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## Adnoc Finishes Due Diligence on €12 Billion Covestro Deal

- State energy producer could move forward with bid in September
- Potential deal still needs final signoff from top officials



The Covestro AG chemical park in Dormagen, Germany. *Photographer: Dario Pignatelli/Bloomberg*

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Abu Dhabi National Oil Co. has largely completed due diligence on its planned bid for German chemical company Covestro AG, paving the way for the state-owned energy firm's biggest-ever deal, people familiar with the matter said.

Adnoc could move forward with an €11.7 billion (\$13 billion) offer for Covestro as soon as September, the people said. It has finished site visits to major Covestro plants as part of its in-depth confirmatory due diligence and hasn't discovered any red flags, according to the people.

The Middle Eastern company still needs final signoff from senior officials for the planned bid of €62 per share, which may take several more weeks, the people said, asking not to be identified because the information is

private. Shares of Covestro jumped as much as 5.7% in Frankfurt trading Wednesday to touch €56.90, the highest intraday level since January 2022.

Representatives for Adnoc and Covestro declined to comment.

After more than a year of negotiations, Covestro in June agreed to exchange information with Adnoc to help it firm up the prospective bid. Adnoc said at the time that a potential bid of €62 per share was its final offer, indicating it wouldn't be raising any further after already bumping several times from its first proposal of €55 per share.

Backed by tens of billions of dollars of oil money, Adnoc has been scouring the world for deals. Chemicals are a big part of that push, as the company sees demand for products used to make goods such as plastics continuing to rise over the coming decades, while the energy transition is likely to slow oil demand.

*(Upadtes to add share movement in third paragraph.)*

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