Stable through the pandemic
Annual Press Conference on fiscal year 2020

CEO Matthias Zachert, CFO Michael Pontzen
Safe Harbor Statement

The disclosures in this presentation are for information purposes only and do not constitute an offer to sell or an invitation to submit an offer to buy LANXESS AG securities. There is no public market for the trade of LANXESS AG securities in the U.S.

This presentation contains certain forward-looking statements, including assumptions, opinions, expectations and views of the company as well as assumptions and opinions cited from third-party sources. Various known and unknown risks, uncertainties and other factors could cause the actual results, financial position, development or performance of LANXESS AG to differ materially from the estimates expressed or implied herein. LANXESS AG does not guarantee that the assumptions underlying such forward-looking statements are free from errors, nor does it accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecast developments. No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, any information, estimates, targets and opinions contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and accordingly, no representative of LANXESS AG or any of its affiliated companies or any of such person’s officers, directors or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.
Stable, sustainable and on course for growth

Very solid result – LANXESS defies Corona crisis

Portfolio further improved

New milestones set to become climate neutral by 2040

2021: The signs point to growth
Agenda

1. Business development 2020
2. Our sustainability performance
3. Outlook 2021
## 2020: LANXESS kept running – despite Corona

### Operations maintained in the pandemic
- Plants were running almost continuously
- Largely stable logistics and raw material supply
- Strict hygiene concepts in production and office work

### Portfolio improved, finances strengthened
- Consumer Protection segment established
- Stake in Currenta sold
- Water treatment business realigned
- Disposal of the membrane business completed
- Chromium chemicals business divested
- Sale of leather chemicals business announced
Combat COVID 19: A team challenge
Balanced portfolio mitigates corona effects

<table>
<thead>
<tr>
<th>Sales</th>
<th>EBITDA</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>-10%</td>
<td>-15%</td>
<td>+&gt;100%</td>
</tr>
<tr>
<td>6,802</td>
<td>1,019</td>
<td>205</td>
</tr>
<tr>
<td>6,104</td>
<td>862</td>
<td>885</td>
</tr>
</tbody>
</table>

All figures in million euros
All EBITDA figures are pre exceptionals
Strategic realignment ensures stability

EBITDA

-40%

1,223
735

2012 2013

EBITDA margin

-4.5%p

13.4%

8.9%

2012 2013

EBITDA

-15%

1,019
862

2019 2020

EBITDA margin

-0.9%p

15.0%

14.1%

2019 2020

Rubber crisis 2013

Corona pandemic 2020

All figures in million euros
All EBITDA figures are pre exceptionals
Consumer Protection: Strong pillar

Advanced Intermediates
Lower demand due to Corona
Sales: EUR 2.00 bn (-11%)
EBITDA: EUR 336 m (-12%)

Specialty Additives
Weak demand in customer industries
Sales: EUR 1.73 bn (-12%)
EBITDA: EUR 284 m (-20%)

Consumer Protection
Disinfectants and Agro strong
Sales: EUR 1.11 bn (+6%)
EBITDA: EUR 233 m (+18%)

Engineering Materials
Weak auto industry burdens
Sales: EUR 1.19 bn (-18%)
EBITDA: EUR 151 m (-37%)

All EBITDA figures are pre exceptional
Dividend increase despite Corona

Dividend

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.50 €</td>
</tr>
<tr>
<td>2015</td>
<td>0.60 €</td>
</tr>
<tr>
<td>2016</td>
<td>0.70 €</td>
</tr>
<tr>
<td>2017</td>
<td>0.80 €</td>
</tr>
<tr>
<td>2018</td>
<td>0.90 €</td>
</tr>
<tr>
<td>2019</td>
<td>0.95 €</td>
</tr>
<tr>
<td>2020</td>
<td>1.00 €*</td>
</tr>
</tbody>
</table>

* Proposal to the Annual Stockholders’ Meeting on May 19, 2021
Agenda

1. Business development 2020
2. Our sustainability performance
3. Outlook 2021
On track to become climate neutral by 2040

**CO₂e emissions**

- **2018**: 3,177 kilotons
- **2019**: 2,950 kilotons
- **2020**: 2,533 kilotons

Target 2025: -14% decrease from 2018.

CO₂e emissions in kilotons; includes scope 1 and scope 2.
Nitrous oxide reduction in Antwerp

- Nitrous oxide is generated during caprolactam production
- Investment of roughly EUR 10 million

Milestone in our climate strategy

- Plant significantly reduces emissions: 150,000 t CO₂e / year less
- Second plant planned for 2023
  Effect: 300,000 t CO₂e / year less
New goals for sustainable water management

LANXESS Water Stewardship Program

- Water risk analysis: 4 sites in areas of highest water stress
- Specific measures at these sites to conserve water
- Over 90% of water withdrawals at sites without water scarcity

Target at these sites: 15% less water withdrawal by 2023
Awarded for sustainability commitment

Top positions in Dow Jones Sustainability Index

CDP: Top score for climate protection

Upgrade to ISS ESG “Prime” status

MSCI ESG rating improved
2021: Board compensation linked to sustainability

Share of variable compensation

- Fixed compensation
- Variable compensation

References for variable compensation

- EBITDA
- LTIFR
- CO₂e emissions
- Stock performance

Short-term variable compensation

Sustainability criteria

Long-term variable compensation

1/3 of variable Board compensation is based on sustainability criteria

CO₂e emissions include Scope 1 and Scope 2
LTIFR: Lost Time Injury Frequency Rate
All EBITDA figures are pre exceptionals
Agenda

1. Business development 2020
2. Our sustainability performance
3. Outlook 2021
2021: All signs point to growth

Intace
Specialty fungicides for paper and packaging

Theseo
Disinfection and hygiene solutions for livestock farming

Emerald Kalama Chemical
Specialty chemicals for the consumer segment

Strengthening the Consumer Protection segment
LANXESS to acquire Emerald Kalama Chemical

Tailor-made addition

- Ideal fit for Consumer Protection portfolio (e.g. preservatives and flavors)
- Present in attractive growth markets
- High synergy potential

Core data Emerald Kalama Chemical

- Sales: USD 425 million
- EBITDA: USD 90 million
- Enterprise value: USD 1.075 billion
- Synergies: USD 30 million
## Consumer Protection: Long-term growth trends

### Animal Health
- Antibiotic-free meat
- Plagues on the rise worldwide

### Food & Beverages
- Increasing hygiene requirements
- Longer shelf life

### Water purification
- Trend toward ultra-pure water
- Closed water circuits

### Agriculture
- Increasing demand due to population growth
- Higher productivity with lower input

---

**Crucial:** Highest product quality and strong expertise in regulatory matters
Guidance 2021: Good development in all segments

<table>
<thead>
<tr>
<th>Advanced Intermediates</th>
<th>Specialty Additives</th>
<th>Consumer Protection</th>
<th>Engineering Materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recovery in end markets</td>
<td>Customer industries recover</td>
<td>High demand, but already high utilization</td>
<td>Auto industry recovers</td>
</tr>
</tbody>
</table>

High demand, but already high utilization

Customer industries recover

Auto industry recovers
Guidance 2021: LANXESS expects recovery

Macro Environment

- Recovery expected in most customer markets, especially automotive sector
- Uncertainties due to Corona pandemic should decrease as the year progresses

LANXESS

- Good development in all segments
- EBITDA for full year 2021 expected between EUR 900 million and EUR 1 billion
- EBITDA for Q1 2021 expected between EUR 200 million and EUR 250 million

All EBITDA figures are pre exceptionals