

Investindustrial exits Benvic, a developer and producer of thermoplastic solutions, to International Chemical Investors Group



25th August 2022 - PVC Europe Group S.a.r.l (“Investindustrial”), an independently managed investment subsidiary of Investindustrial Growth L.P. (“Growth Fund”), has signed a binding put option for the sale of the compounds business (“Benvic Compounds”) of Benvic Group SAS (“Benvic” or “the company”) to the strategic investor, International Chemical Investors Group (“ICIG”), subject to the consultation of Benvic’s works council in France and EU anti-trust approval. Closing is expected towards the end of the year. Benvic’s medical activities in Italy are expected to be retained by Investindustrial funds.

Benvic Compounds develops, produces and markets thermoplastic solutions based on PVC as well as engineering polymers and bio-polymers compounds. With approximately €500 million of sales and 630 full-time employees (FTEs), the company is one of Europe’s leading PVC compounders in terms of volume as well as a leader in several specialty compounding applications in the US.

Since Investindustrial’s entry, Benvic Compounds has been transformed into a global leader in thermoplastic solutions through a programme of eight add-on acquisitions across Europe and the United States. In addition to the successful international build-up strategy, Benvic Compounds pursued a number of value creation initiatives, building on the company’s core strengths, including end-market and product diversification, operational improvements and the strengthening of the management team.

Benvic has also consolidated its position as a first mover and leader on ESG matters, which are becoming increasingly important for all stakeholders, e.g. employees, customers, suppliers and lenders. The company has rolled out several action plans to significantly reduce its CO₂ emissions and to eventually achieve carbon neutrality on direct scopes. Benvic also completed an ESG-linked refinancing, which was one of the first of its kind in the European market and directed its action towards the circular economy by developing sustainable and renewable materials and solutions.

The successful strategy has allowed Benvic to achieve a transformational journey to evolve from a niche compounder into a well-diversified platform poised for continued growth.

Andrea C. Bonomi, Chairman of the Industrial Advisory Board of Investindustrial, commented: *“Benvic has thrived under our ownership as a result of a strong industrially-driven plan, with a clear investment rationale that has been executed with care and precision by our teams and management. During Investindustrial’s ownership, Benvic started as a niche compounder and has been built into a global player in thermoplastics through an extensive and successful buy-and-build programme across Europe and the US, which is an area Investindustrial has significant expertise in. We are confident that the company remains well positioned to continue its strong growth trajectory under its new owners.”*

Luc Mertens, CEO of Benvic, added: *“Benvic has been transformed under Investindustrial’s ownership over the last four years. Together we have taken the company to the next stage of its development, strengthening our global position in the compounding industry and improving our product offering to our customers through ongoing R&D and expansion into solutions for new applications. We look forward to further accelerating this growth with International Chemical Investors Group, who we consider to be an excellent partner to support Benvic in our next phase of development.”*

Dr. Achim Riemann, Managing Director of ICIG, states: *“As a global player in thermoplastic solutions and one of Europe’s leading PVC compounders, Benvic Group will become ICIG’s second polymers platform, next to Chlorovinyls/Vynova. Benvic is well-known for its innovation capabilities as well as its skilled and dedicated employees. We look forward to welcoming the Benvic employees to ICIG. Together we will realize tremendous opportunities to further grow the business and strengthen Benvic’s promising initiatives to also become one of the leaders in sustainable solutions for the plastics industry.”*

Investindustrial was advised by Rothschild & Co and William Blair International (M&A advisors), Gide Loyrette Nouel (legal advisor), Boston Consulting Group (commercial vendor due diligence) and KPMG (financial, legal, HR and tax vendor due diligence).

About Investindustrial

Investindustrial is a leading European group of independently managed investment, holding and advisory companies with more than €11 billion of raised fund capital. With ESG principles deeply embedded into the Firm’s core approach, Investindustrial has more than 30-year history of providing mid-market companies capital, industrial expertise, operational focus and global platforms to accelerate sustainable value creation and international expansion. Certain companies of the Investindustrial group are authorised by, and subject to regulatory supervision of the FCA in the United Kingdom and the CSSF in Luxembourg. Investindustrial’s investment companies act independently from each other and each Investindustrial fund. Additional information is available at www.investindustrial.com.

About Benvic

Founded in 1963 as a subsidiary of Solvay, Benvic develops, produces and markets thermoplastic solutions based on PVC, engineering polymers, and bio-polymers compounds. They are available in the form of powders and compounds and are utilised across a wide range of rigid and flexible end-applications including building and construction, medical, aerospace, cabling, consumer, packaging and fluid transport. The company has a broad portfolio of formulations to ensure it meets clients’ requirements in terms of technology conversion and features of the final products. Benvic’s production facilities in France (Chevigny-Saint-Sauveur and Porcieu-Amblagnieu), Italy (Ferrara), Spain (Montornès del Vallès), Poland (Witkowo), the UK (Sowerby Bridge) and the USA (Chesapeake, Virginia, and West Unity, Ohio) are strategically located near the main end-markets in order to supply rapidly its customers at competitive prices. Additional information is available at www.benvic.com.

About ICIG

International Chemical Investors Group is a privately owned industrial group with total sales in excess of €3 billion. ICIG is focusing on three main platforms: Fine Chemicals under the WeylChem brand, Chlorovinyls under the Vynova brand and Enterprises which comprises specialized companies in enzyme-based fermentation products, viscose filament, activated carbon and wood protection chemicals industries (including “Corden BioChem”, “ENKA”, “CarboTech”, and “Rütgers Organics”). Since inception in 2004, ICIG has grown to operate more than 20 independent chemicals and pharmaceutical businesses, all of which have origins in major global chemical or pharmaceutical corporations. Today, ICIG companies employ approximately 3,900 employees and operate more than 20 manufacturing facilities in Europe and the United States.

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