

Ad hoc according to Art. 17 paragraph 1 MMVO

LANXESS and Advent International establish a leading global joint venture for high-performance engineering polymers

- **LANXESS transfers High-Performance Materials business into joint venture**
- **LANXESS High Performance Materials business valued at EUR 2.5 billion.**
- **LANXESS receives a payment of at least EUR 1.1 billion at closing and a stake of up to 40 percent in the joint venture**
- **LANXESS and Advent to acquire Engineering Materials business from DSM for a purchase price of around EUR 3.7 billion financed by Advent. This business will also be contributed to the new joint venture**
- **Substantial synergies expected**
- **LANXESS to use proceeds for debt reduction and share buy back**
- **New joint venture with pioneering product portfolio and integrated value chain**

Specialty chemicals company LANXESS and Advent International (“Advent”) are establishing a joint venture for engineering and high-performance polymers. LANXESS contributes its High Performance Materials (HPM) business unit which is valued at EUR 2.5 billion to the joint venture and will receive an initial payment of at least EUR 1.1 billion and a share of up to 40 percent in the future joint venture. Advent will hold at least 60 percent of the joint venture. LANXESS plans to use the proceeds for debt reduction and for a share buy-back in the amount of up to EUR 300 million.

LANXESS will have the possibility to divest the remaining stake in the joint venture to Advent earliest after three years. An earnings-related multiplier (EBITDA multiple) has already been agreed for its valuation. The EBITDA could then be significantly higher than today, as Advent and LANXESS anticipate substantial synergies resulting from the combination of the two businesses by 2026.

At the same time LANXESS and Advent signed an agreement to acquire the Engineering Materials business (DEM) from Dutch group Royal DSM, which will become part of the new joint venture. The purchase price is around EUR 3.7 billion and will be financed by the joint venture via equity from Advent and external debt. The business represents sales of around EUR 1.5 billion with an EBITDA margin of approximately 20 percent. DEM is one of the leading global suppliers high performance specialty materials that address key market needs in electronics, electrical and consumer goods.

The transaction is still subject to approval by the relevant authorities. Closing is expected in the first half of 2023.