ConnectingChemistry





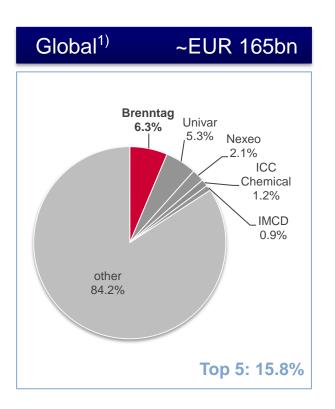
Capital Markets Day 2016

Two Temple Place, London

Mergers & Acquisitions – Anthony Gerace 17 November 2016

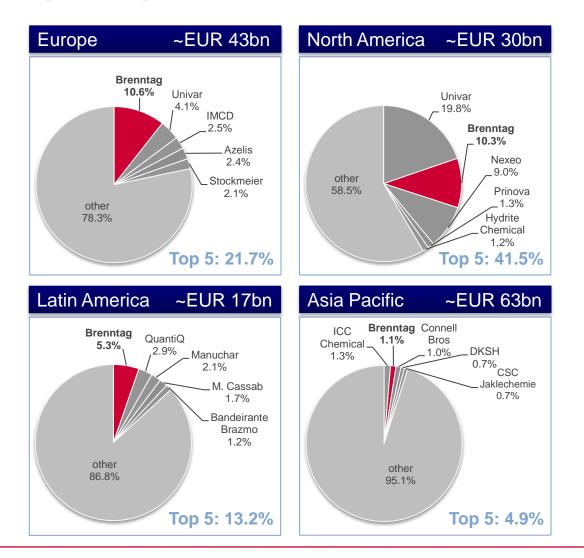


CHEMICAL DISTRIBUTION MARKET Leading market positions in a highly fragmented market



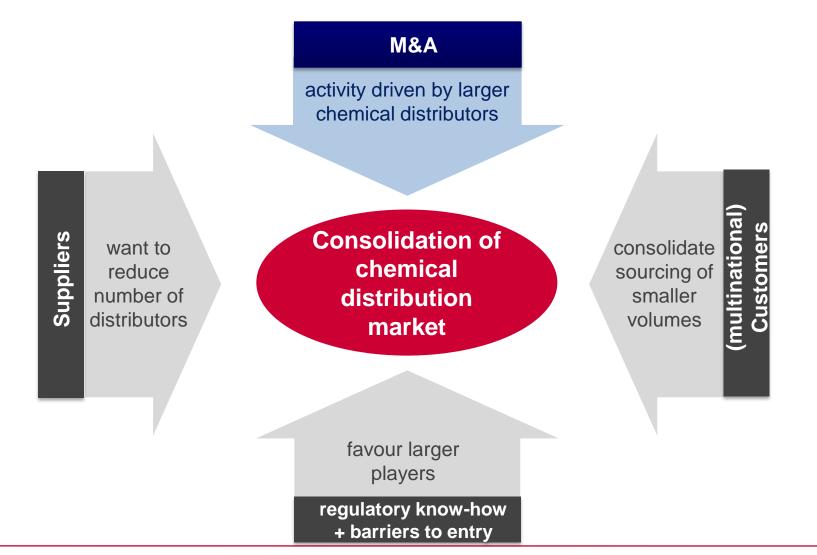
As per end 2012: Market data from BCG Market Report (July 2013), competitor data updated with ICIS TOP 100 chemical distributors (July 2013)

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





CHEMICAL DISTRIBUTION MARKET Consolidation is driven by M&A and other factors





ACQUISITION OBJECTIVES Significant potential for consolidation and external growth



Building up scale and efficiencies

Expand geographic coverage

Improving full-line portfolio

Deal Execution

- Experienced M&A team
- Disciplined due dilligence
- Risk adjusted hurdle rate of 14% (pre-tax, un-levered) for acquisitions
- Sufficient financing



Market share gain by scale

Access to key / global accounts

Access to customers through full product line / value-added service offering

Access to producers / product lines / turned-over business

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



M&A STRATEGY Clearly defined strategy by region



Expand leading position

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



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

Capitalize on leading position

Latin America

- 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

Target Identification

- Screening of landscape
- Identification and prioritization of targets
- Involvement of Local / Corporate Management
- Development of plan for potential target
- Approach target / develop relationships

Deal Execution

- Standardized process with recurring steps
- Due Diligence
- Deal team comprised of highly experienced experts
- Development of detailed integration plan
- Approval by board
- Acquisition of company

Post Merger Integration

- Integration plan commences at closing
- Integration execution by local and regional management
- Integration planning and synergies realization is monitored

Key Success Factors

- Disciplined with respect to remaining close to our core competencies
- Disciplined with respect to valuations
- Continuity of post-integration leadership / local leadership
- Integration process and transparent and timely communication



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

