

Press Release

Essen, January 28, 2021

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

Brenntag (ISIN DE000A1DAHH0), 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.

About Brenntag:

Brenntag is the global market leader in chemical and ingredients distribution. We connect our suppliers and customers in value-adding partnerships. Our almost 17,500 employees provide tailor-made application, marketing and supply chain solutions. Technical and formulation support, market, industry and regulatory expertise as well as advanced digital tools are just some examples of our services that are aiming to create an excellent customer experience. Our full-line portfolio comprises specialty and industrial chemicals and ingredients of a world-class supplier base. Building on its long-standing experience, unmatched global reach and local excellence, Brenntag works closely alongside its partners to make their business more successful. We are committed to contribute towards greater sustainability in our own business and the industries we serve, and to achieve sustainable profitable growth. Headquartered in Essen (Germany) and with regional headquarters in Philadelphia, Houston and Singapore, Brenntag operates a unique global network with more than 640 locations in 77 countries. The company generated sales of EUR 12.8 billion (USD 14.4 billion) in 2019. Brenntag shares are traded at the Frankfurt Stock Exchange (BNR).

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