

Full exit from Leather business accomplished: LANXESS sells organic leather business to TFL*

Key data

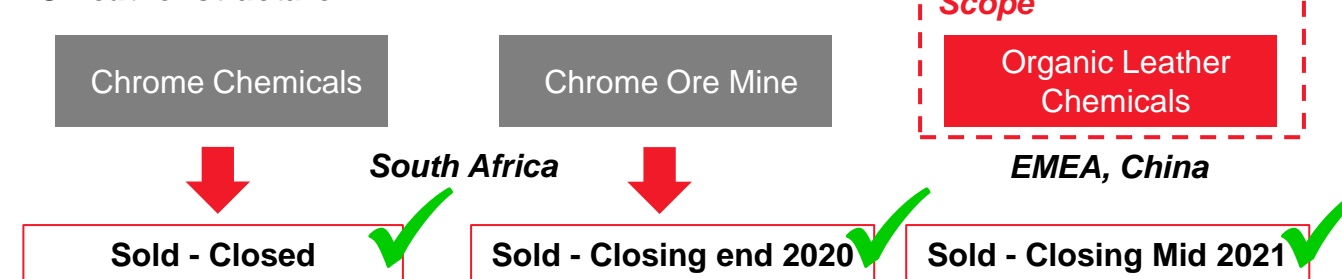
- Sale of global organic leather business to TFL*
- Enterprise Value: €105m** plus performance-related component of up to €115m
- Closing: mid 2021***

Strategic rationale

- Organic leather business no longer fits to LANXESS' strategic focus on specialty chemicals businesses
- Further reduction of automotive exposure
- Better future development under leadership of TFL

Transaction scope

BU Leather structure



Attractive cash-in for a business which is classified as discontinued operation

Financial details

- Sales: ~€150 m*
- EBITDA ~€ 10m*
- **Enterprise value:**
 - At closing date: €105 m
 - Add. potential in next 3-5 years: up to ~€115 m
 - Net debt (mainly pensions) -€25 m
- **Purchase price:**
 - Fixed component €80 m
 - Performance-related component: up to ~€115 m (to be paid out in next 3-5 years)
- Expected remnant costs: ~€10 m p.a.
- At closing all P&L, balance sheet and cash flow bookings will be done in “discontinued operations”
- Book gain will be realized, size depending on valuation of performance-related component

