

Annual Shareholders' Meeting

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From the comments by

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(Check against delivery)

Good morning dear Shareholders,

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Welcome to the first digital Annual Shareholders' Meeting of LANXESS AG. Just as this is new for you, this is a first for me as well, one that nobody could have seen coming at the beginning of the year. However, the coronavirus pandemic has forced us to take this new approach. And so, today, for the first time we are meeting not in person, but merely virtually, to talk about the past fiscal year at LANXESS. But naturally, as comprehensive and as detailed as ever.

Like every other company, the coronavirus crisis has brought us enormous challenges in the past few months. The new format for the Annual Shareholders' Meeting has been a relatively minor chore by comparison. Above all, we were called on to protect the health and lives of our employees, and to prepare LANXESS for the consequences of the pandemic. This has united all our energies. And, if I may say so, our work has been met with success so far.

By applying strict hygiene rules, working-from-home solutions for most of our office employees and a modified shift model, we have been able to keep the infection rate among LANXESS employees very low.

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And in turn this has allowed us to safeguard our delivery capability. By far most of our global facilities have remained operational over the past few months. Shutdowns in a handful of countries occurred only temporarily as a result of government-imposed restrictions.

But nobody can really say what still lies in store. The full extent of the economic repercussions of the first wave of infection cannot yet even be grasped. While infection figures are stabilizing in Asia, the trend in countries such as the US or Brazil is cause for the utmost concern.

My colleagues and I therefore took measures early on to prepare our company for tough times. The key to this lies in LANXESS' strong liquidity. After the Lehman crisis, we learned that you can only defend your capacity to

take action if you build a strong liquidity position early on.

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In April, we therefore first suspended our stock repurchase program until further notice. The EUR 500 million program had been launched in March with an initial tranche of up to EUR 250 million.

We then further boosted our liquidity reserves with the sale of our stake in chemical park operator Currenta and achieved an equity of EUR 780 million. At the same time, we have retained our profit participation of EUR 150 million.

We will save EUR 50 to EUR 100 million in the current fiscal year through cost discipline, and free up another EUR 50 million by postponing investment projects. All this will contribute to our remaining maneuverable even in difficult and uncertain times.

The Board of Management, the Supervisory Board and LANXESS' top management also want to personally contribute to steering our company safely through the coronavirus crisis. We have therefore decided to

waive a substantial share of our pay. For the members of the Supervisory Board, this refers directly to their remuneration, while for the members of the Board of Management and our top management colleagues, to their future bonuses.

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Ladies and gentlemen, I am proud that we at LANXESS have held together in recent months. In a borderline situation, the likes of which none of us have ever seen before, we have all pulled together.

This has made us strong as a company, and enabled us to keep the safety of others in mind as well as our own. In April, we therefore donated ten metric tons in total of our highly effective disinfectant Rely⁺On Virkon to hospitals, authorities and public institutions in 13 countries around the world. The quantity donated was sufficient for one million liters of disinfectant solution. A hundred thousand of these went to the North Rhine-Westphalian Ministry of Health. From the end of May onwards, we then also supplied all schools at our German sites with Rely⁺On Virkon.

Results in 2019

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Dear shareholders, the coronavirus pandemic has overridden everything else in the past few months. And based on everything that we know, this crisis is still a long way from over. We are therefore resolved to continue to protect LANXESS and its employees.

But you have also embarked on the digital journey to our Annual Shareholders' Meeting today to learn something about the results of the 2019 fiscal year. I am now happy to give you the details, and you will see that the results speak for themselves.

At EUR 6.8 billion, LANXESS' sales were on par with the prior-year level. Our EBITDA pre exceptionals even increased by 3 percent to EUR 1.019 billion, putting it within the range that we had forecast.

The company's profit was down by 14.9 percent on the prior-year figure of EUR 282 million at EUR 240 million, partly as a result of non-recurring reorganization expenses.

By contrast, the development in our margin was very positive. For the first time in the history of our company, our EBITDA margin pre exceptionals rose to 15.0 percent for the year as a whole – after 14.4 percent in the previous year.

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Our segments likewise performed well. Advanced Intermediates, Specialty Additives and Performance Chemicals all improved on the previous year's results. This also made up for the decline in earnings in the Engineering Materials segment, itself a result of weak demand in the automotive industry.

Strategy

We also used the past year to set the strategic course in preparation for the future. And here we continue to focus on “class instead of mass”.

First and foremost here, especially in light of the coronavirus pandemic, this includes the formation of our new Consumer Protection segment. The groundwork for this new structure was laid in the past year and it

has been implemented this year. The aim of this is to focus more closely on consumer protection products. The new segment includes our Saltigo, Liquid Purification Technologies and Material Protection Products business units.

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Other than disinfectants, including Rely+On Virkon that we have already mentioned, the segment's product portfolio includes substances for the agricultural and pharmaceutical industries, for insect repellents as well as technologies for processing and cleaning water.

We are confident that Consumer Protection will make an excellent contribution to LANXESS' growth trajectory. The new segment is expected to generate a billion euro in sales and be LANXESS' most profitable business.

But defining decisions have been made for other areas of LANXESS as well.

A little over two years ago, we announced our intention to reorganize our organometallics business.

Today I can tell you that this process has been brought to a successful conclusion. We have invested a seven-figure amount at our location in Bergkamen to expand production of aluminum-based organometallics, which are used as catalysts in the production of high-quality plastics. This business promises to generate an attractive margin with good growth prospects.

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Another key strategic measure concerned our Leather business unit. As you know, in the last few years, we have been gearing our portfolio to focus on specialty chemicals. The production of chrome chemicals for the leather industry is a mass market business that is not a good fit for our path.

At the end of 2019, we therefore sold our shares in a chrome ore mine in South Africa to the South African company Clover Alloys. This was the next logical step after the sale of our chrome chemicals business to the Chinese company Brother Enterprises.

However, we have also honed our profile as a specialty chemicals corporation with selective

acquisitions. At the end of last year, we acquired the Brazilian biocide manufacturer IPEL. We have therefore expanded our position as one of the world's leading manufacturers of active biocidal ingredients and formulations. Our plan is to keep on growing this business.

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Ladies and gentlemen, naturally we also still have an eye on our existing facilities and sites. They are our backbone. And so we continued to invest in our production locations around the world in 2019 as well.

We have expanded our Rhenogran plant in Jhagadia in India. We launched a new facility for high-performance plastics in China. And we have expanded our plant at our Brazilian site in Porto Feliz to ensure its future viability.

But of course, all this does not mean that we have lost sight of our domestic market. We have made improvements to our locations in Germany as well, for instance in Brunsbüttel, where we have extended our antioxidants plant.

I am especially proud of the expansion of our fluorosulfuric facility in Leverkusen. This was a pilot project for accelerated approval procedures as part of the bureaucratic streamlining initiative brought about by NRW's Minister of Economics Andreas Pinkwart. And we are all impressed by the results: While the approval of such projects used to take around 20 months from an initial investment decision until final approval, this took only around twelve.

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NRW's state government has sent a clear signal with this project – for better site conditions and for the dialog between politicians, business and administration.

I would therefore like to take this opportunity to offer my particular thanks to all involved – and not least of course to our state government representatives. We are proud that the state government selected LANXESS as a partner for such a pilot project. I am optimistic that this initiative will prove a key stimulus for future collaboration.

Climate protection

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Dear shareholders, for companies like LANXESS, today it is no longer enough just to take care of our own business. We are increasingly being called upon to contribute to the major issues of our day. And there can be no doubt that this includes climate change.

In the past, LANXESS has already taken crucial action and pursued clear goals to contribute to the Paris Climate Protection Agreement. In 2019, we went a step further and declared a new and specific goal: we intend to become climate neutral by 2040.

And we are already implementing very concrete and effective measures for the first stage up to 2025.

We are currently working on an improved technology for nitrous oxide reduction. As part of this, we are creating a new facility at our Antwerp site and reducing CO₂e emissions there by 150,000 metric tons per year. After a second expansion we will even be aiming for as much as another 300,000 metric tons per year.

In India, we will convert the energy supply of all our locations to regenerative sources. In the future, we will dispense with coal and gas in India and use only biomass and solar power.

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In addition to these technological changes, we will also aim to cut emissions in our acquisitions and organic growth. A transaction's impact on our carbon footprint will therefore become a key investment criterion.

In the next step, we will reduce our emissions by a further 800,000 metric tons annually by 2030. We are working towards this goal.

Just how seriously we take our goal of climate neutrality is also underlined by the sustainable billion-euro revolving credit facility that we signed at the end of the last fiscal year. The interest rates for this innovative financing instrument are linked to criteria such as increasing the share of women in the top three management levels and the successful reduction of our scope 1 greenhouse gas emissions.

Our commitment to sustainability – not just in the field of climate protection – is also being noticed and honored by the world at large. For example, LANXESS is now listed in the Dow Jones Sustainability Index for the ninth time in a row. Moreover, we were included in the Dow Jones Sustainability Index Europe for the third time in a row – as the best company in the sector.

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And we have been included in the Carbon Disclosure Project's "Climate Change A List" for the third time as well, once again placing among the top two percent of companies rated worldwide.

Summary/dividend

Dear shareholders, following our realignment, we faced and passed our first true test in the difficult economic environment of 2019. We have raised our margin to a new record and further strengthened our financial foundation for new growth projects. In short: LANXESS is more strongly positioned than ever before – both strategically and financially.

At this point I would like to offer my sincerest thanks to all our employees around the world. Once again in 2019, they pushed themselves to the limit for the success of our company. They are what gives this company the strength to face whatever challenges the future may bring.

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And, of course, our thanks go to you, our shareholders, as well. Your trust in our work and your support for our chosen path mean a very great deal to us.

And naturally we would like you to share in this success by raising our dividend once again. We therefore propose to the Annual Shareholders' Meeting that the dividend be increased to 95 cents per share. This marks an increase of around six percent and a distribution volume of approximately EUR 82 million.

Our confidence to pay out such a dividend in times like these shows you that LANXESS is strongly positioned – and that we are looking to the future with drive and optimism.

Outlook

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Ladies and gentlemen, please allow me now to say just a few words about our expectations for this year.

After bringing 2019 to a successful conclusion, we got off to a good start in 2020 and assumed that our progress would remain stable. And then the coronavirus happened.

The pandemic will undoubtedly have consequences for the economy. How severe these consequences are, overall and for individual companies, will depend on a number of factors – above all how the infection unfolds.

We are anticipating EBITDA pre exceptionals of between EUR 800 and EUR 900 million.

Ladies and gentlemen, the situation in which we find ourselves is extraordinary. None of us can say with certainty where things will go from here, what still lies in store.

But what I can say to you with confidence is that we will do all we can to steer LANXESS through all the coming turbulence unscathed. And we are still looking to grow at the same time!

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I would be delighted to have you and your support with us on this journey.

Thank you for listening, and please stay healthy.

Thank you!