

ProventisPartners.

**M&A FACTS – H2 2024**  
**SPECIALTY CHEMICALS & MATERIALS**  
**SECTOR**

February 2025

### SPECIALTY CHEMICALS & MATERIALS – M&A-HIGHLIGHTS AND MARKET INSIGHTS

Overall, the SC&M M&A market shows ongoing resilience, despite macroeconomic uncertainties and a reversal in interest rates.

#### H2 2024 Deal activity

**170**  
Deals

Despite sluggish trading comps, H2 2024 saw 17% more deals than H1. H2 saw, in particular, greater engagement from financial sponsors, as well as a lower deal count for US/Canada vs. Europe & APAC.

**€28bn**  
Deal value

Total deal value grew even stronger than deal count, with an increase of 24% vs. H1. The corresponding increase in average deal size underlines the pick-up in M&A activity despite macroeconomic uncertainties.

#### Valuations

Trading multiples came down in H2 2024, as uncertainties in the market were on the rise and interest rates reversed their previous downward trend.

H1 2024	H2 2024
10.6x	9.9x
Trading EBITDA Multiple	

Transaction multiples, on the other hand, were relatively stable and continued showing sizeable premiums vs. trading multiples.

H1 2024	H2 2024
15.0x	14.9x
Transaction EBITDA Multiple	

#### Insights

H2 2024 proved a challenging environment for the industry. Particularly in Q4, trading multiples dropped below long-term averages. Despite this, deal activity was solid through the second half-year.



#### Strategies

Notable strategic initiatives include a reshaping of supply chains and a push to diversify client portfolios in light of impending trade obstacles, in particular under the new US government. Green/sustainable products remain top-of-mind under regulatory and consumer pressure.



#### Trends

Current trends align with strategic priorities. Geopolitical uncertainties saw interest across borders, e.g. from Chinese buyers who seek to gain access to technology and sales channels in the West.

On the back of green chemistry developments, the industry continues to see partnerships between established chemical companies and start-ups in biotech and circular technologies.



#### Key growth areas

With a continued rise of EV mobility and renewable energy, demand for specialty materials (e.g. high-performance coatings / composites, conductive adhesives, thermal management materials) remains high. Ongoing strength in nanotechnology (electronics, automotive) further sustains demand.

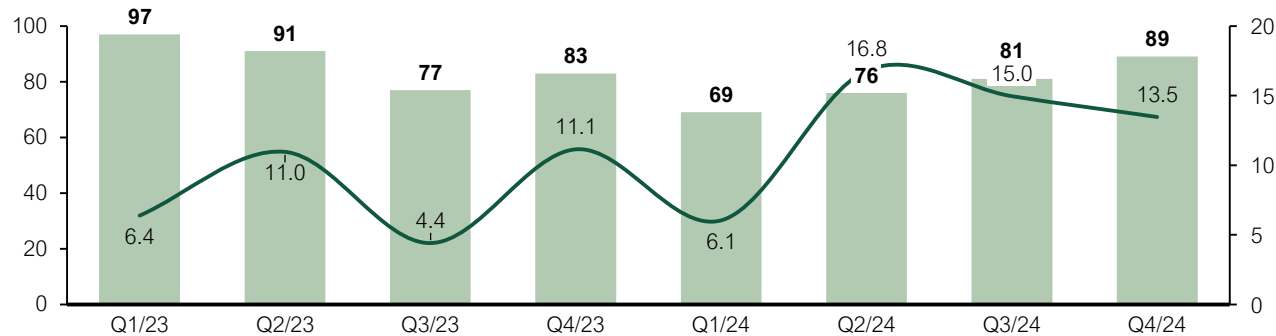
# M&A Facts H2 2024

## Specialty Chemicals & Materials

### M&A SUMMARY

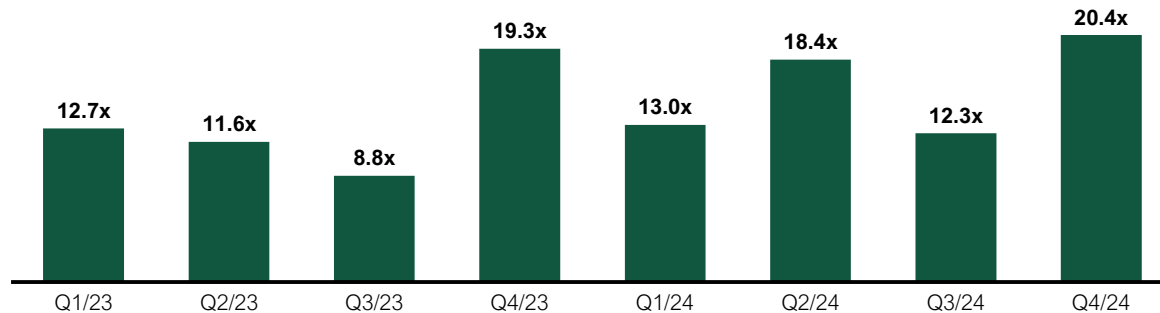
Continuous recovery of the Specialty Chemicals & Materials M&A market throughout 2024.

Specialty Chemicals & Materials M&A Deal Count, Recorded Transaction Volume 2023-2024



Specialty Chemicals & Materials M&A Transaction Multiples 2023-2024

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



Data Source: S&P Capital IQ.



**“Even though the business outlook of most Specialty companies remains conservative for 2025, the demand for many Specialties – especially Additives – rose in the 2<sup>nd</sup> half of 2024. Portfolio consolidations and carve-outs trigger larger M&A transactions.”**

**Dr. Uwe Nickel**  
Partner, Zurich

# M&A Facts H2 2024

## Specialty Chemicals & Materials

### NOTABLE TRANSACTIONS IN THE SPECIALTY CHEMICALS & MATERIALS SECTOR

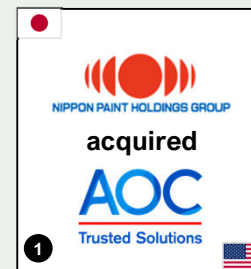
Large transactions fuel the consolidation pattern as well as dedicated Specialty Additive transactions in 2<sup>nd</sup> half of 2024.

Announced Date	Target	Acquirer	Stake %	Total Transaction Value (EURm)	Implied EV/ EBITDA
10/06/2024	Arcadium Lithium plc (NYSE:ALTM)	Rio Tinto Group (LSE:RIO)	100	7,238	30.9
<b>1</b> 10/28/2024	<b>LSF11 A5 TopCo LLC</b>	<b>Nippon Paint Holdings, JP</b>	<b>100</b>	<b>2,128</b>	<b>n/a</b>
09/08/2024	OCI Methanol Group	Methanex Corporation, CA	100	1,820	n/a
<b>2</b> 07/25/2024	<b>Merck Surface Solutions/ Merck Performance Materials</b>	<b>Global New Material International Holdings, Ltd, CN</b>	<b>100</b>	<b>665</b>	<b>n/a</b>
10/17/2024	The Pittsburgh Paints Company	AIP, LLC	100	508	n/a
07/11/2024	Global Specialty Solutions business of FMC Corporation	Envu	100	322	n/a
08/29/2024	Silicas Products Business of PPG Industries, Inc.	Qemetica S.A., PL	100	280	n/a
08/22/2024	Fauji Fertilizer Bin Qasim Ltd	Fauji Fertilizer Co. Ltd, PK	50.1	262	1.7
07/18/2024	Louisiana Pigment Co.,L.P.	Kronos Worldwide, Inc., US	50.0	183	n/a
10/11/2024	Heubach's Global Pigment Business Operations	Sudarshan Europe BV, NL	100	128	n/a
11/12/2024	Emulsion Technology Co.,Ltd.	Nippon Shokubai Co., Ltd., JP	100	44	n/a
10/17/2024	Heubach Colorants India Ltd. (BSE:506390)	Sudarshan Europe BV, NL	26.0	38	18.5
11/27/2024	FRX Polymers, Inc.	FRX Acquisition, Inc.	100	2	n/a
12/20/2024	Spectra Color, Inc.	Chroma Color Corporation, US	100	n/a	n/a
11/26/2024	AD-Plast i Anderstorp AB	Oetiker Schweiz AG, CH	100	n/a	n/a

Data Source: S&P Capital IQ.



### Selected Transactions in H2 2024



#### Deal Specs

Nippon Paint Holdings acquired former AOC for USD 2.3bn.

#### Details / Rationale

Through the acquisition, Nippon Paints continues to expand its know-how and its positioning in Europe and NA. AOC's formulation know-how and development capacities in Coatings, Adhesives and Sealants are essential to increased margin generation in the Coatings industry by offering tailored solutions for construction, marine and other applications.



#### Deal Specs

GNMI acquired Merck's Surface Solutions & Performance Materials for EUR 665m.

#### Details / Rationale

The business had been non-core at Merck for a long time and part of portfolio consolidations. Pearlescent and effect pigments along with other specialties sold in the transaction build a solid basis for an expandable pigments platform to be developed further out of China.

# M&A Facts H2 2024

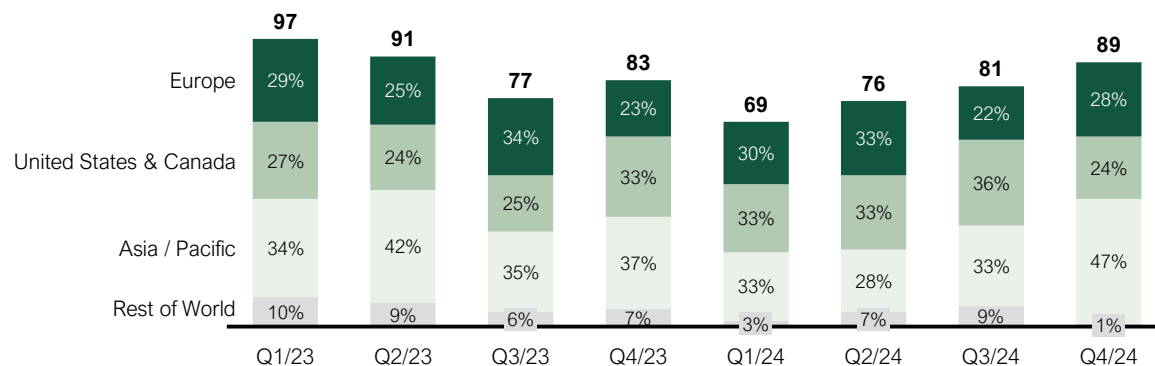
## Specialty Chemicals & Materials

### SPECIALTY CHEMICALS & MATERIALS M&A DEAL ANALYSIS<sup>1</sup>

Financial sponsor-backed deals continue to show higher multiples and accounted for a larger share than in previous quarters.

#### Deal Volume by Region

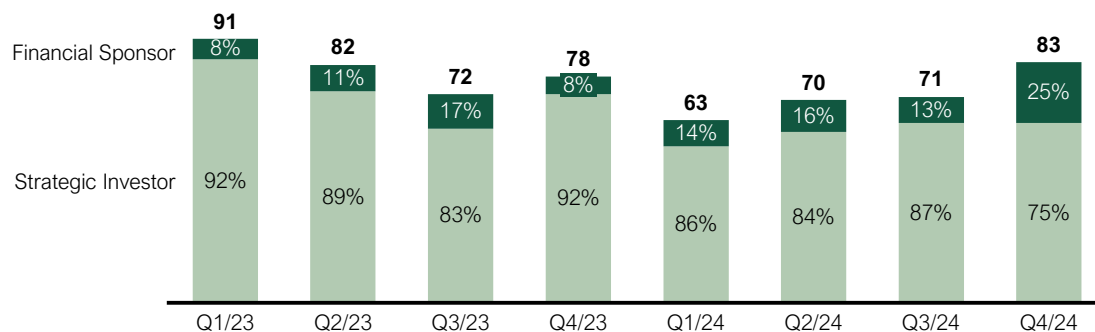
##### Deal count by Target Region



#### Deal Volume by Investor Type

##### Deal count by Investor Type

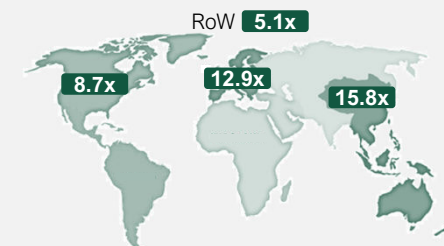
Announced transaction with identified investors.



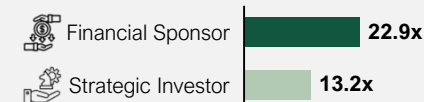
Data Source: S&P Capital IQ.

1) Announced transactions. Implied M&A Enterprise Value / LTM EBITDA of announced transactions with disclosed multiple.

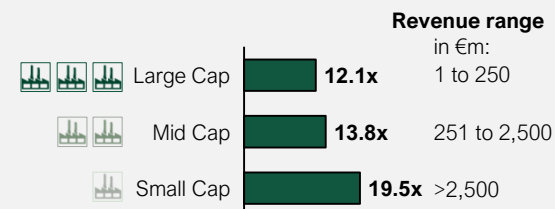
#### EBITDA Multiple (LTM) by Target Region



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



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






# M&A Facts H2 2024

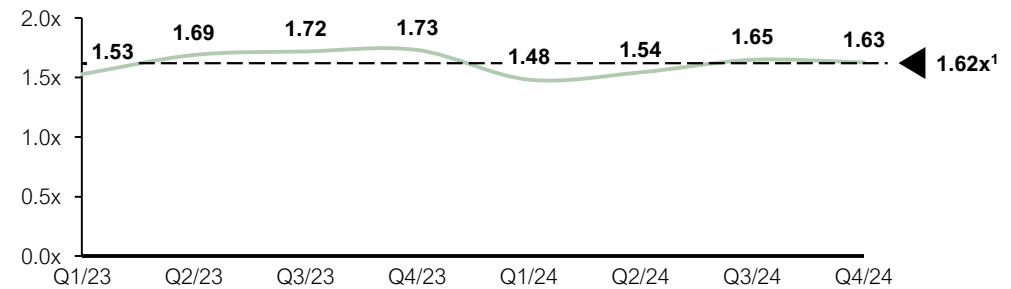
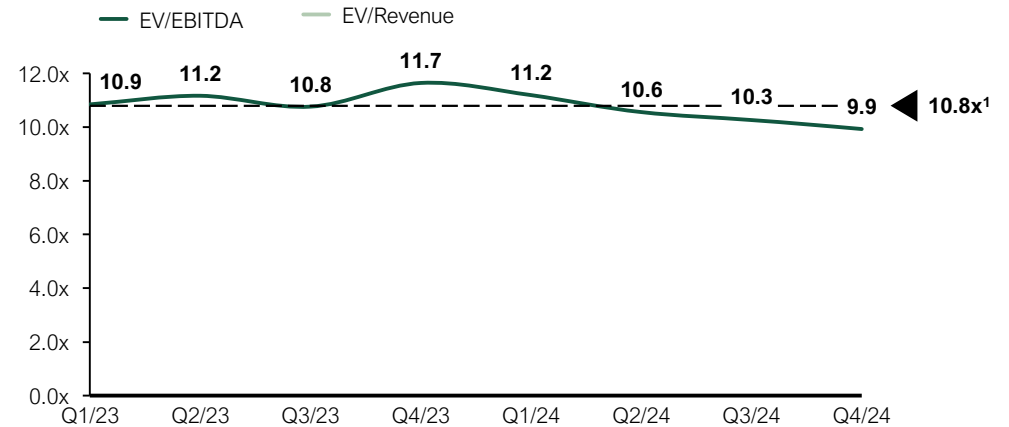
## Specialty Chemicals & Materials

### TRADING MULTIPLES

While EV/revenue multiples stabilized, EV/EBITDA continued to fall and is currently below the average over the last two years.

Enterprise value multiples of comparable listed companies.

Company	EV/Revenue	EV/EBITDA
 <b>MERCK</b>	3.3x	13.1x
 <b>Lonza</b>	6.1x	21.5x
 <b>Jika</b>	3.5x	16.5x
 <b>Henkel</b>	1.6x	8.5x
 <b>DUPONT</b>	3.1x	12.0x
 <b>dsm-firmenich</b>	2.4x	26.1x
 <b>Bayer</b>	1.2x	5.0x
 <b>AkzoNobel</b>	1.3x	9.9x
 <b>EVONIK</b> Leading Beyond Chemistry	0.7x	5.4x
 <b>SYENSQO</b>	1.3x	6.3x
 <b>AXALTA</b>	2.0x	9.5x
 <b>CLARIANT</b>	1.2x	7.7x
 <b>LANXESS</b> Energizing Chemistry	0.7x	11.0x



Data Source: S&P Capital IQ. 1) Average Multiples





# M&A Facts H2 2024

## Specialty Chemicals & Materials

### PRESENTING THE PROVENTIS PARTNERS SENIOR PROFESSIONALS IN THE SPECIALTY CHEMICALS & MATERIALS SECTOR

An M&A team of 35 professionals backed by the global Mergers Alliance network is at your disposal at Proventis Partners.

#### Our Specialty Chemicals & Materials Team



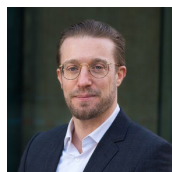
**Dr. Jan-Philipp Pfander, Partner**

- 30+ years experience in the chemicals and related sectors.
- Significant experience in advising clients on a wide range of M&A and capital market transactions.
- Co-Head of the Chemicals & Materials sector of Proventis Partners.



**Dr. Uwe Nickel, Partner**

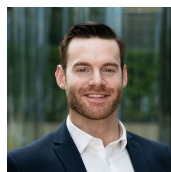
- 35+ years experience of management in different areas of the chemical industry.
- Long-lasting experience in M&A and integrations/divestments
- Co-Head of the Chemicals & Materials sector of Proventis Partners.



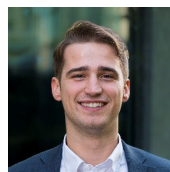
**Cédric Mutz**  
Director



**Artur Maibach**  
Vice President



**Giuseppe Di Tommaso**  
Associate



**Tassilo Pilars de Pilar**  
Analyst

#### Selected Specialty Chemicals & Materials Deals

##### M&A Sell-Side



IMCD N.V. acquired VELOX GmbH, a leading European distributor of speciality chemicals, from its founders.



##### Capital Raise



Interface Polymers Ltd. has successfully raised growth capital from Evonik's Sustainability Tech Fund.



##### M&A Buy-Side



Microdiamant has acquired US-based Eminess Technologies to continue to grow in several dimensions.



##### M&A Buy-Side

##### Cinven

Cinven has acquired Bayer's Environmental Science Professional business, for a total purchase price of USD 2.6 billion.



##### M&A Buy-Side



Sukano has acquired KAYS Kft., a leading compounder specialized in engineering plastics



### PROVENTIS PARTNERS TRACK RECORD

Our experience results from more than 430 completed M&A transactions with a total value of more than EUR 22 billion.

### Experience from 20 years of Proventis Partners





# M&A Facts H2 2024

## Specialty Chemicals & Materials

### PROVENTIS IS PART OF MERGERS ALLIANCE

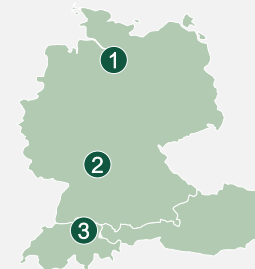
Excellent contacts with national and international strategic buyers and Private Equity firms through our worldwide network.

#### Overview global network Mergers Alliance



<b>Switzerland</b> Proventis Partners	<b>Benelux</b> OXEYE HJW Capital Advisors	<b>USA</b> Dresner Partners	<b>Peru</b> EFIC Partners	<b>Brazil/Caribbean</b> BroadSpan Capital
<b>Germany</b> Proventis Partners	<b>Italy</b> Ethica Corporate Finance	<b>USA</b> Montminy & Co	<b>Chile</b> Servicios Financieros Altis	<b>Thailand</b> Khronos Advisory
<b>Austria</b> Proventis Partners	<b>Spain</b> Norgeston	<b>Mexico</b> Broadspan	<b>Japan</b> Tokyo Kyodo Accounting Office	<b>Korea</b> Stewart & Co.
<b>United Kingdom</b> Opus Corporate Finance	<b>Poland</b> IPOPEMA	<b>India</b> Singhi Advisors	<b>Australia</b> Greenstone Partners	
<b>France</b> Aurignac Finance	<b>Croatia</b> InterCapital Investment Banking			

#### Our locations in German speaking Europe



- 1 Hamburg
- 2 Frankfurt
- 3 Zurich

Total **33** locations globally  
A third in Europe



**1,761**  
Deals since  
2010

**107**  
Deals  
in 2024

**280+**  
Professionals

Proventis Partners is an integral part of Mergers Alliance – a partnership of award-winning M&A specialists who provide high-quality advisory services to companies that need an international network for their M&A deals.

### OUR CONTACT INFORMATION

We would be happy to meet you personally and support you in an advisory capacity.



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# M&A Facts H2 2024

## Specialty Chemicals & Materials

### APPENDIX

#### Specialty Chemicals & Materials Peer Group.

Company Name	Country	Market Cap (EURm)	TEV (EURm)	Total Revenue LTM (EURm)	EBITDA LTM (EURm)	TEV/EBITDA H1 2024	TEV/EBITDA H2 2024	Change
Merck KGaA	Germany 	60,825	68,427	20,963	5,072	14.2x	13.1x	▽
Lonza Group AG	Switzerland 	41,249	43,211	6,955	1,911	19.0x	21.5x	△
Sika AG	Switzerland 	36,903	43,095	12,423	2,484	20.9x	16.5x	▽
Henkel AG & Co. KGaA	Germany 	32,875	34,799	21,401	3,923	10.0x	8.5x	▽
DuPont de Nemours, Inc.	USA 	30,782	37,013	10,931	2,670	13.3x	12.0x	▽
DSM-Firmenich AG	Switzerland 	25,777	29,439	12,455	1,061	71.9x	26.1x	▽
Bayer Aktiengesellschaft	Germany 	18,975	53,933	46,739	10,642	5.5x	5.0x	▽
Akzo Nobel N.V.	Netherlands 	9,898	14,199	10,621	1,304	9.1x	9.9x	△
Evonik Industries AG	Germany 	7,796	11,339	15,163	1,919	5.9x	5.4x	▽
Syensqo SA/NV	Belgium 	7,374	8,850	6,783	1,325	6.4x	6.3x	▽
Axalta Coating Systems Ltd.	USA 	7,208	10,110	4,718	946	10.6x	9.5x	▽
Clariant AG	Switzerland 	3,537	5,470	4,324	599	7.9x	7.7x	▽
LANXESS Aktiengesellschaft	Germany 	2,036	4,632	6,319	500	26.5x	11.0x	▽
<b>Median</b>						<b>10.6x</b>	<b>9.9x</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.

Source: S&P Capital IQ (01/2025)