

Private Equity Trends in Chemical Manufacturing

We analyzed [25 years of investment data](#) from our [M&A Research Database](#) to create a unique industry summary for Chemical Manufacturing.

Overview

The Chemical Manufacturing industry, pivotal for sectors like pharmaceuticals, automotive, electronics, and agriculture, involves transforming raw materials into high-demand, specialized chemicals. Growth in this industry is driven by innovations in materials science, increasing demand for sustainable and eco-friendly products, and the sector's critical role in global supply chains.

For M&A professionals, consolidation within the industry presents opportunities to streamline production, enhance economies of scale, and access new technology and specialized products that cater to shifting market demands. Companies in the sector frequently seek acquisitions to achieve vertical integration, securing raw material sources, optimizing manufacturing processes, and expanding product portfolios. Additionally, regulatory trends, particularly around environmental standards, push companies to acquire capabilities that improve compliance, lower carbon footprints, and appeal to increasingly eco-conscious markets. The industry's essential role in numerous end markets makes it a dynamic area for strategic acquisitions, with deals often motivated by access to technology, specialized expertise, and geographic expansion.

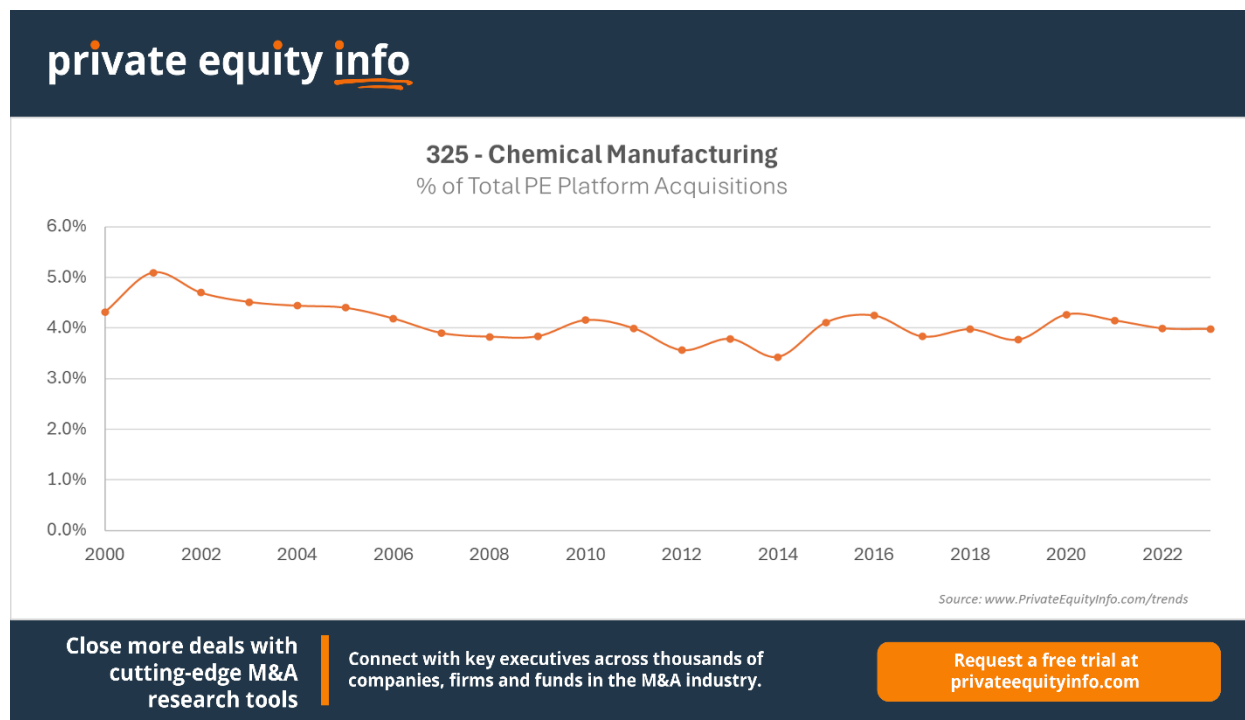
Sub-Sectors

NAICS Code	Industry Description
325	Chemical Manufacturing
32511	Petrochemical Manufacturing
32518	Inorganic Chemical Manufacturing
32519	Organic Chemical Manufacturing
325194	Cyclic Crude, Intermediate, and Gum and Wood Chemical Manufacturing
3253	Pesticide, Fertilizer, and Other Agricultural Chemical Manufacturing
32599	Chemical Product and Preparation Manufacturing
325992	Photographic Film, Paper, Plate, and Chemical Manufacturing

Historical PE Investments in Chemical Manufacturing

Private equity investments in the chemical manufacturing sector have remained stable over time, with a slight downward trend. From 2000 to 2022, the percentage of total private equity (PE) platform acquisitions in this sector has generally declined from approximately 5% of all PE platform acquisitions in 2000 to a steady state of approximately 4.0% in recent years.

Despite the overall decline in percentage terms, the absolute PE deal volume in the sector remained robust when accounting for the overall growth in private equity over time, indicating a sustained interest in large-scale acquisitions and consolidation efforts.



Market Summary (2001 – 2024)

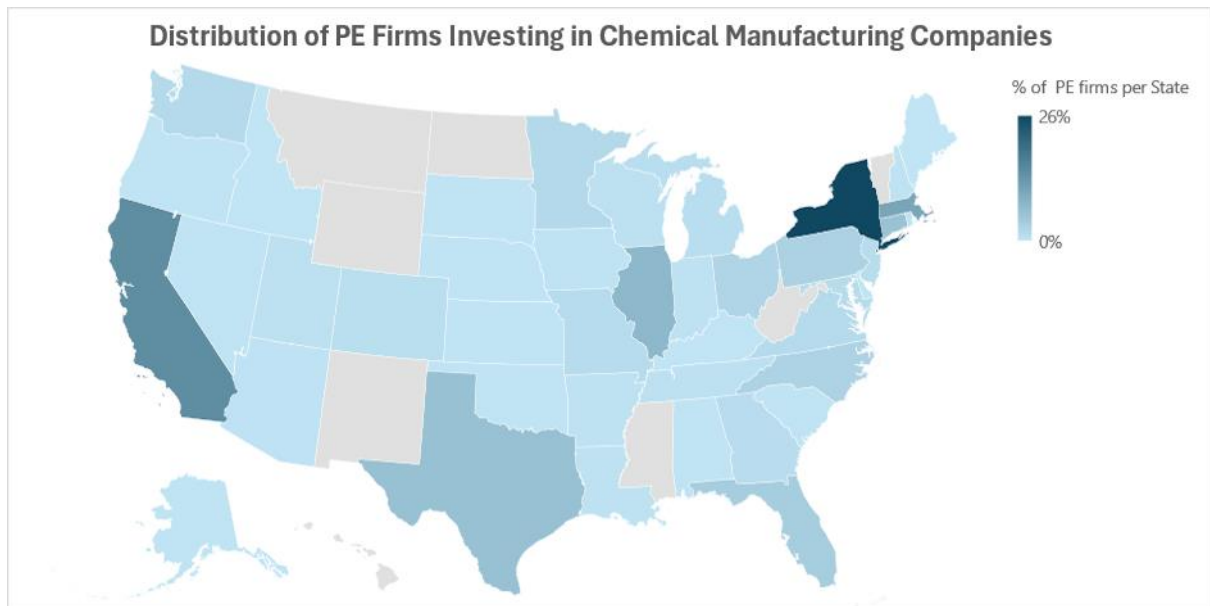
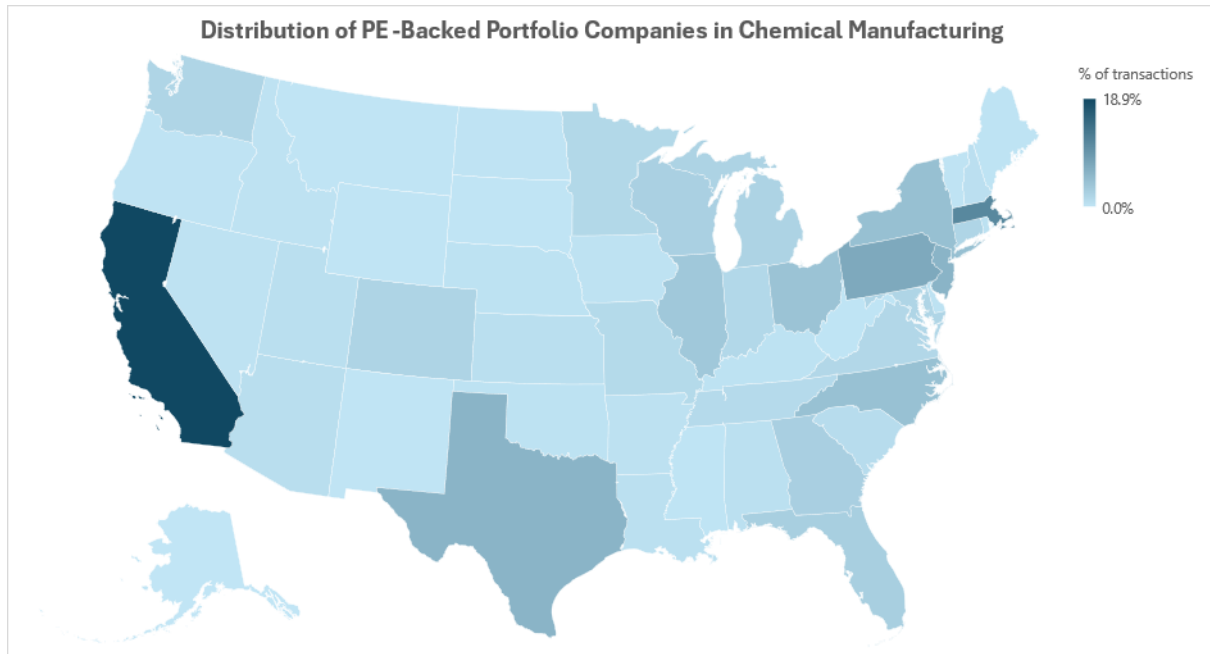
- 7,300 - Platform Investments
- 2,943 - Add-on Investments
- 1,893 - Total unique private equity firms invested

Top 5 Private Equity Firms Invested in Chemical Manufacturing

Measured by the number of deals in the industry

1. [OrbiMed Advisors](#) (New York, NY)
2. [Foresite Capital](#) (Larkspur, CA)
3. [Vivo Capital](#) (Palo Alto, CA)
4. [Aisling Capital](#) (New York, NY)
5. [Polaris Partners](#) (Boston, MA)

Geographical Distribution



Sample of Recent Private Equity Investments

June 2024

[Incline Equity Partners](#) announced its partnership with [W.S. Connelly](#) (Richmond, VA).

W.S. Connelly is a value-added distributor of consumable agronomics products for lawn and landscape, erosion control and golf applications. WSC supplies plant protection, seeds, fertilizers and erosion control solutions.

June 2024

[Aterian Investment Partners](#) acquired [Contract Pharmaceuticals Limited](#) (Ontario, Canada).

Contract Pharmaceuticals Limited is a Contract Development and Manufacturing Organization (CDMO) that provides development, manufacturing, packaging, and testing of non-sterile liquid and semi-solid pharmaceutical prescription and regulated OTC products.

September 2023

[Brightstar Capital Partners](#) completed the acquisition of [Douglas Products](#) (Liberty, MO).

Douglas Products is a Manufacturer and distributor of specialty chemical products for pest management, thermal fluids, and sanitary sewer applications. Its brands are ProFume and Vi-kane.

April 2023

[TPG](#) acquired [Ohmium](#) (Fremont, CA).

Ohmium International is a green hydrogen company that designs, Manufactures, and deploys advanced proton exchange membrane (PEM) electrolyzer systems.

February 2023

[One Equity Partners](#) recapitalized [Imperative Chemical Partners](#) (Midland, TX).

Imperative Chemical Partners is a specialty chemicals business that provides a wide range of custom chemical formulation, Manufacturing, and technical services.