

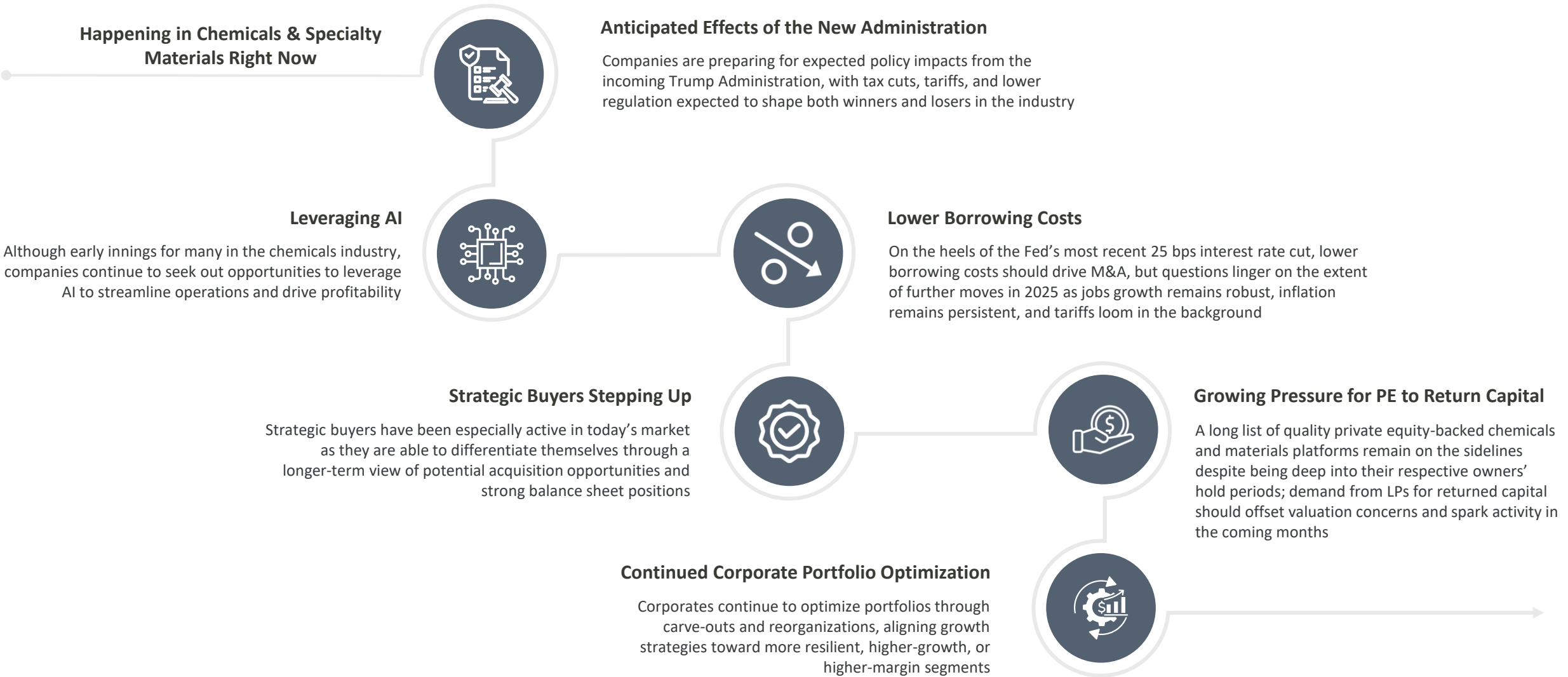


Chemicals & Specialty Materials Sector Brief

Harris Williams | Q1 2025

Chemicals & Specialty Materials Observations and Market Updates

Growing momentum in chemicals and specialty materials as market conditions improve and a growing backlog of assets prepares to hit the market



What We're Reading

INSIGHT: Trump to Bring U.S. Chems More Tariffs, Fewer Taxes, Regulations

Independent Commodity Intelligence Services

"Trade policy is important to the U.S. chemical industry because producers purposely built excess capacity to take advantage of cheap feedstock and profitably export material abroad. Such large surpluses leave U.S. chemical producers vulnerable to retaliatory tariffs."

Read the full article [here](#).

2025 Chemical Industry Outlook

Deloitte

"In the next year, chemical companies will navigate many of the same challenges as other industries: evolving macroeconomic conditions, shifts in policy and regulations across regions, changing customer preferences, and advances in technology."

Read the full article [here](#).

Polymer Catalysts Set for Growth

Chemical Week by S&P Global

"The polymer catalysts market is expected to continue growing in the medium term, with polyolefin catalysts forecast to outpace global GDP. Supporting sustainability in polymers and the elimination of dangerous chemicals are among the main trends and priorities identified by some of the leaders in the field."

Read the full article [here](#).

How AI Enables New Possibilities in Chemicals

McKinsey & Company

"In the chemical industry, gen AI represents a substantial leap forward, making the generation of insights and creative processes, such as new molecular and marketing designs, more accessible and customizable."

Read the full article [here](#).

Recent Harris Williams Industry Content

- Outlook 2025: Industrials



[Link to Read](#)

"Several trends are generating growth opportunities throughout industrials, including manufacturing onshoring and nearshoring, infrastructure aging, a heightened focus on operating efficiency, a need for sustainable solutions, and increasing technology adoption."

"Following a drawn-out period of supply chain volatility, the chemicals and specialty materials market appears poised for more normalized supply and demand conditions. In addition to helping stabilize performance trends, this shift will allow buyers and sellers alike to better understand pricing and margin durability – a recurring diligence hurdle since COVID."

Select Recent Chemical Transactions

L Squared Capital Partners' acquisition of Kano Laboratories

KANO
LABORATORIES

L² CAPITAL PARTNERS

Closed: December 18, 2024

- Kano Laboratories is a provider of premium consumable chemical solutions used predominantly in industrial maintenance, repair, and operations applications.
- L Squared will look to accelerate Kano's growth through acquiring industrial specialty chemicals businesses that would benefit from the platform's sales infrastructure and distribution channel partnerships.

KPS Capital Partners' pending acquisition of INEOS Composites

INEOS
Composites Business

KPS
CAPITAL PARTNERS, LP

Announced: December 3, 2024

- INEOS Composites manufactures unsaturated polyester resins, vinyl ester resins, and gelcoats used in plastic composites across a range of end markets.
- On December 2, KPS also announced the acquisition of Crane Company's Engineered Materials business, a manufacturer of fiberglass-reinforced plastic composite products.

Pacific Avenue Capital Partners' acquisition of H.B. Fuller's Flooring Business

H.B. Fuller
Flooring Business

PACIFIC AVENUE
CAPITAL

Closed: December 2, 2024

- H.B. Fuller's Flooring Business, now operating as TEC Specialty Products, manufactures adhesives, grouts, mortars, and other specialty surface preparation and repair products for flooring installation and repair.
- Under Pacific Avenue's leadership, the company will focus on further serving customer needs and executing on numerous growth opportunities available in the flooring adhesives market.

American Industrial Partners' acquisition of PPG's Architectural Coatings Business

PPG
Architectural
Coatings Business
(U.S. & Canada)

AMERICAN
INDUSTRIAL
PARTNERS

Closed: December 2, 2024

- PPG's U.S. and Canadian Architectural Coatings business, now operating as The Pittsburgh Paints Company, provides interior and exterior paints, stains, caulks, repair products, adhesives, and sealants for homeowners and professionals.
- AIP will leverage Pittsburgh Paints Co.'s 125-year legacy of innovation and product excellence to chart an aggressive course of transformation in the industry.

Ecolab's acquisition of Barclay Water Management

BARCLAY
WATER MANAGEMENT

ECOLAB

Closed: November 5, 2024

- Barclay Water Management is a provider of water safety and digital monitor solutions for industrial and institutional customers primarily in the Northeast U.S.
- The transaction expands Ecolab's extensive offerings and enables the company to expand its geographic footprint, while adding enhanced capabilities in its current markets.

Nippon Paint's acquisition of AOC

AOC

NIPPON PAINT

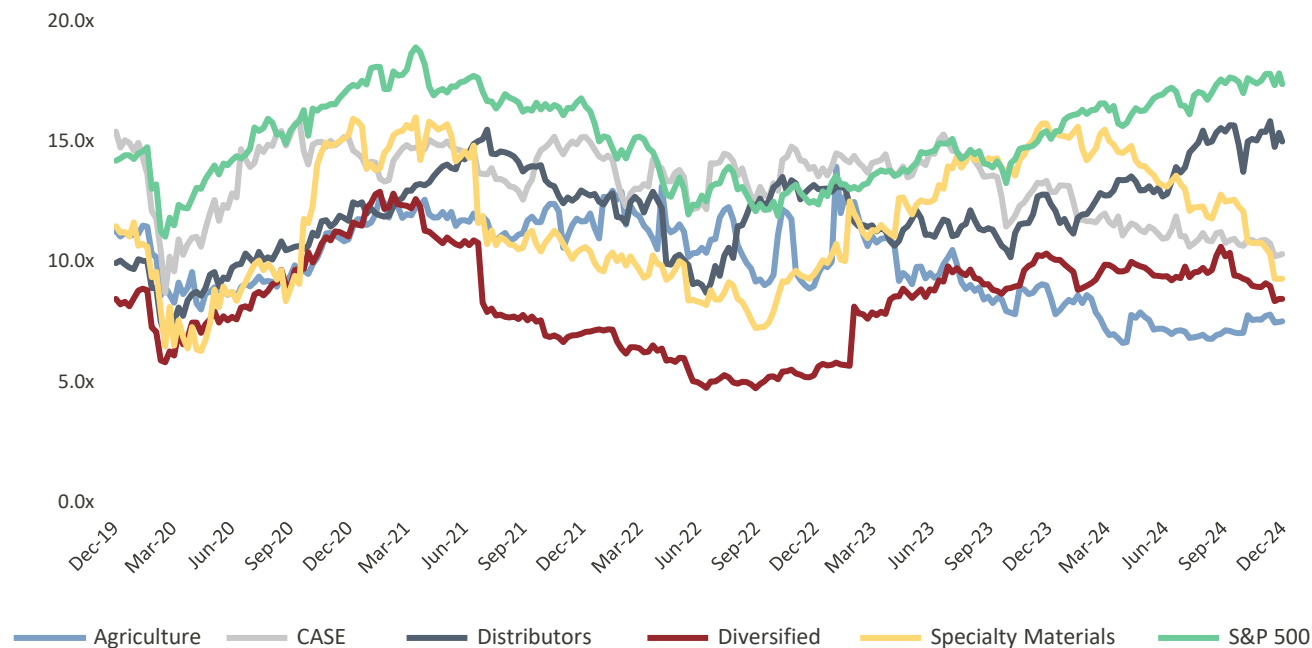
Announced: October 28, 2024

- AOC is a specialty formulator of CASE, colorants, and composites solutions in U.S. and European markets.
- The acquisition enhances Nippon Paint's offerings in the specialty chemicals sector and expands their geographic footprint in the U.S. and Europe.

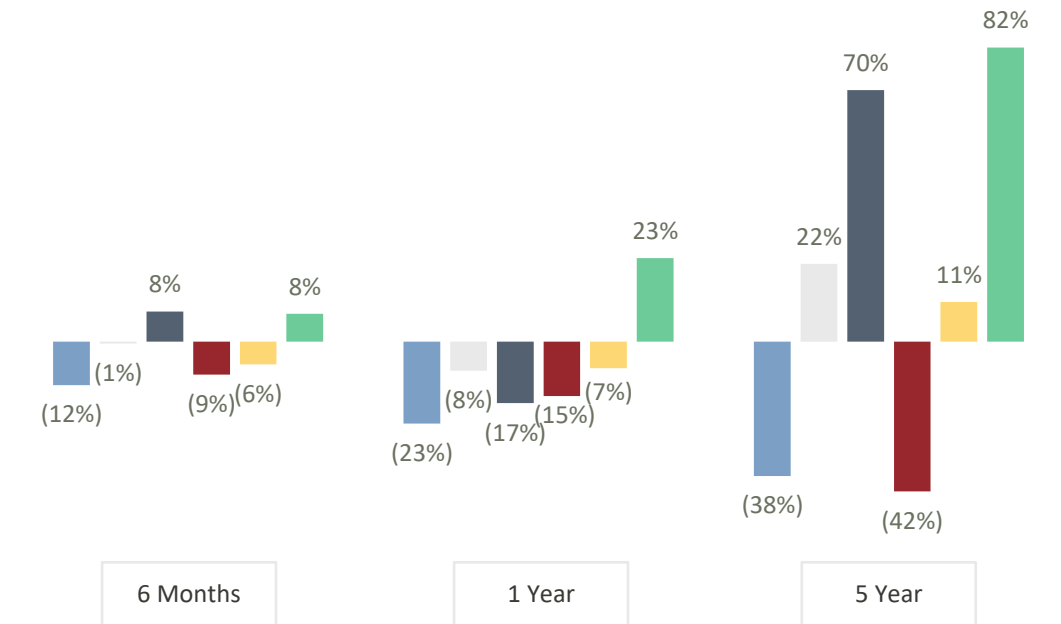
Public Markets Update - Valuation

Public Multiple Performance – 5 Years¹

TEV / LTM EBITDA Performance



Stock Performance¹



AGRICULTURE

COMPASS MINERALS FMC Mosaic Nutrien Scotts Miracle-Gro

CASE

AkzoNobel AXALTA H.B. Fuller PPG RPM SHERWIN-WILLIAMS

DISTRIBUTORS

azelis BRENNTAG HAWKINS IMCD

DIVERSIFIED

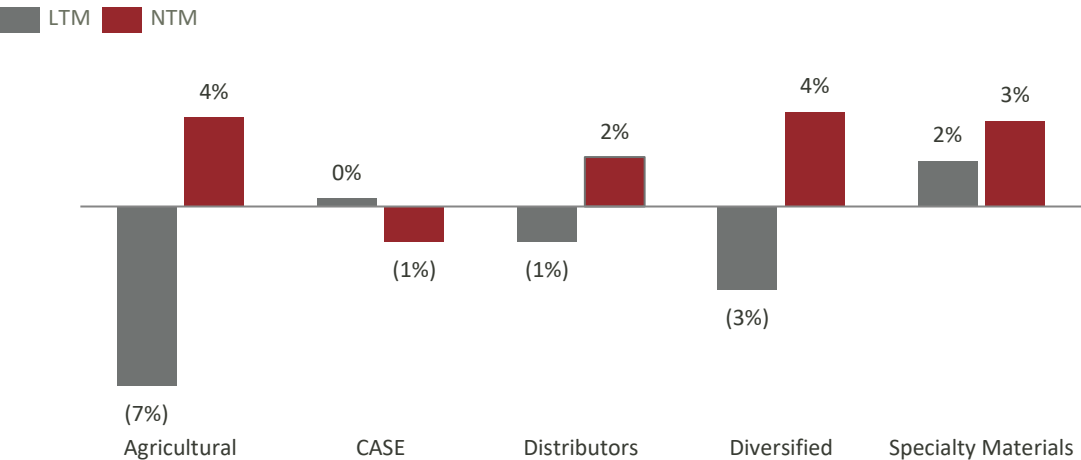
Ashland BASF EASTMAN EVONIK SOLVAY

SPECIALTY MATERIALS

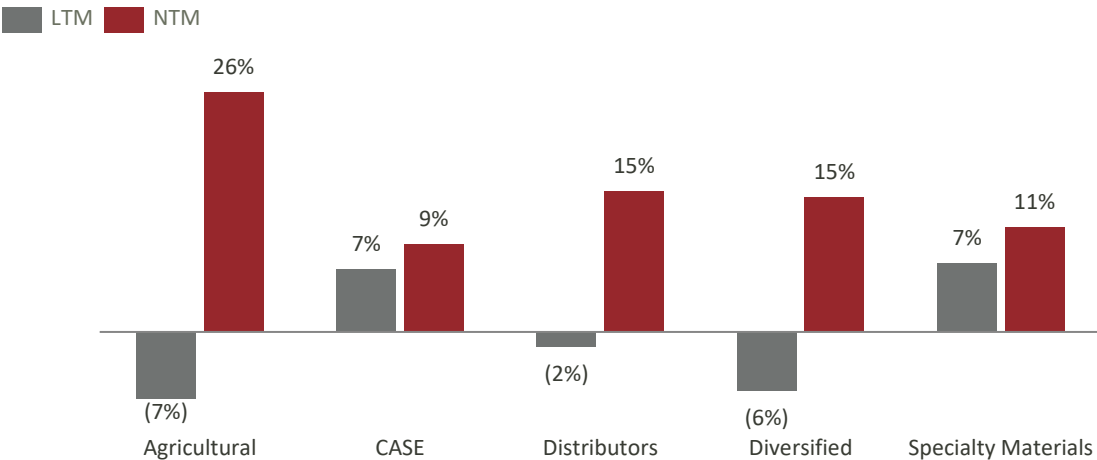
AVERY DENNISON AVIENT CABOT Celanese HEXCEL

Public Markets Update - Operating Metrics

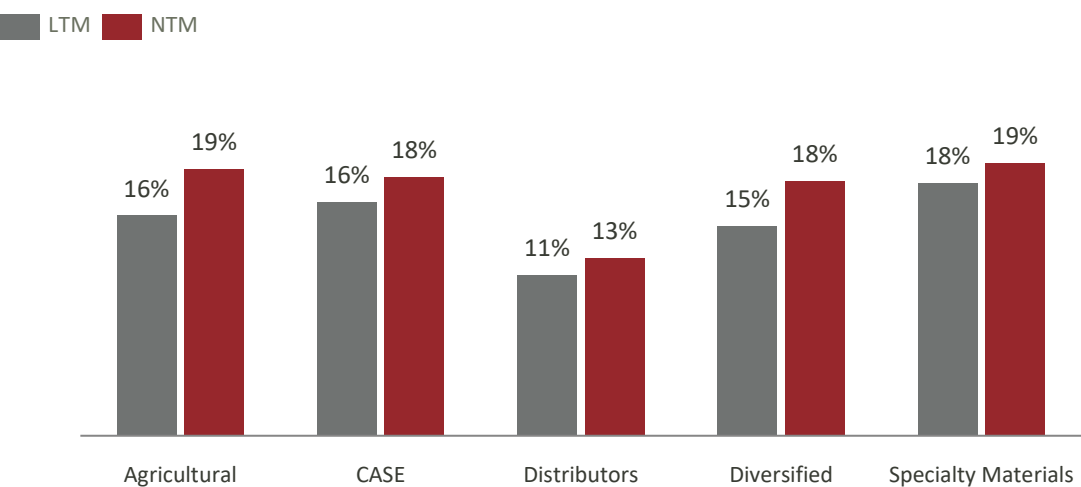
Revenue Growth



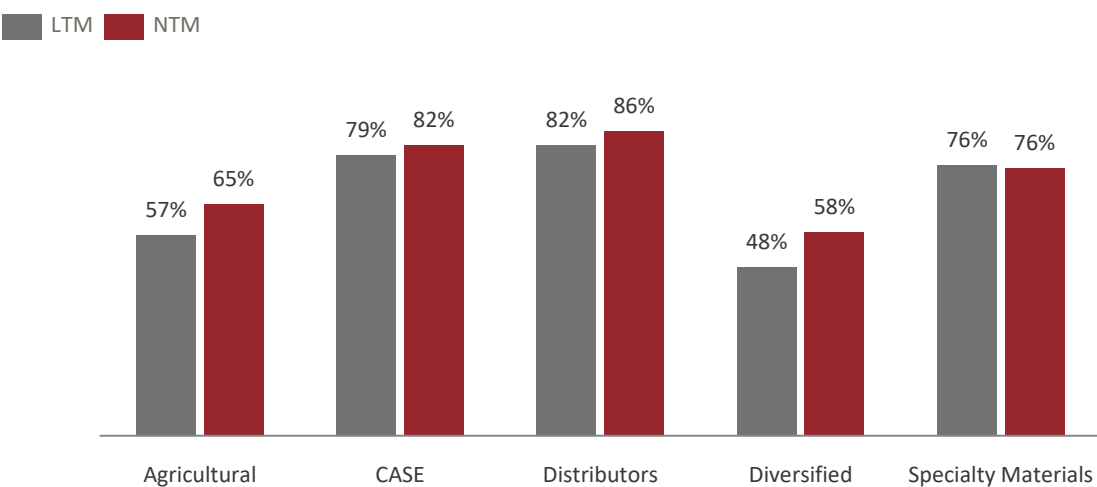
EBITDA Growth



EBITDA Margin



FCF Conversion



Public Market Operational and Valuation Metrics

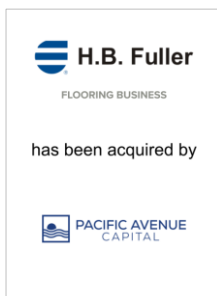
(\$ in billions)	Enterprise Value	Market Capitalization	Stock Price as % of 52-Week High	LTM Revenue	LTM EBITDA	LTM EBITDA Margin %	LTM Gross Margin %	NTM Revenue	NTM EBITDA	Enterprise Value/	
										LTM EBITDA	NTM EBITDA
Agricultural											
Nutrien Ltd.	\$35.5	\$22.1	77.4%	\$25.6	\$4.5	17.8%	30.2%	\$26.0	\$5.2	7.8x	6.8x
The Mosaic Company	\$11.9	\$7.8	65.9%	\$11.5	\$1.9	16.7%	15.4%	\$11.9	\$2.2	6.3x	5.3x
FMC Corporation	\$9.9	\$6.1	70.7%	\$4.2	\$0.7	16.9%	37.4%	\$4.5	\$1.0	14.1x	9.4x
The Scotts Miracle-Gro Company	\$6.3	\$3.8	70.6%	\$3.6	\$0.4	12.5%	26.3%	\$3.6	\$0.6	14.1x	10.8x
Compass Minerals International, Inc.	\$1.4	\$0.5	44.1%	\$1.1	\$0.2	13.9%	17.5%	\$1.2	\$0.2	9.2x	7.8x
Median	\$9.9	\$6.1	70.6%	\$4.2	\$0.7	16.7%	26.3%	\$4.5	\$1.0	9.2x	7.8x
Mean	\$13.0	\$8.0	65.7%	\$9.2	\$1.6	15.6%	25.4%	\$9.4	\$1.9	10.3x	8.0x
CASE											
The Sherwin-Williams Company	\$97.2	\$85.3	84.9%	\$23.1	\$4.4	19.1%	48.5%	\$23.8	\$4.8	22.1x	20.1x
PPG Industries, Inc.	\$33.7	\$27.7	80.3%	\$18.0	\$2.9	15.9%	42.7%	\$15.9	\$3.0	11.7x	11.2x
Akzo Nobel N.V.	\$14.7	\$10.2	77.0%	\$11.8	\$1.5	12.3%	40.8%	\$11.3	\$1.6	10.1x	9.1x
RPM International Inc.	\$18.0	\$15.8	86.8%	\$7.3	\$1.1	14.9%	41.4%	\$7.5	\$1.2	16.4x	14.6x
Axalta Coating Systems Ltd.	\$10.5	\$7.5	82.2%	\$5.3	\$1.1	20.1%	33.7%	\$5.4	\$1.1	9.9x	9.1x
H.B. Fuller Company	\$5.7	\$3.7	77.0%	\$3.5	\$0.6	16.8%	30.5%	\$3.6	\$0.6	9.6x	8.8x
Median	\$16.3	\$13.0	81.2%	\$9.6	\$1.3	16.3%	41.1%	\$9.4	\$1.4	10.9x	10.1x
Mean	\$30.0	\$25.0	81.4%	\$11.5	\$1.9	16.5%	39.6%	\$11.2	\$2.1	13.3x	12.1x
Chemical Distributors & Services											
Brenntag SE	\$11.5	\$8.7	66.4%	\$18.1	\$1.3	7.0%	24.8%	\$17.3	\$1.6	9.1x	7.1x
IMCD N.V.	\$10.4	\$8.8	84.9%	\$4.9	\$0.6	11.3%	25.7%	\$5.1	\$0.6	18.9x	16.9x
Azelis Group NV	\$6.4	\$4.8	80.4%	\$4.5	\$0.5	11.2%	23.3%	\$4.6	\$0.6	12.8x	11.3x
Hawkins, Inc.	\$2.7	\$2.6	87.9%	\$0.9	\$0.1	15.9%	22.8%	\$1.0	\$0.2	18.0x	16.5x
Median	\$8.4	\$6.7	82.6%	\$4.7	\$0.5	11.2%	24.1%	\$4.8	\$0.6	15.4x	13.9x
Mean	\$7.7	\$6.2	79.9%	\$7.1	\$0.6	11.4%	24.1%	\$7.0	\$0.7	14.7x	13.0x
Diversified											
BASF SE	\$62.7	\$39.2	77.3%	\$72.8	\$6.2	8.6%	25.1%	\$67.1	\$8.1	10.0x	7.8x
Eastman Chemical Company	\$15.2	\$10.6	79.8%	\$9.3	\$1.7	18.0%	23.6%	\$9.7	\$1.9	9.0x	8.1x
Evonik Industries AG	\$11.7	\$8.1	78.7%	\$16.9	\$2.1	12.7%	29.8%	\$15.8	\$2.2	5.5x	5.3x
Solvay SA	\$5.1	\$3.4	79.1%	\$5.1	\$1.0	18.8%	24.8%	\$4.9	\$1.1	5.3x	4.7x
Ashland Inc.	\$4.5	\$3.4	69.7%	\$2.1	\$0.4	18.4%	32.4%	\$2.0	\$0.5	11.7x	10.0x
Median	\$11.7	\$8.1	78.7%	\$9.3	\$1.7	18.0%	25.1%	\$9.7	\$1.9	9.0x	7.8x
Mean	\$19.9	\$12.9	76.9%	\$21.3	\$2.3	15.3%	27.1%	\$19.9	\$2.7	8.3x	7.2x
Specialty Materials											
Celanese Corporation	\$20.5	\$7.6	40.2%	\$10.5	\$1.9	17.7%	23.9%	\$10.3	\$2.3	11.1x	8.8x
Avery Dennison Corporation	\$17.9	\$15.0	80.1%	\$8.7	\$1.4	16.3%	29.0%	\$9.1	\$1.5	12.7x	11.7x
Cabot Corporation	\$6.2	\$5.0	77.7%	\$4.0	\$0.8	19.5%	24.3%	\$4.2	\$0.8	7.9x	7.2x
Hexcel Corporation	\$5.8	\$5.1	81.3%	\$1.9	\$0.4	18.7%	24.1%	\$2.0	\$0.4	16.4x	14.8x
Avient Corporation	\$5.3	\$3.7	74.7%	\$3.2	\$0.6	17.1%	33.0%	\$3.4	\$0.6	9.7x	9.5x
Median	\$6.2	\$5.1	77.7%	\$4.0	\$0.8	17.7%	24.3%	\$4.2	\$0.8	11.1x	9.5x
Mean	\$11.1	\$7.3	70.8%	\$5.7	\$1.0	17.9%	26.9%	\$5.8	\$1.1	11.5x	10.4x
Overall Median	\$10.5	\$7.6	77.7%	\$5.3	\$1.1	16.7%	26.3%	\$5.4	\$1.1	10.1x	9.1x
Overall Mean	\$17.2	\$12.7	75.0%	\$11.1	\$1.5	15.5%	29.2%	\$10.8	\$1.8	11.6x	10.1x

Source: Capital IQ as of December 31, 2024

Select Recent Transactions

Announcement Date	Target	Buyer	Business Description	EV (\$ in M)	EV / EBITDA
December 2024	Kano Laboratories	L Squared Capital Partners	Provider of consumable chemical solutions used predominantly in industrial MRO applications		
December 2024	WESCO Chemicals	Apex Water & Process	Provider of water treatment chemicals and installation services		
December 2024	Distrupol (Division of GPD Companies)	Omya	European distributor of thermoplastic polymers and elastomers		
December 2024	Miller Paint	Rodda Paint	Manufacturer of premium paints in the Pacific Northwest		
December 2024	INEOS Composites	KPS Capital Partners	Manufacturer of unsaturated polyester resins, vinyl ester resins, and gelcoats	\$1,780	
December 2024	GEM S.r.l	H.B. Fuller	Manufacturer of medical adhesives and innovative application devices		
December 2024	Medifill Ltd.	H.B. Fuller	Formulator and producer of medical-grade cyanoacrylate adhesives		
December 2024	Crane (Engineered Materials Business)	KPS Capital Partners	Manufacturer of fiberglass-reinforced plastic composite products	\$227	
December 2024	H.B. Fuller (Flooring Adhesives Business)	Pacific Avenue Capital	Provider of adhesives, grouts, and other innovative solutions for flooring installation and repair	\$80	
November 2024	STRUB	FUCHS	Manufacturer of industrial lubricants and specialty products		
November 2024	Fiber Materials Inc	Tex Tech Industries	Provider of high-temperature materials and reinforced composites	\$165	
November 2024	LaPur	Boenning + Sommer	Manufacturer of polyurethane foams		
November 2024	Stahl (Wet-End Leather Chemicals Business)	Syntagma Capital	Manufacturer of leather chemicals used in various applications		
November 2024	Hubergroup	MAVCO Investments / Avenue Capital	Manufacturer of printing inks, specialty materials, and chemicals	\$310	
November 2024	International Chemicals	SMC Global	Provider of chemical solutions for the oil & gas and produced water treatment markets		
November 2024	Tiger-Sul Products	Tessenderlo Kerley	Provider of sulfur-based fertilizer products		
November 2024	BleachTech	ANSA McAL Chemicals	Provider of sodium hypochlorite (bleach), sodium hydroxide (caustic soda), and hydrochloric acid	\$327	
November 2024	Knightsbrige Plastics	Viant	Manufacturer of high-precision injected-molded parts and micro-components for medical devices		
November 2024	Gordon Plastics	Toray Advanced Composites	Provider of continuous fiber-reinforced thermoplastic composite materials		
November 2024	Barclay Water Management	Ecolab	Provider of water safety and digital monitoring solutions		
November 2024	Connection Chemical	Shrieve Chemical Company	Distributor of industrial chemicals and fine ingredients		
November 2024	UW Solutions	Apogee Enterprises	Manufacturer of high-performance coated substrates	\$240	
November 2024	Norplex Micarta	Hidden Harbor Capital Partners	Manufacturer of high-performance thermoset composite materials		
November 2024	Coatings & Adhesives Corporation	INX Group	Manufacturer of specialty coatings, adhesives, and polymer products		
October 2024	Piedmont Resin Supply	HEXPOL	Manufacturer of technical nylon compounds and thermoplastics	\$86	
October 2024	TMP Convert	RPM International	Manufacturer of outdoor design and landscape products from recycled plastics and materials		
October 2024	Seatex	The Riverside Company	Provider of custom chemical manufacturing, blending, and technology solutions		
October 2024	AOC	Nippon Paint Holdings Co., Ltd	Manufacturer of CASE, colorants, and composite solutions	\$4,350	8.2x
October 2024	Meristem Crop Performance	Bridgepoint Group	Developer of innovative crop input solutions, with a primary focus on biologicals		
October 2024	CRC Distribution	Trelleborg	Distributor of polymer sealing solutions and related value-added services		
October 2024	PPG (Architectural Coatings Business)	American Industrial Partners	Manufacturer of paints, stains, caulks, repair products, adhesives, and sealants	\$550	
October 2024	Plasti-Fab	Carlisle Companies	Provider of expanded polystyrene insulation products	\$260	6.7x
October 2024	TechPlasty	Genesis Growth	Provider of expert consulting and custom production of technical plastics		
October 2024	Pharm-RX	Actylis	Provider of specialty ingredients for the vitamin, mineral, supplement, and pharma industries		

Select transactions in the chemicals
and specialty materials sector:



Learn more about our
experience in the space:



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Deep Industry Experience



Aerospace, Defense & Government Services



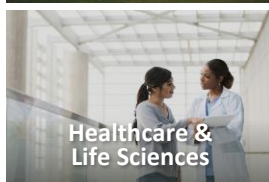
Business Services



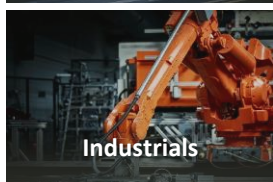
Consumer



Energy, Power & Infrastructure



Healthcare & Life Sciences



Industrials



Technology



Transportation & Logistics

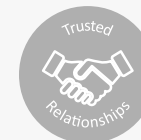
Proven Expertise

MERGERS & ACQUISITIONS

PRIVATE CAPITAL SOLUTIONS

PRIMARY FUND PLACEMENT

Core Values That Drive Success



75%

Revenue from repeat clients

87%

Managing Directors promoted from within

30+

Year history

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