

Evonik and Shandong Vland Biotech form JV in China with focus on gut health products for animals

12 October 2023

- Two leading players join forces to develop and expand gut health solutions globally
- Joint venture sets to enter the market in Q1 /2024
- Focus on gut health solutions products including probiotics

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Essen, Germany. Evonik China Co., Ltd and Shandong Vland Biotech Co., Ltd agreed to build a joint venture to expand their presence in gut health solutions products for farm animals globally. Evonik will be the majority shareholder in this joint venture with 55 percent of the shares. The joint venture, called Evonik Vland Biotech (Shandong) Co., Ltd. will have its headquarters in Binzhou, China, and is planned to enter the market in Q1 /2024.

The joint venture will combine the specific strengths of both partners, including Vland's market access, regulatory capabilities in China as well as its fast innovation cycles. In addition, the joint venture will benefit from Evonik's global sales force and market access, R&D and global regulatory capabilities. Sales of the new joint venture are expected to be in the low double-digit million euro range.

Evonik announced earlier this year that it is developing its specialty nutrition business with system solutions and specialties for poultry, swine and ruminants. The partnership with Vland on gut health solutions is an essential element towards Evonik's strategy to offer system solutions for its customers in the animal feed industry.

Customized system solutions consisting of products, services and knowhow delivering sustainability benefits are part of the strategic core of Evonik's life science division Nutrition & Care, which includes the Animal Nutrition business line. Biosolutions such as probiotics for animal gut health will strengthen the division's biotechnology platform.

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“This joint venture combines the strengths of two successful players in the feed additives business and provides a solid platform for future growth,” says Dr. Gaetano Blanda, head of the Animal Nutrition business line of Evonik. “Together, both partners gain broader market access for their products and combine their innovative strength.”

"I am happy to join forces with Evonik. The joint venture builds on the successful cooperation between our two companies, which we are now taking to a new level," says Arron Chen, Chairman and President of the Vland Group.

Both partners will bring their gut health businesses – such as probiotics and formulated products – into the joint venture to cover the Greater China Region. The Greater China Region accounts for more than 20 percent of the global feed additives market.

Evonik Vland Biotech (Shandong) Co., Ltd. will also engage in creating new gut health products. As part of the agreement, Evonik will distribute the joint venture’s portfolio outside of the Greater China Region. The joint venture allows Evonik to expand its gut health solutions by adding broader formulation elements to its global product portfolio.

"The joint venture of Evonik and Vland will enhance our portfolio in Asia Pacific. Both companies will grow faster together than they would have on their own," says Shirley Qi, regional president of SEAANZ and head of Nutrition & Care Asia at Evonik.

The aim of Evonik’s gut health solutions is to maintain the productivity of farm animals without using antibiotic growth promoters (AGPs). Today, probiotics such as Ecobiol[®], Fecinor[®], GutPlus[®] and GutCare[®] are the basis of this portfolio. They consist of living microorganisms added to animal feed to maintain or restore the microbial balance in the animal’s gut, helping to make animals more resilient.

Company information

Evonik is one of the world leaders in specialty chemicals. The company is active in more than 100 countries around the world and generated sales of €18.5 billion and an operating profit (adjusted EBITDA) of €2.49 billion in 2022. Evonik goes far beyond chemistry to create innovative, profitable and sustainable solutions for customers. About 34,000 employees work together for a common purpose: We want to improve life today and tomorrow.

About Nutrition & Care

The focus of the business of the Nutrition & Care division is on health and quality of life. It develops differentiated solutions for active pharmaceutical ingredients, medical devices, nutrition for humans and animals, personal care, cosmetics, and household cleaning. In these resilient end markets, the division generated sales of €4.24 billion in 2022 with about 5,700 employees.

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