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[Dow](#) Chemical Co has kicked off a process to sell its epoxy and chlorine businesses, hoping to find a single buyer for them in what is set to be a multibillion-dollar deal, according to people familiar with the matter.

The Midland, Michigan-based company has hired [Goldman Sachs Group Inc](#) and Barclays Plc to manage the process, the people said this week, adding that calls to potential buyers began this week.

Combined, the epoxy and chlorine businesses have annual [earnings](#) before interest, taxes, depreciation and amortization of close to \$500 million, the people said.

The value of assets is not yet clear. It will depend on if and how they will be carved out of their contractual arrangements and the tax implications of their separation, the people cautioned. Initial estimates place their value between \$3.5 billion and \$4 billion, the people added.

Logical buyers might include companies in the sector such as Axiall Corp and [Westlake Chemical Corp](#), as well as private equity firms experienced in chemicals such as Apollo Global Management LLC, the people said. Representatives for Axiall and Westlake did not respond to requests for comment, while Apollo declined to comment.

A [Dow](#) representative confirmed that the company was moving forward with the sale of its U.S. Gulf Coast chlor-alkali and chlor-vinyl, global chlorinated organics, global epoxy, and brine and energy operations and supporting assets in Freeport, Texas, and Plaquemine, Louisiana.

"The carve-out and separation of these businesses is progressing and engaging with interested parties is part of that process," the representative said. Goldman Sachs and Barclays declined to comment.

Dow, which makes everything from insecticides to plastics, had previously said these and other units were earmarked for sale as part of an effort to divest several billion dollars worth of non-core assets by 2015.

Despite these commitments to sell assets, activist investor Daniel Loeb's hedge fund Third Point in January urged the separation of Dow's commoditized raw materials businesses from its specialty chemicals operations.

Dow has rejected the demands, arguing that keeping the businesses together helps curb costs.

Dow has already put additional assets on the block and raised the target of the proceeds it hopes to generate from the divestitures to \$6 billion.

Dow has hired investment bankers including [Morgan Stanley](#) to sell its Angus Chemical Co subsidiary, as well as AgroFresh Inc, which could collectively fetch up to \$2 billion, Reuters reported in August.

Dow has also engaged boutique investment bank Valence Group to solicit interest for its Sodium Borohydride unit, which could fetch more than \$200 million, according to sources.

Last year, Dow agreed to sell its polypropylene licensing and catalysts business to smaller peer W.R. Grace & Co for \$500 million. (Reporting By Mike Stone, Soyoung Kim and Greg Roumeliotis in New York; editing by Gunna Dickson)

Source: Solvay Strategy team from Reuters