

LANXESS realigns water treatment business

- **Sale of the reverse osmosis membrane business to SUEZ**
- **Strengthening the ion exchange resins business: focus on high-end specialty applications**
- **Construction of a new plant for ion exchange resins in the planning stage**

Cologne – Specialty chemicals company LANXESS continues to develop its portfolio and is reorganizing its water treatment technologies business: the company will focus on the ion exchange resins business and intends to grow here primarily in markets for high-end applications.

As part of this realignment, LANXESS is selling its business with reverse osmosis membranes to French group SUEZ, a world leader in sustainable resource management. Both companies have signed an agreement to this effect yesterday, July 15, 2020. It was agreed not to disclose the purchase price. LANXESS expects the transaction to be completed by the end of 2020.

“The membrane business no longer fits in with our strategic focus on specialty chemicals,” said Matthias Zachert, Chairman of the Board of Management of LANXESS. “We are convinced that under the SUEZ umbrella, the business has the necessary conditions to develop its full growth potential in the future.”

The membranes, which play an important role in the treatment of brackish and seawater, are manufactured by LANXESS at its site in Bitterfeld, Germany. SUEZ will take over this plant and the research facilities with all employees. In 2019, the business generated sales in the low double-digit million euro range.

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Ion exchange resins: Growth in future industries

LANXESS will further expand its ion exchange resins business. The company plans to build a new production facility, for which it intends to invest between 80 and 120 million euros in the coming years. “We invest in additional capacities for ion exchange resins in order to be able to meet the growing global demand. At the same time, we want to grow especially in promising market segments,” said Matthias Zachert.

The new ion exchange resin plant will have a production capacity of between 20,000 and 30,000 cubic meters and is scheduled for completion within the next five years. LANXESS will decide on the exact location shortly. The specialty chemicals company currently manufactures ion exchange resins at its sites in Leverkusen, Germany, Bitterfeld, Germany, and Jhagadia, India.

“With our applications for water filter cartridges, we are already one of the leading manufacturers. We are now additionally focusing on highly specialized applications that are characterized by high demand and strong growth. For example, in the field of biotechnology, in the semiconductor industry or in the selective removal of metals, such as for the battery industry. With our technological diversity, we are ideally positioned for this,” said Bettina Blottko, head of the Liquid Purification Technologies business unit at LANXESS.

Ion exchange resins make an important contribution in modern cleaning processes, for example in the food and pharmaceutical industries. In the semiconductor industry, they play a key role in the production of ultra-pure water, which is needed in microchip production, for example. Due to the trend towards e-mobility, there is also a high demand for ion exchange resins in the battery industry. They can be used to extract the metals lithium, nickel and cobalt, which are important for battery cell production. Ion exchange resins are also used in power generation, the chemical industry, microelectronics and drinking water treatment.

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LANXESS is a leading specialty chemicals company with sales of EUR 6.8 billion in 2019. The company currently has about 14,300 employees in 33 countries. 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, July 16, 2020

Forward-Looking Statements

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