Clariant and Ashland to sell ASK Chemicals

10.04.2014 - Clariant and Ashland Inc. announced that they have entered into a definitive agreement to sell their joint venture, ASK Chemicals headquartered in Hilden, Germany, to investment funds affiliated with Rhône, a London and New York-based private equity investment firm.

The enterprise value of the transaction before debt and assumed liabilities amounts to CHF 310 million (EUR 257 million). After adjusting for debt and assumed liabilities, total pre-tax proceeds to the sellers will be approximately CHF 180 million (EUR 149 million), which includes CHF 155 million (EUR 128 million) in cash and a CHF 25 million (EUR 21 million) buyer note. Proceeds will be split evenly between Ashland and Clariant under terms of the 50/50 joint venture.

The transaction is expected to close during the third quarter 2014 and is subject to customary closing conditions, including regulatory approvals.

"The divestment of our stake in ASK Chemicals is part of our continuous active portfolio management to reallocate capital towards our more profitable growth areas," said Hariolf Kottmann, CEO of Clariant. "In the joint venture we have successfully combined the activities of Ashland and former Süd-Chemie businesses. Now we release it to a new owner who will focus on growth perspectives."

"The sale of Ashland’s equity interest in ASK Chemicals will allow us to focus on our core specialty chemicals business as we reposition the company for sustained sales and profit growth," said James J. O’Brien, Ashland chairman and chief executive officer. "At the same time, the divestiture will give ASK Chemicals an opportunity for new investment as it works to build on its position as a leading foundry chemicals manufacturer."