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**There's a lot going on with the plastics manufacturers.** At the end of May, DSM sold off its engineering plastics division to a joint venture of Lanxess and the private equity investor Advent for EUR 3.7 billion. The Dutch company is thus retreating completely from the plastics arena. This sale is the last step in DSM's restructuring. It was only in April that it divested its fibers business, which went to

Avient. The coatings division had already been sold to Covestro in 2020. In the future, DSM wants to concentrate entirely on medical, food and bio technologies.

## Will Lanxess Stay Loyal to Plastics?

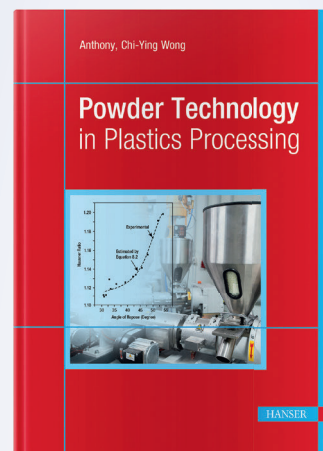
This transaction is the second big coup in the field of engineering plastics this year. In February, DuPont sold his business unit to its competitor Celanese for USD 11 billion. And the consolidations in this field could continue. Since, even though Lanxess is now acting as a purchaser in the DSM deal, it is not yet clear that the chemical group will continue to produce engineering plastics in the long term. Some parameters of the purchase sound more like a farewell. For example, Lanxess is contributing its own PA and PBT business to the joint venture with Advent, but only retaining a minority shareholding. And Lanxess has the option to sell its shares completely to Advent after three years. Moreover, the company has invested strongly in other chemical sectors in recent years. Lanxess CEO Matthias Zachert wants to reduce the Group's dependency on economic fluctuations.

In this regard, the automotive industry has been a thorn in the plastic manufacturers' side in recent times. The auto manufacturers' weak sales figures have posed particular problems for manufacturers of engineering plastics. After all, the auto industry is one of their biggest markets. In addition, there is also uncertainty due to the shift toward electromobility. That makes the market for technical plastics even more unpredictable. Too unpredictable for Lanxess? In three years' time, we will know more.

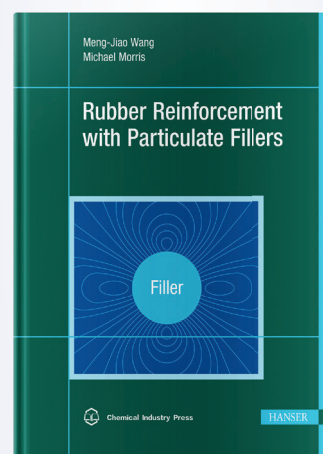
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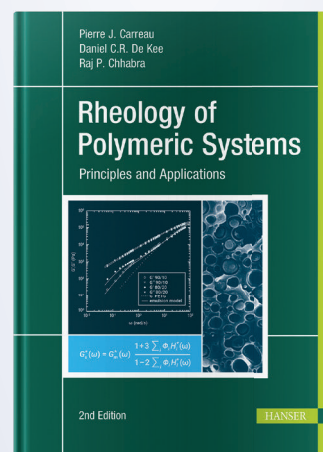
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