

# Ingevity to acquire Perstorp's caprolactone business for \$673 million

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Perstorp (Perstorp, Sweden) says it has agreed to sell its caprolactone business to Ingevity (North Charleston, South Carolina) for about €590 million (\$673 million). The business has revenue of about €100 million/year. The transaction is expected to close in the first quarter of 2019, subject to regulatory approvals and customary closing conditions.

Perstorp's caprolactone business operates under the Capa trade name. It has a production site at Warrington, United Kingdom. The company is in the process of [upgrading the Warrington plant](#). Perstorp says that margins at the Capa business have improved by almost 50% in the last 10 years. Improved profitability "has made Capa a highly attractive asset, gaining interest among several potential buyers," Perstorp says.

Perstorp says that selling the caprolactone business enables the company to focus on its polyol, oxo, and feed activities. "This sale realizes the significant value of the asset, simplifies Perstorp Group, strengthens our balance sheet, and allows us to focus our future investment and innovation in attractive high-growth segments," says Jan Secher, president and CEO of Perstorp.

Ingevity produces a range of specialty chemicals and carbon materials. "Like our current business, Capa is a high-value-added specialty chemicals business driven by technology-based customer partnerships and focused on high-growth end-markets. In addition, Capa will increase Ingevity's product and geographic diversity and offers the potential to grow in related strategically targeted market segments," says Michael Wilson, president and CEO of Ingevity.

Perstorp is owned by a fund managed by private equity firm PAI Partners with Landmark Partners as lead investor. Landmark and its co-investors have committed €130 million to Perstorp for growth opportunities, the company says.