

## In This Issue:

- Dana to Combine with GKN's Driveline Division in \$6.1 Billion Deal
  - ITALMATCH Acquires Chinese Jiayou Chemical
  - ExxonMobil Introduces the First Oil for High Mileage Vehicles That Guarantees Protection for 15,000 Miles Between Oil Changes
  - More Lubricant Price Increases Announced
  - Lubrizol® PV2600 Series Approved for Mercedes-Benz MBQL 229.71
  - Please Complete the Form to Subscribe!
-

## **Dana to Combine with GKN's Driveline Division in \$6.1 Billion Deal**

Maumee, Ohio-headquartered Dana Incorporated announced on March 9 that it has signed definitive agreements to combine with the Driveline division of GKN plc to create Dana plc, a global leader in driveline systems. The total consideration is composed of \$1.6 billion in cash proceeds to GKN plc, the assumption of approximately \$1.0 billion of net pension liabilities, and 133 million new Dana plc shares issued to GKN's shareholders, valued at approximately \$3.5 billion (based on Dana's share price as of March 8, 2018). Under terms of the agreements, Dana shareholders will own approximately 52.75 percent of the company with GKN shareholders owning 47.25 percent. The combined company will be domiciled in the United Kingdom as Dana plc and will continue to trade on the New York Stock Exchange under the ticker symbol DAN. The \$6.1 billion transaction is aimed at repelling a hostile takeover from investment group Melrose Industries Plc. GKN has been fighting off Melrose since January, when it spurned an unsolicited takeover bid. "This transformative and strategic transaction solidifies Dana as a world leader in vehicle drive systems and establishes a leading position in electric propulsion, which we see as the future of vehicle drivetrains," said James Kamsickas, president and CEO of Dana. "We have a long history of partnering with GKN, and the companies possess similar cultures and exceptionally talented people. Our highly complementary businesses share a deep understanding of our customers' long-term requirements. We look forward to welcoming GKN Driveline into the Dana family and to delivering value and growth to our shareholders." With pro forma sales of approximately \$13.4 billion in 2017, the company will be the global leader in vehicle drive systems across all three major mobility markets – light vehicle, commercial vehicle, and off-highway. Core eDrive technology portfolio uniquely positions the company to capitalize on electrification opportunities in a rapidly changing market with significant growth potential. The combined entity will provide global coverage to all major customers with an enhanced product portfolio, balanced end markets, and a diverse geographic presence – strengthening the company's presence in key markets such as China. The combined company will have a strong balance sheet, and the transaction is expected to result in \$235 million of annual cost synergies within three years and be accretive to earnings in the first full year. Keith Wandell, non-executive chairman of the Dana Board of Directors, said, "This combination of global leaders results in a unique platform benefiting from the key trends of electrification and global emerging market growth, underpinned by substantial synergies. We look forward to welcoming our new board members and shareholders to create true value for all of our stakeholders." Headquartered in the United Kingdom, GKN Driveline has built market leadership positions in three light-vehicle product segments – constant-velocity jointed driveshafts, all-wheel-drive systems, and electrified driveline solutions. The business has expertise across mechanical systems, electronic and software control, and particularly vehicle integration. The transaction also includes GKN's Off-Highway Powertrain Services business, an expert in off-highway power delivery and service. With approximately 35,000 employees, GKN Driveline has operations in 23 countries and has 61 manufacturing locations, including one of the largest driveline businesses in China via its joint venture, Shanghai GKN Huayu Driveline Systems (known as SDS). In 2017, the business generated consolidated sales of approximately \$6.2 billion.

## ITALMATCH Acquires Chinese Jiayou Chemical

Genova, Italy-based Italmatch Chemicals, a global specialty chemical group leader in the production and marketing of performance additives for water & process treatment, oil & gas, industrial lubricants and plastics, acquired Chinese Jiayou Chemical, active in the phosphonate business, from Ecolab Inc. Italmatch announced in November 2017, it signed a deal to acquire Detrex Corporation, parent company of Cleveland, Ohio-based lubricant additive manufacturer Elco Corporation. Elco markets ZDDP, sulfurized EP, phosphorous/friction modifiers, corrosion inhibitors, antiwear agents and other components for making grease, antiwear hydraulic fluids, industrial gear oils, slideway oils and metalworking fluids. This latest deal includes the acquisition of the entire business and assets relating to phosphonate production and sales carried out by Jiayou Chemical Co. (formerly part of Jianghai), located in the Changzhou area (China). Phosphonates are used as corrosion inhibitors in lubricants and in water treatment. This transaction allows Italmatch Chemicals to strengthen its presence in the Asia Pacific Region with a new plant specialized in production of phosphonates. The new site complements the other dedicated plants located in North America and Europe. Sergio Iorio, CEO of Italmatch Chemicals Group, stated: "After closing 2017 with important acquisitions in North and Latin America, we are happy to begin 2018 with a very significant agreement for Italmatch Chemicals in Asia Pacific. Through this acquisition, Italmatch Chemicals achieves a global presence and a global market leadership in phosphonates, thanks to a new manufacturing presence in China. Maurizio Turci, CFO, Corporate Affairs and HR Director of Italmatch Chemicals Group said: "We have believed and invested in China ahead of the curve in the early 2000s and intend to continue investing here in the future, thanks to the excellent relations with the local financial authorities. We have developed a high-quality growth model in this country, combining industrial corporate practices and respect for local communities, as a means for transforming short-term efforts with sustainable and effective long-term company solutions for expansion in China." Founded in 1997, Italmatch Chemicals group generates 400 million Euros in revenues and operates through six manufacturing plants in Europe (Italy, Spain, Germany and UK), four in Asia Pacific (China and Japan), four in North America (USA) and sales/distribution subsidiaries in Brasil, Belgium, China, Japan, India, Poland, Singapore and the USA. It employs 700 workers. Ardian, the largest European independent private investment company, acquired the majority of Italmatch Chemicals together with the management in July 2014 and is committed to supporting the company's growth.

## **ExxonMobil Introduces the First Oil for High Mileage Vehicles That Guarantees Protection for 15,000 Miles Between Oil Changes**

ExxonMobil announced last Monday it is introducing a new high performance synthetic motor oil, Mobil 1 Extended Performance High Mileage. The new oil is specifically designed for high mileage vehicles with more than 75,000 miles on their engines and guarantees\* longer lasting engine protection for 15,000 miles between changes. "This new addition to the Mobil 1™ line of synthetic motor oils addresses the needs of a large and growing group of car owners – those that have high mileage vehicles and want extra protection to keep their vehicles on the road longer," said Michele Biamonte, automotive marketing manager for ExxonMobil. "We know that owners of vehicles with over 75,000 miles represent over half of all vehicles on the road so we're excited to introduce Mobil 1 Extended Performance High Mileage formula, the first oil designed to protect high mileage engines for 15,000 miles between oil changes." Available in 0W-20, 5W-20 and 5W-30 viscosities, Mobil 1 Extended Performance High Mileage is an advanced full synthetic motor oil. These specially formulated synthetic oils help resist oil breakdown, prevent sludge and deposit formation, and stop leaks in higher mileage engines, while providing extra protection to last 15,000 miles between oil changes. Mobil 1 Extended Performance High Mileage oils provide exceptional engine protection for a wide variety of passenger vehicles including SUVs, light vans and trucks. The new formula is currently available at Meijer and Walmart.

## More Lubricant Price Increases Announced

This past week, Royal Manufacturing, Martin Lubricants, Warren Distribution and Maverick Performance Products announced finished lubricant price increases. Also announcing increases were Sunbelt Lubricants and Reliance Fluid Technologies, the latter part of the previous week. Royal Manufacturing announced it is increasing its finished lubricants by 3% to 8% effective April 2, 2018. This is Royal Manufacturing's second price increase of the year. Martin Lubricants announced a 4 to 10% price increase on Its SynGard®, Xtreme®, and Gard® branded products and all private label lubricants and greases effective April 16, 2018. This is Martin's second price increase of the year. Warren Distribution announced a price increase of 5 to 8% on all lubricants effective April 9, 2018. This is Warren Distribution's second price increase of the year. Maverick Performance Products announced a price increase of 6 to 8% on its VP finished lubricants effective April 2, 2018. This is Maverick's second price increase of the year. Sunbelt Lubricants announced a price increase of 6 to 8% for finished lubricants effective March 21, 2018. Reliance Fluid Technologies announced it will raise its lubricant prices by 4 to 9% effective April 9, 2018. This is RFT's second price increase of the year. The predominant reason given for these price increases were similar to most previous increase announcements, i.e., because of continuing rise in raw materials, base oils, additives, packaging and transportation costs.

## **Lubrizol® PV2600 Series Approved for Mercedes-Benz MBQL 229.71**

The Lubrizol Corporation announced last Thursday its new Lubrizol® PV2600 series additive technology is approved for formulating Mercedes-Benz (MB) 229.71 engine oils. These lubricants are mandatory to meet warranted service fill requirements for the latest generation of hybrid powertrains employing Daimler OM654 turbocharged diesel engines and M256 or M264 gasoline engines that come with 48V integrated electrics. "European automotive OEMs are introducing new high-performance engines, hybrid powertrains and advanced aftertreatment systems as they seek to meet evolving European emissions requirements for 2021 and beyond," says Colin Morton, Lubrizol regional business manager for Europe, Passenger Car Engine Oils. "The Mercedes-Benz 229.71 specification represents one of the first in a new generation of advanced low viscosity SAE 0W-20 lubricants required to maintain reliable operation of the latest electrified automotive hardware designs." MB 229.71 is based on ACEA C5-16, the fastest-growing engine oil category in the European lubricants market today. Mercedes-Benz vehicles requiring this class of lubricant are approaching their first in-warranty service interval, which will lead to a rapid increase in their demand. Morton continues, "We are pleased to bring our new Lubrizol PV2600 series to the market as an addition to our established range of market-leading Lubrizol® ACTTM additive technologies. Our full range of additives are proven to increase durability of modern engines and aftertreatment systems, including protection against low speed pre-ignition, providing oil marketers with solutions to supply all of Daimler's service fill requirements."

## Please Complete the Form to Subscribe!

Please fill out the form below to subscribe or unsubscribe to the OEM/Lube Industry Newsletter.

Email Address:

Add  Remove

Send As HTML

First Name:

Last Name:

Company:

Address Line 1:

Address Line 2:

City:

State:

Country:

Postal Code:

Submit

