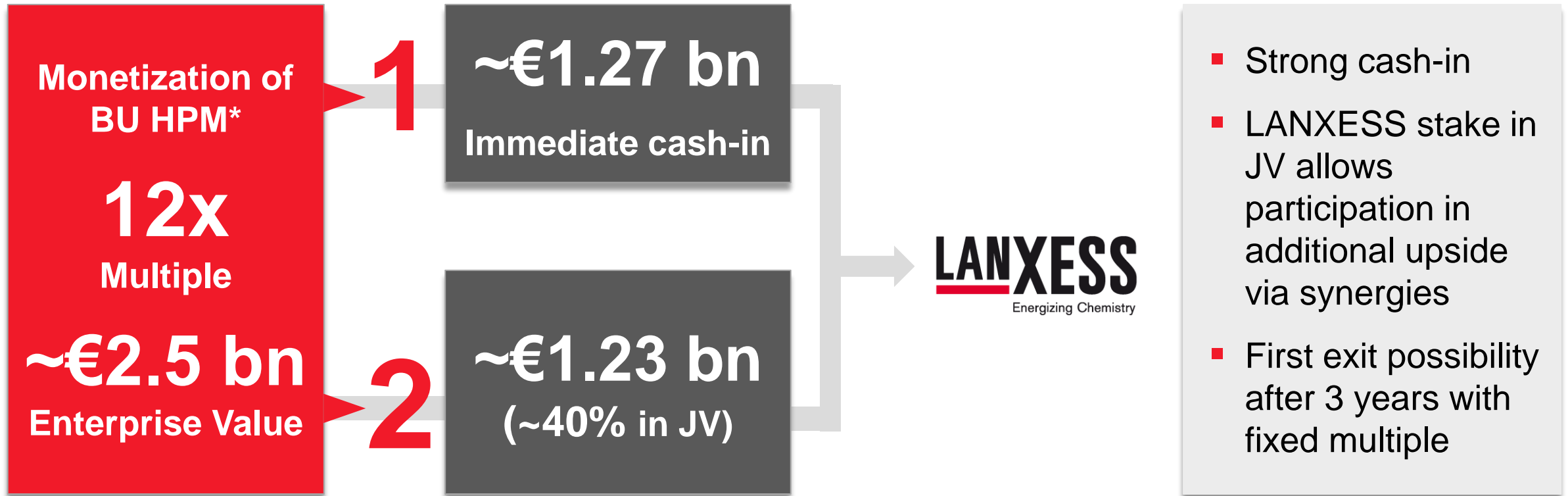




HPM Joint Venture with Advent closed: Creating a global polymer champion

April 3, 2023

LANXESS received ~€1.27 bn plus ~40% stake in JV which stands for future upside



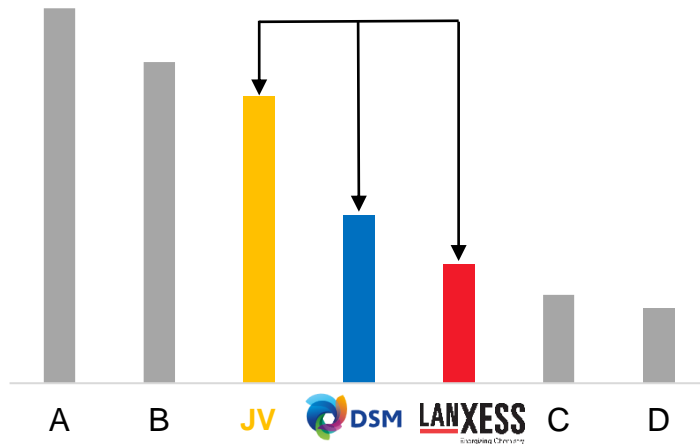
Two-step approach enables LANXESS to benefit from additional upside via synergy realization

Formation of Joint Venture creates leading engineering materials player

1

Creating a global polymer champion

FY 2021 Engineering Materials¹



- #3 position in Engineering materials
- Leading global player:
 - Customer proximity via global production set-up
 - Leading technology & brands
 - Integrated value chains

2

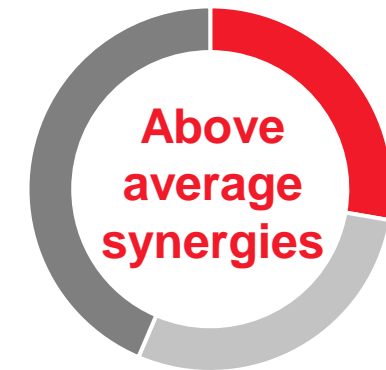
Well positioned to seize growth opportunities

4-5%
market growth²

- Uniquely positioned to benefit from strong underlying trends in
 - ESG: E-Mobility and lightweight production
 - Connectivity / electrical infrastructure

3

Additionally benefitting from massive synergy potential



■ SG&A ■ Cross-selling ■ Production

- Synergy realization based on
 - Product offering
 - Industry exposure
 - Regional footprint
 - Backward integration

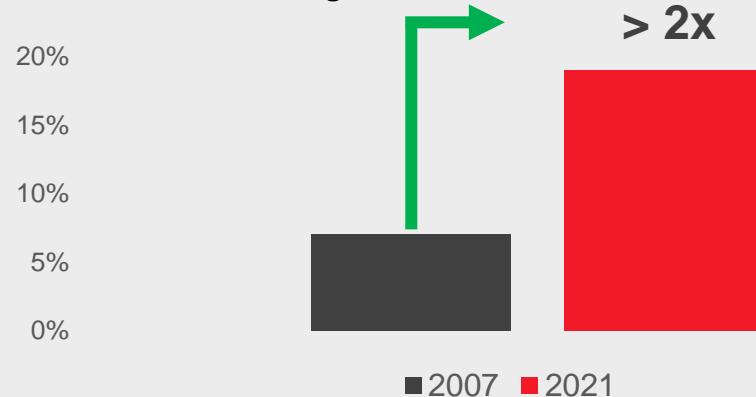
Previous polymer team-ups have delivered substantial margin improvements

LyondellBasell



- Two giants joined forces in 2007 and are now the third largest polyethylene and polypropylene manufacturer
- Strong margin expansion* since merger

Illustrative EBITDA margins in %

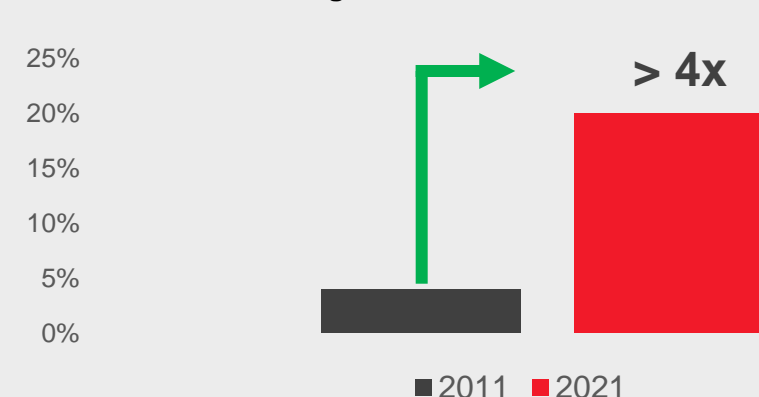


INEOS STYROLUTION



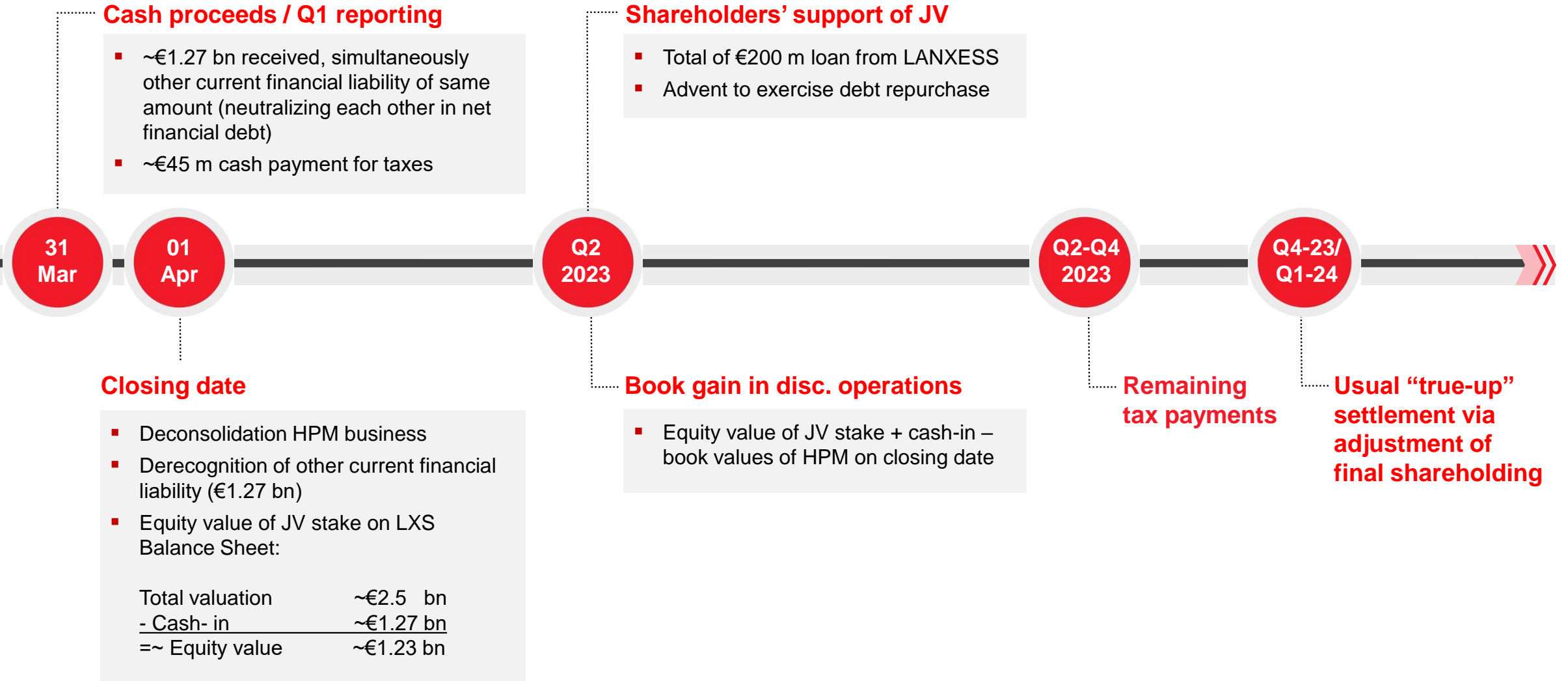
- JV between Ineos and BASF formed in 2011; exit of BASF in 2014
- Margin* increased substantially since JV creation

Illustrative EBITDA margins in %



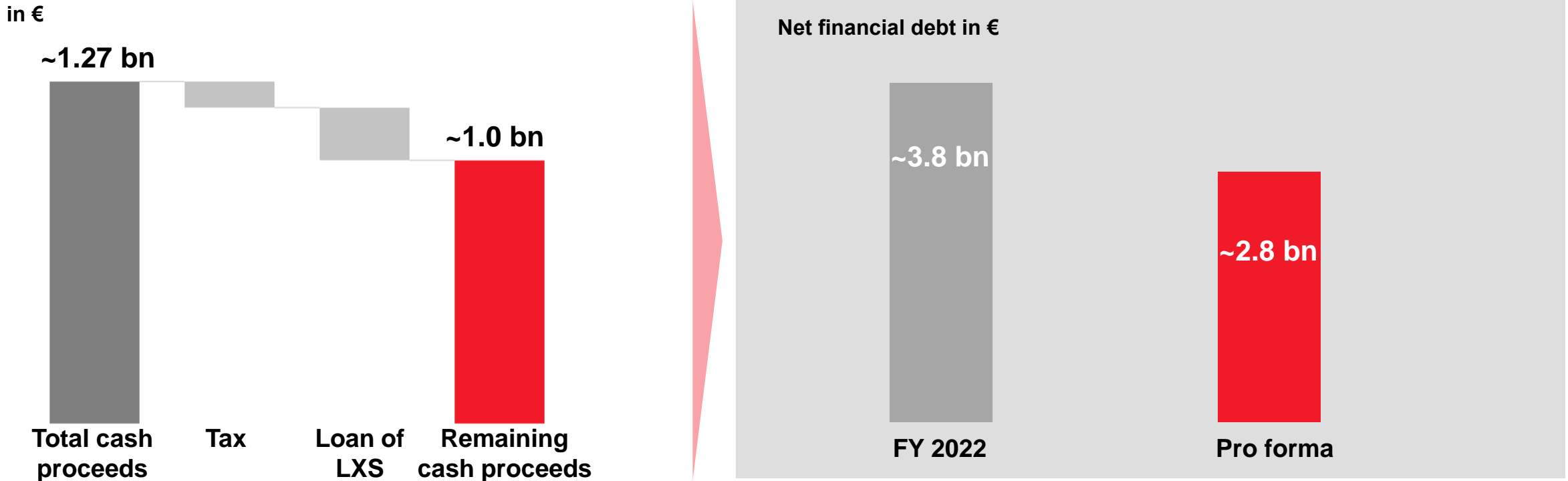
Besides synergy generation, our focus is on margin improvement for the JV

Clear timeline for remaining transaction milestones



Proceeds from HPM transaction accelerate deleveraging of LANXESS

Substantial decrease in leverage



Net financial debt / EBITDA* ratio at 3x after receiving cash proceeds

Achieving multiple targets at the same time

Improving LANXESS portfolio

- ✓ Lower volatility due to reduced auto exposure
- ✓ Complexity reduced
- ✓ CO₂ emissions reduced

Improving LANXESS financials

- ✓ Proceeds accelerate deleveraging
- ✓ Supporting Investment Grade Rating
- ✓ Structurally lower CAPEX needs

Creating additional value

- ✓ Benefitting from synergy realization and attractive growth in JV
- ✓ Upside for valuation of future low-taxed exit

LANXESS
Energizing Chemistry