



Quarterly Update

- Chemicals & Coatings M&A remained active in the fourth quarter of 2021, with a blend of strategic, financial, and financial-backed acquirers showing strong interest in the subsector. Strong deal activity in Europe continued, building on a trend that began in mid-2021.
- Industry-leading private equity groups, including OpenGate Capital, American Industrial Partners, and The Carlyle Group, showed strong interest in the subsector during the fourth quarter of 2021.
- EdgePoint's Chemical Distributors Index, which had been trading at a premium to the S&P 500 over the last six months, underperformed the broader market in the month of December, returning to market performance for the last twelve months.
- The St. Louis Fed Industrial Production Index continued to show weakness relative to its 10-year average performance. This trend is likely to continue through at least mid-2022 due to supply chain and labor headwinds. It remains to be seen whether expected changes to FOMC policy alleviate or reinforce challenging macroeconomic conditions as interest rates rise in the second and third quarter.
- EdgePoint expects that transaction volume will remain stable through mid-2022, with supply chain and labor volatility prompting strategic acquirers to pursue capacity and supply chain solutions via acquisition.

Recent EdgePoint Industrials Transactions (Selected)



For more information and insights, please contact the EdgePoint Industrials Group:



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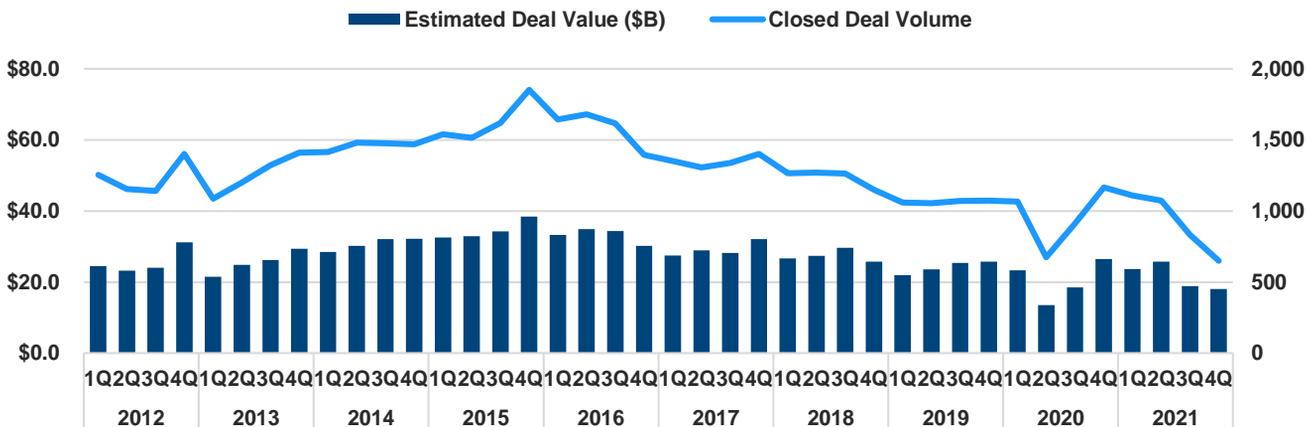
Industrials: Chemicals & Coatings | January 2022

Recent Chemicals & Coatings Transactions (Selected)

Target	Date	Buyers / Investors	Region	Strategic / Financial
Fair Chem Industries Pte Ltd.	Jan 28	GKE Corporation Limited	APAC	Strategic
Arisan Chemicals Co.	Jan 20	Vinmar International, Ltd.	EMEA	Strategic
Chemisphere Corporation	Jan 18	Chemsolv, Inc.	US	Financial-Backed Strategic
Mura Technology Limited	Jan 18	LG Chem, Ltd.	EMEA	Strategic
Manuchar NV	Jan 14	Lone Star Americas Acquisitions	EMEA	Financial
XS Chemicals B.V.	Jan 13	AURELIUS Equity Opportunities SE	EMEA	Financial
New Química S.L.	Jan 13	Stockmeier Holding GmbH	EMEA	Strategic
Chemsolv, Inc.	Jan 11	OpenGate Capital, LLC	US	Financial
General Chemical & Supply, Inc.	Jan 11	Envoy Solutions, LLC	US	Strategic
Callahan Chemical Company, Inc.	Jan 4	Tilley Company, Inc.	US	Strategic
Adidana SRL	Dec 28	RDF S.A.	EMEA	Financial-Backed Strategic
Ivanhoe Industries, Inc.	Dec 23	Van Horn, Metz & Co. Inc.	US	Strategic
RelaDyne, Inc.	Dec 23	AIP, LLC	US	Financial
AdvEn Industries Inc.	Dec 21	Canadian Nexus Team Ventures	Canada	Financial
NxEdge, Inc.	Dec 17	EnPro Industries, Inc.	US	Strategic
Industrial Chemicals, Inc.	Dec 10	Colonial Chemical Solutions, Inc.	US	Strategic
RDF S.A.	Dec 7	PAI Partners	EMEA	Financial
3 Sigma Corporation	Dec 2	Duraco Specialty Tapes LLC	US	Financial-Backed Strategic
Caldic B.V.	Nov 22	GTM Holdings S.A.	EMEA	Financial
International Marine & Industrial Applicators LLC	Nov 11	The Carlyle Group / Stellex Capital	US	Financial

Source: S&P Capital IQ (January 31, 2022)

Global Lower-Middle Market Quarterly Deal Flow



Lower-middle market refers to deals valued at \$100 million or less

Source: Pitchbook (January 31, 2022)

Industrials: Chemicals & Coatings | January 2022

EdgePoint Public Comparable Index Constituents

Diversified Chemicals Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2021E	LTM	2021E	LTM	LTM	3-Yr. CAGR		
Albemarle Corporation	\$ 27,620	31.0%	24.4%	\$ 809	\$ 852	28.3x	32.4x	\$ 3,313	2.2%	0.0%	\$ 220.74	75.7%
Ashland Global Holdings Inc.	7,358	31.9%	20.6%	445	565	15.5x	13.6x	2,155	10.5%	-5.9%	96.04	86.7%
BASF SE	90,042	25.1%	18.4%	15,942	13,002	5.5x	7.0x	86,610	29.0%	6.2%	75.63	92.6%
Celanese Corporation	20,921	31.4%	28.3%	2,419	2,483	7.8x	8.4x	8,537	51.0%	6.1%	155.71	88.2%
Clariant AG	8,424	30.9%	16.2%	690	806	10.8x	10.6x	4,271	-4.0%	-10.3%	20.95	94.2%
Eastman Chemical Company	20,393	23.9%	22.9%	2,397	2,184	8.5x	9.3x	10,476	23.6%	1.1%	118.93	91.2%
FMC Corporation	17,232	43.0%	26.2%	1,324	1,432	13.5x	13.0x	5,045	8.7%	5.6%	110.37	90.1%
Median		31.0%	22.9%	1,324	1,432	10.8x	10.6x	5,045	10.5%	1.1%	110.4	90.1%
Mean		31.0%	22.4%	3,432	3,046	12.8x	13.5x	17,201	17.3%	0.4%	114.1	88.4%

Chemical Distributors Index

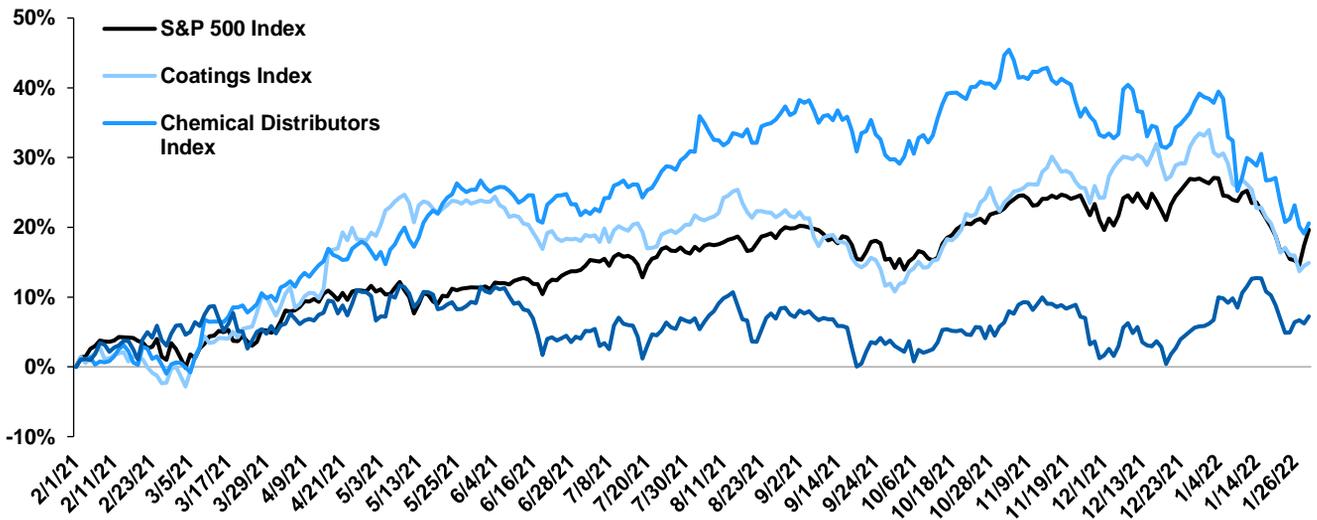
Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2021E	LTM	2021E	LTM	LTM	3-Yr. CAGR		
Brenntag SE	\$ 15,517	23.2%	7.6%	\$ 1,156	\$ 1,509	12.4x	10.4x	\$ 15,302	9.6%	2.4%	\$ 84.74	86.6%
IMCD N.V.	10,668	24.5%	10.4%	378	457	27.6x	23.6x	3,629	12.6%	12.8%	170.47	72.0%
Univar Solutions Inc.	6,785	25.0%	7.5%	682	768	9.0x	8.8x	9,073	8.2%	1.7%	26.50	89.0%
Median		24.5%	7.6%	682	768	12.4x	10.4x	9,073	9.6%	2.4%	84.74	86.6%
Mean		24.2%	8.5%	739	911	16.3x	14.3x	9,334	10.1%	5.7%	93.91	82.5%

Coatings Index

Company Name	Enterprise Value (EV)	LTM Margins		EBITDA		EV/EBITDA		Revenue	Revenue Growth		Stock Price	% of 52 Wk High
		Gross	EBITDA	LTM	2021E	LTM	2021E	LTM	LTM	3-Yr. CAGR		
Akzo Nobel N.V.	\$ 21,173	40.2%	15.5%	\$ 1,685	\$ 1,910	12.7x	13.1x	\$ 10,903	12.4%	1.2%	\$ 102.55	84.4%
PPG Industries, Inc.	43,628	38.8%	14.1%	2,372	2,878	18.4x	15.1x	16,802	21.5%	3.0%	156.20	85.4%
RPM International Inc.	14,029	37.5%	12.5%	786	967	16.0x	14.5x	6,304	10.1%	4.8%	88.61	87.3%
The Sherwin-Williams Company	85,875	42.8%	16.3%	3,242	3,845	22.4x	22.3x	19,945	8.6%	4.4%	286.51	80.9%
Median		39.5%	14.8%	2,029	2,394	17.2x	14.8x	13,852	11.2%	3.7%	\$129.38	84.9%
Mean		39.8%	14.6%	2,021	2,400	17.4x	16.3x	13,488	13.1%	3.3%	\$158.47	84.5%

Source: S&P Capital IQ (January 31, 2022)

EdgePoint Comparable Index Trailing Twelve Months Stock Performance

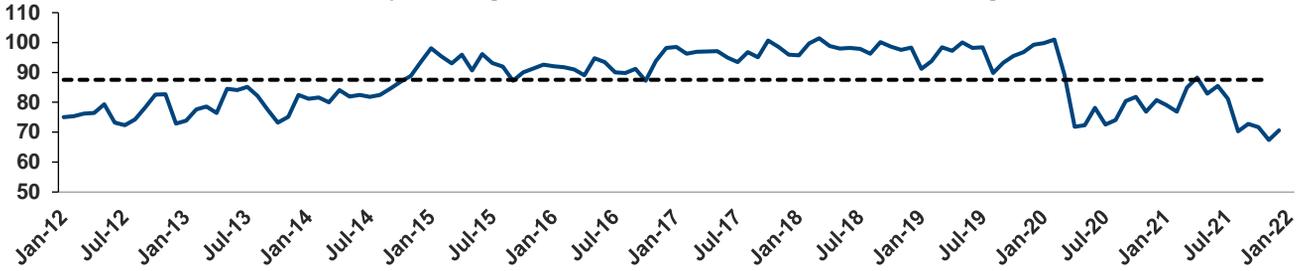


Source: S&P Capital IQ (January 31, 2022)

Industrials: Chemicals & Coatings | January 2022

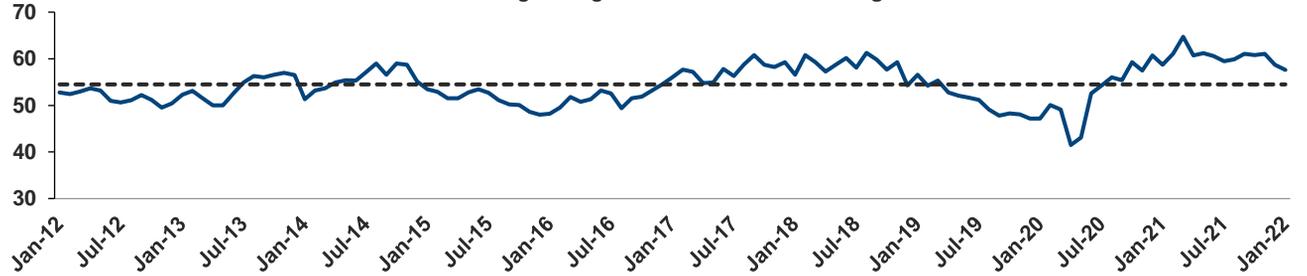
Key Macroeconomic Indicators

University of Michigan Consumer Confidence Index & 10-Year Average



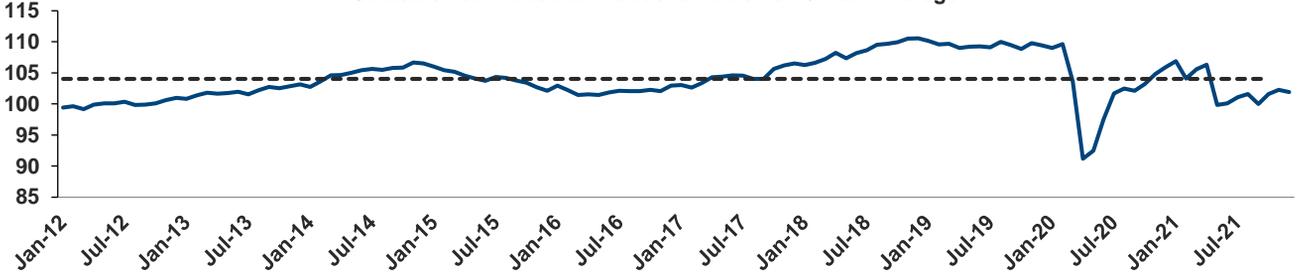
Source: University of Michigan

Purchasing Managers' Index & 10-Year Average



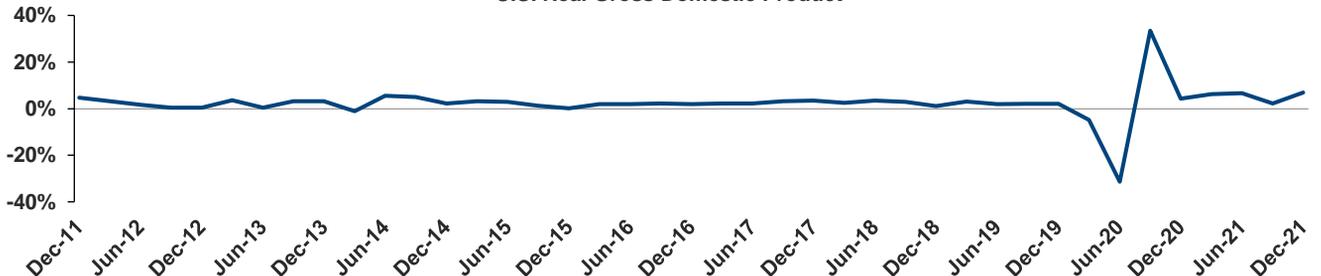
Source: Institute for Supply Management

St. Louis Fed Industrial Production Index & 10-Year Average



Source: The Federal Reserve Bank of St. Louis

U.S. Real Gross Domestic Product



Source: Bureau of Economic Analysis