

LANXESS expects best results in company history in 2017

- **Q1 2017 sales rise by 25 percent to EUR 2.4 billion**
- **EBITDA pre exceptionals increases by 25 percent to EUR 328 million**
- **EBITDA margin pre exceptionals at 13.7 percent**
- **Net income improves by 47 percent to EUR 78 million**
- **Positive volume development across all segments**
- **New guidance for full year 2017: EBITDA pre exceptionals between EUR 1.225 billion and EUR 1.3 billion**
- **Matthias Zachert says: “We have the right positioning and the Chemtura acquisition further enhances our operational strength.”**

Cologne – Specialty chemicals company LANXESS projects the highest full year results in company history, following a very strong first quarter of 2017 and the successful closing of the acquisition of U.S. based company Chemtura.

Global sales of the specialty chemicals company increased by a substantial 25 percent to EUR 2.4 billion in the first quarter of 2017, up from EUR 1.9 billion a year earlier. EBITDA pre exceptionals also improved by 25 percent to EUR 328 million, compared with EUR 262 million in the first quarter of 2016. The very positive first-quarter development was primarily driven by a significant increase in volumes across all segments.

The EBITDA margin pre exceptionals came in at 13.7 percent, slightly above the prior-year figure of 13.6 percent. Net income rose significantly by 47 percent to EUR 78 million, against EUR 53 million in the year-earlier quarter.

For the full year 2017, the company expects EBITDA pre exceptionals of between EUR 1.225 billion and EUR 1.3 billion. This

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forecast includes the earnings contribution from the newly acquired Chemtura businesses. 2017 could therefore be the most successful fiscal year in the company's history. LANXESS achieved its highest operating result to date in 2012, when it posted a figure of around EUR 1.2 billion.

"LANXESS got off to a very strong start to the new fiscal year. We recorded an increase in demand in all of our business segments and generated higher sales in all regions. This clearly shows that we have the right positioning," said Matthias Zachert, Chairman of the Board of Management of LANXESS AG. "Good order flow and a dynamic business environment appear to continue in the second quarter – for the full year, we are even expecting record earnings. This is a clear indication of our operational strength, which will be further enhanced by the Chemtura acquisition. Our job now is to ensure the swift and smooth integration of the new businesses."

In what was another major step forward in its realignment program, LANXESS closed the acquisition of U.S. chemical company Chemtura around three weeks ago. With the largest acquisition in its history, the Cologne-based company is significantly expanding its additives portfolio in particular and will become one of the world's major actors in this growing market.

Very strong performance in the segments

Sales of the **Advanced Intermediates** segment in the first quarter of 2017 were EUR 518 million, 12 percent above the prior-year figure of EUR 463 million. Despite being held back by higher energy costs and a delay in passing on increased raw material prices, EBITDA pre exceptionals advanced by 2 percent to EUR 91 million, compared with EUR 89 million a year earlier. In particular, higher demand and the expansion of volumes had a positive impact on earnings. The EBITDA margin pre exceptionals was 17.6 percent, against 19.2 percent in the prior-year quarter.

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Sales in the **Performance Chemicals** segment rose by 14 percent in the first quarter of 2017, to EUR 607 million, against EUR 533 million a year earlier. EBITDA pre exceptionals advanced by 5 percent to EUR 103 million, compared with the prior-year level of EUR 98 million. Growth was driven by strong demand for additives, biocides and leather chemicals, as well as by the contribution from the Clean and Disinfect business acquired from Chemours, while higher energy costs and negative currency effects on the costs held back earnings. The EBITDA margin pre exceptionals was 17.0 percent, against 18.4 percent in the prior-year quarter.

In the **High Performance Materials** segment, sales increased by 15 percent to EUR 315 million, up from EUR 273 million a year earlier. EBITDA pre exceptionals increased by 26 percent to EUR 48 million, compared with EUR 38 million a year earlier. Growth was once again driven by expanded volumes in all product groups and regions, very high capacity utilization and a focus on higher-margin products. As a result, the EBITDA margin pre exceptionals was 15.2 percent, compared with 13.9 percent in the prior-year quarter.

Sales in the **ARLANXEO** segment climbed by 48 percent to EUR 948 million, compared with EUR 640 million a year earlier. EBITDA pre exceptionals increased by 27 percent to EUR 144 million, up from EUR 113 million in the first quarter of 2016. This development was driven by strong demand in Asia, efficient use of the global production network, and positive currency effects. The EBITDA margin pre exceptionals was 15.2 percent, against 17.7 percent in the prior-year quarter.

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Q1 2017 financial data

(Figures in EUR million)

	Q1 2016	Q1 2017	Change in percent
Sales	1,920	2,401	25
EBITDA pre exceptionals	262	328	25
EBITDA margin pre exceptionals (percent)	13.6	13.7	
Net income	53	78	47
Earnings per share (€)	0.58	0.85	47

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LANXESS is a leading specialty chemicals company with sales of EUR 7.7 billion in 2016 and about 19,200 employees in 25 countries. The company is currently represented at 75 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 FTSE4Good.

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News Release

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