

ProventisPartners.

M&A FACTS – H1 2024
BASE- & PETROCHEMICALS
SECTOR

August 2024

BASE- & PETROCHEMICALS – M&A-HIGHLIGHTS AND MARKET INSIGHTS

Overall, the Base- & Petrochemicals M&A market shows some resilience, despite lower utilization and increased costs.

H1 2024 Deal activity

210
Deals

Deal volume remained on 2023 level. Strategics continue to look for consolidate the market and drive deal activity in the B&P Chemical sector, with a few notable sponsor-backed transactions.

€9.3bn
Deal value

Deal activity in H1 2024 was lower than in H2 2023, indicating a stable overall M&A environment, despite consistently high interest rates and ongoing supply-chain challenges.

Valuations

EBITDA trading multiples remained stable compared to 2023.

H2 2023	H1 2024
7.5x	7.6x
Trading EBITDA Multiple	

The median of the transaction multiples was 8.5x and exceeded the median of the trading multiples significantly in H1 2024 due to some outliers in the Asian market in Q4.

H2 2023	H1 2024
7.2x	8.5x
Transaction EBITDA Multiple	

Insights

Overall, the Base- & Petrochemicals M&A market shows resilience, despite increased material and energy costs and challenges to achieve the global sustainability goals.



Strategies

Strategies remain unchanged driven by capacity utilizations challenges and need to reduce carbon footprint and increase recycling content. Closure of assets has slowed down compared to prior years.



Trends

Consolidation and transformations in the Petrochemical Industry especially in Europe to continue. While Carbon Border Adjustment Mechanisms are at the horizon a shift to more regional supply becomes the option to be considered for some product clusters. Monetization of infrastructure ownership remains on the agenda.



Key growth areas

Recycling and close loop technologies will continue to be of interest as well as substitutes for critical products like PFAS. Apart from its new capacities in Asia will have an impact on prices in for some large volume products (e.g. PET, PTA, MEG). Light Naphta demand is expected to grow throughout the year.

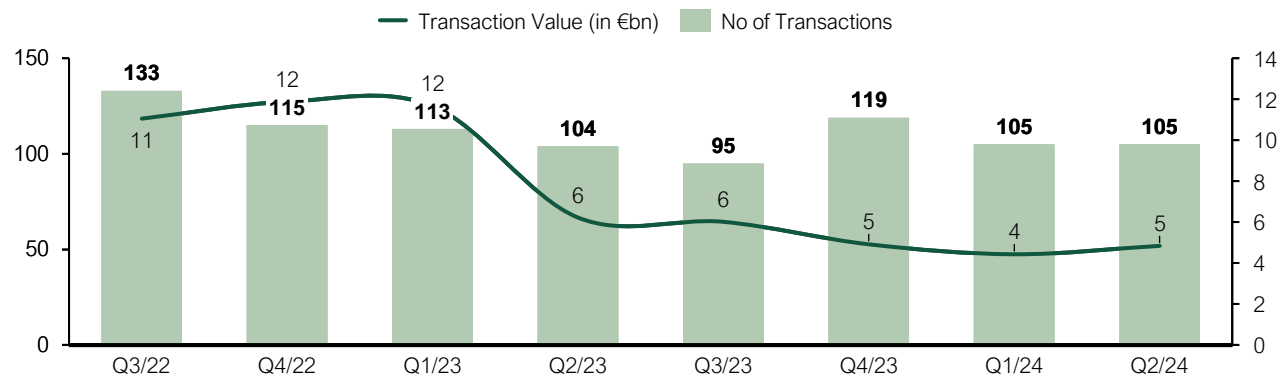
M&A Facts H1 2024

Base- & Petrochemicals

M&A SUMMARY

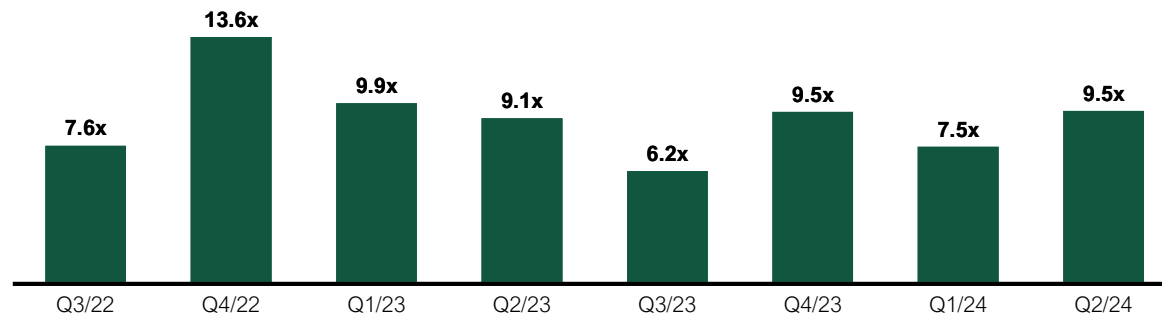
Resilient M&A market for Base- & Petrochemicals over the recent years.

M&A Deal Count, Recorded Transaction Volume 2022-2024



Base- & Petrochemicals M&A Transaction Multiples 2022-2024

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



Data Source: S&P Capital IQ.



“The Base- and Petrochemical market seems to have reached the bottom of the cycle with restocking effects provided tailwinds in the first quarter. Global economy remains volatile and will not provide too much flexibility in price adjustments.”

Dr. Uwe Nickel
Partner, Zurich

M&A Facts H1 2024

Base- & Petrochemicals

NOTABLE TRANSACTIONS IN THE BASE- & PETROCHEMICALS SECTOR

The number of large transactions in core petrochemicals remains low in the first half 2024.

Announced Date	Target	Acquirer	Stake %	Total Transaction Value	Implied EV/ EBITDA
11/02/2024	Saras S.p.A., IT	Vitol S.A., CH	55	1'317	2.22
21/02/2024	Cyanco Corporation, US	Orica Limited, AU	100	592	7.53
28/03/2024	Mom Holding Company, US	KCC Corporation, KR	40	555	n/a
11/02/2024	Saras S.p.A., IT	Vitol S.A., CH	35	533	2.51
1 16/01/2024	National Petrochemical Industrial Company, SA	LyondellBasell Industries, NL	35	458	n/a
06/02/2024	Baron Rubber Pty Ltd, AU	Trelleborg Sealing Solutions Germany GmbH, DE	100	372	n/a
26/03/2024	Bunge Ibérica S.A.U., ES	Repsol S.A., ES	40	300	n/a
20/06/2024	PT Bintan Alumina Indonesia, ID	Hong Kong Prime Aluminium Investment Limited, HK	25	308	n/a
22/05/2024	Guangxi Huayi Chlor-Alkali Chemical Co., CN	Shanghai Chlor-Alkali Chemical Co., CN	40	86	n/a
2 04/03/24	Superabsorbents business of Evonik, DE	International Chemical Investors S.E., LU	100	n/a	n/a
02/05/2024	Mountaineer Midstream System of Mountaineer Midstream Company, LLC, US	Antero Midstream LLC, US	100	65	n/a
17/01/2024	Transchem Inc., CA	Dover Corporation, US	100	44	n/a

Data Source: S&P Capital IQ.



Selected Transactions in H1 2024

1



Deal Specs:

LyondellBasell acquires 35% of National Petrochemical Industrial Company for an EV of EUR 458m.

Details:

The joint venture is enabled by LYB Spheripol polypropylene (PP) technology and positions LYB to profitably expand its core PP business by gaining access to advantaged feedstocks and additional product marketing volumes.

2



Deal Specs:

ICIG acquired the Superabsorbent Material business from Evonik's Performance Material division at an undisclosed EV.

Details:

The Transaction fits into the Investment strategy of ICIG. The market of Superabsorbent material based on Polyacrylate for Diapers and incontinence applications is an oligopolistical market with a few large players like P&G and KC.

M&A Facts H1 2024

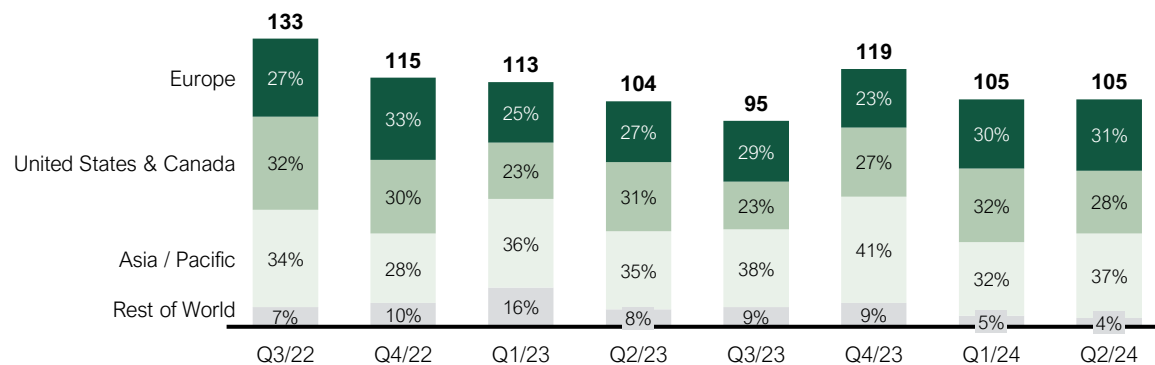
Base- & Petrochemicals

BASE- & PETROCHEMICALS M&A DEAL ANALYSIS¹

Financial Sponsor backed deals noted at higher multiples due to outliers, whilst vast majority of deals done by strategic buyers.

Deal Volume by Region

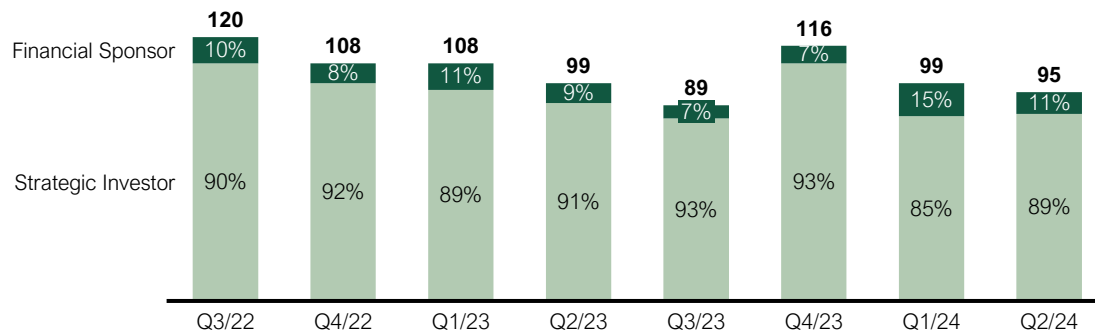
Deal count by Target Region



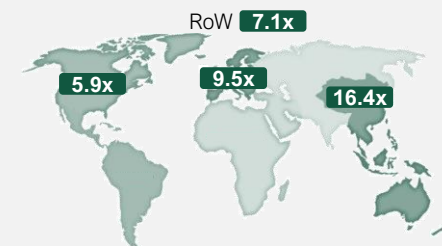
Deal Volume by Investor Type

Deal count by Investor Type

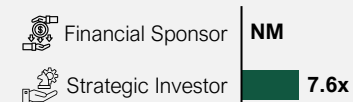
Announced transaction with identified investors.



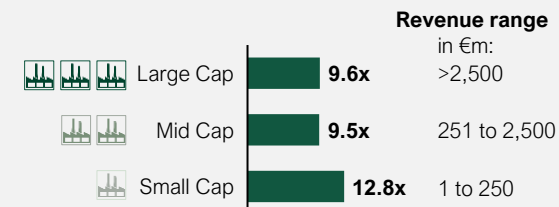
EBITDA Multiple (LTM) by Target Region



EBITDA Multiple (LTM) by Investor Type



EBITDA Multiple (LTM) by Company Size



Data Source: S&P Capital IQ.

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

M&A Facts H1 2024

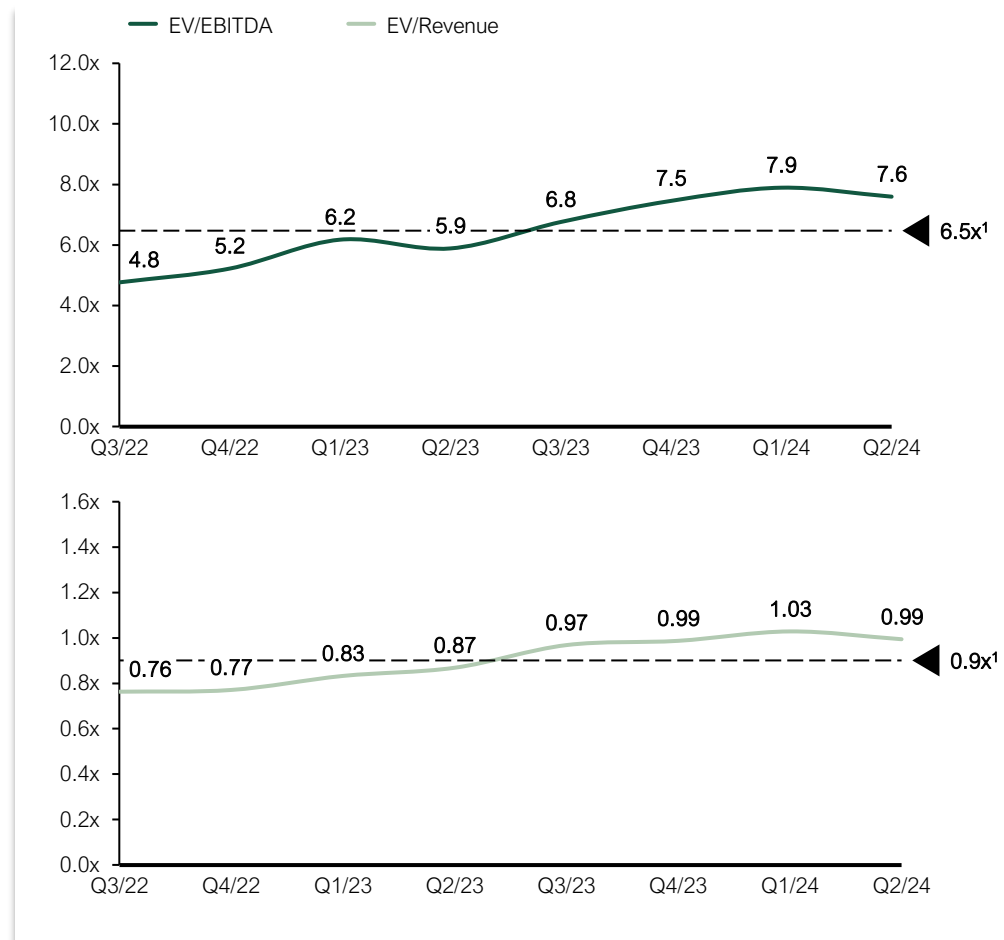
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TRADING MULTIPLES

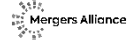
Multiples have stabilized over 3 quarters in a row and come back from the 2022 lows.

Average enterprise value multiples of comparable listed companies since 2022.

Company	EV/Revenue	EV/EBITDA
 ExxonMobil	1.4x	6.1x
 Reliance Industries Limited	2.6x	14.7x
 TotalEnergies	0.9x	4.2x
 SINOPEC	0.4x	5.8x
 SABIC	1.8x	13.3x
 BASF The Chemical Company	0.9x	9.3x
 Dow	1.2x	7.6x
 LYB LyondellBasell	1.0x	8.1x
 LG Chem	1.0x	8.8x
 EASTMAN	1.8x	9.8x
 MITSUBISHI CHEMICAL	0.8x	6.8x
 ARKEMA	0.9x	6.0x
 SOLVAY	1.9x	3.0x



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



PRESENTATION OF THE PROVENTIS PARTNERS SENIOR PROFESSIONALS FROM THE BASE- & PETROCHEMICALS SECTOR.
 An M&A team of 35 professionals backed by the global Merger Alliance network is at your disposal at Proventis Partners.

Our Base- & Petrochemicals Team



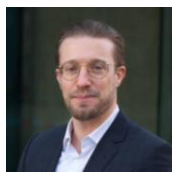
Dr. Jan-Philipp Pfander, Partner

- 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.



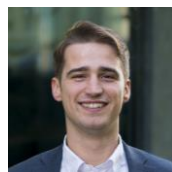
Cédric Mutz
Director



Artur Maibach
Vice President



Giuseppe Di Tommaso
Associate



Tassilo Pilars de Pilar
Analyst

Selected Base- & Petrochemicals Deals

M&A Sell-Side



Sale of production and distribution of hydrous ammonia assets to Proman



M&A Buy-Side



Siliconas Silam was sold to Elastofirm BV, backed by Egeria Private Equity



PROVENTIS PARTNERS TRACK RECORD

Our experience of 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

Comprehensive network of executives, M&A decision-makers in corporations and private equity investors	So far, we closed M&A deals in 30 countries	~30 M&A professionals
	> 50% Cross-border Deals	Strong track-record on sell- and buy-side mandates
> 430 successful deals	Transaction volume of > EUR 22bn	
> 85% closing success	We are one of the top fully independent M&A advisors in the DACH region	Extensive expertise in our six main sectors



M&A Facts H1 2024

Base- & Petrochemicals

PROVENTIS IS PART OF MERGERS ALLIANCE

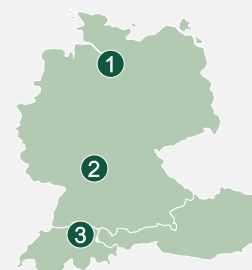
Excellent contacts with national and international strategic buyers and Private Equity firms through our worldwide network.

Overview global network Mergers Alliance



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

Our locations in German speaking Europe



- 1 Hamburg
- 2 Frankfurt
- 3 Zurich

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



1,654
Deals since
2010

128
Deals
in 2023

250
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 H1 2024

Base- & Petrochemicals

APPENDIX

Base- & Petrochemicals Peer Group.

Company Name	Country	Market Cap	TEV	Total Revenue LTM	EBITDA LTM	TEV/EBITDA H2 2023	TEV/EBITDA H1 2024	Change
Exxon Mobil Corporation	United States 	423'572	437'499	317'933	66'174	5.8x	6.1x	△
Reliance Industries Limited	India 	237'161	267'956	103'596	18'454	13.2x	14.7x	△
TotalEnergies SE	France 	144'103	169'391	196'221	39'103	3.3x	4.2x	△
China Petroleum & Chemical Corporation	China 	93'747	154'657	404'053	23'121	5.3x	5.8x	△
Saudi Basic Industries Corporation	Saudi Arabia 	55'077	61'305	34'070	4'026	12.8x	13.3x	△
BASF SE	Germany 	40'329	61'630	65'269	5'618	20.6x	9.3x	▽
Dow Inc.	United States 	34'817	47'708	40'161	4'898	7.5x	7.6x	△
LyondellBasell Industries N.V.	United States 	29'071	38'950	38'300	4'331	7.5x	8.1x	△
LG Chem, Ltd.	South Korea 	17'773	35'380	36'260	4'123	10.2x	8.8x	▽
Eastman Chemical Company	United States 	10'753	15'205	8'537	1'469	10.3x	9.8x	▽
Mitsubishi Chemical Group Corporation	Japan 	7'371	20'920	25'849	3'183	5.8x	6.8x	△
Arkema S.A.	France 	6'067	8'277	9'425	1'311	6.6x	6.0x	▽
Solvay SA	Belgium 	3'452	5'098	4'575	1'047	1.6x	3.5x	△
Median						7.5x	7.6x	△

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 (08/2024)