



## Press Release

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Portfolio Optimization

## Covestro decides to discontinue Maezio® product line

- **Covestro to focus Engineering Plastics business entity more strongly on core business in the future**
- **Production of thermoplastic fiber composites under the Maezio® brand to be discontinued**
- **Markt Bibart site to be closed during the course of the year as a result of this change**

As part of its ongoing, Group-wide portfolio optimization efforts, in the future Covestro will increasingly focus the Engineering Plastics business entity on its core business. As a result, the Maezio® product line with highly specialized fiber-reinforced composites and the associated production at the Markt Bibart site are to be discontinued in the course of the current year. "With its Group-wide 'Sustainable Future' strategy, Covestro is consistently aligning itself with the needs of high-growth customer industries to generate sustainable growth in an increasingly competitive market," says Lily Wang, Head of Covestro's Engineering Plastics business entity. "Despite major investments in the development of the Maezio® business and in production technology, as well as technological advances achieved as a result, we were ultimately able to leverage only a few synergies with our core business. Therefore, after a thorough review, we have decided that the Maezio® product line will be discontinued. This decision was not easy for us," Wang adds.

Covestro started working in the field of continuous fiber-reinforced thermoplastic composites in 2015 with the acquisition of TCG Thermoplast Composite GmbH. Following the strategic decision to discontinue the Maezio® product line after almost eight years, Covestro searched intensively for a buyer for the Markt Bibart site. As this attempt was ultimately not successful, Covestro decided to close the site later this year. Most recently, 48 of the approximately 7,600 employees in Germany were employed there. "We have initiated an extensive sales process, which, unfortunately, was not successful. Our focus on the ground is now on providing the best possible support to all colleagues. To this end, we will be working closely with the local employee representatives to find fair solutions for all those affected and to ensure that the closure process is socially responsible," emphasizes Site Manager John Bauer.

### A focus on core business

Thermoplastic fiber composites are a highly specialized and competitive niche business. Covestro has invested in building up the business since taking over the site in 2015 and has made very good technical progress in production. Nevertheless, the company has not succeeded to scale the Maezio® business with sufficient success in the market. There are only a few synergies with the



core business of the Engineering Plastics business entity and the vast majority of key account business. In addition, the typical customers for thermoplastic composites only order on the basis of joint, complex and time-consuming technical application development, and then only in very small quantities. This is in marked contrast to the far predominant distribution model and key account business in the Covestro Group.

Covestro is thus sharpening its focus on its core Engineering Plastics business by discontinuing the Maezio® products. Major customers in the automotive, electronics and healthcare divisions, among others, use these high-quality polycarbonates for further processing in a wide range of products.

#### **About Covestro:**

Covestro is one of the world's leading manufacturers of high-quality plastics and their components. With its innovative products and processes, the company contributes to greater sustainability and quality of life in many areas. Covestro supplies customers around the globe in key industries such as mobility, construction and housing, and electrical and electronics. In addition, Covestro's polymers are used in areas such as sports and leisure, cosmetics, healthcare and in the chemical industry itself.

The company strives to be fully circular and aims to become carbon neutral by 2035 (Scope 1 and 2). In the 2021 fiscal year, Covestro generated sales of €15.9 billion. As of the end of 2021, the company produced at 50 sites worldwide and employed around 17,900 people (converted to full-time positions).

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These reports are available at [www.covestro.com](http://www.covestro.com). The company assumes no obligation whatsoever to update these forward-looking statements or to make them conform to future events or developments