



LANXESS
Energizing Chemistry

Time to prove our strengths

Meeting the Management – 15 November 2019

Matthias Zachert, CEO

The way forward – Providing direction from four perspectives



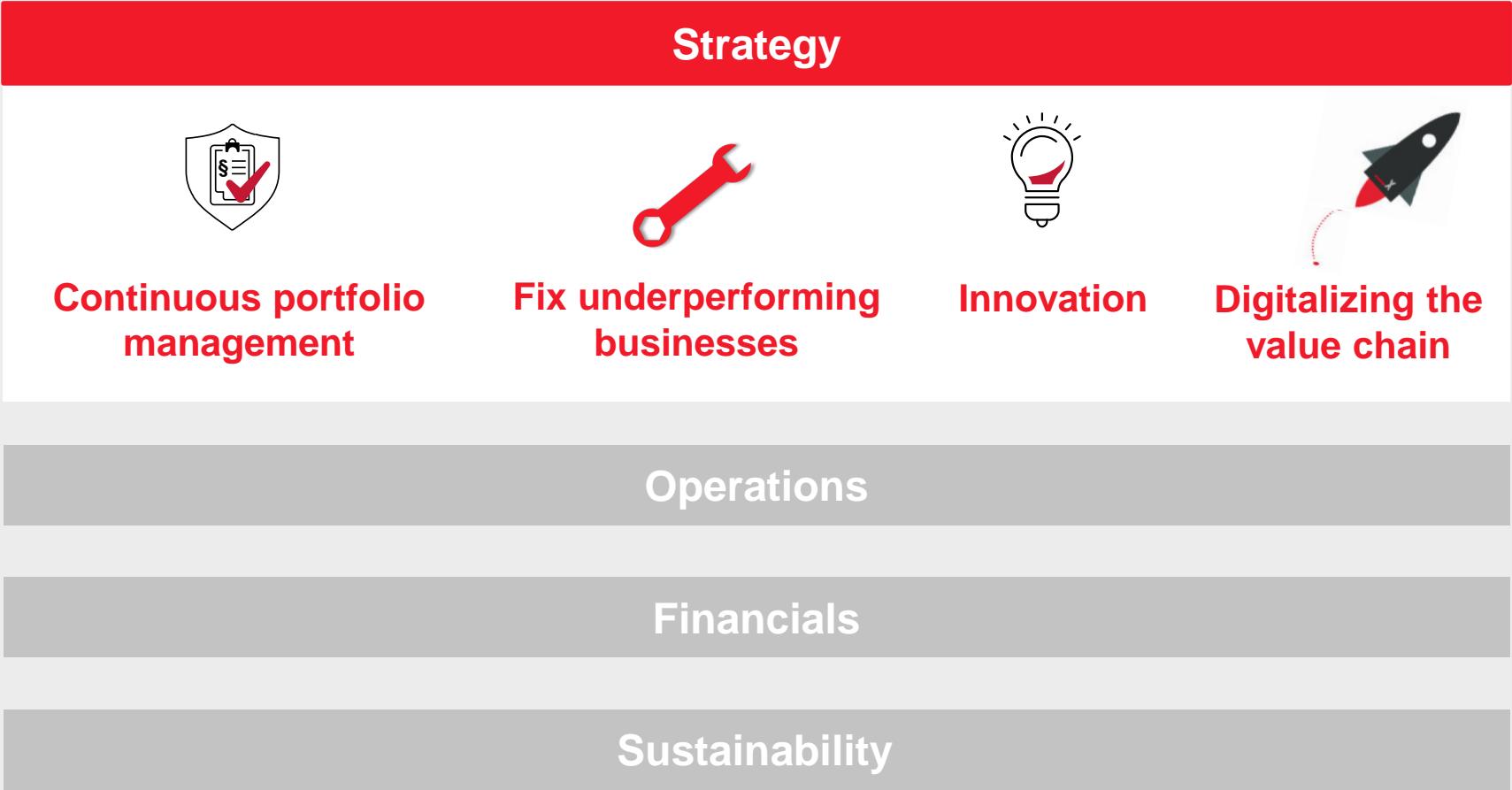
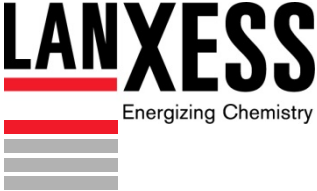
Strategy

Operations

Financials

Sustainability

The way forward – Providing direction from four perspectives



LANXESS Portfolio Transformation

2016

Rubber

Intermediates

**Engineering
Materials**

**Performance
Chemicals**

LANXESS Portfolio Transformation

2016

Rubber

Intermediates

**Engineering
Materials**

**Performance
Chemicals**

LANXESS Portfolio Transformation

Intermediates

**Specialty
Additives**

Chemtura

**Engineering
Materials**

**Performance
Chemicals**

LANXESS Portfolio Transformation

2019

Intermediates

**Specialty
Additives**

**Engineering
Materials**

**Performance
Chemicals**

Inorganic Pigments

Material Protection Products

Liquid Purification
Technologies

Leather

LANXESS Portfolio Transformation

2019

Intermediates

**Specialty
Additives**

**Engineering
Materials**

**Consumer Protection
Chemicals**

The way forward – Continuous Portfolio Management

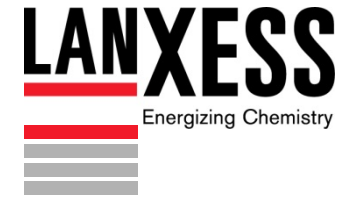


Strategy



**Why do we like Consumer
Protection Chemicals?**

Perfect match: The characteristics of Consumer Protection Chemicals and our competences



Characteristics:

- **High entry barriers** due to increasing regulation
- Strong **expertise in Regulatory Affairs**
- **Data ownership*** essential for product registration
- Attractive **secular growth**, independent of industry cycles



Our competences:

- **Global set-up in Regulatory Affairs**
- **Regulatory competence:** One of the largest global expert teams in the industry
- **Unique portfolio** in Animal Protection Chemicals
- One of the **strongest water purification technologies**

LANXESS Consumer Protection: Our products follow strong application-driven trends



Food Safety



X_Velcorin[®]



Water Purification



X_Lewatit[®]



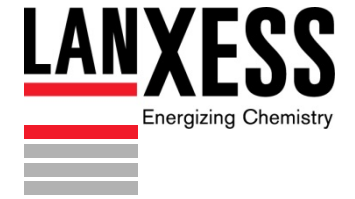
Biosecurity



>Virkon[™]



Velcorin: The solution provider for beverage stabilization ensures food chain safety



Strong market presence

- Over 500 customers including global top brands
- >1,500 Velcorin® dosing units (DT) in the market

Full solution offering

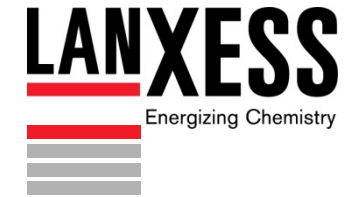
- Comprehensive application-specific advice and service
- Extensive regulatory support on food law and legislation

Product benefits

- Highly effective against bacteria and fungi without impacting color and taste
- Cost-effective for the customer
- Dissolves into naturally occurring components



Lewatit: Unique process knowledge allows top performance in high-end applications



Strong market presence

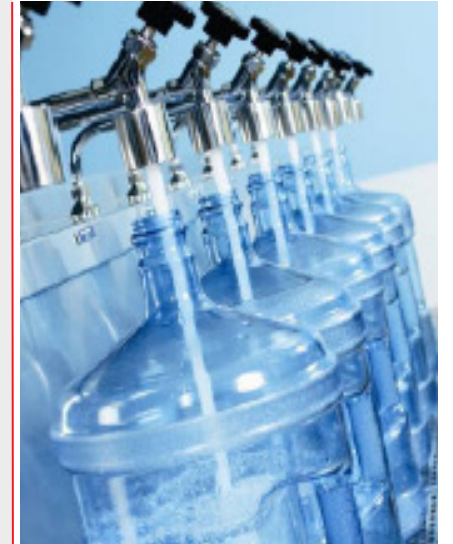
- Complete ion exchange resins portfolio focused on high value applications
- LANXESS among the top four players worldwide

Matching growing demand driven by global water trend

- Water scarcity is a global threat
- Therefore, more and more countries are increasing regulation to accelerate industrial water recycling

Product benefits

- Our ion exchange resins have high cleaning efficiency at moderate customer operating costs
- LANXESS products suitable for high end applications (e.g. selective removal of heavy metals in mining)



We help to counter fight African Swine Fever outbreak

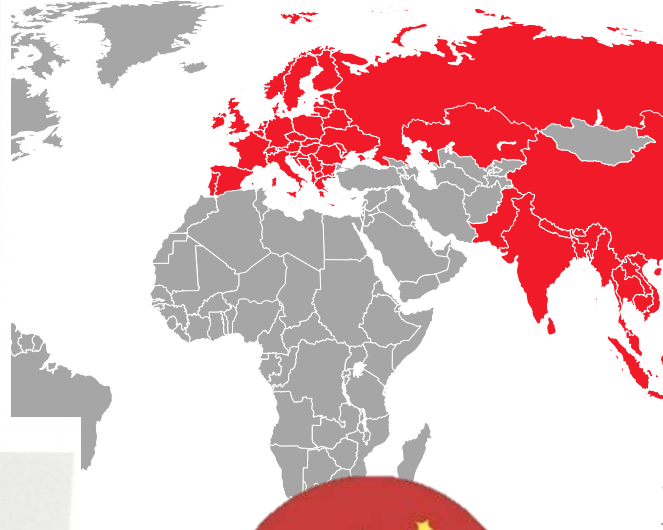


Americas: Not yet infected by ASF, but preparatory measures increase

- **Washington Post** (Oct 16th) US begins preparations aimed at fending off ASF
- **FT** (May 6th) Tyson Foods chief warns African swine fever could reach US
- **Forbes** (May 6th (...)) earlier this year, the U.S. National Pork Producers' Council canceled its annual World Pork Expo in Des Moines, Iowa

Europe: Directly and indirectly affected

- **Financial Times** (Oct 14th) ASF drives up European pork prices
- **Poland:** (Oct 10th) ASF infects 46th Polish farm
- **ZEIT** (June 3rd) around 150-200 million animals will be infected until end of 2019, prices for pork will increase also in Europe



Asia: Epicenter for ASF, the disease is now spreading rapidly

- **Reuters** (Oct 14th) Philippines detects ASF infections in two more provinces
- **The guardian** (Oct 12th) ASF: The deadly virus that has landed on Australia's doorstep
- **Reuters** (Sep 23rd): China reports new African swine fever case in Guangxi region
- **ABC News** (Sep 18th)
One quarter of world's pigs killed by African swine fever as disease spreads to South Korea
- **The guardian** (Sep 17th): South Korea confirms African swine fever outbreak
- **CNN** (May 15th): Fever could kill a third of China's pigs. That's almost as many as are farmed in the US and Europe
- **New York Times** (May 14th) Vietnam culls 1.2 million pigs over African swine fever

The way forward – Fix underperforming businesses



Strategy

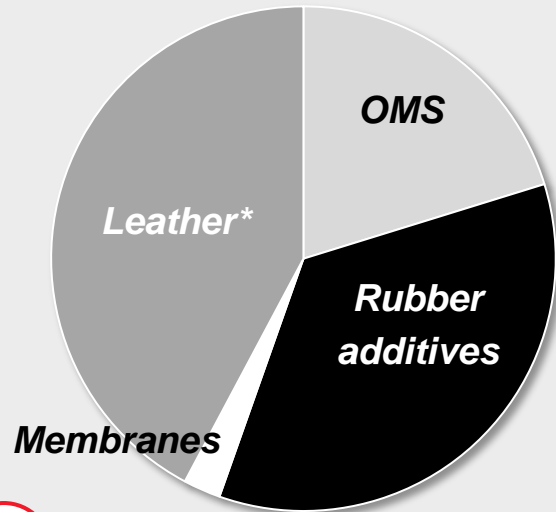


**Which businesses
are we addressing?**

Rigorously addressing under-performing businesses across our portfolio



Sales of businesses to be addressed
~€800 m



%

Margin Level:
~8%



Transforming action

- Solving the Chrome problem
- Accelerating OMS performance to peer level
- Turnaround Rubber Additives and Membrane businesses



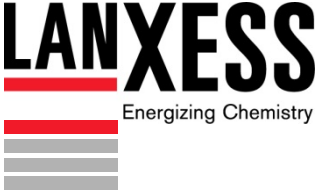
Target structure
~€500 m



%

Margin Level:
>15%

Strong progress in solving the Chrome problem



Structure
Business Unit Leather

Chrome Ore

South Africa



Exit

IN PROGRESS

Chrome Chemicals

South Africa



Sold*

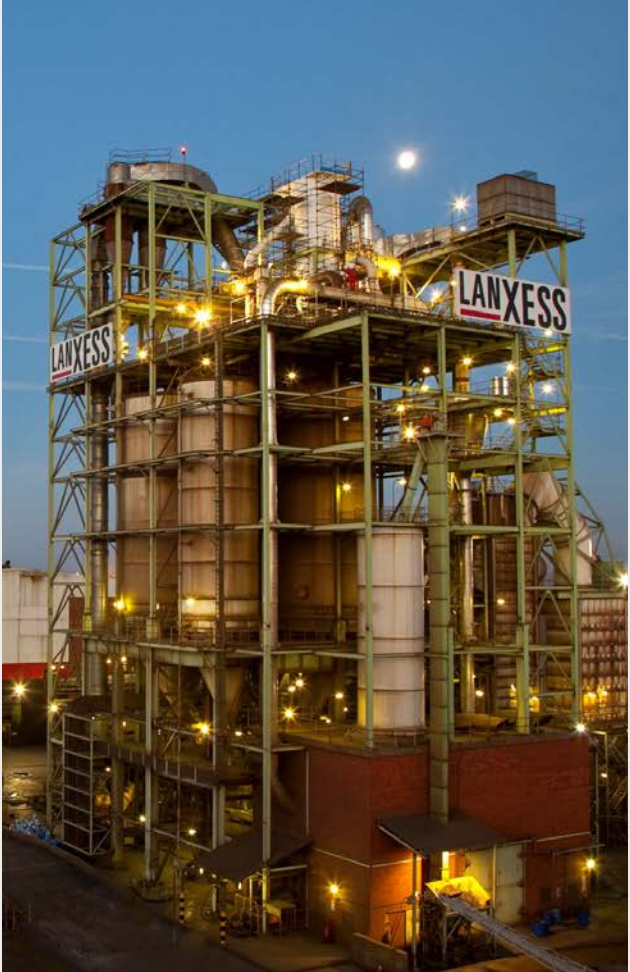


Organic Leather Chemicals

EMEA, China



*Reposition
2020-2022*

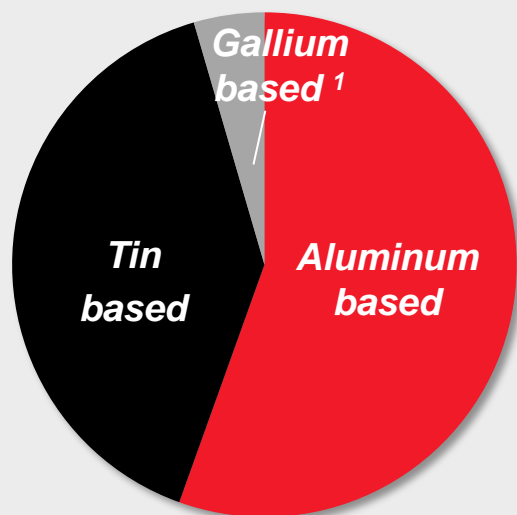


Improving Organometallics' performance to competitive peer level



Organometallics Sales

2018:
~€160 m



%

Margin Level:
0-5%



Transforming action

Aluminum based Organometallics:
Set for organic growth

Tin based Organometallics:
Exit partner found with PMC²

Gallium based Organometallics¹:
Exit in preparation

Target structure
~€100 m



%

Margin Level:
15-20%

¹ LANXESS Electronic Materials, Pyeongtaek (Korea)

² LANXESS will continue to manufacture these products on a contract basis for PMC with first exit option end of 2021

The way forward – Innovation



Strategy



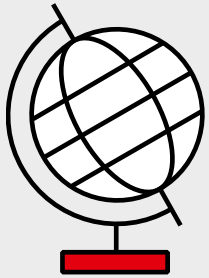
**What innovations are we
working on?**

We focus on product, process and technology innovation



Our philosophy

- Result-oriented product innovation
- Process innovation with focus on energy & resource efficiency
- Technology innovation that will change chemical business models (esp. digitalization)



Global innovation platform

- 33 application centers in 14 countries focusing on product innovation
- Dedicated task force teams continuously optimize production processes worldwide
- Centralized digital team to introduce new technologies and change business models



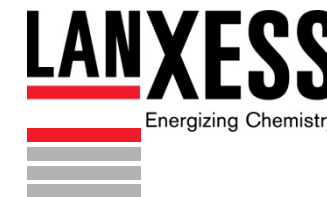
Strong alliances

- More than 150 research cooperations with customers, universities and other research institutes worldwide
- Collaboration with leading AI specialists Citrine, Palantir, et al.



Some examples...

Identifying innovations that fit to our business – A natural preservative derived from an edible fungus



**BU
MPP**

Acquisition of IMD Natural Solutions completed in 2017

- 9 FTE with a lab in Dortmund, Germany

Rationale

- Strong trend to replace chemicals with natural preservatives
- LANXESS has a global sales force and regulatory expertise
- Currently no comparable natural product on the market

Potential:

- Key market: USA; FDA approval received in 2018, further market approvals in preparation
- First meaningful sales in 2020
- Full potential to be reached 2025-2030



**Accessible
initial
market
(USA)**

**~ €200-
250 m**

Identifying innovations that fit to our business – Tepex: Fiber reinforced high performance plastic



BU
HPM

Acquisition of Bond Laminates completed in 2012

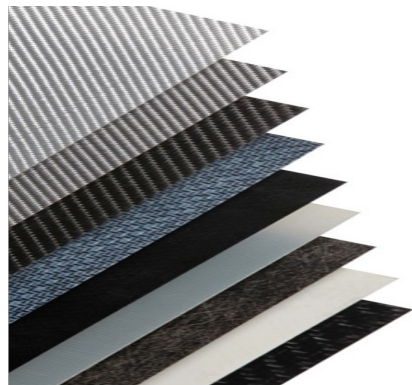
- ~80 FTE
- Purchase Price: ~€35 m, additional investments to follow

Rationale

- Leading manufacturer of thermoplastic composites
- Customer advantages:
 - Easier product handling
 - Potential to reduce production costs
 - Product functionality (strength and stiffness)

Potential:

- Strong market potential e.g. in automotive, consumer electronics, industry, and sports (e.g. solar panels, helmets)



X Tepex®

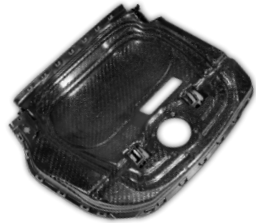
~€300 m

**LXS sales
potential
in 2030**

Tepex: Application examples



Audi Seat Shell



- 45% weight reduction

Mercedes Front End Carrier



- 30% weight reduction

Dell Laptop Casings



- Very thin but also very stiff and strong

We consider E-Mobility as a major opportunity



E-Mobility: Key driver for battery growth

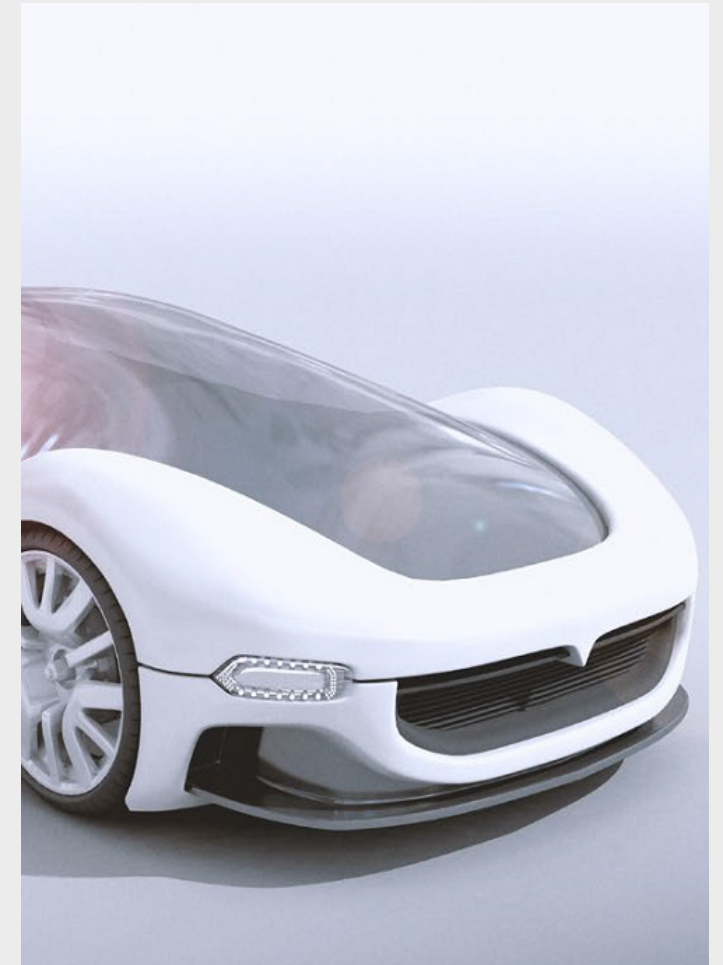
- Battery demand grew by 30% p.a. (2010-2018) to 180 GWh¹
- Globally, E-Mobility will account for >85% of total battery demand²

High share of chemicals

- Chemicals account for **>50% of total cost** of battery cells
- Announced cell capacities lead to **€8-9 bn p.a.**³ chemicals demand

Growth markets

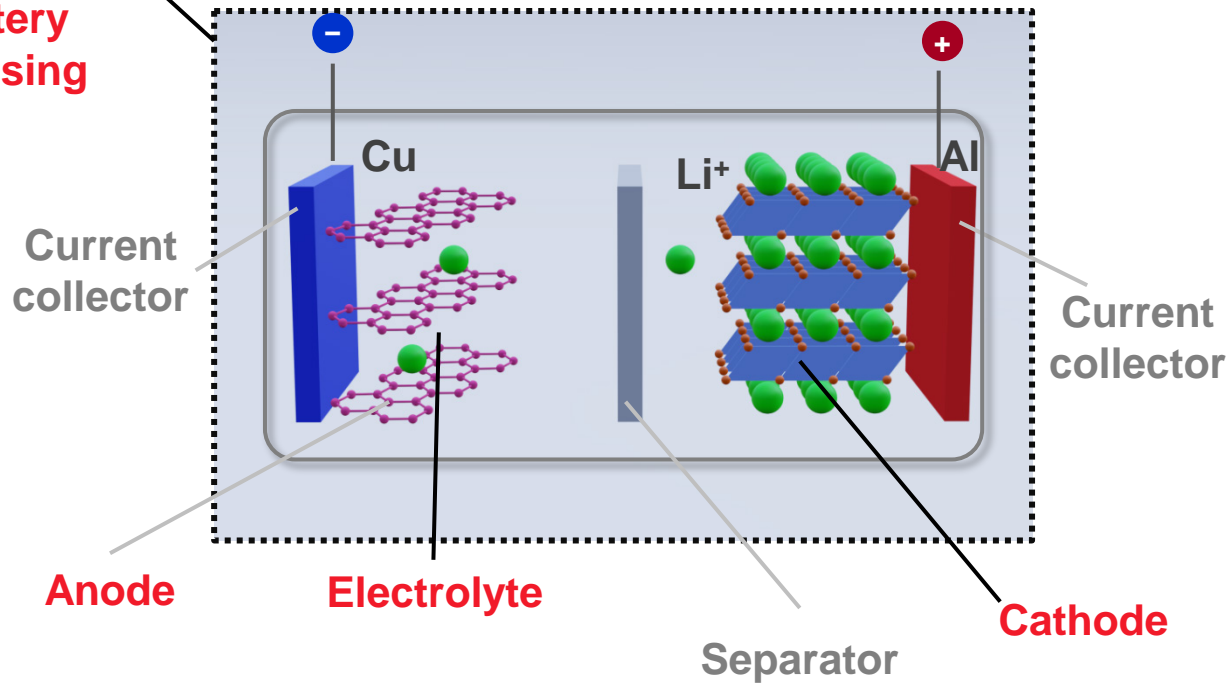
- Changing battery market: An Asia dominated market will turn into a global market with increasing shares for EU & US
- E-Mobility growth drives ramp-up of cell production sites in Europe
- Supportive governmental regulation



LANXESS offers key products for Li-Ion batteries



Battery housing



Battery housing

- PA/PBT compounds for components of the e-powertrain (BU HPM)

Electrolyte

- Key materials (Hydrofluoric acid, phosphorus chemicals) for electrolyte salt (LiPF_6) (BU AII/BU PLA)
- Flame retardants (BU PLA)

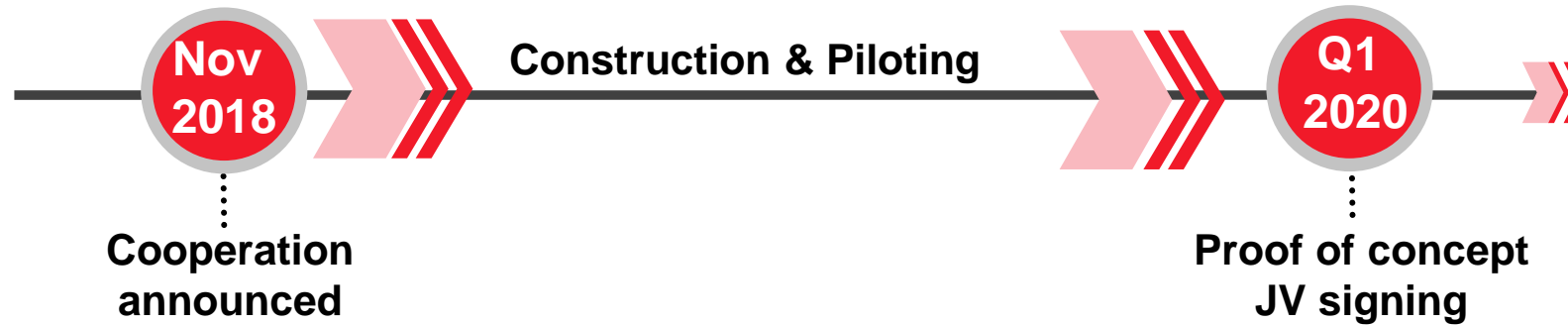
Cathode & Anode

- Iron oxide as precursor for cathode active materials (BU IPG)
- Ion-exchange resins for refining battery grade cobalt, nickel and lithium (BU LPT)
- Lithium chemicals from tail-brine (BU PLA)*

Cooperation with Standard Lithium could deliver upside in a promising market



**BU
PLA**



JV characteristics*

- 60-70% LANXESS ownership
- Exclusive access to technology in Smackover formation
- Absorption of El Dorado infrastructure cost

Project rationale

- Use existing site infrastructure
- Brines from bromine wells in El Dorado contain Lithium
- Lithium demand growing double digit
- Limited additional cost during piloting
- In case of successful pilot project: €100-400 m capex possible**

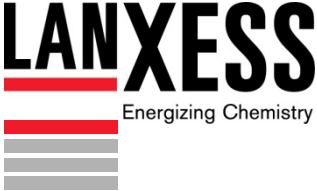
Cooperation with Standard Lithium: Pilot plant status update



Current status

- All 18 modules are installed on site in El Dorado
- Freedom to operate analysis completed
- Lab and finalization of installation taking place end of November
- Commissioning: end of November/beginning of December
- Proof of concept within Q1 2020

The way forward – Digitalizing the value chain



Strategy

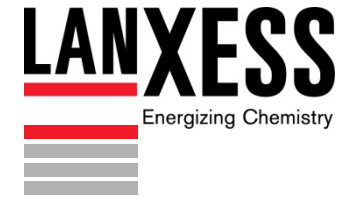


**What are we
focusing on?**

A large rectangular box with a red header and a white body. The header contains the word "Strategy" in white. The body contains a rocket launch icon on the left and the question "What are we focusing on?" in red text on the right.

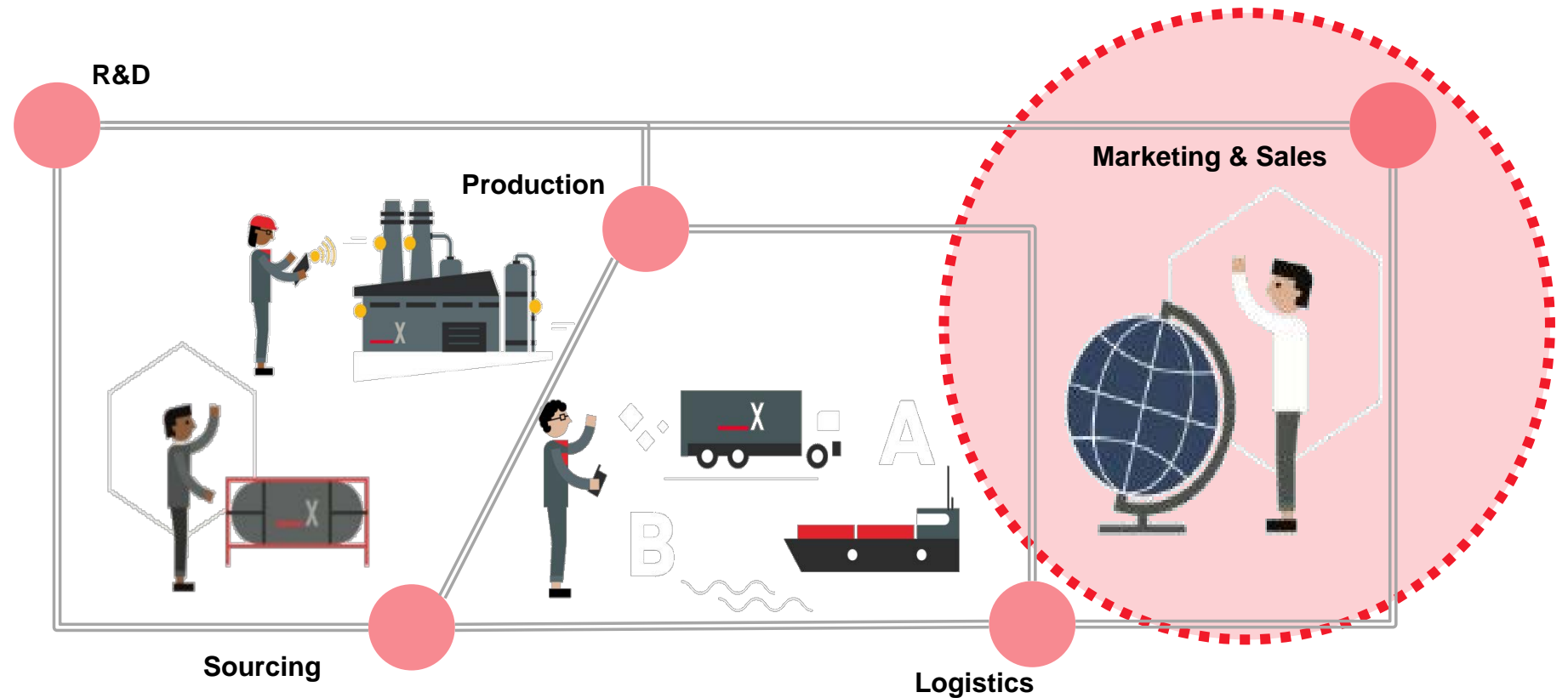
Digitalizing the value chain

LANXESS to be digital leader in the chemical industry



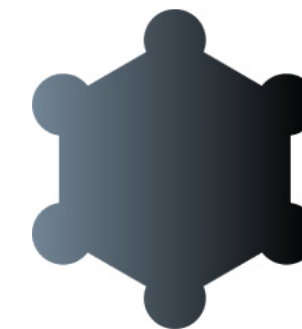
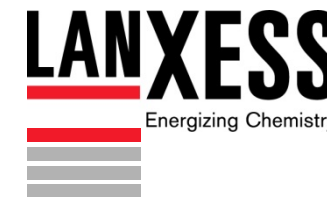
From itemized elements ...

... towards a fully integrated digitalized value chain:



Digitalizing the value chain: CheMondis

Paving the way to the future of trading chemicals



CheMondis

Project start in 2017:
LANXESS' chemical industry knowledge combined with external digital experts

Pioneering into digital trading platform for chemicals to get ready for digital future

First minimal viable product (MVP) created in 2018, preparation of fully separated industry platform

Largest and fastest growing B2B marketplace for industrial chemicals in the western world

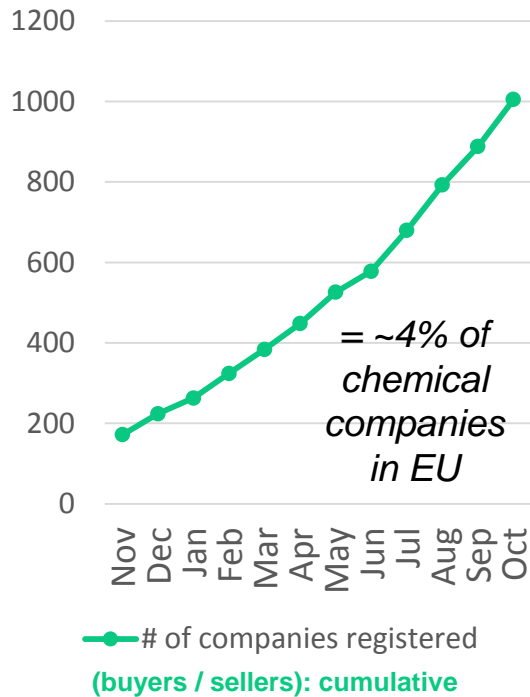
Exceptional team of skilled and dedicated experts combining chemical, digital and technical know-how

Unique setup, backed by industry know-how and capital

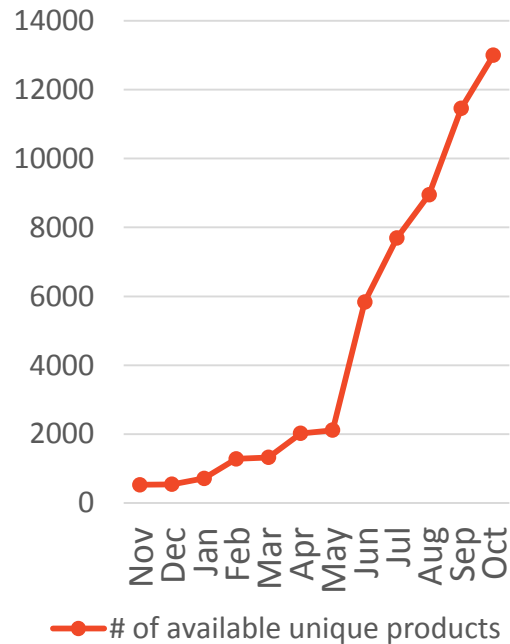
CheMondis is the largest and fastest growing B2B marketplace for industrial chemicals in the western world



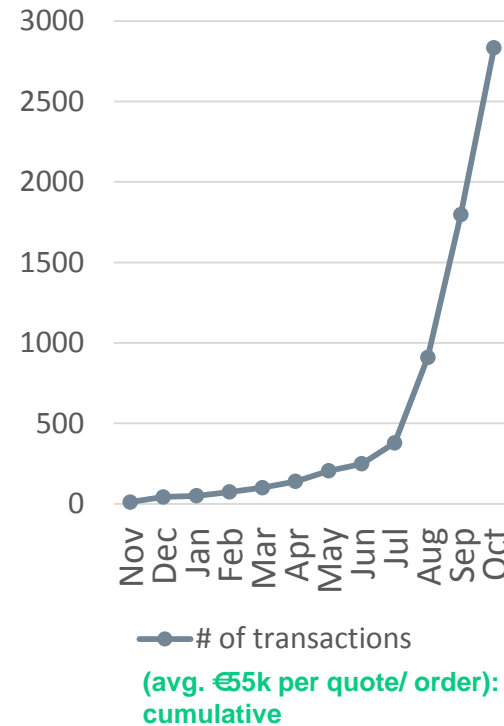
of companies signed up



of active products



of transactions



Fact #1

>1,000 companies active (65% buyer, 35% supplier)



Fact #2

13,000+ products for use in >15 different industries



Fact #3

~€150 m transaction value (cumulated, YTD '19)

The way forward – Providing direction from four perspectives



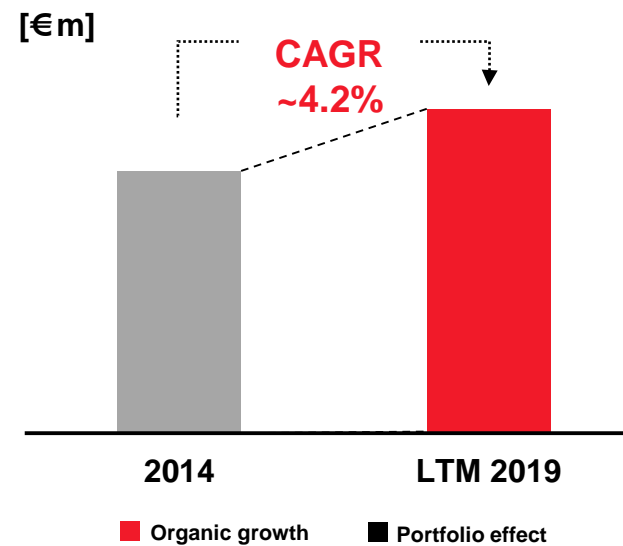
Advanced Intermediates – Focus on additional organic growth



Key differentiators

- Cost, technology and process leadership
- Leading market position
- Proven resilience

EBITDA pre development



Value drivers



- Debottlenecking

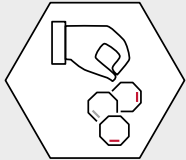


- Fix Organometallics



- Benefit from agro recovery

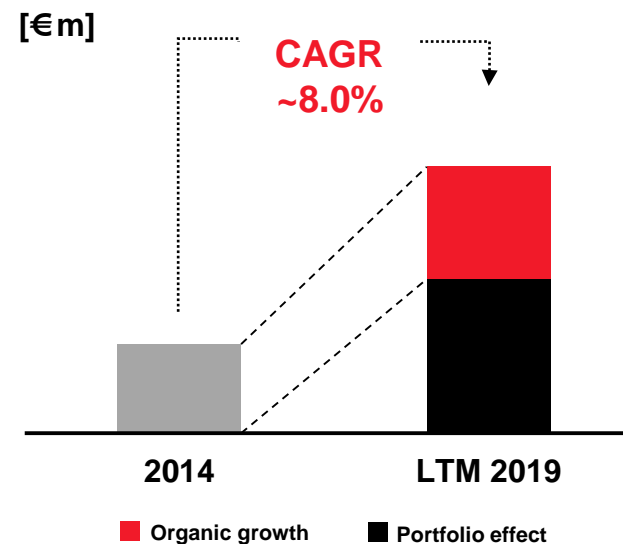
Specialty Additives – Consolidate, benefit from regulation, exploit growth trends



Key differentiators

- Small volume, high impact
- Leading market position
- Integrated value chains
- Broad product portfolio
- Small to medium-sized competitors

EBITDA pre development



Value drivers



- Synergies & optimization of production footprint



- Innovation: Exploit regulatory trends, e.g. Emerald 3000



- Benefit from market consolidation

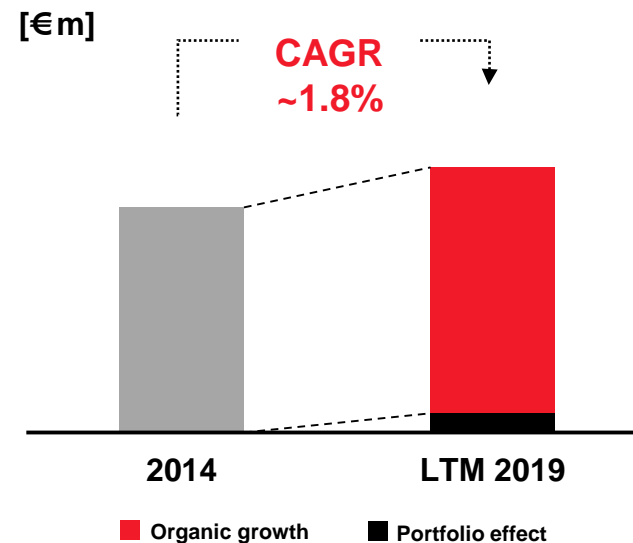
Performance Chemicals – Segment realignment and focus on Consumer Protection Chemicals



Key differentiators

- Leading regulatory affairs as strategic competence
- Global reach & scale
- Strong products and brands
- Asset light, capex primarily for data generation

EBITDA pre development



Value drivers



- Growth trend Consumer Protection Chemicals
- Benefit from market consolidation
- Fix chrome value chain and membrane business

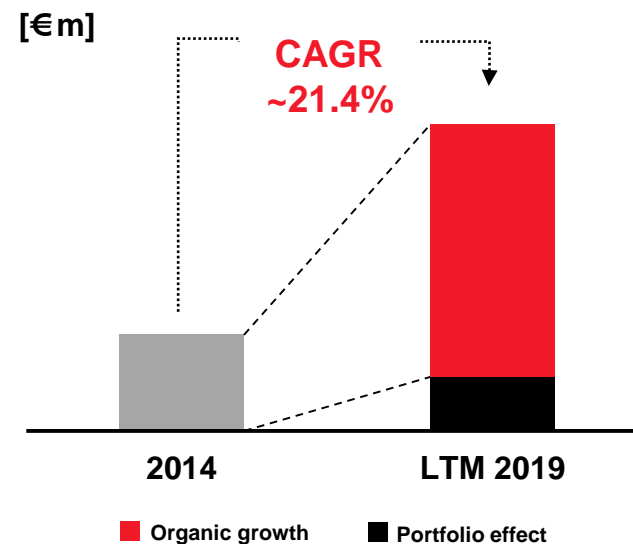
Engineering Materials – Exploit additional chances from lightweight trend



Key differentiators

- Cost-advantage due to integrated value chain
- Competitive market position
- High-tech application know-how
- Customer proximity (regionally)

EBITDA pre development



Value drivers



- Innovation & new applications

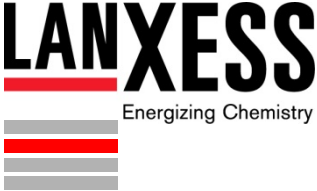





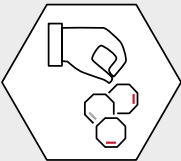





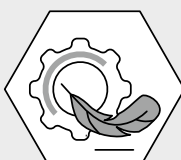


- Strong trends: E-Mobility, light-weight, sustainable production



- Continue to optimize value chain (additional compounding capacity)

Capital allocation follows clear individual strategies for each business



		Organic growth / Capex	Likelihood for M&A	Turnaround
	Advanced Intermediates			Organometallics
	Specialty Additives			Rubber additives
	Performance Chemicals			Chrome value chain Membranes business
	Engineering Materials			

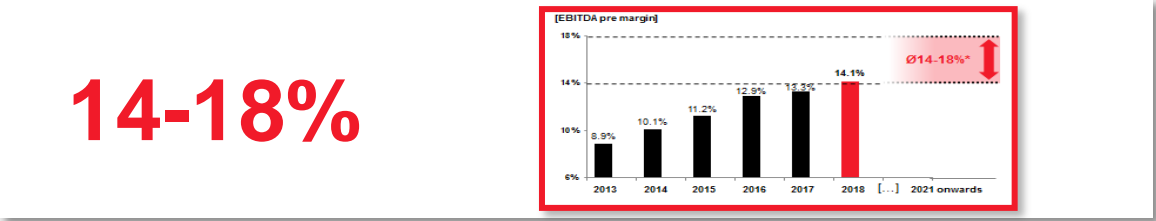
The way forward – Providing direction from four perspectives



Despite a challenging environment we are well on track to achieve our goals



EBITDA pre margin
(group, Ø through the cycle)



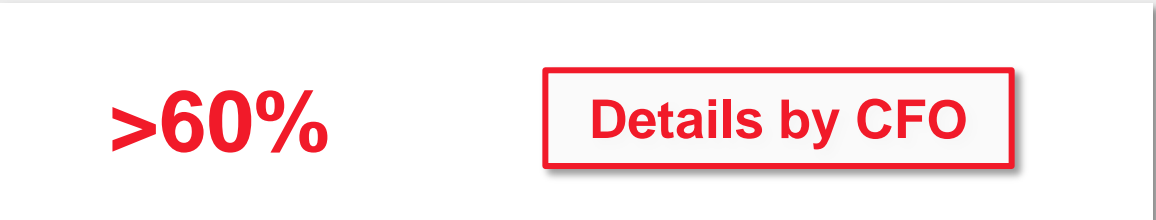
on track

EBITDA margin volatility



on track

Cash conversion



in progress

Capital allocation: Maximizing the benefit of our investors based on best value creation

In line with our shareholders' interests whilst committed to a solid investment grade rating



Growth

- **Organic** growth with attractive returns
- **External** growth along disciplined M&A criteria



Shareholder value

- **Increase dividend** or at least keep it at **stable level**
- Share **buyback**



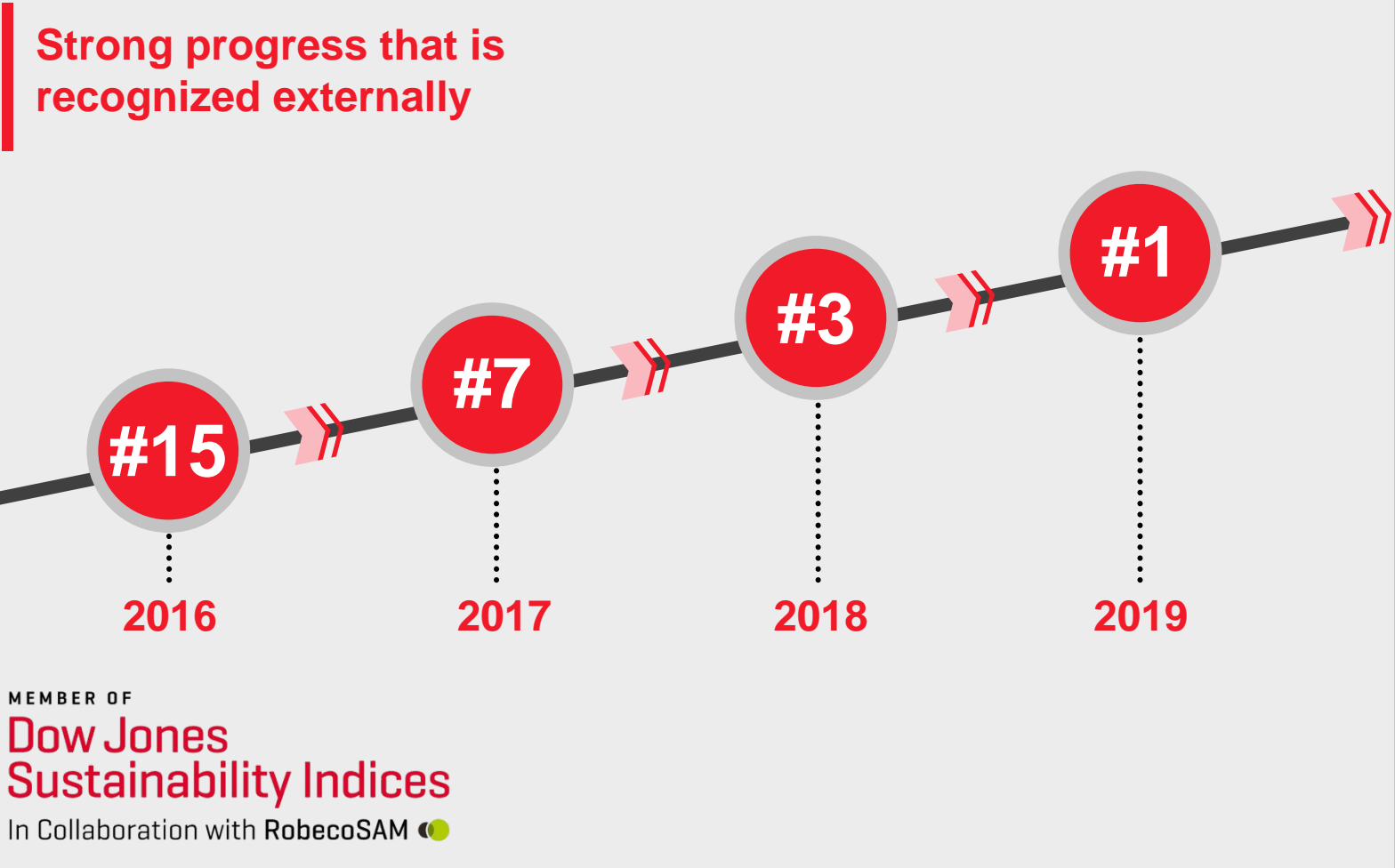
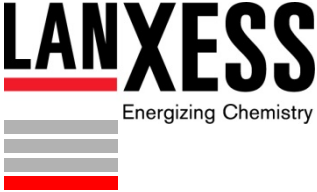
Debt profile

- **Debt repayment**
- **Pension funding**

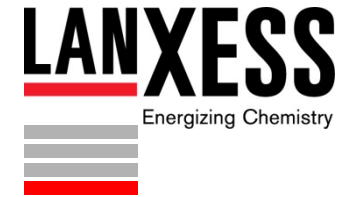
The way forward – Providing direction from four perspectives



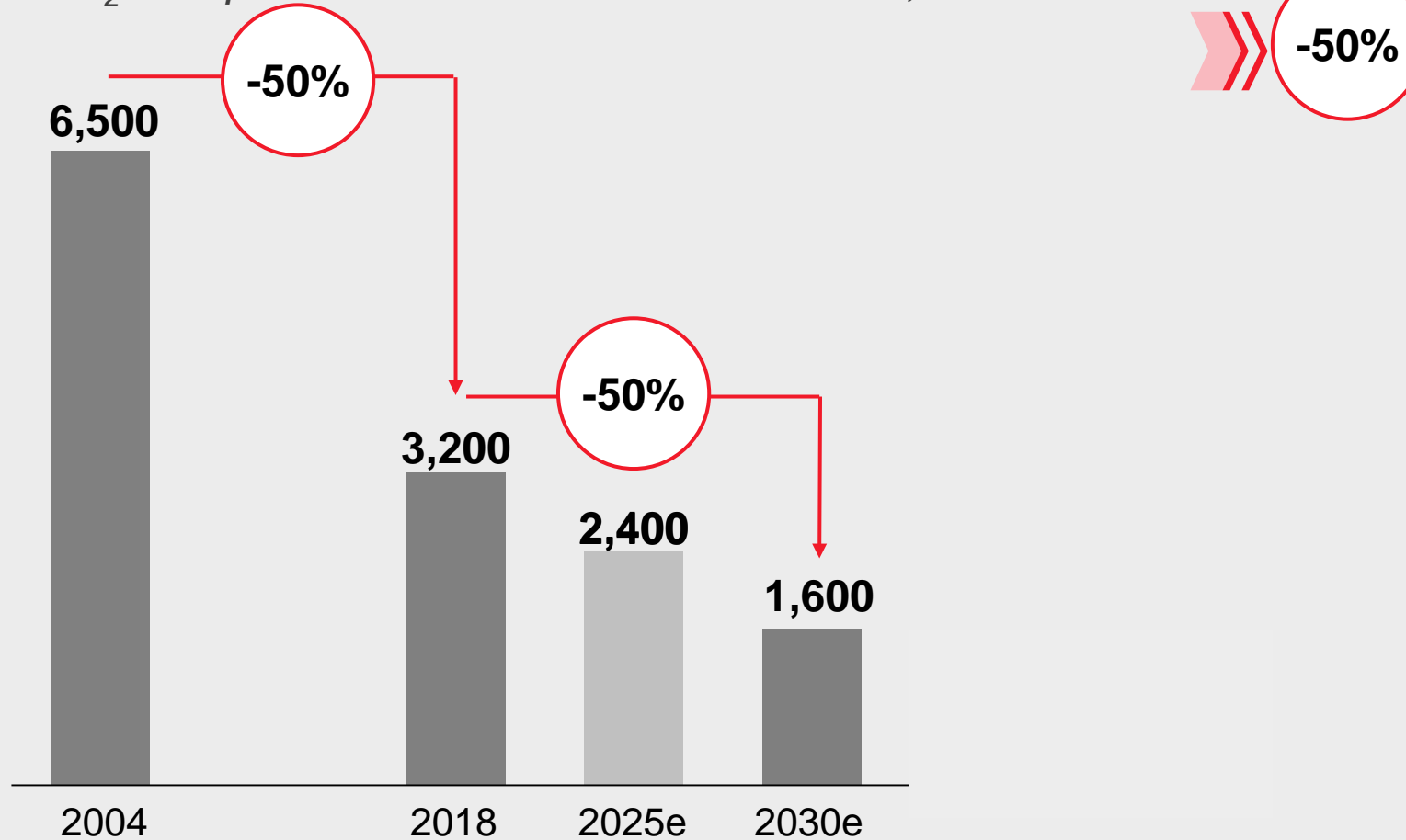
Sustainability direction – We see sustainability as a competitive advantage



We delivered strongly on emission reduction and aim high for 2030



CO₂e scope 1+2 emissions in thousand tons, LXS*



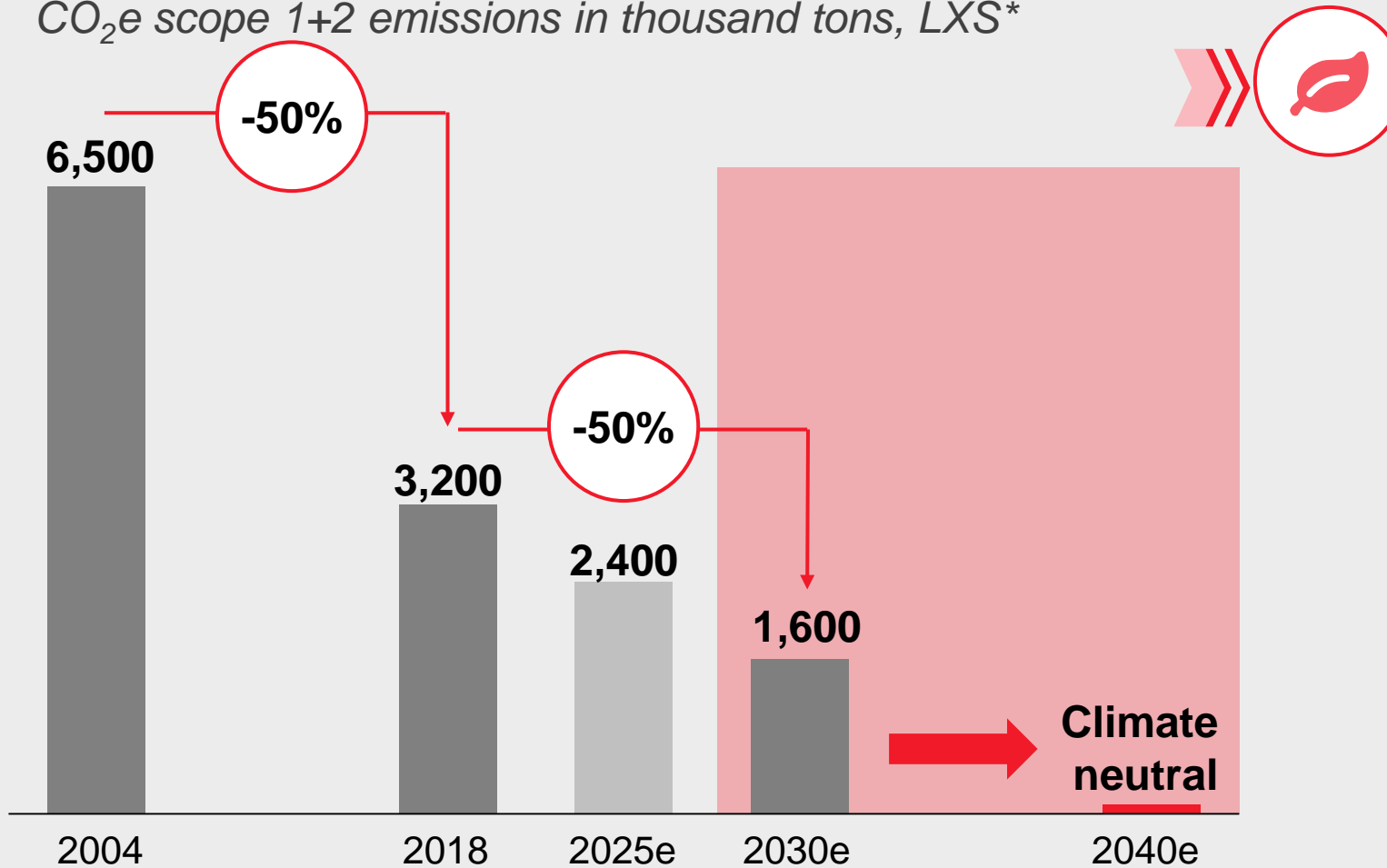
Clearly defined measures to reduce today's emissions:

- Maximize reduction of N₂O emissions
 - Implement process changes in our "Verbund" structures
 - Exit coal-based power generation wherever possible
- ## Compensate growth effects with efficiency

LANXESS goes climate neutral by 2040 – New long-term commitment

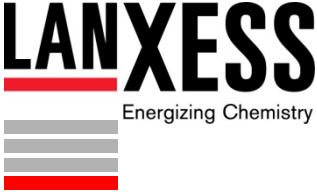


CO₂e scope 1+2 emissions in thousand tons, LXS*



- Strong ambition!
- Majority of projects with reasonable investment costs
- **Good for LANXESS, good for our customers, good for our planet!**

LANXESS ahead of regulation and far sighted in management of ETS certificates



Climate performance*



- LANXESS actively reduced CO₂e emissions in line with Emission Trading Scheme (ETS) reduction targets
- Cost effect from ETS is currently neutral
- We will continue to reduce CO₂e emissions and remain ahead of ETS reduction targets

*Increase of existing specific 2025 Scope 2 and energy efficiency target from -25% to -40%, compared to 2015; existing business parameters, in case of significant M&A timeline to be adjusted; performance calculated versus 2004 level (foundation of LANXESS); performance compared to 1990 level even higher (-65%), but not fully in our responsibility due to pre-spin-off set-up, trajectories based on BDI: „Klimapfade für Deutschland, Existing business parameters, in case of significant M&A timeline to be adjusted

Sustainability counts!



Sustainability targets...

- ...have been incorporated into our **strategic KPIs**
- ...will be incorporated into **top management remuneration**

The way forward – Strongest set of opportunities since spin-off



Strategy	Well defined strategy that we will rigorously execute
Operations	We outlined clear growth paths for each segment and continuously optimize operations
Financials	We are on track and committed to deliver
Sustainability	Sustainability is a priority to us and we will seize this competitive advantage



LANXESS

Energizing Chemistry

On track to deliver 2021 financial targets

Meeting the Management

Michael Pontzen, CFO

In 2017 we set our 2021 financial targets in a favorable market environment

Despite rising political risks, global economy was robust

2017



Asia and USA with strong growth, Brazil recovery expected



Additional US growth foreseeable due to pending tax reform



Main customer industries expected to continue a growth path

	2016	What we aim for (~2021)
EBITDA pre margin (group, Ø through the cycle)	10-14%	14-18%
EBITDA margin volatility	MEDIUM	LOW 2-3%pts
Cash Conversion*	56%	>60%

* Cash Conversion = EBITDA pre – CAPEX / EBITDA pre

In 2019 the world is much more challenging, but we are well on track to achieve our goals

The political uncertainty with full negative impact on global economy

2019



Asian economies with visible slowdown, Brasil recovery pending, LATAM uncertain



Serious trade conflicts / BREXIT



Main customer industries weak, auto in crisis mode, capital goods and agro sluggish

EBITDA pre margin
(group, Ø through the cycle)

EBITDA margin volatility

Cash Conversion

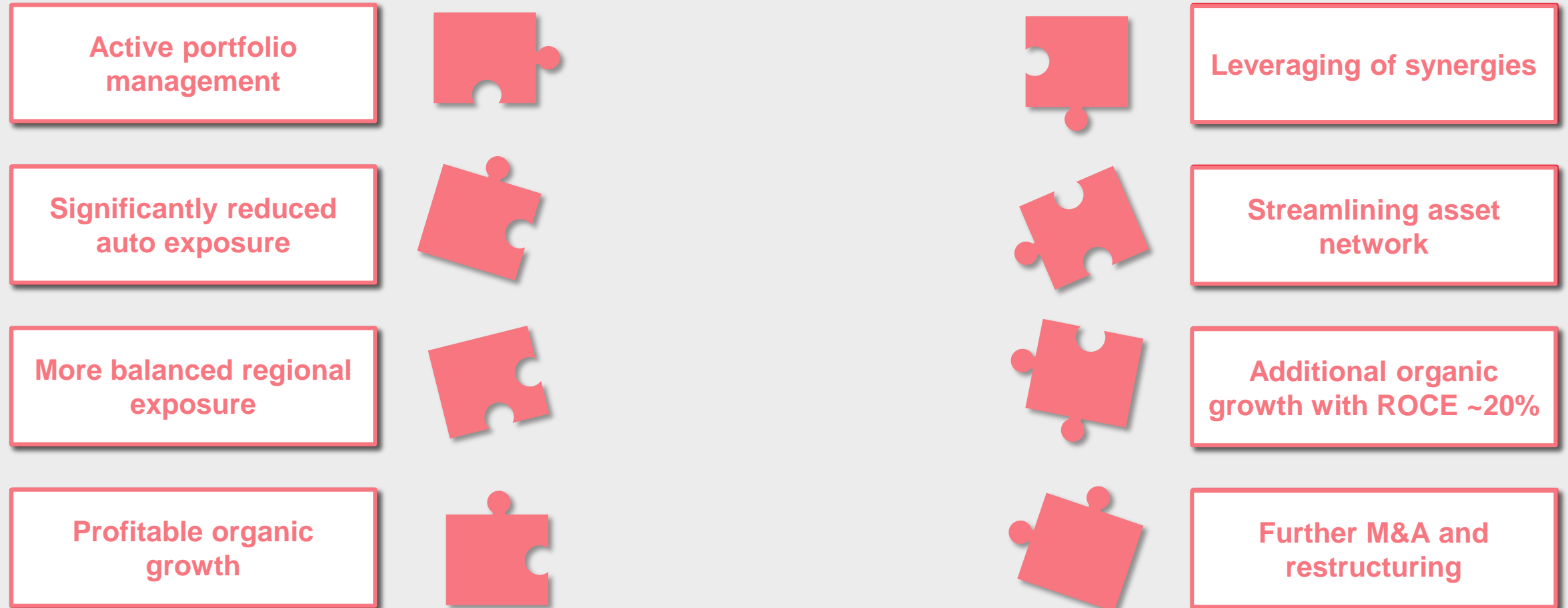
We stick to our targets (~2021)

Specialty level

Resilience

Strong cash generation

LANXESS self-help measures are the foundation on our way to achieve our financial targets



LANXESS self-help measures are the foundation on our way to achieve our financial targets

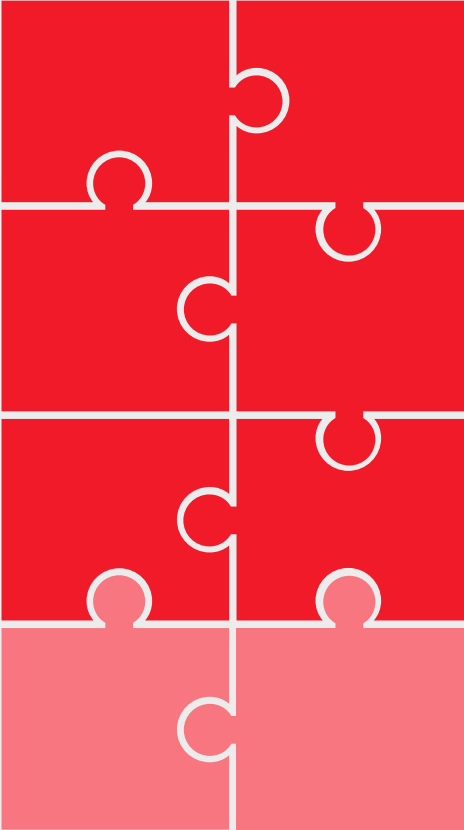


Active portfolio management

Significantly reduced auto exposure

More balanced regional exposure

Profitable organic growth



Leveraging of synergies

Streamlining asset network

Additional organic growth with ROCE ~20%

Further M&A and restructuring

LANXESS margin improvement and resilience proven



Stable margin growth in cyclical environment

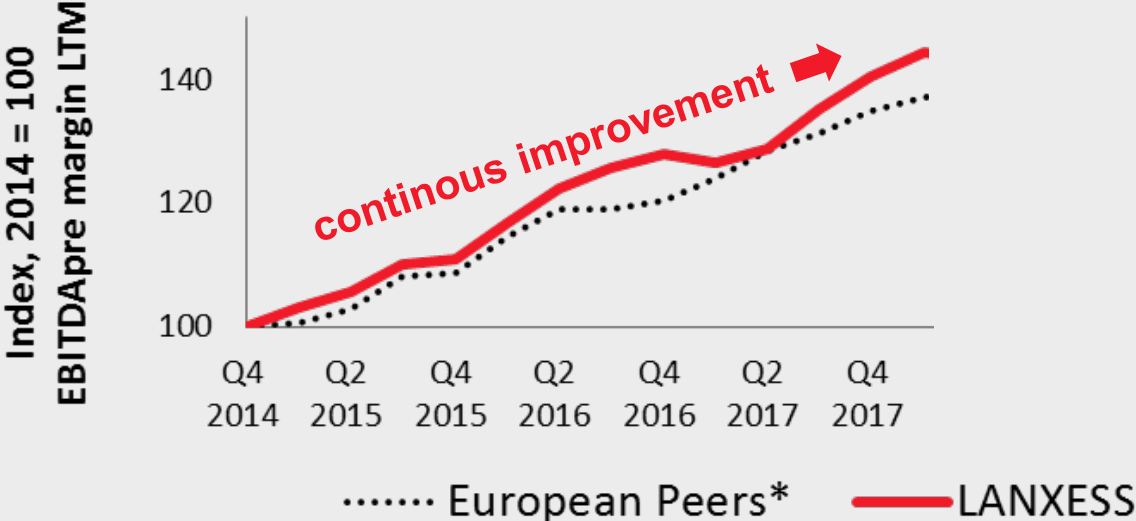


* European Peers: Arkema, DSM, Covestro, BASF, Clariant, Evonik, Solvay

LANXESS margin improvement and resilience proven



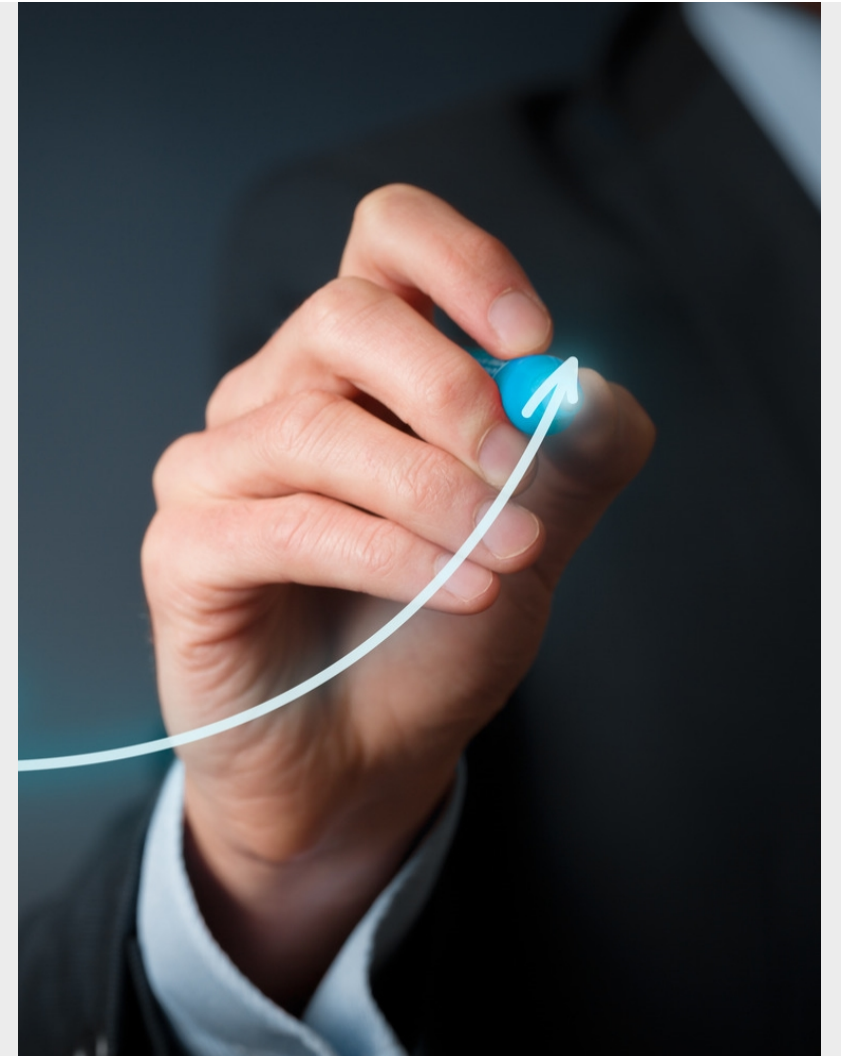
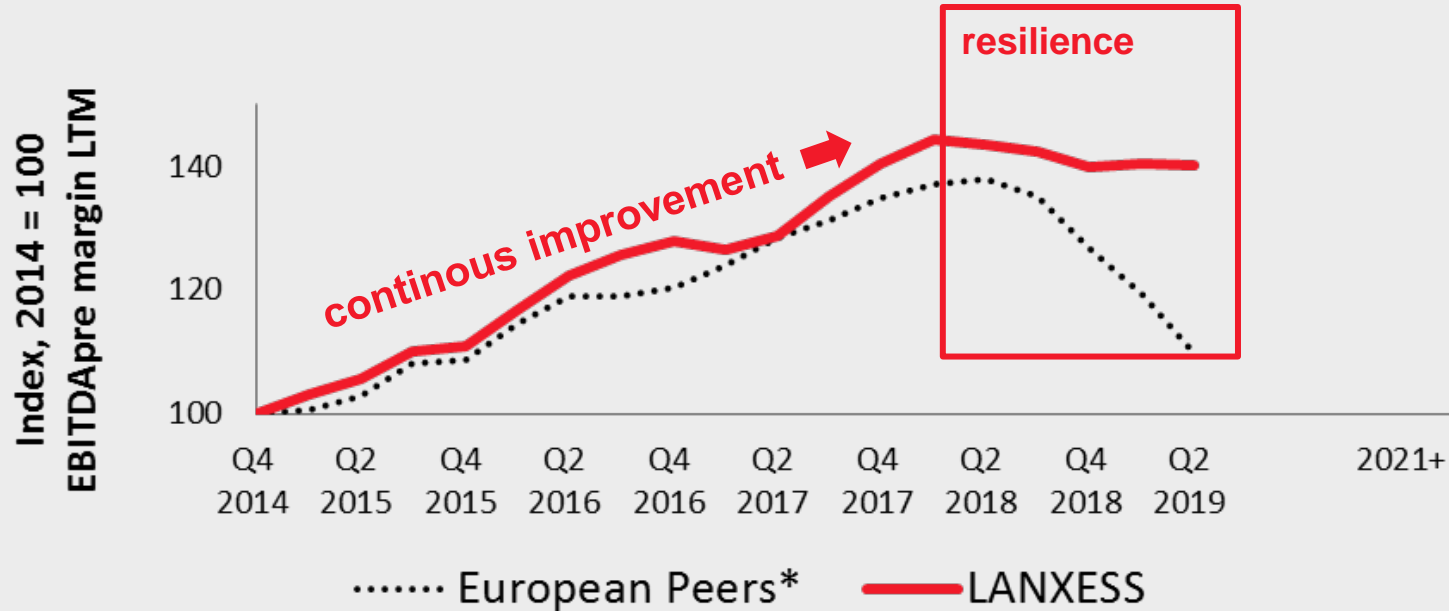
Stable margin growth in cyclical environment



* European Peers: Arkema, DSM, Covestro, BASF, Clariant, Evonik, Solvay

LANXESS margin improvement and resilience proven

Stable margin growth in cyclical environment
Margin resilience proven in recent quarters!



* European Peers: Arkema, DSM, Covestro, BASF, Clariant, Evonik, Solvay

Cash Conversion target also on track – but at what price does it come?

We could deliver on our Cash Conversion target already in 2019, but give priority to profitable growth

2019 estimate in € m

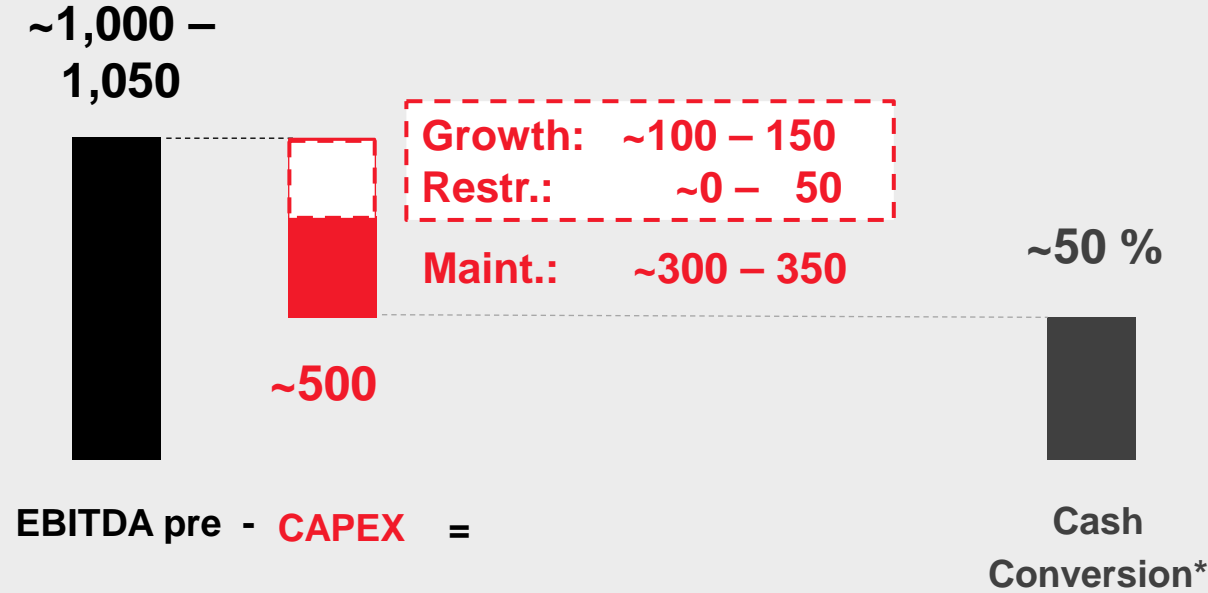


* Cash Conversion = EBITDA pre – CAPEX / EBITDA pre; ** ROCE: ~ 20%, considering ~€10m D&A & ~30% tax

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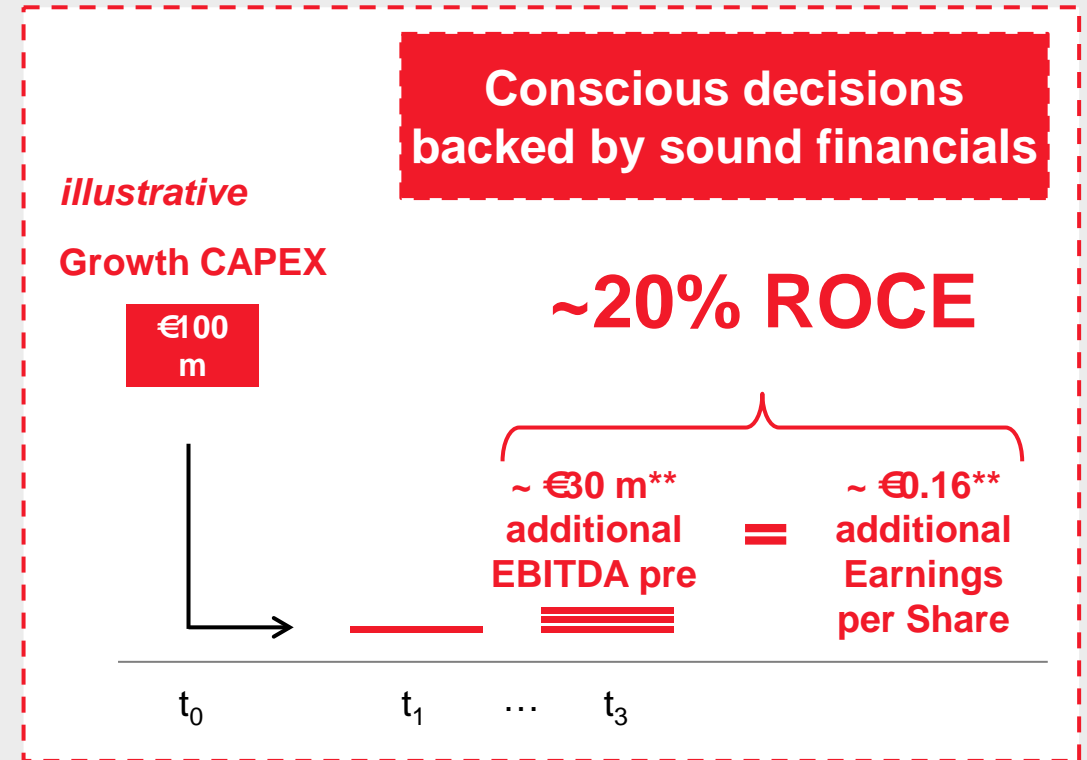
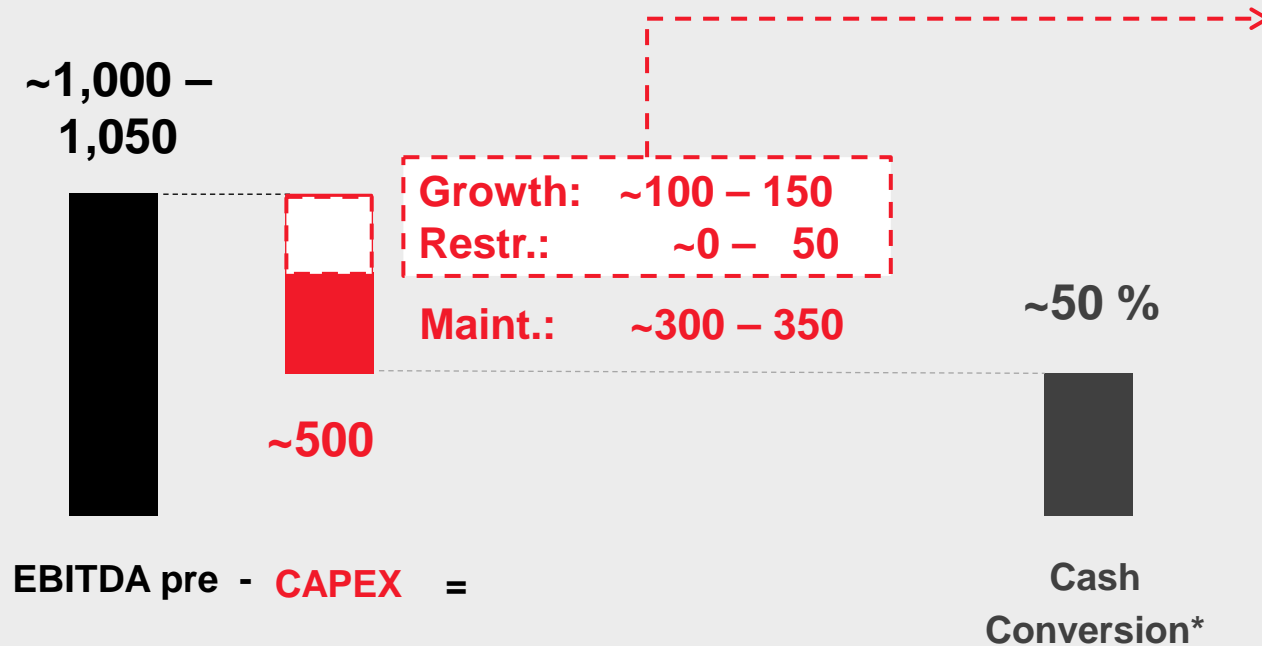


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2019 estimate in € m



* Cash Conversion = EBITDA pre – CAPEX / EBITDA pre; ** ROCE: ~ 20%, considering ~€10 m D&A & ~30% tax

We decided to invest ~€400 m in financially attractive debottleneckings and brownfield investments



Advanced Intermediates



Specialty Additives



Performance Chemicals



Engineering Materials

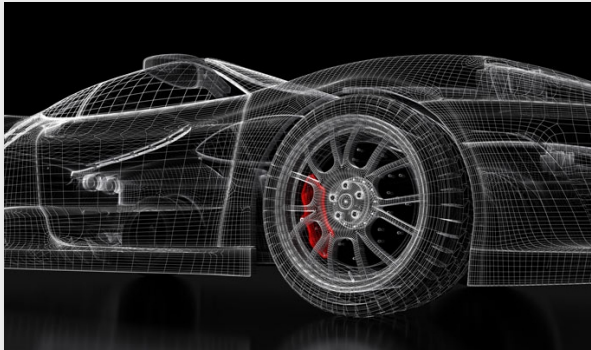
Targeted growth CAPEX until 2020, in € m

~150

~50 - 100

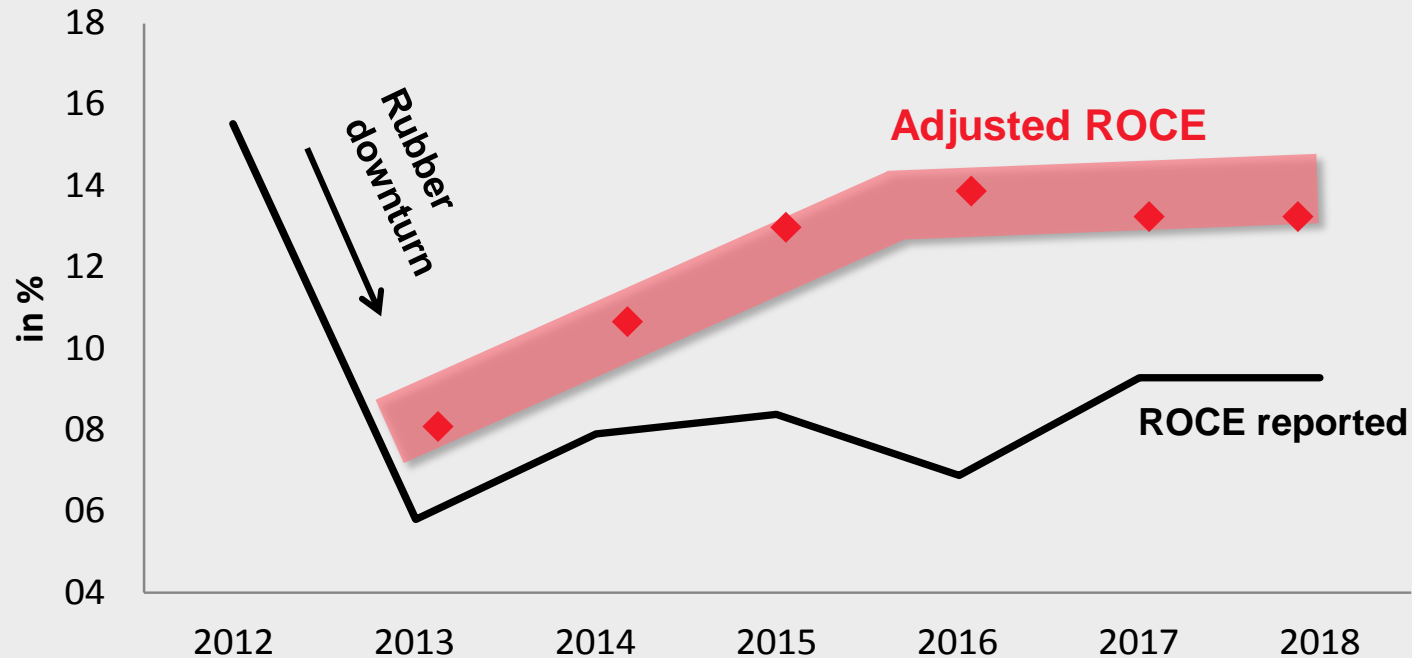
~50 - 100

~50 - 100



Organic investments fuel improvement of ROCE*

Adjusted ROCE* shows improved operational return profile of LANXESS



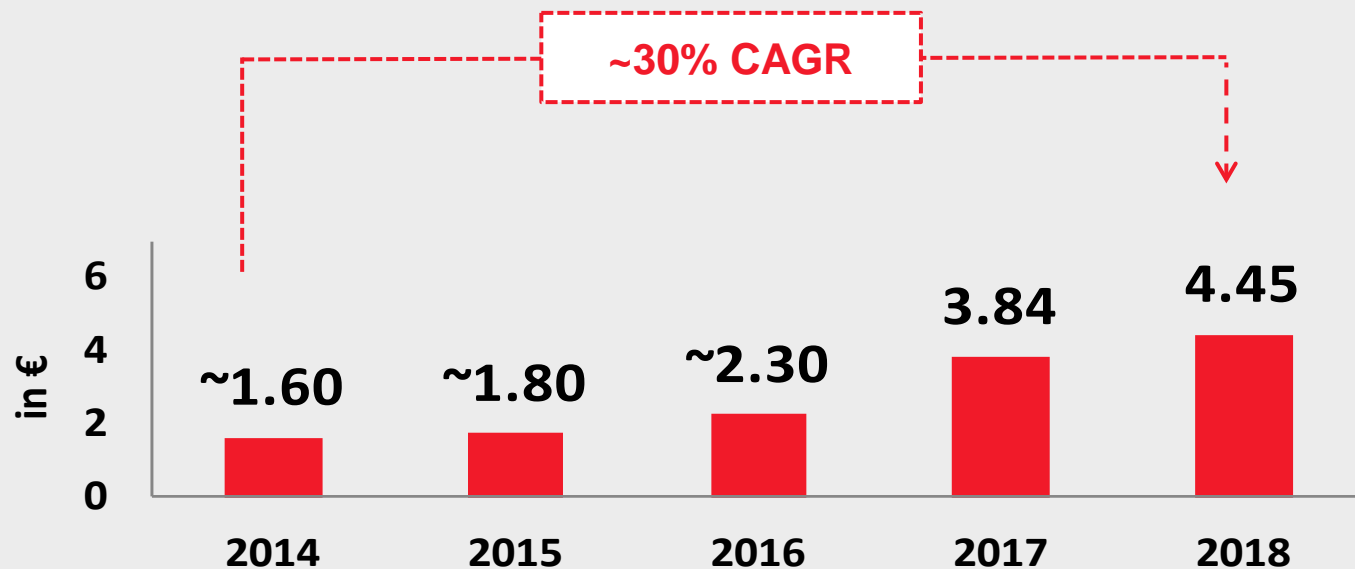
Transformation pays off:

- Divestment of ARLANXEO
- Acquisition of Chemtura
- Streamlining asset network
- Organic growth investments

* Adjusted ROCE = EBIT pre adjusted for amortization of Chemtura PPA related intangibles & assumed ARL ROCE

Strong management attention also on EPS pre*

Strong EPS pre* growth



Active EPS management:

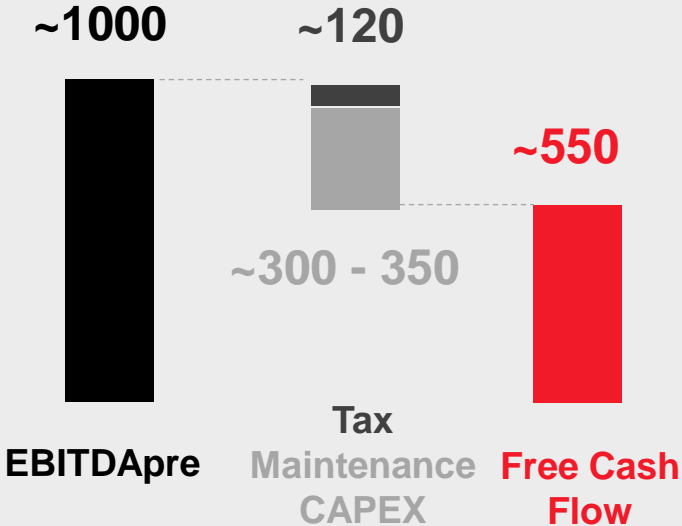
- Operational improvement
- Lower interest expenses
- Funding of pension debt
- Tax management (tax rate from ~45% to ~30% in 2019)
- Share buyback in 2019








* Earnings per Share: net of exceptionals and amortization of intangible assets as well as attributable tax effects / figures for 2014 until 2016 exclude ARLANXEO (non audited figures)

Capital allocation follows shareholder interests

Shareholder return is the driver for capital allocation

illustrative
(€ m)



-  Organic growth
-  Restructuring
-  Mergers & Acquisitions
-  Share buyback
-  Dividend
-  Deleveraging
-  Interest expenses

Our project pipeline allows us to continue our organic growth path

We keep our internal benchmark for organic growth projects: 20% ROCE

Growth CAPEX from 2021, examples



Advanced Industrial Intermediates

Aromatics ~€100 m



Performance Chemicals

Biocides, Resins ~€50 m



High Performance Materials

TEPEX, Resins
~€50 -100 m



Polymer Additives

Lithium ~€100 – 400 m

2021

Future invest approach:

- Attractive ROCE around 20%
- Focus on debottlenecking and brownfield investments
- Strategic fit to future growth markets
- Strengthen regional presence or balance growth regions



Tepex: Leveraging strong demand for continuous fiber reinforced thermoplastics

Thermoplastic composite sheets serve as powerful and cost effective substitute for traditional components



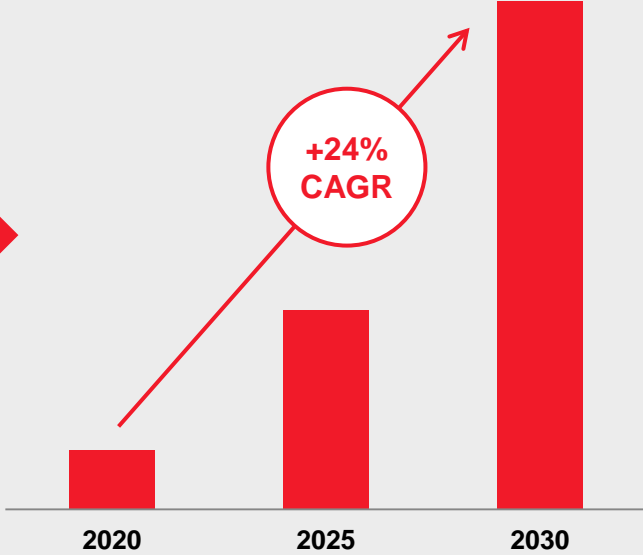
~€40 m
Investment



1H 2022
Planned operation start



Illustrative: Tepex adressable global market volume*



LANXESS strengthens its All aromatic „Verbund“ with additional synthetic menthol capacity

Clear long-term investment approach based on synergetic customer relationship



~€40 m

Investment



Early 2021

Planned operation start

Investment rationale:

- Significant increase in demand for synthetic menthol
- Strong customer relation based on long-term contracts
- Downstream development of the aromatic „Verbund“



Venture investment into Lithium with low risk and potentially high return

Opportunity in cooperation with Standard Lithium



~€100 –
400 m
Investments



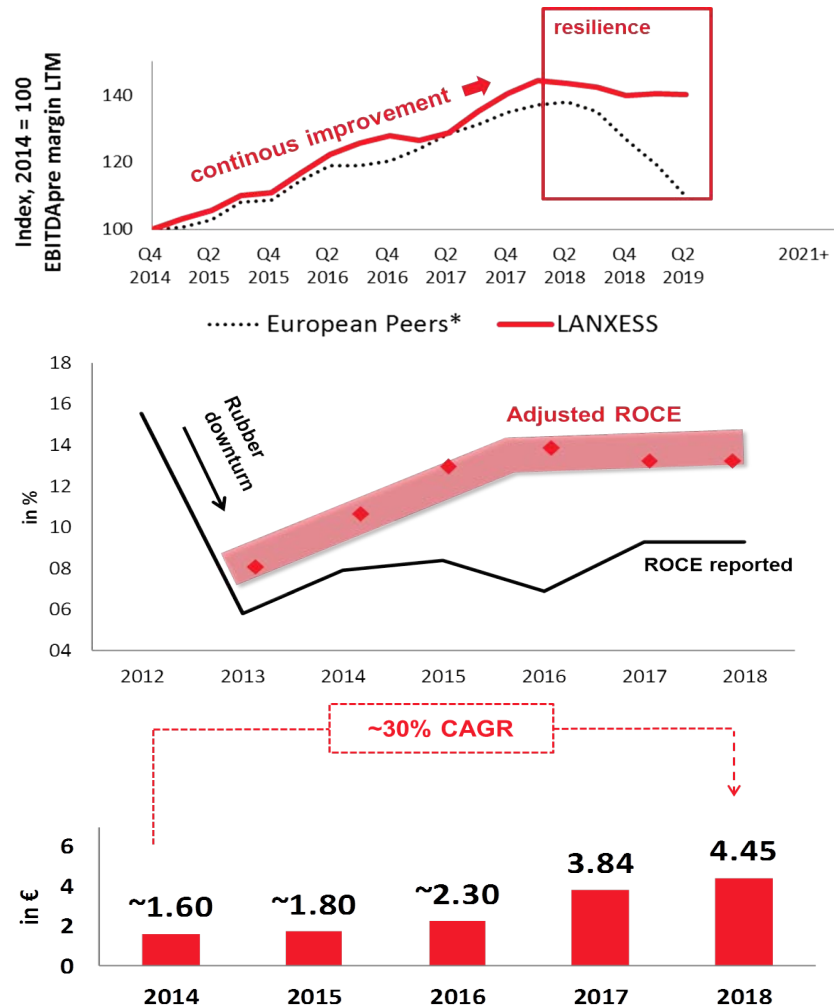
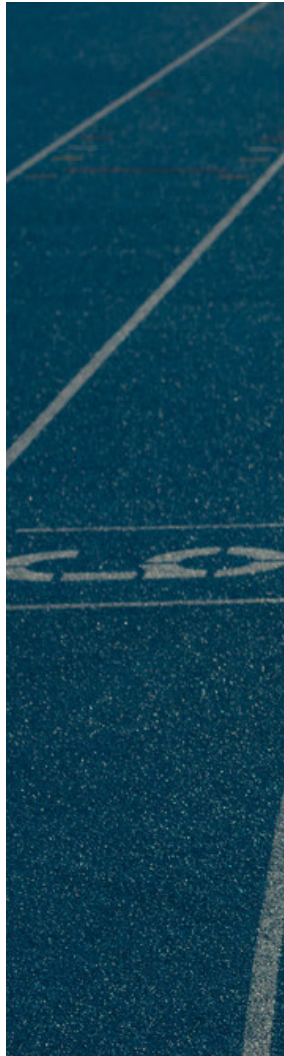
Early 2021
Planned start of
construction

Investment rationale:

- Potential lucrative yield of battery grade lithium from LANXESS' „waste material“ tail brine
- Strong growth of Lithium use based on rising demand for batteries



The journey will continue ...



* European Peers: Arkema, DSM, Covestro (formerly BMS), BASF, Clariant, Evonik, Solvay

Looking ahead ... energized!

Profitability

Moving our way towards even more stable and attractive margin levels

Resilience

Further balanced exposure to end markets and regions in the future

Financials

Maintaining strong financials and balanced debt

Rating

Commitment to stay solid investment grade



LANXESS

Energizing Chemistry



Meeting the Management 2019

Business Unit Material Protection Products (MPP)

Michael Schäfer, Head of Business Unit MPP

Cologne, November 15th, 2019

...more than you expect!

Material Protection Products

...more than you expect!



Material Protection Products



...more than you expect!



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

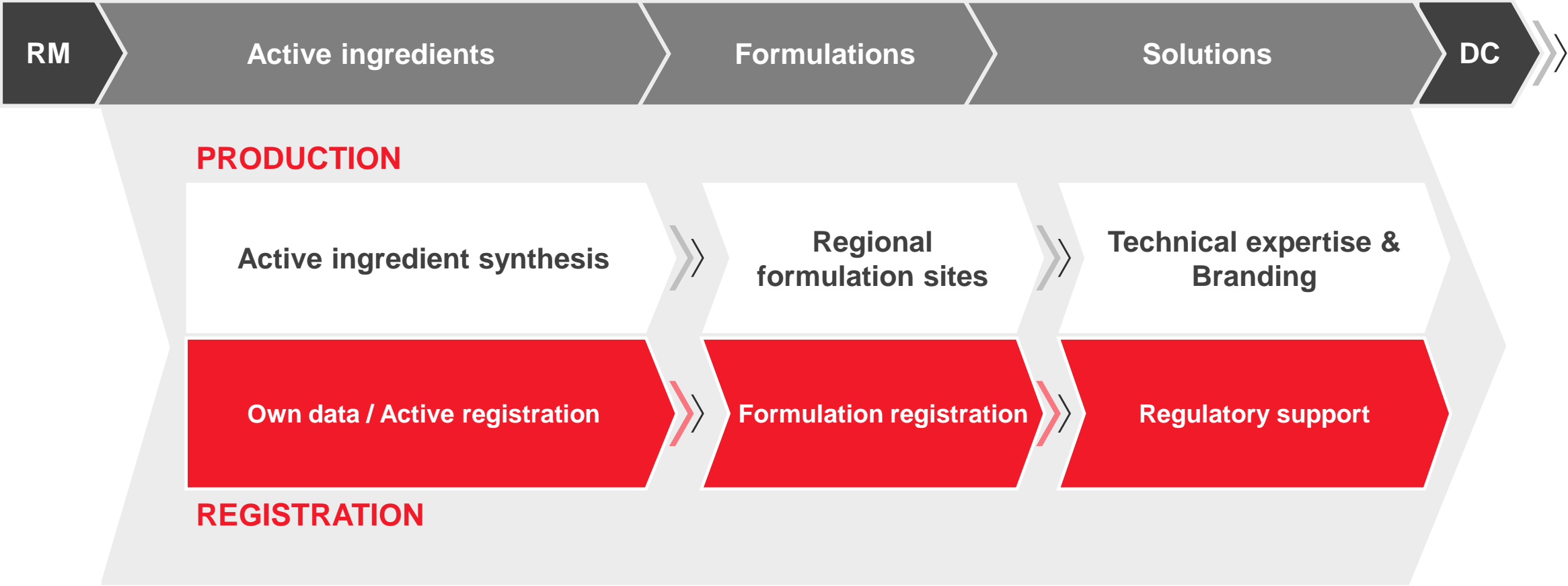
~50 active ingredient registrations
~5,000 formulation registrations



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



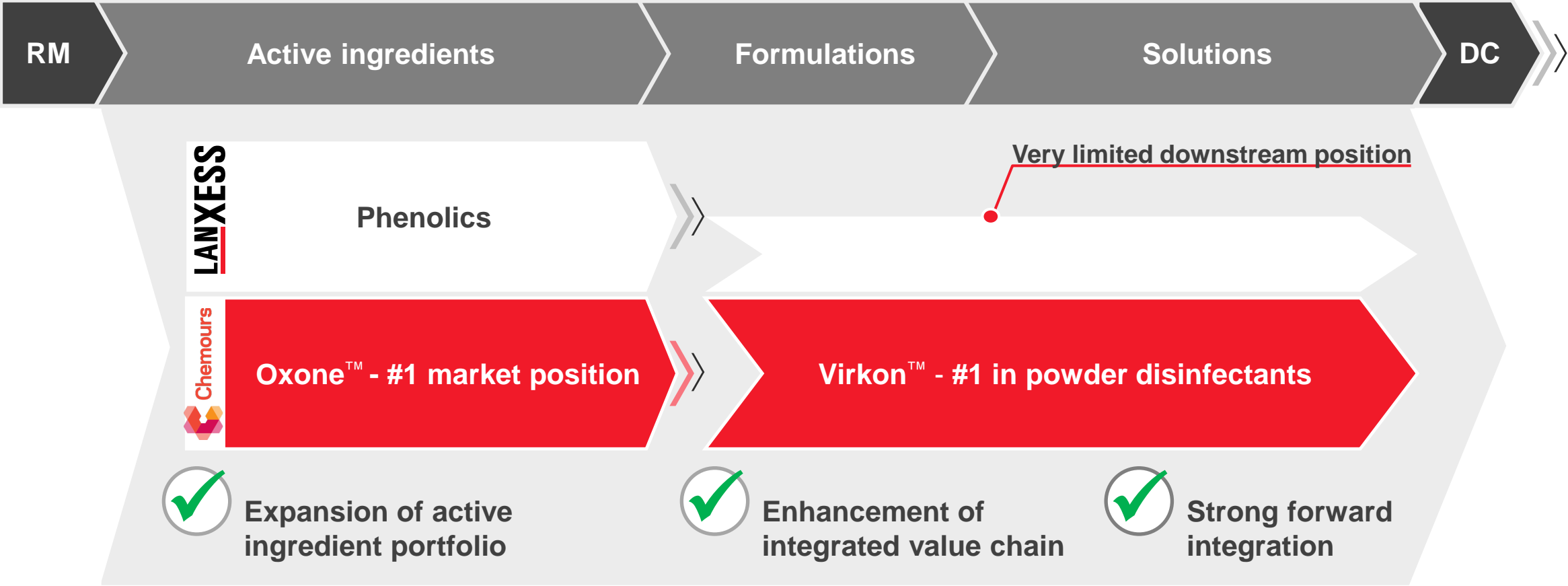
Value Chain



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®

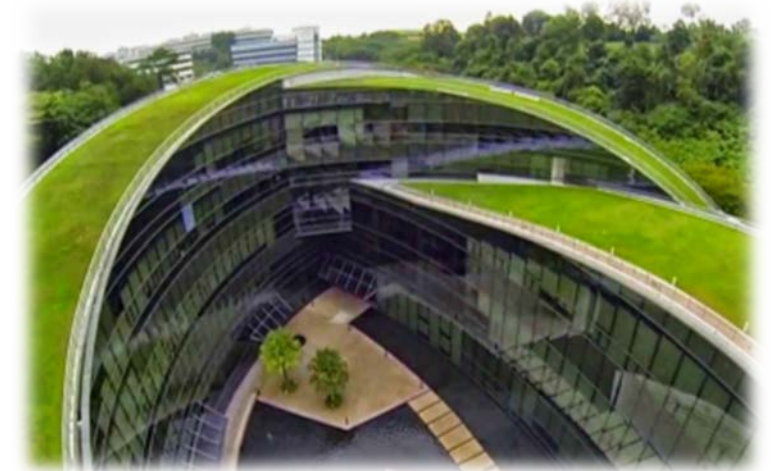


CAGR: ~11%

- 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%



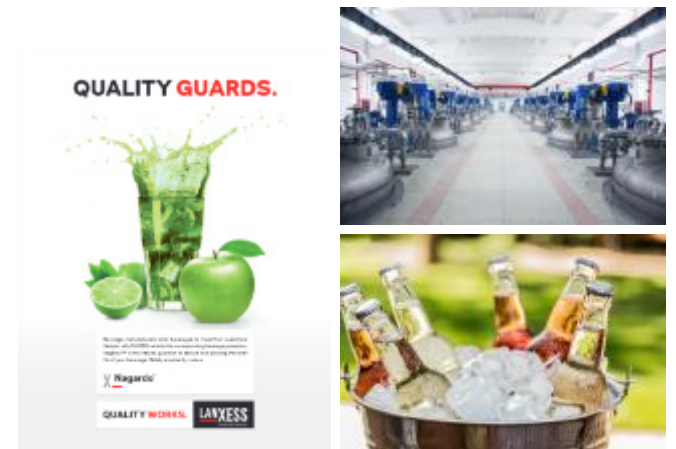
Nagardo – Offering a purely natural preservative to the food industry

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



LANXESS

Energizing Chemistry

Beauty of Additives in a nutshell

Meeting the Management

Anno Borkowsky, Member of the Board

Agenda

1 Beauty of Additives in a nutshell

2 Why Polymer Additives are attractive

3 Why Lubricant Additives are amazing

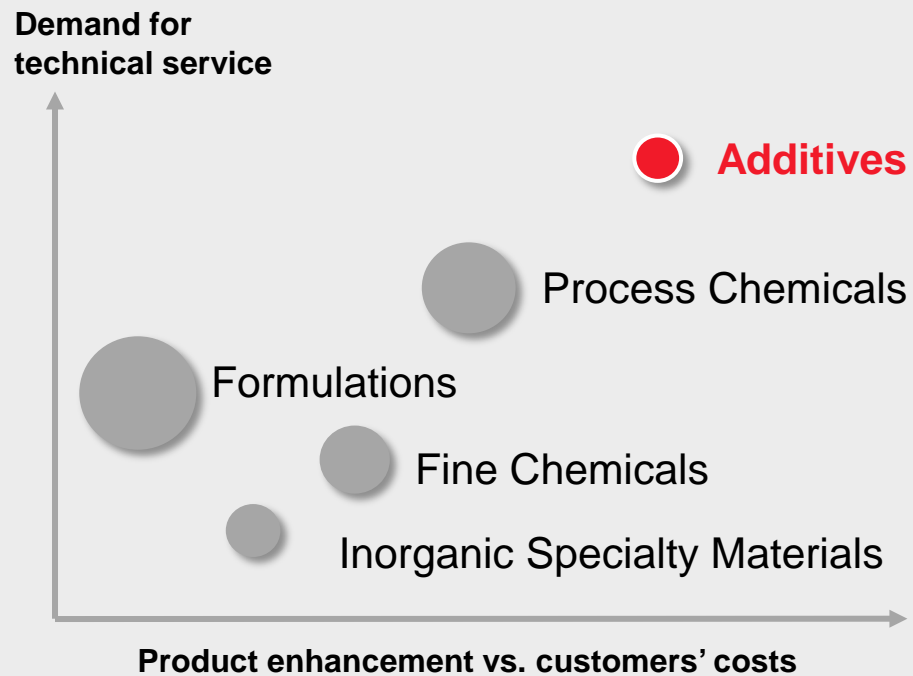




Beauty of Additives in a nutshell

Additives constitute a very attractive product group in the specialty chemical industry

LANXESS Additives “DNA” with very attractive business characteristics



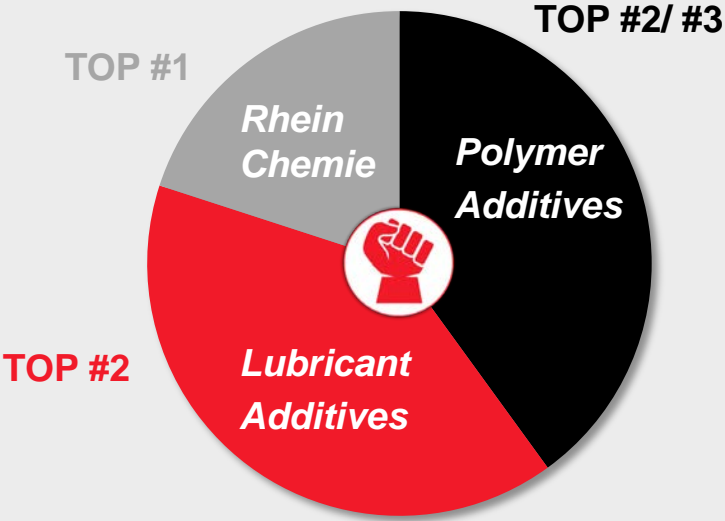
Specialty Additives cater various end markets with a balanced global footprint

Leading players in diverse and growing end markets

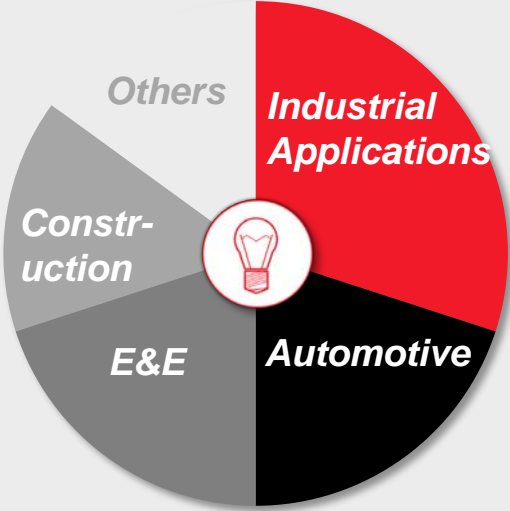
Well balanced end market split

Strong footprint in growth regions

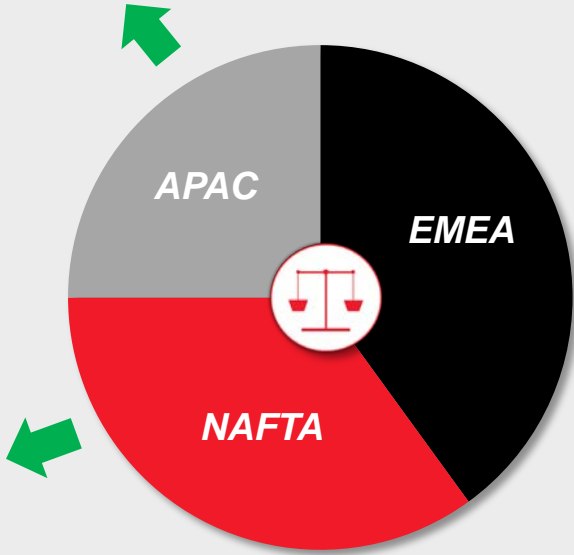
Sales 2018



Build on & expand leadership positions



True focus on specialties & innovations



Further strengthening of APAC & NAFTA footprint

Specialty Additives – Successful business set-up with a clear strategic approach

BU Polymer Additives

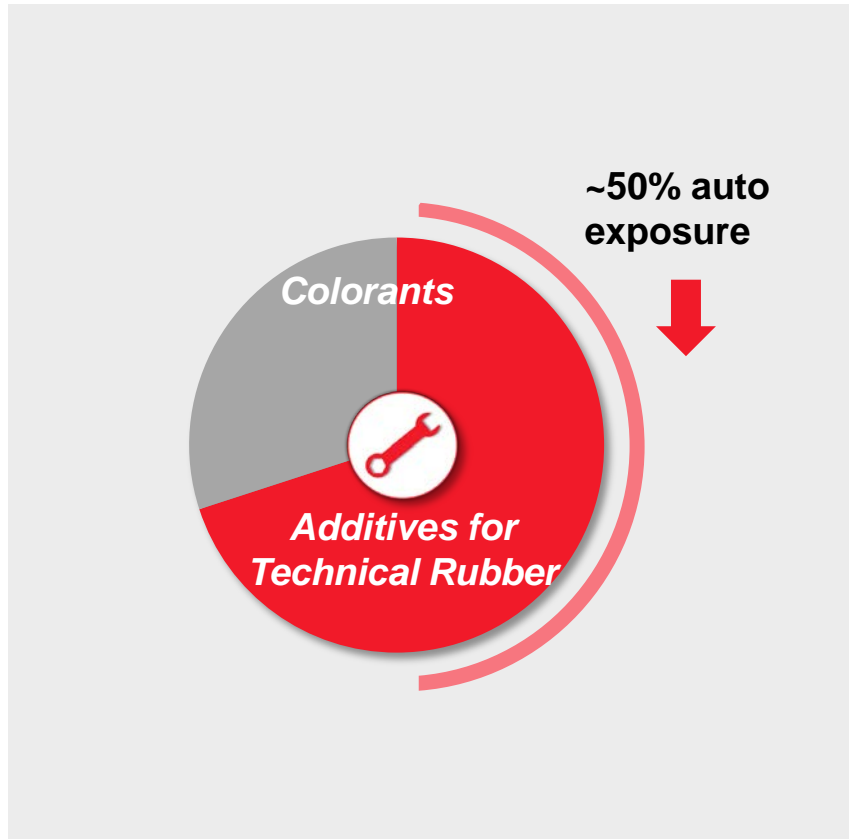
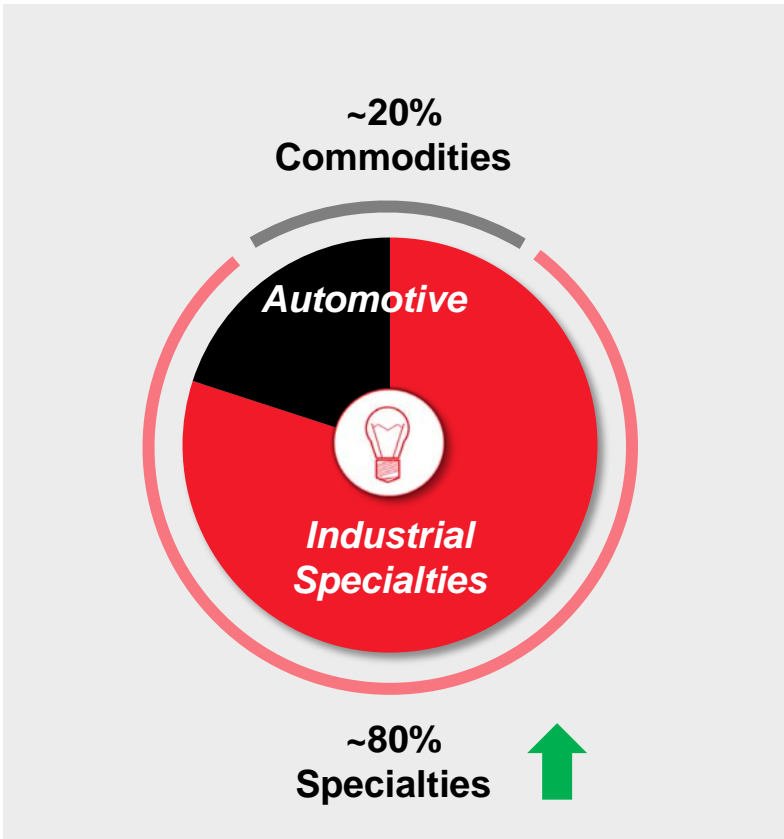
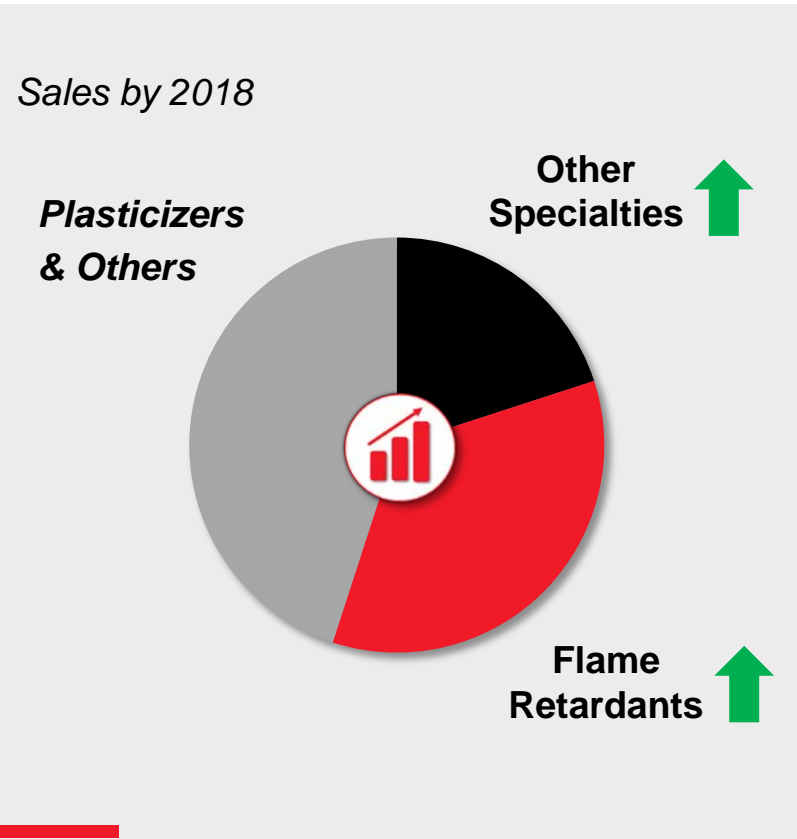
Leverage growth from higher regulation & batteries

BU Lubricant Additives

Further innovate and specialize the portfolio

BU Rhein Chemie

Reduce auto dependency and further realignment



Agenda

1 Beauty of Additives in a nutshell

2 Why Polymer Additives are attractive

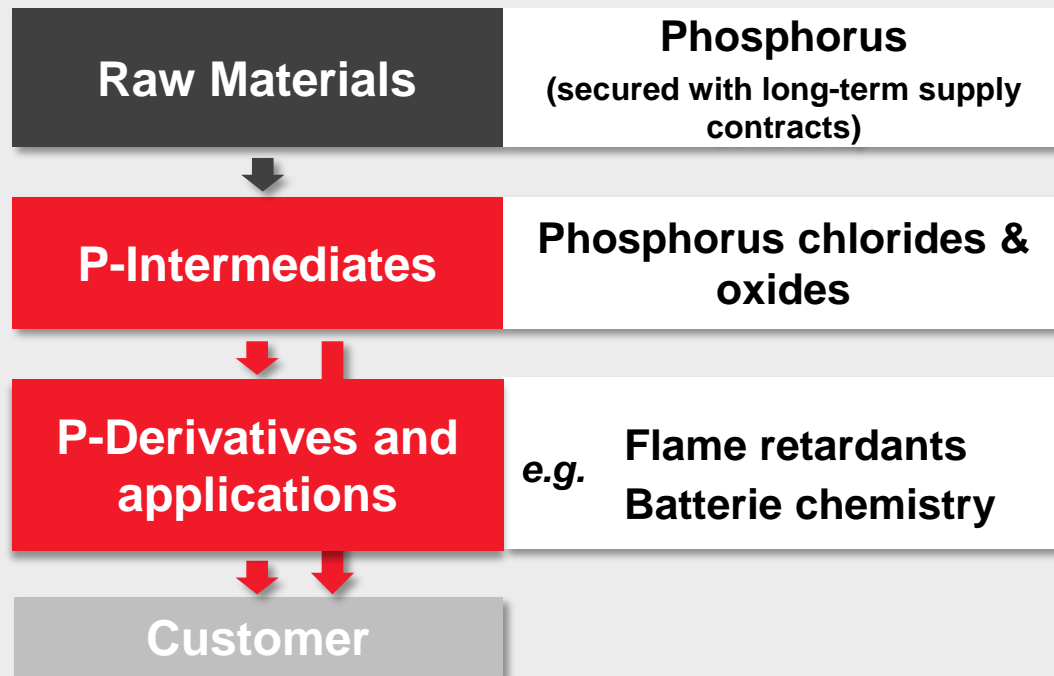
3 Why Lubricant Additives are amazing



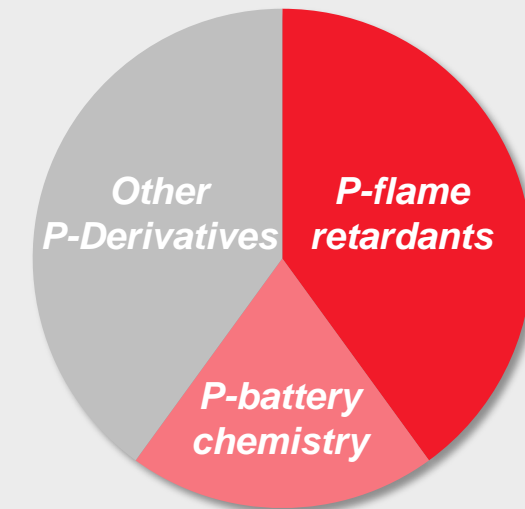
Leading manufacturer of phosphorus derivatives

Comprehensive supply for rising demand in phosphorus flame retardants and batteries

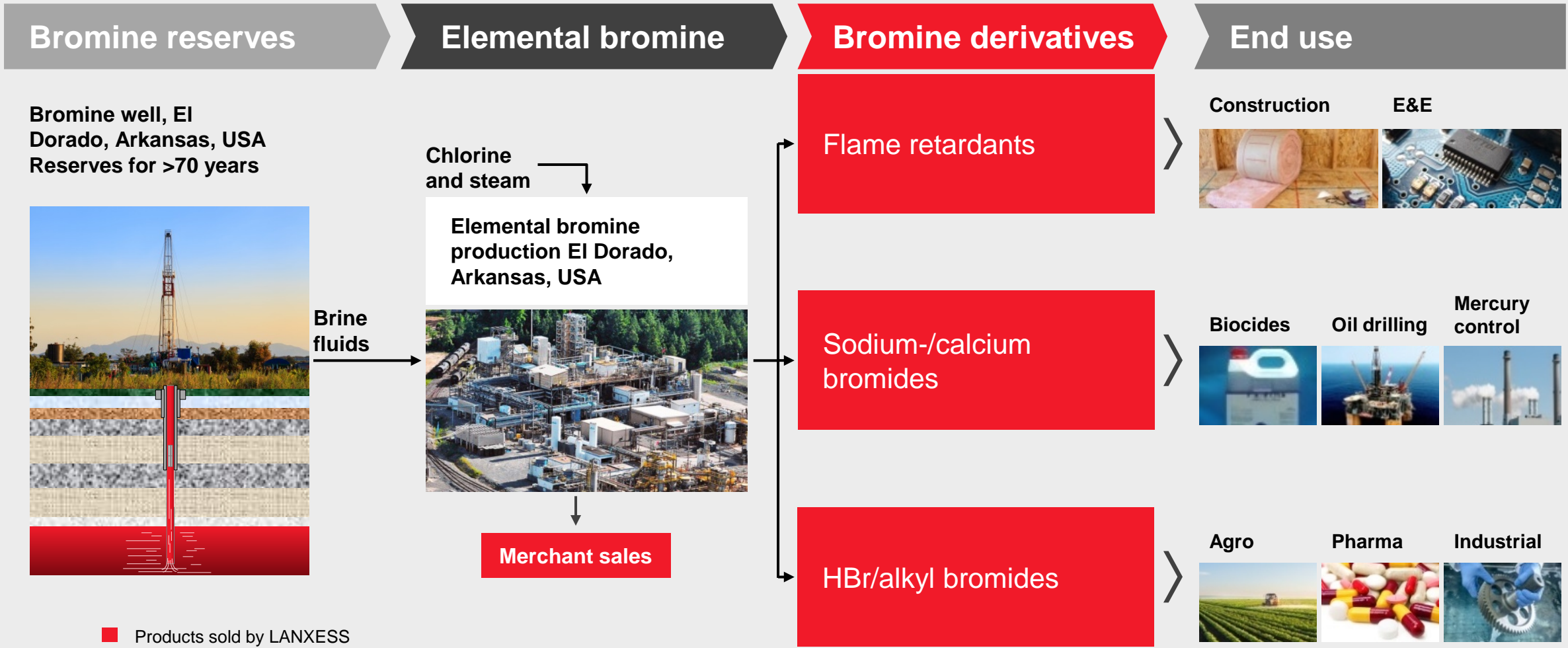
Phosphor value chain



Expectation: Phosphorus portfolio by 2025

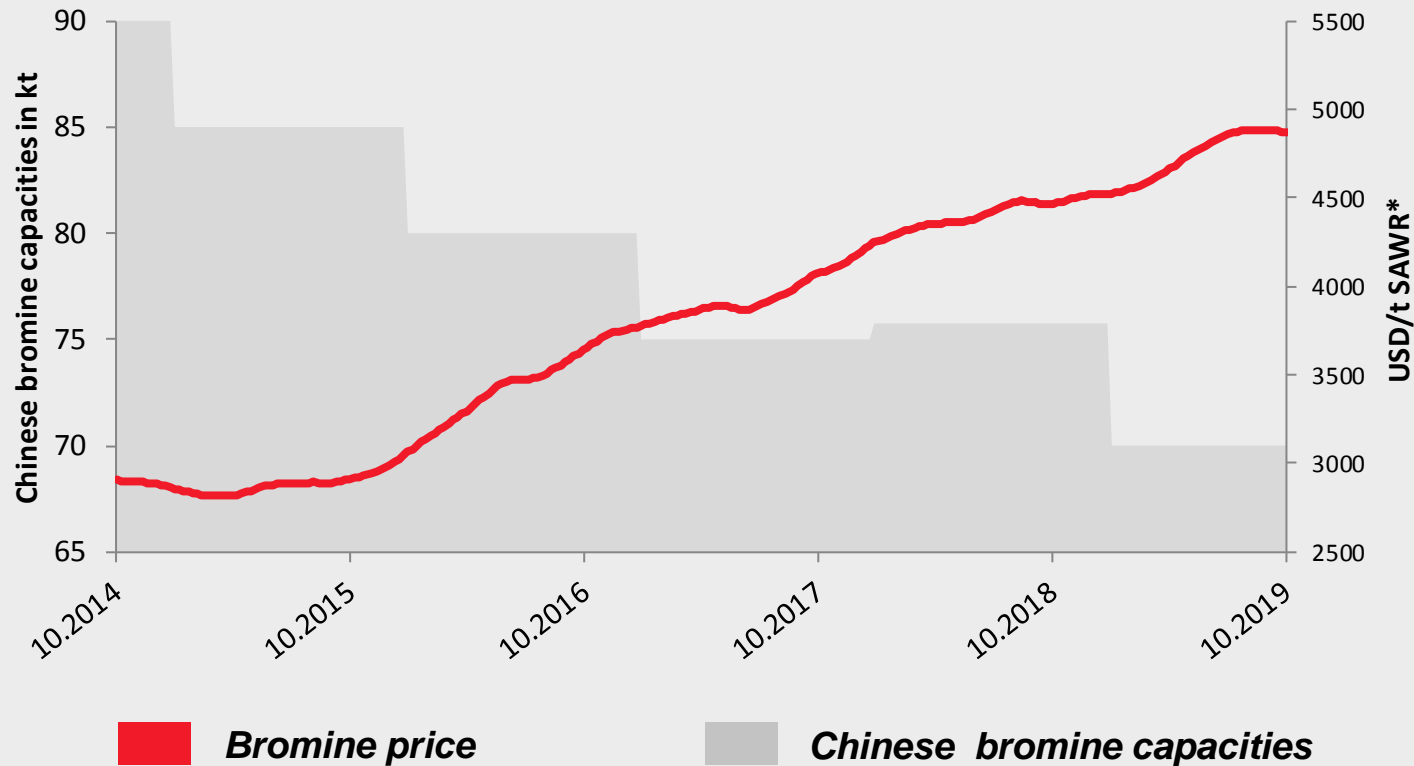


Extracting value by pursuing the whole value chain from one of the most efficient bromine resources



LANXESS benefits from structural changes in the Chinese bromine market

Chinese bromine resources continuously exhaust and face rising regulatory pressure



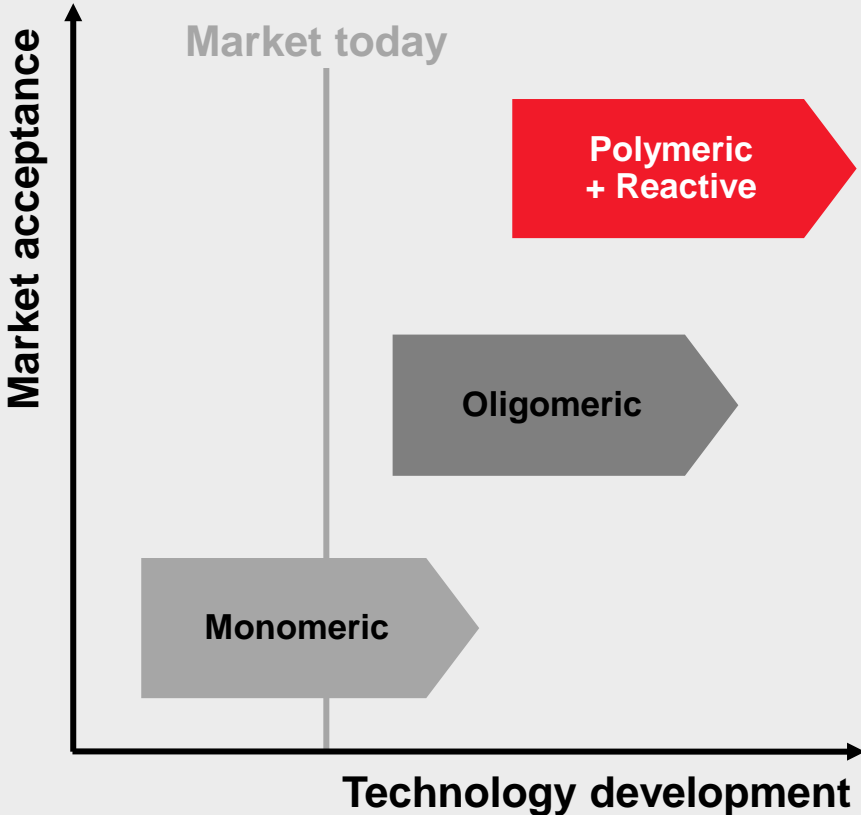
APAC with attractive growth opportunities:

- Chinese bromine demand grows while resources continuously decline
- LANXESS meets rising environmental standards in China
- Huge logistics infrastructure for bromine transportation

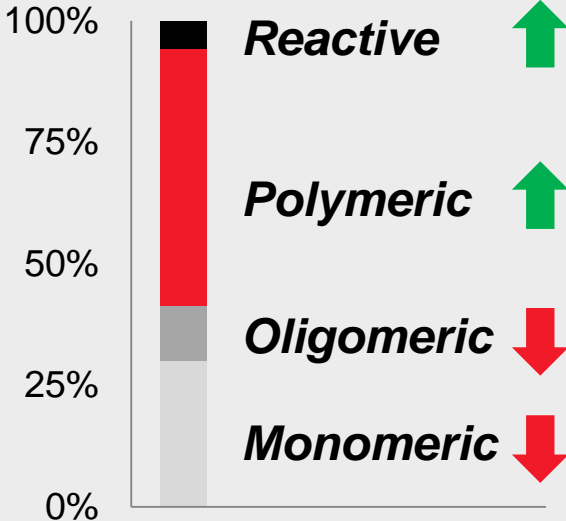
Flame retardants well prepared for tightening regulation

Strategic focus on developing sustainable FR

Illustrative on flame retardants



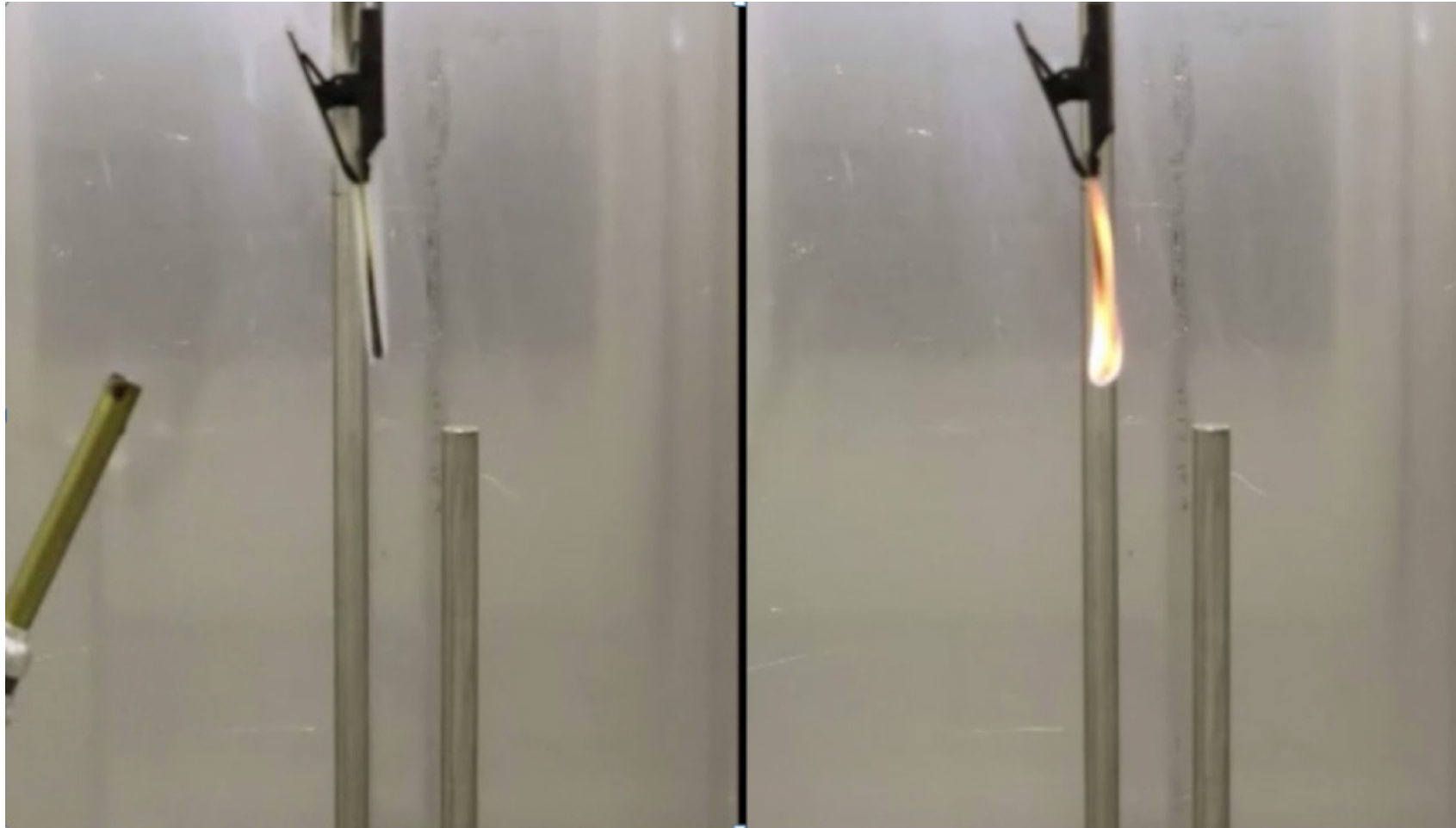
LANXESS flame retardants portfolio mix:



Focus on polymeric and reactive flame retardants to fight toxicity and leaching risk



There is no alternative to the powerful characteristics of flame retardants



LANXESS provides cutting-edge plasticizers and phosphorus specialties



Mesamol™

The only real phthalate free plasticizer in the world!



Stabaxol™

Advanced hydrolysis protection for sport shoes and other applications

Polymer Additives even goes one step further...



**Levagard
2100™**

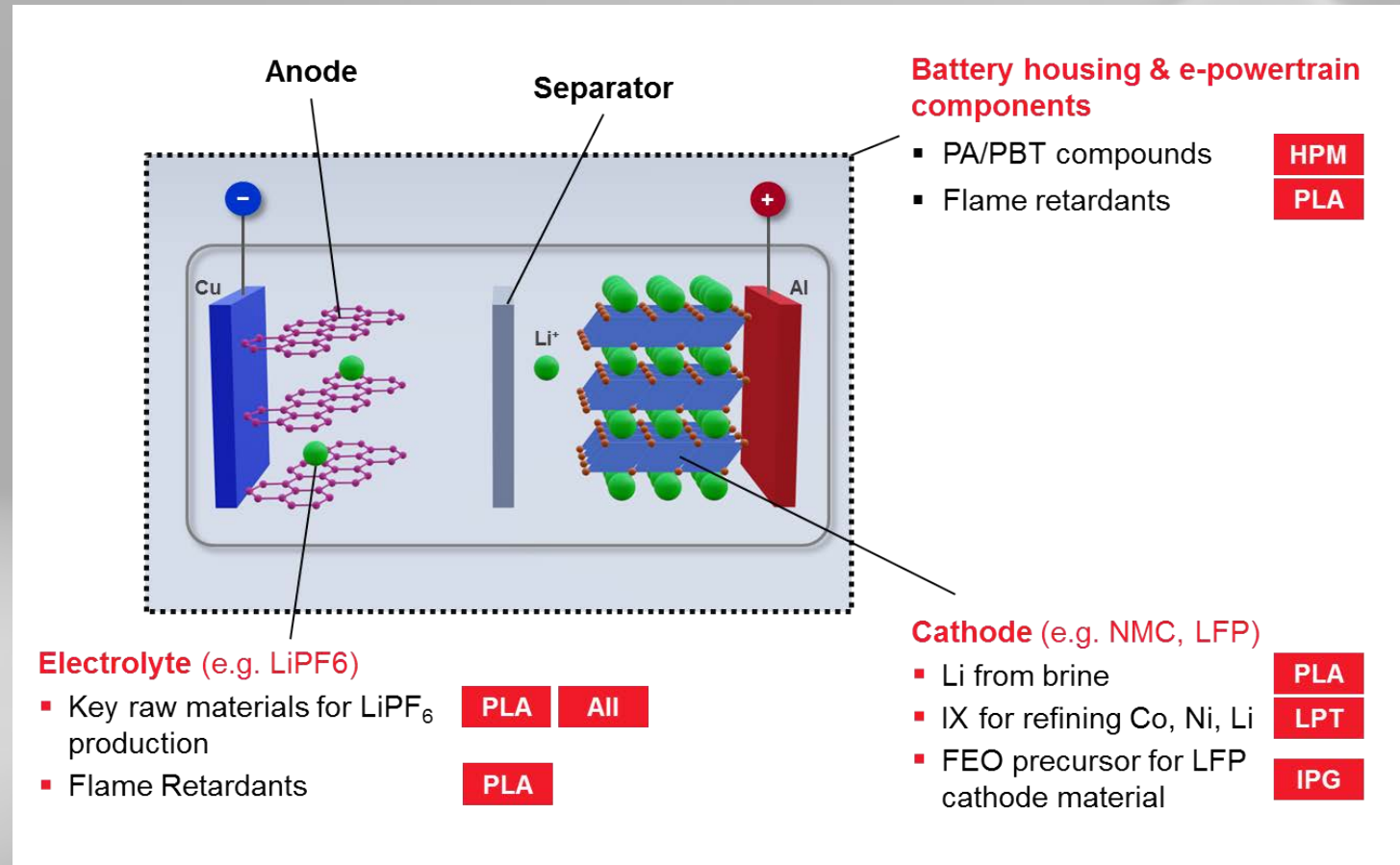
**Emission free reactive
flame retardant**



**Stabaxol
P110™**

***Hydrolysis protection
with best in class
characteristics***

Polymer Additives sees growth opportunities driven by demand for batteries



Polymer Additives to strengthen its leadership position in flame retardants and battery solutions

Strategy execution

Foster leadership position in flame retardants by leveraging regulatory challenges with innovative solutions

Applied innovation

Leverage on strong R&D pipeline to expand application portfolio and further reduce volatile organic emissions

Growth driver

Focus on future growth areas of bromine and phosphorus chemistry in APAC region



LANXESS saves your life

Agenda

1 Beauty of Additives in a nutshell

2 Why Polymer Additives are attractive

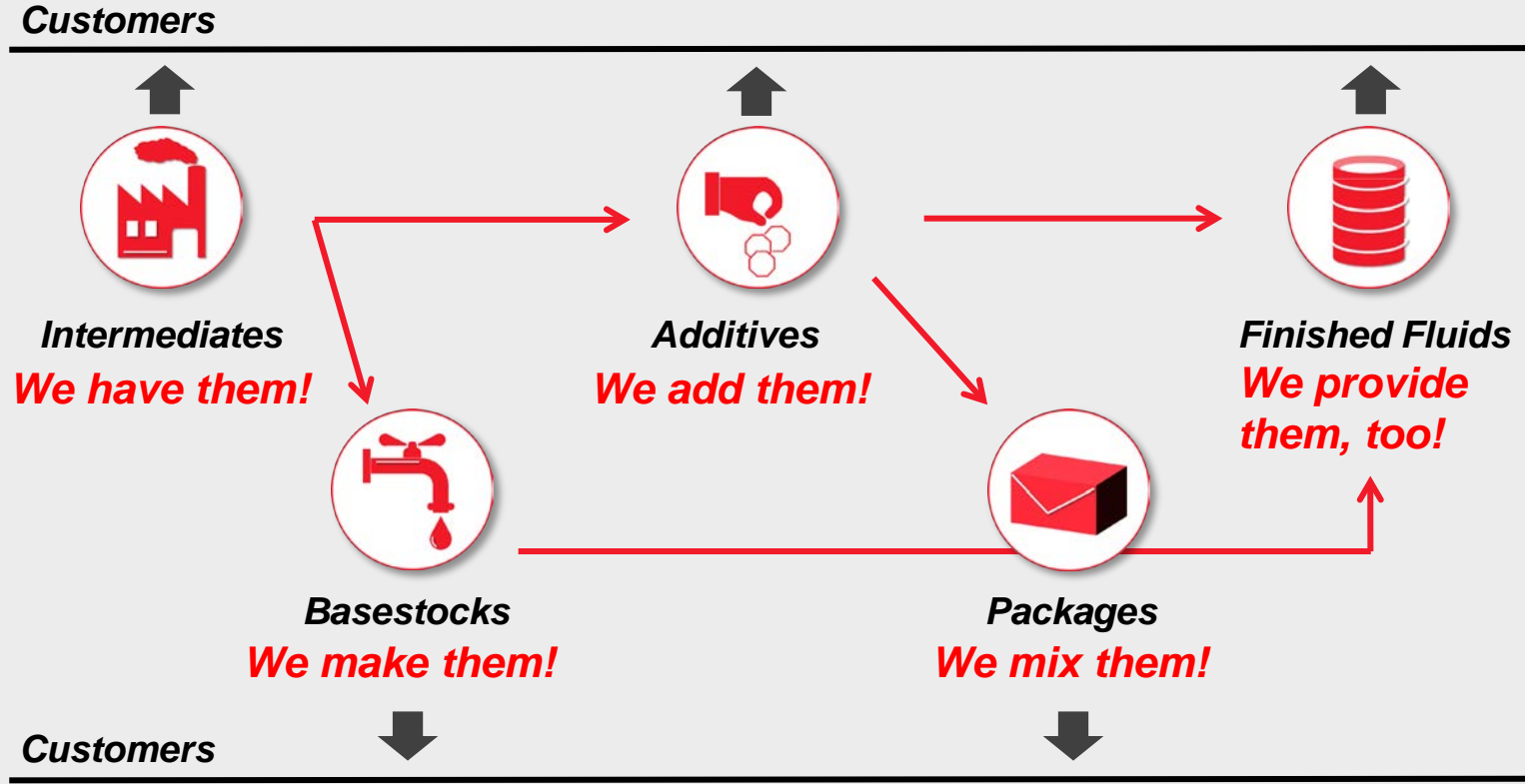
3 Why Lubricant Additives are amazing



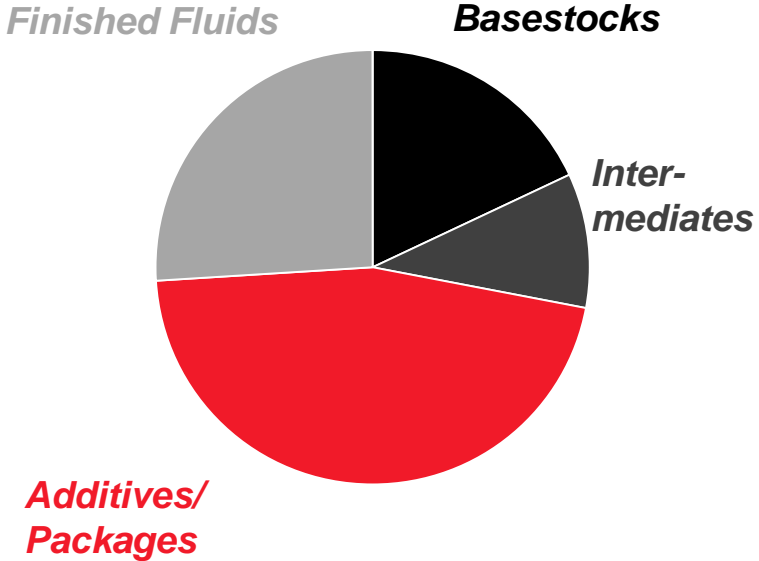
Lubricant Additives benefit from unique integrated value chain and innovation power



Backward integrated one-stop-shop for specialized industrial additive solutions with leading market positions

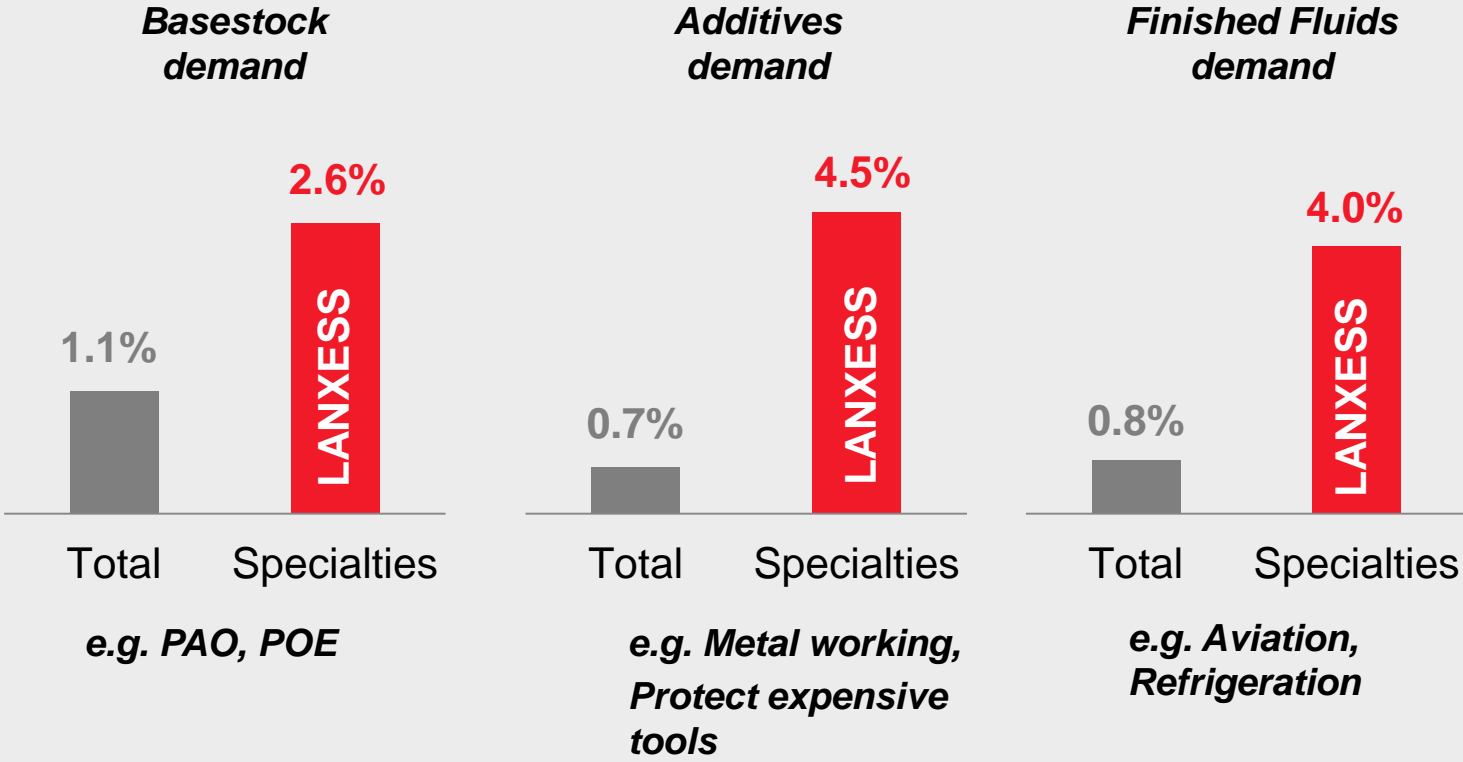


Lubricant Additives Sales 2018



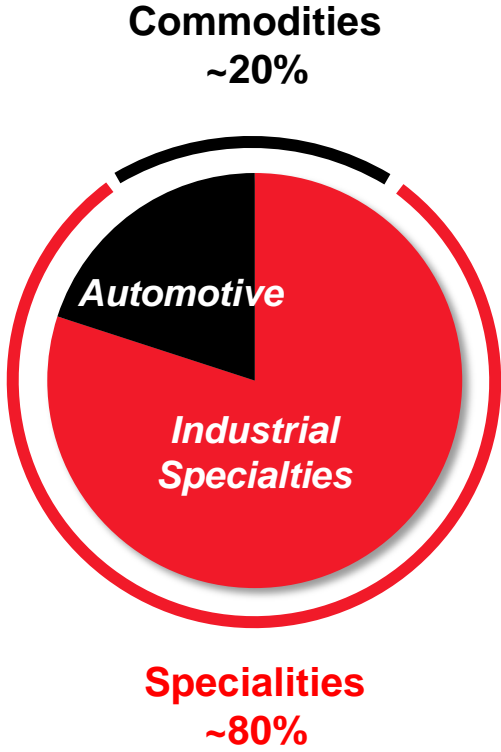
Increasing regulation and higher performance requirements drive growth for specialty lubricants

LANXESS focuses on growing specialty product segments



Market growth CAGR 2017 - 2022

Lubricant Additives Sales 2018



* Source: Kline , LANXESS Research; PAO = Polyalphaolefines, POE= Polyoleesther

General industry applications provide a variety of independent growth sources

Turbines
Highest safety standards

Windmills
Alternative energy drives growth

Gear Boxes
Highest temperatures and abrasion protection

Metal Working
Highest endurance and abrasion protection

Any questions?

One time fill required

Highest abrasion resistance

Less replacement cycles



Innovative lubricant technology leverages growth offering synergistic customers' advantages



Royco™



Leader in synthetic aviation turbine oils

Hybrid Greases



A unique solution attracting key global customers' interests

Lubricant Additives builds on its leading market positions through innovation and strong growth

Strategy execution

Leverage full value chain to grow in key product lines & tech transfer in adjacent markets & expand into Asia

Applied innovation

Succeed on key product launches to fulfill low friction, high temperature and corrosion protection requirements

Growth driver

Harvest growth in APAC region



LANXESS lubricates your world

LANXESS

Energizing Chemistry



Chemicals trading made easy

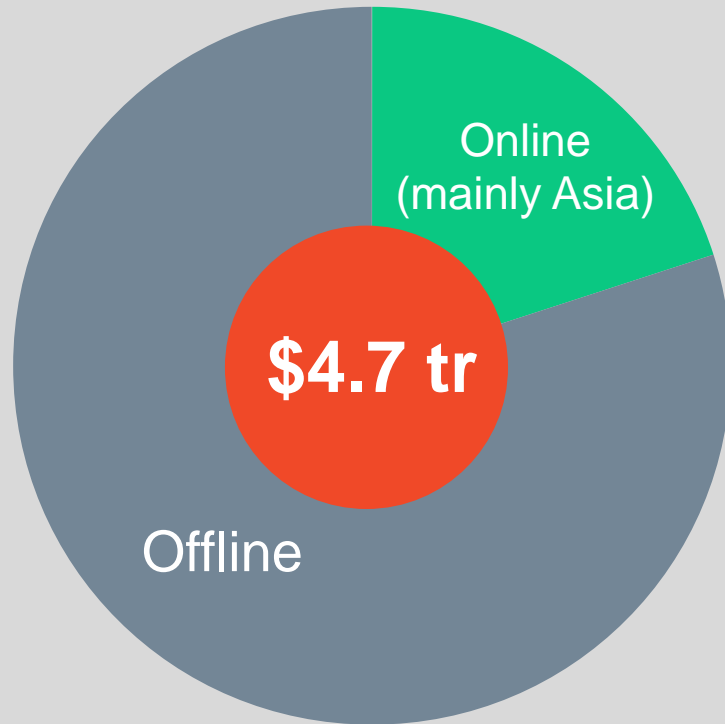
CheMondis

Sebastian Brenner
Managing Director
15 November 2019

CheMondis is a stand-alone company, neither run, governed nor represented by LANXESS



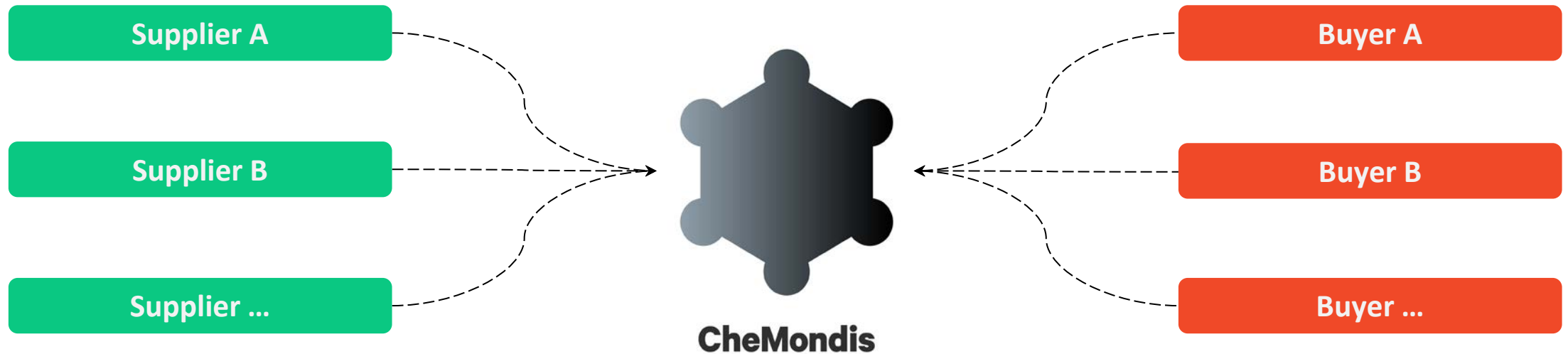
In 2019, the Chemicals market is still largely offline



▶ Chemicals is a \$4.7 tr global B2B industry, 80% is offline

▶ This is reality in buying and selling Chemicals

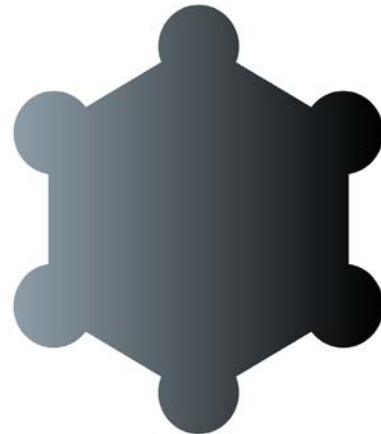
CheMondis is an open marketplace to connect professional suppliers and buyers of chemical products



How we started CheMondis

CheMondis was launched
only one year ago

Start-up setting,
completely independent
from LANXESS group
structures

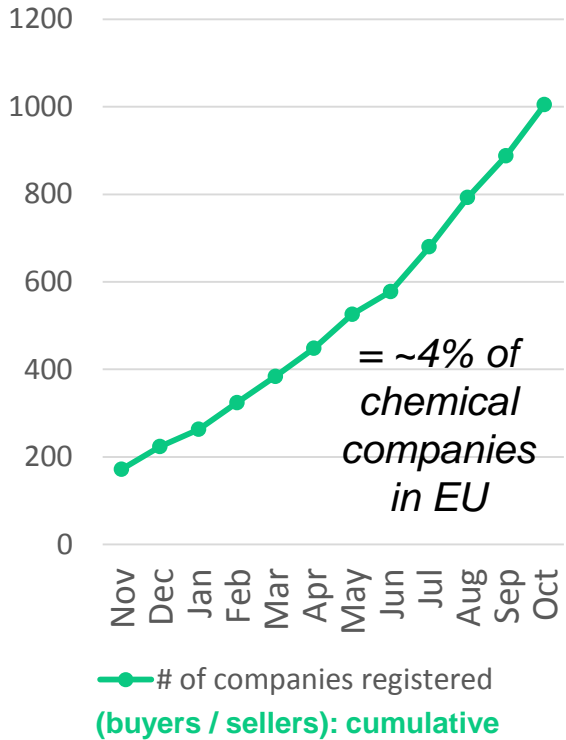


CheMondis

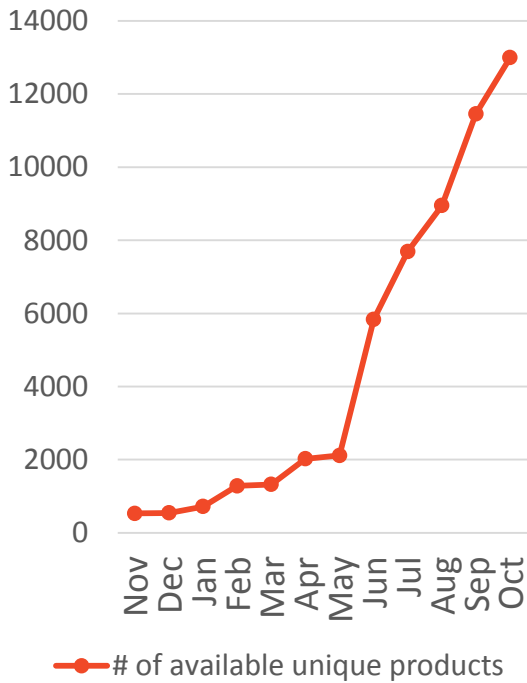
Already accomplished
a lot...

CheMondis is gaining traction month by month

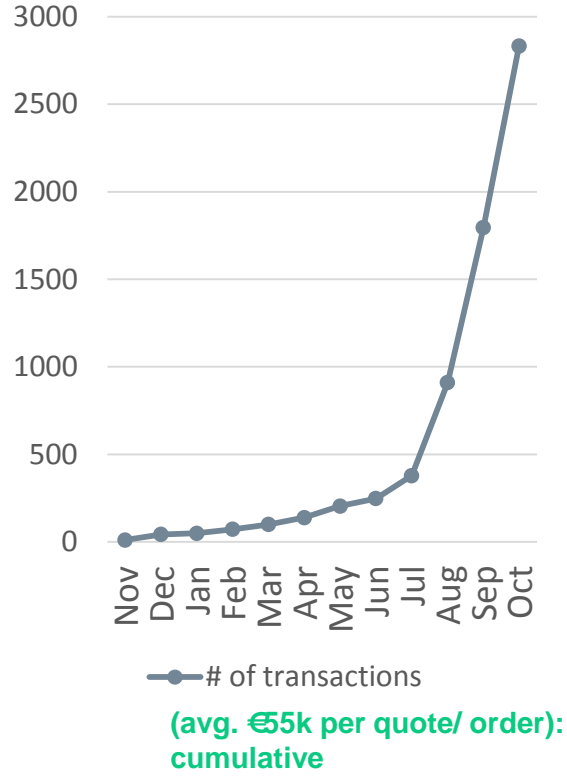
of companies signed up



of active products



of transactions



Fact #1
>1,000 companies active (65% buyer, 35% supplier)

Fact #2
13,000+ products for use in >15 different

Fact #3
~€150 m transaction value (cumulated, YTD '19)

Using CheMondis is as easy as B2C online shopping

The screenshot displays the CheMondis website interface. At the top, there is a search bar with the placeholder text "Enter CAS No., Product Name, Formula" and a green "Search" button. To the right of the search bar are "Register" and "Login" buttons. On the left side, there is a navigation menu with "Home" and "INDUSTRIES" sections. The "INDUSTRIES" section lists various categories with checkboxes, and a "Show More" link. Below this is the "PRODUCT GROUPS" section with expandable categories. The main content area features a product card for "Propylene Glycol". The card includes a chemical structure diagram, the product name, CAS number (57-55-6), EC number (200-338-0), molecular formula (C3H8O2), molar weight (76.100), and IUPAC name (Propane-1,2-diol). It also lists synonyms and industries where the product is used. Below the product card is a table with columns for "PRODUCT NAME", "DELIVERY FORM", and "SUPPLIER".

PRODUCT NAME	DELIVERY FORM	SUPPLIER
→ Blanova® Propylene Glycol 1,2 EP / USP		Azelis Deutschland Kosmetik GmbH
→ Cooltrans Plus CTL		VivoChem B.V.
→ Cooltrans Plus CTP		VivoChem B.V.
→ Glicole Propilenico 99,7% USP/EP	Liquid	ML LAB SRL
→ Mono Propylene Glycol	Liquid	International Solvent Solutions BV
→ Mono Propylene Glycol (MPG)	Liquid	Preparados Químicos De Navarra S.L.

- Professional buyers' behavior is shifting towards online channels
- CheMondis customer experience comparable to well known B2C platforms
- All steps of the transaction take place on CheMondis platform

CheMondis is constantly expanding its feature set, working 100% customer centric

Current features:

Online Marketing (SEA)



Search



Deal making



Agreement management



Order EDI



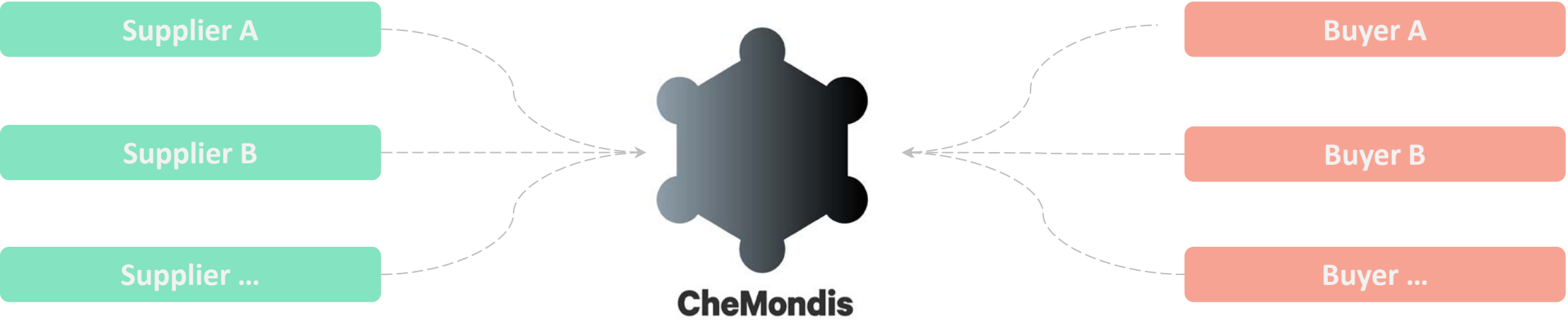
Collection



Credit Rating



Data & Analytics



Future potential additional features:

Product Roadmap: (>100 product hypothesis)

Logistics / Warehousing



Payment

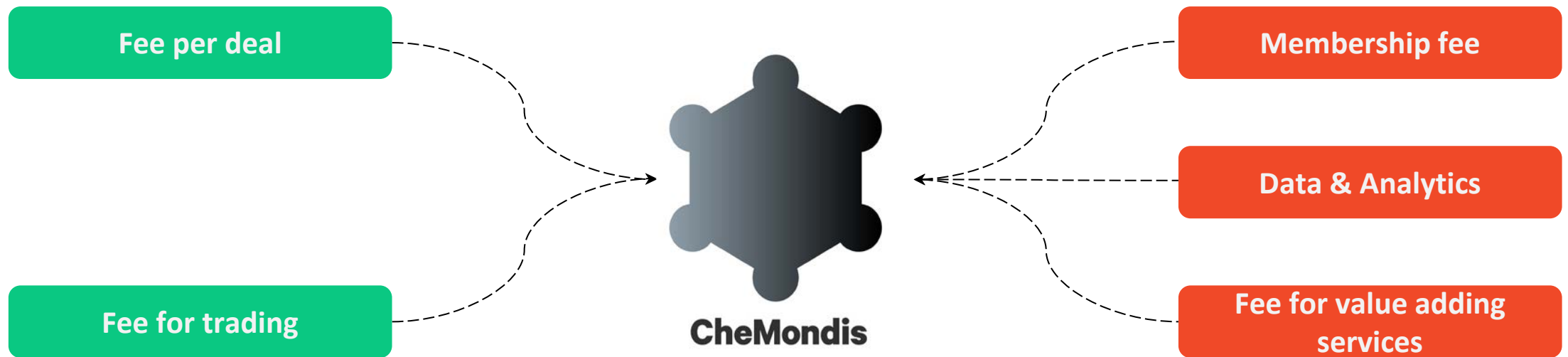


Technical Advice



And much more...

Various ways to monetize trading on CheMondis



**CheMondis developed a MVP within 3 months to
begin the process of learning as soon as possible...**

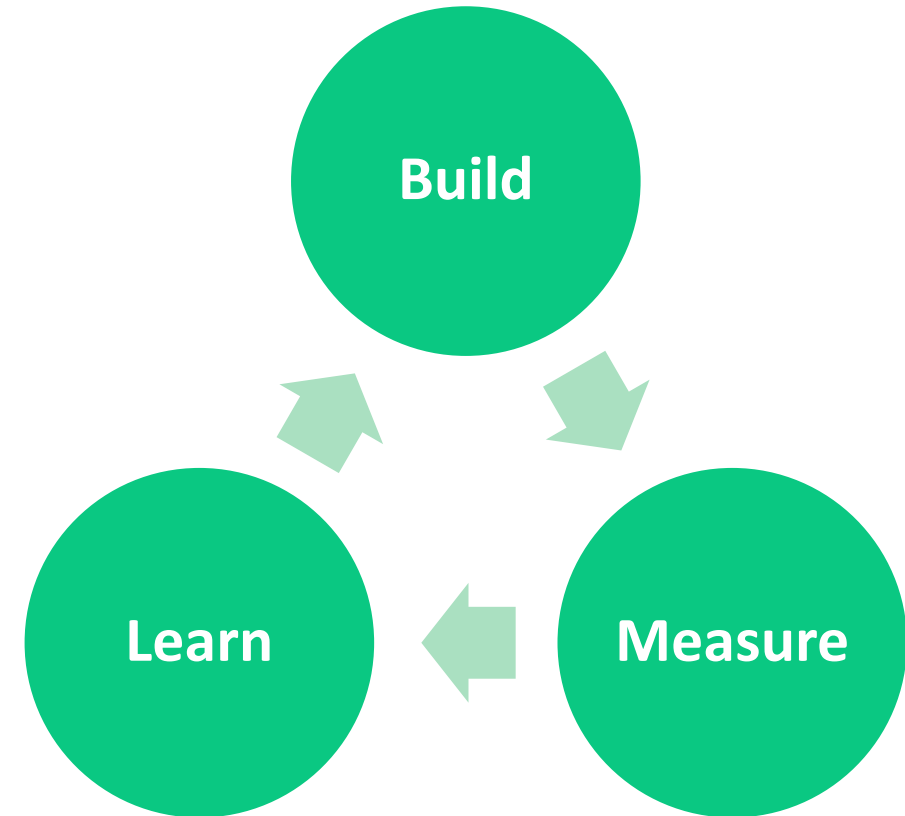


= minimum viable product (MVP)



= advanced product

Our Objective: Fast execution and continuous learning





Home

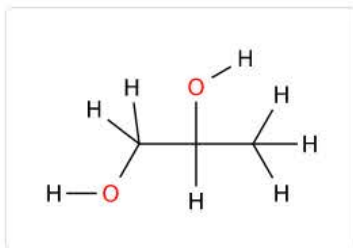
INDUSTRIES

- Additive Manufacturing (AM)
- Adhesives & Sealants
- Agriculture
- Ceramics & Glass
- Chemical Manufacturing
- Cleaning Products
- Construction
- Cosmetics & Personal Care

» Show More

PRODUCT GROUPS

- > Acids & Lyes
- > Additives
- > Agrochemicals
- > Bio-based Materials
- > Fillers
- > Flavors & Fragrances
- > High Performance Materials
- > Intermediates
- > Monomers & Polymers
- > Oleochemicals
- > Packaging
- > Pigments & Dyes
- > Purification Agents
- > Ready-to-Use
- > Resins
- > Solids
- > Solvents
- > Surfactants



Propylene Glycol

CAS: 57-55-6

Molecular Formula: C₃H₈O₂

Molar Weight [g/mol]: 76.100

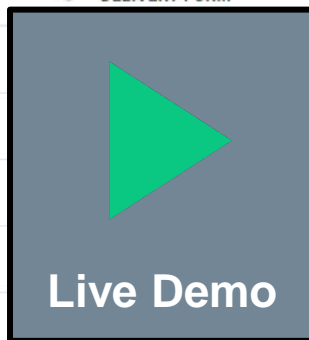
EC Number: 200-338-0

IUPAC Name: Propane-1,2-diol

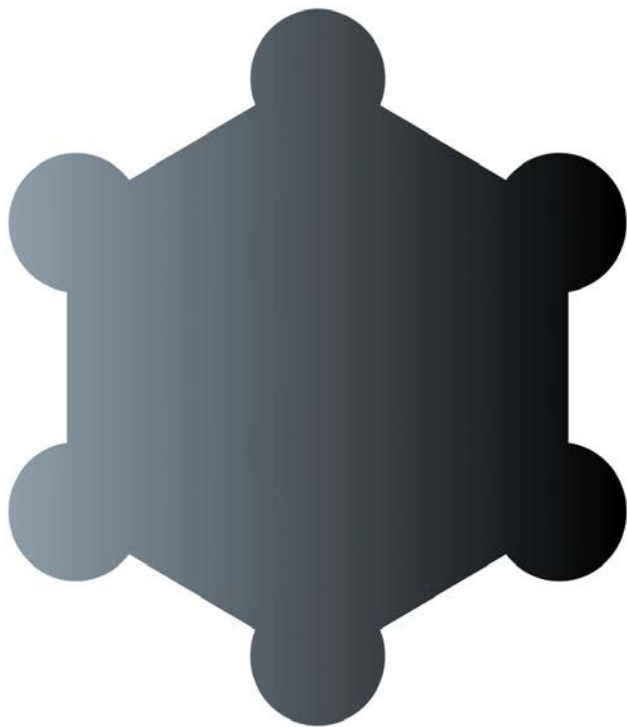
Synonyms: 1,2-dihydroxypropane; (+/-)-1,2-propanediol; 1,2-propanediol; 1,2-propylene glycol; arcoplus(r); arctic plus(r); dowfrost(tm); glycol-propylene; methyl glycol; methylglyeol; mono propylene glycol; propane-1,2-diol

Industries: Adhesives & Sealants, Agriculture, Ceramics & Glass, Chemical Manufacturing, Cleaning Products, Construction, Cosmetics & Personal Care, Food & Feed, Leather & Textiles, Lubricants, Other Industries, Packaging Materials, Paints & Coatings, Pharma & Life Science, Plastics, Pulp & Paper, Rubber, Water Treatment

PRODUCT NAME	DELIVERY FORM	SUPPLIER	
→ Blanova® Propylene Glycol 1,2 EP / USP		Azelis Deutschland Kosmetik GmbH	Details >
→ Cooltrans Plus CTL		VIVoChem B.V.	Details >
→ Cooltrans Plus CTP		VIVoChem B.V.	Details >
→ Glicole Propilenico 99,7% USP/EP		ML LAB SRL	Details >
→ Mono Propylene Glycol		International Solvent Solutions BV	Details >
→ Mono Propylene Glycol (MPG)	Liquid	Preparados Quimicos De Navarra S.L.	Details >
→ Mono Propylene Glycol (MPG)	Liquid	Same Chemicals BV	Details >
→ Mono Propylene Glycol (MPG)	Liquid	International Solvent Solutions BV	Details >
→ Mono Propylene Glycol Double Distilled (MPG)	Liquid	Balthemis	Details >
→ Monopropylene glycol		VIVoChem B.V.	Details >



Reasons to love CheMondis



CheMondis

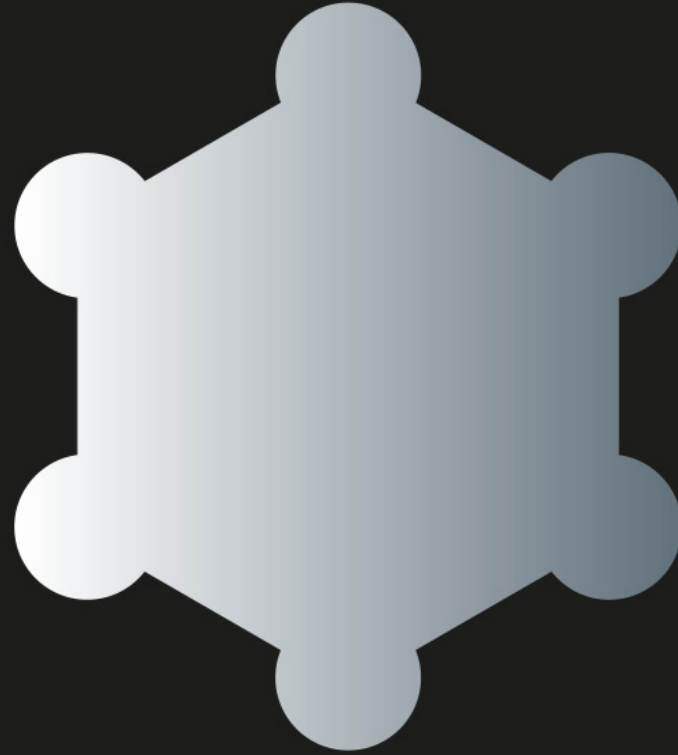
Largest and fastest growing B2B marketplace for industrial chemicals in the western world, with strong customer centric offers along the value chain

Exceptional team of skilled and dedicated experts combining chemical, digital and tech know-how

Unique setup, backed by industry know-how and capital



Thank you.



CheMondis

LANXESS

Energizing Chemistry



LANXESS
Energizing Chemistry

Meeting the Management 2019

Thank you for joining and have a safe trip home!

Cologne, 15 November 2019