

Elkem ASA acquires Basel Chemie

Oslo, 16 August, 2019: **Elkem ASA acquires Basel Chemie, a Korean producer of specialty silicone gels for cosmetics and water repellents for the construction industry. The acquisition gives Elkem access to leading technology in attractive end-user silicone segments and provides a solid platform for further development and growth.**

Basel Chemie was founded in 1999 and has a state-of-the-art plant near Gunsan and a new research and development and office centre in Seoul. The company has 32 employees and had an annual turnover of USD 7.7 million in 2018 and an average EBITDA margin of 28% over the last three years. The company is a technology driven downstream silicones producer with a high-end speciality portfolio for both skin care and colour cosmetic applications, and water repellents for the construction industry. The companies have agreed an enterprise value of USD 26.9 million for the acquisition.

“This acquisition strengthens our position in downstream specialised silicones. Basel Chemie complements our market offering and brings additional technologies to our specialty portfolio in Asia where we have strong positions in other segments. This technology and offering also holds further global potential. Acquiring Basel Chemie is in line with our strategy to take further positions in selected, specialised silicone segments”, says Helge Aasen, CEO of Elkem.

Elkem will boost Basel Chemie’s specialties through Elkem’s global sales and distribution network, including access to and integration with offerings to current customers and new markets where Elkem is present. Basel Chemie will make Elkem a more comprehensive and attractive supplier within the cosmetics segment, and has an attractive product offering within building protection which can be leveraged outside Korea. The two companies will strengthen their research and development in both Asia and Europe and integrate their value chains.

“Elkem expects to generate strong synergies from the acquisition within research and development, value chain optimisation, complementary product offerings and global market positions. Basel Chemie’s leading position and technologies will reinforce our silicones portfolio for the personal care industry where Elkem has global reach and complementary products. The company has a strong specialties position in the fast-growing innovative Korean cosmetics market, and we will get several synergies of integrating the global marketing offerings. In the building protection segment Elkem holds market positions outside of Korea with significant potential for Basel Chemie’s offering”, says Frederic Jacquin, SVP Elkem Silicones.

The acquisition is subject to final regulatory approvals. Closing is expected by the end of September 2019.

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About Elkem ASA

Founded in 1904, Elkem is one of the world's leading suppliers of silicon-based advanced materials with operations throughout the value chain from quartz to specialty silicones, as well as attractive market positions in specialty ferrosilicon alloys and carbon materials. Elkem is a publicly listed company on the Oslo Stock Exchange, and is headquartered in Oslo. The company has 6200 employees with 27 production sites and sales offices in a total of 28 countries worldwide. In 2018 Elkem had revenues of 25.9 billion NOK. To learn more, please visit www.elkem.com