



PRESENTATION TO



China Petroleum and Chemical International Conference *Chemical Market Financing Backdrop*

中国国际石油化工大会
化工市场融资背景

September 19, 2019

CIBC's Global Value Add CIBC全球价值

- CIBC has an extensive history of working with Canadian companies to develop business opportunities in Asia, and with Asian companies reaching to Canada for acquisition opportunities and raising equity capital

CIBC在与加拿大公司共同在亚洲开发商业机会、与亚洲公司接触加拿大的收购机会并筹集股权资本方面拥有广泛合作历史

- CIBC has had a significant presence in Asia for over 40 years and is a long term trusted partner to many Asian based clients

CIBC在亚洲已有40多年的历史，是许多亚洲客户长期信赖的合作伙伴

- Presence in Greater China for almost four decades
在大中华区已有近四十年的历史

Comprehensive Asian Network 亚洲网络



How We Serve Our Asian Corporate Clients

如何服务亚洲企业客户

Advisory Services

咨询服务

Trading & Capital Markets

交易&资本市场

Debt Capital Markets

债券资本市场

Trade Finance

贸易融资

Money Markets

货币市场

Corporate Banking

企业银行

Research

调查

Retail Services

零售服务

- CIBC was established in 1867 and is one of the leading financial institutions in Canada
创建于1867年，是加拿大领先的金融机构之一
- Headquartered in Toronto, Ontario, Canada, CIBC is listed on the Toronto Stock Exchange under TSX:CM
总部位于加拿大安大略多伦多。在多伦多证券交易所以TSX:CM上市

Industry Expertise 行业专长

Diversified Industries
多元化产业

Energy
能源

Financial Institutions
金融机构

Financial Sponsors
金融赞助

Mining
矿业

Power & Utilities
电力&市政

Project Finance &
Infrastructure
项目融资&基础设施

Real Estate
房地产

Technology, Media &
Telecommunications
技术、媒体&电信



Products & Services 产品与服务

Investment Banking 投资银行业务

- Debt capital markets 债券资本市场
- Equity capital markets 证券资本市场
- Mergers and acquisitions 兼并与收购

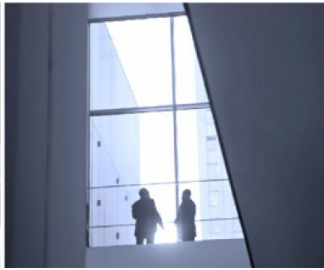
Capital Markets 资本市场

- Commodities 大宗商品
- Derivatives 衍生金融产品
- Electronic execution 电子执行
- Equities 股票
- Fixed income 固定收益
- Foreign exchange 外汇
- Growth markets 成长型市场
- Money market 货币市场
- Prime brokerage 主要经济业务
- Research 调查
- Securitization 资产证券化
- Structured notes 结构性票据
- Tailored products 针对性产品
- Trading & hedging solutions 交易&对冲

Corporate Banking 企业银行

- Corporate cash management
企业现金管理
- Corporate lending &
syndicated loans
企业贷款和银团贷款
- Global banks 全球性银行





Capital Markets 资本市场

- Top ranked M&A practice in Canada
加拿大顶级并购机构
- Leading Global Fertilizer, Chemicals and Agriculture Practice
具有全球领先的化肥、化工和农业实践经验
- Leader in Canadian Equity Trading - #1 in volume, value and number of trades
加拿大股票交易的领导者：在数量、价值和交易量上均是第一

Wealth Management 财富管理

- Over \$315 billion in assets
超过3150亿美元资产
- ~1,550 private bankers, investment advisors, trust managers, wealth advisors and investment counselors
约1550名私人银行家、投资顾问、信托经理、财富顾问及投资顾问

Retail and Business Banking 零售及商业银行

- Over 1,100 branches across Canada
在加拿大有超过1100个分支机构
- \$366 billion of deposits
超过3660亿美元存款
- \$291 billion of loans and acceptances
超过2910亿美元的贷款和承兑汇票

11 Million Individual, Commercial, Corporate and Institutional Clients in Canada and Around the World

在加拿大和世界各地有1100万个人、商业、公司和机构客户

CIBC's Investment Banking Coverage of Asian Companies CIBC投资银行覆盖的亚洲公司

- Investment banking coverage of Asian clients is led by a senior member of CIBC's Global Executive Team located in Hong Kong

负责亚洲客户投资银行业务的是CIBC驻香港全球执行团队的一名高级成员





 <p>WANDA SPORTS</p> <p>Initial Public Offering of Common Shares</p> <p>US\$190 Million</p> <p><i>CIBC Capital Markets acted as Co-manager to Wanda Sports</i></p> <p>July 2019</p>	 <p>LNG entered into a binding subscription agreement for a Share Placement to</p> <p>IDG Capital</p> <p>A\$28 Million</p> <p><i>CIBC Capital Markets acted as Exclusive Financial Advisor to LNG Limited</i></p> <p>June 2018</p>	 <p>Has sold Veladero mine to</p>  <p>US\$960 Million</p> <p><i>CIBC Capital Markets acted as Financial Advisor to Barrick Gold Corp.</i></p> <p>August 2017</p>	 <p>Alinda Capital has offered to sell Reliance to CKP</p>  <p>C\$2.8 Billion</p> <p><i>CIBC Capital Markets acted as Co-Advisor to Alinda Capital</i></p> <p>July 2017</p>	 <p>MIE Holdings Corporation</p> <p>Has entered into an agreement to</p>  <p>C\$722 Million</p> <p><i>CIBC Capital Markets is acting as Financial Advisor to MIE</i></p> <p>June 2017</p>
 <p>Has acquired</p>  <p>C\$2.1 Billion</p> <p><i>CIBC Capital Markets acted as Executive Financial Advisor to InnVest Real Estate Investment Trust</i></p> <p>August 2016</p>	 <p>Have acquired a 65% interest in a portfolio of oil pipeline and terminal assets from</p>  <p>C\$2.8 Billion</p> <p><i>CIBC Capital Markets acted as Exclusive Financial Advisor to CKI and PAH</i></p> <p>April 2016</p>	 <p>Acquisition term loan, development facilities and working capital facilities totaling</p>  <p>C\$2.8 Billion</p> <p><i>CIBC Capital Markets acted as Exclusive Financial Advisor to CKI and PAH</i></p> <p>April 2016</p>	<p>CEF Holdings</p> <p>Has acquired</p>  <p>US\$60 Million</p> <p><i>CIBC Capital Markets acted as Exclusive Financial Advisor to CEF</i></p> <p>June 2016</p>	 <p>Has sold its Ekati mine to</p>  <p>HARRY WINSTON</p> <p>US\$500 Million</p> <p><i>CIBC World Markets acted as Exclusive Financial Advisor to BHP Billiton</i></p> <p>April 2013</p>










CIBC has a Leading Chemicals Investment Banking Team CIBC拥有领先的化工投资银行团队





M&A Credentials 并购交易凭证

 Superior Plus has agreed to acquire the retail propane business of  in a transaction valued at approximately C\$1.1 billion Financial Advisor to Superior Plus July 2018	 GFL has agreed to be recapitalized by BC Partners  in a transaction valued at approximately C\$5.1 billion Financial Advisor to GFL May 2018	 Agrium has agreed to combine with  in a merger of equals valued at approximately US\$36.0 billion Financial Advisor to Agrium January 2018	 Superior Plus has agreed to acquire  in a transaction valued at approximately C\$412 million Financial Advisor to Superior Plus September 2017
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Financing Credentials 融资凭证

 CHEMTRADE Convertible Debentures Offering C\$100 million Co-Manager September 2019	 Superior Plus Two Senior Notes Private Placement C\$150 million and US\$350 million Joint Bookrunner July 2018	 Superior Plus Subscription Receipts Offering C\$400 million Joint Bookrunner June 2018	 CHEMTRADE Convertible Debentures Offering C\$175 million Co-Manager May 2017
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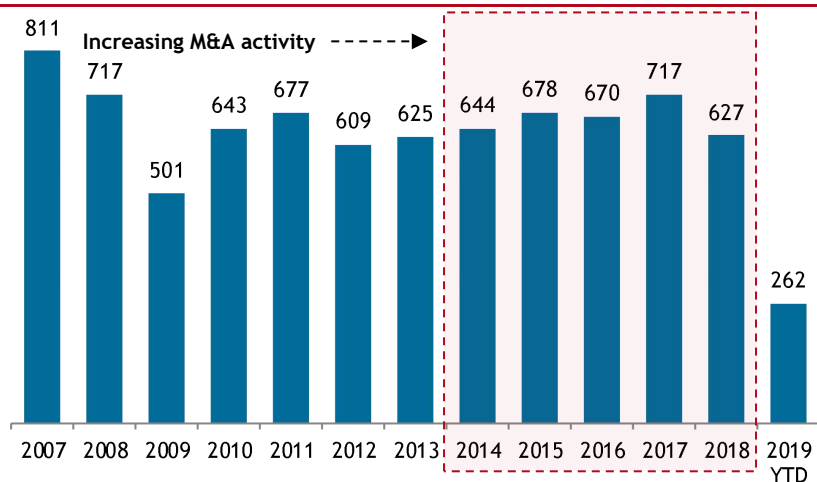
 Nutreco has agreed to acquire  from  Undisclosed Financial Advisor to Hi-Pro Feeds June 2016	 CHEMTRADE has agreed to acquire  in a transaction valued at approximately C\$895 million Financial Advisor to Canexus March 2017	 canexus has agreed to sell its crude-by-rail trans-loading facility to  in a transaction valued at approximately C\$75 million Financial Advisor to Canexus September 2015	 Saskferco has been acquired by  in a transaction valued at approximately C\$1.6 billion Financial Advisor to Saskferco September 2008
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 PotashCorp Senior Notes Offering US\$500 million Co-Manager December 2016	 canexus Senior Notes Private Placement C\$110 million Lead Bookrunner September 2016	 Agrium Two Senior Notes Offering US\$550 million and US\$450 million Joint Bookrunner March 2015	 canexus Convertible Debentures Offering C\$86 million Lead Bookrunner June 2014
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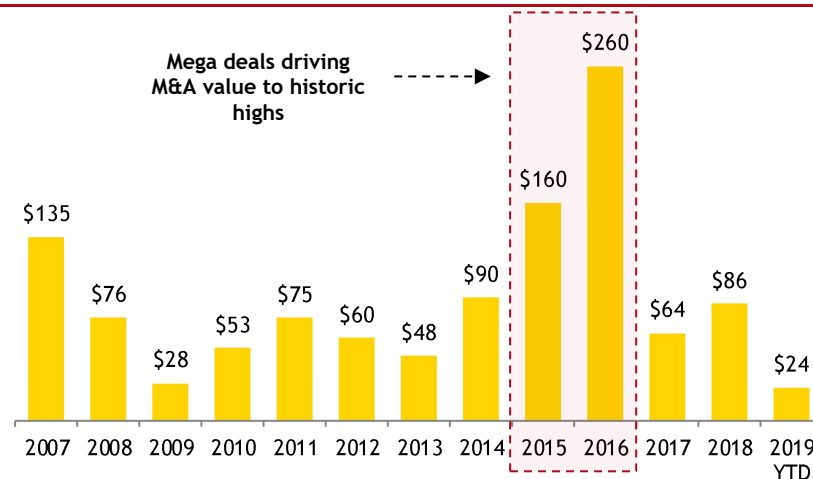


- The M&A market has been robust with an increase in M&A volumes since 2013 and peak M&A values in 2015 and 2016 led by numerous mega deals
 并购市场表现强劲。自2013年以来并购交易额不断增长，2015年和2016年并购交易数量众多，并购交易额达到最高值
 - Despite volatile equity markets in 2019, chemical valuations continue to remain strong due to the limited availability of high-quality acquisition opportunities
 尽管2019年股票市场动荡，但由于高质量收购机会有限，化学品的估值仍保持强劲
- Multiples remain attractive for M&A transactions, however the market segment is important
 对并购交易而言，交易倍数仍具有吸引力，但细分市场很重要
- Trading multiples have trended upwards as private equity firms have benefited from the attractive leveraged finance market backdrop and strategics have benefitted from strong public market valuations
 随着私人股本公司受益于颇具吸引力的杠杆融资市场，以及战略投资者受益于强劲的公开市场估值，交易倍数已呈上升趋势

Chemical M&A by Deal Count¹
 化工行业并购（按交易量）



Chemical M&A by Value¹ (in \$ billions)
 化工行业并购（按价值，美元）



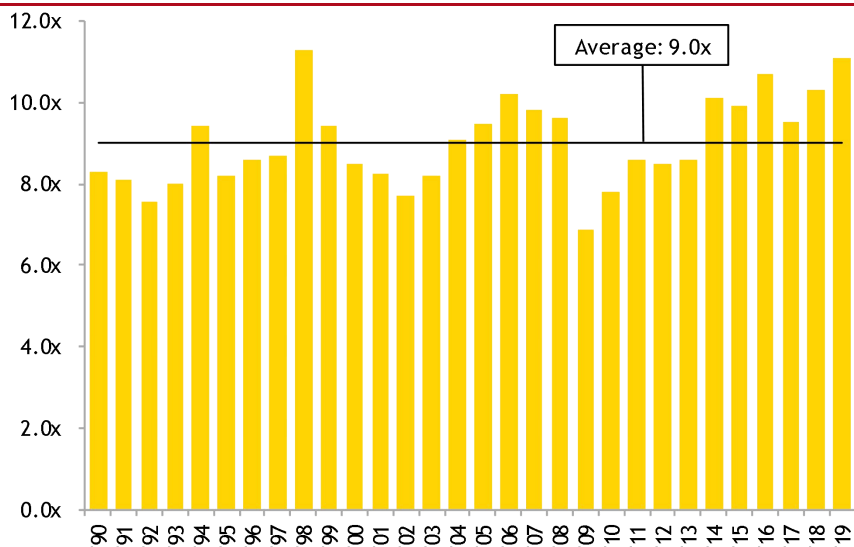
Source: Bloomberg and Industry Research.

¹ Includes completed transactions. M&A value and deal count based on transaction announcement. Chemicals include agriculture, diversified, fibers, plastics, specialty and other.

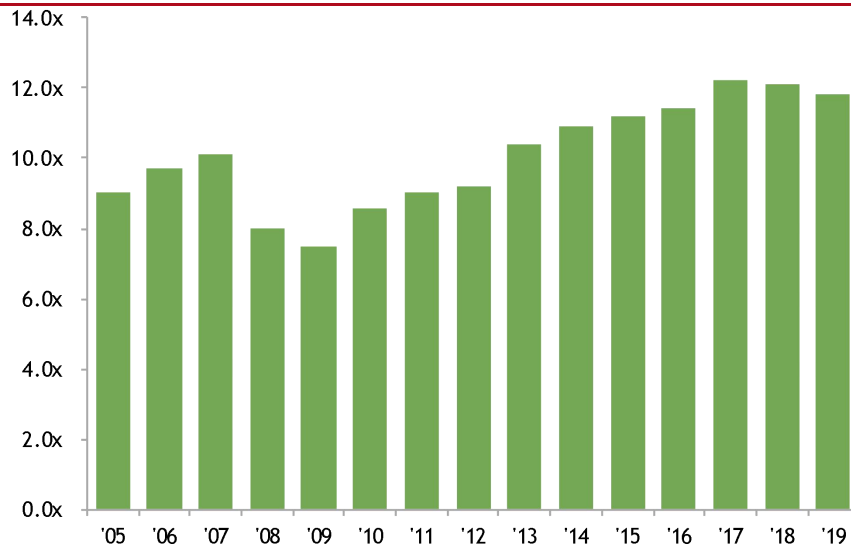


- Strategic and financial investors are making acquisitions in chemical companies irrespective of short-term market fluctuations
 无论短期市场波动如何，战略和金融投资者都在收购化工企业
 - Transaction multiples remain above the historical average as companies continue to focus on growth through acquisition
 由于企业继续专注于通过收购实现增长，交易倍数仍高于历史平均水平
- There has been a divergence in trading multiples over recent years as investors shift towards high tier specialty companies
 近年来，随着投资者转向高水平的专业公司，交易倍数出现了分化
 - Diversified and more commodity chemicals trade at only 50% of more focused specialty peers
 多样化和更多的商品化学品交易通过50%或更多的专业同行进行
 - This shift is driven by specialty peers' less cyclical profitability, higher margins, higher growth rates and better overall positioning because of consolidation and barriers to entry
 这种转变是由专业同行推动的，它们的周期性盈利能力较弱，利润率较高，增长率较高，由于整合和进入壁垒，它们的整体定位也更好

Chemical Company Average Transaction¹ (EV / EBITDA)



Chemical Company Trading Multiples² (EV / EBITDA)



Source: Bloomberg and Industry Research.

¹ Disclosed transactions > C\$200 million. 2019 includes January - April 2019.

² The Valence Group Analysis of 59 mostly European and North American chemical companies.

Low Cost of Production 低生产成本

- Low domestic natural gas prices provide a global competitive advantage to North American chemical producers
较低的国内天然气价格为北美化学品生产商提供了全球竞争优势
 - North America is the second-least expensive manufacturer of chlor-alkali globally
北美是全球第二便宜的氯碱生产地区
 - Cost advantage of ~\$100/ECU to both higher-cost European and Asian chlor-alkali producers
与欧洲和亚洲氯碱生产商比较，具有约100欧元的成本优势
- A strengthening US dollar hurts demand but helps producer margins, and is expected to be a net positive for pulp chemical players
虽然美元走强破坏了需求，但有助于提高生产商利润率，预计对纸浆化工企业将是利好

Natural Gas Prices (US\$/MMBTU)

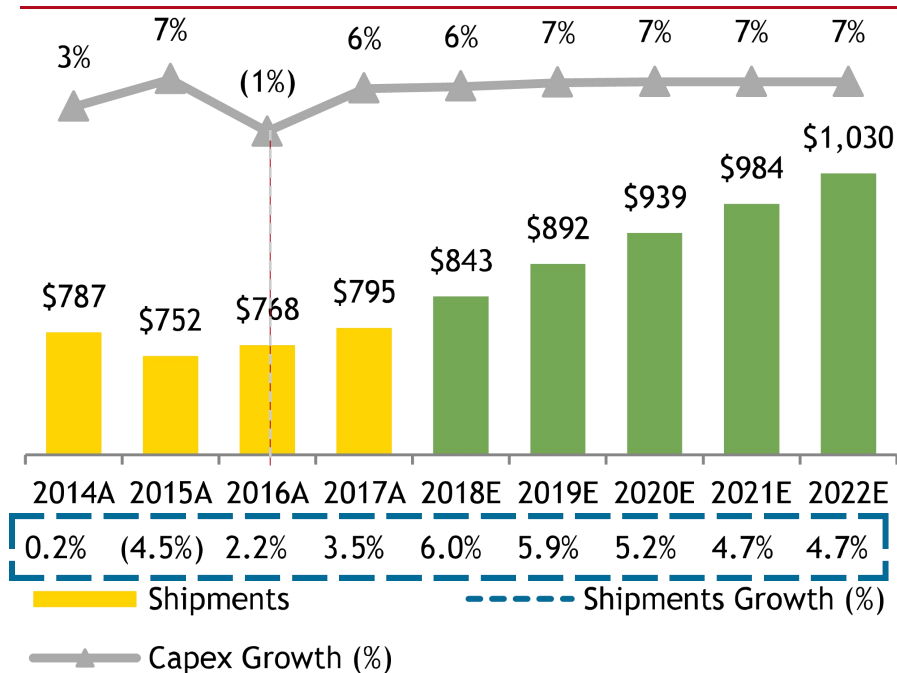


U.S. Commercial Chemical Shipments & Capacity Expansion

美国商业化学品运输和产能扩张

- Future chemical capital spending and capacity expansions are expected to continue to be in-line with long-term demand trends
 预计未来的化工资本支出和产能扩张将继续符合长期需求趋势
- Chemical-based capital expenditures have rebounded sharply since 2008, fuelled by higher domestic construction and industrial end markets
 受国内建筑和工业终端市场走高的推动，化工类资本支出自2008年以来大幅反弹
- Chemicals demand largely expected to absorb projected capital spending and capacity increases
 预计化学品需求将在很大程度上吸收预计的资本支出和产能增长
- Little impact expected on US commercial chemical market 预计对美国商业化学品市场的影响不大

U.S. Chemical Shipments & Capacity (US\$B)

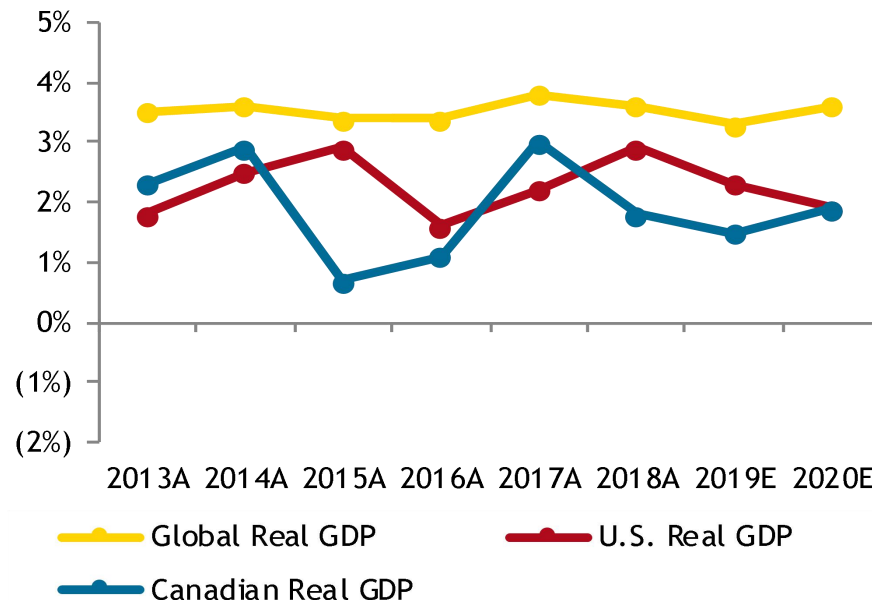


North American Market - Supportive Industrial Chemical Industry Trends For Suppliers 北美市场——为供应商提供工业化工行业发展的支持

Steady Economic Backdrop & Positive Equity Markets 稳定的经济背景&积极的股票市场

- Markets have been volatile over the last year primarily caused by corporate earnings, trade negotiations between U.S. and China, easing fiscal policy and a slowing global economy
过去一年的市场动荡，主要由企业盈利、中美贸易谈判、放松的财政政策和全球经济放缓因素导致
- Despite these headwinds, North American indices continue to trade positively, with all TSX sub-sectors trading positively YTD
尽管存在这些不利因素，但北美股指仍继续表现积极，今年所有多伦多证券交易所分项指数迄今均表现积极

Global GDP & Industrial Production (YoY Change)



North American Market - Supportive Industrial Chemical Industry Trends For Suppliers

北美市场——为供应商提供工业化工行业发展的支持

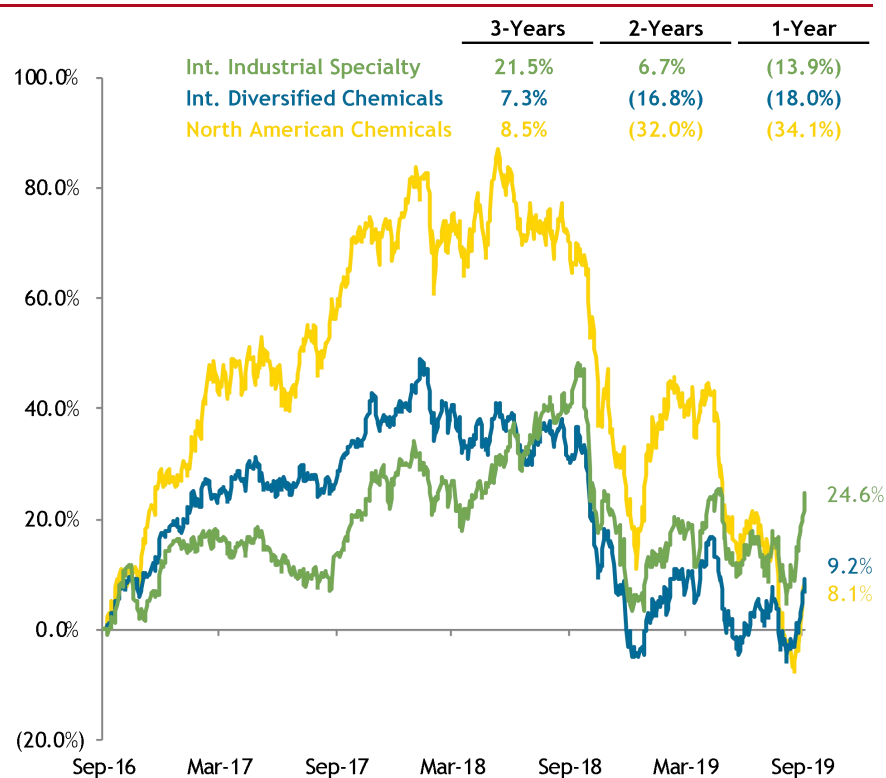
- From mid-2016 to late-2018, chemical companies experienced strong share price momentum until a sharp sell-off in October 2018

2016年年中至2018年末，化工企业经历了强劲的股价上涨势头，直到2018年10月出现大幅抛售

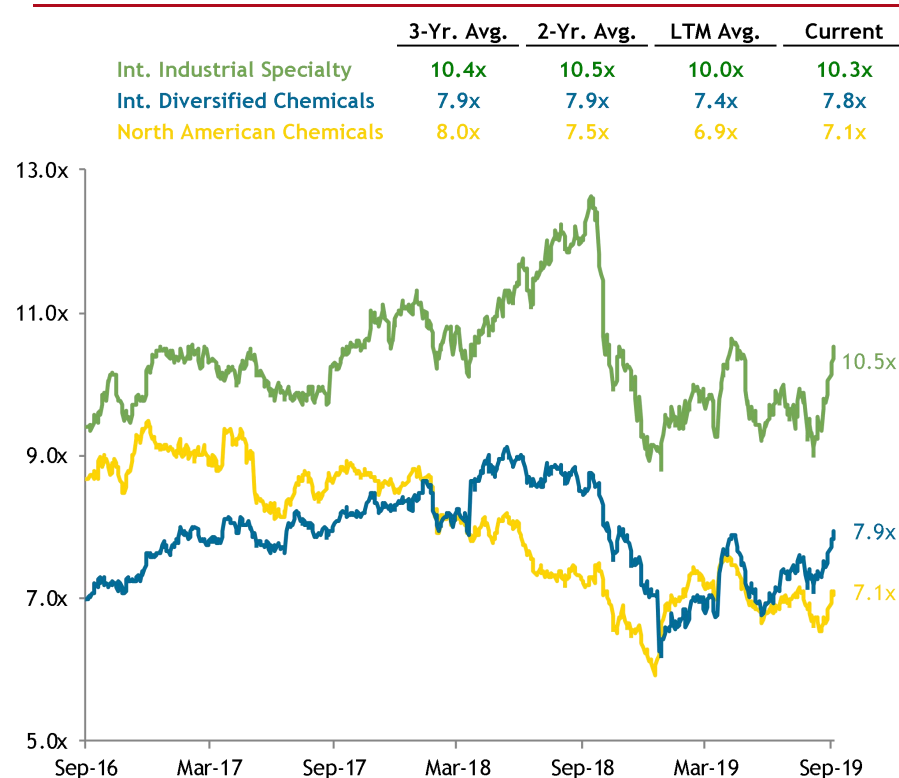
- North American Chemicals are currently trading at a discount to the International Diversified Chemicals but have historically traded on par or at a premium valuation

北美化学品目前的交易价格低于国际多元化化学品，但在历史上一直是平价或溢价交易

Relative Performance (last 3 years)



EV / NTM EBITDA (last 3 years)



— North American Chemicals¹ — International Diversified Chemicals² — International Industrial Specialty Chemicals³

Source: FactSet. As of September 13, 2019.

¹ North American Chemicals include: Chemtrade, OXY, Westlake, Chemours, Olin, Ashland, Univar, Methanex and Superior.

² International Diversified Chemicals include: BASF, LyondellBasell, Akzo Nobel, Covestro, Solvay, Evonik, Arkema, Lanxess, Clariant and Elementis.

³ International Industrial Specialty Chemicals include: Brenntag, Victrex and Kemira.

- Canadian Government Policy Recognizes China is an Important Trading and Investment Ally
加拿大政府承认中国是重要的贸易和投资盟友
- “Invest in Canada Hub” continues to be developed 加拿大投资中心将不断发展
 - Review threshold under the Investment Canada Act raised from C\$800-million to C\$1-billion
加拿大投资法的审查门槛从8亿加元提高到10亿加元
 - Publishing guidelines for easier understanding of Review
发布指导方针，以便更容易地理解审查
 - Cultural reviews will be often be expedited and net benefit reviews more be less frequent
文化审查通常可以加快，净效益审查将更少出现



Chinese Premier Li Keqiang, centre left, and Canadian Prime Minister Justin Trudeau, centre right, drop the puck for a face-off in a friendly game amongst youth hockey players

Canada - China: A Generational Relationship

加拿大与中国关系

- 47 years of Diplomatic Relations
47年外交关系
- Major Agreements in Place: FIPA, Double Taxation, Science and Tech, Air Transportation
两国签有多项协议，主要协议包括:FIPA、双重征税、科技、航空运输等
- Over 1.3 million Canadian residents are of Chinese origin - 4.5% of Canada's population
超过130万加拿大居民是华裔，占加拿大人口的4.5%
- Chinese languages is the third most spoken in Canada
中文是加拿大第三大语言
- China provides 30% of Canada's total foreign students.
中国留学生占加拿大留学生总数的30%

- **Our lending and advisory team combines deep industry expertise and knowledge of their clients with strong structuring skills to craft highly-customized solutions**
我们的贷款和咨询团队结合了深厚的行业专业知识、客户知识以及强大的结构技能，为客户定制高度个性化的解决方案
- **Additional staffing resources with relevant experience to deliver best product**
拥有相关经验的额外人员资源，以提供最好的产品
- **Local Knowledge on Advisors**
顾问的本地知识
- **Documentation Review**
审查文件
- **Coordination of all Deal Participants**
协调所有交易参与者
- **Funding Structuring Advice**
融资结构的建议
- **Deep Market Knowledge - Tangible and Intangible**
深刻的市场知识——有形的和无形的



Define Objectives 定义目标

- Discuss and define your primary financing objectives for the Project
讨论并确定项目的主要融资目标
- Develop a detailed timeline that outlines key milestones and deliverables
制定详细时间表，概述关键的里程碑和可交付物
- Discuss preliminary funding options and financing issues
讨论初步融资方案和融资问题

Review and Define Commercial Structure 审查和定义商业结构

- Work with advisors to review commercial documents to determine the key financing issues and their impact on potential financing solutions
与顾问合作审查商业文件，确定关键融资问题及其对潜在融资解决方案的影响
- Assist in negotiating and structuring commercial agreements
协助谈判和构建商务协议

Develop Financial Model 制定金融模型

- Development of detailed project specific financial model
制定详细的项目特定财务模型
- Analysis of multiple funding solutions including bond, bank and hybrid solutions
分析多种融资方案，包括债券、银行和混合方案

Select Preferred Financing Solution 选择优先融资方案

- Develop Project Information Memorandum (PIM) to provide an overview of the Project to prospective lenders and request feedback in the form of a questionnaire (pricing, tenor, commitment, other financing terms)
制定项目信息备忘录(PIM)，向潜在贷款方提供项目概况，并以问卷形式（定价、期限、承诺、其他融资条款）要求反馈
- Manage/coordinate rating agency credit assessment process and act as primary liaison with the rating agencies
管理/协调评级机构信用评估流程，并与评级机构保持联系
- Selected preferred financing solution and funder syndicate based on responses to questionnaire from prospective lenders
根据对潜在贷方调查问卷的回复，选择优先融资解决方案和出资财团

Documentation & Due Diligence 文件&尽职调查

- Work closely with legal advisors to draft financing documentation consistent with a flexible borrowing platform
与法律顾问密切合作，根据灵活的借贷平台起草融资文件
- Assist in the selection of due diligence advisors and review due diligence advisor reports to provide detailed comments and feedback to ensure a smooth execution process
协助选择尽职调查顾问，审查尽职调查顾问报告，提供详细的意见和反馈，确保执行过程顺利
- Manage the financing documentation negotiation process
管理融资文件谈判过程
- Finalize credit rating(s) and prepare bond marketing materials
确定信用评级并准备债券营销材料

Execute 执行

- Assist in final negotiations and information requests from lending syndicate
协助贷款集团的最终谈判和信息请求
- Finalize third party advisor reports and complete due diligence
完成第三方顾问报告并完成尽职调查
- Finalize and execute commercial agreements and financing documents
完成并执行商业协议和融资文件



Canadian Debt Capital Markets 加拿大债务资本市场

- Corporate bonds may be issued in the public or private market
公司债券可以在公开或私人市场发行
- Project bonds are structured as public-style private placements
项目债券的结构为公开私募
- There is a robust and sophisticated C\$ bond market for financings with a strong investment grade credit rating (BBB or higher)
稳健和成熟的加元债券市场，为具有强大投资级信用评级（BBB或更高）的融资提供服务
- Canadian investors continue to look for corporate credit diversification resulting in strong reception for Maple issuers, particularly in the infrastructure sector
加拿大投资者继续寻求企业信贷多元化，从而使枫叶发行人受到高度欢迎，尤其是在基础设施领域
- Terms of up to 10 years are readily available in the Canadian market with 30 years a possibility depending on market tone
根据市场基调，加拿大市场可以提供长达10年的条款，也可能达到30年
- Pricing parity with US market for strongly rated issuers and long tenor available in the project bond market
在项目债券市场上，评级高且期限长的发行人的定价与美国市场相当

U.S. Debt Capital Markets 美国债务资本市场

- Strong liquidity and demand across the rating spectrum
评级体系内流动性和需求强劲
- The US\$ bond market has greater depth and is more efficient for ratings of BBB- and lower relative to the Canadian market
美元债券市场的深度更大，对BBB-的评级更有效，相对于加拿大市场的评级更低
- Market access provided through 144A or Regulation D ("Reg D") private placements
通过144A或法规D("Reg D")私募提供的市场准入
- Currency hedging costs will make \$US bonds less competitive and could negatively impact tenor
货币对冲成本使美元债券竞争力下降，并可能对期限产生负面影响
- Minimum issuance size of US\$500 million required to avoid a significant liquidity premium in the 144A market
为避免144A市场出现大量流动性溢价，所需最低发行规模为5亿美元
- Reg D market is more amenable to structured transaction and smaller deal size as buyers are buy-and-hold, long term investors
Reg D市场更适合结构性交易和较小的交易规模，因为买家是买入并持有的长期投资者



Corporate Level Financing 企业融资水平

- Allows for the diversification of the company's borrowing platform away from existing bank group to enhance corporate flexibility and bank capacity
允许公司的借贷平台从现有的银行集团多元化经营，以提高公司的灵活性和银行能力
- The Reg D private placement market which would be available would have similar terms and conditions would be similar to a borrower's credit facilities
私募市场的私募法规（Reg D）将提供类似于借款人信贷措施的条款和条件
- Longer tenor or amortizing deals are available in the private placement market
较长的期限或摊销交易可在私募市场进行
- A public style offering would be available on favourable terms in either the Canadian or U.S. market
无论是在加拿大市场还是在美国市场，公开募股都将以优惠的条件进行

Project (Asset) Level Financing 项目（资本）及融资

- The project bond market provides access to cost-effective longer term financing
项目债券市场提供了获得具有成本效益的长期融资途径
- Depending on the size of the market - consideration should be given to offering jurisdiction
根据市场规模的大小，应考虑提供管辖权
- Relative spread levels for strong credits and underlying Government of Canada (GoC) and US Treasury (UST) yields likely to result in comparable pricing across Canadian and US debt capital markets
强劲信贷和加拿大政府和美国财政部收益率的相对息差水平，可能导致加拿大和美国债券资本市场的定价水平相当

Bond 债券

Bank 银行

Advantages:

优势:

- | | |
|--|--|
| <ul style="list-style-type: none"> ✓ Low-cost financing which leverages the financial and credit strength of the parent
利用母公司的财务和信贷实力的低成本融资 ✓ Access to a new borrowing platform helps relieve bank market constraints and provide additional capacity
进入新的借贷平台有助于解除银行市场的约束，并提供额外的能力 ✓ No project-level lender due diligence, administration or reporting requirements
没有项目层贷方的尽职调查、管理或报告要求 ✓ Lower transaction costs relative to a project/asset-level financing structure
相对于项目/资产层面的融资结构，交易成本较低 | <ul style="list-style-type: none"> ✓ Cost-effective and flexible financing supported by parent's bank syndicate
母公司银行财团支持的高成本、灵活的融资 ✓ No project-level lender due diligence, administration or reporting requirements
没有项目层贷方的尽职调查、管理或报告要求 ✓ Lower transaction costs relative to a project/asset-level financing structure
相对于项目/资产层面的融资结构，交易成本较低 ✓ Construction period financing costs minimized through delayed draws monthly
通过每月延期提款，将工期融资成本降至最低 |
|--|--|

Disadvantages:

劣势:

- | | |
|--|---|
| <ul style="list-style-type: none"> ✗ Reduces borrowing capacity at the parent level
降低母公司层的借贷能力 ✗ Refinancing risk retained and managed at the parent level
再融资风险控制和管理在母公司层面 ✗ Repayment/amortization of debt must be managed proactively if asset-level financing is not ultimately utilized
如果最终没有利用资产层面的融资，就必须积极管理债务的偿还/摊销 ✗ Requirement to obtain and maintain a credit rating
获得和维持信用等级的要求 | <ul style="list-style-type: none"> ✗ Reduces borrowing capacity and flexibility at parent
降低母公司的借贷能力和灵活性 ✗ Market capacity may be constrained by lender concentration limits
市场容量可能受到贷方集中限制的约束 ✗ Shorter tenor relative to an asset-level financing
相对于资产层融资，期限较短 ✗ Refinancing risk retained at the parent level
再融资风险控制在母公司层面 ✗ Repayment/amortization of debt must be managed proactively if asset-level financing is not ultimately utilized
若最终未利用资产融资，必须积极管理债务的偿还/摊销 |
|--|---|

Bank Facility (with Bond take-out) 银行贷款(包括债券提取)

Long-term Bank Facility 长期银行设施

Up-Front Bond 前期债券

Advantages:

优势:

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> ✓ Banks are better equipped to manage waivers/amendments during construction
银行更有能力管理施工期间的豁免/修订 ✓ Financing costs during construction minimized through delayed draw of funds as required
施工期间的融资成本通过按要求延期提取资金而降至最低 ✓ Refinancing with an amortizing bond provides long-term cost certainty and eliminates construction risk premium
用摊销债券的方式进行再融资构成了长期成本的必然性, 消除了施工风险的溢价 ✓ Proven financing strategy successfully executed in Canada
在加拿大成功实施了行之有效的融资策略 | <ul style="list-style-type: none"> ✓ Banks are better equipped to manage waivers/amendments during construction
银行更有能力管理施工期间的豁免/修订 ✓ Financing costs during construction minimized through delayed draw of funds as required
施工期间的融资成本通过按要求延期提取资金而降至最低 ✓ No requirement to obtain or maintain a credit rating
没有获得和维持信用等级的要求 | <ul style="list-style-type: none"> ✓ Long-term amortization profile eliminates refinancing risk
长期摊销可以消除再融资风险 ✓ Long-term, fixed-rate structure provides financing cost certainty (eliminates risk of increases in underlying rates and credit spreads)
长期固定利率结构构成了融资成本的必然性(消除了基础利率和信贷息差上升的风险) ✓ Bond market provides access to long tenor (depending on term and asset characteristics)
债券市场提供长线投资机会(视年期及资产特性而定) |
|---|---|--|

Disadvantages:

劣势:

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> ✗ Borrower is exposed to higher financing costs at the time of the refinancing under the cost-of-service recovery framework
在服务成本回收框架下, 借款人在再融资时面临更高的融资成本 ✗ Adverse impact on bank exposure and concentration limits at the parent level up to the refinancing date 在再融资日期之前, 对母公司层的银行风险和集中限制的不利影响 ✗ Certain financing/transaction costs are incurred both at the time of the initial financing and execution of the refinancing 某些融资/交易成本是在初始融资和再融资执行时产生的 | <ul style="list-style-type: none"> ✗ Limited market capacity relative to the other project financing alternatives
与其他项目融资方案相比, 市场容量有限 ✗ Adverse impact on bank exposure and concentration limits reduces long-term borrowing capacity and flexibility at the parent level
银行风险和集中限制的不利影响降低了母公司的长期借款能力和灵活性 ✗ Long-term interest rate hedging requirements and margin step-ups may be less cost-effective relative to other fixed rate financing alternatives
与其他固定利率融资方式相比, 长期利率对冲要求和保证金上调的成本效益可能较低 | <ul style="list-style-type: none"> ✗ May require a parent completion guarantee to address construction risk
可能需要母公司完成担保来解决施工风险 ✗ Higher interest costs during construction relative to a bank financing due to negative carrying costs
由于负账面成本, 施工期间相对于银行融资的利息成本较高 |
|--|---|--|

	Month 1	Month 2	Month 3	Month 4	Month 5
Financing Strategy 融资策略	Active				
Commercial Documentation 商业文件		Active	Active	Active	
Due Diligence (DD) 尽职调查 (DD)	Active	Active	Active	Active	
Financial Model and Analysis 财务模型及分析	Active	Active			
Funding Competition 资金的竞争			Active	Active	
Financing Documentation 融资文件				Active	Active
Final Execution 最终执行					Active

- The chemical industry in North America is strong and growing
北美化工业强大，且还处于发展中
- Cheap feedstock and currency considerations add a competitive cost advantage
廉价的原料和货币因素增加了竞争成本优势
- There is a further competitive advantage to operating in Canada, both from a welcoming regulatory standpoint as well as input and labour costs
从受欢迎的监管角度以及投入和劳动力成本来看，在加拿大开展业务还具有进一步的竞争优势
- Working with a financial advisor will help provide the most efficient and cheapest funding for your project
与财务顾问合作将有助于为您的项目提供最有效和最低廉的资金

THANK YOU

Contact

Adam Janikowski
Executive Director
Investment Banking Asia Pacific
CIBC Capital Markets
Tel: +85228416210
Email: adam.janikowski@cibc.com

Adam Janikowski
执行董事
投资银行业务
加拿大帝国商业银行
电话：+85228416210
邮件：adam.janikowski@cibc.com

WeChat ID: A6507770

Comparable Company Analysis 可比公司分析法

Trading Comparables (C\$ mm, except per share figures)

	Market Cap.	Enterprise Value (EV)	EV / EBITDA		P / E		Rev. CAGR 18A - 20E	EBITDA CAGR 18A - 20E	2019E EBITDA Margin	2019E FCF Conversion ¹	Net Debt / LTM EBITDA	Div. Yield
			2019E	2020E	2019E	2020E						
North American Chemicals												
OXY	\$44,685	\$64,721	4.9x	3.6x	15.5x	17.8x	24%	24%	47%	41%	1.1x	6.9%
Westlake	\$11,195	\$14,937	7.4x	6.5x	17.4x	12.4x	2%	(9%)	18%	55%	1.6x	1.4%
Ashland	\$6,278	\$9,531	13.5x	12.4x	28.8x	22.4x	(17%)	(8%)	21%	71%	3.4x	1.2%
Univar	\$5,046	\$9,059	9.4x	8.5x	15.6x	12.9x	8%	14%	8%	86%	5.1x	n.a.
Olin	\$4,097	\$8,212	5.9x	5.1x	18.4x	10.4x	(1%)	(4%)	16%	64%	2.8x	4.2%
Methanex	\$3,662	\$6,415	7.8x	6.3x	21.6x	11.9x	(9%)	(15%)	21%	54%	2.1x	3.6%
Chemours	\$3,540	\$8,286	5.9x	5.0x	6.1x	4.2x	(5%)	(9%)	19%	54%	3.7x	5.1%
Superior Plus	\$2,167	\$3,973	7.8x	7.5x	13.9x	13.1x	6%	17%	17%	73%	3.4x	5.9%
Chemtrade	\$1,052	\$2,620	7.7x	7.2x	nmf	nmf	0%	10%	22%	73%	4.2x	10.6%
North American Average			7.8x	6.9x	17.2x	13.1x	1%	2%	21%	64%	3.1x	4.9%
International Diversified Chemicals												
BASF	\$88,647	\$117,582	9.8x	8.6x	16.7x	14.6x	1%	(1%)	13%	54%	2.5x	4.9%
LyondellBasell	\$42,317	\$50,460	6.3x	5.6x	8.4x	7.2x	(1%)	3%	17%	56%	1.9x	4.6%
Akzo Nobel	\$25,299	\$25,711	13.4x	11.5x	26.2x	19.7x	2%	34%	14%	83%	1.5x	2.2%
Evonik	\$16,691	\$23,057	7.2x	6.9x	12.1x	12.7x	(4%)	(7%)	16%	59%	1.7x	4.7%
Solvay	\$15,218	\$23,924	7.3x	6.9x	12.4x	11.7x	(1%)	6%	21%	65%	2.8x	2.6%
Covestro	\$12,042	\$14,476	6.0x	5.7x	14.1x	12.8x	(6%)	(26%)	13%	44%	0.8x	5.3%
Arkema	\$9,887	\$12,890	6.0x	5.7x	10.8x	10.2x	3%	2%	16%	58%	1.4x	2.8%
Clariant	\$9,103	\$11,696	11.2x	10.1x	20.0x	17.1x	(10%)	2%	15%	61%	2.1x	2.7%
Lanxess	\$7,445	\$10,928	7.3x	7.0x	14.5x	13.5x	1%	3%	14%	51%	2.6x	1.6%
Elementis	\$1,549	\$2,273	8.9x	8.4x	13.1x	12.0x	11%	31%	21%	74%	3.8x	3.9%
International Diversified Average			8.3x	7.6x	14.8x	13.2x	(0%)	5%	16%	60%	2.1x	3.5%
International Industrial Specialty Chemicals												
Brenntag	\$10,825	\$14,301	9.8x	9.5x	15.7x	14.9x	3%	10%	8%	80%	2.5x	2.5%
Victrex	\$3,253	\$3,172	15.7x	14.7x	21.1x	19.8x	(3%)	(5%)	42%	78%	n.a.	6.2%
Kemira	\$3,045	\$4,419	7.4x	7.2x	14.2x	13.6x	3%	18%	15%	42%	2.6x	3.9%
International Industrial Specialty Average			11.0x	10.4x	17.0x	16.1x	1%	8%	22%	67%	2.6x	4.2%
Energy Distribution												
Energy Transfer	\$48,707	\$125,102	8.6x	8.6x	9.8x	9.5x	(0%)	12%	21%	51%	4.6x	8.7%
Parkland Fuel	\$6,456	\$10,259	8.5x	8.9x	22.9x	25.2x	15%	15%	7%	67%	2.9x	2.7%
Suburban Propane Partners	\$1,961	\$3,600	9.8x	9.4x	19.9x	17.3x	0%	1%	22%	84%	4.5x	10.0%
Ferrellgas Partners	\$126	\$2,807	9.1x	9.0x	nmf	nmf	(8%)	13%	13%	48%	10.5x	n.a.
Energy Distribution Average			9.0x	9.0x	17.5x	17.3x	2%	10%	16%	62%	5.6x	7.1%
Average			8.6x	7.9x	16.2x	14.0x	1%	5%	18%	63%	3.0x	4.5%

Source: FactSet, Bloomberg and company filings. As of September 13, 2019.

¹ Defined as (EBITDA - Capex)/EBITDA.

Notable North American Chemical M&A Precedent Transactions 著名的的北美化学品并购交易案例

Precedent Transactions¹ (US\$ Millions)

	Announce. Date	Target	Acquiror	EV	EV/LTM EBITDA	Target Description
2019	May 2019	Golden Gate Capital (ArrMaz)	Arkema	\$570	10.8x	Formulates fatty acid-, ester- and sulfonate-based processing aids and additives
	March 2019	Eonik Industries (Methacrylates business)	Advent International	\$3,365	8.5x	Comprises of the methacrylates, acrylic products and CyPlus business lines with 18 production sites
2018	November 2018	PeroxyChem	Evonik Industries	\$625	10.4x	Leader in peroxygen and adjacent chemistries
	July 2018	Linde AG (North and South American Business)	Messer Group, CVC Advisers	\$3,300	9.2x	Operates as an industrial gas manufacturing business
	May 2018	Frutarom	IFF	\$7,100	20.3x	Producer and distributor of extracts for flavor and fragrance
	March 2018	AkzoNobel (Specialty Chemicals Business)	The Carlyle Group	\$12,519	10.0x	Manufacturer of specialty chemicals including polymers, ethylene & sulfur derivatives, bleaching & oxidizing chemicals, surface chemicals, and salt-chlorine products
	February 2018	A Schulman Inc	LyondellBasell Industries	\$2,250	11.8x	Manufacturer of plastic compounds, resins, and engineered plastics
	February 2018	Terra Nitrogen Co LP	CF Industries	\$487	8.2x	Manufacturer of nitrogen fertilizers including anhydrous ammonia and urea ammonium nitrate solutions (UAN)
2017	December 2017	Ablemarle (Polyolefin catalysts business)	WR Grace & Co	\$416	12.8x	Global leader in proprietary and custom-manufactured single-site catalysts, metallocenes, and activators. The business also offers highly optimized Ziegler-Natta catalysts for polyethylene
	October 2017	Accella Performance Materials	Carlisle Cos	\$670	10.4x	Manufacturer of custom polyurethane systems and recycled rubber products. It includes spray foam, roofing, tire fill and specialty products
	September 2017	Royal Adhesives & Sealants	HB Fuller	\$1,575	11.4x	Manufacturer of high-value specialty adhesives and sealants
	August 2017	Tronox (Alkali Chemicals Business)	Genesis Energy	\$1,325	8.0x	Tronox's alkali business produces natural soda ash, used to manufacture glass, baked goods, detergents, etc.
2013 - 2016	September 2016	Canexus	Chemtrade Logistics	\$671	9.1x	Chemical manufacturing and handling company. Produces sodium chlorate and chlor-alkali products primarily for the pulp and paper, water treatment, and oil and gas sectors
	June 2016	Chemetall	BASF	\$3,200	15.3x	Supplier of applied surface treatments for metal, plastic and glass substrates in a wide range of industries and end markets
	June 2016	Axiall	Westlake Chemical	\$3,824	11.1x	Manufacturer of chemicals and building products. Chlorovinyls segment produces chlor-alkali and derivative products
	February 2016	Syngenta	ChemChina	\$43,000	17.0x	Global producer of agrochemicals and seeds
	March 2015	Dow (Chlor-Alkali and Downstream Businesses)	Olin	\$5,371	8.0x	Producer of chlor-alkali and downstream derivatives
	December 2013	General Chemical Holding Company	Chemtrade Logistics	\$860	7.8x	Manufacturer of inorganic chemicals for municipal water treatment, general industrial production, pulp and paper, food and beverage, agriculture, and pharmaceutical
Average:					11.1x	
Median:					10.4x	

Source: Bloomberg, Capital IQ, company disclosure.

¹ Excludes transactions for which transaction value was not publicly available and transaction values below US\$100 million.

Notable North American Energy Distribution M&A Precedent Transactions 著名的的北美能源分布并购交易案例

Precedent Transactions¹ (US\$ Millions)

	Announce. Date	Seller	Acquiror	EV	EV/LTM EBITDA	Assets Sold
2017 - 2019	April 2019	AmeriGas Partners	UGI	\$5,438	9.0x	Entire Company
	May 2018	NGL Propane	Superior Plus	\$900	8.2x	Outstanding equity interest in NGL Propane, its retail propane distribution business
	November 2017	NGL Energy Partners	DCC	\$200	8.0x	Retail West propane business
	July 2017	American Midstream Partners	SHV Energy	\$170	6.5x	Propane marketing and services business, 40 service locations
	February 2017	Gibson Energy	Superior Plus	\$315	11.5x	Canwest, a propane supply & distribution franchise in Western Canada
2012 - 2014	July 2014	Total	UGI	\$578	6.2x	LPG distribution business
	April 2013	Sparling's Propane	Parkland Fuel	\$32	5.9x	6 branches in Southern Ontario, 120 million propane litres to ~25,000 customers
	September 2012	BP	DCC	\$32	6.1x	BP's liquefied petroleum gas LPG distribution business in the Netherlands
	April 2012	Inergy LP	Suburban Propane	\$1,800	9.7x	Propane operations in 33 US states with retail annual sales of 325 million propane gallons
	February 2012	North American Propane	NGL Energy Partners	\$67	7.3x	Propane and distillate business
2010 - 2011	December 2011	NGL Energy Partners	Pacer Propane	\$63	8.3x	Propane operations with 17 million gallons of annual volume
	October 2011	Energy Transfer Partners	AmeriGas Partners	\$2,890	10.5x	Propane distribution operations in US
	October 2010	NGL Energy Partners	Hicksgas	\$62	8.7x	Propane retailer, ~38 million gallons propane across 32 customer service centers
Average:					8.1x	
Median:					8.2x	

Source: Bloomberg, Capital IQ, company disclosure.

¹ Excludes transactions for which transaction value was not publicly available.



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