

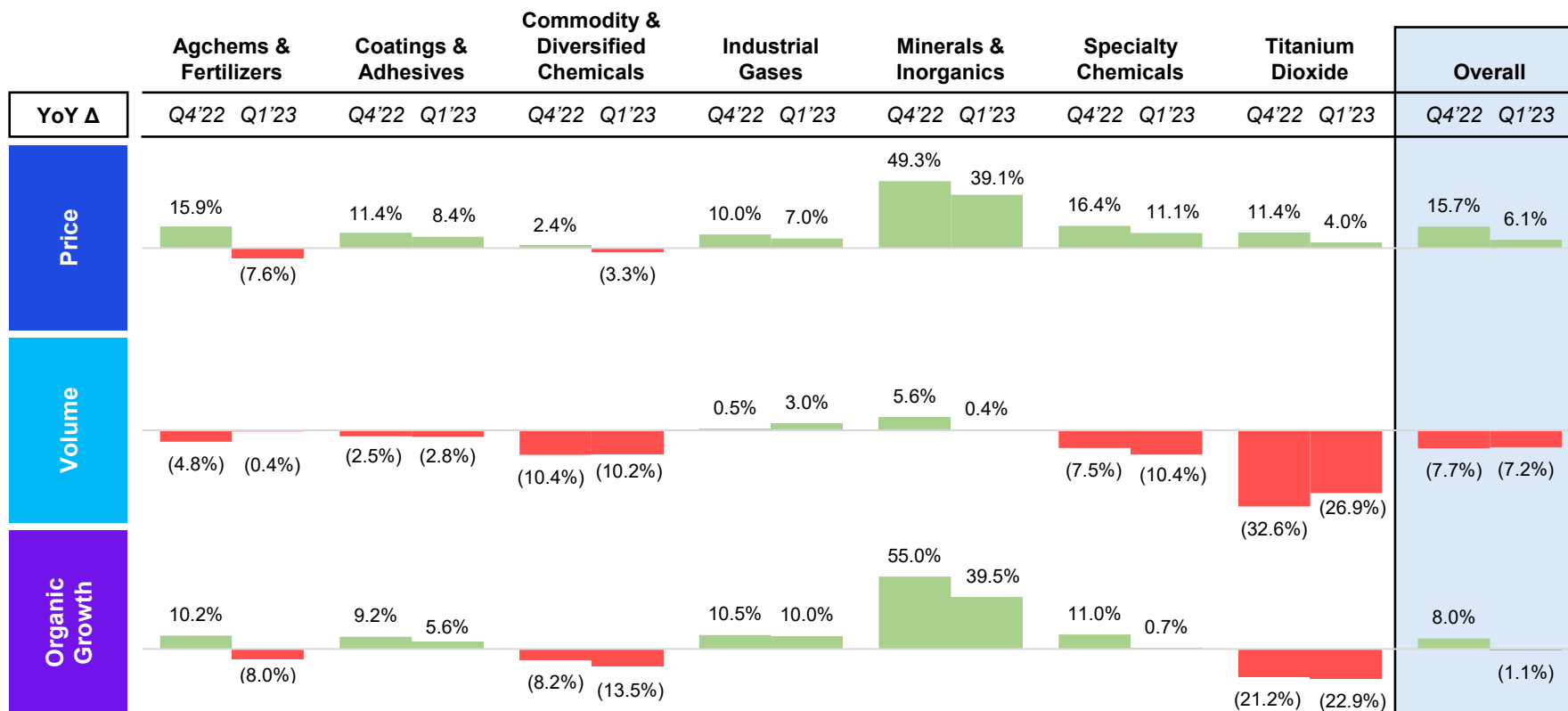


# Chemicals & Specialty Materials

## Q1 2023 Price & Volume Trends by Sub-sector

# Chemicals & Specialty Materials Q1 2023 Earnings Summary

- The 41 Chemicals & Specialty Materials companies that provide details on organic revenue growth showed a slight decline of (1.1%) in Q1 '23 vs. the year ago period
- Similar to Q4 2022, pricing actions continued to support the top-line for a majority of the sub-sectors (up 6.1% on average). Exceptions were:
  - Agchems and Fertilizers - where Fertilizer producers generally saw significant price declines while Agchem companies were able to push through price increases; and
  - Commodity & Diversified producers who experienced fairly broad price declines
- Once again, volumes (down 7.2% on average) were a concern across most of the industry



Sources: Capital IQ, Company filings



# Agchems & Fertilizers

- In Q1 2023, the Agchems & Fertilizers sub-sector experienced average organic revenue decline of (8.0%) year-over-year
- The sub-sector experienced an average decrease of (7.6%) in prices, while volumes were essentially flat year-over-year, however, the picture was more nuanced when looking at Agchems and Fertilizers separately
- In the Fertilizer space, y-o-y price declines were primarily driven by:
  - Tough comparisons given Russia's invasion of Ukraine in the year ago period and the attendant price increases in certain markets
  - The re-opening of China has also increased the global supply of fertilizers
- In contrast, Agchem companies such as Corteva and FMC have been able to get price increases in part due to farmers' push to maximize yields given elevated crop prices
  - Volumes, however, were negatively impacted by the rainy start to the U.S. spring season and unfavorable weather conditions in Latin America

*We continue to see tight grain and oilseed inventories around the world, with crop prices above historical averages. Strong demand, combined with tight supply and weather-related reductions in estimated yields drove low stocks-to-use ratios for both corn and soybeans during the '22/'23 crop year.*

*We continue to believe that global grain and oilseed markets need 2 consecutive normal crop years to stabilize global supplies, and it's too early to tell whether this year will be a year of rebuilding. We expect these trends to continue throughout the year, given current commodity prices and the fact that productivity on the farm from top ag technologies is the best way for farmers to manage their businesses.*

- Charles Victor Magro, CEO, Corteva

*Over the last year, the global nitrogen market has continued to change rapidly and in dramatic ways. At this time, in 2022, global energy prices reflected the shock and uncertainty brought on by Russia's invasion of Ukraine.*

*Today, global energy costs have moderated and global operating rates have risen. As a result, global nitrogen prices have fallen from 2022 highs. This helped lead to a first quarter of 2023 that was marked by lower than typical global buying activity.*

*Agricultural purchases in North America took a wait-and-see approach as global nitrogen values fell and weather patterns did not support an early spring.*

- Bert A. Frost, Senior VP of Sales, CF Industries

Sources: Capital IQ, Company filings



# Agchems & Fertilizers (cont'd)

Company Name	Q4 2022 (YoY)			Q1 2023 (YoY)		
	Price	Volume	Total	Price	Volume	Total
<b>CF Industries Holdings</b>	<b>13.0%</b>	<b>(10.3%)</b>	<b>2.7%</b>	<b>(28.5%)</b>	<b>(1.9%)</b>	<b>(30.4%)</b>
Ammonia	36.2%	(24.2%)	12.0%	(26.1%)	(10.3%)	(36.4%)
Granular Urea	(9.8%)	1.5%	(8.3%)	(33.8%)	20.7%	(13.1%)
Urea Ammonium Nitrate (UAN)	25.6%	(8.1%)	17.5%	(27.7%)	(9.1%)	(36.8%)
Ammonium Nitrate (AN)	27.5%	(1.9%)	25.6%	(18.4%)	(12.6%)	(31.0%)
Diesel Exhaust Fluid, Urea Liquor and Nitric Acid	(9.7%)	(15.8%)	(25.5%)	(30.3%)	(3.9%)	(34.2%)
<b>Corteva</b>	<b>12.0%</b>	<b>(1.0%)</b>	<b>11.0%</b>	<b>14.3%</b>	<b>(4.3%)</b>	<b>10.0%</b>
Seed	19.0%	(1.0%)	18.0%	17.0%	(7.0%)	10.0%
Crop Protection	7.0%	0.0%	7.0%	11.0%	(1.0%)	10.0%
<b>CVR Partners</b>			<b>12.3%</b>	<b>(8.6%)</b>	<b>9.2%</b>	<b>0.6%</b>
Ammonia	30.0%	(26.7%)	3.3%	(15.8%)	5.0%	(10.8%)
Urea Ammonium Nitrate (UAN)	31.0%	(1.5%)	29.5%	(7.9%)	11.5%	3.6%
<b>FMC Corporation</b>	<b>8.0%</b>	<b>9.0%</b>	<b>17.0%</b>	<b>7.0%</b>	<b>(3.0%)</b>	<b>4.0%</b>
<b>LSB Industries</b>	<b>32.9%</b>	<b>(6.7%)</b>	<b>26.2%</b>	<b>(18.7%)</b>	<b>6.3%</b>	<b>(12.4%)</b>
Ammonium Nitrate (AN) & Nitric Acid	31.1%	(13.4%)	17.6%	(4.8%)	(15.1%)	(19.9%)
Urea Ammonium Nitrate (UAN)	36.6%	(18.6%)	18.0%	(31.5%)	12.9%	(18.6%)
Ammonia	39.5%	12.4%	51.9%	(26.8%)	46.6%	19.8%
<b>Nutrien</b>	<b>Increase</b>	<b>Decrease</b>	<b>3.1%</b>	<b>(12.9%)</b>	<b>(3.8%)</b>	<b>(16.7%)</b>
Potash	13.0%	(14.0%)	(1.0%)	(37.5%)	(13.4%)	(50.9%)
Retail	Increase	Decrease	5.4%	Increase	Decrease	(11.4%)
Phosphate	7.7%	(25.3%)	(17.6%)	(5.9%)	(15.8%)	(21.7%)
Nitrogen	18.0%	(11.0%)	7.0%	(23.2%)	1.4%	(21.8%)
<b>The Mosaic Company</b>	<b>19.3%</b>	<b>(3.0%)</b>	<b>16.3%</b>	<b>(21.5%)</b>	<b>11.2%</b>	<b>(10.3%)</b>
Phosphates	6.8%	(11.1%)	(4.3%)	(15.9%)	10.5%	(5.4%)
Mosaic Fertilizantes	18.2%	8.7%	26.9%	(20.9%)	14.2%	(6.7%)
Potash	40.3%	(9.5%)	30.8%	(27.7%)	6.6%	(21.1%)
<b>The Scotts Miracle-Gro Company</b>	<b>10.0%</b>	<b>(17.0%)</b>	<b>(7.0%)</b>	<b>8.0%</b>	<b>(17.0%)</b>	<b>(9.0%)</b>
U.S. Consumer	13.0%	(5.0%)	8.0%	9.0%	(11.0%)	(2.0%)
Hawthorne	5.0%	(36.0%)	(31.0%)	6.0%	(60.0%)	(54.0%)
<b>Agchems &amp; Fertilizers Average</b>	<b>15.9%</b>	<b>(4.8%)</b>	<b>10.2%</b>	<b>(7.6%)</b>	<b>(0.4%)</b>	<b>(8.0%)</b>

Note: Total organic revenue growth may reflect KPMG estimates based on availability of data.

Sources: Capital IQ, Company filings



# Coatings & Adhesives

- In Q1 2023, the Coatings & Adhesives sub-sector experienced average organic revenue growth of 5.6% year-over-year
  - The sub-sector saw an average increase of 8.4% in prices, offset by volume decline of (2.8%) year-over-year
- Overall, the sub-sector saw a decline in volume across most end-markets
  - Demand from construction market (a major end-market for the coatings industry) remained soft, as new housing starts in March 2023 were 22% lower year-over-year
  - Axalta's Mobility Coatings business unit observed strong volumes driven by a recovery in light vehicle and commercial vehicle production

Company Name	Q4 2022 (YoY)			Q1 2023 (YoY)		
	Price	Volume	Total	Price	Volume	Total
<b>Axalta Coating Systems</b>	<b>11.7%</b>	<b>2.4%</b>	<b>14.1%</b>	<b>9.4%</b>	<b>2.7%</b>	<b>12.1%</b>
Performance Coatings	11.8%	(4.3%)	7.5%	10.3%	(3.4%)	6.9%
Mobility Coatings	11.5%	18.7%	30.2%	7.2%	16.5%	23.7%
<b>H.B. Fuller Company</b>	<b>11.4%</b>	<b>(5.0%)</b>	<b>6.4%</b>	<b>8.3%</b>	<b>(10.8%)</b>	<b>(2.5%)</b>
<b>PPG Industries</b>	<b>11.0%</b>	<b>(5.0%)</b>	<b>6.0%</b>	<b>8.0%</b>	<b>(3.0%)</b>	<b>5.0%</b>
Performance Coatings	9.0%	(4.0%)	5.0%	9.0%	(3.0%)	6.0%
Industrial Coatings	13.0%	(5.0%)	8.0%	7.0%	(3.0%)	4.0%
<b>The Sherwin-Williams Company</b>	<b>+Low DD%</b>	<b>Flat</b>	<b>10.3%</b>	<b>8.1%</b>	<b>0.0%</b>	<b>8.1%</b>
Paint Stores	+HSD%	+MSD%	Increase	Increase	+HSD%	14.8%
Consumer Brands	+HSD%	-HSD%		Increase	-MSD%	4.1%
Performance Coatings	+Mid-Teen%	-Low DD%		+Low-Teen%	-Low-Teen%	3.4%
<b>Coatings &amp; Adhesives Average</b>	<b>11.4%</b>	<b>(2.5%)</b>	<b>9.2%</b>	<b>8.4%</b>	<b>(2.8%)</b>	<b>5.6%</b>

*We believe that most of our end markets are uniquely positioned to grow in the current macroeconomic environment. We have demonstrated this in the last two quarters. Today, we're seeing the benefits from market normalization in auto and truck production as well as an increase in body shop activity. We believe considerable market upside still exists in the portfolio.*

- Chris Villavarayan, CEO & President, Axalta

Note: Total organic revenue growth may reflect KPMG estimates based on availability of data.

Sources: Capital IQ, Company filings



# Commodity & Diversified Chemicals

- In Q1 2023, the Commodity & Diversified Chemicals sub-sector experienced average organic revenue decline of (13.5%) year-over-year
  - The sub-sector reported an average decrease of (3.3%) in prices and an average decline of (10.2%) in volumes year-over-year
- This (10.2%) volume decline was primarily driven by weakness in most major end markets (e.g. building & construction, consumer durables etc.)
- On the pricing front, with some exceptions (e.g. the carbon black producers Cabot and Orion and parts of Eastman) prices were generally down across the space
  - Prices for Eastman fibers increased due to higher contracted selling prices to recover spreads and higher operating costs

*While the pace of inflation has slowed, elevated levels continue to pressure both input costs and demand, particularly in industrials, durable goods and housing. On the bright side, demand in agriculture and energy markets remains resilient as does consumer demand for personal care and household items. Residential building and construction markets remain under pressure, with housing starts and building permits down around 20% year-over-year in March.*

*In the Performance Materials & Coatings segment, while demand for consumer electronics and industrial end markets is softening, we're seeing a seasonal increase in demand for coating applications as well as improvement in mobility.*

- Howard I. Ungerleider, President & CFO, Dow Inc.

# Commodity & Diversified Chemicals (cont'd)

Company Name	Q4 2022 (YoY)			Q1 2023 (YoY)		
	Price	Volume	Total	Price	Volume	Total
<b>AdvanSix</b>	6.0%	(15.0%)	(9.0%)	(10.0%)	(9.0%)	(19.0%)
<b>Cabot Corporation</b>	18.3%	(4.3%)	13.9%	4.7%	(5.9%)	(1.2%)
Performance Chemicals	5.2%	(4.2%)	1.0%	0.0%	(6.3%)	(6.3%)
Reinforcement Materials	28.6%	(5.0%)	23.6%	14.2%	(6.3%)	7.9%
<b>Celanese Corporation</b>	(4.5%)	(6.5%)	(11.0%)	(8.0%)	(8.6%)	(16.6%)
Engineered Materials	17.0%	6.1%	23.1%	2.0%	(7.7%)	(5.7%)
Acetyl Chain	(14.0%)	(12.0%)	(26.0%)	(13.0%)	(9.0%)	(22.0%)
<b>Dow</b>	(5.0%)	(8.0%)	(13.0%)	(10.0%)	(11.0%)	(21.0%)
Performance Materials & Coatings	(2.0%)	(13.0%)	(15.0%)	(12.0%)	(11.0%)	(23.0%)
Packaging & Specialty Plastics	(9.0%)	(4.0%)	(13.0%)	(11.0%)	(8.0%)	(19.0%)
Industrial Intermediates & Infrastructure	(1.0%)	(14.0%)	(15.0%)	(6.0%)	(17.0%)	(23.0%)
<b>Eastman Chemical Company</b>	10.0%	(12.0%)	(2.0%)	5.8%	(9.5%)	(3.7%)
Advanced Materials	11.0%	(12.0%)	(1.0%)	10.0%	(6.0%)	4.0%
Additives & Functional Products	12.0%	(9.0%)	3.0%	4.0%	(15.0%)	(11.0%)
Chemical Intermediates	5.0%	(25.0%)	(20.0%)	(5.0%)	(12.0%)	(17.0%)
Fibers	26.0%	8.0%	34.0%	40.0%	3.0%	43.0%
<b>Huntsman Corporation</b>	7.2%	(24.9%)	(17.7%)	(0.3%)	(23.3%)	(23.6%)
Polyurethanes	5.0%	(22.0%)	(17.0%)	(2.0%)	(21.0%)	(23.0%)
Performance Products	10.0%	(32.0%)	(22.0%)	0.0%	(31.0%)	(31.0%)
Advanced Materials	13.0%	(28.0%)	(15.0%)	6.0%	(21.0%)	(15.0%)
<b>Methanex Corporation</b>	(16.2%)	(5.6%)	(21.8%)	(12.7%)	1.7%	(11.0%)
<b>Olin Corporation</b>	13.0%		(18.7%)		Decrease	
Chlor Alkali Products and Vinyls	23.3%	(29.0%)	(5.7%)	Increase	(12.0%)	Decrease
Epoxy	(3.1%)	(36.0%)	(39.1%)	Decrease	Decrease	Decrease
Winchester	Increase		(18.1%)		Decrease	(14.1%)
<b>Orion Engineered Carbons</b>	Increase	(3.6%)	17.7%	12.8%	(7.8%)	5.0%
Rubber Carbon Black	Increase	3.1%	28.8%	14.1%	(3.8%)	10.3%
Specialty	Increase	(21.9%)	(0.9%)	10.4%	(19.2%)	(8.8%)
<b>Trinseo</b>	(2.0%)	(21.0%)	(23.0%)	(7.0%)	(20.0%)	(27.0%)
<b>Westlake Corporation</b>	(2.7%)	(3.3%)	(6.0%)	(8.2%)	(9.1%)	(17.3%)
Performance and Essential Materials	(8.7%)	4.7%	(4.0%)	(12.9%)	(4.2%)	(17.1%)
Housing and Infrastructure Products	11.6%	(21.9%)	(10.3%)	2.8%	(20.6%)	(17.8%)
<b>Commodity &amp; Diversified Chemicals Average</b>	2.4%	(10.4%)	(8.2%)	(3.3%)	(10.2%)	(13.5%)

Note: Total organic revenue growth may reflect KPMG estimates based on availability of data.

Sources: Capital IQ, Company filings



# Industrial Gases

- In Q1 2023, the Industrial Gases sub-sector experienced average organic growth of 10.0% year-over-year
  - The sub-sector saw an average increase of 7.0% in prices and 3.0% in volumes year-over-year
- Elevated inflationary levels across most countries continued to drive higher pricing
- Sales volumes were up slightly year-over-year as a result of steady manufacturing activity
  - This was further substantiated by the March 2023 U.S. Industrial Production Index which showed a marginal 0.5% increase year-over-year

Company Name	Q4 2022 (YoY)			Q1 2023 (YoY)		
	Price	Volume	Total	Price	Volume	Total
Air Products and Chemicals	10.0%	2.0%	12.0%	7.0%	6.0%	13.0%
Linde	10.0%	(1.0%)	9.0%	7.0%	0.0%	7.0%
Industrial Gases Average	10.0%	0.5%	10.5%	7.0%	3.0%	10.0%

*We are pleased with the improvement in the economy that we see in China. After the Lunar New Year, the Chinese economy gained strength, and we are seeing the benefit of that.*

*In Europe, the volumes remain flat and maybe a little bit down. But obviously, we are compensating that with the pricing action related to energy costs. And in the U.S., it's just flat. They are not gaining significant amount of volumes, the economy is not growing that much, but at the same time, we are not going into a recession.*

- Seifollah Ghasemi, President & CEO, Air Products and Chemicals

Note: Total organic revenue growth may reflect KPMG estimates based on availability of data.

Sources: Capital IQ, Company filings





# Minerals & Inorganics

- In Q1 2023, the Minerals & Inorganics sub-sector experienced average organic growth of 39.5% year-over-year
  - The sub-sector saw an average increase of 39.1% in prices, while volumes were essentially flat year-over-year, increasing 0.4%
- Various factors were at play across the sub-sector
  - The lithium market continued to expand at a rapid rate, driving significant volume and price growth for Albemarle's business
  - Supply in the Permian Frac Sand market remained tight, driving strong growth for US Silica
  - Sisecam's soda ash business enjoyed strong demand from solar photovoltaic and electric vehicles end-markets offset by lower demand from glass manufacturers (given a slowdown in construction)
  - Compass Minerals was able to get price increases in both BUs although volumes declined in the Salt BU due to mild winter weather and for Plant Nutrition, a combination of recent drought conditions in California and grower expectations of lower future prices for fertilizers

Company Name	Q4 2022 (YoY)			Q1 2023 (YoY)		
	Price	Volume	Total	Price	Volume	Total
<b>Albemarle Corporation<sup>(1)</sup></b>	<b>153.6%</b>	<b>39.2%</b>	<b>193.1%</b>	<b>129.6%</b>	<b>(0.9%)</b>	<b>128.7%</b>
Energy Storage	328.0%	82.0%	410.0%	301.0%	18.0%	319.0%
Specialties	9.0%	1.0%	10.0%	9.0%	(15.0%)	(6.0%)
Ketjen	10.0%	8.0%	18.0%	12.0%	(12.0%)	0.0%
<b>Compass Minerals International</b>	<b>15.1%</b>	<b>(5.9%)</b>	<b>9.2%</b>	<b>11.1%</b>	<b>(17.5%)</b>	<b>(6.4%)</b>
Plant Nutrition	40.0%	(45.8%)	(5.8%)	8.2%	(18.9%)	(10.7%)
Salt	9.9%	2.4%	12.3%	11.6%	(17.4%)	(5.8%)
<b>Minerals Technologies</b>	<b>13.2%</b>	<b>(0.4%)</b>	<b>12.7%</b>	<b>9.3%</b>	<b>(1.3%)</b>	<b>8.0%</b>
<b>Sisecam Resources</b>	<b>33.1%</b>	<b>(15.0%)</b>	<b>18.1%</b>	<b>24.1%</b>	<b>2.1%</b>	<b>26.2%</b>
<b>U.S. Silica Holdings</b>	<b>31.7%</b>	<b>10.2%</b>	<b>41.9%</b>	<b>21.4%</b>	<b>19.4%</b>	<b>40.8%</b>
Oil & Gas Proppants	49.8%	15.2%	65.1%	32.8%	28.1%	60.9%
Industrial & Specialty Products	15.2%	(4.3%)	10.9%	17.2%	(5.7%)	11.5%
<b>Minerals &amp; Inorganics Average</b>	<b>49.3%</b>	<b>5.6%</b>	<b>55.0%</b>	<b>39.1%</b>	<b>0.4%</b>	<b>39.5%</b>

(1) Effective January 1, 2023, Albemarle Corporation realigned its Lithium and Bromine segments into the Energy Storage and Specialties segments

Note: Total organic revenue growth may reflect KPMG estimates based on availability of data.

Sources: Capital IQ, Company filings



# Specialty Chemicals

- In Q1 2023, the Specialty Chemicals sub-sector experienced average organic growth of 0.7% year-over-year
  - The sub-sector saw prices increase on average by 11.1% while volumes declined by (10.4%) year-over-year
- The double-digit price increases were largely driven by the pass-through of rising input costs
- Volumes declined across the board and looked worse than the declines in Q4 '22 as demand softness in key markets such as electronics and construction outweighed recovery in some other sectors (e.g. automotive)
- Majority of the players cited macro-economic factors for the decline in volume
  - Lockdown and re-opening of China due to COVID-related restrictions did not help volumes
  - Customer destocking across end-markets slowed in Q1 2023, but continued to cloud visibility of underlying consumer demand

Company Name	Q4 2022 (YoY)			Q1 2023 (YoY)		
	Price	Volume	Total	Price	Volume	Total
<b>Ashland</b>	12.1%	(4.9%)	7.2%	12.3%	(10.1%)	2.2%
<b>DuPont de Nemours</b>	7.0%	(2.0%)	5.0%	4.0%	(7.0%)	(3.0%)
Electronics & Industrial	3.0%	(5.0%)	(2.0%)	2.0%	(15.0%)	(13.0%)
Water & Protection		12.0%	12.0%	6.0%	(2.0%)	4.0%
<b>Ecolab</b>	13.0%	(1.0%)	12.0%	13.0%	(1.0%)	12.0%
<b>Ecovyst</b>	18.3%	(10.3%)	8.0%	6.7%	(16.7%)	(10.0%)
Ecoservices	22.4%	(9.9%)	12.5%	6.6%	(17.1%)	(10.5%)
Catalyst Technologies	(2.8%)	(12.4%)	(15.2%)	7.4%	(14.0%)	(6.6%)
<b>Innospec</b>			23.6%	11.1%	(12.7%)	(1.6%)
Performance Chemicals	18.0%	(5.0%)	13.0%	6.0%	(13.0%)	(7.0%)
Fuel Specialties	25.0%	(14.0%)	11.0%	22.0%	(20.0%)	2.0%
<b>Quaker Chemical Corporation</b>	24.0%	(10.0%)	14.0%	19.0%	(11.0%)	8.0%
<b>Stepan Company</b>	24.0%	(17.0%)	7.0%	12.0%	(14.0%)	(2.0%)
Polymers	14.0%	(23.0%)	(9.0%)	8.0%	(18.0%)	(10.0%)
Surfactants	26.0%	(15.0%)	11.0%	14.0%	(13.0%)	1.0%
Specialty Products		(6.0%)		19.8%	(7.0%)	12.8%
<b>Specialty Chemicals Average</b>	16.4%	(7.5%)	11.0%	11.1%	(10.4%)	0.7%

Note: Total organic revenue growth may reflect KPMG estimates based on availability of data.

Sources: Capital IQ, Company filings



# Titanium Dioxide

- The TiO2 sector continued to experience tough market conditions
- In Q1 2023, the sub-sector experienced an average organic sales decline of (22.9%) year-over-year
  - Prices increased 4.0% while volumes declined by (26.9%) year-over-year
- TiO2 prices were increased in response to rising input costs
  - While energy prices in Europe cooled down in Q1 2023, the region currently still has the highest input costs in the world
- Venator Materials, a UK-based TiO2 manufacturer, filed for bankruptcy due to the headwinds from unprecedented input costs and ongoing demand weakness
- On a positive note, TiO2 volumes showed a slight uptick on a sequential basis and some industry participants are optimistic that demand has turned a corner

Company Name	Q4 2022 (YoY)			Q1 2023 (YoY)		
	Price	Volume	Total	Price	Volume	Total
<b>The Chemours Company</b>	10.0%	(19.0%)	(9.0%)	5.5%	(17.5%)	(12.0%)
Titanium Technologies	7.0%	(35.0%)	(28.0%)	4.0%	(35.0%)	(31.0%)
Thermal & Specialized Solutions	6.0%	4.0%	10.0%	5.0%	10.0%	15.0%
Advanced Performance Materials	17.0%	(1.0%)	16.0%	10.0%	(7.0%)	3.0%
<b>Kronos Worldwide</b>	15.0%	(40.0%)	(25.0%)	4.0%	(29.0%)	(25.0%)
<b>Tronox Holdings</b>	8.0%	(32.7%)	(24.7%)	3.5%	(28.8%)	(25.3%)
TiO2	7.0%	(34.0%)	(27.0%)	3.0%	(30.0%)	(27.0%)
Zircon	20.0%	(44.0%)	(24.0%)	10.0%	(43.0%)	(33.0%)
<b>Venator Materials</b>	12.6%	(38.7%)	(26.1%)	3.2%	(32.2%)	(29.0%)
Titanium Dioxide	8.0%	(44.0%)	(36.0%)	0.0%	(34.0%)	(34.0%)
Performance Additives	27.0%	(22.0%)	5.0%	14.0%	(26.0%)	(12.0%)
<b>Titanium Dioxide Average</b>	11.4%	(32.6%)	(21.2%)	4.0%	(26.9%)	(22.9%)

... I think our expectation is we'll continue to see a gradual recovery in TiO2 volumes throughout the year and sequentially going from Q1 to Q2, double-digit volume growth.

- Mark E. Newman CEO, President & Director, The Chemours Company

Note: Total organic revenue growth may reflect KPMG estimates based on availability of data.

Sources: Capital IQ, Company filings

# Summary

---

- The Chemicals & Specialty Materials industry continued to experience strong headwinds that pushed year-over-year organic sales growth in Q1 2023 to (1.1%) compared to 8.0% growth year-over-year in Q4 2022
- Declining consumer demand, stubborn inflation, increasing risk of recession in key markets and continued economic uncertainty all played a role in impacting organic sales across the industry
  - In addition, customers working their way through excess inventory/destocking remained an issue during the quarter
- While price increases continued to support the majority of the industry, the rate of increase in prices slowed from the prior quarter. Volumes however, continued to show a negative trend (with some exceptions)
- On a positive note, some industry participants suggest that destocking has largely run its course, except for certain end-markets where it is expected to continue for a few more months
- **While there are some positive signs, we believe the broad macro-economic challenges continue to cast uncertainty on the near-term growth of the Chemicals & Specialty Materials industry**



## Important notice

The information contained in this newsletter is of a general nature and is not intended to address the circumstances of any particular individual or entity including their investment objectives or financial needs. In preparing this newsletter, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act or rely on the information in this newsletter without appropriate professional advice after a thorough examination of the particular situation. The information contained in this newsletter does not constitute a recommendation, offer, or solicitation to buy, sell or hold any security of any issuer. Past performance does not guarantee future results.

©2023 KPMG Corporate Finance LLC, a Delaware limited liability company. Member FINRA/SIPC. KPMG Corporate Finance LLC is a subsidiary of KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Corporate Finance LLC is not engaged in the practice of public accountancy. All rights reserved.