

# LANXESS – Q1 2020 Roadshow

Cash is king!

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# Agenda

- 1 Cash is king! - Managing the crisis**
- 2 Way forward: Staying focused on strategic agenda**
- 3 Financial and business details Q1 2020**
- 4 Back-up**

# Q1 2020: Two segments with improved results mitigate COVID-19 impact

## Business status

- EBITDA pre of €245 m (€272 m) reflects COVID-19 impact
- EBITDA pre margin at 14.4%
- Improved EBITDA pre in Consumer Protection and Specialty Additives segments
- Temporary shutdowns in China, Italy, India and Argentina driven by Corona, in the meantime, basically reversed
- Acquisition of Brazilian biocide manufacturer IPEL and divestments of chrome chemicals business and gallium based organometallics all closed



Cash is king!

Way forward

Details Q1 2020



# Due to the uncertainties caused by COVID-19, LXS has implemented a number of proactive measures



## Financial measures

- **Financial measures to enhance already strong liquidity position:**
  - Temporary utilization of revolving credit facility
  - Suspension of share buy-back
  - Review of capex projects (reductions of €50 m)
  - Cost containment measures (€50 - 100 m) incl. voluntary reduction of management's variable compensation, short-time work ("Kurzarbeit")
- **Sale of Currenta: Realization of an equity value of €780 m plus a profit participation of €150 m (both pre tax) on 30 April 2020**

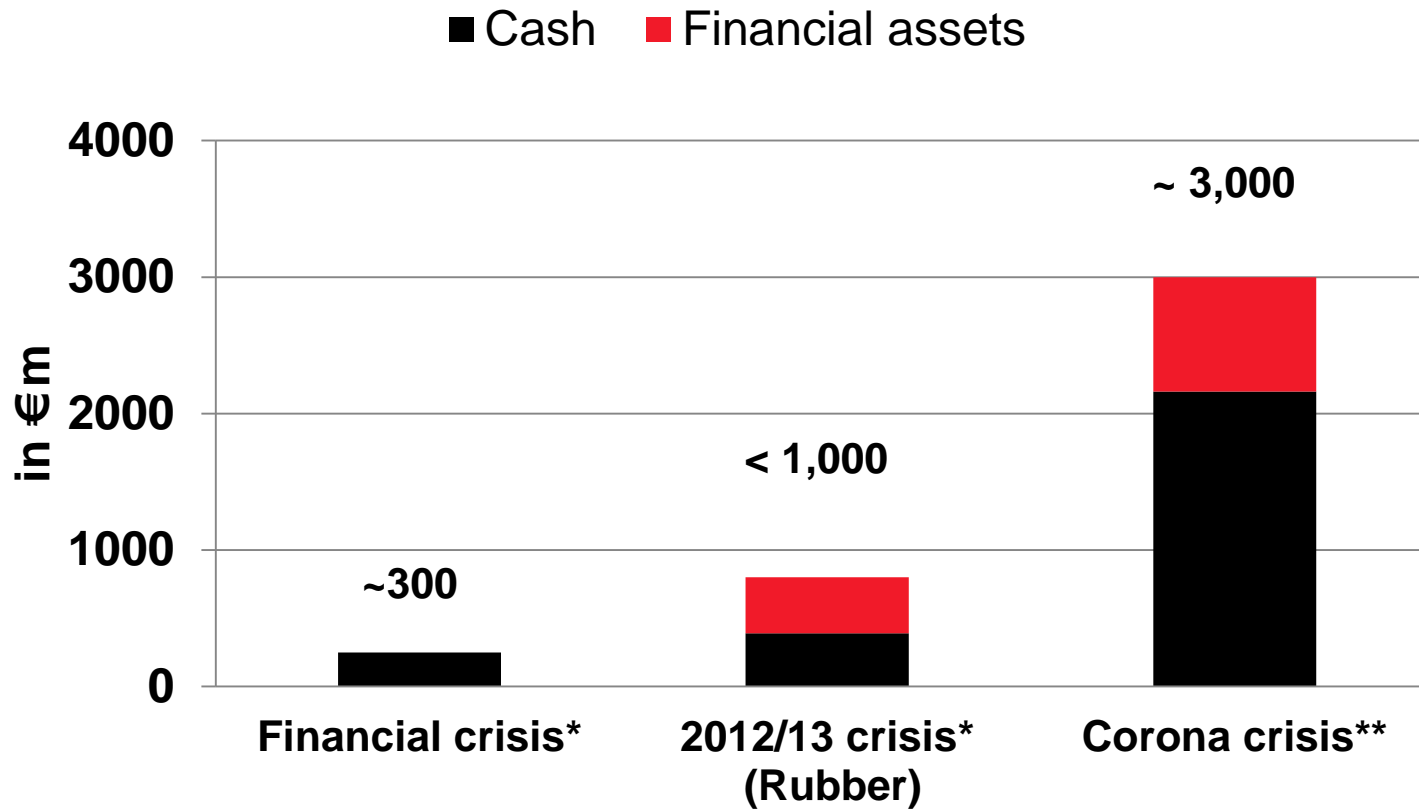


## Operational measures

- **Measures to secure operations:**
  - Shift model adjustments, esp. in Germany
  - Broad based safety measures led to low infection rate (only 32 employees)
  - Foresighted inventory and logistics management
- **Comprehensive scenario reporting, e.g.:**
  - Daily liquidity status
  - Financial scenario modeling
  - Close supply chain monitoring
  - Nearly daily board meetings

# LANXESS with highest liquidity in its history

High liquidity provides security throughout crisis



\* Liquidity per 31 Dec 2008 and 31 Dec 2012 for the Financial and 2012/13 crisis

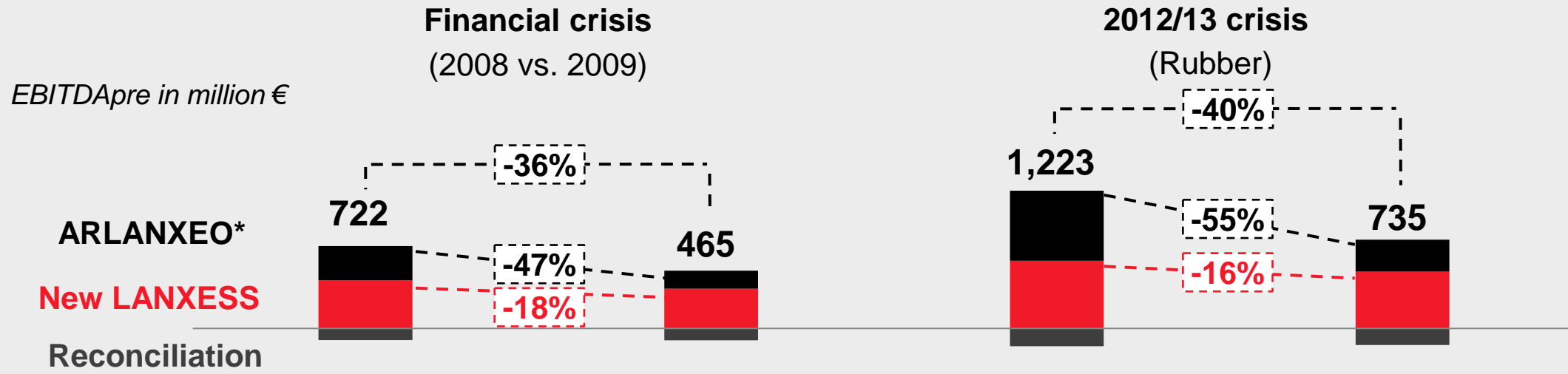
\*\*Cash includes back-up credit facility of about €1 bn, including proceeds from Currenta transaction closed April 30

# LANXESS portfolio today provides a much better risk profile than in the last economic downturns

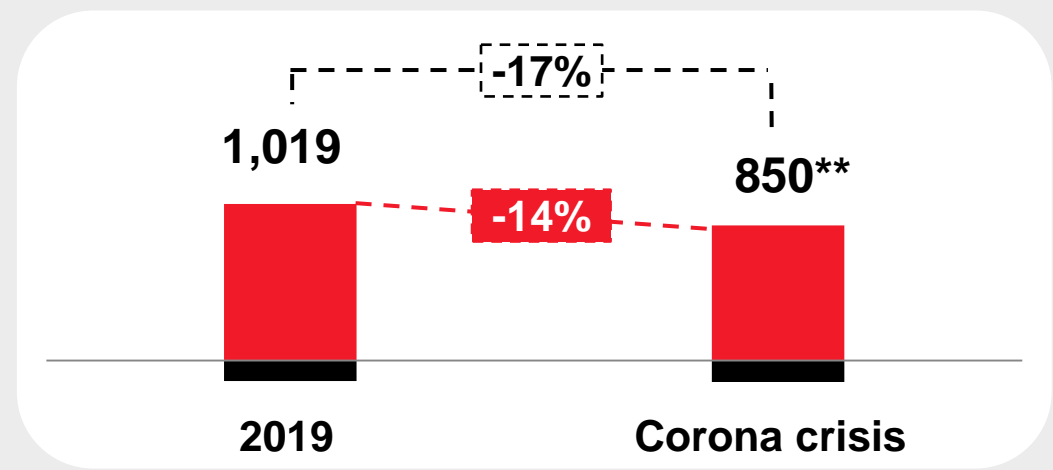
Cash is king!

Way forward

Details Q1 2020



**Today:**



- More balanced portfolio
- Reduced auto exposure
- High liquidity enabling financial flexibility

\* ARLANXEO = Segment: Performance Polymers – Business unit: High Performance Materials (non audited)

\*\* Mid-point guidance 2020 (incl. Corona-effect)

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# The way forward – LANXESS stays focused on strategic agenda despite Corona crises



## Continuous portfolio management

- **Currenta divestment closed as planned:** Realization of an equity value of €780 m plus a profit participation of €150 m (both pre tax) on 30 April 2020
- **Consumer Protection:** New segment structure reveals strength of businesses
- **Organic growth:**
  - Capex projects reviewed
  - Crucial projects progress according to plan



## Fix underperforming businesses

- BU Leather\*\* and Organometallics successfully realigned
- **First measures at Rhein Chemie kicked off:**
  - New management
  - Stringent cost containment
  - Optimization in service and logistics performance



## Innovation


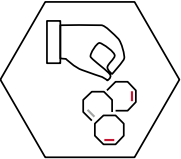


- **Consumer Protection:** Leveraging expertise in actives and disinfectants to expand in human health applications
- **Standard Lithium project:** Start-up activities and testing ongoing, however delayed due to Corona pandemic (e.g. travel restrictions)



## Digitalizing the value chain

- New methods of collaboration established
- Despite some delays in digital projects, the crisis fast-tracked the usage of digital technology, e.g. in Global Procurement and Supply Chain Management
- **CheMondis:**
  - Corona crisis accelerated the very positive trend of digitized sales in the chemical industry
  - CheMondis very successfully opened up for hospitals/ doctors/ pharmacies to support the distribution of disinfection material

# Crucial organic growth projects progress as planned despite capex re-evaluation: Projects 2019/20\*

	Segment	BU	Capacity expansion project & site	End markets and applications
Cash is king!	 <b>Advanced Intermediates</b>	All All All	<ul style="list-style-type: none"> <li>▪ P-Dichlorobenzene, Leverkusen</li> <li>▪ Hexanediol production, Krefeld-Uerdingen</li> <li>▪ Antioxidant Vulkanox HS, Brunsbuettel</li> </ul>	<ul style="list-style-type: none"> <li>▪ Electro &amp; Electronics, Automotive</li> <li>▪ Coatings</li> <li>▪ Rubber industries</li> </ul>
Way forward	 <b>Specialty Additives</b>	RCH	<ul style="list-style-type: none"> <li>▪ Soluble, organic dyes of the Macrolex brand used for coloration of high-quality plastic products, Leverkusen</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consumer goods (e.g. electronic devices, toys)</li> </ul>
	 <b>Consumer Protection</b>	LPT	<ul style="list-style-type: none"> <li>▪ Ion exchange resins, Leverkusen</li> </ul>	<ul style="list-style-type: none"> <li>▪ Battery industry</li> <li>▪ Consumer goods (household applications)</li> <li>▪ Power plants</li> </ul>
Details Q1 2020	 <b>Engineering Materials</b>	HPM HPM URE	<ul style="list-style-type: none"> <li>▪ Additional production lines for Tepex, Brilon</li> <li>▪ New compounding facility, Changzhou</li> <li>▪ Prepolymers, Porto Feliz</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consumer electronics, Automotive</li> <li>▪ Electro &amp; Electronics, Automotive</li> <li>▪ Mining and industrial applications</li> </ul>

# High demand for actives and disinfectants used against Coronavirus

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## Characteristics

- Tests prove effectiveness of Rely+On Virkon against Coronavirus
- Rely+On Virkon and several customer products containing LANXESS actives recommended by US EPA\* against SARS-COV2
- Disinfection in public spaces crucial for containing pandemic: Hospitals, train stations, airports, schools, offices...

Way forward

## Demand & capacity

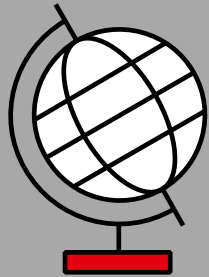
- Demand for LANXESS actives and Rely+On Virkon is skyrocketing
- New marketing channels established for Rely+On Virkon
- 9 new or amended registrations achieved, additional 10 expected in May
- Production and logistics optimization for additional volumes

Details Q1 2020

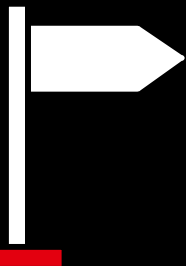


# FY 2020 outlook incorporates latest assumptions of Corona impacts

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Way forward



Details Q1 2020

## Current view on economy

- Duration of COVID-19 pandemic dominates economic development – financial impact for full year hard to predict
- Burden of pandemic expected to accelerate in Q2 and Q3
- Disruptions of supply chains and logistics cannot be excluded

## LANXESS outlook includes Corona impact

- Q2: EBITDA pre range of €200-250 m expected
- Implementation of mitigating measures is ongoing
- FY: EBITDA pre expected at €800-900 m



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# LANXESS Group: Solid EBITDA pre margin in tough times

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**Balanced portfolio mitigates impact from pandemic**

Way forward

Price    Volume    FX    Portfolio

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

**Total -2%**

**Q1 Sales vs. PY**

[€m] *	Q1/2019	Q1/2020	Δ
Sales	1,738	1,704	-2%
EBITDA pre	272	245	-10%
Margin	15.7%	14.4%	
CAPEX	69	74	7%



- Slight sales decline mainly due to raw material driven price reductions and lower demand on the back of global crisis
- EBITDA pre and margin decrease mainly due to COVID-19 related impacts especially in Asia (Advanced Intermediates) and automotive (Engineering Materials)
- Strong performance in Consumer Protection partly compensates

\* All figures excluding BU LEA, which is reported as discontinued operation



# Advanced Intermediates: Corona impact burdens

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## Stabilization of BU IPG continues

Way forward

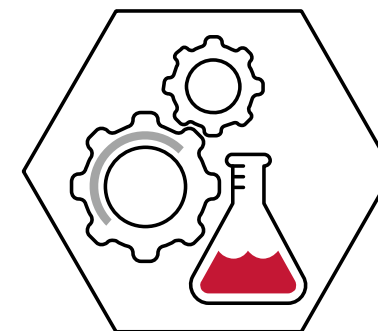
Price    Volume    FX    Portfolio

**-4%**    **-1%**    **+1%**    **0%**

**Total -4%**

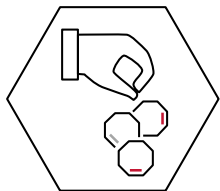
**Q1 Sales vs. PY**

<b>[€m]*</b>	<b>Q1/2019</b>	<b>Q1/2020</b>	<b>Δ</b>
Sales	584	558	-4%
EBITDA pre	105	88	-16%
Margin	18.0%	15.8%	
CAPEX	26	28	8%



- Sales decrease due to lower raw material prices and volumes in BU All attributable to Corona impact in Asia
- Volume increase in BU IPG and positive FX development
- EBITDA pre and margin decline reflect impact from Corona related shutdowns and lower demand in Asia

\* New reporting structure as of Q1 2020, all numbers excluding BU LEA, which is reported as discontinued operations



# Specialty Additives: Earnings slightly increased

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## Stable margins, but impact will come

Way forward

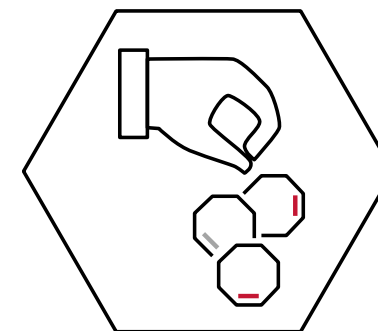
Price    Volume    FX    Portfolio

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

Total **+3%**

Q1 Sales vs. PY

[€m]	Q1/2019	Q1/2020	Δ
Sales	485	499	3%
EBITDA pre	83	85	2%
Margin	17.1%	17.0%	
CAPEX	14	15	7%



- Sales increase despite challenging environment
- Stable price and volume development across segment, Corona related impacts and automotive balanced by good bromine business
- Slightly positive earnings development and stable margin overall
- Lower demand from aviation, automotive, electronics and oil & gas industries expected to burden in course of the year





# Consumer Protection: New segment structure reveals strength of businesses

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## Strong performance across the segment

Way forward

Price	Volume	FX	Portfolio
<b>+2%</b>	<b>+2%</b>	<b>0%</b>	<b>+1%</b>

Total **+6%**

Q1 Sales vs. PY

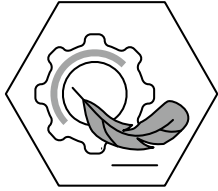
Details Q1 2020

[€m]*	Q1/2019	Q1/2020	Δ
Sales	264	279	6%
EBITDA pre	60	67	12%
Margin	22.7%	24.0%	
CAPEX	9	10	11%



- Rise in sales due to pricing, volume and portfolio (biocides acquisition in Brazil early February)
- Positive pricing in all BUs, especially BU MPP
- Volume growth driven by strong demand for disinfectants (BU MPP) and active ingredients used in agro industry (BU SGO)
- Strong EBITDA pre and margin development mitigates COVID-19 impact of other segments

\* New reporting structure as of Q1 2020, all numbers excluding BU LEA, which is reported as discontinued operations



# Engineering Materials: Severe impact from Corona related auto crisis

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## Weak auto demand slows down further

Way forward

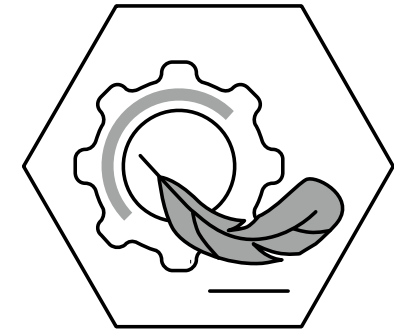
Price    Volume    FX    Portfolio

**-6%**    **-4%**    **+1%**    **0%**

Total **-9%**

Q1 Sales vs. PY

[€m]	Q1/2019	Q1/2020	Δ
Sales	382	347	-9%
EBITDA pre	65	49	-25%
Margin	17.0%	14.1%	
CAPEX	11	8	-27%



- Drop in sales results partly from significantly lower raw material prices, further decline in auto demand caused by COVID-19 pandemic especially in Europe
- BU URE with stable performance
- EBITDA pre and margin decline substantially due to burden in BU HPM

# Q1 2020: Operational result impacted by Corona – still maintained margin on solid level

	Q1/2019		Q1/2020		yoy in %
<b>[€m]</b>					
<b>Cash is king!</b>					
Sales	1,738	(100%)	1,704	(100%)	-2%
Cost of sales	-1,286	(-74%)	-1,269	(-74%)	1%
Selling	-201	(-12%)	-202	(-12%)	0%
<b>Way forward</b>					
G&A	-63	(-4%)	-74	(-4%)	-17%
R&D	-27	(-2%)	-26	(-2%)	4%
Others (incl. Except.)	-21	(-1%)	-29	(-2%)	-38%
<b>EBIT</b>	<b>140</b>	<b>(8%)</b>	<b>104</b>	<b>(6%)</b>	<b>-26%</b>
<b>Details Q1 2020</b>					
<b>EPS pre*</b>	<b>1.32</b>		<b>1.17</b>		<b>-11%</b>
EBITDA	250	(14%)	219	(13%)	-12%
thereof except.	-22	(-1%)	-26	(-2%)	-18%
<b>EBITDA pre except.</b>	<b>272</b>	<b>(15.7%)</b>	<b>245</b>	<b>(14.4%)</b>	<b>-10%</b>

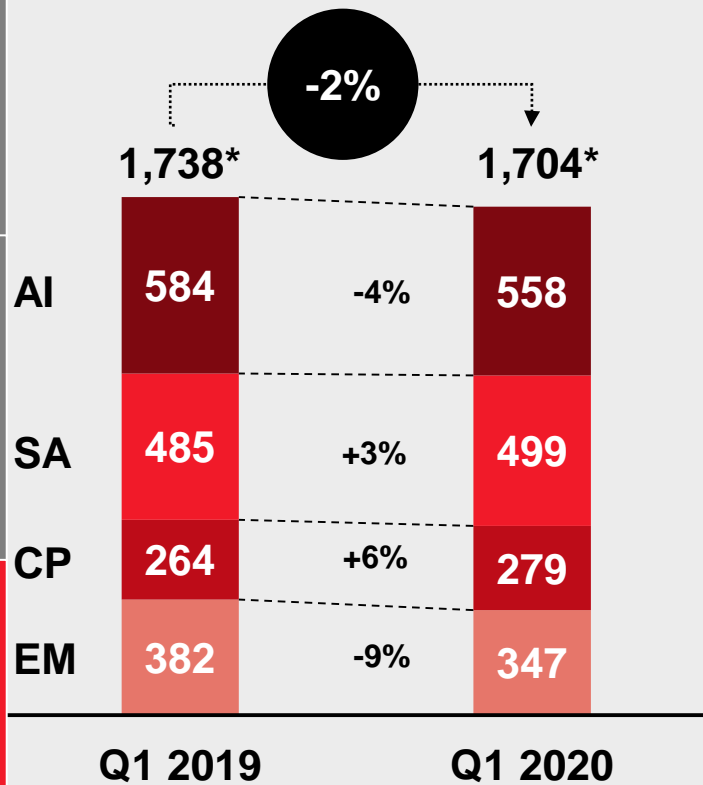
- Increase in G&A costs mainly due to remnant cost and compared to low previous year
- Lower EBIT reflects Corona impact and higher depreciation

\* From continuing operations, net of exceptionals and amortization of intangible assets as well as attributable tax effects

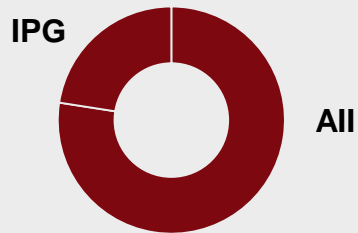
# Q1 2020: Two segments with improved EBITDA pre mitigate COVID-19 impact

Cash is king!  
Way forward  
Details Q1 2020

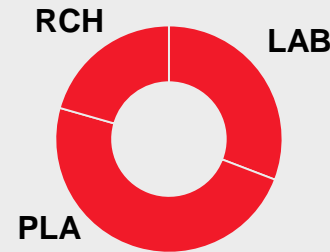
Sales [€m]



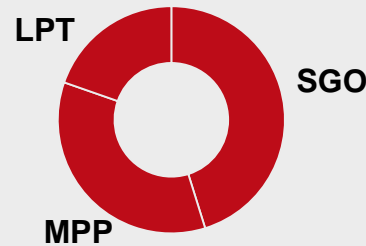
Advanced Intermediates



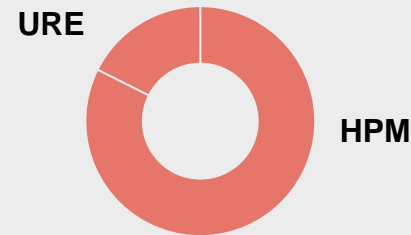
Specialty Additives



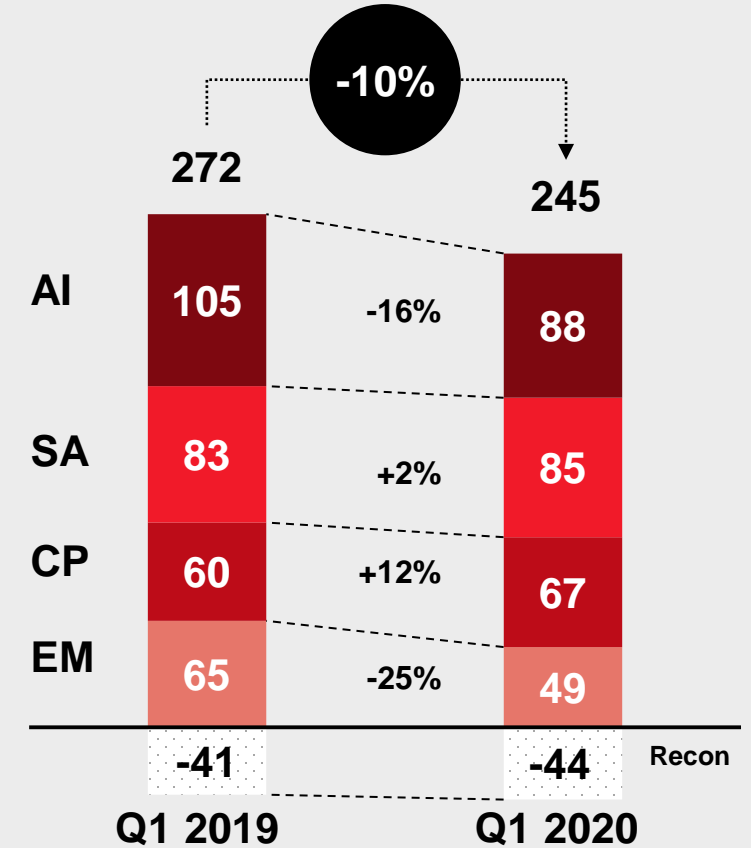
Consumer Protection



Engineering Materials



EBITDA pre [€m]



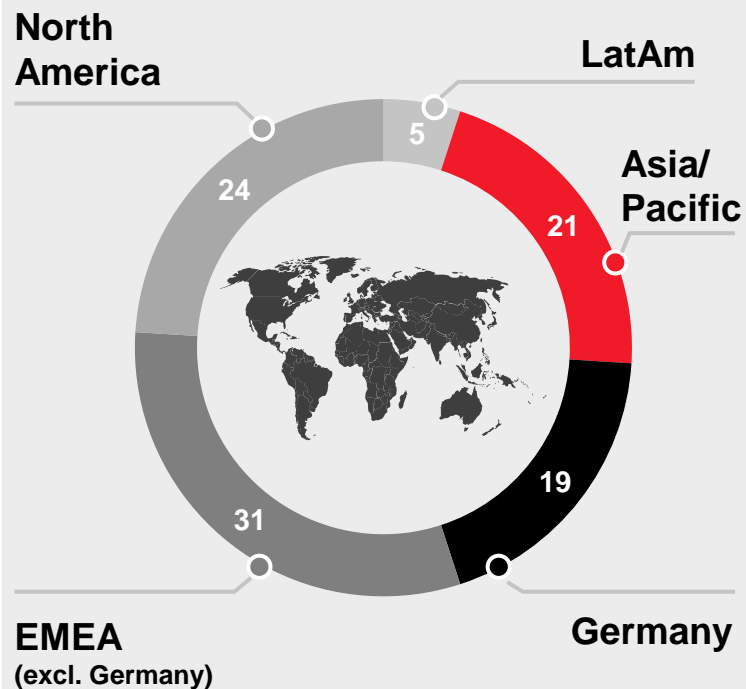
\* Total group sales including reconciliation



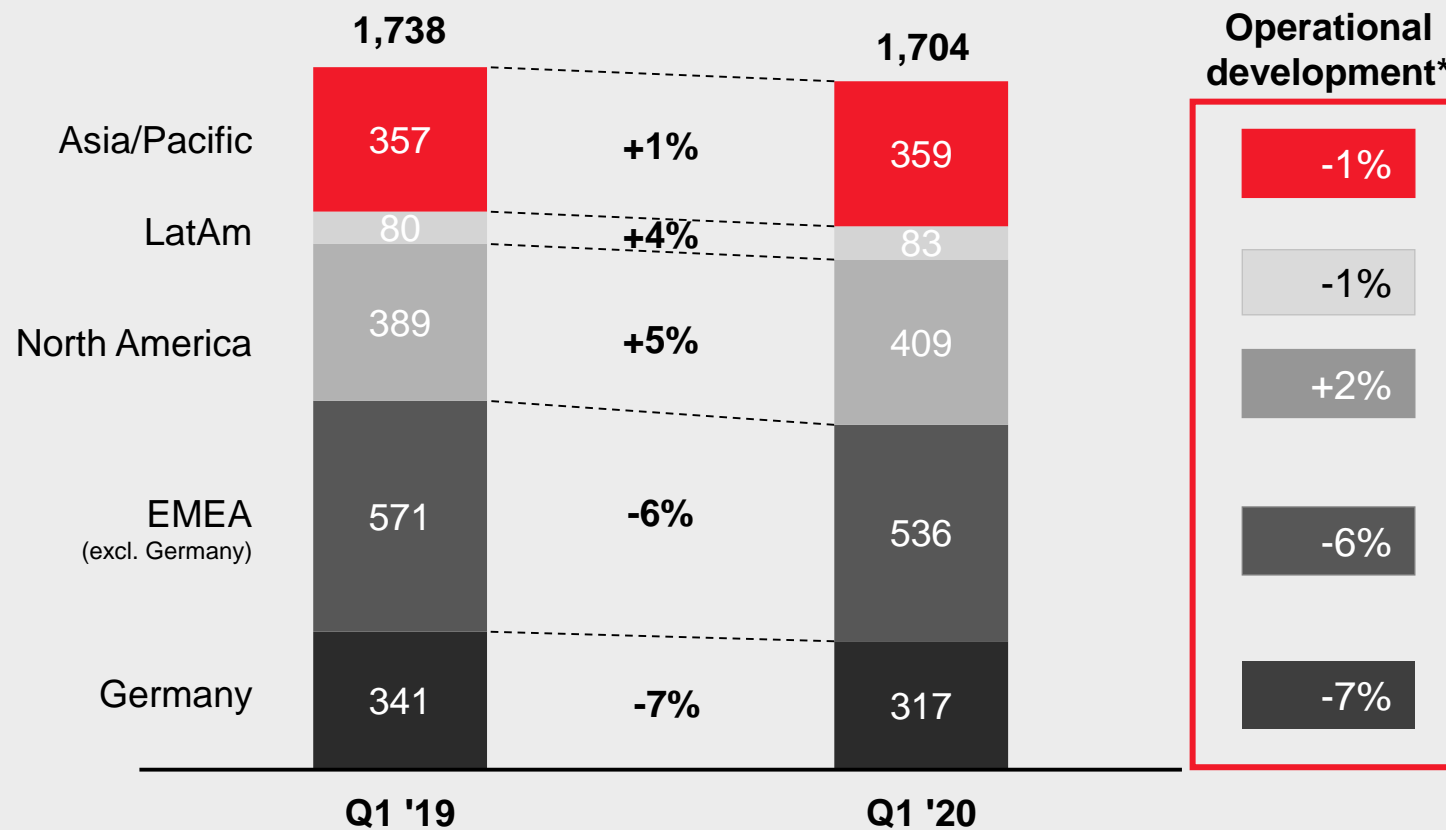
# Q1 2020: Operational sales growth in North America, Europe suffers mainly from weak auto industry

Cash is king!  
Way forward  
Details Q1 2020

Q1 2020 sales by region [%]



Regional development of sales [€m]



\* Currency and portfolio adjusted

# Strong increase in operating cash flow in Q1

Cash is king!

[€m]	Q1/2019	Q1/2020	Δ
<b>Operating cash flow*</b>	<b>22</b>	<b>113</b>	<b>91</b>
Changes in working capital	-168	-181	-13
<b>Investing cash flow*</b>	<b>-236</b>	<b>-75</b>	<b>161</b>
thereof capex	-69	-74	-5

Way forward

Details Q1 2020

- Strong increase in operating cash flow
- Change in working capital driven by strong seasonal increase in receivables, inventory control still in place
- Investing cash flow in previous year includes investment of liquidity in financial assets after ARLANXEO divestment

\* Applies to continuing operations

# Strong balance sheet includes strong liquidity position

Cash is king!

[€m] **31.12.2019** **31.03.2020**

**Total assets** **8,695** **9,671**

Equity 2,647 2,697

**Equity ratio** **30%** **28%**

Way forward

**Net financial debt<sup>1</sup>** **1,742** **1,705**

Cash, cash equivalents, short term money market investments 1,076 2,109

**Pension provisions** **1,178** **1,087**

Details Q1 2020

**Net working capital** **1,308** **1,484**

DSI (in days)<sup>2</sup> 66 64

DSO (in days)<sup>3</sup> 42 49

- Total assets increase due to full draw down of revolving credit facility (€1 bn)
- Slightly improved net financial debt – despite share buy-back
- Strong liquidity secures financial and operating flexibility in Corona crisis
- Decrease in pension provisions due to increased interest rates
- Seasonal increase in working capital

<sup>1</sup> Including cash, cash equivalents, short term money market investments

<sup>2</sup> Days sales of inventory calculated from quarterly sales

<sup>3</sup> Days of sales outstanding calculated from quarterly sales

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# Housekeeping items 2020

Capex 2020	~€450 m
Operational D&A 2020	~€450 m
Reconciliation 2020	~€140 m - €150 m including remnant costs
Tax rate	~28%
Exceptionals 2020	~€70-80 m based on current initiatives
FX sensitivity	One cent change of USD/EUR resulting in ~€7 m EBITDA pre impact before hedging
Remnant costs	~€10 m p.a. until 2022
Maintenance shutdown BU HPM	~€10 - €20 m in H2

# 2019 like-for-like figures for new reporting structure reflect shift between segments AI and CP

[€m]		Advanced Intermediates	Specialty Additives	Consumer Protection	Engineering Materials	Total*
Sales	Q1	584	485	264	382	1,738
	Q2	585	506	247	365	1,724
	Q3	549	503	277	353	1,704
	Q4	533	471	262	350	1,636
EBITDA pre	Q1	105	83	60	65	272
	Q2	114	89	48	65	281
	Q3	91	97	55	59	269
	Q4	73	84	35	49	197



# Key Figures\*: Solid performance in crisis mode

Q1

Q2

Q3

Q4



**€1,704 m**  
Sales

-2%



**€113 m**  
Operating Cash  
Flow

>100%

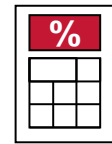


**€2,109 m**  
Cash & cash equivalents, short  
term money market investments



**€245 m**  
EBITDA pre

-10%



**14.4%**  
EBITDA pre  
Margin

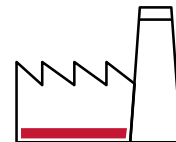


**€1,705 m**  
Net financial debt\*\*



**1.17**  
EPS pre

-11%


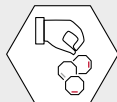




**€74 m**  
CAPEX

\* Continuing operations (excluding BU LEA, which is reported as discontinued operation)

\*\* including short term money market investments

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

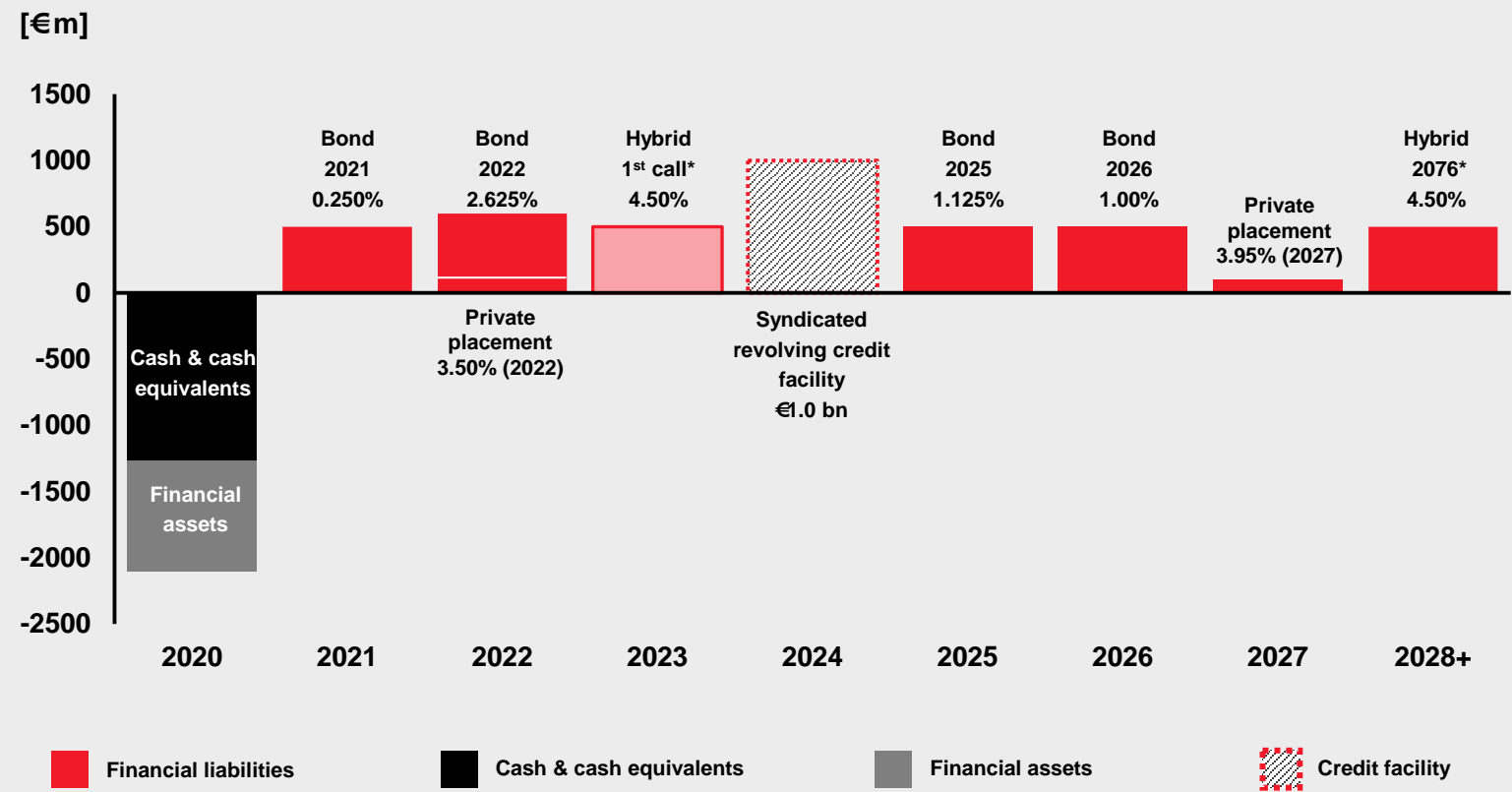
[€m]	Q1/2019		Q1/2020	
	Excep.	Thereof D&A	Excep.	Thereof D&A
 Advanced Intermediates	4	0	<b>2</b>	<b>0</b>
 Specialty Additives	1	0	<b>4</b>	<b>0</b>
 Consumer Protection	0	0	<b>0</b>	<b>0</b>
 Engineering Materials	0	0	<b>0</b>	<b>0</b>
Reconciliation	17	0	<b>20</b>	<b>0</b>
<b>Total</b>	<b>22</b>	<b>0</b>	<b>26</b>	<b>0</b>

# Maturity profile actively managed and well balanced

## Long-term financing secured

- Syndicated revolving credit facility fully drawn as per end of March
- 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

## Liquidity and maturity profile as per 31 March 2020



# 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<sup>®</sup>**



## Water Purification



**X\_Lewatit<sup>®</sup>**



## Biosecurity



**>Virkon<sup>™</sup>**





# 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

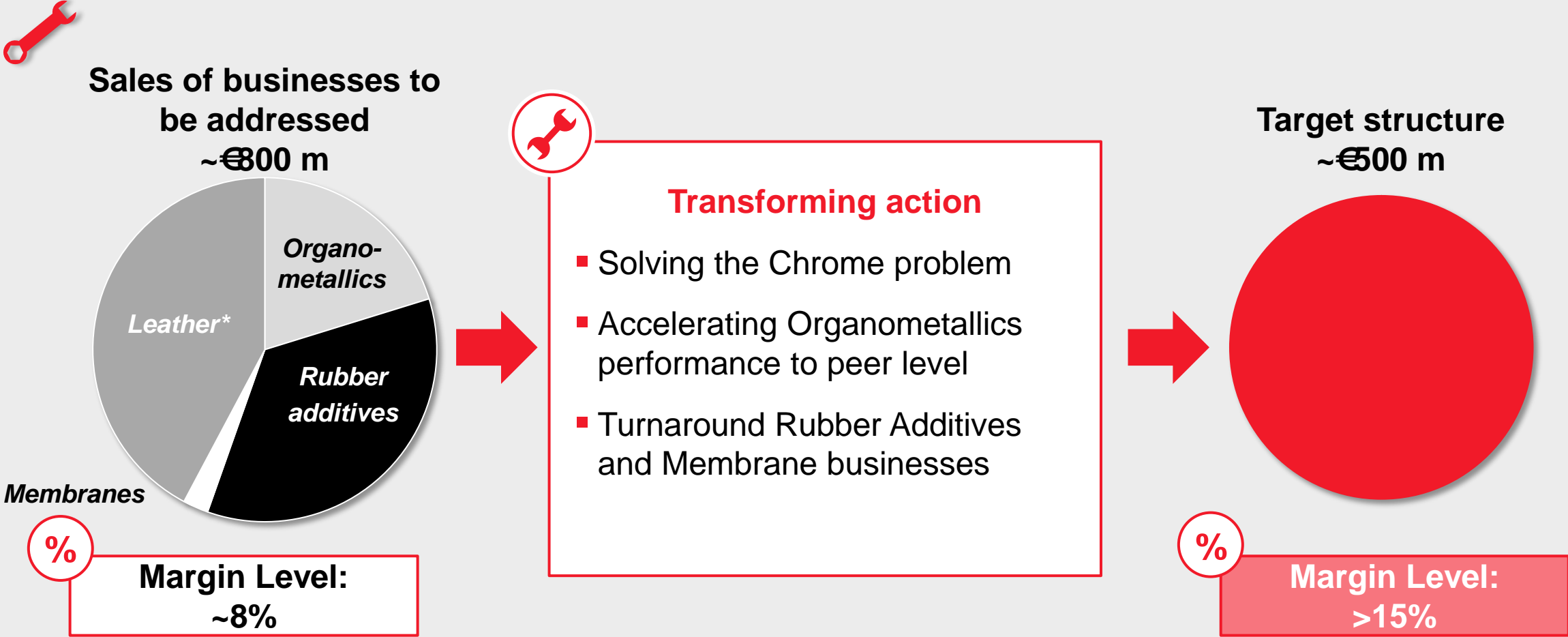


## Strategy



**Which businesses  
are we addressing?**

# Rigorously addressing under-performing businesses across our portfolio



# Strong progress in solving the Chrome problem



Structure  
Business Unit Leather

**Chrome Ore**

*South Africa*



**Sold\***



**Chrome Chemicals**

*South Africa*



**Sold\*\***

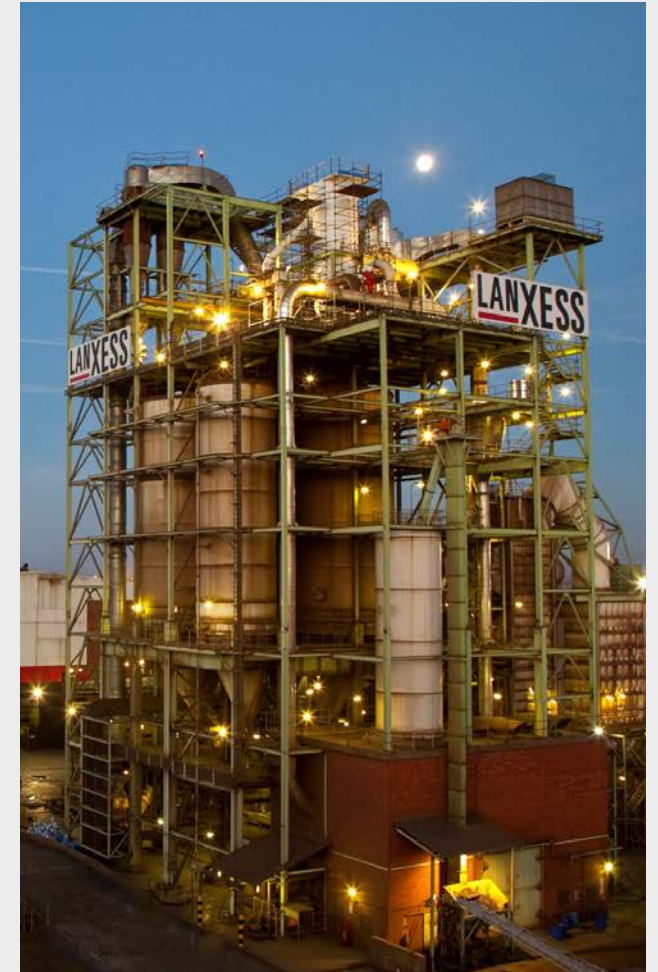


**Organic Leather  
Chemicals**

*EMEA, China*



***Divestment process underway\*\*\****

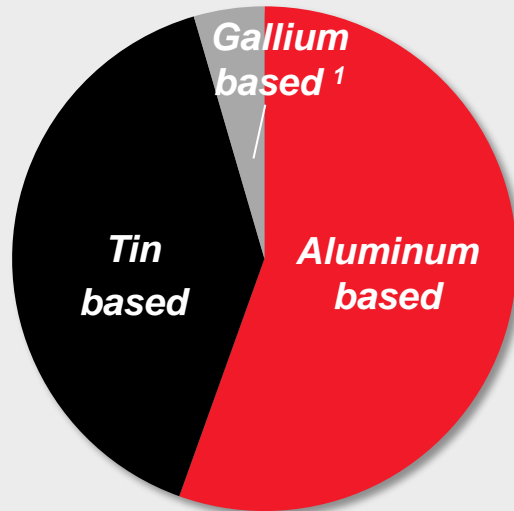


# Improving Organometallics' performance to competitive peer level



## Organometallics Sales

2018:  
~€160 m



%

**Margin Level:**  
**0-5%**



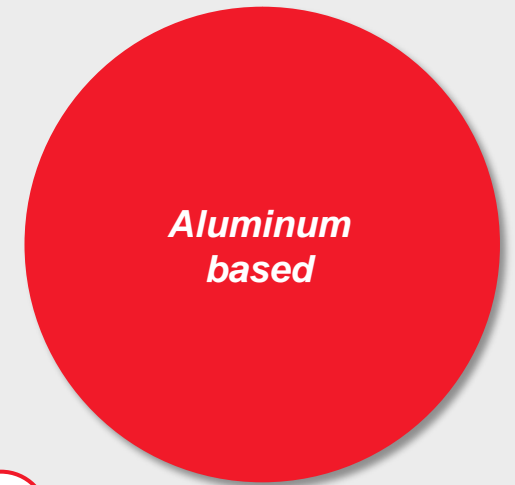
### Transforming action

**Aluminum based Organometallics:**  
Set for organic growth

**Tin based Organometallics:**  
Exit partner found with PMC<sup>2</sup>

**Gallium based Organometallics<sup>1</sup>:**  
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?**

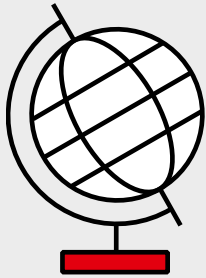


# We focus on product, process and technology innovation



## 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

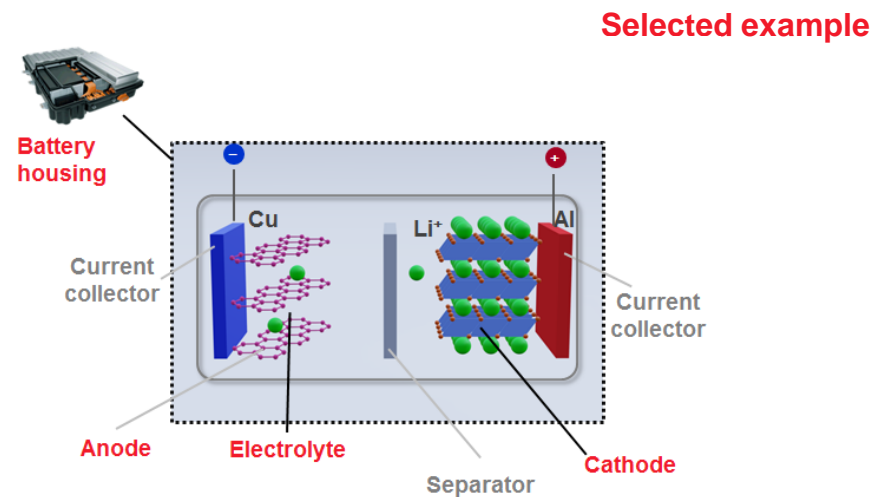


## Strong alliances

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

# Strategic realignment is supported by product, process and technology innovation

## Key Chemicals for Li-Ion batteries



- **Standard Lithium Cooperation**  
Pilot project to extract battery grade lithium from bromine wells in El Dorado
- **Electrolyte salt** ( $\text{LiPF}_6$ ), Chems for Anode & Cathode
- **Battery Housing** (PA / PBT components)

## Natural beverage preservatives

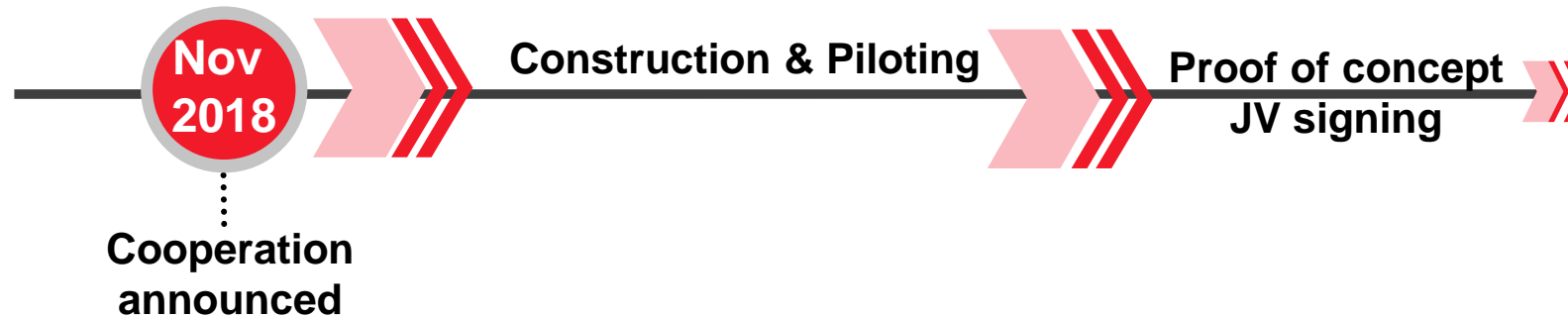


- Key market: USA; FDA approval received in 2018, further market approvals in preparation
- First meaningful sales in 2020
- Full potential to be reached 2025-2030  
(accessible initial market (USA): €200 m – €250 m)

# 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



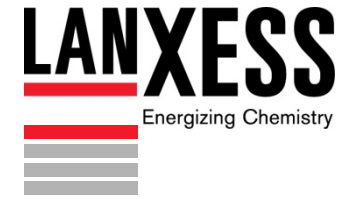
## Strategy



**What are we  
focusing on?**

# Digitalizing the value chain: 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

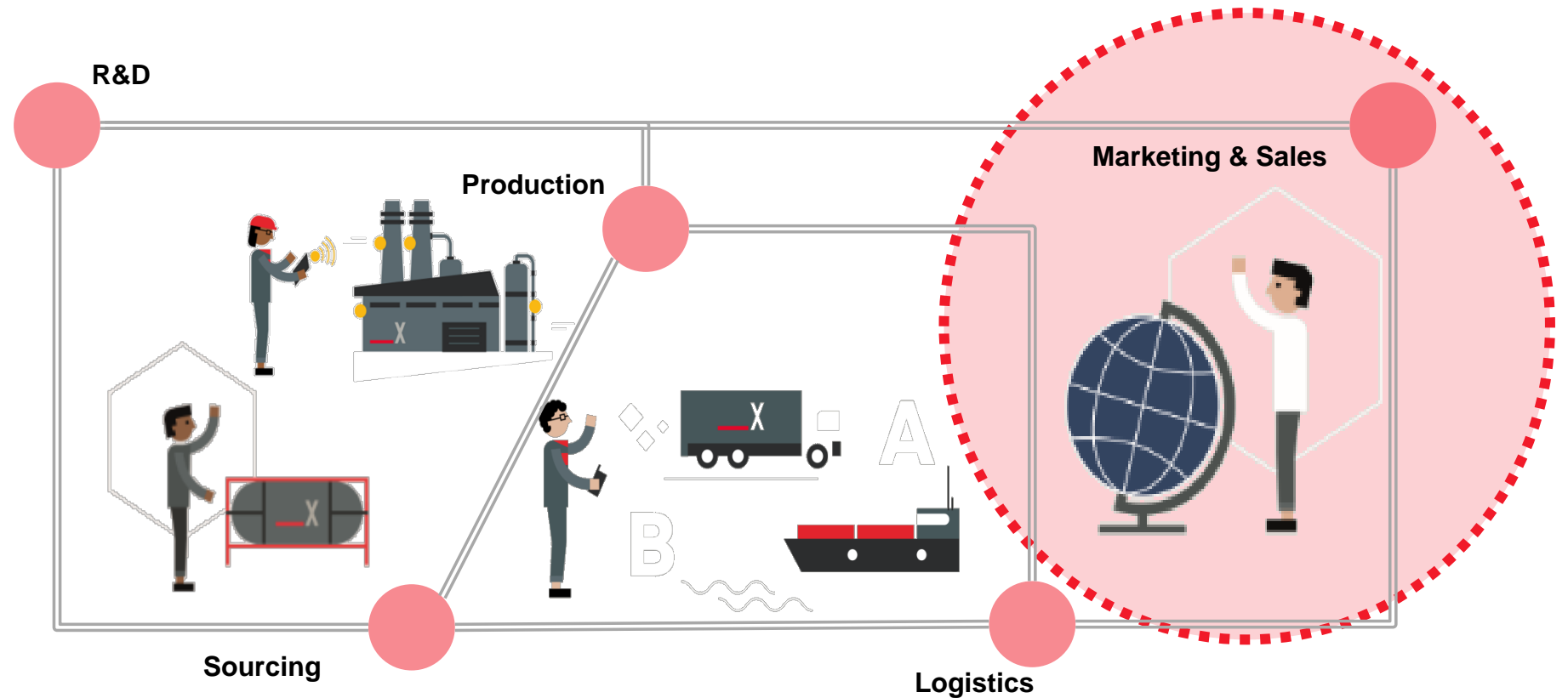
# Digitalizing the value chain

## LANXESS to be digital leader in the chemical industry



From itemized elements ...

... towards a fully integrated digitalized value chain:





# The way forward – Providing direction from four perspectives



Strategy




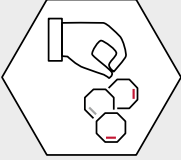








Operations

Financials

Sustainability

# Portfolio additions most likely in Specialty Additives and along with transformation of Performance Chemicals



	Organic growth / Capex	Likelihood for M&A	Characteristics for M&A
 <b>Advanced Intermediates</b>			
 <b>Specialty Additives</b>			<b>Synergies</b> in related businesses
 <b>Consumer Protection</b>			Attractive <b>secular growth</b> <b>High entry barriers</b> due to increasing regulation
 <b>Engineering Materials</b>			

# The way forward – Providing direction from four perspectives



Strategy

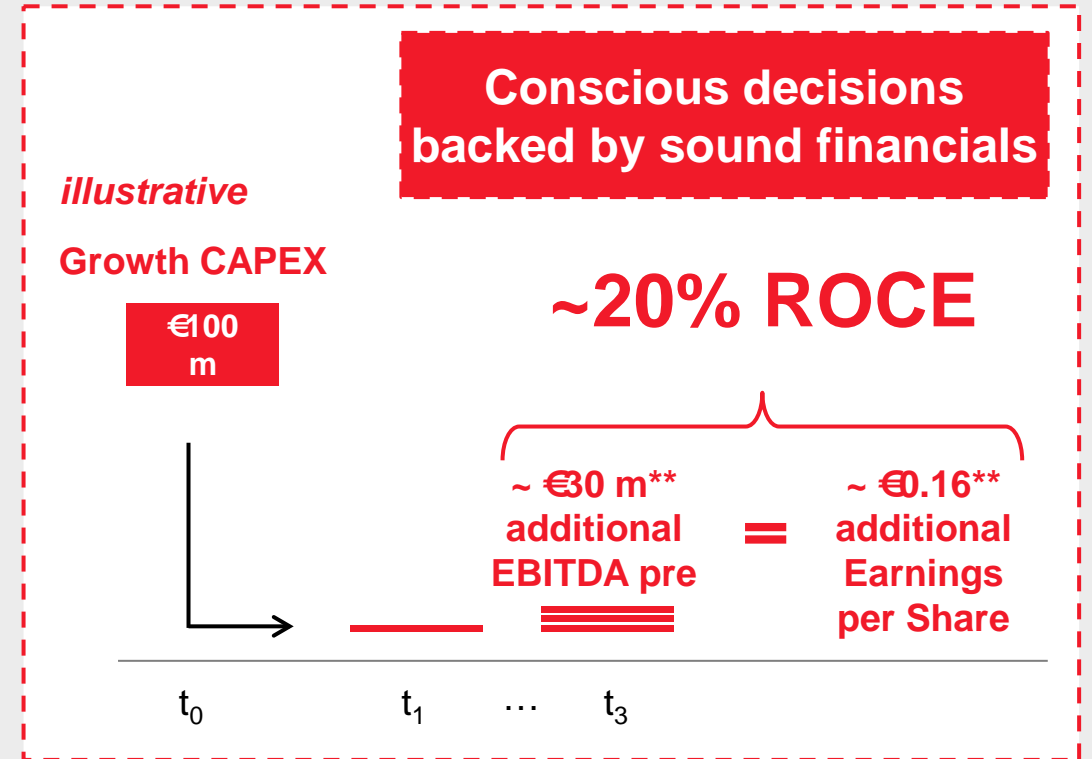
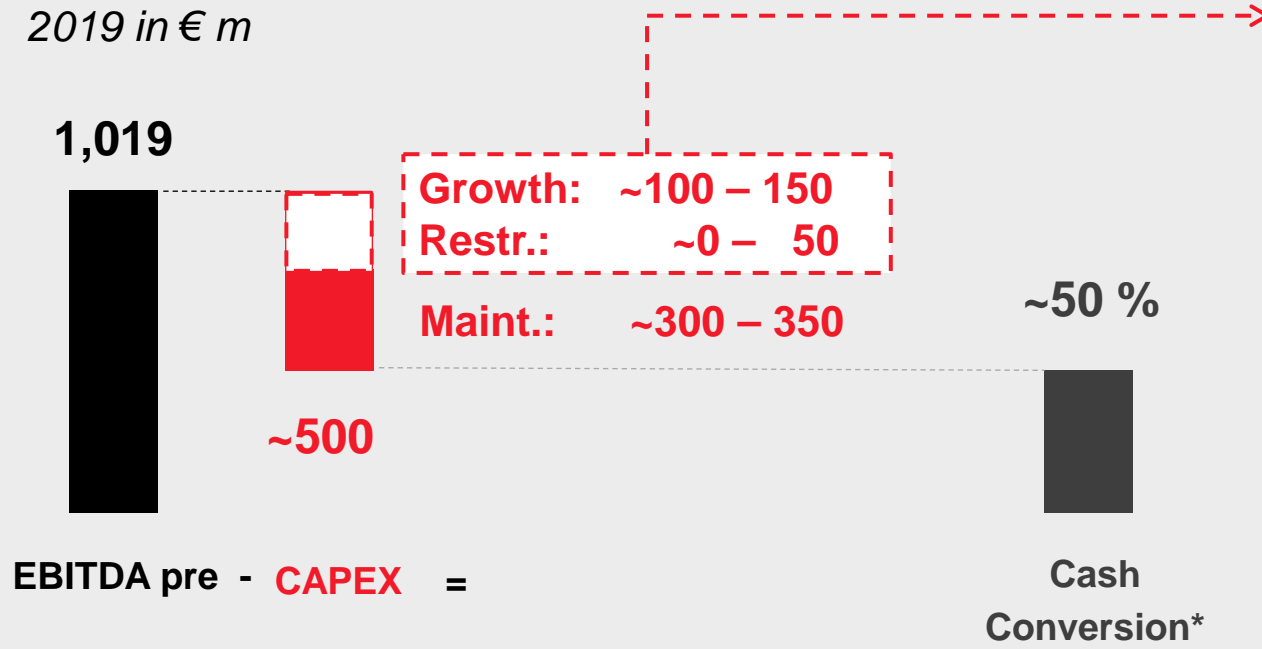
Operations

Financials

Sustainability

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

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

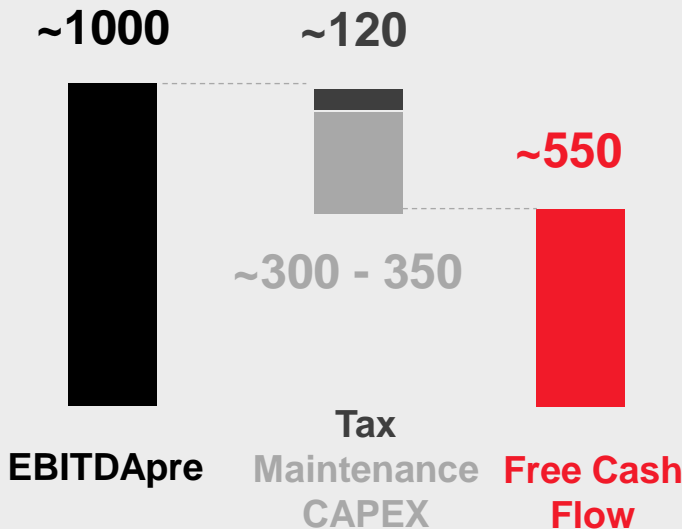









\* Cash Conversion = EBITDA pre – CAPEX / EBITDA pre; \*\* ROCE: ~ 20%, considering ~€10 m D&A & ~30% tax

# 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

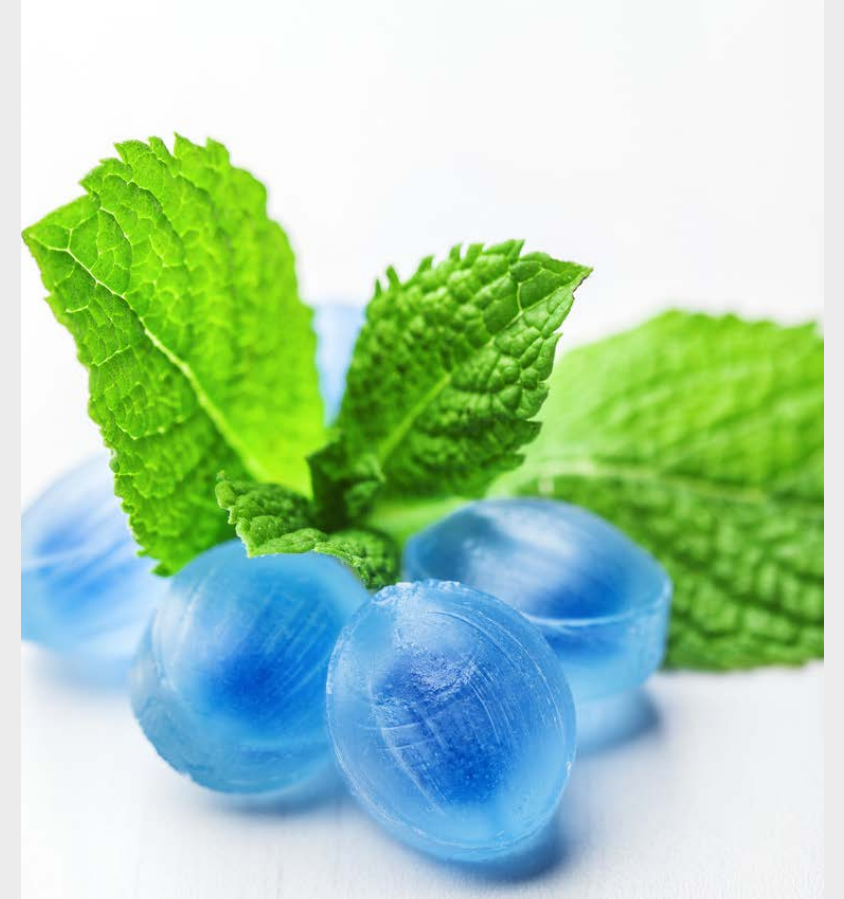
## Investment rationale:

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



Early 2021

Planned operation start



# Venture investment into Lithium with low risk and potentially high return

Opportunity in cooperation with Standard Lithium



~€100 –  
400 m  
Investments



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

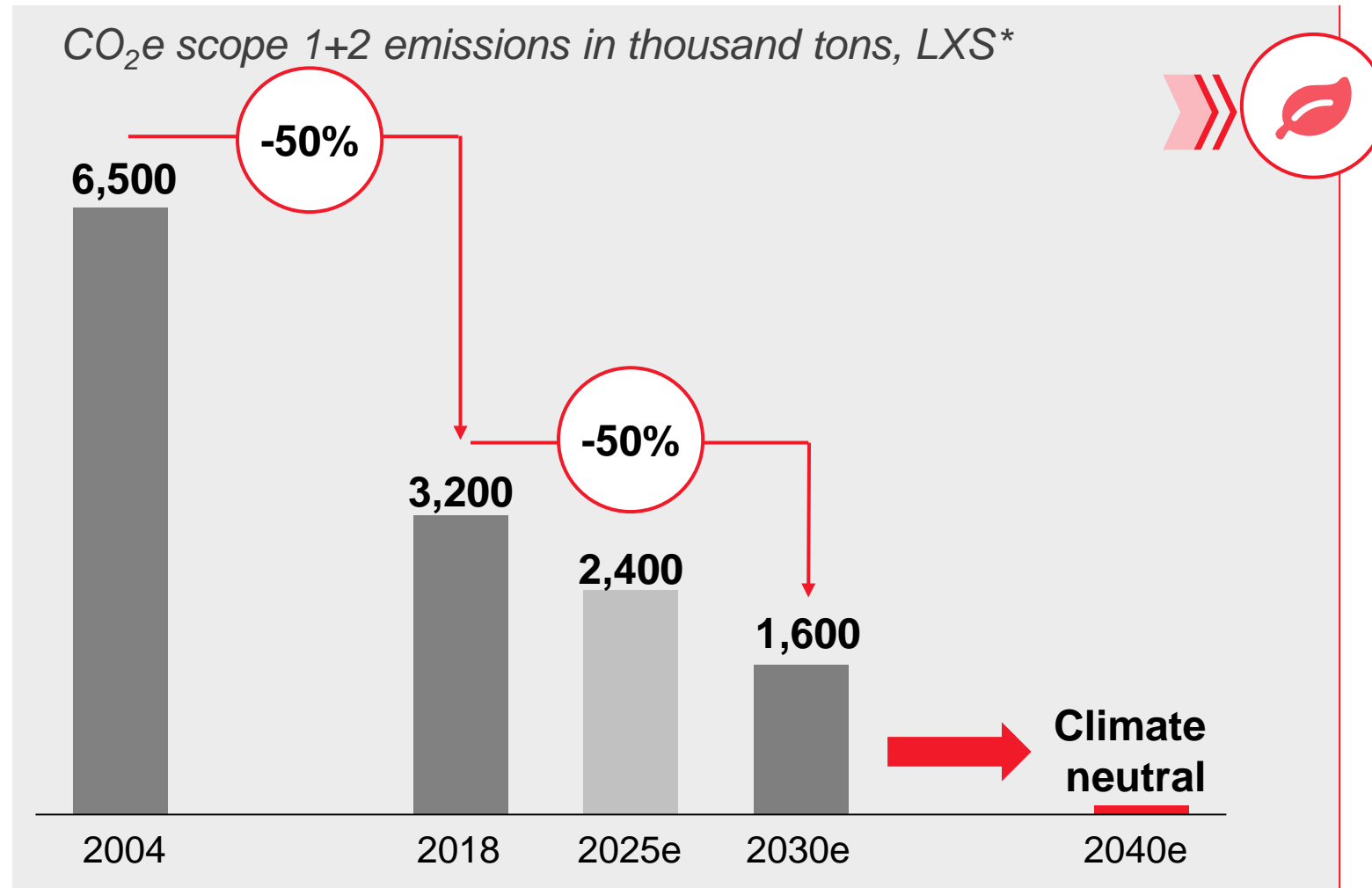


# The way forward – Providing direction from four perspectives



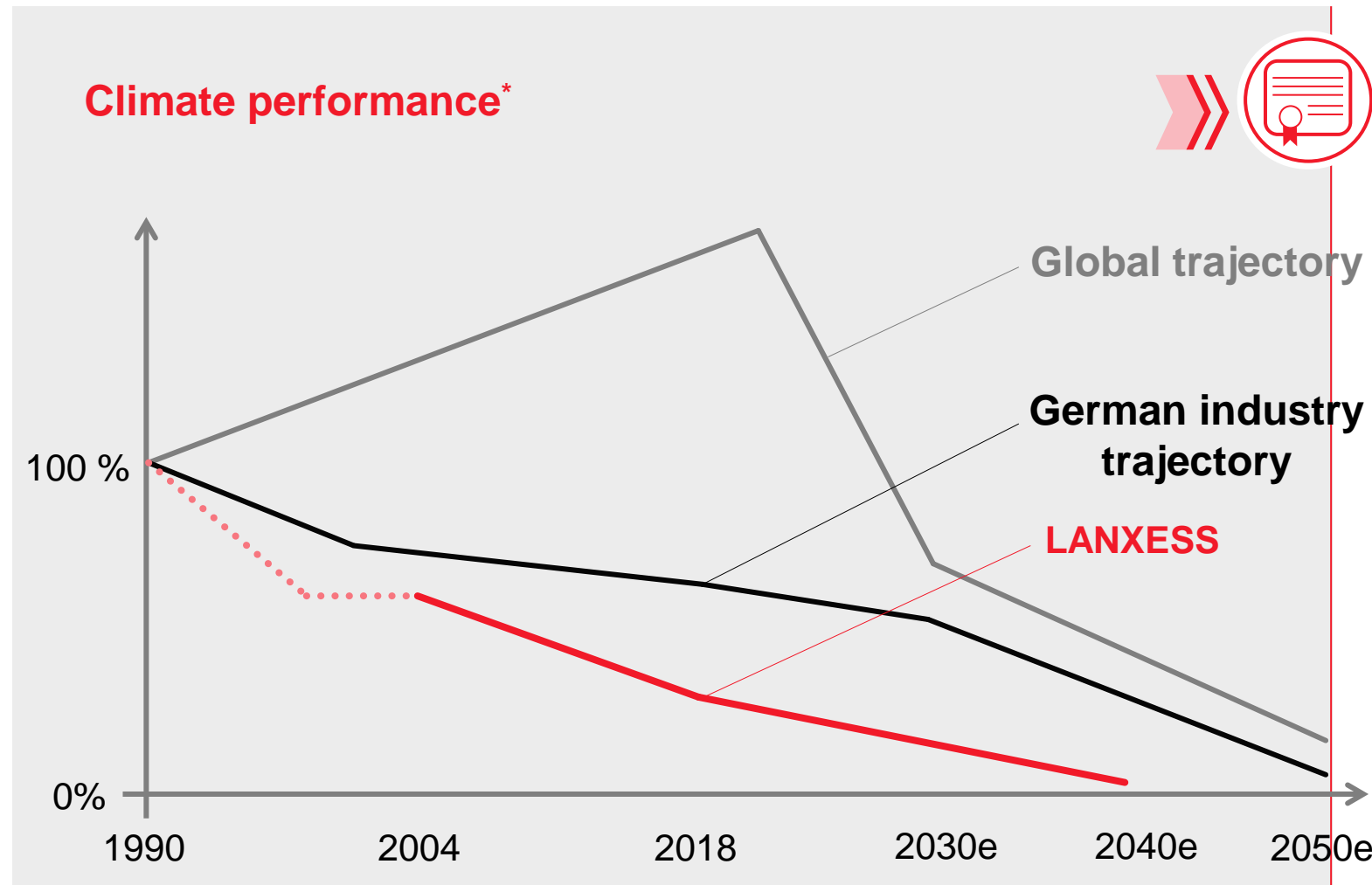


# LANXESS goes climate neutral by 2040 – New long-term commitment



- Clearly defined measures to reduce today's emissions
- Compensate growth effects with efficiency
- Majority of projects with reasonable investment costs
- Sustainable management is seen as a competitive advantage
- In 2019, we further reduced absolute Scope 1+ 2 emissions to ~3,060 kt – around 5% of total volume.
- **Good for LANXESS, good for our customers, good for our planet!**

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



- LANXESS actively reduced CO<sub>2</sub>e emissions in line with Emission Trading Scheme (ETS) reduction targets
- Cost effect from ETS is currently neutral
- We will continue to reduce CO<sub>2</sub>e 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

# Upcoming (virtual) events 2020 - Proactive capital market communication

6. Q1 2020 Results

13. Annual Stockholders' Meeting  
(postponed – new date will be  
announced soon)

14. Citi's Chemicals Conference, London (virtual)

13. Q2 2020 results

5. Q3 2020 results

12. Analyst Roundtable



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website



# Abbreviations



## Advanced Intermediates

**AI** Advanced Industrial Intermediates  
**IPG** Inorganic Pigments



## Consumer Protection

**LPT** Liquid Purification Technologies  
**MPP** Material Protection Products  
**SGO** Saltigo



## Specialty Additives

**LAB** Lubricant Additives Business  
**PLA** Polymer Additives  
**RCH** Rhein Chemie



## Engineering Materials

**HPM** High Performance Materials  
**URE** Urethane Systems

**LANXESS**

Energizing Chemistry