

LANXESS aims to acquire disinfection and hygiene solutions provider Theseo

- **Technical expertise and broad product portfolio will strengthen LANXESS' position in growth market of animal hygiene**
- **Strong presence of Theseo in Europe will complement the global material protection business of LANXESS**

Cologne/Laval, January 11, 2021 – Specialty chemicals company LANXESS intends to further expand its Consumer Protection business and has entered into exclusive negotiations to acquire the Theseo group. The French group, headquartered in Laval, is a leading manufacturer of disinfection and hygiene solutions in Europe and Latin America. The products are used in particular in livestock farming to prevent and control diseases. Subject to completion of the transaction, LANXESS will significantly expand its range of products for the growth market animal hygiene and will in future also be able to offer products for the animal nutrition industry.

Prior to the execution of the envisaged transaction, the usual French employee information and consultation process will be followed. Furthermore, the transaction is subject to antitrust clearance. Thereupon, the parties expect the envisaged transaction to be completed in mid-2021.

“We are focusing on profitable specialty chemicals and here consumer protection products play an important role. Once we complete the planned acquisition of Theseo, we will yet again expand our high-margin business in this area,” said Matthias Zachert, Chairman of the Board of Management of LANXESS AG.

LANXESS plans to finance the envisaged acquisition with an enterprise value of approximately EUR 70 million out of cash. In 2020, Theseo is expected to generate sales of around EUR 33 million and an EBITDA in the mid-single-digit million euro range. Within three

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years following the completion of the planned transaction, LANXESS expects an additional annual EBITDA contribution in the same amount from synergy effects. The envisaged acquisition will already be earnings per share* accretive in the first fiscal year after its completion.

Perfect addition to the material protection business

Theseo has about 100 employees and sites in Laval (France), Wietmarschen (Germany), Hull (UK) and Campinas (Brazil). LANXESS intends to integrate the business into its Material Protection Products business unit, where it would complement the portfolio of disinfection and hygiene solutions.

“A successful acquisition of Theseo will allow us to strengthen our position in the field of animal hygiene and to expand our portfolio with further renowned premium products,” said Michael Schäfer, head of the Material Protection Products business unit. “The strong presence of Theseo in Europe will drive our business and complement our global presence. We are looking forward to benefitting from experienced employees, technical and regulatory expertise, well-known brands and an established distribution network.”

Theseo offers an extensive portfolio of disinfection and hygiene products for all areas of pig and poultry. Herein, LANXESS sees strong growth prospects due to rising biosecurity requirements. Theseo also has a well-positioned portfolio in water hygiene as well as animal nutrition. With the continuous drive towards antibiotic free meat, these products play an ever-growing role in livestock production.

LANXESS' materials protection business

The LANXESS Material Protection Products business unit employs around 660 employees and has production sites in Krefeld-Uerdingen and Dormagen (Germany), Sudbury (Great Britain), Pittsburgh and

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Memphis (USA), Jarinu (Brazil), Jhagadia (India), Changzhou (China) and Singapore.

Products from this business unit are used in a huge variety of applications worldwide. With its broad range of active antimicrobial ingredients and formulations, the business unit provides customer-specific solutions for various branches of industry such as disinfection, paints and coatings, wood protection, construction and beverages. Material Protection Products also provides a comprehensive technical service and regulatory support as well as project-specific research and development.

* adjusted for exceptional items and amortization of intangible assets

LANXESS is a leading specialty chemicals company with sales of EUR 6.8 billion in 2019. The company currently has about 14,400 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.

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Information for editors:

All LANXESS news releases and their accompanying photos can be found at <http://press.lanxess.com>. Recent photos of the Board of Management and other LANXESS image material are available at <http://photos.lanxess.com>.

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