





A close-up photograph of a laboratory setting. A hand holds a glass dropper, pouring a clear, viscous liquid into a glass beaker. The beaker already contains some liquid, and the new addition creates ripples and bubbles. The background is blurred, showing other laboratory equipment.

Chemicals | Pharma | MedTech | Health Care  
Edition Focus: Chemicals, Adhesives,  
Coatings & Sealants

M&A Industry  
Quarterly

Q2/2025

## M&A industry metrics at a glance

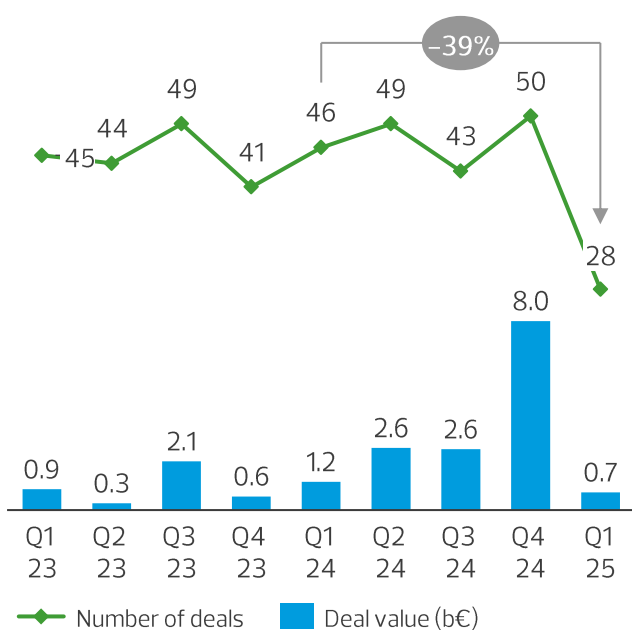
				
	Chemicals	Pharma	MedTech	Health Care
Total number of deals Q1 25 vs. Q1 24	28 ↓ -39,1%	24 ↑ 71,4%	32 → 0,0%	72 ↓ -43,8%
Total value of deals (b€) Q1 25 vs. Q1 24	0.8 ↓ -36,9%	2.8 ↑ 98,4%	0.6 ↓ -67,7%	3.1 ↑ 131,3% <sup>1</sup>
Mega deals Q1 25	0	1	0	1
Total number of PE deals Q1 25 vs. Q1 24	1 ↓ -83,3%	3 ↑ 50,0%	11 ↑ 57,1%	5 ↓ -73,7%

Note: Mega deals > 1 b€

1) High difference driven by mega deal in Q1 25 and low deal values in Q1 24

# European Chemicals: Deal activity collapses over reduced cross border transactions

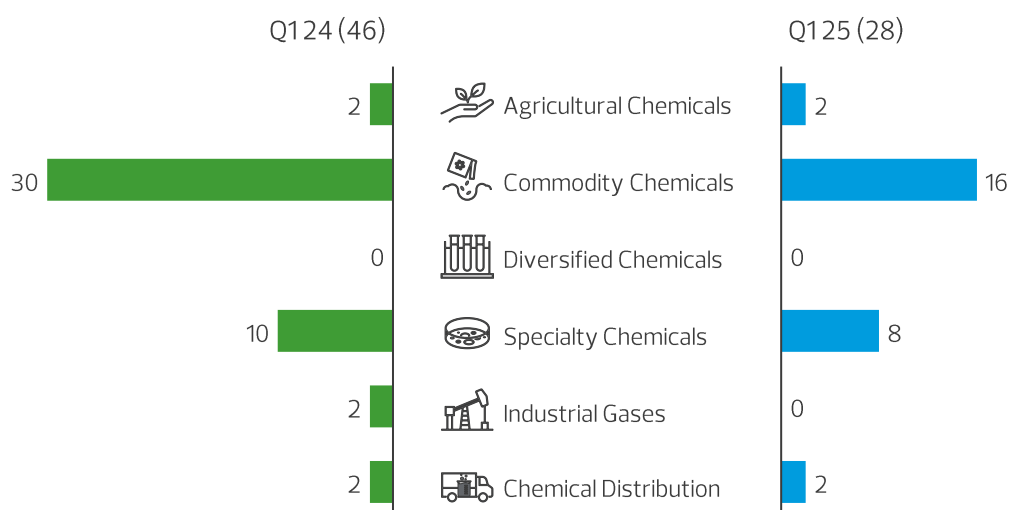
Value & number of deals – Chemicals Europe<sup>1</sup>



## Comments

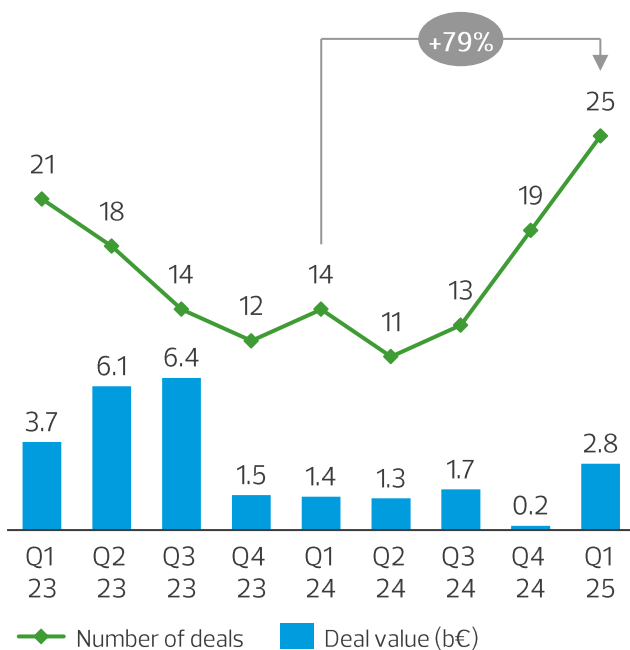
- In Q1 25, a total of 28 deals were observed in Europe's Chemicals industry, which is a drop of 39% compared to Q1 24, the largest decline in the number of deals and the lowest number of deals since the first edition of this newsletter in 2021
- Global politic uncertainty and a lurking trade war among the most important economic regions held back deal activity significantly in Q1 25
- The decline was almost completely driven by the subsegment Commodity Chemicals which is usually characterized by large cross border transactions
- Commodity Chemicals are primarily dominated by major multinational players that rely on global trade with little to no barriers, thus reserved investor activism for the time being comes at no surprise
- Consequently, no mega deal was closed in Q1 2025

Number of European Chemicals deals as per subsegment



## European Pharma: Number of transactions soars second quarter in a row with stable deal value

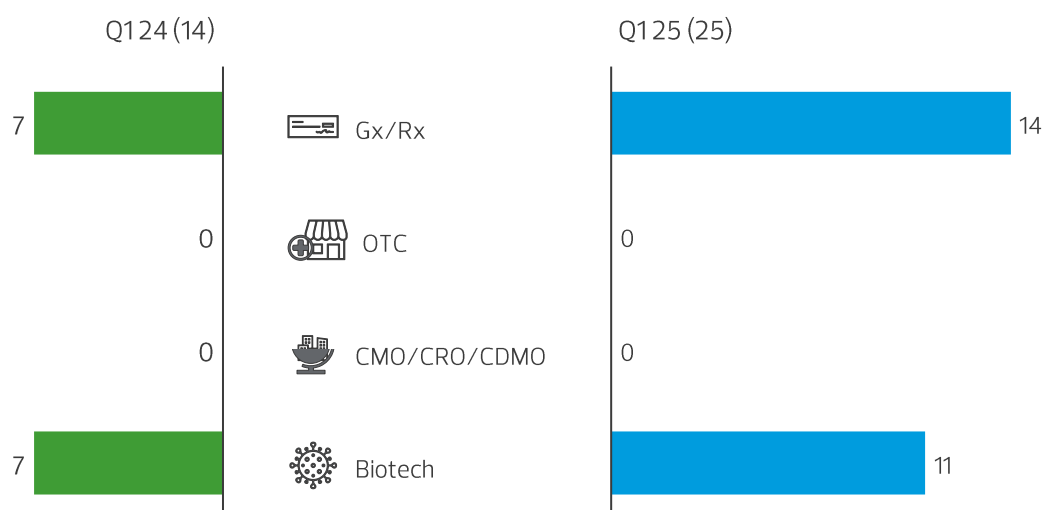
Value & number of deals – Pharma Europe<sup>1</sup>



### Comments

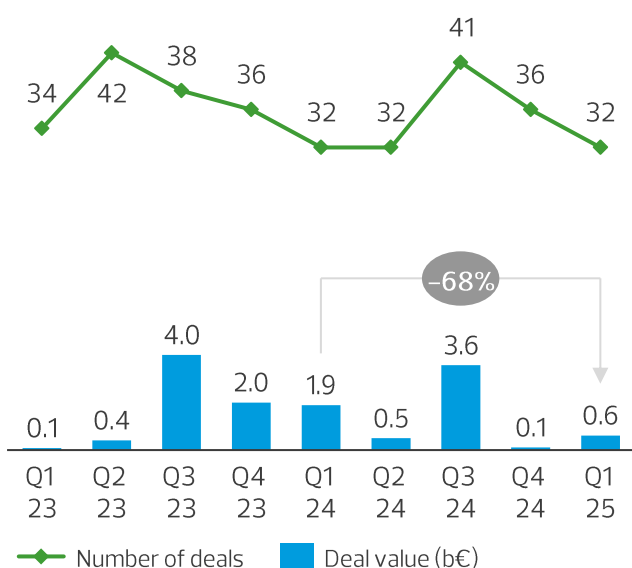
- The trend of increasing number of deals in the pharma sector continues with a YoY growth of 79% from Q1 24 (#14) to Q1 25 (#25) and a deal value for Q1 25 above the average since Q1 23, returning to record heights in deal activity similar to 2021 levels
- The deal value in turn was primarily driven by one mega deal in the form of the sale of Araris Biotech AG, which is a specialist for antibody-drug conjugates, to Taiho Pharmaceutical Co.
- The deal, valued at 1,048 m€, marks an exit for several investors, including Schroders Capital, Pureos, b2ventures and Samsung Venture Investment
- Furthermore, we observed increasing activity in the number of deals in the area of family-owned businesses, spearheaded by our most recent transaction, the sale of German Hennig Arzneimittel GmbH & Co. KG to Polifarma S.p.A. for example

Number of European Pharma deals as per subsegment



## European MedTech: Stable number of small transactions despite various uncertainties

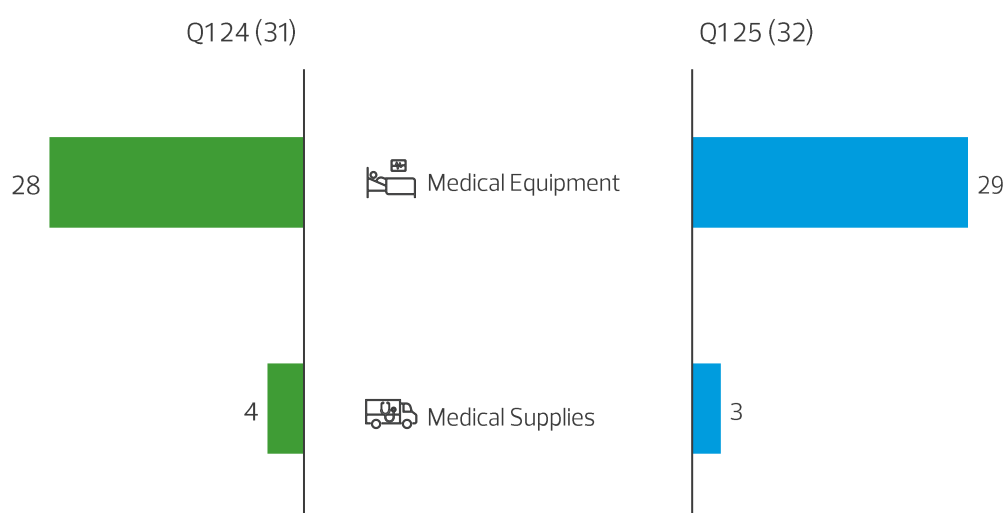
Value & number of deals – MedTech Europe<sup>1</sup>



### Comments

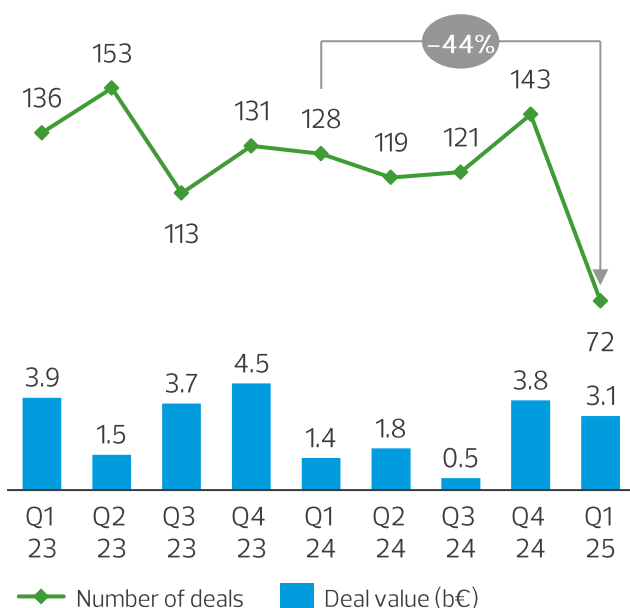
- Q1 25 shows a flat development in terms of deal count compared to Q1 24 and only a marginal decline to Q4 24
- Driven by a historically high number of small transactions with undisclosed deal values, Q1 25 is no exception to this trend and once more no Mega deal has been observed
- European MedTech remains in Q1 25 surprisingly stable across all subsectors in our coverage – contrary to previous years when MedTech deal activity showed a high degree of sensitivity towards regulatory uncertainty, the current global economic turbulence have not yet shown any impact
- It remains to be seen whether we will only observe a disruption in Q2 or whether smaller deals are simply less affected

Number of European MedTech deals as per subsegment



# European Health Care: Industry hits rock-bottom in anticipation of global uncertainty

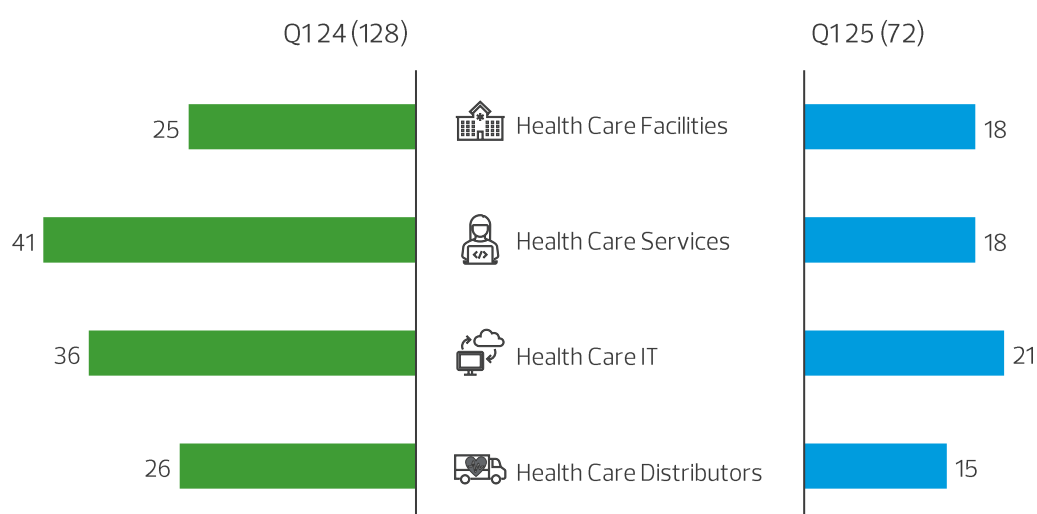
Value & number of deals – Health Care Europe<sup>1</sup>



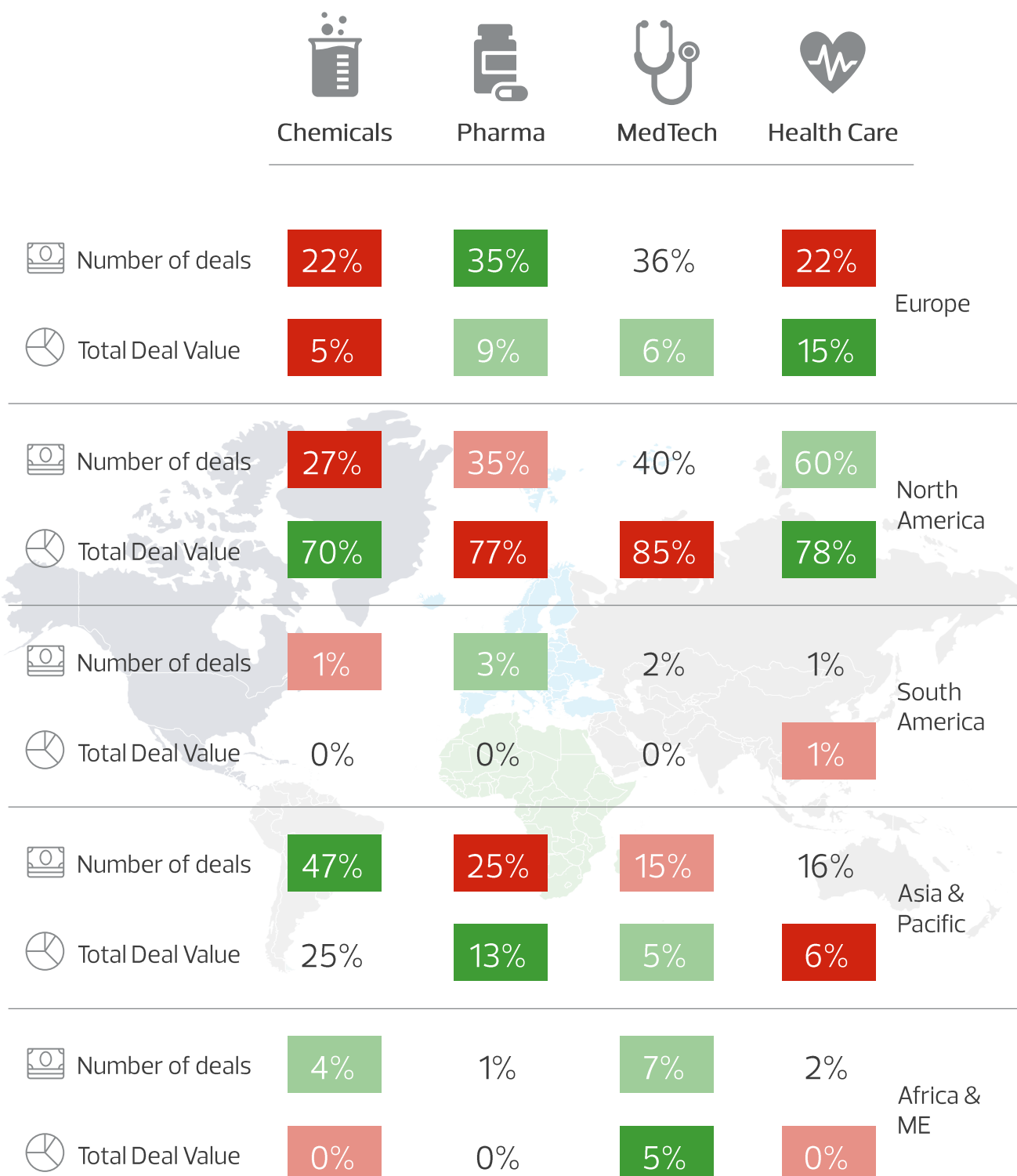
## Comments

- First, based on several deals that were announced in retrospect for Q4 24, we need to highlight that the European Health Care sector witnessed a very strong year-end rally in 2024 with 2 Mega-deals
- With Q4 24 being one of the strongest quarters in the observed period and activity in German Health Care revived, the drop-off in deal activity to only 72 deals in Q1 25 is even more staggering
- Political uncertainty on national and a global level reduces deal activity significantly – contrary to the Chemicals industry, where one subsegment drives the decline primarily, Health Care shows lower deal activity across all subsegments in a YoY comparison
- However, before uncertainty spread among investors, with the sell of Hellenic Healthcare Group (HHG) from CVC Capital Partners to Pure Health Holding for 2.2 b€, one Mega deal occurred

Number of European Health Care deals as per subsegment



## Global deal activity segregated by geographical region in Q1 25 versus Q1 24 comparison

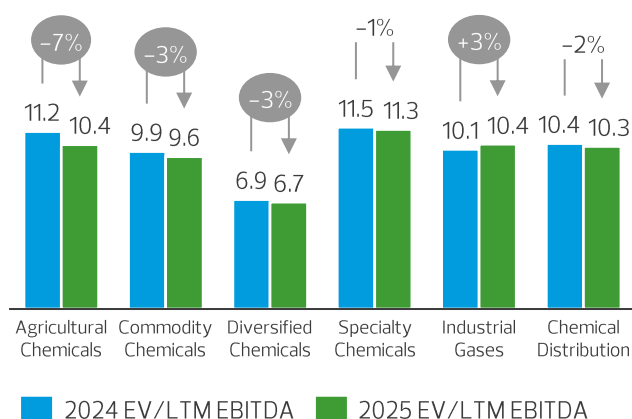


Δ YoY change of share in percentage points



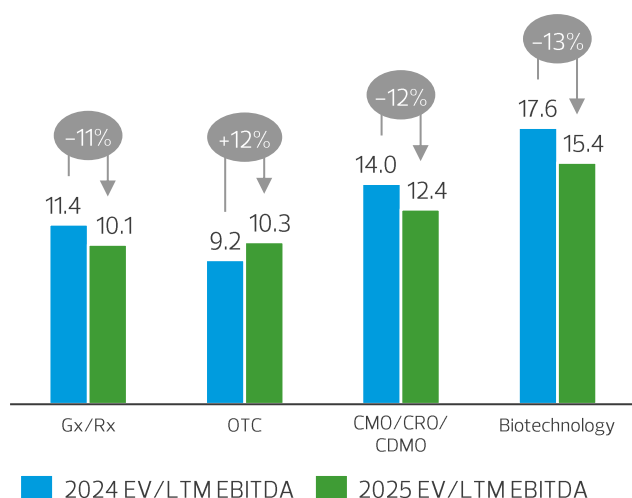
## Valuation levels fluctuate with great difference between industries and subsegments...

Chemicals multiples (x) per subsegment (publicly traded companies)



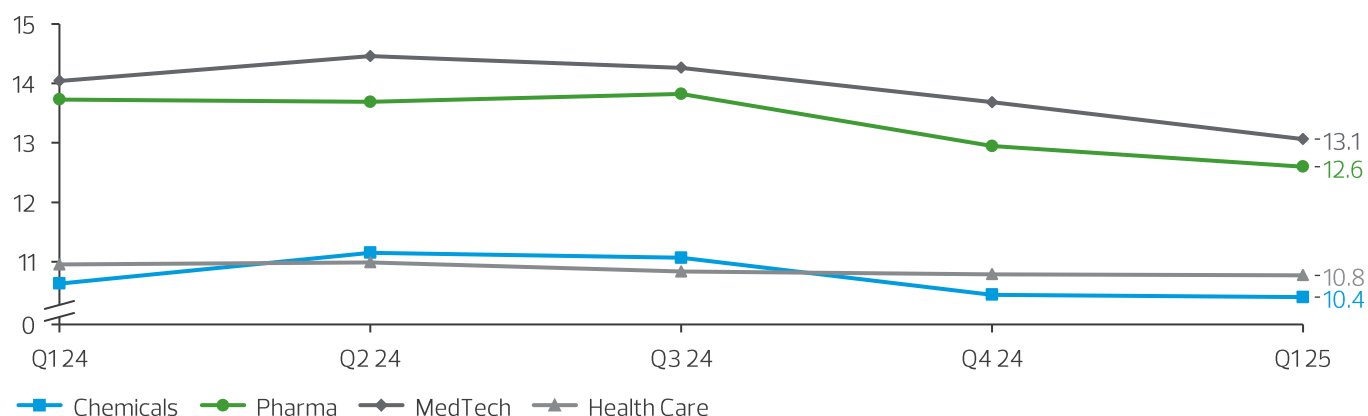
- EV/LTM EBITDA multiples continue on a stable trend for the Chemicals industry in Q1'25 with only minor changes across all subsegments
- The largest decline posted the subsegment Agricultural Chemicals, which comes at no surprise, as the segment saw a steady increase in valuation throughout 2024 compared to 2023 levels, thus a market correction was to be expected
- Commodity chemicals on the other hand have likely suffered from the global political uncertainties described before, with expectations for even lower valuation levels in the next quarter

Pharma multiples (x) per subsegment (publicly traded companies)



- The Pharma industry experiences valuation decreases across the board, with only the subsegment OTC showing an increase of 12% in valuation from Q1'24 to Q1'25
- The increase in valuation for OTC is driven, based on our understanding, by market fluctuations whereas the Pharma industry itself is under significant downward pressure due to the global supply chain uncertainties and the impact of global tariffs, affecting the usually high-margin products especially hard

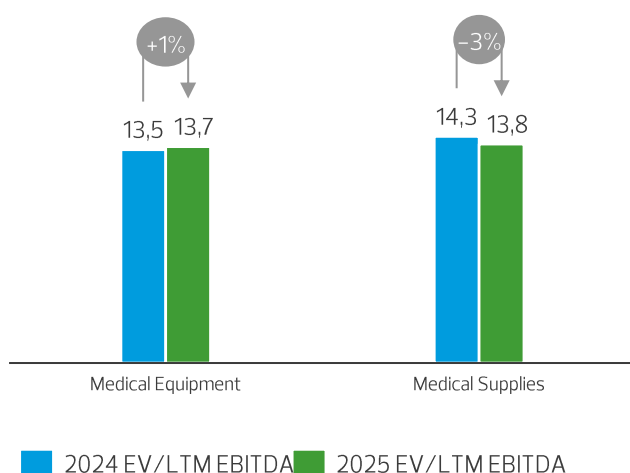
Development of the EV / EBITDA multiples over time per industry





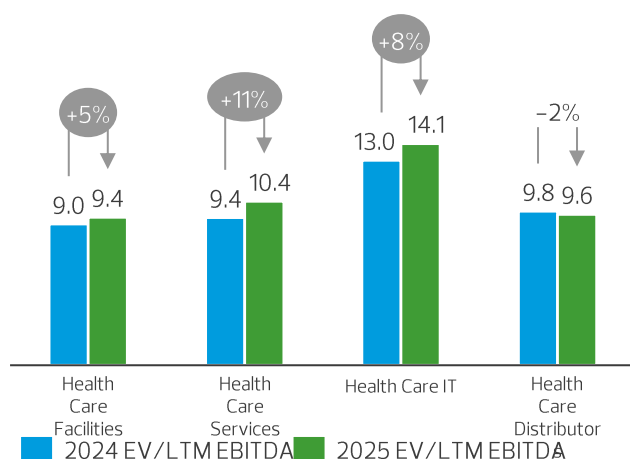
## MedTech off to a stable start in 2025 and Health Care multiples largely positive

### MedTech multiples (x) per subsegment (publicly traded companies)



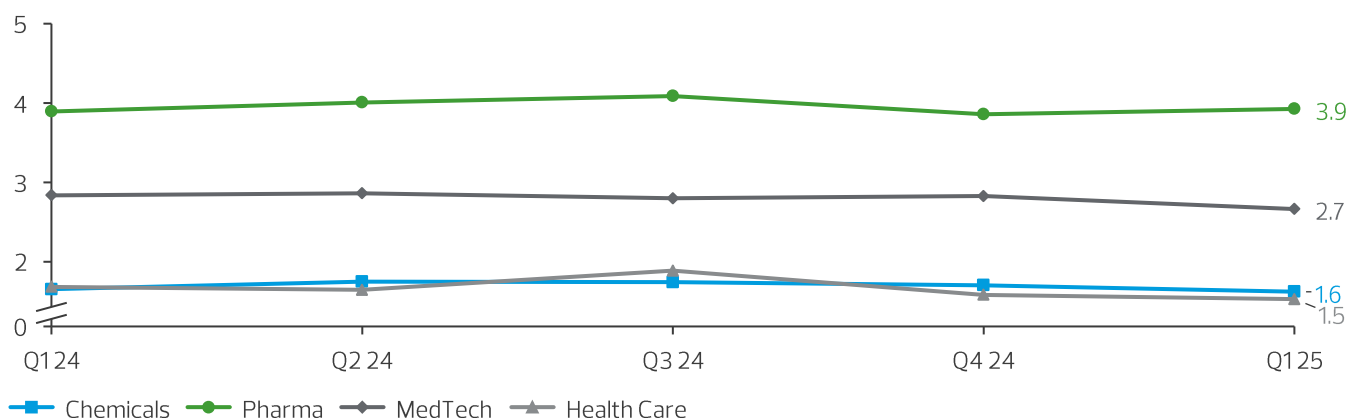
- In line with the trend observed in deal activity in Q1 25, the MedTech industry and its trading multiples remain steady despite the global uncertainties, being one of the most resilient industries in our data set at the beginning of 2025
- However, the decline for the subsegment Medical Supplies continues a slow but steady downward trend with the 3% reduction in EV/LTM EBITDA multiples
- With the exception of Q3 24, the subsegment declined from originally an average valuation of ~15x to less than 14x today

### Health Care multiples (x) per subsegment (publicly traded companies)



- The Health Care multiples show strong increase, contrary to the collapse of the number of deals in Q1 25
- With only the Health Care Distributors experiencing a minor decrease in the EV / LTM EBITDA in Q1 25 vs. Q1 24
- The largest increase among the subsegments for Health Care Services seems to be indeed driven by an overall steady increase in stock valuation among our peer group

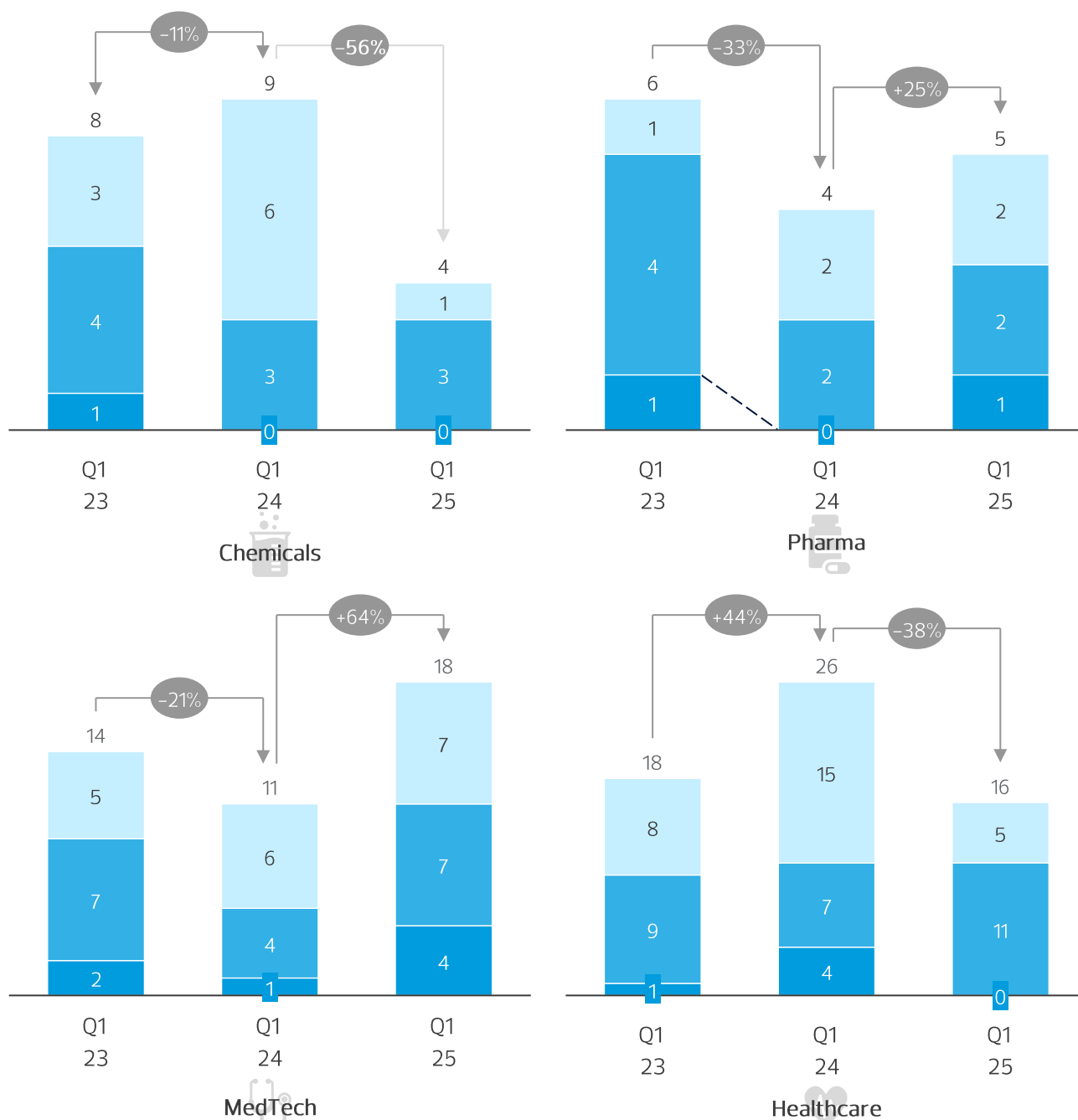
### Development of the EV / Revenue multiples over time per industry



## PE activity off to a moderate start for 2025 in YoY comparison – MedTech with a very strong Q1

Number of deals driven by PE as buyer / seller

PE Buyer PE Seller PE-to-PE

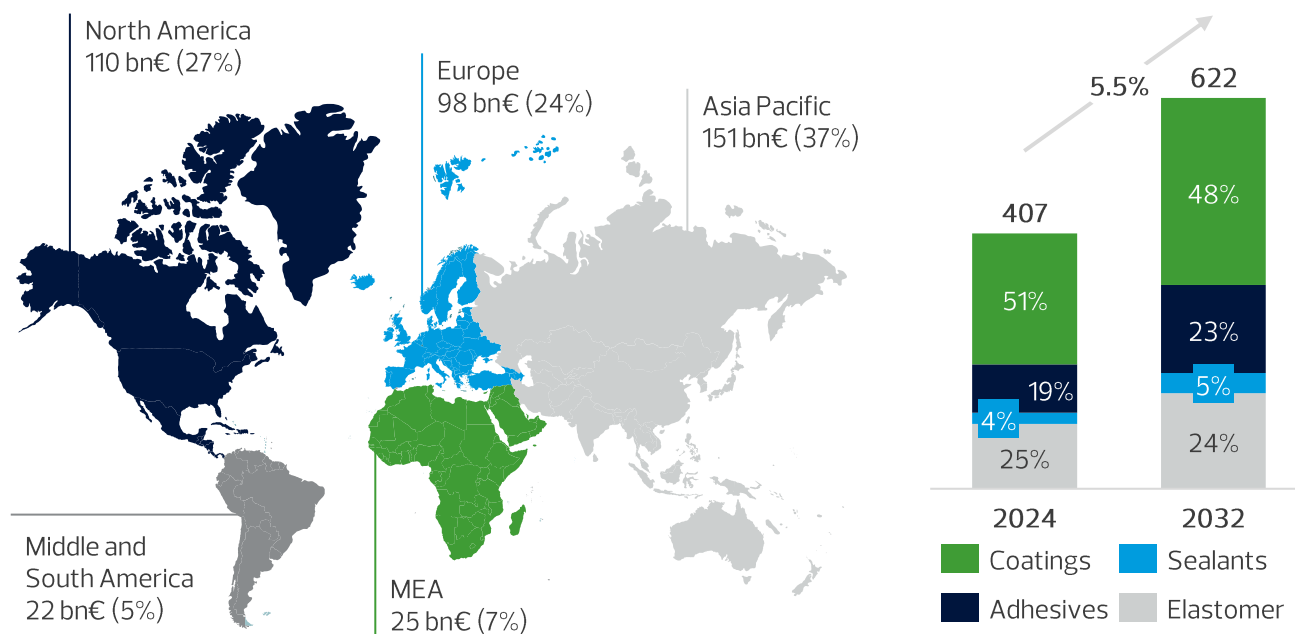


Q125

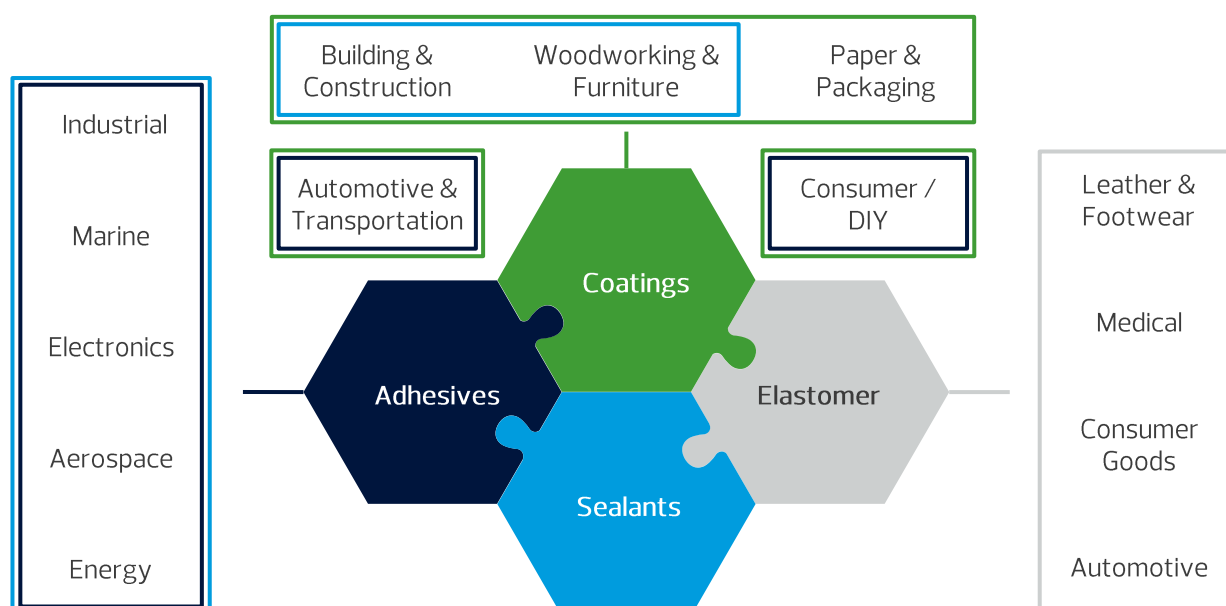
Deals with PE as seller	PE-to-PE deals	Deals with PE as buyer
Σ 23	Σ 15	Σ 34
14.7% of total deals	3.2% of total deals	9.6% of total deals

# The global market size of Coatings, Adhesives, Sealants and Elastomer exceeds 407 bn€ in 2024

Global distribution of 2024 market volume<sup>1</sup> across all subsegments – strong share of Asian players with higher expected market growth until 2032 compared to average development of global markets at a CAGR of 5%<sup>2</sup>

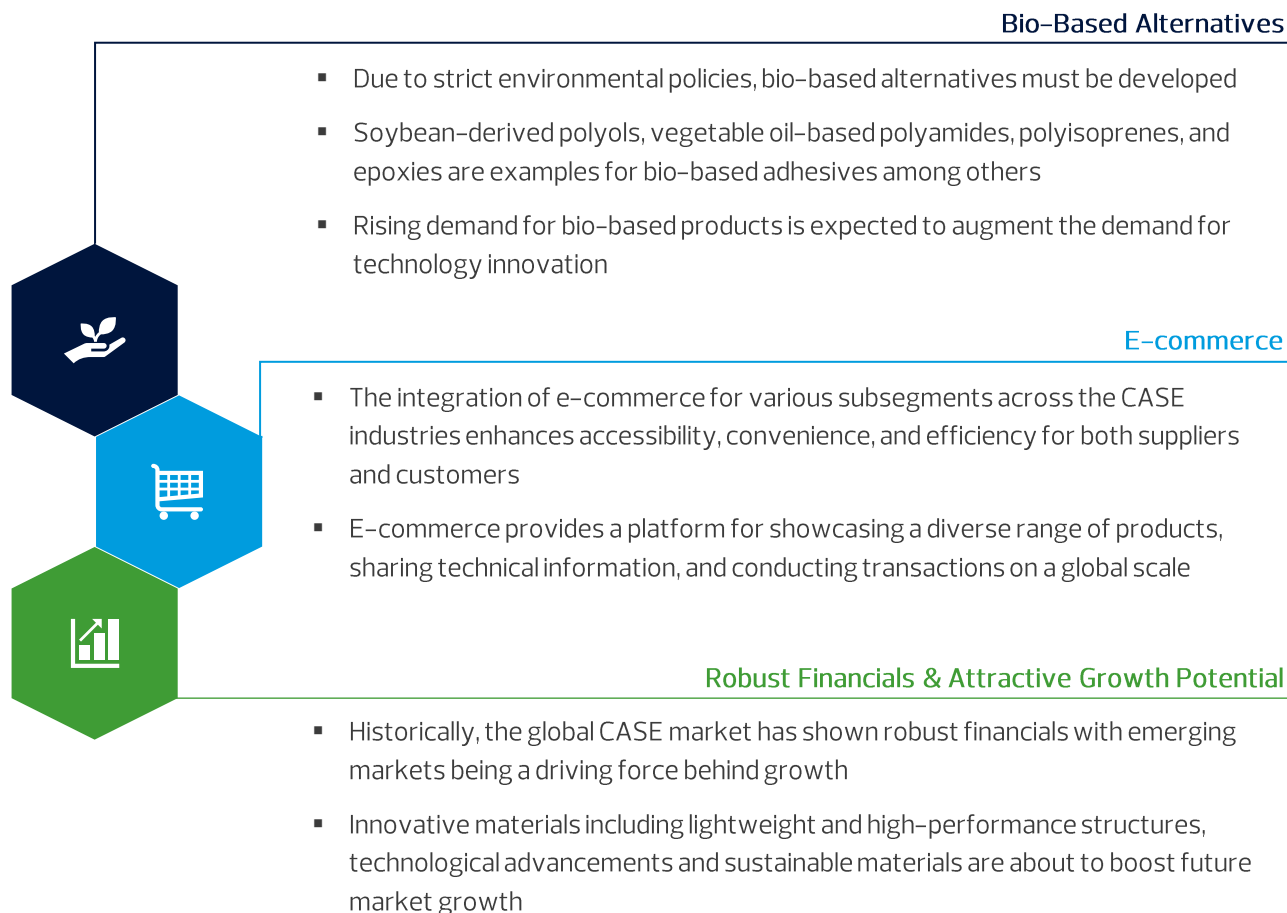


All four subsegments serve a broad spectrum of applications allowing companies to diversify their portfolio and focus on attractive niche markets, while subsegments are highly interconnected and serving similar end-markets

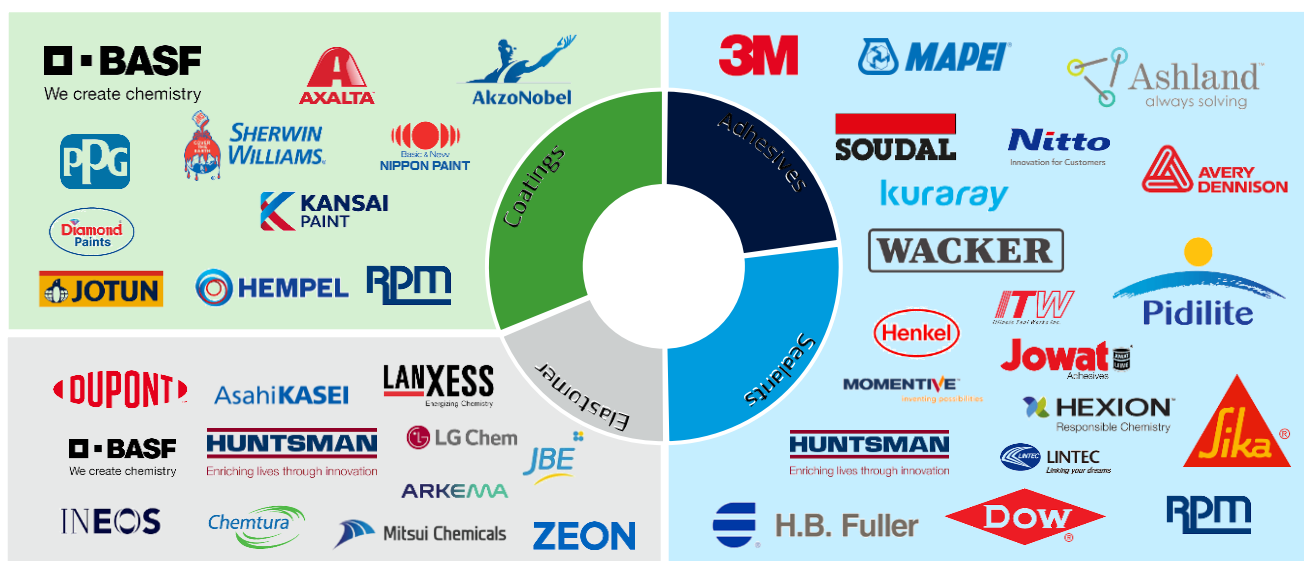


# Innovations in CASE segment via new distribution models and materials take center stage for growth

## General overview of main market trends



## Landscape of global players in each segment



# Stable deal flow despite challenging environment for CASE industry with strong multiple valuation

## Selection of deals within the CASE industry<sup>1</sup>

Year	Subsector	Target	Buyer	Rationale	Volume [m€]	EV / EBITDA	EV / Revenue
2024	Specialty Chemicals	Coating Center Castrop GmbH	 Kymera International LLC	 Strategic	n/a	n/a	n/a
2024	Commodity Chemicals	LSF11A5 TopCo LLC	 Nippon Paint Holdings Co.	 Strategic	2,026.8	4.2x	1.5x
2024	Specialty Chemicals	Covestro AG	 XRG P.J.S.C	 Strategic	14,030.7	15.3x	1.0x
2023	Specialty Chemicals	Chase Corporation	 KKR & Co. Inc.	 Financial	1,235.0	13.6x	3.4x
2023	Specialty Chemicals	Beardow & Adams (Adhesives) Limited	 H.B. Fuller Company	 Strategic	92.8	n/a	0.7x
2023	Chemical Distribution	HISCO, Inc.	 Distribution Solutions Group, Inc.	 Strategic	248.9	9.3x	0.7 x
2023	Chemical Distribution	Univar Solutions Inc.	 Apollo Inc.; Abu Dhabi Investment Authority	 Financial	7,948.7	7.3x	0.7x
2022	Specialty Chemicals	Delta Kunststoffe AG	 Kafrit Industries	 Strategic	8.31	n/a	n/a
2022	Specialty Chemicals	Seal It Services Limited	 Astral Limited	 Strategic	6.0	7.5x	1.1x
2022	Commodity Chemicals	Nucera Solutions LLC	 Chase Corporation	 Strategic	245.9	11.9x	3.0x
2022	Specialty Chemicals	Gross & Perthun GmbH & Co. KG	 The Sherwin-Williams Company	 Strategic	n/a	n/a	n/a
2022	Specialty Chemicals	Perstorp Holding AB	 PETRONAS Chemicals International B.V.	 Strategic	2,333.9	8.7x	1.6x
2022	Specialty Chemical	ATP adhesive systems AG	 Arsenal Capital Management LP	 Financial	n/a	n/a	n/a
2022	Specialty Chemicals	Apollo Chemicals Ltd.	 H.B. Fuller Company	 Strategic	184.4	n/a	n/a
2022	Specialty Chemicals	Fourny NV	 H.B. Fuller Company	 Strategic	16.3	7.6x	2.0x
2021	Specialty Chemicals	Hexion Holdings Corporation	 American Securities LLC	 Financial	3,201.7	8.5x	1.2x
2021	Specialty Chemicals	Cromology SAS	 Duluxgroup (Investments) Pty. Ltd.	 Strategic	1,072.0	n/a	0.8x
2021	Specialty Chemicals	Performance Adhesives Business of Ashland LLC	 Arkema S.A	 Strategic	1,135.1	18.0x	1.8x
Average					2199.0	11.0x	1.5x

## Our key takeaways



The Chemicals- and Health Care industry display a major decline in deal activity at the start of 2025 driven by global political uncertainty, while MedTech and Pharma on the other hand post a stable to strong Q1 25, not having been affected by the global turmoil, yet



Trading multiples experienced increased volatility in Q1 25, with total valuation levels decreasing as a reflection of the underlying changes in the broader stock market



Despite deal activity of some industries appearing to have been negatively affected by the global turmoil already, overall deal values are in line with previous quarters and it remains to be seen how deal activity will develop in Q2 25



PE activity in Q1 25 off to a moderate start on YoY comparison. MedTech with the strongest uptick in PE activity for a second quarter in a row

**Next M&A Quarterly:** Q3 /2025

**Edition Focus:** Current state of the European Pharma industry

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