

Evonik agrees to sell its Methacrylates business to Advent International for €3 billion

March 4, 2019

- Consistent strategy execution to focus on specialty chemicals
- Attractive selling price of €3 billion is 8.5 times the business' EBITDA
- Excellent development opportunities for Methacrylate business

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Essen, Germany. Evonik has today signed an agreement to sell its Methacrylates business to Advent International for €3 billion. The selling price (enterprise value) is 8.5 times the business' EBITDA. The transaction is subject to approval by the authorities in several countries and is expected to close in the third quarter of this year.

The Methacrylates business has 18 production sites and 3,900 employees worldwide. From 2016 to 2018, the business generated an average annual EBITDA of about €350 million and sales of about €1.8 billion per year. For 2019 Evonik expects sales and EBITDA at a similar level.

The transaction comprises the Methacrylates, Acrylic Products and CyPlus business lines, and some of the methacrylate resins activities. Evonik put these operations on the market as part of its systematic strategy of sharpening its focus on specialty chemicals, which are less cyclical. Private equity company Advent International is one of the most experienced financial investors in the chemical industry in the world, with more than 30 investments over three decades.

The net purchase price (equity value) can be calculated after deductions, made up primarily of pension obligations of around €500 million. Evonik will use the sale proceeds to strengthen its balance sheet and, above all, for targeted growth projects. That includes funding the purchase price of the US company PeroxyChem, which Evonik plans to close this year. In addition, some funds will be used to strengthen the present specialty chemicals portfolio, for example, by building a new polyamide 12 plant in Marl, Germany. These businesses generate an attractive margin and an above-average cash flow. Also in 2019 and even

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Registered Office is Essen
Register Court Essen Local Court
Commercial Registry B 19474

without the contribution from the Methacrylates business, Evonik will be able to cover the dividend payment out of its strong free cash flow.

Company information

Evonik is one of the world leaders in specialty chemicals. The focus on more specialty businesses, customer-oriented innovative prowess and a trustful and performance-oriented corporate culture form the heart of Evonik's corporate strategy. They are the lever for profitable growth and a sustained increase in the value of the company. Evonik benefits specifically from its customer proximity and leading market positions. Evonik is active in over 100 countries around the world with more than 36,000 employees. In fiscal 2017, the enterprise generated sales of €14.4 billion and an operating profit (adjusted EBITDA) of €2.36 billion.

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