

Brenntag to expand food and nutrition business in China

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Brenntag, the global market leader in chemical and ingredients distribution, has signed an agreement to acquire the majority of Zhongbai Xingye Food Technology (Beijing) Co., Ltd starting with a 67% stake valued at an Enterprise Value of about EUR 90 million. The Chinese company is dedicated to the distribution of a wide variety of specialty food ingredients, including dairy products and proteins.



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Christian Kohlpaintner, CEO Brenntag Group, highlights the significance of the acquisition for Brenntag's business strategy: "The chemical distribution market in the Asia Pacific and especially in China is growing dynamically. We see a substantial potential there and we will strengthen the focus on the region in terms of our M&A strategy. Thus, Zhongbai Xingye is perfectly in line with Brenntag's ambitions not only geographically but also in terms of industry segment and deal size. The acquisition of the leading player in mainland China is an important step for our company to become a full-line distributor of food ingredients in the Asian market."

The 100% acquisition of the entire share capital of Zhongbai Xingye will be executed in two steps: The first tranche comprises a majority stake of 67%. The remaining 33% will be acquired by Brenntag by end of 2024.

The acquired business generated sales of approximately EUR 146 million over a twelve-month period up to June 2020. Closing of the first tranche is subject to certain contractual conditions and regulatory approvals and is expected to be completed in the first half of 2021. The closing of the second tranche is expected at the end of 2024.