

Deals RSM

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RSM carried out financial, tax and payroll due diligence for Motul during the acquisition of Chem Arrow

- RSM, the world 6th largest consulting and auditing network, carried out the financial, tax and payroll due diligence for Motul, a French company specialized in the production of high-performance lubricants for the industrial sector, during the acquisition of Chem Arrow, a global leader in the manufacture of lubricants for the HVAC sector – heating, ventilation, and air conditioning.
- A Franco-American team, led by RSM partner Eric Fougedoire, supported Motul in this acquisition.
- Through this operation, RSM's Corporate Finance division demonstrates its ability to support mid-sized companies in the industrial sector with their international build-up strategies.

Paris, France, October 22nd, 2024,

The acquisition of Chem Arrow Corp. enables Motul to offer an expanded range to its existing clients, and to increase its influence on the American continent, where the United States represents the world's largest market for metalworking fluids, valued at \$2.8 billion, ahead of China. The acquisition will allow MotulTech to double its business and acquire new technologies essential to the HVAC (heating, ventilation, and air conditioning) market.

Chem Arrow Corporation, founded in 1977 and headquartered in California with subsidiaries in Canada and the United Kingdom, develops and manufactures metalworking fluids, lubricants for special applications, and industrial cleaners. Chem Arrow is a global leader and major supplier in the HVAC (Heating, Ventilation, and Air Conditioning) sector. Their HVAC range of products include fin stamping and bending fluids with low to zero VOC (Volatile Organic Compound) emissions.

Motul, which has a 170-year history of technical expertise in efficiency and safety, has a global reputation for its pioneering innovation. With a broad range of high-performance, sustainable products, the group is now a key player in the development of fluids and lubricants for industry and mobility.

For the last three decades, the Group has been offering metalworking fluids and lubricants for industrial equipment maintenance under the MotulTech brand, now marketed in 60 countries.

The technological expertise in metalworking, and the complementary geographic presence of both companies, will make the newly formed group the preferred partner for industrial metal parts producers.

The acquisition of Chem Arrow supports Motul's industrial growth ambitions of reaching €200 million in revenue by 2030, which will be achieved through acquisitions in strategic market segments and geographies.

"The acquisition of Chem Arrow Corp. marks an important milestone in our external growth strategy. We see a lot of synergies and development opportunities with this growing player. It reinforces our know-how and expertise in the service of sustainable development in our industry," said Stéphane Bringues, CEO of MotulTech.

Hamish Mitchell, President & CEO of Chem Arrow Corporation, stated: *"This is such an exciting opportunity for our distributors, customers, and employees. It will enable us to fully harness our growth potential. Motul's global reach will significantly enhance Chem Arrow's ability to expand into new markets, providing us with a broader international footprint. Additionally, our research and development capabilities will be further strengthened by access to strategically located manufacturing facilities across Asia, Europe, India, Africa and South America. We are committed to retaining our valued and talented workforce and look forward to welcoming additional top-tier associates to our team. Keeping the exceptional employees who have driven Chem Arrow's success was a key consideration in our discussions regarding this merger."*

The RSM team was composed of:

- Financial due diligence : Éric Fougédoire, Charles Tiran
- Tax and payroll due diligence: Aimee Iannotti, Gene Chung

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À propos de Motul

Motul is an international French company founded in 1853, specializing in the production of high-performance lubricants for engines (motorcycles, cars, heavy-duty vehicles, and more) as well as for industrial applications. Operating in over 160 countries, we strive daily to deliver exceptional levels of performance and protection to our customers. In 1971, we introduced the world's first 100% synthetic multigrade lubricant, featuring Ester Core technology, through our flagship product: Motul 300V. We produce benchmark lubricants for all types of engines and actively innovate to develop the fluids of tomorrow. Over the years, we have gained worldwide recognition as the official supplier for some of the most demanding teams and manufacturers in the automotive world. Today, we remain a key partner in legendary international competitions such as the Dakar Rally, the 24 Hours of Le Mans (for both cars and motorcycles), MotoGP, The Roof of Africa, and many others.

A propos de RSM

RSM is the 6th largest global network of independent audit, tax and consulting firms, present in 120 countries. The network currently has more than 53,000 employees and partners.

In France, RSM is a key multidisciplinary player for the managers of SMEs, ETIs and large companies, both in France and internationally. The network now has 90 partners and 1400 professionals across the country, located in the main regional economic centres, with 16 offices in Paris, Rhône-Alpes, Occitanie, Western France, Eastern France, Provence Alpes Côte d'Azur and the French overseas territories. It is pursuing its development with the ambition of creating useful and sustainable value by embodying its mission of "Helping people and organisations to grow while respecting the collective interest".

RSM – Corporate Finance

The Corporate Finance practice of RSM assists companies and their managers, investment funds, as well as investors and shareholders, in France and abroad, in order to secure and optimize their financial decisions. It has 20 professionals in Paris and in the regions, including 3 partners. RSM Corporate Finance provides transaction services, valuation and complex financial modeling, capital transactions and restructuring.