

PSB Industries finalises its realignment by preparing a corporate split and the stock market flotation of its subsidiary Baikowski®

At its meeting of 21 September 2018, the Board of Directors of PSB Industries approved the principle of engaging a split of its activities and listing its Baikowski® subsidiary, a European leader for Specialty Chemicals, on the Euronext Growth compartment of the Paris stock exchange. The transaction would take the form of the integral distribution in kind, to the shareholders of PSB Industries, of the company's Baikowski® shares.

The strategic review performed by PSB Industries has confirmed the quality of the Group's markets and demonstrated that the operations of its Baikowski® subsidiary make use of specific competencies and know-how. The subsidiary, which in 2017 accounts for approximately 10% of the Group's consolidated revenue, 21% of consolidated EBIT¹ and about 15% of total consolidated assets, evolves within a different economic environment (in terms of customers, suppliers, distribution networks etc.) from that of the Group's main businesses (injection, assembly and decoration operations for the Luxury & Beauty and Healthcare & Industry market segments) with which, therefore, it does not generate any significant synergies.

The operation contemplated should enable Baikowski®, as an independent player, disposing of greater agility and strengthened focus, to accelerate its development within the niche markets for high purity alumina, special oxides and polishing.

For PSB Industries, following the sale in June 2018 of its Food & Distribution business unit, the proposed split signs the achievement of its strategic refocus and transformation into a pure player and global leader within its two major Luxury & Beauty and Healthcare & Industry market segments.

Following this refocus, PSB Industries will dispose in particular of increased financial flexibility, greater clarity in respect of its performance, improved market perception and greater attractiveness for investors.

The proposed split will be submitted for consultation by unions and employee representatives and will be voted on by PSB Industries' shareholders. An appraisal of the value of the Baikowski® shares to be distributed has been requested from an independent expert.

The detailed arrangements for the proposed split, which may be effective by the end of 2018, will be communicated at a later date.

The intention is for Baikowski®'s shares to be eligible for trading on Euronext Growth immediately following their distribution. Detailed information in respect of Baikowski® will be published prior to the forthcoming General Meeting of PSB Industries.

¹ EBIT (Earnings Before Interest & Taxes) equates with operating profit inclusive of the Group's share of the net income of associates.

François-Xavier Entremont, Chairman & Chief Executive Officer of PSB Industries, states: *“Following the sale of the Group’s Food & Distribution business unit in June 2018, our team continues actively to pursue its strategy aimed at concentrating PSB Industries on its core business. Once reconfigured, the new Group, stronger, more reactive and more legible, will be significantly better placed to improve its positions within all its remaining markets, while for its part Baikowski[®], with its newfound autonomy, will obtain a real opportunity for envisaging new strategic alliances or acquisitions designed to confirm its leadership at world level.”*

Benoît Grenot, Chief Executive Officer of Baikowski[®], states: *“Since its formation a hundred years ago, Baikowski[®] has occupied a particular place within the specialty chemicals industry characterised by the company’s capacity for innovation and agility. The success of its positioning within niche markets such as those for high purity alumina, special oxides and polishing now require the support of a specific mode of organization, and reinforced resources, to help it meet the new challenges of globalisation. For that reason, the projected corporate split and independent flotation constitute a formidable springboard and a historical opportunity for the company and all its employees.”*

The present press release contains privileged information as defined by article 7(1) of European regulation 596/2014 on market abuse.

About PSB Industries: PSB Industries is an innovative industrial group and market leader for packaging and specialty chemicals. In 2017, the Group achieved revenue of €378 million (including €49 million for the Food & Distribution business unit sold on 28 June 2018), of which more than 50% internationally, with production facilities in France, the USA, Poland, Japan, China and Mexico.

About Baikowski[®]: Baikowski[®] has existed for a hundred years and is a leading manufacturer of specialist industrial minerals and more particularly, of ultra-pure alumina powders and formulations as well as of other high quality oxides and composites such as spinel, ZTA, YAG and cerium for technical ceramic applications, precision polishing, crystals and additives or coverings. The quality of Baikowski[®]'s products is appreciated by a variety of high-tech markets including the lighting, watchmaking, mobile phone, microelectronic, automotive, defence and medical industries. In 2017, Baikowski[®] achieved revenue of €40 million.

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Next date for your diary: publication of revenues for the 3rd quarter of 2018 on 11 October 2018

