

Heubach Partners with SK Capital to Drive Next Phase of Growth for Clariant's Pigments Business

Combination of Heubach and Clariant's Pigments Business to Create a Global Pigments Leader

Langelsheim, Germany / New York, NY, June 14, 2021 – The Heubach Group (“Heubach”), in partnership with SK Capital Partners (“SK Capital”), announced today a definitive agreement to acquire Clariant’s Pigments Business (“Clariant Pigments”). The combined business will operate under the Heubach name, creating a global pigments leader generating more than €900 million in annual sales.

The transaction values Clariant Pigments at approximately CHF 805 million, with additional consideration of CHF 50 million contingent on the 2021 financial performance of the business unit. As part of the transaction, Clariant will be reinvesting for a minority stake in the combined business, demonstrating its continuing commitment to the success of Clariant Pigments and the substantial growth opportunity in the combination with Heubach.

Heubach is a leading global producer of organic, inorganic, and non-toxic anti-corrosive pigments, operating four global production locations and employing approximately 1,000 people. Clariant Pigments is a leading global provider of organic pigments, pigment preparations and dyes, operating 13 global production sites and employing approximately 1,900 people.

The combination of Heubach and Clariant Pigments is expected to be highly synergistic, and creates a diversified pigments player that will enhance Heubach’s and Clariant Pigments existing positions. The businesses share a complementary product portfolio and a regionally compatible asset footprint, which will allow for an expanded product range and wider geographical coverage to better serve customers. The combined business will continue to prioritize innovation, quality, technical service and product development in order to provide an enhanced value proposition for its customers.

Johann Heubach, Chief Executive Officer of the Heubach Group, noted “We have been in pigments for more than 200 years. My late father and I set out to drive consolidation in the pigments industry, and the combination of Heubach and Clariant Pigments is a major milestone in this vision. We are extremely excited to have gained SK Capital as a partner and we are eagerly looking forward to capitalizing on their expertise in integrating and operating businesses in the global chemical industry. The fit between Heubach and Clariant Pigments is perfect. The combination of industry leading technologies, a product portfolio serving a wide range of customer requirements and global production and service footprint will give the newly formed Heubach Group the ability to serve our global customer base in the coatings, plastics, inks and specialty applications fields with industry leading products and services.”

Aaron Davenport, a Managing Director of SK Capital, noted “Clariant Pigments is a premier global colorant solutions provider, and, together with our new partners, the Heubach Group and Clariant, we see a tremendous opportunity to create significant value for all stakeholders.”

Conrad Keijzer, Chief Executive Officer of Clariant, noted “We are pleased to announce the agreement with Heubach and SK Capital for the sale of our pigments business. We are confident that with Heubach and SK Capital, we have found the right new owners of this business, for our customers, our colleagues and our other stakeholders.”

Closing of the transaction is subject to customary conditions and approvals and is expected to take place in the first half of 2022. The Valence Group of Piper Sandler & Co., BofA Securities and Citi served as financial advisors to Heubach and SK Capital. Committed financing for the transaction was provided by BofA Securities and Citi. Lenz & Staehelin AG and Kirkland & Ellis LLP acted as legal counsel to Heubach and SK Capital. Milbank LLP acted as legal counsel to Heubach. Homburger AG acted as legal counsel to Clariant and Deutsche Bank AG served as Clariant’s financial advisor.

About Heubach Group

Heubach has more than 200 years of experience in pigments production as one of the first-ever manufacturers of pigments. Heubach is a leading global producer of organic, inorganic and anticorrosive pigments and pigment preparations, is headquartered in Langelsheim, Germany and has sites in Germany, US, and India with sales offices around the world. Over the years, Heubach has developed a leading technology position, which has been built both internally and from the successful take-overs of pigment activities from Bayer, DuPont and ICI. Heubach operates its global business according to “Best-in-Class” German standards with a focus on EHS excellence, quality leadership, product stewardship and innovation. For more information, please visit www.heubachcolor.com.

About SK Capital

SK Capital is a private investment firm with a disciplined focus on the specialty materials, chemicals and pharmaceuticals sectors. The firm seeks to build strong and growing businesses that create substantial long-term value. SK Capital aims to utilize its industry, operating and investment experience to identify opportunities to transform businesses into higher performing organizations with improved strategic positioning, growth and profitability as well as lower operating risk. SK Capital’s portfolio of businesses generates revenues of approximately \$11 billion annually, employs more than 16,000 people globally and operates 150 plants in 28 countries. The firm currently has greater than \$5 billion of assets under management. For more information, please visit www.skcapitalpartners.com.

About Clariant

Clariant is a focused and innovative specialty chemical company based in Muttenz, near Basel/Switzerland. On 31 December 2020, the company employed a total workforce of 13,235. In the financial year 2020, Clariant recorded sales of CHF 3.860 billion for its continuing businesses. The company reports in three business areas: Care Chemicals, Catalysis and Natural Resources. Clariant’s corporate strategy is based on five pillars: focus on innovation and R&D, add value with sustainability, reposition portfolio, intensify growth, and increase profitability.

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