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**Domo Buys Solvay’s Nylon 6,6 Assets**

Belgian family owned nylon producer Domo Chemicals has signed a deal to buy Solvay’s performance nylon 6,6 business in Europe for €300 million on a cash and debt-free basis.

The sale by Solvay is part of the European Commission’s ruling on a previous deal between the Belgian group and BASF. Under an agreement signed in September 2017, BASF is buying Solvay’s global nylon 6,6 business for €1.6 billion, including its share in the Butachimie 500,000 t/y adiponitrile (ADN) plant in Chalampé, France.

However, following an in-depth investigation, the European Commission mandated in January 2019 that assets worth around €450 million must be divested for the transaction to be approved. Regulators were concerned that the sale of Solvay’s entire nylon business to BASF would have reduced the number of suitable suppliers and led to likely price increases in a number of markets, particularly for key feedstock ADN.

The remedy package called for Solvay to sell its production facilities at Belle-Etoile and Valence in France, Gorzow in Poland and Blanes in Spain to a “single, suitable buyer,” in this case Domo. As part of its agreed purchase with Solvay, Domo will also form a joint venture with BASF in France for producing adipic acid, taking over Solvay’s three plants at Chalampé.

Domo said the acquisition will significantly strengthen its downstream nylon-based engineering plastics business and create a European leader with scale, entering the market with a top position in nylon 6 and 6,6 in Europe and boosting its annual turnover from €900 million to €1.6 billion. It also allows Domo to backward integrate its operations and provide it with a secure supply of key raw materials.

Alex Segers, CEO of Domo Chemicals, described the deal as “a major step forward” that will build a “unique and competitive integrated nylon solution provider”.

The business being acquired comprises production, sales, technical support, R&D and innovation services, employing around 1,100 people.
Domo said the strong reputation of Solvay’s Technyl brand will complement its Domamid range of engineered and virgin nylon resins grades as well as its Econamid range of recycled nyons.

The transaction is expected to close by the end of the fourth quarter of 2019, subject to the relevant approvals.

Autor(en)

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