Business Unit Rhein Chemie Additives
A strong platform for future expansion

Dr. Anno Borkowsky, Head of BU ADD
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Agenda

- Business Unit Rhein Chemie Additives (BU ADD) offers a broad range of additives for various end markets
- Refocusing to serve interesting additive markets

The flagship BU ADD was created by combining LANXESS’ various additive businesses

<table>
<thead>
<tr>
<th>Segment: Performance Chemicals</th>
<th>Key figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of current sales</td>
<td>Sites: 20</td>
</tr>
<tr>
<td></td>
<td>Employees: ~1,600</td>
</tr>
<tr>
<td>BU ADD</td>
<td>Customers: &gt;5,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Products &amp; brands</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Products: &gt;4,000</td>
<td></td>
</tr>
<tr>
<td>Business lines: RAB, PAB, LAB, CAB*</td>
<td></td>
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<tr>
<td>Main brand: Umbrella brand</td>
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<table>
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<tr>
<th>Markets &amp; growth drivers</th>
<th></th>
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<tbody>
<tr>
<td>Market share:</td>
<td>Globally leading position</td>
</tr>
<tr>
<td>Growth drivers:</td>
<td>Urbanization, mobility</td>
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Strong rationale to combine LANXESS’ additive businesses

- Similar business model
  - Clear focus on customer orientation and product portfolio
  - Service-driven business
  - Strong platform for expansion

- Cost & sales synergies
  - Cross-selling between business lines
  - Streamlined organization

- Excellent brand recognition
  - The Rhein Chemie brand is strong
  - Established brands will be further developed under one umbrella

Platform for future growth

It features four business lines that are clearly focused on relevant additive markets

<table>
<thead>
<tr>
<th>Plastic Additives</th>
<th>Rubber Additives</th>
<th>Lubricant Additives</th>
<th>Colorant Additives</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of sales</td>
<td>~45%</td>
<td>~35%</td>
<td>~10%</td>
</tr>
<tr>
<td>Key competitors</td>
<td>Eastman, BASF, ICL</td>
<td>Struktol, Freudenberg SC, Arkema</td>
<td>Lubrizol, DIC, Infineum</td>
</tr>
<tr>
<td>Combined market share of top four</td>
<td>&gt;50%</td>
<td>&gt;50%</td>
<td>&gt;60%</td>
</tr>
</tbody>
</table>
BU ADD offers a broad range of additives for various end markets; its large customer base provides resilience.

Sales by end market:
- Automotive
- Industrial manufacturing
- Construction
- Consumer products
- Electronics
- Agro
- Packaging
- Tire
- Other

Sales split by customer:
- Top 10
- Top 25
- Top 50
- Top 100
- Other

Well diversified end markets:
- No end market >15%
- Well established market positions

Fragmented customer landscape:
- Top 10 customers represent <10% of sales
- Top 10 products account for ~20% of sales

* Segments cumulative

Customer proximity in order to provide customized solutions:

Global network of sites, technical centers and laboratories:
- Cologne (DE)

Sales by region:
- Asia/Pacific: 22%
- Germany: 13%
- LATAM: 4%
- EMEA (excl. Germany): 38%
- NORAM: 23%

Regional formulation and technical support centers to support global sales.
BU ADD does not simply sell products; it provides solutions across the entire value chain

Understanding of applications and chemistry required
- Customers receive technical service and integrated solutions
- Additives account for a low share of costs yet deliver a high performance impact
- The business is more knowledge-intensive than capital-intensive
- Value-driven pricing
- Batch production increases flexibility
- Low degree of step-change innovations

Agenda
- Business Unit Rhein Chemie Additives (BU ADD) offers a broad range of additives for various end markets
- Refocusing to serve interesting additive markets
BU ADD helps make LANXESS’ portfolio more balanced and resilient

- Rhein Chemie Additives
- Resilience
- Cash generation
- Growth

- EBITDA pre exceptionals margin +/- 2%pts volatility
- Realignment has improved the cost structure
- Leaner organizational setup
- New structure enables production and top line synergies

Low EBITDA margin volatility at an attractive level

Diversity provides stability

- EBITDA pre exceptionals margin +/- 2%pts volatility
- Realignment has improved the cost structure
- Leaner organizational setup
- New structure enables production and top line synergies

Selected niches

- BU ADD only operates in selected additives markets
- Customer approval is key and comprises a significant entry barrier
- Diversified customer base provides resilience
- Technology and service are essential to retaining customers
Profitable business with low capital intensity

**Excellent cash conversion**

- Stable generation of EBITDA pre exceptionals
- Improvements from realignment programs now visible
- Strict inventory management
- Low capex requirements for service-driven business model

* Before changes in working capital and M&A

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**BU ADD: An ideal platform for expansion**

**Diversity provides opportunities**

- Organic growth presents opportunities
  - Capacity additions are mostly small scale
  - Growth is carefully aligned with our customers

- M&A has been used to expand global presence or technology base
  - Acquisition of curing bladder operations
  - Regional capacity for plasticizers and flame retardants
  - Additional capacities for phosphorous-based chemicals
  - Release agents business

BU ADD’s newly combined operations platform is ideally suited for bolt-on acquisitions
### Key rationale for investments in BU ADD

<table>
<thead>
<tr>
<th>Category</th>
<th>Key Points</th>
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</table>
| Resilience     | - Diverse end-user markets  
                 | - Broad customer base  
                 | - Less than 10% of sales generated by top 10 customers                      |
| Cash generation| - High profitability level  
                 | - Strong cash contribution  
                 | - Low capital intensity                                                    |
| Growth         | - Platform allows for growth to be tailored to specific customers  
                 | - New combined organization is ideal for bolt-on acquisitions              |

End of presentation