LANXESS – Q1 2020 Roadshow
Cash is king!

Investor Relations
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Agenda

1. Cash is king! - Managing the crisis
2. Way forward: Staying focused on strategic agenda
3. Financial and business details Q1 2020
4. Back-up
Q1 2020: Two segments with improved results mitigate COVID-19 impact

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

Financial measures

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

Operational measures

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

High liquidity provides security throughout crisis

- Cash
- Financial assets

<table>
<thead>
<tr>
<th>Crisis</th>
<th>Cash (in € m)</th>
<th>Financial assets (in € m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial crisis*</td>
<td>~300</td>
<td>&lt;1,000</td>
</tr>
<tr>
<td>2012/13 crisis*</td>
<td>~3,000</td>
<td>~300</td>
</tr>
<tr>
<td>Corona crisis**</td>
<td>~3,000</td>
<td>~3,000</td>
</tr>
</tbody>
</table>

**Cash includes back-up credit facility of about €1 bn, including proceeds from Currenta transaction closed April 30
LANXESS portfolio today provides a much better risk profile than in the last economic downturns

EBITDA<sub>pre</sub> in million €

**Financial crisis**
(2008 vs. 2009)

<table>
<thead>
<tr>
<th></th>
<th>ARLANXEO*</th>
<th>New LANXESS</th>
<th>Reconciliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>722</td>
<td>465</td>
<td>-36%</td>
</tr>
<tr>
<td>2009</td>
<td>465</td>
<td>465</td>
<td>-47%</td>
</tr>
<tr>
<td></td>
<td>-18%</td>
<td>-18%</td>
<td>-18%</td>
</tr>
</tbody>
</table>

**2012/13 crisis**
(Rubber)

<table>
<thead>
<tr>
<th></th>
<th>1,223</th>
<th>735</th>
<th>-40%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012/13</td>
<td>1,223</td>
<td>735</td>
<td>-55%</td>
</tr>
<tr>
<td></td>
<td>-47%</td>
<td>-16%</td>
<td>-47%</td>
</tr>
</tbody>
</table>

More balanced portfolio
Reduced auto exposure
High liquidity enabling financial flexibility

**Today:**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>Corona crisis</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1,019</td>
<td>850**</td>
</tr>
<tr>
<td></td>
<td>-14%</td>
<td>-14%</td>
</tr>
</tbody>
</table>

* ARLANXEO = Segment: Performance Polymers – Business unit: High Performance Materials (non audited)
** Mid-point guidance 2020 (incl. Corona-effect)
Agenda

1. Cash is king! - Managing the crisis
2. Way forward: Staying focused on strategic agenda
3. Financial and business details Q1 2020
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The way forward – LANXESS stays focused on strategic agenda despite Corona crises

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

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

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

- **Digitalizing the value chain**
  - New methods of collaboration established
  - Despite some delays in digital projects, the crisis fast-tracked the usage of digital technology, e.g. in Global Procurement and Supply Chain Management

**CheMondis**:
  - Corona crisis accelerated the very positive trend of digitized sales in the chemical industry
  - CheMondis very successfully opened up for hospitals/doctors/pharmacies to support the distribution of disinfection material

* After deduction of net debt and pensions
**Closing of divestment Chrome ore mine expected in H2 2020, Divestment process for Organic Leather Chemicals is underway and we likewise expect this transaction to be completed by end of 2020
**Crucial organic growth projects progress as planned despite capex re-evaluation: Projects 2019/20***

<table>
<thead>
<tr>
<th>Segment</th>
<th>BU</th>
<th>Capacity expansion project &amp; site</th>
<th>End markets and applications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advanced Intermediates</strong></td>
<td>AII</td>
<td>P-Dichlorobenzene, Leverkusen</td>
<td>Electro &amp; Electronics, Automotive</td>
</tr>
<tr>
<td></td>
<td>AII</td>
<td>Hexanediol production, Krefeld-Uerdingen</td>
<td>Coatings</td>
</tr>
<tr>
<td></td>
<td>AII</td>
<td>Antioxidant Vulkanox HS, Brunsbuettel</td>
<td>Rubber industries</td>
</tr>
<tr>
<td><strong>Specialty Additives</strong></td>
<td>RCH</td>
<td>Soluble, organic dyes of the Macrolex brand used for coloration of high-quality plastic products, Leverkusen</td>
<td>Consumer goods (e.g. electronic devices, toys)</td>
</tr>
<tr>
<td><strong>Consumer Protection</strong></td>
<td>LPT</td>
<td>Ion exchange resins, Leverkusen</td>
<td>Battery industry</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Consumer goods (household applications)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Power plants</td>
</tr>
<tr>
<td><strong>Engineering Materials</strong></td>
<td>HPM</td>
<td>Additional production lines for Tepex, Brilon</td>
<td>Consumer electronics, Automotive</td>
</tr>
<tr>
<td></td>
<td>HPM</td>
<td>New compounding facility, Changzhou</td>
<td>Electro &amp; Electronics, Automotive</td>
</tr>
<tr>
<td></td>
<td>URE</td>
<td>Prepomers, Porto Feliz</td>
<td>Mining and industrial applications</td>
</tr>
</tbody>
</table>

*All projects already on-stream, except capacity increase of hexanediol production (BU AII) scheduled for end of 2020*
High demand for actives and disinfectants used against Coronavirus

<table>
<thead>
<tr>
<th>Cash is king!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand for LANXESS actives and Rely+On Virkon is skyrocketing</td>
</tr>
<tr>
<td>New marketing channels established for Rely+On Virkon</td>
</tr>
<tr>
<td>9 new or amended registrations achieved, additional 10 expected in May</td>
</tr>
<tr>
<td>Production and logistics optimization for additional volumes</td>
</tr>
</tbody>
</table>

*US EPA: US Environmental Protection Agency*
FY 2020 outlook incorporates latest assumptions of Corona impacts

Current view on economy

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

LANXESS outlook includes Corona impact

- Q2: EBITDA pre range of €200-250 m expected
- Implementation of mitigating measures is ongoing
- FY: EBITDA pre expected at €800-900 m
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LANXESS Group: Solid EBITDA pre margin in tough times

Balanced portfolio mitigates impact from pandemic

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

<table>
<thead>
<tr>
<th></th>
<th>Q1/2019</th>
<th>Q1/2020</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,738</td>
<td>1,704</td>
<td>-2%</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>272</td>
<td>245</td>
<td>-10%</td>
</tr>
<tr>
<td>Margin</td>
<td>15.7%</td>
<td>14.4%</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>69</td>
<td>74</td>
<td>7%</td>
</tr>
</tbody>
</table>

-2% -1% +1% 0%

Total -2%

Q1 Sales vs. PY

* All figures excluding BU LEA, which is reported as discontinued operation
Advanced Intermediates: Corona impact burdens

Stabilization of BU IPG continues

-4% -1% +1% 0%

Total -4%

Q1 Sales vs. PY

<table>
<thead>
<tr>
<th>[€ m]</th>
<th>Q1/2019</th>
<th>Q1/2020</th>
<th>Δ</th>
</tr>
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<tbody>
<tr>
<td>Sales</td>
<td>584</td>
<td>558</td>
<td>-4%</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>105</td>
<td>88</td>
<td>-16%</td>
</tr>
<tr>
<td>Margin</td>
<td>18.0%</td>
<td>15.8%</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>26</td>
<td>28</td>
<td>8%</td>
</tr>
</tbody>
</table>

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

Cash is king!

Way forward

Details Q1 2020

* New reporting structure as of Q1 2020, all numbers excluding BU LEA, which is reported as discontinued operations
**Specialty Additives: Earnings slightly increased**

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

<table>
<thead>
<tr>
<th>[€ m]</th>
<th>Q1/2019</th>
<th>Q1/2020</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>485</td>
<td>499</td>
<td>3%</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>83</td>
<td>85</td>
<td>2%</td>
</tr>
<tr>
<td>Margin</td>
<td>17.1%</td>
<td>17.0%</td>
<td>2%</td>
</tr>
<tr>
<td>CAPEX</td>
<td>14</td>
<td>15</td>
<td>7%</td>
</tr>
</tbody>
</table>

**Stable margins, but impact will come**

- Cash is king!
- Way forward

**Q1 Sales vs. PY**

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

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**Details Q1 2020**
Consumer Protection: New segment structure reveals strength of businesses

Strong performance across the segment

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

Q1 Sales vs. PY

**Total**  +6%

### Q1/2019  Q1/2020  Δ

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>264</td>
<td>279</td>
<td>6%</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>60</td>
<td>67</td>
<td>12%</td>
</tr>
<tr>
<td>Margin</td>
<td>22.7%</td>
<td>24.0%</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>9</td>
<td>10</td>
<td>11%</td>
</tr>
</tbody>
</table>

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

*New reporting structure as of Q1 2020, all numbers excluding BU LEA, which is reported as discontinued operations
Drop in sales results partly from significantly lower raw material prices, further decline in auto demand caused by COVID-19 pandemic especially in Europe

BU URE with stable performance

EBITDA pre and margin decline substantially due to burden in BU HPM

Weak auto demand slows down further

<table>
<thead>
<tr>
<th></th>
<th>Q1/2019</th>
<th>Q1/2020</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>382</td>
<td>347</td>
<td>-9%</td>
</tr>
<tr>
<td>EBITDA pre</td>
<td>65</td>
<td>49</td>
<td>-25%</td>
</tr>
<tr>
<td>Margin</td>
<td>17.0%</td>
<td>14.1%</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>11</td>
<td>8</td>
<td>-27%</td>
</tr>
</tbody>
</table>

Price | Volume | FX | Portfolio | Total
-----|--------|----|-----------|-----
-6%   | -4%    | +1%| 0%        | -9%

Q1 Sales vs. PY

Cash is king!

Way forward

Details Q1 2020

18
Q1 2020: Operational result impacted by Corona – still maintained margin on solid level

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

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

\* From continuing operations, net of exceptionals and amortization of intangible assets as well as attributable tax effects
Q1 2020: Two segments with improved EBITDA pre mitigate COVID-19 impact

### Sales [€ m]

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 2019</th>
<th>Q1 2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AI</td>
<td>584</td>
<td>558</td>
<td>-4%</td>
</tr>
<tr>
<td>SA</td>
<td>485</td>
<td>499</td>
<td>+3%</td>
</tr>
<tr>
<td>CP</td>
<td>264</td>
<td>279</td>
<td>+6%</td>
</tr>
<tr>
<td>EM</td>
<td>382</td>
<td>347</td>
<td>-9%</td>
</tr>
</tbody>
</table>

**Q1 2019 vs Q1 2020 Change**
- AI: -4%
- SA: +3%
- CP: +6%
- EM: -9%

### EBITDA pre [€ m]

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 2019</th>
<th>Q1 2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AI</td>
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<td>85</td>
<td>+2%</td>
</tr>
<tr>
<td>CP</td>
<td>60</td>
<td>67</td>
<td>+12%</td>
</tr>
<tr>
<td>EM</td>
<td>65</td>
<td>49</td>
<td>-25%</td>
</tr>
</tbody>
</table>

**Q1 2019 vs Q1 2020 Change**
- AI: -16%
- SA: +2%
- CP: +12%
- EM: -25%

*Total group sales including reconciliation*
Q1 2020: Operational sales growth in North America, Europe suffers mainly from weak auto industry

Q1 2020 sales by region [%]

Regional development of sales [€ m]

- North America: -7%
- Asia/Pacific: +1%
- EMEA (excl. Germany): -6%
- LatAm: +4%
- Germany: -7%

Cash is king!

Way forward

Details Q1 2020

* Currency and portfolio adjusted
## Strong increase in operating cash flow in Q1

<table>
<thead>
<tr>
<th>[€ m]</th>
<th>Q1/2019</th>
<th>Q1/2020</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow*</td>
<td>22</td>
<td>113</td>
<td>91</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>-168</td>
<td>-181</td>
<td>-13</td>
</tr>
<tr>
<td>Investing cash flow*</td>
<td>-236</td>
<td>-75</td>
<td>161</td>
</tr>
<tr>
<td>thereof capex</td>
<td>-69</td>
<td>-74</td>
<td>-5</td>
</tr>
</tbody>
</table>
Strong balance sheet includes strong liquidity position

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

<table>
<thead>
<tr>
<th></th>
<th>31.12.2019</th>
<th>31.03.2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>8,695</td>
<td>9,671</td>
</tr>
<tr>
<td>Equity</td>
<td>2,647</td>
<td>2,697</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>30%</td>
<td>28%</td>
</tr>
<tr>
<td>Net financial debt¹</td>
<td>1,742</td>
<td>1,705</td>
</tr>
<tr>
<td>Cash, cash equivalents, short term money market investments</td>
<td>1,076</td>
<td>2,109</td>
</tr>
<tr>
<td>Pension provisions</td>
<td>1,178</td>
<td>1,087</td>
</tr>
<tr>
<td>Net working capital</td>
<td>1,308</td>
<td>1,484</td>
</tr>
<tr>
<td>DSI (in days)²</td>
<td>66</td>
<td>64</td>
</tr>
<tr>
<td>DSO (in days)³</td>
<td>42</td>
<td>49</td>
</tr>
</tbody>
</table>

¹ Including cash, cash equivalents, short term money market investments
² Days sales of inventory calculated from quarterly sales
³ Days of sales outstanding calculated from quarterly sales
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Housekeeping items 2020

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount/Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex 2020</td>
<td>~€450 m</td>
</tr>
<tr>
<td>Operational D&amp;A 2020</td>
<td>~€450 m</td>
</tr>
<tr>
<td>Reconciliation 2020</td>
<td>~€140 m - €150 m including remnant costs</td>
</tr>
<tr>
<td>Tax rate</td>
<td>~28%</td>
</tr>
<tr>
<td>Exceptionals 2020</td>
<td>~€70-80 m based on current initiatives</td>
</tr>
<tr>
<td>FX sensitivity</td>
<td>One cent change of USD/EUR resulting in ~€7 m EBITDA pre impact before hedging</td>
</tr>
<tr>
<td>Remnant costs</td>
<td>~€10 m p.a. until 2022</td>
</tr>
<tr>
<td>Maintenance shutdown</td>
<td>~€10 - €20 m in H2</td>
</tr>
<tr>
<td>BU HPM</td>
<td></td>
</tr>
</tbody>
</table>
2019 like-for-like figures for new reporting structure reflect shift between segments AI and CP

<table>
<thead>
<tr>
<th>[€ m]</th>
<th>Advanced Intermediates</th>
<th>Specialty Additives</th>
<th>Consumer Protection</th>
<th>Engineering Materials</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>584</td>
<td>485</td>
<td>264</td>
<td>382</td>
<td>1,738</td>
</tr>
<tr>
<td>Q2</td>
<td>585</td>
<td>506</td>
<td>247</td>
<td>365</td>
<td>1,724</td>
</tr>
<tr>
<td>Q3</td>
<td>549</td>
<td>503</td>
<td>277</td>
<td>353</td>
<td>1,704</td>
</tr>
<tr>
<td>Q4</td>
<td>533</td>
<td>471</td>
<td>262</td>
<td>350</td>
<td>1,636</td>
</tr>
</tbody>
</table>

| Q1      | 105                     | 83                  | 60                  | 65                    | 272    |
| Q2      | 114                     | 89                  | 48                  | 65                    | 281    |
| Q3      | 91                      | 97                  | 55                  | 59                    | 269    |
| Q4      | 73                      | 84                  | 35                  | 49                    | 197    |

* Including recon
Key Figures*: Solid performance in crisis mode

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>€1,704 m</strong> Sales</td>
<td><strong>€113 m</strong> Operating Cash Flow</td>
<td><strong>€2,109 m</strong> Cash &amp; cash equivalents, short term money market investments</td>
<td></td>
</tr>
<tr>
<td>-2%</td>
<td>&gt;100%</td>
<td><strong>€1,705 m</strong> Net financial debt**</td>
<td></td>
</tr>
<tr>
<td><strong>€245 m</strong> EBITDA pre</td>
<td>14.4% EBITDA pre Margin</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.17 EPS pre</td>
<td><strong>€74 m</strong> CAPEX</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-11%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Continuing operations (excluding BU LEA, which is reported as discontinued operation)
** including short term money market investments
Increase in exceptional items (on EBIT) due to higher realignment and project costs

<table>
<thead>
<tr>
<th></th>
<th>Q1/2019</th>
<th>Q1/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Excep.</td>
<td>Thereof D&amp;A</td>
</tr>
<tr>
<td>Advanced Intermediates</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Specialty Additives</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Consumer Protection</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Engineering Materials</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reconciliation</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>0</td>
</tr>
</tbody>
</table>
Maturity profile actively managed and well balanced

**Long-term financing secured**
- Syndicated revolving credit facility fully drawn as per end of March
- Diversified financing sources
  - Bonds & private placements
  - Syndicated credit facility
- Average interest rate of financial liabilities ~2%
- Next bond maturity in 2021
- All group financing executed without financial covenants

**Liquidity and maturity profile as per 31 March 2020**

- Syndicated revolving credit facility €1.0 bn
- Bond 2021 0.250%
- Bond 2022 2.625%
- Hybrid 1st call* 4.50%
- Bond 2025 1.125%
- Bond 2026 1.00%
- Private placement 3.95% (2027)
- Hybrid 2076* 4.50%
- Bond 2026 1.00%
- Hybrid 2076* 4.50%

---

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

70 - 80% Cash conversion

22 - 25% EBITDA pre margin

CAGR: ~10%

Sales <€500 m

6 M&A since 2010

0% Automotive
The way forward – Fix underperforming businesses

Strategy

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

Sales of businesses to be addressed:
~€800 m

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

Target structure:
~€500 m

**Margin Level:**
- **Leather:** ~8%
- **Rubber additives:** ~8%
- **Organo-metallics:** Margin Level: ~8%
- **Membranes:** Margin Level: >15%

* The disposal of all operations of the Leather business unit is expected to be fully completed by the end of 2020, so these operations were recognized as discontinued operations as of December 31, 2019.
Strong progress in solving the Chrome problem

Structure
Business Unit Leather

Chrome Ore
South Africa

Sold*

Chrome Chemicals
South Africa

Sold**

Organic Leather Chemicals
EMEA, China

Divestment process underway***

---

*Disposal of LANXESS’ 74% stake in chrome ore mine in Rustenburg (South Africa) to Clover Alloys (SA) Pty. Ltd.; Closing expected by the end of 2020, 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

***Offer and sale process is underway and we likewise expect this transaction to be completed by December 31, 2020.
Improving Organometallics’ performance to competitive peer level

Organometallics Sales

2018:
~€160 m

- **Tin based**
- **Aluminum based**
- **Gallium based**

Margin Level:
0-5%

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

- **Aluminum 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></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialty Additives</td>
<td></td>
<td></td>
<td>Synergies in related businesses</td>
</tr>
<tr>
<td>Consumer Protection</td>
<td></td>
<td></td>
<td>Attractive secular growth</td>
</tr>
<tr>
<td>Engineering Materials</td>
<td></td>
<td></td>
<td>High entry barriers due to increasing regulation</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.

EBITDA pre - CAPEX = Cash Conversion*

2019 in € m

<table>
<thead>
<tr>
<th>Category</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maint.</td>
<td>~300 – 350</td>
</tr>
<tr>
<td>Growth</td>
<td>~100 – 150</td>
</tr>
<tr>
<td>Restr.</td>
<td>~0 – 50</td>
</tr>
<tr>
<td>~500</td>
<td></td>
</tr>
<tr>
<td>~50%</td>
<td></td>
</tr>
</tbody>
</table>

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
Shareholder return is the driver for capital allocation

**Capital allocation follows shareholder interests**

**Shareholder return is the driver for capital allocation**

**EBITDA**
- Illustrative (€ m)
  - ~1000
  - ~300 - 350
  - ~120
  - ~550

**Maintenance CAPEX**
- ~300 - 350

**Free Cash Flow**
- ~120

**Organic growth**
- Share buyback
- Deleveraging
- Dividend
- Interest expenses

**Restructuring**
- Mergers & Acquisitions
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

2021 Planned start of construction

Investment rationale:

- Potential lucrative yield of battery grade lithium from LANXESS‘ „waste material“ tail brine
- Strong growth of Lithium use based on rising demand for batteries
The way forward –
Providing direction from four perspectives

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

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

*in case of significant M&A timeline to be adjusted; climate neutral:<300kt CO$_2$e p.a.
LANXESS ahead of regulation and far sighted in management of ETS certificates

- LANXESS actively reduced CO\textsubscript{2}e emissions in line with Emission Trading Scheme (ETS) reduction targets
- Cost effect from ETS is currently neutral
- We will continue to reduce CO\textsubscript{2}e emissions and remain ahead of ETS reduction targets

---

Climate performance\(^*\)

- Global trajectory
- German industry trajectory
- LANXESS trajectory

\(^*\)Increase of existing specific 2025 Scope 2 and energy efficiency target from -25\% to -40\%, compared to 2015; existing business parameters, in case of significant M&A timeline to be adjusted; performance calculated versus 2004 level (foundation of LANXESS); performance compared to 1990 level even higher (-65\%), but not fully in our responsibility due to pre-spin-off set-up, trajectories based on BDI: "Klimapfade für Deutschland, Existing business parameters, in case of significant M&A timeline to be adjusted"
Upcoming (virtual) events 2020 - Proactive capital market communication

6. Q1 2020 Results
13. Q2 2020 results

May

6. Q1 2020 Results

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


2. Credit Suisse Chemicals & Agriculture Conference, London (virtual)

3./4. dbAccess Berlin Conference, Berlin (virtual)


9. Exane BNP Paribas 22nd European CEO Conference, Paris (virtual)

22. Morgan Stanley Cannon Ball Run, Cologne

June

13. Q2 2020 results

21-23. Goldman Sachs/Berenberg German Corporate Conference, Munich

23.-24. Baader Investment Conference, Munich

Jul

Aug

Sep

Oct

Nov

5. Q3 2020 results

12. Analyst Roundtable
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Visit the IR website
### Abbreviations

#### Advanced Intermediates

- **AII**: Advanced Industrial Intermediates
- **IPG**: Inorganic Pigments

#### Specialty Additives

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

#### Consumer Protection

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

#### Engineering Materials

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