

LANXESS acquires Brazilian biocide manufacturer

Cologne/São Paulo – Specialty chemicals company LANXESS is strengthening its position as one of the world’s leading manufacturers of active biocidal ingredients and formulations and has acquired Itibanyl Produtos Especiais Ltda. (IPEL). The family-run company with headquarters in Jarinu, São Paulo, is one of Brazil’s leading biocide manufacturers and generated sales in the lower double-digit million euro range in 2018.

Both companies signed an agreement to this effect on Thursday November 28, 2019. The parties have agreed not to disclose the purchase price. The transaction is still subject to the approval of the responsible antitrust authorities and is expected to be completed in the first quarter of 2020.

“The acquisition fits perfectly with our strategic focus on profitable specialty chemicals”, said Rainier van Roessel, member of the LANXESS Board of Management.

With the acquisition of IPEL in Brazil, the LANXESS Material Protection Products business unit is reinforcing its global presence and is now in a position to serve its South American customers from a local production facility. The business unit was previously represented with production facilities in Europe, the USA and Asia.

“With IPEL’s business, we are expanding our global production network and strengthening our position in South America”, said Oliver Kretschik, Head of the Biocides business line in the Material Protection Products business unit. “IPEL also has a strong customer network that will soon be able to benefit from our combined product portfolio and regulatory expertise.”

In addition to around 100 employees and the production facility, LANXESS is also taking over the Brazilian company’s laboratory

LANXESS AG
Investor Relations
50569 Cologne
Germany

Phone: +49 221 8885 3262
Fax: +49 221 8885 4944

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facilities. With the acquisition, the specialty chemical company will also gain access to strategic intermediate products.

IPEL generates the majority of its sales with biocides and specialty chemicals for the paint and coating industry. Biocides protect materials from infestation, destruction and decay caused by microorganisms. They extend the service life and guarantee the functionality of the end products. The product portfolio also includes preservatives and fungicides for process control in water treatment as well as active ingredients for disinfection and cleaning agents.

LANXESS' material protection business

The LANXESS Material Protection Products business unit employs around 540 employees and has production sites in Krefeld-Uerdingen and Dormagen (Germany), Sudbury (Great Britain), Pittsburgh and Memphis (USA), Jhagadia (India), Changzhou (China) and Singapore.

Products from this business unit are used in a huge variety of applications worldwide. With its broad range of active antimicrobial ingredients and preservatives, the business unit provides customer-specific solutions for various branches of industry such as the paints and coatings, disinfection and wood protection industries as well as the building sector and beverage industry. Material Protection Products also provides a comprehensive technical service and regulatory support as well as project-specific research and development.

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LANXESS is a leading specialty chemicals company with sales of EUR 7.2 billion in 2018. The company currently has about 15,500 employees in 33 countries and is represented at 60 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, additives, specialty chemicals and plastics. LANXESS is listed in the leading sustainability indices Dow Jones Sustainability Index (DJSI World and Europe) and FTSE4Good.

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LANXESS AG

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Germany

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Forward-Looking Statements

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