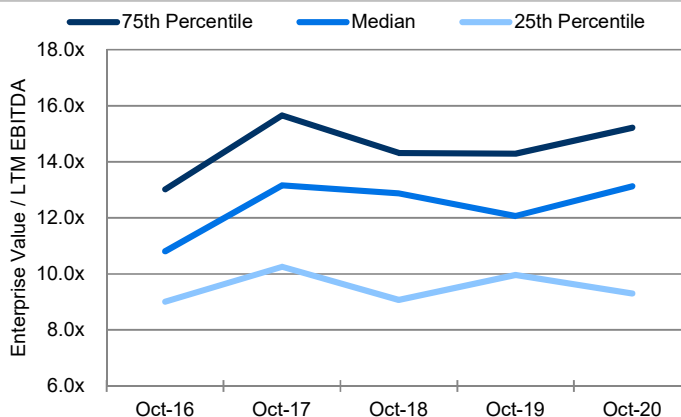


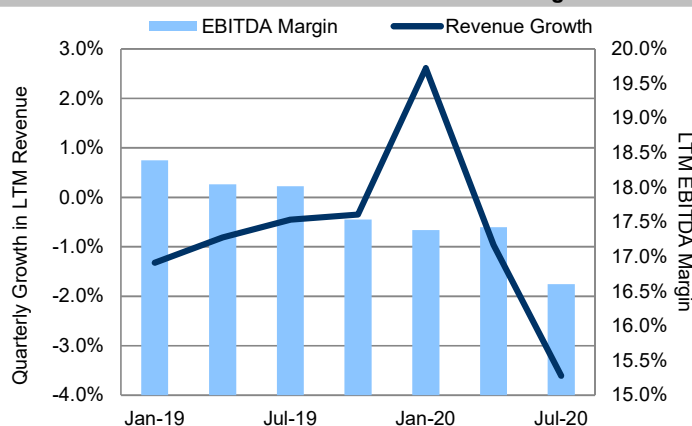
3Q20 M&A Activity

- After historic drops in deal activity, approximately 45% year-to-date, US M&A deal activity responded in the third quarter with over \$400 billion in deal value, an increase of more than 4x quarter-over-quarter, and over 1,000 total transactions, an increase of approximately 22% quarter-over-quarter. There were nearly 3,500 total deals globally, around a 32% decrease compared to the third quarter of 2019. YTD, total deal volumes are nearly 27% lower compared to the same period in 2019 but have strongly rebounded in the third quarter with tepid optimism for the remainder of 2020, given the US election and uncertainties related to COVID.
- On September 2, 2020, AkzoNobel completed the acquisition of Stahl Performance Powder Coatings and its range of products for heat-sensitive substrates. The deal gives AkzoNobel accelerated access to unique low curing technology that will open up exciting new market opportunities.

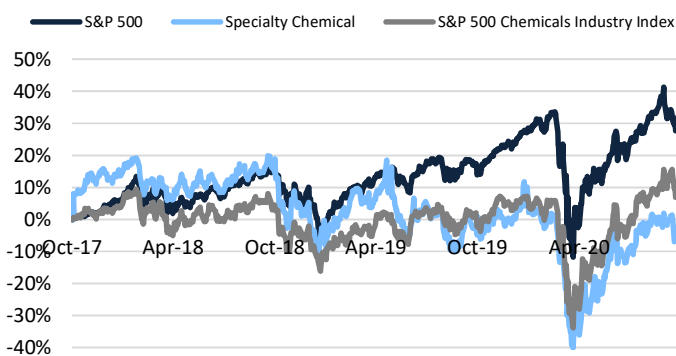
Trend in Industry EBITDA Multiples¹



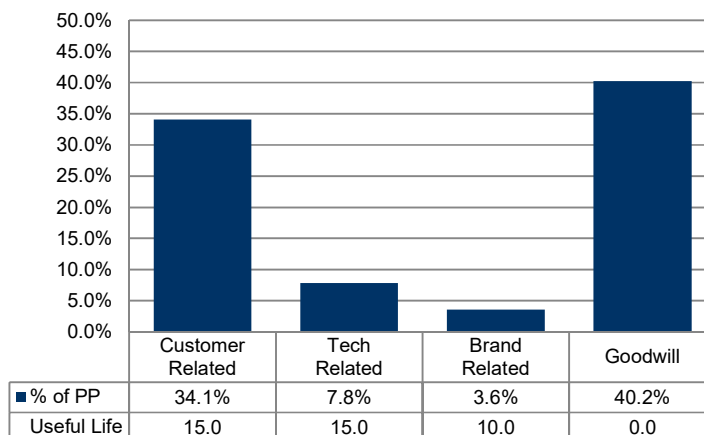
Trends in Revenue Growth and EBITDA Margins¹



Relative Stock Price Returns²



Purchase Price Allocation (PPA) % from Recent Transactions



¹ Calculated using aggregated data for FOE, FUL, AXTA, KRA, PQG, ASH, GCP, ALB, PPG, CE, RPM, HUN, DWDP, NGVT, KWR
² JMAT, BASF SE, Akzo, EVK, SWX:CLN, Croda, Shin-Etsu, GRA, XTRA:WCh

² Specialty Chemical Industry is a custom, equal-weighted index constructed with the aforementioned companies.

Notable M&A Deals



On August 25, 2020, Bilfinger and BASF signed a comprehensive framework agreement for the maintenance of production facilities at BASF Colors & Effects. Bilfinger Maintenance GmbH will assume responsibility for maintenance and repair of three plant clusters at the site in Ludwigshafen, Germany, where mainly color pigments are produced and refined.



On September 30, 2020, BASF closed the divestiture of its Construction Chemicals business to an affiliate of Lone Star, a global private equity firm, for approximately \$3.5 billion. The Construction Chemicals business now forms the newly founded MBCC Group, headquartered in Mannheim, Germany. The divestment of the assets and liabilities of the Construction Chemicals business and the related disposal gain will be reflected in BASF's financial reporting in the fourth quarter of 2020.



On August 12, 2020, Croda International Plc, which creates, makes, and sells specialty chemicals in Europe, the Middle East, Africa, North America, Asia, and Latin America, has successfully completed the acquisition of Avanti Polar Lipids, Inc., a leader in drug delivery systems for next-generation pharmaceuticals and vaccines, for \$260 million.