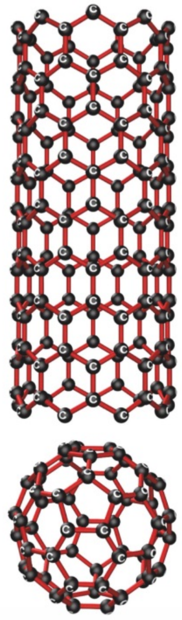

LANXESS – Conference Presentation

A successful year: promise and delivery
Q4 proves resilience

Investor Relations

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Agenda

Our journey: Shaping LANXESS

LANXESS
Energizing Chemistry

- Clear strategy accelerates transformation
- Faster leverage of synergies
- Focus on high yield growth CAPEX projects
- Early exit of synthetic rubber*:
  - Financials immediately strengthened again
  - Improved business and financial risk profile

* Closing for transfer of the remaining 50% of ARLANXEO expected end of 2018

Improving portfolio of businesses

Organic growth

- Several projects of manageable size underway
- Attractive, return-improving project ROCE (~20%)

Portfolio management

- Acquisitions executed at reasonable prices strengthen portfolio and add resilience
- Divestments prove diligent approach to portfolio management

Self-help measures in execution

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Restructuring

- Site closures where restructuring is necessary
- Continuous evaluation of businesses

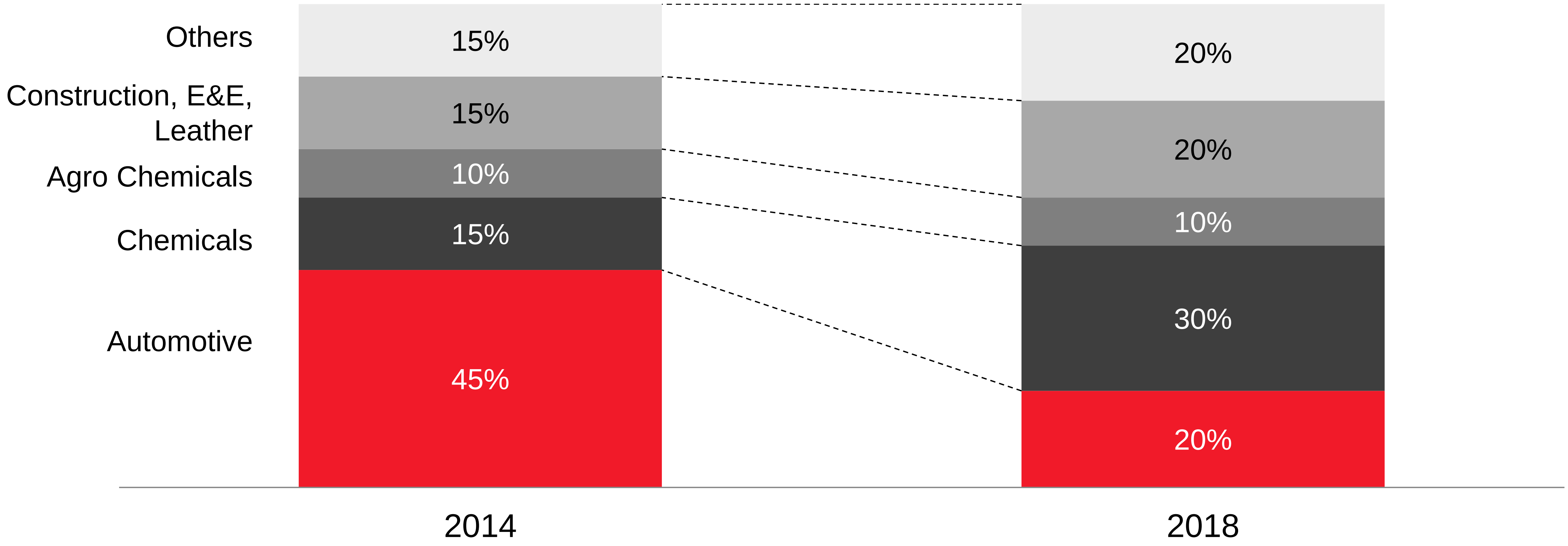
Synergies

- Realization of Chemtura synergies ahead of plan
- Sales synergies not included, providing further cushion in softening environment

Solid foundation for the LANXESS platform

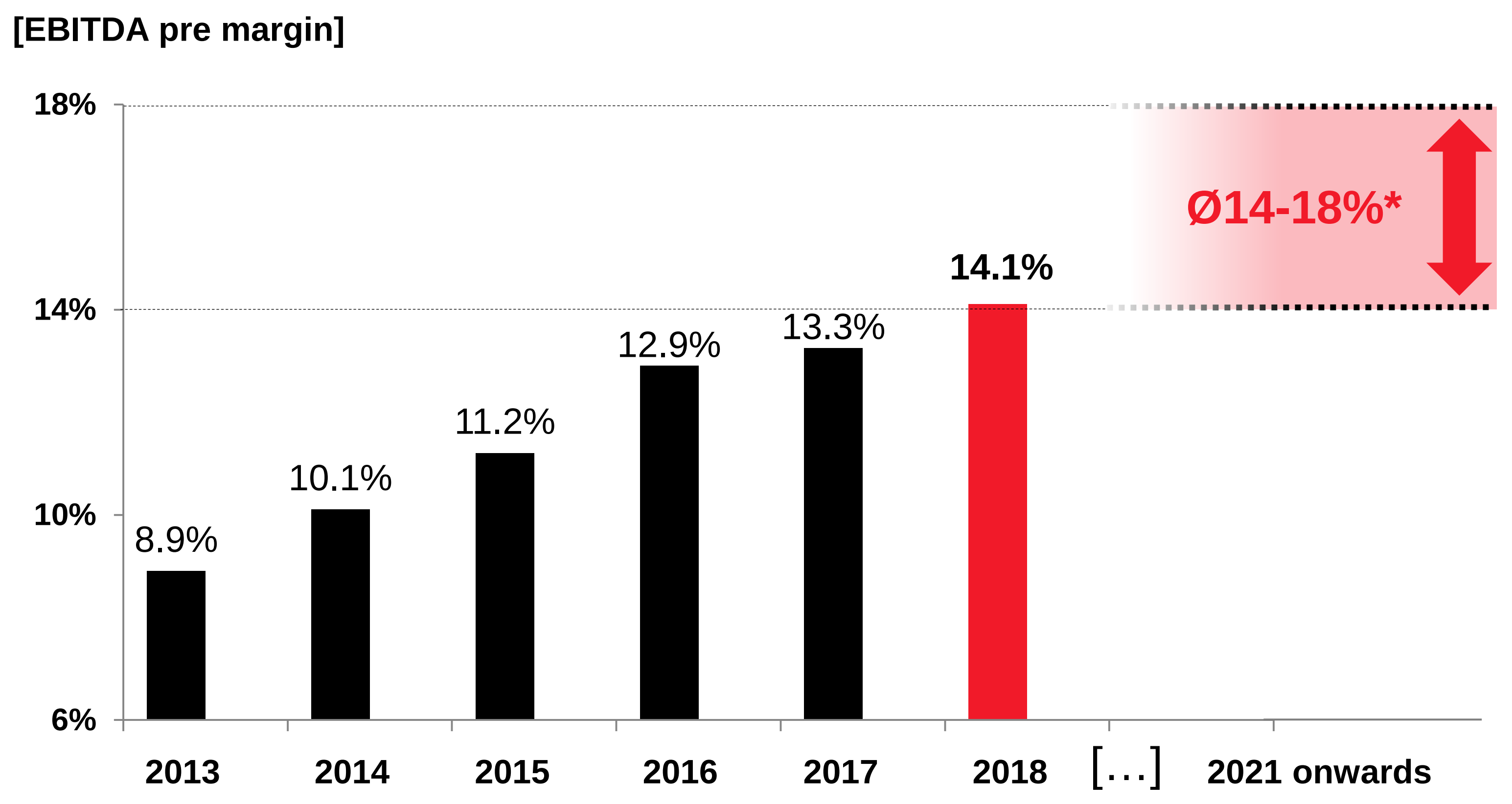
More diversified and resilient end market exposure…

End market split by sales



…and EBITDA-margin in targeted corridor

Trajectory to mid-term target



Figures until 2017 incl. ARLANXEO
* Group EBITDA pre margin through the cycle

Self-help measures in place to achieve goals and become more resilient

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Self-help measures

- Debottlenecking and brownfield growth capex (ROCE of ~20%)
- Implementation of remaining €30 m synergies from Chemtura until 2020
- Saltigo improvement
- Take Organometallics' margin to industry level (~15%)
- Further portfolio alignment

On track to reach financial goals for 2021

EBITDA pre margin (group, Ø through the cycle)	**14-18%**
Cash con-version*	**>60%**
EBITDA pre margin volatility	 **2-3%pts**

* Cash conversion: (EBITDA pre – capex) / EBITDA pre

FY 2018: Strategic milestones achieved

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Strategic highlights

- Successful divestment of rubber JV (ARLANXEO) ✓
- Acquisition of Solvay’s U.S. phosphorus additives business ✓
- Cooperation with Standard Lithium in El Dorado (USA) ✓
- ~€150 m brownfield and debottlenecking investments ✓
- Optimization of production network (Zárate, Ankerweg, Reynosa) ✓
- Chemtura integration fully on track, delivering on promised synergies ✓

FY 2018: Delivered as promised - strong earnings despite FX and macro economic burden

Financial highlights

Despite weakening economy, delivery on upper end of guidance (EBITDA pre €1,016 m)

Price pass-through and volume momentum even in Q4

Stronger portfolio clearly shows resilience and enables the offsetting of weak Saltigo, Leather and Inorganic Pigments businesses

Strengthened balance sheet as platform for further growth

FY 2018: Improved results in three segments drive performance in tougher environment

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EBITDA pre

Segment	2017	2018	Change
Advanced Intermediates	335	359	+7%
Specialty Additives	267	343	+28%
Performance Chemicals	252	187	-26%
Engineering Materials	219	267	+22%

Advanced Intermediates
- **Strong performance despite**
  - Agro weakness
  - Organometallics not being fixed yet

Specialty Additives
- **Substantial increase despite**
  - Synergies not yet fully realized
  - Weakness in BU RCH

Performance Chemicals
- Very tough chrome ore value chain
- Difficult market in relevant construction applications

Engineering Materials
- **Significant development despite**
  - Softening demand in auto industry
  - Raw material price headwind in BU URE (TDI / MDI)

Q4 2018: Proof of more resilient portfolio

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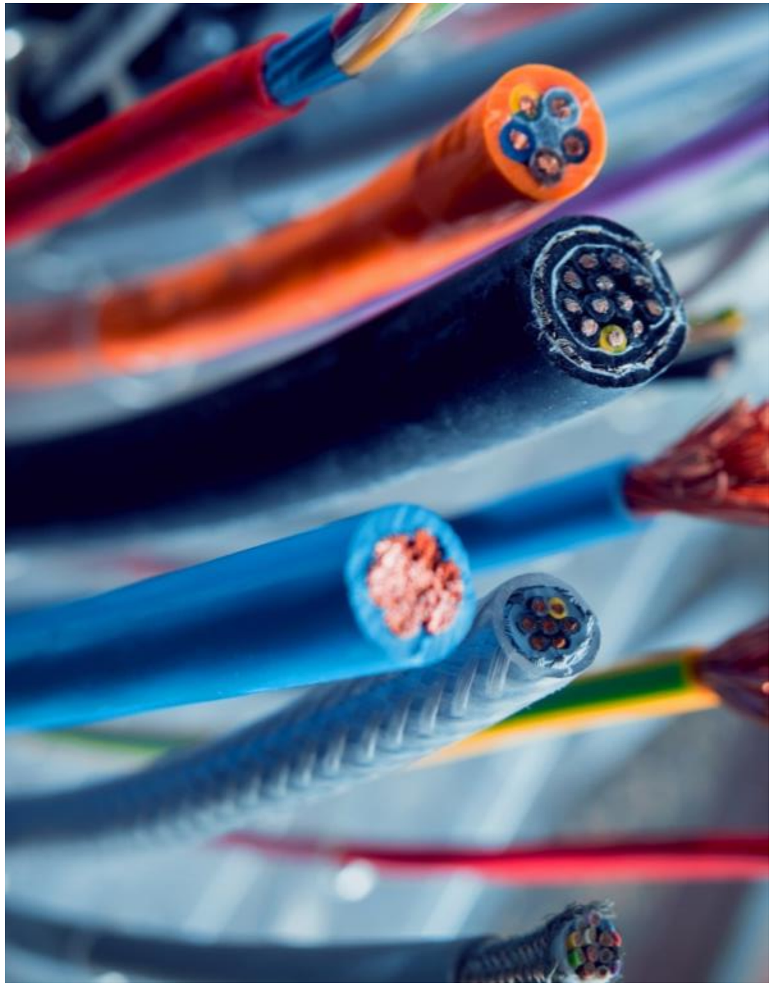
Business highlights / lowlights

- ✚ 8% sales growth driven by volume and price increases
- ✚ EBITDA pre flat despite higher energy and freight costs
- ✚ First indication of recovery in BU Saltigo
- ▬ Softening in automotive and construction markets
- ▬ BU Leather with potential to improve



Ongoing political risks lead to increased uncertainty about economic development

Relevant economic trends 2019	▪ General economic development is uncertain ▪ Moderate softening in auto premium segment in China assumed ▪ China growth expected on lower level
LANXESS FY 2019	▪ **EBITDA pre expected around previous year's level** (including IFRS 16 effect)*
LANXESS Q1 2019	▪ Stable YoY development (including IFRS 16 effect) despite weakening of some markets

* Reclassification of ~€35 m from operating result to depreciation and interest expense leading to EBITDA pre improvement

The journey continues - exciting times ahead

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Solid platform

- Business units leading in growing markets
- Robust regional set-up

Targeted growth

- Leveraging our efficient value chains with focus on higher value-add products
- Strong organic growth pipeline balanced over all segments - capital allocation with high reward but low risk

Energizing Chemistry

- Team with proven race experience
- Keen on execution
- Building a more profitable and resilient LANXESS engine

Agenda

Q4 2018: Solid financials

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[€ m]	Q4 2017	Q4 2018	yoy in %
Sales	**1,635**	**1,766**	**8%**
EBITDA pre	**179**	**179**	**0%**
margin	10.9%	10.1%	
EPS (group)	-0.54	1.08	>100%
EPS pre (continuing)[1]	0.43	0.61	42%
Capex	194	240	24%

[€ m]	31.12.2017[2]	30.09.2018	31.12.2018	Δ seq%
Net financial debt[3]	2,252	2,514	1,381	-45%
Net working capital	1,948	1,535	1,455	-5%

- Higher sales driven by strong pricing and volume increases
- Flat EBITDA pre due to price pass-through of increased raw material prices; higher volumes offset by rise in energy and freight costs
- Margin dilution reflects price pass-through
- EPS boosted by book gain from ARLANXEO divestment, reduced exceptionals and in 2017 negative U.S. tax effect
- Higher capex resulting from investments in debottleneckings
- Reduced net debt due to proceeds from ARLANXEO divestment

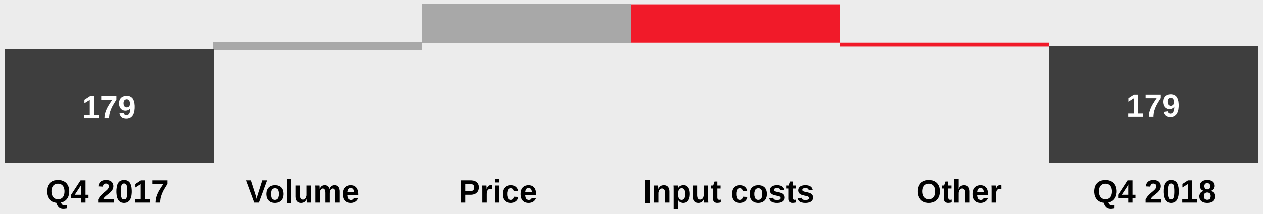
1) Net of exceptionals and amortization of intangible assets as well as attributable tax effects
2) Balance sheet items at 31.12.2017 include 100% ARLANXEO
3) After deduction of time deposits and securities available for sale

Q4 2018: Positive price and volume growth offset by higher operating costs

Q4 yoy sales variances	Price	Volume	FX	Portfolio	Total
Advanced Intermediates	+8%	+11%	1%	0%	+20%
Specialty Additives	+3%	-2%	+0%	+4%	+4%
Performance Chemicals	-1%	-4%	+1%	-1%	-5%
Engineering Materials	+5%	+9%	+1%	0%	+15%
LANXESS	+4%	+3%	+1%	+1%	+8%

- Sales growth driven by successful raw material price pass-through (esp. BUs AII, ADD and HPM) and increased volumes in segment Advanced Interm. and BU HPM
- Effect from acquisition of Solvay’s phosphorus additives mitigated by divestment of chlorine dioxide business

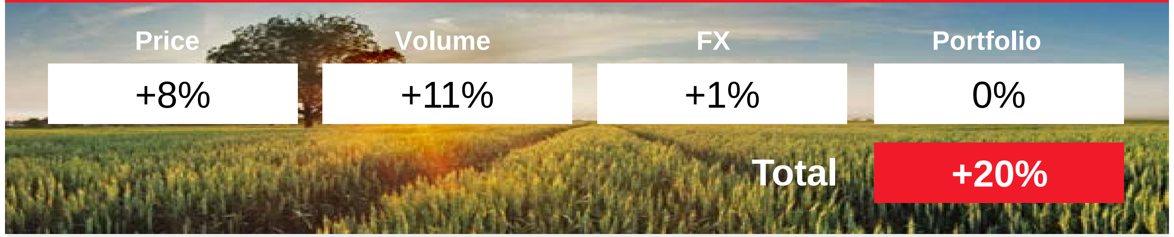
Q4 yoy LANXESS EBITDA pre bridge [€ m]



- Flat EBITDA pre: higher volumes offset by higher operating costs (e.g. energy, freight)
- “Other” cost items mitigated by positive FX effects

Q4 2018: Both segments with improved results and margins

Advanced Intermediates

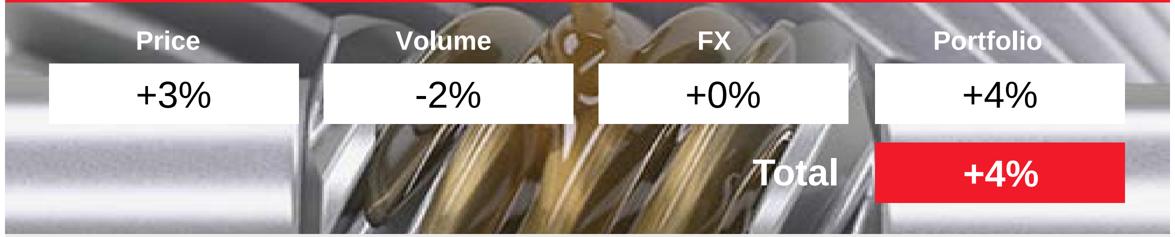


Price	Volume	FX	Portfolio
+8%	+11%	+1%	0%
		Total	**+20%**

- Price increase mainly driven by successful raw material price pass-through in BU AII
- Solid volume growth in BU AII; new contracts in BU SGO, over emphasized volumes by IFRS 15 effect
- Improved EBITDA pre and margin despite higher energy and freight cost in BU AII; BU SGO with improved utilization

[€ m]	Q4'17	Q4'18
Sales	470	562
EBITDA pre	60	73
Margin	12.8%	13.0%

Specialty Additives



Price	Volume	FX	Portfolio
+3%	-2%	+0%	+4%
		Total	**+4%**

- All businesses with positive price development driven by successful raw material price pass-through
- Volume decline in BU RCH due to lower auto demand
- Portfolio reflects acquisition of Solvay's U.S. phosphorus additives business
- EBITDA pre and margin also improved due to synergies

[€ m]	Q4'17	Q4'18
Sales	451	470
EBITDA pre	71	78
Margin	15.7%	16.6%

Q4 2018: Engineering Materials continuously strong on high level, Performance Chemicals still weak

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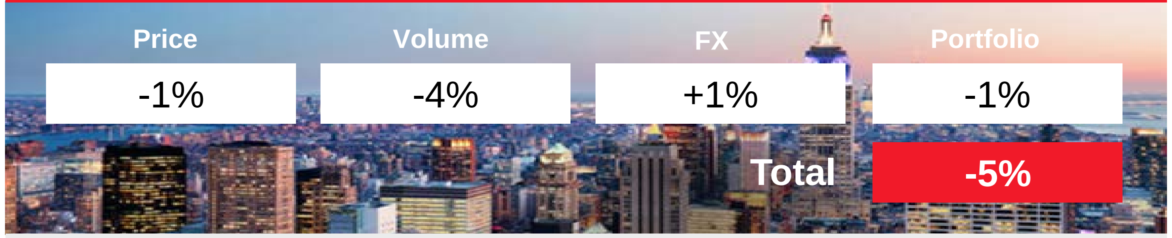
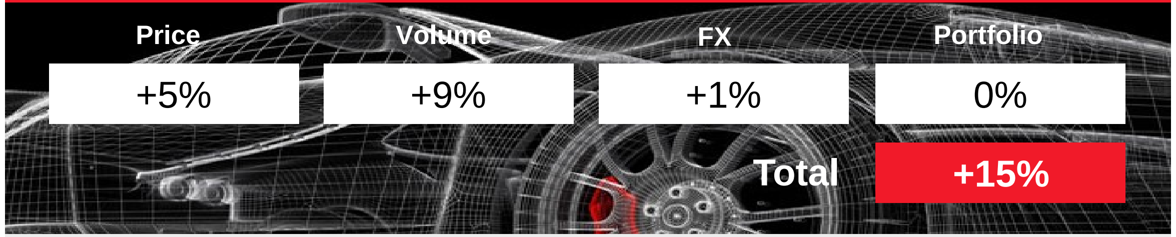
Performance Chemicals



- BU MPP and BU LPT with price and volume increases driven by good demand
- Price and volume decline in BU IPG and BU LEA reflect site closure, lower chrome prices (both LEA) and softer construction market (IPG)
- Consequently, EBITDA pre and margin drop

[€ m]	Q4'17	Q4'18
Sales	339	323
EBITDA pre	48	24
Margin	14.2%	7.4%

Engineering Materials



- Strong price increase mainly driven by successful raw material price pass-through in BU HPM
- Volume increase in BU HPM, however somewhat inflated by a trade business deal
- Solid EBITDA pre and margin reflect good operational performance

[€ m]	Q4'17	Q4'18
Sales	340	391
EBITDA pre	35	43
Margin	10.3%	11.0%

Q4 2018: Good operational performance and ARLANXEO divestment drive net income

[€ m]	Q4 2017		Q4 2018		yoy in %
Sales	1,635	(100%)	1,766	(100%)	8%
Cost of sales	-1,240	(-76%)	-1,381	(-78%)	-11%
Selling	-207	(-13%)	-213	(-12%)	-3%
G&A	-104	(-6%)	-89	(-5%)	14%
R&D	-22	(-1%)	-30	(-2%)	-36%
EBIT	**40**	**(2%)**	**45**	**(3%)**	**13%**
Profit from continuing operations	-48	(-3%)	15	(1%)	>100%
Profit from discontinued operations	-1	(0%)	111	(6%)	>100%
Minorities	0	(0%)	27	(2%)	>100%
Net Income	**-49**	**(-3%)**	**99**	**(6%)**	**>100%**
EPS pre* (continuing)	**0.43**		**0.61**		42%
EBITDA	147	(9%)	166	(9%)	13%
thereof exceptionals	-32	(-2%)	-13	(-1%)	-59%
EBITDA pre exceptionals	**179**	**(10.9%)**	**179**	**(10.1%)**	**0%**

- Sales increase due to higher prices and volumes
- Increase in selling expenses driven by higher freight costs
- Improved G&A costs mainly reflect synergies and variable compensation
- Higher R&D costs due to product registrations and new strategic projects
- Net income boosted by book gain from ARLANXEO divestment (€90 m); PY impacted by one-time effect from U.S. tax reform

Solid result in challenging environment

* Net of exceptionals and amortization of intangible assets as well as attributable tax effects and non-recurring effects of the U.S. tax reform (2017)

Q4 2018: Sales and double-digit EBITDA growth in three segments, Performance Chemicals weak

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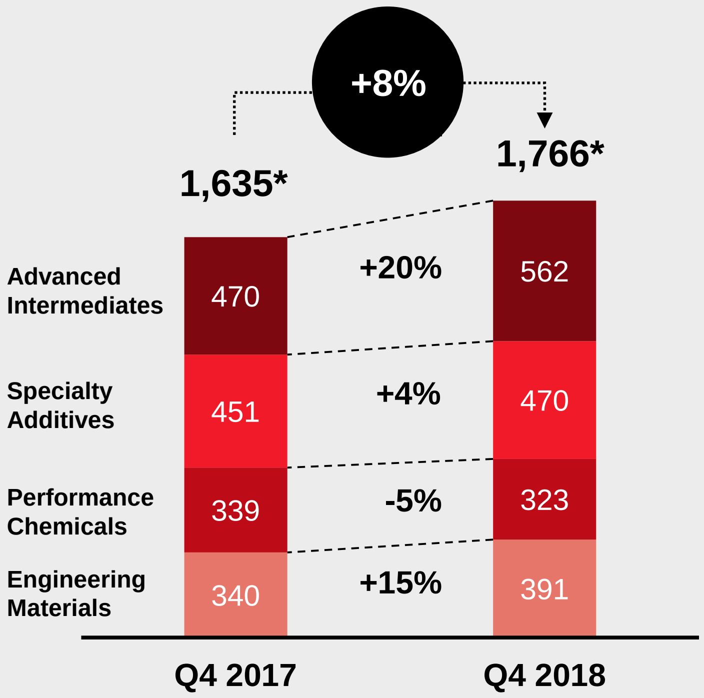
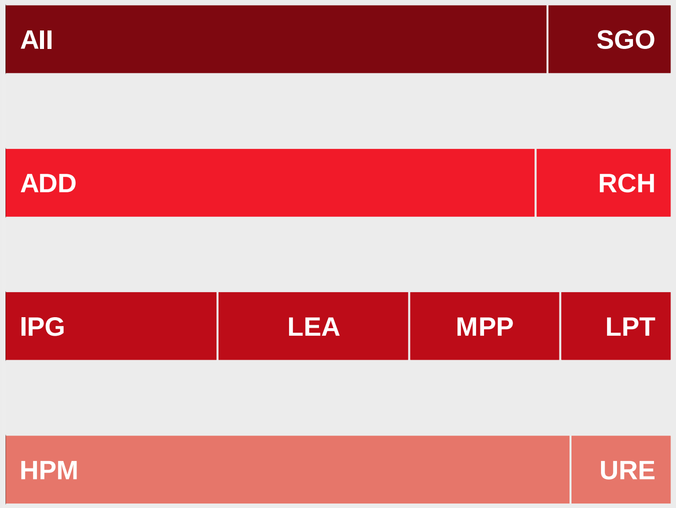
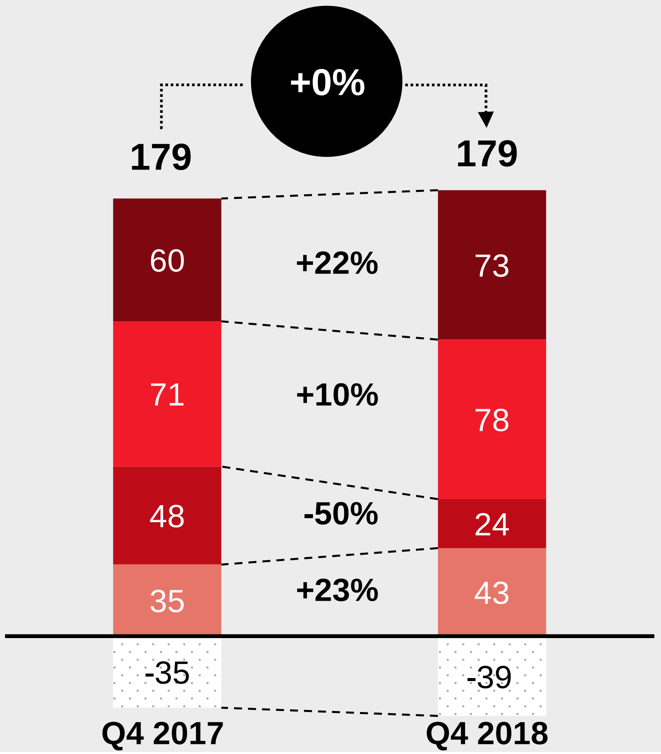
[€ m] Sales





[€ m] EBITDA pre

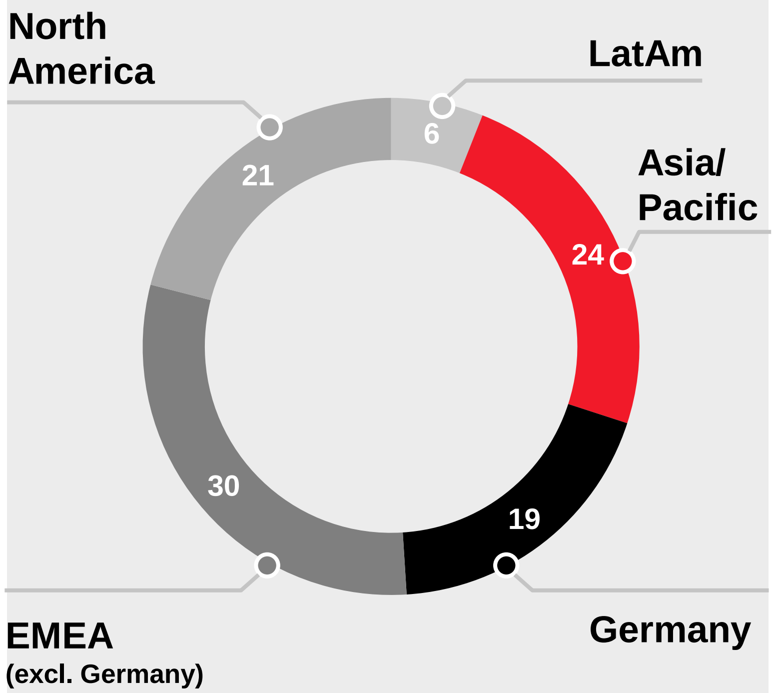


Advanced Intermediates | Specialty Additives | Performance Chemicals | Engineering Materials | Reconciliation

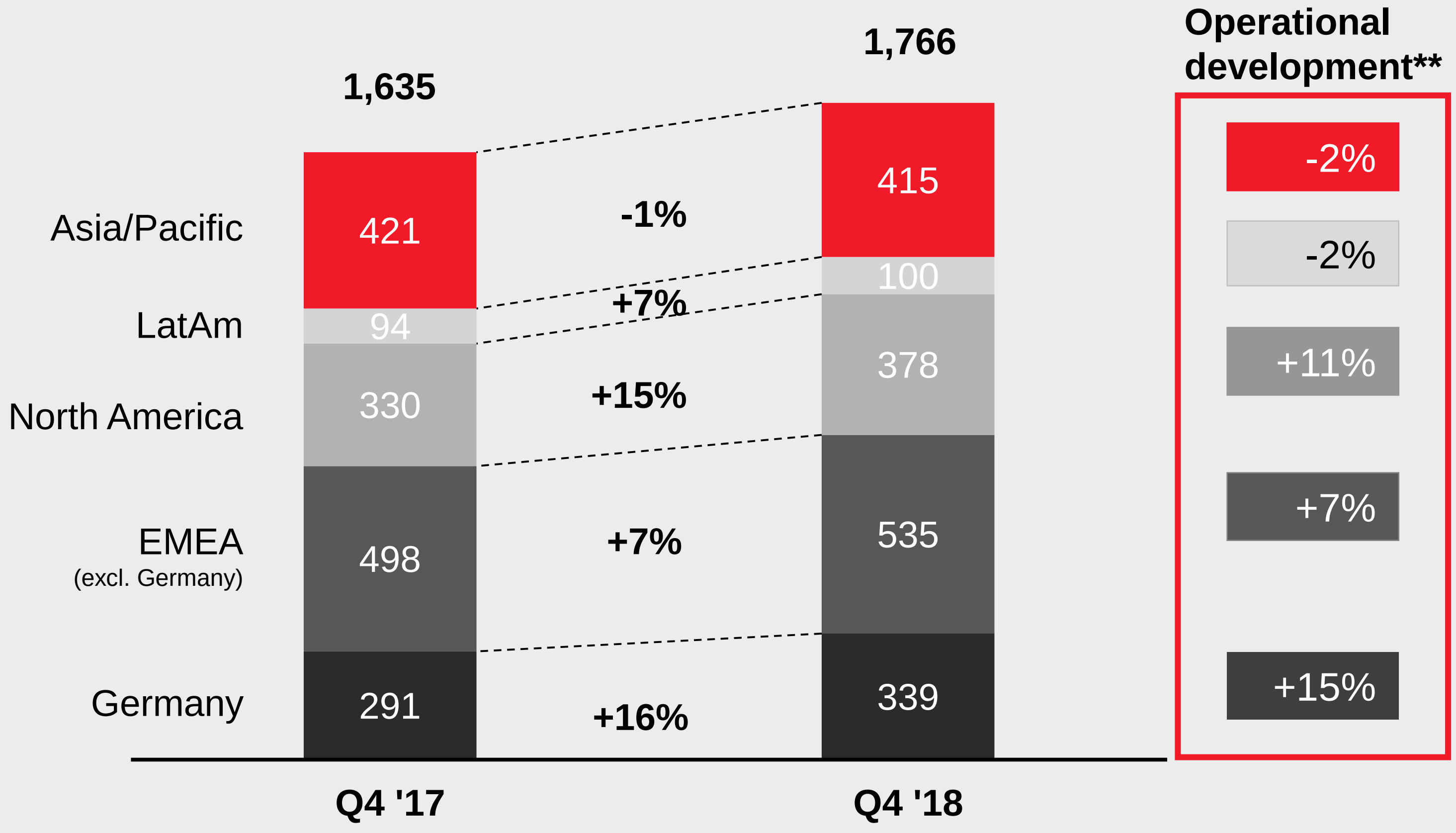
* Total group sales including reconciliation

Q4 2018: Sales increase in most regions – slightly softer demand in Asia

Q4 2018 sales by region* [%]



Regional development of sales* [€ m]



* All figures are indicative only
** Currency and portfolio adjusted

Cash flow Q4 2018: Timing of some items impacts operating cash flow

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[€ m]	Q4 2017	Q4 2018
Profit before tax	**10**	**14**
Depreciation & amortization	107	121
Financial (gain) losses	19	23
Income taxes paid	-18	-63
Changes in other assets and liabilities	32	-27
Operating cash flow before changes in WC	**151**	**68**
Changes in working capital	124	117
Operating cash flow (continuing operations)	**275**	**185**
Investing cash flow (continuing operations)	**-255**	**373**
Thereof capex	-194	-240
Financing cash flow (continuing operations)	**-19**	**-11**

- Incomparable timing of tax payments
- Changes in other assets and liabilities driven by lower provisions for variable compensation and utilization of provisions, e.g. restructuring
- Changes in working capital com-parable to previous year's level
- Investing cash flow significantly improved due to proceeds from ARLANXEO divestment, reduced by pension funding and investment of remaining amount
- Capex increase driven by debottlenecking investment program

Balance Sheet: Solid!

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[€ m]	31.12.2017[1]	30.09.2018	31.12.2018
Total assets	**10,411**	**10,545**[1]	**8,687**
Equity (incl. non-controlling interest)	3,413	3,626[1]	2,773
Equity ratio	**33%**	**34%**[1]	**32%**
Net financial debt (incl. Treasury Financial Assets)	**2,252**	**2,514**	**1,381**
Near cash, cash & cash equivalents	588	181	797
Pension provisions	**1,490**	**1,247**	**1,083**
ROCE[2]	**9.3%**	**-**	**11.4%**
Net working capital	**1,948**	**1,535**	**1,455**
DSI (in days)[3]	65	68	69
DSO (in days)[4]	51	46	46

- Reduced total assets due to deconsolidation of ARLANXEO
- Substantially reduced net financial debt resulting from ARLANXEO divestment
- Cash proceeds partly included in treasury financial assets
- Significantly lower pension provisions due to €200 m funding
- Improved ROCE reflects higher return of New LANXESS
- Seasonal improvement in net working capital

1) LANXESS Group including ARLANXEO 2) 2018 adjusted for cash proceeds received from Saudi Aramco (€1.4 bn less €200 m pension funding) 3) Days sales of inventory calculated from quarterly sales 4) Days of sales outstanding calculated from quarterly sales

Agenda

1 A strong foundation for the future

2 Q4 2018 proves resilience

3 Back-up

Housekeeping items

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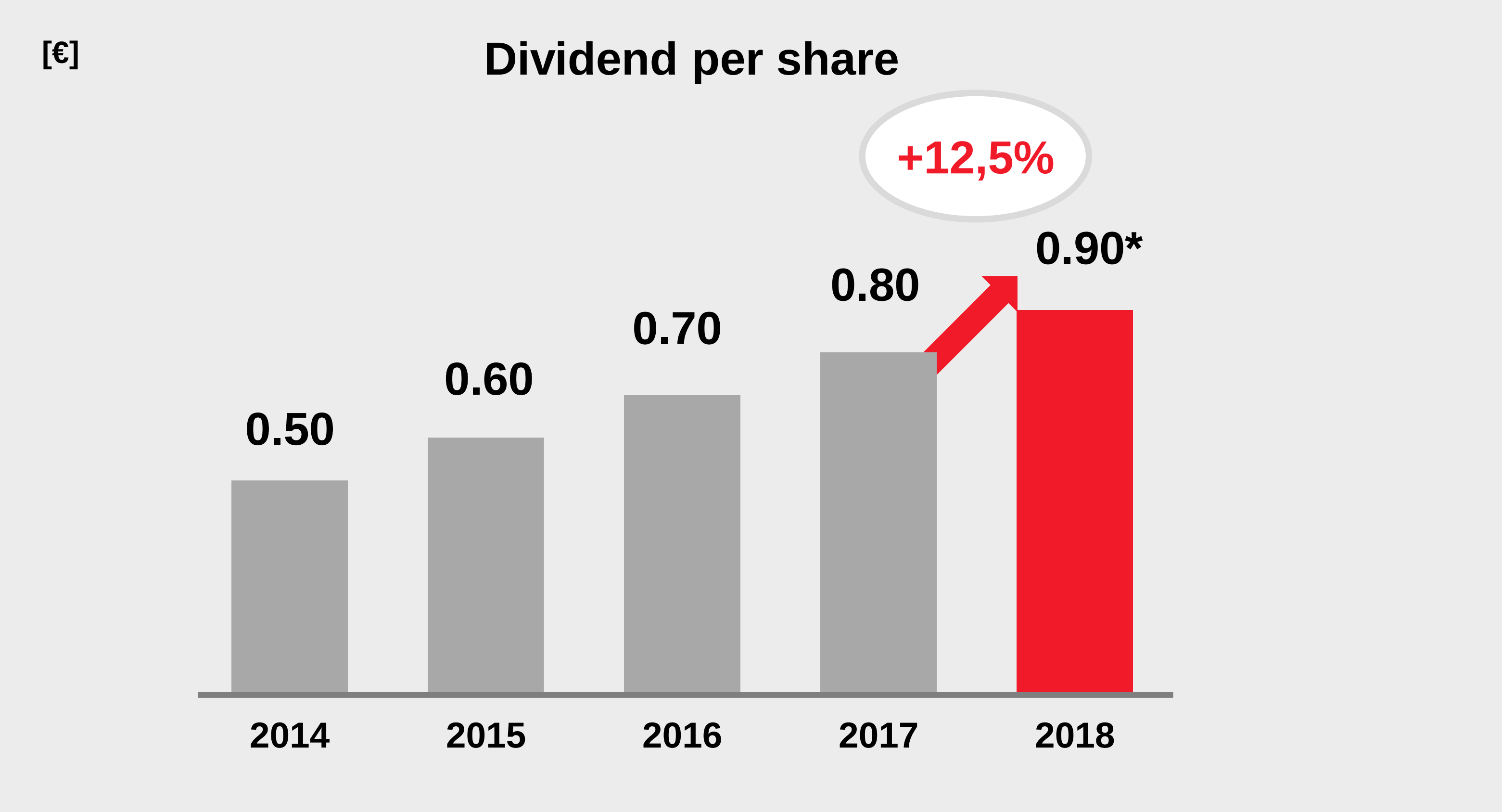
LANXESS financial expectations

▪ **Capex 2019:**	~€500 m
▪ **Operational D&A 2019:**	~€450 m
▪ **Reconciliation 2019:**	~€150 m - €160 m including remnant costs
▪ **Tax rate:**	lower end of 30-35%
▪ **Exceptionals 2019:**	€30 m - €60 m based on current initiatives
▪ **FX sensitivity:**	one cent change of USD/EUR resulting in ~€7 m EBITDA pre impact before hedging

- **IFRS 16 effects:**
  - Reclassification of ~€35 m from operating result to depreciation and interest expense (low single-digit millions) leading to EBITDA pre improvement
  - Rise in fair value of leasing liabilities by ~€130 m burdening net debt

Shareholders benefit from rising dividend and share buy-back

A reliable income stream for investors



Dividend policy

LANXESS aims for a rising or at least stable dividend

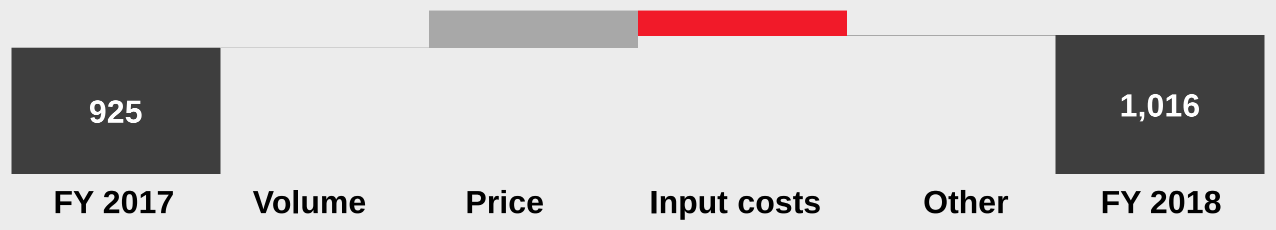
* To be proposed to the Annual General Meeting on May 23, 2019

FY 2018: Strong operating development and portfolio effect drive financials

FY18 yoy sales variances	Price	Volume	FX	Portfolio	Total
Advanced Intermediates	+8%	+4%	-2%	+2%	+12%
Specialty Additives	+3%	-1%	-2%	+23%	+23%
Performance Chemicals	+0%	-2%	-3%	-2%	-6%
Engineering Materials	+6%	+5%	-1%	+6%	+15%
LANXESS	+4%	+1%	-2%	+7%	+10%

- Strong sales growth due to successful raw material price pass-through (esp. BUs AII, ADD and HPM) and portfolio effect
- Strong volume growth in BUs AII and HPM mitigated by decline in BU LEA and plant closures in BU ADD
- FX headwind especially in first half of 2018

FY yoy LANXESS EBITDA pre bridge [€ m]*



- EBITDA pre increase driven by successful price pass-through and portfolio
- “Other” includes inflated other operating costs and negative FX impact, over compensated by positive portfolio effect

* Indicative / unaudited

FY 2018: Financials driven by good operating performance and acquisitions

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[€ m]	FY 2017		FY 2018		yoy in %
Sales	6,530	(100%)	7,197	(100%)	10%
Cost of sales	-4,796	(-73%)	-5,363	(-75%)	-12%
Selling	-761	(-12%)	-826	(-11%)	-9%
G&A	-326	(-5%)	-307	(-4%)	6%
R&D	-103	(-2%)	-118	(-2%)	-15%
EBIT	**299**	**(5%)**	**504**	**(7%)**	**69%**
Profit from continuing operations	60	(1%)	272	(4%)	>100%
Profit from discontinued operations	64	(1%)	251	(3%)	>100%
Non-controlling interests	37	(1%)	92	(1%)	>100%
Net Income	**87**	**(1%)**	**431**	**(6%)**	**>100%**
EPS pre* (continuing)	**3.84**		**4.45**		**16%**
EBITDA	709	(11%)	935	(13%)	32%
thereof exceptionals	-216	(-3%)	-81	(-1%)	-62%
EBITDA pre exceptionals	**925**	**(14.2%)**	**1,016**	**(14.1%)**	**10%**

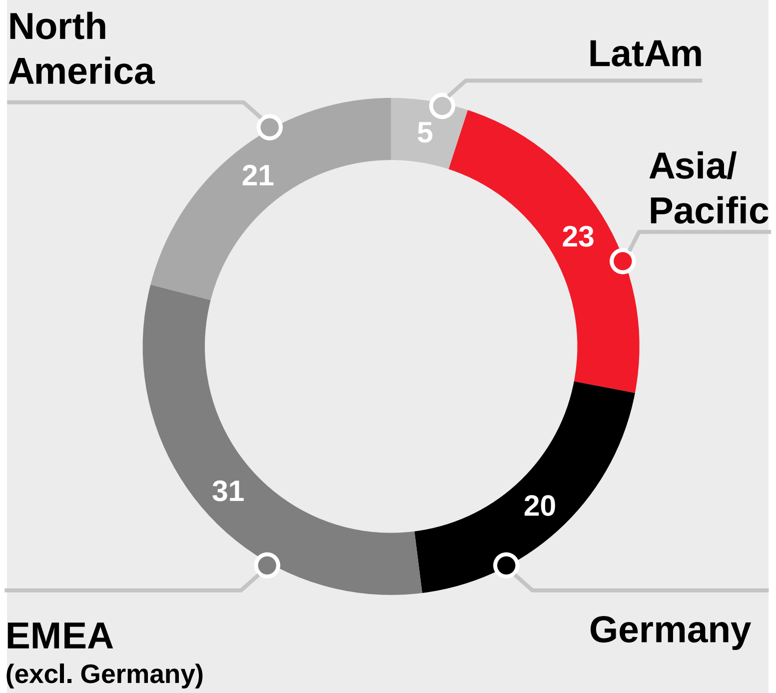
- Sales driven by price pass-through and acquired businesses (Chemtura, Solvay), FX burdens
- Disproportionate rise in cost of sales due to increased operational costs (e.g. energy, environmental)
- Improved G&A costs reflect reclassification effect from discontinued operations
- Significant EBIT boost due to good performance and lower exceptionals
- Book gain from rubber divestment included in profit from disc. ops.

LANXESS achieves very good results in new setup

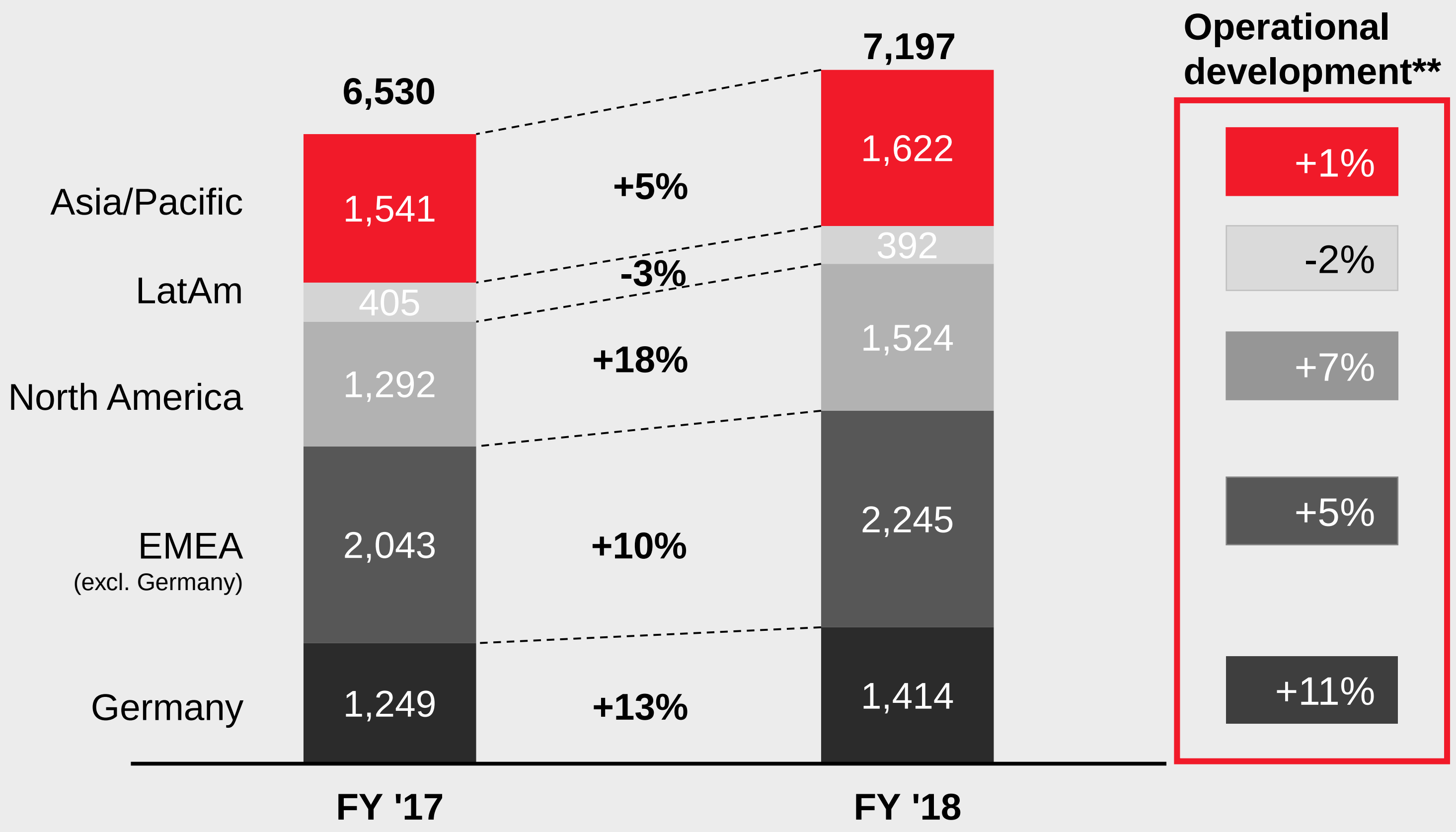
* Net of exceptionals and amortization of intangible assets as well as attributable tax effects and non-recurring effects of the U.S. tax reform (2017)

FY 2018: Strong sales growth in all regions except Latin America

FY 2018 sales by region* [%]



Regional development of sales* [€ m]



* All figures are indicative only
** Currency and portfolio adjusted

FY2018: Most segments with strong sales and EBITDA pre growth

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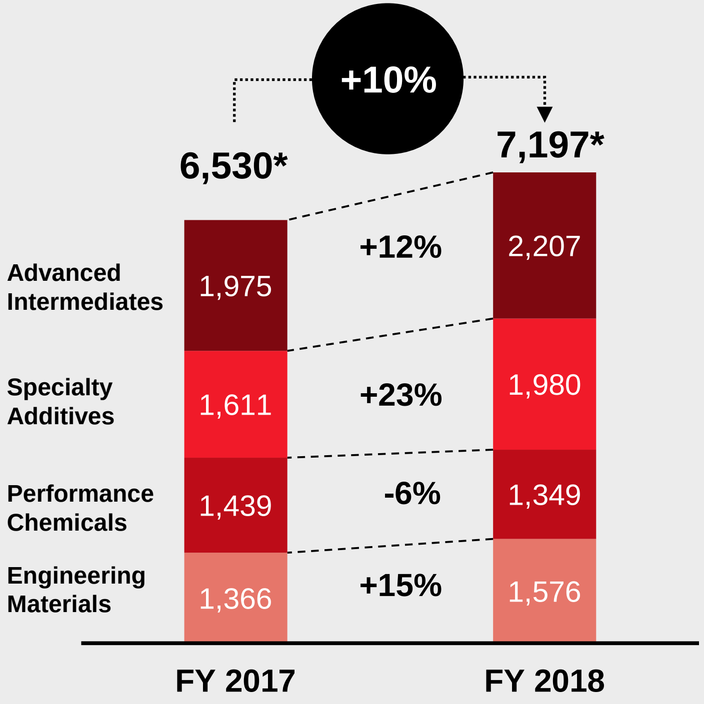
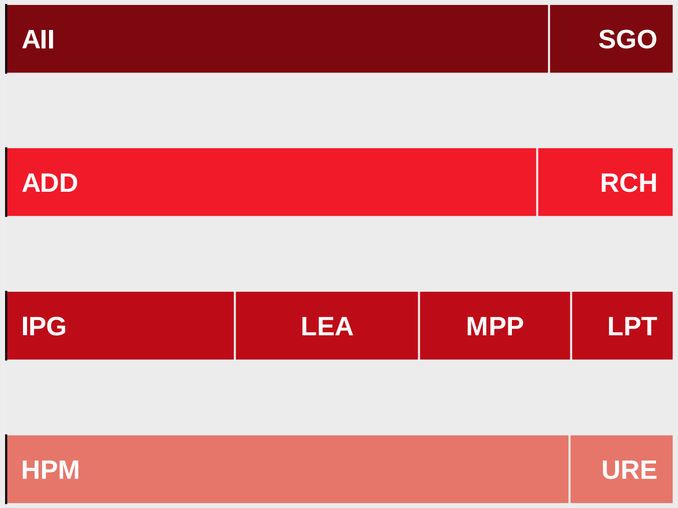
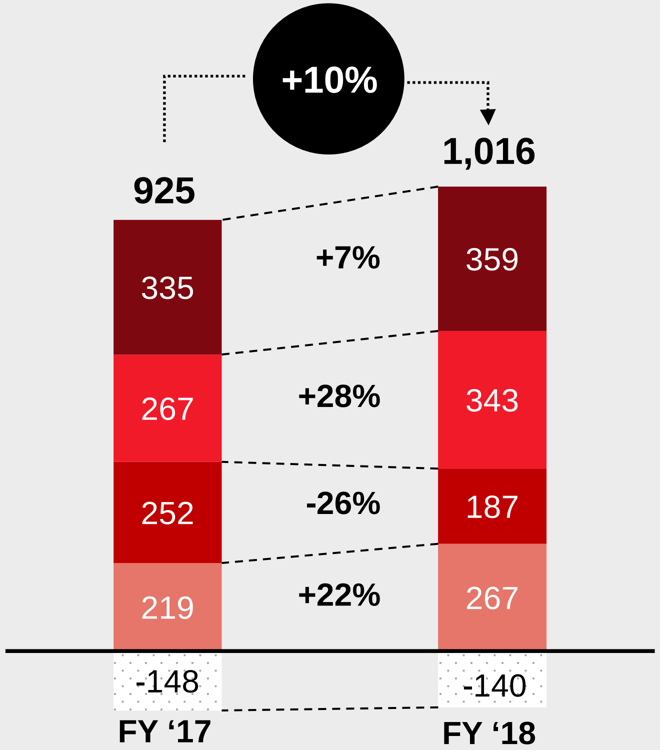
[€ m] Sales





[€ m] EBITDA pre



Advanced Intermediates | Specialty Additives | Performance Chemicals | Engineering Materials | Reconciliation

* Total sales including reconciliation

FY 2018: Cash flow reflects good operational performance mitigated by higher working capital

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[€ m]	FY 2017	FY 2018
Profit before tax	**219**	**390**
Depreciation & amortization	410	431
Financial (gain) losses	35	63
Cash tax payments/refunds	-139	-156
Changes in other assets and liabilities	108	-90
Operating cash flow before changes in WC	**634**	**637**
Changes in working capital	-66	-165
Operating cash flow (continuing operations)	**568**	**472**
Investing cash flow (continuing operations)	**-22**	**65**
Thereof capex	-397	-497
Thereof M&A / ARLANXEO divestment	-1,794	1,238
Thereof CTA* funding	0	-200
Financing cash flow (continuing operations)	**-545**	**-160**

- Changes in other assets and liabilities driven by higher cash outs for variable compensation and restructuring
- Changes in working capital in line with increase of sales, working capital in % of sales stable
- Investing cash flow contains:
  - Capex increases due to growth capex in debottlenecking
  - €1.4 bn proceeds from ARLANXEO divestment
  - €200 m pension funding (CTA)
  - Deposit of ~€500 m in fin. assets
- Financing cash flow includes Chemtura bond redemption in 2017

* Contractual Trust Agreement

Reduced total assets and liabilities due to deconsolidation of ARLANXEO

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[€ m]	Dec 2017	Sep 2018	Dec 2018		Dec 2017	Sep 2018	Dec 2018
Non-current assets	**6.454**	**4.651**	**4.786**	**Stockholders' equity**	**3.413**	**3.626**	**2.773**
Intangible assets	1.784	1.737	1.764	attrib. to non-contr. interests	1.126	1.120	-7
Property, plant & equipment	4.059	2.448	2.577	**Non-current liabilities**	**4.540**	**4.601**	**4.395**
Equity investments	0	0	0	Pension & post empl. provis.	1.490	1.247	1.083
Other investments	9	1	2	Other provisions	460	367	337
Other financial assets	20	25	25	Other financial liabilities	2.242	2.684	2.686
Tax receivables	20	14	14	Tax liabilities	134	102	117
Other non-current assets	562	426	404	Other liabilities	101	87	83
Current assets	**3.957**	**5.894**	**3.901**	Deferred taxes	113	114	89
Inventories	1.680	1.348	1.347	**Current liabilities**	**2.458**	**2.318**	**1.519**
Trade account receivables	1.316	920	903	Other provisions	525	421	465
Other current financial assets	7	50	598	Other financial liabilities	633	42	59
Other current assets	366	237	256	Trade accounts payable	1.048	733	795
Near cash assets	50	50	0	Tax liabilities	61	51	44
Cash and cash equivalents	538	131	797	Other liabilities	191	168	156
Assets from disc. operations	0	3.158	0	Liabilities from disc. operations	0	903	0
Total assets	**10.411**	**10.545**	**8.687**	**Total equity & liabilities**	**10.411**	**10.545**	**8.687**

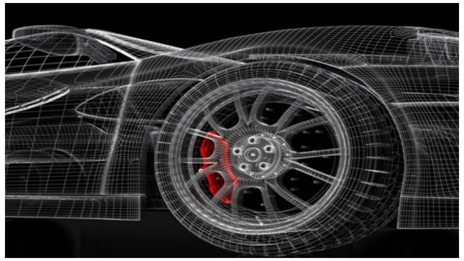
Balance sheet as of 31st Dec 2018 no longer includes ARLANXEO

LANXESS is transforming into a more resilient and less volatile company

LANXESS' more balanced setup

	Advanced Intermediates	Specialty Additives	Performance Chemicals	Engineering Materials
Sales [€]	~2.2 bn	~2.0 bn	~1.4 bn	~1.6 bn



Europe No. 1–2	Top 3 positions	No. 1–4 in niches	Leading positions

Advanced Intermediates: Solid backbone with focus on organic growth

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	AII	SGO
Market positions[1]	TOP 3	# 1
Expected growth	~3-4%	Recovery in 2019
Development focus	Rather organic	Organic & External
Growth drivers	▪ Invest €100 m into debottleneckings ▪ Ramp up profitability of Organometallics to peer level (around 15%)	▪ Best prepared for agro recovery ▪ Expand fine chemicals business

1) Position in global market (LANXESS internal market analysis)
Growth assumption on existing asset base

Specialty Additives: Leading additives platform with broad expansion opportunities

	ADD	RCH
Market positions[1]	TOP 3	# 1
Expected growth	~4%	~3%
Development focus	Organic & External	Organic & External
Growth drivers	▪ Generate synergies until 2020 ▪ Leverage position in dynamic markets ▪ Push product innovations (next generation FR) and synthetic base lubricants	▪ Use unique global scale to penetrate market ▪ Leverage innovations ▪ Streamline product portfolio

1) Position in global market (LANXESS internal market analysis)
Growth assumption on existing asset base

Performance Chemicals: Expect structural changes!

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	IPG	LEA	MPP	LPT
Market positions[1]	# 1	TOP 2	TOP 3	TOP 3
Expected growth	~ 2%	1 - 2%	3%	4 - 10%
Development focus	Organic	Restructuring	Organic & external	Organic & External
Growth drivers	▪ Benefit from industry consolidation ▪ Further penetrate and develop North American market	▪ Trimmed chrome value chain ▪ Potential partnerships	▪ Expand and enrich regulatory organization to penetrate global markets ▪ Benefit from disinfection trends	▪ Option to build-up production footprint (new assets) in North America or China ▪ Further develop high-value market applications

1) Position in global market (LANXESS internal market analysis)
Growth assumption on existing asset base

Engineering Materials: Leading players with clear strategy for market independent growth

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	HPM	URE
Market positions[1]	# 2 Europe	# 1
Expected growth	~5%	~3%
Development focus	Organic	Organic & external
Growth drivers	▪ Lightweight trend and e-mobility ▪ Capital light compounding investments ▪ Continuous consumer product innovation in E&E	▪ Expand market share in Europe and Asia ▪ Leverage further product innovations (esp. on low-free isocyanate products) ▪ Benefit from automation trends

1) Position in global market (LANXESS internal market analysis)
Growth assumption on existing asset base

LANXESS and Canadian Standard Lithium start cooperation

Parties agreed first stages for potential JV

Content	▪ Feasibility study for extraction of battery grade lithium from tail brine generated in LXS' US bromine production site ▪ Terms of JV subject to completion of due diligence and result of feasibility study
Status	▪ Parties signed term sheet ▪ Start-up level – evaluation of proof of concept just triggered

Technical feasibility and economic viability to be confirmed

LANXESS' target 2021: Leading, balanced and strongly cash generative

Strategic and financial goals

- Stable specialty chemical company with sound cash generation and balanced portfolio
- Increased footprint in growing regions (North America and Asia)
- Leading positions in core and attractive mid-sized markets
- Low dependency on individual markets, thus less cyclical
- Solid investment grade rating and significantly reduced net financial debt

EBITDA pre margin (group, Ø through the cycle)	**14-18%**
Cash con-version	**>60%**
EBITDA margin volatility	**2-3%pts**

Underlying growth: Sustainable >GDP growth targeted

* Cash conversion: (EBITDA pre – capex) / EBITDA pre

Capital allocation priorities after ARL exit: Focus on deleveraging and building a superior growth platform

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Energizing Chemistry

Capital allocation after receipt of cash

Attractive growth	Deleveraging	Share buy-back
▪ M&A following our communicated financial matrix ▪ Investments into new and already announced brownfield & debottlenecking projects (until ~2021)	▪ Funding of German pension liabilities ▪ New funding ratio improved to ~57%*	▪ Share buy-back to be executed between January and year end 2019
€400 – €X m	€200 m ✓ of ~ €400 m - €500 m	up to €200 m

Use of proceeds in line with investment grade commitment

* based on pensions at 31st of December 2018

LANXESS delivers on organic growth – upcoming capacity expansions

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Organic investment program well on track		Capex
BU AII:	Capacity increase for DCB* initiated, Leverkusen (Germany), finalized beginning 2019	not discl.
	Expansion of hexandiol production, Krefeld-Uerdingen	not discl.
BU RCH:	Capacity expansion for Macrolex brand dyes, in Q2 2019	~€5 m
BU LPT:	Ion exchange resigns production, Leverkusen (Germany), through H1 2019	single-digit €m
BU IPG:	Planned capacity increase for iron oxides pigments, Germany and Brazil, available in 2019	not discl.
BU HPM:	New compounding facility in Changzhou (China), available Q2 2019, further expansion of engineering plastics capacity	~€20 m
	New compounding facility, Krefeld-Uerdingen (Germany), available in the second half of 2019	mid double-digit €m
BU URE:	Additional prepolymers capacity, Porto Feliz (Brazil), available mid 2019	<€10 m

* DCB = Dichlorobenzene

Chemtura synergies realized ahead of plan

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Implementation of synergies faster than predicted

[€ m]	2017	2018	2019	2020	Total
Synergies	~30	~40	~20	~10	**~100**
Expense (one-time costs)*	~80	~30	~20	~10	**~ 140**
Cash out	~40	~50	~40	~10	**~ 140**
Capex	~20	~20	~10		**~50**

~10

Key Messages

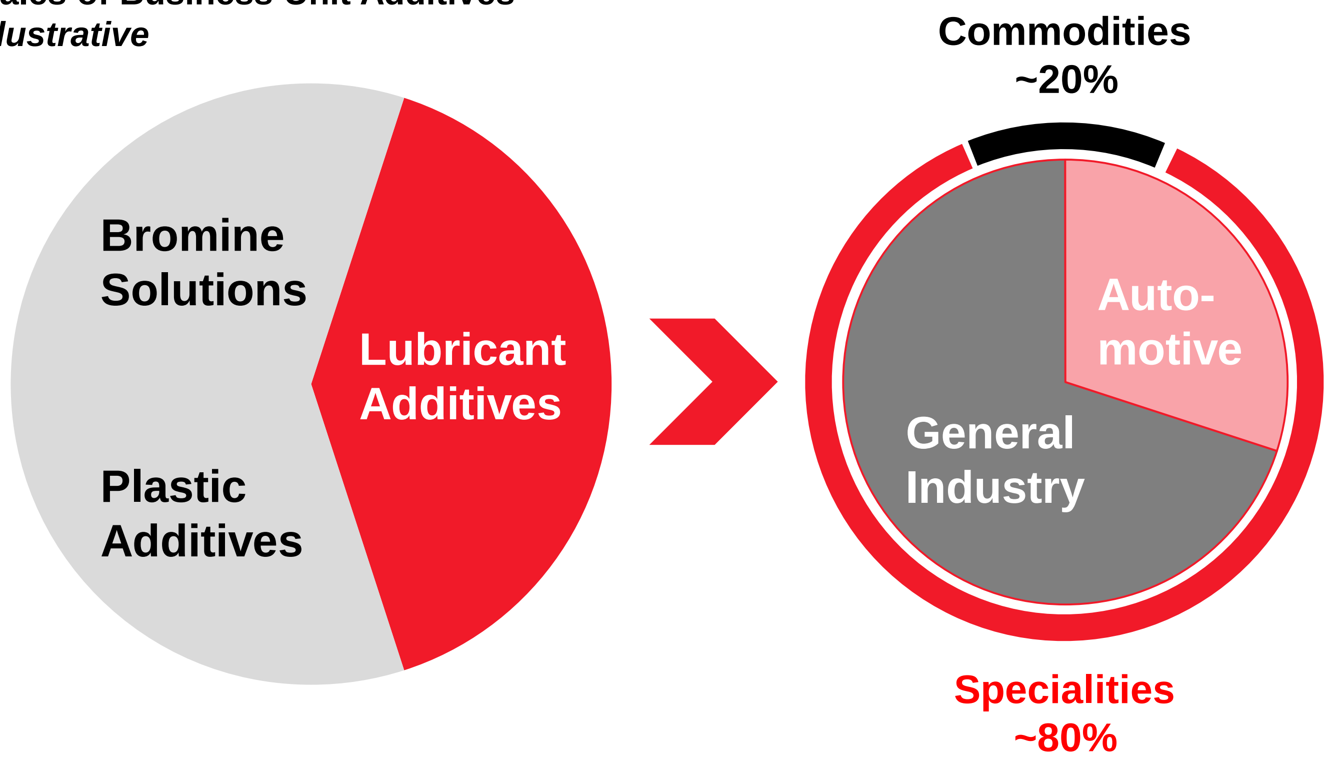
- Synergies confirmed
  - €100 m of "hard" costs
  - Earlier realization
  - Topline synergies not included
- OTCs and cash-outs confirmed
- Capex confirmed, mainly related to Manufacturing Excellence

* Does not include ~€65 m PPA charges from inventory step-up in opening balance sheet. Transaction related charges were recognized in opening balance sheet

Business Unit Additives with strong focus on high value-add industrial lubricant solutions

Well diversified and specialized lubricants portfolio

Sales of Business Unit Additives - *illustrative*



A leading specialties player

- Highly diversified end-market split with focus on industrial lubricants
- Strong expertise in high value-add specialty lubricants
- Leading positions in mid-sized and niche markets
- Automotive exposure well balanced with additives and base stocks only for high grade specialty engine oils (highest category 4 & 5)

Maturity profile actively managed and well balanced

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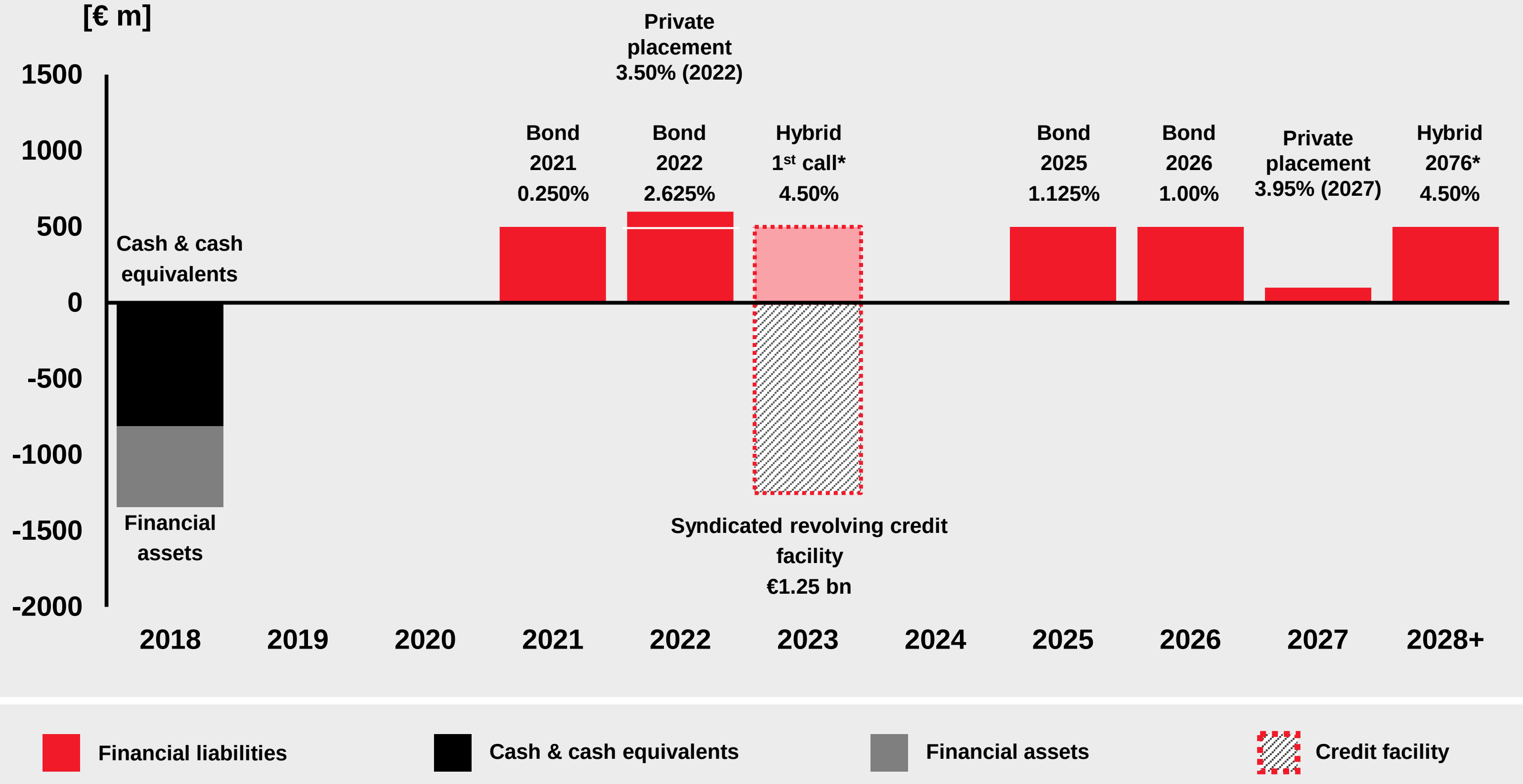
Long-term financing secured

- Diversified financing sources
  - Bonds & private placements
  - Syndicated credit facility
- Average interest rate of financial liabilities 2%
- Closing of ARLANXEO transaction per end of December 2018. Cash proceeds of around €1.4 bn
- Next bond maturity in 2021
- All group financing executed without financial covenants

Liquidity and maturity profile as per December 2018



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

Climate protection: Target of specific CO_2 emissions (scope 1+2)[1] of -25% by 2025

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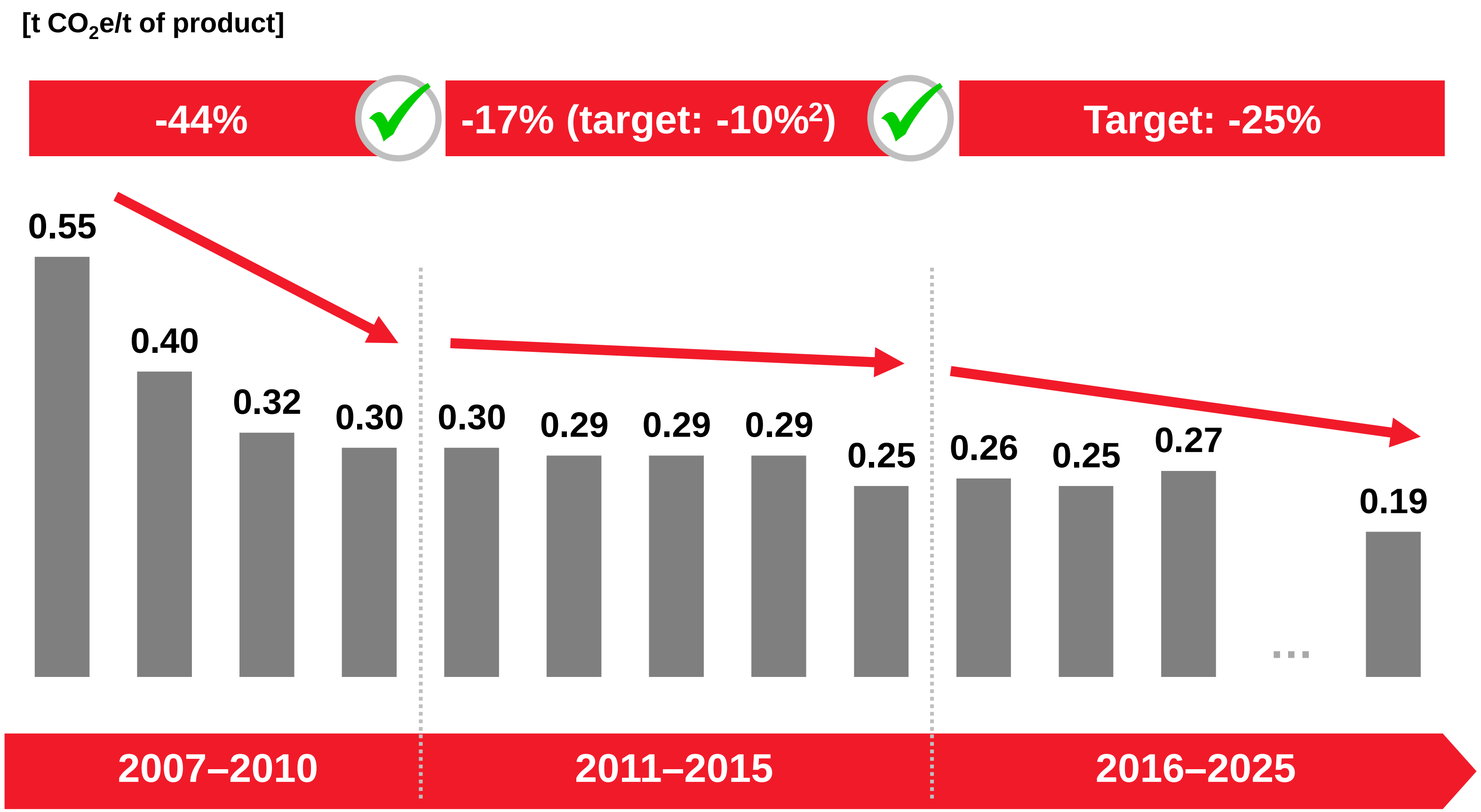
Greenhouse gas emissions (Scope 1) on track for 2025 targets



2018 development

- ARLANXEO divestment and linked changes to portfolio led to higher specific Scope 1 emissions (generation and use in ongoing operations comparatively more energy from primary energy sources)
- Chemtura akquisition (2018 FY full contribution) with impact on scope 1 emissions whereas positive on scope 2+3
- Mitigating effect from reduced use of coal (China) and higher use of biomass (India & Brazil)

[1] Reduction of specific CO_2 emission (scope 1) by 25% until 2025; reduction of specific energy consumptions (scope 2) by 25% until 2025; Reduction of volatile organic compounds (NMVOC3, scope 3) emissions by 25% until 2025; [2] Reduction of specific greenhouse gas emissions (scope 1) by 10% per reporting segment achieved

Awards in ratings and indices reflect high sustainability standards

Commitment and entitlement

THE GLOBAL GOALS
For Sustainable Development

THE GLOBAL COMPACT
WE SUPPORT

Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

ISO

Awards in ratings and indices

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Member DJSI World and Europe

TOGETHER FOR SUSTAINABILITY

EcoVadis „Gold Recognition Level“

CDP
DISCLOSURE INSIGHT ACTION

Klimascore A-

FTSE4Good

Index Member

Sustainability as core element of our strategy
Corporate Responsibility – Material topics and goals*

LANXESS Energizing Chemistry

LANXESS: Leading, stable, sustainable and profitable

Resilient sourcing

Safe and sustainable sites

Climate protection and energy efficiency

Motivated employees and performing teams

Business-driven innovation

Sustainable product portfolio

Valuing customer relations

Good Corporate Governance

- Permanently increase the proportion of evaluated suppliers
- Reduction of occupational accidents by >50% by 2025
- -25% Energy consumption and emissions until 2025**
- 20% women in management by 2020
- Keeping customer loyalty at a high level

* Selection from all goals shown ** Specific emissions, base year 2015

LANXESS products enable sustainable solutions in key areas of application

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Quality you can drink

With its Lewabrane® membrane elements and Lewatit® ion exchange resins, the Liquid Purification Technologies business unit offers a high-performance solution for ensuring a reliable supply of drinking and purified water.

Lightweight solutions

High-performance plastics from LANXESS, such as Durethan®, Pocan® and Tepex®, can replace many of the metal parts in cars to help reduce weight and fuel consumption, without compromising on vehicle safety.

Protection against diseases

Saltidin® is an insect repellent proprietary to LANXESS subsidiary Saltigo. It is used in insect repellents and lowers the risk of contracting malaria, dengue fever, Zika virus, borreliosis or encephalitis.

…and LANXESS keeps innovating to meet present and future sustainability demands

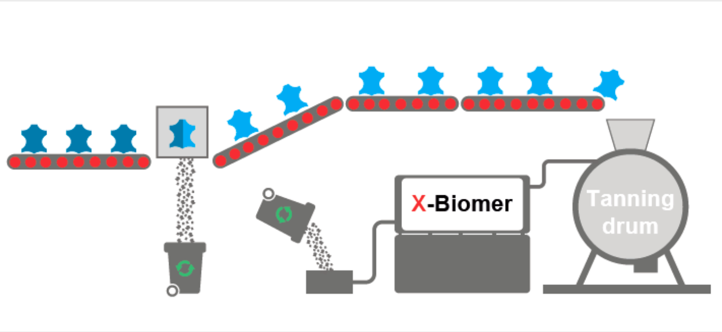
ULP membranes

LANXESS' new ultra-low pressure (ULP) membranes have the ability to remove trace elements originating for instance from drugs, chemicals, cosmetic products and crop protection agents almost entirely even at low operating pressures.

Components for e-scooters

Pocan AF 4110 enables light housing components for bike and scooter batteries and combines low warpage with excellent mechanical properties – only one example of the wide-ranging product portfolio for electric mobility.

Circular leather production



With the X-Biomer INSITU technology, retanning agents can be produced from by-products on site in the tannery. This means less chemical use, less logistics costs, less waste and less CO_2 emissions.

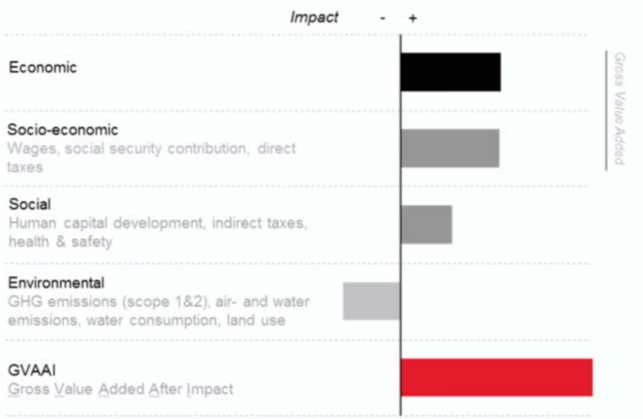
Adding value to business and society – various concepts to asses and measure our impacts

Societal Added Value

Sustainability profile and societal impacts of our products

The quantified impact of our gate-to-gate business operations on society

Our contribution to the Agenda 2030 goals to overcome society challenges



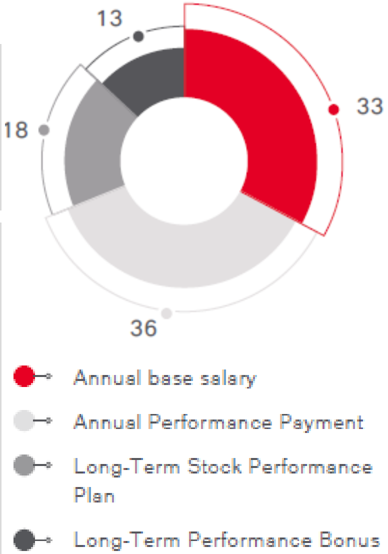
Product Portfolio Assessment

Impact Valuation Concept

Sustainable Development Goals Analysis

Management compensation

Fix	**Annual base salary**	Fixed annual base salary Compensation in kind (mainly tax value of perquisites)
Variable	**Annual Performance Payment (APP)**	Based on: Targets for EBITDA pre exceptionals Cap: 200% of individual budget Deduction in case of serious safety and/or environmental problems
	Long-term orientation	
	Long-Term Performance Bonus (LTPB)	Based on: Individual APP target for 2 successive fiscal years Cap: 45% of annual base salary (Ø APP target attainment of 100%)
	Long-Term Stock Performance Plan (LTSP)*	Based on: LXS stock performance vs. MSCI World Chemicals Index* Cap: 30% of annual base salary Vesting period: 4 years** Until 2017: Personal investment in LXS shares (5% of annual base salary) Since 2018: Share performance rights plus share ownership guidelines (investment in LXS shares: CEO 1.5x and board members 1x of base salary)



*LTSP 2014–2017; Dow Jones STOXX 600 Chemicals^{SM} serves as a reference index for the LTSP 2010–2013
** Five year vesting period applies to LTSP 2010–2013

Raw material prices stable, showing substantially lower volatility

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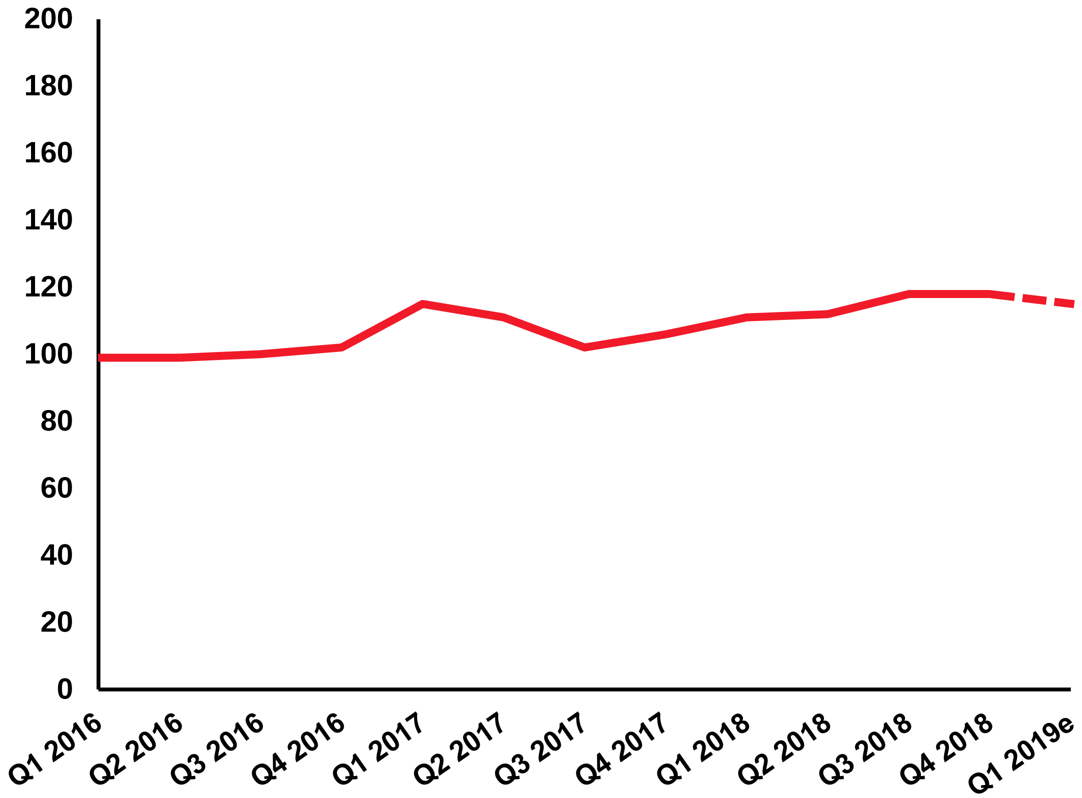
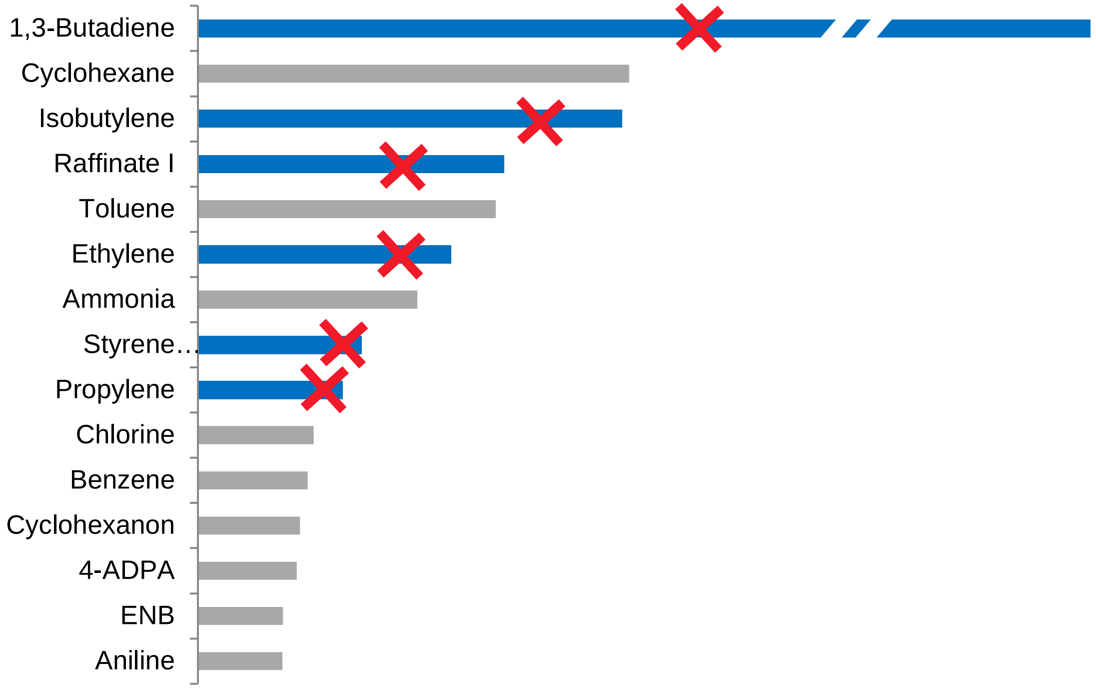
LANXESS global raw materials index*



Total raw material expenses



LANXESS no longer dependent on few raw materials

* average 2013 = 100%

Significantly reduced exceptional items (on EBIT) in 2018

[€ m]	Q4 2017		Q4 2018		FY 2017		FY 2018	
	Excep.	Thereof D&A	Excep.	Thereof D&A	Excep.	Thereof D&A	Excep.	Thereof D&A
Advanced Intermediates	4	0	0	0	7	0	0	0
Specialty Additives	8	1	-6	1	111	36	3	0
Performance Chemicals	-2	0	12	10	68	6	13	10
Engineering Materials	0	0	0	-1	13	1	1	0
Reconciliation	22	-1	17	0	60	0	74	0
Total	**32**	**0**	**23**	**10**	**259**	**43**	**91**	**10**

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Visit the IR website

Abbreviations

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Advanced Intermediates

- **AII** Advanced Industrial Intermediates
- **SGO** Saltigo

Performance Chemicals

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

Specialty Additives

- **ADD** Additives
- **RCH** Rhein Chemie

Engineering Materials

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