German PVC Producer Vestolit May Be Up for Grabs Again

It appears that Marl, Germany-based PVC producer Vestolit may be up for grabs again.

Private equity investor Strategic Value Partners (SVP) Global is said to be looking to sell the company for around $407 million (around €300 million). The news agencies Reuters reported that SVP has appointed investment bank Jefferies to search for a potential buyer.

SVP acquired the PVC producer in 2006 from a consortium led by private investor Candover Partners for a sum mooted to be in the triple-digit million euro range. At the time, potential bidders told German media that Candover was looking for €300-400 million.

A year later, in 2007, SVP was rumored to be seeking to end its foray into PVC, but was stopped by the economic crisis that engulfed the financial markets in 2008 and caused a credit crunch in the industrial sector.

Vestolit, which has sales of €500 million and EBITDA of around €40 million, has capacity to produce 400,000 t/y of PVC - in the main, specialties - in its back-integrated sole production facility plant at Marl.

The Marl company was successively part of the now defunct chemical producers Hüls and Degussa-Hüls. In 1999, shortly before their merger, Hüls and Degussa considered combining Vestolit with Ismaning, Germany-based Vinnolit, a spin-off of the former Hoechst group and its erstwhile 50% subsidiary Wacker Chemie. Ultimately, the two businesses were sold to separate investors.

Speculation about a possible buyer for Vestolit has been rampant following the leak to Reuters. The news agency's sources mentioned as possible bidders chemical producers such as Brazil's Braskem - which has repeatedly expressed interest in a PVC investment, and Axiall, the commodity chemicals business resulting from last year's merger of US players Georgia Gulf and PPG.
Another buyer whose name is in circulation is US petrochemical producer Westlake Chemical, which earlier this year bought Vinnolit for €490 million from private-equity group Advent International.

Some observers, however, believe Westlake may first want to digest its earlier purchase.

Vinnolit has capacity to produce **780,000 t/y of PVC** as well as **665,000 t/y of VCM** at six plants in Germany and the UK, including two picked up from Ineos in 2007.

There may be more PVC assets up for grabs currently than at any point in recent memory. Along with Vestolit, Ineos and Solvay have had to put more than **900,000 t/y** of capacity in the Netherlands, France and Germany on the selling block in exchange for EU approval of their new joint venture, Inovyn.

**Autor(en)**

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