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## M&A Facts Quarterly Q3 – 2023

Base- & Petrochemicals Sector



**Base- and Petrochemicals - M&A-Highlights and Market Insights**

Data source: S&P Capital IQ. Analysis by Proventis Partners.

- ▶ **Trading and transaction multiples** – In the third quarter of 2023, the EBITDA multiple of the peer group increased, from 5.9x in Q2 to 6.8x in Q3. Contrary, transaction multiples declined from 8.8x in Q2 to 5.3x in Q3 2023.
- ▶ **Review and outlook** – The deal volume remained low in Q3/23 and continued the trend already seen since summer 2022. Even so the markets for Petro- and Base-Chemicals supply chains remained stable and volatility of Oil Price remained low, the uncertainty of the economy in many regions remained. As a consequence the number of transactions and value has reached a two years low. Multiples reached a new level which is significantly below previous years. Carve outs and portfolio restructuring measures dominated the market in Q3. We do not expect a major change in the coming 6-12 months unless the partially politically driven uncertainty of future energy prices and mobility mix changes. An exception is the area of closed loop and carbon dioxide/footprint saving assets as well as raw materials for the battery production. The Albermarle acquisition of the Mineral Resources Business of the Kerton Lithium Hydroxide JV is just an example for it.
- ▶ **Notable transaction** – The industry saw several interesting transactions in Q3: Holcim acquired Cooper Standard Technical Rubber GmbH (CSTR), a leading manufacturer of highly durable & technical rubber products used for roofing systems. BASF has entered into a binding agreement with Knauf Industries GmbH to divest the Neopolen® (expanded polypropylene) business of BASF. The acquisition expands Knauf's broad foam portfolio for different industries by adding technical expertise. Imerys sold its Kaolin Business to Syntagma.

**Base- and Petrochemicals Peer Group**

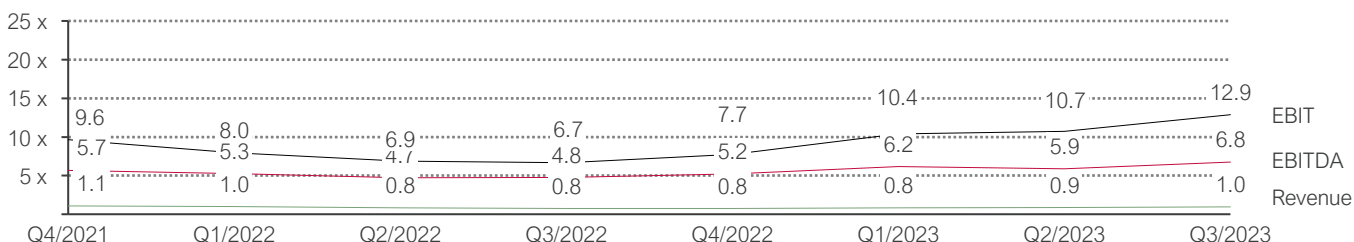
Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. Data source: S&P Capital IQ. In €m.

Company Name	Country	Market Cap	TEV	Revenues LTM	EBITDA LTM <sup>1)</sup>	TEV/EBITDA LTM Q2 2023 <sup>2)</sup>	TEV/EBITDA LTM Q3 2023 <sup>2)</sup>	Q3 vs. Q2 Trend
Exxon Mobil Corporation	United States	442'859	461'678	333'529	72'491	4.0x	5.4x	Δ
Reliance Industries Limited	India	169'422	197'251	96'903	16'056	13.1x	12.1x	▽
TotalEnergies SE	France	149'403	174'029	218'633	48'130	2.9x	3.6x	Δ
China Petroleum & Chemical	China	87'506	147'930	408'801	19'937	5.4x	6.1x	Δ
Saudi Basic Industries	Saudi Arabia	62'350	67'691	40'713	4'545	8.7x	12.3x	Δ
BASF SE	Germany	38'334	59'918	78'566	8'296	9.5x	12.7x	Δ
Dow Inc.	United States	34'249	46'697	45'108	5'546	5.9x	6.8x	Δ
LyondellBasell Industries N.V.	United States	29'007	39'327	39'396	4'166	6.6x	8.2x	Δ
LG Chem, Ltd.	South Korea	26'281	40'267	39'682	4'151	11.0x	9.7x	▽
Solvay SA	Belgium	11'101	12'443	13'148	2'805	3.5x	4.1x	Δ
Eastman Chemical Company	United States	8'590	13'477	8'993	1'447	8.9x	9.0x	Δ
Mitsubishi Chemical Group	Japan	8'471	23'770	29'075	3'750	5.9x	6.2x	Δ
Arkema S.A.	France	6'975	8'959	10'445	1'425	4.4x	6.0x	Δ
<b>Median</b>						<b>5.9x</b>	<b>6.8x</b>	<b>Δ</b>

1) EBITDA LTM does not include income (loss) from affiliates.  
 2) Multiples are calculated based on last reported LTM EBITDA including income (loss) from affiliates.

**Base- and Petrochemicals Peer Group Trading Multiples**

Data source: S&P Capital IQ.



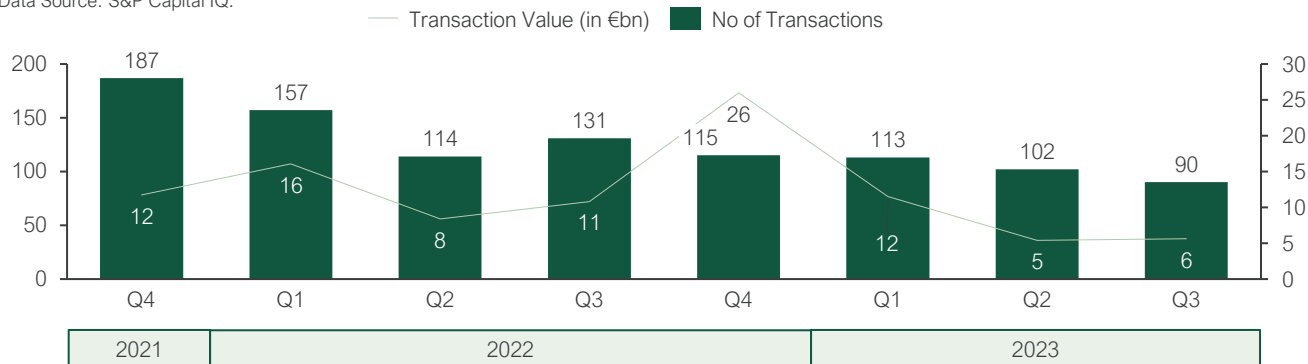
**Recent Base- and Petrochemicals M&A Transactions**

Note: EV = Total Enterprise Value. Total Transaction Value in €bn. Data source: S&P Capital IQ. Selection of transactions by Proventis Partners.

Announced Date	Target	Target Country	Acquirer	Acquirer Country	Acquired Stake %	Total Transaction Value	Implied EV/ EBITDA
29/09/2023	Neopolen® business of BASF	DE	Knauf Industries Deutschland	DE	100	n/a	n/a
27/09/2023	Polarizing film material business of LG Chem, Ltd.	KR	Hefei Xinmei Materials	CN	100	575	n/a
21/09/2023	BMP s.r.l.	IT	Essentra plc	UK	100	37	n/a
08/09/2023	PVC Pipes and Joints business of Shin-Etsu Polymer	JP	Sekisui Chemical Co., Ltd.; Tokuyama Sekisui Co., Ltd.; Vantec Co., Ltd.	JP	100	n/a	n/a
07/09/2023	Interseal	FR	Origin Seal	FR	100	n/a	n/a
01/09/2023	O-tek Internacional S.A.S	CO	WIG Wietersdorfer Holding	AT	100	n/a	n/a
24/08/2023	LevertonHELM Limited	UK	Helm AG	DE	50	n/a	n/a
16/08/2023	Fiberline Building Profiles A/S	DK	Gurit Holding AG	CH	100	28	n/a
02/08/2023	Cooper Standard Technical Rubber	DE	Holcim Ltd	CH	100	n/a	n/a
02/08/2023	Injection Molding Business of Maxell Europe Limited	UK	Nippon Molymer Co., Ltd.	JP	100	n/a	n/a
27/07/2023	Ecopol S.p.A.	IT	SK Capital Partners, LP	US	-	n/a	n/a
25/07/2023	TiZir Titanium & Iron A/S	NO	INEOS Enterprises Group	UK	100	222	n/a
05/07/2023	XPS insulation production in Romania	RO	S.C. HIRSCH POROZELL	RO	100	n/a	n/a
03/07/2023	Rispa S.R.L.	IT	TN Italy, S.P.A.	IT	100	n/a	n/a

**Base- and Petrochemicals M&A Deal Count, Recorded Transaction Volume 2021-2023**

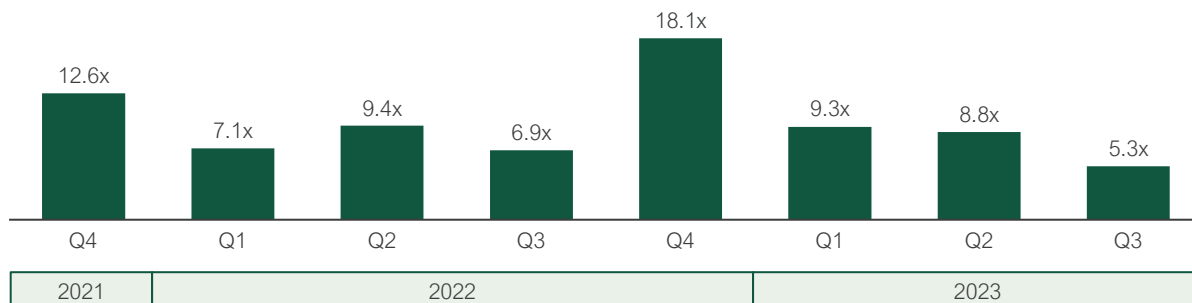
Data Source: S&P Capital IQ.



**Base- and Petrochemicals M&A Transaction Multiples 2021-2023**

Implied Transaction Enterprise Value / EBITDA of announced transactions with disclosed multiple.

Data Source: S&P Capital IQ.



### Base- and Petrochemicals Operating Financial Metrics

Q2 23 data only. Q3 23 data not yet released. In €m or % where indicated. Data source: S&P Capital IQ

#### Company Size

##### Small Cap



- ▶ Revenue in €m 1 to 250
- ▶ Average Revenue in €m 216
- ▶ Number of companies 795

##### Mid Cap



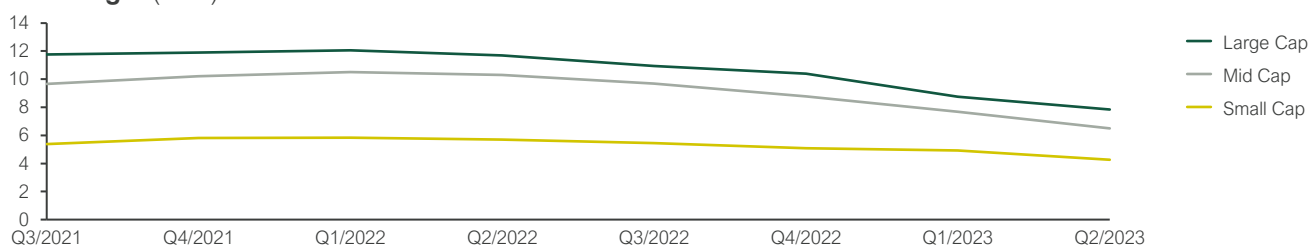
- ▶ Revenue in €m 251 to 2,500
- ▶ Average Revenue in €m 1,349
- ▶ Number of companies 399

##### Large Cap

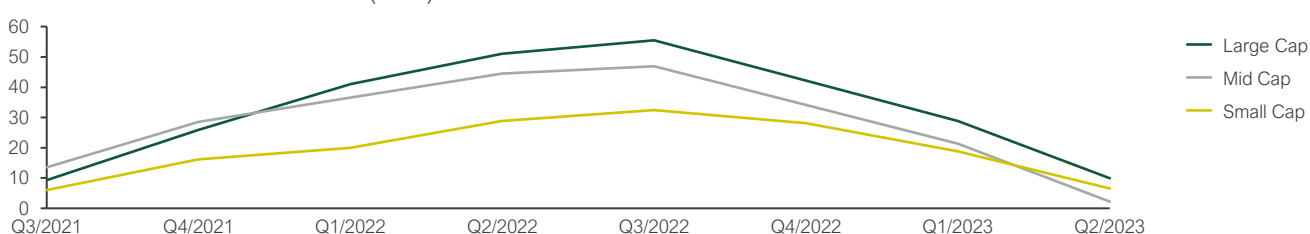


- ▶ Revenue in €m >2,500
- ▶ Average Revenue in €m 18,196
- ▶ Number of companies 163

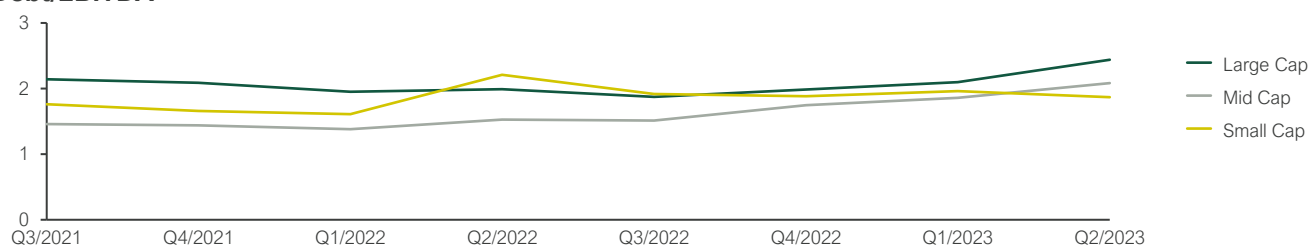
#### EBIT Margin (in %)



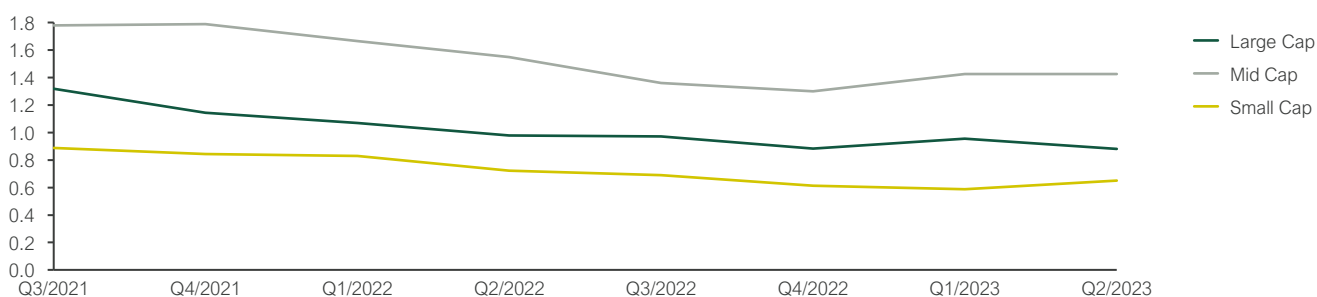
#### Year-on-Year Revenue Growth (in %)



#### Debt/EBITDA



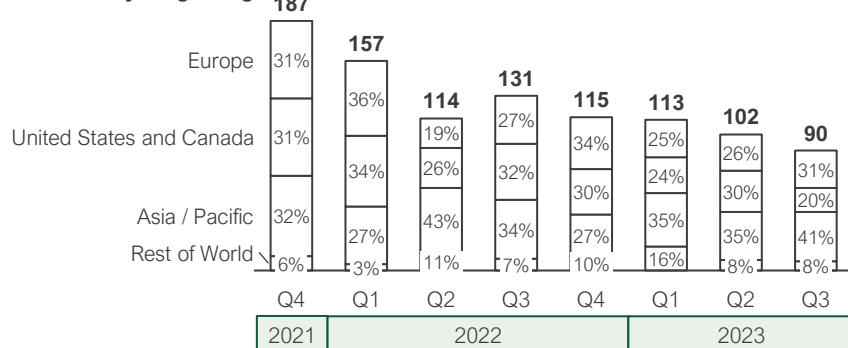
#### Market Capitalization/Revenue



### Base- and Petrochemicals M&A Deal Analysis

Announced transactions. Implied M&A Enterprise Value / LTM EBITDA of announced transactions with disclosed multiple.  
Data Source: S&P Capital IQ.

#### Deal count by Target Region

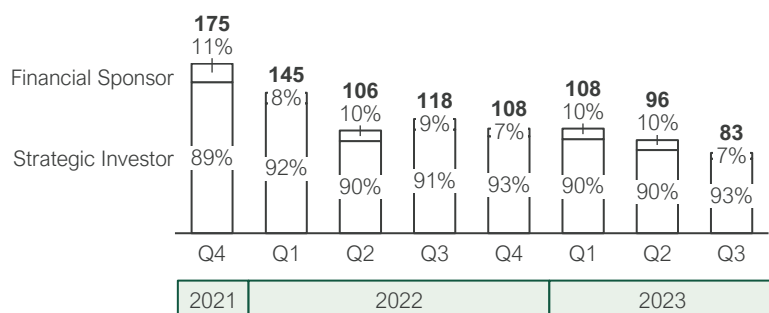


#### EBITDA Multiple (LTM) by Target Region



#### Deal count by Investor Type

Announced transaction with identified investors.

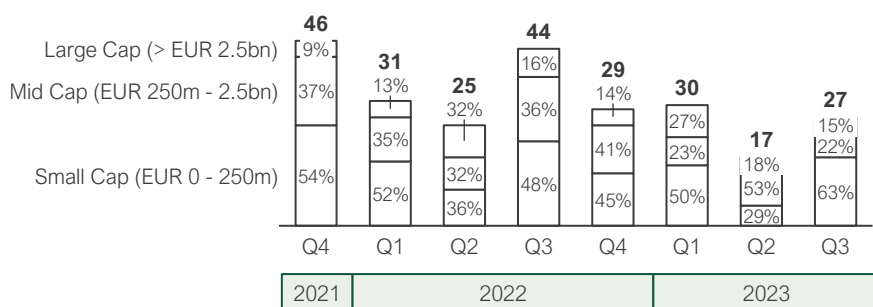


#### EBITDA Multiple (LTM) by Investor Type

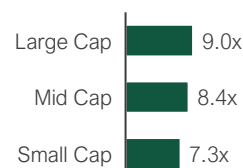


#### Deal count by Company Size

Announced transactions with disclosed annual pre-transaction revenues.



#### EBITDA Multiple (LTM) by Company Size



### Notes

The analysis considers announced transactions only. Recent Transactions and Quarterly Multiples only include transactions with available Enterprise Values (EV). As Capital IQ constantly updates its database, the values might differ from previous M&A Facts.

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