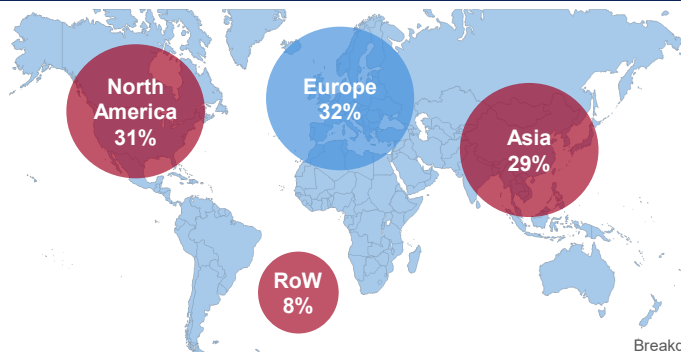


Chemical companies continue to realign around core activities, which further drives Enterprise Value

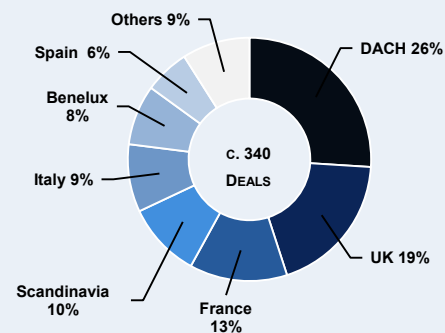
June 2019

Global chemical M&A activity (2014-18)



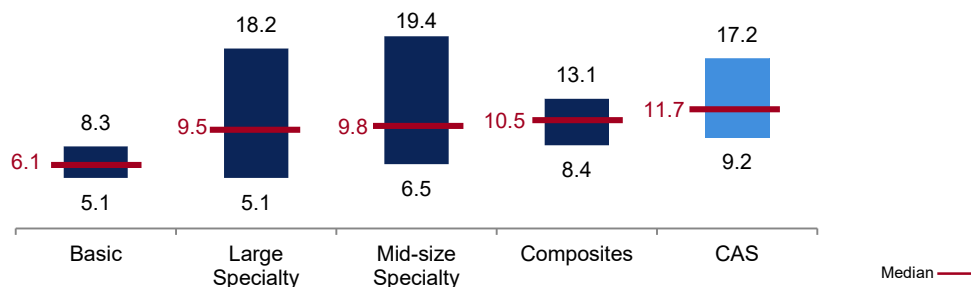
Breakdown of total number of transactions by target's geographic zone

TRANSACTIONS IN EUROPE



**Stephen Haller**  
Partner, Capitalmind

The value of focus and value chain position – EBITDA multiples



Selected acquisitions in CAS driving focus and targeted growth (2018-19)



**Focus beats diversification**

- Chemical companies with a distinct segment focus outperform their peer group

**End customer touch beats intermediates**

- A value chain position close to the end consumer allows for faster innovation cycles
- High level of fragmentation leads to increased deal activity
- Serial acquirers outperform less active peers

**Coatings, adhesives and sealants (CAS)**

- One of most dynamic sectors in specialty chemicals with high multiples
- Benefits via economies of scale continue to drive consolidation in the sector
- Aside from serial acquirers we see mid-market companies & Private Equity investors increasingly engaged in buy-and-build strategies
- This dynamic will keep valuation multiples at historic highs in the near term future
- >7,000 relevant companies in coatings alone

"The trend in the chemical industry to enhance focus will continue and drive portfolio realignments and corporate divestitures. We will also continue to see ongoing industry consolidation to leverage economies of scale. Fragmented segments of the industry such as CASE and other low capital and scalable businesses will be particularly active. Not only strategic buyers are stepping up, we also see financial buyers acquiring platform businesses and building size. Timing is good for privately owned enterprises to evaluate their strategy and the best way to unlock value."

# Selected Chemical Industry Transactions

## Chemicals & Plastics Senior Team

Capitalmind and its Partners have a strong chemical industry background and advised buyers and sellers in numerous transactions. Capitalmind is also a trusted advisor to chemical and industrial parks.

To evaluate and review your business model and plan the realization of geographical expansion, acquisitions, carve-out's, growth capital, project financing or succession, don't hesitate to contact us:



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Transaction card showing HG HELIOS Group was sold to RIH, supported by GSO. Logos for Franklin Templeton Investments and Capital Partners are also present.

Coatings

Transaction card showing oleon (A Natural Chemistry) sold its alkyd resins business to WORLÉE (seit 1851).

Alkyd resins

Transaction card showing Sava sold to Savatech to CGSO.

Industrial rubber

Transaction card showing Sava restructured €300m of debt with ABANKA, UniCredit, and Raiffeisen Bank.

Industrial rubber

Transaction card showing Alumichem Corporation acquired by NORDISK ALUMINAT.

Specialty chemicals

Transaction card showing Boehringer Ingelheim sold an animal health product for the South Korean market to GREEN CROSS VETERINARY PRODUCTS CO.,LTD.

Veterinary pharmaceuticals

Transaction card showing CREATIONS & PARFUMS Buy-In Management Buy-Out sponsored by HSBC, BNP PARIBAS, and CIC.

Fragrance formulation

Transaction card showing GROUPE Gorge acquired by DeltaMed (TURNING IDEAS INTO MATERIALS).

3D printing materials

Transaction card showing Gascogne sold the Swiss operations of Gascogne Laminates to UPM UPM RAFLATAC.

Laminates

Transaction card showing infraserv (highest a company of Clariant, SANOFI, Celanese) completed a buyout operation of T2C underwritten by.

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