

Evonik to divest Lülisdorf site

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- More detailed plans for further development with investors and partners to be finalized by spring 2022
- Location has diverse potential for the production of basic chemicals
- Next step for Evonik in its strategic focus on specialty chemicals products

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Essen/Lülisdorf, Germany. Evonik intends to divest its Lülisdorf site in the medium term. More detailed plans will be drawn up by spring 2022. The aim is to transfer the entire site to a new owner, although the sale of parts of the business to various interested parties will also be considered. The company has decided to take this step amid the regulatory phase-out of alkoxide production in Lülisdorf and in order to create prospects for the employees from an early stage.

Various potential investors have already expressed interest in the chemical site. "Lülisdorf has proven to be a good location for basic chemicals for decades," said Christian Kullmann, chairman of the executive board at Evonik. "However, with our focus on high-margin specialty chemicals, further development of the site doesn't make sense for us. We have therefore begun the search for new owners, who can best shape the future of the site. Lülisdorf has enormous potential as a site for chemical production."

Evonik employs almost 600 people at the site, which is south of Cologne. It mainly produces alkoxides, potassium derivatives and – in association with plants in neighboring Wesseling – cyanuric chlorides. The site and its businesses generate annual sales of around €280 million. Its location at the center of the Western European chemical industry as well as excellent logistical links and reliable supply of raw materials make it particularly suitable for the production of high-volume preliminary and intermediate products.

"The biggest asset is the efficient and experienced workforce that identifies so strongly with the site," said Thomas Wessel, Evonik's

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chief human resources officer. "It is also in the interests of these employees that we have started a process, which will carefully determine the site's best future owner(s). We will closely coordinate all further steps with the co-determination bodies."

The business at the Lülisdorf site belongs to the Functional Solutions business line, which is part of the Performance Materials division. Following the planned divestment of the superabsorbents business, the transfer of the site to a new owner is the next logical step in the alignment of Evonik's portfolio to specialty chemicals.

"It's good that we now have a fundamental, strategic decision on the further development of the location," said Arndt Selbach, head of Evonik's Wesseling and Lülisdorf sites. "In the interests of the employees, we will do everything we can to identify the specific development options for Lülisdorf as quickly as possible, in order to present a clear direction for the future of the site and its employees." The site is particularly attractive for medium-sized investors from the sector. They would be better placed to exploit advantages in the existing production network and possible synergies with new products than Evonik, whose strengths are better leveraged at larger sites.

Background to the alkoxide production:

Lülisdorf has more than 100 years of tradition as a chemical production site. Evonik produces alkoxides – among other things – which are manufactured by means of amalgam electrolysis. From the end of 2027, the operation of this process will no longer be possible due to restrictions imposed by the European Union. The corresponding regulatory procedure has not yet been formally concluded, but no changes are expected.

Alkoxides are needed for the production of biodiesel or, in the future, for the chemical recycling of PET. Evonik also produces them at locations in Argentina (Rosario) and the USA (Mobile).

Company information

Evonik is one of the world leaders in specialty chemicals. The company is active in more than 100 countries around the world and generated sales of €12.2 billion and an operating profit (adjusted EBITDA) of €1.91 billion in 2020. Evonik goes far beyond chemistry to create innovative, profitable and sustainable solutions for customers. About 33,000 employees work together for a common purpose: We want to improve life today and tomorrow.

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