

M&A in the Materials Industry – Key Trends

Year	Total no. of transactions	Total value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
2013	480	43,200	1.1x	8.6x
2014	610	125,300	1.2x	7.8x
2015	530	82,200	1.2x	10.8x
2016	470	96,500	1.6x	8.5x

Source: Capital IQ

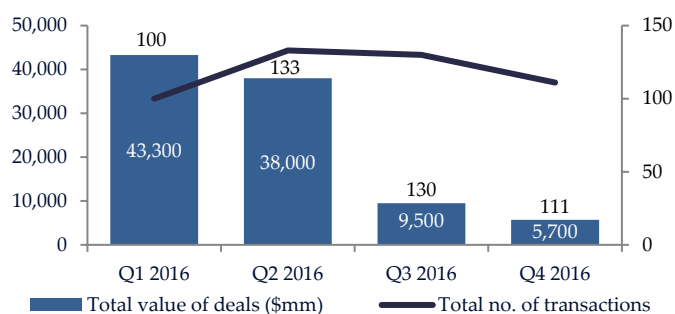
M&A in the Materials Industry – 2016 Overview

- In 2016, M&A activity in the Materials industry shifted towards lower number of transactions with deal value increasing 17% (\$14 billion) from 2015.
- In 2016, the total deal value in US and Canada accounted for 43% of the global deal value.
- The total number of global M&A transactions in the Materials industry were 3,500 in 2014, 3,700 in 2015, and 3,200 in 2016, indicating a decrease of 14% from 2015 to 2016. Deals in the US and Canada accounted for approximately 16% of the global transactions from 2014 to 2016.
- In 2016, median TEV/Revenue valuation multiples for US and Canada of 1.6x versus global median of 1.3x and median TEV/EBITDA of 8.5x versus 9.8x, respectively.
- In 2016, strategic buyers accounted for 79% of the number of transactions and 95% of the total deal value, whereas financial buyers accounted for 13% and 4%, respectively.
- Q3 2016 and Q4 2016 were characterized by low value deals.
- 40% disclosed deals in terms of transaction value.

Activity Summary, Last 5 Quarters

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
Total no. of transactions	130	100	130	130	110
Total value of deals (\$mm)	31,200	43,300	38,000	9,500	5,700
Average deal size (\$mm)	540	1,400	590	180	130
Median deal size (\$mm)	15	18	17	11	21
Median Revenue Multiple	1.3x	1.5x	1.7x	1.2x	1.6x
Median EBITDA Multiple	11.2x	8.9x	8.5x	7.3x	8.6x
Mid-market deals, % of total	86%	90%	92%	94%	93%

Source: Capital IQ

Activity Summary Chart, Last 4 Quarters

Deal Breakdown by Type of Buyer in 2016

Type of Buyer	No. of deals	Disclosed deals	Total value (\$mm)	Avg. transaction value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
Strategic Buyer	375	157	91,400	582	1.6x	9.2x
Financial Buyer	63	11	3,700	333	1.7x	6.6x
Both	4	4	1,500	364	n/a	n/a
Not available	32	18	49	3	1.1x	3.3x

Source: Capital IQ

Middle Market Deals in 2016

Deal breakdown by size (\$mm)	No. of deals	Total value (\$mm)	Avg. transaction value (\$mm)	Median TEV/Revenue	Median TEV/EBITDA
\$0 - \$50	131	1,500	11	1.0x	5.7x
\$50 - \$250	33	4,100	124	1.7x	7.3x
\$250 - \$500	12	4,600	381	1.5x	6.1x

Source: Capital IQ

10 Notable Materials Transactions in 2016

Closed date	Target/Issuer	Buyers/Investors	Transaction value (\$mm)	Implied EV/Revenue	Implied EV/EBITDA
January 29	Precision Castparts Corp.	Berkshire Hathaway Inc. (NYSE:BRK.A)	37,900	3.7x	13.9x
April 15	Jarden Corp.	Newell Brands Inc. (NYSE:NWL)	19,000	2.1x	20.0x
May 23	Airgas, Inc.	Air Liquide SA (ENXTPA:AI)	13,500	2.5x	13.7x

August 31	Axiall Corporation	Westlake Chemical Corporation (NYSE:WLK)	3,800	1.1x	11.1x
February 01	CF Industries Nitrogen, LLC	CHS, Inc.	2,800	n/a	n/a
August 16	BWAY Parent Company, Inc.	Stone Canyon Industries, LLC	2,400	n/a	n/a
October 20	Thompson Creek Metals Company Inc. (TSX:TCM)	Centerra Gold Inc. (TSX:CG)	1,400	2.7x	10.3x
April 29	Newport Corp.	MKS Instruments, Inc. (NasdaqGS:MKSI)	1,000	1.7x	13.0x
December 07	Anchor Glass Container Corporation	CVC Capital Partners Limited; BA Glass BV	1,000	n/a	n/a
April 01	Rentech Nitrogen Partners, L.P.	CVR Partners, LP (NYSE:UAN)	900	1.7x	9.8x

Source: Capital IQ