

Press Release



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Covestro AG
Communications
51365 Leverkusen
Germany

Contact
Lars Boelke
Telephone
+49 214 6009 4206
Email
Lars.Boelke
@covestro.com

Contact
Benjamin Schütz
Telefon
+49 214 6009 2814
E-Mail
Benjamin.Schuetz
@covestro.com

Covestro continues portfolio optimization

Covestro closed sale of European Systems Houses business to H.I.G. Capital

Covestro successfully closed the sale of its European Systems Houses business to H.I.G. Capital effective as of November 1, 2019. The sales proceeds amount to a high-double-digit euro million sum. The business comprises facilities in the Netherlands, Denmark, Spain, Germany and further businesses in Italy. Approximately 250 employees are generating annual sales of some EUR 230 million. The sale of the systems houses is part of Covestro's ongoing efforts to optimize its portfolio.

The systems houses are offering tailor-made polyurethanes systems for customers. With its new owner H.I.G. Capital, the European Systems Houses now have the perspective to position themselves as an independent, focused player for mid-sized customers. The newly formed business will trade under the name [Plixent](#).

About H.I.G. Capital

H.I.G. is a leading global private equity and alternative assets investment firm with over EUR 26 billion of equity capital under management. Based in Miami, and with offices in New York, Boston, Chicago, Dallas, Los Angeles, San Francisco, and Atlanta in the U.S., as well as in London, Hamburg, Madrid, Milan, Paris, Bogotá, Rio de Janeiro and São Paulo, H.I.G. specializes in providing both debt and equity capital to small and mid-sized companies, utilizing a flexible and operationally focused / value-added approach:

1. H.I.G.'s equity funds invest in management buyouts, recapitalizations and corporate carve-outs of both profitable as well as underperforming manufacturing and service businesses.



2. H.I.G.'s debt funds invest in senior, unitranche and junior debt financing to companies across the size spectrum, both on a primary (direct origination) basis, as well as in the secondary markets. H.I.G. is also a leading CLO manager, through its WhiteHorse family of vehicles, and manages a publicly traded BDC, WhiteHorse Finance.

3. H.I.G.'s real estate funds invest in value-added properties, which can benefit from improved asset management practices.

Since its founding in 1993, H.I.G. has invested in and managed more than 300 companies worldwide. The firm's current portfolio includes more than 100 companies with combined sales in excess of EUR 28 billion. For more information, please refer to the H.I.G. website at www.higcapital.com.

About Covestro:

With 2018 sales of EUR 14.6 billion, Covestro is among the world's largest polymer companies. Business activities are focused on the manufacture of high-tech polymer materials and the development of innovative solutions for products used in many areas of daily life. The main segments served are the automotive, construction, wood processing and furniture, and electrical and electronics industries. Other sectors include sports and leisure, cosmetics, health and the chemical industry itself. Covestro has 30 production sites worldwide and employs approximately 16,800 people (calculated as full-time equivalents) at the end of 2018.

This press release is available for download from the Covestro press server at www.covestro.com.

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Forward-looking statements

This news release may contain forward-looking statements based on current assumptions and forecasts made by Covestro AG. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Covestro's public reports which are available at www.covestro.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.