

## Following a solid third quarter, LANXESS confirms its earnings forecast for 2018

- **Sales increased by 4.4 percent to EUR 1.79 billion in the third quarter**
- **EBITDA pre exceptionals 1.5 percent higher at EUR 277 million**
- **EBITDA margin pre exceptionals at 15.5 percent**
- **Net income from continuing operations increased to EUR 80 million**
- **Increase in EBITDA pre exceptionals still expected at the upper end of the range of five to ten percent**

**Cologne** – Following a solid third quarter, specialty chemicals company LANXESS has confirmed its earnings forecast for 2018. The company still expects an increase of EBITDA pre exceptionals compared with 2017 at the upper end of the range of five to ten percent. In the prior year, the comparable figure was around EUR 925 million.

“We have done our homework and positioned LANXESS properly in recent years. We shall therefore remain on course despite the headwinds emerging from the economy and geopolitical uncertainties,” said LANXESS Chairman of the Board of Management Matthias Zachert. In the third quarter of 2018, sales increased by 4.4 percent to approximately EUR 1.79 billion especially due to higher selling prices. In the strong prior year, LANXESS had achieved sales of EUR 1.71 billion. EBITDA pre exceptionals improved by 1.5 percent to EUR 277 million compared with EUR 273 million in the prior-year quarter. Higher selling prices, synergies from the Chemtura acquisition and the contribution from the U.S. phosphorus additives business, which was acquired from Solvay in spring, had a positive impact on earnings. The EBITDA margin pre exceptionals, which came in at 15.5 percent, was still at a robust level. The margin was at 16.0 percent in the prior-year quarter.

Net income from continuing operations increased sharply to

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EUR 80 million after EUR 55 million in the prior year. In the same quarter in 2017, net income had been affected by exceptional charges relating to the consolidation of the production network.

### **Specialty Additives segment delivers strongest earnings**

Sales in the **Advanced Intermediates** segment were EUR 534 million in the third quarter of 2018, 11.0 percent higher than the figure for the prior-year quarter of EUR 481 million. EBITDA pre exceptionals came to EUR 87 million as in the prior year. The strong intermediates business of the Advanced Industrial Intermediates business unit compensated for the persistently weak demand from the agricultural industry in the Saltigo business unit. The EBITDA margin pre exceptionals came in at 16.3 percent, against 18.1 percent in the prior year.

In the **Specialty Additives** segment, sales advanced by 4.6 percent to EUR 502 million, against EUR 480 million in the prior year. EBITDA pre exceptionals came in at EUR 93 million and was thus 20.8 percent above the prior-year level of EUR 77 million. Consequently, the segment delivered the highest EBITDA contribution in the company for the first time. The major reasons for the increase in earnings were the synergy effects from the Chemtura acquisition and the contribution from the U.S. phosphorus additives business, which was acquired from Solvay. The EBITDA margin pre exceptionals of 18.5 percent was well above the prior-year figure of 16.0 percent.

In the **Performance Chemicals** segment, sales decreased by 8.5 percent to EUR 334 million – after EUR 365 million in the prior year. At EUR 53 million, EBITDA pre exceptionals was 18.5 percent down on the prior year's figure of EUR 65 million. Earnings were squeezed by a weaker chrome ore business due, among other things, to strikes, the sale of the Material Protection Products business unit's chlorine dioxide business and lower volumes of pigments for the construction industry. The EBITDA margin pre exceptionals decreased from 17.8 percent to 15.9 percent.

In the **Engineering Materials** segment, sales grew by 12.6 percent to EUR 394 million, against EUR 350 million in the prior year. EBITDA pre exceptionals increased sharply by 9.4 percent to

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EUR 70 million compared with EUR 64 million in the prior year. The High Performance Materials business unit, in particular, contributed to this performance with increased volumes and higher prices. The EBITDA margin pre exceptionals of 17.8 percent was slightly below the figure of 18.3 percent posted in the prior-year quarter.

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**Q3 2018 key financial data** (figures in EUR million)

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	Q3 2017	Q3 2018	Percentage change
Sales	1,710	1,786	4.4
EBITDA pre exceptionals	273	277	1.5
EBITDA margin pre exceptionals (in percent)	16.0	15.5	
Net income from continuing operations	55	80	45.5

LANXESS is a leading specialty chemicals company with sales of EUR 9.7 billion in 2017 and about 19,200 employees in 25 countries. The company is currently represented at 73 production sites worldwide. 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, November 12, 2018

**Forward-Looking Statements**

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