

Meeting the Management 2019

Business Unit Material Protection Products (MPP)

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Material Protection Products



...more than you expect!



Preservation

Biosecurity

Material Protection Products



Biocides

Microbial Control

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

Biocides is a highly regulated chemistry – Demanding significant resources



Legislation

Dedicated regulatory rules
far beyond REACH



Time and Costs

Long duration / high costs of new
registrations



Evolving Requirements

Global regulatory systems
continuously evolve

Biocides is a highly regulated chemistry – LANXESS is all in!



Regulatory Expertise

With ~30 senior regulatory experts one of the world's largest teams



Data Creation

~40% of CAPEX for data creation



Registrations

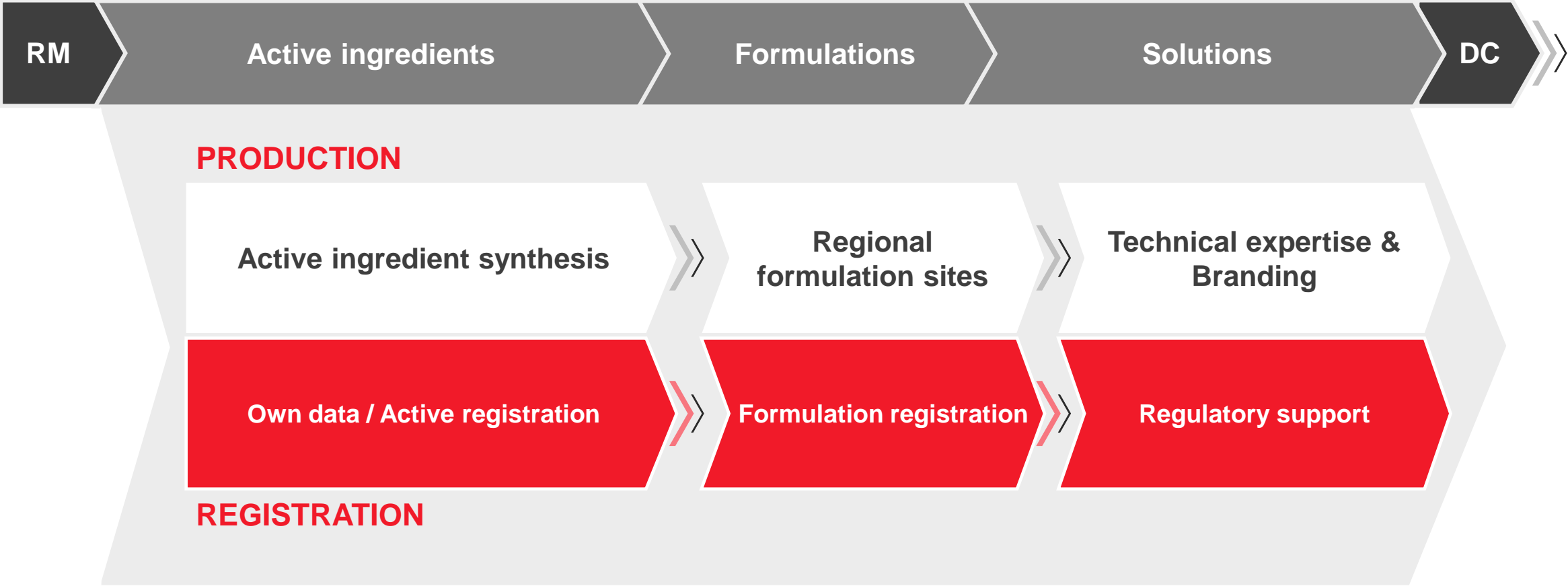
~50 active ingredient registrations
~5,000 formulation registrations



The value chain comprises both production and regulation, which constitutes MPP's core strength



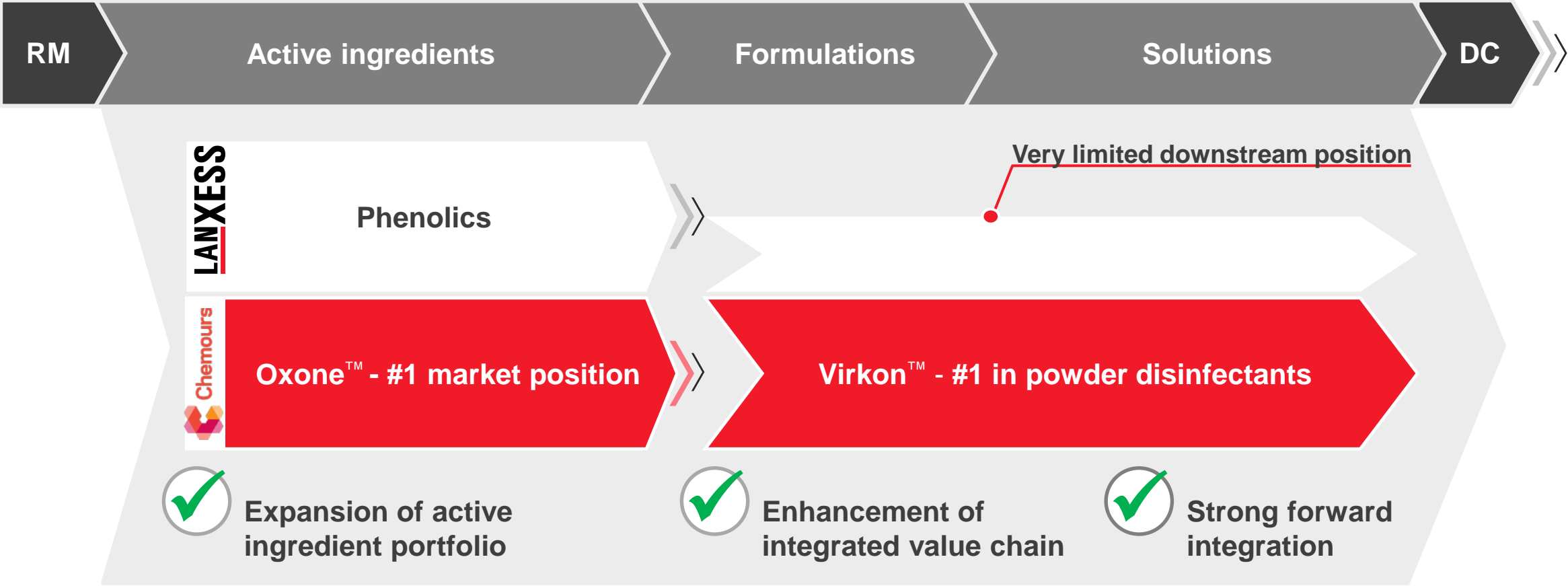
Value Chain



Ideal strategic fit of Clean & Disinfect acquisition: Access to attractive Animal Health market



Value Chain Biosecurity



Virkon – Highly effective disinfectant solutions for disease prevention & biosecurity control

LANXESS
Energizing Chemistry

Virkon™



- For the disinfection of surfaces, equipment, air and water in the livestock & aquaculture industry
- Continuously sets new benchmarks in livestock production biosecurity
- Proven effective in challenging real “on-farm” conditions
- Efficacy against current and emerging disease-causing organisms

CAGR: ~27%



Velcorin – Microbial control agent for the beverage industry ensuring food chain safety

X Velcorin®

CAGR: ~5%

- Cold sterilization agent for non-alcoholic soft drinks, beer-mixes, cider and wine
- Growth in niche markets (alcohol free wines, ciders) as well as in new regions (Africa, Asia, Central America)
- 1,500 Dosing Units at ~500 customers incl. global players



Sporgard – Securing mold resistant construction materials

X Sporgard®

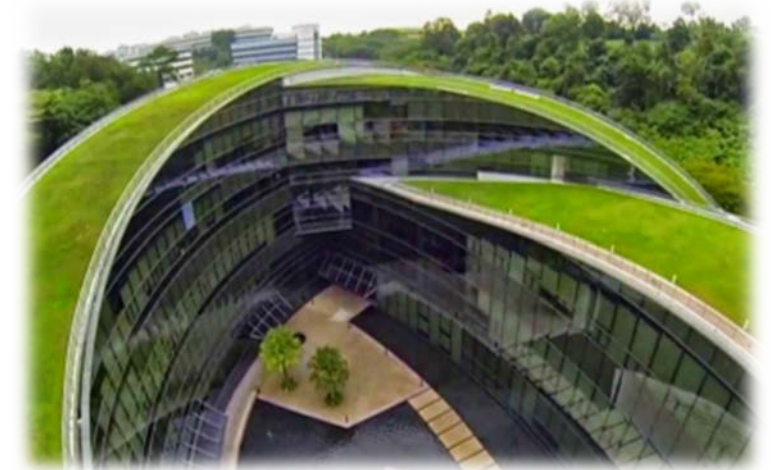


CAGR: ~11%

- For the production of mold resistant wallboards
- Long-term unique protection without human health related product labeling
- Key markets: USA and Korea
- Market introduction in Europe ongoing

Radicides – Enabling sustainable and climate-friendly urban development

X Preventol®



- For the production of root resistant bitumen membranes used in Green Roofs
- Long-term protection without affecting plant health
- Key markets: Europe and China
US EPA registration submitted

CAGR: ~26%

Oxone – Provides powerful non-chlorine oxidation with wide application spectrum

X Oxone™

- Strong and fast-acting oxidizing agent for a wide variety of industrial & consumer uses
- Well established in electronics, disinfection, pool & spa, denture cleansing, and many other global industries
- Key active ingredient for Virkon™
- Differentiation by safe handling and excellent environmental profile
- New applications driven by environmental and regulatory trends (e.g. water treatment)

CAGR: ~9%



Nagardo – Offering a purely natural preservative to the food industry

X Nagardo™



- Naturally derived beverage preservative based on edible mushroom
- Prolongs shelf life of beverages and protects from microbial spoilage
- Consumer friendly labelling with “natural” or “free from” claims
- Up to 50 times more efficient than chemical preservatives
- Key market: USA, approval in other countries in preparation

The future



A compelling business model combining innovative products and regulatory know-how



Food Chain

Material

Microbial

Biosecurity

Control

Protection

Safety

Solutions

Products

Innovations

LANXESS

Energizing Chemistry