Grace Matthews

Overview of Capabilities & Market Update
Grace Matthews Update

Grace Matthews has successfully completed 23 chemicals transactions since the beginning of 2015

**Summary Statistics**

- 100% dedicated to chemicals & materials M&A
- 23 closed M&A transactions since 2015
  - 16 completed sell-side transactions
  - 7 completed buy-side transactions
- 15 transactions involving a strategic buyer
- 9 carve-out transactions
- 4 cross-border transactions

**Select Transactions**
Overview of Grace Matthews

Grace Matthews focuses on providing the best options and alternatives for our clients

- 14 investment professionals focused entirely on the chemicals and materials value chain and have approximately 150 years of combined experience
  - Strong continuity from low employee turnover
- More than 100 chemicals and materials transactions completed
  - Proven track record in closing highly complex deals
  - The majority of our transactions require us to navigate through issues such as legacy environmental matters, unions, pension liabilities, and FCPA/trade compliance
- Global access – Grace Matthews has direct relationships with leading chemicals and materials companies and private equity firms
- Human capital – Grace Matthews employs finance professionals with engineering, chemistry, and materials science degrees who have operations and business development experience
- Recognized as independent industry experts, with services including:
  - Business sales – strategic and private equity
  - Corporate divestitures
  - Going-private transactions
  - Acquisitions
  - Capital raises
  - Fairness opinions and valuations
  - Recapitalizations and management buy-outs
  - Strategic alternatives analysis

Transaction Breakdown

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Buy-Side</td>
<td>20%</td>
</tr>
<tr>
<td>Sell-Side</td>
<td>65%</td>
</tr>
<tr>
<td>Recapitalizations / Other</td>
<td>10%</td>
</tr>
<tr>
<td>Fairness Opinions / Strategic Alternatives</td>
<td>5%</td>
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</table>

Strategic vs. Financial Buyers

80% of GM sell-side clients were acquired by strategic buyers

Deep Chemical Industry Expertise Across The Chemical Value Chain

- Petrochemical / Commodity Chemicals
- Inorganics, Ceramics & Catalysts
- Lubricants & Lube Additives
- Construction Materials
- Food Ingredients, Flavors & Fragrances
- Contract Packaging
- Adhesives, Sealants & Tapes
- Fine & Organic Chemicals
- Plastics, Polymers & Resins
- Oilfield & Water Treatment Chemicals
- Agricultural Chemicals
- Colorants & Additives
- Personal Care, Soaps & Cleaners
- Paint, Industrial Coatings & Inks
Industry Relationships

Established Relationships with Industry Leaders

- GM principals have completed assignments with all below
- Direct ties to hundreds of other global and regional chemical companies

Global Capabilities

- Nearly all of our sell-side processes include potential buyers from outside the U.S.
- We cultivate direct ties to senior management around the world, who respect us for our industry expertise and deal flow. They also often hire us for their divestitures
- GM principals visit European clients on a regular basis
- Approximately 70% of our deals in the last three years involved significant interaction with global, non-U.S. strategic buyers
- Approximately one-third of our deals in the last three years were cross-border
Select Chemical Value Chain Transactions

- Grace Matthews, Inc. advised
  - Applied Adhesives
    - Acquired by Grace Matthews, Inc.
  - MFG Chemical, Inc.
    - Recapitalized by Grace Matthews, Inc.
  - Borregaard
    - Acquired by Grace Matthews, Inc.
  - Compass
    - Acquired by Grace Matthews, Inc.
  - Lubrizol
    - Acquired by Grace Matthews, Inc.
Grace Matthews Team

John Beagle | Co-founder, Managing Director
Chemical Team Lead
Former research engineer at Digital Equipment Corporation
MBA from Cornell University, B.S. in Materials Science from Cornell University
25+ years relevant experience

Ben Scharff | Managing Director
Advises clients in chemicals, paints and coatings, construction products and services, and general manufacturing sectors
BS from University of Wisconsin-Madison and previously served in the United States Marine Corps
20+ years relevant experience

Andrew Cardona | Vice President
Former Investment Associate at Prudential Capital Group, working in both the international group and the restructuring group
BBA from the University of Wisconsin-Madison
8 years relevant experience

Sarah Toledano | Analyst
Supports clients in a variety of chemical and materials industries
BS in Chemistry from Massachusetts Institute of Technology (MIT)
3 years relevant experience

Matthew Stouder | Analyst
Supports clients across the chemical and materials value chain
MS in Finance and a BA in Chemistry (Magna cum Laude) from Texas A&M University.
Joined Grace Matthews in 2017

Doug Mitman | Co-founder, Managing Director
Former Trader for Fidelity Investments and Market Maker at the American Stock Exchange in New York
MBA from Cornell University and BA from Dartmouth College
25+ years relevant experience

Andy Hinz | Managing Director
Former Equity Research Analyst at Robert W. Baird & Co.
MBA from Northwestern University and BBA from University of Wisconsin-Eau Claire; holds the CFA designation
10+ years relevant experience

Eric Sabelhaus | Senior Associate
Former Investment Banking Associate at Robert W. Baird and mechanical engineer at GE Energy
MBA from the University of Chicago (Booth), MS and BS in Mechanical Engineering from Georgia Tech and Notre Dame, respectively
7 years of relevant experience

Christopher Hayes | Analyst
Supports clients in a variety of chemical and materials industries
BS in Mechanical Engineering from the University of Alabama
Joined Grace Matthews in 2016

Kevin Ytte | Managing Director
Formerly with ICI’s Uniqema specialty chemicals business in U.S. and The Netherlands
MBA from Harvard Business School, B.S. in Chemical Engineering from University of Wisconsin-Madison
10+ years relevant experience

Thomas Osborne | Senior Advisor
Former CEO of both The Tnemec Company and ICI Paints North America / The Glidden Company
BS from Youngstown State University, and has completed the Advanced Management Program at Harvard Business School
30+ years relevant experience

Jon Glapa | Senior Associate
Supports clients in colorants, coatings, adhesives, organic materials, and plastics industries
MBA from the University of Chicago (Booth), BA in Mathematics with Secondary Field degree in Economics from Harvard University
5 years relevant experience

Kevin Ngo | Analyst
Experienced in M&A, ESOPs, structured finance, debt and equity financing projects, and energy and commodity development markets
BBA in Finance from the University of Oklahoma, with a minor in Chinese
Joined Grace Matthews in 2017

Matthew Stouder | Analyst
Supports clients across the chemical and materials value chain
MS in Finance and a BA in Chemistry (Magna cum Laude) from Texas A&M University.
Joined Grace Matthews in 2017

Employee Highlights:

- 7 – employees with STEM (Science, Technology, Engineering, Mathematics) degrees
- 7 – personnel with MBAs from leading business programs
- 150+ years of combined relevant experience
- 100+ deals completed
Since 2015, multiples have trended upwards across nearly all chemical sub-sectors that GM tracks.

Top sectors by value:
- F&F: 16.8x
- Agriculture: 13.9x
- Adhesives: 13.9x
- Distribution: 13.7x
M&A Drivers and Valuation

Strong corporate balance sheets and ease of access to credit for buyers have created favorable market conditions.

**Strategic Buyers**
- Strategic buyers are cash-rich and pushing acquisitive growth initiatives, keeping valuations elevated
- The credit markets are extremely aggressive, contributing to increased corporate access to debt capital
- Operating in an environment where organic growth is uncertain due to macro risk and low commodity prices

**Private Equity**
- Debt and equity capital is readily available; driving LBO valuations higher
- At the end of Q2-2017, global dry powder reached a record high of $906 billion (1)
- High-quality companies are commanding very healthy premiums, but valuations remain driven by “baseline prices” derived from lending capabilities

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**Select Public Company from the GM Chemical Index**

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<tr>
<th>Company</th>
<th>Net Debt / EBITDA</th>
<th>TEV / LTM Revenue</th>
<th>TEV / LTM EBITDA</th>
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<tr>
<td>3M</td>
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<td>4.3x</td>
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<tr>
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**Summary Statistics**

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1. Preqin, Q2 2017 Private Equity update.