



Press Release Details

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DuPont Announces Plan to Separate into Three Independent, Publicly Traded C

MAY 22, 2024

- Tax-free separations create independent, focused Electronics and Water companies t
respective industries
- New DuPont will remain a premier diversified industrial company with industry-leadi
- Reaffirms second quarter and full year 2024 net sales, operating EBITDA and adjuste
- Company to host a call with investors at 8:00 a.m. ET on Thursday, May 23, 2024

WILMINGTON, Del., May 22, 2024 /PRNewswire/ -- DuPont (NYSE: DD) today announced a
publicly traded companies. Under the plan, DuPont would execute the proposed separat
businesses in a tax-free manner to its shareholders with New DuPont continuing as a pre
following completion of the separations. As independent entities, both Electronics and W
and agility in their respective industries. At separation, each of the three companies will h
financial profiles and compelling growth opportunities.



As leading standalone companies, ea
from:

- An ability to tailor capital allocation st
growth objectives
- Enhanced strategic flexibility to pursue portfolio enhancing M&A
- Compelling investment profiles appealing to different investor bases
- Distinct boards of directors and management teams comprised of world-class leader
creation in each specific industry

"This is an extraordinary opportunity to deliver long-term, sustainable shareholder value
industry-leading companies," said Ed Breen, DuPont Executive Chairman and Chief Execu
will unlock incremental value for shareholders and customers and also create new oppor

Electronics will be comprised of the existing Semiconductor Technologies and Interconnectivity as the electronics-related product lines from Industrial Solutions. These businesses generate approximately \$1.5 billion and operating EBITDA margin⁽¹⁾ of approximately 29% in 2023.

Electronics will focus on innovation-based growth. With robust cash flow generation, Electronics will pursue ongoing organic growth initiatives and have flexibility to pursue inorganic growth opportunities.

Water: A Comprehensive Water Solutions Provider with Leading Filtration Technologies
Water will be a global technology leader with a comprehensive portfolio of water filtration technologies and leading technologies in reverse osmosis, ion exchange and ultrafiltration. Its solutions provide clean water that generate clean and fit-for-purpose water across a variety of market segments including industrial, municipal and residential, and commercial.

Water will be comprised of DuPont's current Water Solutions line of business which generate approximately \$1.5 billion and operating EBITDA margin⁽¹⁾ of approximately 24% in 2023.

With profitable growth and strong cash generation, Water will be well positioned to drive investment in the business as well as potential inorganic growth opportunities.

(1) Presented on a DuPont segment reporting basis for informational purposes and should not be viewed as operating results on a standalone basis assuming completion of the separation transactions. Refer to Note 1 for more information.

Separation Transactions Detail

DuPont expects to execute the proposed separations of Electronics and Water in a way that is favorable to shareholders for U.S. federal income tax purposes.

DuPont expects to complete the separations within 18 to 24 months. The separation transactions are subject to shareholder vote and are subject to satisfaction of customary conditions, including final approval by DuPont's Board of Directors, a tax opinion from counsel, the filing and effectiveness of Form 10 registration statements with the SEC, the SEC, applicable regulatory approvals and satisfactory completion of financing.

It is anticipated that all three companies will have strong balance sheets and will be capital rich, which will enable them to take advantage of future growth opportunities. New DuPont is expected to maintain its strong financial position.

Leadership Updates

In a separate press release issued today, DuPont announced the following leadership appointments:

- Lori Koch, current Chief Financial Officer is appointed Chief Executive Officer, succeeding the current Executive Chairman.
- Antonella Franzen, current Chief Financial Officer of DuPont's Water & Protection segment, is appointed Chief Financial Officer.

Following completion of the separations, Lori Koch and Antonella Franzen will remain in their current roles.

More information about the company, its businesses and solutions can be found at www.dupont.com information included on the Investor Relations section of the website at [investors.dupont.com](https://www.investors.dupont.com)

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Cautionary Statement about Forward-looking Statements

This communication contains "forward-looking statements" within the meaning of the fee-qualified safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, in this context, forward-looking statements often address expected future business and financial performance and often contain words such as "expect," "anticipate," "intend," "plan," "believe," "seek," "outlook," "stabilization," "confident," "preliminary," "initial," and similar expressions and phrases. All statements, other than statements of historical fact, are forward-looking statements, including statements about outlook, expectations and guidance. Forward-looking statements address matters that are subject to risks, uncertainties, and assumptions, many of which that are beyond DuPont's control and may cause results to differ materially from those expressed in any forward-looking statements. Forward-looking statements do not guarantee or provide any assurance of future results. Some of the important factors that could cause DuPont's actual performance to differ from those projected in any such forward-looking statements include, but are not limited to: (i) the completion of the separation transactions described above and to meet the conditions related thereto; (ii) the timing of the separation transactions will not be completed within the anticipated time period or at all; (iii) the potential that the separation transactions will not achieve their intended benefits; (iv) the impact of the separation transactions on the operations of the companies and the risk that the separations may be more difficult, time-consuming or costly than expected; (v) the impact of resources, systems, procedures and controls, diversion of management's attention and time, and the impact on existing relationships with customers, suppliers, employees and other business counterparts; (vi) the impact of including disputes, litigation or unanticipated costs, in connection with the separation transactions on the expected financial performance of DuPont or the separated companies following completion of the separation transactions; (vii) negative effects of the announcement or pendency of the separation transactions on the operations of the companies and/or on the financial performance of DuPont; (viii) the ability to achieve anticipated capital costs in connection with the separation transactions, including the future availability of credit and factors that may affect the ability to achieve anticipated credit ratings in connection with the separation transactions; (ix) the impact of the separation transactions in connection with the separation transactions and completed and future, if any, acquisitions and other portfolio changes and the impact of changes in relevant tax and other laws; (x) the impact of the settlement agreement concerning PFAS liabilities reached June 2023 with plaintiff water utilities and DuPont; (xi) risks and costs related to each of the parties' respective performance under the settlement arrangement to share future eligible PFAS costs by and between DuPont, Corteva and Chemours; (xii) pending or future litigation related to PFAS or PFOA, including personal injury claims and the extent and cost of ongoing remediation obligations and potential future remediation obligations; (xiii) regulations applicable to PFAS chemicals; (xiv) indemnification of certain legacy liabilities and the impact of such benefits and effectively manage and achieve anticipated synergies and operational efficiencies following completion of the separation transactions and completed and future, if any, divestitures, mergers, acquisitions and other portfolio changes; (xv) productivity and infrastructure actions; (xvi) the risks and uncertainties, including increased costs to develop new materials and meet customer needs from, among other events, pandemics and responsible sourcing; and (xvii) adverse changes in demand declines in consumer-facing markets, including in China; (xviii) adverse changes in global economic conditions, including in China; (xix) the impact of global economic conditions, including in China; and (xx) the impact of global economic conditions, including in China.

planning, forecasting and evaluating the performance of the company, including allocations. Management believes these non-GAAP financial measures are useful to investors because they provide a more meaningful view of ongoing performance of DuPont to offer a more meaningful comparison related to future performance. Non-GAAP financial measures supplement disclosures prepared in accordance with U.S. GAAP and are not an alternative to U.S. GAAP. Furthermore, such non-GAAP measures may not be consistent with those used by other companies. Reconciliations of non-GAAP measures to U.S. GAAP are provided in the Reconciliation of Non-GAAP Measures on the Investors section of DuPont's website. Non-GAAP measures referred to in this report are listed below. DuPont has not provided forward-looking U.S. GAAP financial measures or a reconciliation of non-GAAP financial measures to the most comparable U.S. GAAP financial measures on a forward-looking basis. Management is unable to predict with reasonable certainty the ultimate outcome of certain future events, including the impact of portfolio changes, including the separation transactions, asset sales, mergers and acquisitions, contingent liabilities related to litigation, environmental and indemnifications matters; and other items. These items are uncertain, depend on various factors, and could have a material impact on our financial performance over the period. We encourage investors to review our financial statements and publicly filed reports to understand any single financial measure.

DuPont's measure of profit/loss for segment reporting purposes is Operating EBITDA as defined below. Management, the company's chief operating decision maker ("CODM") assesses performance and allocates resources based on Operating EBITDA as earnings (i.e., "Income from continuing operations before income taxes, depreciation and amortization, non-operating pension / OPEB benefits / charges, and foreign exchange gains and losses, and other significant items).

Operating EBITDA Margin is defined as Operating EBITDA divided by net sales.

Significant items are items that arise outside the ordinary course of the company's business and are not expected to cause misinterpretation of underlying business performance, both historical and future, due to the item's size, unusual nature and infrequent occurrence. Management classifies as significant items certain expenses associated with integration and separation activities related to transformational transactions. Such items are considered unrelated to ongoing business performance.

Discussion of net sales and Operating EBITDA Margin related to New DuPont, Electronics & Industrial is presented in DuPont's segment reporting and reflects the aggregate results for the businesses to be included in the separate companies. Corporate expenses included by DuPont within Corporate & Other are not included in the segment results. These measures have been presented in this manner for informational purposes only and do not represent the results of each future company's operating results on a standalone basis assuming completion of the separation.

Effective as of January 1, 2024, Electronics & Industrial realigned certain product lines that were previously reported in Industrial Solutions, Interconnect Solutions and Semiconductor Technologies). The realignment is reflected in total Electronics & Industrial segment net sales.

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