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## **Brenntag to expand food and nutrition business in China with acquisition of specialty ingredients distributor Zhongbai Xingye**

Essen (ots) -

Brenntag (ISIN DE000A1DAH0), 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 ("Zhongbai Xingye"), 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.

Christian Kohlpaintner, CEO Brenntag Group, highlights the significance of the acquisition for Brenntag's business strategy: "The chemical distribution market in 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."

Yaqi Liu, Managing Director of Zhongbai Xingye: "On behalf of Zhongbai Xingye, I extend a warm welcome to Brenntag. We are very pleased to become a part of the Brenntag family and to be such an important cornerstone in their expansion strategy. The food supplements industry has extraordinary potential worldwide and especially in China that we will leverage together."

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.

Henri Nejade, Member of the Management Board of Brenntag Group and COO Brenntag Specialties, comments: "Headquartered in the capital of China, the company offers Brenntag the platform to extend our business of specialty food ingredients in the country." He further mentions the strong historical track record of the business: "Zhongbai Xingye results show strong growth rates over the years." The business will be settled within the global division of Brenntag Specialties.

The acquired business generated sales of approximately EUR 146 million over a twelve-months 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. Closing of the second tranche is expected at the end of 2024.

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