Mülheim/Ruhr, June 29, 2016

Brenntag to acquire South African specialty distributor Warren Chem

Brenntag, the global market leader in chemical distribution, is strengthening its presence in the South African chemical distribution market by signing an agreement acquiring Warren Chem Pty Ltd. The Cape Town based company is a leading specialty chemicals distributor focusing on the Pharma and Food industries in South Africa.

Karsten Beckmann, Member of the Board of Management of the Brenntag Group and CEO Brenntag Europe Middle East and Africa: “Brenntag’s strategy is to become a leader in the chemical distribution market in South Africa, the largest market in the African region. The acquisition of Warren Chem perfectly matches this strategy as it complements our existing business in the country. Together with our subsidiary Multisol and the specialty distributors Lionheart as well as Plastichem, both acquired in 2015, Brenntag now holds a strong foothold in the Food, Pharma, Plastic & Rubber and Lubricant industries in South Africa. This is an excellent platform for further growth in the country and beyond.”

Warren Chem is a well established chemical distributor mainly servicing the Pharmaceutical and Nutraceutical as well as the Food & Beverage industry and perfectly complements Brenntag’s existing product portfolio. Its broad supplier basis includes major international companies. Warren Chem maintains modern warehouse and distribution facilities in Cape Town and Johannesburg, and is well positioned to meet the increasingly strict national and international regulatory requirements of the Pharma and Nutrition market.

Anthony Gerace, Brenntag Group’s Managing Director Mergers & Acquisitions: “The complementary product and supplier portfolio of Warren Chem and Lionheart form a Life Science business unit in South Africa that will be competitively positioned in both the Food and the Pharma industries, which are strategic focus sectors for Brenntag in Southern Africa. The Life Science sector
is attractive as it has high growth potential. South African companies are growing in South Africa and expanding into the Sub Saharan region due to the increasing demand from the emerging middle class. This environment offers great potential for Brenntag to further grow its business.”

The acquired business generated sales of 26.6 million EUR in the financial year 2015. Gross profit 2015 amounted to 7.4 million EUR with a normalized EBITDA of 3.3 million EUR. The investment amounts to 23.7 million EUR. The transaction will be closed in the course of the next months.

About Brenntag:

Brenntag, the global market leader in chemical distribution, covers all major markets with its extensive product and service portfolio. Headquartered in Mülheim an der Ruhr, Germany, the company operates a global network with more than 530 locations in 74 countries. In 2015, the company, which has a global workforce of more than 14,000 employees, generated sales of EUR 10.3 billion (USD 11.5 billion). Brenntag connects chemical manufacturers and chemical users. The company supports its customers and suppliers with tailor-made distribution solutions for industrial and specialty chemicals. With over 10,000 products and a world-class supplier base, Brenntag offers one-stop-shop solutions to around 180,000 customers. This includes specific application technology, an extensive technical support and value-added services such as just-in-time delivery, product mixing, formulation, repackaging, inventory management and drum return handling. Long-standing experience and local excellence in the individual countries characterize the global market leader for chemical distribution.
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