

LANXESS increases dividend also in times of the Coronavirus pandemic

- **Proposed dividend of EUR 1.00 – 5 percent more than in the previous year**
- **Full year 2020 closed with robust results**
- **Guidance for fiscal year 2021 raised**
- **Portfolio restructuring driven forward – 2021 focused on growth**
- **Board of Management compensation to include sustainability components**

Cologne, May 19, 2021 – LANXESS Chairman of the Board of Management Matthias Zachert started this year's virtual Annual Stockholders' Meeting of the specialty chemicals company with a positive message: "LANXESS is on course and has come through the Corona crisis very well!"

Just a week ago, the Group raised its guidance for the full year 2021: EBITDA pre exceptionals is now expected to be between EUR 950 million and EUR 1 billion. LANXESS closed 2020 robustly despite the Coronavirus pandemic. EBITDA pre exceptionals came in at EUR 862 million, only 15.4 percent below the prior-year figure of EUR 1.019 billion. The EBITDA margin pre exceptionals reached 14.1 percent, close to the best figure of 15.0 percent reached in the previous year. Zachert: "This shows that we are now reaping the fruits of the Group restructuring carried out over the last several years in the areas where it counts most. We have become considerably more resilient and far less vulnerable to economic fluctuations than before."

Dividend raised again

At EUR 6.104 billion, Group sales in 2020 were 10.3 percent below the prior-year figure of EUR 6.802 billion. Group income from continuing operations increased significantly to EUR 908 million,

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compared with EUR 240 million in the previous year. This was due to the proceeds from the sale of LANXESS' stake in chemical park operator Currenta.

"We defied the past fiscal year's challenging conditions with resolve and inner strength, and thus achieved a result we can all be proud of. As a matter of course, such a result should also be reflected in our dividend," said Matthias Zachert. The Board of Management and the Supervisory Board proposed a dividend of EUR 1.00 per share to the Annual Stockholders' Meeting. This is around 5 percent more than in the previous year. In total, this corresponds to a total dividend payout of around EUR 86 million.

Zachert once again thanked the LANXESS team, "who did everything humanly possible to keep our businesses going. It has been proven once again that our employees truly live our slogan 'Energizing Chemistry', and this makes me immensely proud."

Portfolio restructuring driven forward – focus on growth

LANXESS took key strategic steps in 2020. With the sales of the membrane and chrome chemicals businesses, as well as the announced sale of the leather chemicals business and the exit from chrome ore production, the Group systematically divested areas that no longer fit into the strategic focus on specialty chemicals.

The year 2021 then began in the spirit of growth with three acquisitions in the Consumer Protection segment. Zachert: "Consumer Protection is a segment with a future! It is for precisely this reason that we expanded this area further with strategic purchases right at the beginning of this year." With the acquisitions of biocide manufacturers INTACE and Theseo, two of the transactions have already been completed. Zachert described the planned acquisition of US-based company Emerald Kalama Chemical – the second largest in the company's history – as "a major milestone in the development of Consumer Protection". LANXESS expects the

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transaction to be completed in the second half of the year following regulatory approvals.

Board of Management compensation linked to sustainability targets

In 2020, LANXESS also completed a significant stage on the road to climate neutrality. The specialty chemicals company built a nitrous oxide reduction plant in Antwerp, Belgium, which came on stream at the beginning of 2021. This will enable LANXESS to reduce its emissions by 150,000 metric tons of CO₂ equivalents per year. A further 300,000 metric tons are to be added annually when the second expansion stage comes on stream in 2023. Zachert once again emphasized: "We are serious about sustainability."

This is underlined by agenda item 6 of the Annual Stockholders' Meeting, in which shareholders vote on the new compensation system for the Management Board. Since the beginning of the year, around one-third of the variable compensation of the Board of Management has been linked to the company's sustainability performance. Specifically, the company's performance in the areas of climate protection and occupational health and safety will be factored into the system for 2021.

LANXESS is a leading specialty chemicals company with sales of EUR 6.1 billion in 2020. The company currently has about 14,300 employees in 33 countries. 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.

Forward-Looking Statements

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