



LANXESS
Energizing Chemistry

LANXESS remains robust: Guidance for 2020 confirmed

Q2 2020 telephone press conference

August 13, 2020

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Realignment is paying off

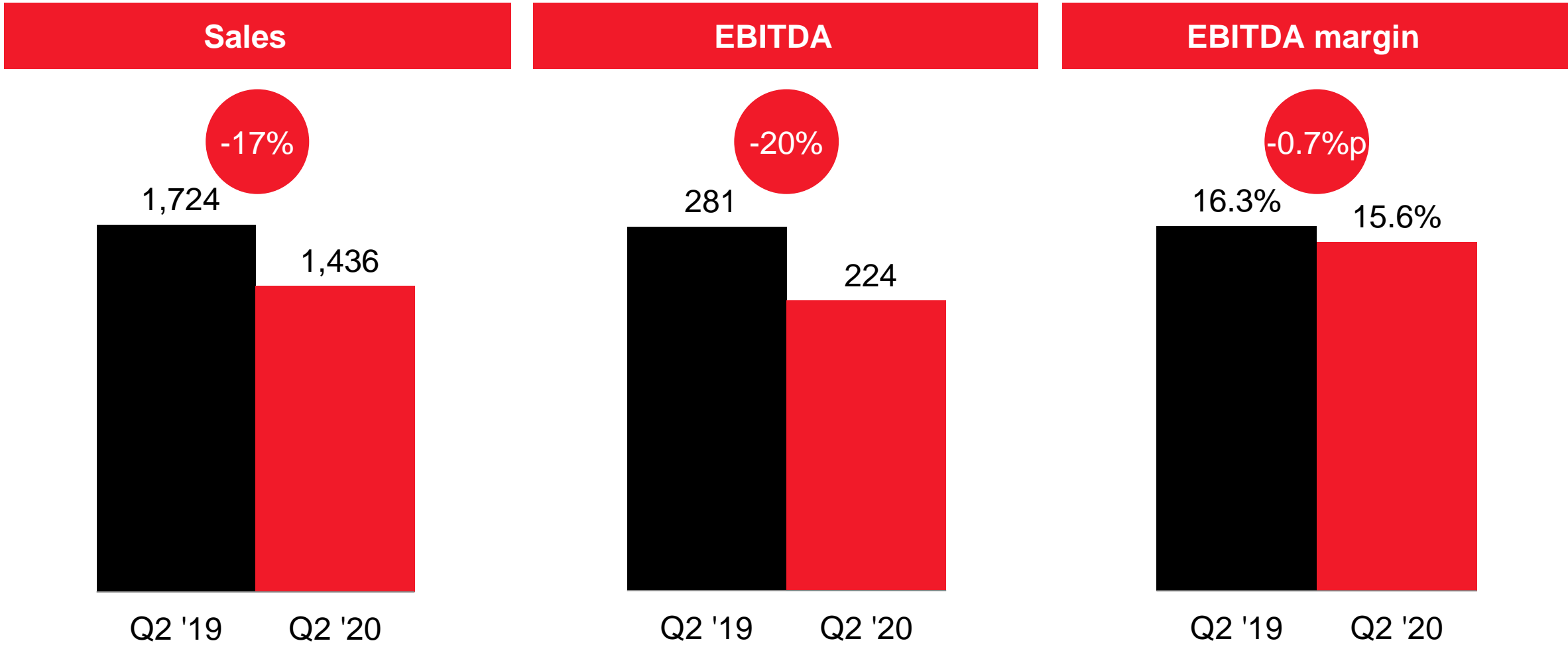
Corona crisis more visible, yet EBITDA margin remains stable

Strong business in Consumer Protection segment

Water treatment business realigned, leather business sold

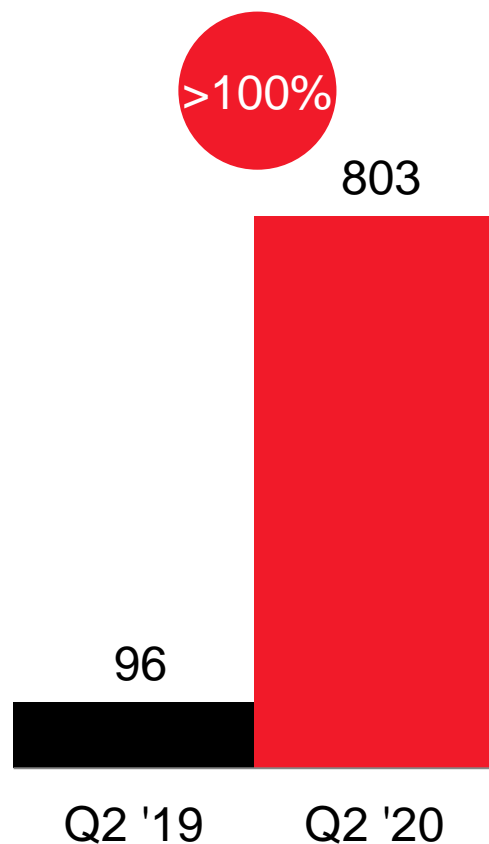
Full-year guidance confirmed

Corona crisis more visible

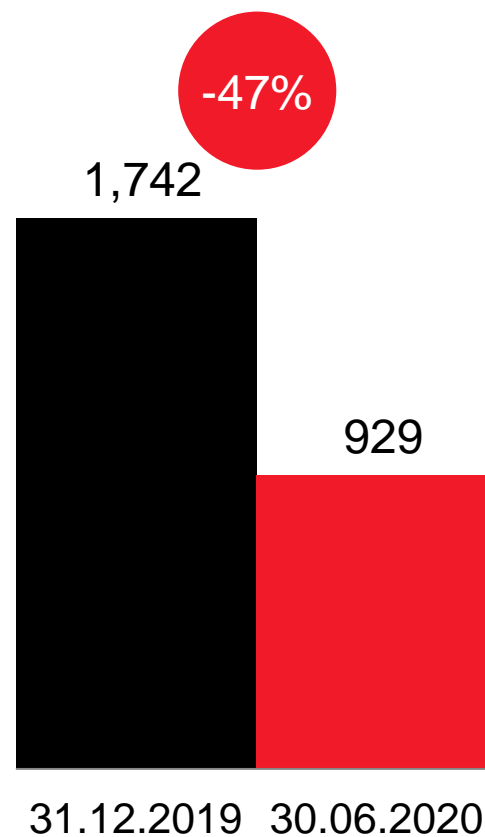


Strong increase in net income, substantial reduction in net debt

Net income



Net financial liabilities

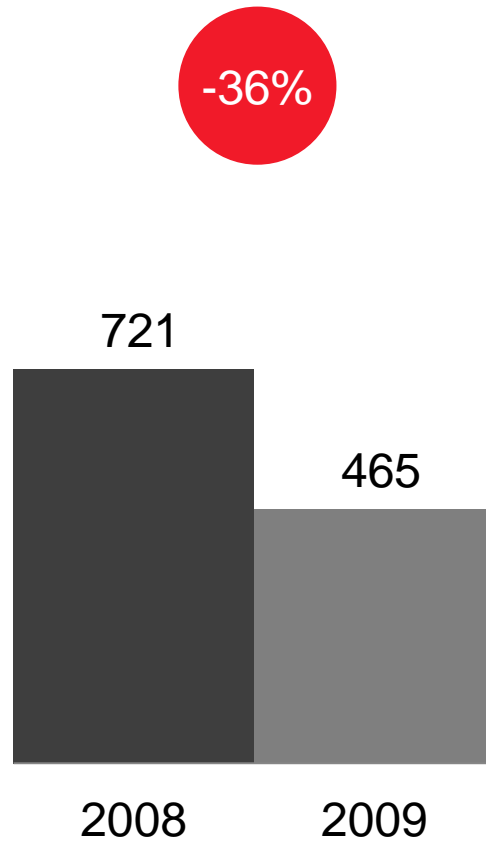


Strong balance sheet

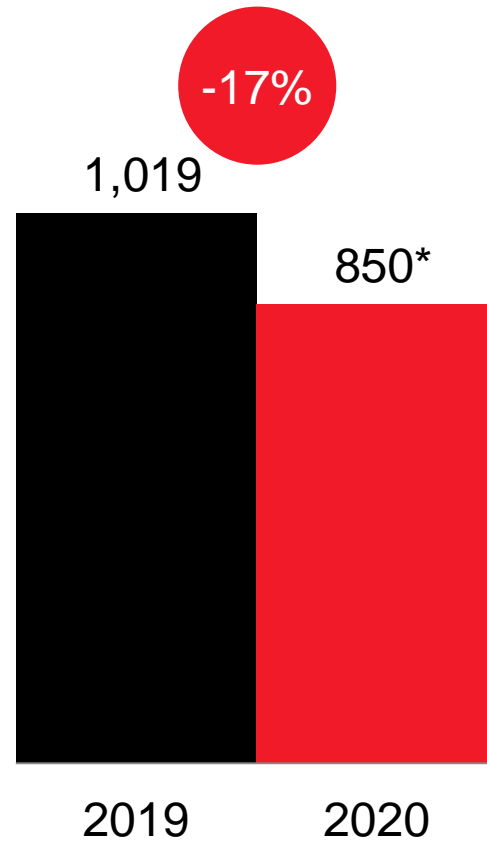
- Proceeds of Currenta divestment improve equity and reduce net financial debt
- Strong liquidity secures financial and operating flexibility in uncertain times

Weatherproof thanks to new setup

Lehman crisis



Corona crisis

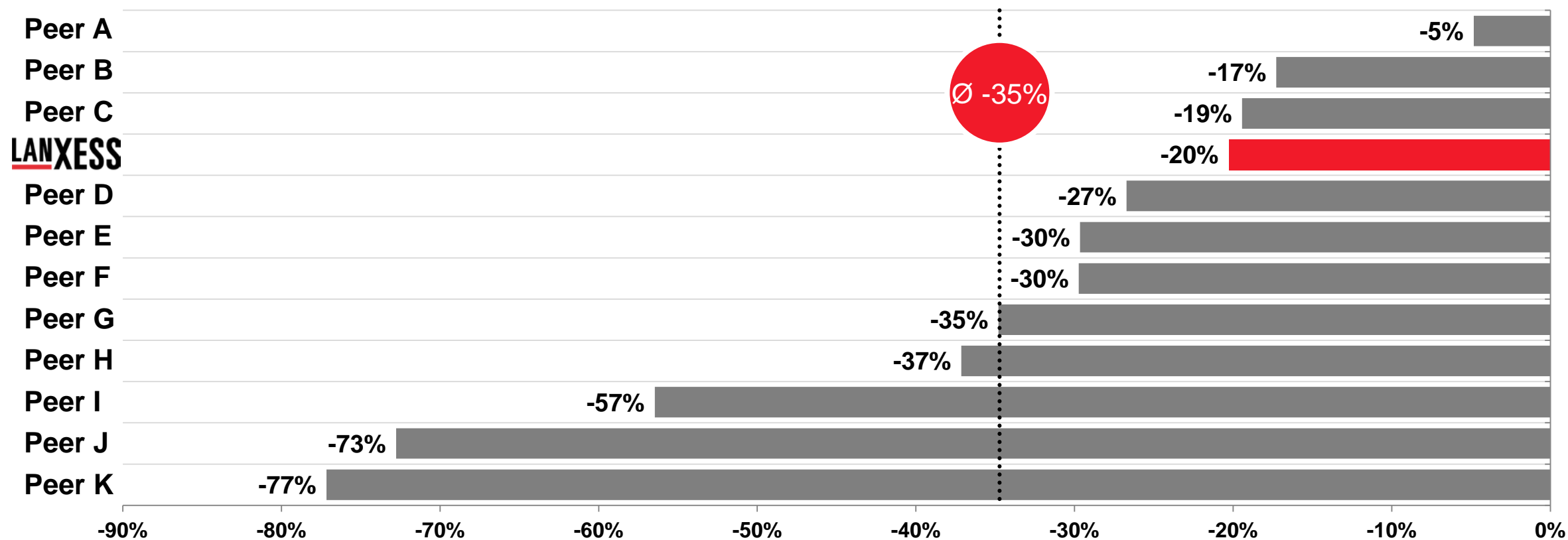


Better risk profile

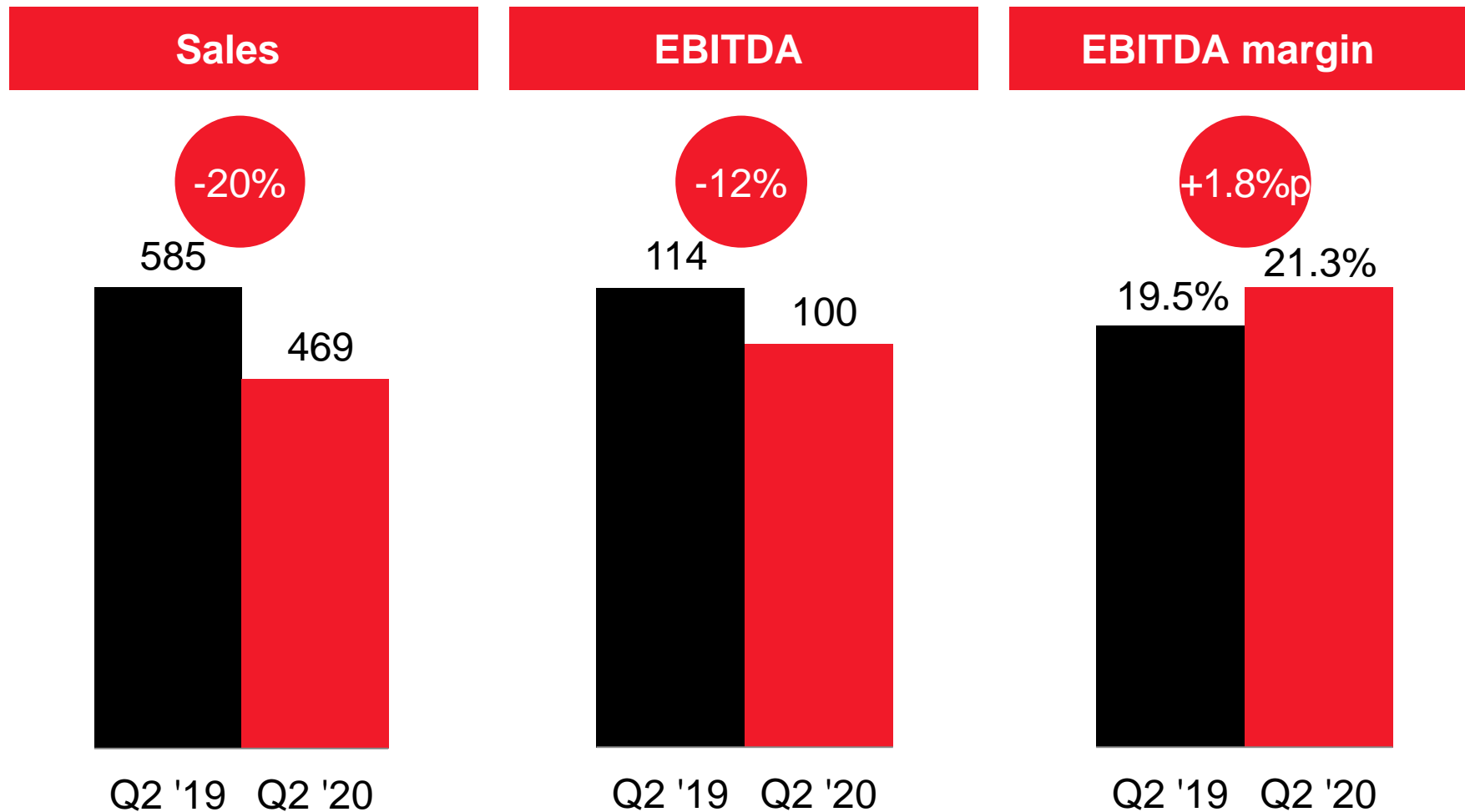
- More balanced portfolio
- Reduced auto exposure (2008: 40%, 2020: 20%)
- High liquidity enables financial flexibility

Robust compared to peers

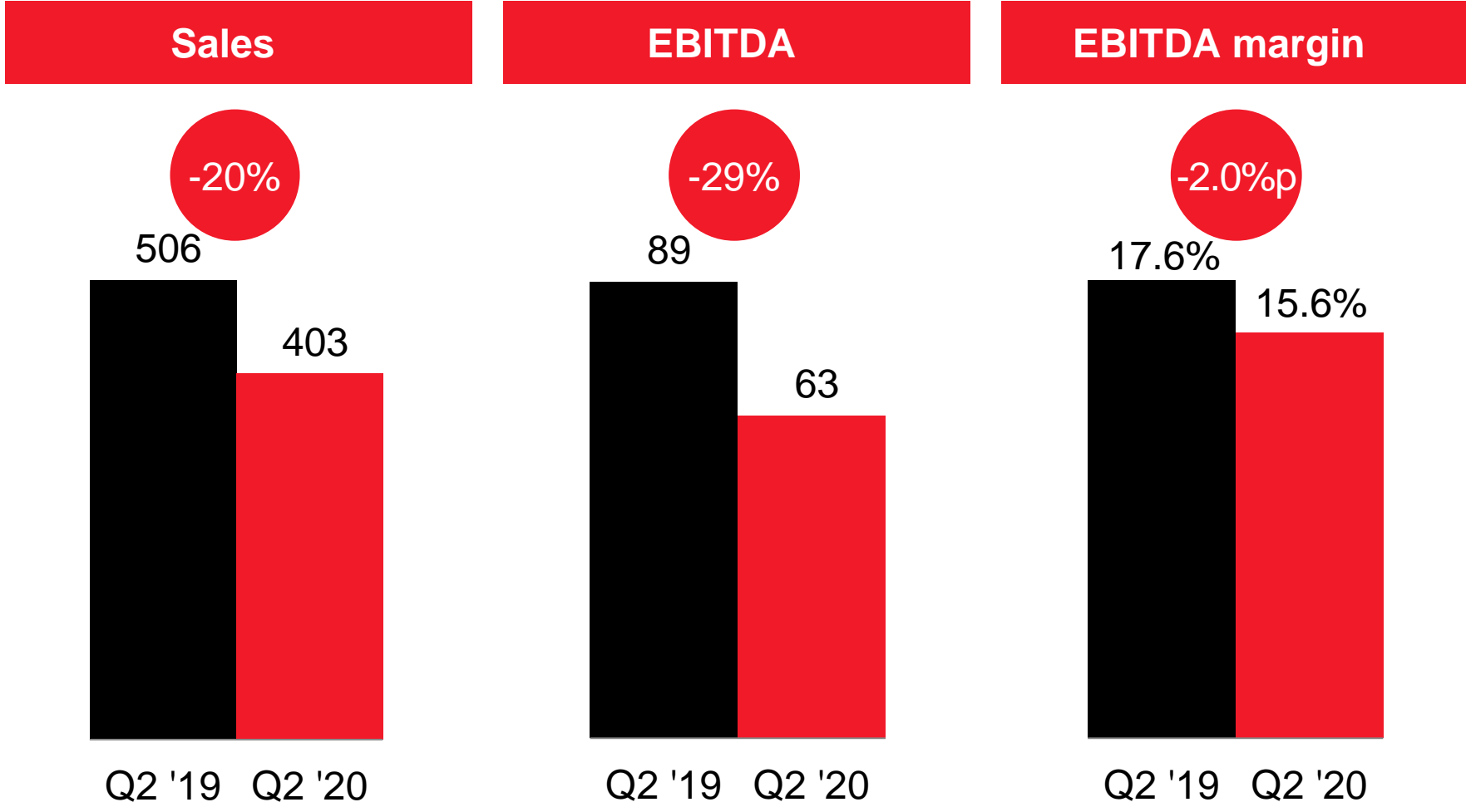
Changes in EBITDA Q2 2020 vs. Q2 2019



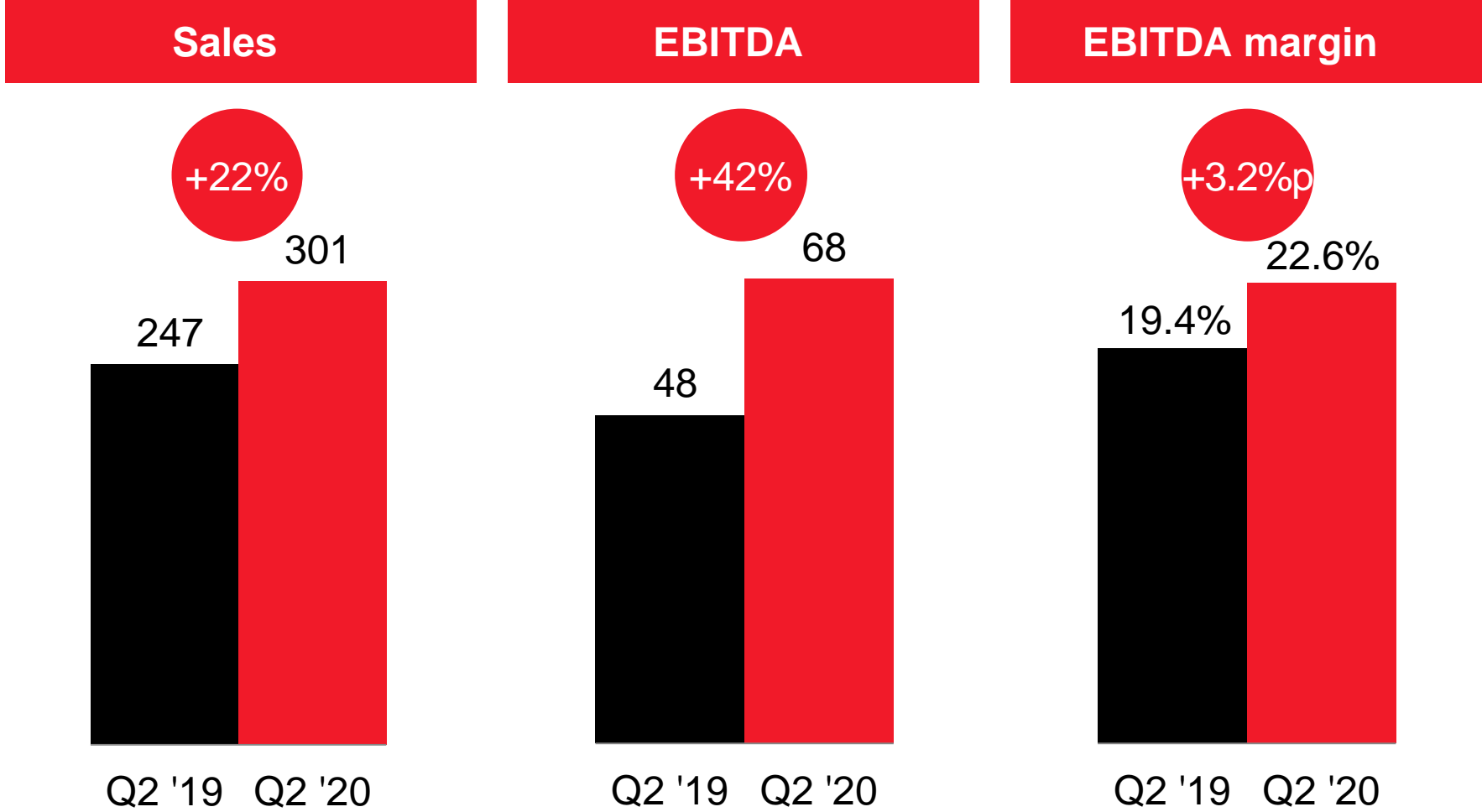
Advanced Intermediates: Profitability remains high



Specialty Additives: Lower demand in auto, aviation and oil/gas industries as expected



Consumer Protection: Desinfectants and agro chemicals drive sales and earnings



New study: Rely+On Virkon demonstrates extremely rapid efficacy against coronavirus



- Disinfectant kills coronavirus SARS-CoV-2 in just 60 seconds (dillution ratio 1:100)
- Rapid efficacy confirmed by independent analysis laboratory in accordance with the U.S. Environmental Protection Agency (EPA) compliant test methods
- Disinfection practices remain highly important means in fight against coronavirus

Water treatment business realigned

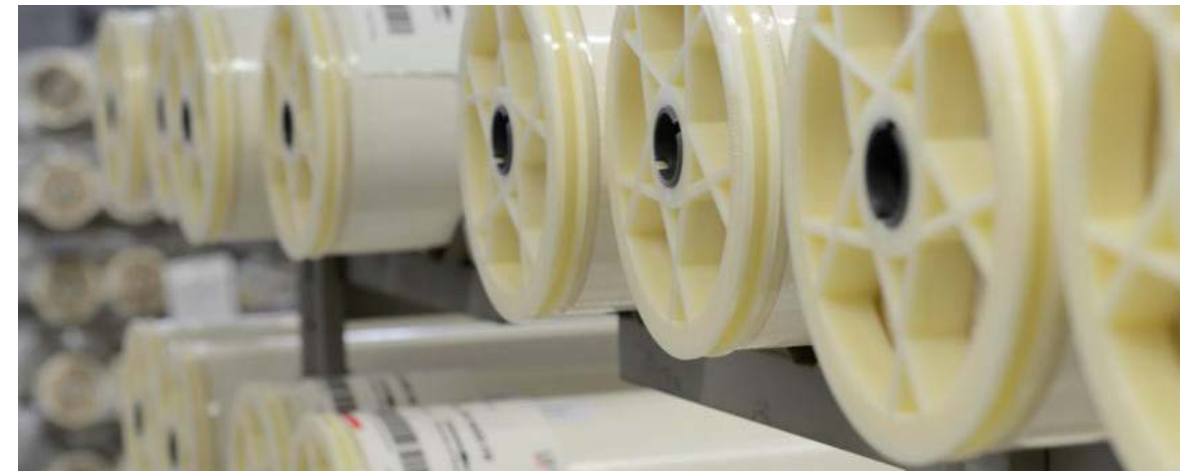
Growth plans for ion exchange resins

- Focus on high-end specialty applications in biotechnology, semiconductor and battery industries
- Investments: EUR 80-120 million for new production facility, decision on exact location in H2 2020



Sale of membrane business

- SUEZ to take over plant and research facilities with all employees in Bitterfeld, Germany
- Transaction to be completed by the end of 2020



Sale of organic leather chemicals business to TFL

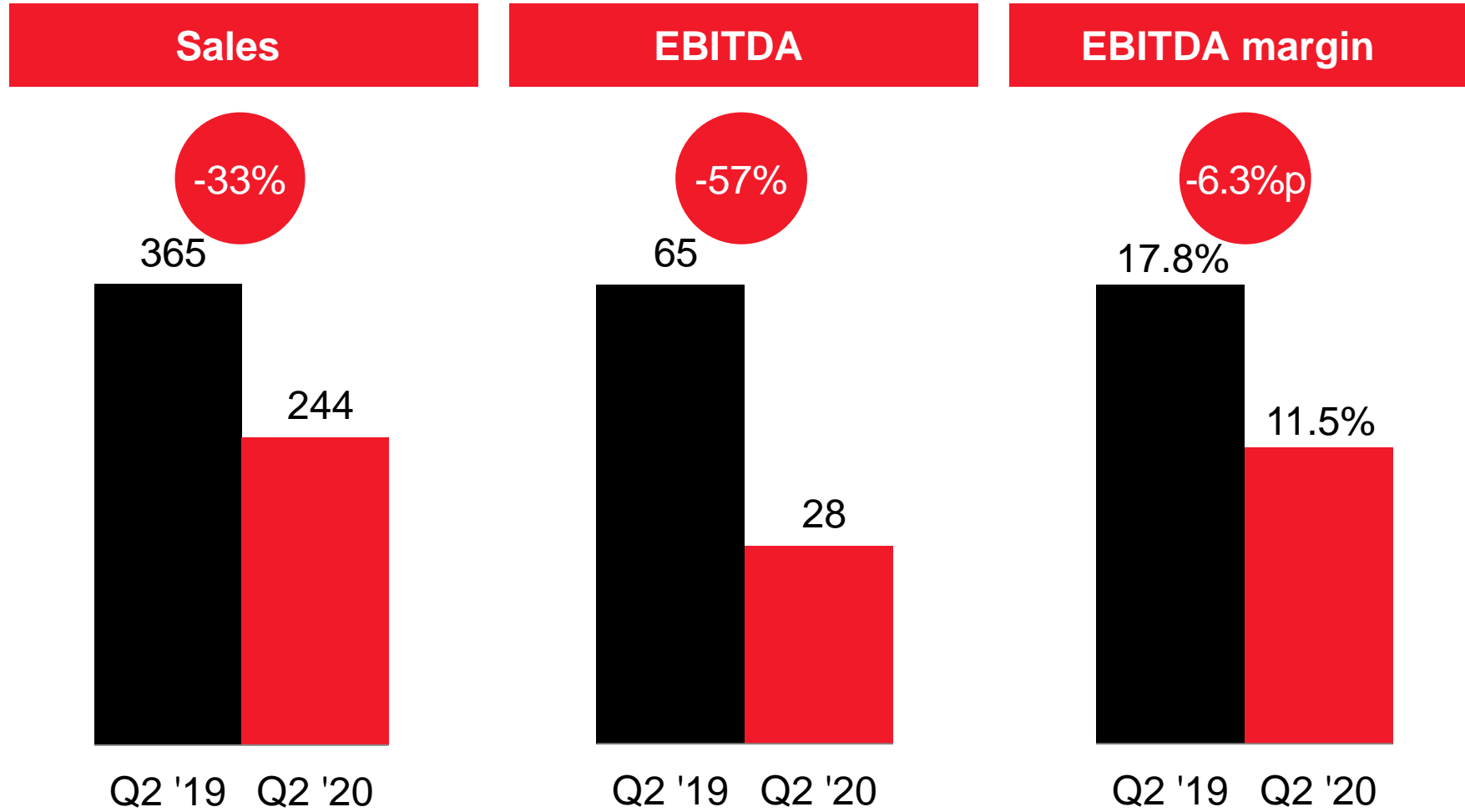
Opening up new prospects for leather business

- TFL to take over all operations with 460 employees
- Purchase price:
 - Fixed component: EUR 80 million
 - Performance related component: up to EUR 115 million
- TFL will assume liabilities (esp.pensions) of EUR 25 million
- Transaction expected to close around mid-2021



LANXESS to become more independent from auto industry

Engineering Materials: Weak auto industry hits business significantly



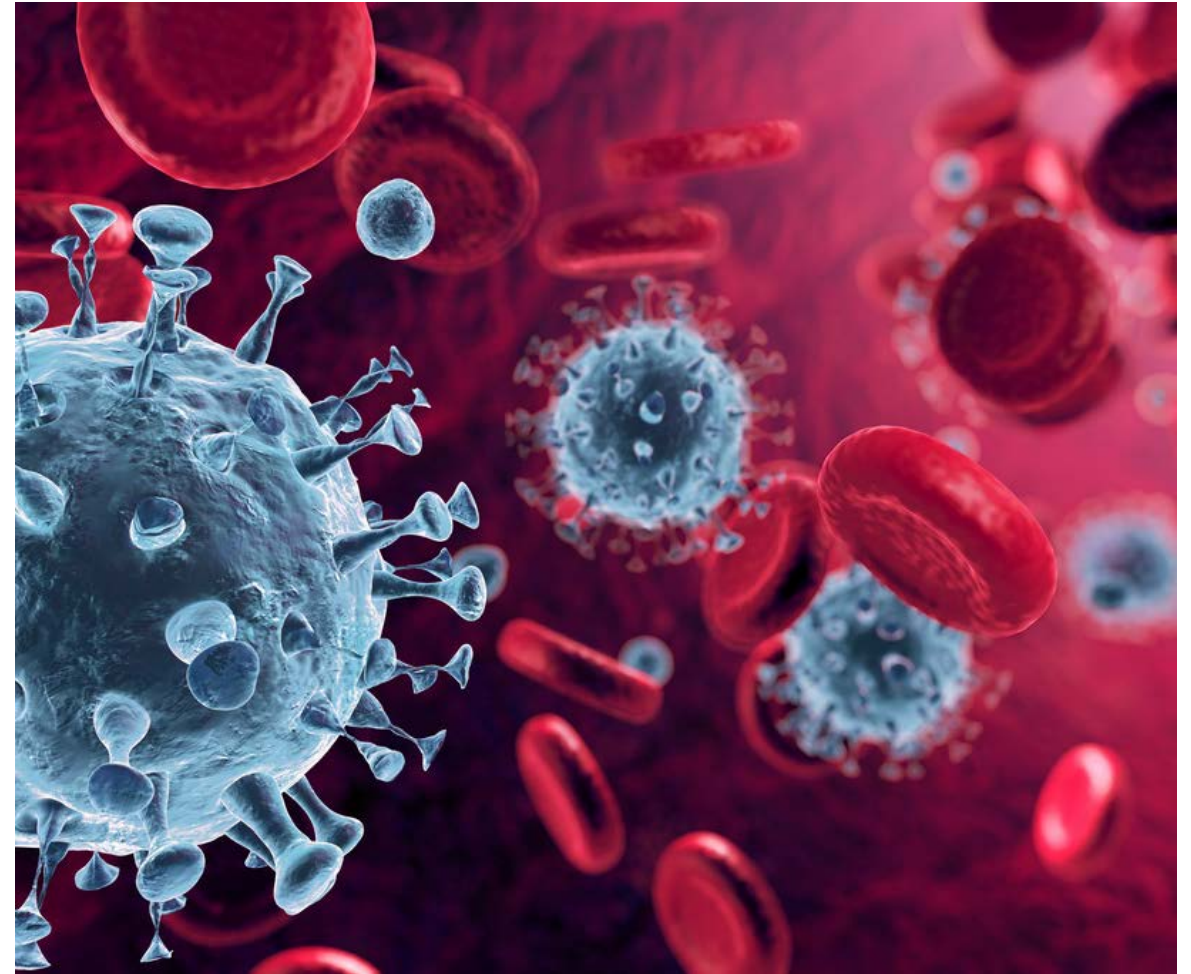
LANXESS on its path towards a “new normal”

Production running worldwide

- All plants in operation
- Return to 8 hour shift model
- Hygiene concepts remain in place
- Short time work, mostly in auto related production plants

Good balance: work from home and office

- Thoughtfully increasing office presence in admin functions in Europe and East Asia
- Comprehensive hygiene concepts for offices



Full-year guidance confirmed

Market development

- Automotive and aviation industries hit hardest by corona crisis, construction, oil & gas and electronics also suffering
- Government stimuli starting to take effect
- China leads demand recovery

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- Forecast for full year 2020 unchanged: EBITDA at EUR 800-900 million



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