

LANXESS: Stable business development in the first quarter of 2019 despite economic downturn

- **Sales on previous-year level at EUR 1.822 billion**
- **EBITDA pre exceptionals up 1.9 percent to EUR 275 million**
- **EBITDA margin pre exceptionals rises to 15.1 percent**
- **Net income up 3.7 percent year-on-year at EUR 84 million**
- **Share buyback: Until May 10, 2019, EUR 176 million of the EUR 200 million utilized**
- **Forecast for the full year: EBITDA pre exceptionals between EUR 1.000 billion and EUR 1.050 billion**

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Cologne – Specialty chemicals company LANXESS has made a solid start to the new fiscal year despite the weakening economy. In the first quarter of 2019, EBITDA pre exceptionals rose by 1.9 percent to EUR 275 million compared with EUR 270 million in the strong previous-year quarter. The main reasons for this positive development were higher selling prices and advantageous exchange-rate effects, particularly from the U.S. dollar. The EBITDA margin pre exceptionals improved from 14.9 percent in the previous year to 15.1 percent.

“Despite the weaker trading environment, we have made a good start to the new fiscal year. Our results are further proof that we are on a much more stable footing than a few years ago: We have more than made up for the declining demand from the automotive industry, and increased our profitability once again, even compared with the strong previous-year quarter,” said Matthias Zachert, Chairman of the Board of Management of LANXESS AG.

Group sales in the first quarter of 2019 amounted to EUR 1.822 billion, on a par with the previous year’s level. Net income rose by 3.7 percent from EUR 81 million to EUR 84 million. Earnings per share increased more strongly – by 4.5 percent from EUR 0.89 to EUR 0.93 on account of the lower average number of shares outstanding. In the first three months of fiscal year 2019, LANXESS repurchased own shares for EUR 111 million. Until May 10, shares

have already been acquired for a further EUR 65 million. In total, the company has designated up to EUR 200 million for the share buy-back, which is to be completed by December 31, 2019, at the latest.

For the full year 2019, LANXESS expects EBITDA pre exceptionals to come in between EUR 1.000 billion and EUR 1.050 billion. In the previous year, the specialty chemicals company generated earnings of EUR 1.016 billion.

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Three of four segments improve their operating result

Despite the ongoing weakness of the agriculture market, the **Advanced Intermediates** segment made a strong start to the new fiscal year. At EUR 586 million, sales were up 3.7 percent on the previous-year figure of EUR 565 million. EBITDA pre exceptionals increased by a considerable 11.8 percent from EUR 102 million to EUR 114 million. The EBITDA margin pre exceptionals rose from 18.1 percent to 19.5 percent.

In the **Specialty Additives** segment, sales volumes decreased due to the termination of margin-dilutive toll manufacturing contracts and the closure of sites as well as the weaker automotive industry. In the first quarter of 2019, sales fell by 3.0 percent from EUR 500 million to EUR 485 million. With regard to EBITDA pre exceptionals, positive price and exchange-rate effects as well as cost synergies more than made up for the decrease in sales. The phosphorus chemicals business acquired from Solvay in the first quarter of 2018 also delivered a positive earnings contribution. Earnings increased by 2.5 percent from EUR 81 million to EUR 83 million. The EBITDA margin pre exceptionals of 17.1 percent was above the previous-year figure of 16.2 percent.

Sales and earnings improved in the **Performance Chemicals** segment. This was because of the operating strength of the business units with water treatment and material protection products as well as positive exchange-rate effects, which more than made up for the weak chrome ore business in the Leather business unit. Sales rose

by 3.3 percent from EUR 336 million to EUR 347 million in the first quarter of 2019. EBITDA pre exceptionals increased by 3.8 percent to EUR 54 million from EUR 52 million in the previous-year quarter. The EBITDA margin pre exceptionals of 15.6 percent was slightly above the previous-year figure of 15.5 percent.

In the **Engineering Materials** segment, sales and earnings were burdened by weaker demand from the automotive industry. The advantageous development of prices and exchange rates could not compensate for this. In the first quarter of 2019, sales fell by 2.6 percent from EUR 392 million to EUR 382 million.

At EUR 65 million, EBITDA pre exceptionals was down 11.0 percent on the previous year's figure of EUR 73 million. The EBITDA margin decreased from 18.6 percent to 17.0 percent.

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EUR million	Q1/2018	Q1/2019	Change %
Sales	1,816	1,822	0.3
EBITDA pre exceptionals	270	275	1.9
EBITDA margin pre exceptionals	14.9%	15.1%	
Net income ¹	81	84	3.7
EPS (€)	0.89	0.93	4.5
Net financial liabilities ²	1,381	1,675	21.3
Employees (as of March 31)	15,441 ³	15,458	0.1

¹ From continuing operations

² After deduction of time deposits and securities available for sale.

³ Reference date December 31, 2018

LANXESS is a leading specialty chemicals company with sales of EUR 7.2 billion in 2018. The company currently has about 15,500 employees in 33 countries and is represented at 60 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, May 14, 2019

Forward-Looking Statements

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