

LANXESS to sell organic leather chemicals business to TFL

Cologne – Specialty chemicals company LANXESS is selling its organic leather chemicals business to TFL Ledertechnik GmbH. TFL is a global supplier of leather chemicals and a portfolio company of US investment company Black Diamond Capital Management, L.L.C. Both companies signed an agreement to this effect on August 12, 2020. The purchase price comprises a fixed component of EUR 80 million and a performance-related component of up to EUR 115 million. In addition, TFL will assume certain liabilities associated with the business. The transaction is still subject to the approval of the relevant authorities. LANXESS expects the transaction to close around mid-2021.

“We are convinced that the transfer to TFL will open up new growth and development prospects for the business and will thus significantly strengthen it,” said Matthias Zachert, Chairman of the Board of Management of LANXESS. “At the same time, we are making LANXESS somewhat more independent from the automotive industry, a key target industry for leather products.”

Tanneries use organic leather chemicals in all stages of leather production. LANXESS manufactures the products in Leverkusen (Germany), Filago (Italy), and Changzhou (China). This is complemented by application-oriented laboratories and sales offices around the world. TFL will take over all operations of the organic leather chemicals business line from LANXESS with a total of around 460 employees. In 2019, LANXESS generated sales in the lower three-digit million euro range with the business.

With the sale, LANXESS is withdrawing completely from leather chemicals. The specialty chemicals company had already divested its chrome chemicals business, as well as its stake in the South African

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chrome ore mine (transaction expected to be completed by the end of 2020). LANXESS has been reporting the Leather business unit as a discontinued operation since the end of last year.

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.

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Forward-Looking Statements

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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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