

Owners of Germany's Evonik revive plans for IPO

RELEASED ON 22/02/13 (DD/MM/YY)

Evonik's owners on Friday announced they will revive preparations for a planned listing of the Germany-based specialty chemicals company's shares on the Frankfurt Stock Exchange.

Owners RAG Foundation and private equity firm CVC Capital Partners said the move has been prompted by "the improved capital market environment as well as investors' growing interest in the shares of successful companies".

As a first step, RAG and CVC have placed a stake of less than 10% of Evonik with selected German and international institutional investors.

The purchase share price was not disclosed, however the owners said it was in line with the market valuation of European peers and significantly exceeded the price indications of an aborted listing originally planned in June 2012.

The companies added that Evonik, supported by a broader group of shareholders, will continue to pursue its growth strategy and plans investments exceeding €6bn (\$8bn) between 2012 and 2016. "A substantial amount of these funds will be dedicated to fast-growing emerging economies," they said.

"For RAG Foundation, the sale of shares in Evonik has two advantages: We have achieved a good result while making further headway towards the planned listing of the company," said Werner Muller, chairman of RAG, which holds 74.99% of Evonik.

Christian Wildmoser, partner at CVC, said: "After four and a half years of close cooperation, CVC and RAG Foundation have used this private placement to open Evonik to responsible new investors. Interest was already very strong at the time of the planned listing in 2012, when market conditions in the end were too volatile.

"The private placement puts us in a more positive position towards achieving an intended stock exchange listing with less effort and makes us less dependent on what is a volatile market environment."

In June 2012, RAG decided to cancel its plans for Evonik's initial public offering (IPO). RAG at the time said under uncertain capital market conditions – in particular with regard to further developments in the eurozone - it could not achieve IPO proceeds that reflect the company's value.

RAG is a German coal foundation. Proceeds from Evonik's IPO will go towards paying for environmental and other costs related to the closure of coal mines in North Rhine-Westphalia state. It also ended IPO preparations in 2008, again because of unfavourable capital market conditions at the time. Instead, RAG sold a 25.01% stake of Evonik to CVC.

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