



## Investor News

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### **Covestro offers shares for between EUR 26.50 and EUR 35.50**

- Subscription expected to run from September 21 until October 1, 2015
  - Gross proceeds of about EUR 2.5 billion anticipated
  - Capital increase through the issue of new shares
  - First listing on the Frankfurt Stock Exchange planned for October 2
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**Leverkusen, Germany, September 18, 2015** – Covestro AG, a world-leading polymers producer, is planning its stock market flotation at the beginning of October 2015. By way of a capital increase, the company will offer between 70.4 million and 94.3 million new shares at an issue price of between EUR 26.50 and EUR 35.50. Covestro is targeting gross proceeds of about EUR 2.5 billion. The number of shares to be issued in the Initial Public Offering (IPO) will depend on the issue price. The subscription period for the shares will run from September 21 until probably October 1, 2015. The issue price will be set on the basis of a bookbuilding process and the first listing in the regulated market segment (Prime Standard) of the Frankfurt Stock Exchange is planned for October 2.

The new bearer shares (ISIN DE0006062144, ticker symbol 1COV) will be offered publicly in Germany and Luxembourg to private and institutional investors. Private placements are planned in other countries. The details of the offering have been defined by Covestro (formerly Bayer MaterialScience) and Bayer AG as a shareholder together with Deutsche Bank and Morgan Stanley, the two joint global coordinators for the transaction.

“We have prepared intensively for our independence and think our company is ready for listing. After the IPO, we will be able to deploy our strengths more rapidly, effectively and flexibly and continue building on our competitive advantages,” explained Covestro CEO Patrick Thomas.

In the bookbuilding process, 70.4 million shares are to be offered at the top end of the price range. In the mid-range, the offering will comprise 80.6 million shares, while 94.3 million shares will be available at the lower end of the price range.

Retail investors can submit offers until the anticipated close of the subscription period at 12:00 midday Central European Summer Time (CEST) on October 1. Institutional investors have until 2:00 p.m. CEST on the same day.

On conclusion of the transaction and assuming the placement of all the shares offered at the respective prices, the free float would be about 34 percent at the top end of the price range, approximately 37 percent at mid-range and around 40 percent at the lower end of the range. Stabilization measures equivalent to as much as 10 percent of the emission volume are possible.

Covestro will use the proceeds from the IPO primarily to repay its debt to Bayer and thus establish its target capital structure. Immediately after the capital increase, net debt together with pension liabilities should be around EUR 4 billion. With target net debt together with pension liabilities at 2.5 to 3 times adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) for fiscal 2015, Covestro is seeking an investment-grade credit rating.

### **Sustainable dividend policy envisaged**

Covestro intends to share its commercial success with its stockholders by way of dividend payments. For the shortened fiscal year 2015, a dividend payment of around EUR 100 million to EUR 150 million is envisaged. From fiscal 2016 onward, the company is planning dividend payments of between 30 and 50 percent based on net income (IFRS). “Our strong free cash flow is expected to support a sustainable dividend policy,” emphasized CEO Thomas.

“In the mid-term, we are forecasting further growth in sales and adjusted EBITDA,” went on Thomas. “As the developer and manufacturer of components for high-tech plastics, coatings, adhesives and sealants, we have a global footprint. For decades, we have been supplying many thousands of customers in the automotive, construction and electronics industries and in other key segments.”

Detailed information about the offering is contained in Covestro's stock market prospectus, which was today approved by the German Financial Supervisory Authority (BaFin). The document will be made available on the Covestro website at [www.covestro.com](http://www.covestro.com) on the evening of September 18.

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