



LANXESS
Energizing Chemistry

Target achieved – results improved

Annual press conference on fiscal year 2019

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Rely+On Virkon effective against coronavirus

Properties

- Tests prove effectiveness
- Application: diluted and sprayed on hard surfaces and equipment
- Disinfection in public places: railway stations, airports, hospitals etc.

Demand & capacities

- Increased demand for Rely+On Virkon worldwide, especially China
- Production and logistics are optimized for additional product quantities





2019: On course despite headwind

Further progress in realigning the company

Earnings improved

EBITDA margin at 15 percent for the first time

Our goal: climate neutral by 2040

Further progress in realigning the company

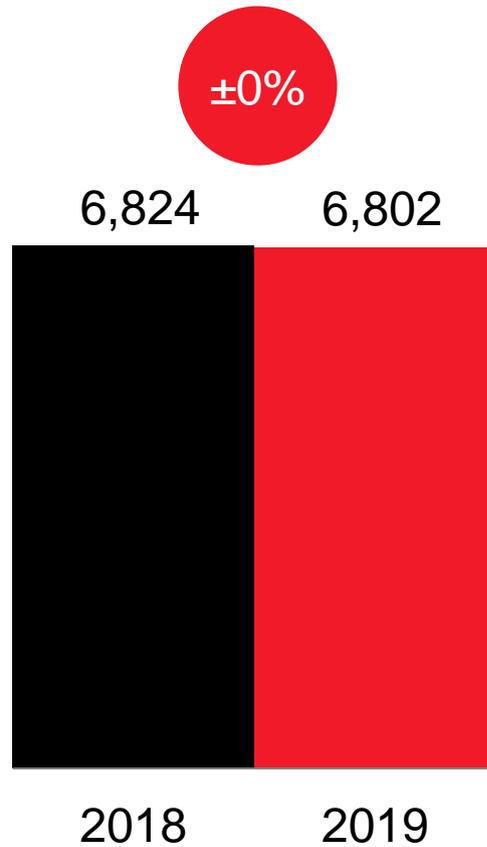


Realignment towards specialty chemicals

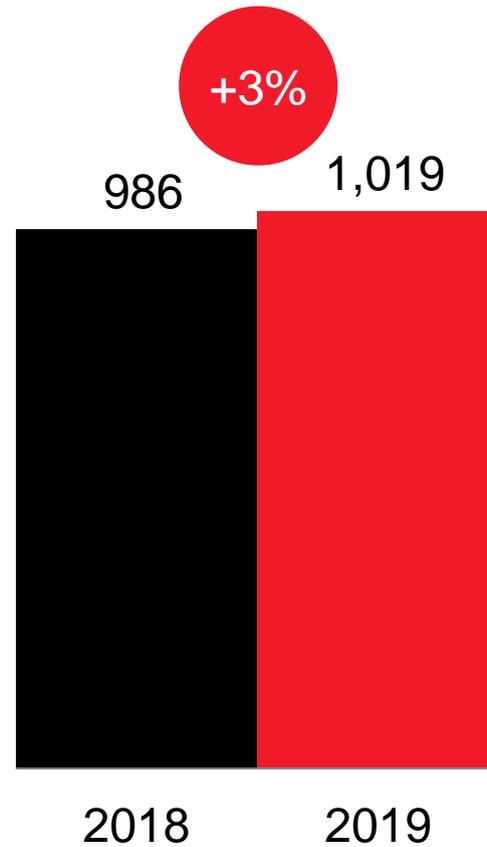
- Realignment of the organometallics business completed
- 40% stake in Currenta sold
- Sale of the Leather business unit driven forward
 - Chrome chemicals business sold
 - Share in chrome ore mine sold (closing Q4/2020)
 - Intended sale of organic leather chemicals
 - Leather business unit reported as "discontinued operations" since end of 2019
- Acquisition of Brazilian biocide manufacturer
- Financial platform strengthened: further acquisitions planned

Earnings improved – in a challenging environment

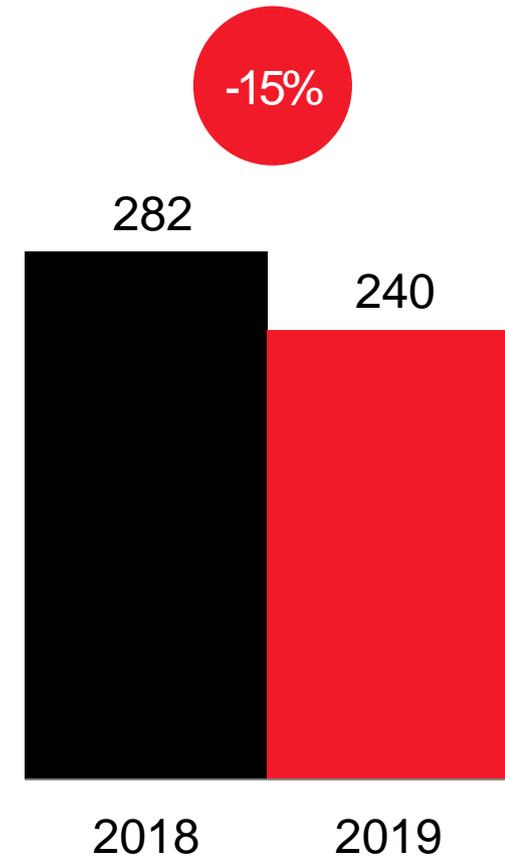
Sales [in EUR m]



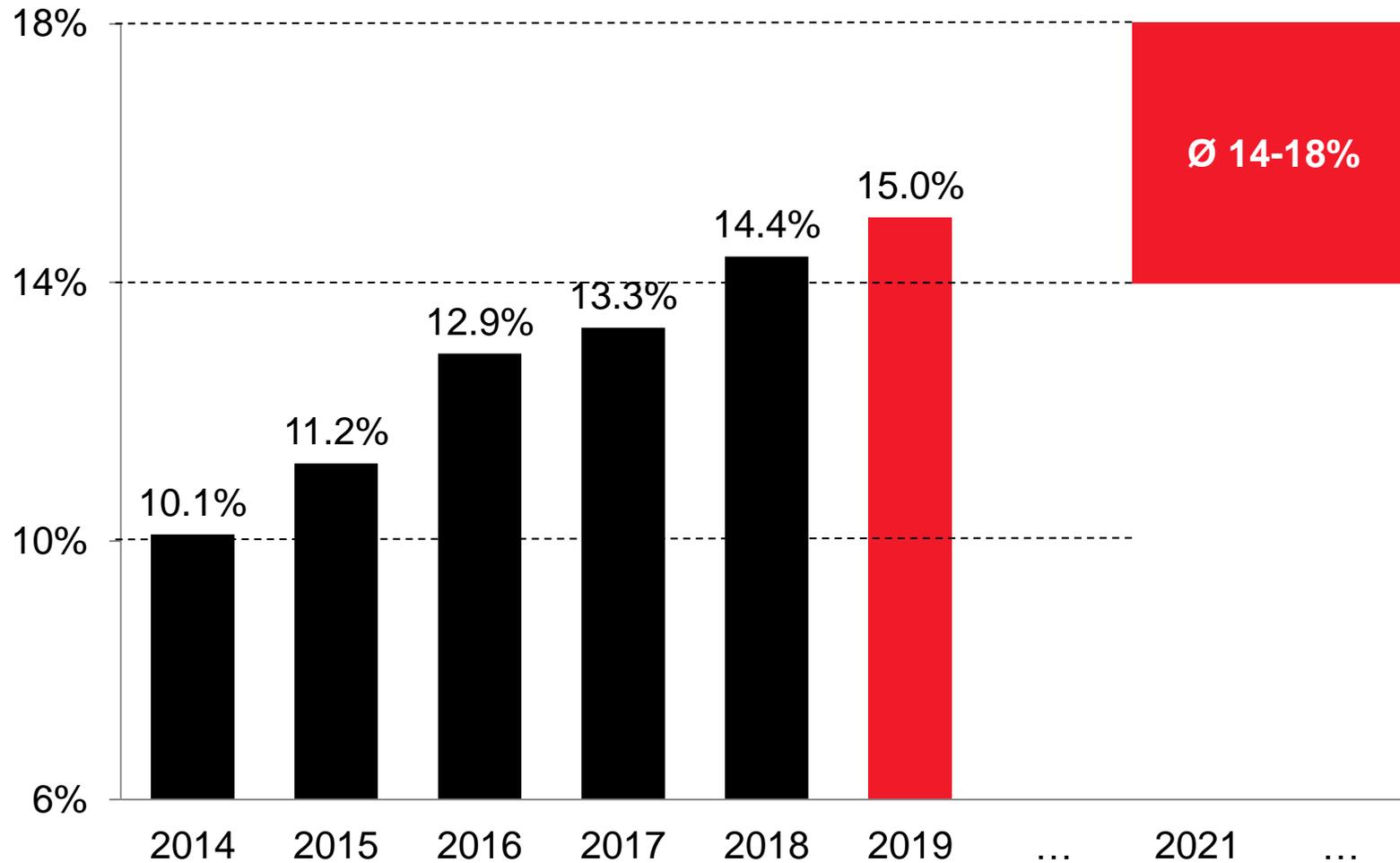
EBITDA [in EUR m]



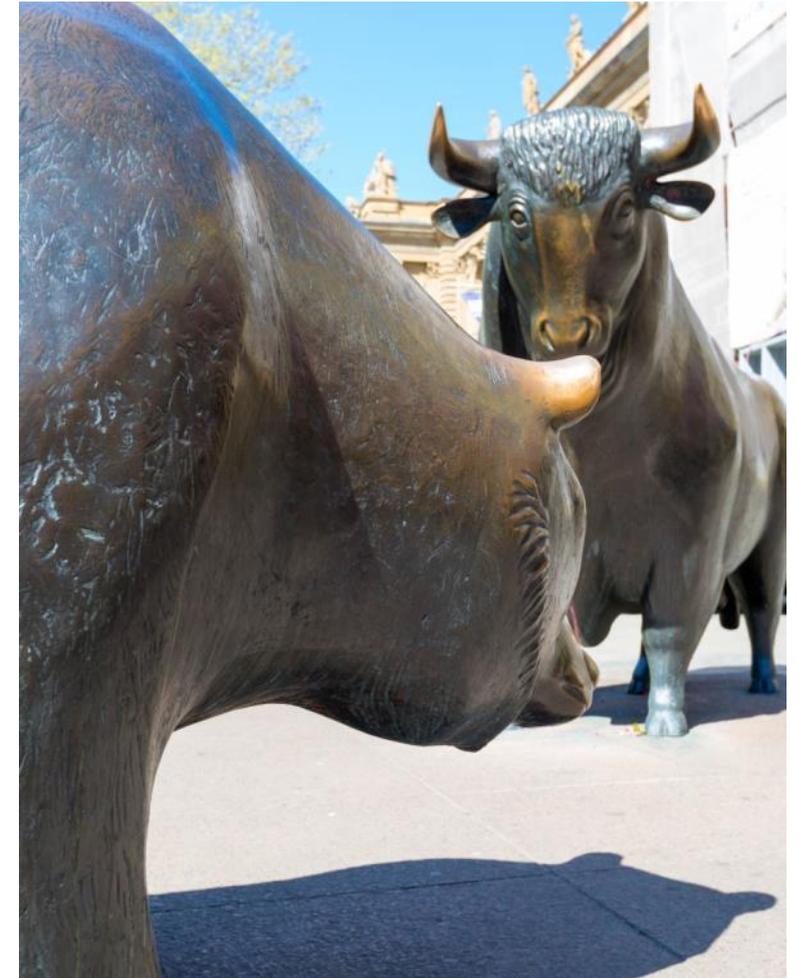
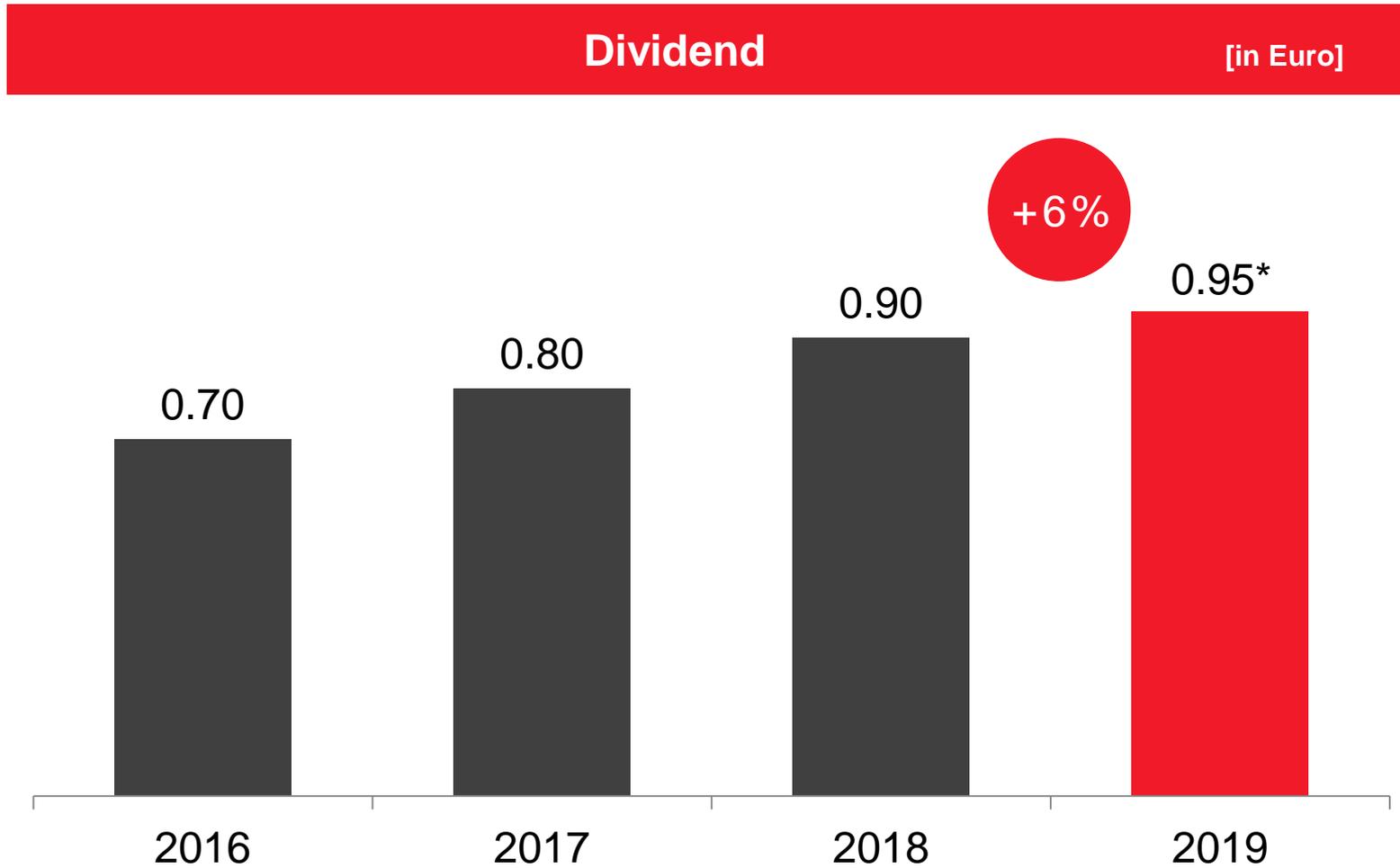
Net income [in EUR m]



EBITDA margin at 15 percent for the first time



Dividend raised even in difficult times



LANXESS launches new share buy-back program

- Buy-back of up to 10% of the share capital
- Volume of up to EUR 500 m (two tranches of EUR 250 m each)
- Start expected on March 12, 2020
- Completion within the next 24 months
- Acquired shares shall be redeemed

Creating further value for shareholders



Three of four segments with earnings growth

Advanced Intermediates

Strong agro business at Saltigo



Sales: EUR 2.25 bn (+2%)
EBITDA: EUR 389 m (+8%)

Specialty Additives

Polymer Additives as driver



Sales: EUR 1.97 bn (-1%)
EBITDA: EUR 353 m (+3%)

Performance Chemicals

Significant increase in earnings



Sales: EUR 1.1 bn (+8%)
EBITDA: EUR 192 m (+23%)

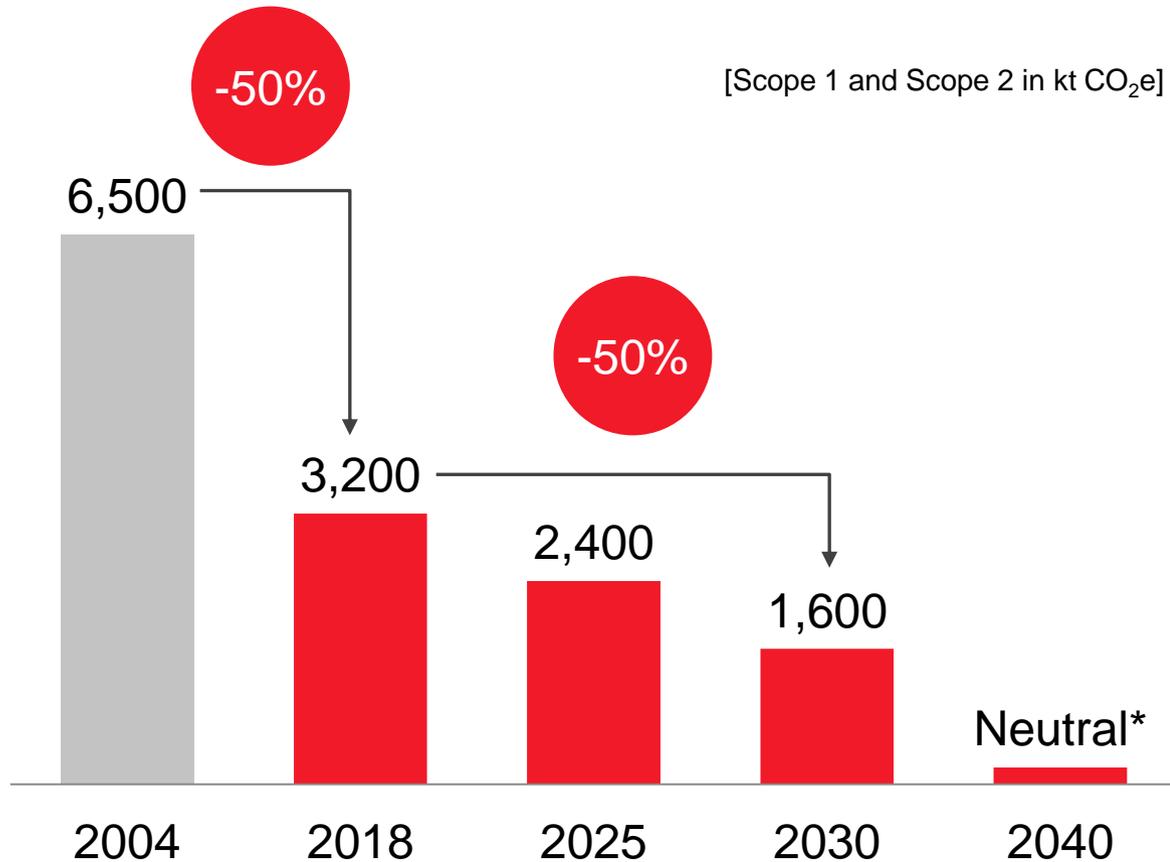
Engineering Materials

Weak automotive industry burdens



Sales: EUR 1.45 bn (-8%)
EBITDA: EUR 238 m (-11%)

Our goal: climate neutral by 2040



Status and next steps

2019

- Around 150 kt CO₂e** already saved through efficiency measures and a better energy mix

2020

- First stage of the nitrous oxide reduction plant in Antwerp, Belgium, to start: reduction of 150 kt CO₂e per year
- Plans for conversion to renewable energies in India underway



Outlook 2020: continuing growth

Forecast: Operationally stable, coronavirus burdens

New segment: Consumer Protection

Growth area battery technology

Forecast 2020: Operationally stable, coronavirus burdens

Macro environment

- Geopolitical and macroeconomic uncertainties
- Auto industry remains weak
- Global economic growth remains subdued; consequences of coronavirus difficult to predict

LANXESS

- Operational business at prior year's level (ex coronavirus)
- Coronavirus burdens earnings
 - Q1 2020: around EUR 20 m
 - FY 2020: between EUR 50 m and EUR 100 m
- EBITDA FY 2020: between EUR 900 and EUR 1,000 m



Consumer Protection: strong LANXESS expertise



What distinguishes the business:

- High barriers to enter market due to increasing regulation
- Strong expertise in regulatory matters required
- Attractive long-term growth, independent of industry cycles

What we offer:

- Global set-up for regulatory issues
- One of the largest teams of experts for registrations in the industry
- Strong portfolio

Three leading business units ...

Saltigo



- Development of active ingredients for agrochemical, pharmaceutical and specialty chemical industry
- Process competence from the first sample to scale-up
- Saltidin: world leading active ingredient for insect repellents

#1 for custom manufacturing in the agricultural sector

Liquid Purification Technologies



- Technologies for treatment and purification of water and other liquids
- Use in industry and household

TOP 3 for ion exchange resins

Material Protection Products



- Antimicrobial agents and preservatives for paints & coatings, disinfection, wood protection and beverages
- Technical service, regulatory support

TOP 3 for biocide applications

... with convincing growth rates

Insect protection



Saltidin®



+15 %
Sales growth p.a.
(2012-2019)

Water treatment



X Lewatit®



+5 %
Sales growth p.a.
(2013-2019)

Biosecurity



> Virkon™



+27 %
Sales growth p.a.
(2017*-2019)

New segment: Consumer Protection

Advanced Intermediates



Consumer Protection



Specialty Additives



Engineering Materials



Material Protection Products

Polymer Additives

Advanced Industrial Intermediates

Liquid Purification Technologies

Lubricant Additives Business

High Performance Materials

Inorganic Pigments



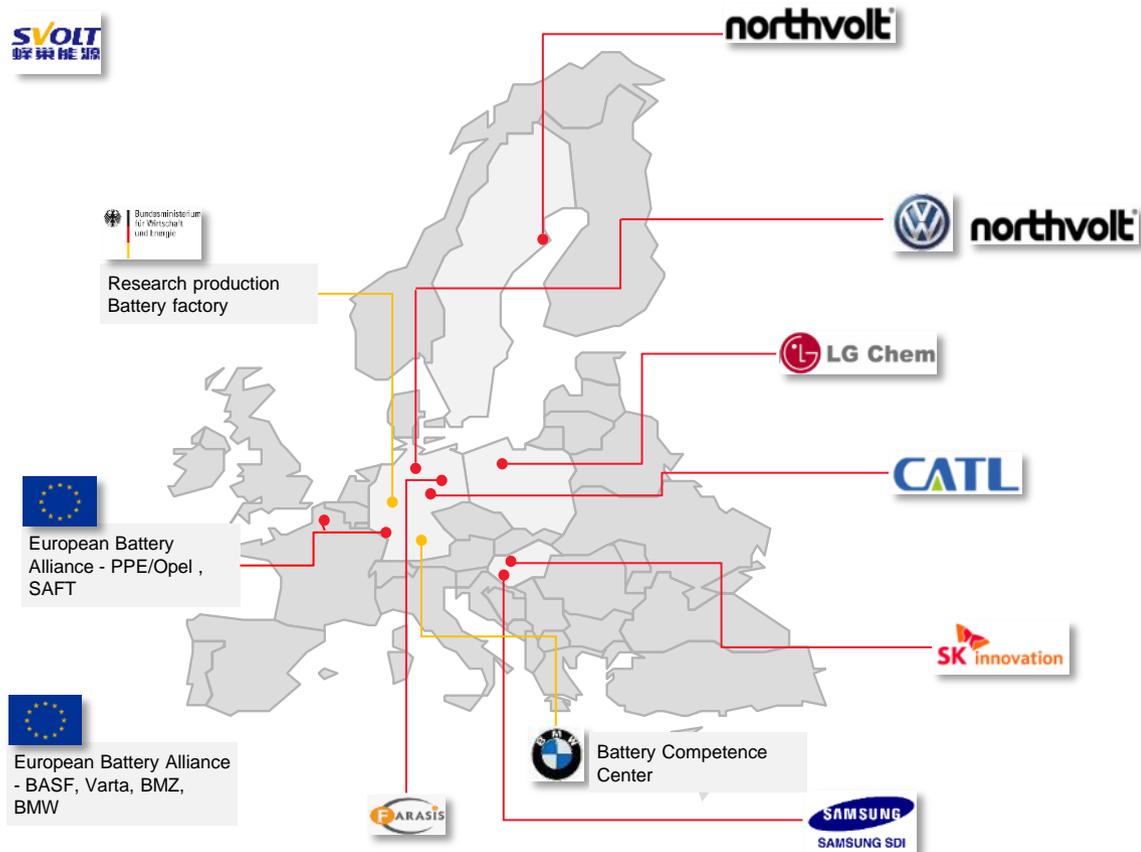
Saltigo

Rhein Chemie

Urethane Systems

Battery technology: growth area for chemical industry

Battery cell production in EU



Building up battery value chain in Europe

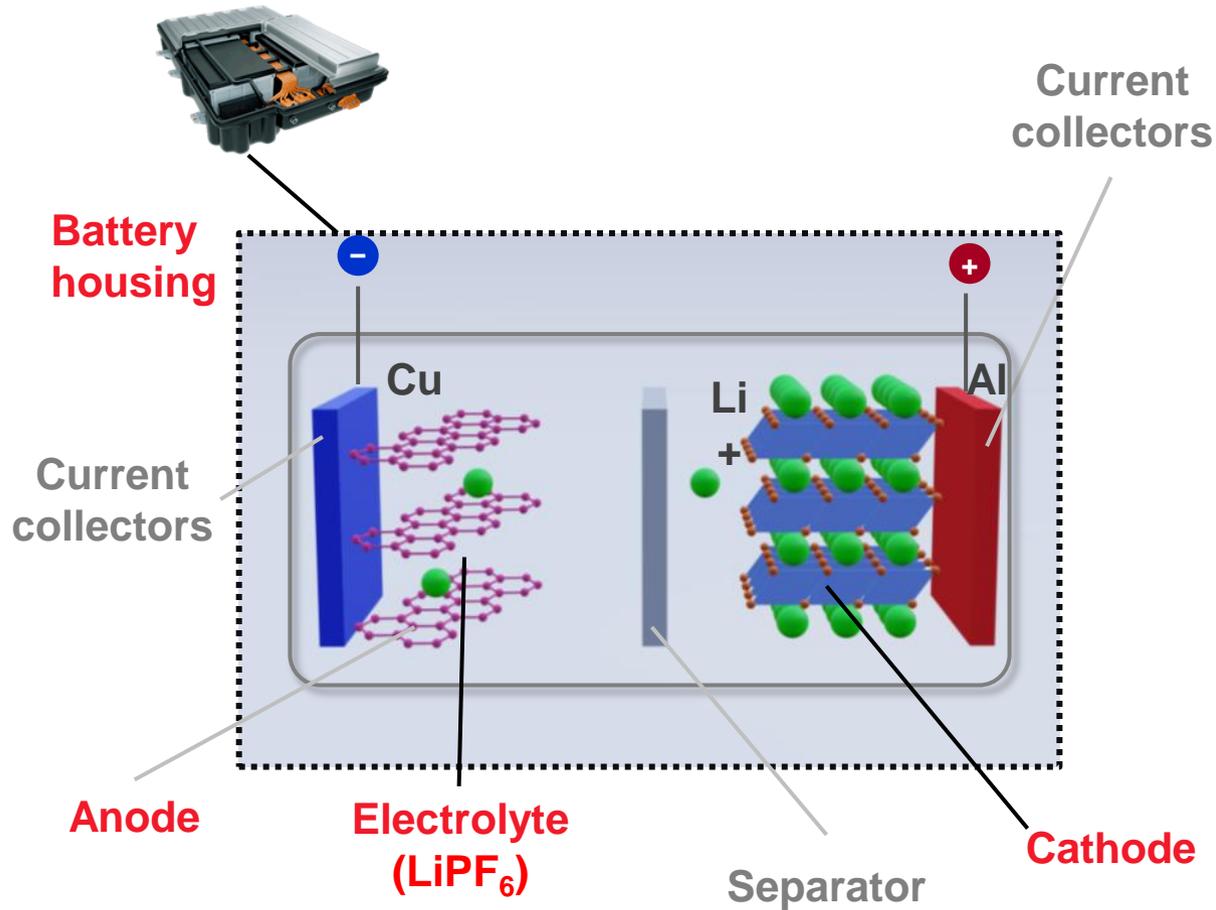
Global

- Growth of battery market: 30% p.a. (2010-2018)

Europe

- 2025: up to one third of global battery capacity in the EU
- Chemicals: >60% of battery cell costs
- So far announced production capacities Li-ion battery cells = EUR 8 to 9 bn sales potential for chemicals

LANXESS supplies key products for batteries



LANXESS products for Li-ion batteries

- **Battery housing:** plastics compounds
- **Electrolyte:** hydrofluoric acid and phosphorus chemicals for electrolyte salt (LiPF₆), lithium chemicals from brine*
- **Flame retardants** for battery protection

Opportunities for LANXESS

- LANXESS is the strongest producer of hydrofluoric acid and phosphorus chemicals in Europe
- LANXESS is a leading global flame retardant manufacturer with R&D focus on battery technology

Investment in lithium extraction



- Objective: Extraction of lithium from bromine brine at the El Dorado site, USA
- Partner Standard Lithium: Extraction of battery-grade lithium in an innovative, environmentally friendly process
- Technical and economic feasibility study underway
- Pilot plant in test operation since the beginning of March

First results expected in the first half of 2020

We have successfully mastered a challenging year 2019

We continue to drive forward the realignment of the company

We've got a lot of plans!

LANXESS

Energizing Chemistry