



Kolb Completes Acquisition of Elementis Specialties Netherlands

Kolb Distribution, wholly owned subsidiary of Kuala Lumpur Kepong Berhad (KLK), completed the acquisition of Elementis Specialties Netherlands (ESN), located in Delden, the Netherlands. As of Feb. 28, 2018, ESN is wholly owned by Kolb and renamed to KLK Kolb Specialties. The new business manufactures surfactants and further specialties and will expand the existing Kolb business portfolio in terms of product range and market coverage. The use of the Delden site as another hub for KLK's market penetration strategy will further accelerate growth in the group's downstream chemical specialties business in Europe. CHEManager asked Anja Vonderhagen, Kolb's executive business director, about the reasons for the acquisition of ESN and its further strategy.

CHEManager: *Mrs. Vonderhagen, which advantages and/or synergies does Kolb expect from the acquisition of former ESN?*

Anja Vonderhagen: KLK Kolb Specialties B.V.—which is the new legal entity name — adds unique capabilities to the KLK OLEO group which will offer additional value to our customers. Their product portfolio is a perfect fit to ours and they are very experienced in technologies which are new to the KLK OLEO group such as phosphate esters and quats.

How will this deal expand the existing Kolb business portfolio in terms of product range and market coverage?

A. Vonderhagen: Together with KLK Kolb Specialties we will offer a

broader surfactants portfolio and a unique production versatility with our 3 alkoxylation production sites under one roof. After the successful acquisition and integration of KLK Tensachem in 2014 we have now the fourth site in Europe manufacturing surfactants adding additional specialties to the group.

What will be the benefits of the deal for your customers?

A. Vonderhagen: We are known to our customers to offer solutions with high speed and flexibility.

KLK Kolb Specialties offers a new portfolio with the same mindset: customers first.

Together we can go to the market with a broader portfolio, proven flexibility and speed in working out solutions. Our customers will have ac-

cess to the extended combination of assets, technologies and know-how to further develop our partnerships. The response from the market on our initial announcement on the planned acquisition back in December 2017 has been very positive. In the last months, we have been asked by some of our key customers to discuss projects involving the site in Delden.

What is Kolb's strategy to expand its market penetration and to further accelerate growth in the group's chemical specialties business?

A. Vonderhagen: This acquisition underlines the strategic expansion of KLK OLEO in Europe. We are committed to growth and will consequently seek to expand our portfolio to better serve our customers.

Kolb is integrated into the broad oleochemicals network of KLK OLEO. With additional technologies and production capabilities, we will continue serving exceptional customer needs.

What challenges are ahead of you integrating the KLK Kolb Specialties business?

A. Vonderhagen: We expect a fast integration and route to market as we did with KLK Tensachem.

In order to achieve this, we will look into the portfolio and production processes to improve efficiency to further strengthen our position in the market.

The Delden team is very enthusiastic as they are now central to the



Anja Vonderhagen, executive business director, Kolb

overall group's growth strategy. Nevertheless, we know that communication is key and we take this into account by close teamwork with our new colleagues.

What will be the new branding of the acquired business?

A. Vonderhagen: KLK Kolb Specialties shows the link to KLK and Kolb, both well-known names in the chemical industry. The logo will be the same as for Kolb, the KLK OLEO logo.

The cultural element in M&A integration processes turns out to be a critical success factor. How do you look at that topic?

A. Vonderhagen: We acknowledge this point and are working on it actively. We analyzed the culture of the site in Delden, and quickly identified that we have a lot in common. We transported this message to all employees, both from KLK Kolb Specialties and Kolb, focused on joining forces for a common future.

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