

Press Release



Leverkusen,
April 1, 2021

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Significant step towards implementing the company's long-term strategy

Covestro successfully completes acquisition of Resins & Functional Materials business from DSM

- **Covestro to become one of the leading global suppliers for sustainable coating resins**
- **Acquisition adds around EUR 1 billion in revenues**
- **Consequent implementation of sustainable growth strategy**

On April 1, 2021, Covestro successfully completed the acquisition of the Resins & Functional Materials business (RFM) from the Dutch company Royal DSM. The transaction received regulatory approval after Covestro and DSM signed an acquisition agreement in late September 2020. The transaction substantially expands Covestro's portfolio of sustainable coating resins, making the Group one of the world's leading providers in this growth market. The integration of RFM will expand the Group's revenues by around EUR 1 billion and will add more than 20 sites to its global production network.

"The acquisition of RFM significantly contributes to the implementation of our new Group strategy. With this transaction, we are taking another important step towards sustainability, while at the same time generating sustainable growth," said Dr. Markus Steilemann, CEO of Covestro. "We are looking forward to meeting our new colleagues and warmly welcoming them to Covestro."

With the transaction, Covestro is expanding its business in several areas. The Group is already one of the leading global providers of water-based polyurethane dispersions. The acquisition of RFM adds a complete range of water-based polyacrylate resins, as well as strong brands in terms of sustainability such as Niaga®, solutions for additive manufacturing, and an advanced solar coatings business. In addition, Covestro is enhancing its technology portfolio to include



water-based hybrid technologies, powder coating resins as well as radiation curing resins.

Sucheta Govil, Chief Commercial Officer at Covestro: “With this transaction, we are strengthening our extensive portfolio with further innovative products and technologies that will enable us to meet our customers’ needs in optimal fashion. Now our focus is on integrating the teams, leveraging talent and providing the best possible support for our new and existing customers.”

Following a comprehensive analysis, Covestro expects permanent (“run-rate”) synergy effects to build-up to about EUR 120 million per annum from full integration by 2025. These consist of approximately two-thirds of cost and one-third of revenue synergies.

About Covestro:

With 2020 sales of EUR 10.7 billion, Covestro is among the world’s leading polymer companies. Business activities are focused on the manufacture of high-tech polymer materials and the development of innovative, sustainable solutions for products used in many areas of daily life. In doing so, Covestro is fully committed to the circular economy. The main industries served are the automotive and transportation industries, construction, furniture and wood processing, as well as electrical, electronics, and household appliances industries. Other sectors include sports and leisure, cosmetics, health and the chemical industry itself. At the end of 2020, Covestro has 33 production sites worldwide and employs approximately 16,500 people (calculated as full-time equivalents).

This press release is available for download here: www.covestro.com/press/en

Find more information at www.covestro.com.

Forward-looking statements

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