



Trusted market intelligence for the global chemical, energy and fertilizer industries

Global Chemical M&A activity to remain strong in '15 - US banker

03 March 2015 18:20 Source: **ICIS Chemical Business News**

NEW YORK (ICIS)--Global chemical mergers and acquisitions (M&A) activity rose significantly in 2014 with a record number of deals and 2015 should see continued strength, an investment banker said on Tuesday.

In 2014, there were \$49bn in global chemical deals greater than \$25m in size from an equity value basis – up from \$31bn in 2013 and \$22bn in 2012, according to investment bank Young & Partners.

While this was a robust number for 2014, it was below the last peak of \$82bn in deals in 2011.

However, the number of completed transactions over \$25m in value hit a record 108 in 2014 versus 83 in 2013, the highest amount since Young & Partners began compiling the data in 1986.

“Heavy activity was driven by low interest rates, strong cash flows, a build-up in cash balances, portfolio restructurings, acquisitions and divestitures by financial buyers, and a need to supplement organic growth with growth through acquisitions,” said Peter Young, president of Young & Partners.

However, lacking from the strong activity were large, multi-billion dollar deals.

The largest deal in 2014 was the acquisition of Cheil Industries by Samsung SDI Company, accounting for \$4.1bn in enterprise value and \$3.8bn in equity value, noted Young.

The rest of the deals were relatively small, with an average value of \$450m, he pointed out.

“Although CEOs are more optimistic than they were in 2009, they are still exercising caution. The key issue is whether the fragile global economic and financial conditions remain stable or are negatively disrupted,” said Young.

“CEOs have been seeing too many economic, financial, and geopolitical clouds to do very large deals,” he added.

Only two of the top 10 deals were by financial buyers - the acquisition of Flint Group by a consortium of Goldman Sachs and Koch Equity, and the acquisition of Ashland Water Technologies by Clayton Dubilier & Rice, noted the banker.

“The outlook for 2015 looks strong for the same reasons that 2014 was a strong year, with just a few deals breaking through the *\$5 billion dollar mark such as the acquisition of Sigma-Aldrich by Merck KGaA,*” said Young.

By [Joseph Chang](#)



Trusted market intelligence for the global chemical, energy and fertilizer industries

Global Chemical M&A activity to remain strong in '15 - US banker

03 March 2015 18:20 Source: ICIS Chemical Business News

NEW YORK (ICIS)--Global chemical mergers and acquisitions (M&A) activity rose significantly in 2014 with a record number of deals and 2015 should see continued strength, an investment banker said on Tuesday.

In 2014, there were \$49bn in global chemical deals greater than \$25m in size from an equity value basis – up from \$31bn in 2013 and \$22bn in 2012, according to investment bank Young & Partners.

While this was a robust number for 2014, it was below the last peak of \$82bn in deals in 2011.

However, the number of completed transactions over \$25m in value hit a record 108 in 2014 versus 83 in 2013, the highest amount since Young & Partners began compiling the data in 1986.

“Heavy activity was driven by low interest rates, strong cash flows, a build-up in cash balances, portfolio restructurings, acquisitions and divestitures by financial buyers, and a need to supplement organic growth with growth through acquisitions,” said Peter Young, president of Young & Partners.

However, lacking from the strong activity were large, multi-billion dollar deals.

The largest deal in 2014 was the acquisition of Cheil Industries by Samsung SDI Company, accounting for \$4.1bn in enterprise value and \$3.8bn in equity value, noted Young.

The rest of the deals were relatively small, with an average value of \$450m, he pointed out.

“Although CEOs are more optimistic than they were in 2009, they are still exercising caution. The key issue is whether the fragile global economic and financial conditions remain stable or are negatively disrupted,” said Young.

“CEOs have been seeing too many economic, financial, and geopolitical clouds to do very large deals,” he added.

Only two of the top 10 deals were by financial buyers - the acquisition of Flint Group by a consortium of Goldman Sachs and Koch Equity, and the acquisition of Ashland Water Technologies by Clayton Dubilier & Rice, noted the banker.

“The outlook for 2015 looks strong for the same reasons that 2014 was a strong year, with just a few deals breaking through the *\$5 billion dollar mark such as the acquisition of Sigma-Aldrich by Merck KGaA,*” said Young.

By [Joseph Chang](#)