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Albemarle Corp. reaches agreement to sell South Haven plant

By BECKY KARK Editor and general manager

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Albemarle Corp.'s pharmaceutical plant in South Haven has been operating for more than 40 years. The corporation announced Friday it plans to sell the plant to Columbia, Md.-based international chemical firm W.R. Grace & Co. Albemarle had been looking for a buyer for its South Haven plant since 2015.

South Haven Tribune file photo

Albemarle Corp. announced nearly six years ago that it planned to sell its South South Haven plant. Now the company has a buyer.



plant and another plant in Tyrone, Pa. The sale includes \$300 million paid in cash at the closing, with the remaining \$270 million funded through the issuance to Albemarle of a new Grace subsidiary.

“This transaction reflects our ongoing commitment to actively and continuously refine our portfolio as we focus Albemarle on its core, growth-oriented business segments,” Albemarle CEO Kent Masters said in a prepared statement. “Fine Chemistry Services is a profitable business, and we have confidence that Grace is positioned to help it thrive. I want to thank the strong operating team for their excellent performance and professionalism throughout the process.”

News of Albemarle’s decision to sell its Fine Chemistry Services Division doesn’t come as a surprise. A company spokesman said in 2015 that the company wanted to focus on its core business involving bromine, lithium and other chemicals and surface treatments.

Albemarle’s South Haven site produces more than 40 different custom and generic products, from APIs (active pharmaceutical ingredients) and advanced intermediates, to FDA-regulated additives. An API is the part of any drug that produces the intended effects. Some drugs have multiple active ingredients to treat different symptoms or act in different ways.

Albemarle is one of South Haven’s largest industrial employers. The plant in 2020 employed 175 people. Changes in employee numbers aren’t expected according to Hailey Quinn, external communications manager for Albemarle Corp.

“When the sale closes, Grace will welcome all current Fine Chemistry Services employees into their organization,” she said. “We feel we are placing the Fine Chemistry Services business in the hands of a company with strong roots and a proven record of successful integrations and growth.”

Grace wants to purchase Albemarle’s Fine Chemistry Services division to expand the company’s pharmaceutical portfolio.

In its news release, company officials said that “pharma and consumer is the largest, fastest growing and most profitable sub-segment within Grace’s Materials Technologies business.”

“This acquisition is strategically and financially compelling and aligns perfectly with our strategy of building a higher growth portfolio by extending our existing capabilities into higher-growth, high-value end markets,”



(Albemarle's) Fine Chemistry Services' impressive talent, customer-focused culture, track record of innovation and commitment to operating excellence align well with the Grace Value Model. We look forward to working with our customers to deliver high-value solutions that span every stage of their development cycle."

The transfer of Albemarle's Fine Chemistry Services division is expected to be completed by the second quarter of this year.

W.R. Grace & Co. has been in existence since 1854. In 2018, the company acquired Albemarle's Polyolefin Catalyst division.

The company has locations throughout the world, including plants in Chicago, Ill. and East Chicago, Ind.

Becky Kark

