

Quarterly Industry Update

As of August 31, 2013

Industry: Specialty Chemicals



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Specialty Chemicals industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since August 31, 2012, the median 52-week share price return of the Specialty Chemicals industry has increased by 20.5%. In the last quarter, the median price-to-earnings multiple decreased from 20.4x to 18.6x.

Comparable Public Company Key Statistics

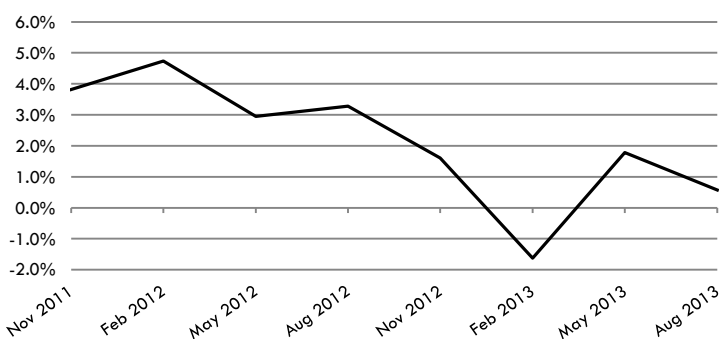
Median 52-Week Return	20.5%	Median EV/Revenue Multiple	1.4x	Median Price/Earnings Multiple	18.6x
Median 3-Year CAGR Return	23.4%	Median EV/EBITDA Multiple	11.3x	Median EV/Gross CF Multiple	18.2x

Comparable Public Company Market Price Returns (As of August 31, 2013)

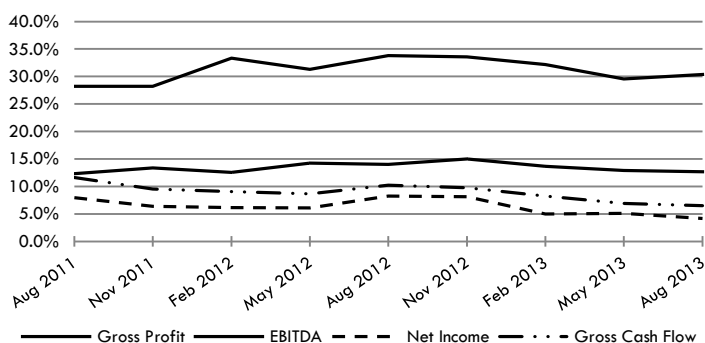
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
Flexible Solutions International Inc.	-1.7%	27.3%	-10.3%	-35.3%	-7.3%	-13.9%	-48.9%	75.8%	-23.8%	-26.6%	63.6%
Landec Corp.	38.8%	-6.0%	34.7%	48.9%	33.9%	7.0%	72.3%	-7.7%	-4.2%	-5.2%	-50.9%
E. I. du Pont de Nemours and Company	25.9%	1.5%	13.8%	8.3%	11.6%	5.0%	-1.8%	-8.2%	48.1%	33.1%	-42.6%
Lifevantage Corporation	10.0%	9.0%	-19.1%	28.0%	59.9%	74.3%	53.1%	266.7%	56.0%	25.0%	0.0%
Celanese Corporation	10.6%	-0.2%	28.7%	2.3%	22.6%	5.0%	0.6%	7.5%	28.3%	158.2%	-70.6%
Chemtura Corporation	3.1%	-4.4%	32.6%	28.7%	N/A	N/A	87.5%	-29.0%	N/A	N/A	N/A
Red Oak Mining Corp.	41.7%	96.1%	-6.6%	-41.1%	-36.8%	-53.6%	-83.0%	11.8%	-41.8%	-44.3%	-85.4%
W.R. Grace & Co.	19.5%	-4.9%	39.1%	42.8%	47.0%	25.0%	46.4%	30.7%	38.6%	324.6%	-77.2%
Ashland Inc.	8.5%	-1.9%	18.4%	28.3%	23.4%	16.3%	40.7%	12.4%	28.4%	277.0%	-77.8%
Albemarle Corporation	0.4%	-6.8%	14.0%	10.9%	15.9%	9.4%	20.6%	-7.7%	53.4%	63.1%	-45.9%
Sigma-Aldrich Corporation	12.1%	-1.5%	16.1%	13.2%	15.8%	7.8%	17.8%	-6.2%	31.7%	19.7%	-22.6%
RPM International Inc.	15.7%	2.6%	24.0%	27.7%	26.2%	9.5%	19.6%	11.1%	8.7%	53.0%	-34.5%
FutureFuel Corp.	36.3%	15.5%	56.4%	19.6%	32.1%	17.7%	-4.7%	24.8%	48.5%	19.6%	N/A
HB Fuller Co.	7.1%	-10.3%	22.6%	29.7%	25.2%	7.4%	50.7%	12.6%	-9.8%	41.2%	-28.2%
Median of Industry Public Companies	11.3%	-0.8%	20.5%	23.6%	23.4%	7.8%	20.1%	11.4%	28.4%	33.1%	-44.3%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Specialty Chemicals Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Specialty Chemicals Industry

Date:	8/31/2011	11/30/2011	2/29/2012	5/31/2012	8/31/2012	11/30/2012	2/28/2013	5/31/2013	8/31/2013
EV/Revenues Multiple	1.3x	1.3x	1.3x	1.2x	1.2x	1.3x	1.3x	1.4x	1.4x
EV/EBITDA Multiple	8.0x	8.9x	10.0x	9.1x	10.0x	9.7x	10.5x	11.0x	11.3x
Price/Earnings Multiple	13.3x	13.0x	15.4x	13.9x	16.0x	16.2x	19.8x	20.4x	18.6x
EV/Gross Cash Flows Multiple	11.4x	12.0x	13.1x	12.1x	13.2x	13.2x	15.4x	16.8x	18.2x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report.

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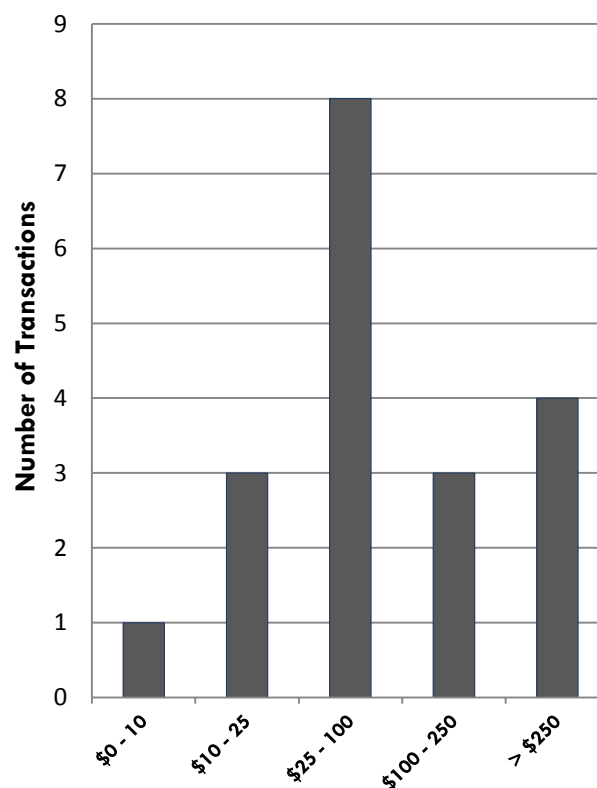
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
4/17/2013	Taminco Corporation	\$15.00	15.8	\$236.8	\$1,834.0	\$1,154.0	\$1,143.0	\$234.0	\$23.0	N/A
7/12/2006	FutureFuel Corp.	\$8.00	22.5	\$180.0	\$0.4	\$0.7	\$0.0	N/A	(\$0.3)	N/A
6/2/2006	Luna Innovations Incorporated	\$6.00	3.5	\$21.0	\$21.4	\$5.4	\$17.7	(\$3.6)	(\$3.8)	(\$3.1)
8/16/2005	Rockwood Holdings, Inc.	\$20.00	20.4	\$408.2	\$4,932.2	\$3,222.7	\$2,836.3	\$516.1	(\$102.6)	N/A
1/20/2005	Celanese Corporation	\$16.00	50.0	\$800.0	\$7,410.0	\$3,387.0	\$4,927.0	\$533.0	(\$175.0)	\$741.0
11/26/1997	Nanophase Technologies Corp.	\$8.00	4.0	\$32.0	\$5.5	\$0.0	\$0.6	(\$5.5)	(\$5.6)	(\$5.1)
2/15/1996	Landec Corp.	\$12.00	2.8	\$33.6	N/A	N/A	\$3.7	(\$2.8)	(\$3.0)	(\$2.4)
Median of All IPOs		nm	nm	\$180.0	\$927.7	\$579.7	\$17.7	\$115.6	(\$3.8)	(\$2.7)

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
8/6/2013	Metal-Tech	ISCAR	\$26.6	51%
6/25/2013	James Briggs ITW	Endless LLP	\$23.1	100%
4/30/2013	Antioxidant and UV	Addivant	\$199.8	100%
3/29/2013	OM Group	Freeport-McMoRan	\$435.0	100%
3/1/2013	JACAM Chemicals	Canadian Energy	\$238.2	100%
1/2/2013	Quimiproducos	Ecolab	\$35.0	100%
12/26/2012	Sunshield Chemicals	Rhodia Amines	\$11.8	62%
9/10/2012	Engent	HB Fuller	\$7.9	100%
7/9/2012	Rheoset Indústria	W.R. Grace	\$40.5	100%
5/3/2012	Britanite-IBQ	Enaex S.A.	\$120.0	67%
3/30/2012	Star Orechem	Cytec Industries	\$37.0	100%
3/5/2012	Forbo Holding AG	HB Fuller	\$394.8	100%
12/22/2011	Catexel	OM Group	\$65.3	100%
10/27/2011	Applied Science	RPS Group	\$13.5	100%
10/19/2011	Arch Chemicals	Lonza Group	\$1,609.7	100%
9/27/2011	Ferro Industrial Products	Investec Bank	\$30.9	54%
8/2/2011	VACUUMSCHMELZE	OM Group	\$1,006.9	100%
3/17/2011	Mirage Cosmetics	Revlon	\$38.0	100%
4/30/2010	Lifecore Biomedical	Landec	\$54.0	100%
Median of All Transaction Targets			\$40.5	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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