News Release

LANXESS remains on track after a stable second quarter

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- **At EUR 1.810 billion, sales down only slightly year-on-year**
- **At EUR 286 million, EBITDA pre exceptionals almost at the prior year's strong level**
- **EBITDA margin pre exceptionals remains stable at 15.8 percent**
- **Net income increased to EUR 100 million**
- **Share buy-back complete – shares cancelled**
- **Guidance for full year 2019 confirmed: EBITDA pre exceptionals of between EUR 1.000 billion and EUR 1.050 billion**

Cologne – Specialty chemicals company LANXESS is on track despite the weaker economy and geopolitical uncertainties and can look back on a stable second quarter. EBITDA pre exceptionals declined only slightly by 1.4 percent to EUR 286 million, nearly reaching the figure of the strong prior-year quarter of EUR 290 million.

Due in particular to the weak demand from the automotive industry, sales volumes declined in the Engineering Materials and Specialty Additives segments. In addition, earnings were burdened by a weak chrome ore business. However, this development was nearly offset by the company's stable portfolio and advantageous exchange-rate effects, especially from the strong U.S. dollar. The EBITDA margin pre exceptionals remained stable at 15.8 percent after 15.9 percent in the prior-year quarter.

"Our strategic transformation and more stable position are paying off – especially in these economically uncertain times. We delivered good results again in the second quarter and confirmed our guidance for the full year," said Matthias Zachert, Chairman of the Board of Management of LANXESS AG.

The specialty chemicals company expects EBITDA pre exceptionals of EUR 1.000 billion to EUR 1.050 billion for the full year 2019. In the previous year, LANXESS generated earnings of EUR 1.016 billion. The company expects earnings to be slightly weaker in the third quarter and somewhat better in the fourth quarter than in the previous year.

Group sales came to EUR 1.810 billion in the second quarter of 2019, down 1.0 percent from the previous year's figure of EUR 1.829 billion. Net income increased by 3.1 percent from EUR 97 million to EUR 100 million. Earnings per share increased more strongly – by 8.6 percent from EUR 1.05 to EUR 1.14 – on account of the lower average number of shares outstanding. LANXESS completed its share buy-back with a volume of nearly EUR 200 million on June 12, 2019. The shares were cancelled as planned on July 9.

More balanced portfolio ensures stability

The **Advanced Intermediates** segment again proved its operating strength in the second quarter of 2019 – despite the persistently weak demand from the agriculture market. This was mainly due to the ongoing positive development of the Advanced Industrial Intermediates business unit and good project business at Saltigo. The development of exchange rates likewise had a positive effect. Sales amounted to EUR 561 million, up 2.7 percent on the previous year's figure of EUR 546 million. EBITDA pre exceptionals increased by a considerable 10.3 percent from EUR 97 million to EUR 107 million. The EBITDA margin pre exceptionals rose from 17.8 percent to 19.1 percent.

The **Specialty Additives** segment showed a stable development year-on-year in the second quarter of 2019. The termination of margin-dilutive toll manufacturing contracts and the weaker demand from the automotive industry, especially in the Rhein Chemie business unit, led to lower sales volumes. At EUR 506 million, sales were nevertheless on a par with the previous year (EUR 508 million),

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as advantageous exchange-rate effects and higher prices nearly offset this development. EBITDA pre exceptionals fell slightly by 2.2 percent to EUR 89 million compared with EUR 91 million in the prior-year quarter. The EBITDA margin pre exceptionals of 17.6 percent was close to the previous year's level of 17.9 percent.

In the **Performance Chemicals** segment, the balanced portfolio ensured stability. In particular, the operating strength of the business units with water treatment and material protection products and positive exchange-rate effects compensated for the weak chrome ore business in the Leather business unit. Sales remained stable year-on-year at EUR 356 million. EBITDA pre exceptionals increased by 3.4 percent to EUR 60 million compared with EUR 58 million in the prior-year quarter. All of the segment's business units except Leather contributed to the improvement in earnings. The EBITDA margin pre exceptionals rose accordingly from 16.3 percent to 16.9 percent.

In the **Engineering Materials** segment, sales and earnings were burdened by weaker demand from the automotive industry. Positive exchange-rate effects did not compensate for this. Sales amounted to EUR 365 million, down 8.5 percent on the strong previous year's figure of EUR 399 million. EBITDA pre exceptionals fell by 19.8 percent to EUR 65 million compared with EUR 81 million in the prior-year quarter. After 20.3 percent in the previous year, the EBITDA margin came to 17.8 percent and therefore remained at a good level.

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€ million	Q2 2018	Q2 2019	Change %	H1 2018	H1 2019	Change %
Sales	1,829	1,810	-1.0	3,645	3,632	-0.4
EBITDA pre exceptionals	290	286	-1.4	560	561	0.2
EBITDA margin pre exceptionals	15.9%	15.8%		15.4%	15.4%	
Net income[1]	97	100	3.1	178	184	3.4
Earnings per share (€)[1]	1.05	1.14	8.6	1.94	2.06	6.2
Net financial liabilities[2]				1,381[3]	1,902	37.7
Employees				15,441[3]	15,403	-0.2

[1] Prior-year figures from continuing operations
[2] After deduction of time deposits and securities available for sale
[3] Dec. 31, 2018

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LANXESS is a leading specialty chemicals company with sales of EUR 7.2 billion in 2018. The company currently has about 15,400 employees in 33 countries and is represented at 60 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, additives, specialty chemicals and plastics. LANXESS is listed in the leading sustainability indices Dow Jones Sustainability Index (DJSI World and Europe) and FTSE4Good.

Cologne, August 2, 2019
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Forward-Looking Statements

Information for editors:
All LANXESS news releases and their accompanying photos can be found at http://press.lanxess.com. Recent photos of the Board of Management and other LANXESS image material are available at http://photos.lanxess.com.

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

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