

Ad hoc according to Art. 17 paragraph 1 MMVO

LANXESS signs contract to acquire Microbial Control business of IFF

Cologne, August 23, 2021 – Specialty chemicals company LANXESS has signed an agreement to acquire the microbial control business from the US-based company International Flavors & Fragrances Inc. (IFF). The acquisition will create one of the leading global suppliers of biocides.

The microbial control business comprises two production sites in the US and approximately 270 employees worldwide. Sales amount to around USD 450 million* with EBITDA pre exceptionals approximating USD 100 million*. Around 75 percent of sales are generated in America and Asia.

For the transaction with an enterprise value of USD 1.3 billion LANXESS has secured bridge financing which is expected to be refinanced with senior corporate bonds. Closing of the transaction is expected in the second quarter of 2022 and among other items subject to the approval of the relevant regulatory authorities. In addition, the microbial control business has to be carved-out by IFF.

By acquiring the IFF microbial control business, LANXESS strengthens its specialty chemicals portfolio in the Consumer Protection segment and materially expands its growth businesses disinfection, home & personal care and material preservation.

With the recent acquisitions, LANXESS has created attractive growth opportunities and is now re-prioritizing its capital allocation priorities. Against this background, the currently suspended share buy-back program in the amount of EUR 463 million will be terminated. The approximately 1.1 million repurchased shares under the program will be cancelled.

Cologne, August 23, 2021

* on a normalized level, meaning in an average year

Forward-Looking Statements

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