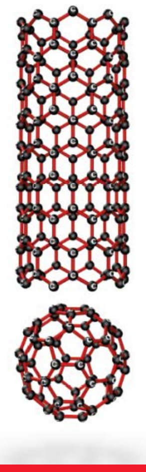
QUALITY WORKS.



Meeting the Management 2017

Structurally improving the financial profile

Michael Pontzen, CFO

LANXESS

Energizing Chemistry

Safe harbor statement

The information included in this presentation is being provided for informational purposes only and does not constitute an offer to sell, or a solicitation of an offer to purchase, securities of LANXESS AG. No public market exists for the securities of LANXESS AG in the United States.

This presentation contains certain forward-looking statements, including assumptions, opinions, expectations and views of the company or cited from third party sources. Various known and unknown risks, uncertainties and other factors could cause the actual results, financial position, development or performance of LANXESS AG to differ materially from the estimations expressed or implied herein. LANXESS AG does not guarantee that the assumptions underlying such forward-looking statements are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecast developments. No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, any information, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and accordingly, no representative of LANXESS AG or any of its affiliated companies or any of such person's officers, directors or employees accept any liability whatsoever arising directly or indirectly from the use of this document.

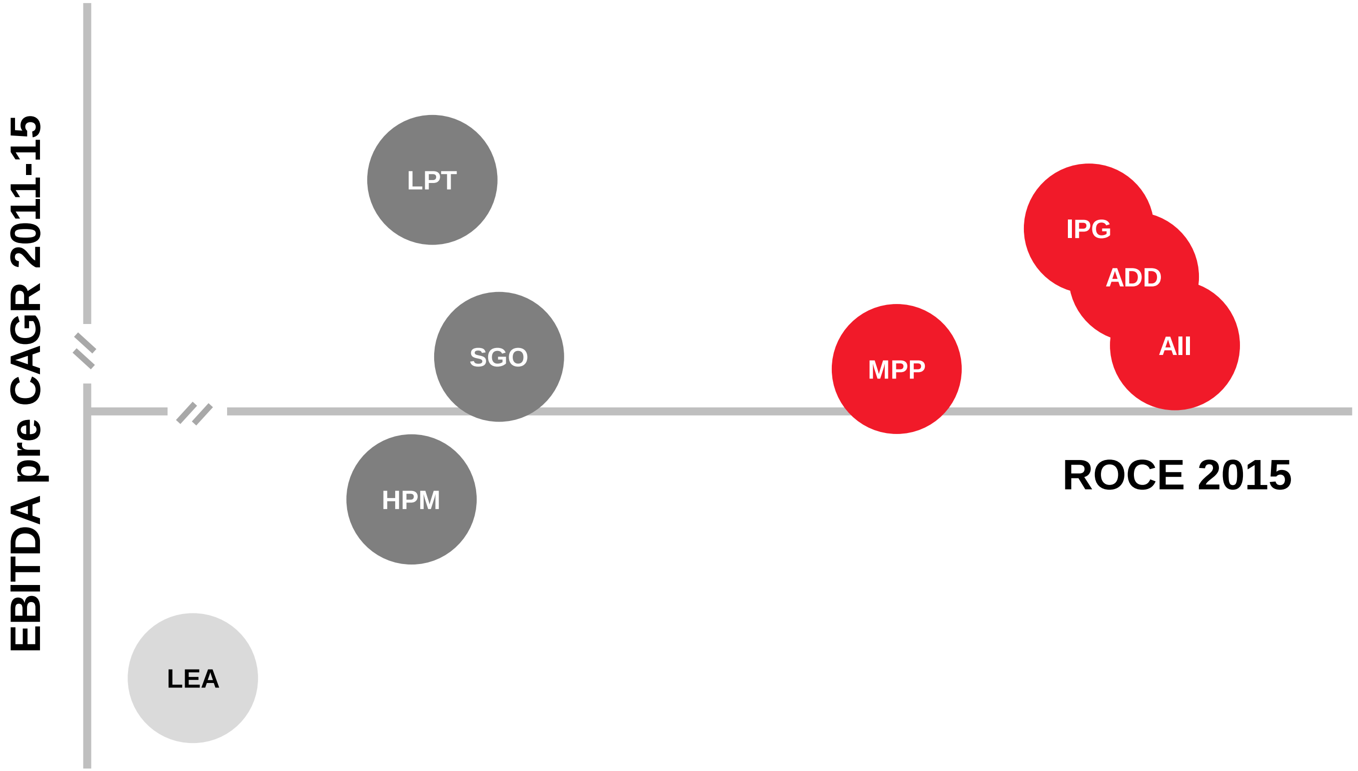
LANXESS

Transformation of the financial profile

- Recap from a financial perspective
- Financial improvements to come
- Deconsolidation of ARLANXEO

2015 starting point: Dedicated value maximizing strategy for each business unit

Strong portfolio with potential to improve



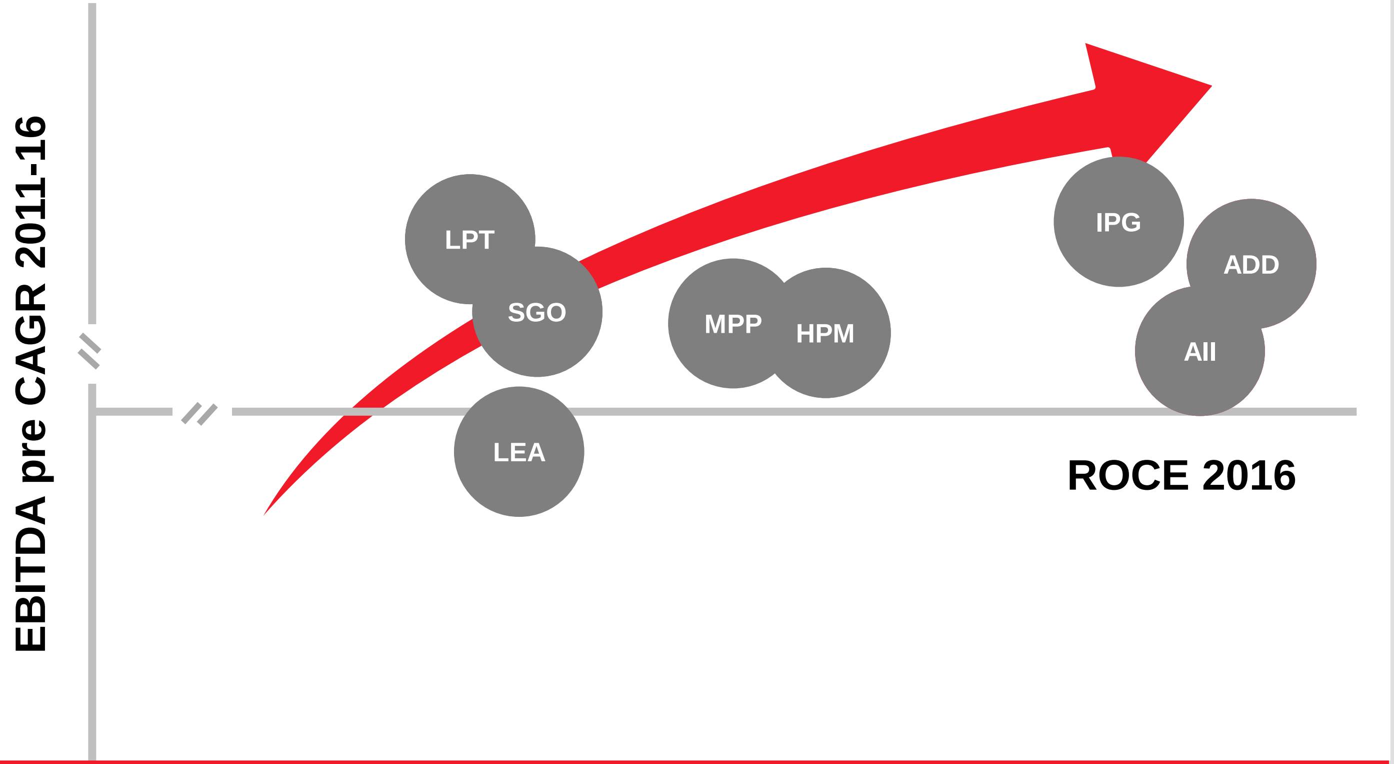
Strategic path

1. Keep financial profile but gain size
2. Catch-up on return and grow
3. Turnaround / partnerships

LANXESS

Restructuring and change of strategy yields first positive results

LANXESS transformation starts to become visible



Substantial room for improvement left

Key 2016 points

- Phase 1 & 2 cost improvements become visible
- All BUs with improved organic return profile
- Growth is picking up

Transformation of the financial profile

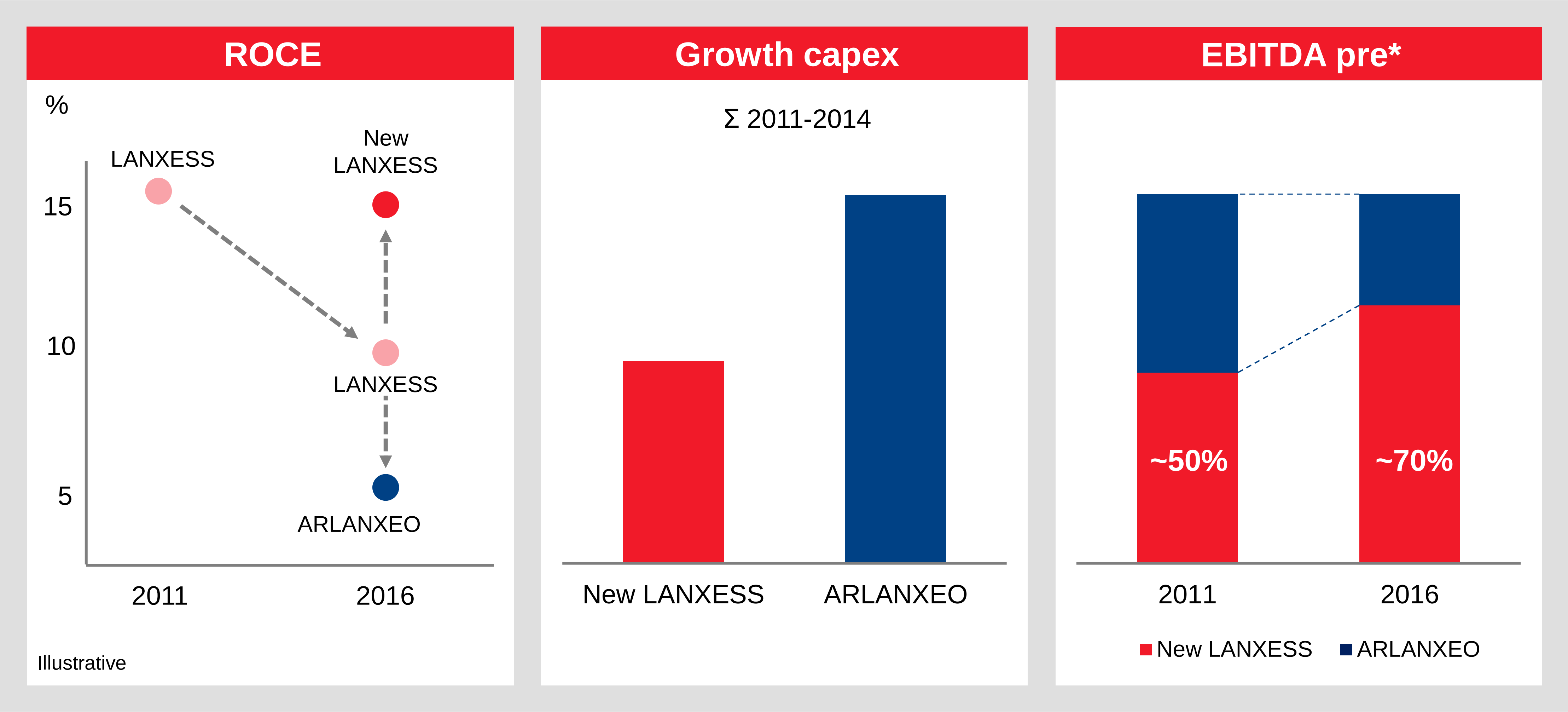
- Recap from a financial perspective
- Financial improvements to come
- Deconsolidation of ARLANXEO

LANXESS

Transformation of the financial profile

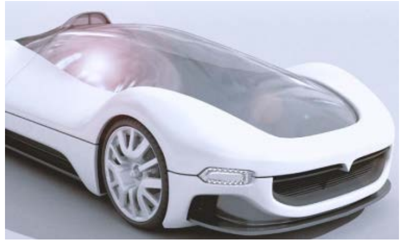
- Recap from a financial perspective
- Financial improvements to come
  - Attractive organic investments
  - Integration of Chemtura
  - Cash conversion improvement
- Deconsolidation of ARLANXEO

Growth capex in New LANXESS were value enhancing



* Sum of business units

Value creating investments are going to continue

	Advanced Intermediates	Specialty Additives	Performance Chemicals	Engineering Materials
Planned growth capex 2016 – 2020	 **~€150 m**	 **€50 – 100 m**	 **€50 – 100 m**	 **€50 – 100 m**
Factor for success	Focus on brownfield investments to strengthen “Verbund” platform and reinforce cost advantage	Investing in technology and process upgrades and product development	Investment in application technology and customer solutions	Expansion of low capital intense downstream assets to further improve product mix

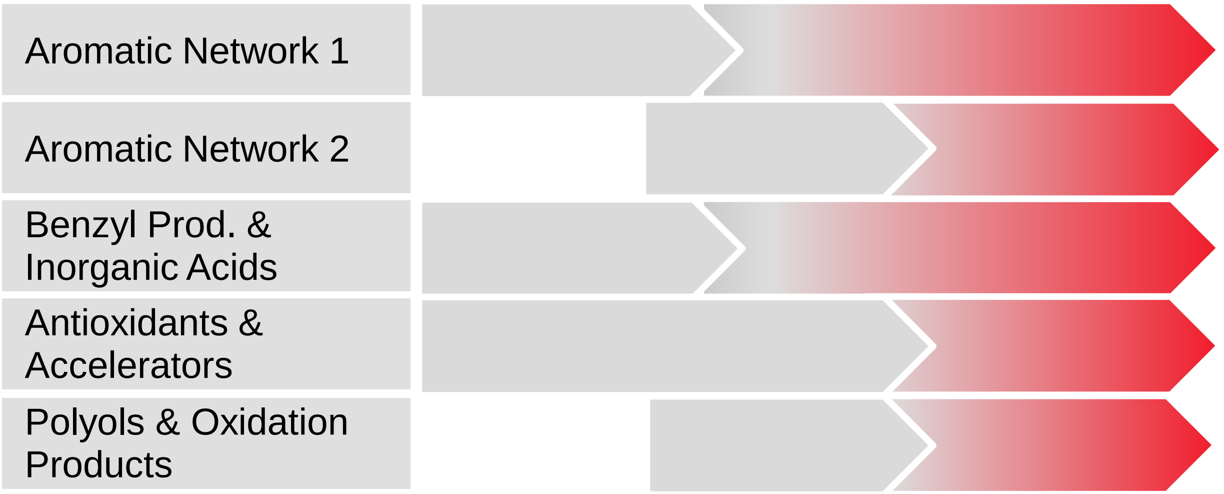
Total capex of ~€400 m with expected Ø ROCE ~20%

LANXESS

BU AII: Brownfield expansion of existing manufacturing platform with highly attractive returns

Sensible debottleneckings to serve market growth

[€ m]	2017	2018	2019	2020	2021
Capex	**~25**	**~20**	**~35**	**~20**	**…**



Total capex ~€100 m with Ø ROCE ~20%

Value investments

- Focus on brownfield investments
- Focus on continued technology upgrades and debottlenecking
- Further dilution of fixed costs
- Further improving excellent cost position

Support volume growth

Construction   Ramp-up / production

LANXESS

BU HPM: Low capex intensity of downstream investments will further support the "balanced capacity model"

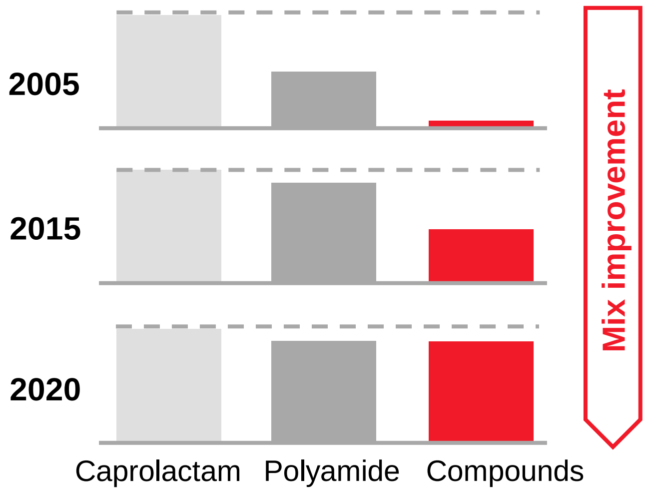
Expanding global compounding network inline with demand

[€ m]	2017	2018	2019	2020	2021
Capex	~10	~25	~25	~5	…
Project 1					
Project 2					
Project 3					
…					

Total capex €50 – 100 m with Ø ROCE ~20%

Value investments

Capacity split
Illustrative



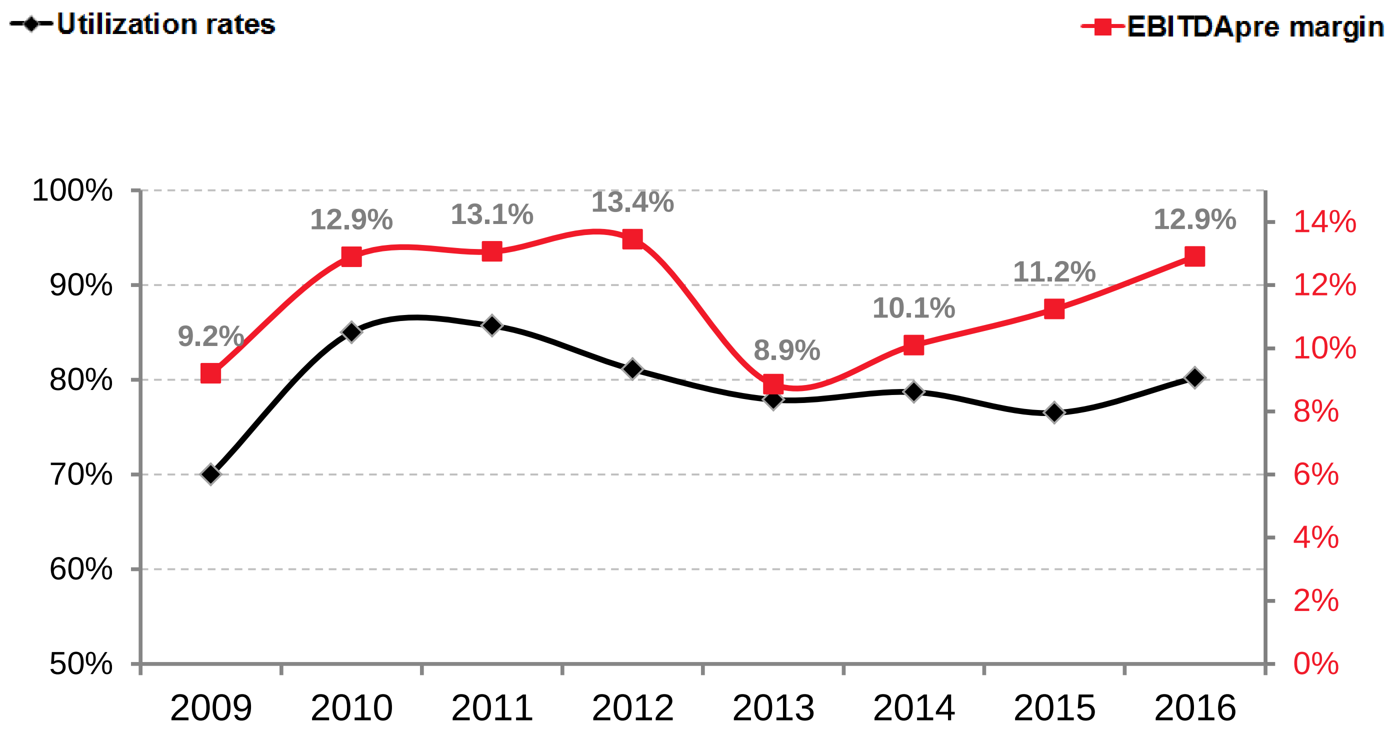
More stable and attractive returns

Construction Ramp-up / production

LANXESS

Actual utilization rates offer additional headroom

Increased profitability at stable utilization rates



- Rising share of EBITDA pre from New LANXESS businesses fueled margin improvement
- No indication of peak utilization rates
- Capex of the past allows to serve expected volume growth
- Growth capex adds to margin improvement

Potential for further increase in utilization rates and upside in financial performance

LANXESS

Transformation of the financial profile

- Recap from a financial perspective
- Financial improvements to come
  - Attractive organic investments
  - Integration of Chemtura
  - Cash conversion improvement
- Deconsolidation of ARLANXEO

Bottom-up analysis confirm former synergy targets

Implementation of synergies on track

[€ m]	2017	2018	2019	2020	Total
Synergies	~25	~25	~35	~15	**~100** ✓
Expense (one-time costs)*	~50	~50	~20	~20	**~140** ✓
Cash out*	~30	~40	~40	~30	**~140**
Capex	~30	~10	~10		**~50** ✓

Previous assumptions

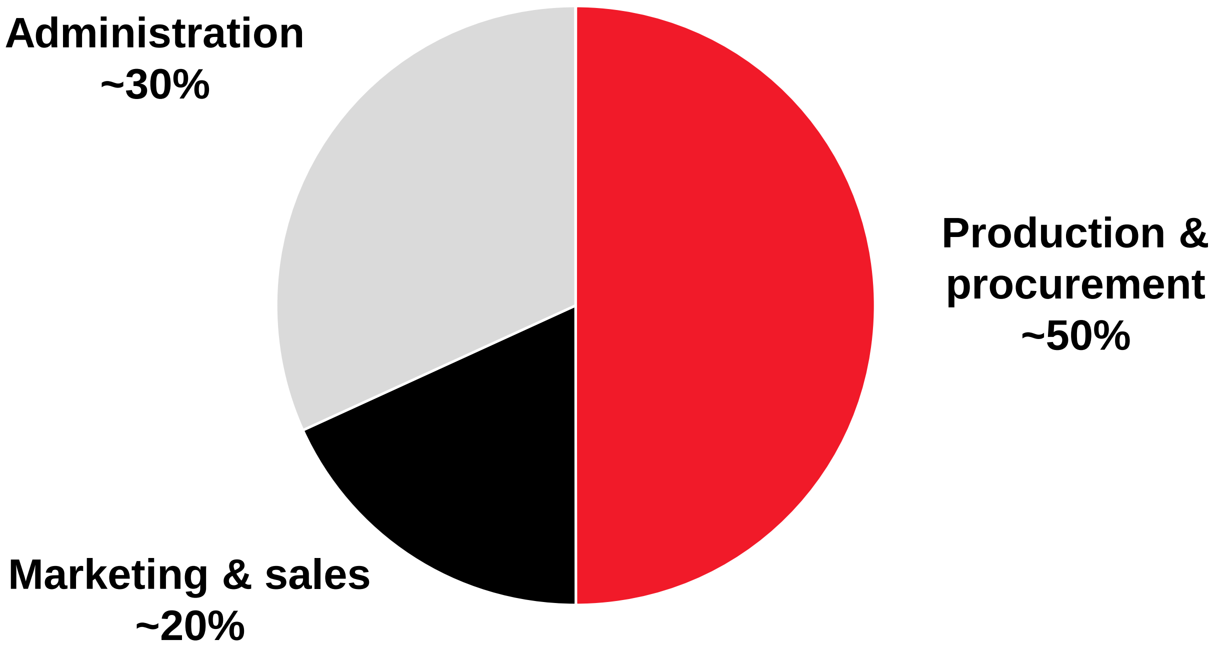
- **Synergies confirmed**
  - €100 m of “hard” costs
  - Top line synergies not included
- ~€50 m capex for asset improvements
- ~€140 m one time costs
- ~€80 m transaction related cash outs, mostly in 2017

* excluding ~€80 m transaction related charges

LANXESS

Chemtura Synergies: Contribution from all cost categories

Synergies in all functions



LANXESS

Synergy example I: Integration of admin organization

Corporate center

Facts

- Chemtura had a corporate center of a listed company

Implementation

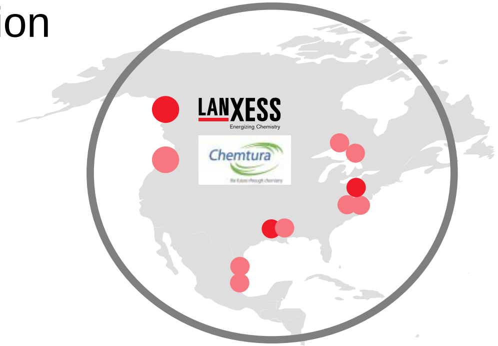
- 34 projects have been identified; e.g.:
  - Board of management, governance functions
  - Fees (e.g. audit, rating, listing)

~€10-15 m synergies in 2017-2018

General administration

Facts

- E.g. two US administration organizations



Implementation

- 60 projects have been identified; e.g.:
  - Eliminate double functions & integrate IT systems, optimize cost of insurance coverage
  - Combine office locations in close regional proximity

~€10-15 m synergies 2017-2019; ~€5-10 m capex

LANXESS

Synergy example II: Integration of procurement and logistics activities

Direct material sourcing

Facts

- "New LANXESS" raw material purchase volume amounts to ~€2.5 bn

Rationale

- Use purchasing power of enlarged organization and harmonize contract prices

Implementation

- 36 projects have been identified:
  - Harmonizing contracts with joint suppliers
  - Bundling of volumes and use of price arbitrage
  - Insourcing of e.g. maleic anhydride, bromine etc.

~€10-15 m synergies in 2018/2019

Logistics

Facts

- Both companies operate ~200 warehouses globally

Rationale

- Chemtura had outsourced most logistic operations to third parties thereby losing critical know-how

Implementation

- 38 projects have been identified
  - Cutting sea and land based transport costs by using LANXESS' freight rates
  - Bundling of warehouses and optimizing set-up

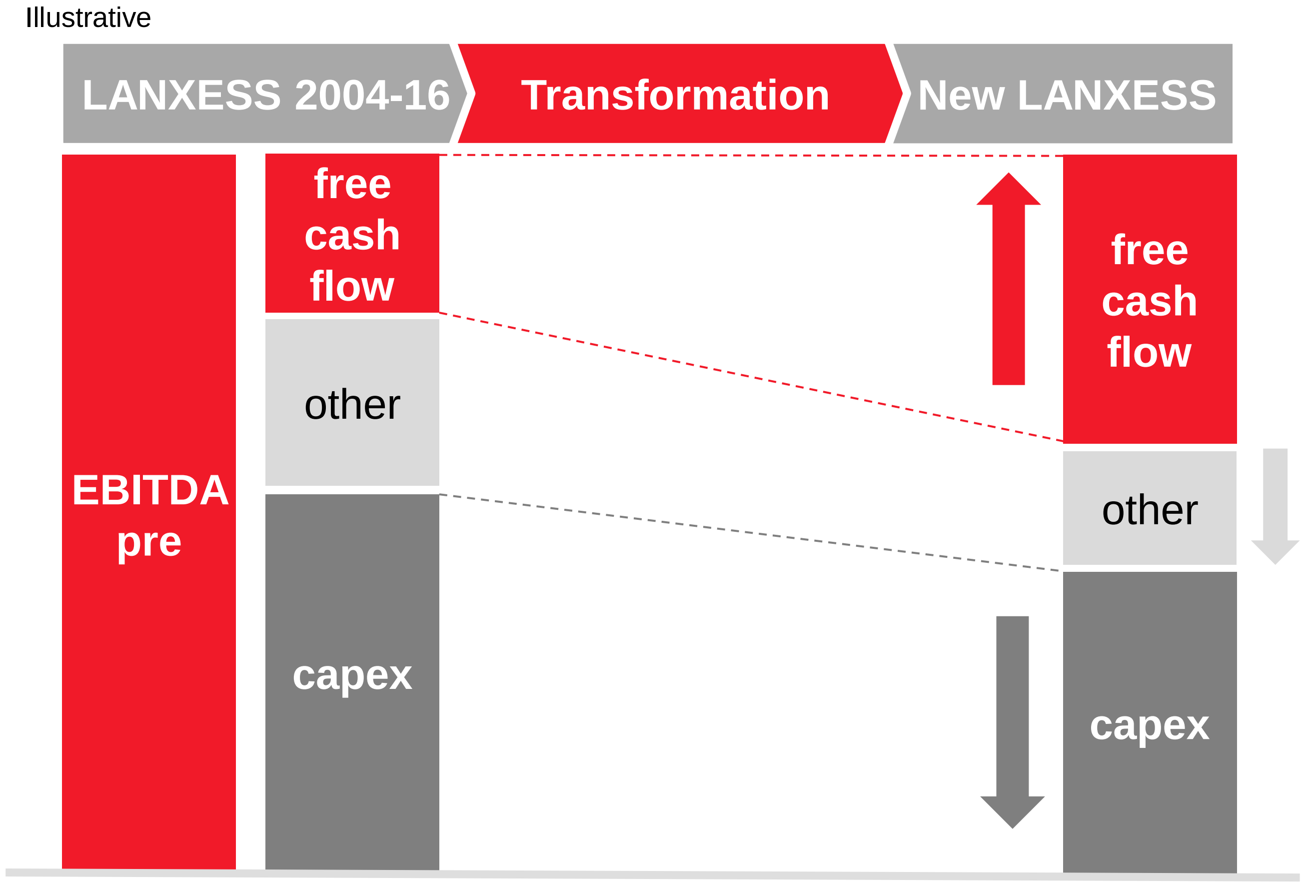
~€5-10 m synergies 2017-2019; ~€5-10 m capex

LANXESS

Transformation of the financial profile

- Recap from a financial perspective
- Financial improvements to come
  - Attractive organic investments
  - Integration of Chemtura
  - Cash conversion improvement
- Deconsolidation of ARLANXEO

LANXESS free cash flow and cash conversion rate to improve



- **EBITDA:** Structural improvement
- **Capex:** Lower because of asset light strategy and ARLANXEO deconsolidation
- **Other:**
  - Exceptionals to decline after Chemtura integration
  - Working capital: lower volatility
  - Tax rate to decline to 30-35%

Cash conversion* >60%

* Calculated as (EBITDA pre – capex) / EBITDA pre

LANXESS

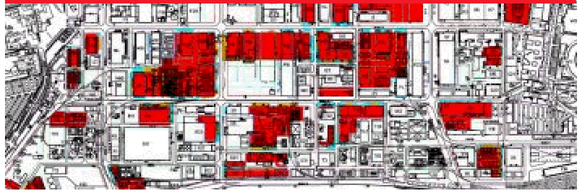
LANXESS financial profile will transform

New LANXESS will be fundamentally changed

Regional platform

Industrial platform

Market positions



EBITDA pre margin 14–18% (through the cycle)

Cash conversion* >60%

Lower volatility of earnings

* Calculated as (EBITDA pre – capex) / EBITDA pre

LANXESS

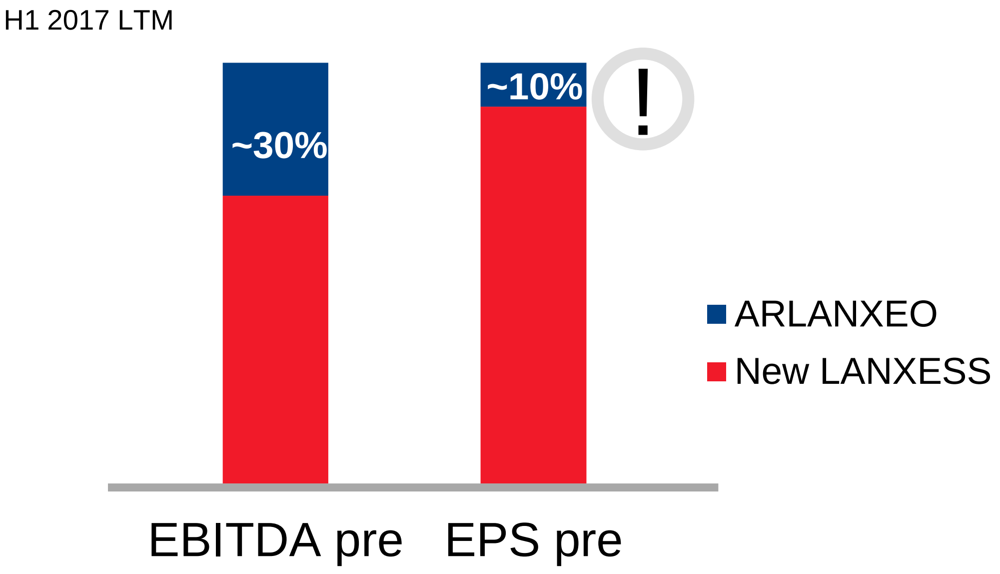
Transformation of the financial profile

- Recap from a financial perspective
- Financial improvements to come
- Deconsolidation of ARLANXEO

LANXESS

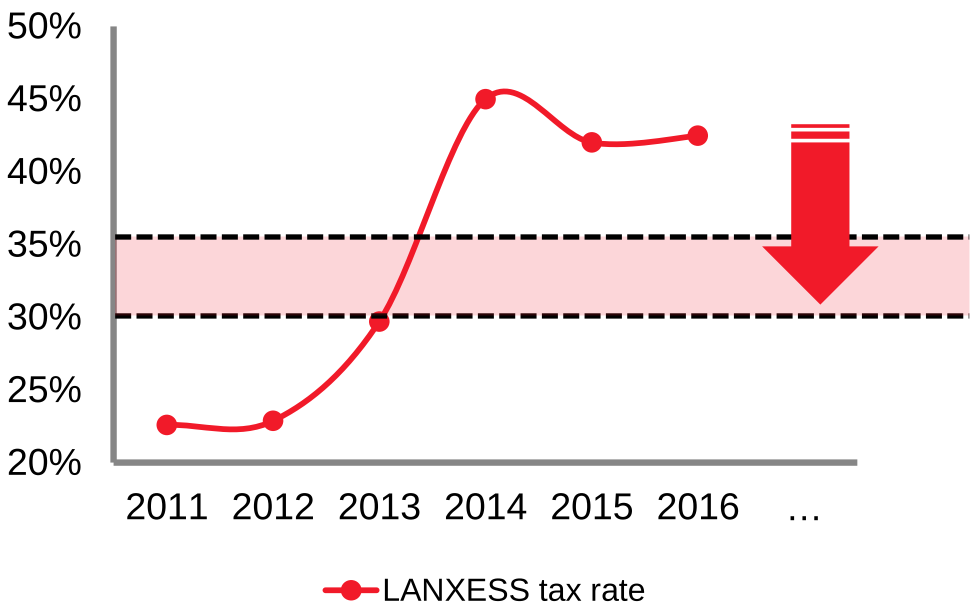
ARLANXEO with marginal contribution to EPS – New LANXESS tax rate reduced after deconsolidation

Minor ARLANXEO contribution to EPS



High ARLANXEO D&A after heavy investment cycle

Tax rate of New LANXESS will be at 30-35%



High ARLANXEO tax rate due to unfavorable regional distribution of earnings

LANXESS

ARLANXEO deconsolidation will lead to a substantial reduction of currency risk

Substantially reduced FX sensitivity

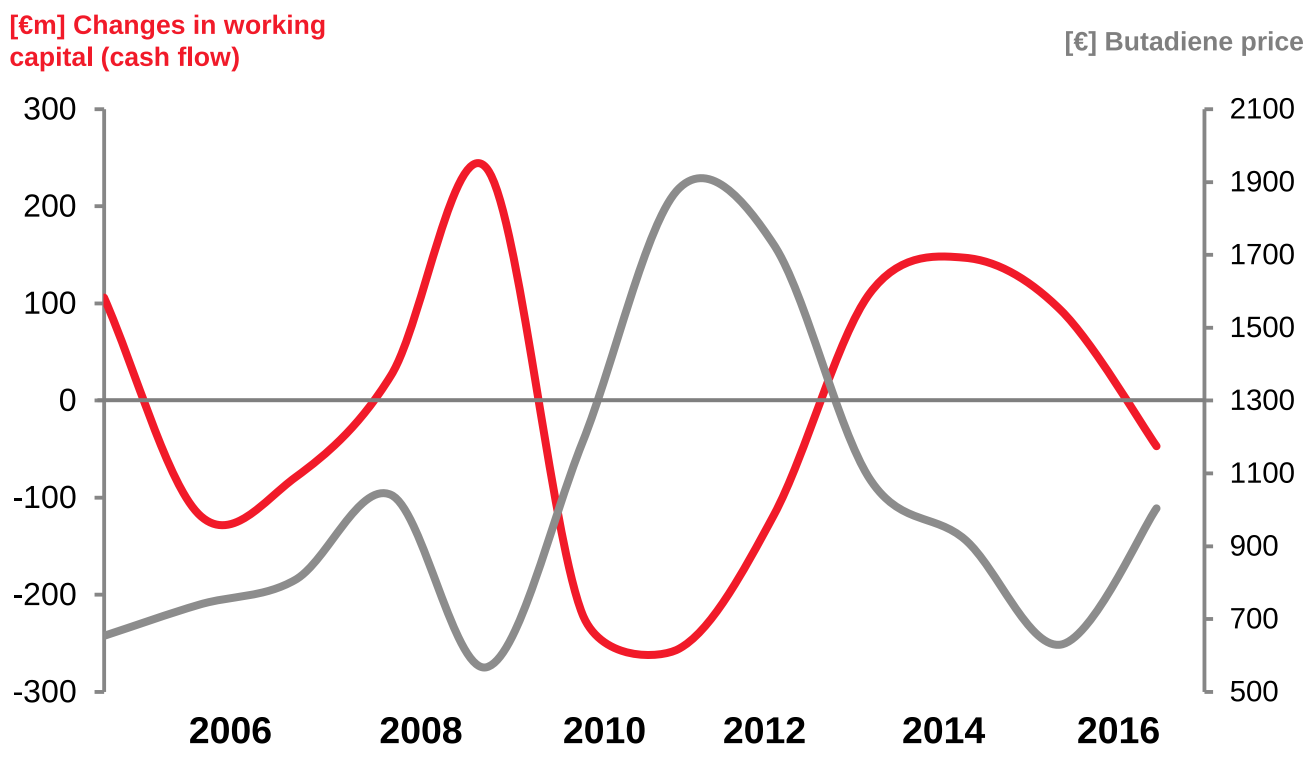
- Chemtura consolidated since 21 April 2017
- ARLANXEO reported as disc. operations from 01 April 2018

1ct change in the USD/EUR rate impacts EBITDA by ~€7 m before hedging
(was ~€9 m before)

LANXESS

Volatility of working capital will be significantly reduced after deconsolidation of ARLANXEO

ARLANXEO significantly impacted free cash flow in the past



- Butadiene, one of the main raw materials for ARLANXEO, with strong volatility
- Butadiene volatility main driver for working capital changes in the past

Volatility of working capital will be significantly reduced

LANXESS

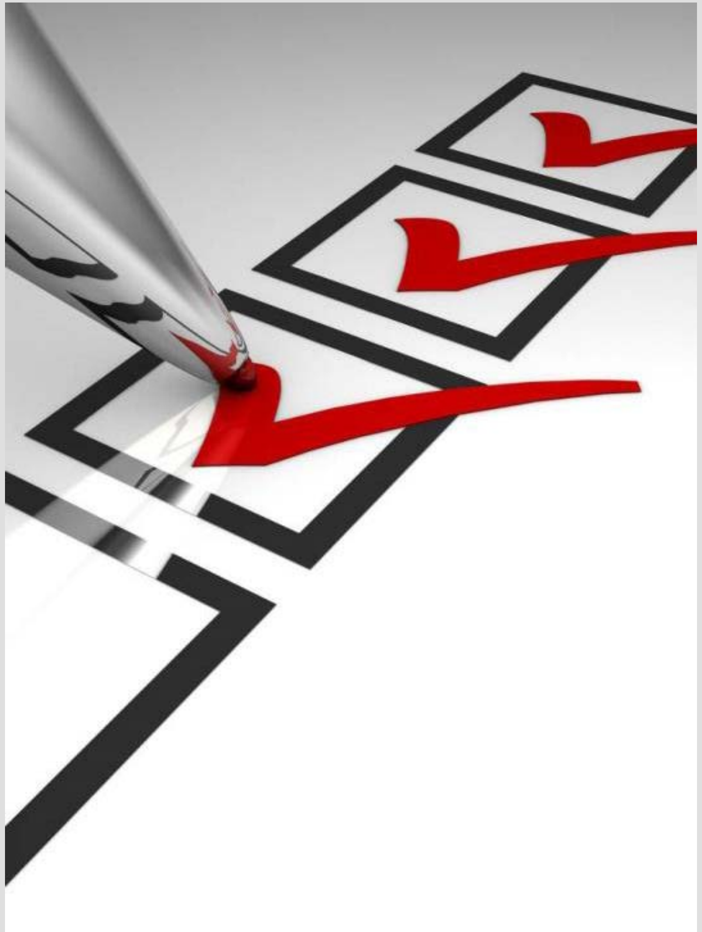
LANXESS transformation will lead to an improved financial profile

Strategy implementation with deep financial mindset

Integration benefit and financially highly attractive organic growth projects drive profitability

Continued focus on increasing free cash flow generation, paired with less volatility

LANXESS is committed to a solid investment grade rating



LANXESS

... to be continued.