



LANXESS
Energizing Chemistry

LANXESS – Q3 2019 Roadshow

Delivered as promised again

Matthias Zachert, CEO

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Agenda

1 Time to prove our strengths

2 Business and Financial details Q3 2019

3 Back-up

The way forward – Providing direction from four perspectives



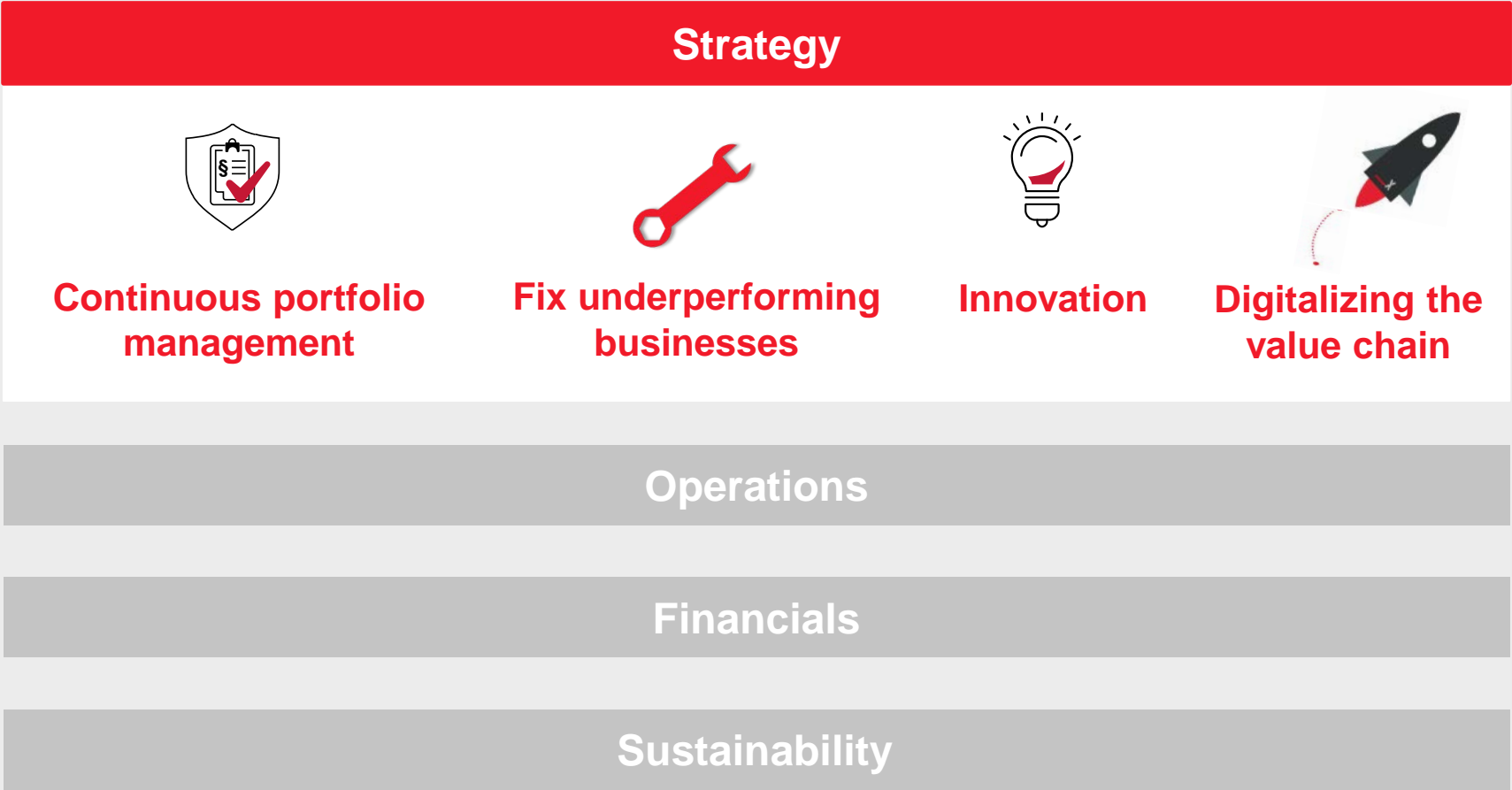
Strategy

Operations

Financials

Sustainability

The way forward – Providing direction from four perspectives



The way forward – Continuous Portfolio Management



Strategy



**Why do we like Consumer
Protection Chemicals?**

Perfect match: The characteristics of Consumer Protection Chemicals and our competences



Characteristics:

- **High entry barriers** due to increasing regulation
- Strong **expertise in Regulatory Affairs**
- **Data ownership*** essential for product registration
- Attractive **secular growth**, independent of industry cycles



Our competences:

- **Global set-up in Regulatory Affairs**
- **Regulatory competence:** One of the largest global expert teams in the industry
- **Unique portfolio** in Animal Protection Chemicals
- One of the **strongest water purification technologies**

LANXESS Consumer Protection: Our products follow strong application-driven trends



Food Safety



X_Velcorin[®]



Water Purification



X_Lewatit[®]



Biosecurity



>Virkon[™]



MPP proves its strong “specialty” financial performance

70 - 80%
Cash conversion

22 - 25%
EBITDA pre margin

CAGR: ~10%

Sales
<€500 m

6 M&A since 2010

0%
Automotive

The way forward – Fix underperforming businesses



Strategy

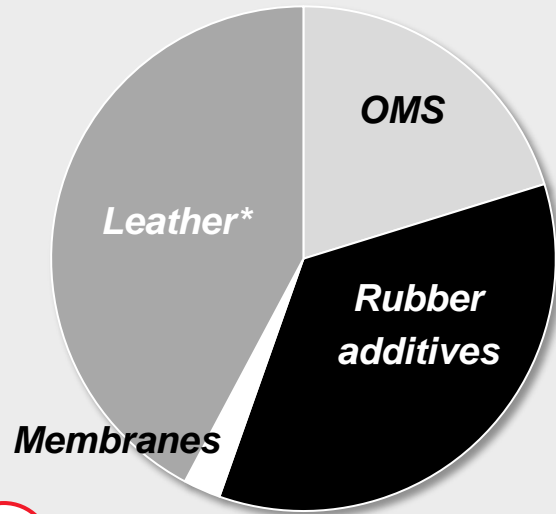


**Which businesses
are we addressing?**

Rigorously addressing under-performing businesses across our portfolio



Sales of businesses to be addressed
~€800 m



%

Margin Level:
~8%



Transforming action

- Solving the Chrome problem
- Accelerating OMS performance to peer level
- Turnaround Rubber Additives and Membrane businesses



Target structure
~€500 m



%

Margin Level:
>15%

Strong progress in solving the Chrome problem



Structure
Business Unit Leather

Chrome Ore

South Africa



Sold*



Chrome Chemicals

South Africa



Sold**

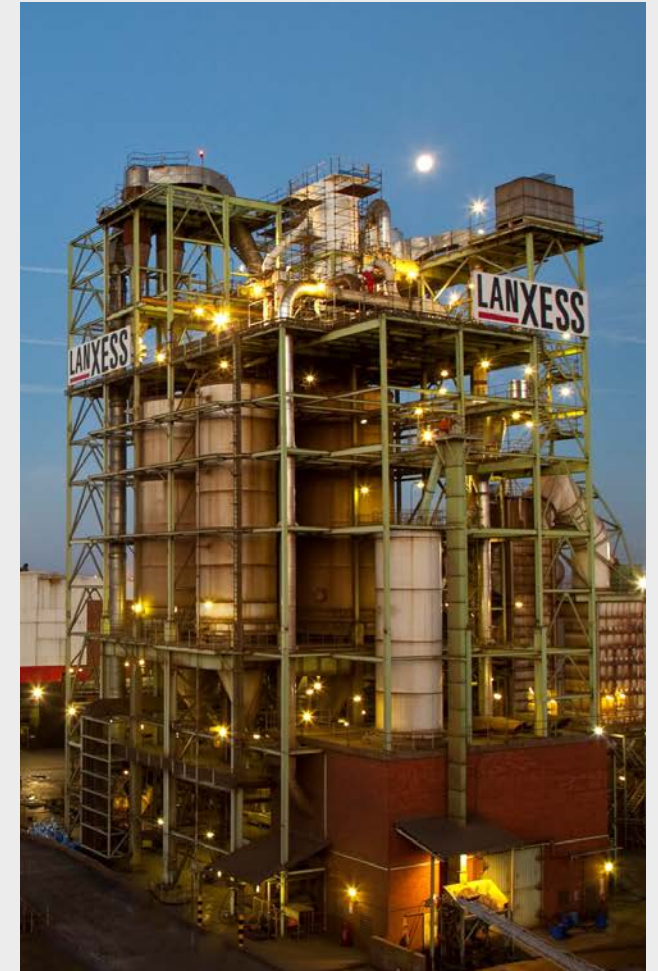


**Organic Leather
Chemicals**

EMEA, China



**Reposition
2020-2022**



Next logical step taken: LANXESS sells chrome ore mine in South Africa



Transaction details

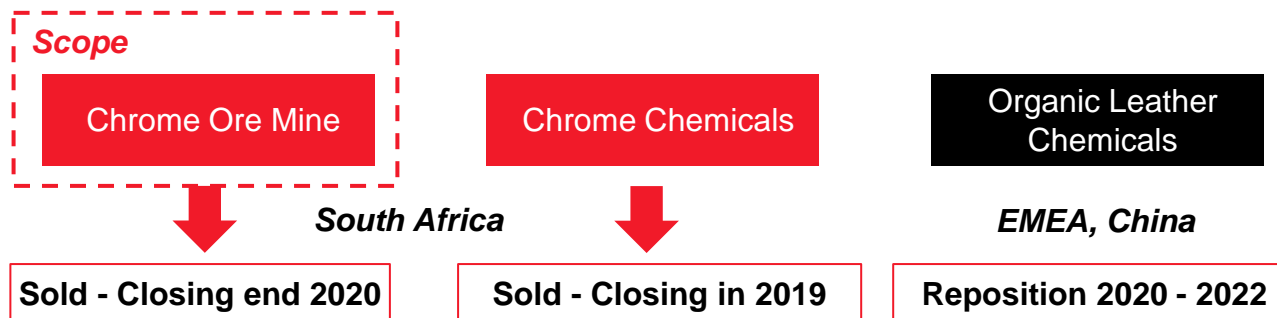
- Disposal of LANXESS' 74% stake in chrome ore mine in Rustenburg (South Africa) to Clover Alloys (SA) Pty. Ltd.
- Sales: ~€60 m
- Internal employees: ~500
- Expected one-time-costs: ~€30 m
- Closing*: Most likely end of 2020 (due to regulatory steps)

Strategic rationale

- Chrome business no longer fits to our strategic focus
- Better future development under leadership of Clover Alloys

Transaction scope

BU Leather structure

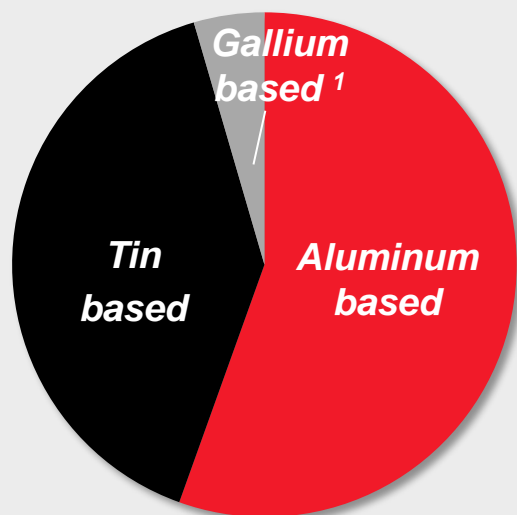


Improving Organometallics' performance to competitive peer level



Organometallics Sales

2018:
~€160 m



%

Margin Level:
0-5%



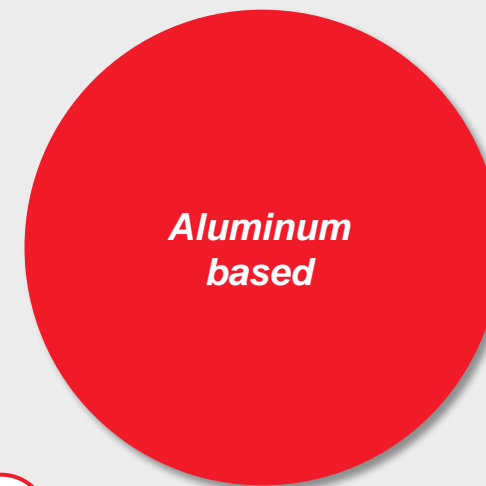
Transforming action

Aluminum based Organometallics:
Set for organic growth

Tin based Organometallics:
Exit partner found with PMC²

Gallium based Organometallics¹:
Exit partner found with Vital Materials

Target structure
~€100 m



%

Margin Level:
15-20%

The way forward – Innovation



Strategy



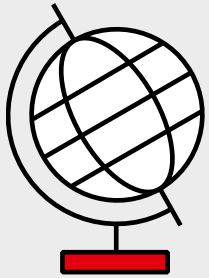
**What innovations are we
working on?**

We focus on product, process and technology innovation



Our philosophy

- Result-oriented product innovation
- Process innovation with focus on energy & resource efficiency
- Technology innovation that will change chemical business models (esp. digitalization)



Global innovation platform

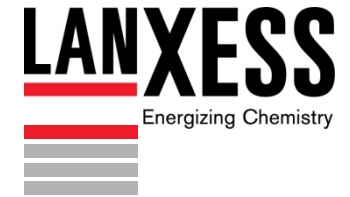
- 33 application centers in 14 countries focusing on product innovation
- Dedicated task force teams continuously optimize production processes worldwide
- Centralized digital team to introduce new technologies and change business models



Strong alliances

- More than 150 research cooperations with customers, universities and other research institutes worldwide
- Collaboration with leading AI specialists Citrine, Palantir, et al.

Identifying innovations that fit to our business – A natural preservative derived from an edible fungus



**BU
MPP**

Acquisition of IMD Natural Solutions completed in 2017

- 9 FTE with a lab in Dortmund, Germany

Rationale

- Strong trend to replace chemicals with natural preservatives
- LANXESS has a global sales force and regulatory expertise
- Currently no comparable natural product on the market

Potential:

- Key market: USA; FDA approval received in 2018, further market approvals in preparation
- First meaningful sales in 2020
- Full potential to be reached 2025-2030



X Nagardo™

**Accessible
initial
market
(USA)**

**~ €200-
250 m**

We consider E-Mobility as a major opportunity



E-Mobility: Key driver for battery growth

- Battery demand grew by 30% p.a. (2010-2018) to 180 GWh¹
- Globally, E-Mobility will account for >85% of total battery demand²

High share of chemicals

- Chemicals account for **>50% of total cost** of battery cells
- Announced cell capacities lead to **€8-9 bn p.a.**³ chemicals demand

Growth markets

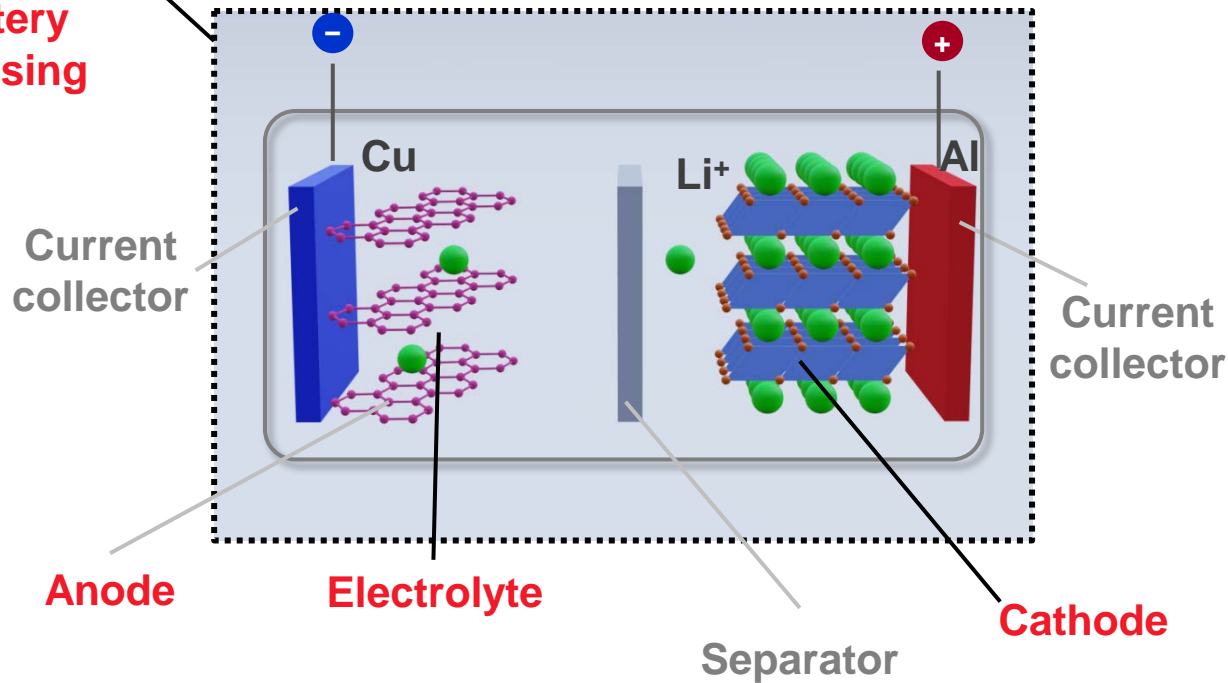
- Changing battery market: An Asia dominated market will turn into a global market with increasing shares for EU & US
- E-Mobility growth drives ramp-up of cell production sites in Europe
- Supportive governmental regulation



LANXESS offers key products for Li-Ion batteries



Battery housing



Battery housing

- PA/PBT compounds for components of the e-powertrain (BU HPM)

Electrolyte

- Key materials (Hydrofluoric acid, phosphorus chemicals) for electrolyte salt (LiPF_6) (BU AII/BU PLA)
- Flame retardants (BU PLA)

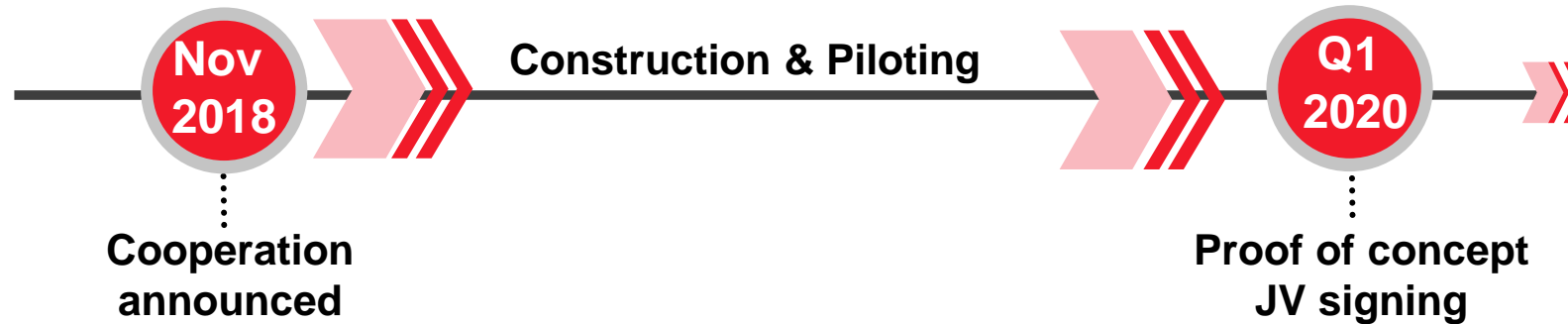
Cathode & Anode

- Iron oxide as precursor for cathode active materials (BU IPG)
- Ion-exchange resins for refining battery grade cobalt, nickel and lithium (BU LPT)
- Lithium chemicals from tail-brine (BU PLA)*

Cooperation with Standard Lithium could deliver upside in a promising market



**BU
PLA**



JV characteristics*

- 60-70% LANXESS ownership
- Exclusive access to technology in Smackover formation
- Absorption of El Dorado infrastructure cost

Project rationale

- Use existing site infrastructure
- Brines from bromine wells in El Dorado contain Lithium
- Lithium demand growing double digit
- Limited additional cost during piloting
- In case of successful pilot project: €100-400 m capex possible**

The way forward – Digitalizing the value chain



Strategy



**What are we
focusing on?**

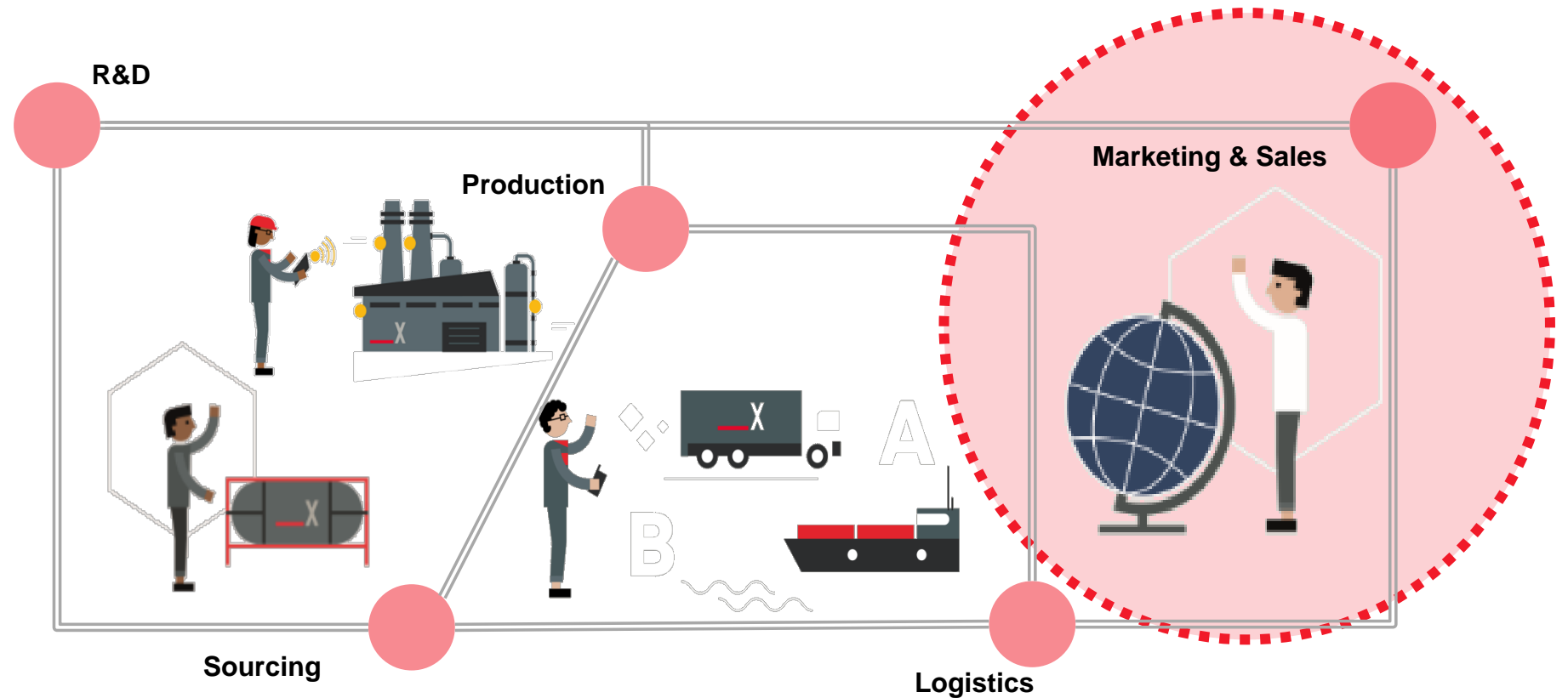
Digitalizing the value chain

LANXESS to be digital leader in the chemical industry



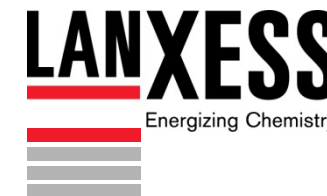
From itemized elements ...

... towards a fully integrated digitalized value chain:



Digitalizing the value chain: CheMondis

Paving the way to the future of trading chemicals



CheMondis

Project start in 2017:
LANXESS' chemical industry knowledge combined with external digital experts

Pioneering into digital trading platform for chemicals to get ready for digital future

First minimal viable product (MVP) created in 2018, preparation of fully separated industry platform

Largest and fastest growing B2B marketplace for industrial chemicals in the western world

Exceptional team of skilled and dedicated experts combining chemical, digital and technical know-how

Unique setup, backed by industry know-how and capital

The way forward – Providing direction from four perspectives



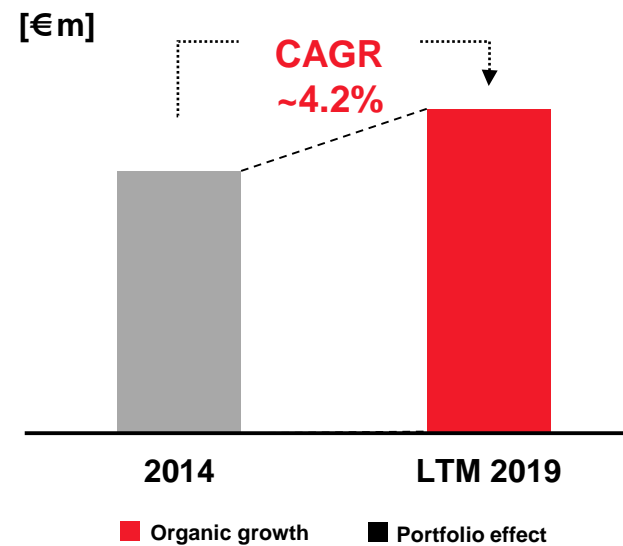
Advanced Intermediates – Focus on additional organic growth



Key differentiators

- Cost, technology and process leadership
- Leading market position
- Proven resilience

EBITDA pre development



Value drivers



- Debottlenecking

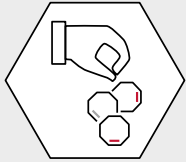


- Fix Organometallics



- Benefit from agro recovery

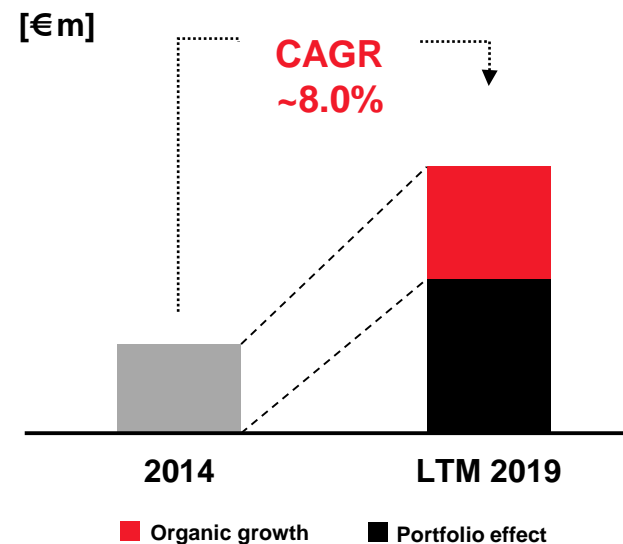
Specialty Additives – Consolidate, benefit from regulation, exploit growth trends



Key differentiators

- Small volume, high impact
- Leading market position
- Integrated value chains
- Broad product portfolio
- Small to medium-sized competitors

EBITDA pre development



Value drivers



- Synergies & optimization of production footprint



- Innovation: Exploit regulatory trends, e.g. Emerald 3000



- Benefit from market consolidation

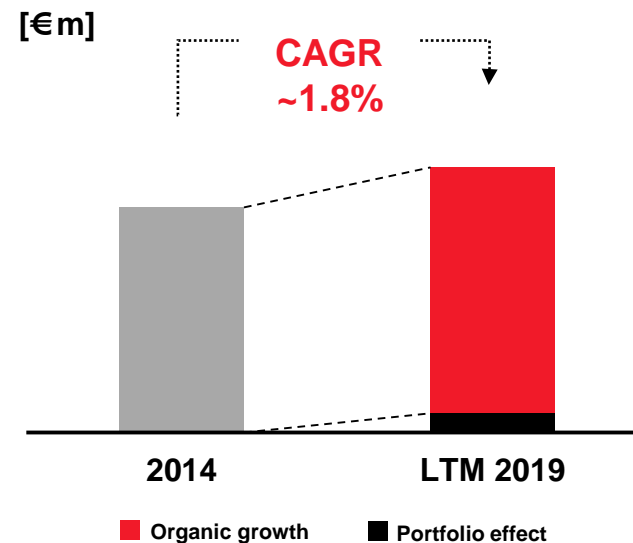
Performance Chemicals – Segment realignment and focus on Consumer Protection Chemicals



Key differentiators

- Leading regulatory affairs as strategic competence
- Global reach & scale
- Strong products and brands
- Asset light, capex primarily for data generation

EBITDA pre development



Value drivers



- Growth trend Consumer Protection Chemicals

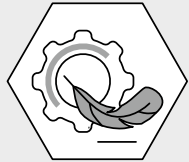


- Benefit from market consolidation



- Fix chrome value chain and membrane business

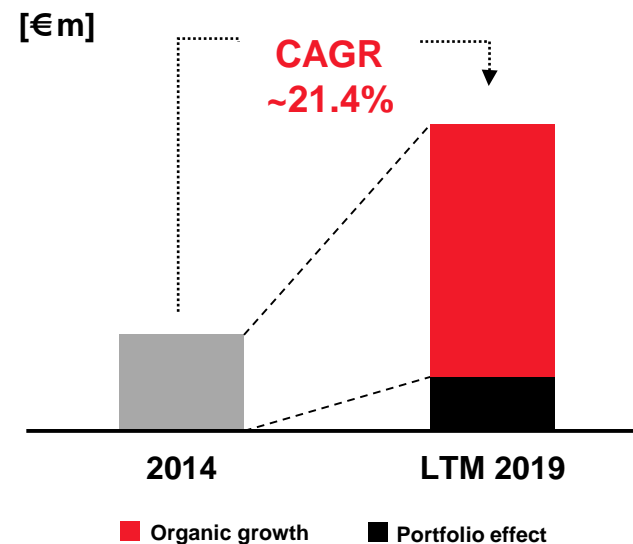
Engineering Materials – Exploit additional chances from lightweight trend



Key differentiators

- Cost-advantage due to integrated value chain
- Competitive market position
- High-tech application know-how
- Customer proximity (regionally)

EBITDA pre development



Value drivers



- Innovation & new applications

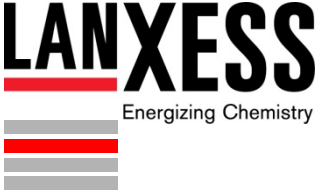





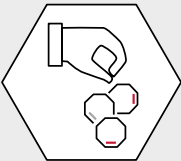





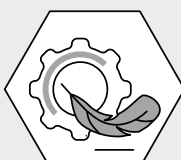


- Strong trends: E-Mobility, light-weight, sustainable production



- Continue to optimize value chain (additional compounding capacity)

Capital allocation follows clear individual strategies for each business



	Organic growth / Capex	Likelihood for M&A	Turnaround
 Advanced Intermediates			Organometallics
 Specialty Additives			Rubber additives
 Performance Chemicals			Chrome value chain Membranes business
 Engineering Materials			

The way forward – Providing direction from four perspectives



In 2019 the world is much more challenging, but we are well on track to achieve our goals

The political uncertainty with full negative impact on global economy

2019



Asian economies with visible slowdown, Brasil recovery pending, LATAM uncertain



Serious trade conflicts / BREXIT



Main customer industries weak, auto in crisis mode, capital goods and agro sluggish

EBITDA pre margin
(group, Ø through the cycle)

EBITDA margin volatility

Cash Conversion

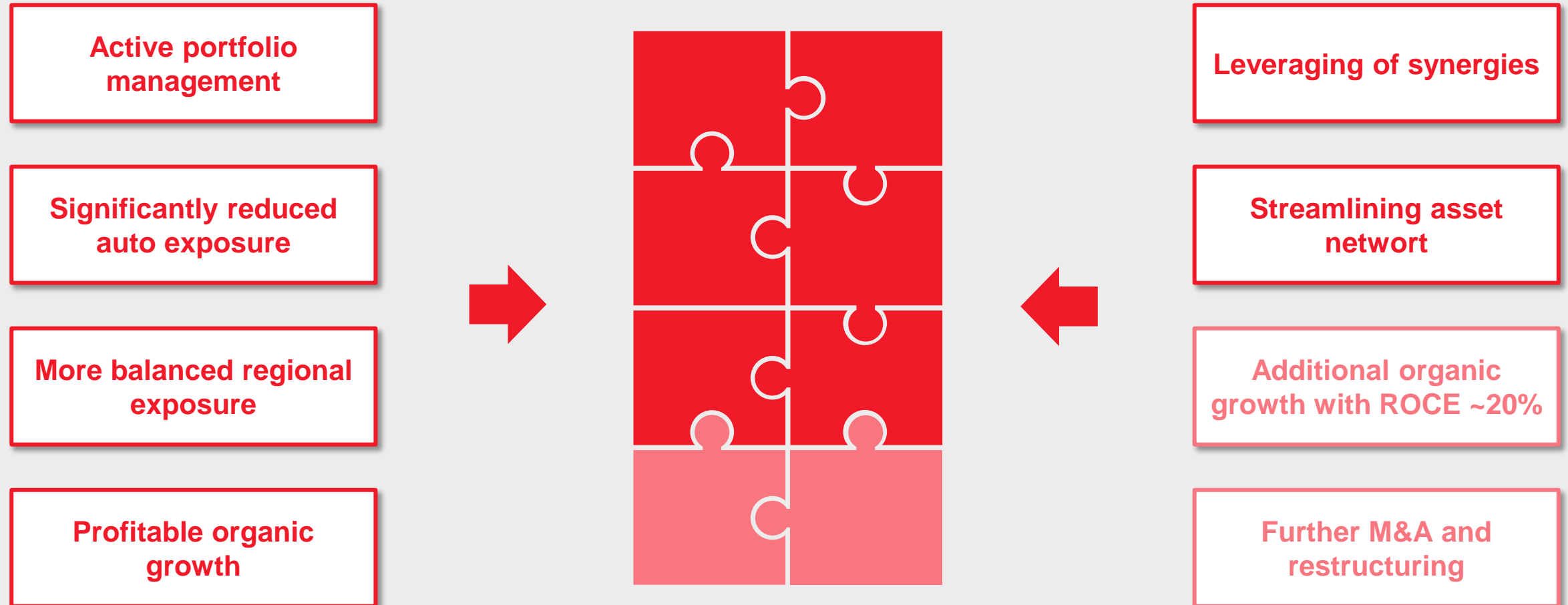
We stick to our targets (~2021)

Specialty level 

Resilience 

Strong cash generation 

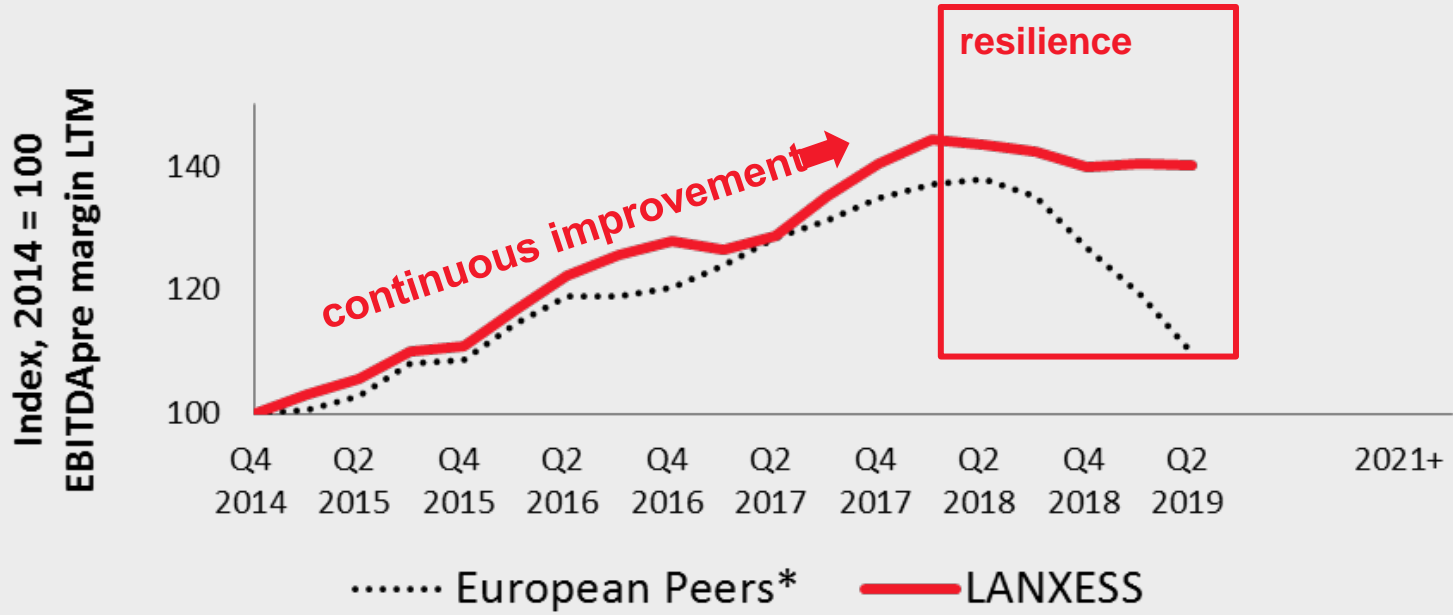
LANXESS self-help measures are the foundation on our way to achieve our financial targets



LANXESS margin improvement and resilience proven



Stable margin growth in cyclical environment
Margin resilience proven in recent quarters!

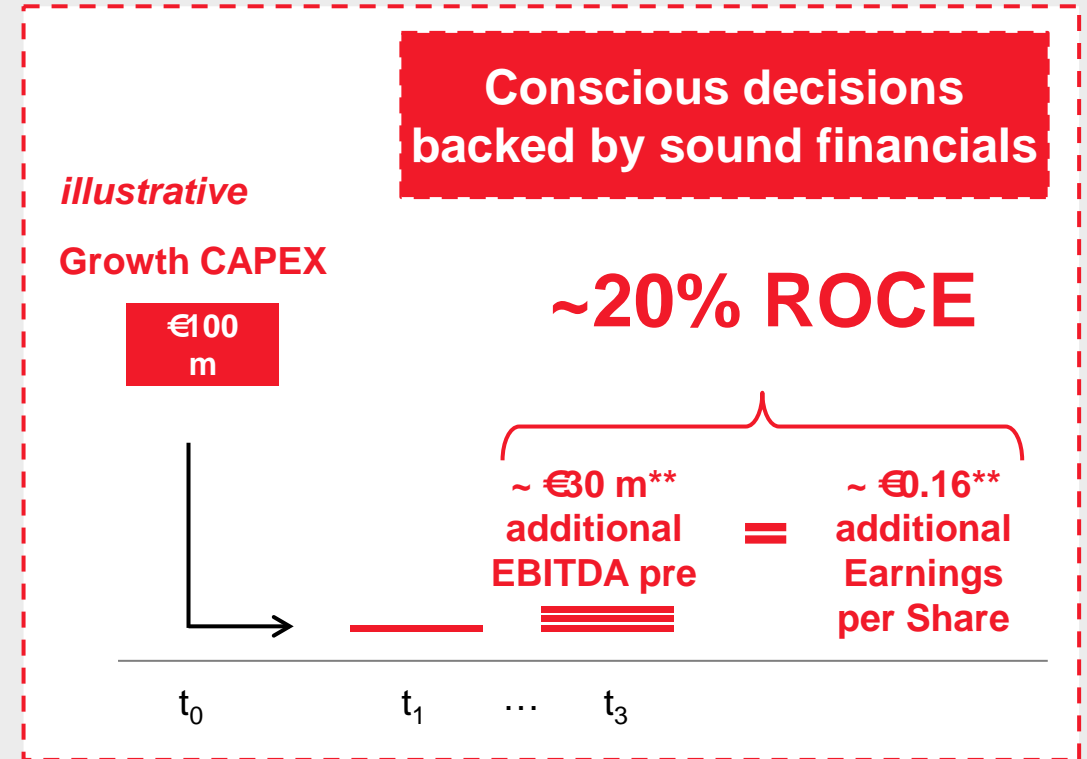
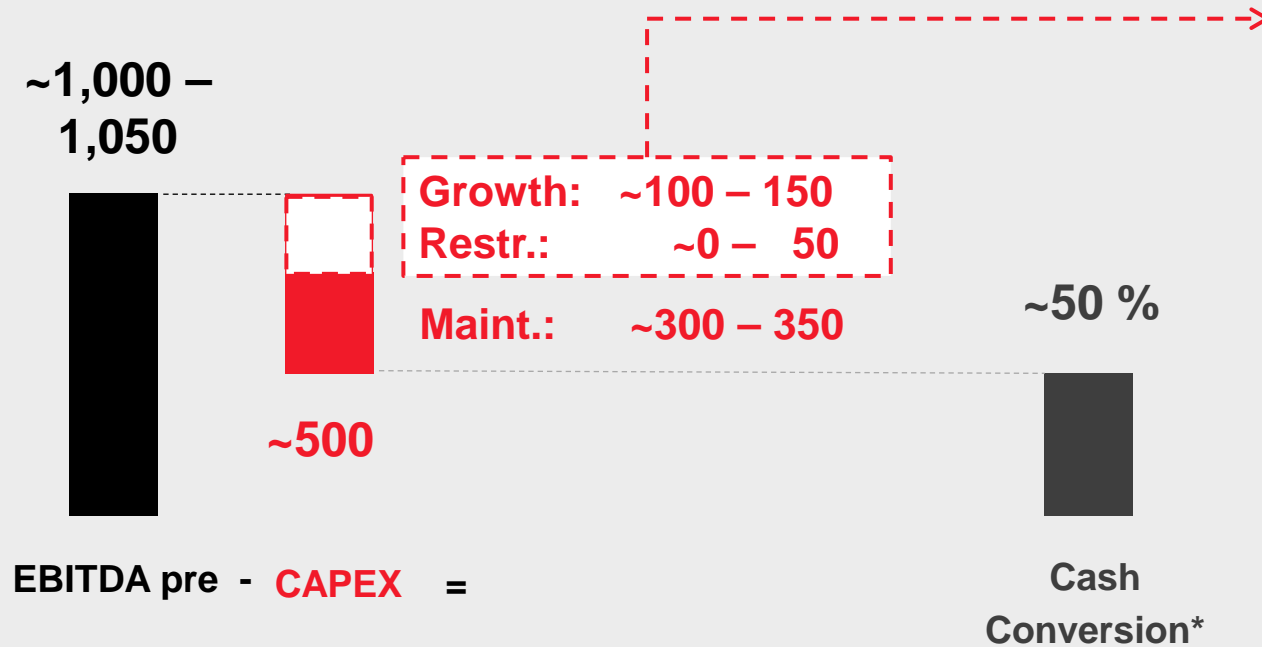


* European Peers: Arkema, DSM, Covestro, BASF, Clariant, Evonik, Solvay

Cash Conversion target also on track – but at what price does it come?

We could deliver on our Cash Conversion target already in 2019, but give priority to profitable growth

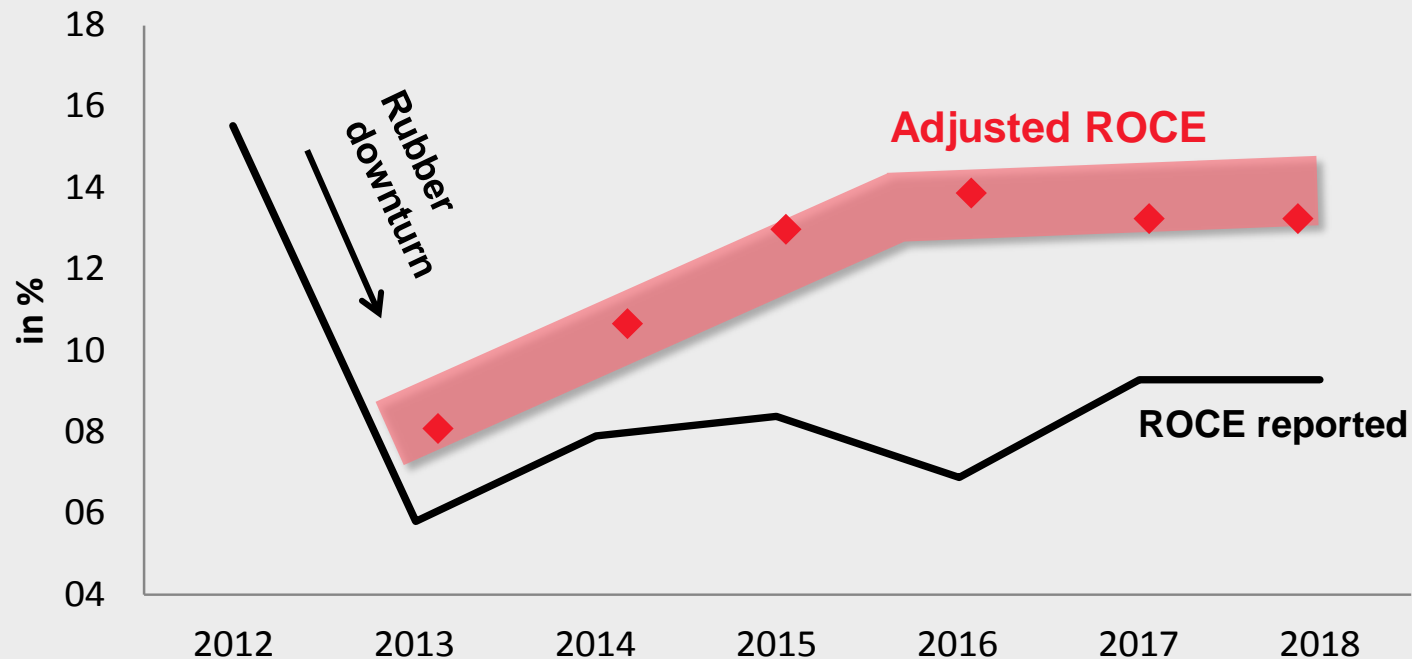
2019 estimate in € m



* Cash Conversion = EBITDA pre – CAPEX / EBITDA pre; ** ROCE: ~ 20%, considering ~€10 m D&A & ~30% tax

Organic investments fuel improvement of ROCE*

Adjusted ROCE* shows improved operational return profile of LANXESS



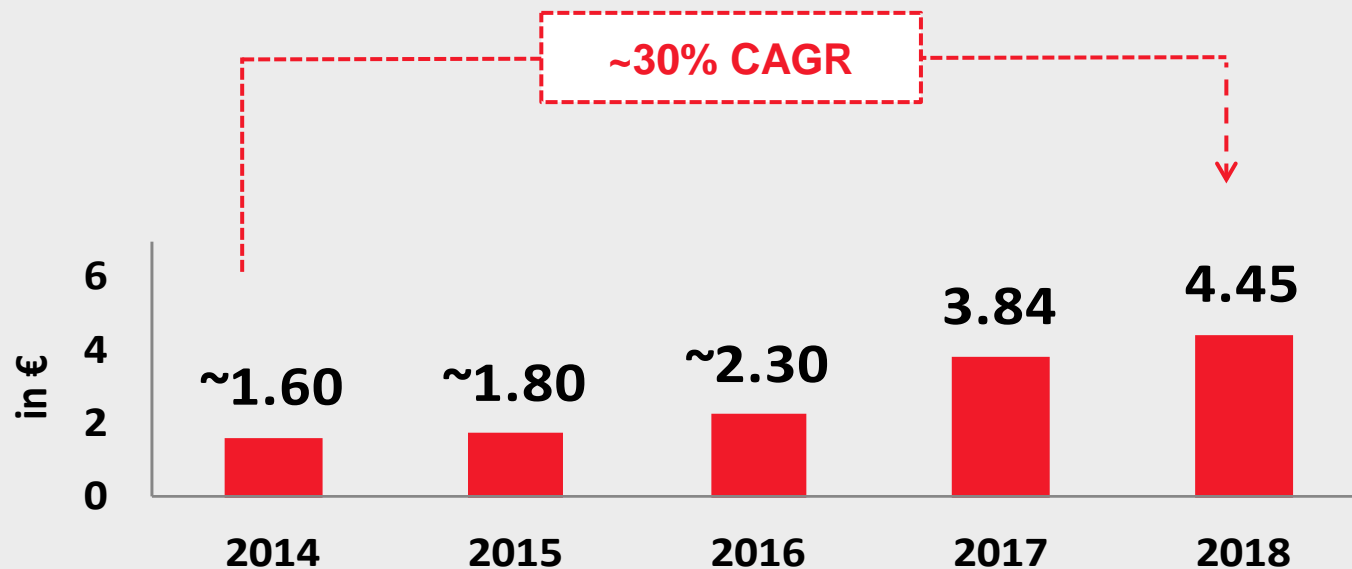
Transformation pays off:

- Divestment of ARLANXEO
- Acquisition of Chemtura
- Streamlining asset network
- Organic growth investments

* Adjusted ROCE = EBIT pre adjusted for amortization of Chemtura PPA related intangibles & assumed ARL ROCE

Strong management attention also on EPSpre*

Strong EPSpre* growth



Active EPS management:

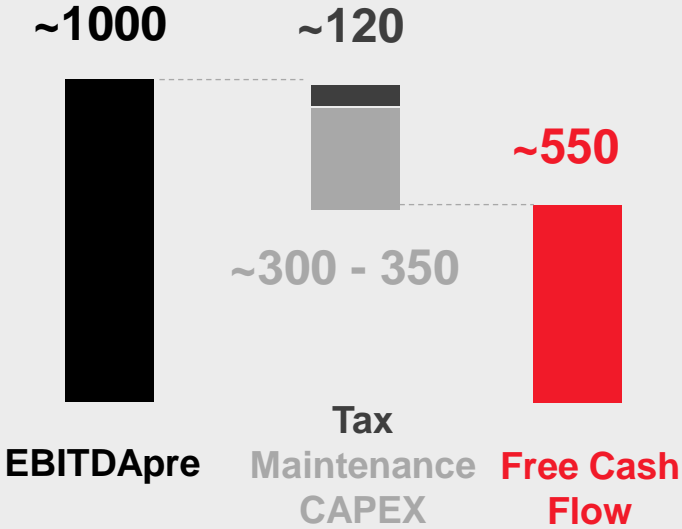
- Operational improvement
- Lower interest expenses
- Funding of pension debt
- Tax management (tax rate from ~45% to ~30% in 2019)
- Share buyback in 2019








* Earnings per Share: net of exceptionals and amortization of intangible assets as well as attributable tax effects / figures for 2014 until 2016 exclude ARLANXEO (non audited figures)

Capital allocation follows shareholder interests

Shareholder return is the driver for capital allocation

illustrative
(€ m)



-  Organic growth
-  Restructuring
-  Mergers & Acquisitions
-  Share buyback
-  Dividend
-  Deleveraging
-  Interest expenses

LANXESS strengthens its All aromatic „Verbund“ with additional synthetic menthol capacity

Clear long-term investment approach based on synergetic customer relationship



~€40 m

Investment

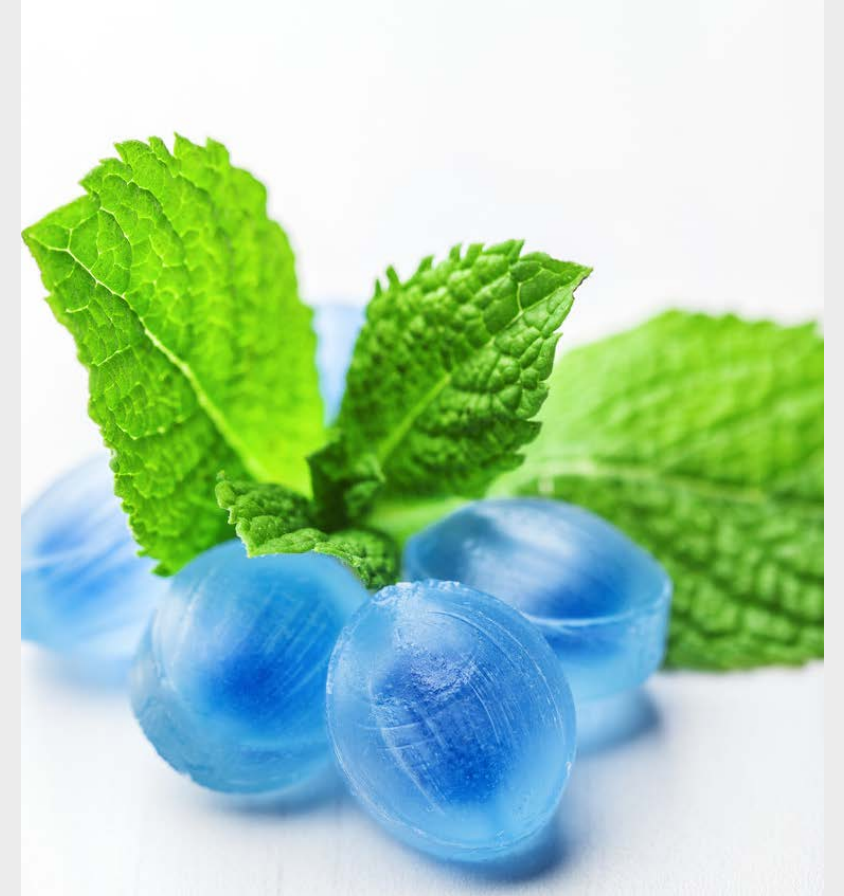


Early 2021

Planned operation start

Investment rationale:

- Significant increase in demand for synthetic menthol
- Strong customer relation based on long-term contracts
- Downstream development of the aromatic „Verbund“



Venture investment into Lithium with low risk and potentially high return

Opportunity in cooperation with Standard Lithium



~€100 –
400 m
Investments



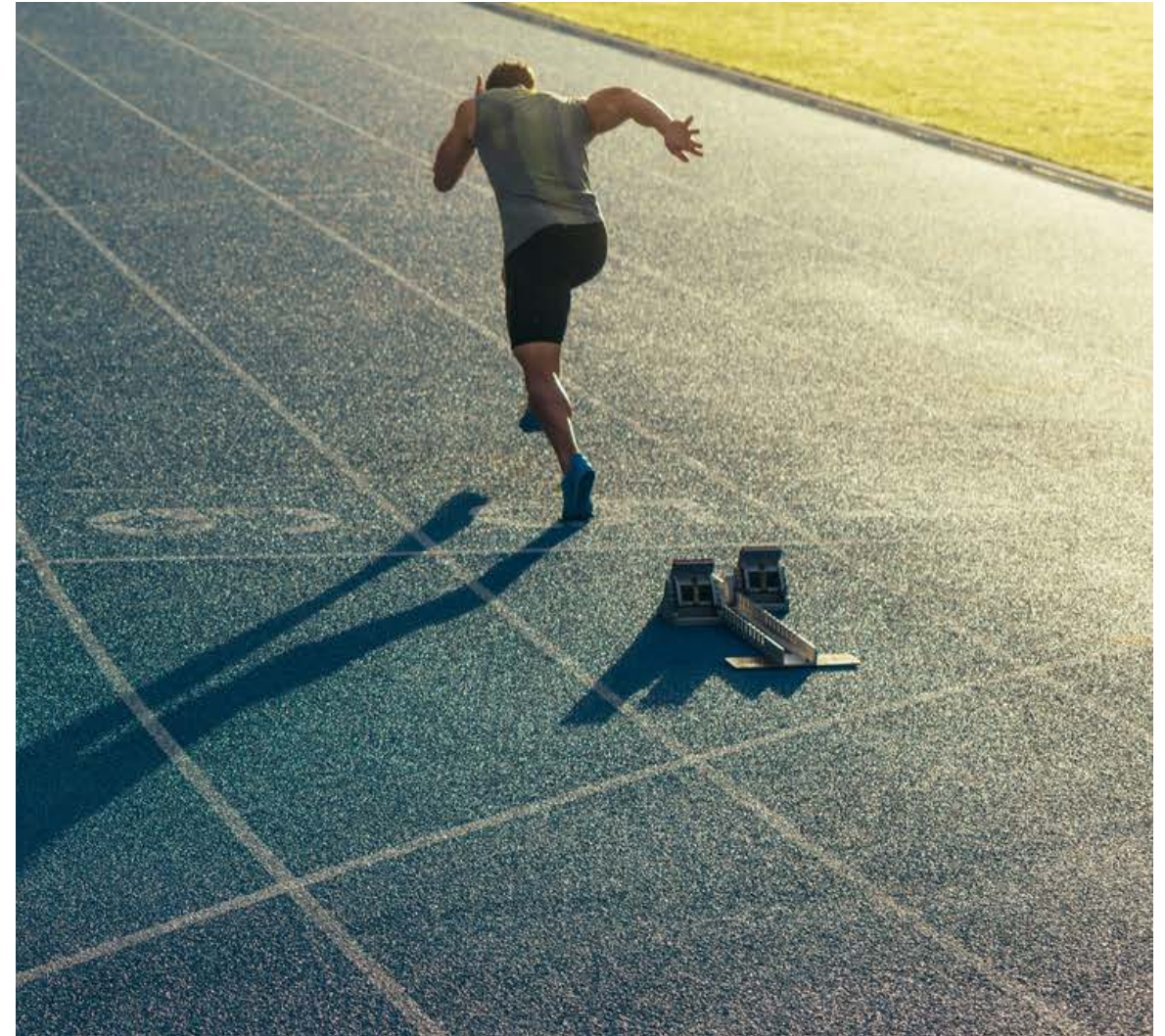
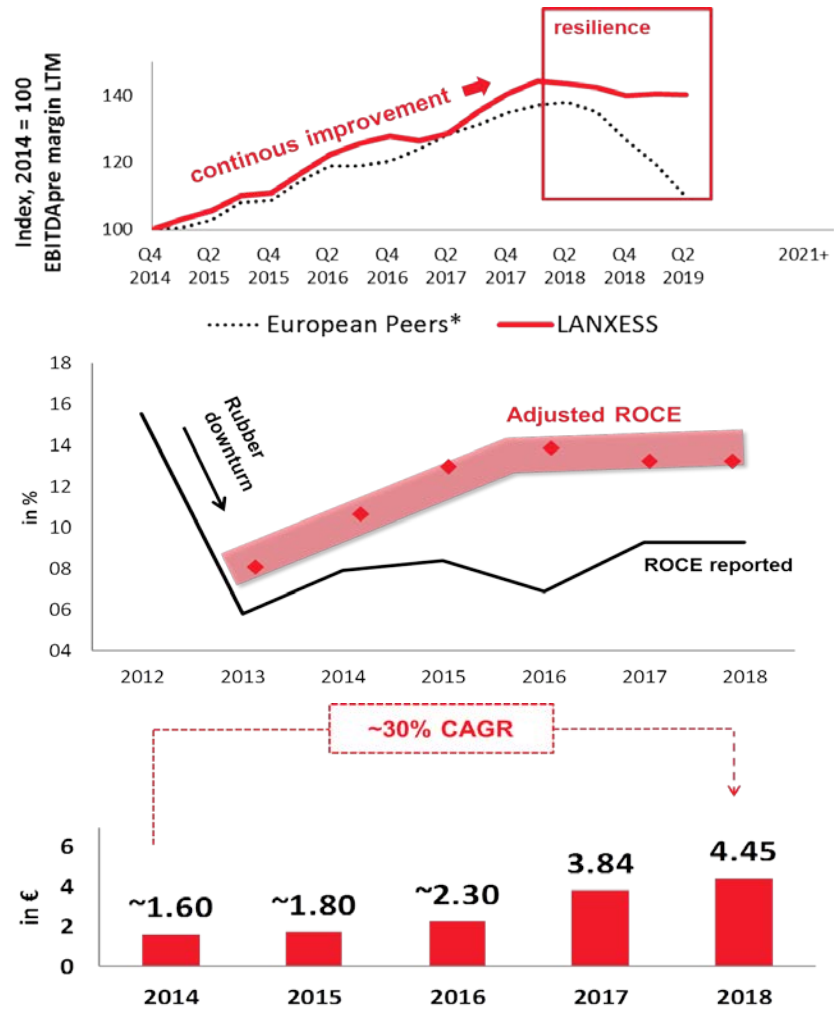
Early 2021
Planned start of
construction

Investment rationale:

- Potential lucrative yield of battery grade lithium from LANXESS' „waste material“ tail brine
- Strong growth of Lithium use based on rising demand for batteries



The journey will continue ...



* European Peers: Arkema, DSM, Covestro (formerly BMS), BASF, Clariant, Evonik, Solvay

Looking ahead ... energized!

Profitability

Moving our way towards even more stable and attractive margin levels

Resilience

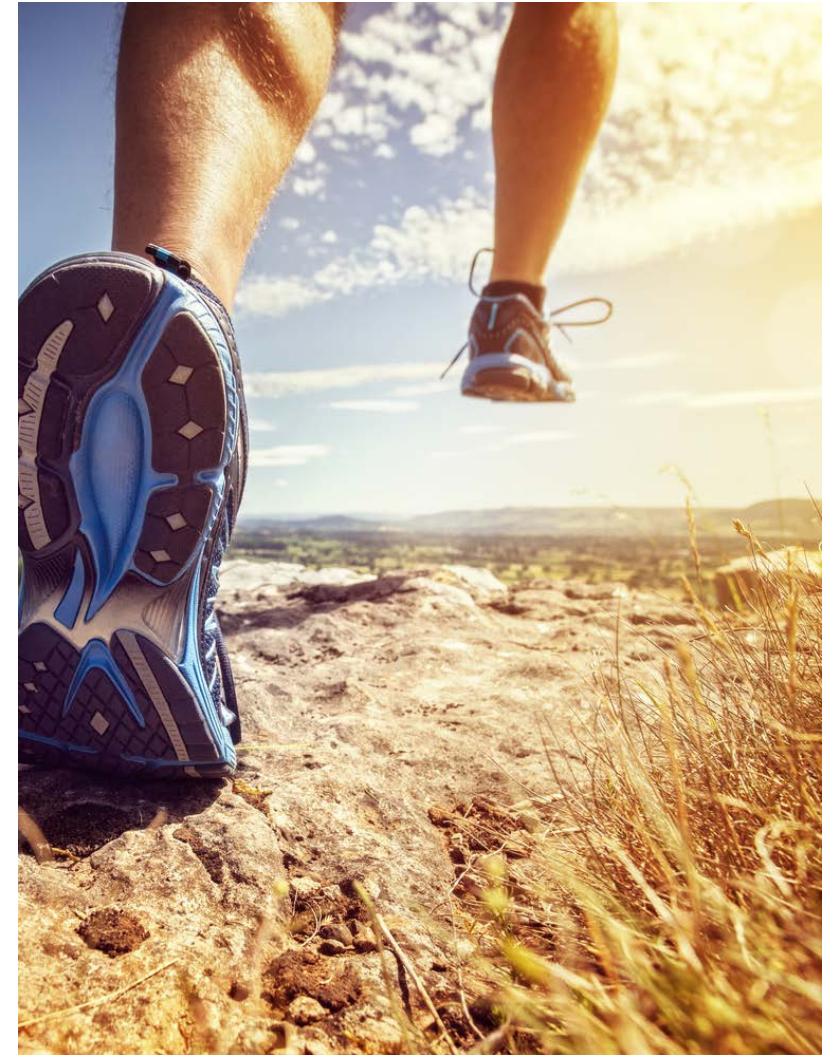
Further balanced exposure to end markets and regions in the future

Financials

Maintaining strong financials and balanced debt

Rating

Commitment to stay solid investment grade

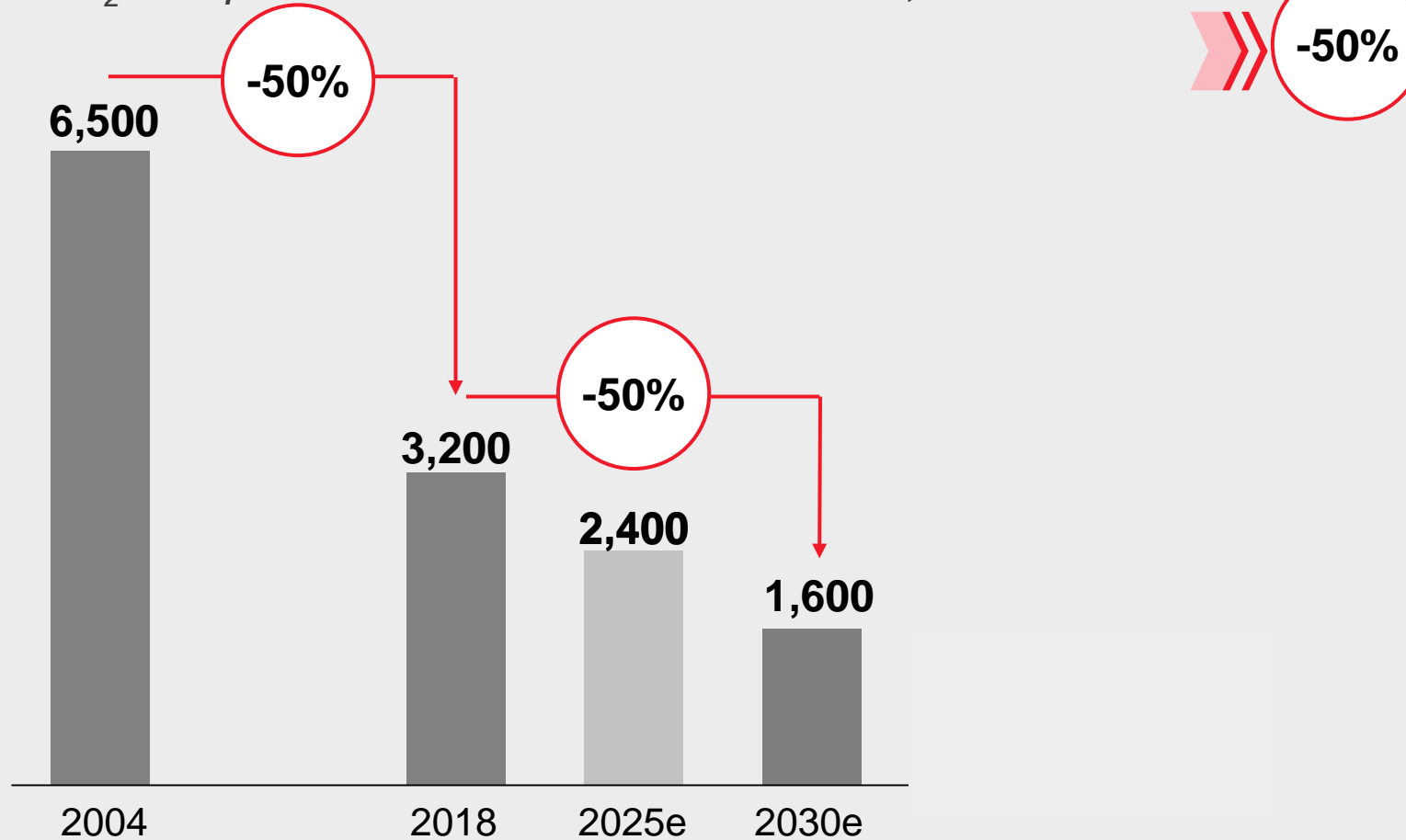


The way forward – Providing direction from four perspectives



We delivered strongly on emission reduction and aim high for 2030

CO₂e scope 1+2 emissions in thousand tons, LXS*



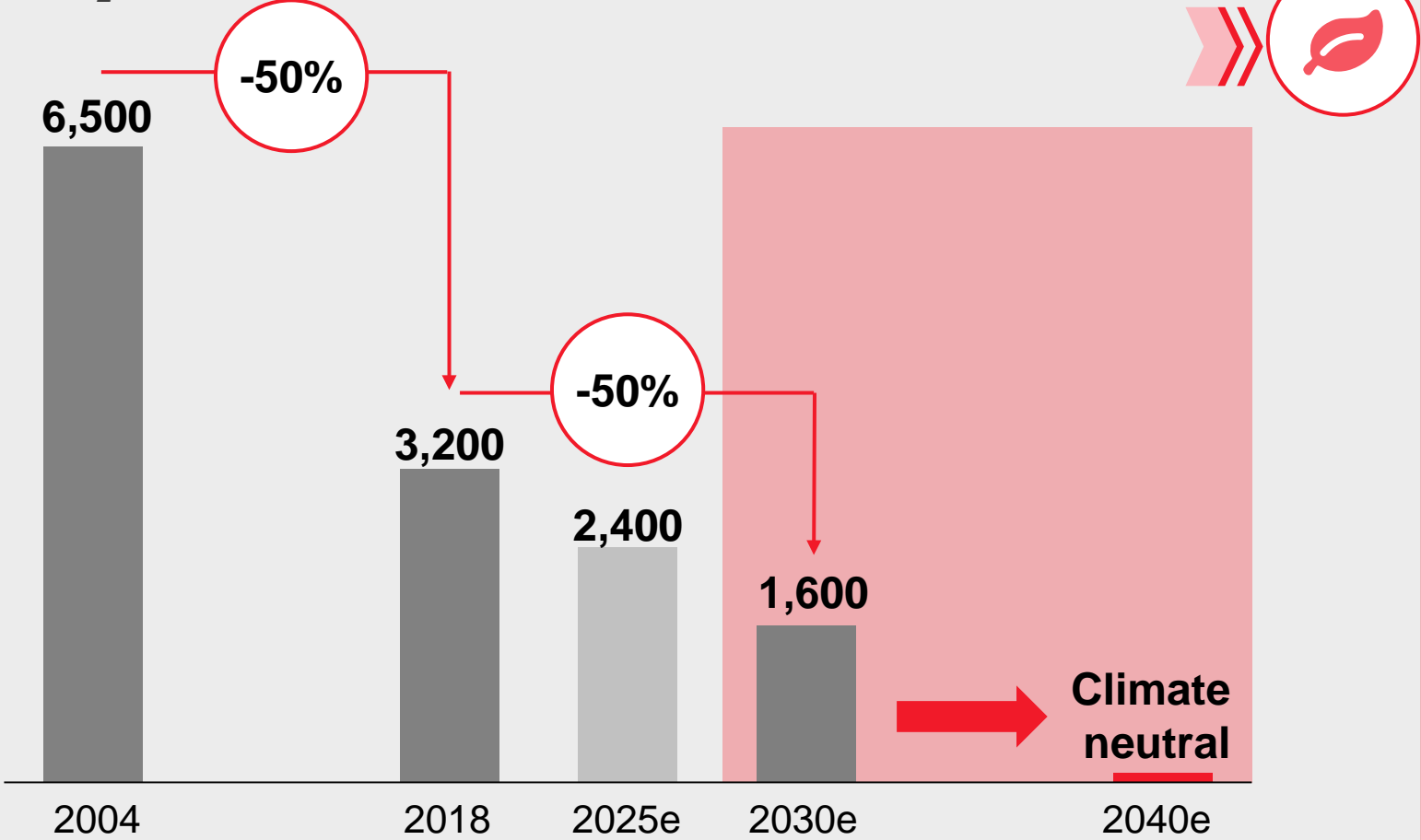
- **Clearly defined measures to reduce today's emissions:**

- Maximize reduction of N₂O emissions
- Implement process changes in our "Verbund" structures
- Exit coal-based power generation wherever possible

- **Compensate growth effects with efficiency**

LANXESS goes climate neutral by 2040 – New long-term commitment

CO₂e scope 1+2 emissions in thousand tons, LXS*

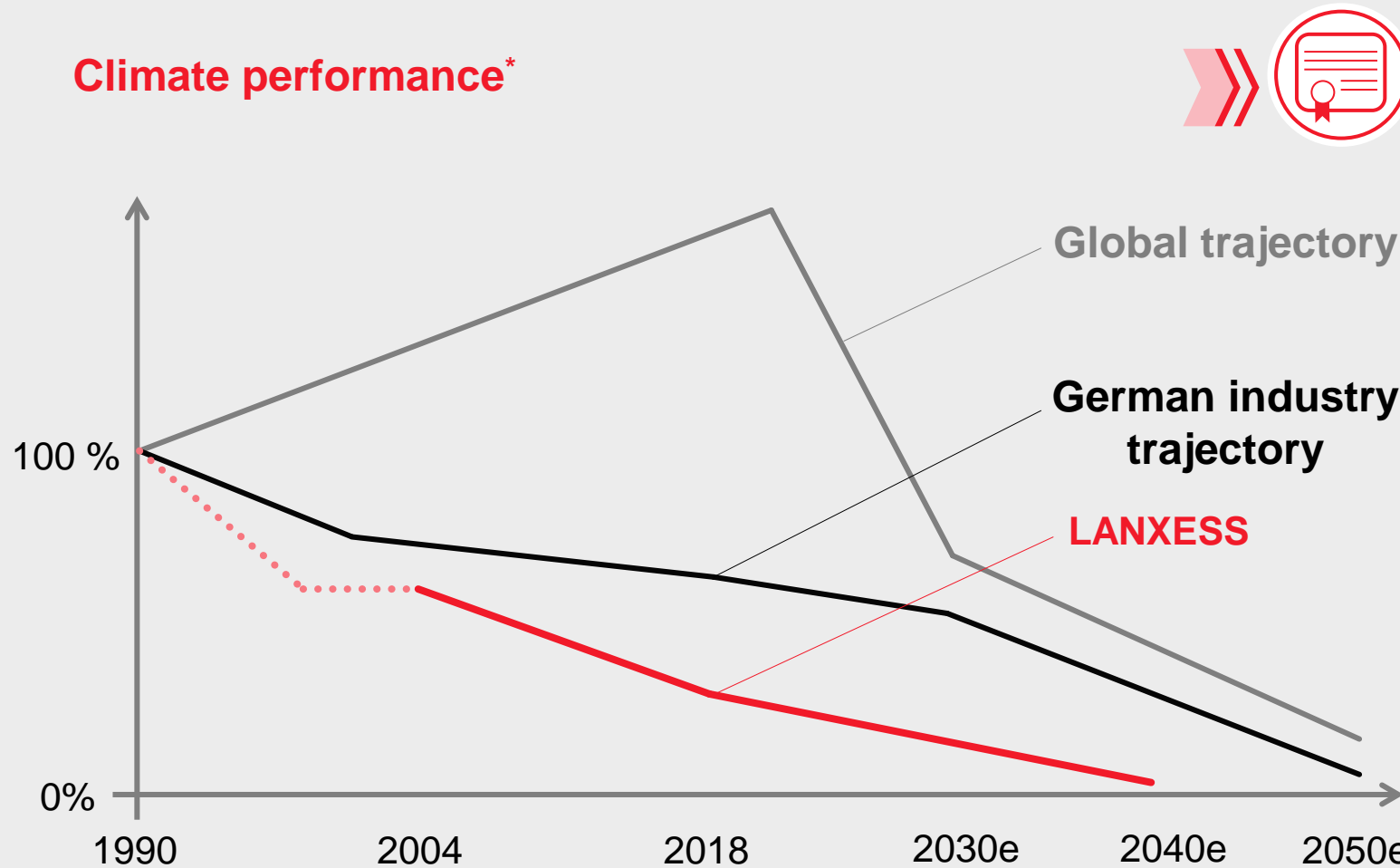


- Strong ambition!
- Majority of projects with reasonable investment costs
- **Good for LANXESS, good for our customers, good for our planet!**

*Increase of existing specific 2025 Scope 2 and energy efficiency target from -25% to -40%, compared to 2015; existing business parameters, in case of significant M&A timeline to be adjusted; climate neutral: <300kt CO₂e p.a.

LANXESS ahead of regulation and far sighted in management of ETS certificates

Climate performance*



- LANXESS actively reduced CO₂e emissions in line with Emission Trading Scheme (ETS) reduction targets
- Cost effect from ETS is currently neutral
- We will continue to reduce CO₂e emissions and remain ahead of ETS reduction targets

*Increase of existing specific 2025 Scope 2 and energy efficiency target from -25% to -40%, compared to 2015; existing business parameters, in case of significant M&A timeline to be adjusted; performance calculated versus 2004 level (foundation of LANXESS); performance compared to 1990 level even higher (-65%), but not fully in our responsibility due to pre-spin-off set-up, trajectories based on BDI: „Klimapfade für Deutschland, Existing business parameters, in case of significant M&A timeline to be adjusted



Sustainability targets...

- ...have been incorporated into our **strategic KPIs**
- ...will be incorporated into **top management remuneration**

The way forward – Strongest set of opportunities since spin-off



Strategy	Well defined strategy that we will rigorously execute
Operations	We outlined clear growth paths for each segment and continuously optimize operations
Financials	We are on track and committed to deliver
Sustainability	Sustainability is a priority to us and we will seize this competitive advantage

Agenda

1 Time to prove our strengths

2 Financial and business details Q3 2019

3 Back-up

Q3 2019: LANXESS pushes transformation forward



Highlights

- Successful portfolio management
 - Divestment of Chrome Chemicals business
 - Signing of Currenta exit
 - Realignment of Organometallics initiated
- Improving earnings in three out of four segments
- Leading positions in attractive end markets balance declining auto sector
- Organic investments ongoing
- Ranked #1 in Europe in Dow Jones Sustainability Index



Challenges

- Lower sales prices and volumes due to:
 - Price decline in many raw materials
 - Persistent auto and agro weakness
 - Termination of low-margin contracts and site closures (Specialty Additives)
- Continued low visibility due to hesitant order behavior

Delivering as promised, guidance for FY 2019 reiterated

Q1

Q2

Q3

Q4



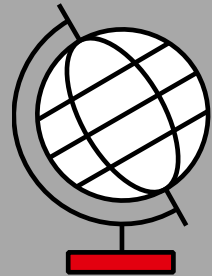
0%

€1,781 m
Sales



+15%

€255 m
Operating
cash flow



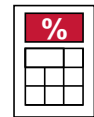
Current view on economy

- Macro uncertainties linger
- Auto: No recovery ahead



-3.6%

€267 m
EBITDA pre

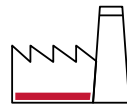


15.0%
EBITDA pre
Margin

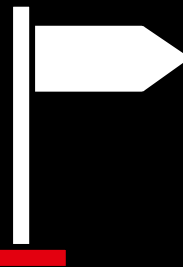


-1.6%

1.21
EPS pre



€121 m
CAPEX



LANXESS FY 2019 guidance reiterated

FY 2019 EBITDA pre expected between
€1,000 m and €1,050 m

Q4 anticipated to be slightly better than in
2018

LANXESS Group: Good performance in tough environment

Sales and EBITDA margin stable

[€m]	Q3/2018	Q3/2019	Δ	YTD 2018	YTD 2019	Δ
Sales	1,786	1,781	0%	5,431	5,413	0%
EBITDA pre	277	267	-4%	837	828	-1%
Margin	15.5%	15.0%		15.4%	15.3%	
CAPEX	114	121	6%	257	305	19%

Price Volume FX Portfolio

-1% **-1%** **+2%** **0%**

Total **0%**

Q3 Sales vs. PY

- Stable sales as favorable FX effect offsets slightly lower prices and volumes (auto and termination of margin-dilutive tolling agreements)
- EBITDA pre and margin slightly lower mainly due to pronounced auto weakness and lower utilization vs. high comparable base
- Higher capex reflects further investments in attractive debottlenecking projects



Advanced Intermediates: Rock solid

Resilience & recovery

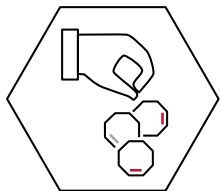
[€m]	Q3/2018	Q3/2019	Δ	YTD 2018	YTD 2019	Δ
Sales	534	549	3%	1,645	1,696	3%
EBITDA pre	87	89	2%	286	310	8%
Margin	16.3%	16.2%		17.4%	18.3%	
CAPEX	39	38	-3%	92	96	4%

Price **-3%** Volume **+5%** FX **+2%** Portfolio **0%**

Total **+3%**

Q3 Sales vs. PY

- Volume-driven sales increase in both BUs, esp. BU Saltigo
- Slightly lower prices in BU All mainly due to raw material price pass-through
- Positive FX development mitigates price decline in sales
- Volume-driven EBITDA pre improvement and solid margin mainly based on ongoing recovery in BU Saltigo



Specialty Additives: Most profitable segment

**Polymer Additives
offset weak auto
demand**

[€m]	Q3/2018	Q3/2019	Δ	YTD 2018	YTD 2019	Δ
Sales	502	503	0%	1,510	1,494	-1%
EBITDA pre	93	97	4%	265	269	2%
Margin	18.5%	19.3%		17.5%	18.0%	
CAPEX	32	29	-9%	76	73	-4%

Price **0%** Volume **-3%** FX **+3%** Portfolio **0%**

Total **0%**

Q3 Sales vs. PY

- Stable sales: FX effects compensate lower volumes
- Positive price effect in BU PLA and BU RCH balances lower prices in BU LAB (raw material price pass-through)
- Volume decrease due to lower auto demand (mainly BU RCH) and termination of margin-dilutive tolling agreements (BU LAB)
- BU PLA, FX and synergies contribute to improved EBITDA pre and margin



Performance Chemicals: Making progress

**Strong performance
in biocides and
water purification**

[€m]	Q3/2018	Q3/2019	Δ	YTD 2018	YTD 2019	Δ
Sales	334	354	6%	1,026	1,057	3%
EBITDA pre	53	56	6%	163	170	4%
Margin	15.9%	15.8%		15.9%	16.1%	
CAPEX	17	18	6%	44	48	9%

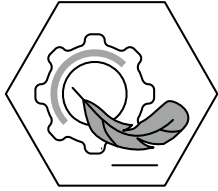
Price Volume FX Portfolio

+1% **+3%** **+2%** **0%**

Total **+6%**

Q3 Sales vs. PY

- Strong sales improvement driven by price, volume and FX
- Favorable price and volume development in BU MPP and LPT mitigated by adverse price and volume effects in BU Leather
- Improved EBITDA pre and stable margin driven by BU MPP and LPT, while Chrome business continues to burden



Engineering Materials: Weak auto demand still impacting results

No recovery in auto market

[€m]	Q3/2018	Q3/2019	Δ	YTD 2018	YTD 2019	Δ
Sales	394	353	-10%	1,185	1,100	-7%
EBITDA pre	70	59	-16%	224	189	-16%
Margin	17.8%	16.7%		18.9%	17.2%	
CAPEX	15	22	47%	30	53	77%

Price Volume FX Portfolio

-3% **-9%** **+2%** **0%**

Total **-10%**

Q3 Sales vs. PY

- Sales decrease due to lower volumes and prices mitigated by FX
- Price decline in both BUs due to lower raw material prices
- Lower volumes in both BUs reflecting weaker demand from auto industry. Decline looks overstated due to Q3 2018 trade business deal
- EBITDA pre and margin burdened by volume effect

Q3 2019: Margin on stable level

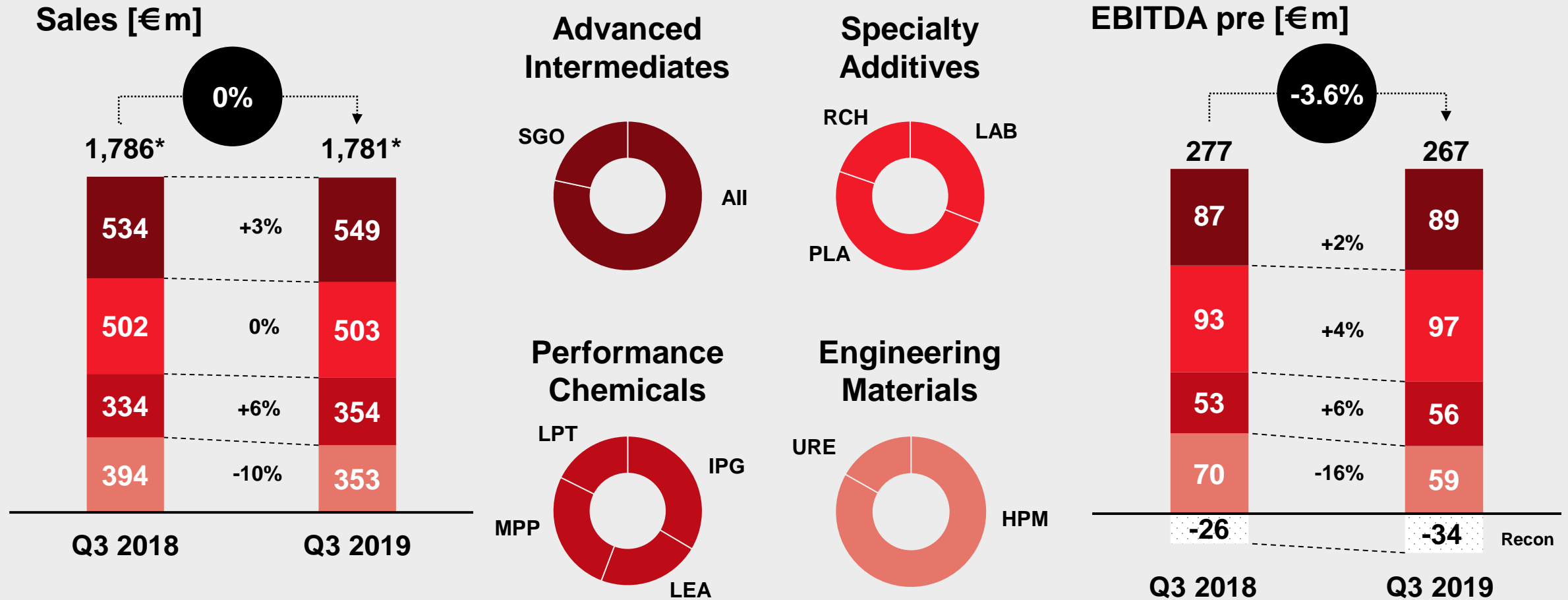
[€m]	Q3 2018*		Q3/2019		yoy in %
Sales	1,786	(100%)	1,781	(100%)	0%
Cost of sales	-1,308	(-73%)	-1,313	(-74%)	0%
Selling	-202	(-11%)	-214	(-12%)	-6%
G&A	-72	(-4%)	-68	(-4%)	6%
R&D	-30	(-2%)	-31	(-2%)	-3%
EBIT	146	(8%)	117	(7%)	-20%
Net Income	80	(4%)	69	(4%)	-14%
EPS pre**	1.23		1.21		-2%
EBITDA	251	(14%)	238	(13%)	-5%
thereof except.	-26	(-1%)	-29	(-2%)	12%
EBITDA pre except.	277	(15.5%)	267	(15%)	-4%

- Increase in selling expenses driven by higher freight costs and FX
- Improved G&A costs reflect synergies and lower provisions for variable compensation
- Results impacted by higher depreciation and lower utilization, mitigated by better financial result
- EPS pre in line with PY level

* 2018 applies to continuing operations

** Net of exceptionals and amortization of intangible assets as well as attributable tax effects

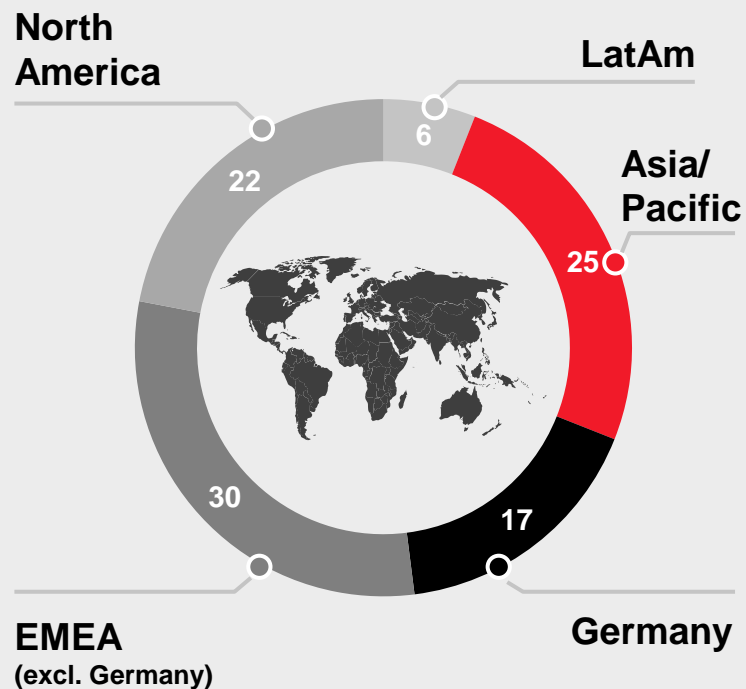
Q3 2019: Balanced portfolio compensates for lower demand from auto industry



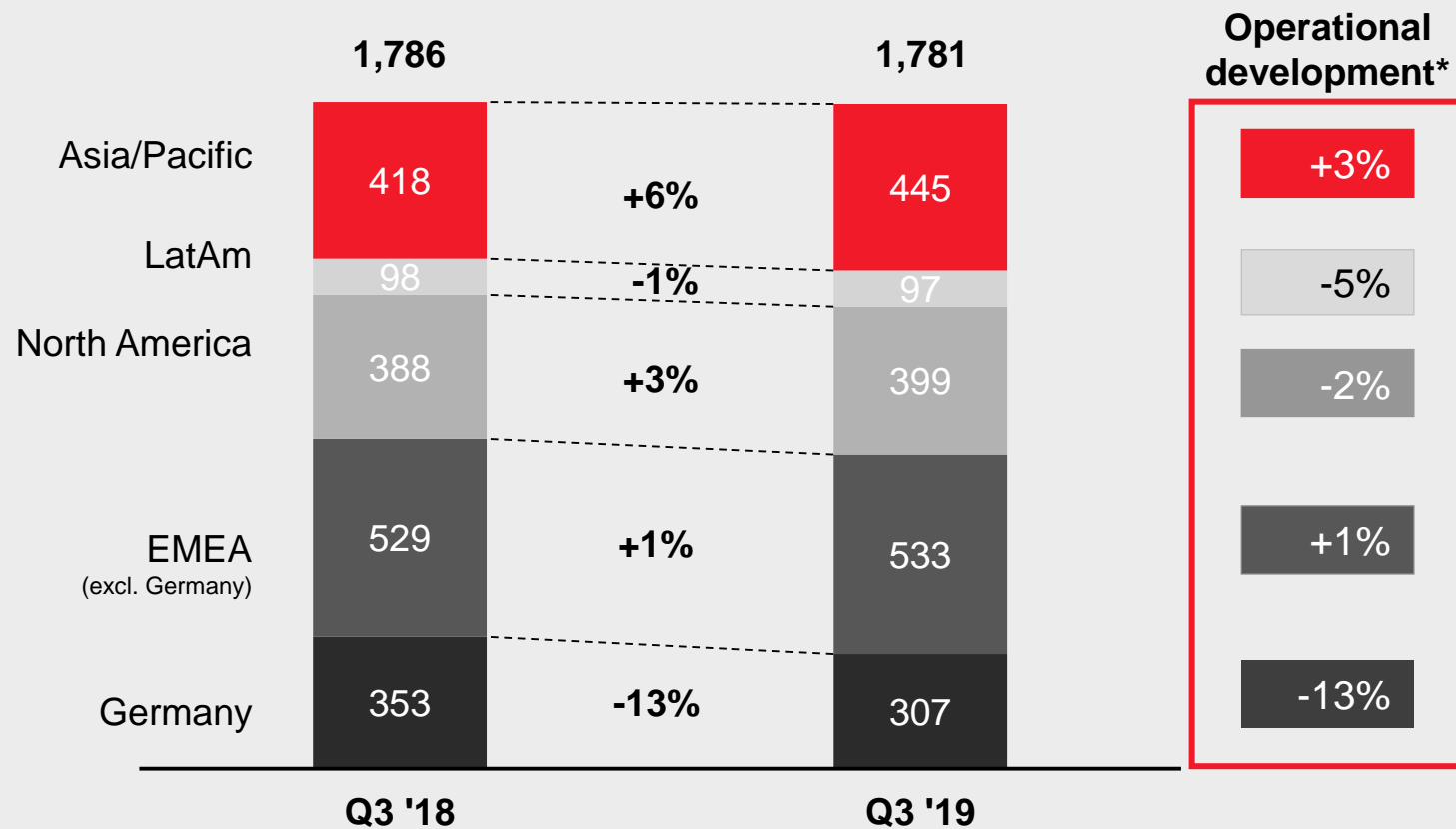
* Total group sales including reconciliation

Q3 2019: Operational growth in Asia and EMEA, other regions decline

Q3 2019 sales by region [%]



Regional development of sales [€m]



* Currency and portfolio adjusted

Cash flow Q3 2019: Attractive rise in operating cash flow

[€m]	Q3/2018*	Q3/2019	Δ
Operating cash flow	222	255	33
Changes in working capital	-9	-5	4
Investing cash flow	-114	-122	-8
thereof capex	-114	-121	-7

- Increase in operating cash flow mainly due to tighter management
- Capex increase driven by debottlenecking investments

* 2018 applies to continuing operations

Balance sheet positions influenced by FX

[€m]	31.12.2018	30.09.2019
Total assets	8,687	8,835
Equity	2,773	2,780
Equity ratio	32%	31%
Net financial debt¹	1,381	1,786
Pension provisions	1,083	1,242
Net working capital	1,455	1,639
DSI (in days) ²	69	72
DSO (in days) ³	46	46

- Increase in total assets mainly driven by FX effect
- Equity includes negative effect from share buy-back and positive FX effect
- Net debt impacted by:
 - Share buy-back (€200 m)
 - IFRS 16 effect (~€130 m)
 - Dividend payment (€79 m)
 - Payment of variable compensation
- Higher pension provisions due to declining underlying interest rate in Germany
- Working capital increase mainly due to FX

¹ Including cash, cash equivalents and near cash assets and after deduction of time deposits and securities available for sale

² Days sales of inventory calculated from quarterly sales

³ Days of sales outstanding calculated from quarterly sales

Agenda

1 Time to prove our strengths

2 Financial and business details Q3 2019

3 Back-up

Housekeeping items

Capex 2019	~€500 m
Operational D&A 2019	~€450 m
Reconciliation 2019	~€150 m - €160 m including remnant costs
Tax rate	2019: ~30% 2020: ~28%
Exceptionals 2019	Up to €100 m including announced portfolio measures
FX sensitivity	One cent change of USD/EUR resulting in ~€7 m EBITDA pre impact before hedging
Remnant costs	ARLANXEO: ~€8 m in 2019 ~€10 m in 2020 Organometallics: ~€3 m until 2022

Key Figures: Delivering as promised

Q1

Q2

Q3

Q4

Q1

H1

9M

FY



€1,781 m
Sales

0%



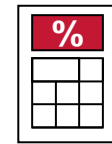
€255 m
Operating Cash
Flow

+15%



€267 m
EBITDA pre

-3.6%



15.0%
EBITDA pre
Margin



€5,413 m
Sales

0%



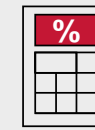
€369 m
Operating Cash
Flow

+29%



€828 m
EBITDA pre

-1%

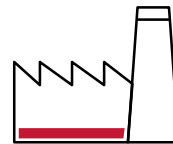


15.3%
EBITDA pre
Margin



1.21
EPS pre

-1.6%



€121 m
CAPEX



4.01
EPS pre

+4%



€305 m
CAPEX

9M 2019: Stable on strong previous year level

[€m]	9M 2018*		9M 2019		yoy in %
Sales	5,431	(100%)	5,413	(100%)	0%
Cost of sales	-3,982	(-73%)	-3,979	(-74%)	0%
Selling	-613	(-11%)	-658	(-12%)	-7%
G&A	-218	(-4%)	-203	(-4%)	7%
R&D	-88	(-2%)	-90	(-2%)	-2%
EBIT	459	(8%)	399	(7%)	-13%
Net Income	258	(5%)	253	(5%)	-2%
EPS pre**	3.84		4.01		4%
EBITDA	769	(14%)	755	(14%)	-2%
thereof except.	-68	(-1%)	-73	(-1%)	7%
EBITDA pre except.	837	(15.4%)	828	(15.3%)	-1%

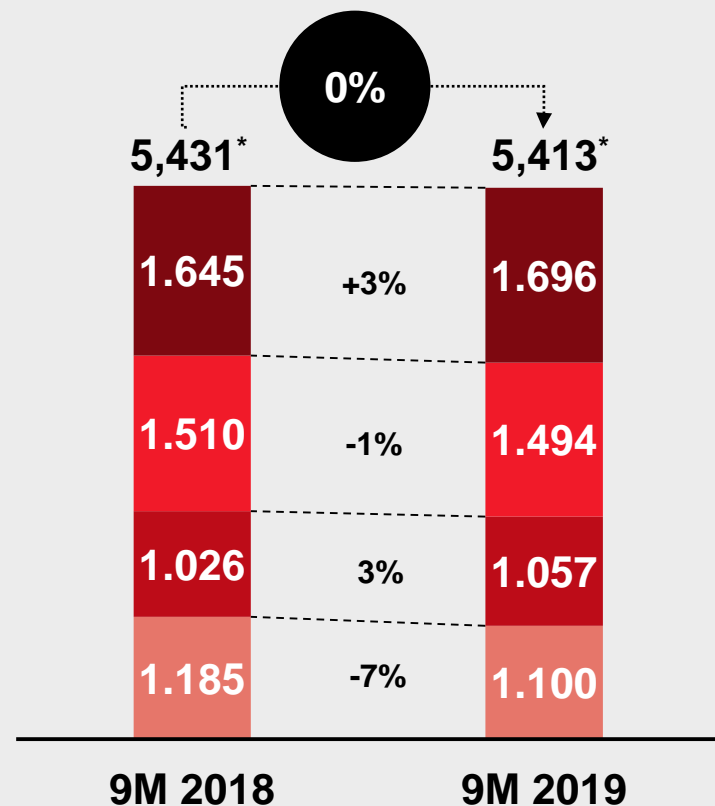
- Increase in selling expenses driven by higher freight costs and FX
- Result declines on lower utilization, mitigated by better financial result
- EPS pre increase supported by share buyback

* 2018 applies to continuing operations

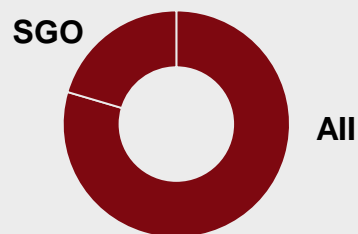
** Net of exceptionals and amortization of intangible assets as well as attributable tax effects

9M 2019: Balanced portfolio compensates for lower demand from auto industry

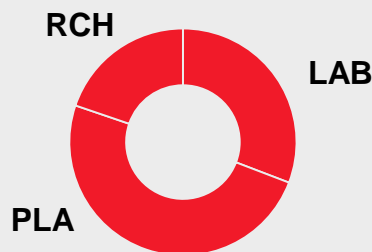
Sales [€m]



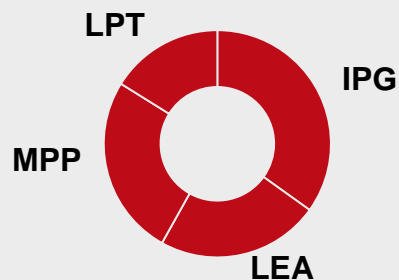
Advanced Intermediates



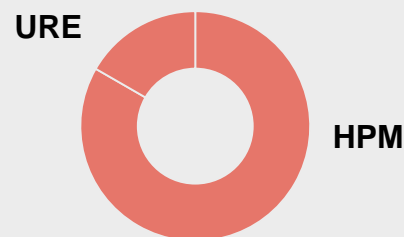
Specialty Additives



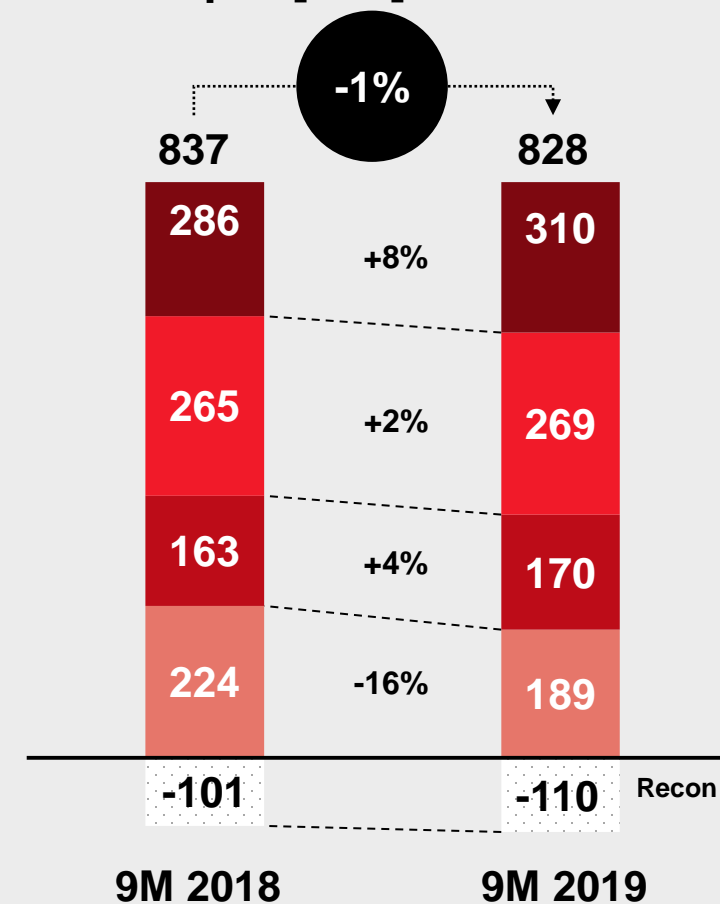
Performance Chemicals



Engineering Materials



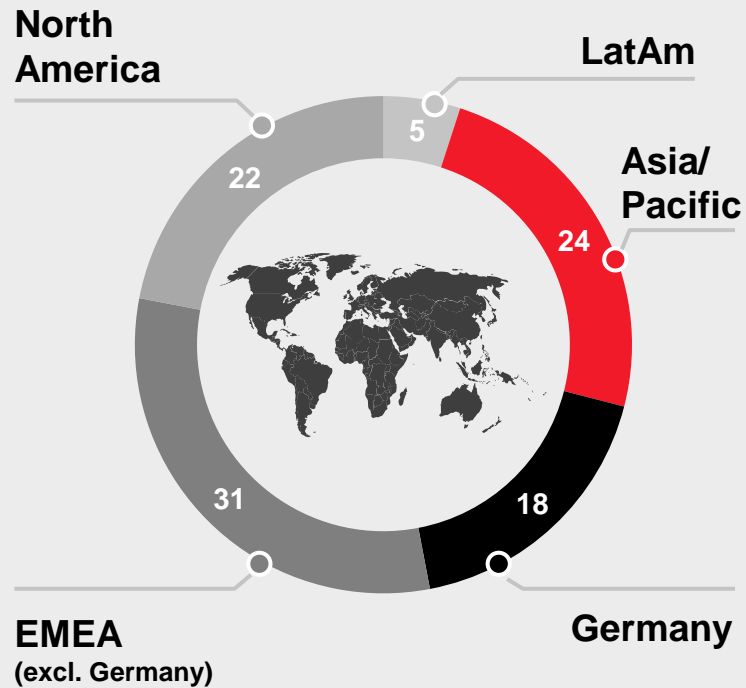
EBITDA pre [€m]



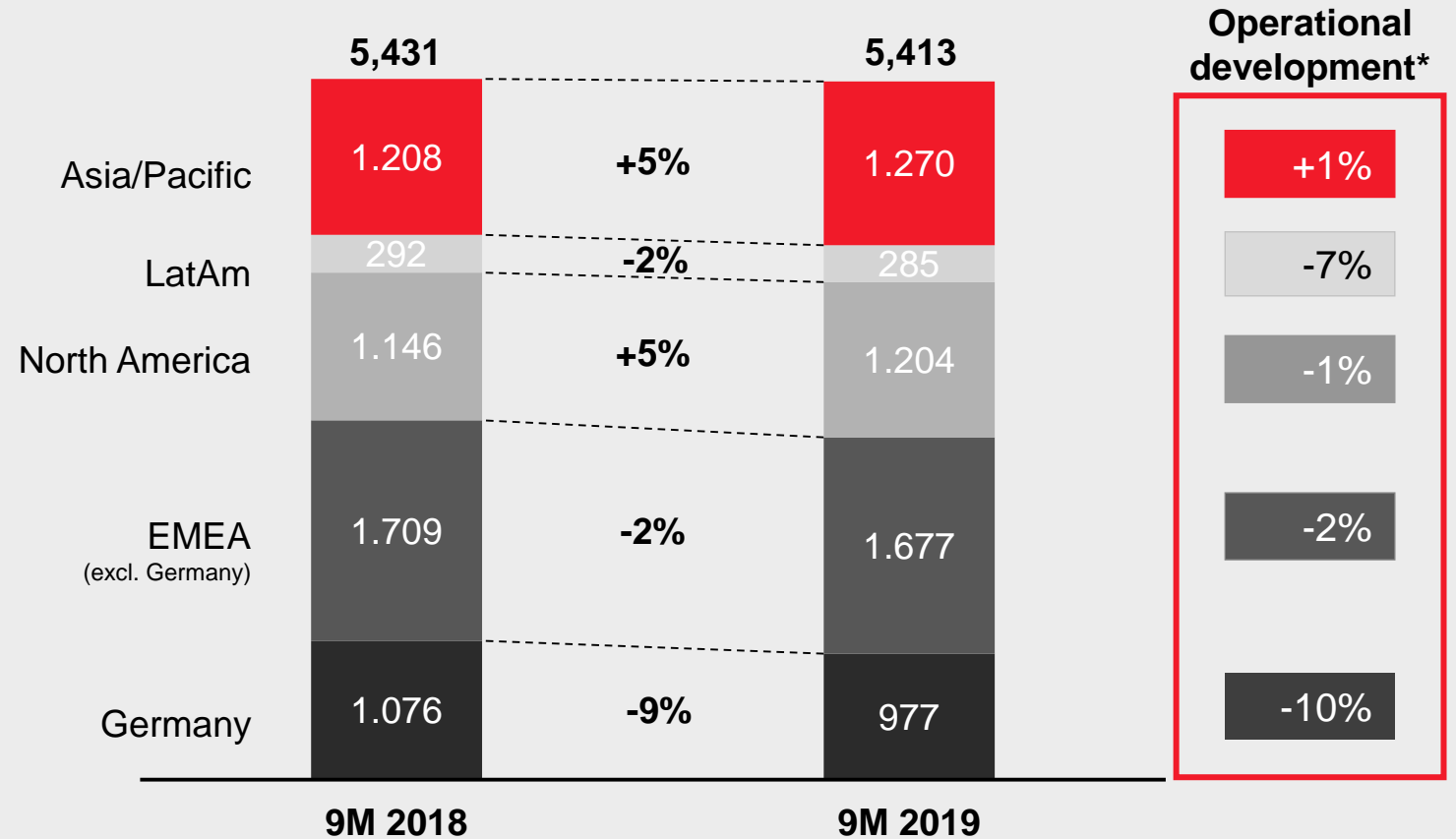
* Total group sales including reconciliation

9M 2019: Solid growth in Asia and North America supported by FX tailwind

9M 2019 sales by region [%]



Regional development of sales [€m]



* Currency and portfolio adjusted

Cash flow 9M 2019: Higher operating cash flow due to improved working capital

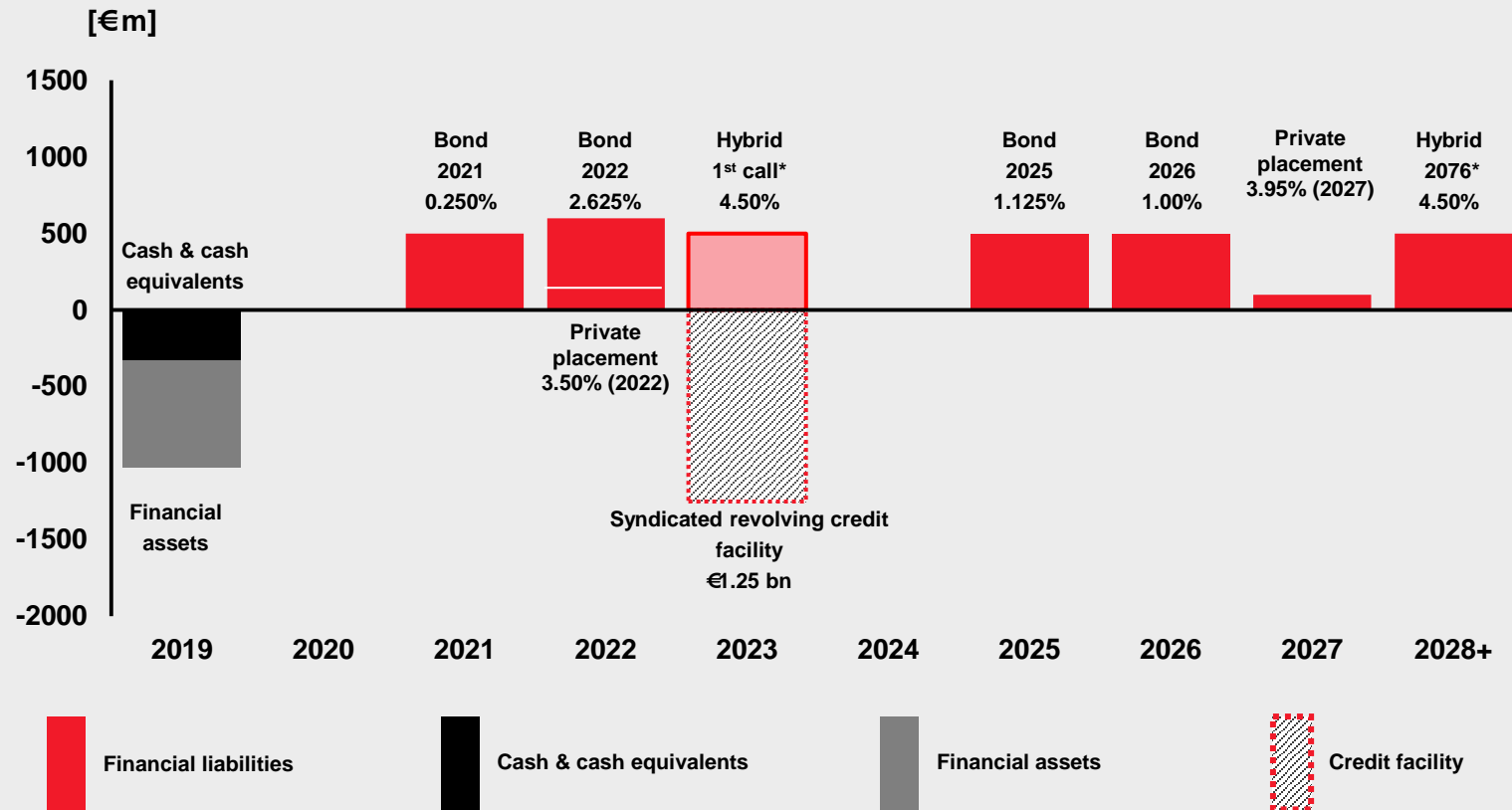
[€m]	9M 2018*	9M 2019	Δ
Operating cash flow	287	369	82
Changes in working capital	-282	-154	128
Investing cash flow	-308	-435	-127
thereof capex	-257	-305	-48

- Increase in operating cash flow driven by:
 - Improvement in changes in working capital, reflecting lower increase in inventories and reduced receivables
- Capex increase driven by attractive debottlenecking investments

* 2018 applies to continuing operations

Maturity profile actively managed and well balanced

Liquidity and maturity profile as per September 2019


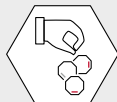




Long-term financing secured

- Diversified financing sources
 - Bonds & private placements
 - Syndicated credit facility
- Average interest rate of financial liabilities ~2%
- Next bond maturity in 2021
- All group financing executed without financial covenants

* Hybrid bond with contractual maturity date in 2076 has a first optional call date in 2023.

Increase in exceptional items (on EBIT) due to higher project and realignment costs

[€m]	Q3 2018		Q3 2019		9M 2018		9M 2019	
	Excep.	Thereof D&A	Excep.	Thereof D&A	Excep.	Thereof D&A	Excep.	Thereof D&A
 Advanced Intermediates	0	0	0	0	0	0	0	0
 Specialty Additives	7	-1	5	0	9	-1	11	2
 Performance Chemicals	0	0	1	0	1	0	6	0
 Engineering Materials	0	0	0	0	1	1	0	0
Reconciliation	18	0	23	0	57	0	59	1
Total	25	-1	29	0	68	0	76	3

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Visit the IR
website



Abbreviations



Advanced Intermediates

AI	Advanced Industrial Intermediates
SGO	Saltigo



Performance Chemicals

IPG	Inorganic Pigments
LEA	Leather
MPP	Material Protection Products
LPT	Liquid Purification Technologies



Specialty Additives

LAB	Lubricant Additives Business
PLA	Polymer Additives
RCH	Rhein Chemie



Engineering Materials

HPM	High Performance Materials
URE	Urethane Systems

LANXESS

Energizing Chemistry