

LANXESS to sell stake in Currenta - Secure strategic position & monetize hidden reserves

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LANXESS signs contract to sell its stake in Currenta to Macquarie*

Securing site-services by long-term contracts

- Currenta (CUR) is the infrastructure and site services provider for three chemical parks (Leverkusen, Krefeld-Uerdingen, Dormagen) in Germany
- Ownership structure of CUR since LANXESS' spinoff: Bayer 60%, LANXESS 40%
- Current accounting treatment: equity method – value on LANXESS' balance sheet of €0 m; dividend shown in financial result (avg. dividend last 5 years: ~€15 m)
- Future site services secured – 10 year contracts at attractive conditions for continued services in place



LANXESS realizes hidden reserve while securing its strategic interest

* Funds managed by Macquarie Infrastructure and Real Assets (MIRA)

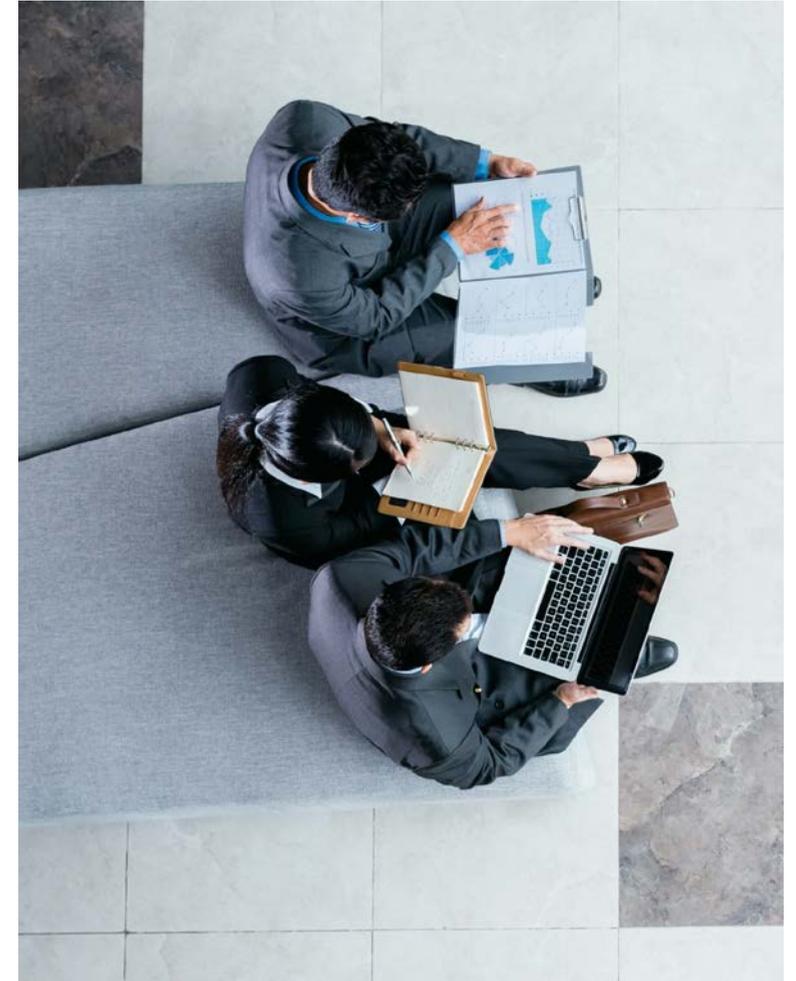
Win-win: Long-term protection of competitive operations and monetarization of hidden reserves

Straight forward rationale

- Securing strategic site services at attractive conditions:
 - Long-term contracts regarding utilities, services and other supply with continued quality, costs, etc.
 - ▶ Making shareholding in CUR obsolete
- Raise hidden reserve and strengthen financial position

Attractive financial details

- 100% EV of Currenta: ~ €3.5 bn (including ~€1.6 bn pension provisions and net debt)
- Equity value of ~€780* m for 40% CUR expected, equals ~50x avg. dividend and representing ~18% of LANXESS' market cap***
- LANXESS receives profit participation till closing until April 30, 2020**



* Pre tax, tax rate of ~20% expected ** Subject to antitrust approval *** As per August 6, 2019

After closing all capital allocation options will be considered

Capital allocation options after receipt of cash at closing (until April 30, 2020*)

Organic growth

External growth

Debt repayment

Pension funding

Share buyback

Dividend



In line with investment grade commitment and aligned with our shareholders' interests

* Subject to antitrust approval

Further strengthening our financial position in uncertain times

Securing strategic interest through attractive long-term contracts with Currenta



Unlock hidden reserves



Increase flexibility to foster profitable growth at solid financial position



LANXESS

Energizing Chemistry