

Connecting**Chemistry**



Capital Markets Day 2016



Two Temple Place, London

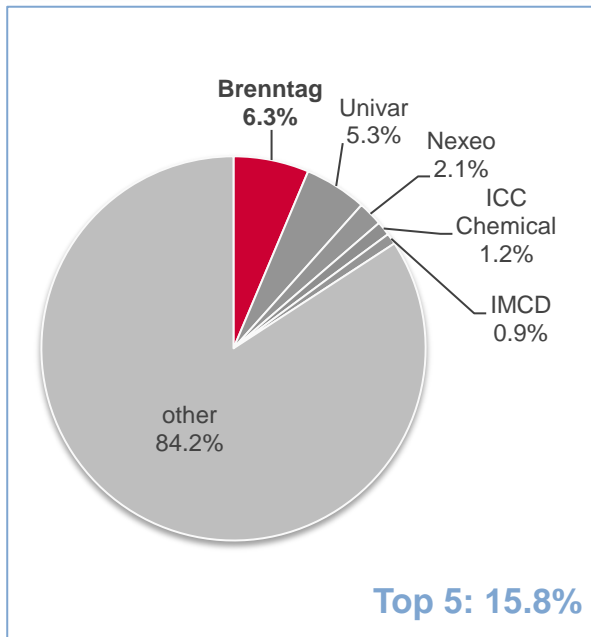
Mergers & Acquisitions – Anthony Gerace

17 November 2016

CHEMICAL DISTRIBUTION MARKET

Leading market positions in a highly fragmented market

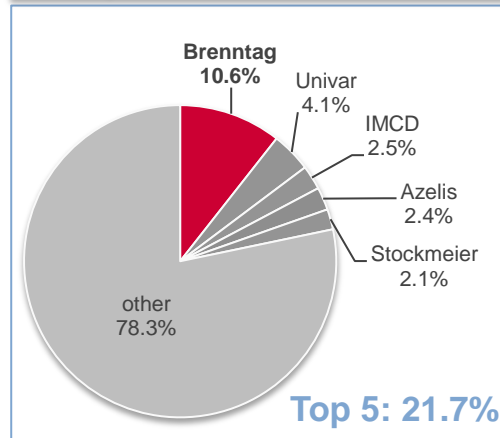
Global¹⁾ ~EUR 165bn



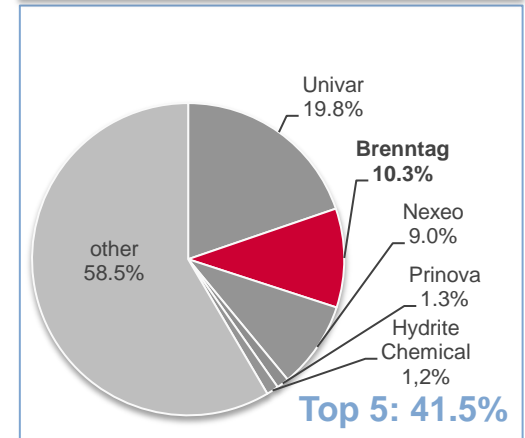
As per end 2012: Market data from BCG Market Report (July 2013), competitor data updated with ICIS TOP 100 chemical distributors (July 2013)

1) Global includes not only the four regions shown above, but also RoW

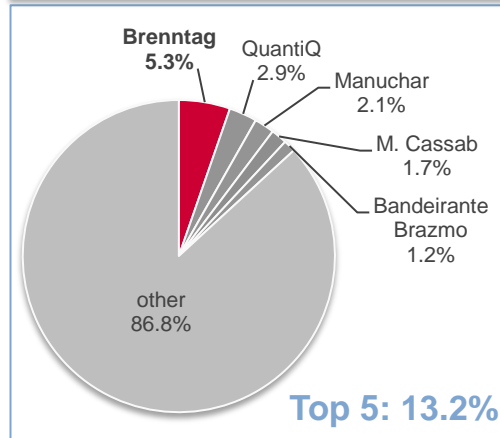
Europe ~EUR 43bn



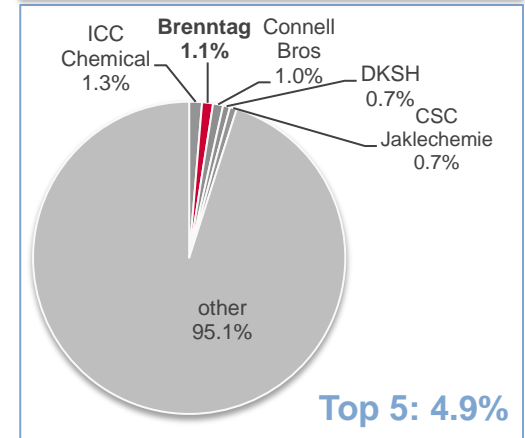
North America ~EUR 30bn



Latin America ~EUR 17bn

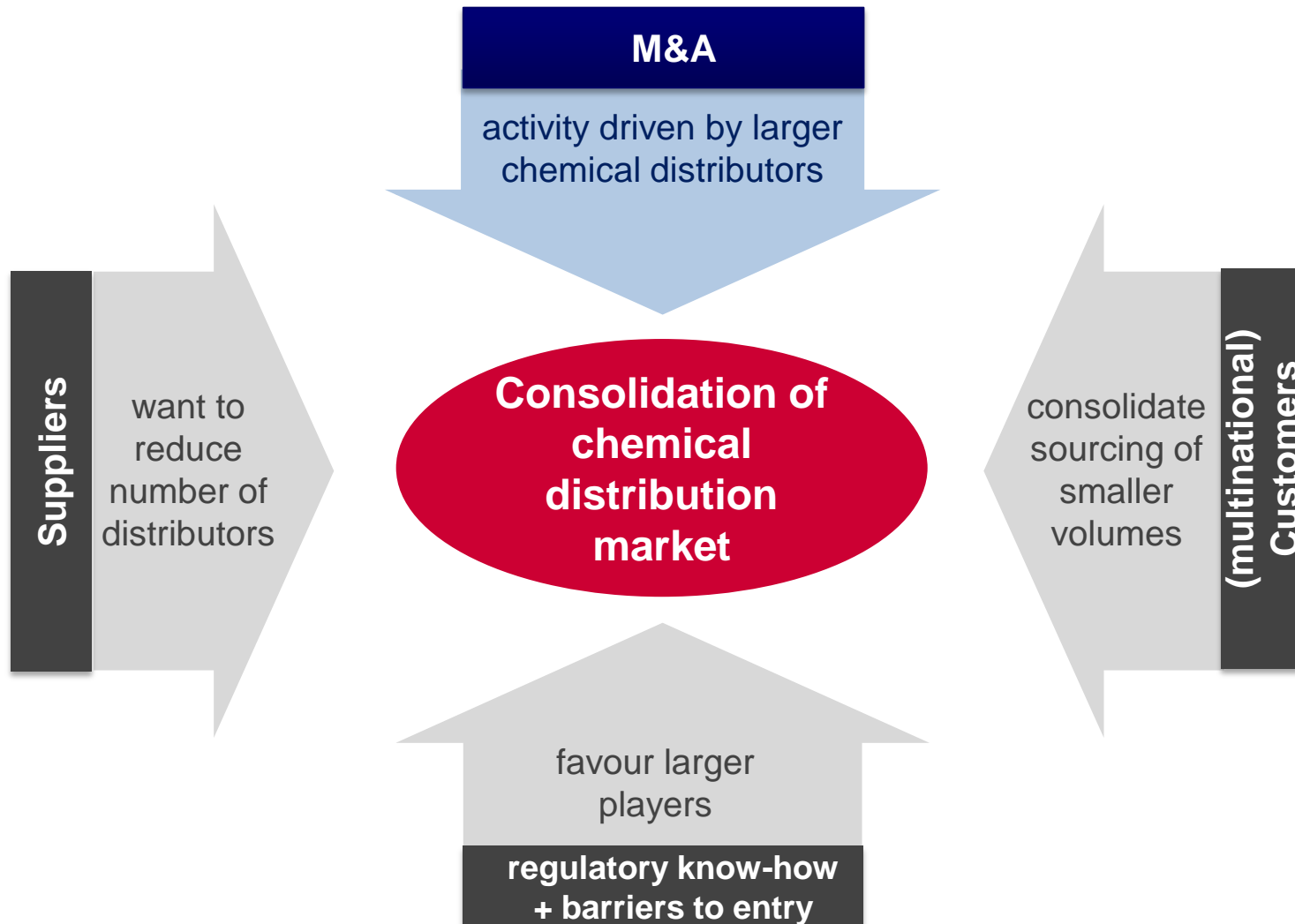


Asia Pacific ~EUR 63bn



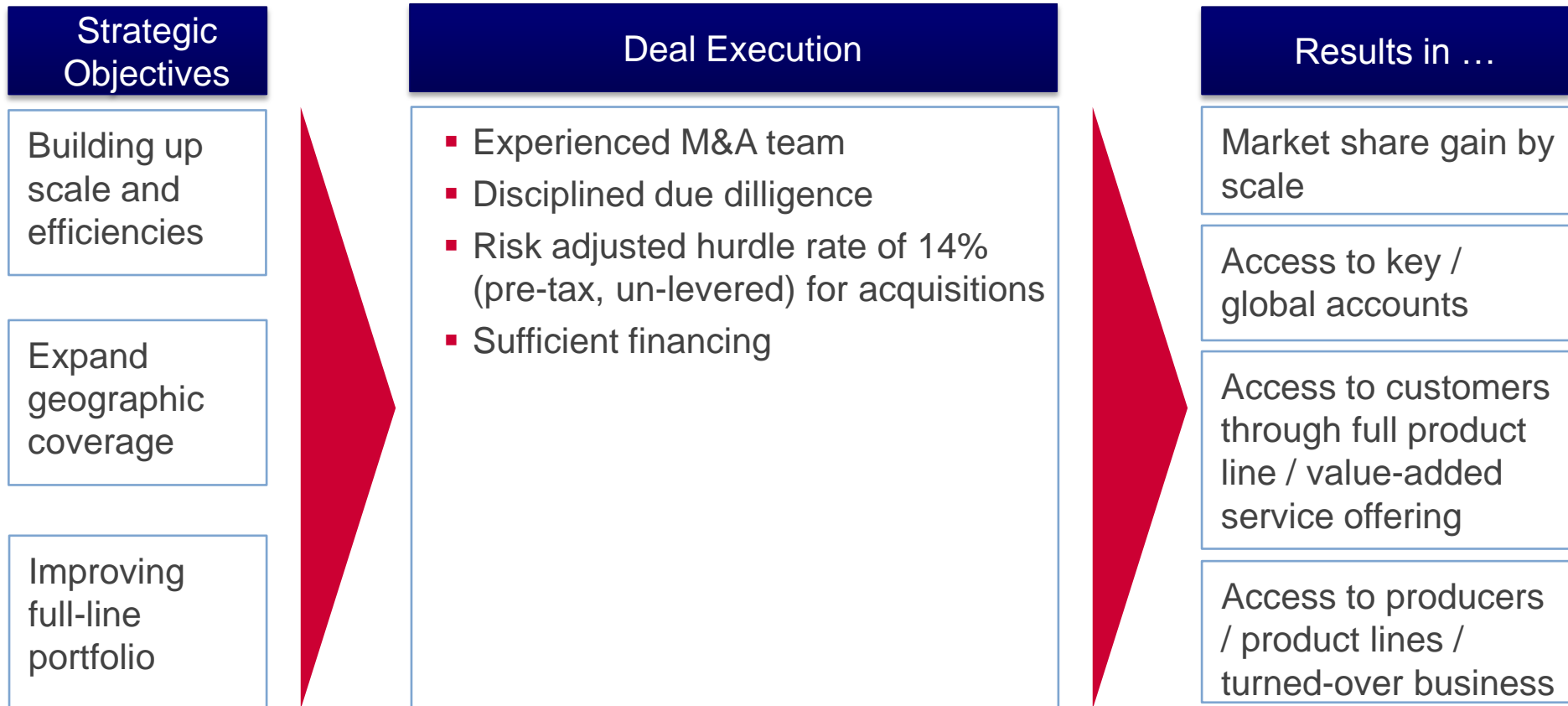
CHEMICAL DISTRIBUTION MARKET

Consolidation is driven by M&A and other factors



ACQUISITION OBJECTIVES

Significant potential for consolidation and external growth



Acquisitions deliver the potential for accelerated growth and are a key component of our overall strategy

M&A STRATEGY

Clearly defined strategy by region

EMEA



Expand leading position

- Realize synergies from acquisitions and continue product line expansion
- Selected geographic expansion (e.g. Middle East)
- Growth in life science industries

North America



Increase market share

- Build up scale and efficiencies
- Expand geographic coverage in selected states
- Strengthen full-line portfolio
- Growth in specialty chemicals
- Major step lubricant distribution market

Latin America



Capitalize on leading position

- Expansion in high growth, stable economies
- Focus on growth in specialty chemicals

Asia Pacific

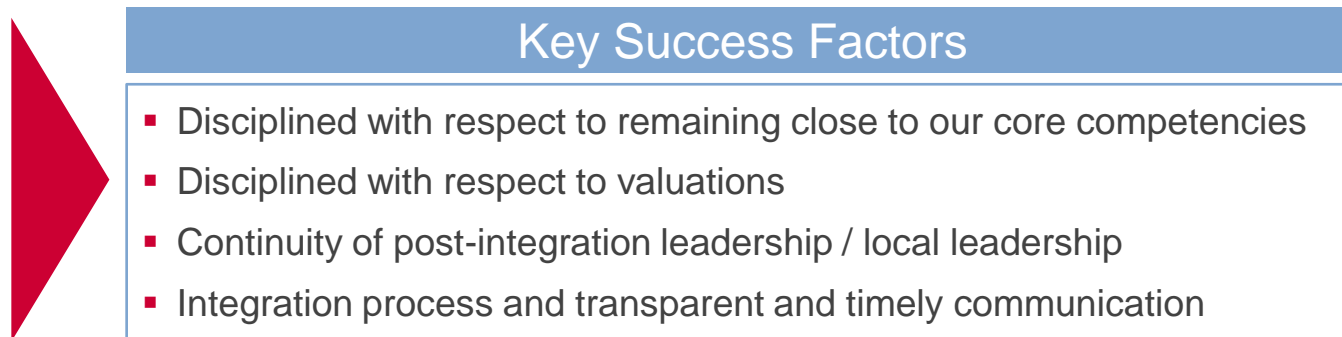


Focus on high growth regions

- Continue to integrate and consolidate recent acquisitions
- Develop industrial portfolio across South East Asia
- Develop specialty portfolio in China

M&A PROCESS

Typical phases of M&A Process



M&A TRACK RECORD

Successful and sustainable acquisition activity

- Acquisition activities in all regions
- Acquisition spend of EUR ~220m per year (2010-2015)
- Average transaction size EUR 48m / Average EBITDA multiple 7.3x (value accretive)
- Strategic market entries into South East Asia, China, Australia and Middle East
- Expansion of life science business in Europe and execution of specialty chemicals strategy in South Africa
- Establishment of Industrial Chemical distribution platform in South East Asia
- Major step within lubricant distribution market

