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LANXESS is a globally operating chemical player with attractive growth in specialties

Leading and balanced business setup
- Leading positions in attractive mid-sized markets
- Higher stability and resilience by a balanced product portfolio and industry exposure
- Competitive technology and cost structure

Attractive platform for growth
- Strong balance sheet as basis for further growth
- Focus on organic and external growth in niche and prospering future markets

Creating value
- Rigorous strategic and operational resource allocation
- Generating cash and acting sustainably for a better future
- Differentiating by a performance driven corporate culture
Our journey so far – delivered on promises

- Leaner and more powerful organization
  - Early exit of synthetic rubber
    - financials immediately strengthened again
    - reduced dependency on volatile raw materials
    - lowered auto-exposure to ~20%
  - Re-investment of funds in attractive acquisitions
    - Higher margin and more resilient businesses
    - Faster generation of synergies
- Divestment of non-core businesses
- Focus on high yield growth CAPEX projects
The face of LANXESS has substantially changed

Milestones of transformation

- Clean & Disinfect (C&D) acquisition
- Acquisition
- Phosphorus Chemicals (PC) acquisition
- Sale of ARLANXEO to Saudi Aramco
- Divestment Currenta
- Divestment of Chrome Activities, Part of Organometallics

Make LANXESS more competitive, more profitable and more resilient
Despite a challenging environment we are well on track to achieve our goals

- **EBITDA pre margin** (group, Ø through the cycle) on track: 14-18%
- **EBITDA margin volatility** on track: 2-3%pts 2019 stable vs. previous year
- **Cash conversion** in progress: >60%

- Ongoing transformation of business portfolio into **Specialty Chemicals**
- Strengthen and develop **leadership positions** in attractive markets
- Increasing footprint in **growing regions** (N. America and Asia)
- Further **improving margin level**
- Sound **cash generation**
- Stable or increasing **dividend**
LANXESS margin improved well into targeted corridor

FY 2019 margin at 15%

[EBITDA pre margin]

- 2013: 8.9%
- 2014: 10.1%
- 2015: 11.2%
- 2016: 12.9%
- 2017: 13.3%
- 2018: 14.4%
- 2019: 15.0%

* Group, average through the cycle

2013 2014 2015 2016 2021 onwards 2017
FY 2019: More balanced portfolio proves resilience

<table>
<thead>
<tr>
<th>Segment</th>
<th>EBITDA pre</th>
<th>2018</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Intermediates</td>
<td>359</td>
<td>389</td>
<td></td>
<td>+8%</td>
</tr>
<tr>
<td>Specialty Additives</td>
<td>343</td>
<td>353</td>
<td></td>
<td>+3%</td>
</tr>
<tr>
<td>Performance Chemicals</td>
<td>156</td>
<td>192</td>
<td></td>
<td>+23%</td>
</tr>
<tr>
<td>Engineering Materials</td>
<td>267</td>
<td>238</td>
<td></td>
<td>-11%</td>
</tr>
</tbody>
</table>

- **Resilient growth**
  - Debottlenecking projects in BU AII contribute well
  - Improvement in BU SGO driven by new contracts
- **Solid performance**
  - Strong development in flame retardants
  - Decline in BU RCH due to auto weakness
- **Very strong development**
  - Significant growth in BUs MPP and LPT
  - Stabilization in relevant construction applications
- **Sharp decline in many auto markets**
  - Margins still on solid level in BU HPM
  - Operational improvement in BU URE
Effective 2020: New reporting structure to reflect respective business models

- Advanced Industrial Intermediates
- Inorganic Pigments
- Advanced Industrial Intermediates
- Lubricant Additives Business
- Polymer Additives
- Rhein Chemie
- Saltigo
- Material Protection Products
- Liquid Purification Technologies
- Leather
- High Performance Materials
- Urethane Systems
- Discontinued operations
Impact of Covid-19 currently expected to be between €50 m and €100 m in 2020

Multiple sites in China impacted

- Qingdao: LAB/ RCH
- Wuxi: HPM
- Nantong: LAB/ URE
- Changzhou: HPM
- Liyang: AII
- Ningbo: IPG

Current view on Covid-19 financial implications

- Q1: EBITDA pre impact of ~€20 m due to
  - Temporary local production shutdowns in China
  - Disruption of some value chains in China
  - Globally weakened customer demand
- Q2: Worsening of impact expected
- Q3 + Q4: Potential gradual relief
- Total impact on LANXESS
  - €50 m - if situation improves significantly until summer
  - Up to €100 m in case of longer disturbance of global economy

* All sites operate again since 24 Feb
Rely®On Virkon effective against Coronavirus

<table>
<thead>
<tr>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tests prove effectiveness</td>
</tr>
<tr>
<td>Application flexibility with broad spectrum efficacy on hard surfaces</td>
</tr>
<tr>
<td>Desinfection in public spaces: Train stations, airport, hospitals etc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Demand &amp; capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased worldwide demand for Rely®On Virkon, especially China</td>
</tr>
<tr>
<td>Production und logistics currently being optimized for additional volumes</td>
</tr>
</tbody>
</table>
FY 2020 outlook: LANXESS operationally stable at previous year level but Covid-19 will burden

Current view on economy
- Ongoing geopolitical and macroeconomic uncertainties
- Corona virus (Covid-19) impacting business environment and further limiting visibility – financial impact for full year hard to predict
- Auto: no recovery ahead

LANXESS FY 2020 EBITDA pre
- LANXESS operationally on previous year level (ex Covid-19)
- Covid-19 will impact Q1 by ~€20 m, FY impact currently expected between €50-100 m
- Based on the above, our outlook for the year is at €900-1000 m (including Covid-19 impact)
LANXESS launches new share buy-back program
Volume up to €500 m

<table>
<thead>
<tr>
<th>Legal framework</th>
<th>▪ Buy-back of up to 10% of the share capital in accordance with the authorization granted by the stockholders’ meeting on 23 May 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>▪ Volume up to €500 m (execution in two tranches of €250 m each)</td>
</tr>
</tbody>
</table>
| Duration        |  ▪ Start earliest on 12 March 2020  
  ▪ Shares will be acquired within next 24 months  
  ▪ Acquired shares shall be redeemed |

Rationale
Maximizing the benefit of our investors based on best value creation
Well positioned in challenging environment

- On track to deliver 2021 financial targets
- Strong platform for further value creation
- Growing profitability and sustainable resilience
Agenda

1. Time to prove our strengths
2. Business and Financial details Q4 2019
3. Back-up
The way forward – Providing direction from four perspectives
The way forward – Providing direction from four perspectives

- Continuous portfolio management
- Fix underperforming businesses
- Innovation
- Digitalizing the value chain

Strategy

Operations

Financials

Sustainability
LANXESS continuously improves its portfolio - six M&A transactions executed in last 6 months

- 6th Aug: Currenta stake
- 12th Aug: Chrome Chemicals
- 13th Nov: Tin-based organometallics
- 18th Nov: Chrome ore mine
- 29th Nov: Gallium-based organometallics
- 2nd Dec: IPEL: Brazilian biocide manufacturer

Supported by operational self-help measures (cost management, growth capex, innovations)
The way forward – Continuous Portfolio Management

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

* Identity, phys.-chem, analytical, methodology information
LANXESS Consumer Protection: Our products follow strong application-driven trends

- **Food Safety**: ~5% Sales CAGR* (2013-2019)
- **Water Purification**: ~5% Sales CAGR* (2013-2019)
- **Biosecurity**: ~27% Sales CAGR* (2017-2019)

* CAGR figures represent LXS sales growth
MPP proves its strong “specialty” financial performance

- Sales CAGR 2013-2018 incl. M&A: 70 - 80%
- Cash conversion: 22 - 25% EBITDA pre margin
- CAGR: ~10%
- Sales <€500 m
- 6 M&A since 2010
- Automotive: 0%
The way forward – Fix underperforming businesses

Strategy
Which businesses are we addressing?
Rigorously addressing under-performing businesses across our portfolio

Sales of businesses to be addressed
~€800 m

- Leather*
- Rubber additives
- Organometallics
- Membranes

Margin Level:
~8%

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

Target structure
~€500 m

Margin Level:
>15%

* Realignment focused on Chrome value chain, sales contribution includes Chrome Chemicals, sold to Brother Enterprises, closing expected early in 2020, subject to antitrust approval
Strong progress in solving the Chrome problem

*Disposal of LANXESS’ 74% stake in chrome ore mine in Rustenburg (South Africa) to Clover Alloys (SA) Pty. Ltd.; Subject to approval of relevant authorities

**Sold to Brother Enterprises, closed in January 2020. LANXESS continues manufacturing at Merebank site as part of a 5 years tolling agreement
Next logical step taken:
LANXESS sells chrome ore mine in South Africa

<table>
<thead>
<tr>
<th>Transaction details</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Disposal of LANXESS’ 74% stake in chrome ore mine in Rustenburg (South Africa) to Clover Alloys (SA) Pty. Ltd.</td>
</tr>
<tr>
<td>▪ Sales: ~€60 m</td>
</tr>
<tr>
<td>▪ Expected one-time-costs: ~€30 m</td>
</tr>
<tr>
<td>▪ Closing: Most likely end of 2020 (due to regulatory steps)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategic rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Chrome business no longer fits to our strategic focus</td>
</tr>
<tr>
<td>▪ Better future development under leadership of Clover Alloys</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transaction scope</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BU Leather structure</strong></td>
</tr>
<tr>
<td><strong>Scope</strong></td>
</tr>
<tr>
<td>Chrome Ore Mine</td>
</tr>
<tr>
<td><strong>South Africa</strong></td>
</tr>
<tr>
<td>Sold - Closing end 2020</td>
</tr>
</tbody>
</table>
Improving Organometallics’ performance to competitive peer level

Organometallics Sales

2018:
~€160 m

Transforming action

Aluminum based Organometallics:
Set for organic growth

Tin based Organometallics:
Exit partner found with PMC

Gallium based Organometallics:
Exit partner found with Vital Materials

Target structure
~€100 m

Margin Level:
0-5%

Gallium based
Aluminum based
Tin based

Margin Level:
15-20%

1 LANXESS Electronic Materials, Pyeongtaek (Korea)
2 LANXESS will continue to manufacture these products on a contract basis for PMC with first exit option end of 2021
The way forward – Innovation

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

**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**

---

* In case of successful feasibility
** 100% capacity basis, across multiple phases
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

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

* CheMondis is a stand-alone company, neither run, governed nor represented by LANXESS.
Digitalizing the value chain
LANXESS to be digital leader in the chemical industry

From itemized elements ...

... towards a fully integrated digitalized value chain:

- R&D
- Sourcing
- Production
- Logistics
- Marketing/Sales
- General/Administration
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

<table>
<thead>
<tr>
<th>Sector</th>
<th>Organic growth / Capex</th>
<th>Likelihood for M&amp;A</th>
<th>Characteristics for M&amp;A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Intermediates</td>
<td>![Red Circle]</td>
<td>![Gray Circle]</td>
<td></td>
</tr>
<tr>
<td>Specialty Additives</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
<td><strong>Synergies</strong> in related businesses</td>
</tr>
<tr>
<td>Performance Chemicals</td>
<td>![Red Circle]</td>
<td>![Red Circle]</td>
<td><strong>Attractive secular growth</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>High entry barriers</strong> due to increasing regulation</td>
</tr>
<tr>
<td>Engineering Materials</td>
<td>![Red Circle]</td>
<td>![Gray Circle]</td>
<td></td>
</tr>
</tbody>
</table>
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.

2019 in € m

1,019

Growth: ~100 – 150
Restr.: ~0 – 50
Maint.: ~300 – 350

EBITDA pre - CAPEX = Cash Conversion*

~50 %

~500

Conscious decisions backed by sound financials

Growth CAPEX

~20% ROCE

~ €30 m** additional EBITDA pre
~ €0.16** additional Earnings per Share

* 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

- EBITDA<sub>pre</sub> ~1000
- Tax ~120
- Maintenance CAPEX ~300 - 350
- Free Cash Flow ~550

Illustrative (€ m)

Organic growth
Restructuring
Mergers & Acquisitions
Share buyback
Dividend
Deleveraging
Interest expenses
LANXESS strengthens its All aromatic „Verbund“ with additional synthetic menthol capacity

Clear long-term investment approach based on synergetic customer relationship

~€40 m
Investment

Early 2021
Planned operation start

Investment rationale:
- Significant increase in demand for synthetic menthol
- Strong customer relation based on long-term contracts
- Downstream development of the aromatic „Verbund“
Venture investment into Lithium with low risk and potentially high return

Opportunity in cooperation with Standard Lithium

~€100 – 400 m Investments

Early 2021 Planned start of construction

Investment rationale:

- Potential lucrative yield of battery grade lithium from LANXESS’ „waste material“ tail brine
- Strong growth of Lithium use based on rising demand for batteries
Looking ahead … energized!

**Profitability**
Moving our way towards even more stable and attractive margin levels

**Resilience**
Further balanced exposure to end markets and regions in the future

**Financials**
Maintaining strong financials and balanced debt

**Rating**
Commitment to stay solid investment grade
The way forward – Providing direction from four perspectives

- Strategy
- Operations
- Financials
- Sustainability
LANXESS goes climate neutral by 2040 – New long-term commitment

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

- 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
- Good for LANXESS, good for our customers, good for our planet!

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

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

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

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

1. Time to prove our strengths
2. Financial and business details Q4 2019
3. Back-up
Q4 2019: All four segments with improved earnings compared to previous year

**Highlights**

- Ongoing successful portfolio management
  - Acquisition of biocide business in Brazil
  - Divestment of chrome value chain
  - Divestment of underperforming parts of Organometallics

- Increased EBITDA pre driven by better earnings in all four segments
- Strongly improved operating cash flow

**Challenges**

- Lower sales prices and volumes due to:
  - Price decline in many raw materials
  - Persistent auto and agro weakness

- Continued low visibility due to hesitant order behavior
LANXESS Group: Enhanced EBITDA and margin as promised

- Slight sales decline mainly due to raw material driven price reductions mitigated by positive FX effect
- Improved EBITDA pre and margin from successful strategy implementation and supportive FX effect. €10 m synergies planned for 2020 already realized in 2019
- For the first time FY EBITDA margin at 15%

<table>
<thead>
<tr>
<th></th>
<th>Q4/2018</th>
<th>Q4/2019</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,674</td>
<td>1,636</td>
<td>-2%</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>175</td>
<td>197</td>
<td>13%</td>
</tr>
<tr>
<td>Margin</td>
<td>10.5%</td>
<td>12.0%</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>235</td>
<td>213</td>
<td>-9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>6,824</td>
<td>6,802</td>
<td>0%</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>986</td>
<td>1,019</td>
<td>3%</td>
</tr>
<tr>
<td>Margin</td>
<td>14.4%</td>
<td>15.0%</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>482</td>
<td>508</td>
<td>5%</td>
</tr>
</tbody>
</table>

All four segments with improvement in Q4 EBITDA pre

Q4 Sales vs. PY

Price  Volume  FX  Portfolio
-3%     -1%     +1%     0%

Total -2%
Advanced Intermediates: Strong earnings

Increasing support from BU Saltigo

- Slight sales decrease driven by price decline in BU AII due to raw material price pass-through
- Positive volumes in both BUs and FX development mitigate price decline in sales
- Substantial EBITDA pre and margin improvement in Q4 and FY based on stronger volumes in BU AII and ongoing recovery in BU Saltigo

<table>
<thead>
<tr>
<th></th>
<th>Q4/2018</th>
<th>Q4/2019</th>
<th>Δ</th>
<th>YTD 2018</th>
<th>YTD 2019</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>562</td>
<td>553</td>
<td>-2%</td>
<td>2,207</td>
<td>2,249</td>
<td>2%</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>73</td>
<td>79</td>
<td>8%</td>
<td>359</td>
<td>389</td>
<td>8%</td>
</tr>
<tr>
<td>Margin</td>
<td>13.0%</td>
<td>14.3%</td>
<td></td>
<td>16.3%</td>
<td>17.3%</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>63</td>
<td>66</td>
<td>5%</td>
<td>155</td>
<td>162</td>
<td>5%</td>
</tr>
</tbody>
</table>

Price  Volume  FX  Portfolio
-5%  +3%  +1%  0%

Total -2%

Q4 Sales vs. PY
Polymer Additives compensate weak auto demand

- Stable sales: Positive pricing and FX effect compensate lower volume
- Favorable pricing in flame retardants overcompensates raw material driven price decline in lubricants
- Volume decrease due to lower auto demand (mainly BU RCH) and termination of margin-dilutive tolling agreements (BU LAB)
- Flame retardants, FX and accelerated synergies contribute to improved EBITDA pre and margin

<table>
<thead>
<tr>
<th></th>
<th>Q4/2018</th>
<th>Q4/2019</th>
<th>Δ</th>
<th>YTD 2018</th>
<th>YTD 2019</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>470</td>
<td>471</td>
<td>0%</td>
<td>1,980</td>
<td>1,965</td>
<td>-1%</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>78</td>
<td>84</td>
<td>8%</td>
<td>343</td>
<td>353</td>
<td>3%</td>
</tr>
<tr>
<td>Margin</td>
<td>16.6%</td>
<td>17.8%</td>
<td></td>
<td>17.3%</td>
<td>18.0%</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>65</td>
<td>47</td>
<td>-28%</td>
<td>141</td>
<td>120</td>
<td>-15%</td>
</tr>
</tbody>
</table>

Price  Volume  FX  Portfolio
+1%  -3%  +2%  0%

Total 0%
**Biocides and water purification boost performance**

- Rise in sales due to pricing, volume and FX
- Positive price effect driven by BU MPP and LPT
- Volume growth mainly in BU MPP and LPT, stabilization in BU IPG
- Significant EBITDA pre and margin improvement in all three BUs, mainly driven by increased volumes and price
- Despite strong improvement, Q4 seasonally weakest quarter

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**Performance Chemicals: All BUs with improved earnings - BU LEA discontinued operations**

<table>
<thead>
<tr>
<th></th>
<th>Q4/2018</th>
<th>Q4/2019</th>
<th>Δ</th>
<th>YTD 2018</th>
<th>YTD 2019</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (€ m)</td>
<td>231</td>
<td>242</td>
<td>5%</td>
<td>976</td>
<td>1,052</td>
<td>8%</td>
</tr>
<tr>
<td>EBITDA pre (€ m)</td>
<td>20</td>
<td>29</td>
<td>45%</td>
<td>156</td>
<td>192</td>
<td>23%</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>8.7%</td>
<td>12.0%</td>
<td></td>
<td>16.0%</td>
<td>18.3%</td>
<td></td>
</tr>
<tr>
<td>CAPEX (€ m)</td>
<td>27</td>
<td>22</td>
<td>-19%</td>
<td>61</td>
<td>60</td>
<td>-2%</td>
</tr>
</tbody>
</table>

*All numbers excluding BU LEA, which is reported as discontinued operations*
Sales decrease on lower volumes and prices, slightly mitigated by FX
Price decline in both BUs due to lower raw material prices
Lower volumes in both BUs – volume effect overstated by BU HPM trade deal in 2018. Demand from auto industry remains weak
EBITDA pre and margin improvement in both BUs, comparing with a low Q4 2018

Volume decline overstated by trade deal

<table>
<thead>
<tr>
<th></th>
<th>Q4/2018</th>
<th>Q4/2019</th>
<th>Δ</th>
<th>YTD 2018</th>
<th>YTD 2019</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>391</td>
<td>350</td>
<td>-10%</td>
<td>1,576</td>
<td>1,450</td>
<td>-8%</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>43</td>
<td>49</td>
<td>14%</td>
<td>267</td>
<td>238</td>
<td>-11%</td>
</tr>
<tr>
<td>Margin</td>
<td>11.0%</td>
<td>14.0%</td>
<td></td>
<td>16.9%</td>
<td>16.4%</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>46</td>
<td>51</td>
<td>11%</td>
<td>76</td>
<td>104</td>
<td>37%</td>
</tr>
</tbody>
</table>

Price  Volume  FX  Portfolio
-5%  -6%  +1%  0%
Total -10%

Q4 Sales vs. PY
Q4 2019: Good operational development partly offset by restructuring and M&A costs

<table>
<thead>
<tr>
<th></th>
<th>Q4/18</th>
<th>Q4/2019</th>
<th>yoy in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,674</td>
<td>1,636</td>
<td>-2%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-1,309</td>
<td>-1,253</td>
<td>4%</td>
</tr>
<tr>
<td>Selling</td>
<td>-197</td>
<td>-203</td>
<td>-3%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>-86</td>
<td>-81</td>
<td>6%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-27</td>
<td>-30</td>
<td>-11%</td>
</tr>
<tr>
<td>Others (incl. Except.)</td>
<td>-11</td>
<td>-69</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>EBIT</td>
<td>44(3%)</td>
<td>0(0%)</td>
<td>-100%</td>
</tr>
<tr>
<td>EPS pre*</td>
<td>0.77</td>
<td>0.64</td>
<td>-17%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>162(10%)</td>
<td>160(10%)</td>
<td>-1%</td>
</tr>
<tr>
<td>thereof except.</td>
<td>-13(-1%)</td>
<td>-37(-2%)</td>
<td>&lt;-100%</td>
</tr>
<tr>
<td>EBITDA pre except.</td>
<td>175(10.5%)</td>
<td>197(12.0%)</td>
<td>13%</td>
</tr>
</tbody>
</table>

- Improved costs of sales driven by lower raw material prices and volumes
- Decreased G&A costs mainly due to synergies
- EBIT impacted by higher exceptionals (restructuring, M&A, IT & digitization projects)

* Net of exceptionals and amortization of intangible assets as well as attributable tax effects
Q4 2019: EBITDA pre increases in all segments

<table>
<thead>
<tr>
<th>Sales [€ m]</th>
<th>EBITDA pre [€ m]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IPG</strong></td>
<td><strong>MPP</strong></td>
</tr>
<tr>
<td><strong>Advanced Intermediates</strong></td>
<td><strong>Specialty Additives</strong></td>
</tr>
<tr>
<td>562</td>
<td>553</td>
</tr>
<tr>
<td><strong>Q4 2018</strong></td>
<td><strong>Q4 2019</strong></td>
</tr>
<tr>
<td>-2%</td>
<td>-2%</td>
</tr>
</tbody>
</table>

- Total group sales including reconciliation

* Total group sales including reconciliation
Q4 2019: Further operational sales growth in Asia while Germany still suffers due to weak auto industry

Q4 2019 sales by region [%]

Q4 2019 sales by region [€ m]

Regional development of sales [€ m]

Operational development*
Strong increase in operating cash flow in Q4

- Strong increase in operating cash flow mainly driven by improved working capital
- Investing cash flow in previous year biased by proceeds from ARLANXEO divestment
- Decrease in capex due to different timing of spending during fiscal year

<table>
<thead>
<tr>
<th></th>
<th>Q4/2018</th>
<th>Q4/2019</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow*</td>
<td>172</td>
<td>267</td>
<td>95</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>102</td>
<td>212</td>
<td>110</td>
</tr>
<tr>
<td>Investing cash flow*</td>
<td>378</td>
<td>-270</td>
<td>-648</td>
</tr>
<tr>
<td>thereof capex</td>
<td>-235</td>
<td>-213</td>
<td>22</td>
</tr>
</tbody>
</table>

* applies to continuing operations
Balance sheet positions influenced by FX

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>8,687</td>
<td>8,695</td>
</tr>
<tr>
<td>Equity</td>
<td>2,773</td>
<td>2,647</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>32%</td>
<td>30%</td>
</tr>
<tr>
<td>Net financial debt¹</td>
<td>1,381</td>
<td>1,742</td>
</tr>
<tr>
<td>Pension provisions</td>
<td>1,083</td>
<td>1,178</td>
</tr>
<tr>
<td>Net working capital</td>
<td>1,455</td>
<td>1,308</td>
</tr>
<tr>
<td>DSI (in days)²</td>
<td>69</td>
<td>66</td>
</tr>
<tr>
<td>DSO (in days)³</td>
<td>46</td>
<td>42</td>
</tr>
</tbody>
</table>

- Decrease in equity mainly due to share buy-back and FX effect
- Net debt impacted by:
  - Share buy-back (€200 m)
  - IFRS 16 effect (~€130 m)
  - Dividend payment (€79 m)
- Increase in pension provisions arises from declining underlying interest rates in Germany, UK and the US
- Improved working capital caused by reduced inventories and trade receivables

¹ Including cash, cash equivalents and near cash assets and after deduction of short-term money market investments
² Days sales of inventory calculated from quarterly sales
³ Days of sales outstanding calculated from quarterly sales
Agenda

1. Time to prove our strengths
2. Financial and business details Q4 2019
3. Back-up
### Housekeeping items 2020

<table>
<thead>
<tr>
<th>Item</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capex 2020</strong></td>
<td>~€500 m</td>
</tr>
<tr>
<td><strong>Operational D&amp;A 2020</strong></td>
<td>~€450 m</td>
</tr>
<tr>
<td><strong>Reconciliation 2020</strong></td>
<td>~€160 m - ~€170 m including remnant costs</td>
</tr>
<tr>
<td><strong>Tax rate</strong></td>
<td>~28%</td>
</tr>
<tr>
<td><strong>Exceptionals 2020</strong></td>
<td>~€50 m based on current initiatives</td>
</tr>
<tr>
<td><strong>FX sensitivity</strong></td>
<td>One cent change of USD/EUR resulting in ~€7 m EBITDA pre impact before hedging</td>
</tr>
<tr>
<td><strong>Remnant costs</strong></td>
<td>~€10 m p.a. until 2022</td>
</tr>
<tr>
<td><strong>Maintenance shutdown</strong></td>
<td>~€10 - ~€20 m in H2</td>
</tr>
<tr>
<td><strong>BU HPM</strong></td>
<td></td>
</tr>
</tbody>
</table>
BU LEA accounted for as “Discontinued Operations” in 2019 – key P&L figures restated

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LXS reported</td>
<td>Discontinued Operations LEA</td>
</tr>
<tr>
<td>Sales</td>
<td>7,197</td>
<td>373</td>
</tr>
<tr>
<td></td>
<td>84</td>
<td>1,738</td>
</tr>
<tr>
<td></td>
<td>77</td>
<td>1,704</td>
</tr>
<tr>
<td></td>
<td>1,766</td>
<td>92</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>1,016</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>272</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>281</td>
</tr>
<tr>
<td></td>
<td>-2</td>
<td>269</td>
</tr>
<tr>
<td></td>
<td>-6</td>
<td>197</td>
</tr>
<tr>
<td>EPS pre</td>
<td>4.45</td>
<td>-0.03</td>
</tr>
<tr>
<td></td>
<td>-0.04</td>
<td>1.32</td>
</tr>
<tr>
<td></td>
<td>0.03</td>
<td>1.48</td>
</tr>
<tr>
<td></td>
<td>-0.08</td>
<td>1.29</td>
</tr>
<tr>
<td></td>
<td>-0.16</td>
<td>0.64</td>
</tr>
</tbody>
</table>

* Figures do not fully add up as the average number of shares outstanding varies across the year due to cancellation of shares after the conducted the share buy-back
## Details on accounting for discontinued operations of BU Leather (starting FY 2019)

<table>
<thead>
<tr>
<th>Income statement</th>
<th>Balance sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ A discontinued operation is reported as income separate from continued operations</td>
<td>▪ Line items “assets and liabilities held for sale and discontinued operations” will be shown under “current assets” and “current liabilities” respectively</td>
</tr>
<tr>
<td>▪ EPS from discontinued, continuing &amp; total to be reported</td>
<td>▪ No restatement of 2018 figures</td>
</tr>
<tr>
<td>▪ Restatement of 2018 figures</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flow Statement</th>
<th>ROCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Presentation of cash flows from discontinuing operations in one line item</td>
<td>▪ ROCE adjusted for “discontinued operations”</td>
</tr>
<tr>
<td>▪ Restatement of 2018 figures</td>
<td></td>
</tr>
</tbody>
</table>
Key Figures*: Delivering as promised

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales</th>
<th>Operating Cash Flow</th>
<th>EBITDA pre</th>
<th>EBITDA pre Margin</th>
<th>EPS pre</th>
<th>CAPEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>€1,636 m</td>
<td>-2%</td>
<td>€267 m</td>
<td>12.0%</td>
<td>0.64</td>
<td>0.64</td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Period</th>
<th>Sales</th>
<th>Operating Cash Flow</th>
<th>EBITDA pre</th>
<th>EBITDA pre Margin</th>
<th>EPS pre</th>
<th>CAPEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>€6,802 m</td>
<td>0%</td>
<td>€1,019 m</td>
<td>15.0%</td>
<td>4.73</td>
<td>4.73</td>
</tr>
<tr>
<td>9M</td>
<td>€634 m</td>
<td>+44%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Continuing operations (excluding BU LEA, which is reported as discontinued operation)
FY 2019: Improved EBITDA pre and share buy-back drive further EPS pre increase

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>yoy in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>6,824 (100%)</td>
<td>6,802 (100%)</td>
<td>0%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-5,086 (-75%)</td>
<td>-5,043 (-74%)</td>
<td>1%</td>
</tr>
<tr>
<td>Selling</td>
<td>-759 (-11%)</td>
<td>-812 (-12%)</td>
<td>-7%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>-295 (-4%)</td>
<td>-274 (-4%)</td>
<td>7%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-109 (-2%)</td>
<td>-114 (-2%)</td>
<td>-5%</td>
</tr>
<tr>
<td>Others (incl. Except.)</td>
<td>-84 (-1%)</td>
<td>-152 (-2%)</td>
<td>-81%</td>
</tr>
<tr>
<td>EBIT</td>
<td>491 (7%)</td>
<td>407 (6%)</td>
<td>-17%</td>
</tr>
<tr>
<td>EPS pre*</td>
<td>4.48</td>
<td>4.73</td>
<td>6%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>906 (13%)</td>
<td>910 (13%)</td>
<td>0%</td>
</tr>
<tr>
<td>thereof except.</td>
<td>-80 (-1%)</td>
<td>-109 (-2%)</td>
<td>-36%</td>
</tr>
<tr>
<td>EBITDA pre except.</td>
<td>986 (14.4%)</td>
<td>1,019 (15.0%)</td>
<td>3%</td>
</tr>
</tbody>
</table>

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

- Increase in selling expenses due to higher freight costs and FX
- Improved G&A costs reflect synergies
- EBIT impacted by higher exceptionals (realignment of Organometallics and leather businesses)
- EPS pre increase supported by share buyback
FY 2019: Improving earnings in three out of four segments

Sales [€ m]  EBITDA pre [€ m]

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Intermediates</td>
<td>2.207</td>
<td>2.249</td>
<td>+2%</td>
</tr>
<tr>
<td>Specialty Additives</td>
<td>1.980</td>
<td>1.965</td>
<td>-1%</td>
</tr>
<tr>
<td>Performance Chemicals</td>
<td>976</td>
<td>1.052</td>
<td>8%</td>
</tr>
<tr>
<td>Engineering Materials</td>
<td>1.576</td>
<td>1.450</td>
<td>-8%</td>
</tr>
</tbody>
</table>

* Total group sales including reconciliation
FY 2019: Solid growth in Asia and North America supported by FY tailwind

**FY 2019 sales by region [%]**

- **North America**: 23%
- **Asia/Pacific**: 31%
- **LatAm**: 23%
- **EMEA (excl. Germany)**: 18%
- **Germany**: 5%

**Regional development of sales [€ m]**

<table>
<thead>
<tr>
<th>Region</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia/Pacific</td>
<td>1.431</td>
<td>1.538</td>
<td>+7%</td>
</tr>
<tr>
<td>LatAm</td>
<td>346</td>
<td>331</td>
<td>-4%</td>
</tr>
<tr>
<td>North America</td>
<td>1.494</td>
<td>1.554</td>
<td>+4%</td>
</tr>
<tr>
<td>EMEA (excl. Germany)</td>
<td>2.167</td>
<td>2.128</td>
<td>-2%</td>
</tr>
<tr>
<td>Germany</td>
<td>1.386</td>
<td>1.251</td>
<td>-10%</td>
</tr>
</tbody>
</table>

**Operational development***

- **Asia/Pacific**: +4%
- **LatAm**: -8%
- **North America**: -1%
- **EMEA (excl. Germany)**: -2%
- **Germany**: -10%

* Currency and portfolio adjusted
Cash flow FY 2019: Active working capital management drives improvement in operating cash flow

- Increase in operating cash flow driven by improved working capital, reflecting reduction of inventories and receivables
- Investing cash flow in previous year biased by proceeds from ARLANXEO divestment
- Capex increase driven by attractive debottlenecking investments

<table>
<thead>
<tr>
<th>[€ m]</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow*</td>
<td>441</td>
<td>634</td>
<td>193</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>-179</td>
<td>68</td>
<td>247</td>
</tr>
<tr>
<td>Investing cash flow*</td>
<td>80</td>
<td>-697</td>
<td>-777</td>
</tr>
<tr>
<td>thereof capex</td>
<td>-482</td>
<td>-508</td>
<td>-26</td>
</tr>
</tbody>
</table>

* Applies to continuing operations
Increase in exceptional items (on EBIT) due to higher realignment and project costs

<table>
<thead>
<tr>
<th></th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Intermediates</td>
<td>0</td>
<td>0</td>
<td>48</td>
<td>35</td>
</tr>
<tr>
<td>Specialty Additives</td>
<td>-6</td>
<td>1</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Performance Chemicals</td>
<td>12</td>
<td>10</td>
<td>-3</td>
<td>0</td>
</tr>
<tr>
<td>Engineering Materials</td>
<td>0</td>
<td>-1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reconciliation</td>
<td>17</td>
<td>0</td>
<td>23</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23</strong></td>
<td><strong>10</strong></td>
<td><strong>75</strong></td>
<td><strong>38</strong></td>
</tr>
</tbody>
</table>
Maturity profile actively managed and well balanced

Liquidity and maturity profile as per December 2019

Long-term financing secured

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

* Hybrid bond with contractual maturity date in 2076 has a first optional call date in 2023.
Upcoming events 2020 - Proactive capital market communication

1. MainFirst Corporate Conference, Copenhagen
2. Credit Suisse Chemicals & Agriculture Conference, London
3./4. dbAccess Berlin Conference, Berlin
9. Exane BNP Paribas 22nd European CEO Conference, Paris
18. Société Générale ESG Conference, Frankfurt
22. Morgan Stanley Cannon Ball Run, Cologne
25. Bankhaus Lampe Deutschland-Konferenz, Baden-Baden
11. FY 2019 Results
6. Q1 2020 results
13. Annual Stockholders’ Meeting, Cologne
13. Q2 2020 results
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Abbreviations

**Advanced Intermediates**

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

**Specialty Additives**

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

**Performance Chemicals**

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

**Engineering Materials**

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