

### **LANXESS increases dividend after best-ever fiscal year**

- **Dividend proposal of 80 cents – up 14 percent on previous year**
- **Record earnings after successful realignment**
- **Supervisory Board Chairman Dr. Rolf Stomberg steps down at end of Annual Stockholders' Meeting**

**Cologne** – The specialty chemicals company LANXESS looked back on a record year at this year's Annual Stockholders' Meeting. “Last year proved impressively that our strategy is paying off and that we are fully geared up for growth,” stated LANXESS CEO Matthias Zachert to stockholders at Cologne's LANXESS arena.

In view of the company's performance figures, the Board of Management and the Supervisory Board proposed a dividend of 80 cents to shareholders – up 14 percent on the previous year. This corresponds to a total dividend payout of EUR 73 million. “We are therefore continuing the trend of recent years,” added Zachert, referring to LANXESS's dividend policy.

In the last fiscal year, EBITDA pre exceptionals rose by 30 percent to around EUR 1.3 billion, the highest figure in the company's history to date. Key factors in this sharp increase in income were higher sales volumes in all segments as well as the strong contribution of the Chemtura businesses acquired last year. The EBITDA margin pre exceptionals increased from 12.9 percent to 13.3 percent, moving closer to the Group's medium-term margin target. From 2021, the average margin is expected to be between 14 and 18 percent. Sales also rose significantly by 26 percent to around EUR 9.7 billion. Net income fell to EUR 87 million from EUR 192 million in the previous year. However, excluding the substantial one-time exceptional expenses, primarily for integration of the Chemtura businesses and consolidation of production networks and value chains, as well as a

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one-time charge arising from the U.S. tax reform, net income increased by 54 percent from EUR 246 million to EUR 379 million.

### **Record as a milestone for further corporate development**

In his speech, Zachert looked beyond past business results. He said that the record earnings figure was merely a milestone in LANXESS's development that vindicated last year's decisions, and that the company's future course was set.

A key step in this realignment was the acquisition and integration of Chemtura in 2017. On completion of the acquisition on April 21, 2017, LANXESS became one of the world's leading providers of flame-retardant and lubricant additives. At the same time, the Group strengthened its presence in the growth markets of North America and China. The operational integration into the existing structures has now been successfully completed. LANXESS has already realized EUR 30 million of the EUR 100 million synergies targeted by 2020. "Last year, we promised that the acquisition of Chemtura would make LANXESS bigger, stronger and more competitive. We have kept this promise," Zachert told the stockholders.

### **Strong start to the new fiscal year**

LANXESS followed up the successful 2017 fiscal year with the best quarterly result in its history. Sales rose by almost seven percent to around EUR 2.6 billion in the first quarter. EBITDA pre exceptionals improved significantly by 14 percent to EUR 375 million compared with the same period of the previous year. The EBITDA margin pre exceptionals was almost one percentage point up on the previous year at 14.6 percent. Net income improved significantly by 23 percent to EUR 96 million compared with EUR 78 million the year before.

Consequently, the Group has increased its forecast for the 2018 fiscal year and now expects EBITDA pre exceptionals to rise by five to ten percent in the "New LANXESS" segments (Advanced

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Intermediates, Specialty Additives, Performance Chemicals, and Engineering Materials). In the previous year, the comparable EBITDA pre exceptionals figure was around EUR 925 million.

### **Chairman of LANXESS Supervisory Board steps down**

This year's Annual Stockholders' Meeting was also marked by the farewell of Dr. Rolf Stomberg. He stepped down after 13 years as Chairman of the Supervisory Board. Zachert thanked Stomberg for his commitment: "Your clear view on LANXESS, your pragmatism and your constructive criticism gave us guidance and certainty, also in difficult times. You have played a major role in the successful development of the Group and you are handing over the company in good order and in the best possible position."

Stomberg proposed Dr. Matthias L. Wolfgruber as his successor back in March. The doctor of chemistry and former CEO of Altana AG has been a member of the supervisory body as a stockholder representative since 2015. The Supervisory Board is going to elect its new Chairman at its first, constituent meeting after the 2018 Annual Stockholders' Meeting.

LANXESS is a leading specialty chemicals company with sales of EUR 9.7 billion in 2017 and about 19,200 employees in 25 countries. The company is currently represented at 74 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, additives, specialty chemicals and plastics. Through ARLANXEO, the joint venture with Saudi Aramco, LANXESS is also a leading supplier of synthetic rubber. LANXESS is listed in the leading sustainability indices Dow Jones Sustainability Index (DJSI World and Europe) and FTSE4Good.

Cologne, May 15, 2018  
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### **Forward-Looking Statements**

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You can find further information concerning LANXESS chemistry in our WebMagazine at <http://webmagazine.lanxess.com>.

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