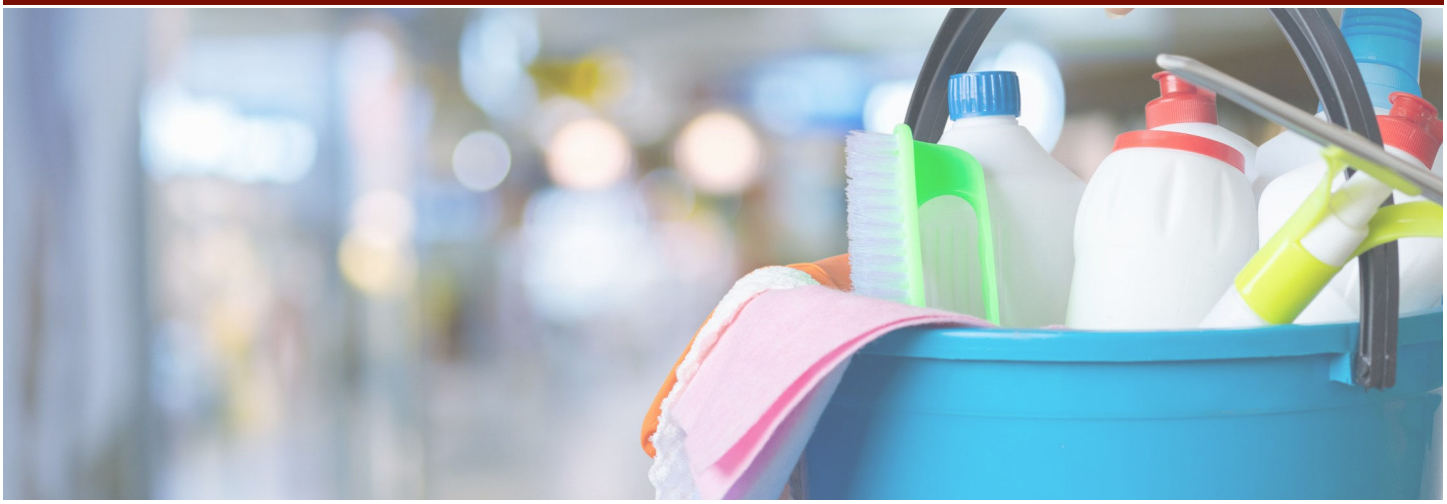
Grace Matthews Insights

–Summer 2026–

Grace Matthews is recognized globally as a leader in transaction advisory services for manufacturers, distributors, and service providers across the chemicals, materials science, and life sciences value chain. Grace Matthews' clients include privately held businesses, private equity funds, and large, multinational corporations. Each quarter, Grace Matthews publishes its newsletter, which covers a wide range of M&A-related topics, including current market trends, transaction considerations for buyers and sellers, and profiles on different industry segments.



CLEANING CHEMICALS: A RESILIENT MARKET POISED FOR CONTINUED M&A ACTIVITY

Through the first half of 2026, the chemicals and materials science value chain navigated a dynamic M&A environment shaped by changing macroeconomic conditions and shifting strategic priorities. Most notably, conflict in the Middle East drove supply chain disruptions and inflationary pricing pressure across the sector. Transaction activity during the first half of this year reflected a conservative approach from buyers and sellers, yet transactions continued to close. As we move into the second half of the year, the fundamental drivers of M&A activity remain intact: pressure for strategic acquirers to grow; need for private equity to place capital & create liquidity events for investors; and pending owner retirements / ownership transitions.

In this edition of our newsletter, we provide an update on the current M&A environment and discuss why we expect continued activity in the months ahead. We also shine a spotlight on the formulated cleaning chemicals market, a segment where recurring, non-discretionary demand and a fragmented competitive landscape continues to attract interest from both strategic buyers and financial sponsors.

M&A Momentum Persists Despite a Choppy Market Environment

In our previous newsletter, we highlighted that 2025 M&A activity was impacted by uncertainty surrounding tariffs and broader macroeconomic conditions. We posited that activity would gradually return, as tariff impacts were less material than many had feared and as buyers and sellers continued to learn to operate at heightened levels of uncertainty. As the chart shows, transaction volumes did, in fact, steadily increase from Q1 2025 through Q1 2026.

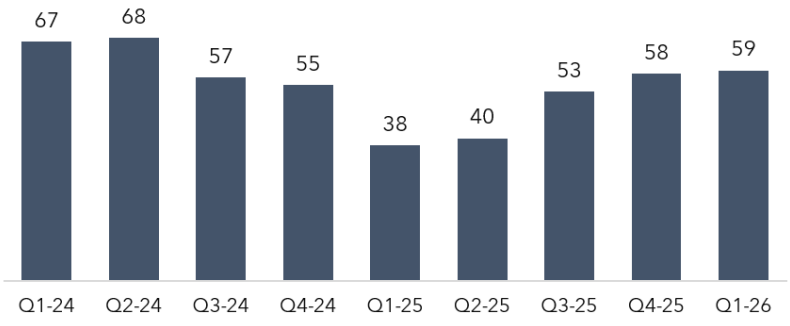


Figure 1: Announced acquisitions of North American chemicals and materials science companies.
Source: Capital IQ & Grace Matthews

However, the second quarter of 2026 introduced a new set of challenges. Ongoing conflict in the Middle East and resulting supply chain disruptions created additional uncertainty for manufacturers and distributors throughout the value chain. Concerns around raw material availability and price increases are consistent themes in public company earnings transcripts and in our own conversations with industry executives.

Uncertainty impacts the M&A landscape. For example, strategic acquirers are increasingly selective in their acquisition strategies, emphasizing portfolio optimization or target market penetration rather than purely building scale. Furthermore, heightened diligence scrutiny, particularly regarding volume growth and margin sustainability, are consistent themes in M&A processes. Even so, the underlying fundamentals that have supported M&A activity over the last several years remain in place. As we look across the industry, buyers and sellers alike remain incentivized to do deals:

- **Strategics Need to Deliver Outsized Growth & Optimize Existing Portfolios:** Strategics remain under shareholder pressure to drive growth and execute on continued portfolio clean-up. Executives remain clear that a disciplined inorganic strategy remains key:

  "We will continue to be disciplined, but I do think we have the right license to do selective M&A…We will look at every asset that comes available. It's gotta meet the right asset, the right time, and the right price"

  – Tim Knavish, PPG CEO (Q1 2026 Earnings Call)

  "We continue to work that [portfolio divestitures / M&A] very aggressively…the current events haven't helped the M&A market. Regardless, we do feel good about signing another deal this year"

  – Chuck Kyrish, Celanese SVP & CFO (Q1 2026 Earnings Call)

- **Heightened Interest from International Strategic Buyers to Acquire U.S. Assets:** International strategics are increasingly looking to domestic businesses as a means of gaining scale and manufacturing capabilities in the U.S. For many international acquirers, a U.S.-based platform offers a faster path to a domestic presence than building a presence organically and also provides a hedge against tariff impacts and/or global supply chain disruptions.

- **Private Equity Remains Under Pressure to Invest Capital & Generate Returns:** Equity funds are sitting on over $1 trillion of dry powder [1] and remain under mounting pressure to deploy capital. At the same time, median hold periods, which have reached a record ~4 years by the end of 2025 [2], are pushing funds to create exits and return liquidity to investors.

- **A Growing Wave of Business Owners Seeking Liquidity:** With pending retirements and an aging ownership base, a significant number of privately held businesses—6 million small and medium-size businesses, by some estimates [3]—will see ownership transitions in the next 10 years. Often times, these owners do not have a clear succession plan in place, and for many, the combination of strong buyer demand, competitive valuations, and the increasing complexity of operating in today's environment is making a near-term sale more attractive than ever.

Taken together, these factors point to sustained M&A activity. Despite the "new norm" of macro uncertainty, the strategic rationale for doing deals remains strong. We continue to expect healthy transaction activity throughout the balance of 2026.

Formulated Cleaning Chemicals: An Attractive Market for Continued M&A Interest

As we look at M&A activity across the broader chemicals and materials science value chain, we occasionally spotlight a segment that has received outsized interest. As of late, we at Grace Matthews have seen increasing interest in the formulated cleaning chemicals space.

In recent years, this sector has continued to attract significant investment and has seen robust M&A activity. Grace Matthews has both transaction experience and market familiarity here. We actively follow the sector through ongoing engagement with industry participants, attendance at market-specific events such as the American Cleaning Institute Annual Meeting, and advisory work involving businesses serving cleaning and sanitation markets.

Most recently, Grace Matthews advised Nyco Products Company, a leading manufacturer of specialty cleaning chemicals, on its sale to Diamond Chemical Company.

Transaction Profile: Sale of Nyco Products Company to Diamond Chemical Company

In May 2026, Nyco Products Company ("Nyco"), a manufacturer of specialty cleaning chemicals, was acquired by Diamond Chemical Company ("Diamond"), a portfolio company of Graycliff Partners. Grace Matthews advised the shareholders of Nyco.

"The sale of our business to another dynamic company preserves our history while ensuring that our customers continue to receive the same high level of quality, reliability, and service," said Bob Stahurski, CEO of Nyco Products Company. "In addition, they will gain access to Diamond's full line of exciting product innovations. This transition ensures that our customers, partners, and legacy will continue to thrive under Diamond's leadership."

"This combination is a transformative step for Diamond," said Wesley Alves, CEO of Diamond. "Nyco brings deep formulation expertise, a strong brand portfolio, and a Midwest manufacturing footprint that complements our coastal operations. Together, we can offer customers and distributors broader product availability and stronger national service."

[1] Bain & Co. Private Equity Outlook 2026: Gaining Traction
[2] Pitchbook: 2025 Annual US PE Breakdown
[3] McKinsey: The Great Ownership Transfer: A new era of business stewardship

Transactions like Diamond's acquisition of Nyco reflect the continued interest we are seeing from buyers seeking to build platforms in cleaning chemicals.

From our perspective, there are several market characteristics that make this sector compelling for continued M&A activity:

- **Non-Discretionary Demand Supports Recurring Revenue & Stability:** The essential nature of cleaning chemicals is, in itself, highly attractive. Unlike industrial sectors that can experience meaningful demand fluctuations during economic cycles, the factors driving demand for cleaning chemicals—health, safety, sanitation, compliance, and operational continuity—are generally stable and growing. End user demand is consistent and resilient, creating recurring revenue streams (a characteristic coveted by strategic and PE acquirers alike).
    - It would be remiss to discuss demand stability in cleaning chemicals without acknowledging COVID-19, which drove a period of significant volatility—a demand surge followed by a destocking-driven pullback. However, as we are now more than five years removed from the onset of the pandemic, that volatility is squarely in the rearview mirror, and today's steady demand patterns reflect the sector's underlying structural fundamentals.
- **Diversity of Applications & Large Addressable Markets:** The breadth of applications further enhances performance stability. Virtually every industry utilizes cleaning products in some form, resulting in broad exposure across numerous end markets rather than dependence on a single sector.
- **Emphasis on Value-add Promotes Customer Stickiness:** Within cleaning and sanitation markets, customers are increasingly demanding more than just a commodity product—they are looking for customized formulations, follow-on technical & regulatory support, and exceptional service. Companies that provide these value-add offerings can entrench themselves as a supply partner and drive customer "stickiness." As a result, industry participants are working to develop value-add capabilities, suggesting these will become a right-to-compete. This trend should enhance the overall quality of the industry and aligns closely with broader M&A themes across chemicals and materials, where acquirers consistently prioritize businesses that offer differentiation rather than simple manufacturing scale.
- **Fragmented Market Creates Consolidation Opportunities:** The cleaning chemicals industry remains highly fragmented. Across many categories, the market consists of regional manufacturers, private-label suppliers, distributors, and contract packagers. While consolidation has occurred in certain areas (particularly within Jan-San distribution), substantial fragmentation remains throughout many segments of the industry.

Deal Activity Points to Cleaning Chemicals as an Attractive Segment for Investment

Sustained M&A activity—driven by both strategics and private equity sponsors—demonstrates investor interest in the space. For strategic buyers, there has been an emphasis on acquiring companies that broaden existing portfolios, strengthen or diversify market positions, or expand exposure to specialized applications. The objective is not simply to build scale, but rather to become "more" to customers (i.e., provide a holistic chemical/service solution rather than just provide a product) and/or better positioned within attractive growth markets.

Recent transactions (and corresponding executive commentary) illustrate these trends:

- **Clorox acquisition of GOJO Industries, makers of Purell (announced 2026)**

  "GOJO's deep commitment to innovation and delivering superior value in skin hygiene has built Purell into one of the most trusted names in homes, healthcare facilities, schools and businesses around the world…This is a compelling acquisition that evolves our portfolio and scales our fastest growing, most profitable operating segment"

  – Clorox Acquisition Announcement

- **RPM acquisition of the Star Brands, Parent of The Pink Stuff brand (announced 2025)**

  "This acquisition aligns with Rust-Oleum's vision to drive growth through leading consumer brands known for providing effective solutions in attractive end markets…we intend to leverage our Consumer Group's expertise in category management and innovation to accelerate future growth"

  – RPM Acquisition Announcement

These examples substantiate the idea that, while consolidation remains important, buyers are increasingly focused on acquiring differentiated capabilities & value-add solutions as well as expanding share in high-growth applications.

Private Equity Remains Highly Active

Private equity investors continue to play an equally important role in driving transaction activity within cleaning chemicals, as the sector possesses many of the attributes financial sponsors seek when building a platform investment. Recent M&A activity demonstrates the desire for equity funds to build platforms with exposure to cleaning chemicals segment:

- Diamond Chemical Company (Graycliff Partners) acquisition of Nyco Products Company
- Advent International acquires carve-out of Reckitt's Essential Home product lines
- Truelink Capital acquires Zep
- Highline Warren (Pritzker Private Capital) acquisition of Sprayway brand
- Niteo (Highlander Partners) acquisition of Faultless Brands
- Multiple acquisitions by Hospeco Brands (Peak Rock)

> ***"The carve-out represents a unique opportunity to create a focused, scaled platform of globally recognized home care brands that operate in attractive categories with structural growth tailwinds."***
>
> – Ranjan Sen, Advent Managing Partner, on Reckitt Acquisition

Looking Ahead: What This All Means for Cleaning Chemical Business Owners

Within cleaning chemicals specifically, continued investment from both strategic buyers and private equity firms creates a favorable environment for business owners. For owners considering a future sale, several themes stand out.

First, we believe opportunities to explore strategic options will be available over the coming years. Both strategic acquirers and financial sponsors continue to evaluate opportunities within the sector, creating demand for high-quality businesses.

Second, differentiation matters more than ever. Companies that can clearly articulate what makes them unique are often best positioned to attract interest and achieve premium valuations.

Third, preparation is critical. Owners contemplating a future transaction should begin preparing well before beginning a sale process. Sellers can create future value by addressing areas such as regulatory compliance, environmental documentation, management depth (i.e., managing "key man" risk), and financial reporting quality ahead of a sale process.

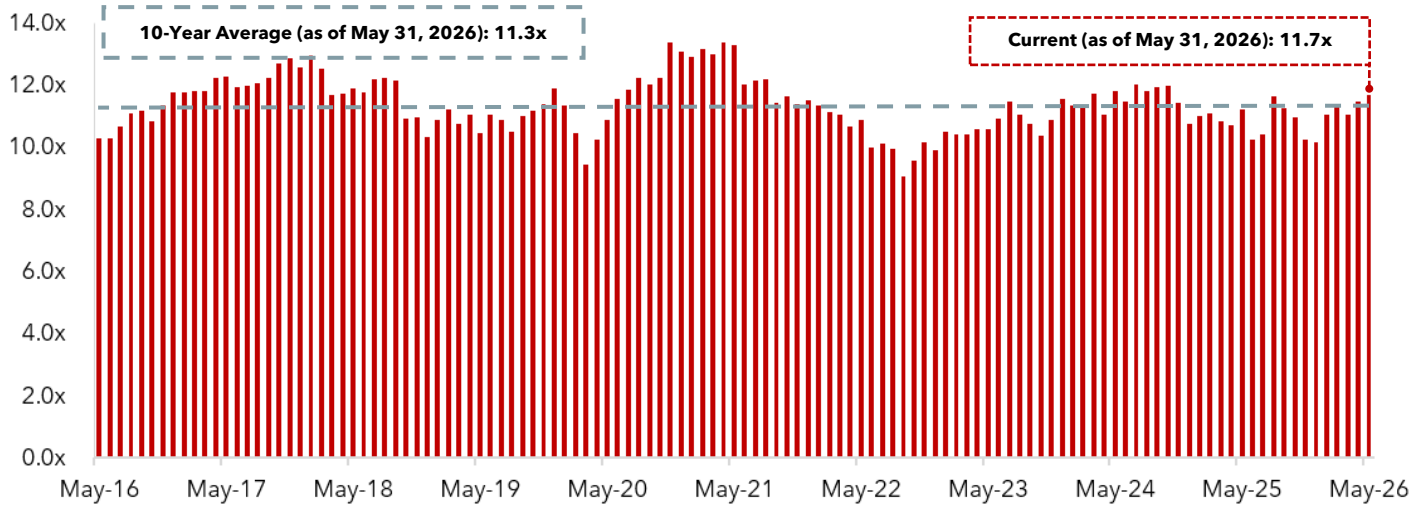
Concluding Thoughts: Expectation of Future M&A Activity

As we look toward the remainder of 2026 and beyond, our outlook for M&A activity—both within cleaning chemicals and more broadly—remains positive. While macroeconomic uncertainty will undoubtedly remain part of the discussion, the fundamental drivers supporting acquisitions continue to outweigh near-term concerns. The combination of strategic acquirers seeking differentiated, value-add platforms, private equity sponsors under continued pressure to deploy capital, and a growing wave of international buyers targeting domestic assets all point to strong buyer interest for high-quality businesses. We remain enthusiastic about the outlook for M&A activity across the industry and are confident that opportunities will exist for acquirers and sellers alike.

At Grace Matthews, we routinely engage with business owners throughout the chemical and materials science industry to discuss market trends and strategies for maximizing value in a future transaction. Whether a sale is being considered in the near term or several years down the road, understanding how buyers evaluate opportunities—and proactively addressing the operational, financial, and compliance factors that influence valuation—can help owners position a business for future success in a sale process.

Grace Matthews Chemicals & Materials Index (EV / EBITDA Multiples)

The Grace Matthews Chemical & Materials Index tracks the Enterprise Value / EBITDA ratios ("EV / EBITDA multiples" or "EBITDA multiples") of ~100 publicly traded chemicals & materials companies that span multiple sub-sectors and geographies. The Index aggregates the latest reported financial data and stock prices and tracks valuation trends and operating metrics across different industry sectors. Index averages are equally weighted, as opposed to weighting by market capitalization.



Source: Capital IQ & Grace Matthews analysis.

Select Recent Cleaning Chemicals Transactions

Closed Date	Acquirer / Target	Target Description
May-26	Diamond Chemical (Graycliff Partners) / Nyco Products	Manufacturer of institutional and industrial cleaning chemicals and solutions
Apr-26	The Clorox Company / GOJO Industries	Manufacturer of skin health and hygiene solutions
Mar-26	Imperial Dade / Brady Industries	Provider of janitorial / sanitation, foodservice and industrial packaging solutions
Feb-26	Riverarch Equity Partners / Walex Products Company	Manufacturer of odor eliminations, waste treatments and portable sanitation products
Jan-26	Highline Warren / Sprayway	Leading provider of industrial MRO, automotive and household cleaning solutions
Dec-25	Advent International / Essential Home Business of Reckitt Benckiser Group	Household cleaning and care brands
Aug-25	Supreme Imports / U.K. Homecare & Cleaning Business of WD-40	Manufacturer of homecare and cleaning products
Jul-25	Truelink Capital Management / Zep	Producer of cleaning and maintenance chemicals and related products
Apr-25	RPM International / Star Brands	Manufacturer of detergents and household cleaning products for UK retailers
Apr-25	Contract Manufacturing Services / ChemRite CoPac	Contract manufacturer specializing in chemical formulation, blending, and packaging
Apr-25	First Quality Enterprises / Henkel's Retailer Brands	Private-label of detergents, fabric finishers and dishwashing products
Jan-25	Meyer Laboratory / ITD Chemical	US-based manufacturer of industrial and specialty cleaning chemicals

Select Recent Grace Matthews Chemicals and Materials Science Transactions

Nyco has been acquired by Graycliff Partners' portfolio company Diamond Chemical Company LLC. *Grace Matthews advised Nyco Products Company*	Thiele Tailored Mineral Solutions has been acquired by Burgess Pigment Company *Grace Matthews advised Thiele Kaolin Company*	MFG Chemical LLC Building Valuable Bonds a portfolio company of Platte River Equity, has been recapitalized by Windjammer Capital *Grace Matthews advised MFG Chemical, LLC and Platte River Equity*	NutriBiotic Where Science Works Naturally® has been acquired by Plameca *Grace Matthews advised NutriBiotic*
Lindau Chemicals, Inc. A Specialty Organic Chemical Company has been acquired by Platform Partners' portfolio company SouthCoast *Grace Matthews advised Lindau Chemicals, Inc.*	Cargill® has sold its Dalton, GA-based specialty chemicals business to Aditya Birla Group *Grace Matthews advised Cargill, Inc.*	PeninsulaPolymers Providing Expertise in Chemical Distribution has entered into a Joint Venture with RODAJ® *Grace Matthews advised Peninsula Polymers*	REAXIS has been acquired by TIBCHEMICALS *Grace Matthews advised Reaxis, Inc.*
Verantis Environmental Solutions Group has been acquired by CECO Environmental *Grace Matthews advised Verantis Holdings, Inc.*	Seatex a portfolio company of Cotton Creek Capital, has been recapitalized by Riverside *Grace Matthews advised Seatex LLC and Cotton Creek Capital*	United Paint has sold its Bradley Coatings Group to Sheboygan Paint Company *Grace Matthews advised United Paint and Chemical Company*	LA-CO Industries, Inc. has been recapitalized by MPE Partners *Grace Matthews advised LA-CO Industries, Inc.*
HPCraft Polymers has been acquired by Platte River Equity's portfolio company MFG Chemical LLC Building Valuable Bonds *Grace Matthews advised H.P. Polymers Ltd.*	Silberline From Science to Shine has been acquired by Eckart a member of Altana *Grace Matthews advised Silberline Group*	Merichem has sold its Technologies & Catalyst business to BlackBay Energy Capital *Grace Matthews advised Merichem Company*	Teckrez has been recapitalized by Hidden Harbor Capital Partners *Grace Matthews advised Teckrez, LLC*
Chemours™ has sold its Glycolic Acid business to PureTech Scientific, a portfolio company of Iron Path Capital *Grace Matthews, Inc. advised The Chemours Company (Chemours)*	dx has been acquired by PVS chemistry for daily life™ *Grace Matthews, Inc. advised DX Group*	RUDD Company, Inc. Manufacturers of Quality Coatings Since 1912 has been acquired by Gemini Industries, Inc. *Grace Matthews advised Rudd Company*	Benz Advancing Lubrication... has been acquired by AMSOIL *Grace Matthews advised Benz Oil Inc.*

Grace Matthews Overview

Grace Matthews is recognized globally as a leader in transaction advisory services for manufacturers and distributors throughout the chemical and materials science value chain. Grace Matthews' clients include privately held businesses, private equity funds, and large, multinational corporations.

Grace Matthews' practice is global in scope, and focuses on several areas: sell-side transactions and divestitures for private companies, private equity holdings, and multinational corporations; buy-side engagements for large public companies, major multinationals, and sponsor-backed platforms; leveraged transactions and recapitalizations, strategic advisory analysis, and transaction fairness opinions. Areas of expertise include:

- Adhesives, Sealants, Tapes
- Agricultural Chemicals
- Construction Chemicals & Building Products
- Contract Manufacturing & Custom Synthesis
- Distribution
- Environmental Services
- Electronic Chemicals
- Food & Beverage Ingredients, Flavors & Fragrances
- Industrial Minerals
- Inorganics, Ceramics, Catalysts
- Intermediates, Additives, Colorants
- Life Sciences
- Lubricants, Greases, Metalworking Fluids
- Nutraceuticals & Supplements
- Paints, Coatings, Inks
- Paper, Films, Packaging Materials
- Personal Care, Soaps, Cleaners
- Petrochemicals & Derivatives
- Plastics, Composites, Molded Materials
- Polymers & Resins
- Process Technology & Licensing
- Water Treatment & Oilfield Chemicals

For more than 25 years, Grace Matthews has successfully completed more than 150 transactions. Our deep industry knowledge, M&A execution skills, and global network of industry contacts are key differentiators that drive success on engagements across the entire chemical and materials science industry.

M&A Team

John Beagle
Chairman, Co-Founder
jbeagle@gracematthews.com

Andy Hinz
Managing Director
ahinz@gracematthews.com

Andrew Cardona
COO
acardona@gracematthews.com

Kyle Tamboli
Senior Associate
ktamboli@gracematthews.com

Chris Brozynski
Analyst
cbrozynski@gracematthews.com

Kevin Yttre
President, Managing Director
kyttre@gracematthews.com

Jon Glapa
Managing Director
jglapa@gracematthews.com

Chris Hayes
Vice President
chayes@gracematthews.com

Gabby Caranto
Senior Analyst
gcaranto@gracematthews.com

Henry Irwin
Analyst
hirwin@gracematthews.com

Ben Scharff
Managing Director
bscharff@gracematthews.com

Eric Sabelhaus
Managing Director
esabelhaus@gracematthews.com

Matt Stouder
Vice President
mstouder@gracematthews.com

Paulina Romero
Analyst
promero@gracematthews.com

Sneh Patel
Analyst
spatel@gracematthews.com

Senior Advisors, Finance, Marketing & Administration

Doug Mitman
Co-Founder, Senior Advisor
dmitman@gracematthews.com

Elizabeth Jasinski
Marketing Specialist
ejasinski@gracematthews.com

Tom Osborne
Senior Advisor

Katie Long
Office Manager
klong@gracematthews.com

Bridget Spaulding
CFO
bspaulding@gracematthews.com

Headquarters

833 East Michigan Avenue
Suite 1420
414.278.1120
www.gracematthews.com

Grace Matthews, Inc. (www.gracematthews.com) is an investment banking group providing merger, acquisition, and corporate finance advisory services for chemical and materials science companies both in the U.S. and internationally.

The information and views contained in this report were prepared by Grace Matthews, Inc. It is not a research report, as such term is defined by applicable law and regulations and is provided for information purposes only. No part of this material may be copied or duplicated in any form or by any means, or redistributed, without Grace Matthews' prior written consent.

Copyright © 2026 Grace Matthews, Inc. All rights reserved. Securities are offered through GM Securities, LLC, which is indirectly owned by Grace Matthews, Inc., and a registered broker dealer and member of the Financial Industry Regulatory Authority and Securities Investor Protection Corporation. Check the background of this firm on FINRA's BrokerCheck.