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FOR WHAT TRULY COUNTS



M&A Facts Quarterly Q4 – 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 fourth quarter of 2023, the EBITDA multiple of the peer group increased, from 6.8x in Q3 to 7.5x in Q4. Likewise, transaction multiples increased from 6.2x in Q3 to 9.5x in Q4 2023.
- ▶ **Review and outlook** – Despite an increase in the number of deals in the fourth quarter, overall M&A deal volume fell in Q4/23. Even so the markets for Petro- and Base-Chemicals supply chains remained somewhat stable and volatility of Oil Price remained low, the uncertainty of the economy in many regions remained. Transaction multiples have returned to levels seen at the beginning of the year. Several European chemical producers are undertaking major portfolio realignments, with carve-outs continuing to dominate the market in the coming quarter.

unless the partially politically driven uncertainty of future energy prices and mobility mix changes. Also the needs for more ESG conformity especially an improved Carbon-footprint (“E”) will have a continuous influence in transactions. Nonetheless, there is optimism about the possibility of a recovery in M&A activity in 2024.

- ▶ **Notable transaction** – The industry saw several interesting transactions in Q4: Enbridge took another significant step into the business of producing and transporting renewable natural gas by purchasing seven operating U.S. landfill gas-to-RNG facilities from Morrow Renewables. Trafigura Group has agreed to take control of its Europe-focused joint venture with green hydrogen ecosystem developer H2 Energy Holding AG. Ineos has acquired LyondellBasell's ethylene oxide and derivatives business in a major move to expand into the US.

We do not expect a major change in the coming 6-9 months

Base- and Petrochemicals Peer Group

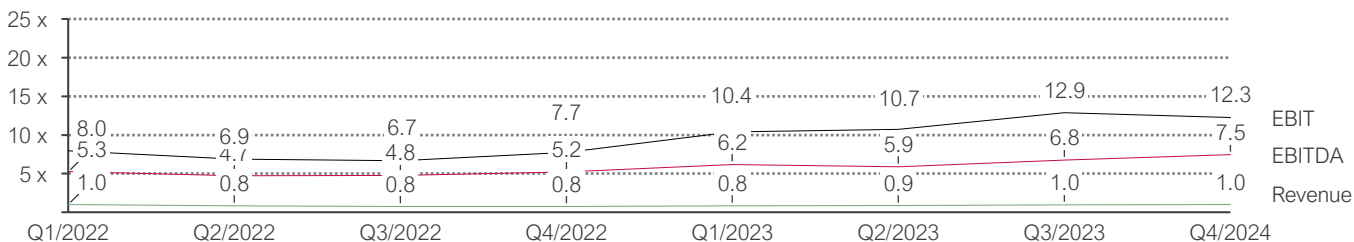
Note: TEV = Total Enterprise Value. LTM = Last Twelve Months. Data source: S&P Capital IQ. In €m.

Company Name	Country	Market Cap	TEV	Revenues LTM	EBITDA LTM ¹⁾	TEV/EBITDA LTM Q3 2023 ²⁾	TEV/EBITDA LTM Q4 2023 ²⁾	Q4 vs. Q3 Trend
Exxon Mobil Corporation	United States	361'516	376'117	302'800	61'418	5.4x	5.8x	Δ
Reliance Industries Limited	India	178'495	207'821	95'358	16'345	12.1x	12.5x	Δ
TotalEnergies SE	France	144'882	172'609	198'080	39'420	3.6x	3.3x	∇
China Petroleum & Chemical	China	79'160	135'019	423'447	23'303	6.1x	5.3x	∇
Saudi Basic Industries	Saudi Arabia	60'437	64'767	40'668	4'714	12.3x	12.8x	Δ
BASF SE	Germany	43'537	63'814	68'902	6'194	12.7x	20.6x	Δ
Dow Inc.	United States	34'799	46'569	40'370	4'683	6.8x	7.5x	Δ
LyondellBasell Industries N.V.	United States	27'901	36'937	37'190	4'441	8.2x	7.5x	∇
LG Chem, Ltd.	South Korea	26'242	41'429	39'761	4'130	9.7x	10.2x	Δ
Eastman Chemical Company	United States	9'630	14'084	8'332	1'397	9.0x	10.3x	Δ
Mitsubishi Chemical Group	Japan	7'888	23'139	28'711	4'853	6.2x	5.8x	∇
Arkema S.A.	France	7'669	9'429	9'799	1'367	6.0x	6.6x	Δ
Solvay SA	Belgium	2'936	4'512	12'286	2'589	4.1x	1.6x	∇
Median						6.8x	7.5x	Δ

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.



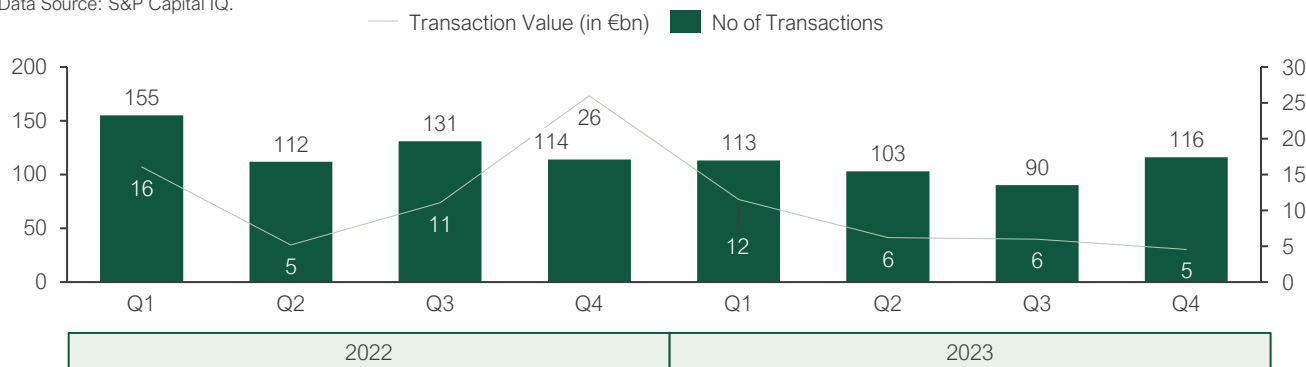
Recent Base- and Petrochemicals M&A Transactions

Note: EV = Total Enterprise Value. Total Transaction Value in €m. 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
21/12/2023	Solventis Ltd.	UK	Brenntag SE	DE	100	n/a	n/a
08/12/2023	Ethylene Oxide & Derivatives (EO&D) business of LyondellBasell Industries N.V.	US	Ineos Oxide Ltd.	UK	100	651	n/a
01/12/2023	Cosmo Energy Holdings Co., Ltd.	JP	Iwatani Corporation	JP	20	659	9.61
09/11/2023	Lubricant Additives Business of Chemtrade	US	Trecora Resources	US	100	n/a	n/a
07/11/2023	Bentonite operation of M I Swaco	US	Wyo Ben, Inc.	US	100	n/a	n/a
03/11/2023	Seven Operating Landfill to Renewable Natural Gas Assets in Texas and Arkansas of Morrow Renewables	US	Enbridge Inc.	CA	100	1'117	n/a
23/10/2023	Ecoslops Provence	FR	TotalEnergies Raffinage France	FR	75	n/a	n/a
12/10/2023	SK Pucore	US	Glenwood Private Equity Co., Ltd.	KR	100	289	n/a
11/10/2023	Nanocyl SA	BE	Birla Carbon Ap Private Limited	IN	100	n/a	n/a
10/10/2023	H2 Energy Europe AG	CH	Trafigura Group Pte. Ltd.	SG	n/a	n/a	n/a
03/10/2023	Brooge Petroleum and Gas Investment Company FZE	AE	Gulf Navigation Holding PJSC	AE	100	n/a	n/a
02/10/2023	CedarChem, LLC	US	Solenis LLC	US	100	n/a	n/a
02/10/2023	Umicore Electrical Materials USA, Inc.	US	Checon Corporation	US	100	n/a	n/a
21/12/2023	Solventis Ltd.	UK	Brenntag SE	DE	100	n/a	n/a

Base- and Petrochemicals M&A Deal Count, Recorded Transaction Volume 2022-2023

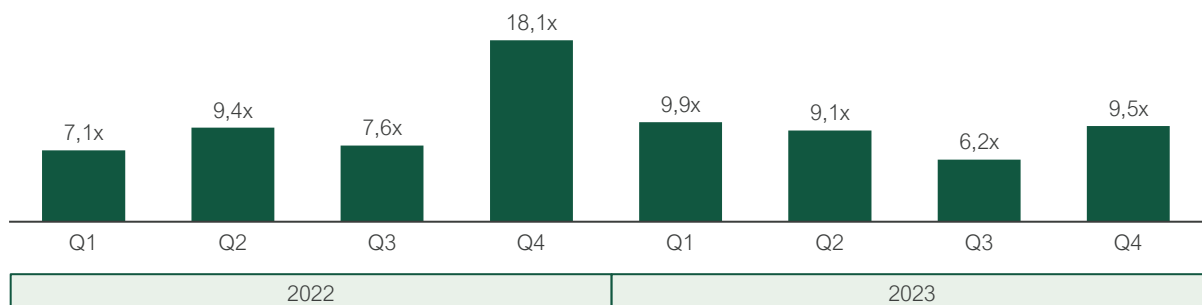
Data Source: S&P Capital IQ.



Base- and Petrochemicals M&A Transaction Multiples 2022-2023

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

Data Source: S&P Capital IQ.



Base- and Petrochemicals Operating Financial Metrics

Q3 23 data only. Q4 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 185
- ▶ Number of companies 762

Mid Cap



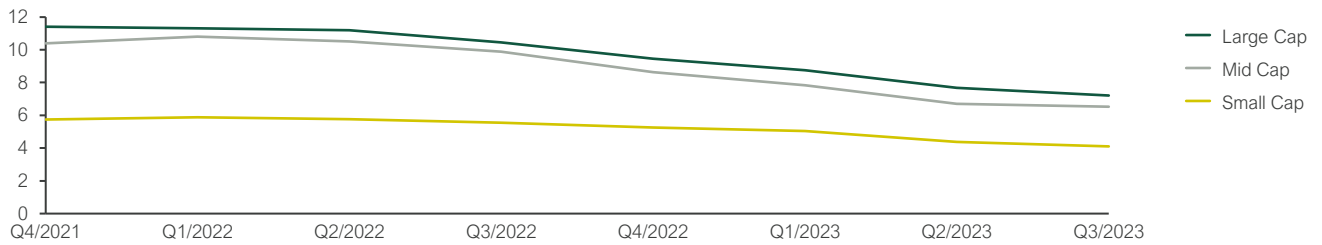
- ▶ Revenue in €m 251 to 2,500
- ▶ Average Revenue in €m 1,272
- ▶ Number of companies 397

Large Cap

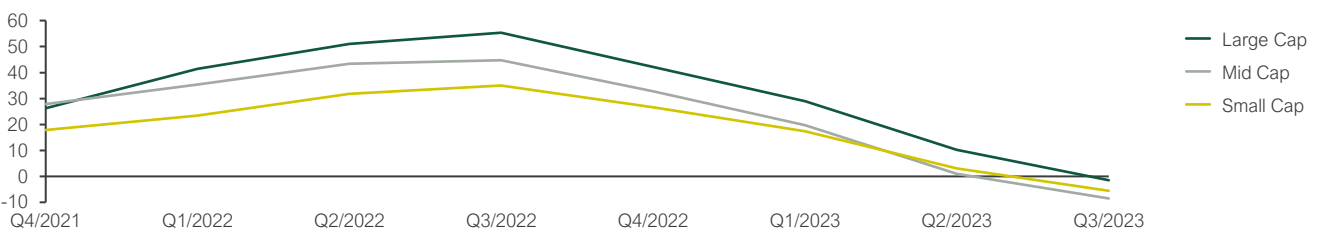


- ▶ Revenue in €m >2,500
- ▶ Average Revenue in €m 16,877
- ▶ Number of companies 158

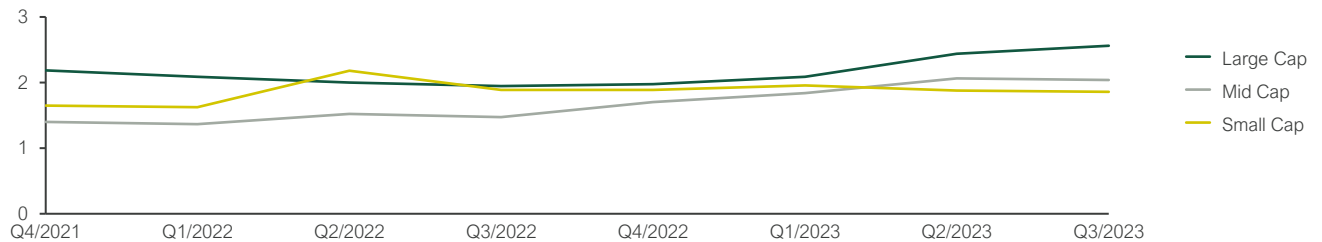
EBIT Margin (in %)



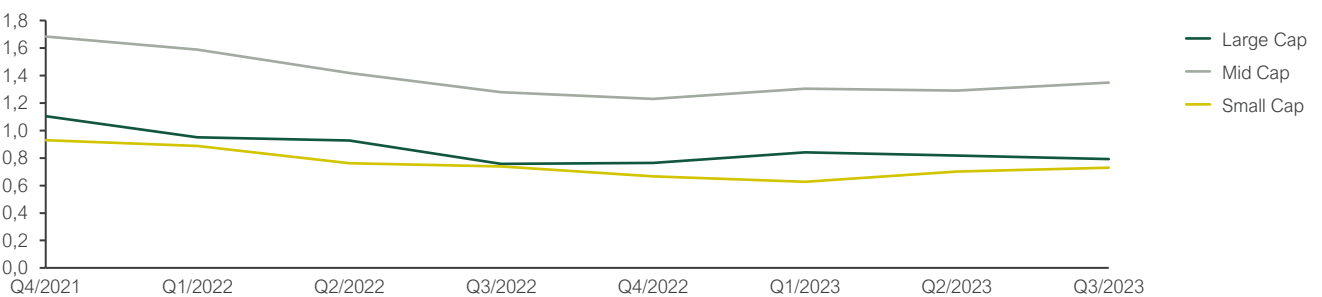
Year-on-Year Revenue Growth (in %)



Debt/EBITDA



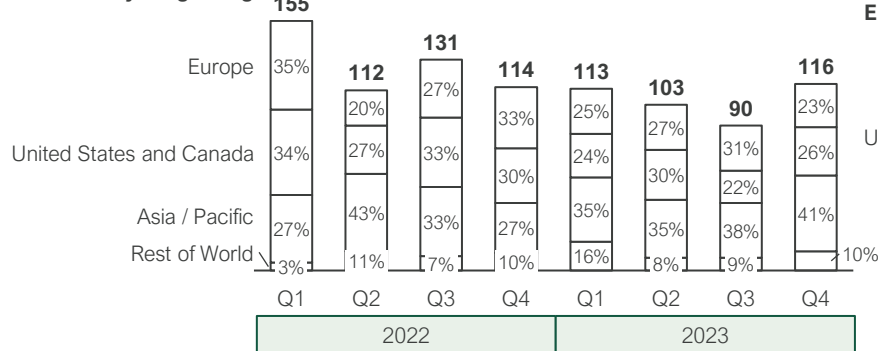
Market Capitalization/Revenue



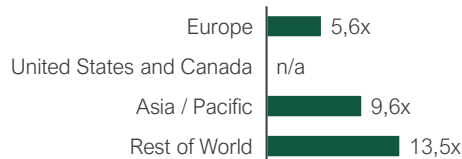
Base- and Petrochemicals M&A Deal Analysis

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

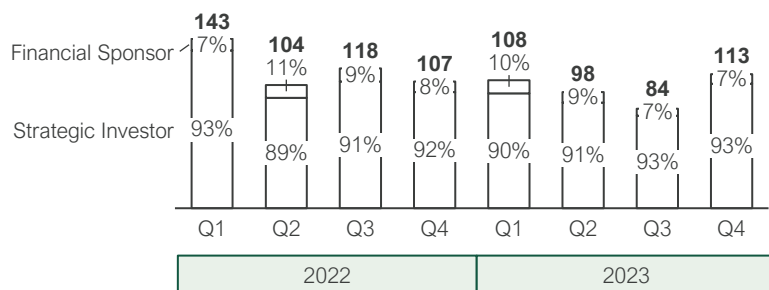


EBITDA Multiple (LTM) by Target Region



Deal count by Investor Type

Announced transaction with identified investors.

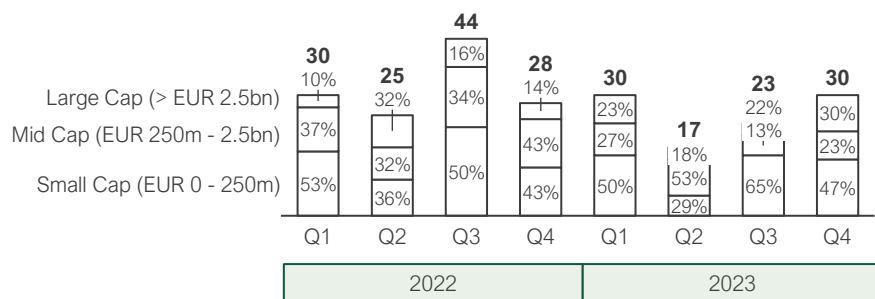


EBITDA Multiple (LTM) by Investor Type

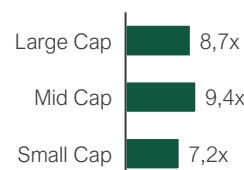


Deal count by Company Size

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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