



Quaker Acquires Verkol, S.A. Specialty Grease And Lubricants Business

July 30, 2015 at 8:31 AM EDT

CONSHOHOCKEN, Pa., July 30, 2015 /PRNewswire/ -- Quaker Chemical Corporation (NYSE: KWR) announced today that it has acquired Verkol, S.A., a leading specialty grease and lubricants manufacturer and marketer based in Northern Spain, for approximately \$40.1 million, including net cash of \$10.5 million. Verkol sells products into industrial end markets with a particular strength serving the Steel industry. In 2014, Verkol recorded revenues of approximately \$33.0 million and estimated adjusted EBITDA of \$4.3 million. This transaction is consistent with Quaker's strategy to increase shareholder value through acquisitions and to expand its entry into specialty grease.

Michael F. Barry, Chairman, Chief Executive Officer and President, commented, "Verkol is a market leader in specialty grease and lubricants for the Spanish market with world-class grease manufacturing capabilities and state-of-the-art R&D facilities. This acquisition helps us expand our specialty grease platform by providing Quaker local grease manufacturing in Europe as well as giving us additional grease product technology and talent. Verkol also brings unique technology in continuous casting products that will provide us with opportunities to cross sell to our global Steel customer base."

Mr. Barry also commented, "We paid approximately \$32.4 million for this acquisition in total, including approximately \$2.8 million in transaction-related expenses, or the equivalent of a 7.5 multiple of estimated 2014 adjusted EBITDA. We believe this is another strategic acquisition that will generate value for our shareholders."

Verkol was established in 1923 and has operated in its current Bera, Navarra location since 1972, where the company's headquarters, R&D and production are based. The company also has a sales office based in Madrid and currently has 64 employees in total.

Non-GAAP Measures

Included in this public release are non-GAAP (unaudited) financial measures of total acquisition cost and the total acquisition cost multiple. The Company believes these non-GAAP financial measures provide improved supplemental information as they enhance a reader's understanding of the financial measures attributable to the Company's acquisition. Specifically, the Company believes these non-GAAP measures are more indicative of the total cost and cash flows attributable to this acquisition. Non-GAAP results are presented for supplemental informational purposes only and should not be considered a substitute for the financial information presented in accordance with GAAP. The following table provides a reconciliation of the acquisition's gross purchase price to the total acquisition cost and the total acquisition cost multiple:

Gross purchase price	\$ 40.1
Cash acquired, net	(10.5)
Transaction related expenses	<u>2.8</u>
Total acquisition cost	\$ 32.4
Estimated 2014 adjusted EBITDA	\$ 4.3
Total acquisition cost multiple	<u>7.5x</u>

Forward-Looking Statements

This release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. A major risk is that the Company's demand is largely derived from the demand for its customers' products, which subjects the Company to downturns in a customer's business and unanticipated customer production shutdowns. Other major risks and uncertainties include, but are not limited to, significant increases in raw material costs, customer financial stability, worldwide economic and political conditions, foreign currency fluctuations, future terrorist attacks and other acts of violence. Other factors could also adversely affect us. Therefore, we caution you not to place undue reliance on our forward-looking statements. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

About Quaker

Quaker Chemical is a leading global provider of process fluids, chemical specialties, and technical expertise to a wide range of industries, including steel, aluminum, automotive, mining, aerospace, tube and pipe, cans, and others. For nearly 100 years, Quaker has helped customers around the world achieve production efficiency, improve product quality, and lower costs through a combination of innovative technology, process knowledge, and customized services. Headquartered in Conshohocken, Pennsylvania USA, Quaker serves businesses worldwide with a network of dedicated and experienced professionals whose mission is to make a difference.

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SOURCE Quaker Chemical Corporation

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