

LANXESS takes over Chemours' Clean and Disinfect specialties business

- **Acquisition of Clean and Disinfect business with high share of sales in North America**
- **Well-established product lines in the growth sector of veterinary disinfection**
- **LANXESS to expand position in high-margin market**
- **Annual EBITDA contribution of around EUR 20 million to increase gradually with synergy effects to roughly EUR 30 million by 2020**
- **Acquisition to be paid from existing liquidity**
- **First acquisition after successful completion of realignment program**

Cologne – Specialty chemicals company LANXESS is expanding its portfolio of material protection products by taking over the Clean and Disinfect business of US-based chemical company Chemours. The business comprises active ingredients as well as specialty chemicals used especially in disinfectant and hygiene solutions. One of its core products is the Virkon S branded disinfectant, that is being deployed globally in the growth sector of veterinary disinfection and in the combat against major diseases such as Foot-and-Mouth disease or Avian Influenza.

Both companies have now signed an acquisition agreement. The enterprise value of around EUR 210 million will be paid by LANXESS from existing liquidity. Closing is expected in the second half of 2016. The transaction is still subject to approval from the relevant antitrust authorities.

The acquisition will be earnings per share (EPS) accretive in the first fiscal year. The acquired business is expected to generate an annual EBITDA contribution of around EUR 20 million, which will increase gradually with synergy effects to roughly EUR 30 million by 2020.

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The deal is LANXESS' first acquisition after the completion of its realignment program. "We plan to enhance our position particularly in mid-sized, less cyclical markets with high margins and sound growth prospects," said Matthias Zachert, Chairman of the Board of Management of LANXESS AG. "We have made quick headway and are now expanding our specialty chemicals portfolio which will make us more profitable and more resilient."

LANXESS takes over Chemours' Clean and Disinfect business with 170 employees worldwide and three production sites in Memphis and North Kingstown, USA, and Sudbury, United Kingdom. In 2015, the business achieved sales of around EUR 100 million, roughly half of which in the region of North America. "Through the acquisition, we will grow especially in the region of North America, where we still see good opportunities," said Zachert.

The new business will be integrated into LANXESS' Material Protection Products business unit. "With the acquisition of Chemours' Clean and Disinfect business, we are not only expanding our portfolio of active ingredients, but are also able to establish a forward integrated value chain in the veterinary disinfection segment," said Michael Schäfer, head of the Material Protection Products business unit. "Above, we will benefit from Chemours' experienced and dedicated employees, its strong technical and regulatory expertise, its widely recognized brands and well-established distribution networks."

Clean and Disinfect: Three segments with leading positions

Chemours' Clean and Disinfect business is comprised of three segments: disinfectants, potassium monopersulfate and chlorine dioxide. Each segment holds leading positions worldwide and serves attractive markets that benefit from intact growth trends. Above all, the global veterinary disinfection segment is expected to grow by 6 percent annually (CAGR 2015-2020).

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The segment of disinfectants focuses on providing solutions for veterinary disinfection. Its core product, the globally leading powder disinfectant marketed under the brand name Virkon S, has proved to be successful against a multitude of viruses, bacteria and fungi. It is deployed, among others, to combat major diseases such as Foot-and-Mouth disease, Swine Vesicular disease or Avian Influenza.

The second segment deals with the production and distribution of the active ingredient potassium monopersulfate with its core brand Oxone. It is used for pool and spa applications, in personal care, in the electronics industry and as active ingredient in the formulation of disinfection products, especially in Virkon branded products.

The chlorine dioxide segment is an established provider of package solutions for industrial water treatment.

LANXESS' material protection business

LANXESS' business unit Material Protection Products with around 350 employees operates production sites in Krefeld-Uerdingen and Dormagen (Germany), Pittsburgh (USA), Jhagadia (India), Changzhou (China) and Singapore. It is part of the Performance Chemicals segment, which generated sales of roughly EUR 2.1 billion in 2015.

Products of the business unit are used globally in a wide range of applications. With its broad portfolio of antimicrobial active ingredients and preservatives, Material Protection Products delivers customized solutions for various industrial sectors – apart from the disinfection industry, also for the wood protection industry, the paint and coatings industry as well as the construction sector and the beverage industry. Moreover, the Business Unit provides comprehensive technical service, regulatory support and project-specific research and development.

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News Release

Please note: All financials based on exchange rate of 1.10 USD/EUR. All references to EBITDA are pre exceptionals.

LANXESS is a leading specialty chemicals company with sales of EUR 7.9 billion in 2015 and about 16,200 employees in 29 countries. The company is currently represented at 52 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, 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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Forward-Looking Statements.

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Information for editors:

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