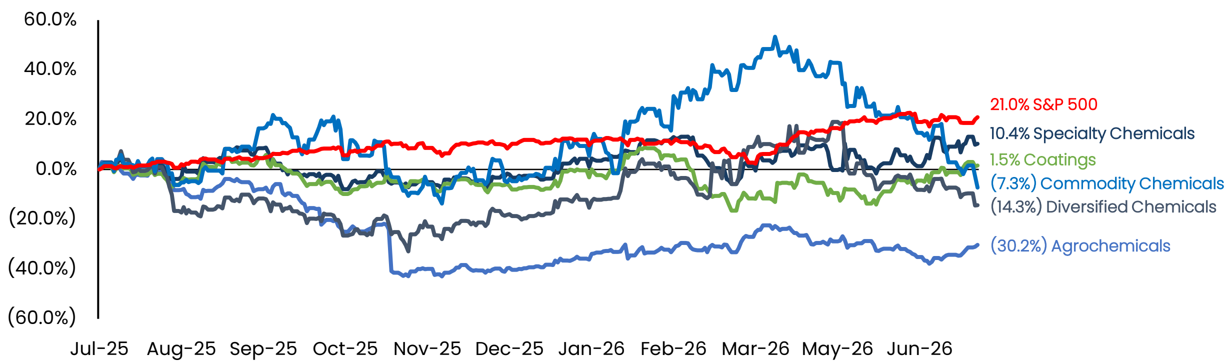
LTM Prices

Crude oil prices experienced significant volatility, driven by geopolitical risks, supply disruptions and evolving OPEC+ production policies, while natural gas prices fluctuated due to seasonal demand, storage trends and LNG export dynamics.[2]



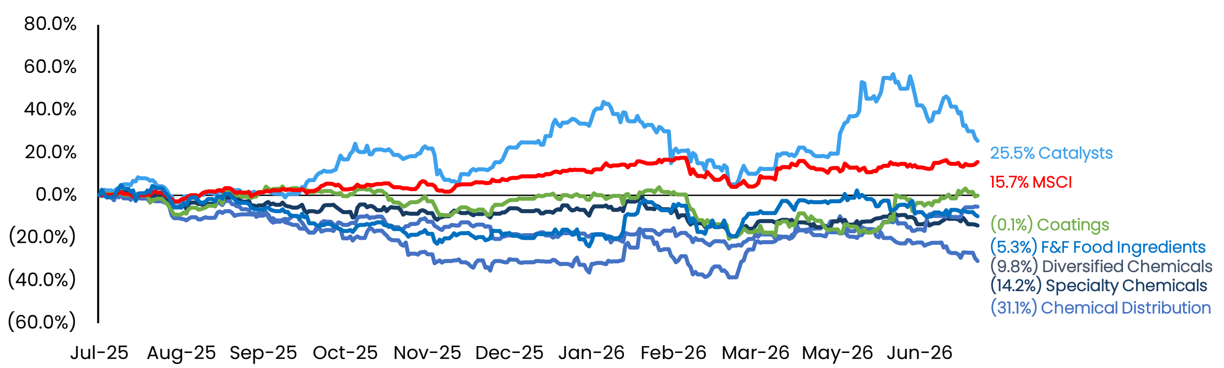
North American Share Price Performance

LTM Relative Performance



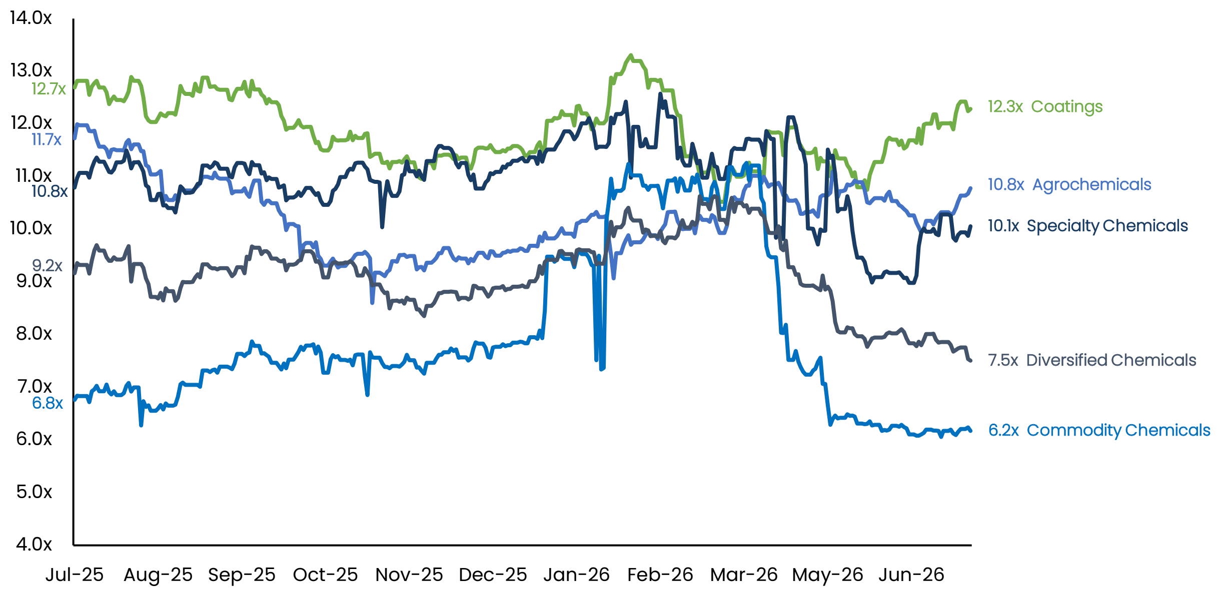
European Share Price Performance

LTM Relative Performance

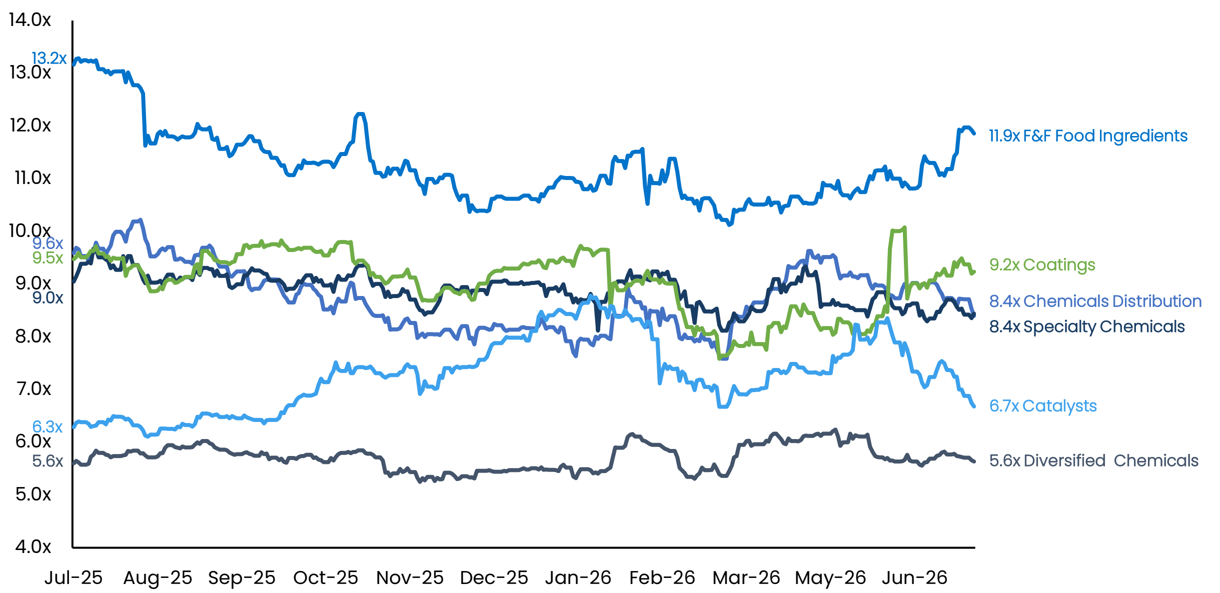


1. S&P Capital IQ Data presented as of 06/30/2026, All charts represent Global Data 2. IEA

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 06/30/2026, All charts represent Global Data

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
Ecolab	$278.61	(9.9%)	$78,411	$87,186	20.1x	18.1x	24.4%	24.9%	26.0%	7.4%	10.7%
Element Solutions	47.75	(3.0%)	11,632	13,630	20.0x	18.0x	19.3%	19.7%	20.4%	20.8%	24.0%
Balchem	168.95	(8.1%)	5,428	5,540	18.6x	17.9x	24.6%	26.9%	26.6%	6.0%	10.4%
Hexcel	100.06	(1.4%)	7,547	8,491	21.4x	17.5x	17.2%	19.2%	20.9%	10.7%	21.8%
Sensient Technologies	123.29	(4.7%)	5,248	5,978	17.7x	14.9x	17.6%	19.0%	20.4%	10.6%	19.1%
IFF	79.22	(6.2%)	20,225	26,164	12.4x	11.8x	17.1%	19.7%	20.2%	0.7%	9.5%
DuPont de Nemours	135.64	(45.8%)	18,314	21,019	12.0x	11.2x	22.1%	24.4%	25.1%	4.3%	11.2%
Ashland	65.89	(3.5%)	3,017	4,152	10.7x	9.6x	20.0%	21.0%	22.4%	2.8%	9.0%
Ingevity	74.67	(5.8%)	2,596	3,746	9.9x	9.4x	30.7%	34.6%	37.1%	(4.0%)	5.5%
Avient	36.96	(17.6%)	3,390	4,899	8.5x	8.0x	16.7%	17.0%	17.4%	3.7%	6.0%
Innospec	81.39	(11.7%)	2,005	1,773	9.3x	7.6x	11.2%	10.2%	11.7%	5.9%	8.2%
FMC	11.50	(74.3%)	1,438	5,732	8.3x	7.5x	11.9%	18.7%	19.7%	5.7%	35.6%
H.B. Fuller	58.29	(15.1%)	3,135	5,234	7.8x	7.1x	16.5%	18.4%	18.7%	6.3%	13.2%
Ecovyst	12.45	(17.5%)	1,363	1,635	8.2x	6.9x	21.2%	21.7%	21.9%	21.9%	24.0%
Albemarle	135.03	(38.9%)	15,925	19,334	6.7x	6.5x	14.3%	46.4%	46.2%	12.2%	101.3%
Summary Statistics											
Median		(9.9%)			10.7x	9.6x	17.6%	19.7%	20.9%	6.0%	11.2%
Mean		(17.6%)			12.8x	11.5x	19.0%	22.8%	23.6%	7.7%	20.6%
Adj. Mean[3]		(14.4%)			12.6x	11.3x	18.7%	21.9%	22.8%	7.5%	15.6%

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	$344.32	(9.3%)	$84,430	$98,815	20.6x	19.1x	19.0%	19.4%	20.1%	4.7%	7.5%
RPM International	111.15	(13.9%)	14,186	16,791	13.7x	12.6x	15.1%	15.7%	16.2%	5.6%	9.3%
PPG Industries	121.29	(9.1%)	27,036	33,299	11.6x	10.8x	16.7%	17.3%	17.8%	4.3%	7.6%
Axalta Coating Systems	34.22	(4.2%)	7,324	9,908	8.7x	8.2x	19.6%	21.8%	22.3%	2.9%	9.7%
Summary Statistics											
Median		(9.2%)			12.6x	11.7x	17.9%	18.3%	18.9%	4.5%	8.5%
Mean		(9.1%)			13.6x	12.7x	17.6%	18.5%	19.1%	4.4%	8.5%
Adj. Mean[3]		(9.2%)			12.6x	11.7x	17.9%	18.3%	18.9%	4.5%	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	$10.62	(34.0%)	$1,863	$4,202	10.8x	9.4x	4.6%	6.4%	7.1%	5.0%	29.8%
Celanese	46.00	(34.9%)	5,044	16,613	7.7x	7.7x	16.4%	21.4%	21.1%	3.1%	17.1%
Eastman Chemical	66.98	(19.8%)	7,656	12,521	7.9x	7.4x	16.8%	17.4%	17.9%	3.6%	7.1%
Dow	27.36	(36.0%)	19,719	36,538	5.5x	6.2x	6.8%	14.8%	13.0%	6.4%	47.8%
Summary Statistics											
Median		(34.5%)			7.8x	7.6x	11.6%	16.1%	15.5%	4.3%	23.5%
Mean		(31.2%)			8.0x	7.7x	11.1%	15.0%	14.8%	4.5%	25.5%
Adj. Mean[3]		(34.5%)			7.8x	7.6x	11.6%	16.1%	15.5%	4.3%	23.5%

1. S&P Capital IQ Data presented as of 06/30/2026, All charts represent Global Data 2 - Market Capitalization as of 06/30/26. 3 - Adj. mean excludes high and low values.

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
Westlake	$73.00	(41.2%)	$9,353	$13,761	6.8x	6.9x	7.5%	16.8%	16.4%	4.4%	54.5%
Olin Corporation	19.82	(34.9%)	2,259	5,378	8.3x	6.8x	9.7%	9.3%	11.0%	3.5%	10.3%
LyondellBasell Industries	52.65	(37.3%)	16,995	28,817	5.4x	6.3x	7.2%	15.6%	13.7%	4.8%	44.5%
Orbia Advance	22.57	(6.1%)	2,488	7,965	6.4x	6.0x	11.8%	14.8%	15.8%	5.4%	21.7%
Methanex	46.15	(30.9%)	3,569	6,880	4.3x	5.6x	23.3%	32.8%	29.3%	8.0%	21.2%
Summary Statistics											
Median		(34.9%)			6.4x	6.3x	9.7%	15.6%	15.8%	4.8%	21.7%
Mean		(30.1%)			6.2x	6.3x	11.9%	17.9%	17.2%	5.2%	30.5%
Adj. Mean[3]		(34.4%)			6.2x	6.4x	9.6%	15.8%	15.3%	4.8%	29.2%

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	$84.69	(1.1%)	$56,642	$58,252	13.9x	13.1x	21.8%	22.9%	23.5%	4.3%	8.2%
FMC	11.50	(74.3%)	1,438	5,732	8.3x	7.5x	11.9%	18.7%	19.7%	5.7%	35.6%
Summary Statistics											
Median		(37.7%)			11.1x	10.3x	16.9%	20.8%	21.6%	5.0%	21.9%
Mean		(37.7%)			11.1x	10.3x	16.9%	20.8%	21.6%	5.0%	21.9%
Adj. Mean[3]		NA			NA	NA	NA	NA	NA	NA	NA

1. S&P Capital IQ Data presented as of 06/30/2026, All charts represent Global Data 2 - Market Capitalization as of 06/30/26. 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	$693.00	(3.2%)	$20,060	$19,356	24.7x	23.3x	31.4%	32.7%	33.0%	0.5%	3.2%
Lonza Group	545.80	(8.2%)	47,179	52,146	18.3x	15.9x	32.7%	32.3%	33.2%	9.6%	10.3%
DSM-Firmenich	83.00	(9.2%)	23,472	27,531	13.6x	12.5x	15.9%	19.3%	20.0%	1.8%	14.2%
IMCD	79.00	(32.2%)	5,328	7,102	11.0x	10.4x	10.5%	11.1%	11.2%	3.8%	7.1%
Croda International	30.24	(8.7%)	5,614	6,329	11.1x	10.2x	13.8%	24.3%	25.3%	3.7%	40.4%
Elementis	1.54	(14.4%)	1,167	1,366	8.8x	8.3x	24.8%	26.1%	26.6%	1.7%	5.4%
Borregaard	149.00	(29.7%)	1,499	1,716	9.4x	8.2x	22.5%	23.1%	24.9%	4.7%	10.2%
HEXPOL	72.25	(25.4%)	2,568	2,860	8.6x	8.1x	17.0%	16.9%	17.3%	(1.3%)	(0.3%)
Wacker Chemie	90.90	(13.9%)	5,159	6,447	8.6x	7.6x	8.3%	11.4%	12.6%	2.2%	26.0%
Syensqo	64.60	(21.3%)	7,525	9,791	7.8x	7.1x	20.2%	18.7%	19.8%	(0.1%)	(1.0%)
Victrex	5.75	(28.6%)	664	701	7.5x	6.7x	23.0%	23.7%	25.0%	2.8%	7.1%
Imerys	21.08	(27.1%)	2,033	3,635	5.7x	5.5x	13.3%	16.4%	16.5%	0.7%	12.0%
Kemira	16.41	(23.5%)	2,727	3,327	6.3x	5.5x	16.7%	16.2%	18.0%	2.4%	6.3%
Clariant	7.05	(22.2%)	2,870	4,815	5.9x	5.4x	15.0%	17.5%	18.4%	(0.9%)	9.7%
Synthomer	0.80	(35.6%)	174	1,026	4.6x	4.2x	6.0%	8.7%	9.3%	5.9%	31.6%
Summary Statistics											
Median		(22.2%)			8.6x	8.1x	16.7%	18.7%	19.8%	2.2%	9.7%
Mean		(20.2%)			10.1x	9.3x	18.1%	19.9%	20.8%	2.5%	12.1%
Adj. Mean[3]		(20.3%)			9.4x	8.6x	17.9%	19.8%	20.7%	2.2%	11.0%

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	$25.23	(22.3%)	$4,214	$5,379	8.0x	7.1x	3.6%	17.2%	21.7%	(50.7%)	20.9%
Umicore	20.24	(25.0%)	5,563	7,065	6.3x	6.0x	6.5%	25.8%	26.0%	(55.5%)	(10.8%)
Summary Statistics											
Median		(23.6%)			7.1x	6.6x	5.1%	21.5%	23.9%	(53.1%)	5.0%
Mean		(23.6%)			7.1x	6.6x	5.1%	21.5%	23.9%	(53.1%)	5.0%
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	$3,420.00	(12.3%)	$39,064	$43,650	19.9x	18.6x	21.7%	23.4%	23.7%	2.4%	7.0%
Novonesis	412.90	(10.5%)	29,397	32,692	17.2x	15.8x	37.0%	37.6%	38.2%	5.4%	7.2%
Symrise	87.82	(5.3%)	13,768	15,645	12.6x	11.9x	14.9%	21.8%	22.0%	1.8%	23.6%
Kerry Group	80.35	(14.8%)	14,589	17,155	12.0x	11.2x	16.8%	18.5%	19.0%	0.9%	7.2%
Tate & Lyle	5.54	(4.5%)	3,253	4,513	8.2x	8.3x	20.5%	20.8%	20.2%	9.2%	8.5%
Corbion	20.14	(8.3%)	1,326	1,785	7.4x	6.8x	14.8%	16.6%	17.3%	0.9%	9.0%
Associated British Foods	19.86	(15.8%)	18,440	22,666	7.1x	6.5x	12.0%	12.4%	13.1%	0.4%	5.0%
Summary Statistics											
Median		(10.5%)			12.0x	11.2x	16.8%	20.8%	20.2%	1.8%	7.2%
Mean		(10.2%)			12.0x	11.3x	19.7%	21.6%	21.9%	3.0%	9.6%
Adj. Mean[3]		(10.2%)			11.5x	10.8x	17.7%	20.2%	20.4%	2.3%	7.8%

1. S&P Capital IQ Data presented as of 06/30/2026, All charts represent Global Data 2 - Market Capitalization as of 06/30/26. 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	$166.75	(23.1%)	$33,110	$38,983	14.5x	13.3x	17.4%	19.3%	20.0%	1.8%	9.3%
Akzo Nobel	59.34	(12.3%)	11,623	15,336	9.3x	8.7x	10.7%	14.4%	15.0%	(0.8%)	17.3%
Henkel	73.54	(12.7%)	32,769	33,517	7.8x	7.4x	15.8%	17.9%	18.1%	2.4%	9.5%
Summary Statistics											
Median		(12.7%)			9.3x	8.7x	15.8%	17.9%	18.1%	1.8%	9.5%
Mean		(16.0%)			10.5x	9.8x	14.6%	17.2%	17.7%	1.1%	12.0%
Adj. Mean[3]		(12.7%)			9.3x	8.7x	15.8%	17.9%	18.1%	1.8%	9.5%

Diversified Chemicals

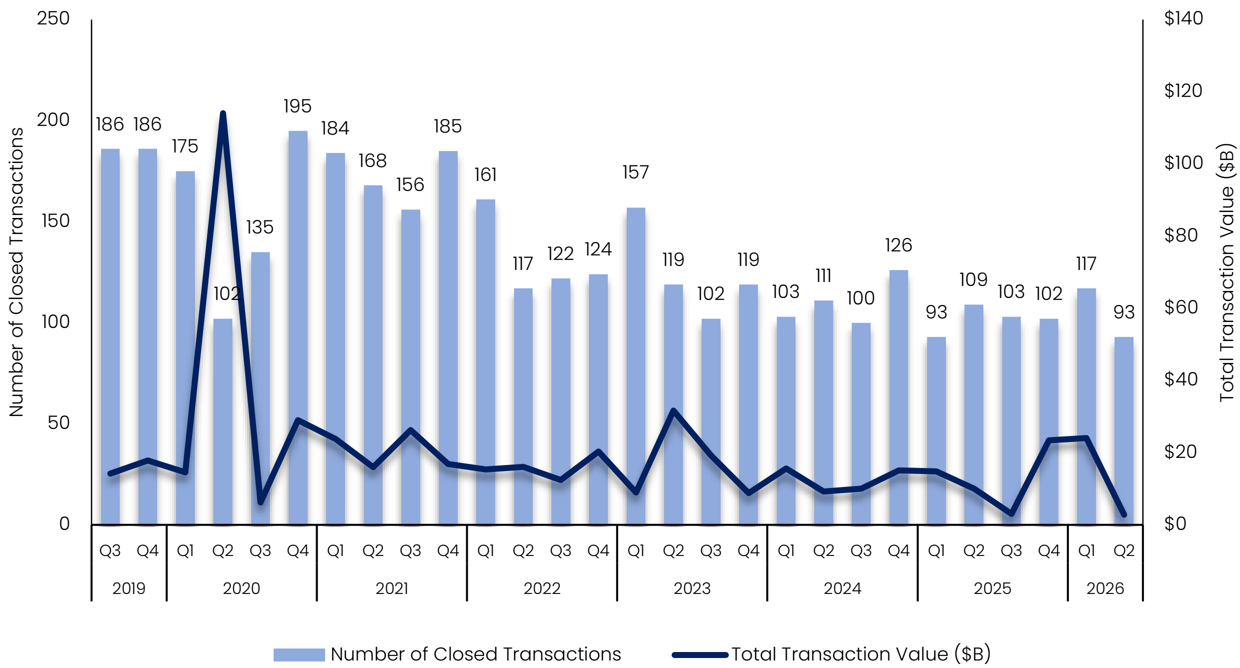
Company	Share Price	% of 52W High	Market Cap[2]	EV	EV/EBITDA		EBITDA Margin			FY25A-FY27E CAGR	
					2026E	2027E	FY25A	FY26E	FY27E	Revenue	EBITDA
BASF	$46.78	(15.0%)	$46,020	$70,787	8.4x	8.1x	10.1%	11.6%	12.0%	2.1%	11.1%
LANXESS	15.16	(44.1%)	1,495	3,892	6.8x	6.1x	5.9%	8.6%	9.4%	0.8%	27.9%
Solvay	26.28	(14.0%)	3,141	5,152	5.7x	5.4x	14.2%	19.2%	20.0%	(7.0%)	10.3%
Evonik Industries	15.88	(13.3%)	8,454	12,254	5.2x	5.3x	12.2%	14.3%	14.0%	(0.1%)	7.0%
Arkema	55.15	(17.7%)	4,767	7,884	5.5x	5.1x	12.6%	13.8%	14.5%	0.5%	7.8%
Summary Statistics											
Median		(15.0%)			5.7x	5.4x	12.2%	13.8%	14.0%	0.5%	10.3%
Mean		(20.8%)			6.3x	6.0x	11.0%	13.5%	14.0%	(0.7%)	12.8%
Adj. Mean[3]		(15.6%)			6.0x	5.6x	11.6%	13.2%	13.5%	0.4%	9.7%

Chemical Distribution

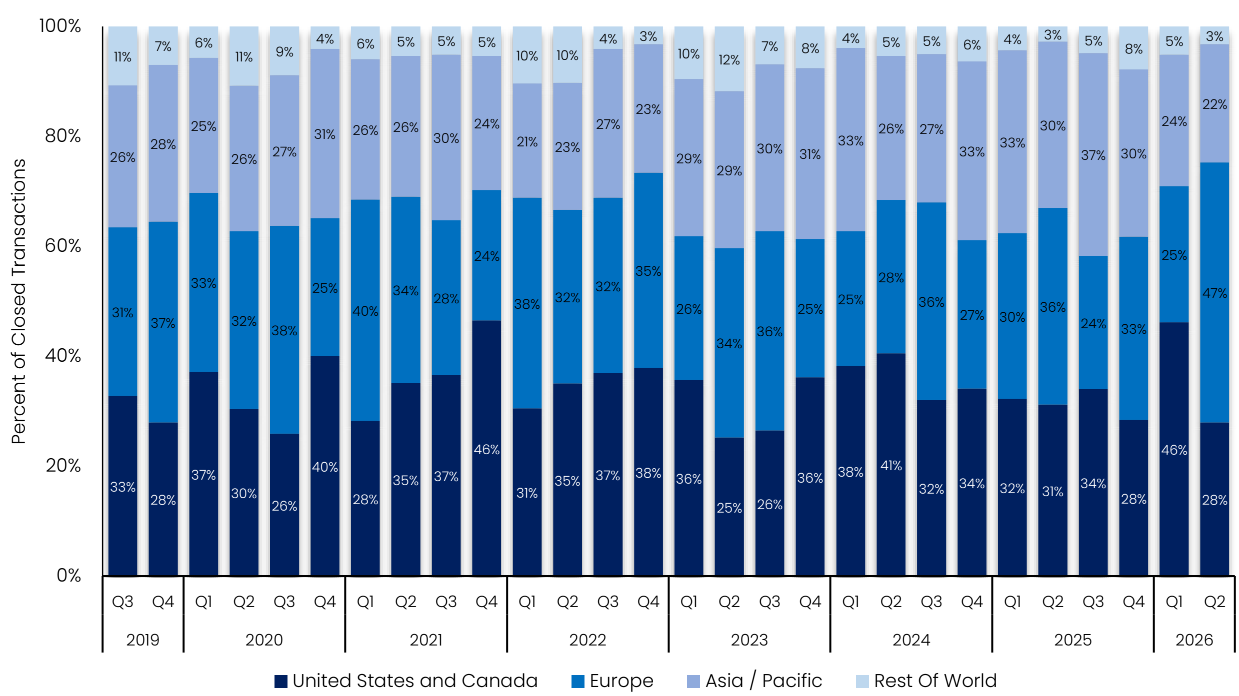
Company	Share Price	% of 52W High	Market Cap[2]	EV	EV/EBITDA		EBITDA Margin			FY25A-FY27E CAGR	
					2026E	2027E	FY25A	FY26E	FY27E	Revenue	EBITDA
IMCD	$79.00	(32.2%)	$5,328	$7,102	11.0x	10.4x	10.5%	11.1%	11.2%	3.8%	7.1%
Azelis	9.31	(38.0%)	2,587	4,451	8.5x	8.1x	9.8%	11.1%	11.1%	1.0%	7.6%
Brenntag	53.18	(16.6%)	8,772	11,871	7.8x	7.5x	6.6%	8.7%	8.9%	(0.0%)	16.6%
Summary Statistics											
Median		(32.2%)			8.5x	8.1x	9.8%	11.1%	11.1%	1.0%	7.6%
Mean		(28.9%)			9.1x	8.7x	9.0%	10.3%	10.4%	1.6%	10.4%
Adj. Mean[3]		(32.2%)			8.5x	8.1x	9.8%	11.1%	11.1%	1.0%	7.6%

1. S&P Capital IQ Data presented as of 06/30/2026, All charts represent Global Data 2 - Market Capitalization as of 06/30/26. 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 06/30/2026, All charts represent Global Data

Strategic Buyers

Most active buyers last 24 months

Acquirer	Targets	Status/ Date	Strategy
BRENNTAG	ChemTech Services, Inc.	Closed Nov-25	The acquisition strengthens Brenntag's specialty chemicals services capabilities by expanding its value-added blending, packaging, and technical service offerings.
	GSZ	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.
	Monarch Chemicals	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.
IMCD	Merit Solution	Announced Jun-26	The acquisition strengthens IMCD's presence in Thailand's plastics and compounding market and broadens its advanced materials offering through Merit Solution's expertise in plastic additives, construction and adhesive applications.
	(주)동양에프티 DYFT	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.
	Tillmanns S.p.A.	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.
	APUS Química	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
FUCHS	Opet Fuchs (Joint Venture)	Closed Apr-26	The full acquisition of the OPET FUCHS joint venture strengthens FUCHS Group's presence in Turkey.
	aseol suisse	Closed Oct-25	The acquisition of Aesol Suisse strengthens FUCHS' specialty lubricants portfolio and enhances its technical service capabilities in high-performance applications.
	IRMCO	Closed Apr-25	The acquisition of IRMCO will reinforce FUCHS' position as a leading lubrication solutions provider in the industrial segment.
element solutions	Celanese Micromax	Closed Feb-26	The acquisition of Micromax strengthens Element Solutions' electronics materials portfolio, adding high-performance technologies, expanding advanced end-market exposure and and creating an approximately $2 billion electronics segment platform.
	EFC Gases & Advanced Materials	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.
ECOLAB	CoolIT systems	Announced Mar-26	The acquisition allows Ecolab to enhance its data center cooling capabilities and broaden its Global High-Tech growth platform by combining CoolIT Systems' advanced liquid cooling technology with Ecolab's expertise in water management, chemistry and digital solutions.
	Ovivo Electronics	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.
	Barclay Water Management	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.

Announced / Closed in the quarter

1. S&P Capital IQ Data presented as of 06/30/2026, All charts represent Global Data

Financial Buyers

Most active buyers last 24 months

Acquirer	Targets	Status/ Date	Strategy
Arsenal Capital Partners	FERCO COLOR	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.
	Adhesive Solutions	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.
	Spectra Color	Closed May-24	By combining Spectra's technological expertise, it can deliver a powerful competitive advantage, enhance performance, and create greater value for customers.
Riverside	KEY POLYMER	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.
	essential compositions	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.
KPS Capital Partners, LP	NOVACEL	Closed May-26	The acquisition establishes a mid-cap platform in global surface protection solutions, leveraging operational improvement and M&A build-up opportunities.
	Ketjen	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.
	ALTA Performance Materials	Closed Jan-25	KPS' acquisition of ALTA Performance Materials strengthens its exposure to specialty composite resins.
Iron Path Capital	UNICHEM	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.
	WESSEX RESINS+ADHESIVES	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.
	CYMER CHEMICALS	Closed Oct-25	The acquisition expands the platform's portfolio of specialty resins and chemical formulations, enhancing technical capabilities and manufacturing capacity.
Plexus Capital	Platform Creation: ACE SOLUTIONS, AEG PETROLEUM LLC, GRADE A	Closed Mar-25	Plexus Capital acquired AEG Petroleum and Grade A to establish a new, growth-oriented platform in the petroleum distribution industry.
	ChemREADY	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.
Lone Star Funds	DOMO caring is our formula	Closed May-26	The acquisition allows Lone Star Funds to strengthen its position in specialty polymers and engineered materials through the acquisition of DOMO Engineered Materials, creating a global platform with complementary capabilities.
	CJP CHEMICALS	Announced Mar-26	The acquisition allows Manuchar, backed by Lone Star Funds, to deepen its presence in South Africa and broaden its industrial and specialty chemicals portfolio through the acquisition of CJP Chemicals.

Announced / Closed in the quarter

1. S&P Capital IQ Data presented as of 06/30/2026, All charts represent Global Data

Selected Recent Transactions - Chemicals

VanDeMark Chemical

a portfolio company of

SK Capital

has been acquired by

Valiant Energy Management

Balmoral Advisors acted as Financial Advisor to VanDeMark Chemical

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

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

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

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Our team's proficiency extends to both domestic and cross-border transactions, enabling us to assist clients not only within the United States but also on a global scale. Our exceptional track record underscores our steadfast dedication to delivering outstanding service. Through a collaborative approach, we actively engage with our clients, comprehending their unique needs and goals to provide tailored solutions.

We are invaluable partners in your journey towards success.

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